

Presentation of half year results to 31 March 2020

June 2020

Urban&Civic plc

M25

Bowmans Cross, Hertfordshire

Key Messages

Covid-19 brings structural reinforcement to Master Developer model

Immediate demand outlook remains very hard to call

with conflicting indicators and unreliable statistics.

Lockdown and socially distanced slower housebuilder completions will impact previously guided 2019/ 2020 realisations and receipts

BUT mostly only into 2020/ 2021.

Urban&Civic is 3+ years forward sold with underwritten receipts at the equivalent of 90 per cent of current average house prices in areas of good affordability. **Recessions do not last that long.**

Dividend decision has been postponed until year end to match shift in cash receipts.

Acquisition opportunities with established platform advantage judged as outweighing recessionary outlook. Conditions are providing greater ability to transact with managed balance sheet exposure.

Interests in two strategic sites prospectively totalling 10,000 new homes contracted in past fortnight. Catesby has settled terms on 6 new land promotions aggregating additional 1,000 units.

Predict direct alignment between Government push for green recovery; renewed investor ESG focus and rethought homebuyer priorities.



Interim financials

Down over six months but fairly balanced over the year.

Immediate challenges are far from structural. Housing demand not like Department Stores.

Reported 6 to 7 per cent fall (depending upon metric) in March EPRA NAV figures to 335.1p per share, almost entirely reflects quarter point upward adjustment in net discount rates to 6.5 per cent.

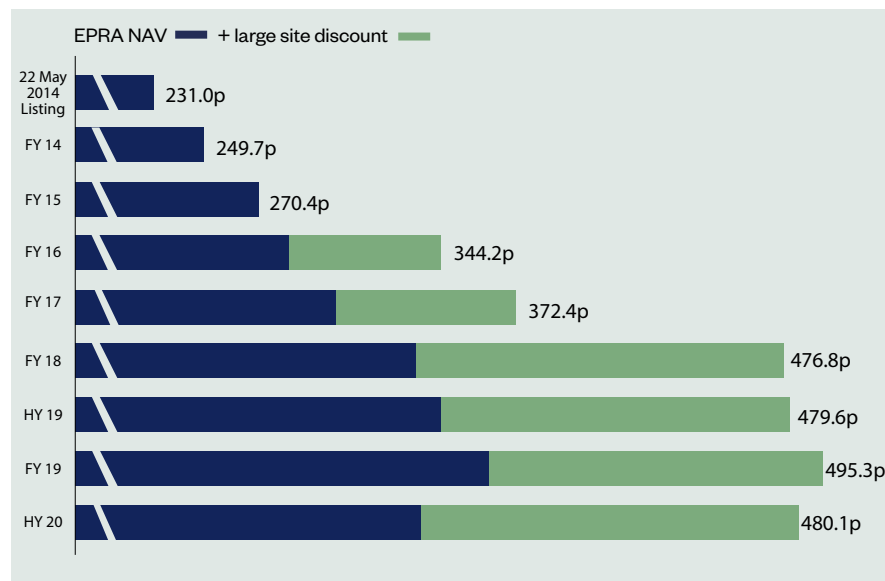
Hence record large site discount: £212 million or 43 per cent of EPRA NAV.

Annual EPRA NAV reduction was below 2 per cent and marginally up at 480.1p per share with large site discount added back.

Reasonable assumption is for narrowing of discount rate in more normal market conditions with interest rates staying low.

Plot realisations were up 5 per cent over 2018/ 2019 equivalent and on course prior to pandemic to meet or exceed previous full year guidance.

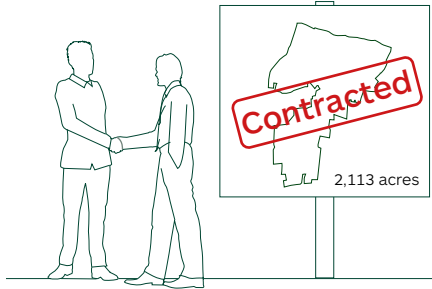
Sales receipts deferred 6-9 months on account of lockdown but 3 new licences + 1 land sale (1 existing and 3 new customers) demonstrates maintaining attraction of serviced plots.



Market conditions and platform advantage

Covid-19 circumstances providing singular opportunities via bilateral negotiations.

Strategic sites not bank leveraged; recent investors typically institutional, so limited likelihood of distress as per Alconbury 2009.



Informed landowners seeking development partners. Planning contingent agreements with low front end entry costs.

Corresponding ability to manage early risk with modest capital outlay.

Two new strategic acquisitions in last fortnight (Temsford and a second project to await further announcement) afford realistic prospect of 10,000+ new dwellings.

Both approximately 50 miles from London in identified optimum target area.

Temsford uber strategic benefiting from actual and committed road and rail upgrades potentially exceeding £7.5 billion.

Meanwhile, large site discount + minimums + Homes England funding provide triple layers of defensiveness for projects in delivery.

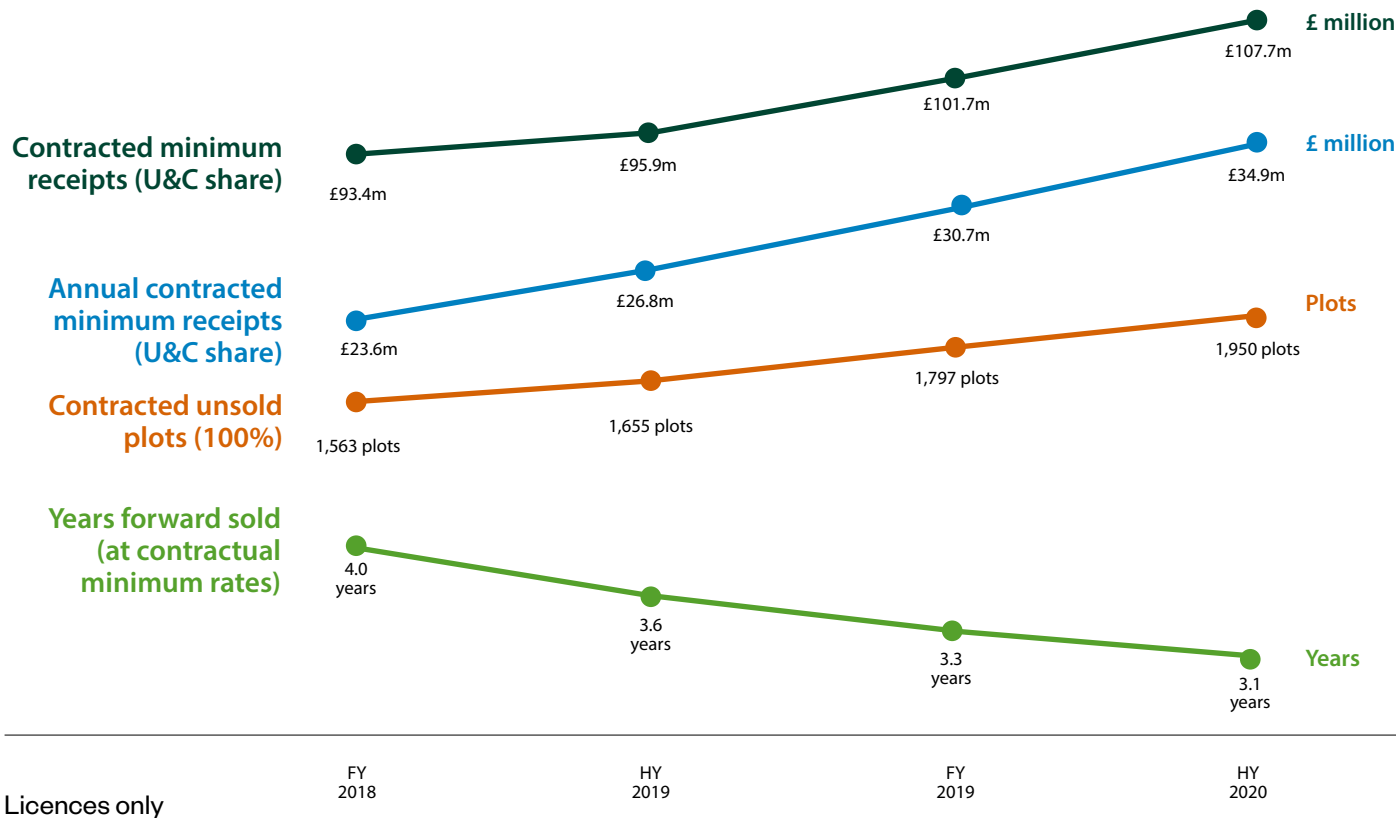
Contracted forward receipts total £107.7 million on already serviced plots. Minimums represent 3.1 years sales at an average premium of 70 per cent to existing book.

Government-backed infrastructure spend maintained through lockdown in anticipation of next set of new licences.



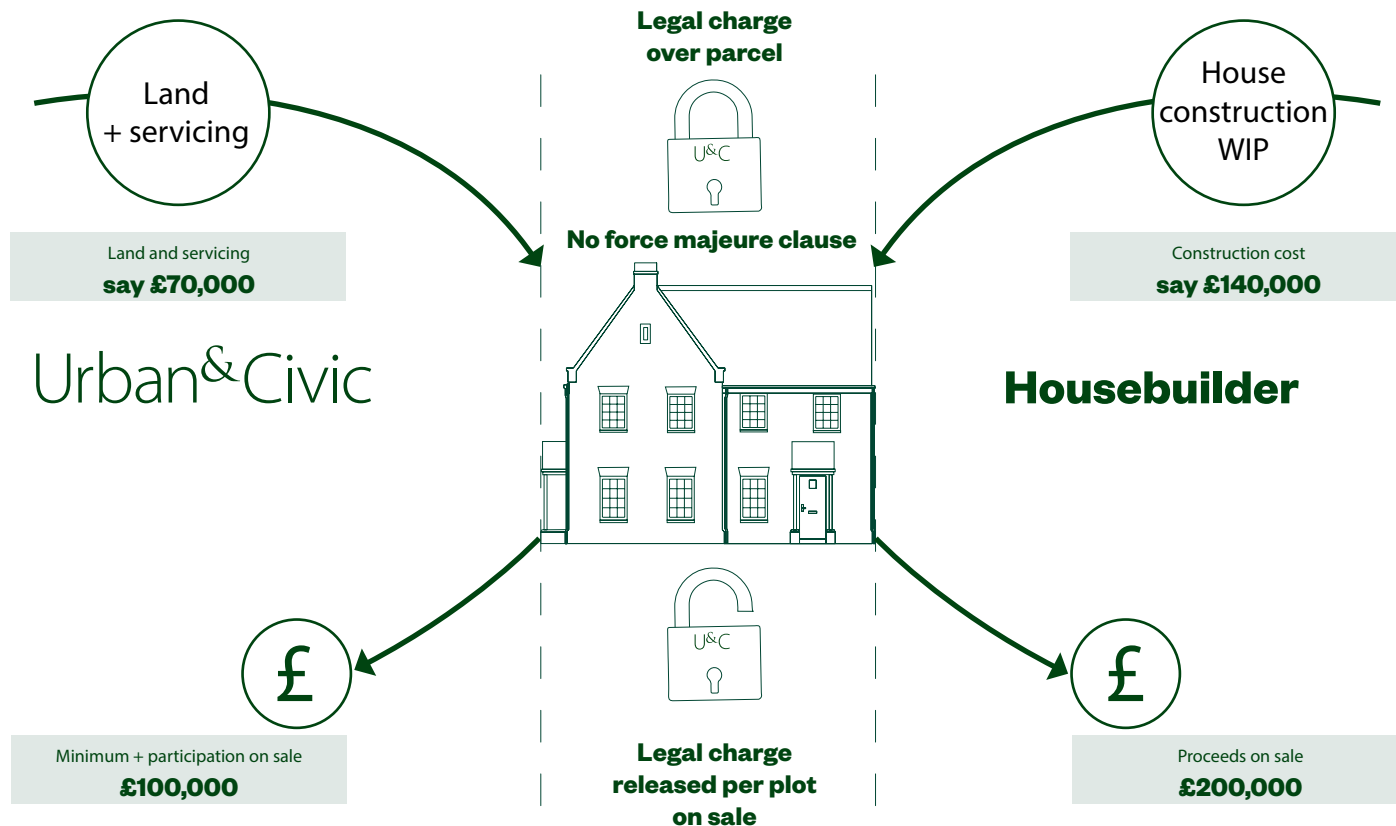
Key gradients

3.1 years forward sold



Security attaching to an Urban&Civic Master Developer contract

Take a £300,000 house with a 33.3 per cent participation as an illustration



Contracted annual minimums create a 6 month lag in cash receipts arising from slowdown

(All sums are U&C's share)

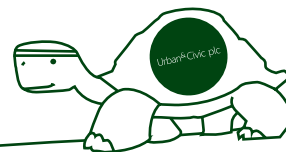


Urban&Civic Tortoise and the Housebuilder Hare

Crucial difference in approach to land market:

Housebuilders looking to preserve immediate margin.
Urban&Civic acquiring for the future.

Not zero sum.



Shared exposure to any falls in new house prices **BUT** structure of licences collars current downside risk to no more than 10 per cent.
Minimum commitments ensure that absent sales, cash receipts are delayed 6-9 months but not lost.

Cost of Urban&Civic further delivery spend is deflating.
£30 million most recent new work tenders all under QS estimates.
CLC 12 month forecast is for 1-4 per cent reduction in costs.

Contractors increasingly recognise financial security of infrastructure spend backed by Homes England.

Financial outcomes - impact of Covid-19

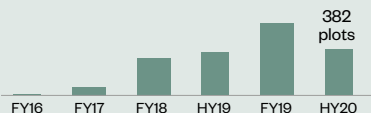
382 plot completions + land sales

(+ 4.7 per cent up on Mar 19)

Generating £27.5m of cash

U&C share: £20.1m

(+9.8 per cent on Mar 19)



EPRA NAV

335.1p per share

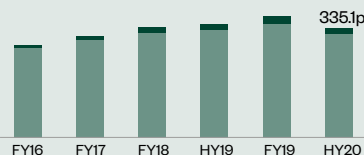
(-7.0 per cent on Sep 19)

EPRA NNNNAV

318.3p per share

(-1.3 per cent on Mar 19,

-6.2 per cent on Sep 19)

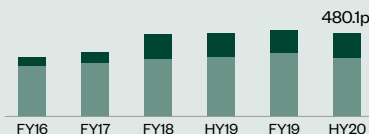


EPRA NAV + large site discount

335.1p + 145.0p = 480.1p

(No change on Mar 19,

-3.1 per cent on Sep 19)



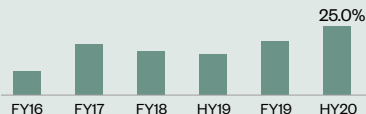
Gearing

EPRA NAV basis

25.0 per cent (Sep 19: 19.9 per cent)

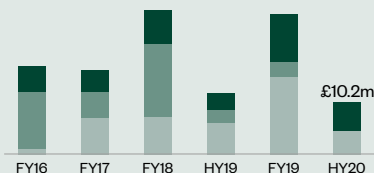
Look through EPRA NAV basis

35.8 per cent (Sep 19: 28.3 per cent)



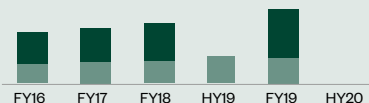
Gross profit (including share of JVs)

£10.2m (HY19: £12.5m)

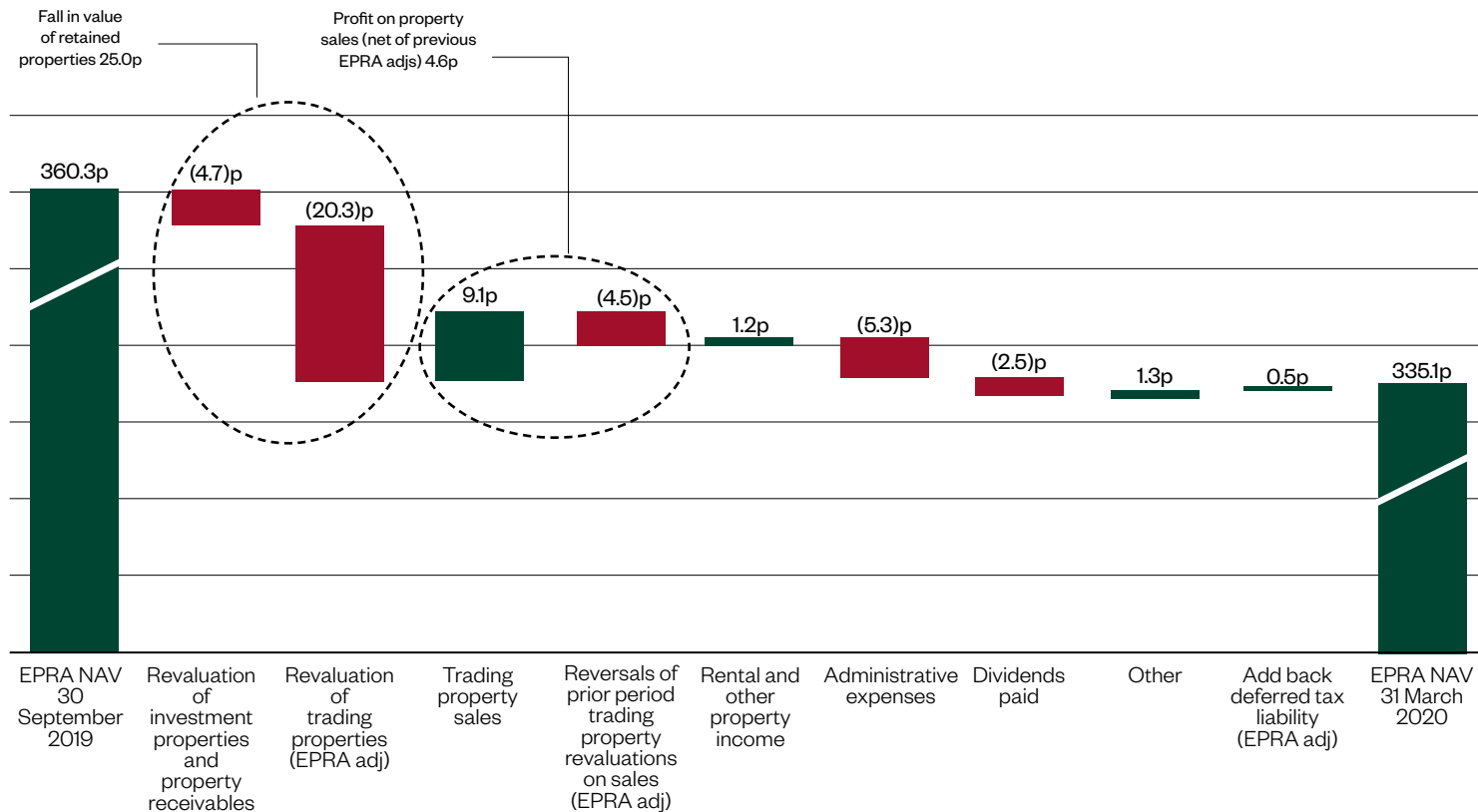


Dividends

Decision postponed until year end
in line with 6 month shift in cash flows



EPRA NAV per share - 7 per cent reduction since September 2019



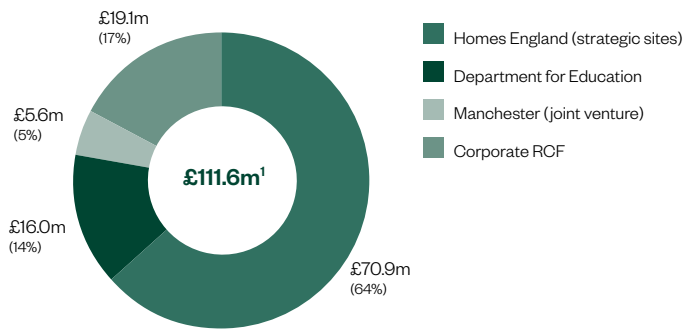
Summarised balance sheet as at 31 March 2020

(Joint ventures proportionately consolidated)

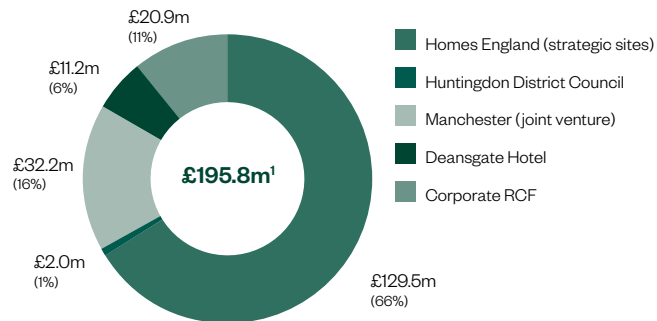
£m	At 31 March 2020	At 30 September 2019	Comments
Property interests	597.7	586.5	Investment, PPE and trading properties, plus overages and minimums (wholly owned or in JV)
Cash	18.9	27.4	
Homes England	(128.0)	(122.6)	
Other	(65.5)	(54.3)	
Total Borrowings	(193.5)	(176.9)	Revaluation of trading properties
Deferred tax liability	(6.2)	(5.9)	
Working capital	(18.3)	(28.1)	
IFRS net assets	398.6	403.0	
EPRA adjustments – property	79.9	116.0	
EPRA adjustments – tax	9.3	8.5	
EPRA net assets	487.8	527.5	
EPRA triple net adjustments	(24.5)	(30.5)	
EPRA triple net assets	463.3	497.0	
<div><div><div>£m</div><div><div>Property portfolio</div><div>677.6</div></div><div><div>Net debt</div><div>(174.6)</div></div><div><div>Other</div><div>(39.7)</div></div><div><div>EPRA triple net assets</div><div>463.3</div></div></div><div><div>£m</div><div><div>Gross borrowings</div><div>(195.8)</div></div><div><div>Loan arrangement costs</div><div>2.3</div></div><div><div>Borrowings</div><div>(193.5)</div></div></div></div>			

Funding summary - Homes England funding accounts for 66 per cent of drawn debt - supportive terms (including Group's share of joint ventures)

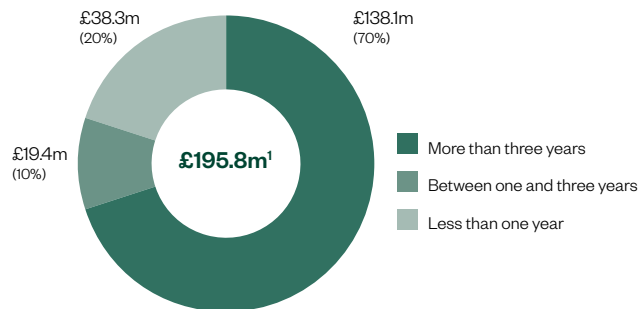
Undrawn borrowings + DfE repayable grant



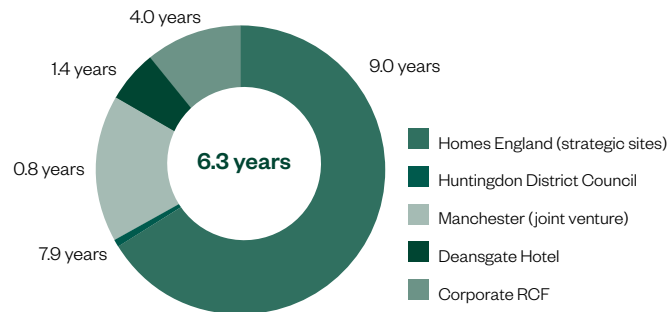
Gross borrowings – 31 March 2020



Gross borrowings - maturity analysis

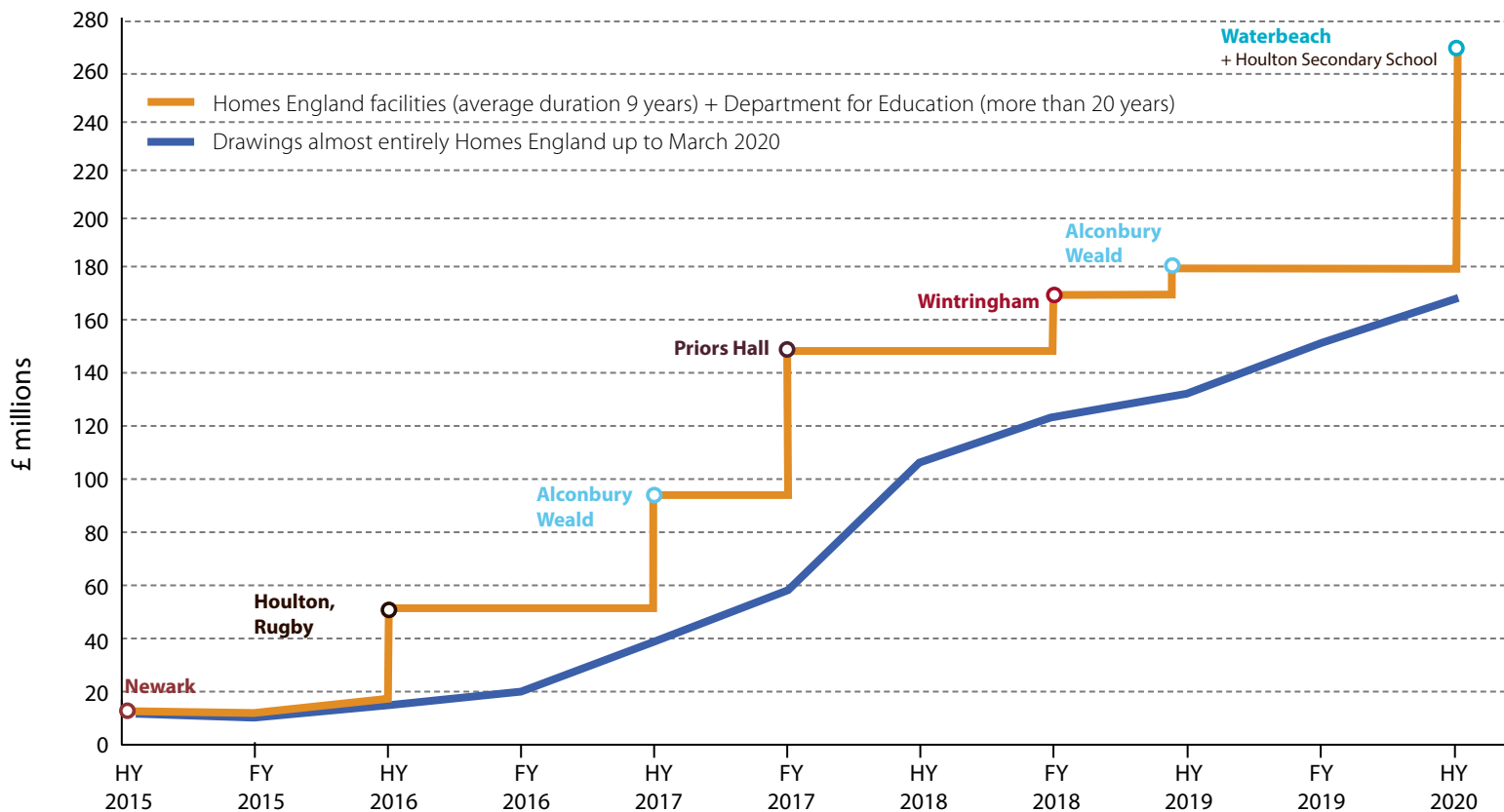


Gross borrowings - maturity analysis by lender



¹See appendices for more detail

Infrastructure led alignment with government priorities



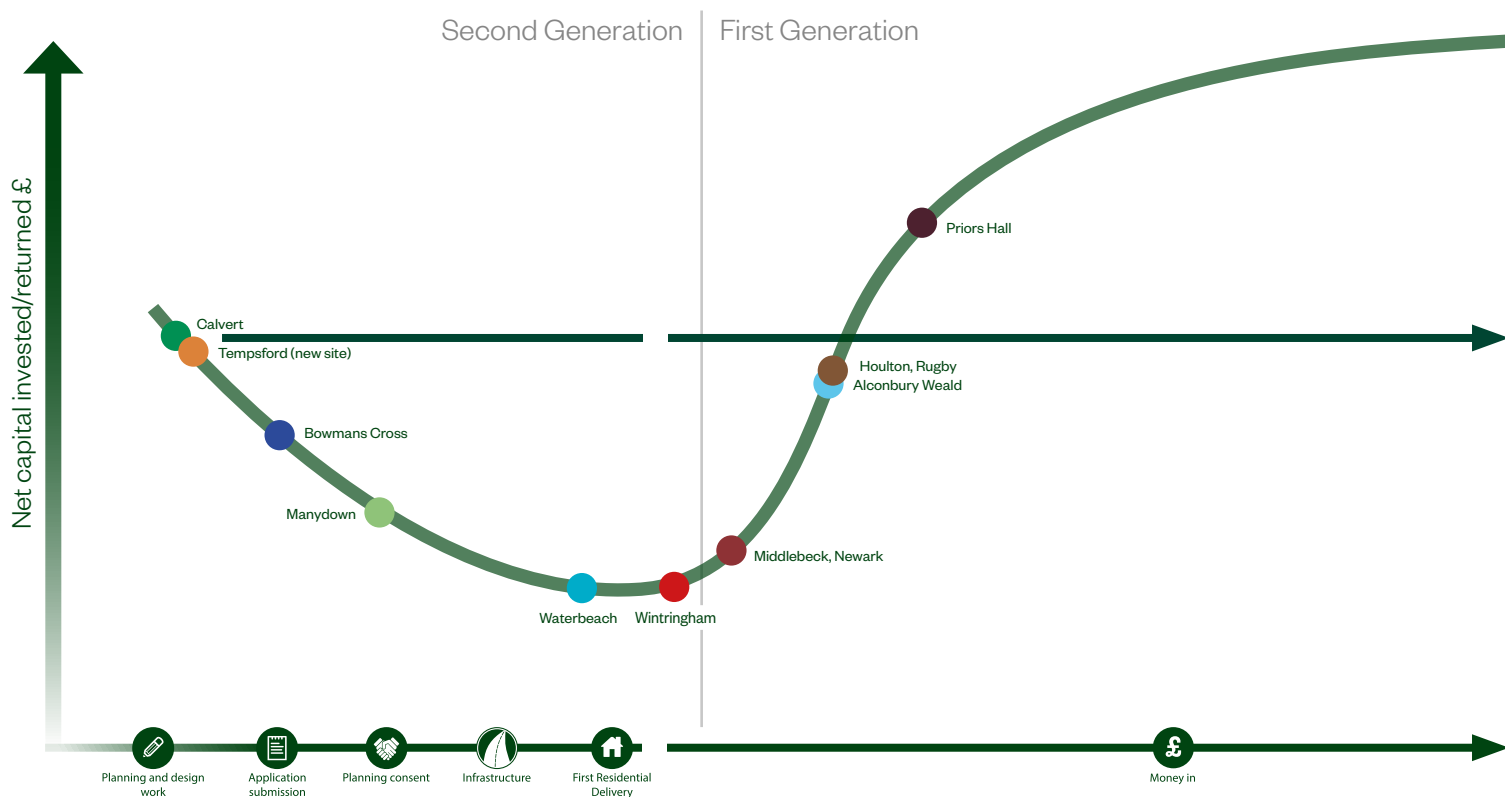
Summarised income statement

(Joint ventures proportionately consolidated)

£m	Group	Joint ventures and associates	6 months to 31 March 2020 Total	6 months to 31 March 2019 Total	Movement	Comments
Revenue	33.0	14.6	47.6	47.3	0.3	Trading and residential property sales including share of JVs, rental and other property income
Gross profit	9.3	0.9	10.2	12.5	(2.3)	Profits on trading and residential property sales, rental and other property income
Administrative expenses	(7.6)	(0.1)	(7.7)	(8.8)	1.1	Net of capitalisations
IFRS valuation movements	(4.7)	—	(4.7)	1.6	(6.3)	Revaluation of investment properties and receivables
Share of post-tax profit from joint ventures	1.8	(1.8)	—	—	—	
Other	1.4	1.0	2.4	(0.2)	2.6	Finance income (including discount unwinding)
Profit before tax	0.2	—	0.2	5.1	(4.9)	
Tax	(1.1)	—	(1.1)	(1.3)	0.2	Current and deferred tax
Profit after tax	(0.9)	—	(0.9)	3.8	(4.7)	

Continued movement along the hockey stick

Site progress - March 2020 against September 2019



Priors Hall

Northamptonshire

LOVELL
HOMES

LarkfleetHomes

Wilson Gordon Jones
David Wilson Homes

FRANCIS JACKSON HOMES

KIER

etopia
CORBY

JALSON
HOMES

Taylor
Wimpey

BARRATT
HOMES

LaganHomes

edg
PROPERTY

Delivery



Zone
2

Zone
1

Zone
3

- 565 plot completions since October 2017 acquisition, lockdown reduced average still 210 sales per year.
- Reconfiguration of Zones 2 and 3 adds homes and value; 5,325 overall with 700 net switch into higher value Zone 3 scheduled for July 2020.
- Remediation and landscaping on Zone 2 has continued; anticipating first housebuilder start July 2021.
- Zone 1 land sale for 75 units during lockdown with further 50 plots in solicitor's hands.
- District centre including food store to open December 2020.



Existing Waterbeach village

Barracks converted for
Papworth accomodation

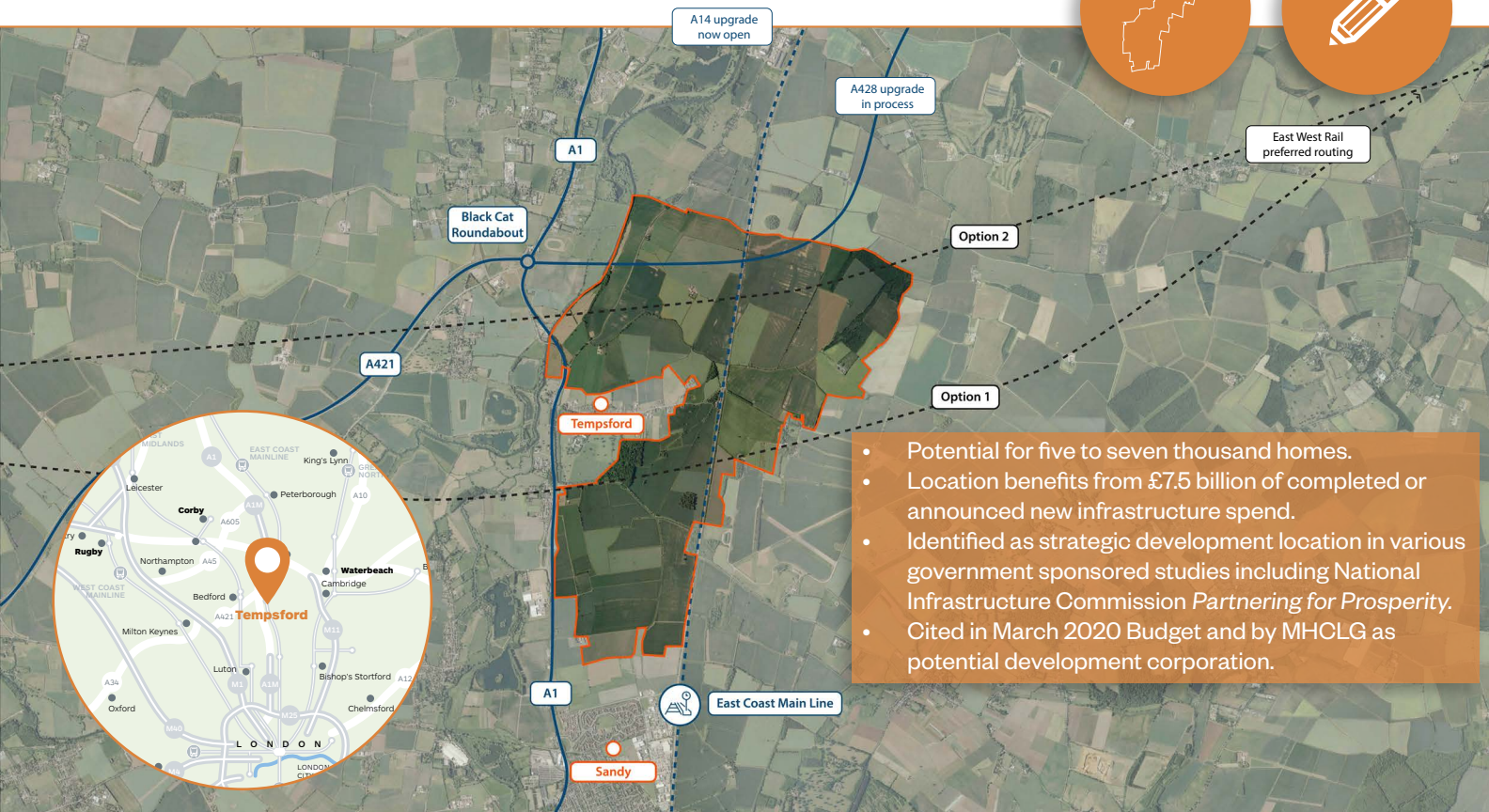
Phase 1 infrastructure
commenced

- Phase 0 conversion of modern barracks as part of site activation.
- £18.6 million realisation (let to Papworth Hospital Trust) above Business Plan.
- Phase 1 infrastructure funded by £60.6m Homes England loan.
- Design Code for Key Phase 1 approved by virtual committee.
- Occupation of first new homes targeted for Q3 2022.

Tempsford: uber strategic

Bedfordshire

planning



Building our own prime: with strengthening community resilience



Strengthening alignment of Government recovery, ESG investor and homebuyer priorities



Government led green recovery



Investor ESG focus



Homebuyer rethought priorities

Conclusion

Urban&Civic was founded in the teeth of the last recession.
The Master Developer model is designed to run through economic cycles.

Unlike our projects, recessions do not last 15 years.

The future has stayed much the same but may arrive more quickly.
Self reinforcing alignment with Government green recovery, returning ESG presumptions and rethought housebuyer priorities.

Current dislocations do provide unusual strategic acquisition opportunities + promotions for Catesby whilst maintaining careful balance sheet management and future delivery spend.

Whatever the structural changes consequent upon the pandemic, it is hard to see them being bad for well planned housing with gardens, good connections, great schools, decent broadband and guaranteed access to green spaces.

The interests in two further strategic projects acquired in the past fortnight are not anticipated to be the last.



Strategic sites in numbers

	Ownership	Total units	Plot completions to Sept 2019	Plot completions to 31 March 2020	Land sales 6 months to 31 March 2020	Units remaining	Contracted	Under offer	Completed, contracted, or under offer
Alconbury Weald	100%	5,000	297	55	4	4,644	574 ⁴	568	30.0%
Houlton, Rugby	50%	5,952	233	93	65	5,561	714	222	22.3%
Priors Hall	100%	4,320 ¹	509	56	—	3,755	292	192	24.3%
Middlebeck, Newark	82.2%	3,150	124	35	64	2,927	319	—	17.2%
Waterbeach	DMA	6,500	—	—	—	6,500	—	—	—
Wintringham St Neots	33.3%	2,800	—	—	10	2,790	740	106	30.6%
Consented strategic sites		27,722	1,163	239	143	26,177	2,639	1,088	19.0%
Europa Way	Promotion and infrastructure	735	401	—	133	201	201	—	100%
Consented		28,457	1,564	239	276	26,378	2,840	1,088	21.1%
Alconbury – Grange Farm ³	100%	1,500	—	—	—	1,500	—	—	—
Manydown ²	25%	3,500	—	—	—	3,500	—	—	—
Allocated		5,000	—	—	—	5,000	—	—	—
Calvert	Promotion and conditional purchase	5,000	—	—	—	5,000	—	—	—
Bowmans Cross	DMA	5,000	—	—	—	5,000	—	—	—
Tempsford	Option	Up to 7,000	—	—	—	Up to 7,000	—	—	—
Strategic sites total		50,457	1,564	239	276	48,378	2,840	1,088	12.7%

¹ Unsold units at acquisition out of a total consent of 5,095. An application for a further 221 units (taking total consent to 5,316) was submitted in the prior year.

² Selected by Basingstoke and Deane and Hampshire County Councils with Wellcome Trust; land allocated.

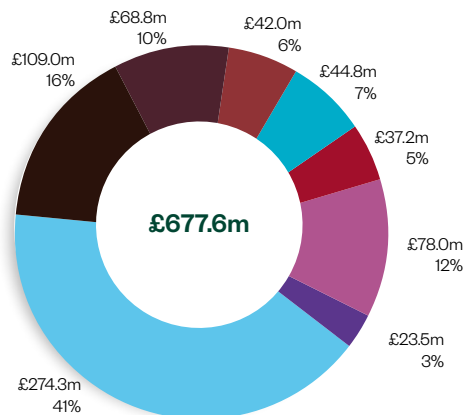
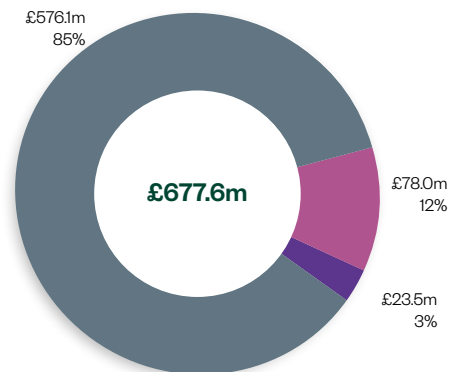
³ 1,500 unit allocation in Local Plan.

⁴ Includes 46 Civic Living plots

Site statistics

	Gross acres	NDA's - residential	NDA's - commercial	Homes	Employment (sq.m.)	Formal open spaces and sports pitches (hectares)	Schools		Other	Housebuilders	Connectivity
Alconbury Weald	1,063	338	163	5,000	290,000 m ²	21	3 primary, 1 secondary	reserve site for railway station, 3,800 m ² community facilities, 1,500 m ² health centre, one district centre and three local centres, network of cycle paths	Hopkins Homes, Morris Homes, Redrow, Civic Living, Crest Nicholson		55 mins to London; under 1 mile from A1(M) and A14
AW Grange Farm	362			1,500	2,000m ²	5.43					(As above)
Houlton, Rugby	1,170	363	36	5,952	120,000 m ²	24	3 primary, 1 secondary	new link road, 14 km of footpaths, one district centre and three local centres, 2,900 m ² of community facilities, eight GP surgery, network of cycle paths	Davidsons, Crest Nicholson, Morris Homes, Redrow, William Davis		50 mins to London; 35 mins to Birmingham; under 1 mile from M1, four miles from M6 and under one mile from Daventry International Rail Freight Terminal
Priors Hall	965	281	13	4,320	25,000 m ²	26	3 primary, 1 secondary	district centre & two local centres, network of footpaths and cycleways, country park	Barratt Homes & David Wilson Homes, Kier Homes, Taylor Wimpey, Francis Jackson Homes, Jelson Homes, Larkfleet Homes, Lodge Park, Project Etopia		70 mins to London; 30 mins to M1
Middlebeck, Newark	694	172	110	3,150	186,000 m ²	7	1 primary	new link road, 2,900 m ² community facilities	Avant, Bellway, Countryside		1 hour 30 mins to London; 30 mins to Nottingham; 1 mile from A46 and A1(M)
Wintringham St Neots	400	182	41	2,800	63,500 m ²	10	2 primary	9 km of cycle ways	Cala Homes, Morris Homes		Under 50 mins to London; less than three miles to M1
Waterbeach	716	375	13	6,500	27,000 m ²	24	3 primary, 1 secondary	park & ride, health centre, 6.5km of cycleways			70 mins to London; three miles to Cambridge Science Park adjacent to A10
Manydown	794	271	3	3,500	6,000 m ²	25	2 primary, 1 secondary	1 health care centre, 2 community centres, sports hall, country park			45 mins to London
Calvert	785			5,000							On the intersection of HS2 and Varsity line
Bowmans Cross	2,000			5,000							
Tempsford	2,113			Up to 7,000							

Property portfolio – March 2020



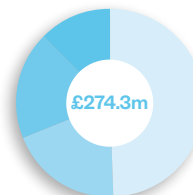
EPRA carrying values – by segment

- Commercial
- Catesby
- Strategic sites

EPRA carrying values – by asset

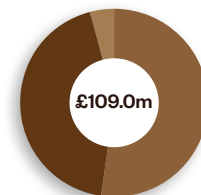
- Alconbury Weald
- Houlton, Rugby (50% interest)
- Priors Hall
- Middlebeck, Newark (82.2% interest)
- Wintringham (33% interest)
- Waterbeach
- Commercial work in progress
- Catesby

Alconbury Weald



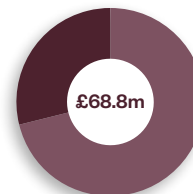
- Unserviced residential £132.8m
- Servicing, housebuild and other costs and overage and minimum receivables £63.3m
- Commercial £41.4m
- Expansion Land £36.8m

Houlton, Rugby (50% interest)



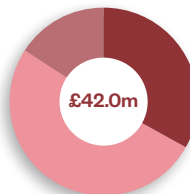
- Unserviced residential £52.6m
- Servicing, other costs and overage and minimum receivables £52.1m
- Commercial £4.3m

Priors Hall



- Unserviced residential £46.8m
- Servicing, other costs and receivables £22.0m

Newark (82.2% interest)



- Unserviced residential £15.9m
- Servicing, other costs and receivables £19.3m
- Commercial £6.8m

Property analysis – EPRA valuation movement

£m	At 31 March 2020	Valuation movement ¹	Expenditure	Acquisitions (disposals)	At 30 September 2019
Alconbury Weald	239.7	(12.2)	6.2	(5.1)	250.8
Alconbury Weald minimums and overages	34.6	—	—	(0.7)	35.3
	274.3	(12.2)	6.2	(5.8)	286.1
Middlebeck, Newark (82.2% interest)	24.9	(3.9)	2.5	(8.5)	34.8
Middlebeck, Newark minimums	17.1	—	—	4.4	12.7
	42.0	(3.9)	2.5	(4.1)	47.5
Priors Hall	66.9	(3.8)	5.9	(0.1)	64.9
Priors Hall debtor, minimums and overage	1.9	0.1	—	(1.5)	3.3
	68.8	(3.7)	5.9	(1.6)	68.2
Houlton, Rugby (50% interest)	90.6	(5.6)	5.7	(1.4)	91.9
Houlton, Rugby minimums (50% interest)	18.4	—	—	(3.1)	21.5
	109.0	(5.6)	5.7	(4.5)	113.4
Wintringham (33% interest)	24.4	(1.7)	4.6	(5.9)	27.4
Wintringham minimums	12.8	—	—	6.6	6.2
	37.2	(1.7)	4.6	0.7	33.6
Waterbeach	44.8	(3.3)	2.3	(0.2)	46.0
Strategic land total	576.1	(30.4)	27.2	(15.5)	594.8
Manchester New Square (50% interest)	46.7	(1.9)	6.6	0.1	41.9
Manchester Deansgate	19.1	(3.8)	0.4	—	22.5
Scottish land sites	3.0	(0.3)	—	(1.0)	4.3
Other	9.2	(0.3)	0.8	(1.3)	10.0
Commercial total	78.0	(6.3)	7.8	(2.2)	78.7
Catesby	23.5	(4.1)	5.6	(7.0)	29.0
EPRA valuations	677.6	(40.8)	40.6	(24.7)	702.5

¹ Of the £40.8 million valuation movement, £4.7 million is taken through the income statement, with a further £36.1 million of EPRA adjustments.

Valuation movement recognised in accounts

£m	Movement in period	Comments
Investment property/debtors	(4.7)	Alconbury Weald down £3.1m, Waterbeach down £1.7m and Priors Hall debtor up £0.1m
IFRS total	(4.7)	
EPRA adjustments on sites sold	(6.6)	See property analysis – EPRA adjustments
EPRA adjustments on sites retained	(29.5)	See property analysis – EPRA adjustments
EPRA total	(36.1)	
Total valuation adjustments	(40.8)	

Property analysis – EPRA adjustments

£m	At 31 March 2020	Movement in period	At 30 September 2019
Sheffield	—	(1.4)	1.4
Kedleston	—	(3.8)	3.8
Europa Way	—	(1.1)	1.1
Daddon Hill	—	(0.3)	0.3
Sites sold	—	(6.6)	6.6
Alconbury Weald	33.2	(9.1)	42.3
Houlton, Rugby	3.2	(5.6)	8.8
Middlebeck, Newark	(3.7)	(3.9)	0.2
Wintringham	10.6	(1.7)	12.3
Waterbeach	17.9	(1.6)	19.5
Priors Hall	10.2	(3.8)	14.0
Manchester sites	(0.1)	(5.7)	5.6
Catesby sites	8.8	2.5	6.3
Other	(0.2)	(0.6)	0.4
Sites retained	79.9	(29.5)	109.4
Total EPRA adjustments	79.9	(36.1)	116.0

Valuation assumptions

	Alconbury Weald		Houlton, Rugby		Middlebeck, Newark		Priors Hall		Wintringham		Waterbeach	
Significant inputs	Mar 20	Sep 19	Mar 20	Sep 19	Mar 20	Sep 19	Mar 20	Sep 19	Mar 20	Sep 19	Mar 20	Sep 19
House price – private (£p.sq.ft)	300	300	280	280	220	215	234	235	300	300	380	380
House price – affordable (£p.sq.ft)	200	200	170	170	125	125	161	123	184	184	242	242
Expected annual house price inflation (%)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	—	—
Expected annual cost price inflation (%)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	—	—
Land price (£ per NDA)	1,450,000	1,450,000	1,325,000	1,325,000	700,000	693,500	1,000,000	1,000,000	1,415,000	1,415,000	1,600,000	1,622,000
Risk adjusted discount rate (%)	6.25-9.50	6.00-9.35	6.25	6.00-9.35	6.25-10.00	6.00-10.00	6.25-10.00	6.00-9.85	6.25-10.00	6.00-9.85	10.00	10.00
Unserviced plot value (£p.plot)	28,600	31,100	18,900	20,800	6,600	7,500	13,400	13,900	27,300	27,400	16,000	13,400

Wholesale to retail: a store of reversionary value

Large site discount at 31 March 2020

Key



S Serviced land value

U Unserviced land value

Alconbury Weald
Blended

£297,600 Average sales price
£96,800 Cash assumed realised by Urban&Civic per house (we are making more)



Unsold plots 4,644
Discount (unsold plots x implied discount) £68 million

Come home to
HOULTON
Blended

£254,000 Average sales price
£76,800 Cash assumed realised by Urban&Civic per house (we are making more)



Unsold plots 5,561
Discount (unsold plots x wholesale discount) £129 million
U&C share (50 per cent) £64 million

WINTRINGHAM
ST NEOTS
Blended

£299,700 Average sales price
£93,700 Cash assumed realised by Urban&Civic per house (to be determined)



Unsold plots 2,790
Discount (unsold plots x wholesale discount) £32 million
U&C share (33.3 per cent) £11 million

Priors Hall
Northampton
Blended

£253,500 Average sales price
£69,200 Cash assumed realised by Urban&Civic per house (to be determined)



Unsold plots 3,494
Discount (unsold plots x implied discount) £56 million

Waterbeach Barracks
Blended

£326,000 Average sales price
£91,100 Cash assumed realised by Urban&Civic per house (to be determined)



Unsold plots 6,500
Discount (unsold plots x wholesale discount) £140 million
U&C share (9 per cent) £13 million

Site progress plans – Alconbury Weald

- | | |
|---|---|
| 1

HOPKINS HOMES
128 units • 11.9 acres
On site: Q1 2016
First completions: Q3 2016 | 2

MORRIS
165 units • 13.3 acres
On site: Q1 2017
First completions: Q4 2017 |
| 3

REDROW
200 units • 18.3 acres
On site: Q1 2017
First completions: Q4 2017 | 4

CivicLiving
66 units • 2.8 acres
On site: Q4 2017
First completions: Q2 2019 |
| 5

HOPKINS HOMES
189 units • 12.9 acres
On site: Q3 2019
First completions: Q4 2020 | 6

CREST
192 units • 11.6 acres
On site: Q2 2019
First completions: Q4 2020 |
| 4a Under offer
62 unit • 5.5 acres | 6a Future residential parcel |
| 7 Under offer
260 units • 141 acres | 9 Future residential parcel |
| 8 Under offer
246 units • 18.2 acres | 10 Future residential parcel |

- | | |
|---------------------------------------|------------------------------|
| A The Club | J Community Park |
| B Incubator | K Watch Tower Green |
| C Incubator 2 | L The Glade |
| D IKO | M CCC HQ |
| E MMUK | N Allotments |
| F John Adams Toys | O Magpas |
| G Ermine Street Church Academy | P Primary Sub Station |
| H iMET | Q Secondary School |
| I Cricket Pitch | |



Key Phase 1 Illustrative Masterplan

Site progress plans – Houlton

- 1


DAVIDSONS
HOMES

262 units • 20.2 acres
On site: Q4 2016
First completions: Q4 2017
- 2


MORRIS

183 units • 15.0 acres
On site: Q3 2017
First completions: Q3 2018
- 3


Crest
NICHOLSON

196 units • 11.8 acres
On site: Q3 2017
First completions: Q1 2019
- 4


REDROW

248 units • 23.2 acres
On site: Q3 2019
First completions: Q3 2020
- 5


WILLIAM
DAVIS

150 units • 13.1 acres
On site: Q4 2020
First completions: Q2 2021
- 8


MORRIS

76 units • 7.0 acres
On site: Q2 2021
First completions: Q1 2022
- 6

Under offer
158 units • 8.3 acres
- 7

Under offer
64 units • 5.7 acres

- A St Gabriels Church of England Academy
- B Dollman Farm
- C Link Road
- D Houlton Secondary School



Illustrative Masterplan

Site progress plans – Priors Hall

- 1

FRANCIS JACKSON HOMES

53 units • 13.6 acres

On site: Q1 2016

First completions: Q2 2017

2

LarkfleetHomes

144 units • 7.7 acres

On site: Q1 2016

First completions: Q4 2016

3

edg

24 units • 1.5 acres

On site: Q2 2021

First completions: Q2 2022

4

JELSON HOMES

132 units • 6.7 acres

On site: Q1 2016

First completions: Q2 2017

5

etopia CORBY

47 units • 2.6 acres

On site: Q4 2018

First completions: Q1 2020

6

KIER

65 units • 3.0 acres

On site: Q4 2018

First completions: Q3 2019

7

BARRATT

62 units • 3.8 acres

On site: Q4 2018

First completions: Q2 2019

8

LOVELL HOMES

75 units • 4.5 acres

On site: Q2 2021

First completions: Q1 2022

9

Under offer

41 units • 2.3 acres

10

Under offer

86 units • 5.7 acres

11

Under offer

47 units • 2.7 acres

12

Under offer

18 units • 0.5 acres

- A

Corby business Academy
- B

Priors Hall Primary School
- C

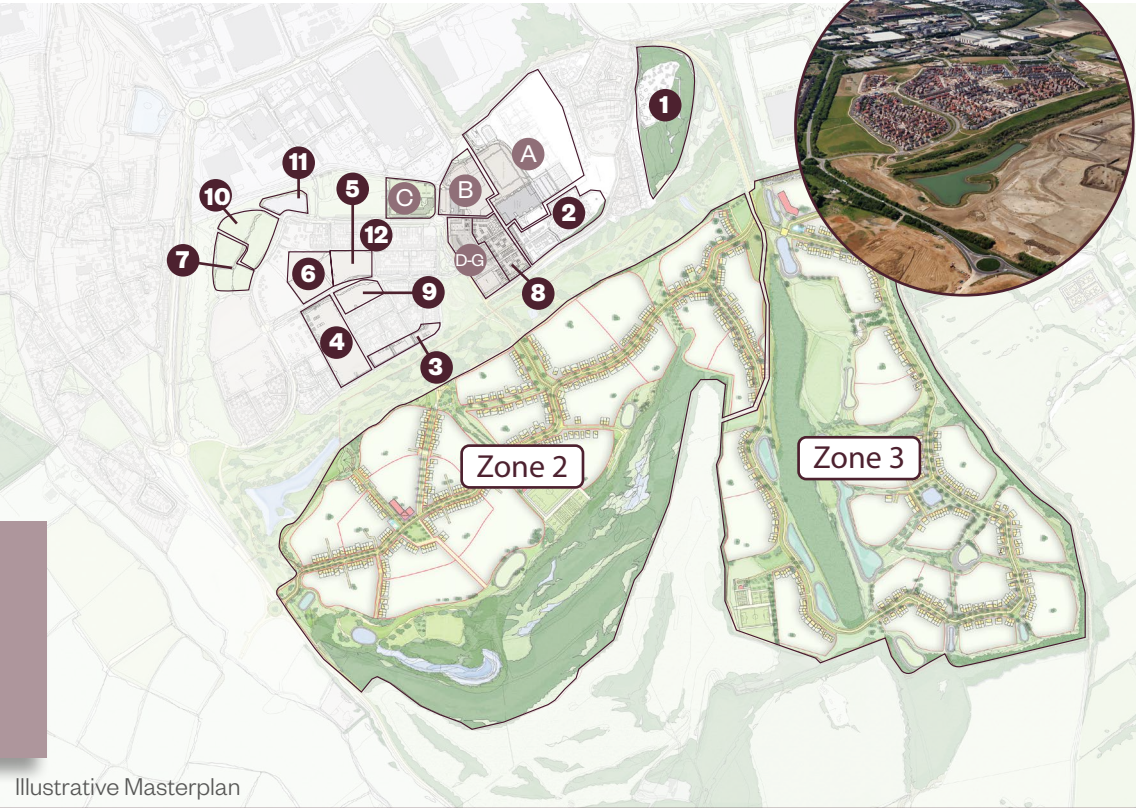
Corby Enterprise Centre
- D

Childrens Nursery
- E

Proposed Doctors Surgery Site
- F

Food store / district centre
- G

Care home



Site progress plans – Middlebeck, Newark

1 AVANT homes

173 units • 16.1 acres
On site: Q3 2017
First completions: Q2 2018

2 Bellway

64 units • 4.2 acres
On site: Q1 2018
First completions: Q3 2018

3 Bellway

145 units • 10.3 acres
On site: Q2 2019
First completions: Q4 2019

4 COUNTRYSIDE

160 units • 12.5 acres
On site: Q4 2019
First completions: Q3 2020

- A Sustrans Bridge
- B Link Road
- C Gannets Café
- D Primary School




Illustrative Masterplan




Site progress plans – Wintringham St Neots


- 1


CALA HOMES

222 units • 14.7 acres
On site: Q3 2019
First completions: Q1 2021
- 2


MORRIS

235 units • 16.8 acres
On site: Q4 2019
First completions: Q1 2021
- 3


DURKAN

293 units • 14.4 acres
On site: Q4 2020
First completions: Q3 2021
- 4

Under offer
106 units • 8.7 acres
- 5

Future residential
parcel

A Primary School



Illustrative Masterplan

UK quoted housebuilder land bank

	Period	Plots ¹	Annual completions ¹	Average sales price ²	Gross margin	ROCE	Land cost % of ASP
Barratt	HY - 31 Dec 19	86,502	16,628	£279,400	22.2%	29.3%	16.3%
Persimmon	FY - 31 Dec 19	93,246	15,855	£215,709	33.1%	37.0%	14.0%
Taylor Wimpey	FY - 31 Dec 19	75,612	15,520	£269,000	24.1%	20.6%	16.0%
Bellway	HY - 31 Jan 20	44,335	10,642	£286,570	23.1%	19.9%	21.5%
Redrow	FY - 31 Dec 19	28,125	5,108	£338,000	23.9%	25.0%	21.0%
Berkeley	HY - 31 Oct 19	57,122	2,778	£469,000	36.1%	18.4%	10.0%
Bovis	FY - 31 Dec 19	17,328	3,867	£280,000	22.4%	22.3%	16.0%
Crest Nicholson	FY - 31 Oct 19	16,960	2,912	£337,000	18.6%	15.9%	Not disclosed

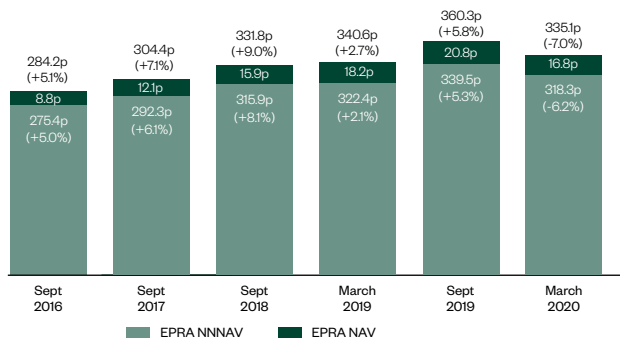
¹Half year completions pro rated for full year.

²Including affordable homes.

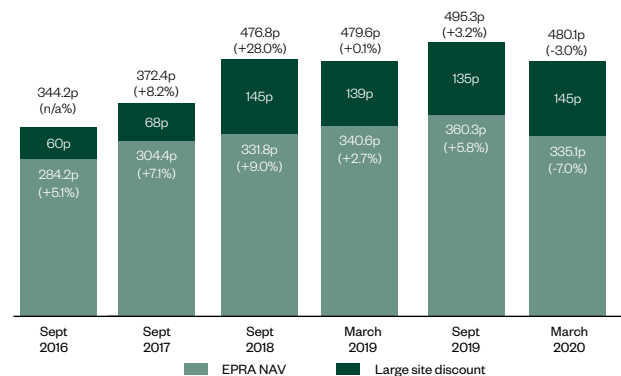
Financial highlights: support 1

EPRA NAV per share + EPRA NNNAV per share

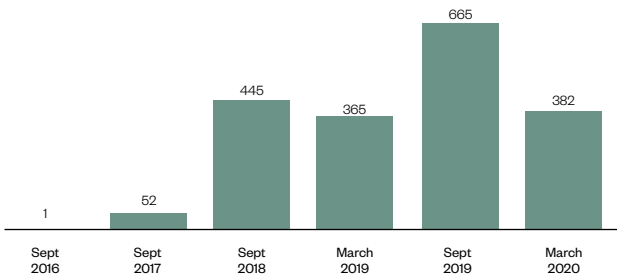
(6.2% decrease in EPRA NNNAV per share + 2.9% annual growth in EPRA NNNAV per share since listing)



EPRA NAV per share + large site discount

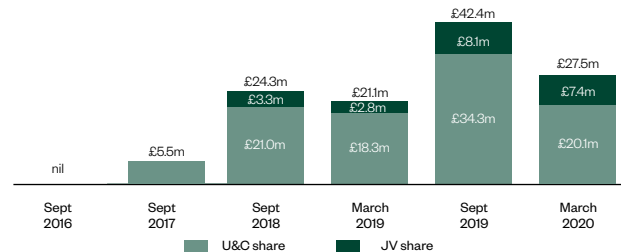


Plot completions (total strategic sites)



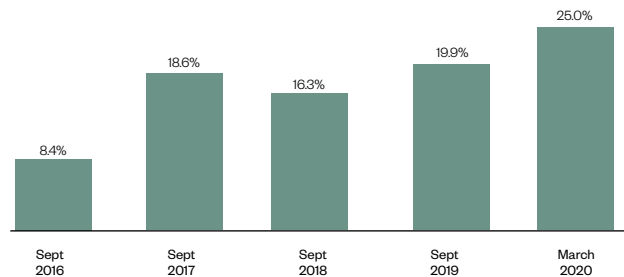
Cash flow generation from plot completions

(total, JV and U&C share)

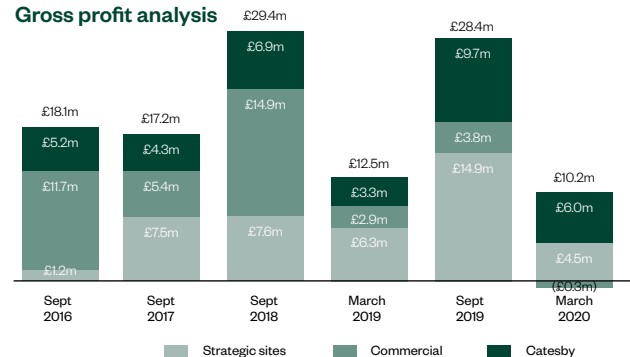


Financial highlights: support 2

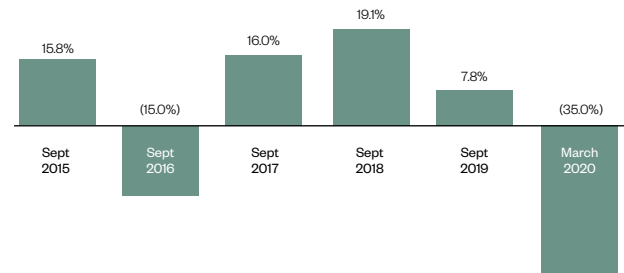
Gearing – EPRA NAV basis



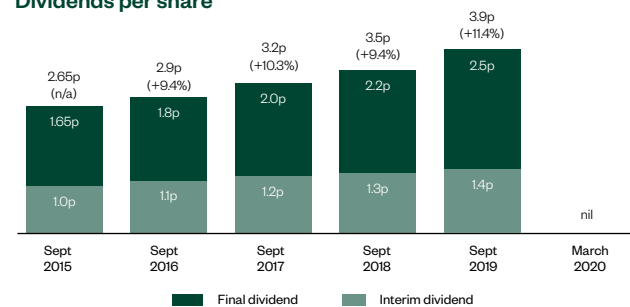
Gross profit analysis



Total shareholder return



Dividends per share



Summarised income statement

(Joint ventures proportionately consolidated)

£m	Group	Joint ventures and associates	6 months to 31 March 2020 Total	6 months to 31 March 2019 Total	Movement	Comments
Revenue	33.0	14.6	47.6	47.3	0.3	Residential property sales at Alconbury of £4.1m, at Newark of £10.4m, at Rugby of £8.0m and at Wintringham of £6.6m. Catesby property sales total £11.3m for the period and U&C commercial sales total £1.0m. Rental and other property income of £1.7m, hotel income of £3.4m, and project management fees and other income of £1.1m.
Gross profit	9.3	0.9	10.2	12.5	(2.3)	Profits on residential property sales of £3.9m (including JVs), on commercial property sales of £0.3m and on Catesby sales of £6.3m. Also included are rental and other property losses of £0.1m, hotel profits of £0.5m and project mgmt fees of £1.3m. This is all net off with write downs of trading properties of £2.0m
Administrative expenses	(7.6)	(0.1)	(7.7)	(8.8)	1.1	Stated net of capitalised costs of £2.5m.
IFRS valuation movements	(4.7)	—	(4.7)	1.6	(6.3)	Fall in valuation of Alconbury of £3.1m, Waterbeach of £1.7m net off with uplift in Priors Hall debtor of £0.1m.
Share of post-tax profit from joint ventures	1.8	(1.8)	—	—	—	
Other	1.4	1.0	2.4	(0.2)	2.6	Includes net finance income of £2.4m.
Profit before tax	0.2	—	0.2	5.1	(4.9)	
Tax	(1.1)	—	(1.1)	(1.3)	0.2	Current tax and deferred tax movement.
Profit after tax	(0.9)	—	(0.9)	3.8	(4.7)	

Summarised balance sheet as at 31 March 2020

£m	At 31 March 2020	At 30 September 2019	Comments
Property interests ¹	597.7	586.5	100% owned £414.6m, through JVs £183.1m.
Cash	18.9	27.4	
Total Borrowings	(193.5)	(176.9)	HE loans £129.5m (£46.5m Alconbury, £6.1m Newark, £40.6m Corby, £19.6m Rugby, £7.2m Wintringham, £8.2m Civic Living, £1.3m Waterbeach), ROF £20.9m, Alconbury HCD loan £2.0m, Manchester loan £32.2m, Deansgate loan £11.2m, (before accounting adjustments).
Deferred tax liability	(6.2)	(5.9)	Deferred tax asset of £3.1m less deferred tax liability of £9.3m.
Working capital	(18.3)	(28.1)	
IFRS net assets	398.6	403.0	
EPRA adjustments – property ^{2,3,4,5,6,7}	79.9	116.0	Includes Alconbury £33.2m ² , Rugby £3.2m ³ , Corby £10.2m ⁴ , Newark (£3.7)m ⁵ , Catesby sites £8.8m, Wintringham £10.6m ⁶ , Manchester sites £(0.1)m, Waterbeach £17.9m ⁷ , other sites £(0.2)m.
EPRA adjustments – tax	9.3	8.5	Add back deferred tax liability.
EPRA net assets	487.8	527.5	

¹ Alconbury £206.5m², Rugby £87.4m³, Corby £56.7m⁴, Newark £28.6m⁵, Waterbeach £26.9m⁶, Wintringham £13.8m⁷, Manchester sites £65.9m, Catesby sites £14.7m, Scottish land sites £3.2m, others £9.2m. Receivables in relation to properties total £84.8m.

² Alconbury - EPRA carrying value £274.3m - £206.5m on balance sheet, £33.2m EPRA adjustment and £34.6m debtor re. licence receivables.

³ Houlton, Rugby - EPRA carrying value £109.0m - £87.4m on balance sheet, £3.2m EPRA adjustment and £18.4m debtor re. licence receivables.

⁴ Corby - EPRA carrying value £68.8m - £56.7m on balance sheet, £10.2m EPRA adjustment, £1.9m debtor re. licence receivables.

⁵ Middlebeck, Newark - EPRA carrying value £42.0m - £28.6m on balance sheet, £(3.7)m EPRA adjustment and £17.1m debtor re. licence receivables.

⁶ Waterbeach - EPRA carrying value £44.8m - £26.9m on balance sheet and £17.9m EPRA adjustment.

⁷ Wintringham - EPRA carrying value £37.2m - £13.8m on balance sheet, £10.6m EPRA adjustment and £12.8 debtor re. licence receivables.

Administrative expenses

£m	6 months to 31 March 2020	6 months to 31 March 2019	Movement
Personnel costs	5.9	5.9	—
Share-based payment charge	1.8	2.0	(0.2)
Accommodation costs	0.8	0.8	—
Professional fees	0.5	1.2	(0.7)
Other	1.2	1.0	0.2
Gross administrative expenses	10.2	10.9	(0.7)
Capitalised to investment properties	(0.2)	—	(0.2)
Capitalised to trading properties	(2.3)	(2.1)	(0.2)
Capitalised administrative expenses	(2.5)	(2.1)	(0.4)
Net administrative expenses	7.7	8.8	(1.1)

Bank, other borrowings and grants

(Urban&Civic share)

At 31 March 2020

	Commitment £m	Drawn £m	Undrawn £m
Middlebeck, Newark – infrastructure loan from Homes England (HE) ¹	6.1	6.1	—
Priors Hall – infrastructure loan from HE ¹	48.7	40.6	8.1
Alconbury Weald – infrastructure loan from HE ¹	48.4	46.5	1.9
Alconbury Weald (Civic Living) – housebuilding loan from HE ¹	8.2	8.2	—
Houlton Rugby – infrastructure loan from HE ¹ - U&C 50% share	19.6	19.6	—
Waterbeach – loan from HE ¹ - 100% share	60.6	1.3	59.3
Wintringham – infrastructure loan from HE ¹ - U&C 33% share	8.8	7.2	1.6
HE loans¹	200.4	129.5	70.9
Alconbury Weald – construction loan from Huntingdonshire District Council - 2.5% margin	2.0	2.0	—
Corporate – HSBC ROF - 2.75% - 2.5% margin	40.0	20.9	19.1
Manchester New Square – £51.0m development loan (senior) from Housing Investment Fund - 3.23% margin - U&C share 50%	25.5	20.7	4.8
Manchester New Square – £24.6m development loan (mezzanine) from Greater Manchester Pension fund - 7.5% all in - U&C share 50%	12.3	11.5	0.8
Deansgate – bank loan from HSBC - 2.5% margin	11.2	11.2	—
Borrowings	291.4	195.8	95.6
Middlebeck, Newark - LEP grant	1.0	1.0	—
Houlton Rugby - repayable grant from DfE - U&C 50% share	17.8	1.8	16.0
Borrowings and grants	310.2	198.6	111.6
Summary:			
Joint ventures (Houlton Rugby, Wintringham & Manchester gross of £0.3m loan and arrangement costs)	84.0	60.8	23.2
Subsidiaries (gross of £2.0m of loan arrangement costs)	226.2	137.8	88.4
	310.2	198.6	111.6

¹ Facility allows rolled-up interest.

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