

# Progressive Property & Construction Daily



21 February 2024: VTY, SHED, API, CREI

A round-up of market statements, news, economics and views from the property and construction sectors

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## Company news

**Vistry Group** (VTY, 989p, £3,373m mkt cap)

Formed from the mergers of Bovis Homes and housebuilding and partnerships divisions of **Galliford Try** (GFRD) and **Countryside Partnerships**. Update on Extraordinary General Meeting Remuneration Report vote. “At the company’s extraordinary general meeting on 30 August 2023, 54.80% of votes were received in favour of Resolution 1, to approve the revised remuneration policy and 55.28% of votes were received in favour of Resolution 2, to approve amendments to the LTIP implementing the revised policy. In the six months prior to the EGM the Remuneration Committee was focused on developing a remuneration framework that reflected a business of the size and scope of Vistry following the combination with Countryside in 2022. The committee considered various approaches to remuneration and following extensive shareholder engagement the committee determined to amend the remuneration policy, leveraging the existing structure and performance measures to provide alignment with the strategy, our shareholders and other stakeholders. The amendments to the policy were set out in detail in the Notice of General Meeting. In summary, the proposals increased the maximum bonus and LTIP opportunity to 300% of base salary and strengthened long-term alignment with our shareholders through increased bonus deferral, strengthened deferred bonus leaver conditions, and increased shareholding guidelines. The amendments have been applied for the CEO only to date. The committee understands that the reasons for the number of votes cast against was primarily concerned with the step up in maximum opportunity for the CEO which was in excess of usual levels within the FTSE 250. The Committee acknowledges these concerns; however they maintain their view that the positioning of remuneration under

the new policy is aligned with a framework that is highly performance orientated, and emphasises variable, equity-based remuneration designed to incentivise growth and creation of shareholder value over the long term. The company remains committed to ongoing shareholder engagement and will continue to do so. The Chair of the committee shall write to shareholders following the publication of the 2023 annual report to explain the remuneration decisions that have been made for 2023 as well as providing details on the implementation of our policy in 2024.”

#### **Urban Logistics REIT** (SHED, 126p, £593m)

Specialist UK ‘last mile’ logistics real estate investment trust.

#### **abrdn Property Income Trust** (API, 52p, £198m)

Specialist UK ‘last mile’ logistics real estate investment trust.

Possible combination. Urban Logistics announces that it has approached the Board of abrdn Property Income Trust regarding an indicative share-for-share offer for the entire issued and to be issued share capital of API. Urban Logistics has been provided access to certain API due diligence materials and a number of discussions have taken place with API and its advisers. On 16 February, Urban Logistics tabled an indicative offer exchange ratio of 0.469 Urban Logistics shares for each API share. This represents an offer value of approximately 59.2p per API share based on the Company’s share price of 128.6p as at close on 19 February (the last business day prior to this announcement) adjusted downwards for the Urban Logistics special dividend. This represents a premium of approximately 13% to the current value of the **Custodian Property Income REIT** (CREI, 68p, £300m) offer which stands at approximately 52.4p per API share based on the Custodian share price of 67.2p as at close on 19 February. “Urban Logistics believes that there are compelling reasons for an Urban Logistics-API combination and further believe that the indicative offer represents a superior proposal for API shareholders as well as an attractive strategic acquisition for the Company.” API responded: “A further announcement will be made by the Board of API in due course. In the meantime, API shareholders are advised to take no action in relation to the possible offer from Urban Logistics. This announcement has been made without the consent of Urban Logistics”.

*Prices are as at the previous day’s close. Where quoted, net debt is pre-IFRS16 (excluding leases) unless otherwise stated.*

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