



BEYOND  
REAL  
ESTATE

# Kempen & Co Virtual European Property Seminar

27 May 2021

# Today's presenters

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Gunther Gielen

*ceo*

- Intervest ceo since 2020
- Former Intervest board of directors
- Former managing director Belfius Insurance Invest
- 24 years of industry experience



Vincent Macharis

*cfo*

- Intervest cfo since 2021
- Former cfo Leasinvest Real Estate
- Former senior auditor EY
- 24 years of industry experience



# Agenda

1 Who we are



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2 Our strategy: #connect2022



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3 Financial overview



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4 Outlook



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5 Appendix



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# Who we are

# 1

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Intervest Offices & Warehouses is a listed real estate company active in the market of offices and logistics buildings, with a robust growth plan based on a reorientation of the offices portfolio and an expansion of the logistics portfolio in Belgium and the Netherlands

1

Belgian B-REIT  
(GVV/SIR)

Euronext Brussels  
listed since 1999



2

€ 1.045 million  
portfolio  
fair value  
€ 230-270 million  
development  
pipeline



3

> 1.000.000 m<sup>2</sup>  
GLA



4

63% Logistics  
37% Offices



5

# 48  
in-house  
real estate team  
with a dedication  
for sustainability



6

Q1 2021 EPRA NTA  
per share

€ 23,63



7

Target dividend  
per share 2021

€ 1,53



8

Q1 2021  
debt ratio

41,5%



9

Q1 2021 average  
cost of debt

2,0%



10

EPS 2021E:  
€ 1,62 – 1,65

DPS 2021E:  
€ 1,53



## Key facts

- Founded in 1996
- Property investor, developer, manager & operator
- 2 complementary segments:
  - › Offices
  - › Warehouses
- Focus on Belgium & the Netherlands

# € 1.045 million core logistics and value-add offices portfolio

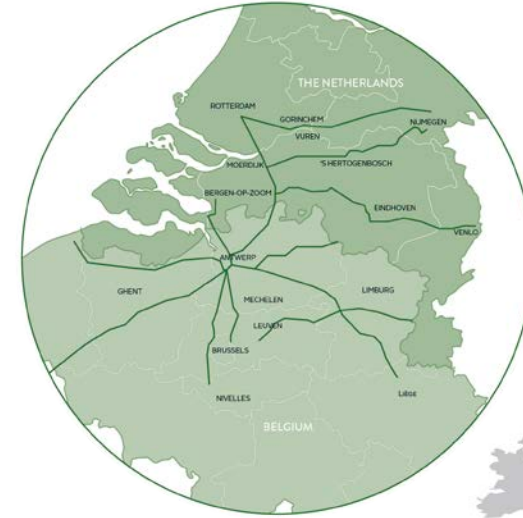


63%



## Logistics portfolio (NL & BE)

▪ The Netherlands	45%	310k m <sup>2</sup>
▪ Belgium	55%	490k m <sup>2</sup>
▪ Antwerp - Limburg - Liège	29%	239k m <sup>2</sup>
▪ Antwerp - Brussels - Nivelles	22%	213k m <sup>2</sup>
▪ Antwerp - Ghent - Lille	4%	38k m <sup>2</sup>



37%



## Office portfolio (BE)

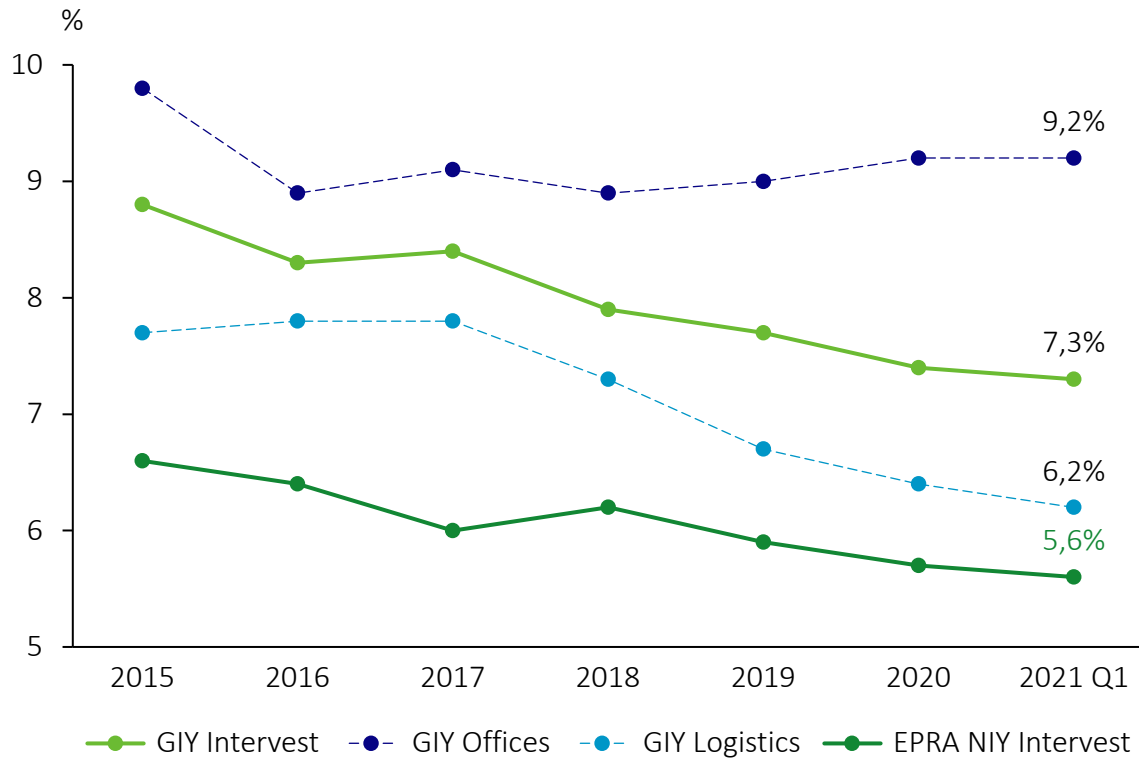
▪ Mechelen	45%	126k m <sup>2</sup>
▪ Antwerp <sup>1</sup>	23%	36k m <sup>2</sup>
▪ Brussels	22%	57k m <sup>2</sup>
▪ Leuven	10%	27k m <sup>2</sup>



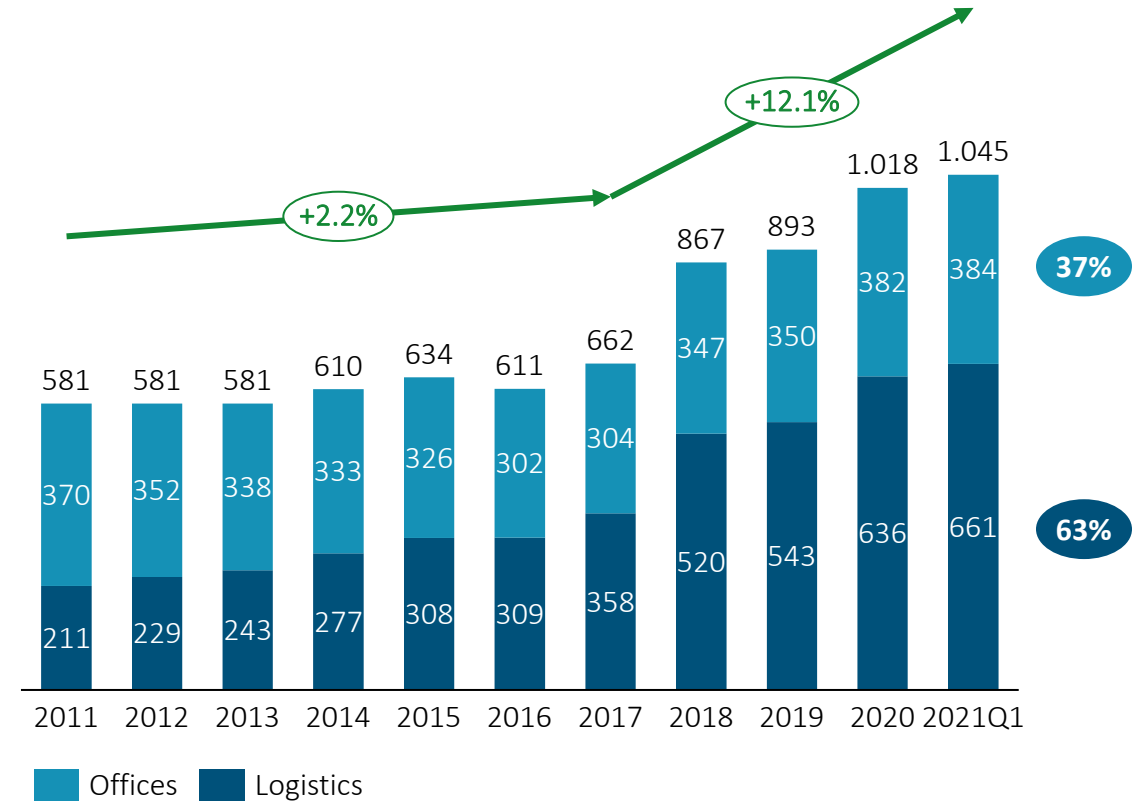
Percentages based on GAV

Note 1: Antwerpen Greenhouse Singel is included in GAV and excluded from area due to redevelopment of 15.000 m<sup>2</sup>

# Growing portfolio through acquisitions and yield compression

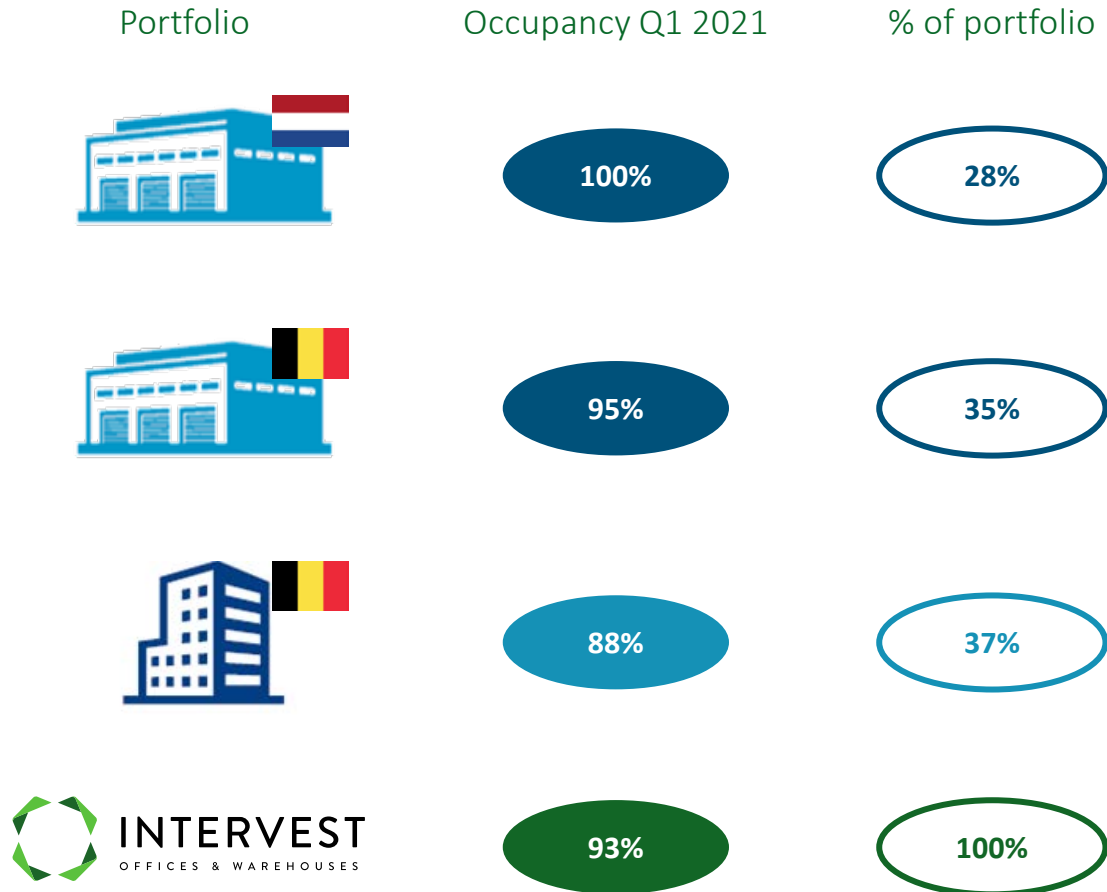


- › 5,6% EPRA Net Initial Yield
- › 7,3% Gross Initial Yield (including ERV vacancy)

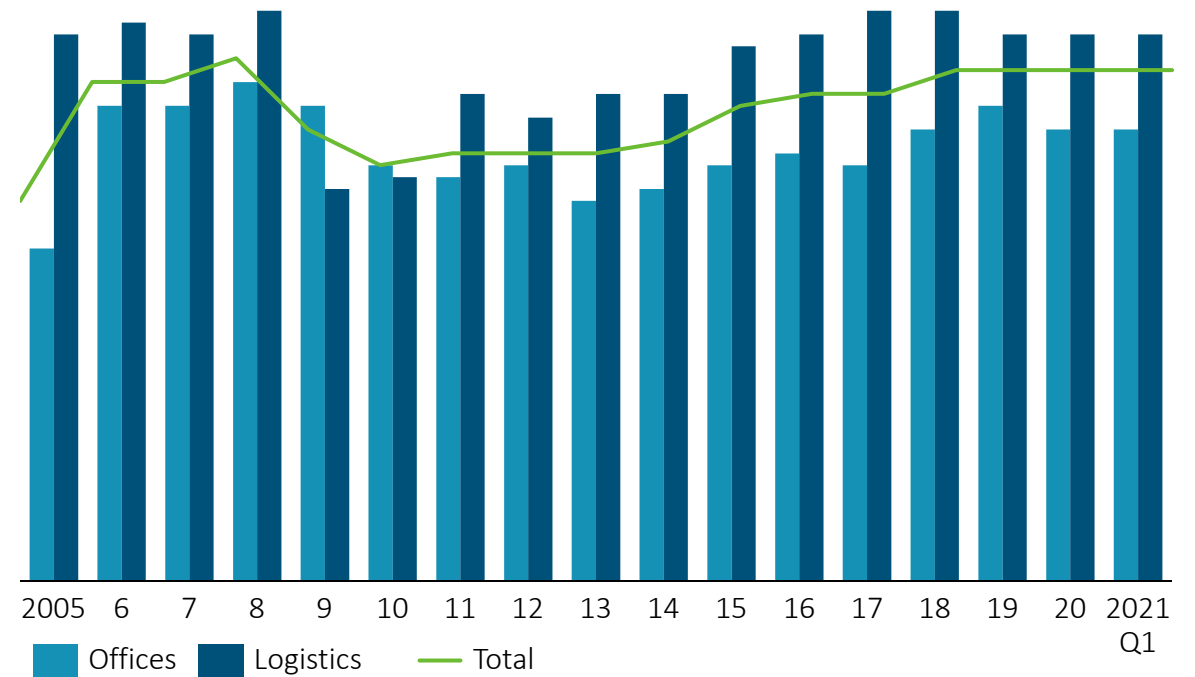


- › € 1.045 million real estate portfolio as per Q1 2021
- › 71% portfolio growth since 2016

# High logistics occupancy with growth potential in offices



Historical occupancy range

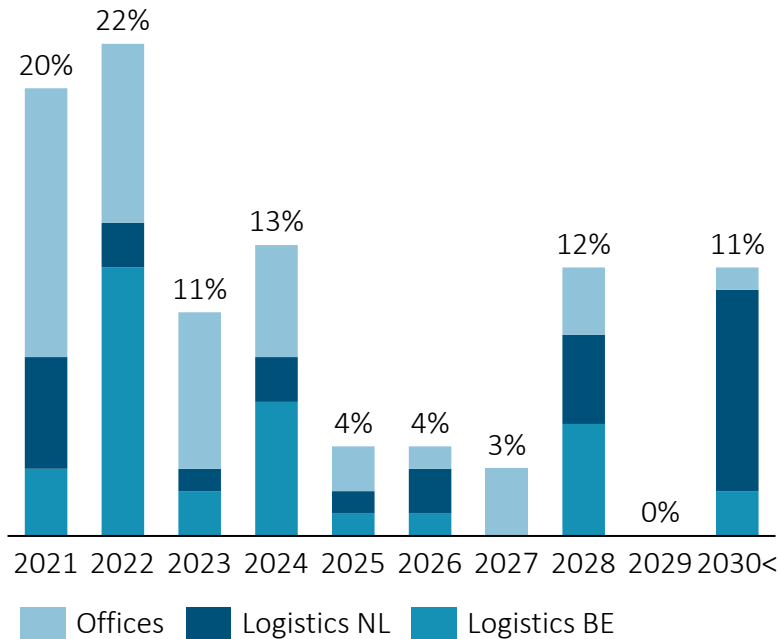


- > 90% Total 15-year average
- > 83 – 98% Logistics 15-year range
- > 82 – 92% Offices 15-year range



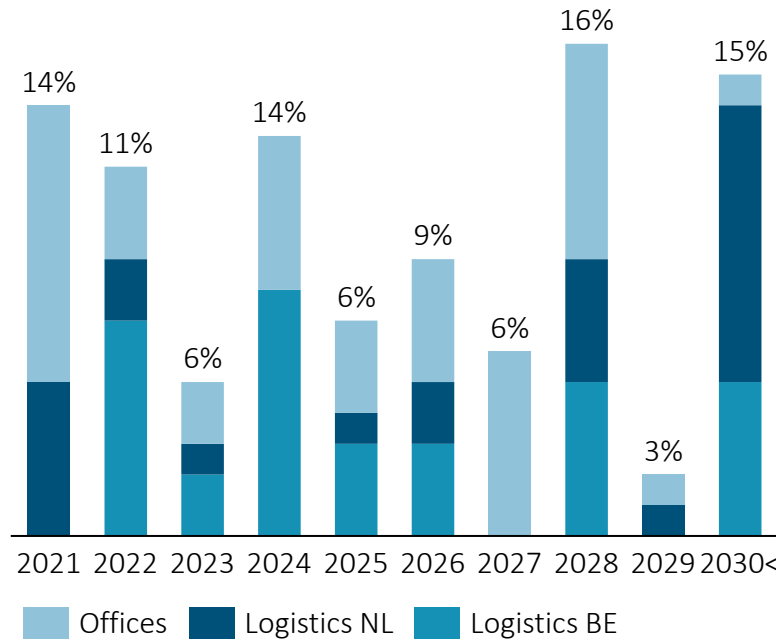
# Well spread lease maturities and limited tenant concentration

## Lease terms - first break dates



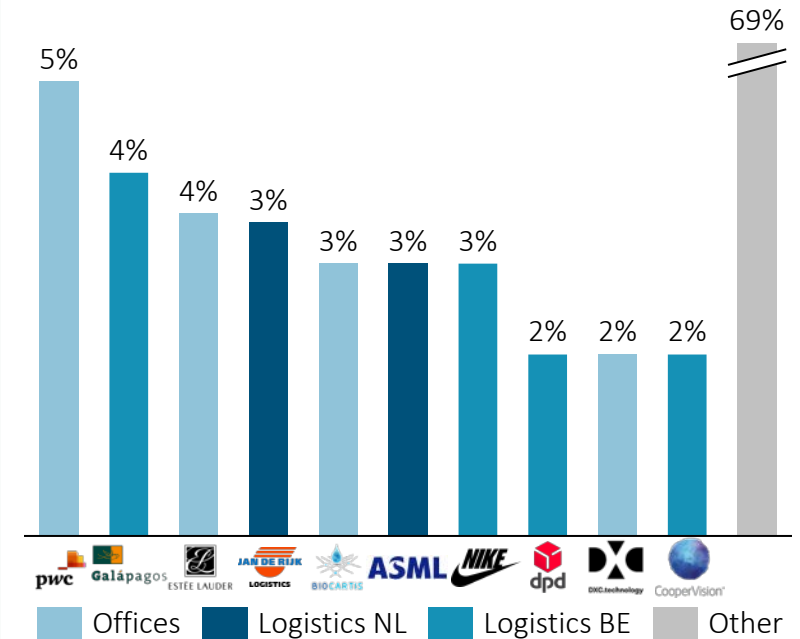
- › 4,6 years Logistics WALB
- › 2,8 years Offices WALB
- › 3,8 years Total WALB

## Lease terms - expiry dates



- › 5,6 years Logistics WALE
- › 4,3 years Offices WALE
- › 5,1 years Total WALE

## Major tenants



- › Limited tenant concentration
- › 31% of rent from top-10 tenants



# Why we believe in logistics real estate



- 1 ➤ Globalizing supply chains and reshoring of manufacturing
- 2 ➤ Changing consumer demand to omni-channel
- 3 ➤ Evolution of retail and importance of hubs in last mile delivery
- 4 ➤ E-commerce growth, including food
- 5 ➤ Increasing importance of urban agglomerations



# Why we believe in office real estate



- 1 ➤ Changing life cycle to living - working - living together - leisure
- 2 ➤ Labor scarcity demanding inspiring workplaces for quality staff
- 3 ➤ Drivers of future demand: location, flexibility, quality, technology
- 4 ➤ Fading asset class boundaries, intertwining offices and logistics



Our strategy:  
#connect2022

2

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Value creation

Sustainability

#connect  
2022

Team Interest

Customer oriented

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## Mission & Vision

To create value for its stakeholders generating solid and recurring cash flows on a well-diversified real estate investment portfolio with respect of ESG criteria

Client oriented to go *beyond real estate* and offer added value by unburdening clients

A trustful employer giving its employees a caring work environment where they can develop themselves to the full potential

# Strategic targets: #connect2022

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## Value creation

2019-2022

- 30% portfolio growth
- 10% EPRA EPS growth
- 5y average rental period
- Prolonged debt maturity
- Active asset rotation and (re)development

## Sustainability

2019-2022

- 100% sustainable electricity
- 80% solar PV on logistics assets
- 80% intelligent meters in portfolio
- 30% at least BREAAAM 'Very Good'
- Long-term relationships with all stakeholders

## Customer Oriented

- Improve customer loyalty: total years loyal to Interinvest
- Net Promoter Score implementation
- Organization aligned with customer needs (turn-key solutions)

## Team Interinvest

- In-house control over supply chain
- Sustainable employee motivation and well-being
- Attract & retain professional staff
- Entrepreneurship and responsibility

Value creation

Sustainability

#connect  
2022

Team Intervest

Customer oriented

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## Value creation targets

- 30% portfolio growth between 2019-2022
- 10% EPRA EPS growth between 2019-2022
- 5y average rental period
- Prolonged debt maturity
- Active asset rotation and (re)development

# € 230-270 million portfolio growth through (re)developments

Site	Segment	Type	Country	Status	Expected delivery	Potential GLA (m <sup>2</sup> )	BREEAM
Genk Green Logistics	Logistics	Development	BE	Ongoing, first tenant Q1 2021	2020-2025	225.000	Excellent
Herentals Green Logistics	Logistics	Development	BE	Ongoing	2021	45.000	Excellent
's-Hertogenbosch Rietvelden	Logistics	Development	NL	Ongoing	-	8.500	Outstanding
<b>Ongoing development projects</b>						<b>278.500</b>	
Venlo	Logistics	Development	NL	Option on land	-	10.000	
<b>Total development projects</b>						<b>288.500</b>	
Antwerp Greenhouse Singel	Office	Redevelopment	BE	Ongoing	2022	15.000	Excellent
<b>Total projects</b>						<b>303.500</b>	

- › € 230 – 270 million potential future value creation of the real estate portfolio



# Sustainable projects under construction



Genk  
Green Logistics  
Redevelopment zone B



Herentals Green  
Logistics  
Cluster of  
offices & logistics



's-Hertogenbosch  
Rietvelden  
Commercialization  
built-to-suit logistics  
project



Greenhouse  
Singel  
State-of-the-art smart  
office building

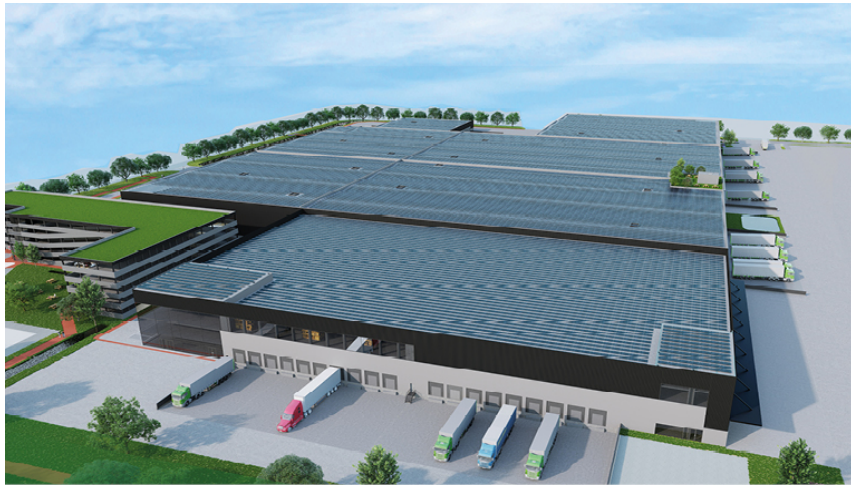
# Genk (BE) Green Logistics



- Planned redevelopment of 42 ha
- Zone B on former Ford site in Genk, strategically located:
  - Large-scale and tri-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'
- First logistics building of approx. 25.000 m<sup>2</sup>
  - › delivered in Q4 2020 and leased in April 2021
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing
- Competitive rental conditions

# Herentals (BE) Green Logistics



- Large-scale logistics redevelopment on 18 ha site
- **Development permit of 45.000 m<sup>2</sup> and delivery scheduled for end 2021:**
  - › Warehouses (approx. 36.000 m<sup>2</sup>) with cross-dock
  - › Offices (approx. 3.000 m<sup>2</sup>)
  - › Five-level parking tower (400 parking spaces)
- **Creating unique sustainable cluster of offices and logistics over 100.000 m<sup>2</sup>**
- Close to motorway exit 21 of E313
- Project coordinated with #TeamIntervest



- Sustainable value creation
  - › **BREEAM 'Excellent'**
  - › Solar panels: 4 MWp installation
    - › avoiding 1.300 tCO<sub>2</sub>
    - › energy requirement of approx. 1.030 households
  - › Gas free: cooling/heating by central heat pumps
  - › Energy efficient LED-lighting
  - › Daylight equally in warehouse spaces
  - › Extensive use of materials with limited ecological impact
  - › Green facade for both parking building and warehouses
  - › Outdoor landscaping with focus on biodiversity

# 's-Hertogenbosch (NL) - Rietvelden



- Commercialization built-to-suit project
- **8.205 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 value creation
  - › **BREEAM 'Outstanding'**
  - › Energy efficient LED-lighting
- Inspiring architecture by StripesArchitects (Eindhoven)

# Antwerp (BE) Greenhouse Singel

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- Acquired November 2020
- Future-oriented smart office project at prime location
- 6 floors  
**15.000 m<sup>2</sup> offices**  
more than 180 parking lots
- **Expected delivery in the beginning of 2022**
- **BREEAM 'Excellent'**
- Using high-end techniques
- Entirely in hands of #TeamInterinvest

Value creation

Sustainability

#connect  
2022

Team Intervest

Customer oriented

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## Sustainability targets

- 100% sustainable electricity by 2022
- 80% solar PV on logistics assets by 2022
- 80% intelligent meters in portfolio by 2022
- 30% at least BREAAAM 'Very Good' by 2022
- Long-term relationships with all stakeholders

# Key targets

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At least  
BREEAM  
'Very Good'

Q1 2021  
21%

Target 2022  
30%

Solar panels  
logistics sites

Q1 2021  
65%

Target 2022  
80%

Intelligent meters  
in portfolio

Q1 2021  
41%

Target 2022  
80%

Sustainable  
electricity sources

Q1 2021  
100%

Target 2022  
100%

*Percentages based on GAV*



# Sustainable innovation initiatives

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## BECOME

- Business Energy COmmunity Mechelen is a local energy community
- Exchange of locally produced energy by our office assets in Mechelen Noord, thereby maximizing local consumption of locally produced energy
- Cooperation between Intervest, ENGIE and Quares
- Intention to let third parties join the community and scale up to 50 members
- Creation of government-subsidized renewable energy project Living Lab:
  - Solar PV installations of 1,2 MWp increase renewable capacities by 10% - 35%
  - Targeting increase of own consumption from 70% to 100%
  - Optimizing energy usage through HVAC systems / charging stations
  - Re-usage of energy oversupply using battery storage

## NEREOS

- NEw REality Office Space in response to COVID-19 pandemic
- Separation of public and private circulation of people
- One-way traffic routes and reduced surface contacts enhancing safety
- Keeping distance through furniture, micro-architecture and smart lay-outing



# BECOME: sharing energy in a local community of assets

## BECOME



Business Energy **CO**mmunity **Me**chelen

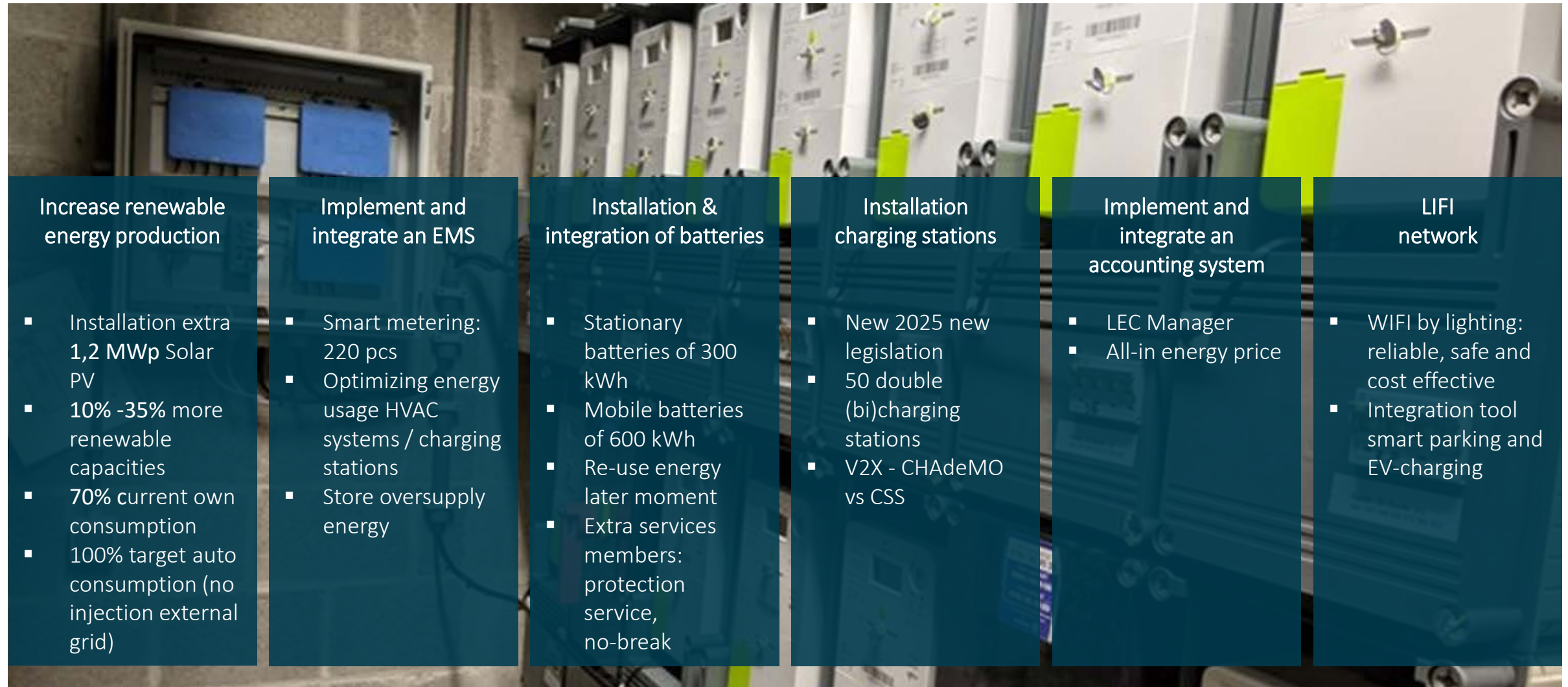
Local Energy Community (LEC)

Goal maximize local consumption of locally produced energy

- › Production renewable electricity
- › EMS (**E**nergy **M**anagement **S**ystem) - smart IT system
  - EndDriven by smart metering data
    - Responsible flow renewable electricity
- › Increase local consumption
  - HVAC
  - EV charging
  - Batteries
  - Tenants

Exchange of locally produced energy on community level

# BECOME: getting more out of renewable energy production



Increase renewable energy production	Implement and integrate an EMS	Installation & integration of batteries	Installation charging stations	Implement and integrate an accounting system	LIFI network
<ul style="list-style-type: none"><li>▪ Installation extra 1,2 MWp Solar PV</li><li>▪ 10% -35% more renewable capacities</li><li>▪ 70% current own consumption</li><li>▪ 100% target auto consumption (no injection external grid)</li></ul>	<ul style="list-style-type: none"><li>▪ Smart metering: 220 pcs</li><li>▪ Optimizing energy usage HVAC systems / charging stations</li><li>▪ Store oversupply energy</li></ul>	<ul style="list-style-type: none"><li>▪ Stationary batteries of 300 kWh</li><li>▪ Mobile batteries of 600 kWh</li><li>▪ Re-use energy later moment</li><li>▪ Extra services members: protection service, no-break</li></ul>	<ul style="list-style-type: none"><li>▪ New 2025 new legislation</li><li>▪ 50 double (bi)charging stations</li><li>▪ V2X - CHAdeMO vs CSS</li></ul>	<ul style="list-style-type: none"><li>▪ LEC Manager</li><li>▪ All-in energy price</li></ul>	<ul style="list-style-type: none"><li>▪ WIFI by lighting: reliable, safe and cost effective</li><li>▪ Integration tool smart parking and EV-charging</li></ul>

# NEREOS: getting more out of office space



Reducing surface contacts



One way traffic



1.5 m distance between seats



Personalized disinfection

Public/private  
circulation  
separation

One way traffic

Keeping distance

Reducing  
surface contacts

Using micro-  
architecture

Value creation

Sustainability

#connect  
2022

Team Intervest

Customer oriented

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## Customer oriented targets

- Improve customer loyalty: total years loyal to Interinvest
- Net Promoter Score implementation
- Organization aligned with customer needs (turn-key solutions)

# Customer oriented: clients at the heart of decision making



## Team Asset

- Interdisciplinary work group
- Collaboration of commercial, administrative technical teams
- Translation of tenant needs into organization
- Respond fully to needs of tenants and users



## Team the Netherlands

- Dedicated team for the Dutch market
  - Joël Gorsele | chief investment officer
  - Robin Storms | asset manager
  - Maarten Storms | property manager
  - Nico Punter | property manager
  - Arno Snoeren | financial controller
- Operating from Interinvest Eindhoven Office
- Currently 14 logistics sites in portfolio and commercialisation of two built-to-suit projects in the pipeline

Value creation

Sustainability

#connect  
2022

Team Invest

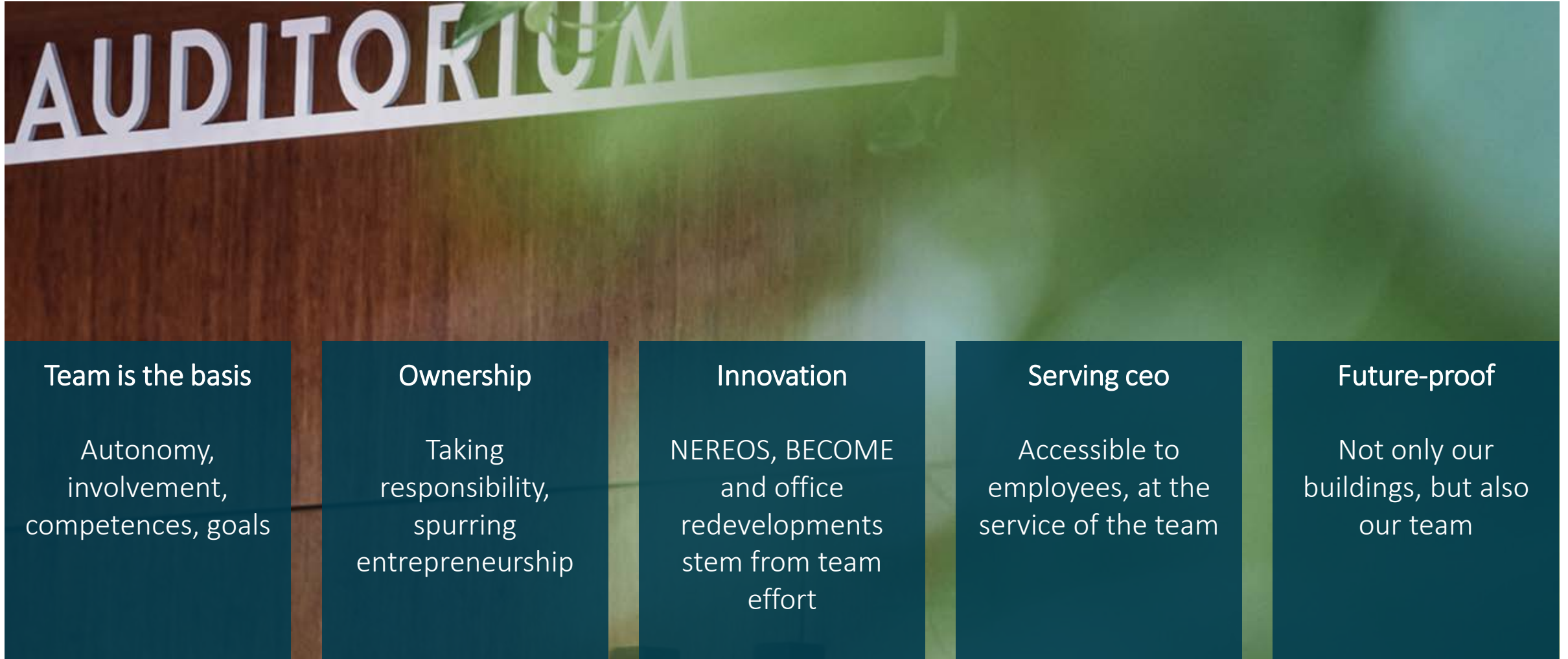
Customer oriented

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## Team Invest

- In-house control over supply chain
- Sustainable employee motivation and well-being
- Attract & retain professional staff
- Entrepreneurship and responsibility

# Team Intervest: achieving more together



# Corporate governance

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## Two-tier management

- New Companies and Associations Code
- A supervisory board and a management board

## The supervisory board

- Accountable to the general meeting
- Assisted and advised by three committees:
  - Audit and risk committee
  - Appointment and remuneration committee
  - Investment committee

New chairperson appointed:  
Ann Smolders



## The management board

- Reports to the supervisory board
- New team: Gunther Gielen (ceo), Vincent Macharis (cfo), Joël Gorsele (cio), Kevin De Greef (sgc)







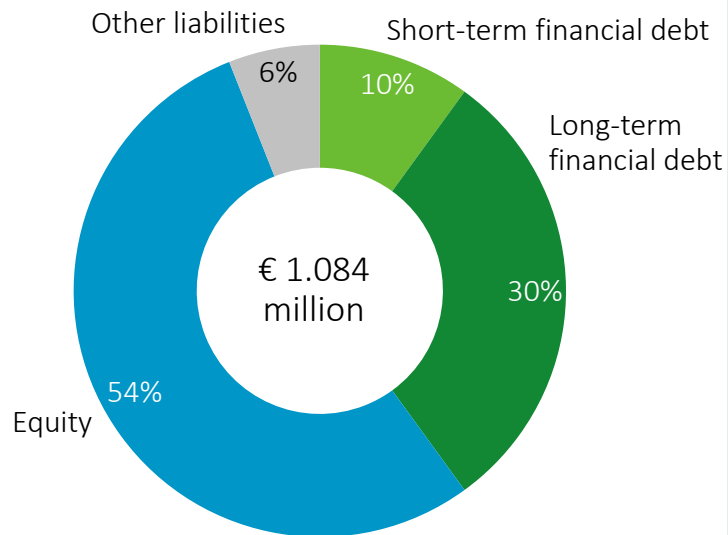
# Financial overview

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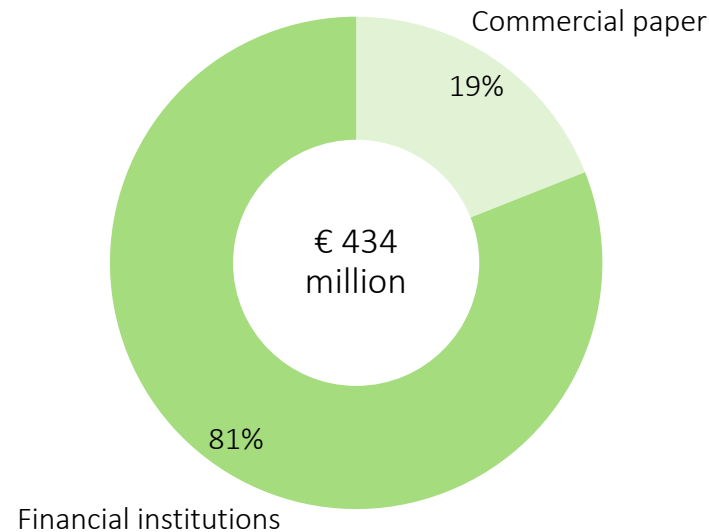
# Healthy balance sheet and well-spread debt profile

## Balance sheet



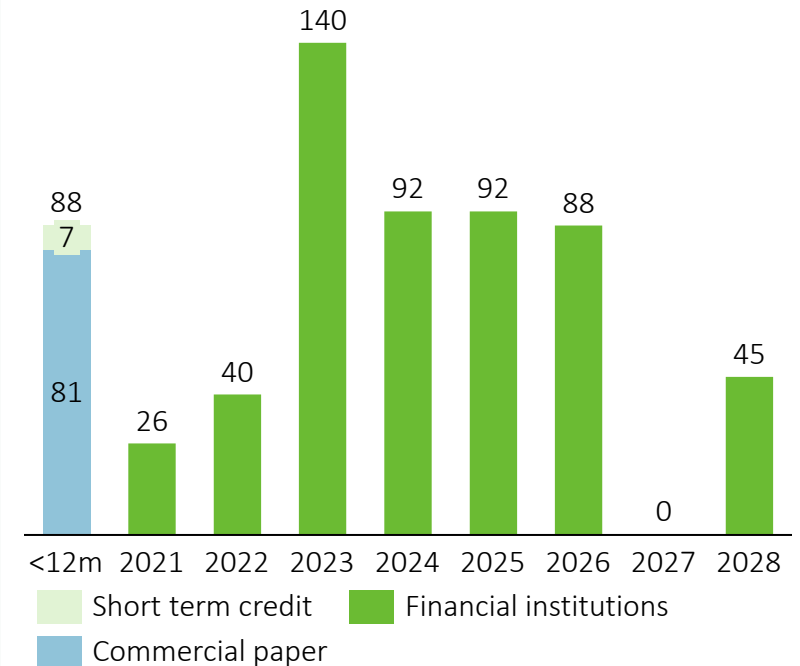
- › 41,5% debt ratio (target: 45% - 50%)

## Financing distribution



- › € 156 million undrawn credit facilities

## Debt maturity calendar (€m)



- › 3,8 years average maturity
- › Commercial paper covered by credit line

# Rental growth spurred by 5% organic growth

in thousands €	31.03.2021	31.03.2020
Rental income	15.970	14.701
Rental-related expenses	-32	8
Property management costs and income	150	-51
<b>PROPERTY RESULT</b>	<b>16.088</b>	<b>14.658</b>
Property charges	-2.792	-2.406
General costs and other operating income and costs	-1.484	-1.386
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>11.812</b>	<b>10.866</b>
Result on disposal of investment properties	0	-16
Changes in fair value of investment properties	22.385	7.151
Other result on portfolio	-3.407	-1.625
<b>OPERATING RESULT</b>	<b>30.790</b>	<b>16.376</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-2.028	-1.870
Changes in fair value of financial assets and liabilities)	1.532	-1.160
Taxes	-156	-92
<b>NET RESULT</b>	<b>30.138</b>	<b>13.254</b>
<b>Attributable to:</b>		
Third parties	138	-4
Group Shareholders	30.000	13.258
<b>NET RESULT – Group Shareholders</b>	<b>30.000</b>	<b>13,258</b>
<b>To be excluded:</b>		
Results on disposals of investment properties	0	-16
Changes in the fair value of investment properties	22.385	7.151
Other result on portfolio	-3.407	-1.625
Changes in fair value of financial assets and liabilities	1.532	-1.160
Minority interest with respect to the above	-163	0
<b>EPRA EARNINGS</b>	<b>9.653</b>	<b>8.908</b>

## 9% increase in EPRA earnings year-on-year

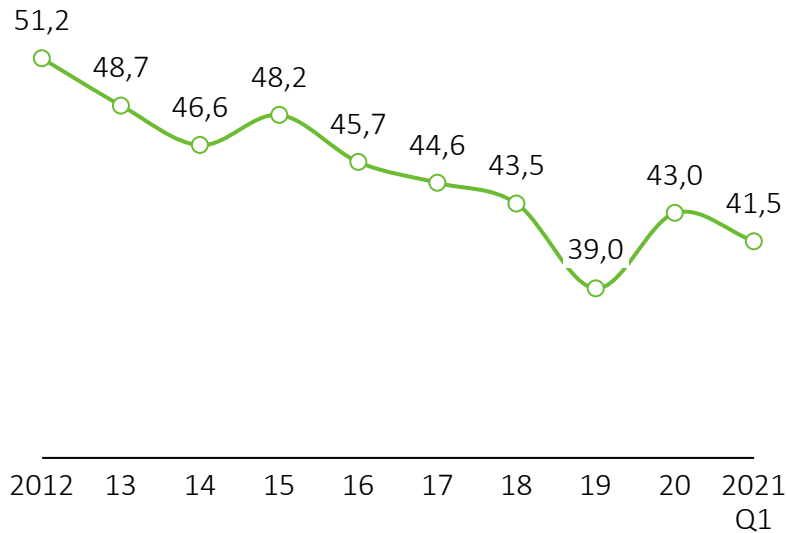
- Rental income +9%:
  - › Organic growth +5%
  - › Increase in logistics segment:
    - New leases
    - Developments
    - Acquisitions made in 2020
- Higher property charges: growth in NL results in higher property tax (NL) and management costs (own dedicated team in NL)
- Stable financial costs

## € 22,4 million changes in fair value

- € 23,7 million increase in existing logistics portfolio as a result of yields compression in BE and NL
- € 1,3 million slight decrease in existing office portfolio

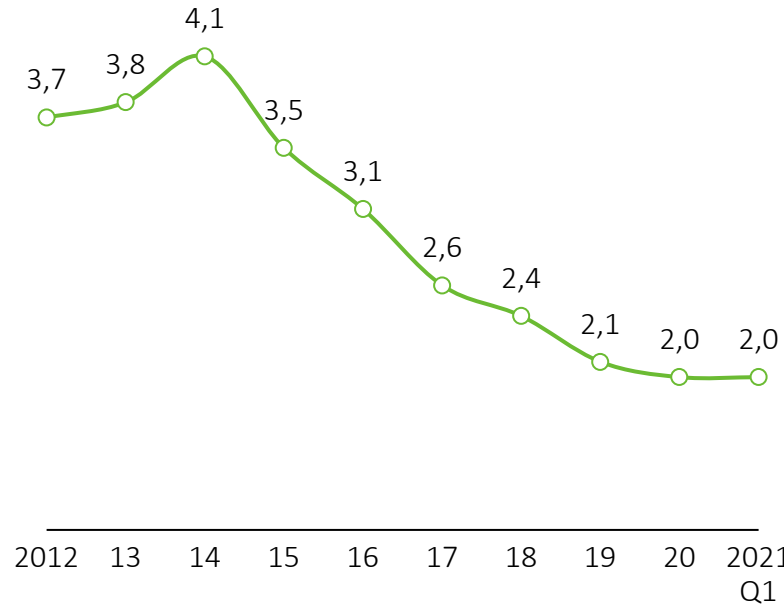
# Solid financial position with decreasing financing costs

Debt ratio (%)



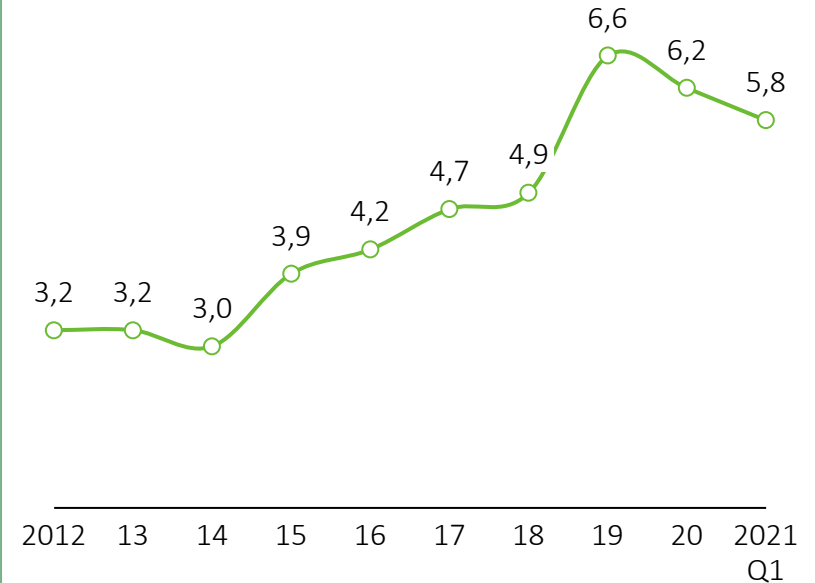
› 41,5% debt ratio per Q1 2021

Average interest rate (%)



› 2,0% average interest rate per Q1 2021

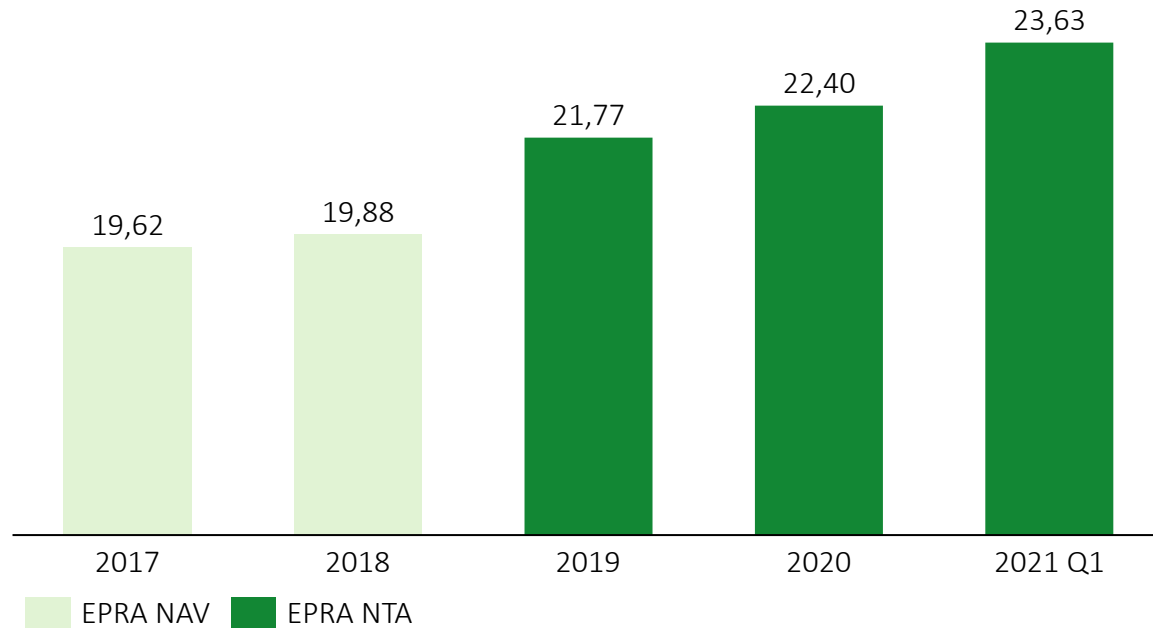
Interest coverage ratio



› 5,8x interest coverage<sup>1</sup> ratio per Q1 2021

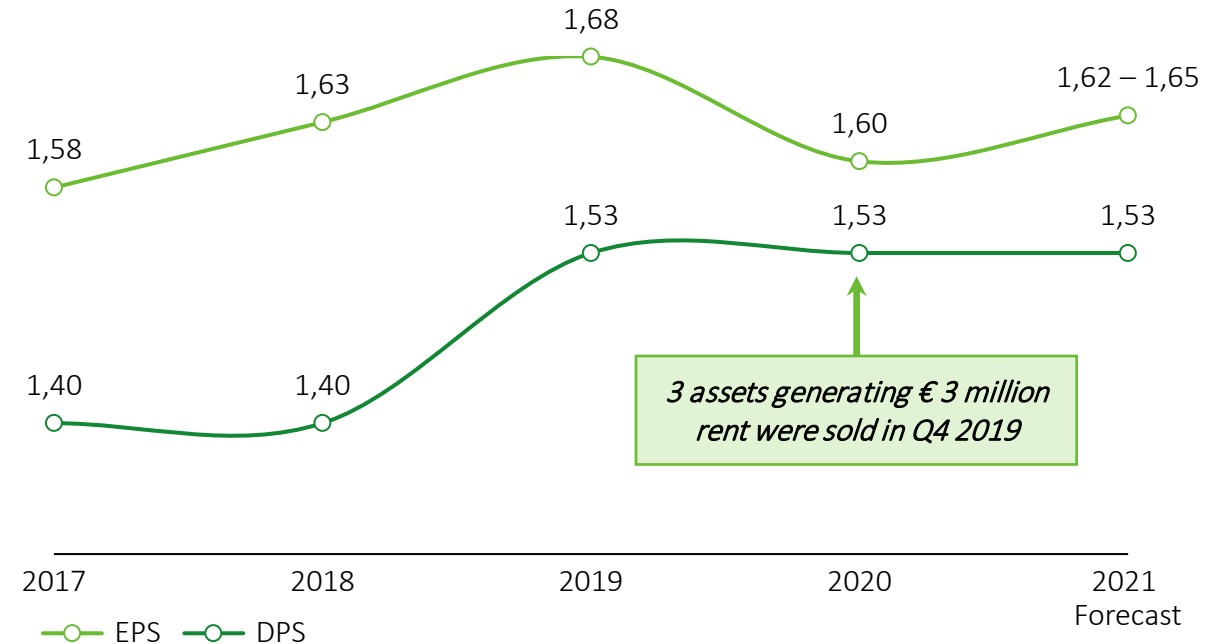
# Compelling equity returns spurred by increasing earnings

EPRA NTA per share (€)



- › Growing EPRA NTA through increasing portfolio value

EPRA EPS<sup>1</sup> and Dividend per share (€)



- › Growing earnings enabling growing dividends
- › EPS and DPS increased after € 100 million rights issue in 2018



# Outlook

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# Outlook 2021

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## Strategic priorities

- Review portfolio: strategic plan per building with a view on potential asset rotation
- Financial review: cost audit and rollout of 2021-22 financing plan
- Complete developments: Greenhouse Singel, Herentals Green Logistics, Genk Green Logistics
- Expand network: strengthen customer relationships as value creation engine and accessing off-market deals
- Enhance sustainability: Green Finance Framework / ESG index, continue PV and BREEAM program roll-outs
- Build team: entrepreneurship and connection, motivation in COVID times



## Financial guidance

- € 1,62 - € 1,65 EPRA EPS, slightly higher than 2020
- €1,53 gross dividend per share, stable versus 2020 (c. 7,2% yield 31 March 2021 closing price)



# Appendix

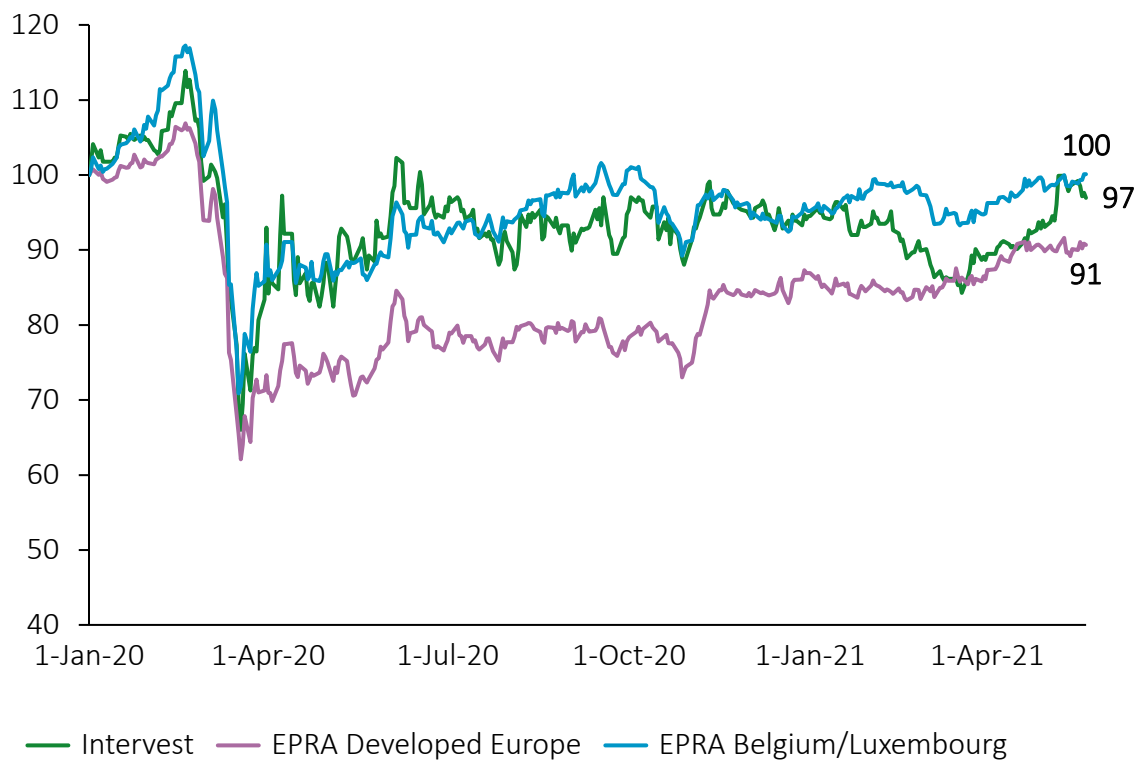
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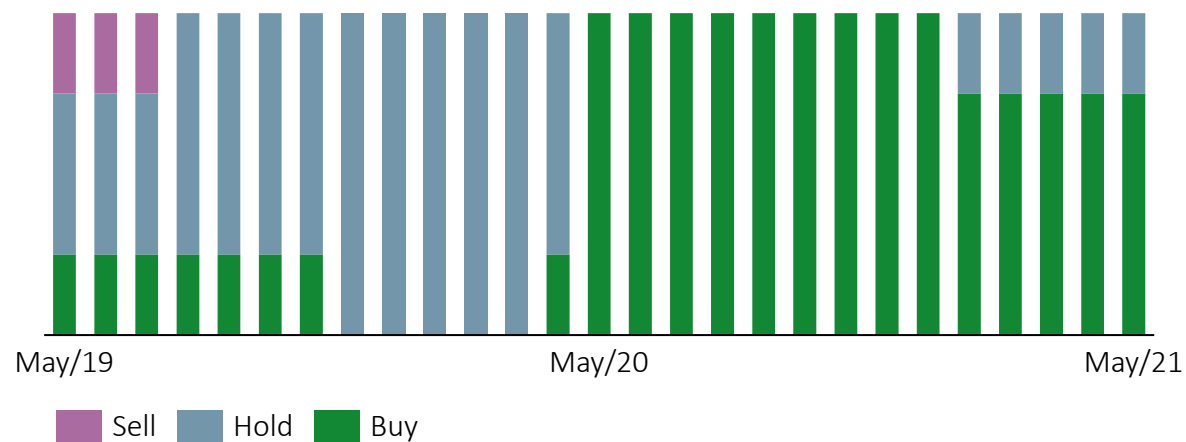


# Total return and analyst recommendations

Total return (1 January 2020 = 100)



Analyst recommendations



Bank	Recommendation	Price target (€)
KBC	Buy	33
Kempen	Hold	23
Degroof Petercam	Buy	30
Kepler Cheuvreux	Buy	25



250.000 m<sup>2</sup>  
sustainable  
logistics  
development





45.000 m<sup>2</sup>  
sustainable  
logistics  
development

# Herentals Green Logistics



# Greenhouse Singel

Redevelopment  
at top location



Interior design:  
artist  
impression





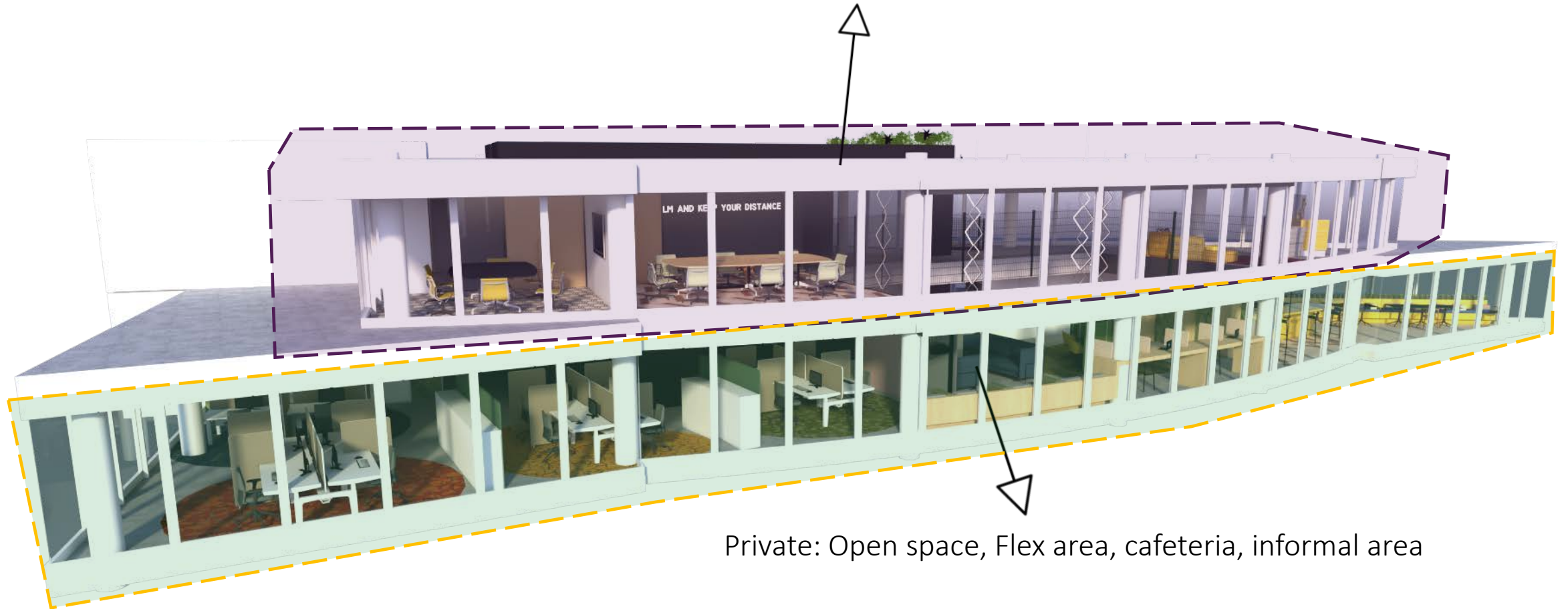
Commercialization  
built-to-suit  
logistics  
project

's-Hertogenbosch  
Rietvelden

# NEREOS: separate public and private areas

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Public: Reception + meeting rooms




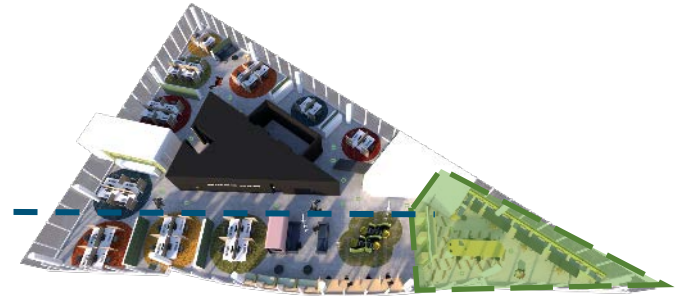
Private: Open space, Flex area, cafeteria, informal area

# NEREOS: cafeteria and informal area



Highlight circulation using different materials

 One way traffic



Dustbin with sensor



1m50 distance  
between seats



Personalized disinfection



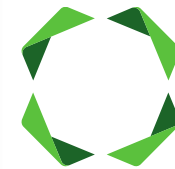
# Disclaimer

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