

Creating value

Key performance indicators

We track eight key performance indicators ('KPIs') to monitor the performance of the business, which includes our share of joint ventures. The KPIs are also used to determine how Executive Directors and senior management are evaluated and remunerated.



Objective	Deliver long term shareholder returns	Maximise long term total accounting return	Maximise property portfolio returns																		
KPI	<p>Total shareholder return in the year (%)</p> <table border="1"> <tr> <td>2024</td> <td>22.1</td> </tr> <tr> <td>2023</td> <td>-33.1</td> </tr> <tr> <td>2022</td> <td>33.7</td> </tr> </table>	2024	22.1	2023	-33.1	2022	33.7	<p>Total accounting return (%)</p> <table border="1"> <tr> <td>2024</td> <td>1.3</td> </tr> <tr> <td>2023</td> <td>-20.2</td> </tr> <tr> <td>2022</td> <td>41.9</td> </tr> </table>	2024	1.3	2023	-20.2	2022	41.9	<p>Total property return (%)</p> <table border="1"> <tr> <td>2024</td> <td>4.7</td> </tr> <tr> <td>2023</td> <td>-12.0</td> </tr> <tr> <td>2022</td> <td>28.2</td> </tr> </table>	2024	4.7	2023	-12.0	2022	28.2
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Performance	<p>Total Shareholder Return ('TSR'), being the share price movement together with the dividend, delivered 22.1% growth in the year compared to the FTSE 350 Real Estate Super Sector index movement of 9.3%.</p> <p>Since our merger in 2013 TSR growth was 223%, over four times that of the FTSE 350 Real Estate Super Sector index movement of 48%.</p>	<p>Total Accounting Return ('TAR') of EPRA net tangible assets per share movement together with dividend paid in the year.</p> <p>12 month TAR delivered a return of 1.3%.</p> <p>The full calculation can be found in Supplementary note viii.</p>	<p>Unlevered Total Property Return ('TPR'), including capital and income return, of the portfolio as calculated by MSCI.</p> <p>12 months TPR delivered a return of 4.7% compared to the MSCI All Property benchmark of -1.0%.</p>																		
Remuneration	<p>Under the Remuneration Policy 37.5% of LTIP awards are subject to TSR growth compared with the FTSE 350 Real Estate Super Sector excluding agencies and operators.</p> <p>99.8% of the TSR component of the 2020 LTIP award vested in the year and the TSR component of the 2021 LTIP award is expected to vest in full.</p> <p>The three year TSR for the 2021 LTIP was 4.8% compared to the FTSE 350 Real Estate Super Sector excluding agencies and operators of -9.1%.</p>	<p>Under the Remuneration Policy 37.5% of LTIP awards are subject to TAR growth compared with the FTSE 350 Real Estate Super Sector excluding agencies and operators.</p> <p>The TAR component of the 2020 LTIP award vested in full in the year and the TAR component of the 2021 LTIP award is expected to vest in full.</p> <p>The three year TAR for the 2021 LTIP was 15.4% compared to the FTSE 350 Real Estate Super Sector excluding agencies and operators of 2.1%.</p>	<p>30% of this year's annual bonus award is subject to TPR outperforming the MSCI benchmark.</p> <p>This year TPR outperformed the benchmark delivering an 88% bonus payout.</p> <p>The three year All Property TPR delivered a return of 5.8% compared to the MSCI All Property benchmark of 1.1%.</p>																		
2024/25 ambition	<p>Three year TSR performance to be in the upper quartile of the FTSE 350 Real Estate Super Sector, excluding agencies and operators.</p>	<p>Three year total accounting return to be in the upper quartile of FTSE 350 Real Estate Super Sector, excluding agencies and operators.</p>	<p>One year TPR outperformance against MSCI benchmark.</p>																		

Financial performance indicators

We monitor other financial performance indicators in respect of LTV, debt maturity and cost of borrowing.

➔ Read more in Financial review page 47

Risk management

The achievement of our eight KPIs is influenced by the identification and management of risks which might otherwise prevent the attainment of our strategic priorities. The relationship between our principal risks, strategic priorities and KPIs is reviewed in the Risk management section.

➔ Read more in Risk management and internal controls page 86

Remuneration

The table on page 143 shows how our KPIs are reflected in and therefore aligned to remuneration and incentive arrangements.

➔ Read more in Remuneration Committee report page 143

ESG and Sustainability






Our Responsible Business and ESG review on pages 55 to 85 sets out our performance over the year including information on our Net Zero Carbon ambitions, green financing, EPC ratings, BREEAM rating on our portfolio and developments and carbon reduction performance.

➔ Read more in Responsible Business and ESG review page 55

ESG Key performance indicator

Last year we introduced a new KPI that measures the proportion of our portfolio with an EPC rating of A to C. This is one of the targets under our sustainability-linked revolving credit facilities and a good measure of our ESG progress.

➔ Read more in Responsible Business and ESG review page 60

Deliver sustainable growth in EPRA earnings	Drive like for like income growth	Maintain a higher than market benchmark WAULT	Maintain strong occupier contentment	EPC rating																														
																																		
EPRA earnings per share (p)	Like for like income growth (%)	WAULT (years)	EPRA vacancy (%)	EPC rating (%)																														
<table border="1"> <tr><td>2024</td><td>10.9</td></tr> <tr><td>2023</td><td>10.3</td></tr> <tr><td>2022</td><td>10.0</td></tr> </table>	2024	10.9	2023	10.3	2022	10.0	<table border="1"> <tr><td>2024</td><td>5.5</td></tr> <tr><td>2023</td><td>5.0</td></tr> <tr><td>2022</td><td>5.4</td></tr> </table>	2024	5.5	2023	5.0	2022	5.4	<table border="1"> <tr><td>2024</td><td>19.4</td></tr> <tr><td>2023</td><td>11.9</td></tr> <tr><td>2022</td><td>11.9</td></tr> </table>	2024	19.4	2023	11.9	2022	11.9	<table border="1"> <tr><td>2024</td><td>0.6</td></tr> <tr><td>2023</td><td>0.9</td></tr> <tr><td>2022</td><td>1.3</td></tr> </table>	2024	0.6	2023	0.9	2022	1.3	<table border="1"> <tr><td>2024</td><td>91%</td></tr> <tr><td>2023</td><td>90%</td></tr> <tr><td>2022</td><td>85%</td></tr> </table>	2024	91%	2023	90%	2022	85%
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<p>EPRA earnings per share from operational activities have grown by 5.4% over the last 12 months.</p> <p>Since our merger in 2013, EPRA earnings per share has grown by 179% from 3.9p to 10.9p per share.</p>	<p>The movement in the contracted rental income on properties owned through the period increased by 5.5%.</p> <p>Additional income of £7.5 million was generated from asset management activity following lettings, regears and rent reviews.</p>	<p>Weighted average unexpired lease term across the investment portfolio of 19.4 years as at 31 March 2024.</p> <p>The significant increase in the year was due to the LXi merger and portfolio on acquisition with a WAULT of 26 years.</p>	<p>Occupancy rate of investment portfolio at 31 March 2024 was 99.4%, reducing our vacancy to 0.6%.</p>	<p>The proportion of our portfolio with an EPC rating of A to C.</p> <p>As at 31 March 2024, and on a like for like basis excluding the impact of the LXi merger, this was 91%.</p> <p>Incorporating LXi reduces our EPC rating of A to C to 85%.</p>																														
<p>30% of this year's annual bonus award is subject to an EPRA EPS growth target. This year EPRA EPS outperformed its growth target securing a full bonus payout.</p> <p>25% of LTIP awards vest after three years subject to an EPRA EPS growth target. 39% of the 2020 LTIP award vested in the year and 61% of the EPRA EPS component of the 2021 LTIP award is expected to vest.</p>	<p>Forms part of EPRA earnings per share, which as noted above, is a key financial performance measure for the Company's variable incentive arrangements.</p>	<p>Under the 2023 Remuneration Policy, 30% of this year's annual bonus is subject to Strategic objectives.</p> <p>One of these is that WAULT is more than ten years as set out on page 150.</p>	<p>Under the 2023 Remuneration Policy, 30% of this year's annual bonus is subject to Strategic objectives.</p> <p>One of these is that occupancy is greater than 96% as set out on page 150.</p>	<p>Under the new Remuneration Policy, 10% of the annual bonus is subject to ESG objectives.</p>																														
Deliver and sustain EPRA earnings per share growth and dividend progression.	Deliver like for like income growth.	Maintain high weighted average unexpired lease term targeting >ten years.	Maintain high occupancy across the investment portfolio, targeting in excess of 95%.	Improve the proportion of our portfolio with an EPC rating of A to C to above 90%.																														