



HOME INVEST  
BELGIUM

## Presentation of the annual results 2019





# Topics

1. **Company profile**
2. **Real estate portfolio 2019**
3. **Key activities in 2019**
  - **Acquisitions**
  - **(Re)Developments**
  - **Asset rotation**
  - **Letting activities and occupancy rate**
4. **Financial results 2019**
5. **HOMI share**
6. **Outlook**



# 1. Company profile



# Company profile

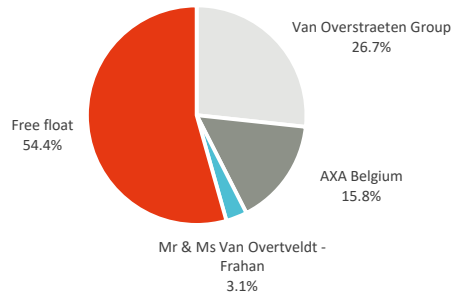
## HOME INVEST BELGIUM IS A BE-REIT

**€ 376 mio market capitalisation**

as on Dec 31<sup>st</sup> 2019



### Shareholder structure



- Specialist in residential real estate
- € 630 mio fair value of the portfolio
- Listed on Euronext Brussels since 1999
- 20 consecutive years of dividend growth
- HQ in Brussels
- > 40 employees



## Company profile

### 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, ...)
- Leading in new housing trends (co-housing, short stays, services, ...)

### In-house development team

- Assures a constant pipeline for growth
- Higher yields obtained thanks to development margin ( $\pm 5\%$  yield on cost)
- 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 6 financial institutions and proven access to debt capital markets
- Long term funding with a high proportion of fixed interest rates (77.6% fixed rates with a remaining average duration of 5.6 years)

### Shareholder return

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



# 2. Real estate portfolio 2019

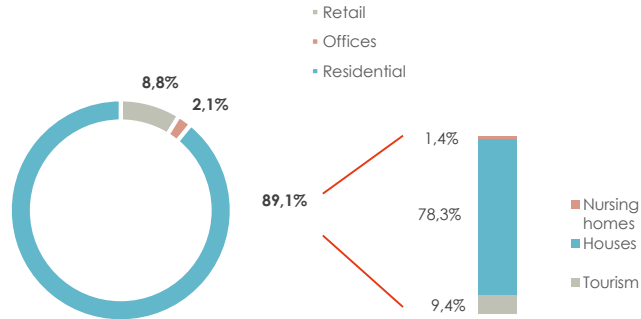


# Real estate portfolio

## SPECIALIST IN RESIDENTIAL REAL ESTATE

89% invested in residential real estate

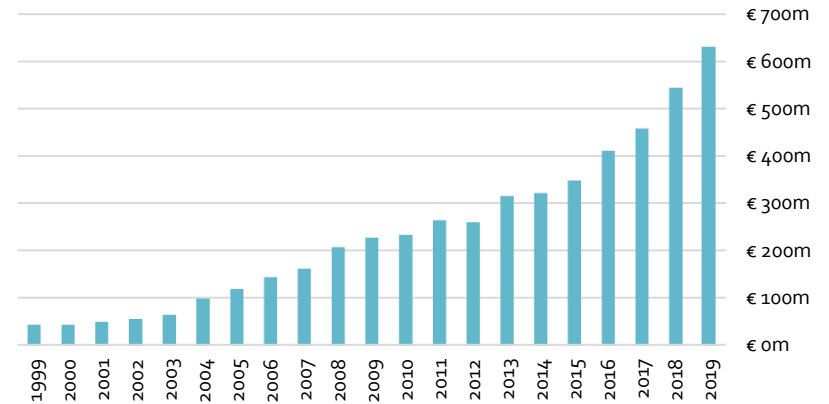
Split the real estate portfolio (in % of Fair Value)



## STRONG GROWTH TRACK

€ 630 mio portfolio value

Evolution of the fair value of the real estate portfolio



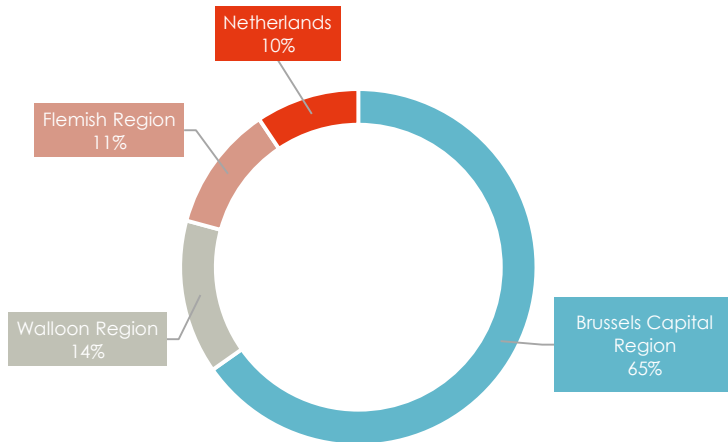


# Real estate portfolio

## BELGIUM AND THE NETHERLANDS

90%

10%



## WITH A STRONG PRESENCE IN BRUSSELS

65%

- Capital of Belgium and the EU
- 1.2 million inhabitants
- Strong population growth
  - *0.6% annual growth until 2040 ...*
  - *... compared to 0.4% outside Brussels*
- High proportion of tenants vs owner-occupied
  - *60% tenants in Brussels ...*
  - *... compared to 30% outside Brussels*





# 3. Key activities in 2019

# Acquisition of BE REAL ESTATE



## BE REAL ESTATE

- Portfolio of 4 apart-hotels
- Located on top locations in the Brussels city
- Operated by BEAPART under the brand B-aparthotels
- Triple net long lease contract of 27 years
- Fixed annual rents of € 1.85 mio
- Investment value of the real estate of € 36 mio (of which € 6 mio retained over a period of 3 years)



# First development project in Antwerp



## Samberstraat

- Located in Antwerp
- Permit obtained
- New building
  - 37 apartments
  - 1 office space
  - 39 parking lots
- Delivery expected in Q4 2022



## Opening of The Crow'n



### The Crow'n

- Located in Kraainem (Flemish Region)
- Redevelopment into a residential complex
- 40 residential units:
  - 7 studios
  - 16 apartments - 1-bedroom
  - 10 apartments - 2-bedroom
  - 7 apartments - 3-bedroom
  - 47 parking lots
- 3 retail spaces on the ground floor:
  - Babilou (nursery)
  - Deutsche Bank
  - Kings Shop

# (Re)developments - Pipeline



## Brunfaut

- Located in Molenbeek (Brussels)
- New building
  - 95 apartments
  - 66 parking lots
  - 1,443 m<sup>2</sup> for offices and proximity services
- Renovation and upgrade of the nearby local square (Place d'Or)
- Delivery expected in Q2 2020



## (Re)developments - Pipeline



### Meyers-Hennau

- Located in Laeken (Brussels)
- New building
- 46 units:
  - 35 apartments
  - 11 houses
  - 51 parking lots
- Delivery expected in Q4 2020





## (Re)developments - Pipeline



### Marcel Thiry C2

- Located in Woluwe Saint-Lambert (Brussels)
- Permit obtained
- 42 units
- Start of works Q1 2020



## (Re)developments - Pipeline



### Galerie de l'Ange

- Located in Namur
- Refurbishment of the residential part
- 57 units
- Permit expected for Q2 2020





## (Re)developments - Pipeline



### Jourdan 95

- Located in Saint-Gilles (Brussels)
- New building
- 53 units
- Permit expected for Q4 2020



## (Re)developments - Pipeline



### Le Mosan

- Located in Liège
- Complete refurbishment of an older building in the portfolio
- 36 units
  - 29 apartments
  - 7 retail units on the ground floor
- Delivery expected in Q2 2020



# Development pipeline

## PIPELINE (WITH BUILDING PERMITS):

Name	City	# units	Delivery date (expected)	Total cost (expected)	Remaining CAPEX still to be spent
Brunfaut	Molenbeek (Brussels)	95	Q2 2020	€ 21 mio	€ 10 mio
Meyers-Hennau	Laeken (Brussels)	46	Q4 2020	€ 12 mio	€ 7 mio
Marcel Thiry C 2	Woluwe (Brussels)	42	Q2 2021	€ 9 mio	€ 8 mio
Samberstraat	Antwerp	38	Q4 2022	€ 8 mio	€ 6 mio
Le Mosan	Liège	36	Q2 2020	€ 9 mio	€ 1 mio
<b>Total</b>		<b>257</b>		<b>€ 59 mio</b>	<b>€ 32 mio</b>

Yield on cost  
blended >5%

## PIPELINE (NO BUILDING PERMITS YET):

Name	City	Project
Jourdan 95	Saint-Gilles (Brussels)	New building (53 units)
Galerie de l'Ange	Namur	Refurbishment (57 units)



# Asset rotation – keeping the portfolio in good shape

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

- Total net selling price of € 12.8 mio in 2019 (compared to € 7.8 mio in 2018).
- Realised capital gain of € 5.8 mio compared to the acquisition value  
→ contributes to the distributable result
- Sold above the latest book value

## Reinvestments in large-scale new built core assets to keep the portfolio young and to enhance the efficiency of the portfolio management

Split the real estate portfolio by age (in % of Fair Value)

< 10 years	< 20 years
>50%	>70%



# Letting activities and occupancy rate

## Letting activities

- Healthy level of letting activities with 475 new lease contracts in 2019

412 leases	related to existing buildings (= tenant rotation)
63 leases	related to first commercialisations

## High and stable occupancy rate

- Average occupancy rate<sup>(1)</sup> in 2019

2018	95.5%
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.



# 4. Financial results 2019



## Key figures

Consolidated income statement (in € k)	FY 2019	FY 2018	Δ Y-o-Y	% growth
Net rental result	25 122	23 993	1 129	+4.7%
Property result	23 129	21 724	1 405	+6.5%
(-) Property costs	- 4 265	- 5 665		
(-) General costs and other operating income	-2 867	-603		
Operating result before result on the portfolio (=EBIT)	15 997	15 456	541	+3.5%
Operating margin (% of Property result)	69.2%	71.1%		
(+/-) Result on the disposal of investment properties	123	610		
(+/-) Changes in the fair value of investment properties	48 473	59 414		
(+/-) Other portfolio result	-537	-171		
Operating result	64 056	75 309		
(-) Financial result (excl. changes in fair value of financial assets and liabilities)	-4 395	-4 622		
(+/-) Changes in fair value of financial assets and liabilities	-5 412	-1 614		
(+/-) Share in the profit of associates and joint ventures	1 329	-		
(-) Taxes	-88	-295		
Net result (group share)	55 490	68 778		



## Key figures

EPRA earnings (in € k)	2019	2018	Δ Y-o-Y	% growth
Net result (group share)	55 490	68 778		
(-) Portfolio result	-48 059	-59 853		
(-) Changes in fair value of financial assets and liabilities	5 412	1 614		
(-) Non-EPRA elements of the share in the result of associates and joint ventures	-175	-		
EPRA earnings <sup>(1)</sup>	12 668	10 539	2 129	+20.2%

Per share results (in €)	2019	2018	Δ Y-o-Y	% growth
Weighted average number of shares <sup>(2)</sup>	3 288 146	3 288 146	-	-
Net result per share	16.88	20.92		
EPRA earnings per share	3.85	3.21	0.65	+20.2%
Distributable result per share <sup>(3)</sup>	5.19	4.28	0.91	+21.2%

<sup>(1)</sup> EPRA earnings = Net result (group share) excluding the portfolio result and changes in the fair value of financial assets and liabilities.

This term is used in accordance with the Best Practise Recommendations of the EPRA.

<sup>(2)</sup> The weighted average number of shares is calculated excluding 11,712 own shares.

<sup>(3)</sup> Statutory distributable result per share in accordance with article 13, §1, of the RREC-Act.





## Key figures

Consolidated balance sheet (in € k)	31/12/2019	31/12/2018	Δ Y-o-Y	% growth
Total assets	639 169	551 106	88 063	16.0%
Shareholders' equity	309 618	269 003	40 614	15.1%
Debt ratio (RECC-Act) <sup>(1)</sup>	51.41%	50.16%		
Debt ratio (IFRS) <sup>(2)</sup>	50.11%	48.90%		
NAV per share (in €)	31/12/2019	31/12/2018	Δ Y-o-Y	% growth
Total number of shares outstanding <sup>(3)</sup>	3 288 146	3 288 146	-	-
Closing price of the share	114.00	91.40	22.60	+24.7%
IFRS NAV <sup>(4)</sup>	94.16	81.81	12.35	+15.1%
Premium/discount to IFRS NAV	21.1%	11.7%		
EPRA NAV <sup>(5)</sup>	96.00	85.06	10.94	+12.9%
Premium/discount to EPRA NAV	18.7%	7.4%		

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> The total number of shares outstanding is calculated excluding 11,712 own shares.

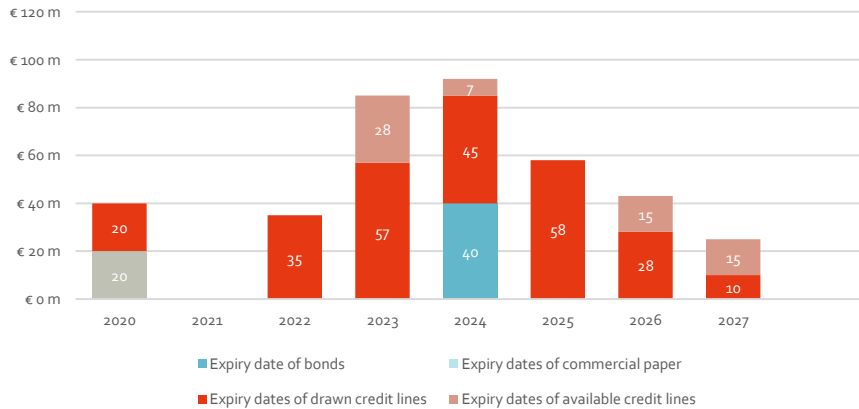
<sup>(4)</sup> IFRS NAV per share = Net Asset Value per share according to IFRS.

<sup>(5)</sup> EPRA NAV per share = Net Asset Value per share according to EPRA Best Practices Recommendations.

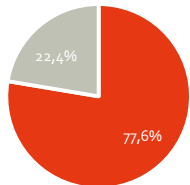


# Financial structure

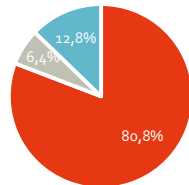
## Debt maturities (€ mio)



## Fixed/floating interest rates



## Type of debt



## Comments

- Financial debt amounts to € 313.0 m
  - Drawn credit lines : € 253.0 m
  - Bonds : € 40.0 m
  - Commercial Paper : € 20.0 m
- Weighted average remaining duration of the financial debt of 4.4 yrs
- Credit lines are provided by 6 financial institutions
- € 65.0 m committed non-withdrawn credit lines available
  - Backup lines for outstanding CP : € 20.0 m
  - Available credit lines : € 45.0 m
- Debt ratio of 51.4% (RREC-act) or 50.1% (IFRS) (strategic target <55%)
- 77.6% 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 5.6 yrs
- Average financing cost of 1.95% in FY 2019

(\* ) 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.



# 5. HOMI share



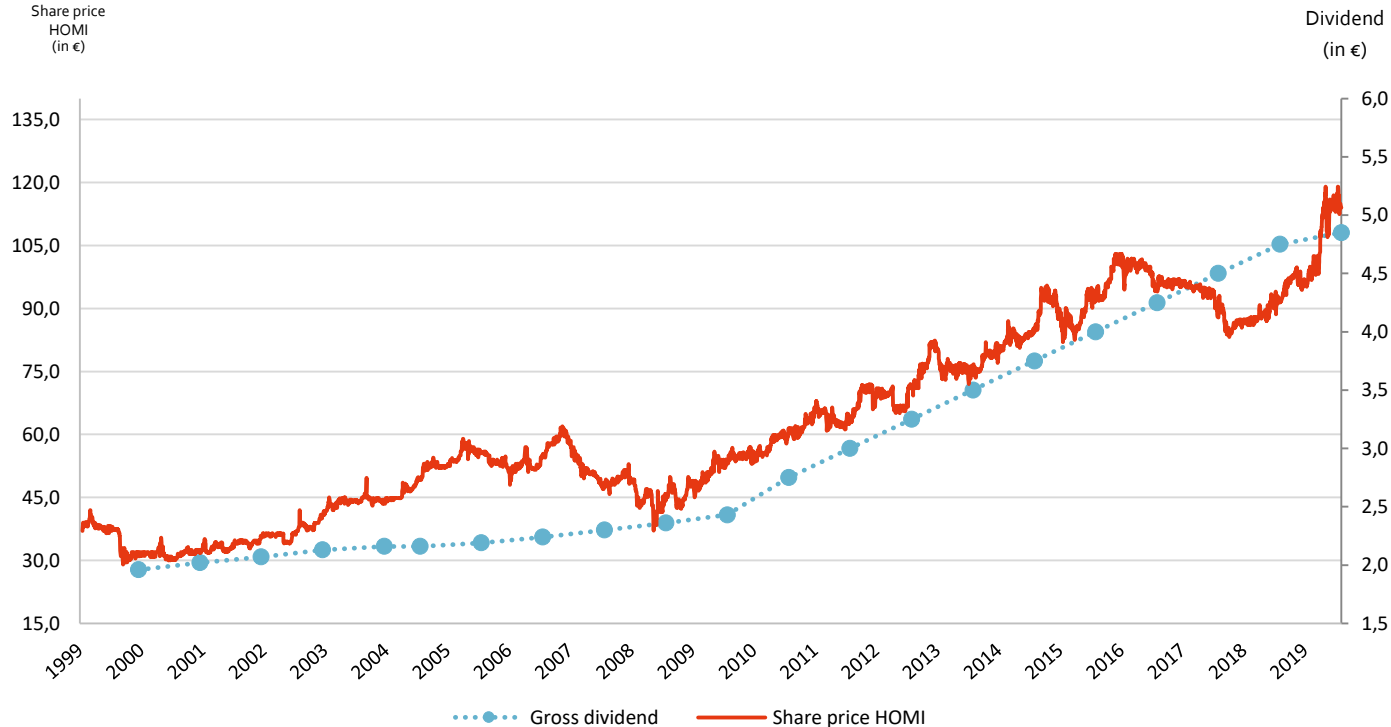
## Key figures per share

Key figures per share	31/12/2019	31/12/2018	Δ Y-o-Y	% growth
Total number of shares issued <sup>(1)</sup>	3 299 858	3 299 858	-	-
Closing price of the share	114.00	€ 91.40	€ 22.60	+24.7%
Market capitalization	€ 376 mio	€ 302 mio	€ 74 mio	+24.7%
IFRS NAV	€ 94.16	€ 81.81	€ 12.35	+15.1%
Premium/discount to IFRS NAV	21.1%	11.7%		
EPRA NAV	€ 96.00	€ 85.06	€ 10.94	+12.9%
Premium/discount to EPRA NAV	18.7%	7.4%		
Distributable result per share	€ 5.19	€ 4.28	€ 0.91	+21.2%
Gross dividend per share	€ 4.85	€ 4.75	€ 0.10	+2.1%
Dividend yield	4.3%	5.2%		

<sup>(1)</sup> Including 11,712 own shares.

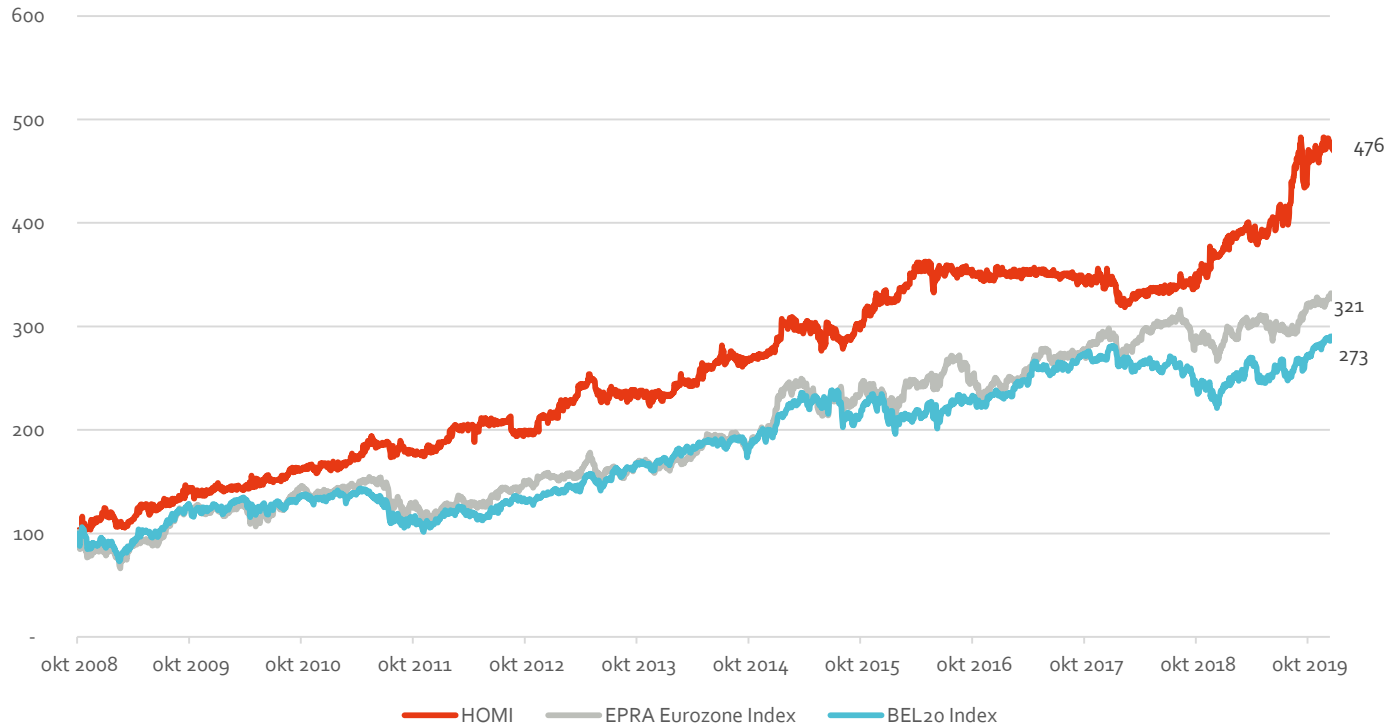


# Evolution of the share price & gross dividend





# Stock price comparison





# 6. Outlook



## Outlook and dividend

### A supportive market environment

- The residential letting market continues to grow steadily in the cities where Home Invest Belgium is active, mostly thanks to:
  - A long-term urbanisation trend, characterized by strong demographic growth in bigger cities with both younger and older people moving into the city and looking for new housing;
  - A growing share of tenants in the bigger cities, because of an increasing need for flexibility and a changing attitude towards private property and sharing concepts.
- Residential capital values are supported by a context of very low long-term interest rates.

### After a year of transition, Home Invest Belgium is ready to enter a new growth stage

- FY 2019 has been a year of transition with a new executive management (CEO & CFO).
- The executive management has first focussed its attention on the operating platform and the streamlining of the company's business units and profit drivers :
  - Asset management and the optimisation of the rental business;
  - Transforming the operating platform to a scalable model;
  - Own development projects;
  - Investments and acquisitions.
- The company is now ready to scale up and enter a new growth stage.

### FY 2019 dividend

- The Board of Directors will propose a gross dividend of € 4.85 for FY 2019 (compared to € 4.75 for FY 2018).





Thank you for your attention.



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