



**HOME INVEST  
BELGIUM**

## **Presentation of the annual results 2018**

Analyst meeting - 22 February 2019





# Topics

1. **Company profile**
2. **Real estate portfolio 2018**
3. **Key activities in 2018**
  - **Acquisitions**
  - **(Re)Developments**
  - **Asset sales**
  - **Letting activities and occupancy rate**
4. **Financial results 2018**
5. **HOMI share**



# 1. Company profile



# Company profile

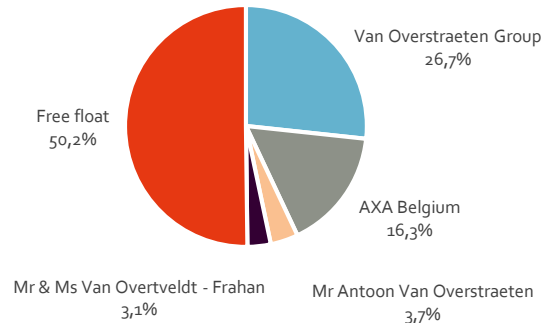
## HOME INVEST BELGIUM IS A BE-REIT

**> € 300 m market capitalization**

as on 31 December 2018



### Shareholder structure



- Specialist in residential real estate
- > € 540 m 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 31 December 2018 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 professionalisation
- Forever asset class (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 (> 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 (83,5% fixed rates with a remaining average duration of 5,9 years)

### Shareholder return

- Strong dividend track record
- Supported by stable reference shareholders



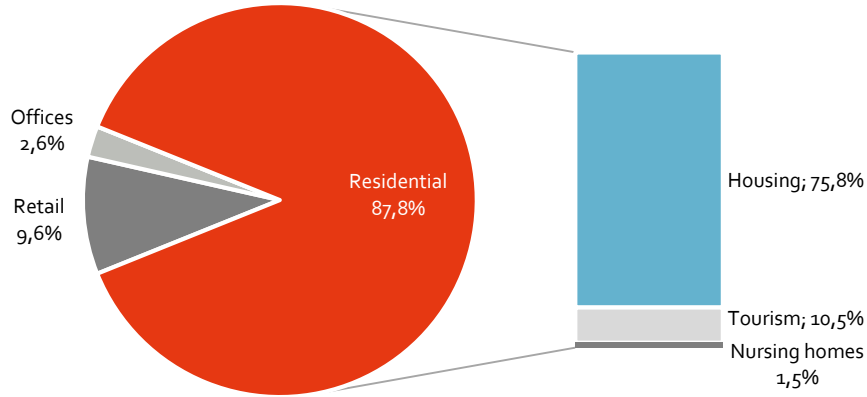
## 2. Real estate portfolio 2018



# Real estate portfolio

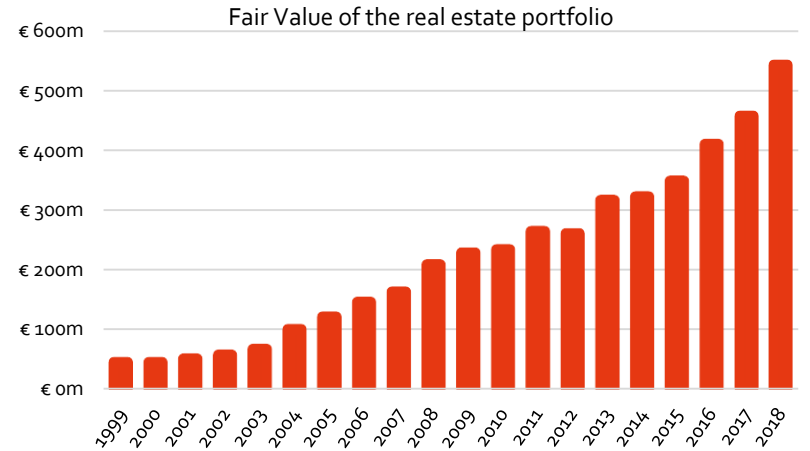
## SPECIALIST IN RESIDENTIAL REAL ESTATE

88% invested in residential real estate



## STRONG GROWTH TRACK

> € 540 m portfolio value



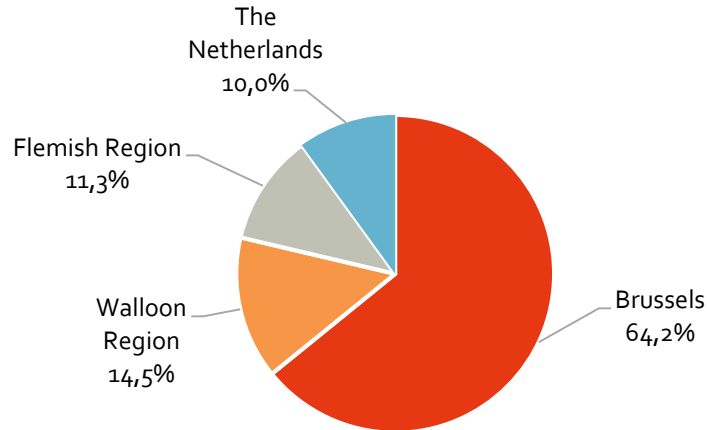


# Real estate portfolio

## BELGIUM AND THE NETHERLANDS

90%

10%



## WITH A STRONG FOCUS ON BRUSSELS

64%

- 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
  - 60% tenants in 2017
  - ... compared to 30% outside Brussels





# 3. Keys activities in 2018

# Acquisitions

## Be Real Estate NV

- Takeover of 100% of the shares of the company Be Real Estate
- Conditions precedent to be realised
- Portfolio of 4 apart-hotel buildings
- Located in the centre of Brussels
- 185 units
- 27 years triple net lease
- € 1,84 mio contractual rents
- € 36 mio investment value of the real estate
- Expected closing Q4 2019



Ambiorix



Grand-Place



Régent



Montgomery

# Acquisitions

## Immobilière Meyers-Hennau NV

- Takeover of 100% of the shares of the company Immobilière Meyer-Hennau
- Realised in Q3 2018
- Located in Laeken (Brussels)
- Development project of
  - 35 apartments
  - 11 houses
  - 51 parking lots
- € 12 mio expected investment
- Works have started
- Expected delivery Q4 2020





# Acquisitions

## Sunparks De Haan NV

- HIB took a stake of 50% in the new company De Haan Vakantiehuisen for € 19 mio :
  - 50,0% HIB
  - 25,0% Belius Insurance
  - 12,5% TINC
  - 12,5% DG Infra
- De Haan Vakantiehuisen acquired 51,4% of the shares of the company Sunparks De Haan
- Sunpark De Haan owns a touristic leisure complex
- Located in De Haan at the Belgian coast
- 15 years triple net lease contract with Sunparks Leisure NV (group Pierre et Vacances )





# Opening of The Pulse



The Pulse

## The Pulse

- Located in Molenbeek (Brussels)
- Redevelopment project from office building to residential complex
- 96 units
  - 93 apartments
  - 3 houses
  - space for nursery
- Delivered in Q2 2018



# Development pipeline

## PIPELINE (WITH BUILDING PERMITS) :

Name	City	# units	Delivery date (expected)	Total cost (expected)	Remaining CAPEX still to be spent
The Crow'n	Kraainem	45	Q1 2019	€ 13 mio	€ 2 mio
Brunfaut	Molenbeek (Brussels)	95	Q2 2020	€ 20 mio	€ 14 mio
Meyers-Henneau	Laken (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>228</b>		<b>€ 54 mio</b>	<b>€ 34 mio</b>

Yield on cost >5%

## PIPELINE (NO BUILDING PERMITS YET) :

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



## (Re)developments - Pipeline



The Crow'n

### The Crow'n

- Located in Kraainem
- New building
- 45 units:
  - 40 residential units (upper floors)
  - 5 retail units (ground floor)
- Delivery expected in Q1 2019



## (Re)developments - Pipeline



Brunfaut

### Brunfaut

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





## (Re)developments - Pipeline



Meyers-Hennau

### 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

### Marcel Thiry C2

- Located in Woluwe Saint-Lambert (Brussels)
- Permit obtained
- 42 units
- Start of work Q3 2019



## (Re)developments - Pipeline



Jourdan 95

### Jourdan 95

- Located in Saint-Gilles (Brussels)
- New building
- 53 units
- Permit expected for Q3 2019

## (Re)developments - Pipeline



Galerie de l'Ange

### Galerie de l'Ange

- Located in Namur
- Refurbishment of the residential part
- 57 units
- Permit expected for Q3 2019



## Asset sales

- Total net selling price of € 7,76 mio in FY 2018
- Realised capital gain of € 3,32 mio compared to the acquisition value  
→ contributes to the distributable result
- 8,5% above latest book value
- Impact from IFRS 15

*Following the amendments to the IFRS standards implemented since 2018, sales can only be registered in the financial statements at the time of the recording of the deed. Previously these sales were registered at the moment of the conclusion of the preliminary sales agreement or after fulfillment of any possible conditions precedent contained in it.*

*As a consequence, this year, the "effective" period of sales is shortened by ± 3 months (usual frametime between the preliminary agreement and the registration of deed). This effect is temporary and limited to 2018.*



# Letting activities and occupancy rate

## Letting activities

- 523 new rental contracts in FY 2018
  - 122 new leases
  - 401 leases related to existing buildings (tenant rotation)
- On a total of 1.942 rental contracts

## High occupancy rate

- Average occupancy rate of buildings in current operation in FY 2018

2017	95,3 %
2018	96,4 %



# 4. Financial results 2018



## Key figures

Consolidated income statement (in € k)	FY 2018	FY 2017	Δ diff.
Net rental result	23.993	22.500	+6,6%
Property result	21.724	20.435	+6,3%
(-) Property costs	-5.665	-5.464	
(-) General costs and other operating income	-603	-1.179	
Operating result before result on the portfolio (=EBIT)	15.456	13.792	+12,1%
Operating margin (% of Property result)	71,1%	67,5%	
EBIT margin (% of Net rental result)	64,4%	61,3%	
(+/-) Result on the disposal of investment properties	610	720	
(+/-) Changes in the fair value of investment properties	59.414	825	
(+/-) Other portfolio result	-171	-775	
Operating result	75.309	14.562	+417%
(-) Financial result (excl. changes in fair value of financial assets and liabilities)	-4.622	-3.523	
(+/-) Changes in fair value of financial assets and liabilities	-1.614	-1.227	
(-) Taxes	-443	-295	
Net result (group share)	68.778	11.823	+482%





## Key figures

EPRA earnings (in € k)	FY 2018	FY 2017	Δ diff.
Net result (group share)	68.778	11.823	
(-) Portfolio result	-59.853	-5.464	
(-) Changes in fair value of financial assets and liabilities	1.614	-1.179	
EPRA earnings <sup>(1)</sup>	10.539	9.826	+7,3%

Per share results (in €)	FY 2018	FY 2017	Δ diff.
Weighted average number of shares <sup>(2)</sup>	3.288.146	3.190.621	+3,1%
Net result per share	20,92	3,71	+464,5%
EPRA earnings per share	3,21	3,08	+4,1%
Distributable result per share <sup>(3)</sup>	4,28	4,66	-8,3%

<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)	31 Dec 2018	31 Dec 2017	Δ diff.
Total assets	551.106	470.290	17,2%
Shareholders' equity	269.003	215.555	24,8%
Debt ratio (RECC-Act)	50,16%	51,80%	
Debt ratio (IFRS)	48,90%	51,80%	
NAV per share (in €)	31 Dec 2018	31 Dec 2017	Δ diff.
Total number of shares outstanding	3.288.146	3.288.146	+3,1%
Closing price of the share	91,40	88,72	
IFRS NAV	81,81	65,56	+24,8%
Premium/discount to IFRS NAV	11,7%	35,3%	
EPRA NAV	85,06	68,24	+24,6%
Premium/discount to EPRA NAV	7,4%	30,0%	

<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.

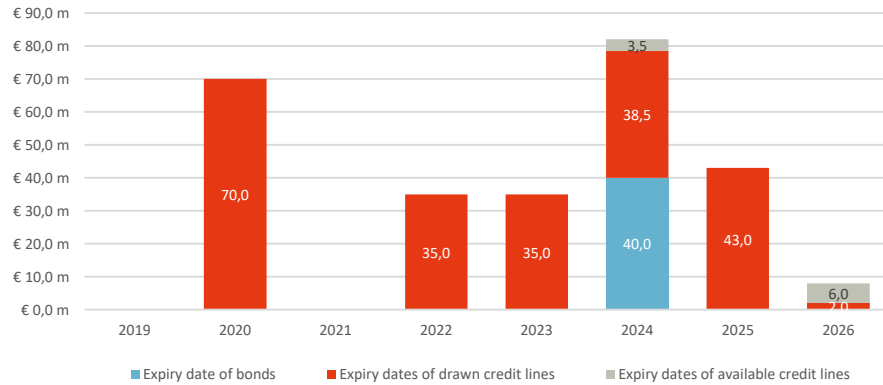
<sup>(4)</sup> IFRS NAV per share = Net Asset Value per share according to IFRS.

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

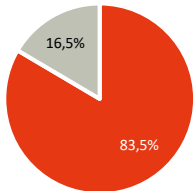


# Financial structure

## Debt maturities

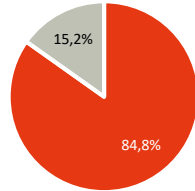


## Fixed/floating interest rates



■ Fixed interest rate   
 ■ Floating interest rate

## Type of debt



■ Bank loans   
 ■ Bonds

## Comments

- Financial debt amounts to € 263,5 m
  - Drawn credit lines : € 223,5 m
  - Bond : € 40,0 m
- Weighted average remaining duration of the financial debt of 4,3 yrs
- Credit lines are provided by 5 financial institutions
- € 9,5 m committed non-withdrawn credit lines available
- Debt ratio of 50,2% (RREC-act) or 48,9% (IFRS) (strategic target <55%)
- 83,5% 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 5,9 yrs
- Average financing cost of 2,20% in FY 2018



# 5. HOMI share



## Key figures per share

Key figures per share		31 Dec 2018	31 Dec 2017	Δ diff.
Total number of shares issued <sup>(1)</sup>		3.299.858	3.299.858	
Closing price of the share	(in €)	91,40	88,72	+3,0%
Market capitalisation	(in € mio)	301,61	292,76	+3,0%
IFRS NAV	(in €)	81,81	65,56	+24,8%
Premium/discount to IFRS NAV		11,7%	35,3%	
EPRA NAV	(in €)	85,06	68,24	+24,6%
Premium/discount to EPRA NAV		7,4%	30,0%	
Gross dividend per share	(in €)	4,75	4,50	+5,6%
Gross dividend yield		5,2%	5,1%	

<sup>(1)</sup> Including 11.712 own shares.

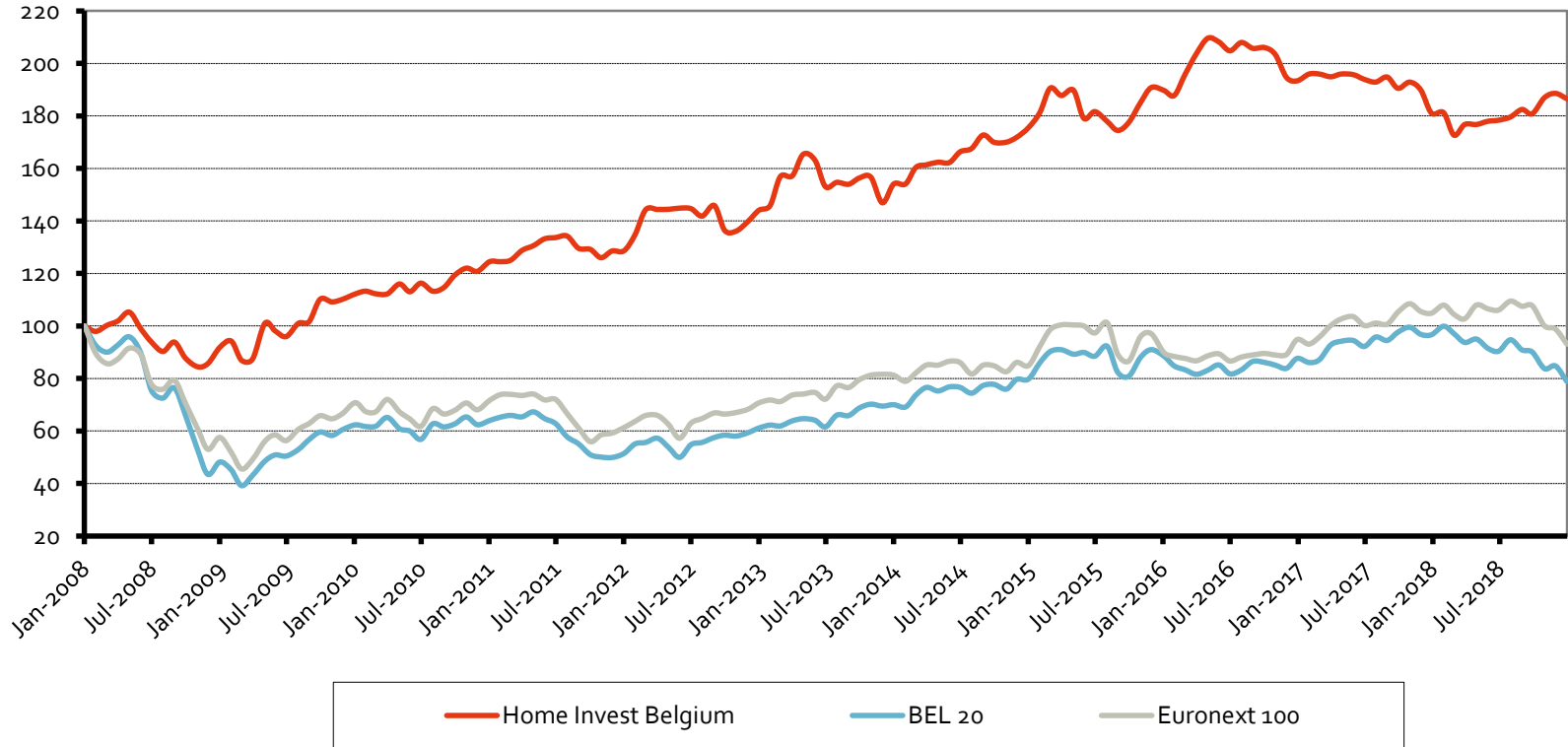


# Evolution of the stock price & dividend





# Stock price comparison





*Thank you for your attention.*

*Your questions are welcome.*







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