

Picton Property Income

Q126 trading update

Another quarter of positive total return

Real estate

30 January 2026

Picton Property Income (PCTN) has published its Q326 trading update. NAV per share increased by 0.9% to 102.4p, the sixth successive quarterly increase, driven by like-for-like property valuation gains and retained earnings. Including DPS paid, the NAV total return was 1.8%, building on the 3.4% return in H126. Q1 DPS was 1.12x covered. Operationally, PCTN is focused on capturing significant rent reversion upside, with several positive developments in the quarter, and a current pipeline of £1.6m of new lettings agreed subject to contract. Alongside this, the recently announced strategic review will explore all options available to maximise value for shareholders.

Year end	Net rental income (£m)	EPRA earnings (£m)	EPRA EPS (p)	DPS (p)	NAV/share (£)	Yield (%)	P/NAV (x)
3/23	36.3	21.3	3.9	3.50	1.00	4.2	0.83
3/24	37.9	21.7	4.0	3.55	0.96	4.3	0.87
3/25	37.7	22.8	4.2	3.70	1.00	4.5	0.83

Note: EPRA earnings exclude revaluation gains/losses and other exceptional items. NAV measure is net tangible assets (NTA), currently the same as IFRS NAV.

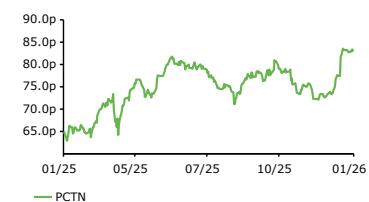
The estimated rental value (ERV) of PCTN's portfolio at end-H126 was £55.7m pa and had increased during H126 across all sectors, averaging 3.7%. This was £10.1m or 22% above the end-H126 contracted rent payable on the portfolio. The gap between ERV and passing rent (lower than contracted rent because of lease incentives) was even wider (£15.5m or almost 40%). The opportunity to increase portfolio rental income towards ERV breaks down into two main components: reversionary capture (increasing current rents towards market level rents through lease events), which primarily relates to the industrial assets (67% of portfolio value); and occupancy improvement, which at H126 mostly related to the office assets (21% of portfolio value) where Picton continues to invest in improving quality to meet occupier requirements and enhance potential rental values. ERV is nonetheless an estimate, made by the external valuers, and during Q326, eight lettings were completed, securing an annual rent of £1.1m, at an average 5% above the March 2025 (end-FY25) ERV. Meanwhile, six leases, with a combined annual rent of £0.5m, were renewed at an average increase of 47% on the previous passing rent. A reduction in portfolio occupancy during Q326 (to 83%) from the end-H126 level (90%) primarily reflects the previously disclosed hand-back of space at two industrial assets ('Rushden' and 'Radlett'). Although this has reduced industrial occupancy, with an ERV that is 40% higher than the previous passing rent, re-letting the assets provides a significant opportunity to increase income. During the quarter, PCTN received an aggregate c £3.6m of cash in dilapidation payments and lease break penalties in respect of these two properties and reports encouraging progress with its asset management plans for upgrading and re-letting.

The [strategic review](#) that was announced by the company on 13 January 2025 will consider a range of options to maximise value for shareholders, including corporate transactions, asset sales and return of capital over and above that already undertaken by the company. The board notes that despite upper quartile property returns since launch in 2005, a strong financial position and recent asset sales to third parties in line with book value, the share price fails to adequately reflect the intrinsic value of the company and its portfolio of assets.

For the purposes of the Takeover Code, Edison is deemed to be connected with Picton Property Income as a provider of paid-for research.

Price	83.10p
Market cap	£427m
Net (debt) as at 31 December 2025	£(160.4)m
Shares in issue	513.8m
Code	PCTN
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Picton Property Income is an internally managed UK REIT that invests in a diversified portfolio of commercial property across the UK. It is total return driven with an income focus and aims to generate attractive returns through proactive management of the portfolio.

Analyst

Martyn King +44 (0)20 3077 5700

financials@edisongroup.com

[Edison profile page](#)

General disclaimer and copyright

This report has been commissioned by Picton Property Income and prepared and issued by Edison, in consideration of a fee payable by Picton Property Income. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
