



2022 HALF YEAR RESULTS  
INVESTOR PRESENTATION



CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC



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All information is as of 30 June 2022 unless otherwise indicated.

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# Presenters



**Becky Worthington**  
Chief Financial Officer

- 27 Years of financial experience
- Joined Canary Wharf Group in March 2021
- Former CFO of IQ Student Accommodation, Countryside and Quintain, and former NED of British Land; current NED and Chair of Audit Committee for Alstria
- Fellow of ICAEW and Honorary Fellow of the ACT



**Andrew King**  
Director of Investment

- 16 Years of financial experience
- Joined Canary Wharf Group in September 2013
- Former Director of FP&A and Head of Business Appraisal
- PhD in Chemistry from the University of Manchester



**Courtney Huggins**  
Director of Group Treasury

- 12 Years of financial experience
- Joined Canary Wharf Group in January 2022
- Former Group Treasurer at Logikor
- Fellow of the ACT (FCT)
- Vice President of ACT Council



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WOOD WHARF

KEY HIGHLIGHTS



# Canary Wharf Group at a Glance

Fully integrated sustainable developer, owner and operator of London's largest REIT portfolios

## 24/7 CITY WHERE PEOPLE LIVE, WORK AND THRIVE



**£8.7 billion**  
Portfolio Fair Value <sup>(1)</sup>



**£140 million**  
6m Net Development,  
Rental and Related  
Income



**93%**  
Occupancy <sup>(2)</sup>



**11.2 Years**  
WAULT <sup>(3)</sup>



**4.7%**  
Weighted Average  
Equivalent Yield <sup>(4)</sup>



**47.8%**  
LTV <sup>(5)</sup>



**38**  
Properties  
Owned <sup>(1)</sup>



**9.8 million** sq. ft.  
NIA <sup>(6) (7)</sup>



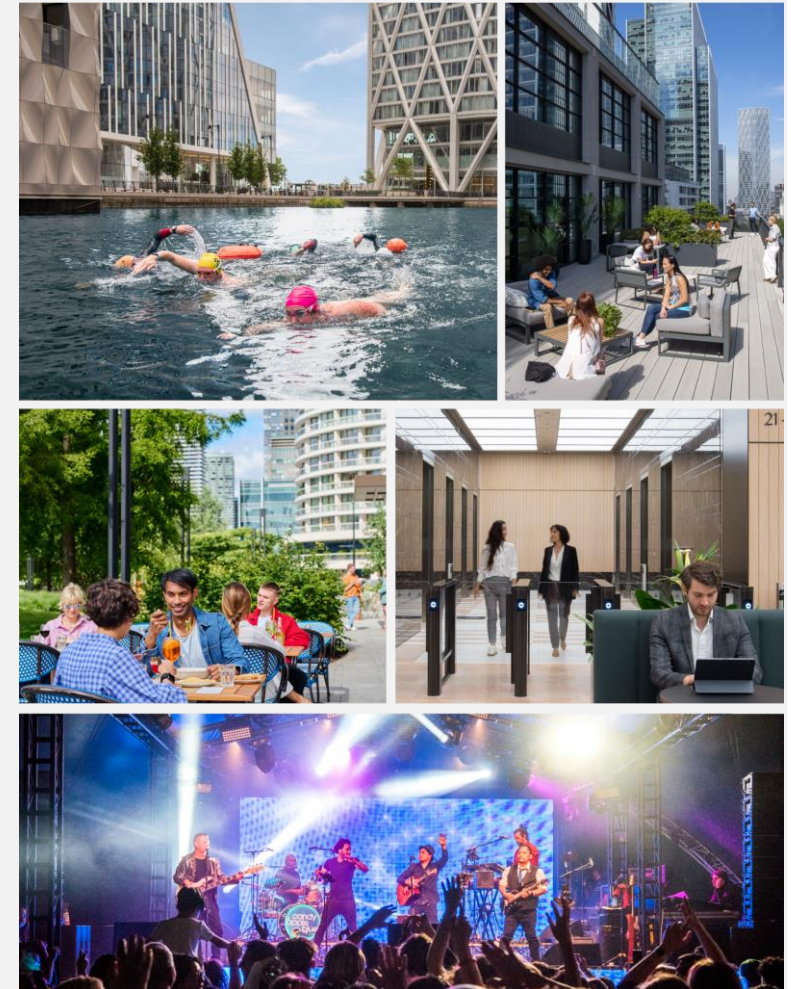
**7.8 million** sq. ft.  
Owned Sustainable Space  
<sup>(7) (8)</sup>



**Top 5**  
Global Business District <sup>(9)</sup>



**3 Newest**  
London TfL Lines



Data as at 30 June 2022 unless otherwise stated

1. Includes investments

2. Commercial portfolio based on NIA

3. Office excluding break options

4. Office Portfolio

5. Look through LTV is calculated by reference to net debt excluding derivative financial instruments

6. Represents investment properties

7. Includes share of joint ventures and associates

8. Includes buildings completed in 2022 for which sustainable certification is in progress

9. Listed in the Global Business Innovation Club report



# Canary Wharf Group's Progress



Stable gross assets at £8.7 billion<sup>(1)</sup>



Positive outlook on retail, including:

- 97.4% Retail occupancy, up from 97.1% in FY 2021
- 17 New lettings, 8 renewals, 2 Pop-up/ short term lettings totalling: 179,000 sq. ft.
- Highlights include expansion of watch brands Watches of Switzerland and DM Robinson. Zizi and Padel tennis are new incoming tenants
- Fair game to open this Autumn



99% cash collection from offices



Delivered over 20 million sq. ft. of certified sustainable space



Strong Office Activity in HY 2022

- 135,000 sq. ft. let during the first half of 2022 with 164,000 sq. ft. signed after the period end
- Current pipeline of 146,000 sq. ft. of deals under-offer
- MadeFor managed workspaces represents 189,000 sq. ft of the deals to date and 11,000 sq. ft. under offer



Strong Vertus leasing in HY 2022

- 8 Water Street, 10 George Street & Newfoundland were 97%, 83% and 64% let, respectively



MARKET OVERVIEW



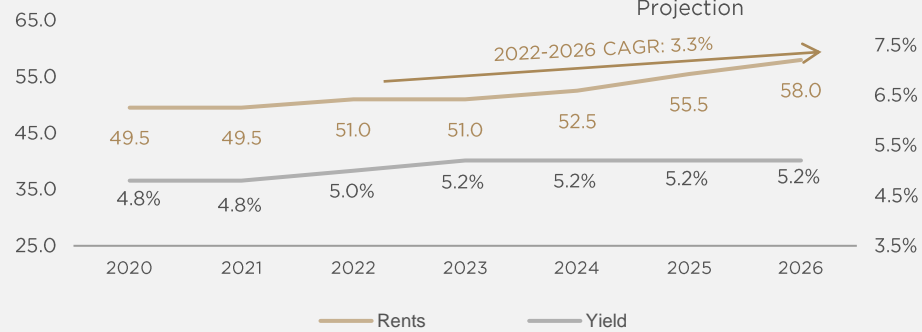


# Robust London Office Market Trends

## London Office Market Overview

### Shifting Market Fundamentals

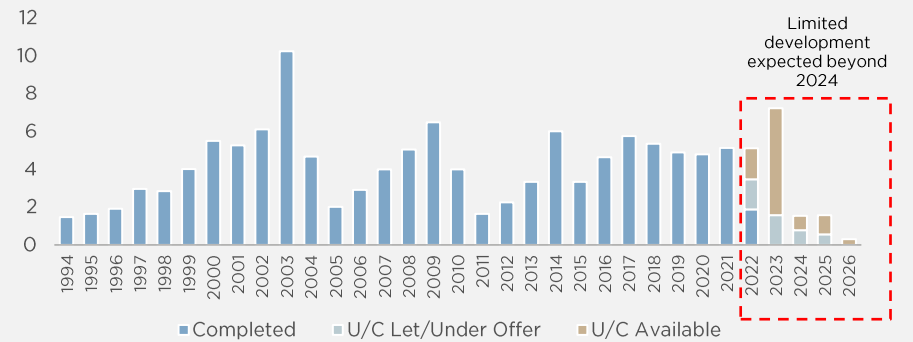
Docklands Rent (£ psf) and Yield Evolution (%)



Source: PMA European Office Forecast, CBRE, Q2 2022

### Limited London Development Pipeline

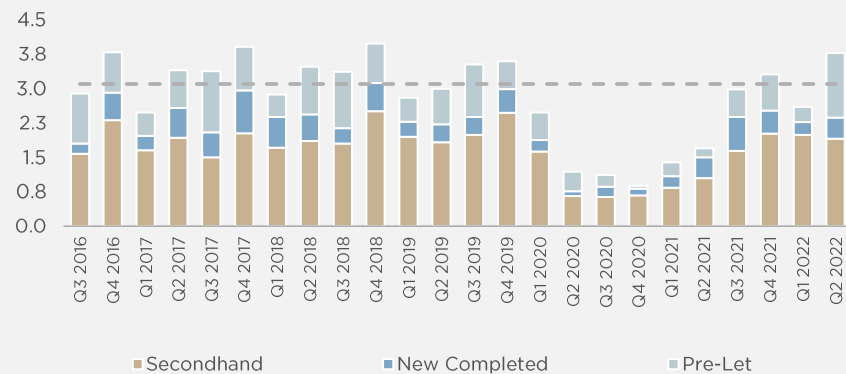
Central London Development Pipeline (MM sq ft)



Source: CBRE, Q2 2022

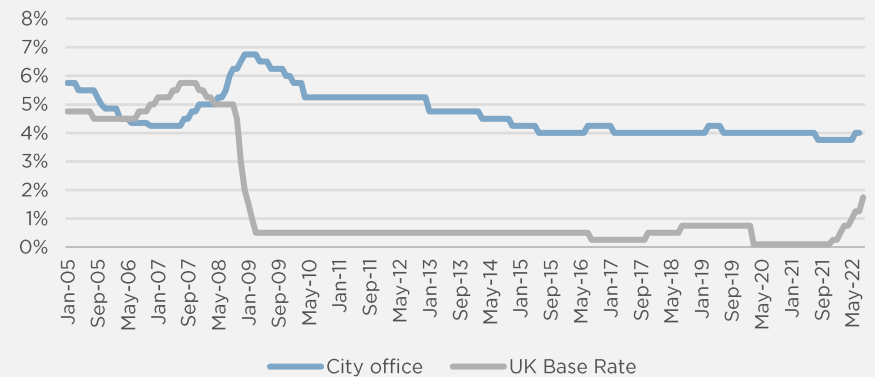
### Q2 2022 Take-Up Strongest Since 2018

Central London Take-up (MM sq ft)



Source: CBRE

### City prime yields verses base rates



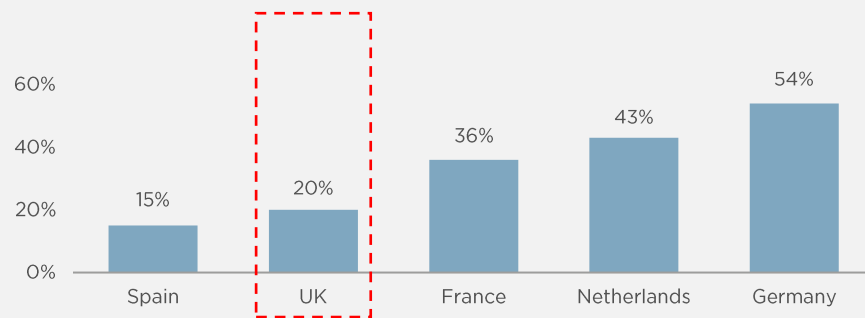
Source: Savills, August 2022



# UK PRS: Increasing Demand for Rental Supply

## Lower Proportion of PRS in UK Especially Those Institutionally Owned

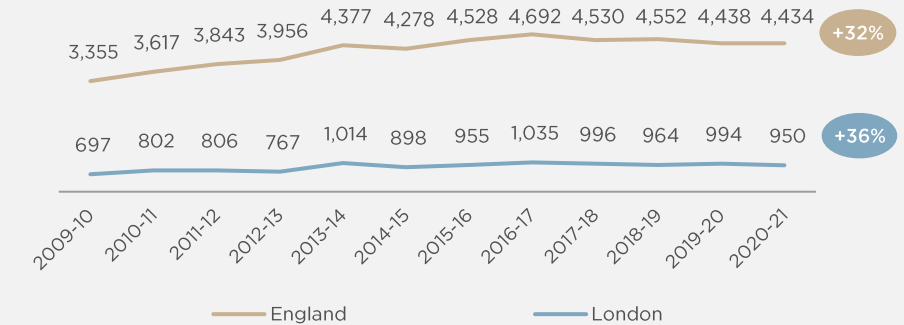
PRS Household as % of Total Household



Source: CBRE European Multi-family Housing Report 2021

## Stability in PRS Households in England

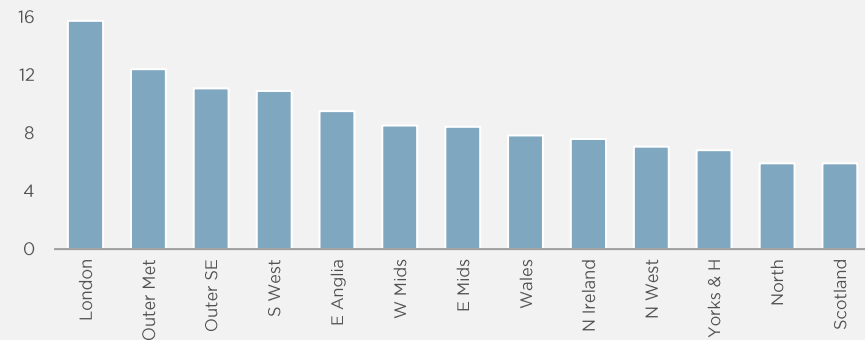
000's of Households



Source: English Housing Survey

## Ownership Affordability Stretched Especially in London...

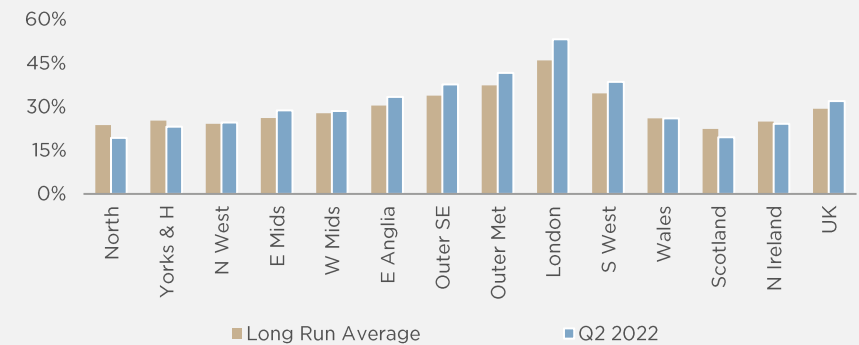
Years Taken to Save 20% Deposit



Source: Nationwide, ONS

## First Time Buyer Mortgage Payment Reaching c.50% of Take-home Pay in London

FTB Mortgage Payment as % of Take-home Pay



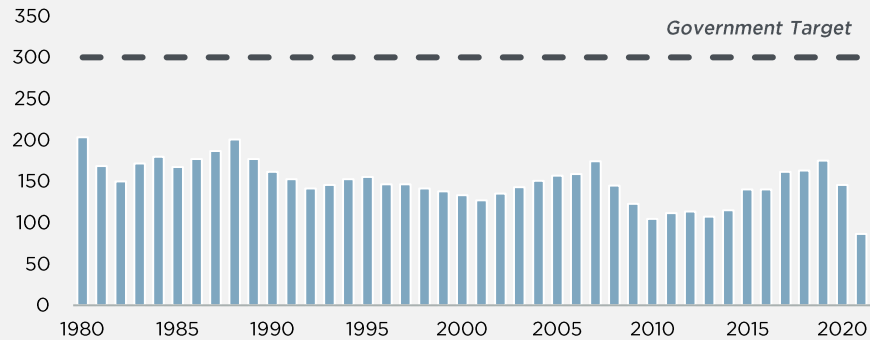
Source: Nationwide



# UK PRS: Rents Expecting to Grow with Undersupply Supports Pricing

## Continued Undersupply Supports Pricing

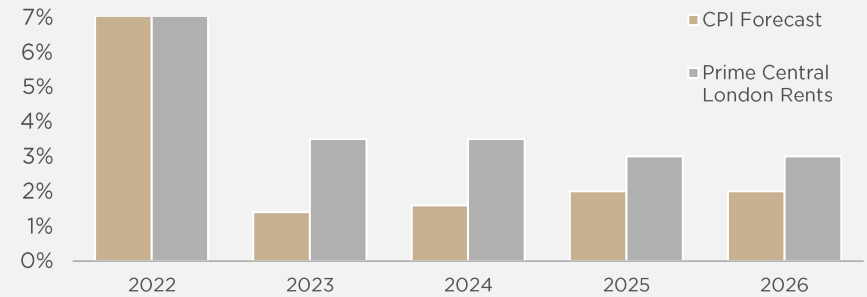
New Build Completions in England (000's)



Source: Department for Levelling Up, Housing and Communities

## Rents are Expected to Continue to Grow

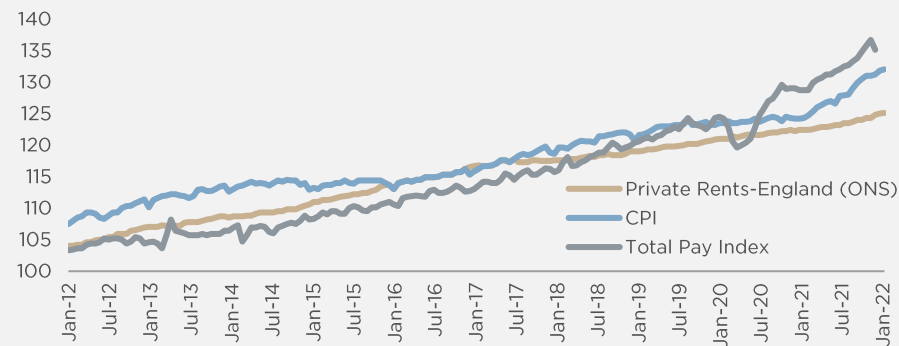
UK Home Price, Rents and CPI Forecast



Source: Bank of England, Knight Frank, Q2 2022

## Historical Rental Growth has Tracked General Cost Inflation

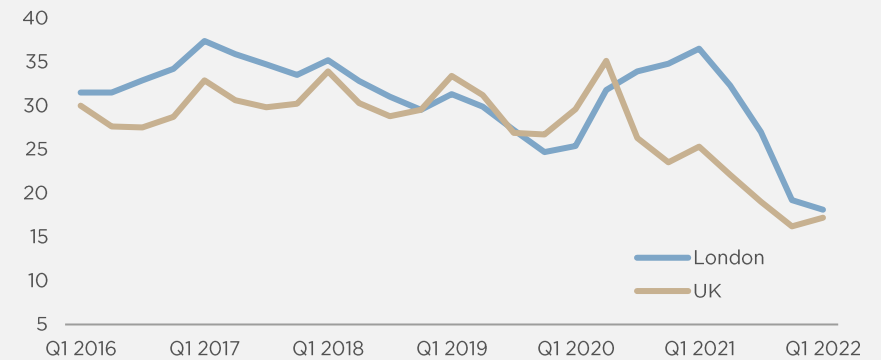
Rental Growth vs. Inflation (Index Jan 2010 = 100)



Source: ONS

## Leasing Market Remains Robust

Rightmove time-to-let-days



Source: Rightmove



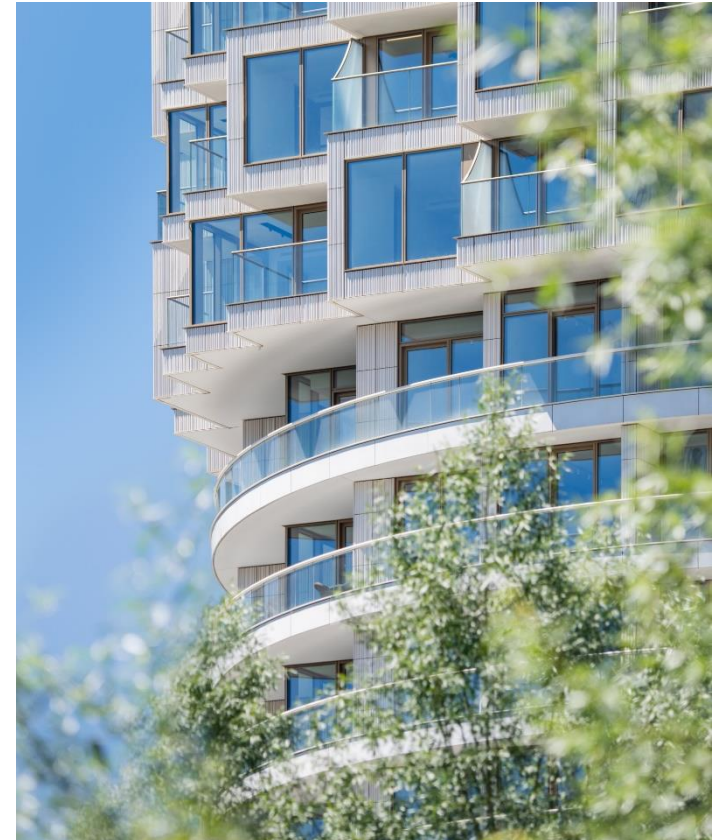
OPERATING  
PERFORMANCE



# Financial Review

Robust operating performance for the period, despite ongoing market volatility

£8,670m	Fair value of the portfolio <sup>(1)</sup> , up from £8,470m at Q4 2021
£4,118m	Net assets, up from £3,793m at Q4 2021
£4,274m	Adjusted NAV <sup>(2)</sup> increased from £4,163m at Q4 2021
47.8%	LTV <sup>(3)</sup> decreased from 49.5% at Q4 2021
£140m	Net Income, up from £139m in Q2 2021
£121m	Underlying operating profit, up from £116m at Q2 2021
£29m	Underlying profit before tax, up from £26m in Q2 2021



Data as at 30 June 2022 unless otherwise stated

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

3. Look through LTV is calculated by reference to net debt excluding derivative financial instruments

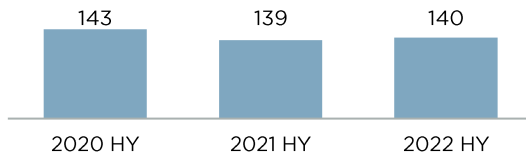


# Proven Track Record of Delivering Solid Financial Performance

## KEY PERFORMANCE HIGHLIGHTS

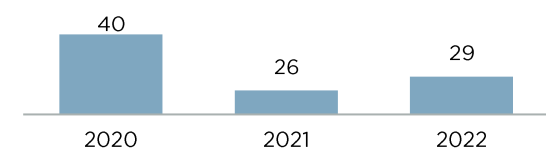
### NRI

(£m)



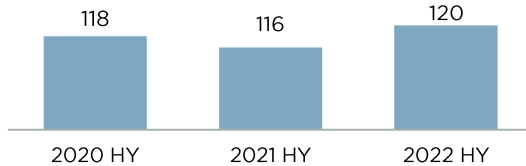
### Underlying PBT

(%)



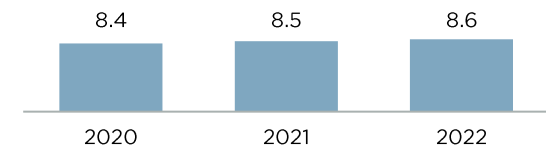
### EBITDA

(£m)



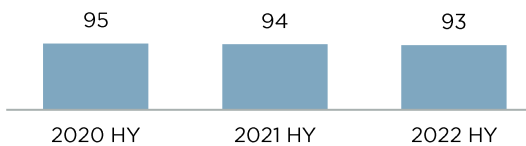
### GAV<sup>(1)</sup>

(£b)



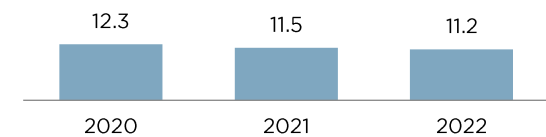
### Occupancy

(£m)



### WAULT<sup>(2)</sup>

(years)



#### Notes:


1. Proportionally consolidated, including 10% of Upper Bank Street, 50% of 10 George Street and 50% of 8 Water Street
2. For offices




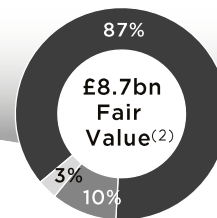
# Largest Exclusively London-Focused REIT

Working to transform our urban space into an extraordinary environment for people to live, work and thrive

Office	
	
Number of Properties <sup>(1)</sup>	13
Total NIA (m sq. ft.) <sup>(1)</sup>	7.2
Fair Value of Investment Properties <sup>(2)</sup>	£5,860m
Occupancy	93%
Rental Income	£118.2m
WAULT <sup>(5)</sup>	11.2 years
<b>82% of NIA<sup>(3)</sup> / 75% of Rental Income</b>	

Retail	
	
Number of Properties <sup>(1)</sup>	16
Total NIA (m sq. ft.)	0.9
Fair Value	£889m
Occupancy	97%
Rental Income	£23.1m
WAULT <sup>(5)</sup>	5.7 years
<b>10% of NIA<sup>(3)</sup> / 15% of Rental Income</b>	

Residential	
	
Number of Properties <sup>(1)</sup>	7
Number of Flats <sup>(4)</sup>	1,473
Total NIA (m sq. ft.) <sup>(1)</sup>	0.9
Fair Value <sup>(2)</sup>	£885m
Rental Income	£16m
<b>11% of NIA<sup>(3)</sup> / 10% of Rental Income</b>	



■ Investment Properties

■ Properties Under Construction

■ Properties Held for Development

Data as at 30 June 2022 unless otherwise stated

1. Includes share of joint ventures and associates; excludes school and East Wintergarden as sit outside these categories

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

4. Includes 100% of 10 George Street and 8 Water Street, of which CWGIH owns 50%

5. Excluding break options



# Largest Exclusively London-Focused REIT

2022 Half Year saw continued strong results in leasing activity and occupancy across office, retail and residential



## COMMERCIAL OCCUPANCY <sup>(1)</sup>

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



## OFFICE LEASING <sup>(2)</sup>

- Over 135,000 sq. ft. of office space leased



## RETAIL LEASING

- 27 deals exchanged
- 27 in solicitors hands
- 295,000 sqft of leasing



## RENT COLLECTION <sup>(1)</sup>

- 99% Office rent collection
- 92% Retail rent collection
- 99% Residential rent collection

Data as at 30 June 2022 unless otherwise stated

1. Includes renewals

2. After concessions granted in the period





# CAPITAL STRUCTURE



# Capital Structure

An increasingly diversified debt portfolio, supported by the capital markets and strong lender relationships



## Debt Portfolio Highlights

**81%** Secured debt as % of total debt

**6.6 Years** Weighted average maturity

**4.4%** Weighted average cost of debt

**80%** Fixed & capped debt

## Bond Covenants<sup>(2)</sup>

**45.8%** Total LTV ratio

**38.5%** Priority LTV Ratio

**1.19x** Unencumbered Investment Property Ratio

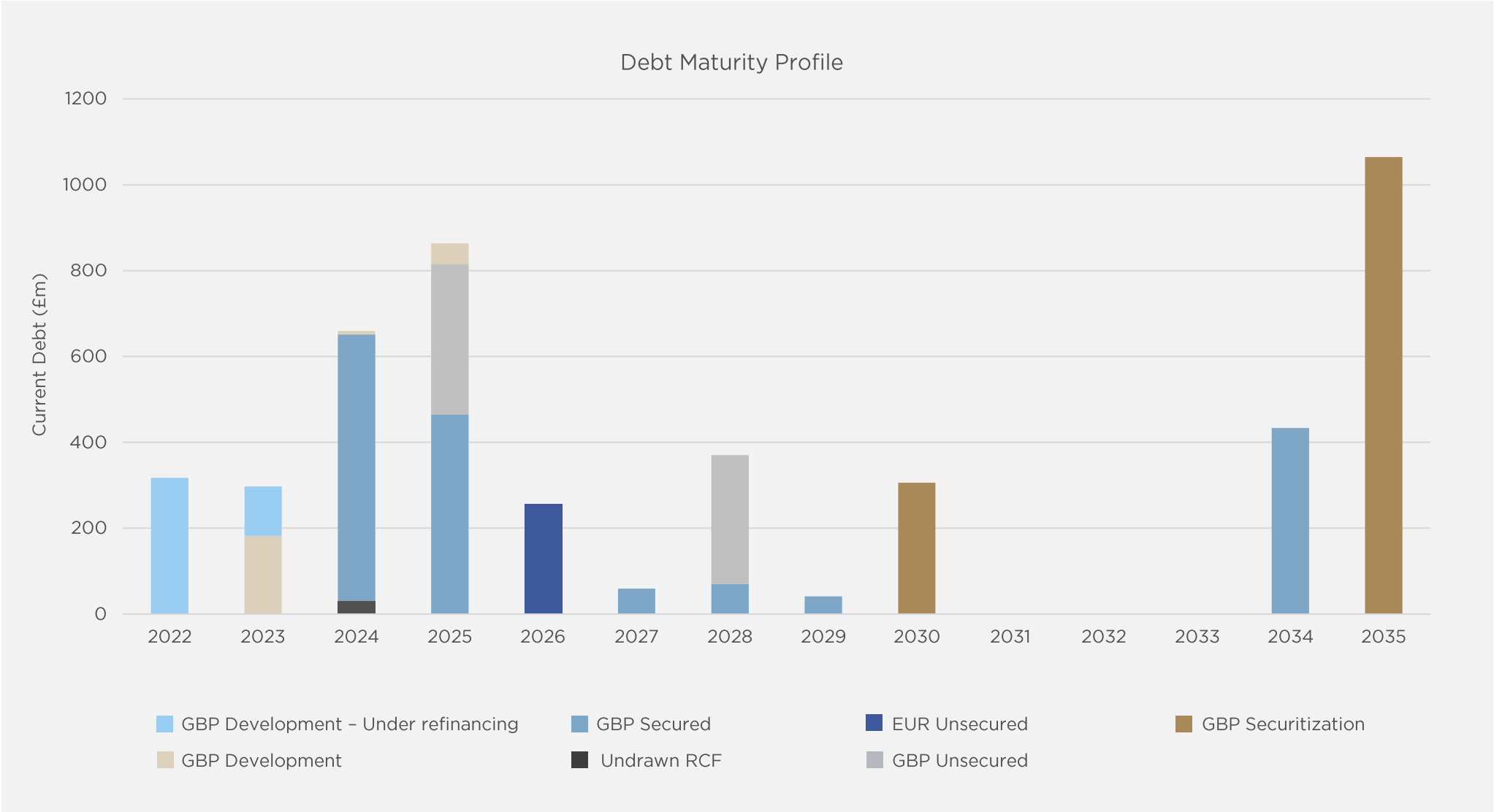
**1.42x** Fixed Charge Coverage Ratio

Data as at 30 June 2022 unless otherwise stated  
Bond covenant calculation workings detailed in the Appendix



# Debt Maturity Profile

Continued intention to extend and smooth our maturity profile, while maintaining a diversified debt portfolio

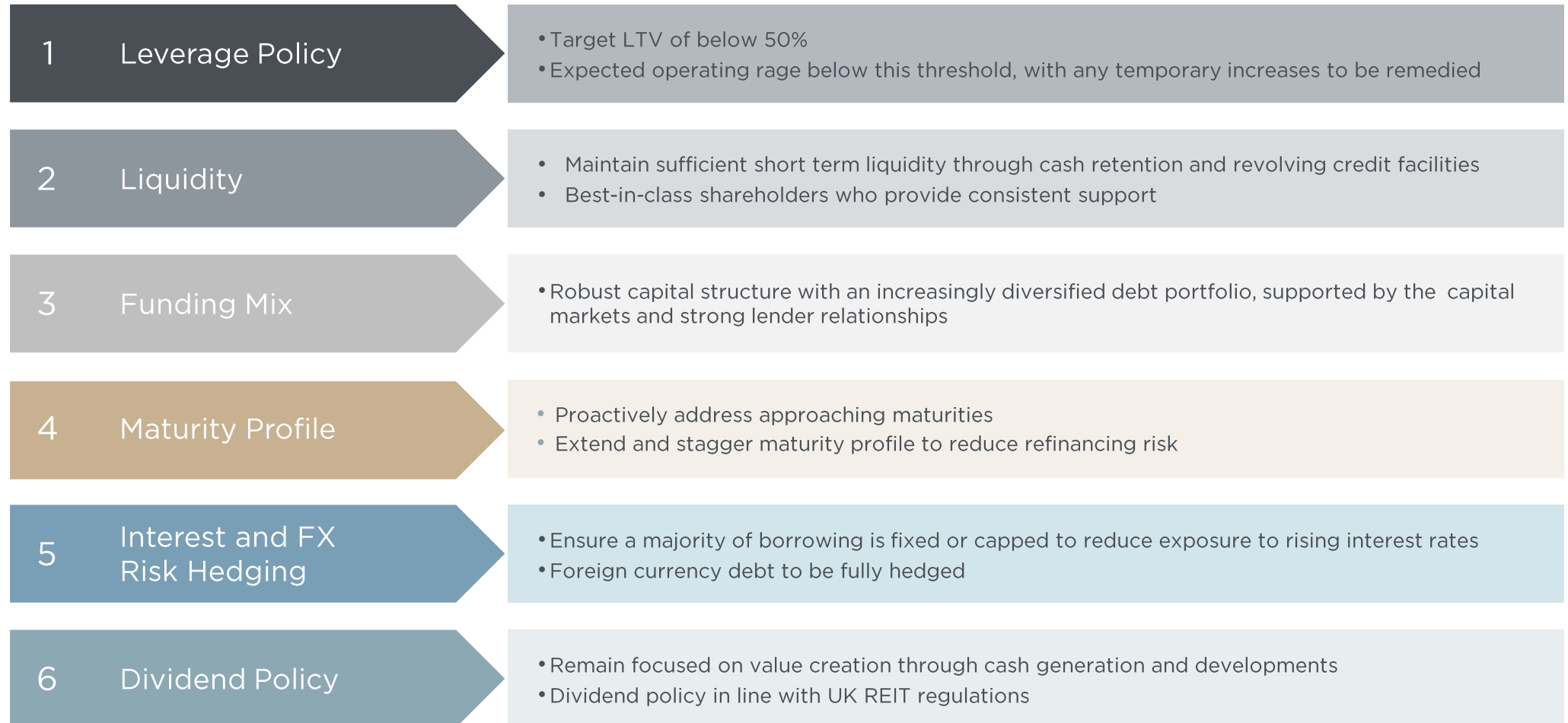


Data as at 30 June 2022 unless otherwise stated  
1. Includes share of Joint Ventures  
2. Excludes amortisation



# Financial Policy Framework

Robust financial policy to support business requirements whilst reducing unnecessary financial risk





## DEVELOPMENT



# Development Update

One of the largest sustainable developers in the UK with over 20 million sq. ft. of sustainable certified buildings.

## Under Construction

15 WATER STREET

Commercial/Mixed Use    Q3-22 Completion Date    189 NIA (k sq ft)    100% Ownership

8 HARBORD SQUARE

Residential    Q4-23 Completion Date    86 Units    100% Ownership

## Near Term Pipeline

NORTH QUAY ULTRA

New Development    Q4-26 Completion Date    480 NIA (k sq ft)

10 BRANNAN STREET

Residential    Q4-24 Completion Date    172 Units    100% Ownership

1 CHARTER STREET

Aparthotel    Q4-24 Completion Date    279 Units    50% Ownership

45 CHARTER STREET

Residential    Q4-24 Completion Date    206 Units    100% Ownership

WOOD WHARF PHASE 3

Residential    Q1-27 Completion Date    1,618 Units



## SUSTAINABILITY

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



Sustainability is at the core of our strategy, and we continue to innovate and lead Real Estate into a better future



Existing Initiatives

**£5.0B**  
One of the largest sustainable portfolios in the UK

**Net Zero Carbon**  
Ambition to be 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

**Eden Project**  
Partnership with the Eden Project to create a place where nature and people thrive

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

**49%**  
Reduction in Scope 1 & 2 emissions since 2012

**First Commercial centre to achieve Plastic Free Communities status and first commercial district to set a collective Science Based Target**

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

Data as at 30 June 2022 unless otherwise stated  
1. BREEAM Certification under application





# New Sustainability-linked Finance Framework

Our robust SBTi approved Science Based Targets form the basis for our two Framework KPIs

## Sustainability-linked Finance Framework

### KPI1

Reduce absolute Scope 1, 2 and 3 emissions from downstream leased assets by 65% by 2030 from a 2017 baseline.

- Net zero carbon pathway shared publicly
- Established customer forums and collaboration to maximise reduction
- Incremental targets with reporting

### KPI2

60% of its suppliers by emissions covering purchased good and services, will have science-based targets by 2025.

- Comprehensive supply chain collaboration strategy developed
- Supply chain linked to emission factors and package specific supply chain targets
- Incremental targets with associated reporting



## APPENDIX



# Summary Financial Statements

## Income Statement

	HY 2022	HY 2021
	£m	£m
Gross development, rental and related income	221	204
Cost of sales	(81)	(66)
Net development, rental and related income	140	139
Share of associates and joint ventures after tax	2	0
Administrative expenses	(26)	(26)
Other income	4	3
Operating profit/(loss)	121	116
Net financing costs		
- investment revenues	0	0
- financing costs	(91)	(90)
Underlying Profit before Tax	29	26
Change in Fair Value of Property Assets	100	(24)
Change in Fair Value of Derivative Financial Instruments	204	110
Other financing costs	(4)	(7)
Share of Associates and Joint Ventures after Tax - Capital	(5)	(1)
Tax	(1)	(5)
Net Profit	323	99



## Summary Financial Statements

### Balance Sheet

	30 June 2022	31 December 2021
	£m	£m
Investment properties	6,691	6,871
Properties under construction	236	258
Development properties	924	982
Plant and equipment	7	9
Investments	127	132
Lease incentives and deferred negotiation costs	254	258
<b>Total non-current assets</b>	<b>8,239</b>	<b>8,510</b>
Properties held for sale	33	31
Asset held for sale	468	0
Trade and other receivables	167	230
Monetary deposits	0	2
Cash and cash equivalents	371	241
<b>Total current assets</b>	<b>1,040</b>	<b>505</b>
<b>Total assets</b>	<b>9,279</b>	<b>9,015</b>

	30 June 2022	31 December 2021
	£m	£m
Current portion of long term borrowings	(495)	(387)
Derivative financial instruments	-	-
Corporation tax	(36)	(47)
Trade and other payables	(321)	(241)
<b>Current Liabilities</b>	<b>(851)</b>	<b>(675)</b>
Borrowings	(3,961)	(3,985)
Derivative financial instruments	(278)	(491)
Other non current liabilities	(62)	(62)
Deferred tax liabilities	(7)	(7)
Provisions	(2)	(2)
<b>Non-current liabilities</b>	<b>(4,310)</b>	<b>(4,547)</b>
<b>Total liabilities</b>	<b>(5,161)</b>	<b>(5,222)</b>
<b>Net assets</b>	<b>4,118</b>	<b>3,793</b>
Share capital	74	74
Other reserves	1,218	1,216
Retained earnings	2,827	2,503
<b>Total equity attributable to members of the Company</b>	<b>4,118</b>	<b>3,793</b>



## Bond Covenant Workings

Total Loan to Value ratio	
Current borrowings	470.5
Accrued interest	26.1
Borrowings	3,958.0
Less cash	-370.9
<b>Consolidated indebtedness</b>	<b>4,083.7</b>
Consolidated total assets	9,279.2
Less cash	-370.9
<b>Total Asset</b>	<b>8,908.3</b>
<b>Net Loan to Value</b>	<b>45.8%</b>

Priority Loan to Value ratio	
Net borrowing	4,246.7
Green bond	- 908.3
<b>Total Net borrowing excl bonds</b>	<b>3,338.4</b>
Valuation	8,668.1
<b>Total Valuation</b>	<b>8,668.1</b>
<b>Net Priority Loan to Value</b>	<b>38.5%</b>

Unencumbered Investment Property ratio (exc Land)	
Unencumbered investment property assets	1,080.2
Green bond (capital balance outstanding)	908.3
<b>Unencumbered Test (exc Land)</b>	<b>1.19x</b>
Fixed Charge Coverage Ratio	
Adjusted EBITDA	241
Adjusted interest	169.9
<b>FCCR</b>	<b>1.42x</b>



CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC