

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 – FULL YEAR 2022 RESULTS

### Another year of good progress

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

*"Today, Hammerson is a better, more agile, and resilient business. Our results are evidence of another year of significant strategic, operational and financial progress, against a volatile macroeconomic and market backdrop. We have focused on what we can control – sharper operations growing like-for-like gross rental income and reducing the cost base – delivering a significant increase in adjusted earnings. Notwithstanding downward revaluations at the end of the year, we have maintained a stable balance sheet.*

*In the last two years, we have simplified and focused the core portfolio on city centres, delivering £628m of gross proceeds, strengthened the balance sheet, recycled capital for investment in our core assets and developments, and have made rapid progress on the transformation of our operating model and platform, resulting in a significantly reduced and reducing cost structure.*

*We have enlivened and reinvigorated our assets by introducing new occupiers, uses and concepts. We are actively re-purposing our destinations, with an increased emphasis on commercialisation, marketing and placemaking, in turn creating exceptional spaces for our occupiers and customers. We have brought a sharper focus to our development pipeline to create value and optionality.*

*We have set ourselves more to do and continue to be focused on disciplined execution of our strategy. Looking forward, we have strong momentum and are well placed to deliver another year of robust adjusted earnings and cashflow in 2023 and anticipate a return to cash dividends."*

#### Summary financial and operating performance

- Adjusted earnings up 60% to £105m (2021: £66m) benefiting from:
  - Like-for-like GRI up 8% as occupiers pivot to best-in-class destinations; Like-for-like NRI up 29% year-on-year
  - Gross administration costs down 17%, with more to come in 2023 and 2024
  - Lower finance costs following deleveraging
  - A continued recovery in adjusted earnings at Value Retail (+£12m)
- Adjusted earnings per share up 62% to 2.1p; basic loss per share of -3.3p (2021: -8.7p)
- Group portfolio value of £5.1bn (2021: £5.4bn), down 5% due to revaluation deficit and disposals
  - Capital return for the year of -5.8% (2021: -7.7%) and a total return of -0.7% (2021: -3.9%)
- IFRS loss of £164m (2021: £429m loss), largely due to a £282m revaluation deficit, of which 96% was in Q4
- EPRA NTA per share 53p (2021: 64p), 7.5p impact from enhanced scrip dividend

#### Stable balance sheet

- Net debt down 4% to £1,732m at 31 December 2022 (2021: £1,799m)
  - Headline LTV 39% (2021: 39%)
  - Fully proportionally consolidated (FPC) LTV 47% (2021: 46%)
  - Net debt to EBITDA of 10.4x (2021: 13.4x)
  - Ample liquidity of £1bn, including undrawn committed facilities and £0.3bn of cash
- Completed £195m disposals in the year and re-affirming guidance of a further £300m disposals by December 2023
- Value Retail successfully refinanced over £1bn of debt facilities in relation to La Vallée and Bicester

#### Strong operational trends

- Footfall improved 11% points from January to December 2022, ending the year at 90% of 2019 levels; sales remained ahead of 2019 levels
- Positive footfall and sales trends have continued into the first few months of the year
- 317 leasing deals concluded in 2022 (+2% excluding disposals), representing £45m of headline rent (£25m at our share) (+10% LFL)
  - Headline leasing 34% ahead of previous passing (2021: flat)
  - Net effective rent +2% vs ERV (2021: -11%)
  - Diverse mix: 43% best-in-class fashion; 21% to restaurant, food and social; balance to non-fashion and services
  - Average WAULT 9.5 years; 8.0 years WAULB
  - Strong leasing pipeline for 2023
- Flagship occupancy +1% to 96% from half year; stable year-on-year
- Rent collection normalising: 2022 now at 95%; Q1 2023 90%
- Strong recovery in footfall and sales continues in Value Retail

## Dividend

The payments of cash and enhanced scrip dividends approved by shareholders and made in 2022 have satisfied our REIT and SIIC distribution requirements for 2022. The Board will therefore not be recommending a further payment in respect of 2022 but continues to anticipate re-instating a cash dividend for 2023, which will be at least the minimum required to continue to meet our REIT/SIIC distribution obligations.

## Outlook

### Near term

Whilst we remain very mindful of the uncertain macroeconomic outlook, we have a strong operational grip on the business and are targeting a further 20% reduction in gross administration costs by the end of 2024, and to complete the £500m disposal programme by the end of the year. We have strong momentum and are well placed to deliver another year of robust underlying earnings and cashflow and anticipate a return to cash dividends during the year.

### Medium term

Best-in-class occupiers recognise the importance of city centre locations and the symbiotic nature of their physical and online channels, and we are working in partnership to deliver our proposition to this new reality. This integrated experience is the Hammerson offering and will continue to attract the very best occupiers during the ongoing flight to quality. We are well placed to benefit from these trends. Rents and rates have been largely re-based, vacancy is tight, and we have long term certainty in our lease expiry, and attractive yields in our managed portfolio, that offer the potential to deliver attractive total returns.

Our unique development opportunities provide a distinctive opportunity to create further value by bringing a broader mix of uses to the existing estate through integral and complementary repurposing and development which will enhance the proposition of the whole estate. Meanwhile, we will also create option value on stand-alone projects.

We have a strong platform and over the medium term we see multiple opportunities to continue to unlock deep value.

## Results presentation today:

Hammerson will hold an online presentation for analysts and investors to present its financial results for the year ended 31 December 2022, followed by a Q&A session.

<b>Date &amp; time:</b>	Thursday 9 March at 09.00 am (GMT)
<b>Webcast link:</b>	<a href="https://kvgo.com/IJLO/Hammerson_2022_Full_Year_Results">https://kvgo.com/IJLO/Hammerson_2022_Full_Year_Results</a>
<b>Conference call:</b>	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

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The presentation and press release will be available on:

[www.hammerson.com/investors/reports-results-presentations/2022-full-year-results](http://www.hammerson.com/investors/reports-results-presentations/2022-full-year-results) on the morning of results.

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## Disclaimer

Certain statements made in this document are forward looking and are based on current expectations concerning future events which are subject to a number of assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's control and which could cause actual results to differ materially from any expected future events or results referred to or implied by these forward looking statements. Any forward looking statements made are based on the knowledge and information available to Directors on the date of publication of this announcement. Unless otherwise required by applicable laws, regulations or accounting standards, the Group does not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise. Accordingly, no assurance

can be given that any particular expectation will be met and reliance should not be placed on any forward looking statement. Nothing in this announcement should be regarded as a profit estimate or forecast.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any shares or other securities in the Company or any of its group members, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company or any of its group members. Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

## Index to key data

Unless otherwise stated, figures have been prepared on a proportionally consolidated basis, excluding premium outlets as outlined in the presentation of information section of the Financial Review.

		2022	2021	Note / Ref
<b>Income</b>				
Gross rental income	†	£215.2m	£250.4m	2
Adjusted earnings – Value Retail	a	£27.4m	£15.9m	2
Adjusted finance costs	a	£54.0m	£71.8m	7
Adjusted earnings	† a	£104.9m	£65.5m	2
Revaluation losses – managed portfolio	†	£(221.0)m	£(444.1)m	2
Revaluation losses – Group portfolio, including Value Retail		£(281.7)m	£(456.1)m	Table 9
Loss for the year (IFRS)		£(164.2)m	£(429.1)m	2
Adjusted earnings per share	† a, b	2.1p	1.3p	11B
Basic loss per share	b	(3.3)p	(8.3)p	11B
Final dividend per share (cash/enhanced scrip)		-	0.2p/2.0p	19
Dividends for the year (cash/enhanced scrip)		0.2p/2.0p	0.4p/4.0p	19
<b>Operational</b>				
Like-for-like net rental income	†	+29.2%	+10.4%	Table 6
Occupancy – flagships		96.3%	95.5%	Table 4
Leasing activity		£25.4m	£24.7m	n/a
Leasing v ERV (principal leases)		+2%	-11%	n/a
Leasing v Passing rent (principal leases)	†	+34%	-2%	n/a
Passing rent	†	£210.3m	£214.8m	Table 2
Like-for-like passing rent change		+1%	-4%	n/a
ERV		£209.2m	£219.4m	Table 2
Like-for-like ERV change		-2.2%	-6.7%	Financial Review
EPRA cost ratio (including vacancy costs)	†	38.0%	52.5%	Table 8
<b>Capital and financing</b>				
Managed portfolio value		£3,220m	£3,479m	3B
Group portfolio value (including Value Retail)		£5,107m	£5,372m	3B
Total property return (including premium outlets)	†	-0.7%	-3.9%	Table 9
Capital return (including premium outlets)	†	-5.8%	-7.7%	Table 9
Net debt	† c	£1,732m	£1,799m	Table 13
Gearing	†	67.8%	66.4%	Table 19
Loan to value – headline	†	39.3%	38.9%	Table 18
Loan to value – fully proportionally consolidated	†	47.1%	46.1%	Table 18
Liquidity	†	£996m	£1,478m	Financial Review
Interest cover	†	3.24x	2.30x	Table 17
Net debt: EBITDA	†	10.4x	13.4x	Table 16
Net assets		£2,586m	£2,746m	Table 12
EPRA net tangible assets (NTA) per share		53p	64p	11C

† 2021 income statement figures have been restated to reflect the IFRIC Decision on Concessions and balance sheet figures have been restated to reflect the IFRIC Decision on Deposits with further information on both IFRIC decisions set out in note 1B to the financial information.

- a These results include discussion of alternative performance measures (APMs) 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 financial information and reconciliations for earnings and net assets measures to their IFRS equivalents are set out in note 10 to the financial information.
- b Adjusted earnings per share and basic loss per share for 2021 have been restated to reflect the bonus element of scrip dividends as set out in note 11 to the financial information.
- c Proportionally consolidated – basis as set out in notes 1C and 3 to the financial information.

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 2022 year end results announcement should be considered for any investment decisions. The 2022 full year results announcement for Hammerson plc is available for viewing at

<https://senspdf.jse.co.za/documents/2023/jse/isse/HMNE/FY2022.pdf> and on the Company's website at <https://www.hammerson.com/investors/reports-results-presentations>. The full 2022 final 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 [InvestorRelations@hammerson.com](mailto:InvestorRelations@hammerson.com)

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

9 March 2023

Sponsor:

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