

2020 summary

The year started with an optimistic outlook, low vacancy rates and with strong occupier demand backed up by firm investment yields. As we approached the end of Q1, the significance of the Covid-19 pandemic became more apparent and lockdown took hold, forcing an unprecedented fall in economic activity in the UK.

We responded by focusing on the health and safety of our employees, occupiers and communities, enhancing communication and providing support where it was most needed. We kept our buildings open with tailored cleaning and maintenance regimes while progressing with our development projects and ESG/climate change responsibilities. Our second half focus has continued to support our customers and other stakeholders through the various phases of lockdown and business continuity, while extending leases where we can and pursuing further regeneration opportunities.

Operating highlights

- 2021 lease expiries reduced from 26% of passing rents to 17%, now 13%
- Collected 92% of 2020 rental income with a further 5% subject to payment plans
- Completed 80 Charlotte Street W1, our largest development to date, achieving a 27% profit on cost
- Progressed Soho Place W1 and The Featherstone Building EC1, together 410,000 sq ft and 61% pre-let
- Disposals of £153m
- Committed to a 297,000 office-led scheme at 19-35 Baker Street W1
- Signed new £100m 5-year Revolving Credit Facility (RCF) and extended £450m RCF by one year

Stakeholders and responsibility

- Published our pathway to be a net zero carbon business by 2030
- Supported our occupiers, communities and NHS by reducing service charge, raising donations budget by 179% and providing free accommodation to NHS staff
- Supported our supply chain by accelerating supplier payments to 20 days on average
- No employees furloughed and supported staff furloughed by some suppliers
- The results of our staff survey showed exceptional satisfaction ratings

Financial highlights

Gross rental income

2019: £191.7m

+5.8%

£202.9m

EPRA earnings per share (EPS)

2019: 103.1p

-3.8%

99.2p

Dividend per share (p)

2019: 72.5p

+2.8%

74.5p

EPRA NTA per share

2019: 3,957p

-3.7%

3,812p

Total return

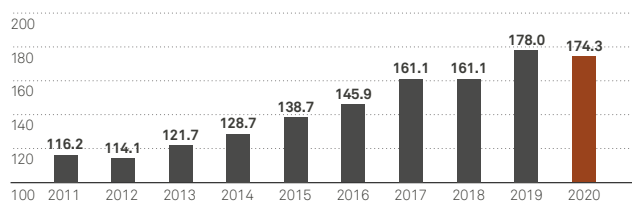
2019: 6.6%

-127.3%

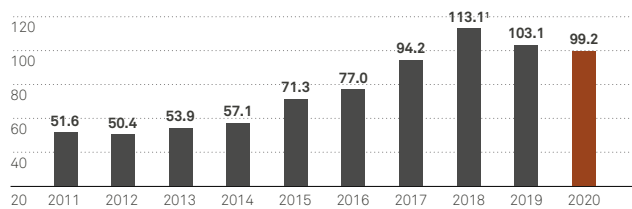
-1.8%

Non-financial highlights

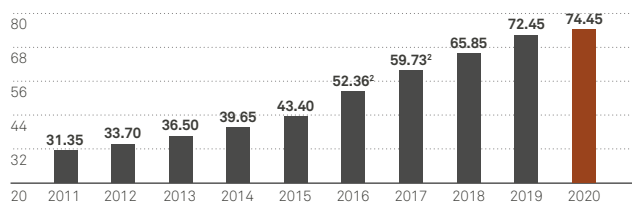
Net rental income (£m)



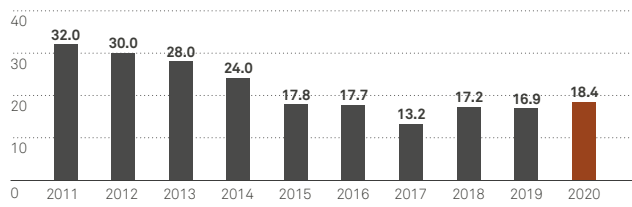
EPRA EPS (p)



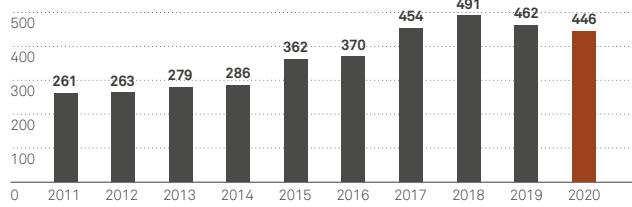
Ordinary dividend (p)



Loan-to-value ratio (%)



Net interest cover ratio (%)



Total property return

Total property return of 0.3%, substantially above benchmark MSCI IPD Central London Offices Index of -2.4%

0.3%

Vacancy rate

Our EPRA vacancy rate increased during the year but remains low

1.8%

Carbon intensity

Like-for-like carbon intensity reduced by 27% (tCO₂e/m²) in the year and by 57% since 2013

27%

Net zero carbon

Publication of a detailed pathway to achieve our net zero carbon target by 2030 (see page 28)

2030

Employee satisfaction

The recent employee survey reported that overall employee satisfaction remains very high

96.3%

¹ Includes 14p per share of access rights income in 2018

² Excludes special dividends of 52p and 75p per share relating to 2016 and 2017, respectively