

INTERVEST
OFFICES & WAREHOUSES

**BEYOND
REAL
ESTATE**



PRESS & ANALYST MEETING

HALF YEAR RESULTS
31 July 2018



INTERVEST
OFFICES & WAREHOUSES





INTERVEST
OFFICES & WAREHOUSES

1. Nature of the portfolio
2. Important activities & developments in 2018
3. Financial results 30 June 2018
4. Property market
5. Outlook for 2018

Agenda

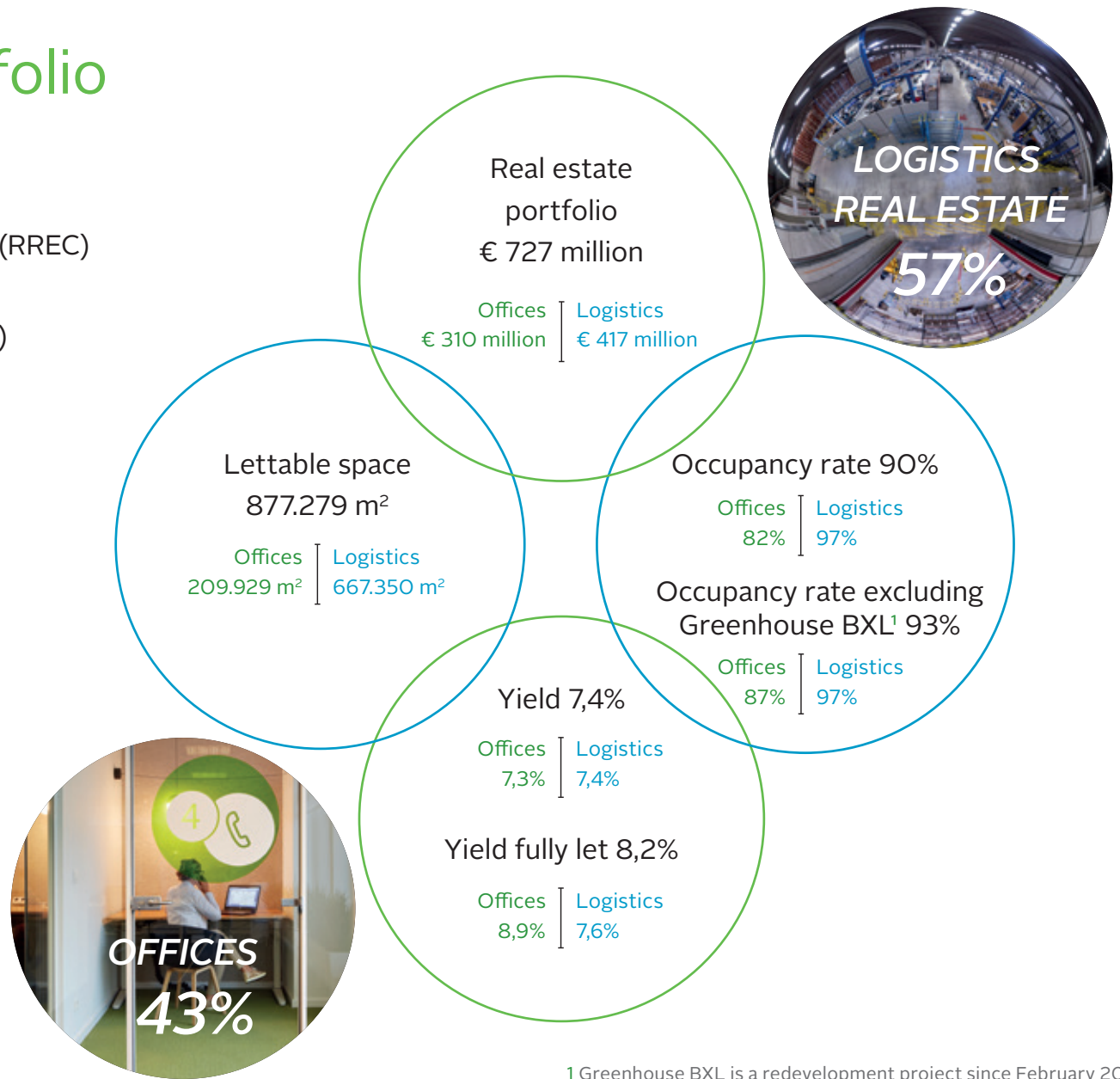


Oevel ▶

Nature of the portfolio

Some key figures

- Public Regulated Real Estate Company (RREC)
- Listed on Euronext (INTO) - 1999
- Specialising in logistics real estate (57%) & offices (43%)



¹ Greenhouse BXL is a redevelopment project since February 2017.

Figures as at 30 June 2018

Nature of the portfolio

Strategy - status

- Portfolio € 800 million by the end of 2018:
€ 727 million as at 30.06.2018
- Proportion 60% logistics and 40% offices:
57% logistics as at 30.06.2018
- Expansion logistics real estate:
Acquisitions in the Netherlands for € 52 million in 2018
- Reorientation in offices portfolio:
Successful Greenhouse concept
- Debt ratio between 45% and 50%:
Debt ratio 48,4% as at 30.06.2018
- Gross dividend of € 1,40 for 2016, 2017 as well as 2018



Nature of the portfolio

Offices & Warehouses

Nature of the investment properties as at 30 June 2018:

- € 417 million logistics properties (19% in the Netherlands)
- € 310 million offices



Nature of the portfolio

Geographical spread logistics

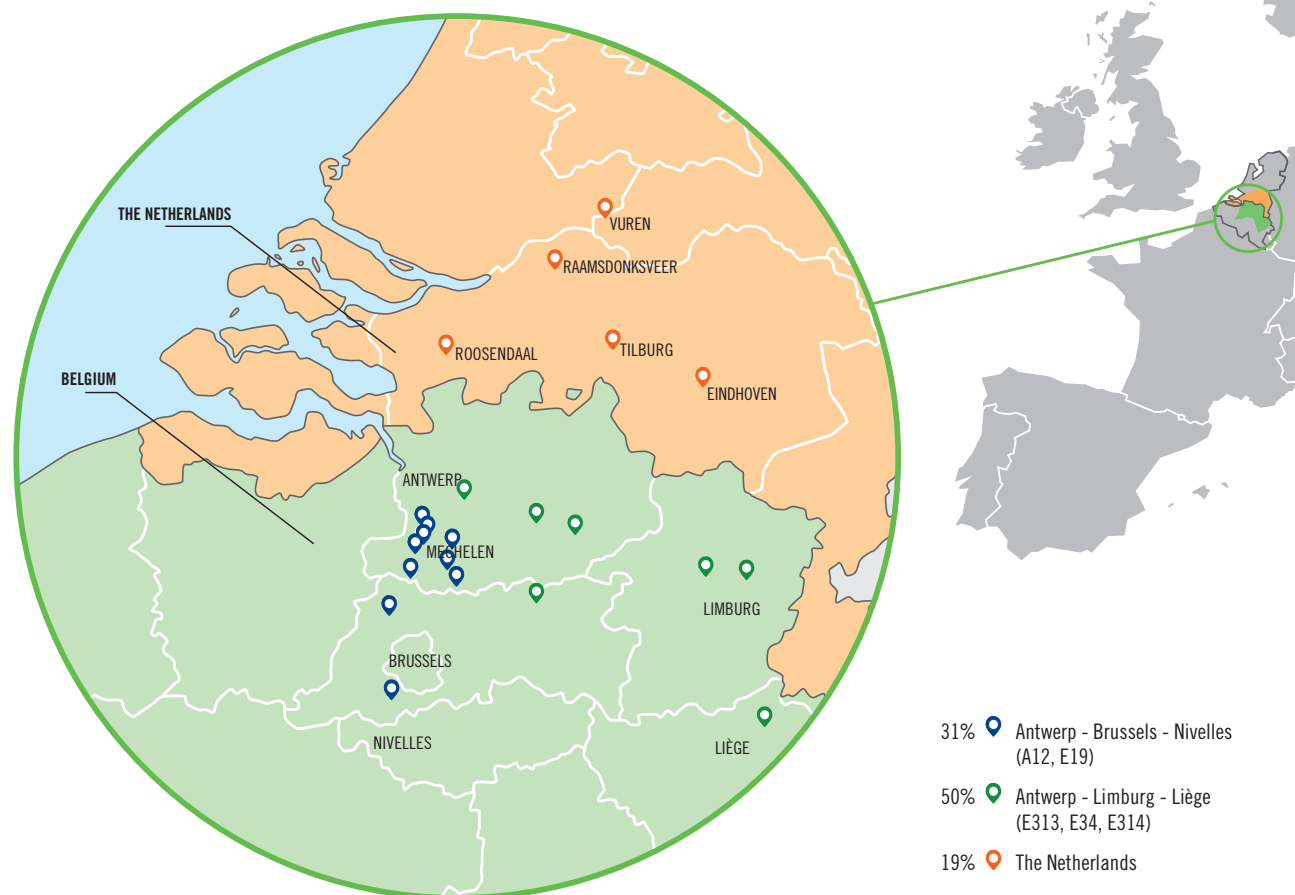
In Belgium focus on two major logistics axes:

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

In the Netherlands focus on axes:

- Moerdijk - 's Hertogenbosch - Nijmegen
- Bergen-op-Zoom - Eindhoven - Venlo

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

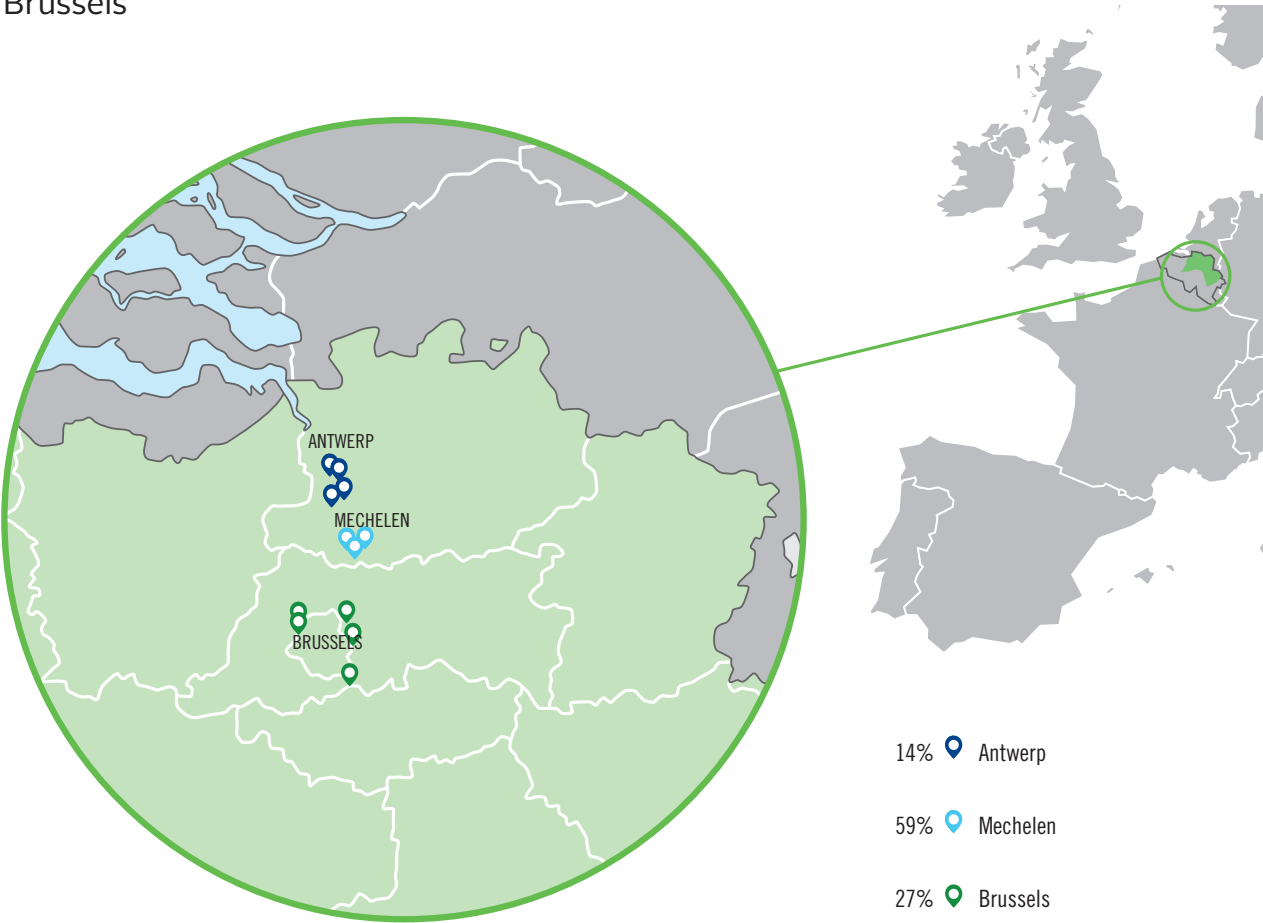


Percentages based on fair value of investment properties as at 30 June 2018

Nature of the portfolio

Geographical spread offices

Strategic focus on axis Antwerp - Mechelen - Brussels
with important share E19: 59%

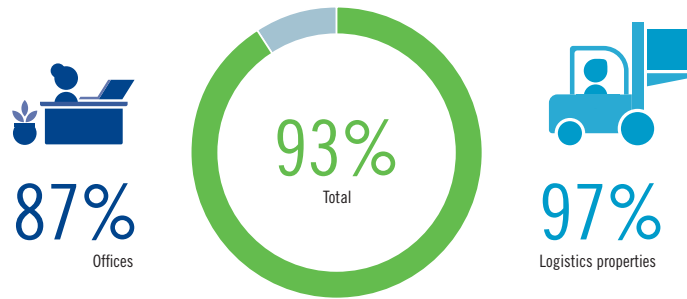


Percentages based on fair value of investment properties as at 30 June 2018

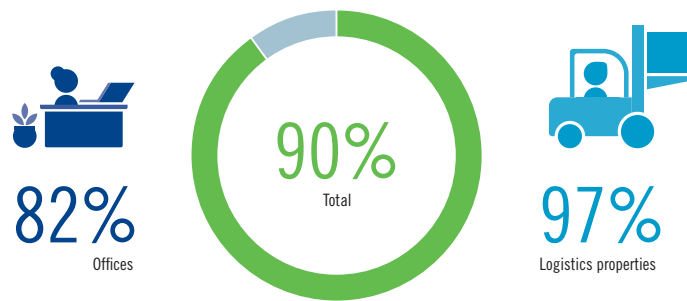
Nature of the portfolio

Occupancy rate

Real estate portfolio excluding Greenhouse BXL redevelopment project



Real estate portfolio



Figures as at 30 June 2018

Diegem - Greenhouse BXL - Artist impression ▶

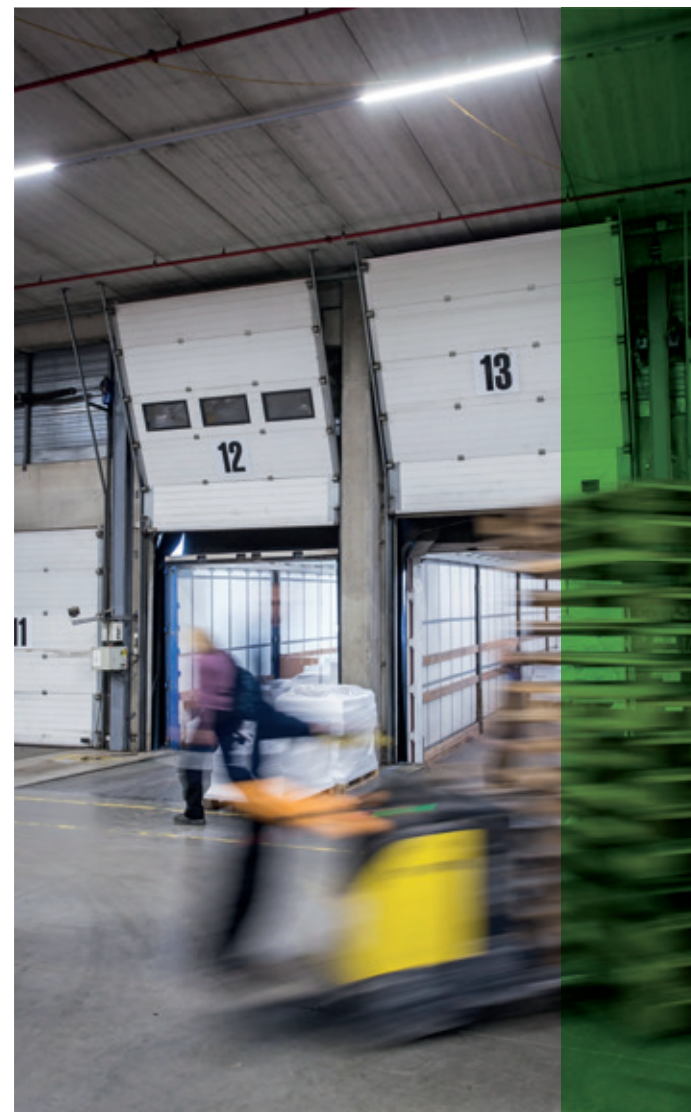




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Wommelgem - Feeder One ▶



Important activities in 2018

Overview

- 10% increase in **fair value**: € 727 million
- **Expansion** logistics in **the Netherlands**: Roosendaal, Vuren, Eindhoven and Raamsdonksveer
- **'Genk Green Logistics'** development potential of over 250.000 m²
- Active semester regarding **rental transactions** in office portfolio:
 - 20.300 m² or 11% of office segment annual rental income
 - WALL offices 3,6 years and 4,3 years for surface > 2.000 m²
- Construction works **Greenhouse BXL** in final phase: 42% already let
- 4% increase in **occupancy rate** to 90% (86% as at 31 December 2017);
Occupancy rate office portfolio 82% and logistics portfolio 97%.

Eindhoven ►



Important activities in 2018

Acquisition logistics in the Netherlands

- Acquisition of three logistics sites: Vuren, Eindhoven, Raamsdonksveer
 - Investment value: € 52 million
 - Annual rental income: € 3,7 million
 - Average gross initial yield: 7,1%
 - Total extension logistics portfolio: 81.000 m²
- Acquisition of Roosendaal development project

▼ Vuren



▼ Eindhoven



Important activities in 2018

Acquisition logistics in the Netherlands

Roosendaal

- Acquisition of a logistic development site
- 24.100 m² storage space, 3.200 m² mezzanine, 600 m² offices
- Logistics complex to be built and expected to be delivered in the second half of 2019
- Approximately annual rental income: € 1,3 million
- Gross initial yield to vary between 7,25% and 6,0%, depending on duration of lease agreement

▼ Roosendaal



Important activities in 2018

Acquisition logistics in the Netherlands

Vuren

- Built-to-suit new-build project of 13.760 m²
- Investment amount: € 12,6 million
- Easily accessible via the A15 Rotterdam-Nijmegen-Ruhr area and the A2 Amsterdam - Utrecht - Eindhoven
- 100% let as from delivery (estimate 01/09/2018): The Medical Export Group (MEG)
- Annual rental income: € 0,8 million

▼ Vuren - built-to-suit distribution centre in Vuren



Important activities in 2018

Acquisition logistics in the Netherlands

Raamsdonksveer and Eindhoven

- Joint purchase price € 40,5 million (including registration fees and costs)
- Gross initial yield of 7,2%
- Average weighted duration of lease agreements 4,3 years
- Annual rental income: € 2,9 million

Raamsdonksveer

- 38.000 m² warehouse space and mezzanine, 700 m² office space
- 100% leased: Dome Real Estate
- Strengthening Intervests position in Raamsdonksveer

▼ Raamsdonksveer



Eindhoven

- 23.700 m² warehouse space and mezzanine, 5.000 m² office space
- 100% leased: ASML
- Strategic location at Eindhoven Airport site

▼ Eindhoven



Important activities in 2018

New construction potential

Signing of private purchase agreement former Ford site Genk

- Important step in planned redevelopment of zone B on former Ford site
- Genk Green Logistics, a cooperation of Intervest and Group Machiels will work together with MG Real Estate and DEME Environmental Contractors
- Genk Green Logistics will be structured as an institutional regulated real estate company (iRREC): approval received from FSMA on 26 July 2018
- Execution of the authentic deed: third quarter of 2018 (€ 3 million)

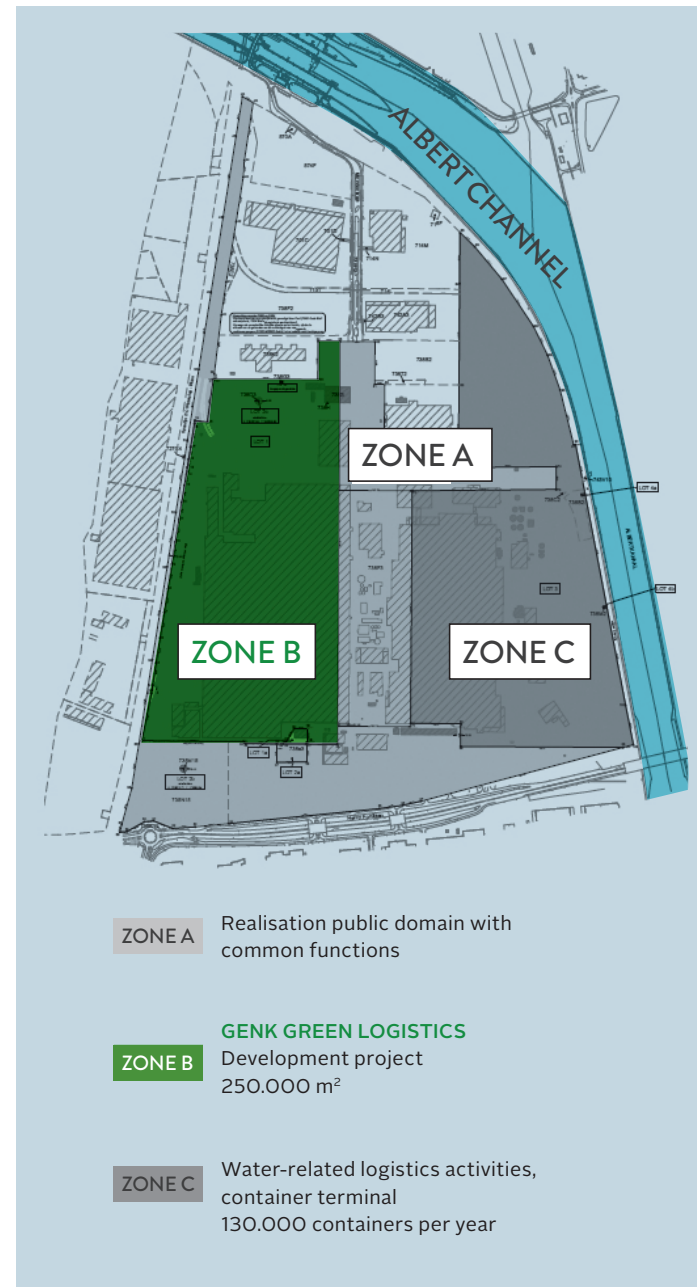
▼ Genk - Artist impressions



Important activities in 2018

New construction potential

- State-of-the-art logistics complex 250.000 m²
- Strategically located, large scale and trimodal access
- Fully new development in five years
- In the course of 2019 and 2020, Genk Green Logistics will pay its contribution to the demolition, re-mediation and infrastructure works in phases, based on the progress of the works (€ 12 million)
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing industry



Genk - New construction potential ▶

Important activities in 2018

Rental activity - Offices

- Active first semester: 11% of rental income or 20.300 m²
- **New lease agreements:** 13.100 m² in 10 transactions (new or current tenants)
- Results in increase from 76% to 82% in office portfolio occupancy rate
- New tenants situated primarily at Greenhouse BXL and Greenhouse Mechelen
 - 42% of available space Greenhouse BXL is pre let
 - Discussions with possible future tenants ongoing
 - Opening scheduled in third quarter 2018
- **Extended long-term agreements:** 7.200 m² in 4 transactions

Galapagos - Intercity Business Park ▶



Important activities in 2018

Rental activity - Warehouses

- Challenge to improve tenant retention and maintain occupancy rate
- 4 long-term rental transactions for 23.100 m² with new or existing tenants
- Two agreements for 32.600 m² are extended for short term in Puurs and Boom

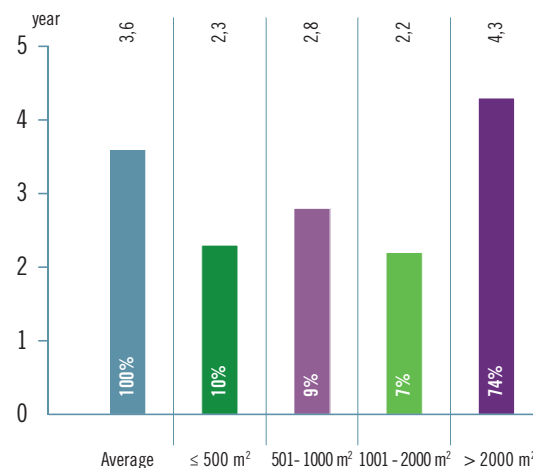
Rogue - Schelle ▶



Duration lease agreements per 30 June 2018

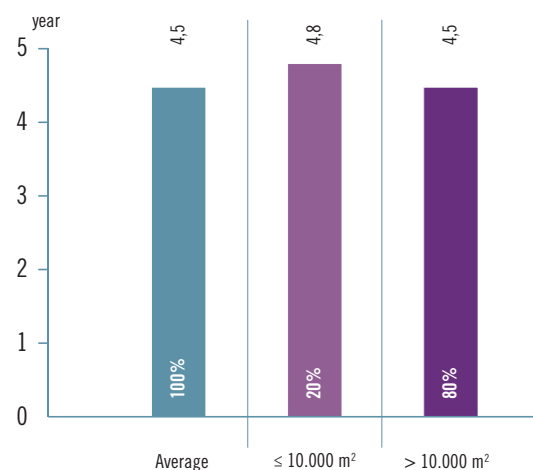
Portfolio offices

- Average remaining duration of lease agreements in the offices portfolio: 3,6 years (3,1 years as at 31 December 2017)
- Leases > 2.000 m² (74% of the portfolio): 4,3 years (3,4 years as at 31 December 2017)



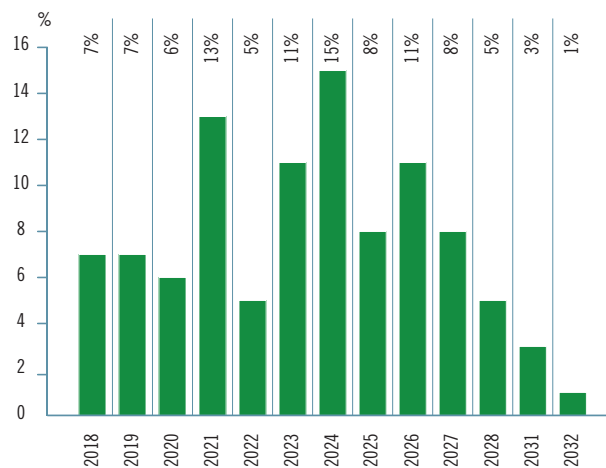
Portfolio logistics real estate

- Average remaining duration of lease agreements in the logistics portfolio: 4,5 years (4,4 years as at 31 December 2017)
- Leases > 10.000 m² (>80% of the portfolio): 4,5 years (4,5 years as at 31 December 2017)



Final expiry dates per 30 June 2018

- Final expiry dates well spread over the years
- 7% of the rental contracts has a final expiry date in 2018 (2% in the office portfolio and 5% in logistics real estate)
- 7% of the rental contract has a final expiry date in 2019
- 80% of the rental contract has a final expiry date after 2020



Mechelen Campus - Cochlear ▶





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Wilrijk - Peugeot ▶



Financial annual results 30 June 2018

Consolidated income statement

- **Rental income** increased by 9%: mainly from investments in the logistics segment during 2017
- More **property charges**: due to the expansion of the acquisition team and reinforcing the logistics team
- Slightly increased **general costs**: expanded staff and higher advisory costs within the scope of company's growth
- **Changes in fair value of investment properties**: increase offices portfolio (€ 3,4 million) and logistics portfolio (€ 5,5 million)
- **Other result** on portfolio: € 1,5 million provision for deferred taxes
- Increase **financial result**: as a result of the growing real estate portfolio

in thousands €	30.06.2018	30.06.2017
Rental income	22.945	20.999
Rental-related expenses	-44	43
Property management costs and income	524	520
PROPERTY RESULT	23.425	21.562
Property charges	-3.566	-3.331
General costs and other operating income and costs	-1.651	-1.587
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	18.208	16.644
Changes in fair value of investment properties	8.866	-5.417
Other result on portfolio	-1.518	260
OPERATING RESULT	25.556	11.487
Financial result (excl. changes in fair value)	-3.807	-3.537
Changes in fair value of financial assets and liabilities (ineffective hedges)	-381	744
Taxes	-70	-20
NET RESULT	21.298	8.674
EPRA earnings	14.331	13.087
Result on portfolio	7.348	-5.157
Changes in fair value of financial assets and liabilities (ineffective hedges)	-381	744

Financial annual results 30 June 2018

Consolidated balance sheet

Non current assets € 728 million:

Fair value real estate portfolio increased by € 64 million to € 727 million:

- € 52 million acquisitions logistics buildings
- € 6 million (1%) increase existing logistics portfolio
- € 3 million (1%) increase existing offices portfolio
- € 3 million investments and expansions

Shareholders' equity increased by 10 million :

- Contribution dividend rights € 10 million
- 57,5% of the shareholders opting for shares

Non current liabilities € 275 million:

- Long-term bank financing € 235 million
- Bond loan € 35 million
- Negative market value cash flow hedges € 2 million

Current liabilities € 113 million:

- Current financial debts € 28 million
- Bond loan € 25 million
- Trade debts € 3 million
- Other current liabilities € 34 million: obligation Raamsdonksveer and Eindhoven
- Deferred / accrued income € 19 million

in thousands €

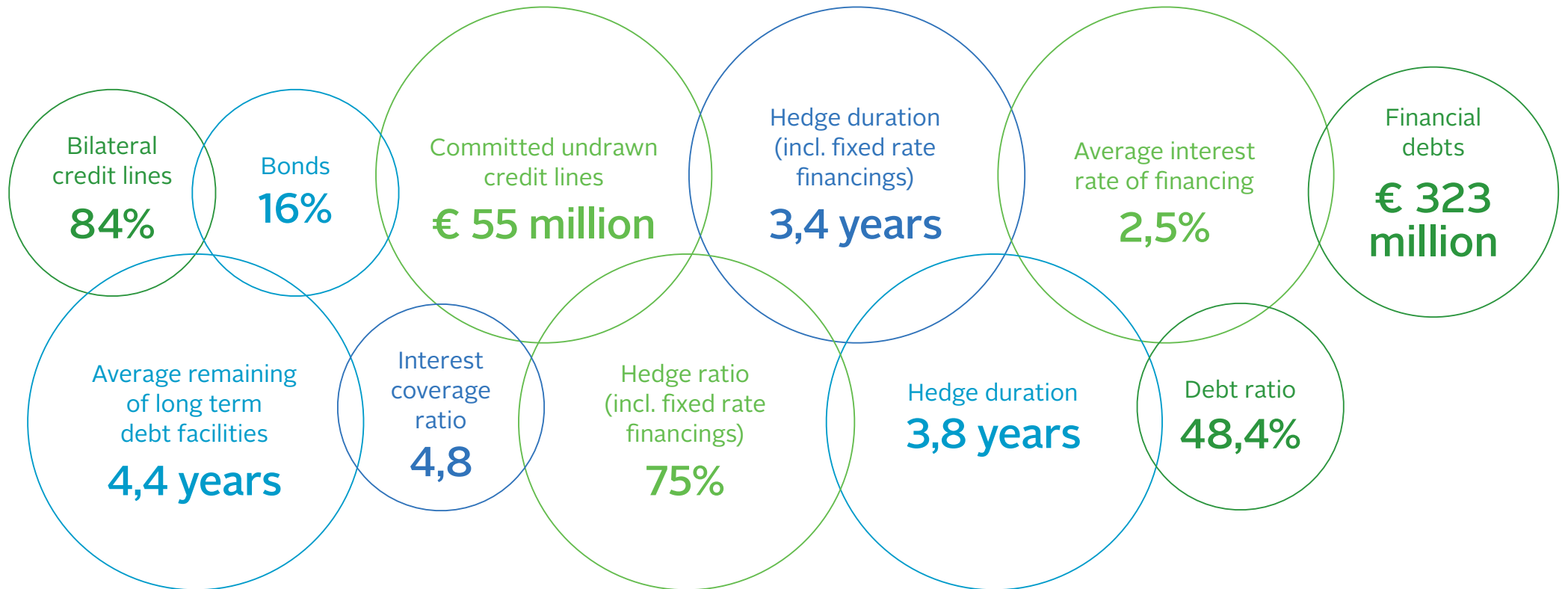
ASSETS	30.06.2018	31.12.2017
Non-current assets	727.862	663.846
Current assets	25.440	15.572
TOTAL ASSETS	753.302	679.418
SHAREHOLDERS' EQUITY AND LIABILITIES	30.06.2018	31.12.2017
SHAREHOLDERS' EQUITY	365.826	359.366
Share capital	172.147	167.720
Share premium	117.213	111.642
Reserves	55.168	58.818
Net result financial year	21.298	21.186
LIABILITIES	387.476	320.052
Non-current liabilities	274.898	255.584
Current liabilities	112.578	64.468
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	753.302	679.418

Financial annual results 30 June 2018

Financial KPI's

DATA PER SHARE	30.06.2018	31.12.2017	30.06.2017
Number of shares at period-end	18.891.443	18.405.624	17.740.407
Number of dividend-entitled shares	18.891.443	17.740.407	17.740.407
Weighted average number of shares	18.510.303	17.409.850	17.040.738
Net result (€)	1,15	1,22	0,51
EPRA earnings per share (€)	0,77	1,58	0,71
Net value (fair value) (€)	19,36	19,52	18,78
Net asset value EPRA (€)	19,48	19,62	18,90
Market capitalisation	409	414	397
Share price on closing date (€)	21,65	22,49	22,40
Premium to net value (fair value) (%)	12%	15%	19%

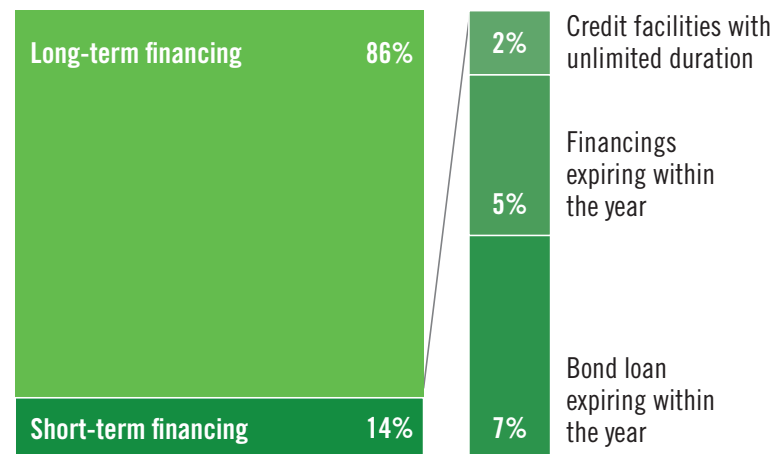
Financial structure 30 June 2018



Figures as at 30 June 2018

Financial structure 30 June 2018

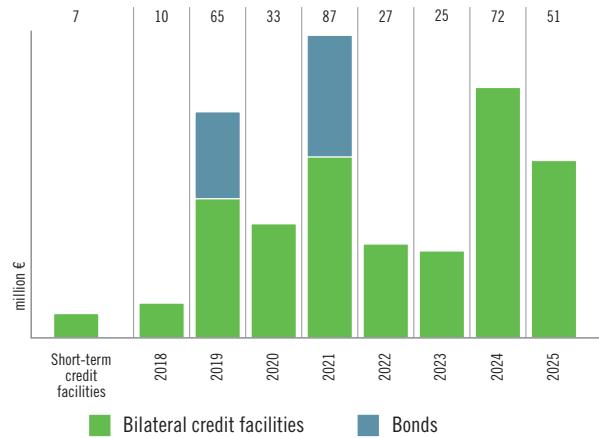
- 86% long-term financing agreements with average remaining duration of 4,4 years
- 14% short-term financing agreements, 2% consisting of financings with unlimited duration (€ 7 million) and for 5% of financings expiring within the year (€ 20 million) and 7% consists of a bond loan falling due in April 2019
- Issuance of commercial paper in July 2018 for € 30 million (fully secured with banckup facilities)



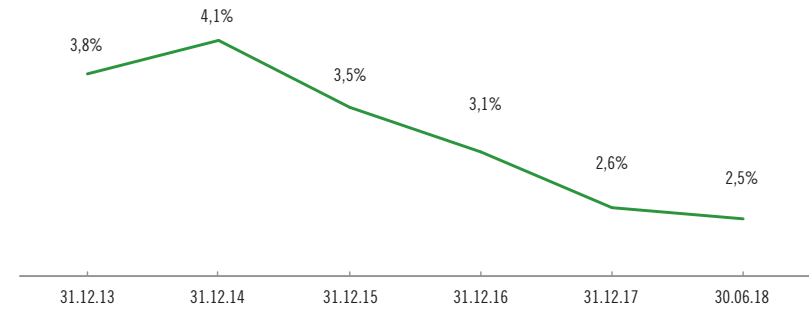
Figures as at 30 June 2018

Financial results 30 June 2018

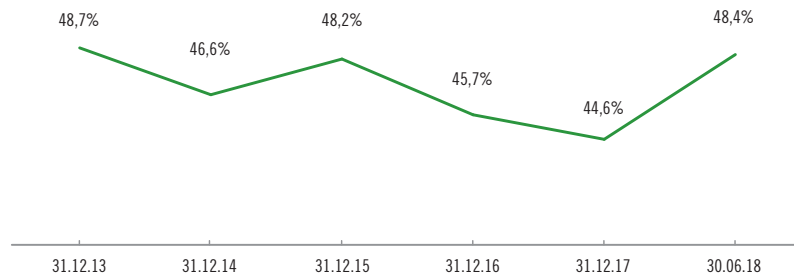
Debt maturities



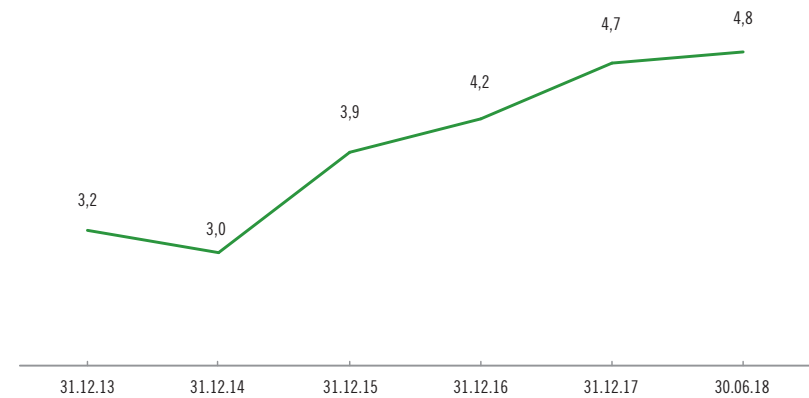
Evolution average cost of debt



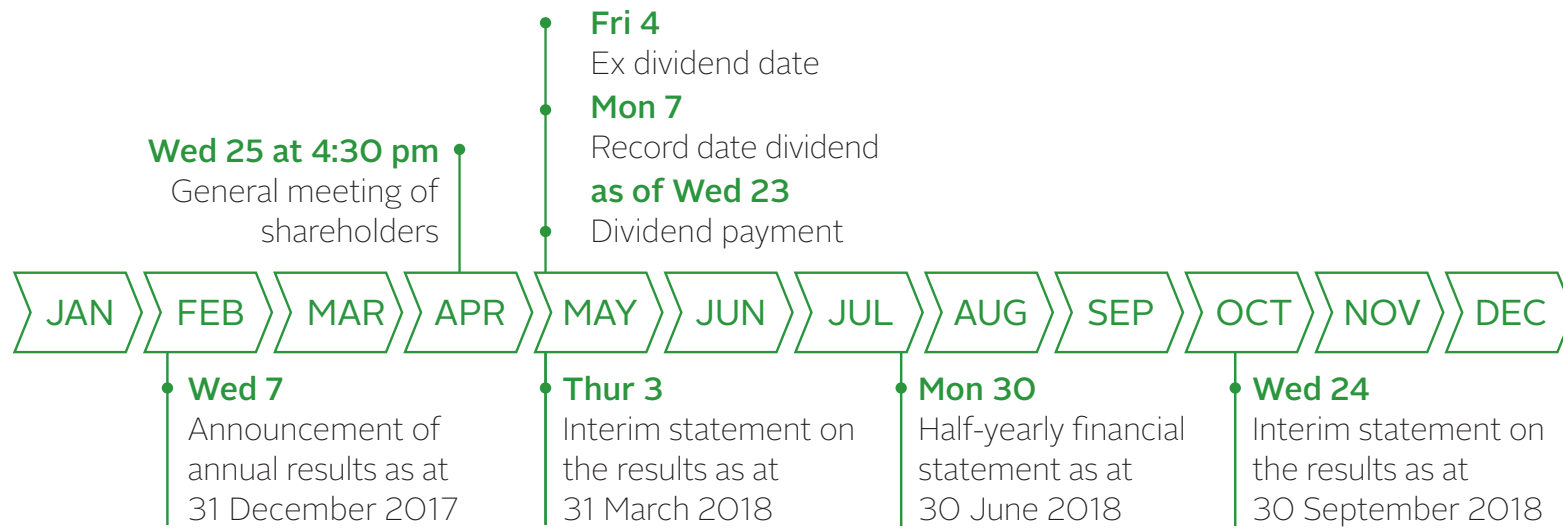
Evolution debt ratio



Evolution interest cover ratio



Financial calendar

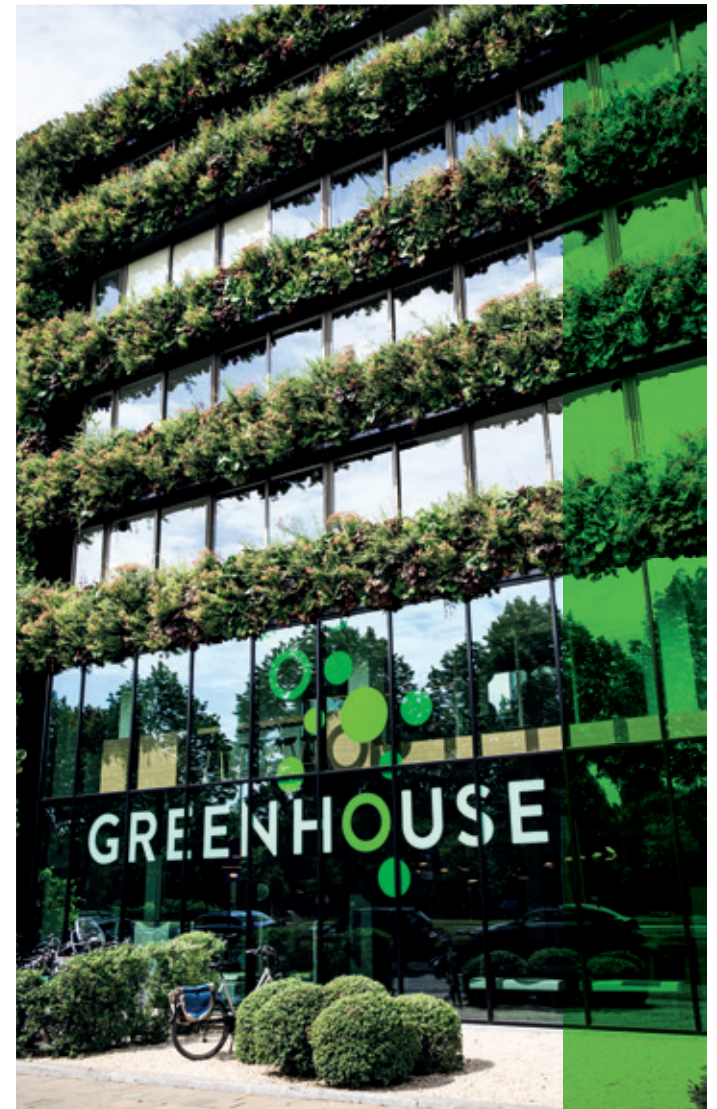




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Greenhouse Antwerp ▶

Property market

Offices

Rental market

Brussels & periphery

- Dynamic market but results lagging behind
- Large transactions of 5.000 m² are decisive
- Under average of the last five years
 - The country-wide take up is 12% lower
 - The number of transactions is 7% lower
- 20% of take-up by operators of business centres, office with services and co-working
- Availability rate Brussels market: 8,2% (lowest since 2007)
- Vicinity airport: attractive buildings that meets corporate expectations are limited

Regional markets

- Antwerp market is doing well: 40.719 m² in 80 transactions
- Good performance market in Mechelen: take up 15.917 m²
 - Market makes a living from co-working

Greenhouse Antwerp - Boardroom ▶



Property market

Offices

Investment market

- € 1.039 million of offices were traded
- Top yields around 4,4% and even 3,6% for long-term leased buildings
- Interest in office investments has increased

Greenhouse Mechelen - Co-working ▶



Property market

Logistics real estate - Belgium

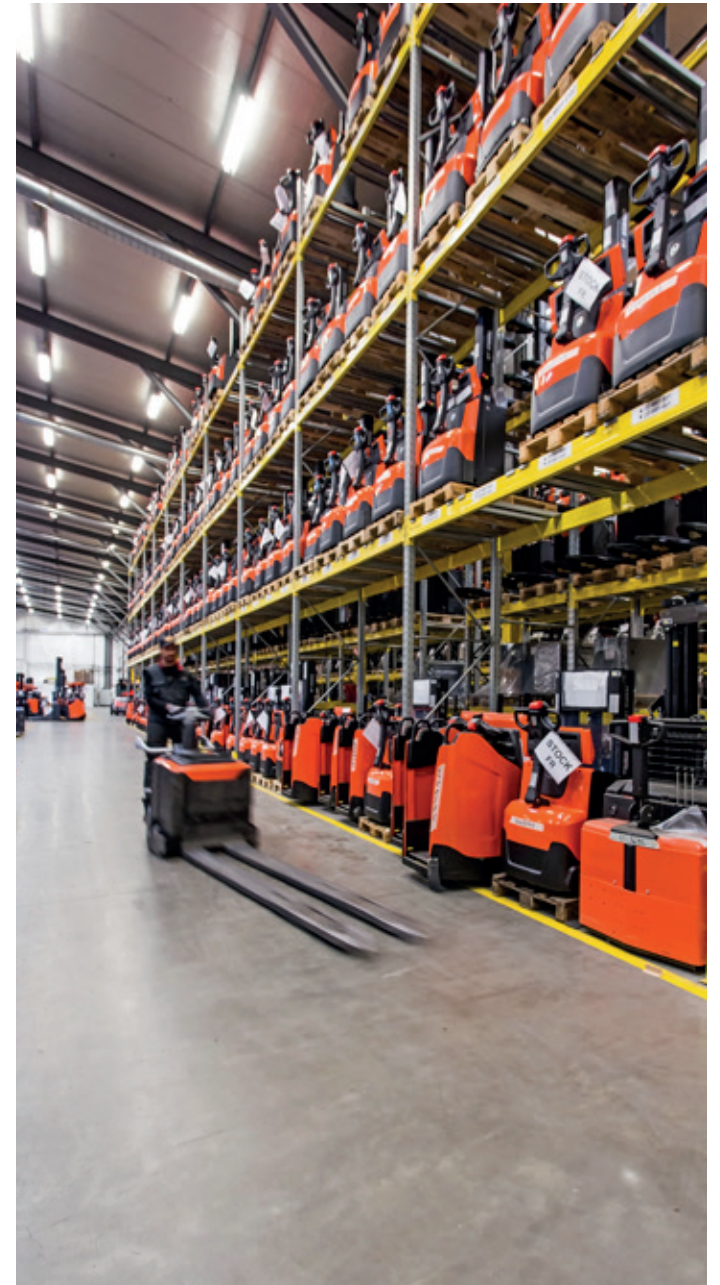
Rental market

- Low take up in Belgium, only 89.000 m²
- Low availability rate, however more area will become temporarily available on the Antwerp-Brussels axis
- The availability of up-to-date logistics real estate is limited
- Rents are stable

Investment market

- Yields are under pressure, best products reach about 6%
- High prices are paid due to demand of qualitative investments and low interest rate

Wilrijk - Toyota Material Handling Europe ▶



Property market

Logistics real estate - the Netherlands

Rental market

- Record take up of 1,4 million m² in the first half of 2018
- Large difference with Belgian market: more successful in attracting large new European operations
- Size of transactions is still increasing in contrast with Belgian market

Investment market

- Large-scale objects leased for long term are negotiated at yields between 4,5% and 5%

Eindhoven ▶



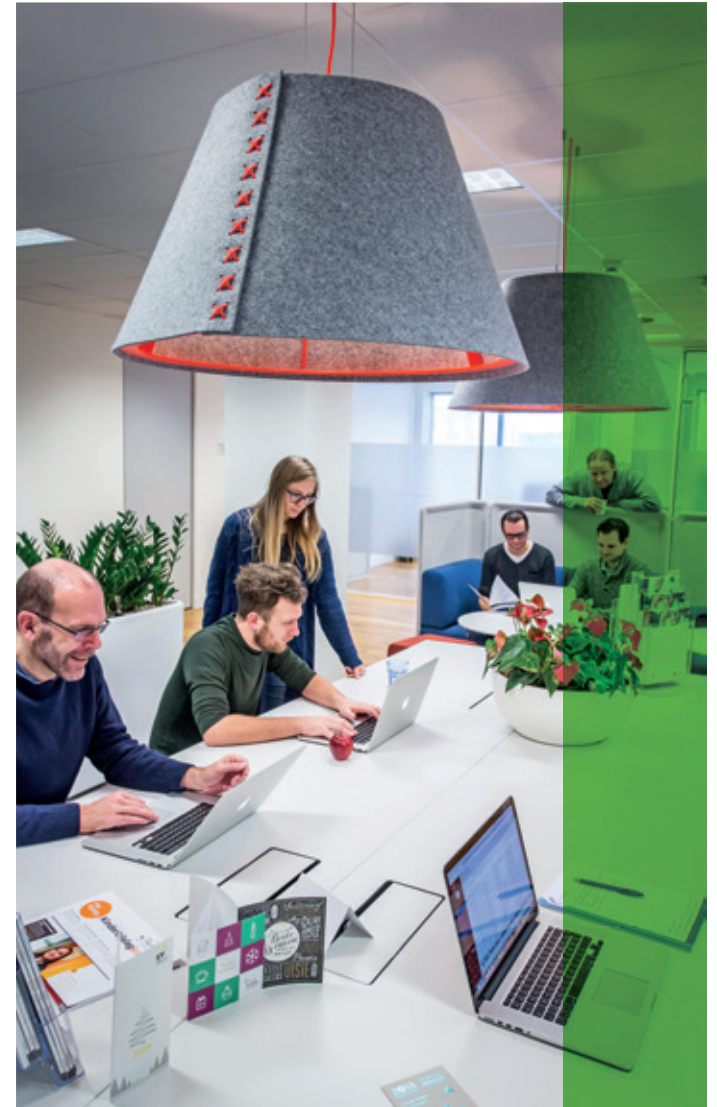


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Mechelen Campus - Bluebee ▶



Outlook

Activities and developments

Continue to work on strategic growth plan: reorientation of office portfolio and expansion of logistics real estate portfolio

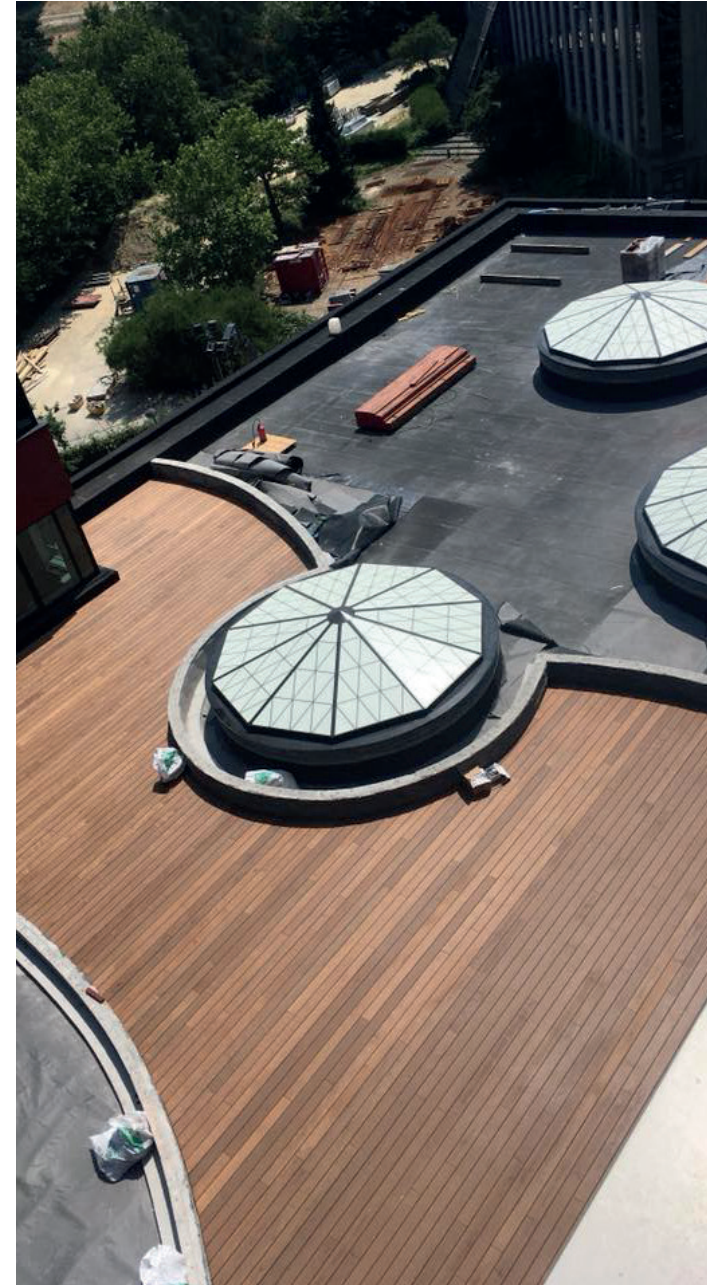
Office segment

- Redevelopment of Greenhouse BXL in Diegem will be completed during second half of 2018
- Successful leasing of Greenhouse BXL shows Interinvest taps in excellently to the expectations of the rental market
- Interinvest is positive regarding further development of leasing activity.

Logistics segment

- Promising pipeline for acquisitions
- Genk Green Logistics: execution of original deed
- Evolution in occupancy rate will depend on reletting of Puurs and Boom

Greenhouse BXL - Installation Rooftop ▶



Outlook

Financing

- Only 5% of credit lines to be refinanced within one year
- Launch commercial paper program July 2018
- Buffer of € 55 million available to finance growth
- Debt ratio 48,4% as at 30 June 2018
- Financing of growth: investigating possibilities to issue debt instruments and/or equity, aligned with acquisition possibilities

Gross dividend 2018

- Gross dividend of minimum € 1,40 per share for 2018



THANK YOU



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