



HELICAL

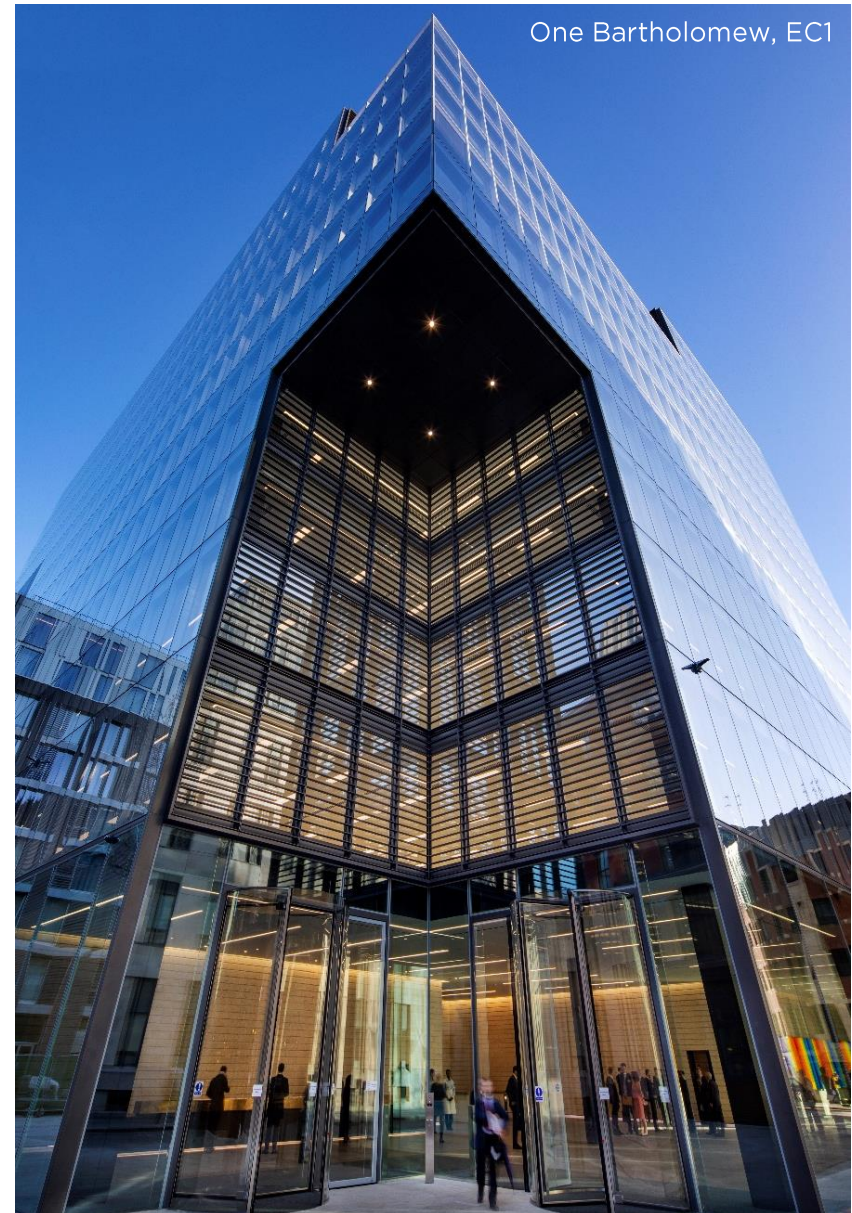
# ANNUAL GENERAL MEETING

11<sup>TH</sup> JULY 2019



# STRATEGY

- Helical invests in London and Manchester for development profit, income and capital growth
- We seek to outperform by:
  - Developing and investing in multi-let office buildings, increasing income through active asset management
  - Granting our customers flexible leases in our multi-let buildings
  - Providing fully fitted 'plug and play' space to enhance rents, minimise rent free periods and widen the appeal of our buildings
  - Working with trusted partners, we use joint venture or 'equity lean' structures to provide enhanced upside development potential whilst managing downside risk
  - Investing in new, and often complex, opportunities which can 'move the needle'
  - Efficient recycling of capital



# RESULTS HIGHLIGHTS

## PROFIT BEFORE TAX

£43.5m +41.2%  
(2018: £30.8m)

## EPRA NAV PER SHARE

482p +3.0%  
(31 March 2018: 468p)

## TOTAL DIVIDEND PER SHARE

10.10p +6.3%  
(2018: 9.50p)

## EPRA TRIPLE NAV PER SHARE

465p +3.8%  
(31 March 2018: 448p)

## SALE/VALUATION GAIN

£60.6m  
(2018: £40.7m)

## TOTAL ACCOUNTING RETURN

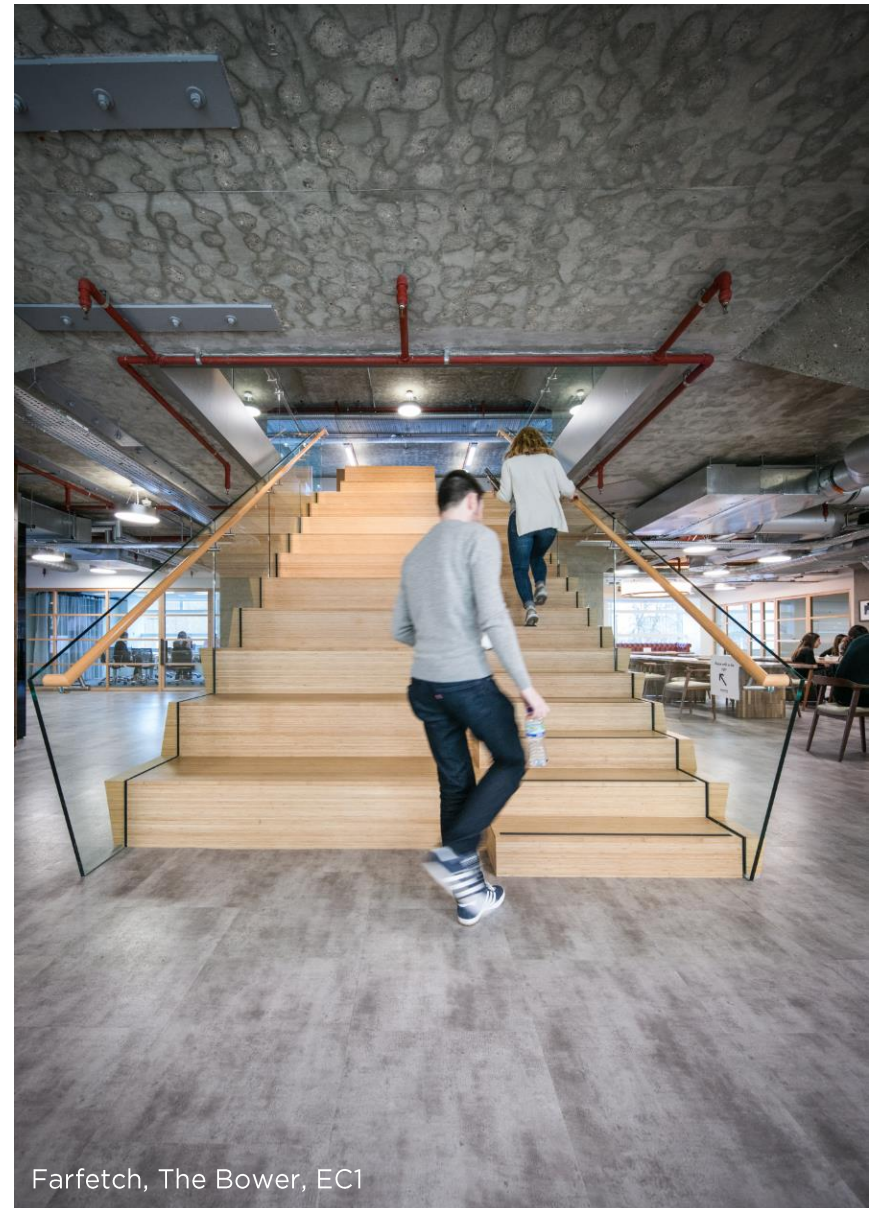
8.4%  
(2018: 5.3%)

## NET RENTAL INCOME

£25.2m  
(2018: £36.1m)

## SEE-THROUGH LOAN TO VALUE

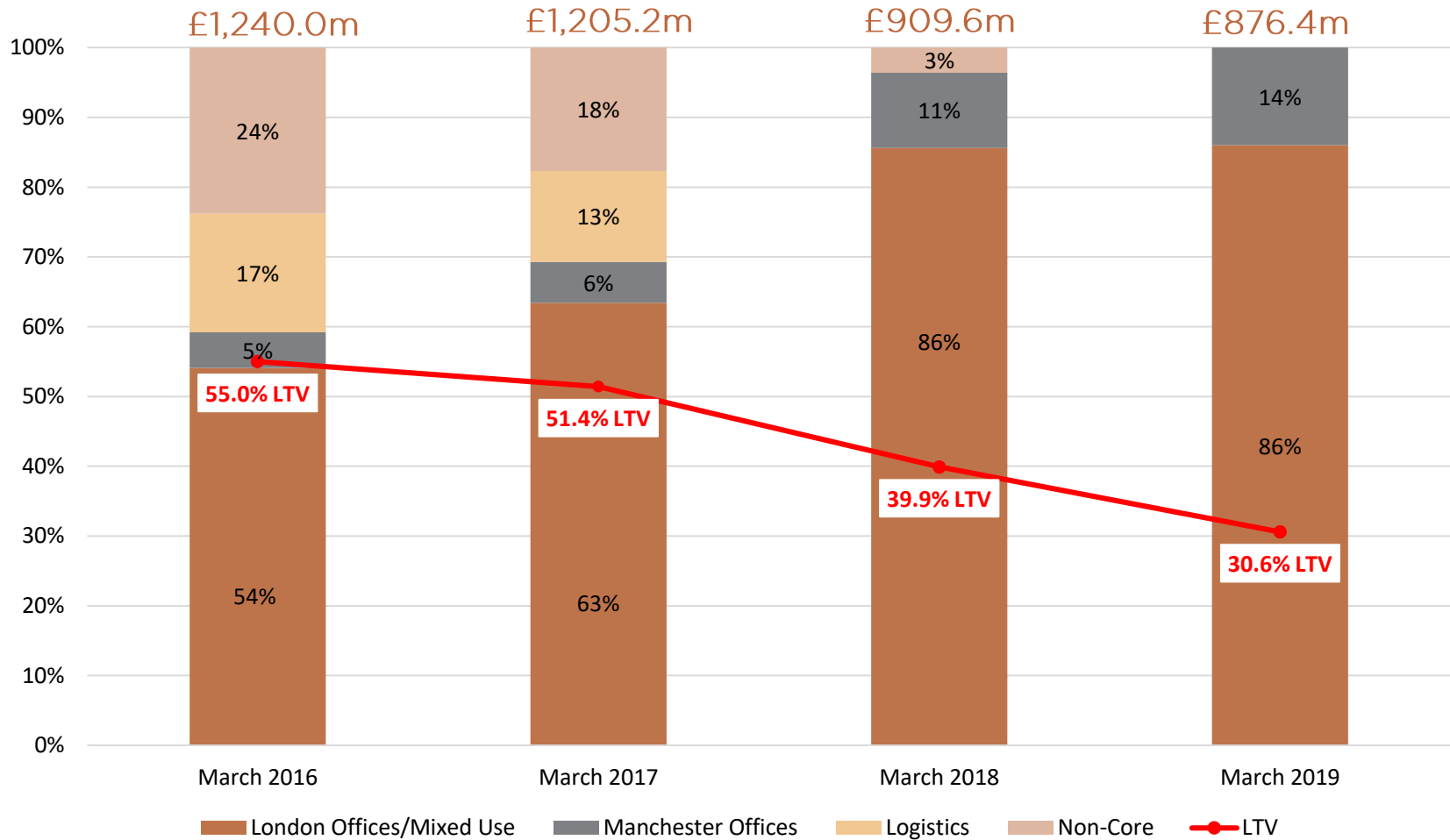
30.6%  
(31 March 2018: 39.9%)



Farfetch, The Bower, EC1

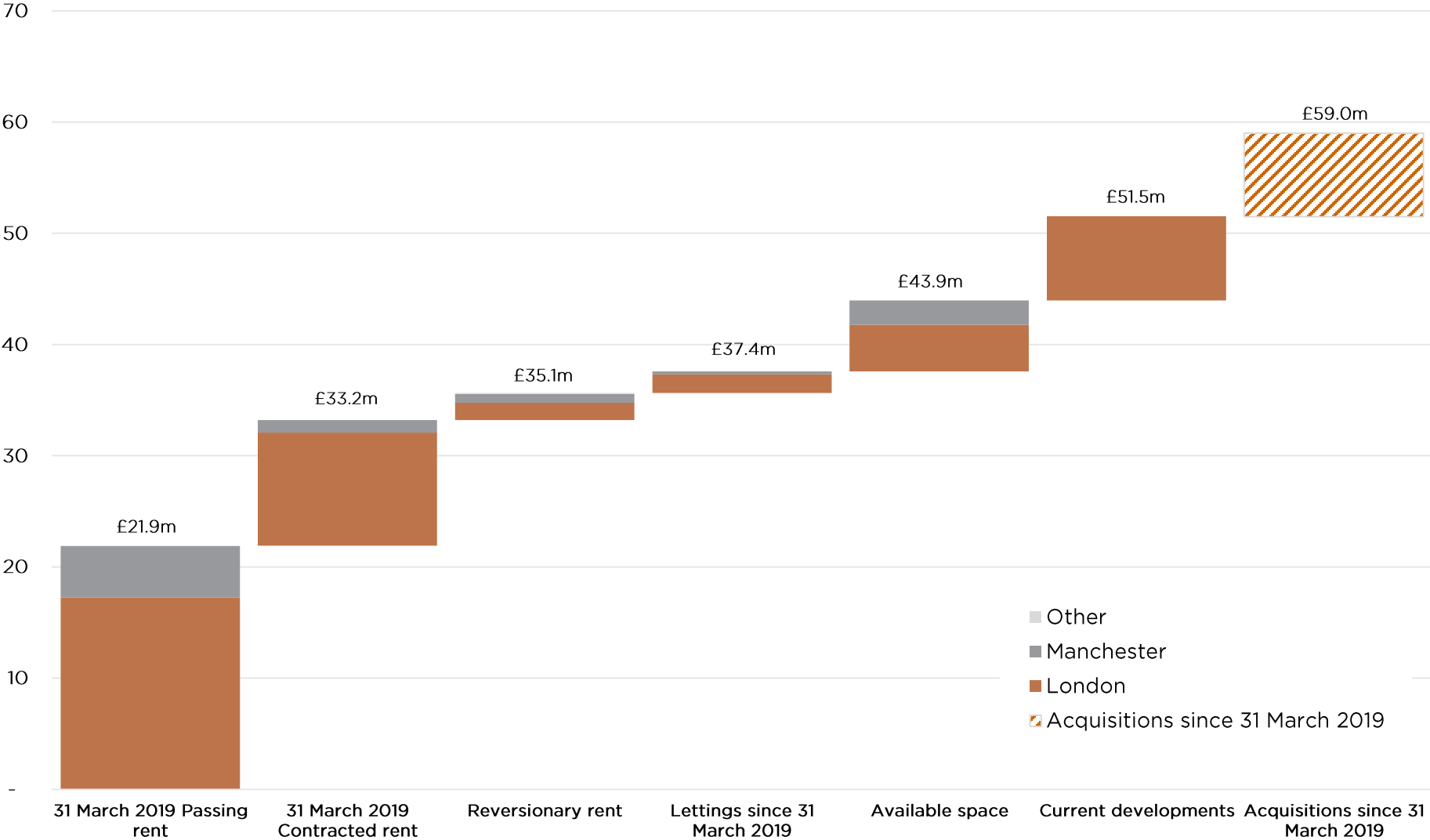
# PORTFOLIO ALLOCATION AND LTV

- Reduction of non-core from 41% to 0.3%
- Reduction of LTV from 55% to 31%





# INCREASING RENTAL INCOME



# FIRST QUARTER UPDATE

## 33 Charterhouse Street, EC1

- c. 195,000 sq ft consented office development acquired in JV with AshbyCapital

## One Bartholomew, EC1

- 43,245 sq ft let to Chicago Booth School of Business and 19,609 sq ft let to InfraRed
- Building is now 64% let within six months of practical completion

## Barts Square, EC1

- Phase 1 – two units sold; now 136 units sold – eight remaining
- Phase 2 – seven units exchanged; now 44 units exchanged – 48 remaining
- 90 Bartholomew Close – 4<sup>th</sup> and 5<sup>th</sup> floors, 7,564 sq ft, let to Sia Partners

## The Tower, EC1

- 16<sup>th</sup> floor, 11,306 sq ft, let to Incubeta – four floors remain
- Now 78% let

## Power Road Studios, W4

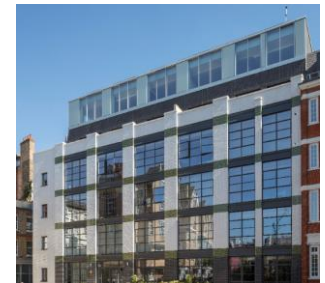
- Six new lettings representing 16,160 sq ft
- Now 88% let

## Churchgate & Lee

- Three new lettings to Capita, representing 35,118 sq ft, plus two existing leases regearred and extended
- Now fully let

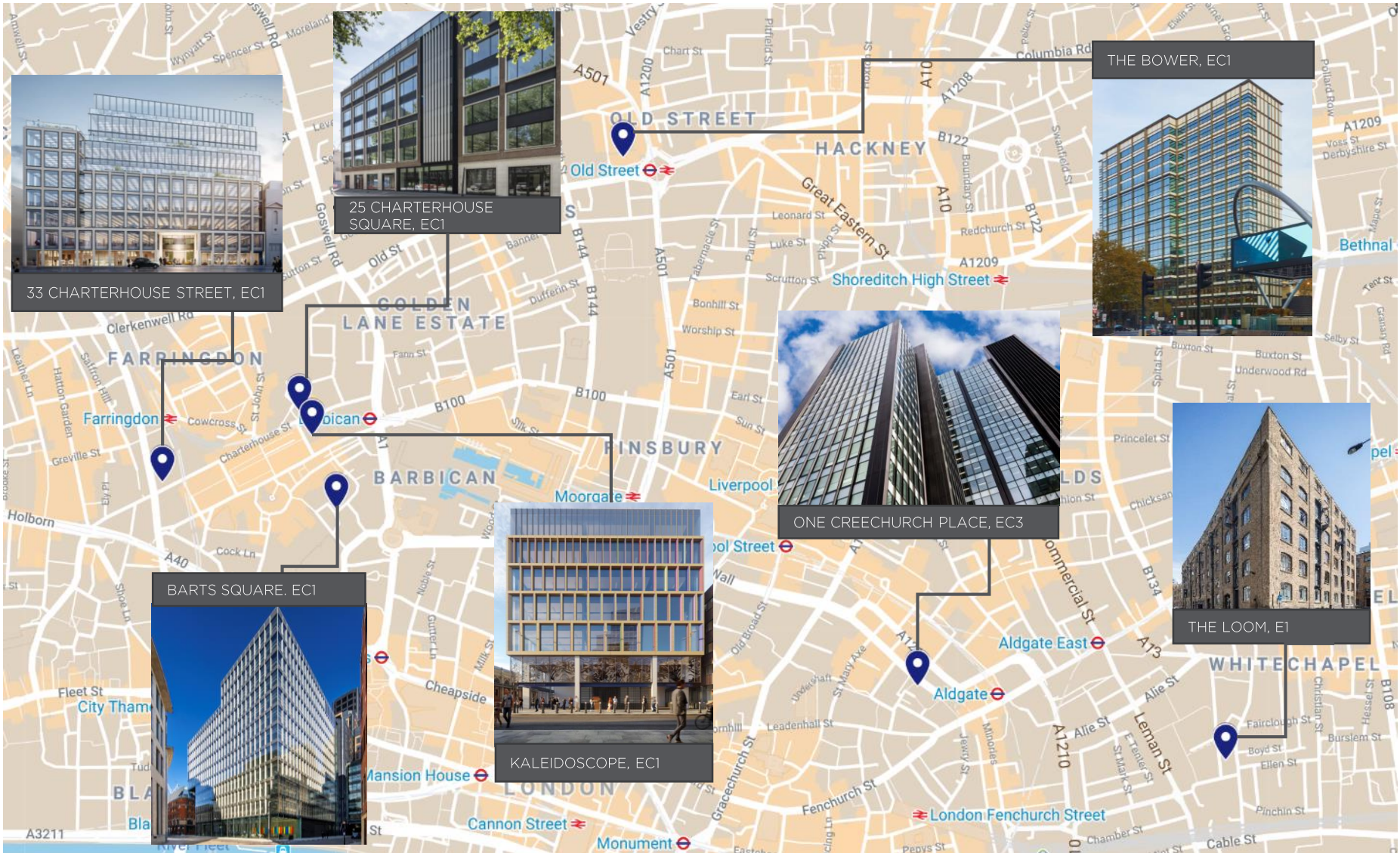
## Other

- Two new lettings at Fourways House at 12.7% above 31 March 2019 ERVs
- One new letting at The Loom, representing 3,059 sq ft

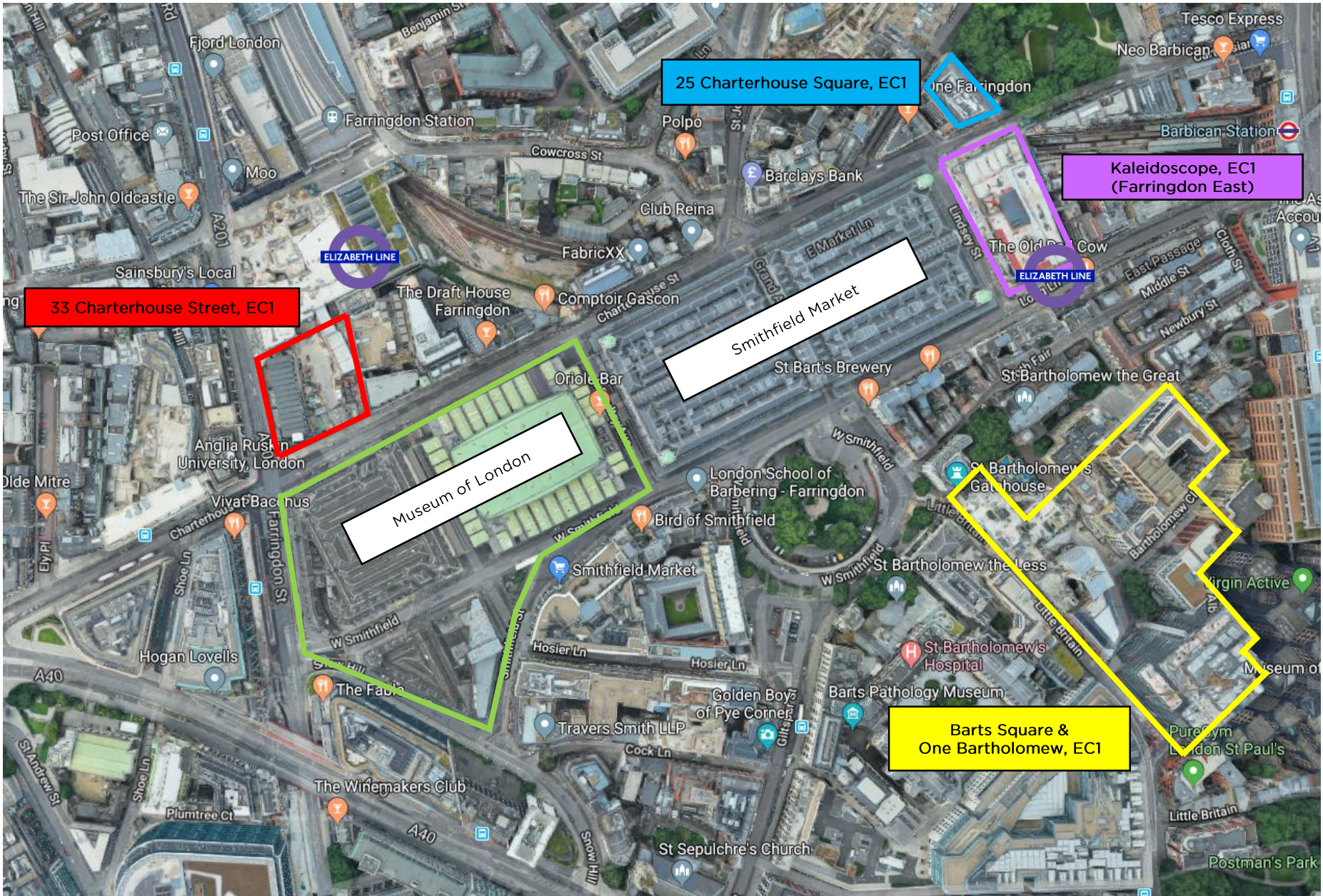




# LONDON PORTFOLIO - CITY & TECH BELT









## 33 CHARTERHOUSE STREET, EC1

### Redevelop - In Joint Venture

- Major development site acquired in a 50:50 joint venture with AshbyCapital
- Prominent corner site overlooking Smithfield and 100 metres from Farringdon Station
- The site has an existing planning consent for c. 195,000 sq ft of offices and ground floor retail
- Demolition has already been undertaken and the site is vacant
- Construction to commence Q4 2019 with completion anticipated H1 2022
- 150 year lease from the City of London @ 6.35% ground rent
- Completed gross development value of c. £300m



# THE BOWER, EC1

Redevelop/Refurbish – Initially In Joint Venture, now On Balance Sheet

## THE WAREHOUSE AND THE STUDIO – PHASE 1

- 141,141 sq ft offices and 10,298 sq ft restaurants
- Fully let prior to practical completion March 2015
- Rents £45.00 to £67.50 psf
- Office tenants:
  - CBS
  - Stripe
  - Farfetch
  - Allegis
  - Pivotal
  - John Brown Media



Key rental statistics (March 2019)	£m
Passing Rent	8.0
Contracted Rent	8.1
ERV	9.5



# THE BOWER, EC1

Redevelop/Refurbish – Initially In Joint Venture, now On Balance Sheet

## THE TOWER – PHASE 2

- 171,434 sq ft offices – 76% let:
 

Finablr	11,329 sq ft	17 <sup>th</sup> floor
Incubeta	11,306 sq ft	16 <sup>th</sup> floor
Available	40,517 sq ft	12 <sup>th</sup> -15 <sup>th</sup> floors
Infosys	19,576 sq ft	10 <sup>th</sup> -11 <sup>th</sup> floors
Farfetch	29,671 sq ft	7 <sup>th</sup> -9 <sup>th</sup> floors
WeWork	59,035 sq ft	1 <sup>st</sup> -6 <sup>th</sup> floors
- Offices rents of £62.50 - £83.00 psf
- 10,308 sq ft retail – 100% let Serata Hall & Wagamama
- Completed August 2018
- BREEAM Excellent and WiredScore Platinum
- RIBA London Award 2019



Key rental statistics (March 2019)	£m
Passing Rent	1.0
Contracted Rent	8.9
ERV	12.8

# KALEIDOSCOPE, EC1 (FORMERLY FARRINGDON EAST)

## Redevelop - On Balance Sheet

- 88,680 sq ft offices with ground floor restaurant/café
- 5 floors of c. 14,000 – 19,500 sq ft
- Roof terrace – 5,000 sq ft with views of St Paul's Cathedral
- Built over Farringdon East Crossrail Station – opening 2020
- Practical completion December 2019
- 150 year leasehold interest – 10% ground rent on contracted rents
- BREEAM Excellent and WiredScore Platinum targeted





# THE LOOM, E1

## Refurbish/Reposition – On Balance Sheet

- 108,640 sq ft office, listed former Victorian Wool Warehouse
- Remained an average of 78% let throughout refurbishment, which involved new ‘dual’ entrance, cafe, bike store and showers
- Currently 97% let following letting of one unit in the period. The remaining two vacant units under offer
- Achieving rents of £55.00 psf
- RIBA London and National Award and AJ Retrofit Award
- WiredScore Gold



Key rental statistics (March 2019)	£m
Passing Rent	3.5
Contracted Rent	5.0
ERV	5.5

# 25 CHARTERHOUSE SQUARE, EC1

## Refurbish – On Balance Sheet

- 38,355 sq ft offices plus 5,138 sq ft ground floor retail
- Fully let – offices £75.00 - £77.00 psf
- Completed March 2017 and fully let within 9 months
- 155 year leasehold interest with 10% ground rent
- BREEAM Excellent and WiredScore Gold



Key rental statistics (March 2019)	£m
Passing Rent	3.2
Contracted Rent	3.2
ERV	3.2



# BARTS SQUARE, EC1

## ONE BARTHOLOMEW

### Redevelop - Initially In Joint Venture, now 'Equity Lean'

- 214,434 sq ft offices - 64% let:

The Trade Desk	74,210 sq ft	8 <sup>th</sup> to 11 <sup>th</sup> floors
InfraRed	19,609 sq ft	7 <sup>th</sup> floor
Chicago Booth School of Business	43,245 sq ft	Ground to 2 <sup>nd</sup> floor
- Achieving rents from £75.00 - £85.00 psf, depending on floor level
- Forward sold to clients of AshbyCapital with Helical acting as development manager
- Baupost/Helical receive profit share payment upon successful letting (based on fixed yield, variable on rent)
- BREEAM Excellent and WiredScore Platinum





# BARTS SQUARE, EC1

## RESIDENTIAL

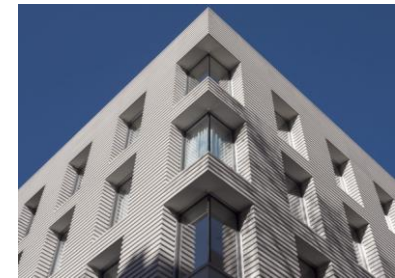
### Redevelop - In Joint Venture

#### PHASE 1

- 144 units and 3,101 sq ft restaurant (2 units)
- 136 units sold for £173.9m - £1,555 psf average
- Restaurants - let to Stem+Glory and Halfcup

#### PHASE 2

- 92 units and 11,815 sq ft retail/restaurants
- 44 units exchanged, for £69.7m at £1,793 psf average
- Completion due in stages from Q4 2019 to Q1 2020



# BARTS SQUARE, EC1

## 90 BARTHOLOMEW CLOSE

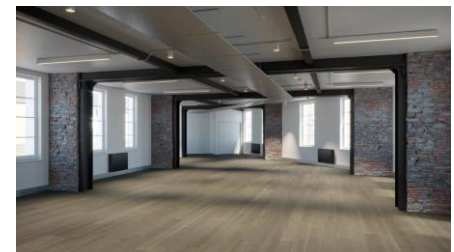
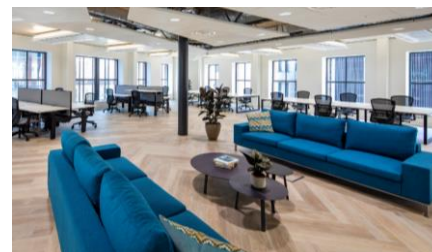
### Redevelop - In Joint Venture

- 24,013 sq ft office
- 7,564 sq ft is let to Sia Partners and 4,642 sq ft let to Northridge Law
- Office rents of £75.00 psf being achieved
- 6,414 sq ft restaurant let to Wright & Bell trading as 'Lino'
- BREEAM Excellent and WiredScore Gold

## 54 BARTHOLOMEW CLOSE

### Refurbish - In Joint Venture

- 10,286 sq ft of offices once completed
- Completion due Q4 2019
- BREEAM Excellent target

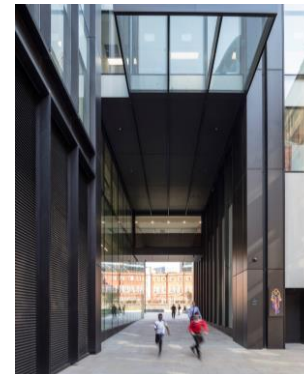
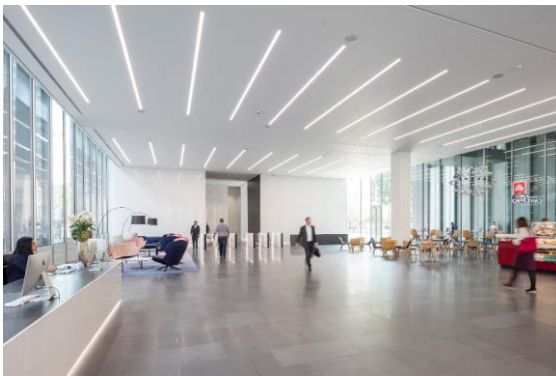




# ONE CREECHURCH PLACE, EC3

## Redevelop - 'Equity Lean'

- 272,505 sq ft offices, plus 786 sq ft retail
- HOOPP (Healthcare of Ontario Pension Plan)  
90% Helical 10%
- Now fully let
- 155 year leasehold interest with 5% ground rent payable to the City of London
- BREEAM Excellent and WiredScore Platinum





## POWER ROAD STUDIOS, W4

### Refurbish – On Balance Sheet

- 57,585 sq ft multi-let office campus
- Since 1 April we have completed six new lettings, representing 16,160 sq ft, at an average of 10.8% above 31 March 2019 ERVs
- Consent secured for a 13,000 sq ft extension and 30,000 sq ft new building scheme on surplus land
- Average rent at acquisition £24.00 psf, new lettings being achieved at £40.00 psf
- WiredScore Gold



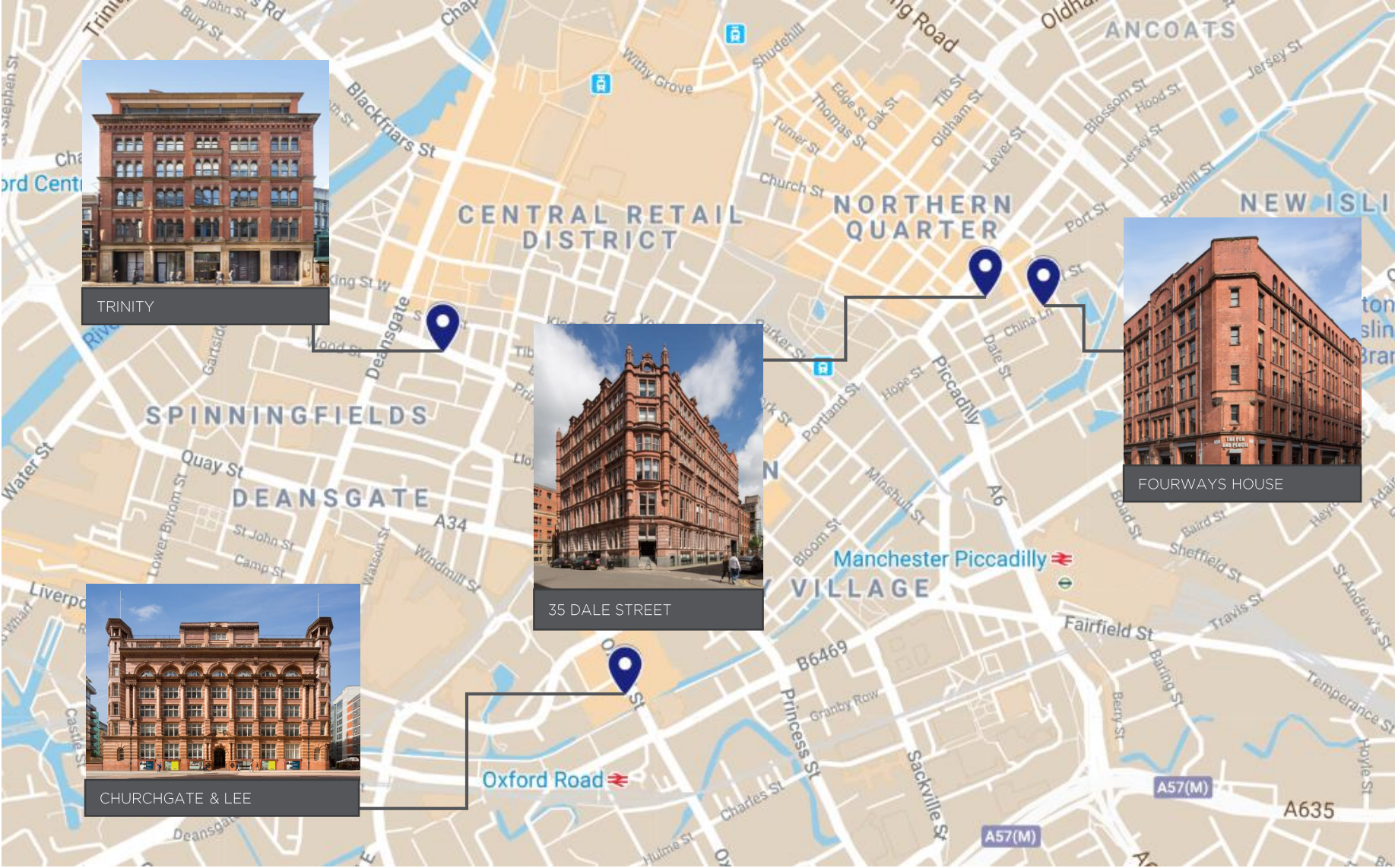
## THE POWERHOUSE, W4

### Reposition – On Balance sheet

- 24,288 sq ft offices/recording studio
- Sale and leaseback to Metropolis Music Group
- Residential above sold on long leasehold interests



# MANCHESTER PORTFOLIO





# CHURCHGATE & LEE, MANCHESTER

## Reposition – On Balance Sheet

- Churchgate & Lee are interlinked buildings providing 244,627 sq ft of multi-let office space
- We have undertaken a comprehensive refurbishment of common parts and office space where vacant
- Following the letting of 35,118 sq ft to Capita all available space is now let
- New lettings and regears achieving £21.50 psf
- A full refurbishment of Lee reception is progressing
- WiredScore Platinum/Gold



Key rental statistics (March 2019)	£m
Passing Rent	3.4
Contracted Rent	3.9
ERV	4.8



# 35 DALE STREET, MANCHESTER

## Refurbish - On Balance Sheet

- 55,243 sq ft multi-let office building
- We have undertaken a comprehensive refurbishment of offices and common parts, including a new entrance, reception, onsite cafe and bike store/shower facilities
- Now fully let
- New headline rent achieved at £24.00 psf



Key rental statistics (March 2019)	£m
Passing Rent	0.6
Contracted Rent	1.1
ERV	1.1

# TRINITY, MANCHESTER

## Refurbish – On Balance Sheet

- 54,651 sq ft offices and 4,300 sq ft restaurant/cafe
- The redevelopment was completed in January
- Adding a new upper floor, infilled atrium, 58 bicycle spaces with showers and 30 car parking spaces
- WiredScore Platinum



Key rental statistics (March 2019)	£m
Passing Rent	0.0
Contracted Rent	0.0
ERV	1.7



# FOURWAYS HOUSE, MANCHESTER

## Reposition - On Balance Sheet

- Acquired off market in July 2018 for £16.5m
- 59,067 sq ft listed former packing warehouse adjoining 35 Dale Street
- Two new lettings achieved since 1 April at 12.7% premium to 31 March 2019 ERVs
- New lettings and regears achieving £25.00 psf
- Active asset management initiatives to reposition the building by improving the reception and ground floor food and beverage offering and undertaking rolling refurbishments on the office floors
- WiredScore Gold target



Key rental statistics (March 2019)	£m
Passing Rent	0.6
Contracted Rent	0.8
ERV	1.3

## THE SHEPHERDS BUILDING, LONDON W14

Recycle Equity

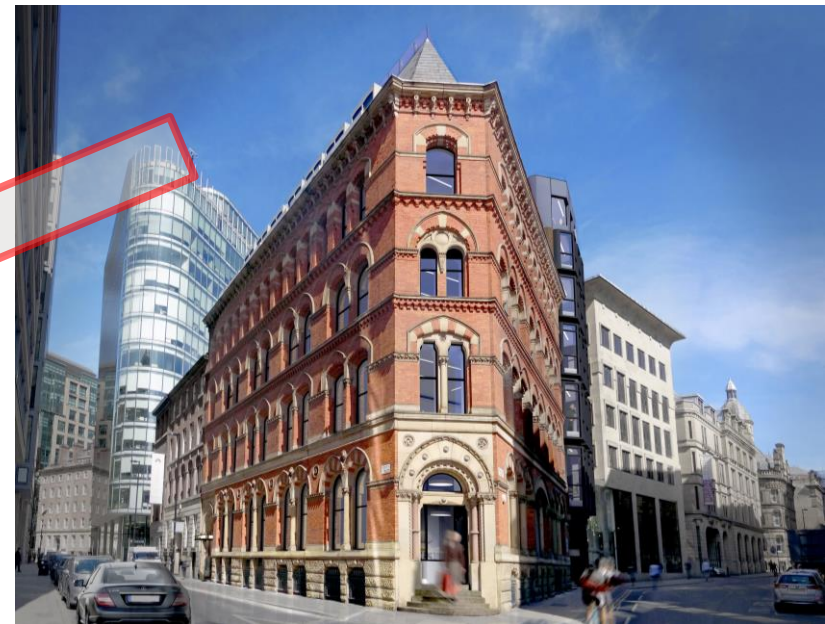
Acquired March 2000	£12.8m
Refurbishment completed 2001	£24.6m
Total Cost	£37.4m
Sold October 2018	£125.2m
Realised capital profit	£87.8m
Unleveraged IRR	12.1%



## 31 BOOTH STREET, MANCHESTER

Recycle Equity

Acquired January 2016	£4.7m
Capital expenditure and fees	£4.0m
Total Cost	£8.7m
Sold December 2018	£11.9m
Realised capital profit	£3.2m
Unleveraged IRR	13.8%





## SUMMARY - MILESTONES FOR THE YEAR

**ONE**

Let remaining four floors at The Tower

**TWO**

Let remaining four floors at One Bartholomew

**THREE**

Complete and let Kaleidoscope

**FOUR**

Let Trinity, Manchester

**FIVE**

Residential sales at Barts Square

**SIX**

Asset recycling

**SEVEN**

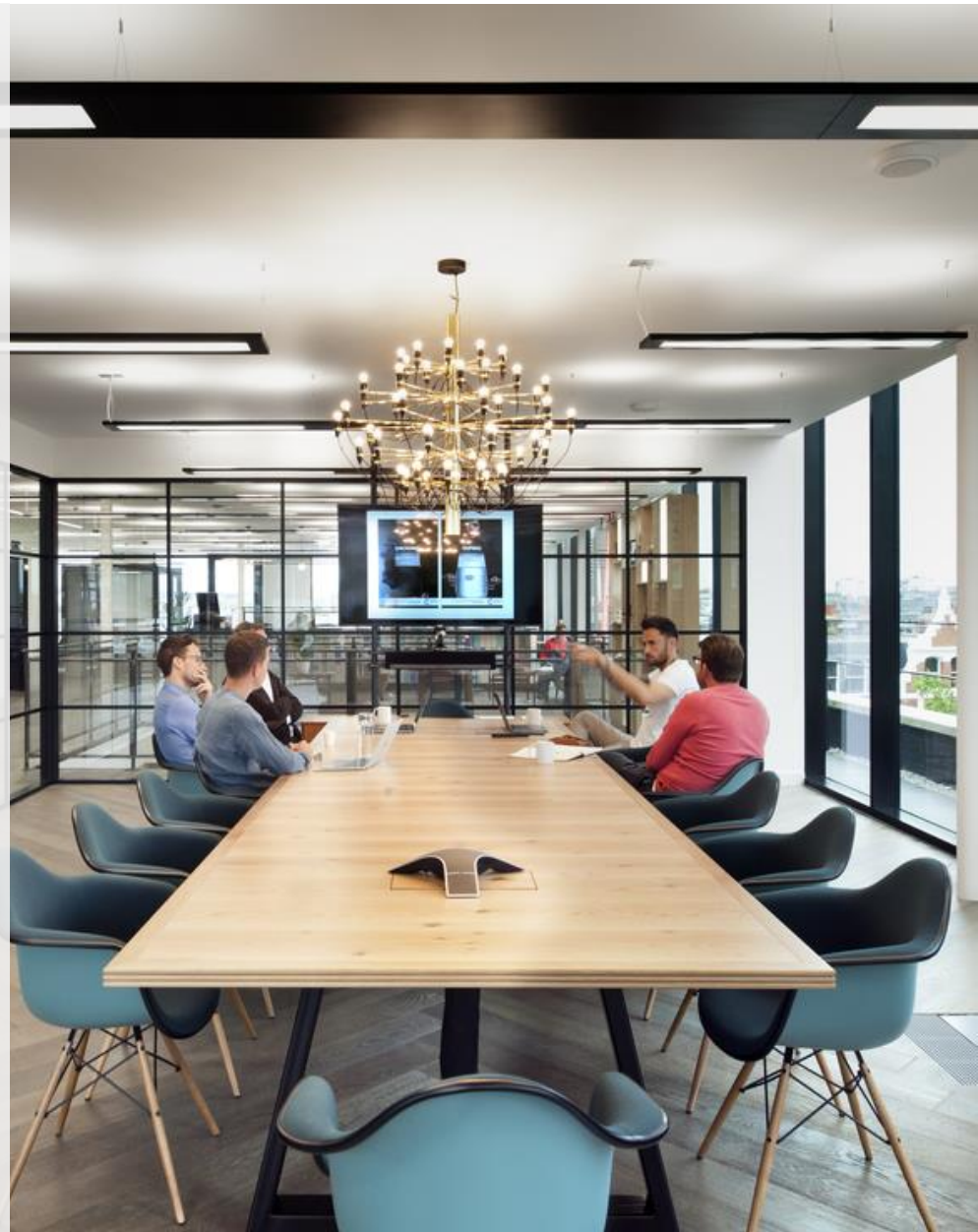
Further acquisitions



## MARKET COMMENT

- Central London take up on rolling 12 months 5% above trend
- Vacancy rate 4.3%. 13.3m sq ft of which nearly 10m sq ft is second hand
- Rents increasing for Grade 'Interesting'
- Quality of building as important as location
- 117,000 new office jobs created in London in 2018
- Strong growth in creative industries and life sciences
- London yields at 4%+ attractive on global basis

Source: CBRE

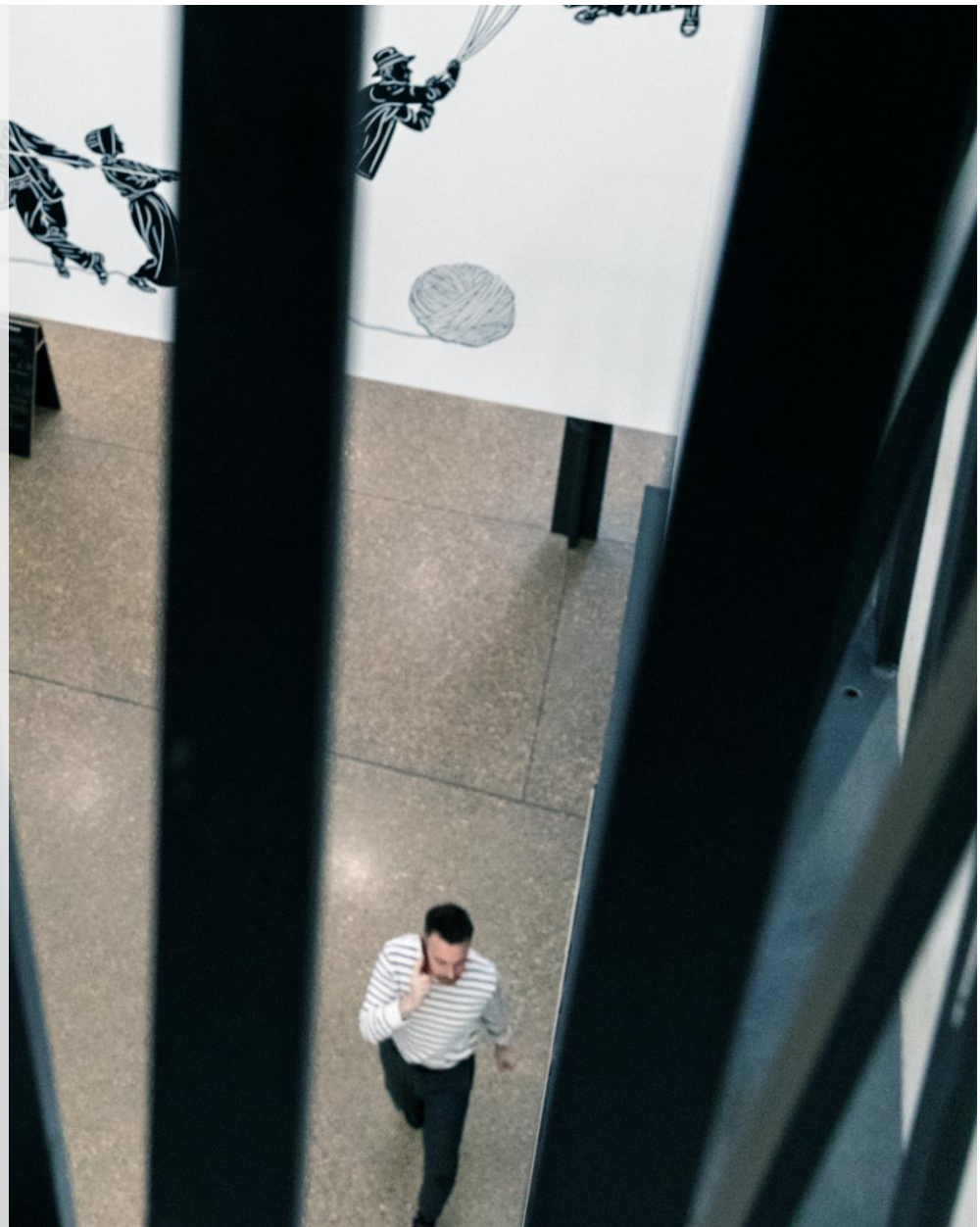




## SUMMARY

Helical has a **focused** portfolio in London and Manchester.

We provide **flexibility** for our customers. There is future **upside** in the current portfolio and we continue to evaluate **new opportunities**.



# Helical's The Atlas Ascent raised over **£140,000**



**LandAid** *uniting to end youth homelessness*  
THE PROPERTY INDUSTRY CHARITY



LORD  
MAYOR'S  
APPEAL  
CHARITY



A Better  
City for All



# HELICAL'S 100<sup>TH</sup> BIRTHDAY







# THE TEAM









# Q & A



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