

## Results for the six months ended 29 February 2020

UPP Bond 1 Issuer PLC, 28 April 2020

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UPP Bond 1 Issuer PLC has published the consolidated report and accounts of UPP Bond 1 Holdings Limited, the reporting parent undertaking of UPP Bond 1 Issuer PLC, for the six months ended 29 February 2020. The results are available on the Investor Centre at:

<https://www.upp-ltd.com/investor-centre/announcements/>

Business highlights over the period from 1 September 2019 include:

- Occupancy for 2019/20 of 99.6% (2018/19: 99.4%)
- Turnover up by 2.4% to £33.6 million (2018/19: £32.8 million), reflecting RPI-linked annual term rental income increases
- Gross profit of £23.3 million (2018/19: £23.3 million)
- EBITDA margin of 65.3% (2018/19: 67.2%)
- Both Historic and Projected Senior Annual Debt Service Coverage Ratios comfortably above lock-up triggers
- 100.0% of room nominations at UPP (Exeter) Limited and UPP (Oxford Brookes) Limited for the 2020/21 academic year, equating to 29.0% of total rental receipts secured

Elaine Hewitt, Chief Executive Officer, commented: “Once again, UPP Bond 1 Holdings Limited has demonstrated robust performance during the half year ended 29 February 2020. The consolidated accounts for the period saw an increase of 2.4 per cent in turnover from £32.8 million to £33.6 million. EBITDA at £21.9 million remained in line with projections.

With sector-leading occupancy of 99.6 per cent, the performance of UPP Bond 1 Holdings Limited has remained resilient during a period where accommodation affordability has become a growing focus across the sector and in the media.

Ahead of the COVID-19 outbreak in the UK, demand for academic places remained strong. Data from the Universities and Colleges Admissions Service (UCAS), based on the 15 January 2020 deadline, identified that a total of 568,330 people had applied to study - an increase of 1.2 per cent on the equivalent point in the 2019 cycle. In particular, international student applicant numbers had increased by 14.7 per cent year on year.

At the time of writing, there remain numerous contingent risks to occupancy - disclosures on which are outlined in this summary. Notwithstanding these, the Directors are of the opinion that a combination of mitigating activity undertaken by Government and the sector; the capacity of universities to refocus their recruitment; and the credit positive elements of the Company’s business model have the capacity to significantly ameliorate risks to short-term occupancy.

In terms of the longer-term market outlook, the Directors consider that there remains strong demographic and supply evidence to suggest that demand both for UK higher education and residential accommodation will continue.”

For further information, contact UPP Investor Relations at [investor.relations@upp-ltd.com](mailto:investor.relations@upp-ltd.com) or +44 (0)20 7398 7200