



STENPROP

**ANNUAL RESULTS
PRESENTATION**

For the year ended
31 March 2021

Agenda



Paul Arenson

Chief Executive Officer



James Beaumont

Chief Financial Officer



Julian Carey

Managing Director





STENPROP

Highlights

- ▶ Fully covered dividend of 6.75p for the year
- ▶ EPRA NTA up 6.5% for the year
- ▶ Total Accounting Return of 11.4% for the year

Robust Financial Performance

Strong MLI Performance

- ▶ 5.6% like-for-like rental growth
- ▶ 16.3% average uplift in rent at renewal or letting
- ▶ Vacancy rate improved to 6.3% (from 9.0%)
- ▶ 90% rent collections

- ▶ Move from the SFS to a Premium/Primary Listing on the LSE in the financial year 2022
- ▶ JSE listing to become secondary listing
- ▶ Rebrand to clarify investment proposition and align more closely with operating brand

Rebranding and improving liquidity

Transition milestones hit - 1 year to go

All 3-year transition milestones achieved:

- ▶ LTV 28.1% (max 40%)
- ▶ MLI portfolio 74.3% (target 75%)
- ▶ £91.5m of acquisitions (£90m target)
- ▶ €122m of disposals (€106m target)

- ▶ Target dividend of 6.75p+ for the year ending March 2022



STENPROP

Strategy

Our strategy



Specialist Operating Platform

- ▶ Industrials Hive Operating Platform
- ▶ Technology driven for maximum efficiency
- ▶ Designed for scale to facilitate growth



Quality Properties

- ▶ Target 100% MLI by March 2022
- ▶ Urban Locations
- ▶ Purpose built MLI
- ▶ Serviced industrial model



Deliver Sustainable and Growing Income

- ▶ 10%+ Total Accounting Return
- ▶ 4-5% per annum rental growth
- ▶ 5-6% p.a. NAV growth
- ▶ REIT structure
- ▶ Move to Premium LSE listing



Delivering for all our Stakeholders

- ▶ Responsible
- ▶ Sustainable
- ▶ Good Corporate Citizenship

Our purpose is to revolutionise the MLI sector in the UK for the benefit of our stakeholders

Our 'to do' list for this year



- ▶ Buy £100m+ of new MLI assets
- ▶ Disposal of the remaining £127m of non-MLI assets



- ▶ Move from the Specialist Fund Segment to the Premium Segment of the London Stock Exchange
- ▶ LSE to become primary listing and JSE to become secondary Stock Exchange



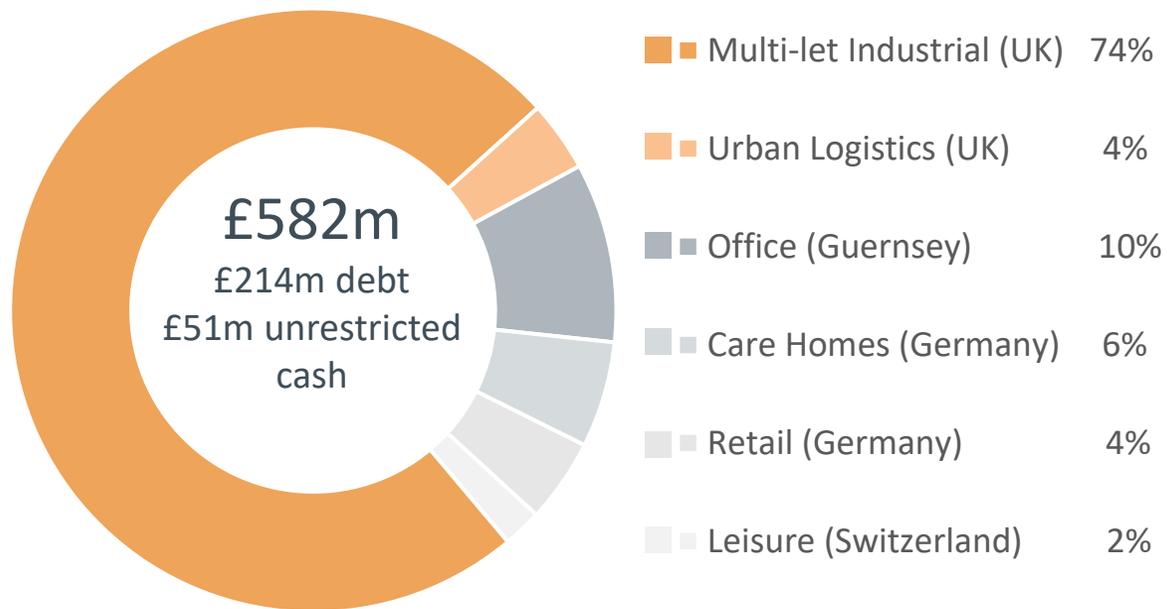
- ▶ Enhance alignment between our corporate and trading brands
- ▶ Improve clarity of purpose for investors



- ▶ Implement new ERP system
- ▶ Enable the in-sourcing of several areas of the business to improve customer experience and process
- ▶ An end-to-end customer management platform

On course to complete transition by March 2022

CURRENT PORTFOLIO



At the end of March 2022, Stenprop intends to be wholly MLI / Urban Logistics, with capacity to borrow against existing assets and expand with a maximum LTV of 40%

		March '20	March '21	March '22
Multi-let Industrial	UK	£309m	£433m	£533m
Urban Logistics	UK	£22m	£22m	£22m
Office	Guernsey	£57m	£56m	-
Care Homes	Germany	£36m	£33m	-
Retail	Germany	£95m	£26m	-
Leisure	Switzerland	£14m	£12m	-
Total portfolio		£533m	£582m	£555m
MLI %		58%	74%	96%
Unrestricted cash		£78m	£51m	£62m
Total debt		£217m	£214m	£208m
LTV %		40.8%	36.8%	37.4%
LTV % incl. unrestricted cash		26.2%	28.1%	26.3%



STENPROP

Financial Highlights

Financial highlights

for the year ended 31 March 2021

Final dividend per share
fully covered out of earnings

3.375p

with scrip alternative

Full year
dividend per share

6.75p

FY21 Adjusted
earnings per share

6.78p ▼ 1.5%

(vs March 2020)

EPRA
NTA per share

£1.47 ▲ 6.5%

(vs March 2020)

Dividend yield
on EPRA NTA¹

4.9%

Dividend yield
on current share price²

4.4%

¹ Based on opening EPRA NTA of £1.38 per share

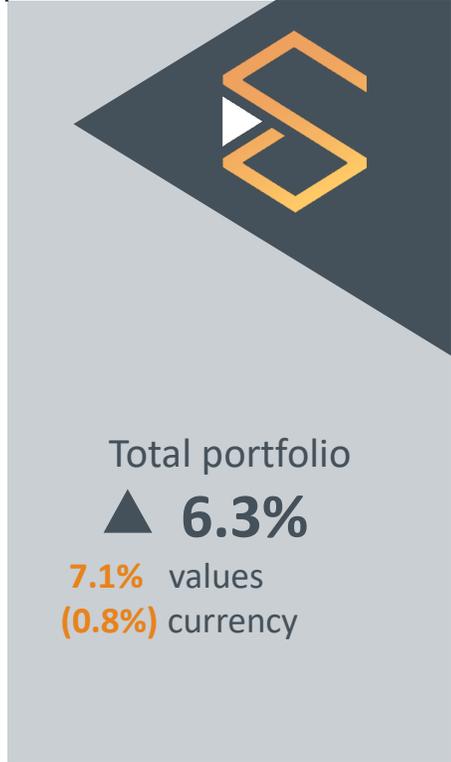
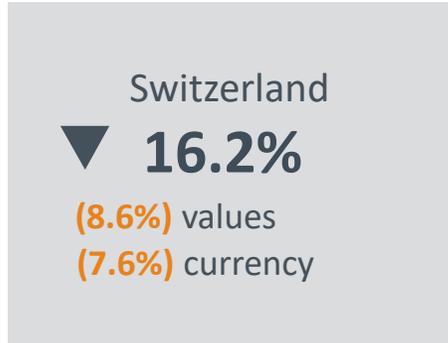
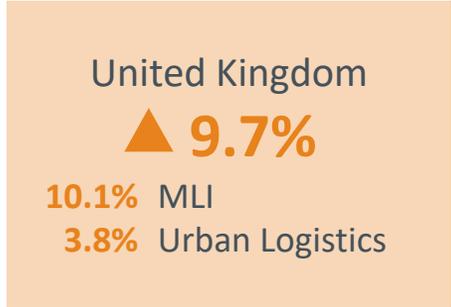
² Based on a share price of £1.55

Balance sheet strengthened with longer, cheaper debt

	Year ended 31 March 2021	Year ended 31 March 2020
Total debt (£ million)	214,5	217,3
Weighted average debt maturity (years)	3.91	2.70
Average cost of debt	1.93%	2.62%
Loan to value	36.8%	40.8%
Debt related to MLI portfolio	70.5%	56.7%
% of debt fixed or capped	76.0%	77.0%
Net LTV	28.1%	26.2%

Portfolio valuations at 31 March 2021

In GBP – vs 31 March 2020 values *



Total £582m

Incl. £26m Berlin asset notarised

Currently in sales process

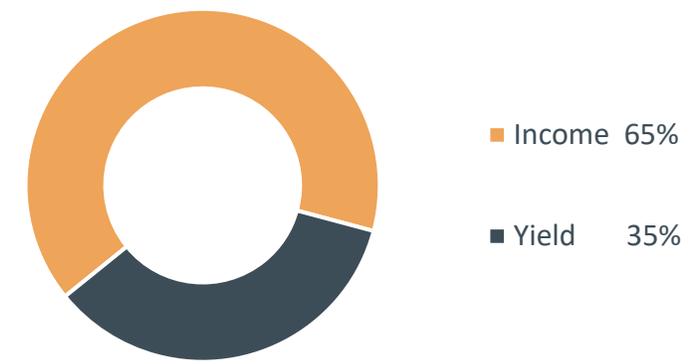
Only one property valued
 in CHF remaining

* On a like-for-like basis, excluding the impact of acquisitions and disposals. Refer to Slide 32 for more detail on valuation movements

MLI performance largely due to rental growth

Region	Portfolio Weighting by Value (%)	Valuation Uplift	Value Change £ 000s
North East	5.5	26%	320
East of England	11.8	21%	5,330
East Midlands	3.7	16%	2,225
West Midlands	10.4	12%	3,407
North West	21.3	11%	8,345
North Wales	2.6	9%	935
South East	11.5	9%	4,010
Scotland	12.0	8%	2,580
Yorkshire & Humber	13.8	7%	3,815
South Wales	4.2	5%	579
South West	3.2	-7%	-500

VALUATION MOVEMENT BY DRIVER



TOP 5 PERFORMERS 12 MONTHS TO 31 MARCH 2021 BY % INCREASE

Asset	Fair Value 31 March 2021 £ 000s	Fair Value 31 March 2020 £ 000s	Value Change £ 000s	Value % Change	Primary reason for change
Coningsby Park, Stirling Way, Bretton, Peterborough	18,000	13,780	4,220	30.62%	Leasing up vacant space
Rawdon Network Centre, Marquis Drive, Swadlincote	2,850	2,210	640	28.96%	Rental growth
Poulton Close Business Centre, Dover	4,400	3,475	925	26.62%	Leasing up vacant space
Cleveland Trading Estate, Darlington	1,570	1,250	320	25.60%	Leasing up vacant space
Shire Court, Mansfield	3,925	3,150	775	24.60%	Lease regear

Covid proved the portfolio's resilience

▶ RENT COLLECTIONS – A RESILIENT PICTURE

	Rent collected year to 31 March 2021
UK - MLI	90%
UK - Urban Logistics	100%
Guernsey - Office	100%
Germany – Retail & Carehomes	95%
Switzerland - Leisure	40%
TOTAL	92%



- ▶ Support given to MLI customers:-
 - > Case by case discussions
 - > Payment frequency changes
 - > Rent payment deferrals
- ▶ Reopening of arts, leisure and recreation occupiers (c.5% of MLI portfolio) will increase collections

▶ EXPECTED CREDIT LOSSES

	FY21	FY20
Expected credit loss expense	£3.0m	£0.5m
% of FY21 rental income	7.4%	1.2%
Total provision 31/3/2021	£3.6m	£1.3m

Continued and discontinued operations, incl. JVs

▶ FURTHER RECOVERIES EXPECTED

- ▶ Component of expected credit loss provision is anticipated to unwind as Covid-19 restrictions ease and customers address arrears
- ▶ Expect rent collections to increase to 95%+ for the year to 31 March '21



STENPROP

MLI Performance

MLI Portfolio Overview

5,611,103
sq ft

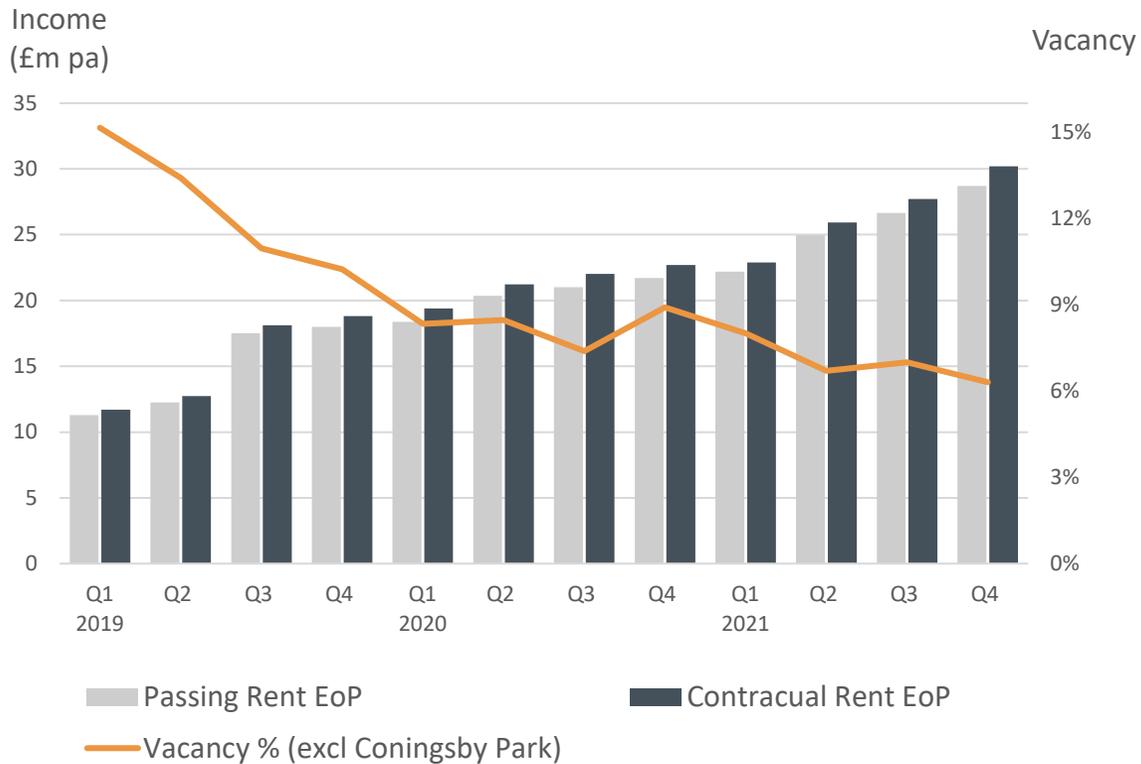
1,466
Units

83
Assets

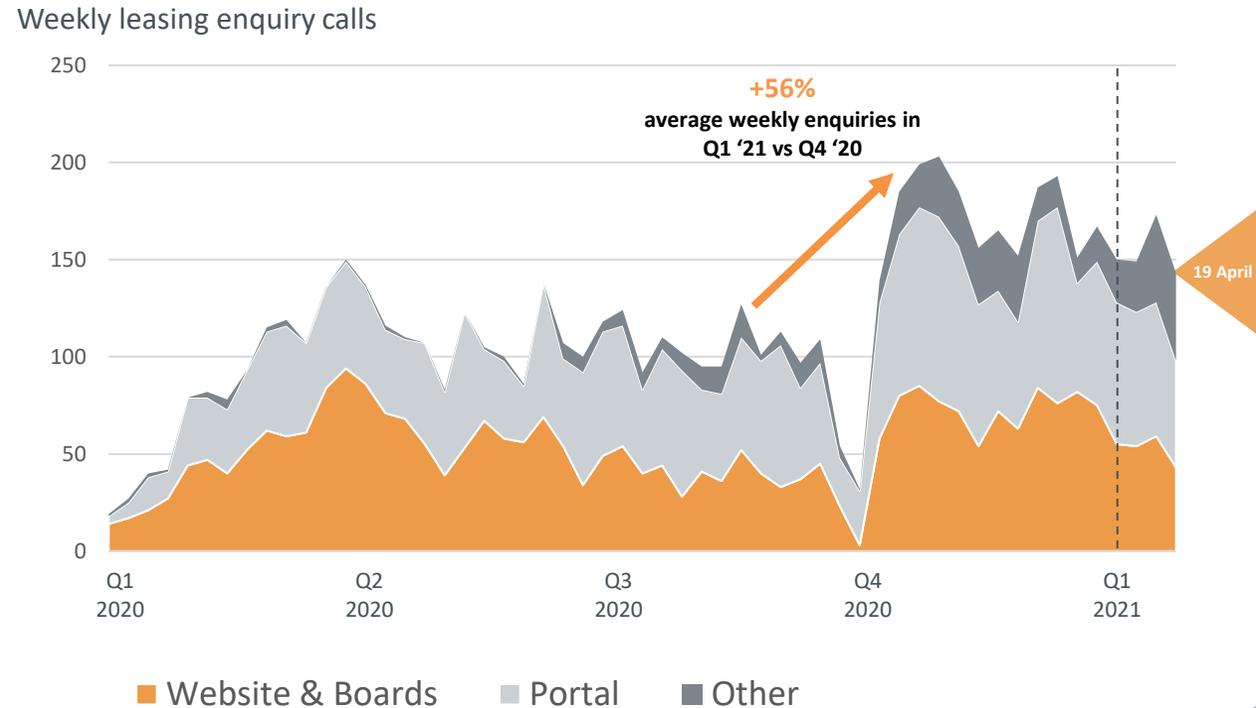
1,104
Customers

Note: Excludes long-leasehold units and tenants

▶ **DIFFERENCE BETWEEN CURRENT PASSING RENT AND CONTRACTUAL RENT**

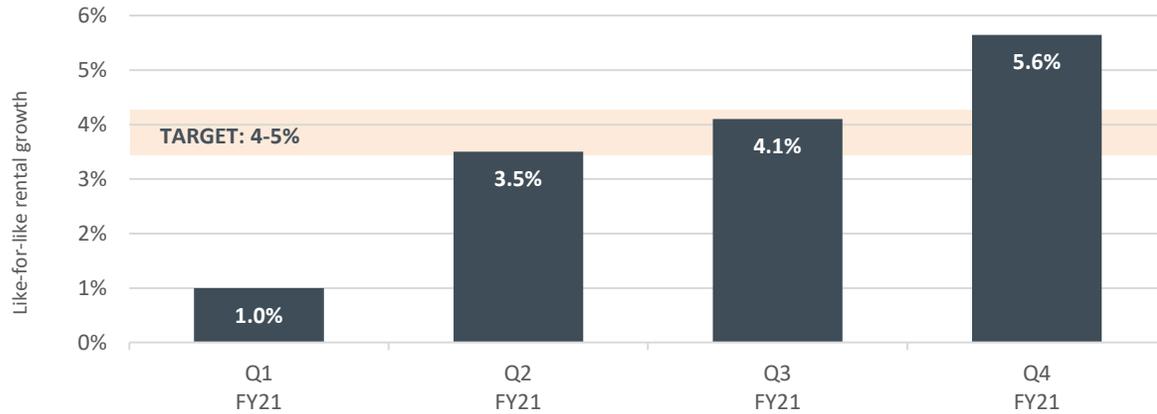


▶ **MLI LEASING ENQUIRY ANALYSIS INDUSTRIALS ALL LEASING ENQUIRIES DATA**

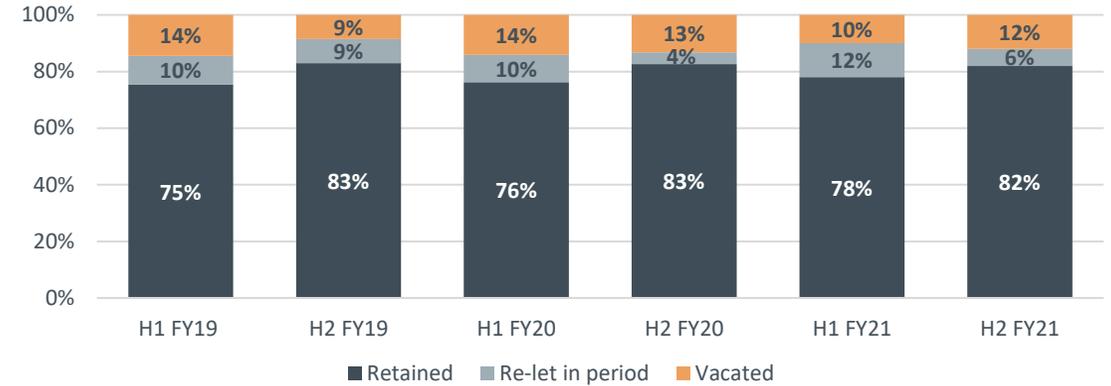


Consistent strong operating performance

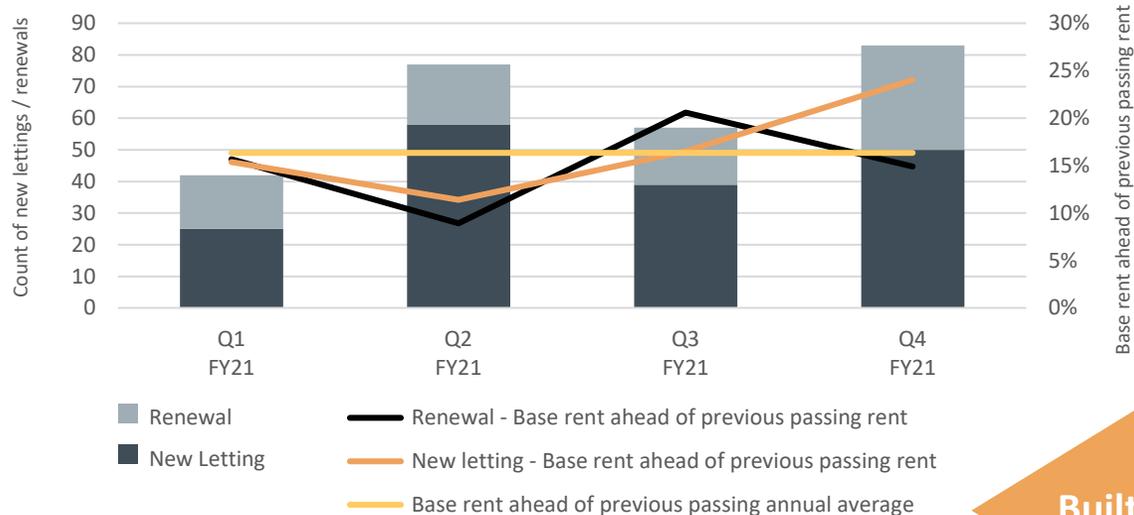
RENTAL UPLIFTS



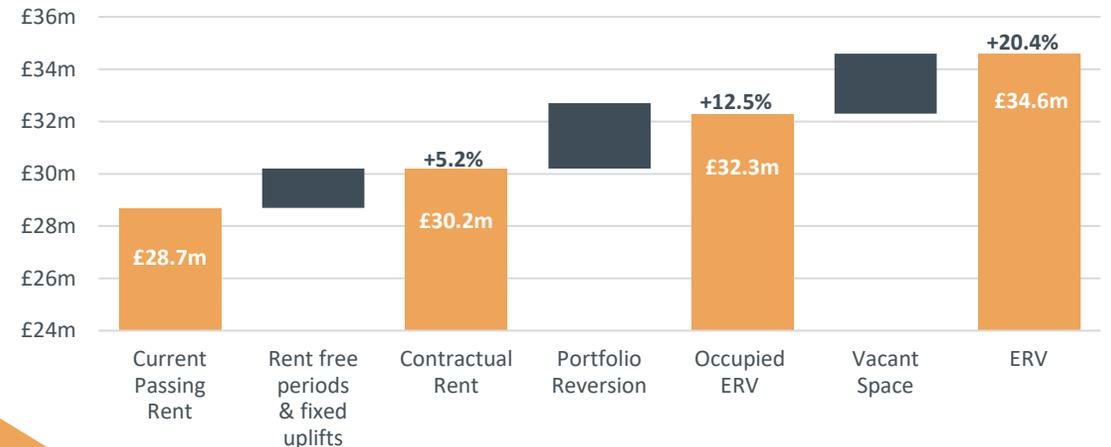
TENANT RETENTION



LEASING ACTIVITY FY21



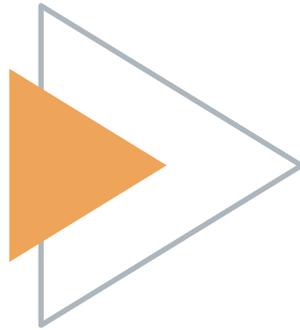
RENT BRIDGE AS AT 31 MARCH 2021



Built in growth

Investing in the Industrials Hive operating platform

Properties & Products

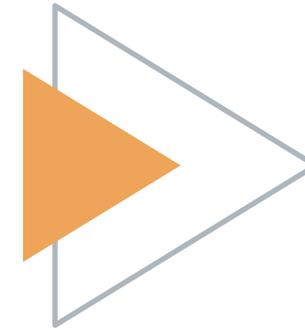


Process & Policy



Physical Infrastructure

Systems & Technology



Enhanced Revenue, Lower Costs, Better Data



STENPROP

Other News

A good corporate citizen

“Our ESG aspiration is to be a leader in the promotion and delivery of responsible business activities”

-  Reducing our impact on the environment
-  Engaging with our communities
-  Creating a culture of innovation
-  Strong risk management and processes

Levelling up



Site based
5 x Customer
Engagement
Managers

5

Stockport Office

- 2 x Senior Management
- 12 x Accounting and Finance
- 1 x Asset Manager
- 1 x Development Manager
- 2 x Leasing Support
- 1 x Technology

19

London Office

- 3 x Executive Management
- 4 x Senior Management
- 3 x Accounting and Finance
- 3 x Asset Managers
- 2 x Analysts
- 1 x Human Resources
- 2 x Support Staff
- 1 x Marketing
- 1 x Technology
- 1 x Legal

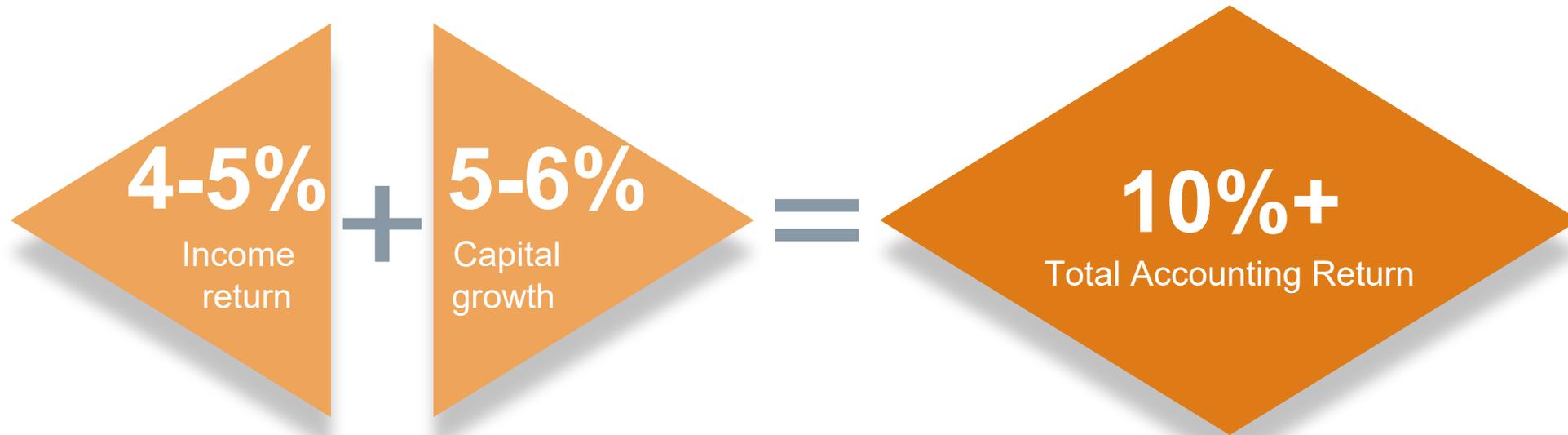
21



STENPROP

Outlook & Conclusion

Life post-transition – our value proposition



A 100% MLI portfolio without transition costs is expected to deliver a 10%+ total accounting return, with room for further outperformance

Scale

MLI benefits
from significant
economies of scale

- ▶ Total costs = property costs + central costs
- ▶ Property costs have limited potential for savings (mostly vacancy expenses, marketing costs, opex etc)
- ▶ Central Costs are highly scalable. Additional units can be added at c. 25% the cost of existing units;
- ▶ By doubling the portfolio we could reduce our EPRA Cost Ratio by approximately 6%, thereby adding up to 1p to our dividend.

Platform

The Industrials Hive
platform can
deliver further
value opportunities



- ▶ Greater operational efficiency
- ▶ Improved customer value proposition and margins through enhanced service
- ▶ Additional revenue streams through additional products and services
- ▶ Enhanced data leading to better decision making and exploitation of opportunities

Conclusion – positioned for scale and growth



6.75p+
dividend guidance
for FY22

Robust Financial
Performance



Strong MLI
Performance

Target 10%+ TAR
post-transition



Rebranding and relisting



Transition milestones hit
- 1 year to go

Greater liquidity
and stronger corporate identity

Stabilised and growing
returns from March 2022



▶ Join our Investor news service by registering for updates at:

www.stenprop.com/Stenprop-investor-news



▶ Follow us on LinkedIn:

<https://www.linkedin.com/company/stenprop>

Dates for the diary:

9am, Friday 30th July '21
**Trading update for the
quarter ended
30th June '21**

Friday 13th August '21
**Final Dividend
Payment**

Friday 10th September '21
**Annual
General Meeting**

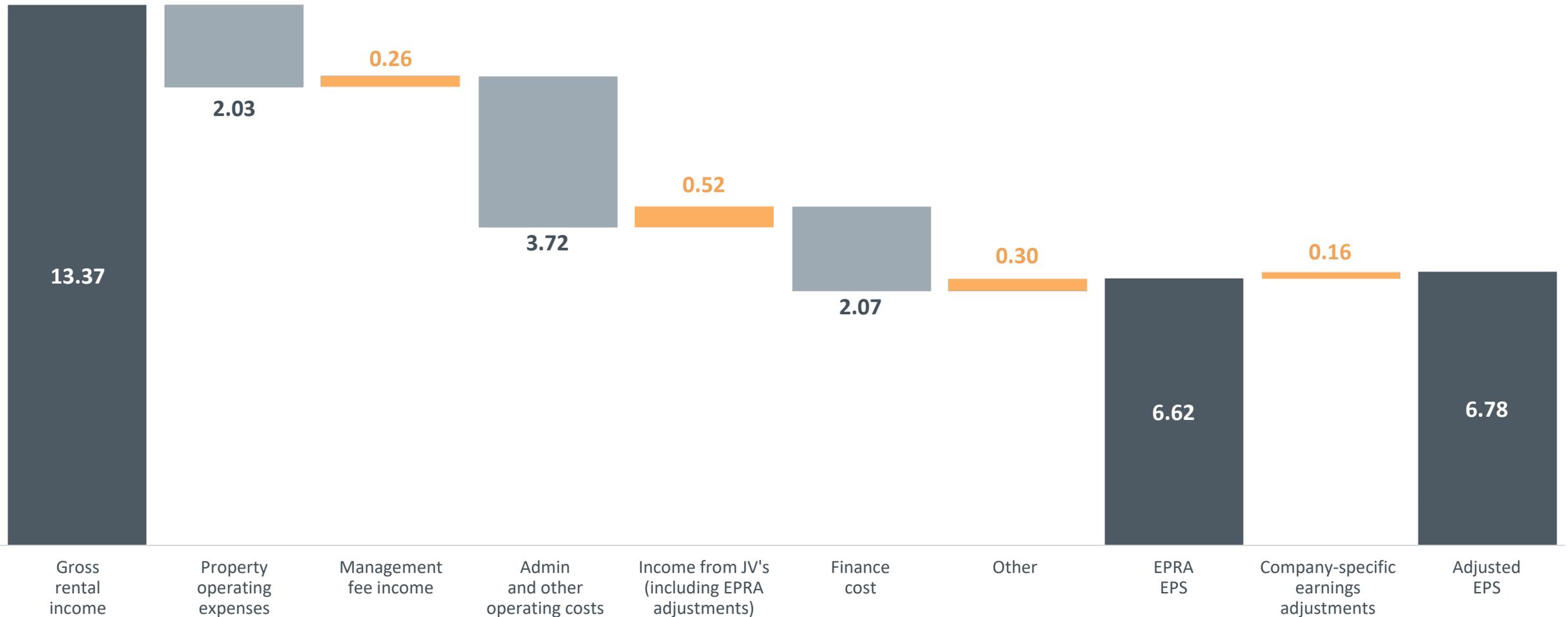
Q&A

Appendix 1

Financial Returns

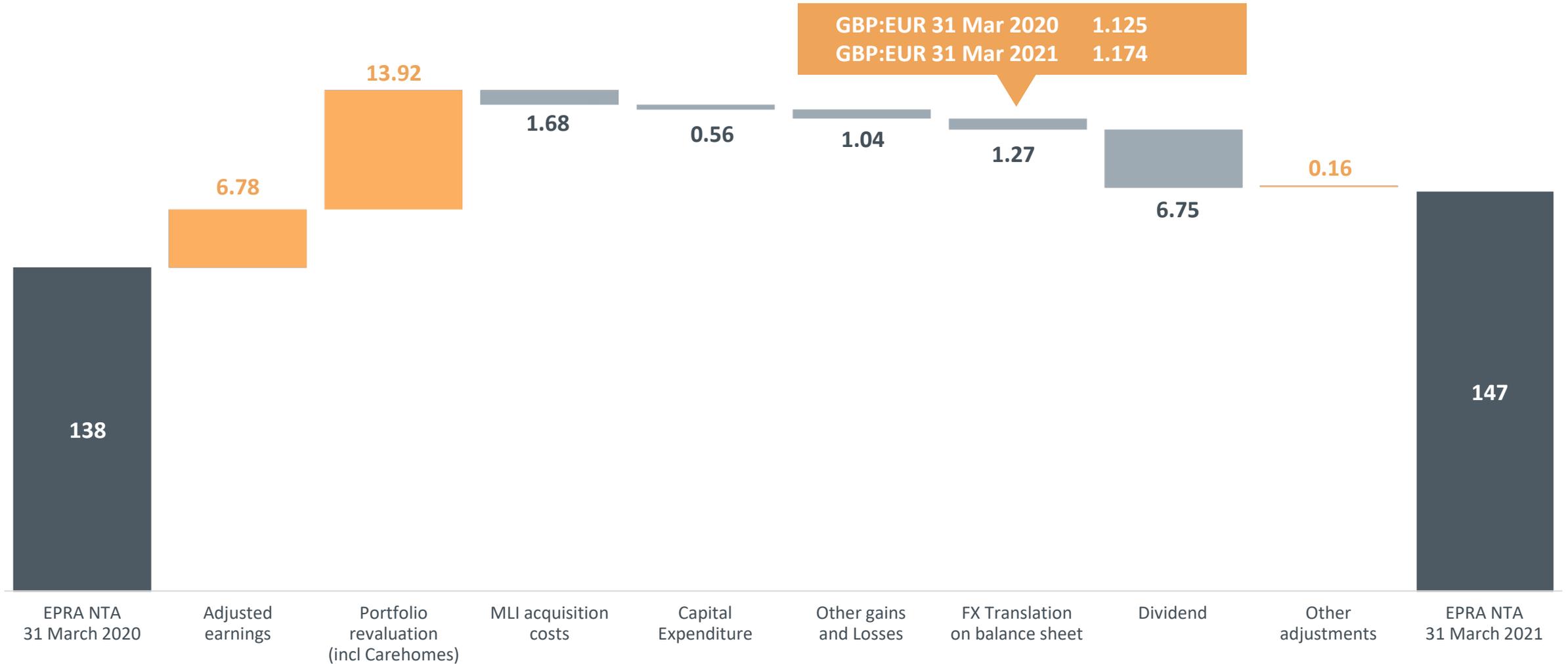
EPRA earnings per share (pence)

Pence per share



NAV movement 31 March 2020 to 31 March 2021

Pence per share



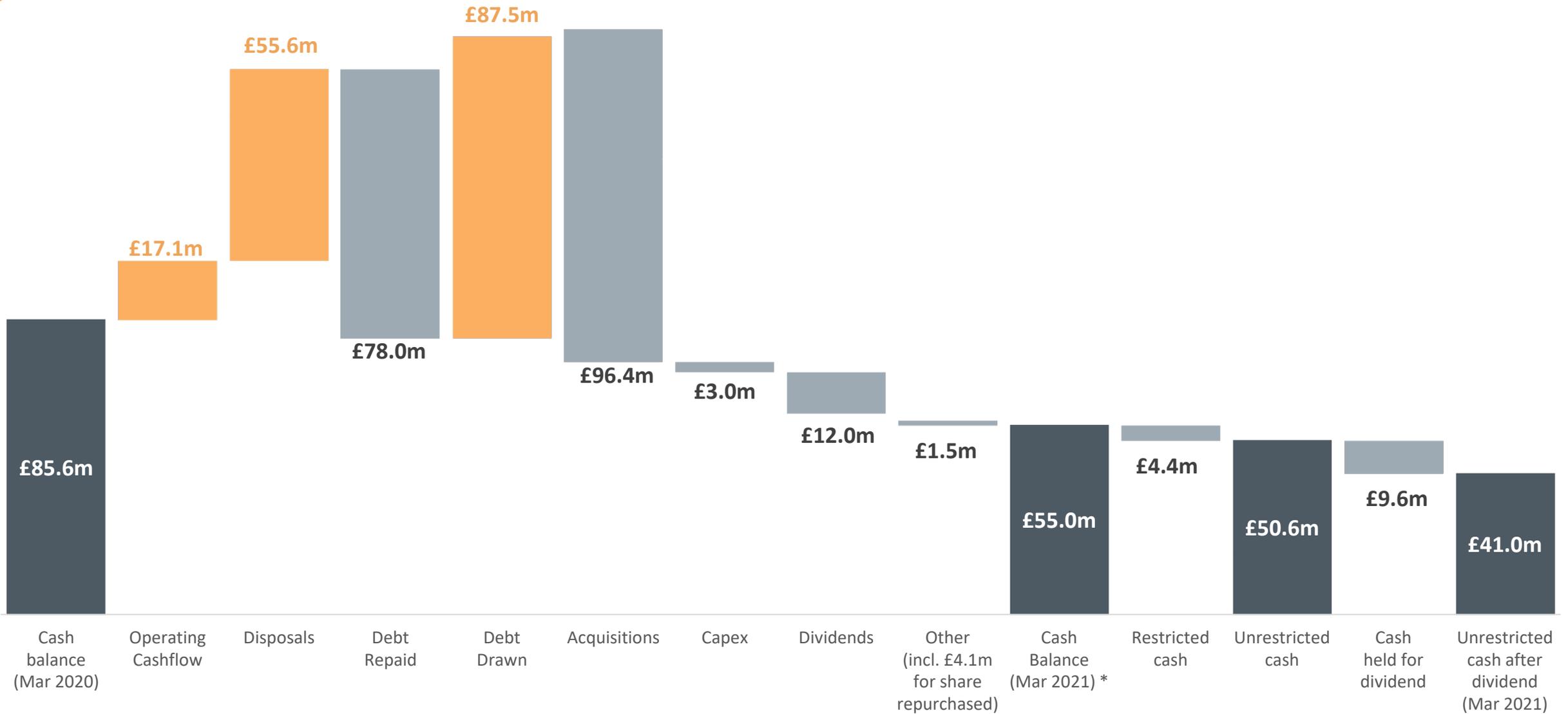
Income Statement and Earnings

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m
Net rental income*	32.4	33.5
Management fee income	0.7	0.6
Operating costs*	(10.6)	(10.0)
Net operating income	22.5	24.1
Income from Investment in associates/joint ventures (excl. fair value gains)	1.5	1.6
Net finance costs*	(5.9)	(7.2)
EPRA adjustments and other items*	1.3	1.2
Adjusted earnings	19.4	19.7
Adjusted EPS	6.78 cents	6.88 cents

Annualised	Earnings Yield	Dividend Yield
Share price (£1.55)	4.4%	4.4%
EPRA NTA (£1.47)	4.6%	4.6%

* Includes assets held for sale and discontinued operations

Cashflows



* Includes £1m money market fund available on call

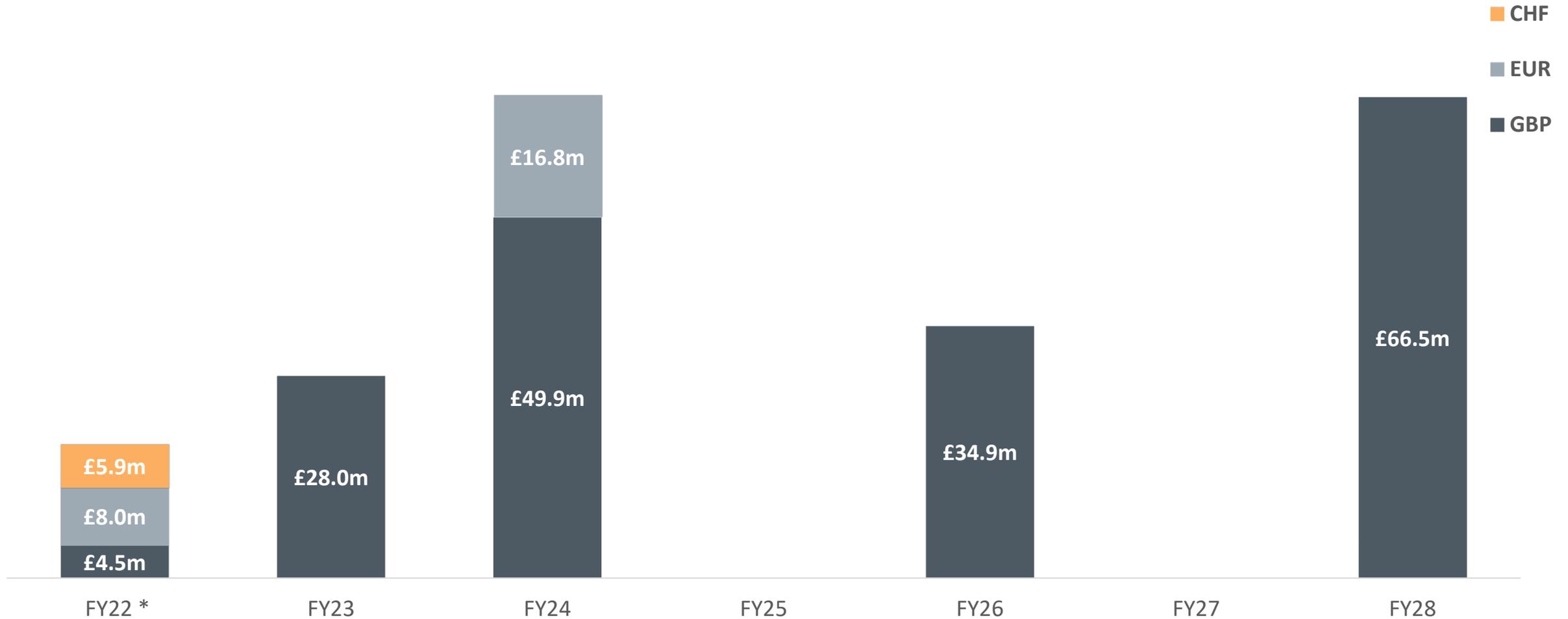
Valuation movement

Property/Portfolio	Percentage Ownership	Market Value 31 March 2021 (million)	Market Value 31 March 2020 (million)	Change %
United Kingdom - £				
UK MLI	100%	£ 340.0	£ 309.0	10.1%
GGP1 Portfolio	100%	£ 22.2	£ 21.3	3.8%
Trafalgar Court	100%	£ 56.2	£ 57.5	(2.3%)
UK Sub-Total		£ 418.4	£ 387.8	7.9%
Switzerland – CHF				
Lugano	100%	₣ 15.5	₣ 17.0	(8.6%)
Swiss Sub-Total		₣ 15.5	₣ 17.0	(8.6%)
Germany - €				
Hermann Quartier	100%	€ 30.8	€ 25.8	19.4%
Care Homes Portfolio	99%	€ 38.9	€ 40.2	(3.2%)
Germany Sub-Total		€ 69.7	€ 66.0	5.7%
Properties disposed during period				
		Sales Price		
Bikemax Portfolio	100%	€ 27.0	€ 26.0	3.8%
Neukölln	100%	€ 27.0	€ 23.4	15.4%
Victoria Centre	100%	€ 37.5	€ 31.4	19.4%
Properties acquired in the twelve months to date				
		Purchase Price		
MLI (14 acquisitions)	100%	£ 91.5	-	-

Appendix 2

Debt Detail

Debt maturity (£m)



* £5.9m of CHF debt in FY22 is related to the Lugano asset which is financed on a rolling term, and will be paid back only when sold. £8.0m of EUR debt relates to Hermann Quartier, which is sold, awaiting completion. £4.5m of GBP debt relates to GGP1

Financial summary

Property/Portfolio	Ownership	Loan Value (£m)	Property Value (£m)	Gearing (LTV)	Contractual Rent ¹ (£m)	Net initial yield
UK						
UK MLI	100%	(151.3)	432.9	35%	30.2	6.22%
GGP1 Portfolio	100%	(4.5)	22.2	20%	1.7	7.36%
Trafalgar Court	100%	(28.0)	56.2	50%	4.4	7.25%
UK Sub-Total		(183.8)	511.3	36%	36.3	6.39%
SWISS						
Lugano	100%	(5.9)	12.0	49%	1.0	3.37%
Swiss Sub-Total		(5.9)	12.0	49%	1.0	3.37%
Germany						
Hermann Quartier	100%	(8.0)	26.2	31%	1.3	4.90%
Germany Sub-Total		(8.0)	26.2	31%	1.3	4.90%
Associates and joint ventures						
Care Homes Portfolio	99%	(16.8)	32.8	51%	2.4	6.15%
Portfolio Total		(214.5)	582.3	37%	41.0	6.24%

GBP:EUR exchange rate of 1.1738 and a GBP:CHF exchange rate of 1.2985

1. Excludes potential rent on vacant space

Debt summary

Property/ Portfolio	Property Value (Local currency)	Loan Value (Local Currency)	Gearing (LTV)	Margin	Swap (fixed rate)	All in rate	Annual interest expense	Amortisation per annum	Loan Maturity
UK - £m									
UK MLI	432.9	(151.3)	35%	1.72%	0.20% ¹	1.79%	(2.9)	-	1 Feb '24 ²
GGP1 Portfolio	22.2	(4.5)	20%	2.25%	1.21%	3.46%	(0.2)	-	26 May '21
Trafalgar Court	56.2	(28.0)	50%	2.00%	0.07% ¹	2.07%	(0.6)	-	30 Sep '22
UK Sub-Total	511.3	(183.8)	36%			1.99%	(3.7)	-	
Swiss – CHFm									
Lugano	15.5	(7.6)	49%	1.15%	0.00%	1.15%	(0.1)	(0.2)	N/A
Lugano - £m	12.0	(5.9)					(0.1)	(0.1)	
Germany - €m									
Hermann Quartier	30.8	(9.4)	31%	1.13%	0.29%	1.42%	(0.1)	-	30 Jun '21
Care Homes Portfolio	38.9	(19.9)	51%	1.25%	0.63%	1.88%	(0.4)	(0.8)	30 Dec '23
Germany Sub-Total	69.7	(29.3)	42%			1.69%	(0.5)	(0.8)	
Germany - £m	59.0	(24.8)					(0.4)	(0.6)	
Total (£m)	582.3	(214.5)	37%			1.93%	(4.2)	(0.7)	

1. £18m of the Industrials debt is unhedged. The Trafalgar Court loan is unhedged.

2. £50m matures in February 2024, £35m in November 2024, and £67m in December 2027

Appendix 3

Shareholder Profile

Share Information

Current share metrics

Diluted EPRA NTA / share

147p

(as at 31 March 2021)

Current share price

155p

(as at 8 June 2021)

Dividend yield
on share price

4.4%

Earnings yield
on share price

4.4%

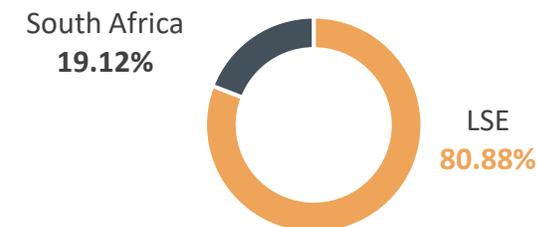
Top 10 Shareholders holding as at 31 March 2021

	% Holding
Directors	7.59
TR Property Investment Trust plc	7.43
Lombard Odier Darier Hentsch	6.27
Investec Wealth & Investment	5.13
Aberdeen Standard Investments	4.44
Public Investment Corporation (PIC)	4.36
Zarclear Holdings	3.64
Sesfikile Capital	3.03
Stenham Asset Management	2.42
Credo Capital	2.37
Total	46.68

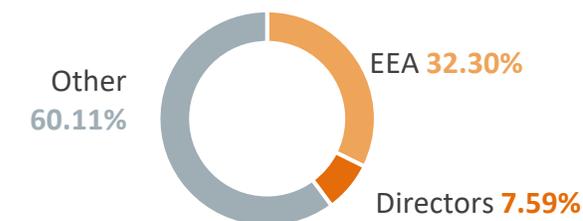
Share Price High/Low

	12 month high	12 month low
LSE	146.50p	91.00p
JSE	R31.30	R19.52

Stock Exchange Split



Shareholders by region



No. of shareholders: 1,761

Appendix 4



Organisation Structure

Board of Directors

Executive Directors

Paul Arenson Chief Executive Officer	James Beaumont Chief Financial Officer	Julian Carey Managing Director
--	--	--

Non-Executive Directors

Richard Grant Independent Non-Executive Chairman	Phil Holland Independent Non-Executive Director	Patsy Watson Non-Executive Director	Paul Miller Senior Independent Non-Executive Director	Richard Smith Non-Executive Director	Louisa Bell Non-Executive Director
--	---	---	---	--	--

Committees

<ul style="list-style-type: none"> ▶ Nominations (chairman) ▶ Remuneration 	<ul style="list-style-type: none"> ▶ Audit & Risk (chairman) ▶ Nominations ▶ Remuneration ▶ Social & Ethics (chairman) 	<ul style="list-style-type: none"> ▶ Nominations ▶ Social & Ethics 	<ul style="list-style-type: none"> ▶ Audit & Risk ▶ Nominations ▶ Remuneration (chairman) 	<ul style="list-style-type: none"> ▶ Audit & Risk ▶ Remuneration 	<ul style="list-style-type: none"> ▶ Audit & Risk ▶ Remuneration ▶ Social & Ethics
--	--	--	--	--	---

Senior Executives

Asset Management Simon Ross Department Head	Investments Will Lutton Department Head	Finance and Analysis Mike Handley Department Head	Debt and Special Projects James Wakelin Department Head	Legal, Compliance and HR Sarah Bellilchi Department Head	Sales & Marketing John Whitley Department Head
---	---	---	---	--	--



STENPROP

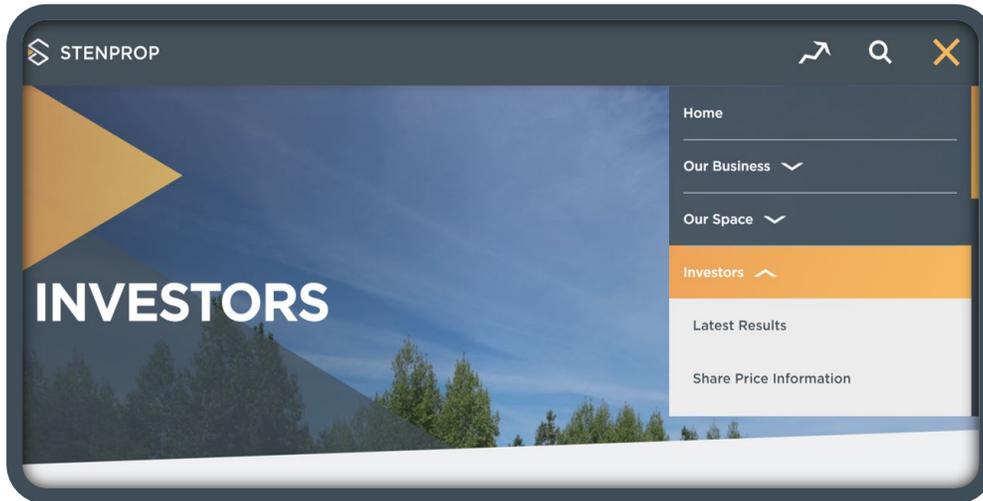
Certain statements made in this presentation contain forward-looking statements. Forward-looking statements can sometimes, but not always, be identified by the use of words such as “may”, “will”, “should”, “predict”, “assurance”, “aim”, “hope”, “risk”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or other similar expressions that are predictive or indicative of future events. All statements, other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s expectations, intentions and beliefs concerning, amongst other things, the Company’s results of operations, financial position, growth strategy, prospects, dividend policy, any statements regarding the potential impact of the COVID-19 pandemic, and the industries in which the Company operates, are forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks, assumptions and uncertainties, many of which are outside the control of the Company and its directors, which may cause the actual results, performance, achievements, cash flows, dividends of the Company, impact of the COVID-19 pandemic, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Important factors that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, political uncertainty, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation, or further government action in response to the COVID-19 pandemic, changing business or other market conditions and general economic conditions and such other risk factors identified in the “Risk Management” section of Stenprop’s latest annual report and accounts. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. They are not guarantees of future performance and are not intended to give assurance as to future results. The Company does not undertake to update or revise any forward-looking statement to reflect any change in circumstances or in the Company’s expectations.

No representation or warranty, express or implied, is given by Stenprop, its directors, officers, employees and advisers in relation to the accuracy, completeness or fairness of the information contained in this presentation (including forward-looking statements) and no reliance should be placed on such information. Accordingly, none of Stenprop, its subsidiary undertakings, or any other person, or any such person’s respective directors, officers, employees or advisers accepts any liability whatsoever arising directly or indirectly from the use of this presentation.

This presentation is for your information only and should not be reproduced or distributed, in whole or in part, by any person other than Stenprop. The information, statements and opinions contained in this presentation do not constitute an invitation to subscribe for or otherwise acquire, or dispose of, or any recommendation or advice in respect of, any security or financial instrument.

Contact details



www.stenprop.com
info@stenprop.com

Guernsey

STENPROP LIMITED
KINGSWAY HOUSE,
HAVILLAND STREET,
ST. PETER PORT, GY1 2QE,
GUERNSEY,
CHANNEL ISLANDS

+44 (0) 1481 740 571

London

STENPROP LIMITED
3RD FLOOR,
180 GREAT PORTLAND ST,
LONDON,
W1W 5QZ,
UNITED KINGDOM

+44 (0) 20 3918 6631



Paul Arenson
Chief Executive Officer



James Beaumont
Chief Financial Officer



Julian Carey
Managing Director