

# Montea

## Space for Growth

Q3 2019



# 1. Highlights

2. Ambitious 2019

3. About Montea



# Key investment highlights

—— Developing investor in logistics hubs

- ◆ **High quality fundamentals – Q3 2019**
  - ◆ Top locations in **Belgium, the Netherlands and France**
  - ◆ **€ 202 million** YTD portfolio growth to **€ 1.114 m**
  - ◆ **98,6%** occupancy rate and **8,1y** residual lease duration
  - ◆ **40,8%** debt ratio => **€ 368 m shooting capacity to 55%** debt ratio
  
- ◆ **Expected Solid Growth – YE 2019**
  - ◆ **Towards € 3,25** EPS (+ 10% compared to 2018), **towards € 2,50** DPS (+ 10% compared to 2018)
  - ◆ Further portfolio growth above **€ 1.130 m** by YE 2019 (+ > 20% compared to 2018)
  - ◆ Stable portfolio fundamentals

1. Highlights

**2. Ambitious 2019**

3. About Montea



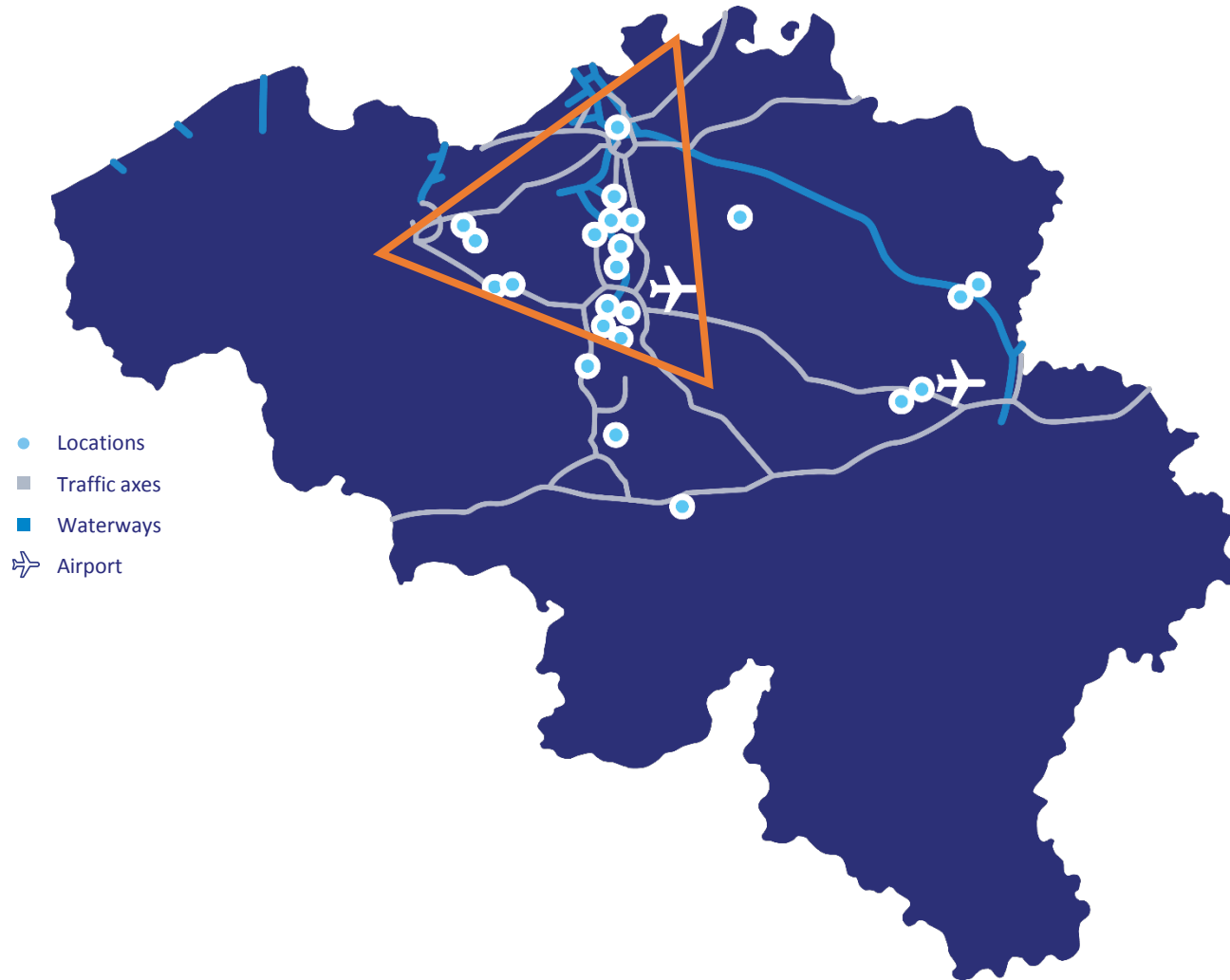
# Main objectives for 2019

	Actuals	Outlook	Check
	Q3 – 2019	Full year 2019	
◆ EPRA result per share growth	-	Towards +10%	✓
◆ DPS growth*	-	In line with EPS growth =>towards +10%	✓
◆ Portfolio size	€ 1.114 m	> € 1.130 m	✓
◆ Occupancy rate	98,6%	> 97,5%	✓
◆ Average residual lease term	8,1 years	> 7,5 years	✓
◆ Average cost of debt	2,2%	2,2%	✓

\* based on pay-out ratio of 80%

# Total portfolio Q3 '19: € 1.114 m

(of which € 1.056 m standing investments, € 46 m developments and € 12 m solar panels)



**Belgium: 49%** (based on FV)

Nr of sites	33
M ('000)	689
Fair Value	€ 513 m
Yearly Rent	€ 34 m
Gross yield	6,7%
Occupancy	99,8%

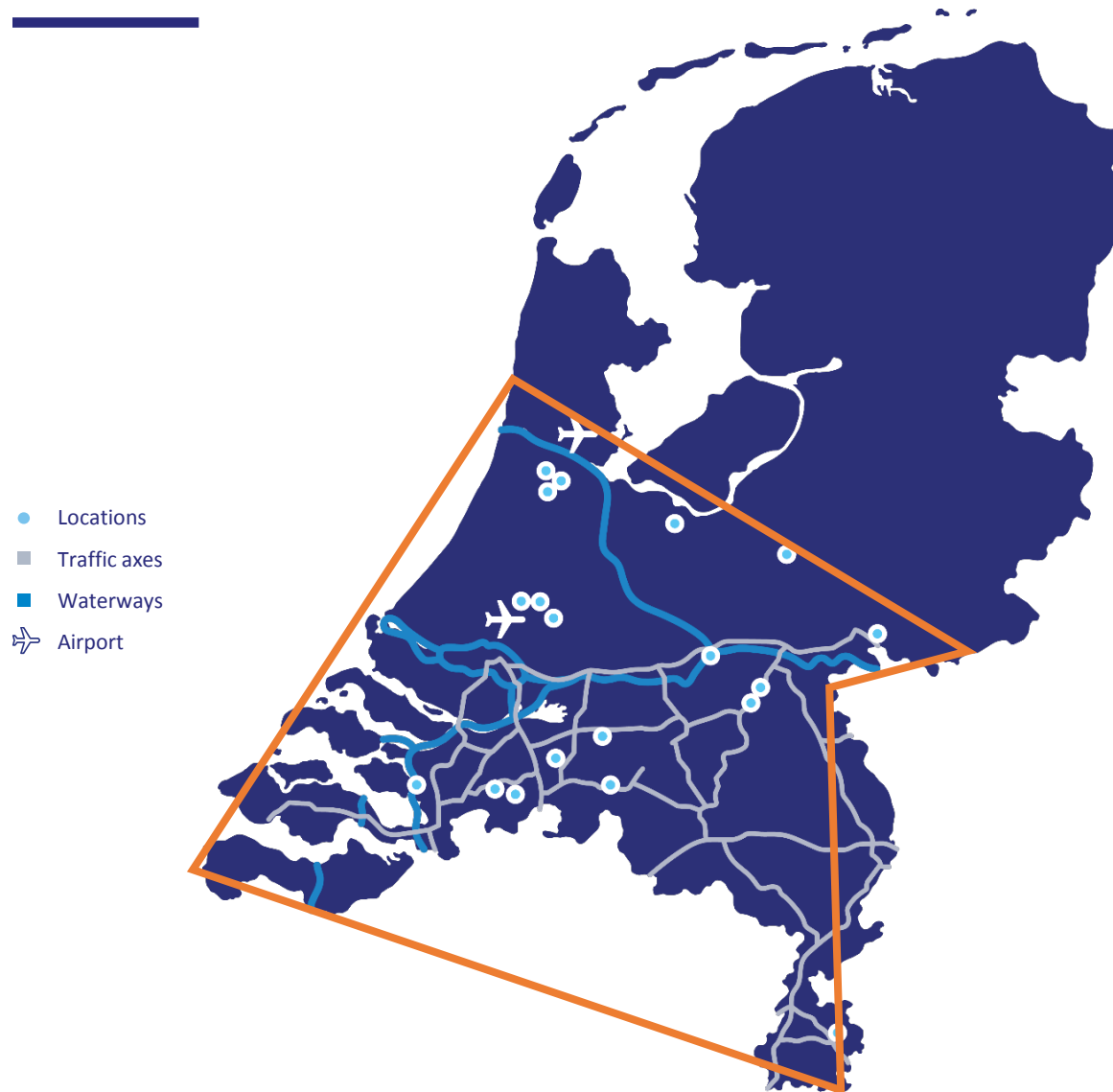
Note: FV stands for fair value of standing investments, incl. concession lands

Note: Information includes only standing investments, incl. concession lands

Note: Gross Yield is the Yearly Rent (= Rental income at 100% occupation) divided by the Fair Value

# Total portfolio Q3 '19: € 1.114 m

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## The Netherlands: 37% (based on FV)

Nr of sites	19
M ('000)	472
Fair Value	€ 394 m
Yearly Rent (€m)	€ 23 m
Gross yield	6,0%
Occupancy	98,2%

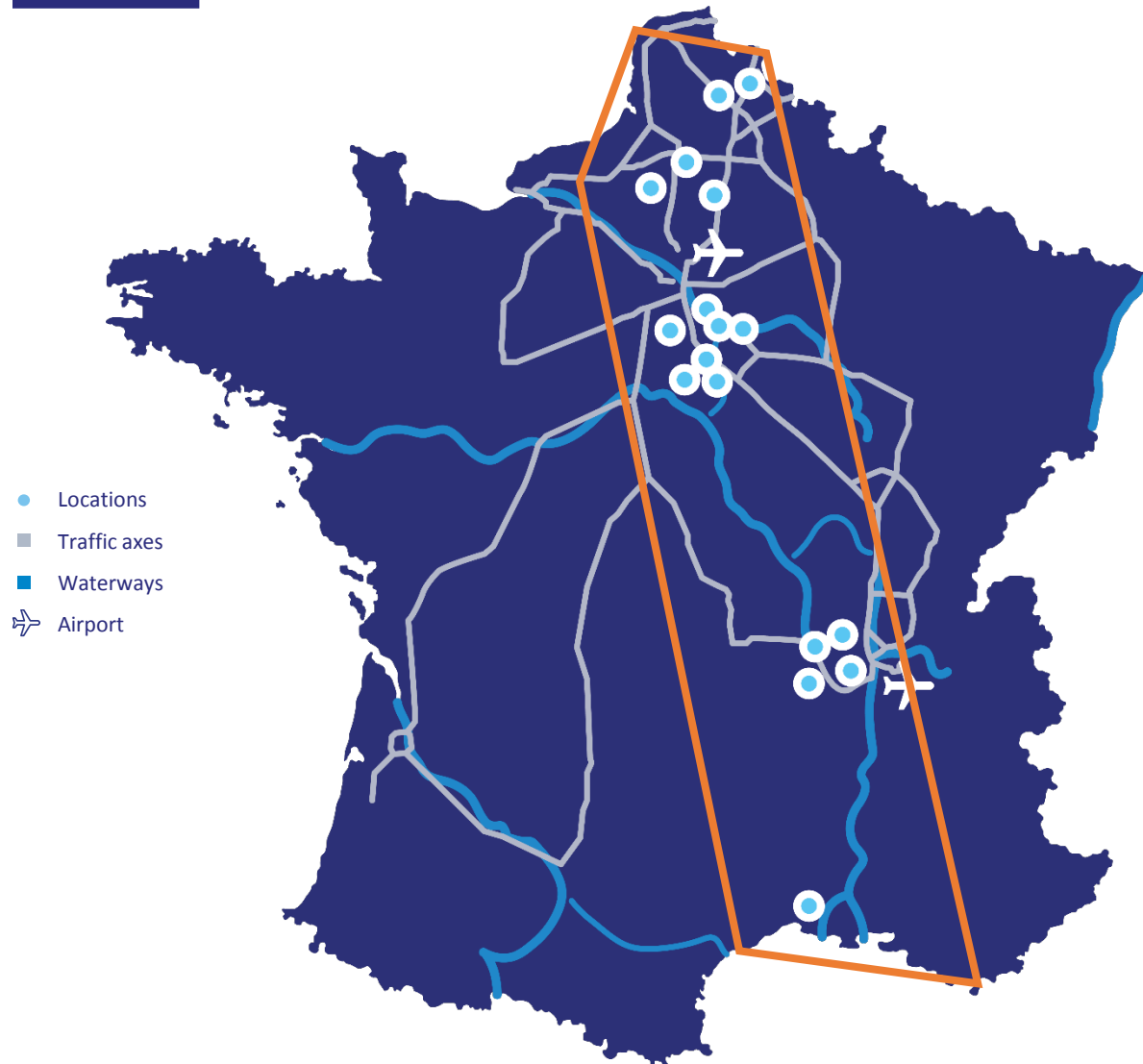
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France: 14% (based on FV)

Nr of sites	15
M ('000)	172
Fair Value	€ 149 m
Yearly Rent	€ 9 m
Gross yield	6,2%
Occupancy	95,2%

Note: FV stands for fair value of standing investments, incl. concession lands

Note: Information includes only standing investments, incl. concession lands

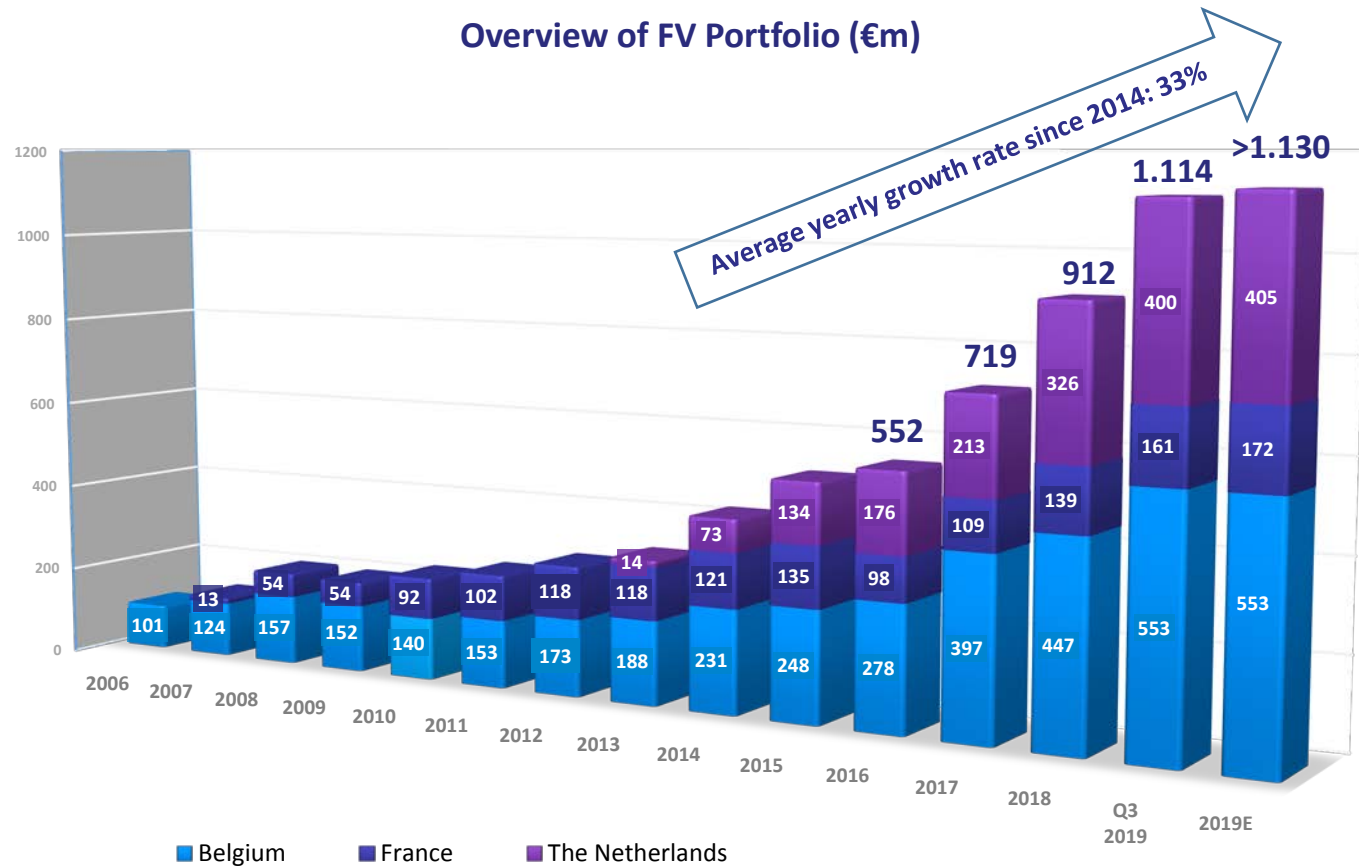
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# Total portfolio Q3 '19: € 1.114 m

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Overview of FV Portfolio (€m)

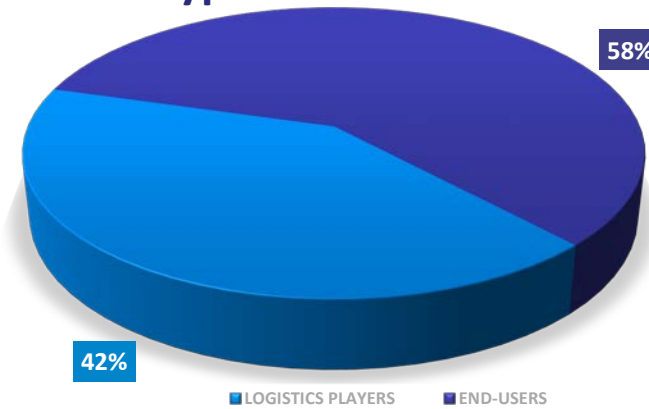


# High qualitative client portfolio

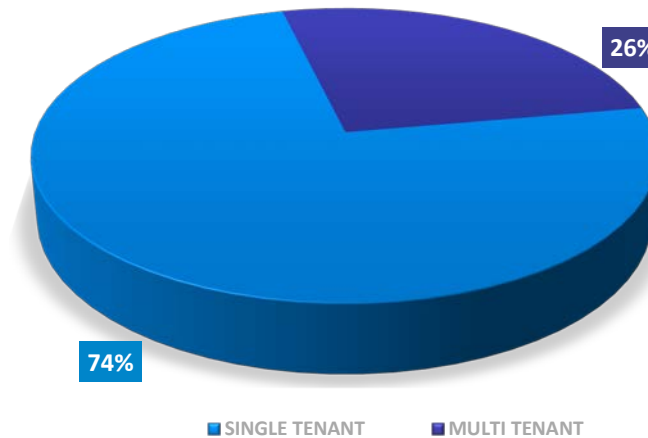


Top clients in various sectors

Type of customer



Type of tenant

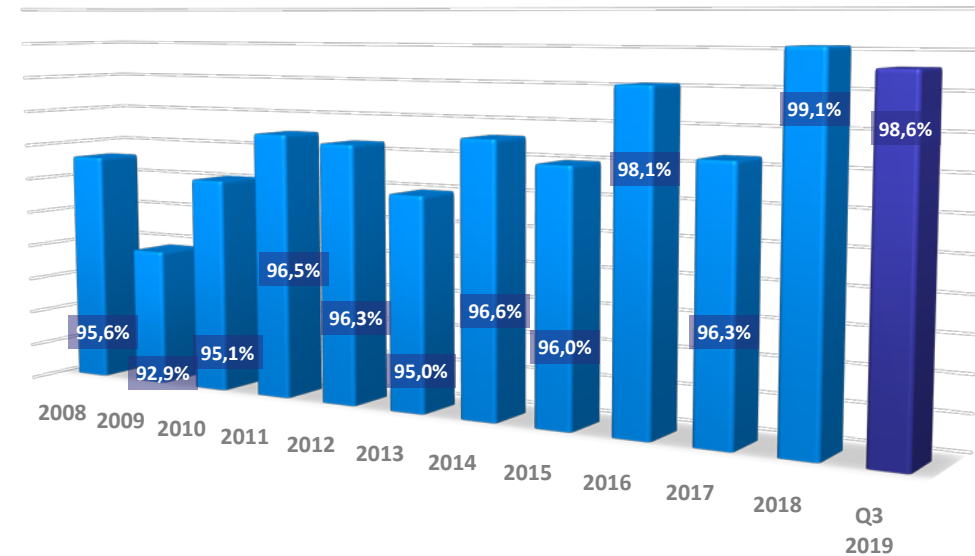


# Occupancy rate & rental activity

## ◆ Portfolio Management

- ◆ **5,6%** of the YE 2018 current rent had a break or contract end in 2019, representing € 3,4 m in rental value
- ◆ **80%** success rate was to date already realised in extending or renting to new tenants, representing € 2,8 m in rental value

Occupancy rate (%)

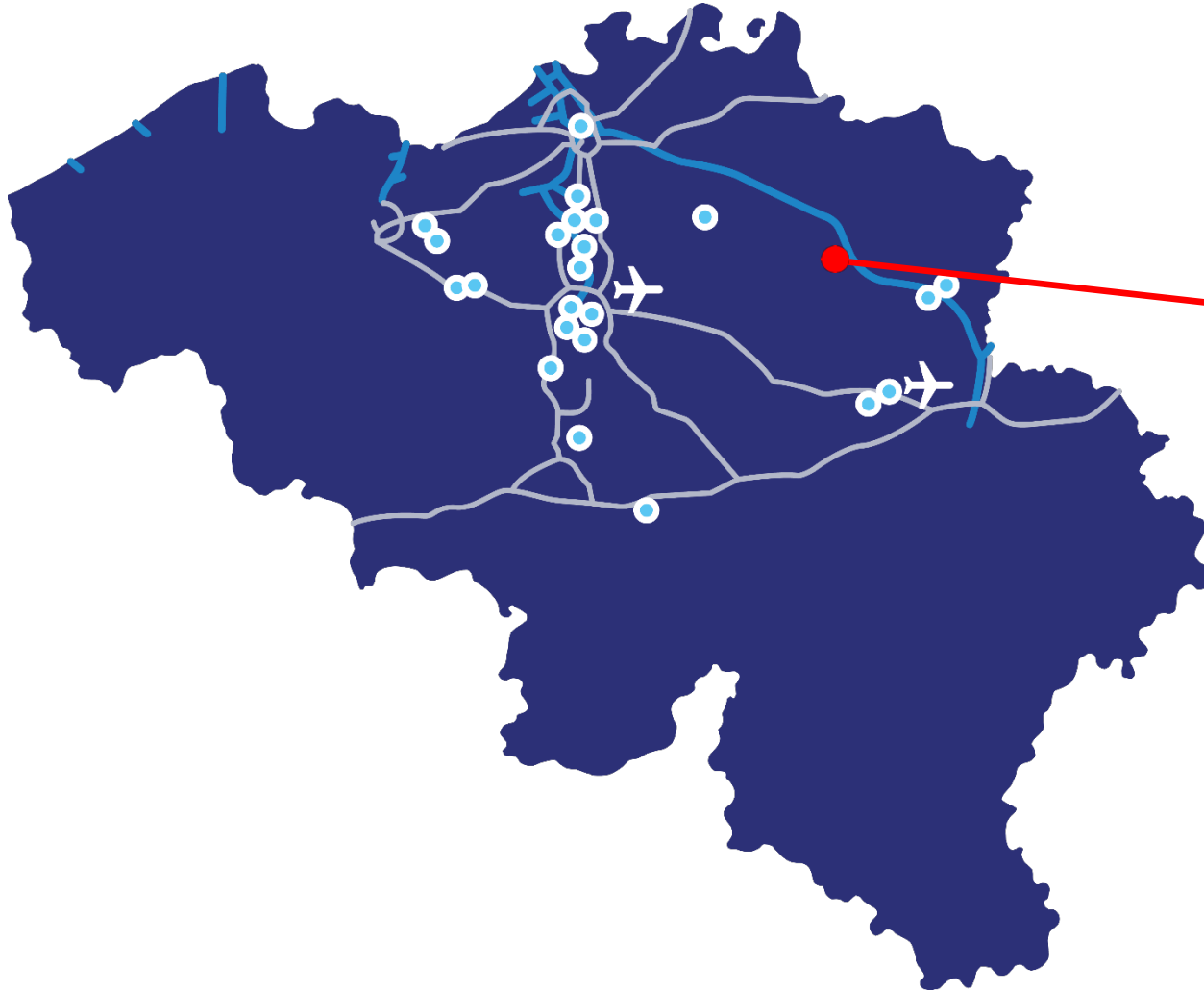


Occupancy: 98,6%

Target: > 97,5%

# Portfolio update – Ongoing Build-to-Suit Projects

— Belgium



## Lummen

- The purchase of 5,5 hectare plot of land was combined with a sale-and-rent back transaction of ca. 10.400 m<sup>2</sup> adjoining industrial buildings let to Bosal Emission Control Systems for a fixed term of 16 year
- Total investment value of ca. € 14,5 million (development of the new build-to-suit project on the plot of land excluded)
- Build-to-suit project of ca. 35.000 m<sup>2</sup> to be realized on the purchased plot of land (after commercialization).
- Strategic location near the Lummen interchange (between the E314 and E314)

# Portfolio update – Ongoing Build-to-Suit projects

## The Netherlands



### Etten-Leur

- Redevelopment of a 37.520 m<sup>2</sup> brownfield to sustainable space for logistics building
- Total investment value (including the overall clean up and preparation for construction) of ca. € 5,5 million.
- Build-to-suit project of ca. 24.500 m<sup>2</sup> to be realized on the purchased plot of land (after commercialization)
- Strategic location between Breda and Roosendaal, with direct connection to the A58 motorway (Exit 19)
- Ideally located for logistics activities



### Schiphol Airport

- Purchase of a 21.500 m<sup>2</sup> plot of land
- Investment value of ca. € 4,5 million
- Build-to-suit project of ca. 10.600 m<sup>2</sup> to be realized on the purchased plot of land (after commercialization)
- Schiphol Logistics Park has a unique location directly next to Rijksweg A4 and N201 as well as nearby the A5 and A9.



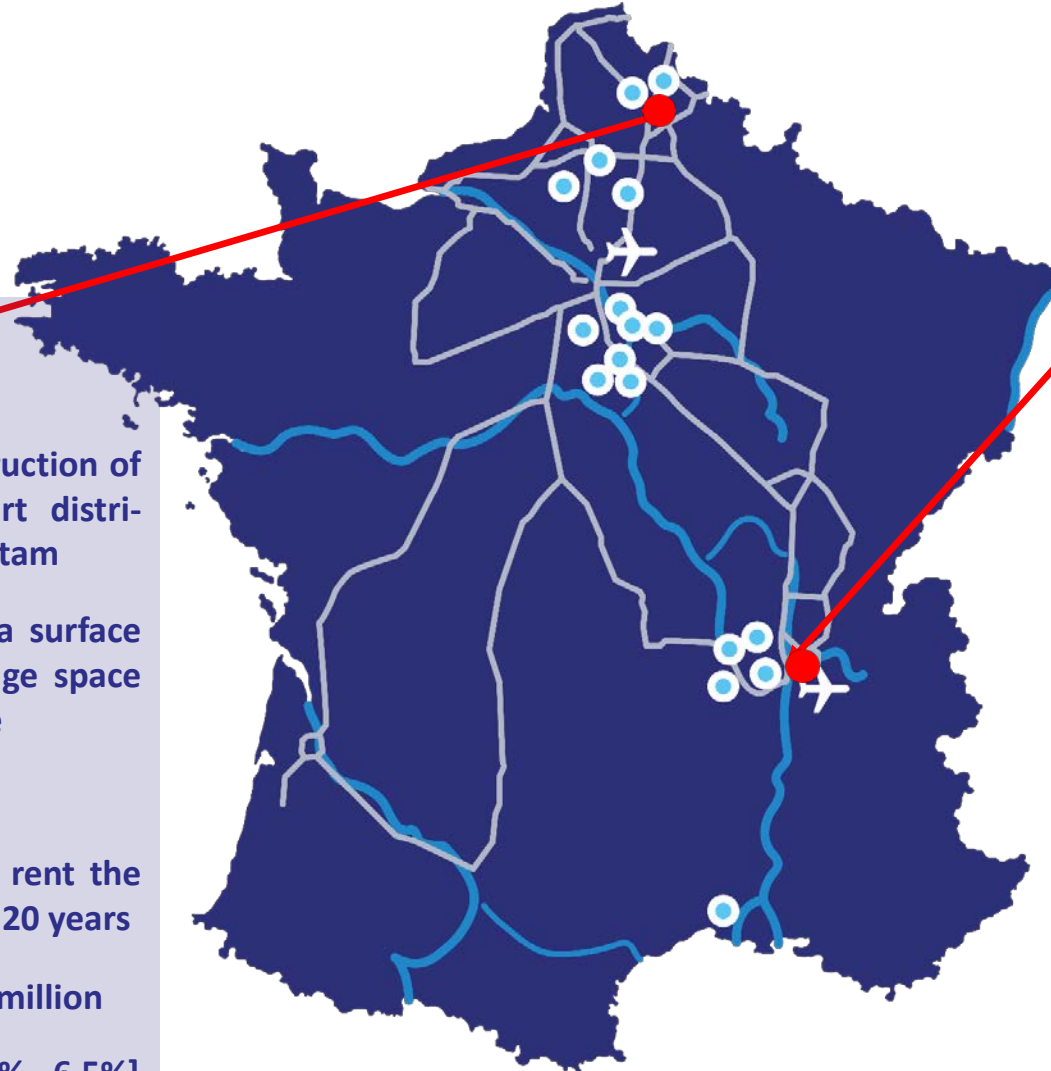
# Portfolio update – Ongoing Build-to-Suit Projects

## France



### St.Laurent-Blangy

- Montea launched the construction of a 35.000 m<sup>2</sup> state-of-the-art distribution centre for Unéal-Advitam
- The building will comprise a surface area of ca. 33.000 m<sup>2</sup> storage space and ca. 1.900 m<sup>2</sup> office space
- Expected delivery: Q2 2020
- Tenant 'Unéal-Advitam' will rent the building for a fixed period of 20 years
- Investment value of ca. € 19 million
- Expected net yield on cost [6% - 6,5%]



### Meyzieu

- Launch of a build-to-suit project of 9.800 m<sup>2</sup> for Auto Chassis Int. (Renault) in Meyzieu, close to the St Exupéry Airport of Lyon
- Expected delivery: Q2 2020
- Tenant 'Auto Chassis Int. (Renault)' will rent the building for a fixed period of 9 years
- Investment value of ca. € 11 million
- Expected net yield on cost [7,5% - 8,5%]

# Portfolio update – Delivered projects in Q3 2019

## The Netherlands



### Waddinxveen

- Built-to-suit project of ca. 21.400 m<sup>2</sup> delivered in Q3 2019
- Tenant 'Isero IJzerwaren BV' signs a triple net 15-year lease for 12.800 m<sup>2</sup>
- The remainder (8.600 m<sup>2</sup>) to be let
- Total investment value of ca. € 21 mio
- Net yield on cost: 6,6%
- Strategic location at Logistics Park A12 in Waddinxveen (between Rotterdam & Amsterdam)



### Heerlen

- Extension project for existing tenant of ca. 23.800 m<sup>2</sup> delivered in Q3 2019
- Tenant = DocMorris (100% let)
- 15- year triple net lease
- Total investment value of € 23,5 mio
- Net yield on cost: 6,4%
- A connecting corridor will link this extension to the existing site (ca. 35.500 m<sup>2</sup> in total)
- Gateway to Germany

# Portfolio update – Divestments

— The Netherlands



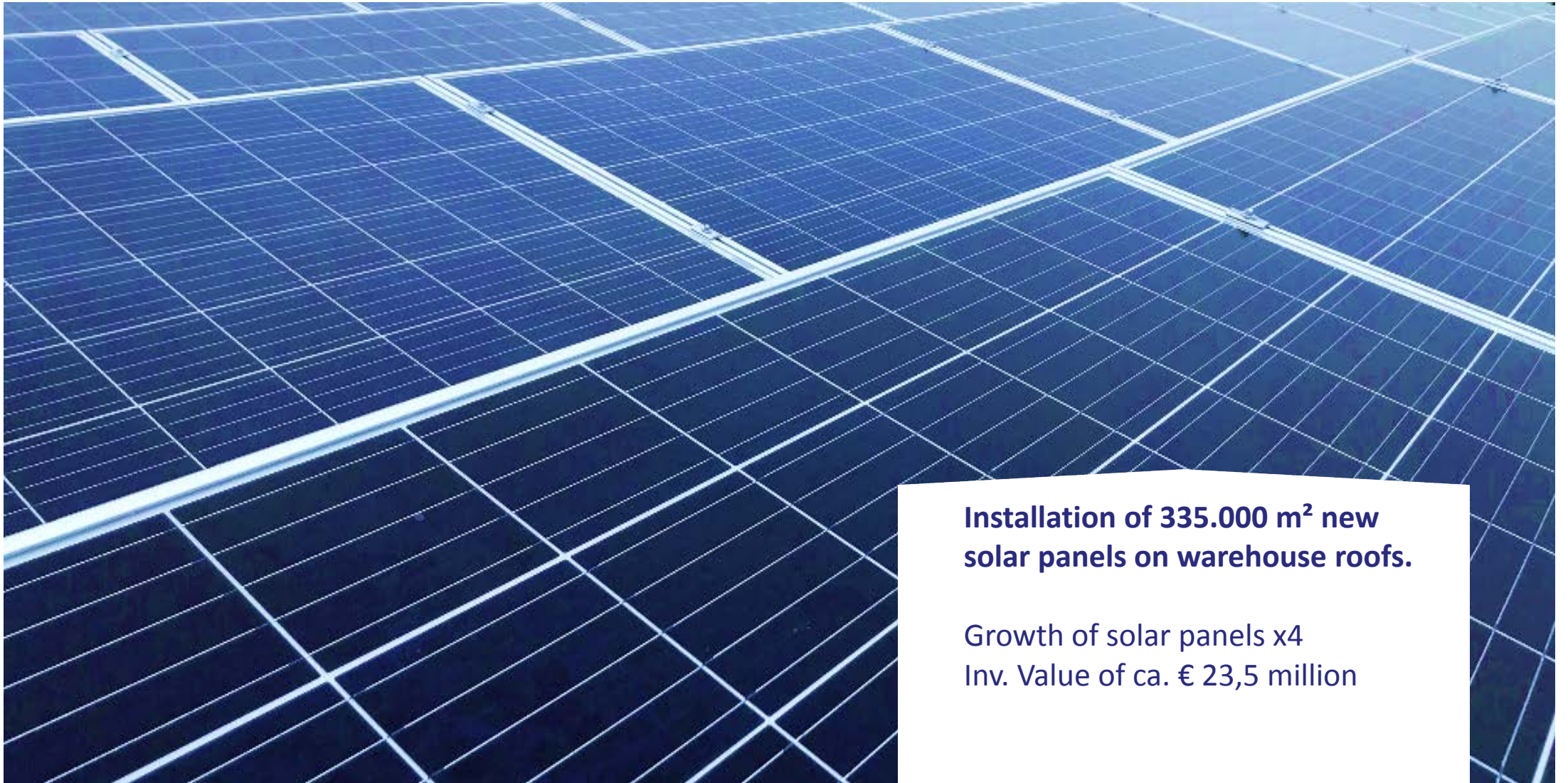
**'s Heerenberg**

- 12.000 m<sup>2</sup> (100% let)
- Tenant 'JCL Logistics'
- Remaining lease term of 12,5y
- Sold to Aberdeen
- Divestment value of € 24 mio based on an initial return of 5,4%



# Portfolio update – Solar panels

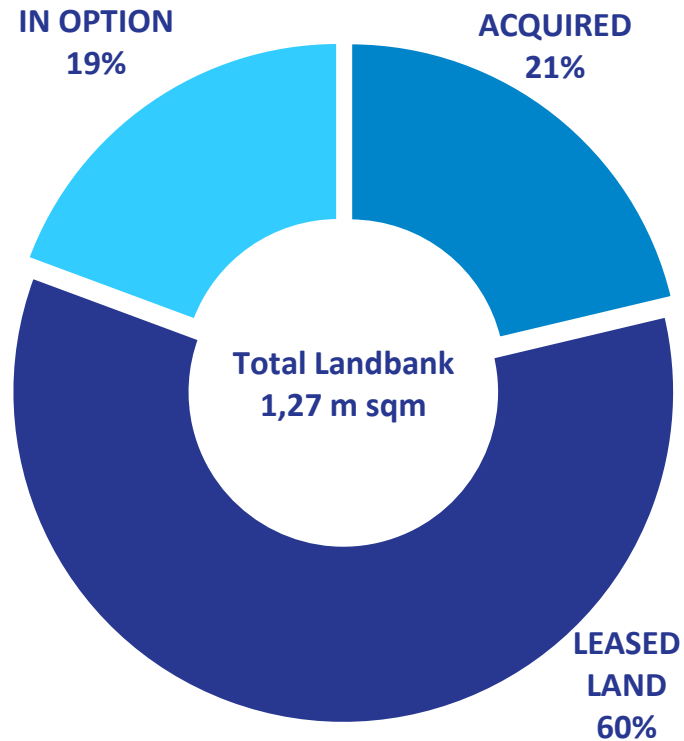
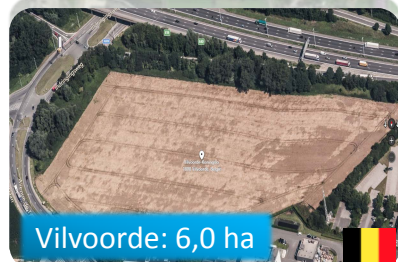
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**Installation of 335.000 m<sup>2</sup> new solar panels on warehouse roofs.**

Growth of solar panels x4  
Inv. Value of ca. € 23,5 million

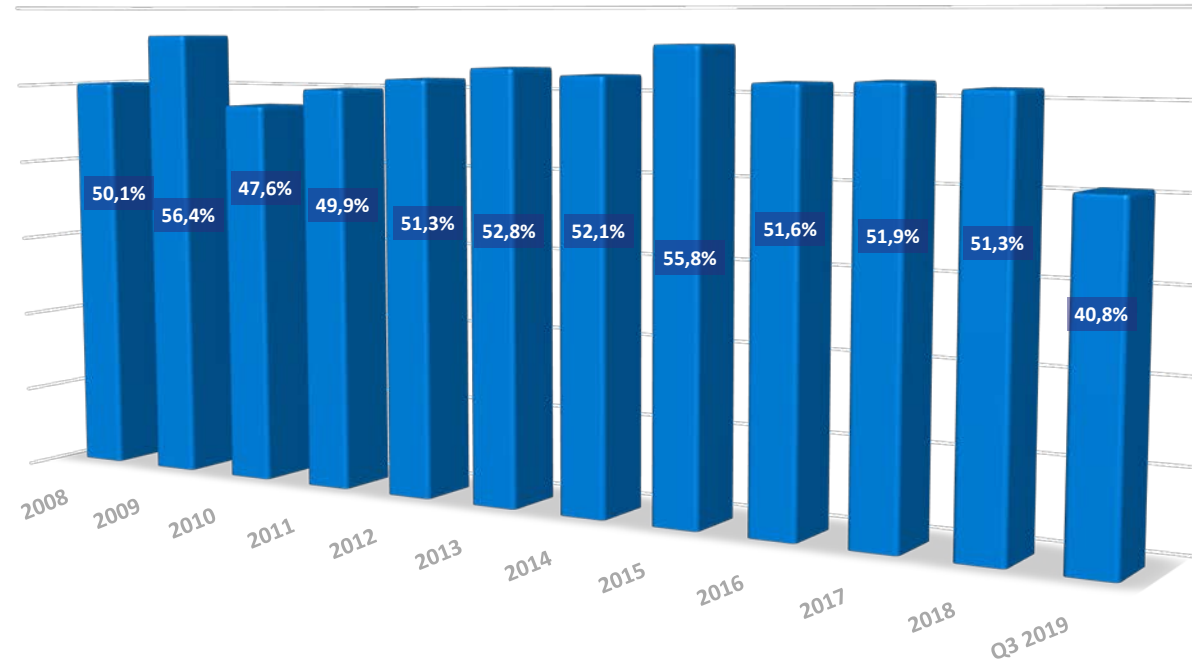
# Land bank



Total land bank: 1.270.000 sqm  
↓  
Development potential: > 635.000 sqm  
=  
extension of current portfolio with > 45%

# Strong balance sheet

Debt ratio (%)



**51,3%**  
31/12/2018  
↓  
**40,8%**  
30/09/2019

## Debt ratio

**Target: c. 55%**

Shooting Capacity of € 368 m towards 55%

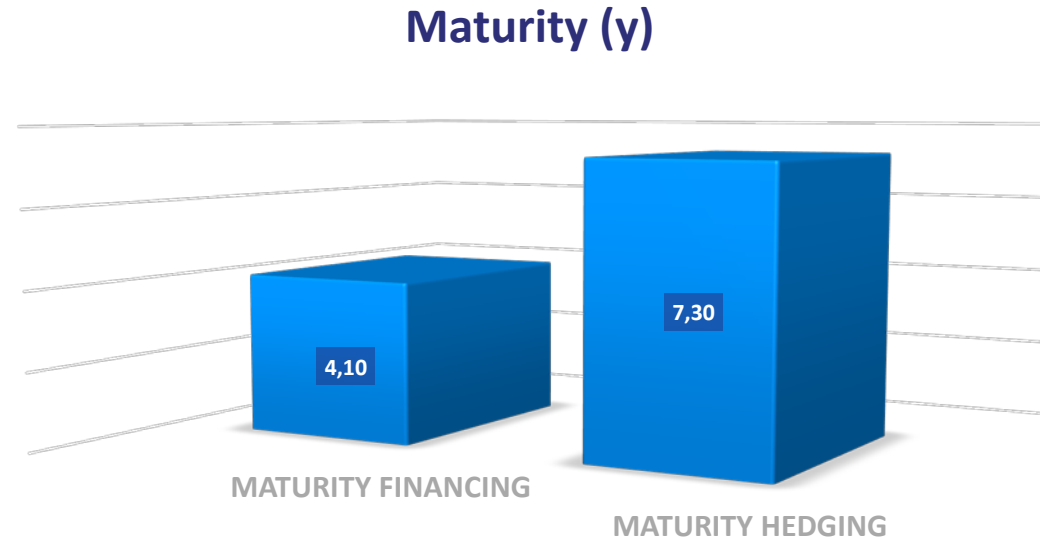
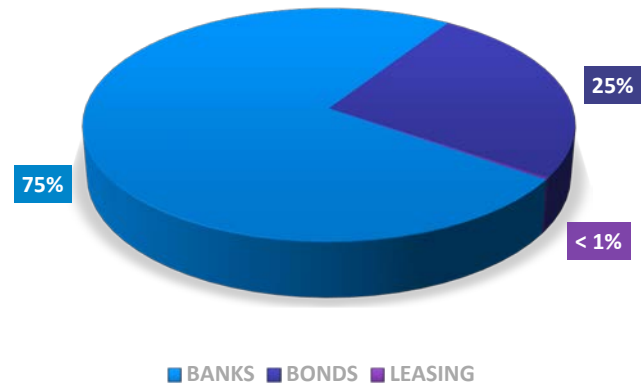
Shooting Capacity of € 560 m towards 60%

without taking into account further portfolio revaluation



# Well diversified long term financing

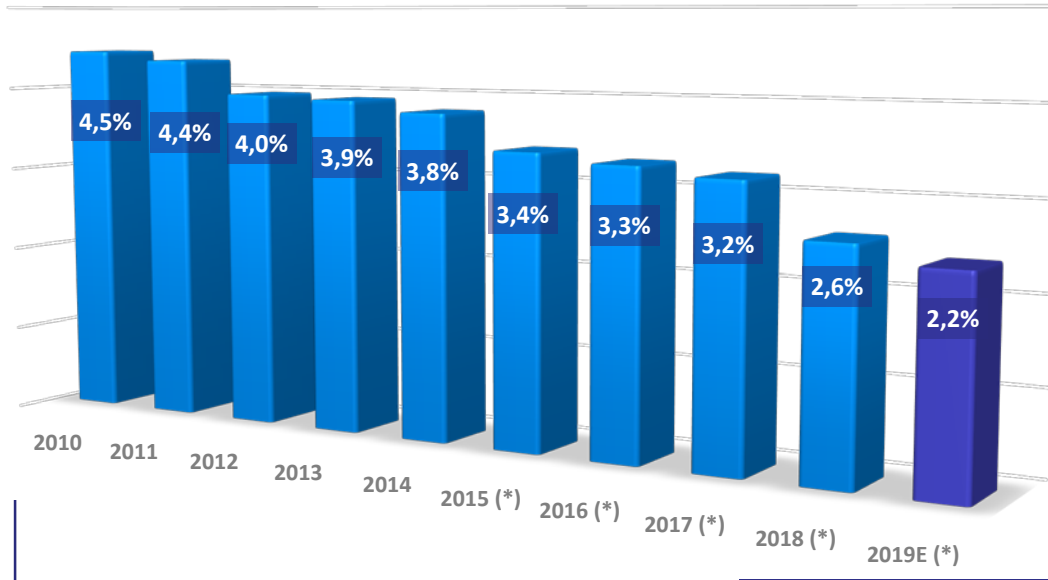
(as per 30/09/2019)



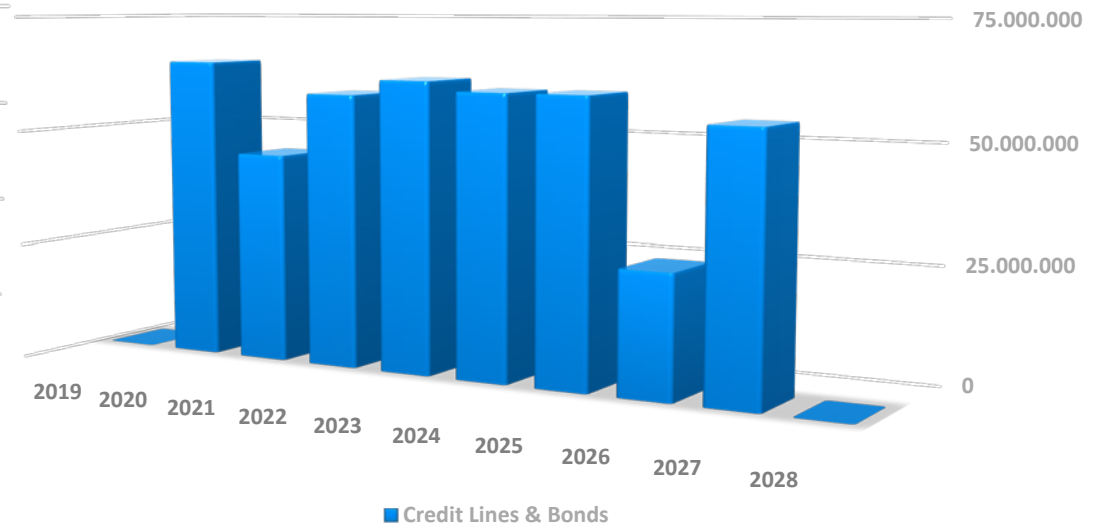
**Financing sources & maturities**

# De-risked credit lines

Cost of Debt (%)



Maturity credit lines & bonds (30/09/2019)

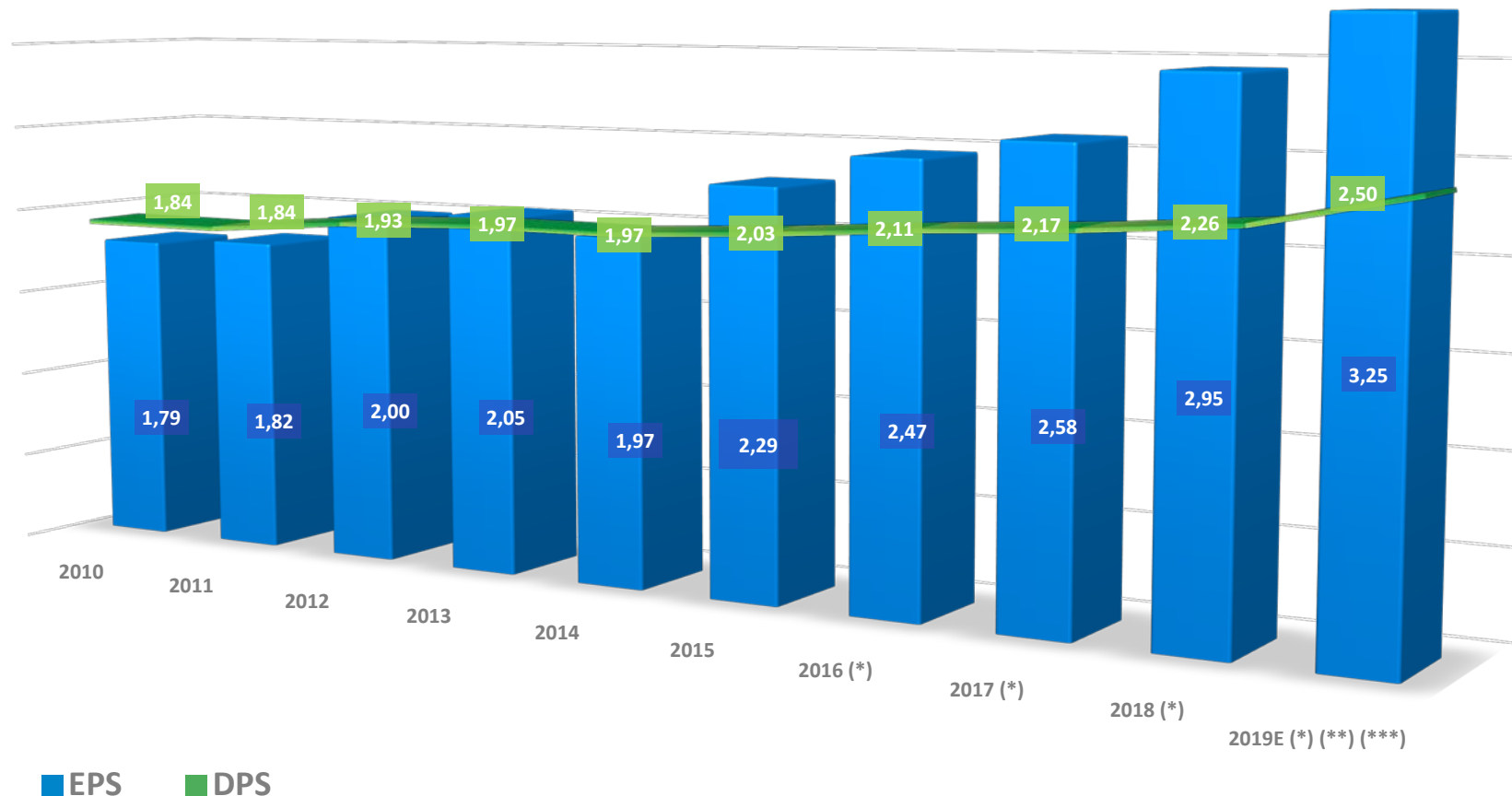


**De-risked credit lines**

**Cost of Debt target:  
2,2%**

# Outlook 2019: EPS and DPS towards +10%

Evolution of EPRA result per share\* & Dividend per share (€)



(\*) As of 2016: EPRA result per share instead of Net Current Result

(\*\*) DPS subject to General Shareholders' Meeting in May 2020

(\*\*\*) Number of shares as per 31 December 2019 equal to: 1) existing shares 2) new shares resulting from capital increase 3) New shares resulting from optional dividend

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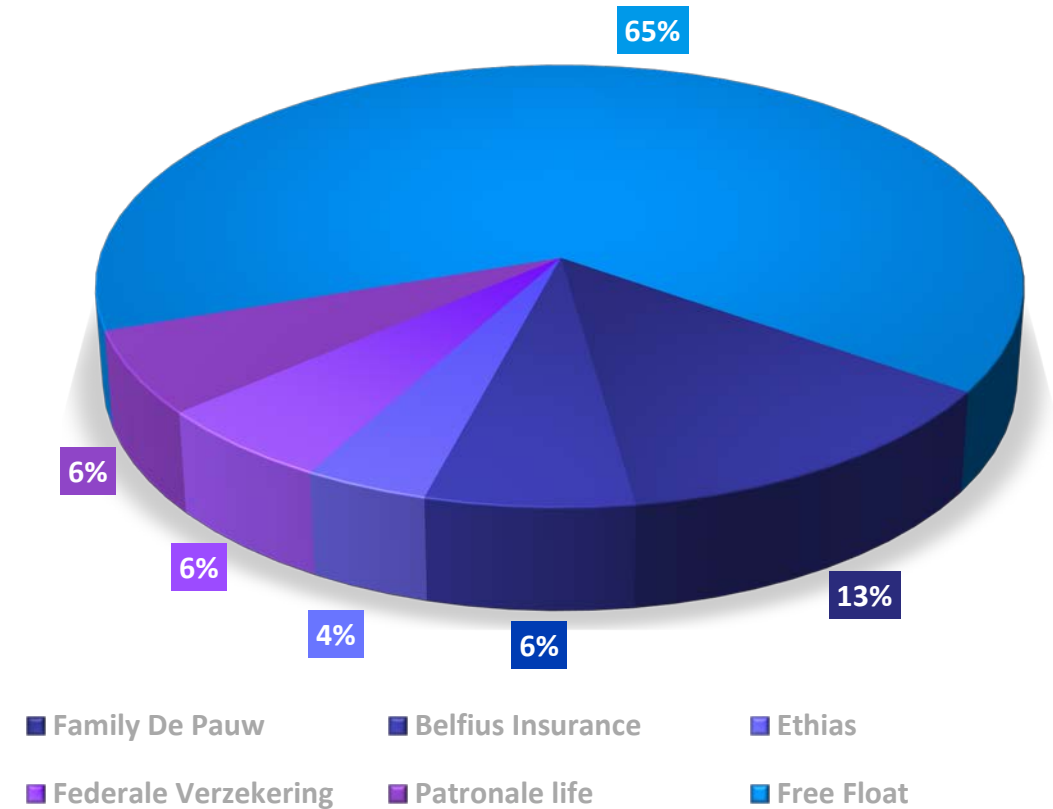


# About Montea

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- ◆ Montea is the result of Pierre De Pauw's lifework, who has been one of the Belgian pioneers in logistic real estate since the late 1960s
- ◆ The IPO of Montea in 2006 was the start of a strong growth path.
- ◆ Montea has a market cap of > € 1,2 billion  
(€ 1,2 billion as per 21/10/2019, based on a closing price of € 78,70)

## Shareholder base (based on transparency notifications)





# About Montea

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## Warehousing

- ◆ Land value has a higher share in the total value than in other asset classes
- ◆ Life cycle of warehousing > than other asset classes
- ◆ Renovation cost < than other RE asset classes

## Pure Player

- ◆ Ambition to be best in class through specialisation (Logistics, Real estate & Finance)
- ◆ Ambition to be top of mind towards other market players (logistic players, brokers, ...)

## End Investor

- ◆ No speculative development
- ◆ Long term vision with focus on quality & sustainability
- ◆ Attractive landbank

## Shareholder Return

- ◆ Strong dividend track record
- ◆ Supported by stable reference shareholder base

# What we believe in...

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**Sustainability**

**Partnership**

**Society**

**Maximize  
value**

## Belgium (HQ)

Industriezone III Zuid  
Industrielaan 27 Box 6  
9320 Erembodegem

+32 (0) 53 82 62 62

## France

18-20 Place de la  
Madeleine  
75008 Paris

+33 (0) 1 83 22 25 00

## The Netherlands

EnTrada  
Ellen Pankhurststraat 1c  
5032 MD Tilburg

+31 (0) 88 2053 888



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