

16 January 2020

WORKSPACE GROUP PLC
THIRD QUARTER BUSINESS UPDATE
GOOD MOMENTUM INTO THE FINAL QUARTER

HIGHLIGHTS

- Strong customer demand in the third quarter with enquiries averaging 1,001 per month (Q3 2018/19: 907) and lettings of 113 per month (Q3 2018/19: 98).
- One property exchanged for sale in the quarter for £15.8m, a 3% premium to the September 2019 valuation.
- Launch of our new 55,000 sq. ft. business centre, Mare Street Studios in Hackney, expected in March 2020.
- Pro-forma LTV of 21% at 31 December 2019, based on the September 2019 valuation, with cash and undrawn facilities of £157m.

Graham Clemett, Chief Executive Officer, Workspace Group PLC, commented:

“This was a very encouraging third quarter for the Company. Despite the uncertainty around the general election and the usual seasonal impact, enquiries and lettings were strong. Customer demand in the first few weeks of the new year suggest that increased political certainty following the election result has buoyed business confidence.”

“Our completed projects are letting up well with a robust pipeline of project activity. We continue to monitor acquisition opportunities while remaining disciplined in our return criteria. We look forward to delivering continued progress for the full year in line with expectations.”

Enquiries and Lettings

We saw strong levels of demand for space through what is seasonally the quietest quarter of the year, with enquiries averaging 1,001 per month and lettings 113 per month.

Average number per month	Quarter Ended				
	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018
Enquiries	1,001	1,158	1,060	1,244	907
Lettings	113	134	121	130	98

Into the new year we have seen a noticeable increase in enquiries and viewing activity, which hopefully reflects improved business confidence following the general election.

Disposals

In November 2019, we exchanged contracts for the disposal of Quality Court, off Chancery Lane in Holborn, for £15.8m, at a 3% premium to the 30 September 2019 valuation, a net initial yield of 4.3% and a capital value of £930 per sq. ft. Completion is expected in January 2020.

Refurbishment Activity

We expect to open our new business centre, Mare Street Studios in Hackney, in March. This will provide 55,000 sq. ft. of high-quality business space. A further four refurbishments and four redevelopments are underway which will deliver 254,000 sq. ft. of new and upgraded space.

Financing

Net debt reduced by £46m in the quarter to £551m, with cash balances and undrawn facilities of £157m as at 31 December 2019.

The pro-forma loan to value (LTV) based on the 30 September 2019 property valuation is 21% (30 September 2019: 22%).

Chairman Succession

On 16 December 2019 we announced that Daniel Kitchen will be stepping down from the Board at the 2020 Annual General Meeting, after nine years in the role as Chairman of Workspace. An externally supported search process, led by our Senior Independent Director, Chris Girling, is now underway to appoint his successor.

– ENDS –

For further information, please contact:

Workspace Group PLC

Cynthia Alers, Interim Head of Investor Relations

020 7138 3300

Edelman

John Kiely

Rob Yates

020 3047 2546

Notes to Editors

About Workspace Group PLC:

Established in 1987, and listed on the London Stock Exchange since 1993, Workspace owns and manages some 4 million sq. ft. of business space in London. We are home to thousands of businesses, including fast growing and established brands across a wide range of sectors.

Workspace is geared towards helping businesses perform at their very best. We provide inspiring, flexible work spaces in dynamic London locations.

Workspace (WKP) is a FTSE 250 listed Real Estate Investment Trust (REIT) and a member of the European Public Real Estate Association (EPRA).

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For more information on Workspace, please visit www.workspace.co.uk