

INTERVEST
OFFICES & WAREHOUSES

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ESTATE**



ROADSHOW PARIS

11 October 2017



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OFFICES & WAREHOUSES





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1. Nature of the portfolio
2. Important developments in 2017
3. Financial results 30 June 2017
4. Property market
5. Outlook

Agenda

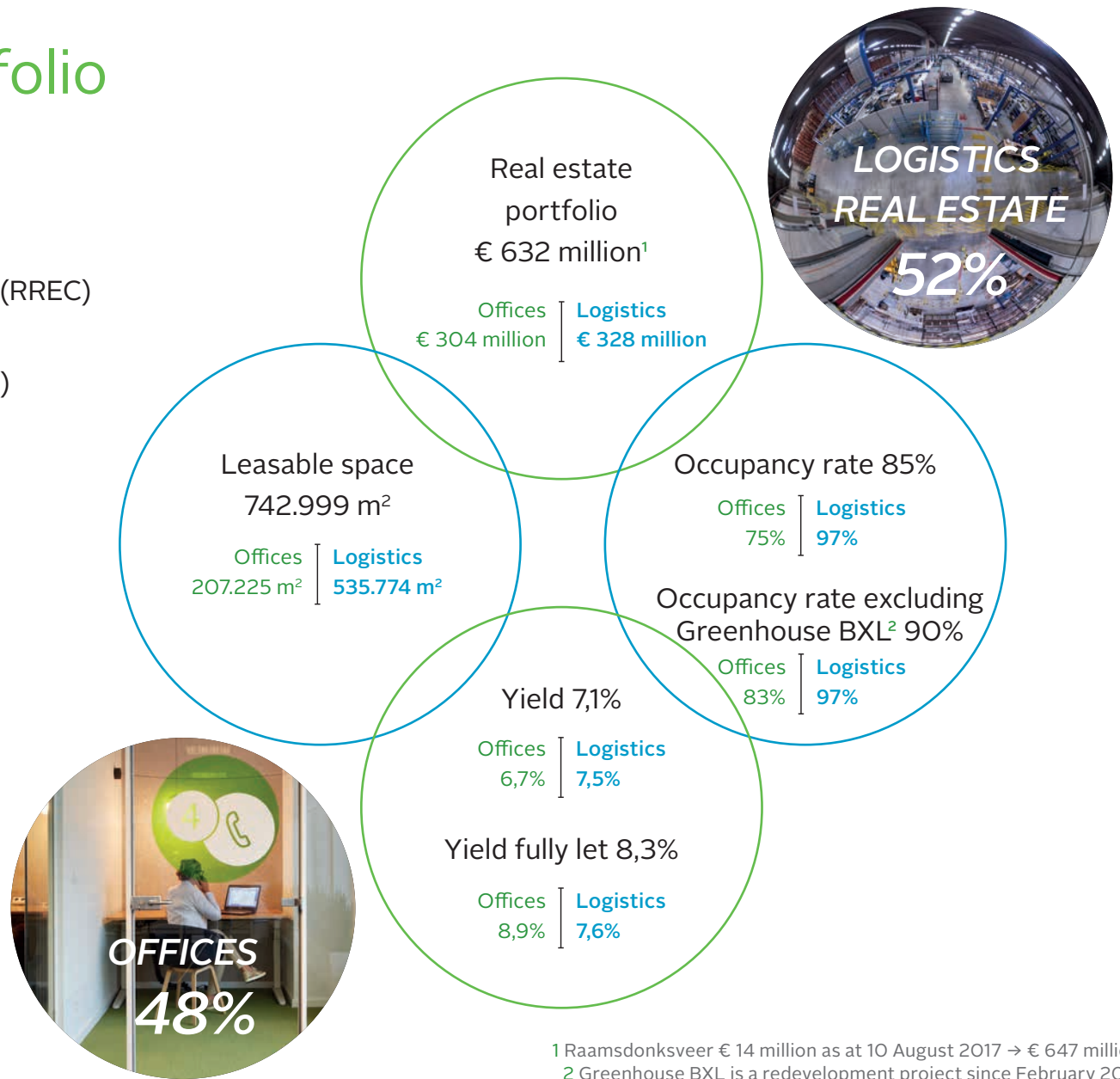


Oevel ►

Nature of the portfolio

Some key figures

- Public Regulated Real Estate Company (RREC)
- Listed on Euronext (INTO) - 1999
- Specialising in logistics real estate (52%) & offices (48%)



¹ Raamsdonksveer € 14 million as at 10 August 2017 → € 647 million.
² Greenhouse BXL is a redevelopment project since February 2017.

Figures as at 30 June 2017

Nature of the portfolio

Strategy

- March 2016, announcement growth strategy
- Strong ambition: from € 611 million to € 800 million by the end of 2018
- Proportion 60% logistics and 40% offices
- Based on 2 pillars:
 - Expansion logistics real estate
 - Reorientation in offices portfolio
- Founded on policy choices regarding financing resources:
 - Gross dividend of € 1,40 for 2016, 2017 and 2018
 - Debt ratio between 45% and 50%

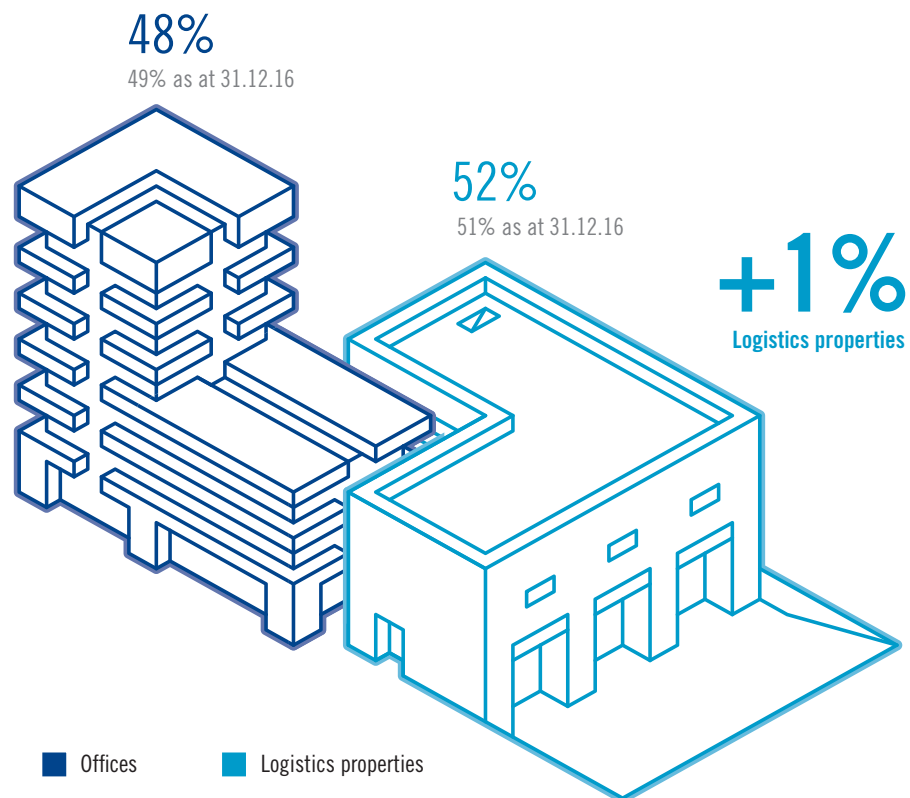


Nature of the portfolio

Offices & Warehouses

Nature of the real estate portfolio as at 30 June 2017:

- 21 logistics properties
- 12 offices

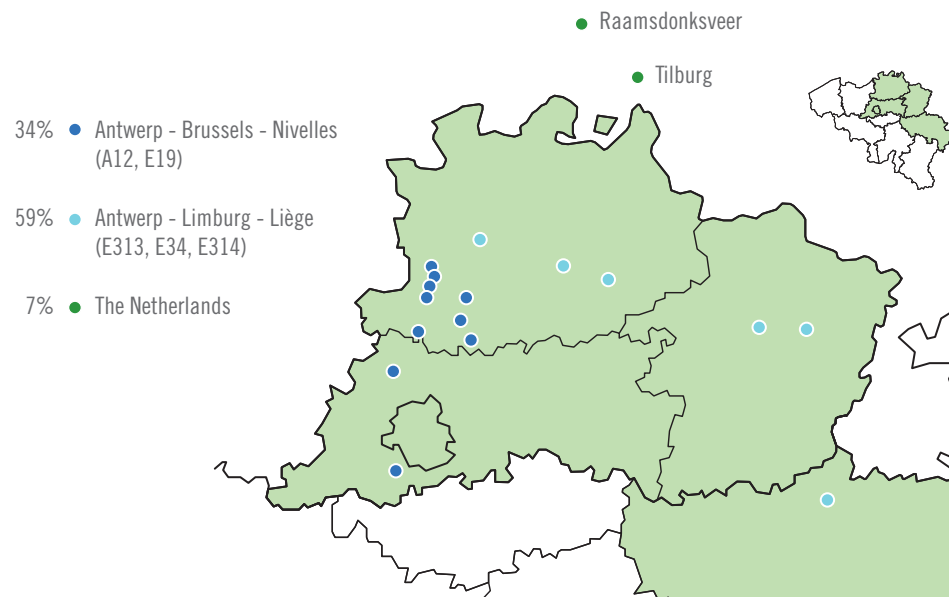


Nature of the portfolio

Geographical spread logistics

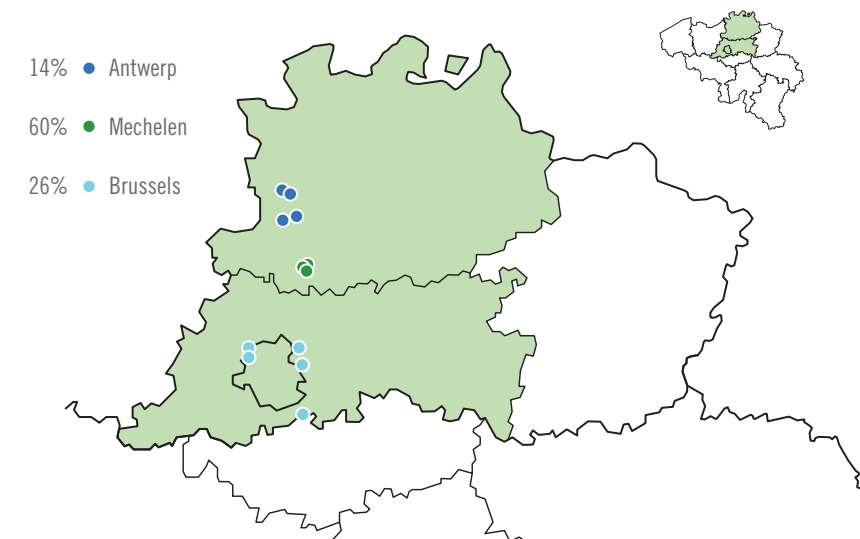
In Belgium focus on two major logistics axes:

- Antwerp-Brussels-Nivelles axis (E19 and A12) and
- Antwerp-Limburg-Liège axis (E313)



Geographical spread offices

Strategic focus on axis Antwerp-Mechelen-Brussels with important share E19: 60%



Figures as at 30 September 2017

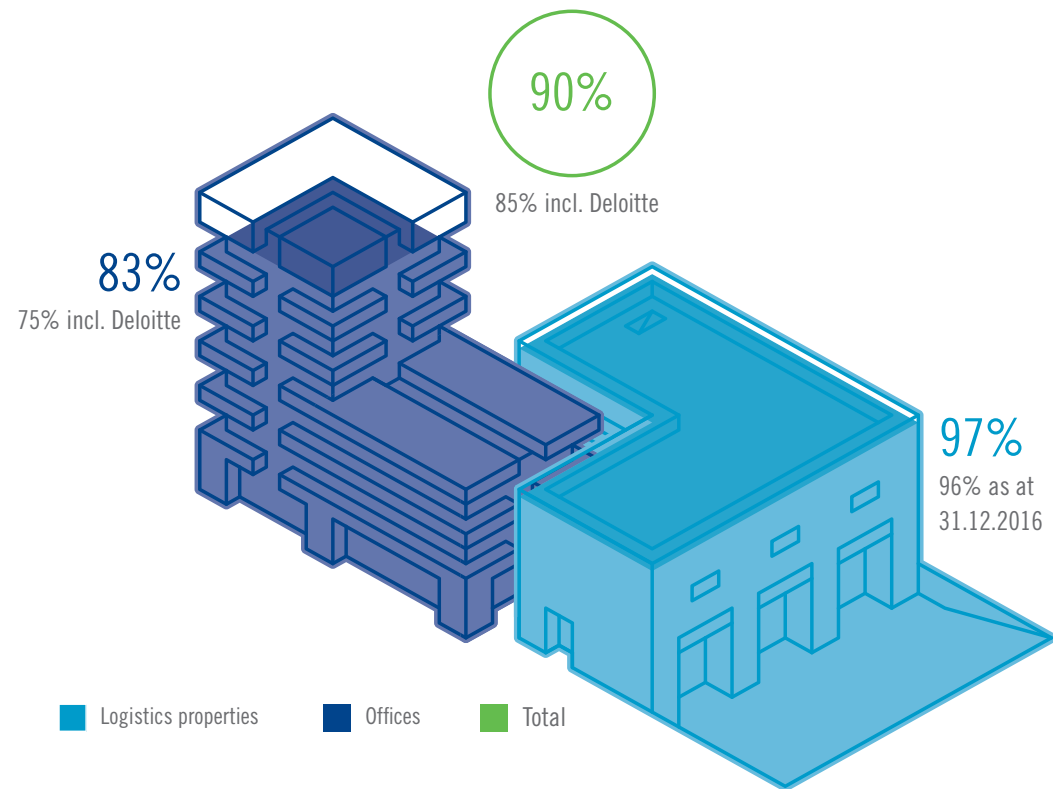


*Geographical scope,
150 km around Antwerp
(Belgium, the Netherlands and
Germany)*

Figures as at 30 September 2017

Nature of the portfolio

Occupancy rate¹



¹ Excluding Greenhouse BXL, a redevelopment project since February 2017.

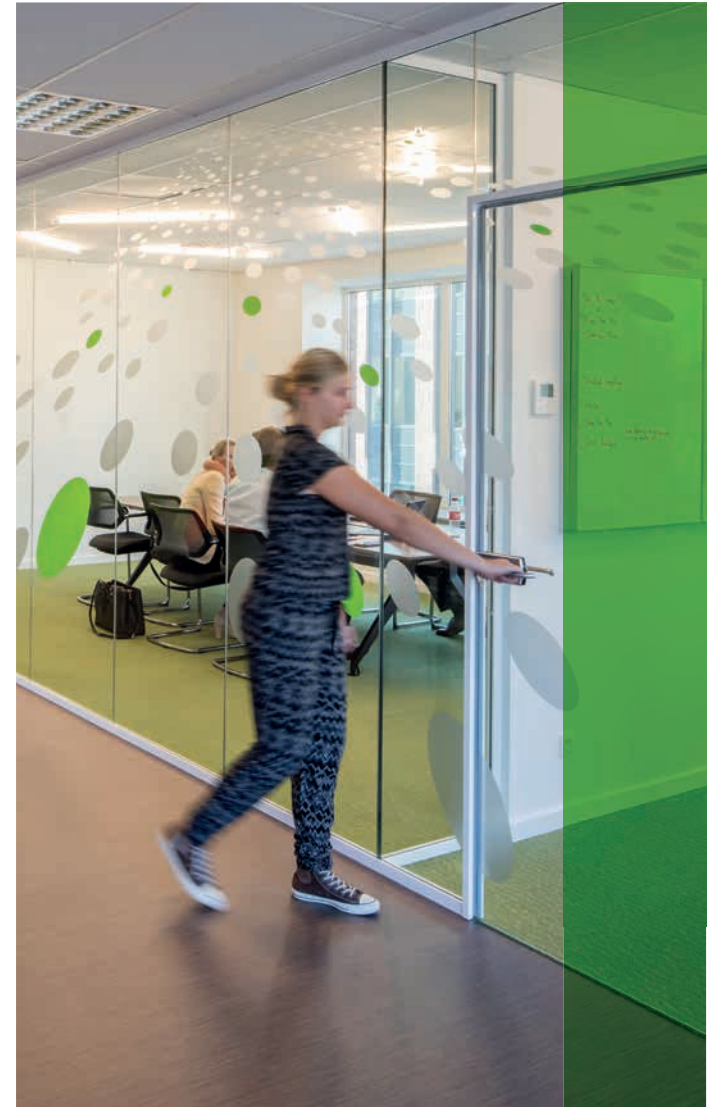
Figures as at 30 June 2017



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Mechelen Campus - RE:flex ▶

Important activities in 2017

Overview

- Acquisition of a logistics complex in Oevel of 11.660 m² and a distribution hub in Aarschot of 13.770 m²
- First expansion into the Netherlands with acquisition of logistics site in Tilburg of 13.300 m²
- Completion of new distribution centre of 12.200 m² on Herentals Logistics 3
- Building works for redevelopment of Greenhouse BXL with a third RE:flex according to schedule, expanded with acquisition of adjacent building
- Allocation of redevelopment former Ford site (zone B) in Genk to 'Genk Green Logistics'
- Acquisition of a second logistics site of 20.500 m² in Raamsdonksveer, the Netherlands

Merchtem - ZEB Logistics ▶



Important activities in 2017

Acquisition Oevel/Aarschot

Oevel:

- 10.840 m² storage space, 410 m² mezzanine, 410 m² offices
- 100% leased until 2022: Vos Logistics

Aarschot:

- 2 logistics buildings: 11.570 m² warehouse space, 600 m² office space, 1.600 m² small storage space
- 100% leased: key tenant is BPost
- Weighted average lease term: 5,9 years to first break

Together:

- Investment value: € 12,75 million
- Annual rental income: € 0,96 million
- Gross initial yield: 7,5%
- Transaction includes capital increase through a contribution in kind

▼ Oevel, Vos Logistics



▼ Aarschot, BPost



Important activities in 2017

Acquisition Tilburg, the Netherlands

- First acquisition in the Netherlands
- 11.400 m² warehouse space, 1.200 m² offices, 700 m² mezzanine
- Investment value: € 9,4 million
- 100% leased to Dutch Bakery (as from 01.01.2017 fixed term of 15 years, triple net agreement)
- Annual rental income: € 0,64 million
- Gross initial yield: 6,8%
- Structured through a subsidiary of Intervest in the Netherlands: Intervest Tilburg 1

Tilburg - Dutch Bakery ▶



Important activities in 2017

Logistics development project Herentals

- Development of land reserve in Herentals: newly built distribution centre of 12.200 m²
- Investment: circa € 4 million
- Long-term lease agreement for 15 years with 1st termination possibility after 9 years with lessee Schrauwen Sanitair en Verwarming
- Building works started 1st quarter 2017 and are finalised

Herentals - Schrauwen Sanitair en Verwarming ►



Important developments in 2017

Diegem Campus to become Greenhouse BXL

- As at 31 January 2017 offices free after departure Deloitte
- Repositioning and multi-tenant approach
- Innovative, inspiring and services oriented concept
- Clear distinction from traditional offices segment
- Building permit received
- Start building works 1st quarter 2017
- To be built patio: lively meeting space with potential for event organising
- Co-working lounge, grand café, restaurant, large meeting rooms, auditorium and concierge services
- Acquisition vacant building for conversion into an extra open space with a park, a relaxing area and an underground car park adjacent to Greenhouse BXL

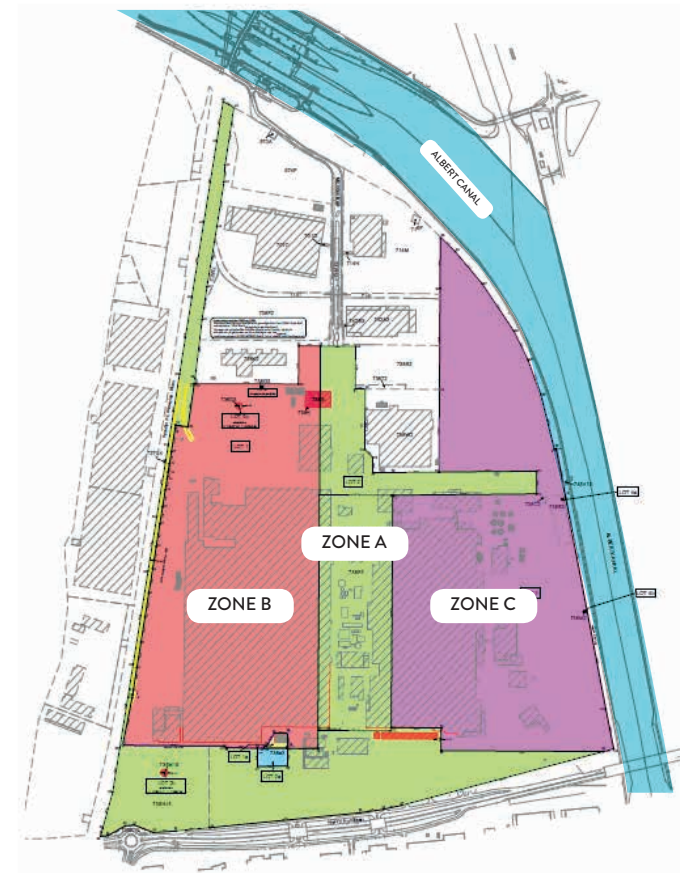
Diegem - Greenhouse BXL ▶



Important developments in 2017

Redevelopment Ford site Genk

- As at 30 June 2017 Flemish Government selects Genk Green Logistics as preferred bidder for redevelopment of one of the most large-scale trimodal logistics hubs in Flanders.
- To be set up joint venture with Intervest and Group Machiels and cooperation with developer MG Real Estate and DEME Environmental Contractors
- Complementary expertise in development of large-scale company premises
- Genk Green Logistics will be ultimate investor
- Strategically located in logistics corridor Antwerp-Limburg-Liège
- Total surface 133 hectares
 - Zone B: Genk Green Logistics, 42 hectares, trimodal access
 - Zone A: public domain and common purposes
 - Zone C: De Vlaamse Waterweg
- Development potential of 250.000 m²
 - Distributed among various buildings, over estimated period of five years
- Finalization of contractual agreement with Flemish Government can start
- Clear development plan with focus on e-commerce
- Reference project related to sustainability and spatial quality



▲ Genk - Ford site layout

Important activities in 2017

Acquisition second logistics site in the Netherlands

- 20.500 m² distribution centre in Raamsdonksveer
- Under long-term lease with Leen Bakker, furniture and home decoration retailer
- Investment value: € 14 million
- Annual rental income: over € 1 million
- Gross initial lead: 7,2%
- Structured through Raamsdonksveer 1, a subsidiary of Intervest in the Netherlands.

Raamsdonksveer ▶



Important activities in 2017

Rental activity

Limited rental activity

- 9 lease agreements with new or existing customers for +/- 43.000 m² (compared to 124.000 m² in 22 transactions in first half 2016)
- In 2016 Nike Europe prolongation counted for 50.912 m².

Offices

- 3 new leases for 1.336 m², prolongation of 3 leases for 991 m²

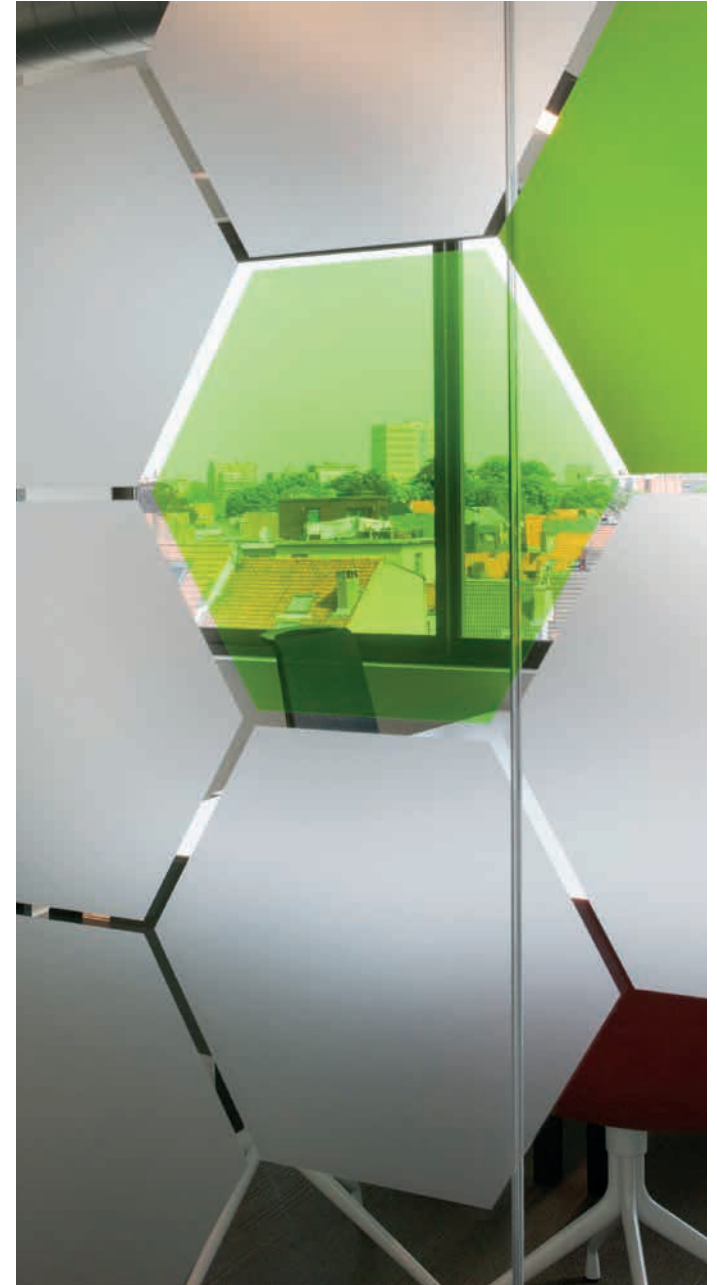
Logistics portfolio

- prolongation or expansion of 41.171 m² in 3 transactions

Main transactions first semester 2017

- prolongation of Feeder One Belgium in Wommelgem for 24.180 m²
- prolongation of Covedien AG in Opglabbeek for 13.101 m²
- expansion of Toyota Material Handling Europe Logistics in Wilrijk for 3.890 m²

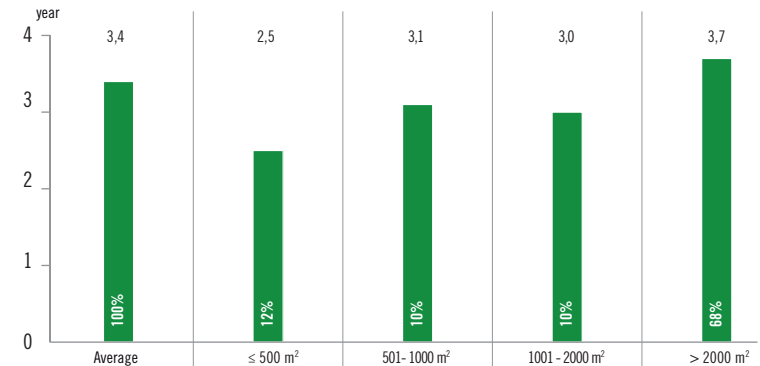
Greenhouse Antwerp - Managed Offices ▶



Duration lease agreements per 30 June 2017

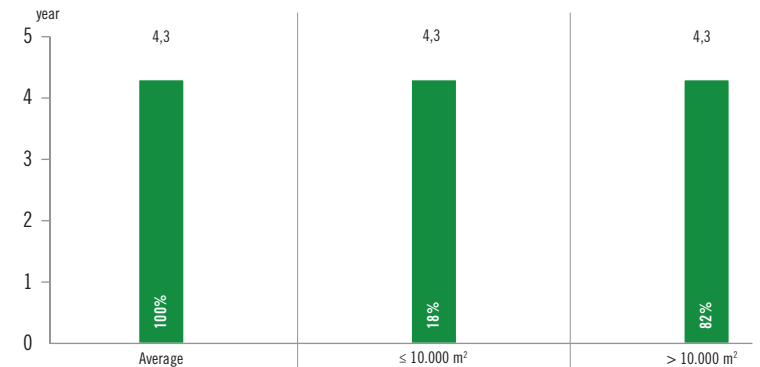
Portfolio offices

- Average remaining duration of the lease agreements in the offices portfolio: 3,4 years (3,6 years as at 31 December 2016)
- Leases > 2.000 m² (69% of the portfolio): 3,7 years (4,1 years as at 31 December 2016)



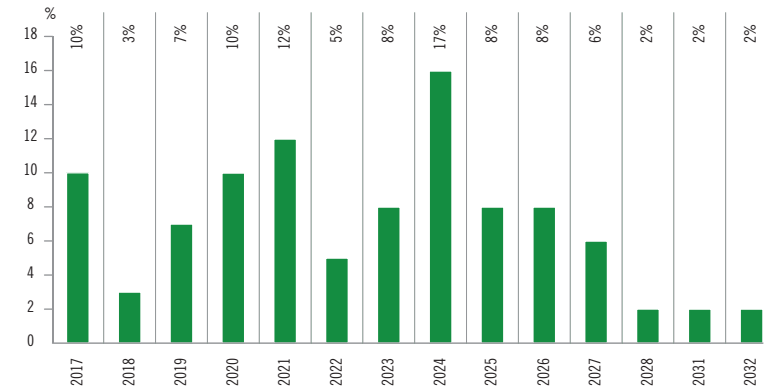
Portfolio logistics real estate

- Average remaining duration of the lease agreements in the logistics portfolio: 4,3 years (4,1 years as at 31 December 2016)
- Leases > 10.000 m² (82% of the portfolio): 4,3 years (4,0 years as at 31 December 2016)



Final expiry dates per 30 June 2017

- 10% of the rental contracts has a final expiry date in the second half of the year 2017
- Mainly due to the expiry date of Fiege in Puurs (3%) and Ceva Logistics in Boom (2%)
- 3% of the remaining 5% will be extended or taken up by new or existing customers





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Liège - CooperVision ▶

Financial results 30 June 2017

Consolidated income statement

- Rental income decrease:
sale of 5 buildings June 2016 and vacancy Greenhouse BXL (Deloitte)
- More property charges: technical costs and larger work force
- More general costs: IFRIC 21 Stock exchange tax (timing difference), dedicated management committee and increase of staff
- Changes in fair value of investment properties: increase offices portfolio (€ 2,8 million) and decrease logistics portfolio (€ -8,2 million)
- Decrease financial result: new interest rate swaps and divestments in 2016

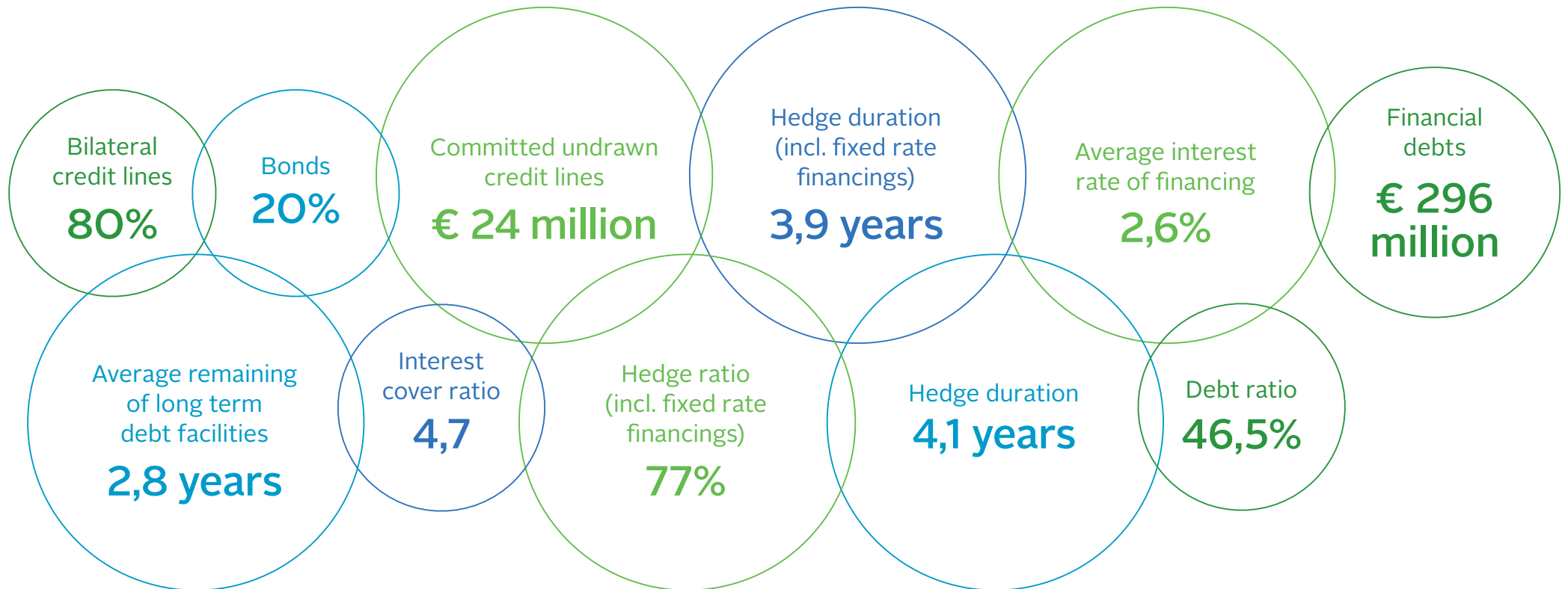
in thousands €	30.06.2017	30.06.2016
Rental income	20.999	23.140
Rental-related expenses	43	-17
Property management costs and income	520	197
PROPERTY RESULT	21.562	23.320
Property charges	-3.331	-2.905
General costs and other operating income and costs	-1.587	975
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	16.644	19.440
Result on disposals of investment properties	0	-12.796
Changes in fair value of investment properties	-5.417	-993
Other result on portfolio	260	14
OPERATING RESULT	11.487	5.665
Financial result (excl. changes in fair value)	-3.537	-4.607
Changes in fair value of financial assets and liabilities (ineffective hedges)	744	-449
Taxes	-20	0
NET RESULT	8.674	609
EPRA earnings	13.087	14.833
Result on portfolio	-5.157	-13.775
Changes in fair value of financial assets and liabilities (ineffective hedges)	744	-449

Financial results 30 June 2017

Financial KPI's

DATA PER SHARE	30.06.2017	31.12.2016	30.06.2016
Number of shares entitled to dividend	17.740.407	16.784.521	16.784.521
EPRA result (€)	0,74	1,73	0,88
Net value (fair value) (€)	18,78	19,43	18,24
Net asset value EPRA (€)	19,64	20,37	19,18
Market capitalisation (million) (€)	397	401	428
Share price on closing date (€)	22,40	23,90	25,50
Premium to net value (fair value) (%)	19%	23%	40%

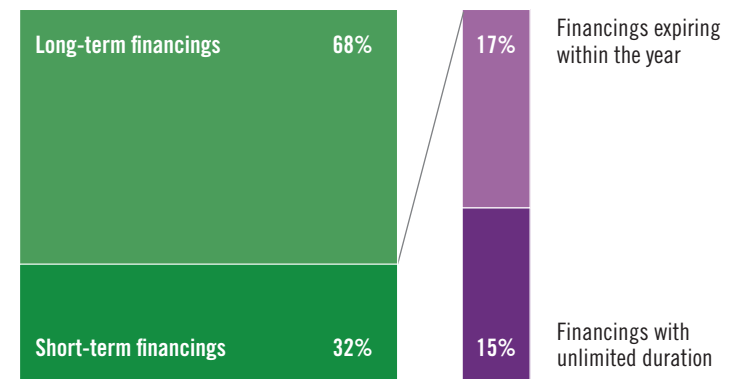
Financial structure 30 June 2017



Figures as at 30 June 2017

Financial structure 30 June 2017

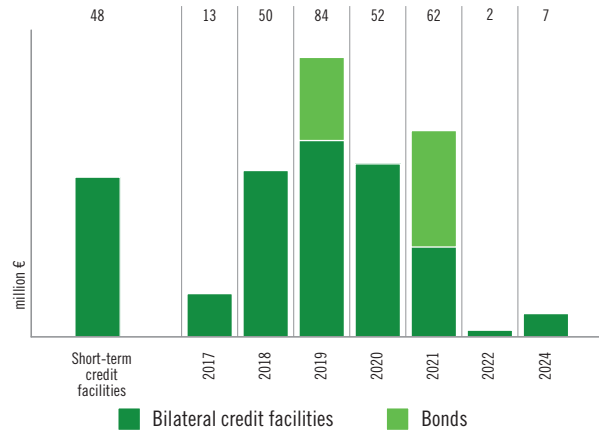
- 68% long-term financing agreements with average remaining duration of 2,8 years
- 32% short-term financing agreements, 15% consisting of financings with unlimited duration and for 17% of financings expiring within the year (mainly first quarter of 2018)



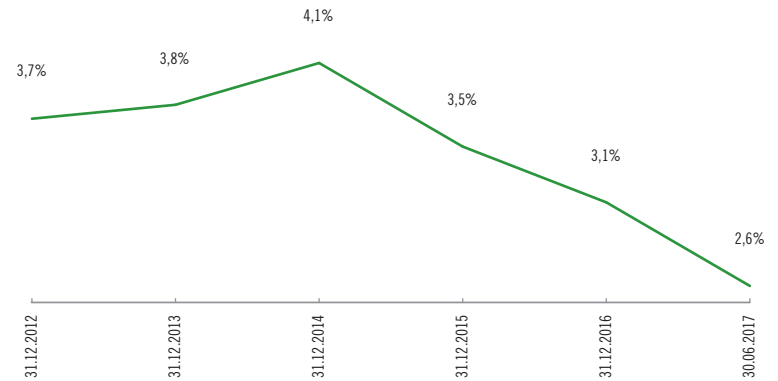
Figures as at 30 June 2017

Financial results 30 June 2017

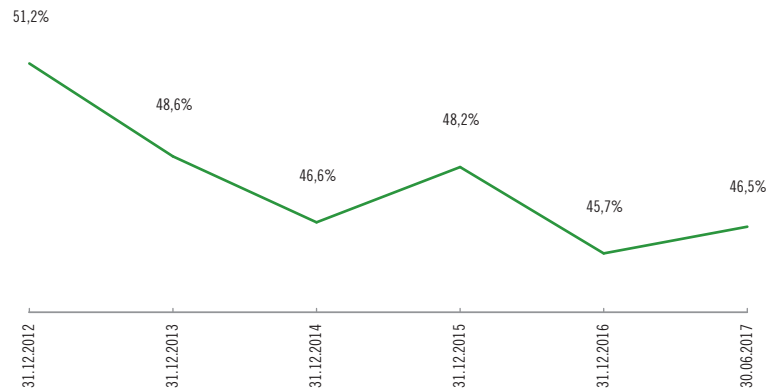
Debt maturities



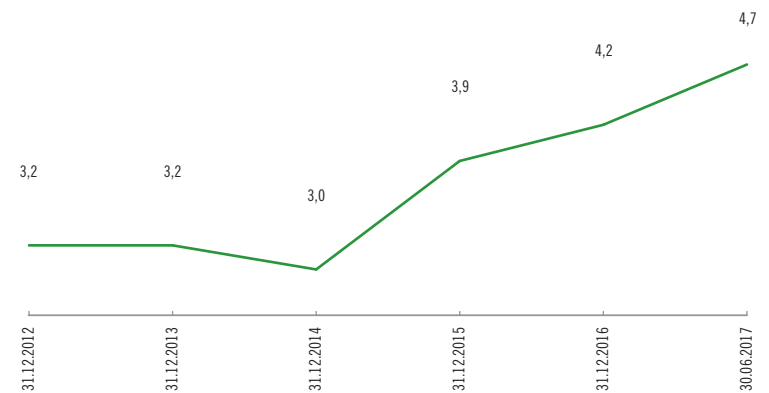
Evolution average cost of debt



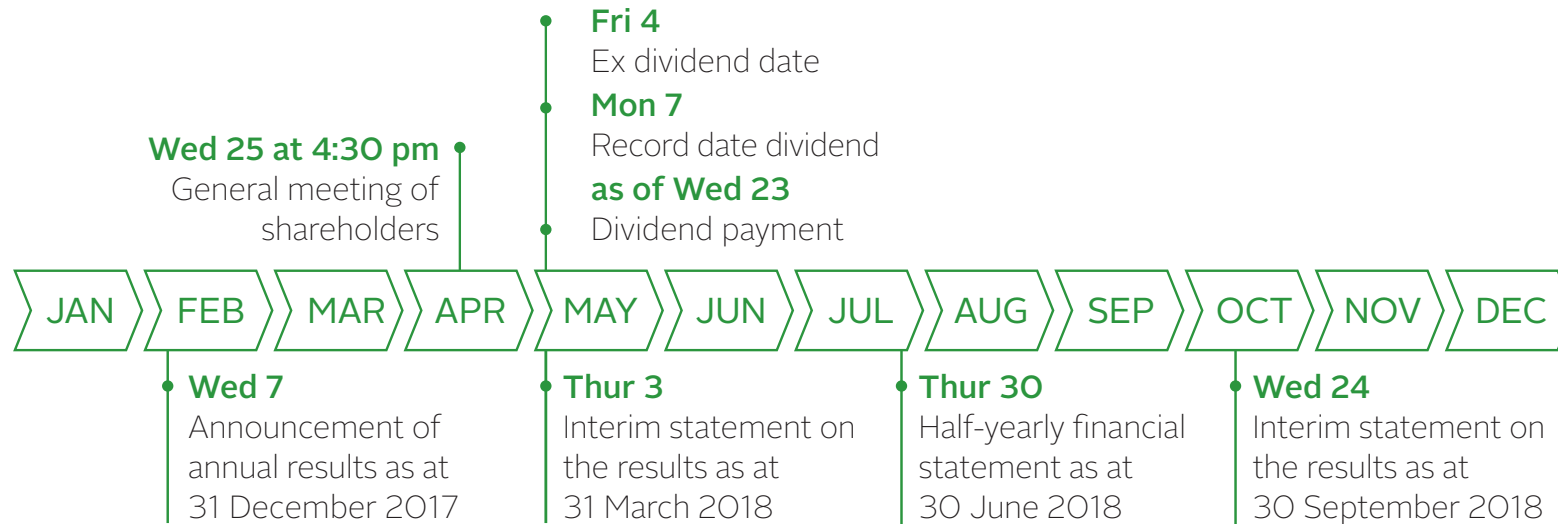
Evolution debt ratio



Evolution interest cover ratio



Financial calendar





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Mechelen Campus - RE:flex ▶

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Property market

Offices

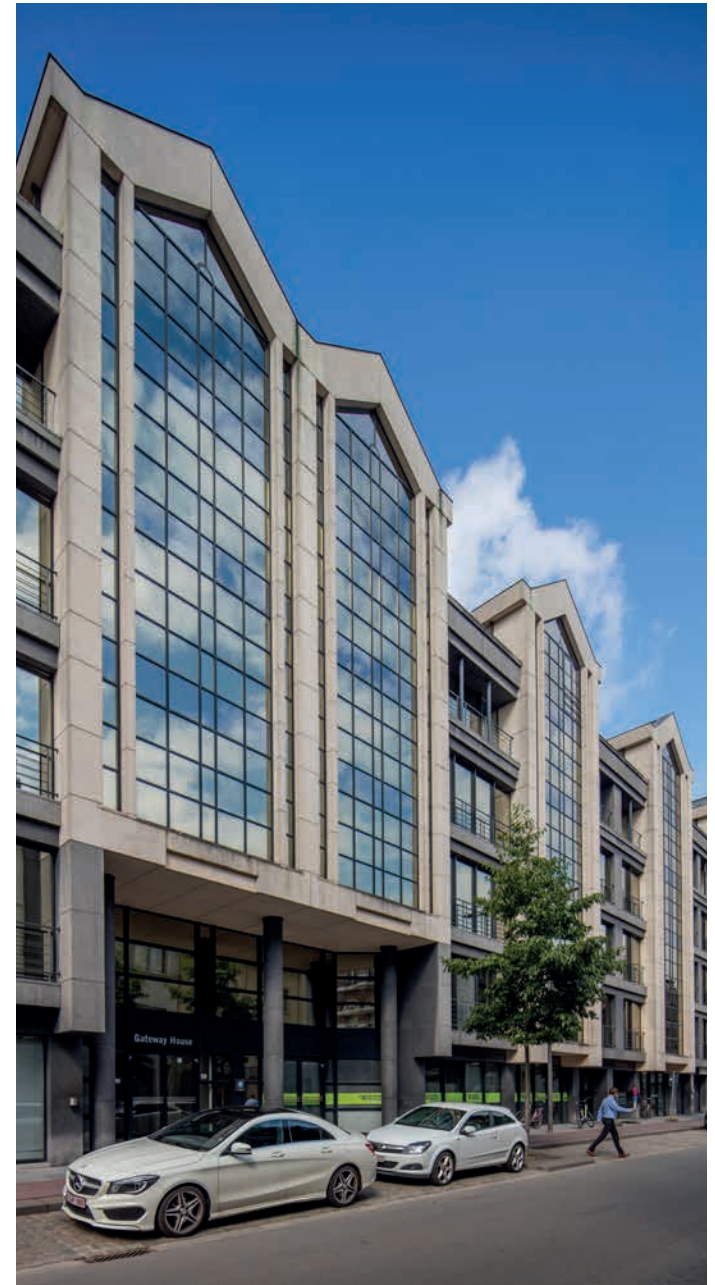
Trends

- Increase of service-oriented offices, co-working lounges and fully-furnished offices
- Brussels and periphery pipeline of > 10.000 m²
- Similar trend noticeable in Mechelen & Antwerp
- Suppliers of traditional offices entering this segment in which Interinvest is a pioneer

Investment market

- Prime yields under further pressure, amount to 4,4% for long term rentals in CBD
- Top yield periphery: 7,25%

Antwerpen - Gateway house ▶



Property market

Offices

Rental market

- Diverse market dynamics related to type of building and sub-market
- Brussels
 - Take up of 214.600 m² in Brussels, in line with average take up last 5 years
 - Decrease in availability office space in Brussels to 8,7%, lowest level since 2007, especially Grade A offices (< 30.000 m²)
 - Grade B offices becoming more competitive
- Periphery
 - Prime rents +/- € 185/m²
 - Considerable activity, supply of large areas of high-quality buildings relatively limited
 - Take up +/- 29.500 m²
- Antwerp
 - 5 major transactions, take up > 35.000 m²

Intercity Business Park - Biocartis ▶



Property market

Logistics real estate

Trends

- Growing demand, increasingly targeting advanced complexes
- Consolidation and e-commerce main drivers of activity
- Focus on multi-modal sites
- Substantial part of activity by logistics companies building for own use

Investment market

- Yields under pressure
- Demand for high-quality logistics investments and low interest rate result in high prices
- Yields for the best products at +/- 6%

Wilrijk - Toyota Material Handling Europe ▶



Property market

Logistics real estate

Rental market

- Limited availability of 5,8%, except on Antwerp-Brussels axis, temporarily more availability
- Limited availability up-to-date logistics real estate
- Substantial part of market targets build-to-suit solutions
- In general, rental rates stable
- Pressure on rental rates for less recent buildings
- Comparison of rental rates for existing buildings with newly built projects put on market at competitive conditions

Liège - CooperVision

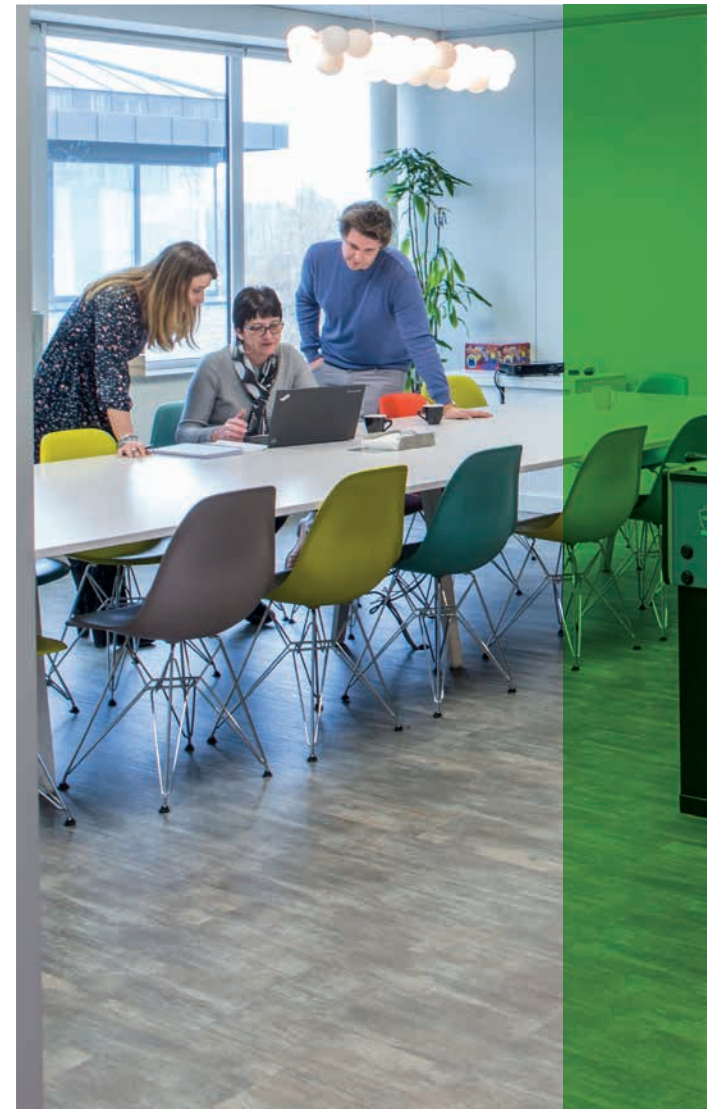




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Inter Access Park - Edwards ▶

Outlook

Growth plan

Continued focus on growth plan based on reorientation in offices portfolio and expansion of logistics real estate.

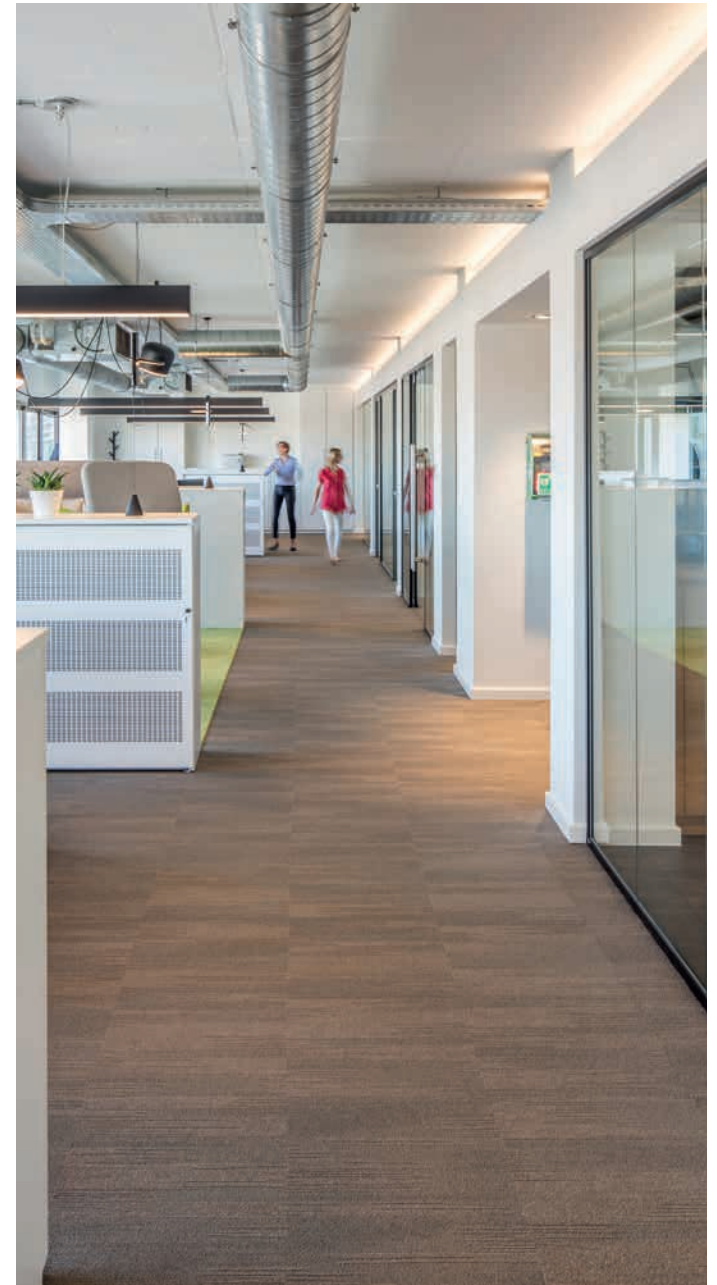
Offices

- Redevelopment Greenhouse BXL into innovative, inspiring and service-oriented multi-tenant campus with third RE:flex, works expected to be finished by Q2 2018, first tenants expected in 2017

Logistics

- Pipeline, including potential acquisitions in the Netherlands
- Allocation of redevelopment of Ford site to Genk Green Logistics: contractual agreement to be negotiated with Flemish Government and start of commercialisation

Greenhouse Antwerp ▶



Outlook

Financing

- Debt ratio to be kept between 45% and 50%: 46,5% as at 30 June 2017 means investment capacity of € 45 million (to upper limit of pre-set range) of which € 14 million used in Q3 2017
- Matching of real estate acquisitions with debt and equity issuance

Letting

- Tenant retention by extending lease terms and stabilising/improving occupancy rate key challenges in asset management
- Minimum expected occupancy rate at the end of 2017: 86%

Results 2017

- EPRA earnings for 2017 expected to be between € 1,50 and € 1,58 per share (€ 1,73 for 2016)
- Gross dividend of minimum € 1,40 per share for 2017 (and 2018) represents a gross dividend yield of +/- 6,25 % based on closing share price of € 22,40 as at 30 June 2017

Puurs - Delhaize Group ▶



THANK YOU



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Uitbreidingstraat 66
2600 Berchem

T + 32 3 287 67 67
F + 32 3 287 67 69

info@intervest.be
www.intervest.be