

FULL YEAR RESULTS 2023

Community Strategy delivering operational momentum

Lawrence Hutchings
Chief Executive

Stuart Wetherly
Group Finance Director



CAPITALISE.



REFINE.



ACCELERATE.

C&R

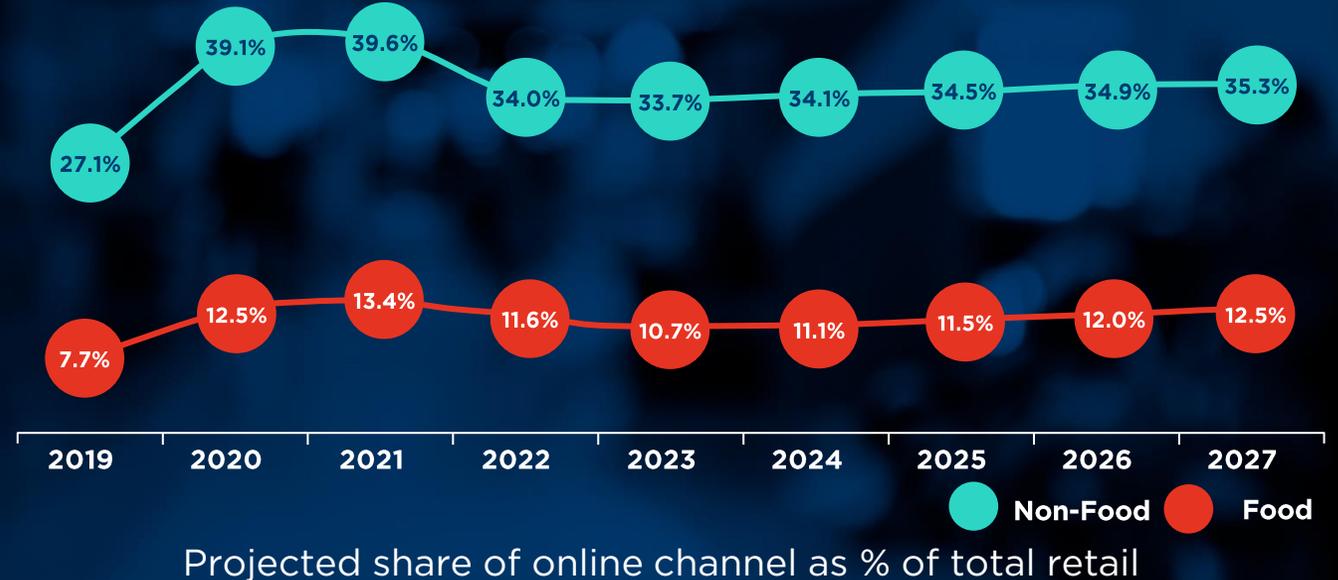
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REGIONAL**

SUPPORTING COMMUNITY LIVING.

Retail Market – The Return To The Store

- ❑ Online retail maturity for many categories in the UK
- ❑ Store based retailing represents 75-90% of sales for our core retailers
- ❑ Grocery and value retail is largest segment of UK retail sales £510bn pa
- ❑ Value retail is the fastest growing sector of UK retail market
- ❑ Improved Leasing demand for the best locations
- ❑ Our focus on needs and value retail – our community strategy - driving income and value

UK online share by category, 2023 vs. 2022 (%)



Strong Year of Activity

- ❑ Gyle acquisition and equity raise – significant progress against underwrite
- ❑ Footfall **+1.5%** / 44.5m shopper visits
- ❑ £16m of strategic capex projects delivered:
 - Supporting community strategy repositioning
 - Refining our customer proposition
 - Driving income growth
- ❑ 86 leasing transactions
 - +6.8% to previous passing rent
 - +16.6% to ERV
- ❑ Pipeline of leasing and capex initiatives
- ❑ Valuations stable
- ❑ **NRI +5% like-for-like**

➤➤➤ Continued Operational Momentum.



FY2023 FINANCIAL RESULTS

Stuart Wetherly
Group Finance Director

C&R

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Strong Year of Activity... Delivering Results



Financial Highlights

Operational Resilience and Balance Sheet stability

	2023	2022	Difference
Profitability			
Net Rental Income ¹	£23.9m	£23.5m	+£0.4m (+5% L4L)
Adjusted Profit ¹	£12.7m	£10.3m	+£2.4m/+23%
Adjusted Earnings per share ¹	6.8p	6.2p	+0.6p/+9.7%
IFRS Profit	£3.7m	£12.1m	-£8.4m
Total Dividend	5.70p	5.25p	+8.6%
	December 2023	December 2022	Difference
Net asset value			
Net Asset Value	£202.0m	£179.1m	+£22.9m
EPRA NTA per share	88p	103p	-15p
Debt			
Group net debt	£162.7m	£130.9m	+£31.8m
Net LTV	43.6%	40.6%	+300 bps
Average cost of debt ²	3.71%	3.58%	+13 bps
Average maturity ²	4.1 years	4.5 years	-0.4 years

1. Adjusted Profit/Earnings per share incorporates profits from operating activities and excludes revaluation of properties and financial instruments, gains or losses on disposal, exceptional items and other defined terms.

2. Weighted average. Maturity is stated assuming extension options are triggered.

Adjusted Profit

Operational improvements delivering improved profitability

	2023	2022	Difference	Comment
Profitability				
Net Rental Income	£23.9m	£23.5m	+£0.4m	+5% L4L, operational recovery driving improvement
Net Interest Payable	£(7.4)m	£(9.3)m	+£1.9m	Impact of FY2022 loan repayments
Snozone (EBITDA)	£2.3m	£1.4m	+£0.9m	Return to normalised trading year and Madrid improvement
External Management Fees	£1.9m	£3.3m	-£1.4m	Impact of Luton and Redditch sales (£0.8m non-recurring)
Central operating costs	£(6.6)m	£(7.0)m	+£0.4m	Efficiency improvements offsetting inflation
Variable overhead	£(1.4)m	£(1.6)m	+£0.2m	Includes £0.6m of executive retention awards that are non-recurring
Adjusted Profit ¹	£12.7m	£10.3m	+£2.4m/+23%	
Adjusted Earnings per Share ¹	6.8p	6.2p	+0.6p/+9.7%	

5% like for like improvement in NRI and Gyle acquisition offsetting loss of income from Blackburn sale in August 2022

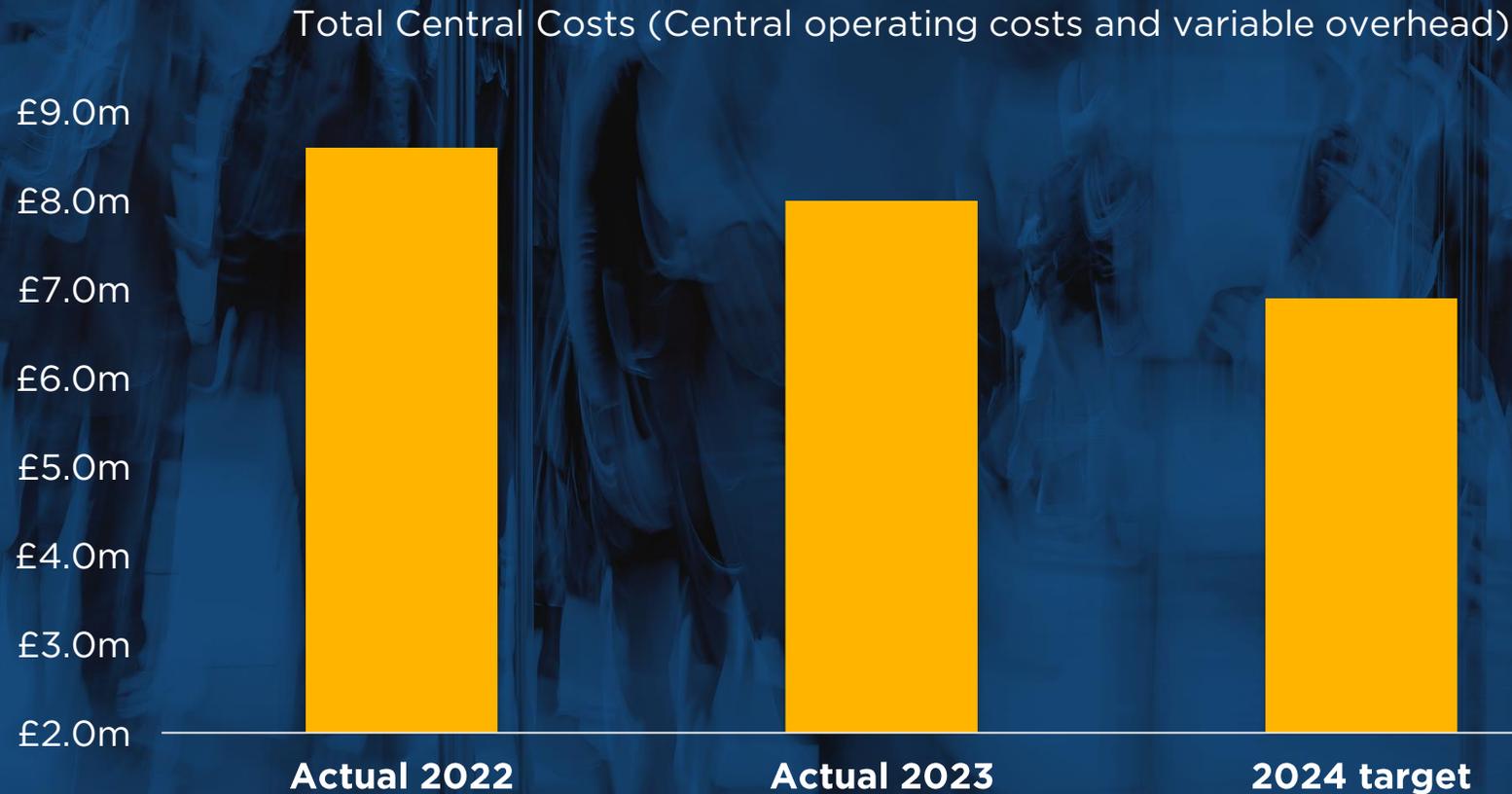
Interest benefiting from £60m of loan repayments made during 2022

Snozone improvement from first year not impacted by Covid since 2019 and Madrid improvement

1. Adjusted Profit/Earnings per Share incorporates profits from operating activities and excludes revaluation of properties and financial instruments, gains or losses on disposal, exceptional items and other defined terms.

Reducing Costs Against Inflationary Pressures

Ongoing focus on driving efficiency



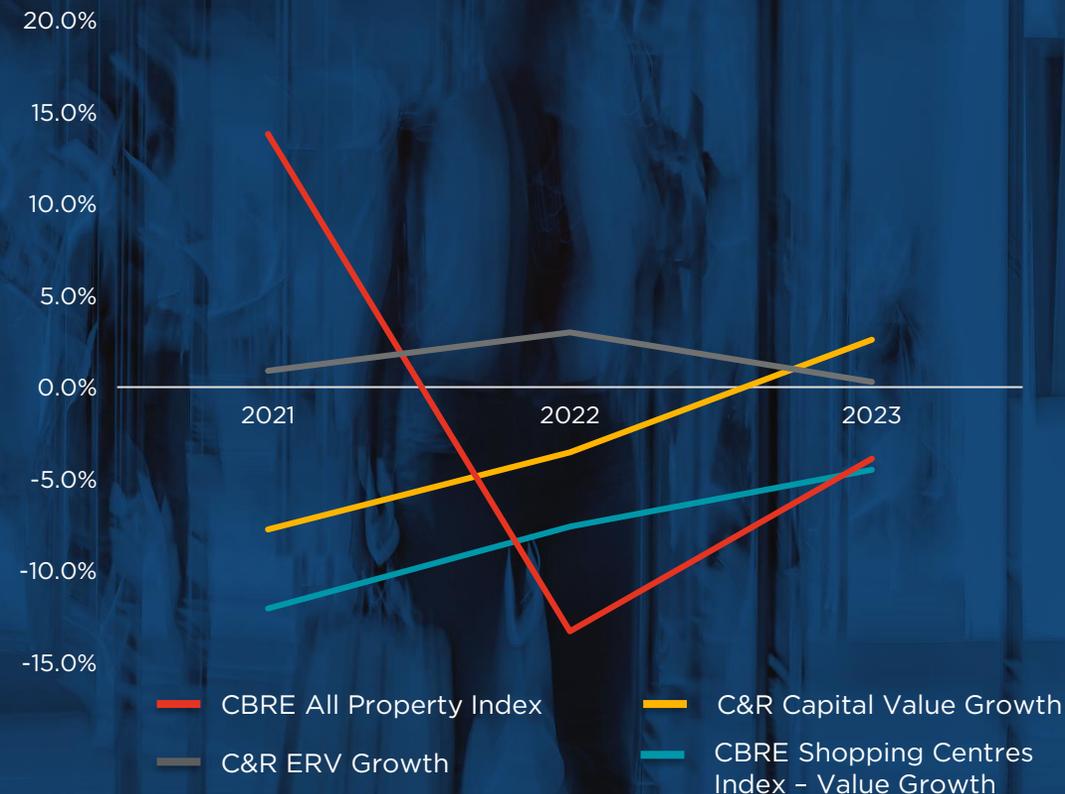
- ✓ 7% saving in 2023 through efficiency improvements and selective use of outsourcing
- ✓ Initiatives in progress to deliver similar saving in 2024
- ✓ From 2016 to 2023 central costs reduced from £9.6m to £8.0m, a reduction of 16.7% or 37% in real terms
- ✓ Scalability of the platform means Gyle acquisition has been integrated with no additional overhead

Valuations

Valuations have been stable for last two and a half years

	December 2023			December 2022			Like for like variance (%)
	£m	NIY (%)	NEY (%)	£m	NIY (%)	NEY (%)	
Maidstone	31.5	11.9%	11.7%	32.7	11.3%	11.5%	-3.7%
Walthamstow	77.7	6.8%	7.0%	80.0	6.0%	7.0%	-2.9%
Wood Green	149.5	7.1%	7.3%	144.0	7.6%	7.4%	3.8%
Hemel Hempstead	9.2	9.6%	17.4%	10.5	14.5%	17.5%	-12.4%
Ilford	63.3	5.7%	7.9%	55.6	5.0%	7.8%	13.8%
Gyle	41.6	11.9%	10.1%	-	-	-	-
TOTAL	372.8	7.8%	8.8%	322.75	7.2%	8.6%	15.5%
TOTAL Like-for-like (excluding Gyle)	331.2	7.3%	8.6%				2.6%

Like for Like Valuation Movements



2023 like-for-like improvement of 2.6% supported by broadly stable core equivalent yields

Growth in Portfolio Valued Rent and ERV reflecting continued trend seen over 2022

4.0% increase in Gyle valuation since acquisition reflecting leasing progress already delivered

Long Term Secured Debt Position

c. 80%+ Debt is secured and fixed until at least January 2027

December 2023	Debt £M	Cash £M	Net debt £M	Gross LTV %	Net LTV %	LTV Covenant %	Maturity	Interest%	Fixed %	Interest rate status
The Mall – Maidstone, Walthamstow, Wood Green	140.0	(10.2)	129.8	54.1%	50.2%	70%	Jan 27 +12m	3.45%	100	Fixed until January 2027
Hemel Hempstead	4.0	(0.5)	3.5	43.5%	38.0%	n/a	Jun 25 +24m	11.06%	-	Floating
Ilford	39.0	(3.9)	35.1	61.6%	55.5%	70%	Sep 25 +27m	5.50% ¹	100	Fixed until September 2025
Gyle	16.0	(2.6)	13.4	38.5%	32.2%	75%	Sep 28	6.50%	100	Fixed until September 2028
Central cash (incl. Snozone)	-	(19.1)	(19.1)	-	-	-		-	-	
TOTAL	199.0	(36.3)	162.7	53.4%	43.6%			4.25%	97.8%	

Mall debt (70% of total) is secured and fixed until January 2027 with additional one year option

Ilford – secured extension to September 2025 and further extension options to end of 2027

Hemel – covenants waived until June 2025 and options to extend to June 2027

Dividend

Adjusted Profit underpinning dividend progression



**2023 Rent
Collection**



**2023 growth in
Adjusted EPS**



**Valuations
Stable**



**Total Dividend
+8.6% vs 2022**

- ✓ Final dividend of 2.95p per share, resulting in total dividend for the year of 5.70p per share - 1.2x covered by Adjusted EPS
- ✓ Covers FY23 REIT obligations
- ✓ Dividend policy to pay at least 90% of EPRA profits over the full financial year



BUSINESS UPDATE

Lawrence Hutchings
Chief Executive

C&R

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Our proven Community Strategy

Core attributes of a successful Community centre

Dominant high growth urban location

Transport hub rail/tube/bus/car

Tailored to needs of local community

High quality guest services

Non-discretionary retail and services tenancy mix

Core Pillars of Merchandising



Grocery



Services



Health and Beauty



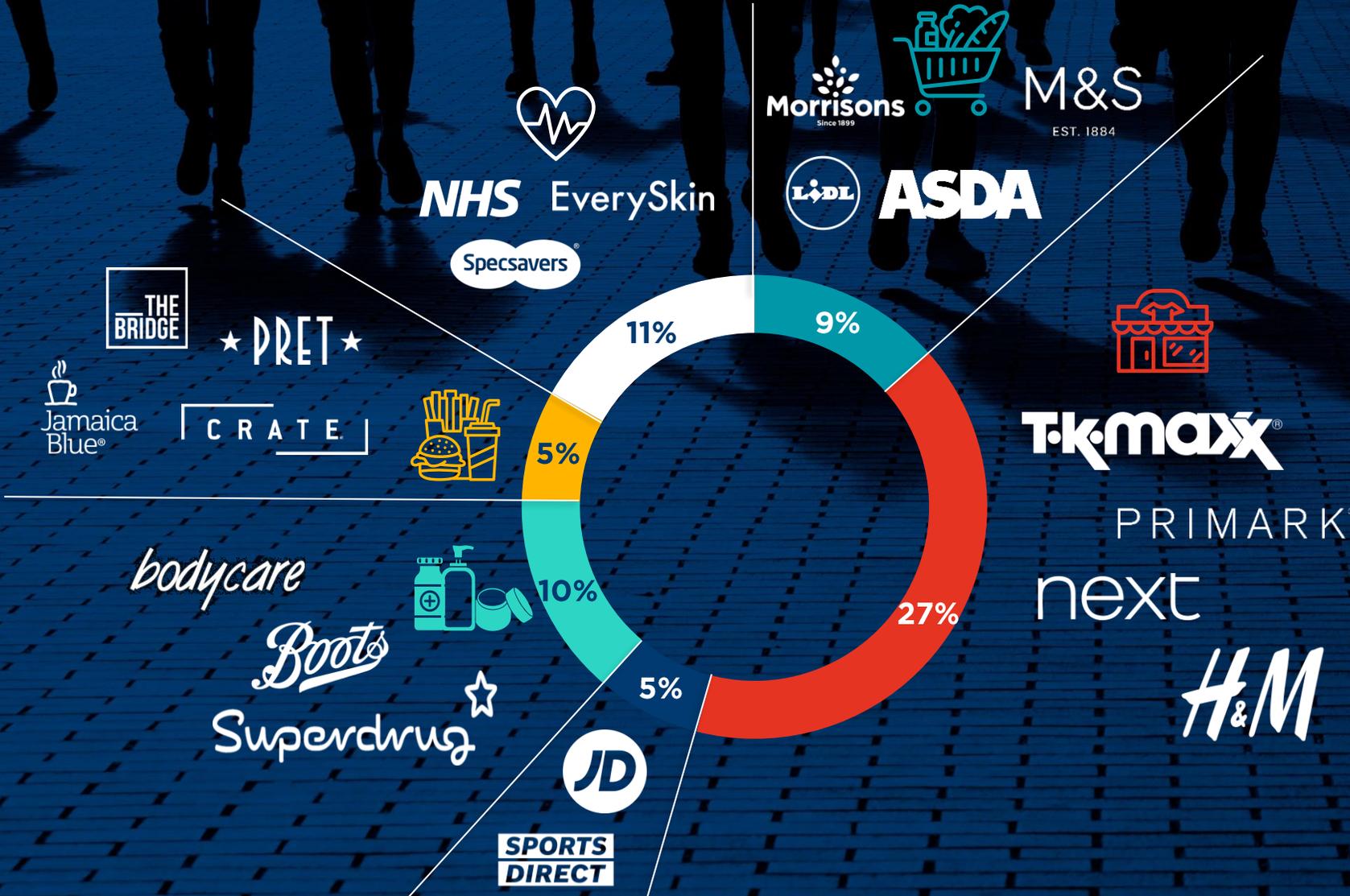
Food Catering



Value Apparel

Community Centre Merchandising

Our focus value orientated, non-discretionary retail and services



- ✓ Leading needs-based retail and services brands, complementing local independent retail tailored to their communities
- ✓ Store first retail: value and services benefit from lower levels of online penetration
- ✓ UK underrepresented in value and discount retail

Diversified Income

Our repositioning and remerchandising is transforming the quality and diversity of our income base

01.  4.2%

02.  2.8%

03. PRIMARK® 2.5%

04.  2.0%

05.  2.0%

06. NEXT 1.9%

07. Superdrug[☆] 1.9%

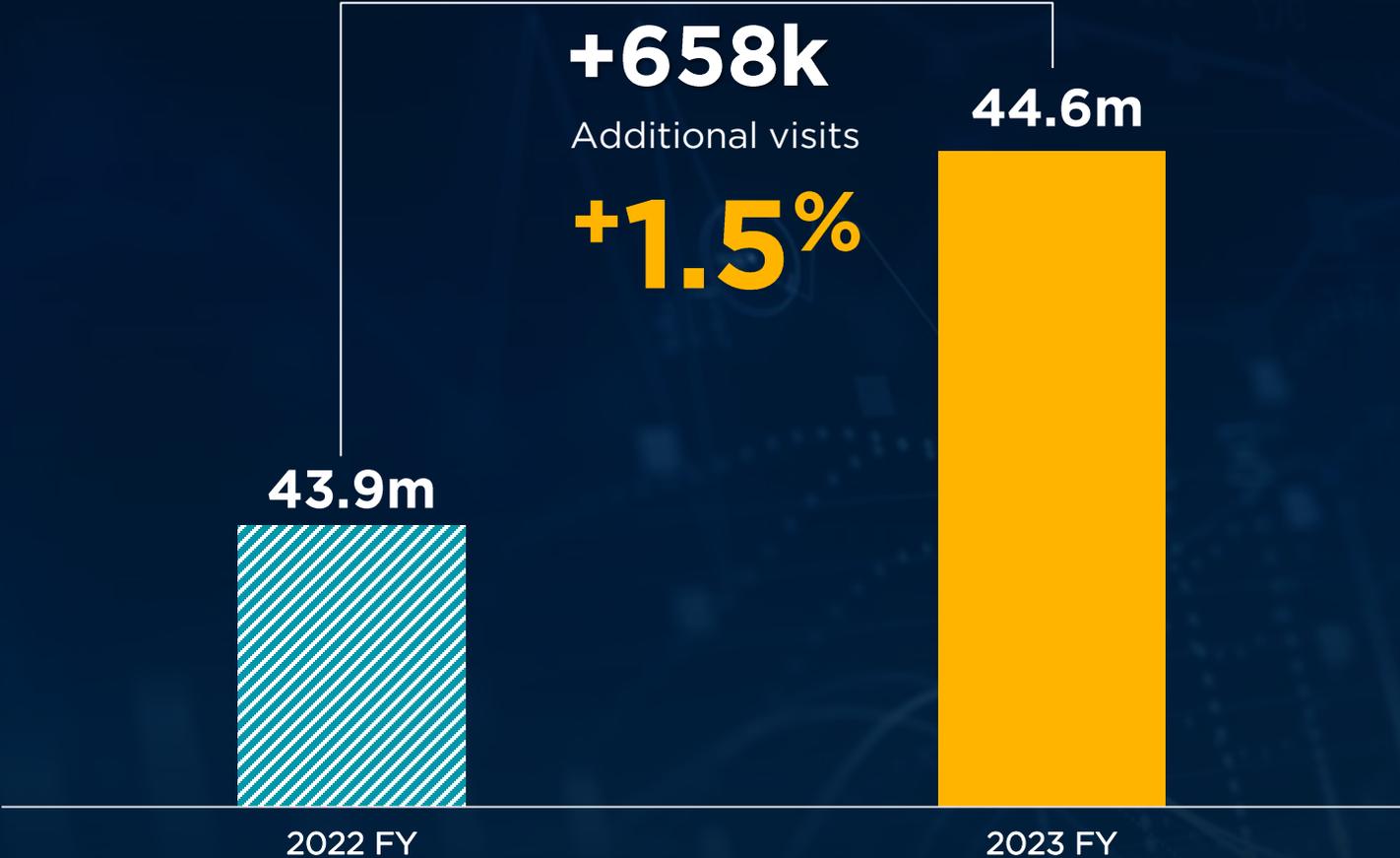
08. jobcentreplus 1.8%

09.  1.6%

10.  1.6%

The Continuing Momentum of Physical Retail Stores

Footfall recovery continues -



+8.3%

Ilford has the largest variance vs. 2022

+4.1%

Gyle Footfall 2023 vs. 2022

10.1m

2024 visits year to date

Leasing Performance

Year-on-year increase in transaction volumes and spreads

FY 2023

45 New lettings

41 Renewals settled

+6.8%

+16.6%

Comparison to previous rent¹

Comparison to ERV¹

5.1 Weighted average lease length to expiry

3.2 Weighted average lease length to break

Leasing Spreads to ERV¹



Leasing Transactions Volumes and Values



1. For lettings and renewals (excluding development deals and CVA variations) with a term of 1 year or longer which do not include turnover rent element.

Leasing Momentum Continuing Into 2024

Deals completed post year end

21

Deals Closed

in first three months of 2024 with headline rent of £1.35m



Lettings

- Leasing spread:
- Vs ERV: 5.9%
 - Vs PPR: 1.3%



Renewals



THE PERFUME SHOP H·SAMUEL

11

Deals Exchanged

Headline Rent £618k



Lettings



Renewals



Demand Continues...

2024 Leasing Progress

Continuing retailer demand driving leasing pipeline

New lettings & renewals

 **11**
Exchanged

£618k 
Headline Rent

26 
Lawyers instructed

£902k 
Headline Rent

 **02**
Heads of Terms Agreed

£57.5k 
Headline Rent

39

£1.58m

Gyle Acquisition – Recap

Compelling basis and structure delivering significant earnings enhancement - in line with proven community centre strategy

£40m

acquisition price equates to 13.5% NIY, rebasing to c. 12%

More than **80%** reduction from peak valuation

£100

PSF capital value - c. 60% discount to replacement cost

£16m

Stapled debt at 40% LTV - 5yr capped at 6.5%

Community and asset fundamentals underpinned by two anchor tenants:



130k sq. ft

MARKS &
SPENCER

79k sq. ft

Anchor tenants (on peppercorn rent)

2,800 car park spaces



8.6m footfall p.a.



Transport Connectivity



6 miles from city centre



2.7 miles from the airport



Gyle Asset Plan

Focus on quick wins: Leasing (occupancy and renewals), branding and refresh

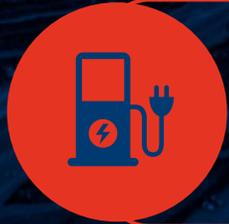


LEASING

- ✓ Grow income through improving occupancy
- ✓ Lease renewals: Improve income security, WALT and fit out upgrades

STATUS

7 Leasing transactions completed (600k rent)
Further 9 in solicitors' hands (670k net rent)
Above UW plan in aggregate



CAR PARK

- ✓ Install EV Charging and ANPR
- ✓ Carpark upgrade and resurfacing

STATUS

ANPR – Installation underway
EV: Tender process commenced
Upgrade works: commenced



REFRESH

- ✓ Internal environment refresh
- ✓ Rebrand
- ✓ New signage and entrances

STATUS

Retail Interiors: Designers appointed
First phase concepts received
Target first phase on site Q3 2024



FOOD CATERING

- ✓ Increase food & leisure provision

STATUS

Project team appointed – planning, design, structural reviews underway

Gyle Leasing Progress

Strong leasing momentum delivering ahead of plan.
Asset management initiatives underway.

Leasing

- Seven permanent lettings and renewals (£600k rent) completed with national brands since acquisition.
- Current pipeline of nine permanent lettings and renewals (£670k rent) in advanced Heads of Terms.
- Strong interest from a combination of new brands to the centre and existing tenant wishing to upsize.



NHS

GREGGS

Superdrug 



cardfactory **OpticalExpress** **BarrheadTravel**



Capex repositioning – Completed Projects

Supporting remerchandising into Community format – driving our income growth



NHS
CDC / NHS PHASE 2
Wood Green

CRATE
17&CENTRAL

THE BRIDGE
Wood Green



Expanding NHS Diagnostics facility in Wood Green

- Former basement storage space
- Exceeding NHS expectations on usage and patient engagement and experience



17&Central: Former food court transformation into Market Hall

- Blueprint for further expansion in food catering offers



Market leading community food catering facilities Wood Green

- Five catering units, independent local traders

Capex – Pipeline Projects

High impact, accretive, flexible, short cycle, pre-let merchandising and ESG initiatives

Onsite



Former WHSmith
remerchandising

TDC £1.9m

NHS

Ilford Medical Centre
and wider refurbishment

c.£6m

Pipeline



ESG

Upgrade

c.£1.8m

Gyle Leasing, carpark,
masterplanning &
Refresh

£2m

Ilford Masterplan
Grocery and Kids Play

c.£6m

Masterplan/
Value Creation



Gyle food catering

c.£3m

Walthamstow retail
extension

c.£17m

Wood Green: New MSUs

c.£5m

Ilford future phases

c.£11m

Iford Repositioning Masterplan

Comprehensive repositioning into Community Centre Format
7 Phase multi year masterplan provides flexibility



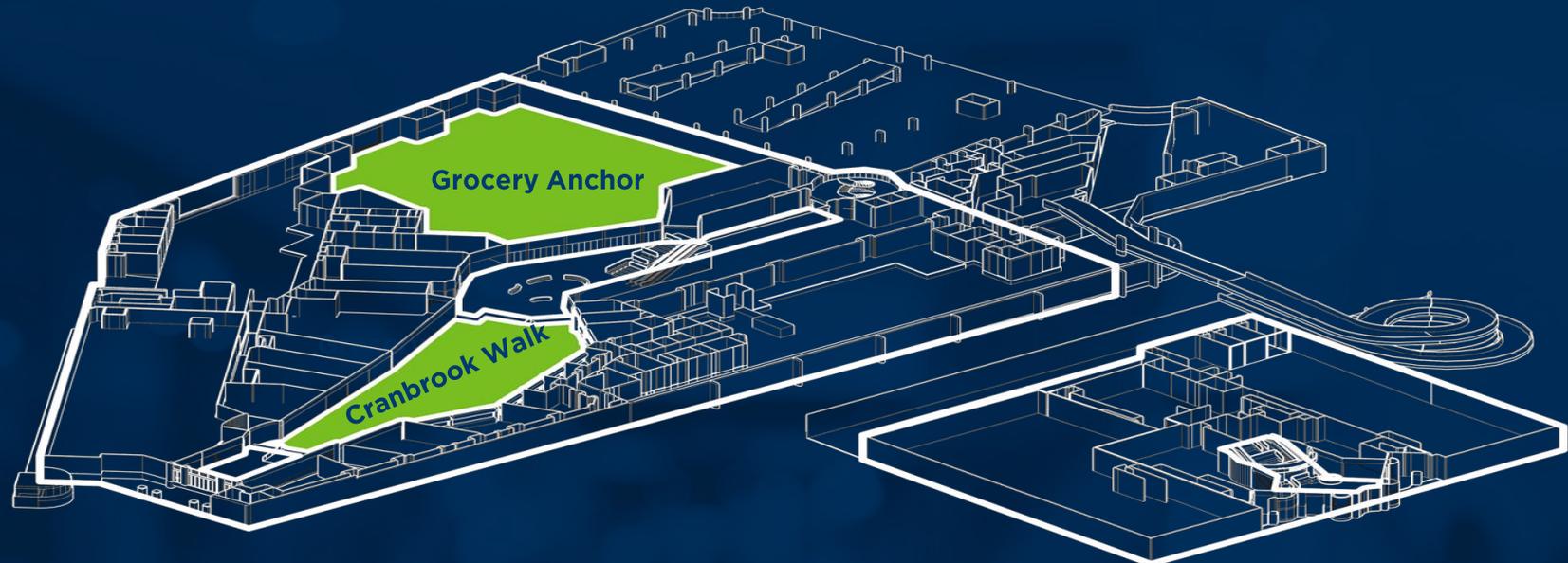
Ground Floor

Phase 1

- New 30,000 grocery anchor
- Between new Elizabeth Line station and car park
- Catalyst to remerchandise balance of Ground Floor

Phase 2

- Combination of fresh and Catered food offer
- Services and general merchandise
- Targeting additional grocery offer



Ilford Masterplan - Progress

Repositioning into Community Centre



Level 1

Phase 3:

- Relocation and expansion of



- New 26k sqft anchor store
- Exceeding targets
- Significant footfall and sales uplift in surrounding retailers

Phase 4:

- Additional anchor store identified for current level 1 mall
- 26k sqft
- Under offer with leading value apparel operator



Iford Masterplan - NHS Primary Care

Comprehensive repositioning and remerchandising through a 7 phase multi year plan



Level 2

Phase 5:

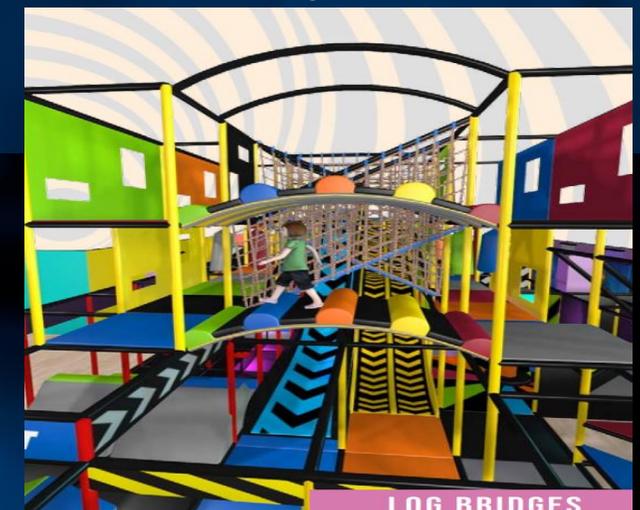
- 20,000 sqft NHS Primary Care facility in amalgamation of eight shops and common area
- Opening Q2 24

Phase 6:

- Kids Soft Play
- 10,000 sqft
- Under offer to experienced commercial operator

Phase 7:

- Additional 15,000 sqft MSU



Unlocking value through mixed use

Case Study: Walthamstow residential Three Phase Masterplan

Phase 1: 495 Apartments – BTR

- 30% affordable
- 560 Jobs
- Training for local residents
- £21.6m capital receipt received July 2022

Phase 2: 50k sqft retail and 43 apartments in low rise

Phase 3: new Victoria Line station access in centre



Further opportunities for mixed use development in Ilford, Wood Green and Gyle



Walthamstow Phase 1 Progress

17&Central residential development update





Continued out-performance

2023 Revenue: **£14.8m +16% vs. 2022**

EBITDA: **£2.3 m +64% vs. 2022**

Snozone Madrid – acquired in Feb 2021

2023 Revenue: **£3.9m (2022: £3.4m)**

2023 EBITDA: **£0.6m (2022: £(0.2)m)**



Water Consumption **(18)% vs 2019¹**



Scope 2: Electricity Consumption **(16)% vs 2019¹**



Scope 1: Natural Gas Consumption **(25)% vs 2019¹**



ESG Strategy Progress

Our social and environmental initiatives continue to positively impact our communities and performance

Environmental Impact



Scope 2 H1:
Electricity Consumption

↓ **31% vs 2019¹**



Total Energy Consumption

↓ **38% vs 2019¹**



Scope 1 H1:
Natural Gas Consumption

↓ **72% vs 2019¹**



23,730 trees planted between C&R and Snozone, offsetting 2285 tons of CO₂



100% Scope 3 data collected

Social Impact



140 Charities supported



464.5 Volunteering hours



112 Community events hosted



£180k invested in supporting communities



The Mall Wood Green winners of the REVO Award for Asset Management Initiative for the CDC

Gyle





CAPITALISE.

- ✓ Return to physical stores
- ✓ Balance sheet stability
- ✓ Gyle acquisition
- ✓ Investments in capex



REFINE.

- ✓ Ongoing investments in customer proposition and tenancy mix



ACCELERATE.

- ✓ Income growth through leasing and capex

Continued Operational Momentum

Q&A



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THE END

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