



# Leasinvest Real Estate

1H 2019 results

22/08/2019



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# Activity overview



# Investments



Agreement with Immo Lux-Airport SA for the acquisition of the **EBBC buildings B and E** in the EBBC Business Park in Luxembourg

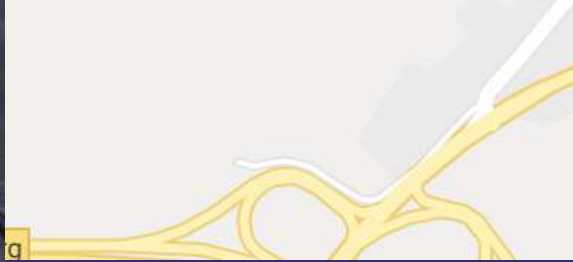


Optional dividend & extra shares

-

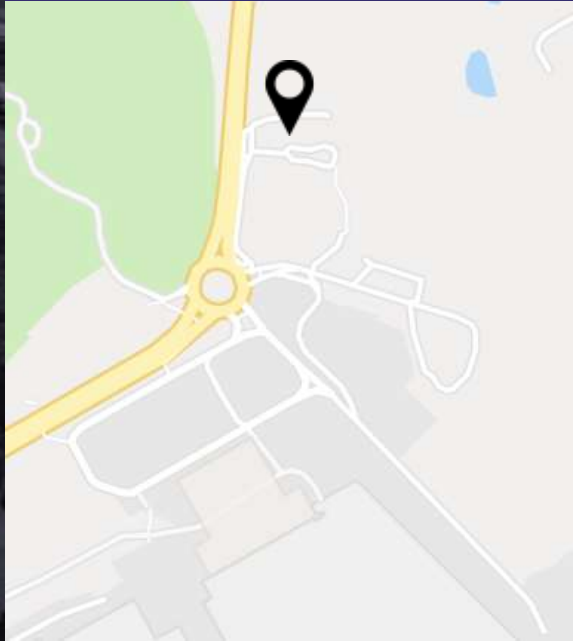
**Retail Estates**





Agreement  
Immo Lux Airport

**EBBC B & E (LU)**



Business park

~ **27,000 m<sup>2</sup>**



LRE is also **redeveloping** the site to build a stronger business community with advanced services to occupants (restauration, kinder garden + add fitness, co-working, etc.) & shared IT services,



LRE now owns **5 of 6 buildings** on total EBBC site



Rebranding



**Investment price** buildings **B & E** (were already investment properties through 69.8% stake in Lux Airport certificates: **€ 47.3 m**)



**benefit from new infrastructures around the site (Tram, Airport, Hotels)**



# Retail Estates (BE)

Leasinvest (LRE) holds **10.49%** share in BE-REIT

Retail Estates (**€ 107.3 m** at 30/06/2019)

**€ 9.2 m** investment in optional dividend and 75,000 extra shares to keep >10% stake

Real estate portfolio of **€ 1.5 bn** (30/06/2019)

Focus = clusters & retail parks  
(**82%** of total portfolio)

Portfolio breakdown:  
**BE 77% - NL 23%**

LRE must hold minimum **10% stake**  
for fiscal reasons (otherwise 30%  
withholding tax deducted)





# Developments



**Montoyer 14 (BE)**



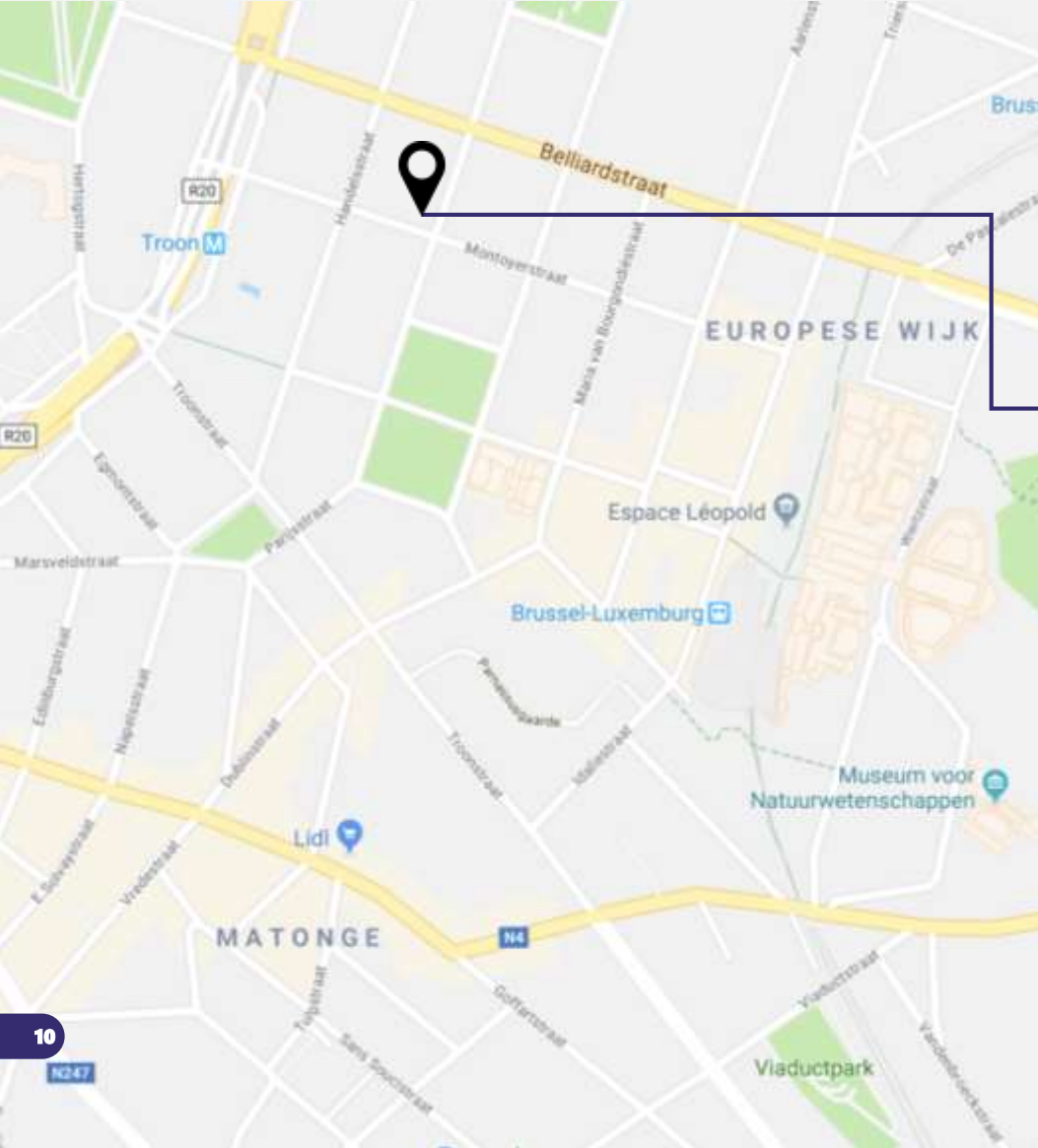
**Hangar 26/27 (BE)**



**Knauf Schmiede (LU)**



**Knauf Pommerloch (LU)**



# Montoyer 14

CBD Brussels (BE)





## Redevelopment Montoyer 14 in the **European Quarter**



Design:  
Archi2000 Architects  
(Brussels)



Expected  
Rent Price  
**€ 275/m<sup>2</sup>**



ERV of **€ 1.2 m**



Investment Price:  
**€ 23.5 m**

First higher wooden  
construction

CO<sub>2</sub> neutral  
passive building

New generation of  
'recyclable buildings'

Bream Excellent



Building permit  
request  
introduced  
**end May**

Delivery:  
**16 months**  
Q1/Q2 2021



Office building of  
**4,000 m<sup>2</sup>**  
to redevelop



Acquisition

## Hangar 26/27 (BE)





Retail and offices  
**9,395 m<sup>2</sup>**



Investment Price:  
**€ 23 m**

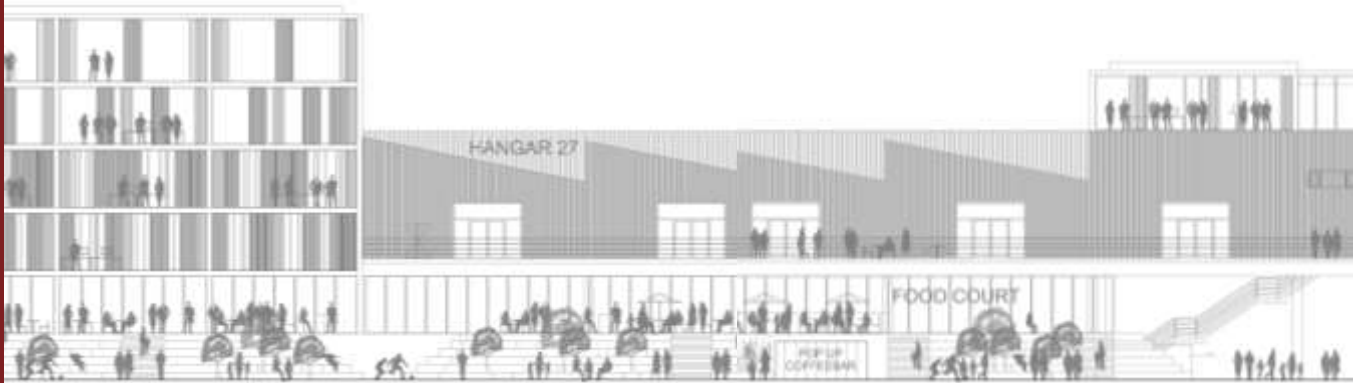


Danish architects **CF Moller** have been appointed to design a high-end mixed projects with extension of offices and retail

Building permit request will be introduced  
**beginning of 2020**

Construction works foreseen to start in  
**Q4 2020**

New lease for renovated unit at **€ 165/m<sup>2</sup>/y**





Redevelopment  
Knauf shopping center

## Schmiede (LU)





Strengthening  
position as largest  
shopping center in the  
North of Luxembourg



Extension of  
**~ 8,000 m<sup>2</sup>**



Extension H&M & Delhaize: **1H 2020**



Opening **C&A Family**  
store of **976 m<sup>2</sup>**



Foreseen Capex:  
**€ 30 m**

Reception  
**Q3 2021**

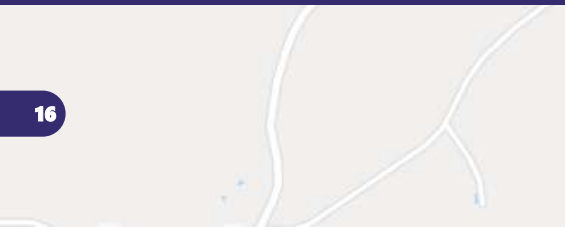


Finalization interior  
redesign:  
**end 2019**



Redevelopment  
Knauf shopping center

## **Pommerloch (LU)**







## Extension of parking

additional commercial &  
office space  
(both 850 m<sup>2</sup>)



Extension of **Leonidas** Chaqwa coffee formula



Works evolve as scheduled  
(**March 2019 – April 2020**)

# Leases



**Monnet, EBBC and Esch:**  
new leases signed in coming months, solving rental vacancy



**Frun® Park Asten & Gewerbepark Stadlau:**  
100% occupancy (extension & renewals)



**Tour & Taxis Royal Depot:**  
high occupancy thanks to a number of renegotiations and extensions



**Treesquare:** 100% leased



**Mercator:** advanced negotiations with potential tenant who would like to lease the space that CSSF will leave end of August



**Brixton Business Park, Riverside Business Park and The Crescent Anderlecht:** renegotiations and extensions



**Knauf Schmiede:** opening C&A family store of 976 m<sup>2</sup> and an extension by 500 m<sup>2</sup> to a total surface of 760 m<sup>2</sup> of Selexion shop



**Hangar 26/27:** new lease at € 165/m<sup>2</sup>/y

# Corporate governance



# Board of Directors & Management

as per  
20/05/2019

## Directors nominated by AvH

**Jan Snykens**  
Chairman

CEO & chairman  
Executive Committee  
Ackermans  
& van Haaren

**Piet Dejonghe**  
Director

member Executive  
Committee  
Ackermans  
& van Haaren



**Michel Van Gayte**  
Executive director

CEO Leasinvest Real Estate



**Jean-Louis Appelmans**  
Director

non-executive director  
(ex-CEO Leasinvest Real Estate)

## Independent directors



**Colette Dierick**  
Independent director

CEO ING Luxembourg S.A.



**Marcia De Wachter**  
Independent director

considering INED  
and/or senior  
advisory positions in  
the financial services



**Sigrïd Hermans**  
Independent director

LIFE group Antwerp, CFO



**Dirk Adriaenssen**  
Independent director

Managing director Redevco  
Switzerland Asset  
Management Services AG

**Eric Van Dyck**  
Independent director

Cushman & Wakefield  
London – Chairman Capital  
Markets EMEA/ ex-CIO  
Redevco B.V.

## Executive committee

(as of 1 December 2018)



**Michel Van Gayte**  
Chief Executive Officer

25 years of real estate experience  
of which 3 years as managing  
partner at Knight Frank Belgium  
and of which 13 years as  
COO/CIO with LRE



**Tim Rens**  
Chief Financial Officer

12 years of audit experience  
at Deloitte of which 4 years  
as Senior Audit Manager –  
Joined LRE in 05/2017 –  
effective officer

# Board of Directors & sub-committees

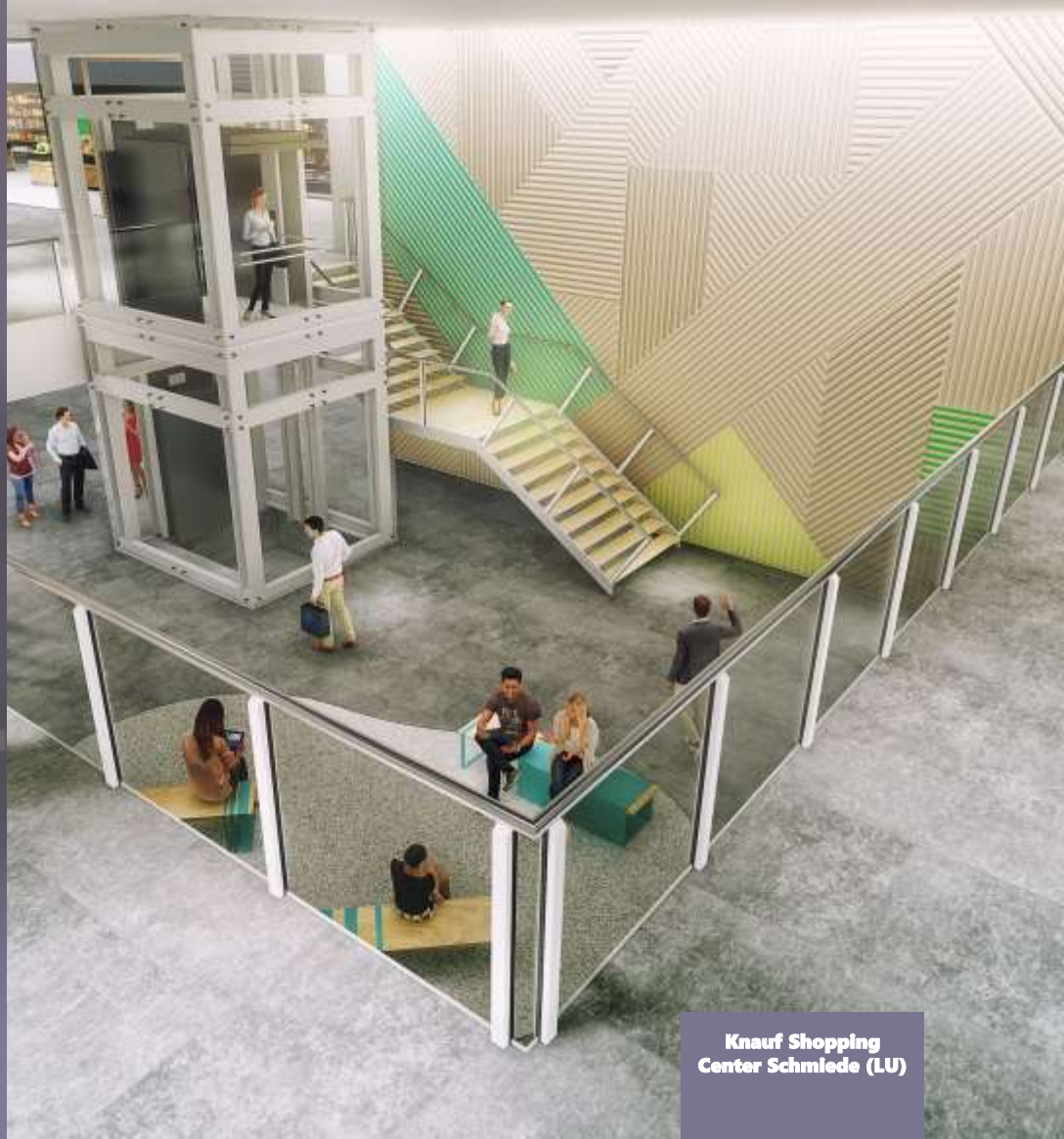
|                       | BoD                              | AC           | BRC          |
|-----------------------|----------------------------------|--------------|--------------|
| Jan Suykens           | Chairman, non-executive director |              | X (chairman) |
| Michel Van Geyte      | Managing director                |              |              |
| Piet Dejonghe         | non-executive director           | X            |              |
| Jean-Louis Appelmans* | non-executive director           |              |              |
| Dirk Adriaenssen      | Independent director             |              |              |
| Eric Van Dyck         | Independent director             |              | X            |
| Marcia De Wachter**   | Independent director             | X            |              |
| Colette Dierick**     | Independent director             |              |              |
| Sigrid Hermans**      | Independent director             | X (chairman) | X            |

\* Till annual meeting of 2020

\*\* Till annual meeting of 2023

Remuneration of independent directors and Jean-Louis Appelmans: € 2,500 per meeting of the board of directors and the committee they are a member of, on top of the annual fixed remuneration (€ 20.000 for the BoD and € 4.000 per committee).

# Portfolio overview



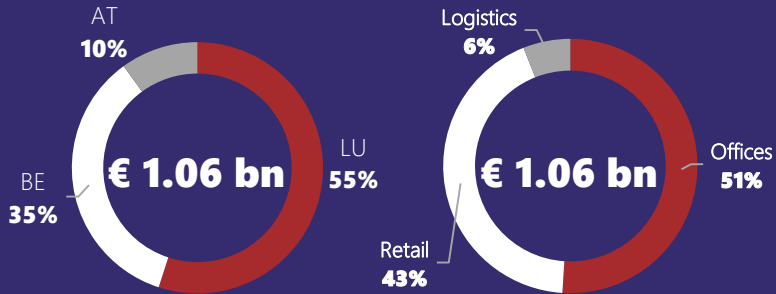
**Knauf Shopping  
Center Schmiede (LU)**

# Portfolio overview

**01** Focused on two segments in three countries

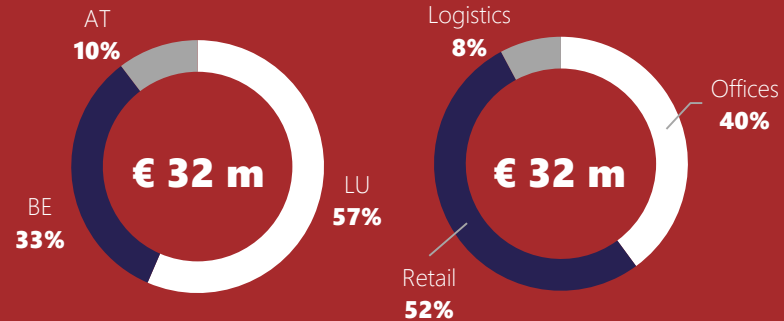
## Portfolio split – Fair value

30/06/2019



## Portfolio split – Net income

30/06/2019



Excluding stake in Retail Estates

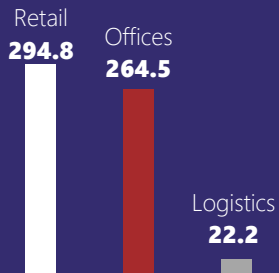
# Portfolio overview

**02** A unique combination of market segments and geographical diversification



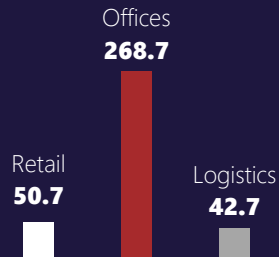
**LU**

FV | **€ 581.5 m**  
Yield | **6.51%**



**BE**

FV | **€ 366.3 m**  
Yield | **6.48%**



**AT**

FV | **€ 107.3 m**  
Yield | **5.41%**





# Portfolio overview

**03** Demonstrating long term growth through a focused approach

**Evolution of portfolio fair value per country**

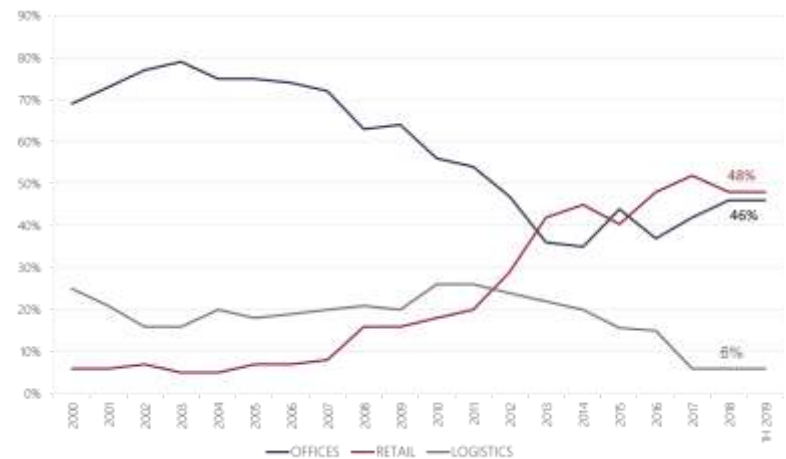


including stake in Retail Estates

Focus on three countries

- i.e. Luxembourg – Belgium – Austria
- sale of Swiss portfolio in 2017

**Evolution of split in market segments**



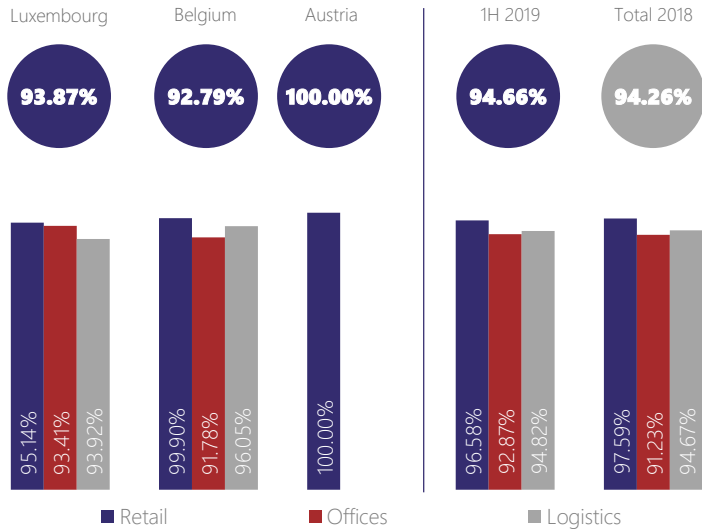
Focus on two asset classes

- i.e. retail and offices
- sale of largest part of logistics portfolio in 2017

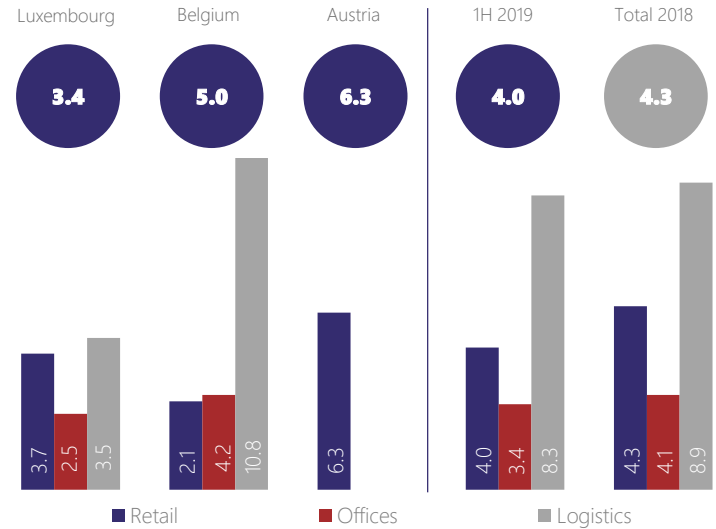
# Portfolio overview

## 04 On the back of solid occupancy rates

### Occupancy rates per 30 June 2019



### Duration leases till first break per 30 June 2019



# Leasinvest's markets

## Office Market (1H 2019)



## Luxembourg

Vacancy rate ~ **3.6%**

take-up: **41,334 m<sup>2</sup>** (down due to global context)

Prime rent ~ **€ 52/m<sup>2</sup>/month**

Prime yield ~ **3.75%**



## Belgium

Take-up Brussels **(+120% YoY)**  
of which 55% in projects

Vacancy rate: **7.6% (CBD 3.3%)**

Prime rent CBD: **315€/m<sup>2</sup>/y**  
(Treesquare at € 330/m<sup>2</sup>/y)

Investments: **€ 1.2 bn (+7% YoY)**

Prime yield: **4.15%** (LT 3.5%)



# Leasinvest's markets

## Retail Market (1H 2019)



## Luxembourg

Rental market: take-up **14,261 m<sup>2</sup>** - **shopping centers +50%** vs 5-y 1H average & representing 50% of total, due to completion of several projects (e.g. Cloche d'Or – 70,000 m<sup>2</sup>)

**Stable** prime rents



## Austria

Increasing online sales lead to a **stagnation of retail spaces**

Retail sales and retail space per capita among **highest in Europe**

**Turnover and sales** expected to be supported by population and income growth over next 5years

# Leasinvest's markets



Luxembourg is a key intermediary of global capital flow with more than **4.16 tn** of assets under management

Luxembourg has been an employment magnet for neighboring countries and beyond

Economic performance has remained strong in 2018, with a **GDP growth of 3.6%, with 4.0% forecasted for 2019**

The external position of Luxembourg has remained in **surplus 5.5% to GDP**

Financial sector performance remained strong

Luxembourg's compliency with international anti-tax avoidance and transparency initiatives is progressing

## S&P renouvelle son triple A au Luxembourg

Écrit par Paperjam.La  
Publié le 17.03.2019



Le Luxembourg est bien placé pour continuer à attirer les investisseurs internationaux du Droit, Finance, S&P. (Photo: Shutterstock)

## Du sang neuf pour la Place



Écrit par Laura Fort  
Publié à 06:50



Deux courages d'élites ont renouvelé leur activité au Luxembourg, et certains investisseurs étrangers se réajustent lentement mais sûrement à la République. Un jour comme à ses côtés, l'Etat (Photo: Shutterstock)

Si les interrogations et les craintes sont encore nombreuses, les opportunités que constitue le Brexit pour le Luxembourg le sont tout autant.

## Être inventif dans un marché immobilier saturé

Difficile aujourd'hui de trouver un service à bâtir, un logement, des bureaux ou des bureaux au Luxembourg. Il y a pénurie de biens immobiliers à louer ou à acquérir. Cette situation risque de perdurer, car aucun indicateur - comme un brusque tassement du coût ou une perte de confiance - ne laisse entrevoir une baisse générale de la demande. De même, l'offre de biens n'augmentera pas non plus dans l'immédiat. L'immobilier évolue lentement par nature.

Au niveau professionnel, le taux de vacance des bureaux, conventions et bâtiments est historiquement bas : 3,5% sur l'ensemble du pays immobilier, et ce taux continue de se réduire.

Pour les locataires - qui représentent 80% des occupants - la recherche de nouvelles surfaces constitue un processus long et complexe : le délai de préavis est souvent fixé à six mois, ce qui est peu pour visiter, choisir, négocier, arranger de nouveaux bureaux, éventuellement les anciens et déménager. Élargir ses activités dans d'autres locaux n'est guère simple jusqu'à un à l'infini.

# Leasinvest's markets



While demand for retail properties remains high, supply is limited, weighting on yields.

The production of new space for retail parks and shopping centres has basically come to a standstill.

Most of the attractive development locations are occupied.

Shopping centres are focusing more on quality improvements instead of further expansion.

2017 2018 2019

GDP growth (%yoy) 2.6 2.7 1.6

Headline inflation (%yoy) 2.2 2.1 2.0

## Vienna is the best place to live worldwide

Vienna is the best place to live worldwide

"The Economist" ranks Vienna as best place worldwide in terms of quality of life in 2018.

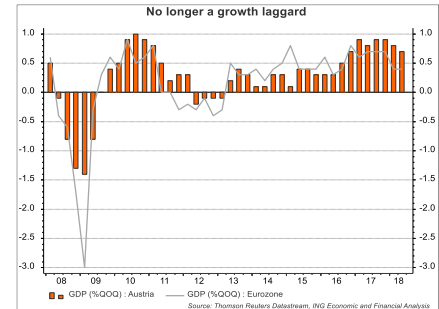


Vienna is the first European metropolis to be ranked first in the annual Global Liveability Index of the renowned British weekly "The Economist". The study compares 140 cities based on factors such as political stability, social security, access to health care and education.

Vienna replaced Melbourne in 2018 after seven years at the top. Both cities retained full points for health systems, education, culture and safety.

High social security, political stability and low crime rate were the decisive factors for the top ranking.

## Austria's economy is powering ahead



## Austria: Bright spots keep the economy going

Thanks to investment and consumption, the Austrian economy remains on a solid growth path in the first half of 2019. Even foreign trade made a positive contribution to overall economic growth

### Growth drivers

According to a flash estimate from the Austrian Institute of Economic Research, the Austrian economy grew by 0.3% quarter-on-quarter. The seasonally and working day adjusted Eurostat measure confirmed the positive picture, although coming in a bit lower at 0.2% QoQ. Meanwhile, first quarter GDP growth has been revised up from 0.3% QoQ to 0.4% QoQ.

The economy's growth drivers remain consumption and investment. Household and public consumption expenditure expanded by 0.4% QoQ, with private consumption taking the lead, rising 0.5%. Investment activity remained good, although the pace slowed. Equipment, buildings and other investments expanded by 0.5% compared to 0.8% the quarter before.

Treesquare (BE)

# Highlights

1H 2019



# Highlights

## 1H 2019



Dividend 2018 +2%  
**€ 5.10/share**



EPRA earnings  
rise by **58%** to ~ **€ 22.1 m**  
from ~ **€ 14.0 m** (1H 2018 &  
including dividend from RE)



Net result **€ 25.3 m**  
(**€ 4.27/share**) vs **€ 19.7 m**  
(1H 2018, **€ 3.99/share**)



Weighted average  
lease term of  
**3.97 years**



Funding cost drops to  
**2.34%** from **2.59%**  
(2018)



Real estate portfolio  
of **€ 1.162 bn**  
including Retail Estates

Debt ratio at  
**55.70%**





# Dividend evolution

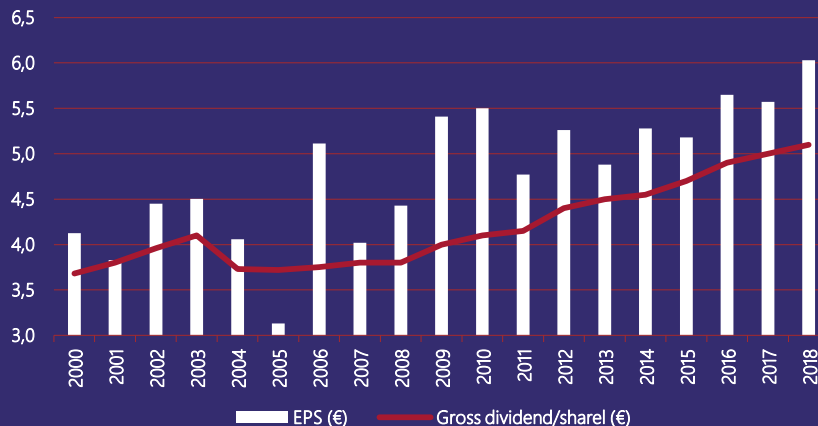
Gross dividend 2018 increased **+2%**  
to € 5.10 over 2018 (2017: € 5.00)

Net dividend 2018 amounts to **€ 3.57** (excl. 30%  
WHT), vs 2017 **€ 3.50** (excl. 30% WHT)

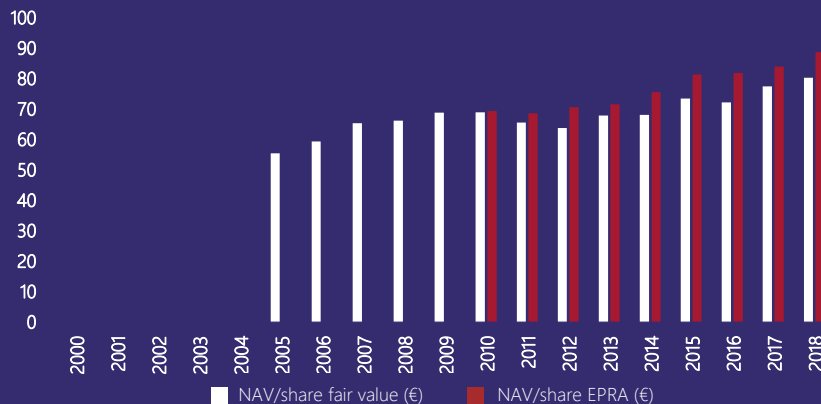
Gross dividend yield of **5.84%** (31/12/2018)

Consolidated pay-out ratio 2018: **84.58%**  
(2017: 89.77%)

## Long term EPS & Gross DPS evolution



## Long term NAV/Share evolution



# Financials & outlook



# Key consolidated financials

1H 2019

| Key figures balance sheet  | 30/06/2019 | 31/12/2018 |
|--|------------|------------|
| Net asset value group share (€ 1,000)                                    | 464 431    | 475 811    |
| Weighted average number of shares after capital increase on 04/10/2018   | 5 926 644  | 5 179 724  |
| Number of shares at closing date   | 5 926 644  | 5 926 644  |
| Net asset value group share per share                                    | 78.4       | 80.3       |
| Net asset value group share per share based on investment value          | 82.0       | 83.9       |
| Net asset value group share per share EPRA                               | 89.1       | 88.7       |
| Total assets (€ 1,000)   | 1 216 969  | 1 156 107  |
| Financial debt   | 609 950    | 595 400    |
| Financial debt ratio (in accordance with RD 13/07/2014)                  | 55.70%     | 53.53%     |
| Average duration credit lines (years)                                    | 2.96       | 3.11       |
| Average funding cost (excluding fair value adjustments fin. instruments) | 2.34%      | 2.59%      |
| Average duration hedges (years)  | 6.61       | 5.35       |
| Key figures income statement   | 30/06/2019 | 30/06/2018 |
| Rental income (€ 1,000)  | 32 377     | 27 858     |
| Net rental result per share  | 5.46       | 5.64       |
| EPRA Earnings (1)  | 22 124     | 13 968     |
| EPRA Earnings per share (1)  | 3.73       | 2.83       |
| Net result group share (€ 1,000)   | 25 305     | 19 683     |
| Net result group share per share   | 4.27       | 3.99       |
| Comprehensive income group share (€ 1,000)                               | 15 113     | 19 082     |
| Comprehensive income group share per share                               | 2.55       | 3.86       |

(1) De EPRA Earnings, previously the net current result, consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

# EPRA KPIs

## 1H 2019

| EPRA performance measures                                | 30/06/2019 | 30/06/2018 |
|--|------------|------------|
| EPRA Earnings* (in € per share) (1)                      | 3.73       | 2.83       |
| EPRA NAV* (in € per share) (2)                           | 89.07      | 82.84      |
| EPRA NNNNAV* (in € per share) (3)                        | 80.3       | 75.46      |
| EPRA Net Initial Yield* (in %) (4)                       | 5.32%      | 5.49%      |
| EPRA Topped up Net Initial Yield* (in %) (5)             | 5.33%      | 5.50%      |
| EPRA Vacancy* (in %) (6)                                 | 5.16%      | 5.54%      |
| EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7) | 24.49%     | 22.96%     |
| EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7) | 21.90%     | 21.09%     |

(1) The EPRA Earnings, previously the net current result, consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

(2) EPRA Net Asset Value (NAV) consists of the adjusted Net Asset Value, excluding certain elements that do not fit within a financial model of long-term real estate investments; see also [www.epra.com](http://www.epra.com)

(3) EPRA NNNNAV (triple Net Asset Value) consists of the EPRA NAV, adjusted to take account of the fair value of the financial instruments, the debts and the deferred taxes; see also [www.epra.com](http://www.epra.com)

(4) EPRA Net Initial Yield comprises the annualized gross rental income based on the current rents at the closing date of the financial statements, excluding the property charges, divided by the market value of the portfolio, increased by the estimated transfer rights and costs for hypothetical disposal of investment properties; see also [www.epra.com](http://www.epra.com).

(5) EPRA Topped up Net Initial Yield correct the EPRA Net Initial Yield with regard to the ending of gratuities and other rental incentives granted; see also [www.epra.com](http://www.epra.com)

(6) EPRA Vacancy is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio; see also [www.epra.com](http://www.epra.com).

(7) EPRA Cost ratio consists of the relation of the operating and general charges versus the gross rental income (including and excluding direct vacancy costs); see also [www.epra.com](http://www.epra.com)

# Consolidated income statement



Sixth year in a row

| Consolidated statement of realized and unrealized results (in 1,000 €)                                     | 30/06/2019    | 30/06/2018    |
|--|---------------|---------------|
| (+) Rental income  | 32 377        | 27 858        |
| (+) Write-back of lease payments sold and discounted   | 0             | 0             |
| (+/-) Related-rental expenses  | -202          | 0             |
| <b>NET RENTAL INCOME</b>   | <b>32 175</b> | <b>27 858</b> |
| (+) Recovery of property charges   | 2             | 76            |
| (+) Recovery income of charges and taxes normally payable by tenants on let properties                     | 2 856         | 1 524         |
| (-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease | 0             | 0             |
| (-) Charges and taxes normally payable by tenants on let properties  | -2 856        | -1 524        |
| (+/-) Other rental related income and expenditure  | -1 170        | -903          |
| <b>PROPERTY RESULT</b>   | <b>31 006</b> | <b>27 031</b> |
| (-) Technical costs  | -469          | -508          |
| (-) Commercial costs   | -478          | -371          |
| (-) Charges and taxes on un-let properties   | -838          | -520          |
| (-) Property management costs  | -2 905        | -2 555        |
| (-) Other property charges   | -348          | -222          |
| <b>PROPERTY CHARGES</b>  | <b>-5 037</b> | <b>-4 176</b> |
| <b>PROPERTY OPERATING RESULT</b>   | <b>25 969</b> | <b>22 855</b> |
| (-) Corporate operating charges  | -1 716        | -1 438        |
| (+/-) Other operating charges and income   | -7            | 122           |
| <b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>   | <b>24 246</b> | <b>21 539</b> |
| (+/-) Result on disposal of investment properties  | 795           | 0             |
| (+/-) Changes in fair value of investment properties   | 214           | 25            |
| <b>OPERATING RESULT</b>  | <b>25 255</b> | <b>21 564</b> |
| (+) Financial income   | 5 167         | 59            |
| (-) Net interest charges   | -6 238        | -6 803        |
| (-) Other financial charges  | -656          | -563          |
| (+/-) Changes in fair value of financial assets and liabilities  | 2 173         | 5 690         |
| <b>FINANCIAL RESULT</b>  | <b>446</b>    | <b>-1 617</b> |
| <b>PRE-TAX RESULT</b>  | <b>25 702</b> | <b>19 947</b> |
| (+/-) Corporate taxes  | -396          | -264          |
| (+/-) Exit tax   | 0             | 0             |
| <b>TAXES</b>   | <b>-396</b>   | <b>-264</b>   |
| <b>NET RESULT</b>  | <b>25 305</b> | <b>19 683</b> |

# Consolidated balance sheet

| ASSETS (in 1,000 euro)                      | 30/06/2019 | 31/12/2018 | LIABILITIES (in 1,000 euro)  | 30/06/2019 | 31/12/2018 |
|---|------------|------------|--|------------|------------|
| I. NON-CURRENT ASSETS                       | 1 192 663  | 1 116 270  | TOTAL SHAREHOLDERS' EQUITY   | 464 431    | 475 811    |
| Intangible assets                           | 0          | 0          | I. SHAREHOLDERS' EQUITY<br>ATTRIBUTABLE TO THE SHAREHOLDERS<br>OF THE PARENT COMPANY | 464 431    | 475 811    |
| Investment properties                       | 1 037 334  | 1 004 237  | Capital  | 65 178     | 65 178     |
| Other tangible assets                       | 1 036      | 1 263      | Share premium account  | 194 189    | 194 189    |
| Non-current financial assets                | 136 527    | 92 974     | Purchase of treasury shares  | -12        | -12        |
| Finance lease receivables                   | 17 765     | 17 796     | Reserves   | 179 770    | 178 262    |
| II. CURRENT ASSETS                          | 24 306     | 39 837     | Translation differences  | 0          | 0          |
| Assets held for sale                        | 0          | 15 050     | Net result of the financial year   | 25 305     | 38 194     |
| Trade receivables                           | 15 545     | 13 166     | II. MINORITY INTERESTS   |            | 0          |
| Tax receivables and other<br>current assets | 3 316      | 3 303      | LIABILITIES  | 752 538    | 680 296    |
| Cash and cash equivalents                   | 4 178      | 7 403      | I. NON-CURRENT LIABILITIES   | 393 968    | 385 013    |
| Deferred charges and<br>accrued income      | 1 268      | 915        | Provisions - other   | 11         | 11         |
| TOTAL ASSETS                                | 1 216 969  | 1 156 107  | Non-current financial debts  | 325 723    | 334 509    |
|   |            |            | - Credit institutions  | 304 384    | 312 359    |
|   |            |            | - Other  | 21 339     | 22 150     |
|   |            |            | Other non-current financial liabilities  | 53 549     | 35 625     |
|   |            |            | Other non-current liabilities  |            |            |
|   |            |            | Deferred taxes   | 14 686     | 14 868     |
|   |            |            | II. CURRENT LIABILITIES  | 358 569    | 295 283    |
|   |            |            | Provisions   |            |            |
|   |            |            | Current financial debts  | 288 173    | 264 198    |
|   |            |            | - Credit institutions  | 47 500     | 47 533     |
|   |            |            | - Other  | 240 673    | 216 665    |
|   |            |            | Other current liabilities  | 0          | 0          |
|   |            |            | Trade debts and other current debts  | 14 339     | 17 698     |
|   |            |            | - Exit tax   | 0          | 0          |
|   |            |            | - Other  | 14 339     | 17 698     |
|   |            |            | Other current liabilities  | 44 938     | 2 048      |
|   |            |            | Accrued charges and deferred income  | 11 119     | 11 339     |
|   |            |            | TOTAL EQUITY AND LIABILITIES   | 1 216 969  | 1 156 107  |

# Funding

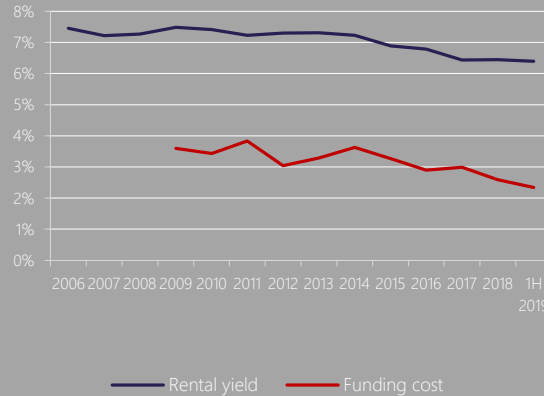
Cost of debt: decrease from **2.59%** (2018) to **2.34%** (1H 2019)

Total committed lines (incl. bonds) of **€ 610.0 m**

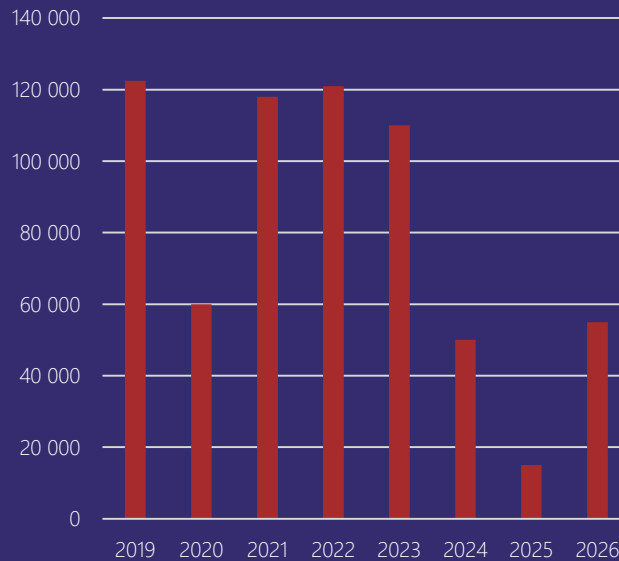
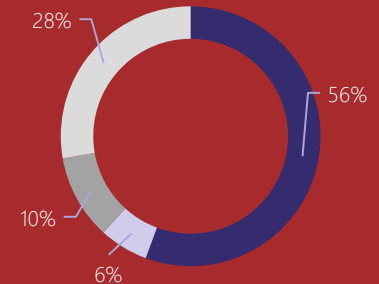
Duration credit facilities decreased from **3.11y** (2018) to **2.96y** (1H 2019)

Available headroom credit facilities **€ 41 m**

## Rental yield vs funding cost



## Funding diversification



- Bilateral floating rate
- Bilateral fixed rate
- Bonds
- Commercial paper

# Hedging

Debt financing – **52%** fixed ratio

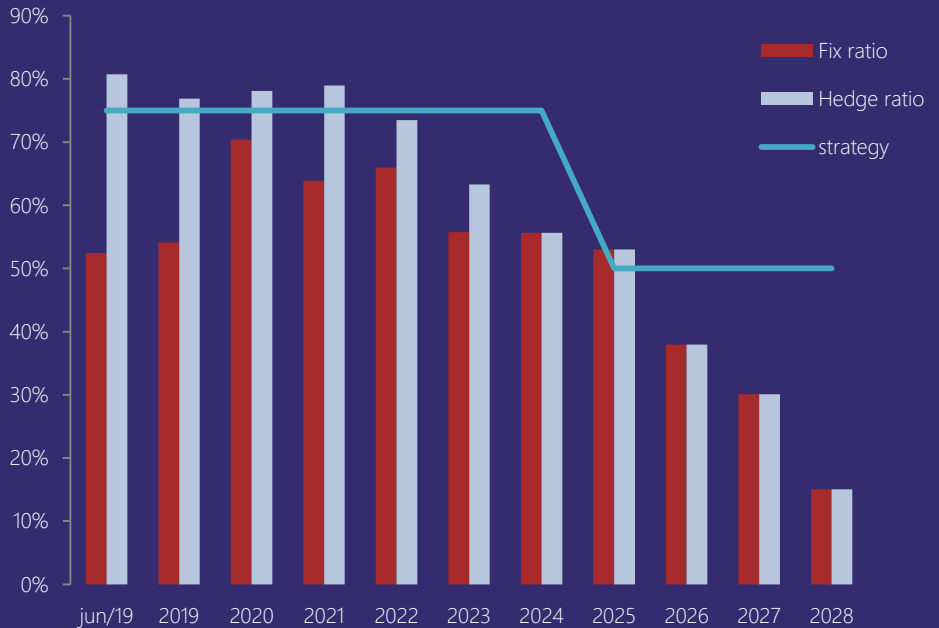
Hedge ratio (30/06/2019) – **81%**

Fixed rate debt, incl. bonds (**29%**)  
and interest rate swaps (**52%**)

Duration hedges: **6.61y**  
**vs 5.35y** (2018)

New forward starting derivatives  
purchased (Interest Rate Swaps and  
CAP-options) < low interest rates

## Hedge ratio





# Outlook

## FY 2019

As already mentioned in the annual financial report 2018, subject to extraordinary circumstances, LRE expects a higher rental income in comparison with 2018, while the financial costs are expected to be in line with those of the previous year. However, we have to take into account that the number of shares has increased after the capital increase of October 2018, the results of 2019 having to be divided over 5.9 million shares vs 5.2 million shares in 2018, being the weighted average number of shares throughout 2018.

Within this scope, a dividend is forecasted that will at least be equal to the dividend over the financial year 2018, namely € 5.10 gross per share.



# Financial calendar and analyst coverage

## Financial calendar

|                  |  |
|------------------|--|
| 14 November 2019 | Interim statement Q3 (30/09/2019)                  |
| 19 February 2020 | Annual results FY 2019 (31/12/2019)                |
| 30 March 2020    | Annual financial report 2019                       |
| 18 May 2020      | Interim statement Q1 (31/03/2020) & annual meeting |
| 25 May 2020      | Dividend payment                                   |
| 20 August 2020   | Half-year financial report 2020                    |

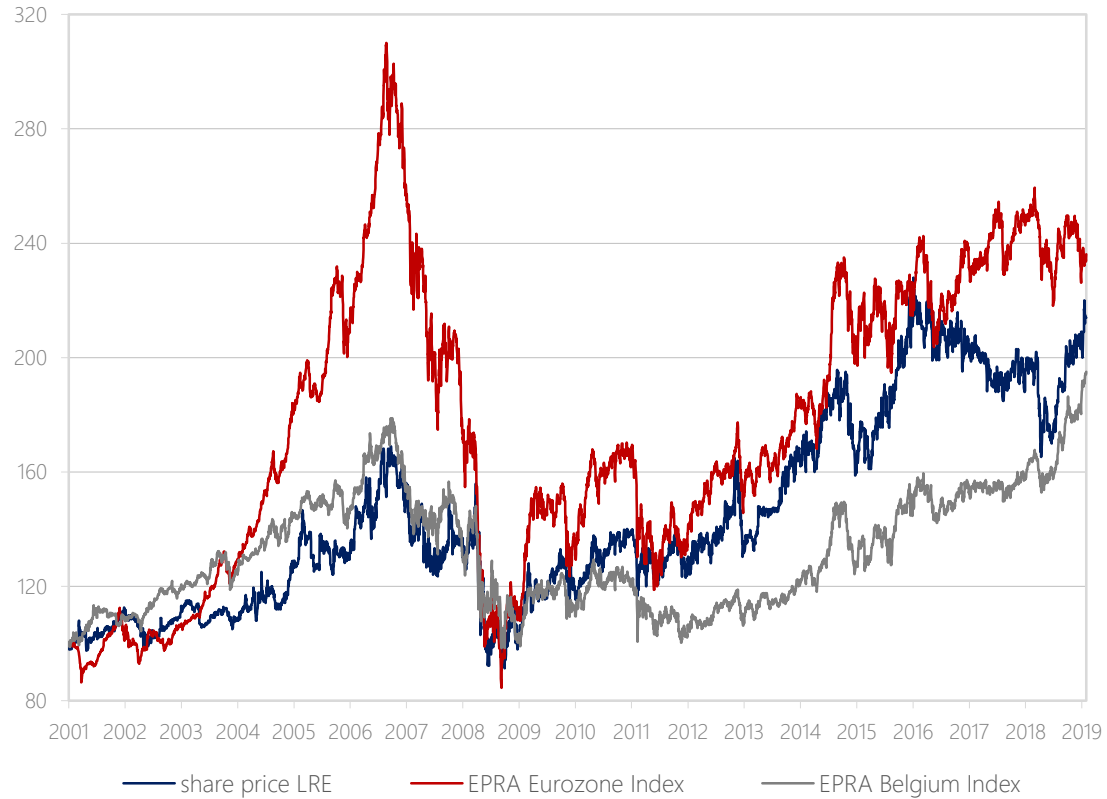
## Analyst coverage

|                       |                     |
|-----------------------|---------------------|
| Bank Degroof Petercam | Herman van der Loos |
| ING Bank              | Pieter Runneboom    |
| KBC Securities        | Jan Opdecam         |
| Kepler Cheuvreux      | Frédéric Renard     |

# Share price performance



# Share performance



# Share performance



Figures till 9 August 2019 included

| Performance comparison | Companies                     | 1 month | 3 month | 6 month | YTD    | 1 year | 3 year | 5 year | Inception | Volatility | Sharpe |
|------------------------|-------------------------------|---------|---------|---------|--------|--------|--------|--------|-----------|------------|--------|
|                        | Leasinvest Real Estate        | 2.43%   | 7.31%   | 13.46%  | 22.29% | 16.02% | 5.73%  | 10.90% | 9.88%     | 12.70%     | 3.00   |
|                        | Bolnisi                       | 0.99%   | 1.71%   | -0.81%  | -7.08% | 6.51%  | 1.01%  | -3.70% | 5.49%     | 15.01%     | 2.08   |
|                        | Colnizma                      | 4.55%   | 7.30%   | 5.90%   | 12.73% | 9.21%  | 7.77%  | 11.12% | 6.78%     | 11.82%     | 4.26   |
|                        | Interval Offices & Warehouses | 4.89%   | 3.07%   | 22.70%  | 25.34% | 27.60% | 8.44%  | 10.75% |           | 15.36%     | 3.25   |
|                        | Retail Estates                | -0.25%  | 2.73%   | 10.29%  | 11.01% | 10.43% | 5.10%  | 11.25% | 11.81%    | 12.24%     | 4.12   |
|                        | Warehouses de Paue            | 3.03%   | 12.86%  | 22.58%  | 35.78% | 36.25% | 23.22% | 27.40% | 17.52%    | 14.70%     | 4.54   |
| <b>Indices</b>         |                               |         |         |         |        |        |        |        |           |            |        |
|                        | GPR 250 Europe                | 0.93%   | -3.19%  | -1.51%  | 6.59%  | 4.43%  | 1.54%  | 8.25%  | 10.90%    | 16.32%     | 2.78   |
|                        | GPR 250 Belgium               | 4.55%   | 7.30%   | 5.91%   | 12.74% | 9.22%  | 7.75%  | 11.06% | 9.98%     | 13.67%     | 3.08   |

Performance graph



The table above presents returns for different time horizons up to 31 July 2019. All calculations are based on nominal total returns with reinvestment of dividends. Returns are compounded and determined in local currency and based on the closing price of each month. Inception date is the start date of Leasinvest Real Estate which is 7/31/99. Volatility is calculated as the 5-year annualized standard deviation of monthly returns. The Sharpe ratio is calculated with the 5-year annualized return, the volatility and the 1-month Euroibor.

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Global Property Research, August 2018

# Share performance

# Appendices



# Investor relations team

## Michel Van Geyte

Chief Executive Officer

Michel Van Geyte (53) joined Leasinvest Real Estate in August 2004. He is CEO and executive director of Leasinvest Real Estate and Leasinvest Immo Lux.

[michel.vangeyte@leasinvest.be](mailto:michel.vangeyte@leasinvest.be)



## Tim Rens

Chief Financial Officer

Tim Rens (38) joined Leasinvest Real Estate as CFO in May 2017.

[tim.rens@leasinvest.be](mailto:tim.rens@leasinvest.be)



# Key investment highlights



# Key investment highlights



**1**

Unique exposure to the growing Luxembourg office and retail market



**2**

Diversified quality portfolio on the back of dynamic asset management



**3**

Proactive commercial approach translating into a high quality tenant base



**4**

Proven expertise in (re)development of buildings



**5**

Strong dividend track record

# Company profile & strategic vision

**Boomerang**<sup>®</sup>  
STRASSEN SHOPPING CENTER

Strassen (LU)



# Company profile

**€ 1.06 bn** Fair value portfolio  
 € 1.16 bn (incl. participation in Retail Estates)

~ **€ 634 m** Market capitalization 16/08/2019

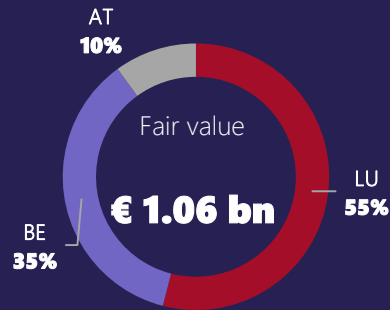
## Shareholders

- Ackermans & van Haaren **30.01%**
- AXA Belgium **26.58%**
- AG Insurance **7.36%**
- Free float **38.42%**

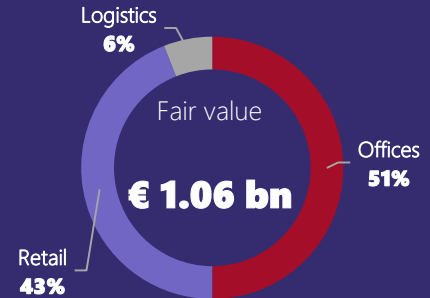
## Indices:

- BEL MID
- EPRA BELGIUM
- EPRA Eurozone

Listed on Euronext Brussels



30/06/2019



30/06/2019

## Key figures 30/06/2019

Occupancy

**94.66%**

Rental yield

**6.39%**

Average duration  
of leases

**3.97y**

Average cost  
of debt

**2.34%**

Average  
duration debt

**2.96y**

Debt ratio

**55.70%**

# Strategic vision

## 01 Investment strategy – Opportunity driven



**Dexia Immo Lux (LU)**  
portfolio € 150 m  
13 buildings

2006



**Metro Group retail (LU)**  
portfolio € 50 m – 3 buildings  
2011: extension Diekirch  
2017-2020: redevelopment Strassen



2008



**Knauf shopping (LU)**  
Schmiede & Pommerloch  
€ 170 m  
100 shops

2012-2013



**Tour & Taxis Royal Depot (BE) € 108 m**  
landmark office building  
in Brussels



2015

# Strategic vision

## 01 Investment strategy – Opportunity driven



**Frun Park, Retail Park Asten (AT)**  
strengthening geographical diversification  
**€ 38 m**

2016



**Mercator (LU)**  
2017: further growth in LU  
**€ 35 m**



**Stadlau (AT)**  
2017: further growth in AT  
**€ 56 m**

2017



**EBBC (LU)**  
2 additional buildings in BP of 6 office buildings in Luxembourg airport district  
**€ 64 m**

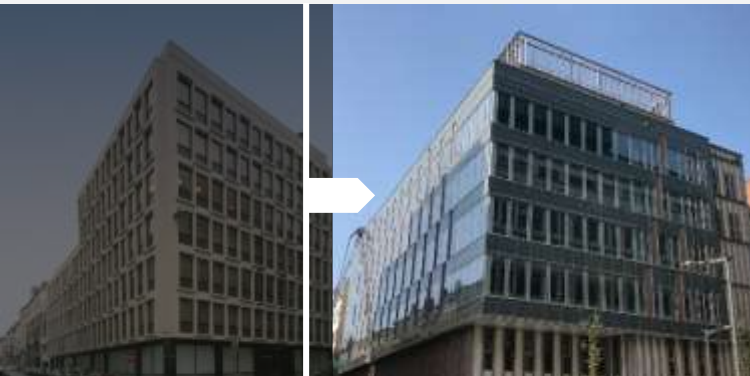
2018



**Hangar 26-27 Antwerp (BE)**  
Iconic building Eilandje district  
**€ 23 m**

# Strategic vision

## 02 Development strategy – Organic (re)developments



### Montoyer Brussels CBD (BE)

Reconstruction by 2018  
2016: 21y usufruct with EP



### Boomerang Strassen (LU)

2017-2020: redevelopment Strassen

# Strategic vision

## 02 Development strategy – Organic (re)developments

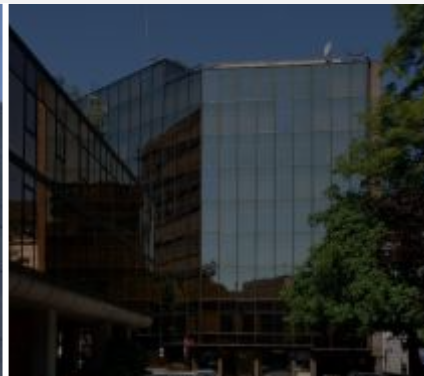


### Royal 20 CBD (LU)

Reconstruction by 2015

Let to China Merchant's bank

Sold with capital gain of > € 20 m on investment



### Treesquare (BE)

Reconstruction by 2018

Building of ~ 6,500 m<sup>2</sup>

Let to high end occupants



# Strategic vision

**03** Commercial strategy – Maximizing lease duration & occupancy rates



**1/ Tour & Taxis**



**2/ De Mot**

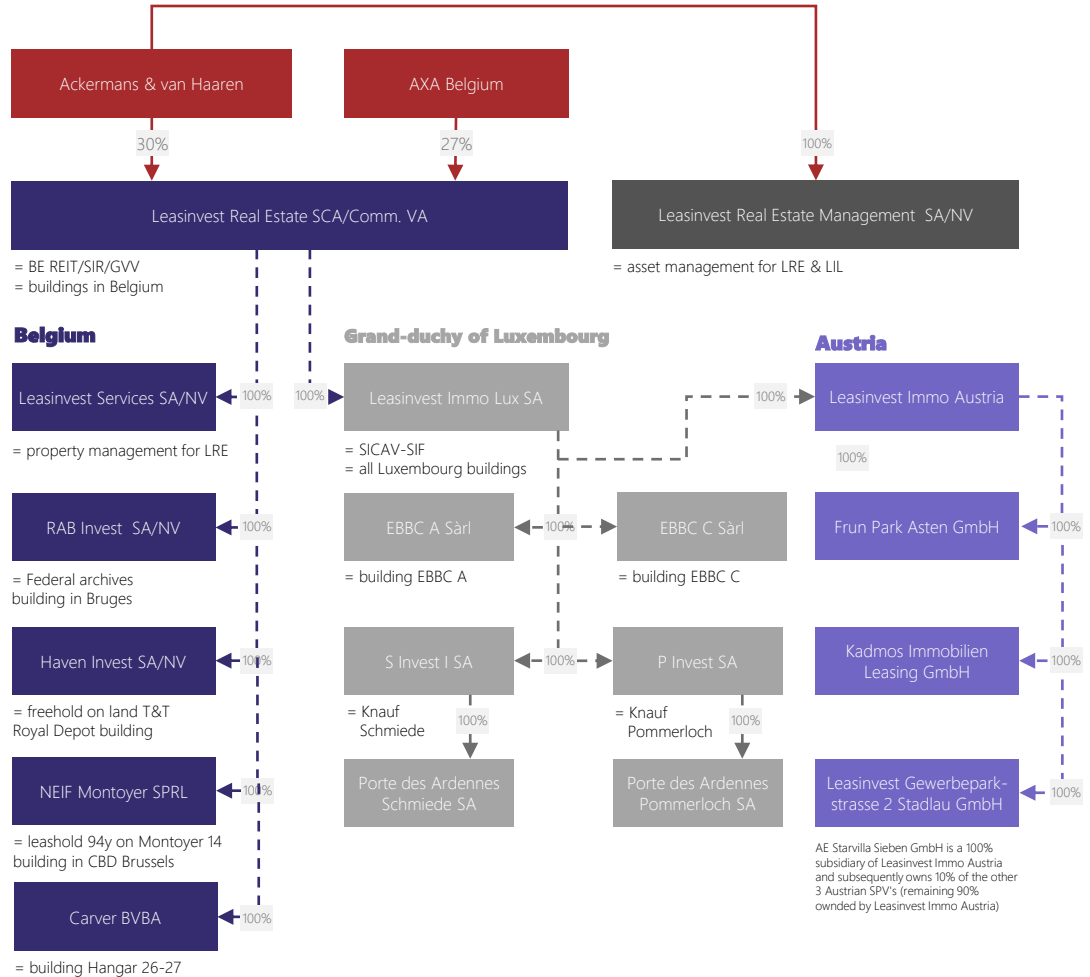


**3/ Mercator**

# Structure & Corporate governance



# Corporate Structure



Treesquare (BE)

# Main assets



# Main assets in Luxembourg

RETAIL

**Shopping center Knauf** Pommerloch  
North of Luxembourg  
Acquisition: 2013



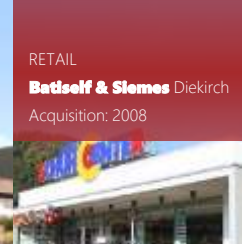
OFFICES & WAREHOUSE

**CFM**  
3,600 m<sup>2</sup> Offices en 10,000 m<sup>2</sup> Warehouse



RETAIL

**Batsself & Simes** Diekirch  
Acquisition: 2008



OFFICE

**Montimmo**  
Avenue Monterey, CBD  
Acquisition: 2008



RETAIL

**Shopping center Knauf** Schmiede  
North of Luxembourg / Acquisition: 2012

RETAIL

**Strassen**  
2 phase renovation  
2017-2020  
Route d'Arlon  
Acquisition: 2008  
(Metro Lux)



OFFICE

**EBBC** Airport  
Acquisition:  
part of initial portfolio 2006 + 2017, 2018 &  
2019



RETAIL

**Hornbach** Bertrange  
Acquisition: 2013



OFFICE

**Monnet** Kirchberg  
Acquisition: part of initial  
portfolio 2006



OFFICE

**Mercator**  
Route d'Arlon  
Acquisition:  
2017

# Main assets in Belgium



OFFICE  
**Motstraat**  
Motstraat 30,  
Mechelen  
Acquisition: 2002



OFFICE  
**The Crescent**  
Anderlecht  
Lenniksebaan 451,  
Anderlecht  
Acquisition: 2004



OFFICE / RETAIL  
**Brixton Business Park**  
Brixtonlaan 1-30, Zaventem  
Acquisition: 1999



OFFICE / RETAIL  
**Tour & Taxis** Avenue du Port 86C, Brussels  
Acquisition: 2015



OFFICE  
**Trossquare** Square de MeeÛs 5-6, Brussels  
Acquisition: 2005



OFFICE  
**Montoyer**  
Riverside Business Park  
Internationalelaan 55, Anderlecht  
Acquisition: 1992-96



OFFICE / RETAIL  
**Hangar 26/27**  
Rijnkaai,  
Antwerp  
Acquisition:  
2018

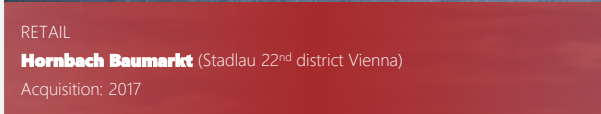


# Main assets in Austria



RETAIL

**Frun© Park Aston**  
Linz - 200 KM from Vienna  
Acquisition: 2016



RETAIL

**Hornbach Baumarkt** (Stadlau 22<sup>nd</sup> district Vienna)  
Acquisition: 2017



RETAIL

**Gewerbepark Stadlau** (Stadlau 22<sup>nd</sup> district Vienna)  
Acquisition: 2017