

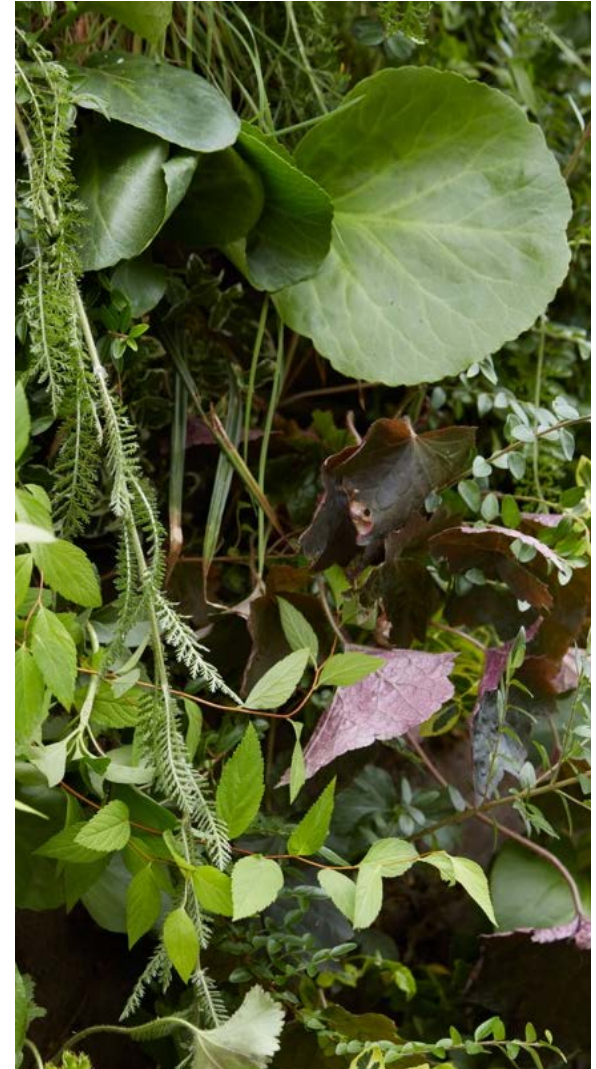
BEYOND  
REAL  
ESTATE



Press & analyst meeting  
February 2019

# Table of contents


Company profile	3
Property portfolio	9
Acquisitions 2018 & Pipeline 2019	16
Property market	32
Financial results	37
Outlook	42





Company profile


# Highlights





<p><b>1</b></p> <p>Unique combination of 2 segments: 60% logistics &amp; 40% offices</p> <p>Strong risk spread</p>	<p><b>2</b></p> <p>Beyond Real Estate: reorientation of offices</p> <p>Dynamic in-house asset management</p>	<p><b>3</b></p> <p>Dynamic acquisition performance: € 181 m in 2018</p> <p>Solid growth plan</p>	<p><b>4</b></p> <p>Future development of 250.000 m<sup>2</sup> logistics on former Ford site Genk</p> <p>Business acumen</p>	<p><b>5</b></p> <p>6,8% dividend yield &amp; 43,5% debt ratio</p> <p>Attractive yield &amp; well-balanced financing</p>
--	--	--	--	---

# About Intervest

- 

Belgian listed REIT °1999  
Euronext Brussels, incl. in EPRA index
- 

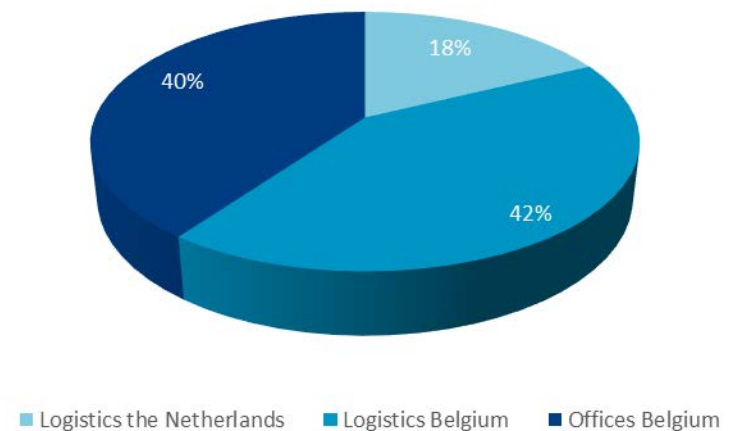
€ 500 m  
Market capitalization
- 

€ 867 m  
Portfolio fair value
- 

> 1.000.000 m<sup>2</sup>  
Portfolio surface area
- 

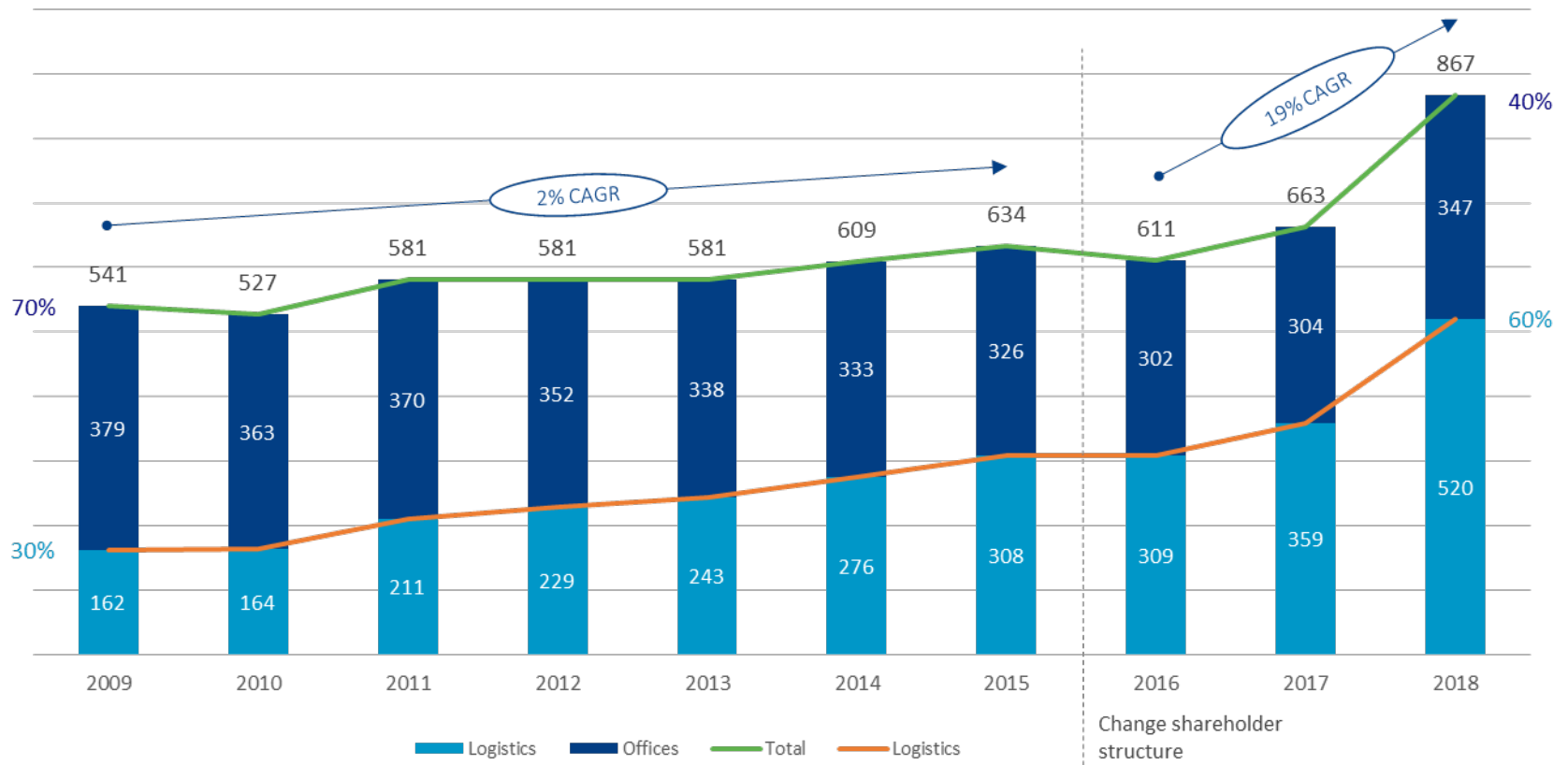
# 43  
In-house real estate team

Portfolio breakdown



# Road to growth

► 42% portfolio growth since change in shareholder structure in 2016, i.e. CAGR of 19%



# Strategic vision

Continued growth of real estate portfolio

Focus on 2 segments: logistics and offices

Investing in logistics in the Netherlands and Belgium

Reorientation of offices with clear focus on services

Improvement of asset quality

Maintaining a healthy debt ratio of 45% - 50%

## Strategy in logistics

- ▶ Focus on investing in modern clustered logistics sites on multimodal reachable locations with a clear geographical focus to maximize synergy advantages

## Strategy in offices

- ▶ Investing in inspiring multi-tenant offices on well reachable locations in big agglomerations in Belgium
- ▶ Buildings offering an inspiring experience as well as a full range working environment, with a service oriented and flexible approach towards tenants

# Beyond real estate

*“Our mission is to go beyond simply letting square metres. We unburden our customers and offer them added value, listening to what they want, thinking along and proactively with them.”*

## Turnkey solutions



## Extended services

Access 24/7 Greenhouse Flex GOLD members	Printing and copying facilities	High speed internet	Assigned telephone number	Cleaning service
Parcel service	Meeting rooms	Seminar facilities	Coffee	Restaurant
Ironing service	Parking	Charging station electrical cars	Shuttle service	Rental cars
Reception services	Postal services	Catering	Showers	Handyman service

## Greenhouse concept

- Inspiring & innovative offices
- Co-working
- Wellbeing facilities
- Meeting rooms & event spaces







Property portfolio

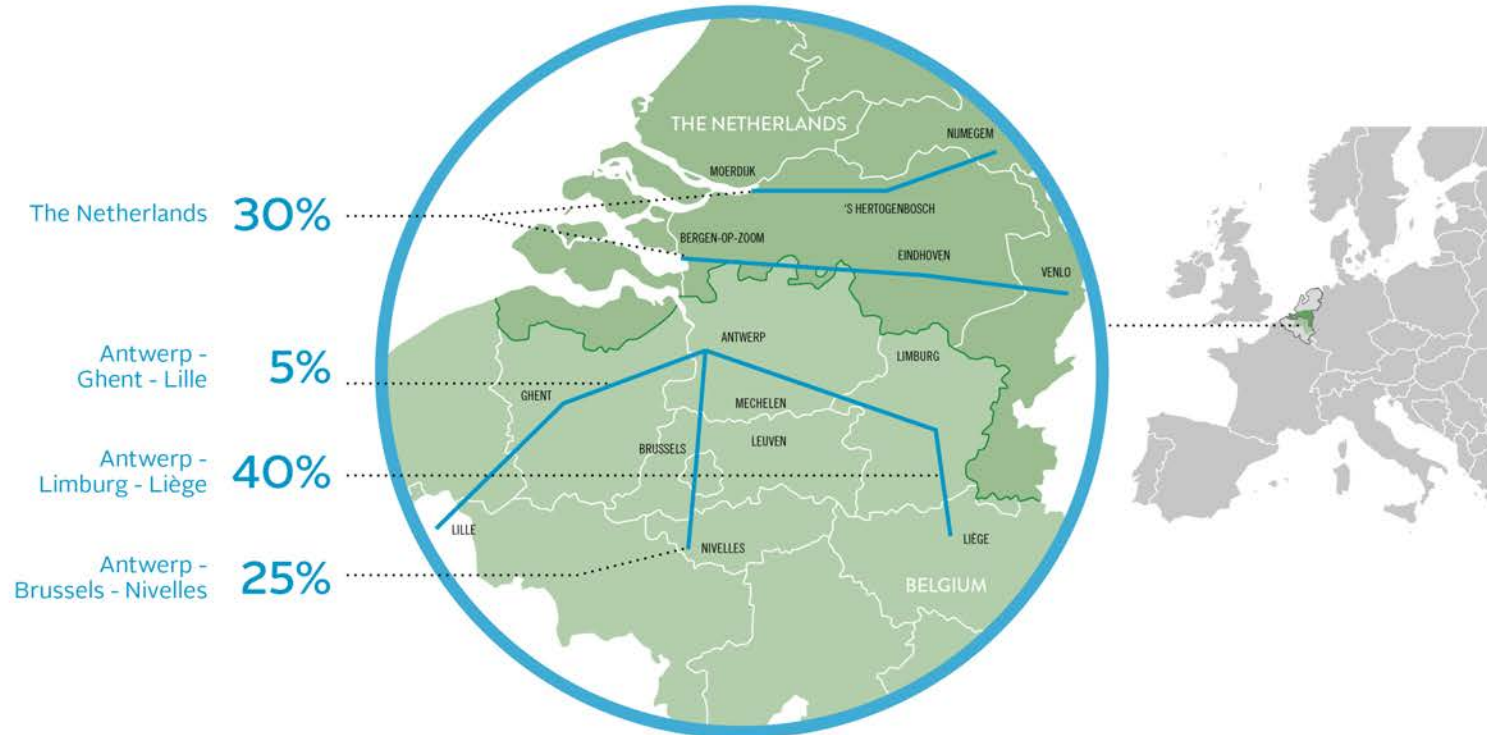
# Overview logistics

€ 520 m  
Fair value

98%  
Occupancy rate

7,2%  
Yield  
7,3% fully let

785.000 m<sup>2</sup>  
Lettable space



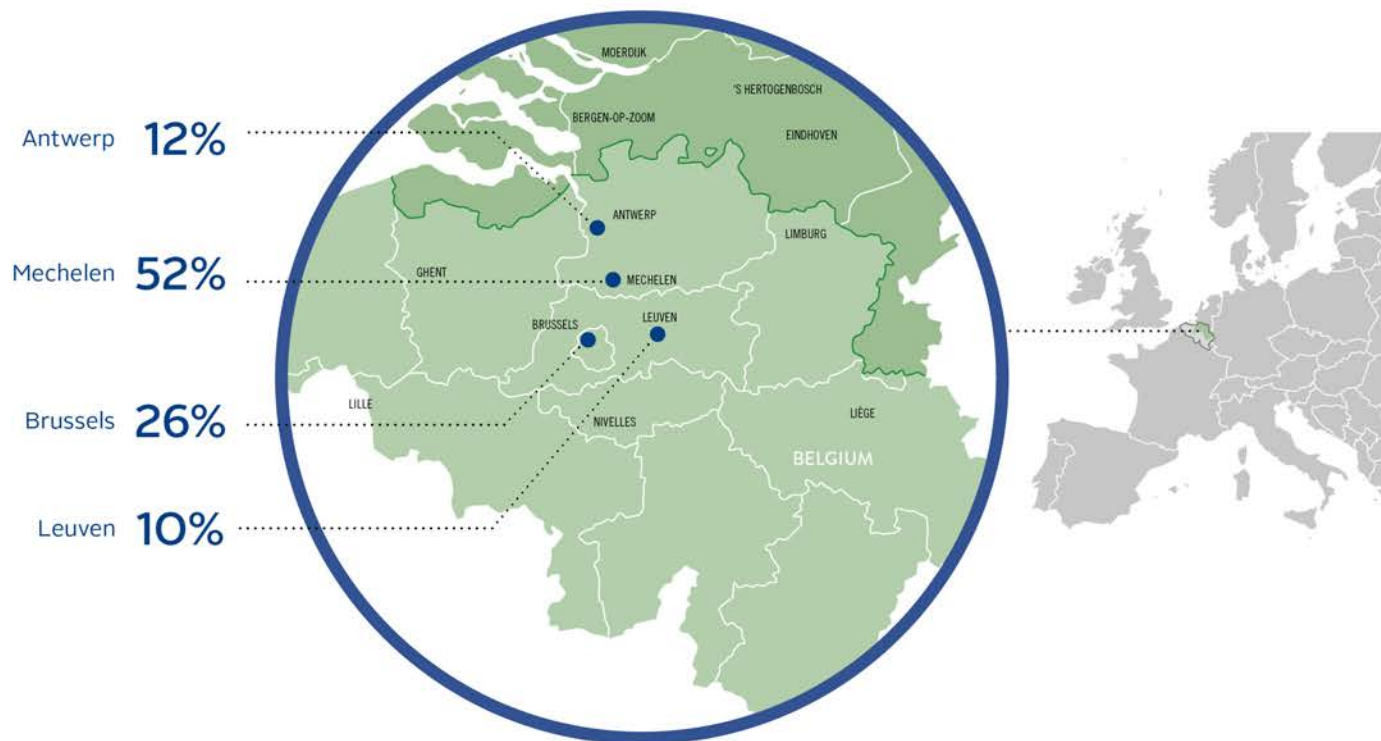
# Overview offices

€ 347 m  
Fair value

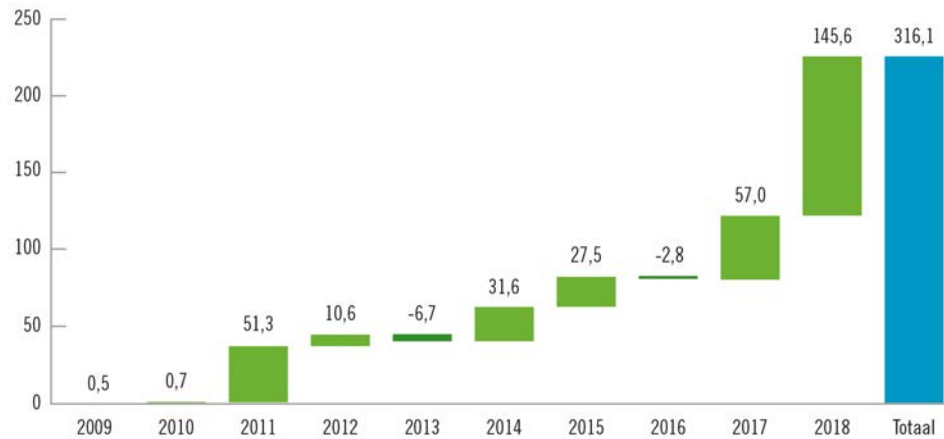
88%  
Occupancy rate

7,8%  
Yield  
8,9% fully let

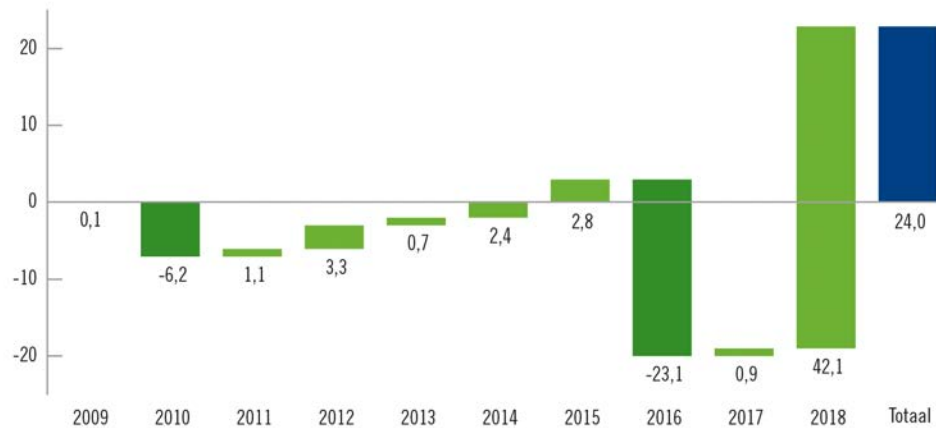
238.000 m<sup>2</sup>  
Lettable space



# 10 year portfolio rotation



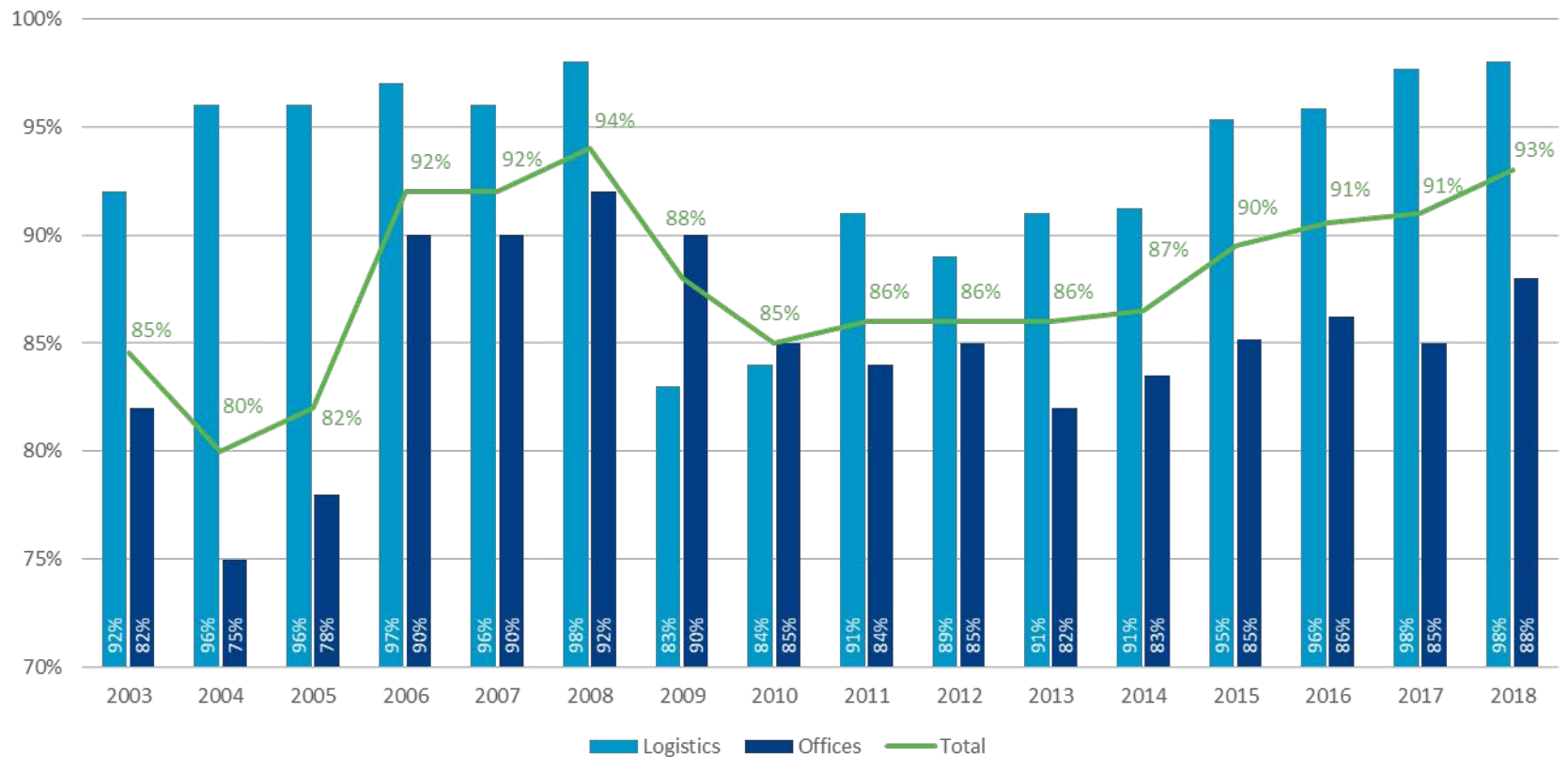
Logistics net investment of  
€ 331 m



Offices net investment of  
€ 25 m

# Occupancy rates follow economic cycle

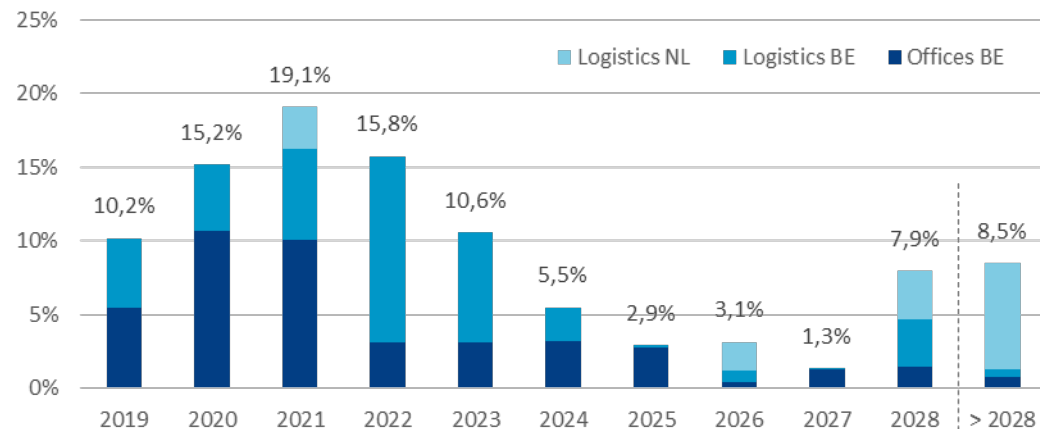
- ▶ Logistics 98%: at the top of historical bracket (83%-98%)
- ▶ Offices 88%: at high end of historical bracket (75%-92%)



# Lease terms & major tenants

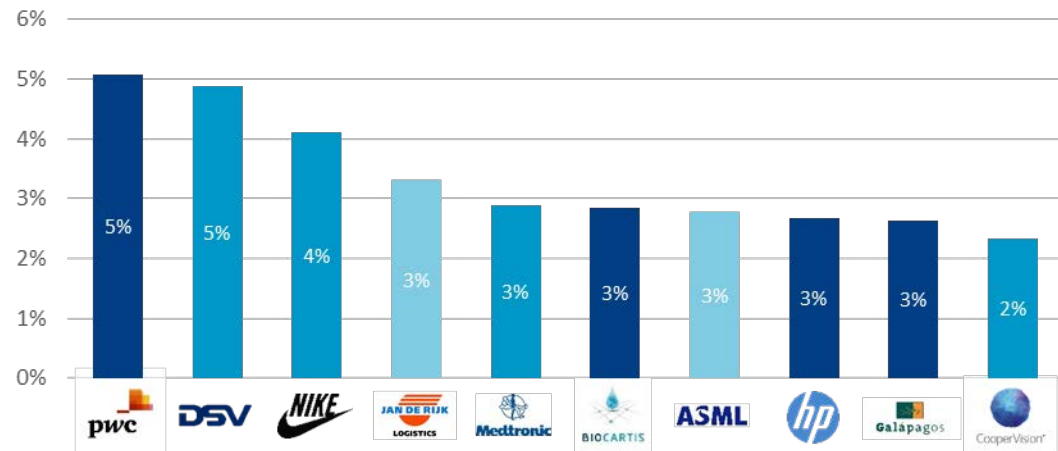
- ▶ Well-spread final expiry dates
- ▶ Avg. lease term 14 years of tenants leaving in 2017 and 8 years in 2018
- ▶ WALB: logistics 5,5 years & offices 3,5 years

Lease terms - first break dates



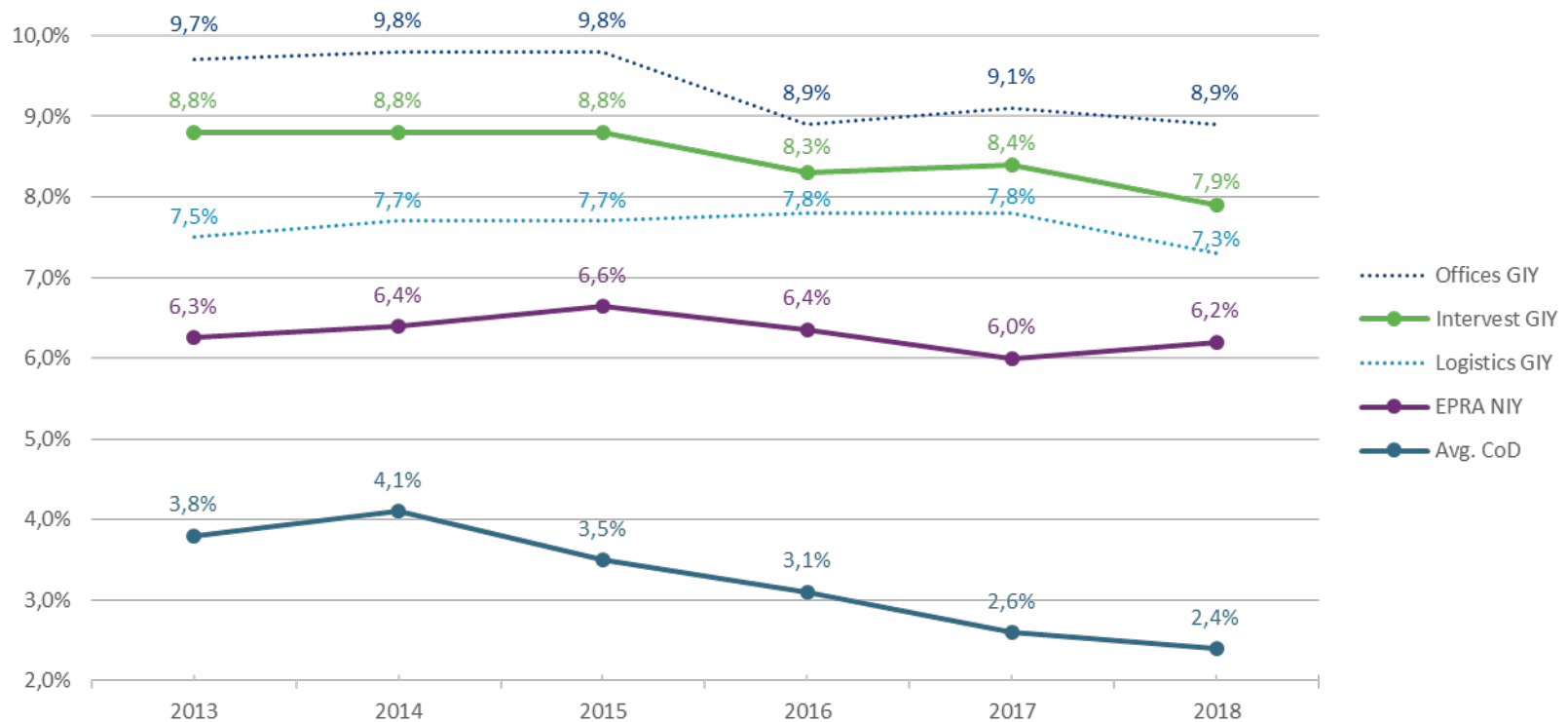
- ▶ Limited exposure to tenant concentration
- ▶ 34% of rental income comprises 10 tenants
- ▶ Quality tenants prominent in their field

Major tenants



# Attractive yields

- ▶ Gross initial yield (including ERV vacancy) of 7,9%
- ▶ EPRA net initial yield of 6,2%
- ▶ Average cost of debt is 2,4%





Acquisitions 2018 &  
Pipeline 2019



# Acquisitions 2018

€ 181 m  
Acquisition value

€ 12,1 m  
Annual rent

6,7%  
Gross initial yield

227.000 m<sup>2</sup>  
Lettable space

Site	Date	Segment	Country	Surface area (m <sup>2</sup> )	Investment value (€m)	GIY	Annual rent (€m)	WALB	Occupancy
Acquisitions 2018									
1. Vuren Hooglandseweg 6	28/06/2018	Logistics	NL	13.800	12,8	6,5%	0,8	10,0	100%
2. Raamsdonksveer Zalmweg 41	06/07/2018	Logistics	NL	38.600	24,0	7,4%	1,2	8,3	100%
3. Eindhoven Silver Forum	06/07/2018	Logistics	NL	28.700	16,4		1,8	3,5	100%
4. Gent Eddastraat 21	03/12/2018	Logistics	BE	37.900	22,9	5,9%	1,4	10,0	100%
5. Raamsdonksveer Steurweg 2	14/12/2018	Logistics	NL	14.600	10,7	7,2%	0,8	12,0	100%
6. Leuven Ubicenter	18/12/2018	Offices	BE	27.000	33,7	8,2%	2,8	4,0	96%
7. Tilburg Belle van Zuylenstraat 10-11	19/12/2018	Logistics	NL	28.500	22,1	5,7%	1,3	10,0	100%
8. Roosendaal Leemstraat 15	20/12/2018	Logistics	NL	38.100	38,5	5,5%	2,1	15,0	100%
Total acquisitions 2018				227.200	181,1	6,7%	12,1	8,6	98%
Development completed in 2018									
9. Greenhouse BXL	01/10/2018	Offices	BE	20.300	8,4		2,3	6,8	80%
Total development completed in 2018					8,4				
Land reserve									
10. Genk Green Logistics	24/09/2018	Logistics	BE		3,3				
Total land reserve 2018					3,3				
Total investments 2018					192,8				

# 1. Vuren Hooglandseweg 6

- Built-to-suit distribution centre for non-profit health care provider  
The Medical Expert Group
- Project acquired upon completion in June 2018
- Climate controlled storage
- Located in well developed industrial zone

## Key facts

- Surface area: 11.500 m<sup>2</sup> warehouse  
2.300 m<sup>2</sup> offices
- Investment value: € 12,8 m
- Annual rent: € 0,8 m
- Gross initial yield: 6,5%
- WALB: 10 years
- Deal: Sale & leaseback share deal - development



## 2. Raamsdonksveer Zalmweg 41

- Distribution centre
- Adjacent to distribution centre of a major chain of furniture and interior design shops, also owned by Intervest
- Cluster in industrial zone Dombosch

### Key facts

- Surface area: 35.000 m<sup>2</sup> warehouse  
2.500 m<sup>2</sup> mezzanine  
700 m<sup>2</sup> offices
- Investment value: € 24,0 m
- Annual rent: € 1,2 m
- Gross initial yield: 7,4% (combined with 3. Eindhoven Silver Forum)
- WALB: 8,3 years
- Deal: Asset deal

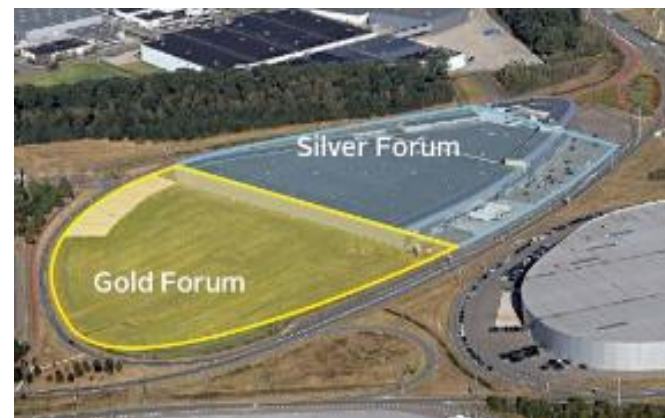


# 3. Eindhoven Silver Forum

- Distribution centre with offices at Business Park Flight Forum in the vibrant zone surrounding Eindhoven Airport
- Multimodal infrastructure network
- Distinctive oval shaped building with silver façade
- Let to high tech company ASML
- Commitment to buy adjacent plot of land and development Gold Forum in 2019 resulting in a total logistic complex of about 50.000 m<sup>2</sup>

## Key facts

- Surface area: 23.300 m<sup>2</sup> warehouse  
5.900 m<sup>2</sup> separate offices
- Investment value: € 16,4 m
- Annual rent: € 1,8 m
- Gross initial yield: 7,4% (combined with 2. Raamsdonksveer Zalmweg)
- WALB: 3,5 years
- Deal: Asset deal



Eindhoven - Silver Forum - Distribution centre

## 4. Ghent Eddastraat 21

- Complex consisting of 3 adjacent warehouses in Ghent Sea Port let to global logistic player
- About 40% of the site was fully renovated in 2018
- Photovoltaic system on roofs of all 3 warehouses

### Key facts

- Surface area: 30.500 m<sup>2</sup> warehouse  
5.200 m<sup>2</sup> mezzanine  
2.300 m<sup>2</sup> offices
- Investment value: € 22,9 m
- Annual rent: € 1,4 m
- Gross initial yield: 5,9%
- WALB: 10 years
- Deal: Sale & leaseback share deal



Ghent - Ghent Sea Port - Logistics site

# 5. Raamsdonksveer Steurweg 2

- HQ of Itsme
- Warehouse with separate office building
- Cluster in industrial zone Dombosch (3rd property owned by Intervest)

## Key facts

- Surface area: 10.000 m<sup>2</sup> warehouse  
5.000m<sup>2</sup> office
- Investment value: € 10,7 m
- Annual rent: € 0,8 m
- Gross initial yield: 7,2%
- WALB: 12 years
- Deal: Asset deal



## 6. Leuven Ubicenter

- Contemporary office complex in the vibrant city of Leuven
- Office space with large terraces creating a pleasant work environment
- Surrounded by a pleasant and lively green environment
- Meets all the requirements of the ‘new way of working’
- Perfectly fits with the Interinvest Greenhouse concept as found in Antwerp, Mechelen and Brussels
- Strong contribution to Interinvest’s reorientation strategy in the office portfolio
- > 95% occupancy
- 12 tenants

### Key facts

- Surface area: 23.200 m<sup>2</sup> office space
- Investment value: € 33,7 m
- Annual rent: € 2,8 m
- Gross initial yield: 8,2%
- WALB: 4,0 years
- Deal: Asset deal & long-term lease right land



# 7. Tilburg Belle van Zuylenstraat 10-11

- HQ Kwantum (Homefashion Group)
- Located in industrial zone Katsbogten
- Warehouse with separate office building
- Site will be renovated by tenant in 2019

## Key facts

- Surface area: 25.000 m<sup>2</sup> warehouse  
3.000m<sup>2</sup> office
- Investment value: € 22,1 m
- Annual rent: € 1,3 m
- Gross initial yield: 5,7%
- WALB: 10 years
- Deal: Sale & leaseback asset deal





## 8. Roosendaal Leemstraat 15

- HQ Jan de Rijk Logistics
- Massive logistics complex composed of several halls on 13ha plot
- Located in industrial zone Majoppenveld

### Key facts

- Surface area: 38.000 m<sup>2</sup>
- Investment value: € 38,5 m
- Annual rent: € 2,1 m
- Gross initial yield: 5,5 %
- WALB: 15 years
- Deal: Sale & leaseback asset deal



# 9. Greenhouse BXL

- Opportunity for repositioning and multi-tenant approach after departure Deloitte
- Clear distinction from traditional office offer:
  - Inspiring office building with service-oriented and flexible approach: Greenhouse Flex, co-working lounge, grand café, restaurant, large meeting rooms, auditorium and service desk
  - Newly built patio: lively meeting space with potential for events
  - Acquisition adjacent vacant building for conversion into extra open space and underground car park
- Construction completed in Q3 2018

## Key facts

- Surface area: 16.700 m<sup>2</sup> office space  
500 m<sup>2</sup> serviced offices  
3.000 m<sup>2</sup> co-working and flexible meeting areas
- Development value: € 8,4 m
- Annual rent: € 2,3 m (at 80% occupancy)
- Est. annual rent: € 2,9 m
- WALB: 6 long term tenants  
average lease duration of 5 years



Greenhouse BXL - Artist impression - Patio

# 10. Genk Green Logistics

- Planned redevelopment of zone B on former Ford site in Genk
- Potential for state-of-the-art logistics complex of 250.000 m<sup>2</sup>
- To be fully developed over the next 5 years
- Land acquired on 24 September 2018
- Planned demolition and infrastructure works: € 12 m

## Strengths

- Land scarcity
  - Plot size of 42 ha
  - CEVESO site: possibility for storage of chemical products
- Strategically located, large-scale and tri-modal access
- Inbound activity
  - Proximity to gateways Antwerp and Liège
  - Connectivity through Albert Canal (extended gateway concept)
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing
- Proximity to consumer markets: very competitive
- Collaboration with Flemish Government
- Low land price (€ 40/m<sup>2</sup>) allows for very competitive rental conditions



# Pipeline

- For 2019 Interinvest's committed pipeline amounts to € 69 million
- Focused on logistic clusters in The Netherlands
- Development potential in Genk Green Logistics

Site	Planned acquisition	Segment	Country	Surface area (m <sup>2</sup> )	Investment value (€m)	GIY	Annual rent (€m)	WALB	Occupancy
Pipeline 2019									
A. Roosendaal - Braak	Q4 2019	Logistics	NL	28.000	20,9	6,2%	1,3		
B. Eindhoven - Gold Forum	Q4 2019	Logistics	NL	20.900	18,9	6,2%	1,2		
C. Roosendaal - Blauwhekken 2	01/03/2019	Logistics	NL	18.200	16,8	5,7%	1,0	15,0	100%
Total pipeline 2019				67.000	56,6	6,2%	3,5		
Land reserve									
10. Genk Green Logistics - Infrastructure		Q4 2019	Logistics	BE		12,0			
Total land reserve 2019						12,0			
Total pipeline for 2019						68,6			

# A. Roosendaal Braak

- Acquisition of logistics development site of 39.000 m<sup>2</sup>
- Well located in Roosendaal on business park Borchwerf I
- Construction of state-of-the-art warehouse in 2019
- Delivery expected in Q4 2019

## Key facts

- Surface area: 24.000 m<sup>2</sup> warehouse  
3.000 m<sup>2</sup> mezzanine  
600 m<sup>2</sup> offices
- Investment value: € 18,3 m to € 20,9 m
- Est. annual rent: € 1,3 m
- Gross initial yield: 7,1% - 6,2%
- Deal: Asset deal - development project



Roosendaal - Braak - Artist impressions

## B. Eindhoven Gold Forum

- Logistic development project
- Strategically located at Business Park Flight Forum in the vibrant zone surrounding Eindhoven Airport
- Strong complement to neighboring Silver Forum acquired in June 2018, resulting in a total logistic complex of about 50.000 m<sup>2</sup>
- Acquisition upon delivery: expected in Q4 2019
- Strong demand and limited availability in the region
- 2 year rental guarantee provided by the seller

### Key facts

- Surface area: 21.000 m<sup>2</sup>
- Investment value: € 18,9 m
- Est. annual rent: € 1,2 m
- Gross initial yield: 6,2%
- Deal: Asset deal - development project



## C. Roosendaal Blauwhekken 2

- Built-to-suit project
- Very well located in business park Borchwerf II in Roosendaal, NL
- Newly constructed building: due for completion Q1 2019
- Subsequently to be acquired by Intervest
- BREEAM very good certification, with optional photovoltaic rooftop system
- Long-term lease of 15 years

### Key facts

- Surface area: 16.000 m<sup>2</sup> warehouse  
2.000 m<sup>2</sup> offices
- Investment value: € 16,8 m
- Annual rent: € 1,0 m
- Gross initial yield: 5,7%
- WALB: 15 years
- Deal: Asset deal



Roosendaal - Artist impression



Property market



# Logistics real estate - Belgium \*

## Rental market

- 2018 was an exceptional good year:
  - Take-up of 809.000 m<sup>2</sup> over 62 transactions
  - 65% increase over 2017, 15% increase over 10-year average
  - E-commerce players have joined the demand side (for hubs near urban areas)
- Vacancy on the logistic corridors is limited to 2%
- Prime rents of € 49 /m<sup>2</sup>  
(Brucargo a record high of € 62 /m<sup>2</sup>)
- Brokers expect rents to increase due to demand increase, higher costs and scarcity

## Investment market

- Record low prime yields due to continued increase in demand (international players) combined with scarcity of quality assets
  - 5% for corridor Antwerp - Brussels – Nivelles
  - 6% for corridor Antwerp - Limburg – Liège
  - 6,25% for corridor Antwerp - Ghent
  - 6,75% for corridor Namen - Charleroi - Liège
- Expectation: prime yields will remain, or even decrease further
- Pre-let turnkey solutions are in high demand, speculative developments are not shunned

\* Source: Expertise news 17/01/2019 – JLL's Invest in Belgium 2018 – JLL Investors Survey January 2019 – The future of property management 2018 CBRE Global Tenant Survey – CBRE's Belgian Real Estate Market January 2019 – CBRE Market view Belgium Logistics Q4 2018, CBRE Logistics Market Report Nederland Q4-2018

# Logistics real estate - the Netherlands \*

## Rental market

- 2018 was a very good year:
  - Take-up of 2,6 million m<sup>2</sup> over 140 transactions
  - 18% increase over 2017
  - 75% of total take-up over 2017-18 was generated by newly-built warehouses (mostly built-to-suit)
- Vacancy decreased to a historical low 3,4% (4,6% in 2017 and 4,8% in 2013-17)
- Average rents are stable but high at € 45 /m<sup>2</sup>
- Prime rents of € 55 /m<sup>2</sup>

## Investment market

- Dutch investment market dominated by international players (89%)
- Explosive growth since 2013:  
from € 1 bn in 2013 to € 2,8 bn in 2018 (€ 2,9 bn in 2017)
- Continuous high demand keeps the yields under pressure:  
from 6,7% in 2013 to 4,5% end of 2018
- A further decrease of yields is not expected

\* Source: Expertise news 17/01/2019 – JLL's Invest in Belgium 2018 – JLL Investors Survey January 2019 – The future of property management 2018 CBRE Global Tenant Survey – CBRE's Belgian Real Estate Market January 2019 – CBRE Market view Belgium Logistics Q4 2018, CBRE Logistics Market Report Nederland Q4-2018

# Offices - Belgium \*

## Rental market

### Brussels & periphery

- 2018 was almost an extension of 2017:
  - Take-up of 415.000 m<sup>2</sup> over 409 transactions
  - 3% increase over 2017

Remarkable in 2018 was the increase in number of transactions nationwide:

- 80% of the transactions related to surface areas of less than 1,000 m<sup>2</sup>
- attributable to the increasing success of flexible office spaces
- Vacancy:
  - At a record low of 8% for Brussels total
  - In contrast with a 20% vacancy rate for the periphery
- Rents:
  - Average rents of € 150 /m<sup>2</sup> in Brussels, with peak rents of € 315 /m<sup>2</sup> (Leopold area)
  - Average rents of € 125 /m<sup>2</sup> for quality in the periphery, with peak rents of € 140/185 /m<sup>2</sup> (airport area)

### Regional markets

- Regional markets on the rise and active in 2018, due to the mobility issues in and around Brussels
- Antwerp did well with take-up of 150.000 m<sup>2</sup>, vacancy of 9% and average rents of € 110 /m<sup>2</sup> (10% increase)
- Mechelen revived after a weak 2017: take-up of 52.000 m<sup>2</sup> (5.000 m<sup>2</sup> in 2017)

\* Source: Expertise news 17/01/2019 – JLL's Invest in Belgium 2018 – JLL Investors Survey January 2019 – The future of property management 2018 CBRE Global Tenant Survey – CBRE's Belgian Real Estate Market January 2019 – CBRE Market view Belgium Logistics Q4 2018, CBRE Logistics Market Report Nederland Q4-2018

# Offices - Belgium \*

---

## Investment market

- Also a record year for the Belgian market, with a total of € 5,2 bn invested in all real estate segments
- For Brussels the yields are at a record low 4,25%; 3,75% for offices with a long-term agreement with a trustworthy tenant
- In Antwerp and Mechelen yields are at around 5,25% to 6,5%; 4,5% for offices with long-term agreements

\* Source: Expertise news 17/01/2019 – JLL's Invest in Belgium 2018 – JLL Investors Survey January 2019 – The future of property management 2018 CBRE Global Tenant Survey – CBRE's Belgian Real Estate Market January 2019 – CBRE Market view Belgium Logistics Q4 2018, CBRE Logistics Market Report Nederland Q4-2018



Financial results

# Income statement

+14%  
YoY EPRA earnings

€ 64 m  
Contractual rent

83%  
Operating margin

2,4%  
Avg. interest rate

in thousands €	2018	2017
Rental income	47.920	43.349
Rental-related expenses	-53	-4
Property management costs and income	806	623
<b>Property result</b>	<b>48.673</b>	<b>43.968</b>
Property charges	-6.394	-6.162
General costs and other operating income and costs	-2.725	-2.729
<b>Operating result before result on portfolio</b>	<b>39.554</b>	<b>35.077</b>
Changes in fair value of investment properties	7.033	-7.274
Other result on portfolio	-2.472	-89
<b>Operating result</b>	<b>44.115</b>	<b>27.714</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-8.005	-7.467
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119
Taxes	-390	-180
<b>NET RESULT</b>	<b>34.105</b>	<b>21.186</b>
Minority interests	-9	0
<b>NET RESULT - Group share</b>	<b>34.114</b>	<b>21.186</b>
<b>Note:</b>		
EPRA earnings	31.168	27.430
Result on portfolio	4.561	-7.363
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119

- Rental income, a 11% increase mainly from investments in the logistics segment during 2017 and 2018
- 4% higher property charges due to portfolio growth and team expansion
- Stable general costs
- Operating margin increased 2 percent points (from 81% to 83%)
- Positive changes in fair value investment properties: +0,6%
- 7% higher financial costs mainly from acquisitions
- 14% increase in EPRA earnings

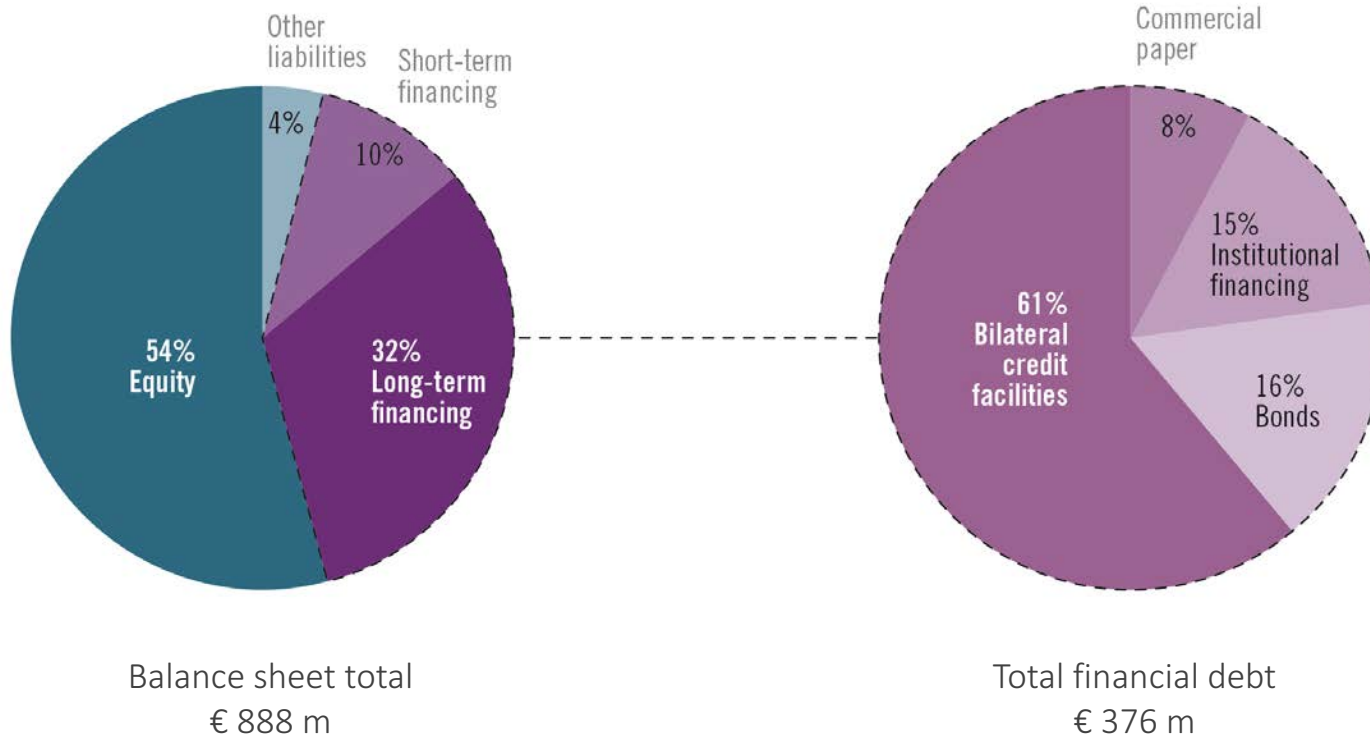
# Funding

43,5%  
Debt ratio

€ 113 m  
Unused credit  
facilities

2,4%  
Avg. cost of debt

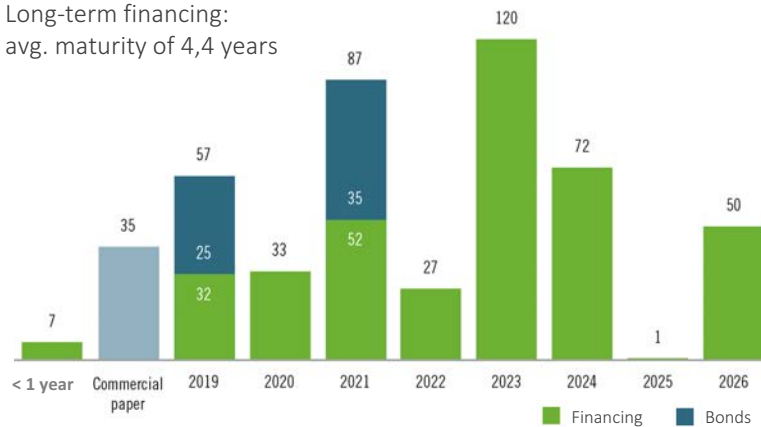
84%  
Hedge ratio



# Funding KPI's

## Debt maturities

Long-term financing:  
avg. maturity of 4,4 years



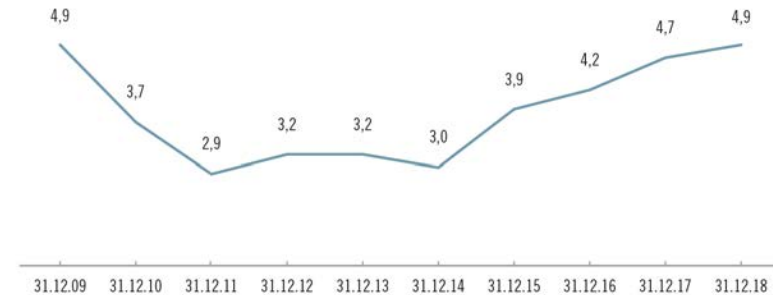
## Average cost of debt



## Debt ratio



## Interest cover ratio





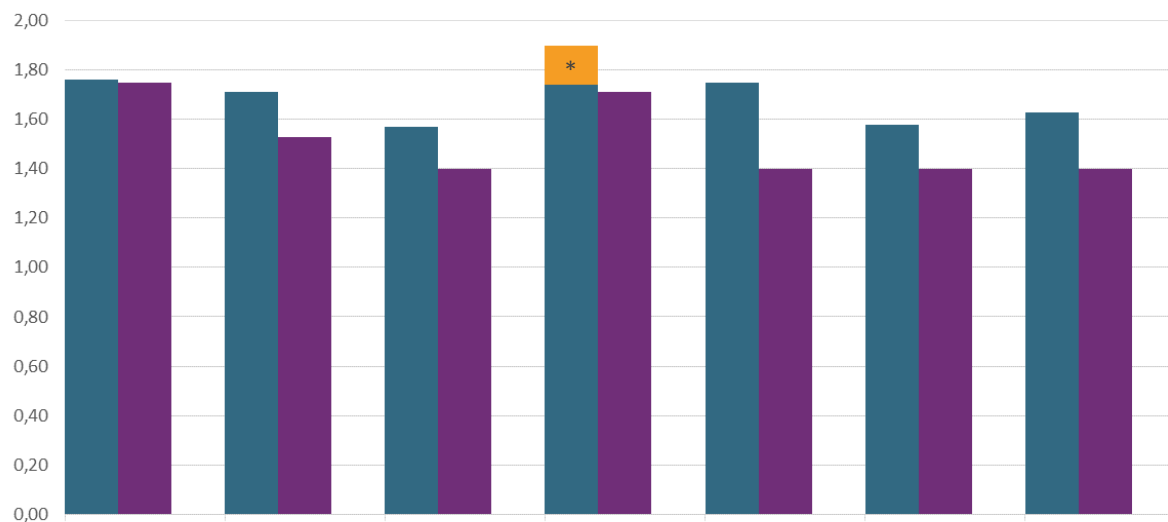
# EPS / DPS

€ 20,60  
Share price  
on 31/12/18

€ 1,63  
EPRA EPS

€ 1,40  
DPS

6,8%  
Gross dividend yield



	2012	2013	2014	2015	2016	2017	2018
EPRA EPS(€)	1,76	1,71	1,57	1,90 (1,74)	1,75	1,58	1,63
DPS(gross) (€)	1,75	1,53	1,40	1,71	1,40	1,40	1,40
Pay-out ratio	99%	89%	89%	90%	80%	89%	86%

- 3% YoY growth of EPRA Earnings per share (from 1,58 to 1,63)
- Gross dividend € 1,40 (pending approval at general meeting of shareholders)
- Coupon n° 21: € 1,28 (detached on 15 November 2018, pro rata till 29 November 2018)
- Coupon n° 22: € 0,12 (pro rata from 30 November till 31 December 2018)
- Both coupons will be paid from 21 May 2019 onwards

\* In 2015 € 0,16 EPRA EPS was generated by a one-time € 2,5 m refurbishment fee from departing tenant Deloitte



Outlook

# Outlook 2019

---

## Growth plan

- Growth of the **portfolio to € 1 bn** by the end of 2019 and € 1,3 bn by end of 2021
- Continued focus on reorientation of offices portfolio and expansion of logistics real estate
- Further development of **Genk Green Logistics**, first logistics building expected in H2 2019
- Potential **asset rotation** in portfolio to ensure long term quality of assets

## Financing

- Maintain a **debt ratio of 45%-50%**
- To ensure the financing of the continued growth, Intervest will examine the possibility of **issuing debt instruments and shares**, as much as possible tailored to the pipeline of investments

## EPRA result and dividend 2019

- Expecting a **3% increase** of **EPRA result per share** in 2019
- Gross dividend of minimum **€ 1,50 per share** for 2019
- Corresponding to a **gross dividend yield** of **7,3%**



Thank you



BEYOND  
REAL  
ESTATE

INTERVEST  
OFFICES &  
WAREHOUSES

Uitbreidingstraat 66  
2600 Berchem

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

[info@invest.be](mailto:info@invest.be)  
[www.invest.be](http://www.invest.be)