



SUPR ○○○

SUPERMARKET INCOME REIT

FULL YEAR RESULTS PRESENTATION

FOR THE 12 MONTHS TO 30 JUNE 2024

18 SEPTEMBER 2024



INVESTING IN THE FUTURE OF GROCERY

Agenda and Presenting Team



Welcome and introduction

Financial results

Sustainability

Grocery market & portfolio

Investment market

Q&A



Ben Green
Principal



Michael Perkins
Finance Director



Isabelle Smith
Head of Sustainability



Robert Abraham
Fund Manager



Strong
operational
performance

Accretive
acquisitions
in UK and
France

Delivering
earnings growth



Financial Results



Photo: Tesco, Colchester

Financial highlights - 12 months to 30 June 2024



£107m

Net rental
income

6.1p

Adjusted
EPS

1.01x

Dividend
cover⁽¹⁾

£1.8bn

Portfolio
value

87p

EPRA NTA
per share

37%

Loan to
Value

Past performance is not indicative of future results

Photo: Tesco, Stoke-on-Trent

Income statement

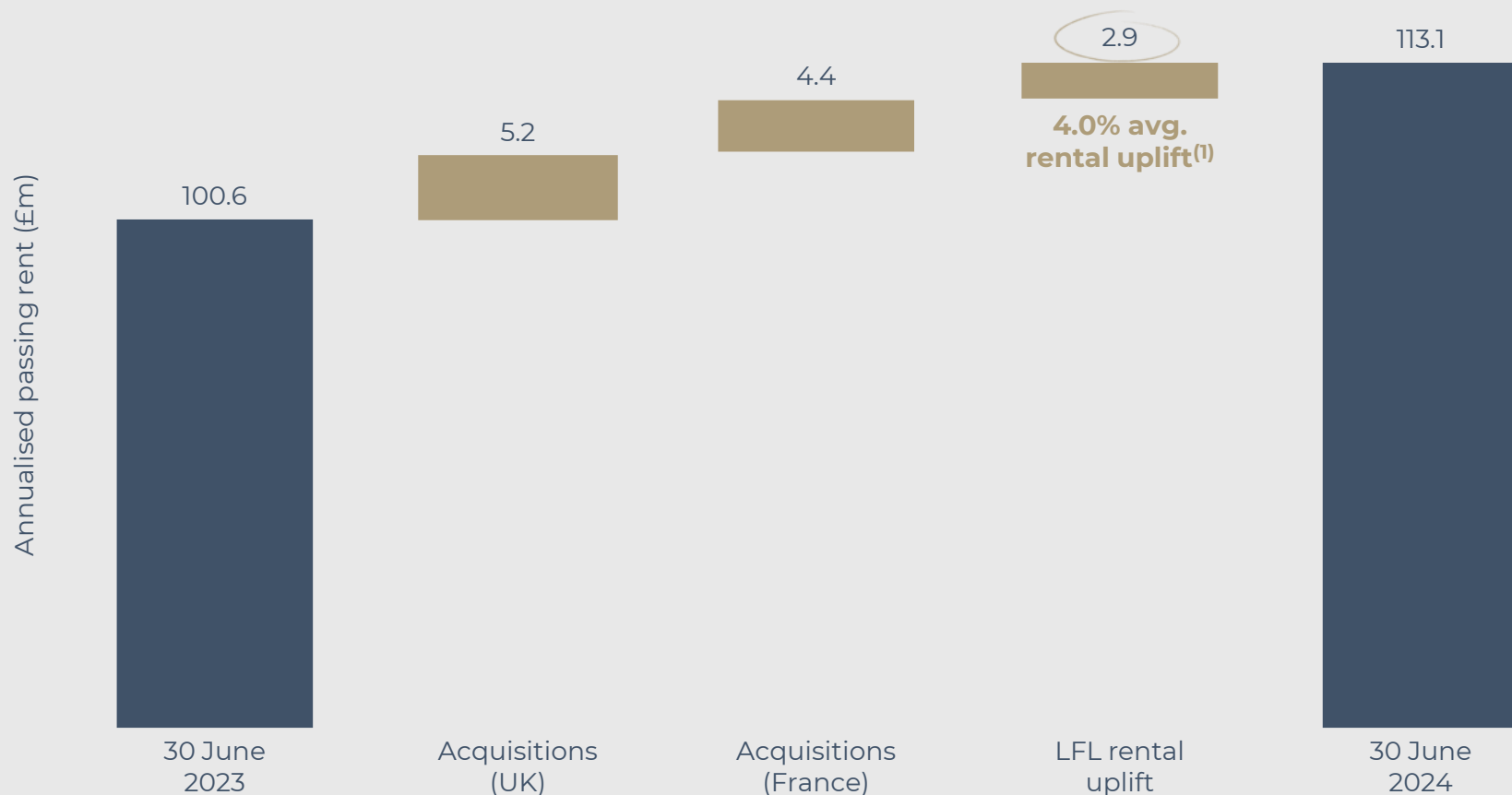


	Twelve months to 30-June-24 £m	Twelve months to 30-June-23 £m	Change
Net rental income	107.2	95.2	+13%
Net income from joint venture	-	11.7	
Administrative & other expenses	(15.2)	(15.4)	-1%
Net finance expense ⁽¹⁾	(16.2)	(19.1)	-15%
Adjusted earnings ⁽²⁾	75.8	72.4	+5%
EPRA cost ratio	14.7%	15.5%	
Adjusted earnings per share	6.1 pence	5.8 pence	+4%
Dividend per share	6.1 pence	6.0 pence	+1%
Dividend cover ⁽³⁾	1.01x	0.97x	

Past performance is not indicative of future results

- 1) Net finance expense is adjusted for finance income from derivatives held at fair value through profit and loss and non-recurring debt restructuring costs
- 2) Adjusted earnings excludes one-off items which are non-recurring in nature and includes finance income on derivatives held at fair value through profit and loss
- 3) Calculated as Adjusted earnings divided by dividends paid during the year

£13m increase in passing rent



Past performance is not indicative of future results

Strong operational performance



100%

Occupancy⁽¹⁾

100%

Rent
collection⁽¹⁾

>99%

Gross to
net margin



Photo: Tesco, Stoke-on-Trent

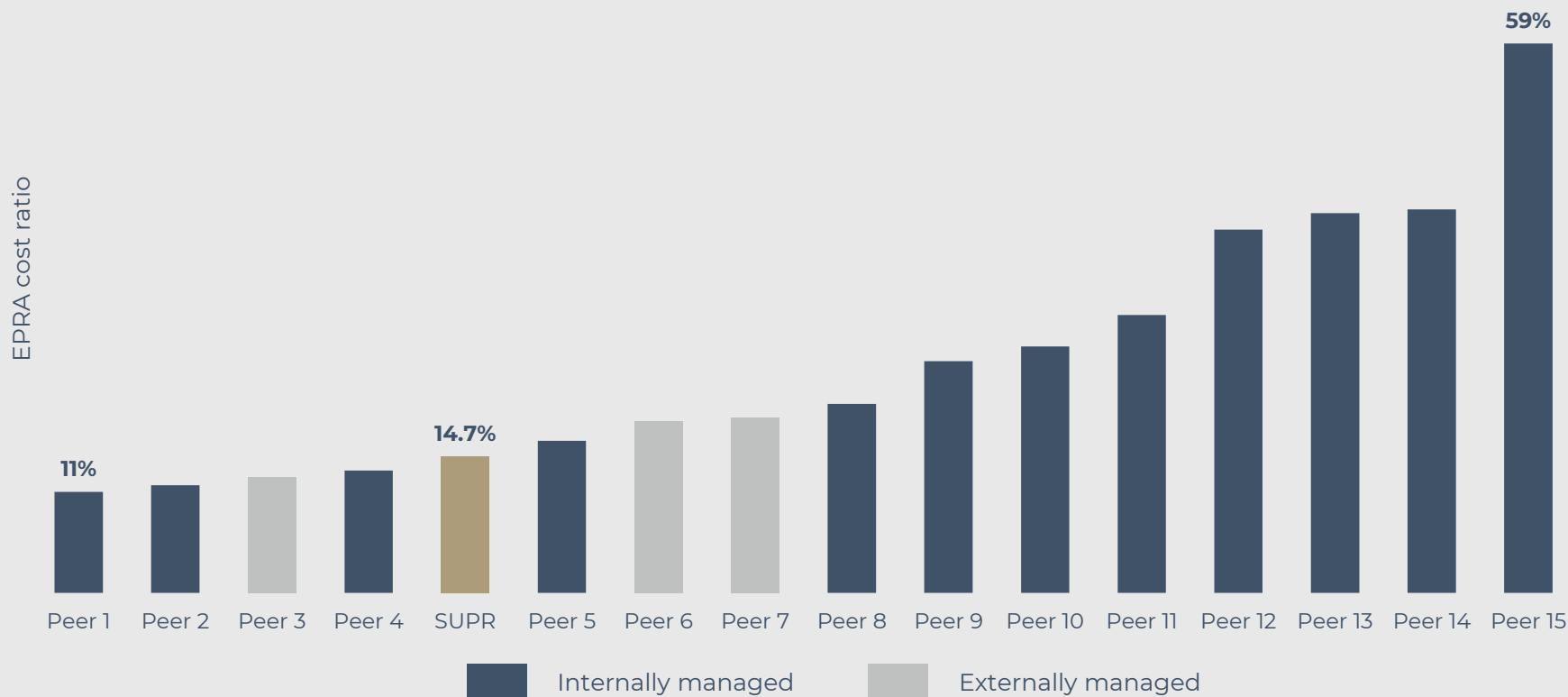
Administrative expenses



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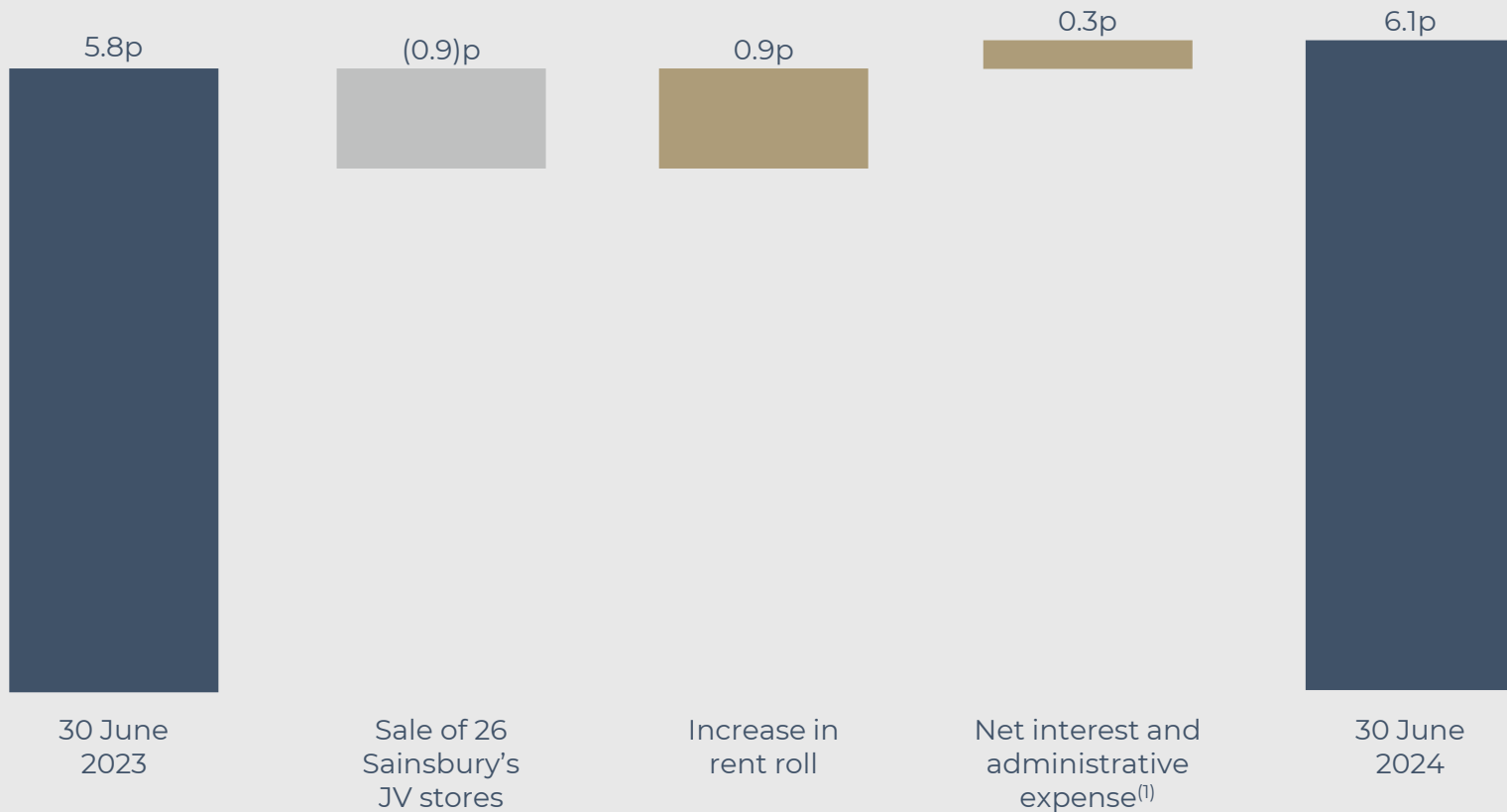
Past performance is not indicative of future results

One of the lowest EPRA cost ratios in the sector



SUPR's EPRA cost ratio improved 80bps from 30 June 2023 (15.5%)

4.4% growth in Adjusted Earnings per Share



Past performance is not indicative of future results

¹⁾ Net finance expense is adjusted for finance income from derivatives held at fair value through profit and loss and non-recurring debt restructuring costs

Fully covered dividend



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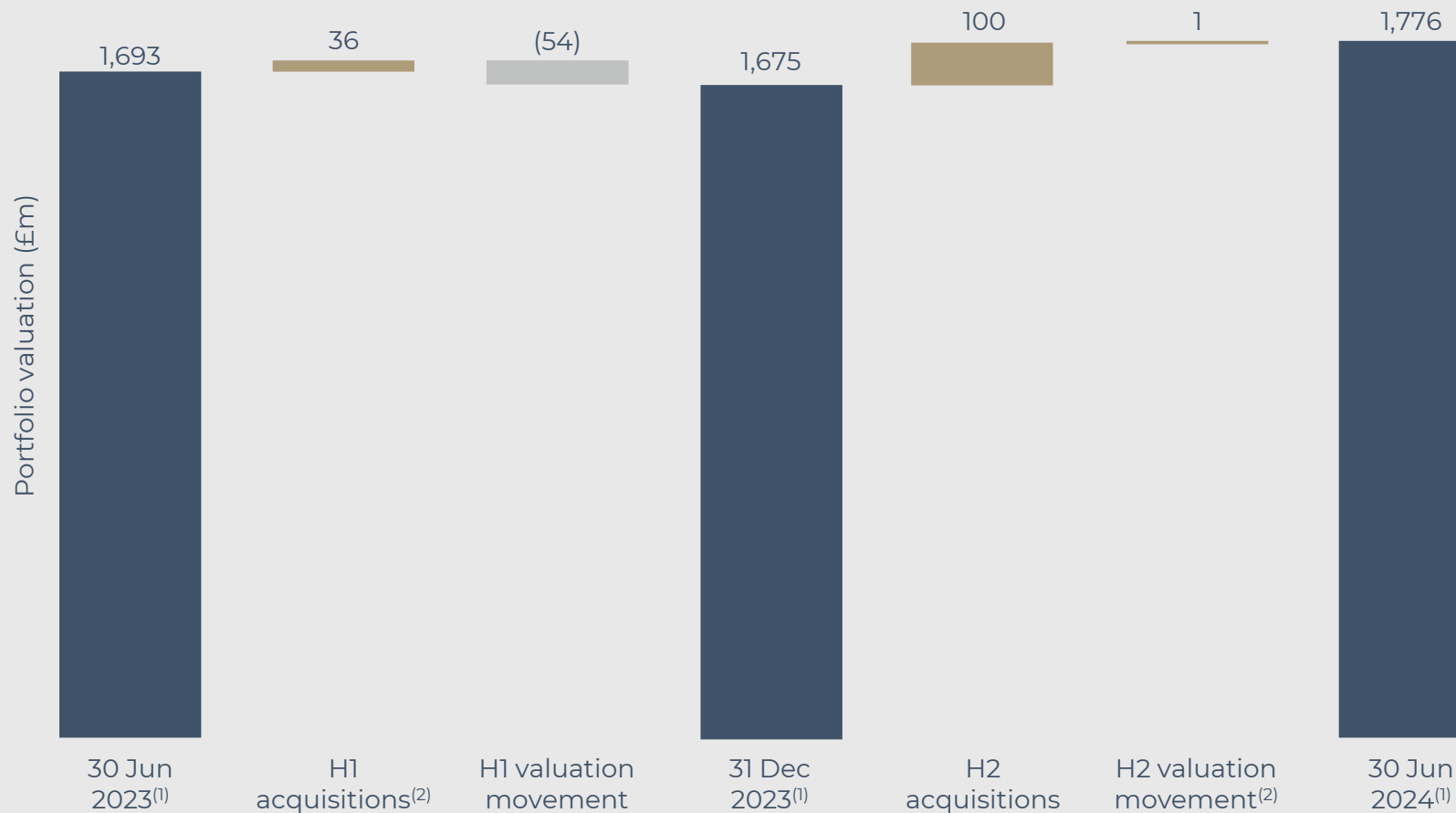
Past performance is not indicative of future results

Robust balance sheet

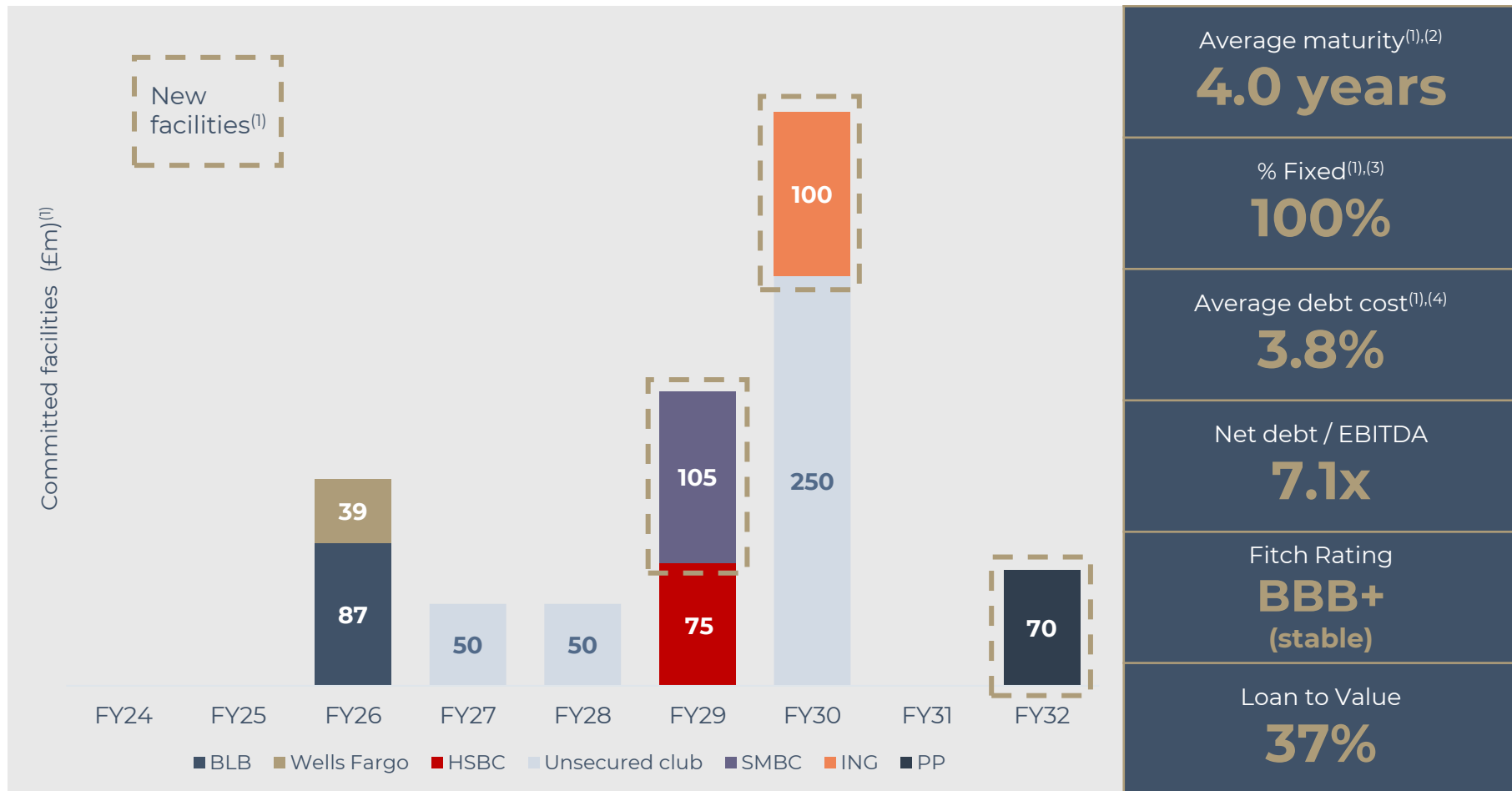


	As at 30-June-24 £m	As at 30-June-23 £m	Change
Portfolio valuation⁽¹⁾	1,776	1,693	+5%⁽²⁾
Cash and cash equivalents	39	37	
Other assets	12	143	
Borrowings	(694)	(667)	
Prepaid rents and other liabilities	(48)	(49)	
EPRA net tangible assets (NTA)	1,085	1,157	-6%
EPRA NTA per share	87 pence	93 pence	-6%
Loan to value	37%	37%	

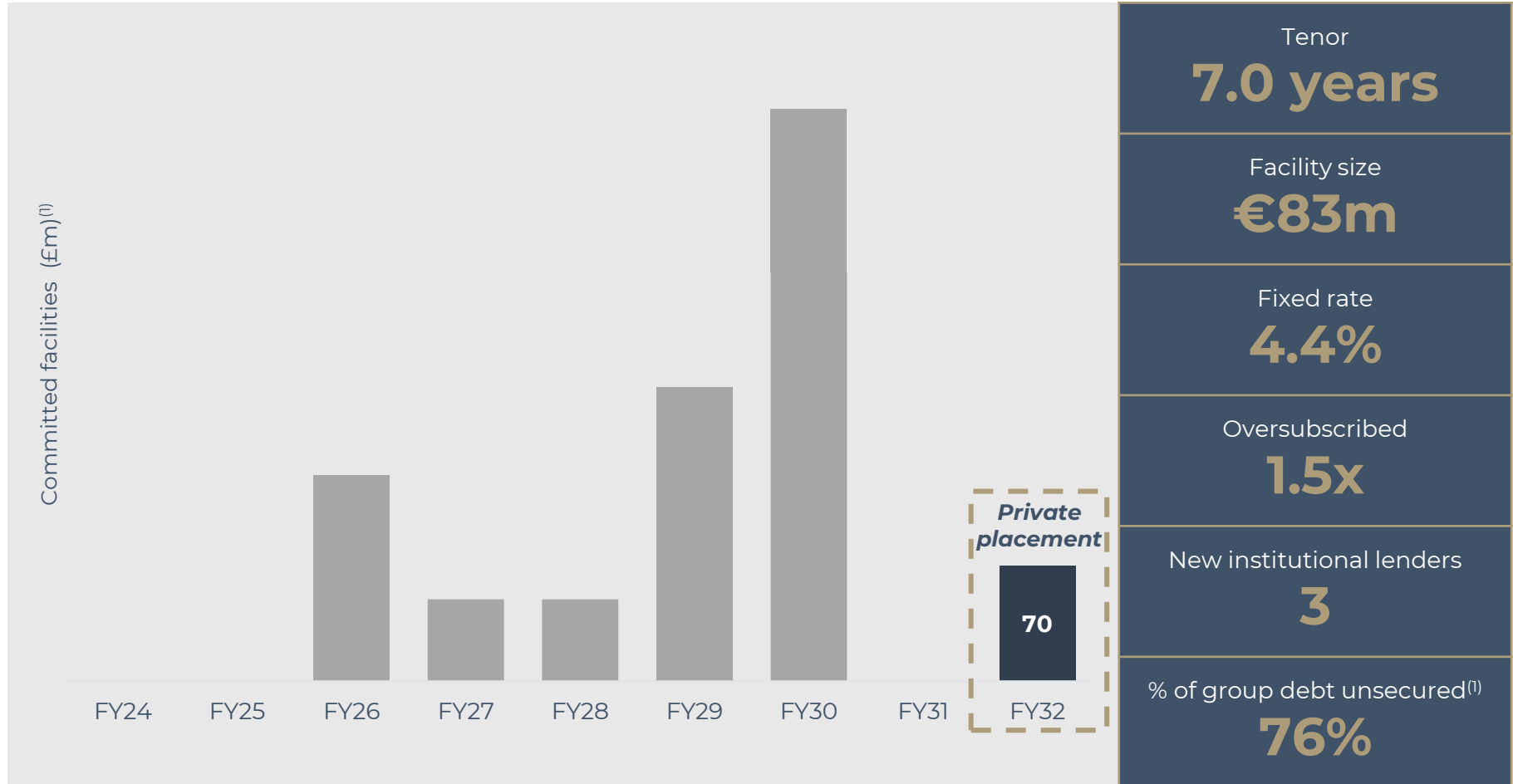
Valuations stabilised in H2



£275m of debt refinancings⁽¹⁾



Accessing attractively priced institutional debt



1) Including post period end transactions
2) Includes extension options at lenders' discretion
3) Fixed or hedged
4) As at 18 September 2024



Sustainability



Sustainably investing in the future of grocery



Pillar 1

Climate & Environment

Net Zero by 2050
commitment

Science Based Targets set
covering Scope 1, 2 and 3 emissions

Biodiversity Pilot Project
launched



Pillar 2

Tenant & Community Engagement

52% actual electricity
consumption data from
supermarket tenants⁽¹⁾

£120,000 donated to the Atrato
Foundation

100+ volunteering hours⁽²⁾



Pillar 3

Responsible Business

Gender equality
on the Board

Achieved Living Wage employer
accreditation⁽²⁾

Joined UN Global Compact⁽²⁾

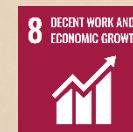


Photo: Sainsbury's, Newcastle



SUPR's Science Based Targets



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Reduce
scope 1 & 2
emissions
42%
by 2030⁽¹⁾

Reduce
scope 1, 2 & 3
emissions
90%
by 2050⁽¹⁾

Ambitious tenant commitments

Carbon neutrality or
net zero across own
operations by 2035⁽²⁾



Sainsbury's

Waitrose



Tenant investments are driving EPC upgrades



Sainsbury's Cheltenham



Multi-million pound net zero investment

Integrated heating & cooling system to replace gas power

EPC improved from D to B

8 years to expiry

Tesco Bristol



Heating decarbonisation through installation of new heat pump technology

Transition from gas to electricity for heating, resulting in zero natural gas consumption

EPC expected to improve

7 years to expiry

Waitrose Sudbury



Full store refit – first store to trial new Waitrose layout

Upgraded refrigeration plus internal and external refurbishment

EPC improved from D to C

11 years to expiry

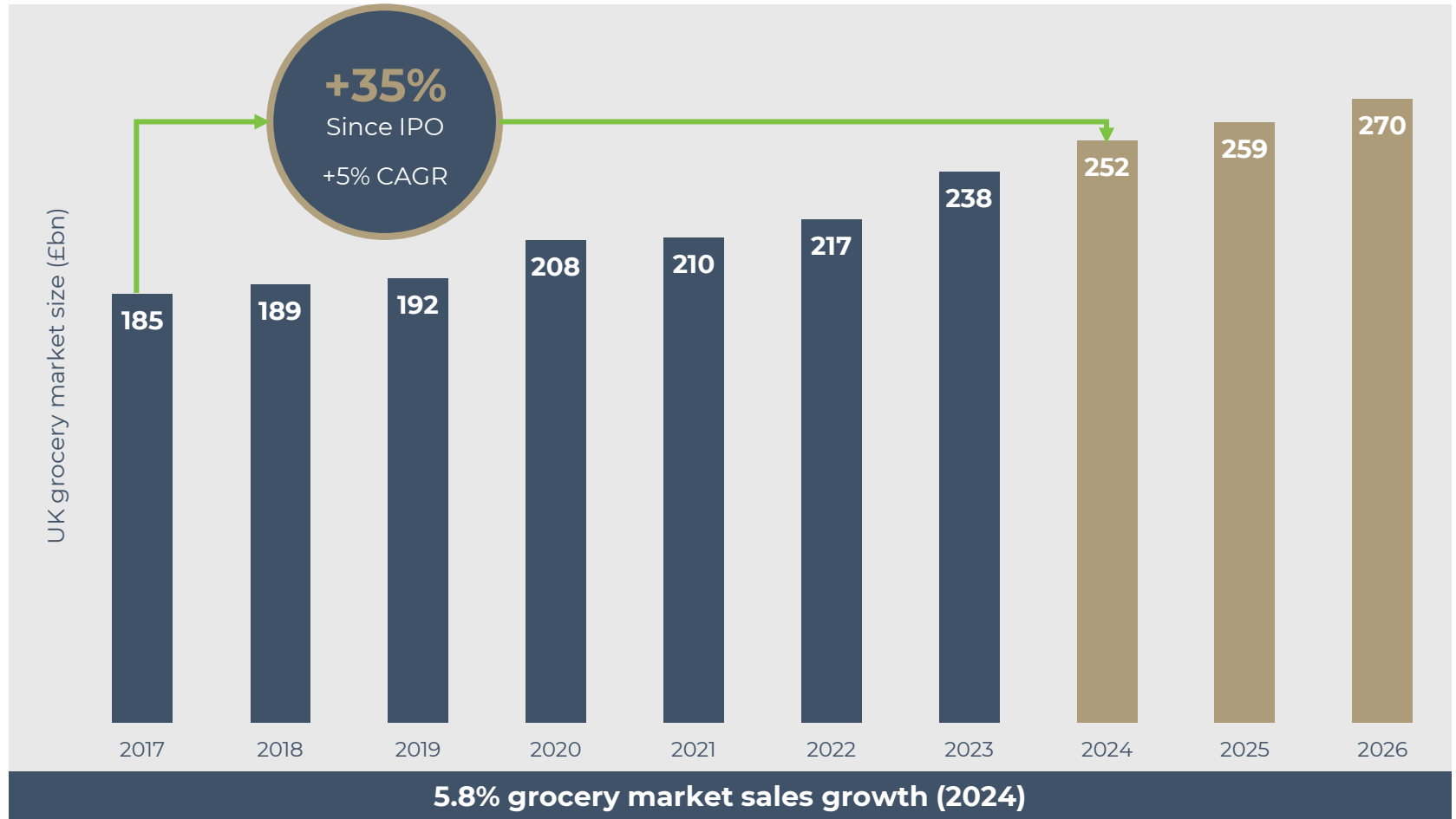


Grocery market & portfolio

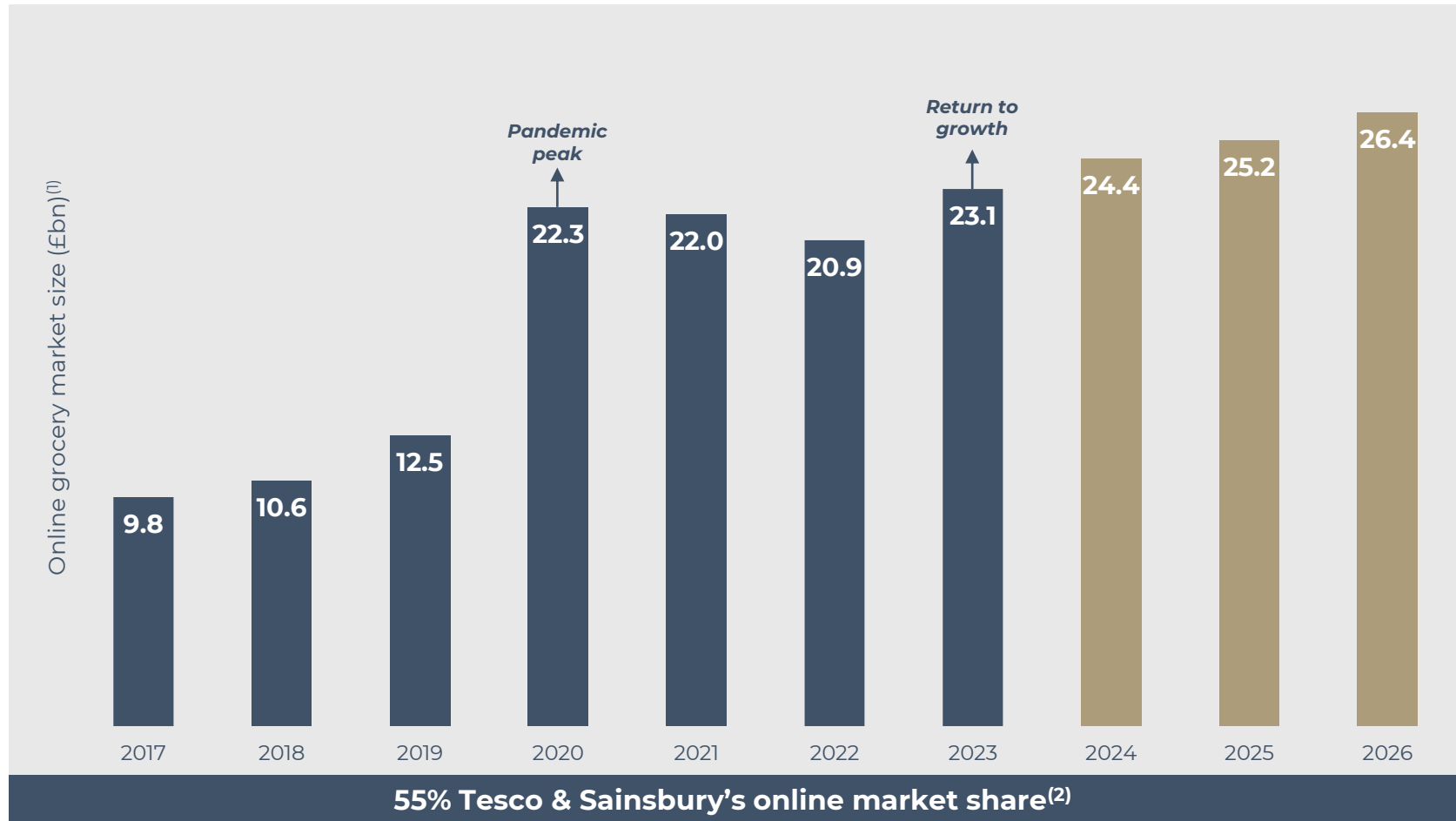


Photo: Tesco, Theford

UK grocery is a strong growth sector



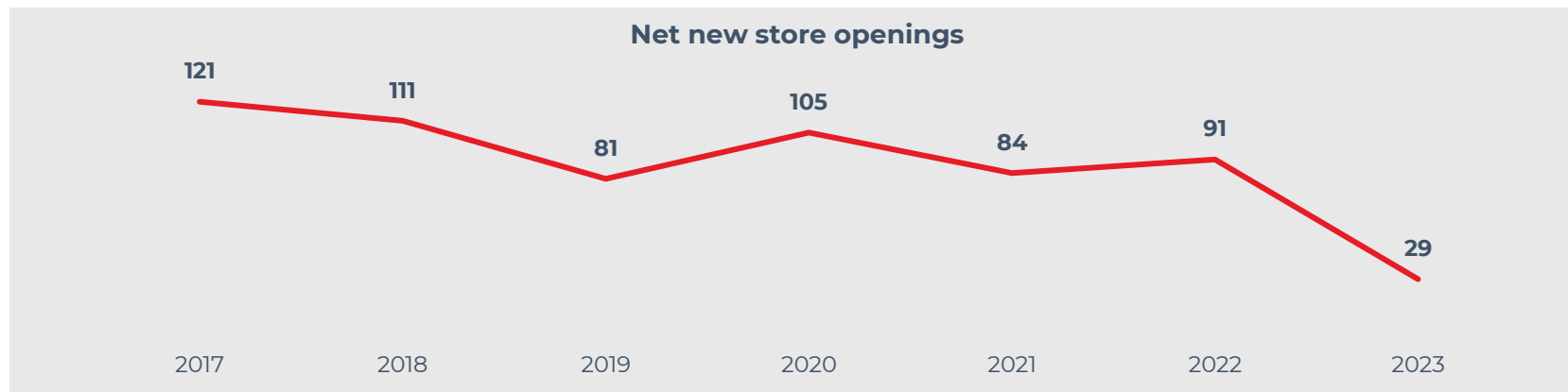
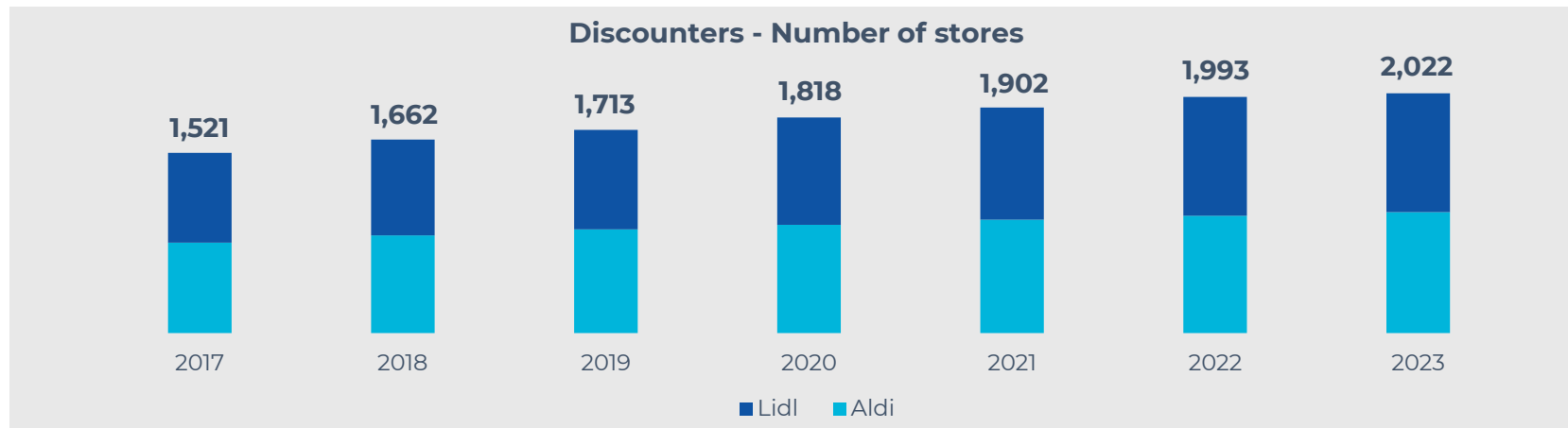
Online grocery returns to growth



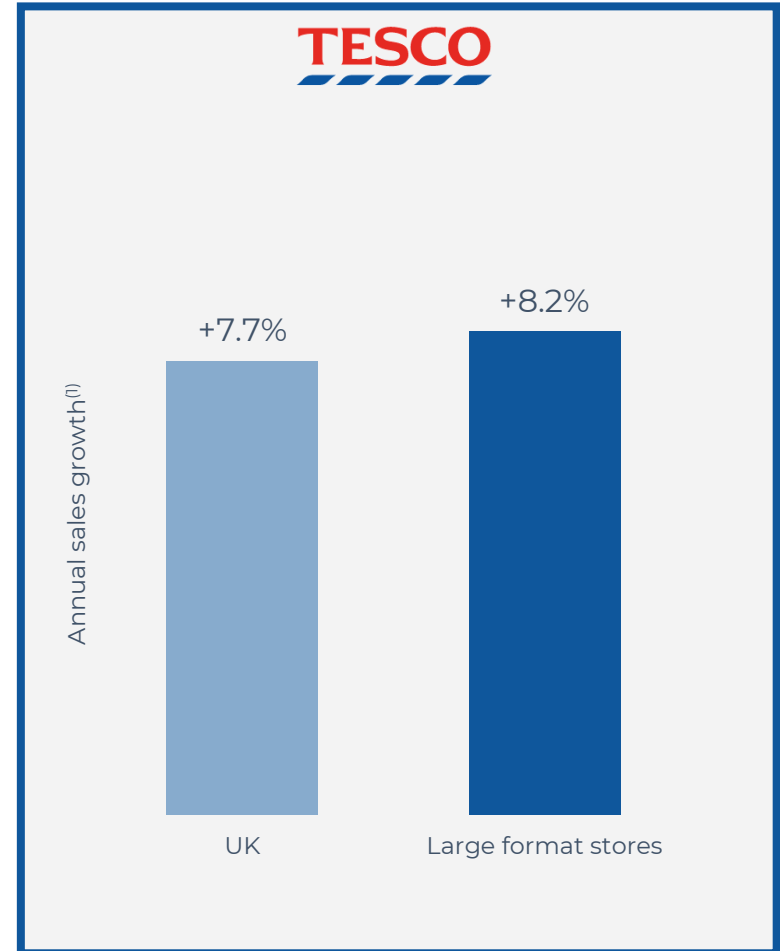
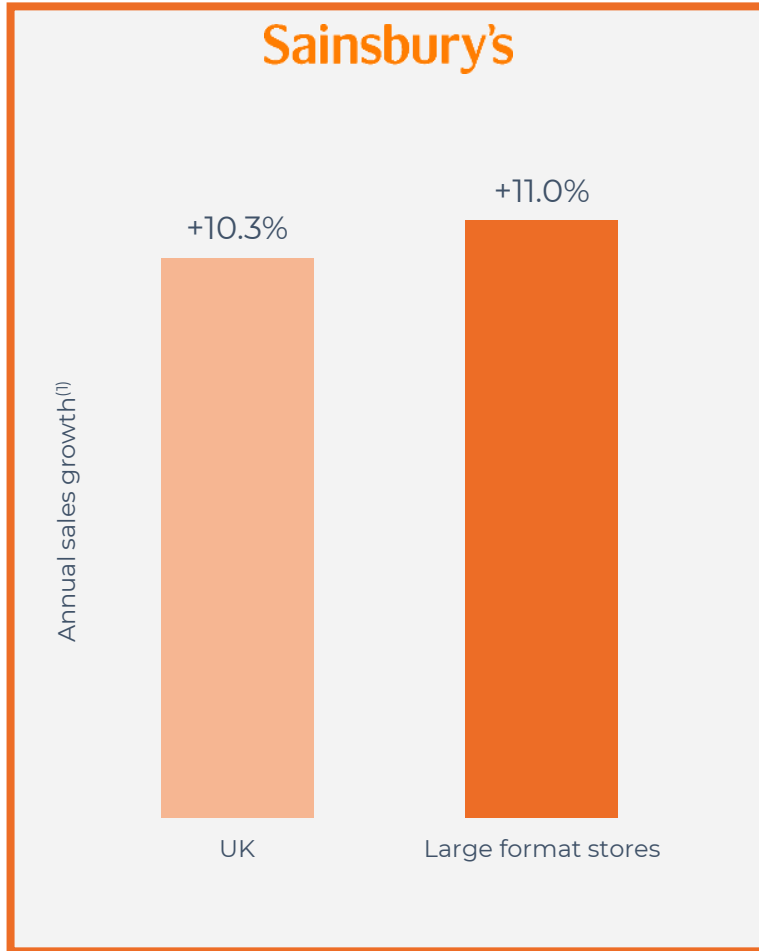
1) Source: IGD Grocery market sales data. 2017 to 2023 actual, 2024 to 2026 forecasted

2) Kantar UK Grocery Market Share (12 weeks to July 2024)

Discounters reaching maturity phase

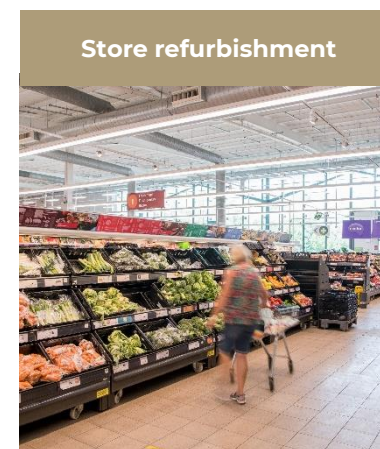
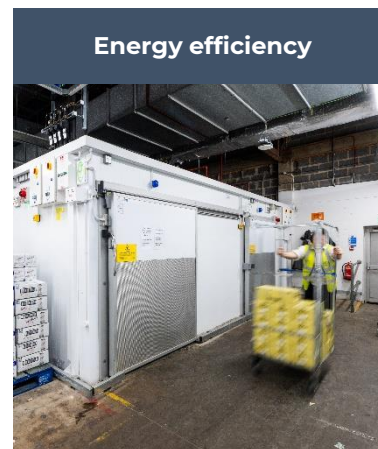
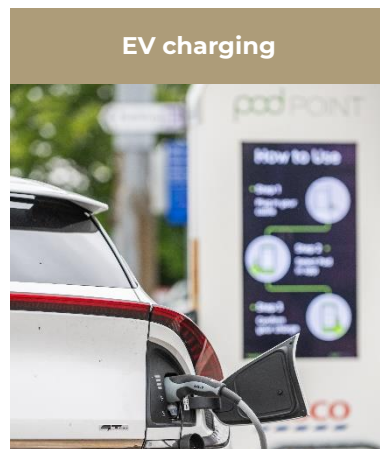
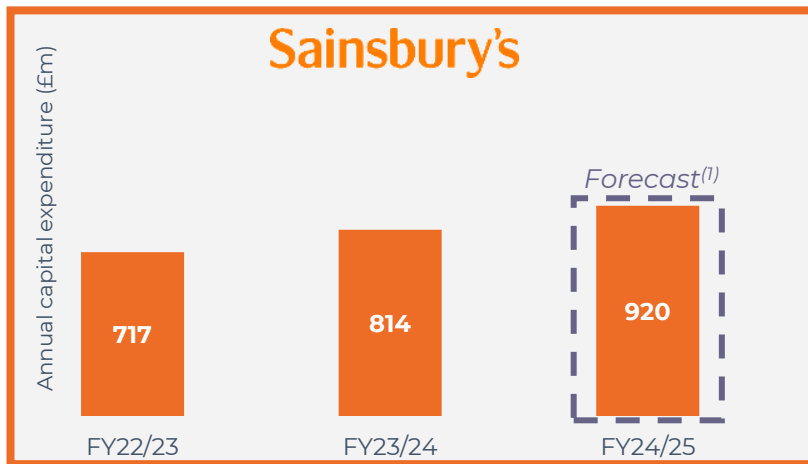


Strong tenant performance: sales growth



1) Sources: Sainsbury's 2023/24 full year results and Tesco 2023/24 full year results

Significant tenant investment into store estate



Forecasts are not a reliable indicator of future results

Long-term tailwinds for market rental growth



**Increased sales
in-store
and online**

**Outsized
growth in large
store sales**

**Challenges of
opening new
stores**

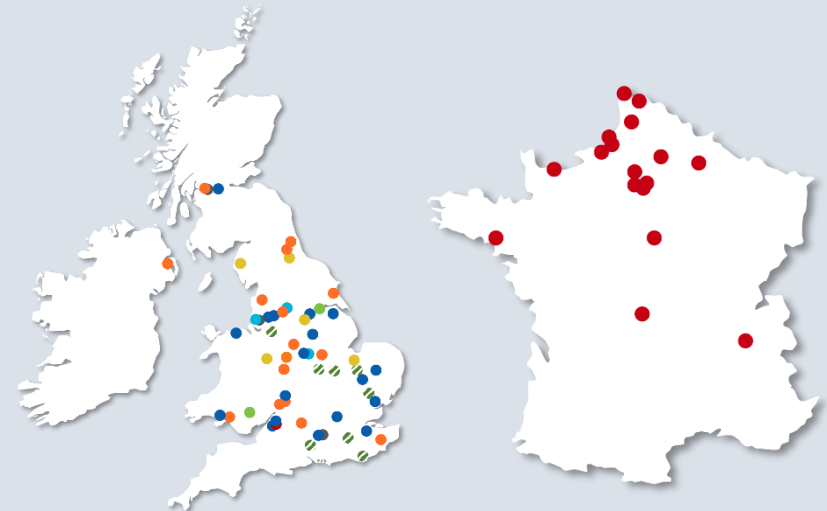
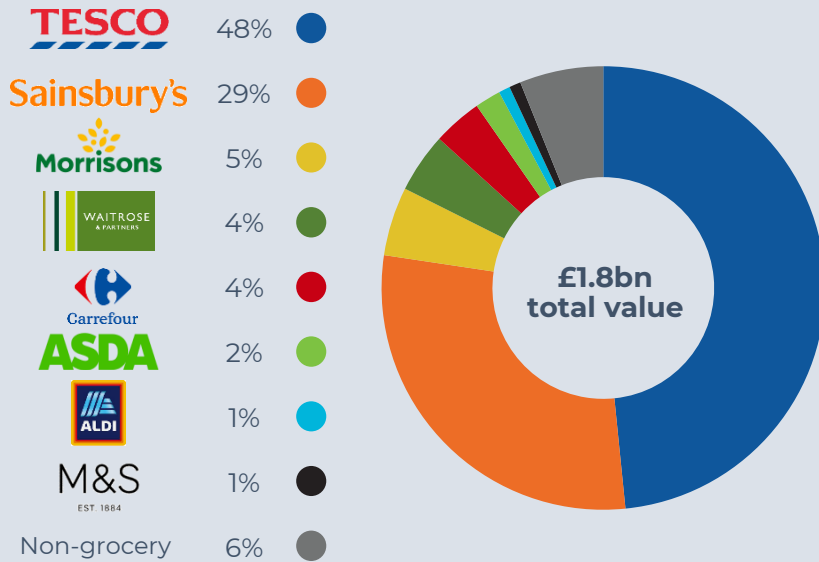
Market rental growth for omnichannel stores

Photo: Sainsbury's, Newcastle

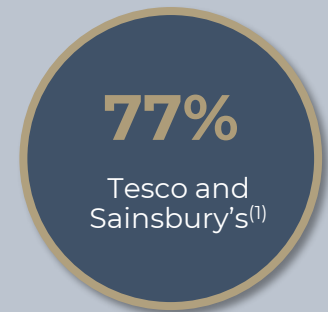
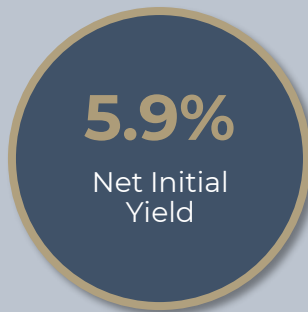
Portfolio let to leading supermarket operators



Exposure by value⁽¹⁾



Map locations are indicative only.



¹⁾ Weighted by value based on 30 June 2024 valuation

Consistent investment strategy in Europe

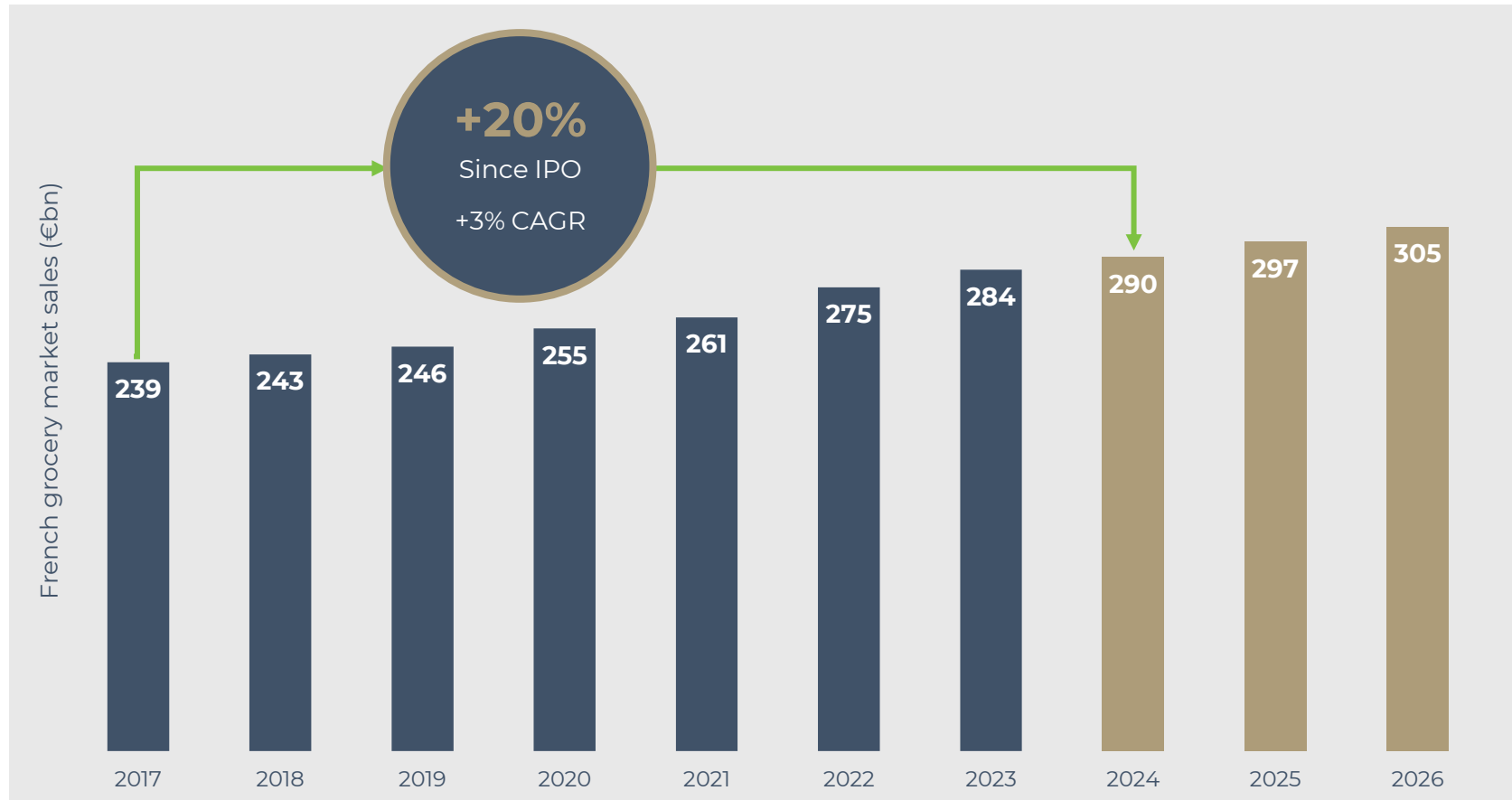


	UK	France/Carrefour
Growth market	✓	3% market CAGR ⁽¹⁾
Online growth through omnichannel stores	✓	6% online CAGR ⁽²⁾
Leading operators with strong market share	✓	20% market share ⁽³⁾
Investment grade covenants	✓	BBB tenant rating
Investment in store estates / online	✓	€3bn planned capex ⁽⁴⁾
Strategic tenant relationship	✓	Off-market SLB transaction ⁽⁵⁾

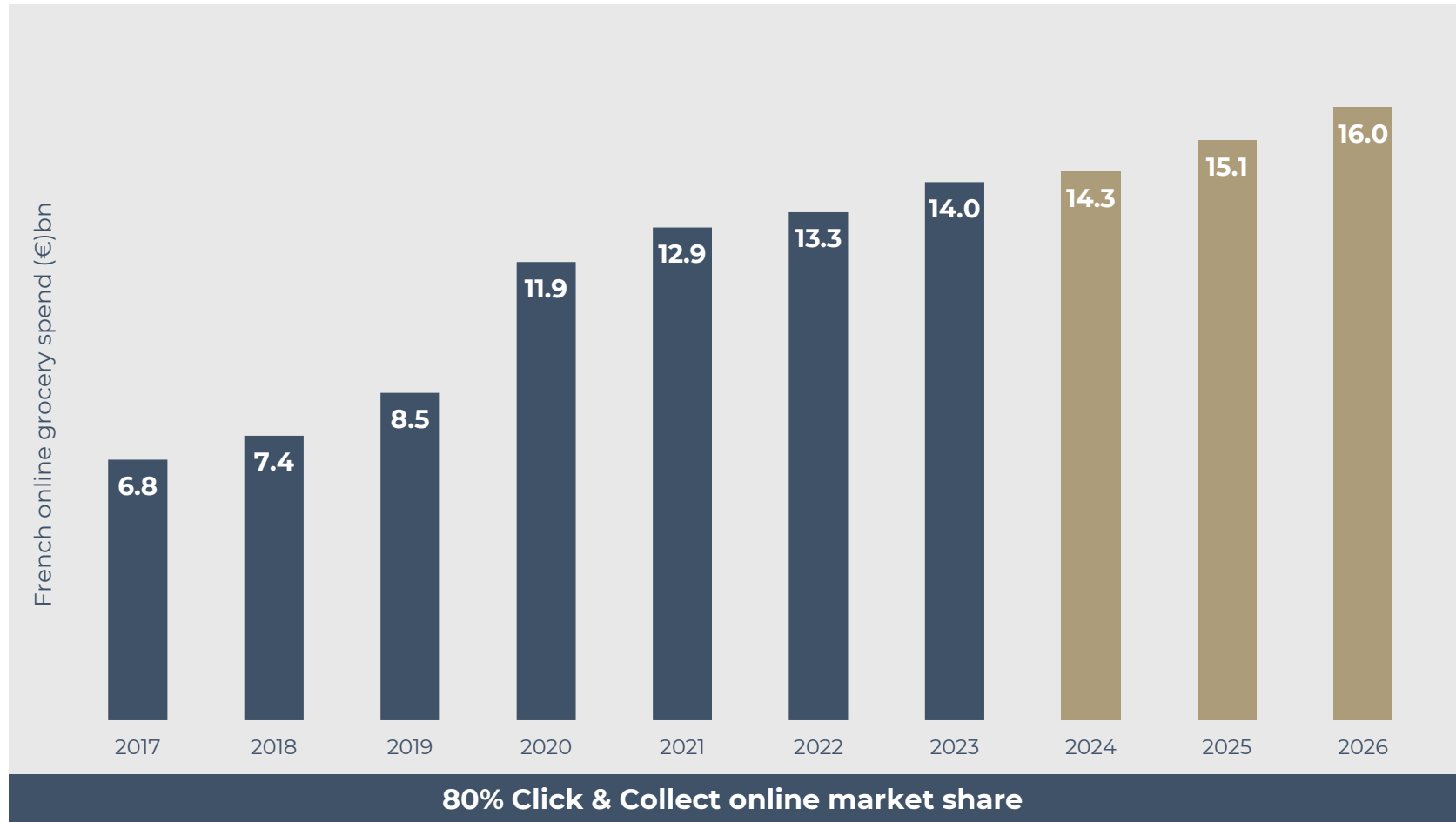
Photo: Carrefour, Questembert

- 1) Source: IGD French Grocery Market Value (2017 – 2024 (forecast))
- 2) Source: IGD French Grocery Market Value (2024 – 2026 (forecast))
- 3) Source: Kantar Grocery Market Share, France (12 weeks ending 7 July 2024)
- 4) Carrefour Capital Markets presentation 2022. Time period of 2021 – 2026
- 5) Sale & Leaseback transaction

French grocery is a strong growth sector



French online market is permanently enlarged



Carrefour: a strong tenant covenant



Global operator of significant scale

**7th largest grocer
in the world**
€100bn+ sales (2024)⁽¹⁾

BBB
Investment grade
rated

Online core to strategy

**€3bn online
capex plan⁽²⁾**

**3x online sales
growth target⁽²⁾**

1) IGD Research 2024 (forecast)

2) Carrefour Capital Markets presentation 2022. Time period of 2021 - 2026

Similarly concentrated market to UK



UK: Top 6 market share: 83%



France: Top 6 market share: 89%



€75m off-market transaction with Carrefour



6.3%
Net Initial
Yield⁽¹⁾

4.4%
Cost of
debt⁽²⁾

17
Omnichannel
stores



12 yrs
annual inflation
linked lease⁽³⁾

€7
Ave. rent
per sq.ft

2.1%
Ave. rent
to turnover

Earnings accretive opportunities in France



Carrefour Abbeville

Acquired April 2024
12-year WAULT
Annual ILC (uncapped)

6.3%
NIY



Investment characteristics

Strong trading
Omnichannel
Annual, inflation-linked



Store characteristics



2.1%
Rent to turnover



C&C
online
fulfilment



52k sq.ft.
GIA



285
Car parking
spaces



c.£18m
Site revenue



4
acres

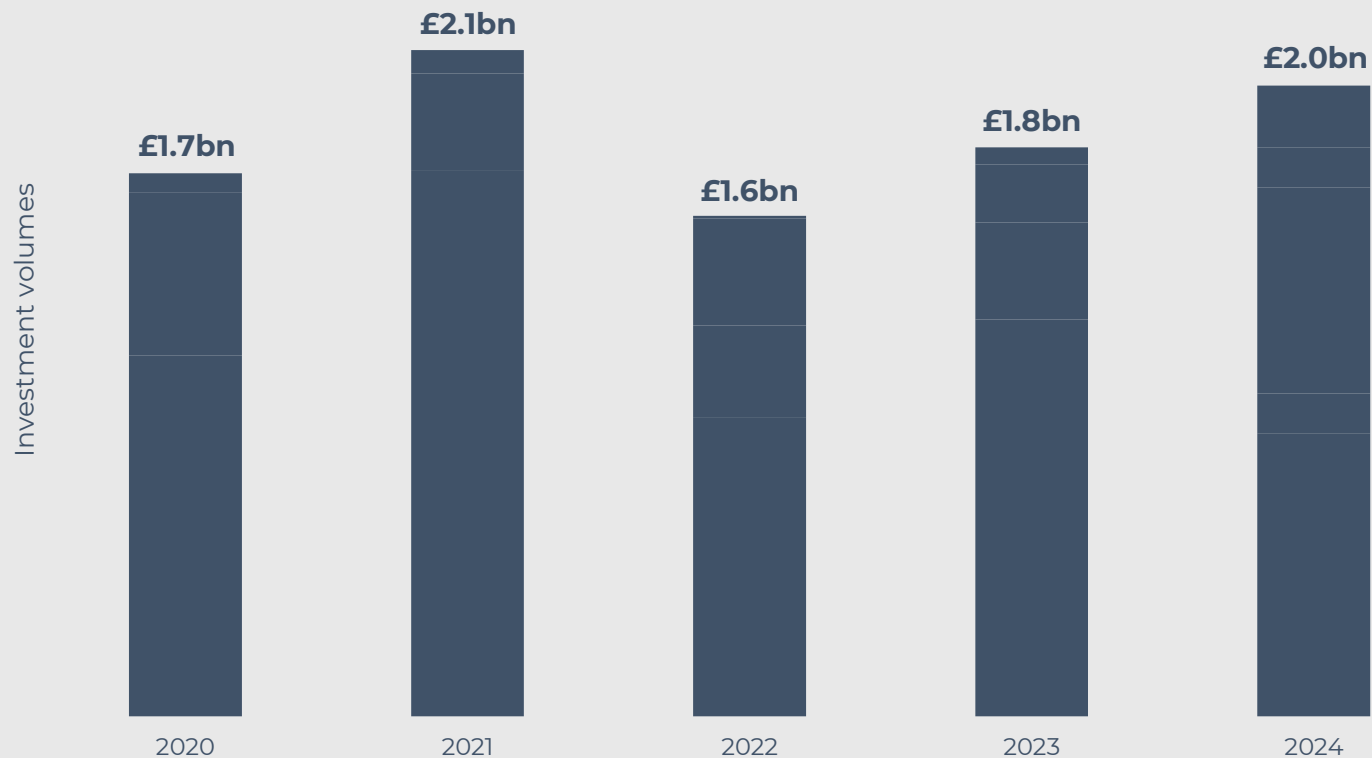


Investment market

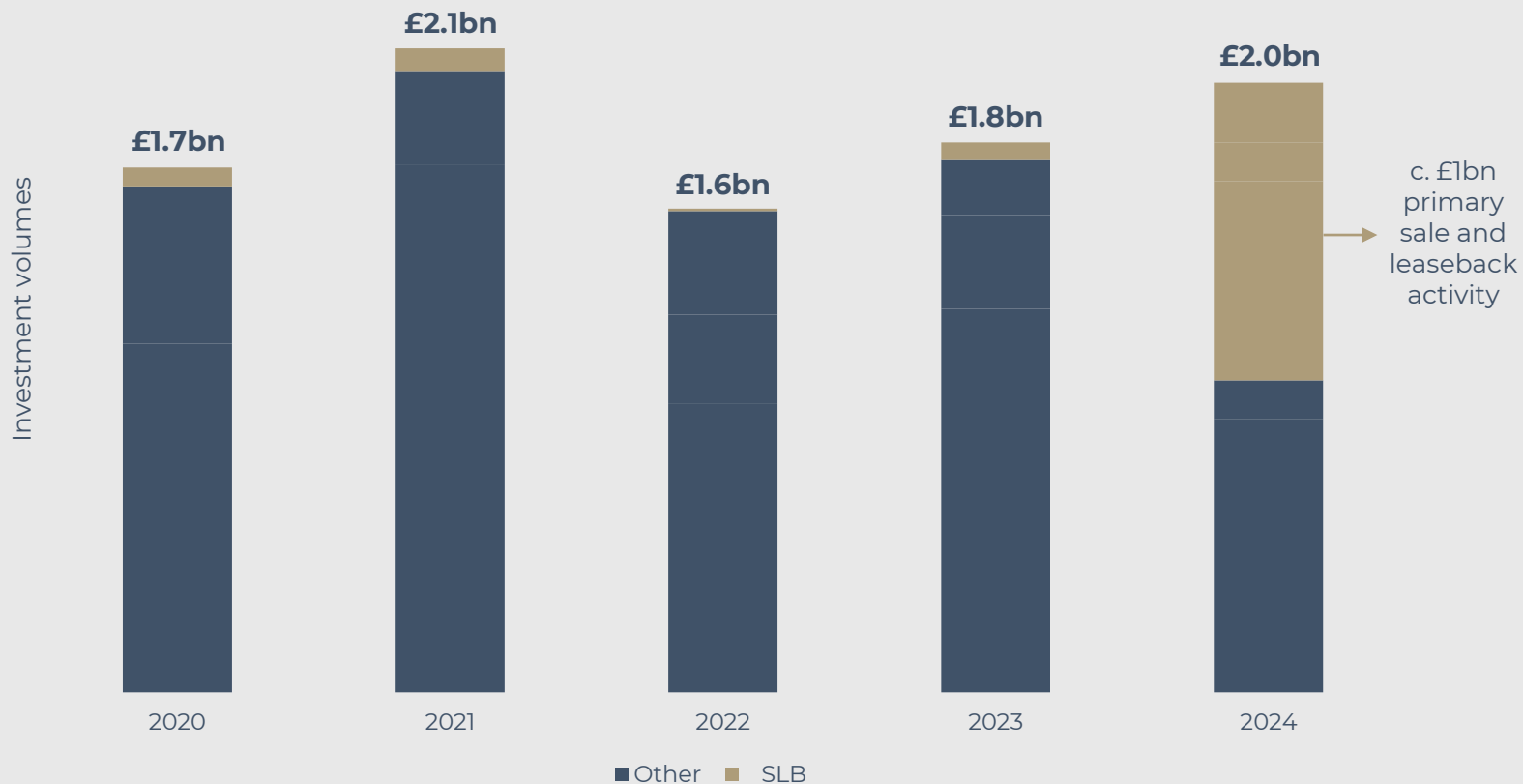


Photo: Tesco, Newmarket

Supermarket property remains liquid




















Significant sale and leaseback volumes in 2024



SUPR's addressable market



Strategy	Long lease	Sub investment grade	Primary opportunity set		
			Europe	Regear opportunity	
Operators	 	 	 		 
NIY ⁽¹⁾	5.3%	6.5%	6.3%	7.0%	
Spread to cost of debt ⁽²⁾	-	1.2%	2.1%	1.7%	
Earnings accretive					
Covenant strength					

Targets are based on estimates, opinions and hypothetical performance analysis, therefore actual results may vary, perhaps materially.

SUPR's addressable market



Strategy	Long lease	Sub investment grade	Primary opportunity set	
			Europe	Regear opportunity
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Earnings accretive				
Covenant strength				

Targets are based on estimates, opinions and hypothetical performance analysis, therefore actual results may vary, perhaps materially.

Earnings accretive opportunities in the UK



Tesco Stoke

Acquired March 2024

11-year WAULT

Annual RPI (0%-4%)

7.5%
NIY



Investment characteristics

Strong trading

Omnichannel

Annual, inflation-linked



Store characteristics



Q1

Trading density



5

Delivery vans



82k sq.ft.

GIA



446

Car parking spaces



c.£52m

Site revenue



9

acres



**Positive
macro
backdrop**

**Market
rental
growth**

**Capital
discipline**

Photo: Tesco, Newmarket



Q&A

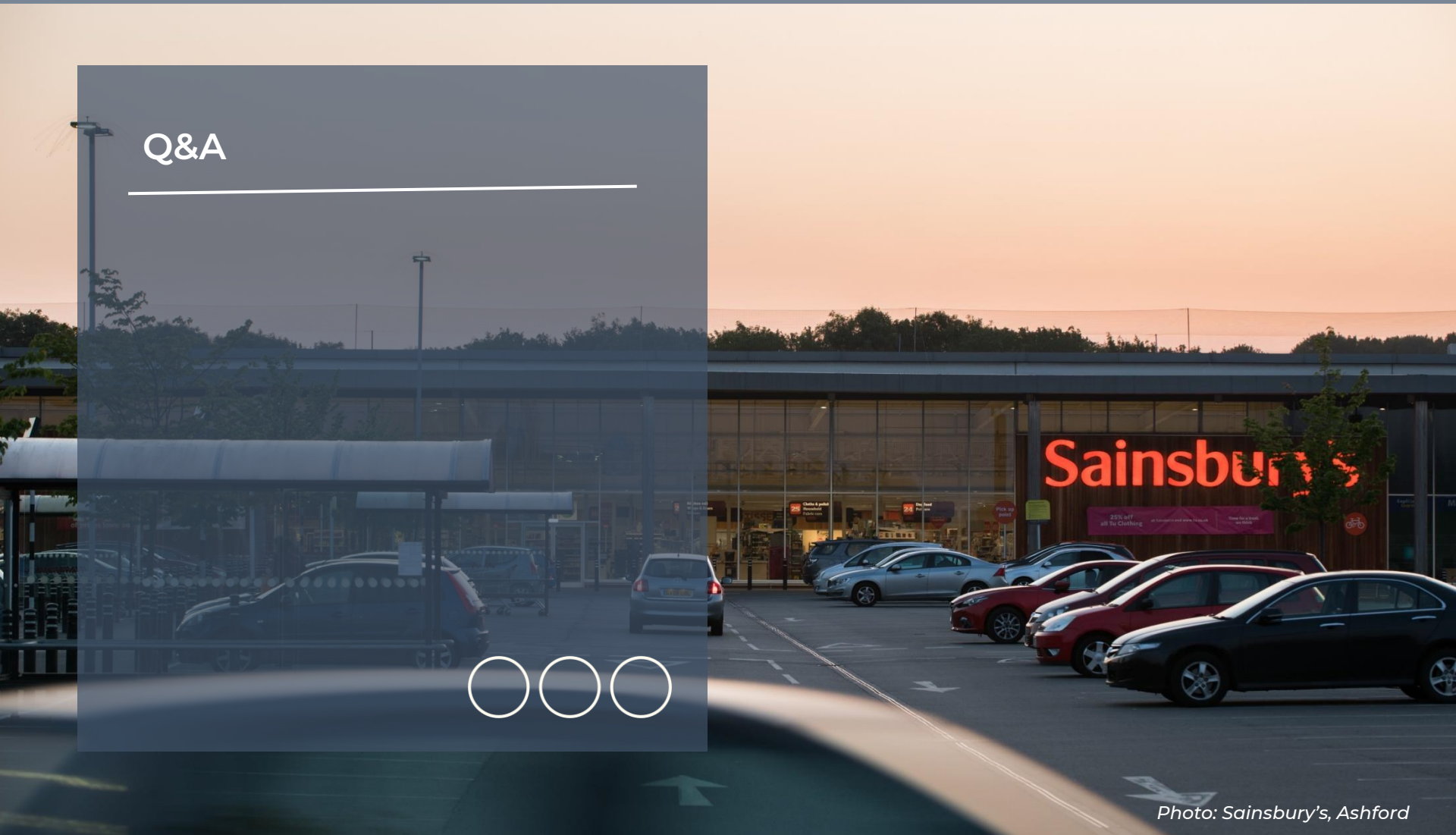


Photo: Sainsbury's, Ashford



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