



# WAREHOUSE REIT

## THE SPECIALIST WAREHOUSE INVESTOR

FY2020 RESULTS  
JUNE 2020

WAREHOUSE REIT PLC

TILSTONE



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- Performance – The performance of the Company would be adversely affected by a downturn in the UK property market in terms of market value or a weakening of rental yields.
- Operational Performance – Both rental income and market value of the properties acquired by the Company will be affected by the operational performance of the properties or the related business being carried on in the property and the general financial performance of the tenants.
- Failure to Achieve Investment Objectives – The ability of the Company to achieve its investment objectives depends on the ability of TPL to identify, select and execute investments which offer the potential for satisfactory returns. The underperformance of TPL could have a material adverse affect on the Company's financial condition and operations.
- COVID-19 - The COVID-19 pandemic and associated government measures has had and is likely to continue to have a significant impact on the Company, and the ultimate impact is dependent on the duration and extent of the pandemic and is therefore not yet known.
- Competition - The Company may face significant competition from other UK or foreign property investors. The existence of such competition may have a material adverse impact on the Company's ability to acquire properties and to secure tenants for its properties at satisfactory rental rates and on a timely basis.
- Regulatory Compliance - The Company cannot guarantee that the Group will maintain continued compliance with all of the REIT conditions. If the Company fails to maintain its REIT status, its rental income and capital gains may be subject to UK taxation which could have a material impact on the financial condition of the Company.
- Borrowing - The Company intends to use borrowings to acquire further properties and those borrowings may not be available at the appropriate time or on suitable terms. If borrowings are not available on suitable terms or at all this will have a material adverse impact on the returns to Shareholders and in particular the level of dividends paid. Whilst the use of borrowings should enhance the NAV where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Company's portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company.
- Development & Maintenance - Any development or refurbishment works may involve significant costs and may be adversely affected by certain restrictions. This could cause the resulting revenues to be lower than budgeted, and may cause the asset to fail to perform in accordance with the Company's investment projections, consequently impacting on the financial condition of the Company.

## AGENDA

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Externally managed by an experienced team  
Tilstone Partners – Investment Adviser



Andrew Bird MRICS  
Tilstone Partners  
Managing Director



Peter Greenslade FCA  
Tilstone Partners  
Finance Director



Paul Makin MRICS  
Tilstone Partners  
Investment Director



Simon Hope FRICS  
Tilstone Partners - Chairman  
Warehouse REIT  
Non-Executive Director



## FULL YEAR RESULTS – KEY HIGHLIGHTS

- **Further progress across the business**
  - Successful £76.5m equity raise in April 2019
  - Capital deployed ahead of target at blended 7.0% NIY
  - New lettings 8.1% ahead of March 2019 ERVs
  - Total occupancy increased to 93.4% from 92.0%
  - New debt facility reducing the cost and extending maturity
- **Robust financial performance**
  - Total accounting return of 5.4% in the year to 31 March 2020
  - EPRA NAV 109.5p impacted by share issue and acquisition costs with like-for-like property valuation uplift of 2.5%
  - Adjusted earnings per share up 2.3% to 6.5p
  - Total dividend per share increased by 3.3% to 6.2p
  - Disposal of 12 smaller non-core assets raising £16.7m at an 8.3% premium to 31 March 2019 book values
  - Three main refurbishments delivered a 10.0% valuation uplift
- **Intention to raise capital near term to fund pipeline**
  - Pipeline of c.£350m with focus on e-commerce opportunities of which c.£120m is in exclusive or final negotiations
  - Dividend target for FY21 maintained at 6.2p

8.1%

LETTINGS  
AHEAD OF ERV

75 lettings in year to 31 March  
2020 at 8.1% ahead of ERV

£450.5m

PORTFOLIO  
VALUE

2.5% like-for-like valuation  
increase

£15.6m

ADJUSTED  
EARNINGS

2.0% like-for-like rental  
income growth

6.2p

DIVIDEND  
PER SHARE

Paid or declared dividends  
increase of 3.3% on FY2019



## COVID-19 IMPACTS

### Impact

### How WHR is positioned

Online sales surge

Around half of customers have online sales/distribution

Consumers demanding shorter delivery times

100% of portfolio within 2.5 miles of a town centre or major transport point

Social distancing measures

Suburban locations less reliant on public transport

Onshoring

Requirement for supply chain space closer to customers

Negative gilt yields

Portfolio valued at 6.3% EPRA 'topped-up' net initial yield

Heightened tenant default risk

Payments made or agreed for 94.0% of March 2020 contracted rent

UK REITs cancelling dividends

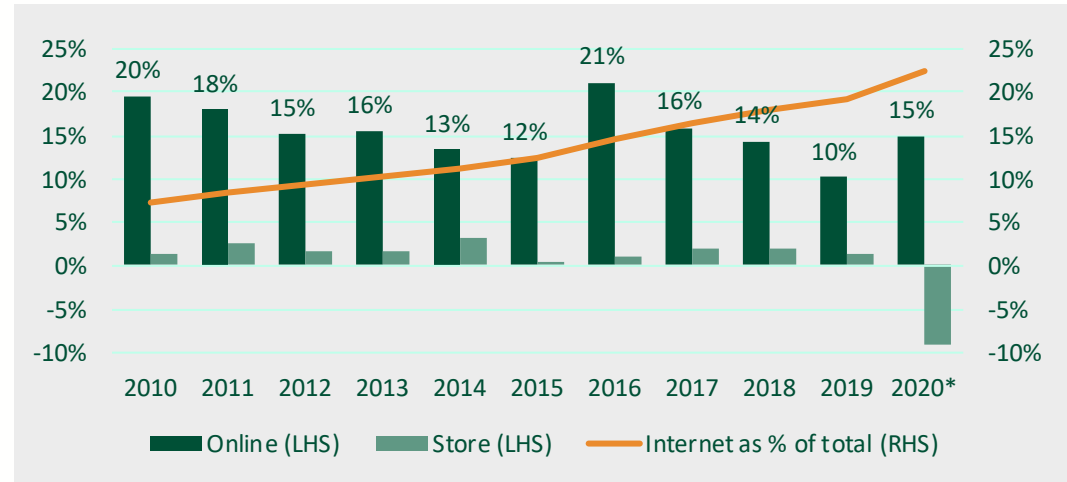
3.3% increase in FY20 dividend with 6.2p target maintained for FY21



## DELIVERING ON OUR STRATEGY

- **Clear strategy and well positioned**
  - Focus on e-commerce users and multi-let estates which diversifies risk and provides active management opportunities
  - 100% of assets are within 2.5 miles of a town centre or major transport infrastructure point
  - 28% of total rent roll accounted for by top ten tenants
  - Consistent leasing outperformance ahead of ERV since IPO
  
- **Strong position to capitalise on accelerating e-commerce**
  - Strong occupier demand for urban warehousing and multi let industrial units from a variety of sectors
  - Structural not cyclical demand from rise in e-commerce with UK online retail sales up 15% in 2020 year-to-date
  - Post lockdown ecommerce sales were up 33% year-on-year in April and the share of total sales surged to 30%
  - Cushman & Wakefield research suggests a 5-10% increase in occupier demand equating to an additional 200m sq ft
  - Vacancy rates close to historic lows
  - Investment market remains open with transactions proceeding

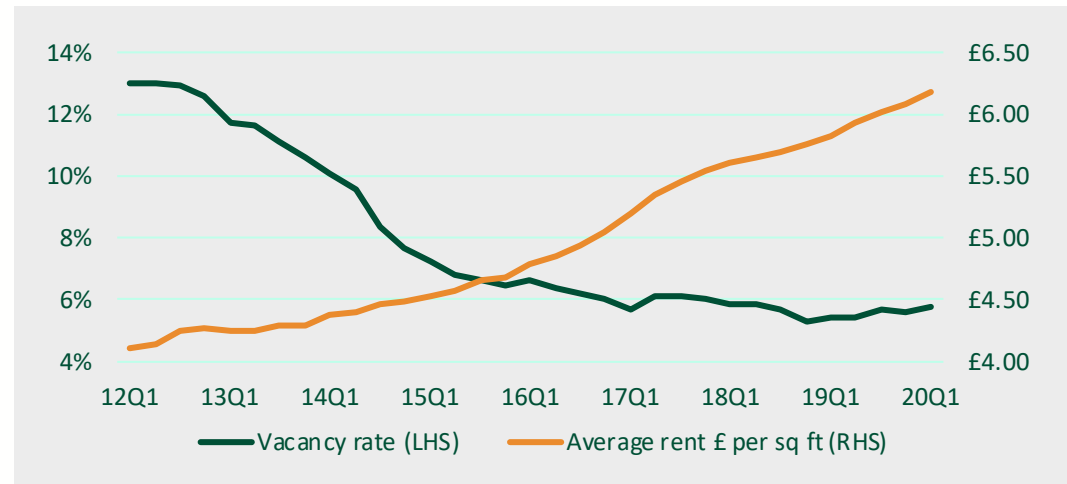
### Online sales vs instore sale growth



Source: ONS

\*year to date to April 2020

### UK industrial vacancy rate vs average rent



Source: CoStar/Savills

## FINANCIAL SUMMARY

	Year to 31 March 2020	Year to 31 March 2019	Change
IFRS profit before tax	£20.7m	£22.8m	-9%
Adjusted EBITDA	£21.5m	£15.2m	+41%
Adjusted earnings	£15.6m	£10.6m	+48%
Adjusted EPS	6.5p	6.4p	+2%
EPRA EPS	6.3p	5.1p	+26%
Dividends per share	6.2p	6.0p	+3%

	31 March 2020	31 March 2019	Change
Portfolio value	£450.5m	£307.4m	+47%
Loan-to-value	40.2%	39.7%	+0.5%
EPRA NAV per share	109.5p	109.7p	-0.2%

Past performance is not a reliable indicator of future results



## ADJUSTED EARNINGS

	Year to 31 March 2020	Year to 31 March 2019	Change
Gross rental income	£29.4m	£21.4m	+37%
Property operating expenses	(£3.3m)	(£2.9m)	+14%
Investment management fee	(£2.8m)	(£1.9m)	+49%
Other administration expenses	(£1.8m)	(£1.5m)	+22%
Adjusted EBITDA	£21.5m	£15.2m	+41%
Net finance costs	(£5.9m)	(£4.6m)	+27%
Adjusted earnings	£15.6m	£10.6m	+48%
Adjusted EPS	6.5p	6.4p	+2%
Total cost ratio	27.1%	29.4%	-2.3%
Ongoing charges ratio	1.9%	1.9%	-

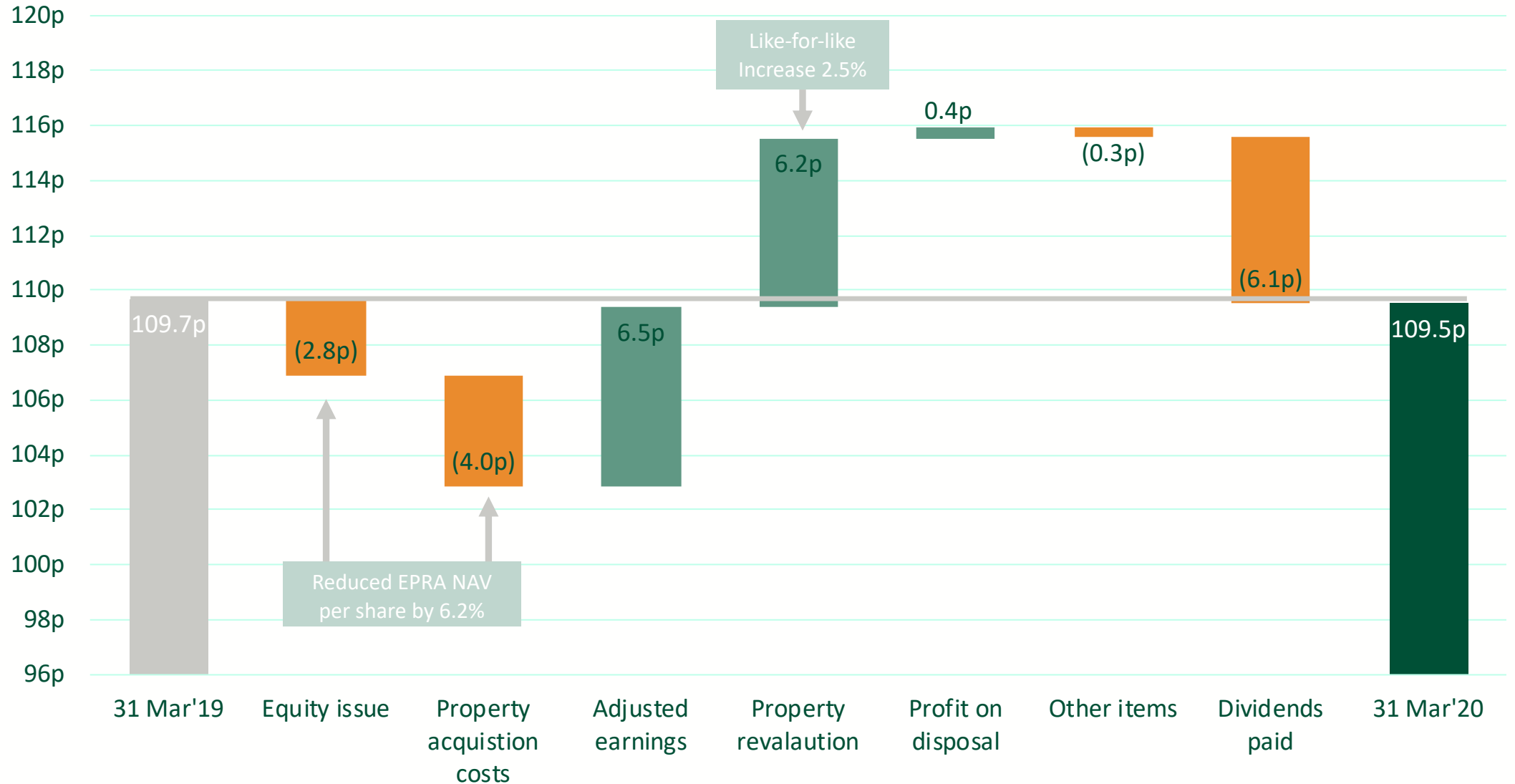
## BALANCE SHEET

	31 March 2020	31 March 2019	Change
Investment properties	£450.5m	£307.4m	+47%
Net borrowings	(£181.0m)	(£122.1m)	+48%
Other net liabilities	(£6.4m)	(£3.0m)	—
Total equity	£263.1m	£182.3m	+44%
Fair value of interest rate derivatives	-	(£0.2m)	—
EPRA NAV	£263.1m	£182.1m	+44%
Number of shares	240.3m	166.0m	+45%
EPRA NAV per share	109.5p	109.7p	-0.2%
Loan-to-value ratio	40.2%	39.7%	+0.5%



# MOVEMENT IN EPRA NAV

Pence per share



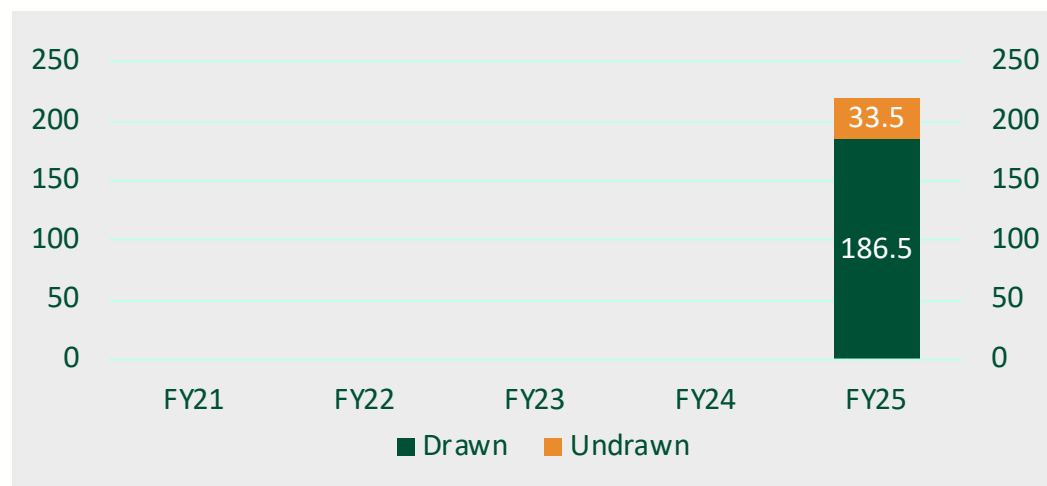
Past performance is not a reliable indicator of future results



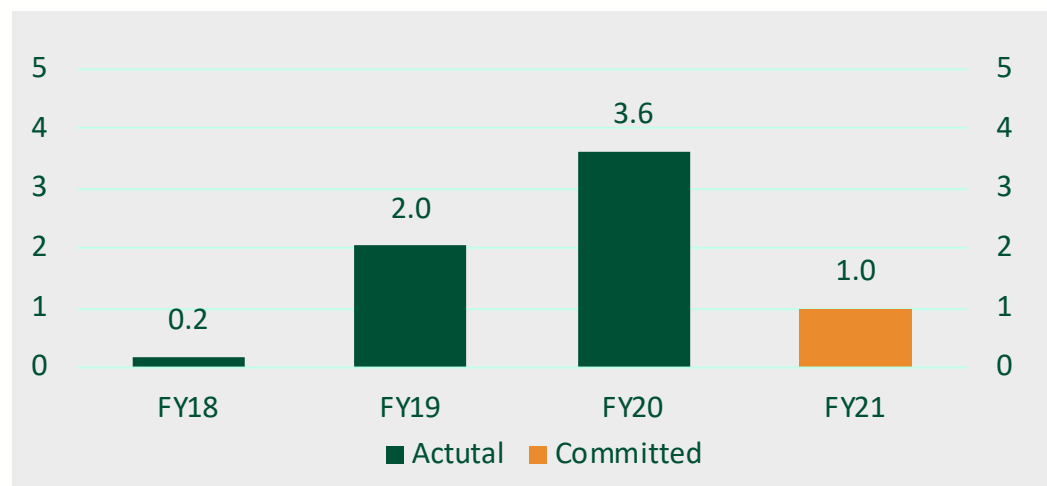
## STRONG FINANCING POSITION

- Growth in dividend and underlying earnings per share
- Successful refinancing in January 2020
- Weighted average cost of debt reduced to 2.6%
- Interest coverage ratio 3.7x<sup>(1)</sup>, LTV ratio 40.2% with clear objective to reduce below 40%
- No debt maturities until January 2025 with option to extend
- 32% of drawn debt fixed/hedged
- Limited capex commitments – will not commit to new projects until there is greater clarity on the outlook
- Cash and available facilities of £39.0m at year end
- Operating well within banking covenants

Debt maturity £m



Capital expenditure £m



(1) Adjusted operating profit before interest & tax divided by underlying net interest expense

## PORTFOLIO VALUATION SUMMARY

As at 31 March 2020	Valuation £m	% of total portfolio	Occupancy	Average rent £ per sq ft pa	Lease length to expiry years	Net initial yield	Reversionary yield	Capital value £ per sq ft
Southern England	151.7	33.7%	89.0%	6.52	5.8	5.6%	6.6%	95
Midlands	120.6	26.8%	94.1%	5.08	4.3	6.6%	7.1%	69
Northern England	103.3	22.9%	98.3%	4.80	5.2	6.7%	7.3%	65
Rest of UK	57.9	12.8%	93.4%	5.53	5.7	7.7%	8.6%	59
Land and development	17.0	3.8%	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>450.5</b>	<b>100.0%</b>	<b>93.4%<sup>1</sup></b>	<b>5.47</b>	<b>5.2<sup>2</sup></b>	<b>6.3%</b>	<b>6.9%</b>	<b>73</b>

### As at 31 March 2020

Portfolio valuation £m	Contracted rent £m per annum	ERV £m per annum
450.5	30.4	33.4
Area m sq ft	Weighted unexpired lease term years	Average capital value £ per sq ft
6.2	5.2	73

### As at 31 March 2019

Portfolio valuation £m	Contracted rent £m per annum	ERV £m per annum
307.4	21.6	24.9
Area m sq ft	Weighted unexpired lease term years	Average capital value £ per sq ft
4.6	4.6	67

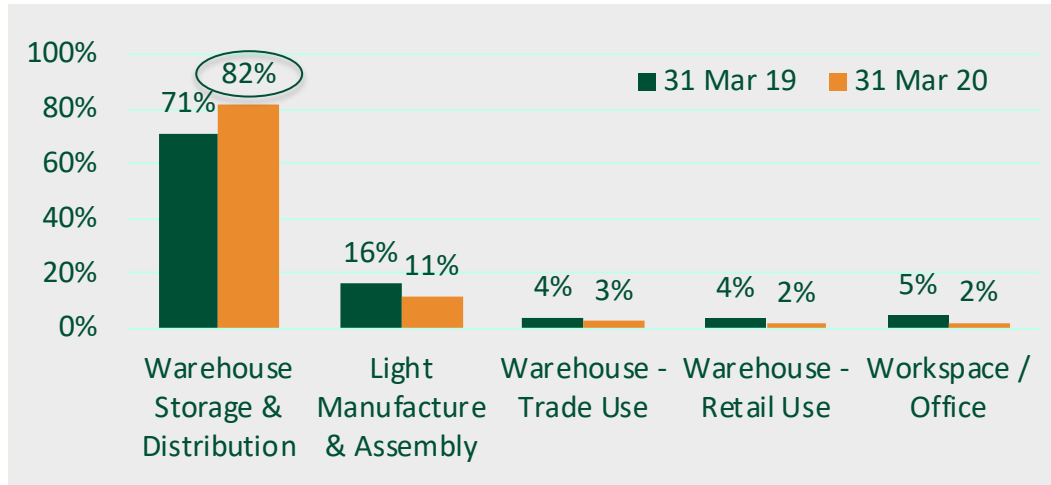
(1) Excluding units under offer to let and units undergoing refurbishment, occupancy was 96.5%

(2) Weighted average lease length to first break 4.0 years



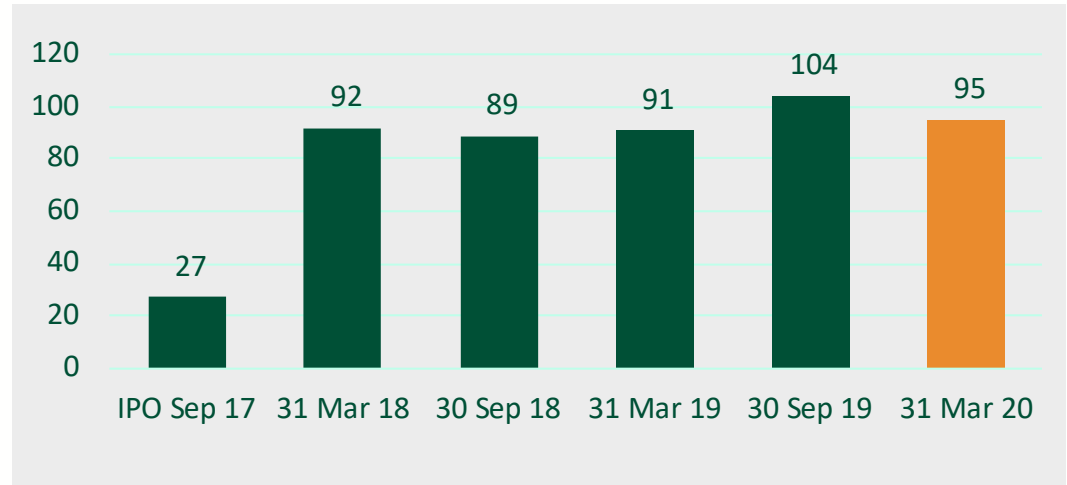
## INCREASED WEIGHTING TO STORAGE & DISTRIBUTION AND THE MIDLANDS

Portfolio value by use

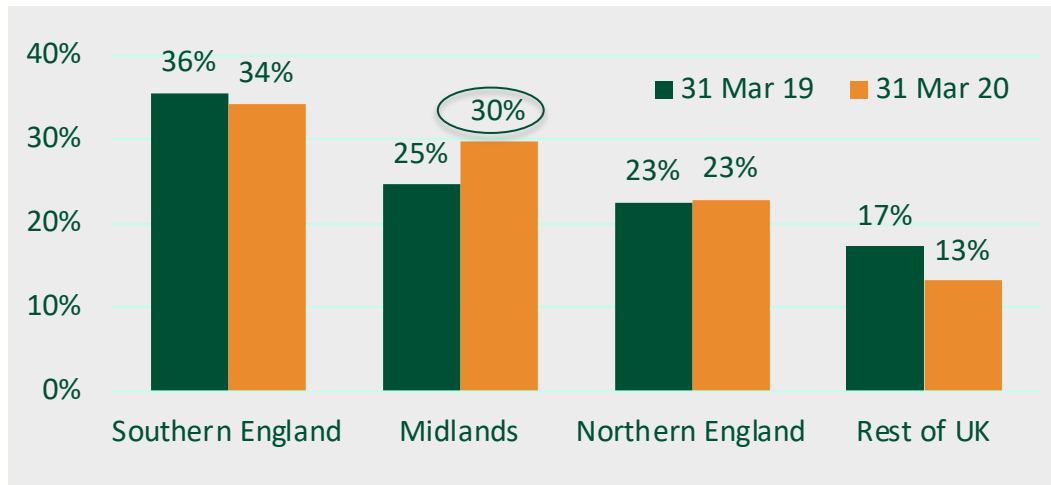


Including development property and land

Number of assets

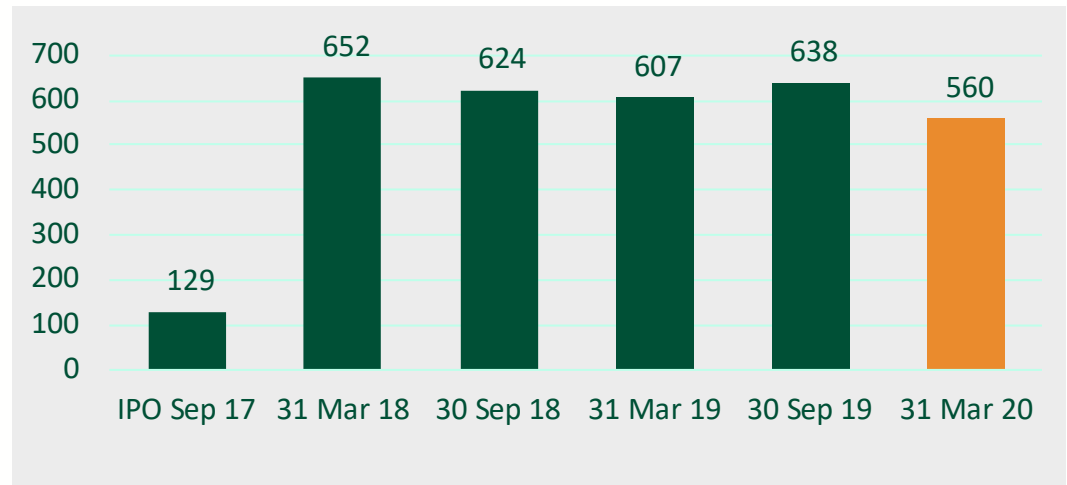


Portfolio value by location



Including development property and land

Number of tenants



## DISPOSALS CONTINUE TO UPGRADE THE QUALITY OF INCOME

### Profitable sales of smaller non-core properties

- Completed the disposal of 12 smaller or non-core assets during the year
- Combined consideration of £16.7m, reflecting a NIY of 6.6%, an 8.3% premium to 31 March 2019 book values
  - Bangor has a retail tenant
  - Barnsley, Leicester, Redditch and Swindon are offices
  - Wardley and Blackburn sold to owner occupiers
  - Smaller unit multi-let estates in Warrington
- Two further disposals completed post year end for a combined consideration of £1.0m in line with their 31 March 2020 book values
- Further disposals targeted
  - Non-core office and retail properties
  - Smaller warehouse/workshops
  - Lower performing EPC assets with higher ongoing capex requirements



Retail



Office



Completed business plan



Vacant

## FULL DEPLOYMENT OF CAPITAL RAISED AHEAD OF TARGET

### Acquisitions completed since 1 April 2019

Property	Price	NIY
Stapleton's Tyres, Wakefield	£4.2m	6.3%
Murcar Industrial Estate, Aberdeen	£8.0m	9.0%
John Lewis, Northampton	£29.0m	5.9%
Alpha Close, Tewkesbury	£3.8m	6.9%
Eaton Point, Chorley	£3.6m	6.8%
Delta Court, Doncaster	£1.7m	6.7%
Echelon Portfolio	£70.0m <sup>(1)</sup>	7.0%
Midpoint, Middlewich	£15.5m	6.6%
Knowsley Business Park, Knowsley <sup>(2)</sup>	£7.9m	7.1%
<b>Total</b>	<b>£143.7m</b>	<b>7.0%</b>



John Lewis, Northampton



Direct Wines, Gloucester



Midpoint, Middlewich

(1) Plus up to £5.0m deferred consideration on or before Sept 2023 (2) Post year end



# THE ECHELON PORTFOLIO – FULLY LET WITH NEAR TERM OPPORTUNITIES

Fully-let reversionary portfolio of eight warehouse and distribution properties totaling 995,100 sq ft

Iron Mountain, Stretton Green, Warrington



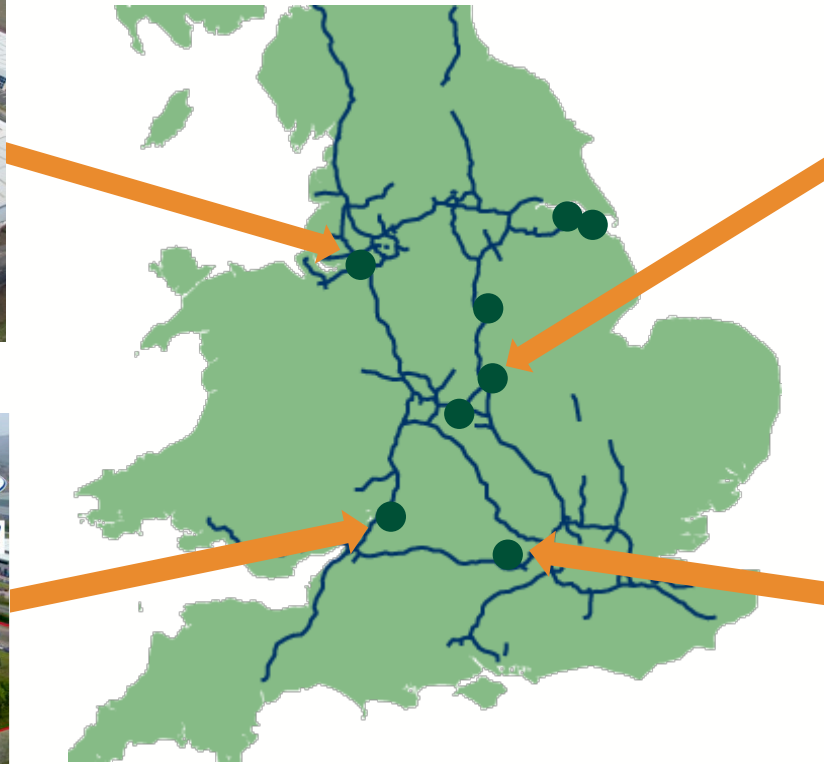
Sytner & Emerson Process Management, Leicester



Direct Wines, Hurricane Road, Gloucester



Amazon UK Services, Exeter Way, Theale, Reading



Purchase price

£70,000,000<sup>(1)</sup>

Net initial yield

7.0%

Contracted rent (pa)

£5,378,000

Average rent

£5.40 sq ft

Occupancy

100%  
9 tenants

WAULT

5.3 years

Key tenants

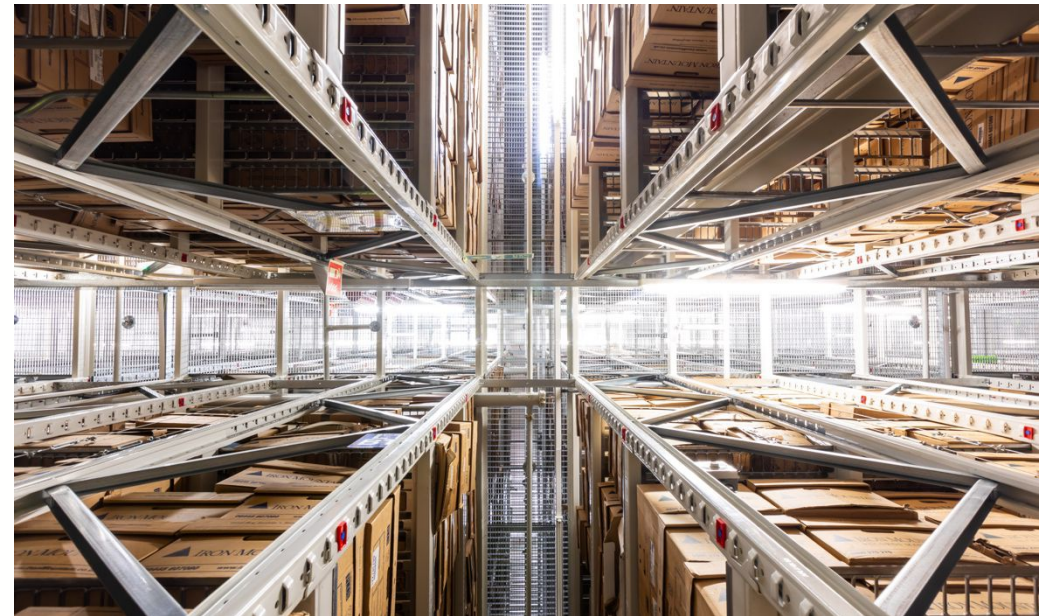
Amazon, Iron Mountain, Direct Wines & Sytner

(1) Excluding deferred consideration of up to £5.0m

## CASE STUDY – GENERATING VALUE BY ASSET MANAGEMENT

### Iron Mountain, Warrington

- **What is it?**
  - Single-let purpose built high bay warehouse totalling 106,100 sq ft
  - Located two miles from Junction 20 of the M6 and M56 interchange
  - Building stores >2 million document boxes
- **What have we done since purchase?**
  - Acquired in September 2019 as part of Echelon portfolio with a low average rent of £4.59 per sq ft
  - Identified as a key location for occupier – NHS being largest customer
  - Received Section 26 request from tenant to renew lease
- **What is the future?**
  - Re-gear lease at increased rent following February 2020 lease expiry
  - Build occupier relationship to facilitate UK expansion



Area 106,100 sq ft	WAULT n/a	Contracted rent (pa) £487,000	Average rent £4.59 sq ft
Occupancy 100%		Tenant Iron Mountain (UK) plc	

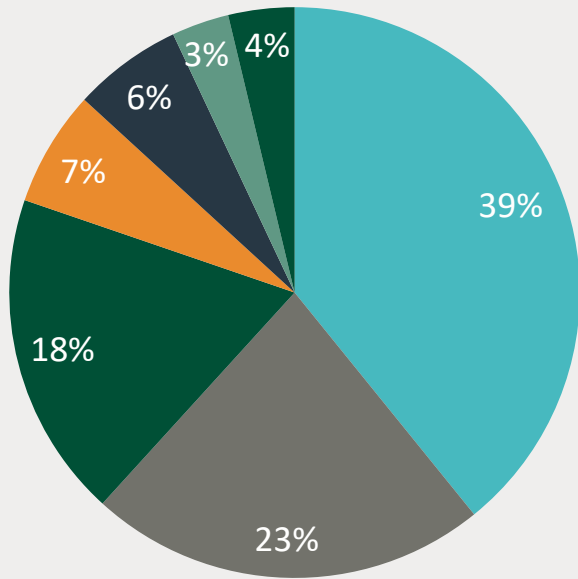
## DIVERSIFIED OCCUPIER BASE

95 assets

560 tenants

28% of rent from top 10 occupiers

71% of rent from top 100 occupiers



- Wholesale & trade distribution
- Food & general manufacturing
- Services & utilities
- Technology, media & telecoms
- Transport & logistics
- Construction
- Other

### Wholesale & trade distribution



### Services & utilities



### Technology, media & telecoms



### Transport & logistics



### Food & general manufacturing



### Construction & other

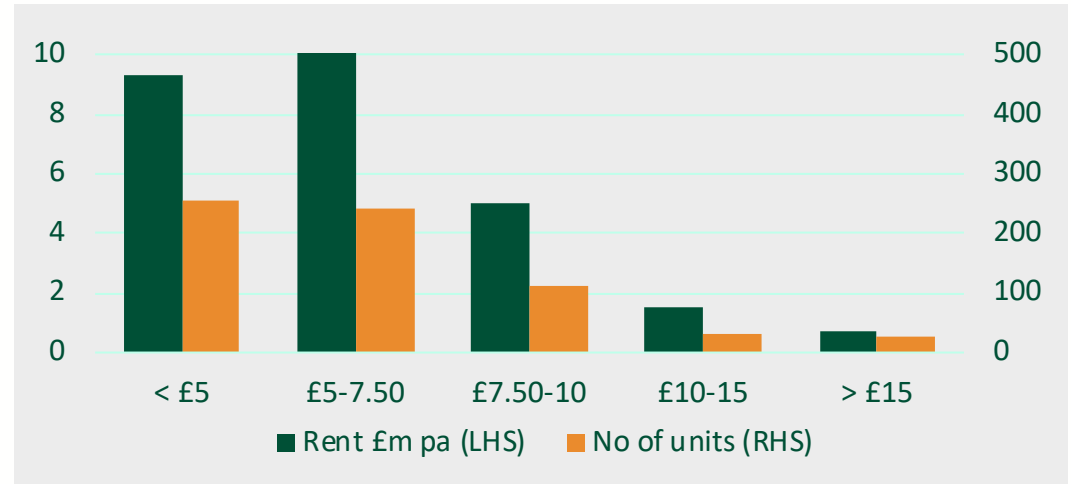




## HIGH OCCUPANCY AND AFFORDABLE RENTS

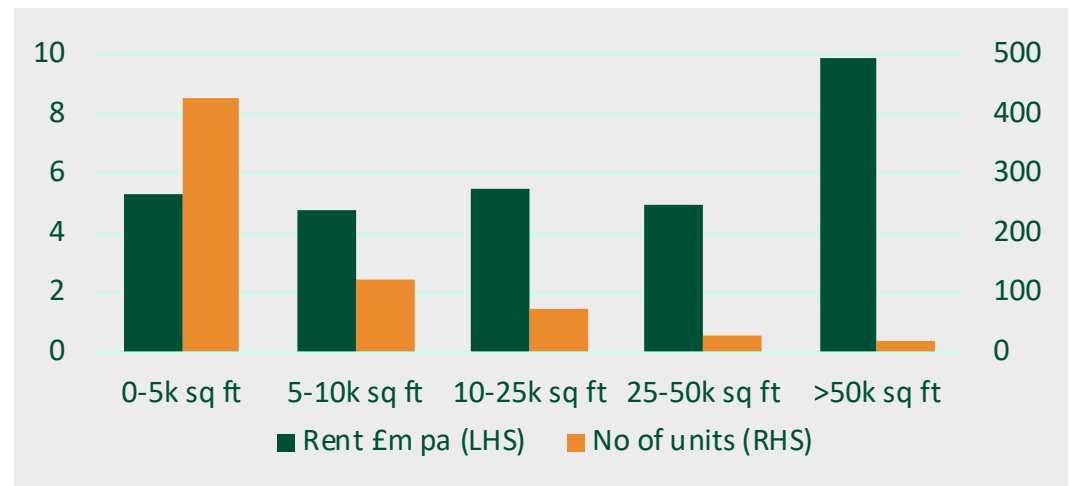
- 95 assets across 6.2 million sq ft with 560 tenants
- 78% of portfolio by ERV is multi-let estates
- Majority of tenants are trading with around half having online sales/distribution channels
- Occupancy increased from 92.0% at 31 March 2019 to 93.4% at 31 March 2020 which rises to 96.5% excluding units under offer to let and units undergoing refurbishment
- Extended the portfolio WAULT from 4.6 years at 31 March 2019 to 5.2 years as at 31 March 2020
- 76% of rental income from units let at <£7.50 per sq ft
- 73% of total income (for tenants paying >£30k pa) from occupiers with a 'lower than average' or 'minimum' risk factor
- Payments made or agreed for 94.0% of March 2020 contracted rent and continuing to work with the remaining tenants

### Portfolio rental distribution



Excluding development property and land

### Portfolio unit size distribution



Excluding development property and land

## ASSET MANAGEMENT HIGHLIGHTS

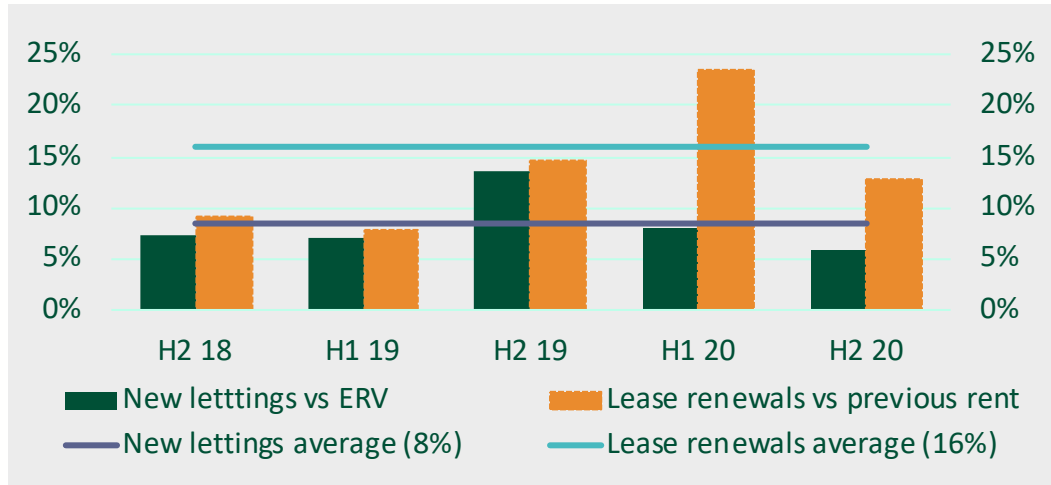
- **Delivering consistent leasing outperformance**
  - 75 new lettings of vacant space generating rent of £1.8m pa, 8.1% ahead of the 31 March 2019 ERV including:
    - a ten-year lease without a break, on 20,300 sq ft unit at Gawsworth Court, Warrington at 21.9% ahead of ERV
    - a ten-year lease, with a break at year five, on a 21,100 sq ft unit at Farthing Road, Ipswich at 6.4% ahead of ERV
  - 98 lease renewals securing income of £3.1m, a 19.7% increase over previously contracted rents including:
    - Major lease renewal with Boots (Alliance Healthcare) for 10 years 42% ahead of the previous rent
    - Re-gear with Tristel at Lynx Business Park, Newmarket with a new 10+ year lease without a break
- **High retention rates and further deals in pipeline**
  - Effective occupancy excluding units under refurbishment and under offer to let was 96.5%, vs 94.9% as at 31 March 2019
  - 76% of occupiers did not vacate at lease expiry in the year
  - Further deals since 1 April 2020 with 7 new lettings generating £0.3m pa, at 9.6% ahead of the 31 March 2020 ERV, as well as 8 lease renewals generating £0.8m pa, an uplift of 27.7% as compared to the previous rent
  - Significant occupier interest for recently refurbished space



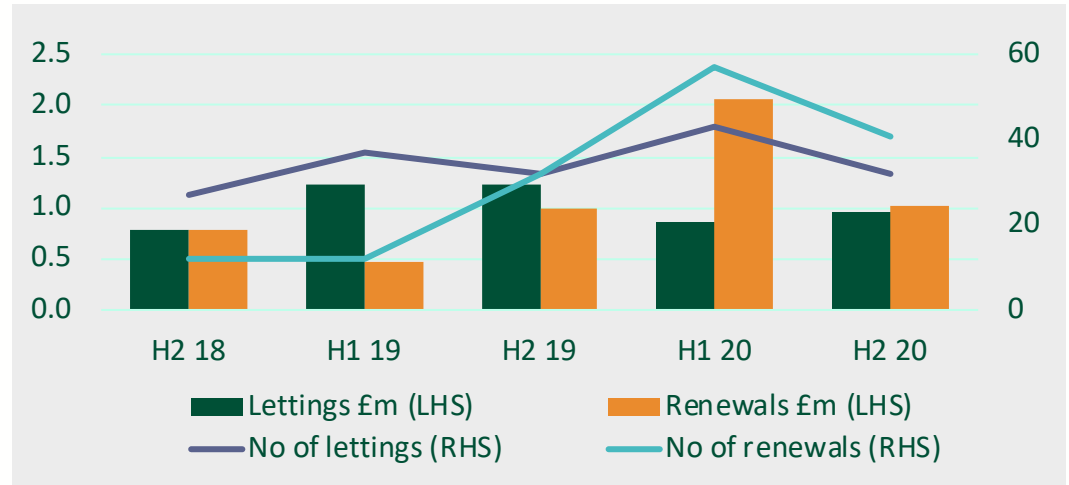


## TRACK RECORD OF CONSISTENT ASSET MANAGEMENT OUTPERFORMANCE

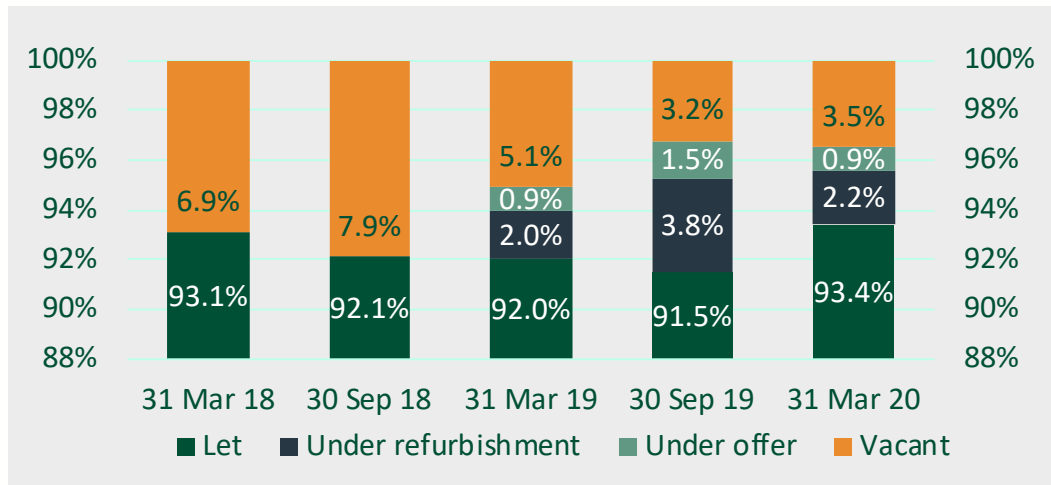
New lettings and lease renewals



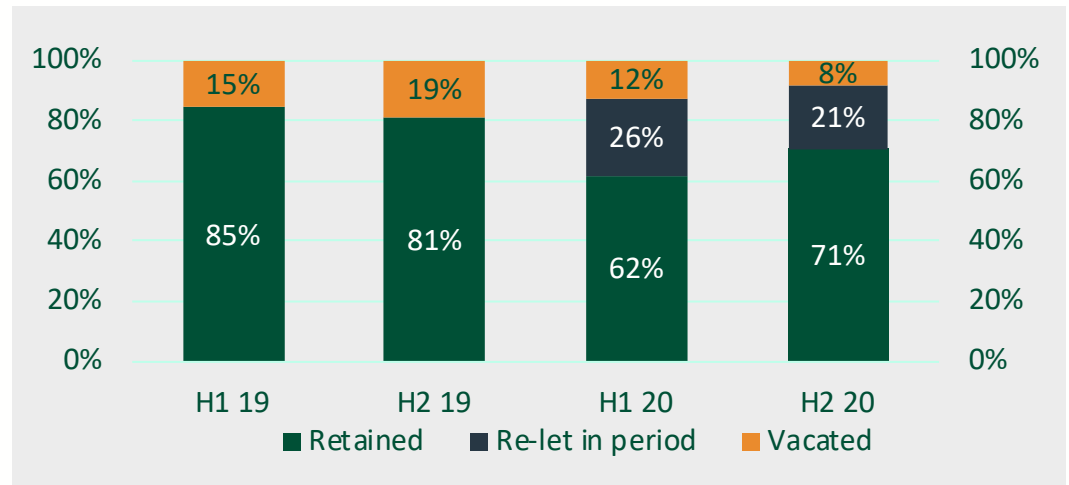
New lettings and renewals - by rental value and number



Vacancy rate



Tenant retention rates at lease break



## CASE STUDY – ACTIVE ASSET MANAGEMENT UNDERPINNING FUTURE INCOME GROWTH

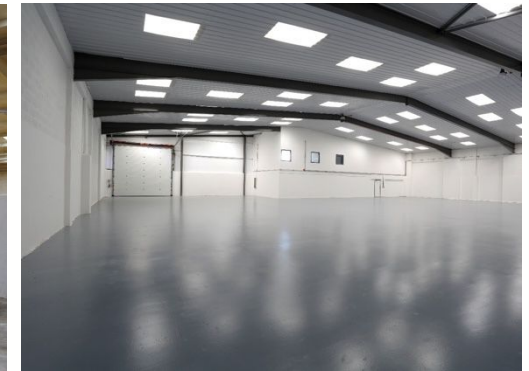
### Witan Park, Witney

- **What is it?**
  - Multi-let warehouse estate of 12 units totalling 112,200 sq ft on six acres
  - Adjacent to the A40 located 14 miles from Oxford
- **What have we done since purchase?**
  - Acquired at IPO with low average rents of £5.20 per sq ft
  - Received a surrender premium and dilapidations payment of £0.8m in April 2019 providing income cover to early 2020
  - Comprehensive refurbishment of eight units at cost of approximately £0.7m with work almost complete
- **What is the future?**
  - Notable interest in units at rents between £7.25 and £7.75 per sq ft a significant uplift on previous rents of £5.40 per sq ft
  - Discussions ongoing to relocate existing tenants within the estate to unlock refurbishment potential
  - Underutilised car parking throughout the site with development potential

Before refurbishment

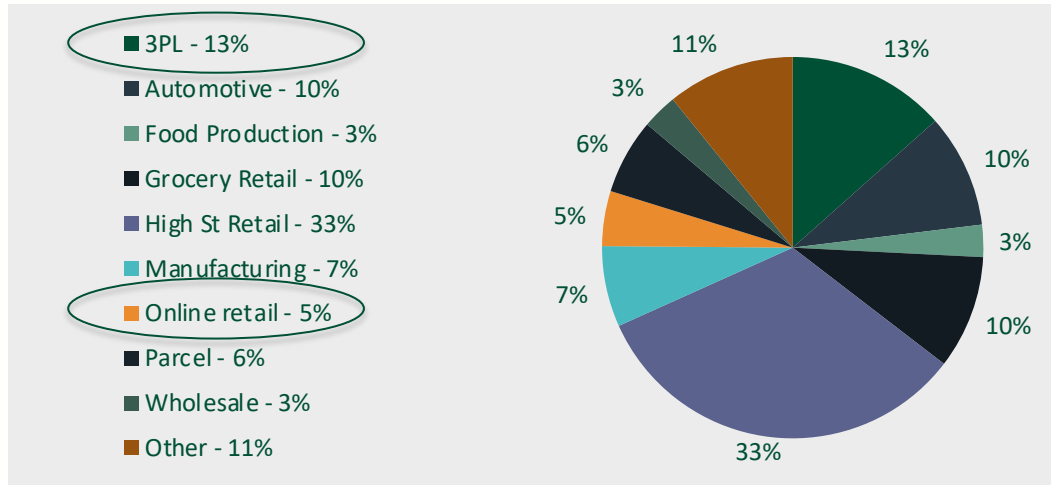


After refurbishment



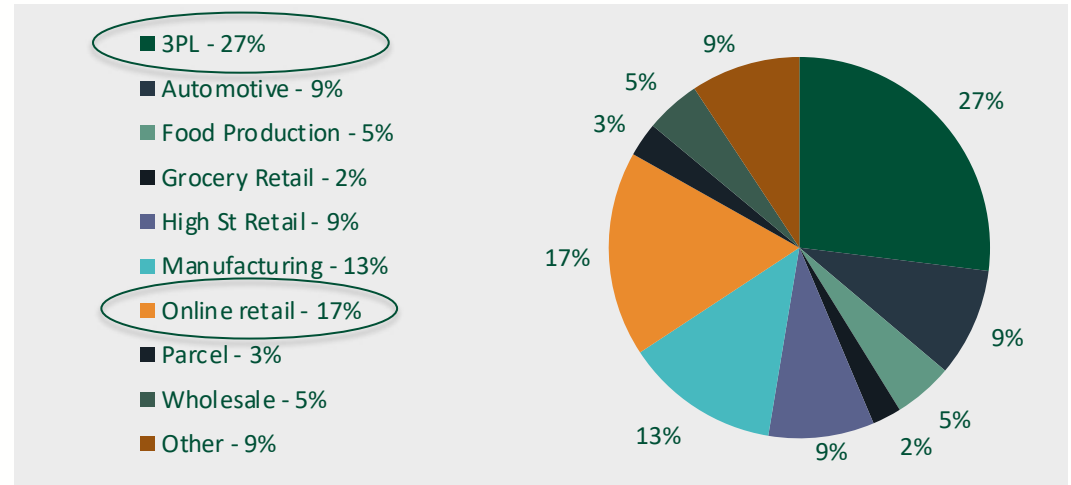
# MARKET OUTLOOK

## UK industrial take-up 2010



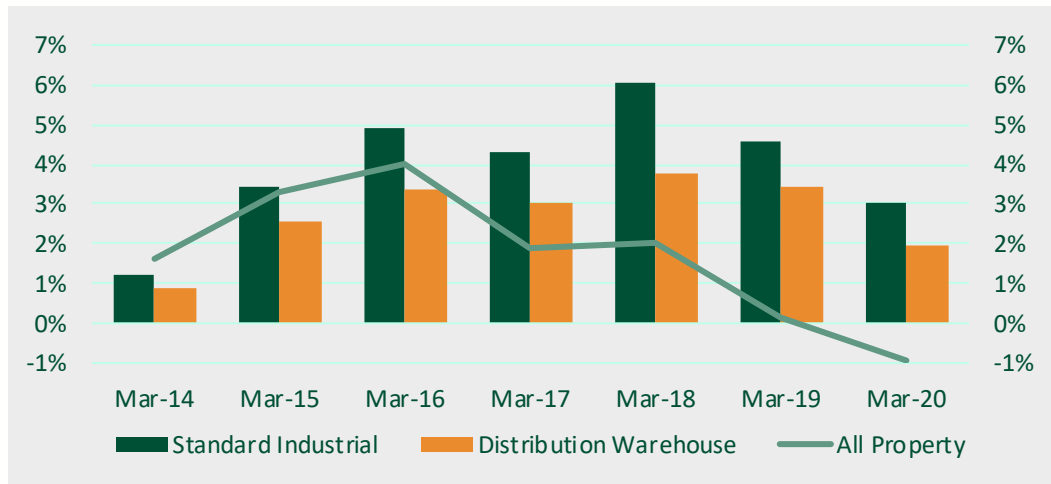
Source: Savills

## UK industrial take-up 2019



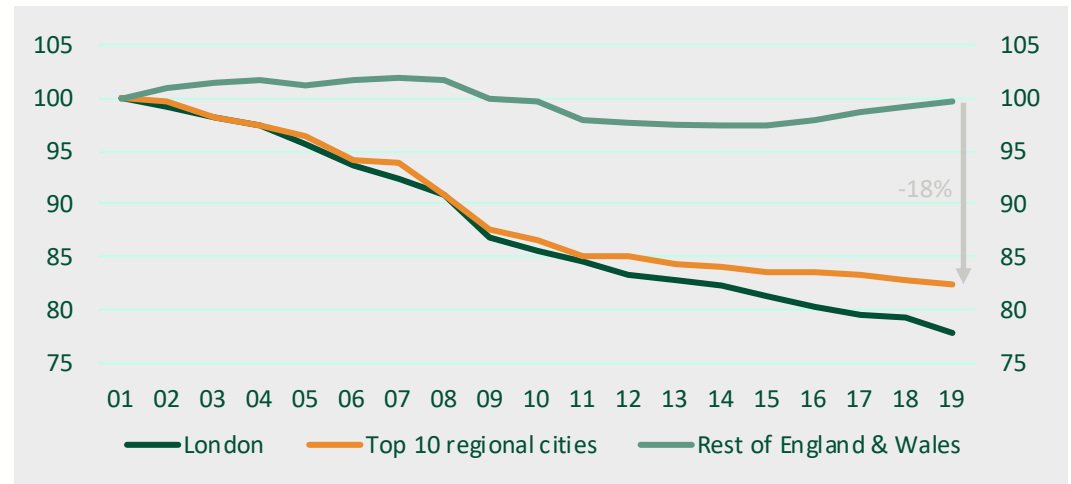
Source: Savills

## UK industrial rental value growth – over 12 months



Source: MSCI

## England & Wales industrial stock – major cities vs rest



Source: VOA

Index: 2001 = 100

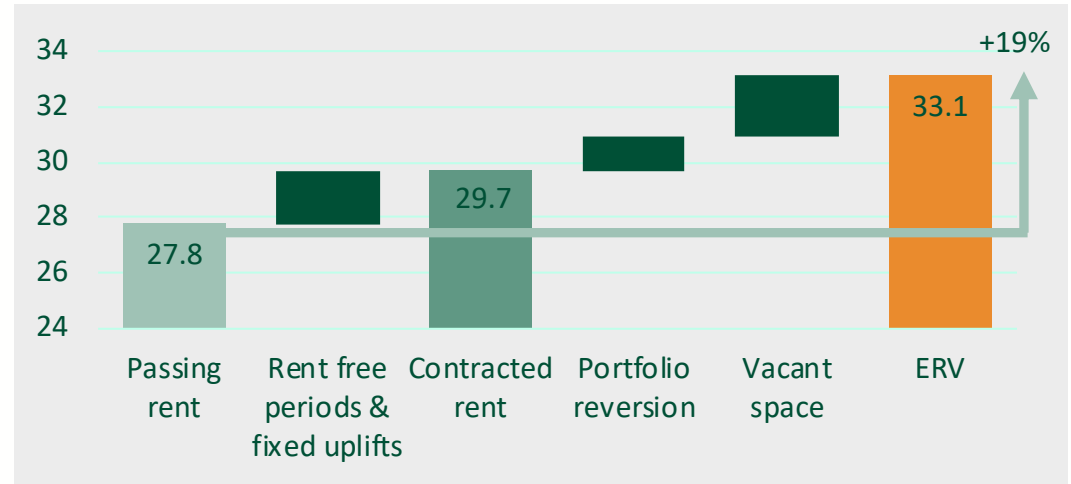




## PORTFOLIO WITH STRONG INCOME AND CAPITAL GROWTH POTENTIAL

- **National platform of strategically located assets**
  - 100% of assets are within 2.5 miles of a town centre or major transport infrastructure point
  - Highly reversionary portfolio let off low average passing rent of £5.47 per sq ft
  - Hands-on asset management delivering consistent leasing outperformance with new lettings 8% ahead of ERV since IPO
  - Diversified tenant base with 560 occupiers and top 10 tenants accounting for 28% of total rental income
  - Only 5.4% of income subject to lease expiry over next year
  
- **Opportunities to add further value**
  - Current rent roll does not reflect several income and value enhancing projects that will be delivered in the medium term
  - Planning secured for a major mixed-use scheme at Queenslie
  - Optionality at several other sites for redevelopment and/or change of use

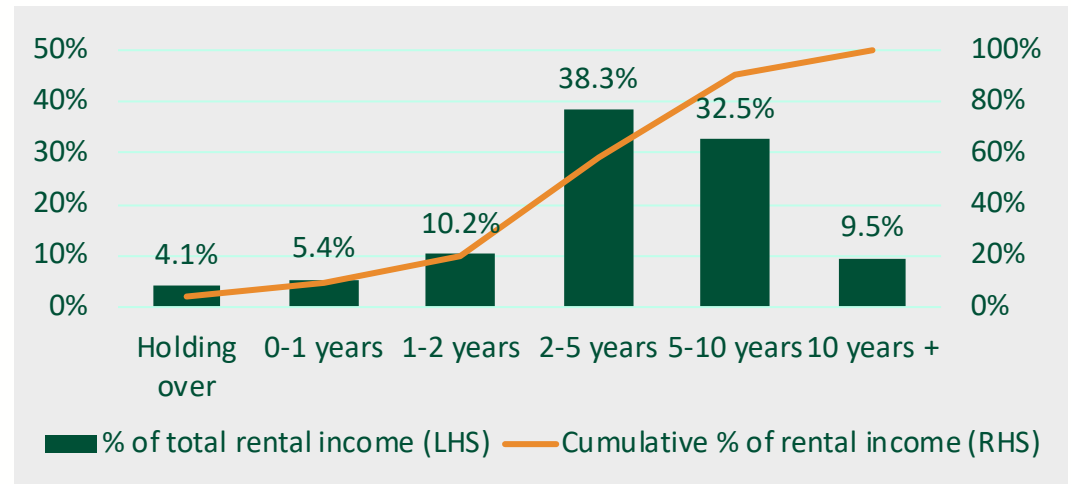
Potential additional rent as at 31 March 2020 - £m



Source: CBRE

Excluding development property and land

Summary of WAULT





## CONCLUSIONS AND OUTLOOK

- **Clear strategy and well positioned**
  - Near term economic challenges, but also opportunities as COVID-19 accelerates favorable structural trends
  - Focus and deep knowledge of sector and occupiers
  - Track record of consistent lettings outperformance
  - Highly experienced management team - 8% shareholding provides shareholder alignment: no performance fee
- **Current trading**
  - Good progress on rent collection with business resilient and well placed to navigate short term disruption
  - Target dividend of 6.2p for FY21 maintained
- **Outlook**
  - Market fundamentals remain supportive: robust demand from diverse occupier base
  - Investment value less than replacement cost provides economic buffer – constrained supply
  - Affordable average rent and low capital value per sq ft makes portfolio well positioned to outperform the wider market
  - Recommencing equity fundraising plans to capitalise on an attractive acquisition pipeline

£5.47 sq ft

AVERAGE  
RENT

2.1% like-for-like ERV growth in  
year to 31 March 2020

8%

LETTINGS  
AHEAD OF ERV

Since IPO, new lettings have  
been 8.5% ahead of ERV

6.2p

DIVIDEND  
PER SHARE

Target dividend for the year  
to 31 March 2021

96.5%

OCCUPANCY

Effective vacancy only 3.5%  
as 3.1% is under refurbishment  
or under offer to let

## APPENDIX

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Amazon UK Services, Exeter Way, Theale

## UK WAREHOUSE MARKET... THREE DISTINCTIVE TIERS

### Tier 1 National 'Big Box' warehouses



- Large logistics facilities typically between 500,000 sq ft and 1 million sq ft which are usually located on or close to motorways
- Used for national distribution and serviced by containers arriving from large ports
- Midlands 'Golden Triangle' regarded as a prime location as 85% of the UK population are within 4.5 hours drive time which is critical as HGV drivers are allowed a maximum of nine driving hours per day

### Tier 2 Regional distribution centres



- Typically 100,000 to 500,000 sq ft and located close to major conurbations and motorways
- Provide smaller hubs which facilitate distribution from 'Big Boxes'
- Before the advent of online shopping, RDCs were the final warehouse prior to delivery to the end retailer




### Tier 3 Urban 'Last Mile' warehouses



- Most recent level of the supply chain and commonly distributes goods directly to consumers and is the primary focus for Warehouse REIT
- Need for next-day/same-day delivery has resulted in a requirement for smaller warehouses located close to the customer
- More urban warehouse space will be required to replenish stock in the time frames required

## WAREHOUSE REIT PROPERTY TYPES

National platform of strategically located assets – 100% within 2.5 miles of a town centre or major transport infrastructure point

Typical asset					
Size	0-25,000 sq ft	25,000-50,000 sq ft	50,000-100,000 sq ft	100,000-200,000 sq ft	200,000 sq ft +
No of assets	25	26	25	13	3
Total area	0.45 million sq ft	0.97 million sq ft	1.74 million sq ft	1.85 million sq ft	0.90 million sq ft
% of total value	8.5%	17.7%	28.1%	32.6%	13.1%

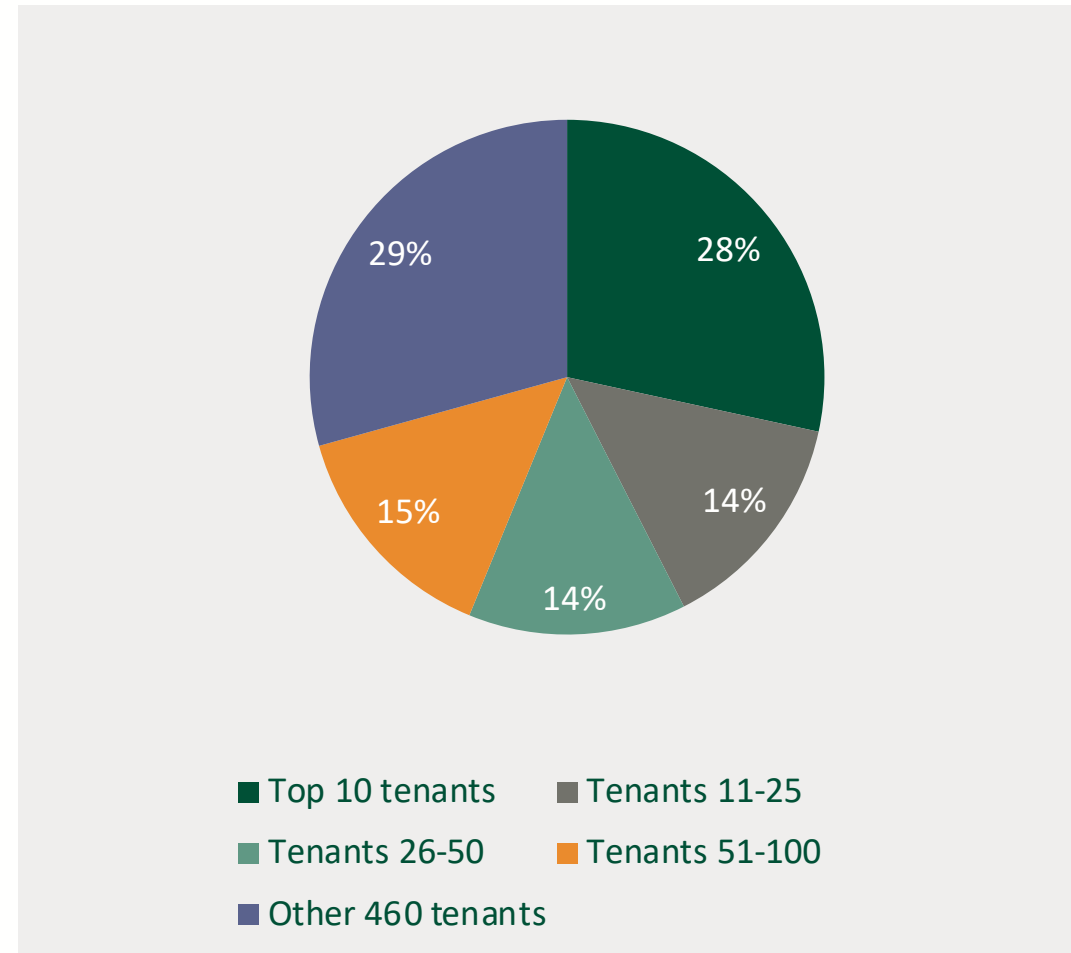
## TOP TEN ASSETS

Property	Town	Region	Area sq ft	No of units	Rent £ pa	Acquisition	Tenure
Brackmills	Northampton	Midlands	336,000	2	1,836,400	May 2019	Freehold
Queenslie	Glasgow	Rest of UK	348,400	63	1,441,100	Sep 2017	Freehold
Hurricane Road	Gloucester	South	188,300	1	1,150,300	Sep 2019	Freehold
Midpoint	Middlewich	North	182,500	17	1,079,100	Oct 2019	Freehold
Sherwood 217	Nottingham	Midlands	217,400	1	980,400	Sep 2019	Long leasehold
Exeter Way	Theale	South	91,700	2	894,400	Sep 2019	Freehold
Meridian	Leicester	Midlands	114,000	2	847,900	Sep 2019	Long leasehold
Daneshill	Basingstoke	South	113,300	1	795,500	Sep 2017	Long leasehold
Tramway	Banbury	South	150,500	10	770,600	Sep 2017	Freehold
Nexus	Knowsley	Midlands	184,800	12	705,500	Sep 2017	Freehold

Area	Units	Tenants	Rent £m	ERV £m	Valuation £m	Net initial yield	WAULT
1.9m sq ft	111	72	£10.5m	£10.9m	£158.1m	6.2%	5.5 years

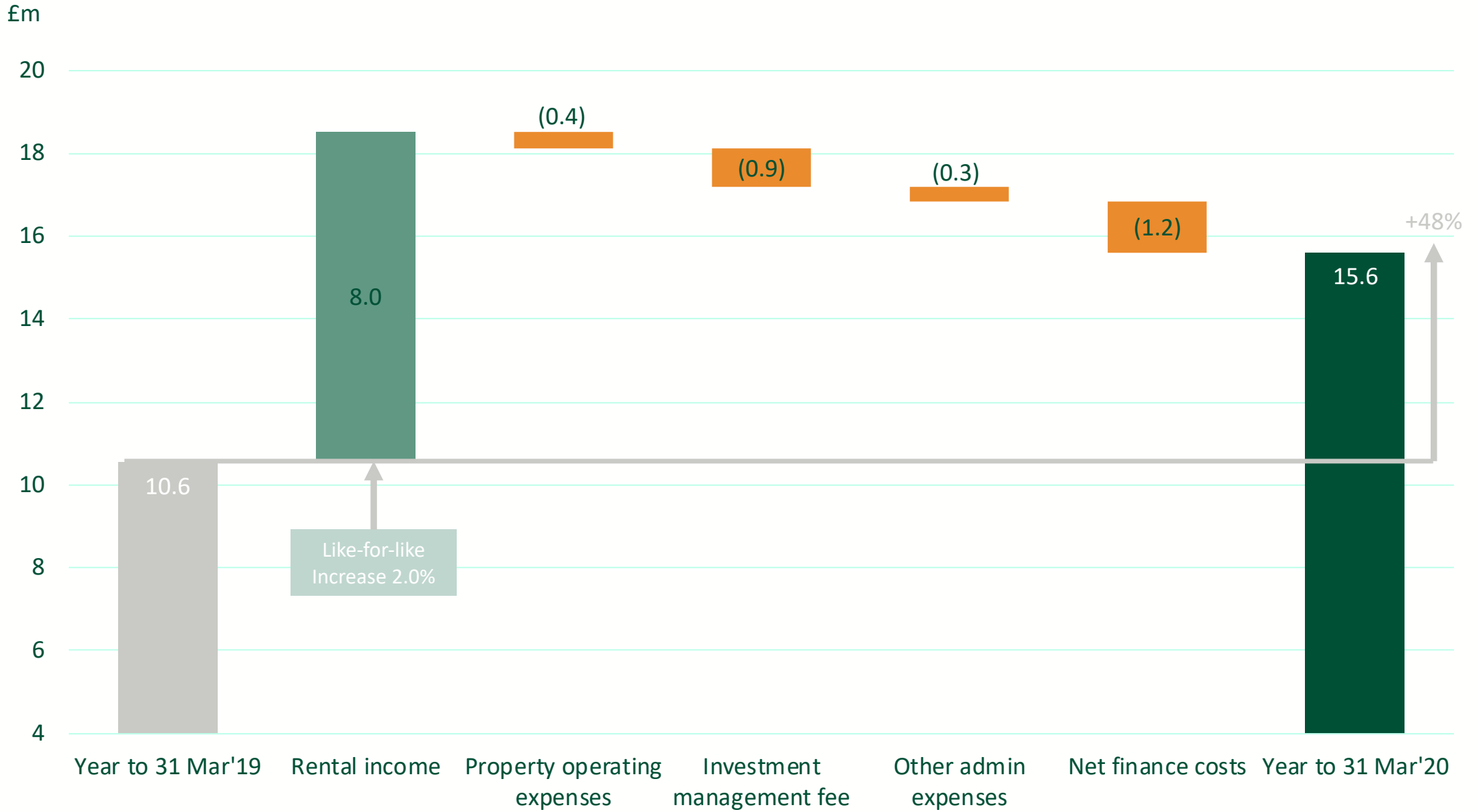
## TOP TEN TENANTS

Rank	Name	Rent £m pa	% of total
1	John Lewis	£1.8m	6.0%
2	Amazon UK	£1.4m	4.5%
3	Direct Wines	£1.2m	3.8%
4	Aviva Life & Pensions	£1.0m	3.2%
5	Boots	£0.9m	3.1%
6	Emerson Process Management	£0.6m	2.0%
7	Liberty Aluminum	£0.5m	1.6%
8	Iron Mountain	£0.5m	1.6%
9	Howden Joinery	£0.4m	1.4%
10	Sparrows Offshore	£0.4m	1.2%
Total - Top Ten		£8.6m	28.4%





# ADJUSTED EARNINGS BRIDGE

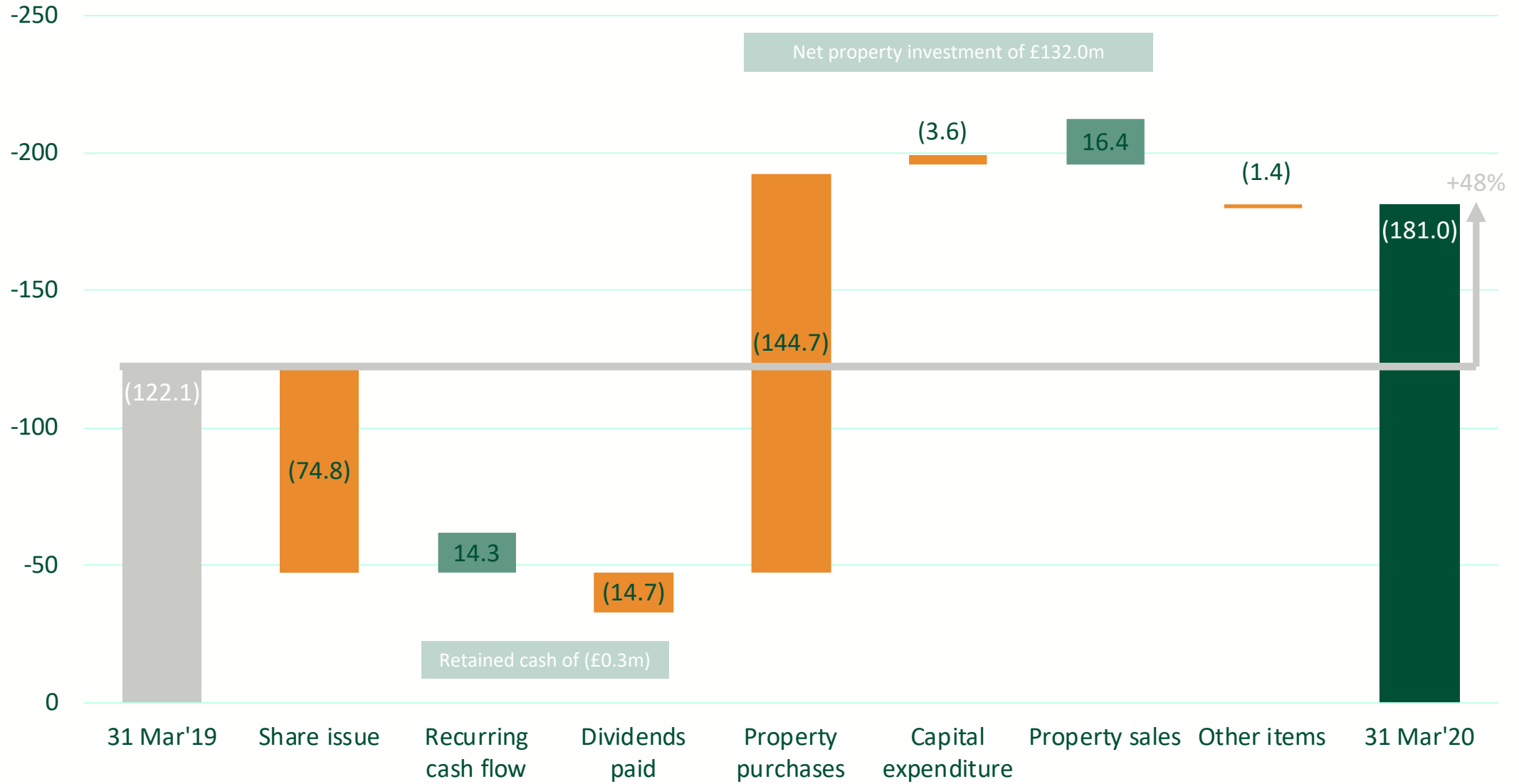






# CHANGE IN NET DEBT

£m



## EPRA PERFORMANCE MEASURES

	31 March 2020	31 March 2019
EPRA Earnings	6.3p	5.1p
EPRA NAV	109.5p	109.7p
EPRA NNNAV	109.5p	109.8p
EPRA net initial yield	5.9%	6.1%
EPRA topped up net initial yield	6.3%	6.4%
EPRA vacancy rate	6.6%	8.0%
Total EPRA cost ratio (including vacant property costs) <sup>(1)</sup>	28.4%	39.6%
Total EPRA cost ratio (excluding vacant property costs)	23.8%	36.6%

(1) Total cost ratio [27.1]% in year to 31 March 2020 excluding cost of postponed equity issue and [29.4%] in year to 31 March 2019 excluding one-off property and acquisition provision

## EPRA EARNINGS &amp; IFRS PROFIT

	Year to 31 March 2020	Year to 31 March 2019	Change
Adjusted earnings	£15.6m	£10.6m	+48%
One-off costs	(£0.4m) <sup>(1)</sup>	(£2.2m) <sup>(3)</sup>	—
EPRA earnings	£15.2m	£8.4m	+82%
Profit on disposal of properties	£0.9m	£3.5m	—
Fair value movement on properties	£5.1m <sup>(2)</sup>	£11.2m	—
Fair value of derivatives	(£0.2m)	(£0.3m)	—
Amortisation of loan issue costs	(£0.4m)	—	—
IFRS profit for period	£20.7m	£22.8m	-9%
EPRA EPS	6.3p	5.1p	+26%
IFRS EPS	8.6p	13.7p	-37%

(1) Cost of postponed equity issue of 0.2p per share

(2) After property acquisition costs of £9.7m

(3) Property and acquisition provision of 1.3p per share

## PRO FORMA EPRA NET ASSET VALUES

31 March 2020

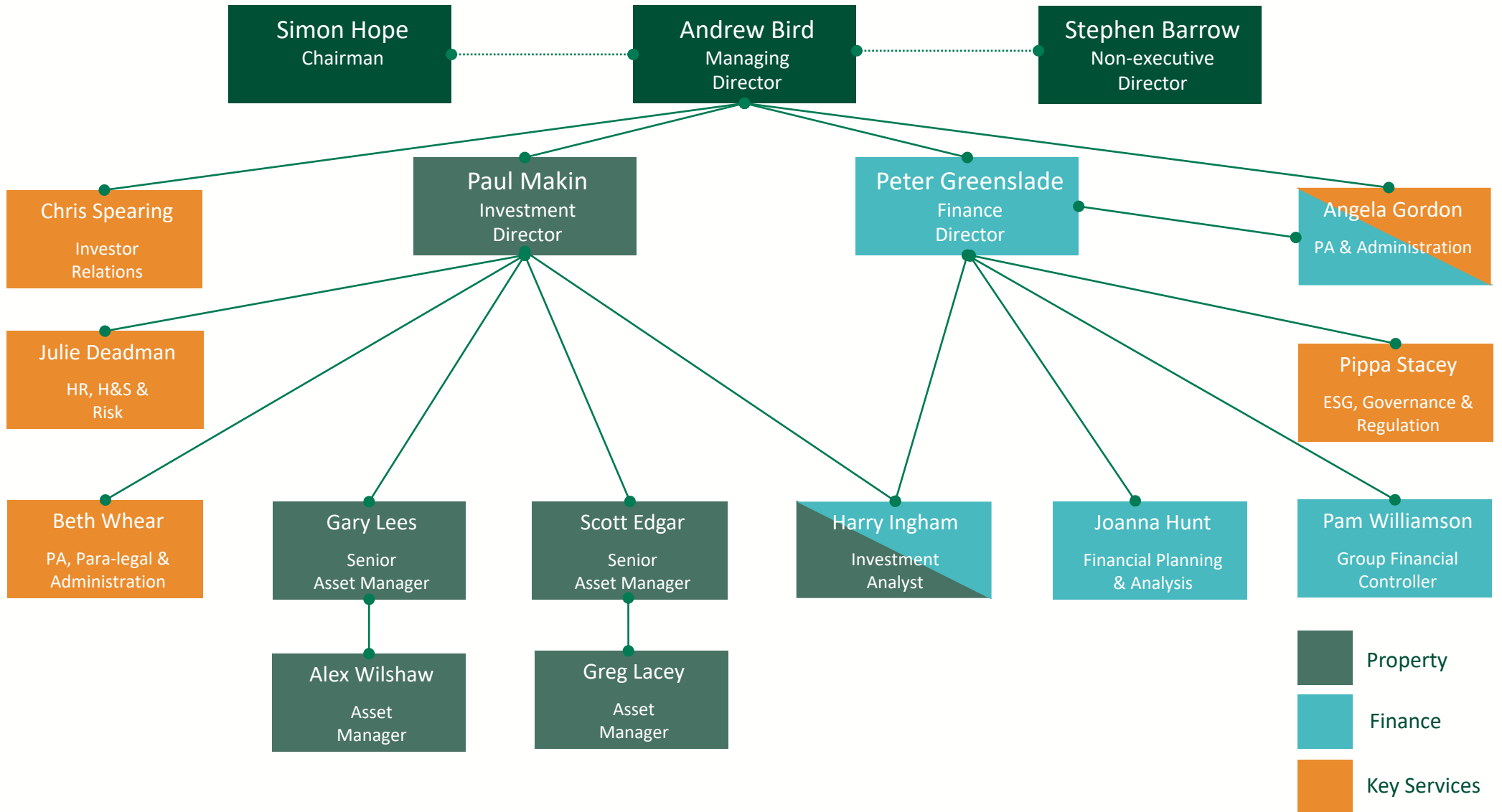
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA net assets	EPRA triple net assets
	£m	£m	£m	£m	£m
IFRS net assets	263.119	263.119	263.119	263.119	263.119
Fair value of interest rate derivatives	(0.022)	(0.022)	-	(0.022)	-
Real estate transfer tax <sup>(1)</sup>	29.481	-	-	-	-
Net assets	292.578	263.097	236.119	263.097	236.119
Number of shares (m)	240.254	240.254	240.254	240.254	240.254
Net assets per share	121.8p	109.5p	109.5p	109.5p	109.5p

(1) Purchasers' costs estimated at 6.8%

In October 2019, the European Public Real Estate Association (EPRA) introduced three new measures of net asset value: EPRA Net Tangible Assets (NTA), Net Reinstatement Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevance measure for the company and it will now be the primary measure of net asset value, replacing EPRA net assets. Total accounting return will also now be based on EPRA NTA.



# TILSTONE PARTNERS MANAGEMENT TEAM



## MANAGEMENT AGREEMENT & ARRANGEMENTS

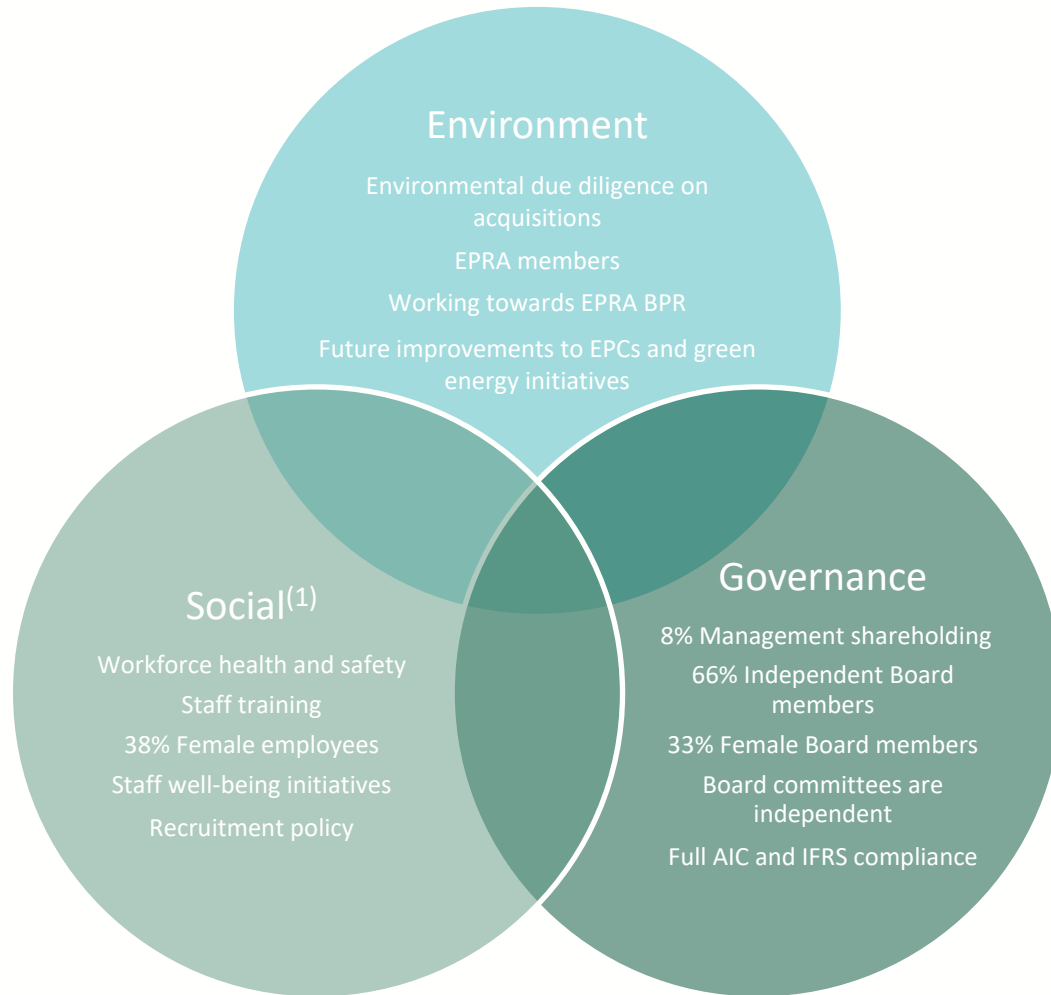
Investment adviser	Tilstone Partners Limited
Fees	1.1.% of EPRA NAV up to £500m and 0.9% thereafter with no performance fee
Term	Two year mutual notice period not exercisable in the initial 36 months (from August 2017) <sup>1</sup>
Board/Independent directors	Neil Kirton (Chairman), Lynette Lackey, Martin Meech and Aimee Pitman
Listing	Investment company on the AIM Market of the London Stock Exchange <sup>2</sup>
Regulatory and tax status	UK REIT regime and AIF (G10 Capital Limited)
Strategy	Policy to invest in a diversified portfolio of small and medium sized urban warehouses in the UK
Target total return	10%+ (dividends plus NAV growth)
Target dividend	REIT policy to distribute at least 90% of property income
Dividend frequency	Paid quarterly
NAV	EPRA NAV £263.1m or 109.5p per share as at 31 March 2020
Borrowings	£157m term loan & £63m RCF with a club of lenders at blended rate of 2.00% above LIBOR expiring 22/01/25
Hedging	£60.0m interest rate caps at blended rate of 1.625% with 27% of total borrowings being fixed/hedged
Loan to value	40.2% as at 31 March 2020
Cost ratio	27.1% in year to 31 March 2020 (ongoing charge ratio 1.9%)
Market capitalisation	£267.9m as at 17 June 2020

(1) The Board and TPL have agreed the intention to defer the earliest date for the service of notice to terminate from August 2020 to August 2023, subject to consultation with Shareholders and the Company's Nominated Adviser (2) The Board is considering a move up to the main market and a premium listing

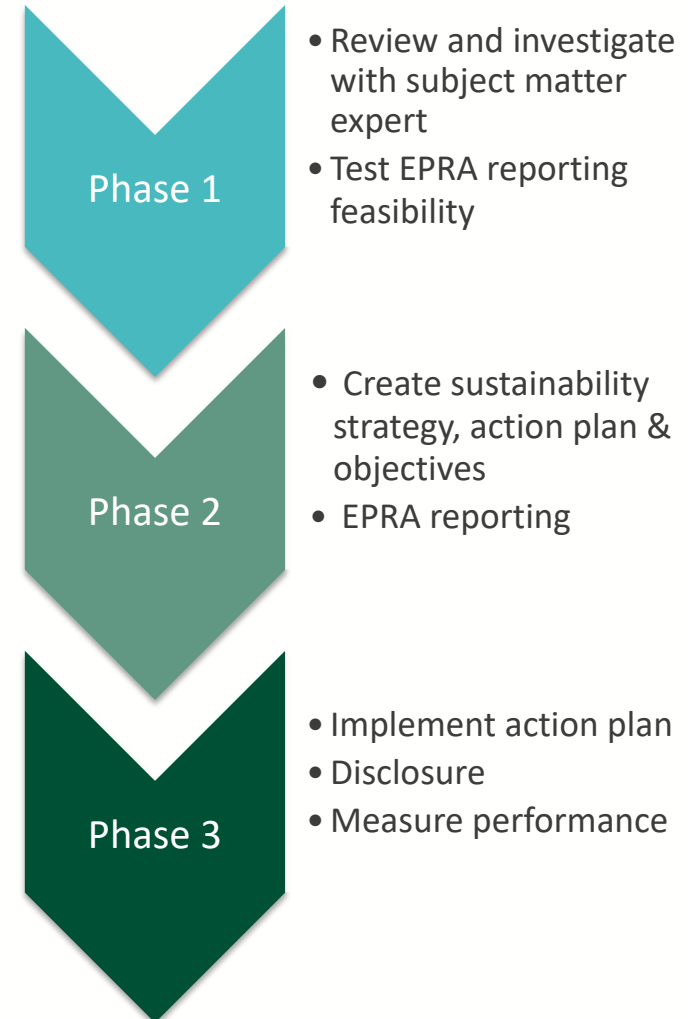
# SUSTAINABLE INVESTMENT

Committed to developing an ESG strategy in line with best practice in the industry

## Current Position



## Plan

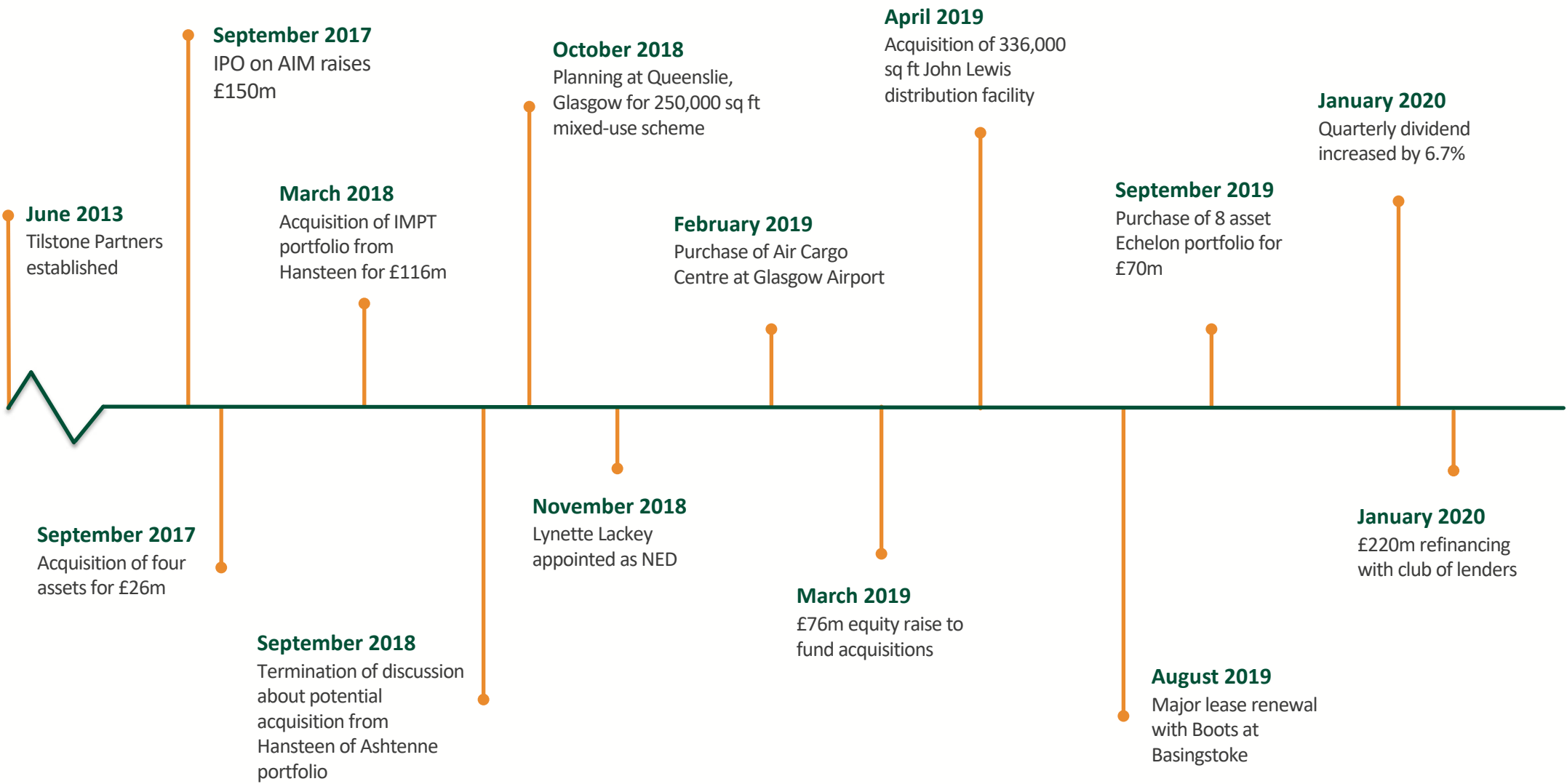


(1) This relates to the Investment Advisor Tilstone Partners Limited



# HISTORY OF WAREHOUSE REIT

## Timeline of key events







## WAREHOUSE REIT BOARD OF DIRECTORS



**Neil Kirton**  
Chairman

Neil has over 25 years of experience in the securities and investment banking industries and is currently London office Head at Kroll - a division of Duff and Phelps



**Aimee Pitman**  
Non-Executive Director

Aimee runs her own strategy consulting business, and has over 25 years' experience in strategy development across various sectors



**Lynette Lackey**  
Non-Executive Director

Lynette is a chartered accountant and experienced NED with considerable knowledge of the real estate sector



**Martin Meech**  
Non-Executive Director

Martin is the Group Property Director of Travis Perkins Plc, the largest supplier of building materials in the UK



**Simon Hope**  
Non-Executive Director (non-independent)

Simon leads the Real Estate investment teams at Savills and was on the Savills plc board from 1999 to 2010



**Stephen Barrow**  
Non-Executive Director (non-independent)

Stephen is an experienced global equity investor and is currently a non-employee Partner of Absolute Return Partners



# WAREHOUSE REIT

## THE SPECIALIST WAREHOUSE INVESTOR

FY2020 RESULTS  
JUNE 2020

WAREHOUSE REIT PLC

TILSTONE