100 HYMANS ROBERTSON

Putting pensions in context

FTSE350 Pensions Analysis 2022

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Executive summary

Welcome to Hymans Robertson's fourteenth annual FTSE 350 pension analysis report which puts the Defined Benefit (DB) pension schemes of the FTSE 350 in the context of the businesses that support them.

In our view two priority areas for 2023 are end game planning and the Pensions Regulator's ("tPR's") new funding regime. We've explored these themes in this year's report.

1 — *End game planning*

With long dated yields rising by over 2% pa in 2022, most schemes are now closer to their end game. Even schemes that hedged the liabilities typically didn't do this on an insurance buy-out basis, and therefore the funding position on this basis has improved. We estimate that as at 31 October 2022, FTSE 350 schemes are, on average now only 6 years from being able to secure their obligations with an insurance company. Whilst this is great news, deferring buy-out may become an option or necessity for some schemes if there is insufficient insurer capacity, if scheme data is not ready or if schemes are holding too many illiquid assets. Some corporates may also defer to reduce the accounting settlement loss on eventual buy-out. As an example, deferring buy-out by 5 years could generate an aggregate surplus of £100bn across the FTSE350. Passing 2/3rds of this back to sponsors would give the FTSE 350 a cash boost of £70bn, which is over 20% of annual earnings. The remaining 1/3rd would allow schemes to increase member benefits by c5%, which would be a valuable uplift in a high inflationary world.

2 — *tPR's new funding regime*

With tPR's second consultation on the new funding regime expected imminently, the new funding regime is expected to go live in late 2023. Schemes will be able to adopt a "fast track" or "bespoke" funding strategy. Fast Track meets preferred minimum standards. Bespoke allows more flexibility but expect to have to justify the strategy to tPR. Our analysis shows that 45% of the FTSE 350 should be able to comply with Fast Track without increasing cash contributions. However, complying with Fast Track will increase cash contributions for 55% of the FTSE 350. These companies should consider their options, and in particularly assess if a reasonable funding plan can be developed under the Bespoke option without the same increase in cash contributions.

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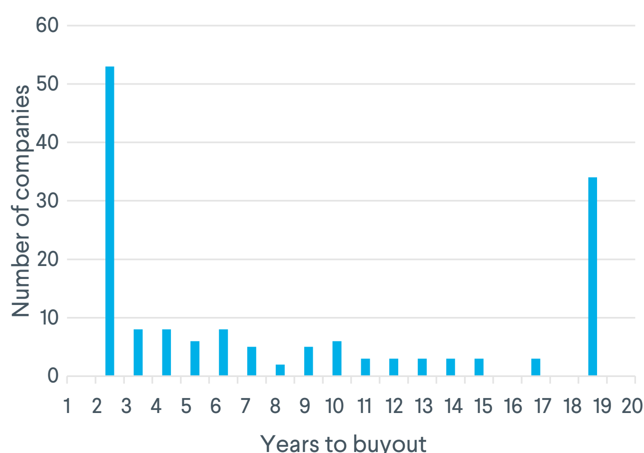
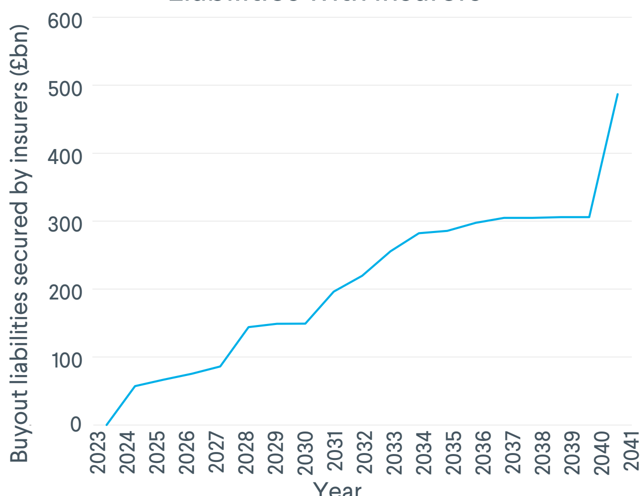
End game planning

The recent gilt yield volatility following the UK Government's "mini budget" left many well hedged schemes scrambling for liquidity amidst significant collateral calls. But for those schemes who had hedged modestly, and without leverage, it offered an opportunity to realise significant funding gains and lock in those gains on very favourable terms.

Furthermore, all schemes should now be closer to insurance buy-out as rising yields and improved insurer pricing (reflecting rising credit spreads) have improved funding positions on a buy-out basis. Below, we've shown timescales to buy-out for each of the FTSE 350 schemes and the cumulative liabilities passing to the insurance market each year, assuming capacity exists. These projections allow for improvements in funding positions in 2022, with the projections starting as at 31 October 2022.





On average, schemes are 6 years from buy-out, although there is a significant spread around this average, with some large schemes expecting to take far longer than this to reach insurance buy-out. By 2025 we expect just under 15% of FTSE 350 DB liabilities could be transferred to insurance companies and by 2030 we expect around 30% could be transferred. These relatively low levels of liability transfer are because some large schemes are further from buy-out.

Of course, the feasibility of these timescales depends on schemes being ready (e.g. having clean data and liquid assets), on insurers having capacity, and on employers being comfortable with the accounting settlement loss on eventual insurance buy-out.

Insurers' new business premium targets are typically driven by how much capital they're wanting to deploy: with recent sharp rises in gilt yields reducing scheme sizes the same amount of capital can be used to write more deals. Combined with insurers needing to hold less capital above their existing liabilities with interest rate rises, and currently favourable pricing the immediate outlook is good. However, insurers are constrained in the area of human capital and it will likely be the people power required to make deals happen and then subsequently administer them that acts as a damper on buy-out activity in the coming years. With insurers increasingly needing to "pile them high" to meet their transaction targets, we expect that schemes that have taken active steps to prepare for an efficient buyout such as data cleansing and GMP equalisation well in advance of significant risk transfer will likely be at the front of the queue and receive the best insurer engagement.

The case for deferring buy-out

In a world where capacity is constrained, or where sponsors and trustees intentionally run on, we may see more schemes continuing beyond buy-out funding. Indeed, for some companies, running the scheme on and generating surplus may become an active choice. The extent to which surpluses are refundable depends on scheme rules. The FTSE 350 have only restricted their balance sheet pension surpluses by c£450m, suggesting that the majority of surplus is, at least in theory, recoverable.

As an example, if buy-out were delayed by a further 5 years across the FTSE 350, surpluses of just over £100bn could be generated. Assuming these were split two thirds sponsor and one third members, the FTSE 350 could expect a refund (before tax) of around £70bn – that's over 20% of annual FTSE350 earnings and 3.5% of the FTSE 350 market cap. Members would then get a c5% uplift to their benefits, which given pension increases are usually capped at 5% a year would help restore the real value of members' pensions in the current high inflationary environment.

Capital Backed Journey Plans

Whilst just under 60% of schemes expect to be buy-out funded by 2030, around 40% will take longer than this. Taking more investment risk might enable these schemes to reach buy-out sooner. Capital Backed Journey Plans can be one way of achieving this, whilst also providing schemes with additional security. These vehicles aim to deliver returns of around Gilts + 2% p.a. Re-working the analysis above for this 40% of schemes based on investment returns of Gilts +2% p.a. brings forward average buy-out timescales for these schemes by 3 years. These solutions will not be right in all circumstances, but should form part of the corporate toolkit of options for implementing the most effective endgame strategy.

Our view:

Sponsors need to engage now with end-game objectives to avoid being on the back foot, particularly with significant improvements in buy-out funding levels over 2022. It's not really a question of buy-out vs run-off but rather one of timescales i.e. when to buy out. The longer the timescales the more the potential surplus but this needs to be assessed against the additional downside risks being run. Acceleration via CBJP could be a viable route for companies with longer timescales looking to remove DB from their balance sheet as quickly as possible.

New funding regime

At the time of writing, tPR's second consultation on its new funding code has yet to be published but is expected imminently, with the regime then going live in late 2023. We have some indication of how the new regime will work, off the back of the first tPR consultation and more recently the DWP consultation on the funding regulations.

Schemes will be able to choose a Fast Track or Bespoke funding strategy. Fast Track meets minimum regulatory requirements. Bespoke allows more flexibility but expect regulatory scrutiny. Here's what we might expect under Fast Track:

Long-term objective ("LTO")

As funding improves schemes will have to look beyond technical provisions to the LTO, a lower risk measure that assumes minimal support from the sponsoring employer. Schemes need to be fully funded on the LTO by the time of "significant maturity" which is expected to be when the duration of the scheme falls to around 12 years.

The LTO is expected to be around the level of gilts + 0.5% pa. For context, AA-rated corporate bonds (like those used to discount IAS19 obligations) yield c1% over gilts. Once fully funded on the LTO, the intention is for the scheme to naturally mature towards buy-out.

Technical provisions ("TPs")

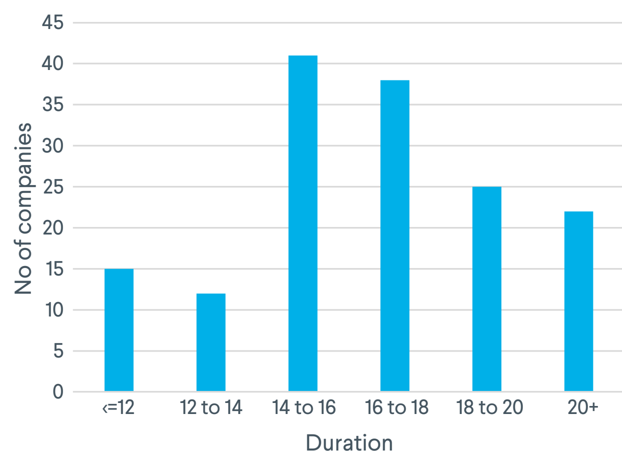
These do remain, and by taking account of higher investment returns in the period until significant maturity, are less prudent than the LTO. However, they will need to trend to the LTO by the point of significant maturity.

Recovery plans for funding TPs deficits – expected to be no longer than 6 years for most schemes.

We've analysed what the above requirements might mean for the FTSE 350.

10% of schemes are already at significant maturity

Recent yield rises have reduced scheme durations, bringing significant maturity closer for all schemes. 10% of schemes are already at or below significant maturity (i.e. have a duration of 12 years or less) and all bar one of these is underfunded on the Fast Track LTO. Adopting Fast Track for these schemes will likely necessitate an immediate strengthening of the TPs funding target (in effect moving it straight to the LTO) and a very short recovery plan (it would seem likely that schemes in this situation will be given some time to recover deficits, but probably less than the 6 years that less mature schemes will have).

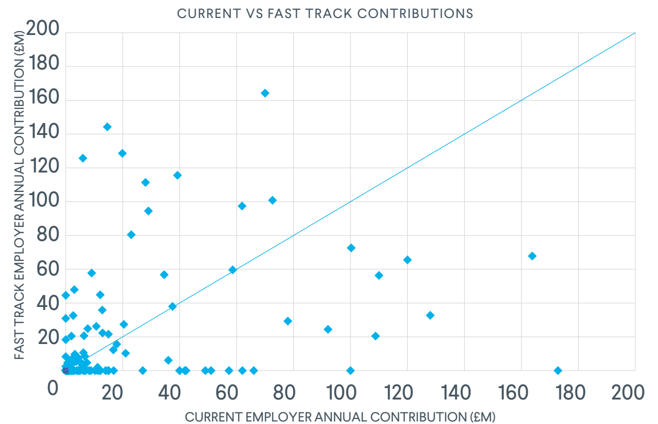


No increase in contributions for 45% of sponsors

We estimate that just over 45% of schemes will reach the LTO by the time they are significantly mature with continuation of the current level of contributions. The new funding regime will therefore not necessitate an increase in contribution levels for these companies. Indeed, some sponsors in this situation could reduce cash contributions and still comply with Fast Track, although obtaining Trustee agreement to a reduction in the level of annual cash contributions is typically challenging.

55% of sponsors will see an increase in contributions if they adopt Fast Track

The chart to the right plots estimated fast track contributions against current contributions. Companies above the diagonal can expect to see an increased contribution requirement if they choose to adopt Fast Track. The average increase is 2.3x for these companies, albeit from a low base of current contributions for some of these companies. In aggregate this is an additional £10bn pa of deficit contributions across the FTSE 350.



Our view:

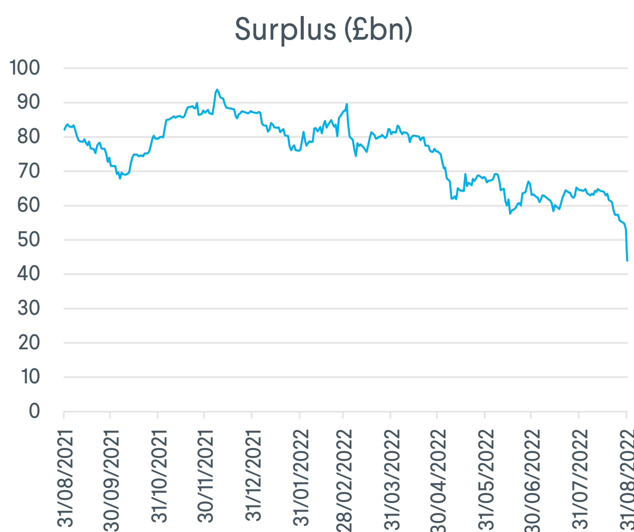
The new funding regime should not be an issue for 45% of FTSE 350 sponsors, and adopting Fast Track seems the obvious route for these companies to minimise regulatory intervention. However, 55% can expect to see an increase in contributions if they choose to adopt Fast Track with the increases for many being significant relative to current funding commitments. These companies should consider their options carefully and consider a Bespoke route if this still gives a sensible funding plan for their DB scheme without increasing cash contributions.

FTSE350 analysis

Pension deficits

The aggregate FTSE350 IAS19 funding position has shown a decline over the past year.

The result is that the aggregate FTSE350 IAS19 funding position has moved from a £80bn surplus to a £40bn surplus over the year. The graph below shows how the aggregate IAS19 funding position for FTSE350 companies has changed between 31 August 2021 and 31 August 2022.

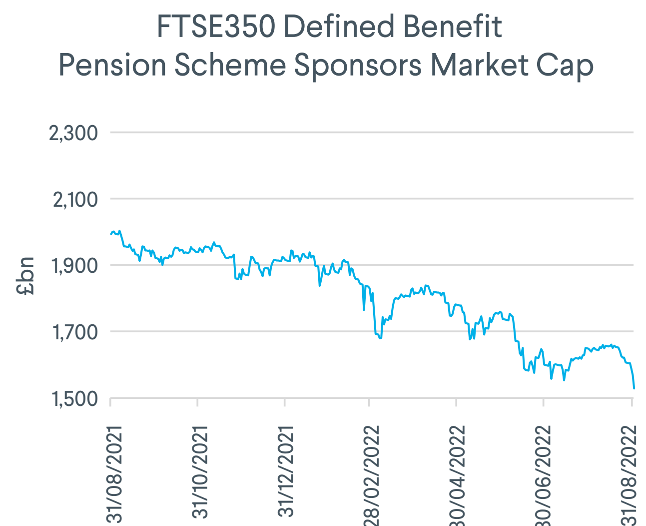


Company performance

The market cap of the 159 companies in the FTSE350 that sponsor a defined benefit pension scheme has decreased from £1,994bn at 31 August 2021 to £1,567bn at 31 August 2022.

The actual spending on defined benefit pensions has decreased from £13bn to £10bn (reported contributions in year-end accounts up to 31 March 2022 compared to reported contributions in year-end accounts up to 31 March 2021).

The £10bn of pension contributions compares with £70bn of dividend payments to shareholders.



Our view:

The FTSE 350 remains very well placed to support its pensions risk. That being said, we are entering a higher rates, higher inflation environment which will be challenging for businesses and the schemes they support. Recent market events in relation to yield volatility and LDI have caused concern, but take a step back and buy-out funding positions have improved for most schemes. Sponsors should take stock, obtain an accurate funding position, and re-assess their funding and investment strategies in light of improved buy-out pricing and more capital being required in LDI funds going forwards.

Ability to support pension schemes

To put pension schemes in the context of the businesses that support them, we consider four company metrics: security, affordability, fluctuation and expenditure. These are explained in the table on the right. We calculate these metrics for each company in the FTSE350 with a defined benefit pension scheme, based on information from the latest year end company accounts between 31 March 2021 and 31 July 2022 (depending on when companies file their accounts), and expressed relative to market capitalisation in November 2022. These metrics are then plotted on four axes to give a diamond shape – the larger the shape, the bigger the pension scheme burden on the sponsoring company.

The charts on the right show how the median shape has changed over the last five years for the FTSE350. Our key findings on the changes over the past year are set out below.

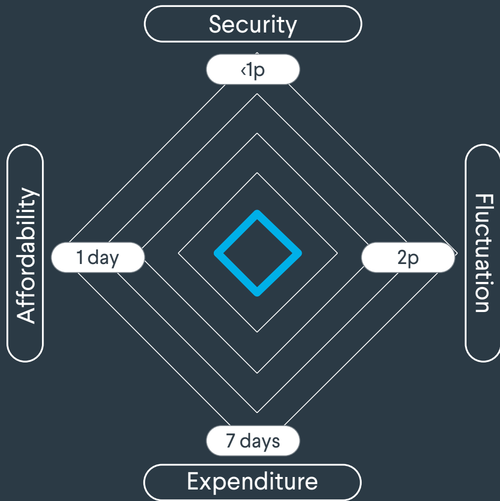
- Security has remained broadly unchanged. The typical company's IAS19 pension deficit equated to <1p in the pound of market cap (2020/21: also <1p in the pound of market cap).
- Affordability has also remained broadly unchanged. The typical company could pay off its IAS19 pension deficit with one day of earnings (2020/21: one day of earnings).
- Fluctuation has also remained broadly unchanged. The typical company has 1p of un-hedged IAS19 pension liabilities in the pound of market cap (2020/21: 1p of un-hedged pension liabilities).
- Expenditure has reduced slightly. The typical company could generate its annual pension contributions with 6 days of earnings (2020/21: 7 days of earnings).

These metrics become particularly useful when comparing the spread of scores across the FTSE350, which is set out on the following pages. Appendix 2 then sets out the scores for all companies in the FTSE350 with a defined benefit pension scheme.

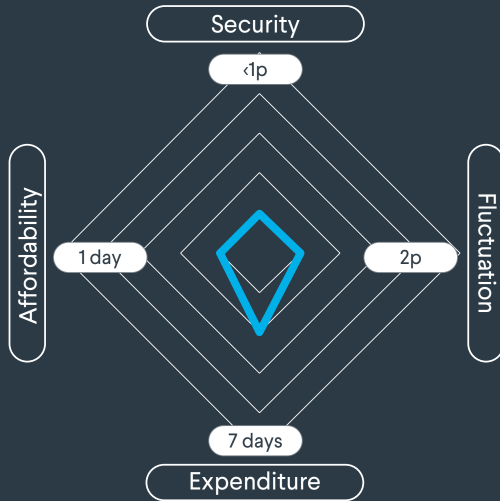
Our view:

All four metrics remaining relatively constant or improving suggests companies, on average, remain well placed to support their pension schemes.

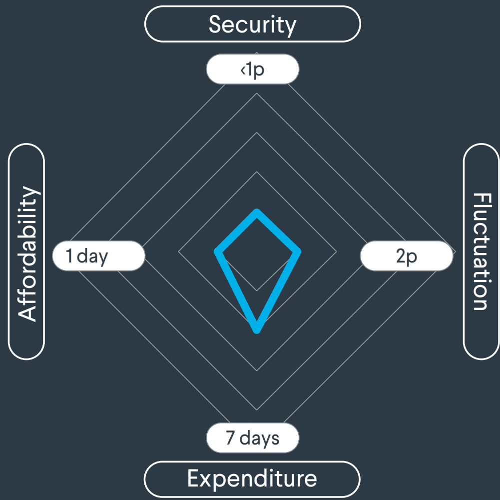
FTSE350 Median - 2021/2022



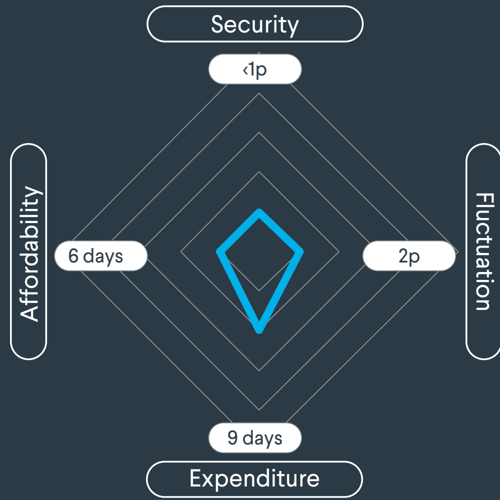
FTSE350 Median - 2020/2021



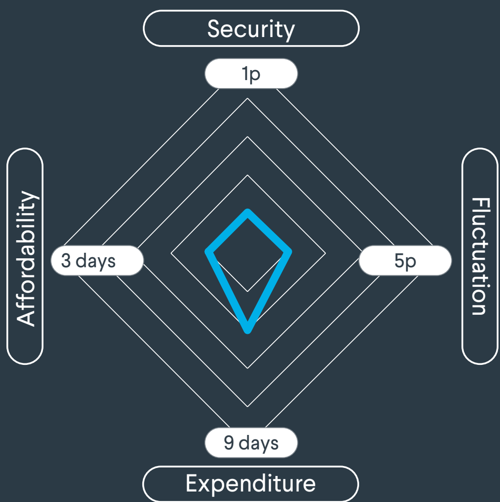
FTSE350 Median - 2019/2020



FTSE350 Median - 2018/2019



FTSE350 Median - 2017/2018



Pension metrics:

Security – pension deficit expressed as pence in the pound of company market cap

Affordability – the number of days of earnings to pay off the pension deficit

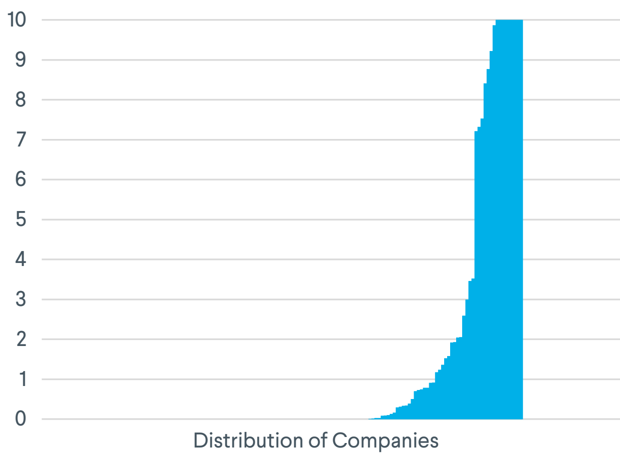
Fluctuation – un-hedged pension liabilities expressed as pence in the pound of company market cap

Expenditure – the number of days of earnings to generate the annual pension contributions

These charts rank the 159 FTSE350 companies with a defined benefit pension scheme on each of our four metrics, and hence show the spread across the FTSE350.

Security

Pension deficit expressed as pence in the pound of company market cap



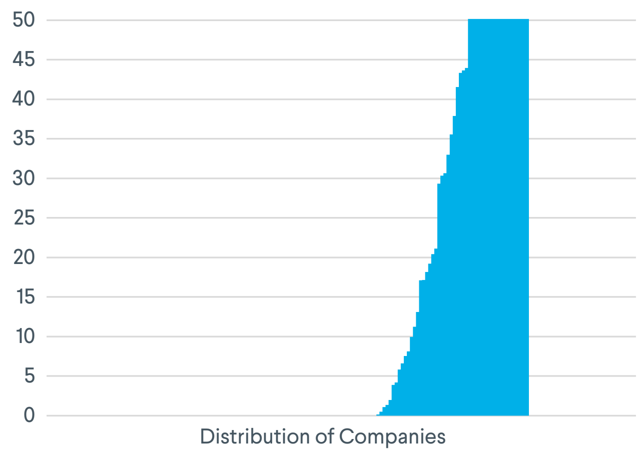
1 company has a deficit greater than the market cap.

94% of companies have a pension deficit of less than 10p in the pound of market cap.

90% of companies have a pension deficit of less than 5p in the pound of market cap.

Affordability

The number of days of company earnings to pay off the pension deficit



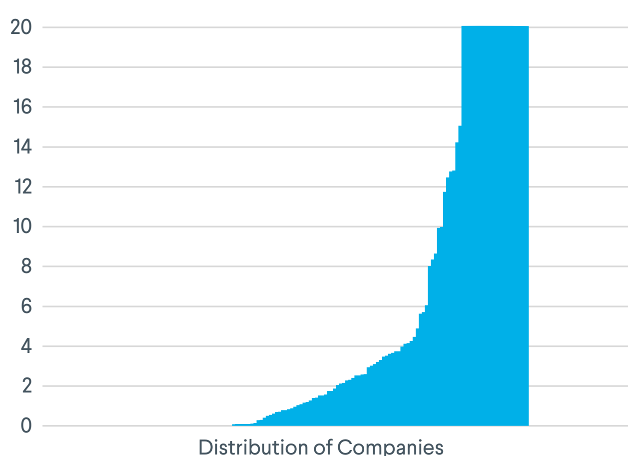
There are 3 companies that need more than 1 year (365 days) of earnings to pay off the pension deficit.

95% of companies could pay off the deficit with less than 6 months (183 days) of earnings.

82% of companies could pay off the deficit with less than 1 month (31 days) of earnings.

Fluctuation

Un-hedged pension liabilities expressed as pence in the pound of company market cap



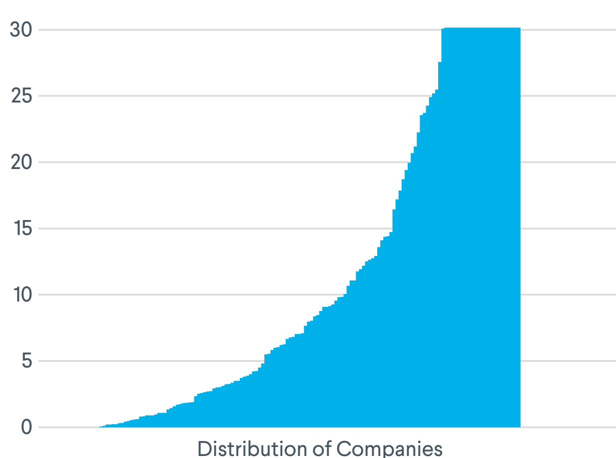
5 companies have un-hedged pension liabilities in excess of their market cap, i.e. the un-hedged liabilities are more than 100p in the pound of market cap.

86% of companies have un-hedged pension liabilities of less than 20p in the pound of market cap.

82% of companies have un-hedged pension liabilities of less than 10p in the pound of market cap.

Expenditure

The number of days of company earnings to generate the annual pension contributions



1 company put more than half a year's earnings (183 days) into its pension scheme.

84% of companies put less than 1 month (31 days) of earnings into their pension scheme and 53% of companies put less than 1 week (7 days) of earnings into their pension scheme.

There is 1 company that paid pension contributions but reported negative earnings. This company is shown on the far right of the distribution.

Appendix 1

Methodology

We have analysed the 159 companies in the FTSE350 that have defined benefit pension schemes sufficiently material to be disclosed under IAS19 in their annual reports. This excludes all investment funds and trusts, and is based on the FTSE Group listing at 31 May 2022. We have included UK and overseas funded and unfunded defined benefit schemes. Any figures or proportions quoted in this report in relation to the "FTSE350" relate only to these 159 companies.

We have used market capitalisation in November 2022 to calculate our Security and Fluctuation metrics.

The following information has been taken from companies' most recently published annual reports. We have referenced annual reports with effective dates from 31 March 2022 and 31 July 2022, depending on when the relevant accounts were filed.

Pension data - extracted from IAS19 disclosures

Earnings data - extracted from performance statements. We have referenced EBITDA, i.e. earnings before interest, tax, depreciation and amortisation.

Staff, pension and other costs - extracted from the notes to accounts.

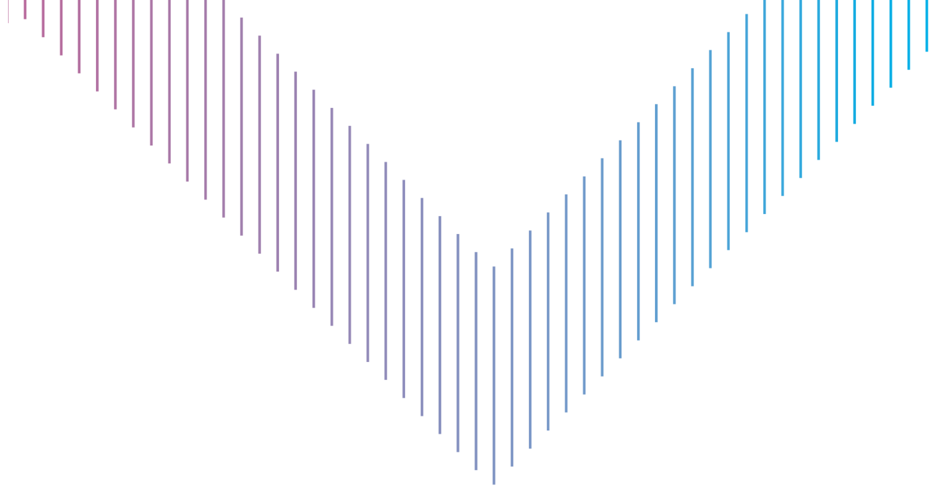
Where necessary, figures have been converted to sterling using appropriate exchange rates.

For company expenditure, we have taken the total expenditure on pensions covering contributions for both the accrual of benefits and the repayment of deficits. These figures are as reported in companies' annual reports and include both regular contributions and one-off contributions.
We have included both funded and unfunded defined benefit pension liabilities in our analysis.

To determine un-hedged pension liabilities, we have taken pension liabilities less the value of bond or insurance type assets held by the pension scheme. Leverage is approximately allowed for in this calculation by taking twice the value of government bonds and LDI funds, with overall hedging capped at 100% of scheme assets. Bond type assets are taken from the IAS19 disclosures. They include government bonds, corporate bonds, LDI funds and buy-ins. There is now a wide range of bond type assets, and so the calculation of this metric does vary at a company level depending on how individual companies disclose their pension scheme asset allocation in their accounts.

When a company makes any pension deficit adjustment for IFRIC14, our analysis references the IAS19 pension surplus / deficit prior to the IFRIC14 adjustment.

Our analysis for companies that operate sections in the Railways Pension Scheme is after the liability / deficit reduction on account of franchise adjustments and employees' share of the deficit.



Details of assumptions and methodology for our Endgame Planning analysis are as follows:

- We have adjusted assets and liabilities from most recently published financial statements to 31 October 2022 using known changes in market indicators and financial conditions since the relevant financial reporting dates. Consistent with our SAFE analysis we have assumed any LDI and government bond holdings are leveraged 2:1.
- We have then projected assets longer term using long-term return assumptions for each major asset class and continuation of current deficit contribution levels. Returns are assumed to reduce to a level of 0.8% p.a. over gilts over the next 10 years or to remain at current levels if already below 0.8%.
- Buyout positions are based on most recently available pricing at time of writing and allow for scheme maturation and run-off.

The main assumptions and methodology used for the Fast Track funding regime analysis are as follows:

- Maturity has been estimated as inferred scheme duration based on sensitivity data provided in corporate annual reports. Whilst subsequent interest rate rises will have reduced durations, we have assumed that the durations on the stronger gilts + 0.5% measure will offset the impact of rate rises.
- We have used the individual IAS19 funding position of the FTSE 350 constituents as detailed in their published financial statements and adjusted approximately to a gilts + 0.5% basis, with a further 5% liability increase to reflect additional prudence in a LTO basis verses best estimate IAS19 assumptions (for example inflation risk premiums and longevity).
- Contribution requirements are estimated based on the technical provisions deficit. Technical Provisions is estimated as a fixed percentage of LTO based on illustrative mappings from tPR's first consultation document[1]. It is assumed that scheme duration reduces by 0.5 years per year such that a scheme will be required to target a recovery plan length of 3 years if their duration is currently 13.5 years or under and a 6 year plan if duration is 15 years or over. Linear interpolation is applied in between. We have not factored investment returns into the contribution calculations.
- Current contribution requirements are those detailed in published financial statements. Where disclosed we have used anticipated contributions for the following financial period. Otherwise we have used contributions disclosed for the current financial period.

[1]https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.thepensionsregulator.gov.uk%2Fen%2Fdocument-library%2Fconsultations%2Fdefined-benefit-funding-code-of-practice-consultation%2356730bde83cb42dca4fefa0ff2d3c316&data=05%7C01%7CStuart.Gray%40hymans.

Appendix 2

Company scores

Basic materials

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Anglo American	31-Dec-21	0	0	0	0
Antofagasta plc	31-Dec-21	1	8	1	0
Croda International plc	31-Dec-21	0	0	0	9
Fresnillo	31-Dec-21	0	2	0	0
Glencore plc	31-Dec-21	0	4	2	1
Johnson Matthey Plc	31-Mar-22	0	0	0	21
Mondi Plc	31-Dec-21	2	42	2	1
Rio Tinto plc	31-Dec-21	2	10	2	4
Smurfit Kappa Group Plc	31-Dec-21	7	135	12	20
Synthomer plc	31-Dec-21	11	92	32	3
Victrex	30-Sep-21	0	0	0	3
Sector median		**0**	**4**	**2**	**3**

Communications

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BT Group plc	31-Mar-22	0	0	0	63
Informa plc	31-Dec-21	0	0	8	5
ITV plc	31-Dec-21	3	29	3	34
Spirent Communications plc	31-Dec-21	0	0	0	36
Trainline plc	28-Feb-22	0	0	0	0
Vodafone Group plc	31-Mar-22	0	0	15	1
WPP plc	31-Dec-21	3	44	4	3
Euromoney Institutional Investors	30-Sep-21	0	0	2	5
Trainline	28-Feb-21	0	0	0	0
Sector median		**0**	**0**	**3**	**5**

Consumer, cyclical

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Barratt Developments plc	30-Jun-21	0	0	0	0
Bellway plc	31-Jul-21	0	0	0	0
Berkeley Group Holdings plc	30-Apr-22	0	0	0	0
DCC plc	31-Mar-22	0	0	0	0
Diploma plc	30-Sep-21	0	6	1	13
Frasers Group plc	31-Mar-22	0	0	0	1
Grafton Group	31-Dec-21	1	11	3	24
Howden Joinery Group Plc	25-Dec-21	0	0	10	18
Inchcape plc	31-Dec-21	0	0	33	7
InterContinental Hotels Group plc	31-Dec-21	1	43	1	0
International Consolidated Airlines	31-Dec-21	0	0	0	15
Kingfisher	31-Jan-22	0	0	0	7
Marks & Spencer Group plc	02-Apr-22	0	0	3	13
Mitchells & Butlers Plc	25-Sep-21	0	0	55	4
Next plc	29-Jan-22	0	0	2	4
Persimmon plc	31-Dec-21	0	0	1	6
Redrow plc	27-Jun-21	0	0	3	2
TI Fluid Systems plc	31-Dec-21	10	98	30	8
Travis Perkins plc	31-Dec-21	0	0	0	1
TUI AG	30-Sep-21	30	NE	30	NE
Vistry Group Plc	31-Dec-21	0	0	0	4
Watches Of Switzerland Group	01-May-22	0	1	1	2
WH Smith Plc	31-Aug-21	0	0	0	48
Whitbread plc	03-Mar-22	0	0	0	10
Currys plc	30-Apr-22	35	168	100	51
Sector median		**0**	**0**	**0**	**7**

Consumer, non cyclical

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
4imprint Group plc	01-Jan-22	0	0	0	47
Ashtead Group plc	30-Apr-21	0	0	0	0
Associated British Foods plc	18-Sep-21	0	0	4	8
Bunzl plc	31-Dec-21	0	0	2	6
C & C Group plc	28-Feb-22	0	0	5	2
ConvaTec Group Plc	31-Dec-21	0	17	1	1
Cranswick plc	26-Mar-22	0	0	0	3
Dechra Pharmaceuticals plc	30-Sep-21	0	0	0	0
Diageo plc	30-Jun-21	0	0	0	10
Experian Plc	31-Mar-22	0	0	0	2
Genus plc	30-Jun-21	0	0	2	25
Greggs Plc	01-Feb-21	0	0	0	3
GSK PLC	31-Dec-21	2	36	3	10
Hays plc	30-Jun-21	0	0	0	22
Homeserve plc	31-Mar-22	0	0	0	3
Imperial Brands Group	30-Sep-21	0	0	0	6
Intertek Group plc	31-Dec-21	0	0	1	2
Mediclinic International plc	31-Mar-22	0	4	22	30
PZ Cussons Plc	31-May-21	0	0	0	1
QinetiQ Group plc	31-Mar-22	0	0	4	6
Sainsbury (J) plc	03-May-22	0	0	0	12
Savills plc	31-Dec-21	0	0	0	1
Serco Group plc	31-Dec-21	0	0	0	11
Smith & Nephew plc	31-Dec-21	0	0	0	4
SSP Group plc	30-Sep-21	1	50	2	3
Tesco plc	26-Feb-22	0	0	6	4
Unilever plc	31-Dec-21	0	0	2	13
Sector median		**0**	**0**	**0**	**6**

Diversified

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Drax Group plc	31-Dec-21	0	0	0	12
Mitie Group	31-Mar-22	1	20	21	24
Sector median		**1**	**10**	**11**	**18**

Energy

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BP Plc	31-Dec-21	0	0	0	3
Wood Group (John) Plc	31-Dec-21	0	0	407	33
Harbour Energy plc	31-Dec-21	0	0	0	0
Sector median		**0**	**0**	**0**	**3**

Financial

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
3i Group Plc	31-Mar-22	0	0	0	0
Abrdn plc	31-Dec-21	0	0	95	14
Aviva Plc	31-Dec-21	0	0	0	223
Barclays plc	31-Dec-21	0	0	0	51
Beazley plc	31-Dec-21	0	0	0	1
British Land Co plc	31-Mar-22	0	0	4	0
Close Brothers Group plc	31-Jul-21	0	0	0	0
Derwent London plc	31-Dec-21	0	0	0	3
Direct Line Insurance Group plc	31-Dec-21	0	0	0	0
Grainger Plc	30-Sep-21	0	0	1	2
Hammerson Plc	31-Dec-21	0	0	13	53
HSBC Holdings plc	31-Dec-21	0	0	0	0
Investec Plc	31-Mar-22	0	0	0	37
Just Group plc	31-Dec-21	0	0	0	0
Land Securities Group plc	31-Mar-22	0	0	0	0
Law Debenture Corporation plc	31-Dec-21	0	0	3	2
Legal & General Group plc	31-Dec-21	8	122	8	13
Lloyds Banking Group plc	31-Dec-21	0	0	0	71
M&G plc	31-Dec-21	0	0	0	24
Man Group plc	31-Dec-21	0	0	0	3
Ninety One plc	31-Mar-22	0	0	1	0
Paragon Banking Group plc	30-Sep-21	1	17	6	8
Phoenix Group Holdings Plc	31-Dec-21	55	861	70	35
Prudential plc	05-Apr-21	0	0	4	1
Rathbones Group plc	31-Dec-21	0	0	3	14
RIT Capital Partners plc	31-Dec-21	0	0	0	0
Schroders plc	31-Dec-21	0	0	0	0
Segro Plc	31-Dec-21	0	0	0	0
Standard Chartered plc	31-Dec-21	0	0	0	7
Virgin Money UK plc	30-Sep-21	0	0	0	47
Great Portland Estates	31-Mar-22	0	0	1	6
Sector median		**0**	**0**	**0**	**3**

Industrial

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BAE Systems plc	31-Dec-21	9	365	49	65
Balfour Beatty plc	31-Dec-21	0	0	0	53
Biffa plc	25-Mar-22	0	0	36	11
Bodycote plc	31-Dec-21	0	0	3	1
Chemring Group plc	31-Oct-21	0	0	3	0
Clarkson plc	31-Dec-21	0	0	0	2
CRH plc	31-Dec-21	1	21	1	3
Energean	31-Dec-21	0	4765	0	0
FirstGroup plc	26-Mar-22	116	387	486	172
Halma plc	31-Mar-22	0	0	1	12
Hill & Smith Holdings plc.	31-Dec-21	2	38	2	11
Ibstock plc	31-Dec-21	0	0	0	6
IMI plc	31-Dec-21	0	0	4	9
Marshalls Plc	31-Dec-21	0	0	0	0
Melrose Industries plc	31-Dec-21	10	236	33	57
Morgan Advanced Materials plc	31-Dec-21	15	231	22	45
Morgan Sindall Group Plc	31-Dec-21	0	0	1	0
National Express	31-Dec-21	9	116	24	21
Oxford Instruments plc	31-Mar-22	0	0	4	39
Renishaw plc	30-Jun-21	1	44	9	16
Rolls Royce Holdings Plc	31-Dec-21	4	59	4	43
Rotork plc	31-Dec-21	0	19	2	19
Smiths Group Plc	31-Jul-21	0	0	0	14
Spectris plc	31-Dec-21	1	33	1	1
Spirax-Sarco Engineering plc	31-Dec-21	0	1	3	7
Vesuvius plc	31-Dec-21	8	146	13	7
Weir Group plc	31-Dec-21	0	13	6	4
RS Group plc	31-Mar-22	0	0	0	25
Sector median		**0**	**7**	**3**	**11**

Technology

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Auto Trader Group plc	31-Mar-22	0	0	0	0
AVEVA Group plc	31-Mar-22	0	0	1	0
Micro Focus International plc	31-Oct-21	7	52	12	3
Sage Group plc	30-Sep-21	0	18	0	0
DiscoverIE Group plc	31-Mar-22	0	8	2	14
Sector median		**0**	**8**	**1**	**0**

Utilities

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Centrica plc	31-Dec-21	0	0	0	87
National Grid	31-Mar-22	0	0	0	19
Pennon Group	31-Mar-22	0	0	10	28
Severn Trent Plc	31-Mar-22	2	52	4	25
SSE plc	31-Mar-22	0	0	1	10
United Utilities Group Plc	31-Dec-21	0	0	0	1
Sector median		**0**	**0**	**1**	**22**

Appendix 3

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