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# H1 2023 Results



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## AGENDA

- 1 #Focus 2023 – 2025
- 2 Overview H1 2023
- 3 Financial overview H1 2023



1 #Focus  
2023 - 2025

# Why pure logistics player?



Real estate asset class remains a **resilient hedge against inflation**, albeit real estate will be impacted if real interest rates increase. **Recession and increase of labour costs** will hit every sector, and thus dedicated focus is necessary to retain budget control & compliance to limit default risk through tenants will need to remain high on the agenda.



For logistics, **de-globalization, decarbonization** and **retail customer expectations** are beneficial drivers requiring additional demand for different several types of logistics. **Labour force scarcity** will be partly replaced by further **automation**. **Consolidation** within the sector enhances the need for a trusted real estate partner.



**Urban hubs** and city centers that will continue to **grow demographically**. **Remote work and hybrid** within an **authentic community** appears to be the new normal. The **hotellification of the sector** and a wish to **work/live/play within 15mins** by its users, requires investors to rethink their offer, again. **Flexibility is key** for users, which conflicts with the wish for longer term contracts by property owners.



Transport companies will be urged to **limit CO2** due to regulation changes, while the **need for cost reduction** will even further increase the importance of **multimodal transport**. **Sustainable and smart buildings** offer many benefits – from easy access to **renewable energy**, to **healthy spaces** for occupants. As we move into a **de-carbonised world**, they have **less risk** of becoming stranded assets.

# #Focus 2023 - 2025

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- **Accelerated office sales and organic growth**
  - › Office sales target: 90% of leasable space by mid 2025, excluding offices located on logistic site or with logistic redevelopment potential
  - › Separating Greenhouse operations from Intervest operations
  - › Organic growth of the logistics portfolio through sustainable projects, such as Genk Green Logistics
  
- **Strengthening the balance sheet position:**
  - › Reduce debt ratio, by repaying existing credit lines after office sale
  - › Adjustment and evolution in dividend policy of historical high dividend level, in function of the accelerated sales of offices by Q2 2025, taking into account the minimum mandatory dividend payment under the RREC regime.

# #Focus 2023 - 2025

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- **Organic growth** due to strong pipeline
  - › 279,000 m<sup>2</sup> potential projects in logistics segment, with future expected potential value increase of € 230 million. Capex to be spent circa € 195 million
  - › Acquisition of additional development potential of around 70,000 m<sup>2</sup> in Liège via partial contribution in early August 2023 with neutral impact on debt ratio and limited impact on EPRA EPS.
- **An optimal platform for pure logistics real estate player:**
  - › Focus on operating margin (target: 85%) with effective and efficient team for a pure logistics real estate investor. Further professionalisation through ongoing digitalisation and innovation.
- **Increased ESG & Innovation commitment:**
  - › Update ESG strategy by early 2024 with aim of increasing sustainable impact for our logistics customers, in-house team, shareholders and environment
  - › Through innovation, the profitability of our sustainable actions will be increased

# Targets #Focus 2023 - 2025



<p><b>Operating margin</b></p> <p>H1 2023: 77%</p> <p>85% Target</p>	<p><b>Debt ratio</b></p> <p>45% - 47% Target</p> <p>H1 2023: 50%</p>	<p><b>Hedge ratio</b></p> <p>H1 2023: 84%</p> <p>&gt; 90% Target</p>
<p><b>Net debt/EBITDA</b></p> <p>&lt; 10 Target</p> <p>H1 2023: 10,9</p>	<p><b>Occupancy rate logistics</b></p> <p>H1 2023: 99%</p> <p>&gt; 98% Target</p>	<p><b>Yield on cost</b></p> <p>6,5% Target</p>

# 2 Overview

## H1 2023

Intervest Offices & Warehouses is a listed real estate company active in the market of logistics properties in Belgium and the Netherlands and office buildings in Belgium, with a robust growth plan focused on the logistics segment and intensified asset rotation, within the framework of the ESG ambitions





# Interinvest at a glance

- Founded in 1996
- Listed real estate company active in Belgium and the Netherlands
- Investor, developer, manager & operator
- Strategically present in the segments:
  - › Warehouses BE
  - › Warehouses NL
  - › Offices BE
- Strong focus on sustainability in terms of construction and operations

> 1.300.000 m<sup>2</sup>  
GLA



59  
#TeamInterinvest



€ 1,4 billion  
portfolio fair value

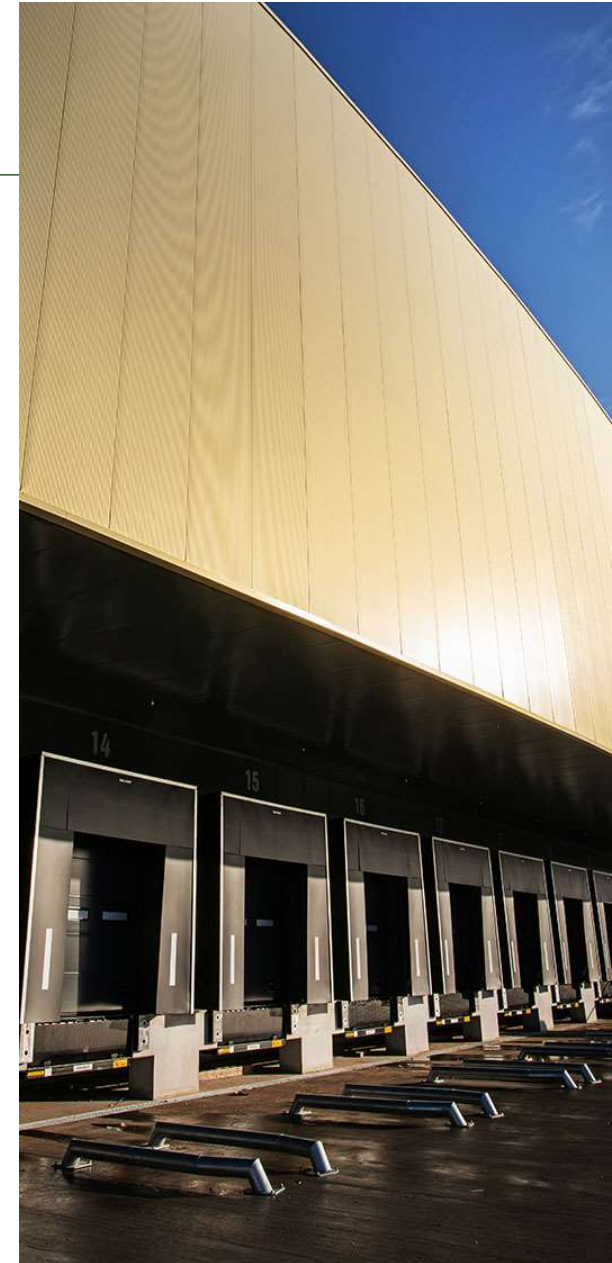
50% Logistics BE  
25% Logistics NL  
25% Offices BE



Belgian B-REIT (GVV/SIR)  
Euronext Brussels listed  
since 1999



€ 320 million  
development  
pipeline



# Divestments offices in H1 2023

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Divestment of two office buildings on the outskirts of Brussels

- › Park Rozendal
  - › Inter Access Park
- 
- In line with the latest faire value (as at 31 March 2023)
  - Consistent with the accelerated divestment strategy of offices

# Interinvest at a glance

Debt ratio

50,1%

Green financings

19%

Market cap

€ 414 million

Average cost  
of debt

2,9%

EPRA NTA per share  
€ 22,49

EPRA EPS H1 2023  
€ 0,68

Hedge ratio

84%



# € 1,4 billion portfolio

## Logistics portfolio (NL & BE)



The Netherlands

25%



Belgium

50%

- **The Netherlands**
  - A15 Rotterdam - Gorinchem - Nijmegen
  - A59 Moerdijk – 'S Hertogenbosch – Nijmegen
  - A58/A67 Bergen-Op-Zoom – Eindhoven – Venlo
- **Belgium**
  - Antwerp - Limburg - Liège
  - Antwerp - Brussels - Nivelles
  - Antwerp - Ghent - Bruges

- 34%
- 3%
- 10%
- 21%
- 66%
- 38%
- 16%
- 12%



## Office portfolio (BE)



25%

- Mechelen 45%
- Antwerp 25%
- Brussels 20%
- Leuven 10%



Percentages based on GAV

# Acquisitions in H1 2023

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## Acquisition of investment properties

- **Ghent (BE): strategic logistics site** in Ghent seaport
  - › Sale-and-lease-back operation with Plasman Belgium NV
  - › investment value of €14.25 million
  - › 56.000 m<sup>2</sup> site, includes a 22.200 m<sup>2</sup> production site
  - › 10-year lease with Plasman, with two options to extend for five years each in line with market conditions

## Acquisition of land reserves

- **Saint-Georges-sur-Meuse (BE): strategic land position** for sustainable logistics development
  - › Alongside the E42 in Saint-Georges-sur-Meuse, near Liège airport
  - › acquisition value of € 10.4 million
  - › **circa five hectares**
  - › acquisition fits into the logistics segment's cluster strategy and further expands the Liège/Herstal cluster

# Acquisition after balance sheet date 30 June 2023

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- **Liège (Herstal) (BE): strategic logistics site** with future sustainable redevelopment potential of 70,000 m<sup>2</sup>
  - › 2 August 2023 phased acquisition
  - › Site area of circa 16 ha of which circa 66,000 m<sup>2</sup> is leasable space
  - › Site offers the possibility of sustainable redevelopment of circa 70.000 m<sup>2</sup> in the future
  - › Conveniently located with multimodal access and forms a cluster with Intervest's adjacent property
  - › Fully leased upon acquisition (annual rent: €1,27 million)
  - › An overall real estate investment value of € 31 million
  
- **Transaction structure**
  - › Intervest has acquired control of the patrimony company ILWS SPRL (owner of the entire logistics site)
  - › Two phases:
    - 74,35% of the company ILWS is already acquired
    - 25,65% is expected in early 2024
  - › Contribution in kind
    - 944.649 new shares
    - Issue price: € 13,78

# Delivered sustainable project in H1 2023: 100% leased

Site	Segment	Type	Expected delivery	(Potential) GLA (m <sup>2</sup> )	BREEAM
Herentals Green Logistics (1b)*	Logistics BE	Development	Q1 2023	10.000	Excellent
's-Hertogenbosch	Logistics NL	Development	Q2 2023	9.700	Excellent
Genk Green Logistics	Logistics BE	Development	Q2 2023	30.000	Excellent
<b>TOTAL (RE)DEVELOPMENTS</b>				<b>47.900</b>	

## Herentals Green Logistics

- Large-scale logistics (re)development on 18 ha site
- 42.000 m<sup>2</sup> delivered & fully let
  - › Warehouses (+/-39.000 m<sup>2</sup>) with cross-dock
  - › Offices (+/-3.000 m<sup>2</sup>)
  - › Five-level parking tower (400 parking spaces)
- 10.000 m<sup>2</sup> project delivered Q1 2023
  - › Warehouses (+/-8.000 m<sup>2</sup>) with mezzanine (+/-1.500 m<sup>2</sup>) and offices (+/-500 m<sup>2</sup>)
  - › Fully leased to Fox International Group (Rather Outdoors)
- BREEAM 'Excellent'



# 's-Hertogenbosch – Rietvelden (NL)

- Built-to-suit project
  - › Commenced in 2022
- **Approx. 10.000 m<sup>2</sup> warehouse, mezzanine and office**
- Excellent location on the business park De Rietvelden - De Vutter
  - › Barge terminal nearby
  - › Excellent accessibility via motorway (A59) and train station



- Sustainable inhouse value creation
  - › **BREEAM 'Excellent'**
  - › Energy efficient LED-lighting
- Let to My Jewellery:
  - › For 10 years
  - › Delivered in Q2 2023



# 278.793 m<sup>2</sup> or € 320 million (\*) portfolio value through (re)developments

Site	Segment	Type	Expected delivery	(Potential) GLA (m <sup>2</sup> )	BREEAM
Genk Green Logistics (Nippon)	Logistics BE	Development	Q1 2024	12.850	Excellent
<b>Projects</b>				<b>12.850</b>	
Genk Green Logistics	Logistics BE	Development	2023-2025	120.150	Excellent
Puurs	Logistics BE	Development	2024	54.599	Excellent
's-Hertogenbosch	Logistics NL	Development	2024	11.500	Excellent
Luik (Herstal)	Logistics BE	Development	2024	45.098	Excellent
Zellik	Logistics BE	Development	2024	24.596	Excellent
Venlo	Logistics NL	Development	2024	10.000	Outstanding
<b>Land reserves</b>				<b>265.943</b>	
<b>TOTAL PROJECTS &amp; LAND RESERVES</b>				<b>278.793</b>	

(\*) € 195 million capex to spent.

# Genk Green Logistics (BE) – sustainable project under construction



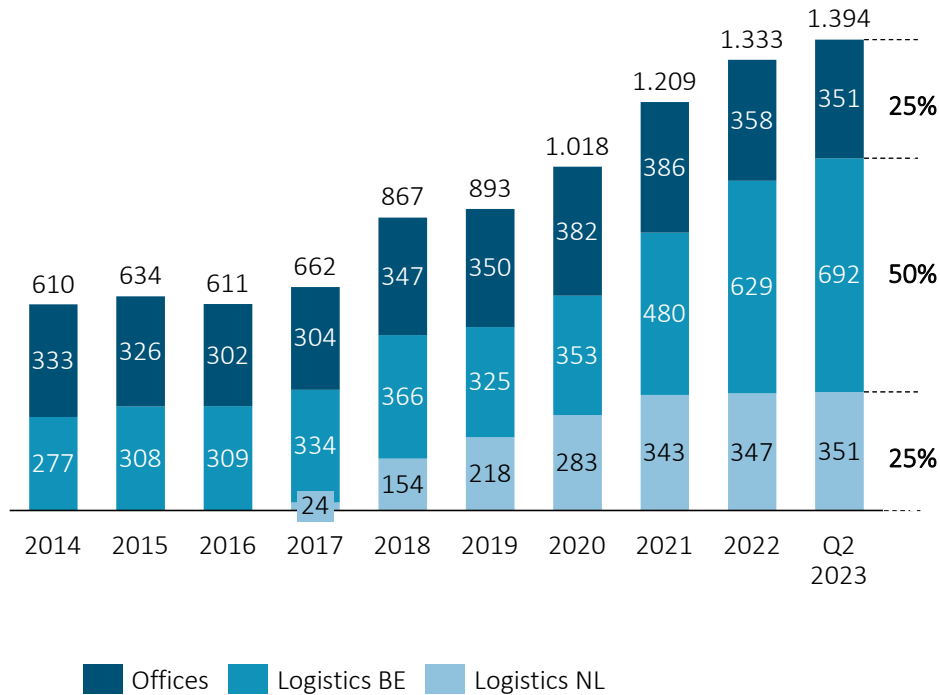
- Planned redevelopment of 42 ha
- Zone B on former Ford site in Genk, strategically located:
  - Large-scale and multi-modal access
  - Proximity to gateways Antwerp and Liège
  - Connectivity through Albert Canal
  - Proximity to consumer markets
- Inbound activity
- Collaboration with Flemish Government
- **250.000 m<sup>2</sup> state-of-the-art logistics complex** to be fully developed over several years



- **BREEAM ‘Excellent’**
- **Almost 52% (pre)leased:**
  - › Eddie Stobart Logistics Europe: 45.000 m<sup>2</sup>
  - › P&O Ferrymasters: 10.000 m<sup>2</sup>
  - › Neovia Logistics: 11.000 m<sup>2</sup>
  - › Nippon Express Belgium: 33.850 m<sup>2</sup>
  - › Konings: 30.000 m<sup>2</sup>
- Competitive rental conditions

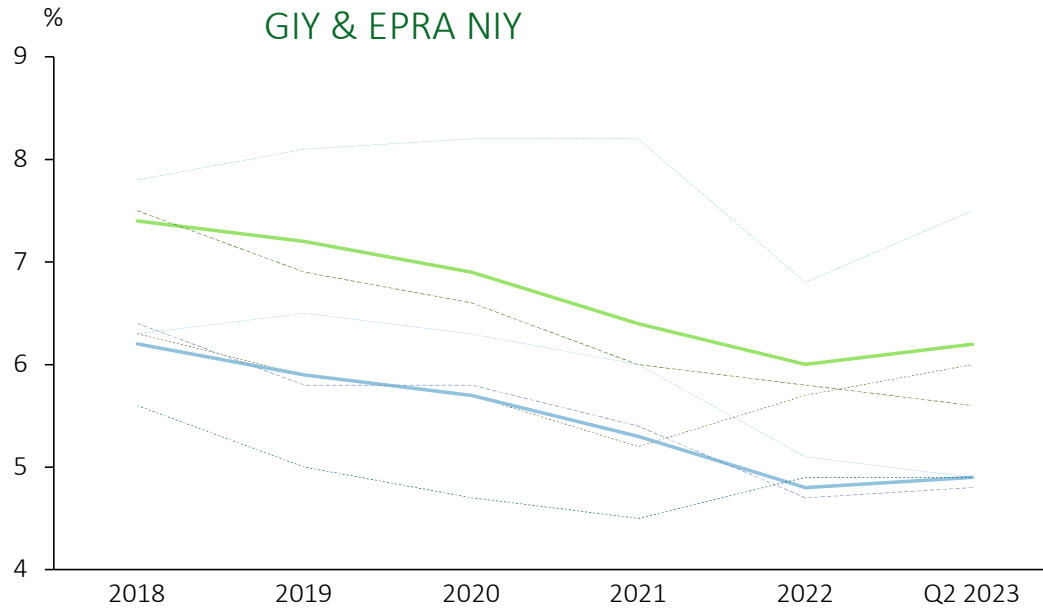
# Growing portfolio

## Fair Value Portfolio



- › € 1,4 billion real estate portfolio
  - › Increase in fair value € 60,5 million or 5%:
    - › Acquisitions
    - › Developments
    - › Sustainable investments
- Logistics segment





# Yield evolution



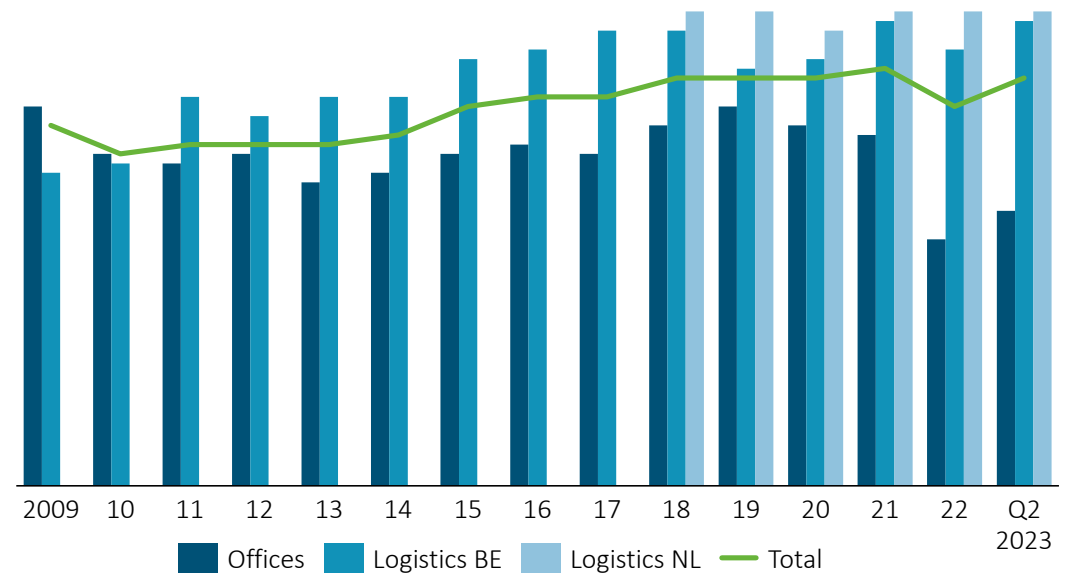
- › 4,9% EPRA Net Initial Yield
- › 6,2% Gross Initial Yield
- › Cap rate:
  - › 5,4% Logistics BE
  - › 6,1% Logistics NL
  - › 8,0% Offices

— 6,2% - GIY Interinvest    — 4,9% - EPRA NIY Interinvest  
— 7,5% - GIY Offices    — 4,9% - EPRA NIY Offices  
- - - 5,6% - GIY Logistics BE    - - - 4,9% - EPRA NIY Logistics NL  
- - - 6,0% - GIY Logistics NL    - - - 4,8% - EPRA NIY Logistics BE

# Increase in overall occupancy rate

Portfolio	Occupancy Q2 2023	% of portfolio
 The Netherlands	100%	25%
 Belgium	98%	50%
 Belgium	79%	25%
 TOTAL	93%	100%

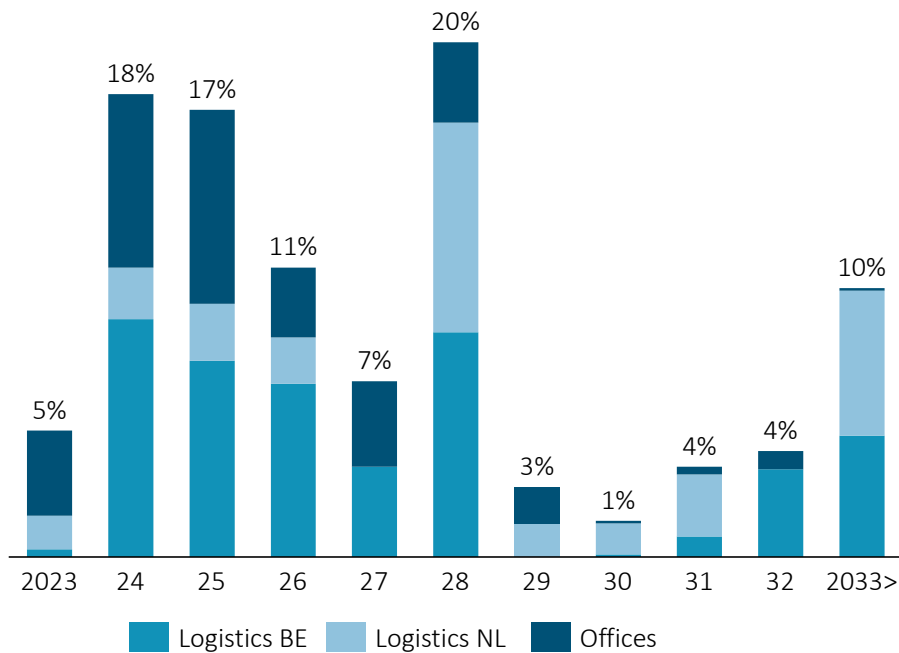
Historical occupancy range



- › 90% Total 15-year average
- › 83% – 100% Logistics BE 15-year range
- › 98% – 100% Logistics NL 5-year range
- › 76% – 90% Offices 15-year range

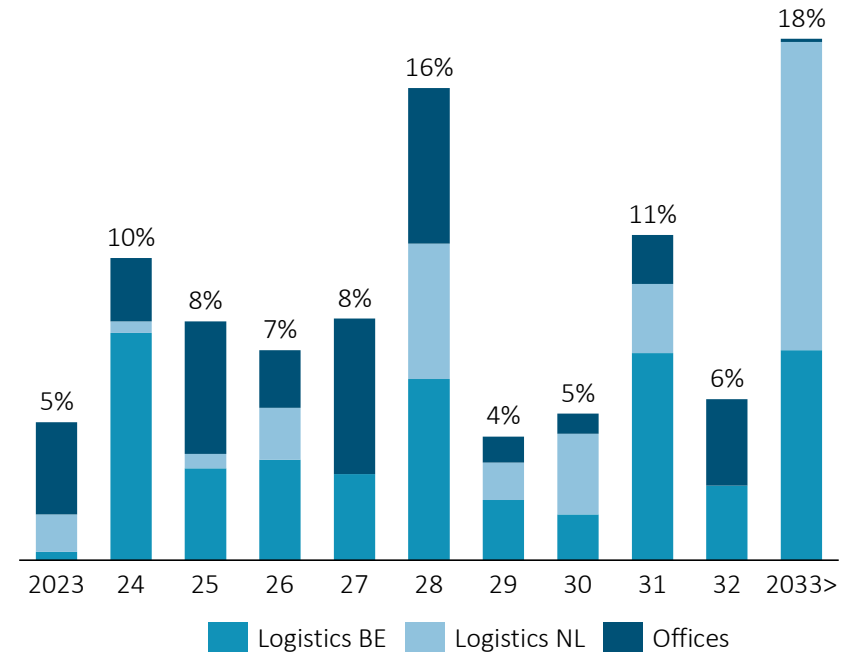
# Well spread lease maturities

Lease terms - first break dates



- › WALB – 4,6 years total portfolio
  - › 4,9 years Logistics BE
  - › 6,2 years Logistics NL
  - › 2,8 years Offices BE

Lease terms - expiry dates

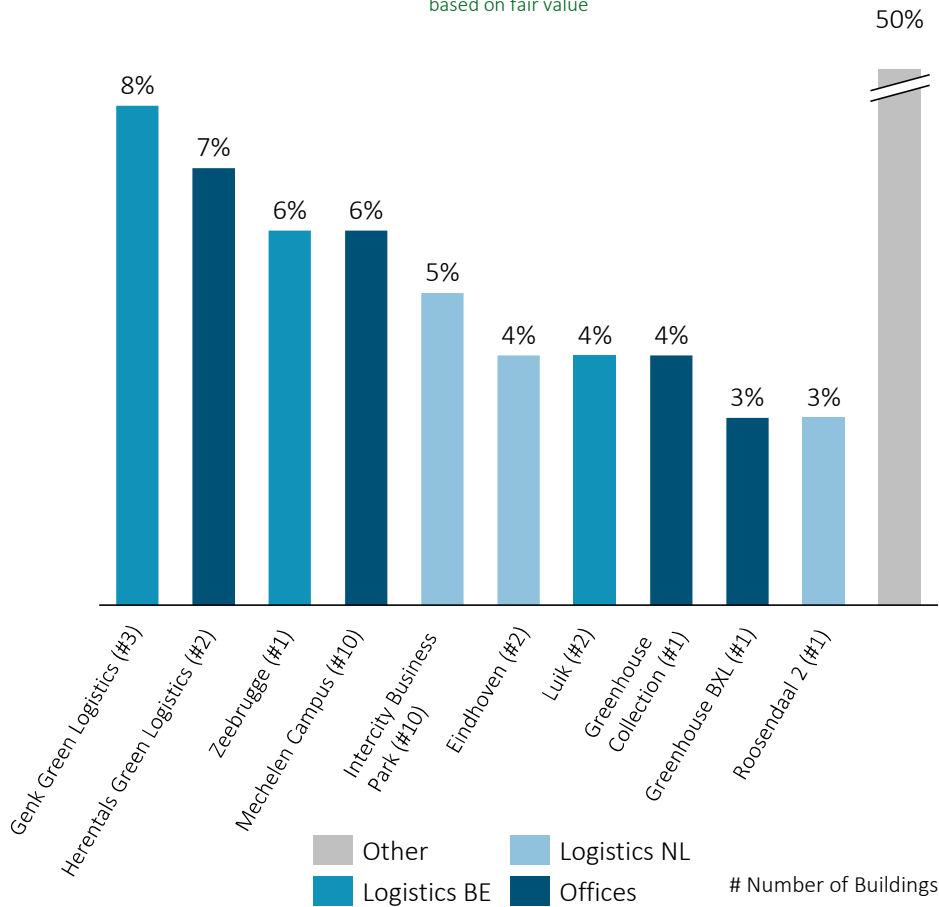


- › WALE – 6,1 years total portfolio
  - › 6,3 years Logistics BE
  - › 7,7 years Logistics NL
  - › 4,2 years Offices BE

# Well spread property and tenant concentration

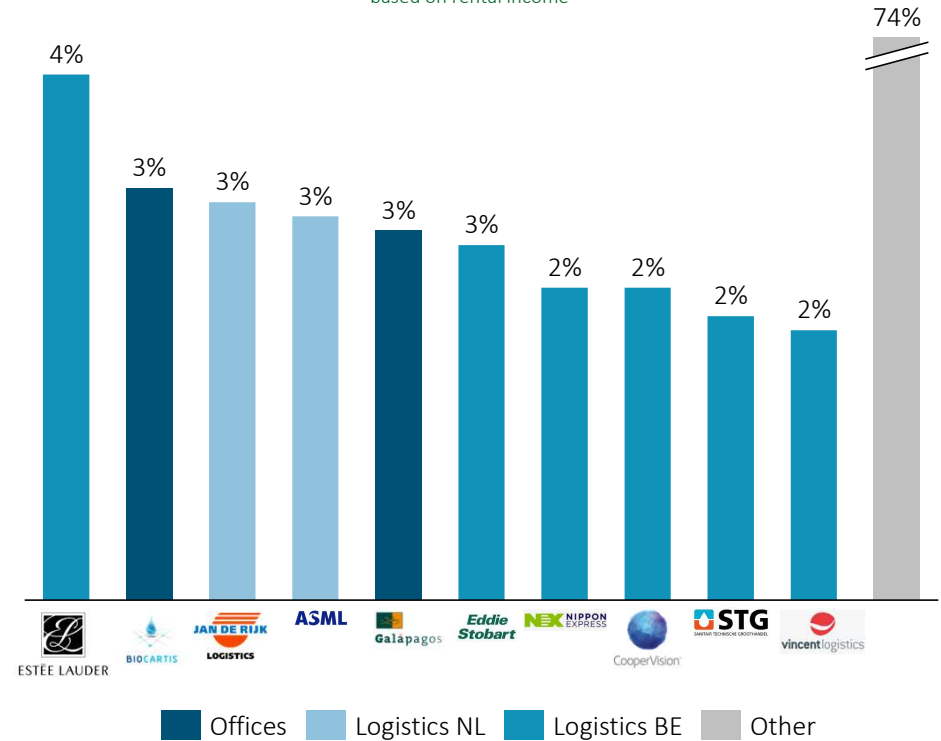
## Major properties

based on fair value



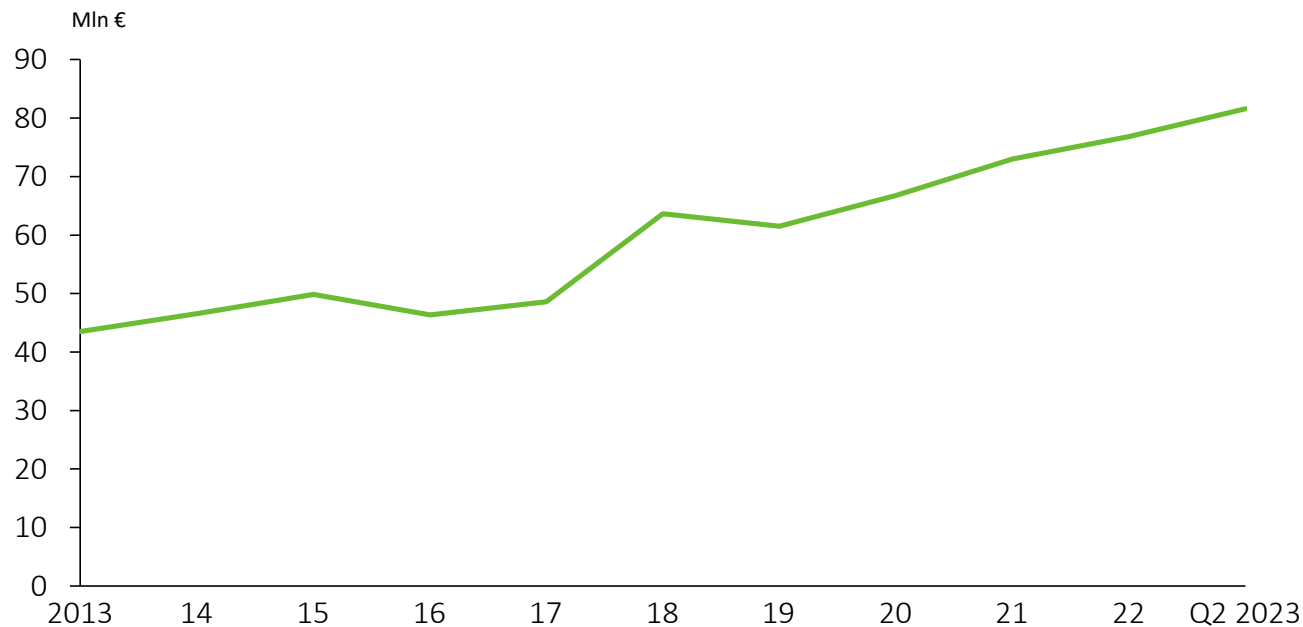
## Major tenants

based on rental income



- › Limited tenant concentration
- › 26% of rent from top-10 tenants

# Contractual annual rent



- › **Contractual annual rent** of the total portfolio increased by 6% compared to year-end 2022 due to major lease transactions mainly in Belgium's logistics portfolio and the indexation of lease agreements
- › **Organic rental growth** amounts to 18.5%, mainly (11%) from completed development projects in Zeebrugge, Genk, Herentals and 's-Hertogenbosch
- › **Like-for-like rental growth** is 8%, mainly due to indexation





# Why we believe in logistics real estate



- 1 Supply chains need more local buffering and reshoring of manufacturing
- 2 Changing consumer demand to omni-channel
- 3 Drivers of future demand: workforce, location, quality
- 4 E-commerce growth, including food
- 5 Increasing importance of urban agglomerations

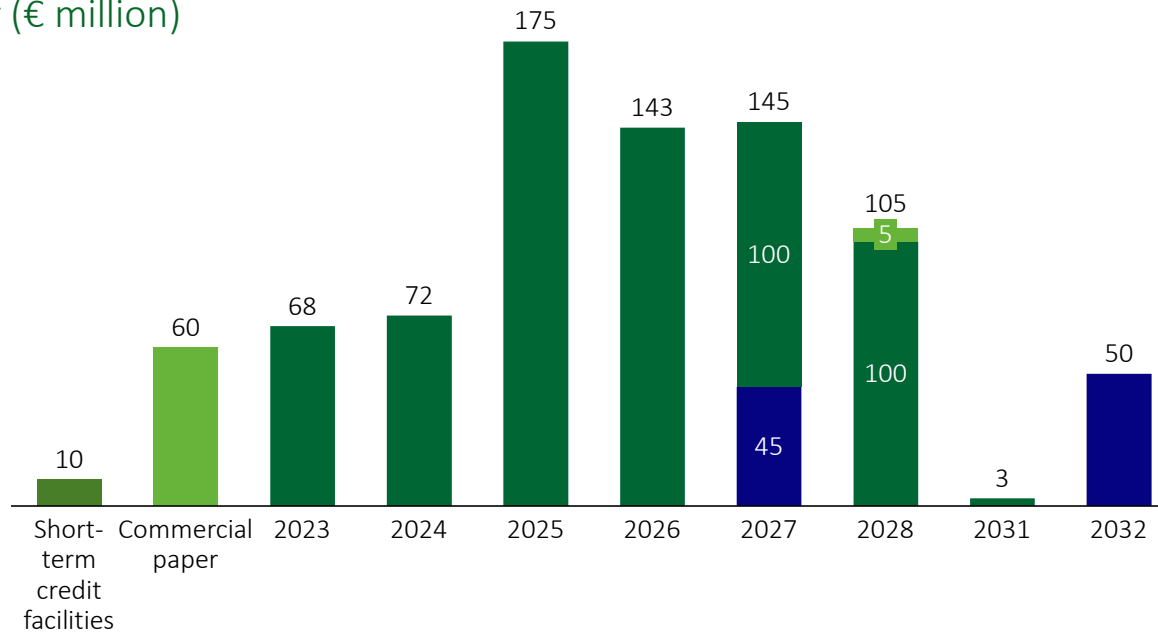


# 3 Financial overview

## H1 2023

# Well-spread debt maturities

Debt maturity calendar (€ million)



- › 3,7 years average maturity
- › Commercial paper covered by credit line



# Financial results

in thousands €	30-6-2023	30-6-2022	Difference	
Rental income	40,193	35,438	4,754	13%
Rental-related expenses	-59	15	-74	-478%
Property management costs and income	142	366	-223	-61%
<b>Property result</b>	<b>40,276</b>	<b>35,819</b>	<b>4,457</b>	<b>12%</b>
Property charges	-6,363	-3,907	-2,456	63%
General costs and other operating income and costs	-3,109	-3,011	-98	3%
<b>Operating result before result on portfolio</b>	<b>30,804</b>	<b>28,902</b>	<b>1,902</b>	<b>7%</b>
Result on disposals of investment properties	-4,123	72	-4,194	-5,849%
Changes in fair value of investment properties	8,924	29,014	-20,090	-69%
Other result on portfolio	-1,612	-6,440	4,828	-75%
<b>Operating result</b>	<b>33,994</b>	<b>51,548</b>	<b>-17,554</b>	<b>-34%</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-9,244	-3,750	-5,494	146%
Changes in fair value of financial assets and liabilities	-720	20,400	-21,120	-104%
Taxes	-750	-407	-343	84%
<b>NET RESULT</b>	<b>23,279</b>	<b>67,790</b>	<b>-44,511</b>	<b>-66%</b>
<b>Attributable to:</b>				
Group Shareholders	17,710	65,701	-47,991	-73%
Third parties	5,569	2,089	3,480	167%
<b>NET RESULT - Group share</b>				
<b>Note:</b>				
EPRA earnings	20,055	24,320	-4,264	-18%
Result on portfolio	-1,625	20,981	-22,606	-108%
Changes in fair value of financial assets and liabilities	-720	20,400	-21,120	-104%

NUMBER OF SHARES	30-6-2023	31-12-2022	30-6-2022
Number of shares at end of period	29,880,473	29,235,067	26,577,334
Number of shares entitled to dividend	29,880,473	29,235,067	26,577,334
Weighted average number of shares	29,370,567	26,664,878	26,357,415
<b>RESULT PER SHARE - Group share</b>			
Net result per share (€)	0.60	1.94	2.49
EPRA earnings per share (€)	0.68	1.71	0.92

## Decrease EPRA EPS year-on-year (€ -0,24)

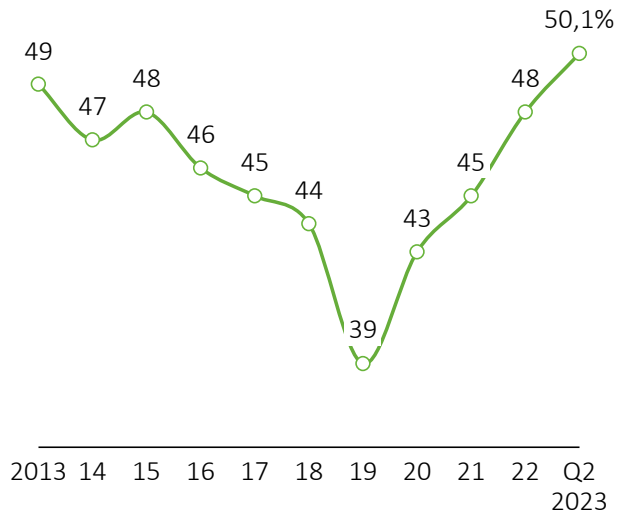
- Break-up fee received in 2022 (€ -0,10)
- Increase recurring rental income (€ 0,25)
- Rising interest expenses (€ -0,19)
- Change number shares (discretionary dividend + ABB) (€ -0,08)
- Increase in costs:
  - › Severance payment to previous CEO
  - › Major OPEX works
  - › Higher personnel costs

## € 8,9 million changes in fair value of investment properties

- € 17,9 million (or 3%) increase in logistics portfolio BE
- € -0,5 million (or -0,1%) decrease in logistics portfolio NL
- € -8,5 million (or -2,0%) decrease in existing office portfolio

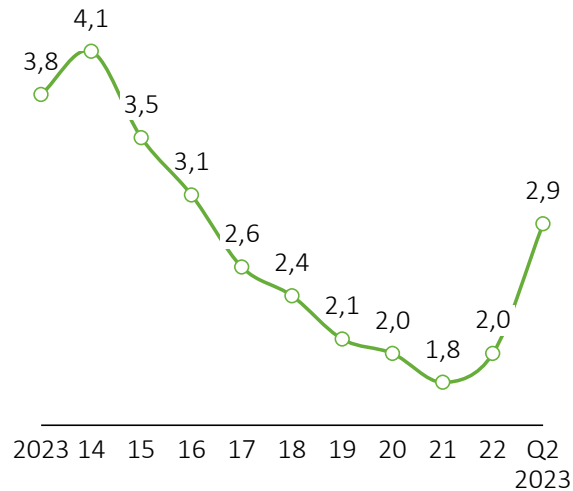
# Solid financial position with decreasing financing costs

Debt ratio (%)



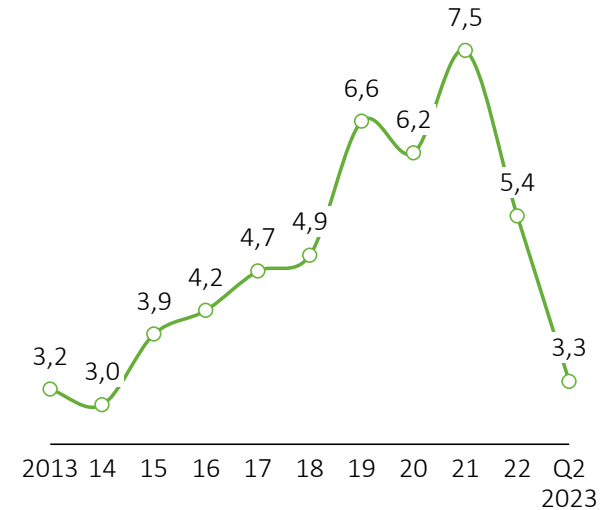
› 50,1% debt ratio Q2 2023

Average interest rate (%)



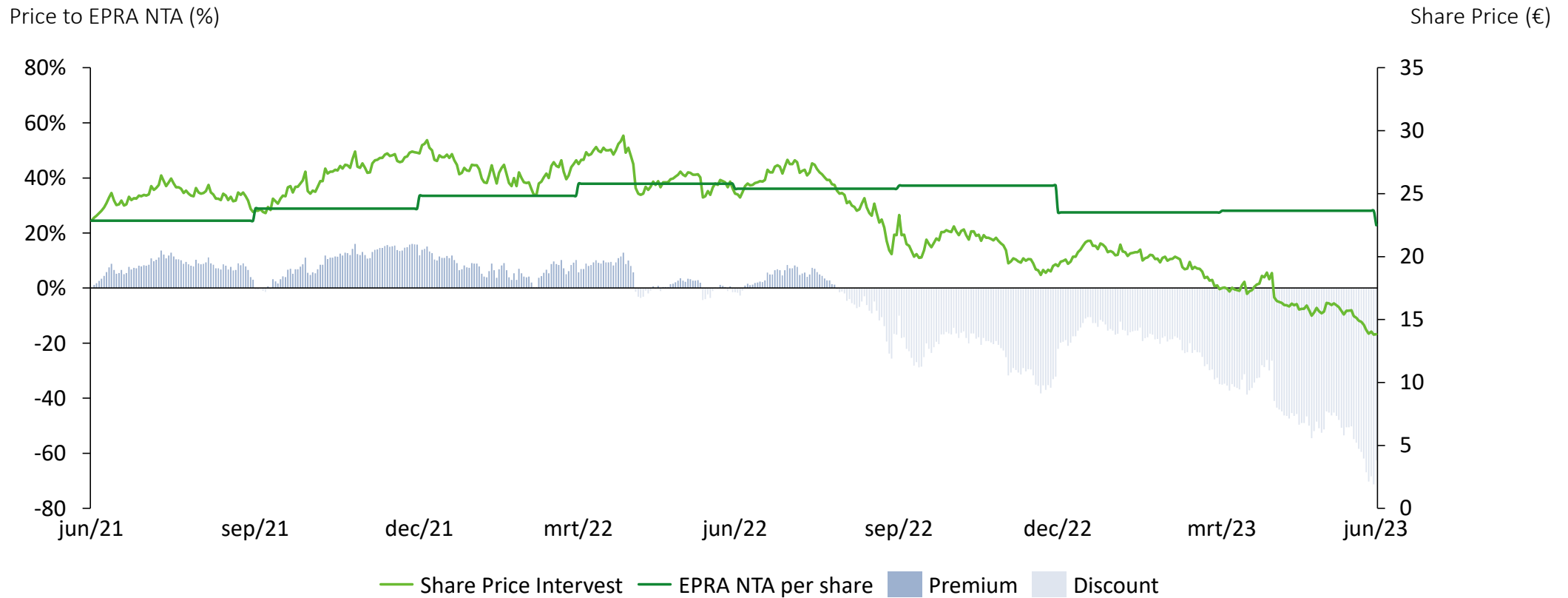
› 2,9% average interest rate Q2 2023

Interest coverage ratio



› 3,3x interest coverage ratio Q2 2023

# Share price to EPRA NTA



30/06/2023:

- › EPRA NTA € 22,49
- › Share price € 13,84

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“ As your real estate partner,  
Interinvest goes beyond real estate



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