

## ABOUT US

Derwent London owns and manages a £5.4bn portfolio (31 Dec 2020) of commercial real estate located predominantly in central London. This makes us the largest London focused real estate investment trust.

We typically acquire properties off low capital values and modest rents in improving locations. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building through asset management and refurbishment.

## YTD 2021 (TO 6 MAY)

- £1.3m of new lettings achieved year to date, together with another £4.3m under offer:
  - Average of 3.1% below Dec 2020 ERV
- 93% of March 2021 quarter day rent collected, up from 87% on 13 April with another 4% expected later in the quarter
- 95% of office rents collected with a further 4% expected later in the quarter
- Vacancy rate of 2.3% remains low, up from 1.8% in December 2020
- Two next net zero carbon developments at Soho Place W1 and The Featherstone Building EC1 due for completion in H1 2022 and are progressing well – 61% pre-let or forward sold – see overleaf
- Currently procuring the main contractor at 19-35 Baker Street W1, a 297,000 sq ft scheme, with demolition to start in H2
- Planning decisions expected in June on Network Building W1 for up to 130,000 sq ft
- Creating future potential at Holford Works WC1 after acquisition of long leasehold interest for £22.6m before costs where we already own the freehold – see below
- Net debt fell to £905m at 31 March, from £1,049m at year end
- Undrawn facilities and cash increased to £621m, from £476m in Dec 2020.
- The main factors were the receipt of £166m from the disposal of Johnson Building EC1 in Jan 2021
- Interest cover 4.7 times, from 4.4 times in Dec 2020
- LTV ratio 16.0% (18.4% in Dec 2020)

## 2020 SUMMARY

EPRA NTA per share	3,812p: -3.7% (3,957p Dec 2019)
Gross rental income	£202.9m: +5.8% (£191.7m 2019)
EPRA EPS	99.19p: -3.8% (103.09p 2019)
Dividend per share	74.45p: +2.8% (72.45p 2019)
Valuation	-3.0% underlying MSCI IPD* -5.6%
True equivalent yield	4.74% (4.77% Dec 2019)

\* MSCI IPD Central London Offices Capital Growth Quarterly Index

## MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

Nigel George, Director

David Silverman, Director

Emily Prideaux, Director

Quentin Freeman, Investor Relations

## INVESTMENT ACTIVITY YTD

### ACQUISITION - HOLFORD WORKS WC1



- Acquired the 65-year leasehold interest for £22.6m before costs, where Derwent London already owns the freehold
- 41,600 sq ft of former industrial space used as offices
- Combined interest estimated to produce a net initial yield of c.6% with a capital value of c.£630 per sq ft
- Medium term income as well as longer term opportunities

### DISPOSAL - JOHNSON BUILDING EC1



- 192,700 sq ft freehold
- Gross proceeds of £170m or £880 per sq ft
- Rent £7.3m
- Net initial yield to purchaser of 4.1%, decreasing to 2.5% after 40% of income expires in 2021



## MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m <sup>1</sup>	Comment
<b>On-site projects completing H1 2022</b>			
Soho Place W1	285,000	152 <sup>2</sup>	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 87% pre-let/forward sold
The Featherstone Building EC1	125,000	37	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	<b>410,000</b>	<b>254</b>	
<b>Forthcoming projects completing 2025</b>			
19-35 Baker Street W1	297,000 <sup>3</sup>	265	Consented. 217,000 sq ft offices, 52,000 sq ft residential and 28,000 sq ft retail
<b>Planning</b>			
Holden House W1	150,000		Consented. Office and retail scheme
Network Building W1	130,000		Planning submitted. Current floorspace 70,000 sq ft

<sup>1</sup> As at 31 Dec 2020 <sup>2</sup> Includes remaining site acquisition cost and profit share to Crossrail <sup>3</sup> Contracts have been signed to convert our 55% joint venture interest with the freeholder, The Portman Estate, into a wholly owned 129-year lease on the commercial element, paying an initial ground rent of 2.5%

## H1 2022 COMPLETIONS

## Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- 249,200 sq ft pre-let/forward sold (£17.0m pa net income)
- Capex to complete £152m<sup>1</sup>, including site acquisition
- Total ERV of £20.5m (Office ERV £92.50 psf)

## The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Offices and workspaces with 2,000 sq ft of retail
- Replaces two tired properties totalling 69,000 sq ft
- Capex to complete £37m<sup>1</sup>
- Total ERV of £8.1m (Office ERV £70 psf)

## FUTURE PROJECTS

## 19-35 Baker Street W1



- 297,000 sq ft consented scheme (143,000 sq ft existing)
- Commencing in H2 2021 with completion in H1 2025

## Network Building W1



- Planning applications submitted to increase floorspace from 70,000 sq ft to up to 130,000 sq ft with possible start in 2022