

# Trading Update

Released : 25/01/2023

RNS Number : 7518N  
Tritax Big Box REIT plc  
25 January 2023

## TRADING UPDATE

### Strong operational performance - record development lettings - resilient portfolio

Tritax Big Box REIT plc (the Company), a UK leader in high-quality logistics real estate, today announces an update on its performance for the financial year ended 31 December 2022 (FY 2022), ahead of the release of its results on 2 March 2023.

#### Colin Godfrey, Tritax Big Box CEO, commented:

*"We delivered excellent operational performance in FY 2022 underpinned by record development lettings and further development starts as we continued to capitalise on a strong occupational market."*

*"Against this positive operational performance, the macroeconomic backdrop has been challenging with increasing inflation and interest rates leading to a significant weakening of the investment market and material falls in asset values in the second half of the year across the sector. More recently, however, given the attractive long-term fundamentals of UK logistics, we are seeing encouraging early signs of stabilisation in the investment market and greater discernment over asset quality which plays to the quality and strength of our portfolio."*

*"With a more uncertain economic backdrop, stakeholders can take comfort from our very strong balance sheet and highly resilient income, underpinned by triple-net, long-term leases let to a diverse range of robust customers which positions us well to weather this uncertainty."*

#### Occupational market remains strong at near record levels

- 38 million sq ft of UK lettings in 2022 (2021: 42 million sq ft) to a diverse range of occupiers, the third highest year on record and 33% above the 10-year average<sup>1</sup>.
- UK supply remains constrained with ready to occupy vacant space low at just 2.0% (Q4 2021: 1.6%)<sup>1</sup>.
- Real estate transaction market remains open but has slowed; distribution warehouse investment volumes totalled £2.4 billion in H2 2022 (H2 2021: £6.1 billion)<sup>2</sup>.
- Prime market yields for high quality rack-rented buildings with c.15 year unexpired lease terms and open market reviews are around 5.0% (Q4 2021: 3.5%)<sup>1</sup>.

#### Record development letting activity increasing contracted annual rent by £23.3 million

- £23.3 million of annual contracted rent secured through 3.1 million sq ft of development lettings within 6-8% yield on cost guidance.
- 2.9 million sq ft of development starts in 2022, of which 2.4 million sq ft (82%) has been let to a diverse range of customers.
  - 0.4 million sq ft of 2022 development starts still under construction and unlet with potential to add a further £5.0 million per annum to contracted rent.
  - 0.1 million sq ft started at Littlebrook and subsequently sold post practical completion (see below).
- Maintaining long-term development guidance of 2-3 million sq ft per annum (£200-250m of capex) at a 6-8% yield on cost.

#### Active management continuing to grow income and generate value

- £5.1 million added to annual contracted rent from rent reviews and a lease renewal.
  - 7.6% increase in passing rent across the 34.2% of the portfolio subject to lease events.
- Like-for-like ERV growth of 9.1% over the year, with a 19.1% portfolio rental reversion at 31 December 2022.
- Exchanged<sup>3</sup> on the sale of £25.0 million of newly developed and vacant non-core assets at Littlebrook, in line with 31 December 2022 independent valuation, and continuing to pursue further disposals to support development capex.

#### High-quality portfolio with resilient and attractive income characteristics

- £28.4 million growth (14.5%) in annual contracted rent to £224.0 million from development lettings and active management underpinning future earnings growth.
- 100% of rent collected in relation to FY 2022 (FY 2021: 100%).
- Long term leases to a diverse range of large customers with 12.6 years weighted average unexpired lease term (WAULT) as at 31 December 2022.

#### Change in portfolio valuation and EPRA NTA

- Total portfolio value of £5.1 billion as at 31 December 2022 (31 December 2021: £5.5 billion), equating to an equivalent yield of 5.3% (31 December 2021: 4.1%).
- Reduction in like-for-like value of investment assets<sup>4</sup> was -15.2% across the year (H2 2022: -20.0%) with performance ahead of key market monthly indices driven by portfolio asset quality.
- The impact of changes in yields on EPRA NTA has been partly mitigated by development profits and growth in ERV, noting agency reports of continued attractive market rental growth.
- 31 December 2022 EPRA NTA per share expected to be in line with the consensus of recent analysts' estimates<sup>5</sup>.

#### Maintaining a strong balance sheet

- 31% Loan to Value at 31 December 2022, within medium-term guidance range of 30%-35% and maintaining substantial covenant headroom.
- 5.4 years average debt maturity, 99% of drawn debt fixed or hedged at 31 December 2022, with an average cost of 2.6%.
- £200 million increase in RCF commitments, executed on existing terms, with total available liquidity at 31 December 2022 in excess of £500 million.

#### Conference call - 08:30am today

The Manager will hold a conference call for investors and analysts at 08:30 am today. To join the call, please use the following details. We advise pre-registering ahead of the start of the call to avoid delays joining.

Pre-Registration	<a href="https://event.loopup.com/SelfRegistration/registration.aspx?booking=zMnpfS2OfFUVSTY9QsKsUp17LQOHnecVqSt2vzv/h00=&amp;b=2389e96d-457b-46a8-bebb-fec356d5b031">https://event.loopup.com/SelfRegistration/registration.aspx?booking=zMnpfS2OfFUVSTY9QsKsUp17LQOHnecVqSt2vzv/h00=&amp;b=2389e96d-457b-46a8-bebb-fec356d5b031</a>
Dial in number	+44 (0) 33 0551 0200
Password	Tritax Trading Update

A replay of the call will be available shortly afterwards using the following link:  
<https://www.brmedia.co.uk/broadcasts-embed/63cfeb55777efd4a8b514fe0/?popup=true>

<sup>1</sup> Source: CBRE, UK Logistics leasing figures Q4 2022.

<sup>2</sup> Source: Property data.

<sup>3</sup> Completion occurred on 18 January 2023.

<sup>4</sup> Excludes development assets, land and land options.

<sup>5</sup> Based upon a Company compiled consensus, the current EPRA NTA range of 11 sell side analysts' estimates who have published updated numbers within the last three months, shows a forecast range of 168 pence to 195 pence and mean of 181 pence.

#### FOR FURTHER INFORMATION, PLEASE CONTACT:

##### Tritax Group

Colin Godfrey  
 Frankie Whitehead  
 Ian Brown

Tel: +44 (0) 20 8051 5057

##### Kekst CNC

Neil Maitland/Tom Climie

Tel: +44 (0) 7971 578 507  
 +44 (0) 7760 160 248

Email: [tritax@kekstcnc.com](mailto:tritax@kekstcnc.com)

#### NOTES:

Tritax Big Box REIT plc (Tritax Big Box or the Company) is the largest listed investor in high-quality logistics warehouse assets and controls the largest logistics-focused land platform in the UK. Tritax Big Box is committed to delivering attractive and sustainable returns for shareholders by investing in and actively managing existing built investments and land suitable for logistics development. The Company focuses on well-located, modern logistics assets, typically let to institutional-grade tenants on long-term leases with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity provided by the imbalance between strong occupational demand and constrained supply of modern logistics real estate in the UK.

The Company is a real estate investment trust to which Part 12 of the UK Corporation Tax Act 2010 applies, is listed on the premium segment of the Official List of the UK Financial Conduct Authority (Ticker: BBOX) and is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

The Company's LEI is: 213800L6X88MIYPVR714

Further information on Tritax Big Box REIT is available at [www.tritaxbigbox.co.uk](http://www.tritaxbigbox.co.uk)

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