

**industrials**  
**REIT**

# Trading Update presentation

**Quarter ended**  
**30th June 2022**

Industrials REIT FY23 Q1  
29th July 2022

## Hosts



**Paul Arenson**  
Chief Executive Officer



**Julian Carey**  
Managing Director

## Agenda

-  Multi-let Industrial Operational Performance
-  Rent Collections
-  Customer Analysis
-  Transactions
-  Closing remarks



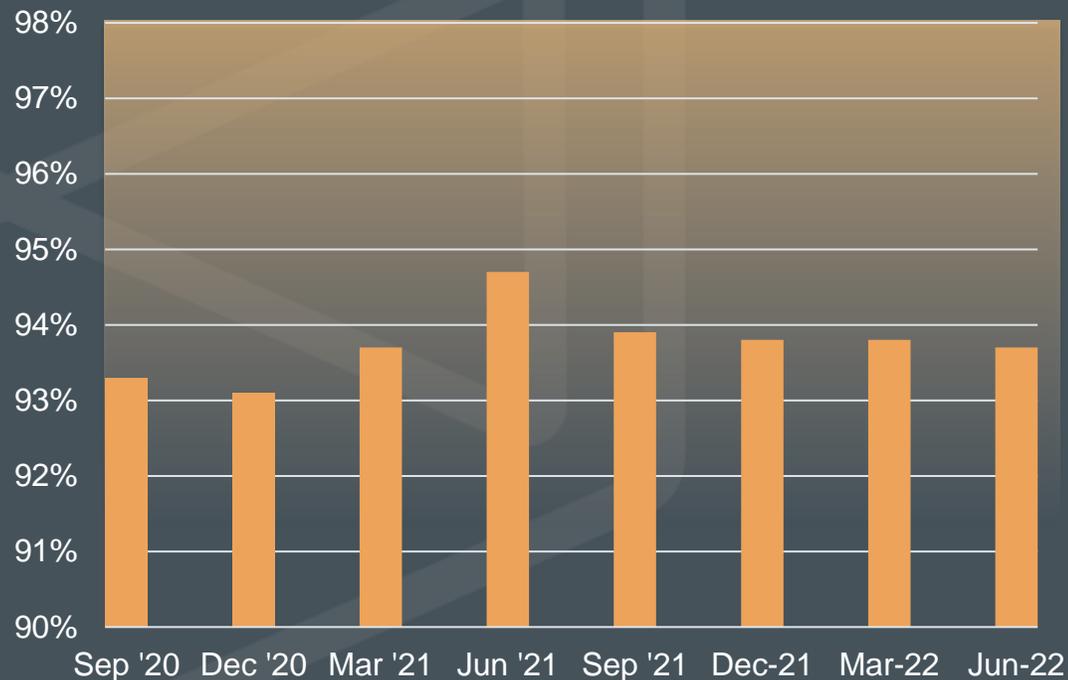
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1.0 Multi-Let Industrial  
Operational Performance

## Limited supply of MLI units

Occupancy remains high

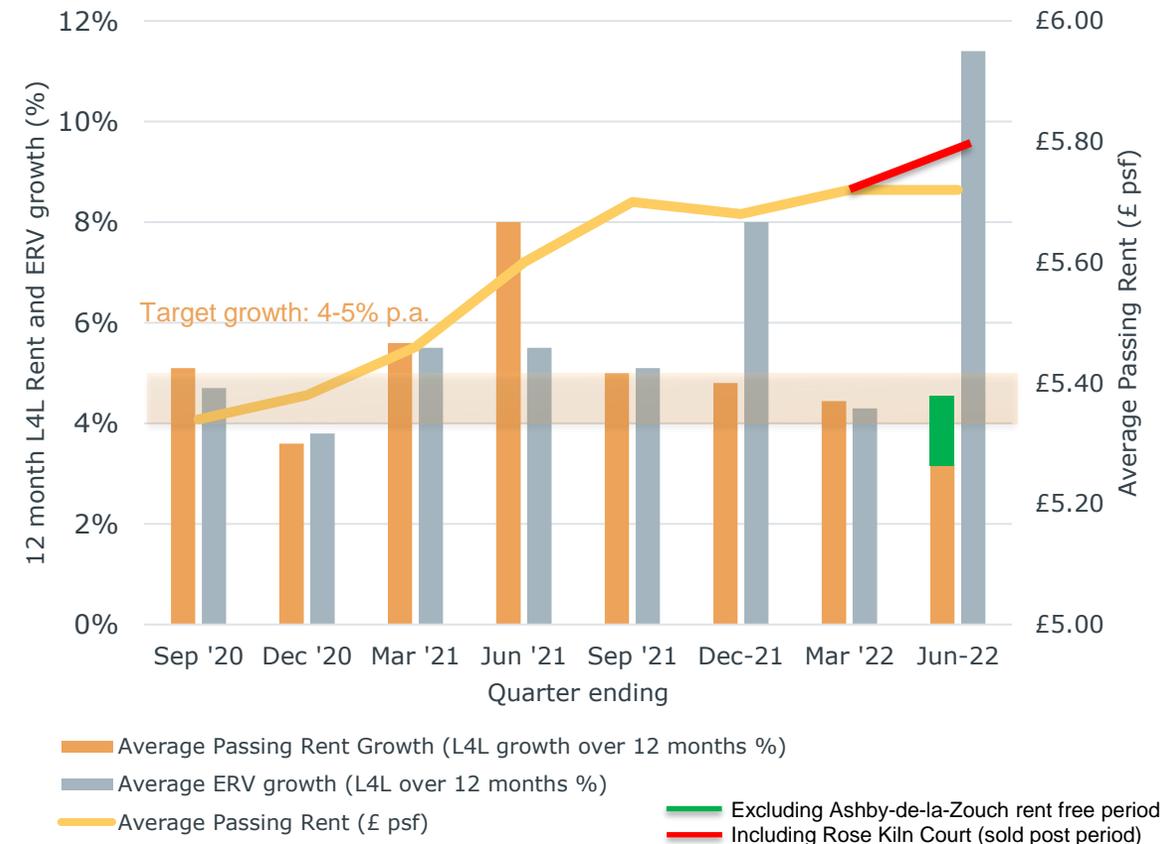
MLI Occupancy (%)



## Strong growth in ERVs

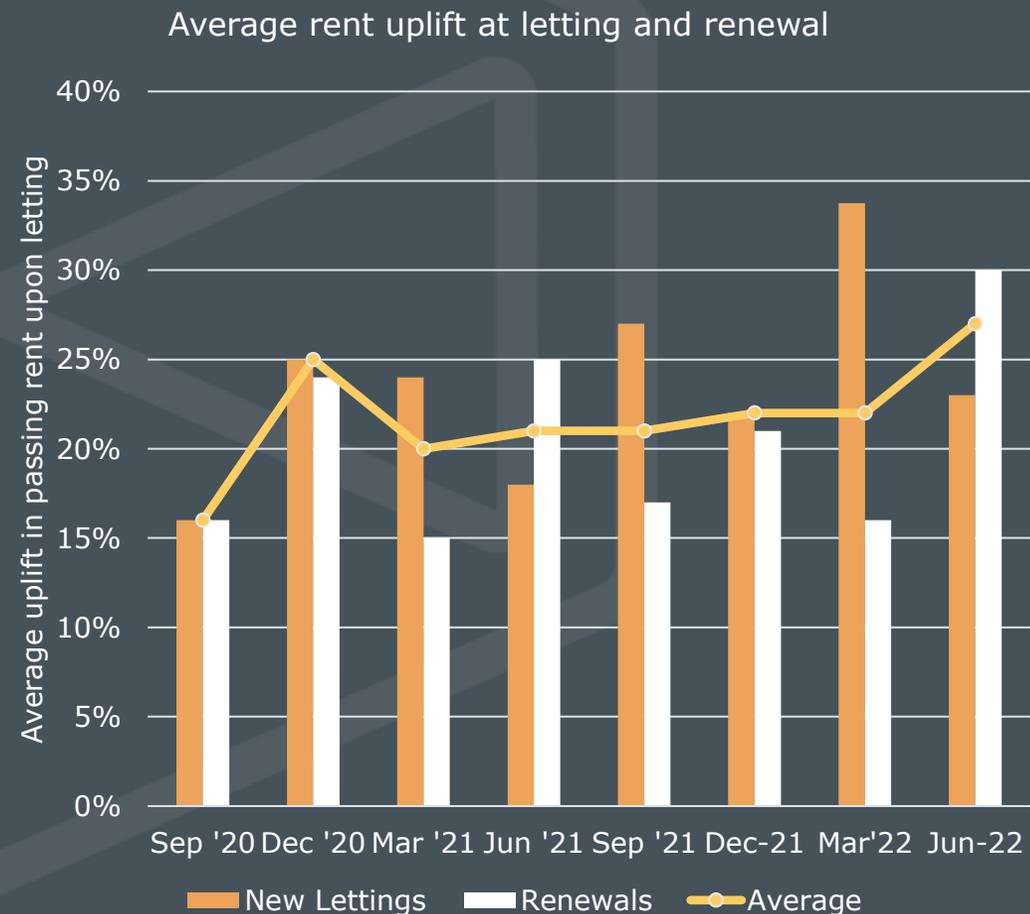
Adding to future potential rental uplifts

MLI Rents and ERVs



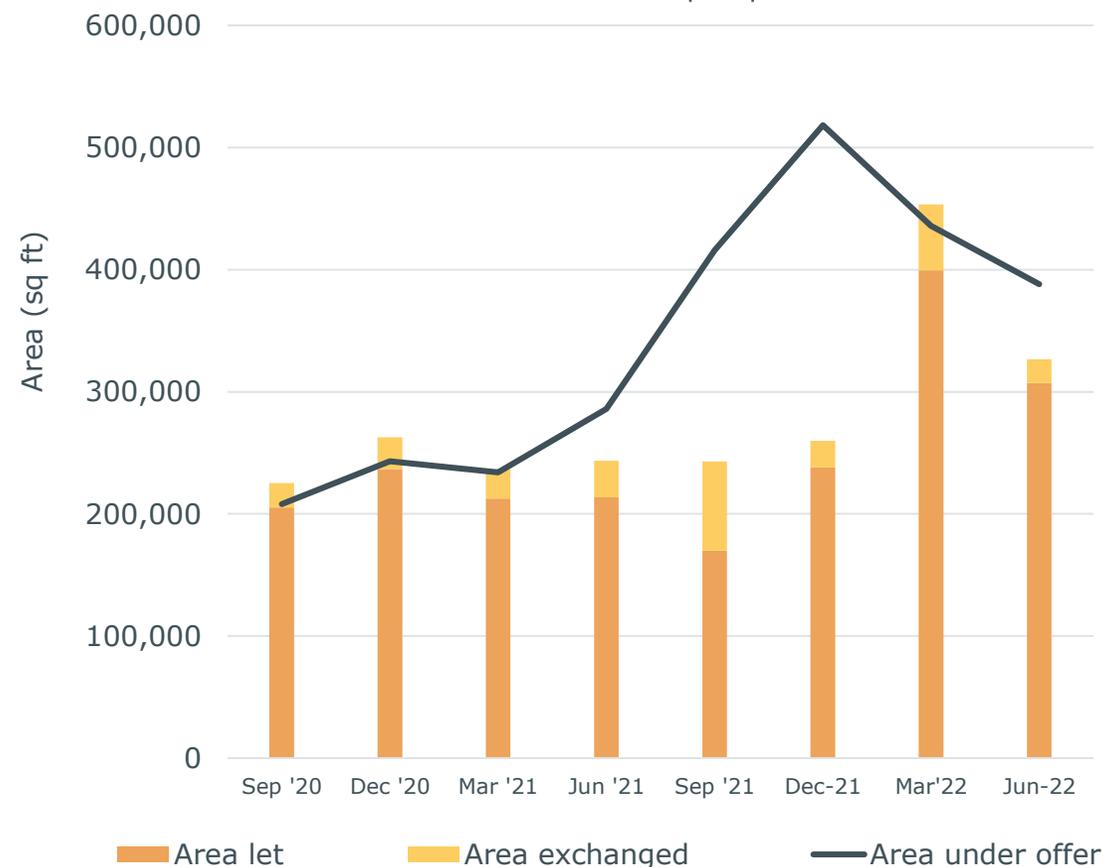
# Strong leasing performance

27% average uplift in rent upon letting or renewal



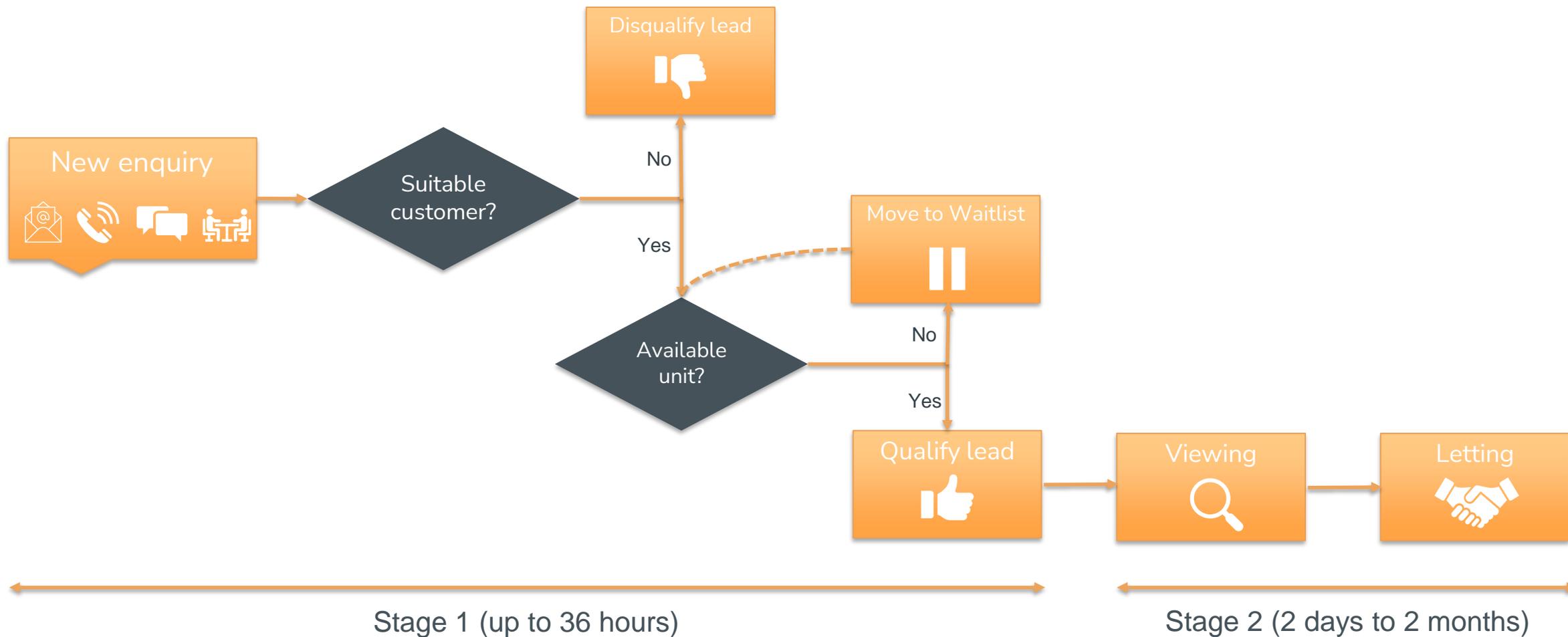
Over £2m of new leases signed

Leasing transactions (completed and exchange) and under offer units per quarter



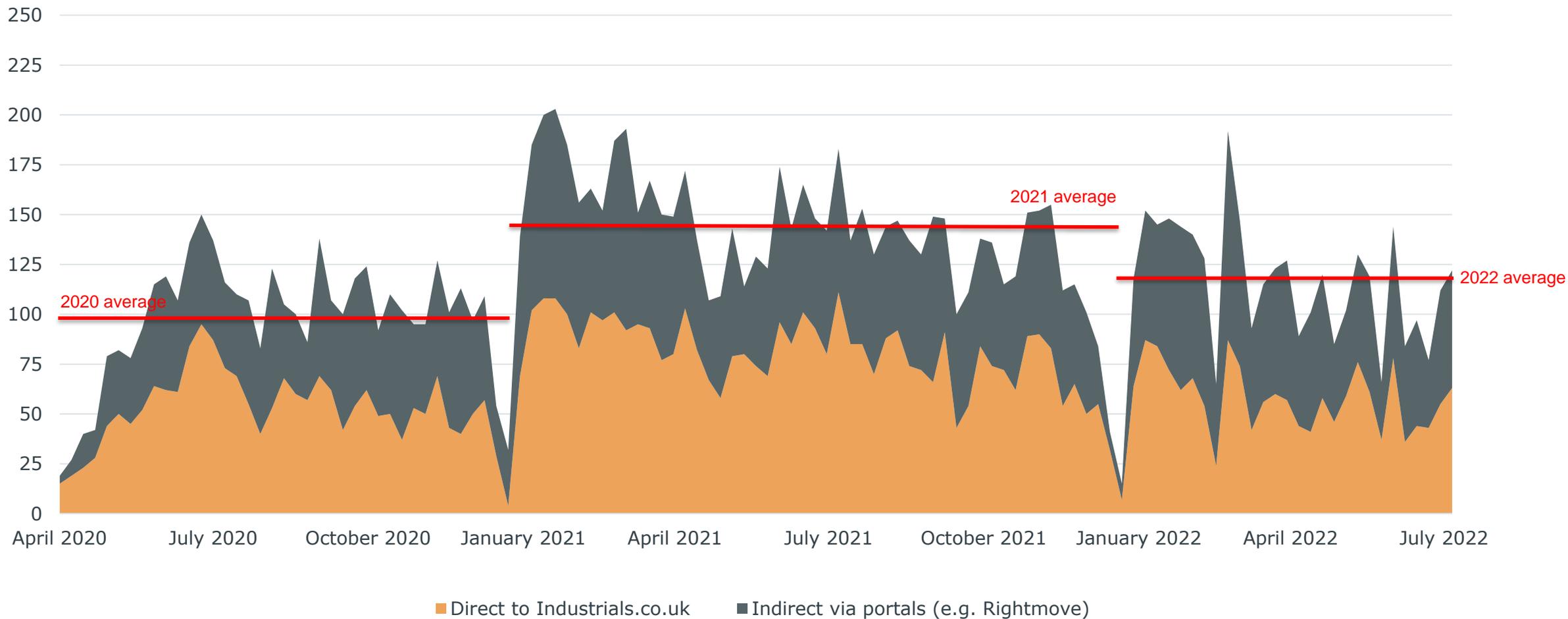
# How customers move from enquiry to letting in Industrials Hive

Stage 1 target resolution is a maximum of 36 hours



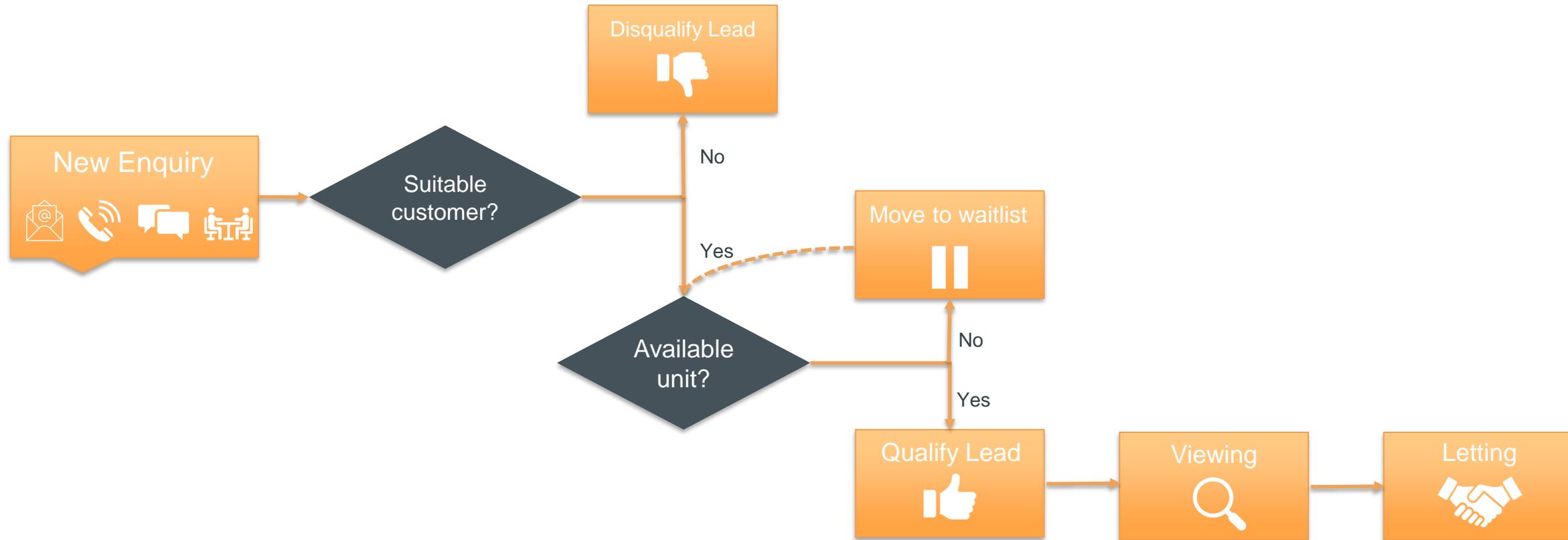
# Improvements in enquiry quality and conversion rates

Weekly leasing enquiries received into Industrials Hive (excl. via external agents)



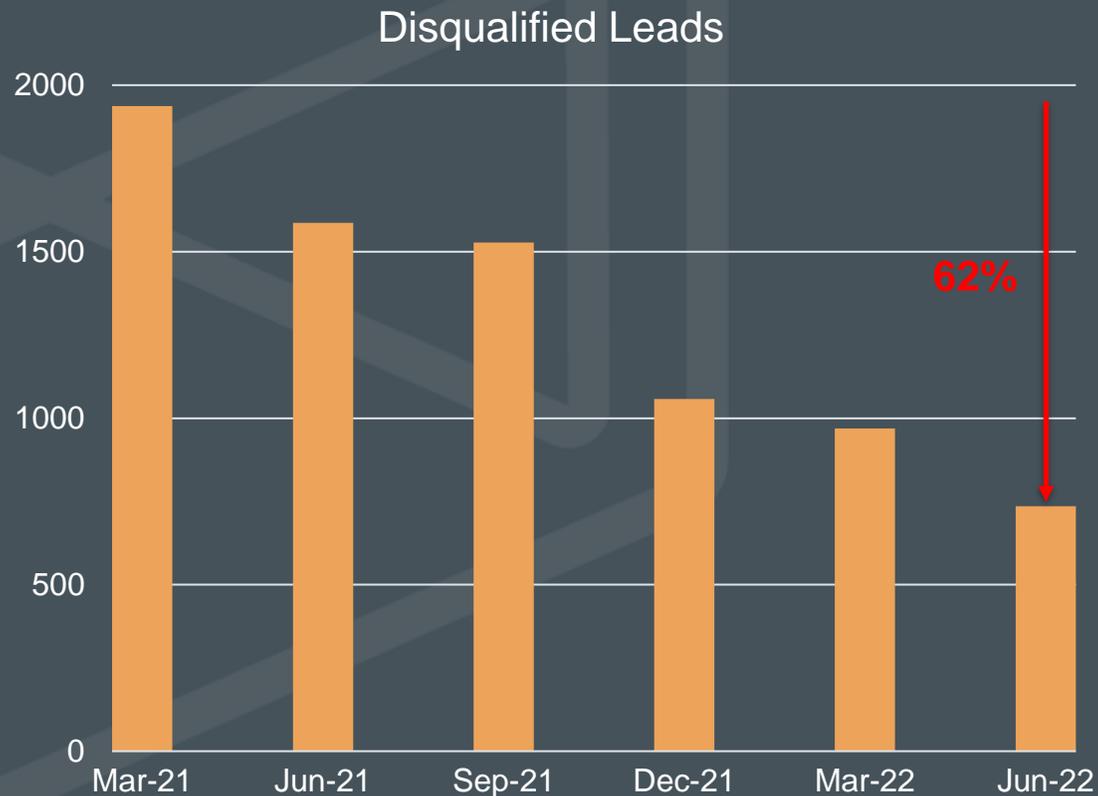
# How customers move from enquiry to letting in Industrials Hive

Waitlists are a valuable source of future qualified leads

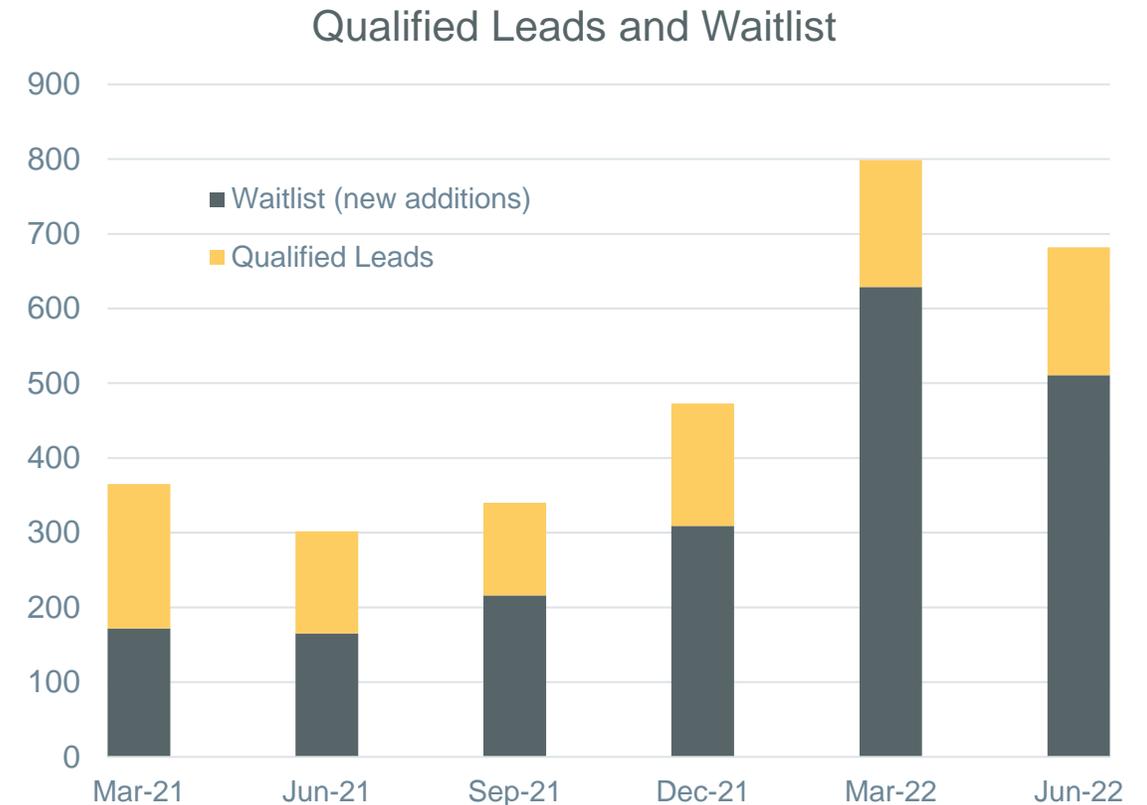


## Improvements in enquiry quality and conversion rates

Reducing disqualifications by driving higher intent traffic to the website saves time and money

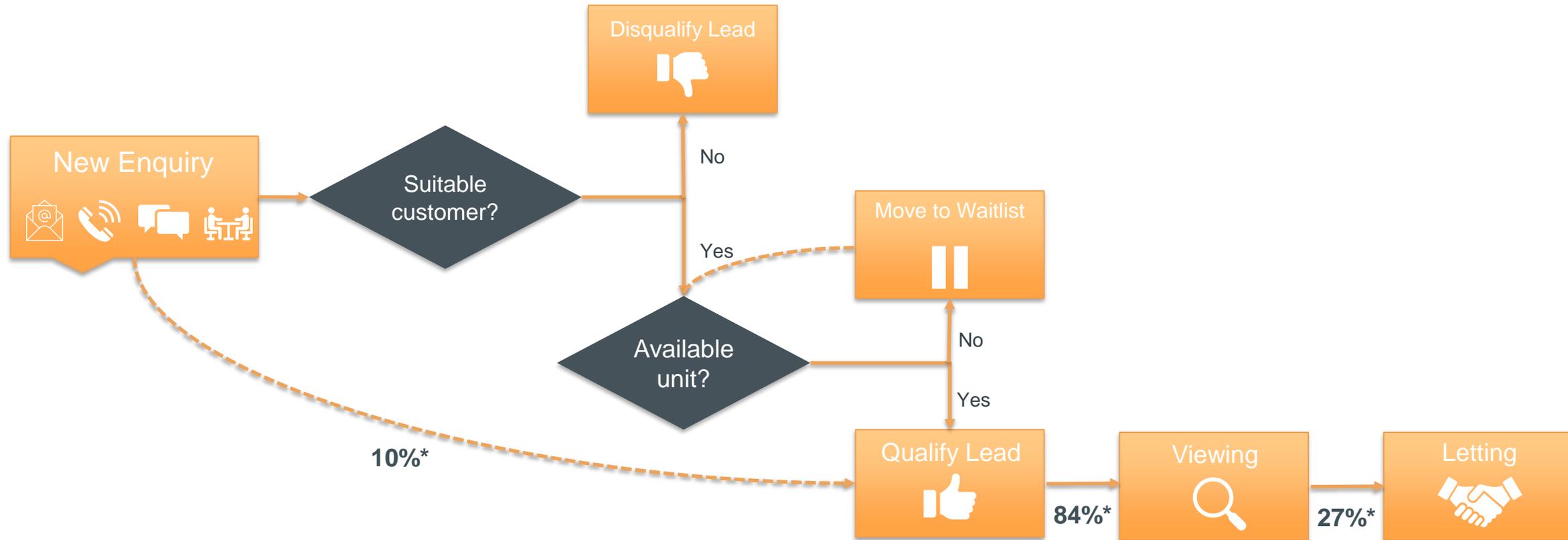


Increased demand though better leads and more proactive use of waitlists



# How customers move from enquiry to letting in Industrials Hive

Conversion rates having improved over the last 12 months



\* 12 month averages



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2.0 Rent Collections

## Rent collections – trending back to normality

Rent collected vs billed (%)

County / Sector	Portfolio Weighting	2020			2021				2022		Weighted average
		Apr-Jun	Jun-Sep	Sep-Dec	Dec-Mar	Mar-Jun	Jun-Sep	Sep-Dec	Dec - Mar	Apr- Jun	
UK MLI	95%	98%	98%	98%	98%	98%	97%	95%	92%	86%	95%
Germany	5%	94%	98%	97%	83%	98%	100%	96%	96%	95%	95%
Weighted average	100%	97%	98%	98%	95%	98%	97%	95%	92%	87%	95%

Collections up to 26th July 2022

2020 rent collections are now at pre-Covid levels

2021 collections are ahead of expectations (95%) and trending upwards

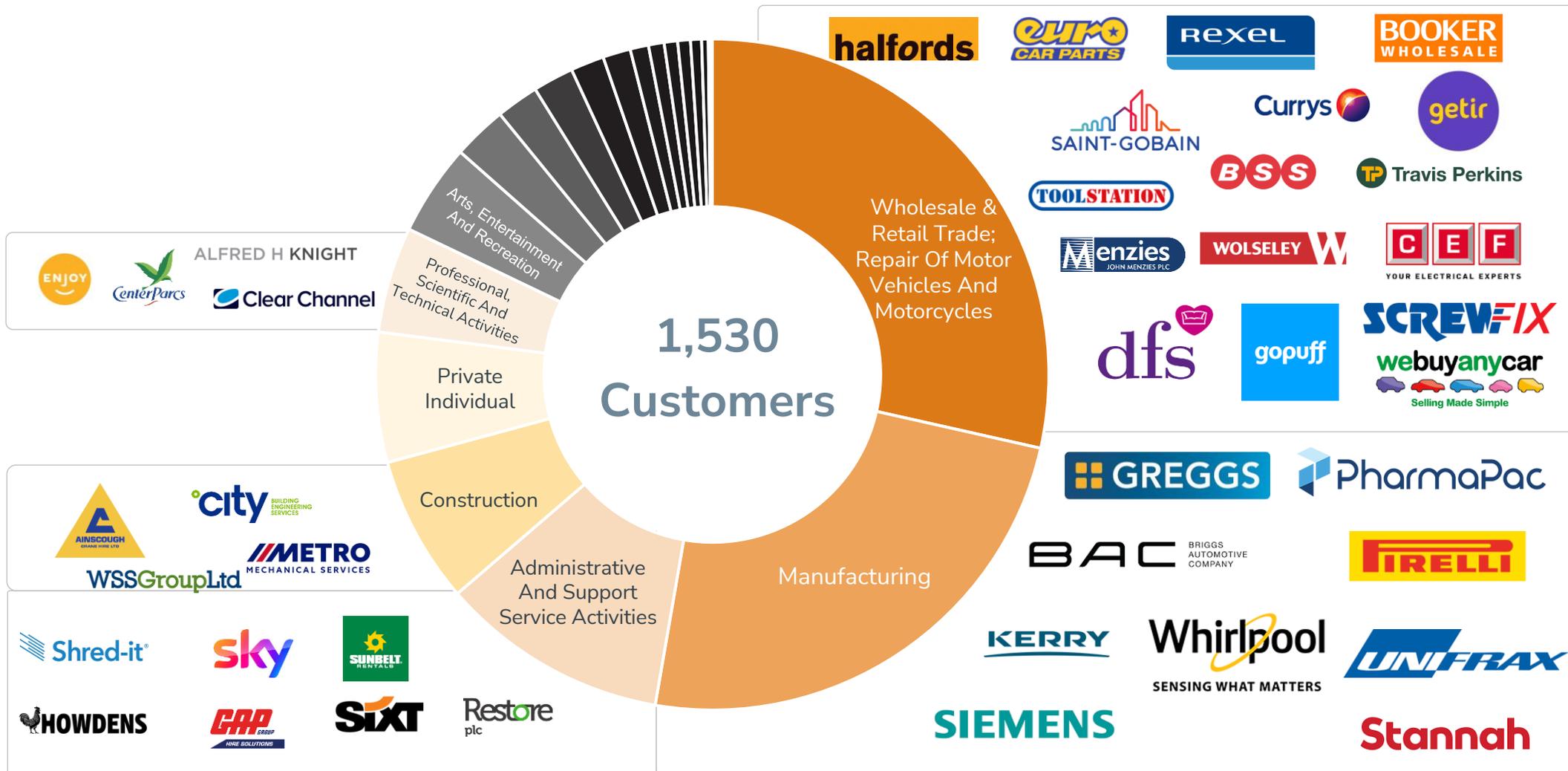
2022 collections are expected to be 98%+



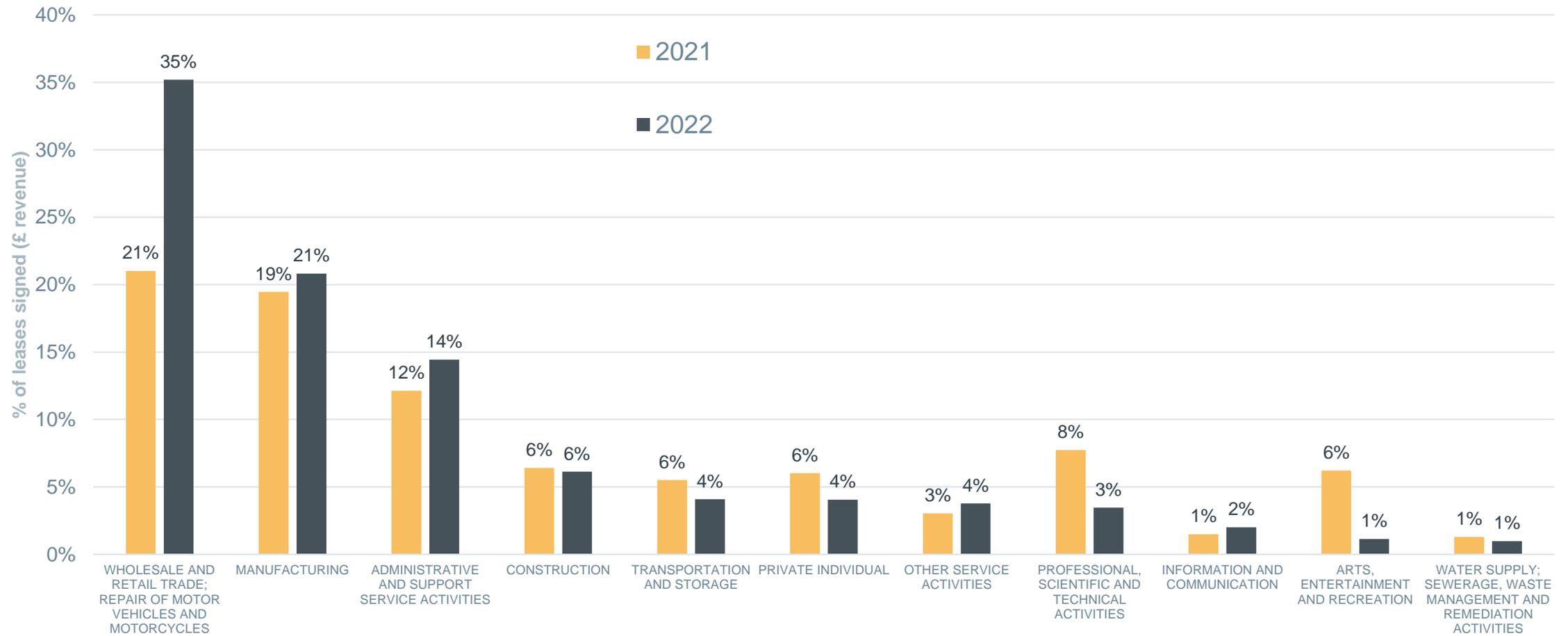
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## 3.0 Customer Analysis

# A highly diversified portfolio

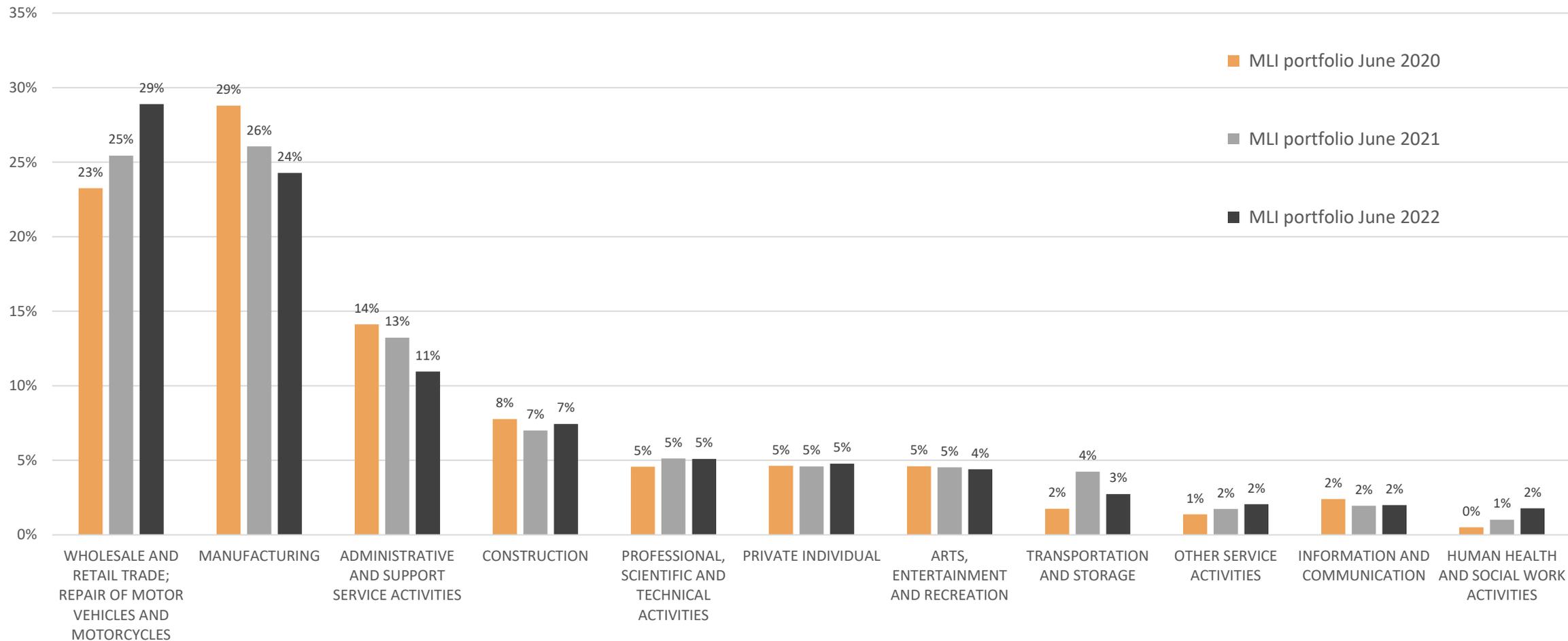


## New leases (by rental value) signed in 2022 vs 2021



# The customer base is constantly changing

MLI customer segmentation as at June 2020, June 2021 and June 2022 (% of total rent)



# 2022 Customer Survey

1.6%

Average revenue % of rent attributed to turnover

83%

only lease one unit

64%

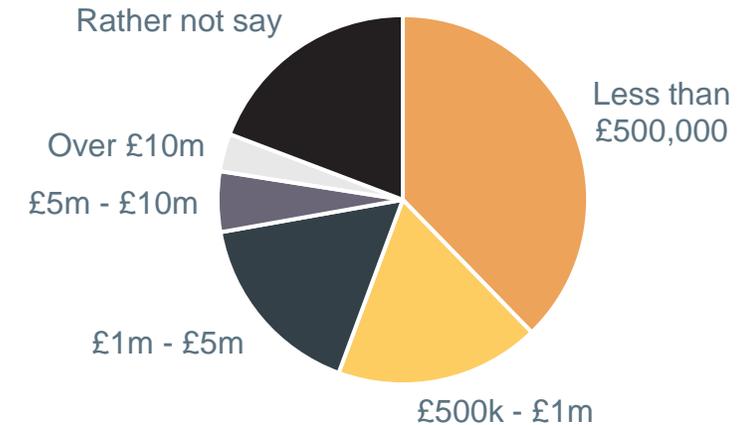
said location was top priority when selecting their unit

1/3

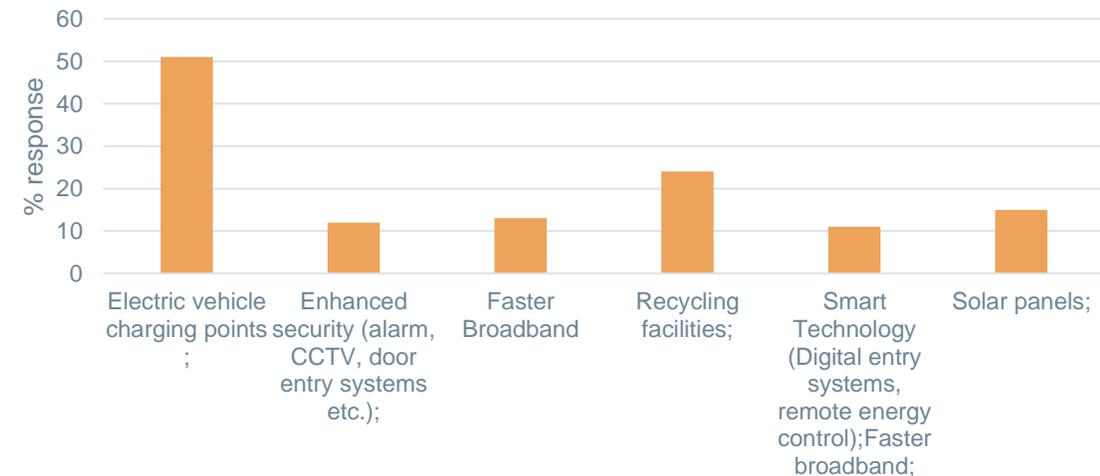
have a sustainability programme/targets

More than **50%** are interested in **electric car charging points** on the estate (14% in 2021)

## What is your company turnover?



## Which of the following would you be interested in being installed on your estate?





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5.0 Transactions

## Disciplined capital allocation

### Asset recycling to fund further MLI acquisitions

- 

Two acquisitions during the quarter of £3.3m
- 

Both purchases were adjacent/part of existing holdings at c. 25-30% discount to replacement cost
- 

Post quarter end disposal of Rose Kiln Court, Reading for £5.9m, reflecting high capital value of £185 psf
- 

Single-let asset was recently vacated and at the end of it's economic life. Strong location with planning for alternative uses
- 

Capital to be recycled into accretive MLI opportunities





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## 6.0 Closing Remarks

## Summary

Areas of focus

01

Driving rental growth

02

Improving operational efficiency

03

Growing the business to generate economies of scale

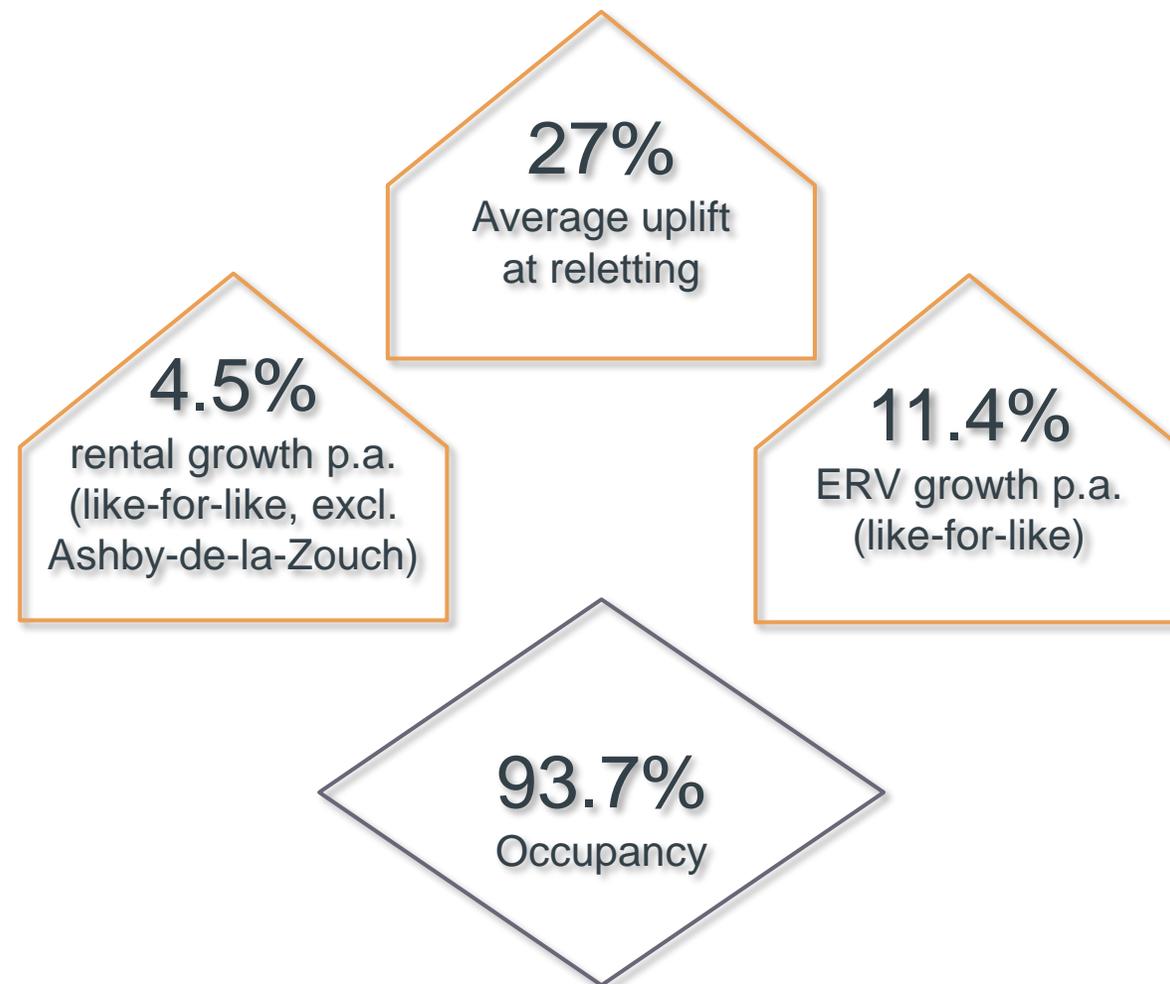


Target:

10%+ Total Shareholder Return

## Conclusion

Strong ERV performance and rental growth



# Q&A

Next Industrials REIT event:

**Industrials REIT Trading Update Q2 FY23**

Date: Friday 28<sup>th</sup> October 2022

Time: 9:00am – 9:30am BST

[Register here to join presentation.](#)

Upcoming events:

**Industrials REIT Capital Markets Day**

Date: 6th October 2022

Time: 8:30am – 1:30pm in London (optional to watch live online)

[Register here to attend](#)

**Industrials REIT Interims webinar**

Date: 2nd December 2022

Time: 9:00am – 10:00am

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