



HOME INVEST  
BELGIUM

## Presentation of the half-year results 2019





# Topics

1. **Company profile**
2. **Real estate portfolio 1H 2019**
3. **Key activities in 1H 2019**
  - **(Re)Developments**
  - **Asset sales**
  - **Letting activities and occupancy rate**
4. **Financial results 1H 2019**
5. **HOMI share**
6. **Outlook**



# 1. Company profile



## Company profile

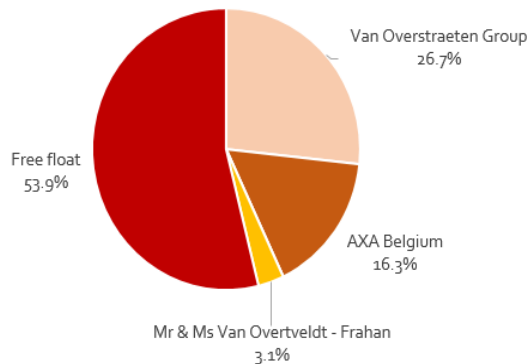
### HOME INVEST BELGIUM IS A BE-REIT

**> € 320 mio market capitalization**

as on June 30th 2019



Shareholder structure



- Specialist in residential real estate
- > € 570 mio fair value of the portfolio
- Listed on Euronext Brussels since 1999
- +/- 5% gross dividend yield<sup>(1)</sup>
- 19 consecutive years of dividend growth
- HQ in Brussels
- > 40 employees

<sup>(1)</sup> Based on the closing price of June 30th 2019 and a gross dividend of € 4.75 per share for FY 2018.



## Company profile

### Residential real estate

- Biggest sector within the real estate market with a need for professionalization
- Limited impact from business cycles on the letting market
- Limited impact from disruption
- Responds to the primary human need of housing

### Specialist

- In-house team of over 40 dedicated real estate professionals
- Top of mind with other market participants (sellers, buyers, brokers, innovators, ...)
- Leading in new housing trends (co-housing, short stays, services, ...)

### In-house development team

- Assures a constant pipeline for growth
- Higher yields obtained thanks to development margin ( $\pm 5\%$  yield on cost)
- Apartment design and quality standards geared to the tenant market
- Built with a long term perspective for HIB as end investor

### Long term debt funding

- Well diversified funding sources from 5 financial institutions and proven access to debt capital markets
- Long term funding with a high proportion of fixed interest rates (88.0% fixed rates with a remaining average duration of 5.5 years)

### Shareholder return

- Strong dividend track record
- Supported by stable reference shareholders



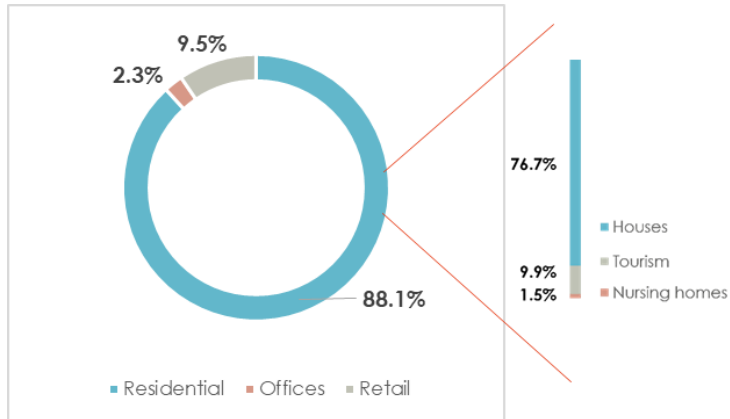
## 2. Real estate portfolio 1H 2019



# Real estate portfolio

## SPECIALIST IN RESIDENTIAL REAL ESTATE

88.1% invested in residential real estate



## STRONG GROWTH TRACK

> € 570 mio portfolio value



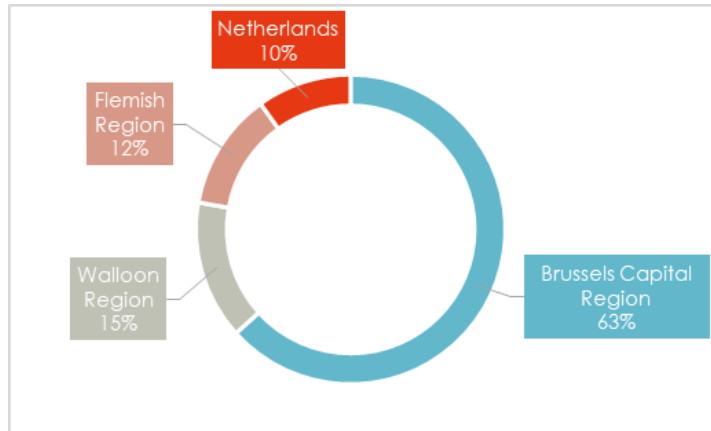


# Real estate portfolio

## BELGIUM AND THE NETHERLANDS

90%

10%



## WITH A STRONG PRESENCE IN BRUSSELS

63%

- Capital of Belgium and the EU
- 1.2 million inhabitants
- Strong population growth
  - 0.76% annual growth until 2030
  - ... compared to 0.40-0.44% outside Brussels
- High proportion of tenants vs owner-occupied
  - 60% tenants in 2017
  - ... compared to 30% outside Brussels





# 3. Key activities in 1H 2019



# Opening of The Crow'n



## The Crow'n

- Located in Kraainem (Flemish Region)
- Redevelopment into a residential complex
- 40 units:
  - 7 studios
  - 16 1-bedroom app
  - 10 2-bedroom app
  - 7 3-bedroom app
  - 47 parking lots
- retail spaces:
  - Babilou (nursery)
  - Deutsche Bank
  - Kings Shop



# Development pipeline

## PIPELINE (WITH BUILDING PERMITS):

Name	City	# units	Delivery date (expected)	Total cost (expected)	Remaining CAPEX still to be spent
Brunfaut	Molenbeek (Brussels)	95	Q2 2020	€ 21 mio	€ 13 mio
Meyers-Hennau	Laeken (Brussels)	46	Q3 2020	€ 12 mio	€ 9 mio
Marcel Thiry C 2	Woluwe (Brussels)	42	Q2 2021	€ 9 mio	€ 9 mio
<b>Total</b>		<b>183</b>		<b>€ 41 mio</b>	<b>€ 30 mio</b>

Yield on cost >5%

## PIPELINE (NO BUILDING PERMITS YET):

Name	City	Project
Jourdan 95	Saint-Gilles (Brussels)	New building (53 units)
Galerie de l'Ange	Namur	Refurbishment (57 units)



## (Re)developments - Pipeline



### Brunfaut

- Located in Molenbeek (Brussels)
- New building
  - 95 apartments
  - 66 parking lots
  - 1,443 m<sup>2</sup> for offices and proximity services
- Arrangement of the nearby local square (Place d'Or)
- Delivery expected in Q1 2020



## (Re)developments - Pipeline



### Meyers-Hennau

- Located in Laeken (Brussels)
- New building
- 46 units:
  - 35 apartments
  - 11 houses
  - 51 parking lots
- Delivery expected in Q4 2020



## (Re)developments - Pipeline



### Marcel Thiry C2

- Located in Woluwe Saint-Lambert (Brussels)
- Permit obtained
- 42 units
- Start of works Q4 2019





## (Re)developments - Pipeline



### Jourdan 95

- Located in Saint-Gilles (Brussels)
- New building
- 53 units
- Permit expected for Q4 2020



## (Re)developments - Pipeline



### Galerie de l'Ange

- Located in Namur
- Refurbishment of the residential part
- 57 units
- Permit expected for Q4 2019





## Asset sales

- Total net selling price of € 11.51 mio in 1H 2019 (compared to € 1.41 mio in 1H 2018).
- Realised capital gain of € 5.28 mio compared to the acquisition value  
→ contributes to the distributable result
- Sold above the latest book value



# Letting activities and occupancy rate

## Letting activities

- Healthy level of letting activities with **165** new lease contracts in 1H 2019
  - **139** leases related to existing buildings (= tenant rotation)
  - **26** leases related to first commercialisations

## High occupancy rate

- Average occupancy rate<sup>(1)</sup> in 1H 2019

1H 2018	95.87 %
1H 2019	95.04 %

<sup>(1)</sup> The occupancy rate is calculated excluding (i) buildings being renovated (ii) building being commercialized for the first time and (iii) buildings being sold.



# 4. Financial results 1H 2019



## Key figures

Consolidated income statement (in € k)	1H 2019	1H 2018	Δ diff.
Net rental result	12 383	11 925	+3.8%
Property result	10 600	9 756	+8.7%
(-) Property costs	-1 513	-1 869	
(-) General costs and other operating income	-1 624	-369	
Operating result before result on the portfolio (=EBIT)	6 609	6 697	-1.3%
Operating margin (% of Property result)	62.3%	68.6%	
(+/-) Result on the disposal of investment properties	23	12	
(+/-) Changes in the fair value of investment properties	33 969	21 423	
(+/-) Other portfolio result	-6	-292	
Operating result	40 595	27 841	+45.8%
(-) Financial result (excl. changes in fair value of financial assets and liabilities)	-2 547	-2 428	
(+/-) Changes in fair value of financial assets and liabilities	-6 122	-588	
(+/-) Share in the profit of associates and joint ventures	99	0	
(-) Taxes	69	-141	
Net result (group share)	32 094	24 918	+28.8%



## Key figures

EPRA earnings (in € k)	H1 2019	H1 2018	Δ Diff.
Net result (group share)	32 094	24 918	-43.1%
(-) Portfolio result	-33 985	-21 143	
(-) Changes in fair value of financial assets and liabilities	+6 122	+588	
(-) Non-EPRA elements of the share in the result of associates and joint ventures	+379	0	
EPRA earnings <sup>(1)</sup>	4 610	4 362	5.3%

Per share results (in €)	H1 2019	H1 2018	Δ Diff.
Weighted average number of shares <sup>(2)</sup>	3 288 146	3 288 146	
Net result per share	9.76	7.58	+28.8%
EPRA earnings per share	1.40	1.33	+5.7%
Distributable result per share <sup>(3)</sup>	2.89	1.48	+95.9%

<sup>(1)</sup> EPRA earnings = Net result (group share) excluding the portfolio result and changes in the fair value of financial assets and liabilities.

This term is used in accordance with the Best Practise Recommendations of the EPRA.

<sup>(2)</sup> The weighted average number of shares is calculated excluding 11,712 own shares.

<sup>(3)</sup> Statutory distributable result per share in accordance with article 13, §1, of the RREC-Act.



## Key figures

Consolidated balance sheet (in € k)	30/06/2019	31/12/2018	Δ diff.
Total assets	582 566	551 106	+5.7%
Shareholders' equity	297 810	269 003	+10.7%
Debt ratio (RECC-Act) <sup>(1)</sup>	46.93%	49.03%	
Debt ratio (IFRS) <sup>(2)</sup>	45.75%	49.04%	
NAV per share (in €)	30/06/2019	31/12/2018	Δ diff.
Total number of shares outstanding <sup>(3)</sup>	3 288 146	3 288 146	
Closing price of the share	€ 99.00	€ 91.40	+7.6%
IFRS NAV <sup>(4)</sup>	€ 90.57	€ 81.81	+10.7%
Premium/discount to IFRS NAV	9.3%	11.7%	
EPRA NAV <sup>(5)</sup>	€ 95.73	€ 85.06	+12.5%
Premium/discount to EPRA NAV	3.4%	7.4%	

<sup>(1)</sup> The debt ratio (RREC-Act) is calculated according to the RREC-Act. This means that for the sole purpose of calculating the debt ratio the share in associated companies and joint ventures are accounted for proportional consolidation method.

<sup>(2)</sup> The debt ratio (IFRS) is calculated in the same way as the debt ratio (RREC-Act), but based on the IFRS consolidated balance sheet with the share in associated companies and joint ventures accounted for using the equity method.

<sup>(3)</sup> The total number of shares outstanding is calculated excluding 11,712 own shares.

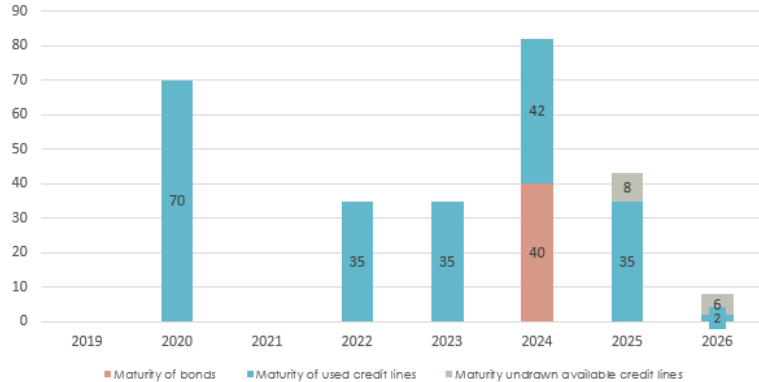
<sup>(4)</sup> IFRS NAV per share = Net Asset Value per share according to IFRS.

<sup>(5)</sup> EPRA NAV per share = Net Asset Value per share according to EPRA Best Practices Recommendations.

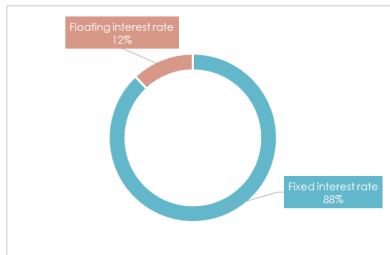


# Financial structure

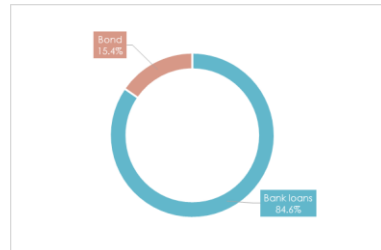
## Debt maturities (€ mio)



## Fixed/floating interest rates



## Type of debt



## Comments

- Financial debt amounts to € 259.00 mio
  - Drawn credit lines : € 219.00 mio
  - Bond : € 40.00 mio
- Weighted average remaining duration of the financial debt of 3.8 yrs
- Credit lines are provided by 5 financial institutions
- € 14.00 mio committed non-withdrawn credit lines available
- Debt ratio of 46.96% (RREC-act) or 45.74% (IFRS) (strategic target <55%)
- 88.0% of the financial debt have an interest rate that is fixed (or hedged by means of Interest Rate Swaps)
- Weighted average remaining duration of the fixed interest rates of 5.5 yrs
- Average financing cost of 2.14% in 1H 2019



# 5. HOMI share





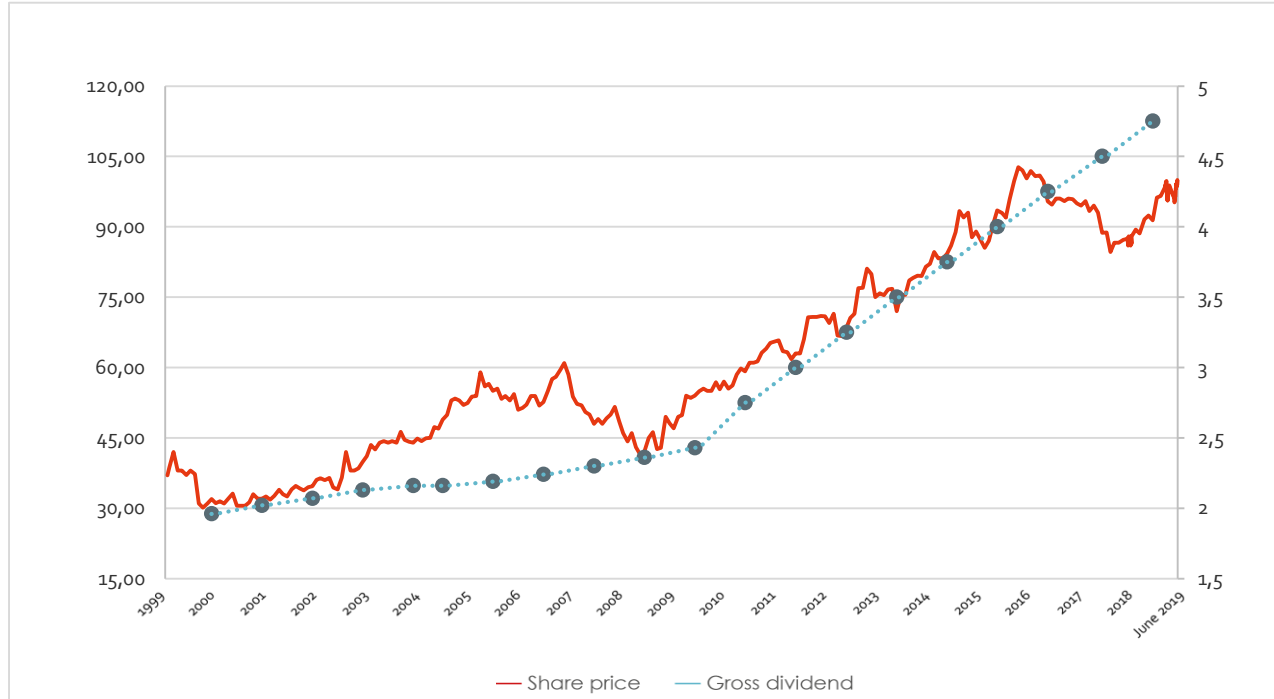
## Key figures per share

Key figures per share		30/06/2019	31/12/2018	Δ diff.
Total number of shares issued <sup>(1)</sup>		3 299 858	3 299 858	
Closing price of the share	(in €)	99.00	91.40	+8.2%
Market capitalization	(in € mio)	322	302	
IFRS NAV	(in €)	90.57	81.81	+10.7%
Premium/discount to IFRS NAV		9.3%	11.7%	
EPRA NAV	(in €)	95.73	85.06	+12.5%
Premium/discount to EPRA NAV		3.4%	7.4%	

<sup>(1)</sup> Including 11,712 own shares.



## Evolution of the stock price & dividend (in €)





# Stock price comparison





# 6. Outlook



## Outlook

### A supportive market environment

- The residential letting market continues to grow steadily in the cities where Home Invest Belgium is active, mostly thanks to:
  - A long-term urbanisation trend, characterized by strong demographic growth in bigger cities with both younger and older people moving into the city and looking for new housing;
  - A growing share of tenants in the bigger cities, because of an increasing need for flexibility and a changing attitude regarding private property and sharing.
- Residential capital values are supported by a context of very low long-term interest rates.

### Preparing Home Invest Belgium for the next growth phase ...

- FY 2019 will be a year of transition with a new executive management (CEO & CFO).
- The management is focussing its attention on the operating platform and the streamlining of the company's business units and profit drivers :
  - Asset management and the optimisation of the rental business;
  - Transforming the operating platform to a scalable model;
  - Own development projects;
  - New investments and acquisitions.
- With a clear ambition to level up the company and to prepare it for its next growth phase.

### FY 2019 dividend

- FY 2019 dividend is expected to be at least equal to last year's dividend (i.e. € 4,75 per share).



Thank you for your attention.

Your questions are welcome.



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