

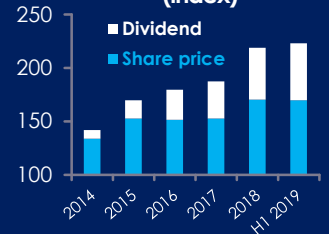
# Investor Factsheet

November 2018<sup>1</sup>

- FTSE 250 listed REIT that aims to deliver attractive, dependable and growing income returns and enhance capital
- Formed in 2013 through a merger of London & Stamford and Metric Property
- Internally managed. Management team aligned, being 7<sup>th</sup> largest shareholder
- Material sector outperformance. Shareholder Return of 119% over 5 years, Property Return of 14% in FY18, 5% in HY19
- Strong occupier and property relationships shape portfolio decisions

Market Cap <sup>2</sup>	£1.3bn
Share Price <sup>2</sup>	186p
P/E Ratio <sup>2,3</sup>	21x
P/NAV premium <sup>2</sup>	4%
Shares in Issue <sup>2</sup>	698m
Management holding	4%

Total Shareholder Return (index)



Key Shareholders

Blackrock Inc	8.2%
Rathbones	7.0%
Standard Life Aberdeen	5.5%
Cohen & Steers	5.0%
Troy Asset Management	5.0%

4.4% Dividend Yield<sup>2,3</sup>

- 8.1 pps<sup>3</sup>
- 117% cover
- 3% dividend growth<sup>3</sup>
- Paid quarterly
- Scrip dividend alternative

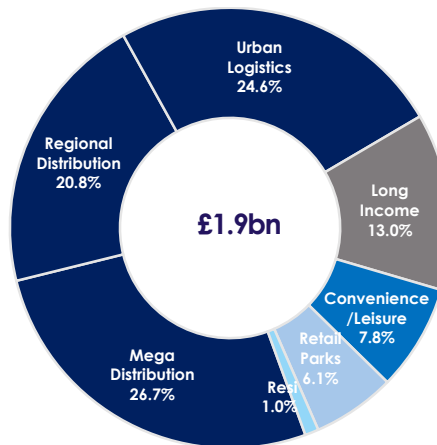
1. Information as at HY 2019, unless otherwise stated  
2. As at 27 November 18  
3. Based on analysts consensus forecasts for FY 2019

## Portfolio aligned to distribution and convenience retail real estate

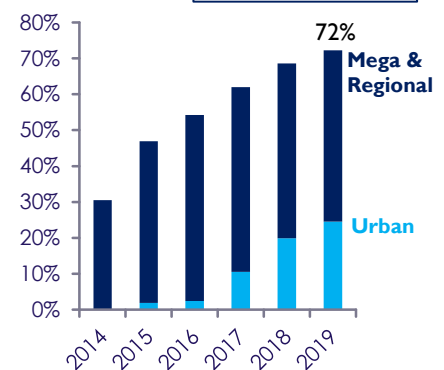
**Objective:** to own UK real estate aligned to modern shopping habits. Since 2013, LondonMetric has:

- Pivoted away from retail parks, office & London residential.
- Significantly increased its distribution exposure, more recently focusing on the attractive urban logistics sub sector
- Focused retail exposure towards long income/convenience

It employs a **disciplined, patient and rational investment approach** to ensure that its portfolio is fit for purpose.



Distribution Exposure



## Income from the portfolio is sustainable & growing

**Objective:** to generate sustainable, repetitive and growing income and deliver a well covered and progressive dividend.

Strong portfolio metrics reflect focus on:

- Single-let real estate, located in attractive locations let on long leases
- Occupiers' credit quality and their high property contentment
- Income growth, organically, through contractual uplifts & asset management
- Geography, conscious of intrinsic land value

WAULT

Contractual income (Fixed/RPI linked)	54.0%
Occupancy	94.4%
Gross/net income leakage	1.7%
Average Rent (psf)	£7.70
Total Property Return (6m)	+5.4%
ERV growth (6m)	+0.9%

HY 19

12.0 yrs

54.0% of income

94.4%

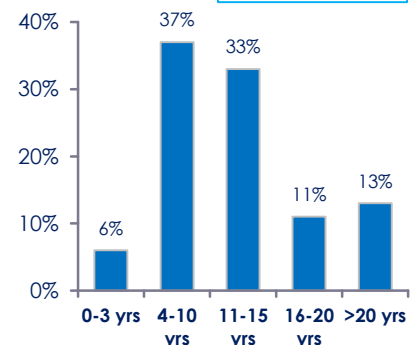
1.7%

£7.70

+5.4%

+0.9%

Lease Expiry



## Delivering strong financial performance and metrics

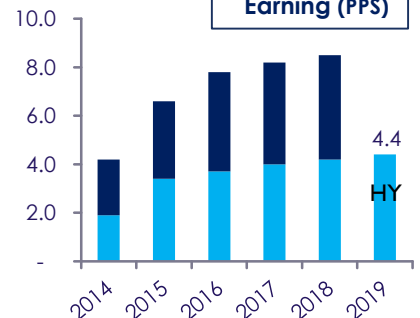
The Company's strategy is delivering strong financial results. For HY19, reported profit was £79.3, EPRA EPS was 6.6% higher and EPRA NAV rose by 4.0%.

Conservative approach to debt financing and a wide access to debt markets provides funding capacity for investment opportunities and planned developments.

Strict internal competition for capital with only £95 million of equity raised since 2013.

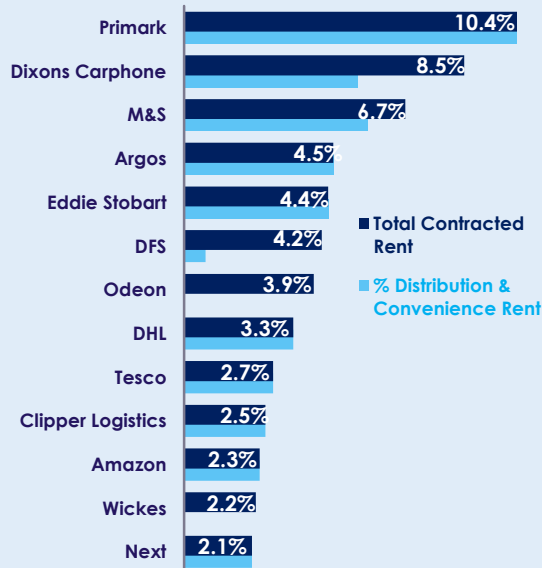
EPRA Earnings (pps)	4.4p
EPRA NAV (pps)	172.1p
Total Accounting Return (6m)	+6.7%
EPRA Cost Ratio	14.9%
Total Expense Ratio	1.1%
Loan to Value	37%
Debt Maturity	4.5yrs
Cost of Finance	2.9%

Earning (PPS)



## Occupiers

Top 5 occupiers represent c35% of income and have a market cap of between £0.4bn-£19bn.



## Asset Management and Development

The portfolio is improved through de-risked asset management and short cycle developments. LondonMetric works with its occupiers to deliver mutually beneficial real estate solutions.

**Asset Management** delivered 31 occupier transactions in HY19, generating £2.3m additional income:

- Lettings and lease regears generated £1.2m of income uplift
- Contractual/open market rent reviews generated a £1.1m uplift

**Developments** totalled 273,000 sq ft in HY19 at a yield of 6.4%. Current and pipeline developments total 880k sq ft with an anticipated yield of 6.5%.

**Bedford** - 40 acre development, where we expect to build 5 logistics warehouses totalling 700,000 sq ft. Total cost expected of £66 million, generating a yield on cost of 7.0%.

**Phase 1**

- 180k sq ft (3 units)
- 55% under offer
- PC summer 2019

**Phase 2 (500k sq ft)**

Under Offer

**Phase 2**

- 500k sq ft (2 units)
- Discussions ongoing
- Subject to pre-lets

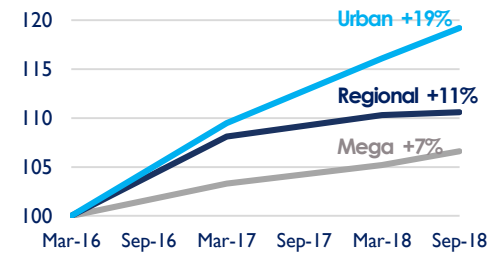
## Distribution assets

LondonMetric owns high quality, single let distribution assets that offer guaranteed rental uplifts on Mega & Regional distribution, and attractive organic rental growth prospects on Urban Logistics.

**Urban logistics has highly favourable pricing dynamics.** As shown opposite, it is delivering the strongest distribution rental growth, driven by occupier demand and a shortage of supply from alternative use. LondonMetric's urban portfolio has grown from £33m to £486m over 3 years with 50% located in London & SE.

**Whilst structural drivers for logistics remains strong,** we continue to respond to attractive offers for our assets by monetising older, shorter let distribution to ensure the portfolio remains fit for purpose.

### LondonMetric Distribution ERV growth



Mega	Regional	Urban Logistics
<ul style="list-style-type: none"> <li>• 7 assets, 4.7m sq ft</li> <li>• £22.7m rent (£5.40 psf)</li> <li>• NIY 4.5%</li> <li>• WAULT 13 years</li> </ul>	<ul style="list-style-type: none"> <li>• 13 assets, 3.0m sq ft</li> <li>• £17.1m rent (£6.20 psf)</li> <li>• NIY 4.5%</li> <li>• WAULT 14 years</li> </ul>	<ul style="list-style-type: none"> <li>• 54 assets, 3.4m sq ft</li> <li>• £21.6m rent (£6.60 psf)</li> <li>• NIY 4.7%</li> <li>• WAULT 10 years</li> </ul>
ERV growth (H1) +1.4% Contractual uplifts 71% Rent Reviews +7% ahead	ERV growth (H1) +0.3% Contractual uplifts 74% Rent Reviews +11% ahead	ERV growth (H1) +3.1% Contractual uplifts 37% Rent Reviews +52% ahead

### Management Team

<b>Patrick Vaughan</b>	Chairman
<b>Andrew Jones</b>	Chief Executive
<b>Martin McGann</b>	Finance Director
<b>Mark Stirling</b>	Asset Director
<b>Valentine Beresford</b>	Investment Director
<b>Andrew Smith</b>	Strategy Director

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