

Residential Secure Income plc

Factsheet as at 30 September 2021



Residential Secure Income plc

Overview

Residential Secure Income plc (LSE: RESI) (ReSI plc) is a real estate investment trust (REIT) focused on delivering secure, inflation-linked returns with a focus on two resident 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.

Targets secure, long-dated, inflation-linked dividend yield of 5.0% p.a. and a total return in excess of 8.0% p.a.¹

Why affordable and social housing?



Stable, long term, inflation-linked rents



Supply/demand imbalance from historic undersupply
2 million shortfall in homes delivered*



Incredibly diversified income stream from thousands of homes and residents



Reducing development appetite from peers
94% of affordable housing delivered by not-for-profits**



Nationwide shortage of affordable homeownership and independent retirement housing

Why ReSI plc?



>20-year track record in financing and advising social housing



Wholly owned Registered Provider of social housing, ReSI Housing Limited



Investment Partner of Homes England and Greater London Authority



Unique proprietary Customer and Environmental Charters designed to maximise social impact



30-strong Fund Manager's in-house property management business



Long-term investment grade equivalent debt
Average 22-year maturity with a unique £300m facility with 0.5% coupon***

*Ministry of Housing, Communities & Local Government - shortfall in homes delivered over last ten years vs. National Housing Federation target

**Ministry of Housing, Communities & Local Government and English Housing Survey

***Source: Gresham House

Summary of FY21 Results

Strong income and capital growth beyond 2021 operational targets

- 7.5% European Public Real Estate Association (EPRA) Net Tangible Assets (NTA) return for FY21 driven by a 42% increase in EPRA adjusted earnings² to £7.1m (FY20: £5.0m)
- Net rental income of £13.2m up 16% (FY20: £11.3m), driven by rental growth and shared ownership portfolio full occupancy
- EPRA NTA of £184.7m, or 107.9p, up 2.7% (FY20: 105.1p)
- Returns underpinned by strong capital position - 46% LTV ratio on long-term debt, with an average maturity of 22 years and cost of 2.3%

Dividends fully covered and increasing with inflation¹

- 5.0p target dividend paid in FY21, fully covered by recurring income from Q4 2021, ahead of schedule
- FY22 dividend target to be increased¹ with September CPI (Consumer Price Index) of 3.1% to 5.16p per share
- Future dividend growth backed by inflation-linked rental income

Executing on Sustainable Investment Initiatives

- Improved energy efficiency, with 100% of all directly rented properties now upgraded to a minimum EPC rating of D, and aiming to reach a minimum of C ratings by 2025
- Working with Greengage Environmental in FY22 to map out ReSI plc's road to carbon-net-zero strategy
- ReSI plc's shared ownership Customer and Environmental Charters create positive social impact for residents and raise the bar for best practices in the shared ownership sector

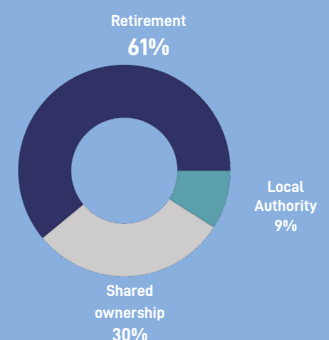
Past performance is not a reliable indicator of future performance. Capital at risk.

Fund information

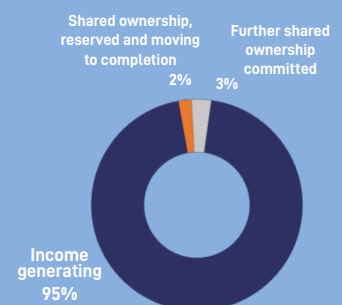
LEI	LAR763213800D24WA531
Ticker	RESI
ISIN	GB00BYSX1508

Launch date	12 July 2017
Homes owned ³	3,051
EPRA NTA	£184.7m
EPRA NTA FY21 Total Return	7.5%
EPRA NTA per share	107.9p
Share price	102.5p
Market capitalisation	£175.4m
IFRS NAV per share	106.6p
Discount to IFRS NAV ⁴	3.8%
Ongoing charges	1.6%
Dividend declared FY21	5.0p
Dividend target FY22 ¹	5.16p
Div yield (prospective) ⁵	5.0%
Target IRR (long-term) ⁶	8.0%

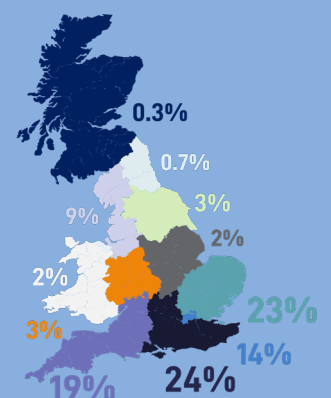
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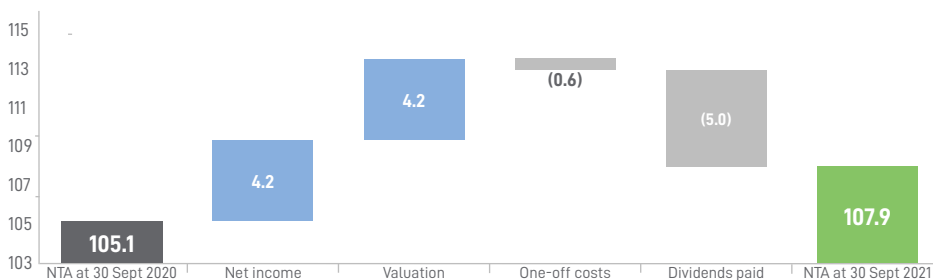
Deployment status



Portfolio by location



EPRA NTA (pence per share)



- 8.4p total return before one-off costs
- (0.6p) one-off costs
- 4.2p recurring net income
- 4.2p valuation gain (2.5% like-for-like) driven by 1.5% like-for-like rent growth and stabilisation of shared ownership portfolio

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

ReSI plc's portfolio focus

Aims to deliver diversified secure inflation-linked income from residential sub-sectors with strong fundamentals and supply-demand imbalances.

	Independent retirement living housing (£215m GAV 2,218 homes 61% of portfolio)	Shared ownership housing (£104m GAV ³ 544 homes 30% of portfolio)
Driver	<ul style="list-style-type: none"> Booming and increasingly lonely older population 	<ul style="list-style-type: none"> Huge untapped demand for affordable home ownership
Summary	<ul style="list-style-type: none"> Let to elderly residents with affordable rents and lifetime tenancies Provides fit-for-purpose homes for retired people, allowing them to maintain their independence without care provision 	<ul style="list-style-type: none"> Homebuyers acquire a share in a residential property and rent the remainder from ReSI plc Helps homebuyers acquire a home they would otherwise be unable to buy/afford £10m of capital grant funding from government allows rent to be c.30% below market levels
Rent inflation	<ul style="list-style-type: none"> Increase with Retail Price Index (RPI) each year 	<ul style="list-style-type: none"> Increase contractually by RPI+ 0.5% each year
Secure income	<ul style="list-style-type: none"> Rent paid from pensions and welfare 	<ul style="list-style-type: none"> ReSI plc's investment is underpinned by homebuyer equity stake in their home Subsidised rents c.30% below market
ReSI plc origination advantages	<ul style="list-style-type: none"> Scale - UK's largest private independent retirement rentals business⁷ Specialist in-house 30-person team with >20 years' track record 	<ul style="list-style-type: none"> ReSI Housing Limited - Registered Provider of Social Housing Unique 45-year Universities Superannuation Scheme (USS) debt facility providing 300bps yield pick-up

Notes

1. These are targets only and not profit forecasts. There can be no assurance that the targets can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on the targets in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yields are reasonable or achievable

2. EPRA adjusted earnings is EPRA earnings adjusted for income and costs which are not recurring and is equivalent to IFRS profit after tax before one-offs and valuation adjustments

3. Including committed acquisitions

4. Based on the IFRS NAV per Share of 106.6p and Share Price of 102.5p as at 30 September 2021 (as above)

5. Based on the target dividend per share (2021-2022) and the share price as at 30 September 2021

6. As set out at IPO

7. Gresham House Housing team

Performance is net of fees and costs.

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Contact details - Gresham House / ReSI Capital Management

Fund management

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Fund Manager, Head of Housing Investment

Alex Pilato
Managing Director, Housing & Capital Markets

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

March 2021	1.25p
June 2021	1.25p
August 2021	1.25p
January 2022 (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: Jefferies
Depository: Thompson Taraz
Legal adviser: Cadwalader, Wickersham & Taft LLP
Tax adviser: Smith & Williamson
PR: KL Communications
Valuers: Savills

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