

## **Schroder European Real Estate Investment Trust plc**

(Incorporated in England and Wales)

Registration number: 09382477

JSE Share Code: SCD

LSE Ticker: SERE

ISIN number: GB00BY7R8K77

(“**SEREIT**”/ “**the Company**”)

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### **HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024**

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#### **Portfolio indexation, active asset management and strengthened balance sheet underpins earnings growth and 109% covered dividend**

Schroder European Real Estate Investment Trust plc, the company investing in European growth cities and regions, announces its half year results for the six months ended 31 March 2024.

#### **Portfolio indexation underpins earnings growth and 109% covered dividend, supported by low-cost, fixed-rate (see footnote 1 below) debt profile**

- Underlying EPRA earnings increased 3% to €4.3 million on the prior six month’s EPRA earnings of €4.2 million (31 March 2023: €3.8 million), primarily due to rental growth offsetting the impact of higher interest costs
- Two quarterly dividends of 1.48 euro cents per share (‘cps’) declared, bringing the total dividends relating to the period to 2.96 euro cps, 109% covered by EPRA earnings
- Net Asset Value (“NAV”) of €165.3 million, or 123.6 cps, (30 September 2023: €171.4 million or 128.2 cps), largely driven by continued outward yield movement of the underlying portfolio
- NAV total return of -1.3% based, in part, on an IFRS loss of €2.2 million (31 March 2023: -4.7% total return/€8.7 million IFRS loss)
- Strengthened balance sheet with completion of all near-term refinancings on attractive terms, with no further debt expiries until June 2026 and a low average interest cost of 3.2%
- Low Loan to Value of 24% (net of cash), and €26 million of available cash, provides significant flexibility

#### **Active asset management initiatives and diversification support portfolio occupancy and valuation resilience**

- Direct property portfolio independent valuation declined 3.1% to €208.1 million (or €6.6 million net of capex)
- Concluded 11 new leases and re-gears totalling c. 6,340 sqm and generating €1.2 million of contracted rent, at a weighted lease term of eight years
- Portfolio benefits from 96% occupancy, diversified across c.50 tenants
- 100% of rent due collected
- Progressed the Company’s sustainability strategy including:
  - Advanced portfolio sustainability audits by leveraging the Schrodgers Capital platform and third-party consultants to undertake a net zero carbon and Schrodgers real estate ESG Scorecard analysis, with the aim of investing in, and improving the quality of the existing portfolio
  - Targeting higher sustainability and social credentials
- The Company continues to review select sustainability-led capex initiatives in the portfolio, which should further optimise earnings growth and asset liquidity

Footnote 1: Debt is either fixed-rated or hedged by an interest rate cap.

**Sir Julian Berney Bt., Chairman, commented:**

"Despite macroeconomic headwinds, the resilience of the portfolio together with local sector specialist teams, has delivered rental growth, largely offsetting the impact of higher interest rates. Management has successfully completed the recent refinancings which, combined with significant cash reserves, has further strengthened the balance sheet. The Company provides a compelling and differentiated investment proposition compared to our UK-listed peers. We have the flexibility to grow earnings through exposure to strongly performing assets in higher growth European cities, as well as executing on value-enhancing asset management opportunities."

**Jeff O'Dwyer, Fund Manager for Schroder Real Estate Investment Management Limited, added:**

"Progressing our sustainability programme is expected to form a key part of the strategy this year and into next. By advancing the ongoing sustainability and net zero audits, the asset management team has identified a variety of initiatives that can help improve operational efficiencies, whilst reducing occupancy costs and greenhouse gas emissions. Investing in these sustainability-led initiatives will enable us to capture rental growth, improve asset liquidity and deliver risk-adjusted returns for shareholders."

A presentation for analysts and investors will be held at 9am BST / 10am SAST today. Registration for which can be accessed via:

<https://www.schroders.events/SERE24>

If you would like to attend, please contact James Lowe at Schroders on [james.lowe@schroders.com](mailto:james.lowe@schroders.com) or +44 (0)20 7658 2083.

**Dividend Declaration**

A further announcement will be made shortly to confirm the full timetable of the second interim dividend.

**Short-Form Announcement**

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the Half Year Report and Condensed Consolidated Interim Financial Statements for the six-month period ended 31 March 2024 ("Half Year Report") and does not contain full or complete details. The Half Year Report can be found at: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/SCDE/SEREITHY24.pdf>

Copies of the Half Year Report are also available for viewing on the Company's website at [www.schroders.co.uk/sereit](http://www.schroders.co.uk/sereit).

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

These half year results have been reviewed by the Company's auditors, Ernst & Young LLP, who expressed an unmodified review opinion thereon. This auditor's report is included in the Half Year report which can be found on the Company's website at [www.schroders.co.uk/sereit](http://www.schroders.co.uk/sereit).

The Company has a primary listing on the London Stock Exchange and a secondary listing on the JSE Limited.

London

19 June 2024

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