

14 February 2025

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024
GROWTH IN RENTS, EARNINGS AND DIVIDENDS,
WELL-POSITIONED FOR FUTURE DEVELOPMENT-LED AND DATA CENTRE GROWTH

KEY MESSAGES:

- Strong leasing and asset management activity, including record levels of rental uplifts, driving 5.5 per cent earnings growth.
- Positive portfolio revaluation due to proactive asset management and improving investment market conditions.
- Confidence in delivery of further development led-growth and significant additional value creation opportunity through data centre pipeline.

Commenting on the results David Sleath, Chief Executive of SEGRO, said:

“SEGRO delivered over 5 per cent growth in earnings and dividends per share in 2024. We generated £91 million of new headline rent, our third best year on record, including a 43 per cent uplift from UK rent reviews and renewals.

“We have created the largest data centre hub in Europe and are increasingly excited about the exceptional value creation opportunity from our pipeline of 2.3GW European data centre sites in core Availability Zones. We plan to pursue the most attractive risk-adjusted returns on each opportunity, including initially working with partners to develop fully-fitted data centres.

“We have strong conviction in the enduring structural trends that are driving occupier demand for our space. Our business, with its high-quality, well-located, urban-weighted portfolio, exceptional land bank and strong balance sheet is primed for further growth. Having seen conversations with occupiers pick up pace in recent weeks, we expect leasing and pre-letting activity to increase. This would support attractive, compounding earnings and dividend growth in the medium-term, with significant additional value upside from our data centre pipeline.”

HIGHLIGHTS¹:

- **Proactive and customer-focused management of the portfolio generated new headline rent commitments of £91 million during the period (2023: £88 million).** £26 million of this was driven by the capture of reversion in the UK portfolio at rent reviews and renewals, reflecting a record 43 per cent average uplift.
- **7.0 per cent increase in net rental income to £628 million (2023: £587 million),** driven by **strong like-for-like rental growth of 5.8 per cent** and development completions.
- **Adjusted pre-tax profit increased by 14.9 per cent to £470 million (2023: £409 million),** resulting from increased net rental income and lower interest costs. **Adjusted EPS increased**

by 5.5 per cent to 34.5 pence (2023: 32.7 pence), the impact of the equity placing being broadly neutral as lower interest costs were offset by the higher share count.

- **Adjusted NAV per share of 907 pence (31 December 2023: 907 pence).** Over the full year the portfolio value increased 1.1 per cent (2023: 4.0 per cent decline) and **rental value (ERV) grew by 3.2 per cent.**
- **Development completions added £37 million of potential new headline rent, delivered at a yield on cost of 6.9 per cent.** 84 per cent of this has been leased and 97 per cent was, or is expected to be, certified BREEAM 'Excellent' (or local equivalent) or higher.
- **A further £51 million of potential rent from development projects under construction or in advanced negotiations,** 53 per cent relate to pre-lets. Expected yield on cost for these projects is 7.9 per cent.
- **Active portfolio recycling to drive portfolio performance:** £431 million acquisitions of prime assets in core markets with strong growth potential, £896 million of disposals of assets which we expected to deliver less attractive risk-adjusted returns.
- **Since the period end, our joint venture SEGRO European Logistics Partnership ("SELP") exchanged contracts on the acquisition of a further €470 million of high-quality assets in Germany and The Netherlands.** The transaction is expected to complete in the first quarter.
- **Over £1.5 billion of new equity and debt financing** providing the firepower for further growth. **LTV of 28 per cent at 31 December 2024** (31 December 2023: 34 per cent) and net debt:EBITDA 8.6 times (31 December 2023: 10.4 times).
- **Attractive cost of debt due to our diverse, long-term debt structure.** Average cost of debt has reduced to 2.5 per cent (31 December 2023: 3.1 per cent).
- **2024 full year dividend increased 5.4 per cent to 29.3 pence (2023: 27.8 pence).** Final dividend increased by 5.8 per cent to 20.2 pence (2023: 19.1 pence).

OUTLOOK

We enter 2025 with confidence in SEGRO's prospects for further growth. Our portfolio is of irreplicable quality, having been purposefully curated over the past 15 years. Two-thirds of it is located in Europe's largest cities, with the remaining one-third strategically located near logistics hubs and along key transportation corridors. Our chosen markets have a shortage of modern, sustainable space with low land availability and restrictive planning policies limiting the supply of competing space.

We have strong conviction that demand for our space will continue to be supported by powerful, enduring structural trends: data and digitalisation, urbanisation, supply chain optimisation and sustainability. Sentiment in occupier markets is improving and we saw a pick up in occupier activity during the final months of the year, as evidenced by our strong leasing activity in the last quarter. This momentum has carried into the early weeks of 2025, and we take confidence from the positive conversations we are having with our customers across all of our markets.

Our portfolio is full of current and future opportunity. We have the potential to:

- Secure £173 million of additional rental income from our standing portfolio through capturing the existing rent reversion (£118 million) and leasing vacant space (£55 million);
- Deliver £422 million of new rent from development on our exceptional land bank located in the most attractive markets, with a profitable yield on cost of 7 to 8 per cent;
- Continue delivering compounding annual rental growth on our portfolio in line with our long-standing guidance of 2 to 6 per cent per annum, thus growing rents faster than inflation.

Our track record in creating Europe's largest hub of data centres in Slough, with over 0.5GW of capacity either operational or under construction, has helped us to develop strong relationships with global data centre players, which provide us with unique insights into this exciting, high-growth opportunity.

- We have built a landbank with exceptional access to 2.3GW of potential power in Europe's key Availability Zones.
- As well as building powered shells, we recognise the potential to create significant additional value from the development of fully-fitted data centres in select locations, with projects currently under active consideration.

Our business is therefore well-placed for further attractive, compounding growth in earnings and dividends in the years ahead, with significant additional value upside from our data centre pipeline.

FINANCIAL SUMMARY

	2024	2023	Change per cent
Adjusted ² profit before tax (£m)	470	409	14.9
IFRS ² profit/(loss) before tax (£m)	636	(263)	–
Adjusted ² earnings per share (pence)	34.5	32.7	5.5
IFRS ² earnings per share (pence)	44.7	(20.7)	–
Dividend per share (pence)	29.3	27.8	5.4
Total Accounting Return (%) ³	3.1	(3.3)	–
	2024	2023	Change per cent
Assets under Management (£m)	20,296	20,677	–
Portfolio valuation (SEGRO share, £m)	17,770	17,762	1.1 ⁴
Net true equivalent yield (per cent)	5.4	5.3	–
Adjusted ^{5 6} net asset value per share (pence, diluted)	907	907	–
IFRS net asset value per share (pence, diluted)	889	886	–
Net debt (SEGRO share, £m)	5,000	6,016	–
Loan to value ratio including joint ventures and associates' at share (per cent)	28	34	–
Net debt:EBITDA ⁷	8.6	10.4	–

1 Figures quoted on pages 1 to 18 refer to SEGRO and SEGRO's share of joint ventures and associates, except for land (hectares) and space (square metres) which are quoted at 100 per cent, unless otherwise stated. Please refer to the Presentation of Financial Information statement in the Financial Review for further details.

2 The primary driver of the difference between Adjusted profit before tax and IFRS profit before tax (£636 million IFRS profit before tax versus £470 million Adjusted profit before tax and earnings per share (44.7 pence IFRS earnings per share versus 34.5 pence adjusted earnings per share) is the realised and unrealised property gains on our portfolio recognised in IFRS but not recognised in our Adjusted profit and earnings metrics. Further information and reconciliations between the Adjusted and IFRS metrics can be found in Note 2 (Adjusted profit) and Notes 11 (Earnings per ordinary share) to the condensed financial information.

3 Total Accounting Return is calculated based on the opening and closing adjusted NAV per share adding back dividends paid during the period.

4 Percentage valuation movement during the period based on the difference between opening and closing valuations for all properties including buildings under construction and land, adjusting for capital expenditure, acquisitions and disposals.

5 A reconciliation between Adjusted net asset value per share and IFRS net asset value per share is shown in Note 11 to the condensed financial information.

6 Adjusted net asset value is in line with EPRA Net Tangible Assets (NTA) (see Table 5 in the Supplementary Notes for a NAV reconciliation).

7 Relates to SEGRO Group only. For further information on net debt:EBITDA see footnote 2 to Table 2 in the Supplementary Notes.

OPERATING SUMMARY & KEY METRICS

		2024	2023
PORTFOLIO VALUATION TURNS POSITIVE, DRIVEN BY RENTAL GROWTH AND STABILISATION OF INVESTMENT MARKETS (see page 12):			
Portfolio valuation change (%):	Group	1.1	(4.0)
	UK	2.1	(3.4)
	CE	(0.8)	(5.1)
ERV growth (%)	Group	3.2	6.0
	UK	3.7	4.9
	CE	2.3	7.9
STRONG GROWTH IN RENTAL INCOME DRIVEN BY RECORD CAPTURE OF REVERSION AND ACTIVE ASSET MANAGEMENT (see pages 12 and 19):			
Total new rent secured in the year (£m)		91	88
Pre-lets signed in the year (£m)		20	27
Like-for-like net rental income growth (%):	Group	5.8	6.5
	UK	5.9	5.3
	CE	5.7	8.5
Uplift on rent reviews and renewals (%): (note: excludes uplifts from indexation)	Group	34	31
	UK	43	40
	CE	7	8
Occupancy rate (%)		94.0	95.0
Customer retention (%)		80	81
Corporate and customer carbon emission intensity (kgCO ₂ e/sq m)		36.4	36.1 ²
Installed solar capacity (MW)		123	59
INVESTING TO SECURE PROFITABLE GROWTH, AND ATTRACTIVE RISK ADJUSTED RETURNS (see page 15):			
Development capex (£m)		471	527
Asset acquisitions (£m)		431	–
Land acquisitions (£m)		23	404
Disposals (£m)		896	356
Development capex for 2025 expected to be c.£500 million.			
DEVELOPMENT PIPELINE DELIVERING PROFITABLE GROWTH (see page 16):			
Development completions:			
– Space completed (sq m)		374,700	625,700
– Potential rent (£m) (Rent secured)		37 (84%)	50 (87%)
– Development yield (%)		6.9	7.0
– BREEAM 'Excellent' ¹ or above (% of floorspace completed)		97	92
- Average embodied carbon intensity of development completions (kgCO _e /sq m)		318	331 ²
Current development pipeline potential rent (£m) (Rent secured)		46 (50%)	51 (62%)
Near-term pre-let development pipeline potential rent (£m)		5	20

1. Or local equivalent

2. The 2023 figures are a restatement of previously reported figures and are in line with the methodology of our new Science Based Target.

FINANCIAL CALENDAR

2024 final dividend ex-div date	27 March 2025
2024 final dividend record date	28 March 2025
2024 final dividend payment date	14 May 2025
2025 Q1 Trading Update	30 April 2025
Half Year 2025 Results (provisional)	31 July 2025

WEBCAST / CONFERENCE CALL FOR INVESTORS AND ANALYSTS

A live webcast of the results presentation will be available from 08:30am (UK time) at:

<https://www.investis-live.com/segro/677f9a2aa4d247000ef05a52/paket>

The webcast will be available for replay at SEGRO's website at: <http://www.segro.com/investors> shortly after the live presentation.

A conference call facility will be available at 08:30am (UK time) on the following number: An audio recording of the conference call will be available until **21 February 2025** on:

Dial-in:	+44 (0)800 279 3956	UK:	+44 (0) 203 608 8021
	+44 (0) 207 107 0613	Access code:	20250066
Access code:	20250066		

A video of David Sleath, Chief Executive discussing the results will be available to view on www.segro.com, together with this announcement, the Full Year 2024 Property Analysis Report and other information about SEGRO.

CONTACT DETAILS FOR INVESTOR / ANALYST AND MEDIA ENQUIRIES:

SEGRO	Soumen Das (Chief Financial Officer)	Tel: + 44 (0) 20 7451 9110 (after 11am)
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ABOUT SEGRO

SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 10.3 million square metres of space (111 million square feet) valued at £20.3 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

A commitment to be a force for societal and environmental good is integral to SEGRO's purpose and strategy. Its Responsible SEGRO framework focuses on three long-term priorities where the company believes it can make the greatest impact: Championing low-carbon growth, Investing in local communities and environments and Nurturing talent. See www.SEGRO.com for further information.

The financial information set out in this announcement does not constitute the consolidated statutory accounts ("Group Financial Statements") for the years ended 31 December 2023 and 2024, but is derived from those Group Financial Statements. Statutory accounts for 2024 have been delivered to the Registrar of Companies and those for 2024 (approved by the Board on 13 February 2025) will be delivered following the Company's

annual general meeting. The external auditor has reported on the Group Financial Statements for the year ended 31 December 2024 and their report did not contain any modification.

The Board of Directors of SEGRO plc met on 13 February 2025 and approved the Group Annual Report and Group Financial Statements for the year ended 31 December 2024. Certain parts of the Group Annual Report and Group Financial Statements have not been included in this announcement.

Forward-Looking Statements: This announcement contains certain forward-looking statements with respect to SEGRO's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. All statements other than historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations and all forward-looking statements are subject to assumptions, risk and uncertainty. Many of these assumptions, risks and uncertainties relate to factors that are beyond SEGRO's ability to control or estimate precisely and which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Certain statements have been made with reference to forecast process changes, economic conditions and the current regulatory environment. Any forward-looking statements made by or on behalf of SEGRO are based upon the knowledge and information available to Directors on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and you are cautioned not to place undue reliance on the forward-looking statements. Additionally, forward-looking statements 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 provided as at the date of this announcement and is subject to change without notice. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), SEGRO does not undertake to update forward-looking statements, including to reflect any new information or changes in events, conditions or circumstances on which any such statement is based. Past share performance cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit estimate or profit forecast. The information in this announcement does not constitute an offer to sell or an invitation to buy securities in SEGRO plc or an invitation or inducement to engage in or enter into any contract or commitment or other investment activities.

Neither the content of SEGRO's website nor any other website accessible by hyperlinks from SEGRO's website are incorporated in, or form part of, this announcement.

CHIEF EXECUTIVE'S REVIEW

SEGRO has performed well during 2024. Our prime portfolio of modern, sustainable warehouses and data centres, located in the most attractive and supply constrained markets and managed by our market-leading operating platform, has continued to deliver growth.

We have increased the level of contracted rent signed and delivered strong operating metrics, despite the macroeconomic and geopolitical conditions which impacted wider business confidence during parts of 2024. This has been possible due to the application of our clear strategy to drive performance from our existing portfolio, allocate capital into the most profitable development and acquisition opportunities, and maintain an appropriate and efficient capital structure. This consistent strategy has ensured that our business is well-placed to take advantage of an inflection point in occupier markets.

We are pleased to report a 5.5 per cent increase in Adjusted earnings per share and we are therefore recommending a 5.4 per cent increase in the total distribution to our shareholders to 29.3 pence for 2024 (2023: 27.8 pence) through payment of a 20.2 pence per share final dividend.

Highlights of the year included:

- £91 million of new headline rent contracted, including £38 million from rent reviews, renewals and indexation in the existing portfolio as we continue to successfully capture the reversion embedded within it. Lease events in the UK delivered a record 43 per cent average rental uplift from reviews and renewals;
- Development completions equating to £37 million of potential headline rent, of which 84 per cent has been secured, expected to deliver a yield on cost of 6.9 per cent. 97 per cent of these projects have been, or are expected to be, certified at least BREEAM 'Excellent' (or local equivalent);
- Leveraging our local knowledge and strong relationships to acquire £431 million of highly-reversionary assets in core markets with strong growth potential, and recycle £896 million of assets and land which offered less attractive risk-adjusted returns;
- Proactive work to source power connections and prepare land to support future data centre development with an increase in our power bank opportunities to 2.3GW;
- Continued progress in addressing our carbon footprint. In particular, we reduced the average embodied carbon intensity of our development programme by 4 per cent and doubled our installed solar PV capacity to 123 MW;
- Almost 1,000 volunteering days delivered from projects associated with our Community Investment Plans (we now have 14 following the addition of plans in Italy and Spain);
- £907 million equity raise in February 2024 which provided us significant firepower to invest in profitable growth opportunities in 2024 and as we head into 2025.

A bird's eye view of 2024

Occupier markets remain in balance and reaching an inflection point

Two-thirds of our portfolio is located in Europe's largest, fastest growing and most densely populated cities. Our urban warehouse portfolio attracts a highly diverse customer base which provide value-add goods and services and which need to be within easy reach of their customers and skilled employees. These dynamic businesses tend to have greater pricing power, making them less sensitive to short-term macroeconomic factors and more focused on harnessing growth.

We experienced good levels of occupier demand during 2024, particularly in the final part of the year. As a result we added new customers in fast-growing sectors such as robotics and pharmaceuticals, and saw existing customers move into larger premises to meet their growth ambitions or into our refurbished and newly developed space to suit their wider business priorities, not least meeting their sustainability ambitions.

Our German urban portfolio performed particularly well, with strong demand for our newly developed space in and around some of Germany's largest cities. Customers located in our UK urban markets have been discerning around their real estate decision making over the past 12 months. Many of them are very location sensitive so have renewed leases on their existing space, whilst others have been expanding. A small number, often lower margin businesses or those who can be more flexible around location, have opted to move out to lower cost more secondary markets but this remains limited.

The supply situation in most of our urban environments remains tight, meaning that rental values continue to rise at more sustainable levels than we saw during the pandemic. Land in major European cities remains in short supply and is shrinking, not least as a result of planning regimes which often favour alternative property types, most notably residential, and green belt land remains very difficult to unlock. This has capped the delivery of new speculatively built space, which has helped to keep supply of new space in our chosen sub-markets in-check.

The other one-third of our portfolio is big box warehouses, located in key logistics hubs and along major transportation routes, the most strategic locations for customers looking to optimise their supply chains and improve distribution networks. The pandemic years resulted in exceptional demand for this type of space. We were always mindful that the levels of demand seen during this period were likely to be unsustainable and recent macroeconomic and geopolitical conditions have accelerated the normalisation, resulting in lower pre-let leasing volumes during 2024. Despite this, data released recently by Savills indicates that European big box take-up was 4 per cent higher than the pre-pandemic period of 2015-2019.

Supply of big box logistics product continued to gradually increase into the first half of 2024 as an elevated amount of new speculatively built space was delivered. This response was stronger in some markets than others - market vacancy rates have increased more in the UK and Poland than in France and Germany, for example, but they remain below historical averages. Lower levels of new construction starts over the past 18 months have meant that additional supply is now being absorbed and vacancy rates have likely peaked across most of our markets. Accordingly, the supply-demand outlook appears set to strengthen from here.

Across both our urban and big box markets, our conversations with customers tell us that they are continuing to focus on adapting their businesses for increased levels of e-commerce penetration, optimising their supply chains (manufacturers were the largest takers of space in Europe during 2024) and improving the carbon footprint of their businesses. These structural drivers remain important and should result in an acceleration of occupier activity, particularly as business confidence improves in response to evolving macroeconomic conditions and greater political certainty.

Indeed, during the last months of 2024 we saw a pick-up in enquiry levels for both our urban and big box space across all of our markets. Heading into 2025 we therefore have a number of advanced conversations for lettings on existing space and for pre-lets.

As a result of these dynamics, we saw continued rental growth for prime industrial space at rates similar to sustainable, pre-pandemic levels, and we expect this to strengthen as occupier demand accelerates.

Standing portfolio driving performance, land bank primed and ready to respond to pick up in occupier demand

Our focus on Operational excellence has been key to unlocking the reversionary potential, most of which sits within our UK assets. Our prime portfolio and our active approach to managing our estates and working with our customers has helped us capture a 43 per cent uplift on rent reviews and renewals in the UK (34 per cent across the Group) whilst maintaining high levels of retention.

We have continued to take back older, urban space when the opportunity arises to refurbish and redevelop, helping to ensure that our portfolio meets the highest standards, including sustainability credentials, which are increasingly important to occupiers. This, combined with the completion of some speculative schemes that we started at the peak of the market, has meant that occupancy has reduced to 94 per cent (2023: 95 per cent), at the lower end of our target 94 to 96 per cent range. Around half of this is within our London

portfolio, where we have the most opportunities for such repositioning. We are finding that when we return this newly refurbished space to market, we are capturing significant rental uplifts and letting the space faster, showing that this asset management activity is creating value.

We generally choose to develop our big box schemes on a pre-let basis to limit development risk, so reduced pre-let volumes across the market in 2024 have resulted in a lower level of development completions, development spend and new projects than we have seen in recent years. We recently commenced a speculative big box scheme in Dortmund based on the shortage of supply in that region and the encouraging level of enquiries that we are seeing, and, based on the conversations we are having with occupiers in other markets, we expect to see development volumes pick up as the year progresses. We have continued to progress our speculative urban schemes in markets where occupier demand has been more buoyant, for example in German urban markets such as Berlin, Cologne and Düsseldorf.

Our development teams have also been working hard on preparing future schemes, including progressing large-scale infrastructure works at our big box developments in Northampton and Radlett. We are also actively progressing the data centre opportunity within our portfolio, working to secure planning and power for the more than 2.3GW of opportunities that we have identified across Europe - the approval of the Simplified Planning Zone on the Slough Trading Estate, with its expanded parameters, will provide a significant competitive advantage in the delivery of several projects.

Liquidity in investment markets has improved and asset values appear to have stabilised

Inflation falling back towards central bank targets and initial interest rate cuts helped liquidity return to investment markets during 2024 and there continues to be good investor appetite for industrial and logistics assets.

This has led to higher investment volumes and has helped yields to stabilise. Prime yields in the UK were flat during 2024 (CBRE prime yield remained at 5.25 per cent throughout the year) and although there was some small further outward yield shift in certain European markets in the first six months of the year, most markets were stable in the second half of the year. (CBRE prime yield France +15 basis points and Germany +10 basis points, all in the first six months of 2024).

Finance costs remain elevated which means most debt-backed buyers have been active in the higher yielding end of the market. This has resulted in less capital chasing lower yielding, prime assets. Investors have been selective, focusing on assets in the best locations with the highest sustainability credentials and where there is reversionary potential that can be captured quickly.

The outlook for yield and asset valuations is notoriously hard to forecast. The recent 'higher rates for longer' narrative has so far not had a discernible impact on investment market liquidity. However, as active portfolio managers, we do not rely on yield compression but aim to create value across the property cycle through asset and portfolio management and driving rental growth.

Allocating our capital into the opportunities with the most attractive risk-adjusted returns

We remained disciplined in our allocation of capital during 2024. Although quieter pre-let markets across Europe resulted in lower investment into development than anticipated, we took advantage of investment market conditions and attractive pricing to acquire assets in our core markets which offer potential for strong mid-term returns.

Our investment teams used their local market knowledge and strong relationships to identify opportunities to acquire high quality assets in prime markets, where we have less land (and therefore less development opportunity), which complement our existing portfolio and offer strong rental growth potential.

We were also agile in our recycling of capital, completing almost £900 million of disposals. Around half of these were sales of assets and land where we had identified special or motivated purchasers, crystallising very attractive profits versus book value. We also sold other assets that we had identified during our annual asset review process as having weaker future returns potential.

During the year, we made an all-share offer to acquire Tritax Eurobox plc, an externally managed REIT with a portfolio of high-quality big box warehouses in Continental Europe, whose shares have consistently traded at a significant discount to its net asset value. Although we were unsuccessful in buying the company due to a rival, higher, offer, we instead negotiated a transaction with the eventual purchaser on behalf of our joint venture, SELP, for six assets in Germany and the Netherlands, exchanging contracts in January 2025 and expect to complete on this transaction later in the first quarter. This is the part of the portfolio over which we had the most conviction and our decision not to counterbid reflects our determination to maintain capital discipline.

Balance sheet remains strong with plenty of firepower

Our balance sheet is in great shape, with moderate leverage and limited near-term refinancing requirements. In the past six months, we have taken advantage of liquidity in debt capital markets to issue an 8-year €500 million Eurobond from SEGRO and a 7-year Eurobond from SELP at coupons of 3.5 and 3.75 per cent, respectively, which have extended our average debt maturities and had only a modest impact on our 2.5 per cent weighted average cost of debt.

We raised £907 million through an equity placing in February 2024, to deploy into the most attractive development and investment opportunities as activity in occupier markets picks up. This, alongside the proceeds of disposals, provides us with significant firepower for continued investment.

Recent acquisitions, deliberate portfolio management and our ongoing development pipeline have allowed us to achieve critical mass in most of our markets, which means we will be able to deliver increased operational leverage as we grow our business. We have also been investing in developing our digital capabilities to drive cost efficiency and create a more scalable, technology-enabled platform.

Significant value creation opportunity in data centres

One area that continues to grow regardless of the macroeconomic environment is the data centre sector, which is being driven by the exponential growth in demand for data as consumers digitalise their day-to-day lives, and companies increasingly use data to drive their businesses and move to cloud-based technology solutions. The growth of generative Artificial Intelligence is also seeing very significant investment into data centres by so-called “hyperscalers”.

Demand for data centres comes from two main sources:

- **Cloud:** businesses are increasingly transitioning their IT infrastructure to data centres, ideally with low latency, enabling applications for end user businesses and consumers to be run remotely instead of running software and storing data locally. This demand is typically focused on Availability Zones.
- **Artificial Intelligence:** this is expected to drive significant growth. Many of the large hyperscalers (such as Amazon Web Services, Microsoft and Google) have announced significant investment into their European data centre capacity over recent months. The “inference” (user-interface) element of this demand is likely to focus on key Availability Zones but the “generative” (machine-learning) element can happen in more remote locations where power is more readily available.

Supply of new data centres is limited by a lack of power infrastructure, a shortage of land and restrictive planning permissions in key Availability Zones across Europe – which in turn is driving strong rental growth and high land values.

We have chosen to focus our data centre investment on key Availability Zones, close to major urban conurbations and aligned with our existing urban footprint, which means that we are positioned to benefit from both growth in the Cloud as well as the “inference” elements of AI that require close proximity to end users. It also means we retain maximum flexibility in this fast-evolving space.

We have been active in this market for over 20 years, mainly providing powered shells to some of the world’s largest data centre operators. Our existing data centre portfolio (including projects under development) currently represents over 0.5GW of capacity and the rental income equates to 8 per cent of our headline rent.

Today, the vast majority of this installed capacity is on SEGRO's Slough Trading Estate which we believe to be the largest hub of data centres in Europe. We have used the knowledge and expertise, and customer relationships developed through the creation of this cluster to identify similar opportunities across our portfolio where we have secured, or believe we can secure, planning and power.

The total opportunity set or "power bank" on sites we own where we have, or believe, we can secure power equates to 2.3GW of potential capacity, including the 0.5GW in respect of existing data centres which are operational or under construction. We expect to add to this over time as our teams work hard to secure the necessary power and planning permissions. The Simplified Planning Zone status of the Slough Trading Estate already provides a significant competitive advantage in respect of planning on several of these sites.

As we already mentioned, our preferred data centre model to date has been to develop pre-let powered shells: we provide the real estate and arrange, with our partners, the power capacity and our customers fit out and operate or sub-lease the space themselves. All of our lettings have been to co-locators so far, but we are having active conversations with hyperscalers for some of our larger sites.

We expect this approach will continue to be used for certain opportunities within our pipeline. However, as the data centre market and our own opportunity set has evolved and grown, we see significant potential to create value through developing fully-fitted data centres, initially working alongside partners who will provide the operational expertise. As always we will take a disciplined approach to our capital allocation choices, seeking to deliver the most attractive risk-adjusted returns on every opportunity.

During 2024, we sold a land holding in Continental Europe where we had obtained planning permission and secured a large allocation of power, in a location not aligned with our view of the core Availability Zones. We were able to crystallise a significant profit on cost, whilst taking no development risk. We also realised an attractive 100 per cent profit on development cost from the sale, to an occupier, of two long-leased data centres in Slough with limited medium-term growth potential. We also invested in expanding our pipeline of opportunities by securing and progressing additional power connections across Europe.

Committed to creating value for all of our stakeholders

Our Responsible SEGRO ambitions remain embedded in the way we do business, and we continue to work hard towards achieving the challenging targets that we have set ourselves.

We remain committed to our low-carbon growth goal – reducing the embodied carbon in our development programme, improving the energy efficiency of our buildings and increasing the solar capacity of our portfolio. During 2024 we maintained the improvements in the carbon intensity of our standing assets and reduced the average embodied carbon intensity of our development programme to 318 kgCO₂e/sq m (a reduction of 4 per cent versus our new 2023 baseline). We also more than doubled our installed solar capacity to 123 MW by installing photovoltaic arrays on existing buildings as well as new developments, and have launched a new Energy Strategy to encourage consistency across the Group and ensure that we can provide the power our customers increasingly need. Recognising that this is a fast-evolving area, we have updated our carbon reduction targets based on the latest guidance, introducing a new long-term science-based target to be net-zero by 2050.

Our Community Investment Plans (CIPs) continue to grow in number and size, and during 2024 we launched schemes in Italy and Spain, taking the number of plans to 14, with community projects in 21 regions, cities and towns across our portfolio. Our employees, customers, suppliers and other stakeholders worked together to deliver almost 1,000 volunteering days in our local communities. The impact of our CIPs on the communities near our assets is significant and they embed our buildings as local centres of economic success, helping to create employment opportunities for local people and improving the environment and local amenities for local residents. This focus on sharing the long-term benefits of our estates with our local communities positions us as a preferred partner for local authorities and is instrumental in creating future opportunities, demonstrated by the successful renewal of the Simplified Planning Zone in Slough.

Our People are vital to our ongoing success and Nurturing talent therefore remains a key area of focus. During 2024 we completed the reshaping of our leadership team and continued to invest in the development of our colleagues. Within our hiring, at these senior levels and across the broader organisation, we have been deliberate in creating a diverse talent pool and this has helped us make progress against both of our diversity goals, increasing the number of women and ethnic minorities in senior leadership roles by 3 per cent and 1 per cent respectively. We also introduced a range of new family friendly policies.

Positioning our business for long-term success

The continued growth and strong operational results produced by our business during 2024, despite the macro environment, has shown that our strategy to focus on the most demand-resilient and supply-constrained markets can deliver consistent results throughout the property cycle.

During the peak of the market, which was amplified by the pandemic, occupier and investor demand was exceptionally strong for industrial and logistics, fuelled by a very low interest rate environment which meant that returns were significantly driven by yield compression and elevated levels of development. The current environment is more “normal”, so we are focused on executing our long-held strategy to extract the best returns from our existing portfolio and opportunities in our control. We believe that the quality of our portfolio, and the strength of our operating platform – with its significant market experience, local knowledge and strong stakeholder relationships – will deliver stronger risk-adjusted returns than the wider market.

This platform, and the people within it, have been vital to our ability to get deals done, create new opportunities and deliver growth for our stakeholders this year and I would like to thank everyone at SEGRO for their hard work and contributions to our performance during 2024. I am proud of what we have achieved, facing challenges head on and constantly innovating to find new ways of getting things done, while keeping one eye on the horizon and ensuring that our business is ready to take advantage of the opportunities that present themselves over the coming years.

It is this dedication and focus, that will ensure we continue to deliver on our Purpose of creating the space that enables extraordinary things to happen.

PORTFOLIO UPDATE

Portfolio valuations stable, continued market rental growth

Warehouse property values stabilised during 2024, as inflation fell back towards central bank targets and the first interest rate cuts helped liquidity return to investment markets. Transaction volumes have, however, remained low and there has been a small amount of further yield expansion in some Continental European markets (mostly in the first six months of the year) but this has been mostly offset by rental growth. As a result, we have seen positive asset revaluations in some of our markets for the first time since 2022, and only small declines in others (most of which happened in the first half of the year).

The Group’s property portfolio was valued at £17.8 billion at 31 December 2024 (£20.3 billion of assets under management). The portfolio valuation, including completed assets, land and buildings under construction, increased by 1.1 per cent (after adjusting for capital expenditure and asset recycling) during the year, compared to a decline of 4.0 per cent in 2023 (H1 2024: 0 per cent, H2 2024: +1.0 per cent).

The increase in the valuation of our portfolio primarily comprises a 0.9 per cent increase in assets held throughout the year (2023: 4.5 per cent decline), reflecting a 3.2 per cent increase in our valuer’s estimate of the market rental value (ERV) of our portfolio (2023: 6.0 per cent increase) as well as development profits and the benefit of our asset management initiatives, partly offset by a modest amount of yield expansion, mostly in our Continental European markets.

Assets held throughout the year in the UK increased in value by 1.8 per cent (2023: 3.3 per cent decrease), underperforming the MSCI Real Estate All Industrial Quarterly Index which increased by 3.6 per cent over the same period. The underperformance was due to our weighting towards high-quality, lower yielding prime assets which, through the cycle, we would expect to outperform due to their higher rental growth prospects.

The net true equivalent yield applied to our UK portfolio was 5.3 per cent, 10 basis points higher than at 31 December 2023 (5.2 per cent). Rental values improved by 3.7 per cent (2023: 4.9 per cent).

Assets held throughout the year in Continental Europe decreased in value by 0.8 per cent (2023 6.4 per cent decrease) on a constant currency basis, reflecting a combination of 20 basis points of yield expansion to 5.6 per cent (31 December 2023: 5.4 per cent) and rental value growth of 2.3 per cent (2023: 7.9 per cent).

Property portfolio metrics at 31 December 2024¹

	Portfolio value, £m					Whole portfolio valuation movement ² %	Yield ³		Occupancy (ERV) %
	Lettable area sq m (AUM)	Completed	Land & development	Combined property portfolio	Combined property portfolio (AUM)		Topped-up net initial %	Net true equivalent %	
UK	2,770,363	10,039	1,452	11,491	11,519	2.1	4.1	5.3	92.6
Continental Europe	7,486,708	5,414	865	6,279	8,777	(0.8)	5.0	5.6	96.3
Germany	1,717,344	1,479	319	1,798	2,475	(2.4)	4.5	5.2	96.5
Netherlands	542,339	440	8	448	646	(2.8)	4.5	5.5	99.3
France	1,487,645	1,532	371	1,903	2,344	0.7	4.9	5.5	94.9
Italy	1,466,872	915	45	960	1,291	(2.4)	5.4	5.7	98.5
Spain	339,858	274	65	339	555	5.9	5.1	5.3	100.0
Poland	1,762,754	681	53	734	1,272	(0.1)	6.2	6.8	93.0
Czech Republic	169,896	93	4	97	194	0.1	5.3	6.1	98.1
GROUP TOTAL	10,257,071	15,453	2,317	17,770	20,296	1.1	4.4	5.4	94.0

1 Figures reflect SEGRO wholly-owned assets and its share of assets held in joint ventures unless stated "AUM" which refers to all assets under management.

2 Valuation movement is based on the difference between the opening and closing valuations for the whole portfolio.

3 In relation to completed properties only.

Strong rent roll growth, with a large contribution from the capture of reversion on the standing portfolio as well as development

Occupier market demand and supply remained in balance, although macroeconomic uncertainty resulted in more subdued demand, particularly for pre-let development schemes. However, the availability of modern and sustainable space remains limited across our chosen markets. This helped us to grow the rental income on our portfolio, by increasing the rents on our existing space and through our development programme, both of which contributed to income and earnings growth.

During 2024, we contracted £91 million of new headline rent, ahead of the £88 million contracted in 2023. We added £38 million of net new rent from our existing portfolio (2023: £30 million). This comprised £32 million on new lettings (2023: £16 million) and £38 million from the capture of reversion (the difference between in-place and market rents) on rent reviews and renewals, and from inflation-related uplifts in index-linked leases (2023: £35 million), offset by rent lost from space returned which was higher during 2024 at £32 million (2023: £21 million), mainly due to the takeback of three units in SEGRO Park Enfield, and the insolvency of a large customer in Park Royal. These takebacks create opportunities to drive value from our prime-located estates: an opportunity to capture reversion earlier than expected (SEGRO Park Enfield) by leasing the space at a higher rate; and an opportunity to create income growth from redeveloping or refurbishing a well-located unit in Park Royal, West London.

We signed £20 million of headline rent from pre-let agreements and lettings of speculative developments prior to completion, compared to £27 million in 2023. The pre-lets signed during 2024 included two big box

warehouses in the UK (our first pre-let at SEGRO Park Northampton Gateway and another unit at SmartParc Spondon) and smaller units in Italy and Germany for retailers, manufacturers and third-party logistics operators.

As a result of this activity, rent roll growth which reflects net new headline rent from existing space (adjusted for takebacks of space for development), take-up of developments and pre-lets agreed during the period, was £56 million (2023: £65 million).

At 31 December 2024, our portfolio generated passing rent of £665 million, rising to £727 million once rent free periods expire ('headline rent') over the next 12 months.

Summary of key leasing data for 2024

Summary of key leasing data¹ for the year to 31 December		2024	2023
Take-up of existing space ² (A)	£m	32	16
Space returned ³ (B)	£m	(32)	(21)
NET ABSORPTION OF EXISTING SPACE² (A-B)	£m	-	(5)
Other rental movements (rent reviews, renewals, indexation) ² (C)	£m	38	35
RENT ROLL GROWTH FROM EXISTING SPACE	£m	38	30
Take-up of pre-let developments completed in the year (signed in prior years) ² (D)	£m	28	39
Take-up of speculative developments completed in the past two years ² (D)	£m	3	12
TOTAL TAKE-UP² (A+C+D)	£m	101	102
Less take-up of pre-lets and speculative lettings signed in prior years ²	£m	(30)	(41)
Pre-lets signed in the year for future delivery ²	£m	20	27
RENTAL INCOME CONTRACTED IN THE YEAR²	£m	91	88
Takeback of space for redevelopment	£m	(3)	(1)
Known Takeback/letting from acquisition	£m	-	-
Retention rate ⁴	%	80	81

1 All figures reflect exchange rates at 31 December 2024 and include joint ventures at share.

2 Headline rent.

3 Headline rent, excluding space taken back for redevelopment.

4 Headline rent retained as a percentage of total headline rent at risk from break or expiry during the period.

Portfolio: what to expect in 2025

Forecasting yields over any future period is notoriously difficult given the multitude of economic and financial drivers (particularly interest rates and credit spreads), most of which are outside our direct control.

We do not need yield shift to deliver continued growth in the portfolio. The fundamentals for our sector remain strong, with occupier demand supported by structural drivers and limited supply, which leaves us optimistic about the prospects for further rental value growth. Investors clearly agree as industrial and logistics investment markets have recovered more quickly than wider real estate assets, although investors are being selective about where and in what they invest. We expect that our active approach to asset management will lead to our high-quality, modern and sustainable portfolio outperforming the wider industrial and logistics market on a long-run basis.

In terms of rent roll, we expect this to increase through leasing space currently vacant or under refurbishment, the further capture of reversion on the existing portfolio and by signing further pre-lets in response to occupier demand.

We have the potential to more than double our rent roll over the coming years through our active asset management of the existing portfolio and the build out of our high-quality land bank.

INVESTMENT UPDATE

(DISCIPLINED CAPITAL ALLOCATION)

Taking a disciplined approach to capital allocation is key to delivering long-term outperformance. We use our in-depth knowledge of our markets and our customer base to inform portfolio positioning, and we adapt our approach to capital deployment depending on our assessment of the property cycle and other external factors. We anticipate that, in a stable yield environment, our portfolio is capable of delivering a 9 per cent or higher unlevered total return, based on its income (equivalent yield of 5.4 per cent) and rental growth (2 to 6 per cent), plus uplift from development (yield on cost 7 to 8 per cent).

We invested £925 million into our portfolio during the year. We have continued to prioritise capital deployment into the most profitable development opportunities, mostly on land that we already own. We invested £471 million into development capex to build out our land bank, and we also acquired £23 million of land. With liquidity returning to investment markets we also took advantage of less competition to make £431 million of asset acquisitions in core markets, and continued our asset recycling programme, as well as finding special purchasers for some assets and land that helped crystallise attractive profits. These disposals totalled £896 million.

Deploying capital into the most profitable development opportunities and taking advantage of more liquid investment markets to acquire prime assets

During the year we invested £494 million into our development pipeline, which comprised £471 million (2023: £527 million) in development spend (including £138 million for infrastructure) and £23 million on new land acquisitions, mostly of smaller plots of land that unlock redevelopment opportunities on existing sites.

We took advantage of some attractively priced opportunities in the investment markets, identified by our local teams, to acquire a number of standing assets during 2024, which we believe offer attractive risk-adjusted total returns through a mix of the in-place income and future rental growth.

These included:

- a super-prime, highly-reversionary estate in the supply-constrained north London market which neighbours SEGRO Park Enfield;
- a high-quality urban warehouse scheme in the UK Midlands, a market with a fast-growing economy and limited supply, and;
- four modern, sustainable logistics assets in attractive markets in the Netherlands, with strong rental growth potential and where available land supply is very limited.

The consideration for the asset acquisitions was £431 million, reflecting a blended topped-up initial yield of 4.4 per cent and reversionary yield of 5.9 per cent. We expect these assets to deliver a blended average unlevered Internal Rate of Return ("IRR") of around 9 per cent over the next 10 years assuming a stable yield environment.

Well-executed disposal programme crystallising attractive profits

Our disposal programme is always based upon a rigorous annual review, asset by asset, of expected performance. Through this we seek to identify assets which are likely to offer weaker risk-adjusted returns compared to the wider portfolio. On top of this, our teams stay close to the investment market to identify motivated or special buyers who are likely to offer higher pricing than our own assessment of value, thus creating opportunities for profitable disposals.

As investment market liquidity improved in 2024, we were able to take advantage by disposing of £896 million of assets and land to realise profits and release capital to reinvest in our business.

Disposals included:

- an older West London estate that we had been positioning for redevelopment, to a purchaser who intends to convert the site into a mixed use scheme in the longer-term and who paid a premium to industrial land value;
- a portfolio of recently-developed, big box logistics assets in Italy with limited medium-term rental growth potential due to capped lease rental uplifts;
- big box assets in the UK, France and Germany in slightly weaker locations and where we have lower conviction over future returns potential;
- generating a significant profit through the sale of a plot of land in Europe to a hyperscaler, and selling two powered shell data centres adjacent to the Slough Trading Estate to the occupier.

The consideration for the asset disposals was £786 million, reflecting a blended topped-up initial of 4.6 per cent, equating to £38 million of annualised rental income (at share). We crystallised over a 10 per cent IRR on the disposals of assets developed by SEGRO in recent years.

The land disposals totalled £110 million and combined with the asset disposals they generated a 9 per cent gain on book values versus 31 December 2023.

Investment: what to expect in 2025

We will continue to take the same disciplined approach during 2025, preferring mostly pre-let led development on our attractive land bank but continuing to consider unique asset or land acquisition opportunities that may arise. We expect to dispose of around two per cent of the portfolio, within the range of our normal levels of capital recycling but adapting the overall volume of disposals to market conditions.

DEVELOPMENT UPDATE (DISCIPLINED CAPITAL ALLOCATION/ OPERATIONAL EXCELLENCE)

Disciplined capital allocation and Operational excellence are both key to the success of our development programme. They ensure that we deploy capital into the most profitable opportunities and into markets with the greatest long-term return potential, execute on our pipeline efficiently and safely, and build to the highest construction and sustainability standards.

Development completions delivered £37 million of headline rent

Development completions added 374,700 sq m of new space to the portfolio during 2024, generating £31 million of headline rent, with a potential further £6 million when the remainder of the space is let. The yield on total development cost (including land, construction and finance costs) is expected to be 6.9 per cent when fully let.

We completed 294,700 sq m of big box warehouse space, including our first units at SEGRO Park Coventry, a further unit at SmartParc SEGRO Derby and big box units for third-party logistics operators and manufacturers in Italy, Spain and Poland.

We completed 80,000 sq m of urban warehouses, including a data centre on the Slough Trading Estate and schemes in Amsterdam, Frankfurt, Paris and Warsaw. The majority of these were developed speculatively and almost half of the rent has already been secured.

Reducing embodied carbon in our development programme is critical to helping us improve our carbon footprint. During 2024 we created new science-based targets, aligned with the new 'Buildings' framework, and our new embodied carbon pathway has both a near-term target to reduce embodied carbon by 58 per cent by 2034 versus the 2023 baseline, and a target to be net-zero by 2050. We reduced the embodied carbon intensity of our developments by 4 per cent to 318 kgCO₂e/sq m during the year (2023: 331 kgCO₂e/sq m).

All of our eligible development completions during 2024 have been, or are expected to be, accredited at least BREEAM 'Very Good' (or local equivalent), with 97 per cent 'Excellent' or 'Outstanding'.

£51 million of headline rent currently under development or due to start shortly

At 31 December 2024, we had development projects approved, contracted or under construction totalling 400,500 sq m, representing £145 million of future capital expenditure to complete, £46 million of annualised gross rental income and a 8.0 per cent yield on total development cost when fully occupied. 50 per cent of this rent has already been secured (2023: 62 per cent) due to a lower level of pre-let schemes and our speculative, mostly, urban pipeline. This includes schemes in Germany and France where we are responding to strong local demand which we have experienced on existing assets.

In the UK, we have 137,100 sq m of space approved or under construction. Within this are two schemes on the Slough Trading Estate, a multi-let industrial unit and a multi-storey powered shell data centre, as well as our first big box warehouse at SEGRO Logistics Park Northampton.

In Continental Europe, we have 263,400 sq m of space approved or under construction. This includes urban warehouses in the supply-constrained markets of Paris, Frankfurt, Berlin, Düsseldorf and Cologne. We also have big box warehouses under construction in Germany, Italy and Spain.

We have factored current construction and financing costs into the returns for our future development projects. Build costs have been stable across most of our markets during 2024 and in some regions have started to see construction tenders coming in at reduced prices. We expect to be able to develop at a margin over the valuation yields on equivalent standing assets of at least 150 to 200 basis points, meaning that development remains a profitable way of growing the rent roll.

Within the future development pipeline are a number of pre-let projects close to being approved, awaiting either final conditions to be met or planning approval to be granted. We expect to commence these 'near-

term' projects within the next six to 12 months. These projects total 39,300 sq m of space, equating to approximately £45 million of future capital expenditure and £5 million of potential annual rent.

£476 million of future potential rent from land bank and options

Our land bank identified for future development (including the near-term projects detailed above) totalled 1,027 hectares as at 31 December 2024, valued at £1.6 billion, roughly 9 per cent of our total portfolio value. This includes £619 million of land acquired for future redevelopment but which is currently income producing, reducing the holding costs until development can start (equating to £10 million of annualised rent).

We estimate our land bank can support 3.2 million sq m of development over the next five to seven years. The estimated capital expenditure associated with the future pipeline is approximately £3.4 billion, capable of generating £376 million of gross rental income, representing a yield on total development cost (including land and notional finance costs) of between 7 and 8 per cent.

Within this land bank are sites that SEGRO has identified as suitable for data centre development and there is further potential from the redevelopment of existing assets which is not included in these pipeline numbers. The data centre opportunity within our portfolio equates to more than 2.3GW of potential additional capacity across the UK and Continental Europe.

Land acquisitions (contracted but subject to further conditions) and land held under option agreements are not included in the figures above, and these represent significant further development opportunities. These include sites for big box warehouses in the UK as well as in Italy and Poland. They also include urban warehouse sites in East and West London and in Paris. Those we expect to exercise over the next two to three years are for land capable of supporting almost 1 million sq m of space and generating over £100 million of headline rent, for a blended yield of 7 to 8 per cent. The options are held on the balance sheet at a value of £17 million (including joint ventures and associates at share).

All of the figures relating to our land bank and options, other than the current value, are indicative, based on our current expectations, and are dependent on our ability to secure pre-let agreements, planning permissions, construction contracts and on our outlook for occupier conditions in local markets.

Further details of our completed projects and development pipeline are available in the FY 2024 Property Analysis Report, at www.SEGRO.com/investors.

Development: what to expect in 2025

We expect to invest approximately £500 million in development capex during 2025, including £150 million of infrastructure related to our big box logistics parks. The yield on cost for our development programme is expected to be between 7 to 8 per cent.

ASSET MANAGEMENT UPDATE

(OPERATIONAL EXCELLENCE)

The performance of our existing portfolio relies on our continued focus on Operational excellence; whether that means providing the best customer experience throughout the customer's 'journey' with SEGRO, optimising rental income and lease terms, ensuring consistency of operating standards, or driving efficiency through continuous improvement and the digitalisation of processes.

We believe SEGRO has a market-leading operating platform, with people on the ground in all of our key locations. Through the internal management of our portfolio, we build strong and meaningful relationships with our customers and other business partners, and actively manage our assets to generate long-term outperformance.

Strong and diversified customer base

Understanding our customers and their evolving needs is crucial to the success of our business. The insights that we gain from these partnerships help us to shape our portfolio and ensure that our buildings are fit for the future and suitable for occupier's evolving needs.

Our customer base remains well diversified, reflecting the flexibility of warehouse space and that two-thirds of our portfolio is in urban locations. Our top 20 customers account for 33 per cent of total headline rent. Amazon remains our largest customer, although its share has reduced to 5 per cent of our total rent roll as a result of the recycling activity during the year.

Customers from the transport and logistics and manufacturing sectors were the largest takers of our space during 2024, as they continued to focus on prioritising efficiency, resilience and sustainability into their operations. This was closely followed by the technology, media and telecoms sector, which was driven by data centre operators taking additional space to keep up with increased corporate and consumer demand.

Our urban spaces continue to be in high demand by a large range of businesses who provide value-added goods and services to nearby growing populations.

The health of our customer base remains strong: rent lost due to insolvency was £9 million (2023: £3 million), approximately 1 per cent of our headline rent. The majority of the increase versus last year was due to the insolvency of a single customer in our Park Royal portfolio. Our income at risk watchlist remains small and rent collection is tracking at normal levels despite the economic environment.

Focused on delivering excellent customer service

Although the quality and location of our portfolio is of primary importance to our customers, the value of building outstanding customer relationships through the delivery of excellent customer service should not be underestimated. It helps us to maintain high levels of customer retention, grow rents and create new business opportunities.

We often work with our larger customers in more than one location and regularly across geographies: 26 per cent of our headline rent comes from customers with whom we have leases in more than one country. Our cross-border customer account teams help to ensure that we offer a streamlined and informed approach to these businesses.

We carry out a rolling survey of our customers throughout the year to identify and rectify issues promptly. In 2024, we spoke to 355 customers, and 97 per cent said that they would recommend SEGRO to others (2023: 96 per cent) while 86 per cent said they rated their experience with SEGRO as 'Excellent' or 'Good' (2023: 86 per cent).

During 2024 we continued to develop our customer insight programme with the launch of three SEGRO customer journey projects to help us better understand their experiences of working with SEGRO and how we can best support them. We continued to bring customers together through our Customer Futures Forums

and we also launched a customer intelligence platform across the business to help us better share insights and leverage existing relationships.

Actively managing our portfolio to create value

The supply-demand dynamics across our chosen markets remained in balance during 2024, and although occupier demand for pre-lets was lower than in previous years, we were able to drive further rental value (ERV) growth and sign £91 million of new headline rent during the year.

The active asset management of our portfolio reflects our determination to generate outperformance through the cycle. We create plans for every single asset as part of our annual asset review process, aiming to strike a balance between maintaining current high occupancy and creating opportunities to drive future rents and create value through refurbishment, redevelopment or conversion to alternative, higher value, such as data centres.

We monitor a number of metrics that help us assess the performance of our existing portfolio:

- **Excellent progress in capturing the embedded reversion within our portfolio:** Lease reviews and renewals during the period generated an uplift of 34 per cent (2023: 31.0 per cent), adding £27 million of new headline rent. New rents agreed at review and renewal hit a record level and were 43 per cent higher in the UK (2023: 40 per cent) as reversion accumulated over the past five years was reflected in the significantly higher new rents agreed. In Continental Europe, rents agreed on renewal were 7 per cent higher (2023: 8 per cent higher), as a result of market rental growth continuing to outpace annual indexation uplifts that have accumulated over recent years. Our portfolio is now 16 per cent reversionary, providing us with the opportunity to capture a further £118 million of headline rent, £71 million of which is up for rent review or renewal by the end of 2027.
- **Occupancy within our target range at 94.0 per cent (31 December 2023: 95.0 per cent).** The increase was mostly due to takebacks in our London portfolio, including a modern estate in North London that we are already marketing and have had good initial interest, as well as older buildings to facilitate refurbishment or redevelopment. The occupancy rate excluding recently completed speculative developments reduced to 95.4 per cent (31 December 2023: 96.0 per cent) and the average occupancy rate during the period was 95.7 per cent (2023: 95.5 per cent).
- **Customer retention rate remained high at 80 per cent.** Approximately £99 million of headline rent was at risk from a break or lease expiry during the period, of which we retained 78 per cent based on customers staying in their existing space (2023: 78 per cent), and a further 2 per cent including those who moved to new premises but stayed within the portfolio (2023: 3 per cent).
- **Lease terms continue to offer attractive income security.** The level of incentives agreed for new leases (excluding those on developments completed in the period) increased slightly to 6.7 per cent of the headline rent (2023: 5.8 per cent). We maintained the portfolio's weighted average lease length, with 7.2 years to first break and 8.4 years to expiry (31 December 2023: 7.3 years to first break, 8.3 years to expiry). Lease terms are longer in the UK (8.5 years to break) than in Continental Europe (5.3 years to break), reflecting the market convention of shorter leases in countries such as France and Poland.

Working closely with our customers and refurbishing older assets to help us achieve our Championing low-carbon growth ambitions

During 2024 we updated our carbon targets to align with the new Science-Based Target Initiative (SBTi) 'Buildings' framework. This has resulted in two new operational targets: a near-term target to reduce the carbon intensity of our corporate and customer emissions by 81 per cent by 2034, and a net-zero target by 2050. These targets have a new baseline of 2023 and we have restated last year's emissions using the new best practice methodology. There has been a 1 per cent increase in our corporate customer emission intensity during 2024, largely due to our data centre portfolio which accounted for the majority of the increase

in our absolute emissions. Data centre customers are on their own net-zero journey with commitments to reach 100 per cent renewable energy by 2030 and we will continue to work closely with our customers to do what we can to help them make good progress on that commitment.

Our green lease clauses help to improve our visibility of our customers' carbon emissions and are key to delivering a reduction in our corporate and customer emissions. They allow us to report more accurate data and to identify opportunities to help customers operate their buildings more efficiently, reducing their carbon footprint and operating costs. These clauses, alongside an increase in the number of automatic meter feeds that we receive, have helped increase the visibility of our portfolio energy use to 87 per cent (2023: 81 per cent).

At the end of 2024, 76 per cent of the portfolio had an EPC rating of B or better (2023: 65 per cent). Whilst the majority of our portfolio is modern and already meets the highest sustainability standards, we do have some older assets in cities such as London and Paris, where land and buildings are in short supply and rents continue to grow. This provides us with the opportunity to add significant value through refurbishment and whilst also improving their environmental performance.

A key part of our asset planning process is therefore determining the phasing of these projects and managing the space to ensure we have vacant possession to suit our future plans. This can lead to periods where the headline vacancy in these sub-markets is elevated, for example in our London portfolio at the end of 2024, but the cost of this vacancy is more than outweighed by the value created through the refurbishment or redevelopment. Opportunities such as these are not included in our future development programme and could create significant rental uplifts.

Our asset management teams are also working hard to expand the solar capacity of our portfolio through retrofitting onto existing assets (we install photovoltaic arrays on almost all new developments) where feasible. During 2024 we added a record 64 MW to our installed solar capacity, more than doubling it and taking the total to 123 MW, 16 MW of this was through retrofits onto existing buildings.

Asset management: what to expect in 2025

We have a unique portfolio, focused on Europe's strongest industrial and logistics markets. Our active asset management approach ensures that it will continually evolve to provide high quality, modern space appealing to the widest variety of customers, thereby increasing rental levels. In 2025, we will continue to focus on providing excellent customer service and to capture the reversion inherent in our leases which reflects the quality of our buildings. We will continue to take advantage of leases coming to an end on some of our older buildings to refurbish them, bringing them up to the high environmental standards our customers and other stakeholders expect.

FINANCIAL REVIEW

Financial highlights

	31 December 2024	31 December 2023
IFRS ¹ net asset value (NAV) per share (diluted) (p)	889	886
Adjusted ¹ NAV per share (diluted) (p)	907	907
IFRS profit/(loss) before tax (£m)	636	(263)
Adjusted ² profit before tax (£m)	470	409
IFRS earnings per share (EPS) (p)	44.7	(20.7)
Adjusted ² EPS (p)	34.5	32.7

1 A reconciliation between IFRS NAV and its Adjusted NAV equivalent is shown in Note 11.

2 A reconciliation between IFRS profit before tax and Adjusted profit before tax is shown in Note 2 and between IFRS EPS and Adjusted EPS is shown in Note 11.

Presentation of financial information

The Group Financial Statements are prepared under IFRS where the Group's interests in joint ventures and associates are shown as a single line item on the income statement and balance sheet and subsidiaries are consolidated at 100 per cent.

The Adjusted profit measure reflects the underlying financial performance of the Group's property rental business, which is our core operating activity. It is based on EPRA earnings as set out in the Best Practices Recommendations Guidelines of the European Public Real Estate Association (EPRA) which are widely used alternate metrics to their IFRS equivalents within the European real estate sector (further details can be found at www.epra.com). In calculating Adjusted profit, the Directors may also exclude additional items considered to be non-recurring, unusual, or significant by virtue of size and nature. In the current year no such adjustments have been made. In the prior year, the net profit after tax impact of the SELP performance fees recognised of £42 million has been excluded. Furthermore, in the prior year, an impairment of a loan to an associate (£28 million) has been excluded. See Note 2 for more detail.

ADJUSTED PROFIT

Adjusted profit

	2024 £m	2023 £m
Gross rental income	592	547
Property operating expenses	(92)	(85)
Net rental income	500	462
Joint venture management fee income	26	29
Management and development fee income	6	4
Net service charge and other income	(1)	1
Administrative expenses	(76)	(63)
Share of joint ventures and associates' Adjusted profit ¹	83	82
Adjusted operating profit before interest and tax	538	515
Net finance costs	(68)	(106)
Adjusted profit before tax	470	409
Tax on Adjusted profit	(12)	(10)
Adjusted profit after tax	458	399

1 Comprises net property rental income less administrative expenses, net finance costs and taxation.

Net rental income

Net rental income increased by £38 million to £500 million (or by £41 million to £628 million including joint ventures and associates at share before joint venture fees), reflecting the positive net impact of like-for-like rental growth, development completions and investment activity during the year, offset by the impact of disposals.

On a like-for-like basis, before other items (primarily corporate centre and other costs not specifically allocated to the two property businesses), net rental income increased by £29 million, or 5.8 per cent, compared to 2023.

This is due to strong rental performance across our portfolio. In the UK, there was a 5.9 per cent increase, primarily through capturing the reversionary potential in the portfolio through lease reviews and renewals. In Continental Europe there was a similar increase (5.7 per cent), primarily through indexation.

Like-for-like net rental income

(including JVs and associates at share)	2024 £m	2023 £m	Change % ²
UK	331	313	5.9
Continental Europe	198	187	5.7
Like-for-like net rental income before other items	529	500	5.8
Other ¹	(5)	(5)	
Like-for-like net rental income (after other items)	524	495	5.9
Development lettings	48	16	
Properties taken back for development	10	21	
Like-for-like net rental income plus developments	582	532	
Properties acquired	9	1	
Properties sold	20	37	
Net rental income before surrenders, dilapidations and exchange	611	570	
Lease surrender premiums and dilapidation income	7	2	
Other items and rent lost from lease surrenders	10	9	
Impact of exchange rate difference between periods	–	6	
Net rental income (including joint ventures and associates at share)	628	587	
SEGRO share of joint venture management fees	(12)	(12)	
Net rental income after SEGRO share of joint venture fees	616	575	

1 Other includes the corporate centre and other costs relating to the operational business which are not specifically allocated to the two Businesses UK and Continental Europe.

2 Percentage change has been calculated using numbers accurate to one decimal place.

3 The like-for-like net rental growth metric is based on properties held throughout both 2024 and 2023 on a proportionally consolidated basis. The value of these properties as at 31 December 2024 on a proportional basis was £13,967 million (2023: £14,006 million). This provides details of net rental income growth excluding the distortive impact of acquisitions, disposals and development completions. Where an asset has been sold into a joint venture (sales to SELP, for example) the 50 per cent share owned throughout the period is included in like-for-like calculation, with the balance shown as disposals.

Administration expenses

Administrative expenses have increased by £13 million to £76 million in the current year. This primarily related to investment in technology through IT costs and depreciation from project spend in previous years, as well as costs relating to transactions not completed. This is a contributory factor for the total cost ratio (after share-based payments), which includes property operating expenses which increased from 18.4 per cent to 20.7 per cent in the current year. Further detail is given in Table 9 in the notes to the Condensed Financial Statements.

Income from joint ventures and associates

SEGRO's share of joint ventures and associates' Adjusted profit after tax increased slightly (£1 million) from £82 million in 2023 to £83 million in 2024. The increase is due to a small upward movement in net rental income.

Joint venture fee management fee income decreased by £3 million to £26 million in 2024 due to a reduction in development activity and lower property values, on which elements of the fees are based.

Prior period performance fees from joint ventures have been excluded from Adjusted profit and are discussed in Note 6 to the Condensed Financial Statements.

Net finance costs

Net finance costs were £38 million lower than 2023 at £68 million. This is primarily due to lower net debt in the year following the equity raise in the early part of 2024, discussed further in the Financing section below. Furthermore, average interest rates during the year were 3.1 per cent compared to 3.4 per cent in the prior year, further reducing the net finance costs. Interest capitalised on the development of properties in the year was £67 million, slightly higher than the prior year (2023: £64 million).

Taxation

The tax charge on Adjusted profit of £12 million (2023: £10 million) reflects an effective tax rate of 2.6 per cent (2023: 2.4 per cent).

The Group's effective tax rate reflects the fact that around three-quarters of its wholly-owned assets are located in the UK and qualify for REIT status. This status means that income from rental profits and gains on disposals of assets in the UK are exempt from corporation tax, provided SEGRO meets a number of conditions including, but not limited to, distributing 90 per cent of UK taxable profits.

Adjusted profit/Earnings per share

Adjusted profit after tax increased by £59 million to £458 million (2023: £399 million) as a result of the above movements, primarily growth in rental income and reduced finance costs.

Adjusted profit is detailed further in Note 2 to the Condensed Financial Statements.

Adjusted earnings per share are 34.5 pence compared to 32.7 pence in 2023 due to the increase in Adjusted profit offset by the 108.7 million increase in the average number of shares in issue compared to the prior year, largely as a result of the equity placing.

IFRS profit

IFRS profit before tax in 2024 was £636 million (2023: £263 million loss), equating to basic post-tax IFRS profit per share of 44.7 pence compared with loss per share of 20.7 pence for 2023. A reconciliation between Adjusted profit before tax and IFRS profit before tax is provided in Note 2 to the Condensed Financial Statements.

The principal driver of IFRS profit is realised and unrealised property gains which is the main reason for the higher profit per share in 2024 versus 2023. Total gain on properties is £167 million (2023: £760 million loss). This includes a £195 million realised and unrealised property gain on investment and trading properties in the wholly-owned business (2023: £598 million loss) and £28 million loss from joint ventures and associates at share (2023: £162 million loss).

The largest component is valuation gains on investment properties of £90 million including joint ventures at share (2023: £809 million loss), which is driven by a 3.2 per cent increase in ERV and gains from development completions. These are discussed in more detail in the Portfolio Update above. Other property movements include profit on sale of wholly-owned investment properties of £75 million (2023: £39 million).

In addition, SEGRO recognised a tax charge in respect of adjustments of £30 million (2023: £20 million credit) primarily in relation to property disposals and valuation movements.

Balance sheet

	£m	Shares million	Pence per share
EPRA NTA attributable to ordinary shareholders at 31 December 2023	11,162	1,230.7	907
Realised and unrealised property gain	167		12
Adjusted profit after tax	458		34
Equity share placing	889		(9)
Dividend net of scrip shares issued (2023 final and 2024 interim)	(264)		(28)
Exchange rate movement (net of hedging)	(77)		(6)
Other	(48)		(3)
EPRA NTA attributable to ordinary shareholders at 31 December 2024	12,287	1,355.3	907

At 31 December 2024, IFRS net assets were £12,049 million (31 December 2023: £10,904 million), reflecting 889 pence per share (31 December 2023: 886 pence) on a diluted basis.

Adjusted NAV per share at 31 December 2024 was 907 pence and flat compared to the prior year (31 December 2023: 907 pence). This movement primarily reflects profits and property gains, offset by dividends, the impact of the equity placing (where shares were issued at a price below net asset value per share) and exchange rate movements. The table highlights the main factors behind the movement in Adjusted NAV. A reconciliation between IFRS and Adjusted NAV is available in Note 11 to the Condensed Financial Statements.

Cash flow and net debt reconciliation

Cash flows from operating activities of £459 million are £125 million lower than the prior year. This is primarily due to the prior period including receipt of a performance fee (£89 million) and proceeds from disposal of a trading property (£35 million). Finance cost outflows of £141 million in servicing the debt facilities, represent a £26 million reduction on the prior year, reflecting lower net debt in the period. Interest rate risk management is detailed further in the Financing section below. In addition there were tax payments of £17 million primarily in France.

The Group made net investments of £377 million in investment and development properties during the year on a wholly-owned cash flow basis (2023: £487 million). This is principally driven by expenditure of £1,000 million (2023: £839 million) to purchase and develop investment properties to deliver further growth in line with our strategy. Disposals of investment properties increased by £271 million to £623 million compared to the prior year (2023: £352 million) as the business continued to recycle assets when the opportunity arose.

The largest cash flow in the year relates to proceeds from new equity of £889 million (being gross proceeds £907 million received net of costs) discussed in the Financing section below.

During the year £277 million (2023: £185 million) dividends were paid which is lower than the total dividend due to the level of scrip uptake of £115 million (2023: £129 million) and tax paid relating to the prior year Property Income Distribution of £13 million (2023: £13 million payment deferred).

Overall, net debt has decreased in the year by £728 million to £4,244 million.

Cash flow and Net Debt Reconciliation

	2024 £m	2023 £m
Operating net debt	(4,972)	(4,722)
Cash flows from operating activities	459	584
Finance costs (net)	(141)	(167)
Dividends received	29	38
Tax paid	(17)	(24)
Net cash received from operating activities	330	431
Dividends paid	(277)	(185)
Purchase and development of investment properties	(1,000)	(839)
Sale of investment properties	623	352
Acquisition of interest in property and other investments	(6)	(5)
Proceeds from the issue of ordinary shares	889	1
Net investment in joint ventures and associates	27	(5)
Purchase of non-controlling interest	–	(16)
Purchase of plant and equipment and intangibles	(24)	(29)
Other items	12	(4)
Net funds flow	574	(299)
Non-cash movements on borrowings	(12)	(9)
Exchange rate movements on net debt	166	58
Closing net debt	(4,244)	(4,972)

Capital expenditure

The table below sets out analysis of the capital expenditure during the year. This includes acquisition and development spend, on an accruals basis, in respect of the Group's wholly-owned investment and trading property portfolios, as well as the equivalent amounts for joint ventures and associates, at share.

Total spend for the year was £1,104 million, broadly in line with the prior year (2023: £1,121 million), with reduced development spend offset by increased acquisition spend. More detail on this spend can be found in the Development and Investment Update above.

Development capital expenditure was £471 million in the year (2023: £527 million) primarily in the UK. This includes infrastructure spend of £138 million (2023: £92 million). Interest of £69 million (2023: £68 million) has been capitalised in the year.

Spend on existing completed properties totalled £54 million (2023: £67 million), of which £1 million (2023: £1 million) was for incremental lettable space. The balance mainly comprises refurbishment and fit-out costs, which equates to less than 5 per cent of total spend.

EPRA capital expenditure analysis

	2024			2023		
	Wholly owned £m	Joint ventures and associates £m	Total £m	Wholly owned £m	Joint ventures and associates £m	Total £m
Acquisitions	454 ¹	–	454 ⁵	403 ¹	10	413
Development	430 ²	41	471	443 ²	84	527
Capitalised interest ⁴	67	2	69	64	4	68
Investment properties:						
Incremental lettable space	1	–	1	1	–	1
No incremental lettable space	44	9	53	53	13	66
Tenant incentives ³	40	16	56	37	9	46
Total	1,036	68	1,104	1,001	120	1,121

1 Being £452 million investment property and £2 million trading property (2023: £403 million and £nil respectively) see Note 12.

2 Being £429 million investment property and £1 million trading property (2023: £443 million and £nil respectively) see Note 12.

3 Includes tenant incentives and letting fees.

4 Capitalised interest on development expenditure.

5 Total acquisitions completed in 2024 shown in the Investment Update, being land acquisitions of £23 million, and asset acquisitions of £431 million.

Dividend increase reflects the strong operational results and confidence for the future

Under the UK REIT rules, we are required to pay out 90 per cent of UK-sourced, tax-exempt rental profits as a 'Property Income Distribution' (PID). Since we also receive income from our properties in Continental Europe, our total dividend should normally exceed this minimum level and we target a payout ratio of 85 to 95 per cent of Adjusted profit after tax. We aim to deliver a progressive and sustainable dividend which grows in line with our profitability in order to achieve our goal of being a leading income focused REIT.

The Board has concluded that it is appropriate to recommend an increase in the final dividend per share by 1.1 pence to 20.2 pence (2023: 19.1 pence). We will pay the 2024 final dividend as a PID and expect to pay the 2025 interim dividend as an ordinary dividend. The Board's recommendation is subject to approval by shareholders at the 2025 Annual General Meeting to be held on 30 April 2025, in which event the final dividend will be paid on 14 May 2025 to shareholders on the register at the close of business on 28 March 2025.

In considering the final dividend, the Board took into account:

- the policy of targeting a payout ratio of between 85 and 95 per cent of Adjusted profit after tax;
- the desire to ensure that the dividend is sustainable and progressive throughout the cycle; and
- the results for 2024 and the outlook for earnings.

The total dividend for the year will, therefore, be 29.3 pence, a rise of 5.4 per cent versus 2023 (27.8 pence) and represents distribution of 86 per cent of Adjusted profit after tax.

The Board has decided not to offer a scrip dividend option for the 2024 final dividend.

Financial position at 31 December 2024

At 31 December 2024, the gross borrowings of the SEGRO Group and its share of gross borrowings in joint ventures and associates, after capitalised finance costs, totalled £5,536 million (31 December 2023: £6,420 million), of which £3 million (31 December 2023: £6 million) are secured by way of legal charges over specific assets. The remainder of gross borrowings are unsecured. Cash and cash equivalent balances were £536 million (31 December 2023: £404 million). The average debt maturity was 6.9 years (31 December 2023: 6.9 years) and the average cost of debt as at 31 December 2024 (excluding non-cash interest and commitment fees) was 2.5 per cent (31 December 2023: 3.1 per cent).

Financial Position and Funding

	31 December 2024		31 December 2023	
	SEGRO Group	SEGRO Group, JVs and associates at share	SEGRO Group	SEGRO Group, JVs and associates at share
Net borrowings (£m)	4,244	5,000	4,972	6,016
Available cash and undrawn committed facilities (£m) ¹	1,705	2,125	1,527	1,722
Balance sheet gearing (%)	35	N/A	45	N/A
Loan to value ratio (%)	28	28	34	34
Net debt:EBITDA ratio (times) ²	8.6	N/A	10.4	N/A
Weighted average cost of debt (%) ³	2.5	2.5	3.2	3.1
Interest cover (times) ⁴	3.7	3.9	2.7	3.0
Average duration of debt (years)	7.8	6.9	7.6	6.9

1 Excludes tenant deposits held within cash and cash equivalents.

2 Calculation detailed in Table 2 in the Supplementary Notes.

3 Based on gross debt, excluding commitment fees and non-cash interest.

4 Net rental income Adjusted net finance costs (before capitalisation).

Funds available to the SEGRO Group (including its share of joint ventures and associates) at 31 December 2024 totalled £2,337 million (31 December 2023: £1,930 million), comprising £536 million cash and short-term investments (which includes £72 million of tenant deposits) and £1,801 million of undrawn credit facilities (which includes £140 million of uncommitted facilities). Cash and cash equivalent balances, together with the Group's interest rate and foreign exchange derivatives portfolio, are spread amongst a strong group of banks, all of which have a credit rating of A- or better.

Financing

During 2024, SEGRO completed the following transactions.

- **Short-term debt:** During the year, SEGRO has extended the term of €700 million of its revolving credit facilities by a further year. €600 million was extended to a 2027 maturity, and €100 million was extended to a 2028 maturity. SEGRO also cancelled a €100 million bilateral credit facility, which was replaced by the bilateral revolving credit facility entered into in January 2024.
- **Medium-term debt:** SEGRO has repaid a total of £725 million of term loans and extended the maturity of £90 million of term loans for a further year, to 2027.
- **Long-term debt:** In September 2024, SEGRO issued a €500 million 3.5 per cent bond due in 2032. In January 2025, SELP issued a €500 million 3.75 per cent bond due in 2032.
- **New equity:** In February 2024, SEGRO undertook an equity placing in which we raised £907 million of gross proceeds (before costs) through the issue of 111 million new shares at a price of 820 pence.

Monitoring and mitigating financial risk

As explained in the Risks section below, the Group monitors a number of financial metrics to assess the level of financial risk being taken and to mitigate that risk.

Treasury policies and governance

The Group Treasury function operates within a formal policy covering all aspects of treasury activity, including funding, counterparty exposure and management of interest rate, currency and liquidity risks. Group Treasury reports on compliance with these policies on a quarterly basis and policies are reviewed regularly by the Board.

Gearing and financial covenants

We consider the key leverage metric for SEGRO to be a proportionally consolidated ('look-through') loan to value ratio (LTV) which incorporates assets and net debt on SEGRO's balance sheet and SEGRO's share of assets and net debt on the balance sheets of its joint ventures. The LTV at 31 December 2024 on this basis was 28 per cent (31 December 2023: 34 per cent), the decrease primarily driven by decreased borrowings.

SEGRO's borrowings contain gearing covenants based on Group net debt and net asset value, excluding debt in joint ventures. The gearing ratio of the Group at 31 December 2024, as defined within the principal debt funding arrangements of the Group, was 35 per cent (31 December 2023: 45 per cent).

This is significantly lower than the Group's tightest financial gearing covenant within these debt facilities of 160 per cent. Property valuations would need to fall by around 54 per cent from their 31 December 2024 values to reach the gearing covenant threshold of 160 per cent. A 54 per cent fall in property values would equate to an LTV ratio of approximately 61 per cent.

The Group's other key financial covenant within its principal debt funding arrangements is interest cover, requiring that net interest before capitalisation be covered at least 1.25 times by net property rental income. The ratio for 2024 was 3.7 times, comfortably ahead of the covenant minimum. Net property rental income would need to fall by around 66 per cent from 2024 levels, or the average interest rate would need to rise to 9.2 per cent (from the full-year average interest rate of 3.1 per cent) to breach the interest cover covenant threshold. On a proportionally consolidated basis, including joint ventures, the interest cover ratio was 3.9 times.

SEGRO also monitors its leverage on a net debt: EBITDA basis which is an important metric for rating agencies and our investors. SEGRO's net debt: EBITDA ratio at the end of 2024 was 8.6 times (2023: 10.4 times), reflecting the net impact of an £19 million increase in EBITDA and a £728 million decrease in net debt. SEGRO has a long-term issuer default rating of 'BBB+' and a senior unsecured rating of 'A-' from Fitch Ratings as at 31 December 2024. The outlook on the long-term issuer default rating was revised in May 2024 to stable, from negative.

We mitigate the risk of over-gearing the Company and breaching debt covenants by carefully monitoring the impact of investment decisions on our LTV and by stress testing our balance sheet to potential changes in property values.

Our intention for the foreseeable future is to maintain our LTV at around 30 per cent, although the evolution of the property cycle will inevitably mean that there are periods of time when our LTV is higher or lower than this. However, this level of LTV through the cycle provides the flexibility to take advantage of investment opportunities arising and ensures significant headroom compared against our tightest gearing covenants should property values decline.

The weighted average maturity of the gross borrowings of the Group (including joint ventures at share) was 6.9 years, with the closest maturity being SELP's €500 million euro bond in November 2025, followed by SEGRO's €650 million euro bond in March 2026. This long average debt maturity comprises a well spread debt funding maturity profile which reduces future refinancing risk.

Interest rate risk

The Group's interest rate risk policy is designed to ensure that we limit our exposure to volatility in interest rates. The policy states that between 50 and 100 per cent of net borrowings (including the Group's share of borrowings in joint ventures) should be at fixed or capped rates, including the impact of derivative financial instruments.

At 31 December 2024, including the impact of derivative instruments, 116 per cent (2023: 95 per cent) of the net borrowings of the Group (including the Group's share of borrowings within joint ventures) were either at fixed rates or are protected from rising interest rates with an active interest rate cap. This hedged debt percentage is currently greater than 100 per cent due to the temporarily higher cash balance and lower floating rate bank borrowings. The active interest rate cap portfolio has a spread of expiry dates over the next 5 years to 2029 and an average expiry of 3.0 years.

Hedging position (% of net borrowings)	31 December 2024	31 December 2023
SEGRO Group		
Fixed rate borrowings	92	73
Floating rate borrowings subject to an active cap	23	23
Floating rate borrowings subject to an inactive cap	3	–
Floating rate borrowings not hedged	(9)	12
Total gross	109	108
Cash & cash equivalents	(9)	(8)
Total	100	100
SEGRO Group, JVs and associates at share		
Fixed rate borrowings	97	76
Floating rate borrowings subject to an active cap	19	19
Floating rate borrowings subject to an inactive cap	3	–
Floating rate borrowings not hedged	(8)	11
Total gross debt	111	106
Cash & cash equivalents	(11)	(6)
Total	100	100

The Group has had a temporary elevated cash balance throughout the year, which has been invested in short-term interest-bearing deposits and money market funds. In order to protect the Group from decreases in floating interest rates, a series of interest rate floor contracts were entered into to manage this risk. The interest rate floors are short-term contracts to reflect the temporary nature of the elevated cash balance and are all due to mature during 2025.

As a result of the fixed and capped cover in place, if short-term interest rates had been 100 basis points higher throughout the year to 31 December 2024, the adjusted net finance cost of the Group would have been approximately £5 million lower (31 December 2023: £10 million higher for a 200 bps increase in interest rates) representing around 1 per cent (31 December 2023: 3 per cent) of Adjusted profit after tax. The sensitivity is currently inverted due to the floating rate income earned on the higher than usual cash balances during the year to 31 December 2024.

The Group elects not to hedge account its interest rate derivatives portfolio. Therefore, movements in its fair value are taken to the income statement but, in accordance with EPRA Best Practices Recommendations Guidelines, these gains and losses are eliminated from Adjusted profit after tax.

Foreign currency translation risk

The Group has minimal transactional foreign currency exposure but does have a potentially significant currency translation exposure arising on the conversion of its foreign currency denominated assets (mainly euro) and euro denominated earnings into sterling in the Group consolidated accounts.

The Group seeks to limit its exposure to volatility in foreign exchange rates by hedging its foreign currency gross assets using either borrowings or derivative instruments. The Group targets a hedging range of

between the last reported LTV ratio (28 per cent at 31 December 2024) and 100 per cent. At 31 December 2024, the Group was 75 per cent hedged by gross foreign currency denominated liabilities (31 December 2023: 74 per cent).

Including the impact of forward foreign exchange and currency swap contracts used to hedge foreign currency denominated net assets, if the value of the other currencies in which the Group operates at 31 December 2024 weakened by 10 per cent against sterling (to €1.33, in the case of euros), net assets would have decreased by approximately £124 million and there would have been a reduction in gearing of approximately 2.4 per cent and in the LTV of 1.4 per cent.

The average exchange rate used to translate euro denominated earnings generated during 2024 into sterling within the consolidated income statement of the Group was €1.18: £1. Based on the hedging position at 31 December 2024, and assuming that this position had applied throughout 2024, if the euro had been 10 per cent weaker than the average exchange rate (€1.30: £1), Adjusted profit after tax for the year would have been approximately £9 million (2.4 per cent) lower than reported. If it had been 10 per cent stronger, Adjusted profit after tax for the year would have been approximately £11 million (2.9 per cent) higher than reported.

Going concern

As noted in the Financial Position and Funding section above, the Group has significant available liquidity to meet its capital commitments, a long-dated debt maturity profile and substantial headroom against financial covenants.

- In February 2024, the Group raised £907 million of new equity.
- In September 2024, the Group raised a €500 million Eurobond, with a six times over subscription rate. Proceeds were used to refinance 2025 and 2026 term loan maturities.
- Cash and available committed facilities, excluding tenant deposits, at 31 December 2024 were £1.7 billion.
- The negative outlook on SEGRO's A- senior unsecured rating from Fitch was removed in May 2024.
- The Group continuously monitors its liquidity position compared to the refinancing requirements of maturing debt, committed and expected capital and operating expenses on a rolling forward 18-month basis. The quantum of committed capital expenditure at any point in time is typically low due to the short timeframe to construct warehouse buildings.
- The Group also regularly stress-tests its financial covenants. As noted above, at 31 December 2024, property values would need to fall by around 54 per cent before breaching the gearing covenant. In terms of interest cover, net rental income would need to fall by 66 per cent or the average interest rate would need to reach in excess of 9 per cent before breaching the interest cover covenant. All would be significantly in excess of the Group's experience during the financial crisis.

Having made enquiries and having considered the principal risks facing the Group, including liquidity and solvency risks, and material uncertainties, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future (a period of at least 12 months from the date of approval of the financial statements). Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

PRINCIPAL RISKS

Principal risks and uncertainties

A summary of the Group's principal risks is provided below. Each risk includes commentary on current year activity but there is no material change to the structure or content of risks compared with what was reported in the 2023 Annual Report.

1. Macroeconomic impact on market cycle

The property market is cyclical in nature and, therefore, there is a risk that the Group may misinterpret or fail to react appropriately to changes in the property market, cost of finance or broader macroeconomic and geopolitical conditions. This misjudgement could lead to the adoption of an inappropriate strategy or hinder the execution of an existing strategy, ultimately affecting property performance and shareholder value.

Current year activity. The uncertain economic backdrop and elevated geopolitical risk was reflected in lower pre-let volumes in 2024. There are signs that the investment markets are improving as we enter a new phase of the market cycle.

In response, we have continued to perform thorough economic outlook assessments. We continue to mitigate our corporate risk through an appropriate financing strategy (see other principal risk) and ensure that the consequences for our portfolio strategy are appropriately aligned (see separate principal risk). This preparation enables us to withstand economic shocks and take advantage of market opportunities.

2. Portfolio strategy and execution

The Group's Total Property and/or Shareholder Returns could underperform in absolute or relative terms as a result of an inappropriate portfolio strategy. This could be caused by:

- Incorrect or ineffective capital allocation decisions;
- Poor or incorrect market or asset level assumptions (see separate macroeconomic principal risk);
- Inaccurate modelling or forecasting;
- Lack of appropriate procedures and inadequate due diligence resulting in lengthy, onerous or costly transactions;
- Inaccuracy of data or failure of due diligence.

Current year activity. The Group maintains a disciplined and responsive approach to portfolio management and capital allocation, as outlined in the Performance review section. We continuously review our portfolio and uphold appropriate investment criteria and hurdle rates to ensure resilience against macroeconomic uncertainty.

The Group's approach to capital allocation is informed by comprehensive asset plans and independent external assessments of market conditions and forecasts. Locally based property investment and operational teams provide market intelligence and utilise their networks to identify attractive opportunities. These teams are overseen by the UK and CE Heads of Investment.

3. Major event/business disruption

Unexpected global, regional or national events may result in severe adverse disruption to SEGRO, such as sustained asset value or revenue impairment, solvency or covenant stress, liquidity or business continuity challenges. A global event or business disruptor may include, but is not limited to, a global financial crisis, health pandemic, power/water shortages, weather-related event, war or civil unrest, acts of terrorism, cyber breach (either malicious or accidental) or other IT disruption. Events may be singular or cumulative, and lead to business disruption and impair the operating environment.

Current year activity. As geopolitical instability continues, it creates uncertainty for the Group's operations and stakeholders.

The Group maintains its robust financing and portfolio strategy, ensuring flexibility and preparedness for major events and business disruptions. The Board and other committees remain vigilant and responsive, actively managing risk mitigation as situations evolve.

The business continuity plan continues to operate successfully. The annual asset planning process reviews any areas of weakness in the portfolio with associated plans to rectify them.

Our cyber breach response plan was reviewed and we implemented an Extended Detection & Response system and service to improve our speed and ability around detecting potential threats. We continue regular training and testing of employees and this year have increased content focusing on deepfakes and Artificial Intelligence.

4. Health and safety

A health and safety incident may occur which involves harm to an individual or loss of life. This may be associated with the failure of safety management systems, failure of a building or other physical asset, or negligence of a third-party. Furthermore, the Group may breach relevant legislation or fail to provide suitable employee support. The consequence may be litigation, fines, serious reputational damage or a negative impact on employees.

Current year activity. Employee training continues to be rolled out, virtually and in-person with our training partners. SEGRO has launched a new safety management system controlling safety procedures. The health and safety team have access to a legal register provided by a third party to ensure that SEGRO remain up to date on legislative changes and monitor future changes. Routine monthly health and safety reporting is in place to internal operational, technical and leadership teams and the health and safety team respond to feedback and experiences, as well as reviewing specific practices and controls where required.

5. Environmental sustainability and climate change

Failure to adequately anticipate and/or respond to the impact of climate change or lack of preparation for environmental risks following:

- Increased severity and unpredictability of weather-related events leading to more frequent damage to our buildings;
- Changes in laws, regulations, policies, taxation, and reporting requirements;
- Changes in social attitudes and customer requirements whereby SEGRO are required to alter the design and build of properties and/or energy provision to buildings and/or commitments to climate change mitigation initiatives.

These risks may result in financial cost to SEGRO, disruption to our customers, fines, fall in share price or negative reputational effect, reduced demand for our properties and reduce competitiveness.

Current year activity. Our Responsible SEGRO framework continues to outline our strategy to reduce our corporate and customer carbon emissions and embodied carbon. During the year we strengthened our internal governance approach by creating a taskforce, consisting of two members of the Executive Committee, a senior Finance Director and our Director, Sustainability to review our carbon reduction targets. We intend to maintain this governance taskforce to monitor progress.

We have appointed a Head of Sustainable Finance to support our compliance with the Corporate Sustainability Reporting Regulations, including EU Taxonomy. We continue to work with advisors on increasing disclosure requirements, allowing for more robust reporting and assurance processes. Environmental considerations are increasingly important in asset acquisition and disposal decision-making, developments and refurbishment decisions.

6. Development and construction execution

The Group has an extensive current programme and future pipeline of developments which brings the following risks:

- Above-appetite exposure to non-income producing assets, reducing returns;
- Below-appetite land holdings restricting opportunities;
- Poor land acquisition due diligence or over optimistic appraisal assumptions;
- Contractor default or poor performance leading to cost over-runs;
- Regulatory/legal breach associated with a health and safety incident, defect or deleterious materials in buildings.

This could result in increased costs and delays, reduced returns, reputational damage and fines.

Current year activity. Due to continuing variability in market conditions, we have maintained our stringent investment criteria. We carefully monitor the value of land holdings considering prevailing market conditions, looking for optionality where possible. We continue to partner with our contractors as we expect lump sum contracts may become harder to agree or will incur increased costs due to contractors accounting for additional risks. We monitor 'overspecification' of projects and investigate ways to drive best value from costs to ensure SEGRO is not at risk of becoming uncompetitive.

7. Financing strategy

The Group could suffer an acute liquidity or solvency crisis caused by a failure in design or execution of its financing strategy. Such an event may be caused by a number of factors including a failure to obtain debt or equity funding (for example, due to market disruption or rating downgrade); having an inappropriate debt structure (including leverage level, debt maturity, interest rate or currency exposure); poor forecasting; defaulting on loan agreements as a result of a breach of financial or other covenants; or counterparty default.

This could result in an inability for SEGRO to finance its growth strategy and financial loss or financial distress.

Current year activity. The Group holds a significant presence in the euro bond, sterling bond and US private placement markets. SELP also holds a significant presence in the euro bond market.

This positions us well financially to support activities aligned with our strategic priorities. Furthermore, the Group continues to utilise fixed rate debt and pertinent derivatives to mitigate the risk of rising interest rates both currently and in the future.

We continue to be advised by our lending banks and corporate brokers that we can access all capital markets as demonstrated by the £907m equity raise in February 2024 and the €500m SEGRO bond in September 2024. Liquidity remains strong due to the facilities put in place and there is substantial headroom vs all our financial covenants.

8. Legal, political and regulatory

The Group could fail to comply with laws, regulations or governance obligations, which are applicable now, or may become applicable in the future. Such failures could lead to material litigation, censure, penalties and fines, as well as potentially significant reputational damage and loss of stakeholder confidence. It could also impact the Company's REIT and SIIIC status and damage relationships with tax authorities.

Compliance with future new laws and/or regulations introduced by governments in the countries in which the Company operates could potentially impact the business and its ability to achieve its strategic objectives.

A lack of employee awareness of the obligations which apply to the Company, as well as its culture may lead to an increased risk of unethical, fraudulent and/or unacceptable behaviour including breaches of the Code of Business Conduct and Ethics.

Current year activity. The legal and regulatory environment remains dynamic with an ever-increasing number of new laws and regulations. Governments and regulators continue to take a more aggressive stance on enforcement, with private entities also increasingly looking to bring civil suits. A tender of the UK Real Estate Legal Panel was carried out in the second half of 2024 with an additional firm appointed to help manage legal risk further.

We continue to raise awareness of the obligations of employees set out in the Code of Business Conduct and Ethics, with all new employees required to carry out mandatory training and targeted training also being delivered where appropriate. All employees are required to confirm compliance with the Code of Business Conduct and Ethics each year, where they must also confirm that they are not aware of any breaches or inappropriate behaviour having taken place. The Company continued its supplier screening programme and supplier interviews where members of the Company's legal team talk to suppliers to ensure that appropriate and robust anti-bribery, corruption and fraud policies and procedures, as well as policies and procedures to prevent modern slavery occurring, are in place. The Supplier Code of Conduct also reinforces the behaviour expected from suppliers and those working for the Company.

9. People and talent

The performance of the business could be impaired due to SEGRO:

- Not having the appropriate culture, organisational structure, skilled people or resource levels;
- Failing to attract, motivate, retain and develop diverse talent as part of our Nurturing talent ambition;
- Failing to prepare adequate talent management or succession plans.

This could be caused by ineffective people policies and processes including recruitment and onboarding, organisational structure, talent management and succession, reward and recognition, learning and development, performance management, hybrid working practices or a lack of appropriate social policies.

Current year activity. After a period of reorganisation in 2023, the wider organisation is now more stable, with new teams established and a number of new hires to supplement our existing workforce, although headcount and costs are broadly flat.

Over the summer we completed a people planning exercise across the Company, to proactively plan for resourcing and development needs. This was led by individual Leadership Team members and culminated in a review of the organisation and talent/succession plans by the Executive Committee and Group Board.

We have progressed our Nurturing talent agenda with the introduction of an enhanced suite of family friendly policies across the Group and launch of a new approach to performance management that further embeds our values and behaviours. We have also introduced new assessment and development tools deeper into the organisation and continued our focus on inclusion and diversity.

10. Operational delivery

The Group may experience operational failures such as: increased level of customer defaults; supply chain disruptions; reporting failure or delay; fraud error or disruption of treasury operations; inaccurate or misleading valuation reporting; erroneous lease execution or inaccurate lease data; or poor customer insight and retention.

These issues could lead to various adverse effects, including reputational damage, regulatory censure or fines, additional and unplanned costs, reduced income and property valuation, illiquidity and missed opportunities reducing SEGRO's competitiveness.

Current year activity. We continue to cultivate close engagement with our customers as well as continually assessing the risks associated with customer concentration and monitoring and reporting customer covenant risk.

An automated letting recommendation application, which is a workflow tool, is now in place in all countries and is producing valuation management information. The SEGRO asset management application, another workflow tool, is in the process of being rolled out across the Group country-by-country and, together with the letting recommendation tool, increases efficiency, consistency and control. A customer insight tool has been rolled out across Group to maximise collaboration.

We collaborate with our supply chain and have reviewed key suppliers to ensure suitable alternatives are available if one fails. Critical suppliers include contractors and their sub-contractors (detailed more fully in the Development and Construction Execution risk) and IT suppliers. Additionally, we continue to ensure prompt payment to our suppliers.

RESPONSIBILITY STATEMENT

The Statement of Directors' Responsibilities below has been prepared in connection with the Company's full Annual Report and Accounts for the year ended 31 December 2024. Certain parts of the Annual Report and Accounts have not been included in this announcement as set out in Note 1 to the condensed financial information.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance section of the Annual Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The responsibility statement was approved by the Board of Directors on 13 February 2025 and signed on its behalf by:

David Sleath

Chief Executive

13 February 2025

Soumen Das

Chief Financial Officer

13 February 2025

CONDENSED GROUP INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue	4	675	749
Costs	5	(144)	(161)
		531	588
Administrative expenses		(76)	(63)
Share of profit/(loss) from joint ventures and associates after tax	6	53	(76)
Realised and unrealised property gains and losses	7	195	(601)
Impairment loss on loan due from associates	2	–	(28)
Operating profit/(loss)		703	(180)
Finance income	8	92	84
Finance costs	8	(159)	(167)
Profit/(loss) before tax		636	(263)
Tax	9	(42)	10
Profit/(loss) after tax		594	(253)
Earnings per share (pence)			
Basic	11	44.7	(20.7)
Diluted	11	44.6	(20.7)

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 £m	2023 £m
Profit/(loss) for the year	594	(253)
Items that may be reclassified subsequently to profit or loss		
Foreign exchange movement arising on translation of international operations	(172)	(61)
Fair value movements on derivatives and borrowings in effective hedge relationships	95	35
	(77)	(26)
Tax on components of other comprehensive expense	–	–
Other comprehensive expense	(77)	(26)
Total comprehensive income/(expense) for the year	517	(279)

CONDENSED GROUP BALANCE SHEET

As at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Intangible assets		37	30
Investment properties	12	15,303	14,914
Other interests in property		17	26
Property, plant and equipment		34	28
Investments in joint ventures and associates	6	1,552	1,636
Other investments		12	10
Other receivables		2	8
Derivative financial instruments		48	47
		17,005	16,699
Current assets			
Trading properties		6	3
Trade and other receivables		178	195
Tax asset		19	25
Derivative financial instruments		3	8
Cash and cash equivalents	13	363	376
		569	607
Total assets		17,574	17,306
Liabilities			
Non-current liabilities			
Borrowings	13	4,607	5,347
Deferred tax liabilities	9	192	192
Trade and other payables		70	74
Derivative financial instruments		75	97
		4,944	5,710
Current liabilities			
Trade and other payables		502	614
Borrowings	13	–	1
Derivative financial instruments		44	52
Tax liabilities		35	25
		581	692
Total liabilities		5,525	6,402
Net assets		12,049	10,904
Equity			
Share capital	14	135	123
Share premium		4,569	3,577
Capital redemption reserve		114	114
Own shares held		(4)	(2)
Other reserves		124	204
Retained earnings		7,111	6,888
Total equity		12,049	10,904
Net assets per ordinary share (pence)			
Basic	11	891	889
Diluted	11	889	886

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Ordinary share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Other reserves			Retained earnings £m	Total equity £m
					Share-based payments reserves £m	Translation, hedging and other reserves £m	Merger reserve £m		
Balance at 1 January 2024	123	3,577	114	(2)	28	7	169	6,888	10,904
Profit for the year	-	-	-	-	-	-	-	594	594
Other comprehensive expense	-	-	-	-	-	(77)	-	-	(77)
Total comprehensive income/(expense) for the year	-	-	-	-	-	(77)	-	594	517
Transactions with owners of the Company									
Issue of shares	11	878	-	-	-	-	-	-	889
Own shares acquired	-	-	-	(5)	-	-	-	-	(5)
Equity-settled share-based transactions	-	-	-	3	(3)	-	-	8	8
Dividends	1	114	-	-	-	-	-	(379)	(264)
Total transaction with owners of the Company	12	992	-	(2)	(3)	-	-	(371)	628
Balance at 31 December 2024	135	4,569	114	(4)	25	(70)	169	7,111	12,049

For the year ended 31 December 2023

	Ordinary share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Other reserves			Retained earnings £m	Total equity £m
					Share-based payments reserves £m	Translation, hedging and other reserves £m	Merger reserve £m		
Balance at 1 January 2023	121	3,449	114	(1)	25	33	169	7,463	11,373
Loss for the year	–	–	–	–	–	–	–	(253)	(253)
Other comprehensive expense	–	–	–	–	–	(26)	–	–	(26)
Total comprehensive expense for the year	–	–	–	–	–	(26)	–	(253)	(279)
Transactions with owners of the Company									
Issue of shares	–	1	–	–	–	–	–	–	1
Own shares acquired	–	–	–	(4)	–	–	–	–	(4)
Equity-settled share-based transactions	–	–	–	3	3	–	–	5	11
Dividends	2	127	–	–	–	–	–	(327)	(198)
Total transaction with owners of the Company	2	128	–	(1)	3	–	–	(322)	(190)
Balance at 31 December 2023	123	3,577	114	(2)	28	7	169	6,888	10,904

CONDENSED GROUP CASH FLOW STATEMENT

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	15(i)	459	584
Interest received		75	37
Dividends received		29	38
Interest paid		(209)	(199)
Cost of early close out of interest rate derivatives and new interest rate derivatives transacted		(7)	(4)
Cost of early close out debt		–	(1)
Tax paid		(17)	(24)
Net cash received from operating activities		330	431
Cash flows from investing activities			
Purchase and development of investment properties ¹		(1,000)	(839)
Sale of investment properties		623	352
Acquisition of other interests in property		(4)	(3)
Refunds from other interests in property		11	–
Purchase of plant and equipment and intangibles		(24)	(29)
Acquisition of other investments		(2)	(2)
Investment and loans to joint ventures and associates		(3)	(12)
Divestment from and repayment of loans by joint ventures and associates		30	7
Net cash used in investing activities		(369)	(526)
Cash flows from financing activities			
Dividends paid	10	(277)	(185)
Proceeds from borrowings	15(ii)	419	961
Repayment of borrowings	15(ii)	(999)	(444)
Principal element of lease payments		(2)	(2)
Settlement of foreign exchange derivatives		1	(2)
Purchase of non-controlling interest		–	(16)
Proceeds from issue of ordinary shares	14	889	1
Purchase of ordinary shares		(5)	(4)
Net cash generated from financing activities		26	309
Net (decrease)/increase in cash and cash equivalents		(13)	214
Cash and cash equivalents at the beginning of the year		376	162
Effect of foreign exchange rate changes		–	–
Cash and cash equivalents at the end of the year	13	363	376

¹ Cash payment for the purchase and development of investment properties of £1,000 million (2023: £839 million) represents total costs for property acquisitions and additions to existing investment properties per Note 12 of £993 million (2023: £964 million) adjusted for the following cash and non-cash movements: deducts interest capitalised of £67 million (2023: £64 million) and includes net movement in capital related accruals, prepayments and VAT of £74 million (2023: deducts £61million).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Material Accounting Policies

The financial information set out in this announcement does not constitute the consolidated statutory accounts for the years ended 31 December 2024 and 2023, but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 (approved by the Board on 13 February 2025) will be delivered following the Company's annual general meeting. The external auditor has reported on the accounts and their reports did not contain any modifications.

Given due consideration to the nature of the Group's business and financial position, including the financial resources available to the Group, the Directors consider that the Group is a going concern and this financial information is prepared on that basis.

The financial information set out in this announcement is based on the consolidated financial statements which are prepared in accordance with UK-adopted International Accounting Standards (IAS) and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. UK adopted International Accounting Standards differs in certain respects from International Financial Reporting Standards as adopted by the EU. The differences have no material impact on the Financial Statements for the periods presented, which therefore also comply with International Reporting Standards as adopted by the EU.

The financial information is in accordance with the accounting policies set out in the 2023 financial statements.

While the financial information included in these condensed financial statements has been prepared in accordance with the recognition and measurement criteria of UK-adopted IAS and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, this announcement does not itself contain sufficient information to comply with IASs and IFRSs. The Company expects to publish full financial statements that comply with IASs and IFRSs by March 2025.

The principal exchange rates used to translate foreign currency denominated amounts are: Balance sheet: £1 = €1.21 (31 December 2023: £1 = €1.15) and Income statement: £1 = €1.18 (2023: £1 = €1.15).

New and amended standards adopted by the Group

The new accounting standards and amendments that became applicable for the current reporting year did not have a material on the amounts recognised in prior or current period and are not expected to significantly affect the future periods.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.

Significant areas of estimation uncertainty

Property valuations

Valuation of property is a central component of the business. In estimating the fair value, the Group engages third-party qualified valuers to perform the valuation.

Significant areas of judgements in applying the Group's accounting policies

Accounting for significant property transactions

Property transactions are complex in nature. Management considers each material transaction separately, with an assessment carried out to determine the most appropriate accounting treatment and judgements applied. The judgements include whether the transaction represents an asset acquisition or business combination and the cut-off for property transactions on recognition of property assets and revenue recognition. In making its judgement over the cut-off for property transactions, management considers whether the control of ownership of the assets acquired or disposed of has transferred to or from the Group (this consideration includes the revenue recognition criteria set out in IFRS 15 for the sale of trading properties).

In making its judgement on whether the acquisition of property through the purchase of a corporate vehicle represents an asset acquisition or business combination, management considers whether the integrated set of assets and activities acquired contain both inputs and processes along with the ability to create outputs. Management also applies the optional 'concentration test' allowed under IFRS 3. When applying the optional test, management considers if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets). Where management judge that substantially all of the fair value of the gross assets acquired are concentrated in a single asset (or a group of similar assets) and the 'concentration test' met, the assets acquired would not represent a business and the purchase would be treated as an asset acquisition.

There were no property transactions during the current or prior year requiring significant judgement.

REIT status

The Company has elected for UK REIT and French SIIC status. To continue to benefit from these tax regimes, the Group is required to comply with certain conditions as outlined in Note 9. Management intends that the Group should continue as a UK REIT and a French SIIC for the foreseeable future.

Uncertain tax positions

The Group is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. The tax impact can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Management judgement is required in assessing the likelihood of whether a liability, including any associated penalties, will arise and the significant assessment relating to the recognition of withholding tax in France and is discussed further in Note 9.

2. ADJUSTED PROFIT

Adjusted profit is a non-GAAP measure and is the Group's measure of underlying profit, which is used by the Board and senior management to measure and monitor the Group's income performance.

It is based on the Best Practices Recommendations Guidelines of European Public Real Estate Association (EPRA), which calculate profit excluding investment and development property revaluations and gains or losses on disposals. Changes in the fair value of financial instruments and associated close-out costs and their related taxation, as well as other permitted one-off items, are also excluded. Refer to the Supplementary Notes for all EPRA adjustments.

The Directors may also exclude from the EPRA earnings measure additional items (gains and losses) which are considered by them to be non-recurring, unusual or significant by virtue of size and nature. In excluding such items going forward, management believe this gives a better measure of the underlying performance of the business. No non-EPRA adjustments to underlying profit were made in the current year. In the year ended 31 December 2023 there were two non-EPRA adjustments and are detailed below.

An impairment loss of £28 million on a loan due from an associate was recognised in the year ended 31 December 2023. The impairment of the loan is directly related to a wider property transaction entered into by the Group and had arisen due to a fair value deficit on land held by an associate. As the nature of the impairment does not reflect the underlying performance of the business this has been treated as a Company specific adjustment.

In the year ended 31 December 2023 the impact of the SELP performance fee of £42 million was excluded from the calculation of Adjusted profit and treated as a Company specific adjustment. No SELP performance fee was recognised in the year ended 31 December 2024 and no adjustment is required for this year. See footnote 3 below and Note 6(ii) for further details.

	Notes	2024 £m	2023 £m
Gross rental income	4	592	547
Property operating expenses	5	(92)	(85)
Net rental income		500	462
Joint venture management fee income	4	26	29
Management and development fee income	4	6	4
Net service charge and other income ²		(1)	1
Administrative expenses		(76)	(63)
Share of joint ventures and associates' Adjusted profit after tax ¹	6	83	82
Adjusted operating profit before interest and tax		538	515
Net finance costs	8	(68)	(106)
Adjusted profit before tax		470	409
Adjustments to reconcile to IFRS:			
Adjustments to the share profit/(loss) from joint ventures and associates' after tax ¹	6	(30)	(158)
Realised and unrealised property gains and losses	7	195	(601)
Profit on sale of trading properties	7	–	3
Cost of early close out debt	8	(2)	(1)
Net fair value gain on interest rate swaps and other derivatives	8	3	24
Joint venture performance fee income ³	4	–	89
Impairment loss on loan due from associate		–	(28)
Total adjustments		166	(672)
Profit/(loss) before tax		636	(263)
Tax			
On Adjusted profit	9	(12)	(10)
In respect of adjustments	9	(30)	20
Total tax adjustments		(42)	10
Profit/(loss) after tax		594	(253)
Of which:			
Adjusted profit after tax		458	399
Total adjustments after tax		136	(652)

1 A detailed breakdown of the adjustments to the share of profit from joint ventures and associates is included in Note 6.

2 Net service charge and other expense of £1 million (2023: £1 million income) is calculated as Service charge and other income of £51 million (2023: £45 million) shown in Note 4, less Service charge and other expenses of £52 million (2023: £44 million) shown in Note 5.

3 There was no performance fee recognised in the year ended 31 December 2024. Total impact of the joint venture performance fee from SELP for the year ended 31 December 2023 : Performance fee of £89 million within Joint venture fee income; cost of £37 million within Share of joint ventures' and associates adjusted profit after tax (being the share of performance fee cost of £45 million less a tax credit of £8 million) and a tax charge of £10 million recognised in respect of the performance fee income. Overall, the net profit after tax impact was £42 million. See Note 6 for further details.

3. SEGMENTAL ANALYSIS

As a result of the organisational structure which has been developed over the last year there has been a change in the Group's reportable segments. As detailed in the Annual Report for the year ended 31 December 2023, the new organisational structure has consolidated the six regional business units into two property businesses, each under a separate Managing Director: United Kingdom (UK) and Continental Europe (CE).

In 2024, the two property businesses are now managed, and their operating results reported to the Executive Directors ('chief operating decision maker', 'CODM') as separate and distinct businesses. Prior to 2024, operating results were reported to the Executive Directors at the business unit level. Given the change in the level at which results are reported to the CODM the operating segments under IFRS 8 have changed from the six regional business units previously reported to the two property businesses, UK and CE. The comparative period has been represented to reflect the new segments.

	Gross rental income	Net rental income	Share of joint ventures and associates' Adjusted profit	Adjusted PBIT ²	Valuation surplus/(deficit) on investment properties	Total Investments directly owned property assets	Investments in joint ventures and associates	Capital expenditure ³
31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m
UK	437	399	–	395	170	11,463	28	562
CE	155	113	111	244	(50)	3,846	2,428	434
Other ¹	–	(12)	(28)	(101)	–	–	(904) ⁴	24
Total	592	500	83	538	120	15,309	1,552	1,020

	Gross rental income	Net rental income	Share of joint ventures and associates' Adjusted profit	Adjusted PBIT ²	Valuation surplus/(deficit) on investment properties	Total directly owned property assets	Investments in joint ventures and associates	Capital expenditure ³
31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
UK	407	375	–	372	(421)	11,160	20	598
CE	140	102	119	242	(226)	3,757	2,697	366
Other ¹	–	(15)	(37)	(99)	–	–	(1,081) ⁴	29
Total	547	462	82	515	(647)	14,917	1,636	993

1 'Other' category includes the corporate centre, SELP holding companies and costs relating to the operational business which are not specifically allocated to the two property businesses.

2 A reconciliation of total Adjusted PBIT to the IFRS profit before tax is provided in Note 2. Total revenues from external customers included within Adjusted operating PBIT: UK £448 million (2023: £421 million), CE £227 million (2023: £204 million).

3 Capital expenditure includes additions and acquisitions of investment and trading properties but does not include tenant incentives and letting fees. The "Other" category includes non-property related spend, primarily IT.

4 Includes the bonds held by SELP Finance S.à.r.l, a Luxembourg entity.

Revenues from the most significant countries within the Group were: UK £448 million (2023: £513 million), France £86 million (2023: £114 million), Italy £46 million (2023: £37 million), Germany £57 million (2023: £52 million) and Poland £19 million (2023: £18 million).

4. REVENUE

	2024 £m	2023 £m
Rental income from investment and trading properties	574	536
Rent averaging	14	10
Surrender premia	4	1
Gross rental income¹	592	547
Joint venture fee income – management fees*	26	29
– performance fees* ²	–	89
Joint venture fee income	26	118
Management and development fee income*	6	4
Service charge and other income* ³	51	45
Proceeds from sale of trading properties*	–	35
Total revenue	675	749

* The above income streams reflect revenue recognition under IFRS 15 'Revenue from Contracts with Customers' and total £83 million (2023: £202 million).

- 1 Net rental income of £500 million (2023: £462 million) is calculated as gross rental income of £592 million (2023: £547 million) less total property operating expenses of £92 million (2023: £85 million) shown in Note 5.
- 2 See Note 6(ii) for further details on the performance fee from SELP.
- 3 Other income includes income from solar energy sold to national grids or direct to occupiers.

5. COSTS

	2024 £m	2023 ¹ £m
Vacant property costs	18	14
Letting, marketing, legal and professional fees	16	15
Loss allowance and impairment of receivables	1	3
Other expenses ¹	11	9
Property management expenses	46	41
Property administrative expenses ^{1,2}	56	56
Costs capitalised ³	(10)	(12)
Total property operating expenses	92	85
Service charge and other expenses ⁴	52	44
Trading properties cost of sales	–	32
Total costs	144	161

- 1 Certain expenses that were previously classified as Other expenses within Property management expenses have been reclassified to Property administrative expenses in the table above. These expenses which are mainly staff related have been reclassified as their functions are more closely aligned with administrative rather than management activities. The prior period comparatives in the table above have been represented to reflect this change and £7 million of expenses reclassified from Other expenses to Property administrative expenses for the year ended 31 December 2023.
- 2 Property administrative expenses predominantly relate to the employee staff costs of personnel directly involved in operating the property portfolio.
- 3 Costs capitalised primarily relate to internal employee staff costs directly involved in developing the property portfolio.
- 4 Other expenses includes expenses relating to the provision of solar energy.

6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

6(i) Profit from joint ventures and associates after tax

The table below presents a summary Income Statement of the Group's largest joint ventures and associates, all of which are accounted for using the equity method. SEGRO European Logistics Partnership (SELP) is incorporated in Luxembourg and owns logistics property assets in Continental Europe. The Group holds 50 per cent of the share capital and voting rights in the material joint ventures.

	SELP £m	Other £m	At 100% 2024 £m	At 100% 2023 £m	At share 2024 £m	At share 2023 £m
Revenue¹	370	–	370	347	185	174
Gross rental income	274	–	274	267	137	134
Property operating expenses:						
– underlying property operating expenses	(15)	–	(15)	(16)	(8)	(8)
– vacant property costs	(2)	(1)	(3)	(1)	(1)	(1)
– property management fees ²	(23)	–	(23)	(24)	(12)	(12)
Net rental income	234	(1)	233	226	116	113
Management fee income	4	–	4	4	2	2
Administrative expenses	(5)	–	(5)	(5)	(2)	(2)
Finance costs (including adjustments)	(44)	–	(44)	(40)	(22)	(20)
Adjusted profit/(loss) before tax	189	(1)	188	185	94	93
Tax	(22)	–	(22)	(22)	(11)	(11)
Adjusted profit/(loss) after tax	167	(1)	166	163	83	82
Adjustments:						
Profit on sale of investment properties	5	–	5	–	2	–
Valuation (deficit)/surplus on investment properties	(71)	11	(60)	(325)	(30)	(162)
Performance fees expense ³	–	–	–	(89)	–	(45)
Tax in respect of adjustments	(5)	–	(5)	98	(2)	49
Total adjustments	(71)	11	(60)	(316)	(30)	(158)
Profit/(loss) after tax	96	10	106	(153)	53	(76)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income/(expense) for the year	96	10	106	(153)	53	(76)

1 Total revenue at 100% of £370 million (2023: £347 million) includes: Gross rental income of £274 million (2023: £267 million); service charge income of £92 million (2023: £76 million) and management fee income of £4 million (2023: £4 million). Service charge income is netted against the equal and opposite service charge expense in calculating Adjusted profit before tax.

2 Property management fees paid to SEGRO.

3 Performance fees recognised by SEGRO. This is further discussed in the Fees section below.

The Group has not recognised cumulative losses totalling £nil at share (2023: £14 million) in relation to its interests in associates, because the Group has no obligation in respect of these losses.

SELP is a SPPICAV in France, and does not pay tax on its French property income or gains on property sales, provided that at least 85 per cent of the French subsidiaries' property income is distributed to their immediate shareholder. In addition, SELP has to meet certain conditions such as ensuring the property rental

business of each French subsidiary represents more than 60 per cent of its assets. Any potential or proposed changes to the SPICAV legislation are monitored.

6(ii) Summarised Balance Sheet information in respect of the Group's joint ventures and associates

	SELP £m	Other £m	At 100% 2024 £m	At 100% 2023 £m	At share 2024 £m	At share 2023 £m
Investment properties	4,996	56	5,052	5,830	2,526	2,915
Property, plant and equipment	19	–	19	12	10	6
Other receivables	3	–	3	2	1	1
Total non-current assets	5,018	56	5,074	5,844	2,537	2,922
Other receivables	51	1	52	62	26	31
Cash and cash equivalents	345	1	346	56	173	28
Total current assets	396	2	398	118	199	59
Total assets	5,414	58	5,472	5,962	2,736	2,981
Borrowings ¹	(1,444)	–	(1,444)	(2,143)	(722)	(1,072)
Deferred tax	(359)	–	(359)	(381)	(179)	(191)
Other liabilities ²	–	–	–	(34)	–	(17)
Total non-current liabilities	(1,803)	–	(1,803)	(2,558)	(901)	(1,280)
Borrowings ¹	(413)	–	(413)	–	(207)	–
Other liabilities	(149)	(3)	(152)	(159)	(76)	(79)
Total current liabilities	(562)	(3)	(565)	(159)	(283)	(79)
Total liabilities	(2,365)	(3)	(2,368)	(2,717)	(1,184)	(1,359)
Unrecognised share of losses	–	–	–	28	–	14
Net assets	3,049	55	3,104	3,273	1,552	1,636

1 The external borrowings of the joint ventures and associates are non-recourse to the Group. At 31 December 2024, the fair value of £1,857 million (2023: £2,143 million) of borrowings was £1,818 million (2023: £2,046 million). This results in a fair value adjustment increase in EPRA NDV of £39 million (2023: £97 million), at share £20 million (2023: £48 million), see Table 5 of the Supplementary Notes.

2 Other non-current liabilities of £34 million as at 31 December 2023 relates to a loan due from an associate to the Group. During 2024 the remaining shares of the associate were acquired and is now a 100 per cent subsidiary.

Fees

SEGRO provides certain services, including venture advisory and asset management, to the SELP joint venture and receives fees for doing so.

Performance fees may also be payable from SELP to SEGRO based on its IRR subject to certain hurdle rates over the performance period. The current performance period commenced in October 2023 and is over a circa three-year and circa six-year period. The first performance period and potential payment due ends in June 2026, but 50 per cent of any payment is subject to clawback based on performance over the six-year period to June 2029. If the IRR increases by June 2029 relative to June 2026, additional fees might be triggered.

Based on the current estimates of the IRR calculation from October 2023 to 31 December 2024, no performance fee is due to SEGRO in June 2026. Therefore no fee has been recognised in the year as the recognition criteria under IFRS 15 has not been met. The performance fee is not considered to be a significant area of estimation uncertainty at this point.

In the year ended 31 December 2023, the ten-year performance fee period from inception of SELP in October 2013 to October 2023 ended. As a result, SEGRO recognised a performance fee income of £89 million (€103 million) in its 31 December 2023 Income Statement. An equivalent performance fee expense at share of £45 million was recognised within the share of profit from joint ventures and associates and shown in Note 6(i).

7. REALISED AND UNREALISED PROPERTY GAINS AND LOSSES

	2024 £m	2023 £m
Profit on sale of investment properties and other investment income ¹	75	46
Valuation surplus/(deficit) on investment properties ²	120	(647)
Total realised and unrealised property gain/(loss)	195	(601)

1 Includes profit on sale of investment properties of £75 million (2023: £39 million) and other property related investment income of £nil (2023: £7 million).

2 Includes £121 million valuation surplus on investment properties (2023: £646 million deficit) and £1 million valuation loss on head lease ROU asset (2023: £1 million).

The above table does not include realised gains on sale of trading properties of £nil (2023: £3 million) as detailed further in Note 2.

The total valuation surplus on investment and trading properties are £90 million (2023: £809 million deficit). This comprises £120 million surplus from investment properties (2023: £647 million deficit) and £30 million deficit from joint ventures and associates at share (2023: £162 million deficit).

The total property gain on investment and trading properties are £167 million (2023: £760 million loss). This comprises of the total valuation surplus on investment properties and trading properties of £90 million (2023: £809 million deficit), plus £75 million profit on sale of investment properties and other investment income (2023: £46 million), £2 million profit on sale of investment properties from joint ventures and associates at share (2023: £nil) and £nil profit on sale of trading property (2023: £3 million).

8. NET FINANCE COSTS

	2024 £m	2023 £m
Finance income		
Interest received on bank deposits and related derivatives	56	25
Fair value gain on interest rate swaps and other derivatives	35	59
Exchange differences	1	–
Total finance income	92	84
Finance costs		
Interest on overdrafts, loans and related derivatives	(179)	(184)
Cost of early close out of debt	(2)	(1)
Amortisation of issue costs	(10)	(8)
Interest on lease liabilities	(3)	(3)
Total borrowing costs	(194)	(196)
Less amounts capitalised on the development of properties	67	64
Net borrowing costs	(127)	(132)
Fair value loss on interest rate swaps and other derivatives	(32)	(35)
Total finance costs	(159)	(167)
Net finance costs	(67)	(83)

Net finance costs (including adjustments) in Adjusted profit (Note 2) are £68 million (2023: £106 million). This excludes net fair value gains and losses on interest rate swaps and other derivatives of £3 million gain (2023: £24 million gain) and the cost of early close out debt of £2 million (2023: £1 million).

The interest capitalisation rates for 2024 ranged from 2.6 per cent to 6.7 per cent (2023: 2.6 per cent to 6.5 per cent). Interest is capitalised gross of tax relief.

9. TAX

9(i) Tax on profit

	2024 £m	2023 £m
Tax:		
On Adjusted profit	(12)	(10)
In respect of adjustments:		
– Performance fee	–	(10)
– Other (primarily in respect of property disposals and property valuation movements)	(30)	30
Total tax in respect of adjustments	(30)	20
Total tax credit/(charge)	(42)	10
Current tax		
United Kingdom		
Current tax charge/(credit)	1	(10)
Total UK current tax credit/(charge)	1	(10)
Overseas		
Current tax charge	(33)	(10)
Total overseas current tax charge	(33)	(10)
Total current tax charge	(32)	(20)
Deferred tax		
Origination and reversal of temporary differences	(14)	(10)
Released in respect of property disposals in the year	14	5
On valuation movements	(9)	33
Total deferred tax in respect of investment properties	(9)	28
Other deferred tax	(1)	2
Total deferred tax (charge)/credit	(10)	30
Total tax (charge)/credit on profit on ordinary activities	(42)	10

9(ii) REIT and SIIC regimes and other tax judgements

SEGRO is a Real Estate Investment Trust (REIT) and does not pay tax on its UK property income or gains on property sales, provided that at least 90 per cent of the Group's UK property income is distributed as a dividend to shareholders, which becomes taxable in their hands. In addition, the Group has to meet certain conditions such as ensuring its worldwide property rental business represents more than 75 per cent of total profits and assets. Any potential or proposed changes to the REIT legislation are monitored and discussed with HMRC. It is management's intention that the Group will continue as a REIT for the foreseeable future.

SEGRO is also a SIIC in France, and does not pay corporation tax on its French property income or gains on property sales, provided that at least 95 per cent of the relevant Group French subsidiaries' property income is distributed to their immediate shareholder. In addition, the Group has to meet certain conditions such as ensuring the property rental business of each French subsidiary represents more than 80 per cent of its assets. Any potential or proposed changes to the SIIC legislation are monitored. It is management's intention that the Group will continue as a SIIC for the foreseeable future.

In 2021 a formal tax assessment in relation to the applicability of a 25 per cent withholding tax on distributions from the SIIC was received from the French tax authorities and a tax charge was recognised. A legal

conclusion has not been reached and communication with the French tax authorities remains ongoing. As a result, a tax charge for the 25 per cent withholding tax on results generated from the French business has been recognised, this includes withholding tax on unremitted earnings. As noted below, until a legal conclusion has been reached, it is possible further tax charges may arise in relation to this matter.

The Group operates in a number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. The tax impact can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group uses in-house expertise when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate. The Group believes that its provisions for tax liabilities and associated penalties are adequate for all open tax years based on its assessment of many factors, including tax laws and prior experience. The significant assessment relating to the recognition of withholding tax in France is discussed above.

9(iii) Deferred tax liabilities

Movement in deferred tax was as follows:

2024	Balance 1 January £m	Exchange movement £m	Recognised in income £m	Balance 31 December £m
Valuation surpluses and deficits on properties/accelerated tax allowances	178	(9)	9	178
Others	14	(1)	1	14
Total deferred tax liabilities	192	(10)	10	192

10. DIVIDENDS

	2024 £m	2023 £m
Ordinary dividends paid		
Interim dividend for 2024 @ 9.1pence per share	123	–
Final dividend for 2023 @ 19.1 pence per share	256	–
Interim dividend for 2023 @ 8.7 pence per share	–	107
Final dividend for 2022 @ 18.2 pence per share	–	220
Total dividends	379	327
Dividends in the statement of changes in equity	379	327
Dividends settled as shares	(115)	(129)
Timing difference relating to payment on withholding tax	13	(13)
Dividends disclosed in cash flow statement	277	185

The Board recommends a final dividend for 2024 of 20.2 pence which is estimated to result in a distribution of up to £273 million. The total dividend paid and proposed per share in respect of the year ended 31 December 2024 is 29.3 pence (2023: 27.8 pence).

The total dividend in 2024 of £379 million (2023: £327 million) was paid: £264 million as cash (2023: £198 million) and £115 million in scrip dividends (2023: £129 million).

11. EARNINGS AND NET ASSETS PER SHARE

The earnings per share calculations use the weighted average number of shares in issue during the year and the net assets per share calculations use the number of shares in issue at year end. Earnings per share calculations exclude 0.5 million shares (2023: 0.3 million) being the average number of shares held on trust for employee share schemes and net assets per share calculations exclude 0.7 million shares (2023: 0.4 million) being the actual number of shares held on trust for employee share schemes at year end.

11(i) Earnings per ordinary share (EPS)

	2024			2023		
	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
Basic EPS	594	1,328.7	44.7	(253)	1,220.0	(20.7)
Dilution adjustments:						
Share schemes	–	3.3	(0.1)	–	–	–
Diluted EPS²	594	1,332.0	44.6	(253)	1,220.0	(20.7)
Basic EPS	594	1,328.7	44.7	(253)	1,220.0	(20.7)
Adjustments to profit before tax ¹	(166)		(12.5)	672		55.1
Tax in respect of Adjustments	30		2.3	(20)		(1.7)
Adjusted Basic EPS	458	1,328.7	34.5	399	1,220.0	32.7
Adjusted Diluted EPS	458	1,332.0	34.4	399	1,223.4	32.6

1 Details of adjustments are included in Note 2.

2 Share options are excluded from the weighted average diluted number of shares when calculating IFRS diluted loss per share in 2023 because they are not dilutive.

11(ii) Net assets per share (NAV)

The EPRA Net Tangible Assets (NTA) metric is considered to be most consistent with the nature of SEGRO's business as a UK REIT providing long-term progressive and sustainable returns. EPRA NTA acts as the primary measure of net asset value and is also referred to as Adjusted Net Asset Value (or Adjusted NAV).

A reconciliation from IFRS NAV to Adjusted NAV is set out in the table below along with the net asset per share metrics.

Table 5 of the Supplementary Notes provides a reconciliation from IFRS NAV for each of the three EPRA net asset value metrics.

	2024			2023		
	Equity attributable to ordinary shareholders £m	Shares million	Pence per share	Equity attributable to ordinary shareholders £m	Shares million	Pence per share
Basic NAV	12,049	1,352.2	891	10,904	1,227.2	889
Dilution adjustments:						
Share schemes	–	3.1	(2)	–	3.5	(3)
Diluted NAV	12,049	1,355.3	889	10,904	1,230.7	886
Fair value adjustment in respect of interest rate derivatives – Group	95		7	106		9
Fair value adjustment in respect of trading properties – Group	2		–	1		–
Deferred tax in respect of depreciation and valuation surpluses – Group ¹	90		7	89		7
Deferred tax in respect of depreciation and valuation surpluses – Joint ventures and associates ¹	88		7	92		7
Intangible assets	(37)		(3)	(30)		(2)
Adjusted NAV	12,287	1,355.3	907	11,162	1,230.7	907

1 50 per cent of deferred tax in respect of depreciation and valuation surpluses has been excluded in calculating Adjusted NAV in line with option 3 of EPRA Best Practices Recommendations Guidelines.

12. PROPERTIES

12(i) Investment properties

	Completed £m	Development £m	Total £m
At 1 January 2024	12,285	2,383	14,668
Exchange movement	(148)	(41)	(189)
Property acquisitions	431	21	452
Additions to existing investment properties ²	45	496	541
Disposals	(474)	(68)	(542)
Transfers on completion of development and completed properties taken back for redevelopment	497	(497)	–
Revaluation surplus/(deficit) during the year	191	(70)	121
At 31 December 2024	12,827	2,224	15,051
Add tenant lease incentives and letting fees	185	–	185
Investment properties excluding head lease ROU assets at 31 December 2024	13,012	2,224	15,236
Add head lease liabilities (ROU assets) ¹	67	–	67
Total investment properties at 31 December 2024	13,079	2,224	15,303

1 At 31 December 2024 investment properties included £67 million (2023: £71 million) for the head lease liabilities recognised under IFRS 16.

2 Part of the capital expenditure incurred is in response to climate change including the reduction of the carbon footprint of the Group's existing investment properties and developments.

Investment properties are stated at fair value as at 31 December 2024 based on external valuations performed by professionally qualified, independent valuers. The Group's wholly-owned, joint venture and associate property portfolio is valued by CBRE Ltd on a half-yearly basis. The valuations conform to International Valuation Standards and were arrived at by reference to market evidence of the transaction prices paid for similar properties. In estimating the fair value of the properties, the valuers consider the highest and best use of the properties. There has been no change to the valuation technique during the year.

CBRE Ltd also undertakes some professional and agency work on behalf of the Group. This is carried out by departments separate from the Valuation team in CBRE and overall the total fees earned from the Group are below 5 per cent of CBRE's total income. This work does not therefore lead to a conflict of interest for the properties being valued by CBRE at the period end.

Completed properties include buildings that are occupied or are available for occupation. Development properties include land available for development (land bank), land under development, construction in progress and covered land. The carrying value of covered land held within Development properties as at 31 December 2024 is £619 million (2023: £645 million).

At 31 December 2024 investment properties included £185 million tenant lease incentives, letting fees and rent guarantees (2023: £175 million).

The carrying value of investment properties situated on land held under leaseholds is £170 million (excluding head lease ROU assets) (2023: £186 million).

Sensitivity analysis

An increase/decrease to ERV will increase/decrease valuations, while an increase/decrease to yield will decrease/increase valuations. Sensitivity analysis showing the impact on valuations of changes in yields and ERV on the property portfolio (including joint ventures and associates at share) and the impact on valuations of changes in development costs on the development property and land portfolio (including joint ventures and associates at share) is shown below.

Management still considers a +/- 25bp change in yield, a +/- 5 per cent change in ERV and a +/- 10 per cent change in development costs to be reasonably possible changes to the assumptions.

2024	£m	Impact on valuation of 25bp change in equivalent yield		Impact on valuation of 5% change in estimated rental value (ERV)		Impact on valuation of 10% change in estimated development costs	
		Increase £m	Decrease £m	Increase £m	Decrease £m	Increase £m	Decrease £m
Completed property	15,453	(734)	807	576	(571)	–	–
Development property and land	2,317	(190)	203	287	(287)	(351)	351
Group total property portfolio	17,770	(924)	1,010	863	(858)	(351)	351

2023	£m	Impact on valuation of 25bp change in equivalent yield		Impact on valuation of 5% change in estimated rental value (ERV)		Impact on valuation of 10% change in estimated development costs	
		Increase £m	Decrease £m	Increase £m	Decrease £m	Increase £m	Decrease £m
Completed property	15,255	(742)	819	570	(563)	–	–
Development property and land	2,507	(210)	225	310	(310)	(385)	385
Group total property portfolio	17,762	(952)	1,044	880	(873)	(385)	385

13. NET BORROWINGS

	2024 £m	2023 £m
In one year or less	–	1
In more than one year but less than two	535	168
In more than two years but less than five	1,103	2,057
In more than five years but less than ten	1,598	1,729
In more than ten years	1,371	1,393
In more than one year	4,607	5,347
Total borrowings	4,607	5,348
Cash and cash equivalents ¹	(363)	(376)
Net borrowings	4,244	4,972

Total borrowings is split between secured and unsecured as follows:

Secured (on land, buildings and other assets)	–	1
Unsecured	4,607	5,347
Total borrowings	4,607	5,348

Currency profile of total borrowings after derivative instruments

Sterling	918	1,836
Euros	3,689	3,512
Total borrowings	4,607	5,348

Maturity profile of undrawn borrowing facilities

In one year or less	140	148
In more than one year but less than two	–	–
In more than two years	1,413	1,212
Total available undrawn facilities	1,553	1,360

¹ Cash and cash equivalents also include tenant deposits held in separate designated bank accounts of £71 million (2023: £61 million), the use of the deposits is subject to restrictions as set out in the tenant lease agreement and therefore not available for general use by the Group.

14. SHARE CAPITAL

	Number of shares m	Par value of shares £m
Issued and fully paid ordinary shares at 10p each:		
At 1 January 2024	1,228	123
Issue of shares – placing	111	11
Issue of shares – scrip dividends	13	1
Issue of shares – other	1	–
At 31 December 2024	1,353	135

On 27 February 2024 the Company announced the placing of 111 million ordinary shares of 10 pence each in the capital of the Company at a price of 820.0 pence per share. The Company raised £907 million, before £18 million expenses resulting in cash proceeds of £889 million. Consequently, the Company's share capital increased by £11 million and share premium by £878 million.

15. NOTES TO THE CONDENSED GROUP CASH FLOW STATEMENT

15(i) – Reconciliation of cash generated from operations

	2024	2023
	£m	£m
Operating profit/(loss)	703	(180)
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangibles	12	6
Share of (profit)/loss from joint ventures and associates after tax	(53)	76
Profit on sale of properties	(75)	(39)
Revaluation (surplus)/deficit on investment properties	(120)	647
Other provisions	5	8
Increase in impairment of loan held with associate	–	28
	472	546
Changes in working capital:		
(Increase)/decrease in trading properties	(3)	33
Increase in debtors and tenant incentives	(18)	(22)
Increase in creditors	8	27
Net cash inflow generated from operations	459	584

15(ii) – Analysis of net debt

Management defines net debt as total borrowing less cash and cash equivalents.

	<u>Cash movements</u>			<u>Non-cash movements</u>			At 31 December 2024
	At 1 January 2024 £m	Cash inflow ¹ £m	Cash outflow ² £m	Exchange movement £m	Cost of early close out of debt £m	Other non-cash adjustments ³ £m	
Bank loans and loan capital	5,387	419	(999)	(166)	–	–	4,641
Capitalised finance costs	(39)	–	(7)	–	2	10	(34)
Total borrowings	5,348	419	(1,006)	(166)	2	10	4,607
Cash and cash equivalents	(376)	–	13	–	–	–	(363)
Net debt	4,972	419	(993)	(166)	2	10	4,244

1 Proceeds from borrowings of £419 million.

2 Cash outflow of £1,006 million, comprises repayment of borrowings of £999 million and capitalised finance costs of £7 million.

3 Total other non-cash adjustments of £10 million relates to the amortisation of issue costs. See Note 8.

16. Subsequent Events

On 28 January 2025, the Group's joint venture SEGRO European Logistics Partnership (SELP) exchanged on the purchase of a portfolio of six assets from Titanium Ruth Holdco Limited (formerly known as Tritax EuroBox plc). The transaction values 100 per cent of the assets at €470 million, including relevant property taxes and subject to customary adjustments. The transaction is conditional on European Union anti-trust clearance, which is expected in the first quarter of 2025.

SUPPLEMENTARY NOTES NOT PART OF CONDENSED FINANCIAL INFORMATION

TABLE 1: EPRA PERFORMANCE MEASURES SUMMARY

	Notes	2024		2023	
		£m	Pence per share	£m	Pence per share
EPRA Earnings	Table 4	458	34.5	413	33.9
EPRA NTA	Table 5	12,287	907	11,162	907
EPRA NRV	Table 5	13,477	994	12,317	1,001
EPRA NDV	Table 5	12,354	912	11,310	919
EPRA LTV	Table 6		30.6%		36.9%
EPRA net initial yield	Table 7		4.1%		4.0%
EPRA 'topped up' net initial yield	Table 7		4.4%		4.3%
EPRA vacancy rate	Table 8		6.0%		5.0%
EPRA cost ratio (including vacant property costs)	Table 9		21.7%		24.0%
EPRA cost ratio (excluding vacant property costs)	Table 9		19.1%		21.9%

TABLE 2: INCOME STATEMENT, PROPORTIONALLY CONSOLIDATED

	Notes	2024			2023		
		Group £m	Joint ventures and associates £m	Total £m	Group £m	Joint ventures and associates £m	Total £m
Gross rental income	2,6	592	137	729	547	134	681
Property operating expenses	2,6	(92)	(9)	(101)	(85)	(9)	(94)
Net rental income		500	128	628	462	125	587
Joint venture management fee income ¹	2,6	26	(12)	14	29	(12)	17
Management and development fee income	2,6	6	2	8	4	2	6
Net service charge and other income	2,6	(1)	–	(1)	1	–	1
Administrative expenses	2,6	(76)	(2)	(78)	(63)	(2)	(65)
Adjusted operating profit before interest and tax		455	116	571	433	113	546
Net finance costs (including adjustments)	2,6	(68)	(22)	(90)	(106)	(20)	(126)
Adjusted profit before tax		387	94	481	327	93	420
Tax on adjusted profit	2,6	(12)	(11)	(23)	(10)	(11)	(21)
Adjusted earnings after tax (A)		375	83	458	317	82	399
Number of shares, million	11			1,328.7			1,220.0
Adjusted EPS, pence per share				34.5			32.7
Number of shares, million	11			1,332.0			1,223.4
Adjusted EPS, pence per share – diluted				34.4			32.6
EPRA earnings							
Adjusted earnings after tax (A)		375	83	458	317	82	399
Joint venture performance fee income (net)	2	–	–	–	79	(37)	42
Impairment loss on loan due from associates	2	–	–	–	(28)	–	(28)
EPRA earnings after tax		375	83	458	368	45	413
Number of shares, million	11			1,328.7			1,220.0
EPRA, EPS, pence per share				34.5			33.9
Number of shares, million	11			1,332.0			1,223.4
EPRA, EPS, pence per share - diluted				34.4			33.8

- 1 Joint venture management fee income includes the cost of such fees borne by the joint ventures which are shown in Note 6 within net rental income.
- 2 Group net debt:EBITDA ratio as defined in the glossary was 8.6 times at 31 December 2024 (2023: 10.4 times). Group net debt being £4,244 million (2023: £4,972 million), per Note 13. Group EBITDA being £496 million (2023: £477 million) which takes Adjusted operating profit before interest and tax, less share of joint ventures and associates' adjusted profit, of £455 million (2023: £433 million) shown in the table above, adding back depreciation and amortisation charges of £12 million (2023: £6 million) and includes dividends received from joint ventures and associates of £29 million (2023: £38 million).

TABLE 3: BALANCE SHEET, PROPORTIONALLY CONSOLIDATED

	Notes	2024			2023		
		Group £m	Joint ventures and associates £m	Total £m	Group £m	Joint ventures and associates £m	Total £m
Investment properties	12,6	15,303	2,526	17,829	14,914	2,915	17,829
Trading properties		6	–	6	3	–	3
Total properties		15,309	2,526	17,835	14,917	2,915	17,832
Investment in joint ventures and associates	6	1,552	(1,552)	–	1,636	(1,636)	–
Other net liabilities		(568)	(218)	(786)	(677)	(235)	(912)
Net borrowings	13,6	(4,244)	(756)	(5,000)	(4,972)	(1,044)	(6,016)
Total equity		12,049	–	12,049	10,904	–	10,904
EPRA adjustments	11			238			258
Adjusted NAV	11			12,287			11,162
Number of shares, million	11			1,355.3			1,230.7
Adjusted NAV, pence per share	11			907			907

The portfolio valuation deficit of 1.1 per cent shown in the Portfolio Update section cannot be directly derived from the Condensed Financial Statements and is calculated to be comparable with published MSCI Real Estate indices against which SEGRO is measured. Based on the Condensed Financial Statements there is a valuation surplus of £90 million (see Note 7) and property value of £17,770 million (see Table 7) giving a valuation surplus of 0.5 per cent. The primary differences are that the portfolio valuation surplus excludes the impact of rent free incentives (£26 million, 0.1 per cent), capitalised interest (£69 million, 0.4 per cent) and other movements (£1million, 0.0 per cent).

Total assets under management of £20,296 million (2023: £20,677 million) includes Group total properties of £15,244 million (2023: £14,847 million) (which excludes head lease ROU asset of £67 million and includes valuation surplus not recognised on trading properties of £2 million) and 100 per cent of total properties owned by joint ventures and associates of £5,052 million (2023: £5,830 million)(see Note 6(ii)).

TABLE 4: EPRA EARNINGS

	Notes	2024 Group £m	2023 Group £m
Equity shareholder earnings per IFRS income statement		594	(253)
Adjustments to calculate EPRA Earnings, exclude:			
Valuation (surplus)/deficit on investment properties	7	(120)	647
Profit on sale of investment properties and other investment income	7	(75)	(46)
Profit on sale of trading properties	7	–	(3)
Tax on profits on disposals ¹		21	(1)
Cost of early close out of debt	8	2	1
Net fair value gain on interest rate swaps and other derivatives	8	(3)	(24)
Deferred tax credit in respect of EPRA adjustments ¹		9	(29)
Adjustments to the share of profit from joint ventures and associates after tax ³	6	30	121
EPRA earnings		458	413
Basic number of shares, million	11	1,328.7	1,220.0
EPRA Earnings per Share (EPS) (pence)		34.5	33.9
Company specific adjustments:			
Joint venture performance fee income (net after tax) ²	2	–	(42)
Impairment loss on loan due from associate ²	2	–	28
Adjusted earnings		458	399
Adjusted EPS (pence)	11	34.5	32.7

- 1 Total tax charge in respect of adjustments per Note 2 of £30 million (2023: £20 million credit) comprises tax charge on profits on disposals of £21 million (2023: £1 million credit) and a deferred tax charge of £9 million (2023: £29 million credit). In 2023 there was a tax charge on joint venture performance fee income of £10 million and is included within the Company specific adjustment in the table above.
- 2 See Note 2 for further details on the Company specific adjustment to exclude the net impact of joint venture performance fees and impairment of loan from associates from Adjusted earnings.
- 3 Adjustments to the share of loss from joint ventures and associates after tax above of £121 million for year ending 31 December 2023 includes the impact of the performance fee expense of £45 million and an associated tax credit of £8 million which are shown as a Company specific adjustment in the table above within 'Joint venture performance fee income (net after tax)'. The Adjustments to share of loss from joint ventures and associates per Note 6(i) of £158 million excludes the impact of the performance fee.
- 4 The updated EPRA BPR Guidelines on EPRA Earnings are applicable for reporting periods starting after 1 October 2024. The updated guidelines have not been applied in calculating EPRA Earnings for the year ended 31 December 2024 and not reflected in the table above.

TABLE 5: EPRA NET ASSET MEASURES

The European Public Real Estate Association ('EPRA') best practice recommendations (BPR) for financial disclosures by public real estate companies sets out three net asset value measures: EPRA net tangible assets (NTA), EPRA net reinstatement value (NRV) and EPRA net disposal value (NDV).

The EPRA Net Tangible Assets (NTA) metric is considered to be most consistent with the nature of SEGRO's business as a UK REIT providing long-term progressive and sustainable returns. EPRA NTA acts as the primary measure of net asset value and is also referred to as Adjusted Net Asset Value (or Adjusted NAV).

A reconciliation of the three EPRA NAV metrics from IFRS NAV is shown in the table below.

As at 31 December 2024	EPRA measures		
	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
Equity attributable to ordinary shareholders	12,049	12,049	12,049
Fair value adjustment in respect of interest rate derivatives – Group	95	95	–
Fair value adjustment in respect of trading properties – Group	2	2	2
Deferred tax in respect of depreciation and valuation surpluses – Group ¹	90	179	–
Deferred tax in respect of depreciation and valuation surpluses – Joint ventures and associates ¹	88	176	–
Intangible assets	(37)	–	–
Fair value adjustment in respect of debt – Group	–	–	283
Fair value adjustment in respect of debt – Joint ventures and associates	–	–	20
Real estate transfer tax ²	–	976	–
Net assets	12,287	13,477	12,354
Diluted shares (million)	1,355.3	1,355.3	1,355.3
Diluted net assets per share	907	994	912

1 50 per cent of deferred tax in respect of depreciation and valuation surpluses has been excluded in calculating EPRA NTA in line with option 3 of EPRA BPR guidelines.

2 EPRA NTA and EPRA NDV reflect IFRS values which are net of purchasers' costs. Purchasers' costs are added back when calculating EPRA NRV.

As at 31 December 2023	EPRA measures		
	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
Equity attributable to ordinary shareholders	10,904	10,904	10,904
Fair value adjustment in respect of interest rate derivatives – Group	106	106	–
Fair value adjustment in respect of trading properties – Group	1	1	1
Deferred tax in respect of depreciation and valuation surpluses – Group ¹	89	178	–
Deferred tax in respect of depreciation and valuation surpluses – Joint ventures and associates ¹	92	184	–
Intangible assets	(30)	–	–
Fair value adjustment in respect of debt – Group	–	–	357
Fair value adjustment in respect of debt – Joint ventures and associates	–	–	48
Real estate transfer tax ²	–	944	–
Net assets	11,162	12,317	11,310
Diluted shares (million)	1,230.7	1,230.7	1,230.7
Diluted net assets per share	907	1,001	919

1 50 per cent of deferred tax in respect of depreciation and valuation surpluses has been excluded in calculating EPRA NTA in line with option 3 of EPRA BPR guidelines.

2 EPRA NTA and EPRA NDV reflect IFRS values which are net of purchasers' costs. Purchasers' costs are added back when calculating EPRA NRV.

TABLE 6: EPRA LTV, PROPORTIONAL CONSOLIDATION

	Notes	2024			2023		
		Group £m	Joint ventures and associates £m	Total £m	Group £m	Joint ventures and associates £m	Total £m
Borrowings ^{1,2}		1,564	3	1,567	2,652	100	2,752
Bonds ^{1,2}		3,077	930	4,007	2,735	978	3,713
Exclude:							
Cash and cash equivalents	13	(363)	(173)	(536)	(376)	(28)	(404)
Net Debt (before capitalised finance costs) (a)		4,278	760	5,038	5,011	1,050	6,061
Foreign currency derivatives		(27)	–	(27)	(12)	–	(12)
Net payables ³		408	49	457	485	64	549
Adjusted Net Debt (b)		4,659	809	5,468	5,484	1,114	6,598
Investment properties at fair value (excluding head lease ROU asset)	12	15,236	2,526	17,762	14,843	2,915	17,758
Trading properties		6	–	6	3	–	3
Total Property Value (c)		15,242	2,526	17,768	14,846	2,915	17,761
Head lease ROU asset	12	67	–	67	71	–	71
Unrecognised valuation surplus on trading properties		2	–	2	1	–	1
Other interest in property		17	–	17	26	–	26
Intangibles		37	–	37	30	–	30
Adjusted Total Property Value (d)		15,365	2,526	17,891	14,974	2,915	17,889
LTV (a/c)		28.1%		28.4%	33.8%		34.1%
EPRA LTV (b/d)		30.3%		30.6%	36.6%		36.9%

1 Total Group borrowings as at 31 December 2024 per Note 13 of £4,607 million (2023: £5,348 million) consists of: Nominal value of borrowings from financial institutions of £1,564 million (2023: £2,652 million) less unamortised finance costs of £8 million (2023: £13 million) and nominal value of bond loans of £3,077 million (2023: £2,735 million) less unamortised finance costs of £26 million (2023: £26 million).

2 Joint ventures and associates' borrowings as at 31 December 2024 per Note 6 of £929 million at share (2023: £1,072 million) consists of: Nominal value of borrowings from financial institutions of £3 million (2023: £100 million) less unamortised finance costs of £nil million (2023: £1 million) and nominal value of bond loans of £930 million (2023: £978 million) less unamortised finance costs of £4 million (2023: £5 million).

3 Net payables is calculated as the net position of the following line items shown on the Balance Sheet: Non-current other receivables, current trade and other receivables, tax asset, non-current trade and other payables, non-current tax liabilities, current trade and other payables and current tax liabilities.

TABLE 7: EPRA NET INITIAL YIELD AND TOPPED-UP NET INITIAL YIELD

Combined property portfolio including joint ventures and associates at share – 2024		UK £m	Continental Europe £m	Total £m
Total properties per financial statements	Table 3	11,491	6,344	17,835
Add valuation surplus not recognised on trading properties ¹		–	2	2
Less head lease ROU assets	12	–	(67)	(67)
Combined property portfolio per external valuers' reports		11,491	6,279	17,770
Less land and development properties (investment, trading, joint ventures and associates)		(1,452)	(865)	(2,317)
Net valuation of completed properties		10,039	5,414	15,453
Add notional purchasers' costs		682	294	976
Gross valuation of completed properties including notional purchasers' costs	A	10,721	5,708	16,429
Income				
Gross passing rent ²		407	273	680
Less irrecoverable property costs		(1)	(11)	(12)
Net passing rent	B	406	262	668
Adjustment for notional rent in respect of rent free periods		39	23	62
Topped up net rent	C	445	285	730
Including fixed/minimum uplifts ⁴		9	1	10
Total topped up net rent		454	286	740
Yields – 2024		%	%	%
EPRA net initial yield ³	B/A	3.8	4.6	4.1
EPRA topped-up net initial yield ³	C/A	4.1	5.0	4.4
Net true equivalent yield		5.3	5.6	5.4

1 Trading properties are recorded in the Financial Statements at the lower of cost and net realisable value, therefore valuations above cost have not been recognised.

2 Gross passing rent excludes short-term lettings and licences.

3 In accordance with the Best Practices Recommendations of EPRA.

4 Certain leases contain clauses which guarantee future rental increases, whereas most leases contain five-yearly, upwards only rent review clauses (UK) or indexation clauses (Continental Europe).

Table 8: EPRA vacancy rate

	2024 £m	2023 £m
Annualised estimated rental value of vacant premises	54	44
Annualised estimated rental value for the completed property portfolio	900	879
EPRA vacancy rate^{1,2}	6.0%	5.0%

1 Vacancy rate percentages have been calculated using the figures presented in the table above in millions accurate to one decimal place.

2 There are no significant or distorting factors influencing the EPRA vacancy rate.

TABLE 9: TOTAL COST RATIO/EPRA COST RATIO

Total cost ratio	Notes	2024 £m	2023 £m
Costs			
Property operating expenses ¹	5	92	85
Administrative expenses		76	63
Share of joint venture and associates property operating and administrative expenses	6	23	23
Less:			
Joint venture management fees income, management fees and other costs recovered through rents but not separately invoiced ²		(34)	(36)
Total costs (A)		157	135
Gross rental income			
Gross rental income	4	592	547
Share of joint venture and associates gross rental income	6	137	134
Less:			
Other costs recovered through rents but not separately invoiced ²		(4)	(3)
Total gross rental income (B)		725	678
Total cost ratio (A)/(B)³		21.7%	19.9%
Total costs (A)		157	135
Share-based payments		(7)	(10)
Total costs after share-based payments (C)		150	125
Total cost ratio after share-based payments (C)/(B)³		20.7%	18.4%
EPRA cost ratio			
Total costs (A)		157	135
Impairment loss on loan due from associates	2	–	28
EPRA total costs including vacant property costs (D)		157	163
Group vacant property costs	5	(18)	(14)
Share of joint venture and associates vacant property costs	6	(1)	(1)
EPRA total costs excluding vacant property costs (E)		138	148
Total gross rental income (B)		725	678
Total EPRA cost ratio (including vacant property costs) (D)/(B)³		21.7%	24.0%
Total EPRA cost ratio (excluding vacant property costs) (E)/(B)³		19.1%	21.9%

1 Property operating expenses are net of costs capitalised in accordance with IFRS of £10 million (2023: £12 million) (see Note 5 for further detail on the nature of costs capitalised).

2 Total deduction of £34 million (2023: £36 million) from costs includes: joint venture management fees income of £26 million (2023: £29 million) and management fees and other costs recovered through rents but not separately invoiced, including joint ventures and associates, of £8 million (2023: £7 million). These items have been represented as an offset against costs rather than a component of income in accordance with EPRA BPR Guidelines as they are reimbursing the Group for costs incurred. Gross rental income of £592 million (2023: £547 million) does not include joint venture management fee income and management fee income and these fees are not required to be included in the total deduction to income.

3 Cost ratio percentages have been calculated using the figures presented in the table above in millions accurate to one decimal place.

GLOSSARY OF TERMS

Associates: An entity in which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 per cent and 50 per cent of the voting rights.

BREEAM: BREEAM provides sustainability assessment and certification for real estate assets.

Completed portfolio: The completed investment properties and the Group's share of joint ventures and associates' completed investment properties. Includes properties held throughout the period, completed developments and properties acquired during the period.

Covered land: Income-producing assets acquired with the explicit intention to redevelop them in the short to medium term.

Development pipeline: The Group's current programme of developments authorised or in the course of construction at the Balance Sheet date (Current Pipeline), together with projects that are conditional (for example, on achieving planning permission or final signing of the contract) but in a sufficiently advanced stage that we expect to commence development within the next 12 months (Near-term Pipeline) and potential schemes not yet commenced on land owned or controlled by the Group (Future Pipeline).

Earnings before interest, tax, depreciation and amortisation (EBITDA): Adjusted operating profit before interest and tax, adding back depreciation and amortisation charges, less share of joint ventures' and associates' adjusted profit and including dividends received.

EPRA: The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations in order to provide consistency and transparency in real estate reporting across Europe.

ESG: Environmental, Social and Governance issues.

Equivalent yield: The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. It assumes that rent is received annually in arrears.

Estimated cost to completion: Costs still to be expended on a development or redevelopment to practical completion, including attributable interest.

Estimated rental value (ERV): The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

Gearing: Net borrowings divided by total shareholders' equity excluding intangible assets and deferred tax provisions.

GRESB: An organisation which provides independent benchmarking of ESG metrics for the property industry.

Green lease clause: A clauses added to our leases that require our customers to provide us with their energy usage data and, where possible, source their energy via a renewable tariff.

Gross rental income: Contracted rental income recognised in the period in the Income Statement, including surrender premiums. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight-line basis over the lease term.

Headline rent: The annual rental income currently receivable on a property as at the Balance Sheet date (which may be more or less than the ERV) ignoring any rent-free period.

Hectares (Ha): The area of land measurement used in this analysis. The conversion factor used, where appropriate, is 1 hectare = 2.471 acres.

IAS: International Accounting Standards, the standards under which SEGRO reports its financial statements.

IFRS: International Financial Reporting Standards, the standards under which SEGRO reports its financial accounts.

Investment property: Completed land and buildings held for rental income return and/or capital appreciation.

Joint venture: An entity in which the Group holds an interest and which is jointly controlled by the Group and one or more partners under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each partner's consent.

Life cycle assessments: Life cycle assessment (LCA) is a methodology for assessing the environmental impacts associated with all the stages of the life cycle of a building.

Loan to value (LTV): Net borrowings divided by the carrying value of total property assets (investment, owner occupied, trading properties and, if appropriate, assets held for sale on the balance sheet) and excludes head lease ROU asset. This is reported on a 'look-through' basis (including joint ventures and associates at share).

MSCI: MSCI Real Estate calculates indices of real estate performance around the world.

Net debt:EBITDA ratio: Net debt divided by EBITDA.

Net initial yield: Passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers' costs. This is in accordance with EPRA's Best Practices Recommendations.

Net rental income: Gross rental income less ground rents paid, net service charge expenses and property operating expenses.

Net true equivalent yield: The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. It assumes that rent is received quarterly in advance.

Passing rent: The annual rental income currently receivable on a property as at the Balance Sheet date (which may be more or less than the ERV). Excludes rental income where a rent free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

Pre-let: A lease signed with an occupier prior to commencing construction of a building.

REIT: A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications. SEGRO plc and its UK subsidiaries achieved REIT status with effect from 1 January 2007.

Rent-free period: An incentive provided usually at commencement of a lease during which a customer pays no rent. The amount of rent free is the difference between passing rent and headline rent.

Rent roll: See Passing Rent.

Reversion: The difference between in place contracted rents and estimated market rental value (ERV).

SELP: SEGRO European Logistics Partnership, a 50-50 joint venture between SEGRO and the Public Sector Pension Investment Board (PSP Investments) established in 2013 to own big box warehouses in Continental Europe.

SIIC: Sociétés d'investissements Immobiliers Cotées are the French equivalent of UK Real Estate Investment Trusts (see REIT).

Speculative development: Where a development has commenced prior to a lease agreement being signed in relation to that development.

SPPICAV: Société de Placement à Prépondérance Immobilière à Capital Variable is a French equivalent of UK Real Estate Investment Trusts (see REIT).

Square metres (sq m): The area of buildings measurements used in this analysis. The conversion factor used, where appropriate, is one square metre = 10.7639 square feet.

Takeback: Rental income lost due to lease expiry, exercise of break option, surrender or insolvency.

Topped up net initial yield: Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date. This is in accordance with EPRA's Best Practices Recommendations.

Total accounting return (TAR): A measure of the Group's return, calculated as the change in adjusted NAV per share during the period adding back dividends paid during the period expressed as a percentage of adjusted NAV per share at the beginning of the period.

Total property return (TPR): A measure of the ungeared return for the portfolio and is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, as calculated by MSCI Real Estate and excluding land.

Total shareholder return (TSR): A measure of return based upon share price movement over the period and assuming reinvestment of dividends.

Trading property: Property being developed for sale or one which is being held for sale after development is complete.

Yield on cost: The expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.

Yield on new money: The yield on cost excluding the book value of land if the land is owned by the Group in the reporting period prior to commencement of the development.