

CORPORATE  
PRESENTATION  
2019



WERELDHAVE  
BELGIUM





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# Speakers

**Kasper Deforche**  
Chief Executive Officer



**Cédric Biquet**  
Chief Financial Officer



**Nicolas Baussillon**  
Commercial Director





# Wereldhave Belgium at a glance

01



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## General

- Company **founded in 1972** and listed on Euronext Brussels since 1998
- **Focused on investment in Retail Real Estate** (Shopping Centres and Retail Parks) in Belgium and Luxembourg
- Holds a total real estate portfolio of **956.7 Mio €** as of 31 December 2018
- **Status of a Belgian REIT** since 1998

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## Belgian REIT (GVV / SIR status)

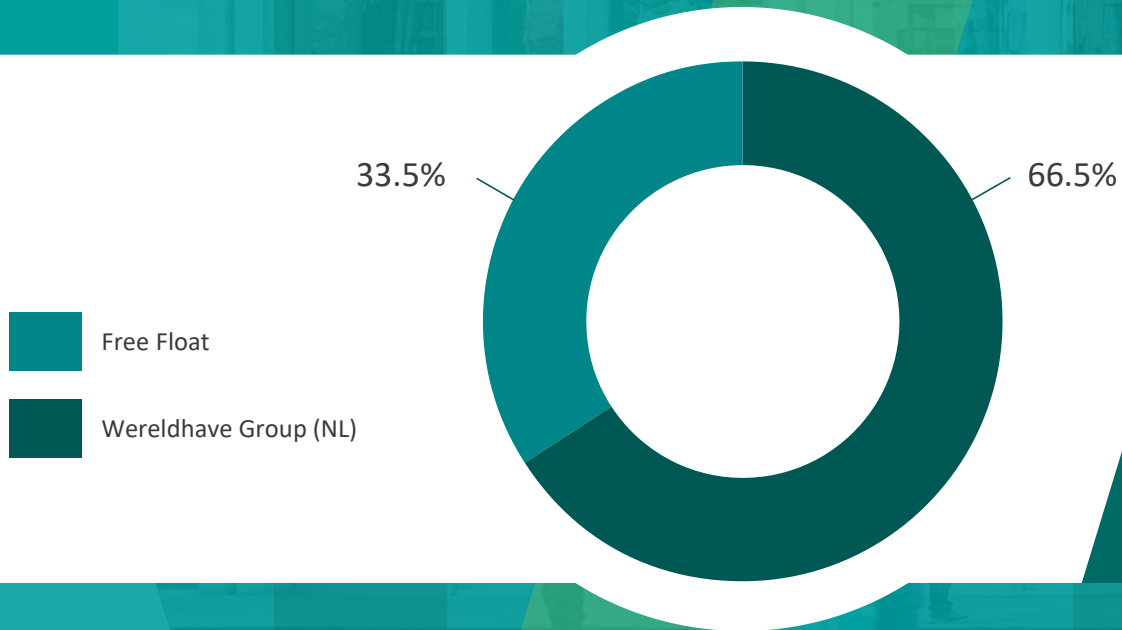
- **Company specialized in Real Estate investment**
- **Favourable tax status**
- **Main conditions:**
  - Portfolio diversification: **< 20%** per single asset/tenant
  - Loan-to-Value: **< 65%**
  - Distribution: **> 80%** of net proceeds



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## Shareholding



Market capitalisation  
**±620 Mio €**



# 01. Wereldhave Belgium at a glance

## Key Figures

### Balance Sheet

Key Figures	31/12/2017	31/12/2018	30/06/2019
Total Real Estate Portfolio (in Mio €)	853.6	956.7	<b>971.0</b>
Total EPRA Occupancy Ratio	94.30%	96.20%	<b>95.70%</b>
Total Net Asset Value (in Mio €)	619.3	678.4	<b>681.5</b>
Total Financial Debts (in Mio €)	234.0	286.0	<b>287.0</b>
<b>NAV per Share</b>	<b>89.25</b>	<b>89.97</b>	<b>87.29</b>
Share Price	95.25	82.20	<b>80.60</b>
LTV	29.0%	29.7%	<b>30.2%</b>

- **Increasing** portfolio value
- **Increasing** occupancy
- **Stable** NAV and LTV
- **2018 EPRA** net initial yield: **5.7%** (2017: 5.4%)

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## Key Figures

### Profit and Loss Account

Key Figures	31/12/2017	30/06/2018	31/12/2018	30/06/2019
Gross Rental Income (in Mio €)	49.99	25.70	52.60	<b>29.96</b>
Direct Result (in Mio €)	39.40	19.76	40.73	<b>23.44</b>
Indirect Result (in Mio €)	15.28	3.90	-0.19	<b>-2.33</b>
Total Result (in Mio €)	54.68	23.66	40.54	<b>21.10</b>
EPRA Earnings per Share	5.68	2.82	5.74	<b>3.08</b>
<b>Dividend per Share</b>	<b>5.10</b>		<b>5.20</b>	

- **Increasing** rental income
- **Stabilising** portfolio market value (investment/ divestment excluded)
- **Increasing** EPRA Earnings and dividend per share

# The retail market in Belgium








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### General Trends

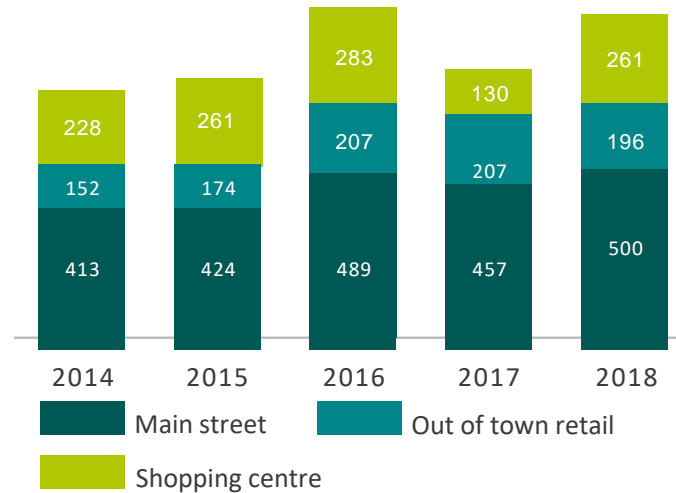
-  **Structural change** due to growth of online retail
-  **Increasing overlap** between physical and online retail **Population growth** and tourism are major drivers
-  Growing importance of **technology & data**
-  **Continued growth** in lifestyle, wellbeing and food & beverage sectors
-  Consumers' increasing need of **experimental and convenience retail**
-  Evolvement of **new retail formats**
- 

Source: Cushman & Wakefield

### General occupier market

Take-up retail Belgium, number of deals

#### Leasing and owner-occupation activity



Source: Cushman & Wakefield



### General occupier market Prime rents per segments

#### Prime rent evolution 2008-Q3 2018



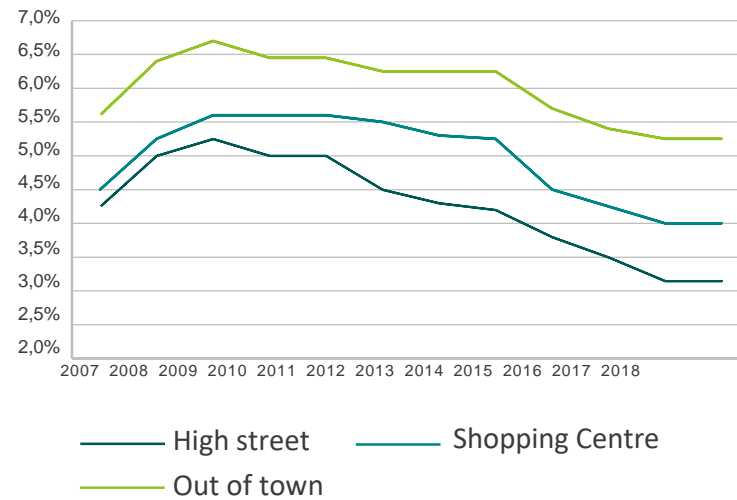
Retailers still focus on AAA locations. Adaptability is key and rents are slightly under pressure in the high street and shopping centres.

**RETAIL WAREHOUSE (RHS) - 185 €/m<sup>2</sup>**  
**HIGH STREET (LHS) - 1.950 €/m<sup>2</sup>**  
**SHOPPING CENTRE (LHS) - 1.500 €/m<sup>2</sup>**

Source: JLL

### Retail investment market

#### Prime yields by segment



Source: Cushman & Wakefield

# Corporate strategy

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Wereldhave Belgium is a specialised **Shopping Centres** and **Retail Parks investor and operator**.

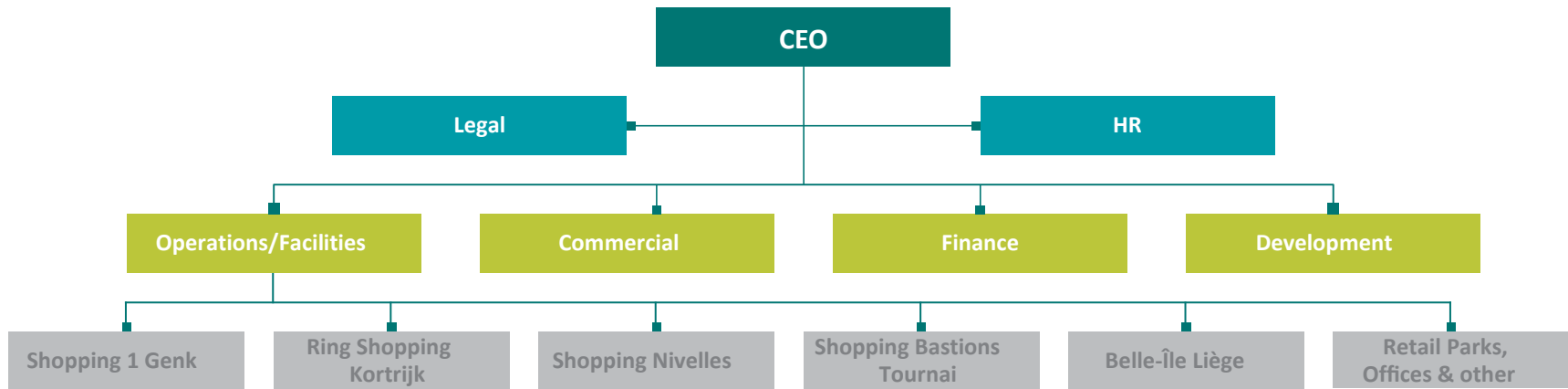
The company strongly believes in the added value of owning and managing its own assets. Therefore the structure of the company is organised between the head office hosting the **central services** (leasing, development, marketing, finance and administration) and the **local teams** in the different Shopping Centres.

As a result, Wereldhave Belgium can optimise the value of owning and managing its own assets.





## Structure of the company



## Wereldhave Belgium Team



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### Scope of investment

Wereldhave Belgium historically invests in **Shopping Centres** and offices in Belgium. In recent years, the growth of the company mainly originated from the acquisition of retail properties, as well as the extension of existing retail assets. At the same time, exposure to the office segment has been lowered ( $\pm 10\%$  of the total portfolio value).

In 2018, the scope of investment was enlarged to the **Retail Parks** as well as geographically to **Luxembourg**. The company is convinced that the retail park segment has proven to be a strong retail asset class with affordable rents and attractive growth potential in the coming years.

With its current platform, Wereldhave Belgium is well positioned to add value in this segment and acquire a **relevant market share**.



## Future portfolio opportunities

**Multifunctionality:**  
F&B, leisure, co-working, residential, etc.



**Vertical  
development**



**Optimise  
land value**





Operational excellence

Optimise customer journey



The Point



Specialty leasing



### Corporate social responsibility

To integrate sustainability into the company strategy, Wereldhave Belgium has developed **a pillar structure with 4 focus areas:**

Bricks

People

Partners

Community

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### Main portfolio events 2018

- Delivery on 12 April 2018 of the extension project of the **Shopping Bastions** (additional 15.000m<sup>2</sup>)
- **Strong letting activity**  
Occupancy ratio increase from 94.3% on 31 December 2017 to 96.2% on 31 December 2018
- Acquisition on 21 December 2018 of **two retail parks in Brugge and Turnhout** for 73.1 Mio €
- **Sale of 2 office buildings**  
Madou, Olieslagerslaan for 19 Mio €





### Main portfolio events 2019

- **Strong letting activity**  
Surface vacated following the partial departure of Carrefour in Belle-île almost fully relet to strong tenants (Decathlon, Action, Medi-Market, ..). Occupancy ratio from 96,2% to 95,7% in H1 2019.
- Delivery of the project **'7 Fontaines'** in Tournai (€ 2,1Mio), completing the global redevelopment of the Tournai site.
- **Acquisition of additional surfaces**  
In Kortrijk and Genk (€ 3 Mio)



### Main equity events 2018

- Optional dividend distributed on 8 May 2018  
**Capital increase of 20.4 Mio €**
- Contribution in kind of the retail park in Turnhout on 21 December 2018  
**Capital increase of 33.1 Mio €**



### Main equity events 2019

- Optional dividend distributed on 15 May 2019  
**Capital increase of 21,4 Mio €**



### Main financing events 2018

- **Refinancing** of two maturing credit lines (RCF) for a total outstanding amount of 80 Mio € over 4 and 5 years at more favourable pricing conditions
- Setting up of a **Treasury Notes program** for a total available amount of 100 Mio €





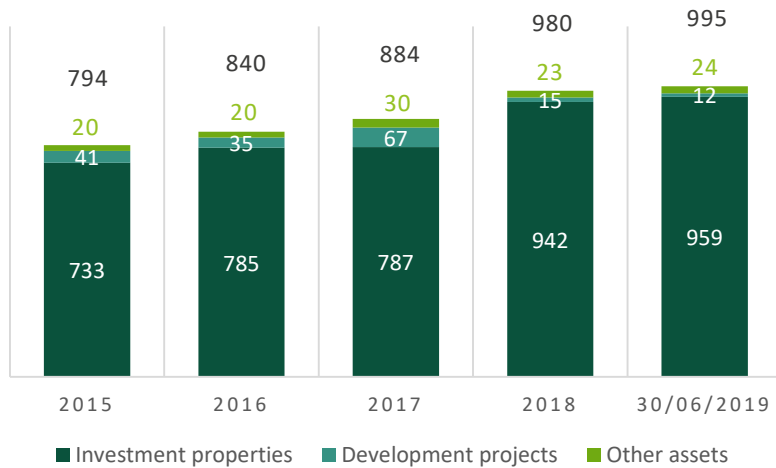
### Main financing events 2019

- **Extension** of the intercompany credit line (Wereldhave NL) for an amount of 150 Mio € over 5 years.
- Full utilization of the **Treasury Notes program**, optimizing the average cost of financing (<1%)
- **Acquisition of IRS instruments** (50 Mio €) in order to improve the hedge ratio (> 50%)

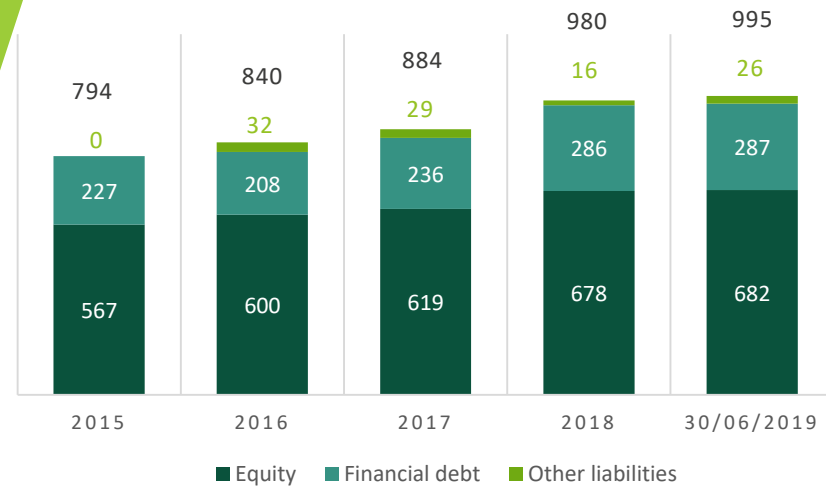


## Consolidated balance sheet (in Mio €)

### Assets

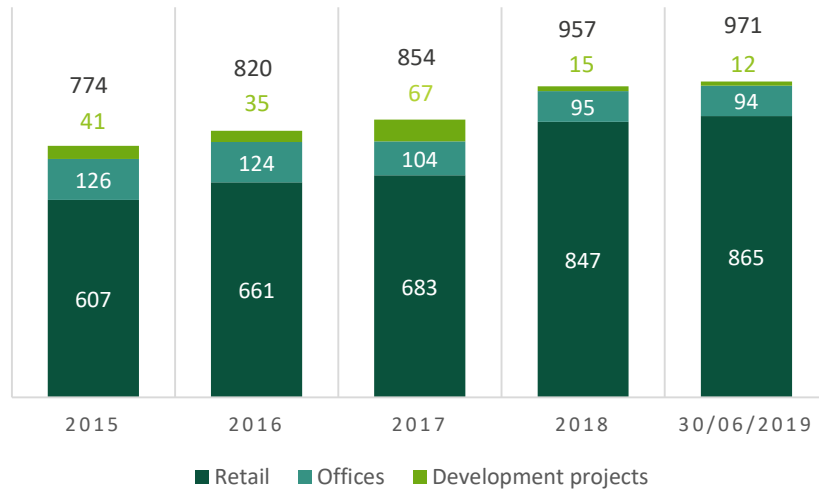


### Liabilities

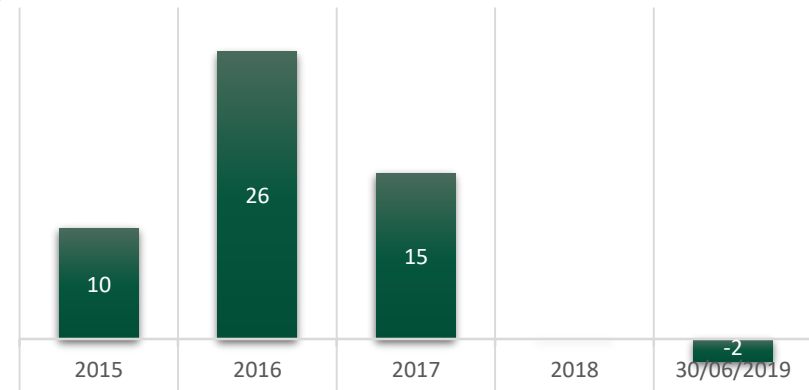


## Portfolio evolution (in Mio €)

### Total Portfolio Value



### Portfolio Revaluations



Recurrent growth over the years

## Consolidated profit and loss account

Key figures (in Mio €)	FY 2016	FY 2017	FY 2018	HY 2019
Gross rental income	49.73	49.99	52.60	29.96
Direct result	40.08	39.40	40.73	23.44
Direct result per Share (in €)	5.78	5.68	5.74	3.08
Indirect result	26.16	15.28	-0.19	-2.33
Indirect result per Share (in €)	3.77	2.20	-0.03	-0.31
Total result	66.24	54.68	40.54	21.11
Total result per Share (in €)	9.55	7.88	5.74	2.77



## Consolidated P&amp;L account

(in k€)	31/12/2017	30/06/2018	31/12/2018	30/06/2019
Gross rental income	49,993	25,701	52,595	29,955
Net service costs	-609	-854	-2,166	-1,078
Total property expenses	-3,047	-1,304	-2,534	-1,668
<b>Net rental income</b>	<b>46,336</b>	<b>23,544</b>	<b>47,895</b>	<b>27,209</b>
General costs	-4,978	-2,503	-4,676	-2,658
Other income and expense	441	207	425	456
<b>Operational result</b>	<b>41,799</b>	<b>21,247</b>	<b>43,644</b>	<b>25,007</b>
Financial result	-2,207	-1,306	-2,614	-1,472
Taxes	-188	-181	-299	-95
<b>Direct result</b>	<b>39,404</b>	<b>19,760</b>	<b>40,731</b>	<b>23,440</b>
<b>Earnings per Share</b>	<b>5.68</b>	<b>2.82</b>	<b>5.74</b>	<b>3.08</b>
Other indirect result	-106	130	288	-328
Valuation results	15,385	3,773	-477	-2,005
<b>Indirect result</b>	<b>15,279</b>	<b>3,903</b>	<b>-189</b>	<b>-2,233</b>
<b>Net result</b>	<b>54,683</b>	<b>23,663</b>	<b>40,542</b>	<b>21,107</b>
<b>Net result per Share (in €)</b>	<b>7.88</b>	<b>3.38</b>	<b>5.71</b>	<b>2.77</b>

# Portfolio overview

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## Shopping centres



### RING SHOPPING - KORTRIJK

Construction date	1973
GLA	35,000m <sup>2</sup>
Number of tenants	90
Parking #	2,000
Anchor tenants	H&M, Albert Heijn, JBC, Sportsdirect.com, C&A



### BELLE-ÎLE - LIÈGE

Construction date	1994
GLA	30,200m <sup>2</sup>
Number of tenants	99
Parking #	2,200
Anchor tenants	Carrefour, H&M, C&A, A.S. Adventure



## Shopping centres



### SHOPPING 1 - GENK

Construction date	1968
Renovation/Extension	2014
GLA	27,600m <sup>2</sup>
Number of tenants	101
Parking #	1,250
Anchor tenants	Carrefour, Action, New Yorker, Lunch Garden, Zeeman, Casa



### STADSPLEIN - GENK

Construction date	2007
GLA	16,000m <sup>2</sup>
Number of tenants	29
Parking #	2,200
Anchor tenants	Zara, H&M, C&A, JBC, Delhaize

## Shopping centres



### SHOPPING BASTIONS - TOURNAI

Construction date	<b>1979</b>
Renovation/Extension	<b>2018</b>
GLA	<b>33,500m<sup>2</sup></b>
Number of tenants	<b>96</b>
Parking #	<b>2,000</b>
Anchor tenants	<b>Delhaize, Zara, H&amp;M, C&amp;A, New Yorker, JBC</b>



### SHOPPING NIVELLES

Construction date	<b>1974</b>
Renovation/Extension	<b>2012</b>
GLA	<b>28,600m<sup>2</sup></b>
Number of tenants	<b>103</b>
Parking #	<b>1,500</b>
Anchor tenants	<b>Delhaize, H&amp;M, C&amp;A, A.S. Adventure, Decathlon</b>

## Retail parks



### TURNHOUT

Construction date	1979
GLA	22,600m <sup>2</sup>
Number of tenants	12
Parking #	765
Anchor tenants	Carrefour, Brico, Auto 5, Lunch Garden



### BRUGGE

Construction date	1970
GLA	20,700m <sup>2</sup>
Number of tenants	12
Parking #	650
Anchor tenants	Carrefour, Mediamarkt, Brico, Lunch Garden

## Retail parks



### TOURNAI

Construction date	<b>2016</b>
GLA	<b>10,000m<sup>2</sup></b>
Number of tenants	<b>10</b>
Parking #	<b>365</b>
Anchor tenants	<b>Brico, Maison du Monde, Action, Zeb</b>



Offices



**ANTWERPEN - DE VELDEKENS**

Construction date	<b>2000</b>
GLA	<b>40,000m<sup>2</sup></b>
Anchor tenants	<b>Argenta, ABN Amro, Amadeus</b>



**VILVOORDE - BUSINESS & MEDIA PARK**

Construction date	<b>2000</b>
GLA	<b>20,000m<sup>2</sup></b>
Anchor tenants	<b>Ricoh, Amadeus</b>

## Other assets



### GENT

Construction date  
GLA  
Number of tenants  
Anchor tenants

**2014**  
**3,800m<sup>2</sup> + Housing 6**  
**Albert Heijn, Jim's, Kruidvat,**  
**Student housing**



### WATERLOO

GLA  
Number of tenants  
Anchor tenants

**3,900m<sup>2</sup>**  
**9**  
**Exki, Press Shop, Club,**  
**Planet Parfum**

# Development overview

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## Case study Shopping Nivelles



Opened in

**1974**

extension / renovation

**2012**



**15,000m<sup>2</sup>**

**13,600m<sup>2</sup>**



Total 103 shops

28,600m<sup>2</sup>

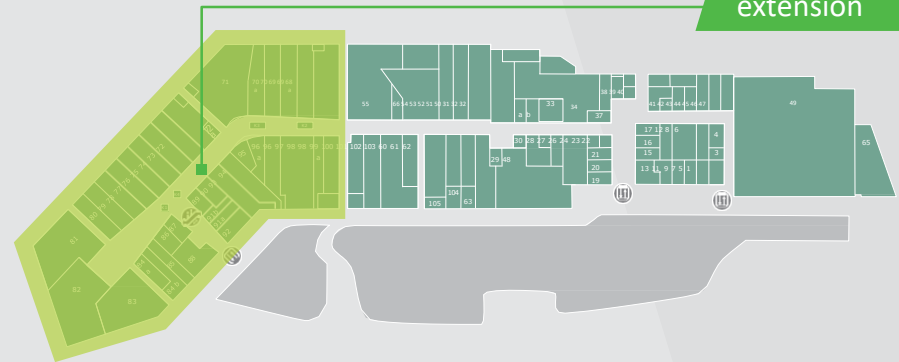
Underground Parking

Fully let



**60** shops

**+43** shops





## Case study Shopping Bastions - Tournai

Opened in  
**1979**

Retail Park

Extension Shopping

**2016**

**2018**

**18,500m<sup>2</sup>**

**10,000m<sup>2</sup>**

**15,000m<sup>2</sup>**

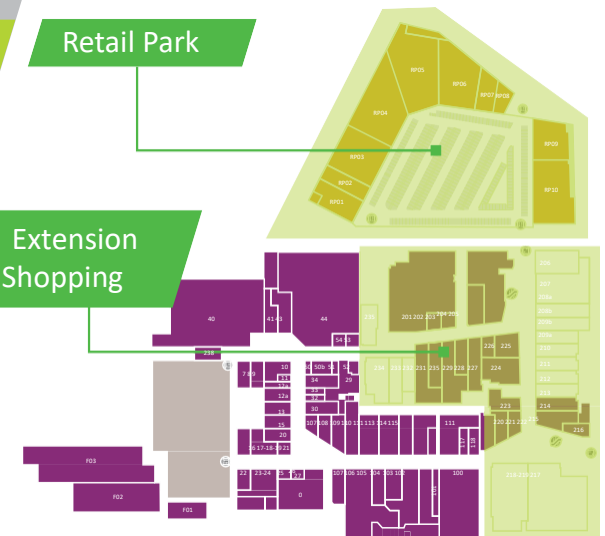
**60** shops

**+10** shops

**+36** shops



Total 106 shops  
Fully let



### Belle-Île - Liège Future

Opened in  
**1994**

**30,000m<sup>2</sup>**

**99** shops

extension / renovation

**2021-2022**

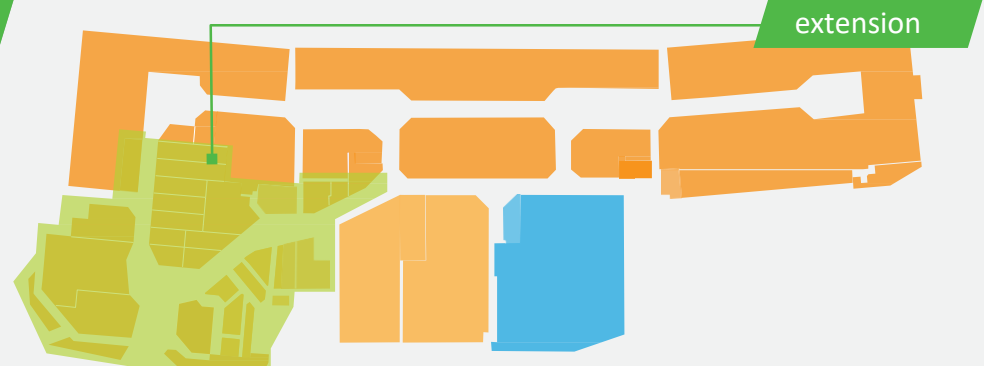
**±9,000m<sup>2</sup>**

**+30** shops



All permits obtained  
for an extension

Opportunity to add  
multifunctionality



## Waterloo Future



-



Retail area

-



Residential

-



Brand-new development project of a mixed-use nature, located in the town centre and having an underground parking.

It will consist of a new boutique-style shopping and residential area.



# Forecast & dividend policy

07



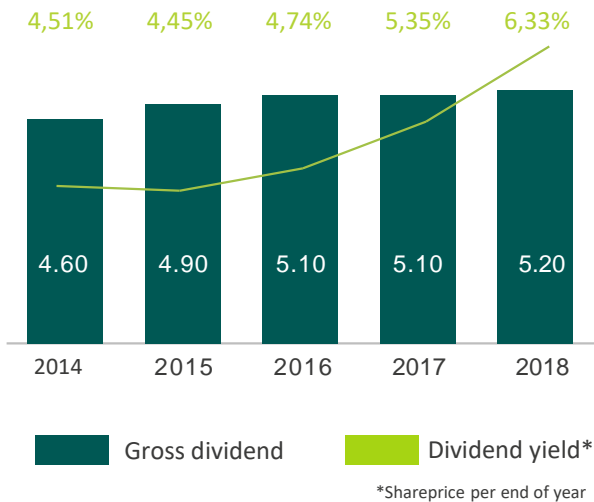
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## Dividend

## Actuals / Forecast



### Actuals 2018

- EPRA Earnings 2018 per share: **€ 5.74**
- Dividend 2018 per share: **€ 5.20**
- Pay-out ratio 2018: **97%**  
(due to increasing number of shares)

### Forecast 2019

- Estimated EPRA Earnings 2019 per share: in a range between **€ 5.78 and € 5.88\***  
\*Taking into account the impact of the optional dividend 2019

# Financial structure

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## Financing structure overview (in Mio €)

31/12/2018			30/06/2019		
Equity	678.4		Equity	681.5	
		<b>Bank loans: 110.0</b>			<b>Bank loans: 189.0</b>
Financial debt:	286.0	<b>Interco loans: 141.0</b>	Financial debt:	287.0	<b>Interco loans: 0.0</b>
		<b>DCM loans: 35.0</b>			<b>DCM loans: 98.0</b>
Other debt:	15.7	<b>Total: 286.0</b>	Other debt:	26.7	<b>Total: 287.0</b>
Total Equity & debt:	980.1		Total Equity & debt:	995.2	
LTV ratio:	29.7%		LTV ratio:	30.2%	
Average cost of debt 2018:	1.09%		Average cost of debt H1 2019:	0.86%	

## Availability (in Mio €)

30/06/2019	Committed	Utilised	Availability
Bank loans	266.0	189.0	77.0
Interco loans	150	-	50.0**
DCM loans	-*	98.0	2.0
<b>Total</b>	<b>416.0</b>	<b>287.0</b>	<b>129.0</b>

\*Treasury note program of 100 Mio € not committed

\*\* Back-up DCM loans deducted



### Fixed/floating rates financial debt (in Mio €)

	31/12/2018		30/06/2019
Total fixed rate debt:	60	Total fixed rate debt:	60
Total floating rate debt:	226	Total floating rate debt:	227
Hedging instruments:	50	Hedging instruments:	100*
<b>Hedge ratio:</b>	<b>38.5%</b>	<b>Hedge ratio:</b>	<b>55.7%</b>

\* 50 Mio € IRS starting on 01/07/2020

# Share price evolution

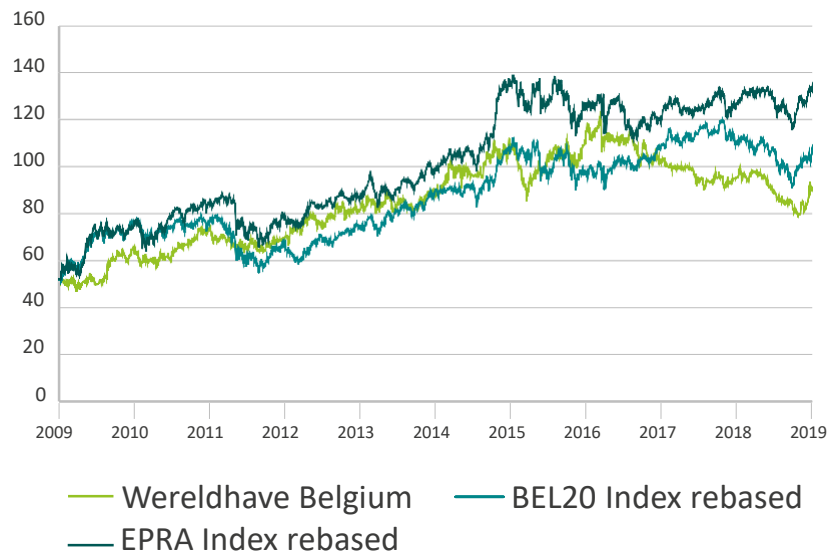
09



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### Bel-20 and EPRA against Wereldhave Belgium (10yr)

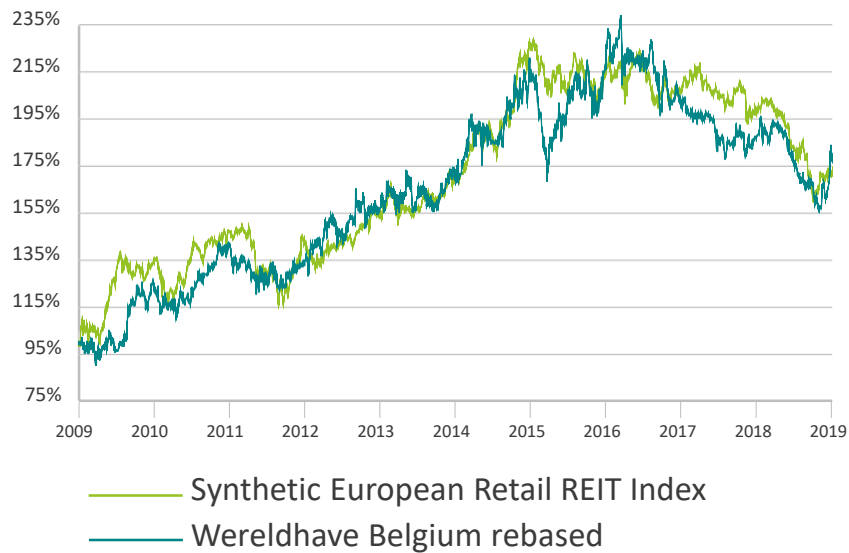


Wereldhave Belgium average annual yield:  
**5.4% (Bel20: 7.6% / EPRA index: 9.6%)**

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## Synthetic European Retail REIT Index against Wereldhave Belgium (10yr)



Wereldhave Belgium slightly outperforming European retail REIT (5.94% vs 5.74%)



# Objectives 2019-2020

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## 10. Objectives 2019-2020

- Further **consolidation of occupancy rate**
- **Portfolio growth** (through acquisition and internal development)
- **Financial leverage optimisation**
- Expansion of **mixed-use development vision**



# Q&A

# 11



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