

Annual Results 2024

13 March 2025



Duncan Garrood

Chief Executive Officer



Agenda

- 01** Introduction

- 02** Financial results & ESG update

- 03** Business update

- 04** Q&A

Delivering growth

Revenue

Blended LfL rental growth of **9.3%**

(**10.5%** for **AY23/24** & **7.0%** for **AY 24/25**)

99% Occupancy for AY22/23 & 23/24

97% Occupancy for AY24/25

Revenue growth **above inflation**

Margin and valuation

Gross margin **70%**

EPRA NTA per share 119.6p, down 0.9% (following 2.5% placement dilution)

EPRA LTV **27.2%**

Property valuation £1.1bn, up 4.2% LfL when adjusted for the impact of MDR, (1.6% net of MDR)

Growth

Successful **equity raise completed** generating £56.1m

Acquisition of three excellent opportunities in top-tier cities

Refurbishment of three new Postgrad exclusive sites in progress for AY25/26

Portfolio optimisation

Disposals since 2021 exceed £145m, and realised at a **modest 0.2% below book value** in aggregate

Refurbished 173-bed Southampton hub site, **reopened in September 2024, securing strong rental growth**

ESP

Customer service

Our highest ever NPS up 2 points to +32, significantly above sector average

Highest ever customer satisfaction rate at 86%

Secured 53% of eligible rebookers, **an all-time high**

Dividend

3.7p paid and declared, **up 6%**

Continue to target dividend progression with minimum target for 2025 set at 3.7p



Donald Grant

Chief Financial & Sustainability Officer

Financial headlines | 2024

Income statement

Revenue (+5%)



Gross Margin (+1% pt)



Administrative Expenses (+10%)

+6% when excluding £0.5m non-recurring charge



Finance Costs (+12%)

+7% when excluding £0.9m non-recurring charge



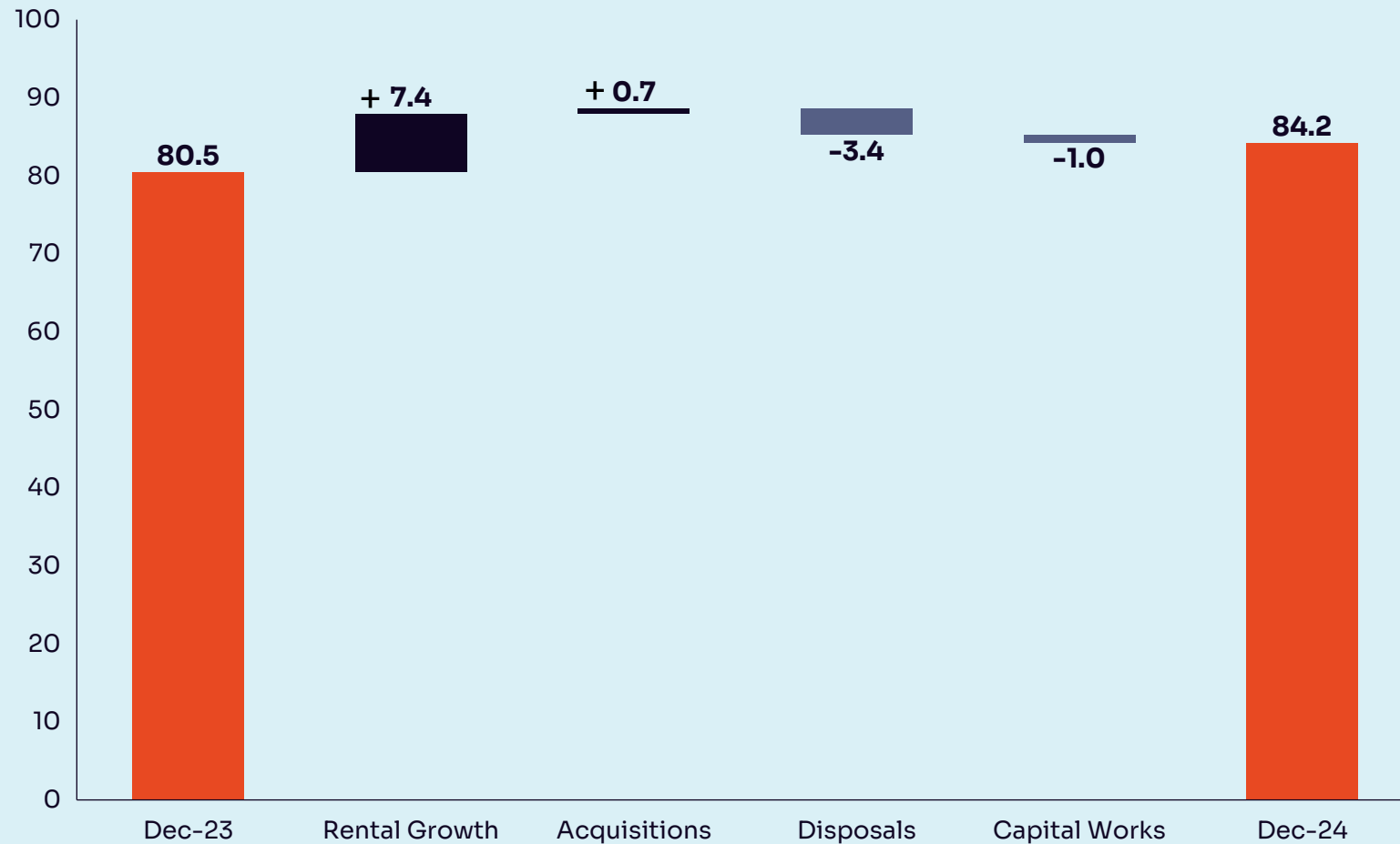
EPRA EPS (+5%)



Dividend (+6%)



Revenue growth above inflation (£m)



Revenue growth

9.3%

blended like for like

Capital works during
2024 expected to add

£1.0m+

incremental income
(annualised)

Financial headlines | 2024

Balance sheet

EPRA NTA Per Share (-1%)

2024	119.6p
2023	120.7p

Portfolio Valuation (+1.6% LfL)

Excluding the impact of MDR removal +4.2% LfL

2024	£1.1bn
2023	£1.1bn

Liquidity

2024	£75.4m
2023	£82.5m

Borrowings (+4%)

2024	£374.3m
2023	£360.3m

EPRA LTV (-3.4% pts)

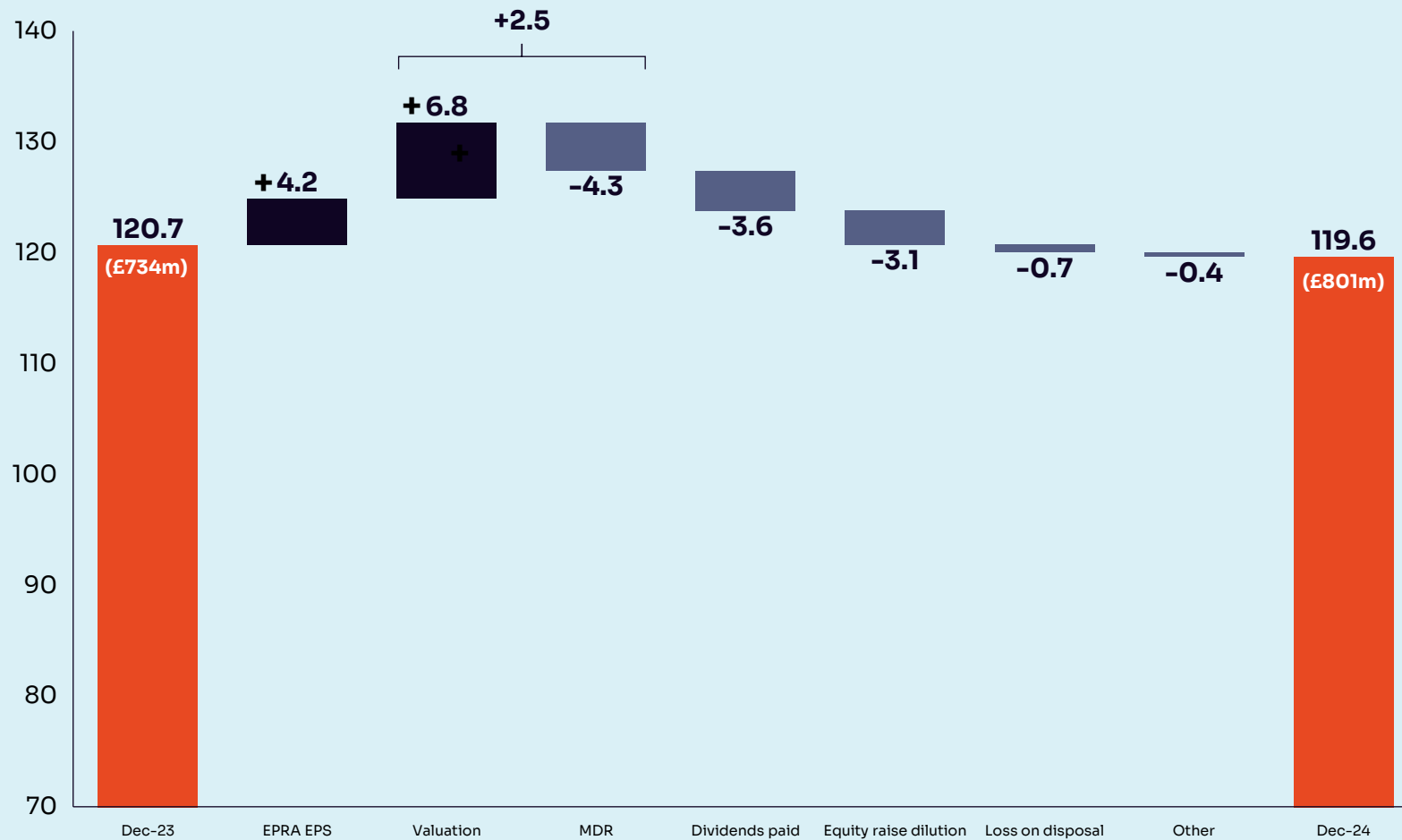
2024	27.2%
2023	30.6%

TAR, 3 year annualised

2024 TAR 2.0%

2024	6.6%
2023	7.4%

Evolution of EPRA NTA (p)



Operational Portfolio

Net initial yield

5.5%

(2023: 5.5%)

Reversionary yield

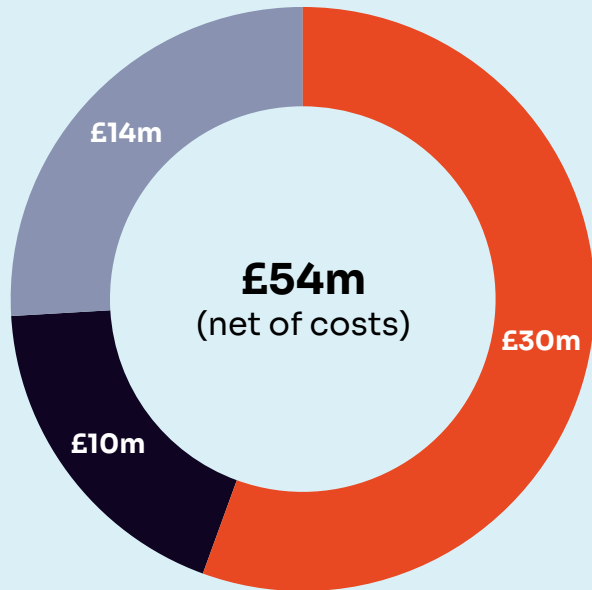
5.7%

(Implies c.3% growth in NOI)

Capital raise

Deployment on track

What we said



£30m

(two well aligned acquisition opportunities in top-tier university cities)

- 2 assets
- Deliver 6%+ NIY, 10%+ 5 year IRR
- £20m deployed by Q1 2025
- £10m deployed by Q2 2025
- Assets to deliver clustering and refurbishment benefits

£10m

(Phase 1 Postgrad – 112 beds)

- 2 assets
- Commence in Q1 2025
- Complete during 2025

£14m

(Phase 2 Postgrad – 300 beds)

- 5 assets
- Design, planning & enabling in 2025
- Capex deployment from Q4 2025
- Complete during 2026

- In the meantime, prepay flexible debt facility

What we've done



Acquisition one

- £19.75m deployed in December 2024
- Top-tier university city of Manchester
- Well aligned for clustering benefits
- Refurbishment and potential to extend
- 6%+ NIY, 7%+ from September 2025

Acquisition two

- £10m in advanced negotiations, anticipated to conclude shortly
- Top-tier university city
- Well aligned for clustering benefits
- 6%+ NIY



Postgrad Phase 1

- Works underway at 3 sites, 167 beds
- On track for completion during 2025



Postgrad Phase 2

- Planning and design underway
- Sales programme for AY25/26 amended to facilitate delivery
- £20m applied to flexible debt facility @7%

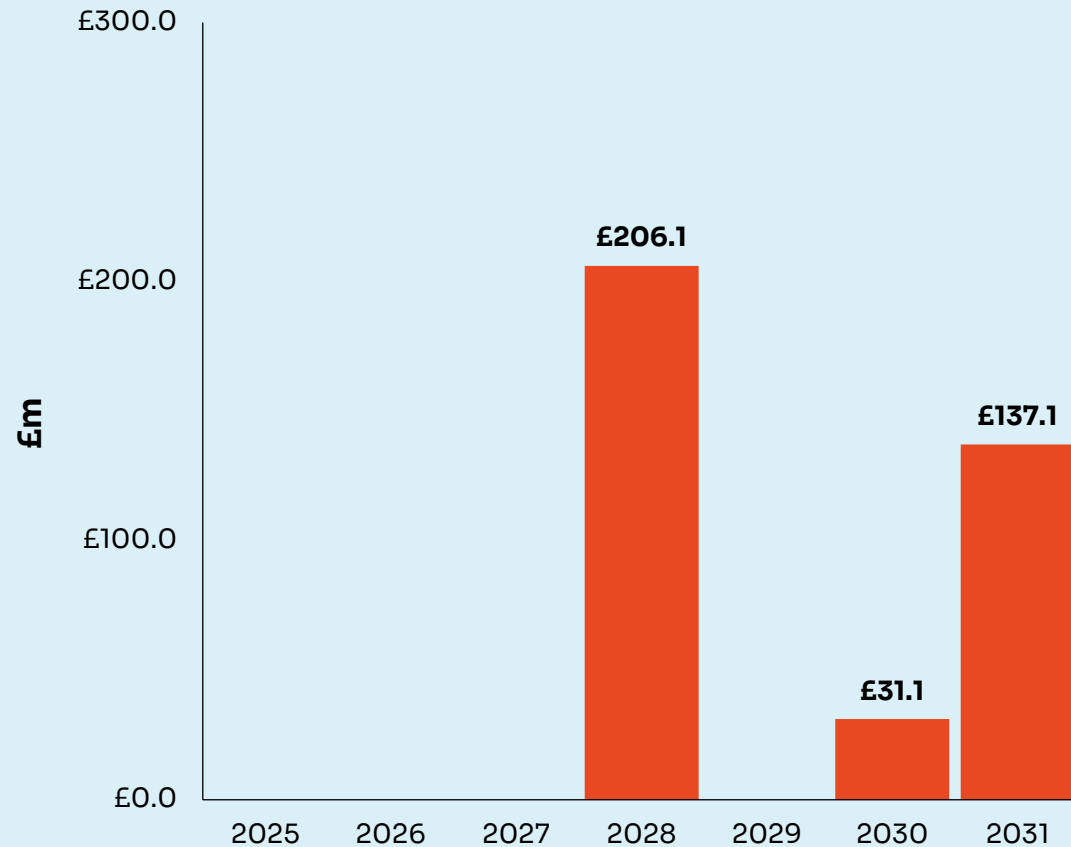
Capital expenditure

	Refurbishments (Undergrad)	Fire safety work	Green investments
5 Year Plan: 2021-2025	<p>£36 million on refurbishing buildings</p> <p>(Target IRR of 9% - 11%)</p>	<p>£46 million on fire safety work on our buildings.</p> <p>73% certified</p> <p>(NTA neutral)</p>	<p>£12 million on green investments</p> <p>(Reduce energy consumption and cost)</p>
Invested since 2021	£32.5 million	£30.5 million	£4.1 million
Forecast 2025 spend	£3.5 million	£10.1 million	£4.2 million

Including £10.0 million earmarked for Postgrad refurbishment, **£27.8 million is planned for investment in 2025**

Debt & liquidity

Drawn debt



ESP

31 December 2024

Average ICR covenant

1.9x
(2023: 2.0x)

Weighted average cost of debt

4.5%
(2023: 4.3%)

Weighted average term

4.7 years
(2023: 3.9 years)

Debt with interest rate protection

100%
(2023: 88%)

EPRA LTV

27.2%
(2023: 30.6%)

Cash and undrawn facilities

£75.4m
(2023: £82.5m)

ESG Strategy

2024 Achievements and 2025 Priorities

Becoming a sustainable business	Excelling in health and safety	Enhancing mental health and wellbeing	Providing opportunities for all
2024 Achievements			
<ul style="list-style-type: none"> • 64% of portfolio EPC B or better, comfortably ahead of net zero interim target • Green initiatives deliver 3% energy reduction per bed • Summer & winter sustainability awareness campaigns delivered • Placed short term ESG commitments to vote at AGM 	<ul style="list-style-type: none"> • Implemented lone-worker support system • Conflict management training launched • Crisis management test concluded • New standards launched to support customers with disabilities and special needs 	<ul style="list-style-type: none"> • Awarded Best Student Wellbeing provision by GSLI • Improved NPS to +32 • Mental Health First Aid training deployed to all sites 	<ul style="list-style-type: none"> • Launched apprenticeship and Future Leader scheme • Committed over 300 days toward charitable and community initiatives • Set Senior Management diversity target
2025 Priorities			
<ul style="list-style-type: none"> • 40% of the portfolio to be onsite fossil fuel free • >5% reduction in energy consumption per bed • Engage with CDP to begin external benchmarking of ESG credentials 	<ul style="list-style-type: none"> • Install defibrillators at appropriate sites • Review Student Safety Induction • Produce site specific Property Incident Management Guides 	<ul style="list-style-type: none"> • Develop collaborative working relationships with universities • Incident management training to enhance confidence 	<ul style="list-style-type: none"> • Improve recycling plans • Conduct key supplier survey to collect and share data about ESG management and performance • Implement diversity strategy
Targeting net zero in our properties by 2033			

Financial Outlook | 2025

Revenue occupancy | AY25/26

Effectively full (>97%)

LfL growth ~ 5%

Costs

70% Gross margin

c.£15m Administrative costs

Energy costs largely fixed

Finance costs

4.5%

Weighted average cost

ESP

Operational beds | AY25/26

c.7,650

Capital expenditure

£28m

To be invested in Refurbishments,
Fire safety & Green investments during 2025

Dividend – 2025 minimum expectation

3.7p

Progressive and paid quarterly

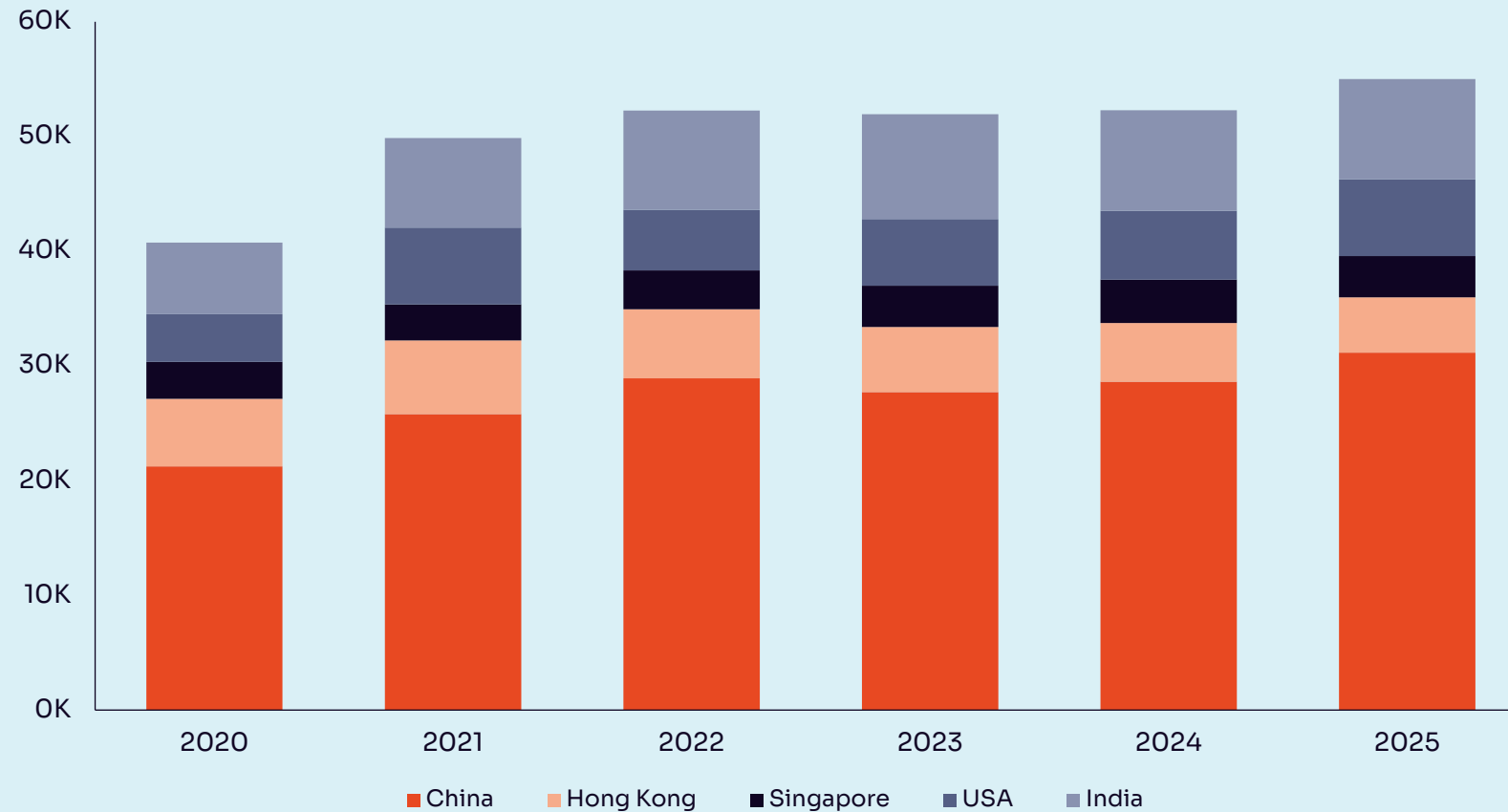


Duncan Garrood

Chief Executive Officer

International market growing alongside robust UK demand

Top 5 International UCAS Undergraduate Applications (2019 – 2025)



AY25/26 vs AY24/25

Total undergraduate applicants

1.0%

To 600,670

Applicants from UK

0.5%

To 481,870

Applicants from non-EU Internationals

3.1%

To 98,850

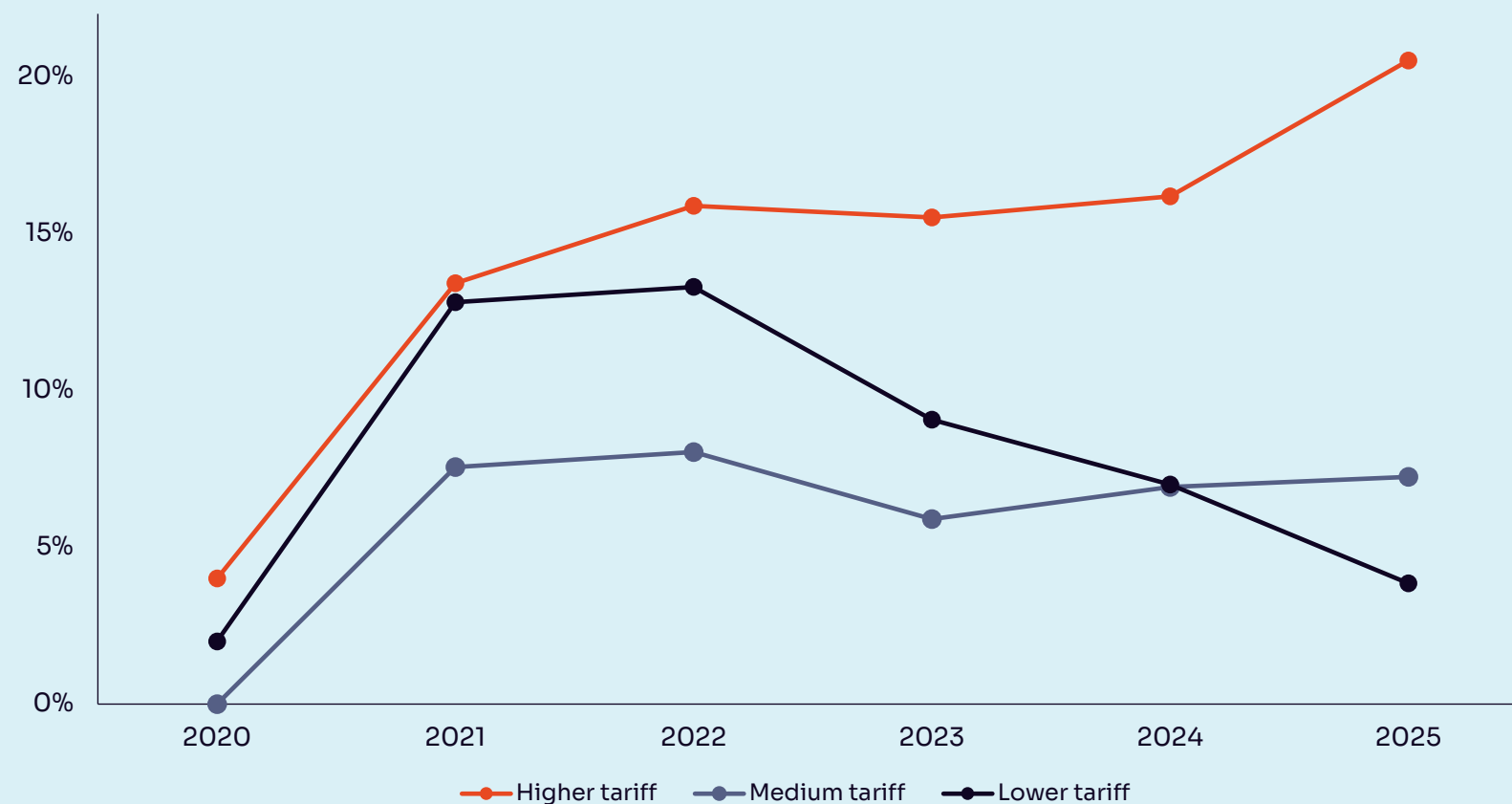
Applicants from China

8.9%

To 31,160

Higher tariff universities continue to outperform others

UCAS Application Growth by Tariff (%) Undergraduate Applications (2020 – 2025)



AY25/26 vs AY24/25

Applications from UK 18 yr olds

3.1% 

Applications to higher tariff universities

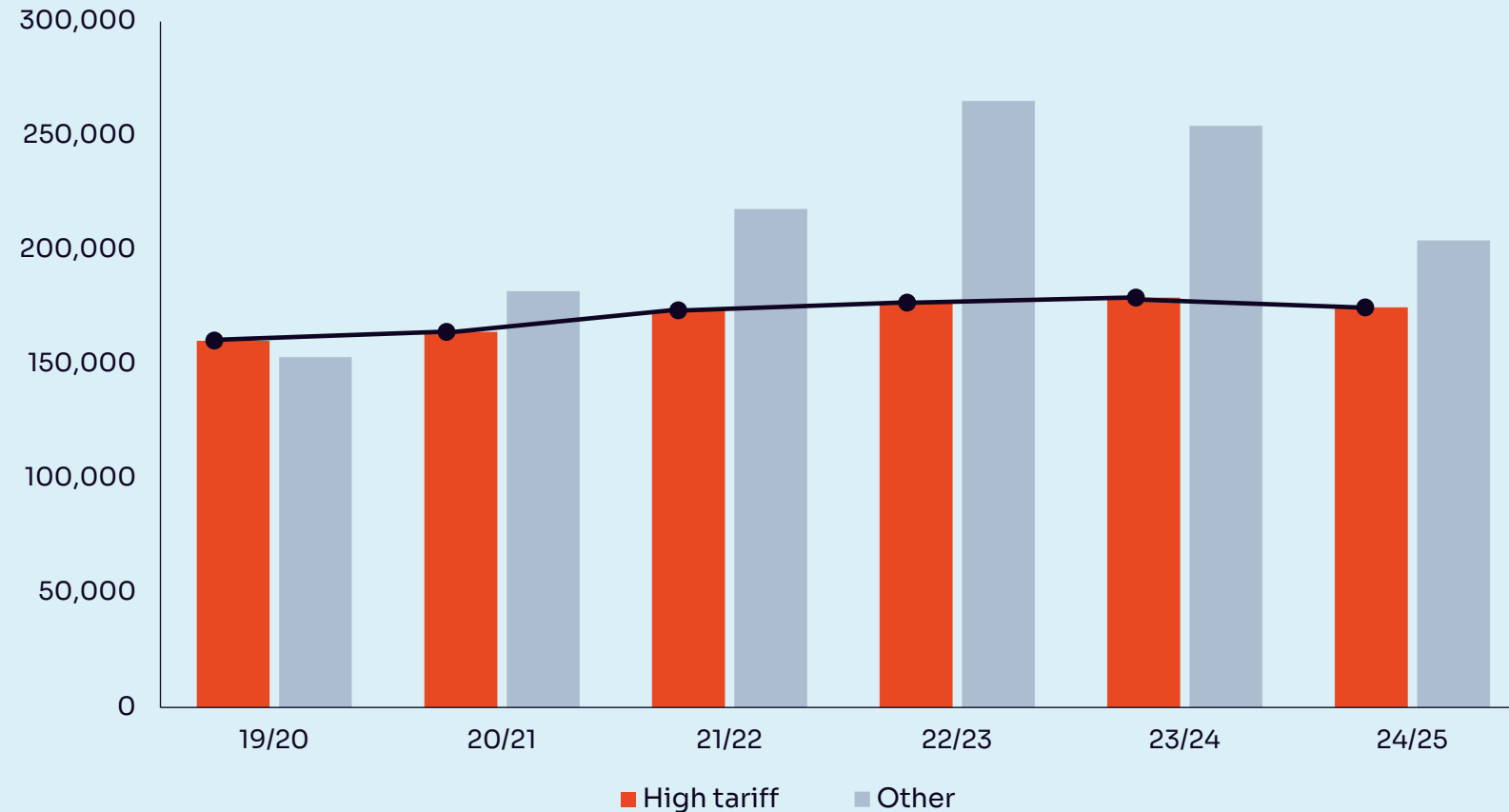
4.3% 

Applicants to lower tariff universities

3.2% 

Postgrad numbers remain stable for higher tariff universities

Office for Students (England only AY19/20–AY24/25)



Postgrads attending higher tariff universities v AY23/24

2.5%

ESP Postgrad % in AY24/25

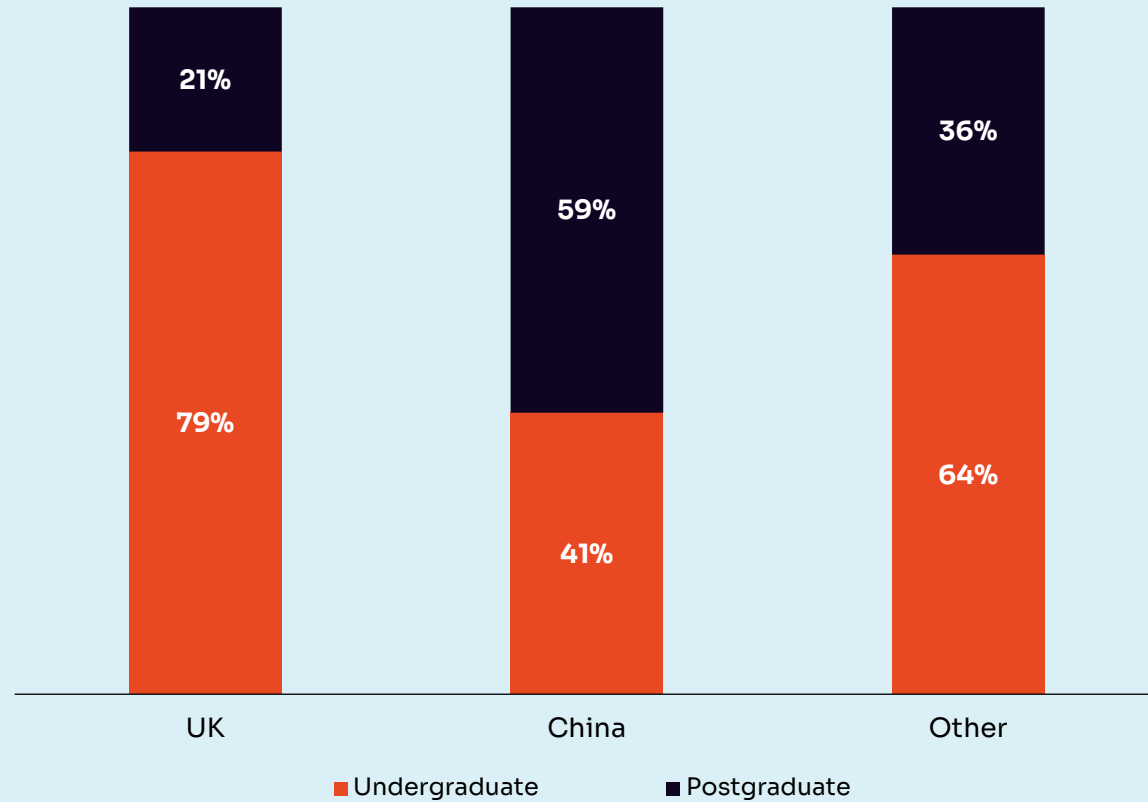
41%

v 23/24

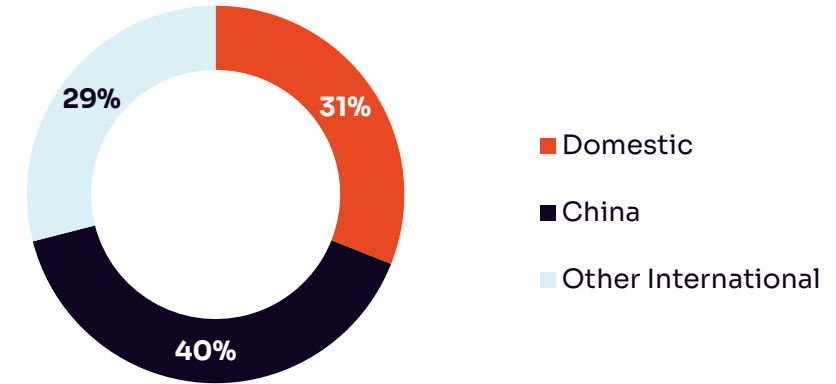
2%

Our mix of students

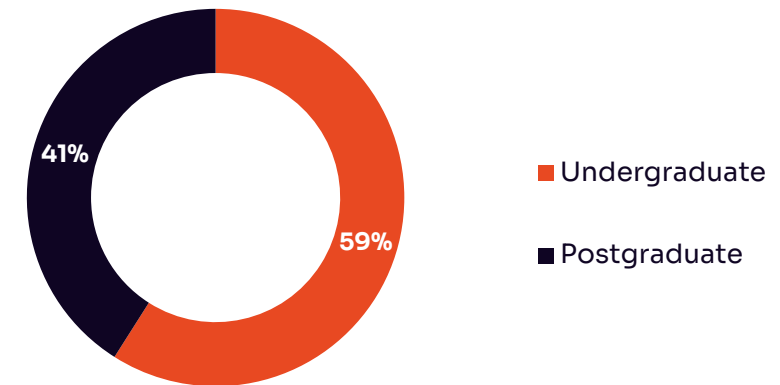
AY24/25 Study level split by nationality



Total customer base AY24/25



Course split AY24/25



Commercial growth – our key strategies

**Solid
infrastructure
and innovation**

**Consistent and
comprehensive
processes**



Provide great clustered buildings



Create memorable customer experiences



Leverage strong brands



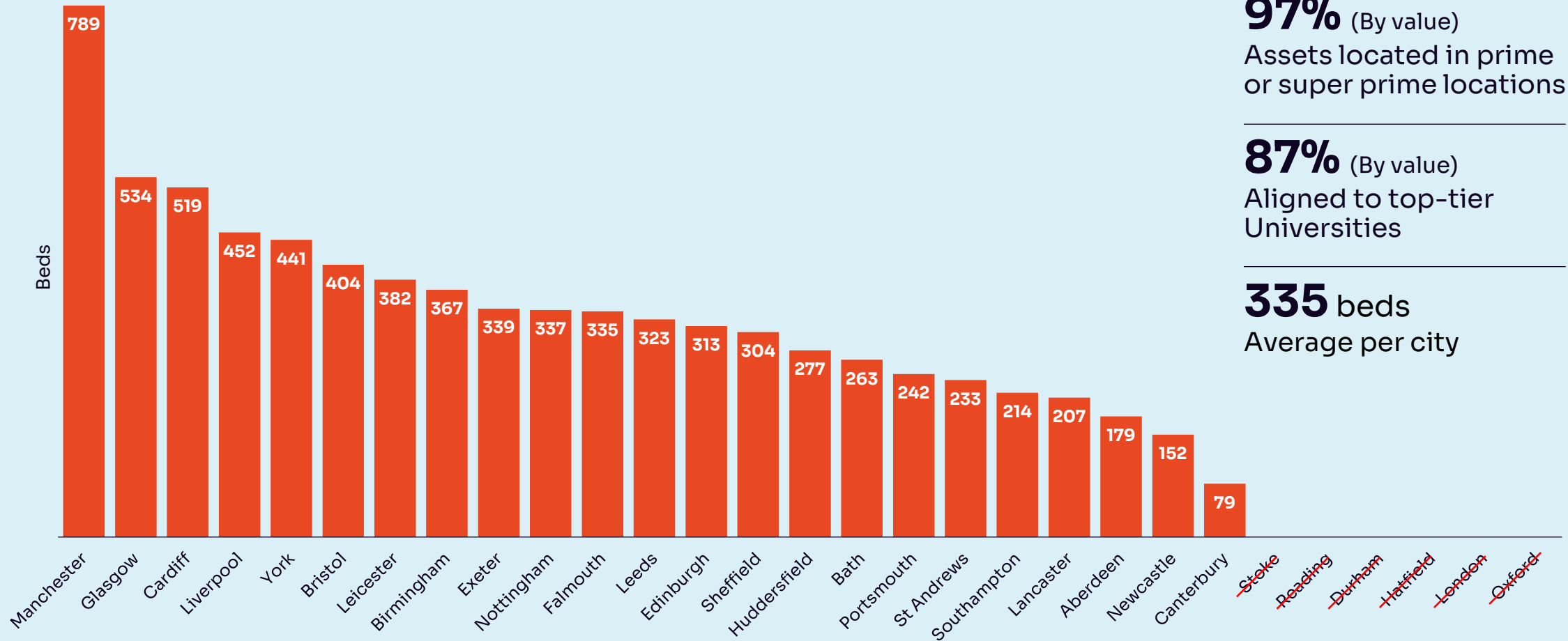
Develop people and drive performance



Deliver ESG

Provide great buildings

Current operational beds (c.7,650)



97% (By value)
Assets located in prime or super prime locations

87% (By value)
Aligned to top-tier Universities

335 beds
Average per city

Growing the portfolio and returns

Extending existing clusters with operational assets

10%+ IRR

Unlevered returns

150+ operational beds under offer



Asset transformation and refurbishment

9-12% IRR

Unlevered returns

450+ beds planned in 2025



Developments and planning enhancements

12%+ IRR

Unlevered returns

310 beds consented



Acquisitions target growth in prime clusters

Tatton House, Manchester

7% NIY AY25/26

10%+ IRR Forecast returns

136 Beds (oversized studios)

Cluster benefits

Operational cost savings, marketing efficiencies, with future bookings benefiting from wider amenity offer and enhanced service proposition

Refurbishment upside

Ability to reposition and unlock further performance following full refurbishment

Development potential

Ability to add new beds at the rear of site



Hello Student refurbishments

Brunswick Apartments, Southampton

173 rooms + New Amenity

Rooms upgraded

All rooms refurbished including layout reconfiguration and creating more studios

Increased amenity

Converting a retail unit into a new gym, private dining, co-working and lounges

Decarbonised

ASHPs, solar panels and in room controls allowing removal of gas

>50% Rental uplift

Increase from AY22/23 to AY24/25 achieved

12%+ IRR

Comfortably exceeding return hurdle

ESP



2025 and beyond

8 assets

800+ beds

11% of portfolio

- Refurbish rooms into **Hello Student** specifications
- Reconfigure **shared apartments** into studios
- **Summer** or **rolling** programme
- Complementing **Net Zero** pathway

Postgraduate refurbishments

Postgrad summary

18 assets | **c.1,300** beds | **17%** of Portfolio

Offering

Buildings **solely** for Postgraduate students

Predominantly **studios**

Designed for sharing and **greater independence**

Embedded tech to facilitate remote management

Hub based service and amenities via buildings in the cluster

Well located close to Universities

ESP



Next steps

Opening 2025 (167 Beds)

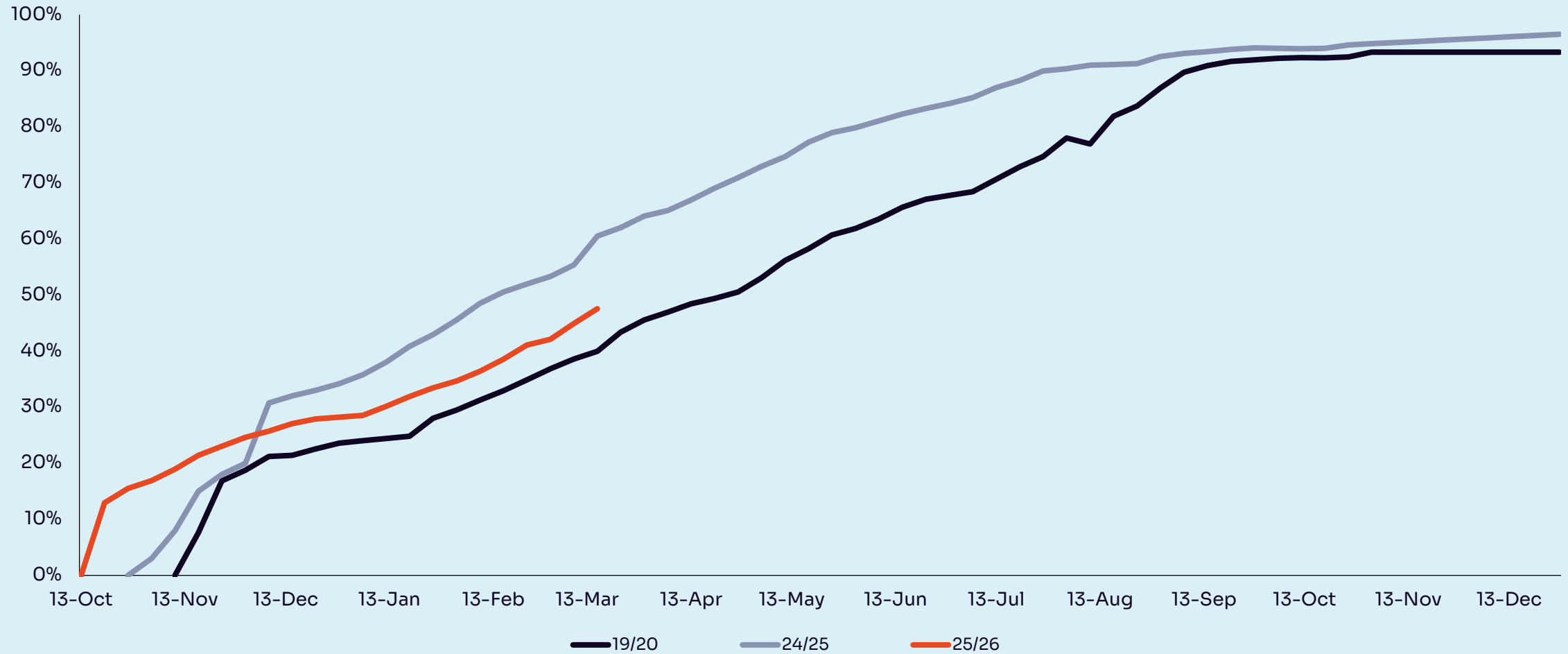
- The Exchange, Bath
- London Road, Southampton
- Trippet Lane, Sheffield

Opening 2026 (250+ Beds)

- College House, Bristol
- Claremont Place, Newcastle
- The Hahnemann Building, Liverpool
- Northgate House, Cardiff

Revenue occupancy

Normalising booking behaviour



Memorable customer experiences

Customer satisfaction score remains high with 86% rating their accommodation as good or very good

Hello Student NPS of +32, well ahead of the score for all private halls at +19

Comprehensive overhaul of check-in, introducing a market leading check-in app and summer turnaround programme

New website developed and launched to drive a better customer experience

New events programme and better communication has resulted in a higher than benchmarked performance on students agreeing there is a strong sense of community, which customers rated as a priority



Develop people and drive performance

Continued focus on securing & supporting the best talent for future growth

Coaching

Internal promotions at **61%**

Variable compensation schemes **fully aligned** to strategic KPIs

Apprenticeship scheme launched

Leadership development programme implemented



Coordination

Continued investment in **up-skilling our people** to support mental health and wellbeing, including mental health first aid training

Regular review and feedback of internal customer service provided between functions to focus on **continuous improvement**



Communication

Engagement survey feedback and action planning in progress

ESG initiatives and engagement shared across **multi channel communication** to support engagement



Commitment

Team engagement at market leading **78%**

People retention at **78%**

Good progress towards fundraising target for charity partner **Stop.Breathe.Think**

Our people have participated in over **300 community days**



Delivering attractive sustainable returns

Effectively full again for AY24/25

LfL rental **growth above inflation**

Deployment of proceeds on track with one acquisition completed and a second expected to conclude shortly

Cluster Management, Postgrad and Planning Enhancements proving there are **attractive growth opportunities**

ESP

Actively manage the portfolio to drive EBITDA growth through acquisition and refurbishment and leveraging our operating platform

ESG roadmap enhances brand strength and reputation, with a **net zero target by 2033**

Minimum 3.7p dividend



Appendix

Income Statement | 2024

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Revenue	84.2	80.5
Property Expenses	(25.6)	(25.2)
Gross Profit	58.6	55.3
Gross Margin %	70%	69%
Administrative expenses	(15.4)	(14.0)
Changes in Fair Value of Investment Property	15.4	30.1
Loss on fair valuation of derivatives	(1.3)	(0.2)
Loss on Disposal of Investment Property	(4.2)	(0.6)
	53.1	70.6
Net Finance Expense	(18.7)	(17.2)
Net Profit	34.4	53.4
Dividends paid/declared (pence)	3.7	3.5
EPRA earnings per share (pence)	4.2	4.0

Financial Position | 2024

	31 December 2024 £m	31 December 2023 £m
Investment property	1,124.9	1,075.7
Assets classified as held for sale	10.7	22.4
Cash on hand	75.4	40.5
Trade and other receivables	7.9	6.5
Intangible & right of use assets	6.5	4.3
Property, plant and equipment	0.8	0.8
Derivative financial instruments	0.5	0.1
Total Assets	1,226.7	1,150.3
Borrowings	370.4	356.7
Deferred income	34.8	34.9
Trade and other payables	19.2	23.4
Lease Liability	1.0	1.1
Total Liabilities	425.4	416.1
Net Assets	801.3	734.2
EPRA NTA per share (pence)	119.6	120.7

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