Ian Brown: Good morning everybody and welcome to our first-half results presentation. My name is Ian Brown, part of the Investor Relations team here at Tritax. I'm very pleased to be joined here today by the Chairman of Tritax Big Box, Aubrey Adams, Colin Godfrey, our CEO and Frankie Whitehead, our Finance Director. Before I hand over to Aubrey for some opening remarks, I will quickly run you through some housekeeping points. The team will run you through the results presentation and thereafter there will be an opportunity for analysts and investors to ask questions. There are two ways to ask questions, you can input them into the web chat by pressing the Q&A button or if you would prefer to ask your question in person, please use the raise your hand button. I will announce your name and then unmute your line, please then do remember to unmute your own device. Finally, in November we will be hosting a seminar for investors which will provide further details on our development programme and more details of that seminar will be published on our website in the coming weeks. This session is being recorded and a replay will be made available on the Tritax Big Box website. With that, I will hand over to Aubrey.

Aubrey Adams: Ian, thank you and a very big welcome from to me everyone. Good morning to you all, welcome not just from me but also from the board of Big Box. As my first set of results as chairman I'm particularly pleased that we've produced a fantastic set of figures, in fact, I think they're probably a record and I obviously can't take any credit for that, but credit is due to Colin and his team. Could I also just acknowledge the role of Richard Jewson, who is the chairman from whom I took over. Richard was chairman when Big Box first was launched and he had the vision and foresight to see the potential for Big Boxes and that has flown through into the strategy. A very clear strategy to invest in the very best assets in a class and I think history has shown that that has always produced the most consistent results over time. These results not only produce a fantastic return, an excellent return for shareholders but also form the base for future expansion of the business and it puts us in a particularly good position to take advantage of what is clearly a very strong market. So, you'll hear more about this from Colin so at that point, can I hand over to Colin?

Colin Godfrey: Thank you Aubrey, and good morning everyone. It's a real pleasure to be presenting the interim results to you this morning for Tritax Big Box and to provide you with an update on the further great progress that we've made so far this year. As usual, I'll start with a brief introduction and then come back later to provide a strategic update, after which Frankie will run through the financial results and outlook. Ian will then coordinate the Q&A. You'll hear from Frankie in a moment that once again we've delivered a really strong set of results for the half-year. It's the strongest first-half performance we've delivered to date and we remain really positive about the outlook for our business. This performance is the direct consequence of our strategy and it's based upon our decisions to focus on a high-quality portfolio of investment assets in the logistics space and to control land and create investments in-house through development. We will be reaping the benefits of these decisions for many years to come. The confidence that we've got in our future performance is also supported by our track record. You can see here on the graph we have grown both contracted rent and NAV over the last five years and this is underpinned and improving earnings of share position which in turn supports our attractive dividend.

It's fair to say that over the last seven and a half years we've never been more excited about the future than we are today. Why, because we're incredibly well-positioned to take advantage of the market opportunity having laid strong foundations for its success, which is already showing through in our performance. This is based on the very favourable ongoing fundamentals of our market which I'll touch on later combined with the benefits of a high performing, resilient and strategically positioned portfolio set to leading in-house expertise and, of course, the UK's largest logistics land portfolio. These combined allow us to drive performance by executing a clear strategy which is underpinned by our focus on enhancing ESG and maintaining financial discipline. As you've heard me say before, all of this means we're really well-positioned to capture the great opportunity ahead of us to deliver growing returns over the short, medium and longer terms. We'll return to the theme of delivering our strategy in a few minutes but first I'll hand over to Frankie to run through the financial results, Frankie.

Frankie Whitehead: Thank you, Colin and good morning everyone. I'm pleased to be presenting a continuation of the strong performance recorded in 2020 as we report on our 2021 interim results. Our market conditions have become even more favourable over the past six months and as Colin has said, this has led to us recording our strongest half one performance since IPO. It's a period where growth in rental income has helped to deliver a 23.6% increase in our adjusted earnings per share up to 4.03p and (TC 00:10:00) we have increased the dividend for the first half. Further attractive levels of capital growth across our portfolio have seen the NAV increase by 10.6% to 194.2p. Now, as a result, we have delivered a double-digit total accounting return across the first half of the year. This next slide highlights the growth in our income stream which is a driving factor behind growth in the overall earnings. The group rental income increased by 10.9%, largely driven by recent development completions. We've added a total of £8.5 million to our contracted annual rent roll, which increases to £189 million as at the period end. Now, operating costs have remained stable on a relative basis, represented by an EPRA Cost Ratio which remains unchanged at 14.1%.

The adjusted earnings per share has increased to 4.03p, which includes £8.9 million of development management fees received in the period and in line with our policy, the dividends for the first half total 50% of last years full-year dividend. This equates to 3.2p per share, which is a 2.4% increase. Based on adjusted earnings the dividend pay out ratio equates to 79% and excluding any additional development management fees received in the period this ratio increases to 87%. Moving on to slide ten which shows that our income performance has been matched with continued strong levels of capital growth. The strength of our market along with our development and asset management activity have been drivers to performance and Colin will outline aspects of this later in the presentation. The total portfolio value has increased to £4.9 billion driven by a valuation surplus generated of over £300 million, which equates to capital growth of 7.3% across the first half. This has helped deliver growth of 10.6% in NAV and we will report a closing EPRA NTA of 194.2p. Our rent collection continues to be strong. We have now collected 100% of all rent due for 2020 and 99.5% of rent due for the first half of 2021. The LTV has remained steady at 30% and this performance culminates in a strong total accounting return of 12.5% reported across the six-month period.

This next slide sets out the detail behind our attractive level of earnings growth, driven by an 8.6 million increase in net rental income. Starting on the left-hand side which is the half one 2020 earnings position. As you can see, a significant part of the income growth is generated via recent development completions. Elsewhere, our investment activity and last year’s disposal activity broadly offset one another and as presented in the third to last column, this generates an adjusted EPS before growth in other operating income of 3.69p which is an increase of 13.2% over the period. The 87% dividend pay out ratio referred to on a previous slide is calculated against this 3.69p adjusted earnings figure, excluding the additional development management fees and it's this power ratio which we will pay regard to when determining our future dividend level. The increase in development fees by £5.9 million or 0.34p, sees a 23.6% increase in adjusted EPS, up to 4.03p. To put some additional colour on the DMA income itself, this next slide sets this out. Firstly, this income is real cash profit and it is an additional benefit from the Tritax Symmetry acquisition. In the majority of cases, a fee or profit share is received in exchange for us providing development management services to third parties. It's therefore reflective of the experience and expertise within our development team and there is no TBBR capital required as part of this. It is more variable in nature however and therefore more challenging when it comes to forward guidance.

Whilst we are guiding to between £3-5 million per annum over the medium term, there will be periods when we're outside of this range. We see the £3-5 million as the recurring level and therefore in terms of how we think about the relationship between this form of income and our dividend, we will only factor DMA income into our power ratio at levels within this range so as to remove any potential volatility. Since the Symmetry acquisition, £22 million of additional income has been delivered under these contracts so it provides an attractive return to our shareholders. Now, returning back to our net asset value performance, this slide sets out the detail behind our strong NAV growth. The continuing strength of the investment market has caused yields to tighten by approximately fourteen basis points across our portfolio which, alongside the rental growth captured, has led to the investment portfolio adding 14.4p to performance. Our development assets have added a further 3.6p and we are expecting to add to the value delivered from the development component of the portfolio during the second half. When noting the impact of the operating profits and dividends paid, this takes us to the closing EPRA NTA of 194.2p. Now, thinking more about the future and looking to the significant opportunity that rests within our ownership of the UK's largest logistics focused landbank. This rental income bridge sets out the potential we have to grow today's passing rent from £175 million as shown on the left-hand side, by approximately two-and-a-half times, up to an estimated £447 million. This shows a live picture and therefore there will be a few small presentation differences when compared to slides 35 and 36, which are dated as at the balance sheet date.

So, moving from left to right, we currently have pre-let developments under construction, which are set to add £14 million to passing rent as well as the opportunity to capture a further £12 million through the portfolios rental reversion. In terms of providing further visibility on the current or soon to be current developments, the orange section in the middle of the page shows £8 million of potential rent which is currently under offer which we hope to conclude in the coming weeks. In addition, a further £11 million of potential rent can be generated from our speculative programme which is either under construction or where we are aiming for construction commencement prior to the year-end. Taking all of this into account, this gets us to the orange bar totalling £220 million. So, within our current development pipeline plus the reversion, we have the opportunity to grow passing rent by £45 million or 26% and in respect of that current development pipeline, the timelines to reach practical completion span approximately the next eighteen months.

Finally, the purple bars show the potential from our near and future development pipeline. More than £200 million of additional rent is capable of being generated from this, which is well-positioned considering nearly £50 million is allocated against schemes where we currently have planning consent. The development portfolio is building in terms of its momentum and the opportunity presented here gives us confidence about delivering growth over the long term. There is upside on top of all this in the form of future rental growth which is not recognised within these numbers. Moving on to the final slide from me this morning, we are looking to capitalise on an extremely strong market backdrop and our landbank provides us with the competitive advantage to help us do this. In terms of capital expenditure, I reiterate previous guidance of targeting £200-250 million of CapEx per annum into development. We expect to be right at the top of this range in 2021. We have balance sheet capacity to commit to near-term development opportunities and will seek to recycle capital for investment disposals when it's right to do so and when we are able to redeploy those proceeds in a timely manner. From an earnings perspective, I'll provide us with some colour on how we expect to grow our income through our current development pipeline but whilst not forgetting the organic income growth we were able to capture with a large part of the portfolio being subject to review over the next few years. Finally, we will target a dividend payout ratio of at least 90% of adjusted earnings and in line with our policy, any potential increase to this year's annual dividend will be determined as part of the Q4 declaration. So, that concludes the financial review where the execution of our strategy has led to another excellent set of financial results and I shall now hand you back to Colin.

Colin Godfrey: Well, thank you Frankie. So, Frankie's (TC 00:20:00) described our really strong performance in the first half of 2021 and our positive outlook and I'll just now spend a few minutes just looking at what's behind all of that and why our consistent strong performance is set to continue into the long term. Essentially, as you've heard me say before, it's all about the strength of our market and how our strategy and our expertise are aligned to make the most of that, to drive income and growth. I'll start with some of the strong market drivers and then update you on continued value delivery, both through active asset management and from our development activities. So, let's look at the key themes we're seeing from our occupiers and how that drives our business. Firstly, e-commerce continues to accelerate. It's predicted that the UK will need another further 60 million square feet of logistics space by 2025 but if take-up continues at recent rates then the level is likely to be much higher than that. Secondly, with disruption expected to be a more regular feature of trading activity, businesses are planning to improve supply chain resilience and reliability, increasing their space requirements. Finally, there's a growing awareness and focus on enhancing ESG performance, not just in terms of environmental factors but also the working environment and employee welfare as demonstrated by our research survey with Savills.

I'll talk to this a little more a bit later. but Big Box is very well placed to make a very significant contribution in this area. For us, all of this translates to growing a long term need for high-quality logistics space capable of helping our customers respond to these dynamics. These occupier drivers are part of the ongoing market backdrop which support the strong trading that we continue to experience. Here on slide eighteen, I'll walk you through some of the dynamics that are evident in our market right now. At the beginning of the year, unsatisfied demand was equivalent to around four years of take up but despite constrained supply, H1 2021 witnessed the strongest first half take up performance to date. Supply has significantly lagged demand and this has left the vacancy rate at its lowest level ever at only 2%. There are only three buildings available to let that are over 500,000 square feet, one of which we understand actually is being offered for an occupation but only one of which is new and completes next spring. The supply and demand imbalance continues to drive rental growth and agency forecasts have strengthened for the next few years. Improving rental growth is encouraging investment demand as commercial property allocations pivot away from traditional sectors into logistics. This has produced the highest level of first-half investment activity recorded ever, driving further yield compression which is good news for our investment assets as well as our development land.

Importantly, the structural changes that we're seeing are still in their infancy in our view and this gives us the confidence in the significant scale and duration of the opportunity which is a really positive feature of our future. It's worth reminding you that we have designed our strategy to align with the long-term drivers that we're seeing in the market. Again, you're familiar by now with this chart, but I'll just highlight a few key points. In essence, there are three key components to our strategy. You can see at the top of the triangle that we've deliberately built a portfolio of high-quality assets attracting great customers. I believe it's the best in Europe. We've also built the capabilities to add value to these assets through direct and active management and we apply our skills, insights and innovation gained from being the UK's largest investor in logistics to develop our land portfolio at an attractive yield on cost. I really want to emphasise the point at the bottom here. This strategy is underpinned by a very disciplined approach to capital allocation with sustainability being embedded across the portfolio. That leads me neatly onto the next slide which gives an updated snapshot on our strong sustainability position and the progress that we continue to make. We've hand-picked and built a modern and sustainable portfolio. 92% of our floor space has an EPC rating of A-C. Also, 49% of total floorspace is certified to BREEAM very good or excellent, well above the industry average. This is a critical factor because our portfolio modernity means that we don't face significant future CapEx requirements to enhance the environmental performance and meet government targets. We generated 890 mw of solar PV power for our tenants in the first half of 2021, avoiding over 200 tonnes of carbon emissions, and we are leading by example with the aim of developing only net-zero carbon buildings. DPD at Bicester, which completed very recently, is our first example.

Every year we poll our occupiers on what's important to them, and we've seen a notable increase in ESG as a key factor in their decision making, with nearly 70% saying it was very important to them. That's up from around 50% four years ago. We're seeing this activity being reflected in our ESG ratings which continue to improve, including the recent increase in our Sustainalytics and FTSE4Good ratings. So, ESG remains at the very heart of our thinking and it's embedded into our actions. To return to the first of three key elements of our strategy, our high-quality assets, this slide updates on the strategic composition of the portfolio at the half-year which is very little changed from December. The investment portfolio represents around 90% of GAV and the development portfolio approximately 10%, and this balance has been a conscious decision. The investment portfolio consists of foundation assets at around 72% of GAV, and these provide our low-risk income with modern buildings, strong locations and long-term, high-quality customers added to which we have value-add assets at approximately 19% of GAV which provide good capital and rental growth potential through active management, for example, lease regears or property improvements. It's worth saying that in seven-and-a-half years, none of our buildings have suffered a vacancy at lease expiry and we currently enjoy zero vacancy. This really speaks to our buildings being in demand and the consequent reliability of the income that we have benefited from. Allied to the investment portfolio, of course, is the UK's largest land portfolio for logistics, which took over 10 years to assemble and nurture. From this, we can create investments in-house, controlling timing, quality of build, tenant calibre and attractiveness of returns. There has been no better time to control such a logistics-focused land portfolio given the strength of current market dynamics, but we believe that this will only improve into the future. It's worth remembering that our land is held primarily through option agreements, which is capital efficient and flexible. This means that the potential for our development portfolio is far greater than the current capital allocations suggest. As Frankie said, this has the potential to more than double the size of the business, as we can see here by the potential income growth breakdown on the right-hand pie graph.

The key takeaway here is that the quality of our investment portfolio underpins returns, delivering long term dependable and growing income. This combines very neatly with our development land portfolio which provides the potential to further enhance returns in a controlled way. The next three slides provide an update on how our active asset and investment management is driving value from within the portfolio, and that's the second element of the three-part strategy. Here on slide 22, this captures the way that we're embedding rental growth with active management into our business, complementing one another. The key to this is the strength of our customer relationships and our understanding of their businesses. We're a customer-led business in our thinking. For us (TC 00:30:00), this activity breaks down into four key components. Rent reviews, which compound our income, building improvements including extensions and sustainability initiatives, lease regears and re-letting and, of course, selectively buying and selling investments. You can see in the pie charts that we've created an attractive blend of upward only review types, with a third of our portfolio subject to open market reg reviews and half inflation-linked. Whilst most rent reviews are five yearly, 12% of our rents are reviewed annually which is attractive. The light shaded section on the lower graph shows how contracted uplifts will grow our inflation-linked hybrid and fixed rent reviews at a minimum of 1.4% per annum over the next two years. Then the darker shaded area shows the additional growth potential from open market and inflation-linked rent reviews at levels higher than the contracted minimums. This reflects a potential for over 3% per annum over the course of the next two years. On this next slide, you can see what we've done in the first half of 2021. 37% of our portfolio is subject to rent review this year. That's 21 properties of which twelve have been reviewed during the first half along with two from the previous year. We're making really good progress so far having delivered £3.8 million increase in contracted rent in the first half through a blend of inflation-linked and open market rent reviews and this equates to 2.2% like-for-like growth annualised.

Like-for-like ERV growth has also been attractive at 3.8% over the twelve months to 30th June, with a portfolio now 6.5% reversion rate. We expect further progress as we conclude the remaining reviews this year and as you can see on the right here, there's a further 27% of the portfolio due for review in 2022. So, there's really significant potential to capture an attractive level of rental growth over the course of the next couple of years. This is another great example of how we use our investment management skills to actively create value. We have a really strong track record of acquiring attractive assets off-market, using our experience, relationships and reputation and during the period we acquired off-market an 872,000 square foot logistics facility at Avonmouth near Bristol for £90 million. The purchase reflected an attractive net initial yield of 5.1% for nearly thirteen years unexpired term and rent reviews with CPIs as a minimum. Let to Accolade Wines, the number one wine company by value of UK sales, the facility is the largest wine production, warehouse, distribution and innovation centre in Europe. At the half-year, the investment was valued at more than 50 basis points lower than the purchase yield. This opportunity was the result of the strength our relationships in the market and also our ability to move swiftly. We see a number of opportunities to deploy our asset management and ESG capabilities to further enhance the value of the building.

So, that's given you an insight into our investment activity in the first half and I'll spend the next few minutes updating the great progress that we're making in the third key element of our strategy, the development portfolio. This map provides a reminder of the scale and strategic positioning of our land portfolio. As I've said, it's the largest logistics-focused land portfolio in the UK. It incorporates 25 sites across all of the key logistics locations in the UK and as I mentioned earlier, it's capable of delivering 40 million square feet. That's more than double the size of our current investment portfolio. Earlier, Frankie gave you a feel for the magnitude of the opportunity in demonstrating the potential rental growth from our land portfolio. This portfolio is therefore a key competitive advantage, allowing us to create assets in a capital-efficient way and capture unprecedented levels of demand at a 6-8% yield on cost, significantly above the current prevailing market prime yields of sub 4%. I'm pleased to report that we're making very good progress, consistent with our guidance, as shown here on slide 26. We're building momentum in our development portfolio, as you can see here on the right. We achieved practical completion of 700,000 square feet in the period, adding £5.5 million passing rent with two significant transactions totalling one million square feet in solicitors hands, and we commenced 600,000 square feet of speculative construction in the first half.

We also expect to commence a further 900,000 square feet of speculative construction very shortly. So, in total, we have line of sight on a potential £19.1 million of additional rent that we expect to deliver within the next eighteen months. On top of that, we received a further 2.4 million square feet of planning consents during the period, maintaining our 100% track record of planning success. This increasing activity underpins our expectation for greater letting activity in the second half of this year and beyond which is excellent news. Slide 27 breaks down the phasing and scale of our development pipeline. First, you can see our current development pipeline where we're currently constructing buildings and expect to generate rental income within around twelve months. This amounts to 3.5 million square feet and includes Amazon at Littlebrook, which as you know is Europe's largest and most prestigious logistics facility. It was a terrific achievement for us to have delivered practical completion on this building earlier this week. Next is the near-term development pipeline where we've received or submitted an application for planning consent. This is estimated to provide over 10 million square feet and we expect to be able to begin construction on these sites over the course of the next three years. Further ahead is our future development pipeline which has the potential to deliver an additional 28 million square feet on land held under option.

Land values are growing particularly in key locations and for land with planning consent. With a deep pool of optioned land, we control a long term supply which will support our future growth. So, the key takeaway here is the scale of the opportunity and the development potential within the business. With such a strong market, we're very confident in our ability to deploy our annual target to £200-250 million, which equates to approximately two to three million square feet of space per annum as Frankie mentioned earlier. We'll be delving into this area in greater detail at our capital markets day in November, as mentioned by Ian. So, turning to our final slide and a brief summary of the key points from today's results and update, we've made a really strong start to 2021 and we're on track to deliver our eighth consecutive year of growth. We have a strong balance sheet, clear strategy and the financial discipline to deliver an attractive and sustainable performance. Our market is in great shape, delivering both attractive rental growth and capital value growth. This is supported by structural change, a driver which we believe will underpin our sector for the longer term. There are material barriers to entry for UK logistics property and our unique position and expertise means that we're well placed to take advantage through our high-quality investment portfolio and the UK's largest development land portfolio. As a consequence, we are confident in delivering long-term income and value growth for our stakeholders. That concludes this morning's presentation. Thank you for listening. I'll now hand over to Ian, he will open up the session (TC 00:40:00) to your questions.

Moderator: Thank you Colin. As I mentioned at the beginning of the call, so if you've got a question there are two ways to answer it. You can put it across the Q&A box and type your question there or you can press the raise your hand button and we will unmute your line and you can ask your question that way. We've had a couple of questions come through as the presentation has been going on, so I'll just rattle through a couple of those that have come through first. The first one is, I see you've delivered 2.2% rental growth in the first half, how should we think about that moving forwards?

Colin Godfrey: Okay thanks, Ian. I think I'll take that one, Frankie. So, look, I think it's important to remember that much of our rent reviews are five-yearly and backward-looking to, sort of, lower historic inflation and lower rents. Obviously, rental growth has been on the up. We've generally delivered a, sort of, 2-3% annual rental growth for the business, we think that's an appropriate level given the lower risk, higher-quality nature of our assets and income. Of course, as you just heard me say, ERV growth in the twelve months to 30th June was 3.8% in our portfolio. With rental growth accelerating in the market more generally, which speaks to a growing opportunity for us to capture, and of course, rent reviews are just one component of delivering total returns for our shareholders. There are other components to income growth across our business as well and these building blocks, you know, really altogether produce attractive total returns and obviously, we think about that in the context of including our development portfolio as well which has a huge potential to grow our income, you know, as we showed on one of the slides, I think it was slide 21. So, it's really about a more rounded composition and contribution to total return that rent reviews are part of overall the way we think about income growth.

Moderator: Great, okay and we've got a question from Paul May on the line, so Paul I'm going to open up your line and hopefully allow you to talk. So, Paul if you unmute yourself, we should be able to hear you.

Paul May: Hi guys, can you hear me okay?

Moderator: Yes, we can.

Paul May: Cool, great stuff. Morning. Just a few questions around the development opportunity. I suppose the first one, I think you've highlighted, sort of, £246 million of potential new rent coming from the total development opportunity. Just estimating that to be around £3-4 billion of CapEx, given the 6-8% yield on cost and obviously, you still need to buy the land through the options. Just wondering thoughts on financing of that moving forward? The next one is just around the time frame, I appreciate we've had an acceleration of the developments probably since you acquired DBS and the total pipeline or total opportunity has increased. I just wondered around the time frame, I think I recall it was around eight to ten years when you acquired DBS if I remember correctly. It seems to be, sort of, extending, is that just simply a case of the pipeline has got bigger, or is it just being cautious? Then just finally, on the development side of things and development team, I think again I recall when you acquired DBS the incentive for the management, kind of, tied them in for I think it was something like six to eight years, maybe I'm wrong on that, I can't remember exactly. I just wondered how the development situation looks, whether you've, sort of, got that expertise now brought in-house or whether there's an expectation to continue or extend the Tritax Symmetry situation. Thank you very much.

Colin Godfrey: Well thank you Paul. If I may, I'll take those in reverse order and perhaps take the last two and then Frankie can answer the first one. As to the development team, you're absolutely right, it was an eight-year contractual arrangement at the start of the relationship in February 2019. That remains the case in terms of time frame but of course, you did see us come back and announce to the market a change in the incentive programme for the management team. I think this is really important in the context of a market where individuals and teams with a strong expertise in the logistics base were in high demand and we were having quite a lot of knocks on the door with some of our key members of that team. They're all really happy, it's a highly focused team. I think that's being demonstrated in the progress we're making now. So, there's no change to the timeline expected there and of course, the incentive plan that we have in place does incentivise that team both to the eight-year anniversary but also beyond that, Paul. So, there is the expectation that will continue, assuming all things continue in a positive manner. As to the time frame over which we're looking at the sites, you're absolutely right, it was an eight- to ten-year time frame on the sites. It hasn't really changed much, we're still looking at it on the basis of a, sort of, ten-year programme. We have added some sites since we acquired the Symmetry platform but they've been sites that we believe that we can accelerate through the process partly because, you know, a local authority has come to us and encouraged us to bring the planning application forwards, or because that site has already been allocated for employment uses in the local planning process. So, they wouldn't necessarily, because they're new sites, go onto the back end of the time horizon. So, we're looking to a ten year predicted time horizon. Of course, as time goes by, if we do continue to add sites, they may well project the time horizon out a little bit further, but that's great news in the context of a longer-term backdrop of the market looking positive. As for the CapEx financing, I'll hand you over to Frankie.

Frankie Whitehead: Yes, thanks Colin, and hello, Paul. I think if we look at the CapEx target of £200-250 million per annum into development, I think we're, you know, extremely confident of self-financing that through a combination of balance sheet leverage and the recycling of capital. I mean, I think we've demonstrated our ability to dispose well last year. We made nearly £150 million worth of disposals ahead of book value and I think, you know, you will see us doing more of that, disposing of investment assets in the 4%s and the 5%s and recycling that capital into the sixes and the sevens is very good business for us. So, you will see us doing more of that. Clearly, you know, we have further tools at our disposal over the longer term and we've had strong support from shareholders to date. We have no plans to raise equity at the moment but I think if a scenario was to present itself where effectively we were able to accelerate that development pipeline beyond those parameters and we could demonstrate, you know, enhancing and accelerating returns to our shareholders, that may be a situation where we would look to present that to our shareholders, but we aren't in that current position at the moment.

Paul May: Just to, if possible, to follow up, are you still audible, sorry just checking you can still hear me?

Moderator: Yes. I haven't muted you yet Paul, sorry.

Paul May: So, I'll just monopolise it. So, just to follow up on that, just tying all of the things together because you've got yourselves into an extremely advantageous position with the land plots you have and the opportunity you have and the potential developments of scale. You know, the market is very strong and I appreciate you say you're expectation is that this strong structural market continues for some time. It's just trying to see, is there an opportunity to increase that development CapEx on an annual basis, given the strong market, given the land plots you have, given the potential you have within the business? Maybe you'll say, 'Actually we can't because of planning,' so that's fine. It's just to try and tie up CapEx spend per annum, timeline, development opportunity, revenue opportunity and as you say, in terms of equity issuance, it's not a bad thing to issue equity if that is expanding the pipeline and delivering things on a faster timescale. I'm just wondering the, sort of, thoughts are there and what the positioning is. Thank you.

Colin Godfrey: Frankie, would you like to take that?

Frankie Whitehead: Yes. So, I think for the near term Paul, that 2-3 million square feet per annum, that £200-250 million worth of CapEx is positioned based on, you know, the current and the near-term development pipeline i.e. the maturity of the sites, where they are within the planning regime and the associated timings within that. As I said, I think we're, you know, very confident of self-financing that. Over the near- to medium-term, you know, is there an ability to increase that level? Yes. Will we have appetite for that? Yes. I think in the context of a larger portfolio overall and clearly within the context of our investment policy limits, you know, up to 5% off-spec, as a proportion of GAV and we'll look to do that (TC 00:50:00), back to the shareholder point, provided it's in shareholders' interests and provided we can demonstrate an ability to accelerate and enhance overall returns. So, you know, starting off at that level but yes, an ability to ramp that up over the medium term.

Colin Godfrey: Paul, just if I can add to that. You know, we currently have over nine million square feet of planning consented sites across the UK. It's important to note that those sites typically have either already had CapEx in infrastructure to open them up or don't require a significant amount of infrastructure. It's one of the joys of our portfolio actually, I mean, apart from Hinkley, you know, we don't really own very, very large, highly strategically sensitive sites which are either contentious from a planning point of view or are going to require a very, very significant amount of money in terms of infrastructure cost. So, this is a really important feature and it's something that, you know, when Phil Redding joined us, he commented on it specifically, he was really encouraged by this. He said, 'This is a real feature of your business that you're not presenting strongly enough to the market.' So, I think we're in great shape in terms of the balance between planning consents and the ability to react to the current market strengths and get on-site and vertically build these buildings in the current and near term.

Paul May: Great stuff. Congratulation guys and yes, great stuff. Thanks very much.

Colin Godfrey: Thank you for your questions.

Moderator: Thanks, Paul. So, just turning to the web-chat, we've got a question from Tom Musson (ph 51.55) who asks about construction cost inflation in the market, and are we experiencing any, and do you expect this feeds into rental inflation?

Colin Godfrey: Well, thank you, Tom. Yes, we are seeing a combination of both with delays in obtaining materials and also cross-price inflation. There's also a bit of cross price inflation in labour in certain instances. I think it's a simple supply and demand imbalance situation really which is creating this. Largely, Brexit-driven, a little bit COVID-driven, there are other factors which have conspired against the market. I think there was a Tata steel factory which is, sort of, closed for upgrading. There was a fire on another major facility etc. It's almost a perfect storm, including the Suez situation, which came as a confluence to create a squeeze in the market. We believe there's probably something like a twelve- to eighteen-month squeeze, that typically is what most of the commentators in the market are suggesting. Overall we're mitigating most of this impact and our current projects benefit from fixed-price contracts with suppliers, so we're protected there. We are also, remember, you know, a large-scale developer and we can therefore achieve pricing advantage and priority on the delivery of key materials. So, I think the smaller operators are struggling a lot more to have the product delivered on time. So far this is having very little impact on our current development pipeline we talk about, you know, four-week time delays that we're seeing on only a few of our buildings and again not all of them. We believe that through a combination of buying well, managing costs against the acceleration of rental growth in the market, of course, which is offsetting some of these cost increases, we're really confident that we can continue to deliver developments within our stated 6-8% target yield range which, of course, is the most important metric but we continue to keep that under review.

Moderator: Great. Our next question comes from Prunella Numis (ph 54.19). Please could you provide the split of the 7.3% portfolio value uplift between like-for-like capital growth and developments?

Frankie Whitehead: Probably one for me. I'll give it in ratios Prunella, if that's okay, it's just slightly easier. 40% driven through rental growth and asset management 40% broadly through, you know, strength in the market and yield compression and then the remaining 20% coming from development gains.

Moderator: Great, and the next question from Andrew Williams is, do you have a breakdown as to what measure of inflation RPI, CPI mix is used for the inflation part of the portfolio, please?

Frankie Whitehead: I have that here. As Colin talked to around 50% of the portfolio is inflation-linked, that carves up between 30% of that being RPI and 20% being CPI.

Moderator: Great. A question has come in from Julian Livingstone-Booth. Obviously, can you elaborate on your appetites to acquire additional land sites, the first question, and then on the second on tenant demand, are you seeing an increase in breadth of tenants looking at your space or is it simply a case of existing tenants wanting more space?

Colin Godfrey: Thank you Julian. Firstly additional land, well we have really deep-rooted relationships in the market with landowners and you need local market intelligence. We have our eye on other sites. We are very particular about the sites that we look to acquire, they've got to be the right sites and the right locations. It's really interesting looking at the drivers and seeing that decentralisation if you like, from the, sort of, original concentration on the golden triangle and, of course, we call that the regional distribution network. That's if you like, pushed out occupier demand into locations where they can attract and retain appropriate levels at staff at the right pricing point but of course, also power is coming into play. So, it's important to think about these things in the context of where you're looking to acquire your sites. So, we do quite a lot of intelligence gathering in that regard. So, it's a balance between all of those factors and of course, you know, being able to acquire the sites, typically through options which are of course very capital efficient, but at an attractive pricing point. So, we control the process and hopefully, therefore, we've got line of sight on delivery of value through the planning process, getting planning consent, and also through occupier interest before we move ahead and expend significant sums of money on infrastructure and of course on building buildings for tenants. So, you will see us acquiring more land but very selectively.

The next point on tenant demand, I think it's a broadening and a deepening. We are seeing new tenants coming on to the horizon, you know, there are some big names globally which I won't mention specifically but you'll probably know who some of them are who are coming new into the UK market. There are also, of course, relative fledgling e-commerce companies that are growing quite fast that are taking larger space. Not many of those have really reached the point where they can occupy a very, very large logistics building so we typically tend to let our buildings to strong balance sheet companies that have been around for quite some time. I think over the course of the next, you know, few years, that could start to change. So, it is a broad complexion but I think it's really interesting to note that as well as the pure-play e-commerce-driven demand, we're also seeing a lot of demand from companies and retailers, by way of example, who are transitioning their businesses from a more traditional platform. As retail, high street sales decline and e-commerce sales grow, they're wanting more efficient buildings to be able to optimise their supply chain networks. Of course with automation, with data centres etc., being vested within the buildings and of course, you know, also to cope with the increased levels of disruption that we're seeing evident in the market in recent times. Hopefully, that's of help, Julian.

Moderator: Great and then the next question comes from Tom Musson, so I'm going to open up your line Thomas and hopefully you'll be able to talk.

Tom Musson: Hello, can you hear me?

Moderator: We can, good morning.

Tom Musson: Good morning. Firstly, I mean, well done on a great set of results. I've got two questions around, sort of, the pre-let side of the market. The first one, and please do correct me if I'm wrong, but I think over the past, sort of, two or three years the only pre-lets I think I can think of are DPD, Co-op and Amazon. Is that right?

Colin Godfrey: No, that's not correct. There have been a number of others, (TC 01:00:00) Tom. I mean, just to give you a feel, built to suit take up was over six million square feet in the first half of this year which obviously, you know, is substantially more square footage take up than those three buildings you just mentioned. There are quite a few others and we are aware of another 6.3 million square feet of buildings that are built to suit, which are also under offer against the backdrop of relatively low supply levels coming through. So, it's quite a favourable level. The point probably that you were, sort of, alluding to there, it is quite interesting, is that we have seen a greater level of take-up in a speculative supply, by speculative lettings. That's really because the supply of built to suit buildings has been constrained by virtue of the barriers to entry that I mentioned earlier in the presentation. That's really good news because whilst we will continue to see new supply coming into the market, it's in a controlled way and that means that we're very confident that supply and speculative supply won't overreach the levels of demand that are currently in the market. As I mentioned earlier, there is four years worth of demand in the market right now, against the backdrop of recent run rates, i.e. it would take us four years to meet market demand at the recent level of supply delivery. Of course, there's new demand coming onto the market all the time so the situation is very favourable for a continuation in an upward trend in rental growth and we believe that we'll continue to outstrip inflation, even if inflation starts to pick up.

Tom Musson: Okay. Maybe if I can use phase one at Littlebrook as an example, is that one where you are very confident that you have a tenant lined up, but I think PC is August, well it's this month. That obviously is unlikely to go into, sort of, a pre-let arrangement but will go as a spec letting even though, I mean, the (mw 01.02.27) are 98% lined up, if I can put it that way.

Colin Godfrey: Yes, that's a good example, Tom. So, that building which is, if you like, a speculative construction but it is being funded entirely by our development partner, Bericote. So, we've taken no risk on the construction of that building although we were supportive of the principles, bearing in mind that this is London's and if not Europe's most prestigious industrial logistics site, you know, inside the M25, next to the river Thames and 450,000 square feet. You're absolutely right, it is targeted for practical completion, probably at the beginning of next month, early next month I would say, and we are currently in solicitors hands at an advanced stage on the letting of that building. So, it could be a pre-let but it might be a letting that takes place shortly after the building is completed but currently we're very confident that it's on track.

Tom Musson: Okay, and then just finally, I mean, I think you have answered this question already, so I apologise for, sort of, repeating it. Going back to your answer, I think from the previous questions around the broadening and the widening of the customer base and I think you said that even if that's the case, there's probably not that many new, sort of, companies that can or have scale to go into a 500,000 square foot warehouse. Still on the pre-let market, I mean, are you still, sort of, very confident that you'll be able to get that incremental demand for such large amounts of space.

Colin Godfrey: Yes. We are Tom, because, you know, as I've mentioned first half take-up of this year, all-time record, over 20.6 million square feet of space. That was only constrained, as I mentioned on the pre-letting side, because there just weren't the opportunities for pre-lets to be produced quickly enough. The market has become quite footloose, and this is something I've talked to before, whereby the market is moving so fast and companies are having to deal with the disruptive aspects and modernise their supply chain networks. It's not an easy thing to do when you think about, you know, staffing, how customers are driving the way that we shop, all of the other challenges of coming out of old leases to consolidate into larger logistic buildings, excuse me. It's quite a sophisticated process but what essentially happens is companies wake up, realise that they need a new facility or several new facilities, and they want them now. They're not typically willing to wait for very long, if you sit there and say to them, 'Well it's going to take, sort of, three years to deliver you a building' and they know that they can get one within six months, then they'll go for the shorter term option, so long as it meets their requirements. So, this is one of the reasons why we have seen more speculative starts on-site, but it's most definitely in a controlled level against the level of total take-up.

I think, you know, in our own business, the majority of our lettings have been pre-lettings in the past and we do expect for that to continue in the future. We've currently got over 16.6 million square feet of live interest in our development portfolio and whilst, you know, some of that will fall away because it's in competition with other sites, I think it talks to the depth of the interest and all of that Tom, is for pre-letting activity. Now, some of it we may feed in some speculative construction against the backdrop of that pre-let demand and of course, you know, knowing that a tenant wants a certain size building and if we start to construct it, then it potentially accelerates their ability to occupy that building. So, if you like, taking away some of the pre-let demand and then feeding it into the spec side, but it's an intelligence-led process.

Tom Musson: Okay, lovely, thank you.

Moderator: Brilliant, okay. I think in effect we've run out of time so I think we're going to pause there, Colin, if you want to, sort of, wrap up. If anyone else has any further questions please do get in touch with the investor relations team the details of which are on the Big Box website. A transcript and a replay of this session and the presentation that we referred to will be available shortly on the Big Box website as well.

Colin Godfrey: Well look, it remains for me to thank everyone for taking the time to join us this morning and to all of the analysts that cover our stock and, of course, for the continued support of our shareholders and of our board and we hope to see you in person sometime soon. Appreciate you joining, bye-bye.

Moderator: Thanks.