



# 2023 YEAR END RESULTS INVESTOR PRESENTATION



CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC



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All information is as of 31 December 2023 unless otherwise indicated.

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# Presenters



**Becky Worthington**  
Chief Financial Officer

- 25+ years of financial experience
- Joined CWG 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

- 15+ years of financial experience
- Joined CWG in September 2013
- Former Director of FP&A and Head of Business Appraisal
- PhD in Chemistry from the University of Manchester



**Sean Crosby**  
Director of Commercial Finance and Group Treasury

- 15+ years of financial experience
- Joined CWG in January 2022
- Former Director of Finance of Intu Properties
- Chartered Accountant (Canada), Master of Professional Accounting and Bachelor of Commerce from Canadian universities



**Ian Benham**  
Director & Group Financial Controller

- 20+ years financial experience
- Joined CWG in May 2022
- Former Audit Director at PwC
- Fellow of ICAEW





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## GROUP OVERVIEW



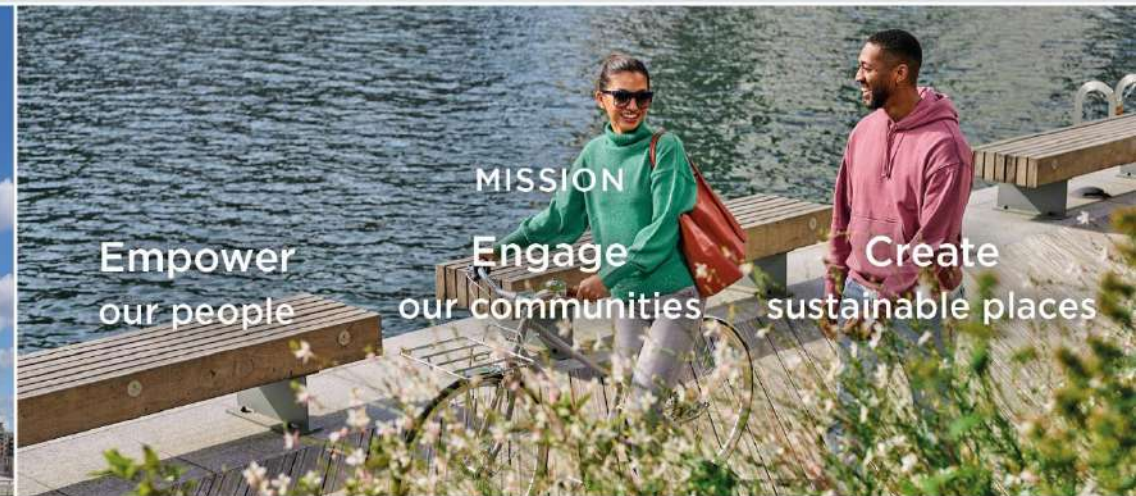


# Introduction

Canary Wharf Group Investment Holdings PLC ('CWG') is ultimately owned by Brookfield Property Partners and Qatar Investment Authority since 2015. CWG is a leading UK based commercial real estate company that develops and manages office, retail, and build to rent apartments, serving internationally recognised clients across a variety of sectors.

## PURPOSE

Bringing people together to enhance lives, now and in the future



## VALUES

### Excellence

Commit to achieving the best with integrity

### Collaboration

Make use of our vast experience and knowledge to work effectively together

### Engagement

Develop our people, our communities, our stakeholders and our sustainable environments

### Ownership

Take responsibility and pride in what we deliver. Everyone has the opportunity to make a difference

### Innovation

Embrace change and encourage innovation







## DIVERSIFICATION

## TRANSFORMATION

## AMENITIES



### Tech



### Life Sciences



### Education



### F&B



### Experiences



### Hospitality



# Business Highlights



## Operations

**Record breaking footfall**  
over 67 million visitors to the Estate in 2023

**37 Retail & Leisure openings**

**Over 3,500 people now living  
on the Estate**



## Leasing

**Morgan Stanley commitment to 2038**  
deed of variation agreed in March 2024  
to remain at 20 Bank Street (European HQ)

**Barclays commitment to 2039**  
5 year lease extension agreed in December 2023  
on One Churchill Place (Global HQ)

**10 Cabot Square**  
returned to CWG following transaction with Barclays.  
Property released from Securitisation and now forms  
part of unencumbered asset pool + over £15m surplus  
cash generated for CWG following debt repayment



## Financing

**£300m equity provided  
by shareholders**  
+ £100m shareholder RCF

**Wood Wharf Phase 3 development  
disposal & financing**  
£79m cash generated for CWG following disposal  
of development to CWG sister company alongside  
new £535m development facility

**Over £500m financings agreed post  
year end**





# PROPERTY MARKET



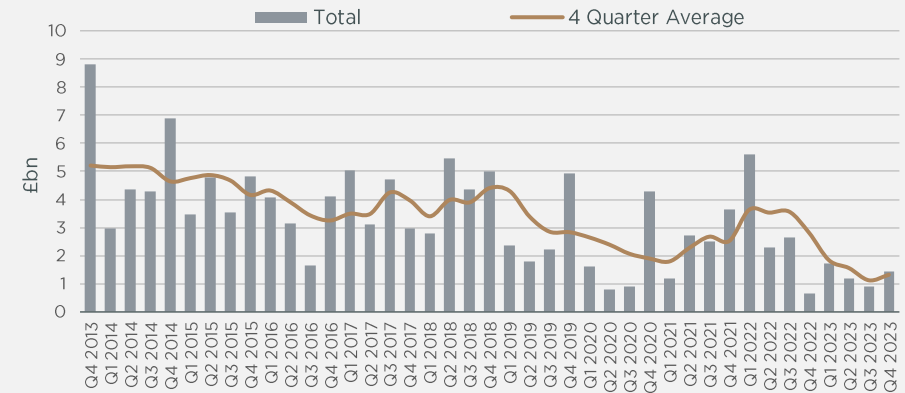
# Investment Market – modest recovery to follow stabilisation of interest rates



## HIGHLIGHTS

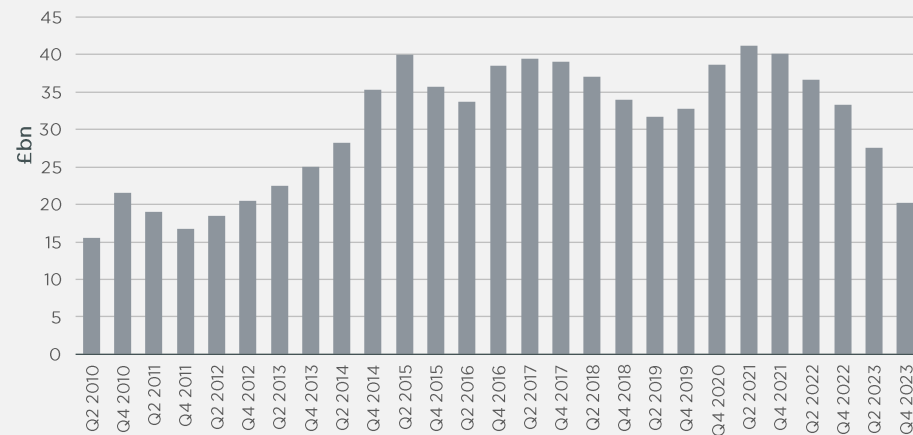
- Capital transactions at historic lows
- Property returns expected to improve
- Property yield gap likely to remain at historic lows

## Central London Capital Transactions Q4 2023 (£bn)



Source: CBRE Research

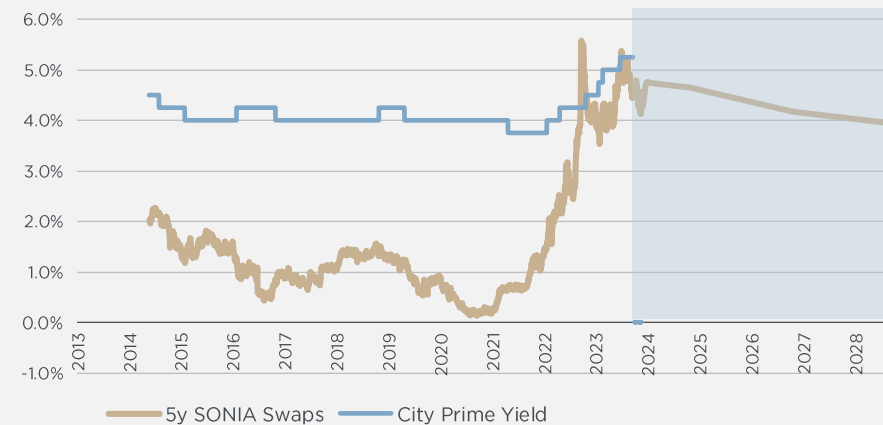
## Equity Targeting London Q4 2023 (£bn)



Source: CBRE Research

## Cost of Finance vs Prime Yields

### UK Real Estate Cost of Debt (%)



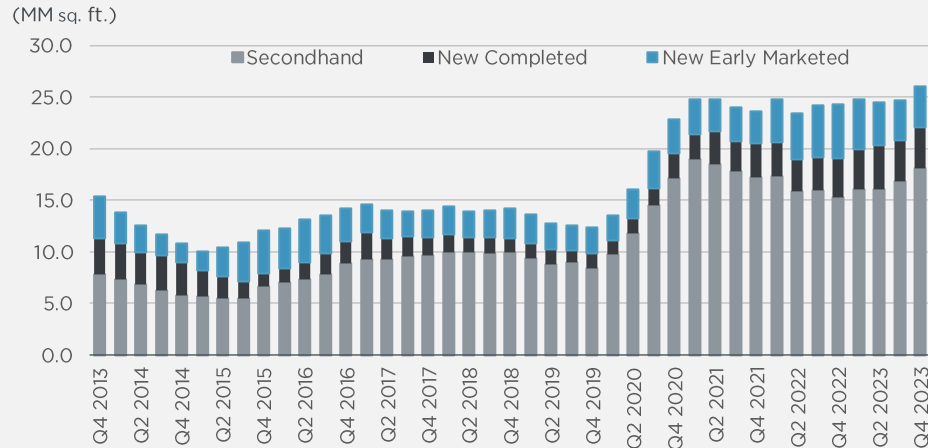
Source: Savills Research



# Central London Offices – increasing premium for high quality space



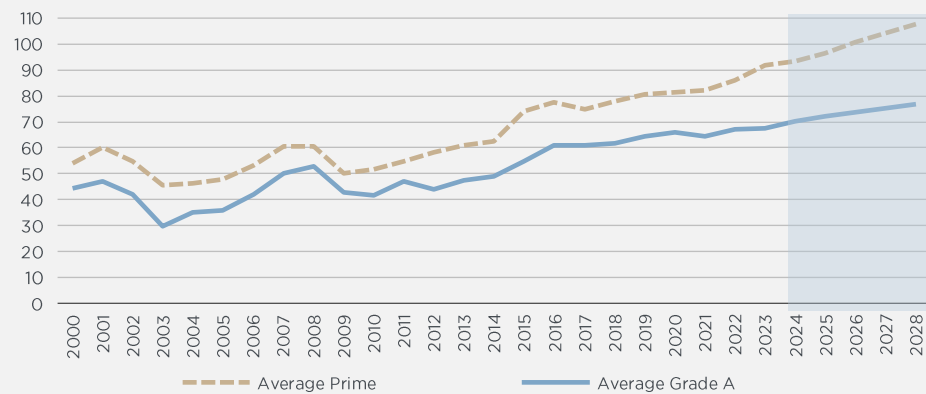
## Central London Availability Q4 2023



Source: CBRE Research

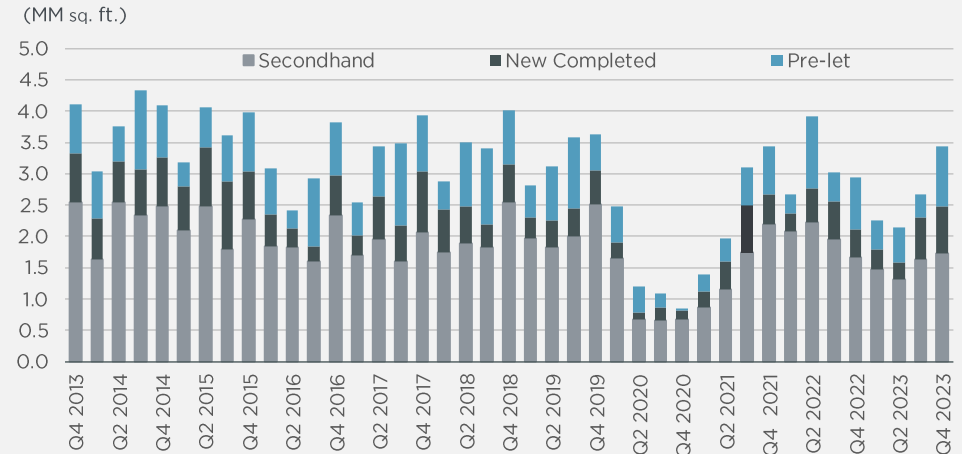
## Flight to quality – on average 30% premium for higher quality space

City Average Prime and Average Grade A Rent Forecasts (Q4 2023) (£ per sq. ft.)



Source: Savills Research

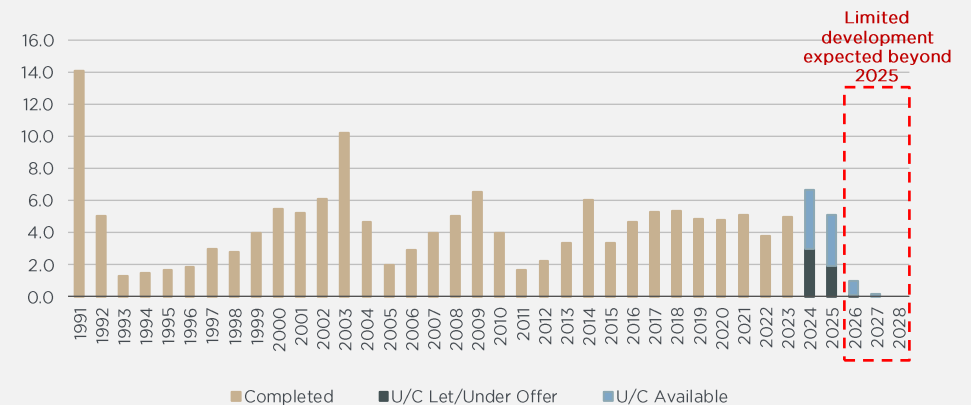
## Central London Take-up Q4 2023



Source: CBRE Research

## Limited London Development Pipeline

Central London Development Pipeline Q4 2023 (MM sq. ft.)



Source: CBRE Research



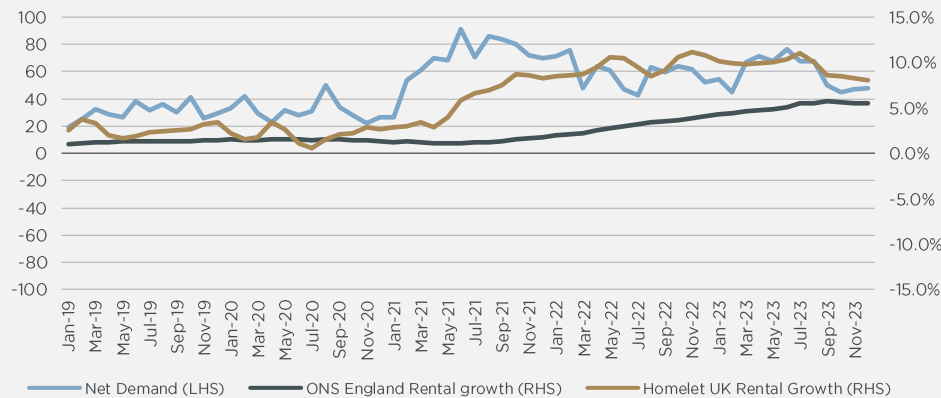
# UK Build-to-Rent – strong liquidity with occupational market starting to stabilize



## HIGHLIGHTS

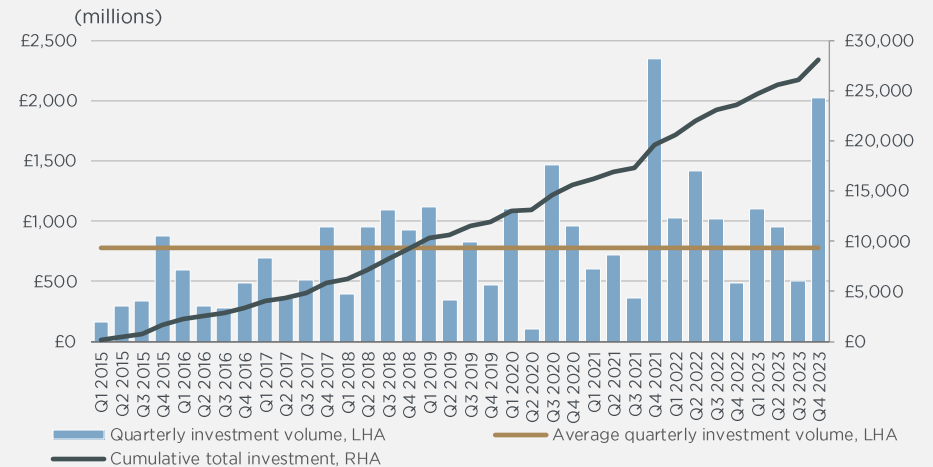
- Investment volumes still above long-term average
- Rental growth slowing
- BTR supply negatively impacted by a number of factors

## Net demand decreasing and rental growth starting to tail off



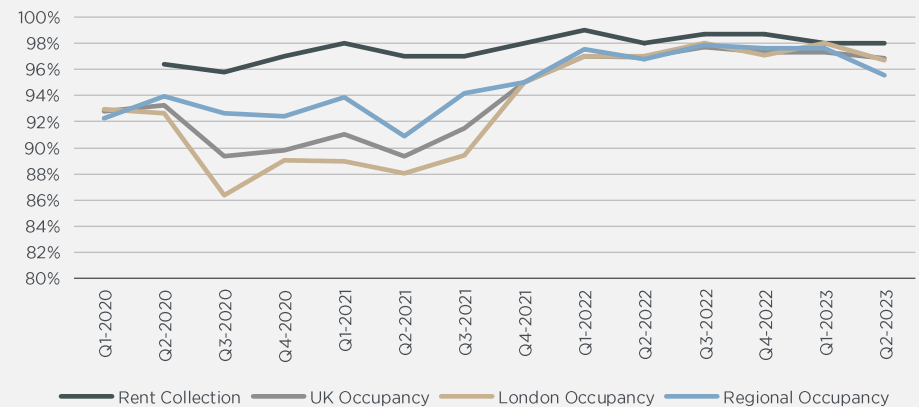
Source: CBRE Research

## BTR investment volumes above 10yr average



Source: CBRE Research

## Occupancy levels decreasing marginally led by London market



Source: CBRE Research

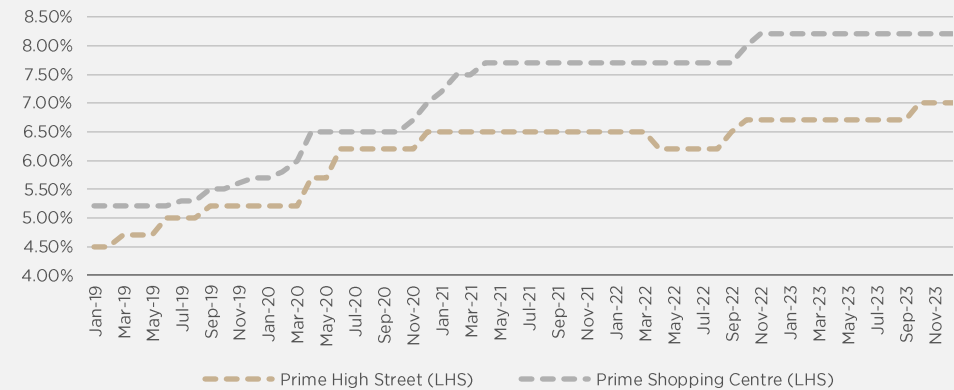


# Retail and Hospitality – resilient consumer confidence supports stable performance



## Shopping centres yields stable with high street marginally softening at the end of 2023

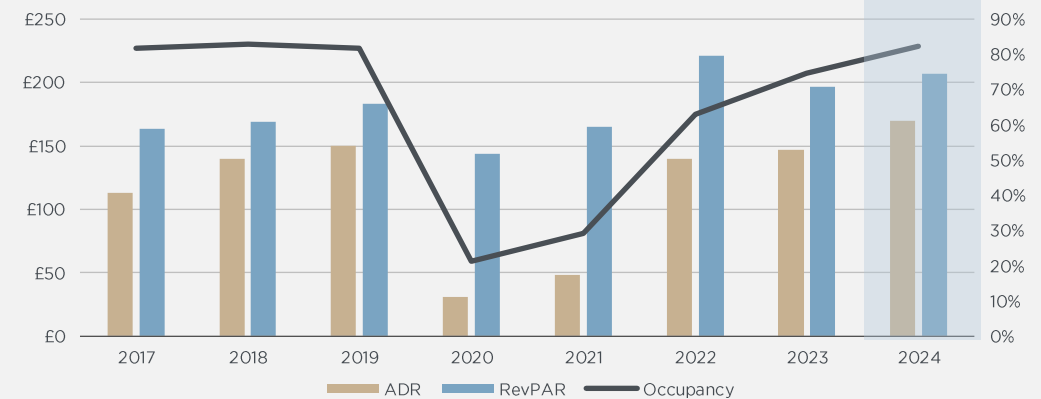
High Street and Shopping Centre Prime Yields



Source: CBRE Research

## Strong London Hotel Performance

Evolution of the ADR, RevPar and Occupancy from 2017 to 2024 <sup>(1)</sup>



Source: CBRE Research

1. 2023 and 2024 is a forecasted data





## OPERATING & FINANCIAL PERFORMANCE





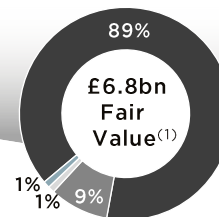
# Operating Highlights

Resilient operating performance despite challenging economic backdrop

Office	
Number of Properties <sup>(1)</sup>	12
Total NIA (m sq. ft.) <sup>(1)</sup>	6.9
Fair Value <sup>(1)</sup>	£4,343m
Occupancy <sup>(2)</sup>	91.1%
Rental Income <sup>(1)</sup>	£247.8m
WAULT to expiry	11.1 years
<b>78% of NIA <sup>(1)</sup> / 72% of Rental Income <sup>(1)</sup></b>	

Retail & Leisure	
Number of Properties	19
Total NIA (m sq. ft.)	1.2
Fair Value	£1,161m
Occupancy	95.6%
Rental Income	£68.5m
WAULT to expiry	8.7 years
<b>13% of NIA <sup>(1)</sup> / 20% of Rental Income <sup>(1)</sup></b>	

Build to rent	
Number of Properties <sup>(1)</sup>	4
Total NIA (m sq. ft.) <sup>(1)</sup>	0.8
Fair Value <sup>(1)</sup>	£599m
Occupancy	88.2%
Rental Income <sup>(1)</sup>	£28.2m
Number of Flats <sup>(1)</sup>	955
<b>9% of NIA <sup>(1)</sup> / 8% of Rental Income <sup>(1)</sup></b>	



Investment Properties

Properties Under Construction

Land

Trading Properties

Data as at 31 December 2023 unless otherwise stated

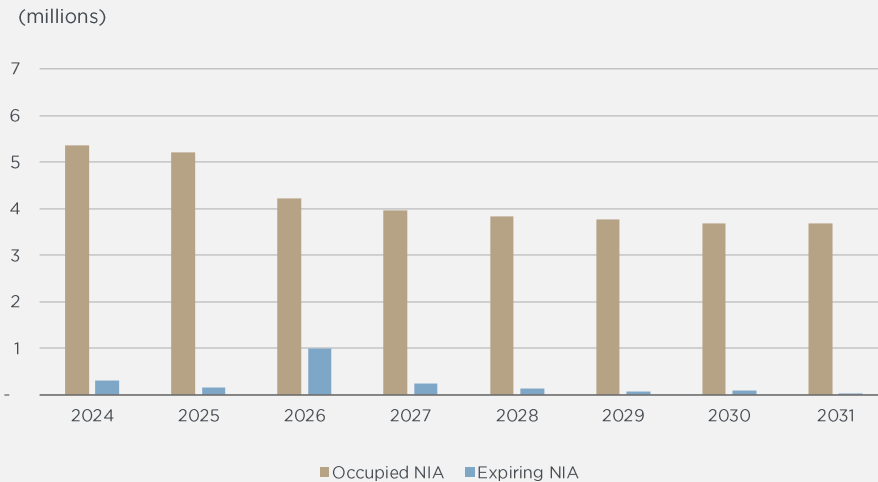
1. CWGIH properties excluding share of joint ventures and other investments

2. Excludes 10 Cabot Sq as not actively being relet

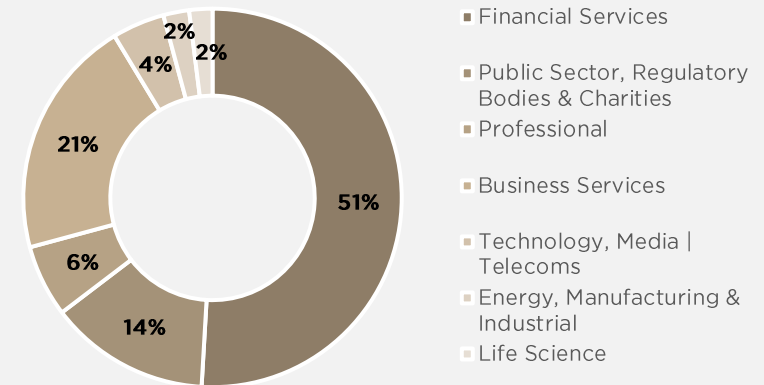


# Long lease tenure with an increasingly diversified customer base

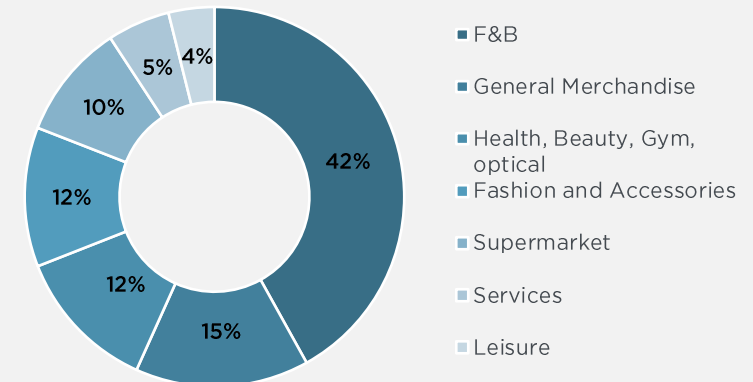
Office Lease Expiry <sup>(1)</sup>



Office Split by Tenant Sector <sup>(2)</sup>



Retail Split by Tenant Category <sup>(2)</sup>



1. Data as at 31 March 2024. Calculated to the earlier of lease expiry or the next break option  
2. Data as at 31 December 2023. Includes joint venture investments





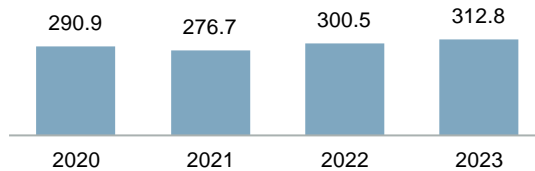
# Financial Highlights

Positive underlying income performance despite challenging economic backdrop

## KEY FINANCIAL HIGHLIGHTS

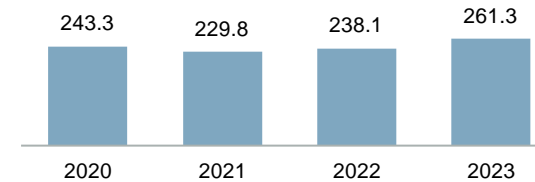
### Underlying Gross Profit

(£m)



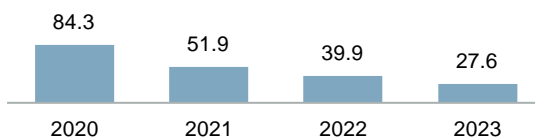
### Underlying Operating Profit

(£m)



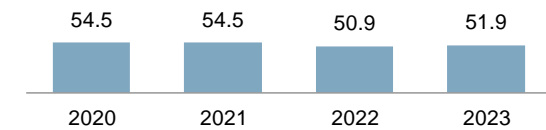
### Underlying Profit Before Tax

(£m)



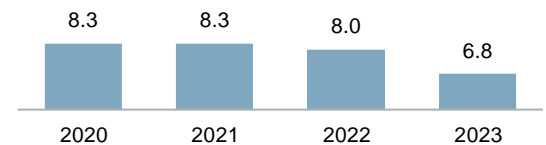
### Look through LTV <sup>(1)</sup>

(%)



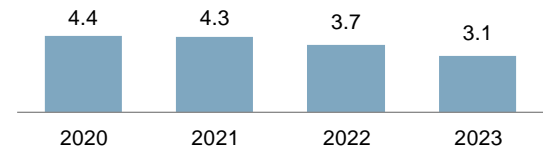
### GAV <sup>(2)</sup>

(£b)



### Adjusted NAV <sup>(3)</sup>

(£b)



Data as at 31 December 2023 unless otherwise stated

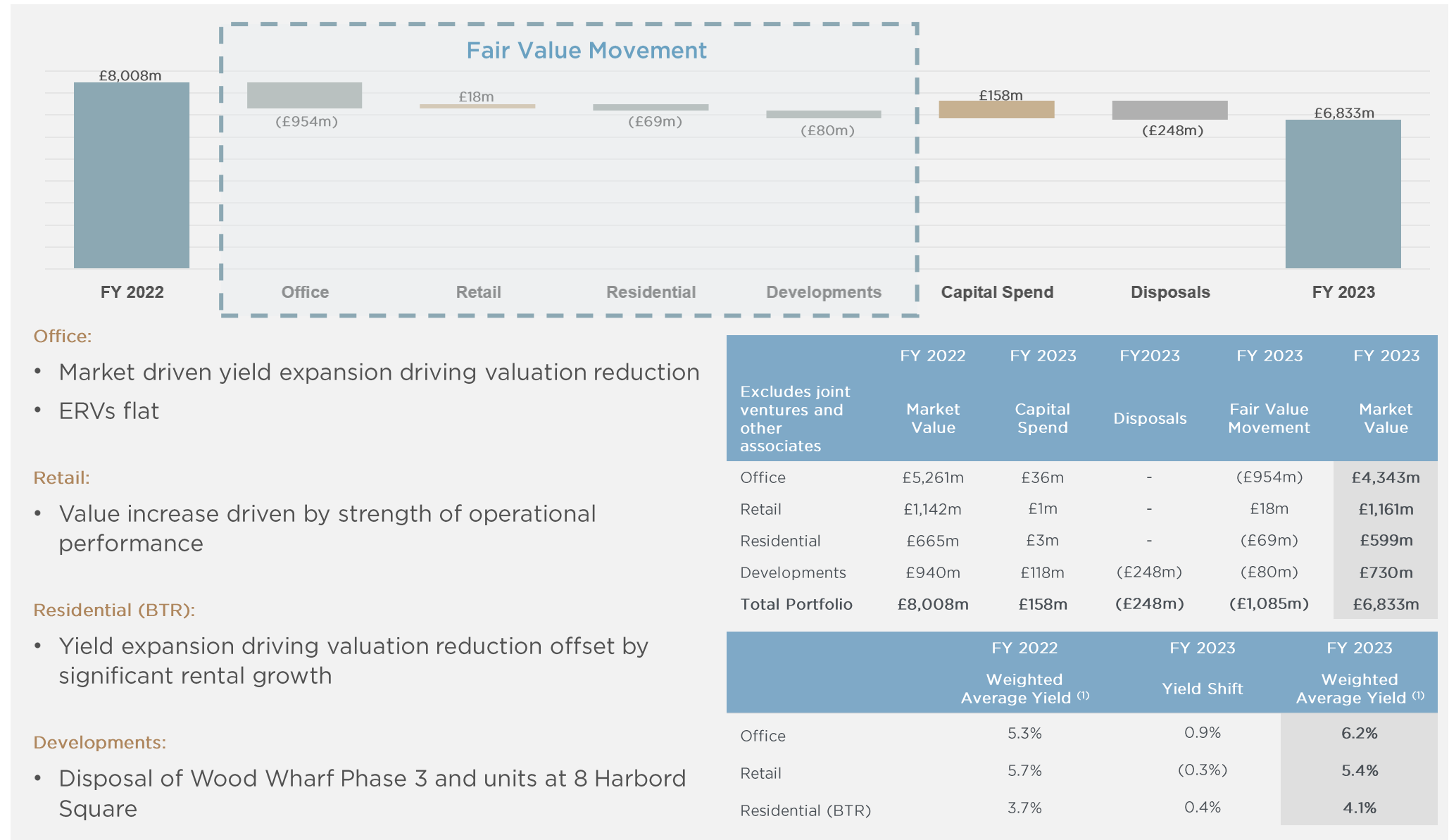
1. Look through LTV is calculated by reference to net debt excluding derivative financial instruments

2. CWGIH's fair value of properties excluding share of joint ventures and other investments

3. Adjusted NAV excludes deferred tax and fair value adjustments on derivatives.



# Valuation Movements & Drivers



1. Weighted average equivalent yield for Office and Retail. Weighted average Initial yield for PRS (excludes affordable, joint ventures and other investments)





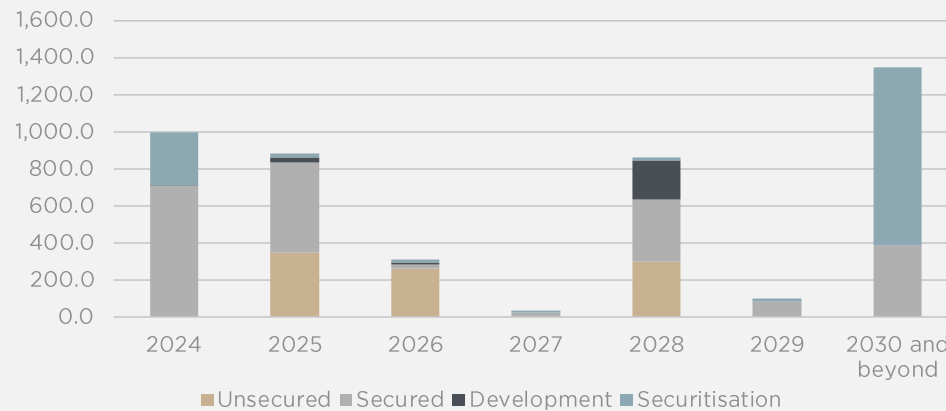
FINANCING



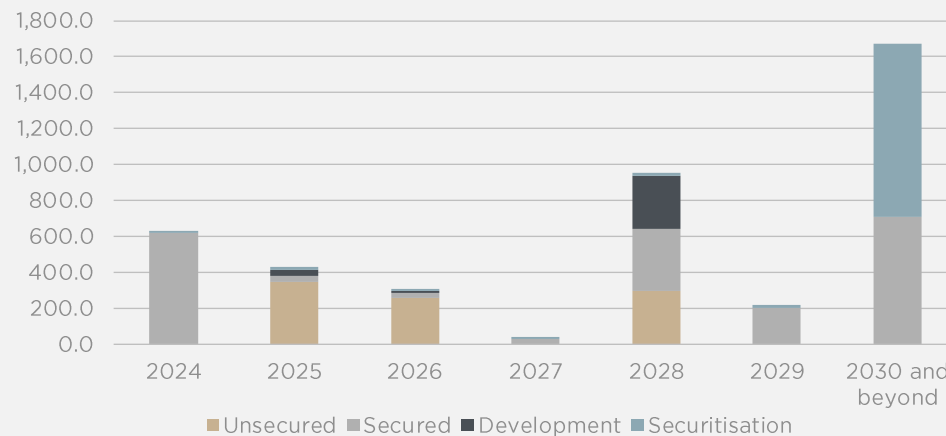
# Capital Structure

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

Debt maturity profile - 31 December 2023 (£m)



Debt maturity profile - 25 April 2024 (£m)



## Debt Portfolio Highlights - including share of investments and joint ventures

**80.3%** Secured debt as % of total debt

**4.5 Years** Weighted average maturity

**5.2%** Weighted average cost of debt

**94.3%** Fixed & capped debt

## Bond Covenants <sup>(1)</sup>

**50.0%** Total LTV Ratio

**37.5%** Priority LTV Ratio

**1.49x** Unencumbered Investment Property Ratio

**1.31x** Fixed Charge Coverage Ratio

Data as at 31 December 2023 unless otherwise stated  
(1) Bond covenant calculation workings detailed in the Appendix





DEVELOPMENT



# Development Update

One of the largest sustainable developers in the UK with over 11 million sq. ft. of sustainable certified buildings



Properties Under Construction

## 3 & 15 WEST LANE



Residential – Short Stay

Q4-24  
Completion Date

378  
Units

100%  
Ownership

## 1 CHARTER STREET



Aparthotel

2025  
Completion Date

279  
Units

50%  
Ownership

Greening of the Estate

## MIDDLE DOCK



Planning consent achieved & early enabling works have begun

Pipeline

## ONE NORTH QUAY



Life Sciences Campus

Q4-27  
Completion Date

538  
NIA (k sq. ft.)

50%  
Ownership <sup>(1)</sup>

1. 50:50 conditional joint venture





ENVIRONMENTAL,  
SOCIAL & GOVERNANCE  
(ESG)

AMBITION INTO ACTION



# Environmental, Social and Governance (ESG)



## Driving Circularity

Keeping old tech in circulation and supporting our local community with Tech Takeback



## Climate Action

Engaging with our suppliers to turn ambition into action



## Nature Positive

Creating a place for nature and people at Middle Dock



## Social Impact

Supporting our community while tackling food waste with the Felix Project







## APPENDIX



# Financial Policy Framework

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

1	Leverage Policy	<ul style="list-style-type: none"><li>• Target LTV at or below 50%</li></ul>
2	Liquidity	<ul style="list-style-type: none"><li>• Maintain sufficient short-term liquidity through cash retention and revolving credit facilities</li><li>• Best-in-class shareholders with long term outlook</li></ul>
3	Funding Mix	<ul style="list-style-type: none"><li>• Robust capital structure with a diversified debt portfolio, supported by the capital markets and strong lender relationships</li></ul>
4	Maturity Profile	<ul style="list-style-type: none"><li>• Proactively address approaching maturities</li><li>• Extend and stagger maturity profile to reduce refinancing risk</li></ul>
5	Interest and FX Risk Hedging	<ul style="list-style-type: none"><li>• Ensure a majority of borrowing is fixed or capped to reduce exposure to rising interest rates</li><li>• Foreign currency debt fully hedged</li></ul>
6	Dividend Policy	<ul style="list-style-type: none"><li>• Remain focused on value creation through cash generation and developments</li><li>• Dividend policy in line with UK REIT regulations</li></ul>





# Summary Financial Statements

## Balance Sheet

£m	2023	2022
Investment properties	6,837.1	8,015.4
Right of use asset	1.4	-
Plant and equipment	8.1	7.1
Investments in joint ventures	101.3	95.7
Other investments	17.8	27.6
Derivative financial instruments	8.9	13.9
Non current receivables	42.9	-
<b>Total non-current assets</b>	<b>7,017.5</b>	<b>8,159.7</b>
Trading properties held for sale	58.4	53.6
Derivative financial instruments	19.1	19.2
Current tax assets	-	13.4
Trade and other receivables	146.2	135.3
Cash and cash equivalents	840.3	350.7
<b>Total current assets</b>	<b>1,064.0</b>	<b>572.2</b>
<b>Total assets</b>	<b>8,081.5</b>	<b>8,731.9</b>
Current portion of long-term borrowings	(1,053.9)	(539.0)
Current tax liabilities	(10.5)	-
Trade and other payables	(399.3)	(427.8)
<b>Total current liabilities</b>	<b>(1,463.7)</b>	<b>(966.8)</b>
Borrowings	(3,395.8)	(3,949.2)
Derivative financial instruments	(135.3)	(117.7)
Lease liabilities	(63.6)	(62.2)
Deferred tax liabilities	(15.1)	(5.9)
Provisions	(1.6)	(1.8)
<b>Total non-current liabilities</b>	<b>(3,611.4)</b>	<b>(4,136.8)</b>
<b>Total liabilities</b>	<b>(5,075.1)</b>	<b>(5,103.6)</b>
<b>Net assets</b>	<b>3,006.4</b>	<b>3,628.3</b>
<b>Total equity attributable to members of the Company</b>	<b>3,006.4</b>	<b>3,628.3</b>

## Income Statement

£m	2023	2022
Revenue	491.9	476.7
Cost of sales	(179.1)	(176.2)
<b>Underlying gross profit</b>	<b>312.8</b>	<b>300.5</b>
Other income	8.9	1.6
Share of profits of joint ventures and associates	1.4	2.9
Administrative expenses	(61.8)	(66.9)
<b>Underlying operating profit</b>	<b>261.3</b>	<b>238.1</b>
Net financing costs		
- financing income	8.5	4.6
- financing charges	(242.2)	(202.8)
<b>Underlying profit before tax</b>	<b>27.6</b>	<b>39.9</b>
Capital and other revenue	297.1	-
Capital and other cost of sales	(2.6)	-
Share of joint ventures and associates after tax - capital	(25.7)	(7.3)
Revaluation of other investments	(14.3)	(7.6)
Change in fair value of property assets	(1,109.5)	(566.8)
Change in fair value of derivative financial instruments	(17.9)	357.2
Other financing costs	(44.0)	(9.8)
<b>(Loss)/profit before tax</b>	<b>(889.3)</b>	<b>(194.4)</b>
Tax	(22.7)	15.0
<b>Net (loss)/profit</b>	<b>(912.0)</b>	<b>(179.4)</b>



# Bond Covenant Workings

Total and Priority LTV Ratio	
£m	
Current borrowings	1,053.9
Long term borrowings	3,395.8
Less cash	(840.3)
Consolidated Indebtedness	3,609.4
Less green bond	(904.4)
Consolidated Priority Indebtedness	2,705.0
Consolidated total assets <sup>(3)</sup>	8,053.5
Less cash	(840.3)
Total Assets	7,213.2
Total LTV Ratio	50.0%
Priority LTV Ratio	37.5%

Fixed Charge Coverage Ratio	
£m	
Adjusted EBITDA <sup>(1)</sup>	275.9
Adjusted interest	210.6
FCCR	1.31X

Unencumbered Property Ratio (exc Land)	
£m	
Unencumbered investment property assets	1,346.3
Green bond	(904.4)
Unencumbered Test (exc Land)	1.49x

Unencumbered Investment Property Assets	
£m	
Retail Malls	860.0
10 Cabot Square	205.0
15 Westferry Circus	92.0
7 Westferry Circus	85.3
Other <sup>(2)</sup>	104.0
Unencumbered Pool	1,346.3

(1) EBITDA is adjusted for one-off items as per terms included in the Final Offering Memorandum

(2) Other includes Water Pavilions, Infrastructure Car Parks, and other smaller income producing property

(3) Consolidated total assets consists of total assets as they appear in the financial statements excluding movement in mark-to-market valuation of financial assets



## Single Let buildings



BARCLAYS

ONE CHURCHILL PLACE

TOTAL NIA (M SQ.FT.): 1,004,438



Morgan Stanley

20 BANK STREET

TOTAL NIA (M SQ.FT.): 546,538



HM Government

20 CABOT SQUARE

TOTAL NIA (M SQ.FT.): 537,184



citi

33 CANADA SQUARE

TOTAL NIA (M SQ.FT.): 562,745



# Multi Let Buildings



EUROPEAN MEDICINES AGENCY  
SCIENCE MEDICINES HEALTH



**25/30 CHURCHILL PLACE**

TOTAL NIA (M SQ.FT.): 558,266



**1/5 BANK STREET**

TOTAL NIA (M SQ.FT.): 700,625



**Brookfield**

**Moody's**

UCL  
SCHOOL OF  
MANAGEMENT

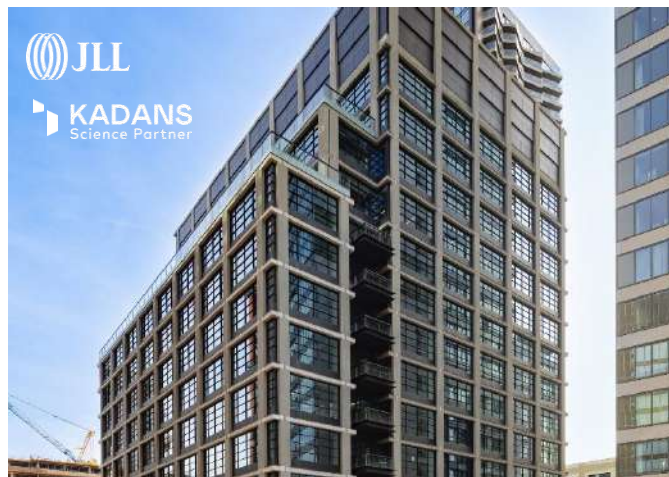
**ONE CANADA SQUARE**

TOTAL NIA (M SQ.FT.): 1,198,781



**40 BANK STREET**

TOTAL NIA (M SQ.FT.): 603,994



**20 WATER STREET**

TOTAL NIA (M SQ.FT.): 208,967



**7 & 15 WESTFERRY CIRCUS**

TOTAL NIA (M SQ.FT.): 329,977





CANARY WHARF  
GROUP  
INVESTMENT HOLDINGS PLC