

25 March 2025

## SEGRO PLC ("SEGRO")

### SEGRO AND PURE DATA CENTRES GROUP ANNOUNCE JOINT VENTURE TO DEVELOP A C.£1BN FULLY FITTED DATA CENTRE

#### KEY MESSAGES:

- SEGRO announces formation of joint venture with Pure Data Centres Group Limited ("Pure DC"), owned by Oaktree, to create its first fully fitted data centre, which it expects to pre-lease to a hyperscaler.
- Innovative partnership to develop a 56MW data centre in Park Royal, within a core London Availability Zone that has limited competing supply of land and power.
- Gross capital investment anticipated to be c.£1 billion (of which SEGRO's cash equity contribution will be c.£150 million) and is expected to deliver a 9 to 10 per cent net yield on cost.
- Secretary of State for the Department of Science, Innovation & Technology (DSIT), the Rt. Hon. Peter Kyle MP commented: "Private investment like this innovative partnership between SEGRO and Pure DC will help us ensure the UK has the digital infrastructure it needs to thrive..."

#### David Sleath, CEO of SEGRO, said:

"Building on our 20 years of experience in the powered shell data centre market, we have been exploring how best to utilise our skills and 2.3GW land-enabled power bank to maximise the opportunity in this fast-growing sector.

"This innovative joint venture with Pure DC allows us to develop our first fully fitted data centre, alongside a highly experienced partner with an excellent track record of delivering world-class facilities to global hyperscalers.

"We expect this project to deliver an attractive risk-adjusted return and it will also help further strengthen SEGRO's expertise in this area, enabling us to optimise and accelerate the significant value creation opportunity within our portfolio."

#### Dame Dawn Childs, CEO of Pure DC, said:

"SEGRO choosing to enter into a joint venture with Pure DC for its first fully fitted data centre development demonstrates our capability to create world-class digital infrastructure. Together we will develop a 56MW data centre in central London capable of handling next-generation cloud and AI workloads.

"This joint venture demonstrates Pure DC's ability to scale in a rapidly expanding market, creating fresh opportunities for growth and investment. With over 500MW of data capacity in development or operation, Pure DC brings deep expertise building data centres and working alongside hyperscalers. SEGRO Park Premier Road, Park Royal is one of London's most sought-after data centre locations and will help support the UK's ambitions for digitalisation."

**Secretary of State for the Department of Science, Innovation & Technology (DSIT), the Rt. Hon. Peter Kyle MP said:**

"This announcement is another powerful endorsement of Britain as a home for tech investment, which will not only bolster the local economy and create job opportunities but also pave the way for a digital and AI-powered future.

"Private investment like this innovative partnership between SEGRO and Pure DC will help us ensure the UK has the digital infrastructure it needs to thrive, helping us harness the power of technology to grow the economy and raise living standards, the central missions in our Plan for Change."

### **Transaction summary**

SEGRO announces the formation of SEGRO Pure Premier Park Data Centre Limited, a 50:50 joint venture with Pure DC, a global data centre operator with over a decade of experience in the design, build and operation of world-class data centres for the most sophisticated hyperscale users.

The joint venture has been created with the intent to develop and deliver a fully fitted data centre in Park Royal, West London. It brings together a 10-acre super-prime industrial site owned by SEGRO and 70MVA of power secured by Pure DC. It represents a highly attractive and profitable opportunity to deliver a data centre in a land and power-constrained key London Availability Zone where there is strong underlying demand; and allows SEGRO to benefit from Pure DC's technical expertise in data centre fit-out and track record of working with hyperscalers.

This will be SEGRO's first fully fitted data centre project, building on our experience of delivering powered shells to major data centre operators for over 20 years. We see the potential for significant value creation utilising our 2.3GW land-enabled power bank and will seek to optimise and accelerate this over the coming years. The evolution of our data centre strategy to include fully fitted data centres will ensure that we can best access the demand in each of our markets and allows us to deploy capital at scale to generate significant development profits. For each site, we will pursue the model which offers the most attractive opportunity and risk-adjusted return.

## **Project details**

The joint venture intends to develop a c.30,000 sq m fully fitted, three-storey, data centre on the edge of SEGRO Park Premier Road, West London. The data centre will be constructed to the highest sustainability standards, in line with SEGRO's Mandatory Sustainability Policy and Pure DC's Healthier Earth commitments and will deliver a highly energy efficient solution (including a closed loop liquid cooling system to minimise the potential impact on the local water supply).

SEGRO Park Premier Road is a super-prime West London industrial estate which was acquired by SEGRO in 2009. The 10-acre plot that has been identified for the development is on the edge of the estate where an older warehouse, recently vacated by Matchesfashion, is currently located. SEGRO will contribute the land to the joint venture and will carry out the site clearance and remedial works.

Pure DC will be contributing 70MVA of secured power to enable delivery of a 56MW IT load data centre. Park Royal sits within a key London Availability Zone where there is little competing land supply and limited power capacity, so is expected to present a very attractive proposition for global hyperscalers looking to grow their capacity in one of Europe's largest data centre markets.

The joint venture will develop the data centre, combining SEGRO's expertise in planning and development and Pure DC's experience of delivering operational data centres. The fitout will include mechanical & electrical elements and long lead equipment such as power distribution, cabling and cooling systems. It will not include IT equipment (racking, servers etc) which will be provided by the customer in line with normal market practice.

The joint venture expects to sign a long-term (15 years or more) net lease with a global hyperscaler. Construction will start once planning has been obtained, lease commitments have been secured and financing has been arranged.

The development of this project is expected to generate hundreds of jobs during its multi-year construction phase, which will be complemented by a comprehensive package of support designed to upskill the local community, with an emphasis on fostering a diverse and inclusive future workforce for the technology sector.

Data centres are critical to the digital economy, creating highly skilled job opportunities in London and across the UK, providing the essential infrastructure that drives technological innovation, growth, and contributes to building a more inclusive digital society.

In line with SEGRO's Responsible SEGRO framework, which prioritises investment in local communities, the joint venture aims to establish a range of projects that will bring employment, educational, and environmental benefits to the surrounding area.

## Funding and returns

SEGRO and Pure DC are expected to each retain a 50 per cent share in the project through to completion. No management or incentive fees are payable to either party. The gross capital investment is anticipated to be approximately £1 billion and is projected to deliver an unlevered net yield on cost (based on future rents and costs, excluding finance cost as per the data centre market convention) of 9 to 10 per cent.

In addition to contributing land, SEGRO's estimated cash equity contribution to the joint venture is expected to be around £150 million over the total construction period. The remaining construction costs will be financed by non-recourse bank financing, prior to the commencement of the construction.

## Timeline

The clearance of the site will begin, planning will be submitted and marketing of the data centre capacity will commence now that the joint venture has been agreed. It is anticipated that the construction of the shell will commence in 2026 with the fully fitted space available for customer use from 2029.

## WEBCAST / CONFERENCE CALL FOR INVESTORS AND ANALYSTS:

SEGRO and Pure DC Group will be hosting a call to discuss the announcement at **08:00 (UK time) on Tuesday 25 March**. The presentation will be made available at [segro.com/investors](https://www.investis-live.com/segro/67e16d2754528c000e65d042/hthrt) shortly before the call.

**Link:** <https://www.investis-live.com/segro/67e16d2754528c000e65d042/hthrt>

The dial in details will be as follows:

Dial-in: +44 800 358 1035  
+44 20 3936 2999  
Access code: 278854

An audio recording of the conference call will be available until **1 April 2025** on:

UK: +44 20 3936 3001  
Access code: 906146

## CONTACT DETAILS FOR INVESTORS & ANALYSTS:

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## **About SEGRO**

SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 10.3 million square metres of space (111 million square feet) valued at £20.3 billion at 31 December 2024 serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing (including data centres) located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

A commitment to be a force for societal and environmental good is integral to SEGRO's purpose and strategy. Its Responsible SEGRO framework focuses on three long-term priorities where the company believes it can make the greatest impact: Championing Low-Carbon Growth, Investing in Local Communities and Environments and Nurturing Talent.

Striving for the highest standards of innovation, sustainable business practices and enabling economic and societal prosperity underpins SEGRO's ambition to be the best property company.

See [www.SEGRO.com](http://www.SEGRO.com) for further information.

## **About Pure Data Centres Group**

Pure DC develops and operates data centres for some of the world's largest technology companies which meet today's digital demands. Pure DC currently has over 500MW of IT capacity live or under development across the UK, Europe, the Middle East and Asia, including London, Dublin and Jakarta sites.

Pure DC benefits from the expertise and investment backing of funds managed by Oaktree Capital Management, L.P. ("Oaktree"), a leader among global investment managers specialising in alternative investments.

Pure DC is a leader in developing and operating sustainable data infrastructure and believes that data centres are an essential service which can be a force for good, creating employment opportunities, supporting local communities and investing in environmental restoration.

See [www.puredc.com](http://www.puredc.com) for further information.

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