

# Half Year Results 2023

25 August 2023

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# AGENDA

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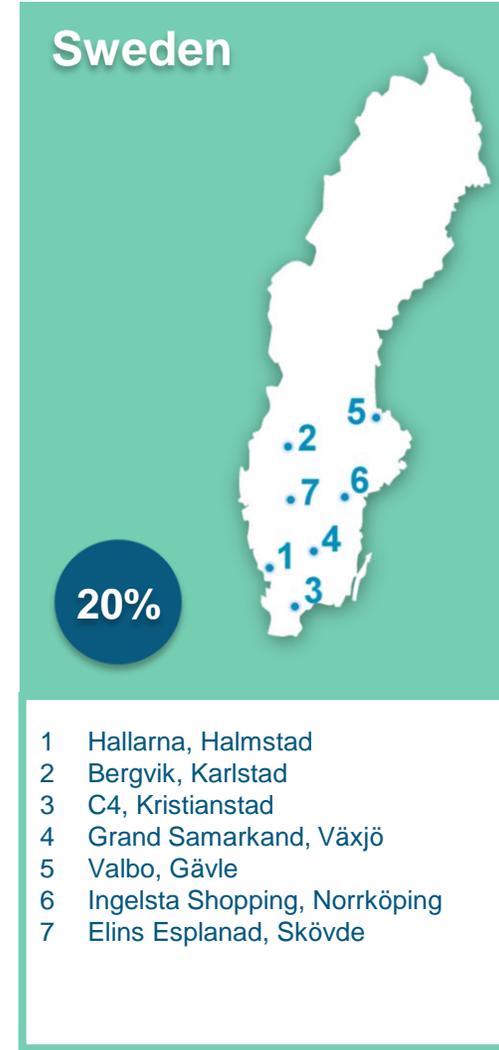
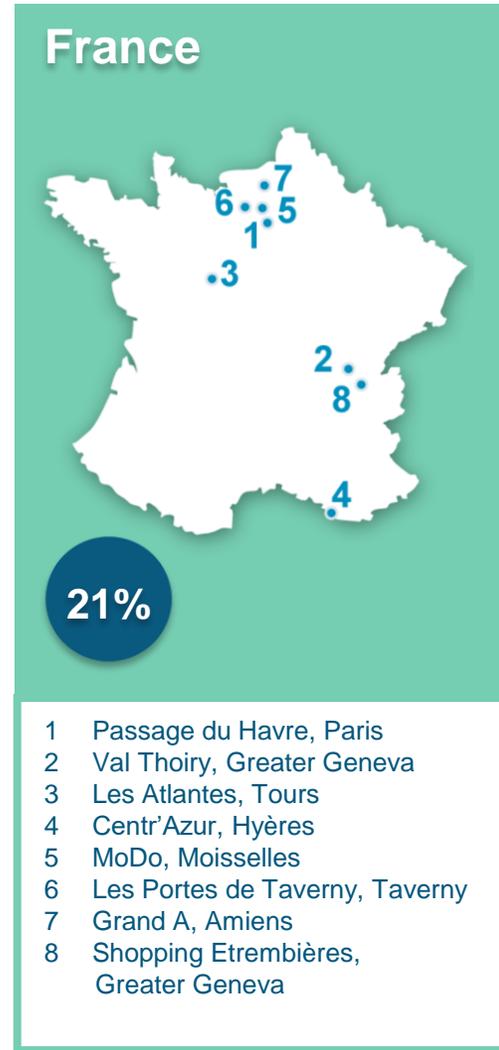


# Results review

## Evert Jan van Garderen



# The geographical portfolio (% of value)



# Solid operational performance in H1 2023

## Retail sales

**+9.2%** vs 2022

**+11.7%** vs 2019

## Rental growth

**8.2%**

(compared to 2.9% in the 12 months to June 2022)

## Renewals and relettings

**6.7%**

Rental uplift on renewals and relettings  
235 lease transactions

## Vacancy

**1.5%**

(same level as at 30 June 2022)

## OCR

**9.5%**

(compared to 9.2% at 30 June 2022)

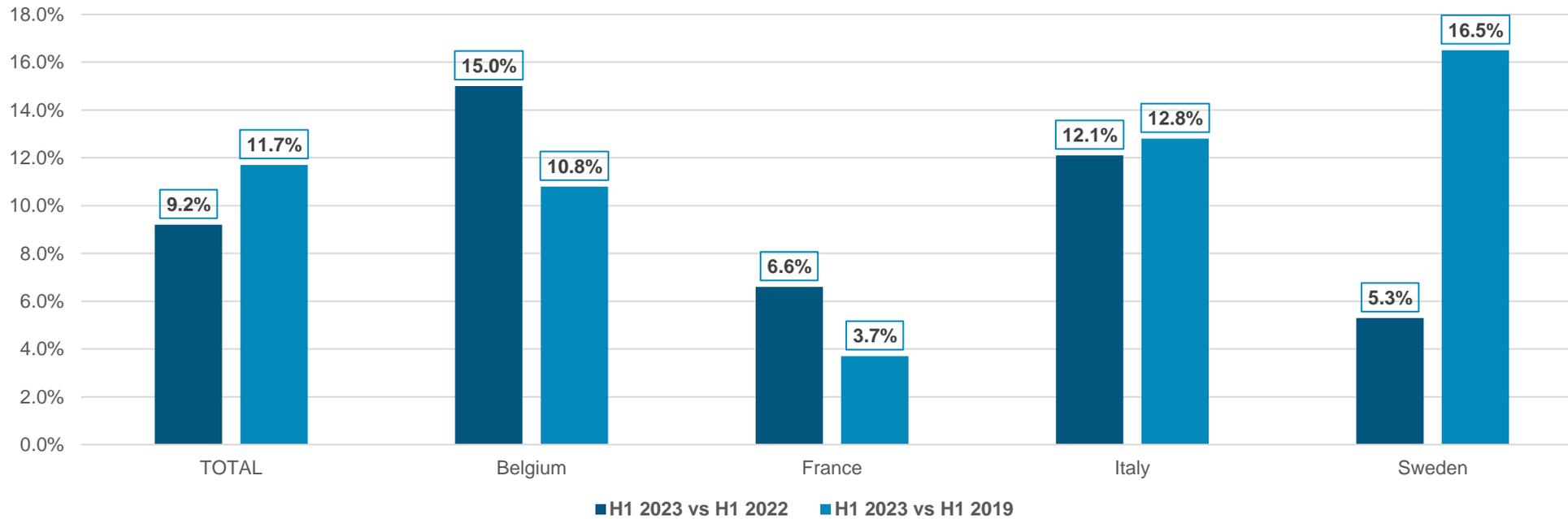
## Rent collection

**98%**

(compared to 97% collected in H1 2022)

# Strong retail sales growth across all markets

## Retail sales comparison HY 2023 vs HY 2022 and HY 2019



# All sectors showing positive growth

## Retail sector sales comparison HY 2023 vs HY 2022 and HY 2019

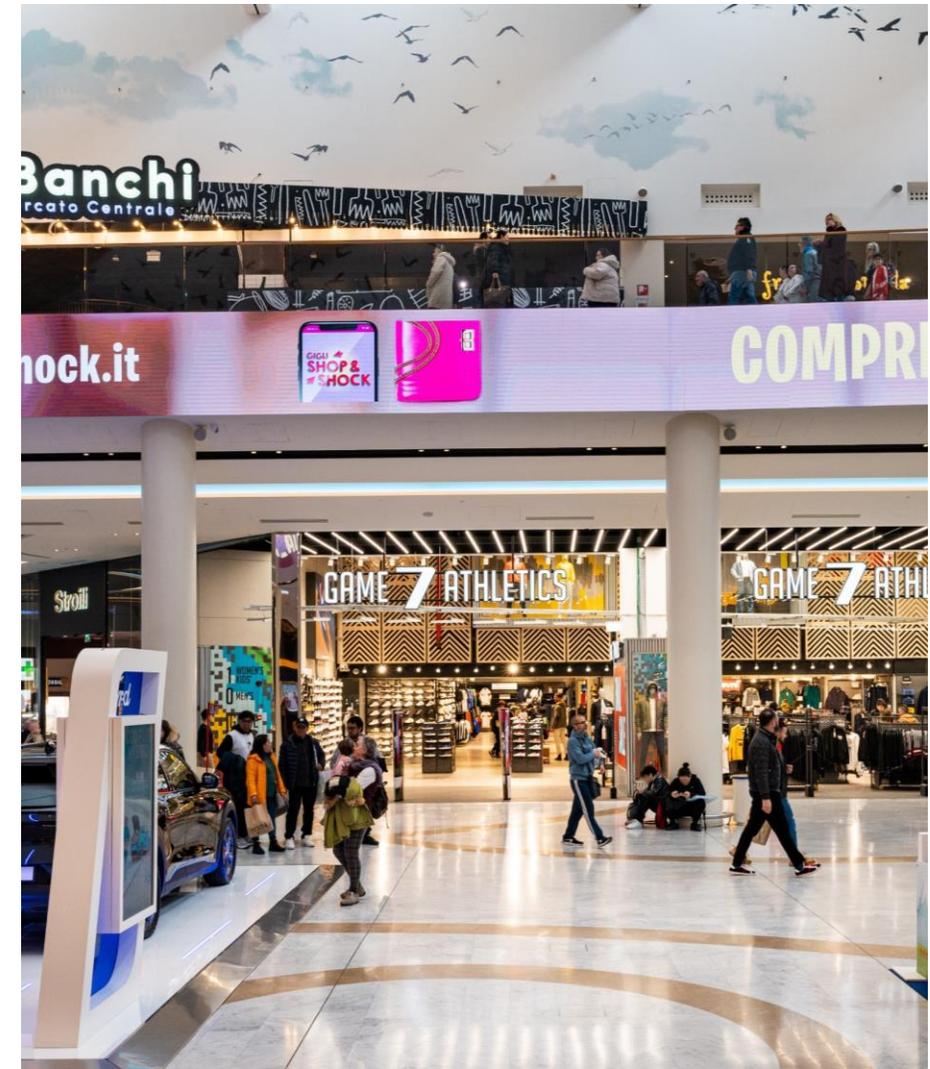


# Strong rental growth mainly from indexation

(12 months to 30 June 2023)

	Like-for-like rental growth
Overall	8.2%
Belgium	9.3%
France	2.8%
Italy	10.3%
Sweden	9.4%

Like-for-like rental growth is calculated based on 12-month data and excludes the impact of acquisitions, disposals and development projects to provide an accurate figure for comparison. It includes the impact of indexation, turnover rent, vacancies and leasing activity and excludes COVID-19 rent concessions.



# Renewals and relettings

Strong tenant demand producing positive lease spreads

	Number of renewals and relettings	Average rental uplift on renewals and relettings	% of leases renewed and relet (MGR)
Belgium	16	7.3%	15%
France	33	3.3%	7%
Italy	92	5.5%	9%
Sweden	94	9.5%	20%
<b>Overall</b>	<b>235</b>	<b>6.7%</b>	<b>11%</b>

(12 months to 30 June 2023)

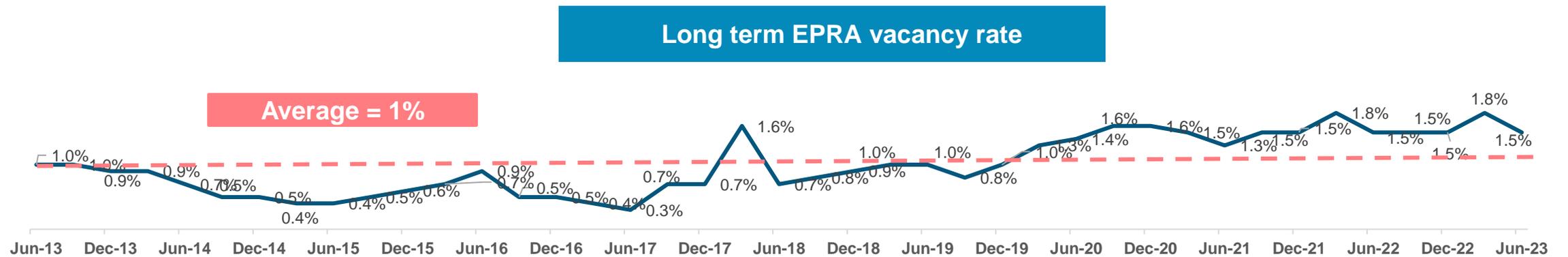
- 235 lease transactions achieving a rental uplift of 6.7%
- 62 lettings to new retailers achieving an uplift of 7.9%
- 112 transactions in H1 2023 producing an uplift of 7.1%



# EPRA vacancies

EPRA vacancy rate remains low at 1.5%, ranging between 0.8% and 2.4%.

	EPRA vacancy at 30 Sep 2022	EPRA vacancy at 31 Dec 2022	EPRA vacancy at 31 Mar 2022	EPRA vacancy at 30 Jun 2023
<b>Overall</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>1.5%</b>
<b>Belgium</b>	1.7%	1.7%	1.7%	1.8%
<b>France</b>	2.2%	2.9%	3.3%	2.4%
<b>Italy</b>	0.8%	0.6%	1.0%	0.8%
<b>Sweden</b>	2.1%	1.7%	2.0%	1.8%



# Occupancy cost ratio (OCR)

Low OCRs support sustainable rental income and low vacancy

	Occupancy cost ratio
<b>Overall</b>	<b>9.5%</b>
Belgium	14.8%
France	10.1%
Italy	9.4%
Sweden	7.6%

The total occupancy cost ratio is defined as rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT.



# Rent collection

Full rent collection includes pass through of indexation

	% of invoiced rent collected H1 2023
Belgium	99%
France	97%
Italy	98%
Sweden	100%
<b>Total</b>	<b>98%</b>





# Portfolio and ESG update

Peter Mills, CIO

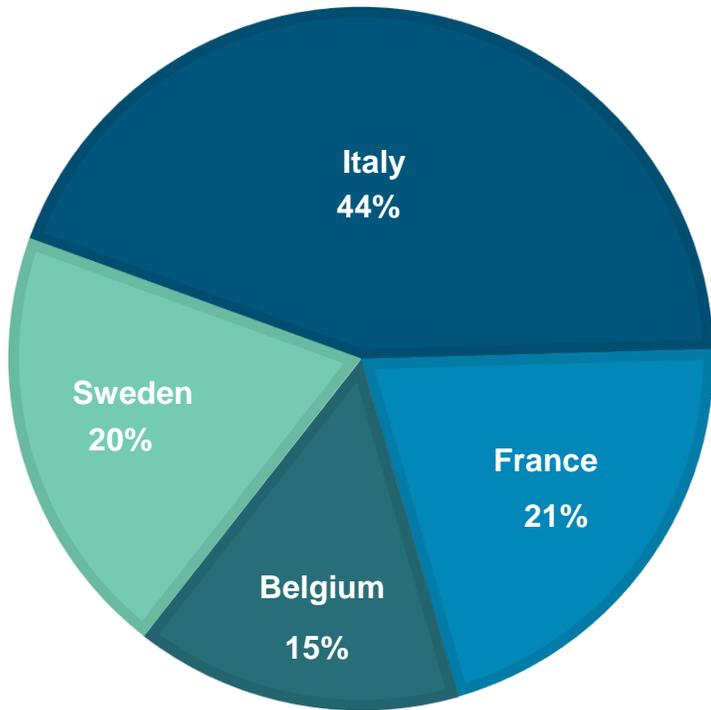
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# A well diversified portfolio

## 24 shopping centres in 4 countries

### Geographical (by value)

■ Italy ■ France ■ Belgium ■ Sweden

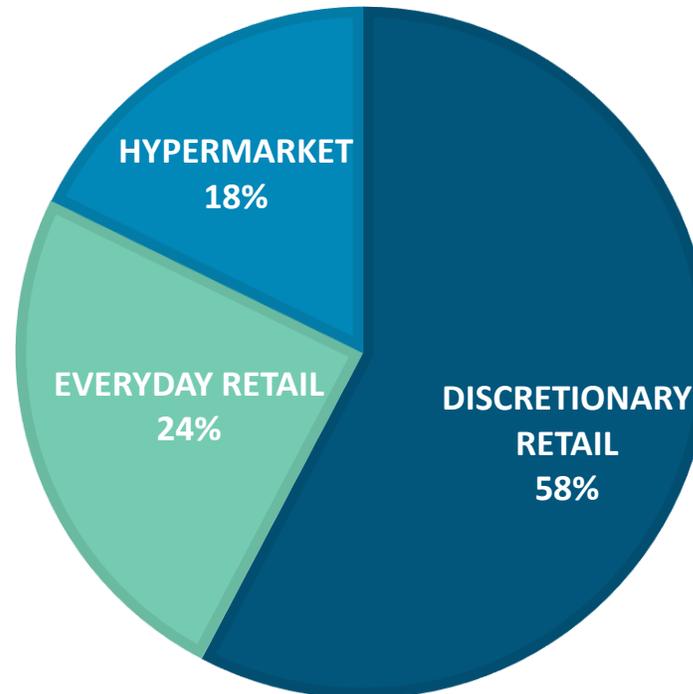


### 5 Flagship centres\*

I Gigli/Carosello/Fiordaliso/Woluwe Shopping/Passage du Havre

Fashion & Shoes = 36%

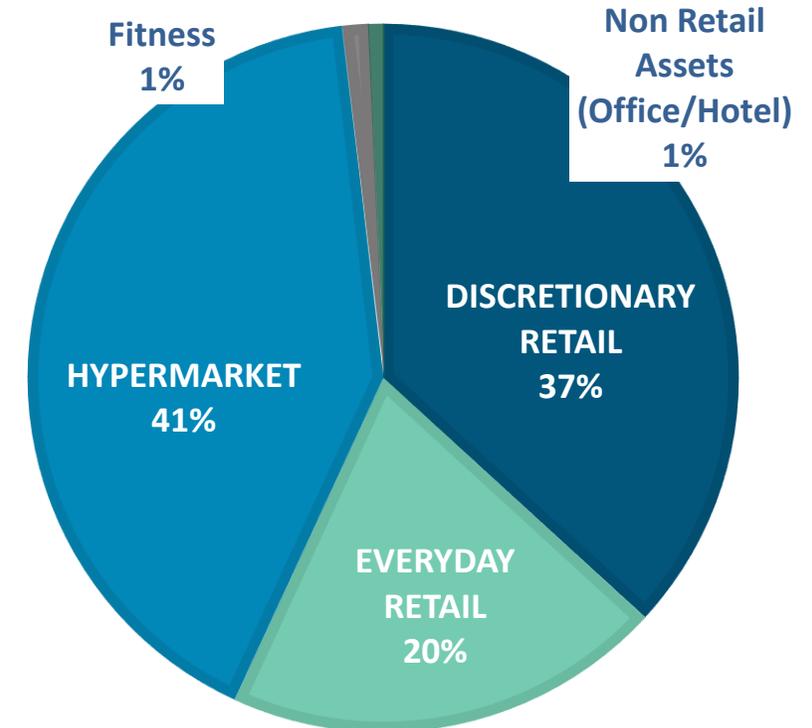
Essential and Everyday Retail = 42%



### 19 suburban hypermarket anchored shopping centres\*

Fashion & Shoes = 24%

Essential and Everyday retail = 61%



# Valuations

**Stable valuations – increased rental income balanced by higher yields**

	Net value	Valuation change	EPRA yields	
	30 Jun 2023 € million	From 31 Dec 2022	NIY	Topped-up
Belgium	563	-2.8%	4.7%	5.0%
France	814	0.4%	5.2%	5.3%
Italy	1,661	1.6%	6.2%	6.3%
Sweden	751	-2.7%	5.9%	5.9%
<b>Overall</b>	<b>3,789</b>	<b>-0.2%</b>	<b>5.7%</b>	<b>5.8%</b>

# Valuation split

## 5 dominant low yielding flagships

5 Flagships	Net value (€M) 30 June 2023	EPRA net initial yield (%)	EPRA topped up yield (%)
Woluwe Shopping (Belgium) Passage du Havre (France) I Gigli, Carosello, Fiordaliso (Italy)	1,738 (46% of the portfolio)	5.3	5.5

## 19 higher yielding hypermarket anchored shopping centres

19 suburban hypermarket anchored shopping centres	Net value (€M) 30 June 2023	EPRA net initial yield (%)	EPRA topped up yield (%)
7 in France 5 in Italy 7 in Sweden	2,051 (54% of the portfolio)	6.0	6.1

# Autumn 2023 completion of final phase of Valbo project

## Valbo, Gävle



- Phase 1 – Improved masterplan and circulation (completed)
- Phase 2 – Refurbishment of malls and common areas (completed)
- Phase 3 – 1,000m<sup>2</sup> extension, 7 prelet shops, renovation of car park and external façade – completion autumn 2023

# Leasing focus

## LIFESTYLE

The pandemic was a catalyst for the rapid growth in lifestyle fashion, sport and fitness.



# Leasing focus

## F&B

F&B has fully recovered and is expanding with a range of new brands, concepts and formats.



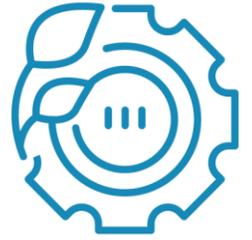
# Leasing focus

## VALUE RETAIL

With household budgets under pressure, the low price/value retail sector continues its expansion.



# Environmental, social and governance



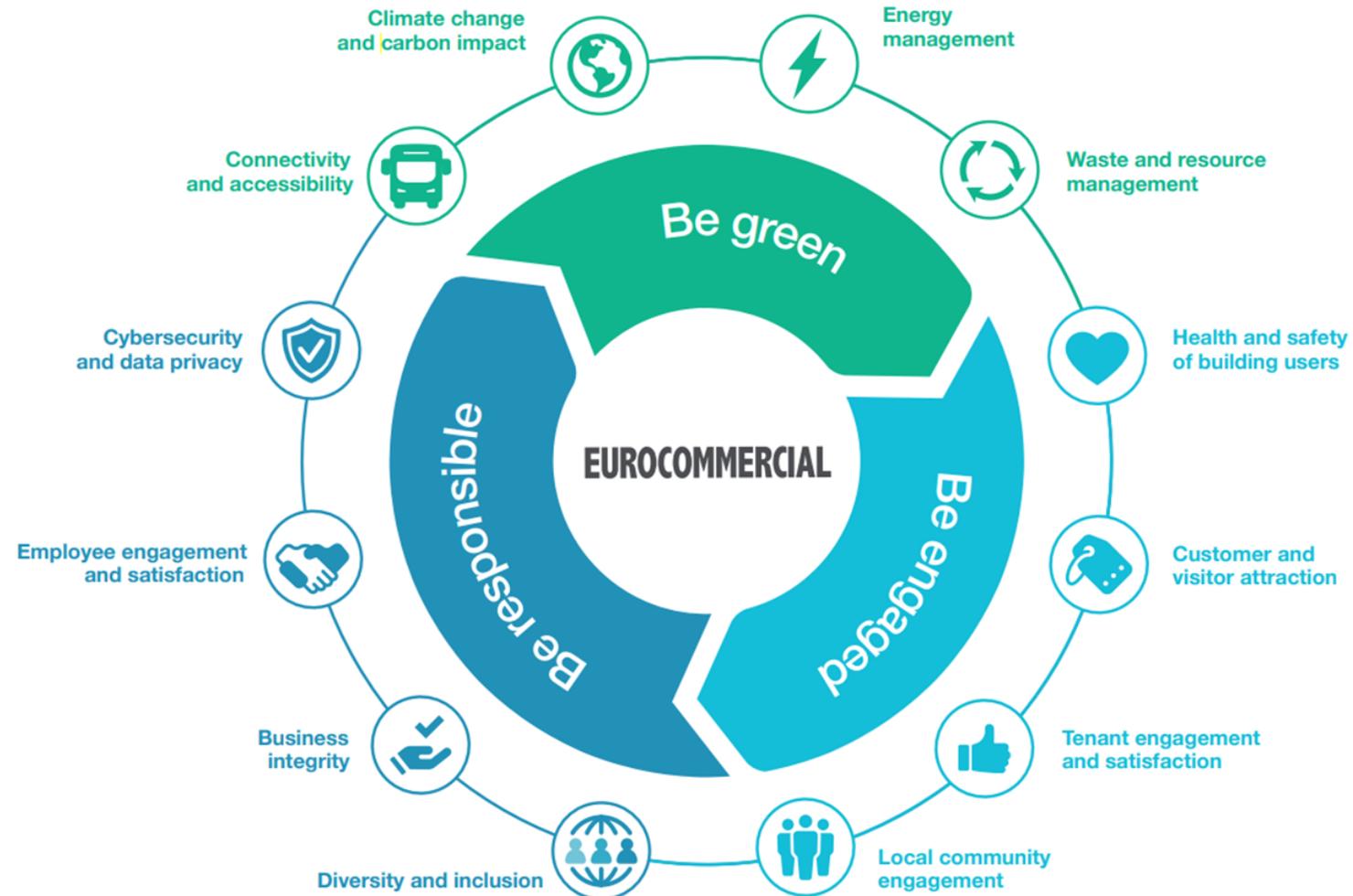
### Recognitions

G R E S B<sup>®</sup>

EPRA  
sBPR  
GOLD

BREEAM<sup>®</sup>

EURONEXT  
AEX<sup>®</sup> ESG Index



### RECENT INNOVATIONS

- Installation of solar panels at Carosello and I Gigli will be connected to the grid in autumn 2023
- Relamping in all our shopping centres
- Gas system removal and conversion to heat pumps and geothermal
- Roof waterproofing renovations in four Italian shopping centres
- Installation of smart meters
- Climate change risk assessments
- Additional electric car charging stations (including agreement with Tesla to install 100 charging stations at Carosello and I Gigli by Q2 2024)
- Upgrade of Building Management Systems
- Tenant energy consumption data collection

### Objectives and targets

Objective	Status	Key facts
Operate carbon neutral by 2030	On target	15% carbon emissions reduced (market bases vs. 2021)
Zero waste to landfill by 2030	On target	53% of assets with zero waste to landfill
BREEAM certifications in place for all shopping centres by 2025	On target	100% of assets BREEAM certified



## BE ENGAGED

- Shopping centres increasingly form an integral part of their local communities
- Dedicated spaces for community meeting, health and wellbeing, charity, education and employment
- During 2023 we will carry out around 10,000 customer interviews covering half the portfolio
- During the first half of 2023, the Eurocommercial Retail Academy® established at five shopping centres in Italy (Fiordaliso, I Portali, Collestrada, CremonaPo and Curno) and will expand to a further three shopping centres in France (Passage du Havre, Grand A and Portes de Taverny) by year-end 2023

### Objectives and targets

Objective	Status	Key facts
Maintain all customer satisfaction score above 7.5 by 2025	On target	8,000 customers participated in engagement surveys in 2022 8.3 average score
Improve the average retailer satisfaction scores towards 7.0 by 2025	On target	1,092 tenants participated in engagement surveys in 2022 7.0 average score
Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023	On target	Over the last 18 months, almost 1,500 subscribers took part in the Retail Academy®, with a very small dropout rate



### Key facts

- Green Finance Framework developed to issue Green Finance Instruments - Second party opinion issued by ISS Corporate Solutions
- €216.5 million sustainability linked loans over 5 loans,
- Four green loans for a total €377.1 million (297.7 million on a proportional consolidation basis)
- 35 hours of training on average per employee
- Regular group workshops to exchange best business practices (photo: Leasing and asset management workshop)

### Objectives and targets

Objective	Status	Key facts
Zero breaches against the Code of Conduct annually	On target	Zero breaches in 2022
Create an attractive and professional workplace	On target	2.1% sickness ratio 16% turnover rate
Introduced Green Finance framework	On target	€216.5 million sustainability linked loans; €377.1 million green loans



# Financial review

Roberto Fraticelli, CFO



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# Financial Performance H1 2023

(at 30 June 2023)

## Income statement

(€ million)	06.2023	06.2022
Rental income*	€107.5	€101.2
Net property income*	€89.1	€85.5
Net interest expenses*	€21.8	€19.0
Direct investment result	€64.5	€62.7
<b>PER SHARE**</b>		
Indirect investment result	(€0.59)	€2.09
Direct investment result	€1.22	€1.21
Total investment results	€0.63	€3.30

## Financial position

(€ million)	06.2023	12.2022
Property investments*	€3,594	€3,643
Net borrowings*	€1,490	€1,454
EPRA NTA	€2,044	€2,043
EPRA Net initial yield	5.7%	5.5%
<b>PER SHARE**</b>		
NET asset value*	€38.53	€38.68
Adjusted net asset value	€39.70	€39.62
EPRA NTA	€38.65	€38.64

\* IFRS figures

\*\* The average number of shares after deduction of the shares bought back was 52,842,238 in 2023 vs 52,146,993 in 2022. The fully diluted number of shares after deduction of shares bought back at 30 June 2023 was 52,886,842 vs 52,888,098 at 31 December 2022.

# Financial summary at 30 June 2023

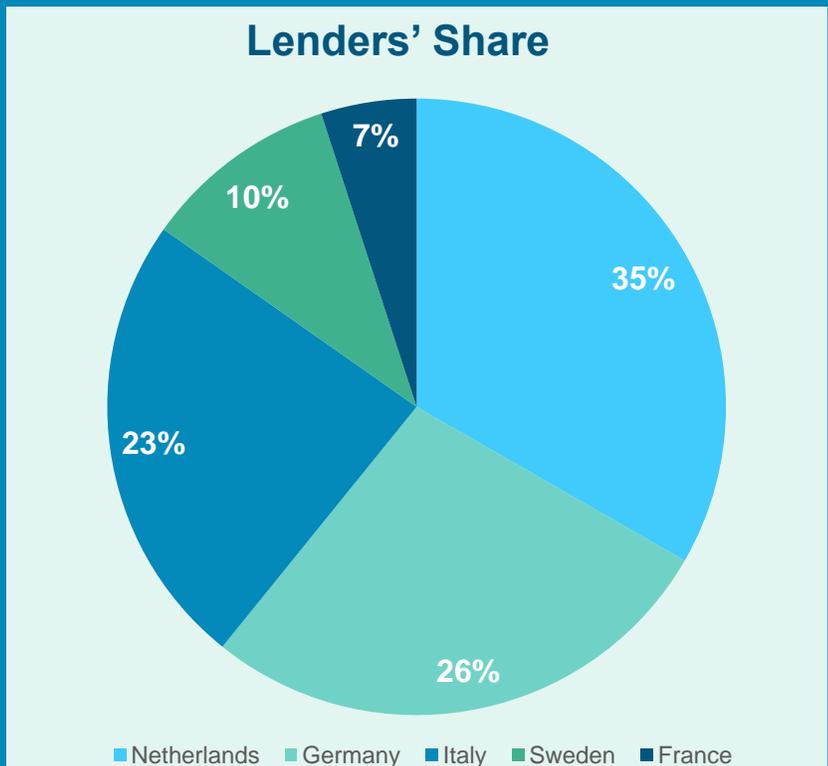
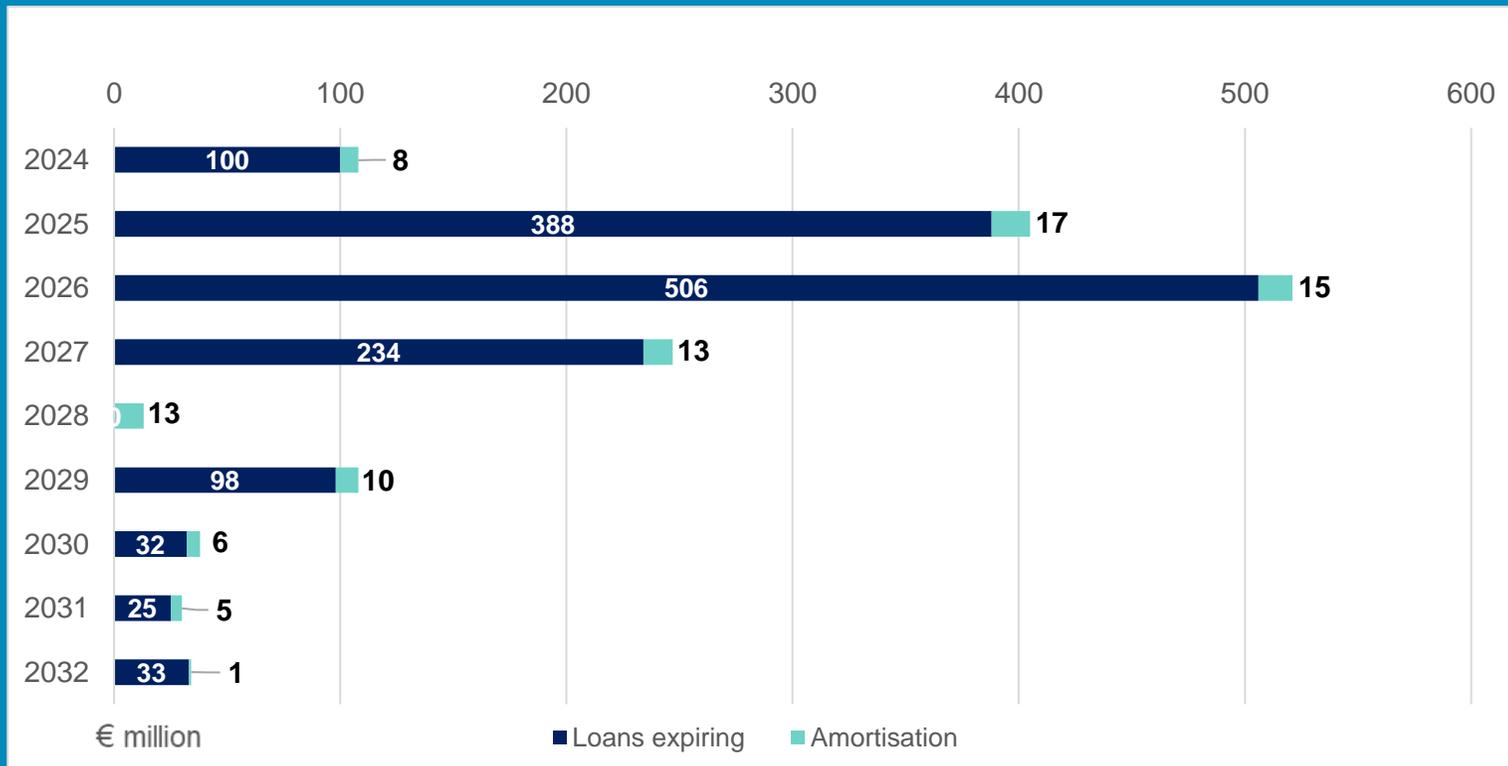
Proportionally consolidated\*

Total net borrowings  
**€1.583 billion**

Average term of hedges  
**5.2 years**

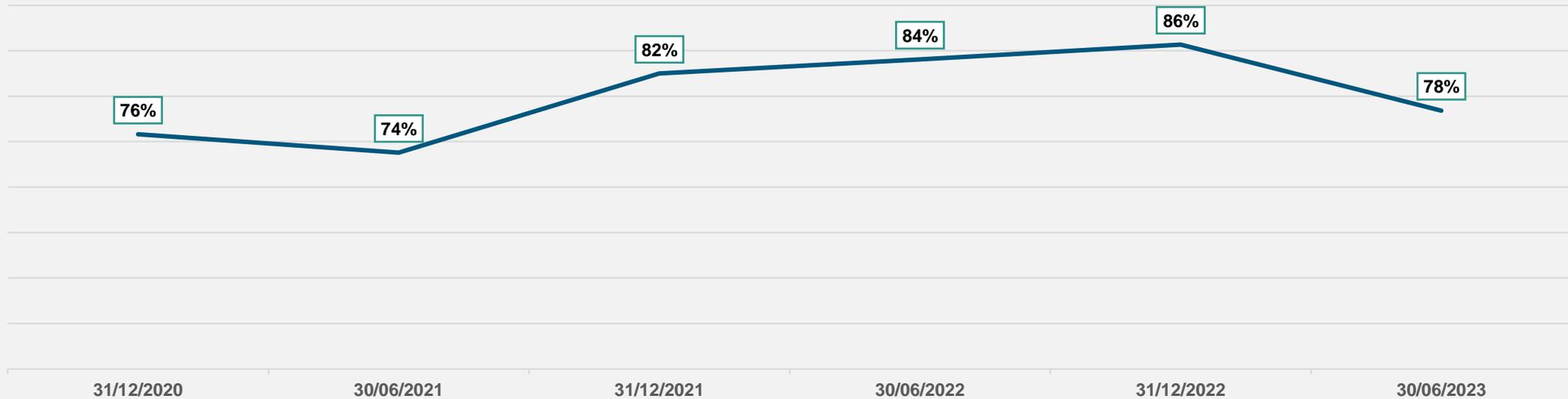
Average overall interest rate (incl. margin)  
**2.9%**

## Long term borrowings maturity and amortisation schedule (January 2024 – December 2032)

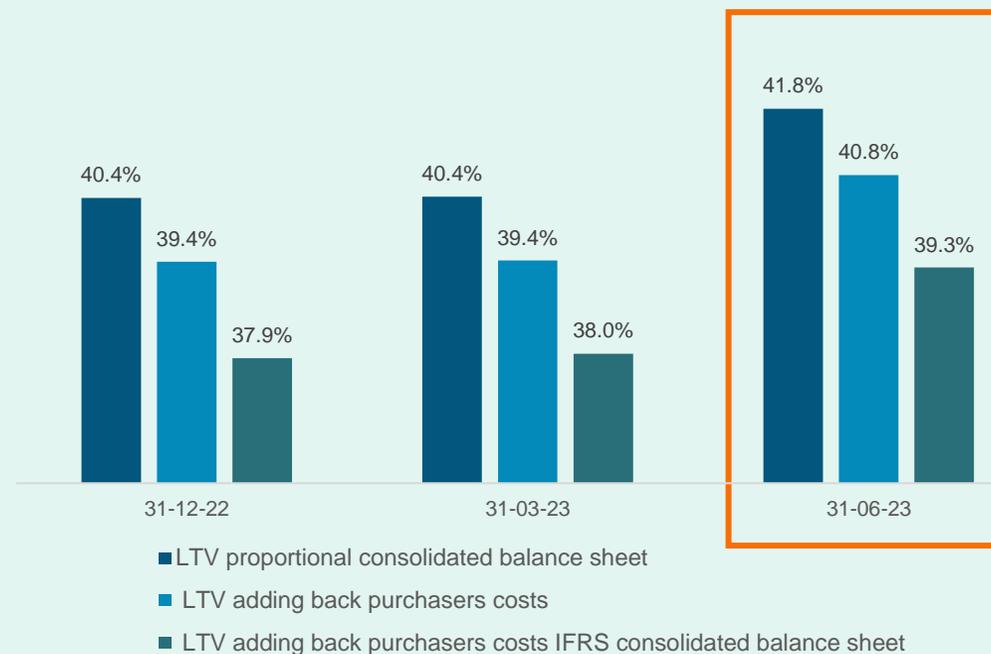
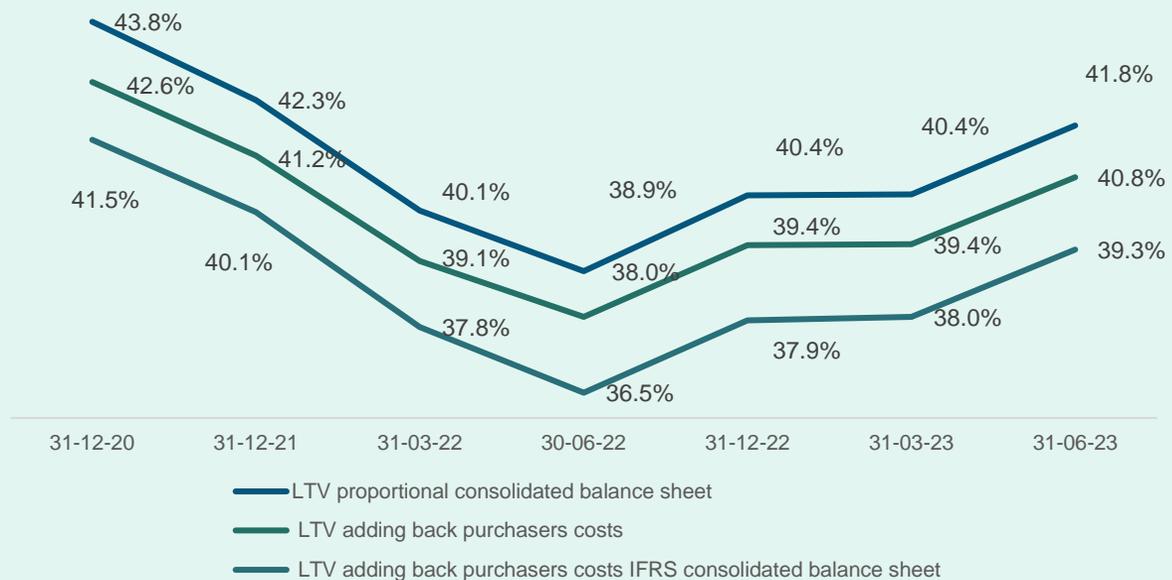


# Interest rate hedging

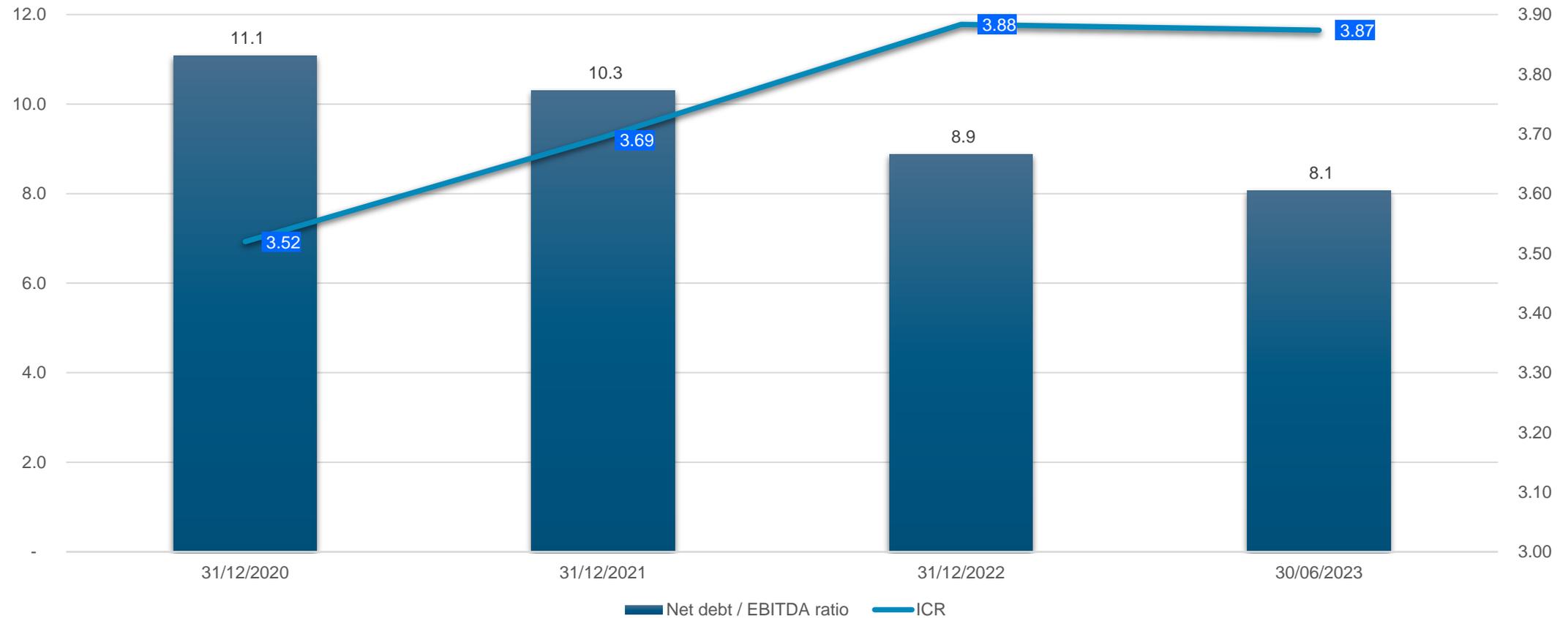
The development of the Company's interest rate hedging ratio.



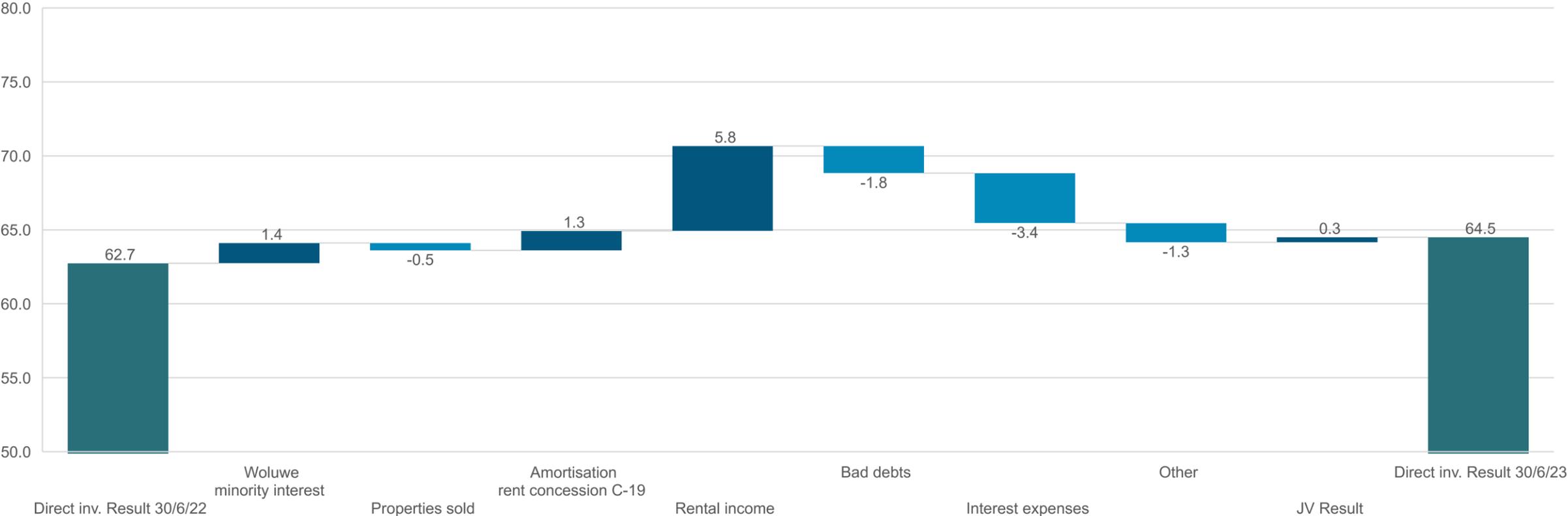
# Loan to value ratio at 41.8%



# ICR and net debt/EBITDA ratio

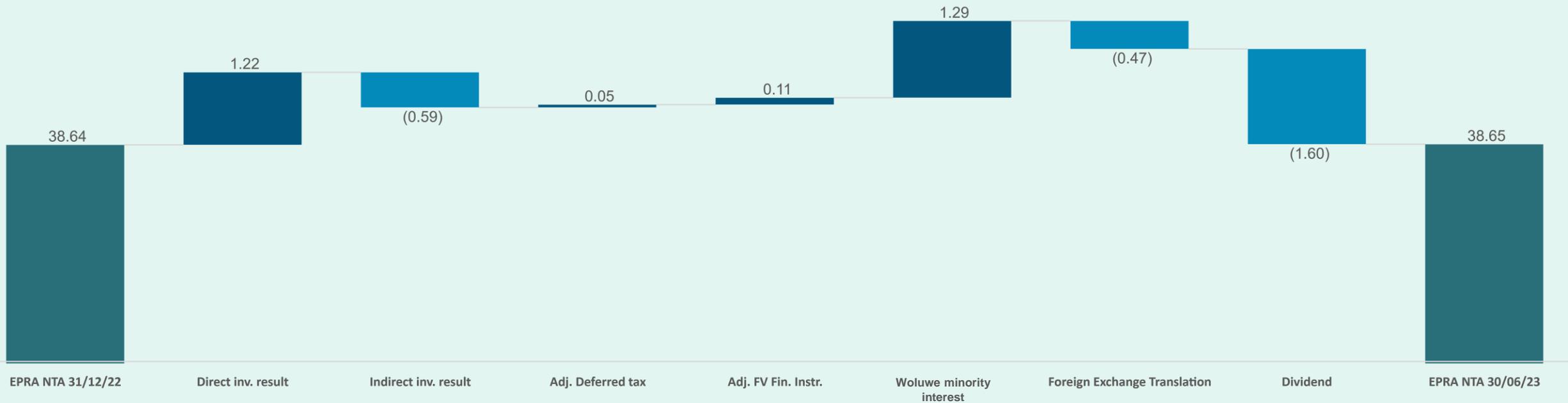


# Direct Investment Result (DIR) comparison of 2023 with 2022 (€/million)



# EPRA Net Tangible Asset (€ per share)

## EPRA NTA Bridge



# Closing remarks

## Evert Jan van Garderen, CEO

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# Dividend and 2023 direct investment result guidance

- Guidance confirmed - direct investment result for 2023 between €2.25 and €2.35 per share
- Intention to offer shareholders the possibility of opting for a stock dividend instead of a cash dividend for the 2023 interim dividend payable in January 2024





# Financial Calendar

3 November 2023 - Q3 Results  
22 March 2024 – Full Year Results 2023

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# Q&A



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