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REIT

Trading Update presentation

Quarter ending
30th September 2021
Industrials REIT FY22 Q2

Hosts



Paul Arenson
Chief Executive Officer



Julian Carey
Managing Director

Agenda

-  Multi-let Industrial Operational Performance
-  Rent Collections
-  Transaction Reviews
-  Transactions
-  Looking forward and closing remarks



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1.0 Multi-Let Industrial
Operational Performance

High occupancy continues to drive strong rental growth

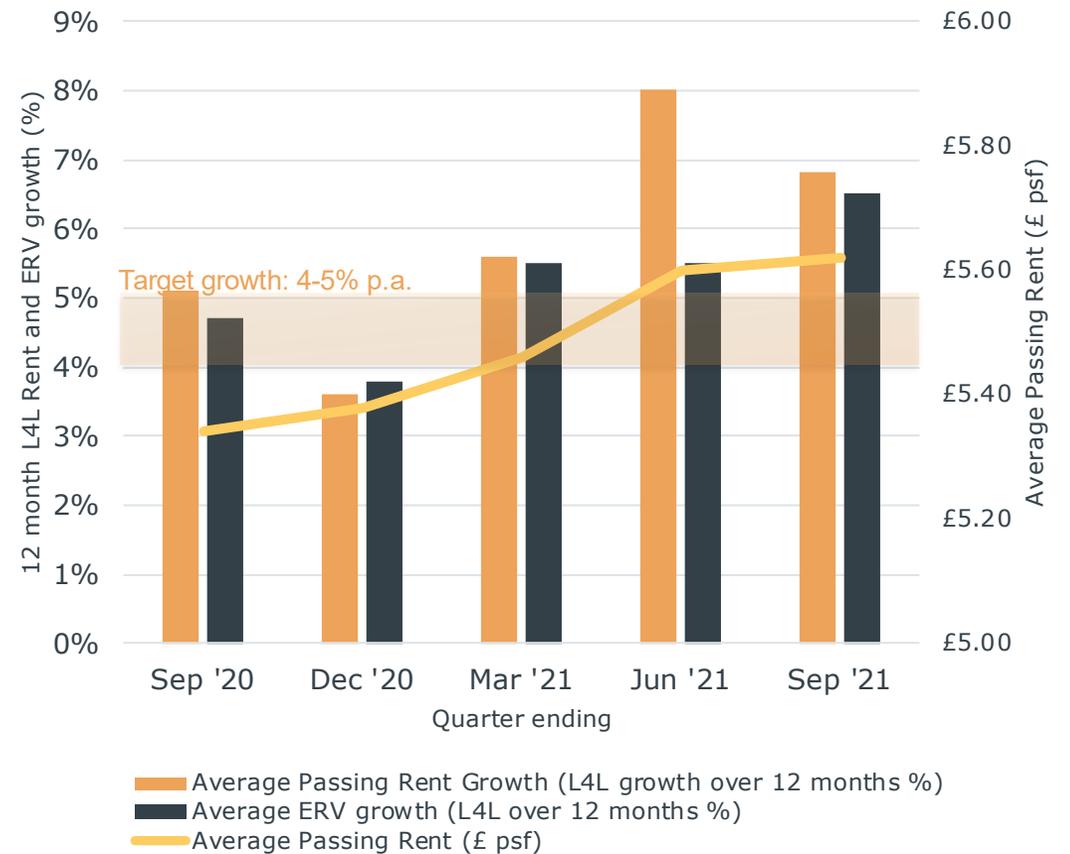
Rent and ERV growth ahead of target

MLI Occupancy (%)



1.3% of occupancy decrease due to two large lease expiries over 85,000 sq ft.

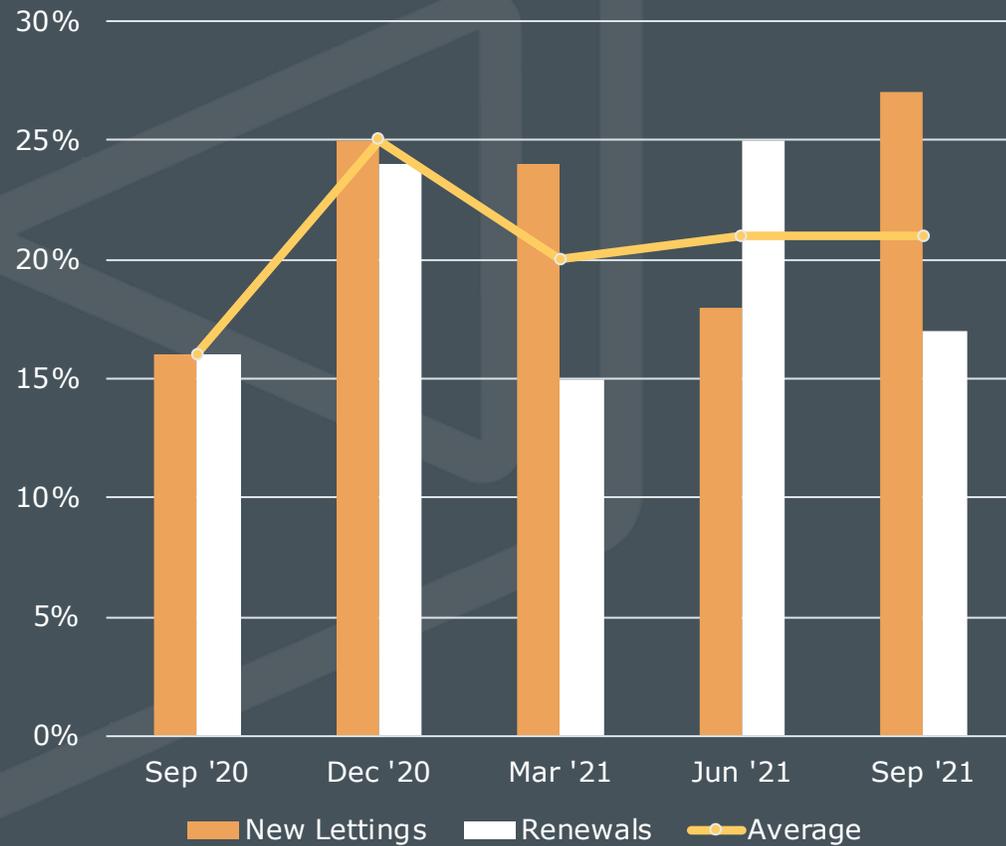
MLI Rents and ERVs



Strong leasing performance

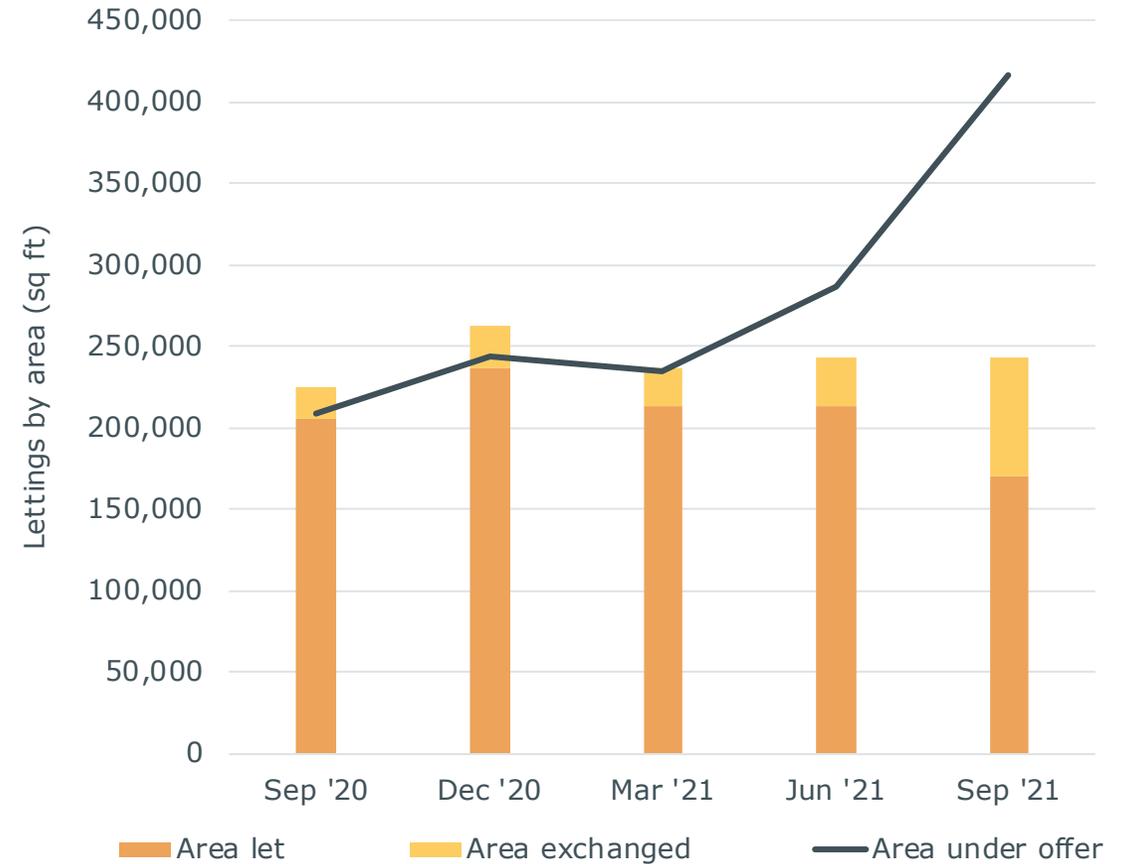
Fourth consecutive quarter of 20%+ uplifts

Average rent uplift at letting and renewal



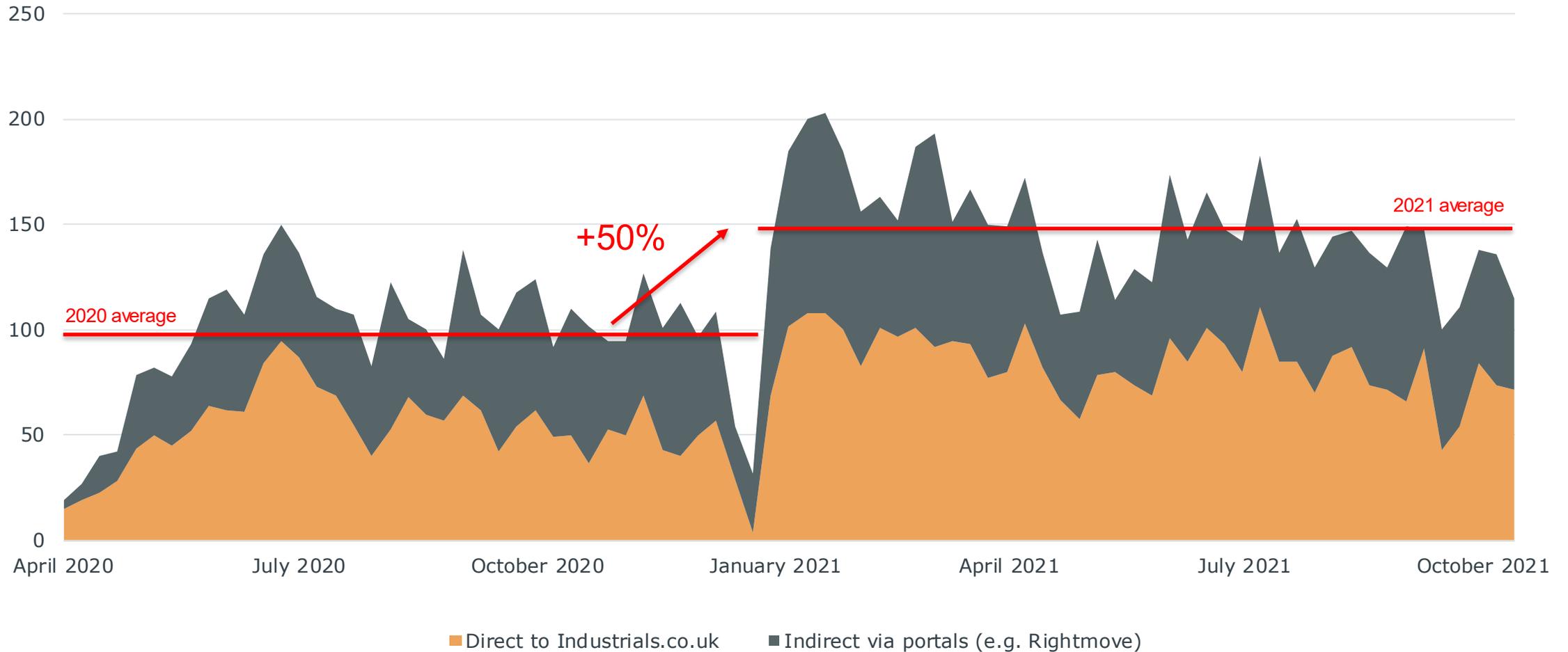
A substantial pipeline of lettings at quarter end

Leasing transactions and under offer units per quarter



A structural shift in demand

Leasing enquiries received (excl. via external agents)





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2.0 Rent Collections

Rent collections continue to improve

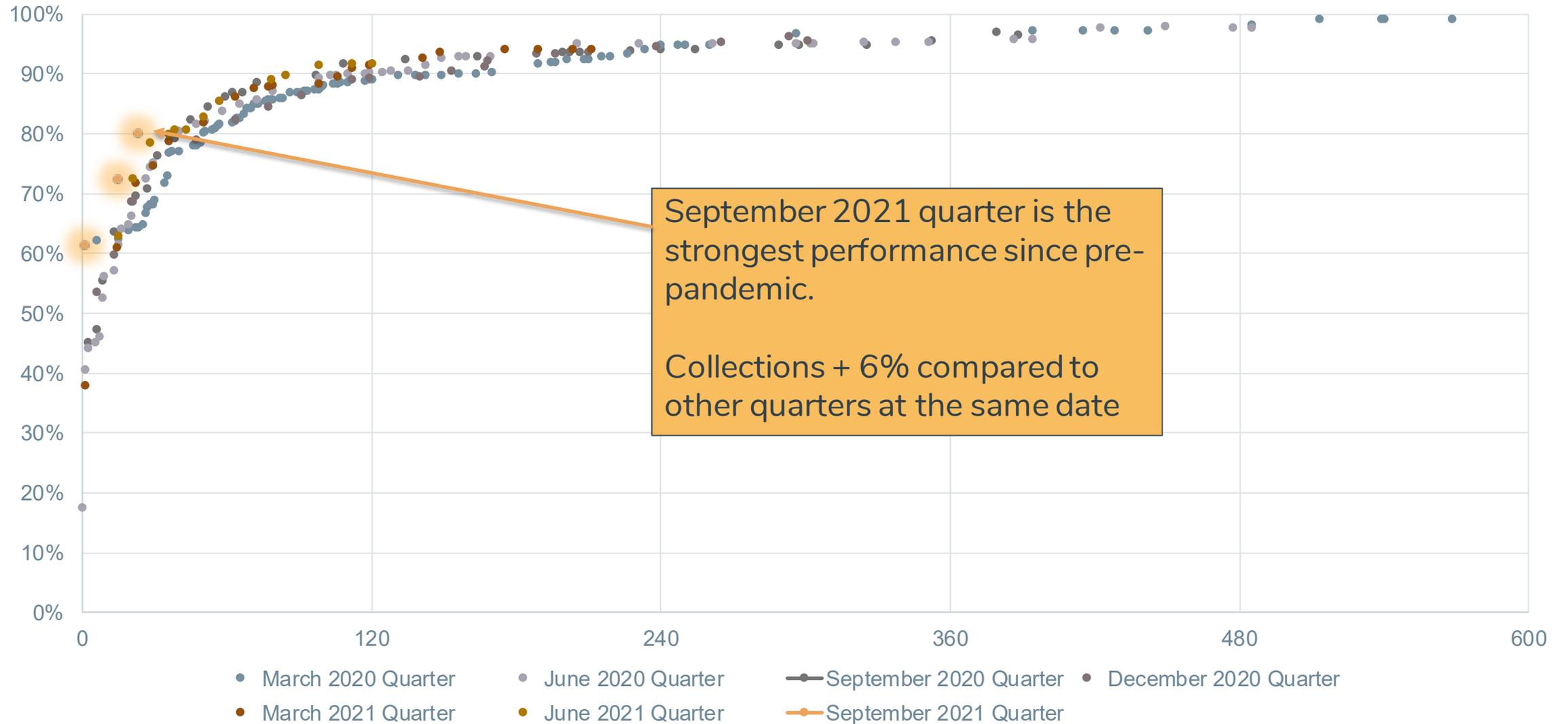
Total Rents (2020/2021)

County / Sector	Portfolio Weighting (at Mar 21)	Total Rents (2020/2021)							Weighted Average
		April-June	June – Sept	Sept - Dec	Dec - Mar	Mar - June	June - Sept	Sept - Dec	
UK MLI	78.1%	96%	96%	96%	94%	93%	91%	82%	92%
Guernsey Office	9.7%	100%	100%	100%	100%	100%	100%	n/a	100%
Germany	10.1%	94%	98%	97%	83%	98%	99%	99%	94%
Switzerland	2.1%	17%	66%	61%	11%	22%	44%	50%	38%
Weighted Average	100%	93%	96%	95%	90%	93%	91%	82%	92%

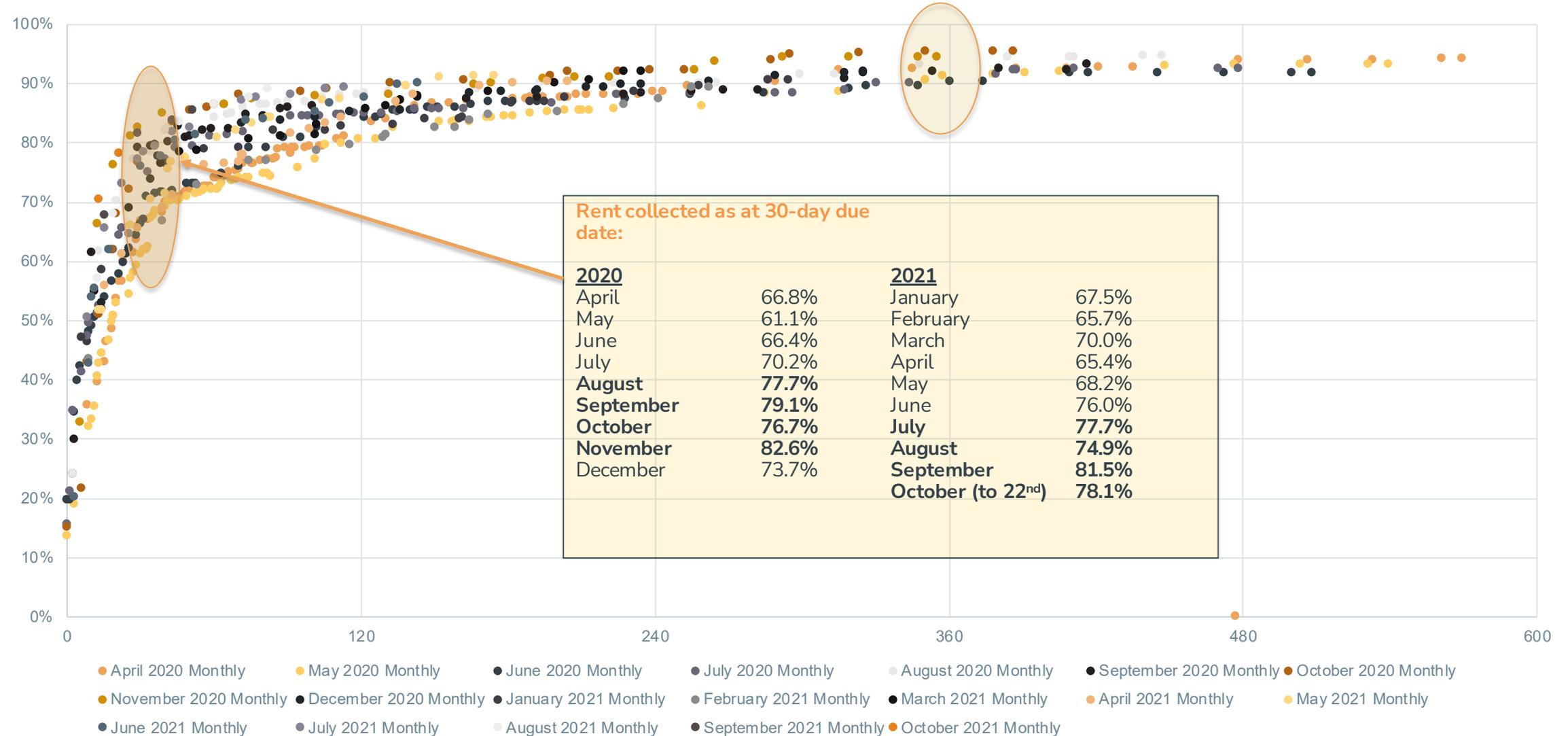
Collections as at 22nd October 2021

MLI collections for 2020 are now above our target of 95% for the pandemic period

Quarterly rent collections trending towards 99%+



October '21 monthly rents the strongest since the pandemic





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3.0 Transaction Reviews

Bradley Hall Trading Estate, Wigan

What is it?

Multi-let industrial estate comprising 275,000 sq ft of MLI space and a further 230,000 sq ft of open storage land.

Where?

Wigan, North-West England. The estate is in an established industrial location, with good access to local and national road networks, and a local population (within 10 miles) of 900,000 providing a ready pool of local labour.

Characteristics

A mixture of unit sizes from 500 to 20,000 sq ft, with buildings ranging in age from 1960s through to 2000s. 75% comprise <10k sq ft small MLI units, with potential to develop further units in future.



Bradley Hall Trading Estate, Wigan

What did we pay?

Purchase Date:	2nd July 2021
Purchase Price:	£20,600,000
Capital value	£67 psf
Net initial yield:	6.4%
Occupancy:	100%
Tenants:	102
Average rent:	£4.61 psf

Why do we like it?

- Bradley Hall Trading Estate is a significant and long established MLI estate in the North-West with a diverse line up of SME customers.
- The estate has maintained consistently high occupancy for many years, but rents remain low giving strong potential to enhance income.
- The low average unit size of <3,000 sq ft is ideal for the use of our Smart Lease model in combination with our Industrials Hive operating platform.





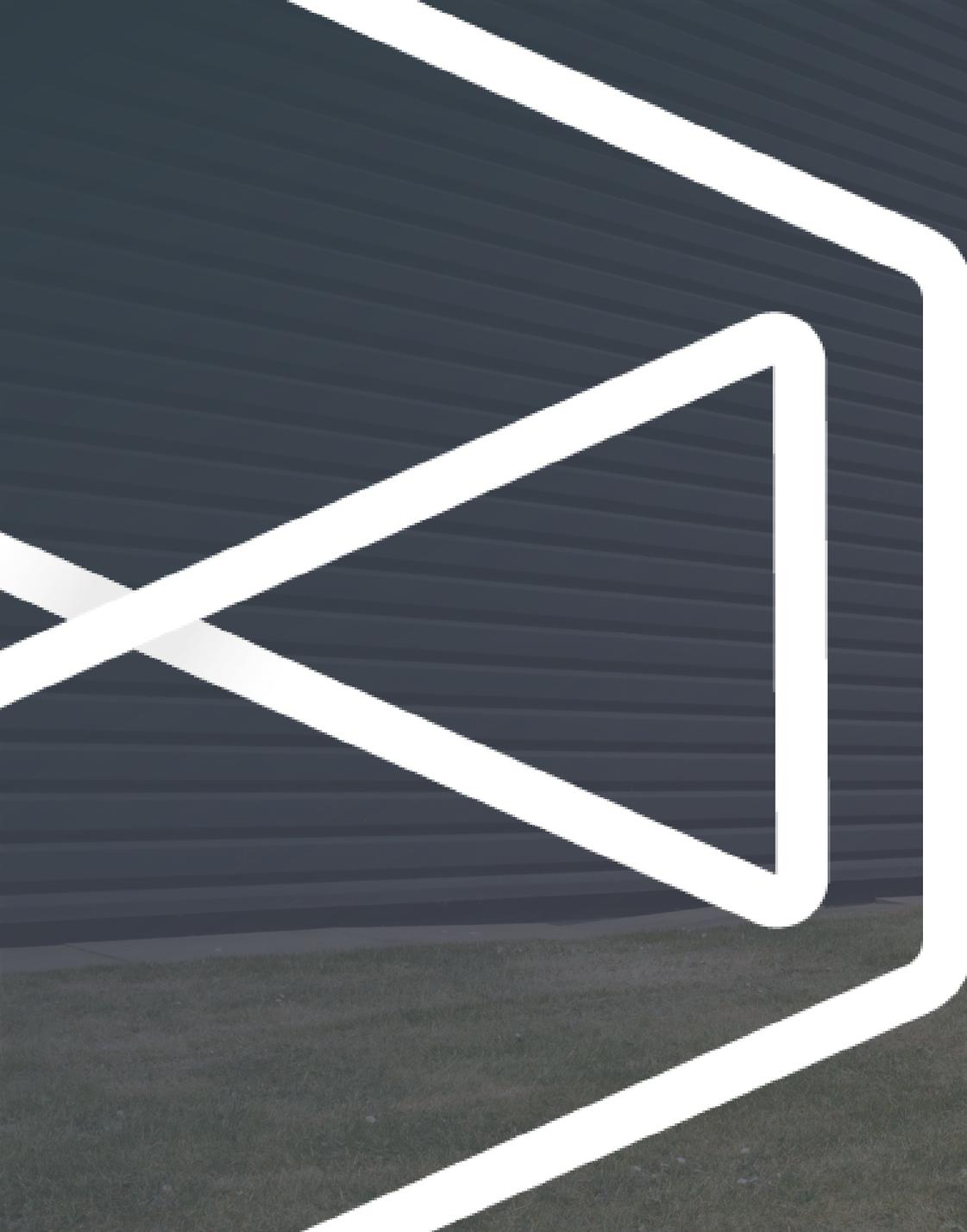
Excelsior Industrial Estate, Glasgow

Purchase information

Purchase Date:	9 th Sept. 2020
Purchase Price:	£5,200,000
Capital value	£85 psf
Net initial yield:	6.95%
Occupancy:	93%
Tenants:	7
Average rent:	£6.17 psf

Asset Management Update

- Refurbished vacant Unit 6 upon acquisition;
- Completed new letting to Emarket on Unit 6 in Feb. '21 at £6.75 psf, a premium of 4% to purchase ERV;
- Emarket were upsized from another Industrials unit in north Glasgow where we secured a back-to-back reletting to a last mile grocery business;
- Valuation up 5.8% in first 6 months of ownership, reflecting Unit 6 leasing success and attractive entry price.
- Since valuation, renewed two leases to a national trade counter business over 32,000 sq ft for a further 10 years (break at 5) with an uplift in rent of £19,295 p.a. (8.5% ahead of purchase ERV).



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4.0 Transactions

Transactions

Acquisitions since 1st July 2021



Seven MLI estates

- Duke portfolio consisting of 5 estates
- Whitacre Industrial Park, Huddersfield
- Bradley Hall Trading Estate, Wigan



Total acquisitions of £36.5 million



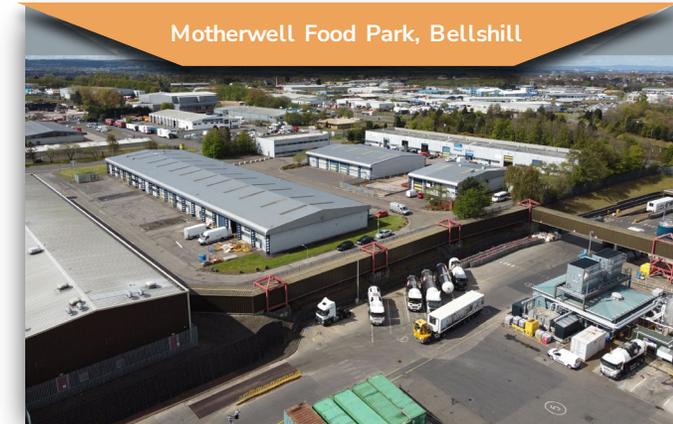
516,500 sq ft of new space



Strong pipeline for the rest of FY22 with a further £18 million of purchases since quarter end and a further 2 MLI estates under offer



Acorn Industrial Estate, Hull



Motherwell Food Park, Bellshill



Bontoft Avenue, Hull



Bradley Hall Trading Estate, Wigan

Transactions

Disposals since 1st July 2021

Trafalgar Court, Guernsey

Price: £55 million
Net Initial Yield: 7.5% (allowing for 6.95% purchaser's costs)
Buyer: ARC Global Holdings Ltd.
Net proceeds: c.£25.6 million
Date: 3rd September 2021

 Remaining two non-MLI disposals are in progress





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5.0 Look Forward and
Closing Remarks

A look forward...

Key milestones for the next 6 months:



Summary

Areas of focus

01

Driving rental growth

02

Improving operational efficiency

03

Scaling the business to generate economies of scale

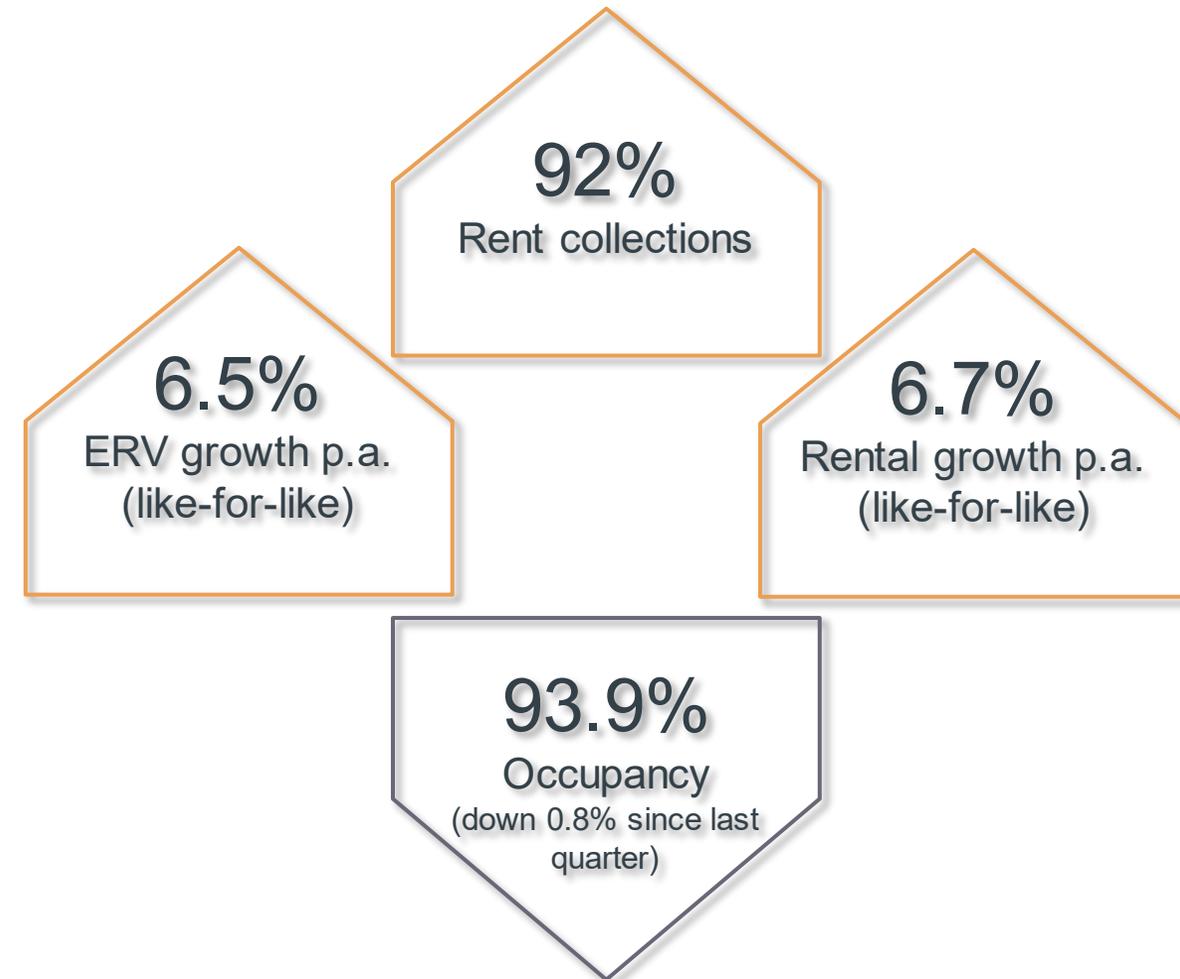


Target:

10%+ Total Shareholder Return

Conclusion

Strong market conditions continue for 2021



Q&A

Register to join **Industrials REIT Interim Results** (for 6 months to 30 September 2021).

Date: Friday 3rd December 2021

Time: 9:00am – 10:00am BST

[Register here to join presentation.](#)

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