

ABOUT US

Derwent London owns and manages a £5.4bn portfolio (30 Jun 2020) 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.

H1 2020

- Total return of -0.1%
- Gross rental income of £97.8m, up 5.0% from £93.1m in H1 2019
- Net debt of £992.8m (£981.6m in December 2019)
- Interest cover 435% (462% Dec 2019)
- LTV ratio 17.3% (16.9% in Dec 2019)
- Undrawn facilities and cash of £502m (£511m in Dec 2019)
- 80 Charlotte Street W1 377,000 sq ft completed in June 2020 – 91% let
- Two remaining on-site developments totalling 410,000 sq ft – 60% pre-let or forward sold
- Property disposal proceeds of £129.4m sold above book value including 40 Chancery Lane WC2
- Acquisition of Blue Star House, Brixton SW9 for £38.1m before costs
- New lettings of £2.6m on 60,700 sq ft, 4.6% above Dec 2019 ERV
- Underlying valuation decrease of 0.9%:
 - Developments +4.0%
- Total property return of 0.7%, ahead of our MSCI IPD CLO benchmark of -0.7%
- EPRA vacancy rate rose of 1.1%
- ERV movement of -0.7% in H1
- Published our Net Zero Carbon Pathway to 2030
- 25% contribution to tenants' service charges for March and June quarters
- Donations budget increased 81% to £0.7m
- Use of 16 flats donated to University College Hospital until year end

H1 2020 SUMMARY

EPRA NTA per share	3,900p: -1.4% (3,957p Dec 2019)
EPRA earnings	£54.7m (£57.3m H1 2019)
EPRA EPS	48.90p: -4.8% (51.34p H1 2019)
Interim dividend per share	22.0p: +4.8% (21.0p 2019)
Valuation	-0.9% underlying MSCI IPD* -2.3%
True equivalent yield	4.77% (4.77% Dec 2019)

* 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

DE-RISKING OUR PROJECTS

Soho Place W1



- 285,000 sq ft office, retail and theatre scheme:
 - 102,600 sq ft offices pre-let to G-Research at £9.7m pa for 15 years (no breaks) and 83,100 sq ft offices pre-let to Apollo for 15 years (no breaks) at a confidential rent
 - At 2 & 4 Soho Place, 40,000 sq ft theatre pre-let to Nimax and 18,400 sq ft office leasehold forward sold for £40.5m
- Completes H1 2022

80 Charlotte Street W1



- 377,000 sq ft office, retail and residential scheme that completed in June 2020:
 - 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

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site projects			
Soho Place W1	285,000	203 ³	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 86% of space pre-let
The Featherstone Building EC1	125,000	51	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	410,000	254	
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		Office/retail scheme
	443,000		

¹ As at 30 Jun 2020² Total area - Derwent London 55% share, The Portman Estate 45%. A new conditional option agreed in May 2019 to demerge the JV³ Includes remaining site acquisition cost and profit share to Crossrail

H1 2022 COMPLETIONS

Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- 244,100 sq ft pre-let / pre-sold (£16.6m pa net income)
- Capex to complete £203m¹, including site acquisition
- Total ERV of £20.9m (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 £51m¹
- Total ERV of £8.1m (Office ERV £70 psf)

PLANNING CONSENTS

19-35 Baker Street W1



- 293,000 sq ft mixed-use scheme (143,000 sq ft existing)
- Earliest start date 2021

Holden House W1



- 150,000 sq ft office/retail scheme (90,000 sq ft existing)
- Earliest start date 2023