

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" / "Group")

## **FULL YEAR RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2024**

### **Positive NAV total return with portfolio indexation underpinning earnings growth and fully covered dividend, supported by low LTV**

Schroder European Real Estate Investment Trust plc, the company investing in European growth cities and regions, announces its full year results for the year ended 30 September 2024.

- Underlying EPRA earnings increased 3% to €8.2 million (2023: €8.0 million), primarily due to rental growth offsetting the impact of higher interest costs
- Total dividends declared for the year totalled 5.92 euro cps, 103% covered by EPRA earnings, offering an attractive dividend yield of c.7.1% based on the closing share price of 69.2pps as at 29 November 2024
- Net Asset Value ("NAV") of €164.1 million, or 122.7 cps, (30 September 2023: €171.4 million or 128.2 cps), primarily driven by outward yield movement in the first half
- IFRS profit of €0.6 million contributing to a positive NAV total return of 0.4% (30 September 2023: -5.0% total return / €9.4 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 ("LTV") of 25% (net of cash) and c.€25 million of available cash, providing significant flexibility
- As previously announced, the French tax authorities are proceeding with a tax audit. The potential exposure is up to €12.6 million (excluding penalties). Based on professional advice, the Board continue to believe that an outflow is not probable, and therefore no provision is recognised. The Group will continue to monitor the situation and provide further updates as required.

### **Operational expertise and exposure to winning sectors supporting rental growth and recovery in capital values**

- Direct property portfolio independent valuation declined 3.6% to €208.1 million (or €7.6 million net of capex), entirely weighted towards the first half of the year, due to outward yield movement as investor sentiment was negatively impacted by higher interest rates

- Concluded 16 new leases and re-gears, totalling c.8,000 sqm, which generated €1.4 million of contracted rent, at a weighted lease term of eight years
- Portfolio benefits from high occupancy level of 96% with an average portfolio lease term of 4.7 years
- 100% of rent due collected
- Progressed the Company's sustainability strategy, including the completion of third-party sustainability and Net Zero Carbon ("NZC") audits for 12 assets.

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

"Despite the broader challenges facing smaller REITs, the Company is well positioned, with a differentiated and compelling investment thesis focused on assets with robust property fundamentals in higher growth European cities.

"We have a high conviction, shared by our shareholders and supported by the stabilisation in values that we have seen in more recent quarters, that the current strategy and pipeline of value-enhancing asset management initiatives will continue to drive earnings, support a covered and ultimately growing dividend, and deliver risk-adjusted returns for shareholders."

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

"The portfolio has demonstrated notable resilience, which is testament to the quality of our assets and local teams, as well as the focus on high performing sub-markets. Although further short term macroeconomic volatility is expected, the medium term outlook is supportive of real estate investment. Our focus moving forward is to maintain our balance sheet strength whilst capturing the portfolio reversion to boost earnings and asset liquidity, with the aim of reducing the current share price discount."

**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 full accounts ('Full Accounts') and does not contain full or complete details. The Full Accounts can be found at:

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/SCDE/SEREITFY24.pdf>

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

The Full Accounts have been audited by the Company's auditors, Ernst & Young LLP who expressed an unmodified audit opinion thereon. This auditor's report is available, along with the Full Accounts, on the Company's website at [www.schroders.co.uk/sereit](http://www.schroders.co.uk/sereit).

A presentation for analysts and investors will be held at 9 a.m. GMT/11 a.m. SAST today. Registration for which can be accessed via:

<https://www.schroders.events/SEREFY24>

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

London

6 December 2024

JSE Sponsor

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