SRE XLON Sirius Real Estate Limited

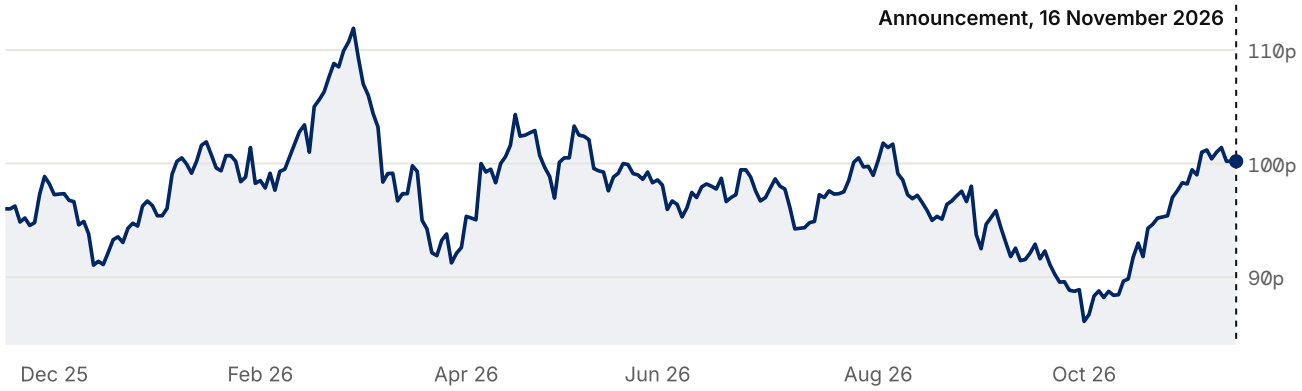
Interim results for six months ended 30 Sept 2026 · RNS 2427D · 16 November 2026

Sirius lifts FFO 11.9% and its dividend 5.3% as German valuations slip and LTV reaches 39%

Share price	100.4p
Market cap	£1.60bn
52-week range	85.9p - 113p
Shares in issue	1591.6m
12-month change	+4.4%

Ticker Data API, as at 13 Nov 2026, 16:29

SHARE PRICE, 12 MONTHS



SUMMARY

Sirius Real Estate's interim results today showed funds from operations (FFO, its measure of recurring cash earnings) up 11.9% to €72.4m and the interim dividend up 5.3% to 3.35c, the 26th consecutive increase. Like-for-like rent roll rose 5.1%, helped by both higher rents and higher occupancy, and €136.6m went into two defence-anchored German parks. Per-share growth was slower: FFO per share rose 6.5% as the average cost of debt climbed to 3.1% from 2.5% and the share count grew. A €24.0m valuation deficit nudged adjusted NAV per share down 0.4% to 124.29c, and net loan-to-value rose to 39.0%, close to the Board's 40% target. The income record holds, but the next leg of growth depends on property values steadying and on how acquisitions are funded.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Revenue	€191.4m	Six months to 30 Sep 2026	+17.9% (H1 2025: €162.3m)
Funds from operations	€72.4m	Six months to 30 Sep 2026	+11.9% (H1 2025: €64.7m)
FFO per share	4.58c	Six months to 30 Sep 2026	+6.5% (H1 2025: 4.30c)
Interim dividend per share	3.35c	Six months to 30 Sep 2026	+5.3% (H1 2025: 3.18c); 1.37x covered by FFO
Like-for-like rent roll	€255.3m	30 Sep 2026	+5.1% (30 Sep 2025: €242.9m)
Net loan-to-value	39.0%	30 Sep 2026	31 Mar 2026: 36.1%; Board target cap 40.0%
Interest cover at EBITDA level	5.4x	30 Sep 2026	31 Mar 2026: 7.3x
Adjusted NAV per share	124.29c	30 Sep 2026	-0.4% (31 Mar 2026: 124.78c)
Loss on revaluation of investment properties	€24.0m	Six months to 30 Sep 2026	H1 2025: €14.4m gain
Unrestricted cash	€66.8m	30 Sep 2026	31 Mar 2026: €372.7m; plus €244.0m undrawn RCF

Sources: Interim results RNS, 16 Nov 2026; Interim condensed consolidated income statement, Interim results RNS, 16 Nov 2026

THE ANNOUNCEMENT

- Revenue rose 17.9% to €191.4m and FFO 11.9% to €72.4m, or 4.58c per share (up 6.5%). Excluding the rise in average debt cost from 2.5% to 3.1%, Sirius says FFO would have risen about 18%.
- The interim dividend is 3.35c per share, 1.37 times covered by FFO per share, payable on 21 January 2027 with a record date of 11 December 2026.
- Total rent roll grew 11.3% to €272.2m and like-for-like rent roll 5.1% to €255.3m, with like-for-like occupancy up to 84.3% and the like-for-like rate per sqm up 3.9%.
- The Kiel (€86.0m) and Fulda (€47.5m) acquisitions bring €11.7m of annualised rent at a combined 8.8% gross yield, taking the defence-related portfolio to about €200m.
- Reported profit after tax fell 60.8% to €34.1m on a €24.0m revaluation loss and the absence of last year's €29.5m deferred tax release. Adjusted NAV per share slipped to 124.29c and EPRA NTA per share to 121.96c.
- Net LTV rose to 39.0% from 36.1% after the €400.0m bond was repaid and cash was spent on property. Sirius will start considering UK acquisitions in the second half and says it is on track for its medium-term ambition of €175m annual FFO. Non-executive director Mark Cherry has stepped down.

AGAINST GUIDANCE

Sirius is trading in line with management expectations for the full year. The headline rent roll figures (11.3% total, 5.1% like-for-like) were already published in the 5 October trading update, so the new information today is mostly below the income line: the valuation deficit, the dip in NAV, the rise in LTV and the fall in interest cover. Like-for-like rent roll growth of 5.1% is slower than the 6.4% reported for the year to 31 March 2026. The trading update cited approximately €150m of acquisitions, against €136.6m here, which Sirius reports at announced transaction values. In April 2026 the company guided to a positive year-end valuation and delivered one. Today it again expects valuations to return to a surplus above capital expenditure as first-half capex pays through. Ticker's earnings surprise model had leaned, with low confidence, towards a result ahead of expectations; that is an estimate, and these figures read as broadly in line.

BULL CASE

- Organic growth is broad and comes from both price and volume. Like-for-like rent roll rose 5.1% in Germany and 5.2% in the UK, with occupancy and rate per sqm higher in both, and FFO keeps growing despite a €9.5m rise in net finance expense.
- The capex programme produces measurable returns. Over three years €28.6m of value-add investment has transformed 284,254 sqm, now generating €12.1m of rent roll for a 42.3% return on investment, and that space is still only 82.2% occupied.
- Kiel and Fulda add immediate income at an 8.8% gross yield and €10.7m of annualised net operating income, tied to German defence demand that management regards as a lasting source of tenants.
- Debt risk is pushed out. After repaying the €400.0m bond, nothing significant falls due until the €500.0m bond of November 2028, Fitch reaffirmed BBB with a Stable Outlook, and the reverse stress test shows values could fall 34.2% before an LTV covenant breach. The chief executive bought shares at £0.9595 in August and £0.90 in September.

BEAR CASE

- Per-share growth trails the headline. FFO per share rose 6.5% against 11.9% in total, because the February 2026 placing enlarged the share base and the average cost of debt rose from 2.5% to 3.1%, and refinancing at current rates (UK Bank Rate was 4.00% on 12 November) would add further cost.
- Income growth is not yet reaching asset values. German property lost €24.0m above capex, adjusted NAV per share edged down and FFO includes €2.8m of contractual compensation for the delayed Pfungstadt sale, which will not recur indefinitely.
- Balance-sheet room for more buying is limited. Net LTV of 39.0% sits just under the Board's 40% target, unrestricted cash has fallen to €66.8m, interest cover dropped from 7.3x to 5.4x, and a modest further fall in values would push LTV through the target. The 40% figure is a Board limit, not a lending covenant.
- Cash cover is thinner than the 1.37x dividend cover suggests. After the interim dividend, the remaining FFO falls short of the €33.4m spent on property capex, and the €175m FFO ambition is well over double the €72.4m earned this half.

WHAT TO WATCH

- The next trading update, which Ticker's data expects around 8 February 2027 (medium confidence): whether like-for-like rent roll growth stays near 5% and occupancy keeps rising.
- The March 2027 year-end valuation, where Sirius expects a return to a surplus above capex. Another German deficit would put LTV through the 40% target and test the acquisition programme.
- Completion of the €30.0m Pfungstadt disposal, expected within 12 months, and how any second-half UK acquisitions are funded: through asset recycling, more debt or new shares.
- Full-year cash flow disclosure showing how much of the capex is maintenance, and whether FFO after that spending covers the dividend.

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The value of investments can fall as well as rise. Market data from Ticker's Data API as at 13 Nov 2026, 16:29.