



# FY2021 H1 Results

September 2021

FOR CITIES  
FOR PEOPLE

## **SUMMARY**

- 1. Market update**
- 2. Key achievements**
- 3. Portfolio review**
- 4. 2021 Financial performance**
- 5. Outlook**
- 6. Appendix**







## SECTION 1

# Market update



# Key market updates per country

Residential real estate continues to experience strong demand in every core market mainly driven by shortage of supply; Institutional investor and tenant appetite for prime offices in Immobel's core market remain strong



## Belgium - Residential:

- Strong demand for units in suburban areas and for second residences
- Supply in Brussels remains at all time low due to slow permitting process
- Stable upward trend of residential prices

## Belgium - Office:

- Take-up strongly impacted by Covid-19 (-50%)
- Vacancy slightly up to 7.57% with only 3.9% in City centre and 2.7% in EU district. Grade A vacancy even tighter.
- With strong demand in CBD markets and grade A facilities upward pressure on prime rents; prime yields decreasing to 3.25%



## Luxembourg - Residential:

- Luxembourg continues to be one of the fastest growing countries in Europe in terms of population and economic growth (2% population growth in 2020)
- Supply struggles to keep pace with population growth pushing up prices (11.500 EUR/sqm on average for new build apartments)

## Luxembourg - Office:

- Take-up YTD 2021 of 193.000 sqm compared to 83.000 sqm same period last year.
- Prime rent remains stable (52 EUR/sqm) while prime yield decreased to 3.2% CBD
- Vacancy rate of 3.2%



## France (IDF) - Residential:

- New units in commercialisation increased in S1 2021 (12.100 compared to 7.600 in S1 2020).
- Unit sales up with 9% to 12.200 units sold in S1 2021 (vs 11.200 in S1 2020); block sales down by 18% to 4.600 units sold (vs 5.600 in S1 2020)
- Average sales price remained stable in S1 2021 (+0,8%)

## France (IDF) - Office:

- H1 2021: 765,000 sqm have been commercialized (+14% compared to 2020)
- Vacancy rate: 7.3% but 4.5% in Paris CBD
- Post covid, prime CBD rents remain stable close to 900 €/sqm (419€/sqm in Paris area on average) but with an increase in rent free period; prime yields stable at 2.7%





## SECTION 2

# Key achievements



# Key achievements

## Solid results in H1 2021 with net profit up by 37%



### Operational achievements 2021 H1

- Continued strong residential sales across all markets; strong rental and investor activity witnessed for office business attributed to the “downsizing and upgrading” trend in the international office market
- **Sales value contracted for EUR 277 million**
- **Sold Commerce building in Brussels to Allianz and signed lease agreements for MULTI building (100% leased) in Brussels with Total Energies and US financial institution**
- **To date, in line with expectations, new permits obtained** for sales value of **EUR 490 million**, of which EUR 300 million are final permits – a level similar to permits obtained for the whole of 2020
- **Acquired for EUR 575 million** in sales value (including 3<sup>rd</sup> party) of new residential and office projects in core markets increasing the sales value/GDV of the **portfolio at the end of 2021 to EUR 5.4 billion**
- Successful launch of EUR 200 million **Immobel BeLux Office Development Fund**, with first successful closing of EUR 80 million in May 2021



### Financial performance 2021 H1

- **Operating income of EUR 200 million**
- **EBITDA of EUR 40 million and net profit of EUR 30 million**
- Strong balance sheet with **gearing ratio of 64% and cash position of EUR 174 million**
- Successful private placement of 262,179 treasury shares yielding EUR 16 million in cash/ equity
- Dividend policy maintained with increase of 4% to 10% in dividend



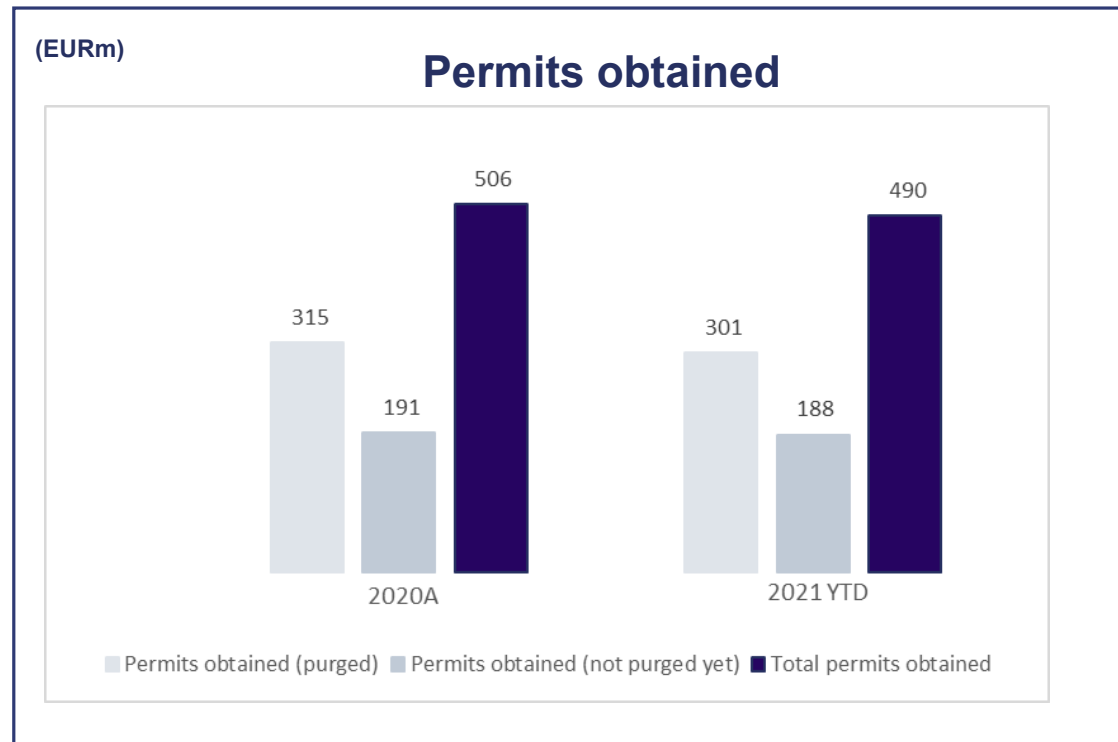
### Outlook FY2021

- **Target for sales value to contract** of more than EUR 500 million
- **Rebound in permitting expected to continue** but encountering delays for a few projects for which permit was expected in H2 2021
- **Still on track to deliver on operating income guidance in 2021 and 2022** driven by strong residential sales and office activities



# Rebound in permitting activities

Permits obtained to date at similar level as for the whole of 2020



- Permits obtained to date are at similar level as full FY 2020
- Permitting activity improved compared to last year, however a few projects have encountered delays. Some permits expected in the second half of the year, might now only be obtained in 2022. These delays, however, are expected to be largely compensated by the strong residential sales and by the office activities, supporting Immobel's business in 2022.







### SECTION 3

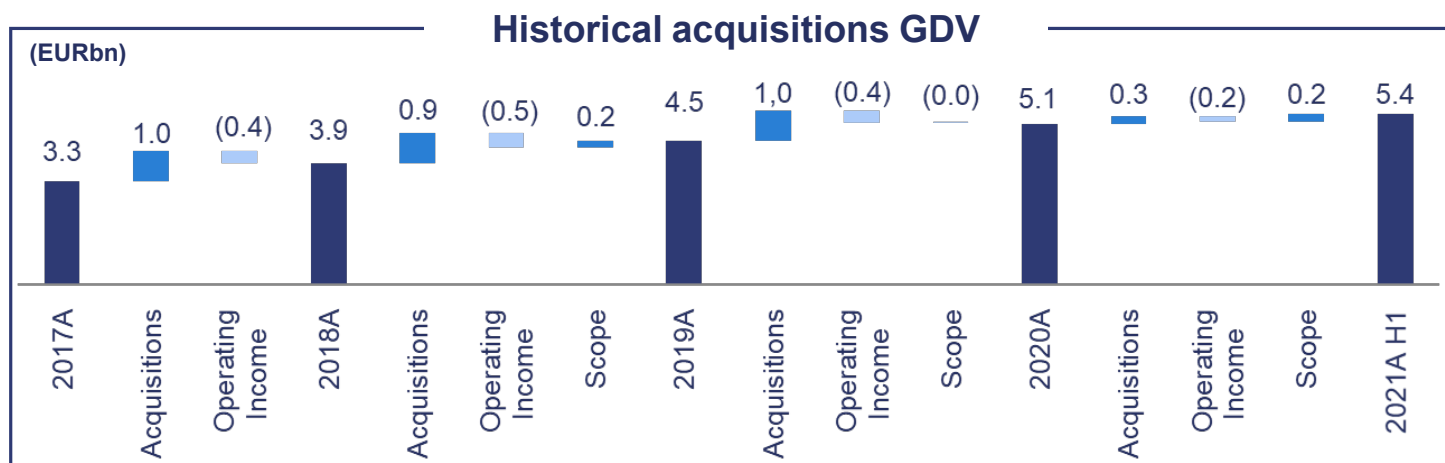
# Portfolio review





# New acquisitions

Immobel continues to successfully source new projects in its core markets with EUR 575m in sales value (incl acquisitions for 3<sup>rd</sup> parties) added to date growing its total portfolio to EUR 5.4bn in GDV



Project	Country	Type	Immobel / 3 <sup>rd</sup> party	Gross SQM	GDV (EURm)
Tati	FRA	Mixed	Immobel	6,920	N/A <sup>(2)</sup>
Godbrange / Luxembourg	LUX	Residential	Immobel	6,503	36.9
W56 / Brussels	BEL	Residential	Immobel	5,124	26.4
Héros / Brussels	BEL	Residential	Immobel	3,785	23.8

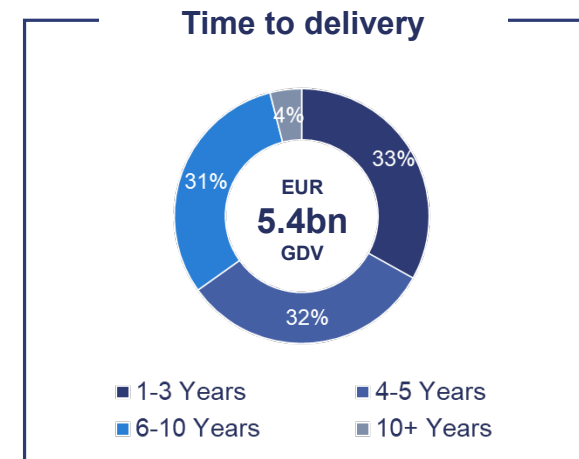
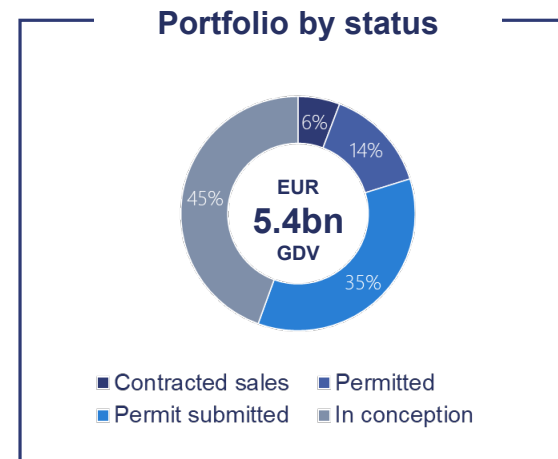
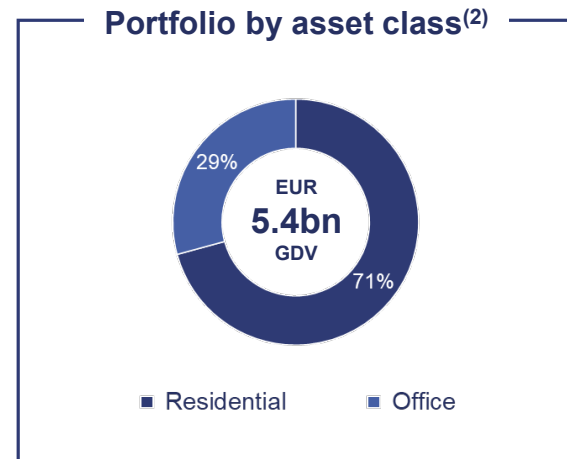
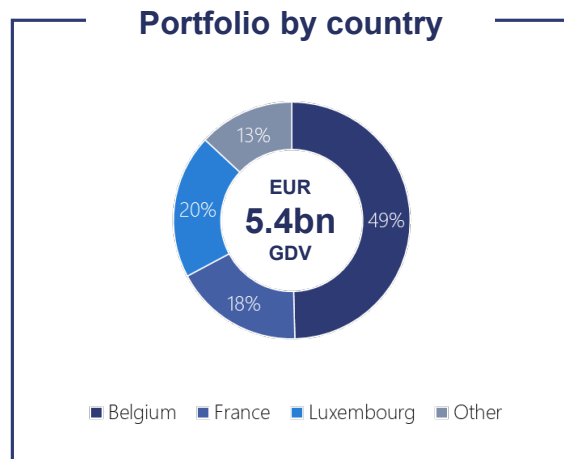


Sabam / Brussels	BEL	Office	3 <sup>rd</sup> party	8,599	N/A <sup>(2)</sup>
St. Honoré	LUX	Office	3 <sup>rd</sup> party	3,219	N/A <sup>(2)</sup>
Richelieu	FRA	Office	3 <sup>rd</sup> party	6,175	N/A <sup>(2)</sup>

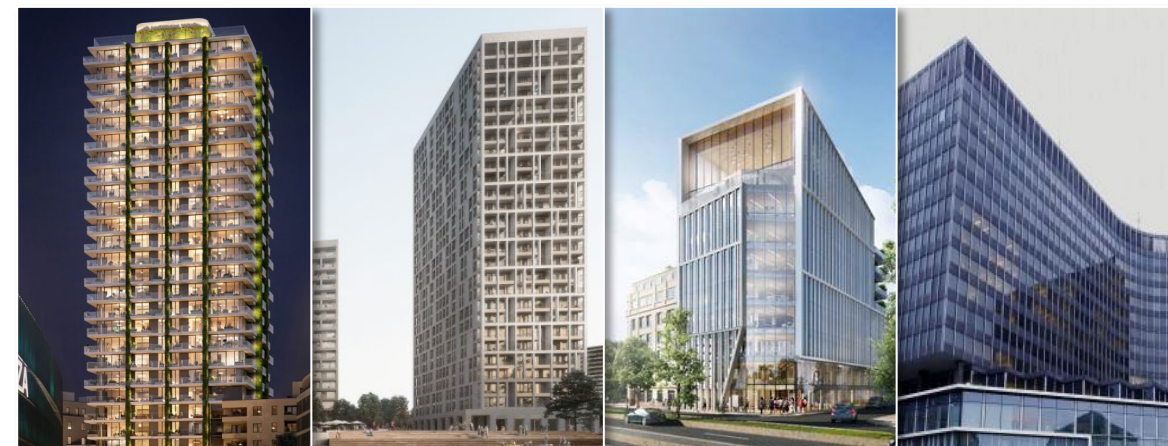
**Combined acquired GDV of EURm 575**

# Portfolio Strategy

Exposure to residential real estate development remains high with 71% of GDV of portfolio in residential projects; permitting pipeline of EUR 1.8 bn of projects or 4,600 residential units<sup>(1)</sup> and 8 offices



**19%**  
Three year average  
Return on Equity



**18%**  
average gross margin of the  
total portfolio's future sales







**SECTION 4**

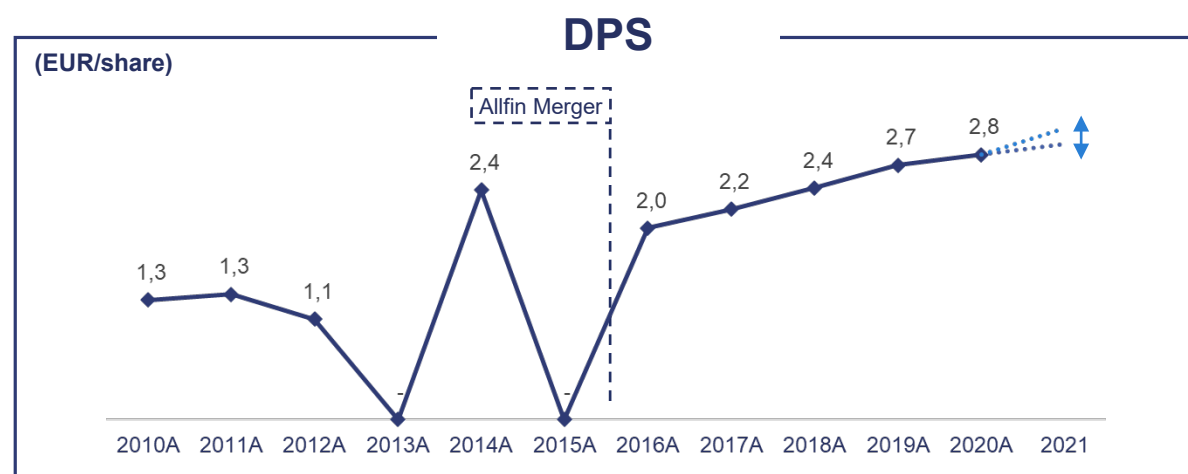
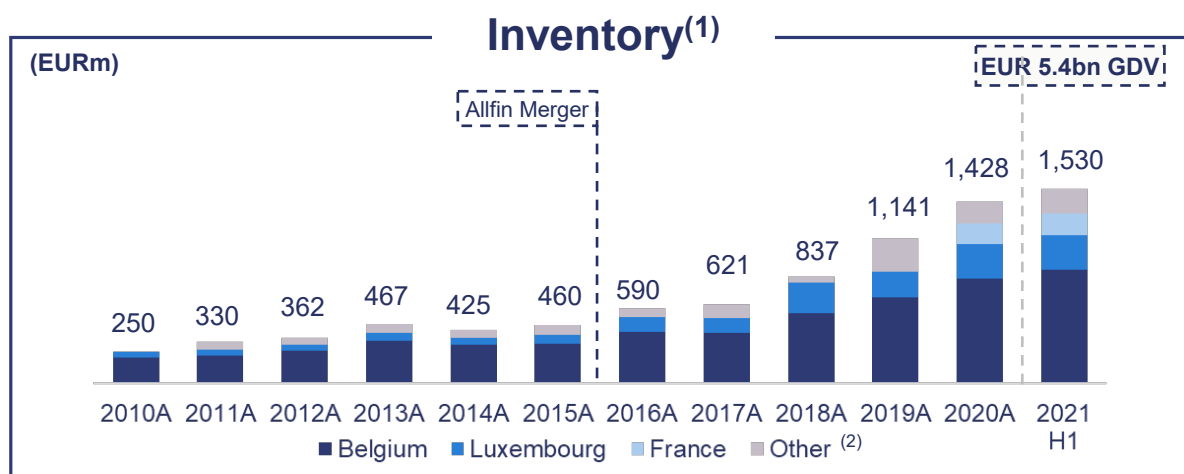
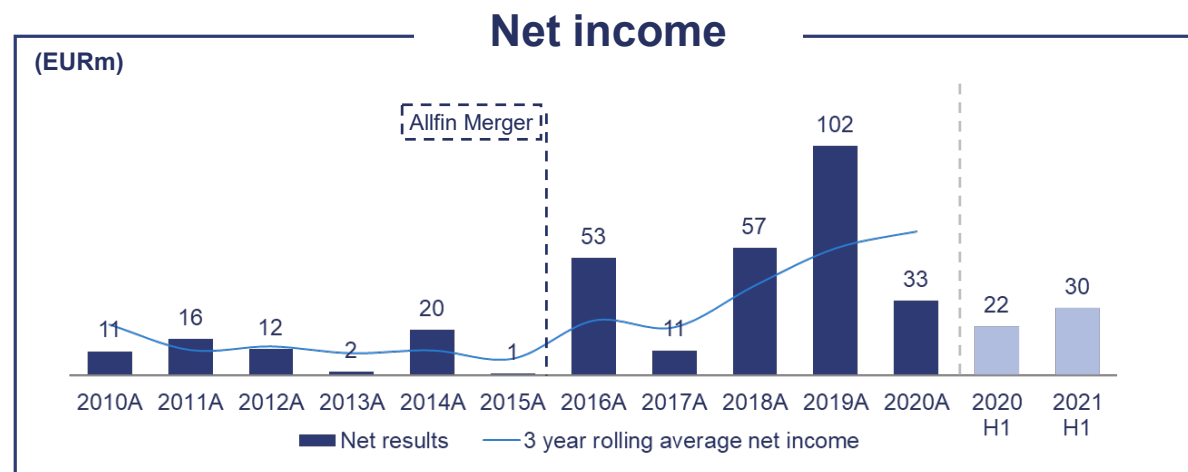
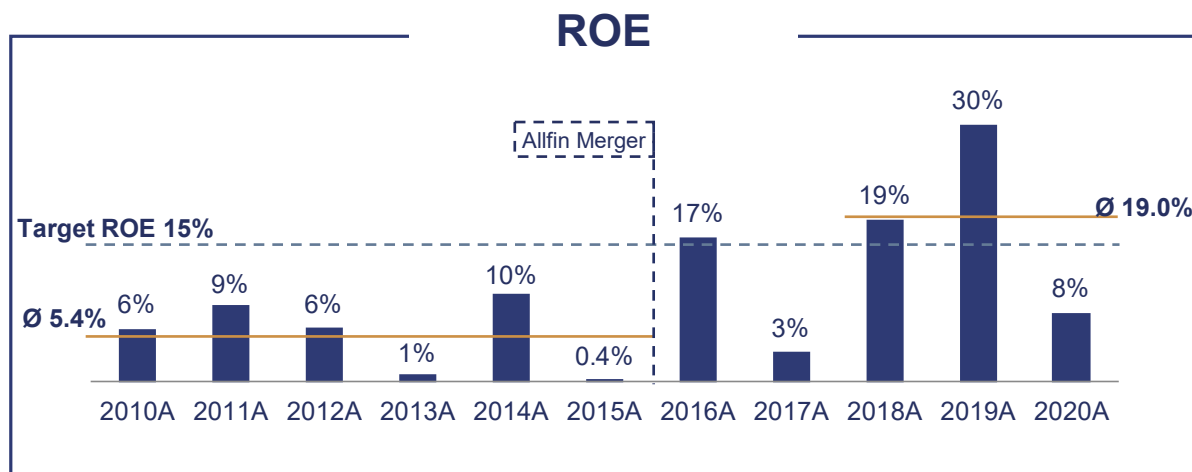
# 2021 H1 Financial Performance





# Key financials

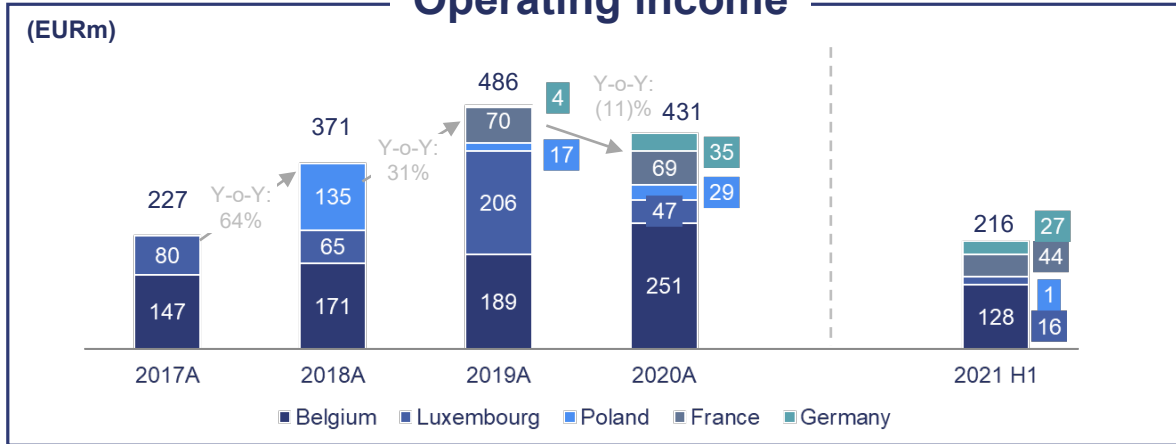
Dividend policy maintained with increase of 4% to 10% in dividend



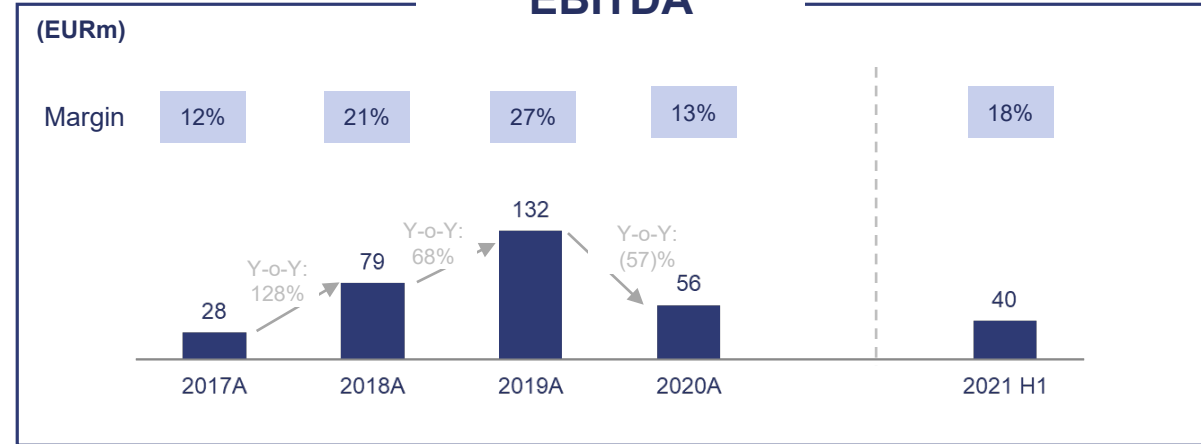
# P&L

Net result up by 37% with strong underlying profitability

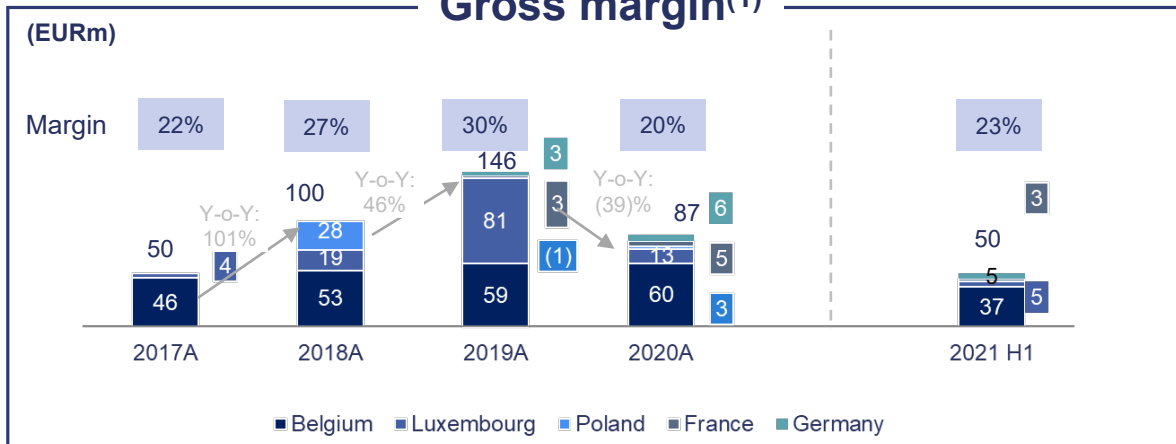
## Operating income



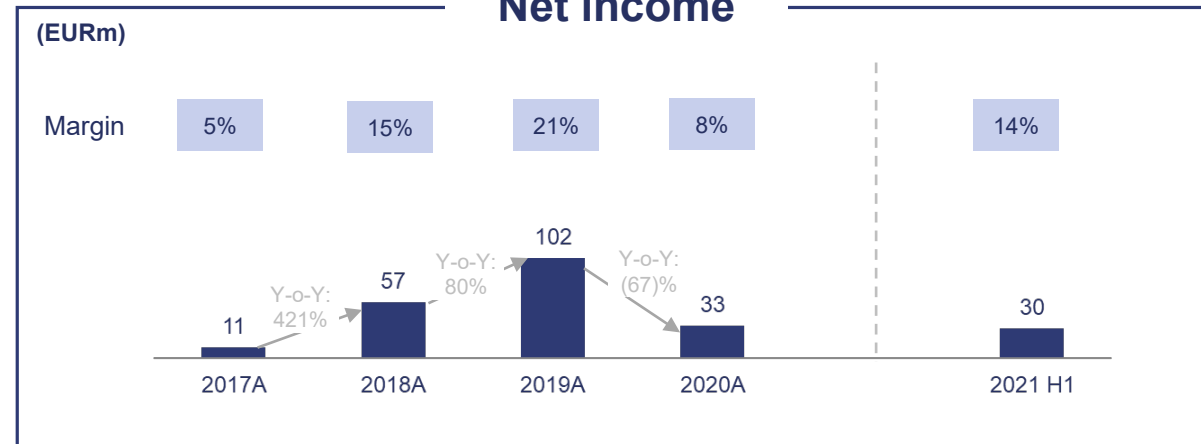
## EBITDA



## Gross margin<sup>(1)</sup>

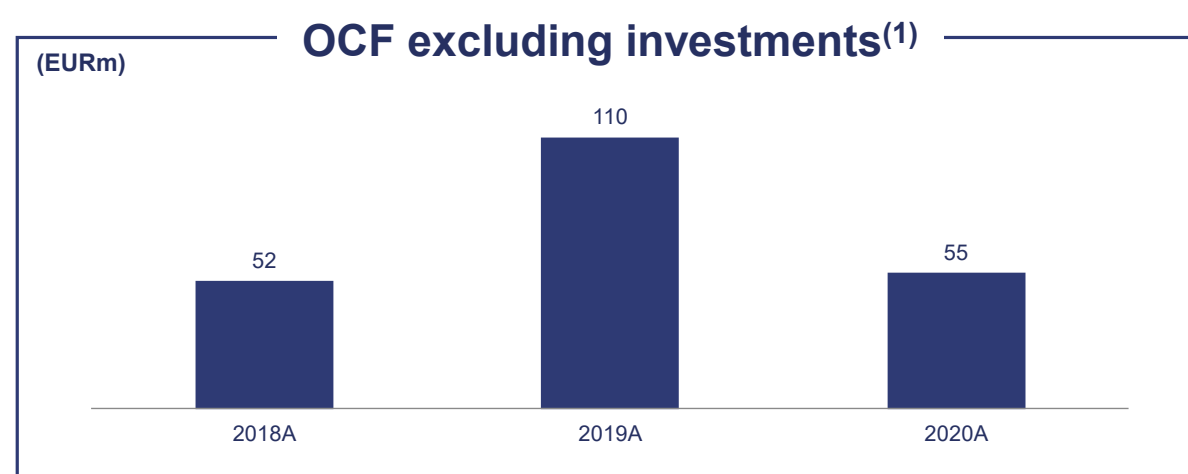
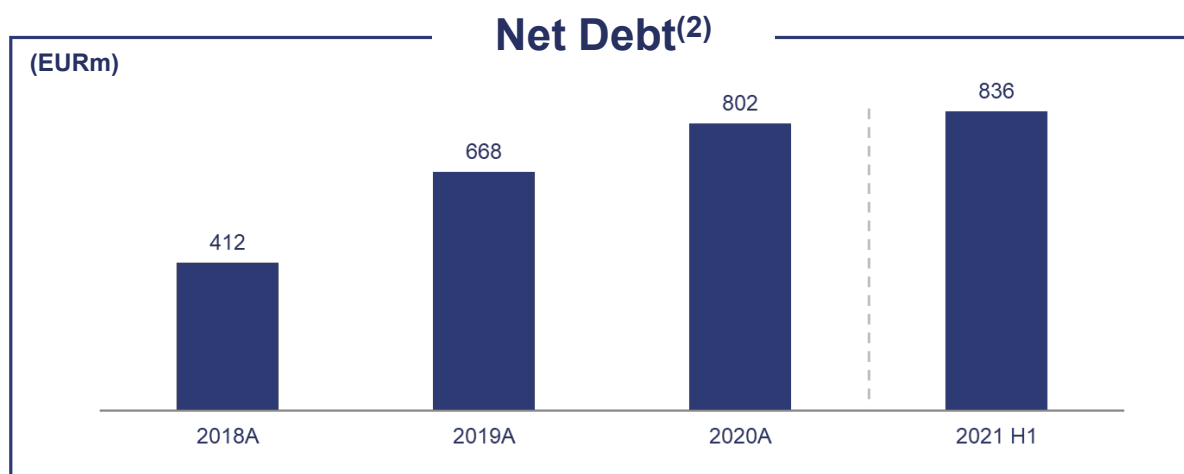
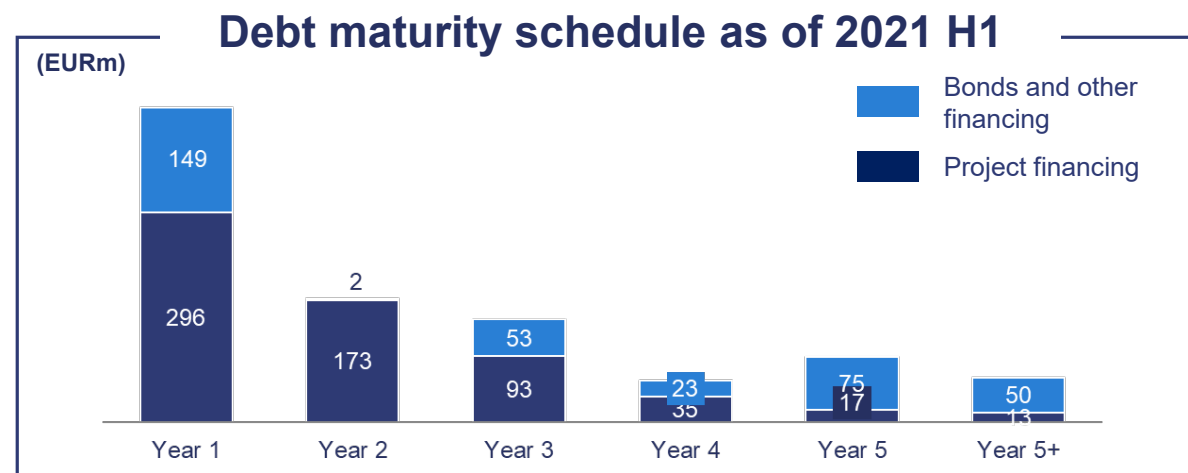
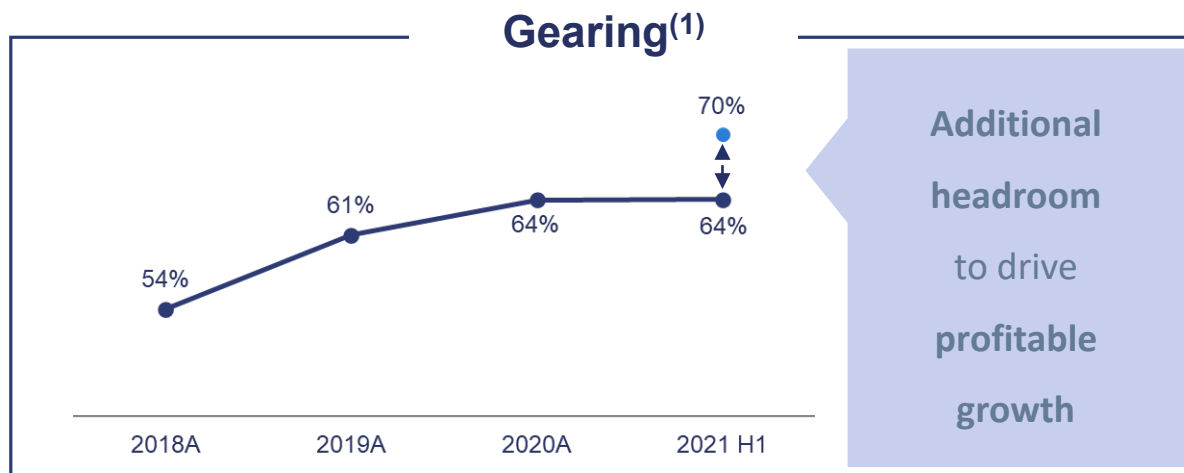


## Net income



# Balance sheet and operating cash flows

Strong balance sheet as key enabler for continuous growth strategy





## SECTION 5

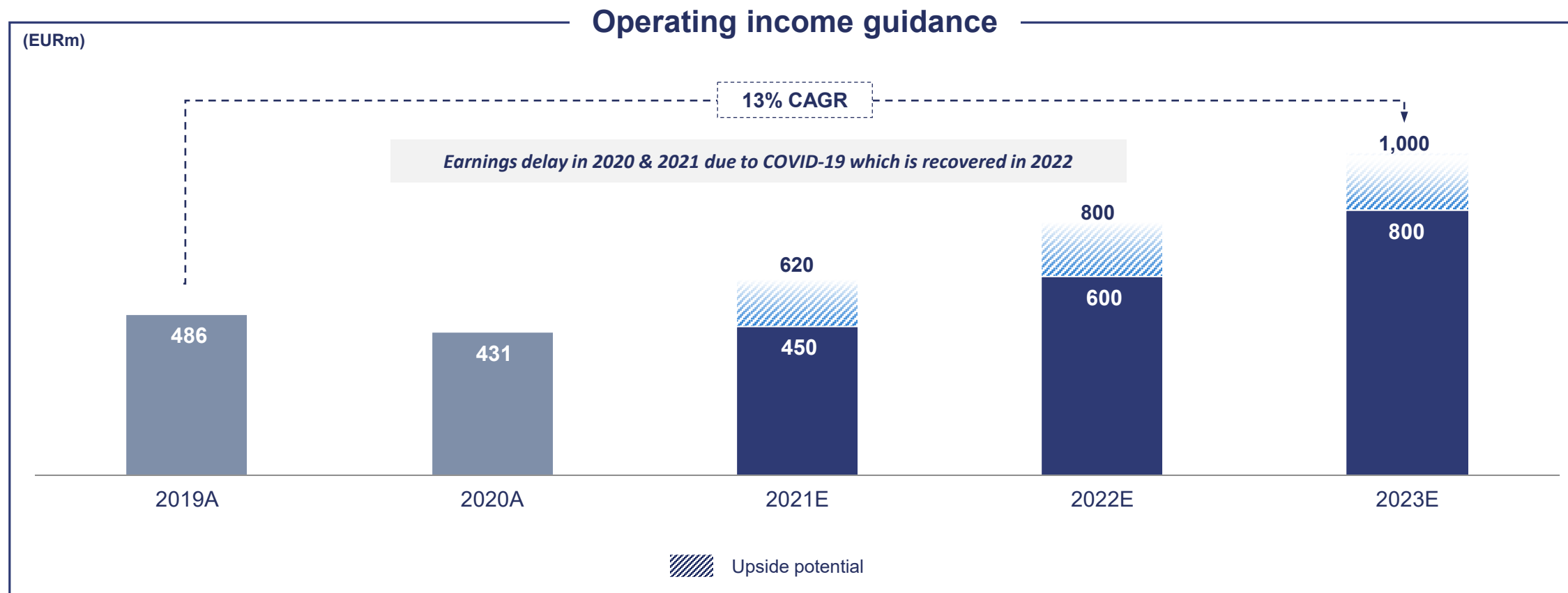
# Outlook





# Outlook

Still on track to deliver on mid term business plan





## SECTION 6

# Appendix



# Profit & loss statement

## External view

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Operating Income</b>	<b>326,131</b>	<b>419,547</b>	<b>375,390</b>	<b>183,769</b>
Turnover	313,420	408,784	364,479	178,447
Other operating income	12,711	10,763	10,911	5,322
<b>Operating Expenses</b>	<b>-260,953</b>	<b>-327,192</b>	<b>-333,526</b>	<b>-153,080</b>
Cost of sales	-235,325	-291,027	-300,766	-141,723
Cost of commercialisation	-1,193	-3,160	-1,702	-0,237
Administration costs	-24,435	-33,005	-31,057	-11,121
<b>Transfer of Businesses</b>	<b>0,000</b>	<b>19,618</b>	<b>0,133</b>	<b>0,002</b>
Gain on disposal of businesses	-	19,618	0,133	0,002
<b>Joint Ventures and Associates</b>	<b>5,171</b>	<b>4,985</b>	<b>6,994</b>	<b>3,271</b>
Gain (loss) on sales of joint ventures and associates	-0,114	-	-1,000	0,000
Share in the net result of joint ventures and associates	5,285	4,985	7,994	3,271
<b>Operating Result</b>	<b>70,349</b>	<b>116,958</b>	<b>48,991</b>	<b>33,962</b>
Interest income	2,099	3,240	5,773	2,313
Interest expense	-5,215	-7,524	-11,859	-2,590
Other financial income	1,095	0,738	1,440	0,666
Other financial expenses	-2,786	-1,782	-2,649	-3,184
<b>Financial Result</b>	<b>-4,807</b>	<b>-5,328</b>	<b>-7,295</b>	<b>-2,796</b>
<b>Result from continuing Operations before Taxes</b>	<b>65,542</b>	<b>111,630</b>	<b>41,696</b>	<b>31,167</b>
Income taxes	-8,629	-9,390	-8,650	-0,693
<b>Result from continuing Operations</b>	<b>56,913</b>	<b>102,240</b>	<b>33,047</b>	<b>30,473</b>
<b>Result of Year</b>	<b>56,913</b>	<b>102,240</b>	<b>33,047</b>	<b>30,473</b>
Share of non-controlling interests	-99	196	-775	-561
<b>Share of Immobil</b>	<b>56,814</b>	<b>102,436</b>	<b>32,272</b>	<b>29,912</b>

# Balance sheet

## External view

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Non-current assets</b>	<b>181,670</b>	<b>213,311</b>	<b>448,370</b>	<b>472,572</b>
Goodwill	0,000	43,789	43,789	43,789
Intangible assets	0,427	0,543	0,582	0,495
Property, plant and equipment	0,947	0,983	1,388	1,848
Assets under capital lease obligations	0,000	6,441	4,390	4,061
Investment property	104,290	81,123	197,149	195,302
Investments in joint ventures and associates	46,451	55,899	106,195	113,713
Advances to joint ventures and associates	24,151	9,492	76,644	91,034
Other non-current financial assets	0,806	4,920	0,175	0,500
Deferred tax assets	4,501	6,374	16,369	19,756
Other non-current assets	0,097	3,747	1,689	2,074
<b>Current assets</b>	<b>784,700</b>	<b>1,087,903</b>	<b>982,768</b>	<b>1,020,810</b>
Inventories	511,837	694,580	683,121	666,878
Trade receivables	20,734	72,516	33,168	27,674
Contract assets	10,954	42,228	57,251	126,351
Tax receivables	0,921	2,703	3,450	3,290
Other current assets	22,562	41,937	37,269	33,919
Advances to joint ventures and associates	46,328	77,743	20,399	16,702
Other current financial assets	0,478	0,050	0,049	0,049
Cash and cash equivalents	170,886	156,146	148,059	145,947
<b>Total assets</b>	<b>966,370</b>	<b>1,301,214</b>	<b>1,431,137</b>	<b>1,493,382</b>

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Total equity</b>	<b>344,749</b>	<b>428,162</b>	<b>494,490</b>	<b>512,771</b>
<b>Equity share of immobel</b>	<b>344,633</b>	<b>426,151</b>	<b>491,922</b>	<b>510,210</b>
Share capital	97,256	97,256	97,257	97,257
Retained earnings	247,174	328,693	392,142	410,613
Reserves	0,203	0,202	2,524	2,341
<b>Non-controlling interests</b>	<b>0,116</b>	<b>2,011</b>	<b>2,568</b>	<b>2,560</b>
<b>Non-current liabilities</b>	<b>332,875</b>	<b>523,379</b>	<b>609,602</b>	<b>530,674</b>
Employee benefit obligations	0,618	0,633	0,603	0,603
Deferred tax liabilities	9,681	15,447	37,301	38,915
Financial debts	322,040	507,008	571,139	490,705
Derivative financial instruments	0,536	0,291	0,560	0,451
Trade payables	-	-	0,000	0,000
<b>Current liabilities</b>	<b>288,746</b>	<b>349,673</b>	<b>327,045</b>	<b>449,938</b>
Provisions	1,896	3,882	2,114	1,587
Financial debts	193,749	200,063	180,810	281,853
Derivative financial instruments	-	-	-	-
Trade payables	48,470	59,564	60,927	88,610
Contract liabilities	7,259	5,690	3,896	16,107
Tax liabilities	5,303	1,354	7,110	8,194
Other current liabilities	32,069	79,120	72,188	53,586
<b>Total equity and liabilities</b>	<b>966,370</b>	<b>1,301,214</b>	<b>1,431,137</b>	<b>1,493,382</b>



# Profit & loss statement

## Internal view

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Operating Income</b>	<b>371,265</b>	<b>486,298</b>	<b>431,153</b>	<b>216,064</b>
Turnover	357,131	470,626	413,751	207,076
Other operating income	14,134	15,672	17,402	8,988
<b>Operating Expenses</b>	<b>-297,440</b>	<b>-379,551</b>	<b>-378,746</b>	<b>-178,676</b>
Cost of sales	-270,994	-340,310	-341,373	-165,829
Cost of commercialisation	-1,288	-3,253	-2,410	-0,378
Administration costs	-25,158	-35,988	-34,964	-12,469
<b>Transfer of Businesses</b>	<b>0,000</b>	<b>19,618</b>	<b>0,133</b>	<b>0,002</b>
Gains on disposal of businesses	-	19,618	0,133	0,002
<b>Joint Ventures and Associates</b>	<b>-0,445</b>	<b>-2,563</b>	<b>0,090</b>	<b>0,029</b>
Gain (loss) on sales of joint ventures and associates	-0,114	-	-	0
Share in the net result of joint ventures and associates	-0,331	-2,563	0,090	0,029
<b>Operating Result</b>	<b>73,380</b>	<b>123,802</b>	<b>52,630</b>	<b>37,419</b>
Interest income	1,736	2,374	4,810	1,900
Interest expense	-5,746	-9,394	-12,587	-4,888
Other financial income / expenses	-1,766	-0,949	-0,973	-1,707
<b>Financial Result</b>	<b>-5,776</b>	<b>-7,969</b>	<b>-8,750</b>	<b>-4,695</b>
<b>Result from continuing Operations before Taxes</b>	<b>67,604</b>	<b>115,833</b>	<b>43,880</b>	<b>32,724</b>
Income taxes	-10,691	-13,482	-10,587	-2,987
<b>Result from continuing Operations</b>	<b>56,913</b>	<b>102,351</b>	<b>33,293</b>	<b>29,738</b>
<b>Result of Year</b>	<b>56,913</b>	<b>102,351</b>	<b>33,293</b>	<b>29,738</b>
Share of non-controlling interests	-99	85	-21	174
<b>Share of Immobel</b>	<b>56,814</b>	<b>102,436</b>	<b>33,272</b>	<b>29,912</b>

# Balance sheet

## Internal view

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Non-current assets</b>	<b>187,279</b>	<b>252,412</b>	<b>420,272</b>	<b>437,986</b>
Intangible and tangible assets	1,374	51,756	50,200	50,193
Investment property	158,284	179,597	294,494	291,967
Investment in associates	21,224	16,000	46,945	63,886
Deferred tax assets	5,487	8,321	19,813	23,335
Other non-current assets	910,000	12,722	8,819	8,605
<b>Current assets</b>	<b>896,035</b>	<b>1,279,702</b>	<b>1,356,329</b>	<b>1,432,236</b>
Inventories	598,057	860,718	997,161	1,000,858
Trade receivables	21,558	80,498	39,327	30,262
Tax receivables and other current assets	90,327	160,521	145,363	226,864
Cash and cash equivalents	186,093	177,965	174,478	174,253
<b>Total assets</b>	<b>1,083,314</b>	<b>1,532,114</b>	<b>1,776,600</b>	<b>1,870,222</b>

(EURk)	Dec-18	Dec-19	Dec-20	Jun-21
<b>Total equity</b>	<b>344,749</b>	<b>426,182</b>	<b>492,907</b>	<b>510,938</b>
<b>Non-current liabilities</b>	<b>414,877</b>	<b>642,663</b>	<b>731,077</b>	<b>607,718</b>
Financial debt	403,805	625,530	685,169	560,081
Deferred tax liabilities	9,918	16,209	44,745	46,584
Other non-current liabilities	1,154	924,000	1,163	1,054
<b>Current liabilities</b>	<b>323,688</b>	<b>463,269</b>	<b>552,616</b>	<b>751,565</b>
Financial debts	194,522	219,978	291,112	450,049
Trade payables	56,328	75,884	83,177	113,367
Tax payables and other current liabilities	72,838	167,407	178,327	188,150
<b>Total equity and liabilities</b>	<b>1,083,314</b>	<b>1,532,114</b>	<b>1,776,600</b>	<b>1,870,222</b>



# Thank you



# Definitions

## Gross development value

- Total expected future turnover (group share) of a project or all projects in the current portfolio

## External view

- Official IFRS reported figures of the company

## Internal view

- External view figures before the application of IFRS 11

## Inventory

- Inventories plus investment properties, investments in contract assets, joint ventures & associates and advances in joint ventures & associates

## Operating cash flow excluding investments

- Cash margin + project management fees – overhead costs

## Gearing

- $\text{Net debt} / (\text{net debt} + \text{equity})$

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