



# Home Invest Belgium

## Company Presentation 30 June 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 1H 2021
3. Key activities 1H 2021
4. Financial results 1H 2021
5. HOMI share
6. Outlook



# Company profile



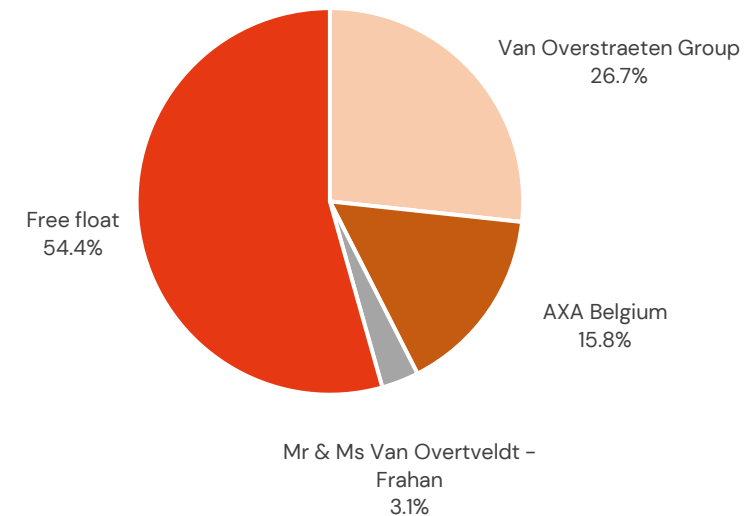
# Home Invest Belgium at a glance

## 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

## € 391 mio market capitalisation

as on 30 June 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 (92.5% fixed rates with a remaining average duration of 6.2 years)

Strong shareholder returns

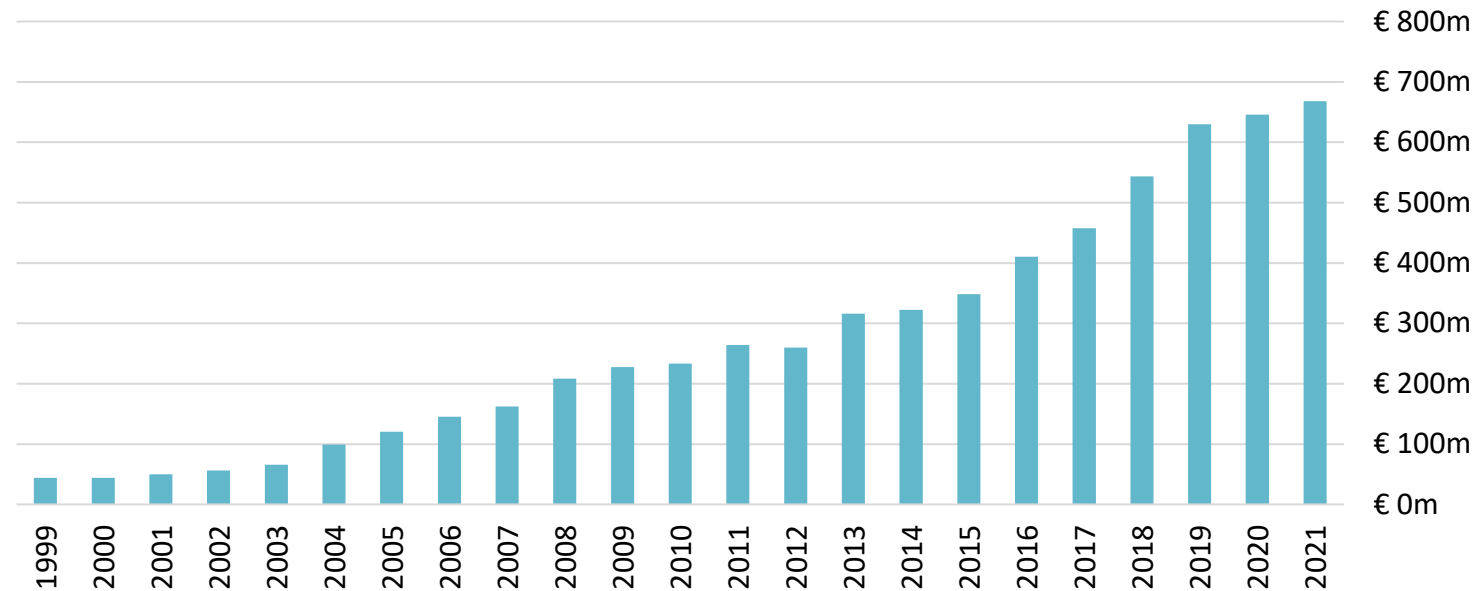
- Strong track record of dividend growth
- Strong track record of NAV growth
- Supported by stable reference shareholders

# Real estate portfolio 1H 2021

# Strong growth track

**€ 668 mio portfolio value**

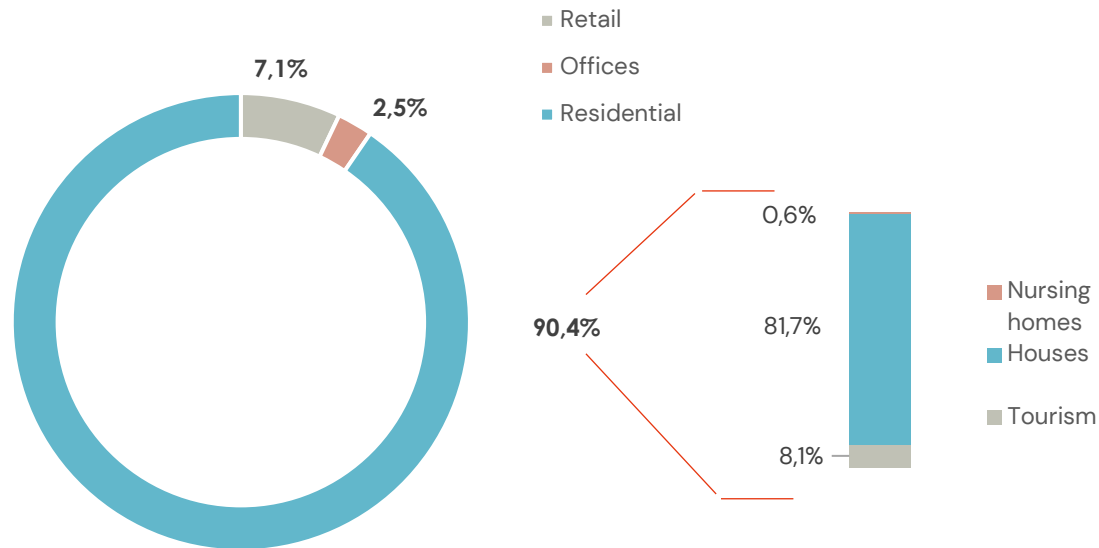
Evolution of the fair value of the real estate portfolio





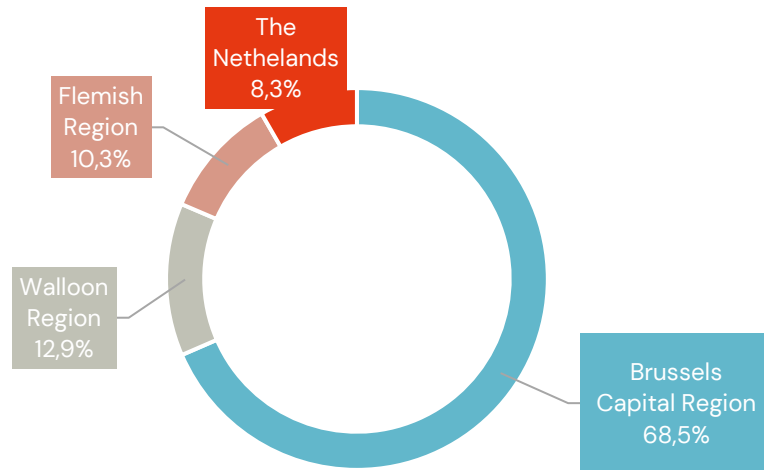
# Specialist in residential real estate

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



# Located in Belgium (92%) & the Netherlands (8%)

With a strong presence in the  
**Brussels Capital Region**  
(69% of the portfolio)



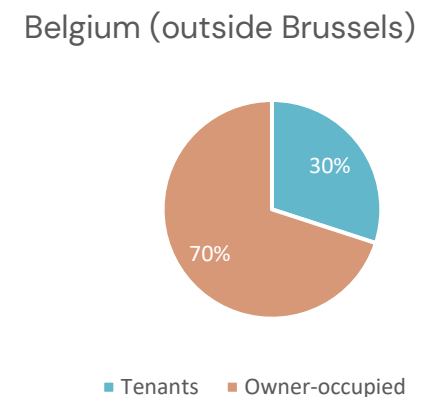
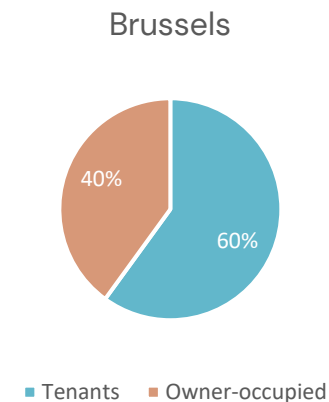
# Strong presence in the Brussels Capital Region



- 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

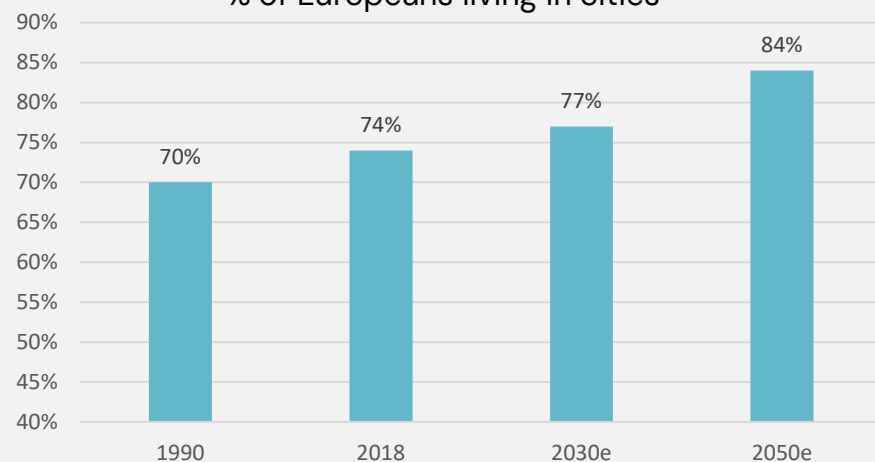


# Supporting megatrends in housing

## Urbanisation

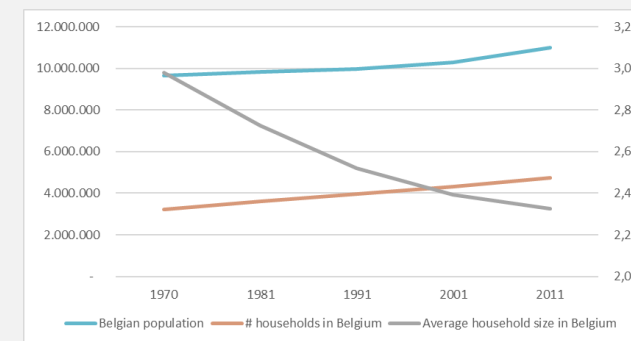


% of Europeans living in cities<sup>(1)</sup>



<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

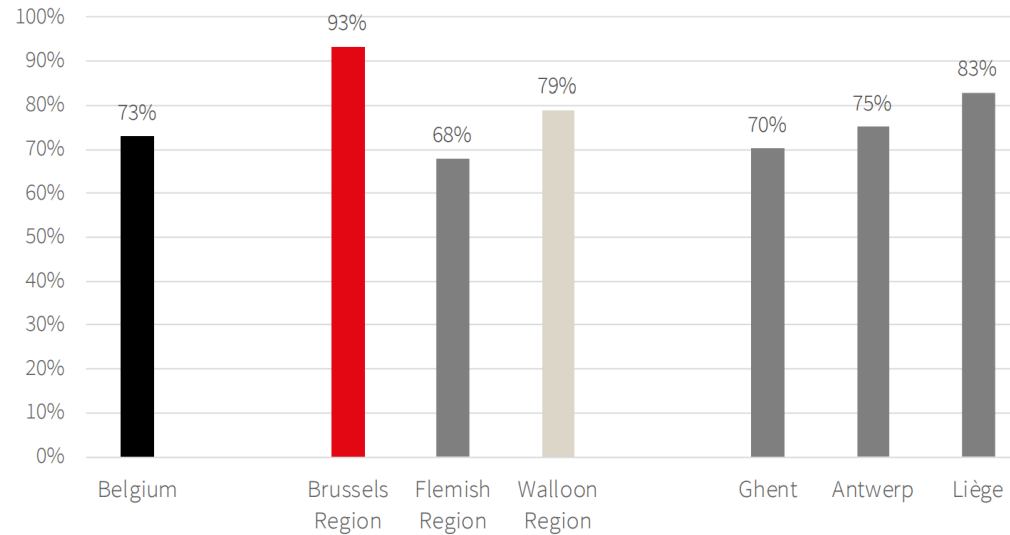


# Compared to an outdated housing stock on the market

***Only 7% of the Brussels' housing stock is younger than 30 years.***

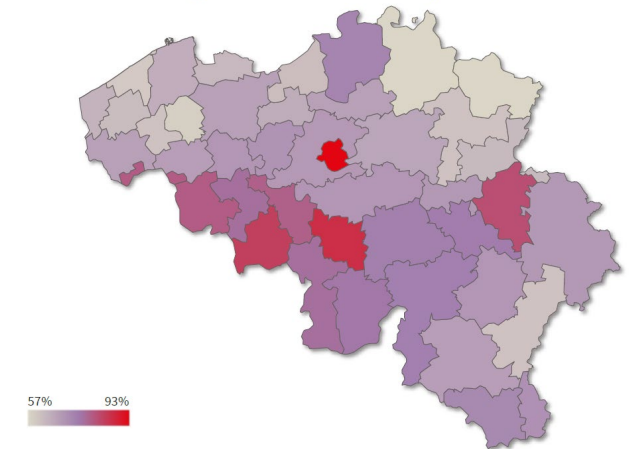
*This means there is a huge need and potential for new housing.*

% built before 1981



Source: Statbel

% of building stock built before 1981 by arrondissement



Source: JLL

# Key activities in 1H 2021



# Acquisitions in 1H 2021

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

- Agreement to acquire a land plot (lot 4) under the condition precedent of obtaining a building permit
- Part of the City Dox site, a large-scale development by Atenor in Anderlecht
- The project consists of :
  - **171 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 2023





# Acquisitions in 1H 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 1H 2021

## Ankerrui – Antwerpen

- Agreement to acquire, subject to conditions precedent, 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



# 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





# Progress of development projects

## Samberstraat – Antwerp

- Former factory
- Reconversion into :
  - **37 apartments**
  - 1 office space
  - 39 parkings & 36 bike spaces
- Delivery expected in Q3 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 Q4 2022



# Progress of renovation projects

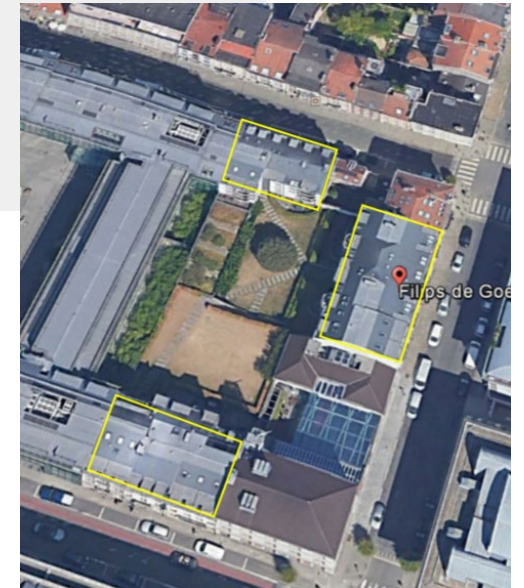
## Galérie de l'Ange – Namur

- 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 Q1 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	€ 5 mio
Samberstraat	Antwerp	38	Q3 2023	€ 9 mio	€ 7 mio
Galérie de l'Ange	Namur	57	Q3 2022	€ 7 mio	€ 6 mio
Niefhout	Turnhout	92	Q4 2022	€ 15 mio	€ 13 mio
Résidence Quartier Européen	Brussels	50	Q1 2022	€ 3 mio	€ 3 mio
<b>Total</b>		<b>279</b>		<b>€ 46 mio</b>	<b>€ 34 mio</b>

## *Pipeline (no building permit yet)*

Name	City	# units
Jourdan 95	Saint-Gilles (Brussels)	57
City Dox (Lot 4)	Anderlecht (Brussels)	171
Key West (Building A)	Anderlecht (Brussels)	101
<b>Total</b>		<b>329</b>



# Letting activities and occupancy rate

## ***Strong letting activities***

- Very strong letting activities in 1H 2021.

New leases started	
1H 2021	251
1H 2020	115
1H 2019	165

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

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

Occupancy rate	
1H 2021	96.9%
1H 2020	94.5%
1H 2019	95.1%

<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 1H 2021



# Key figures

Consolidated income statement (in € k)	1H 2021	1H 2020	Δ Y-o-Y	% growth
Net rental result	13 219	13 132	87	+0.7%
Property result	11 439	11 284	154	+1.4%
(-) Property costs	- 1 638	- 2 061		
(-) General costs and other operating income	-1 272	-1 563		
Operating result before result on the portfolio (=EBIT)	8 528	7 661	867	+11.3%
Operating margin (% of Net rental result)	64.5%	58.3%		
(+/-) Result on the disposal of investment properties	79	727		
(+/-) Changes in the fair value of investment properties	14 825	-1 484		
(+/-) Other portfolio result	893	-192		
Operating result	24 325	6 712		
(-) Financial result (excl. changes in fair value of financial assets and liabilities)	-2 260	-2 035		
(+/-) Changes in fair value of financial assets and liabilities	1 537	-3 615		
(+/-) Share in the profit of associates and joint ventures	1 102	328		
<i>o/w share in EPRA earnings</i>	766	735		
<i>o/w share in changes in fair value of investment properties and financial assets and liabilities</i>	336	-406		
(-) Taxes	-93	-129		
Net result (group share)	24 611	1 261		

# Key figures

EPRA earnings (in € k)	1H 2021	1H 2020	Δ Y-o-Y	% growth
Net result (group share)	24 611	1 261		
(-) Portfolio result	-15 797	+949		
(-) Changes in fair value of financial assets and liabilities	-1 537	+3 615		
(-) Non-EPRA elements of the share in the result of associates and joint ventures	-336	+406		
EPRA earnings <sup>(1)</sup>	6 942	6 232	710	+11.4%

Per share results (in €)	1H 2021	1H 2020	Δ Y-o-Y	% growth
Weighted average number of shares <sup>(2)</sup>	3 288 410	3 288 146		
Net result per share	7.48	0.38		
EPRA earnings per share	2.11	1.90	0.22	+11.4%
Distributable result per share <sup>(3)</sup>	2.66	2.30	0.35	+15.3%

(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)	30/06/2021	31/12/2020	Δ 6 months	% growth
Total assets	680 584	653 909	26 675	4.1%
Shareholders' equity	332 696	310 173	22 522	7.3%
Debt ratio (RECC-Act) <sup>(1)</sup>	51.29%	52.40%		
Debt ratio (IFRS) <sup>(2)</sup>	49.99%	50.97%		

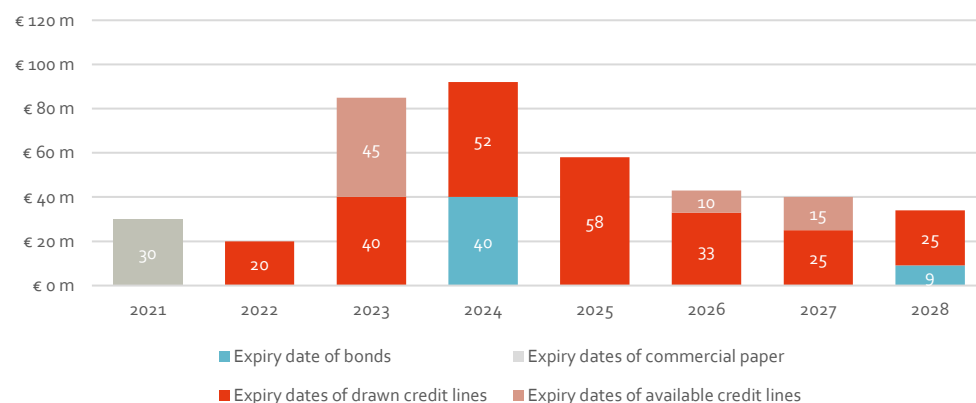
NAV per share (in €)	30/06/2021	31/12/2020	Δ 6 months	% growth
Total number of shares outstanding <sup>(3)</sup>	3 288 410	3 288 146	264	+0.01%
Closing price of the share	118.50	115.50	3.00	+2.6%
IFRS NAV <sup>(4)</sup>	101.16	94.33	6.83	+7.2%
Premium/discount to IFRS NAV	17.1%	22.4%		
EPRA NTA <sup>(5)</sup>	102.61	96.50	6.11	+6.3%
Premium/discount to EPRA NTA	15.5%	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.

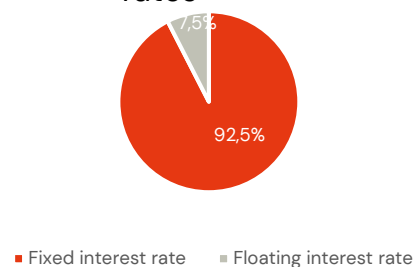


# Financial structure

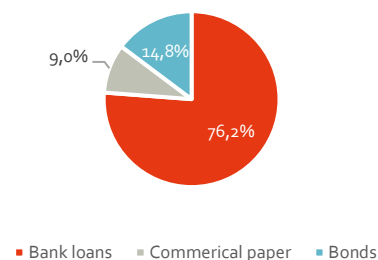
## Debt maturities



## Fixed/floating interest rates



## Type of debt



## Comments

- Financial debt amounts to € 332.0 m
  - Drawn credit lines : € 253.0 m
  - Bonds : € 49.0 m
  - Commercial Paper : € 30.0 m
- Weighted average remaining duration of the financial debt of 3.9 yrs
- Credit lines are provided by 7 financial institutions
- € 70.0 m committed non-drawn credit lines available
  - Backup lines for outstanding CP : € 30.0 m
  - Available credit lines : € 40.0 m
- Debt ratio of 51.3% (RREC-act) or 50.0% (IFRS) (strategic target <55%)
- 92.5% 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 6.2 yrs
- Average financing cost of 1.58% in 1H 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

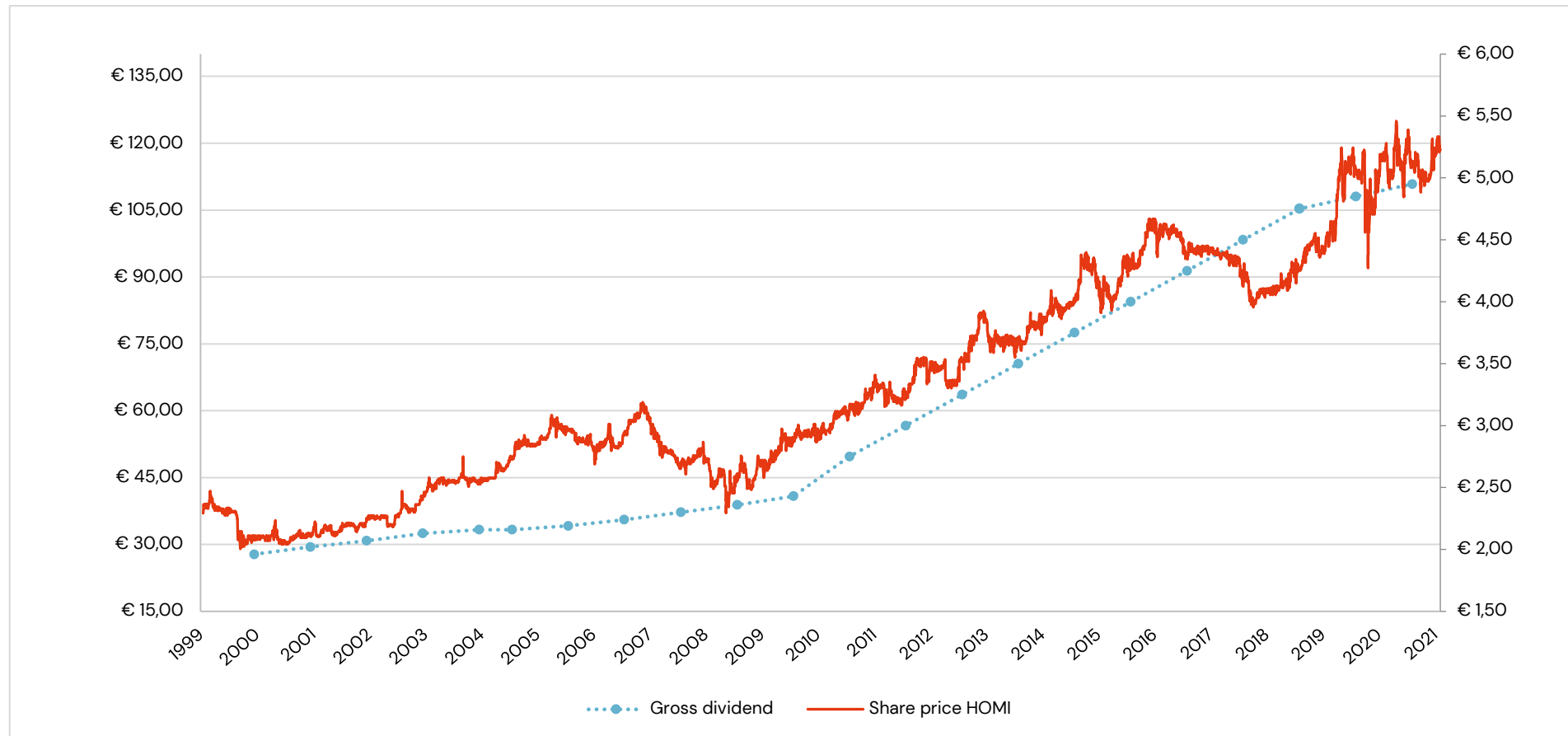
# Key figures per share

Key figures per share	30/06/2021	31/12/2020	$\Delta$ 6 months	% growth
Total number of shares issued <sup>(1)</sup>	3 299 858	3 299 858		-
Closing price of the share	118.50	115.50	€ +3.00	+2.6%
Market capitalization	€ 391 mio	€ 381 mio		
IFRS NAV	€ 101.16	€ 94.33	€ +6.83	+7.2%
Premium/discount to IFRS NAV	17.1%	22.4%		
EPRA NTA	€ 102.61	€ 96.50	€ +6.11	+6.3%
Premium/discount to EPRA NAV	15.5%	19.7%		

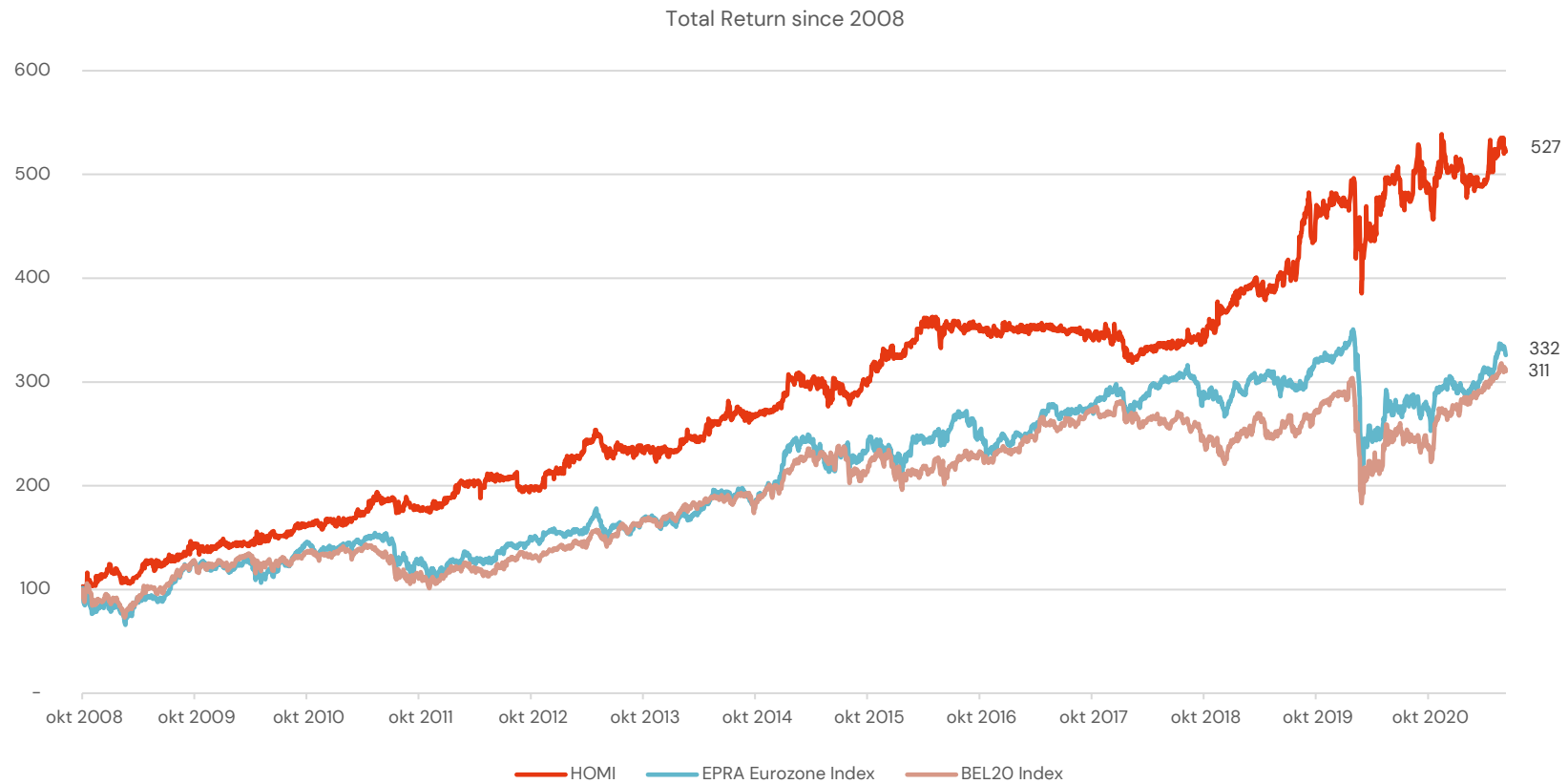
(1) Including own shares.



# Evolution of the share price & gross dividend



# Stock price comparison





# Outlook

# Outlook

## ***Strong residential rental market and good operating figures in 1H 2021***

- Accelerating residential letting market with strong demand for qualitative housing has resulted in a record occupancy rate of 96.9%.
- Increase in EPRA earnings by 11.4% to € 8.73 million in 1H 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

## *Dividend*

- The general meeting of 4 May 2021 approved the dividend for the financial year 2020 of € 4.95 gross per share (or an increase of 2.1% compared to 2019). This implies a continuous increase in dividends for the 21st year in a row.
- For the years to come, the Board of Directors anticipates a dividend policy based on an annual increase in dividends 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 Silver award»  
and a «most improved annual report award»  
for its Annual Report 2020.*

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