

Regional REIT

Strategic progress in a challenging market

Regional REIT (RGL) delivered a robust performance in H126 and made good strategic progress against a very challenging economic and political background. New lettings, at a premium to ERV, offset lease breaks and maturities, borrowings were further reduced, with asset sales progressing in line with targets, and portfolio quality continued to improve. Off a lower base of rental income, EPRA earnings were lower despite reduced administrative and finance costs. Refinancing is progressing well, but, following market rate movements, we expect the costs to be higher and have reduced forecasts for earnings and the rate of DPS growth.

Year end	EPRA earnings (£m)	EPRA EPS (p)	NAV/share (£)	DPS (p)	Yield (%)	P/NAV (x)
12/24	22.7	19.2	2.10	7.80	8.9	0.42
12/25e	19.1	11.8	1.94	10.00	11.4	0.45
12/26e	14.9	9.2	1.90	8.00	9.1	0.46
12/27e	15.0	9.2	1.94	8.20	9.3	0.45

Note: EPRA earnings exclude property revaluation movements and non-recurring items. NAV is EPRA net tangible assets per share.

Operating as expected but increased refi costs

H126 financial performance was in line with market expectations and company guidance, and reflected the strategic transition. While the progress made is yet to be reflected in EPRA earnings, sales are on track to reach more than £55m for the year, portfolio quality is improving, and rent levels are increasing. EPRA earnings were £6.8m (H125: £8.5m) and EPRA EPS of 4.2p fully covered DPS of 4.0p, with the decline reflecting lower average occupancy, more than offsetting the positive impact of disposals on property costs and interest expense. The LTV ratio should end the year at c 35%, preparing the way for significant debt refinancing in H127. With no further maturities until into 2029, RGL will then have increased flexibility on sales and asset management initiatives to drive value and income. With interest rates having increased, we have reduced forecasts for EPRA EPS by 0.4p in FY26 and 0.7p in FY27 and slowed the pace of DPS growth

Meeting occupier preferences

Occupier demand has remained robust, but leasing decisions are taking longer. Rents are increasing for good-quality office space in the right locations and RGL expects this tailwind to be maintained by a growing supply-demand imbalance. The company believes that the majority of the portfolio now meets occupier requirements or can be profitably enhanced to do so, providing significant potential to increase rental income and capital growth. The non-core or poor-quality assets, or where asset management plans are complete, are being sold, in some cases after value-enhancing repositioning for alternative use. While economic uncertainty weighs on the broad commercial property sector, expectations for the relative performance of offices have recently improved.

Valuation: Significant embedded value

The FY26e yield is c 9%, and the shares are trading at a P/NAV of c 0.5x, well below peers on both measures. The upside from a successful execution of the strategy remains material, and signs of progress should support performance.

H126 results

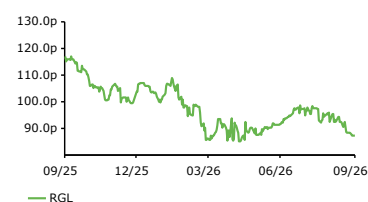
Real estate

29 September 2026

Price **88.00p**
Market cap **£143m**

Net cash/(debt) as at 30 June 2026 £(203.0)m
 Shares in issue 162.1m
 Free float 75.7%
 Code RGL
 Primary exchange LSE
 Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(3.4)	(3.5)	(17.9)
52-week high/low		108.3p	81.8p

Business description

Regional REIT is focused on office assets in the regional centres of the UK, outside the M25, highly diversified by property, tenants and the underlying industry exposure of those tenants. It is actively managed with a strong focus on income.

Next events

Q3 trading update 12 November 2026

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Regional REIT is a research client of Edison Investment Research Limited

Summary of the investment case

RGL's strategy for repositioning its portfolio to a core of high-quality income-producing properties with targeted value-added opportunities and reducing gearing is explained in detail in our [previous research](#) and updated here.

Although the letting market remains challenging, underlying market supply-demand dynamics for well-located, high-quality office space continued to support market rental growth. RGL has significant company-specific opportunities to grow net rental income by letting vacant space and selling underperforming properties. Meanwhile, while structural changes in the office market in recent years have led to significant underperformance compared with the broader commercial property market, the sector delivered a positive total return in 2025 and year-to-date, with rents growing and capital values beginning to show signs of stabilising.

The key company specific elements of the investment case include:

- There is now much greater visibility on the post-pandemic use of office space. While most employers have adopted some form of hybrid working, an increasing number of employers are demanding or encouraging full attendance.
- Tenant demand for good-quality, energy-efficient space remains robust and rents are increasing.
- Around 61% of RGL's portfolio is already rated EPC B. Another 26% is C rated, with an identified path to improvement. Lower rated assets are being sold.
- RGL's new lettings and lease renewals have continued to be at a premium to estimated rental value (ERV), and RGL expects a growing supply-demand imbalance to drive rents higher, especially for Grade A space, spilling over into good-quality secondary space.
- The core of RGL's portfolio¹ is good quality with occupancy well above the portfolio average.
- Non-core², underperforming assets are being sold, mostly outright, but in selected cases where this will add additional value, following investment to secure various stages of planning consent, generally for alternative use. Disposals are funding capex and debt reduction.
- Within the core assets there is a strong opportunity to grow income by increasing occupancy.
- With a net initial yield of just 1.0%, the disposal of the value-add and strategic disposal assets has a modest impact on gross rental income, reduces property costs, reduces debt and finance costs, and is accretive to earnings while lowering the loan-to-value ratio (LTV).
- Portfolio sales are having the most immediate positive impact on earnings, by removing property costs and reducing borrowing, but the upside potential from core occupancy growth over time is much greater.

FY26 performance highlights

H126 financial performance was broadly in line with market expectations and company guidance. The financial results reflect the strategic transition, with strategic progress yet to be reflected in EPRA earnings, although borrowing is falling, portfolio quality is improving, and rents are increasing. We highlight the following:

- Annualised gross rent roll ended H126 at £48.3m versus £50.4m at end-FY25 and £56.7m at end-H125. During H126, new lettings of £1.9m were slightly ahead of lease breaks and maturities while disposals accounted for £1.2m. A further £0.8m of rent was held over pending the completion of lease negotiations but continued to generate cash passing rents. Disposals reduced rent roll by c £1.2m pa (H225: c £3.4m pa).
- Despite the sale of partly occupied or vacant properties and robust net leasing, the EPRA occupancy rate decreased during H126, to 74.3% from 75.9% at end-FY25. Properties under refurbishment are excluded from EPRA and the completion of several projects brought them back into the EPRA calculation. RGL stated that, on an underlying basis, occupancy improved by more than 2%.
- Gross rental and other property income earned during H126 of £26.5m was c £3.3m lower than in H125 and £4.1m lower than in H225. Lower income year-on-year reflects asset sales and lower average occupancy. The decline

1. By which mean the core and capex-to-core segments that RGL expects to retain for rental income.
2. Comprising the value-add and strategic sale segments.

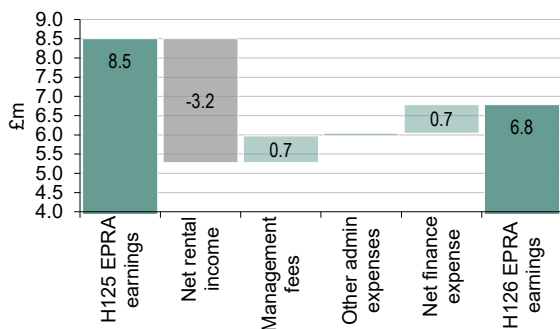
versus H225 primarily reflects a full-period impact of H225 disposals and part-impact of the further sales in H126.

- Non-recoverable property costs were £10.4m with the annualised reduction in costs yet to have a meaningful impact.
- Net rental income was £16.1m, £3.2m lower than in H125 and £4.8m lower than in H225. Dilapidation receipts are largely received in the second half of the year.
- Management fees of £4.9m were £0.7m lower than in H125 and H225, reflecting the change in the basis of calculation from 100% EPRA NTA to 75% NTA/25% market cap in FY26 and 50% NTA/50% market cap from FY27. Other administrative expenses were also slightly lower. The EPRA cost ratio (excluding direct property costs) was broadly flat at 19.5% compared with H125, with the positive impact of lower costs offset by lower income. Including vacancy costs, the EPRA cost ratio was 56.1%.
- With all interest costs fixed during the period, the net finance charge continued to reduce with debt repayment.
- EPRA earnings were £6.8m, or 4.2p per share, and fully covered DPS of 4.0p.
- The IFRS loss of £2.8m was a £5.0m improvement compared with H125 and a £3.7m improvement versus H225. It included c £8.9m of unrealised and realised investment property valuation losses and a negative change in the fair value of interest rate derivatives.
- On a like-for-like basis, the portfolio value decreased by 1.3% during H126, after adjusting for capital expenditure, acquisitions and disposals. This was primarily driven by portfolio income movements with yields broadly stable.
- Property sales were at an average 5.7% below pre-sales valuations.
- EPRA NTA per share reduced by 6p or 3% during H126 to 188p. Including DPS paid, the accounting total return was -1.0%.
- Gross borrowings were reduced by £22m during H126 to £244m and net borrowings by £21m to £203m. The net LTV was reduced to 38.5% versus 40.4% at end-FY25 and 43.2% at end-H125, with lower property valuation offsetting some of the impact of net debt reduction.

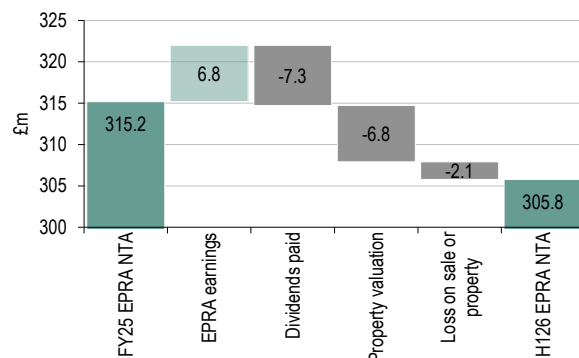
Exhibit 1: Key H126 financial performance data

£m unless stated otherwise	H126	H125	H126/H125		H225	FY25
Rental & other property income	26.5	29.8	(3.3)	-11%	30.6	60.4
Non-recoverable property costs	(10.4)	(10.5)	0.1	-1%	(9.7)	(20.2)
Net rental income	16.1	19.3	(3.2)	-17%	20.9	40.3
Management fees	(2.5)	(3.2)	0.7		(3.0)	(6.2)
Other administrative expenses	(1.9)	(2.0)	0.1		(1.8)	(3.8)
Net financial expense	(4.9)	(5.6)	0.7		(5.6)	(11.2)
Tax	0.0	0.0			0.0	0.0
EPRA earnings	6.8	8.5	(1.7)	-20%	10.6	19.1
Unrealised & realised gains/(losses)	(8.9)	(12.8)	3.9		(17.1)	(29.9)
Change in fair value of interest rate derivative	(0.7)	(3.6)	2.9		(1.9)	(5.5)
Deferred tax	0.0	0.0	0.0		(0.0)	(0.0)
IFRS earnings	(2.8)	(7.9)	5.0		(8.5)	(16.4)
EPRA EPS (p)	4.2	5.2	(1.1)	-20%	6.5	11.8
DPS (p)	4.0	5.0	(1.0)	-20%	5.0	10.0
Dividend cover (x)	1.04	1.05			1.31	1.18
EPRA net tangible assets (NTA)	305.3	328.7			315.2	315.2
EPRA NTA per share (p)	188.4	202.8	(14.4)	-7%	194.4	194.4
Investment properties	514.0	593.5	(79.5)	-13%	542.2	542.2
Net debt	(203.0)	(262.9)	59.9		(224.3)	(224.3)
Net LTV	39%	43%			40%	40%
EPRA cost ratio (exc direct vacancy costs)	20%	19%			17%	18%

Source: RGL data, Edison Investment Research

Exhibit 2: EPRA earnings bridge


Source: RGL data, Edison Investment Research

Exhibit 3: EPRA NTA bridge


Source: RGL data, Edison Investment Research

Estimate changes

We have made no material change to forecast operating earnings, before interest costs and valuation movements, but expect a larger increase in net finance expense than previously, reflecting the recent increase in market interest rates, earlier refinancing than previously assumed (see below), and higher non-cash loan amortisation fees. This has a noticeable impact on EPRA earnings.

We expect gross rental income and direct property costs to continue to decline with disposals and, reflecting the uncertain economic environment, assume no material benefit from core occupancy growth. This is the key area of upside to forecasts. The company's debt refinancing plans and the expected impact on borrowing costs are shown in detail below.

We have trimmed expected DPS growth, allowing RGL to maintain a good level of DPS cover and retain cash for portfolio reinvestment. The company nonetheless intends to remain compliant with REIT requirements, including a 90% distribution of earnings from property rental activity. Among other differences, compared with EPRA earnings, property rental earnings are currently reduced by capital investment tax allowance.

We have allowed for some modest capital growth, reflecting a stabilisation of yields and mostly improving core occupancy. Although not forecast, we see continuing potential for 'value-add' investment to deliver additional gains over time.

With capital values increasing and debt repaid from property sales, we forecast a steady decline in LTV to around 30% by end-FY28.

Exhibit 4: Forecast revisions

£m unless stated otherwise	New forecasts			Previous forecasts			Change		
	FY26e	FY27e	FY28e	FY26e	FY27e	FY28	FY26e	FY27e	FY28e
Net rental income	34.3	34.8	34.8	34.7	34.4	35.0	(0.3)	0.4	(0.2)
Management fees	(5.1)	(4.5)	(4.7)	(5.2)	(4.8)	(5.0)	0.2	0.2	0.3
Other administrative expenses	(4.0)	(4.1)	(4.2)	(4.0)	(4.1)	(4.2)	0.0	0.0	0.0
Net finance expense	(10.3)	(11.2)	(11.3)	(9.8)	(9.4)	(8.9)	(0.5)	(1.8)	(2.4)
EPRA earnings	14.9	15.0	14.7	15.6	16.1	17.0	(0.7)	(1.1)	(2.3)
EPRA earnings per share (p)	9.2	9.2	9.4	9.7	9.9	10.5	(0.4)	(0.7)	(1.1)
Dividends per share (p)	8.0	8.2	8.4	8.0	8.4	8.8	0.0	(0.2)	(0.4)
Dividend cover (x)	1.15	1.13	1.11	1.21	1.18	1.19	(0.06)	(0.06)	(0.08)
EPRA net tangible assets	307.4	315.0	321.8	316.9	324.6	334.4	(9.5)	(9.6)	(12.6)
EPRA NTA per share (p)	189.6	194.4	198.5	195.5	200.3	206.3	(5.8)	(5.9)	(7.8)
EPRA NTA total return	1.9%	6.8%	6.4%	4.9%	6.7%	7.3%	-3.0%	0.1%	-0.9%
Gross borrowing	208.8	185.5	165.5	216.2	196.2	176.2	(7.4)	(10.7)	(10.7)
Net LTV	35%	31%	29%	35%	32%	30%			

Source: Edison Investment Research

Strategic progress was the key development in H126

RGL's specific opportunities to grow net rental income by letting vacant space and selling underperforming properties are best illustrated by the segmental portfolio presentation. This comprises four portfolio categories, two of which represent properties that will be retained for the long term for income and capital growth (which we will call the retained assets, representing 84% of the end-FY26 total) and two that represent future disposals (which we will call the non-core or disposal assets).

Of the retained assets, core properties are already high quality and mostly occupied, whereas 'capex-to-core' properties are well-located assets that are subject to ongoing refurbishment to realise their full potential.

Among the disposal assets, 'value-add' properties have been identified as offering significant opportunities to add value by being positioned for alternative use. The strategic disposal assets are those where no such opportunity exists, or where asset management plans are mature, and these are likely to be sold more immediately, with capital redeployed for capex and debt reduction.

The categorisations are dynamic and properties move from one to another as asset plans evolve. Nor is it the case that properties are only sold from the value-add/strategic disposal segments.

Segmentation provides a guide to embedded value release

Within the assets to be retained, there is a strong opportunity to grow income by increasing occupancy, particularly for 'capex-to-core' assets when refurbishments complete. Capex is enhancing rental prospects, demonstrated by average rents achieved on new lettings running ahead of ERV, and RGL expects market rents for good-quality assets will continue to increase. Moreover, leasing vacant space does not just increase gross rental income but also reduces void costs. We estimate that on average across the portfolio, for every £100 of additional gross rent, void costs may fall by around £80, with £180 dropping through to net rental income.

Disposals from the value-add and strategic sales segments will reduce gross rental income and, to a lesser extent, net rental income. However, the blended net initial yield is well below the cost of borrowing and would therefore be earnings enhancing. In addition, the value-add strategy is aimed at enhancing disposal values and should additionally be a source of capital growth.

Disposals on track to meet full year guidance

During H126, RGL completed 12 disposals for an aggregate £21.5m (before costs) at a blended net initial yield of 5.4%, or 9.8% excluding vacant properties. The yields indicate a broadly equal split of proceeds between vacant and occupied/part-occupied assets. RGL has since completed the disposal of two properties, with blended occupancy of 37%, for an aggregate £4.3m (before costs). The company is on track to complete sales of more than £55m for the year (FY25: £51m), in line with its previous target of £50–60m. There are currently 11 assets where sales are contracted, under offer or in negotiations, with an aggregate value of £32m. During H126, disposal proceeds funded a £22m reduction in gross borrowings to £244m and should deliver further de-gearing in H2.

Most (80%) of the H126 disposals were, as expected, from the non-core segments but there were sales of £4.3m from the core portfolio, where RGL has taken an opportunistic approach to near-term debt reduction ahead of the refinancing. We expect this opportunistic and flexible approach to continue in H226 and note that a significant share (c 50%) of the H226 sales pipeline is from the core segment. RGL cites a particular example of a property where the lease will expire in 15 months, and where the leasing market is expected to remain weak, providing an immediate opportunity to both de-risk future income and reduce borrowing.

RGL expects disposals to continue post-refinancing but to be very much focused on non-core assets.

Robust leasing and rents increasing

Despite the challenging environment, inhibiting occupiers from making long-term commitments, during H126, RGL secured 26 new lettings, providing £1.9m of annual rental income, including the previously [reported letting of two properties in Nottingham](#), providing £1.1m of annual rental income and saving £0.7m in annualised void costs. Additionally, the tenant has undertaken to carry out c £5m of improvement works. The original business plan had envisaged preparing the property for eventual sale, but the combination of a 20-year lease and tenant-funded

improvements has changed that plan.

RGL says that further new lettings and lease renewals have been concluded since the period end.

Exhibit 5: Portfolio segments at 30 June 2026

	Valuation		EPRA occupancy	Gross rents		ERV	Capital rate	Yield		
	£m	(%)	(%)	(£m pa)	(£ per sq ft)	(£m pa)	(£ per sq ft)	Net initial	Equivalent	Reversionary
Core	341.8	65%	82%	34.6	14.8	42.7	121	7.3%	10.5%	11.1%
Capex to core	100.2	19%	62%	7.7	13.8	15.7	101	4.2%	10.7%	9.5%
Assets to be retained	442.0	84%	77%	42.3	14.6	58.4	114	6.5%	10.6%	11.6%
Value add	55.2	10%	66%	4.5	10.1	7.5	88	3.6%	9.9%	10.6%
Strategic disposal	29.5	6%	44%	1.6	12.1	6.7	56	-1.4%	12.4%	15.3%
Assets to be sold	84.7	16%	59%	6.1	10.6	14.2	73	1.7%	10.9%	13.6%
Portfolio total	526.7	100%	74%	48.4	14.0	72.6	106	5.7%	10.6%	12.0%

Source: RGL

For the H126 presentation, RGL has intentionally not updated for transfers within the segments. This has the advantage of making it easier to compare segment metrics (eg occupancy, rent roll) from one period to the next, but it does make it more difficult to use the data as a guide to future, optimised portfolio potential. Most notably, the newly let Nottingham properties continue to be shown within the value-add segment of the portfolio, although they are now considered a core income-generating asset and as a result, the value-add segment saw a welcome increase in rent roll and valuation.

The H126 data nonetheless continue to provide an indication of the potential uplift from continuing portfolio optimisation.

For the assets to be retained, with an EPRA occupancy rate of 84%, there is material scope to increase occupancy towards a realistic, stable c 90% over time, and the upside potential is greater than this implies. The EPRA occupancy calculation excludes the assets that are currently under refurbishment such that effective occupancy, based on the total amount of all space that is let, is lower than the EPRA rate and sits in the high 60% range according to management.

The H226 data indicate annual rental income on the £90m of assets in the value-add and strategic sale segments to be c £1.7m. In reality, it is much lower than this if Nottingham is excluded. As the market rate of det moves up to c 6%, there is much to be saved by disposing of the non-core assets and redeploying the capital.

Exhibit 6: Estimated net rental income by segment at 30 June 2026 (H126)

£m, annualised	Valuation inc. buyers' costs	NIY	Gross rents	Property costs	Net rental income	Net/gross
Core	365	7.3%	34.6	(8.0)	26.6	77%
Capex to core	107	4.2%	7.7	(3.2)	4.5	58%
Assets to be retained	472	6.5%	42.3	(11.2)	31.1	74%
Value add	59	3.6%	4.5	(2.4)	2.1	47%
Strategic sale	32	-1.4%	1.6	(2.0)	(0.4)	-28%
Assets to be sold	90	1.7%	6.1	(4.4)	1.7	28%
Portfolio total	563	5.7%	48.4	(15.6)	32.8	68%

Source: RGL data, Edison Investment Research

Portfolio quality continues to improve and average rents are increasing

For good-quality space, with the right environmental credentials, in the right location, tenants have been willing to pay increasing rents, and the majority of RGL's office assets already meet the standards required by tenants or post refurbishment will do so. Investment in the portfolio, combined with sales of lower-quality assets, is reflected in the portfolio's sustainability metrics, which have strengthened significantly over the past three years, in step with occupier demand for energy-efficient properties. The proportion of the portfolio rated EPC A or B has reached 61%, with a further 26% rated B, for which RGL has identified plans for improvement. The remaining properties rated below C will be sold.

RGL recently indicated that the regional office market average may be only c 25% B-rated or better and this is supported by British Property Federation data that suggest just 19% of all commercial buildings in seven major regional locations meet this standard. The company expects this to provide a strong tailwind to rental growth.

RGL says that new prime space coming to market now, in projects started a few years ago, is commanding rents of £40–45/sq ft, below the £50–55/sq ft required by landlords to make new projects viable, and well ahead of the c £20–30/sq ft at which more secondary Grade A (EPC A and B) space is available. With little in the way of new development starts likely until rents increase, and completions even further off, the company expects this gap to close with a positive impact on its portfolio, about 60% of which is Grade A (effectively the core assets), with average rents of c £15/sq ft and increasing. RGL says that new lettings are well ahead of this average and in most cases well over £20/sq ft. On average, new lettings were at a 2% premium to ERV.

Exhibit 7: EPC ratings continue to improve

EPC Rating	FY22	FY23	FY24	FY25	H126	H126 v FY25
A&B*	25%	43%	58%	60%	61%	+1.2 pps
C	34%	32%	25%	25%	26%	+1.3 pps
C or above	59%	75%	83%	85%	87%	
D	28%	16%	11%	12%	10%	-1.5 pps
E and below	13%	9%	6%	4%	3%	-1.1 pps

Source: RGL. Note: *Includes exempt properties

Disposals, debt reduction, and refinancing

H126 gross borrowing was £244m, net borrowing was £204m and LTV was 38.5%, compared with 40.4% at end-FY25. Debt costs were all hedged at an average rate of 3.4% with an average duration of 2.1 years. Continuing debt reduction has put RGL in a strong position ahead of upcoming debt maturities, but a rebasing of financing costs towards market rates is inevitable.

The company is in early discussions with lenders about the debt facilities maturing in 2027 and 2028 and is targeting refinancing the £104m Scottish Widows/Aviva facility and £29m Scottish Widows facility into one new fixed-rate loan of longer duration. We have assumed that the new facility, for £100m, comes into place during H127, slightly earlier than previously assumed, at a fixed cost of 6.5% per year.

The maturity of the syndicate facility with RBS, Bank of Scotland, and Barclays was extended for three years in December 2025. The first maturity date is December 2028 with two one-year extension options, subject to lender approval. The original interest rate hedge, fixing SONIA at 1.0%, remained in place until August 2026 and new hedging arrangements, at market rates, will be entered into. We expect this to increase the total hedged cost of the loan to c 6.0%.

The Santander facility will not mature until June 2029, with a fixed to maturity at 3.6%, so that post the H127 refinancing RGL will have more flexibility on sales and asset management initiatives to drive value and income.

At end-H126, the weighted average cost of debt was 3.4%, and we expect this to increase to 3.9% by end-FY26 and c 6.0% by end-FY27.

Exhibit 8: End-H126 debt portfolio

	FY25 outstanding (£m)	H126 outstanding (£m)	Maturity	Gross facility LTV	Interest terms	Swaps/caps notional (£m)	Swaps/caps blended rate
Scottish Widows & Aviva	118	104	Dec-27	47%	3.28% fixed		
RBS, BoS, Santander	72	69	Dec-28	43%	3m SONIA + 2.40%	69	0.99%
Scottish Widows	32	29	Dec-28	45%	3.37% fixed		
Santander	43	42	Jun-29	49%	3m SONIA + 2.20%	43	1.39%
Total	266	244					

Source: RGL

Valuation

RGL's shares have a prospective yield of c 9%, based on management's FY26 DPS target of 8.0p, which we expect to be well covered. The discount to H126 NAV is c 50%. Among the selected peer group shown below (on a trailing basis), comprising a mix of REITs with varying degrees of exposure to the office sector, regional properties and development/refurbishment, RGL offers by far the highest yield, with the strongest dividend cover. A successful execution of RGL's strategy, as set out above, suggests significant upside potential, particularly given the low base of expectations. RGL's share price has underperformed the selected peer group over the past year, although given its high yield, the gap is narrower on a total return basis.

Exhibit 9: Performance and valuation comparison

	Price (p)	Market cap (£m)	P/NAV (x)	Yield (%)	Share price performance			
					One month	Three months	One year	Three years
AEW REIT	103	163	0.95	7.8	-2%	1%	-3%	2%
Custodian Property Income	81	394	0.81	7.4	-2%	-8%	1%	-3%
Derwent London	1,816	1,993	0.58	4.5	-10%	-4%	10%	-5%
Helical	181	208	0.51	2.8	-9%	-3%	-10%	-18%
Land Securities	626	4,661	0.72	6.5	-8%	1%	11%	3%
Schroder REIT	41	385	0.67	8.8	-7%	-12%	-18%	0%
Workspace	360	694	0.52	7.2	1%	8%	-8%	-29%
Average			0.68	6.4	-5%	-2%	-3%	-7%
Regional REIT	89	145	0.47	9.0	-7%	-3%	-24%	-58%
UK property sector index	1,250				-6%	4%	8%	2%
UK equity market index	5,744				-1%	3%	15%	37%

Source: Company data, Edison Investment Research, LSEG Data & Analytics prices at 20 September 2026.

Exhibit 10: Financial summary

Year end 31 December (£m)	2024	2025	2026e	2027e	2028e
INCOME STATEMENT					
Rental & other property income	65.2	60.4	52.9	49.1	48.0
Non-recoverable property costs	(19.3)	(20.2)	(18.6)	(14.3)	(12.6)
Net rental and related income	46.0	40.3	34.3	34.8	35.3
Net/gross	70%	67%	65%	71%	74%
Management fees	(5.3)	(6.2)	(5.050)	(4.5)	(4.7)
Administrative expenses	(4.6)	(3.8)	(4.040)	(4.1)	(4.2)
Operating profit before valuation movements	36.8	31.0	25.9	26.9	27.2
EPRA cost ratio, excluding direct vacancy costs	17.4%	18.4%	19.4%	20.1%	21.0%
Share of JV	0.0	(0.0)	(0.0)	0.0	0.0
Gain on disposal of investment properties	(3.2)	(3.2)	(2.1)	0.0	0.0
Change in fair value of investment properties	(56.9)	(26.8)	(6.9)	5.9	5.9
Operating Profit	(23.2)	1.1	16.9	32.8	33.1
Net finance expense	(13.8)	(11.2)	(10.3)	(11.2)	(11.3)
Fair value movement in interest rate derivatives & goodwill impairment	(1.7)	(5.5)	(1.7)	(1.3)	(0.8)
Profit Before & after tax	(38.8)	(15.7)	4.9	20.2	21.0
Adjusted for the following:					
Net gain/(loss) on revaluation/disposal of investment properties	60.1	29.9	9.0	(5.9)	(5.9)
Other EPRA adjustments	1.4	4.8	1.0	0.6	0.0
EPRA earnings	22.7	19.1	14.9	15.0	15.2
Period end number of shares (m)	162.1	162.1	162.1	162.1	162.1
Fully diluted average number of shares outstanding (m)	118.2	162.0	162.1	162.1	162.1
IFRS EPS (p)	(33.5)	(10.1)	2.6	12.0	12.5
EPRA EPS (p)	19.2	11.8	9.2	9.2	9.4
Dividend per share (p)	7.8	10.0	8.0	8.2	8.4
Dividend cover (x)	1.34	1.18	1.15	1.13	1.11
BALANCE SHEET					
Non-current assets	630.3	556.4	498.9	483.5	477.9
Investment properties	607.5	542.2	485.0	471.0	466.3
Other non-current assets	22.9	14.2	14.0	12.5	11.6
Current Assets	91.8	80.2	68.8	66.8	59.2
Other current assets	35.1	42.5	31.7	31.0	30.5
Cash and equivalents	56.7	37.7	37.1	35.8	28.8
Current Liabilities	(46.8)	(43.2)	(40.7)	(40.0)	(39.6)
Borrowings	0.0	0.0	0.0	0.0	0.0
Other current liabilities	(46.8)	(43.2)	(40.7)	(40.0)	(39.6)
Non-current liabilities	(323.8)	(274.1)	(217.3)	(194.2)	(174.8)
Borrowings	(312.3)	(262.3)	(205.8)	(183.1)	(164.1)
Other non-current liabilities	(11.4)	(11.7)	(11.5)	(11.1)	(10.6)
Net Assets	351.6	319.3	309.7	316.0	322.7
Derivative interest rate swaps & deferred tax liability	(10.9)	(4.1)	(2.3)	(1.0)	(1.0)
EPRA net tangible assets	340.7	315.2	307.4	315.0	321.8
IFRS NAV per share (p)	217	197	191	195	199
EPRA NTA per share (p)	210	194	190	194	199
EPRA NTA total return	-33.2%	-2.9%	1.9%	6.8%	6.4%
CASH FLOW					
Cash flow from operating activity	33.1	22.2	32.4	26.3	26.5
Net finance expense	(13.2)	(10.3)	(8.9)	(10.1)	(10.8)
Net cash flow from operating activity	19.9	12.0	23.5	16.2	15.7
Capex	(8.2)	(11.8)	(6.4)	(10.0)	(10.0)
Net disposal/(acquisition) of investment property	28.6	47.3	54.8	30.0	20.7
Other investing activity	1.1	0.9	0.5	0.5	0.5
Net cash flow from investing activity	21.4	36.4	48.8	20.5	11.2
Dividends paid	(22.3)	(15.2)	(14.6)	(13.2)	(13.5)
Debt drawn/(repaid)	(54.0)	(50.5)	(57.4)	(23.3)	(20.0)
Net equity issuance	105.7	(1.4)	0.0	0.0	0.0
Other financing activity	(48.5)	(0.3)	(1.0)	(1.4)	(0.4)
Net cash flow from financing activity	(19.1)	(67.4)	(73.0)	(37.9)	(34.0)
Net Cash Flow	22.2	(19.0)	(0.7)	(1.3)	(7.0)
Opening cash	34.5	56.7	37.7	37.0	35.8
Closing cash	56.7	37.7	37.0	35.8	28.8
Balance sheet debt	(312.3)	(262.3)	(205.8)	(183.1)	(164.1)
Unamortised debt costs	(4.4)	(3.9)	(3.0)	(2.4)	(1.4)
Closing net debt/(cash)	(260.0)	(228.5)	(171.8)	(149.7)	(136.7)
LTV	42%	40%	35%	31%	29%

Source: RGL historical data, Edison Investment Research

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