

Bond Presentation  
30 June 2021

# 2021 Half Year Results



CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC



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All information is as of 19 September 2021 unless otherwise indicated.

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## Presenters



**Rebecca Worthington**

*Chief Financial Officer*



**Andrew King**

*Director Financial Planning & Appraisal*



**David Cooper**

*Director / Group Treasurer*



## Canary Wharf Group's Progress

In H1 2021, the Group is progressing in line with its Business Plan and Financial Policy Framework. Key metrics include:



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**Increase in gross assets to £8.5bn**



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**99% cash collection from offices**



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**4 Buildings achieved practical completion for which sustainable certification is in progress**



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**Positive outlook on retail, including:**

- 97% Retail occupancy
- 160,000 sqft of leasing
- Plus renewal of Waitrose lease of 102k sq ft post period end



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**Strong Vertus leasing in 2021**

- 358 units let YTD
- 8 Water St & 10 George St 66% and 63% let, respectively



# Canary Wharf Group Investment Holdings at a Glance

Fully Integrated Sustainable Developer, Owner and Operator of London's Largest REIT Portfolio

**24/7 City Where People Live, Work and Play**

<p><b>£8.5 Bn</b> Portfolio Fair Value<sup>(1)</sup></p>	<p><b>£139 MM</b> Net Development, Rental and Related Income</p>	<p><b>94%</b> Occupancy<sup>(2)</sup></p>	<p><b>11.7 Years</b> WAULT<sup>(3)</sup></p>
<p><b>4.8%</b> Weighted Average Equivalent Yield<sup>(3)</sup></p>	<p><b>48%</b> Net LTV</p>	<p><b>31</b> Properties Owned</p>	<p><b>8.7 MM</b> sq. ft. NIA<sup>(4)(5)</sup></p>
<p><b>5.7 MM</b> sq. ft. Sustainable Space<sup>(5) (6)</sup></p>	<p><b>Top 5</b> Global Business District</p>	<p><b>3 Newest</b> London TfL Lines</p>	

Data as of 30 June 2021

**Notes:**


1. Includes investments
2. Commercial portfolio based on NIA
3. For offices
4. For investment properties
5. Includes share of joint ventures and associates
6. Includes buildings completed in H1 for which sustainable certification is in progress






# Industry Leading Sustainability Efforts and Long-Standing Commitment to Sustainable Properties


## Sustainability is at the Core of CWGIH's Strategy



**£4.9 Bn**  
One of the largest sustainable portfolios in the UK




**Net Zero Carbon**  
Targeting net zero carbon by 2030




**100%**  
All commercial buildings achieved BREEAM accreditations since 1998



**BREEAM Outstanding**  
3 buildings achieved or are expected to achieve BREEAM Outstanding

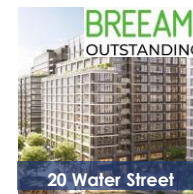
**Continued Improvement**  
7 Westferry Circus: BREEAM Excellent for refurbishment



**100%**  
Electricity purchased from renewable resources since 2012



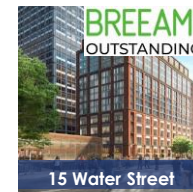
**Zero Waste**  
To landfill from managed areas since 2009



**34%**  
Reduction in overall emissions since 2012

**1<sup>ST</sup>**  
Commercial centre to achieve Plastic Free Communities status and first commercial district to set a collective Science Based Target

**8.9 Million**  
Single-use plastic items eliminated and recycled





## Financial Review

£8,450m Fair value of the portfolio<sup>(1)</sup>, up from £8,374m at Q4 2020

£3,787m Net assets, up from £3,691m

£4,215m Adjusted NAV<sup>(2)</sup>, up from £4,223m

£48% Net LTV increased to up from 47%

£139m Net Income, down from £143m at H1 2021

£116m Underlying operating profit, down from £118m

£26m Underlying profit before tax, down from £40m

Data as of 30 June 2021

**Notes:**

1. Includes CWGIH's net asset value share of joint ventures and equity investments

2. Adjusted NAV excludes deferred tax and fair value adjustments on derivatives at both balance sheet dates. Adjusted NAV also excludes the cash element of the capital contributions received in April 2015 totalling £153.0m and subsequent distributions.





# Largest Exclusively London-Focused REIT

**£8.5 Bn High Quality Asset Portfolio Located in the Canary Wharf Estate**

Office	
	
Number of Properties <sup>(1)</sup>	12
Total NIA (m sq. ft.) <sup>(1)</sup>	6.8
Fair Value <sup>(2)</sup>	£5.7 Bn
Occupancy	94%
Rental Income (HY 2021)	£120m
WAULT	11.7 years
<b>79% of NIA<sup>(3)</sup> / 83% of Rental Income</b>	

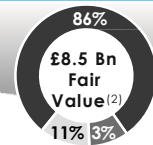
Retail	
	
Number of Properties <sup>(1)</sup>	13
Total NIA (m sq. ft.)	0.9
Fair Value	£0.8 Bn
Occupancy	97%
Rental Income (HY 2021)	£25m
<b>10% of NIA<sup>(3)</sup> / 17% of Rental Income</b>	

Residential	
	
Number of Properties <sup>(1)</sup>	6
Number of Flats <sup>(4)</sup>	1,456
Total NIA (m sq. ft.) <sup>(1)</sup>	1.0
Fair Value <sup>(2)</sup>	£0.7 Bn
<b>11% of NIA<sup>(3)</sup></b>	

Data as of 30 June 2021

**Notes:**

1. Includes share of joint ventures and associates
2. Includes CWGIH's net asset value share of joint ventures and equity investments
3. NIA for investment properties, not including properties under construction and properties held for development, includes joint ventures and associates at share
4. Includes 100% of 10 George Street and 8 Water Street, of which CWGIH owns 50%



■ Investment Properties

■ Properties Under Construction

■ Properties Held for Development



# Development Update

Short Term Development programme nearing completion

**Newfoundland**



<b>Residential</b>	<b>Apr-21</b> Completion Date	<b>636</b> Units	<b>100%</b> Ownership
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**Affordable Housing**



<b>Affordable Housing</b>	<b>Apr-21</b> Completion Date	<b>143</b> Units	<b>100%</b> Ownership
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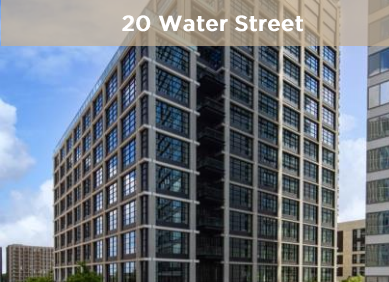
**30 Harbord Square**



<b>Intermediate Housing</b>	<b>Jun-21</b> Completion Date	<b>176</b> Units	<b>100%</b> Ownership
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Completed in 2021

**20 Water Street**



<b>Office</b>	<b>Oct-21</b> Completion Date	<b>239</b> NIA (k sq ft)	<b>100%</b> Ownership
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**15 Water Street**



<b>Commercial/ Mixed Use</b>	<b>Nov-21</b> Completion Date	<b>186</b> NIA (k sq ft)	<b>100%</b> Ownership
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**Charter Street**  
5/8 Harbord Square - G7

Under Const'n

**North Quay**  
**Park Place**

Planning



## Leasing and Rent Collection



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### Commercial Occupancy

- 94% (Retail 97%/Office 93%)

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### Office Leasing

- 163,000 sqft of office space leased (including renewals)

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### Retail Leasing

- 32 lettings exchanged for 161,000 sqft NIA (including renewals and temporary lets)
- 5 further new lettings in solicitors' hands
- 10 further lettings under offer

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### Rent Collection<sup>(1)</sup>

- 99% Office rent collection
- 70% Retail rent collection
- 99% Residential rent collection

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**Notes:**

1. After concessions granted in the period



## Capital Structure



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48%

Net LTV

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79%

Secured debt as % of total debt

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7 Years

Weighted average maturity

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3.7%

Weighted average cost of debt

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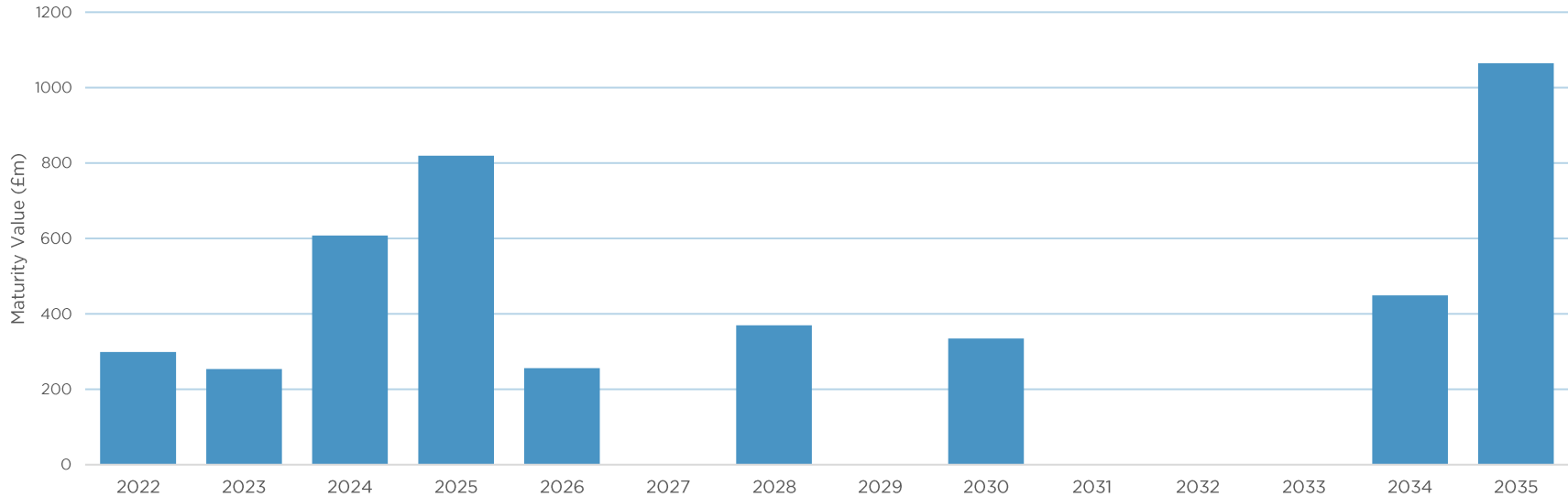
83%

Fixed & capped debt



## Debt Maturity Profile

### 7 Year Weighted Debt Maturity



Data as of 30 June 2021

**Notes:**

1. Excludes Joint Ventures
2. Excludes amortisation



## Financial Policy Framework

- 1 Leverage Policy**
  - Maintain conservative leverage policy
  - Target to keep net **LTV less than 50%**
- 2 Liquidity**
  - Maintain sufficient liquidity and a **strong balance sheet position**
  - Best-in-class **shareholders** who provide **consistent support**
- 3 Funding Mix**
  - Path towards **balanced asset secured / corporate funding mix**, through access to bond capital markets
- 4 Maturity Profile**
  - Proactively address approaching maturities and maintain a **balanced maturity profile**
- 5 Interest and FX Risk Hedging**
  - Keep majority of the borrowings at **fixed or capped rate**
  - Euro debt **fully hedged**
- 6 Dividend Policy**
  - Remain focused on **value creation through cash generation and developments**
  - Dividend policy in line with **UK REIT regulations** (*90% of property rental business*)



## Summary Financial Statements

### Income Statement

	HY 2021 £m	HY 2020 £m
Gross development, rental and related income	204	215
Cost of sales	(66)	(72)
<b>Net development, rental and related income</b>	<b>139</b>	<b>143</b>
Share of associates and joint ventures after tax	0	(3)
Administrative expenses	(26)	(26)
Other income	3	3
<b>Operating profit/(loss)</b>	<b>116</b>	<b>118</b>
Net financing costs		
- investment revenues	-	1
- financing costs	(90)	(79)
<b>Underlying Profit before Tax</b>	<b>26</b>	<b>40</b>
Change in Fair Value of Property Assets	(24)	(292)
Change in Fair Value of Derivative Financial Instruments	103	(89)
Share of Associates and Joint Ventures after Tax - Capital	(1)	(1)
Tax	(5)	(2)
<b>Net Profit</b>	<b>100</b>	<b>(344)</b>



## Summary Financial Statements

### Balance Sheet

	30 June 2021 £m	31 December 2020 £m
Investment properties	6,889.1	6,317.5
Properties under construction	260.1	743.9
Development properties	974.0	1,025.6
Plant and equipment	9.4	8.4
Investments	117.9	117.5
Lease incentives and deferred negotiation costs	245.3	232.1
<b>Total non-current assets</b>	<b>8,495.8</b>	<b>8,445.0</b>
Work in progress	25.8	-
Trade and other receivables	116.6	181.8
Monetary deposits	2.3	2.3
Cash and cash equivalents	343.8	403.5
<b>Total current assets</b>	<b>488.5</b>	<b>587.6</b>
<b>Total assets</b>	<b>8,984.3</b>	<b>9,032.6</b>

	30 June 2021 £m	31 December 2020 £m
Current portion of long term borrowings	(96.4)	(1,125.4)
Derivative financial instruments	-	(6.9)
Corporation tax	(29.8)	(35.2)
Trade and other payables	(146.4)	(255.8)
<b>Current Liabilities</b>	<b>(272.6)</b>	<b>(1,423.3)</b>
Borrowings	(4,300.6)	(3,197.2)
Derivative financial instruments	(537.8)	(638.5)
Other non current liabilities	(62.2)	(62.2)
Deferred tax liabilities	(21.9)	(18.5)
Provisions	(1.9)	(1.9)
<b>Non-current liabilities</b>	<b>(4,924.4)</b>	<b>(3,918.3)</b>
<b>Total liabilities</b>	<b>(5,197.0)</b>	<b>(5,341.6)</b>
<b>Net assets</b>	<b>3,787.3</b>	<b>3,691.0</b>
Share capital	74.0	74.0
Other reserves	1,200.7	1,203.9
Retained earnings	2,512.6	2,413.1
<b>Total equity attributable to members of the Company</b>	<b>3,787.3</b>	<b>3,691.0</b>





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