HLCL XLON Helical PLC

Trading Update · RNS 1053A · 23 October 2026

Helical reports Brettenham letting, Southwark payment due in November and £200m facility extended

Share price	188p
Market cap	£216m
52-week range	171p - 225p
Shares in issue	115.1m
12-month change	-14.5%

Ticker Data API, as at 22 Oct 2026, 16:29

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SUMMARY

Helical's trading update today covers 1 April to 22 October 2026. It confirms a 23,887 sq ft letting to FGS Global at Brettenham House at rents above £140 psf on the best space, and £15.5m due from the Southwark student scheme once Gateway 2 approval (a pre-construction safety sign-off) arrives in November. The £200m revolving credit facility now runs to September 2029. Much of the rest was already known: the £31m profit on 100 New Bridge Street, the £17m returned to shareholders and £2.4m of new rent at The Bower. The shares, at 188p on 23 October, sit far below the March 2026 EPRA net tangible assets of 351p per share. Recurring earnings are thin, however, with FY2026 return on capital at 2.3%, and a 5.67% 10-year gilt yield weighs on property values.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Sale price of 100 New Bridge Street	£333m	Completed May 2026	
Profit crystallised on 100 New Bridge Street	£31m	May 2026	
Capital returned to shareholders	approximately £17m	Since 1 April 2026	£12m B Share Scheme plus £5m buyback
Brettenham House letting to FGS Global	23,887 sq ft	10-year lease from January 2027	Rents in excess of £140 psf on the best space
Southwark receipts due on Gateway 2 approval	£15.5m	Approval expected November 2026	£5.3m cost reimbursement plus £10.2m first profit payment
Additional contracted rent at The Bower	£2.4m	Since 1 April 2026	Already announced 16 July 2026
Revolving credit facility hedged amount and rate	£175m at 2.1%	From financial year end; facility matures September 2029	Up from £125m currently drawn
EPRA net tangible assets per share	351p	31 March 2026	Prior 348p
Underlying loan to value	36.5%	31 March 2026	Prior 20.9%
Underlying return on capital employed	2.3%	Year to 31 March 2026	Prior 6%

Sources: Trading Update RNS, 23 Oct 2026; Annual Results RNS, 22 May 2026

THE ANNOUNCEMENT

- FGS Global has exchanged an Agreement for Lease on 23,887 sq ft across three floors of Brettenham House, a 10-year lease starting January 2027 at rents above £140 psf on the best space. Helical does not own the building. It earns a profit share linked to rental performance, payable once the 128,000 sq ft building is let, and practical completion is now expected at the end of October.
- At Southwark, Gateway 2 approval is expected in November. It would trigger reimbursement of £5.3m of costs and a first profit payment of £10.2m, £15.5m in total. The 429-bed student scheme is forward funded by Places for London and the affordable homes are forward sold to Southwark Borough Council.
- 10 King William Street (142,000 sq ft) remains on course for practical completion in December 2026, with occupier discussions continuing but no letting announced. Delta Paddington (240,000 sq ft) is on schedule for Q3 2028, backed by a £220m development facility.
- The £333m sale of 100 New Bridge Street completed in May, crystallising a £31m profit. About £17m went back to shareholders through a £12m B Share Scheme (9.72p per share, with a 100 for 105 share consolidation) and a £5m buyback of 2.55m shares at an average 196.33p.
- At The Bower, lettings and agreements on 32,000 sq ft add £2.4m of contracted rent and regears on 50,000 sq ft capture £0.3m of reversion. An early surrender of two Warehouse floors secures all rent to June 2027, and the first floor is already under offer.
- The £200m revolving credit facility was extended to September 2029. Hedging on it rises from the £125m currently drawn to £175m by the financial year end, at an average rate of 2.1%.

AGAINST GUIDANCE

Most dated targets are unchanged from the 16 July update. 10 King William Street is still due in December 2026 and Delta Paddington in Q3 2028, and the Southwark scheme is still aimed at the 2029/30 academic year. Brettenham House has slipped. The July update said September 2026 and April's said Q3 2026, while practical completion is now expected at the end of October. Gateway 2, submitted by July, is now expected in November. The £2.4m of Bower rent and the £31m sale profit repeat earlier disclosures, and the FGS Global letting was announced separately on 22 October. New items are the facility extension, the Warehouse surrender and progress at The Loom.

BULL CASE

- Development profits are turning into cash. The £31m profit on 100 New Bridge Street is banked, and Southwark's £15.5m is due on a single approval, from a scheme where forward funding and a forward sale leave no occupational or market risk with the joint venture.
- Prime space is letting well. Brettenham's rents above £140 psf set a benchmark for the remaining space, Bower lettings were in line with March 2026 rental values, and 10 King William Street completes in December into what the company describes as limited supply of best-in-class offices.
- There is no near-term refinancing need. The £200m facility runs to September 2029, with hedging at an average 2.1% scaling up to £175m. Buying back shares at 196.33p against 351p of net tangible assets adds value per share if those assets hold their value.

BEAR CASE

- Recurring income is thin. Underlying net rental income fell to £15.4m in FY2026 from £19.6m and return on capital was 2.3%. The Studio is empty until March 2027, Warehouse floors are being refurbished, and Loom vacancy would still be 32.2% even if the units under offer complete.
- The March valuation predates higher yields. The 10-year gilt yield was 5.67% on 20 October, up 0.16 points in three months, with CPIH inflation at 3.6%. Underlying loan to value had already risen to 36.5% from 20.9%, and borrowing is set to rise as development drawings increase.
- Key outcomes still depend on future events. 10 King William Street has discussions rather than signed tenants, and about four-fifths of Brettenham remains to let before Helical's profit share is paid. The Southwark money also has to wait for approval. FY2023 and FY2024 pre-tax losses of £64.5m and £190m show how hard valuation falls have hit this business before.

WHAT TO WATCH

- Half-year results on 25 November 2026. The September valuation and net tangible assets per share, loan to value and covenant headroom will show whether higher gilt yields have eroded the 351p March figure. A bridge from the 100 New Bridge Street proceeds to the cash available to the group will show how much capital is free for reinvestment.
- Gateway 2 approval at Southwark, expected in November, and receipt of the £5.3m reimbursement and £10.2m profit payment.
- Any letting at 10 King William Street around its December 2026 practical completion, and the rent achieved against the Brettenham benchmark.
- Further Brettenham House lettings after practical completion at the end of October. These determine when Helical's rental-linked profit share becomes payable.

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