



HOME INVEST
BELGIUM

Presentation of the half-year results 2020





Topics

1. **Company profile**
2. **Real estate portfolio 1H 2020**
3. **Key activities in 1H 2020**
 - **Acquisitions**
 - **(Re)Developments**
 - **Asset rotation**
 - **Letting activities and occupancy rate**
4. **Financial results 1H 2020**
5. **HOMI share**
6. **Outlook**



1. Company profile



Company profile

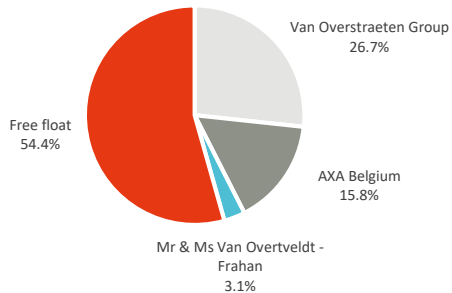
HOME INVEST BELGIUM IS A BE-REIT

€ 388 mio market capitalisation

as on 30 June 2020



Shareholder structure



- Specialist in residential real estate
- € 636 mio fair value of the portfolio
- Listed on Euronext Brussels since 1999
- 20 consecutive years of dividend growth
- HQ in Brussels
- > 40 employees



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 for 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 from the long term perspective of an end investor

Long term debt funding

- Well diversified funding sources from 6 financial institutions and proven access to debt capital markets
- Long term funding with a high proportion of fixed interest rates (79.5% fixed rates with a remaining average duration of 5.2 years)

Shareholder return

- Strong track record of dividend growth
- Strong track record of NAV growth
- Supported by stable reference shareholders



2. Real estate portfolio 1H 2020

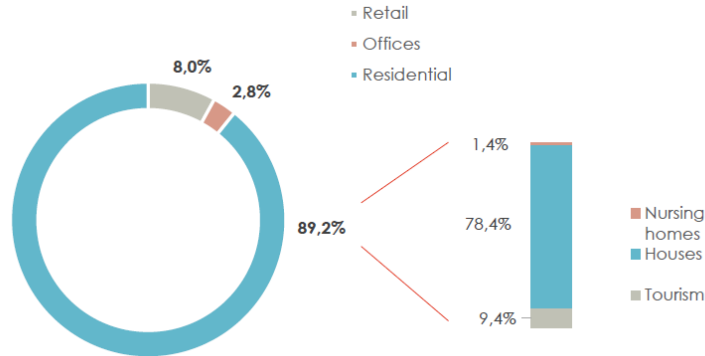


Real estate portfolio

SPECIALIST IN RESIDENTIAL REAL ESTATE

89% invested in residential real estate

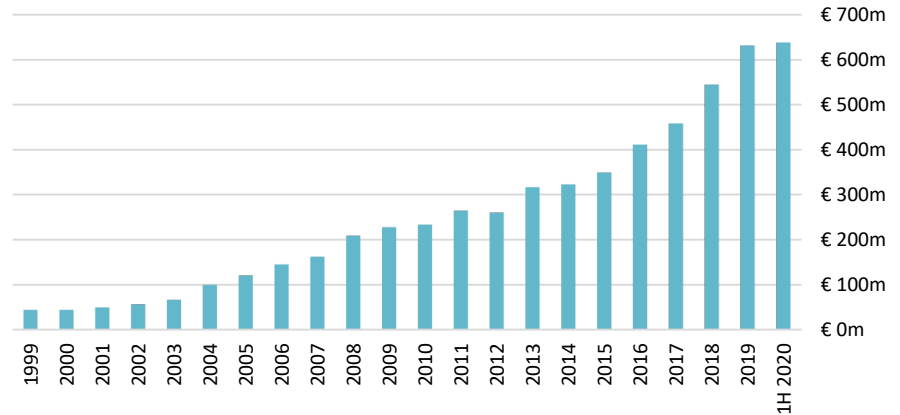
Split the real estate portfolio (in % of Fair Value)



STRONG GROWTH TRACK

€ 636 mio portfolio value

Evolution of the fair value of the real estate portfolio





Real estate portfolio

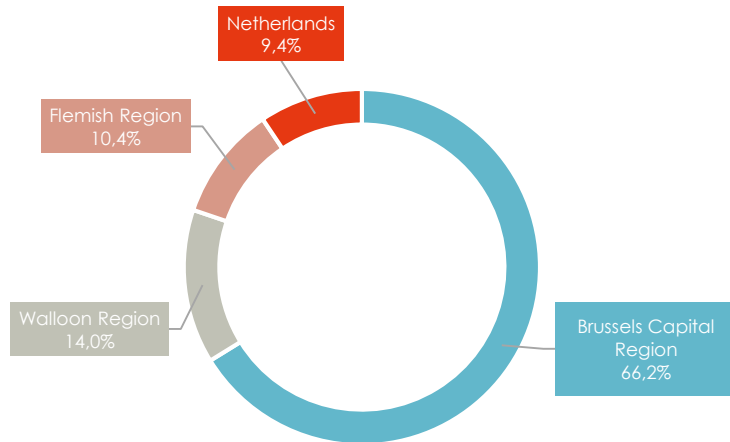
BELGIUM AND **THE NETHERLANDS**

91%

9%

WITH A STRONG PRESENCE IN **BRUSSELS**

66%



- Capital of Belgium and the EU
- 1.2 million inhabitants
- Strong population growth
 - *0.6% annual growth until 2040 ...*
 - *... compared to 0.4% outside Brussels*
- High proportion of tenants vs owner-occupied
 - *60% tenants in Brussels ...*
 - *... compared to 30% outside Brussels*

3. Key activities in 1H 2020



Acquisition of Rue Leon Théodor - Jette



Leon Théodor

- Redevelopment project of a former office building to a residential project
- Located in Jette (Brussels)
- 4,880 m² GLA + 55 underground parking lots
- Let to :
 - Ground floor : Fitness company Jims
 - Upper floors : Secondary school of the Athenée Royal de Ganshoren
- Annual rents of € 400k
- Redevelopment to residential scheduled to start in 2026



Delivery of own (re)development projects



Le Mosan

- Located in Liège
- Complete refurbishment of an older building in the portfolio
- 36 units
 - 29 apartments
 - 7 retail units on the ground floor
- Delivered in Q2 2020



Delivery of own (re)development projects



The Factory (Brunfaut)

- Located in Molenbeek (Brussels)
- New building
 - 93 apartments
 - 66 parking lots
 - 1,443 m² for offices and proximity services
- Renovation and upgrade of the nearby local square (Place d'Or)
- Delivered in Q3 2020



(Re)development pipeline with building permit



Samberstraat

- Located in Antwerp
- Permit obtained
- New building
 - 37 apartments
 - 1 office space
 - 39 parking lots
- Delivery expected in Q4 2022



(Re)development pipeline with building permit



Meyers-Hennau

- Located in Laeken (Brussels)
- New building
- 46 units:
 - 35 apartments
 - 11 houses
 - 51 parking lots
- Delivery expected in Q3 2021



(Re)development pipeline with building permit



Marcel Thiry C2

- Located in Woluwe Saint-Lambert (Brussels)
- Permit obtained
- 42 units
- Delivery expected in Q1 2022



(Re)development pipeline – no building permit yet



Galerie de l'Ange

- Located in Namur
- Refurbishment of the residential part
- 57 units
- Permit expected for Q3 2020



Re)development pipeline – no building permit yet



Jourdan 95

- Located in Saint-Gilles (Brussels)
- New building
- 53 units
- Permit expected for Q4 2021



Development pipeline

PIPELINE (WITH BUILDING PERMITS):

| Name | City | # units | Delivery date (expected) | Total cost (expected) | Remaining CAPEX still to be spent |
|------------------|----------------------|------------|--------------------------|-----------------------|-----------------------------------|
| The Factory | Molenbeek (Brussels) | 95 | Q3 2020 | € 21 mio | € 5 mio |
| Meyers-Hennau | Laeken (Brussels) | 46 | Q3 2021 | € 13 mio | € 6 mio |
| Marcel Thiry C 2 | Woluwe (Brussels) | 42 | Q1 2022 | € 9 mio | € 7 mio |
| Samberstraat | Antwerp | 38 | Q4 2022 | € 8 mio | € 6 mio |
| Total | | 221 | | € 51 mio | € 24 mio |

Yield on cost blended >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) |



Asset rotation – keeping the portfolio in good shape

Opportunistic sales of older and smaller non-core assets

- Sale of a retail property in Malines for € 6.6 mio (+7.7% above latest fair value)
- Total net selling price of € 8.2 mio in 1H 2020 (compared to € 11.5 mio in 1H 2019).
- Realised capital gain of € 1.3 mio compared to the acquisition value
→ contributes to the distributable result
- Sold above the latest book value

Reinvestments in large-scale new built core assets to keep the portfolio young and to enhance the efficiency of the portfolio management

Split of the real estate portfolio by age (in % of Fair Value)

| | |
|------------|------------|
| < 10 years | < 20 years |
| >50% | >70% |



Letting activities and occupancy rate

Letting activities

- Letting activities down in Q2 2020, but picking up in Q3 2020

| New leases | H1 | Q1 | Q2 |
|------------|-----|----|----|
| 2019 | 165 | 97 | 68 |
| 2020 | 115 | 87 | 28 |

Occupancy rate

- Average occupancy rate⁽¹⁾ in down in Q2 2020

| Occ. Rate | H1 | Q1 | Q2 |
|-----------|-------|-------|-------|
| 2019 | 95.0% | 94.9% | 95.2% |
| 2020 | 94.5% | 95.1% | 93.8% |

- Recovery to 95% expected if no additional COVID measures are taken

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



Assessment of COVID-19 impact

Robust real estate values

- Robust real estate values in 1H 2020
- 'Material evaluation uncertainty' clauses in valuation reports (in line with RICS standards)

Stable debt ratio and strong liquidity position

- Debt ratio to 51,95% (RREC Royal Decree) and 50,61% (IFRS) on 30 June 2020.
- Decrease in the average cost of debt to 1,51% in the first half year of 2020.
- Home Invest Belgium has € 30,00 million available credit lines.
- The company does not have credit lines or bonds maturing in 2020 and 2021. The first coming maturity date is in 2022.

Slowdown in rental activities during the lockdown

- Slowdown of letting activities and drop in occupancy rate during the lock-down. Recovering in Q3 2020.
- Virtually no impact on payment behaviour or rent payment arrears in the housing segment (78.4% of investment properties).
- Increase in rent payment arrears in the segments retail (9.4% of investment properties) and tourism (8.0% of investment properties).



4. Financial results 1H 2020



Key figures

| Consolidated income statement (in € k) | H1 2020 | H1 2019 | Δ Y-o-Y | % growth |
|--|---------|---------|---------|----------|
| Net rental result | 13 132 | 12 383 | + 749 | +6.1% |
| Property result | 11 284 | 10 600 | +684 | +6.5% |
| (-) Property costs | -2 061 | -2 424 | | |
| (-) General costs and other operating income | -1 563 | -1 624 | | |
| Operating result before result on the portfolio (=EBIT) | 7 661 | 6 609 | 1.048 | +12.8% |
| Operating margin (% of Net rental result) | 58.3% | 53.4% | | |
| (+/-) Result on the disposal of investment properties | 727 | 23 | | |
| (+/-) Changes in the fair value of investment properties | -1 484 | 33 969 | | |
| (+/-) Other portfolio result | -192 | -6 | | |
| Operating result | 6 712 | 40 595 | | |
| (-) Financial result (excl. changes in fair value of financial assets and liabilities) | -2 035 | -2 547 | | |
| (+/-) Changes in fair value of financial assets and liabilities | -3 615 | -6 122 | | |
| (+/-) Share in the profit of associates and joint ventures | 328 | 99 | | |
| (-) Taxes | -129 | 69 | | |
| Net result (group share) | 1 261 | 32 094 | | |



Key figures

| EPRA earnings (in € k) | 1H 2020 | 1H 2019 | Δ Y-o-Y | % growth |
|---|---------|---------|---------|----------|
| Net result (group share) | 1 261 | 32 094 | | |
| (-) Portfolio result | 949 | -33 985 | | |
| (-) Changes in fair value of financial assets and liabilities | 3 615 | 6 122 | | |
| (-) Non-EPRA elements in the share in the result of associates and joint ventures | 406 | 379 168 | | |
| EPRA earnings ⁽¹⁾ | 6 232 | 4 610 | 1 622 | +35.2% |

| Per share results (in €) | 1H 2020 | 1H 2019 | Δ Y-o-Y | % growth |
|--|-----------|-----------|---------|----------|
| Weighted average number of shares ⁽²⁾ | 3 288 146 | 3 288 146 | - | - |
| Net result per share | 0.38 | 9.76 | | |
| EPRA earnings per share | 1.90 | 1.40 | 0.49 | +35.2% |

⁽¹⁾ 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.

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



Key figures

| Consolidated balance sheet (in € k) | 30/06/2020 | 31/12/2019 | Δ Y-o-Y | % growth |
|---|------------|------------|---------|----------|
| Total assets | 644 201 | 639 169 | +5 031 | 0.8% |
| Shareholders' equity | 306 523 | 309 618 | -3 095 | -1.0% |
| Debt ratio (RECC-Act) ⁽¹⁾ | 51.95% | 51.41% | | |
| Debt ratio (IFRS) ⁽²⁾ | 50.61% | 50.11% | | |
| NAV per share (in €) | 30/06/2020 | 31/12/2019 | Δ Y-o-Y | % growth |
| Total number of shares outstanding ⁽³⁾ | 3 288 146 | 3 288 146 | - | - |
| Closing price of the share | 117.50 | 114.00 | +3.5 | +3.1% |
| IFRS NAV ⁽⁴⁾ | 93.22 | 94.16 | -0.94 | +1.0% |
| Premium/discount to IFRS NAV | 26.0% | 21.1% | | |
| EPRA NAV ⁽⁵⁾ | 96.22 | 96.00 | +0.22 | +0.2% |
| Premium/discount to EPRA NAV | 22.1% | 18.7% | | |

⁽¹⁾ 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.

⁽²⁾ 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.

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

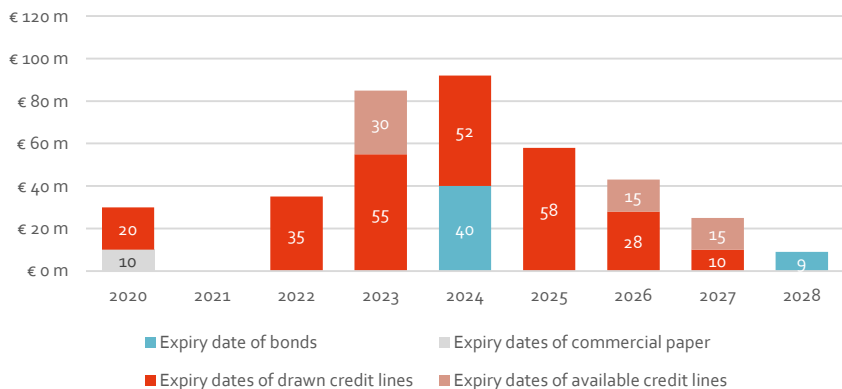
⁽⁴⁾ IFRS NAV per share = Net Asset Value per share according to IFRS.

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

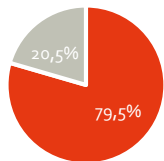


Financial structure

Debt maturities (€ mio)

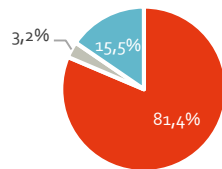


Fixed/floating interest rates



■ Fixed interest rate ■ Floating interest rate

Type of debt



■ Bank loans ■ Commercial paper ■ Bonds

Comments

- Financial debt amounts to : € 317.0 m
 - Drawn credit lines : € 258.0 m
 - Bonds : € 49.0 m
 - Commercial Paper : € 10.0 m
- Weighted average remaining duration of the financial debt of 4.0 yrs
- Credit lines are provided by 6 financial institutions
- € 60.0 m committed non-withdrawn credit lines available
 - Backup lines for outstanding CP : € 10.0 m
 - Debt refinancing in July 2020 : € 20.0 m
 - Available credit lines : € 30.0 m
- Debt ratio of 51.9% (RREC-act) or 50.6% (IFRS) (strategic target <55%)
- 79.5% 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 5.2 yrs
- Average financing cost of 1.51% in 1H 2020

(*) Commercial Paper is excluded from the calculation of the average remaining duration of the financial debt. The CP Program is fully covered by available long term back-up lines.



5. HOMI share



Key figures per share

| Key figures per share | 30-06-2020 | 30-12-2019 | Δ 6 months | % growth |
|--|------------|------------|------------|----------|
| Total number of shares issued ⁽¹⁾ | 3 299 858 | 3 299 858 | | - |
| Closing price of the share | € 117.50 | € 114.00 | € +3.50 | +3.1% |
| Market capitalization | € 388 mio | € 376 mio | | |
| IFRS NAV | € 93.22 | € 94.16 | € -0.94 | -1.0% |
| Premium/discount to IFRS NAV | 26.0% | 21.1% | | |
| EPRA NAV | € 96.22 | € 96.00 | € +0.22 | +0.2% |
| Premium/discount to EPRA NAV | 22.1% | 18.7% | | |

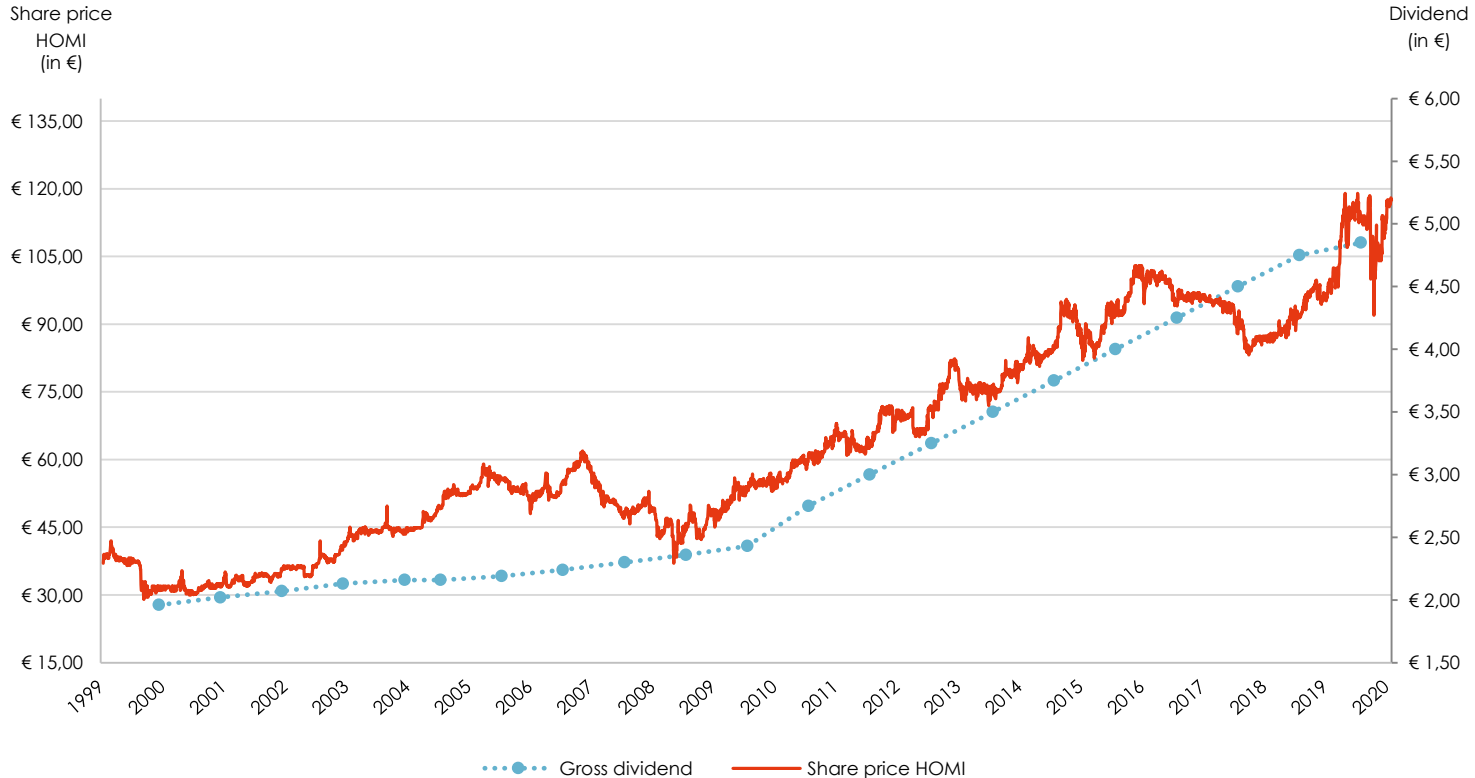


The share moved from the Euronext BEL Small to Euronext BEL Mid index on 22 June 2020

⁽¹⁾ Including 11,712 own shares.



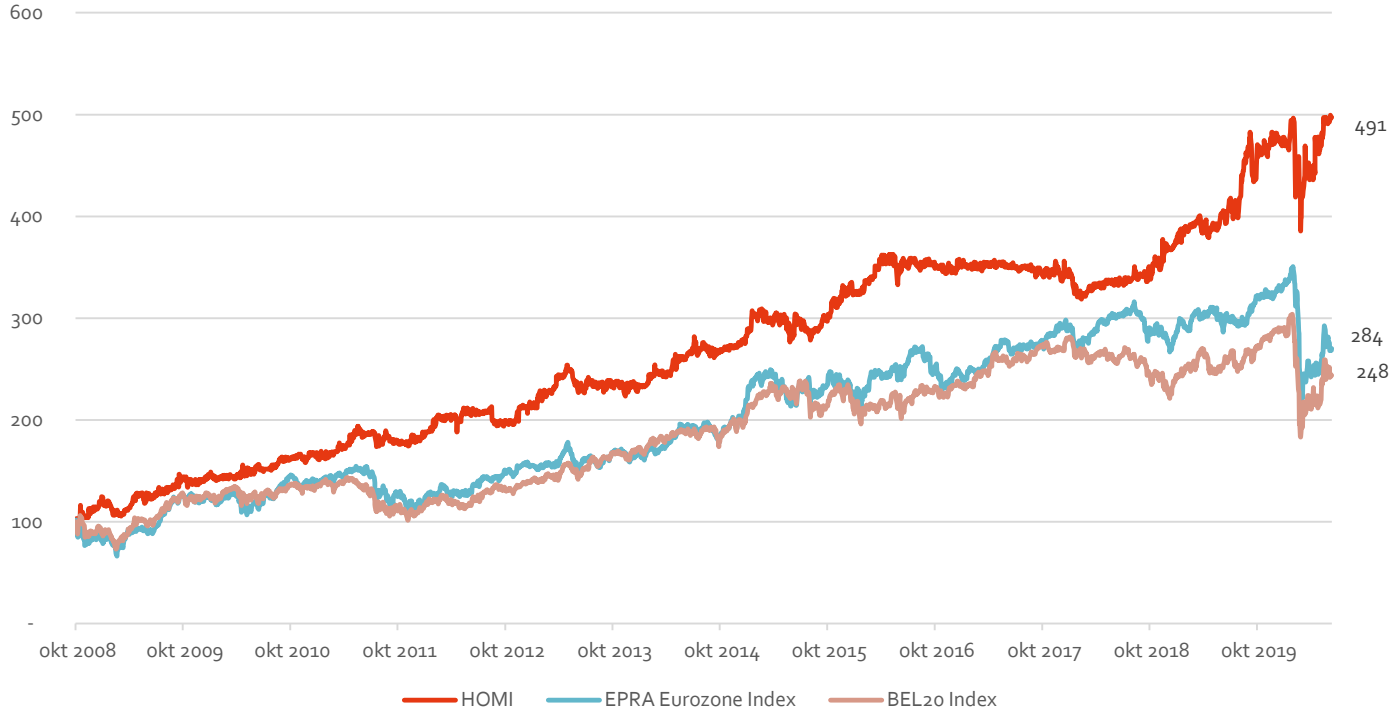
Evolution of the share price & gross dividend





Stock price comparison

Total return sinds 2008





6. Outlook



Outlook and dividend

Good operating figures in 1H 2020 despite COVID-19

- Increase of rental income by 6,0% to € 13.18 million in the first half of 2020.
- Increase of EPRA earnings by 35.2% to € 6.2 million in the first half of 2020.

Supportive long term trends for the residential rental market

- 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 towards private property and sharing concepts.
- Residential capital values are supported by
 - A context of very low long-term interest rates;
 - Demand from investors for real assets with a stable recurrent yield (low sensitivity to business cycles and low sensitivity to disruption).

Home Invest Belgium has a young sustainable portfolio that is well positioned to take a leading role in the residential rental market

- > 50% of the portfolio is younger than 10 years.

FY 2020 dividend at least stable

- The board of directors expects the gross dividend of FY 2020 to be at least equal to that of the previous financial year (i.e. at least € 4.85 per share).



Thank you for your attention.



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