

**CAPITAL & REGIONAL PLC**

(Incorporated in the United Kingdom)

(UK company number 01399411)

LSE share code: CAL JSE share code: CRP

LEI: 21380097W74N9OYF5Z25

ISIN: GB00BL6XZ716

("Capital & Regional" or "the Company" or "the Group")

**CAPITAL &  
REGIONAL**

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**SHORT FORM ANNOUNCEMENT: HALF YEAR RESULTS TO 30 JUNE 2024 AND DIVIDEND DECLARATION**

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Capital & Regional (LSE: CAL), the UK convenience and community focused shopping centre REIT announces its half year results to 30 June 2024.

**Highlights for the period**

- 17.1% increase in Net Rental Income to £13.7 million ("NRI")
- 0.8% increase in like-for-like valuations
- 48 new lettings and renewals, compared to 42 in the 6 months to June 2023, at a combined average premium of 8.8% to previous rent<sup>2</sup> and 14.1% to ERV<sup>2</sup>
- 17.1% increase in Adjusted Profit<sup>1</sup> to £8.2 million
- 3.6% increase in proposed interim dividend of 2.85p per share

**Lawrence Hutchings, Chief Executive, comments:**

*"We have delivered another positive set of results during the first half of 2024, with our proven community strategy continuing to support our progress. Against what at times has been a challenging economic backdrop our team has been able to capitalise on the continued strong levels of demand from retailers for space within our centres, particularly those in London. This is reflected in the strong leasing momentum we have maintained.*

*"Over the six months to the end of June, not only did we complete more lettings and renewals than over the same period last year, we also achieved these at both a higher average rent per lease and average premium to the previous rent. The rapid re-leasing of all three of our former Wilko units to B&M in the first few months of 2024 is one of the most notable examples of the demand for space in our centres from retailers that need to be at the heart of local communities, which is further evidenced by the strong start we have made to the second half of the year. We also continue to make significant progress on our repositioning masterplan in Ilford where we have agreed terms on two major leases encompassing 44,000 sq ft of floorspace, generating approximately £0.5 million of additional income. The expanded and relocated TK Maxx is trading well and our NHS community healthcare centre is now open on the upper level.*

*"We have seen a further period of stable valuations and successfully integrated Gyle shopping centre into our portfolio where the initiatives we have undertaken since acquisition last September have already led to a 5% increase in value.*

*"Notwithstanding the previously announced and ongoing corporate activity, Capital & Regional remains well placed to continue to deliver on its successful community strategy to drive income growth and value in support of progressive shareholder dividends."*

## **Operational metrics remain robust demonstrating the continued appeal of C&R's community centres**

- 48 new lettings and renewals (June 2023: 42), at a combined average premium of 8.8% to previous rent<sup>2</sup> and 14.1% to ERV<sup>2</sup>.
- Occupancy improved to 93.9% (December 2023: 93.4%) due to re-letting the three former Wilko units in our portfolio to B&M.
- 21.1 million shopper visits in the first half of 2024.
- Rent collection 99.2% for the first half of 2024, improving from 98.4% at the 2023 Interim results.

## **Occupier led demand driving rental and earnings growth**

- 17.1% increase in Net Rental Income ("NRI") to £13.7 million (June 2023: £11.7 million) reflecting impact of the Gyle acquisition which has been successfully integrated into the portfolio with a 21% increase in statutory revenue to £34.5 million (June 2023: £28.5 million). A further £1.0 million of contracted rent is due to convert to passing rent in the next 12 months as occupiers' rent-free periods end.
- 19% growth in Snozone's EBITDA<sup>1</sup> to £1.9 million (June 2023: £1.6 million) reflecting revenue growth at both the UK and Madrid operations.
- 17.1% increase in Adjusted Profit<sup>1</sup> to £8.2 million (June 2023: £7.0 million).
- IFRS Profit for the period of £4.5 million (June 2023: £6.1 million).
- Net £3.1 million invested during the period including completion of the new NHS community healthcare centre in Ilford that opened in May 2024 and remerchandising of the former WH Smith in Wood Green, creating new units for Pure Gym, Wendy's and Wingstop that have opened in recent weeks.
- The first phase of the Walthamstow residential development undertaken by Long Harbour, creating 495 Build to Rent apartments in two residential towers and providing a new captive audience of shoppers for our Walthamstow centre, is entering its final stages with the development due to complete in early 2025.
- 0.8% increase in like-for-like valuations over 2023 to £374.9 million (December 2023: £372.8 million). 5% growth in the valuation of the Gyle to £42 million since acquisition in September 2023 for £40 million.
- Net Asset Value ("NAV") increased to £203.9 million (December 2023: £202.0 million).
- NAV per share and EPRA NTA per share at 88p and 85p respectively (December 2023: 90p and 88p, respectively) due to the increased number of shares in issue following the June 2024 scrip dividend.

## **Long term secure debt position**

- Long debt maturity profile of 3.6 years with low average cost of debt of 4.25% (December 2023: 4.1 years and 4.25%). Approximately 80% hedged for the next two and a half years.
- Group Net Loan to Value has reduced to 43% from 44% as at 30 December 2023.
- Ilford loan extended to September 2025 with further conditional options to extend term to end of 2027.

## **Further progress in delivering energy efficiency driving forward our net zero carbon pathways**

- 83% reduction in Scope 1 natural gas, and 20% in Scope 2 electricity consumption since 2019 within our shopping centres.
- EPC rating of Snozone Milton Keynes improved from a 'C' to 'B'.
- 100% renewable and Renewable Energy Guarantees of Origin certified electricity at all shopping centres and Snozone venues.

## **Continued strong performance supporting further increase in dividend**

- 3.6% increase in proposed interim dividend of 2.85p per share (June 2023: 2.75p per share).

	<b>6 months to June 2024</b>	6 months to June 2023	Year to Dec 2023
Revenue	<b>£34.5m</b>	£28.5m <sup>5</sup>	£59.0m
Net Rental Income	<b>£13.7m</b>	£11.7m	£23.9m
Adjusted Profit <sup>1</sup>	<b>£8.2m</b>	£7.0m	£12.7m
Adjusted Earnings per share (diluted) <sup>1</sup>	<b>3.6p</b>	4.1p	6.8p
Headline Earnings per share (diluted)	<b>2.8p</b>	4.0p	6.3p
IFRS Profit for the period	<b>£4.5m</b>	£6.1m	£3.7m
Basic earnings per share (diluted)	<b>2.0p</b>	3.5p	1.9p
Total dividend per share <sup>3</sup>	<b>2.85p</b>	2.75p	5.70p
Net Asset Value	<b>£203.9m</b>	£183.2m	£202.0m
Net Asset Value (NAV) per share	<b>88p</b>	106p	90p
EPRA NTA per share	<b>85p</b>	102p	88p
Group net debt <sup>4</sup>	<b>£162.6m</b>	£138.5m	£162.7m
Net debt to property value	<b>43%</b>	42%	44%

#### Notes

<sup>1</sup> Adjusted Profit, Adjusted Earnings per share, Net Rental Income, Net Debt and the Snozone EBITDA metric are as defined in the Glossary. Adjusted Profit incorporates profits from operating activities and excludes revaluation of properties and financial instruments, gains or losses on disposal, and other non-operational items. A reconciliation to the equivalent EPRA and statutory measures is provided in Note 6 to the condensed financial statements.

<sup>2</sup> For lettings and renewals (excluding development deals and CVA variations) with a term of 1 year or longer which do not include turnover rent.

<sup>3</sup> Includes dividends declared post period end but related to the period in question.

<sup>4</sup> Weighted average, debt maturity assumes exercise of extension options.

<sup>5</sup> 2023 comparative figure has been restated for a prior year adjustment to service charge income and expenditure recognised in the period. There is no change to Profit.

#### Use of Alternative Performance Measures (APMs)

Throughout the results statement we use a range of financial and non-financial measures to assess our performance. A number of the financial measures, including Net Rental Income, Adjusted Profit, Adjusted Earnings per share, Net Debt and the industry best practice EPRA (European Public Real Estate Association) performance measures are not defined under IFRS, so they are termed APMs. APMs are not considered superior to the relevant IFRS measures, rather Management use them alongside IFRS measures to monitor the Group's financial performance because they help illustrate the trading performance and position of the Group. All APMs are defined in the Glossary and further detail on their use is provided within the Financial Review.

#### Dividend

The Directors recommend an interim dividend of 2.85 pence per share (June 2023: 2.75 pence per share). The dividend will be paid entirely as a Property Income Distribution (PID). We do not anticipate offering a scrip dividend option for this dividend payment. Across the full financial year, the Group expects to pay a dividend of at least 90% of the Group's EPRA profits, in line with its dividend policy. The key dates proposed in relation to the payment of the dividend are:

- |  |                             |
|--|-----------------------------|
| • Confirmation of ZAR equivalent dividend                | Tuesday, 27 August 2024     |
| • Last day to trade on Johannesburg Stock Exchange (JSE) | Tuesday, 3 September 2024   |
| • Shares trade ex-dividend on the JSE                    | Wednesday, 4 September 2024 |
| • Shares trade ex-dividend on the LSE                    | Thursday, 5 September 2024  |
| • Record date for LSE and JSE                            | Friday, 6 September 2024    |
| • Dividend payment date                                  | Friday, 27 September 2024   |

South African shareholders are advised that the dividend will be regarded as a foreign dividend. Further details relating to Withholding Tax for shareholders on the South African register will be provided within the announcement detailing the currency conversion rate on Tuesday, 27 August 2024. Share certificates on the South African register may not be dematerialised or rematerialised between 4 September 2024 and 6 September 2024, both dates inclusive. Transfers between the UK and South African registers may not take place between 27 August 2024 and 6 September 2024, both dates inclusive.

## Possible offers for Capital & Regional plc

On 23 May 2024, the Board of Capital & Regional plc confirmed that its majority shareholder Growthpoint Properties Limited had received a preliminary expression of interest from NewRiver REIT plc ("NewRiver") in relation to a possible offer in cash and shares for the entire issued, and to be issued, share capital of Capital & Regional.

On 19 July 2024, Praxis Group Limited ("Praxis") announced it is in the early stages of considering whether or not to make a cash offer for the entire issued and to be issued share capital of Capital & Regional. The Company confirmed that it received an expression of interest from Praxis with a request to receive access to diligence information pursuant to Rule 21.3 of the City Code on Takeovers and Mergers (the "Code") on 5 July 2024. Capital & Regional is complying fully with its obligations under Rule 21.3 of the Code in providing access to due diligence information in order to enable Praxis to evaluate a possible offer for the Company.

In accordance with Rule 2.6(a) of the Code, NewRiver and Praxis are required, by no later than 5:00 p.m. (UK time) / 6:00 p.m. (SA time) on 15 August 2024 and 16 August 2024 respectively, to either announce a firm intention to make an offer for Capital & Regional in accordance with Rule 2.7 of the Code or announce that they do not intend to make an offer, in which case each announcement will be treated as a statement to which Rule 2.8 of the Code applies.

In accordance with Rule 2.6(c) of the Code, the deadlines may be extended further at the request of the Board of Capital & Regional and with the consent of the Takeover Panel. There can be no certainty that any firm offer will be made for the Company, nor as to the terms on which any offer will be made.

### About this announcement

This results announcement is the responsibility of the Directors of the Company. It is only a summary of the information contained in the Half Year Results announcement and does not contain full or complete details.

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement published on SENS, available on the Company's website at <https://capreg.com/investor-info/reports-webcasts-and-presentations/> and on the JSE website at: <https://senspdf.jse.co.za/documents/2024/jse/isse/crpe/HY2024.pdf>

Copies of the full announcement may be requested by emailing [capinfo@capreg.com](mailto:capinfo@capreg.com).

By order of the Board,

L. Hutchings  
Chief Executive

S. Wetherly  
Group Finance Director

1 August 2024

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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 track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of tailored in-town community shopping centres.

Using its expert property and asset management platform Capital & Regional owns and manages shopping centres in Edinburgh, Hemel Hempstead, Ilford, Maidstone, Walthamstow and Wood Green.

For further information see [capreg.com](http://capreg.com).