

CAPITAL & REGIONAL PLC

(Incorporated in the United Kingdom)

(UK company number 01399411)

LSE share code: CAL JSE share code: CRP

LEI: 21380097W74N9OYF5Z25

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(“Capital & Regional” or “the Company” or “the Group”)



**CAPITAL &
REGIONAL**

UPDATE ON TRADING AND PROPERTY PORTFOLIO

Capital & Regional, the UK convenience and community focused shopping centre REIT, will host a tour of its 17&Central shopping centre at Walthamstow at 2.30pm today. During the event, the Company will provide the following operational update:

- Footfall in the five months to the end of November 2022 footfall was 11% ahead of 2021 and represented 90% of the equivalent period for 2019, representing one of the strongest periods on a relative basis since the start of the pandemic.
- In the five months to the end of November 2022, Capital & Regional completed 42 new lettings and renewals for a combined rent of £2.1 million, ahead of previous rent and ERV. Key lettings in the period include agreeing to extend the NHS diagnostics centre at Wood Green by a further 6,000 sq ft and the letting of the new Walthamstow Food Market to local operator Crate.
- Occupancy across the Group’s Investment Assets has improved to 94.6% at 30 November 2022 from 93.8% at 30 June 2022. The main driver for the increase is the inclusion of the NHS medical centre at Ilford which is now in development following receipt of planning permission in October 2022.
- Rent collection is now nearing pre-Covid levels with 95.9% of the quarterly rent due on 29 September 2022 and 97.0%² of the rent due for the year to date received.
- Snozone has seen revenues recover and generally exceed the equivalent levels in 2019. In Madrid, increased utility costs have tempered profit, although the recent installation of solar panels is helping to mitigate this.
- Sales processes involving the two assets, Luton and Redditch, that the Group manages on behalf of third parties are continuing. As noted at the time of the Interim Results, this could result in the Group’s involvement as manager ceasing. We will update further once the processes have concluded.
- During the presentation made at the Walthamstow Asset Tour this afternoon, the Group will present a pathway for Adjusted Profit to improve by more than 20% in the medium term. This pathway factors in recent transactional activity, assumptions on occupancy returning to pre-Covid levels, the impact of ongoing capital expenditure projects and assumes that we do not see a further meaningful shift in the economic climate. A copy of the slides from the presentation will be available on the Group’s website following the event.
- No further material new information will be disclosed.

Lawrence Hutchings, Chief Executive, commented: *“Capital & Regional’s operational performance remains robust and despite current macro uncertainties we continue to see footfall and occupancy progress back towards 2019 levels. In addition, the affordability of our rents and focus on value orientated, non-discretionary and needs based retailers has allowed us to continue to complete leasing transactions, at premiums to previous passing rent on average.*

“Our focus remains to provide essential goods and services tailored to the communities we serve. We are proud of the role we play supporting charities and community events in our vibrant and diverse communities.

“We anticipate the general macro-economic backdrop will likely remain challenging as we move through the next few months. While valuations are expected to be impacted by the increases in bond yields and interest rates seen in the second half of 2022, the profile of our assets with their focus on non-discretionary goods and services, the benefit of recent rates revaluations, the resetting of rents and values over the past two to three years and the portfolio premium to the risk free rate places us in a stronger position on a relative basis than some other retail property assets and the wider real estate sector.

“We feel confident that the strong operational performance and defensive nature of our assets, allied to the actions taken over the last 18 months to reposition the Company and its balances sheet, leave us well placed to weather the current market conditions and remain cautiously optimistic on the medium-term outlook for the business.”

Notes

1. Unless stated otherwise, metrics include transactions for Hemel Hempstead, Ilford, Maidstone, Walthamstow, Wood Green, Blackburn and Luton. Investment Assets include the Group’s centres at Hemel Hempstead, Ilford, Maidstone, Walthamstow and Wood Green.
2. Includes amounts billed up to 30 November 2022.

7 December 2022

JSE sponsor



Notes to editors:

About Capital & Regional plc

Capital & Regional is a UK focused retail property REIT specialising in shopping centres that dominate their catchment, serving the non-discretionary and value orientated needs of the local communities. It has a strong track record of delivering value enhancing retail and leisure asset management opportunities across its portfolio of in-town shopping centres.

Using its in-house expert property and asset management platform Capital & Regional owns and / or manages shopping centres in Hemel Hempstead, Ilford, Luton, Maidstone, Redditch, Walthamstow and Wood Green.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE)

For further information see capreg.com/