

Hammerson plc
(Incorporated in England and Wales)
(Company number 360632)
LSE and Euronext Dublin share code: HMSO JSE share code: HMN
ISIN: GB00BK7YQK64
("Hammerson" or "the Company")

HAMMERSON plc – UNAUDITED HALF-YEAR 2022 RESULTS

Focused on execution, delivering tangible results

Rita-Rose Gagné, Chief Executive of Hammerson, said:

"We continued to make good strategic, financial and operational progress in the first half. Adjusted earnings were up 154% to £51m reflecting a 48% increase in like-for-like net rental income, lower administration and finance costs, and a strong contribution from Value Retail. We completed £194m of disposals, reducing net debt by 6%. Portfolio values were broadly stable in the half and we have a solid balance sheet.

Footfall, sales, occupancy and collections are recovering and now close to 2019 levels. We saw a good leasing performance now ahead of previous passing rent and marginally ahead of ERV. We have strengthened our tenant profile, we have a strong and diversified leasing pipeline for the second half, and robust occupancy levels across our destinations.

We have also continued to make progress on our pre-development pipeline, with key milestones in the first half met that enable further options for value creation.

We are a better, more resilient, and financially secure business as a result of the actions taken since the beginning of 2021. We are conscious of the potentially volatile environment ahead and remain focussed on delivering our strategy. We have identified a number of levers within our control to continue to create value. We see more opportunities ahead."

Summary financial and operating performance

- Adjusted earnings up 154% to £51m (H1 21: £20m) reflecting:
 - stronger LFL GRI (+16%) and LFL NRI (+48%);
 - gross administration costs reduced 20%, 2023 cost reduction target (vs 2019) delivered 18 months early;
 - net finance costs 25% lower year-on-year; and
 - a strong year-on-year contribution from Value Retail (+£16m).
- IFRS profit of £50m (H1 21: £376m loss)
- Adjusted earnings per share up 0.7p to 1.1p (H1 21: 0.4p – restated (note (b))); Basic earnings per share of 1.1p (H1 21: (8.2)p loss per share - restated (note (b)))
- Group portfolio value of £5.3bn, yields stable; total return 2.1% (H1 21: –4.7%)
- Completed £194m of disposals and anticipate delivering a further c.£300m by end of 2023
- EPRA NTA increased by £34m to £2,874m (FY21: £2,840m), EPRA NTA per share –2p to 62p reflecting scrip

Solid balance sheet

- Net debt down 6% to £1.7bn at 30 June 2022 (FY21: £1.8bn)
- Total liquidity of £1.2bn including undrawn committed facilities, and £0.5bn of cash
- No Group debt maturities not covered by current cash holdings until 2025
- Headline LTV 37% (FY21: 39%), fully proportionally consolidated (FPC) LTV 45% (FY21: 47%)

Resilient operational trends

- Footfall strengthening to end Q2 at 90% of 2019 levels
- Sales approaching 2019 levels overall, and ahead of 2019 levels in Q2
- £10.5m leasing deals concluded in H1 22, with headline leasing 31% above previous passing, net effective rent +1% vs ERV
- More than half of deals to non-fashion in H1 22; 68% since H1 21
- Flagship occupancy for managed portfolio stable at 95%, up 2% pts year-on-year
- Improved rent collection: FY21 now at 94%; H1 22 92%; Q3 22 84%
- Footfall and brand sales recovery continues at Value Retail, spend per visit +7% above 2019 levels

Dividend

- The Board has declared an interim cash dividend of 0.2 pence per share. Subject to shareholder approval, the Board intends to provide an enhanced scrip dividend alternative of 2.0 pence per share. This is currently expected to be the last enhanced scrip dividend alternative for the purpose of discharging the Company's remaining SIIIC obligation of approximately €57m arising from the profit on

disposal of 75% of Italie Deux in 2019. Both the cash dividend and the enhanced scrip dividend alternative will be paid as a non-Property Income Distribution ("Non-PID") and treated as an ordinary UK company dividend.

Half-year 2022 results at a glance

Six months ended	30 June 2022	30 June 2021	Change	Note /Table
IFRS Reported profit/(loss) for the period	£50.3m	£(375.5)m	£425.8m	2
Adjusted earnings (a)	£51.1m	£20.1m	£30.0m	2
Adjusted net rental income (a)	£86.5m	£87.2m	-1%	2
Basic earnings/(loss) per share (b)	1.1p	(8.2)p	9.3p	10B
Adjusted earnings per share (a),(b)	1.1p	0.4p	0.7p	10B
Interim dividend per share (cash/enhanced scrip)	0.2p/2.0p	0.2p/2.0p	-	8
As at	30 June 2022	31 December 2021		
Managed portfolio value	£3,334m	£3,478m	£(144)m	Table 9
Group portfolio value (including Value Retail)	£5,286m	£5,372m	£(86)m	Table 9
Net assets	£2,801m	£2,746m	£55m	Table 12
EPRA NTA per share (a)	62p	64p	-2p	10C
Net debt (c)	£1,704m	£1,819m	-6%	Table 13
Net debt : EBITDA	9.6x	12.4x	-23%	Table 15
Loan to value – Headline	37%	39%	-2% pts	Table 17
Loan to value – Full proportional consolidation of Value Retail	45%	47%	-2% pts	Table 17
Gearing	62%	67%	-5% pts	Table 18

(a) These half-year 2022 results include discussion of alternative performance measures which include those described as Adjusted, EPRA and Headline as well as constant currency (where current period exchange rates are applied to the prior period's results). Adjusted, EPRA and Headline measures are described in note 1B to the interim financial statements and reconciliations for earnings and net assets measures to their IFRS equivalents are set out in note 9 to the interim financial statements.

(b) Adjusted earnings per share and basic earnings/(loss) per share for 2021 have been restated to reflect the bonus element of scrip dividends as set out in note 10B to the interim financial statements.

(c) Proportionally consolidated – basis as set out in notes 1B and 3 to the interim financial statements.

Results presentation today:

Hammerson will hold a virtual presentation for analysts and investors to present its half-year financial results for the six months ended 30 June 2022, followed by a Q&A session.

Date & time: Thursday 28 July at 10:30 am (BST)

Webcast link: https://kvgo.com/IJLO/Hammerson_2022_Half_Year_Results

Conference call: Quote Hammerson when prompted by the operator

Please join the call 5 minutes before the booked start time to allow the operator to transfer you into the call by the scheduled start time

France: +33 (0) 1 7037 7166

Ireland: +353 (0) 1 436 0959

Netherlands: +31 (0) 20 708 5073

South Africa: +27 (0) 11 589 8302

UK: +44 (0) 33 0551 0200

USA: +1 212 999 6659

The presentation and press release will be available on:

www.hammerson.com/investors/reports-results-presentations/2022-half-year-results on the morning of results.

Enquiries:

Rita-Rose Gagné, Chief Executive Officer	Tel: +44 (0)20 7887 1000	
Himanshu Raja, Chief Financial Officer	Tel: +44 (0)20 7887 1000	
Josh Warren, Director of Strategy and Investor Relations	Tel: +44 (0)20 7887 1109	josh.warren@hammerson.com
Natalie Gunson, Communications Director	Tel: +44 (0)20 7887 1063	natalie.gunson@hammerson.com
John Waples, Dido Laurimore and Richard Gotta, FTI	Tel: +44 (0)20 3727 1000	

Timetable of events

Ex-dividend date (South Africa)	5 October 2022
Ex-dividend date (UK & Ireland)	6 October 2022
Record date	7 October 2022
Interim dividend payable	3 November 2022

Shareholders will be provided with further details in relation to the interim cash dividend and enhanced scrip dividend alternative in due course. The dates above are subject to change and any changes made will be communicated as soon as practicably possible.

Extract from the unaudited 2022 half year results:

This short form announcement is the responsibility of the Directors of the Company. The information disclosed is only a summary of the information in the full announcement and does not contain full or complete details. The full unaudited 2022 half year results announcement should be considered for any investment decisions. The full unaudited 2022 half year results announcement for Hammerson plc is available for viewing at <https://senspdf.jse.co.za/documents/2022/jse/isse/HMNE/HY2022.pdf> and on the Company's website at www.hammerson.com/investors. The full unaudited 2022 half year results announcement is also available for inspection at the Company's registered office and the offices of our sponsor during normal business hours and is available at no charge. Alternatively, copies of the full announcement may be requested from the Company's investor relations department by emailing info@hammerson.com.

Hammerson has its primary listing on the London Stock Exchange and secondary inward listings on the Johannesburg Stock Exchange and Euronext Dublin.

Sponsor:
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