OUR **ANNUAL RESULTS**

for 31 March 2023

Landsec

@LandsecGroup
Landsec.com

Annual results 2023

Mark Allan

CHIEF EXECUTIVE OFFICER

Landsec

Strategy based on two key principles of sustainable value creation

Focus on competitive advantages and maintain a strong balance sheet

	WHAT WE SAID IN LATE 2020	WHERE WE ARE TODAY
Capital markets	Excess liquidity and ultra-low rates Property yields at or near all-time lows	Markets adjusting to new higher rate reality Expect new opportunities to emerge over time
Capital allocation	Sell where ability to add value is limited Focus new investment solely on clear value or long-term optionality	Sold £2.4bn, 91% of which mature London offices Invested £0.7bn in development Acquired £0.9bn of prime retail and mixed-use
Balance sheet	Reduce financial leverage	Net debt down £0.5bn LTV down to 31.7% Net debt/EBITDA down to 7.0x

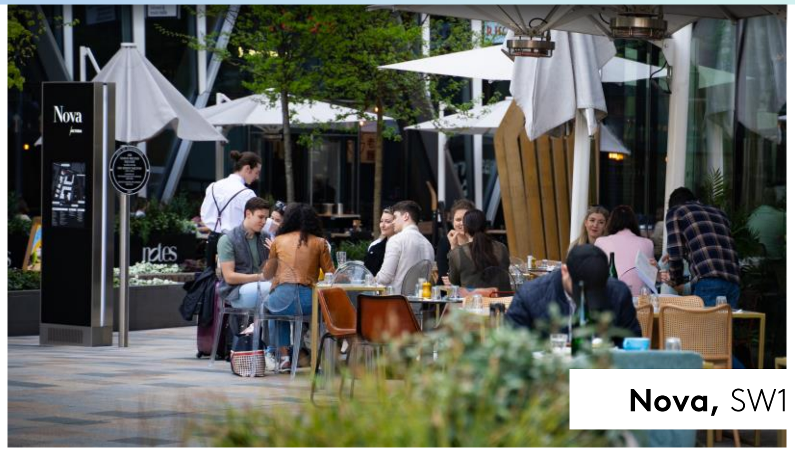
THREE KEY COMPETITIVE ADVANTAGES:

HIGH-QUALITY PORTFOLIO — STRONG CUSTOMER RELATIONSHIPS — UNLOCKING COMPLEX OPPORTUNITIES

Successful execution of strategy

Well placed for growth in new market reality

High-quality portfolio



Nova, SW1

- Quality of place becoming key customer-decision driver
- 74% of London portfolio now in West End and Southwark
- Expect low to mid single digit ERV growth in retail/London

Decisive capital allocation

1 New Street Square, EC4

- Allocating capital based on clear view on future returns
- Sold £2.2bn of mature London offices, 87% in City/Docklands
- Ready for new opportunities as market continues to adjust

Future growth potential

Finchley Road, NW3

- Ability to unlock complex deals generates clear value
- Opportunity to enhance growth by leveraging platform value
- Upside in flexible 11m sq ft London/mixed-use pipeline

Growing resilient returns

21 Moorfields, EC2

- 10.3-yr debt maturity and no refinancing needs until 2026
- Target 8-10% ROE via income, ERV growth and development
- Expect EPRA EPS and dividend to grow over next two years

OUR PURPOSE: SUSTAINABLE PLACES. CONNECTING COMMUNITIES. REALISING POTENTIAL

Creating value through our competitive advantages

High-quality portfolio, strong customer relations & unlocking complex deals

Central London


n2, SW1

- £48m of lettings signed or ISH, 5% above ERV
- £1.4bn of mature disposals, crystallising 10% lifetime IRR
- Current pipeline 60% pre-let or ISH, with deals in last 12 months 11% above ERV

Major retail destinations


St. David's Dewi Sant, Cardiff

- £38m of lettings signed or ISH, 9% ahead of ERV
- Acquired debt on St David's at implied asset yield of 9.7%
- Occupancy up 110bps to 94.3%, with LFL sales 4.4% above pre-Covid levels

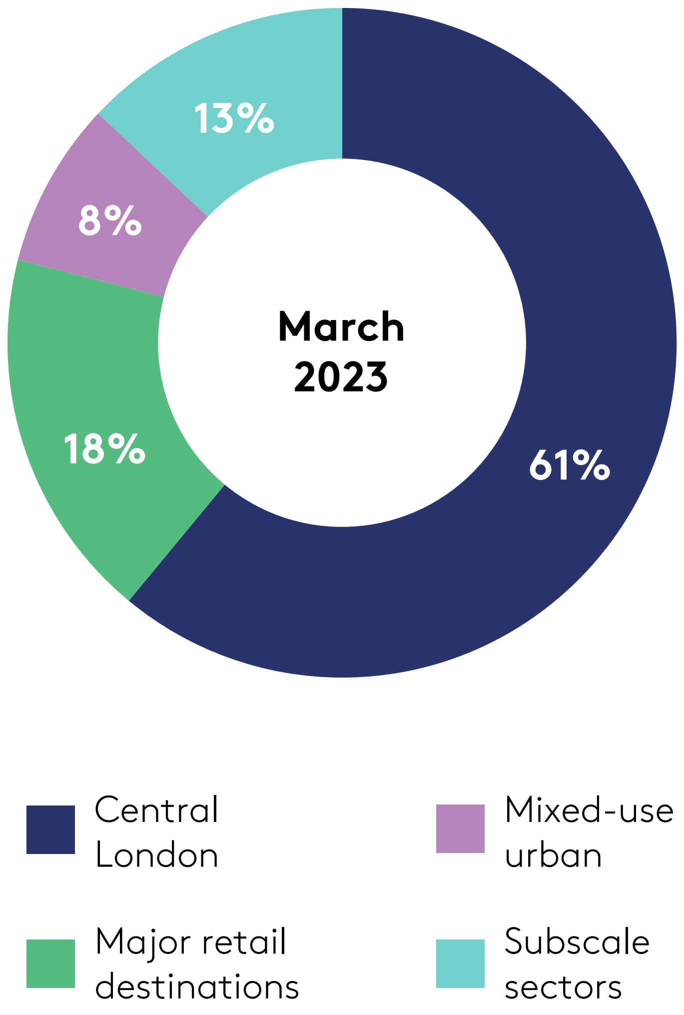
Mixed-use urban


Mayfield, Manchester

- Consent for 1,800-homes masterplan at Finchley Road
- Potential to start first two major projects this year
- Well-located urban locations provide significant optionality with limited holding cost

£10.2bn portfolio

Portfolio split



Growing earnings and balance sheet strength

Decisive action mitigates changing market conditions

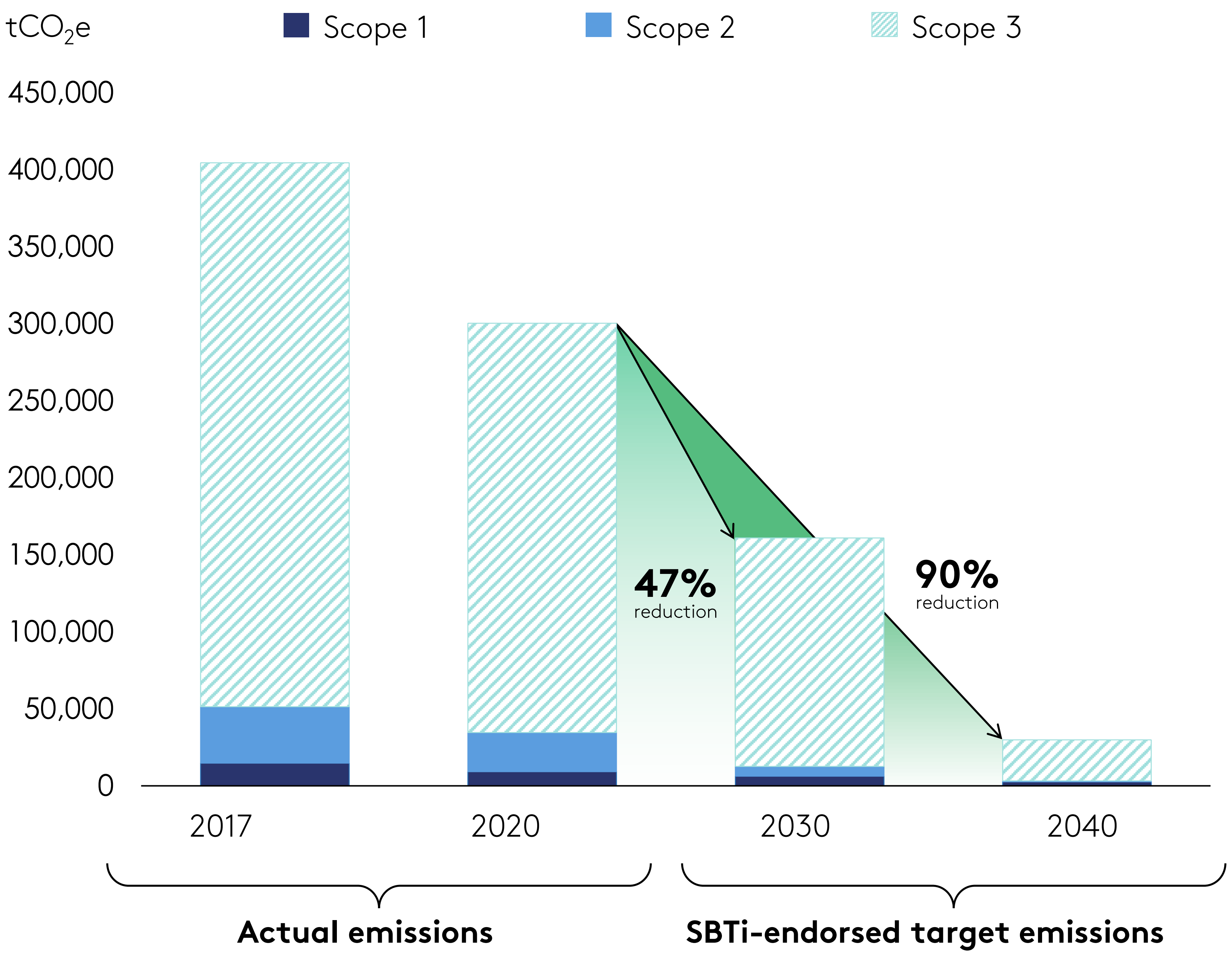
	31 March 2023	31 March 2022	% change
EPRA earnings	**£393m**	£355m	10.7%
Underlying EPRA EPS[(1)]	**50.1p**	48.0p	4.4%
Dividend per share	**38.6p**	37.0p	4.3%
EPRA NTA per share	**936p**	1063p	-11.9%
LTV	**31.7%**	34.4%	-2.7pp
Net debt/EBITDA (year-end)	**7.0x**	9.7x	-2.7x
Total return on equity	**-8.3%**	10.5%	n/a

(1) Excluding increase in surrender premiums received of £22m

Delivering sustainably
Continuing to lead the sector in setting stretching new targets

- Energy intensity down 33% vs 2013/14 baseline
- Average upfront embodied carbon reduction in pipeline of 36% against typical benchmark
- Progressing net zero investment plans
- 44% of office portfolio EPC A-B by summer, with net zero investments coming through by 2025+
- New targets aligned to SBTi Net Zero Standard, to reduce absolute emissions by 47% by 2030 vs 2020, and reach net-zero by 2040
- Landsec Futures fund to invest £20m by 2030, focussed on enhancing social mobility

Reduction in emissions



Operational review

Mark Allan

CHIEF EXECUTIVE OFFICER

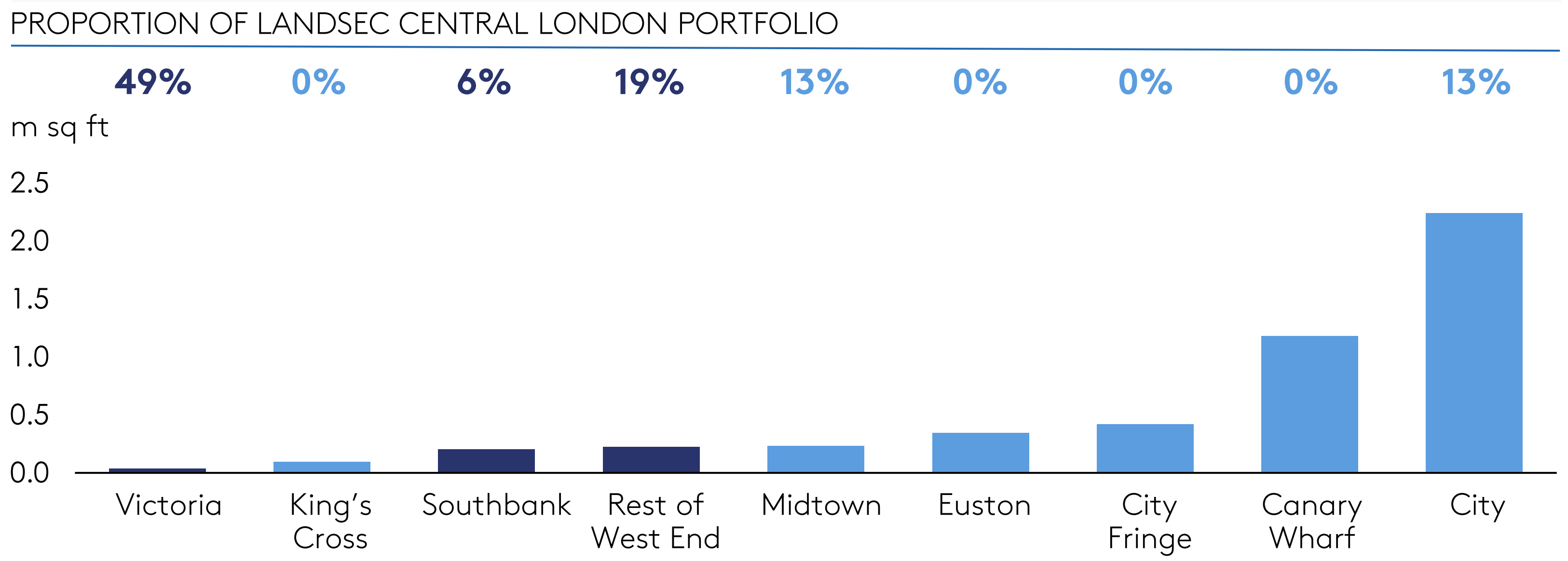
Landsec

Central London

Successful capital recycling to drive higher future returns

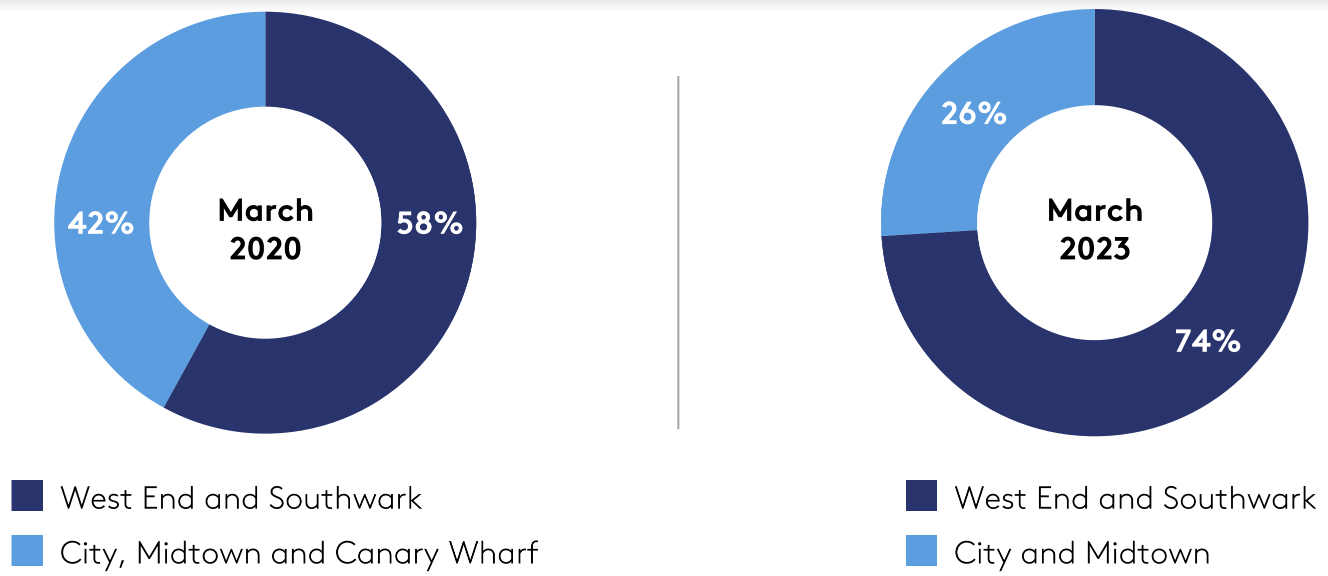
- Sold £1.4bn of mature offices during year
  - 100% let for average 20-year term to single customers
  - Crystallised average IRR of 10% over hold period
  - Forward return expected to be in mid single digits
- Total sales since late 2020 of £2.2bn
  - £1.7bn of disposals in City and £0.2bn in Docklands
  - 74% of current portfolio in West End and Southwark
- Successful disposals to enhance future returns
  - Low double digit IRR on near-term pipeline
  - West End ERV growth to outperform City

Space available for subletting — by submarket



Source: CBRE

Central London portfolio — pre-strategic review and currently



Central London

High-quality portfolio continues to underpin strong customer demand

- Strength of customer relationships reflected in further major lease regears
- Less than 1% of space being marketed for subletting by customers across our portfolio
- £43m of rent signed, 3% ahead of ERV
- £6m of rent ISH, 19% above ERV
- Occupancy up 110bps to 95.9%
  - Vacancy less than half of overall London market
  - West End offices effectively full at 99.5%
- Opening three new Myo locations in autumn

Central London — operational performance

	31 March 2023	31 March 2022
New lettings/renewals signed	**£43m**	£63m
Rent achieved vs valuers' assumptions	**+3%**	+4%
West End office occupancy (LFL)	**99.5%**	98.4%
City office occupancy (LFL)	**90.5%**	89.3%
Myo occupancy	**92.4%**	80.2%

Piccadilly Lights
W1

New Street Square
EC4

Central London

Creating value through best-in-class developments

- 564,000 sq ft
- BREEAM Outstanding
- 100% pre-let
- Crystallised 25% profit on cost
- Lifetime IRR of 11% since 2012

- 140,000 sq ft
- Completed March 2023
- BREEAM Excellent / WELL Core Gold
- 11% ISH
- Myo to open across 35% of space

- 144,000 sq ft
- Completion August 2023
- BREEAM Excellent / WELL Core Gold
- 19% pre-let and 53% ISH
- Lettings 14% ahead of March 2022 ERV and 14% above start-on-site ERV

- 165,000 sq ft
- Completion June 2023
- BREEAM Outstanding / WELL Core Gold
- 66% pre-let and 6% ISH
- Lettings 6% ahead of March 2022 ERV and 12% above start-on-site ERV

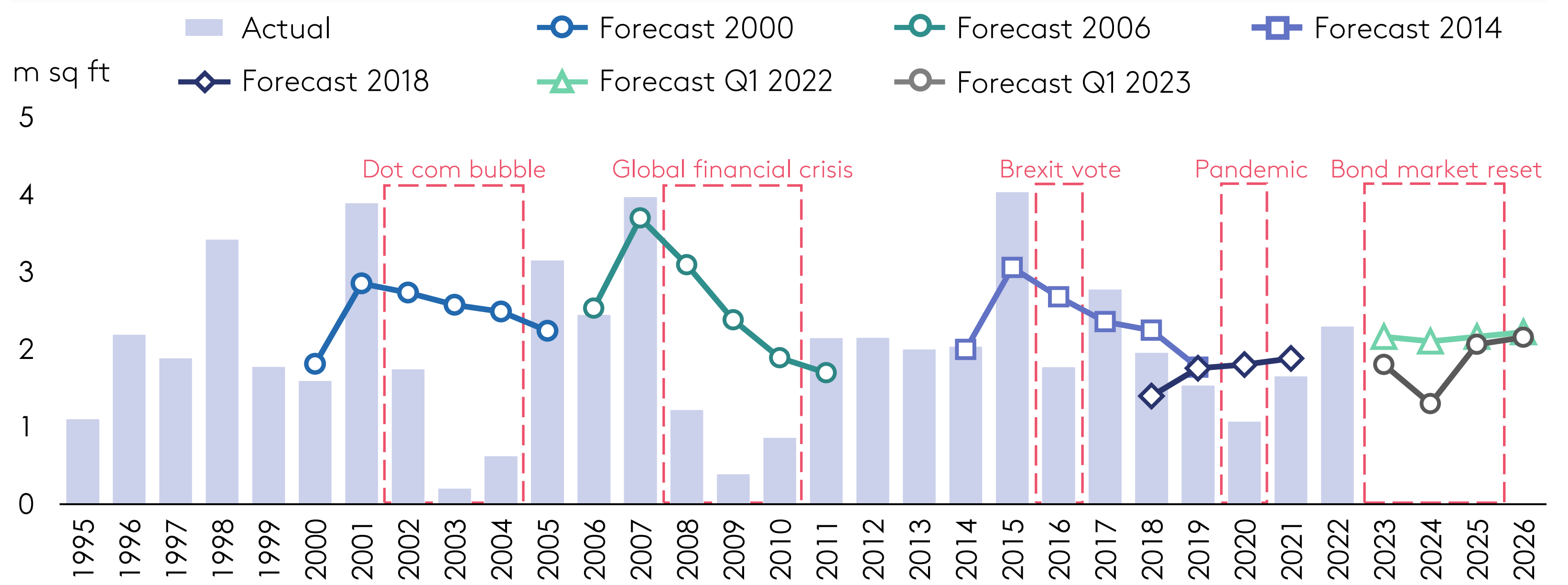
£45m capex to complete residual three schemes, with £39m ERV already 60% pre-let or ISH

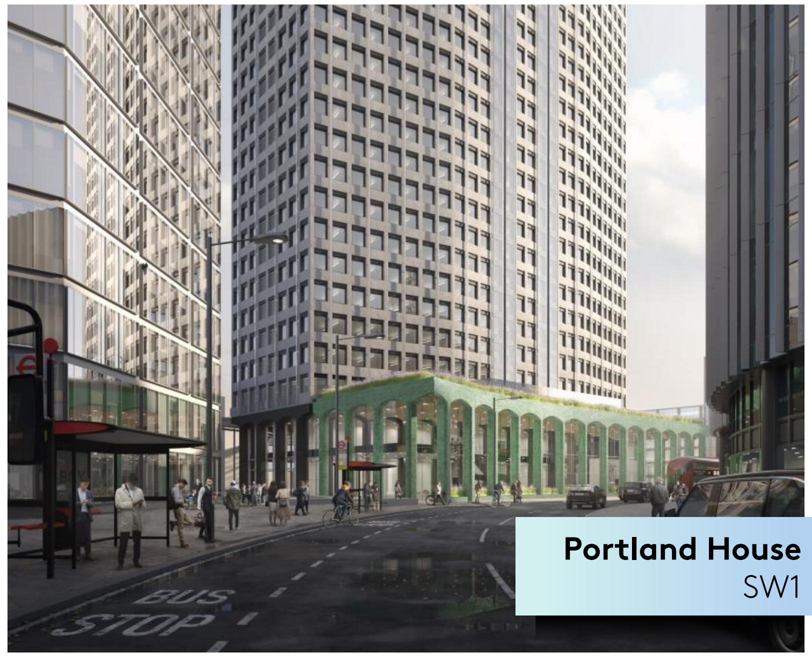
Central London

Shortage of Grade-A space to drive further rental growth

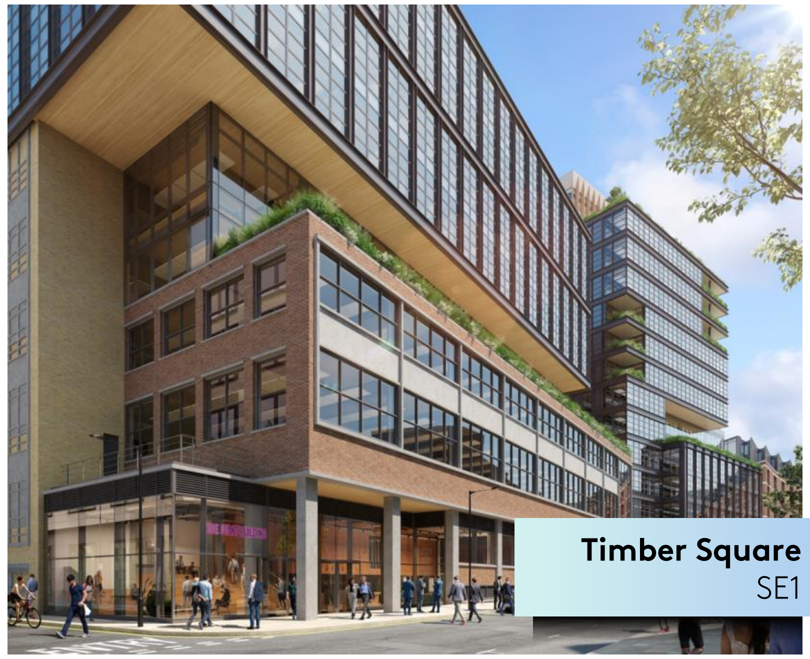
- Slowdown in new construction starts to further increase shortage of sustainable Grade-A space
- Expect low/mid single digit ERV growth this year
  - West End towards higher end, City minimal
- Plan to start two schemes imminently
  - 7.4% gross yield on £780m total cost and 12%+ yield on £460m capex
  - Delivery into supply-constrained 2025 window
  - Upfront embodied carbon of 535kgCO_2e/sqm for Timber Square and 395kgCO_2e/sqm at Portland House
- Consent for two further Southbank schemes
  - £560m total cost, with 7.5% gross yield on cost

Office construction starts in the City — forecast vs actual





Portland House
SW1



Timber Square
SE1

Major retail destinations

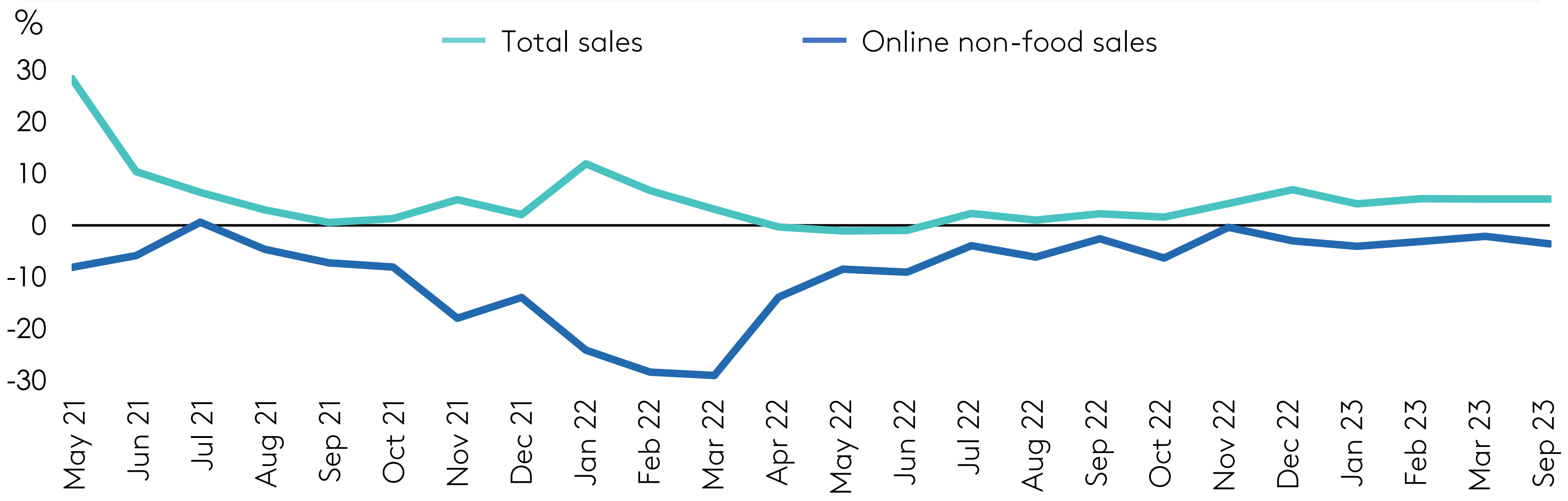
Growing demand for space, focused on best destinations

- Online sales continue to trend down, as consumer behaviour reverts to pre-pandemic trends
- Affordability of physical space in best locations further improved by reduction in business rates
- Brands' focus on 'fewer, bigger, better' stores driving tangible demand
- Major brands are seeing above-average sales growth in our locations
- Secondary locations to continue to see challenges from continued store rationalisation

Shopping centre demand continues — last 12 months plus live deals

Upsizing	**21 brands**	Expanding from 135k to 300k sq ft (+123%)
Flight to prime	**14 brands**	Across our three inner-city centres (+117k sq ft)
Existing customers, new locations	**22 brands**	Adding 66k sq ft
Overall impact	**+349k sq ft**	6.3% of total space

Online sales continue to normalise as overall retail sales grow — YoY growth



Source: BRC-KPMG Retail Sales Monitor

Major retail destinations

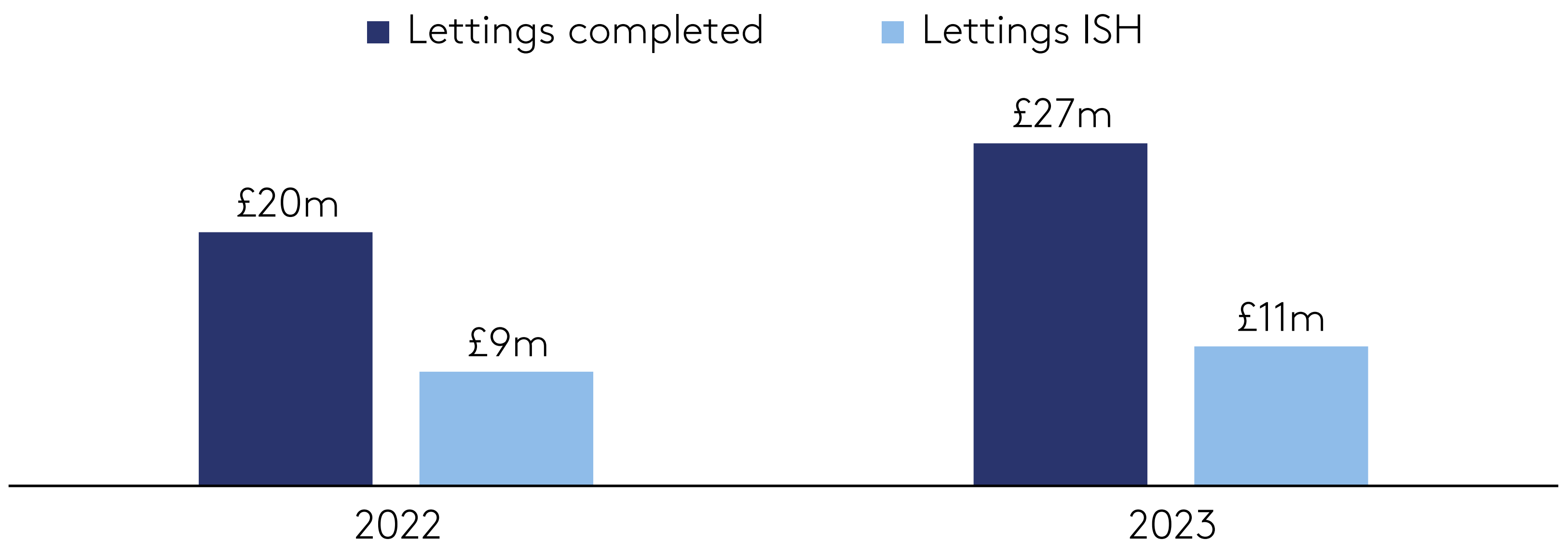
Growth in demand starting to drive growth in rental values

- Total retail sales up 6.9% YoY, with LFL sales 4.4% above 2019/20 levels
- £27m of lettings, on average 8% ahead of ERV
  - Leasing volume 35% ahead of prior year
- Additional £11m of lettings ISH, 11% ahead of ERV
  - 28% ahead of this time last year
- Overall occupancy up 110bps to 94.3%
- Expect low to mid single digit ERV growth this year

Major retail destinations — operational performance

	31 March 2023	31 March 2022
Number of lettings/renewal completed	**218**	228
New lettings/renewals signed	**£27m**	£20m
Rent achieved vs ERV	**+8%**	+2%
Shopping centre occupancy (LFL)	**94.7%**	92.8%
Outlet occupancy (LFL)	**93.6%**	93.8%

Major retail destinations — acceleration in leasing activity

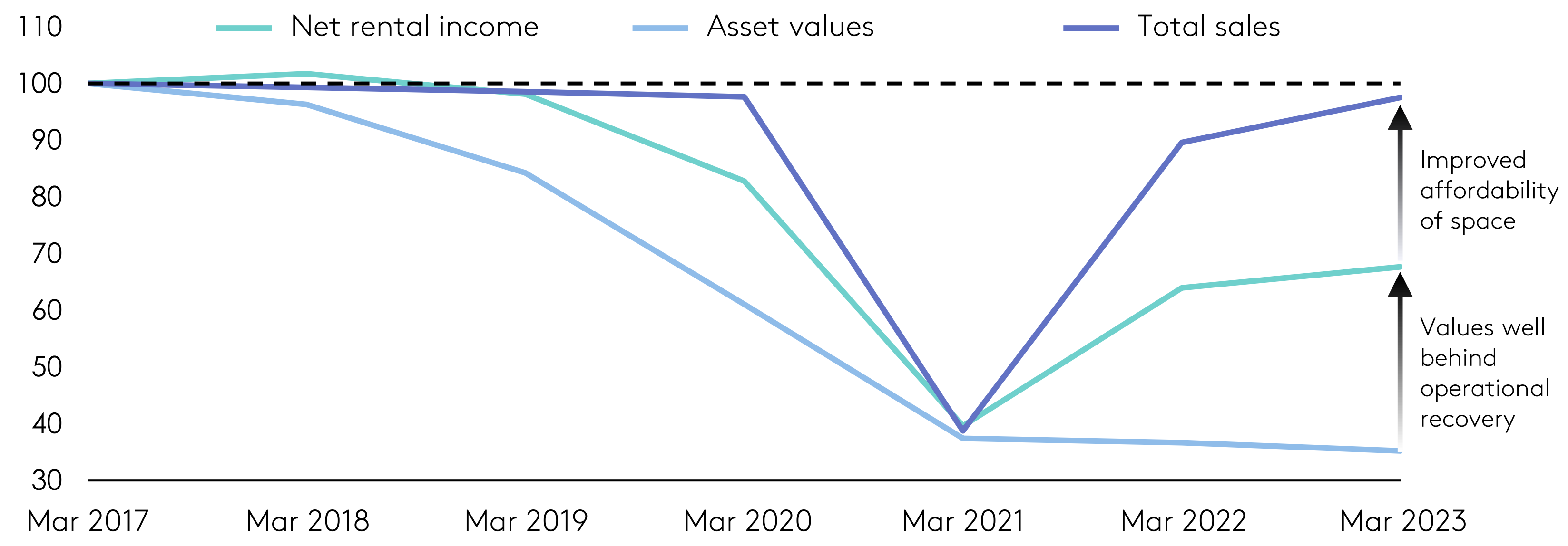


Major retail destinations

Unlocking complex opportunities to drive attractive returns

- Acquired debt secured against 50% of St. David's, Cardiff via separate transactions with two banks
- Discount on purchasing debt resulted in effective 9.7% initial/equivalent yield on asset
- Flexibility to start implementing asset plans, having secured 100% control
- Valuations below peak-Covid/peak online levels, despite substantial sales/income recovery
- Continue to explore opportunities to leverage growing platform value

Movement in shopping centre sales, valuation and rents — March 2017 = 100



Source: Landsec

St. David's performance — since March 2022

Number of lettings/renewal completed	**30**
New brands to St David's	**13**
Rent achieved vs ERV	**+10%**
Occupancy	**92.6%**
Footfall	**+26%**

Mixed-use urban neighbourhoods

Clear potential to create sustainable urban places

- Strategy built on long-term trends of demographic growth, urbanisation and changing cities
- Potential to deliver c. 10m sq ft of mixed-use space across five sites in London, Manchester and Glasgow
- Strong progress in unlocking opportunity in pipeline
  - Agreed land drawdown from JV at Mayfield
  - Consent for masterplan at Finchley Road
  - Planning application at Glasgow to be submitted shortly
- Pipeline of c. £5bn, of which c. 50% has consent
  - Deliverable in phases, with full flexibility on commitments
- Target low to mid double digit unlevered IRRs

MAYFIELD Manchester

24 acres
2.5m sq ft
1,500 homes
£800-950m TDC
2025-32 delivery

FINCHLEY ROAD NW3

14 acres
1.4m sq ft
1,800 homes
£950-1,050m TDC
2027-35 delivery

Mixed-use urban neighbourhoods

Unlocked opportunity to start on site with first two schemes

› Potential to start first phase at Mayfield

- 320,000 sq ft of offices across two blocks
- Targeting NABERS 5 stars, BREAAM excellent, WELL Gold and Wired score Platinum
- Potential start on site late 2023
- c. £150m TDC with c. 8% yield on cost

› Preparing for start at Finchley Road

- Resolution to grant consent for 1,800 homes
- Progressing further planning requirements and land assembly strategy
- Potential to start enabling works towards end of financial year

Financial review

Vanessa Simms

CHIEF FINANCIAL OFFICER

Landsec

Financial summary

Growing attractive earnings profile and further strengthened capital base

	31 March 2023	31 March 2022	% change
Gross rental income[1]	**£647m**	£586m	△ 10.4%
EPRA earnings[1]	**£393m**	£355m	△ 10.7%
Underlying EPRA earnings per share[1][2]	**50.1p**	48.0p	△ 4.4%
Dividend per share	**38.6p**	37.0p	△ 4.3%
EPRA net tangible assets per share	**936p**	1,063p	▽ 11.9%
Gross asset value[1]	**£10,239m**	£12,017m	▽ 14.8%
Group LTV[1]	**31.7%**	34.4%	▽ 2.7pp
Net debt/EBITDA (year-end)	**7.0x**	9.7x	▽ 2.7x
Total return on equity	**-8.3%**	10.5%	n/a

(1) Including our proportionate share of subsidiaries and joint ventures
(2) Excluding £22m increase in surrender premiums received

Underlying EPRA EPS up 4.4%

Growth towards high end of our guidance

- Strong growth in income, with gross rental income up £61m and net rental income up £51m
- Direct property expenditure broadly stable
- Organisational review efficiencies offsetting administrative cost inflation
- Underlying EPRA EPS of 50.1p, excluding £22m increase in surrender premium receipts
- Remain on track to reduce EPRA cost ratio towards the low 20's over time

	31 March 2023	31 March 2022
	£m	£m
Gross rental income	**647**	586
Net service charge	**(12)**	(12)
Direct property expenditure	**(77)**	(76)
Bad debt	**3**	12
Net rental income	**561**	**510**
Administrative expenses	**(84)**	(84)
Finance expense	**(84)**	(71)
EPRA earnings	**393**	355
Underlying EPRA EPS (pence) [(1)]	**50.1p**	48.0p
EPRA cost ratio (%)	***25.2%***	*26.4%*

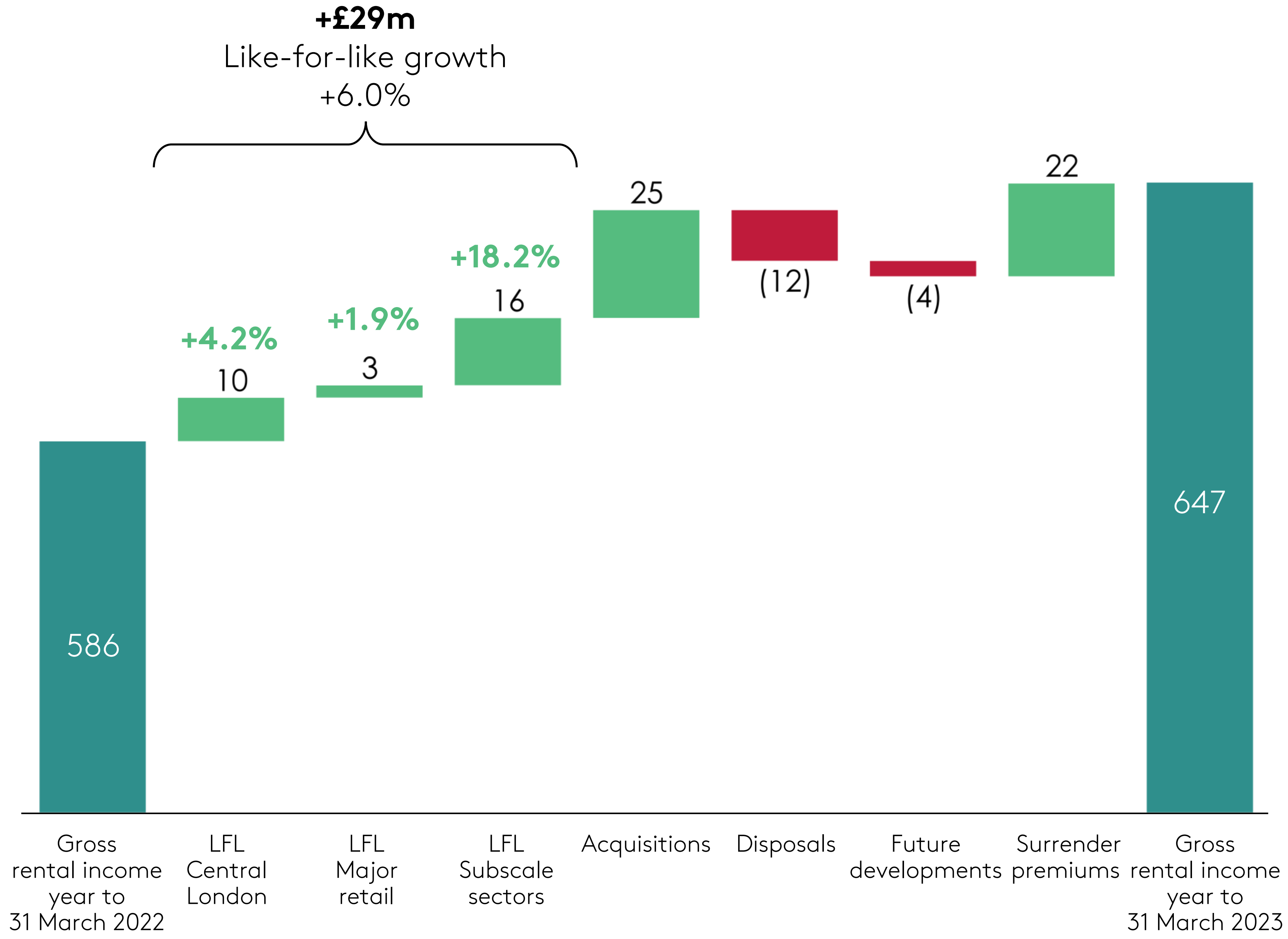
(1) Excluding £22m increase in surrender premiums received

Like-for-like gross rental income up 6.0%

High quality of portfolio reflected in income growth across all sectors

- Central London +4.2%, driven by growth in Myo, new lettings and variable income
- Major retail +1.9%, as growth in occupancy and turnover income offset historic rent reversions
- Expect last larger over-rented retail leases to reset this year and LFL growth to pick up thereafter
- Subscale sectors +18.2%, mainly driven by hotels plus income growth in leisure
- £22m increase in surrender premium income related to two future development projects

Movement in gross rental income (£m)

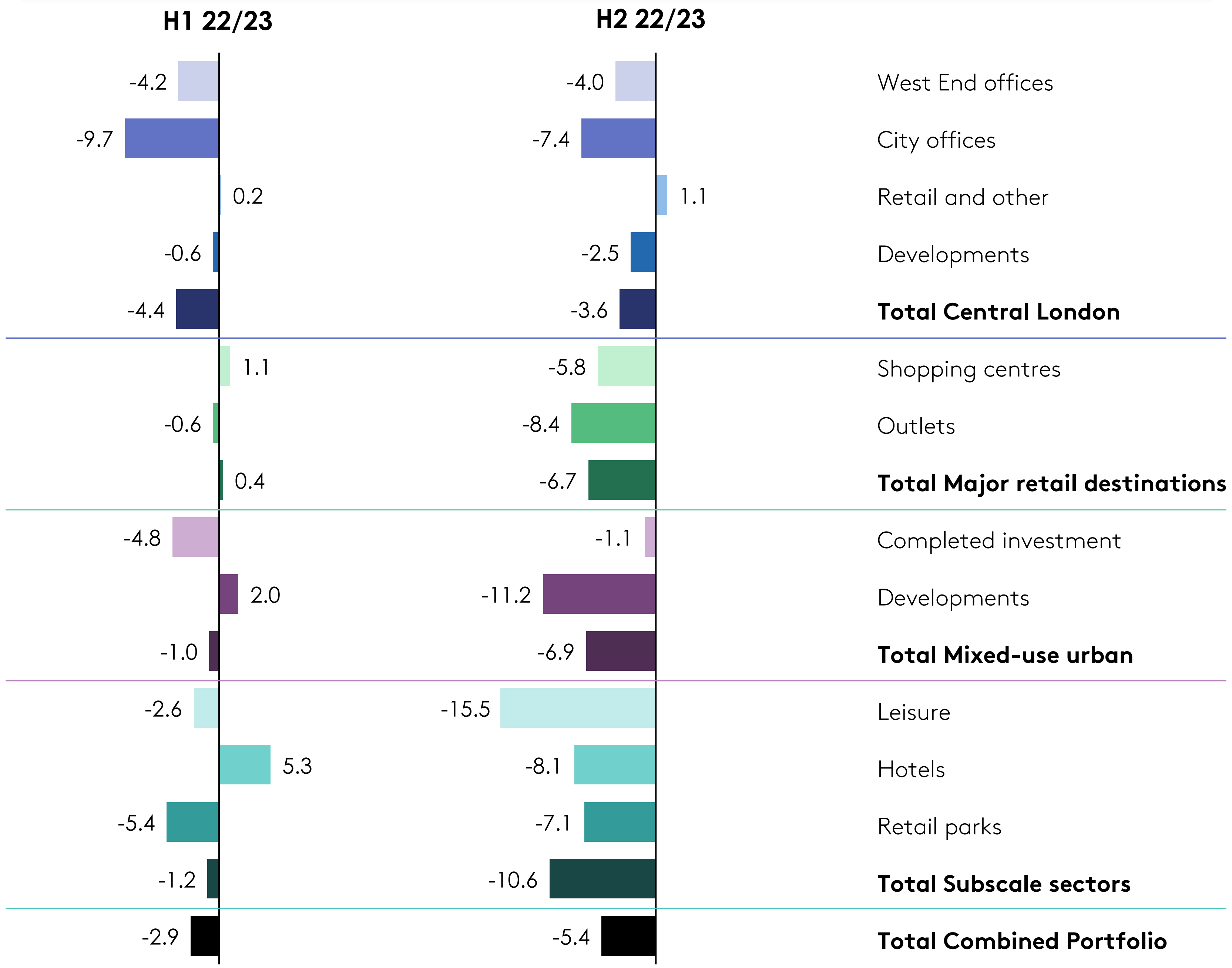


Strong customer demand drives 3.6% ERV growth

Valuation yields up 50bps due to rise in interest rates

	Valuation as at 31 March 2023	Surplus / (deficit)	Equivalent yield	LFL equivalent yield movement	LFL ERV movement
	£m	%	%	bps	%
West End offices	2,653	(8.0)	5.1	46	3.7
City offices	1,304	(15.4)	5.2	53	4.7
Retail and other	1,095	1.3	4.6	13	7.6
Developments	1,190	(3.0)	4.6	-	n/a
Total Central London	**6,242**	**(7.3)**	**4.9**	**42**	**4.7**
Shopping centres	1,196	(4.8)	7.9	39	3.0
Outlets	684	(8.9)	7.2	45	(2.5)
Total Major retail destinations	**1,880**	**(6.4)**	**7.6**	**40**	**0.9**
Completed investment	389	(5.9)	6.4	61	8.6
Developments	426	(9.4)	5.8	-	n/a
Total Mixed-use urban	**815**	**(7.8)**	**6.1**	**61**	**8.6**
Leisure	476	(17.7)	8.3	116	(1.4)
Hotels	408	(3.2)	6.7	117	9.9
Retail parks	418	(12.1)	6.4	69	4.9
Total Subscale sectors	**1,302**	**(11.6)**	**7.2**	**96**	**3.5**
Total Combined Portfolio	**10,239**	**(7.7)**	**5.8**	**50**	**3.6**

Valuation surplus / (deficit) % — H1 22/23 and H2 22/23



Return on equity and NTA

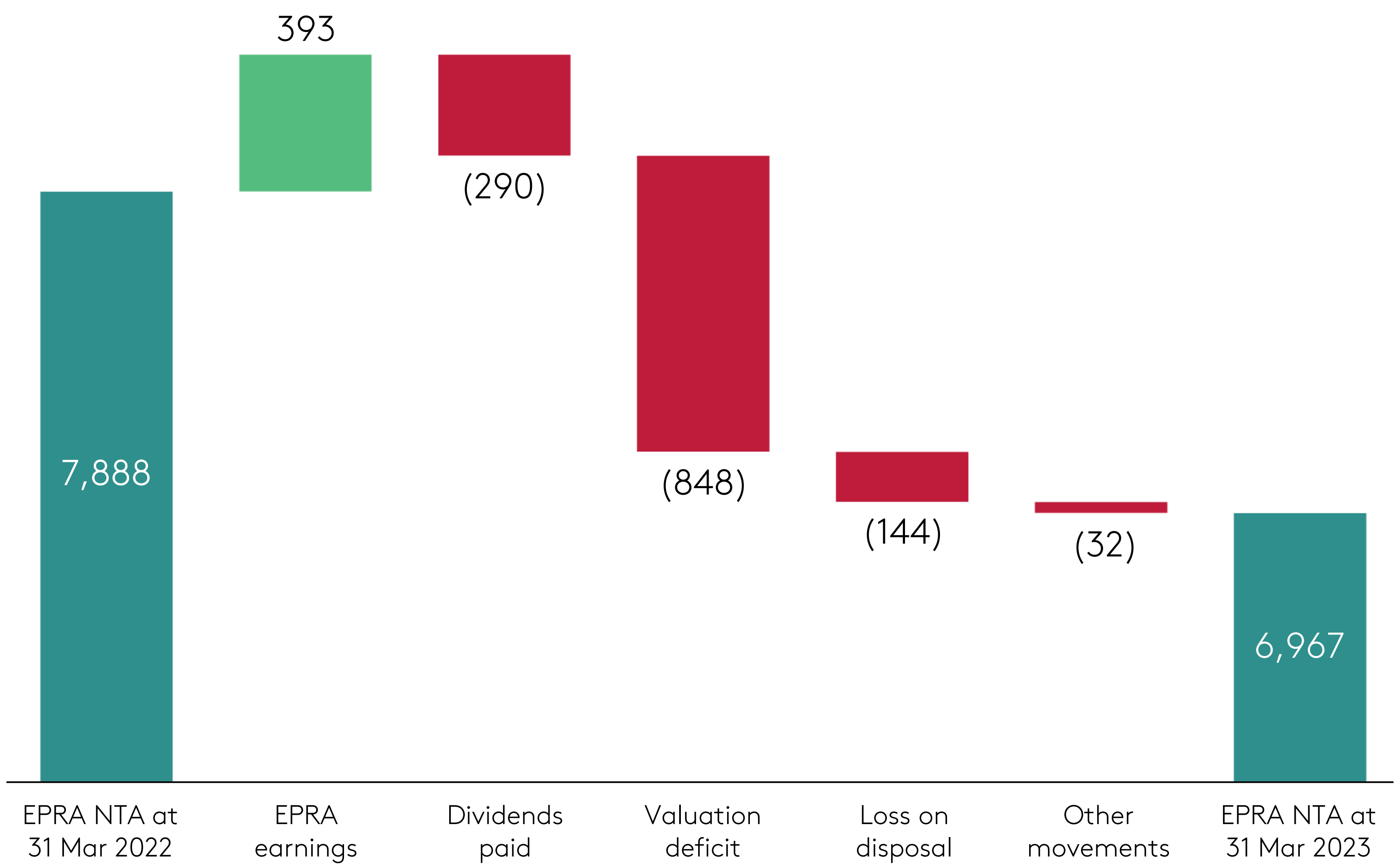
Growth in operational performance offset by rising bond yields

- EPRA NTA per share down 11.9%
- Disposals crystallised 10% IRR and 25% profit on cost, despite discount to last book value
- Dividend of 38.6p up 4.3%, in line with growth in underlying EPS
- Total return on equity -8.3%
  - Income return +5.0%
  - Capital return: ERV growth +2.5%
  - Capital return: development +0.8%
  - Capital return: yield movement -16.4%
  - Other -0.2%

Movement in EPRA NTA and NTA per share (£m)

Diluted pps

1,063	53	(39)	(114)	(22)	(5)	936



Maintained decisive capital allocation

Actions based on clear focus on future returns

- Continue to execute on strategy, despite slowdown in activity in wider investment market
- Sold assets where we cannot add further value
- Sold £2.4bn of c. £4.0bn target set in late 2020, with further sales planned in next 12 months
- Focused investment where we can create value through our competitive advantages
- Ready to act on future opportunities, as market continues to adjust to higher rate environment

SOLD
£1.4bn offices

Forward return
mid single digits

ACQUIRED
Discounted debt

Close to 10%
day-one income return

START
£460m development capex

Forward return
low double digits

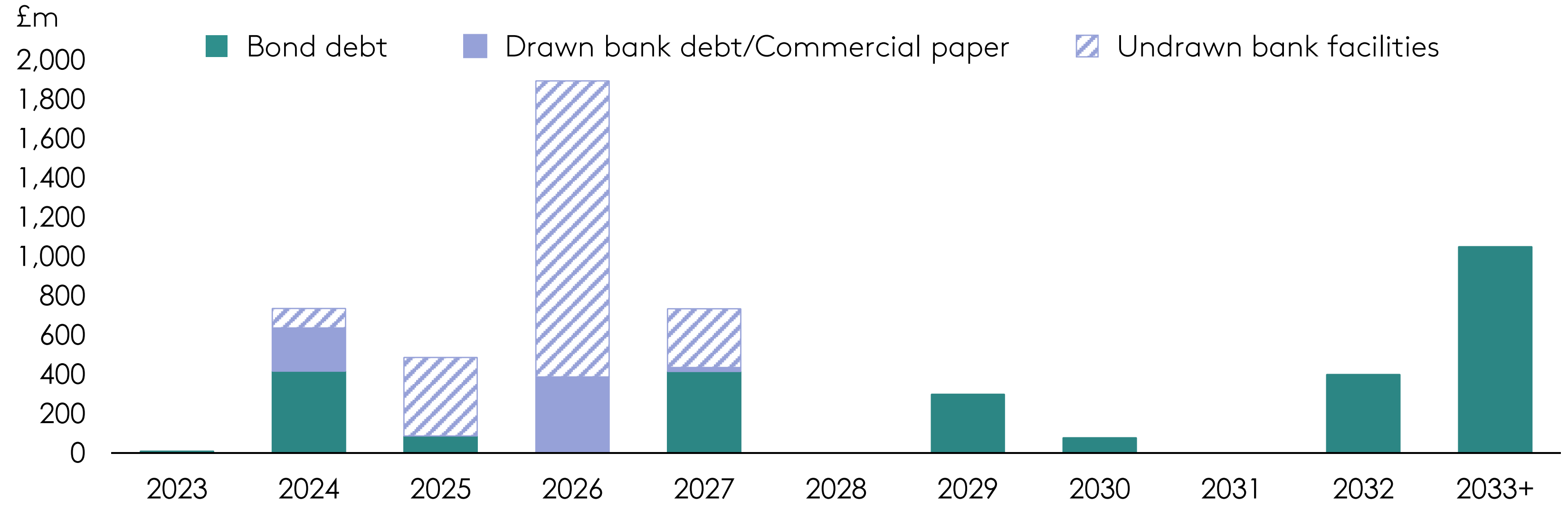
REINFORCED
Balance sheet

£400m 9.5-year
Green Bond issue

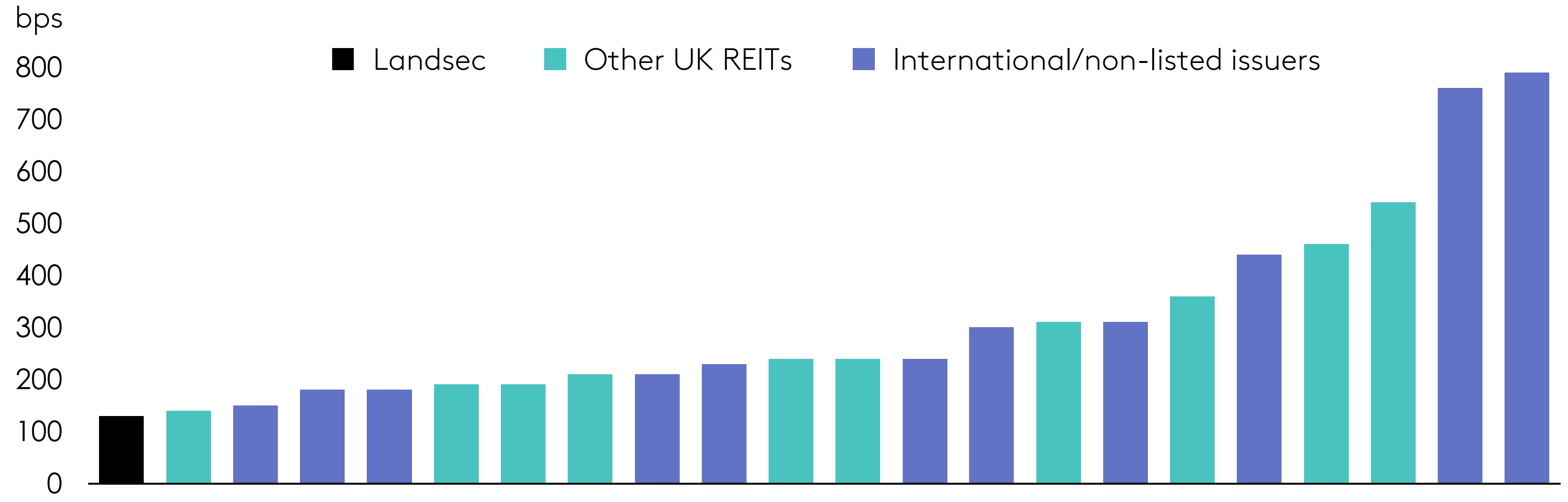
Further reinforced sector-leading balance sheet

LTV and net debt/EBITDA down; average debt maturity up

No need to refinance any debt until 2026 — debt maturity by calendar year[1]



Lowest corporate bond credit spread in Sterling real estate market (bps)



(1) Commercial Paper maturity date refers to the maturity date of bank facility which is reserved against it

	31 March 2023	31 March 2022
Adjusted net debt	**£3,287m**	£4,179m
Group LTV	**31.7%**	34.4%
Net debt/EBITDA (year-end)	**7.0x**	9.7x
Net debt/EBITDA (weighted average)	**8.0x**	8.6x
Interest cover ratio	**4.5x**	4.9x
Average debt maturity (years)	**10.3**	9.1
Weighted average cost of debt	**2.7%**	2.4%
Percentage of debt fixed	**100%**	70%
Undrawn facilities	**£2,386m**	£1,134m
Credit rating	**AA/AA-**	AA/AA-

Growing return on equity and attractive earnings yield

Portfolio set for growth after significant repositioning

- Low to mid single digit ERV growth in Central London and Major retail destinations
- Consented London/mixed-use pipeline of c. £4bn
- Target 8–10% return on equity over time, driven by income, rental value growth and developments
- Underlying EPRA EPS broadly stable this year, with operational growth offset by potential disposals
- Expect EPRA EPS to return to growth year after
- Dividend expected to grow by low single digit percentage p.a. over next two years

Earnings expectations — 2024 and 2025

2023 underlying EPRA EPS	**50.1p**
Operational performance	+
Retail reset and investment in Myo / IT systems	-
Near-term disposals (likely net seller)	-
2024 EPRA EPS	**Broadly stable**
Operational performance	+
Unwind of costs of Myo / IT investment	+
2025 EPRA EPS	**+**

Overview

Mark Allan

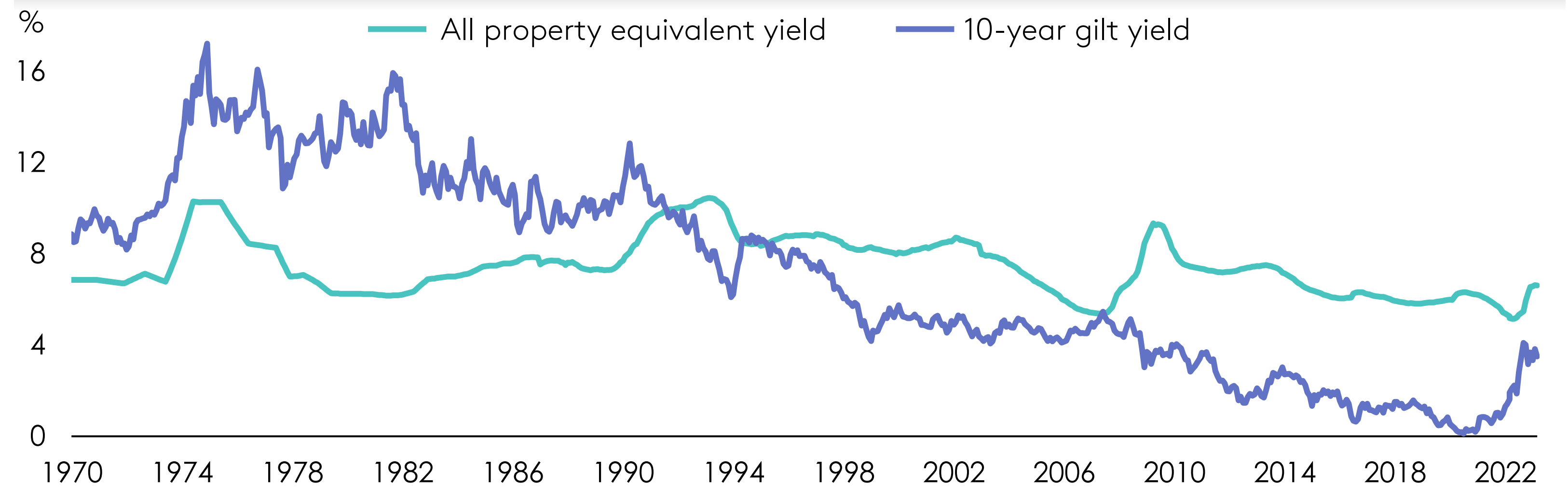
CHIEF EXECUTIVE OFFICER

Markets continue to adjust to higher rate reality

Substantial disconnect between occupational and investment demand

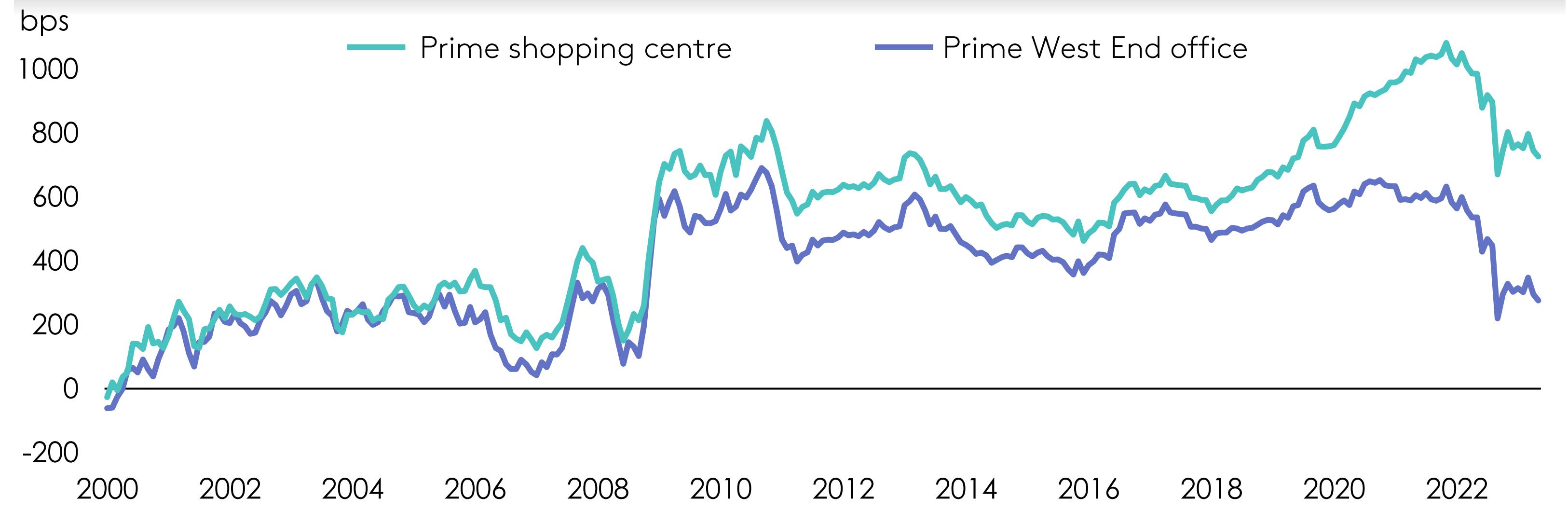
- Unwinding decade of excess liquidity will take time
- Strong occupational demand for best assets in attractive places people want to spend time in
- Stabilisation in property values emerging, yet investment activity remains subdued
- Prime to return to growth well before secondary
- Adjustment to new reality plays right into our competitive strengths
- Quality of portfolio and balance sheet key requirements for future growth

Long-term perspective — property yields vs 10-year gilt yields



Source: Bloomberg, MSCI

Risk premium — spread between prime yields and five-year real interest rates



Source: CBRE, Bloomberg

Our focus for the next 12 months

Setting ourselves up for future growth

- Prepare for future opportunities
- Maintain strong operational momentum
- Monetise mature or subscale-sector assets
- Progress near-term developments
- Maximise optionality in future pipeline
- Leverage platform value and strength of capital base to accelerate future growth

One New Change
EC4