

Residential Secure Income plc

30 June 2023

Overview

Residential Secure Income plc (LSE: RESI) (ReSI plc) is a real estate investment trust (REIT) which aims to deliver secure, inflation-linked returns and has a focus on two sub-sectors in UK residential - independent retirement rentals and shared ownership - underpinned by an ageing demographic and untapped, strong demand for affordable home ownership.

ReSI plc's purpose is to deliver affordable, high-quality, safe homes with great customer service and long-term stability of tenure for residents.

ReSI plc achieves this through meeting demand from housing developers (housing associations, local authorities and private developers) for long-term investment partners to accelerate the development of socially and economically beneficial affordable housing.

ReSI plc's subsidiary ReSI Housing Limited is authorised as a Registered Provider of Social Housing and holds our shared ownership portfolio.

Quarterly highlights to 30 June 2023

Operational performance reflecting defensive nature of assets

- Portfolio focused on direct leases with pensioners and part home owners
- Rent collection remains at 99% for the quarter
- Rental growth of 6.4% on 1,084 directly rented homes (33% of portfolio) giving 2.5% like-for-like growth
- 99% like-for-like shared ownership occupancy³
- Retirement occupancy continues at 94%⁴ inline with long-term average occupancy

Valuation broadly flat, with strong inflation linked rent growth offsetting outward yield shift

- 0.2% increase in like-for-like investment property values, representing 0.4p
 - 4.9p increase from inflation linked rent reviews
 - 4.5p decrease due to 13 basis points outward yield shift

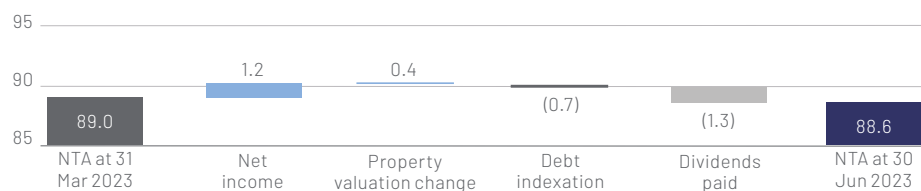
Resilient balance sheet with long-term and low-cost debt

- 22-year average debt maturity
- 49% fixed with 19 years average maturity and 3.5% blended coupon
- 41% index linked with 25 years average maturity and 1.1% blended coupon and principal increasing with RPI + 0.5% (with a 0.5% floor and 5.5% cap)
- Loan-to-value ratio of 49% (43% at vacant possession value)

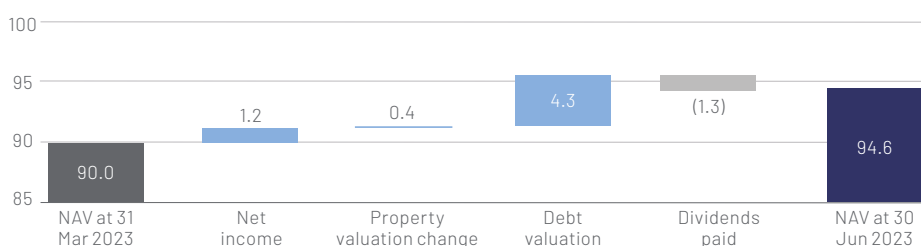
Outlook

- Acute need for more affordable homes with estimated need for £34bn of annual investment in the UK⁵
- Particular shortage of affordable homes for home ownership and suitable accommodation for independent later living for the growing elderly population⁶
- Strong rental inflation-linked growth expected to continue, underpinned by lack of supply and increasing demand
- Institutional appetite for residential income generating assets remains strong
- Focus on selective disposals of non-core assets to reduce floating rate debt levels. This aims to deliver less volatile and more sustainable income, allowing ReSI plc to reposition the dividend for growth inline with underlying inflation-linked rents⁷

EPRA NTA (p per share)



IFRS NAV (p per share)



Capital at risk. Past performance is not a reliable indicator of future performance. Performance is net of fees and costs.



Since 1857

Gresham House
Specialist asset management

Investment team



Mike Adams

Managing Director, Real Estate



Ben Fry

Fund Manager



Sandeep Patel

Finance Director

Fund information

LEI LAR763213800D24WA531

Ticker RESI

ISIN GB00BYSX1508

Launch date 12 July 2017

Key facts as at 30 June 2023

Homes owned 3,298

Gross valuation £357mn

Dividend yield (prospective - share price)¹ 8.2%

Ongoing charges (annualised)¹ 1.4%

Share price 62.8p¹

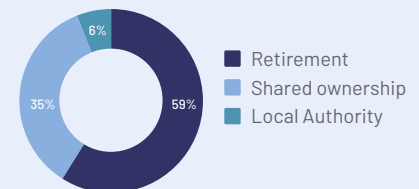
Market capitalisation £116.3mn¹

Discount to NTA² 29.1%

EPRA NTA per share 88.6p

IFRS NAV per share 94.6p

Asset type



Source: Gresham House (at 30 June 2023)

EPRA - European Public Real Estate Association

IFRS - International Financial Reporting Standards

1. Based on the Share Price as at 30 June 2023

2. Based on the EPRA NTA per share of 88.6p and Share Price as at 30 June 2023 (as above)

3. At 30 June 2023, based on homes owned at the start of the quarter

4. Twelve month trailing average

5. British Property Federation, and Legal & General 2022

6. Gresham House, based on recent conversations with housing associations and brokers

7. Source: Gresham House, based on recent conversations with institutional investors and brokers




Why ReSI plc?

ReSI plc delivers 97% inflation-linked income, which is generated from affordable and secure rents⁸ and supported by strong market drivers in shared ownership housing and independent retirement living.⁹




Secure long-term inflation-linked income⁸

Dividends paid quarterly

ReSI plc's business model is:

Supported by:	Creating:	Executed by:
 <p>Strong market drivers⁹ Ageing population, declining home affordability, supportive Government policy</p>	 <p>Measurable impact Providing affordable high-quality, energy efficient homes for life, and addressing elderly loneliness</p>	 <p>Expert manager c.65-person housing team with 20-year track record in UK housing</p>

ReSI plc's income is:

 <p>Diverse 3,298 households diversified across ages and stages of life</p>	 <p>Asset-backed Underpinned by c.£428mn home value with 21% uplift from reversionary surplus¹⁰ Subsidised shared ownership rents secured by homebuyers' stake</p>	 <p>Affordable Low retirement rents (in line with Local Housing Allowance) paid from pensions and welfare c.£15mn Government grant supports subsidised rents for shared ownership¹¹</p>
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ReSI plc's portfolio focus

	Independent retirement living housing (£210mn GAV 2,240 homes 59% of portfolio)	Shared ownership housing (£125mn GAV 769 homes 35% of portfolio)
Driver	Growing and increasingly lonely older population	Huge untapped demand for affordable home ownership
Summary	Let to elderly residents with affordable rents and assured tenancies Provides fit-for purpose homes for retired people, allowing them to maintain their independence without care provision	Homebuyers acquire a share in a residential property and rent the remainder Helps house buyers acquire homes they would otherwise be unable to buy Capital grant funding from Government allows total shared ownership housing costs to be c.40% below the level expected for renting an equivalent property in the private rented sector
Rent growth	Increase with RPI each year, capped at 6.0%	Increase contractually by RPI+ 0.5% each year
Secure income⁸	Rent income paid from pensions and welfare	Subsidised rents c.30% below market Homebuyer equity stake
ReSI plc advantages	Scale: UK's largest private independent retirement rentals business Specialist in-house 25-person investment team with over 20-year track record	ReSI Housing – a for-profit Registered Provider of Social Housing Unique 45-year, 0.9% coupon, RPI-linked USS debt facility

8. ReSI plc has maintained c. 99% rent collection since January 2020. 100% rent collection is not guaranteed

9. For further information regarding market drivers, please refer to the Market Drivers section in Residential Secure Income plc's Annual Report & Accounts 2022

10. ReSI plc financials, as at 30 June 2023

11. Grant policy for future acquisitions may be subject to change

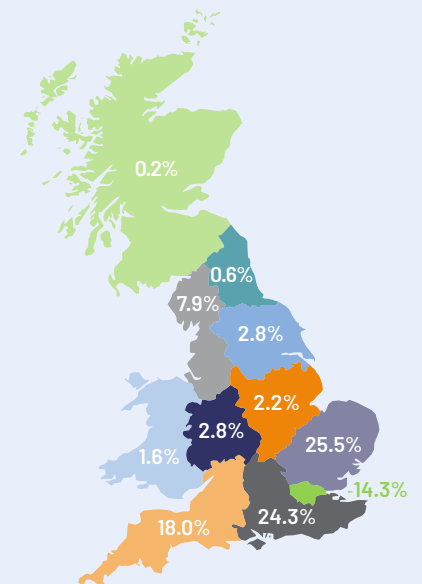
Contact details

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E: resiplc@greshamhouse.com

www.resi-reit.com • www.greshamhouse.com

Portfolio by location



Board

Rob Whiteman, Chairman

Robert Gray, Senior Independent Director & Audit Committee Chairman

John Carleton, Director

Elaine Bailey, Director

Key dates

Financial Year End: 30 September

Interim: 31 March

Dividends payment dates

January 2023 1.29p

March 2023 1.29p

July 2023 1.29p

September 2023 (declared) 1.29p

Service providers

Fund manager: ReSI Capital Management, part of Gresham House

Administrator: MGR Weston Kay

Registrar: Computershare

Auditor: BDO LLP

Company secretary: Computershare

Corporate broker: Peel Hunt

Depository: Thompson Taraz

Legal adviser: Cadwalader, Wickersham & Taft LLP

Tax adviser: Evelyn Partners Group Limited

PR: KL Communications

Valuers: Savills

Income is backed by secure tenancy but is not guaranteed.

The opinion expressed is that of the investment management team at the time of writing and is subject to change.

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