OUR STRATEGY CONTINUED

04 A DISCIPLINED FINANCIAL POSITION

We fund the business through a combination of shareholders' equity, bank debt and proceeds from disposals, with the contribution depending on the relative cost of debt and equity and the income profile of our assets. We look to raise equity where we see attractive investment opportunities that are accretive for shareholders.

Our strategy for debt financing is to maintain a prudent level of debt, with an LTV range of 30–40% over the longer term. We look to hedge the interest on a significant portion of our debt to provide greater certainty over our financing costs.

PROGRESS IN THE YEAR

This year we completed a £300.0 million debt refinancing, comprising a £200.0 million term loan and a £100.0 million revolving credit facility ("RCF").

The margin on the facility was 45 basis points below the previous margin, delivering cost savings of £1.2 million on an annualised basis, equivalent to 0.3 pence per share, based on the year-end position.

KEY METRICS

32.4%
LTV

92.9%
of debt hedged

£31.0m
headroom

3.6%
weighted average cost of debt

3.4x
interest cover rate