

Press Release

3 February 2020

TRITAX BIG BOX REIT PLC TRADING UPDATE

WELL-POSITIONED TO CONTINUE DELIVERING STRONG, GROWING AND SUSTAINABLE LONG-TERM INCOME

The Board of Tritax Big Box REIT plc (ticker: BBOX) is pleased to provide the following trading update ahead of the publication of the Company's results for the year ended 31 December 2019, which are expected to be published on 17 March 2020.

Colin Godfrey, CEO, Fund Management, said:

"The market for very large Big Box logistics assets continues to display strong fundamentals for 2020 and the longer term. Structural tailwinds are supportive as occupiers upscale the size of their logistics assets¹ to further increase efficiency, reduce costs and rationalise their supply chains, in the face of the rapid transition to omni-channel purchasing by consumers.

This year, we see the potential for further sectoral yield compression after a largely static 2019, which was impacted by the uncertainty of Brexit and the general election. Investment volumes have the potential to increase, driven by activity from overseas investors and institutions continuing to re-weight their portfolios. The all-property yield gap versus 10-year Gilts is wide at nearly 400bps.

Occupier take-up looks promising for 2020 with over 10 million sq ft of lettings reported to be under offer and carried over from 2019. Speculative supply has slightly decreased from 2018, but importantly reduced by c.50% for buildings over 500,000 sq ft, where demand continues to outstrip supply. Attractive levels of rental growth are therefore expected to continue, which when combined with 53% of our contracted rental income receiving fixed or minimum increases will support the Group's progressive dividend policy.

Following the acquisition of db symmetry (since rebranded Tritax Symmetry), Development Assets represent c.11% of our GAV and we now control one of the UK's largest logistics landbanks, providing the opportunity for internal growth at attractive yields. In 2020, our primary focus will be on delivering value to our shareholders through our in-house pre-let developments which we expect to fund primarily by recycling capital from the sale of specific Investment Assets, and disposal plans for the current year are already underway. We continue to identify opportunities to add further value through acquiring new Investment Assets and forward funded developments."

HIGH QUALITY, MODERN PORTFOLIO DELIVERING STRONG, LONG-TERM INCOME

- An unaudited total portfolio value, comprising Investment Assets² and Development Assets³, (the "Portfolio") of £3.94 billion as at 31 December 2019 (30 June 2019: £3.85 billion), including all forward funded development commitments⁴
 - Like-for-like valuation uplift across the Portfolio of 1.8% during the 12-month period to 31 December 2019 (0.9% during the six-month period to 31 December 2019)
 - Weighted average purchase yield since inception of 5.5%⁵, against a valuation yield of 4.5% as at 31 December 2019
 - Weighted average unexpired lease term across the Portfolio as at 31 December 2019 of 14.1 years^{5,6}

- 58 Investment Assets let or pre-let to 40 institutional quality tenants with contracted annual rental income of £166.6 million as at 31 December 2019
 - As at 31 December 2019, the Company's largest tenant exposure was to Amazon, representing 13.1% of the Company's total contracted rental income (30 June 2019: 13.2%)
 - All leases provide for upward only rent reviews, of which 50% are RPI/CPI-linked, 37% are open market, 11% are fixed and 2% are hybrid
 - Within the different types of rent review, 53% have rental income which provides for a contracted fixed or minimum level of increase at the point of rent review
 - The blended fixed or minimum level of increase across this 53% of contracted rental income is 1.8% per annum
 - A low portfolio vacancy rate of 1.3% as at 31 December 2019 (as a result of the recent completion of two speculatively developed assets)

GOOD PROGRESS ON DEVELOPMENT AND PRE-LET DEVELOPMENT PROGRAMME

- The Company continues to target an average yield on cost of 6-8% across its entire portfolio of Development Assets, well above the Group's current Portfolio valuation yield of 4.5% at the year end
- Plans for selective Investment Asset disposals are already underway for the current year, with a view to recycling capital efficiently into the Company's development portfolio
- Good levels of occupational interest, active discussions are ongoing with prospective occupiers across a number of schemes within the near-term pipeline
- At Littlebrook in Dartford, the Group's distribution development site on the edge of London and inside the M25, the demolition and clearance of Phases 1 and 2 has been completed, with demolition of the remainder of the site on track to complete in Q2 2020. A healthy level of occupational interest has been received for both Phases 1 and 2. The Company is also in advanced discussions with a potential occupier on Phase 2, on a subject to planning basis
- During 2019, the Company completed five pre-let forward funded developments totalling 4.3 million sq ft, along with three Tritax Symmetry developments totalling 0.4 million sq ft
- As at the year end, the current development pipeline of assets under construction, which consists of projects expected to reach practical completion within the next 12 months, includes:
 - Two pre-let forward funded developments totalling 2.3 million sq ft
 - Three Tritax Symmetry developments totalling 0.8 million sq ft
 - 92% of the above developments are pre-let
- Strong progress with Near term development pipeline, consisting of sites with either planning consent received or planning applications submitted prior to 31 December 2019, comprising 11.5 million sq ft. 2019 highlights include:
 - Land held or controlled with planning consent now totals 5.3 million sq ft. This includes planning consent received during the year for 2.3 million sq ft of high-quality logistics space at Kettering
 - Land held or controlled with planning applications submitted to Local Planning Authorities totals 6.2 million sq ft, of which 2.9 million sq ft was submitted during the year

ACTIVE ASSET MANAGEMENT

- The Group settled seven rent reviews during 2019, comprising 15.4% of the Group's total contracted annual rental income. This added £0.7 million to the contracted annual rent, at an average annual like-for-like increase of 2.0%
- The Group concluded two lease extensions during 2019, including an 18-year lease extension with Sainsbury's to create a 25year term, and a lease extension of five years with Whirlpool to create a six-year term
- Committed to a sustainable development programme, with an objective of developing net zero carbon logistics facilities, starting with a pilot net zero development in 2020

FINANCE

- Successful, significantly oversubscribed c.£250 million equity issue in February 2019
- £1.7 billion of committed debt financing in place, of which £1.2 billion was drawn as at 31 December 2019. 87% of committed debt is financed on an unsecured basis
- 30% LTV as at 31 December 2019. An additional £130 million is allocated against existing development commitments as at the same date
- Weighted average term to maturity of debt facilities of 7.5 years as at 31 December 2019 (7.8 years as at 30 June 2019)
- Weighted average capped cost of debt of 2.68%⁸, primarily comprising fixed rate debt (2.68% as at 30 June 2019)

PROGRESSIVE DIVIDEND POLICY

- The Company continues to target an aggregate dividend of 6.85 pence per share for the year ended 31 December 2019⁹ (of which 5.1375 pence per share has already been paid for the nine months ended 30 September 2019)
- The Company intends to maintain its progressive dividend policy during 2020, and thereafter

Notes

- 1) Based on Take-Up during the period and Under Offer at the period end for buildings of over 500,000 sq ft
- 2) The Group's "Investment Assets" comprise let or pre-let (in the case of forward funded developments) assets which are income generating, as well as any speculative development assets which have reached practical completion but remain unlet
- 3) The Group's "Development Assets" comprise its property assets which are not Investment Assets, including land and options over land as well as any assets under construction on a speculative basis
- 4) The Portfolio value includes investment property, other property assets (including development management agreements), land options (at cost), shares of joint ventures and remaining forward funded development commitments
- 5) Excludes development site at Littlebrook, Dartford and Tritax Symmetry land assets
- 6) To the earlier of lease expiry or break option
- 7) Based on contracted annual rental income as at 31 December 2019
- 8) Based on gross debt, excluding commitment fees
- 9) The target dividend is a target only and not a forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's actual or expected future results

END

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Tritax Big Box REIT plc is the only listed vehicle dedicated to investing in very large logistics warehouse assets ("Big Boxes") in the UK and is committed to delivering attractive and sustainable returns for shareholders. Investing in and actively managing existing built investments, land suitable for Big Box development and developments predominantly delivered through pre-let forward funded basis, the Company focuses on large, well-located, modern Big Box logistics assets, let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector. The Company is a real estate investment trust to which Part 12 of the UK Corporation Tax Act 2010 applies ("REIT"), is listed on the premium segment of the Official List of the UK Financial Conduct Authority and is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on Tritax Big Box REIT is available at www.tritaxbigbox.co.uk