

HALF YEAR Results 2023

Investor Presentation
September 15th 2023



FOR CITIES
FOR PEOPLE



SUMMARY

An aerial photograph of a city, likely Brussels, showing a dense urban landscape. A prominent modern building with a curved facade and a glass and metal exterior is the central focus. The building is illuminated from within, and its reflection is visible on the ground. The surrounding city is composed of various buildings, some with traditional European architecture. The sky is overcast, and there is a slight haze or smoke in the air.

Oxy | Brussels

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IMMOBEL

at a glance

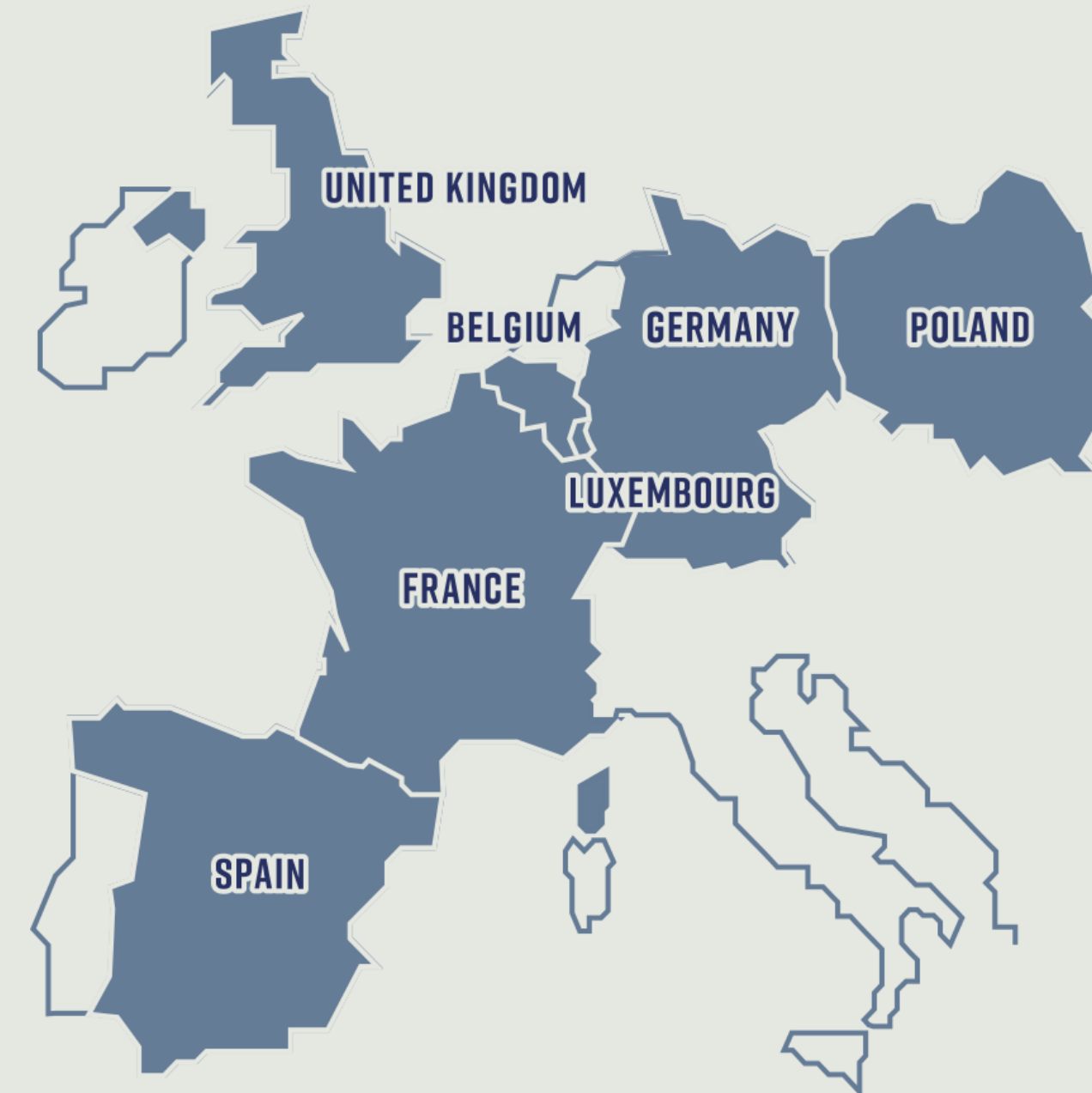
As experts in high-quality real estate projects in major European cities, we create attractive urban environments that meet clients' expectations and the needs of today and tomorrow. With more than 160 years of experience, we dare to claim that we have the agility to invest and the drive to improve living and working environments.

Ambitious ESG policy based on three pillars on asset level:

1 
For the users

2 
For the neighbourhood

3 
For the environment



EUR 350 million
Market Capitalisation¹

59
Projects under development

> 1,400,000 m²
Under development

EUR 5.7 billion
Gross development value²

73%
Residential projects in portfolio

> 150
Devoted team members in Europe

1. As of 30 June 2023

2. Sales value or gross development value: total expected future turnover (Group share) of all projects in the current portfolio (including projects subject to conditions precedent for which the management judges there is a high likelihood of completion).





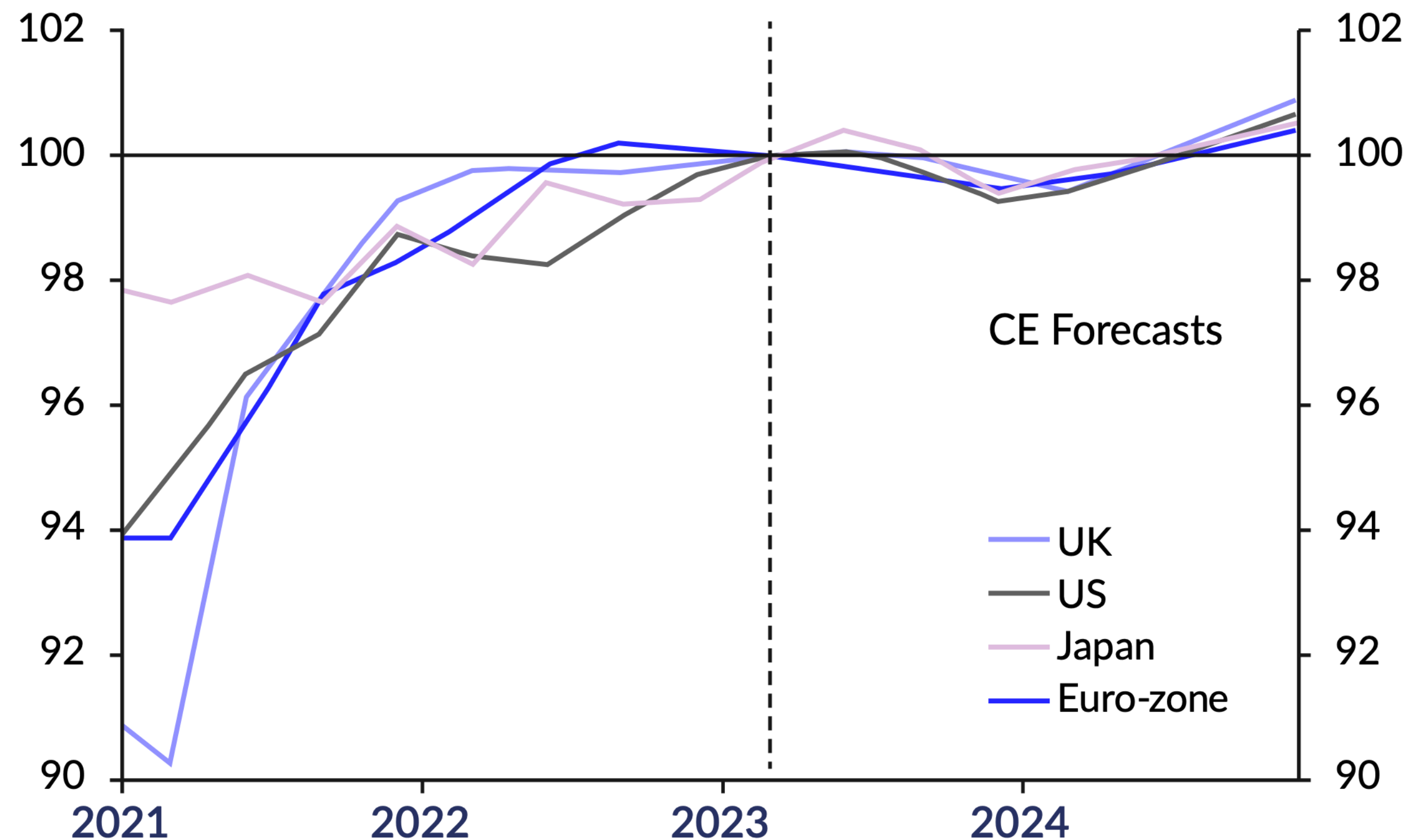
MACRO-ECONOMIC environment



Economic Growth

Global economy is cooling as monetary policy tightens

GDP – (Q1 2023 = 100)



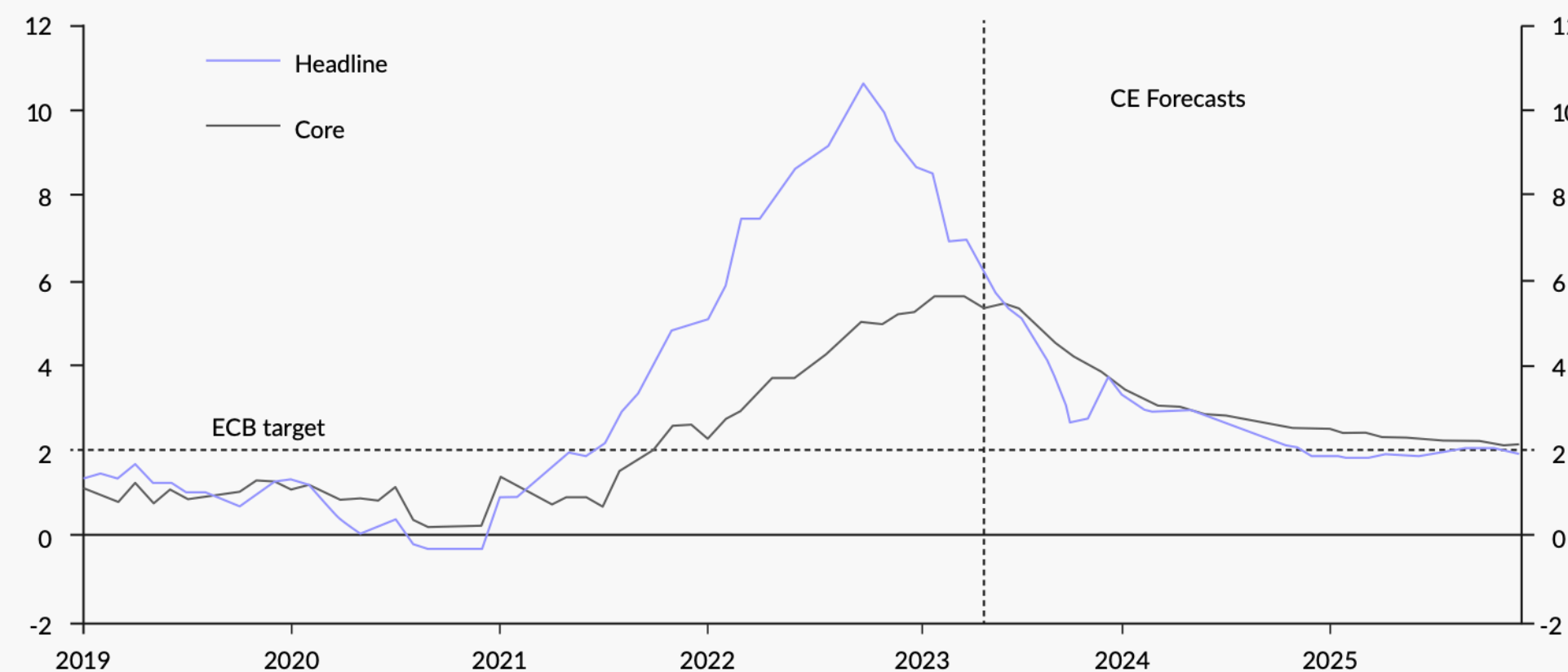
- The global economy slows as tighter monetary policy continues to feed through
- Any recession in major developed markets is currently expected to be mild
 - With real disposable incomes stagnant and interest expenditure rising, household consumption should keep falling
 - Investment, with construction, is also likely to suffer as the housing market weakens



Inflation

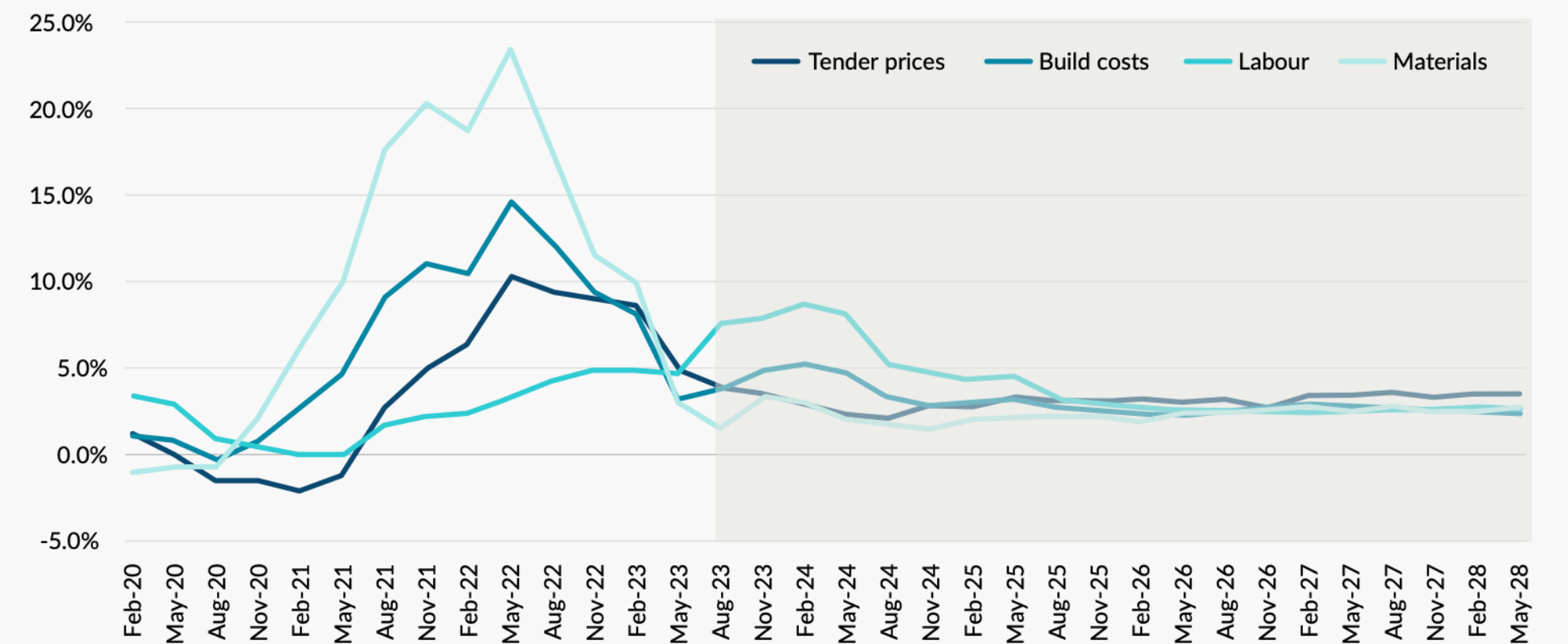
Despite lower commodity prices, tight labour markets are expected to maintain core and services inflation above the 2% ECB target for longer

Euro-zone HICP (% y/y)



- Lower commodity prices and improved global supply conditions mean that headline inflation should keep falling
- Due to the tightness of labour markets, it could take a long time before services inflation reaches the 2% inflation target

Cost Inflation expected to ease through 2023 | Annual % change

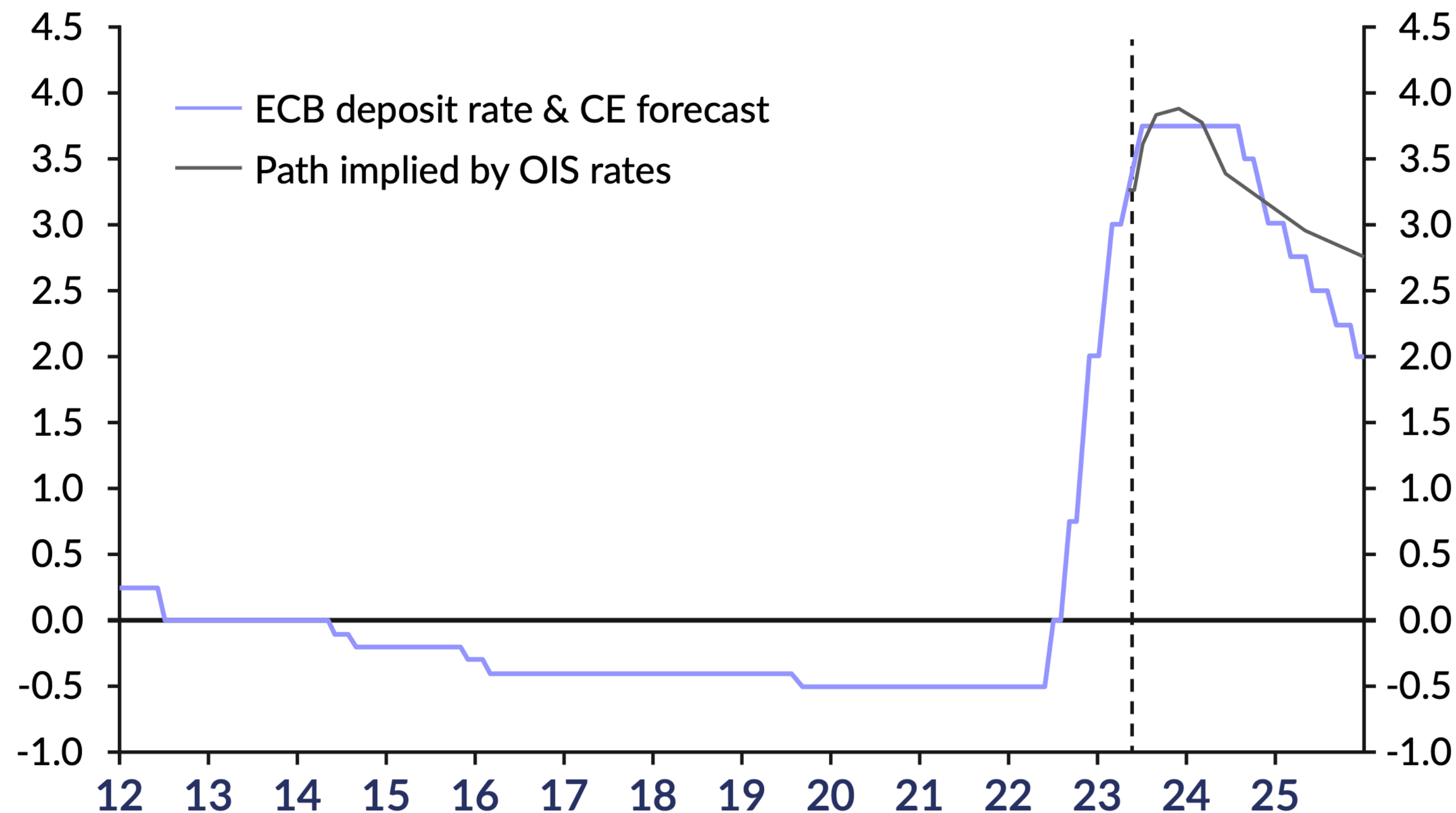


- Build costs increased by 8.7% last year and are up 24% since 2020
- The slowdown in materials cost inflation reflects a general easing in construction activity
- That will reduce pressure on margins which will give investors and developers more incentive to take new or stalled projects forward



ECB Policy Rate

ECB has increased its interest rate, with the deposit rate moving from -0.5% in 2019 to 3.75% currently



- The deposit rate has increased from -0.5% to 3.75%
- Main reason for this unprecedented increase is to combat inflation that has soared to more than 10% early 2023 in the main developed economies following :
 - The supply chain disruption
 - The war in Ukraine
 - The tight labour market and its effect on salary upward pressure
- Liquidity in the real estate market should improve when monetary policy returns to a more dovish stance

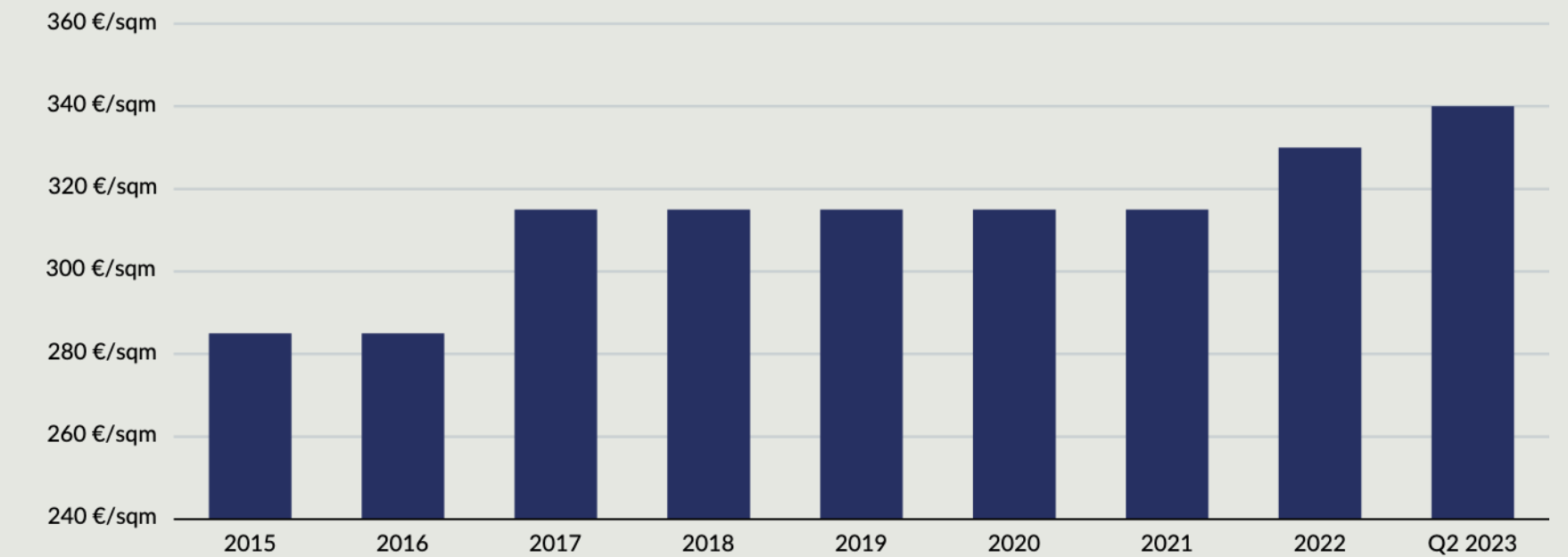


Office Sector

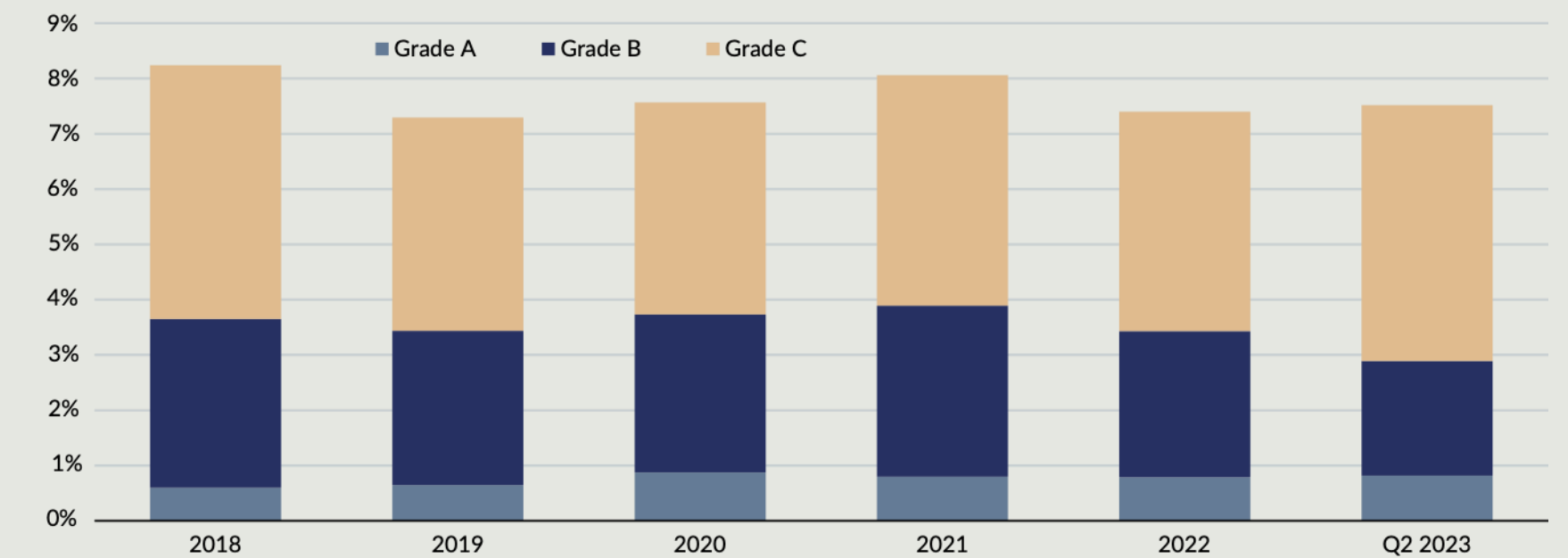
Yield expansion partly compensated by accelerated rent growth

- Upward pressure on prime rents in the main European capital cities due to sustained demand for quality office space and limited new speculative development
- Near term, office rent growth is expected to slow across Europe due to cooling labour markets and home working
- However, newly-built office buildings should outperform due to the strong demand from occupiers to meet ESG and well-being objectives
- Due to uncertain economic conditions, the institutional investment market for offices is at a standstill.

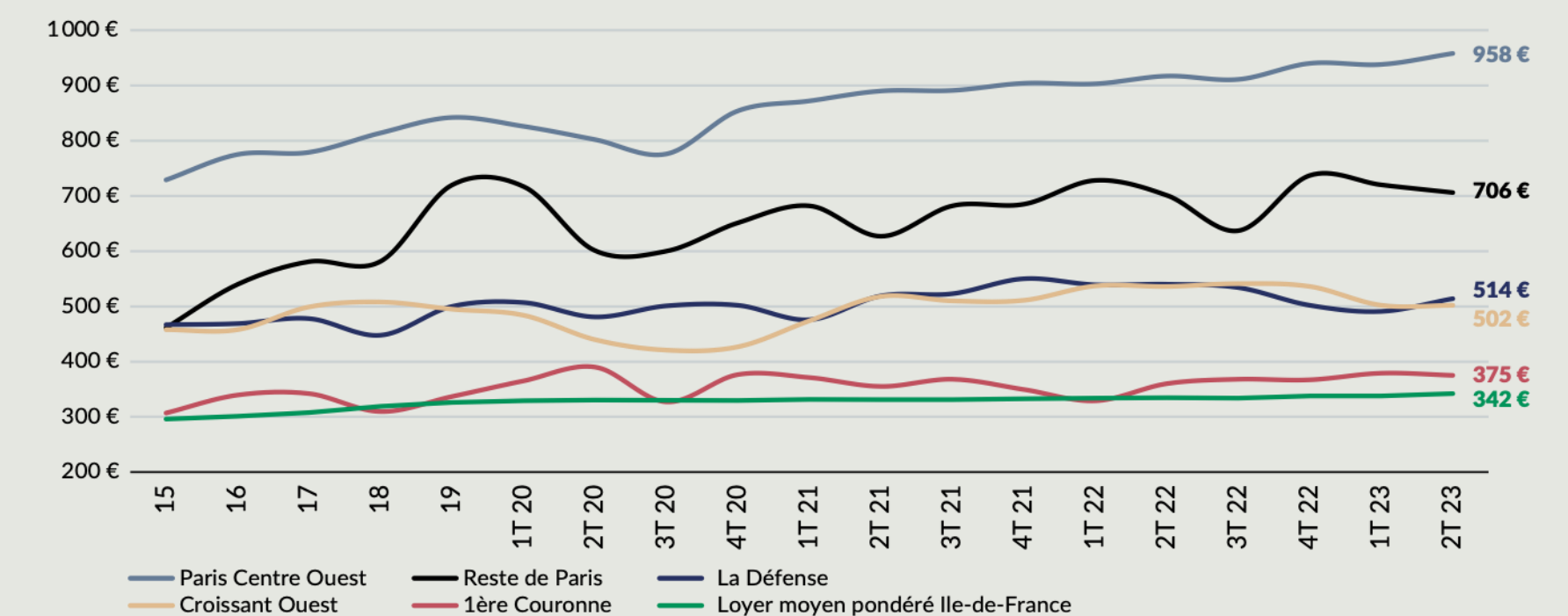
Brussels – Prime Rents



Brussels – Vacancy rate



Paris – Prime Rents

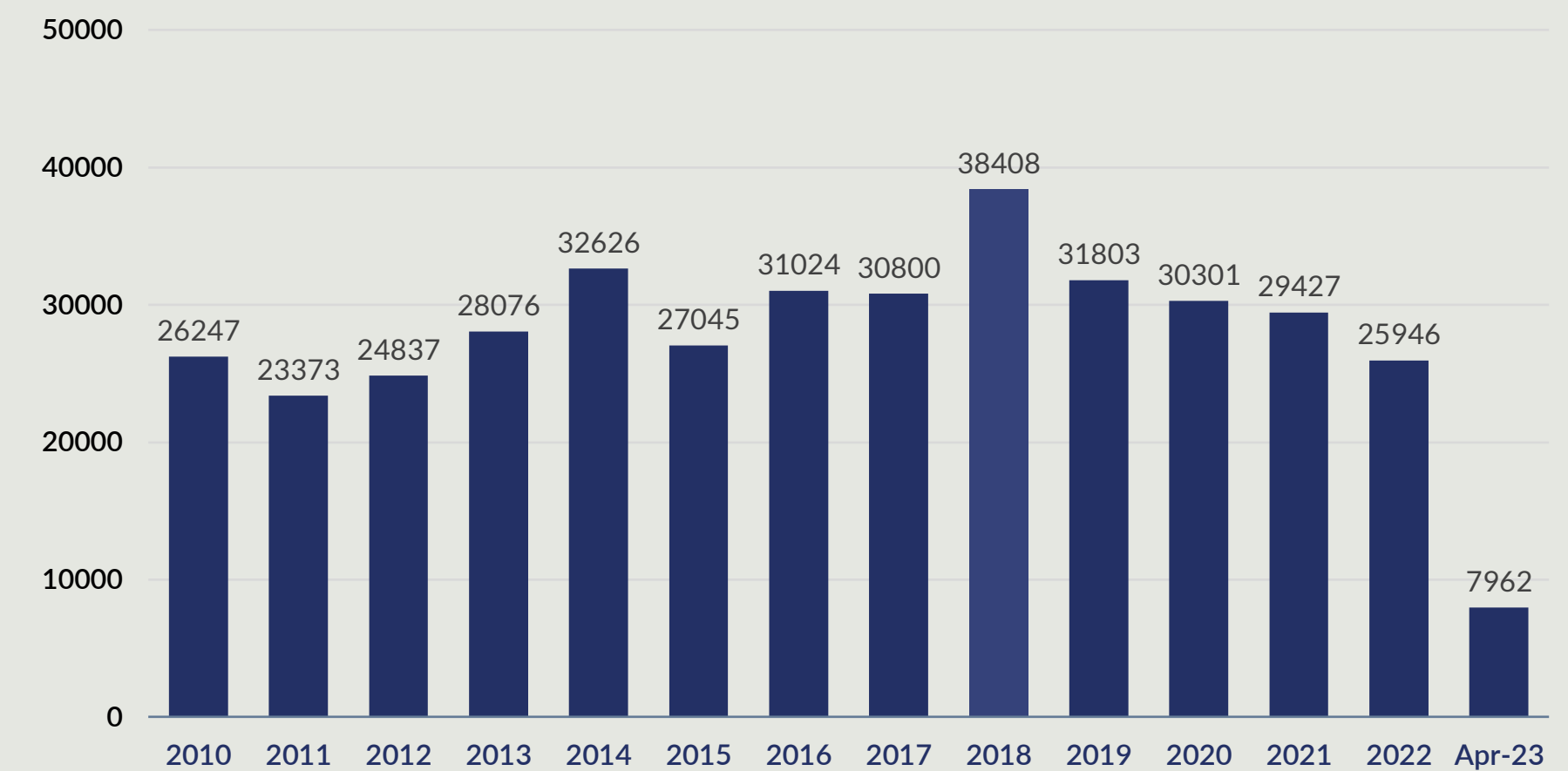


Residential Sector

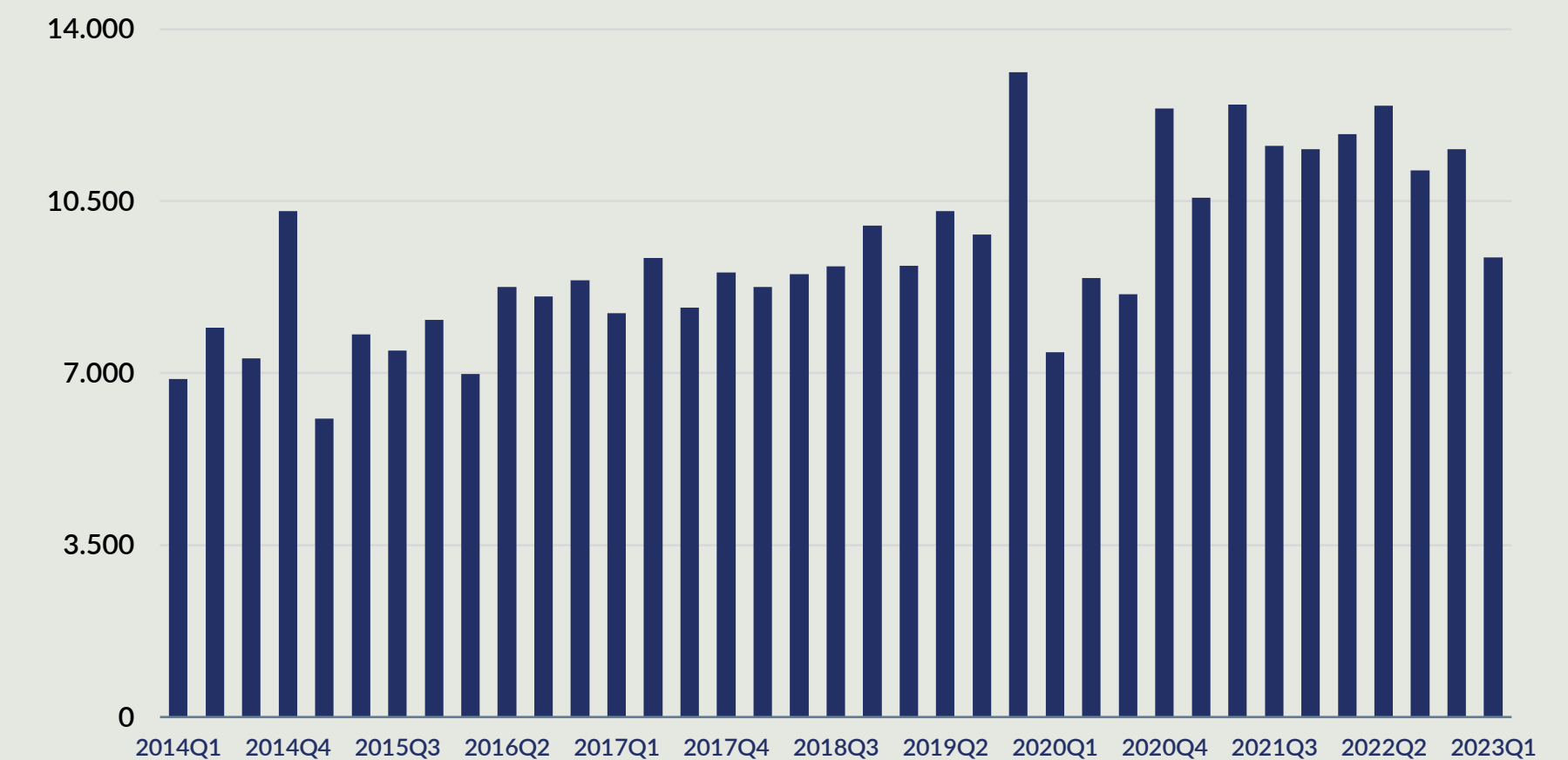
Residential markets under pressure due to rising mortgage rates

- Across Europe, the residential sector shows exacerbated long-standing problems with affordability and energy consumptions issues
- For newly-built projects, rising construction costs and increasing mortgage costs are contributing to or causing
 - The postponement or delay of many projects
 - The limited availability of prime inventory
 - The falling sales of new homes
 - The rising of rents
- Transactions volume in Germany, France and Luxembourg have significantly slowed down
- In Belgium, the slowdown is less pronounced

Building permits issued in Belgium (number of units)



Transaction volume for apartments in Belgium (number of units)





HIGHLIGHTS



Challenging macro-economic conditions

Solid balance sheet to navigate turbulent markets



Strategy & Operational Optimisation

- Strategic shift from growth to operational excellence by focusing on projects in the portfolio while reducing overhead costs from EUR 50 million to EUR 35 million
- Residential sales in Belgium are performing relatively well with Slachthuis in Antwerp, Ilôt Saint-Roch in Nivelles, O'Sea in Ostende and the launch of The Commodore in Brussels, despite the slowdown of the market
- Final permits obtained for new projects with a total gross development value of EUR 311 million, of which OXY and The Muse² projects in Brussels, as well as Saint-Honoré, a mixed-use commercial development in Paris
- Indexed rents of EUR 16 million annually (Group share) generated by completed green office buildings in portfolio



Financial Performance

- Stable Gross Development Value (GDV) of EUR 5.7 billion
- Underlying net result of EUR 6.5 million and net result of EUR -2.8 million, decline can be primarily attributed to the one-off cost linked to the strategic cost cutting measures taken at the end of 2022
- Solid balance sheet and liquidity position with a gearing ratio¹ of 58.5 %
- Average cost of debt of 3% during the first half of 2023 thanks to interest-rate swaps
- Assets accounted for at cost, reducing the risk of impairments when markets are under pressure

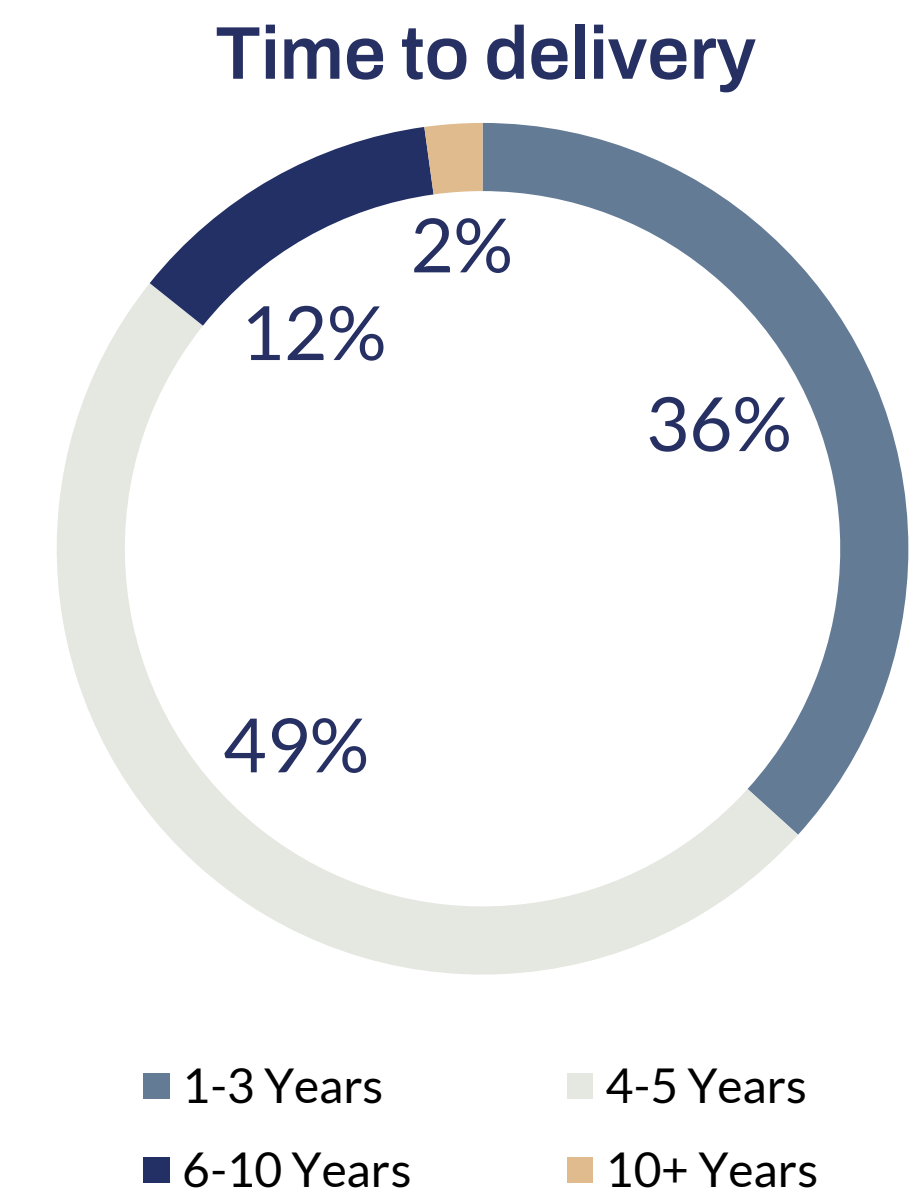
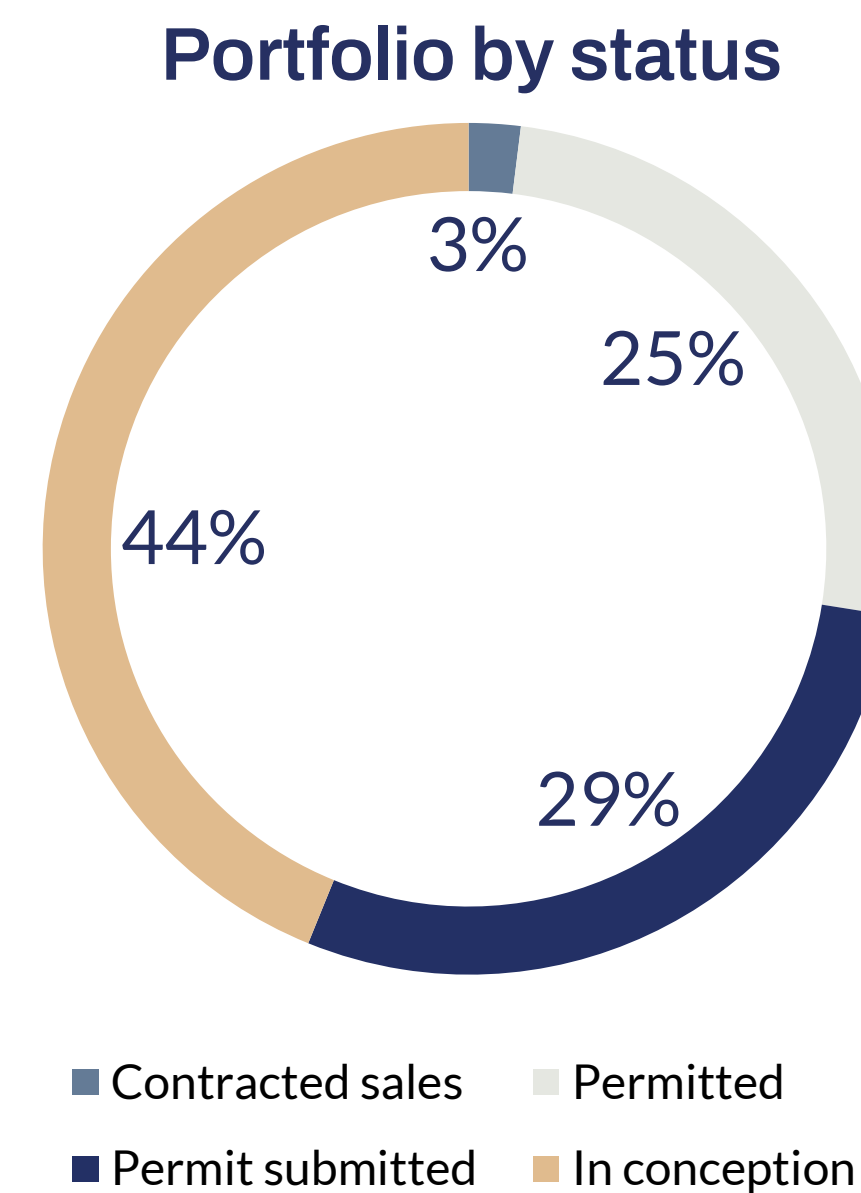
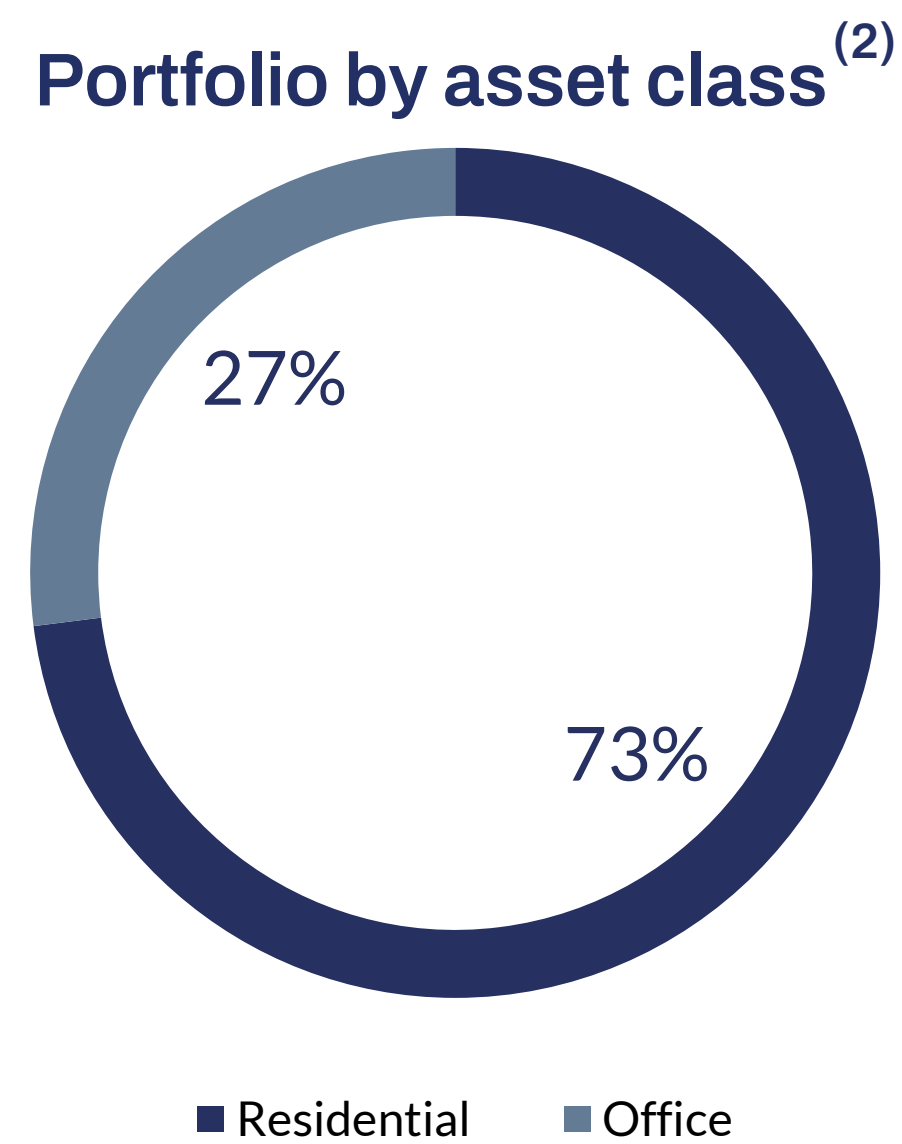
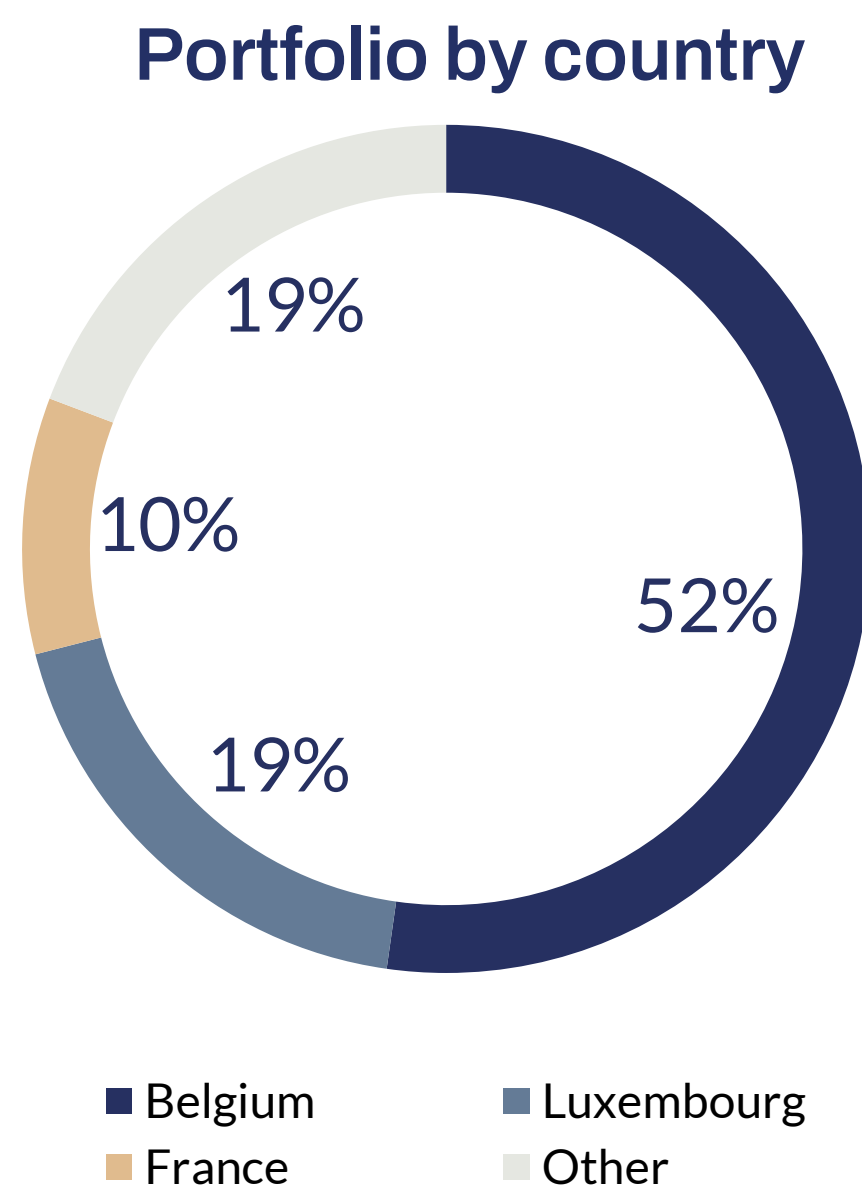


+ PORTFOLIO overview



Portfolio strategy

Permitting pipeline of EUR 1.6 billion, 2,020 residential units⁽¹⁾ and 8 office projects



Project pipeline

Diverse quality pipeline

- In conception / permitting phase
- In construction phase
- In permitting

	Project	Country	Type	Gross m ² (x1000)	GDV (EURm) ⁽¹⁾	% sold/rented ⁽²⁾	2023E	2024E	2025E	2026E+
Key projects in operation	O'Sea Phase 2	BEL	Residential	24	88,1	77%				
	Eden	GER	Residential	20	181,3	74%	■			
	M1	LUX	Residential	36	75,3	100%	■			
	St Roch - Phase 1	BEL	Residential	14	42,2	83%	■	■		
	Granaria Phase 2	POL	Residential	62	74,7	99%	■	■		
	Saint-Antoine	FRA	Office	6	N/A ⁽³⁾	0% / 0%	■	■		
	Slachthuissite - School	BEL	Office	23	N/A ⁽³⁾	100% / N/A	■	■		
	Héros	BEL	Residential	4	26,2	13%	■	■	■	
	O'Sea Phase 3	BEL	Residential	25	104,6	39%	■	■	■	
	Canal	LUX	Residential	6	43,0	97%	■	■	■	
	Liewen Phase 1	LUX	Residential	7	52,3	44%	■	■	■	
	T-Park (Tielt)	BEL	Residential	27	72,5	8%	■	■	■	■
	Slachthuissite - 1014	BEL	Residential	24	27,6	34%	■	■	■	■
	St Roch - Phase 2	BEL	Residential	18	71,4	5%	■	■	■	■
	The Commodore	BEL	Residential	12	56,1	0%	■	■	■	■
	The Muse	BEL	Office	9	N/A ⁽³⁾	0%	■	■	■	■
Oxy	BEL	Mixed	71	N/A ⁽³⁾	0%	■	■	■	■	
						Permit Status				
Key projects to be launched	De Brouckere	BEL	Mixed	38	103,4	●	■	■	■	■
	Proximus-Towers	BEL	Mixed	119	N/A ⁽³⁾	●	■	■	■	■
	Isala	BEL	Office	34	N/A ⁽³⁾	●	■	■	■	■
	Slachthuissite - residential	BEL	Residential	116	142,3	●	■	■	■	■
	Lebeau	BEL	Mixed	39	225,4	●	■	■	■	■
	Polvermillen	LUX	Residential	27	235,4	●	■	■	■	■
	Scorpio	LUX	Office	3	N/A ⁽³⁾	●	■	■	■	■

Note(s): Most financials refer to internal view published in annual reports/ half year reports; (1) Immobil share; (2) Weighted based on gross m² per project phase; (3) For confidentiality reasons office projects' GDVs are not disclosed
 Source(s): Company information



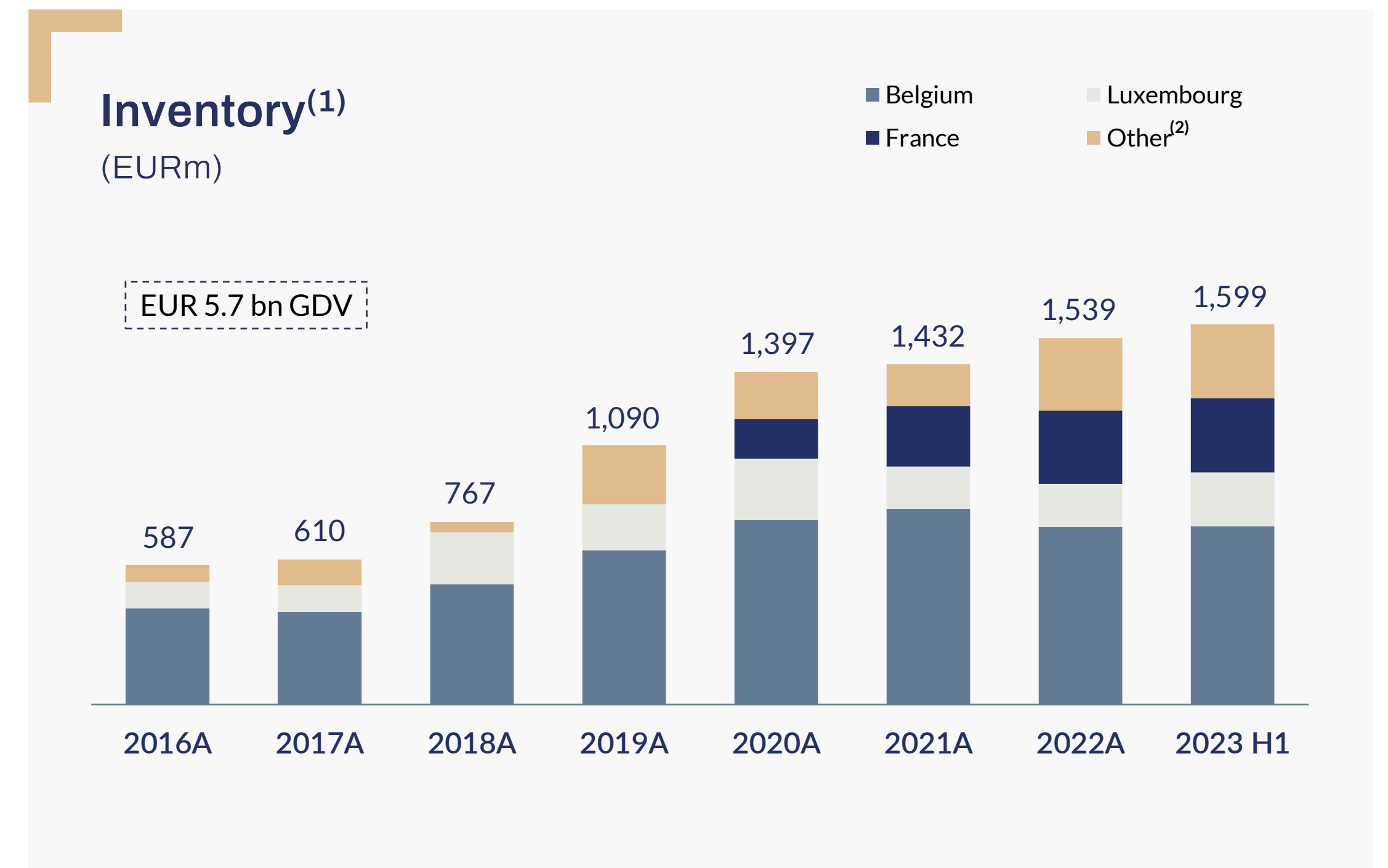
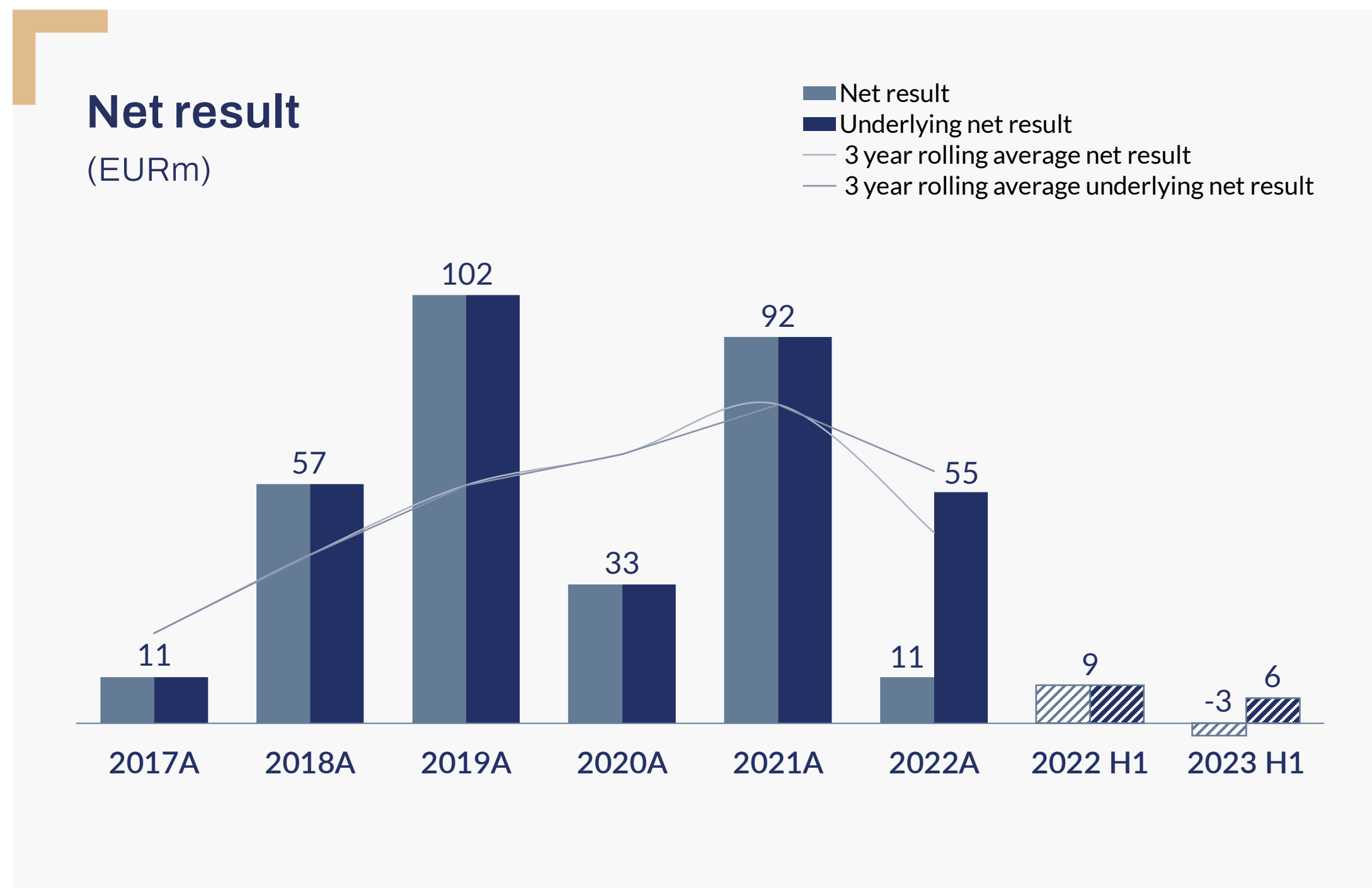


FINANCIAL performance



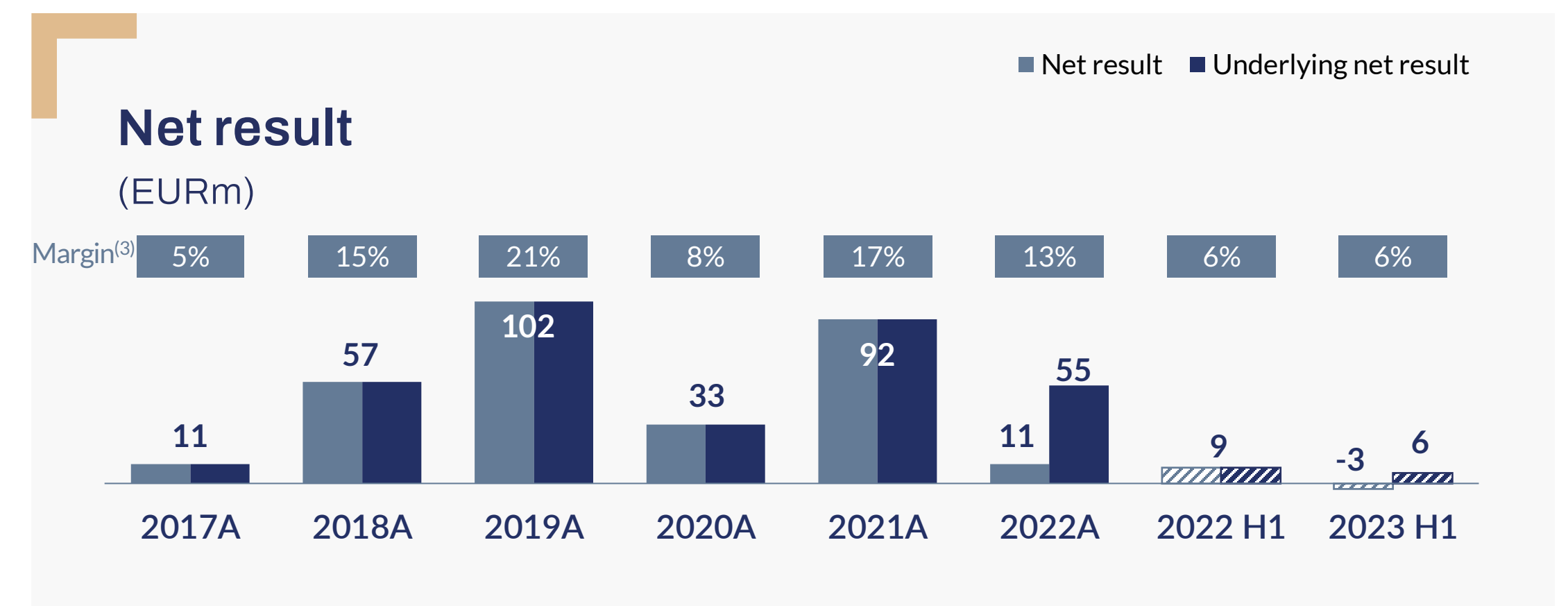
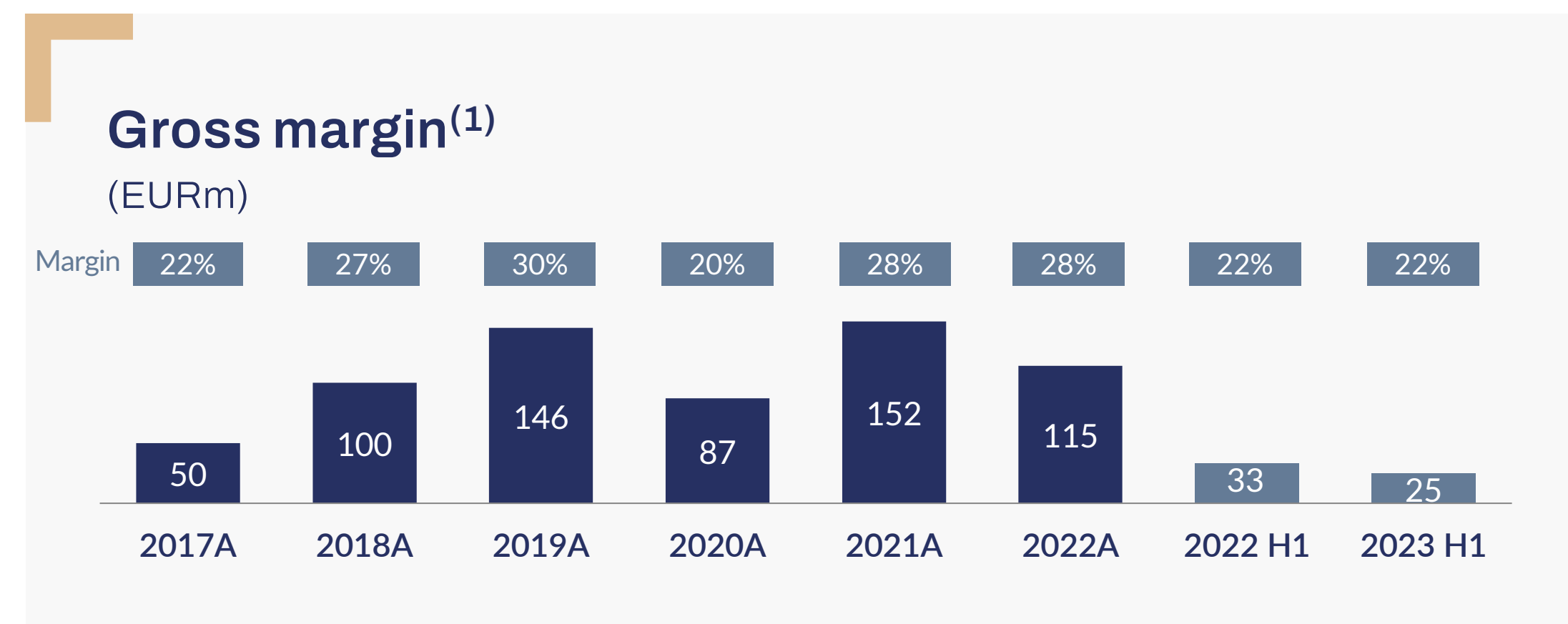
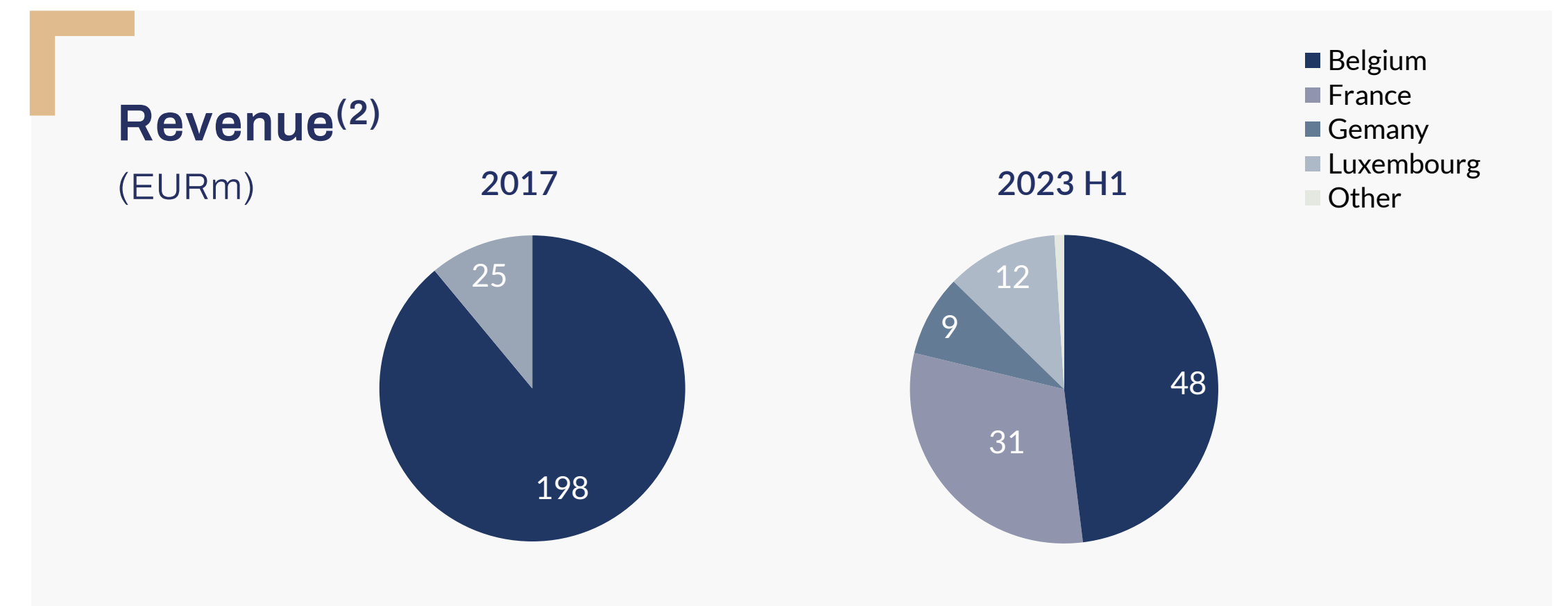
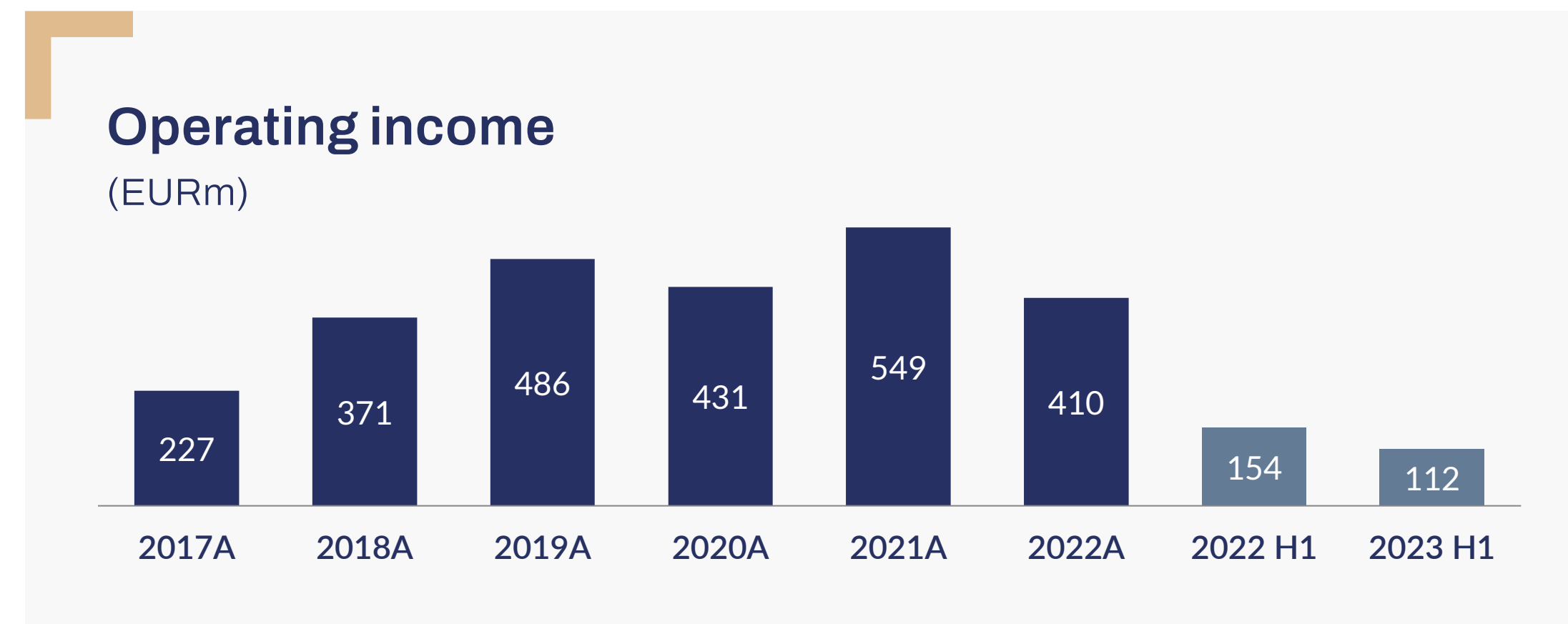
P&L

Underlying net result of EUR 6.5 million



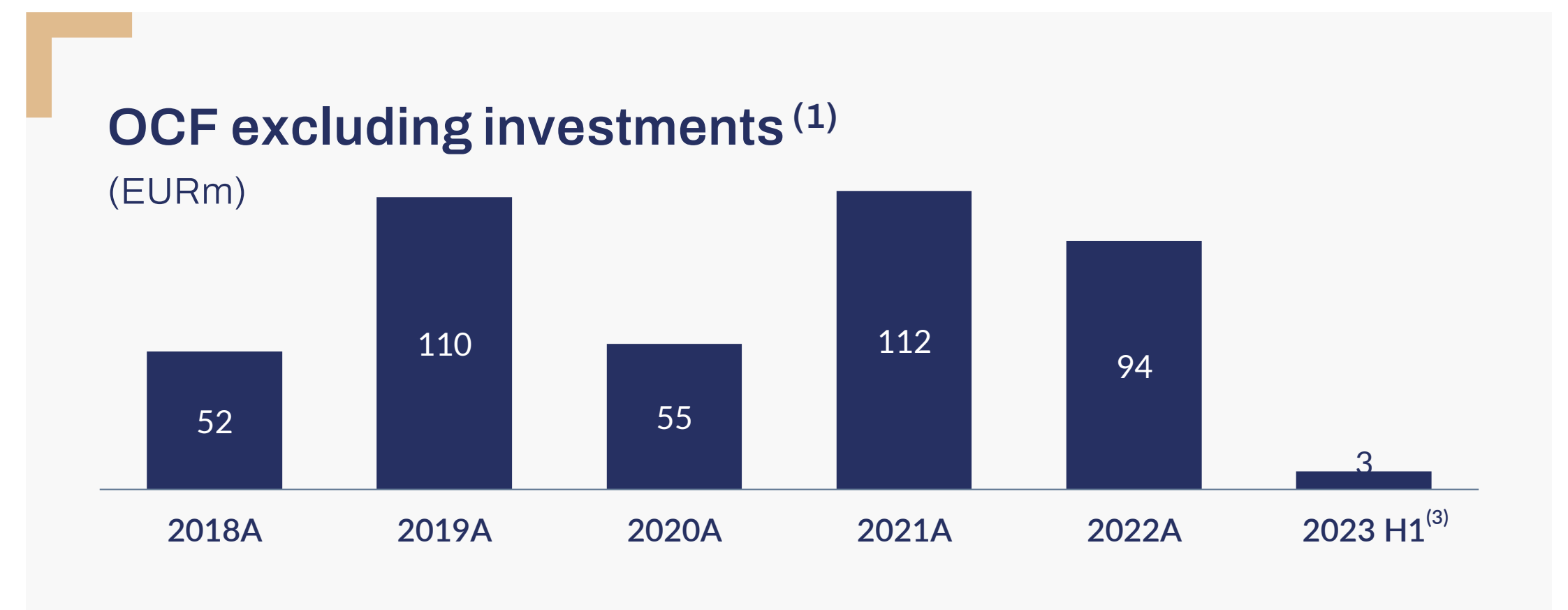
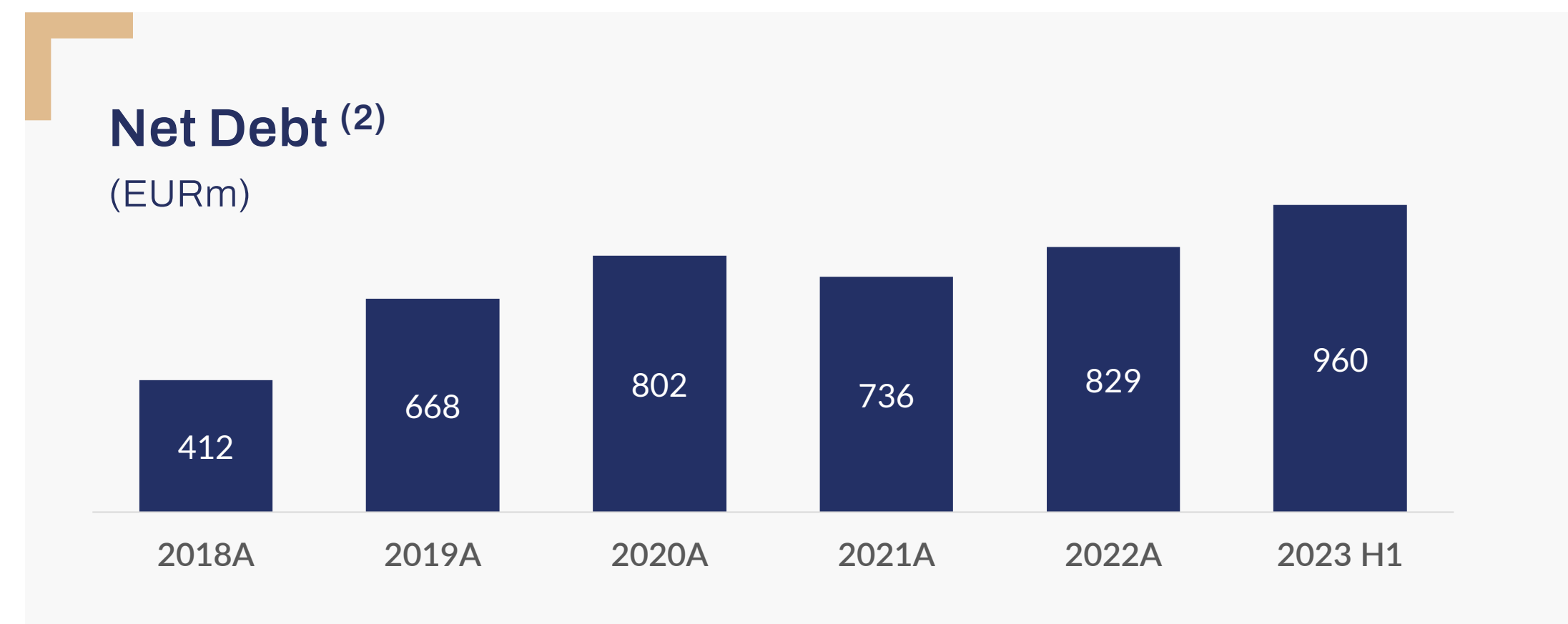
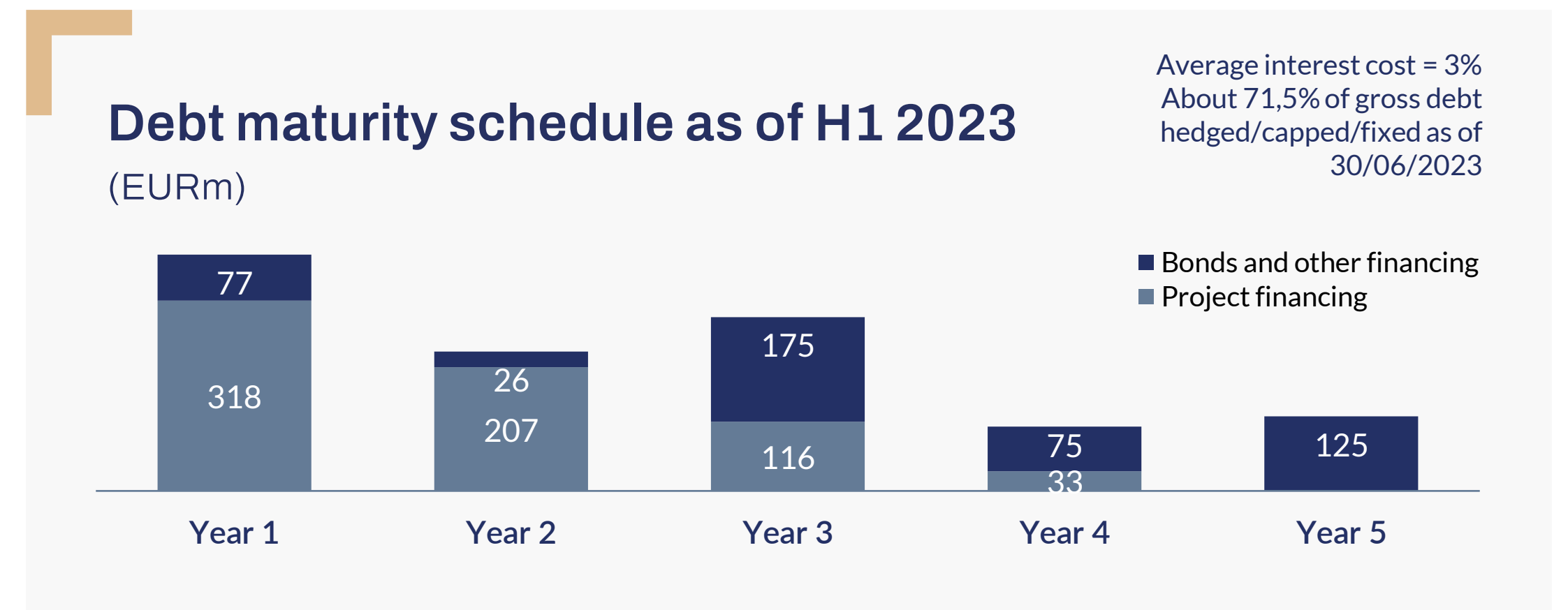
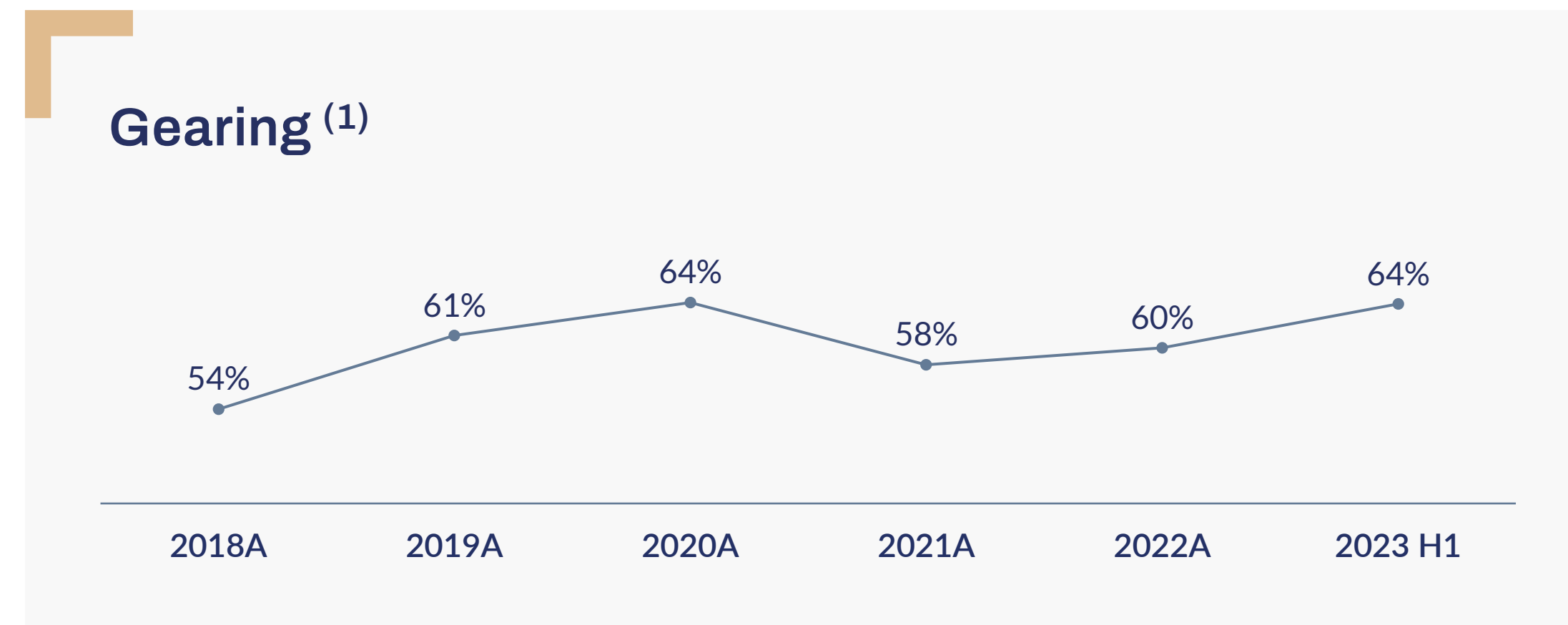
P&L

Despite lower operating income, gross margin remains healthy



Balance sheet and operating cash flows

Solid balance sheet



+ OUTLOOK





Outlook

- For second half of the year, revenues expected to be in line with first half
- No office building expected to be sold



APPENDIX



Profit & loss statement

External view

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-22	Jun-23
Operating Income	419,547	375,390	392,815	243,875	130,795	83,638
Turnover	408,784	364,479	386,330	236,306	124,614	81,655
Other operating income	10,763	10,911	6,484	7,569	6,181	1,983
Operating Expenses	-327,192	-333,526	-338,312	-293,572	-117,745	-85,459
Cost of sales	-291,027	-300,766	-311,066	-208,866	-103,637	-67,579
Cost of commercialisation	-3,160	-1,702	-0,439	-0,204	-0,184	-0,019
Administration costs	-33,005	-31,057	-26,807	-84,503	-13,924	-17,861
Transfer of Businesses	19,618	0,133	0,025	0,000	0,000	0,000
Gain on disposal of businesses	19,618	0,133	0,025	0,000	0,000	0,000
Joint Ventures and Associates	4,985	6,994	44,531	67,181	1,212	1,359
Share in the net result of joint ventures and associates	4,985	7,994	44,531	67,181	1,212	1,359
Operating Result	116,958	48,991	99,058	17,483	14,262	-0,461
Interest income	3,240	5,773	4,983	4,398	2,187	3,796
Interest expense	-7,524	-11,859	-6,605	-4,272	-3,644	-4,272
Other financial income	0,738	1,440	0,081	0,103	0,116	1,311
Other financial expenses	-1,782	-2,649	-3,552	-4,584	-2,729	-1,523
Financial Result	-5,328	-7,295	-5,094	-4,355	-4,070	-0,689
Result from continuing Operations before Taxes	111,630	41,696	93,964	13,128	10,192	-1,150
Income taxes	-9,390	-8,650	-1,619	-2,755	-1,293	-1,506
Result from continuing Operations	102,240	33,047	92,345	10,373	8,899	-2,655
Result of Year	102,240	33,047	92,345	10,373	8,899	-2,655
Share of non-controlling interests	196	-775	-195	350	240	-136
Share of Immo	102,436	32,272	92,150	10,723	9,139	-2,791



Balance sheet

External view

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
Non-current assets	213,311	448,370	506,258	362,294	373,341
Goodwill	43,789	43,789	43,789	0,000	0,000
Intangible assets	0,543	0,582	0,246	1,357	1,573
Property, plant and equipment	0,983	1,388	2,793	4,122	3,650
Assets under capital lease obligations	6,441	4,390	3,772	9,937	8,655
Investment property	81,123	197,149	173,999	67,686	66,990
Investments in joint ventures and associates	55,899	106,195	156,532	144,891	148,237
Advances to joint ventures and associates	9,492	76,644	101,670	111,527	116,022
Other non-current financial assets	4,920	0,175	1,015	0,000	3,479
Deferred tax assets	6,374	16,369	21,292	21,733	23,529
Other non-current assets	3,747	1,689	1,151	1,042	1,207
Current assets	1,087,903	982,768	1,178,890	1,385,733	1,322,867
Inventories	694,580	683,121	698,623	985,726	1,047,330
Trade receivables	72,516	33,168	38,116	17,591	21,019
Contract assets	42,228	57,251	117,953	42,148	24,135
Tax receivables	2,703	3,450	1,369	0,988	0,264
Other current assets	41,937	37,269	36,240	56,217	47,157
Advances to joint ventures and associates	77,743	20,399	13,163	3,450	8,821
Other current financial assets	0,050	0,049	0,049	3,689	5,781
Cash and cash equivalents	156,146	148,059	273,377	275,926	168,360
Total assets	1,301,214	1,431,137	1,685,148	1,748,027	1,696,208

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
Total equity	428,162	494,490	582,920	573,139	544,941
Equity share of immobel	426,151	491,922	571,568	556,552	528,609
Share capital	97,256	97,257	97,257	97,257	97,257
Retained earnings	328,693	392,142	472,630	456,249	428,905
Reserves	0,202	2,524	1,681	3,046	2,448
Non-controlling interests	2,011	2,568	11,352	16,588	16,332
Non-current liabilities	523,379	609,602	535,104	744,480	680,567
Employee benefit obligations	0,633	0,603	0,996	0,567	0,567
Deferred tax liabilities	15,447	37,301	26,352	21,136	23,834
Financial debts	507,008	571,139	507,596	722,777	656,166
Derivative financial instruments	0,291	0,560	0,160	0,000	0,000
Current liabilities	349,673	327,045	567,124	430,408	470,700
Provisions	3,882	2,114	2,328	3,829	4,222
Financial debts	200,063	180,810	359,094	179,723	258,752
Trade payables	59,564	60,927	83,546	98,384	66,452
Contract liabilities	5,690	3,896	21,969	51,485	70,276
Tax liabilities	1,354	7,110	13,768	13,058	1,763
Other current liabilities	79,120	72,188	86,419	83,929	69,236
Total equity and liabilities	1,301,214	1,431,137	1,685,148	1,748,027	1,696,208



Profit & loss statement

Internal view

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-22	Jun-23
Operating Income	486,298	431,153	549,046	409,516	154,262	111,696
Turnover	470,626	413,751	526,799	377,377	142,644	99,733
Other operating income	15,672	17,402	22,247	32,139	11,618	11,963
Operating Expenses	-379,551	-378,746	-430,390	-386,615	-137,702	-107,206
Cost of sales	-340,310	-341,373	-396,929	-294,770	-120,827	-86,949
Cost of commercialisation	-3,253	-2,410	-0,439	-0,215	-0,184	-0,018
Administration costs	-35,988	-34,964	-33,022	-91,630	-16,691	-20,238
Transfer of Businesses	19,618	0,133	0,025	0,000	0,000	0,000
Gains on disposal of businesses	19,618	0,133	0,025	0,000	0,000	0,000
Joint Ventures and Associates	-2,563	0,090	0,063	0,105	-0,002	-0,002
Share in the net result of joint ventures and associates	-2,563	0,090	0,063	0,105	-0,002	-0,002
Operating Result	123,802	52,630	118,744	23,005	16,558	4,488
Interest income	2,374	4,810	3,835	3,330	1,568	3,333
Interest expense	-9,394	-12,587	-13,299	-8,020	-4,833	-8,463
Other financial income / expenses	-0,949	-0,973	-0,043	-4,834	-2,609	-0,410
Financial Result	-7,969	-8,750	-9,507	-9,524	-5,874	-5,539
Result from continuing Operations before Taxes	115,833	43,880	109,237	13,482	10,685	-1,051
Income taxes	-13,482	-10,587	-17,596	-3,710	-1,777	-1,746
Result from continuing Operations	102,351	33,293	91,641	9,772	8,907	-2,796
Result of Year	102,351	33,293	91,641	9,772	8,907	-2,796
Share of non-controlling interests	85	-21	509	951	232	5
Share of Immoebel	102,436	33,272	92,150	10,723	9,139	-2,791



Balance sheet

Internal view

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
Non-current assets	252,412	420,272	428,872	258,956	268,874
Intangible and tangible assets	51,756	50,200	50,663	15,416	13,877
Investment property	179,597	294,494	274,665	133,520	132,852
Investment in associates	16,000	53,004	74,889	79,107	83,573
Deferred tax assets	8,321	19,813	25,656	27,008	29,253
Other non-current assets	12,722	2,761	2,999	3,904	9,320
Current assets	1,279,702	1,356,329	1,638,612	1,840,242	1,771,685
Inventories	860,718	997,161	1,017,976	1,360,703	1,441,528
Trade receivables	80,498	39,327	44,632	24,309	24,473
Tax receivables and other current assets	160,521	145,363	207,090	139,968	109,576
Cash and cash equivalents	177,965	174,478	368,914	315,261	196,108
Total assets	1,532,114	1,776,600	2,067,484	2,099,198	2,040,559

kEUR	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
Total equity	426,182	492,907	582,798	572,644	544,346
Non-current liabilities	642,663	731,077	687,120	848,378	786,297
Financial debt	625,530	685,169	651,775	825,453	760,374
Deferred tax liabilities	16,209	44,745	34,190	22,358	25,356
Other non-current liabilities	924,000	1,163	1,155	0,567	0,567
Current liabilities	463,269	552,616	797,566	678,176	709,915
Financial debts	219,978	291,112	453,077	318,445	395,630
Trade payables	75,884	83,177	98,943	113,780	76,875
Tax payables and other current liabilities	167,407	178,327	245,545	245,952	237,409
Total equity and liabilities	1,532,114	1,776,600	2,067,484	2,099,198	2,040,559



Definitions

- **Gross development value**

Sales value or gross development value is the total expected future turnover (group share) of a project or all projects in the current portfolio (including projects subject to conditions precedent for which the management judges there is a high likelihood of closing).

- **External view**

Official IFRS reported figures of the company

- **Internal view**

External view figures before the application of IFRS 11

- **Inventory**

Inventories plus investment properties and investments in contract assets

- **Operating cash flow excluding investments**

Cash margin + project management fees – overhead costs (excluding exceptional costs)

- **Gearing**

Net debt / (net debt + equity - goodwill)





Thank you



CONTACT details



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*as a representative of
KB Financial Services BV

Immobel is the largest listed real estate developer in Belgium. The Group, which dates back to 1863, creates high-quality, future-proof urban environments with a positive impact on the way people live, work and play, and specialises in mixed real estate. With a market capitalisation of about EUR 350 million^[1] and a portfolio of more than 1,400,000 m² of project development in 7 countries (Belgium, Grand Duchy of Luxembourg, Poland, France, Spain, Germany and the United Kingdom), Immobel occupies a leading position in the European real estate landscape. The group strives for sustainability in urban development. Furthermore, it uses part of its profits to support good causes in the areas of health, culture and social inclusion. Approximately 150 people work at Immobel.

For more information, please go to: www.immobelgroup.com

