

# EUROCOMMERCIAL



## Annual General Meeting

5 November 2019

# Balanced portfolio of high-quality assets

(at 30 September 2019)

## Belgium



Property value

€623m

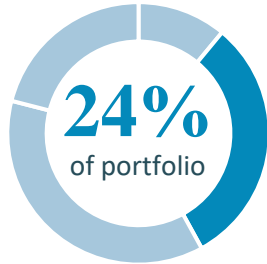


## France



Property value

€994m

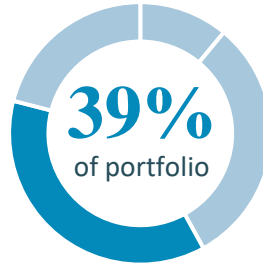


## N. Italy



Property value

€1,588m

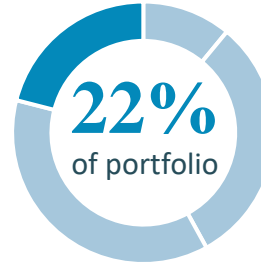


## Sweden



Property value

€885m



## Total

Property value

€4.1bn

No. of properties

28

Figures are provided on a proportionally consolidated basis

# Strong operational and financial performance

Earnings for 2018/2019 financial year  
(Direct investment result)

**€2.42** per depositary receipt

Earnings increased +3.9% year-on-year

Like-for-like Rental growth  
(12 months)

**+2.3%** September 2019

Rental growth on relettings and  
renewals

**+8.4%** September 2019

Proposed dividend of  
**€2.18** per depositary receipt  
for 2018/2019 financial year

Property valuations within  
**0.4%** of June 2018

Adjusted net asset value €44.83  
(June 2019) and €45.55 (September  
2019) per depositary receipt

Net property income  
(versus 2017/18)

**+3.0%** September 2019



# Summarised Balance Sheet

Based on proportional consolidation	30-09-2019 €'000		30-09-2019 €'000
<b>Assets</b>		<b>Shareholders equity</b>	<b>1,965,145</b>
Property investments	4,089,106		
Cash and deposits	68,725	<b>Liabilities</b>	
Debtors	48,441	Borrowings	1,791,977
		Deferred tax liabilities	184,506
		Derivative financial instruments	145,615
Tangible fixed assets	4,877	Creditors	123,906
		<b>Total liabilities</b>	<b>2,246,004</b>
<b>Total Assets</b>	<b>4,211,149</b>	<b>Total equity and liabilities</b>	<b>4,211,149</b>

# Valuations

12 months to June 2019

	Valuation growth	Net initial yield including purchase costs	
	Twelve months to 30 June 2019	At 30 June 2019	At 30 June 2018
<b>Overall</b>	<b>-0.4%</b>	<b>4.9%</b>	<b>4.7%</b>
Belgium	-1.0%	4.1%	4.0%
France	-2.1%	4.5%	4.4%
Italy	+1.6%	5.1%	5.1%
Sweden	-0.9%	5.0%	4.9%

Net initial yield figures are derived by dividing expected net income for the coming year by the valuation figure, to which has been added the relevant standardised market allowance for deemed purchaser's costs (usually notional transfer taxes) in the particular country.



# Rental growth and sustainable levels of OCR\*

12 months to September 2019

## Rental growth for 12-month period ending 30 September 2019

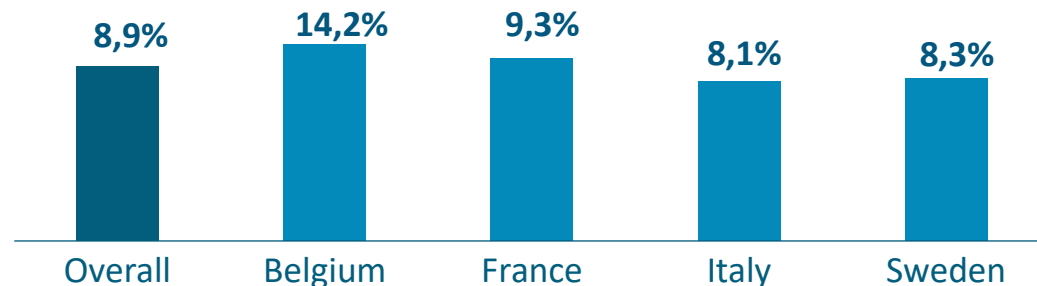
	Average rental uplift on relettings and renewals	Number of relettings and renewals	Overall like-for-like rental growth
Overall	+8.4%	256	+2.3%
Belgium	+5.8%	16	+2.0%
France	+10.4%	49	+1.6%
Italy	+10.7%	92	+2.6%
Sweden	+5.4%	99	+2.9%

Eurocommercial's strategy is to lease its shops to the best retailers which increases the overall attraction of the shopping centre.

Keeping rents in proportion to turnovers ensures retailers are profitable and better positioned to survive temporary downturns.

Sustainable rental levels, together with first class asset management, has consistently kept vacancies in the portfolio at the lowest level in the quoted sector **(0.7% of ERV\*\* at 30 September 2019)**.

## Stable occupancy cost ratio for 12-month period ending 30 September 2019



\* Occupancy cost ratio

\*\* As per the EPRA definition

# Retail sales growth

Year-on-year growth of 0.6% overall, reduced in France by weather, transport strikes and “Gilets Jaunes” protests.

	Twelve months to 30 September 2019	Three months to 30 September 2019
Overall	+0.6%	+0.7%
Belgium	+2.6%	+3.7%
France	-0.4%	0.0%
Italy	+0.7%	+0.6%
Sweden	+0.9%	+0.6%

*Excluding hypermarkets, Systembolaget and extensions/redevelopments*



# Belgium - Woluwe Shopping

## Woluwe Shopping

- **Refurbishment** to be completed in the autumn with new branding for the centre
- **New international chains** (Levi's, Kusmi Tea, Unisa, La Chaise Longue, Courir)
- **Northern Extension** will give a net increase of 8,500m<sup>2</sup>
- The mall will lead directly into a **new Metro entrance**
- **C.100 apartments** above the mall





# Brussels - Woluwe Shopping





# France

## Val Thoiry (Geneva)

- Planning permits obtained for a 20,000m<sup>2</sup> extension.
- Pre-leasing with major tenants completed





# Italy



## Curno

20 new restaurants

New GLA: 3.300 m<sup>2</sup>

Expected completion:

End of November 2019

## Fiordaliso

extension underway

- Work in progress for Primark to open in December 2019
- Hypermarket will open an external new format in October 2020
- 7,000m<sup>2</sup> of new MS will open in old hyper in November 2021
- 1,000m<sup>2</sup> of new restaurants will open in November 2021



New external hypermarket



# Sweden



**C4** opened on 20 September 2018

- 96% pre-let
- Anchors: H&M, KappAhl, Lindex, New Yorker, Stadium, Clas Ohlson
- Hypermarkets: City Gross, Lidl



## Hallarna

Won the Best Shopping Centre  
of the Year 2019 Award  
(Nordic Council of Shopping Centers)





# Funding summary

At 30 September 2019

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Shareholders' adjusted net equity

**€2.2 billion**

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Loan book hedged for interest exposure

**85%**

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Average overall interest rate (incl. margin)

**+2.2%**

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Total net borrowings

**€1.7 billion**

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Average term of hedges

**c. 6.5 years**

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Average term of loan book

**c. 5.5 years**

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Net loan to property value ratio

**42%**

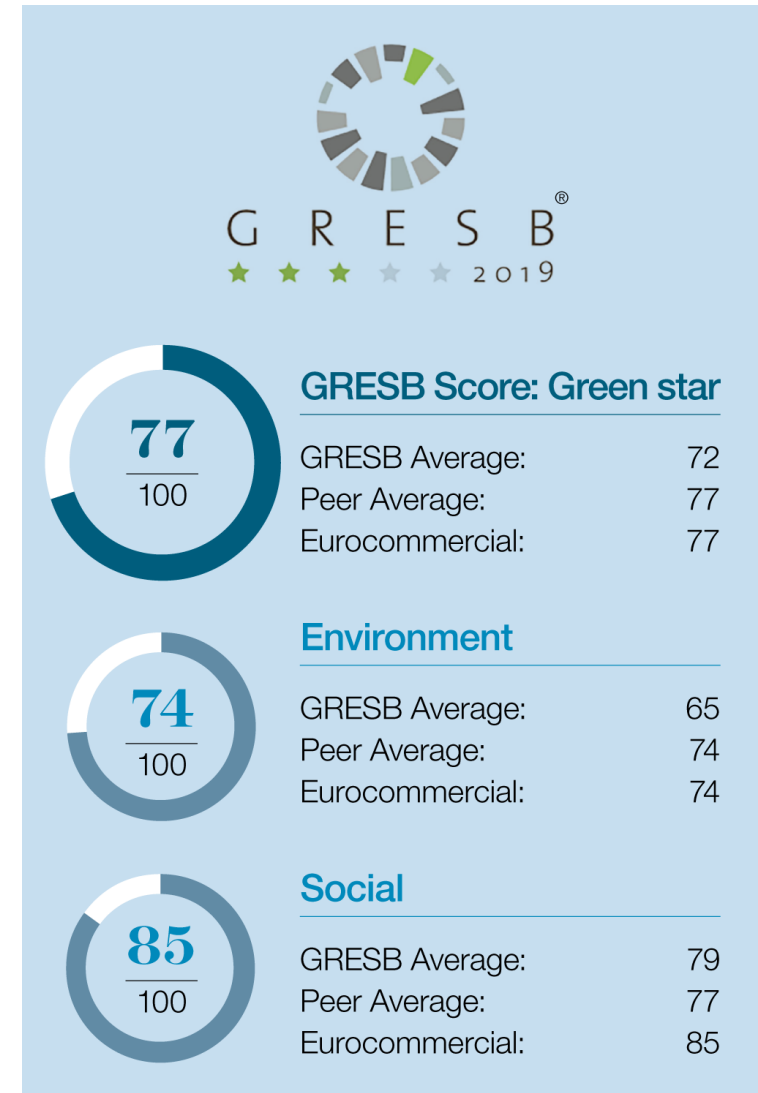
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# ESG

## Eurocommercial is committed to acting responsibly as a long-term investor

- As a member of the European Public Real Estate Association (EPRA) we have reported in line with the sustainability Best Practices Recommendations (sBPR) and for the sixth consecutive year we have achieved a gold rating.
- For the sixth consecutive year, Eurocommercial has completed the Global Real Estate Sustainability Benchmark (GRESB) and received a score of 77, an increase of 14 points on last year's score, and as a result, received its third 'star'. Eurocommercial is ranked 7<sup>th</sup> out of 13 listed retail companies in Europe.

## EPRA Gold Award for sustainability reporting





# Change of the Company's dividend policy

## As from financial year 2019/2020:

- **Interim dividend payable on 30 April**
  - Announcement of interim dividend details on 31 March
  - Stock dividend option maintained
- **Final dividend payable on 30 November**
  - Announcement of proposed final dividend together with publication of annual results
  - Stock dividend option maintained



