

5 May 2020

LONDONMETRIC PROPERTY PLC

Trading Update and Notice of Results

Further to its trading statement on 2 April 2020, and ahead of its results for the year ended 31 March 2020 ("FY 2020"), LondonMetric Property announces a further update on trading which is being released simultaneously with an announcement regarding a proposed equity raise.

The Company's operational and financial performance remains strong and its portfolio continues to demonstrate good resilience despite the uncertainty caused by the COVID-19 pandemic.

In respect of its unaudited results for FY 2020, the Company announces that:

- EPRA Earnings per share is 9.3p (2019: 8.8p), driven by a 24% increase in Net Rental Income to £116 million
- EPRA NAV per share is 172p (2019: 175p), after deducting 2.5p of costs relating to the A&J Mucklow acquisition
- Total Accounting Return is 3%
- Dividend per share for FY 2020 is expected to be 8.3p (2019: 8.2p), 112% covered by EPRA earnings. The fourth quarterly dividend of 2.3p per share is expected to be declared with the FY 2020 results in June and paid in July.

Rent collection continues to be robust:

- 92% of rental payments due by 1 April have been collected or are being collected monthly. Short term rental concessions with compensatory asset management initiatives are agreed or being finalised on a further 4%, whilst short term rental deferrals have been agreed on another 3%
- 18% of our rent is now paid monthly compared to 13% previously. In respect of monthly rents due by 25 April, similarly high rent collection levels are being achieved.

The portfolio is aligned to structurally supported sectors that the Company believes offer superior growth prospects with distribution representing 70% of the portfolio and long income accounting for 24%. Investment activity in FY 2020 continued to improve the portfolio's quality and composition as well as significantly changing the distribution portfolio's split.

This has seen the Company pivot further into urban logistics, which has increased from 27% to 35% of the overall portfolio and now represents the largest sector exposure. Conversely, we have continued to sell down mega distribution which has reduced from 23% to 15%. This composition will change further following the expected completion in June of £64 million of exchanged sales.

As at 31 March 2020, on an unaudited basis, the portfolio was valued at £2,347 million, reflecting a topped up net initial yield of 5.0% and equivalent yield of 5.5%. Over the year, the valuation of the portfolio fell by 0.5% with distribution outperforming and providing a positive valuation contribution.

The portfolio metrics as at 31 March 2020 continue to reflect the Company's focus on owning assets which deliver reliable, repetitive and growing income with:

- Occupancy increased over the year from 98% to 99%
- Average lease lengths of 11.2 years and only 7% of rent expiring within 3 years
- Contracted income increased from £90 million to £123 million p.a.
- Contractual rental uplifts on 53% of income, 60% of which is inflation linked
- Greater income granularity with top ten occupiers accounting for 35% of rent (2019: 51%)

Like for like income growth for FY 2020 was 4% on the standalone LondonMetric portfolio. Asset management initiatives added £5 million p.a. of additional contracted rent in the year with:

- Lettings signed on 2 million sq ft on average lease lengths of 12 years
- Rent reviews agreed on 3 million sq ft delivering a 12% uplift on a five yearly equivalent basis, with urban logistics achieving average uplifts of 22%.

Our financial position remains strong and was strengthened by a £75 million unsecured revolving credit facility signed recently with HSBC. Based on unaudited financials, as at 31 March 2020:

- Loan to value is 35.9% (37.7% excluding disposals with delayed completion)
- Average debt maturity on drawn facilities is 4.7 years
- Average cost of debt is 2.9%, with a marginal cost of debt currently of 1.5%
- Undrawn facilities and cash is £220 million
- Interest Cover on unsecured facilities is 4.3x

Our response to the COVID-19 pandemic has focused on keeping our people safe and working closely with our other stakeholders. In addition:

- A special COVID-19 committee is in place to assist charities and local communities as well as put in process ways of showing LondonMetric's appreciation to the NHS and Key Workers
- As well as working closely with all of our occupiers, we have provided short term accommodation on a rent free basis to several occupiers who are providing essential products and services to the NHS in response to COVID-19
- The board of directors and certain key employees are waiving 20% of salaries and fees for three months, providing additional funds to LondonMetric's wider COVID-19 charity giving.

Overall, the Company believes that it is well placed to deal with the current disruption. Driven by changing consumer habits and technological change, the trend towards online and convenience shows no signs of slowing. Whilst COVID-19 is creating an economic shock, the Company believes that it will further accelerate these trends, with many temporary changes from the pandemic likely to become permanent. The Company expects these structural tail winds to further benefit its portfolio as good assets in resilient sectors that generate long and strong income continue to be clear winners.

In addition, the challenging markets are creating uncertainty which is starting to give rise to some attractive investment opportunities seldom available in a normalised market, characterised by less competition and more attractive pricing than would otherwise have been the case. As referenced in this morning's announcement regarding a proposed equity raise, the Company is in discussions on a number of urban logistics and long income opportunities.

Notice of Full Year results

LondonMetric will announce its results for the full year ended 31 March 2020 on 10 June 2020. There will be a live webcast presentation on the morning of the results. The webcast will be available at www.londonmetric.com/investors and an on demand recording of the presentation will be available afterwards. Further details will be included on the morning in the results announcement.

For further information, please contact:

LondonMetric Property Plc

Andrew Jones / Martin McGann / Gareth Price
Tel: +44 (0) 20 7484 9000

FTI Consulting

Dido Laurimore / Richard Gotla
Tel: +44 (0) 20 3727 1000
londonmetric@fticonsulting.com

About LondonMetric Property Plc

LondonMetric is a FTSE 250 REIT that owns one of the UK's leading listed logistics platforms alongside a diversified long income portfolio. It owns and manages desirable real estate that meets occupiers' demands, delivers reliable, repetitive and growing income-led returns and outperforms over the long term. LondonMetric has 16 million sq ft under management. Further information is available at www.londonmetric.com

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events, including its expectations in relation to the audited financial results for the financial year ended 31 March 2020. These statements, which sometimes use words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

The information contained in this Announcement is subject to change without notice and, subject to any obligations under the Listing Rules and the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, the Company does not assume any responsibility or obligation to update publicly or review any of forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.