



# TRITAX BIG BOX

Results for the six months  
ended 30 June 2019



## Building

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## Presentation Team



Colin Godfrey, Partner, Fund Manager



Frankie Whitehead, Finance Director

# Highlights



# H1 2019 Financial Highlights



**Secure, attractive and growing dividends**

**3.425p**

Dividend per share for H1 2019

**6.85p**

On track to deliver target per share for FY 2019<sup>(1)</sup>

**£166.8m**

Contracted annual rental income

**A portfolio unmatched in quality**

**£3.85bn**

Portfolio valuation<sup>(2)</sup>

**150.08p**

EPRA NAV per share

**0.42%**

Total Return (six months)

**Robust capital structure**

**£250m**

Equity raised

**29%**

LTV

(1) This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield is reasonable or achievable

(2) The Portfolio Value includes Investment Property, other property assets (including development management agreements), land options (at cost), shares of joint ventures and remaining Forward Funded Development commitments

## db symmetry

- 87% economic interest acquired
- A unique logistics land portfolio
- Enterprise value £370 million, fully supported by independent valuation
- Management retained on an exclusive, 8 year contract
- Alignment with Symmetry management team and in-built succession planning
- BBOX's economic interest can increase to 100% on assets suitable for retention
- 2,500 acres of controlled land
- Potential to deliver c.38 million sq ft of Big Box and other logistics assets
- Target yield on cost of 7-8%<sup>(1)</sup>

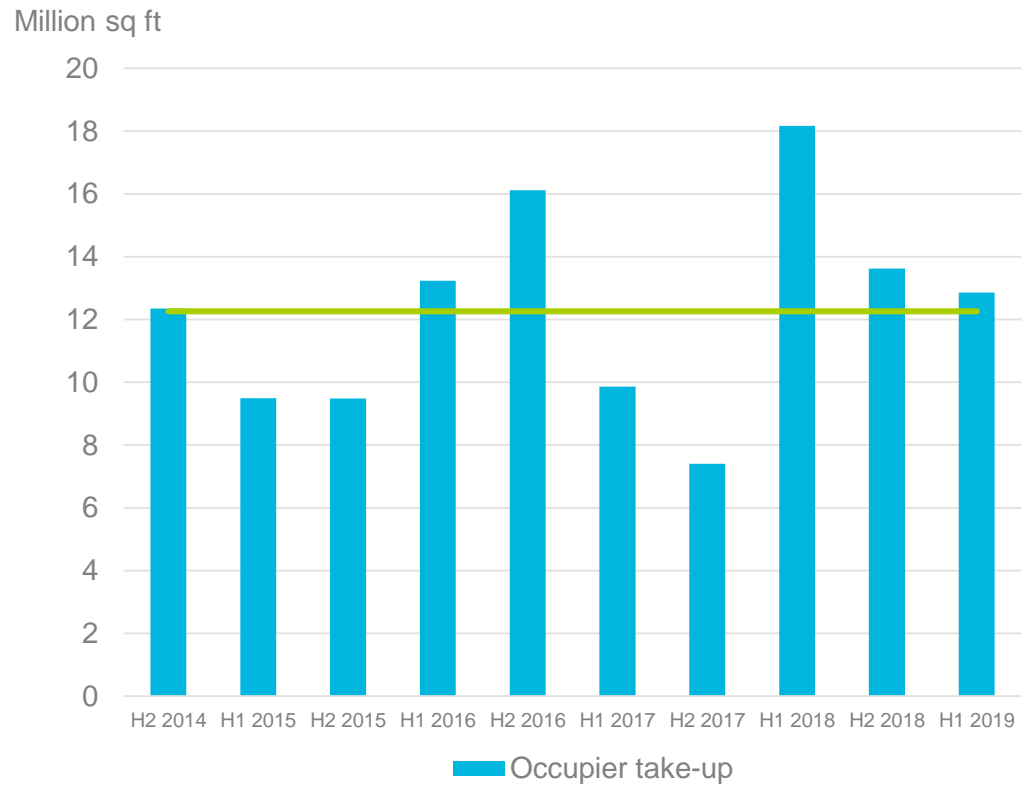


# Our Market



## Dynamics remain favourable

- Occupier demand remains strong
- Speculative supply increased, but contained for larger scaled buildings
- 3.2% rental growth for the 12 months to 30 June 2019
- Prime yields unchanged



Source: CBRE (Units in excess of 100,000 sq ft and over 10m eaves)

# Company Overview





# Our Unique Portfolio



£3.85bn

Portfolio value<sup>(1)</sup>

## Investment Portfolio

58

Investment assets

5.5% NIY

Portfolio average net initial purchase yield<sup>(3)</sup>

4.5% NIY

Portfolio valuation yield

14.3 years

WAULT<sup>(4)</sup>

## Development Portfolio

c.2,800 acres

Land assets under control<sup>(2)</sup>

28

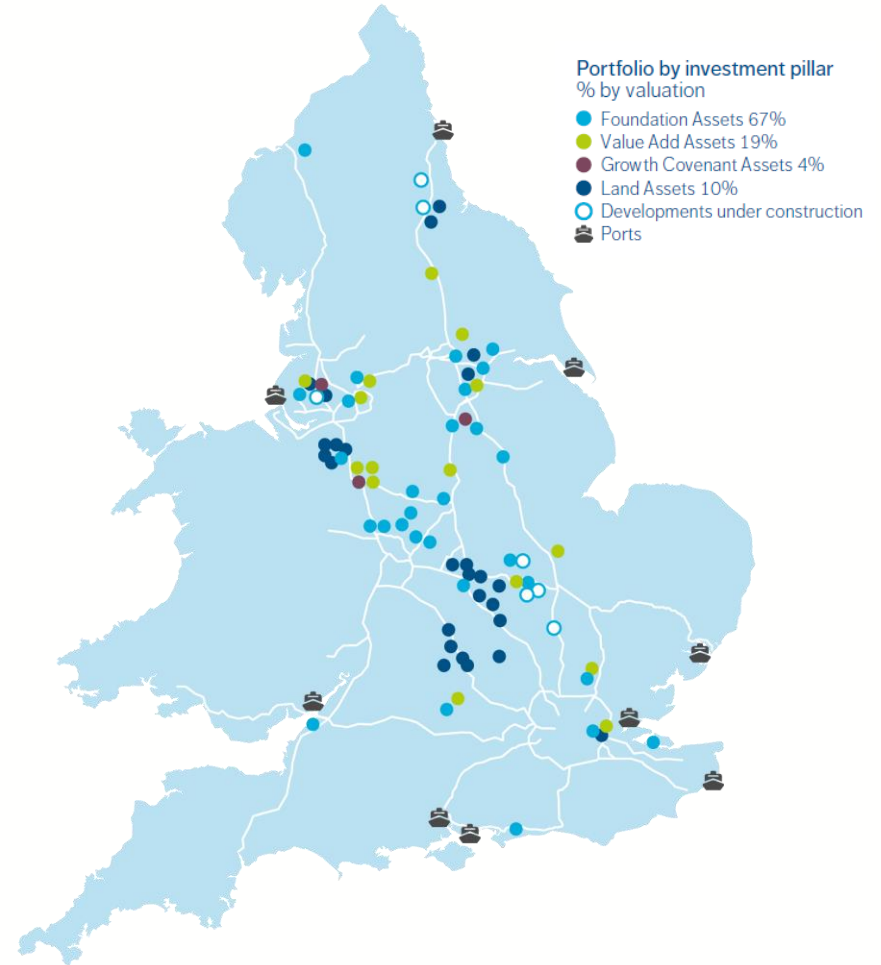
Development schemes

c.41m sq ft

Of Big Box and other logistics assets

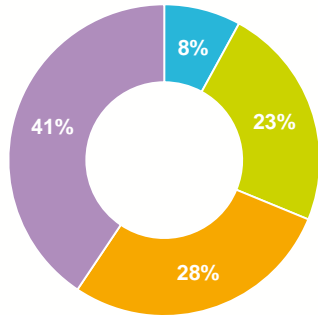
6-8%

Target yield on cost for the Development Portfolio<sup>(5)</sup>



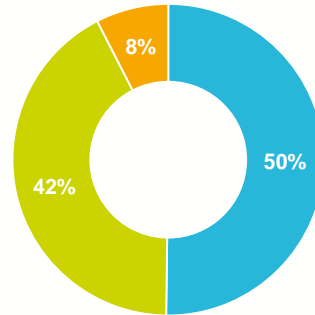
(1) The Portfolio Value includes Investment Property, other property assets (including development management agreements), land options (at cost), shares of joint ventures and remaining Forward Funded Development commitments  
(2) Includes assets not owned in which the Group holds economic interests, land subject to development management agreements and joint ventures  
(3) Includes estimated development costs for Pre-let assets in the course of construction  
(4) Unexpired term of let or Pre-let properties weighted by rental income and inclusive of licence fees received from Pre-let Forward Funded Developments  
(5) This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results

## True “Big” Boxes<sup>(1)</sup>



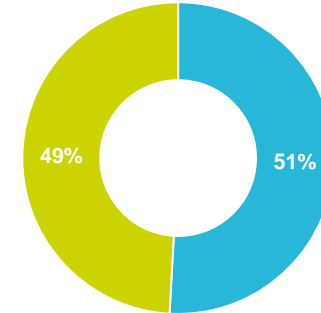
■ < 300k sq ft ■ 300 - 500k ■ 500 - 700k ■ > 700k

## Modern Big Boxes<sup>(2)</sup>



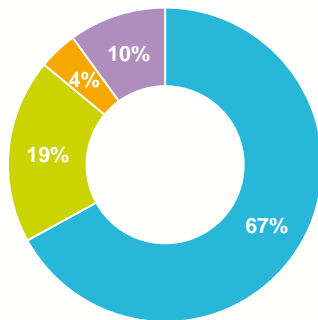
■ Since 2010 ■ 2000s ■ Pre 2000

## Automated Big Boxes<sup>(3)</sup>



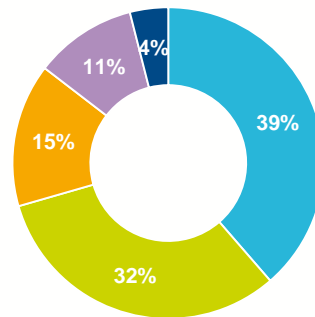
■ Automated ■ Not Automated

## Income Focused<sup>(2)</sup>



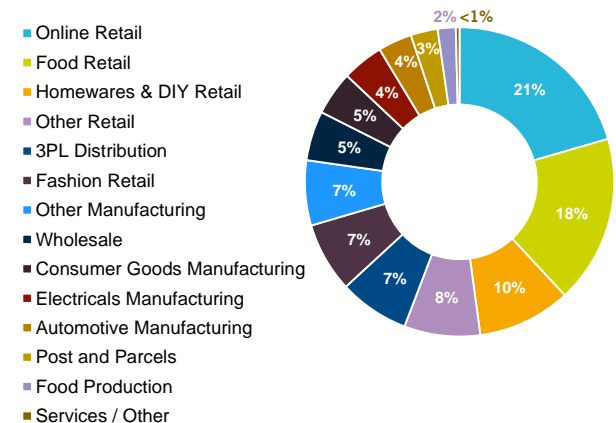
■ Foundation Assets ■ Value Add Assets  
■ Growth Covenant Assets ■ Land Assets

## Rent Reviews by Type<sup>(3)</sup>



■ Open Market ■ RPI ■ CPI ■ Fixed ■ Hybrid

## Diversified Customer Base<sup>(3)</sup>



(1) By area  
(2) By value  
(3) By rental income

# Our High Calibre and Diversified Customer Base



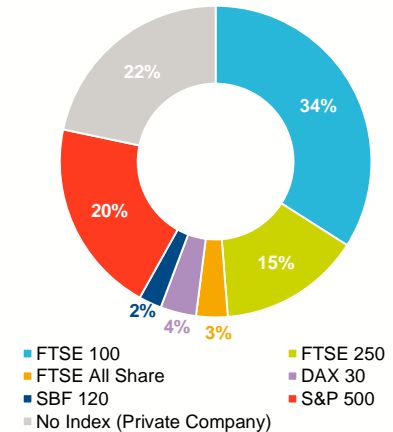
## Our Customers



## Top 5 Customers

amazon	13.2%
Morrisons	6.8%
HOWDENS	5.2%
Goop	4.8%
MARKS & SPENCER	4.1%

## High Calibre Customer Base<sup>(1)</sup>



(1) By rental income  
 Note: The logos above represent either the tenant, guarantor, parent or brand name. Trade marks appearing in this page are the property of their respective owners

## Rent Reviews – Settled In Year To Date

No. of Reviews	Frequency	As % of Jun-19 Rent <sup>(1)</sup>	Rental Uplift	Annual LFL Growth
3	3 x annual	9.3%	£0.34m	2.2%

## Sustainability

- Submitted to 2019 GRESB Index

## Post Period Events – Sainsbury's Leeds

- 18 year lease extension (25 years unexpired)
- Rent review adjusted to five-yearly, CPI-linked (2% - 4%)
- Rent rebased to current market level



(1) Settled rent reviews as % of portfolio contracted rent as at 30 June 2019

# H1 2019 Development Highlights

- 1.2 million sq ft reached practical completion
- 6.7 million sq ft of developments currently under construction
  - 7 pre-let forward funded developments - including The Co-operative Group, Biggleswade
  - 3 speculative developments totalling c.247,000 sq ft of which 83,000 sq ft now let to Global Infusion Group
  - 96% of current developments under construction are pre-let<sup>(1)</sup>
- Outline planning consent to develop 2.3 million sq ft of logistics space at Symmetry Park, Kettering
- Ongoing economic interest following sale of option over 220 acre site at Lutterworth
- Good occupational interest for the planned first phase development of 450,000 sq ft at Littlebrook, Dartford. In advanced discussions, subject to planning, with a potential occupier regarding phase 2



Eddie Stobart, Corby



The Co-operative Group, Biggleswade



Symmetry Park, Kettering



Littlebrook, Dartford

(1) By income. ERV assumed for speculative developments under construction

# Pre-Let Development Portfolio



17

Pre-let developments

10

Completed developments totalling c.5.4m sq ft

5.4%

Average purchase yield for 10 completed assets

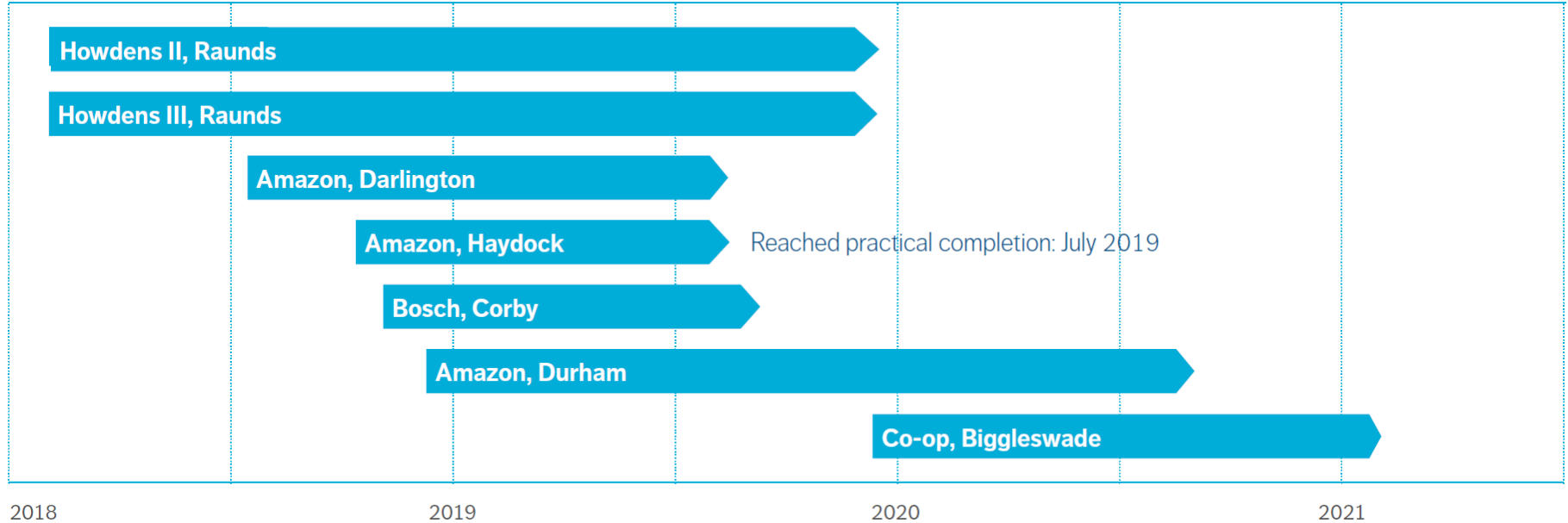
+23.3%

Gross uplift on acquisition price

21.9 years

Weighted average term at acquisition

7 pre-let assets under construction at period end



2018

2019

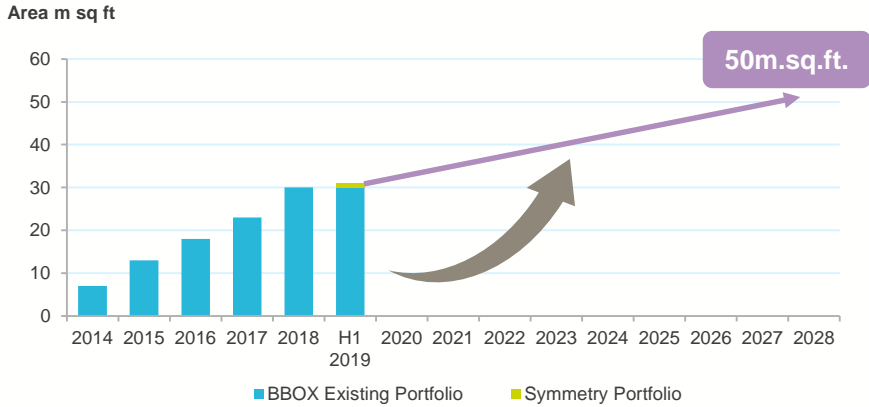
2020

2021

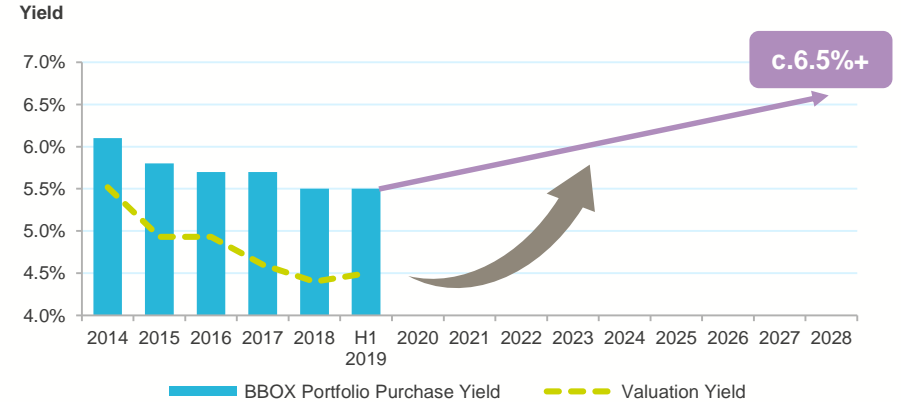
# Symmetry: Providing the Opportunity for Growth



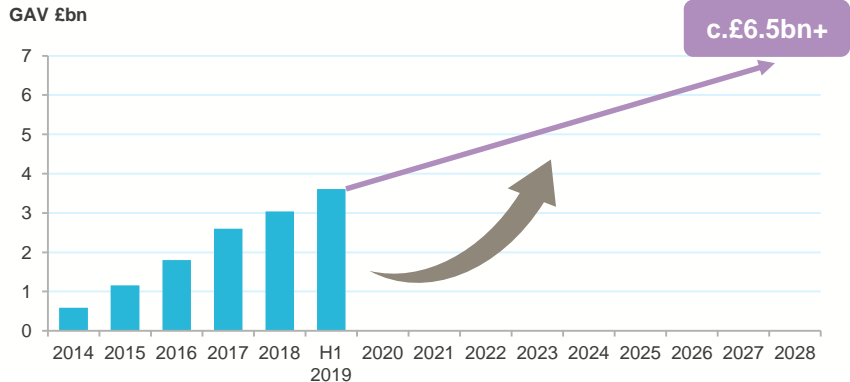
## Gross Internal Area (m sq ft)



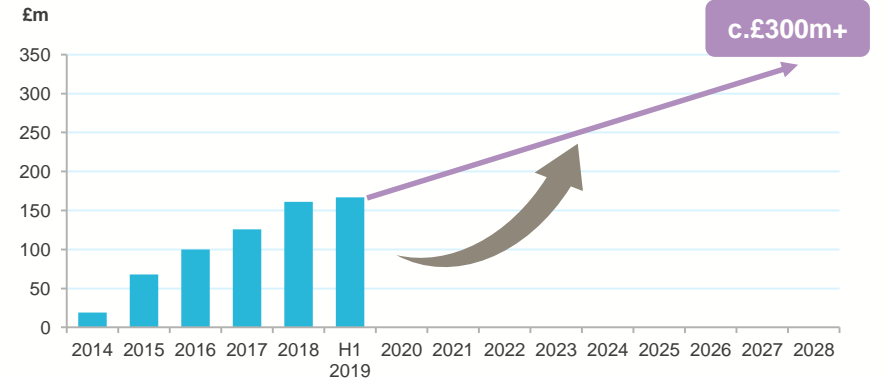
## Aggregate Portfolio Purchase Yield (%)



## Portfolio Value (£bn)



## Contracted Rental Income (£m)



Note: The information in these diagrams has been included to provide an indication of the potential impact of the db symmetry acquisition on the Group and is subject to a number of assumptions and inherent uncertainties. Nothing in these charts constitutes a profit forecast and there can be no assurance that the actual impact of the acquisition will reflect the illustrative figures provided

# Financial Results

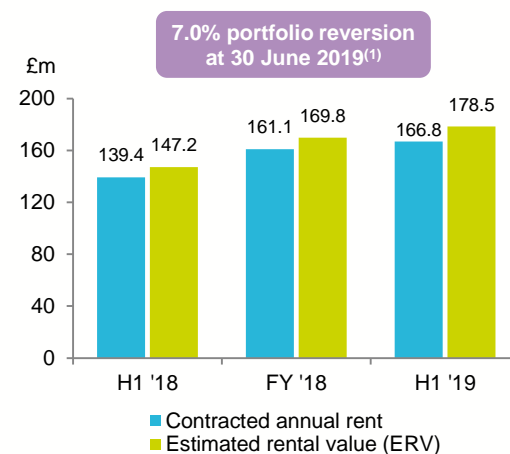




# Income Statement

(£ million)	For the six months ended		Variance
	30 June 2019	30 June 2018	
Net rental income	69.2	66.1	↑ 4.7%
Administrative and other expenses	(10.5)	(8.7)	
Acquisition related costs	(4.1)	-	
Other income <sup>(2)</sup>	7.2	-	
<b>Operating profit before fair value changes</b>	<b>61.8</b>	<b>57.4</b>	<b>↑ 7.7%</b>
Changes in fair value of investment properties	25.8	62.1	
<b>Operating profit</b>	<b>87.6</b>	<b>119.5</b>	
Net finance expense	(15.9)	(11.5)	
Changes in fair value of interest rate derivatives	(4.4)	(0.9)	
Changes in fair value of amounts owed to third parties	0.5	-	
<b>Profit before taxation</b>	<b>67.8</b>	<b>107.1</b>	
<b>Adjusted earnings per share – diluted</b>	<b>3.41p</b>	<b>3.38p</b>	<b>↑ 0.9%</b>
<b>Dividend declared for the period</b>	<b>3.43p</b>	<b>3.35p</b>	<b>↑ 2.2%</b>

## Continued Portfolio Rental Income Growth



# 15.3%

H1 2019 EPRA Cost Ratio  
(H1 2018: 13.7%)

# +2.2%

Dividend per share  
(H1 2019 vs. H1 2018)

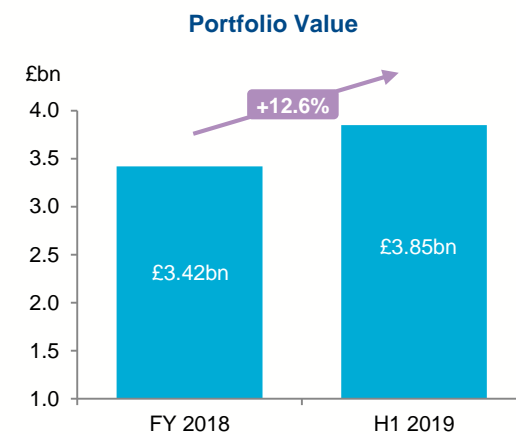
(1) Reversion is the difference (increase) between the contracted annual rent and the ERV

(2) Includes gain on bargain purchase

# Statement Of Financial Position



(£ million)	For the six months ended		Variance
	30 June 2019	30 December 2018	
Investment property	3,341.6	3,038.3	↑ 10.0%
Land options and other property assets	237.2	-	
Investments in Joint Ventures	30.0	-	
Cash and cash equivalents	177.5	48.3	
Other assets	17.2	47.5	
Borrowings (net of arrangement fees)	(1,096.9)	(820.5)	
Other liabilities	(160.4)	(72.7)	
<b>Net assets</b>	<b>2,546.2</b>	<b>2,240.9</b>	<b>↑ 13.6%</b>
<b>EPRA net asset value per share – diluted</b>	<b>150.08p</b>	<b>152.83p</b>	<b>(1.8%)</b>



**+0.7%**

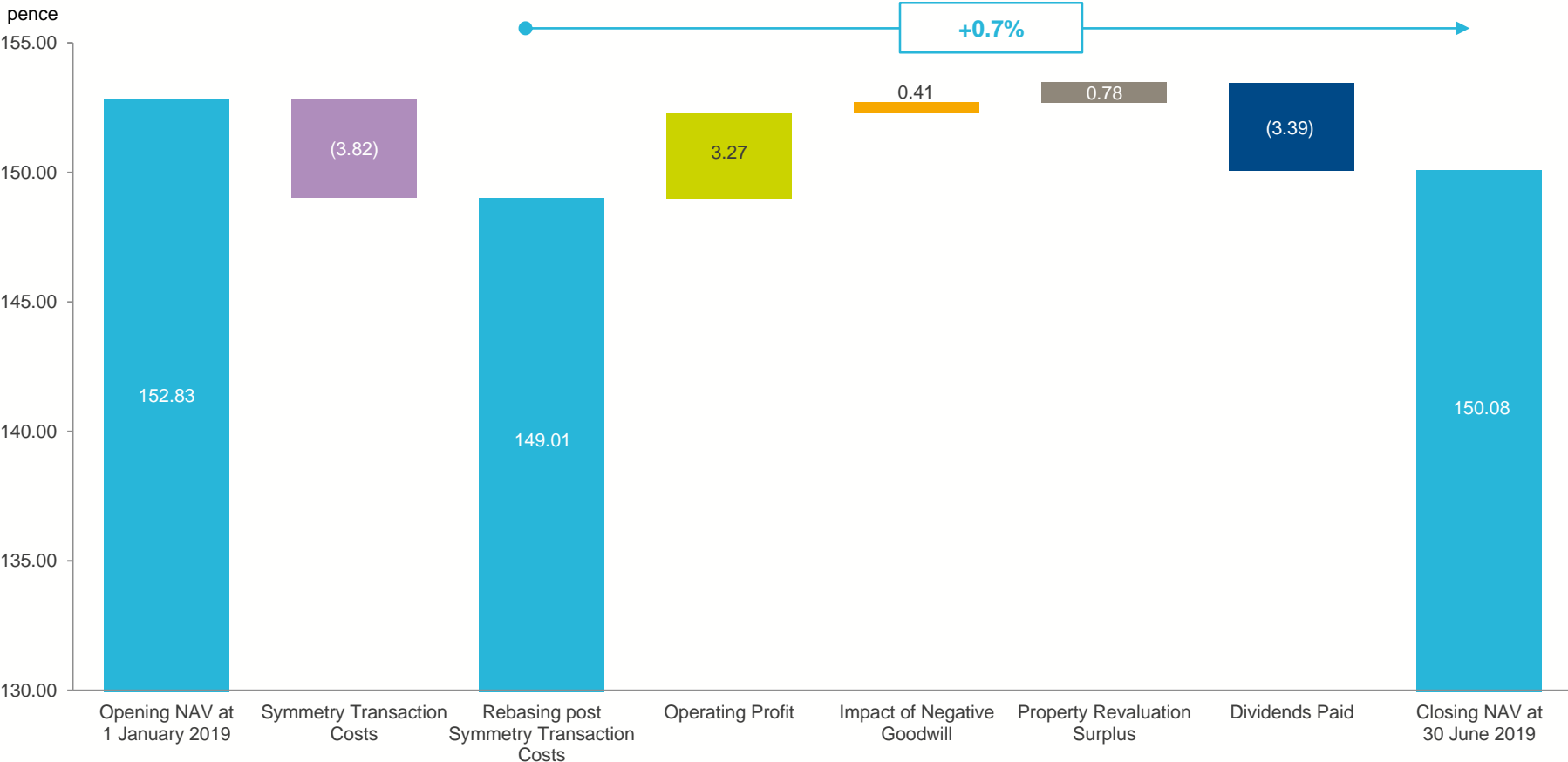
Increase in NAV per share on an adjusted basis<sup>(1)</sup>

**0.42%**

Total Return for H1 2019

(1) Assuming a rebasing following extraordinary costs of 3.8p per share incurred relating to the acquisition of db Symmetry

## Movement in EPRA Net Asset Value per share in the six month period to 30 June 2019



# Debt Financing Overview



- £1.7 billion of debt; principally unsecured balance sheet
- Group LTV of 29.4% (look through LTV of c.35%)
- Attractive cost of borrowing:
  - Running cost of debt: 2.26%
  - Capped cost of debt: 2.68%
- Weighted average maturity of 7.8 years, which extends to 8.3 years when taking into account all future extension options
- Funds from £400 million unsecured loan notes drawn in February 2019
  - £250 million 12-month RCF cancelled in full
- New, unsecured £200 million RCF entered into in June 2019
  - Uncommitted £100 million accordion option

## 7.8 years

Weighted average term to maturity at 30 June 2019 (8.7 years at 31 December 2018)<sup>(1)</sup>

## 2.68%

Capped cost of debt at 30 June 2019 (2.73% at 31 Dec 2018)

## 29.4%

Group LTV (27.3% at 31 Dec 2018)

## 64%

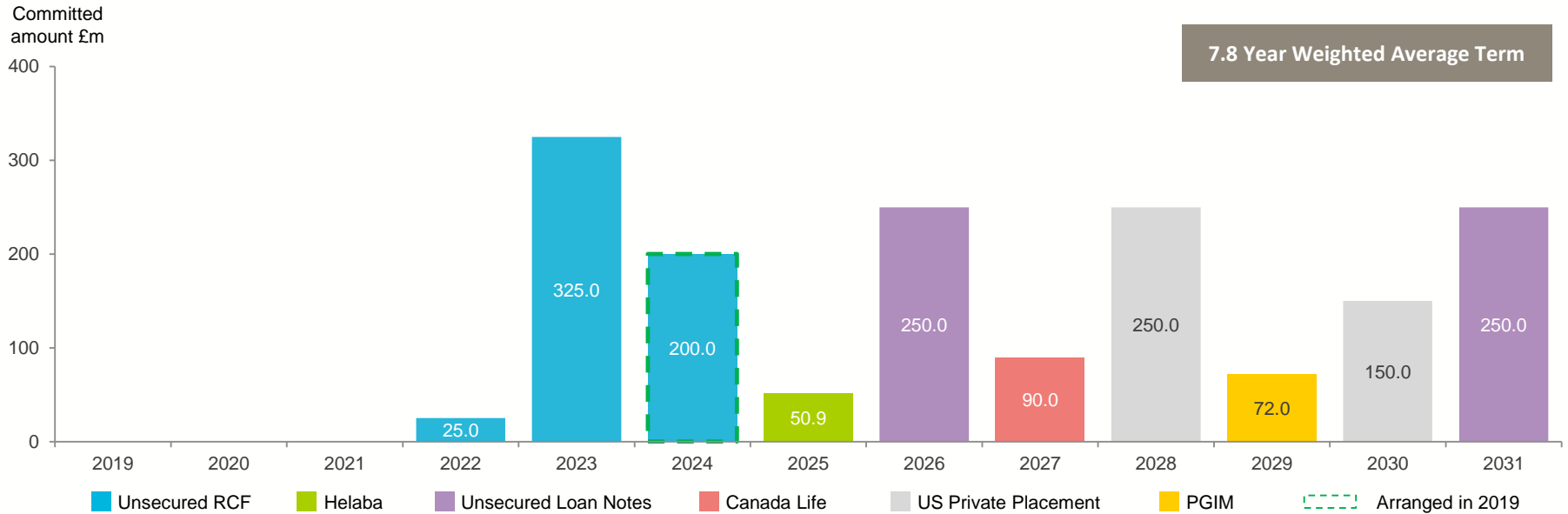
Fixed rate debt

(1) Excluding £250 million RCF which was cancelled on 28 February 2019

# Debt Maturity Profile



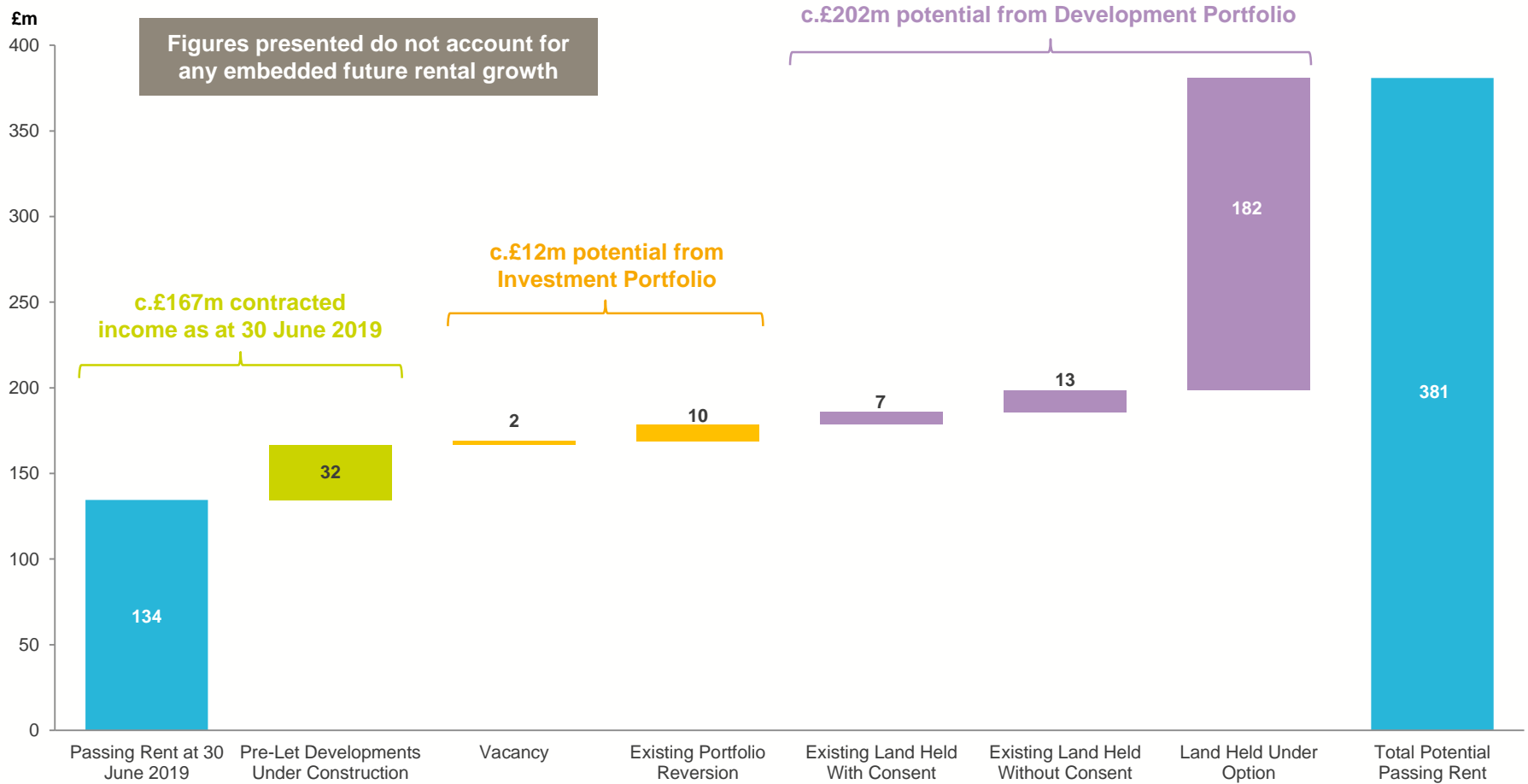
## Diversified, Long-Term Debt Maturity Profile at 30 June 2019



## Supportive Mix of Bank and Institutional Lenders



# Significant Potential To Grow Rental Income



Note: Potential rental growth figures presented based on current estimated rental values

# Outlook



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## Macro

- Global economic slowdown
- Brexit; recession?
- Exchange rates
- Traditional retail
- Business failures

## Micro

- Structural change
- Lettings continue at healthy levels
- Resilient values
- The value and quality of our income
- Organic growth



# Appendix



## Big Boxes' unique characteristics

### Strategically Located

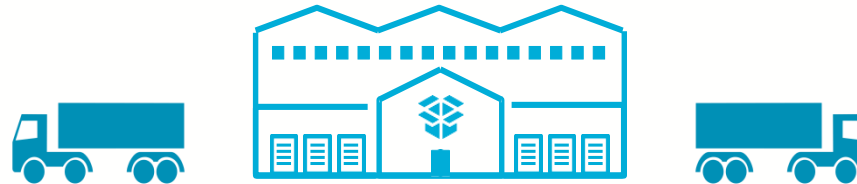
Big Boxes are usually situated close to major roads, motorways and potentially to airports, sea ports or rail freight hubs, allowing efficient stocking and onward distribution

### Very Big

Big Boxes have floor areas generally between 300,000 and 1,000,000 sq. ft., with eaves heights of between 10m and 25m allowing for the installation of racking and mezzanine floors

### Modern

Big Boxes are modern facilities typically constructed within the last 15 years incorporating modern designs and specifications



### Technologically Sophisticated

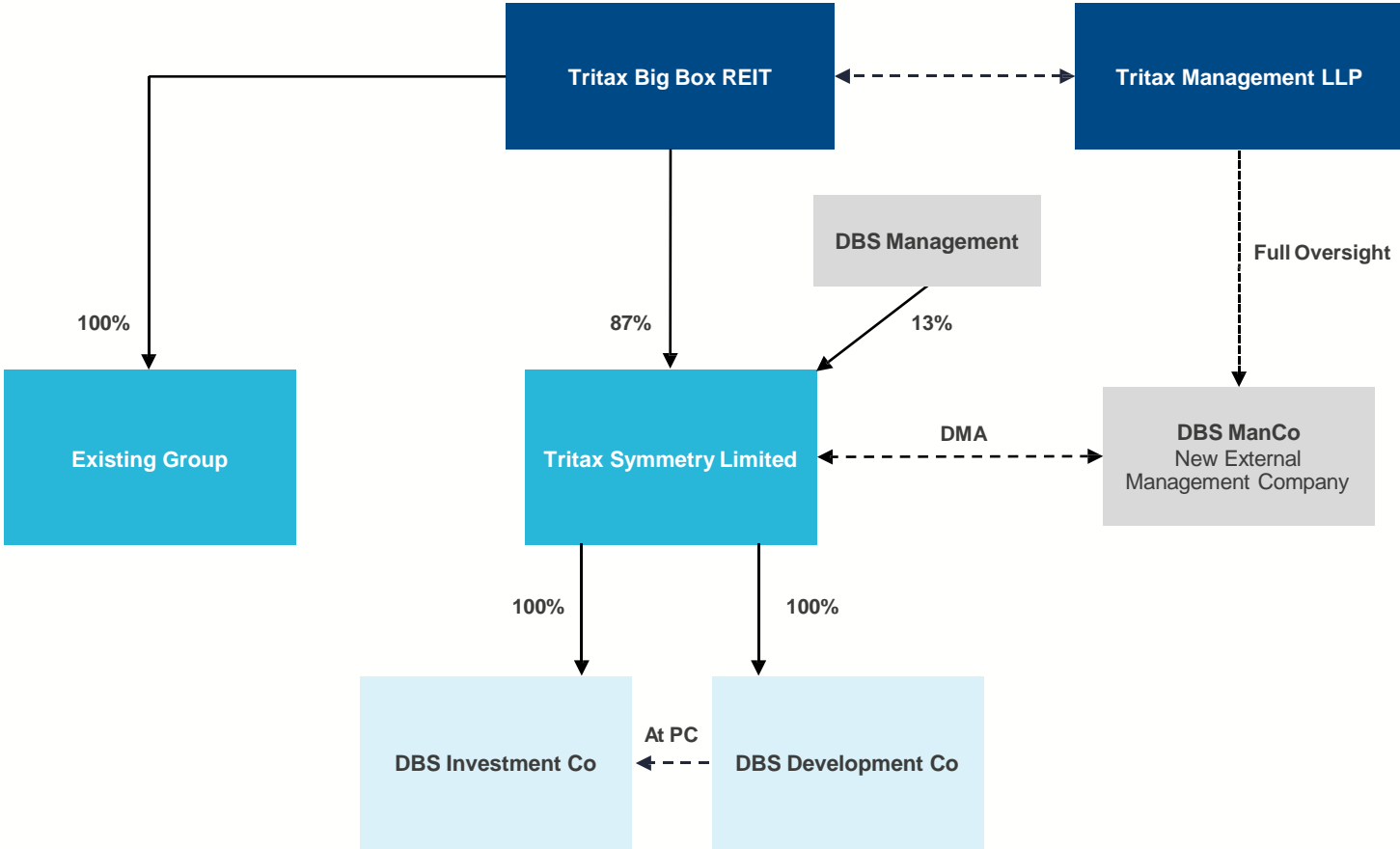
Big Boxes often benefit from value enhancing capital investments by tenants in the form of state of the art automated handling

### Highly Sought After

Big Boxes are in demand from institutional-grade tenants who are willing to sign up to long leases, with regular upward-only rent reviews, and from investors wanting to own the assets

**Tritax Big Box is the only REIT dedicated to investing in UK Big Box logistics assets**

# Transaction Structure - db symmetry



# Performance Track Record



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	H1 2019
Contracted rental income <sup>(1)</sup>	£36.2m	£68.4m	£99.7m	£126.0m	£161.1m	£166.8m
EPRA cost ratio	19.4%	17.9%	15.8%	13.1%	13.7%	15.3%
Adjusted EPS	4.86p	6.12p	6.51p	6.37p	6.88p	3.41p
Dividend per share	4.15p	6.00p	6.20p	6.40p	6.70p	3.43p
Dividend cover	117%	102%	105%	100%	103%	100%
Number of assets <sup>(2)</sup>	14	25	35	46	54	58
Portfolio valuation	£0.62bn	£1.31bn	£1.89bn	£2.61bn	£3.42bn	£3.85bn
EPRA Topped Up NIY	5.56%	4.95%	4.95%	4.71%	4.68%	4.67%
Portfolio WAULT	13.9 years	16.5 years	15.3 years	13.9 years	14.4 years	14.3 years
LTV	32.9%	33.2%	30.0%	26.8%	27.3%	29.4%
EPRA NAV (diluted)	£0.51bn	£0.85bn	£1.43bn	£1.94bn	£2.25bn	£2.56bn
EPRA NAV per share (diluted)	107.57p	124.68p	129.00p	142.24p	152.83p	150.08p
Annual total return	10.4%	19.4%	9.6%	15.2%	12.1%	0.4% <sup>(3)</sup>

(1) At period end

(2) Excludes development land

(3) Total return for the six months ended 30 June 2019

# Portfolio Debt Summary



Lender	Asset Security	Maturity	Loan Commitment (£m)	Amount Drawn at 30 June 2019 (£m)
<b>Loan Notes</b>				
2.625% Bonds 2026	None	Dec 2026	249.2	249.2
2.86% Loan notes 2028	None	Feb 2028	250.0	250.0
2.98% Loan notes 2030	None	Feb 2030	150.0	150.0
3.125% Bonds 2031	None	Dec 2031	246.9	246.9
<b>Bank Borrowings</b>				
RCF (syndicate of seven banks)	None	Dec 2023	350.0	-
RCF (syndicate of six banks)	None	Jun 2024	200.0	-
Helaba	Ocado, Erith	Jul 2025	50.9	50.9
PGIM Real Estate Finance	Portfolio of four assets	Mar 2027	90.0	90.0
Canada Life	Portfolio of three assets	Apr 2029	72.0	72.0
<b>Total</b>			<b>1,659.0</b>	<b>1,109.0</b>

# Key Terms



<b>Issuer</b>	Tritax Big Box REIT plc
<b>Structure</b>	UK REIT
<b>Market Cap.</b>	£2.5 billion as at 7 August 2019
<b>Listing</b>	Premium listing segment of Official List
<b>AIFM</b>	Tritax Management LLP, authorised by the UK Financial Conduct Authority
<b>Gearing</b>	40% over medium term (target)
<b>Management fee</b>	1.0% p.a. on NAV up to £500 million; 0.9% p.a. between £500 million and £750 million; 0.8% p.a. between £750 million and £1 billion; 0.7% p.a. between £1 billion and £1.25 billion; 0.6% between £1.25 billion and £1.5 billion and 0.5% above £1.5 billion; NAV excludes cash balances. 25% of total fees p.a. (net of any applicable tax) payable in shares. No performance, acquisition, exit or property management fees
<b>Target dividend</b>	6.85 pence per share for the year ending 31 December 2019 <sup>(1)</sup>
<b>Target net total return</b>	In excess of 9% <sup>(1,2)</sup> p.a. net total return over the medium term
<b>Valuation</b>	Half-yearly valuation by independent third party valuer (CBRE)
<b>Discount control</b>	Annual share buy-back authority for up to 10% of issued share capital. Repurchased shares can be held in treasury. Return of disposal proceeds to shareholders if not re-invested within 12 months. Authority to issue shares up to 10% on non-pre-emptive basis
<b>Board</b>	Sir Richard Jewson KCVO JP, Chairman (former chairman of Savills plc); Aubrey Adams (former Chief Executive of Savills plc); Susanne Given (former COO of SuperGroup Plc); Alistair Hughes (former EMEA CEO of Jones Lang LaSalle Inc); Richard Laing (former Chief Executive of CDC Group plc)
<b>Conflict policy</b>	Any distribution or logistics investment asset opportunity sourced by Tritax that falls within the Company's Investment Policy and is worth equal to or more than £25 million (consideration value) and/or is equal to or larger than 300,000 sq. ft. (or is capable of being equal to or larger than 300,000 sq. ft.) must be offered on a first refusal basis to the Company

(1) The target net total return and target dividend should not be taken as an indication of the Company's expected future performance or results over such period. They are targets only and there is no guarantee that such targets can or will be achieved and they should not be seen as an indication of the Company's expected or actual return

(2) By reference to the 100p IPO issue price

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