

Custodian REIT

Fifth interim payment continues DPS recovery

Custodian REIT (CREI) generated a 2.5% NAV total return in Q421, taking the H221 total to 4.9% and FY21 to a positive 0.9% despite pandemic-driven weakness earlier in the year. H221 returns were supported by improving rent collection, delivering increased DPS (including a fifth interim payment), and positive net valuation gains, primarily driven by a strong (49%) industrial asset weighting and asset management initiatives.

Year end	Net rental income (£m)	EPRA earnings* (£m)	EPRA EPS* (p)	EPRA NAV/ share (p)	DPS (p)	P/NAV (x)	Yield (%)
03/19	37.6	28.5	7.3	107.1	6.55	0.91	6.7
03/20	38.1	28.7	7.0	101.6	6.65	0.96	6.8
03/21e	36.9	23.7	5.6	97.6	5.00	1.00	5.1
03/22e	36.2	25.7	6.1	98.4	5.60	1.00	5.7

Note: *EPRA earnings excludes revaluation gains/losses and other exceptional items.

Improving rent collection and capital values

EPRA NAV has increased in each of the last two quarters (Q421: 97.6p), even as DPS has also increased. EPRA NAV total return has been positive in each of the last three quarters. DPS increased in both Q221 and Q321 and with rent collection strengthening (to reach c 91% for FY21 the year including c 3% of agreed rent deferrals), an unchanged Q421 DPS of 1.25p was declared and a fifth interim DPS of 0.5p, taking aggregate FY21 DPS to 5.0p. FY21 DPS was fully covered by net cash receipts and c 113% covered by EPRA EPS of 5.6p, and CREI is targeting quarterly payments of at least 1.25p for FY22 (aggregate DPS of 5.0p). Our forecasts for FY22 EPRA EPS and DPS (5.6p) are unchanged and a higher FY21 EPRA NAV than we had forecast feeds through to a c 3% increase in FY22e EPRA NAV. We have introduced a tentative FY23 forecast, anticipating further progress.

Positive indicators for further improvement

CREI enters the current year with a reduced annualised contracted rent roll compared with FY21 but, while the outlook remains uncertain, the current lockdown easing indicates an improved outlook for rent collection and the prospect of reduced receivable provisions and/or recoveries. The targeted minimum 5.0p DPS for FY22 is based on rent collection remaining in line with CREI's expectations. Rent roll reduced by £2.1m (5%) due to lease expiries and tenant failures, and occupancy reduced to 91.5% (FY20: 95.9%). Absent further tenant failures, CREI expects occupancy to increase over the next three to six months. End-year gearing remains moderate with a net LTV of 24.9% and recent demand for the shares, reflected in a premium to NAV, has allowed modest share issuance under the company's tap facility. This may provide headroom for accretive acquisitions.

Valuation: Consistent income return focus

The minimum 5.0p DPS targeted by CREI for FY22 represents an attractive yield of 5.1%, and our forecast DPS of 5.6p represents a yield of 5.7%. Both are a significant premium to risk-free rates (10-year UK government debt c 0.8%). Despite the pandemic, NAV total return has remained positive on an annual basis, driven by an unbroken pattern of quarterly DPS payments, albeit at a reduced level.

Q421 NAV update

Real estate

17 May 2021

Price 98p
Market cap £412m

Net debt (£m) as at 31 March 2021	133.0
Net LTV as at 31 March 2021	24.9%
Shares in issue	420.1m
Free float	92%
Code	CREI
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	2.7	7.5	18.9
Rel (local)	2.0	1.8	(2.8)
52-week high/low	104p	76p	

Business description

Custodian REIT is a London Main Market-listed REIT focused on commercial property in the UK outside London. It is income focused, with a commitment to pay a high but sustainable and covered dividend, with the potential for capital growth.

Next events

Q421 DPS payment	28 May 2021
FY21 results	Expected June 2021

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Recovery continued through Q421

The unaudited net asset value at 31 March 2021 (end-FY21) was £409.9m (end-FY20: £426.7m) or 97.6p per share. NAV per share has increased for each of the past two quarters, with property valuations recovering some of the H121 unrealised losses and despite an increase in the quarterly DPS paid in Q421 (and relating to Q321).

Exhibit 1: Quarterly NAV per share development through FY21

Pence per share (p)	Q121	Q221	Q321	Q421	FY21
Opening NAV	101.6	95.7	95.2	96.4	101.6
Movement in property values	(5.6)	(0.7)	0.8	0.9	(4.6)
o/w profit/(loss) on disposal	0.1	0.0	0.0	0.0	0.1
o/w asset management	0.0	0.7	1.0	0.6	2.3
o/w other valuation movement	(5.7)	(1.4)	0.0	0.3	(6.8)
o/w acquisition costs	0.0	0.0	(0.2)	0.0	(0.2)
EPRA earnings	1.4	1.2	1.4	1.6	5.6
Dividends paid	(1.7)	(1.0)	(1.0)	(1.3)	(5.0)
Closing NAV	95.7	95.2	96.4	97.6	97.6

Source: Custodian REIT

Combining the movement in NAV with dividends paid, NAV total returns have been positive in each of the past three quarters and were positive for the year, driven entirely by income returns.

Exhibit 2: Quarterly NAV total returns*

	Q121	Q221	Q321	Q421	FY21
Opening NAV per share (p)	101.6	95.7	95.2	96.4	101.6
Closing NAV per share (p)	95.7	95.2	96.4	97.6	97.6
DPS paid (p)	1.6625	0.9500	1.0500	1.2500	4.9
NAV total return	-4.2%	0.5%	2.4%	2.5%	0.9%

Source: Custodian REIT data, Edison Investment Research. Note: *Dividends added back but not reinvested

Unaudited EPRA earnings were c £23.8m (FY20: £28.7m) or 5.6p per share (FY20: 7.0p). The reduction in EPRA earnings reflects:

- a £2.7m (0.6p per share) increase in provisions against rent receivables; and
- a £2.1m (5.0%) decrease in annual rent roll during the year, due to existing tenants exiting at lease expiry (2.6%), cessation of rents due to company voluntary arrangements (CVAs) and administration (3.2%), partly offset by acquisitions (0.8%). Continuing rent growth in industrial sector assets offset decreases in other sectors.

Including both the Q421 DPS of 1.25p declared for payment on 28 May 2021 and the fifth interim DPS of 0.5p declared for payment on 30 June 2021, aggregate DPS declared in respect of FY21 was 5.0p (FY20: 6.65p). Aggregate DPS was 113% covered by EPRA EPS of 5.6p (FY20: 7.0p) and fully covered by net cash receipts, in line with the current policy of paying dividends at a level that is broadly linked to net rental receipts. For FY22, the board has set a target for aggregate dividends of not less than 5.0p, primarily subject to rent collection remaining in line with expectations. On a longer-term basis, the policy remains to grow dividends on a sustainable basis, at a rate that is fully covered by projected net rental income while maintaining investment flexibility. We continue to forecast aggregate FY22 DPS of 5.6p, above the targeted minimum.

Rent collection

As of 4 May 2021, of the £36.9m of contracted cash rental income for FY21 (ie rental income adjusted for non-cash IFRS smoothing adjustments of £1.9m), c 89% had been collected in cash (some after the year-end) and, including the outstanding balances of agreed short-term rent deferrals, this increases to 91%. Applied to the sector mix of the portfolio (Exhibit 3) we consider this a good performance, which CREI notes has benefited from it collecting rents directly (ie not

through a third-party agent), allowing better engagement with regard to payments and facilitating an improved outcome.

Exhibit 3: FY21 rent collection performance

	FY21 (£m)	Before agreed deferrals	After agreed deferrals
IFRS rental income	38.8		
Lease incentive adjustment (non-cash)	(1.9)		
Cash rental income expected, before agreed deferrals	36.9	100%	
Agreed rent deferrals	(0.9)	-3.0%	
Cash rental income expected, after agreed deferrals	36.0		100.0
Outstanding rental income	(3.1)	-8%	
Rental income collected	32.9	89%	91%

Source: Custodian REIT. Note: Some rounding differences apply to percentages.

Around £3.1m of rent remained outstanding and due, and the subject of continuing discussions with tenants. As a result of the government's moratorium on the eviction of tenants for non-payment of rent (previously extended but currently due to expire at the end of June 2021), we suspect that not all of this represents an inability to pay on the part of tenants. However, clearly a portion does and in some cases rent arrears are at risk of non-recovery from CVAs or insolvency.

For the current quarter (Q122), 66% of rent (before agreed deferrals) had been collected, in line with the same point in previous quarters and expected to increase.

Portfolio

The end-FY21 portfolio comprised 159 assets and was externally valued at £551.9m (FY20: £559.6m). The average lot size of c £3.5m reflects CREI's strategy of targeting assets that may be too small for many institutional investors but too large for most private investors; with less competition from buyers, yields are typically higher. The valuation reflects a net initial yield of 6.6% (FY20: 6.7%) based on a contracted rent roll of c £38.9m. Active asset management has supported income and capital values through continuing lease events (new lets, renewals and re-gears), but tenant failures during the pandemic drove the decrease in occupancy from 95.9% to 91.5% during the year. Absent further significant failures, CREI expects occupancy levels to increase over the next three to six months as more new lettings are completed.

The portfolio is characterised by a very strong weighting to industrials, with a high exposure to retail warehouse and 'other assets'¹ compared with the overall market. Offices and high street retail exposures are relatively low. Valuations were hit hard by the pandemic, across all sectors, in Q121 but the subsequent continuing strength of industrial sector assets drove a net recovery in portfolio valuation through H221.

Exhibit 4: Portfolio weightings by value and income

	Valuation (£m)	Weighting by value	Weighting by income
Industrial	270.2	49%	41%
Retail warehouse	99.7	18%	21%
Other	84.4	15%	16%
Office	54.8	10%	12%
High street retail	42.8	8%	10%
Portfolio total	551.9	100%	100%

Source: Custodian REIT

The strong performance of CREI's industrial assets mirrors the market-wide trend but also benefited from asset management initiatives. The sector is benefiting from the accelerated trend of online purchasing during the pandemic as well as 'onshoring' of supply chains in response to Brexit. The 'out-of-town' retail warehouse sector performed significantly more strongly than high street retail and CREI notes recent strong competition for assets in the sector reflecting its convenience,

¹ Other assets include car showrooms, petrol filling stations, children's day nurseries, restaurants, gyms, hotels, and healthcare units.

relatively low rental cost, availability of parking and complementarity to online retail. The 'other' sector contains a number of tenant exposures that would ordinarily be defensive in terms of the economic cycle but which in the past year have proved less resilient to the pandemic, particularly during the first lockdown; capital values have increased in each of the past two quarters.

Exhibit 5: Quarterly like-for-like valuation movement

	Jun-21	Sep-21	Dec-21	Mar-21	Mar-21
£m	Q121	Q221	Q321	Q421	FY21
Industrial	(5.5)	1.0	9.6	6.9	12.0
Retail warehouse	(5.9)	(1.4)	(2.5)	(1.2)	(11.0)
Other	(6.3)	(0.8)	0.7	0.9	(5.5)
High St retail	(4.3)	(1.0)	(2.1)	(1.1)	(8.5)
Office	(2.2)	(0.9)	(1.6)	(1.9)	(6.6)
Portfolio total (£m)	(24.2)	(3.1)	4.1	3.6	(19.6)
Industrial	-2.2%	0.4%	3.8%	2.6%	
Retail warehouse	-5.1%	-1.3%	-2.4%	-1.2%	
Other	-6.8%	-1.0%	0.8%	1.0%	
High St retail	-7.5%	-2.1%	-4.5%	-1.9%	
Office	-4.1%	-1.8%	-3.3%	-4.3%	
Portfolio total (%)	-4.2%	-0.6%	0.8%	0.7%	

Source: Custodian REIT

Forecasts update

We have updated our forecasts, bringing FY21 into line with the unaudited Q421 data. Compared with our [last published](#) forecast (August 2020), FY21 EPRA NAV was higher and EPRA EPS slightly lower. DPS was also ahead, although our forecast predated the increase in the quarterly run rate of DPS declared in respect of Q321. FY21 annualised contracted rental income was more robust than we had allowed (but was nonetheless lower), resulting in higher than forecast accounting net rental income. Although rent collection continued to strengthen, charges against receivables were higher, and perhaps more prudent, than we allowed for and were the main reason why EPRA earnings and EPS were slightly below our forecast. The H221 recovery in all portfolio valuations drove the higher than forecast EPRA NAV.

We have made relatively modest revisions to our FY22 forecast and have introduced a tentative FY23 forecast.

Exhibit 6: Forecast revisions

	Net rental income (£m)			EPRA EPS (p)			DPS (p)			EPRA NAV/share (p)			Net LTV		
	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (pp)
03/21e	35.5	36.9	3.8	5.8	5.6	-2.5	4.20	5.00	19.0	94.5	97.6	3.3	23.0%	24.9%	8.1
03/22e	35.4	36.2	2.1	6.1	6.1	0.0	5.60	5.60	0.0	95.2	98.4	3.3	22.9%	24.4%	6.8
03/23e	N/A	37.2	N/A	N/A	6.5	N/A	N/A	6.00	N/A	N/A	100.2	N/A	N/A	23.9%	N/A

Source: Edison Investment Research

The key forecasting uncertainties relate to rental income and collection, and our assumptions include:

- Slightly lower net rental income in FY22 due to the lower start-year annualised contracted rental income compared with FY21, partly offset by an improvement in occupancy. We expect the strong portfolio weighting to support estimated rental value (ERV) in FY22, offsetting further weakness in retail sectors (albeit at a slowing rate). For FY23, we anticipate a modest average c 0.8% increase in ERV across a broader base of the portfolio.
- Further charges against rent receivable in FY21 but at a much reduced rate (£0.6m versus an estimated £3.3m in FY21), despite the likelihood of a further improvement in collection rates as the lockdown eases further, and primarily reflecting the potential impact of current CVAs and administrations. This may prove to be conservative, given the current level of provisioning and

the potential to collect outstanding rents from financially viable tenants that have chosen to delay payment during the government moratorium on eviction.

Our NAV forecasts benefit from relatively low but positive capital return assumptions which, on a sector-by-sector basis, are broadly in line with the most recent consensus forecasts published by the Investment Property Forum (IPF). For FY22, we expect a blended increase of c 1%, again driven by industrial assets, and for FY23 we expect a blended c 1.5% as the recovery in capital values broadens across sectors. As always, there is much uncertainty about this. Each 1% increase/decrease in the value of the investment portfolio compared with our forecast would increase/decrease NAV per share by c 1.3%.

Performance and valuation

Although the UK commercial property market returns have historically shown significant cyclicity, income returns have been much less volatile than capital values. In this context, CREI's consistent strategy since IPO has been targeted at generating sustainable and growing income returns, with the potential for additional capital growth over time. Although the exceptional circumstances of the pandemic forced a reduction in DPS in FY21, quarterly dividends were uninterrupted (unlike certain peers where DPS was suspended for a period) and have been maximised while tracking cash rental receipts. Attractive income returns on NAV have been maintained, and despite volatility in capital values, total return on NAV has also remained positive, albeit at a reduced level. From listing in March 2014 to March 2021 (FY21), CREI generated an EPRA NAV total return of 41.1%, or a compound annual average return of 5.9% pa, all of which has been generated by dividend payments.

Exhibit 6: EPRA NAV total return history

Year ending 31 March	2015	2016	2017	2018	2019	2020	2021	Cumulative since IPO
Opening EPRA NAV per share (p)	98.2	101.3	101.5	103.8	107.3	107.1	101.6	98.2
Closing EPRA NAV per share (p)	101.3	101.5	103.8	107.3	107.1	101.6	97.6	97.6
Dividends paid per share (p)	3.750	6.350	6.350	6.425	6.525	6.625	4.913	40.9
EPRA NAV total return	7.0%	6.4%	8.5%	9.6%	5.9%	1.0%	0.9%	41.1%
o/w income returns	3.8%	6.3%	6.3%	6.2%	6.1%	6.2%	4.8%	101%
Compound annual total return								5.9%

Source: Custodian REIT data, Edison Investment Research

The company's minimum target for aggregate FY22 DPS of 5.0p, represents a prospective yield of 5.1%, and our forecast 5.6p DPS represents a yield of 5.7%. The shares are trading at around NAV, below the average c 8% premium since IPO in March 2014, and have recently traded at a premium. This allowed CREI to respond to investor demand for the shares by recommencing modest share issuance, at a premium to NAV, under its tap facility. The ability to issue equity at a premium to NAV has historically been of benefit to CREI, allowing it to maintain accretive portfolio growth while maintaining a low level of gearing, and without share issuance dilution.

In Exhibit 8, we show a summary performance and valuation comparison of Custodian and what we consider to be its closest diversified income-oriented peers. For comparative purposes, the valuation data are shown on a trailing basis and so do not capture the prospective increase in CREI's DPS from 4.5p to 5.0p in respect of FY22. CREI trades on a higher P/NAV than the average of the group, as it has done for most of the period since IPO in 2014, while its trailing yield is slightly below average. Factors supporting CREI's valuation include uninterrupted quarterly DPS during the pandemic (albeit at a reduced level), moderate gearing and a focus on smaller lot size properties with a yield premium that has historically supported risk-adjusted income returns.

Exhibit 7: Peer comparison

	Price (p)	Market cap (£m)	P/NAV* (x)	Trailing yield** (%)	Share price performance			
					One month	Three months	12 months	From 12- month high
Ediston Property	67	142	0.78	6.3	-4%	-3%	68%	-7%
BMO Real Estate Investments	75	181	0.76	4.2	-6%	1%	52%	-8%
BMO Commercial Property Trust	82	652	0.68	3.5	2%	13%	57%	-5%
Picton	85	463	0.89	3.4	-7%	-1%	51%	-8%
Regional REIT	83	358	0.81	7.7	-1%	9%	14%	-6%
Schroder REIT	46	238	0.78	3.5	13%	16%	53%	-2%
Standard Life Investment Property	67	271	0.78	5.1	2%	9%	17%	-10%
UK Commercial Property REIT	74	963	0.84	3.4	-3%	12%	46%	-11%
Average			0.78	4.8	0%	7%	45%	-7%
Custodian	98	410	1.00	4.6	1%	7%	24%	-6%
UK property sector index	1,711				1%	9%	32%	-4%
UK equity market index	3,966				0%	6%	26%	-3%

Source: Company data, Refinitiv price data as at 14 May 2021. Note: *Based on last reported NAV. **Based on trailing 12-month dividends declared.

Exhibit 8: Financial summary

Year end 31 March	£m	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS										
Gross rental income		11.2	18.6	27.0	34.1	39.1	40.0	38.7	38.0	39.1
Re-charge income		0.3	0.5	0.6	0.8	0.9	0.9	0.9	0.9	0.9
Total revenue		11.6	19.0	27.6	34.8	40.0	40.9	39.7	38.9	40.0
Gross property expenses		(0.7)	(1.0)	(1.9)	(1.6)	(2.4)	(2.8)	(2.8)	(2.7)	(2.8)
Net rental income		10.9	18.0	25.7	33.2	37.6	38.1	36.9	36.2	37.2
Administrative expenses		(2.3)	(2.8)	(3.6)	(4.4)	(4.9)	(4.8)	(8.2)	(5.4)	(4.9)
Operating Profit before revaluations		8.5	15.2	22.1	28.8	32.7	33.4	28.7	30.7	32.3
Revaluation of investment properties		6.1	3.0	9.0	11.9	(5.5)	(25.9)	(19.7)	2.8	4.8
Costs of acquisitions		(5.8)	(5.8)	(6.1)	(6.2)	(3.4)	(0.6)	(0.7)	0.0	0.0
Profit/(loss) on disposal		0.3	0.1	1.6	1.6	4.3	(0.1)	0.5	0.0	0.0
Operating Profit		9.0	12.5	26.6	36.1	28.0	6.8	8.8	33.5	37.1
Net Interest		(0.3)	(1.3)	(2.4)	(3.7)	(4.4)	(4.7)	(5.0)	(5.0)	(5.0)
Profit Before Tax		8.7	11.2	24.2	32.4	23.6	2.1	3.8	28.5	32.1
Taxation		(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit After Tax		8.7	11.2	24.2	32.4	23.6	2.1	3.8	28.5	32.1
Net revaluation of investment property/costs of acquisition		(0.2)	2.7	(2.9)	(5.6)	8.9	26.4	20.4	(2.8)	(4.8)
Gains/(losses) on disposal		(0.3)	(0.1)	(1.6)	(1.6)	(4.3)	0.1	(0.5)	0.0	0.0
EPRA earnings		8.2	13.9	19.7	25.2	28.5	28.7	23.7	25.7	27.3
Average Number of Shares Outstanding (m)		146.1	204.2	298.7	362.4	391.9	409.7	420.1	420.5	420.6
IFRS EPS (p)		5.99	5.49	8.10	8.95	6.03	0.52	0.91	6.77	7.63
EPRA EPS (p)		5.64	6.80	6.59	6.94	7.26	7.00	5.64	6.12	6.49
Dividend per share (p)		5.25	6.25	6.35	6.45	6.55	6.65	5.00	5.60	6.00
Dividend cover (x)*		1.00	1.01	1.01	1.06	1.10	1.04	1.13	1.09	1.08
Ongoing charges ratio (excluding property expenses)		1.41%	1.33%	1.20%	1.15%	1.12%	1.12%	1.14%	1.17%	1.18%
BALANCE SHEET										
Fixed Assets		207.3	319.0	418.5	528.9	572.7	559.8	551.9	557.7	565.5
Investment properties		207.3	319.0	418.5	528.9	572.7	559.8	551.9	557.7	565.5
Other non-current assets		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Assets		1.9	10.0	10.3	12.9	6.1	30.7	23.0	20.9	20.2
Debtors		1.1	4.5	4.5	7.9	3.7	5.3	9.5	6.3	4.3
Cash		0.8	5.5	5.8	5.1	2.5	25.4	13.6	14.7	15.9
Current Liabilities		(5.4)	(8.2)	(12.6)	(12.8)	(14.2)	(14.9)	(15.8)	(15.2)	(14.6)
Creditors/Deferred income		(5.4)	(8.2)	(12.6)	(12.8)	(14.2)	(14.9)	(15.8)	(15.2)	(14.6)
Short term borrowings		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Liabilities		(23.8)	(65.7)	(64.4)	(113.9)	(138.1)	(148.9)	(149.2)	(149.5)	(149.8)
Long term borrowings		(23.8)	(65.1)	(63.8)	(113.4)	(137.5)	(148.3)	(148.6)	(148.9)	(149.2)
Other long term liabilities		0.0	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Net Assets		180.0	255.1	351.9	415.2	426.6	426.8	409.9	414.0	421.2
NAV/share (p)		101.3	101.5	103.8	107.3	107.1	101.6	97.6	98.4	100.2
EPRA NAV/share (p)		101.3	101.5	103.8	107.3	107.1	101.6	97.6	98.4	100.2
CASH FLOW										
Operating Cash Flow		12.8	13.9	23.1	28.4	36.0	31.0	24.0	33.3	33.8
Net Interest		(0.2)	(1.3)	(2.2)	(3.5)	(4.2)	(4.4)	(4.7)	(4.8)	(4.7)
Tax		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net additions to investment property		(129.8)	(113.6)	(92.1)	(105.9)	(46.2)	(12.2)	(10.5)	(3.0)	(3.0)
Ordinary dividends paid		(5.5)	(12.2)	(18.5)	(23.0)	(25.5)	(27.0)	(20.6)	(25.0)	(24.8)
Debt drawn/(repaid)		23.8	41.7	(1.0)	49.4	24.0	10.5	0.0	0.0	0.0
Proceeds from shares issued (net of costs)		99.8	76.1	91.1	53.9	13.3	25.0	0.0	0.6	0.0
Other cash flow from financing activities			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow		0.8	4.6	0.4	(0.7)	(2.6)	22.9	(11.8)	1.1	1.3
Opening cash		0.0	0.8	5.5	5.8	5.1	2.5	25.4	13.6	14.7
Closing cash		0.8	5.5	5.8	5.1	2.5	25.4	13.6	14.7	15.9
Debt as per balance sheet		(23.8)	(65.1)	(63.8)	(113.4)	(137.5)	(148.3)	(148.6)	(148.9)	(149.2)
Unamortised loan arrangement fees		(0.5)	(0.9)	(1.2)	(1.6)	(1.5)	(1.7)	(1.4)	(1.1)	(0.8)
Total debt		(24.3)	(66.0)	(65.0)	(115.0)	(139.0)	(150.0)	(150.0)	(150.0)	(150.0)
Restricted cash		(0.2)	(0.5)	(1.3)	(1.3)	(1.4)	(0.9)	(0.9)	(0.9)	(0.9)
Closing net debt		(23.7)	(61.0)	(60.5)	(111.3)	(137.9)	(125.5)	(137.3)	(136.2)	(135.0)
Net LTV		11.4%	19.1%	14.4%	21.0%	24.1%	22.4%	24.9%	24.4%	23.9%

Source: Custodian REIT historical data, Edison Investment Research forecasts

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