

ONE
CREECHURCH PLACE

ONE
CREECHURCH PLACE

HALF YEAR RESULTS

TO 30 SEPTEMBER 2017



HELICAL

AGENDA

ONE

RESULTS HIGHLIGHTS
Gerald Kaye

TWO

FINANCIALS
Tim Murphy

THREE

PORTFOLIO HIGHLIGHTS
Matthew Bonning-Snook

FOUR

OUTLOOK
Gerald Kaye

FIVE

Q&A



RESULTS HIGHLIGHTS

GERALD KAYE

STRATEGY

- **Focus**

- London – office and mixed use investment, development and refurbishment
- Manchester – office investment and refurbishment
- Logistics – income and liquidity

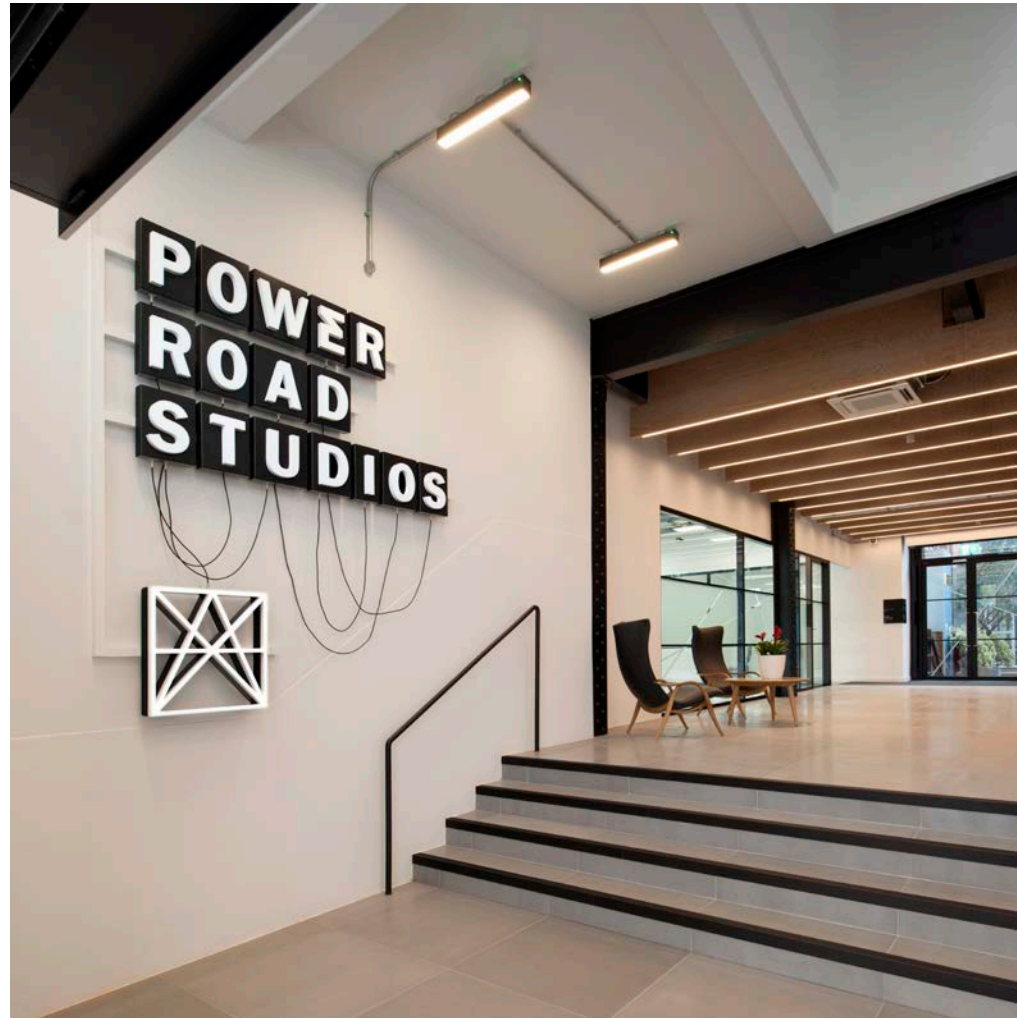
Continue to add to the high quality portfolio of multi-let office buildings in geographic clusters

- **Active value creation**

- Redevelopment and major refurbishment
- Repositioning and rolling upgrade
- Significant asset management
- Seek additional profit on larger schemes by co-investment or forward funding / sale with partners

- **Providing contemporary workspace**

- Flexible leases and well managed buildings for customers
- Anticipate customers' requirements



RESULTS HIGHLIGHTS

PROFIT BEFORE TAX

£1.2m

(2016: £31.1m)

NET RENTAL INCOME

£17.9m

(2016: £24.6m)

VALUATION GAIN

£4.5m

+0.7%

DIVIDEND DECLARED PER SHARE

2.5p

+4.2% from 2016

EPRA NAV PER SHARE

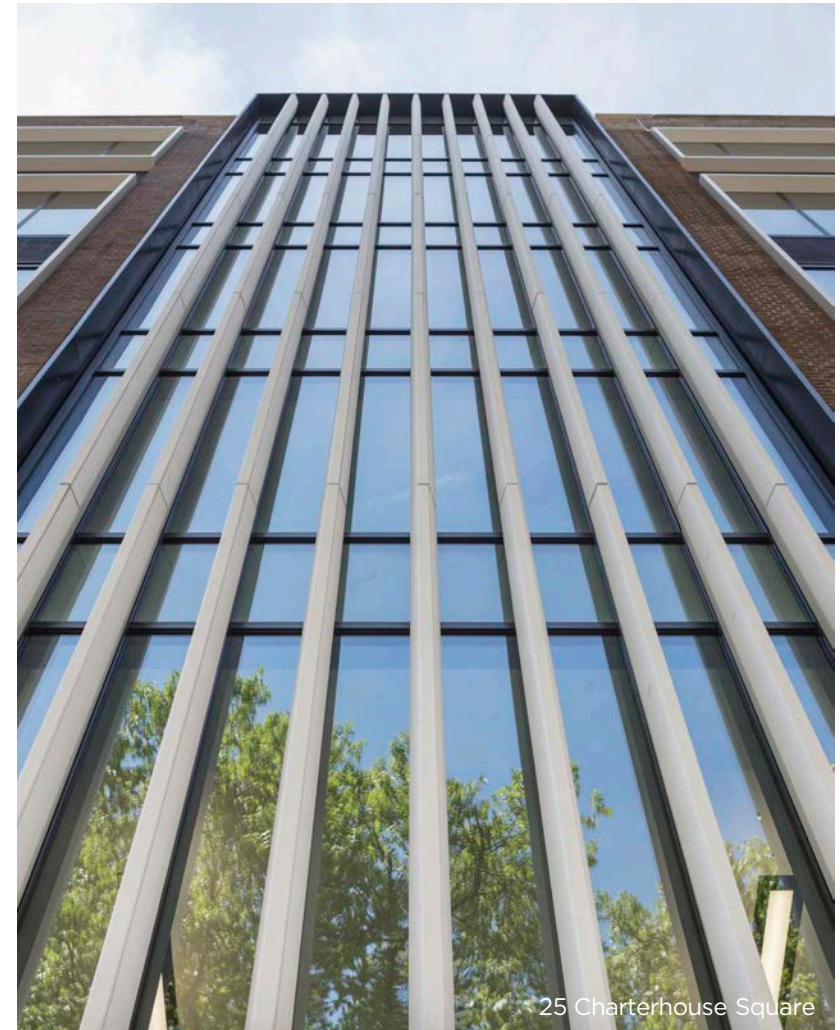
465p

-1.7%

SEE-THROUGH LOAN TO VALUE

51%

(pro-forma 43%)



25 Charterhouse Square

OPERATIONAL HIGHLIGHTS – SALES (up to 14th November)



C SPACE £74m



RETIREMENT VILLAGES £102m



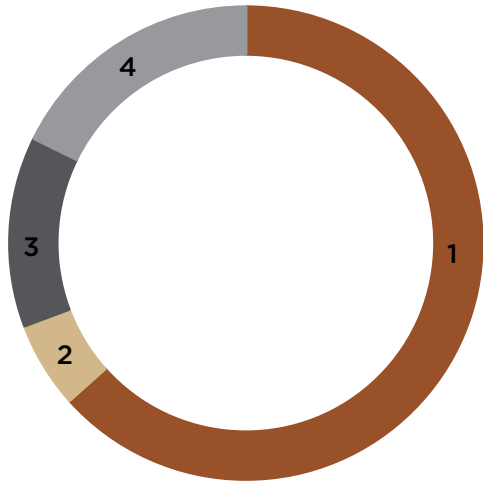
CARDIFF, GREAT YARMOUTH AND SOUTHEND ON SEA £73m



LOGISTICS £9m

TOTAL SALES £258m

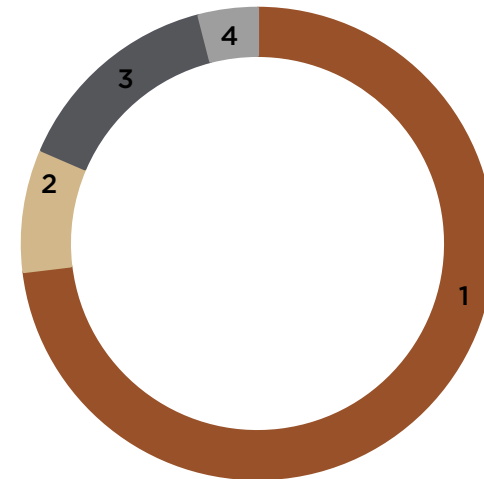
PORTFOLIO ALLOCATION – REDUCTION OF NON-CORE



TOTAL VALUE MARCH 2017

£1,205.2m

1 London Offices/Mixed Use	63.4%	£764.2m
2 Manchester Offices	5.9%	£71.5m
3 Logistics	13.0%	£156.5m
4 Non-Core	17.7%	£213.0m



TOTAL VALUE AS AT 14 NOVEMBER 2017

£1,036.8m

1 London Offices/Mixed Use	73.1%	£757.3m
2 Manchester Offices	8.4%	£87.6m
3 Logistics	14.5%	£150.8m
4 Non-Core	4.0%	£41.1m

OPERATIONAL HIGHLIGHTS – LETTINGS

LONDON OFFICES

182,086 sq ft

MANCHESTER OFFICES

17,350 sq ft

TOTAL LETTINGS

199,230 sq ft

UNDER OFFER

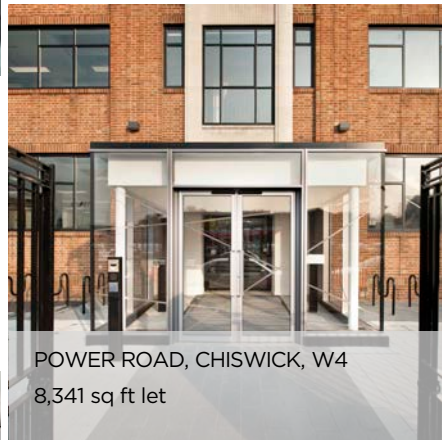
93,775 sq ft



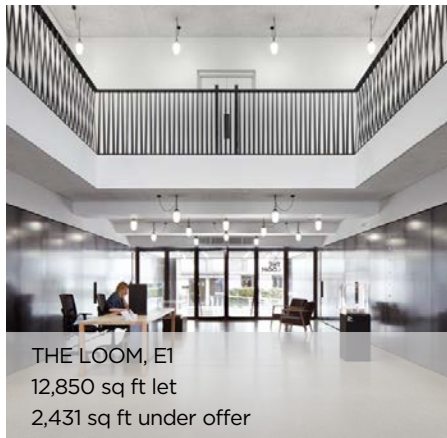
ONE CREECHURCH PLACE, EC3
131,879 sq ft let
60,017 sq ft under offer



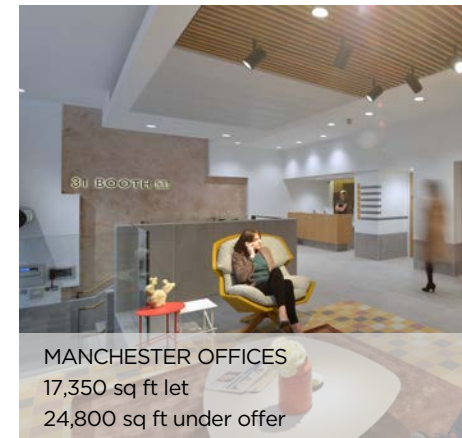
25 CHARTERHOUSE SQUARE, ECT
18,250 sq ft let
6,527 sq ft under offer



POWER ROAD, CHISWICK, W4
8,341 sq ft let

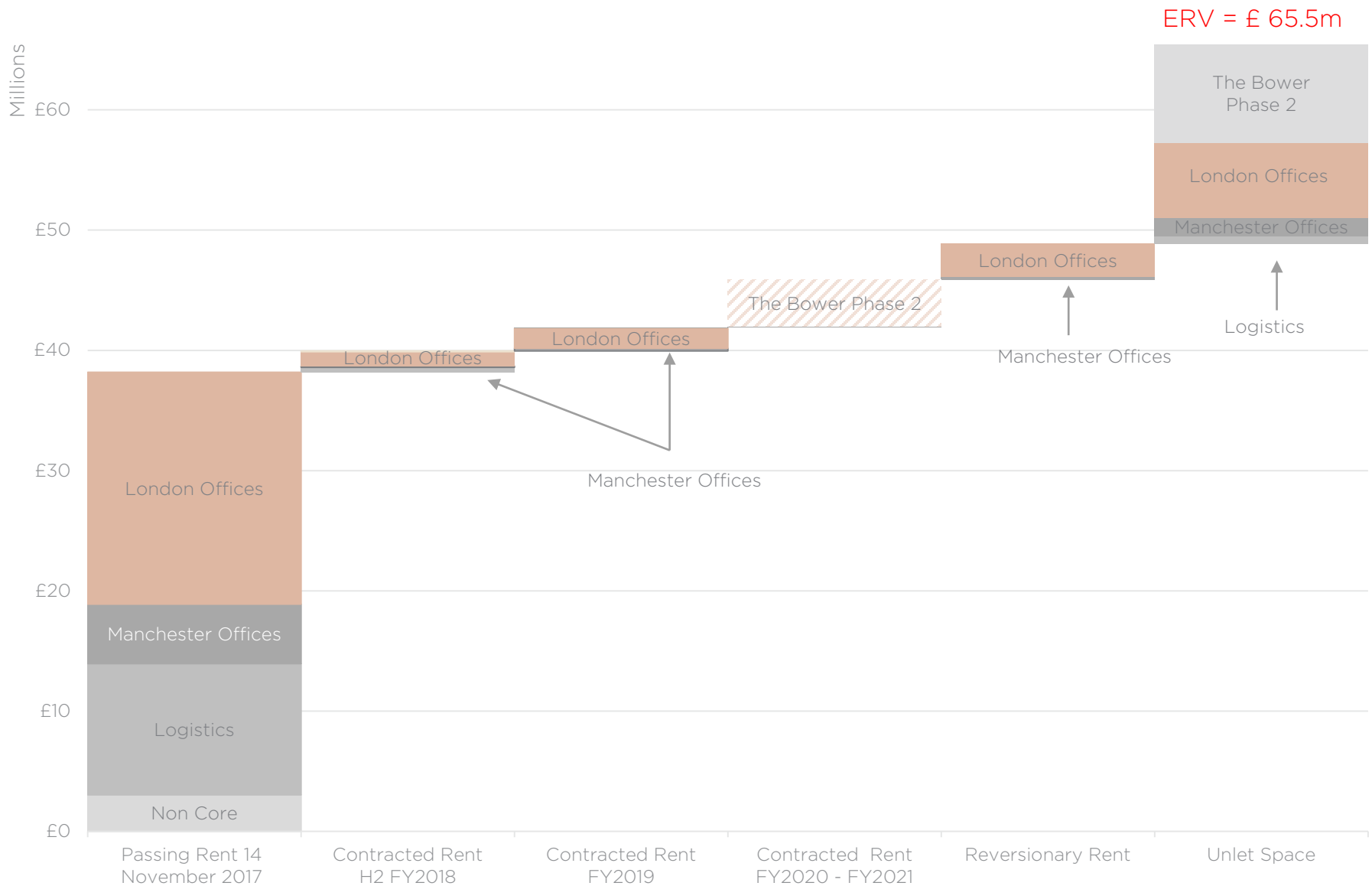


THE LOOM, E1
12,850 sq ft let
2,431 sq ft under offer



MANCHESTER OFFICES
17,350 sq ft let
24,800 sq ft under offer

INCREASING RENTAL INCOME



FUTURE UPSIDE

Potential March 2017

Progress to date



25 Charterhouse Square
London, EC1

- Completed
- £3-6m valuation uplift

- G, 1, 4, 5 and 6 floors let
- Second floor under offer
- Only one floor remaining
- £3.5m valuation uplift recognised



One Creechurch Place
London, EC3

- Completed
- £15-17.5m profit

- 131,829 sq ft let
- 60,017 sq ft under offer
- EPRA surplus £8m recognised



The Loom
London, E1

- Ongoing
- £5m-10m valuation uplift

- 12,850 sq ft let
- 2,431 sq ft under offer



One Bartholomew Close
London, EC1

- Q3 2018
- £4-6m profit

- Ongoing



Barts Square - Residential
London, EC1

- Ph 1 - Q4 2017
- Ph 3 - Q3 2019
- £5m+ profit

- 12 apartments exchanged since March (128 now in total)
- 3 units reserved
- 13 units remain



The Bower
London, EC1

- Ph 1 - Completed
- Ph2 - Q2 2018
- £20-40m valuation uplift

- Ongoing



Power Road Studios
London, W4

- 2019
- £10m+ valuation uplift

- 8,341 sq ft let



Manchester Assets

- Ongoing
- £3-6m

- Ongoing

MARKET COMMENT

- London regains its position as leading location for occupier demand
(LaSalle's European Regional Growth Index)
- CBRE Q3 Central London report, "Central London Market Resilience Continues"
Q3 take up at 3.4m sq ft, 10% above 10 year average
Availability up 2% at 14.3m sq ft, below 10 year average of 14.8m sq ft
(CBRE)
- City investment market rolling 12 month turnover £11.08bn, 40% up on long term average
(Savills)
- City take up 4.8m sq ft to 30 September, 20% up on same point last year. Forecast 6.3m sq ft at year end.
12 month rolling take up 6.7m sq ft at 30 September, 34% up on long term average
(Savills)
- Impact of "serviced" offices





FINANCIALS

TIM MURPHY

HEADLINE NUMBERS

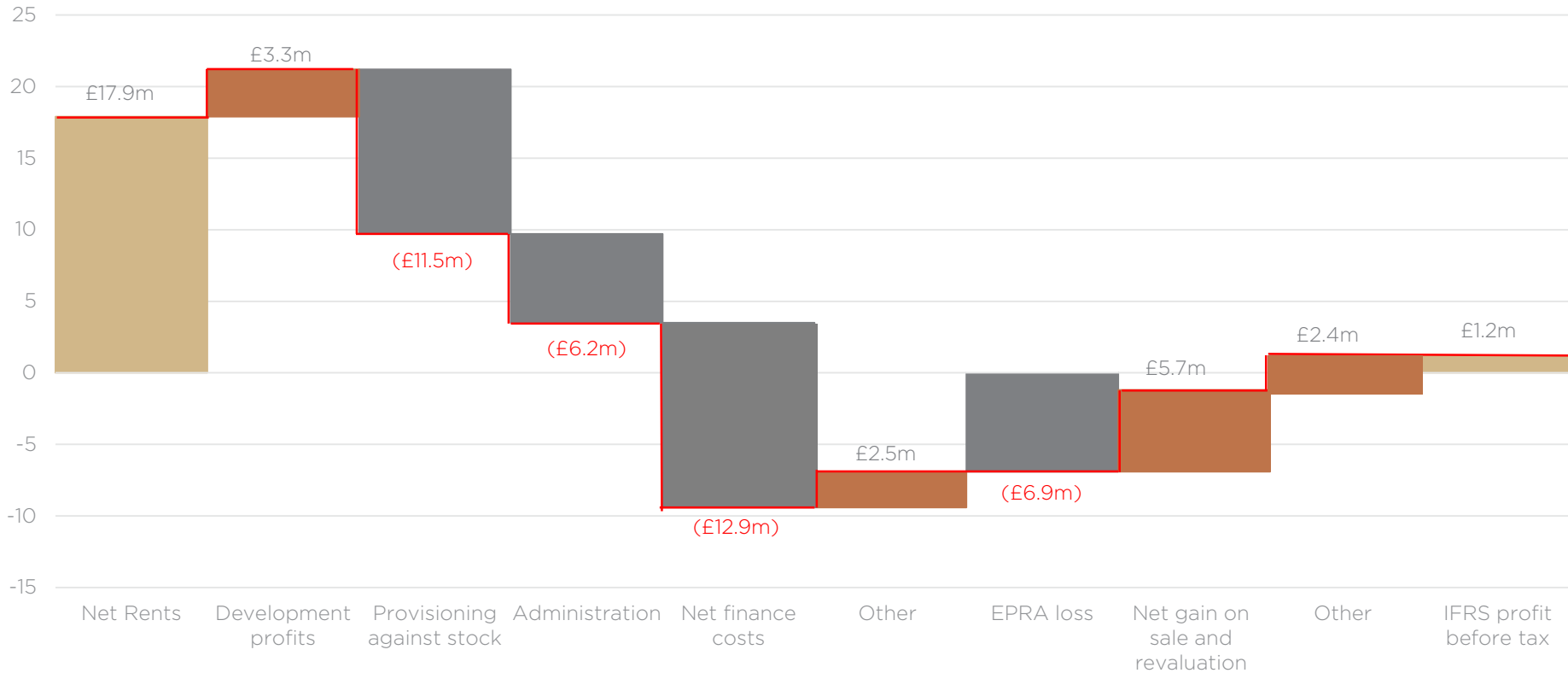
SEE-THROUGH INCOME STATEMENT	Sept 2015	Sept 2016	Sept 2017	Notes
Net rental income	£20.8m	£24.6m	£17.9m	£186m of sales
Development profits / (losses)	£18.7m	(£2.6m)	(£8.2m)	RV provision of £10.2m
Gain on sale and revaluation of investment properties	£68.1m	£25.8m	£5.7m	RV writedown of £5.1m
IFRS profit before tax	£85.9m	£31.1m	£1.2m	
EPRA earnings / (loss)	£14.9m	£5.0m	(£6.9m)	
EPRA earnings / (loss) per share	13.0p	4.4p	(5.9p)	
Interim dividend per share	2.3p	2.4p	2.5p	+4.2%

SEE-THROUGH BALANCE SHEET	Mar 2016	Mar 2017	Sept 2017	Pro-Forma¹
Total portfolio at fair value	£1,240m	£1,205m	£1,211m	£1,037m
EPRA net asset value per share	456p	473p	465p	465p
Net Debt	£682m	£620m	£619m	£445m
Loan to value ratio	55%	51%	51%	43%

Notes:
All figures include share of joint ventures

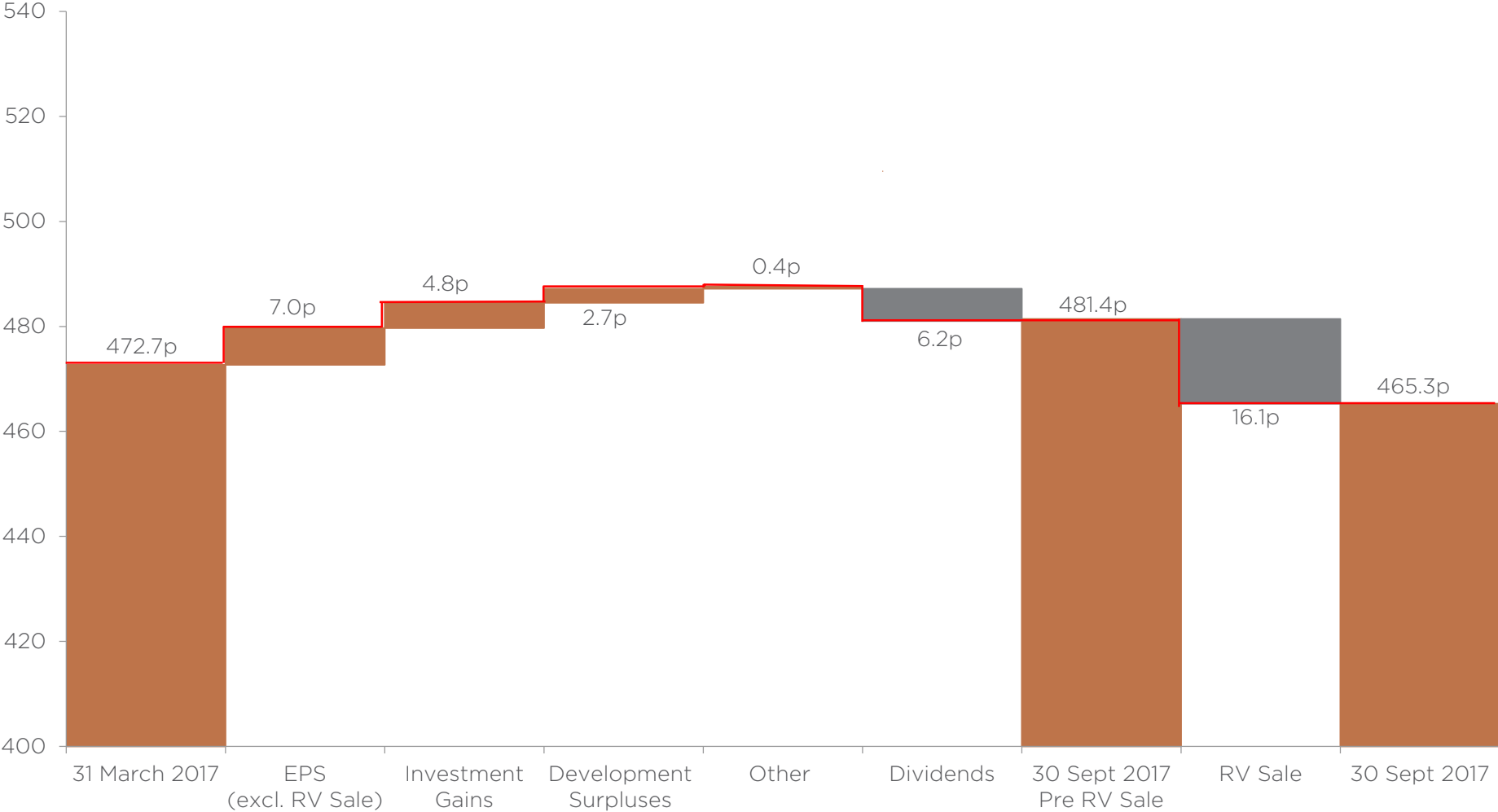
¹ Adjusted for £176m of sales since the half year end

INCOME STATEMENT



- Net rents have reduced by 27%
- Development profits of £3.3m were offset by provisions of £11.5m
- EPRA loss of £6.9m equates to 5.9p per share
- Revaluation gains were £4.5m, primarily in London, with gains on sale of £1.2m

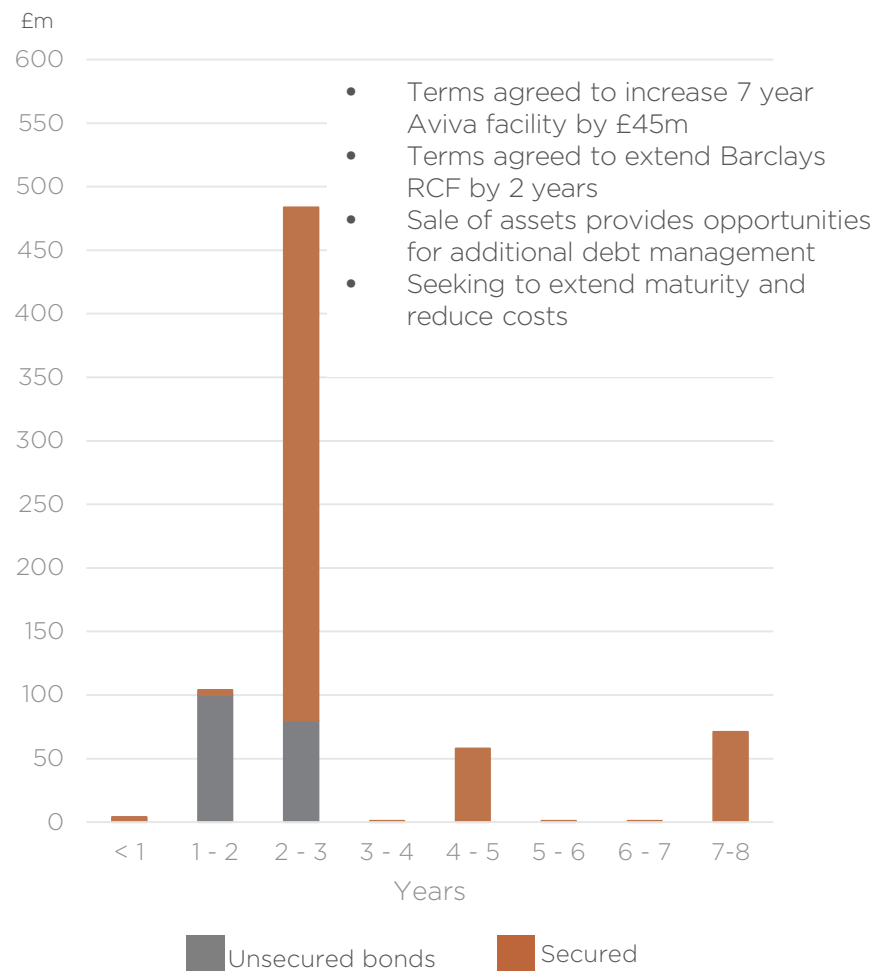
EPRA NET ASSETS PER SHARE



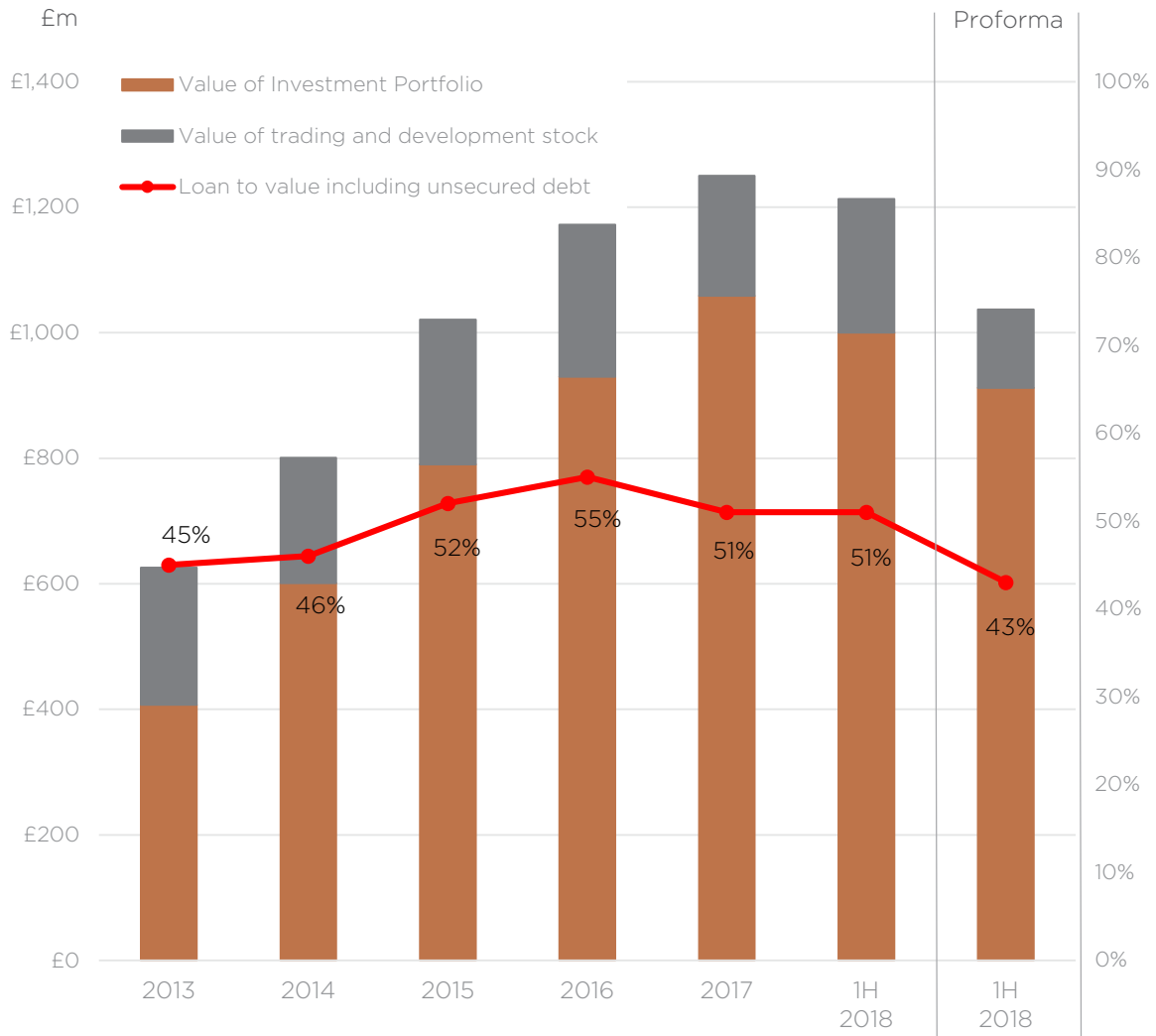
DEBT SUMMARY

	Mar 2017	Sept 2017
Total facilities	£894.9m	£891.6m
Gross debt	£736.6m	£738.2m
Unutilised facilities	£158.3m	£153.4m
Percentage of unsecured debt	24%	24%
Uncharged properties	£17m	£22m
Average interest rate	4.3%	4.3%
Average interest rate (fully utilised)	4.0%	3.8%
Proportion of drawn down facilities at fixed rate or hedged	96%	90%
Average maturity of borrowings	3.6 yrs	3.0yrs
LTV ratio	51%	51%

Loan Maturity



LOAN TO VALUE

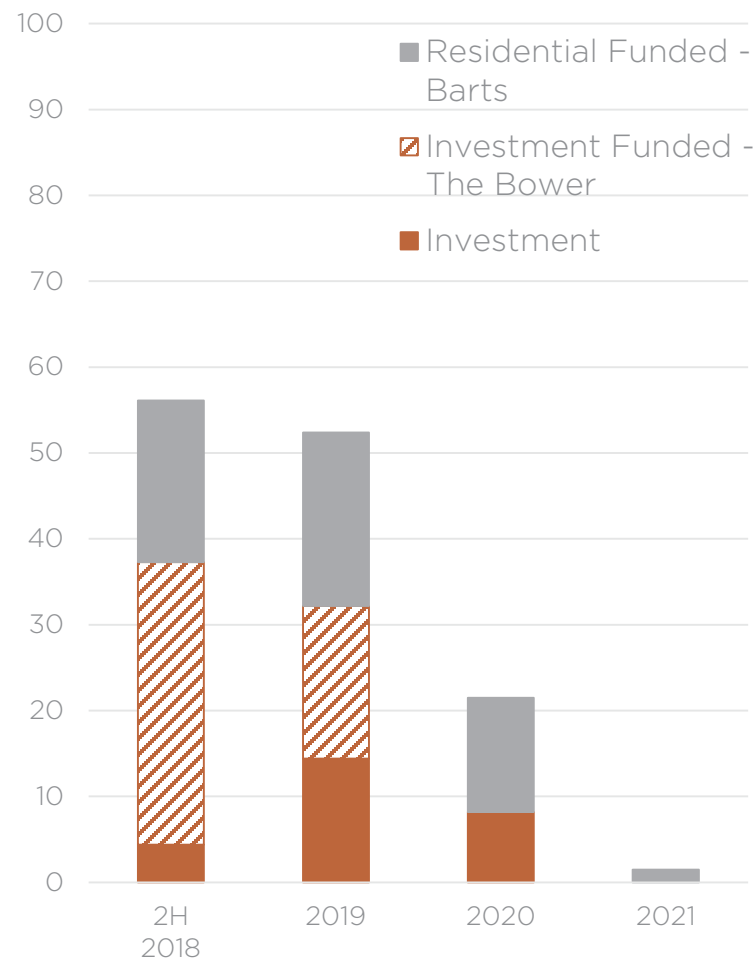


- Committed capex programme of £110m
- Planned additional capex of £22m
- Contracted sales at Barts Square of c.£56m receivable by March 2018
- Will seek to manage LTV within range of between 40% - 50%

NET CASH FLOW MOVEMENTS

	Sept 2016 £m	Mar 2017 £m	Sept 2017 £m
Cash generated from / (used by) operations	(7.4)	(8.1)	(6.6)
Acquisitions	-	-	(13.8)
Capex	(26.0)	(59.3)	(35.4)
Joint ventures	0.7	1.6	-
Net disposal proceeds	54.9	156.3	80.6
Dividends paid	(0.8)	(3.6)	(7.3)
Other cash flow movements	(0.2)	(0.5)	1.3
Reduction in net borrowing	(42.0)	(60.9)	(13.8)
Shares purchased	(0.9)	(0.9)	-
Net (decrease) / increase in cash	(21.7)	24.6	5.0
Cash at start of period	74.7	74.7	99.3
Cash at end of period	53.0	99.3	104.3

FORECAST CAPITAL EXPENDITURE





SUMMARY

Sales have generated significant cash surpluses

Opportunity for debt management in next 6 months

Looking to extend average debt maturity

Looking to reduce effective cost of debt

Targeting a surplus of rental income over all recurring costs

A professional portrait of Matthew Bonning-Snook, a middle-aged man with short, light-colored hair, wearing a dark blue suit jacket, a white shirt, and a blue patterned tie. He is seated at a dark table with his hands clasped, smiling slightly. The background is a blurred office interior with large windows and vertical architectural elements in shades of yellow and blue.

PORTFOLIO HIGHLIGHTS

MATTHEW BONNING-SNOOK

ONE CREECHURCH PLACE, EC3

272,505 sq ft offices (17 floors)

Completed November 2016

Let 48%

115,910 sq ft Hyperion (11-17th floors)

15,969 sq ft Travelers (3rd floor)

Under offer 22%

37,634 sq ft Enstar (part 6th, 7th and 8th floors)

22,383 sq ft Dell Corp. (1st and part 2nd floors)

Available 30%

80,609 sq ft

Profit target – on track



25 CHARTERHOUSE SQUARE, EC1

38,355 sq ft offices

5,138 sq ft retail/restaurant

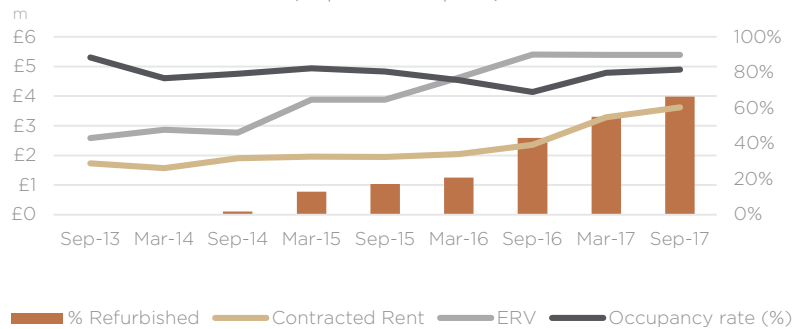
Completed March 2017

6 th Floor	£75 psf	Anomaly
5 th Floor	£75 psf	Anomaly
4 th Floor	£75 psf	Peakon
3 rd Floor	6,521 sq ft	Available
2 nd Floor	6,527 sq ft	Under Offer
1 st Floor	£77 psf	Senator Int.
Ground Floor	Unit 1 - £60 psf Unit 2 - £57.50 psf	Senator Int. Senator Int.

THE LOOM, E1

- 110,069 sq ft offices
- Refurbishment complete September 2016
- Since 1st April 2017 five new lettings completed on 12,850 sq ft
- Newly refurbished space being let at £52.50 - £55 psf
- 24,691 sq ft available in 9 units. 2,431 sq ft under offer

The Loom: Contracted Rent and Occupancy (Sept 13 to Sept 17)





POWER ROAD STUDIOS, W4

58,404 sq ft multi let office on 2 acre site

Average rents at acquisition £24 psf

16,000 sq ft of existing refurbished

8,341 sq ft let at £43 psf

Planning consent recently granted for 43,000 sq ft of additional space

C SPACE, EC1

61,973 sq ft offices

Purchased June 2013 - £17.5m

Planning permission obtained February 2014
adding 12,000 sq ft

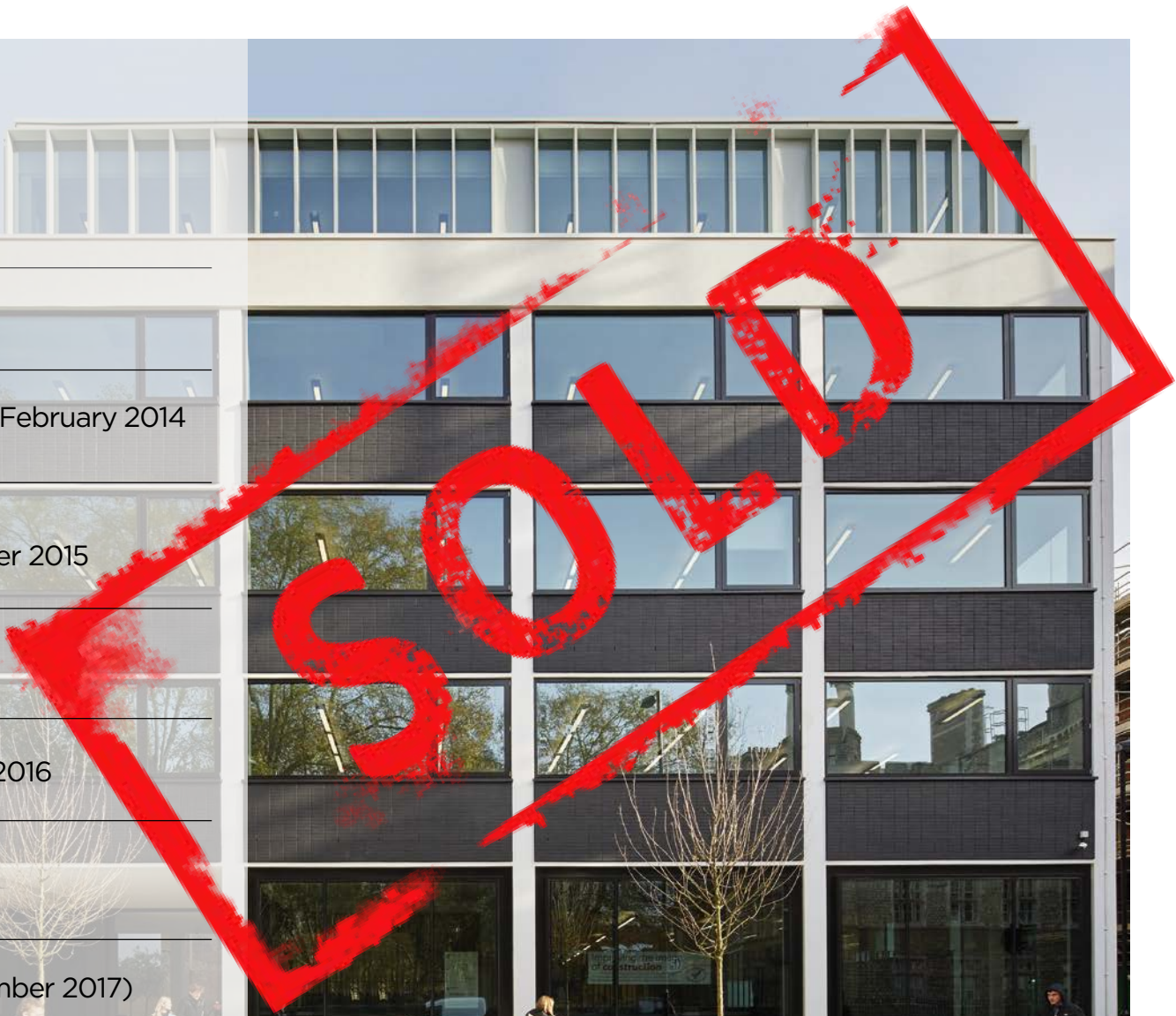
Construction complete October 2015

Pre-let 75% - MullenLowe

Let 25% - NeuLion - October 2016

Total cost £36m

Sold £74m (completion December 2017)

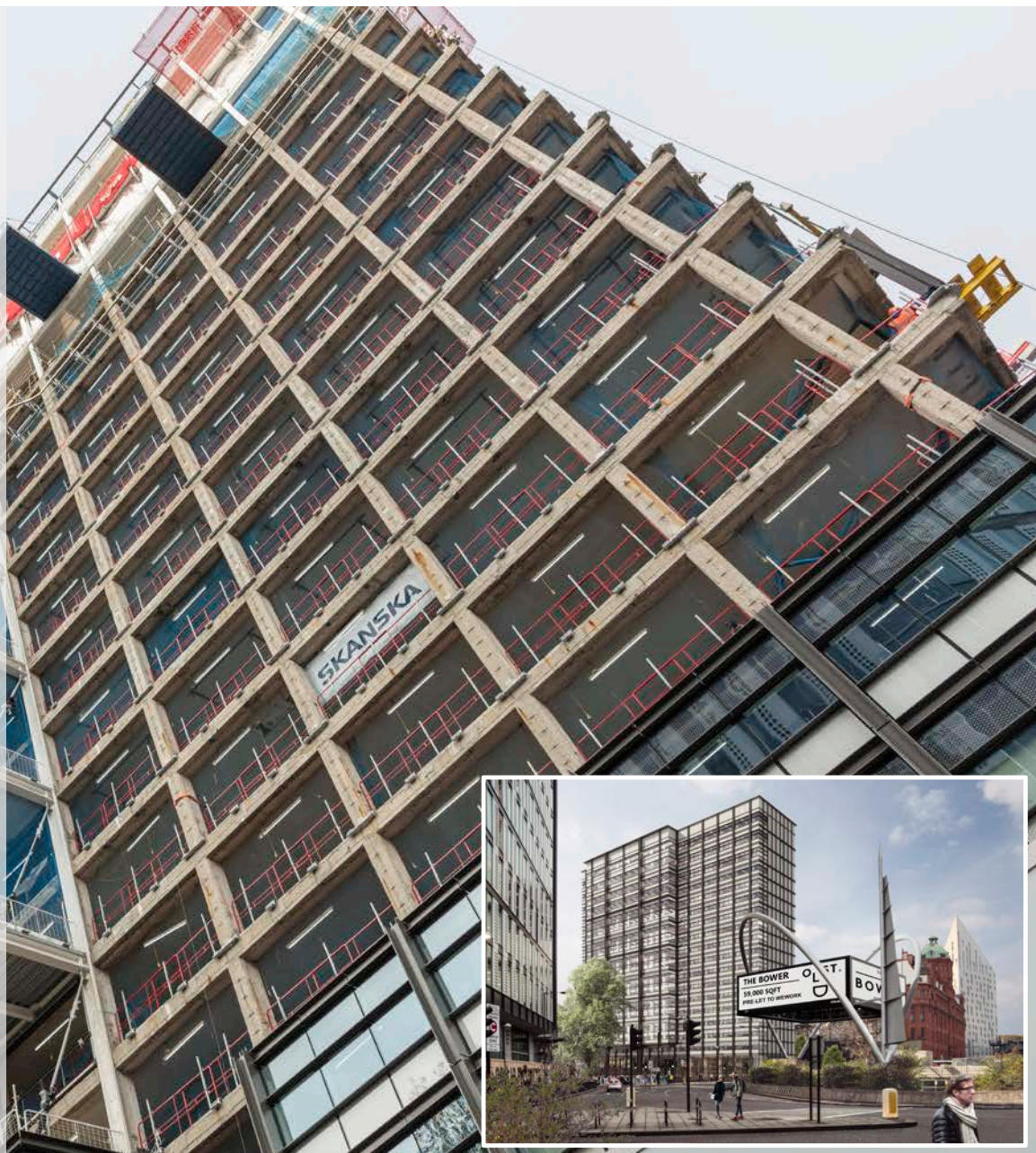


THE TOWER, THE BOWER, EC1

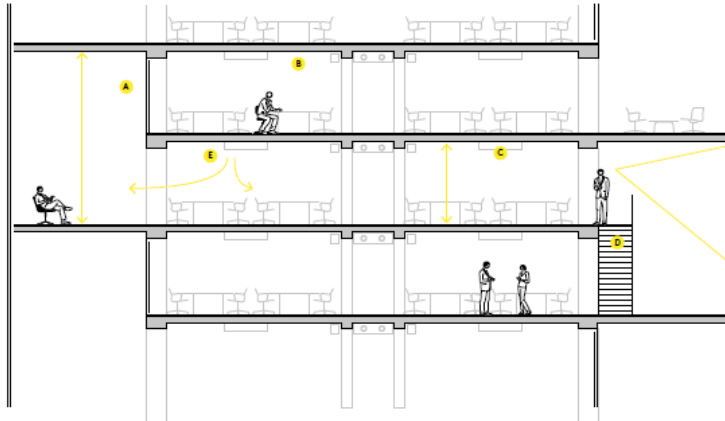
PHASE 2

171,222 sq ft offices (34% pre-let)

17th Floor	11,338 sq ft	Available in Q2. 2018
16th Floor	11,338 sq ft	Available in Q2. 2018
15th Floor	11,338 sq ft	Available in Q2. 2018
14th Floor	9,553 sq ft	Available in Q2. 2018
13th Floor	10,044 sq ft	Available in Q2. 2018
12th Floor	9,552 sq ft	Available in Q2. 2018
11th Floor	10,061 sq ft	Available in Q2. 2018
10th Floor	9,496 sq ft	Available in Q2. 2018
9th Floor	10,062 sq ft	Available in Q2. 2018
8th Floor	9,524 sq ft	Available in Q2. 2018
7th Floor	10,012 sq ft	Available in Q2. 2018
6th Floor	9,533 sq ft	Pre-let WeWork
5th Floor	10,031 sq ft	Pre-let WeWork
4th Floor	9,465 sq ft	Pre-let WeWork
3rd Floor	10,017 sq ft	Pre-let WeWork
2nd Floor	10,017 sq ft	Pre-let WeWork
1st Floor	9,841 sq ft	Pre-let WeWork
Ground Floor	Restaurant/Retail	7,349 sq ft available



THE TOWER, EC1 - PROPOSED FIT OUT





ONE BARTHOLOMEW CLOSE, EC1

213,125 sq ft offices

Completion August 2018

Funding Partner - Ashby Capital LLP

Baupost/Helical to receive profit share based on fixed yield, variable on rent



90 BARTHOLOMEW CLOSE, EC1

24,013 sq ft offices
and 6,449 sq ft restaurant unit

Completion December 2017

Character office space over six floors
behind retained facades

Flagship restaurant unit on ground
floor/basement

BARTS SQUARE, EC1

PHASE 1

- 144 residential units (plus 3,193 sq ft retail)
- 128 sold (12 in the period)
- Average sales price - £1,565 psf
- 3 units reserved
- 13 units available
- 13 sales completed and 115 to complete as they are handed over in period to March 2018

PHASE 2

- Demolition commenced November 2016
- Completion Q3 2019
- 92 apartments (plus 12,197 sq ft retail)





FARRINGDON EAST, EC1

89,000 sq ft consented office scheme over Farringdon East Crossrail Station

Exclusivity agreement in place to take over former landowners right to buy back the land from Crossrail (TFL)

Start on site April 2018 with completion due end of 2019

Crossrail station opens December 2018

MANCHESTER OFFICES

CHURCHGATE AND LEE HOUSE

- 249,233 sq ft
- Fully let
- Continue with asset management initiatives to drive rental growth – substantial regear underway



DALE HOUSE

- 51,634 sq ft
- Ongoing refurbishment providing creative office space in Northern Quarter
 - 27% let
 - 56% under offer
 - 17% available once refurbished



BOOTH STREET

- 25,441 sq ft
- Ground and lower ground let to Elevation (£110,000 pa)
- Good interest in remaining office space



TRINITY COURT

- Existing – 47,443 sq ft
- Proposed – 55,672 sq ft
- Refurbishment project proposed during 2018 once vacant possession obtained
- Planning application submitted



LOGISTICS

23 assets. Value £150.8m

Strong occupational demand

Good rental growth prospects

Hinckley sold at £9.3m (book value)



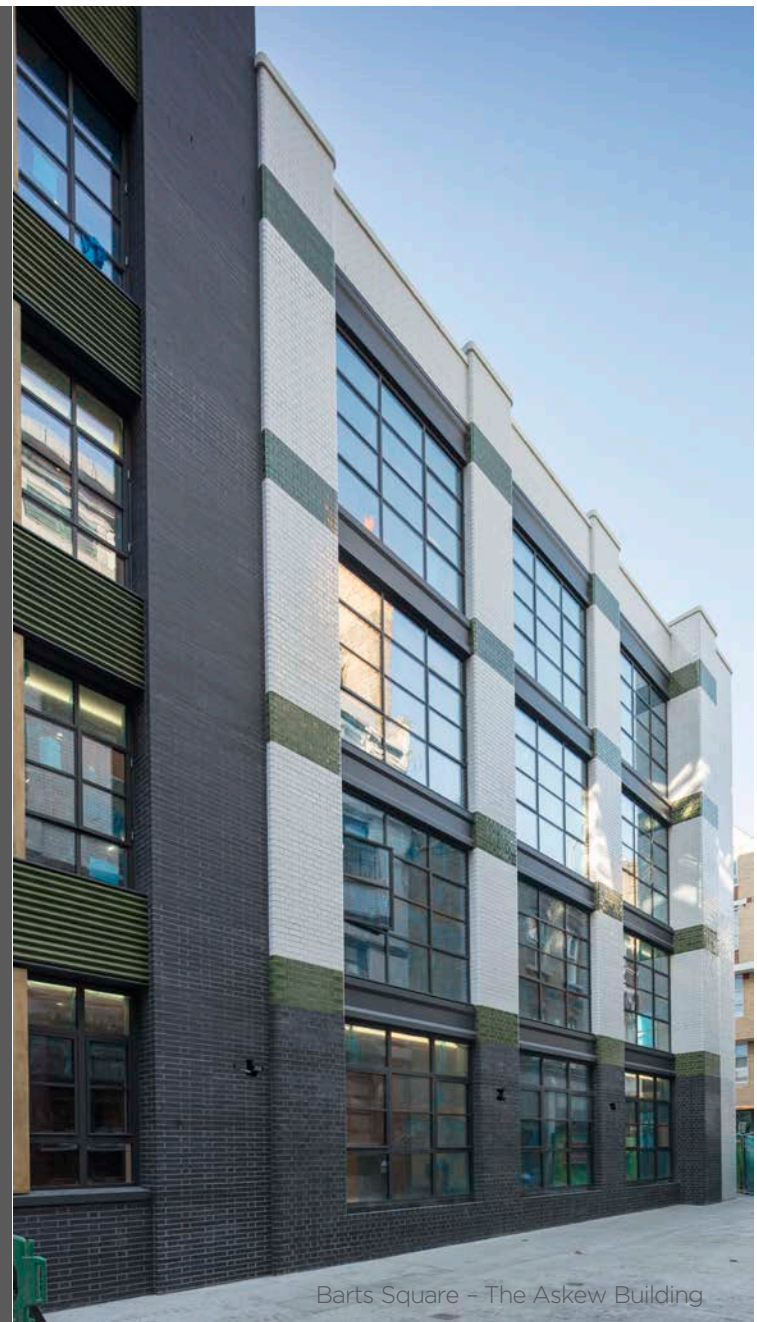
SUMMARY

Focus of portfolio – three key areas; London, Manchester, Logistics

Flexibility for customers and to maximise income

Upside potential within portfolio and with future opportunities

Opportunity in our area of activity and enduring quality of chosen assets



Barts Square – The Askew Building



Q&A

25 Charterhouse Square



APPENDIX

INVESTMENT PORTFOLIO – KEY STATISTICS

Valuation increase of 0.7% in the half year to September, including capex, sales and purchases for assets held as investments

		% OF PORTFOLIO (HB SHARE)	VALUATION CHANGE	EPRA TOPPED UP NET INITIAL YIELD	REVERSIONARY YIELD
London Offices	- Completed, let and available to let	51.1%	1.6%	4.3%	5.3%
	- Being redeveloped	20.1%	1.0%	-	5.8%
Manchester Offices		8.8%	(-0.1%)	5.8%	6.9%
Logistics		15.0%	2.2%	7.0%	7.1%
TOTAL Core Portfolio		95.0%	1.4%	5.0%	5.9%
Regional Offices		2.5%	(-0.9%)	8.7%	8.7%
Retail		1.0%	-	7.4%	7.6%
Retirement Villages		1.5%	(-25.6%)	n/a	n/a
TOTAL Non-Core Portfolio		5.0%	(-4.3%)	8.3%	8.3%
TOTAL PORTFOLIO		100.0%	0.7%	5.2%	6.0%

Note: Valuation movements include Barts Square (investment element).

PROPERTY PORTFOLIO – HELICAL’S SHARE

	FAIR VALUE	% VALUE
London Offices	£670.2m	64.7%
London Residential	£87.1m	8.4%
Regional Offices	£87.6m	8.4%
Logistics	£150.8m	14.5%
TOTAL Core Portfolio	£995.7m	96.0%
Regional Offices	£25.2m	2.4%
Retail	£10.0m	1.0%
Retirement Villages	-	-
Land	£5.9m	0.6%
TOTAL Non Core Portfolio	£41.1m	4.0%
TOTAL PORTFOLIO	£1,036.8m	100.0%

Note: Excludes C Space, EC1 and the Retirement Villages, both sold post half year end

INVESTMENT PORTFOLIO

	CAPITAL VALUE PSF £	VACANCY RATE* (FLOOR AREA) %	WAULT YEARS
London Offices			
• Completed, let and available to let	943	9.5	6.4
• Being redeveloped	653	-	-
TOTAL London	838	9.5	6.4
Manchester Offices	226	18.6	2.9
Logistics	56	5.6	4.8
TOTAL Core Portfolio	242	7.5	6.1
Regional Offices	174	-	6.6
Retail	235	-	6.9
TOTAL Non-Core Portfolio	188	-	6.6
TOTAL	239	7.1	6.1

*The vacancy rates exclude assets in the course of redevelopment

INVESTMENT PORTFOLIO KEY STATISTICS

	LEASE EXPIRIES AND TENANT BREAK OPTIONS				
	2018	2019	2020	2021	2022
Percentage of Rent Roll	11%	11%	7%	7%	18%
Number of Leases	86	52	38	11	32
Average Rent per Lease	£59,072	£97,340	£84,900	£270,787	£248,644

	TOTAL PORTFOLIO CONTRACTED RENT £M
Contracted rent reduced through sales of investment properties	(5.8)
Contracted rent increased from purchases of investment properties	1.3
Total contracted rental change from sales and purchases	(4.5)
Rent lost at break/expiry	(0.7)
Rent reviews and uplifts on lease renewals	0.1
New lettings	1.6
Total increase in the period from asset management activities	1.0
Net decrease in contracted rents in the period	(3.5)

TOP TENANTS

RANK	TENANT	TENANT INDUSTRY	RENT (HELICAL)	RENT ROLL
1	Endemol UK Limited	Media	£3.9m	8.7%
2	MullenLowe Limited	Marketing Communications	£2.6m	5.8%
3	Gopivotal (UK) Limited	Technology	£2.0m	4.5%
4	Farfetch UK Limited	Online Retail	£1.9m	4.2%
5	Sainsbury's Supermarkets Limited	Food Retail	£1.3m	2.8%
6	NeuLion Limited	Technology	£1.0m	2.3%
7	CBS Interactive Limited	Media	£1.0m	2.3%
8	Allegis Group Limited	Recruitment	£1.0m	2.2%
9	Anomaly UK Limited	Marketing	£0.9m	2.0%
10	Stripe Payments UK Limited	Technology	£0.8m	1.9%
	TOTAL		£16.4m	36.7%

Note: Top 10 tenants account for 36.7% of the rent roll.

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