

## Press Release

**This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014. This announcement has been authorised for release by the Board of Directors.**

8 April 2020

### TRITAX BIG BOX REIT PLC

(the "**Company**" or "**Tritax Big Box**" or, together with its subsidiaries, the "**Group**")

#### STATEMENT ON COVID-19 AND DIVIDEND UPDATE

The Board of Tritax Big Box REIT plc (ticker: BBOX), today provides an update on the impact of the COVID-19 pandemic on its business.

**Colin Godfrey, CEO - Fund Management, commented:**

"We face unprecedented times as the COVID-19 pandemic spreads throughout the world. Our first responsibility is to ensure the health, safety and well-being of the Manager's employees. We are working closely with the Group's customers as a fully engaged and supportive landlord, helping where possible. Frequent communication is being maintained with all stakeholders to ensure we continue to protect the long-term value of our business.

The Company remains well positioned to navigate a prolonged period of uncertainty and to minimise the potential impact on its business and on its financial performance. We have a diverse, high-quality customer base and are working with each tenant to understand any operational impact or cashflow pressure created by the global response to COVID-19. All our buildings are currently operational, except for three facilities.

The crisis is bringing into sharp focus the need for occupiers to have a robust, flexible supply chain and the importance of operating in prime, well-located buildings. This pandemic may act as a catalyst for change, accelerating the adoption of e-commerce platforms as consumers increasingly shop online. This will continue to drive demand for logistics space as occupiers' build in resilience and capacity to limit future potential disruptions.

With a lack of visibility on the depth or duration of the crisis, we are working to ensure that the Company remains in a robust position over the longer term by maintaining our existing strong relationships with customers. We are also preserving a well-funded balance sheet by taking a disciplined approach to all non-essential capital expenditure, whilst adopting a conservative stance in relation to our Q1 dividend payment."

#### **Defensive portfolio with strong tenant covenants, delivers solid Q2 rent collection**

Our Investment portfolio of 58 high-quality assets is let to a diverse customer base. The average unexpired lease term across the portfolio is over 14.1 years with 99% let or pre-let.<sup>1</sup>

The Group's top five customers by income<sup>1</sup> are Amazon (13.1% of rent), Morrisons (6.8%), Howdens (5.2%), Co-op (4.8%) and Tesco (4.3%), with approximately 50% of annual rent generated from defensive sectors in the current climate: e-commerce, food retail and 3PLs (including postal couriers) many of whom are being called upon to assist with the UK's response to the pandemic.

Despite having fundamentally sound business models, a number of our customers are experiencing unprecedented disruption to operations as a result of the UK Government's measures put in place to combat the spread of COVID-19. This has led to an immediate impact on their near-term cash flows. Whilst there are various forms of assistance on offer from the Government, including loan schemes, we are working with our customers where we can through the relaxation of cash flow requirements over the short term.

We expect that 96% of rents will be collected by the end of May 2020 in respect of advanced quarterly rental payments that were due by 1 April 2020. This includes 86% which has been collected to date (2019: 100%) and a further 10% for which alternative short-term payments are expected to follow. Discussions are ongoing with certain customers over the outstanding 4% of rent due.

### **Our operational response to COVID-19**

Throughout this period, we are proactively engaging with our customer base. 95% of our buildings remain fully operational, with only three temporarily running with a skeletal maintenance staff framework. Our collaborative approach has been well received, as we endeavour to share practical advice and guidance to assist with the health, safety and well-being of our customers' staff.

With regard to our development portfolio, we are actively collaborating with our contractors and developers, to ensure that appropriate working conditions are in place to maintain operations within new COVID-19 guidelines. At present, there is continued activity at all our sites, albeit at reduced levels, signifying the importance of these buildings in our customers' supply chains.

Tritax Big Box has a low risk approach to development, with no speculative construction underway currently. We will only seek to pursue further developments on a pre-let basis and where this can be funded without applying pressure on our balance sheet.

### **Well capitalised with a strong balance sheet, and significant covenant headroom**

In line with the Company's conservative leverage policy, the Group's LTV was 30% at 31 December 2019 with a weighted average maturity across its loan facilities of 7.5 years. There are no significant refinancing events until 2024.

Immediately available resources under existing, but undrawn, committed borrowings total £500 million. The Group has capital commitments of approximately £130 million in relation to its forward funded pre-let development assets, asset management initiatives and commitments to development land.<sup>1</sup>

Rental income and asset values would be required to fall by more than 60% and approximately 50% respectively before any of the Group's principal debt covenants were breached.

### **2020 dividend guidance withdrawn, but quarterly dividends to continue**

In conjunction with its annual results on 17 March 2020, the Company confirmed a dividend target of 7.0p per share for FY2020. Given the necessary UK Government intervention in response to COVID-19 since that date, visibility over the economic impact and duration of the pandemic has reduced significantly. This has resulted in a slowdown in the occupational markets and increased the likelihood of delays in areas such as planning and construction. The Board therefore considers it prudent to withdraw its dividend guidance for the current financial year.

The high-quality nature of our portfolio, strong financial position and diverse customer base provides us with the confidence to continue paying an attractive quarterly dividend. The Board has today declared a quarterly dividend for the period 1 January to 31 March 2020 of 1.5625p per share. It believes this is a conservative level allowing the Company to continue to deliver on its business plans whilst noting that the duration and effects of COVID-19 may be extended. We believe this is in the long-term interests of shareholders.

We will continue to monitor the dividend position for FY2020 with potential to increase the quarterly dividend when we have better visibility.

### **Annual General Meeting ("AGM")**

The formal Notice of the Company's Annual General Meeting ("AGM"), the Form of Proxy and the 2019 Annual Report will be posted to shareholders on 15 April 2020 and will be available in the Investors section of the Company's website at [www.tritaxbigbox.co.uk](http://www.tritaxbigbox.co.uk).

The Company intends to hold the Annual General Meeting on 13 May 2020 as planned. Due to the current 'Stay at Home' measures imposed by the UK Government, shareholders will not be permitted to attend the AGM in person. We therefore encourage shareholders to cast their proxy votes online and ask questions by e-mailing the Company Secretary at [cosec@tritaxbigbox.co.uk](mailto:cosec@tritaxbigbox.co.uk). Shareholders are invited to listen to the proceedings at the AGM remotely, using conference call details to be published in the Notice of AGM. Questions submitted will be answered by email directly but will not be read out or answered during the AGM.

### Notes

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

**Tritax Group**

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The Company's LEI is: 213800L6X88MIYPVR714

**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 of the UK logistics market owing to strong tenant demand and limited supply of Big Boxes.

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](http://www.tritaxbigbox.co.uk).