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# UPP Bond 1 Issuer PLC

Results Presentation for the year ended 31 August 2021



Investor Call 1130hrs 16 December 2021

# Disclaimer

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This presentation is being distributed by UPP Bond 1 Limited ('The Group Agent') pursuant to the terms of Schedule 9 Part 1 of the Common Terms agreement ('CTA'). Unless otherwise stated, this Investor Report comments on historic performance of the Group for the period up to 31 August 2021. Included within this Investor Report is the non-statutory consolidated audited Financial Statements of the Group as specified in Schedule 9 Part 1 of the CTA. Defined terms used in this document have the same meanings as set out in the Master Definitions Schedule of the CTA.

Unless otherwise stated, the figures in this presentation reflect the position as at 31 August 2021. In addition, the presentation contains forward-looking statements that reflect the current judgment of the management of the Obligors regarding conditions that it expects to exist in the future. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future and, accordingly, are not guarantees of future performance. Management's assumptions rely on its operational analysis and expectations for the operating performance of each of Obligor's assets based on their historical operating performance and management expectations as described herein.

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It should also be noted that the information in this presentation has not been reviewed by the Obligors' auditors.

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# Agenda

1. Executive Summary
2. Key Business Developments
3. Market Update
4. AssetCos Financial Review 2020/21
5. Forecast 2021/22
6. Sinking Fund Budget
7. Conclusion
8. Any Other Business/Questions

# 1. Executive Summary

**Elaine Hewitt, Chief Executive Officer**

# Executive Summary - Results

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- Occupancy for 2020/21 of 96.6%
- Turnover up by 0.5%, reflecting RPI-linked annual term rental income increases
- Gross profit and EBITDA in line with prior year
- EBITDA margin in line with prior year.
- Historic Annual Debt Service Coverage Ratios comfortably above lock-up triggers
- The Plymouth AssetCo continued to report under a Trigger Level 2, Phase 1 Monitoring Event with the subsequent enhanced reporting as required by the Monitoring Services Agreement.
- The Kent AssetCo reported under a Trigger Level 2, Phase 1 Monitoring Event with the subsequent enhanced reporting as required by the Monitoring Services Agreement.

## **Elaine Hewitt, Chief Executive Officer, noted;**

“The results for UPP Bond 1 Holdings Limited for the financial year ended 31 August 2021, cover a period of significant disruption across higher education and many other industry sectors but the results we announce today underline the robust nature of the UPP business model.

The year saw an increase in turnover of 0.5% to £67.8m, reflecting RPI-linked annual term rental income increases, vacation income and RPI swap income increases. The EBITDA margin of 66.5% was also consistent with the prior year. Occupancy was strong despite pressures arising from the pandemic and has now returned to normal levels in excess of 99%.

Longer term domestic and international demand is very encouraging. There remains a significant structural shortfall in residential supply in the U.K. so UPP remains well positioned to continue to deliver strong business performance going forward.”

# Executive Summary - Specific Matters

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## COVID-19 and Market Sentiment

- The on-going impact of the COVID-19 pandemic during the financial year 2020/21 continued to bring a measure of disruption to the overall operating of the sector.

### S&P rating

- Within this context, on 15 January 2021 S&P Global Ratings issued a Rating Action Overview of the 10 student accommodation projects for which it provides rating in the UK.
- S&P confirmed that it was revising to negative from stable the outlooks on its underlying ratings for debt issued by a further six projects and reaffirming its earlier decision to revise the rating for the notes of UPP Bond 1 Issuer PLC to BBB+ (negative) from A-(stable). Reflecting their view was that projects may become exposed to potentially weaker cashflow generation and felt that there would be challenges for those projects exposed to international and postgraduate demand

### Moody's rating

- Moody's Investors Service held a Ratings Committee following a review of UPP Bond 1 Issuer PLC. Having held the rating at "Baa1 under review for downgrade" since an initial ratings committee back in May 2020, the Company can confirm that the rating was reaffirmed as Baa1, stable outlook.
- The stable outlook has been assigned to the rating on the basis of the ability of the Company to secure lettings and maintain positive liquidity despite the impact of COVID-19.

# Executive Summary - Specific Matters

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## Revolving Loan Facility

- During October of 2020 UPP REIT Holdings Limited, the Parent Company of UPP Group Holdings Limited, trading as University Partnerships Programme (UPP) announced that the Group had completed the negotiation on a £35 million revolving loan facility with the London branch of ING Bank N.V.
- Acting as arranger, agent, issuing bank and lender, ING will provide the facility which will be utilised for general corporate purposes, provide working capital to UPP and for financing new investments.
- With a facility term of 36 months, the facility brings a new bank into the Company's capital structure & provides additional liquidity, the facility has not been drawn.

# Executive Summary - Specific Matters

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## **UPP (Kent Student Accommodation) Limited:**

- Lettings for 2020/21 at UPP (Kent Student Accommodation) Limited sat at 67.4%. The overriding reason for this was due to the accommodation's reliance on a typically high proportion of international postgraduate students - a cohort where COVID-19-related uncertainty and travel restrictions had a particularly acute impact.
- The 2020/21 levels of occupancy triggered a Level 2 Phase 1 Monitoring Trigger Event under the Bond programme. To rectify this, UPP agreed a remedial monitoring plan with the Monitoring Advisor, with reports being issued every quarter on the pre-agreed measures and KPIs. As part of this ongoing reporting regime, the Monitoring Advisor has been able to engage directly with the University to assess progress against the plan. Further investigations by UPP were conducted towards the end of 2020 and in early 2021
- 2021/22 occupancy performance 98% reflected the anticipated rapid recovery to normal occupancy levels

## **UPP (Nottingham) Limited:**

- On 18 August 2020, a Monitoring Adviser Recommendation was issued in relation to UPP (Nottingham) Limited and Nottingham Trent University further to an Adviser Proposal Request dated 14 August 2020 to consent the University to enter into Relevant Arrangements for 2020/21 and 2021/22.
- 2020/21 occupancy performance 100%
- 2021/22 occupancy performance 100%
- In light of the above, we anticipate the University will be in a position to demonstrate satisfaction of the relevant tests in future and is working with the UPP to ensure adherence to the terms of the Primary FM Agreement.

# Executive Summary - Specific Matters

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## **UPP (Plymouth Three) Limited:**

- During 2019, the Plymouth AssetCo sought consent from the Monitoring Advisor to invest an additional £2.9m in Sinking Fund works at two residences (Gilwell and Robbins Halls) to take place over a three-year period
- Circa £1.8m was incurred during the financial year 2018/19, funded by reducing payments of interest on the shareholder sub-debt, with the remaining balance being spent up to the financial year ending 2020/21.
- Progress with the works at Gilwell and Robbins Halls and feedback relating to the same has been provided to the Monitoring Advisor by way of quarterly monitoring update reports, where UPP has provided information against pre-agreed performance criteria.
- In addition to the above and following a review of fire safety arrangements across UPP's wider portfolio, in March 2020, UPP identified an outstanding issue in relation to the external façade build-up on one block of the Francis Drake halls of residence.
- As a precautionary measure, 35 students were relocated into temporary accommodation at the end of the academic term 2020/21
- Further investigations by UPP were conducted towards the end of 2020 and in early 2021
- UPP Group Holdings Limited has since appointed Kier Construction Limited ("Kier") under a pre-construction services agreement (to undertake required remedial works during the 2021/22 academic year), while the Plymouth AssetCo procures the requisite consent to enter into a building contract with Kier directly.
- The remedial works being carried out by Kier, are expected to complete in advance of the 2022/23 academic year commencing.

## 2. Key Business Developments

Elaine Hewitt, Chief Executive Officer

# Business Progress

## Impact of COVID-19

- The year saw continuing disruption to normal teaching and research activities across the sector.
- In England, the term saw a “circuit breaker” four week lockdown starting on 5 November 2020 followed by a further full lockdown between January and April 2021 .
- Whilst a number of institutions decided that they would resume only remote on-line learning, the majority returning to face to face teaching put in place a significant number of safety measures such as regular asymptomatic testing, additional cleaning, support for self-isolating students and adherence to guidance on ventilation and face coverings.
- In line with Government guidance, UPP also continued to ensure that its accommodation was COVID secure, which included secure check-in processes, deep cleaning of rooms, additional cleaning kits in each cluster flat, one way systems, more regular cleaning of frequent touch points.
- UPP continued to focus on supporting residents, ensuring that students continued to benefit from student experience initiatives, with a significant proportion delivered by its student facing app platform.
- These initiatives were supported by more than 150 trained mental health first aiders and 85% of frontline teams trained in mental health and suicide awareness



# Business Progress



## Practical Completion Spreytonway and Moberly, University of Exeter

- At the beginning of the financial year during September of 2020, UPP celebrated the successful handover of the Spreytonway and Moberly developments
- The scheme which sits outside the UPP Bond 1 structure, with long-standing partner the University of Exeter, began in June 2018 and was delivered on programme ahead of the academic term 2020/21
- The scheme was funded with index-linked bond debt from Pension Insurance Corporation (PIC), the specialist insurer of defined benefit pension funds, with a debt tenor of 47 years. UPP Group and its shareholders invested £4.2 million of subordinated debt and equity
- Provides a further 381 new high-quality rooms.



# Business Progress

## Practical Completion of the East Park Residence, University of Exeter

- September 2020 also saw the delivery of the first phase of the £139.7 million East Park Residence providing a further 604 bedrooms
- Phase two of the development – a further 578 rooms – reached practical completion shortly after the end of the financial year and ahead of the academic year 2021/22.
- The development was funded by £125.1 million of index-linked debt financing with a tenor of circa 48 years from Pension Insurance Corporation plc (PIC)
- UPP now operate more than 4,100 rooms for the University on its main Streatham Campus



### 3. Market Update

Jon Wakeford (Director, Sector Engagement)

# Demand for Higher Education



- Despite the considerable impact on UK higher education wrought by the COVID-19 pandemic, the sector has maintained its position as the leading global destination for students after the USA
- The chart (right) identifies that growth in full-time enrolments continues despite a fall in the number of 18-year-olds in England
- Over the last decade full time student enrolment has increased at a CAGR of 1.8%
- This means that the UK HE sector is enrolling 325,000 more full time students per year than it was in 2009/10
- Over the last five years this growth has proved stronger still at a CAGR of 2.9%
- Since its launch in 2013, the institutions for which UPP Bond 1 provide accommodation are now enrolling more than 15,000 extra full time students per year
- In terms of long term performance, growth at institutions within the Bond has continued at well above the sector average

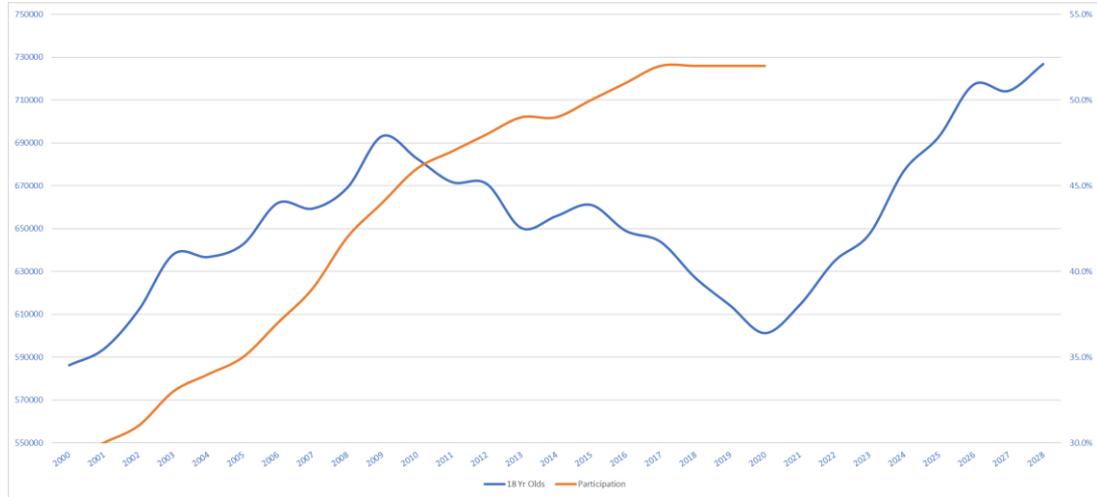
Full-time UK HE Enrolment relative to 18-year-olds in England 2008/9 to 2019/20



# Demand for Higher Education

- Demand modelling by the Higher Education Policy Institute to 2030 has identified an increase in the young population of circa 23.0% during the next decade.
- This will lead to a minimum increase in demand for higher education of 100,000 places on the basis of demography alone and up to 360,000 places assuming increases in participation.
- The continuity of the proportion of students choosing to live on campus rather than at home - more than 80.0% of students still live away from home and this figure has remained constant despite increases in the cost of participation.
- There remains a significant structural shortfall in residential supply with CBRE projecting an increase in unmet demand from 540,000 students to 827,000 by 2035.
- OECD projections expect the number of young people aged 25 to 34 years with a tertiary qualification to continue to increase until at least 2030, which will see those with a degree qualification increase from less than 14.0% at the start of the century to more than 45.0% by 2030

## Number of 18-year-olds and trends in Tertiary Attainment



(Source: ONS Birth Rate/OECD)

# Residential Demand for AssetCos



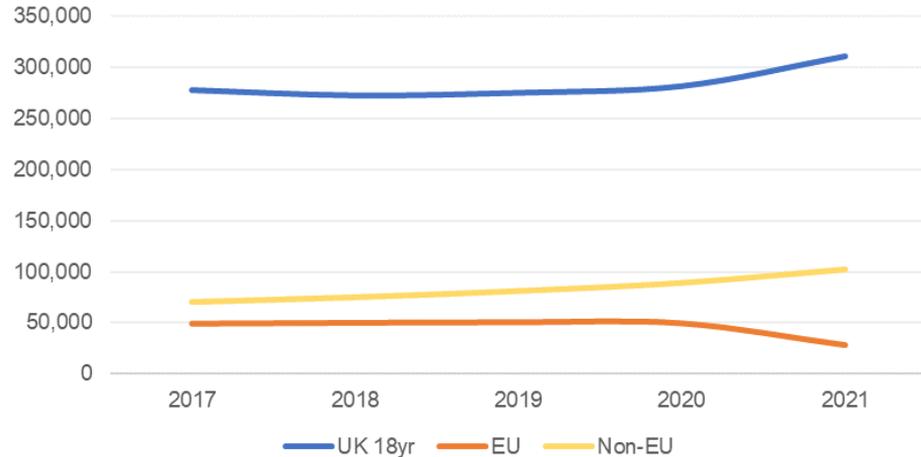
All Students	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Change 18/19 to 19/20	Five Year Change
Total Demand Pool	99,040	101,435	105,680	108,455	111,180	116,960	5.2%	18.1%
Number of Beds	37,630	38,179	38,728	38,804	38,203	39,911	4.5%	6.1%
Students:Bed Ratio	2.6	2.7	2.7	2.8	2.9	2.9	0.0	0.3
First Years	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Change 18/19 to 19/20	Five Year Change
Total Demand Pool	42,830	43,535	45,570	47,015	47,915	51,045	6.5%	19.2%
Number of Beds	37,524	37,938	38,370	37,281	38,203	39,911	4.5%	6.4%
Students:Bed Ratio	1.1	1.1	1.2	1.2	1.3	1.3	0.0	0.1

# Demand Dynamics

## Data from UCAS for the 2020/21 applicant cycle;

- Full-time UK applicant numbers were up 7%, whilst international student applicants have also increased by 14%
- Numbers of applicants from the EU were down 43%, driven by a change in the tuition fee regime
- The proportion of the 18-year-old population that made an application increased for the ninth year in a row – up to 43.3% from 40.5%
- Early comparable UCAS data for the 2022 cycle (15 October 2021) identifies that applicant numbers for those studying at Oxford and Cambridge, and those studying medicine or veterinary studies have increased overall by 1%
- Full-time UK student numbers were up 3%, whilst international student applicant numbers remained at the same level
- Numbers of applicants from the EU were down 16%, driven by a change in the tuition fee regime

## UCAS 30 June 2021 Application Deadline

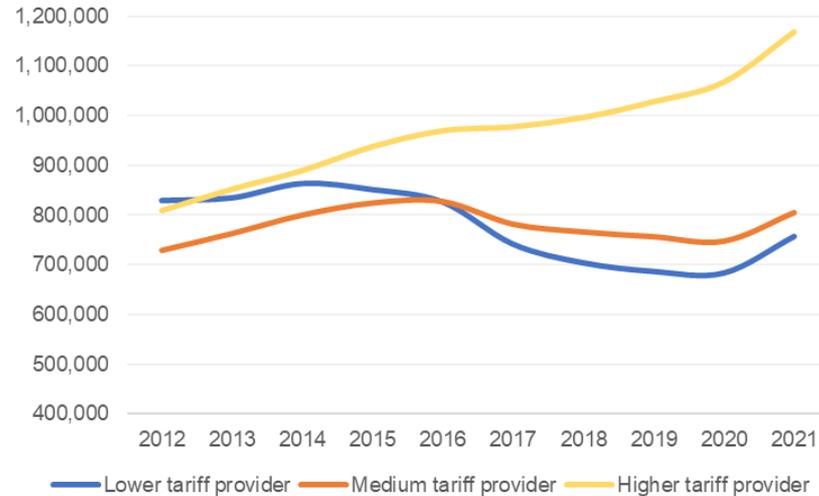


# Demand Dynamics

## Data from UCAS following clearing;

- The COVID-19 pandemic has continued the disruption of annual exam cycles, with the Government utilising centre assessment grades, as the method for agreeing results for the academic years 2020/21 and 2021/22.
- For both years the number of students receiving a grade increase and therein being accepted to their first choice of university increased by 165,00 and 174,000 students respectively.
- Ahead of 2021/22 a third (34%) fewer 18-year-old students used the UCAS Clearing system - 24,110 compared to 36,770 in the 2020 cycle.
- Institutions classified as high tariff (in excess of 154 points) saw placed applicant numbers increase by 11% in the 2020/21 cycle and circa 3% for 2021/22.
- Those placed to their firm choice institution are up 5% to 397,990 and represent approximately two thirds of those placed
- The line chart on the right of this slide provides the trend in applicant numbers by university tariff requirement – identifying that higher tariff providers are proving the beneficiaries of applicant increases

## UCAS 15 January Application Deadline by provider tariff group



# Key Markets

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## Exeter

- Over the last decade, the University of Exeter has become one of the most popular universities in the UK accepting more than 8,000 undergraduates per annum, twice the number admitted in 2011.
- Exeter is rated 21 in the Times Good University Guide for 2022 having fallen nine places on the basis of student experience during COVID
- The University remains in the top 150 institutions in the world according to The QS World University Rankings 2022 and is a member of the Russell Group of institutions
- Over the last five years, it has grown at a compound annual growth rate of 4.7% and now enrolls nearly 24,500 full-time students each year; receiving 38,385 applications for the academic term 2020/21 with a strong application to acceptance ratio of 5.5:1
- Exeter has been working to reduce the pressure on accommodation in the City, with Moberly, Spreytonway and East Park student residences all now becoming operational, providing a further 1,500 student bedrooms to the current accommodation stock of 6,100 rooms – a students to bed ratio is 3.5:1

## Kent

- The University of Kent has improved its Sunday Times Good University Guide ranking for 2022 by two places to 46.
- Operating a college-based system with academic as well as residential facilities, Kent secured gold in the Teaching Excellence Framework and 75% of its research is rated world-leading or internationally excellent.
- Whilst applications to the University have been in decline in recent years, it has an Applications to Acceptances Ratio of 6.0:1
- In 2020 the University of Kent's demand pool fell for the second year in a row driven by a fall in enrolment of 580 - just under half of this decrease were students domiciled outside of the UK
- The Canterbury campus houses over 5,300 students in rooms, flats and houses and residential demand remains strong with a student to bed ratio of 2.3:1. The local housing market is characterised by a lack of private rented supply for students, a restrictive planning environment and only two direct-let operators of purpose-built student accommodation.

# Key Markets

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## Nottingham

- The University is ranked 26 in the UK by The Sunday Times Good University Guide 2022 and 103 in the world by the QS World University Rankings.
- Applications continue to increase at Nottingham, with the University receiving more than 54,000 applications each year and nearly eight students chasing each academic place.
- The University has committed to refurbishing or redeveloping all of its student halls on its University Park Campus and it is spending £21m on accommodation for 280 students at the Jubilee campus.
- Enrolments have grown by over 4,500 in the last five years, 1,600 of which was international demand, with the University now home to 19,000 18-20-year-olds.
- The residential demand pool has increased by nearly 4,400 between 2014/15 and 2019/20 - first-years pool representing 3,500 of this figure
- The institutional student to bed ratio now sits at 2.9:1, nearly 50% above the UK average.

## Nottingham Trent University

- Nottingham Trent University (NTU) continues to be amongst the top two largest recruiters of undergraduates in the UK receiving 47,000 applications each year, and enrolments continue to increase.
- Ranked 71 in the Times Good University Guide 2021, the University has slipped 17 places driven by the challenges of satisfying students during COVID
- However, in terms of enrolment growth, NTU is the strongest performing AssetCo demonstrating a compound annual growth rate of 6.7% over the last five years, adding the equivalent of an extra 8,700 full time students to the residential demand pool since 2015/16.
- The non-UK population has grown by 82% in five years but still only makes up 14% of the NTU student body.
- NTU retains a very healthy student to bed ratio of 3.9:1

# Key Markets

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## Oxford

- Oxford Brookes University is the UK's only representative in QS's world ranking of the top 50 universities that are less than 50 years old and The Sunday Times Good University Guide ranked it 54 overall for 2022 an improvement of ten places in two years
- The University is now in the top five post-1992 universities
- For the academic year 2018/19, the University attracted 19,000 applications and its main scheme application to acceptance ratio improved to 5.2:1.
- Oxford Brookes has four campuses; however, the University has a strategy to transfer a number of key courses to the main Headington campus for 2022.
- The City Council continues to enforce strict controls on the number of students each university is permitted to house in the private rented sector within Oxford. Oxford Brookes University continues to present a healthy student to bed ratio of 1.6:1.

## Plymouth

- The University of Plymouth was ranked 58 by The Times Good University Guide 2022, an improvement of some 18 places over the last two years.
- After an organizational redesign – including 600 redundancies and a £700m drop in fee income – the University has announced plans for a £100m campus development and thirty new courses.
- The University has national and international appeal with well over 18,500 applications per annum and main scheme application to acceptance ratio of 5.4:1 for 2020/21. Applicants holding Plymouth as their firm choice are guaranteed a place in one of the managed halls or in an accredited private hall if they apply by the end of June.
- Based on the most recent HESA data returns, the residential demand pool has fallen by 2,020 students between 2014/15 and 2019/20. On this basis of the University have ended all nomination agreements with private providers - therefore, despite the decline in demand, the student to bed ratio at the institution has increased substantially to 5.7:1

# Key Markets

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## York

- A member of the Russell Group, the University of York is a world-class institution.
- Ranked within the top 20 institutions in the UK by the Sunday Times Good University Guide 2022 and was shortlisted for University of the Year.
- Ranked 151 globally in the QS World University ranking
- It remains one of only a handful of University to operate a collegiate system and this alongside its focus on developing its employability initiatives, skills and careers support that helped the university to achieve gold in the Teaching Excellence Framework.
- University has continued to invest in research, teaching and campus facilities, with a £750m expansion delivering modern resources at the linked Heslington East campus. A new building for the management school opened in early 2021, fitted with bespoke teaching and learning areas to accommodate the growing department.
- Full time student enrolments at the University of York have increased by 16.9% over the last five years a real terms increase of more than 2,500 students – a compound annual growth rate of 3.6% per annum.
- Significant increases have taken place at both the undergraduate and postgraduate level - UK students growing by 18% and international enrolment increasing by 31%.
- The student body has become less localised with 84% of students now domiciled outside of Yorkshire and Humber.
- The residential demand pool has grown faster than overall student numbers due to the growth in non-regional students and now sits at 2.5:1 for all students, comfortably above UK averages.

## 4. Consolidated AssetCo Performance 2020/21

Henry Gervaise-Jones, Chief Financial Officer

# Bond consolidated – Finance update



£000's	2020/21 Actual	2019/20 Actual	Change %
Turnover	67,806	67,471	0.5
Cost of sales	(19,870)	(19,505)	1.9
<b>Gross profit</b>	48,936	47,966	(0.1)
Overheads	(2,822)	(2,762)	2.2
<b>EBITDA (pre sinking fund)</b>	45,114	45,204	(0.2)
Sinking fund	(7,967)	(3,783)	110.6
<b>EBITDA</b>	37,147	41,421	(10.3)
Ratio	1.26	1.37	

- Occupancy was 96.6% for the year
- EBITDA before sinking fund was consistent with the prior year
- Sub-debt returns were £6.7m
- 2020/21 ratio of 1.26

# Bond consolidated – Finance update



- Ratio analysis

Ratio	Alcuin	BGP	Exeter	Kent	NTU	Oxford	Plymouth	Consol
20/21 Historic	1.24	1.15	1.52	0.57	1.19	1.21	1.08	1.26
21/22 Forward	1.39	1.35	1.35	1.54	1.35	1.36	0.48	1.24

- Occupancy analysis

(%)	Alcuin	BGP	Exeter	Kent	NTU	Oxford	Plymouth	Consol
20/21 Historic	99.0	91.0	100.0	67.4	100.0	100.0	99.7	96.6
21/22 Forward	100.0	96.8	100.0	98.3	100.0	100.0	99.5	99.2

# Alcuin – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	7,190	6,852
Cost of sales	(1,614)	(1,550)
Overheads	(252)	(256)
<b>EBITDA</b> (pre-sinking fund)	5,324	5,046
Sinking fund	(397)	(129)
<b>EBITDA</b>	4,927	4,917
Ratio	1.24	1.36
Headroom	296	722

- Occupancy was 99% for the year and is budgeted at 100% for 2021/22
- EBITDA before sinking fund was £278k higher year on year
- FM performance score of 100.0%
- 2021/22 forecast ratio 1.39

# Broadgate Park – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	11,862	12,571
Cost of sales	(3,753)	(3,753)
Overheads	(660)	(592)
<b>EBITDA</b> (pre sinking fund)	7,449	8,226
Sinking fund	(1,146)	(408)
<b>EBITDA</b>	6,303	7,818
Ratio	1.15	1.44
Headroom	9	1,583

- Occupancy was 91.0% for the year.
- The Company has budgeted occupancy of 96.8% for 2021/22
- Rents for the academic year 2022/23 will be set during Q2 of 2021/22.
- EBITDA pre sinking fund £777k lower year on year.
- FM performance score of 100.0%.
- 2021/22 forecast ratio 1.35.

# Exeter – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	15,571	15,014
Cost of sales	(4,062)	(4,042)
Overheads	(472)	(503)
<b>EBITDA</b> (pre sinking fund)	11,037	10,469
Sinking fund	(1,075)	(849)
<b>EBITDA</b>	9,962	9,620
Ratio	1.52	1.42
Headroom	2,514	1,805

- Occupancy was 100% for the year and is budgeted at 100% for 2021/22.
- EBITDA pre sinking fund £568k higher year on year.
- FM performance score of 100%.
- 2021/22 forecast ratio of 1.35.

# Kent – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	2,970	4,137
Cost of sales	(1,107)	(1,088)
Overheads	(208)	(252)
<b>EBITDA</b> (pre sinking fund)	1,655	2,797
Sinking fund	(515)	(476)
<b>EBITDA</b>	1,140	2,321
Ratio	0.57	1.49
Headroom	(911)	567

- Occupancy was 67.4% for the year and is budgeted at 98.3% for 2021/22.
- EBITDA pre sinking fund £1,142k lower year on year.
- FM performance score of 100.0%.
- 2021/22 forecast ratio of 1.54.

# Nottingham Trent – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	15,615	15,042
Cost of sales	(5,533)	(5,296)
Overheads	(444)	(366)
<b>EBITDA</b> (pre sinking fund)	9,638	9,380
Sinking fund	(2,009)	(1,097)
<b>EBITDA</b>	7,629	8,283
Ratio	1.19	1.34
Headroom	254	1,136

- Occupancy was 100% for the year and is budgeted at 100% for 2021/22.
- EBITDA pre sinking fund £258k higher year on year.
- FM performance score of 100.0%.
- 2021/22 forecast ratio 1.35.

# Oxford Brookes – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	4,856	4,771
Cost of sales	(1,051)	(1,117)
Overheads	(232)	(279)
<b>EBITDA</b> (pre sinking fund)	3,573	3,375
Sinking fund	(605)	(182)
<b>EBITDA</b>	2,968	3,193
Ratio	1.21	1.36
Headroom	121	470

- Occupancy was 100% for the year and is budgeted at 100% for 2021/22.
- EBITDA pre sinking fund £198k higher year on year.
- FM performance score of 100.0%.
- 2021/22 forecast ratio 1.36.

# Plymouth – Finance update



£000's	2020/21 Actual	2019/20 Actual
Turnover	9,739	9,017
Cost of sales	(2,749)	(2,817)
Overheads	(488)	(343)
<b>EBITDA</b> (pre sinking fund)	6,502	5,857
Sinking fund	(2,219)	(640)
<b>EBITDA</b>	4,283	5,217
Provision for cladding works	(3,999)	-
Operating profit	284	-
Ratio	1.08	1.27
Headroom	(291)	476

- Occupancy was 99.7% for the year and is budgeted at 99.5% for 2021/22.
- EBITDA pre sinking fund £645k higher year on year.
- Non-cash provision for cladding works of £3,999k
- FM performance score of 100.0%.
- 2021/22 forecast ratio 0.48.

## 5. UPP Bond 1 Issuer PLC Forecast 2021/22

Henry Gervaise-Jones, Chief Financial Officer



# Bond consolidated – 2021/22 Forecast



£000's	2021/22 Forecast	2020/21 Actual
Turnover	70,616	67,806
Cost of sales	(20,509)	(19,870)
<b>Gross profit</b>	50,107	47,936
Overheads	(7,043)	(2,822)
<b>EBITDA</b> (pre sinking fund)	43,064	45,114
Sinking fund	(4,267)	(7,967)
<b>EBITDA</b>	38,797	37,147
Ratio	1.24	1.26

- Occupancy budgeted at of 99.5% at Plymouth, 96.8% at Broadgate Park and 100% at all other AssetCos.
- Forecast EBITDA pre sinking fund of £43.1m
- Forecast ratio 1.24.

## 6. Sinking Fund Budgets

Henry Gervaise-Jones, Chief Financial Officer

# Sinking fund budget update

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- Budgeted sinking fund spend for 2021/22 is outlined below in comparison to 2020/21 expenditure.
- The focus is to develop plans at each of the AssetCos in conjunction with university partners
- Exceptional items at Plymouth, NTU and BGP driving year on year increase

£000's	Alcuin	BGP	Exeter	Kent	NTU	Oxford	Plymouth	Total
2020/21	397	1,146	1,076	515	2,009	605	2,219	7,967
2021/22	436	742	831	329	598	465	862	4,263

## 7. Conclusion

Elaine Hewitt, Chief Executive Officer

# Conclusion

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In conclusion;

- In summary, the fundamentals of the market remain robust and long-term demand appears promising
- Notwithstanding the matters disclosed with respect to individual AssetCos, and despite the COVID-19 pandemic, overall, the UPP Bond 1 AssetCos continue to demonstrate strong performance
- The investment in the Plymouth AssetCo being delivered over two summers appears to be having a positive effect on occupancy
- We will continue to work closely with University partners and to maximise the performance of the portfolio
- We will make sure we keep investors updated on this and other matters during the financial year

## 8. Questions