



# Shaftesbury

**2019 Half Year Results**  
Investor and analyst  
presentation

# Agenda

## 1 Introduction

Brian Bickell

## 2 Results & Finance

Chris Ward

## 3 Operational Review

Brian Bickell

## 4 Summary & Outlook

Brian Bickell

## 5 Q&A

Brian Bickell

Chris Ward

Simon Quayle

Tom Welton

# Introduction



Shaftesbury

## Introduction

# Introduction

Our proven, long-term strategy delivering resilient performance

- Growth in income, earnings and dividend.
- Valuation stable; portfolio highly reversionary
- Robust occupier demand and consumer spending
- Lettings/rent reviews above ERV
- Vacancy remains low, in line with long-term average
- Central Cross now 87% let/under offer
- High level of schemes underway

**Shaftesbury**



## Introduction

# London's West End

Unique features underpin structural resilience

- The West End's seven days-a-week economy underpinned by unique features
  - Large working population
  - Global destination attracts businesses and visitors
  - Huge variety of shops and dining experiences
  - Unrivalled concentration of entertainment and cultural attractions
  - Excellent transport links

**>200 million**

annual visits to the West End

**c. 700,000**

working population in the City of Westminster

**>225 million**

passengers use the six Underground stations closest to our villages

**>3% of UK GVA**

generated within the City of Westminster

Introduction

# Long-term strategy

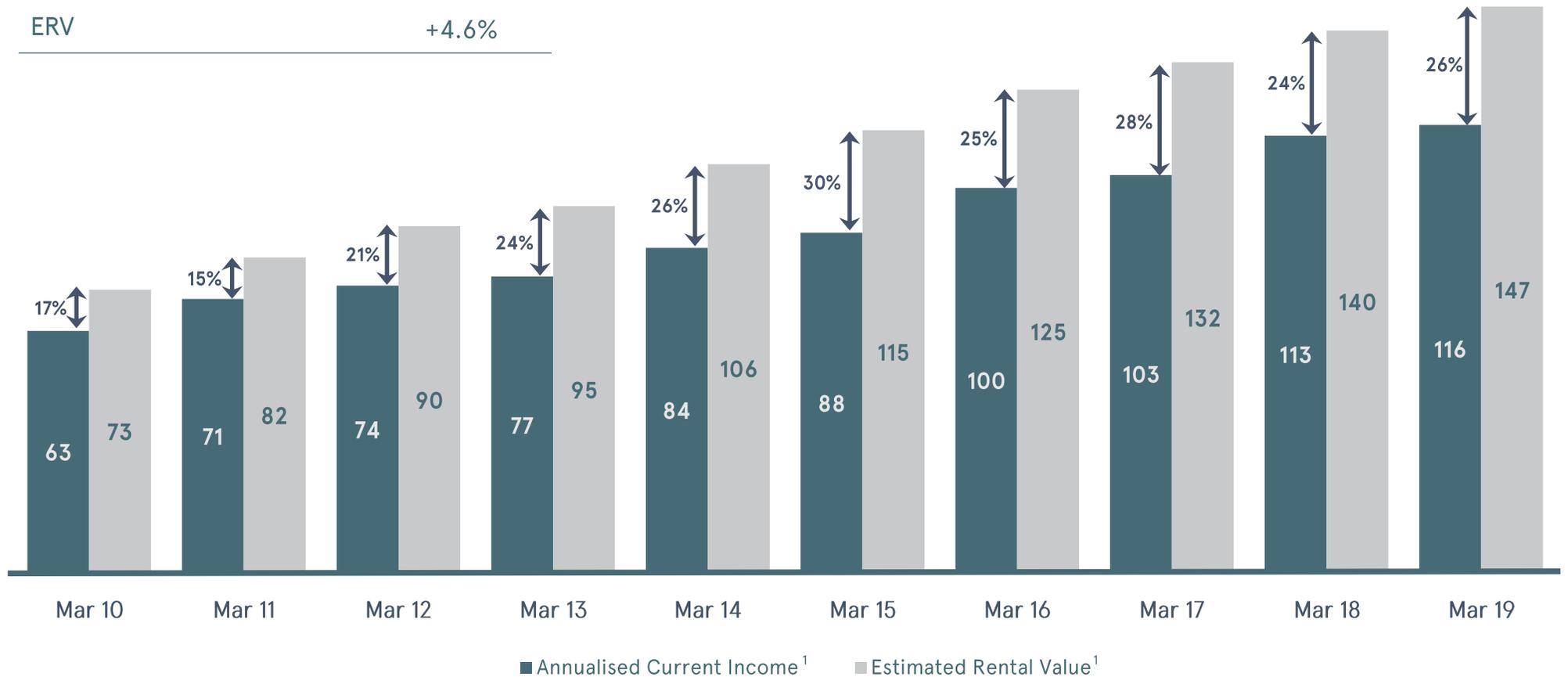
Focused on income growth



Introduction

# Delivering long-term rental growth

10 year L-f-L CAGR	
Annualised current income	+4.5%
ERV	+4.6%



# Results and Finance

## Chris Ward



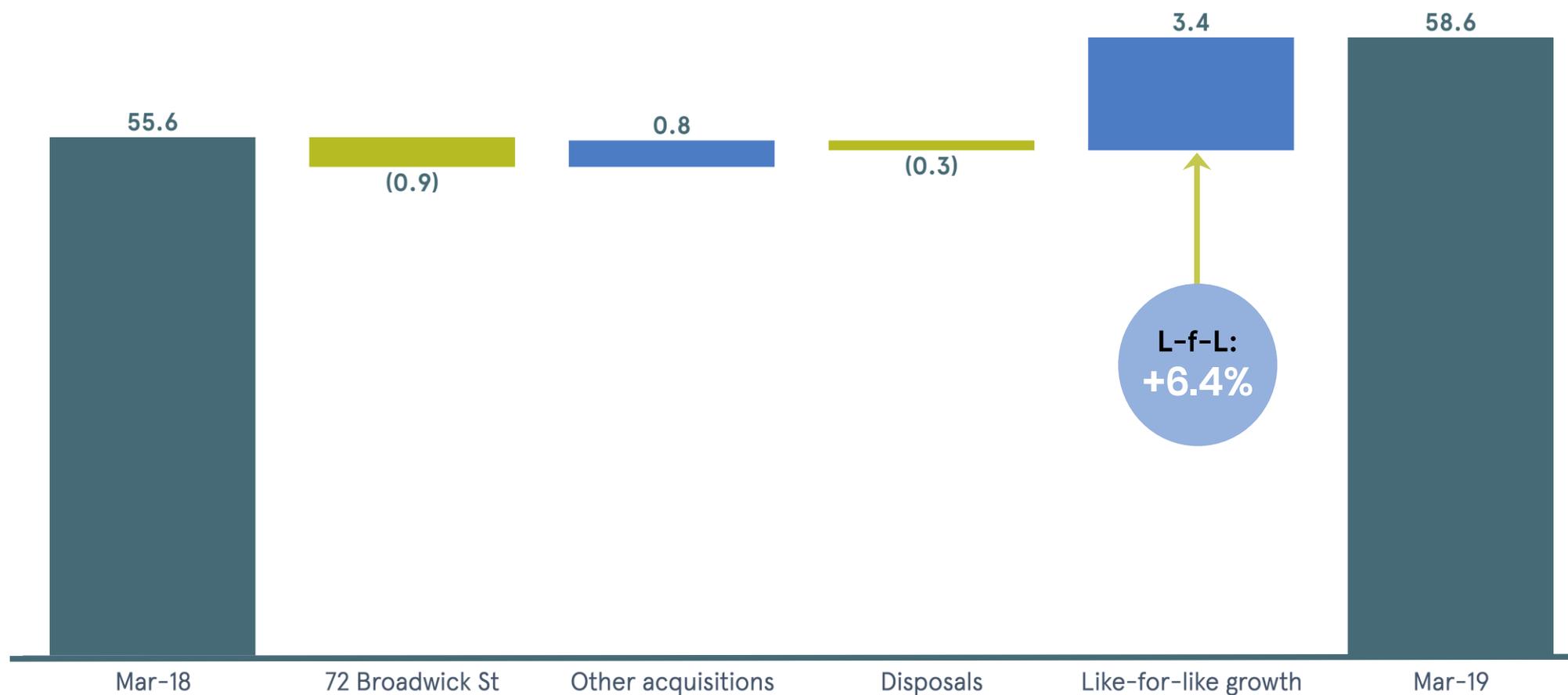
# Headlines



# Rents receivable

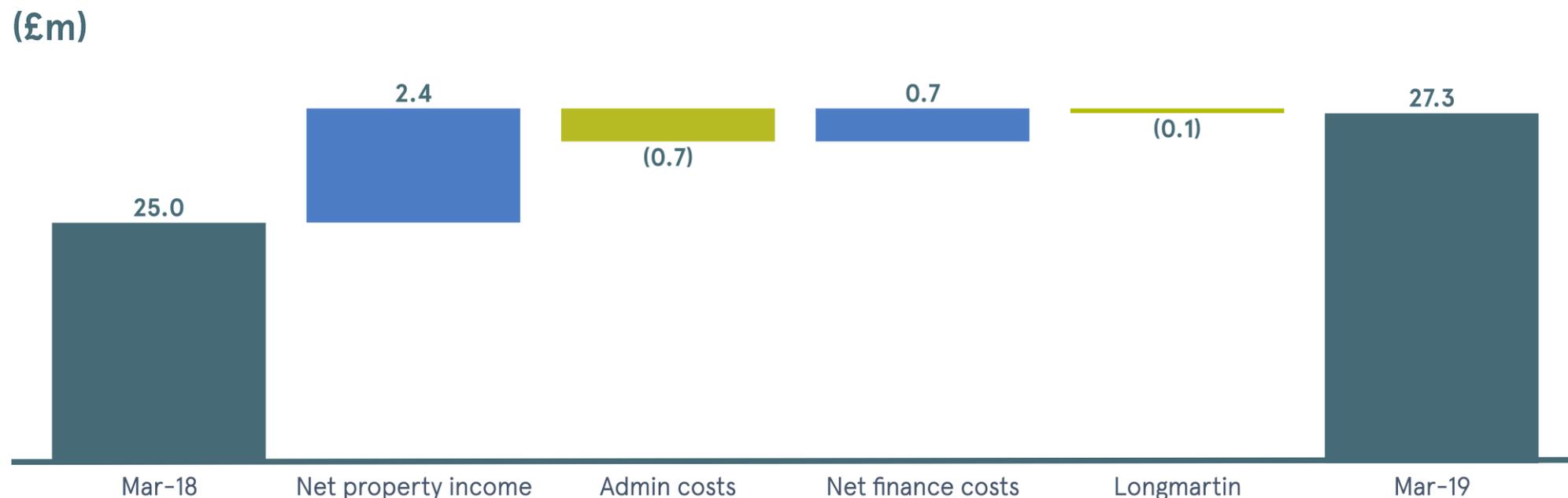
## Crystallising portfolio reversionary potential

(£m)



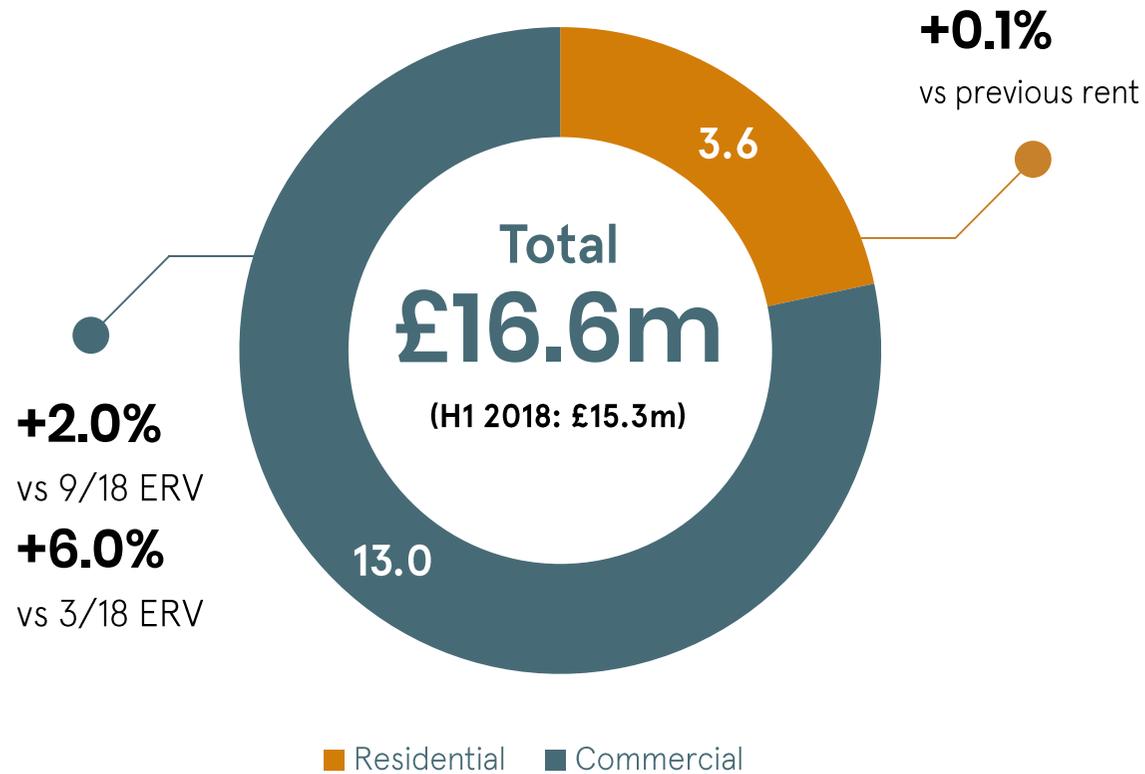
# EPRA earnings

Growth in contracted income delivering earnings growth



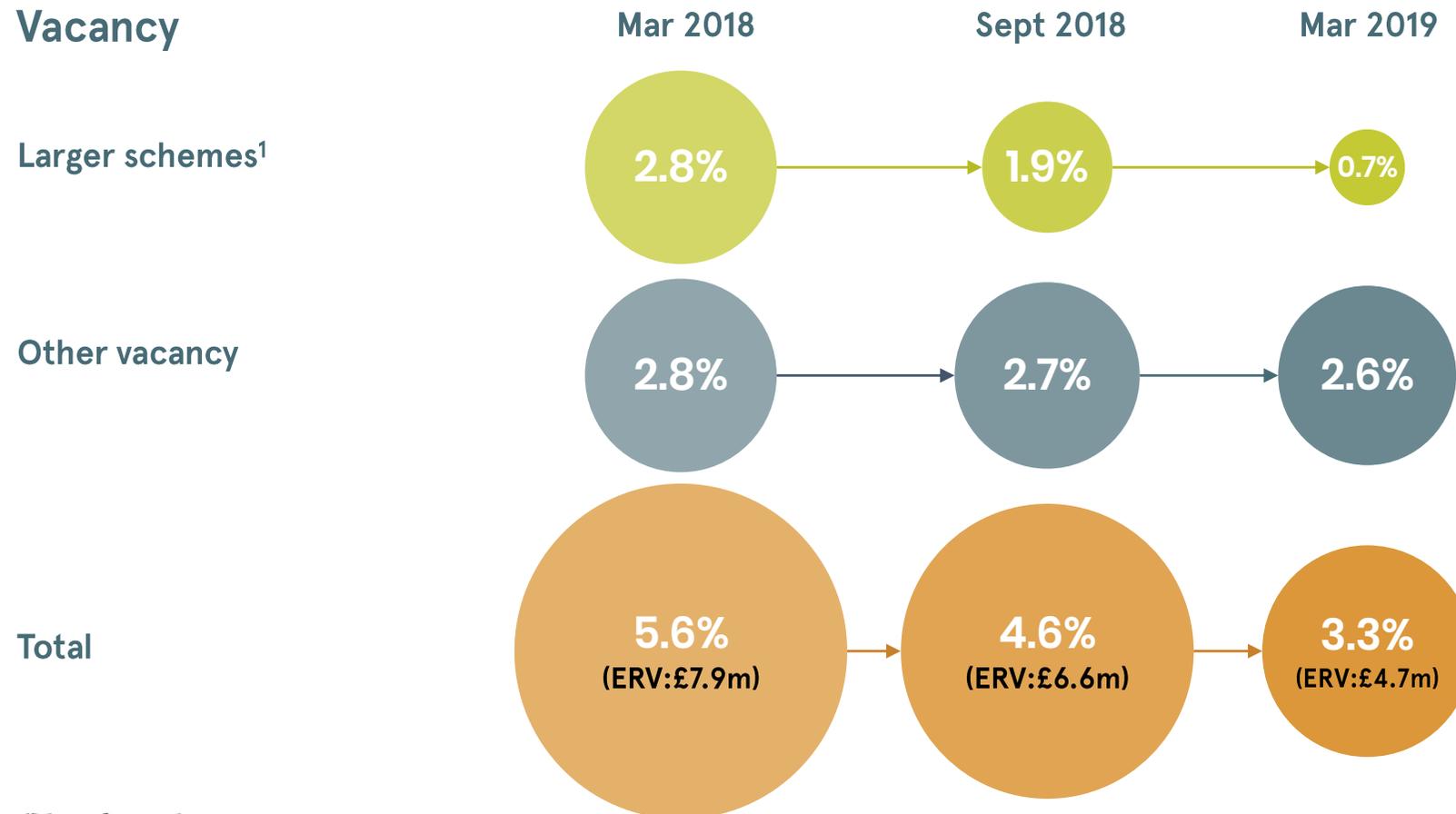
# Leasing activity

Good demand for regular space delivering growth in contracted income



# Vacancy

## Reduced vacancy following lettings at larger schemes

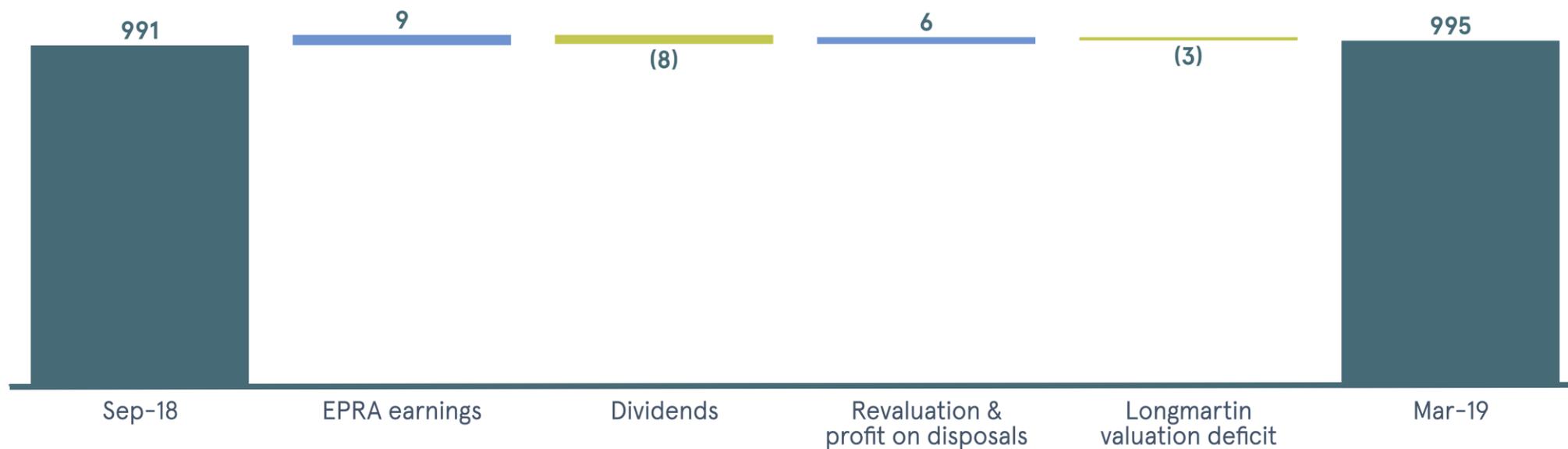


# Net asset value

## Net revaluation surplus



### EPRA NAV (pence per share)



# Valuation<sup>1</sup>

Wholly-owned portfolio growth. Longmartin decrease in retail valuation



	Valuation growth <sup>2</sup>		ERV growth <sup>2</sup>	
	6 months <sup>3</sup>	12 months <sup>3</sup>	6 months <sup>3</sup>	12 months <sup>3</sup>
Wholly-owned	0.5%	1.6%	2.1%	3.2%
Longmartin	(4.0)%	(4.6)%	(1.7)%	(1.8)%
<b>Total portfolio</b>	<b>0.3%</b>	<b>1.1%</b>	<b>1.8%</b>	<b>2.8%</b>

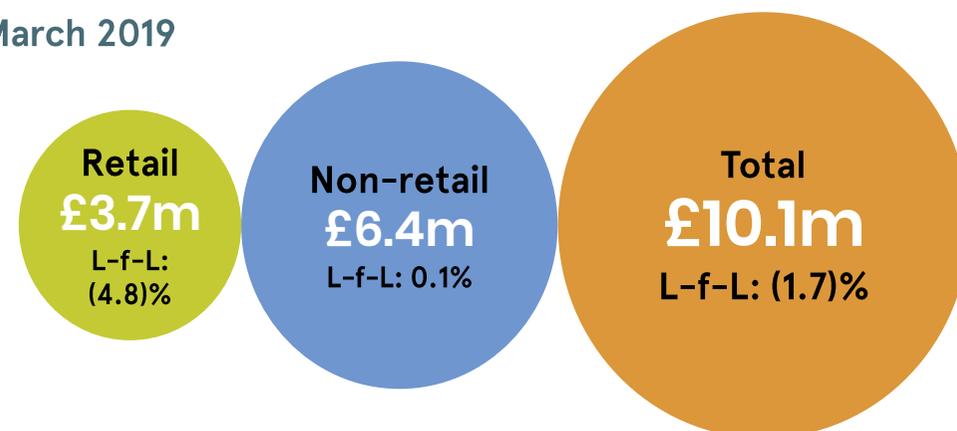
# Longmartin<sup>1</sup>: 5% of combined portfolio valuation

## Non-retail stable; retail write down

- Valuation decline: 4.0%
- Equivalent yield: +4 basis points to 3.86%
  - Non-retail: unchanged
  - Retail: +9 basis points
- Total ERV decline: £0.2m (1.7%)
  - Non-retail ERV unchanged
  - Retail ERV: (4.8)%
- Reduction in Long Acre retail ERVs
  - “High Street” characterised by:
    - large retail units
    - Relatively high rental tones and overall rents
  - Fragmented ownership
  - Increased availability of space

### ERV breakdown

March 2019



September 2018



# Wholly-owned valuation

## Strong investor demand and limited availability

### ▪ Demand

- Investor demand remains strong
- Domestic and international investors seeking:
  - Investment security
  - High occupancy
  - Reliable cash flows
  - Asset management opportunities

Equivalent  
Yield

**3.42%**

**+1 bp vs 9/18**

### ▪ Supply

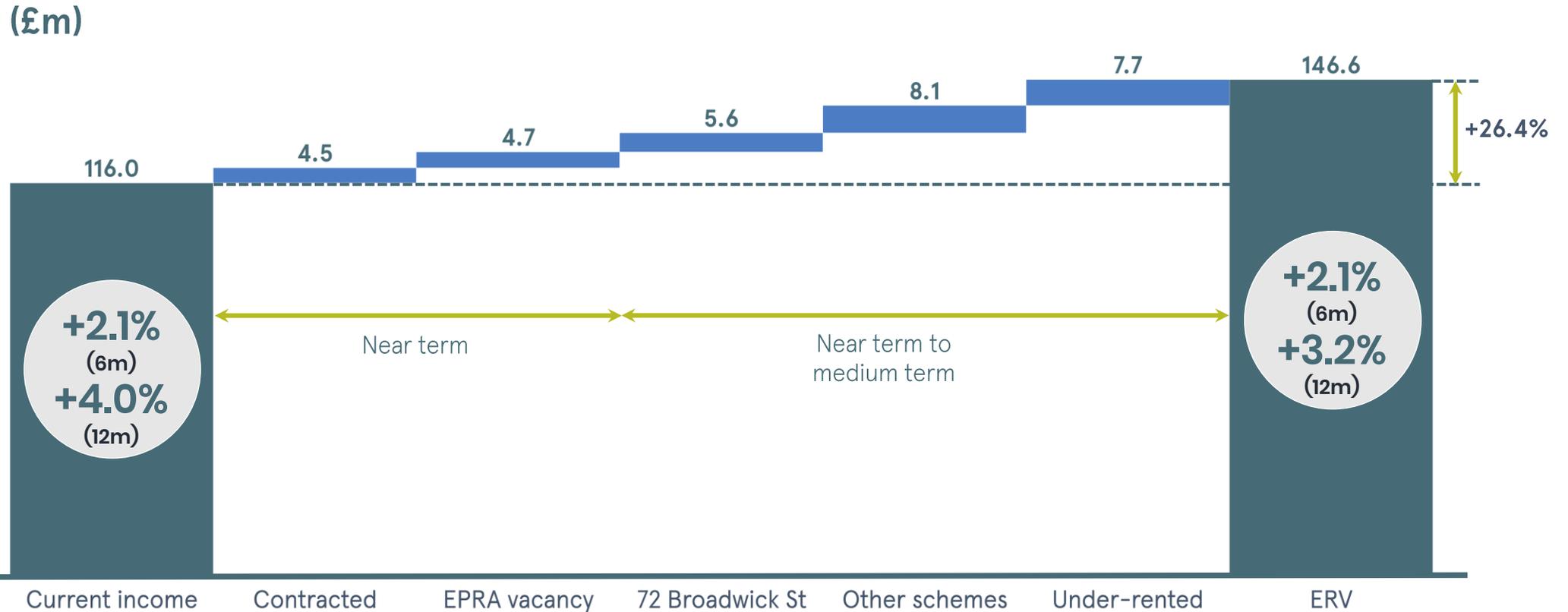
- Limited availability of properties to buy which meet our strict criteria
- Owners remain reluctant to sell
- Strong competition

### ▪ Potential greater value

- Unique 15.1 acre portfolio of predominantly restaurant, leisure and retail properties in adjacent, or adjoining, locations in the West End
- Long record of strong occupier demand for these uses and high occupancy levels due to limited supply: underpins long-term prospects for rental growth
- Valued in parts, not in its entirety<sup>1</sup>

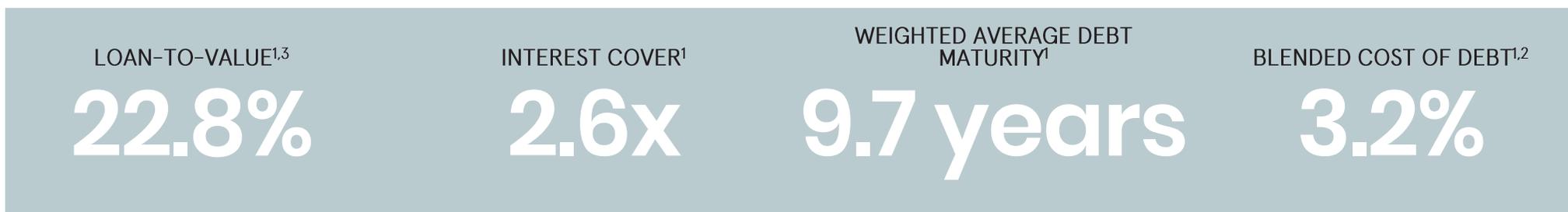
# Wholly-owned portfolio reversionary potential

## Growth in annualised current income and ERV



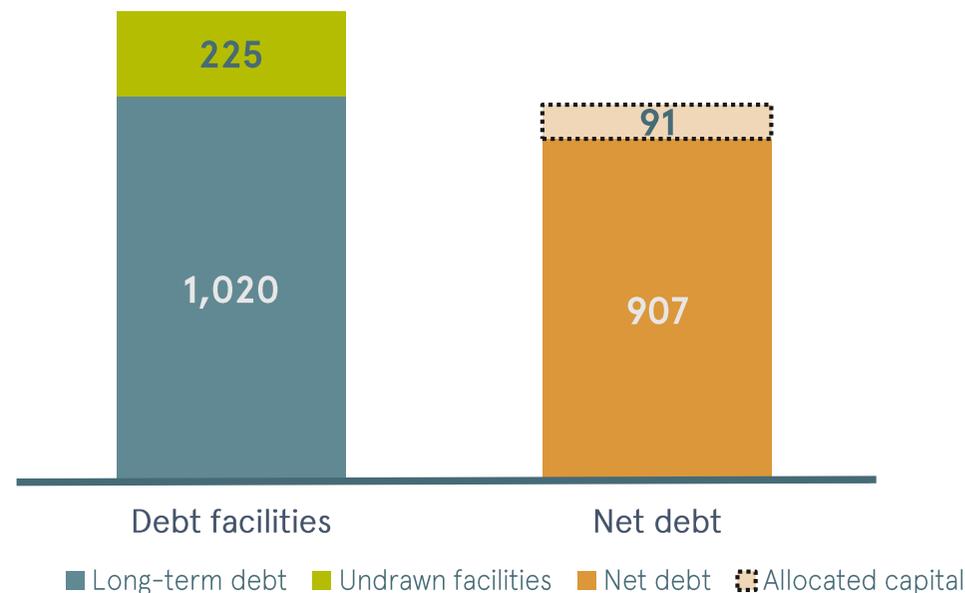
# Debt summary

## Low risk Balance Sheet



- Blended cost of debt flat at 3.2%
- Spread of debt maturities: 2027 to 2035
- Available resources<sup>4</sup>: £245m
- Ability to act quickly when opportunities arise

Debt summary<sup>1</sup> (£m)



1. Including our 50% share of Longmartin debt  
 2. Including non-utilisation fees on undrawn bank facilities  
 3. Based on net debt  
 4. Pro-forma for current capital commitments; excluding cash in joint venture

# Operational review

Brian Bickell

Shaftesbury



# Operating environment

- **Resilient footfall and spending in our locations**
  - Seven-days-a-week trading and affluent customer base
  - On average occupiers reporting Y-o-Y sales growth
- **Good occupier interest for our regular space**
  - Average letting times unchanged
  - Vacancy in line with long-term average
  - Adapting space to respond to trends in demand
  - Opportunities to reconfigure space to introduce different, equally-valuable uses
- **Long-established strategy of shorter and flexible retail leases**
  - Continually refreshing tenant mix and trialling new concepts
- **Limited exposure to struggling national retail & restaurant chains**
  - Retail failures YTD impact < 1% of ERV
  - Interest in vacated space at current ERV levels



## Operational review

# Restaurants, cafés and leisure

## Driving footfall, dwell-time and spending

LETTINGS/RENEWALS/REVIEWS

£4.7m

9.2% of ERV<sup>1</sup>

EPRA VACANCY

£0.6m

WEIGHTED AVERAGE  
UNEXPIRED LEASE TERM

9 years

- Largest single provider of dining and leisure space in the West End
- Availability of space constrained
  - By local planning and licensing policies
  - Occupiers reluctant to relinquish space
- Competition for space remains good
  - Prospect of growing trade in this prosperous location
  - Existing occupiers often can achieve large premiums for their space



306

Restaurants  
cafés and pubs

35%  
of ERV

Operational review

# A selection of our new restaurant, café & leisure operators



Yiu Fat Noodle



Sow



Wanyoo



O Craquelin Patisserie



Söderberg



Norma



Kova



Bun House



Ole & Steen



Yaki Yaki

# Retail

## Important contribution to West End's retail scene

LETTINGS/RENEWALS/REVIEWS

**£7.0m**

14.9% of ERV<sup>1</sup>

EPRA VACANCY

**£3.0m**

WEIGHTED AVERAGE  
UNEXPIRED LEASE TERM

**3 years**

- Mainly clustered in Carnaby, Seven Dials and Soho
  - High footfall and spending locations
- Robust demand from start ups to established retailers, attracted by:
  - Huge, seven days-a-week footfall
  - Carefully curated areas
  - Competitive rents
  - Variety of shop sizes and rental tones
  - Long-standing flexible approach to leasing

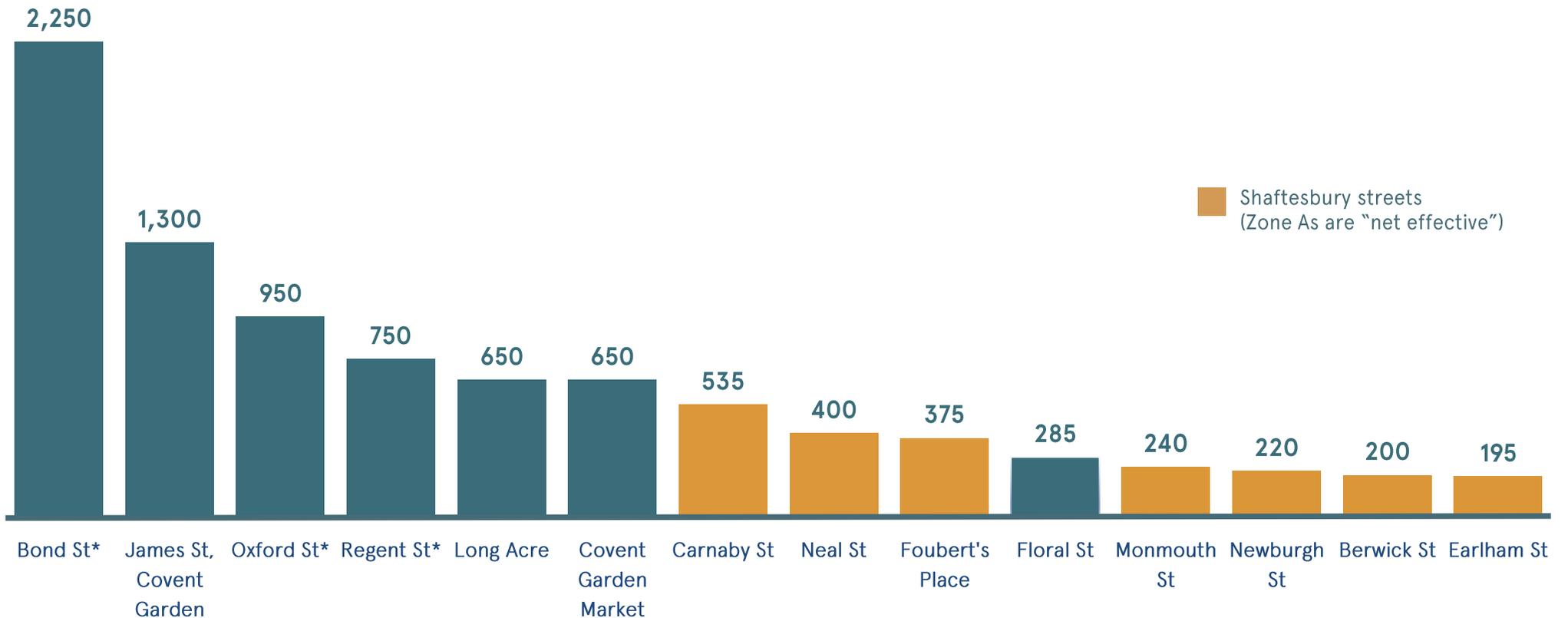
**293**  
Shops  
**32%**  
of ERV



# Retail

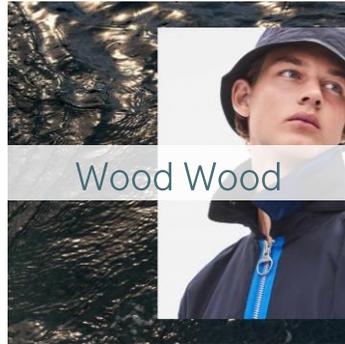
## Competitive rental levels compared to nearby streets

West End retail rental tones (prime zone A per sq. ft.)



Operational review

# A selection of our new retail operators



# Offices

## Important provider of small, self-contained space

LETTINGS/RENEWALS/REVIEWS

**£1.3m**

4.2% of ERV<sup>1</sup>

EPRA VACANCY

**£0.9m**

WEIGHTED AVERAGE  
UNEXPIRED LEASE TERM

**3 years**

- Availability of smaller, self-contained space remains constrained in the core West End
- Demand remains robust
  - Particularly from media, creative and tech businesses
  - Attracted by our vibrant areas, flexibility and affordable accommodation
  - Rental levels and incentives remain stable

**0.5m**

sq. ft.

**21%**

of ERV

Average letting:  
1,424 sq. ft.

Average current rent:  
£58 psf

Average ERV:  
£63 psf



# Residential

## High occupancy and reliable cash flow

LETTINGS/RENEWALS/REVIEWS

**£3.6m**

20.4% of ERV<sup>1</sup>

EPRA VACANCY

**£0.2m**

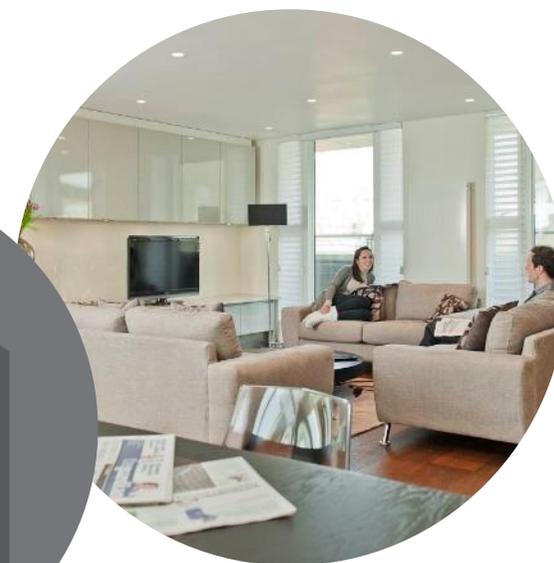
- Demand for our mid-market apartments remains good
  - Occupancy high: typically < 10 apartments available
- Provides a reliable cash flow
  - Rents achieved in line with previous rents
- Rolling upgrade programme continues

**599**

apartments

**12%**

of ERV



# Tenant engagement

## Seven Dials Community Portal launched

The screenshot displays the Seven Dials Community Portal interface. On the left is a navigation menu with sections: Messages, Members, Services, Files, Statistics, Management, Estate Management Team, Issue reporting, and PR & Marketing Team. The main content area features a 'Write message' input field and several announcements:

- Road Closure : Shelton Street** (6 days ago | Public Realm | Rowan Chetty): A notice to occupiers regarding the closure of Shelton Street for gas main works from May 7th to 11th. It includes a photo of a yellow sign that reads: "ADVANCE WARNING SHELTON STREET WILL BE CLOSED 7th MAY - 11th MAY FOR GAS WORKS CONTACT: 01372 360 607".
- Seven Dials Easter Opening Hours 2019** (4 weeks ago | My Community | Rowan Chetty): A notice for retailers to adhere to 2019 Easter opening hours to ensure the estate is open for business. It includes a calendar for May with the 7th circled.
- Green Delivery Scheme Comes To Seven Dials** (4 weeks ago | My Community | Rowan Chetty): A notice about a sustainability initiative to support the Better World initiative from the SOS Office.

On the right side of the portal, there is a 'SEVEN DIALS LONDON - EST.1690' logo and a calendar for the month of May. The calendar shows the following dates: 29, 30, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1, 2.

# Schemes

## High levels of activity continue

SCHEMES IN THE HALF YEAR ACROSS

**176,000 sq. ft.**  
9.2% of floor space

CAPITAL EXPENDITURE

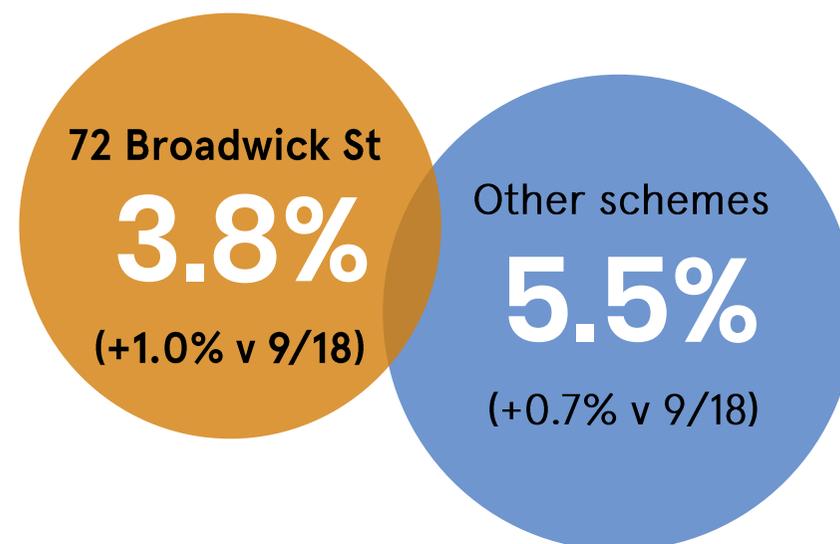
**£13.5m**  
(+£2.2m in joint venture)

ERV UNDER DEVELOPMENT

**£13.7m**  
9.3% of ERV

- 184,000 sq. ft. of space held for, or under, refurbishment at 31 March
  - 72 Broadwick Street: ERV: £5.6m; 65,000 sq. ft.
  - 46 other schemes: ERV: £8.1m; 119,000 sq. ft.
- High level of activity tempers short-term rental growth, but will deliver superior long-term income returns
  - Number of medium-sized schemes are expected to be income-producing next year

### Scheme vacancy (% of ERV)



## Operational review

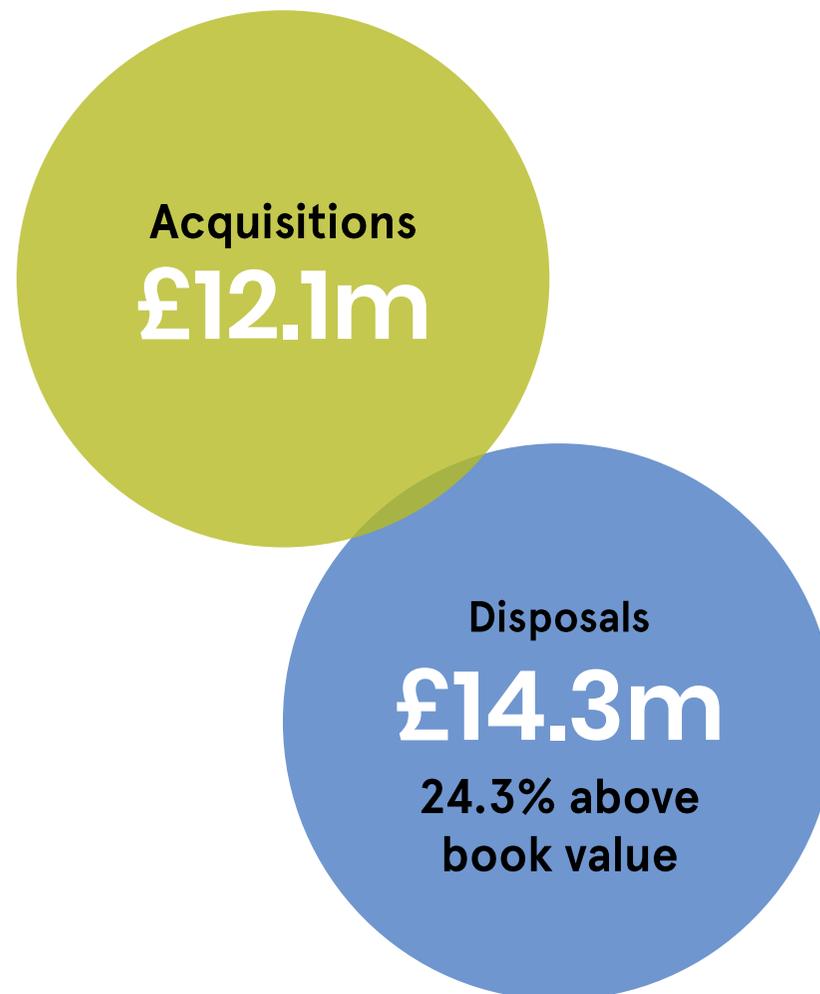
# 72 Broadwick Street, Carnaby

- Strip out of space (65,000 sq. ft.) completed
- Planning application submitted:
  - Introduce new retail, restaurant and leisure uses
  - Relocate office and residential entrances to activate commercial frontages
  - Extend and refurbish remaining office space
  - Reconstruct residential to increase the number of flats from 11 to 15
- Expect planning application to be heard shortly
- Estimated scheme duration 2 years, scheme cost: c. £32m



# Acquisitions and disposals

- Acquisitions: £12.1m in Fitzrovia, Soho and Seven Dials
- Existing owners reluctant to sell
- Forward purchase of 90-104 Berwick Street
  - Vendor's scheme delayed further
  - Handover unlikely before December 2019
- Disposal of two properties: £14.3m (net), 24.3% above book value



# Outlook & Summary

Brian Bickell



# Outlook

- **Macro environment**
  - Political and economic uncertainty likely to dominate the national mood for some time
  - Structural changes to consumer spending patterns continue
- **Location and strategy delivering structural resilience**
  - London and West End prospects remain strongly positive
  - High profile, busy locations in the heart of the West End
  - Proven, long-term curation of restaurant, retail and leisure offer
  - Competitive rental levels
  - Flexible leasing and adaptable buildings



# Summary

Long-term strategy focused on income growth



## Dates

# Dates for your diary

## 8 June: Carnaby

- World Ocean Day
- Soho Music Month

## 8/9 June: Soho

- Soho Food Feast

## 29 June: Seven Dials

- Festival 30

## 30 June: Soho

- 45<sup>th</sup> Soho Village Fete



# Appendices

- 1 Portfolio
- 2 Financial
- 3 Valuation
- 4 Village Summaries
- 5 Other

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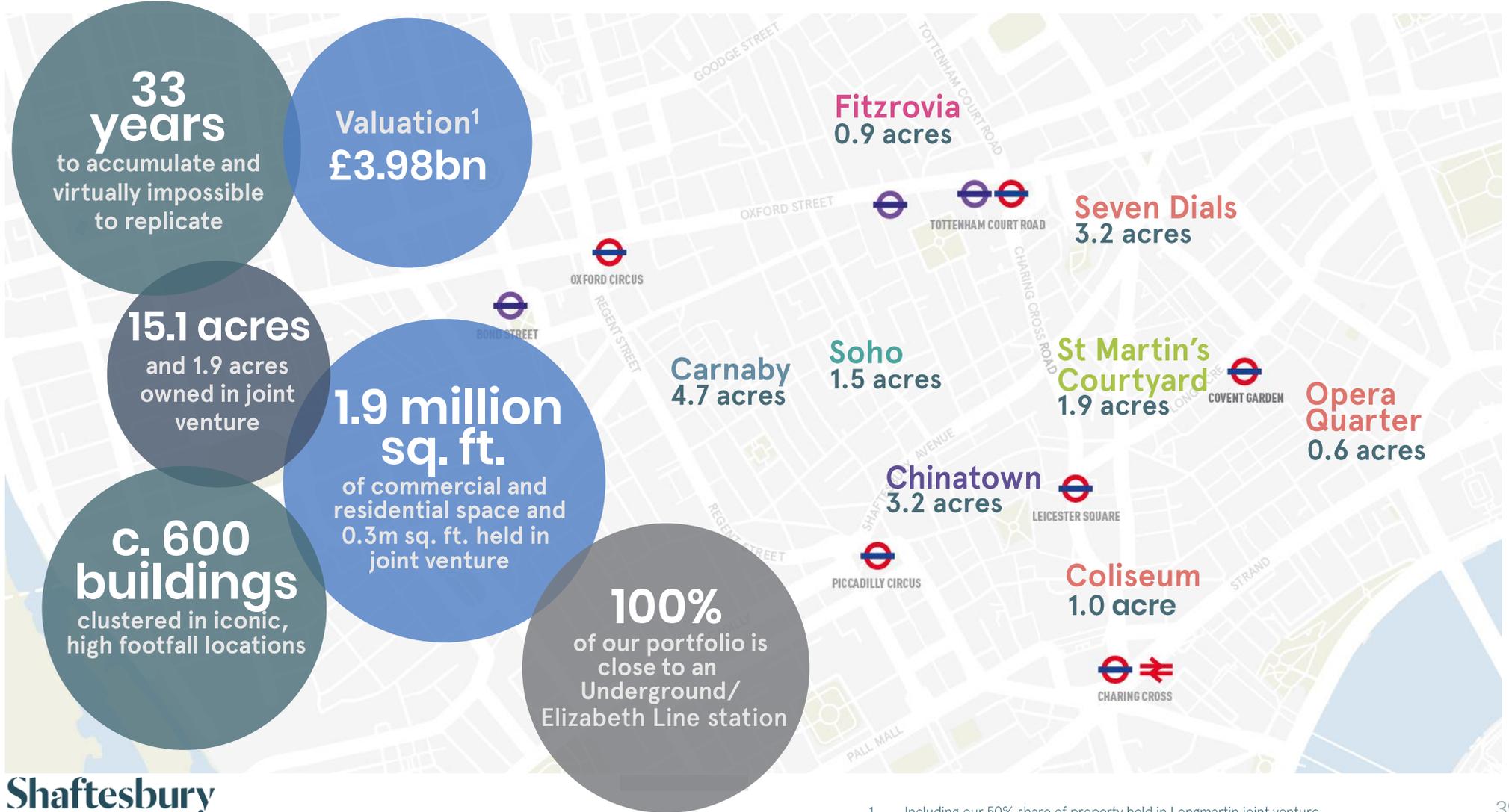


# 1 Portfolio

Shaftesbury



# Exceptional portfolio in the heart of London's West End

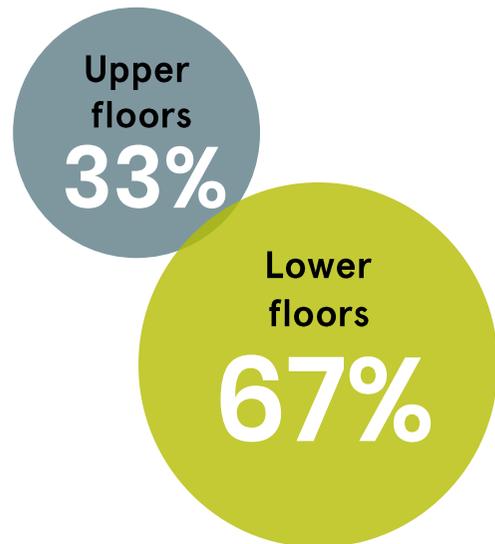


1. Including our 50% share of property held in Longmartin joint venture

Appendix: 1 Portfolio

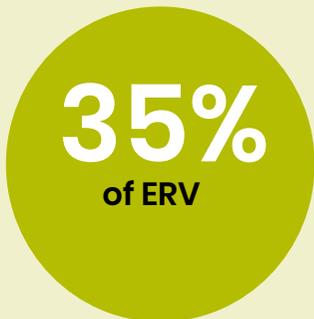
# Our portfolio

## Split by ERV



Restaurants,  
cafés and  
leisure

**306**  
0.6m sq. ft.



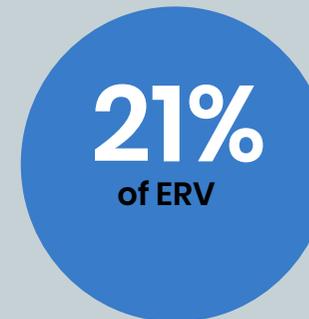
Retail

**293**  
0.5m sq. ft.



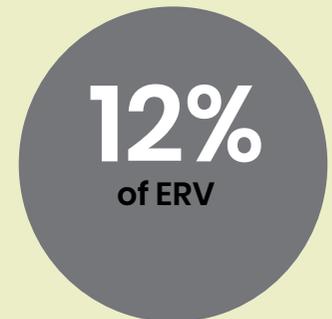
Offices

**0.5m**  
sq. ft.



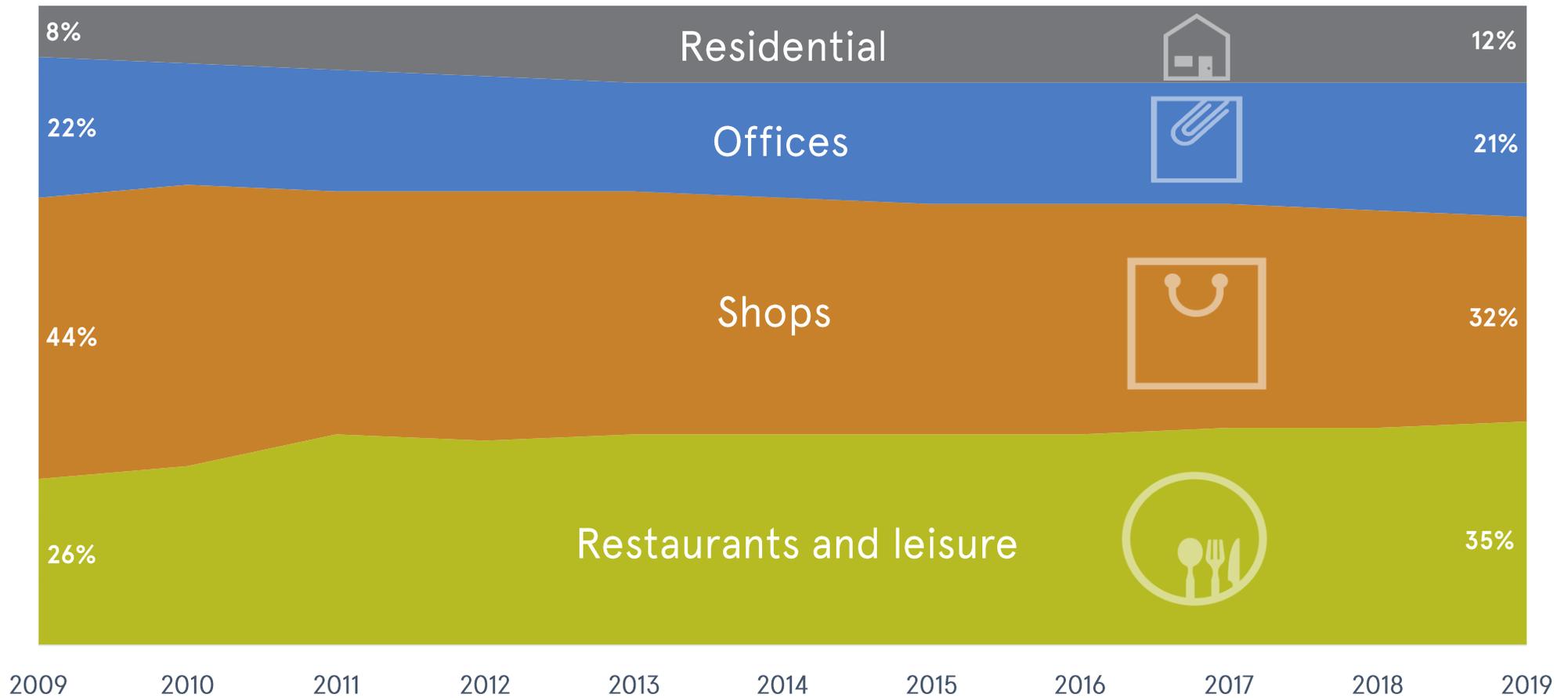
Residential

**599**  
0.4m sq. ft.



# Mix of uses (wholly-owned portfolio)

Evolution of uses over time (% of ERV)

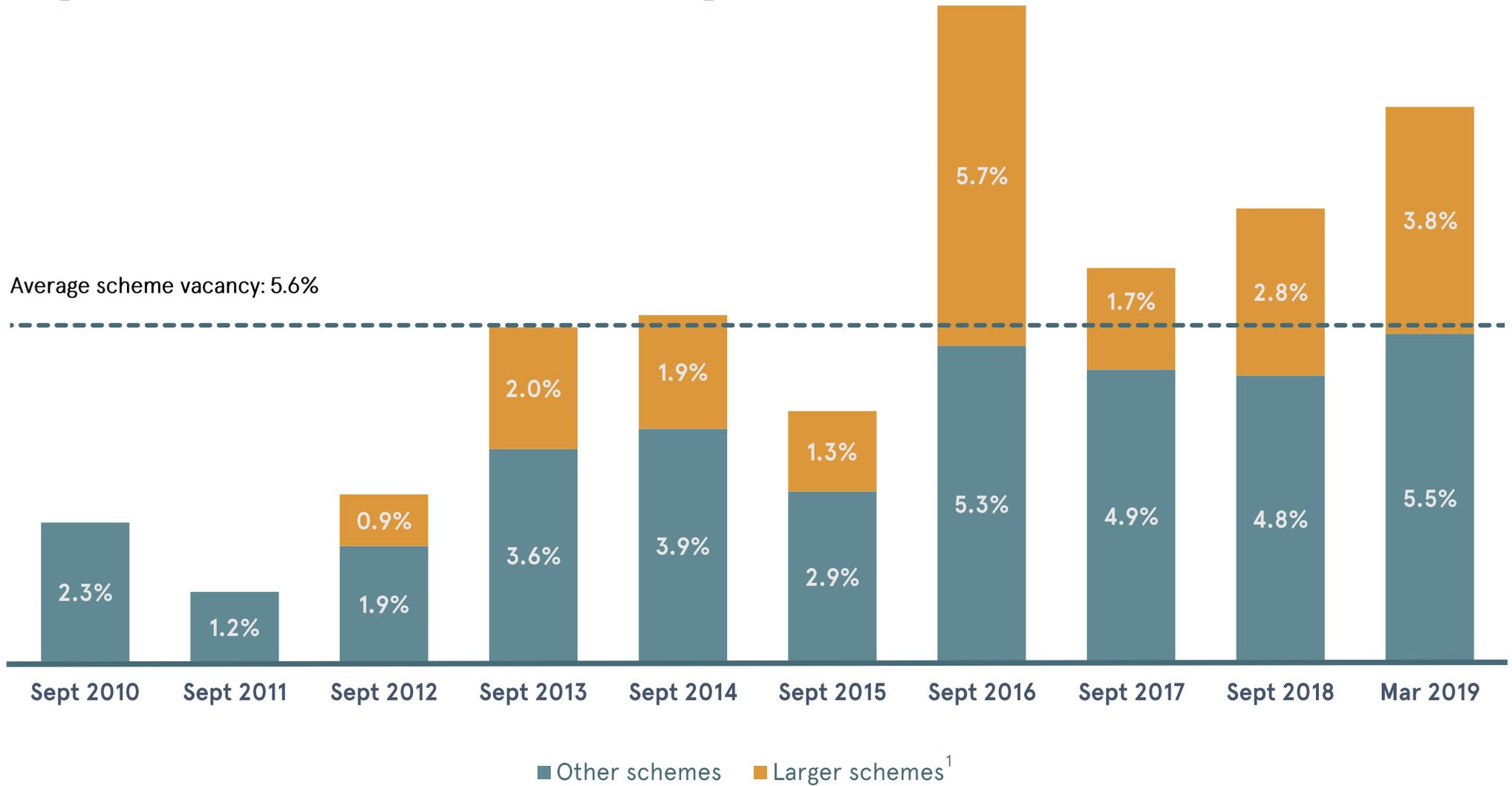


## Appendix: 1 Portfolio

# Scheme vacancy

	Restaurants, cafés and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV 31.3.2019	% of total ERV 30.9.2018
72 Broadwick St	-	-	5.0	0.6	5.6	<b>3.8%</b>	2.8%
Other schemes	2.9	0.9	3.4	0.9	8.1	<b>5.5%</b>	4.8%
<b>Total</b>	<b>2.9</b>	<b>0.9</b>	<b>8.4</b>	<b>1.5</b>	<b>13.7</b>	<b>9.3%</b>	<b>7.6%</b>
<b>Sq. ft. (000's)</b>	<b>38</b>	<b>13</b>	<b>102</b>	<b>31</b>	<b>184</b>		<b>175</b>

# 10 year scheme vacancy



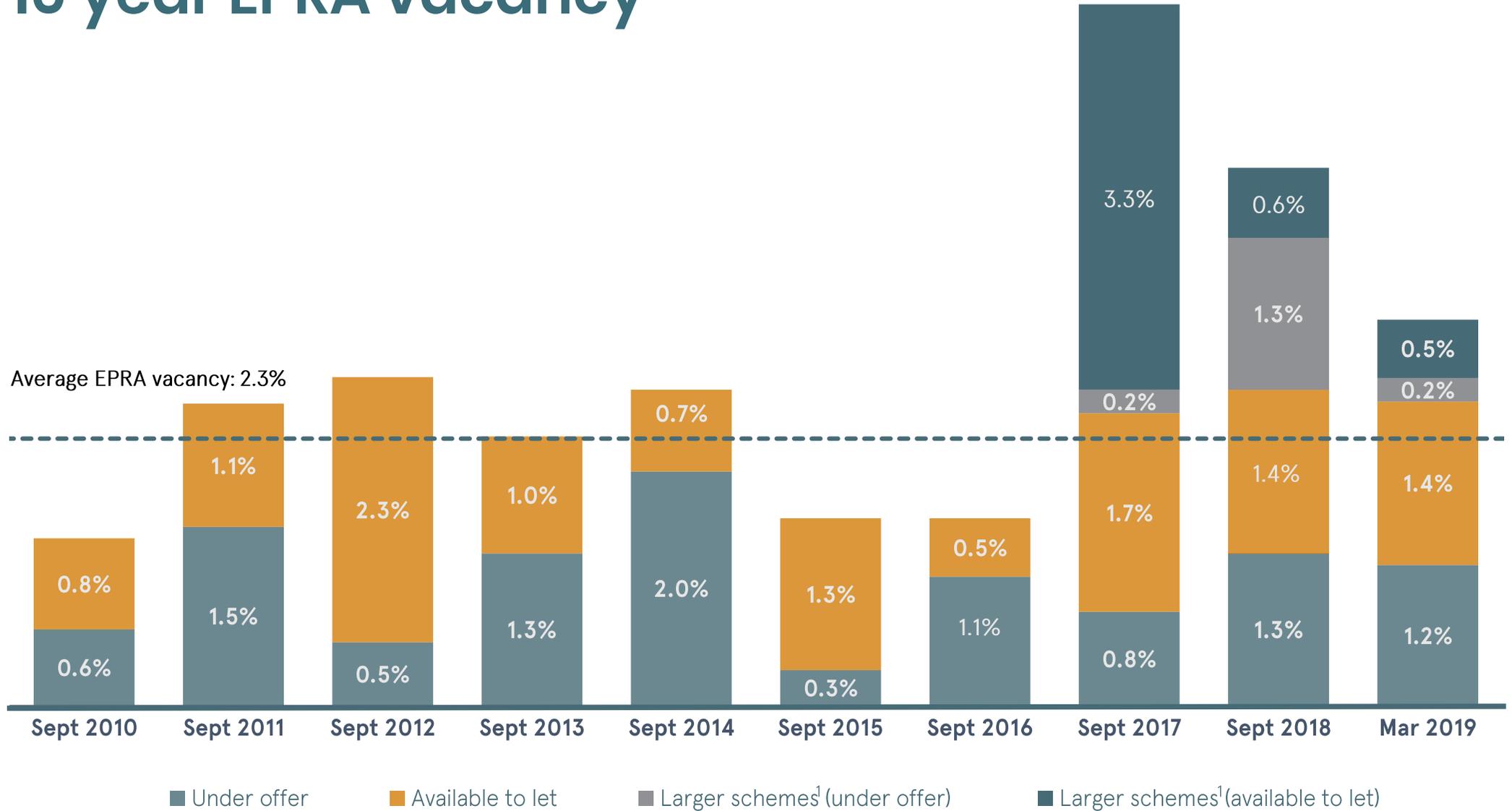
## Appendix: 1 Portfolio

# EPRA vacancy

	Restaurants, cafés and leisure £m	Shops £m	Offices £m	Residential £m	Total £m	% of total ERV 31.3.2019	% of total ERV 30.9.2018
<b>Larger schemes<sup>1</sup></b>							
Under offer	-	0.2	-	-	<b>0.2</b>	<b>0.2%</b>	1.3%
Available-to-let	-	0.8	-	-	<b>0.8</b>	<b>0.5%</b>	0.6%
	-	<b>1.0</b>	-	-	<b>1.0</b>	<b>0.7%</b>	1.9%
<b>Other vacancy</b>							
Under offer	0.6	0.9	0.2	0.1	<b>1.8</b>	<b>1.2%</b>	1.3%
Available-to-let	-	1.1	0.7	0.1	<b>1.9</b>	<b>1.4%</b>	1.4%
	<b>0.6</b>	<b>2.0</b>	<b>0.9</b>	<b>0.2</b>	<b>3.7</b>	<b>2.6%</b>	2.7%
<b>Total</b>							
Under offer	<b>0.6</b>	<b>1.1</b>	<b>0.2</b>	<b>0.1</b>	<b>2.0</b>	<b>1.4%</b>	<b>2.6%</b>
Available-to-let	-	<b>1.9</b>	<b>0.7</b>	<b>0.1</b>	<b>2.7</b>	<b>1.9%</b>	<b>2.0%</b>
	<b>0.6</b>	<b>3.0</b>	<b>0.9</b>	<b>0.2</b>	<b>4.7</b>	<b>3.3%</b>	<b>4.6%</b>
Sq. ft. (000s)	<b>6</b>	<b>40</b>	<b>14</b>	<b>5</b>	<b>65</b>		<b>100</b>

Appendix: 1 Portfolio

# 10 year EPRA vacancy



1. Larger schemes are Central Cross (2017, 2018 & 2019) and Thomas Neal's Warehouse (2017 & 2018)

# Examples of current schemes on site<sup>1</sup>

## 1 Little Marlborough Street

Estimated cost: £2.6m

Estimated completion: Summer 2019



## 45/49 Charing Cross Road

Estimated cost: £3.6m

Estimated completion: Autumn 2019



## 1 Gerrard Place

Estimated cost: £6.4m

Estimated completion: Winter 2019



# Examples of current schemes on site<sup>1</sup>

## 50 Marshall Street

Estimated cost: £5.0m

Estimated completion: Summer 2020

## St Martin's Courtyard

Estimated cost: £3.7m (our share)

Estimated completion: Late 2019



## 2 Financial

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# EPRA earnings and NAV reconciliations

EARNINGS	Mar 2019 £m	Mar 2018 £m	Sept 2018 £m	NAV	Mar 2019 £m	Mar 2018 £m	Sept 2018 £m
<b>IFRS profit after tax</b>	<b>38.7</b>	<b>123.7</b>	<b>175.5</b>	<b>IFRS net assets</b>	<b>3,045.8</b>	<b>3,006.3</b>	<b>3,033.0</b>
Adjust for fair value movements:				Effect of exercise of options	0.5	0.5	0.5
Investment property revaluation	(16.2)	(97.6)	(123.1)	<b>Diluted net assets</b>	<b>3,046.3</b>	<b>3,006.8</b>	<b>3,033.5</b>
Profit on disposal of investment properties	(2.8)	(4.2)	(4.6)	Adjustments re: Longmartin JV:			
Adjustments re: Longmartin JV:				Deferred tax	15.3	16.9	16.7
Investment property revaluation	9.0	4.1	5.0	<b>EPRA NAV</b>	<b>3,061.6</b>	<b>3,023.7</b>	<b>3,050.2</b>
Deferred tax	(1.4)	(1.0)	(1.1)	Number of shares (diluted) (million)	307.8	307.7	307.7
<b>EPRA earnings</b>	<b>27.3</b>	<b>25.0</b>	<b>51.7</b>	<b>EPRA NAV per share</b>	<b>£9.95</b>	<b>£9.83</b>	<b>£9.91</b>
Number of shares (million)	307.4	296.9	302.1				
<b>EPRA EPS</b>	<b>8.9p</b>	<b>8.4p</b>	<b>17.1p</b>				

## Appendix: 2 Financial

# Income and costs

EPRA EARNINGS	Mar 2019 £m	Mar 2018 £m	Sept 2018 £m
Rental income	58.6	55.6	112.8
Property costs	(10.0)	(9.4)	(19.0)
Net property income	48.6	46.2	93.8
Admin expenses	(7.5)	(6.8)	(13.7)
	41.1	39.4	80.1
Net finance costs	(15.2)	(15.9)	(31.2)
Share of Longmartin JV profit before tax <sup>1</sup>	1.8	1.9	3.6
Recurring profit before tax	27.7	25.4	52.5
Share of Longmartin JV current tax	(0.4)	(0.4)	(0.8)
<b>EPRA earnings</b>	<b>27.3</b>	<b>25.0</b>	<b>51.7</b>

PROPERTY COSTS	Mar 2019 £m	Mar 2018 £m	Sept 2018 £m
Operating costs	3.7	3.7	7.6
Vacant property costs	0.8	0.6	1.4
Management fees	1.4	1.4	2.6
Letting costs	1.7	1.6	3.6
Village promotion	2.4	2.1	3.8
<b>Property outgoings</b>	<b>10.0</b>	<b>9.4</b>	<b>19.0</b>

## Appendix: 2 Financial

# Reconciliation of IFRS to proportional consolidation

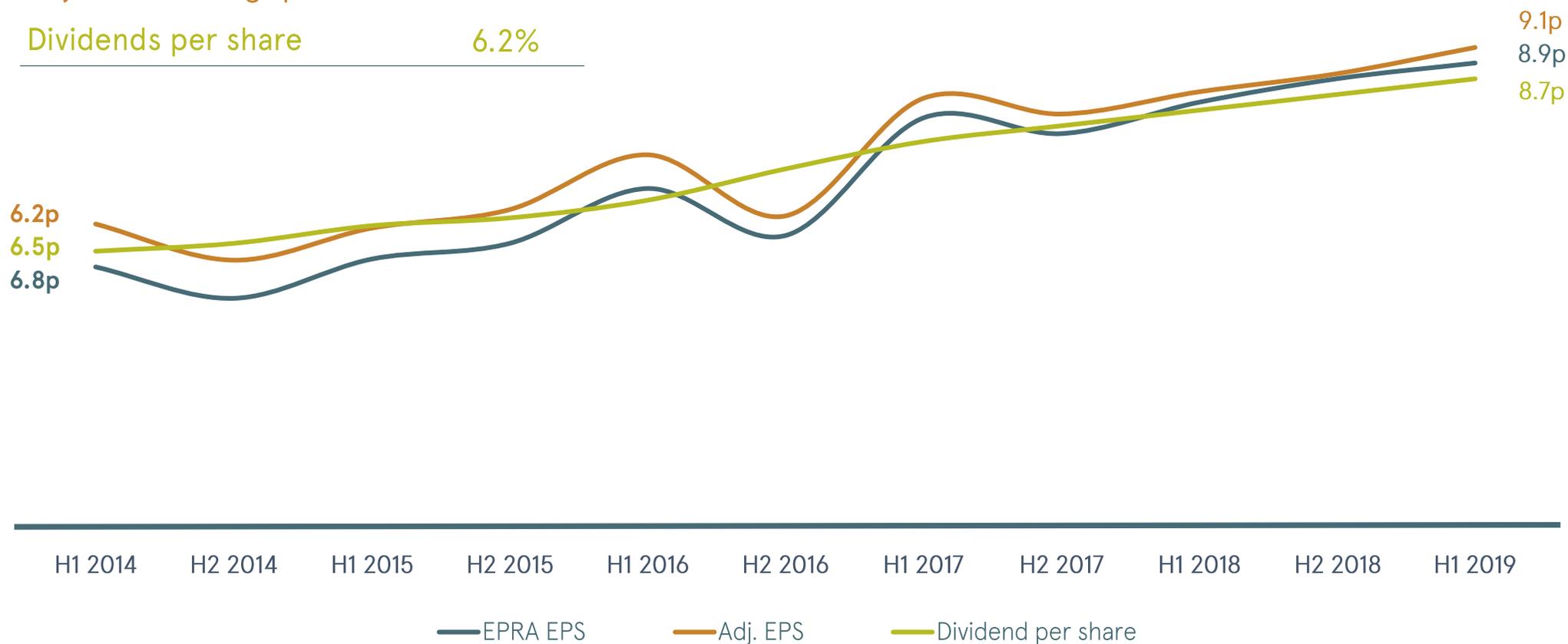
BALANCE SHEET	Mar 2019			Sept 2018		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Investment properties	3,745.1	221.9	3,967.0	3,714.8	228.7	3,943.5
Investment in Longmartin JV	135.9	(135.9)	-	143.9	(143.9)	-
Net debt	(849.0)	(58.1)	(907.1)	(841.3)	(58.7)	(900.0)
Other assets and liabilities	13.8	(27.9)	(14.1)	15.6	(26.1)	(10.5)
<b>Net assets</b>	<b>3,045.8</b>	<b>-</b>	<b>3,045.8</b>	<b>3,033.0</b>	<b>-</b>	<b>3,033.0</b>

INCOME STATEMENT	Mar 2019			Mar 2018			Sept 2018		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
<b>Net property income</b>	<b>48.6</b>	<b>3.5</b>	<b>52.1</b>	<b>46.2</b>	<b>3.7</b>	<b>49.9</b>	<b>93.8</b>	<b>7.1</b>	<b>100.9</b>
Admin costs	(7.5)	(0.1)	(7.6)	(6.8)	(0.1)	(6.9)	(13.7)	(0.2)	(13.9)
Profit on disposal	2.8	-	2.8	4.2	-	4.2	4.6	-	4.6
Revaluation surplus/(deficit)	16.2	(9.0)	7.2	97.6	(4.1)	93.5	123.1	(5.0)	118.1
<b>Operating profit</b>	<b>60.1</b>	<b>(5.6)</b>	<b>54.5</b>	<b>141.2</b>	<b>(0.5)</b>	<b>140.7</b>	<b>207.8</b>	<b>1.9</b>	<b>209.7</b>
Net finance costs	(15.2)	(1.7)	(16.9)	(15.9)	(1.7)	(17.6)	(31.2)	(3.4)	(34.6)
Share of Longmartin post-tax loss	(6.2)	6.2	-	(1.6)	1.6	-	(1.1)	1.1	-
<b>Profit before tax</b>	<b>38.7</b>	<b>(1.1)</b>	<b>37.6</b>	<b>123.7</b>	<b>(0.6)</b>	<b>123.1</b>	<b>175.5</b>	<b>(0.4)</b>	<b>175.1</b>
Tax	-	1.1	1.1	-	0.6	0.6	-	0.4	0.4
<b>Profit after tax</b>	<b>38.7</b>	<b>-</b>	<b>38.7</b>	<b>123.7</b>	<b>-</b>	<b>123.7</b>	<b>175.5</b>	<b>-</b>	<b>175.5</b>

# Earnings and dividends per share

## 5-year CAGR

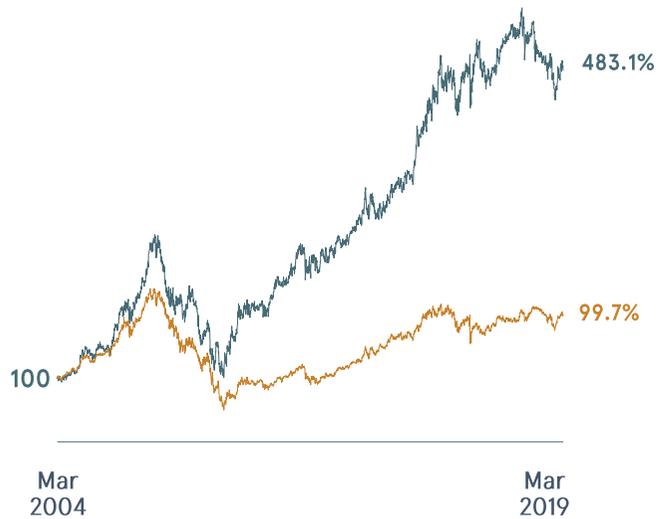
EPRA EPS	7.4%
Adjusted earnings per share	6.0%
Dividends per share	6.2%



# TSR outperformance

### 15 years

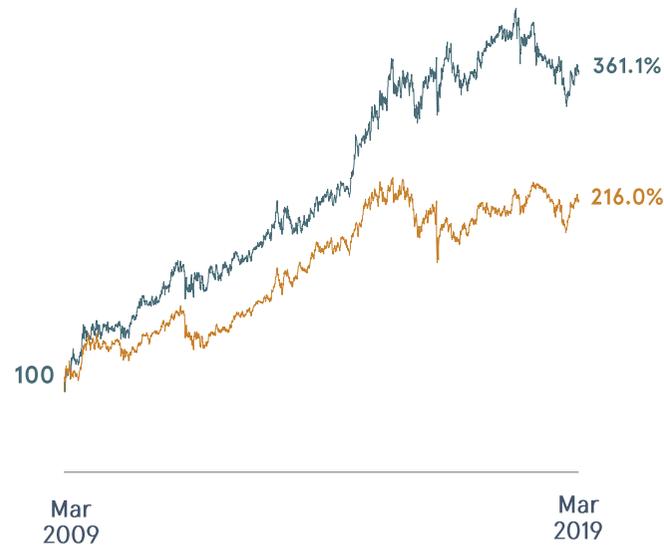
— Shaftesbury  
— FTSE 350 Real Estate



Relative performance +383.4%

### 10 years

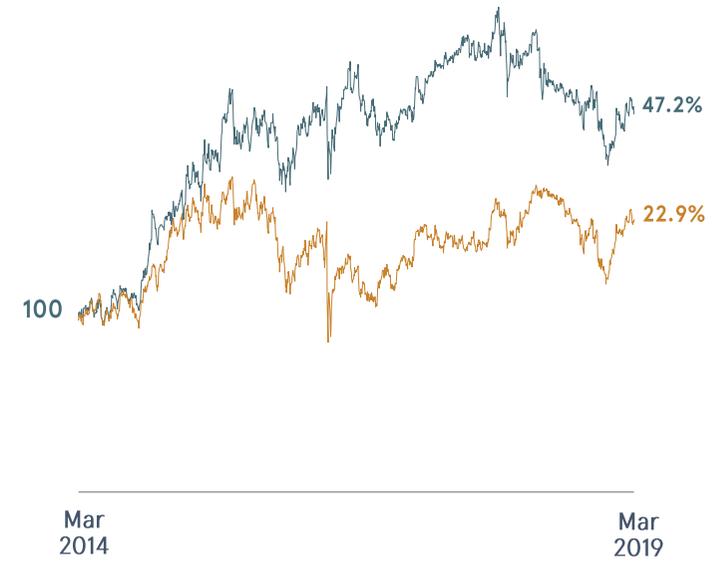
— Shaftesbury  
— FTSE 350 Real Estate



Relative performance +145.1%

### 5 years

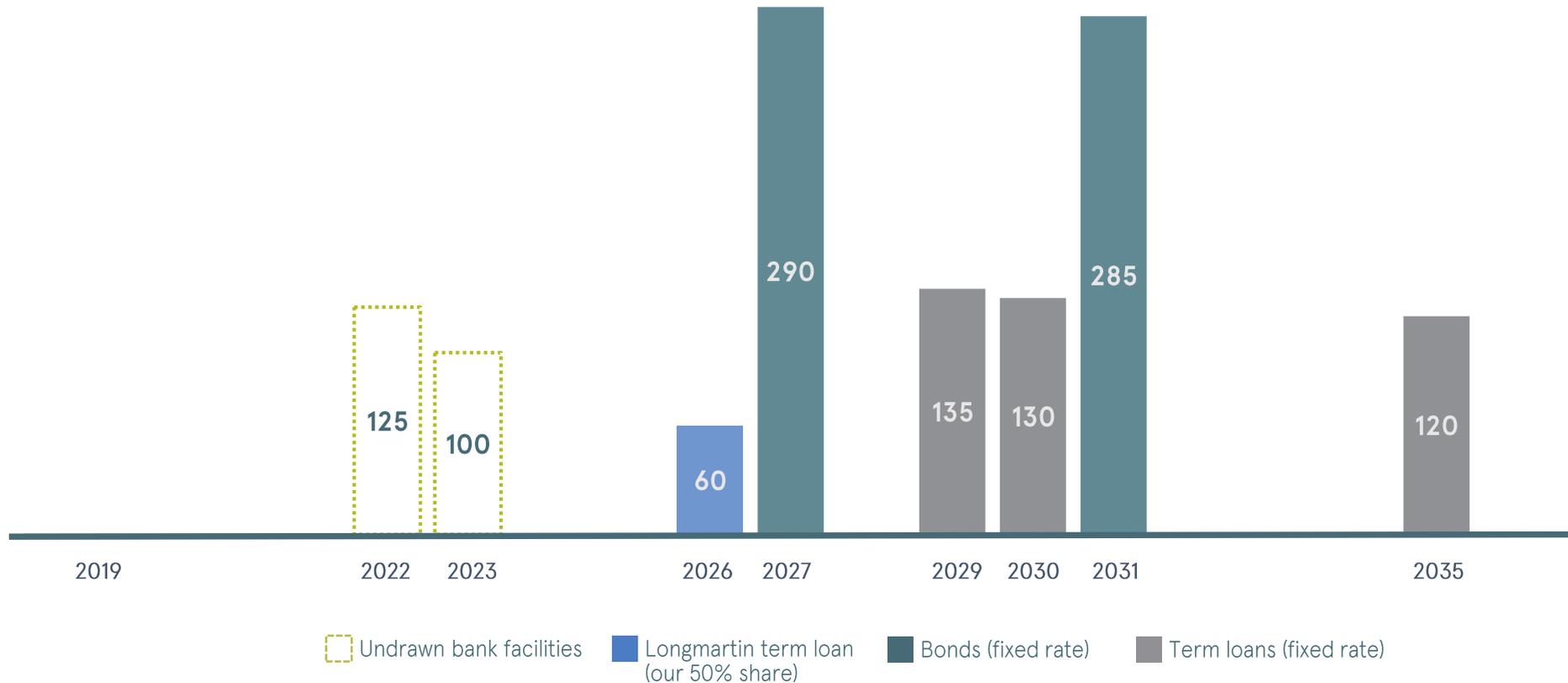
— Shaftesbury  
— FTSE 350 Real Estate



Relative performance +24.3%

# Debt maturity profile

Weighted average maturity: 9.7 years<sup>1</sup>



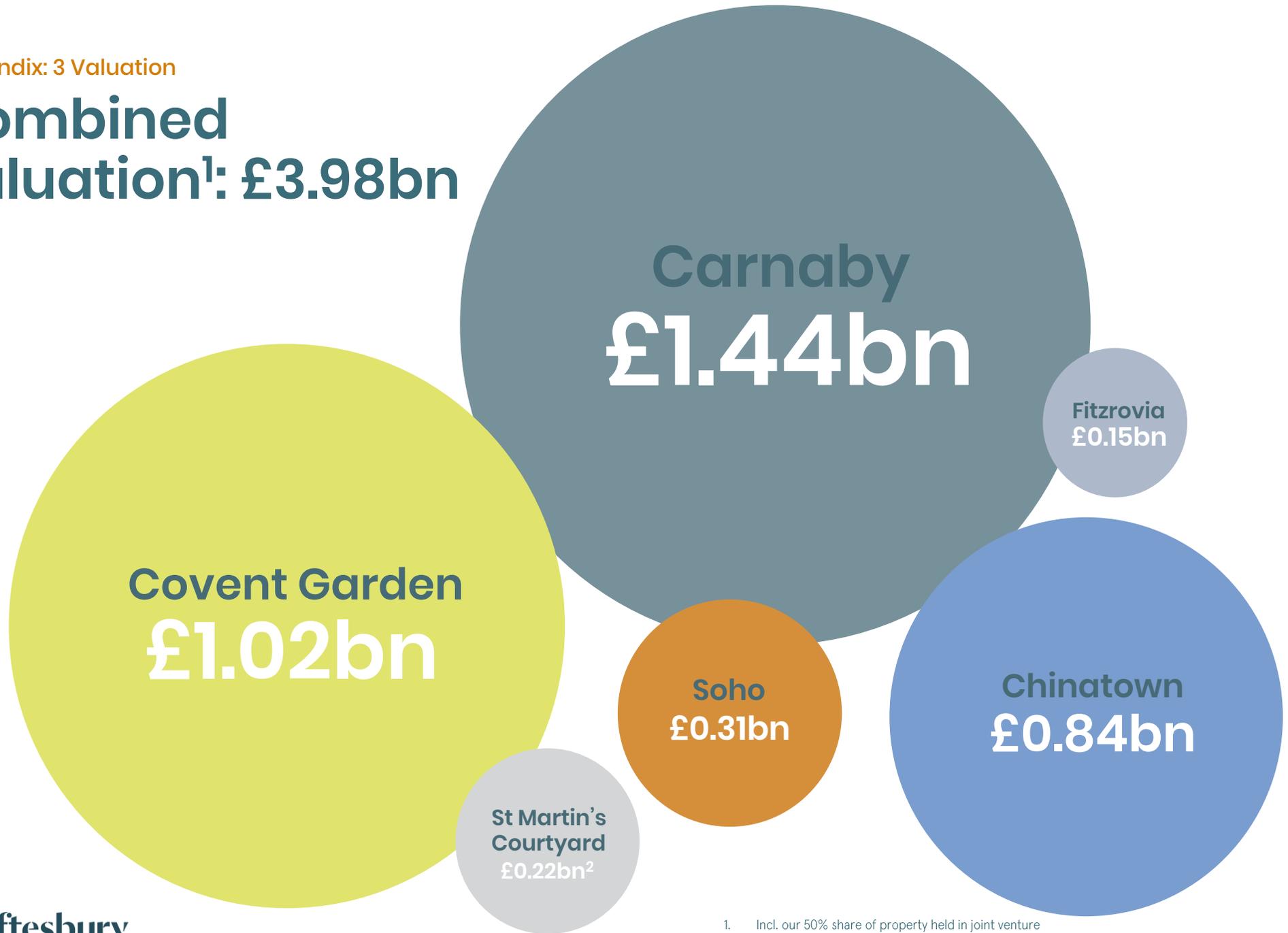
# 3 Valuation

Shaftesbury



Appendix: 3 Valuation

**Combined  
valuation<sup>1</sup>: £3.98bn**



1. Incl. our 50% share of property held in joint venture  
2. Our 50% share of Longmartin

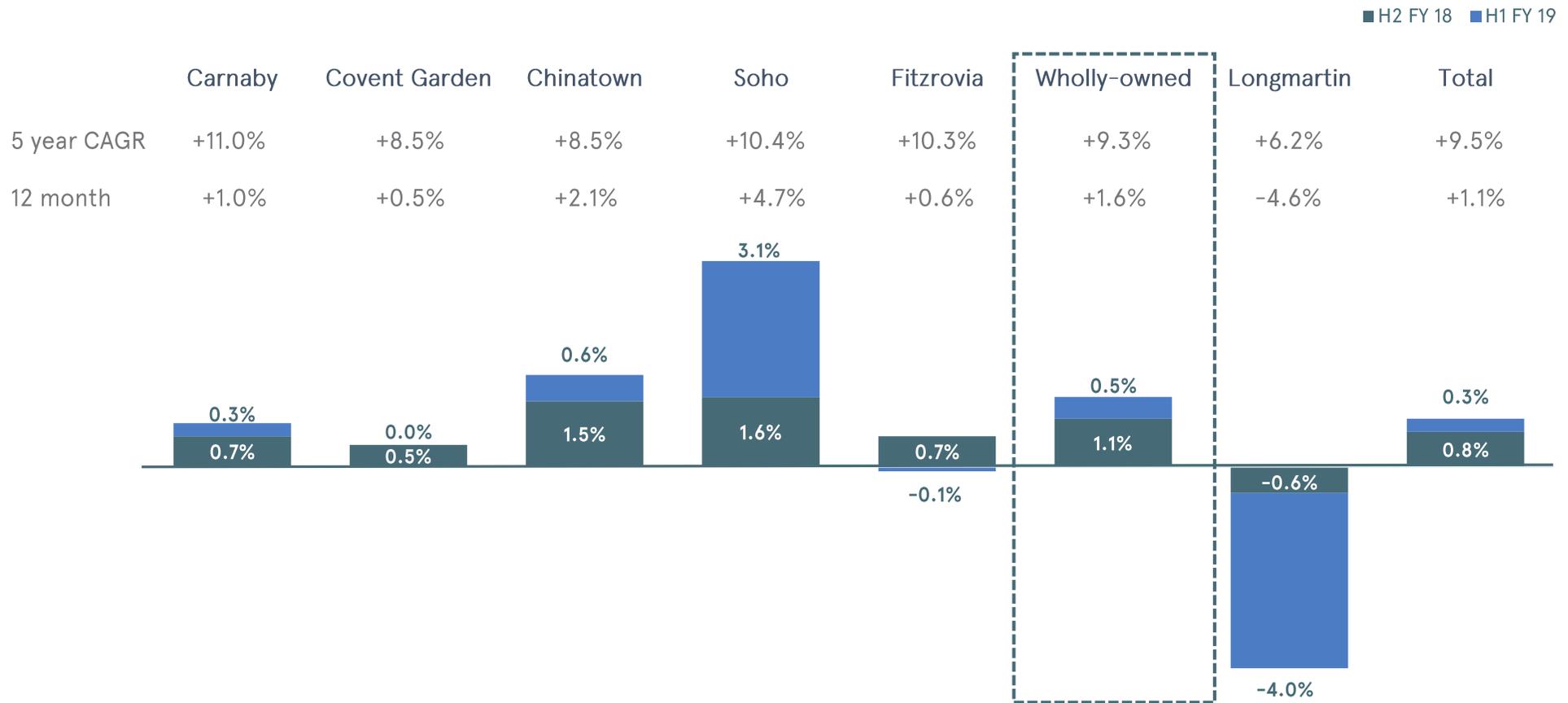
## Appendix: 3 Valuation

# Valuation summary

	Fair value £m	% of portfolio	Annualised current income £m	ERV £m
<b>Wholly-owned portfolio</b>				
Carnaby	1,435.3	36%	45.4	59.3
Covent Garden	1,018.6	26%	29.8	37.8
Chinatown	837.5	21%	25.7	31.4
Soho	313.8	8%	10.3	12.1
Fitzrovia	154.0	4%	4.8	6.0
	<b>3,759.2</b>	<b>95%</b>	<b>116.0</b>	<b>146.6</b>
Longmartin joint venture (our 50%)	217.9	5%	8.1	10.1
<b>Combined portfolio</b>	<b>3,977.1</b>	<b>100%</b>	<b>124.1</b>	<b>156.7</b>

Appendix: 3 Valuation

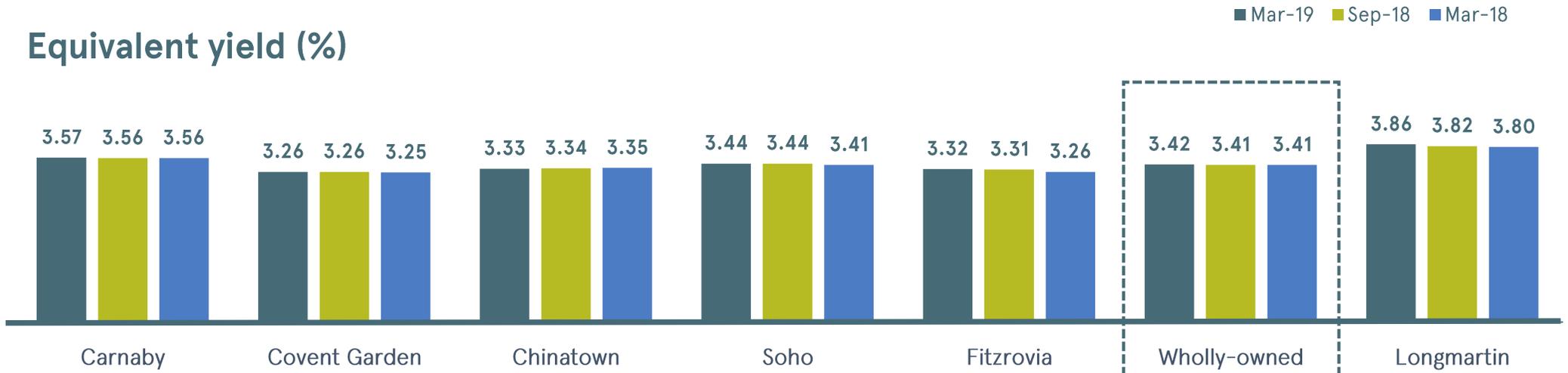
# L-f-L change in capital values



Appendix: 3 Valuation

# Yields

## Equivalent yield (%)



## Initial yield (%)



## Appendix: 3 Valuation

# Portfolio reversion by use

	Restaurants, cafés and leisure £m	Shops £m	Office £m	Residential £m	Wholly- owned £m	% Wholly- owned ERV	Longmartin £m	Total portfolio £m
<b>Annualised current income</b>	<b>44.8</b>	<b>36.2</b>	<b>19.1</b>	<b>15.9</b>	<b>116.0</b>	<b>79.1%</b>	<b>8.1</b>	<b>124.1</b>
Vacancy								
- Under offer/available-to-let	0.5	3.0	1.0	0.2	4.7	3.3%	0.4	5.1
- 72 Broadwick Street	-	-	5.0	0.6	5.6	3.8%	-	5.6
- Other schemes	2.9	0.9	3.4	0.9	8.1	5.5%	1.1	9.2
	<b>48.2</b>	<b>40.1</b>	<b>28.5</b>	<b>17.6</b>	<b>134.4</b>	<b>91.7%</b>	<b>9.6</b>	<b>144.0</b>
Contracted (rent frees, stepped rents)	0.9	3.3	0.3	-	4.5	3.1%	0.3	4.8
Under-rented	2.8	3.5	1.1	0.3	7.7	5.2%	0.2	7.9
<b>ERV</b>	<b>51.9</b>	<b>46.9</b>	<b>29.9</b>	<b>17.9</b>	<b>146.6</b>	<b>100.0%</b>	<b>10.1</b>	<b>156.7</b>

# 4 Village Summaries



# Carnaby – in numbers

carnaby.co.uk



Restaurants,  
cafés and leisure



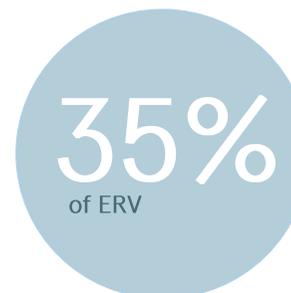
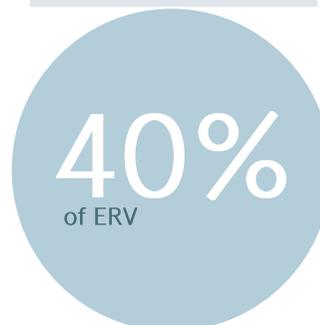
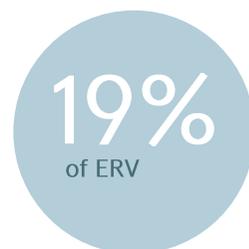
Retail



Offices

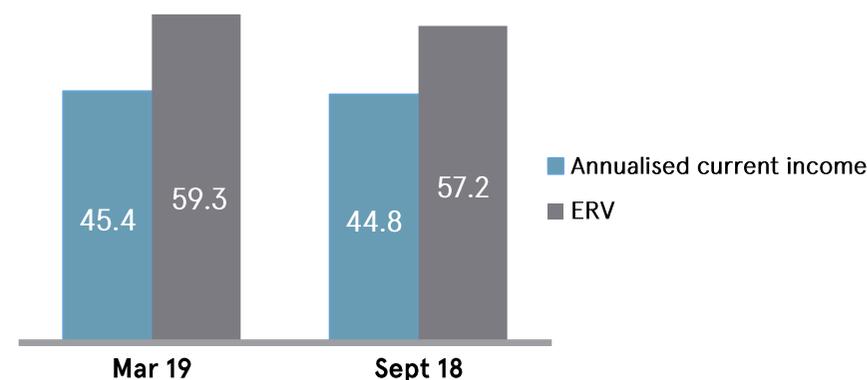


Residential



	Mar 2019	Sept 2018
Valuation	£1,435.3m	£1,424.7m
Acquisitions	-	£115.5m
Capital expenditure	£5.9m	£8.5m
Capital value return (L-f-L)	+0.3%	+3.9%
Equivalent yield	3.57%	3.56%
Reversion	£13.9m	£12.4m

REVERSION (£m)



# Covent Garden - in numbers

sevendentials.co.uk



Restaurants, cafés and leisure



Retail



Offices

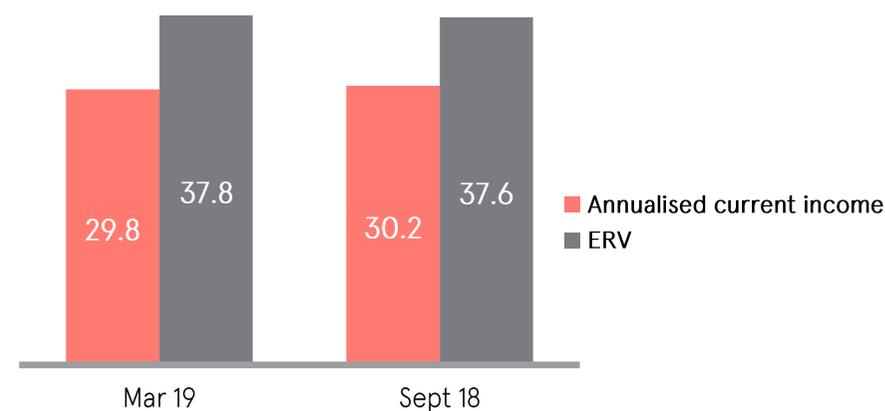


Residential



	Mar 2019	Sept 2018
Valuation	£1,018.6m	£1,013.7m
Acquisitions	£3.0m	£33.2m
Disposals	-	£5.1m
Capital expenditure	£1.8m	£5.7m
Capital value return (L-f-L)	+0.0%	+4.0%
Equivalent yield	3.26%	3.26%
Reversion	£8.0m	£7.4m

REVERSION (£m)



1. By value; combined portfolio including our 50% share of property held in joint venture

# Chinatown – in numbers

chinatown.co.uk



Restaurants, cafés and leisure



Retail



Offices



Residential



62%  
of ERV

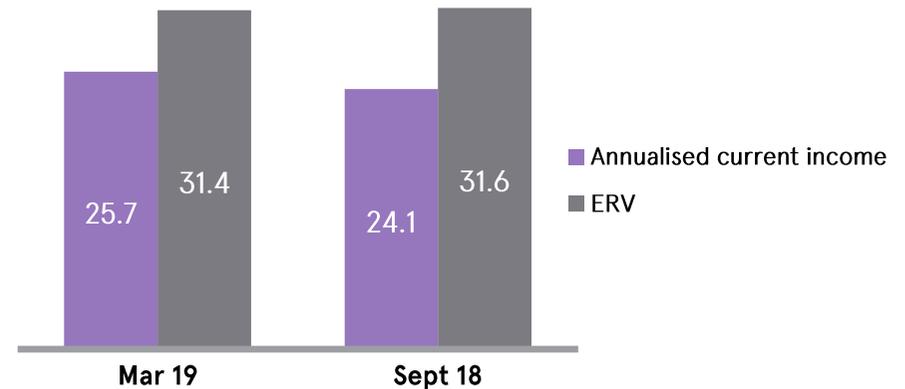
21%  
of ERV

4%  
of ERV

13%  
of ERV

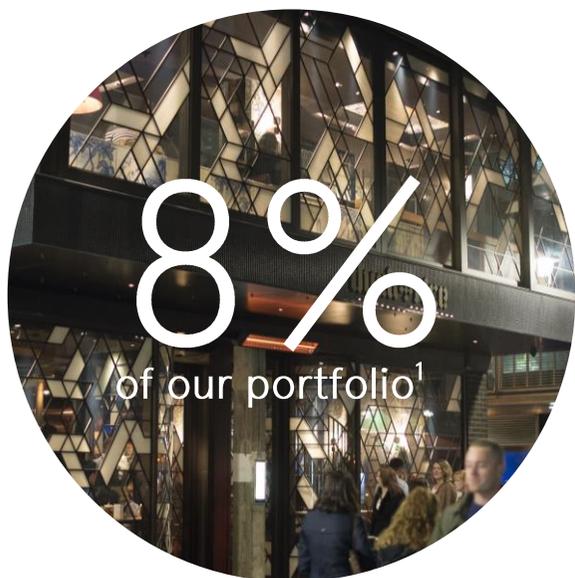
	Mar 2019	Sept 2018
Valuation	£837.5	£837.2m
Acquisitions	-	£4.0m
Disposals	£9.1m	-
Capital expenditure	£4.2m	£8.0m
Capital value return (L-f-L)	+0.6%	+4.2%
Equivalent yield	3.33%	3.34%
Reversion	£5.7m	£7.5m

REVERSION (£m)



# Soho – in numbers

thisissoho.co.uk



Restaurants,  
cafés and leisure



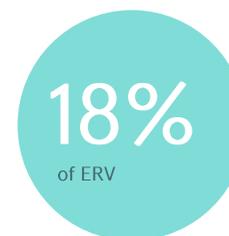
Retail



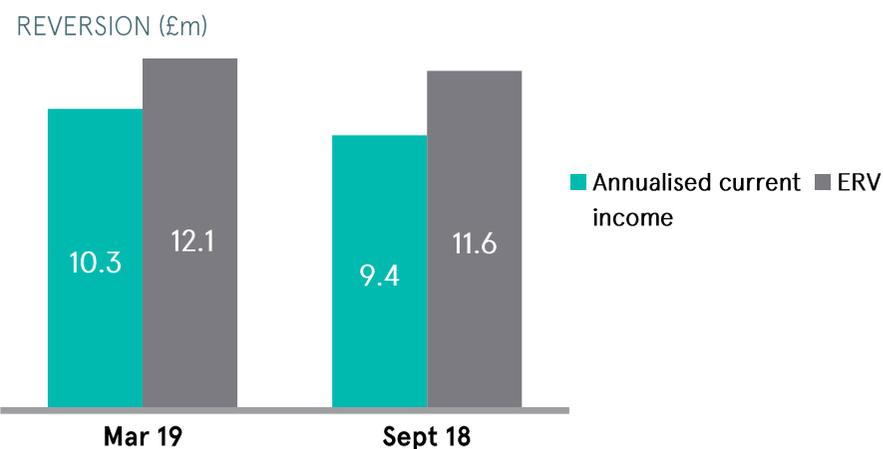
Offices



Residential



	Mar 2019	Sept 2018
Valuation	£313.8m	£300.8m
Acquisitions	£3.5m	£15.1m
Disposals	-	£3.6m
Capital expenditure	£0.9m	£1.5m
Capital value return (L-f-L)	+3.1%	+6.2%
Equivalent yield	3.44%	3.44%
Reversion	£1.8m	£2.2m



Shaftesbury

1. By value; combined portfolio including our 50% share of property held in joint venture

# Fitzrovia – in numbers



## Restaurants, cafés and leisure



## Retail



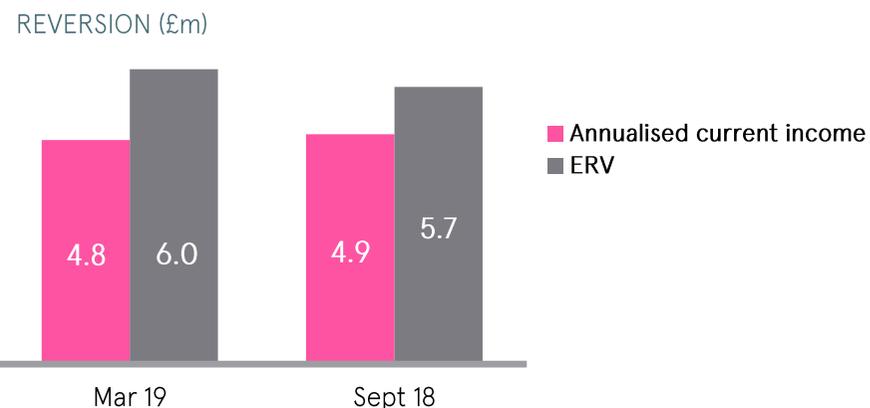
## Offices



## Residential



	Mar 2019	Sept 2018
Valuation	£154.0m	£148.2m
Acquisitions	£5.6m	-
Capital expenditure	£0.7m	£1.6m
Capital value return (L-f-L)	(0.1)%	+4.5%
Equivalent yield	3.32%	3.31%
Reversion	£1.2m	£0.8m



# Longmartin – in numbers

[stmartinscourtyard.co.uk](http://stmartinscourtyard.co.uk)



**Restaurants, cafés and leisure**



**Retail**



**Offices**

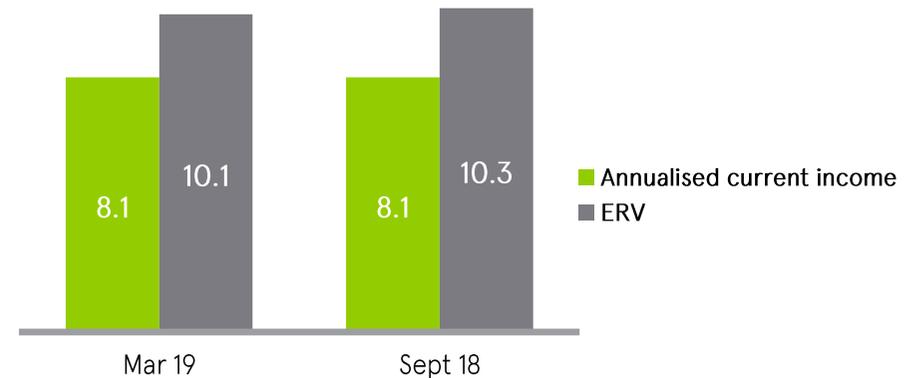


**Residential**



	Mar 2019	Sept 2018
Valuation	£217.9m	£224.6m
Capital expenditure	£2.2m	£2.4m
Capital value return (L-f-L)	(4.0)%	(2.5)%
Equivalent yield	3.86%	3.82%
Reversion	£2.0m	£2.2m

REVERSION (£m)



1. By value; combined portfolio including our 50% share of property held in joint venture

# 5 Other



# Drivers of long-term growth in total shareholder returns

Curating distinctive and lively destinations



Attracting occupiers



Delivering long-term returns

Growing contracted income and rental potential

Growth in earnings and dividends

Long-term growth in portfolio value and total shareholder returns

# Principal risks

## Reduction of spending and/or footfall in our areas

### ▪ Potential causes

- Fall in the popularity of the West End and particularly our areas leading to decreasing visitor numbers
- Changes in consumer tastes, habits and spending power
- Terrorism or the threat of terrorism
- Competing destinations

### ▪ Consequences

- Reduced tenant profitability
- Reduced occupier demand
- Higher vacancy
- Reduced rental income and declining earnings
- Reduced ERV, capital values, and NAV (amplified by gearing)

## Changes in planning and licensing regulations

### ▪ Potential causes

- Unfavourable changes to national or local planning and licensing policies
- Tenants acting outside of the planning/licensing consents

### ▪ Consequences

- Ability to maximize the growth prospects of our assets limited
- Reduces occupier demand
- Reduced earnings
- Decrease in property values and NAV (amplified by gearing)

# Principal risks (continued)

## Macroeconomic factors

### ▪ Potential causes

- Unforeseen macroeconomic shocks or events
- Uncertainty around the timing and terms of Brexit
- Upward cost pressures

### ▪ Consequences

- Lower consumer confidence
- Reduced visitor numbers
- Reduced tenant profitability
- Reduced occupier demand
- Pressure on rents
- Higher vacancy
- Reduced rental income and declining earnings
- Reduced ERV, capital values and NAV (amplified by gearing)
- Specifically, depending upon the eventual Brexit terms, lower availability of labour, supply chain disruption and higher import costs

## Decline in the UK real estate market

### ▪ Potential causes

- Changes to global political landscape
- Increasing bond yields and cost of finance
- Reduced availability of capital and finance
- Lower relative attractiveness of property compared with other assets classes

### ▪ Consequences

- Reduced property values
- Decrease in NAV (amplified by gearing)
- Risk of loan covenant breaches
- Ability to raise new debt funding curtailed

## Appendix: 5 Other

# Disclaimer

This presentation may contain certain “forward-looking statements” with respect to Shaftesbury PLC (the Company) and the Group’s financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “anticipates”, “aims”, “due”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans”, “targets”, “goal” or “estimates” or, in each case, their negative or other variations or comparable terminology.

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