



Investing in opportunity
Interim results presentation
May 2020

rdireit.com

Agenda

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- Introduction and highlights
- Financial results
- Strategic priorities and capital allocation
- Portfolio update
- Outlook and conclusion
- Q&A

Mike Watters (Chief Executive Officer)

Donald Grant (Chief Financial Officer)

Stephen Oakenfull (Deputy Chief Executive Officer)

Adrian Horsburgh (Property Director)

Mike Watters (Chief Executive Officer)

- Half year performance largely unaffected by COVID-19
- Robust operational performance
- Good progress on strategic priorities
 - £156.0m of disposals, 1.7% above market value⁽¹⁾
 - Further reduction in retail exposure
 - Reduction in net debt, LTV maintained
- Recent strategic actions have enhanced resilience

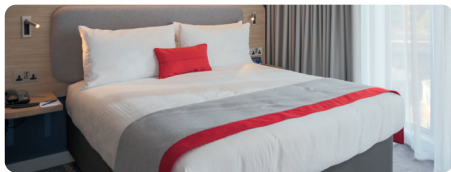
Strategic priorities remain in place

Lower leverage capital structure

Continued reduction in retail

More focused capital allocation

Beds



Sheds



Desks



(1) Including transactions completed or exchanged post the balance sheet date.

COVID-19

3

Primary focus on safety and wellbeing of all stakeholders

Decisive action across the business focused on:

Liquidity – cash balance at c.£85m

Operating costs – variable costs reduced, government support utilised

Committed capex – limited to £1.8m

Revenue management – active tenant dialogue with support where necessary

Banking relationships – lenders remain supportive

HY20 highlights

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Underlying earnings

£20.8m

(-8.4% on HY19 excl. Aviva⁽¹⁾)

Underlying EPS

5.5p

(-8.3% on HY19 excl. Aviva)

EPRA NAV

172.0p

(-7.3% on FY19)

LTV⁽²⁾

41.8%

(Pro-forma)

96.5%⁽³⁾

High occupancy
(FY19: 95.9%)

69

Lease events totalling
£11.4m (6.1% above ERV)

c.£85m

Cash position post
period end

£156m⁽⁴⁾

Disposals at an average
premium of 1.7%

No dividend
declared to
conserve cash

28.1%⁽⁴⁾

Retail exposure reduced
(FY19: 35.3%)

(1) Underlying earnings down 21.2% compared to HY19 before adjusting for the Aviva financed UK Shopping Centre Portfolio.

(2) LTV is pro forma adjusted to reflect transactions between the balance sheet date and the date of the results announcement.

(3) Excluding RBH managed hotels and London Serviced Offices.

(4) Including exchanged contracts and transactions post period end.

A photograph of a modern, multi-story building with a large glass facade. The building is dark grey with horizontal siding. The glass reflects the sky and surrounding environment. A large blue semi-transparent shape is overlaid on the left side of the image, containing the text 'Financial results'.

Financial results



Strategic priority: Financial discipline

- Transparency on earnings and alignment to operational cash flow
- Targeting one of the lowest industry EPRA cost ratios
- Medium term targets linked to senior management incentives to drive accountability

Underlying earnings

(including share of joint ventures and discontinued operation)

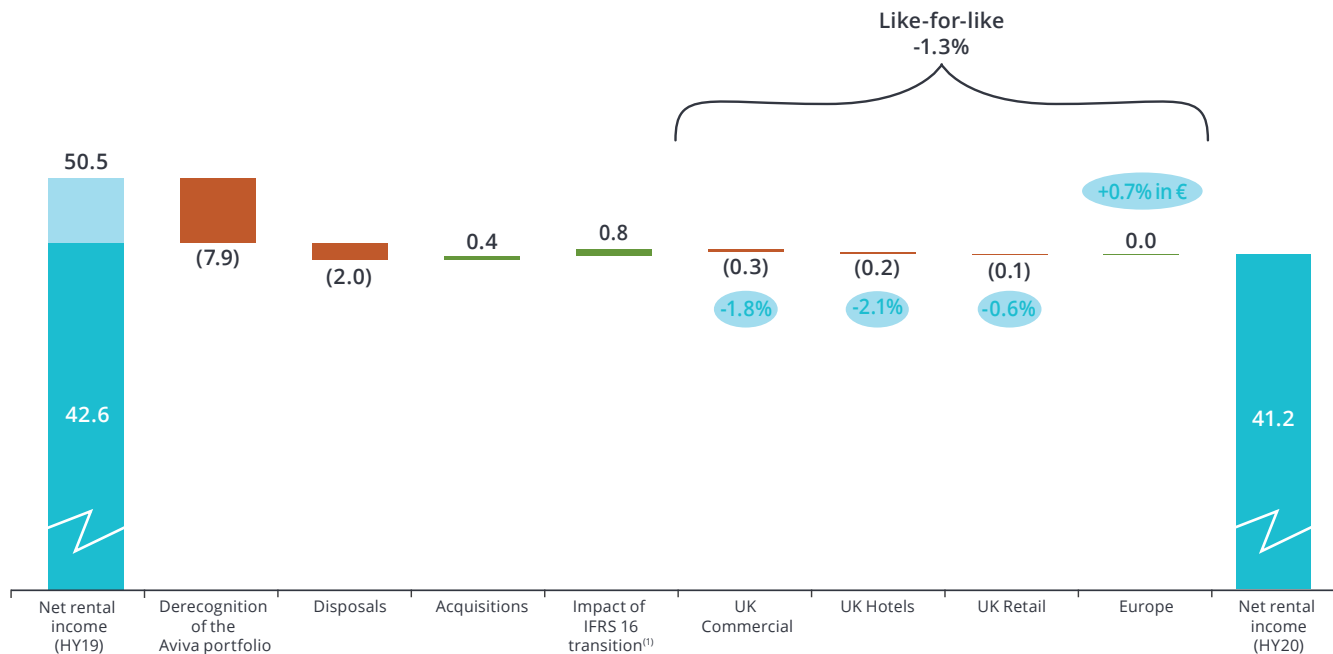
Summary income statement	HY20 £m	HY19 (excl. Aviva) £m	Change £m
Net rental income	41.2	42.6	(1.4)
Other income	1.2	1.3	(0.1)
Administrative costs	(6.7)	(7.2)	0.5
Net finance expense	(12.1)	(11.9)	(0.2)
Other items	(0.6)	0.1	(0.7)
Non-controlling interests	(2.5)	(2.5)	—
EPRA earnings	20.5	22.4	(1.9)
Company adjustments:			
– Reverse debt accretion charges (non-cash)	0.1	0.1	—
– FX loss	0.2	0.2	—
Underlying earnings	20.8	22.7	(1.9)
Underlying earnings per share	5.5p	6.0p	(0.5)p
Dividend per share (HY)	—	4.0p	

Diluted weighted average shares in issue 380.2m (28 February 2019: 380.1m).

First half earnings in line with guidance

Net rental income (£m)

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■ Contribution from Aviva financed UK Shopping Centre portfolio.

(1) Head rents payable under operating leases were previously charged to net rent. These now appear as a finance cost so are separated from like-for-like for comparability.

Valuations

(including share of joint ventures)

	Market value HY20 £m	Market value FY19 £m	Gain/ (loss) ⁽¹⁾ £m	Gain/ (loss) %	EPRA topped-up NIY ⁽²⁾ %
UK Commercial	502.1	510.8	(10.1)	(2.0)	5.3
UK Hotels	354.5	363.3	(8.0)	(2.2)	5.7
UK Retail	237.0	252.5	(18.9)	(7.5)	7.4
– UK Shopping Centres	75.3	80.8	(7.5)	(9.3)	8.0
– UK Retail Parks	161.7	171.7	(11.4)	(6.6)	7.2
UK total	1,093.6	1,126.6	(37.0)	(3.3)	5.9
Europe	181.0	198.3	(17.7)	(8.9)	€-3.2%
Total like-for-like	1,274.6	1,324.9	(54.7)	(4.1)	CCY -3.3%
Acquisitions	31.3	17.7			
Development	30.6	32.3			
Disposals (incl. Aviva)	—	48.4			
Total property portfolio	1,336.5	1,423.3			5.8

(1) Gain/(loss) includes the effect of capital expenditure, tenant incentives, head lease amortisation and FX.

(2) Reported EPRA topped-up NIY for total segment.

Debt and gearing

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Key debt and gearing metrics	Medium term target	HY20	FY19	HY19
LTV (%) ⁽¹⁾	30% – 40%	41.8	42.0	45.4
Weighted average debt maturity (years)		3.3	3.7	3.7 ⁽²⁾
Weighted average cost of debt (%)	<3.2%	2.9	2.9	3.5
Debt with interest rate protection (%)	>75%	92.1	91.7	93.6
Interest cover (times) ⁽³⁾	>3x	3.6	3.3	3.1

(1) Pro forma adjusted to reflect transactions between balance sheet date and the date of the results announcement.

(2) Excluding the Aviva financed UK Shopping Centre portfolio.

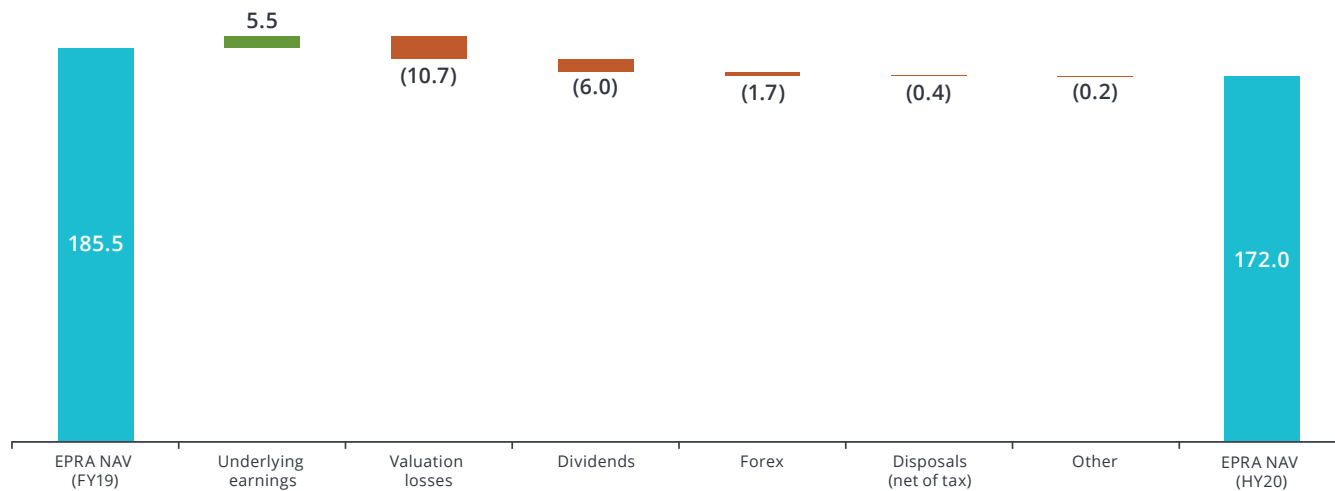
(3) Group interest cover calculated as net rental income divided by net finance cost (excluding IFRS 16 transitional charges.)

LTV within sight of reduced medium term target

EPRA NAV per share (p)

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Decreased 7.3% to 172.0p

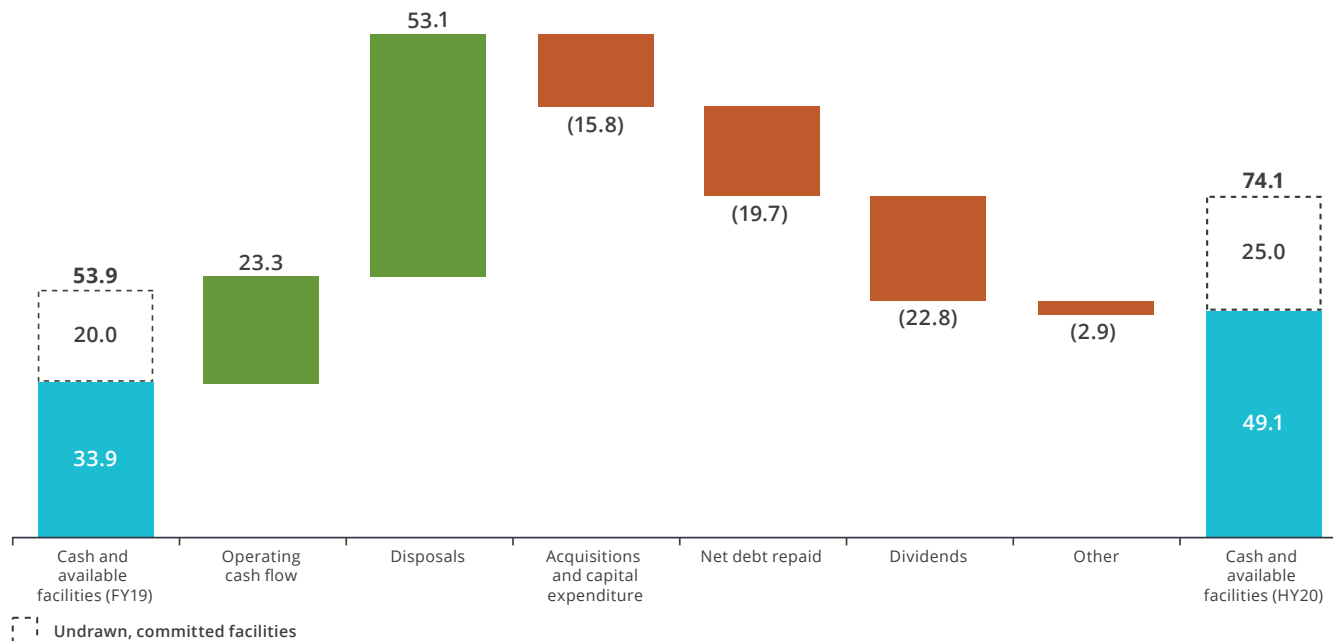


Total shares on issue 380.3m (31 August 2019: 380.1m).

Cash flow and available facilities (£m)

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(including share of joint ventures and discontinued operation)



Disposals completed post period end generate further £15m in net cash

Rent collection and liquidity

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March rent collection for traditional leased income now at 83.1%

Rent collection	Annualised gross rental income (£m)	Rent collection (%) ⁽¹⁾
UK Commercial (excl. London Serviced Offices)	20.9	92.7
UK Retail	20.2	74.0
UK Hotels (Travelodge)	2.5	—
Europe ⁽²⁾	13.0	97.9
Traditional leased income	56.6	83.1
UK Hotels (RBH Managed) ⁽³⁾	22.1	0.3
London Serviced Offices ⁽⁴⁾	10.5	87.6
Total	89.2	59.0

Liquidity

Cash and available facilities:	– 29 February 2020	£74.1m
	– 30 April 2020	c.£85.0m
Capital commitments		(£1.8m)
		£83.2m
Annualised interest and overheads		£37.4m
Interest and overhead cash cover		2.2 years
Covenant waivers agreed		96% of debt ⁽⁵⁾
VAT Deferral Option taken		£3.3m retained
Staff furloughed		93 (40%)

(1) Rent collection adjusted for certain tenants which have indicated they are paying monthly and have settled one third of rent demand.

(2) Rents in Germany are typically paid monthly and collection rates represent rental income for March 2020. April 2020 collection rates were 53%.

(3) RBH Managed Hotels pay quarterly in arrears. All rent has been settled for Q1 and Q2 2020.

(4) Licence fees are collected monthly and collection rates represent net revenue for March 2020. Collection rates for April are 94.5% but typically subject to a 50% discount resulting in a 50% net effective collection rate.

(5) Debt with financial covenants.

Performance against medium term targets

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Linked to management incentives to drive accountability

Key targets	Medium term target	HY20	FY19 (Excl. Aviva)	HY19
Rental income growth like-for-like (%)	2% – 5%	(1.3)	0.0	0.2
Rent collection (%)	>95% within 7 days	76.5	96.3	95.3
EPRA cost ratio (%)	<15%	17.8 ⁽¹⁾	17.5	16.2
Cost of debt (%)	<3.2%	2.9	2.9	3.5
LTV (%) ⁽²⁾	30% – 40%	41.8	42.0	45.4
Interest cover (times)	>3x	3.6	3.6	3.1
Pay-out ratio (%)	90% – 95%	0.0	84.8	57.6
Underlying earnings per share growth (%)	3% – 5%	(8.3) ⁽³⁾	(0.8)	(5.2)

(1) 15.7% when adjusted for non recurring transaction costs of £0.8 million incurred during the period.

(2) LTV is pro forma adjusted to reflect transactions between the balance sheet date and the date of the results announcement.

(3) Change compared to prior period, excluding Aviva financed UK Shopping Centre portfolio.

Strategic priorities



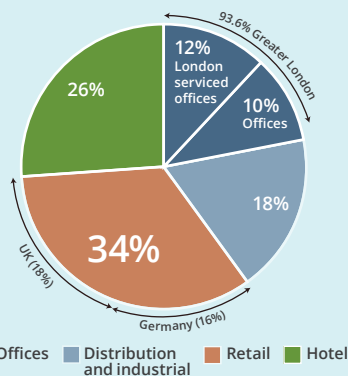
Strategic priority: Focused capital allocation

- Lower leverage capital structure
- Reduction in retail exposure
- Simplified investment proposition

Strategic disposals

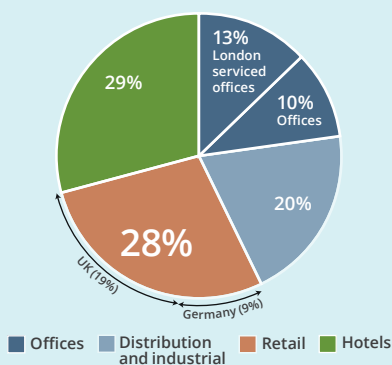
More focused capital allocation

29 February 2020



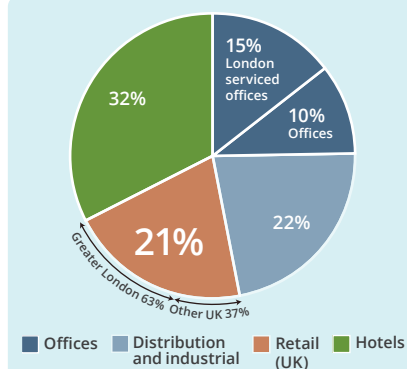
- £49.3m of disposals
- 2.5% premium to market values

Progress post period end



- £106.7m of disposals⁽¹⁾
- 1.3% premium to market values
- £141.2m strategic disposals remaining⁽²⁾

Target portfolio⁽³⁾



- Significantly enhanced portfolio
- 74% Greater London & South East
- Limited retail exposure, 63% London weighting
- 100% UK focused

(1) Includes properties that have exchanged for sale or which have been disposed of between the balance sheet date and the date of the results announcement.

(2) Based on 29 February 2020 market values.

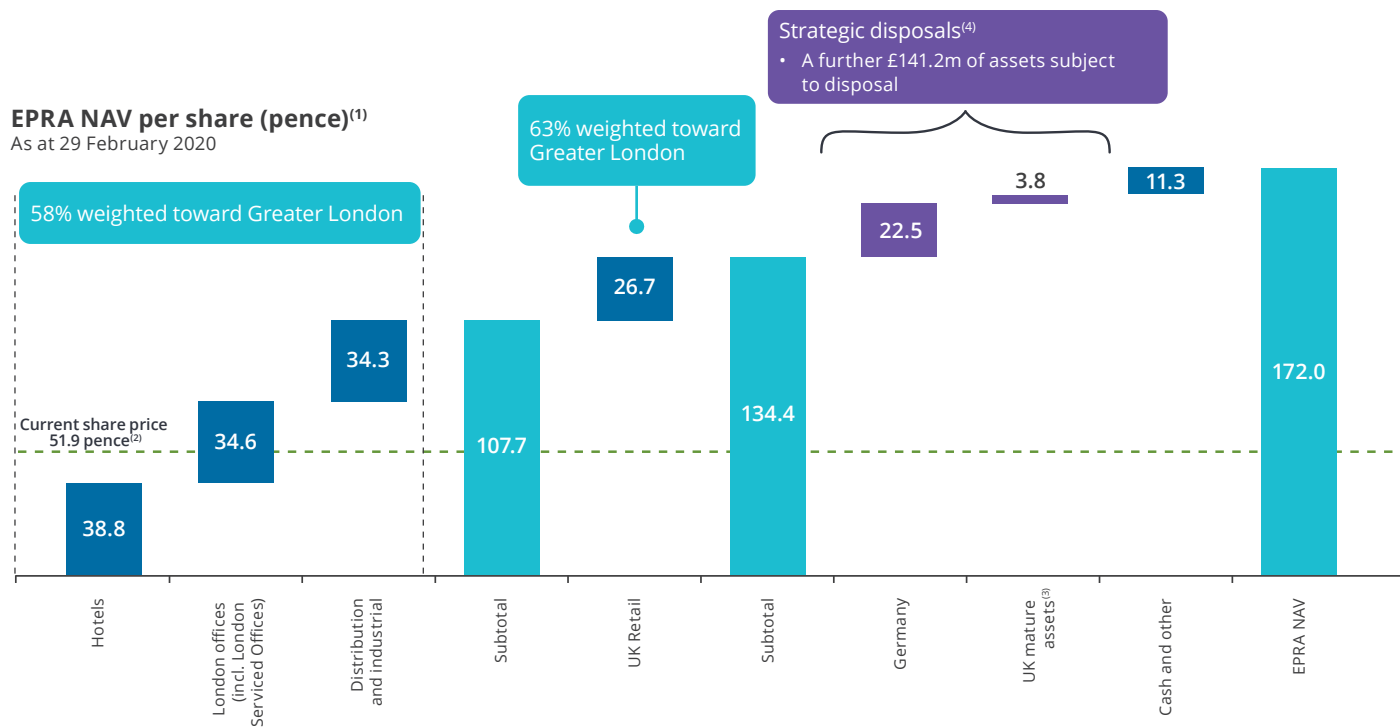
(3) Assumes strategic disposals and no reinvestment.

Sum of the parts analysis

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EPRA NAV per share (pence)⁽¹⁾

As at 29 February 2020



(1) NAV per share contribution based on the Group's economic share of the market value of the assets less the associated debt or pro-rata debt secured against the assets.

(2) Share price as at 7 May 2020.

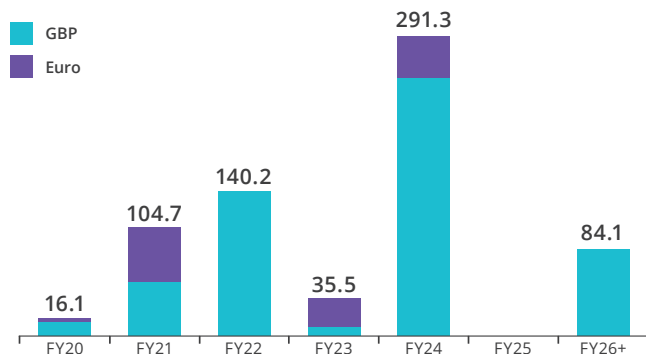
(3) UK mature assets include £12.8m of retail assets and £18.6m of regional offices (including share of JVs).

(4) Assumes market value as at 29 February 2020.

Well structured debt profile

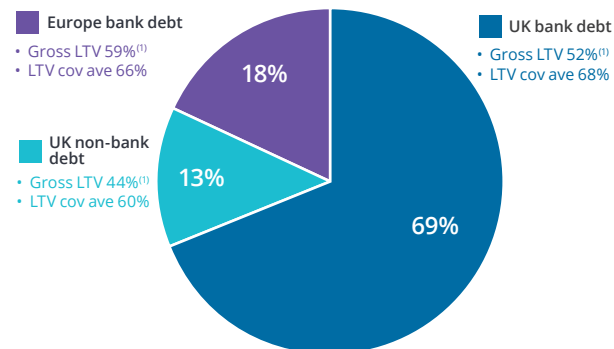
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Debt maturity profile (£m)



- Limited refinancing risk with no material short term maturities
- £275m AUK facility provides flexible capital structure – RCF utilised to enhance short-term liquidity

Group debt £671.9m (FY19: £700.5m)



- Pro forma LTV of 41.8%⁽²⁾, average LTV covenant 66.7%
- Cash of c.£85m post period end
- £46.4m of ungeared properties
- More highly leveraged German assets subject to disposal
- Temporary financial covenant waivers on 96% of debt⁽³⁾

(1) LTV is calculated with reference to the lender's last reported market values.
 (2) Pro forma adjusted to reflect transactions between 29 February 2020 and the date of the results announcement.
 (3) Debt subject to financial covenants.

Limited service hotels

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RBH managed hotels

Limited service branded hotels

£71.4 (-10.0%)

Revenue per available room



80.7% (-410bps)

Weighted average occupancy



£88.4 (-5.5%)

Average room rate

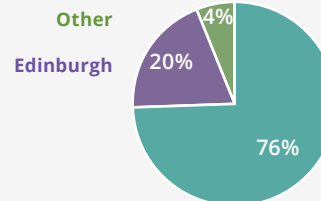


London focused portfolio

76% weighted toward Greater London and South East

- Trusted brands
- Simple, efficient operating model
- Higher margins with lower volatility
- Lower capex requirements
- Market leading operator with aligned interest

£354.5m market value⁽¹⁾



Greater London and South East

Occupancy has remained consistently high since acquisition

(1) Includes £49.8m Travelodge portfolio.

UK Hotels beyond COVID-19

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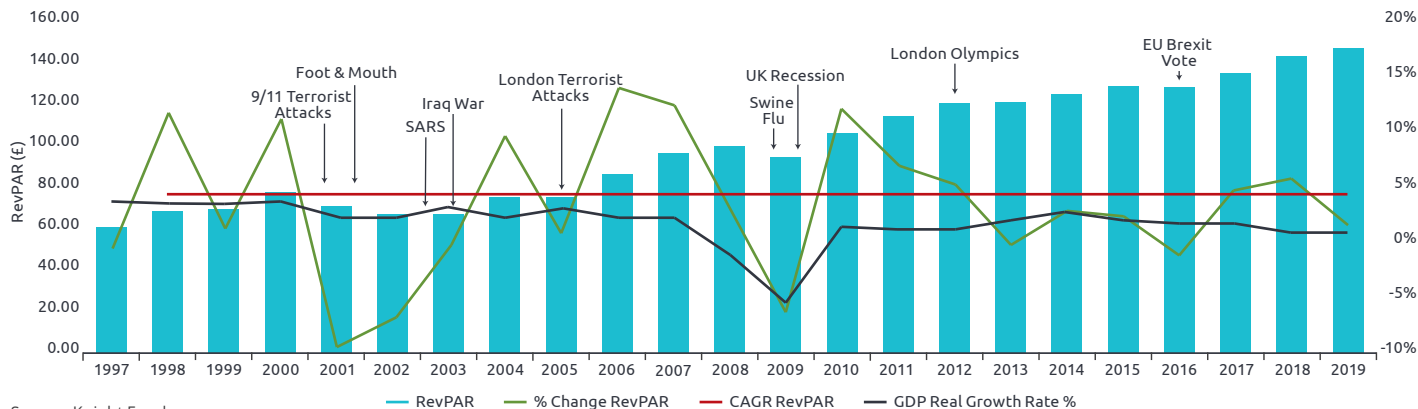
Market impact and recovery

- Cash and liquidity is immediate concern
- London has a 20 year track record of resilience
- RevPar CAGR of 4.1% since 1997
- Recovery has historically been relatively swift
- London expected to recover faster than regions

RDI position

- c.80% of cost base variable
- Three hotels let to local authorities at discounted rates
- Lenders supportive, temporary covenant waivers
- 76% weighting to Greater London and South East
- Budget hotel sector more resilient in a cost sensitive environment
- Travelodge discussions ongoing

Historical trends in RevPAR – London



Source: Knight Frank.

London Serviced Offices

Outperforming the market during period of consolidation

- Lower occupancy but desk rates stable
- Experienced operators outperforming
- 'Owned' model providing full operational flexibility
- Growth in supply curtailed

London Serviced Offices

Exposure to Crossrail and Southbank markets

£798 (-3.2%)
Total revenue per
available desk

89.6% (-400bps)
Average desk occupancy

£688 (+1.3%)
Average desk rate
(licence fees only)

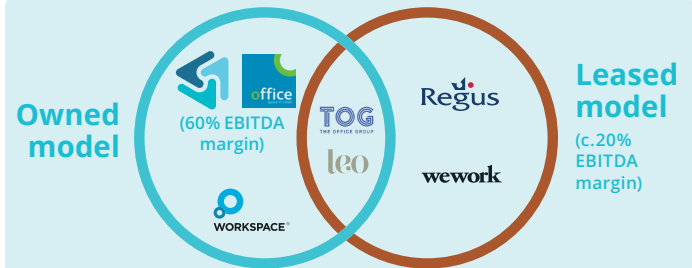
62.3%
EBITDA as % of total revenue

£64.9 (-3.2%)
EBITDA per sq ft

34 months
Average length of stay

Longevity of income

Owning the assets and profit margin



London Serviced Offices beyond COVID-19

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Market view

Consolidation was expected pre COVID-19

Leasehold models exposed – both financially and operationally

‘Co-working’ may lose appeal following social distancing

Greater focus on covenant strength not lease length

The value of flexibility and service will accelerate
Business models need to be financially and operationally agile

RDI/OSIT position

Experienced operators and ownership models likely to gain market share

Ownership model with high EBITDA conversion (>60%)
c.45% of cost base variable

Dedicated offices, no ‘co-working’

Established and loyal client base

Experienced service-led operator
Robust technology and IT infrastructure to support flexible working

Portfolio update



Strategic priority: Income focused portfolio

- Portfolio income characteristics enhanced through capital recycling
- Portfolio weighted towards sectors with positive outlook
- Scalable operational platforms
- Clearly identified asset management initiatives to deliver significant value over the medium term

- Robust operating metrics
- Planning opportunities across London office portfolio
- Positive rent reviews captured in Distribution and Industrial portfolio
- Continued progress on strategic disposal programme
- Resilient occupancy and income from Retail Parks

London exposure

UK offices 93.6%
Greater London



Charing Cross Road, London

Capturing rent reviews

Distribution and industrial
RRs +£0.3m, 25% above
passing rent



Camino Park, Crawley

Investing in growth sectors

Unit 1a let, £1.0m p.a.,
16% above ERV



Link 9, Bicester

Resilient UK retail exposure

Net rental⁽¹⁾ income +0.2%



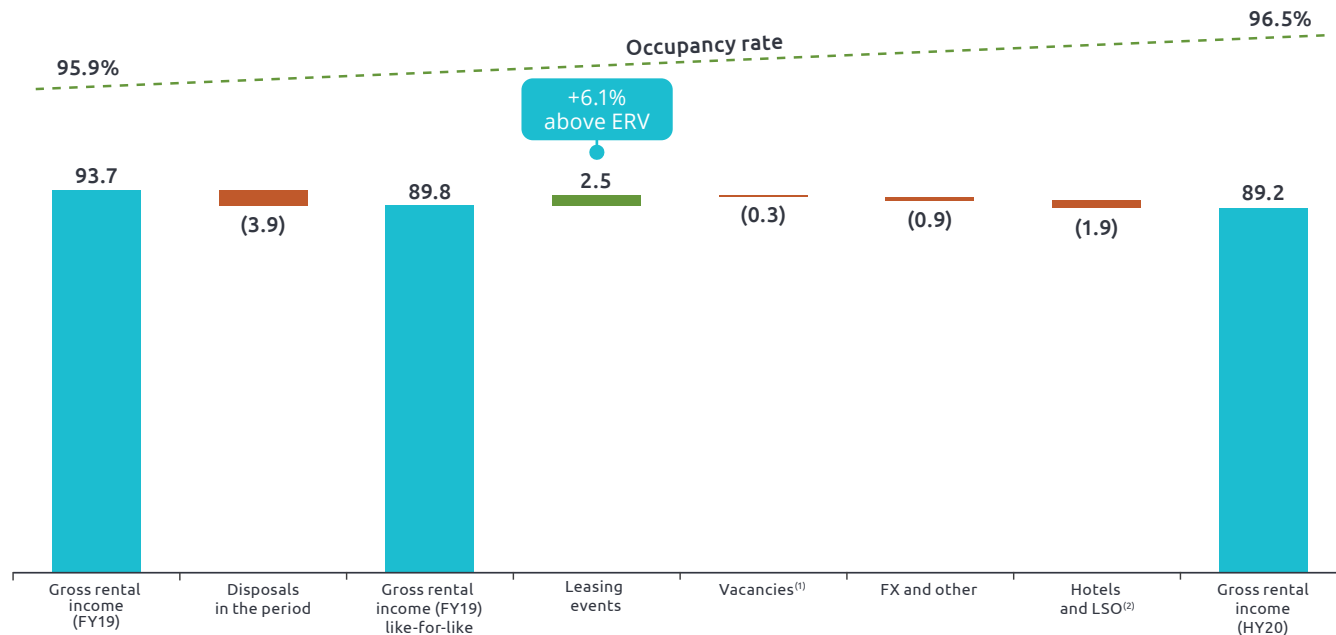
Priory Retail Park, Merton

(1) Topped-up for rent free periods.

Leasing activity

24

Change in annualised gross rental income (£m)



(1) Includes rental reductions as a result of tenant units vacated during the period.

(2) London Serviced Office portfolio ("LSO").

UK offices

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Development values backed by major regeneration areas

- Exposure to major regeneration, infrastructure and transport investment
- Solid progress at Charing Cross Road on vacant possession and value engineering
- Consortium of landowners established at Newington House – pre-application submitted
- Values underpinned by medium to long term development value
- Proven occupier demand
 - Occupancy 95.9% (+6.1%)
 - Net rental income⁽¹⁾ +£0.9m (+14.6%)

Charing Cross Road, London



- Planning obtained +16,576 sq ft
- Value engineering
- Temporary letting of vacant space

Newington House, Southwark



- Consortium in place
- Pre-app for c.500k sq ft scheme
- South Bank prime rents 2 x passing rent

Newington Causeway, Southwark



- Joint venture under discussion
- Potential c.200k sq ft scheme
- South Bank prime rents 2 x passing rent

Canbury Park, Kingston



- Well located site in affluent area
- Light refurb increased office rents +20%
- Re-urbanisation – mixed use under consideration

(1) Topped-up for rent free periods.

UK distribution and industrial

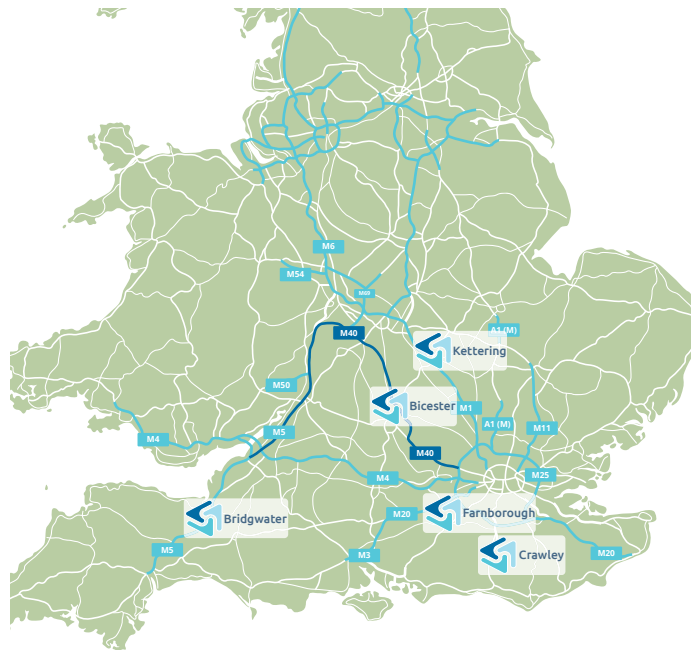
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Capturing rental growth

- Exposure increased to 18% of portfolio
- Targeted mid-box and last mile assets
- Focus on tight land supply and strategic locations
- Positive asset management progress
 - WAULT up to 6.7 years with further regears in discussion
 - Contracted rent +£1.3m (+10.6%)
 - Positive rent reviews +£0.3m (+25.1%)



Link 9, Bicester – Unit 1a let to Arrival, £1.0m, +16% on ERV, 15 year term.



Retail parks

- 74.6% by value in London and South East
- 98.4% occupancy
- Net rental income⁽¹⁾ +0.8%
- WAULT to break of 7.3 years
- Average rents of £19.0 per sq ft



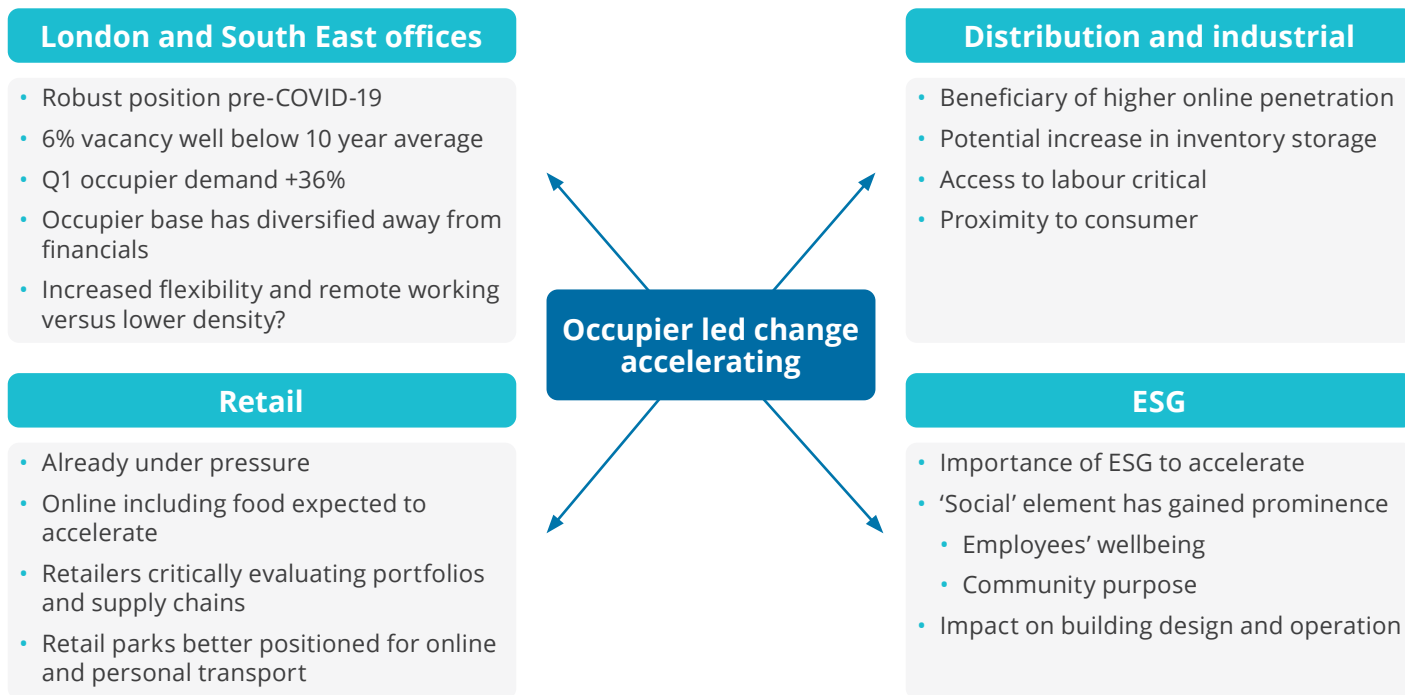
(1) Topped-up for rent-free periods.

(2) By market value.

Shopping centres

- Two assets, <6% of overall portfolio
- St George's, Harrow – 100% occupancy
 - 6.6% NIY⁽¹⁾, 83% of UK Shopping Centre portfolio⁽²⁾
 - Footfall increased by 2.6% since Feb 2019 (national average -6.0%)
 - Greater London, good transport links
 - Vue lease extended to new 20 year term





Outlook and conclusion

Hampton

by Hilton



Strategic priority: Focused capital allocation

- Lower leverage capital structure
- Reduction in retail exposure
- Simplified investment proposition

**Optimism that governments
will continue to provide
support**

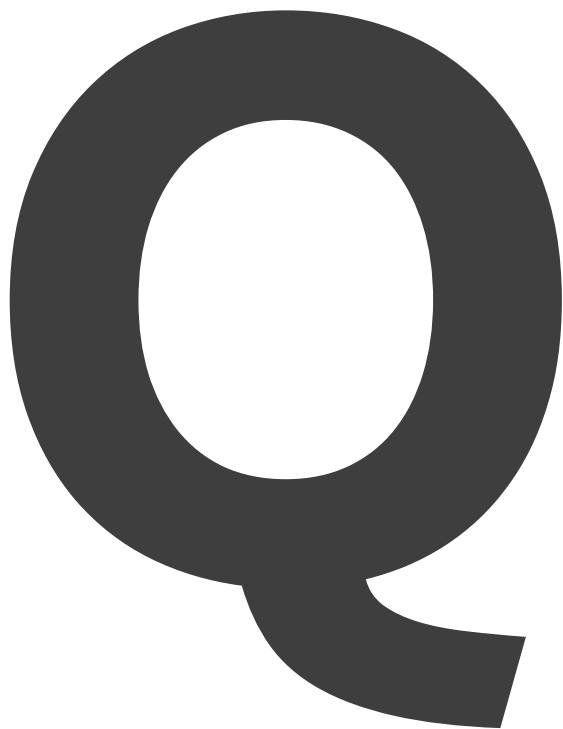
**Extended recovery?
Investors looking through
to 2021**

**Cash and liquidity
prioritised in short term**

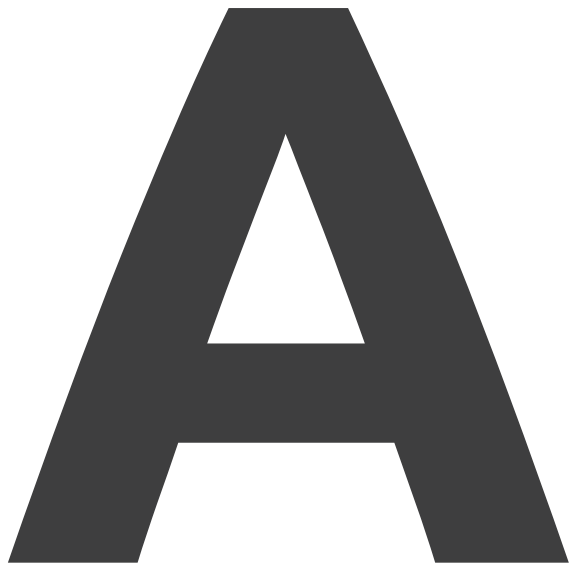
**Continue to evaluate all
aspects of RDI's business**

**Strategic objectives remain:
Lower leverage
Simplified business
Limited retail exposure**

**Dividend to be evaluated on
COVID-19 progress**



Questions



Appendices

Portfolio analysis

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As at 29 February 2020	% of portfolio by market value	Properties	Area (m ²)	Market value (£m)	Annualised gross rental income (£m)	ERV (£m)	EPRA NIY (%)	EPRA topped up yield (%)	Reversionary yield (%)	Weighted average lease length (years)	EPRA occupancy (by ERV)	Indexed (%)
UK Commercial												
Offices – Serviced	12	4	15,473	158.7	10.5	10.7	5.9	5.9	6.1	n/a	n/a	—
Offices – Greater London	9	4	14,893	112.0	5.5	6.2	4.1	4.4	5.1	2.8	99.5	12.3
Offices – Regions	1	4	11,863	18.6	1.6	1.9	6.8	6.8	9.3	6.3	83.8	8.3
UK Offices	22	12	42,229	289.3	17.6	18.8	5.2	5.4	5.9	3.6	95.9	4.6
Distribution & Industrial	18	40	153,370	244.1	13.8	14.6	4.3	5.1	5.6	6.7	92.2	26.8
UK Commercial	40	52	195,599	533.4	31.4	33.4	4.8	5.3	5.7	5.7	93.5	14.4
UK Hotels												
Greater London	14	7	29,426	183.0	11.6	11.6	5.4	5.4	5.9	n/a	n/a	—
Regional	9	6	31,392	121.7	10.5	10.5	6.6	6.6	7.2	n/a	n/a	0.9
RBH managed portfolio	23	13	60,818	304.7	22.1	22.1	5.9	5.9	6.5	n/a	n/a	0.4
Travelodge	3	5	16,573	49.8	2.5	2.6	4.7	4.7	4.9	16.4	100.0	95.5
UK Hotels	26	18	77,391	354.5	24.6	24.7	5.7	5.7	6.2	16.4	100.0	10.2
UK Retail												
Shopping Centres	6	2	40,981	75.3	7.7	7.0	7.6	8.0	8.6	5.4	97.7	9.9
Retail Parks	12	6	61,190	161.7	12.5	11.3	6.2	7.2	6.5	7.3	98.4	10.9
UK Retail	18	8	102,171	237.0	20.2	18.3	6.6	7.4	7.2	6.6	98.1	10.5
Total UK	84	78	375,161	1,124.9	76.2	76.4	5.5	5.9	6.2	6.7	95.8	12.0
Europe												
German Shopping Centres	13	3	45,971	175.0	10.2	9.6	4.6	5.0	5.2	5.1	98.8	94.4
German Retail Parks and Other	3	6	35,749	36.6	2.8	2.8	6.3	6.3	7.0	4.1	98.2	96.6
Total Europe	16	9	81,720	211.6	13.0	12.4	4.9	5.2	5.5	4.9	98.7	94.8
Total	100	87	456,881	1,336.5	89.2	88.8	5.4	5.8	6.1	6.3	96.5	24.1
Ownership breakdown:												
Wholly owned (at 100%)	59	59	330,162	793.0	51.2	50.5	5.0	5.7	5.9	6.3	96.2	33.1
Assets with minority holdings (accounted for at 100%)	40	26	118,054	527.0	36.7	37.0	5.8	5.8	6.3	6.8	98.8	11.2
Held in joint ventures (proportionate %)	1	2	8,665	16.5	1.3	1.3	6.9	6.9	7.1	4.3	100.0	31.2

Income expiry profile

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Earliest of lease break/expiry

29 February 2020	Annualised gross rental income (£m)	FY2020 ⁽¹⁾ (£m)	FY2021 (£m)	FY2022 (£m)	FY2023 (£m)	FY2024 (£m)	FY2025 (£m)	FY2026 (£m)	FY2027 (£m)	FY2028 (£m)	FY2029+ (£m)
UK Commercial	21.5	0.7	1.9	1.6	5.8	2.7	1.8	1.1	0.3	0.2	5.4
UK Hotels	2.5	—	—	—	—	—	—	—	—	—	2.5
UK Retail	20.2	1.8	1.6	2.2	1.1	0.9	2.7	1.0	3.2	0.8	4.9
Total UK	44.2	2.5	3.5	3.8	6.9	3.6	4.5	2.1	3.5	1.0	12.8
Germany	13.0	0.4	1.3	0.9	2.4	2.0	1.8	0.6	0.6	0.7	2.3
Total (excl RBH managed hotels and London Serviced offices)	57.2	2.9	4.8	4.7	9.3	5.6	6.3	2.7	4.1	1.7	15.1
RBH managed hotels	22.1										
London serviced offices ⁽²⁾	9.9										
Total	89.2										

(1) Includes £1.1m recurring commercialisation and car park income.

(2) Excluding leases to gym operators.

Top 20 properties

By market value

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As at 29 February 2020	% of portfolio by market value	Ownership (%)	Area (m ²)	EPRA NIY (%)	EPRA topped up yield (%)	Reversionary yield (%)	Weighted average lease length (years)	EPRA occupancy (by ERV)	Indexed (%)
UK Commercial									
Hamburg, Bahnhof Altona	5.8	100.0	15,042	3.9	4.8	5.0	4.8	99.9	96.5
Crawley, Camino Park Distribution Centre	5.7	100.0	33,171	4.9	4.9	5.2	3.0	100.0	—
Berlin, Schloss Centre	5.0	100.0	18,611	5.1	5.1	5.6	4.8	97.3	91.0
London, Monument, St Dunstons	4.7	80.0	5,428	5.8	5.8	6.1	n/a	n/a	—
London, Harrow, St Georges	4.7	100.0	20,337	6.6	6.6	7.0	5.1	100.0	15.2
London, Charing Cross Road	4.4	100.0	3,716	3.2	3.2	4.0	2.1	100.0	33.4
Bridgwater, Express Park Distribution Centre	3.8	100.0	47,307	3.9	5.5	5.7	8.9	100.0	—
London, Southwark Holiday Inn Express	3.7	82.5	3,936	5.7	5.7	6.1	n/a	n/a	—
London, Watford, The Arches Retail Park	3.3	100.0	11,803	7.0	7.0	5.4	7.0	100.0	—
Edinburgh, DoubleTree Hilton	3.2	82.5	7,250	6.1	6.1	6.6	n/a	n/a	3.3
TOP 10	44.3								
Banbury, Banbury Cross Retail Park	3.1	100.0	16,631	6.0	7.7	7.6	6.1	94.6	4.8
London, Merton, Priory Retail Park	2.7	100.0	6,306	3.4	5.5	5.4	9.8	100.0	19.0
London, Liverpool Street, New Broad Street	2.5	80.0	3,291	5.7	5.7	5.7	n/a	n/a	—
London, St Pauls, Little Britain	2.3	80.0	3,429	5.3	5.3	5.6	n/a	n/a	—
Bicester, Link 9	2.3	100.0	26,826	—	1.8	6.0	14.8	43.5	100.0
London, Limehouse Holiday Inn Express	2.3	82.5	5,747	5.6	5.6	6.1	n/a	n/a	—
London, Waterloo, Boundary Row	2.3	80.0	3,326	6.9	6.9	6.9	n/a	n/a	—
London, Earl's Court Holiday Inn Express	2.3	82.5	2,781	5.2	5.2	5.7	n/a	n/a	—
Ingolstadt, City Arcaden	2.3	100.0	12,318	5.1	5.1	5.1	6.7	100.0	97.5
Farnborough, Southwood Business Park	2.2	100.0	14,312	6.3	6.4	6.5	3.1	100.0	—
TOP 20	68.6								

Rent subject to upcoming rent reviews (incl. serviced income)

36

Rent roll subject to rent review as at 29 February 2020	Annualised gross rental income (£m)	FY2020 (%)	FY2021 (%)	FY2022 (%)	FY2023 (%)	FY2024 (%)
UK Commercial						
Offices – Serviced ⁽¹⁾	10.5	94.8	94.8	96.2	94.8	94.8
Offices – Greater London	5.5	—	12.0	—	2.1	3.4
Offices – Regions	1.6	—	6.8	37.2	47.7	—
UK Offices	17.6	56.3	60.7	60.5	61.3	57.4
Distribution & Industrial	13.8	8.2	10.3	9.7	24.5	15.4
UK Commercial	31.4	35.2	38.6	38.2	45.2	39.0
UK Hotels						
RBH managed portfolio ⁽¹⁾	22.1	99.5	99.4	99.9	99.5	99.4
Travelodge	2.5	—	9.8	27.4	—	11.0
UK Hotels	24.6	89.5	90.4	92.7	89.5	90.6
UK Retail						
Shopping Centres	7.7	10.3	13.1	10.7	10.4	1.1
Retail Parks	12.5	4.9	6.5	27.9	16.8	12.0
UK Retail	20.2	6.9	9.0	21.4	14.4	7.8
Total UK	76.2	45.2	47.4	51.3	51.3	47.3
Europe						
Shopping Centres	10.2	2.2	13.6	17.6	12.8	7.5
Retail Parks and Other	2.8	0.5	1.2	1.2	0.9	0.4
Europe	13.0	1.9	11.0	14.1	10.3	6.0
Total	89.2	38.9	42.1	45.9	45.3	41.3

(1) Includes room rates, licence fee and adjacent services income subject to market changes each year.

Debt facilities and covenants

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As at 29 February 2020	Lender	Currency	Principal debt (£m)	Principal debt (proportionate) (£m)	Maturity date	Maturity (years)	Cost of debt (%)	ICR / DSC Covenant (%)	Lender last reported ICR / DSC ⁽³⁾ (%)	LTV Covenant (%)	Lender last reported ⁽³⁾ (%)
AUK ⁽¹⁾	HSBC, RBS, Barclays	GBP	250.0	250.0	Jan 2024	3.9	3.0	175.0	372.0	70.0	51.9
AUK facility			250.0	250.0							
Serviced Office Portfolio	Aberdeen Standard Investments	GBP	74.7	74.7	Jul 2026	6.4	2.6	225.0	493.0	60.0	43.0
26 Esplanade	Lloyds bank	GBP	16.3	8.2	Dec 2022	2.8	6.2	125.0	170.1	75.0	72.2
UK Offices			91.0	82.9							
Kwik Fit portfolio	Aviva	GBP	9.4	9.4	Jun 2029	9.3	6.4	n/a	n/a	n/a	n/a
UK Automotive			9.4	9.4							
St George's, Harrow	Berlyn Hyp	GBP	36.7	36.7	Apr 2021	1.2	2.9	200.0	236.0	70.0	53.9
West Orchards, Coventry	Santander	GBP	7.6	7.6	Nov 2021	1.7	4.5	250.0	422.0	50.0	42.0
UK Retail			44.3	44.3							
RHH Hotels portfolio	Aereal bank	GBP	113.4	113.4	Nov 2021	1.8	3.1	175.0	345.3	67.5	50.6
IHL portfolio	Santander	GBP	47.4	47.4	Jul 2020- Dec 2021	1.2 ⁽²⁾	3.3	150-350	0 ⁽⁴⁾ -502	57.5-65.0	37.8-53.9
UK Hotels			160.8	160.8							
Europe											
Bahnhof Altona, Hamburg	HSH Nordbank	EUR	38.4	38.4	Feb 2024	4.0	2.7	250.0	325.0	70.0	62.2
Schloss-Strassen Centre, Berlin	HSH Nordbank	EUR	52.9	52.9	Mar 2021	1.1	1.9	250.0	261.0	65.0	60.8
City Arcaden, Ingolstadt	Postbank	EUR	16.3	16.3	Jun 2023	3.3	1.3	8.0	9.6	65.0	53.0
German Shopping Centres			107.6	107.6							
OBI portfolio	Bayern LB	EUR	11.0	11.0	Dec 2022	2.8	1.6	160.0	577.2	n/a	n/a
Bremen/Lindenhoff	Bayern LB	EUR	3.0	3.0	Apr 2020	0.2	4.0	10.0	11.7	57.5	n/a
Hucklehoven	Bayern LB	EUR	5.6	2.9	Jun 2024	4.3	1.7	200.0	530.2	62.0	58.9
German supermarkets and retail parks			19.6	16.9							
Total debt facilities			682.7	671.9	10.8	3.3	2.9				
Cash and cash equivalents				(49.1)							
Net debt				622.8							

(1) Weighted average cost of debt, undrawn commitments under RCF of £25.0 million at 29 February 2020.

(2) Weighted average maturity.

(3) Relevant financial covenants as last reported to lenders up until 30 April 2020. LTV metrics may vary from those calculated with reference to the Group's reported market values.

(4) One of the loans within IHL Portfolio debt service cover ratio has been calculated using the cash rent receivable during the quarter (hence 0% DSC). Rent was not received from tenant on 25 March quarter-date due to COVID-19 and engagement with the tenant is ongoing. No breach reported as a covenant waiver has been granted for the reporting period.

Reconciliation of underlying earnings

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for the period ended 29 February 2020

	IFRS proportionately consolidated			EPRA adjustments		EPRA earnings proportionately consolidated	Company specific adjustments	Underlying earnings proportionately consolidated
	Group	JVs	Total	Group	JVs		Group	
Continuing operations								
Revenue	40.4	0.4	40.8	—	—	40.8	—	40.8
Rental income	39.2	0.4	39.6	—	—	39.6	—	39.6
Rental expense	(3.9)	—	(3.9)	—	—	(3.9)	—	(3.9)
Net rental income	35.3	0.4	35.7	—	—	35.7	—	35.7
Other income	1.2	—	1.2	—	—	1.2	—	1.2
Administrative costs and other fees	(6.4)	—	(6.4)	—	—	(6.4)	—	(6.4)
Net operating income	30.1	0.4	30.5	—	—	30.5	—	30.5
Loss on revaluation of investment property	(33.8)	—	(33.8)	33.8	—	—	—	—
Loss on disposal of investment property	(2.0)	—	(2.0)	2.0	—	—	—	—
Gain on disposal of investment property held for sale	0.8	—	0.8	(0.8)	—	—	—	—
Acquisition and disposal of subsidiaries	0.1	—	0.1	(0.1)	—	—	—	—
Other expenses	(0.6)	—	(0.6)	0.6	—	—	—	—
Foreign exchange loss	(0.2)	—	(0.2)	—	—	(0.2)	0.2	—
(Loss)/profit from operations	(5.6)	0.4	(5.2)	35.5	—	30.3	0.2	30.5
Finance expense	(10.2)	(0.3)	(10.5)	—	—	(10.5)	—	(10.5)
Change in fair value of derivative financial instruments	0.5	0.2	0.7	(0.5)	(0.2)	—	—	—
	(15.3)	0.3	(15.0)	35.0	(0.2)	19.8	0.2	20.0
Impairment of associate interests	(0.3)	—	(0.3)	0.3	—	—	—	—
Share of post-tax profit from associates	(0.2)	—	(0.2)	—	—	(0.2)	—	(0.2)
Elimination of unrecognised joint venture profits	—	(0.3)	(0.3)	—	0.2	(0.1)	—	(0.1)
(Loss)/profit before tax	(15.8)	—	(15.8)	35.3	—	19.5	0.2	19.7
Taxation	—	—	—	—	—	—	—	—
(Loss)/profit for the period attributable to continuing operations	(15.8)	—	(15.8)	35.3	—	19.5	0.2	19.7
(Loss)/profit after tax from discontinued operation (including Europe JVs)	(1.8)	—	(1.8)	5.3	—	3.5	0.1	3.6
(Loss)/profit for the period	(17.6)	—	(17.6)	40.6	—	23.0	0.3	23.3
Loss/(profit) attributable to non-controlling interests	0.1	—	0.1	(2.6)	—	(2.5)	—	(2.5)
(Loss)/profit attributable to equity holders of the Parent	(17.5)	—	(17.5)	38.0	—	20.5	0.3	20.8
Earnings per share								
Weighted average number of shares (millions)	380.2		380.2			380.2		380.2
Diluted weighted average number of shares (millions) ⁽¹⁾	380.2		380.2			381.5		381.5
Earnings per share (pence)	(4.6)		(4.6)			5.4		5.5

(1) Dilutive shares are not reflected under IFRS due to loss position for the period.

Reconciliation of non-controlling interests

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for the period ended 29 February 2020

	London Serviced Offices	IHL	RHHL	Europe (various)	Total NCI
Principal place of business	United Kingdom	United Kingdom	United Kingdom		
Country of incorporation	Isle of Man	BVI	BVI	Germany	
NCI ownership (%)	20.0	25.9	17.5	Various	
Summarised statement of comprehensive income	£m	£m	£m	£m	£m
Rental income	1.5	1.1	1.2	0.1	3.9
Rental expense	(0.5)	—	—	—	(0.5)
Net rental income	1.0	1.1	1.2	0.1	3.4
Other income	0.2	—	—	—	0.2
Administrative expenses	(0.2)	—	—	—	(0.2)
Net operating income	1.0	1.1	1.2	0.1	3.4
Net finance costs	(0.3)	(0.3)	(0.3)	—	(0.9)
Profit before and after tax	0.7	0.8	0.9	0.1	2.5
Underlying earnings	0.7	0.8	0.9	0.1	2.5
Loss on revaluation of investment property	(0.9)	(1.3)	(0.6)	(0.1)	(2.9)
Disposal of subsidiaries	—	—	—	0.1	0.1
Deferred tax	—	—	—	0.2	0.2
Non-underlying earnings	(0.9)	(1.3)	(0.6)	0.2	(2.6)
Total earnings	(0.2)	(0.5)	0.3	0.3	(0.1)

Indicative operating margins

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London Serviced Offices

Desks	1,826
Occupancy (ave.)	89.9%
Rate (ave. monthly desk rate £)	689.0

Abridged EBITDA (£m)

Licence fees	13.6
Fixed service fee	1.5
Meeting room income	1.2
Leased space (gyms)	0.5
Other service profits	0.3

Gross revenue	17.1
Sales related costs	(0.5)
Running costs	(1.6)
Repairs and maintenance	(0.5)
Staff costs	(1.0)
Rates and insurance	(2.2)
Management fees	(0.9)
EBITDA⁽²⁾	10.5
EBITDA/Revenue	61%

c.45%
variable⁽¹⁾

RBH Managed Hotels

Rooms	1,866
Occupancy (ave.)	80.7%
Rate (ave. £ per night)	88.4

Abridged EBITDA (£m)

Room revenue	55.8
Food & Beverage	6.0
Other revenue	2.5
Leased space	0.1

Gross revenue	64.5
Departmental expense	(8.7)
Franchise costs	(4.3)
General operating expenses	(9.9)
Staff costs	(13.2)
Rates and insurance	(4.4)
Management fees	(1.9)
EBITDA⁽²⁾	22.1
EBITDA/Revenue	34%

c.80%
variable⁽¹⁾

(1) Indicative only and includes reductions in staff costs related to the Coronavirus Job Retention Scheme.

(2) Anticipated FY2020 EBITDA as at 29 February 2020 and prior to COVID-19.

Growing our business sustainably

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CSR target roadmap

Resilient governance

Pilot supplier self-assessment questionnaire to adhere to RDI REIT P.L.C. Code of Ethics for suppliers

Integrate annual CSR performance targets for our employees with progress reported on annually

Promote a standard tenant fit-out guide in accordance with industry best practice for all assets

Resilient investment

Improve coverage of our managed properties to Environmental Management Systems to ISO14001:2015 certification

Commit to procuring 100 per cent electricity on a renewable energy tariff, subject to availability, by 2022

Continue to independently verify the performance of our assets through certification of our portfolio

Resilient assets

Implement a Biodiversity policy across the managed properties

Continue to undertake actions to support the journey to achieving our corporate energy reduction target of 25 per cent by 2030

Further integrate ESG data within day-to-day operational performance management

Progress achieved against CSR targets set for 2020

Our teams across all divisions have established their annual sustainability objectives

Their objectives support the Group's corporate CSR goals and now forms part of the annual employee performance review

A new BREEAM In-Use environmental certification project is now underway at another serviced office location

Our coverage of managed properties certified to ISO14001 expands with Coburg House

We have committed to transitioning our operations to 100% renewable electricity and set a target to secure 100% of the company's purchased electricity from renewable sources subject to availability, by 2022

We continue to integrate and enhance our environmental data management system and reporting of asset level ESG data to aid operations management

The development of our biodiversity policy demonstrates a commitment to protecting ecosystems and working towards a "net positive" approach



BREEAM®

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