Landsec

Press release

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Title **Half-yearly results for the six months ended 30 September 2019**
From **Landsec**
Date 12.11.19

This announcement contains inside information.

Strong operational metrics and increased development activity in London

Chief Executive Robert Noel said:

"Landsec had a good first half, delivering resilient results in unsettled market conditions.

"We have made excellent progress on our £3.0bn pipeline of development opportunities, with 1.0 million sq ft now on site. Our new products, Myo and Fitted, have landed well with customers. We have been proactive in the tough retail market, maintaining high occupancy and protecting income. We have extended our leadership in sustainability by setting further stretching targets. And we've upped our pace in innovation, introducing better ways to design, construct and manage space.

"With a general election next month and the UK's proposed exit from the EU further delayed, we remain alert to market risks. However, Landsec enters the next six months with confidence; we're in a strong financial position, have an exciting development pipeline and are agile enough to seize value-creating opportunities as we see them."

Results summary

	Six months ended 30 September 2019	**Six months ended 30 September 2018**	**Change**
Revenue profit(1)(2)	£225m	£224m	Up 0.4%
Valuation deficit(1)(2)	£(368)m	£(188)m	Down 2.8%(3)
(Loss)/profit before tax	£(147)m	£42m	
Basic (loss)/earnings per share	(19.6)p	5.9p	
Adjusted diluted earnings per share(1)(2)	30.4p	30.3p	Up 0.3%
Dividend per share	23.2p	22.6p	Up 2.7%
	30 September 2019	**31 March 2019**	
Net assets per share	1,298p	1,341p	Down 3.2%
EPRA net assets per share(1)	1,296p	1,339p	Down 3.2%
Group LTV ratio(1)(2)	28.1%	27.1%	

Resilient results

- Revenue profit[(1)(2)] up 0.4% to £225m
- Loss before tax for the period of £147m (2018: profit of £42m)
- Adjusted diluted earnings per share[(1)(2)] up 0.3% to 30.4p
- First half dividend up 2.7% to 23.2p per share
- Combined Portfolio[(1)(2)] valued at £13.4bn, with a valuation deficit[(1)(2)] of £368m or 2.8%[(3)]
- EPRA net assets per share[(1)] down 3.2% to 1,296p
- Ungeared total property return[(4)] of -0.5%
- Total business return[(1)] of -1.5%

Strong financial position

- Group LTV ratio[(1)(2)] at 28.1% (31 March 2019: 27.1%)
- Adjusted net debt[(1)(2)] of £3.8bn (31 March 2019: £3.7bn)
- Weighted average cost of debt at 2.6% (31 March 2019: 2.7%)
- Weighted average maturity of debt at 11.8 years (31 March 2019: 12.3 years)
- Cash and available facilities[(2)] of £1.6bn

Robust operational metrics

- High occupancy with like-for-like voids[(4)] down to 2.1% (31 March 2019: 2.4%)
  - Office at 0.8% (31 March 2019: 1.0%)
  - Retail at 3.6% (31 March 2019: 4.0%)
  - Specialist at 1.7% (31 March 2019: 1.5%)
- Development activity on track to deliver around 3.5 million sq ft of space in London:
  - On site with 0.9 million sq ft of office space at 21 Moorfields,EC2; Nova East,SW1; and Lucent, W1 at half year
  - On site since September with 0.1 million sq ft development at 105 Sumner Street, SE1
  - 0.8 million sq ft of further office-led developments expected to start in 2020 with the remainder to follow
- Like-for-like net rental income up £4m or 1.4%
  - Office up £3m or 2.5%
  - Retail down £2m or 1.5%
  - Specialist up £3m or 7.7%
- Retail destinations significantly outperforming national benchmarks for footfall and sales
  - Footfall down 1.8% vs benchmark down 4.2%
  - Same centre sales up 0.7% (down 0.7% excluding automotive sales) vs benchmark down 3.8%

Industry leadership in sustainability

- Committed to become a net zero carbon business by 2030, with first net zero carbon building under way at 105 Sumner Street, SE1

— Recognised as sector leader, ranking first in the UK and Europe among our peer group in the Global Real Estate Sustainability Benchmark (GRESB), for mixed office and retail space
— European leader in the Dow Jones Sustainability Index (DJSI), scoring 82 compared with an industry average of 36

1. An alternative performance measure. The Group uses a number of financial measures to assess and explain its performance, some of which are considered to be alternative performance measures as they are not defined under IFRS. For further details, see the Financial review and table 14 in the Business analysis section.
2. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial review.
3. The % change for the valuation deficit represents the fall in value of the Combined Portfolio over the period, adjusted for net investment.
4. For further details, see the Business analysis section.

Ends

About Landsec

At Landsec, we believe great places are for people to experience and are made with the experience of great people.

As one of the largest real estate companies in Europe, our £13.4 billion portfolio spans 24 million sq ft of well-connected, experience-led retail, leisure, workspace and residential hubs, with a growing focus on London. From the iconic Piccadilly Lights in the West End and the regeneration of London's Victoria, to the creation of retail destinations at Westgate Oxford and Trinity Leeds, we own and manage some of the most successful and memorable real estate in the UK.

We aim to lead our industry in critical long-term issues – from diversity and community employment, to carbon reduction and climate resilience. We deliver value for our shareholders, great experiences for our customers and positive change for our communities. At Landsec, everything is experience.

Find out more at landsec.com

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