

Befimmo



Roadshow EPRA Asia

June 2019

Singapore | Hong Kong | Taipei | Seoul | Tokyo

www.befimmo.be







Agenda

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Befimmo at a glance

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Why invest in Befimmo

05

Financials



Benoît De Blicq

- CEO of Befimmo since 1999
- Extensive experience (38 years) in various businesses across the real estate value chain (contracting, development, asset investment and management)
- Fellow member of the Royal Institution of Chartered Surveyors (RICS)
- Member of the board of the Belgian Professional Union of the Real-Estate Sector (UPS)



Laurent Carlier

- CFO of Befimmo since 2006
- 20 years of experience as Finance Director
- President of the BE-REIT association (Belgian REITs)
- Member of the EPRA Reporting & Accounting Committee

1

**Befimmo at a
glance**

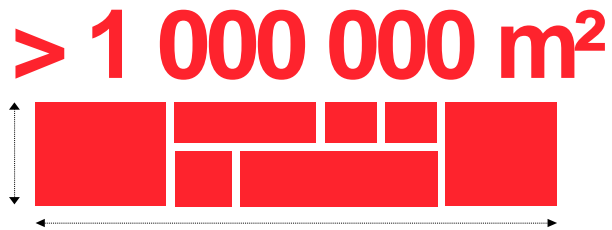




Befimmo at a glance

A 25 year track record as a pure player in quality office space

€2.7
billion
Portfolio



± 144
million
Rental income 2018

€1.4
billion
Market cap

- BE-REIT status under belgian law, Regulated Real-Estate Company
- Listed on Euronext Brussels (BEFB – ISIN: BE0003678894)

2

Europe and Belgium





Europe and Belgium

Belgium, located in the heart of Europe

BELGIUM

Regions

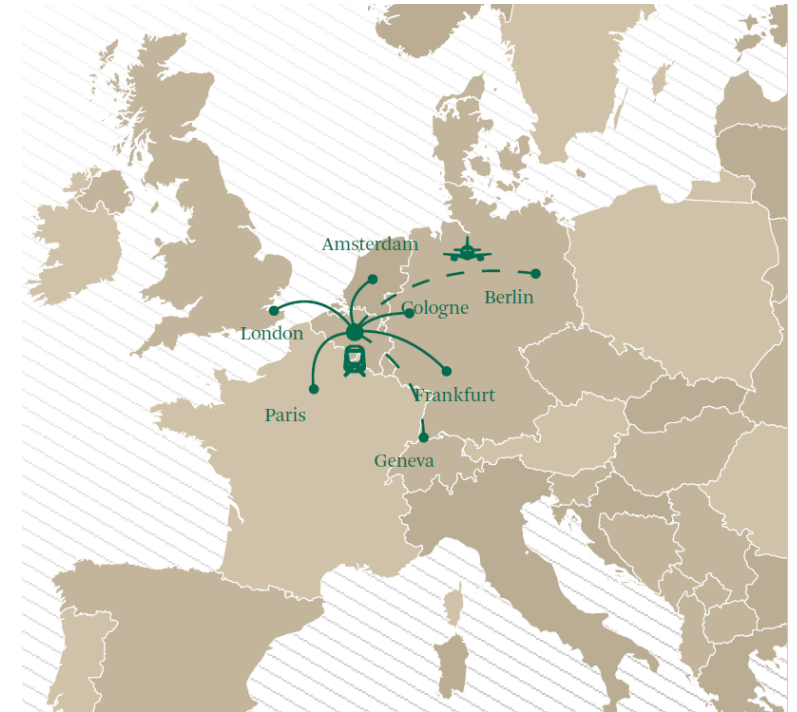
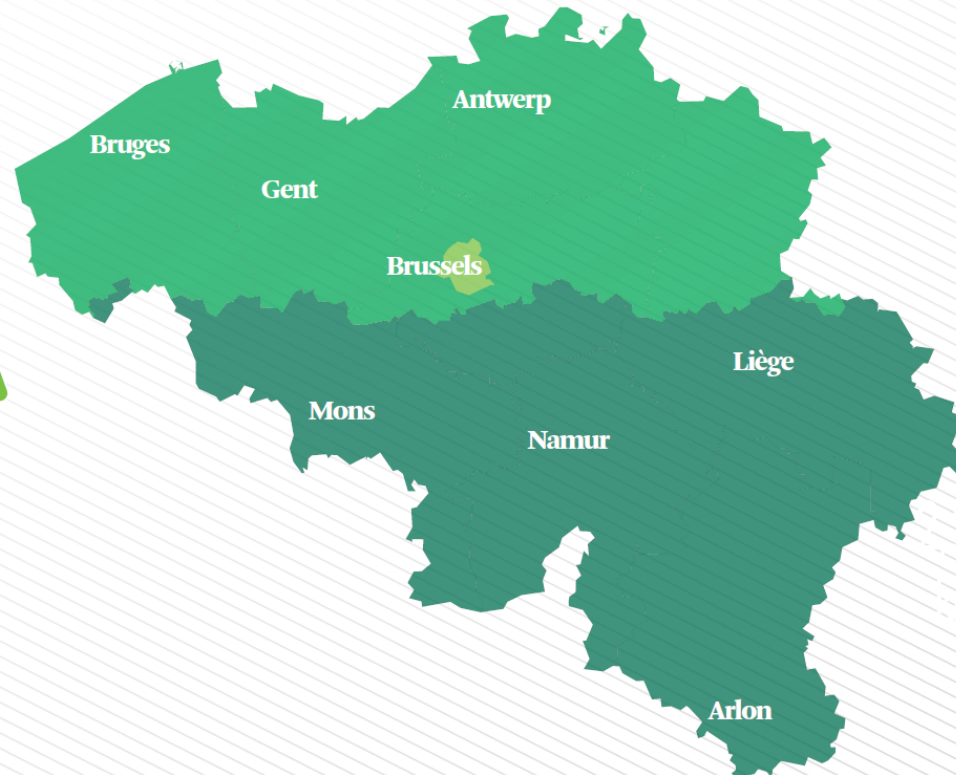
3

REGIONS

6.55 million
FLANDERS

3.62 million
WALLONIA

1.19 million
BRUSSELS



→ An ideal base to reach out to the European consumer market

- Open economy
- Excellent workforce
- A knowledge centre
- A business-friendly tax system
- Competitive property prices
- Excellent living conditions

Source: <http://ib.fgov.be/en/>



Brussels, the Capital of the European Union

1

Most international organisations in the world

3,800

Number of diplomats

1

Brussels is the leading congress city in Europe



Brussels is the capital of the EU and hosts all major institutions

3

Brussels is the third richest region in the European Union



Brussels is the permanent home of the NATO

2

Brussels is the world's second most important conference centre for hosting international business meetings

Office occupants in Brussels

(figures as at 31 March 2019)

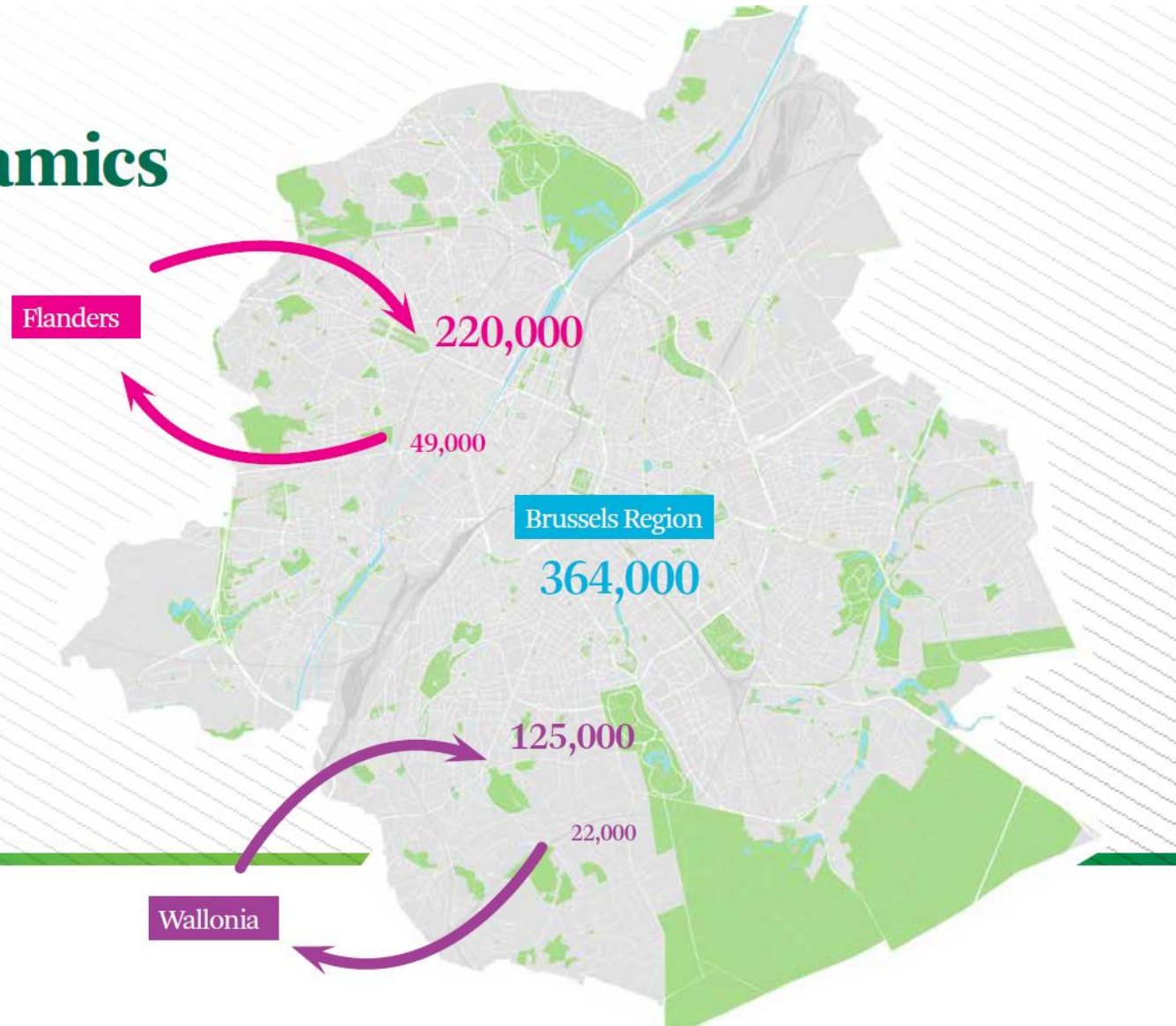


BRUSSELS

Commuter dynamics

709,000 employed in Brussels Region

Commuters = **49%**



Source: CBRE – 31 March 2019

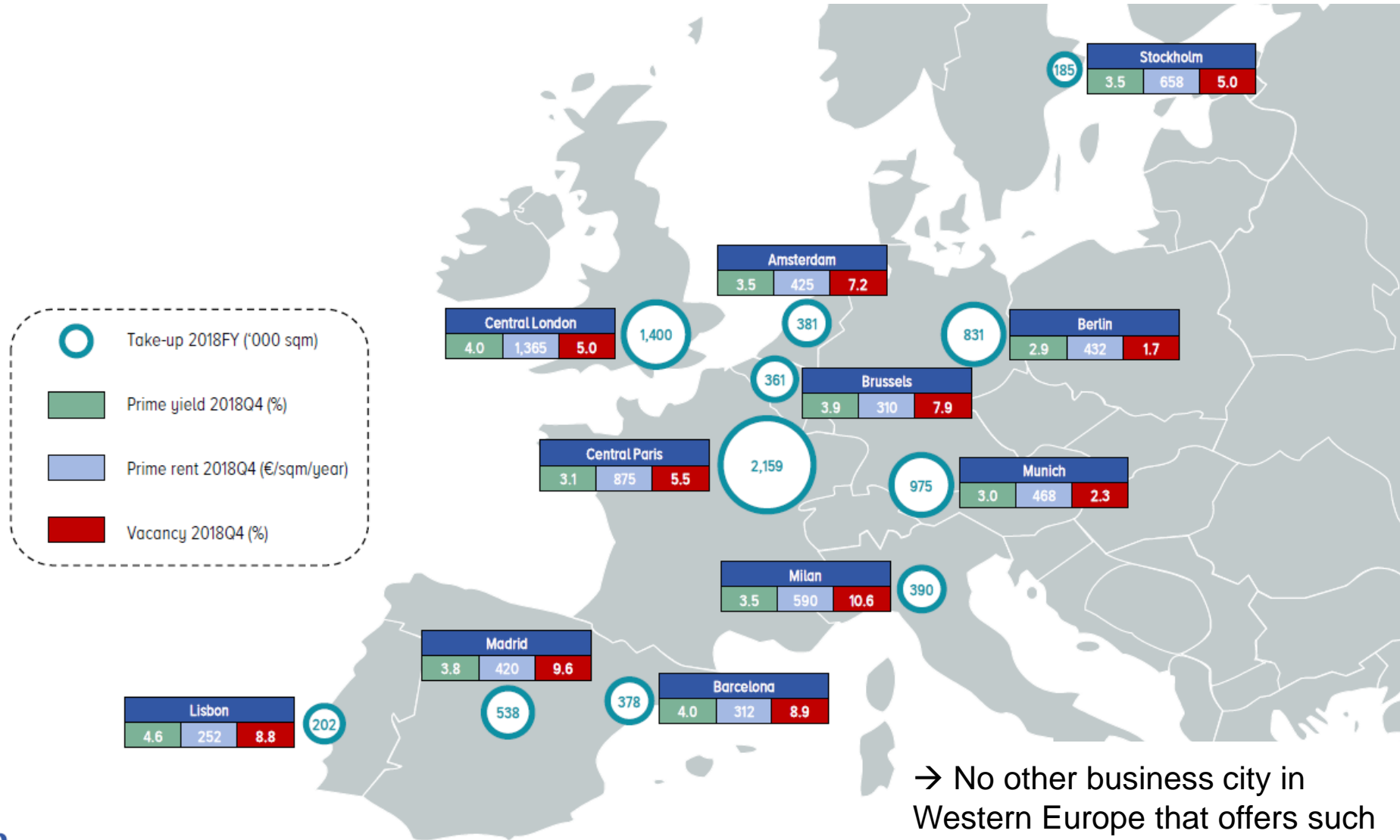
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Brussels office market



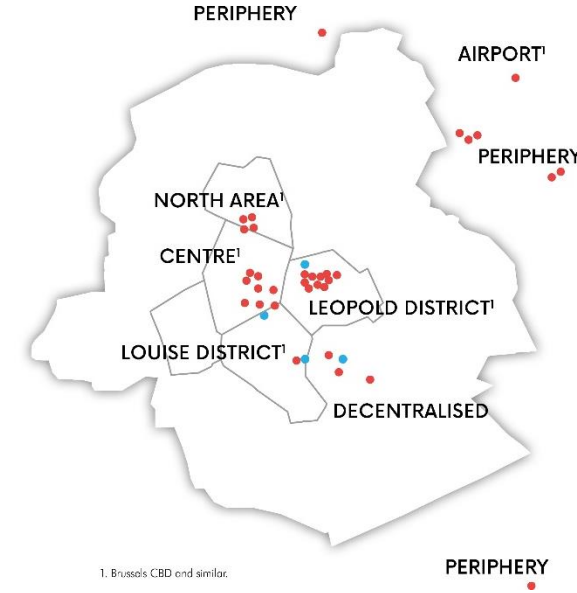
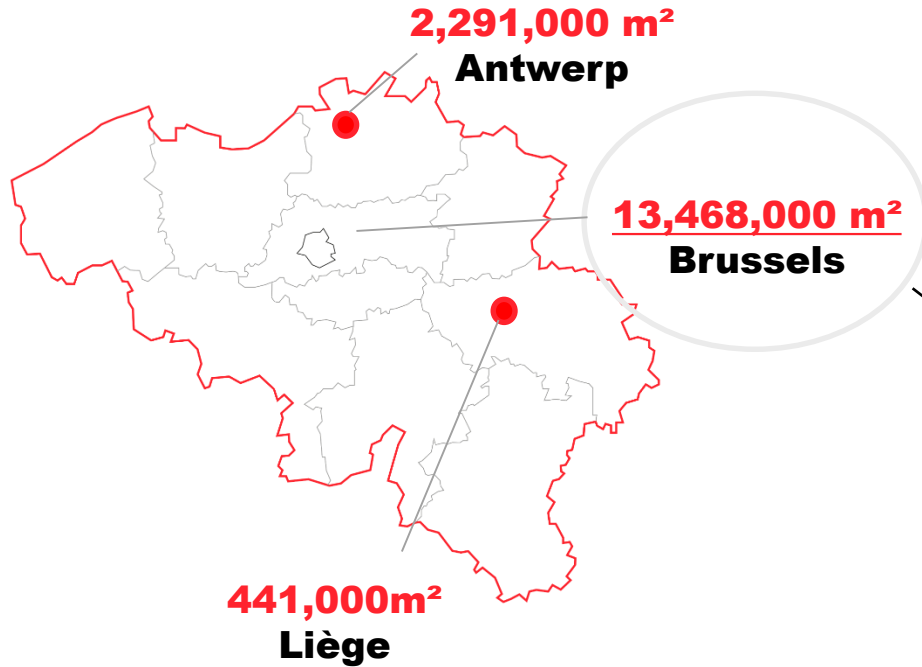


Brussels office market in European landscape



→ No other business city in Western Europe that offers such affordable office space as Brussels

Overview of our markets



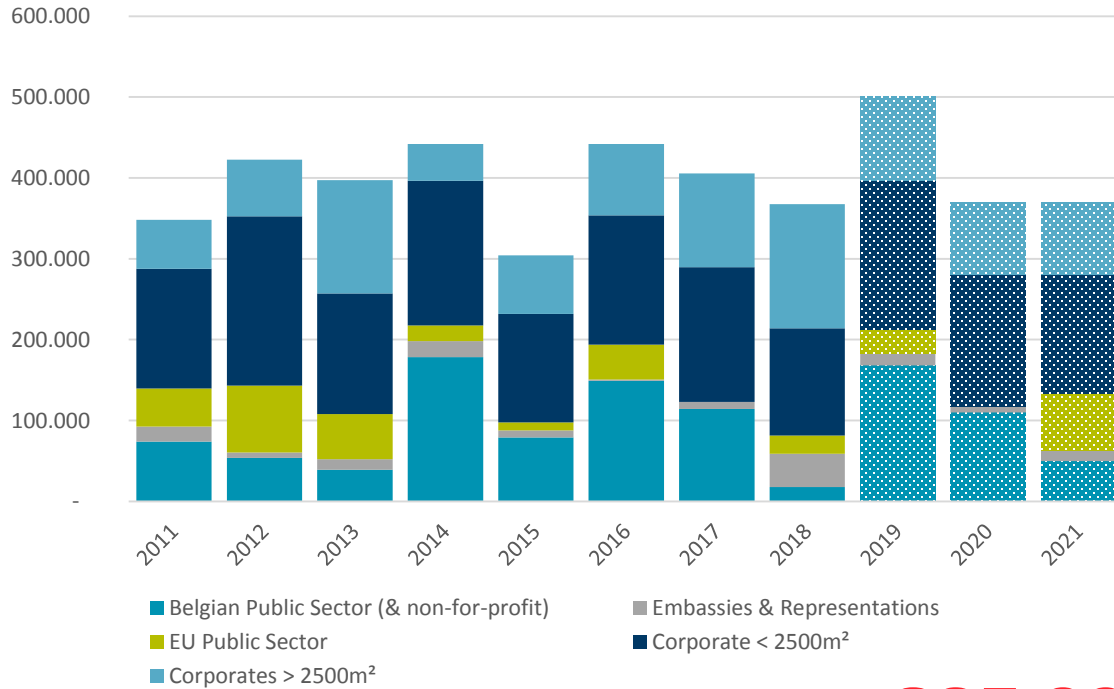
Key figures Brussels office market

Brussels office market	31.12.18	31.12.2017	31.12.2016
Take-up (m ²)	361 000	399 513	441 942
Vacancy rate (%)	7.98%	8.78%	9.12%
Prime rent (€/m ² /yr)	315	305	275
Investment volume offices (€)	1.9 billion	1.4 billion	1.5 billion
Prime yield (%)	4.25%	4.40%	4.50%



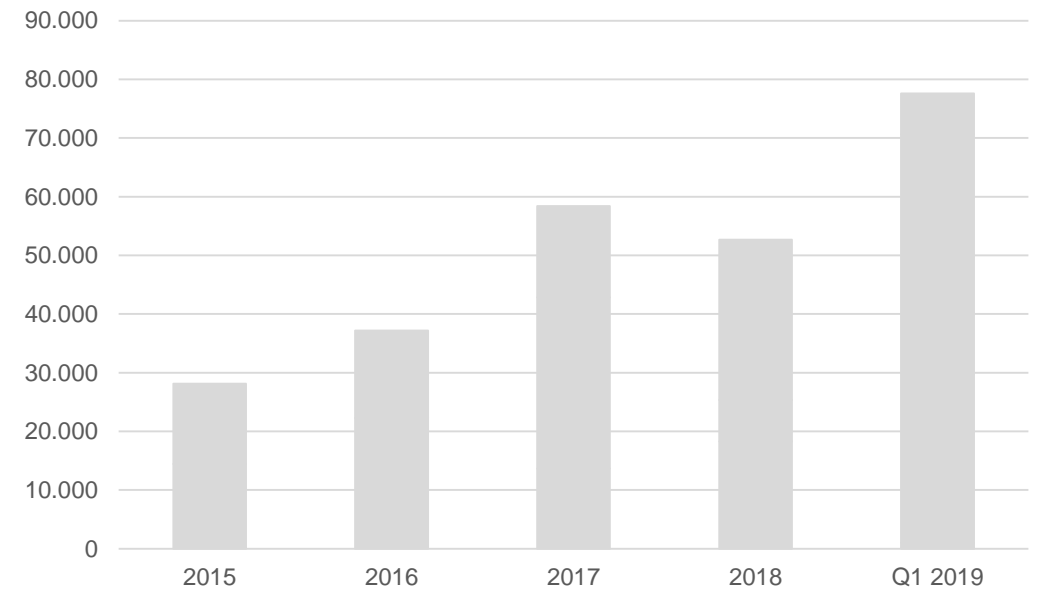
Very strong start of the year

Brussels take-up by occupant type (m²)



235 000 m²
Q1 2019 office take-up in Brussels

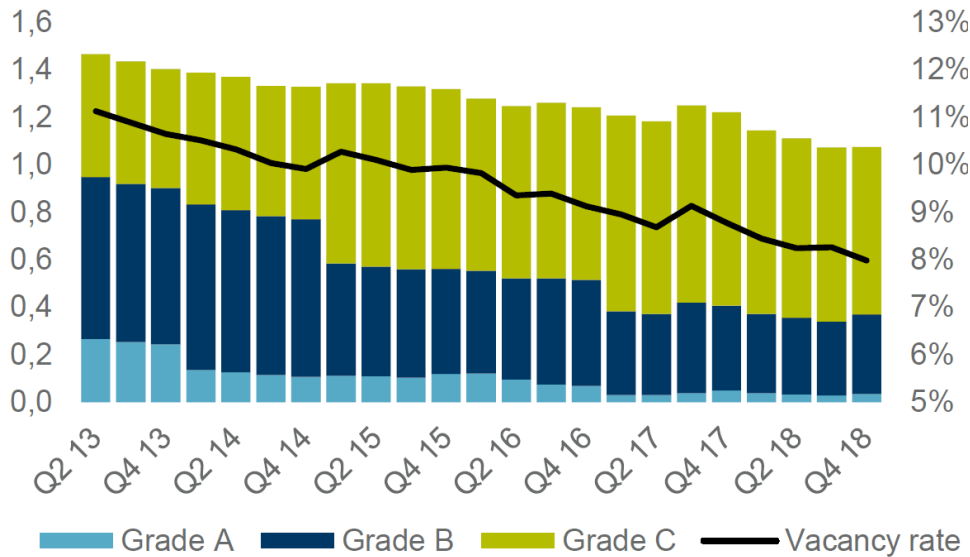
Leases signed by Befimmo (in m²)



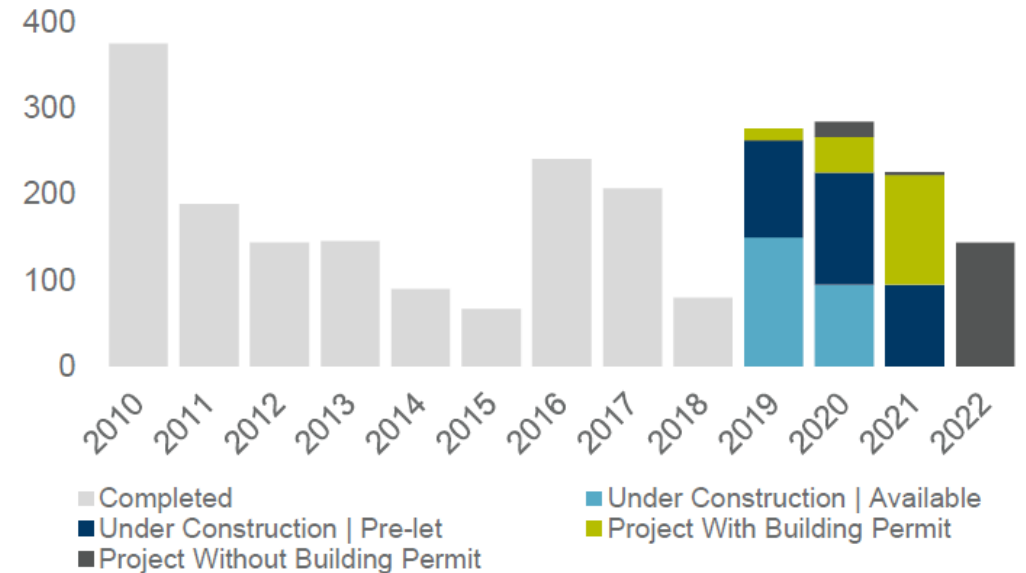
70 000 m²
Pre-let to the Flemish authorities

Limited vacancy and limited development pipeline

Vacancy by building grade (000 000 m²) and Brussels vacancy rate (%)



New supply and pipeline (000s m²)



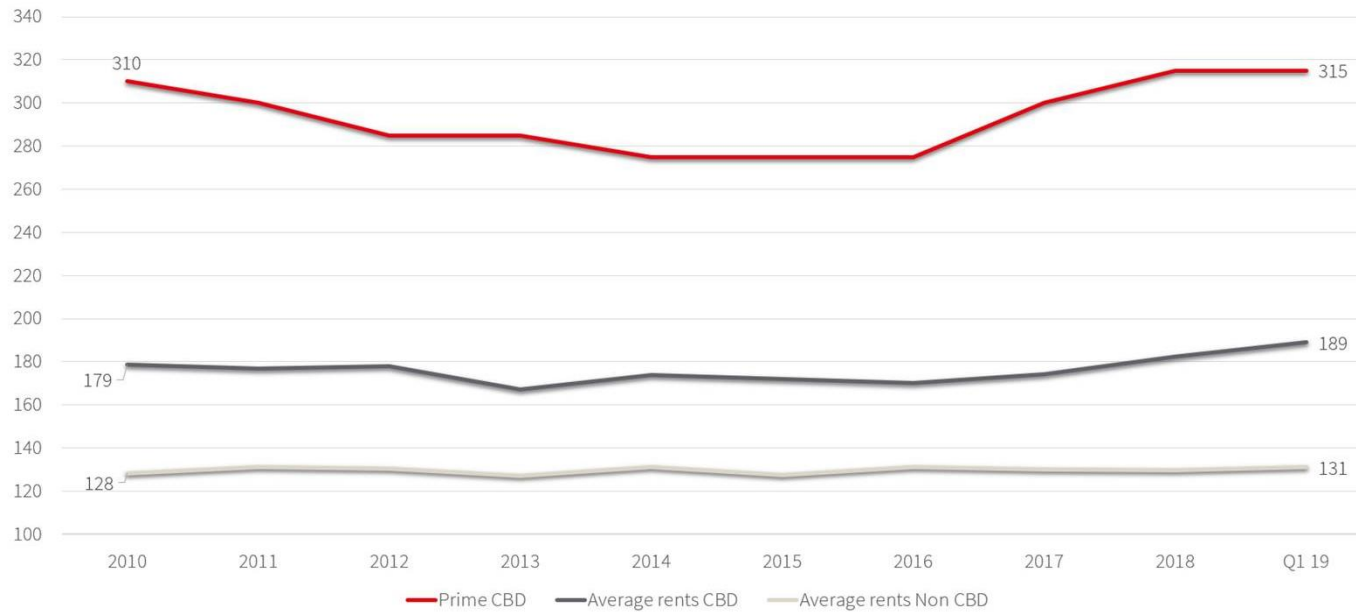
7.7%
Q1 2019
vacancy rate
 (lowest level since 2001)

0.3%
Q1 2019
Grade A
vacancy rate

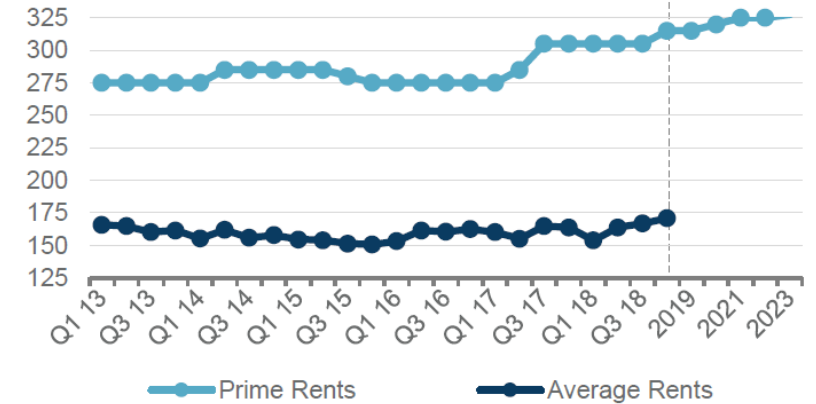
A limited speculative pipeline



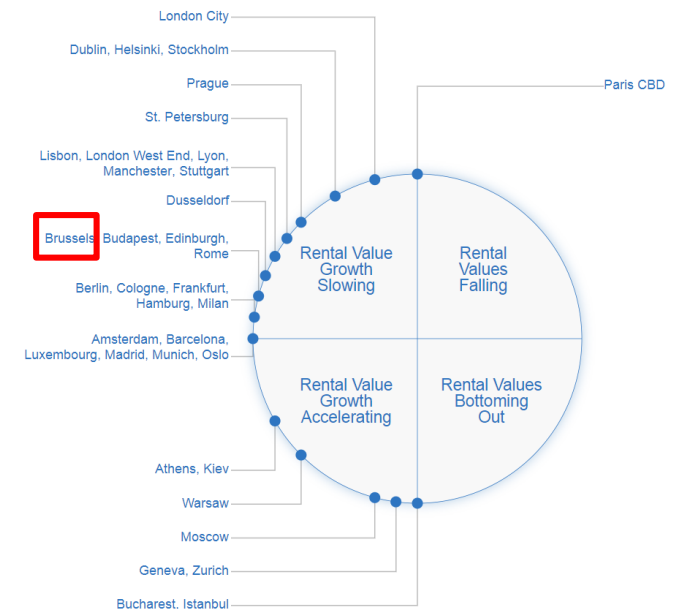
Growing rental values in CBD



Prime and average rents (€/m²/year)



JLL Office clock (as at 31 March 2019)

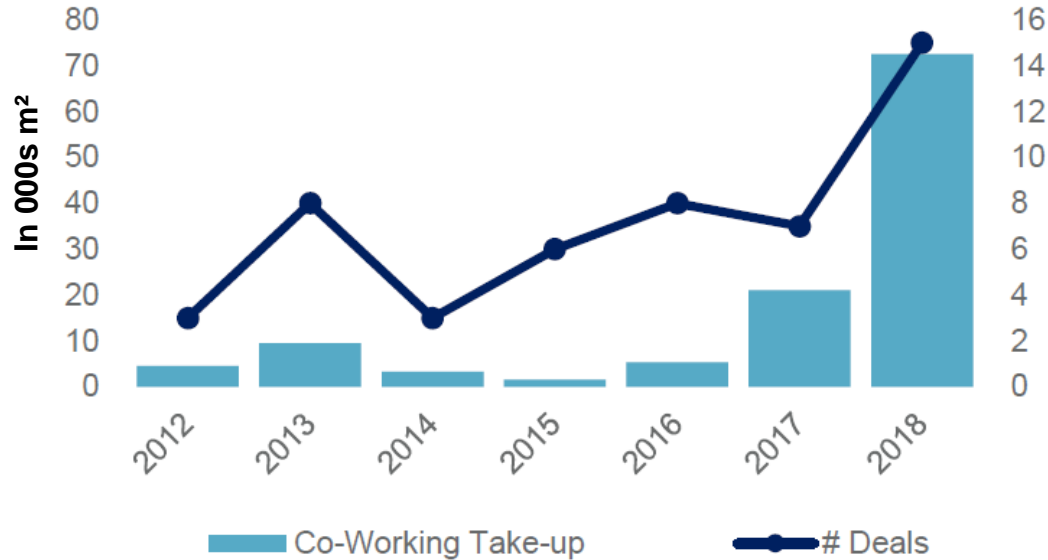




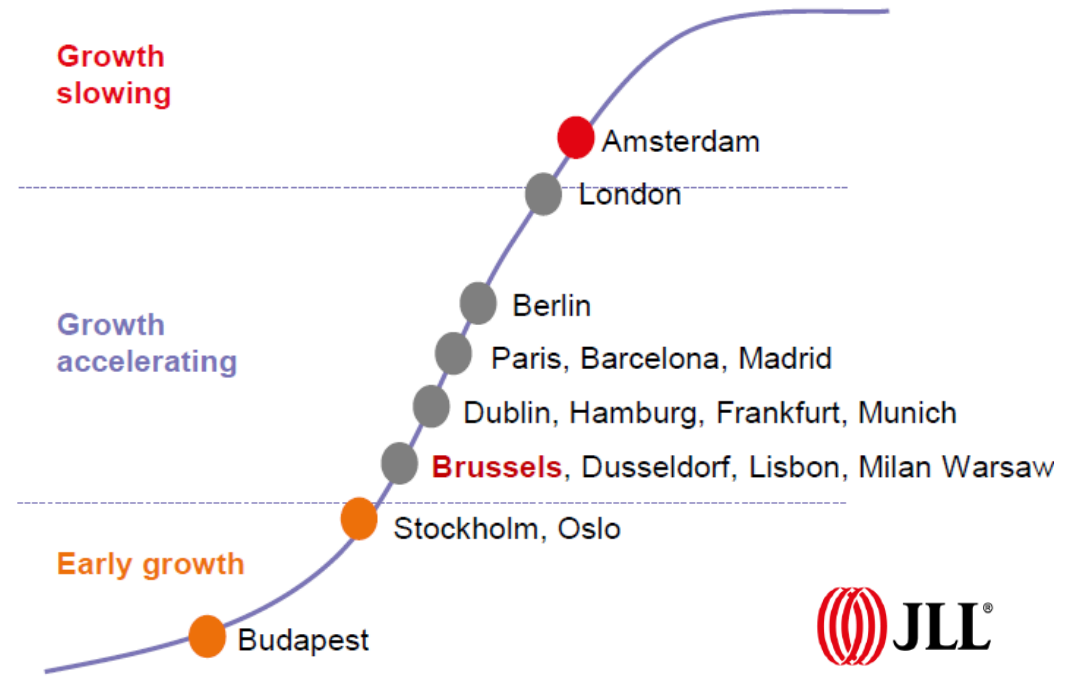
Brussels office market | Coworking market



Coworking take-up (000s m²) and # of deals



Europe – Flex market maturity



2018 Brussels coworking take-up
72,500 m² = 20% of total letting activity in 2018

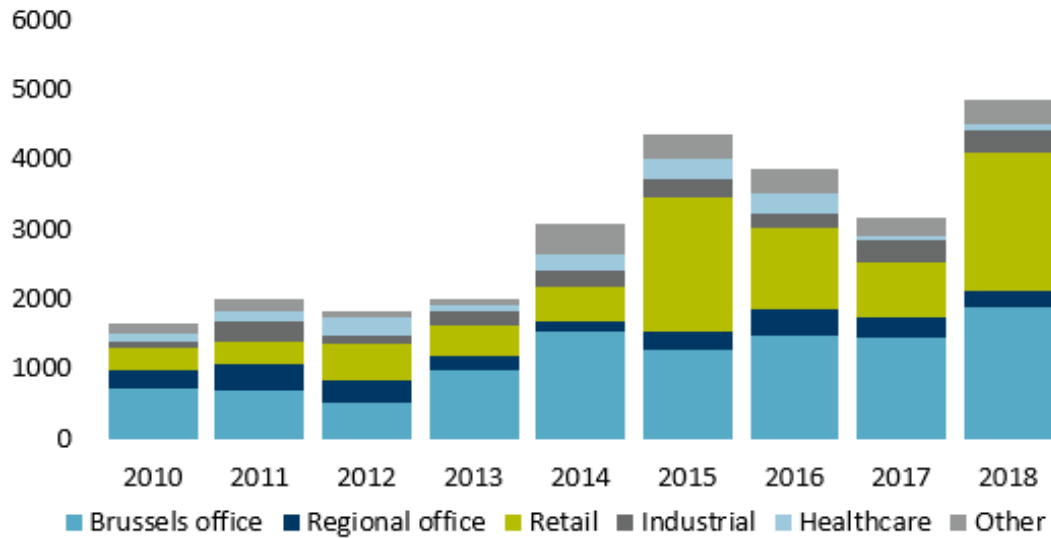
Coworking
= 1% of total Brussels office stock



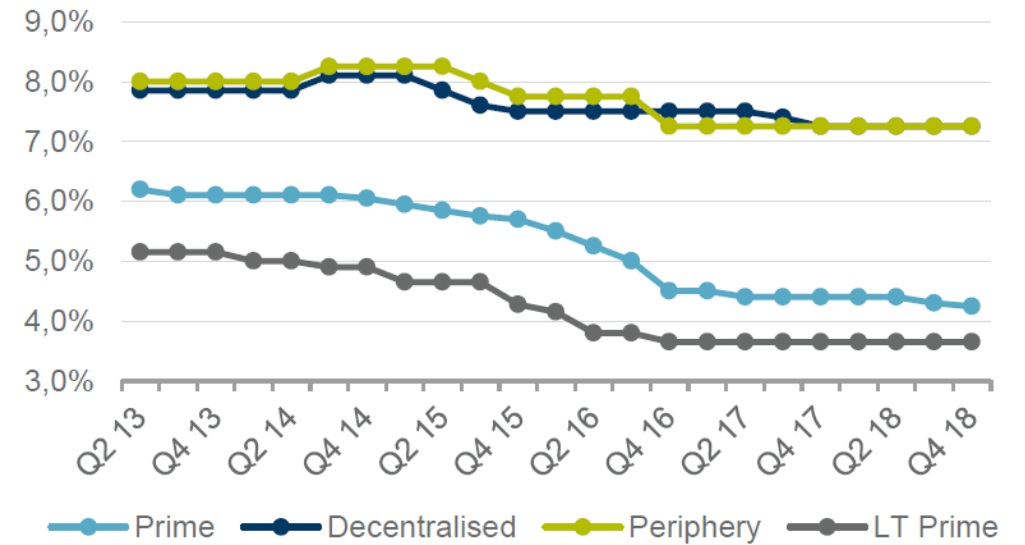
Brussels office market | Investment market



Invested volumes in Belgium by sector (€ millions)



Prime office yields



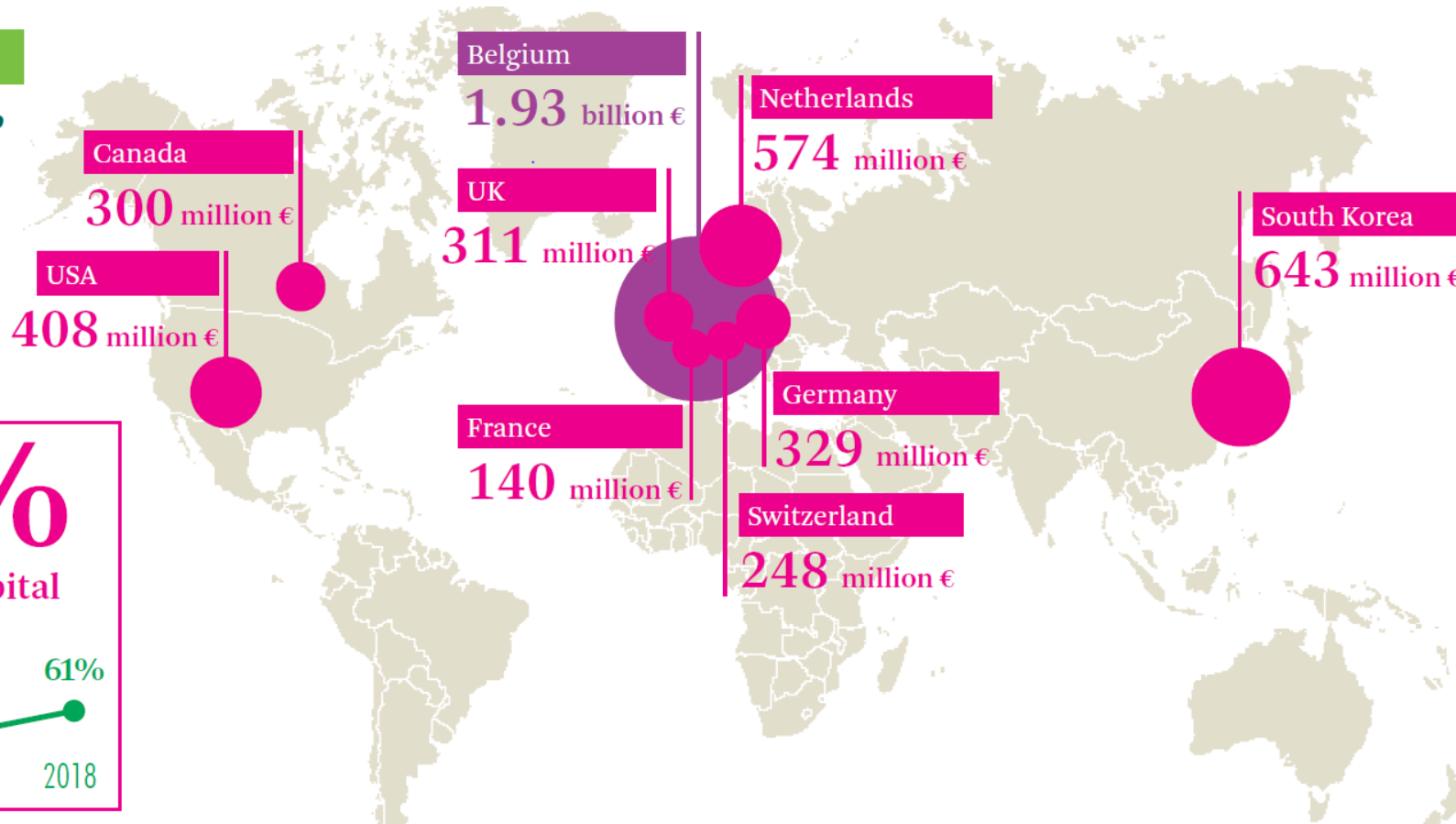
€1.9 billion
**2018 investment
in Brussels
offices**

€0.69 billion
**2019 investment in
Brussels offices
(until May)**

INVESTMENT

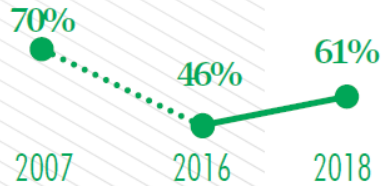
Investor origin

2018



61%

Foreign Capital

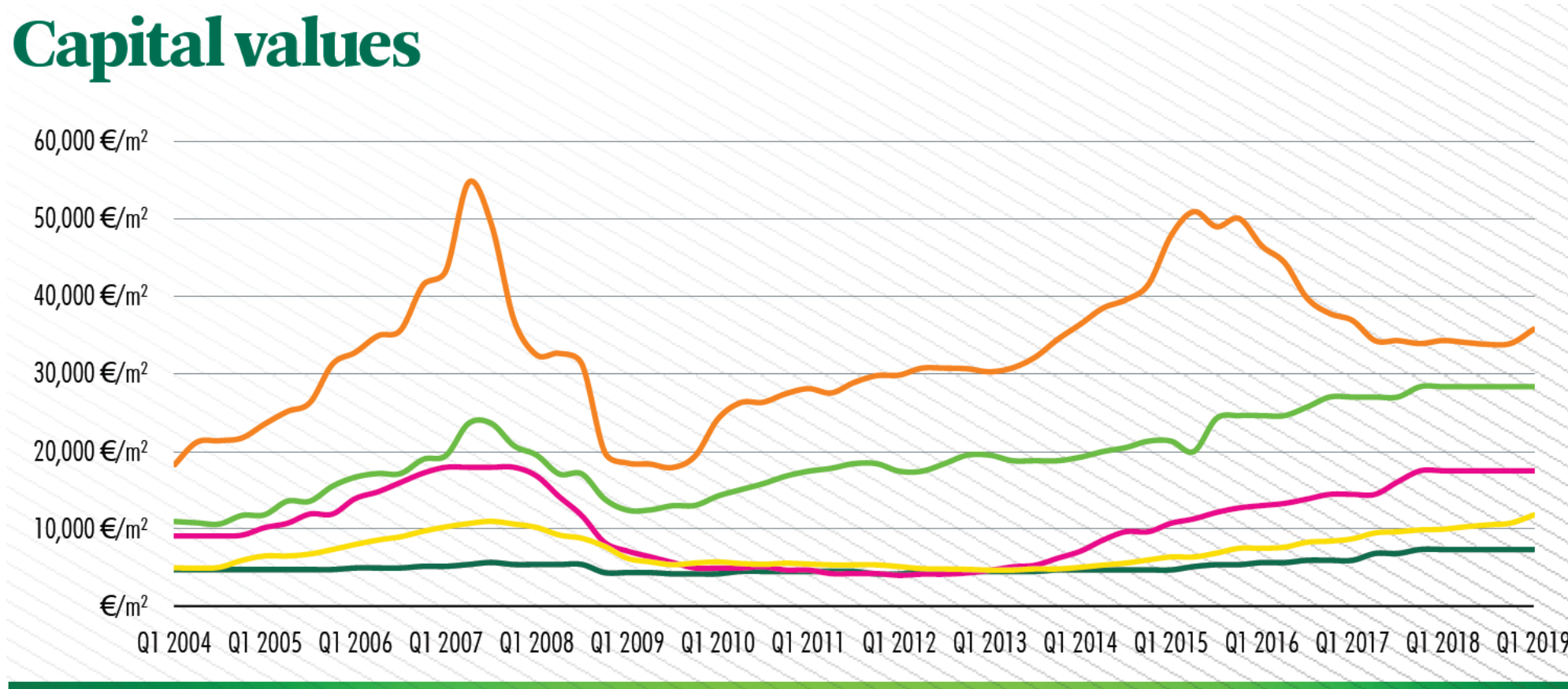


BUILDING NAME	SUBMARKET	BUYER	SELLER	ESTIMATED VALUE (€)
Egmont I & II	Brussels Centre	Korean Investment Securities	Cofinimmo	371,500,000
Engie Towers	Brussels North	La Française/Hyundai/Samsung	AG Real Estate (40%)	140,000,000
PassPort	Brussels Periphery Airport	AXA Investment managers (Korea)	Codic	131,000,000



Brussels is a stable market

Capital values



4

**Why invest in
Befimmo?**





Why invest in Befimmo?

1. Clear pure player strategy

2. High quality portfolio

3. Proactive approach in an evolving market

4. High dividend yield and transparent outlook

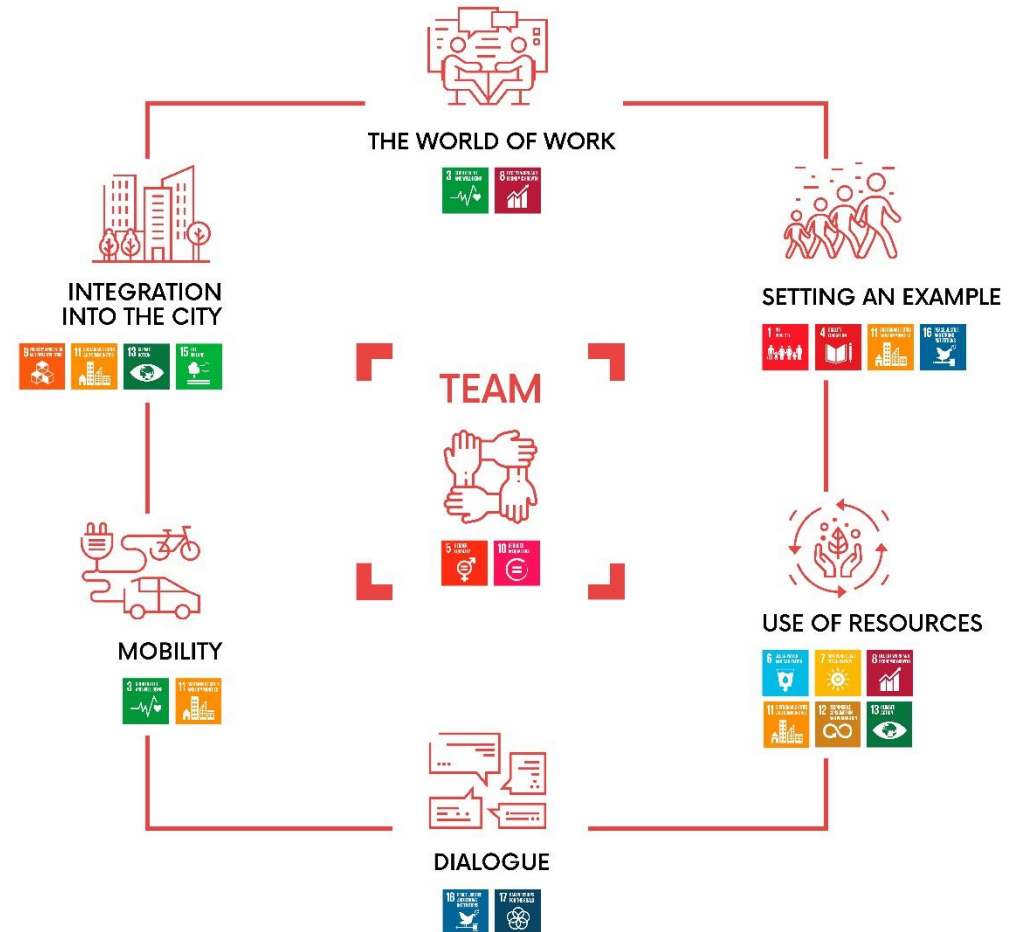
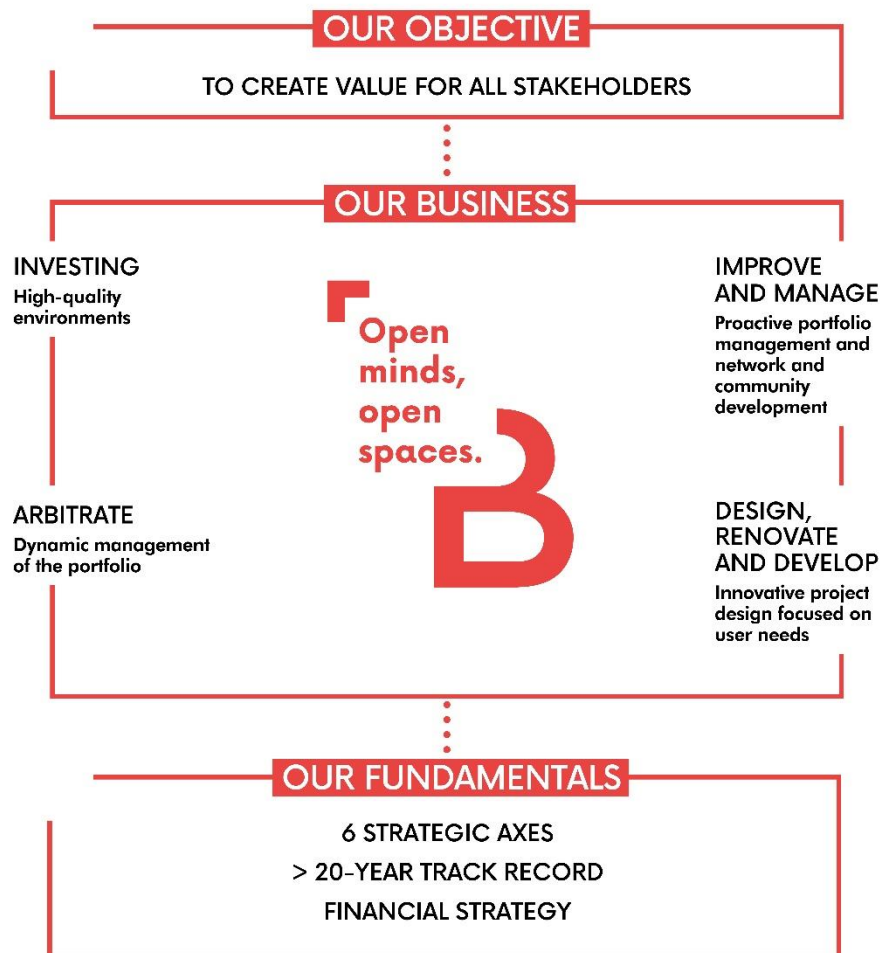
5. Good timing to invest

6. Stability of management



Clear pure player strategy

A business model to create value for all stakeholders





Why invest in Befimmo

1. Clear pure player strategy

2. High quality portfolio

3. Proactive approach in an evolving market

4. High dividend yield and transparent outlook

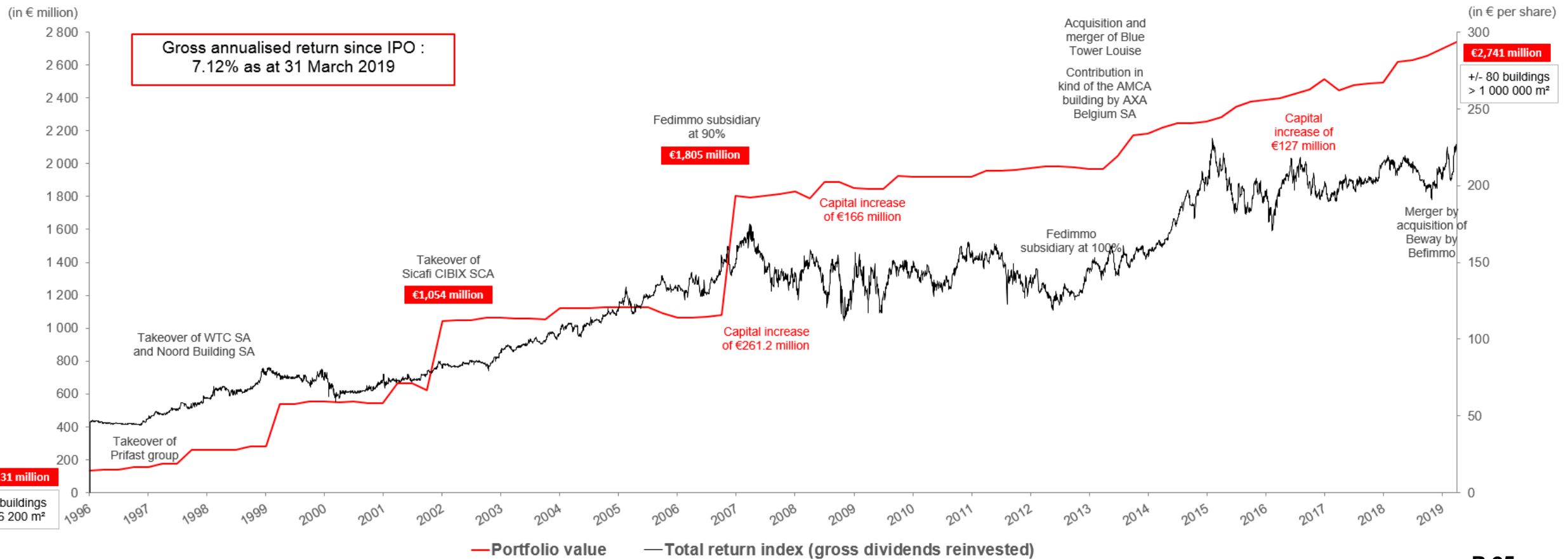
5. Good timing to invest

6. Stability of management



High quality office portfolio

Befimmo is an asset manager (25-year track record)





High quality office portfolio

- **Befimmo is an asset manager**
- Portfolio chosen and built by real-estate professionals**

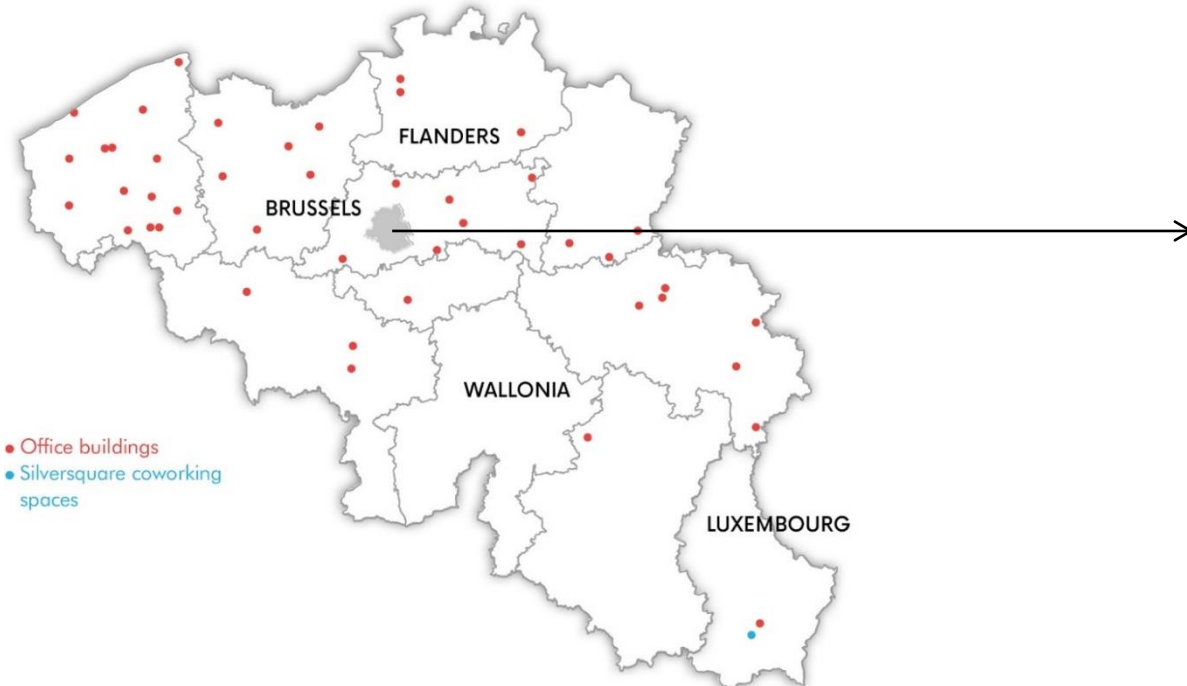




High quality office portfolio

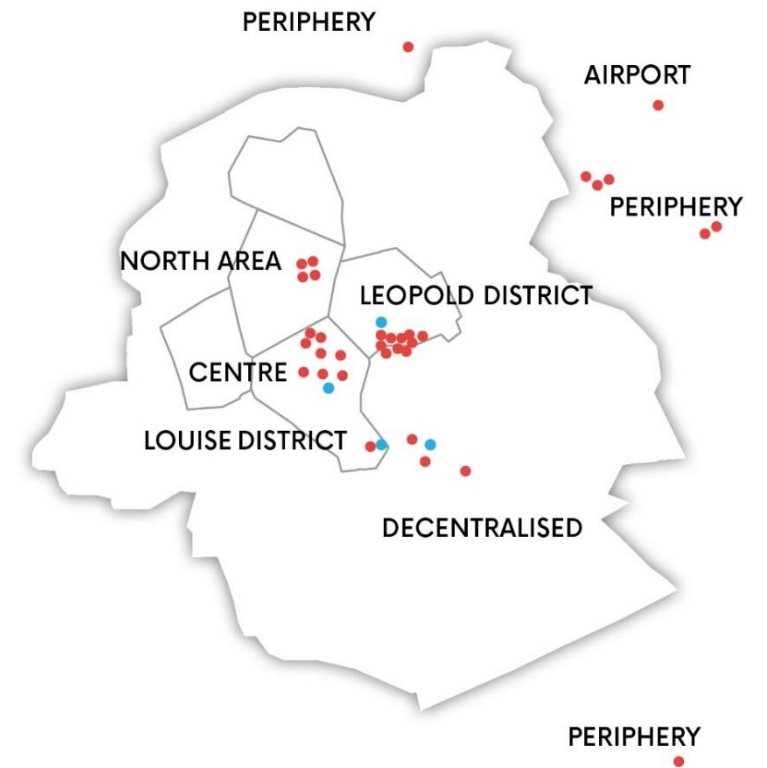
CBD locations

68.9% Brussels
17.9% Flanders
8.6% Wallonia
4.6% Luxembourg



68.9%
of the portfolio
located in Brussels

of which
60.5%
in Central
Business District



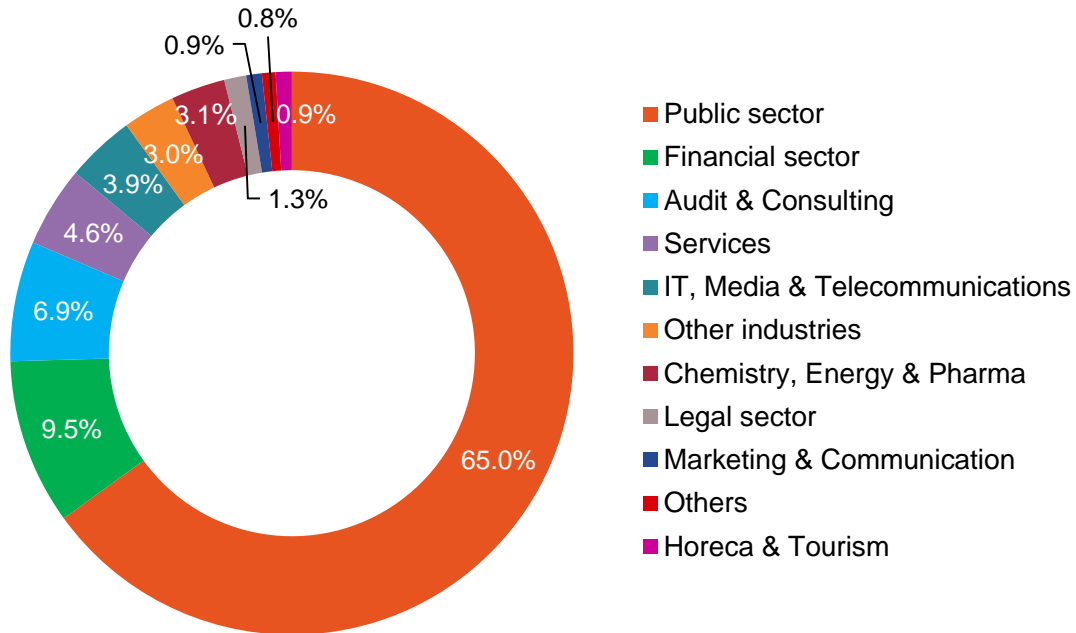
The percentages are expressed on the basis of the fair value of the investment properties as at 31 December 2018.



High quality office portfolio

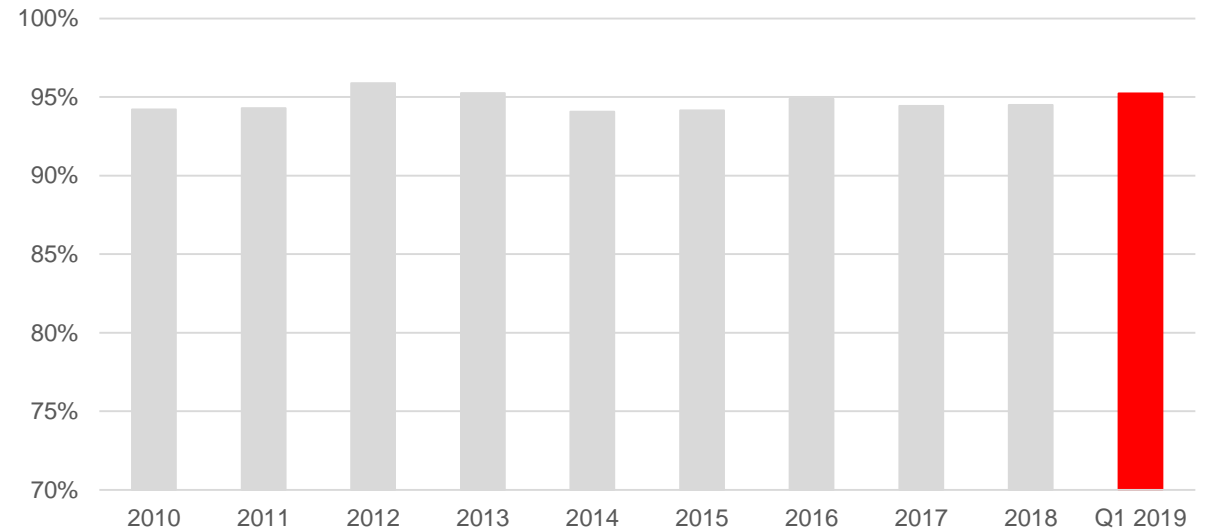
Well diversified quality tenants and sound occupancy rate

Tenants by sector (as at 31 December 2018)



Trend of the occupancy rate over a 10-year period

Occupancy rate calculated on the properties available for lease



95.22%

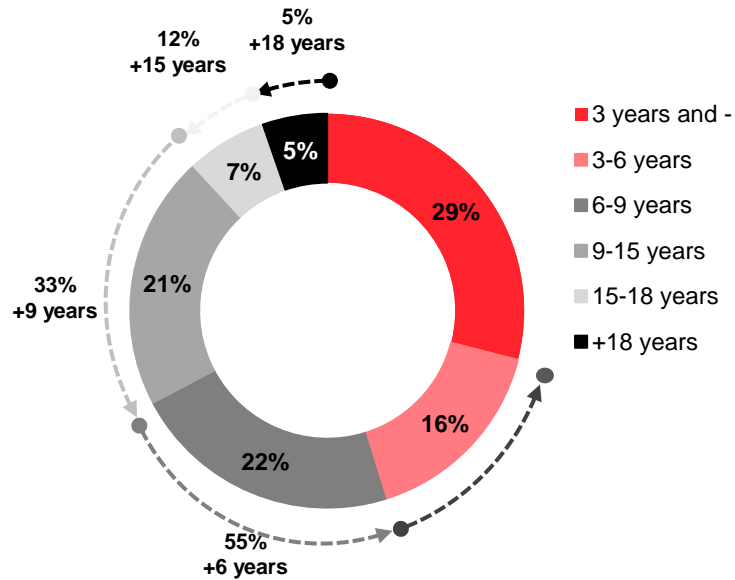
**Spot occupancy rate as at
31 March 2019**



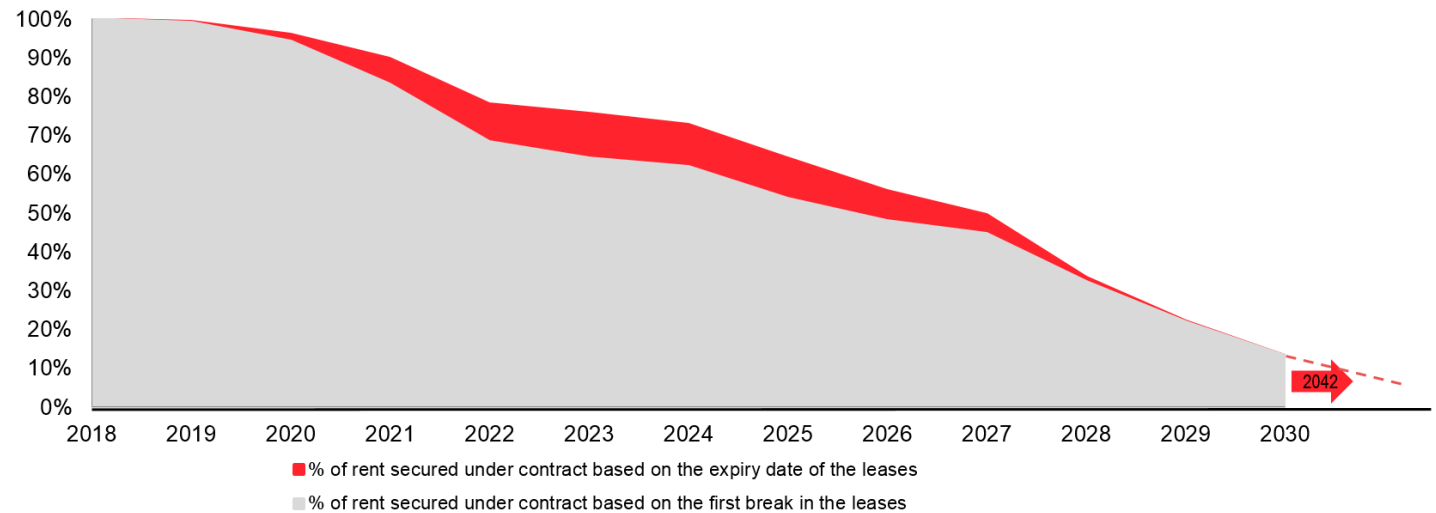
High quality office portfolio

Secured revenues in the long term (figures as at 31 March 2019)

High duration of leases



High income visibility



7.52 yrs

Average duration up to
1st break as at
31 March 2019



Why invest in Befimmo

1. Clear pure player strategy

2. High quality portfolio

3. Proactive approach in an evolving market:

- Coworking
- Projects
- Dynamic portfolio rotation

4. High dividend yield and transparent outlook

5. Good timing to invest

6. Stability of management

Silversquare, pioneer in coworking



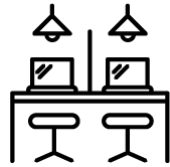
5

Coworking Spaces



5.3

Million turnover



15,200 m²

Coworking Spaces



23

Team Members



+1000

Company members



+ 300

Events per year

SILVER SQUARE

EXPERTISE = **COMMUNITY**

Befimmo

EXPERTISE = **ASSETS**

VISION CONVERGENCE
SAME VALUES
ONE AMBITION

ONE PARTNERSHIP



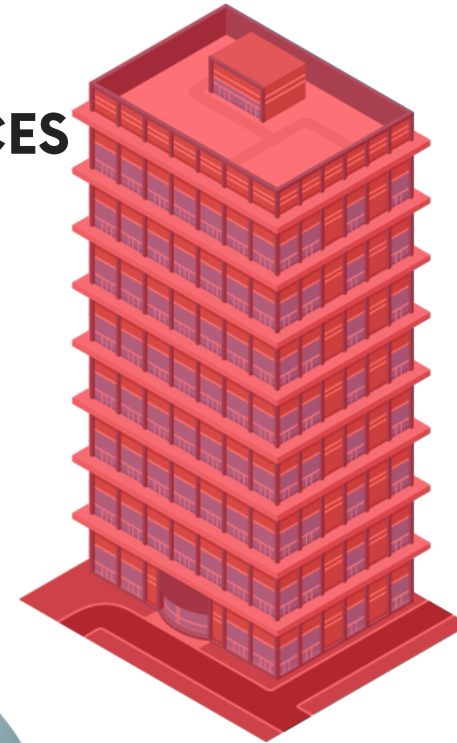
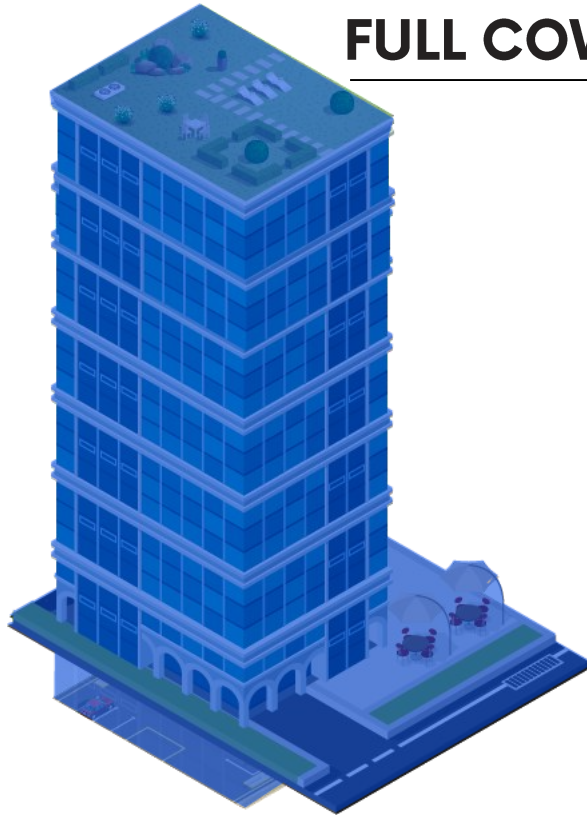


Strategic acquisition of Silversquare

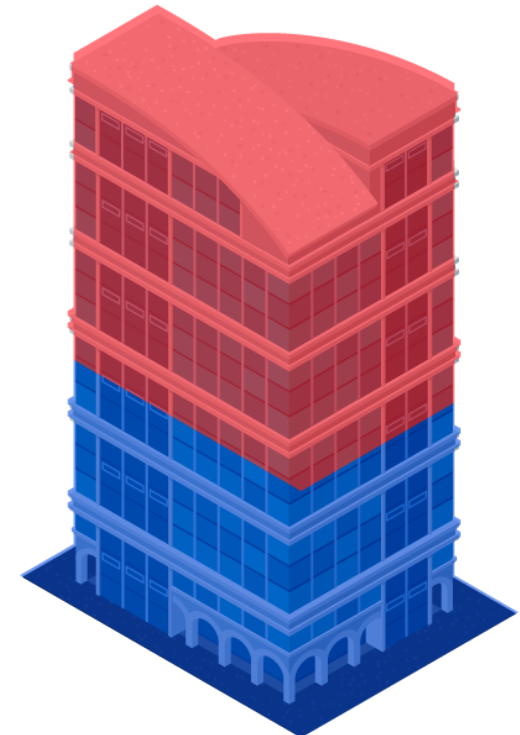
**The first
BeLux
network**

CONVENTIONAL OFFICES

FULL COWORKING



MIXED OFFICES



Silversquare will decide where coworking spaces will be programmed, in the Befimmo portfolio or on other external strategic locations.

**COMMUNITY
CREATING LINKS**

What's next?

2019 :

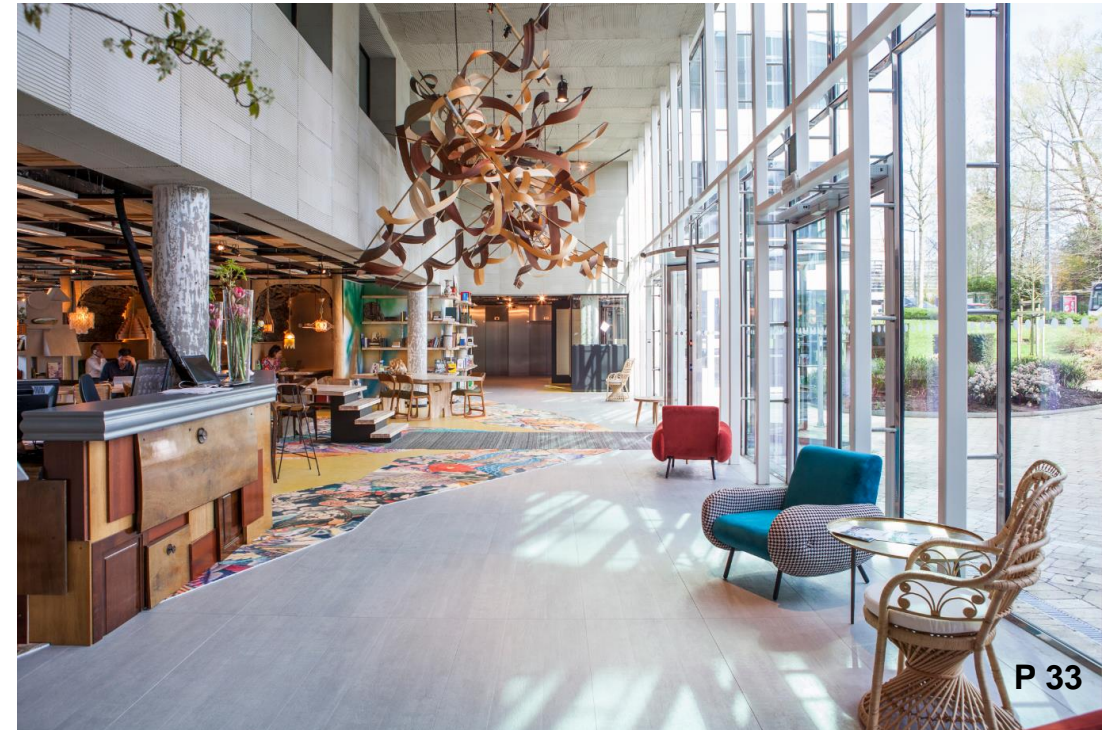
- Ikaros (2,500 m² - Brussels periphery)
- Extension of 2 existing coworking spaces (Stéphanie – Brussels Louise; Europe – Brussels Leopold)
- New opening in the Louise area

2020 :

- Central Gate (4,300 m² - Brussels Centre)
- ...

2021 :

- Paradis Express (4,300 m² - Liège, Wallonia)
- Quatuor (10,000 m² - Brussels North area)
- ...





Dynamic and proactive management of the portfolio

A value creating pipeline on strategic locations

1. ZIN (Brussels CBD, North)



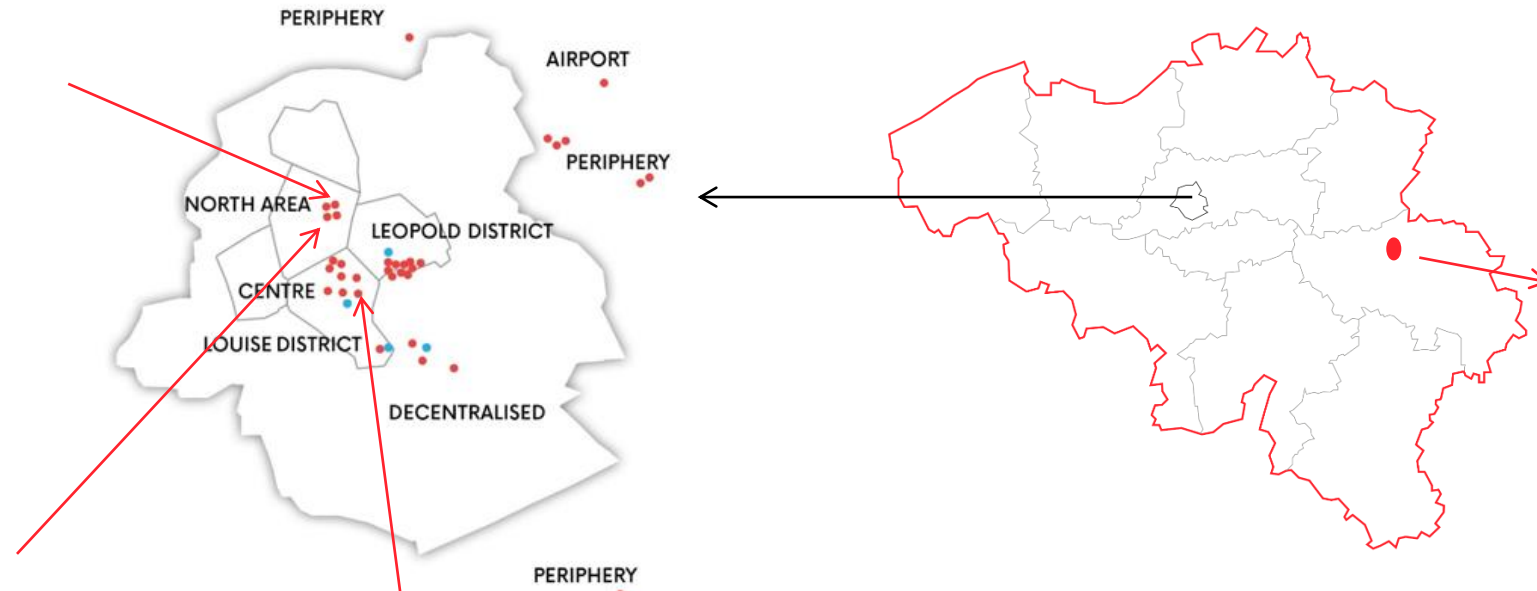
2. Quatuor (Brussels CBD, North)



3. Brederode Corner (Brussels CBD, Centre)



4. Paradis Express (Liège, Wallonia)





Dynamic and proactive management of the portfolio

	Rental space	Type	Start of the works	Completion	Rental situation	Important comments	Yield on total investment (land included)	Total investment (in € million)
Committed ongoing projects								
Brederode Corner (Brussels CBD, Centre)	7 000 m ²	Renovation	Q1 2018	Q1 2020	100% pre-let (6/9 years)	Lease concluded 2 years before delivery	+/- 5.3%	20
Eupen – Rathausplatz (Eupen, Wallonia)	7 200 m ²	Renovation and construction	Phase 2: Q4 2018	Phase 2: Q4 2019	100% pre-let (24 years)	Public tender won in 2017	+/- 5.4%	14
Quatuor (Brussels CBD, North)	60 000 m ²	Construction	2018	2021	22 000 m ² pre-let (15 years) 10 000 m ² Silversquare coworking	Break even Further commercialisation ongoing	> 5.3%	157
ZIN (Brussels CBD, North)	110 000 m ²	Reconstruction	2019	2023			+/- 4.5% (on all functions)	375
	Offices: 70 000 m ²				100% pre-let (18 years)	Public tender won in March 2019		
	Coworking & sports, hospitality, retail: 10 000 m ²				Silversquare coworking (5 000 m ²)	/		
	Hotel: 16 000 m ²				/	Negotiation of a lease agreement in progress		
	Residential: 14 000 m ²				/	Commercialisation in 2023		
Paradis Express (Liège, Wallonia)	35 000 m ²	Construction	2019	2021				
	Offices: 21 000 m ²				6 700 m ² : pre-let under suspensive condition (18 years to a public institution)	Further commercialisation ongoing	> 6%	50
	Residential: 14 000 m ²				1 building sold in state of future completion 4 buildings close to exit	/		
Ongoing projects to be committed								
WTC 4 (Brussels CBD, North)	53 500 m ²	Implementation of the permit	According to commercialisation		/	No development at risk	-	140

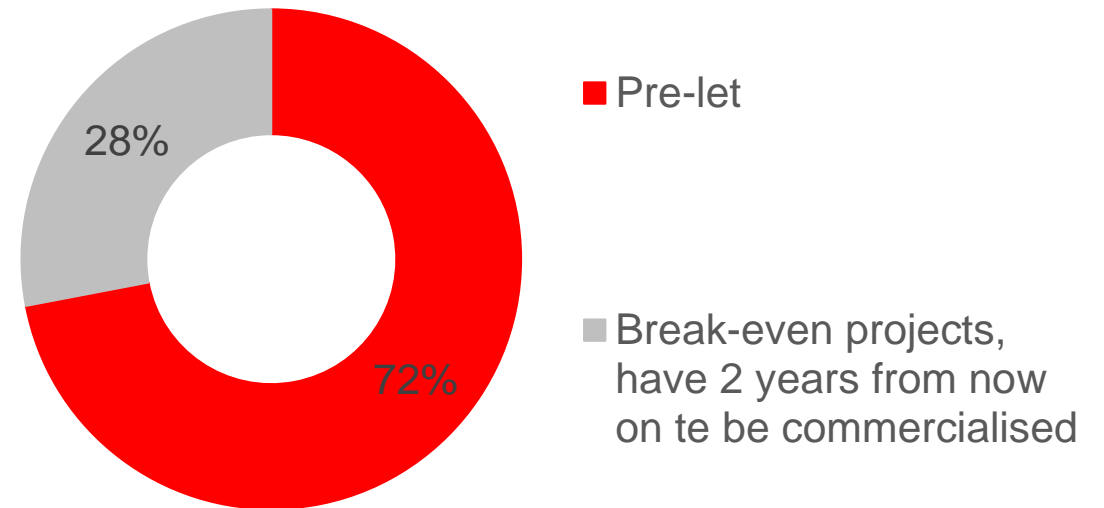


Dynamic and proactive management of the portfolio



Committed ongoing projects (158,000 m² offices)

- **Substantial coverage of office occupancy before launch of the project → 72%**
- **All ongoing limited projects are at least partially pre-let**





Dynamic and proactive management of the portfolio

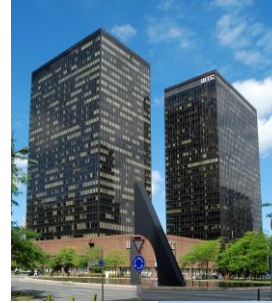
ZIN | Brussels North area

Development of a multifunctional site covering 110,000 m²:

- 70,000 m² of office space
- 5,000 m² of coworking
- 14,000 m² of housing – 127 apartments
- 16,000 m² of hotel – 240 rooms
- 5,000 m² of sports, hospitality and retail space

Largest transaction on the Brussels office market in over ten years

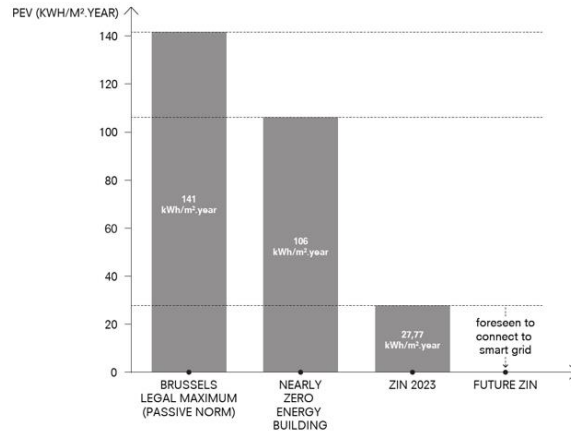
- 70,000 m² let to the “Flemish Authority”
- Fixed 18 years lease term
- Start of lease in 2023



Dynamic and proactive management of the portfolio

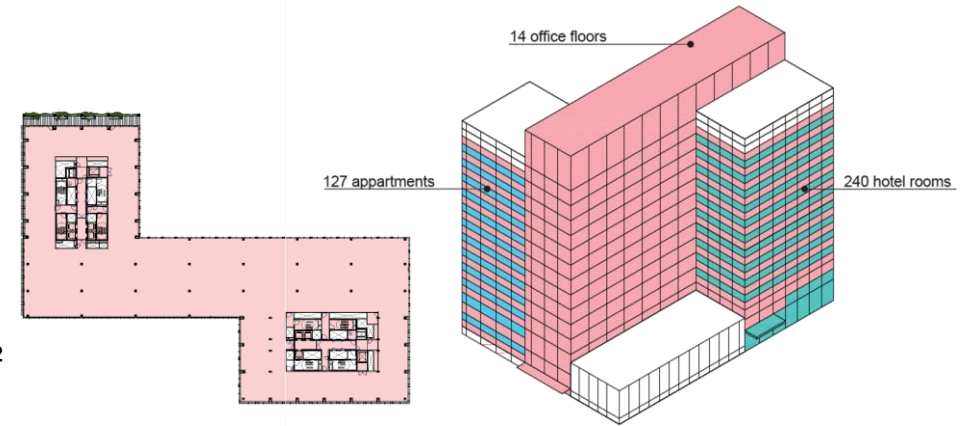
Sustainable design

- Almost energy neutral
- BREEAM “Excellent” certification



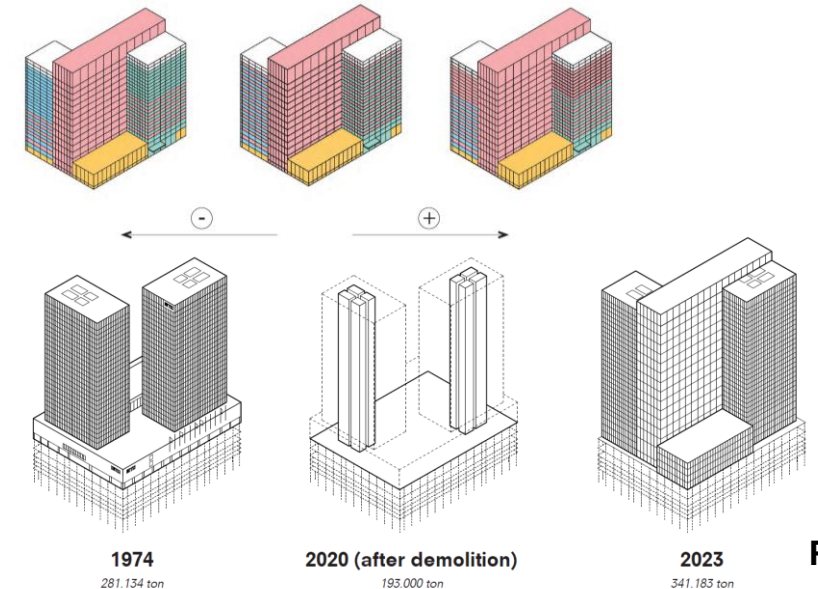
Working, housing, living

- Fusion of functions
- 14 spacious office floors with free height of 5m
- Office floors of > 4,000 m²



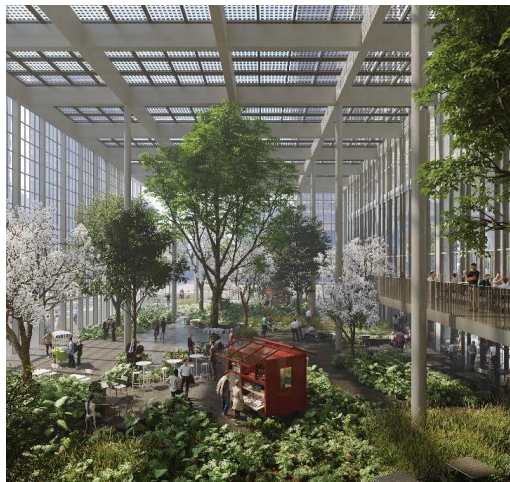
Adaptable building

- Circular philosophy
- 95% of the existing is being kept, re-used or recycled
- Adaptable to the needs of tomorrow



Making city

Project fully integrated into the existing urban system and open to the city



ZIN | Financing of the project

- 18 years lease on the office part
→ reinforcement of the predictability of the revenues
- Estimated total construction cost: €375 million
→ Price ceiling principle applied with general contractor
- Yield on total investment (land included): $\pm 4.5\%$ (on all functions)
- Capital gain (IAS 40) of €49 million (Q1 2019) generated by the signature of the lease
→ Additional expected capital gain to be generated during the execution of the project

The ZIN project will be financed:

- by means of debt
- by part of the proceeds generated by the dynamic management of the portfolio announced in February 2019
- Structured in line with the Befimmo financing policy

Quatuor | Brussels North area

- 1/3 prelet (22,000 m²), 4 years before delivery
- Works started early 2018
- Delivery as from early 2021

- Indicative construction cost €157 million
- Yield on total investment (land included) of more than 5.3%

- www.quatuor.brussels



**coworking space
planned (10,000 m²)**

60,000 m²



Brederode Corner | Brussels CBD

- Full renovation to ensure maximum comfort and flexibility
- Delivery: Q1 2020
- Renovation cost: €20 million
- Yield on total investment (land included) is approximately 5.5%

→ Fully let 2 years before delivery

7,000 m²



Paradis Express | Liège

- Permit obtained
- Start of works mid 2019
- Estimated construction cost: €50 million⁽¹⁾
- Yield on total investment (land included) should exceed 6%

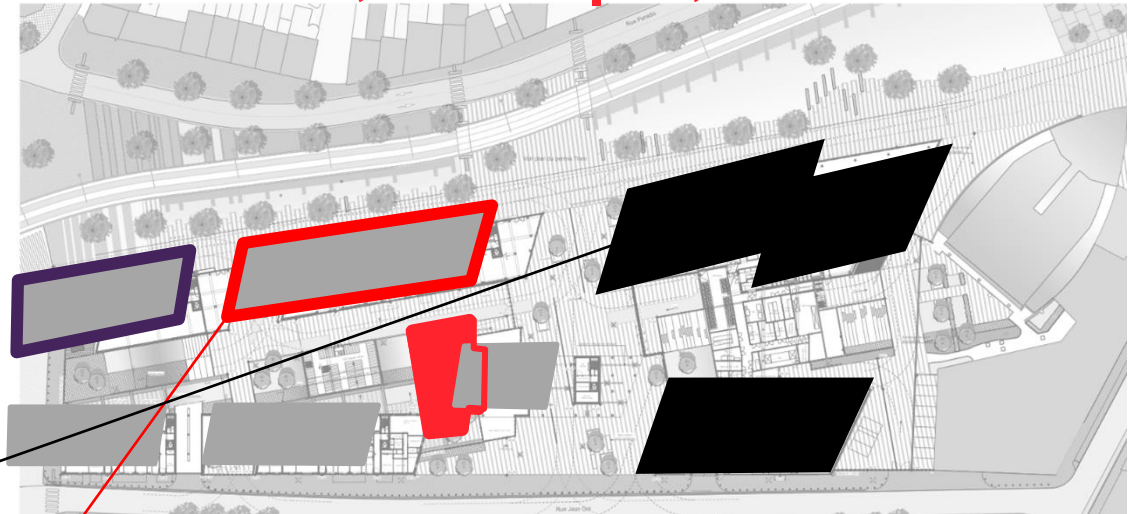
Offices

- 6,700 m² pre-let (under suspensive condition) for 18 years to a public institution
- Further commercialisation ongoing

Residential

- One building sold in state of future completion to Gands: Yust coliving concept
- Four buildings close to exit (residential developer)

35,000 m² | 21,000 m² offices



Offices | 2 buildings
Residential | 5 buildings (170 apartments)
Retail
Complementary functions



coworking
space planned

⁽¹⁾ Construction cost offices.



Dynamic portfolio rotation

Hypothetic disposal(s) for an amount of €100 million

(as published on page 96 of the 2018 Annual Financial Report)

(€ per share)	2019	2020	2021
<i>Forecasted EPRA earnings</i>	3.31	3.13	3.16
Impact on EPRA earnings (loss building contribution)	-0.07	-0.15	-0.14
Capital gain on investment value	0.84		
Cumulated impact on distribution capacity	0.77	0.62	0.48

- Befimmo plans to increase turnover in its portfolio
- This will allow recovering of the investment value and cristallization of capital gains
- Realised capital gains could partially be used to cover the absence of contribution to EPRA earnings of the properties sold (for more than 4 years, sufficient time to make new investments creating value)

(This scenario is not included in the calculation of the EPRA earnings forecasts)

Granting of a 99-year leasehold on the Pavilion building

- €93 million
- Net distributable capital gain of €14.6 million (€0.57 per share)
- IRR of 7.12%
- Impact on LTV ratio is -2.06% (based on data as at 31 December 2018)

→ Transaction made at the right time in the life cycle of the building and of the overall Befimmo portfolio





Why invest in Befimmo

1. Clear pure player strategy

2. High quality portfolio

3. Proactive approach in an evolving market

4. High dividend yield and transparent outlook

5. Good timing to invest

6. Stability of management



High dividend yield and transparent outlook

3-year EPRA earnings forecast (as published on pages 91 to 97 of the 2018 Annual Financial Report)

		At constant perimeter		
	2018	2019	2020	2021
EPRA earnings real-estate operator <i>(in € per share)</i>	3.68	3.31	3.13	3.16
Contribution to the EPRA earnings of the coworking activity <i>(in € per share - group share)</i>	N/A	0.05		
Total EPRA earnings <i>(in € per share - group share)</i>	3.68	3.36		

**2019 DIVIDEND
FORECAST**

€3.45

gross/share



**GROSS DIVIDEND
YIELD OF**

6.8%

**on a share price of €50.6
as at 20 May 2019**



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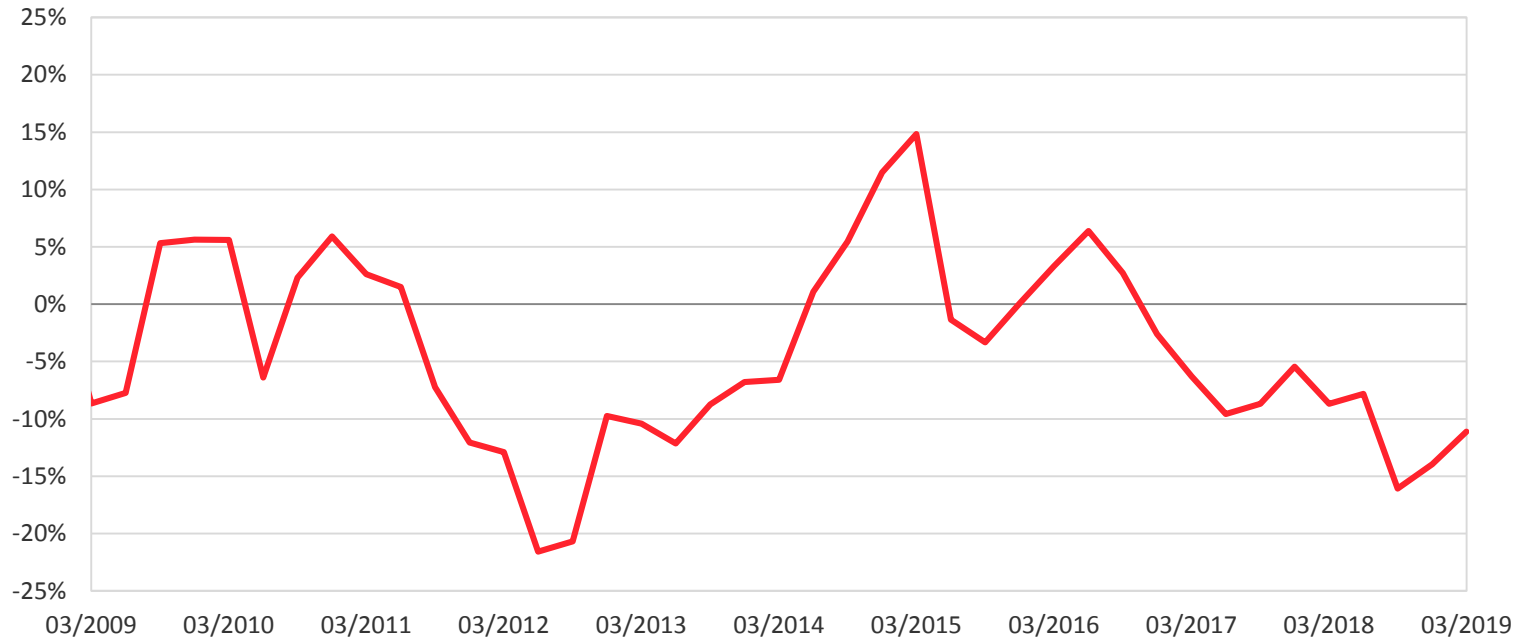
5. Good timing to invest

6. Stability of management



Good timing to invest

Befimmo premium/discount to NAV over 10 years (as at 31 March 2019)



European REITs Offices	Premium/Discount (Share price on 20 May 2019)
Fabege	10.32%
Wihlborgs	2.04%
PSP Swiss Property	1.13%
Castellum	-0.83%
Entra Eiendom	-4.25%
Colonial	-5.70%
Befimmo	-9.34%
Great Portland	-11.15%
Kungsliden	-11.28%
NSI	-11.39%
Hufvudstaden	-11.63%
Derwent London	-12.03%
Alstria	-14.50%
Workspace	-14.98%
Gecina	-17.87%
COIMA	-35.81%
Average Offices	-7.78%

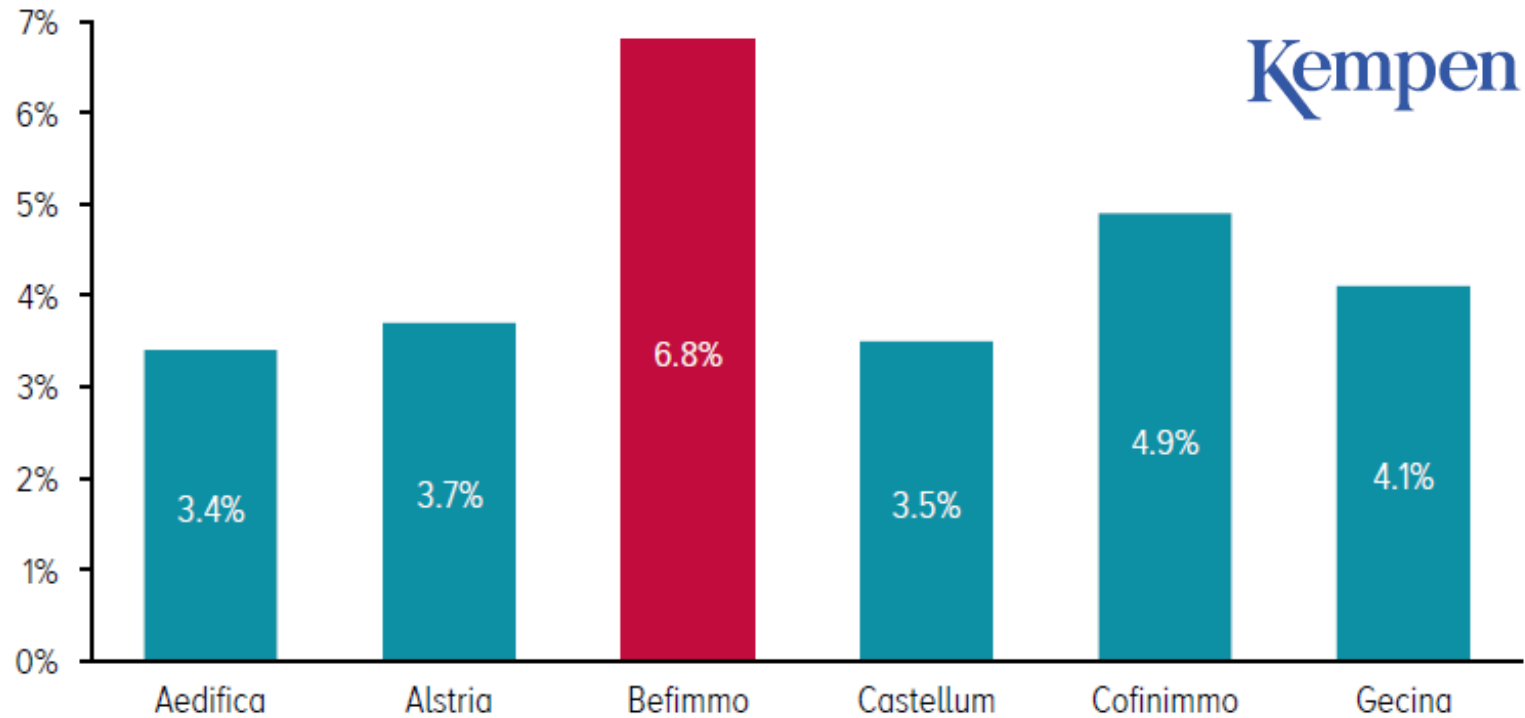
(1) Source: Kempen & Co, based on NAV as at 31 December 2018.



Good timing to invest

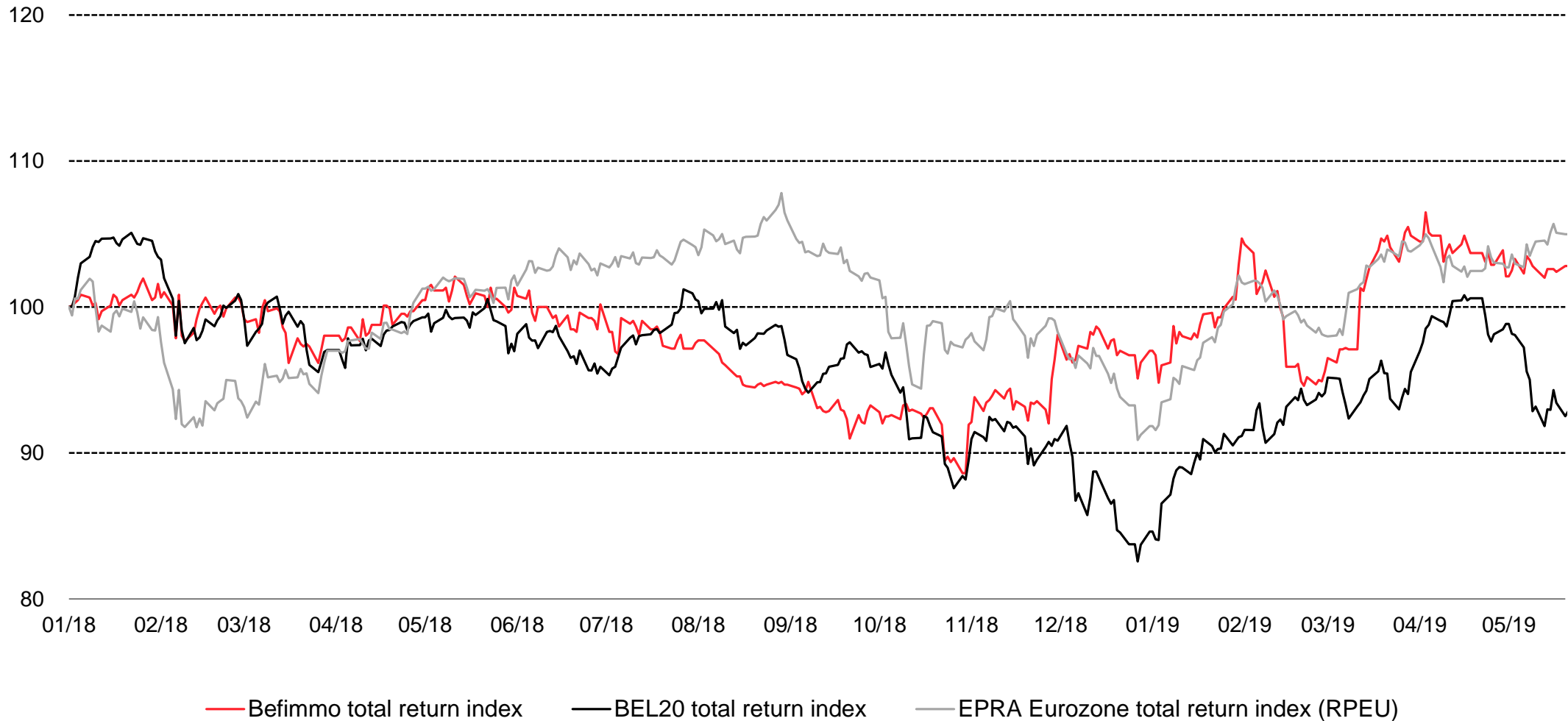
Befimmo generates Europe's highest DPS Yield vs peers

Dividend yield peers (spot)





Share performance



2.81%

-7.13%

4.99%

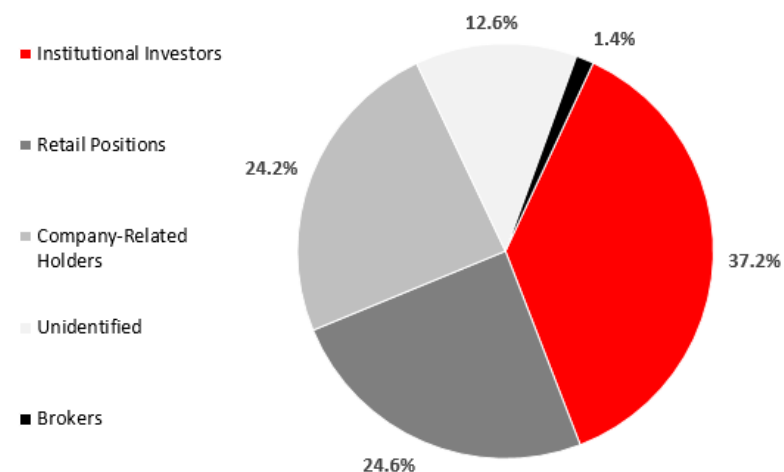


Shareholding

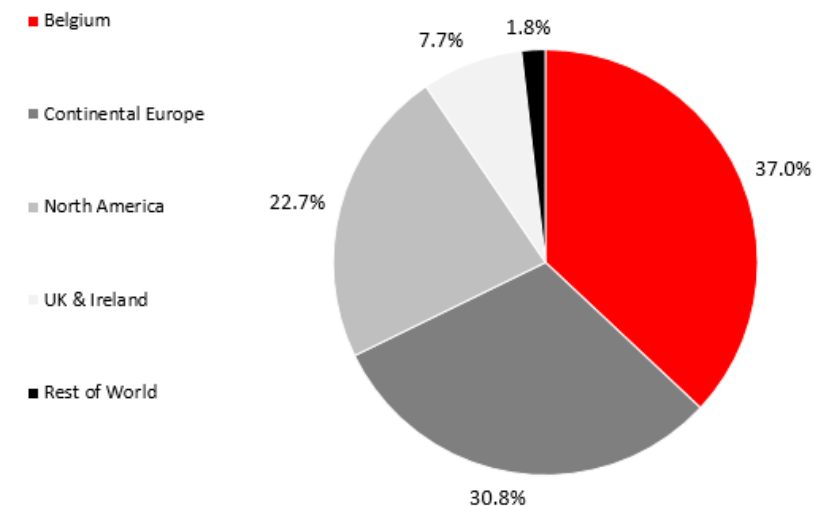
	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Declarants			
▪ AXA Belgium SA	2 741 438	30.04.2019	9.7%
▪ Ageas and affiliated companies	2 641 047	30.04.2019	9.4%
▪ BlackRock Inc.	769 229	13.12.2016	2.7%
Own shares			
▪ Fedimmo SA (subsidiary at 100% of Befimmo SA)	2 659 828	30.04.2019	9.4%
Other shareholders under the statutory threshold	19 427 500	30.04.2019	68.8%
Total	28 239 042		100%

BASED ON THE TRANSPARENCY DECLARATIONS OR BASED ON THE INFORMATION RECEIVED FROM THE SHAREHOLDER. BEFIMMO IS NOT AWARE OF THE EXISTENCE OF SHAREHOLDER AGREEMENTS.

Equity split – as a % of shares outstanding



Geographical spread institutionals





Growth appetite

- **2,659,828 new Befimmo shares were created:**
 - Good timing
 - Shares in Befimmo group → no dilution of NAV and EPRA earnings
 - To finance potential accretive growth



Why invest in Befimmo

1. Clear pure player strategy

2. High quality portfolio

3. Proactive approach in an evolving market

4. High dividend yield and transparent outlook

5. Good timing to invest

6. Stability of management



Stability of management

Since 1997



Martine Rorif
Chief Operating Officer

Since 1999



Benoît De Blicq
Chief Executive Officer

Since 2006



Laurent Carlier
Chief Financial Officer

Since 2012



Aminata Kaké
General Counsel &
Secretary General

Since 2003



Emilie Delacroix
Head of CSR &
Innovation

Since 2003



Sarah Sougné
Recruitment & Talent
Manager

Since 2004



Ludovic Wendel
IT Program Manager

Since 2008



Denis Van de Wiele
Head of
Compensation &
Benefits

Since 2008



Vincent Meulders
Head of
Controlling

Since 2010



Nicolas Nelis
Chief Project Officer

Since 2010



Arnaud Opsommer
Head of Building
Administration &
Operations Budget

Since 2010



Caroline Kerremans
Head of IR &
Communication

Since 2011



Frédéric Tourné
Head of
Environmental
Management

Since 2015



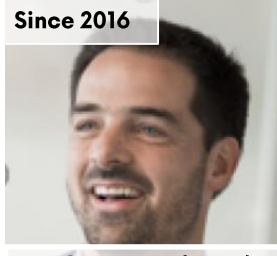
Stéphane dos Santos
Chief Accountant

Since 2016



Werner Joris (BVBA)
Chief Business
Development

Since 2016



Cédric Mali (SPRL)
Chief Commercial
Officer

Since 2018



Eric Jambor
Head of Property
Management

Since 2019



Petra Soubry
Head of Legal



5 Financials



Financial results 2018

At 31 December 2018, Befimmo did not yet have exclusive control of Silversquare Holding SA and it does not therefore appear in the consolidated basis. The exclusive control of Silversquare Holding SA was obtained from 1 January 2019.

Condensed consolidated P&L (IFRS)

(in € thousand)	31.12.2018	31.12.2017
Net rental result	143 566	142 431
<i>Net rental result excluding spreading</i>	143 119	141 172
<i>Spreading of gratuities/concessions</i>	447	1 260
Net property charges	-13 588	-11 932
Property operating result	129 978	130 499
Corporate overheads	-14 282	-12 199
Other operating income and charges	- 447	-1 252
Operating result before result on portfolio	115 249	117 048
Operating margin	80.3%	82.2%
Gains or losses on disposals of investment properties	343	21 798
Net property result	115 592	138 846
Financial result (excl. changes in fair value of financial assets and liabilities)	-20 545	-19 750
Corporate taxes	- 785	-1 642
Net result before changes in fair value of investment properties and financial assets and liabilities	94 263	117 455
Changes in fair value of investment properties	-5 514	13 429
Changes in fair value of financial assets and liabilities	-5 901	5 186
Changes in fair value of financial assets and liabilities and investment properties	-11 415	18 615
Net result	82 847	136 070
EPRA earnings	94 139	95 657
Net result (in € per share)	3.24	5.32
EPRA earnings (in € per share)	3.68	3.74

+2.41%
EPRA
Like-for-like
Net rental
growth

€3.45
Gross/share
2018 FY
dividend

EPRA earnings guidance for 2018 was €3.64 per share



Financial results 2018

At 31 December 2018, Befimmo did not yet have exclusive control of Silversquare Holding SA and it does not therefore appear in the consolidated basis. The exclusive control of Silversquare Holding SA was obtained from 1 January 2019.

Condensed consolidated balance sheet

(in € million)	31.12.2018	31.12.2017
Investment and held for sale properties	2 655.3	2 494.4
Other assets	79.8 ^(a)	64.8
Total assets	2 735.1	2 559.1
Shareholders' equity	1 443.2	1 448.5
Financial debts	1 178.5	1 002.1
non current	735.5	484.3
current ^(b)	443.0	517.8
Other debts	113.4	108.5
Total equity & liabilities	2 735.1	2 559.1
LTV^(c)	43.62%	39.61%

	31.12.2018	31.12.2017
NAV (in €/share)	56.42	56.63
EPRA NAV (in €/share)	57.02	57.03
EPRA NNAV (in €/share)	55.93	56.35

^(a) The figures as at 31 December 2018 include the participation in Silversquare.

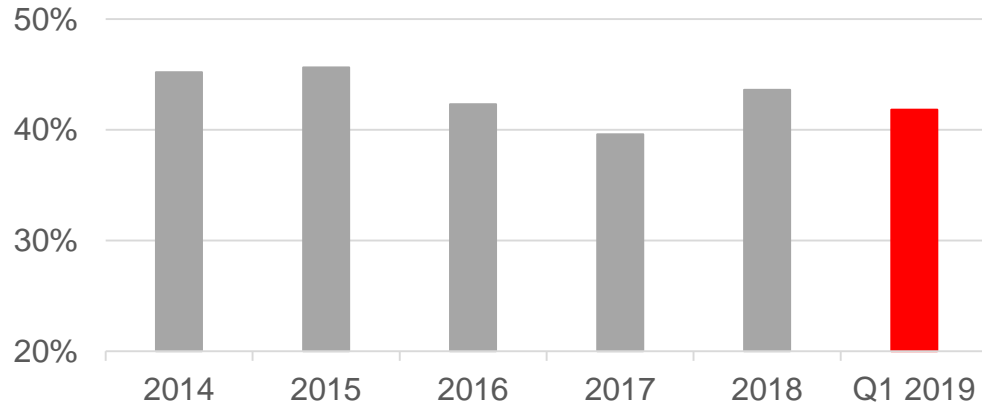
^(b) According to IAS 1 the commercial paper needs to be recorded as a current liability. It is important to note that the Company has confirmed back-up lines (in excess of one year) for the commercial paper.

^(c) The figures take into account that 75% of the dividends have been paid.

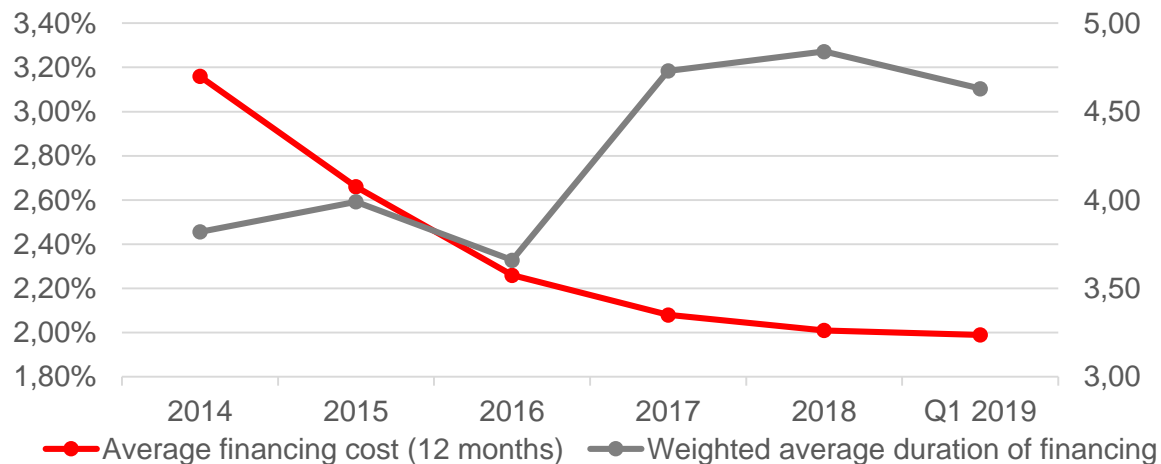


Financial structure as at 31 March 2019

Evolution of LTV ratio



Evolution of financing cost & debt duration

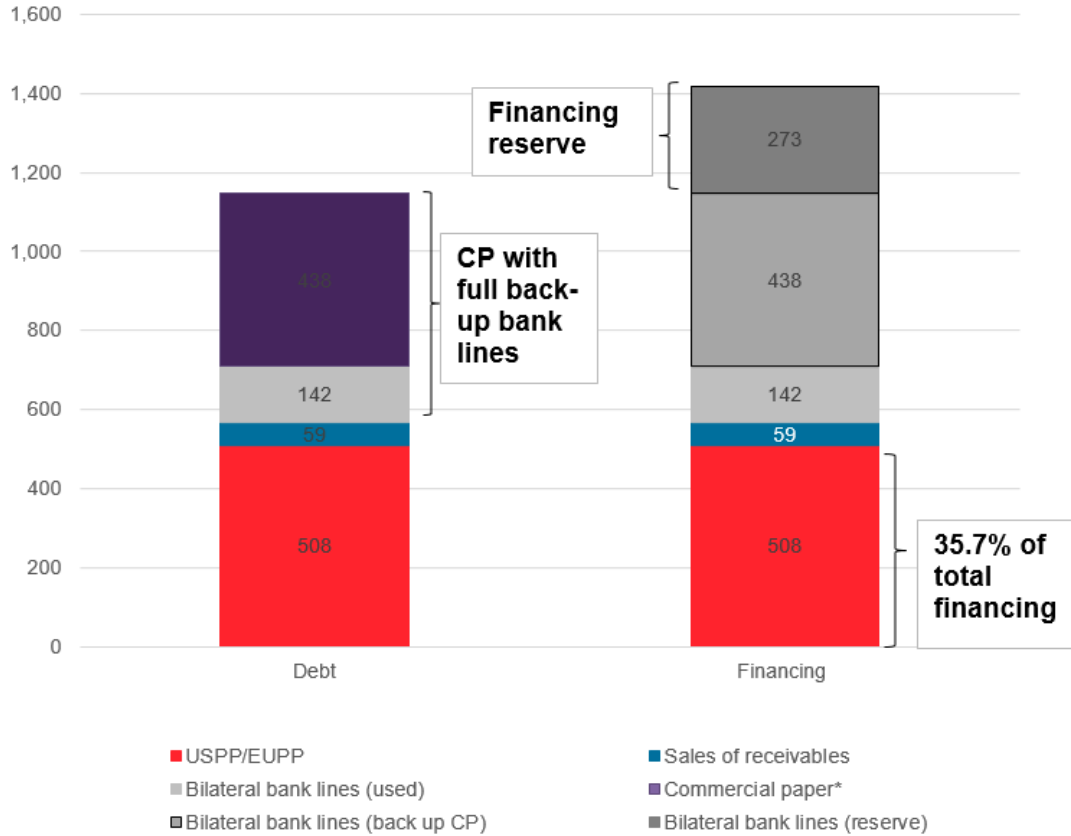


- Large remaining headroom to covenants
- BBB/Stable/A-2 rating by Standard & Poor's since 2007
- LTV ratio of **41.82%**
- Average financing cost: **1.99%**
- Weighted average duration of financing: **4.63 yrs**

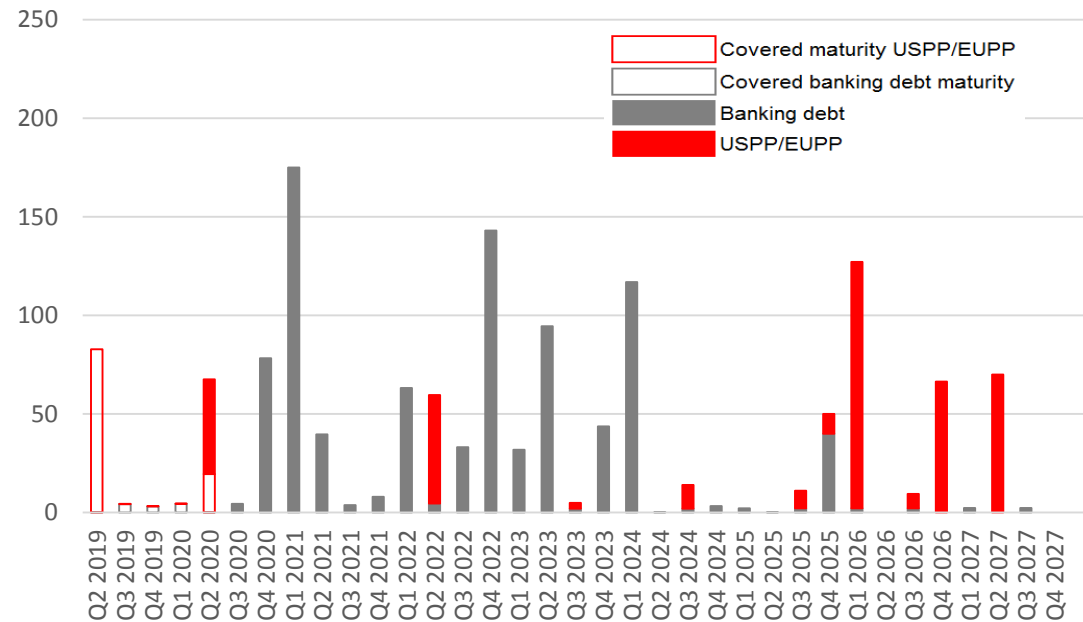


Financial structure as at 31 March 2019

Financing sources (in € million)



Maturities (in € million)



- Confirmed credit facilities: €1,420.68 million (€1,148.1 million in use)
- The Company has covered its financing needs until the end of Q1 2020

⁽¹⁾ With confirmed back-up bank lines in excess of one year.

Evolution of the portfolio of hedging instruments and fixed-rate debts

Moyenne annuelle		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
CAP	Notionnel (en millions €)	90	47	20	0	-	-	-	-	-	-
	Taux moyen (en %)	0.78%	0.87%	1.15%	1.15%	-	-	-	-	-	-
FLOOR	Notionnel (en millions €)	20	20	20	0	-	-	-	-	-	-
	Taux moyen (en %)	0.55%	0.55%	0.55%	0.55%	-	-	-	-	-	-
Financements à taux fixe (incl. IRS)	Notionnel (en millions €)	982	995	958	920	862	795	726	591	393	127
	Taux moyen ⁽¹⁾ (en %)	0.99%	1.00%	1.00%	0.96%	0.91%	0.88%	0.95%	0.94%	1.00%	0.86%

Hedging policy to hedge decreasing part of debt over a 10-yr period

85.5%
Fixed rate financing
(incl. IRS)
as at 31 March 2019

The forecasted hedge ratio remains above 70% until the second quarter of 2020 included and above 50% until the first quarter of 2023 included.

The hedging policy was recently extended to cover a 20 years period.

⁽¹⁾ Average fixed rate excluding credit margin and including options on swaps considered at the maximum rate.

Г

Questions?

В



Appendix



Belgium, key figures

		Last data	2018	2017	
Growth GDP (%)	Belgium	2019-I	1.1	1.4	1.7
	Euro area	2019-I	1.2	1.9	2.4
Inflation (%)	Belgium	2019-04	2.0	2.3	2.2
	Euro area	2019-04	1.7	1.8	1.5
Unemployment rate (%)	Belgium	2019-03	5.7	6.0	7.1
	Euro area	2019-03	7.7	8.2	9.1
Exchange rate	Euro - US dollar	2019-05-24	1.1187	1.181	1.1297
Rate	ECB interest rate	2019-05-27	0	0	0
	Long-term interest rate	2019-05-24	0.37	0.79	0.72

Source: www.nbb.be





Calendar 2019/2020

Online publication of the Annual Financial Report 2018	Friday 29 March 2019
Ordinary General Meeting of the fiscal year closing as at 31 December 2018	Tuesday 30 April 2019
Payment of the final ^(a) dividend of the 2018 fiscal year on presentation of coupon No 37	
- <i>Ex-date</i>	<i>Wednesday 8 May 2019</i>
- <i>Record date</i>	<i>Thursday 9 May 2019</i>
- <i>Payment date</i>	<i>Friday 10 May 2019</i>
Interim statement as at 31 March 2019	Thursday 9 May 2019 ^(b)
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2019	Thursday 18 July 2019 ^(b)
Interim statement as at 30 September 2019	Thursday 24 October 2019 ^(b)
Payment of the interim ^(c) dividend of the 2019 fiscal year on presentation of coupon No 38	
- <i>Ex-date</i>	<i>Wednesday 18 December 2019</i>
- <i>Record date</i>	<i>Thursday 19 December 2019</i>
- <i>Payment date</i>	<i>Friday 20 December 2019</i>
Publication of the annual results as at 31 December 2019	Thursday 13 February 2020 ^(b)
Online publication of the Annual Financial Report 2019	Friday 27 March 2020
Ordinary General Meeting of the fiscal year closing as at 31 December 2019	Tuesday 28 April 2020
Payment of the final ^(a) dividend of the 2019 fiscal year on presentation of coupon No 39	
- <i>Ex-date</i>	<i>Wednesday 6 May 2020</i>
- <i>Record date</i>	<i>Thursday 7 May 2020</i>
- <i>Payment date</i>	<i>Friday 8 May 2020</i>

(a) Subject to a decision of Ordinary General Meeting

(b) Publication after closing of the stock exchange.

(c) Subject to a decision of the Board of Directors.



Portfolio | Key figures

Befimmo perimeter excluding Silversquare

	31.03.2019	31.12.2018
Fair value of portfolio (in € million)	2 740.7	2 655.3
Gross initial yield on properties available for lease ^(a)	5.46%	5.98%
Gross potential yield on properties available for lease ^(a)	5.71%	6.29%
“Spot” occupancy rate of properties available for lease ^(a)	95.22%	94.50%
Weighted average duration of current leases up to next break ^(a)	7.52 years ^(b)	6.96 years ^(b)
Weighted average duration of current leases up to final expiry ^(a)	8.17 years	7.52 years
EPRA Vacancy Rate ^(c)	3.92%	4.28%
EPRA Net Initial Yield (NIY)	4.94%	5.69%
EPRA Topped-up NIY	5.17% ^(d)	5.80% ^(d)

^(a) This is a real-estate indicator. For more information, please see Appendix II to the Annual Financial Report 2018.

^(b) Excluding WTC 2, where the lease expired at the end of 2018, the weighted average duration of leases up to the next break would be 7.75 years as at 31 December 2018.

^(c) Corresponding to the availability rate of properties available for lease, calculated based on the ERV taking account of the future signed contracts.

^(d) As of 31 March 2019 the "Future rent on signed contracts" is no longer included in the calculation of the EPRA Topped-up NIY. The percentage as of 31 December 2018 has therefore been restated based on this change.

Change in fair value of the property portfolio (as at 31 March 2019)

Offices	Change over the quarter ^(a) (in %)	Proportion of portfolio ^(b) (31.03.2019) (in %)	Fair value (31.03.2019) (in € million)	Fair value (31.12.2018) (in € million)
Brussels CBD and similar ^(c)	0.61%	51.8%	1 419.1	1 440.6
Brussels decentralised	-2.63%	2.9%	79.3	81.7
Brussels periphery	-0.59%	4.4%	119.4	116.5
Flanders	0.20%	17.3%	473.5	474.3
Wallonia	-0.32%	8.0%	219.8	220.2
Luxembourg city	10.18%	4.9%	135.0	122.6
<i>Properties available for lease</i>	0.76%	89.3%	2 446.1	2 455.8
<i>Properties that are being constructed or developed for own account in order to be leased</i>	20.41%	10.7%	294.5	199.5
Investment properties	2.56%	100.0%	2 740.7	2 655.3
Total	2.56%	100.0%	2 740.7	2 655.3

Signature of the lease of the office part in the ZIN project generates an initial unrealised increase in value of €49 million (IAS 40)

^(a) The change over the first quarter of fiscal year 2019 is the change in fair value between 1 January 2019 and 31 March 2019 (excluding the amount of investments and divestments).

^(b) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 March 2019.

^(c) Including the Brussels airport zone, in which the Gateway building is situated.



Finance | Key figures

Since 1 January 2019, Befimmo has the sole control of Silversquare Holding SA, and as a result, Silversquare and its subsidiaries are included in the overall consolidation as of 31 March 2019

	31.03.2019	31.12.2018
Shareholders' equity (in € million)	1 510.77	1 443.21
Net asset value (in € per share)	59.06	56.42
EPRA NAV ^(a) (in € per share) (group share)	60.23	57.02
EPRA NNAV ^(a) (in € per share) (group share)	58.30	55.93
EPRA Like-for-Like Net Rental Growth ^(b) (in %)	4.36%	2.41%
Average (annualised) financing cost ^(c) (in %)	1.99%	2.01%
Weighted average duration of debts (in years)	4.63	4.84
Debt ratio according to the Royal Decree (in %)	44.78%	45.76%
Loan-to-value ^(d) (in %)	41.82%	43.62%
	31.03.2019	31.03.2018
	(3 months)	(3 months)
<i>Number of shares issued</i>	25 579 214	25 579 214
<i>Average number of shares during the period</i>	25 579 214	25 579 214
Net result (in € per share) (group share)	2.86	0.86
EPRA earnings (in € per share) (group share)	0.72	0.98
Return on shareholders' equity ^(e) (in € per share)	5.02	4.14
Return on shareholders' equity ^(e) (in %)	8.97%	7.49%

(a) This is an Alternative Performance Measure.

(b) Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations".

(c) Including margin and hedging costs. This is an Alternative Performance Measure.

(d) Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio].

(e) Calculated over a 12-month period ending at the closing of the period, taking into account the gross dividend reinvestment.

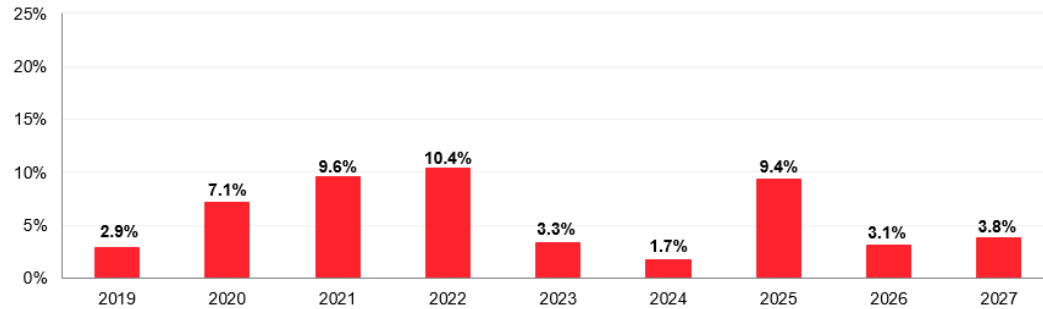


Forecasts | Assumptions

Portfolio outlook and main portfolio assumptions

At constant perimeter

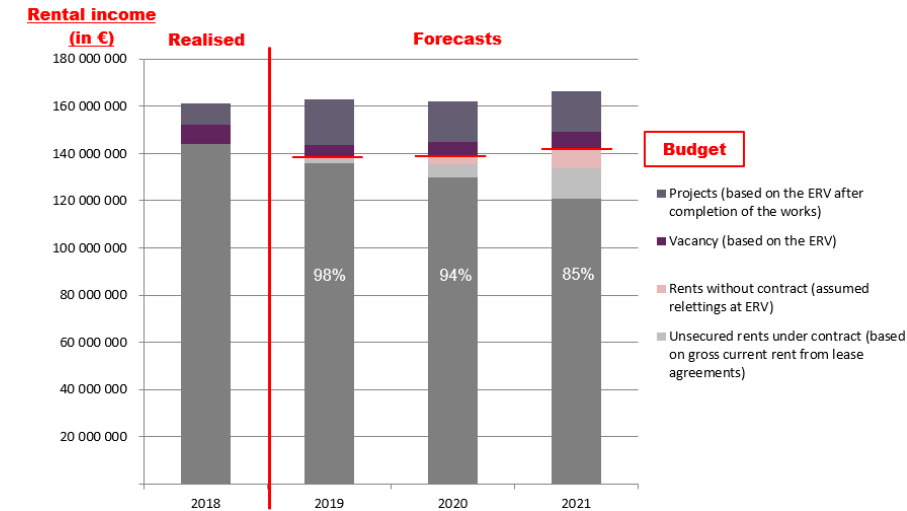
Expiry of leases (first break)^(a) – Full year impact (in %)



Work planned and estimated in the next three years

	Rental space	Location	Type	Forecasts (in € million)		
				2019	2020	2021
Brederode Corner	6 500 m ²	Brussels CBD, Centre	Renovation	16.3	0.5	-
Eupen - Rathausplatz	7 200 m ²	Eupen, Wallonia	Renovation and construction	3.0	-	-
Paradis Express	35 000 m ²	Brussels, periphery	Construction	15.7	32.7	15.9 (a)
Quatuor	60 000 m ²	Brussels CBD, North	Construction	59.3	69.5	3.3
WTC 4	53 500 m ²	Liège, Wallonia	Implementation of the permit According to commercialisation	1.0	1.0	5.8
ZIN	110 000 m ²	Brussels CBD, North	Demolition and construction	23.7	55.0	105.9
<i>Other investments (coworking included)</i>				26.7	10.7	16.6
Total				145.7	169.4	147.4

Contractually secured rent



^(a) This graph doesn't take into account the lease in the Noord Building, currently being demolished (preceding the construction of the Quatuor).

^(b) "All-in" construction cost of the project (including other functions than offices).

Forecasts and dividend policy

EPRA earnings

(in € thousand)		Realised 2018	2019	Forecasts 2020	2021
Real-estate operator	Rental income	144 067	137 831	138 306	141 802
	Charges linked to letting	- 501	- 565	- 661	- 667
	Net rental result	143 566	137 267	137 645	141 135
	Net property charges	-13 588	-13 674	-15 861	-15 647
	Property operating result	129 978	123 592	121 784	125 488
	Corporate overheads	-14 282	-14 949	-15 840	-16 162
	Other operating income and charges (excl. goodwill impairment)	- 447	- 531	-3 051	-3 184
	Operating result before result on portfolio	115 249	108 113	102 894	106 142
	Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)	-20 545	-22 550	-21 785	-24 084
	Corporate taxes	- 566	-1 031	-1 143	-1 340
	EPRA earnings	94 139	84 532	79 966	80 719
EPRA earnings (in € per share)	3.68	3.31	3.13	3.16	
CW	Contribution to the EPRA earnings of the coworking activity (in € per share) (group share)	N/A^(a)	0.05		
TOTAL	Total EPRA earnings (in € per share) (group share)	3.68	3.36		
<i>Average number of shares</i>		<i>25 579 214</i>	<i>25 579 214</i>	<i>25 579 214</i>	<i>25 579 214</i>

^(a) The coworking activity in the context of the partnership (till 6 December 2018) was considered in the real-estate activity of Befimmo.



Share | Key figures

	31.12.2018	31.12.2017
<i>Number of shares issued</i>	25 579 214	25 579 214
<i>Average number of shares during the period</i>	25 579 214	25 579 214
Highest share price (in €)	54.60	55.74
Lowest share price (in €)	46.70	50.31
Closing share price (in €)	48.55	53.55
Number of shares traded ^(a)	12 356 776	15 277 286
Average daily turnover ^(a)	48 458	59 911
Free float velocity ^(a)	66.25%	78.66%
Distribution ratio (in relation to the EPRA earnings)	93.74%	92.25%
Gross dividend ^(b) (in € per share)	3.45	3.45
Gross yield ^(c)	7.11%	6.44%
Return on share price ^(d)	-2.93%	6.98%

(a) Source: Kempen & Co. Based on trading on all platforms.

(b) Subject to a withholding tax of 30%.

(c) Gross dividend divided by the closing share price.

(d) Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment.



Overview analyst coverage



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Appendices | BE-REIT status

- Specific regulation and high degree of transparency, accounts in IFRS
- Real-estate assets quarterly valued by independent real-estate experts
- Controlled by the Financial Services and Markets Authority (FSMA)
- Risk diversification: maximum 20% of portfolio invested in one property unit
- Listing on stock exchange, minimum free float of 30%
- Debt ratio <65% (Target internal Loan-To-Value ratio around 50%)
- Distribution of 80% of “cash flows” as dividend
- “Tax transparency”: reduced base for corporation tax, taxation at investor level (withholding tax)
- Partnerships allowed



Disclaimer



This presentation is made for the sole benefit of financial analysts and qualified institutional investors and is not to be considered as an incentive to invest or as an offer to acquire Befimmo shares under any laws of European countries or the USA or Canada.

The information provided herein is extracted from Befimmo annual reports, half-yearly reports and press releases but does not reproduce the whole content of these documents, which prevail and ought to be analyzed before any recommendation or operation regarding Befimmo shares is made.

This presentation contains statements and estimates about anticipated future performances. These statements and estimates are not to be construed as implying a commitment from Befimmo to achieve them. Whether or not they will actually be achieved depends on a number of factors which are beyond the reach of Befimmo's control, such as developments in the real estate and financial markets.

Such statements and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct.

Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, financial condition, performances or achievements of Befimmo, or market results, may turn out to be materially different from any future results, performances or achievements expressed or implied by such statements and estimates.

Given these uncertainties, investors are invited not to unduly rely on these forward-looking statements and estimates. Furthermore, forward-looking statements and estimates only speak as of the date of this presentation.

Befimmo disclaims any obligation to update any such forward-looking statements or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement or estimate is based, except to the extent required by the Belgian law and in particular the Royal Decree of November 14, 2007. In no event Befimmo may be held liable for obligations which are incumbent on financial analysts and disclaims any liability in that regard.

Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, including those of its subsidiaries, unless it is clear from the context or expressly stated that the contrary is intended.







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