

ABOUT US

Derwent London owns and manages a £5.5bn portfolio (31 Dec 2019) of commercial real estate located predominantly in central London. This makes us the largest London focused real estate investment trust.

We typically acquire properties off low capital values and modest rents in improving locations. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building through asset management and refurbishment.

Q1 2020 & COVID-19 UPDATE

- New lettings of £2.1m on 52,700 sq ft in Q1 2020, 4.6% above Dec 2019 ERV
- Construction temporarily paused at our three major development sites totalling 790,000 sq ft (72% pre-let) but now restarted (see below for schemes)
- EPRA vacancy rate 1.0%
- Completed the sale of 40 Chancery Lane WC2 for £121.3m
- Acquired Blue Star House, Brixton SW9 for £38.1m
- LTV of 16.2% with cash and undrawn facilities of £554m
- Rents and values could fall 70% and 71% respectively without breaching covenants
- Final dividend of 51.45p per share will be paid in cash on 5 June 2020
- The health and wellbeing of our employees, occupiers and other stakeholders is our top priority
- All employees below the Board are on full salaries and benefits and none have been furloughed
- Increased charitable donations and sponsorships by 81% to £696,000 and includes DL Directors waiving 20% of base salaries for three months
- £20,000 used to purchase commercial fridges to store food for NHS workers and in discussions to provide both carparking and accommodation to NHS staff in central London
- Increased support for our occupiers most in need
- 73% of March Quarter Day rents received, plus 6% now paying monthly and 12% on agreed payment plans (5% outstanding and 4% on rent frees)
- Committed to our plans to be net zero carbon by 2030
- ERV, property yield and EPRA earnings guidance withdrawn until greater visibility returns

2019 SUMMARY

EPRA NAV per share	3,958p: (+4.8%) (3,776p Dec 2018)
EPRA earnings	£115.1m (£126.1m 2018)
EPRA EPS	103.09p: -8.8% (113.07p 2018)
Underlying EPS	103.09p: +4.4% (99.08p H1 2018)
Interim and final dividend per share	72.45p: +10.0% (65.85p 2018)
Valuation	+3.9% underlying MSCI IPD* +0.6%
True equivalent yield	4.77% (4.73% Dec 2018)

* MSCI IPD Central London Offices Capital Growth Quarterly Index

MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

Simon Silver, Director

Nigel George, Director

David Silverman, Director

Quentin Freeman, Investor Relations

PRE-LETTING AT OUR ON-SITE PROJECTS

Soho Place W1



- 285,000 sq ft office, retail and theatre scheme:
 - 102,600 sq ft offices pre-let to G-Research in Q2 2019 at £9.7m pa for 15 years (no breaks)
 - 40,000 sq ft theatre pre-let to Nimax in Q2 2019
 - 83,100 sq ft offices pre-let to Apollo in Q4 2019 for 15 years (no breaks) at a confidential rent
- Completes H1 2022

80 Charlotte Street W1



- 380,000 sq ft office, retail and residential scheme:
 - 133,600 sq ft pre-let to Arup at £9.7m pa in Q1 2017
 - 123,500 sq ft pre-let to The Boston Consulting Group at £10.6m pa in Q3 2017 plus 40,650 sq ft option taken in Q3 2019 at £3.4m pa
 - Two further office deals at £1.4m pa - offices now fully let
- Completes H1 2020

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site projects			
80 Charlotte Street W1	380,000	40	321,000 sq ft offices, 45,000 sq ft residential and 14,000 sq ft retail - 90% pre-let / pre-sold overall
Soho Place W1	285,000	233 ³	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 76% of commercial space pre-let ⁴
The Featherstone Building EC1	125,000	61	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	790,000	334	
Planning consents			
19-35 Baker Street W1	293,000 ²		206,000 sq ft offices, 52,000 sq ft residential and 35,000 sq ft retail
Holden House W1	150,000		Retail flagship or retail/office scheme
	443,000		

¹ As at 31 Dec 2019 ² Total area - Derwent London 55% share, The Portman Estate 45%. A new conditional option agreed in May 2019 to demerge the JV

³ Includes remaining site acquisition cost and profit share to Crossrail ⁴ In addition the 40,000 sq ft theatre is also pre-let

HI 2019 STARTS / HI 2022 COMPLETIONS

Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- 225,700 sq ft pre-let at above Dec 2018 ERV
- Capex to complete £233m¹, including site acquisition
- Total ERV of £23.0m (Office ERV £92.50 psf)

The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Offices and workspaces with 2,000 sq ft of retail
- Replaces two tired properties totalling 69,000 sq ft
- Capex to complete £61m¹
- Total ERV of £8.1m (Office ERV £70 psf)

PLANNING CONSENTS

19-35 Baker Street W1



- 293,000 sq ft mixed-use scheme
- Earliest start date 2021

Holden House W1



- 150,000 sq ft office/retail scheme
- Earliest start date 2021