

# PRESENTATION OF THE ANNUAL RESULTS AS PER 31 MARCH 2019

# 19

RETAIL ESTATES





The background of the entire page is a photograph of a large stadium, likely the Allianz Arena in Munich, Germany. The image is heavily tinted with a solid orange color. The stadium's architecture, including its curved facade and tiered seating areas, is visible through the tint. In the foreground, there are some structural elements of what might be a bridge or a walkway, also covered in the orange tint.

# CONTENTS

IMPORTANT MILESTONES	4
ABOUT RETAIL ESTATES	11
RETAIL FACTSHEET	23
RETAIL ESTATES IN NUMBERS	35
FINANCIAL RESULTS	47



# 1998-2019

## IMPORTANT MILESTONES



**1998**

Retail Estates on the stock exchange  
IPO and first listing on Euronext Brussels



**2002**

Independent  
Retail Estates becomes an independently managed investment company with Fixed capital



**2008**

Value real estate portfolio  
Real estate portfolio reaches the milestone of EUR 250 million



**2012**

Retail Estates on the exchange  
Market capitalisation EUR 250 million  
Optional stock dividend for the shareholders for the 1st time



**1999**

Strengthening of the capital  
1st public capital increase



**2003**

Strengthening of the capital  
2nd public capital increase



**2011**

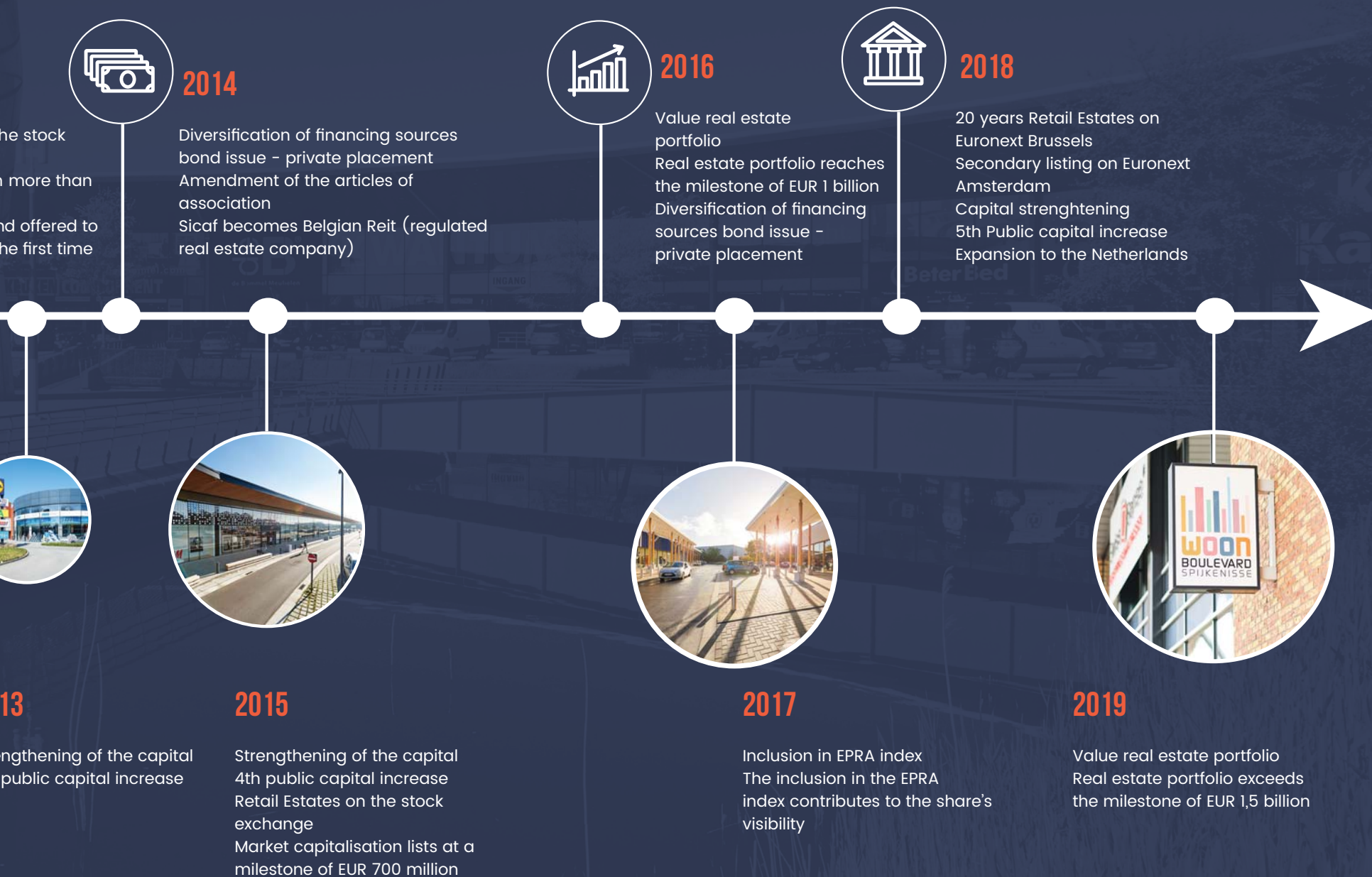
Value real estate portfolio  
Real estate portfolio reaches the milestone of EUR 500 million



**2019**

Strengthening of the capital  
3rd public capital increase











Beleggen

**CEO Talks**  
Jan De Nys (Retail Estates)

# 'Pakjeskermis kan niet blijven duren'



**R**etail Estates is een bedrijf dat zich richt op de verkoop van vastgoed aan particulieren. Het bedrijf is opgericht door Jan De Nys, een ervaren vastgoedinvesteerder. De Nys heeft jarenlang ervaring met het kopen en verkopen van vastgoed en heeft daarvoor verschillende bedrijven opgericht. Hij is nu met Retail Estates begonnen met het aanbieden van vastgoed aan particulieren. Het bedrijf heeft een breed scala aan vastgoed te koop, waaronder huizen, appartementen en commerciële vastgoed. De Nys verwacht dat de markt voor vastgoed in Nederland nog een lange tijd zal blijven bestaan. Hij denkt dat particulieren nog steeds graag vastgoed kopen en verkopen. Hij denkt dat de markt voor vastgoed in Nederland nog een lange tijd zal blijven bestaan.







# Euronext: de baanwinkel als dividendsnelweg

17 februari 2019 11:57



f in

De voorloper van Argem ging maandag met de meeste aandacht  
Argem, maar Retail Estates wekt indruk met zijn fors guller dividend.

D e Belas **BELEX 6.40%** deed net als de andere Europese  
beursgenoteerden zijn spurtje van vrijdag.  
dank aan herwonnen optimisme  
markt - de nieuw versmoelt

Mijn Tijd

Analisten: Italiaanse tik heeft  
weinig impact op ING

Vlaanderen op laatste  
nippertje uit race Brussels  
Airport gekieperd



FD MEDIAGROEP

BNR

12:18

HEA





DLINES

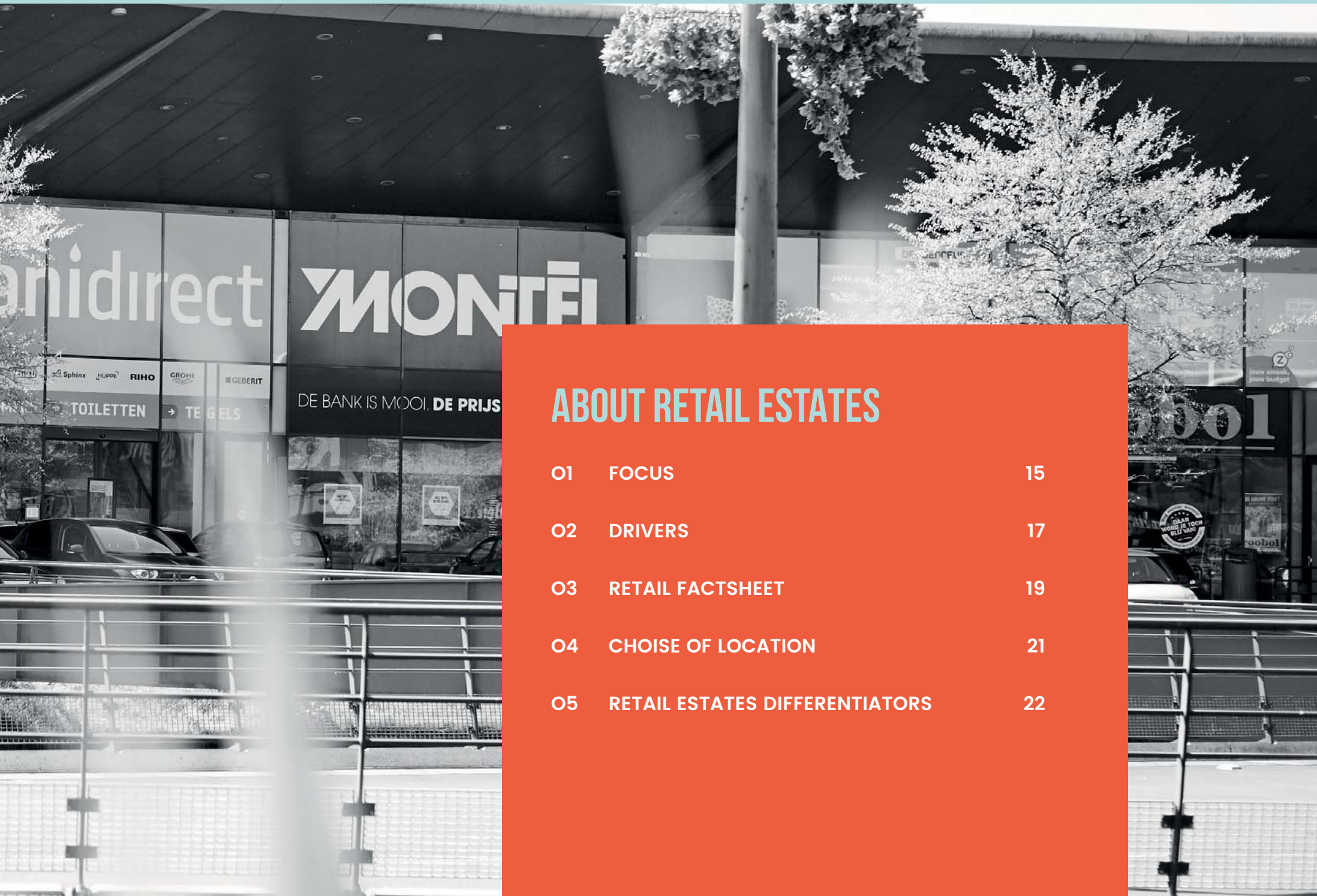


eerste taal' | In alle apotheken vliegen de medicijndoosjes af en









## ABOUT RETAIL ESTATES

O1	FOCUS	15
O2	DRIVERS	17
O3	RETAIL FACTSHEET	19
O4	CHOISE OF LOCATION	21
O5	RETAIL ESTATES DIFFERENTIATORS	22





# 01. FOCUS

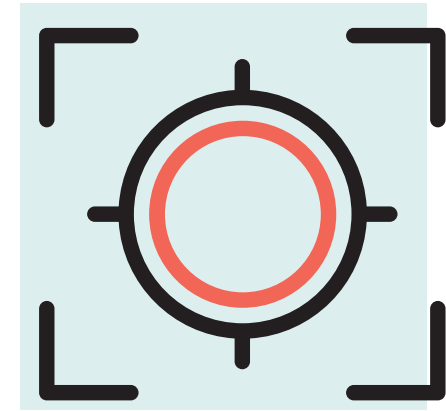
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**DRIVERS OF THE RETAIL  
TURBULENCE**



**CHOICE OF LOCATIONS  
BY RETAILERS AND  
PERSPECTIVES OF REAL  
ESTATE INVESTORS**



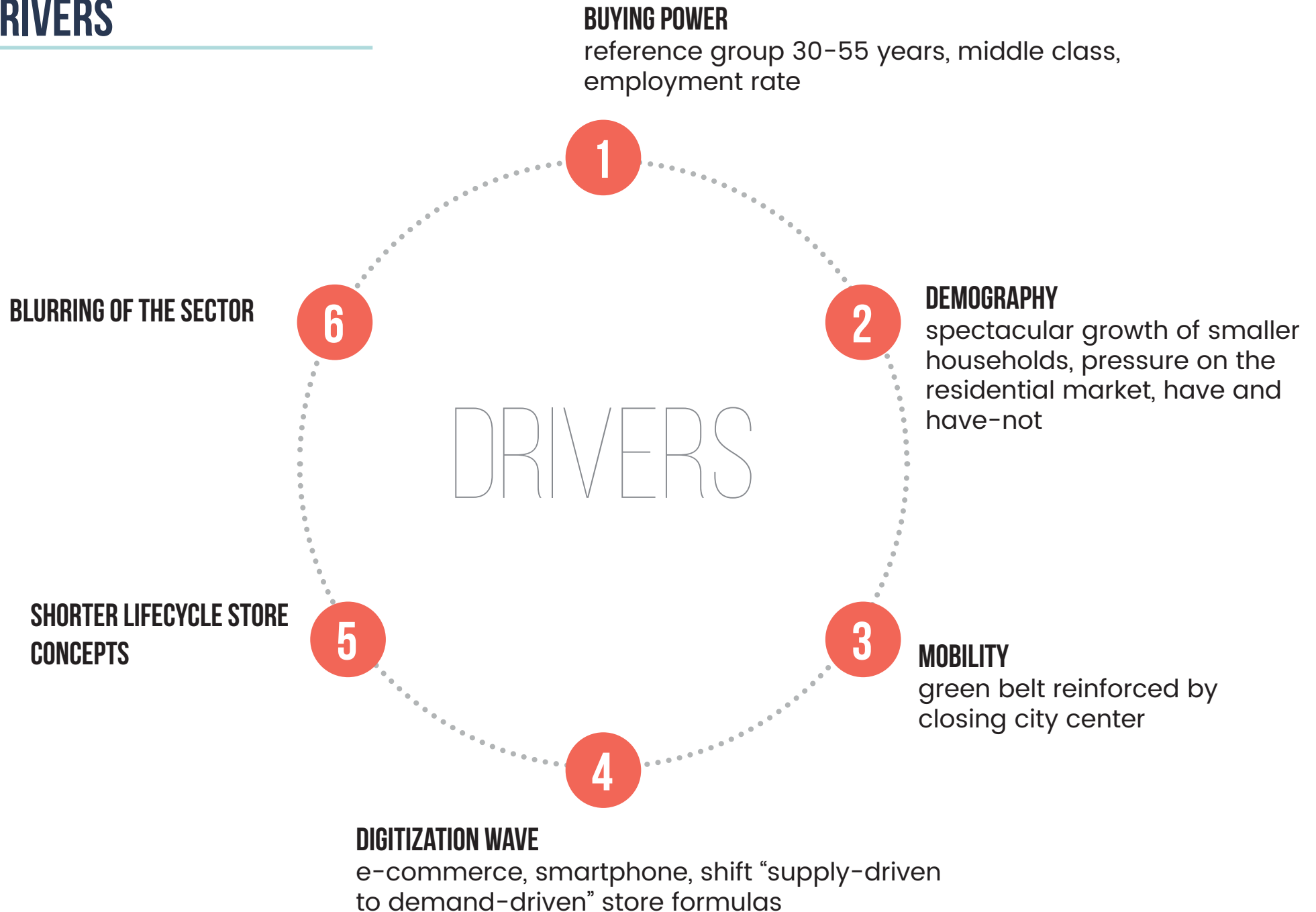
**RETAIL ESTATES:  
21 YEARS NICHEPLAYER  
IN BENE(LUX)**







## 02. DRIVERS







## 03. RETAIL FACTSHEET

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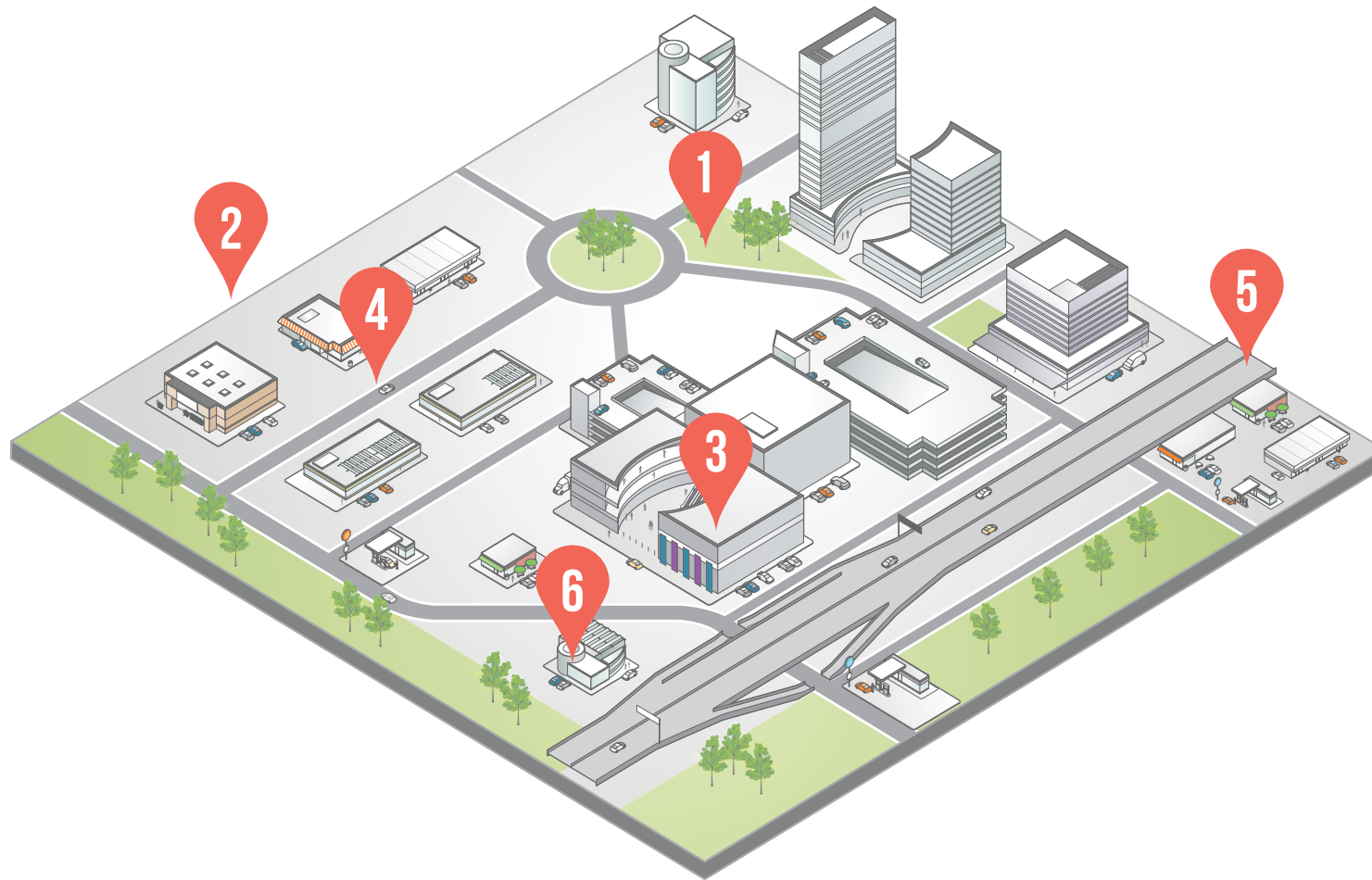
### RETAIL ANNO 2019 “THE INCONVENIENTH THRUTH”

- Exodus from the city in the target group continues: Ghent 2018 – 1,800 inhabitants out of 251,000, Antwerp center 13 years out of the last 15 years
- Bipolar world between golden mile, historic center, largest cities and green edge at the expense of residential areas where vacancy is exploding. Second wave started in services and liberal professions
- Reset profitability requirements retailers: sustainable rent, flexibility, dominance soft-discount but no more prestigious flagship stores
- Mobility: never seen so many cars, shopping where people live and work



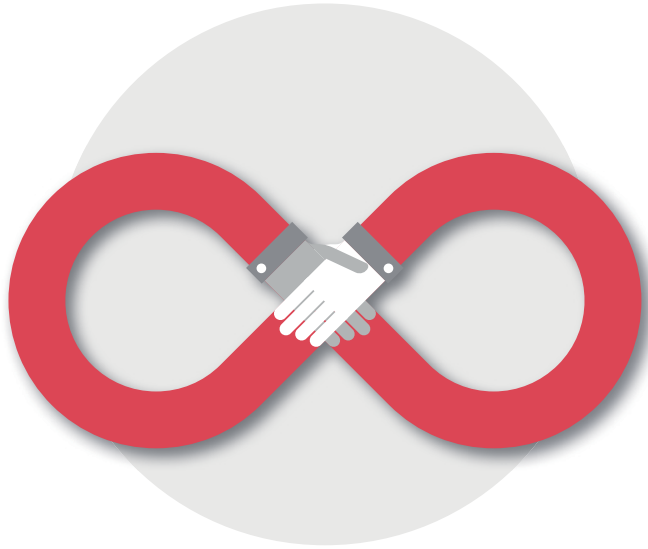


## 04. CHOICE OF LOCATIONS BY RETAILERS AND PERSPECTIVES OF REAL ESTATE INVESTORS



1. **CITY CENTER:**  
golden-mile larger cities versus smaller citycenters
2. **CITY SUBURBS**  
EDGE OF TOWN RETAIL PARK
3. **SHOPPING MALLS**
4. **SUPERMARKETS –**  
**HYPERMARKETS –**  
**BIG BOXES**
5. **OUT OF TOWN RETAIL:**  
solitary shops –  
clusters –retail parks  
(local shopping versus regional)
6. **FACTORY OUTLETS**

## 05. RETAIL ESTATES' DIFFERENTIATORS



### RETAIL ESTATES, PARTNER IN RETAIL

- Hands-on management by retailers: 10 out of 30 FTEs of which 2/4 in DC and at all contact functions
- Dealability: finance, legal and technical in house. Leading niche player. Listed in Amsterdam
- No external management unless first-line assistance
- Belgium / the Netherlands: local with the customer, central financial and operational reporting
- Fact finding on location, prospecting



### HUB-PHILOSOPHY

- Range 300 km
- Customer base overlap:
- B / NL / FR / LUX not D / UK
- Size matters: people / visibility / dealability





## RISK MANAGEMENT

- Sector:
  - 80% non-food of which 50 voluminous, 15 fashion, 15 commodities (non-food)
  - 10% food
  - 10% miscellaneous
- Geographical: 2/3 Belgium 1/3 the Netherlands
- Type of real estate: 75% retail parks, 15% clusters of metropolitan zones and 10% solitary buildings

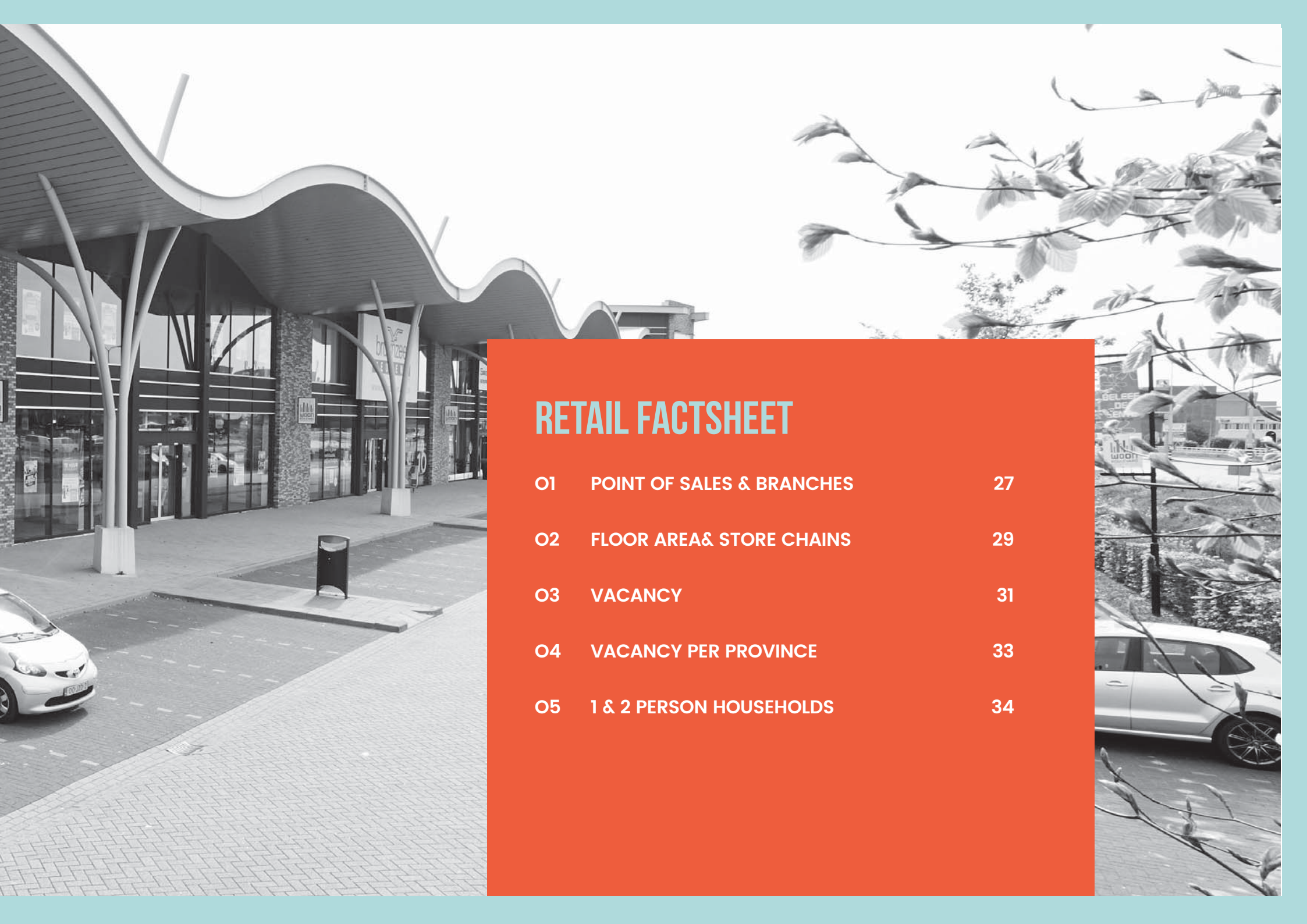


## STRATEGY (2019-2023)

- Completely out-of-town and edge-of-town in Belgium and the Netherlands – portfolio 2 billion







## RETAIL FACTSHEET

O1	POINT OF SALES & BRANCHES	27
O2	FLOOR AREA& STORE CHAINS	29
O3	VACANCY	31
O4	VACANCY PER PROVINCE	33
O5	1 & 2 PERSON HOUSEHOLDS	34







# 01. RETAIL FACTSHEET

## NUMBER OF POINTS OF SALE



**204.727**  
BELGIUM

**220.288**  
THE NETHERLANDS

**8.991**  
LUXEMBOURG

## NUMBER OF BRANCHES



**235**  
BELGIUM



**236**  
THE NETHERLANDS



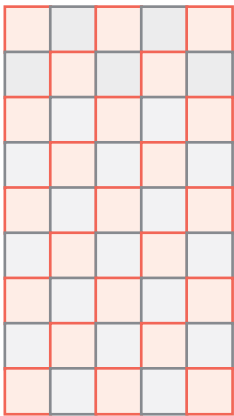
**208**  
LUXEMBOURG



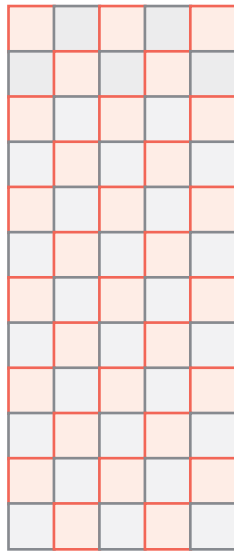


## 02. RETAIL FACTSHEET

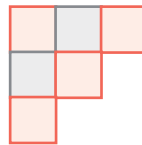
### RETAIL FLOOR AREA RETAIL (M2)



**21.385.200**  
BELGIUM

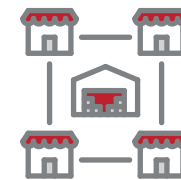


**31.003.152**  
THE NETHERLANDS

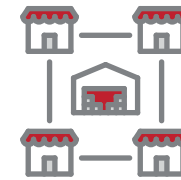


**988.353**  
LUXEMBOURG

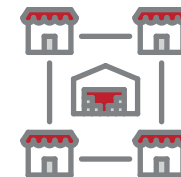
### NUMBER OF STORE CHAINS



**1.556**  
BELGIUM



**1.782**  
THE NETHERLANDS



**454**  
LUXEMBOURG





## 03. RETAIL FACTSHEET

### VACANCY (NUMBER OF POINTS OF SALE)



10,3%  
BELGIUM



6,7%  
THE NETHERLANDS



7,4%  
LUXEMBOURG

### BRANCHES



18,1%  
BELGIUM



23,5%  
THE NETHERLANDS



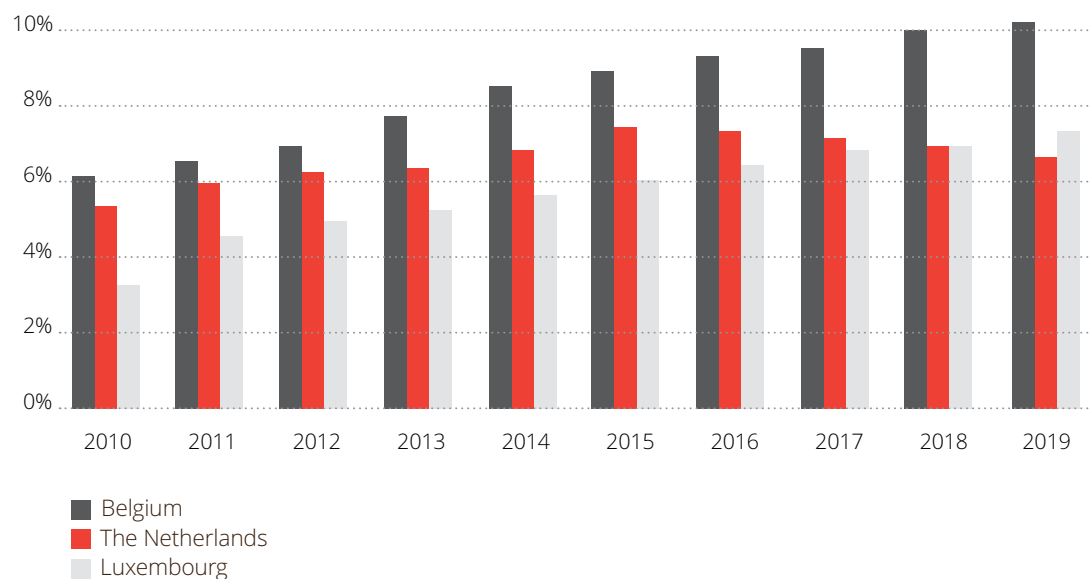
23,8%  
LUXEMBOURG





## 04. RETAIL FACTSHEET

### VACANCY PER COUNTRY/PROVINCE (% OF NUMBER OF POINTS OF SALE)



### NATIONAL AVERAGE



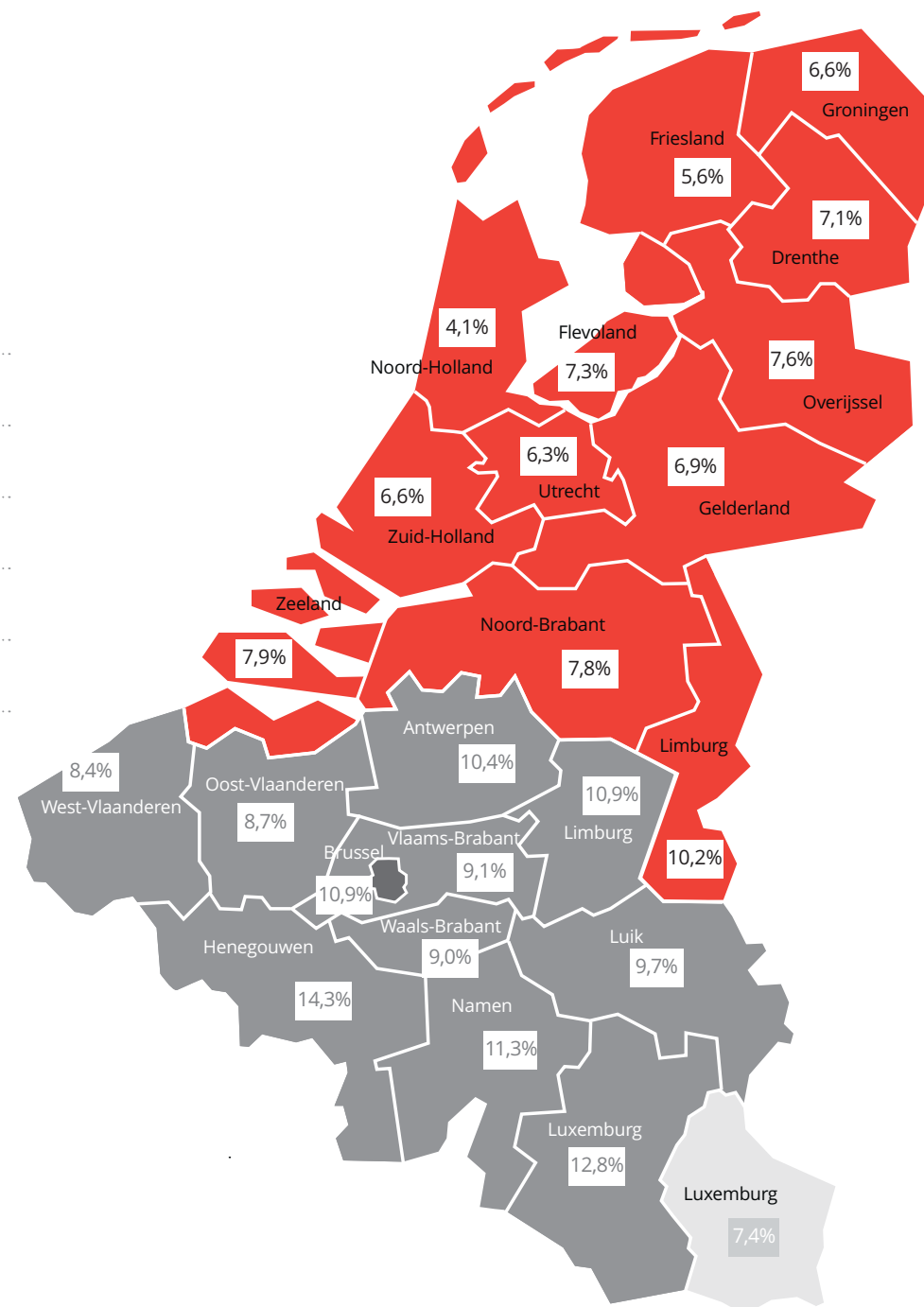
**10,3%**  
BELGIUM



**6,7%**  
THE NETHERLANDS

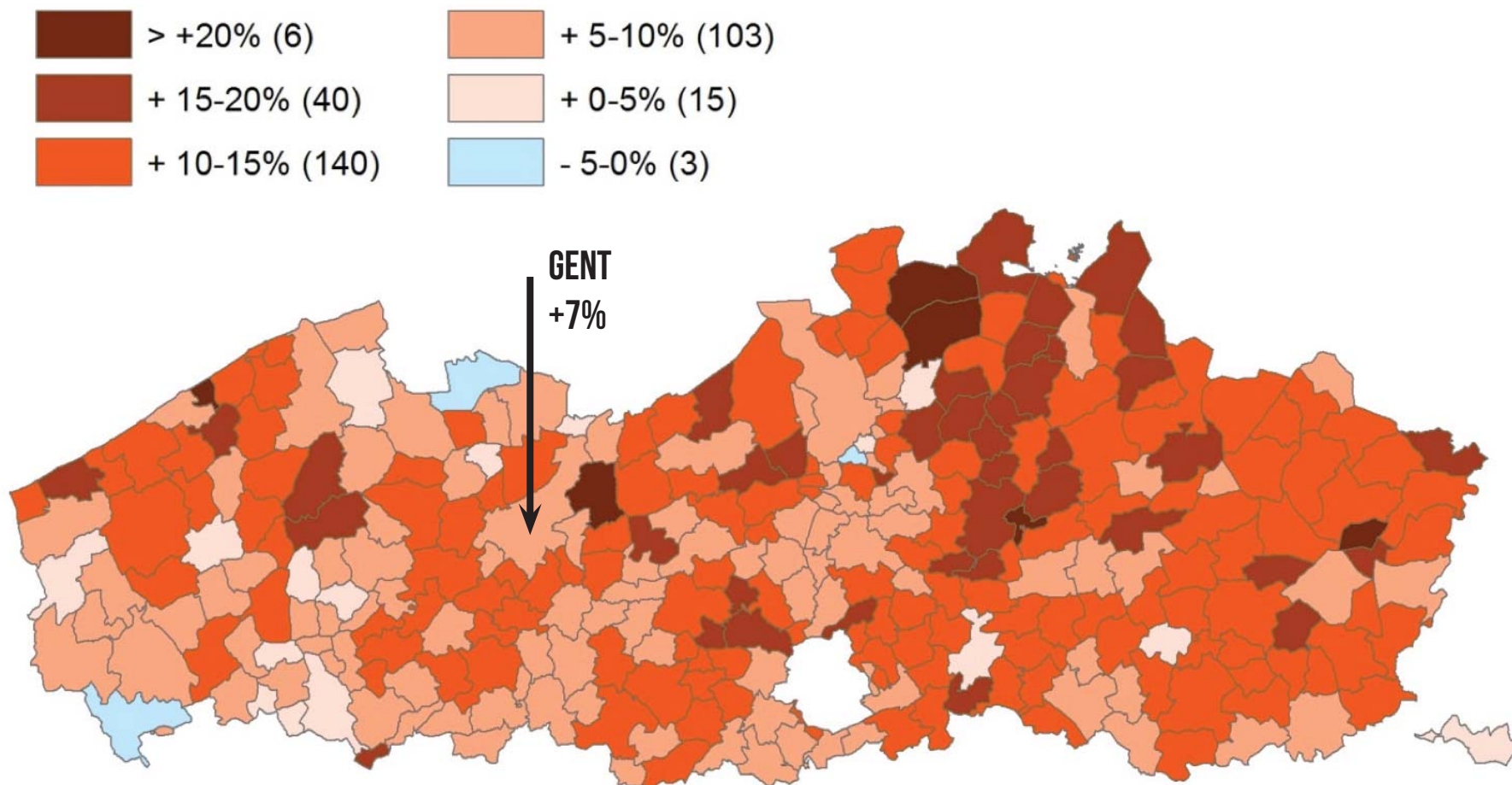


**7,4%**  
LUXEMBOURG



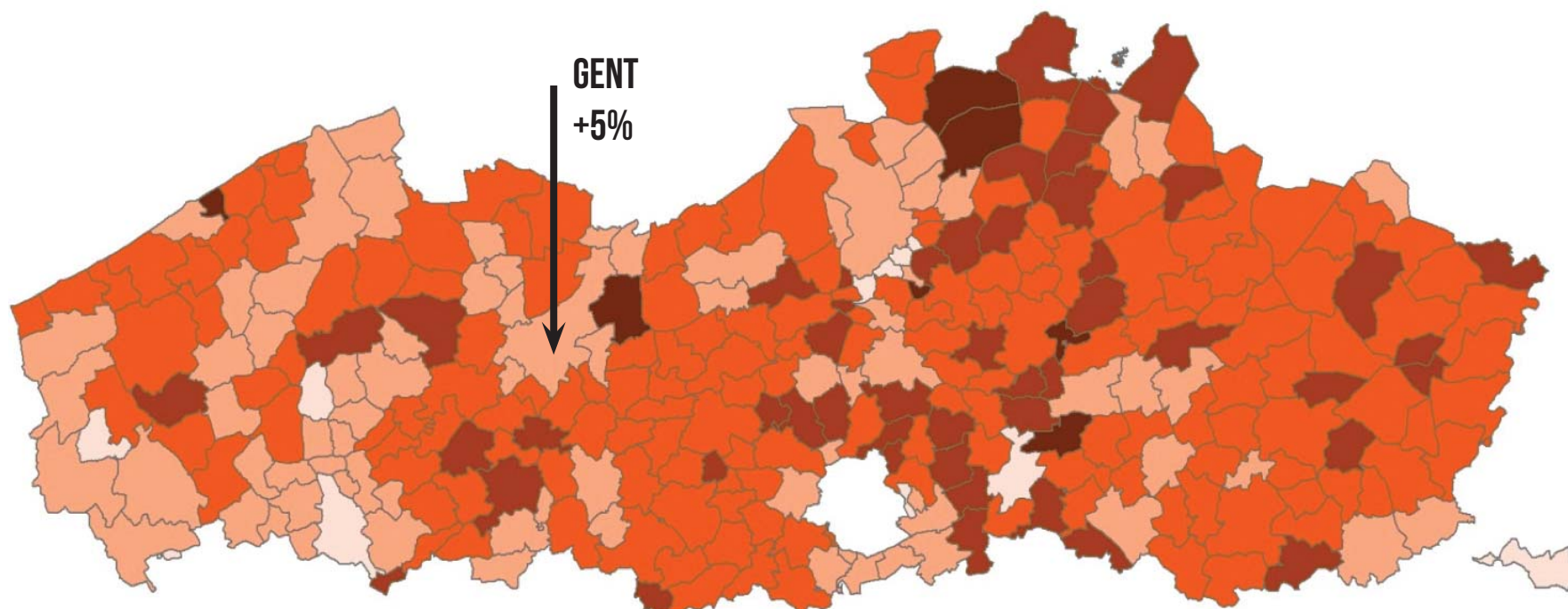
## 05. RETAIL FACTSHEET

### 1-PERSON HOUSEHOLDS, 2014 - 2024, VARIATION COMPARED TO 2014 CITY OF GHENT



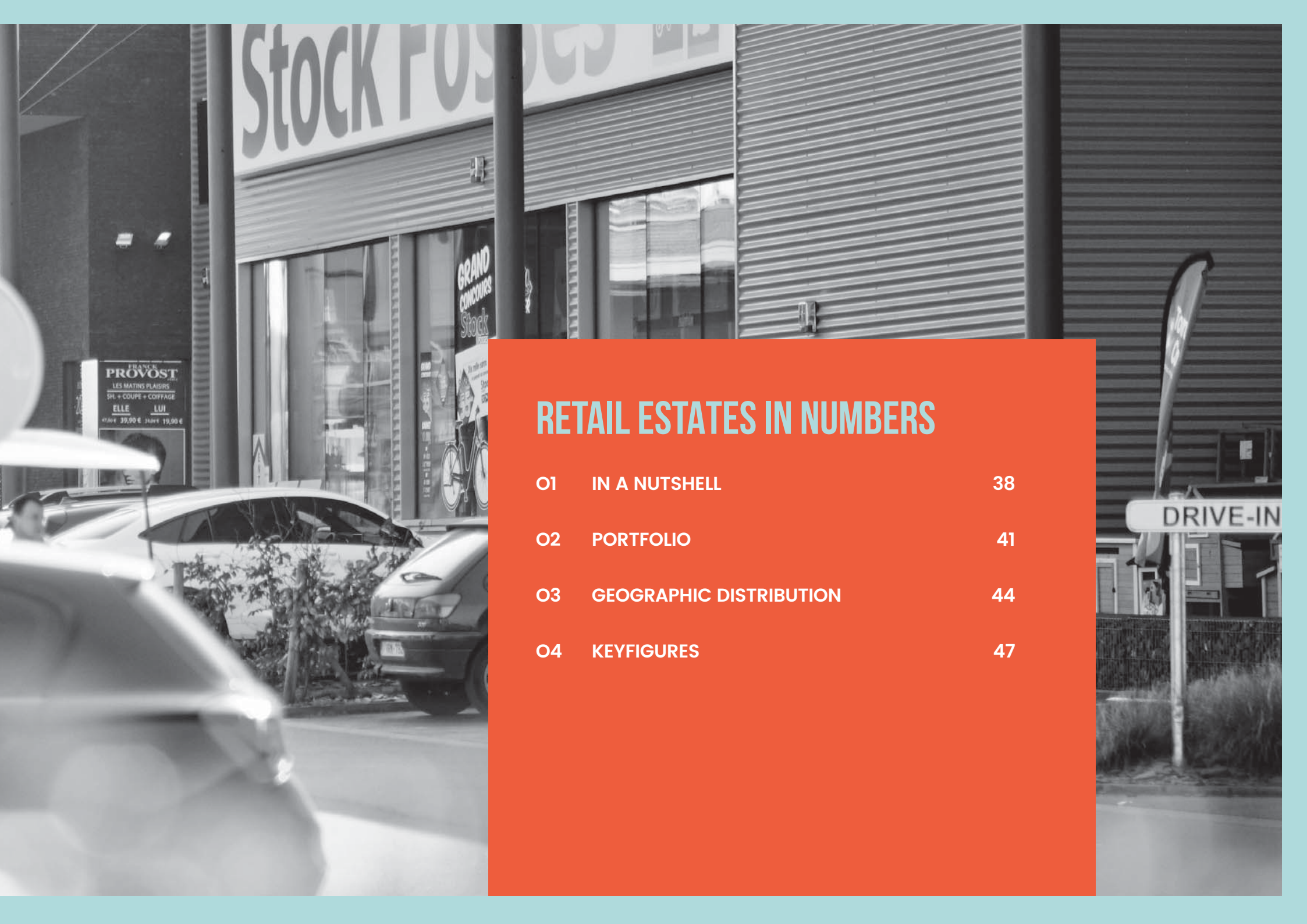


## 2-PERSON HOUSEHOLDS, 2014 - 2024, VARIATION COMPARED TO 2014 CITY OF GHENT









## RETAIL ESTATES IN NUMBERS

O1	IN A NUTSHELL	38
O2	PORTFOLIO	41
O3	GEOGRAPHIC DISTRIBUTION	44
O4	KEYFIGURES	47

# 2018 – 2019

## IN A NUTSHELL

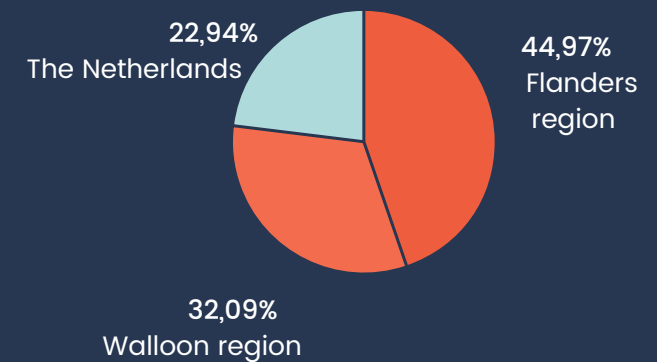
### NR OF RETAIL PROPERTIES



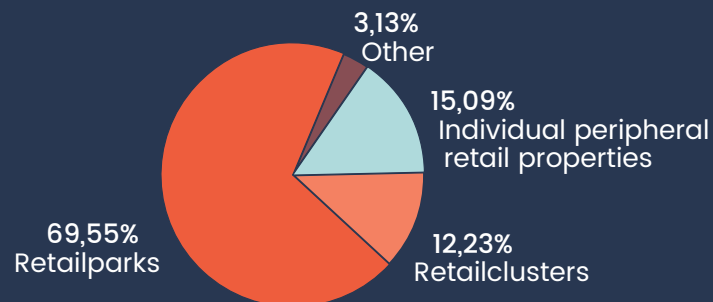
### NR OF EMPLOYEES



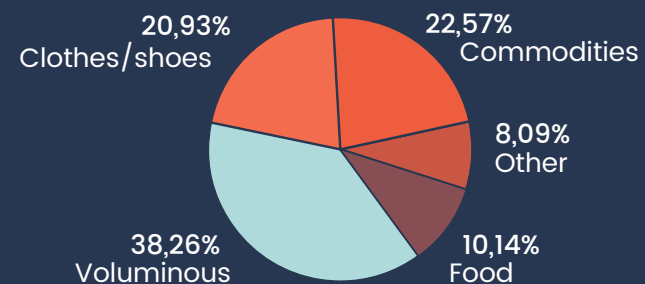
### GEOGRAPHICAL DISTRIBUTION



### TYPE OF BUILDING

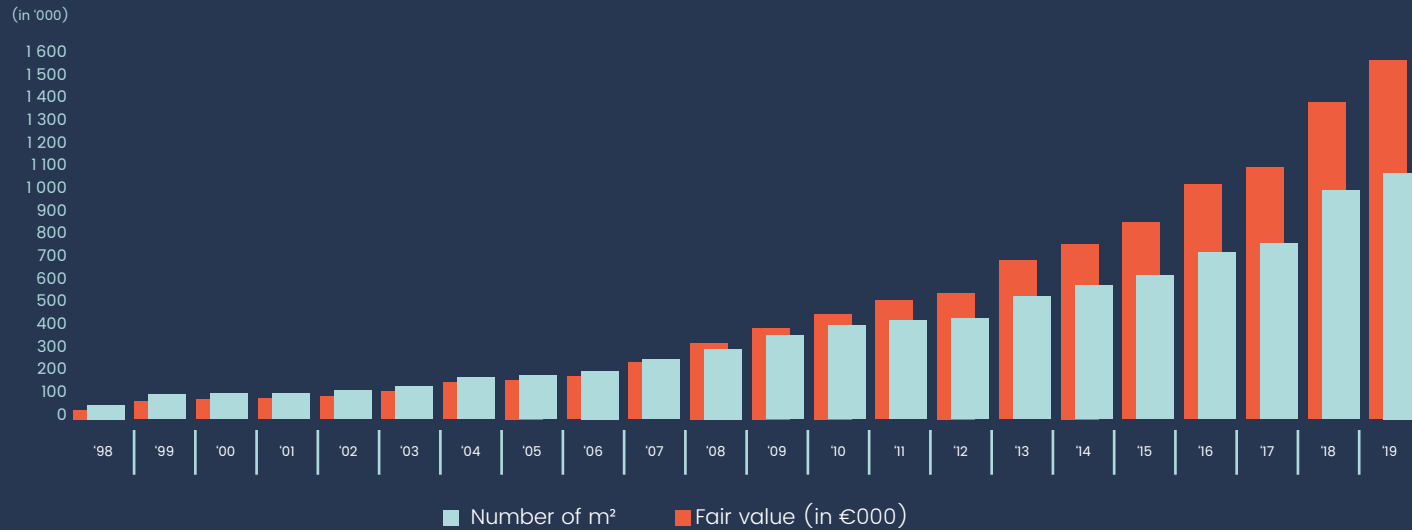


### COMMERCIAL ACTIVITIES OF TENANTS





## GROWTH PORTFOLIO RETAIL ESTATES NV BETWEEN 1998 AND 2019



1 049 101 M<sup>2</sup>

### Retail area

Retail Estates nv is expanding its portfolio by new acquisitions, projects and optimization of the existing portfolio

1 529 629 €

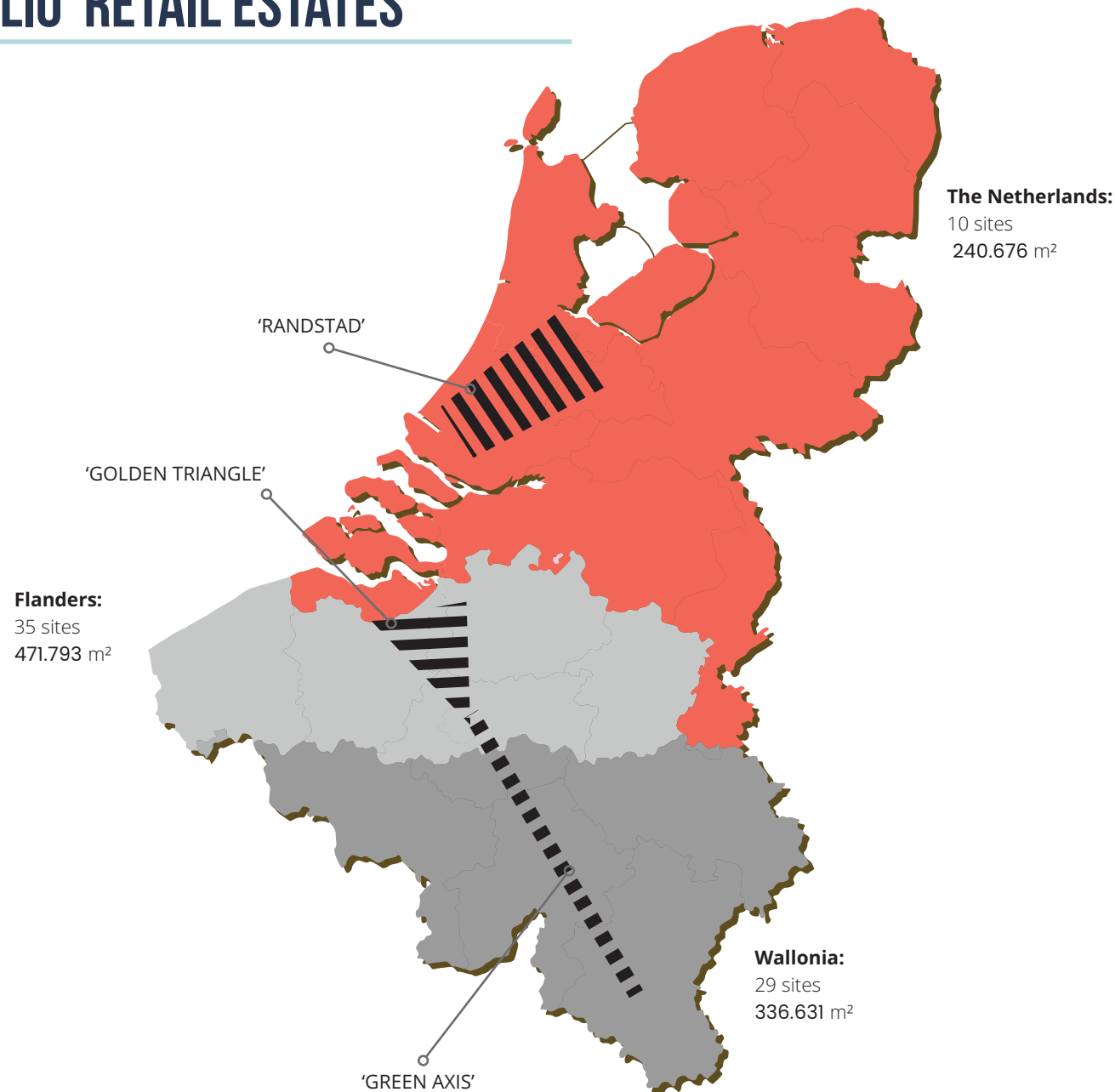
### Fair value

Portfolio has increased with 13,36% compared to 31 March 2018





## 02. PORTFOLIO RETAIL ESTATES



**74**  
SITES



**397**  
DIFFERENT TENANTS



**1 049 101 M²**



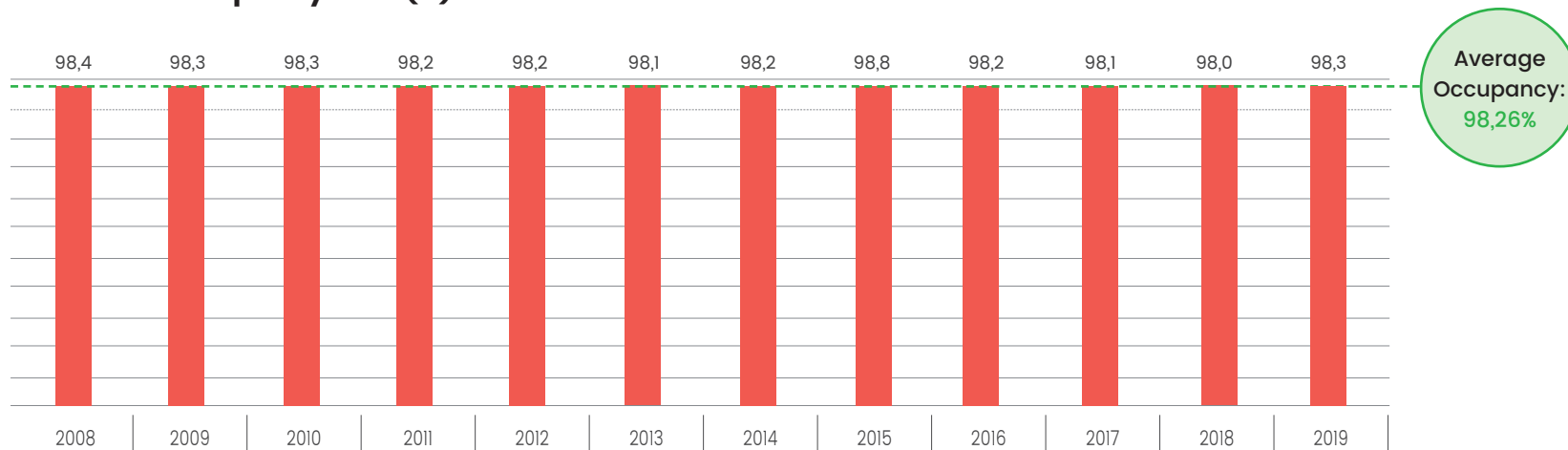


## Top 5 tenants



Client	Brantano	Leenbakker	Krëfel	Pardis	Aldi
Annual Rent	3,82%	3,48%	3,19%	3,04%	2,56%

## Historical occupancy rate (%)



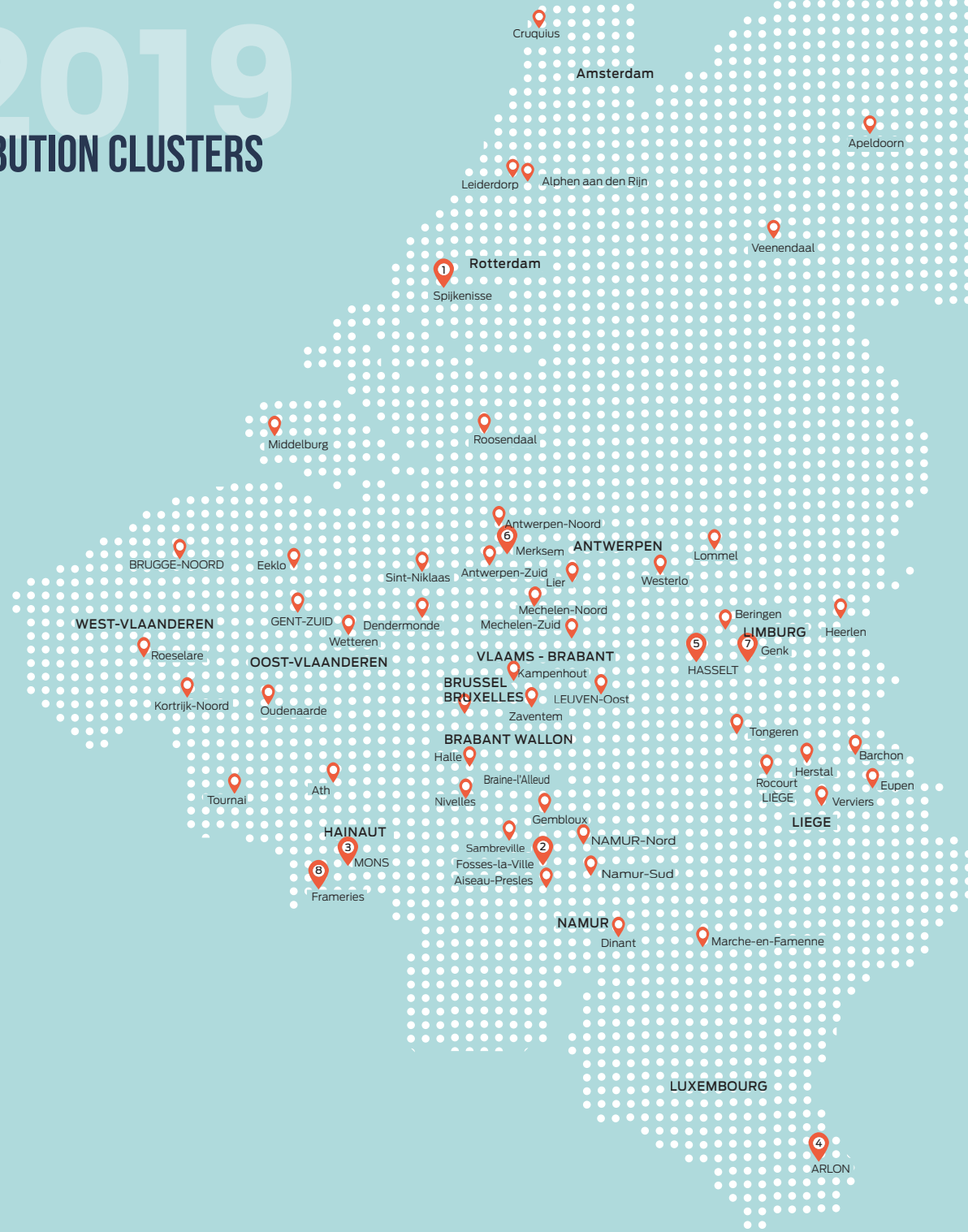
# 2018-2019

## GEOGRAPHICAL DISTRIBUTION CLUSTERS

 **98,28%**

### Occupancy rate

The out of town retail market is characterized by great stability. Both on the investor side as the tenant side.





# NEW CLUSTERS IN THE NETHERLANDS 2018

1



## Retailpark Spijkenisse

Investment: 47,2 m€  
31 units  
28.527 m<sup>2</sup>

# NEW CLUSTERS IN BELGIUM 2018

2



## Retailpark Fosses-la-Ville

Investment: 29 m€  
29 units  
17.132 m<sup>2</sup>

3



## Retailpark Mons

Investment: 27,8 m€  
7 units  
11.779 m<sup>2</sup>

4



## Retailpark Arlon

Investment: 17,4 m€  
6 units  
11.123 m<sup>2</sup>

5



## Retailpark Hasselt

Investment: 14,9 m€  
4 units  
5.762 m<sup>2</sup>

6



## Retailpark Merksem

Investment: 6,26 m€  
5 units  
3.800 m<sup>2</sup>

7



## Retailcluster Genk

Investment: 8,78 m€  
6 units  
4.381 m<sup>2</sup>

8



## Retailpark Frameries

Investment: 21,5 m€  
14 units  
14.917 m<sup>2</sup>





## 04. KEY FIGURES 2017-2019

REAL ESTATE PORTFOLIO	31/03/19	31/03/18	31/03/17
Total retail properties	906	817	668
Total lettable area in m²	1 049 101	973 525	748 136
Estimated fair value in EUR	1 529 629 000	1 349 367 000	1 071 361 000
Estimated investment value in EUR	1 579 292 000	1 392 427 000	1 097 917 000
Average rent prices per m²	99,96	96,08	95,45
Occupancy rate	98,28%	98,11%	98,13%

### BALANCE SHEET INFORMATION

Shareholders' equity	707 926 000	568 332 000	514 970 000
Debt ratio (RREC legislation*, max. 65%)	52,58%	57,57%	50,26%

### RESULTS

Net rental income	94 981 000	77 848 000	66 024 000
Property result	93 539 000	76 876 000	65 465 000
Property charges	-7 586 000	-6 124 000	-4 940 000
General costs and other operating costs and income	-5 147 000	-4 518 000	-2 941 000
Operating result before result on the portfolio	80 807 000	66 234 000	57 584 000
Result on the portfolio	6 958 000	-1 307 000	13 889 000
Operating result	87 764 000	64 927 000	71 473 000
Financial result	-31 826 000	-17 268 000	-19 064 000
Net result	54 479 000	46 695 000	52 136 000
EPRA Earnings	60 896 000	47 900 000	39 115 000







## FINANCIAL RESULTS

O1	CONSOLIDATED INCOME STATEMENT	51
O2	OPERATIONAL KEYFIGURES	53
O3	EPRA FIGURES	55
O4	FINANCIAL KEY FIGURES	57
O5	FINANCIAL DEBTS	59
O6	PROPERTY PORTFOLIO	61
O7	GUIDANCE 2019-2020	63





# 01. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in € 000)	31.03.19	31.03.18	Δ %
Rental income	95 411	78 046	22%
Rental related expenses	-430	-198	117%
Net rental income	94 981	77 848	22%
Recovery of property expenses			
Recovery of rental charges and taxes normally payable by tenants on let properties	10 403	7 567	37%
Rental charges and taxes normally payable by tenants on let properties	-11 786	-8 498	39%
Other rental related income and expenses	-58	-41	41%
Property result	93 539	76 876	22%
Technical costs	-3 829	-2 948	30%
Commercial costs	-870	-618	41%
Charges and taxes on unlet properties	-306	-408	-25%
Property management costs	-2 562	-2 158	19%
Other property costs	-18	8	-325%
Property costs	-7 586	-6 124	24%
Operating property result	85 954	70 752	21%
Operating corporate costs	-5 147	-4 518	14%
Other current operating income and expenses			
Operating result before result on portfolio	80 807	66 234	22%
Result on disposals of investment properties	654	92	611%
Result on sales of other non-financial assets			
Changes in fair value of investment properties	7 361	-2 505	-394%
Other result on portfolio	-1 058	1 106	-196%
Operating result	87 765	64 927	35%
Financial income	93	70	33%
Net interest charges	-18 479	-17 379	6%
Changes in the fair value of financial assets and liabilities	-13 374	101	-13 342%
Other financial charges	-67	-60	12%
Financial result	-31 826	-17 268	84%
Result before taxes	55 938	47 659	17%
Taxes	-1 458	-964	51%
Net result	54 479	46 695	17%





## 02. OPERATIONAL KEY FIGURES

Epra result per share -  
weighted average shares

**5,41€**

Operational margin

**85,08%**

Pay-out ratio

**80,33%**

Like for like

**1,53%**

Weighted average lease length

**7,69**years

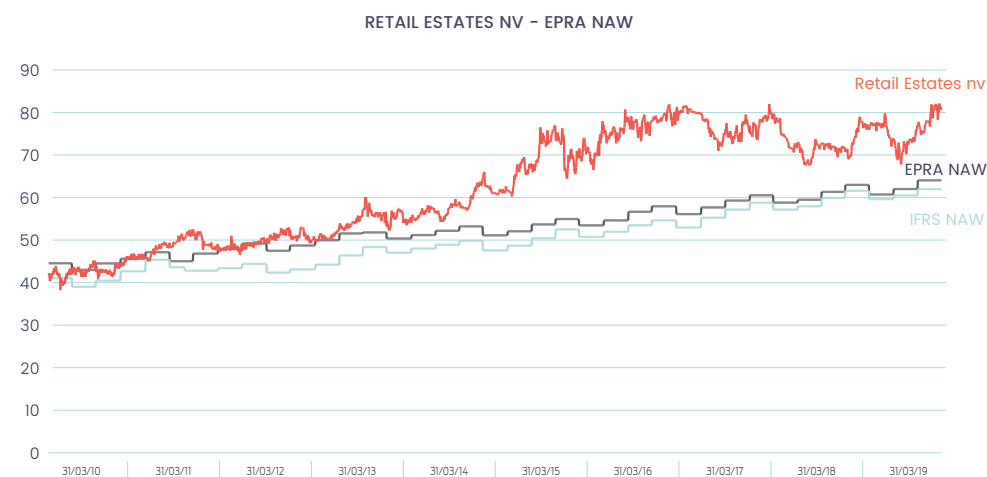
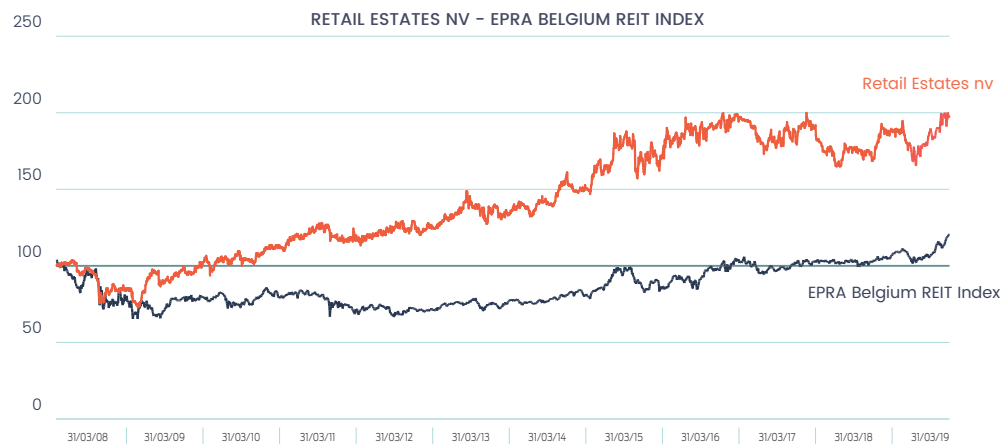




## 03. EPRA FIGURES

EPRA Key Performance Indicators	31.03.2019		31.03.2018	
	EUR/1000	EUR per share	EUR/1000	EUR per share
EPRA result	60.896	5,41	47.900	5,13

EPRA Key Performance Indicators	31.03.2019		31.03.2018	
	EUR/1000	EUR per share	EUR/1000	EUR per share
EPRA NAV	731.805	64,07	582 020	61,33







## 04. FINANCIAL KEY FIGURES

Average Interest Rate

**2,31% (2019)**  
2,62% (2018)

Hedge Ratio

**90,39%**

Debt Ratio

**52,58%**

Investment capacity

(Debt rate max 60%)

**289,99 m€**

Average debt maturity

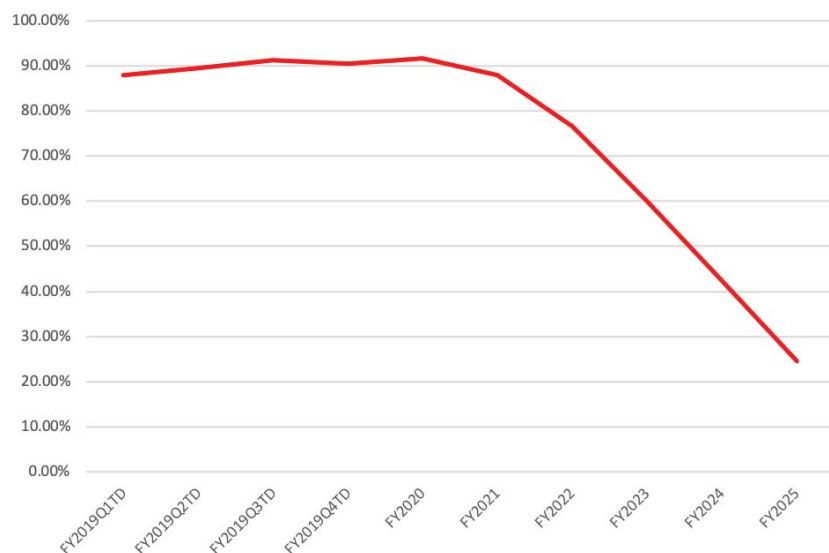
**4,83 years**





## 05. FINANCIAL DEBTS

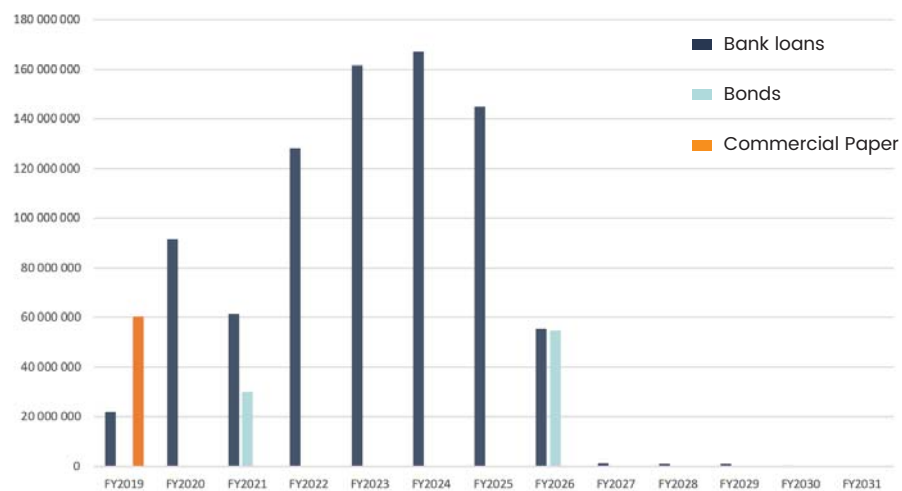
### Evolution hedge ratio



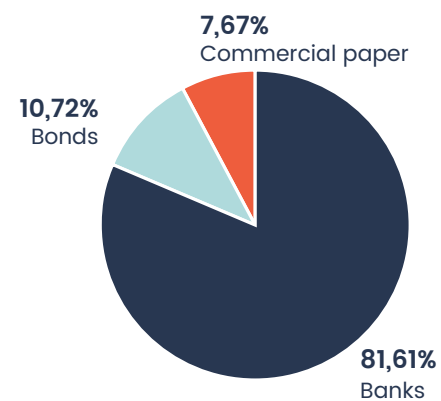
### Evolution debt ratio



### Overview debt maturity



### Debt structure

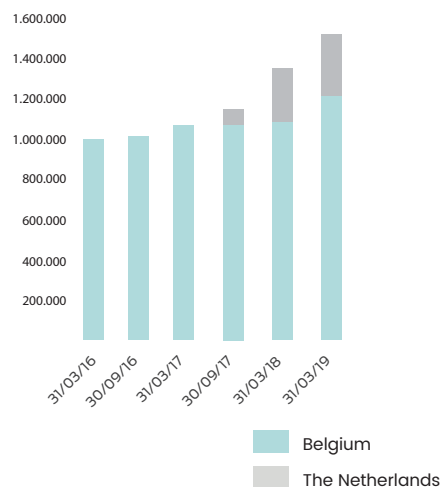






## 06. PROPERTY PORTFOLIO

Property portfolio in €000



Assets under construction

Assets under construction	(in € 000)
Landbank	2.197
Prospective	9.830
Pre-development	7.795
In progress	28
<b>TOTAL</b>	<b>19.853</b>

Yield on portfolio

**6,55%**

Yield evolution in %







## 07. GUIDANCE 2019-2020

Rental Income

**100,51** m€

Gross Dividend

**4,40** €

Net Dividend

**3,08** €

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