



# Home Invest Belgium

## Company Presentation 31 Dec 2021

# Landlord of choice

*We offer more than just a place to live.*

*We provide our tenants with a place to build their lives in properties that shape vibrant communities.*

*It is our explicit ambition to be the “**landlord of choice**” for tenants.*





# Topics

1. Company profile
2. Real estate portfolio 31 Dec 2021
3. Key activities FY 2021
4. Financial results FY 2021
5. HOMI share
6. Outlook



# Company profile



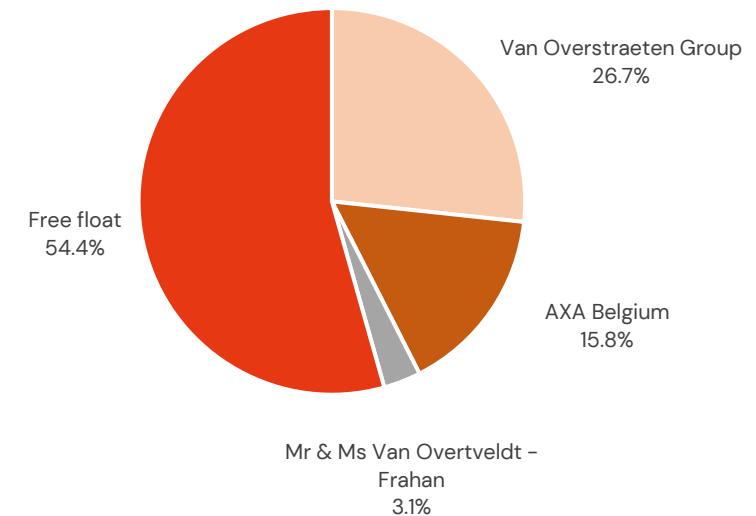
# Home Invest Belgium at a glance

## Listed Belgian REIT

- Number 1 owner and manager of residential properties in Belgium
- Listed on Euronext Brussels since 1999
- A specialist with 20+ years of experience...
- ... and 20+ years of consecutive dividend growth
- Over 40 dedicated professionals
- HQ in Brussels

## € 403 mio market capitalisation

as on 31 Dec 2021



# Home Invest Belgium at a glance

Residential real estate

- Biggest sector within the real estate market with a need for professionalization
- Limited impact from business cycles on the letting market
- Limited impact from disruption
- Responds to the primary human need for housing

Specialist

- In-house team of over 40 dedicated real estate professionals
- Top of mind with other market participants (sellers, buyers, brokers, innovators, ...)

In-house development team

- Assures a constant pipeline for growth
- Higher yields obtained thanks to internalization of development margin
- Apartment design and quality standards geared to the tenant market
- Built from the long term perspective of an end investor

Long term debt funding

- Well diversified funding sources from 7 financial institutions and good access to debt capital markets
- Long term funding with a high proportion of fixed interest rates (92.1% fixed rates with a remaining average duration of 6.3 years)

Strong shareholder returns

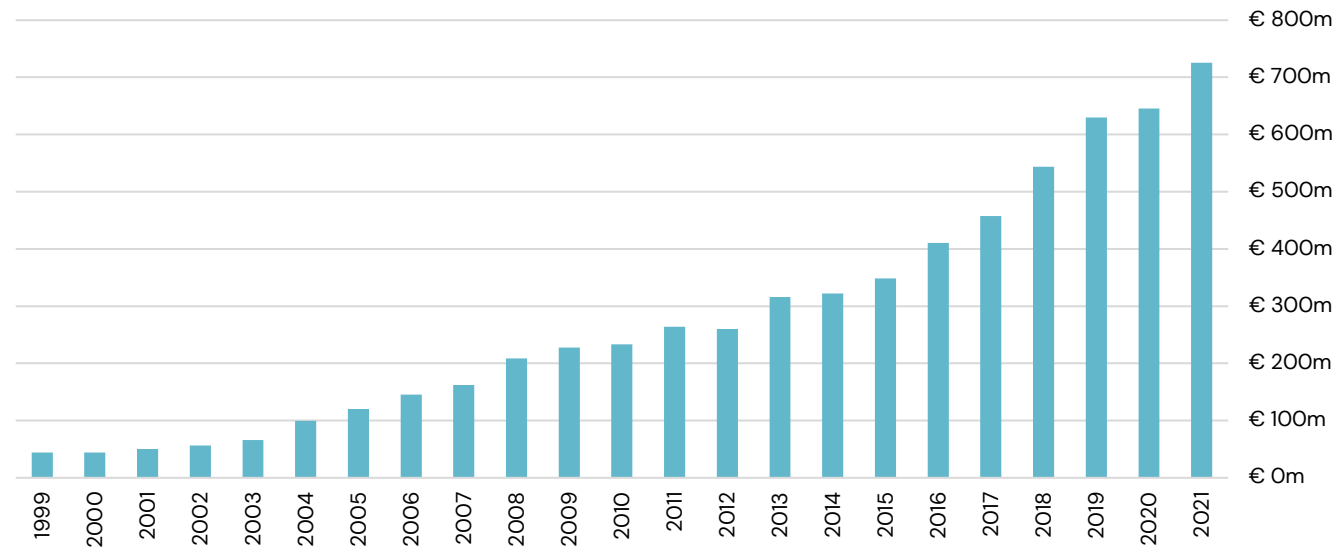
- Strong track record of dividend growth
- Strong track record of NAV growth
- Supported by stable reference shareholders

# Real estate portfolio 31 Dec 2021

# Strong growth track

**€ 725 mio portfolio value**

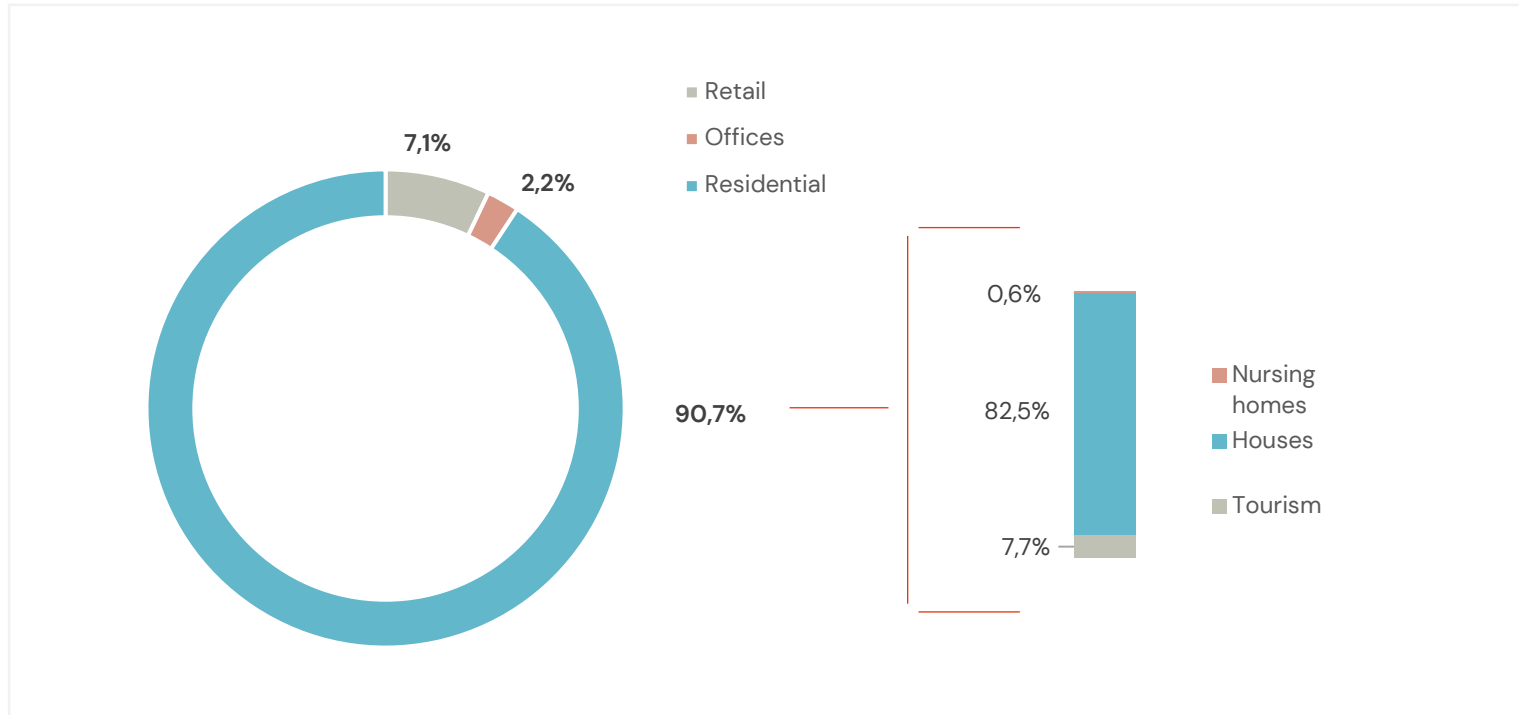
Evolution of the fair value of the real estate portfolio





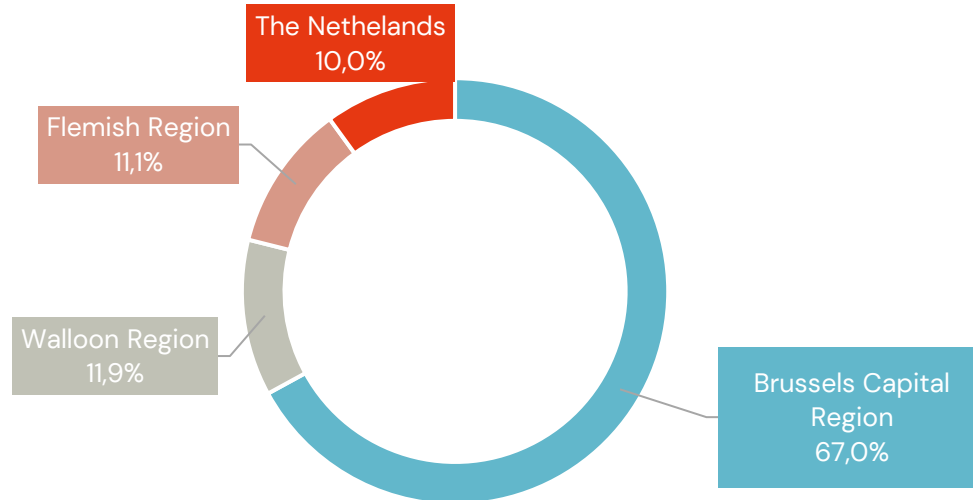
# Specialist in residential real estate

**>90% of the portfolio is residential real estate**

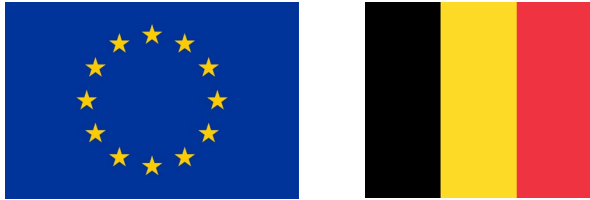


# Located in Belgium (90%) & the Netherlands (10%)

With a strong presence in the  
**Brussels Capital Region**  
(67% of the portfolio)



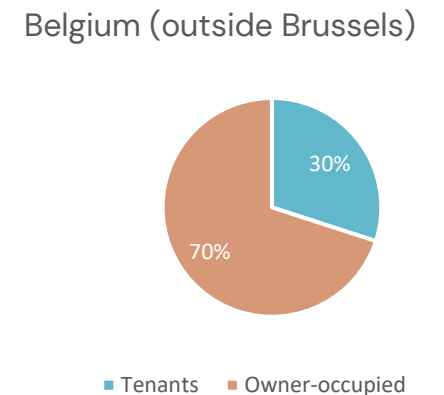
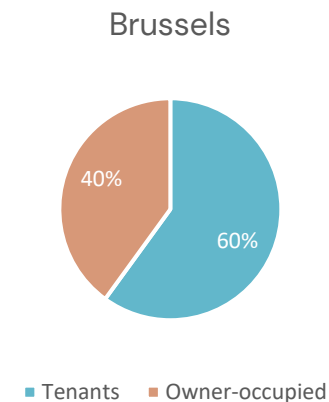
# Strong presence in the Brussels Capital Region



- Brussels, the Capital of Europe
- 1.2 mio inhabitants
- Strong population growth<sup>(1)</sup>
  - 1.1% annual growth over the past decade ...
  - ... compared to 0.5% outside Brussels

<sup>(1)</sup> Statbel : Period 1-1-2010 to 1-1-2020

- The biggest tenant market in Belgium
- High proportion of tenants vs. owner-occupied
  - 60% tenants in Brussels
  - compared to 30% outside Brussels

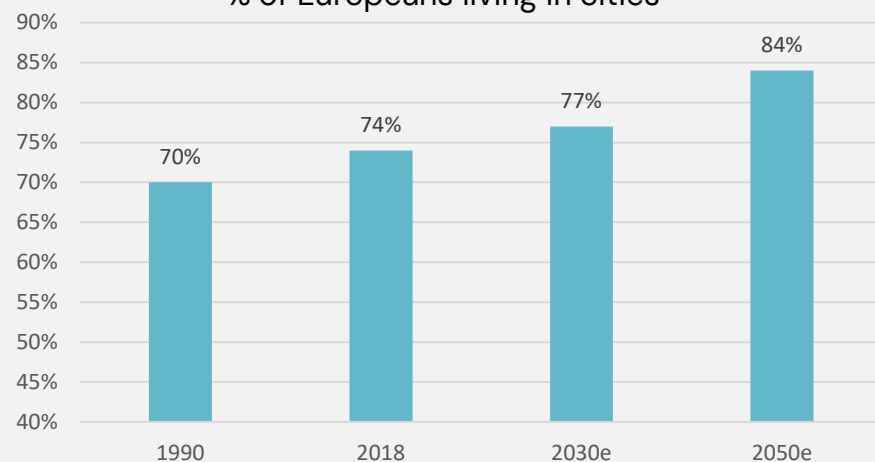


# Supporting megatrends in housing

## Urbanisation

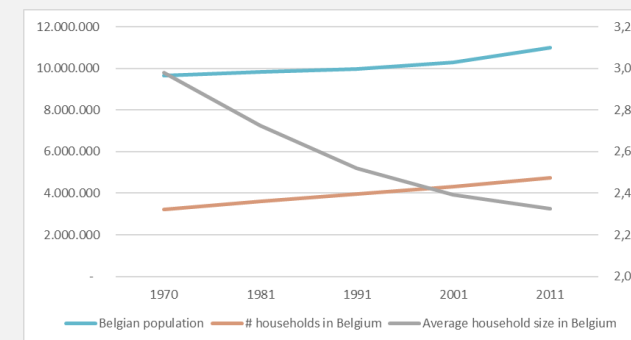


% of Europeans living in cities<sup>(1)</sup>



<sup>(1)</sup> United Nations

## Demographic changes - Decreasing household sizes -



## Demographic changes - Ageing population -

The share of 65+ in Belgium's population will increase from 25% in 2019 to 40% in 2070 <sup>(2)</sup>

Table I.1.8: Composition of the population by age group

	2019				2070			
	(0-19)	(20-64)	(65+)	(80+)	(0-19)	(20-64)	(65+)	(80+)
BE	22%	59%	19%	6%	20%	52%	28%	12%

<sup>(2)</sup> European Commission : The 2021 Ageing Report

# Apartment rents outpace inflation

## **1. Rental contracts are indexed to the Belgian health index.**

- **Income evolution of Belgian households is also floored by the health index** (for both working class and social welfare).
- **Wage growth outpaced inflation by 1.0% annually** in the Brussels Capital Region between 2010–2018.<sup>(1)</sup>

## **2. The evolution of market rents for apartments outpaced inflation by 1.2% annually** in the Brussels Capital Region between 2010–2018.<sup>(2)</sup>

“  
*Multifamily assets have a proven track record of stable returns. Solid rental growth and a growing demand, particularly in large urban locations, will only increase the attractiveness of the segment for institutional investors.*  
”

*Kristof Buelens*  
Director Capital Markets  
JLL

(1) Stabel: Median gross wage growth in excess of the Belgian Health Index

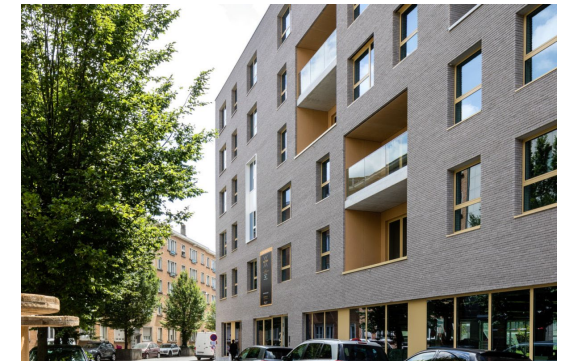
(2) Slrb-bghm.brussels: Observatoire des loyers – Enquête 2018



# Young and sustainable portfolio

*More than 50% of the portfolio is younger than 10 years.*

Age of the portfolio	
Younger than 10 years	> 50% of the portfolio
Younger than 20 years	> 70% of the portfolio

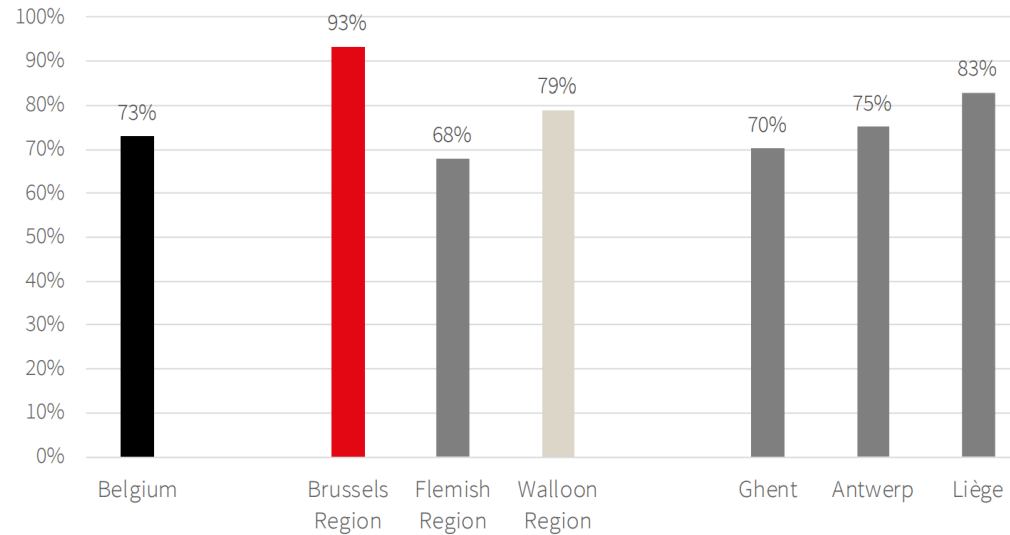


# Compared to an outdated housing stock on the market

***Only 7% of the Brussels' housing stock is younger than 40 years.***

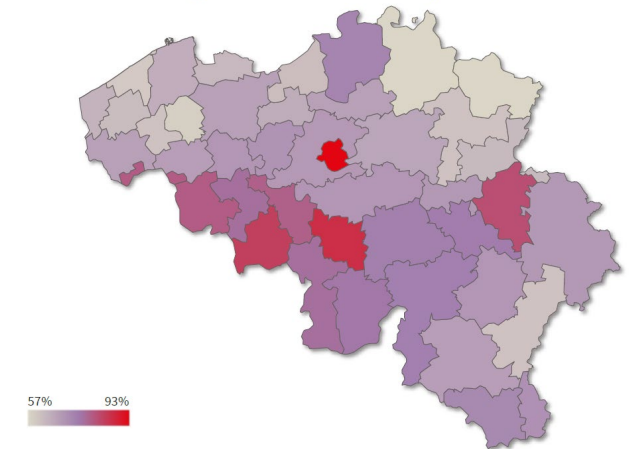
*This means there is a huge need and potential for new housing.*

% built before 1981



Source: Statbel

% of building stock built before 1981 by arrondissement



Source: JLL

# Key activities in FY 2021



# Acquisitions in FY 2021

## City Dox (Lot 4) – Anderlecht (Brussels)

- Acquisition of a land plot (lot 4) with building permit in November 2021
- Part of the City Dox site, a large-scale development by Atenor in Anderlecht
- The project consists of :
  - **163 residential units**
  - 132 parking lots
  - 324 indoor bicycle sheds
  - 2,700 m<sup>2</sup> production facilities
- **Total expected investment of ± € 50 mio**
- Expected gross initial yield of ± 4.5%
- Completion expected in 2024





# Acquisitions in FY 2021

## Key West – Anderlecht (Brussels)

- Agreement to acquire building A under the condition precedent of obtaining a building permit
- Part of the Key West site, a large-scale development by Immobel and BPI Real Estate in Anderlecht
- The project consists of :
  - **101 residential units**
  - 840 m<sup>2</sup> of retail area
  - 132 parking lots
  - 183 indoor bicycle sheds
- **Total expected investment of ± € 30 mio**
- Expected gross initial yield of ± 4.5%
- Completion expected in 2025





# Acquisitions in FY 2021

## Ankerrui – Antwerpen

- Acquisition in October 2021 of 100% of the shares of The Ostrov NV
- The Ostrov NV owns a building with a surface area of 6,200 m<sup>2</sup> that currently serves as office space
- The building will be leased as office space for a fixed term period of 6 years at annual rents of € 648k
- The share price of The Ostrov NV is based on **an investment value of the existing office building of ± € 10 mio**
- After expiration of the lease, Home Invest Belgium plans to convert the building to a mixed project with :
  - ± 30 residential units
  - A retail space on the ground floor



# Acquisitions in FY 2021

## Oss – Netherlands

- Acquisition in November 2021 of a residential project city of Oss in The Netherlands.
- The project consists of a former Carmelite monastery that has been transformed into :
  - **87 residential units;**
  - A commercial ground floor.
- The residential units are social rental units with living areas between 20–65 m².
- In The Netherlands, a large part of the housing market falls under the social rental regime. The social rental market accounts for 33% of the total housing market and approximately 76% of the total housing rental market.
- Due to the shortage of affordable housing and huge demand from tenants, the homes are fully let.
- Home Invest Belgium benefits from a 12-month rental income guarantee for the ground floor.
- The annual rental income with full occupancy amounts to € 782k.
- The **investment value of the property** amounts to **€ 16 million**.





# Delivery of The Felicity

## The Felicity – Laeken (Brussels)

- Reconversion project of an old factory of +/- 5,000m²
- A new residential **project with** :
  - **37 apartments and 11 houses**
  - 51 parking spaces
- Delivered in June 2021
- Fully let



# Progress of development projects

## Samberstraat – Antwerp

- Former factory
- Reconversion into :
  - **37 apartments**
  - 1 office space
  - 38 parkings & 88 bike spaces
- Delivery expected in Q4 2023



## The Fairview – St Lambrechts-Woluwe (Brussels)

- New construction of :
  - **42 apartments**
  - 42 parkings
- Delivery expected in Q1 2022



## Niefhout – Turnhout

- New construction of :
  - **92 apartments**
  - 47 parking lots & Bicycle sheds
  - Common work and leisure areas
- Delivery expected in Q1 2023





# Progress of renovation projects

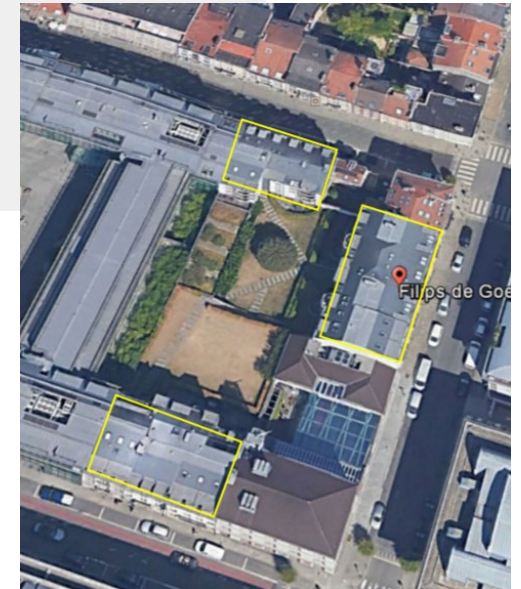
## Galérie de l'Ange – Namur

- Full refurbishment of the residential part
- **57 apartments**
- Delivery expected in Q4 2022



## Résidence Quartier Européen – Brussels

- Full refurbishment of 3 older buildings in the European district in Brussels
- Consisting of :
  - **48 apartments**
  - 2 retail units
  - 50 parking lots
- Delivery expected in Q2 2022





# Development pipeline

## *Pipeline (with building permit)*

Name	City	# units	Delivery date (expected)	Total cost (expected)	Remaining CAPEX still to be spent
The Fairview	St Lambrechts Woluwe (Brussels)	42	Q1 2022	€ 12 mio	€ 4 mio
Samberstraat	Antwerp	38	Q4 2023	€ 11 mio	€ 9 mio
Galérie de l'Ange	Namur	57	Q4 2022	€ 7 mio	€ 4 mio
Niefhout	Turnhout	92	Q1 2023	€ 15 mio	€ 10 mio
Résidence Quartier Européen	Brussels	50	Q2 2022	€ 4 mio	€ 3 mio
City Dox (Lot 4)	Anderlecht (Brussels)	171	Q4 2024	€ 50 mio	€ 40 mio
<b>Total</b>		<b>450</b>		<b>€ 99 mio</b>	<b>€ 70 mio</b>

## *Pipeline (no building permit yet)*

Name	City	# units
Jourdan 95	Saint-Gilles (Brussels)	57
Key West (Building A)	Anderlecht (Brussels)	101
<b>Total</b>		<b>158</b>

# Disposals

## *Opportunistic sales of older and smaller non-core assets*

- Total net selling price of € 9.9 mio in FY 2021
- Realised capital gains of € 5.2 mio compared to the acquisition value
  - contributes to the distributable result
- Sold 4.6% above the latest book value



Avenue J. Baeck – 1080 Molenbeek (Brussels)



Rue Melkriek – 1180 Uccle (Brussels)

# Letting activities and occupancy rate

## ***Strong letting activities***

- Very strong letting activities in FY 2021.

New leases started	
FY 2021	579
FY 2020	475
FY 2019	475

## ***Record high occupancy rate***

- Average occupancy rate<sup>(1)</sup> up to a record in FY 2021 :

Occupancy rate	
FY 2021	97.2%
FY 2020	94.3%
FY 2019	95.4%

<sup>(1)</sup> The occupancy rate is calculated excluding (i) buildings being renovated (ii) buildings being commercialized for the first time and (iii) buildings being sold.

# Financial results FY 2021



# Key figures

Consolidated income statement (in € k)	FY 2021	FY 2020	Δ Y-o-Y	% growth
Net rental result	27 202	26 227	975	+3.7%
Property result	25 342	24 264	1 078	+4.4%
(-) Property costs	- 3 349	- 3 658		
(-) General costs and other operating income	-2 442	-2 923		
Operating result before result on the portfolio (=EBIT)	19 552	17 683	1 869	+10.6%
Operating margin (% of Net rental result)	71.9%	67.4%		
(+/-) Result on the disposal of investment properties	431	1 135		
(+/-) Changes in the fair value of investment properties	26 546	6 590		
(+/-) Other portfolio result	637	-576		
Operating result	47 166	24 832		
(-) Financial result (excl. changes in fair value of financial assets and liabilities)	-4 582	-4 255		
(+/-) Changes in fair value of financial assets and liabilities	4 258	-3 893		
(+/-) Share in the profit of associates and joint ventures	2 245	2 466		
<i>o/w share in EPRA earnings</i>	1 534	1 440		
<i>o/w share in changes in fair value of investment properties and financial assets and liabilities</i>	711	1 026		
(-) Taxes	-221	-263		
Net result (group share)	48 866	18 887		



# Key figures

EPRA earnings (in € k)	FY 2021	FY 2020	Δ Y-o-Y	% growth
Net result (group share)	48 866	18 887		
(-) Portfolio result	-27 614	-7 149		
(-) Changes in fair value of financial assets and liabilities	-4 258	+3 893		
(-) Non-EPRA elements of the share in the result of associates and joint ventures	-711	-1 026		
EPRA earnings <sup>(1)</sup>	16 283	14 604	1 678	+11.5%

Per share results (in €)	FY 2021	FY 2020	Δ Y-o-Y	% growth
Weighted average number of shares <sup>(2)</sup>	3 288 547	3 288 146		
Net result per share	14.86	5.74		
EPRA earnings per share	4.95	4.44	0.51	+11.5%
Distributable result per share <sup>(3)</sup>	6.54	5.97	0.58	+9.6%

(1) EPRA earnings are defined as the net result excluding (i) the portfolio result, (ii) the changes in the fair value of financial assets and liabilities, and (iii) the non-EPRA elements of the share in the result of associated companies and joint ventures. This term is used in accordance with the Best Practices Recommendations of EPRA.

(2) The weighted average number of shares is calculated excluding own shares.

(3) The distributable result is defined as the sum of (i) the EPRA earnings and (ii) realised distributable capital gains on the sale of investment properties.

# Key figures

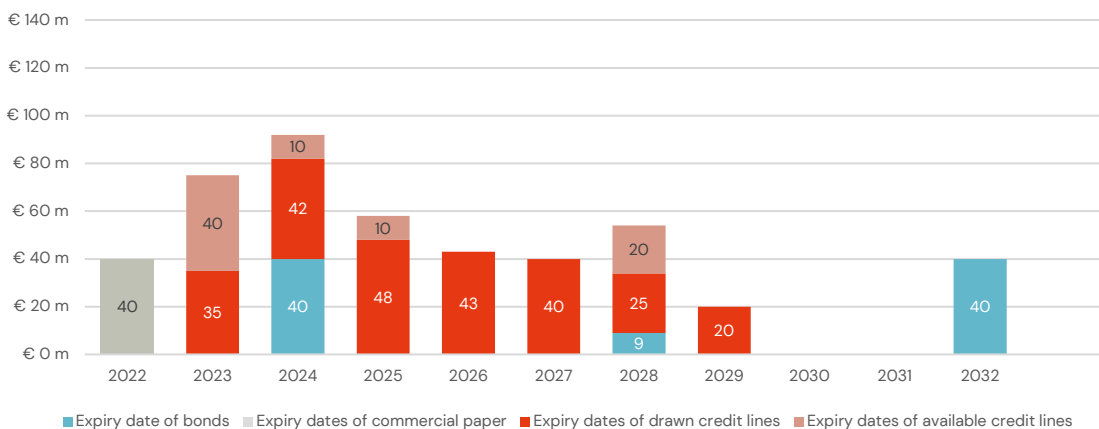
Consolidated balance sheet (in € k)	31/12/2021	31/12/2020	Δ Y-o-Y	% growth
Total assets	737 012	653 909	83 103	12.7%
Shareholders' equity	342 950	310 173	32 777	10.6%
Debt ratio (RECC-Act) <sup>(1)</sup>	53.65%	52.40%		
Debt ratio (IFRS) <sup>(2)</sup>	52.49%	50.97%		

NAV per share (in €)	31/12/2021	31/12/2020	Δ Y-o-Y	% growth
Total number of shares outstanding <sup>(3)</sup>	3 286 786	3 288 146		
Closing price of the share	122.00	115.50	6.50	+5.6%
IFRS NAV <sup>(4)</sup>	104.34	94.33	10.01	+10.6%
Premium/discount to IFRS NAV	16.9%	22.4%		
EPRA NTA <sup>(5)</sup>	104.96	96.50	8.46	+8.8%
Premium/discount to EPRA NTA	16.2%	19.7%		

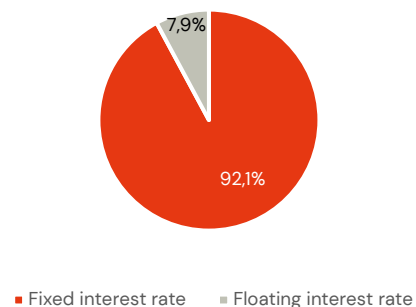
- (1) The debt ratio (RREC-Act) is calculated according to the RREC-Act. This means that for the sole purpose of calculating the debt ratio the share in associated companies and joint ventures are accounted for proportional consolidation method.
- (2) The debt ratio (IFRS) is calculated in the same way as the debt ratio (RREC-Act), but based on the IFRS consolidated balance sheet with the share in associated companies and joint ventures accounted for using the equity method.
- (3) The total number of shares outstanding is calculated excluding own shares.
- (4) IFRS NAV per share = Net Asset Value per share according to IFRS.
- (5) EPRA NTA per share = Net Asset Value per share according to EPRA Best Practices Recommendations.

# Financial structure

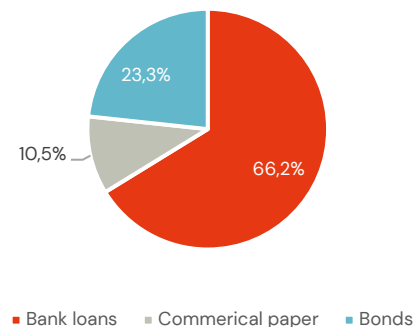
## Debt maturities



## Fixed/floating interest rates



## Type of debt



## Comments

- Financial debt amounts to € 382.0 m
  - Drawn credit lines : € 253.0 m
  - Bonds : € 89.0 m
  - Commercial Paper : € 40.0 m
- Weighted average remaining duration of the financial debt of 5.4 yrs
- Credit lines are provided by 7 financial institutions
- € 80.0 m committed non-drawn credit lines available
  - Backup lines for outstanding CP : € 40.0 m
  - Available credit lines : € 40.0 m
- Debt ratio of 53.7% (RREC-act) or 52.5% (IFRS) (strategic target <55%)
- 92.1% of the financial debt have an interest rate that is fixed (or hedged by means of Interest Rate Swaps)
- Weighted average remaining duration of the fixed interest rates of 6.3 yrs
- Average financing cost of 1.58% in FY 2021

(\*) Commercial Paper is excluded from the calculation of the average remaining duration of the financial debt. The CP Program is fully covered by available long term back-up lines.

# HOMI share

# Key figures per share

Key figures per share	30/12/2021	31/12/2020	31/12/2019	31/12/2018
Total number of shares issued <sup>(1)</sup>	3 299 858	3 299 858	3 299 858	3 299 858
Closing price of the share	€ 122.00	€ 115.50	€ 114.00	€ 91.40
Market capitalization	€ 403 mio	€ 381 mio	€ 376 mio	€ 302 mio
IFRS NAV	€ 104.34	€ 94.33	€ 94.16	€ 81.81
Premium/discount to IFRS NAV	16.9%	22.4%	21.1%	11.7%
EPRA NTA	€ 104.96	€ 96.50	€ 95.89	€ 84.92
Premium/discount to EPRA NAV	16.2%	19.7%	18.9%	7.6%

(1) Including own shares.



# Key figures per share

Key figures per share	FY 2021	FY 2020	FY 2019	FY 2018
Average number of shares <sup>(1)</sup>	3 288 547	3 288 146	3 288 146	3 288 146
EPRA earnings	€ 16.28 mio	€ 14.60 mio	€ 12.67 mio	€ 10.54 mio
EPRA earnings per share	€ 4.95	€ 4.44	€ 3.85	€ 3.21

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(1) Excluding own shares.



# Evolution of the share price & gross distribution



# Stock price comparison



# Outlook

# Outlook

## ***Strong residential rental market and good operating figures in FY 2021***

- Accelerating residential letting market with strong demand for qualitative housing has resulted in a record occupancy rate of 97.2%.
- Strong increase in operating margin to 71.9% (compared to 67.4% in FY 2020).
- Increase in EPRA earnings by 11.5% to € 16.38 million in FY 2021.

## ***Supportive long-term trends for the residential rental market***

- The residential rental market continues to grow steadily in those cities where Home Invest Belgium is active, mostly thanks to:
  - a long-term urbanisation trend, marked by demographic growth in big cities, including both young and older people, leading to increased demand for housing;
  - an increasing number of tenants in big cities, due to factors including an increasing need for flexibility and a change in attitudes to private property and concepts of urban sharing.

## ***With its future proof portfolio, Home Invest Belgium is well positioned to take a leading role in the residential rental market***

- > 50% of the portfolio is younger than 10 years

# Outlook

## ***EPRA earnings per share***

- For FY 2022 the company expects a further increase of EPRA earnings per share to € 5.20.

## ***Distribution to the shareholders***

- The board of directors proposes a increase of the gross distribution to the shareholders to € 5.31 per share. This implies a continuous increase in distributions for the 22nd year in a row. The distribution consists of:
  - A gross dividend of € 4.96 per share (an increase of € 0.01 compared to € 4.95 for FY 2020) proposed to the AGM of 3 May 2022;
  - A reduction of the shareholders' equity with € 0.35 per share that needs an approval of an EGM. This decision will lead in part to a capital reduction and in part to a distribution of reserves.
- For the years to come, the Board of Directors anticipates a distribution policy based on an annual increase in distributions equal to or higher than inflation. This is based on:
  - the constant indexed rent flow from existing investment properties;
  - the control of the operational costs of the company;
  - the company's hedging policy, which provides good visibility on interest charges and makes them assessable in the medium term;
  - The existing pipeline of project developments;
  - The reserves that the company has built up over the years.





# Home Invest Belgium

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*Home Invest Belgium has received an "EPRA BPR Gold award"  
for its Annual Financial Report 2021*

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