



WERELDHAVE  
BELGIUM



2019

Trading update  
30 September

- Increasing net result from core activities per share from € 4.20 as of 30 September 2018 to € 4.57 as of 30 September 2019;
- Stable fair value of the investment properties portfolio compared to 30 June 2019;
- Stable EPRA occupancy rate in shopping centres at 96.3% compared to 30 June 2019 (96.2%);
- Net asset value per share of € 88.66 (30 June 2019: € 87.29);
- Increasing of the bandwidth of the net result from core activities per share to € 5.85 - € 5.95

## KEY FIGURES

(X € 1,000)

RESULTS	30 SEPTEMBER 2018	30 SEPTEMBER 2019
Net rental income	38,977*	44,221
Net result	33,575	31,844
Net result from core activities <sup>1)</sup>	29,552	35,102
Net result from non-core activities <sup>2)</sup>	4,023	-3,258
Profit per share (x €1)	4.78	4.15
Net result from core activities per share (x €1)	4.20	4.57

BALANCE SHEET	31 DECEMBER 2018	30 JUNE 2019	30 SEPTEMBER 2019
Properties available for lease <sup>3)</sup>	941,964	958,854	961,912
Development projects	14,692	12,165	12,166
<b>Total investment properties portfolio</b>	<b>956,656</b>	<b>971,018</b>	<b>974,078</b>
Shareholders' equity	678,428 <sup>4)</sup>	681,548 <sup>5)</sup>	692,230 <sup>5)</sup>
Net asset value per share (x €1)	89.97 <sup>4)</sup>	87.29 <sup>5)</sup>	88.66 <sup>5)</sup>
Debt ratio on total of assets	29.7%	30.2%	29.4%
Number of shares	7,540,250	7,807,981	7,807,981
Average number of shares	7,098,634	7,606,813	7,708,224

<sup>1)</sup> Net result from core activities includes rental income, property charges, general expenses, financial results and corporate tax.

<sup>2)</sup> Net result from non-core activities includes the result on the portfolio, results on disposal of real estate investments and other results (a.o. financial result) that are not included in the net result from core activities.

<sup>3)</sup> Fair value has been computed after deduction of the transaction costs (2.5%) incurred at the sales process. The independent real estate expert has carried out the valuation in conformity with 'International Valuation Standards' and 'European Valuation Standards'.

<sup>4)</sup> Before profit distribution and dividend payment

<sup>5)</sup> Before profit distribution and after dividend payment

\* Amounts restated taking into account the new IFRS 16 - Leasing agreement standard. The leasehold payments were transferred from the net rental result to the financial result.

## OPERATIONAL ACTIVITIES

### RESULT OF THE LAST QUARTER

The rental income for the first nine months increased from € 39.0 mln to € 44.2 mln compared to the same period in 2018. This increase is mainly due to (i) the additional rental income from the retail parks in Brugge and Turnhout, purchased at the end of December 2018; and (ii) to the extension of the shopping centre 'Shopping Bastions', delivered on 12 April 2018, which contributes over the whole period in 2019.

The net result from core activities increased from € 29.6 mln as of 30 September 2018 up to € 35.1 mln as of 30 September 2019. This increase has been offset by the revaluations of the real estate portfolio and financial instruments (€ + 4.0 mln in 2018 and € - 3.3 mln in 2019). As a consequence, the net result for the first nine months of the financial year decreased from € 33.6 mln as of 30 September 2018 to € 31.8 mln as of 30 September 2019.

The comparison between the results per share of 2019 compared to 2018 is negatively influenced by the increase in the number of shares issued following the optional dividend operation performed in May 2019.

### INVESTMENT PROPERTIES

The fair value of the investment properties portfolio amounted to € 974.1 mln as of 30 September 2019 (€ 971.0 mln as of 30 June 2019). Investments made in the portfolio in the last quarter excluded, the fair value of the investment properties portfolio remained stable (€ -0.6 mln). On 30 September 2019, the EPRA occupancy rate of the investment properties portfolio amounted to 95.6% (95.7% on 30 June 2019 and 96.2% on 31 December 2018).

#### Retail portfolio

On 30 September 2019, the EPRA occupancy rate of the retail portfolio was 96.3% (96.2% on 30 June 2019 and 97.2% on 31 December 2018). The stability of the occupancy rate in the last quarter is the combined effect of the negative impact of Carrefour's departure from Genk Shopping 1 and the positive effect of further strong commercial results, mainly in Genk, Kortrijk and Tournai. The pursuit of the commercial efforts is expected to further support the occupancy rate in the fourth quarter.

The works for the redevelopment of the surfaces aimed to Decathlon, Action, Ville Neuve, Eyes + More

and Medi-Market shops in Belle-Île are in full swing and the stores are scheduled to open in the fourth quarter of 2019. This timing allows customers to discover these new stores during the new year period, being the commercial highlight of the year. The addition of these new tenants to the commercial mix will further enhance the long term attractiveness of the site.

During the fourth quarter 2019, the renovation project of the Belle-Île shopping centre (budget of € 13.7 mln) will start, with an expected duration of one year. This project concerns the renovation of the mall, the performance improvement of the technical installations and the thorough renovation of the parking, in order to better meet the needs of the customers.

Regarding the extension project in Belle-Île, the plans were changed and optimized to take into account the evolution in the retail market and to enable future flexibility, as well as to offer the possibility to add new functions (leisure, F&B, co-working, ...), enabling the shopping centre to evolve into a full service centre. These changes will not have a significant impact on the expected economics but do imply the need for modified permits that have already been applied for or are being prepared. As expected, and considering the aforementioned permit procedures, construction works would start in the first semester of 2020, with an expected delivery and impact on EPS during the first semester of 2022.

In Genk Shopping 1, the redevelopment of the surfaces being vacated by Carrefour is also in full swing to prepare for the arrival of the new tenants Albert Heijn and Medi-Market before the end of the year. The works for the unit of The Fashion Store were also delivered, which is currently performing its own fitting out works, with a view of an opening planned during the month of November. The remaining areas in Genk Shopping 1 are being actively commercialized.

The active asset management of our shopping centres and the close cooperation between the local teams and the head office have been translated into strong results in terms of specialty leasing (temporary rental of stalls and promotional activities in the common areas), of which the income usually weighs most in the fourth quarter due to the seasonal effect.

Visitor numbers also evolved favorably. Since the beginning of 2019, there were 4.5% more visitors welcomed in the centres compared to the same period last year. This percentage can be compared with the published figure for the total market, which shows a decrease of 1.1% over the same period.

#### Office portfolio

The EPRA occupancy rate of the office portfolio decreased during the last quarter (from 92.6% as of

30 June 2019 to 91.7% as of 30 September 2019) due to the departure of a tenant in Vilvoorde, which led to the collection of a one-off indemnity (€ 0.2 mln).

Additional investments (€ 8.6 mln) will be realized in the office portfolio in the coming years in order to improve the technical quality of the buildings and to increase their aesthetic attractiveness.

## SHAREHOLDERS' EQUITY, NET ASSET VALUE AND FINANCING POLICY

Shareholders' equity amounted to € 692.2 mln as of 30 September 2019 (€ 681.5 mln as of 30 June 2019). This increase is due to the result generated during the quarter.

The net asset value per share (total shareholders' equity / number of shares), including profit of the current financial year, amounted to € 88.66 as of 30 September 2019 (€ 87.29 as of 30 June 2019).

During the quarter the intercompany credit facility with

Wereldhave NV has been extended for an additional period of 5 years, at unchanged financial conditions.

The Company has an average residual duration of its financial debt of 3.5 years and an average weighted financing cost of 0.82% in 2019.

On 30 September 2019, the debt ratio amounted to 29.4% (30.2% on 30 June 2019), providing available space for new investments.

## CORPORATE

As announced, the merger by absorption of Immo Guwy NV within Wereldhave Belgium CVA has been completed on 27 September 2019. It concerned a 100% subsidiary company in which the properties in

Waterloo had been contributed. This operation, which generated a one-off positive tax impact (€ 0.5 mln), simplifies the structure and enables to optimize its management.

## PROSPECTS

Taking into account the described positive commercial results and various one-off elements and excepted unforeseen circumstances, the Statutory Management Company has over 2019 confidence in a strong net

result from core activities per share based on the previously announced bandwidth. Consequently, it is adjusted upwards from € 5.78 - € 5.88 to € 5.85 - € 5.95.

## SIGNIFICANT EVENT AFTER 30 SEPTEMBER 2019

After 30 September 2019, no significant events occurred requiring adjustments to the accounts or further disclosure.

## FINANCIAL CALENDAR

Press release annual results 2019 (17:40)	Wednesday 5 February 2020
Financial report 2019	Monday 9 March 2020
Annual General Meeting of Shareholders	Wednesday 8 April 2020
Ex-dividend date	Monday 13 April 2020
Dividend record date	Tuesday 14 April 2020
Dividend payable 2019	Wednesday 15 April 2020
Press release Q1 2020 (17:40)	Monday 20 April 2020
Press release Q2 2020 (17:40)	Thursday 16 July 2020
Press release Q3 2020 (17:40)	Wednesday 21 October 2020

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*Wereldhave Belgium focuses on shopping centres and retail parks that are dominant in their catchment area. The shares are listed on Euronext Brussels and on 30 September 2019, Wereldhave Belgium's market cap amounts to € 626 million.*

*More information can be found on the website [www.wereldhavebelgium.com](http://www.wereldhavebelgium.com)*