

Title Results for the year ended 31 March 2025
From LAND SECURITIES GROUP PLC ("Landsec")
Date 16 May 2025

Strong operational results set to drive continued growth

Mark Allan, Chief Executive of Landsec, commented:

"Our portfolio again delivered very strong performance with like-for-like net rental income growth of 5.0%, supporting growth in both earnings and portfolio valuation over the year. Owning the right real estate has never been more important and, with a very healthy pipeline of occupier demand, this trend looks set to continue, providing a clear trajectory for further near and medium-term EPS growth."

"Our undoubted portfolio quality is a result of proactive and successful capital recycling over recent years and this will continue to be a focus for us. Our capital allocation decisions from here are about ensuring that the growth outlook for our portfolio in 3-5 years' time is as positive as it is for our current portfolio today. That is why we have set out a clear plan to increase investment in major retail by a further £1bn and establish a £2bn+ residential platform by 2030, to be funded by rotating £3bn of capital out of offices, non-core investments and low or non-yielding pre-development assets. Delivering on this strategy, whilst continuing to drive sustainable income and EPS growth, is our priority and we are firmly underway."

Financial highlights

	2025	2024		2025	2024
EPRA earnings (£m) ⁽¹⁾⁽²⁾	374	371	Profit/(loss) before tax (£m)	393	(341)
EPRA EPS (pence) ⁽¹⁾⁽²⁾	50.3	50.1	Basic EPS (pence)	53.3	(43.0)
EPRA NTA per share (pence) ⁽¹⁾⁽²⁾	874	859	Net assets per share (pence)	877	863
Total return on equity (%) ⁽¹⁾⁽²⁾	6.4	(4.0)	Dividend per share (pence)	40.4	39.6
Group LTV ratio (%) ⁽¹⁾⁽²⁾	39.3	35.0	Net debt (£m)	4,341	3,594

- EPRA earnings up £3m to £374m, as strong 5.0% LFL net rental income growth and lower overhead costs more than offset impact from significant disposals early in year and a rise in finance costs
- EPRA EPS⁽¹⁾⁽²⁾ up 0.4% to 50.3p, in line with expectations and ahead of initial guidance
- Total dividend up 2.0% to 40.4p per share, in line with guidance

- Profit before tax up to £393m, as strong 4.2% ERV growth supported £119m or 1.1% uplift in portfolio value, resulting in 6.4% return on equity and 1.7% increase in EPRA NTA per share
- Group LTV of 38.4% and average net debt/EBITDA of 7.7x pro-forma for disposals since year-end, as long 9.6-year average debt maturity underpins resilience of capital base
- Further LFL growth and efficiency improvements, alongside portfolio rebalancing to enhance long term growth, provides c. 20% EPRA EPS growth potential by FY30, with c. 2-4% growth expected in FY26

Operational highlights

- Delivered 5.0% LFL net rental income growth, ahead of guidance, with 8% rental uplifts on relettings / renewals in London and major retail, and continued strong leasing momentum since the year-end
- Increased occupancy by 100bps on a LFL basis to 97.2%, the highest level in five years
- Drove 4.2% ERV growth through successful leasing activity, adding to future income growth potential
- Reduced overhead costs by 5%, with more than 10% further savings expected over FY26-27

Central London income growth increases, as investment market activity starts to pick up

- Delivered 6.6% LFL net rental income growth, with occupancy up 120bps to 98.0%, £24m of lettings signed or in solicitors' hands 7% above ERV, and relettings/renewals 13% above previous rent
- Drove 5.2% ERV growth, as customer demand remains focused on high-quality space in best locations, with growth for current year expected to be at broadly similar levels
- Reversionary potential increased to 12%, paving way for further near-term LFL income growth
- Portfolio valuation up 1.0%, as yields start to stabilise and investment market activity continues to pick up steadily, supporting planned release of £2bn of capital employed from FY27 onwards
- Set to complete £860m of developments in late FY26 at accretive 7.1% gross yield on cost, with encouraging customer interest expected to translate into first pre-letting activity in second half

Major Retail income up strongly, as brands focus on best destinations

- Delivered 5.1% LFL net rental income growth, with occupancy up 110bps to 96.6%, £39m of lettings signed or in solicitors' hands 11% above ERV, and relettings/renewals 8% above previous rent
- Drove 4.0% ERV growth, capitalising on continued focus from brands on fewer, bigger, better stores, with similar growth expected for current year
- Expect continued LFL income growth, as leasing pipeline remains strong and rental uplifts grow
- Portfolio valuation up 3.4%, reflecting attraction of high-quality, growing income
- Invested £610m in Liverpool ONE and Bluewater acquisitions at average 7.7% income return, with aim to invest a further £1bn in highly accretive growth of major retail platform over next 1-3 years

Progressed preparation of sizeable residential pipeline, ahead of first potential starts in late 2026

- Started on site with infrastructure works, secured vacant possession and completed demolition for first phase of consented 1,800-homes Finchley Road scheme in Zone 2, London
- Renegotiated development agreement at Mayfield, Manchester, unlocking option to deliver c. 1,700 homes from 2026 onwards, with decision on detailed planning for first phase expected in second half
- Submitted outline/detailed planning application for masterplan in Lewisham, Zones 2&3, London, covering up to 2,800 homes, with planning decision expected in second half of year
- Preparing for first potential residential development starts in late 2026, as part of strategic objective to invest £2bn+ in this structural growth sector by FY30

Maintained strong capital base, with £655m of capital recycling broadly in line with book value

- Sold £496m of non-core assets during year plus a further £159m since year-end, on average 1% below Mar-24 book value, with further non-core disposals expected in near term
- Maintained solid capital base, with 9.6-year average debt maturity, £1.1bn cash and undrawn facilities, and pro-forma for disposals post year-end, 7.7x average net debt/EBITDA and 38.4% LTV
- Capitalised on sector-leading access to credit during year, with £350m 10-year bond issue at 4.625% coupon and refinancing of £2.25bn revolving credit facilities at existing low margins

1. An alternative performance measure. The Group uses a number of financial measures to assess and explain its performance, some of which are considered to be alternative performance measures as they are not defined under IFRS. For further details, see the Financial review and table 14 in the Business analysis section.
2. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial review. The condensed consolidated preliminary financial information is prepared under UK adopted international accounting standards (IFRSs and IFRICs) where the Group's interests in joint ventures are shown collectively in the income statement and balance sheet, and all subsidiaries are consolidated at 100%. Internally, management reviews the Group's results on a basis that adjusts for these forms of ownership to present a proportionate share. These metrics, including the Combined Portfolio, are examples of this approach, reflecting our economic interest in our properties regardless of our ownership structure. For further details, see table 14 in the Business analysis section.

ENDS

ABOUT LANDSEC

We identify and shape places that create opportunity, enhance quality of life, and bring joy to the people connected to them.

This is how we've created the UK's leading portfolio of urban places and one of the largest real estate companies in Europe.

Our £10 billion portfolio is built around premium workplaces, the country's pre-eminent retail platform, and a residential pipeline that will redefine urban life.

Landsec

We've honed this ability over 80 years. Spotting the opportunities, building the partnerships, and continually adapting to shape the places that meet the needs of a changing world.

Places where life happens. Where businesses grow. And where cities are defined.

Find out more at [Landsec.com](https://landsec.com)

CONTACT

Press

Chris Hogwood

Chris.Hogwood@landsec.com

Investors

Edward Thacker

Edward.Thacker@landsec.com