

# Half year results 2016/2017



31 December 2016

Brussels, 21 February 2017

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# Highlights H1 2016/2017



# Highlights

## H1 2016/2017 (1)

- > Aedifica crossed the mark of **100 senior housing sites**
- > **20 additions to the portfolio** and **completion of 2 projects** in the senior housing segment during the 1<sup>st</sup> half year
- > **Marketable investment property:** €1,430 million
- > **Senior housing:** 80% of the portfolio, totaling €1,140 million and spread across 3 countries
  - €834 million in Belgium (71 sites)
  - €201 million in Germany (21 sites)
  - €105 million in The Netherlands (8 sites)

# Highlights

## H1 2016/2017 (2)

- > **Rental income:** €37 million, +30 % YoY  
(ahead of budget)
- > **Profit excl. changes in fair value:** €23 million, +39 % YoY  
(ahead of budget)
- > **Debt-to-assets ratio:** 54.0 %
- > **Dividend forecast:** unchanged at €2.25 gross per share

# Investment activity - Belgium

H1 2016/2017

(As of 31 December 2016)

## > 10 additions

- Oosterzonne (Zutendaal)
- De Witte Bergen (Lichtaart)
- Seniorenhof (Tongeren)
- Beerzelhof (Putte)
- Uilenspiegel (Genk)
- Coham (Ham)
- Sorgvliet (Linter)
- Ezeldijk (Diest)
- Residentie Den Boomgaard (Glabbeek)
- Les Jardins de la Mémoire (Brussels)

## > 2 completions

- Villa Temporis phase I (Hasselt)
- Au Bon Vieux Temps (Mont-Saint-Guibert)

# Investment activity - Germany

**H1 2016/2017**



**(As of 31 December 2016)**

## **> 6 additions**

- Am Kloster (Saxony-Anhalt)
- Rosenpark (Bavaria)
- Patricia (Bavaria)
- St Anna (Bavaria)
- Frohnau (Berlin)
- Residenz Zehlendorf (Berlin)

# Investment activity - The Netherlands

**H1 2016/2017**



**(As of 31 December 2016)**

## **> 4 additions**

- Genderstate (Eindhoven)
- Petruspark (Eindhoven)
- Parc Imstenrade (Heerlen)
- Spes Nostra (Vleuten)



# Investment activity

Q3 2016/2017



(As of 21 February 2017)

> **1 addition**

- Het Dokhuis (Oude Pekela, The Netherlands)

> **1 completion**

- Vinkenbosch phase I (Hasselt, Belgium)

- > **Total Portfolio outlook: ~ €1,548 m**
  - €1,430 m (marketable investment properties incl. assets classified as held for sale, as of 31 Dec. 2016)
  - - €6 m (assets classified as held for sale)
  - + €124 m (committed investments in pipeline, as of 31 Dec. 2016)
- > **Average remaining lease maturity: 20 years**

# Strategy

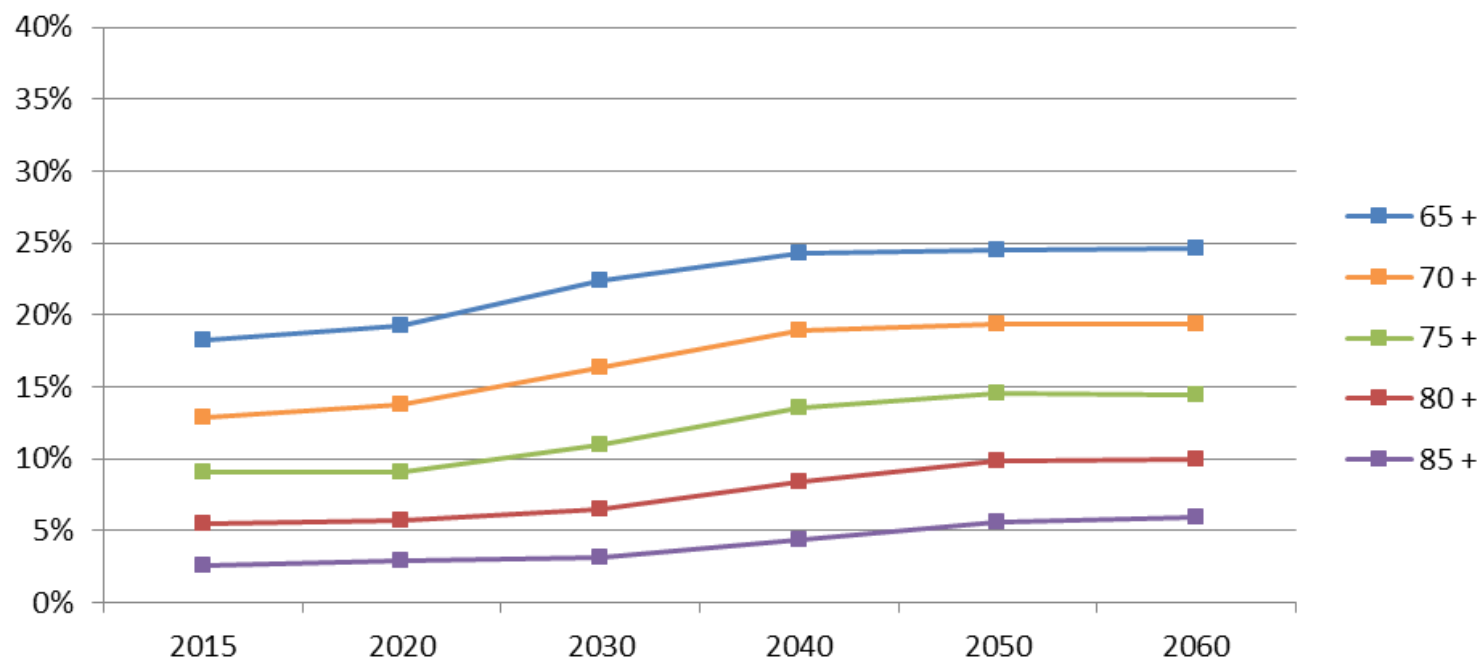


(As of 31 December 2016)

- > Belgian REIT (RREC/SIR/GVV)
  - market cap ~ €1.0 billion
  - free float of 100 %
  - portfolio ~ €1.4 billion
  - approx. 745,000 m<sup>2</sup>
  - see appendix for characteristics of a Belgian REIT
- > Focusing on healthcare real estate: “housing with care”
  - demographic evolution: ageing
- > European focus
  - Belgium
  - Germany
  - The Netherlands
- > Year-end: 30 June

# Demographic evolution

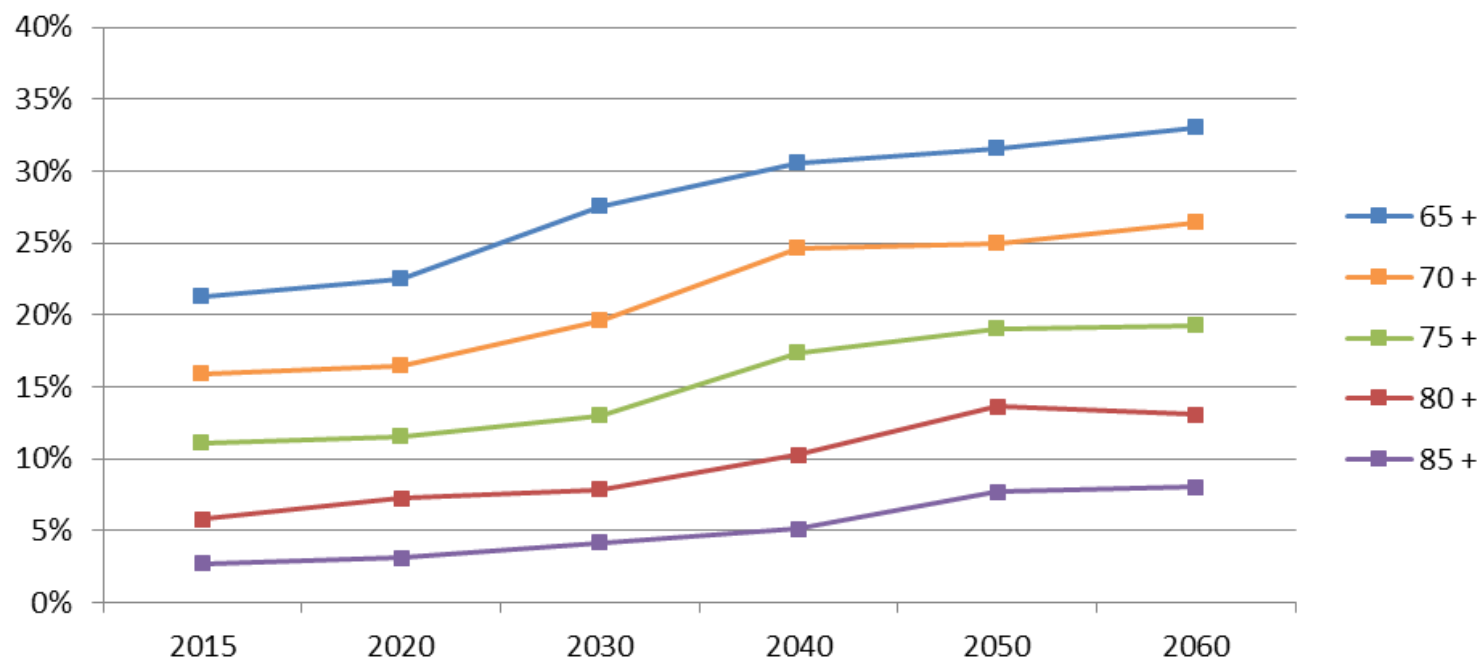
## Ageing in Belgium



Source: "Perspectives de population 2015-2060", Belgian Federal Planning Bureau, 2015.

# Demographic evolution

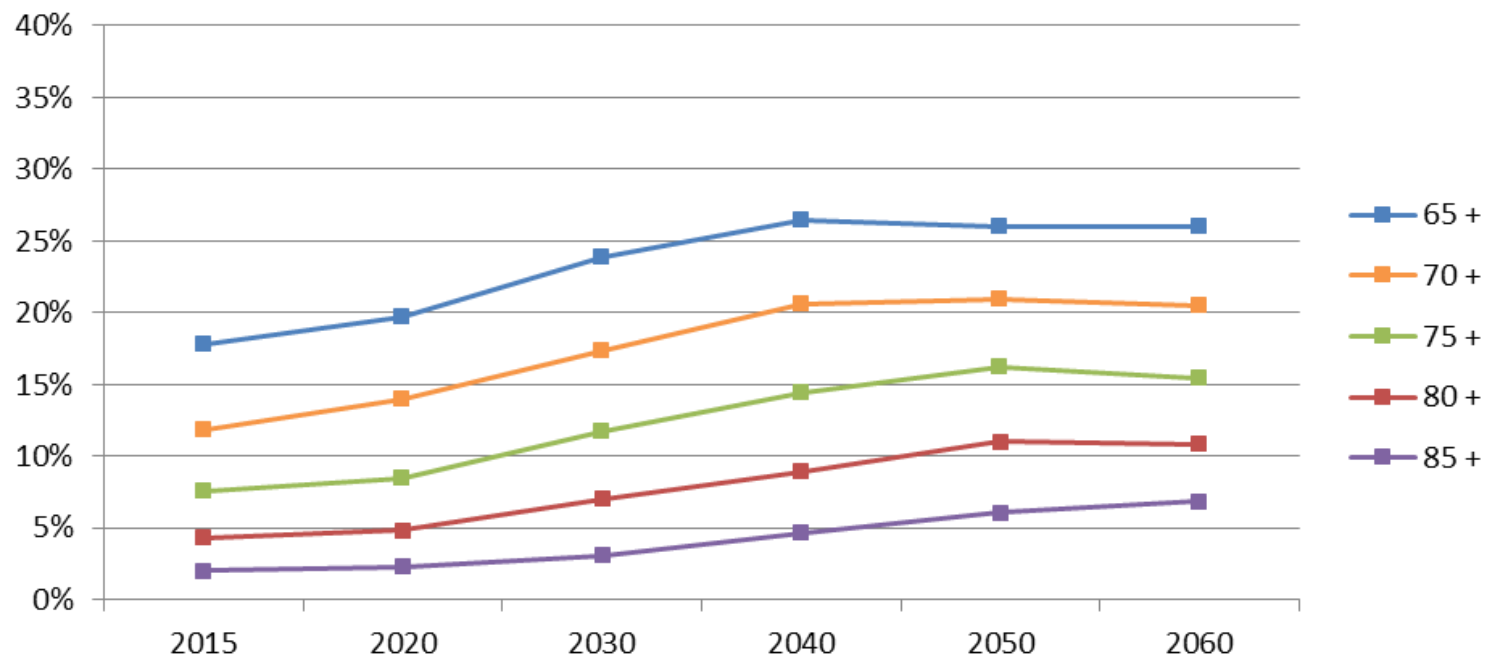
## Ageing in Germany



Source: "Bevölkerung Deutschlands bis 2060", Statistisches Bundesamt (Deutschland), 2015.

# Demographic evolution

## Ageing in The Netherlands



Source: "Prognose bevolking kerncijfers 2015-2060", Centrale Bureau voor de Statistiek (CBS), 26 January 2016.

## > Focus on senior housing

- Rest homes
  - Belgium: Woonzorgcentrum / Maison de repos
  - Germany: Pflegeheim
  - The Netherlands: Verpleeghuis, Zorgvilla, ...
- Assisted living / Independent living
  - Belgium: Assistentiewoning / Résidence-services
  - Germany: Betreutes Wohnen
  - The Netherlands: Seniorenappartementen

## > Focus on housing and care

= Residential care



# Segment information

(As of 31 December 2016)

## Senior housing in Europe



Weight:  
Yield:  
EBIT margin:

80 %  
5.7 %  
99 %

→ Cash flow  
(long leases)

+ growth potential

## Apartment buildings in Belgium's main cities



15 %  
4.9 %  
75<sup>2</sup> %

→ Value play<sup>1</sup>

## Hotels in Belgium



5 %  
6.6 %  
100 %

→ Cash flow  
(long leases)

<sup>1</sup> Expected capital gains through arbitration of apartments on the long term.

<sup>2</sup> See note on "Segment EBIT margins" slide.

# Achievements

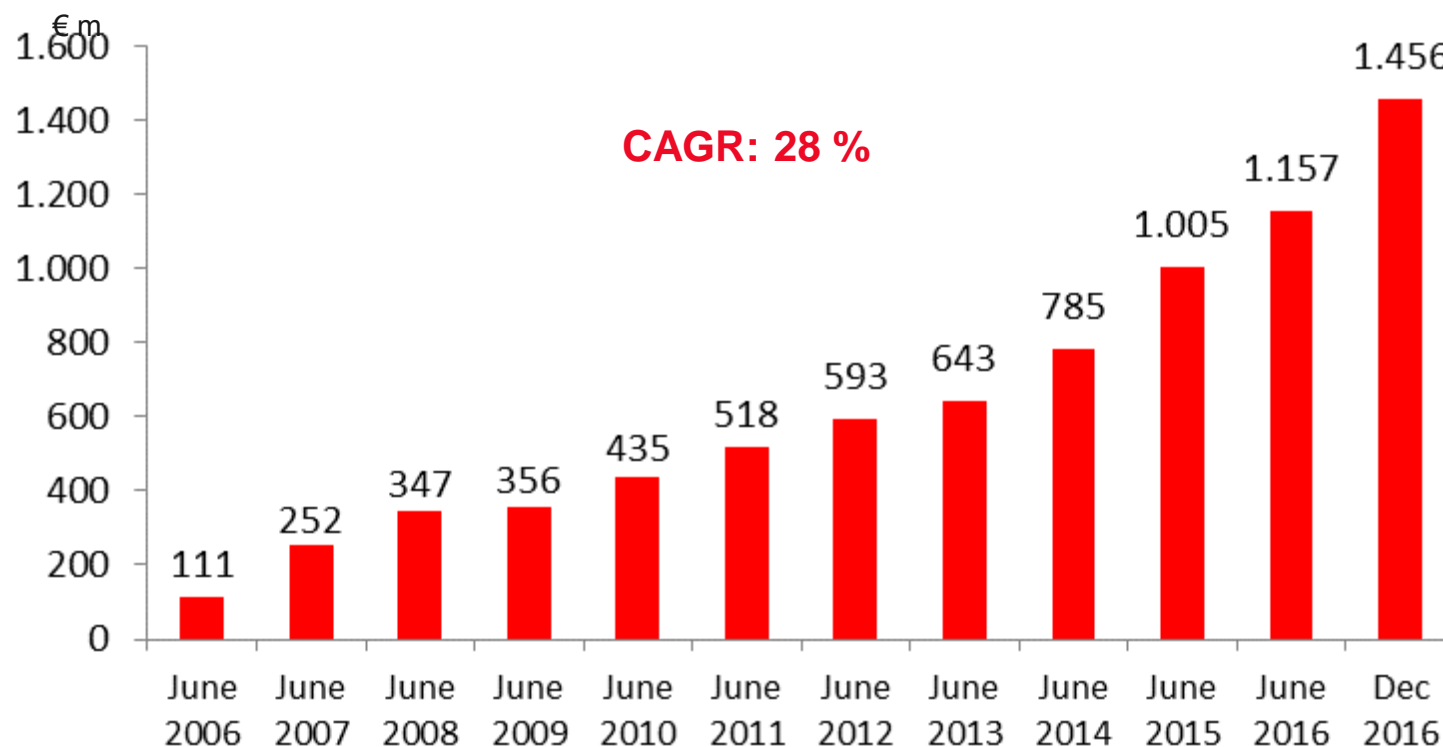


# Milestones

## 10 years evolution

(As of 31 December 2016)

### Investment properties\*



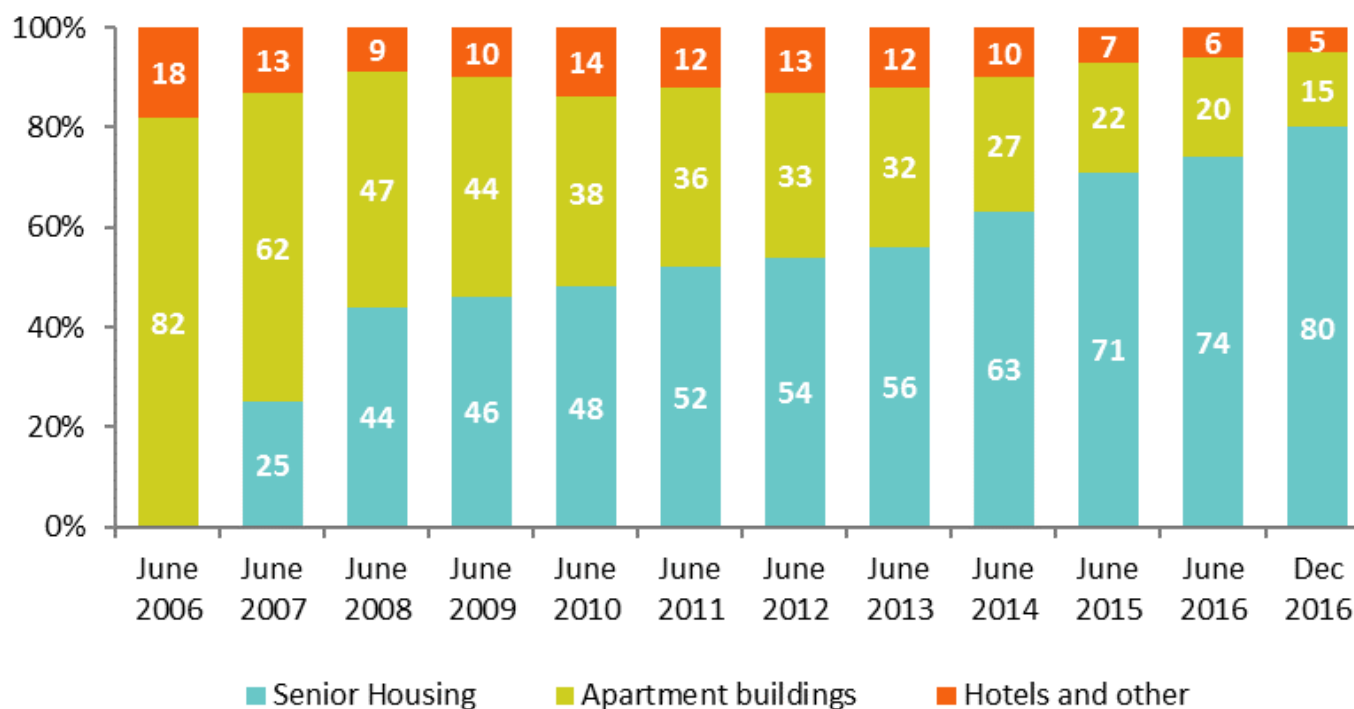
Incl. assets classified as held for sale.

# Milestones

## Focus on Senior Housing

(As of 31 December 2016)

### Evolution by segment (fair value)



Marketable investment properties incl. assets classified as held for sale (€1,430 m)

# Milestones

## Focus on Europe

(As of 31 December 2016)

### Geographical breakdown (fair value)



Marketable investment properties incl. assets classified as held for sale (€1,430 m)

# Equity

## Latest SPOs (2010, 2012, 2015)

(As of 31 December 2016)

- > Reminder: Gross proceeds  
= €67 m (Oct. 2010) + €100 m (Dec. 2012) + €153 m (June 2015)  
= €320 m
  
- > Since then, significant growth of investment properties:
  - 30 June 2010: €435 m
  - 30 June 2011: €518 m
  - 30 Sept. 2012: €606 m
  - 30 June 2014: €785 m
  - 30 June 2015: €1,005 m
  - 30 Sept. 2016: €1,456 m

}	+ €171 m	}	
}	+ €399 m	}	
}	+ €451 m	}	+ €1,021 m

# Equity

## Latest contributions-in-kind

	Les Jardins de la Mémoire
Acquisition date	8/12/2016
Number shares issued	65,952
Amount (€ m)	4
€ / shares	62.75
Dividend right entitlement	Full
Segment	Senior housing

# Equity

## Optional dividend 2015/2016

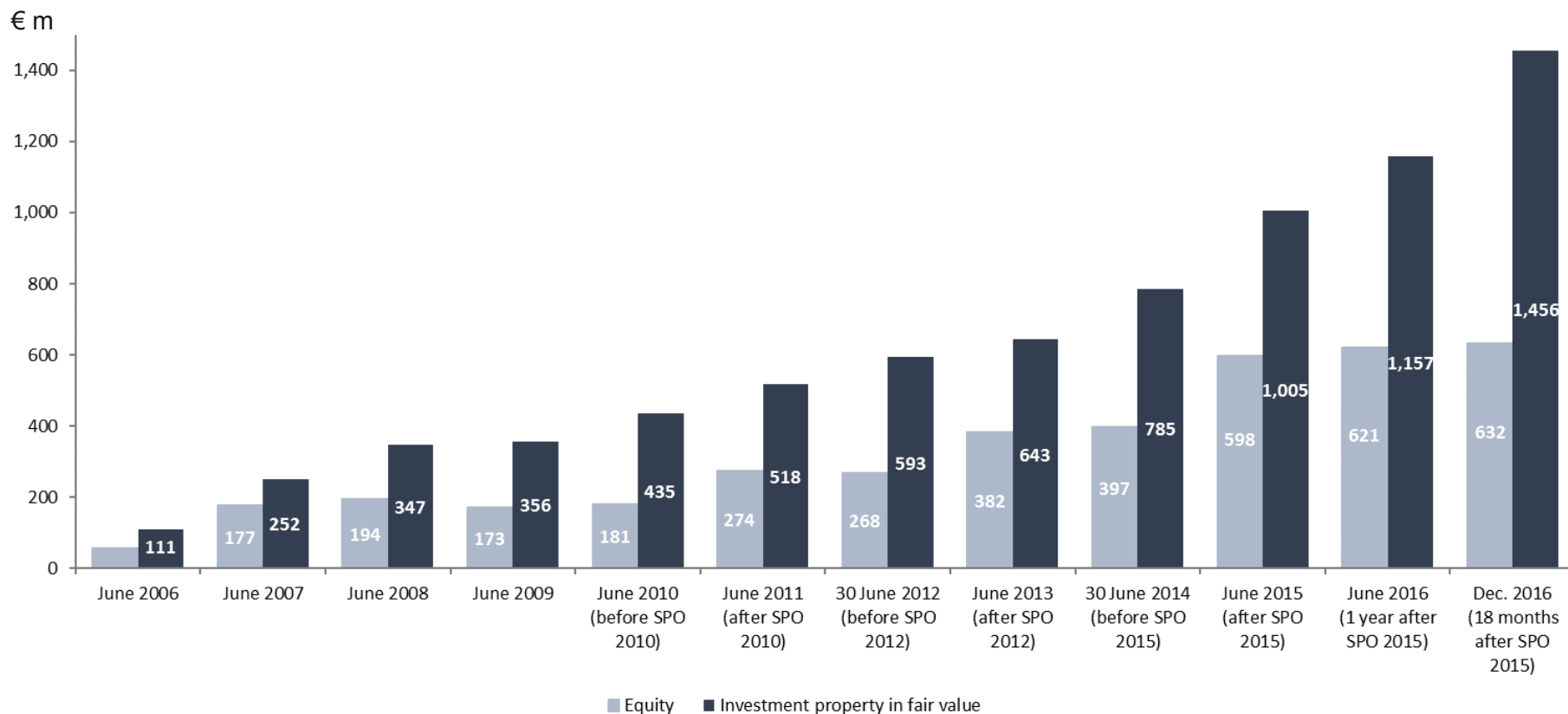
- > 2<sup>nd</sup> time optional dividend
- > 37% of shareholders opted for dividend in new shares, in difficult market conditions (Nov. 2016)
- > Approx. €8 million capital increase
- > 122,672 new Aedifica shares at €65.919



# Equity

## Equity and investment property growth

(As of 31 December 2016)



# Investments

## Since capital increase of June 2015

(in € million)		Marketable investment properties		Development projects	Total
		carried out	subject to outstanding conditions		
Résidence de la Houssière	Belgium	10	-	-	10
Senior Flandria	Belgium	10	-	-	10
Mechelen	Belgium	-	-	17	17
Vinkenbosch	Belgium	4	-	12	16
Kalletal (extension)	Germany	3	-	-	3
Heydeveld	Belgium	9	-	-	9
Oostende	Belgium	-	11	-	11
Prinsenhof	Belgium	6	-	4	10
Husum	Germany	7	-	-	7
Holland	The Netherlands	12	-	-	12
Benvenuta	The Netherlands	3	-	-	3
Molenenk	The Netherlands	-	-	10	10
Walgaerde	The Netherlands	-	4	-	4
Residentie Poortvelden <sup>1</sup>	Belgium	12	-	-	12
Leopoldspark <sup>1</sup>	Belgium	21	-	-	21
Saksen Weimar	The Netherlands	8	-	-	8
Foyer de Lork (portfolio)	Belgium	97	-	-	97
Martha Flora Lochem	The Netherlands	2	-	-	2
Martha Flora Rotterdam	The Netherlands	-	8	-	8
Les Jardins de la Mémoire	Belgium	11	-	-	11
Vitanas (portfolio)	Germany	59	-	1	60
Vitalis (portfolio)	The Netherlands	73	-	2	75
Residentie Den Boomgaard <sup>1</sup>	Belgium	12	-	-	12
Residenz Zehlendorf	Germany	8	-	5	13
Spes Nostra	The Netherlands	7	-	-	7
Het Dokhuis	The Netherlands	5	-	-	5
<b>Total as of 21 February 2017</b>		<b>379</b>	<b>23</b>	<b>51</b>	<b>453</b>

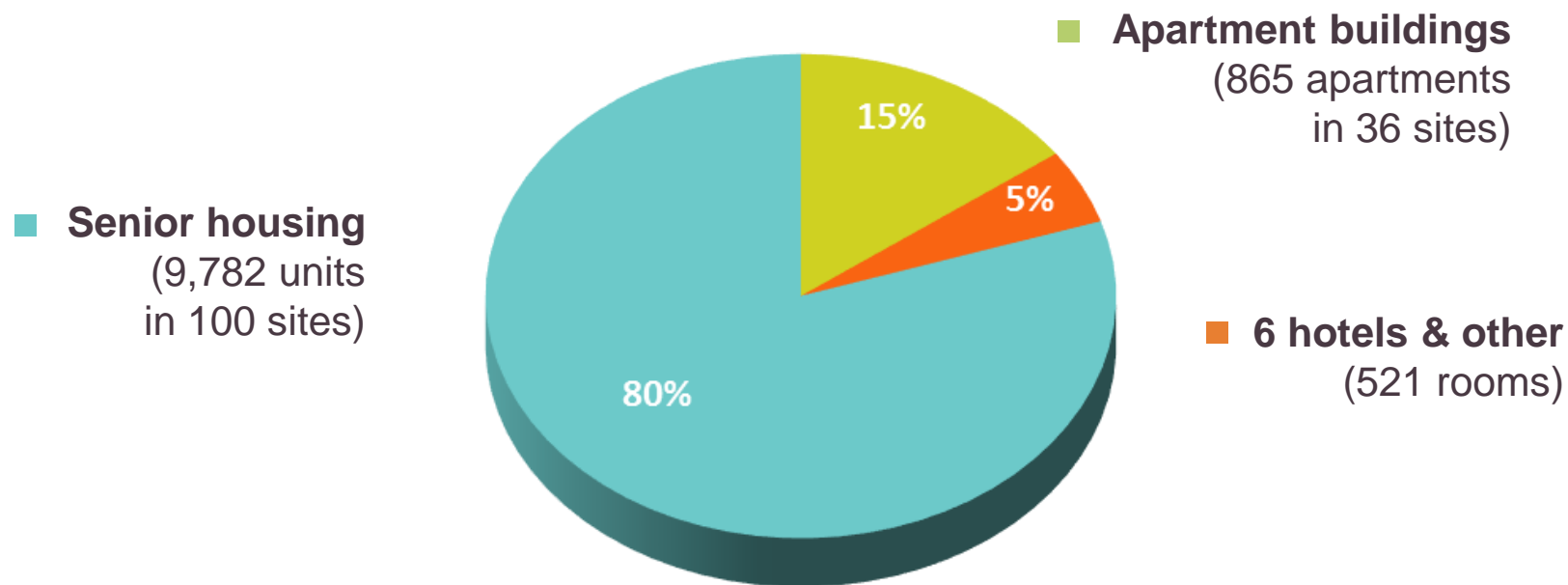
<sup>1</sup> Realisations of agreements concluded in 2014.

# Portfolio analysis



# Segments

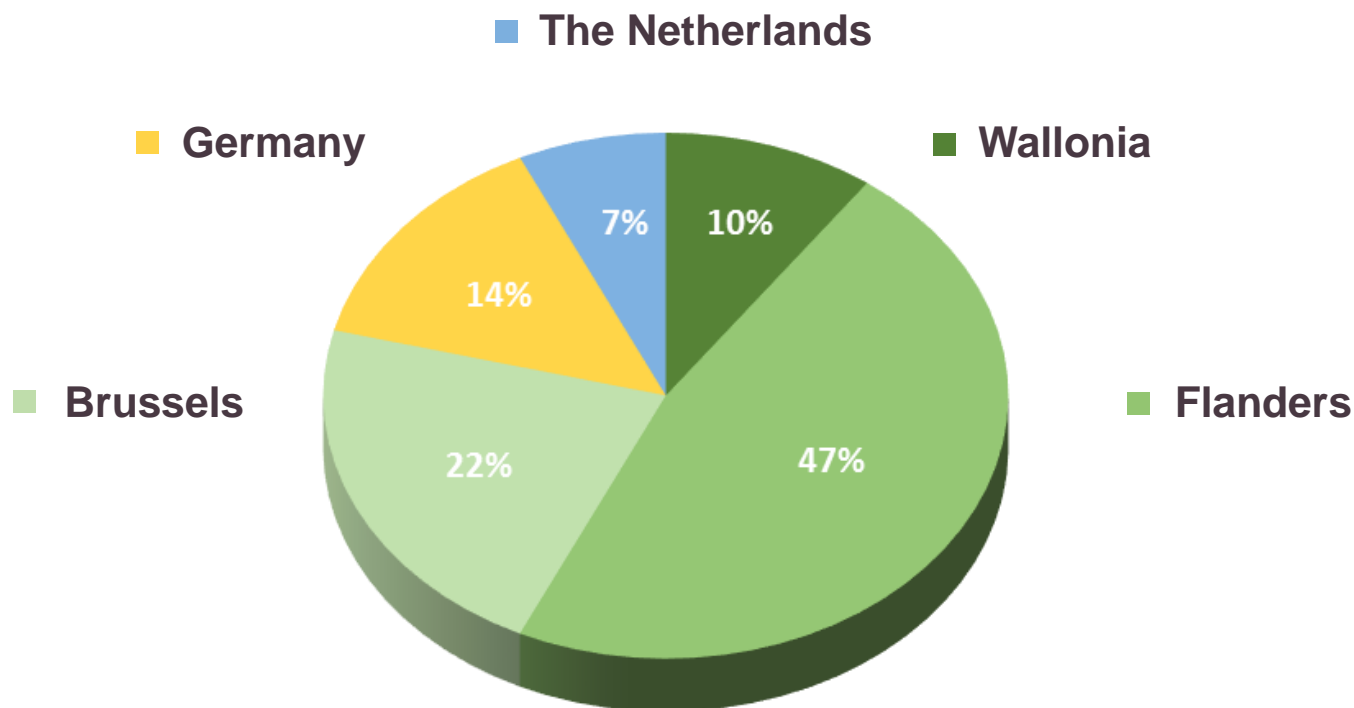
(As of 31 December 2016)



Marketable investment properties incl. assets classified as held for sale (€1,430 m)

# Geographical breakdown

(As of 31 December 2016)



Marketable investment properties incl. assets classified as held for sale (€1,430 m)

# Belgian portfolio

(As of 31 December 2016)

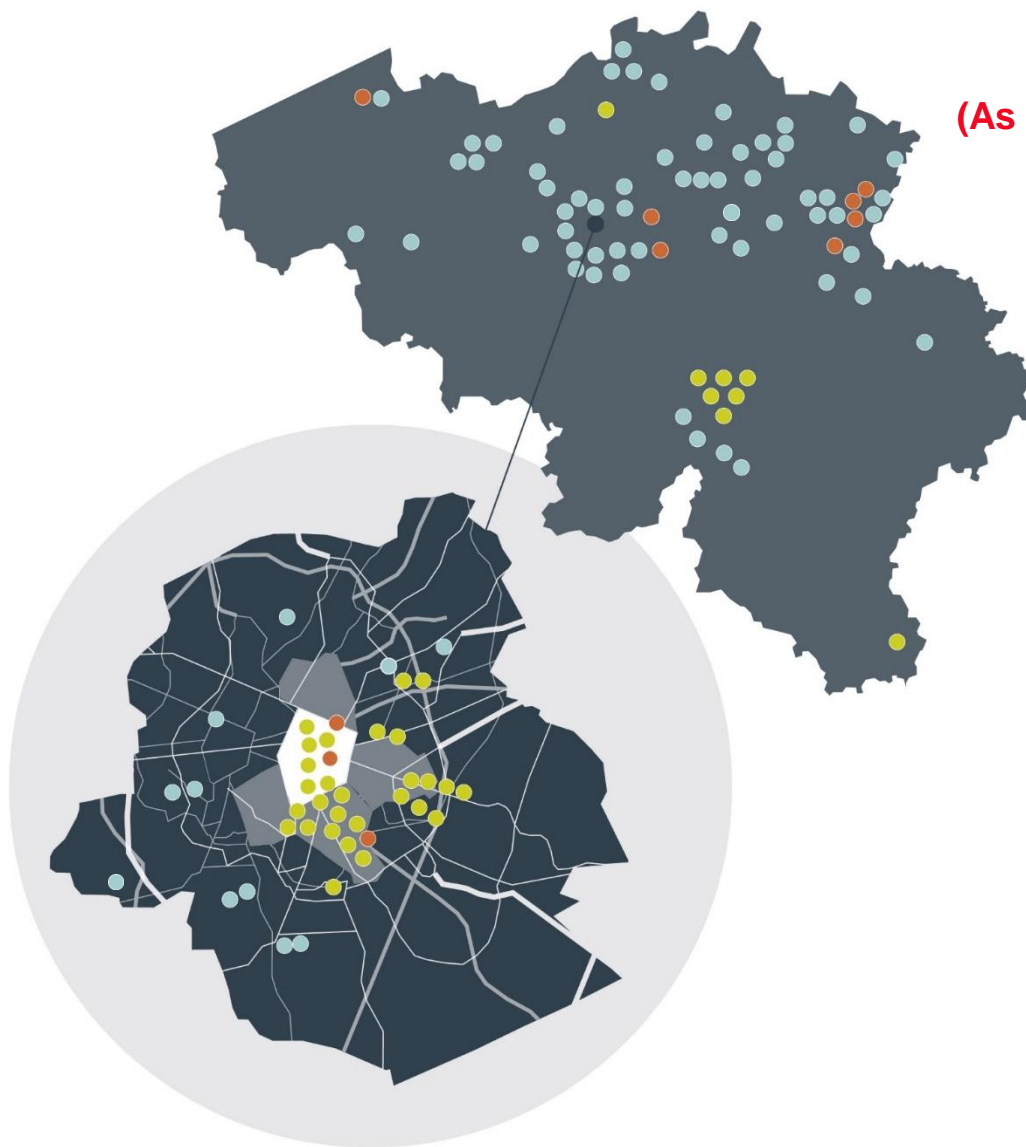
- > **Belgium:**
  - 2006: Initial home market for senior housing
- > **Senior housing portfolio of 71 assets:**
  - Capacity of 7,040 residents
  - Total fair value of approx. €834 m
  - Yield on fair value of 5.6 %
  - Triple net long leases
  - Typical lease maturity: 27 years
- > **Portfolio of 865 apartments & 6 hotels**

# Belgian portfolio

## Belgium

(As of 31 December 2016)

- Senior housing
- Apartment buildings
- Hotels & other



# German portfolio

(As of 31 December 2016)

## > Germany:

- 2013: 1<sup>st</sup> investment abroad since Aedifica's creation in 2005
- Aedifica = 1<sup>st</sup> Belgian REIT to invest in Germany

## > **Portfolio of 21 assets** (20 Pflegeheime + 1 Betreutes Wohnen):

- Capacity of 2,167 residents
- Total fair value of €201 m
- Yield on fair value of 6.4 %
- Double net long leases
- Typical lease maturity: 25 years
- 8 tenants (Aaetas Management, Alloheim, Deutsches Rotes Kreuz, Orpea, Residenz Management, Schloss Bensberg Management, Volkssolidarität, Vitanas)



# German portfolio

(As of 31 December 2016)

## Germany

● Senior housing



(As of 31 December 2016)

## > The Netherlands:

- 2016: 3<sup>rd</sup> home market of Aedifica, after Belgium and Germany

## > Portfolio of 8 assets:

- Capacity of 575 residents
- Total fair value of €105 m
- Yield on fair value of 5.7 %
- Triple net long leases
- Typical lease maturity: 20 years
- 4 tenants (Domus Magnus, Stepping Stones Home & Care, Martha Flora, Vitalis)
- 3 sites to be completed (€18 m)

# Dutch portfolio

(As of 21 February 2017)

## The Netherlands

- Senior housing
- To be completed



# Dutch Portfolio

(As of 31 December 2016)

Benvenuta



Acquisition of a  
care residence in Hilversum  
(Province of North Holland)

- €3 m invested amount
- 10 units

Saksen Weimar



Acquisition of a  
care residence in Arnhem  
(Province of Gelderland)

- €8 m invested amount
- 42 units

Acquisition of a  
care residence in Lochem  
(Province of Gelderland)

- €2 m invested amount
- 13 units



Martha Flora Lochem



Holland

Acquisition of a  
care residence in Baarn  
(Province of Utrecht)

- €12 m invested amount
- 34 units

# Dutch Portfolio

(As of 31 December 2016)

> €73 million invested in 3 sites:

Genderstate

Acquisition of a senior housing site in Eindhoven (Province of North Brabant)

- 44 units



Acquisition of a senior housing site in Eindhoven (Province of North Brabant)

- 139 units



Petruspark



Parc Imstenrade

Acquisition of a senior housing site in Heerlen (Province of Limburg)

- 263 units

# Main tenants (1)

Segment	Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2016	30/06/2016
<b>SENIOR HOUSING</b>				<b>100</b>	<b>81%</b>	<b>75%</b>
	<b>Belgium</b>			<b>71</b>	<b>58%</b>	<b>59%</b>
		Armonea		19	17%	21%
			Armonea SA	8	8%	10%
			Restel Flats SPRL	1	1%	1%
			LDC De Wimilingen ASBL	1	0%	0%
			Happy Old People SPRL	1	1%	1%
			Citadelle Mosane SPRL	1	1%	1%
			Huize Lieve Moenssens ASBL	5	4%	5%
			Eyckenborgh ASBL	2	3%	3%
		Senior Living Group °°		27	19%	14%
			Ennea Rustoord ASBL	1	0%	0%
			Residentie Kasteelhof SCS	1	0%	1%
			Wielant -Futuro SCS	1	1%	1%
			Home Residence du Plateau SPRL	1	2%	2%
			Seniorie de Maretak SA	1	1%	1%
			Senior Living Group SA	7	5%	6%
			Résidence Au Bon Vieux Temps SA	1	1%	0%
			Résidence Les Cheveux d'Argent SA	1	0%	0%
			Helianthus ASBL	1	1%	1%
			Rustoord 't Hoge ASBL	1	1%	1%
			Vinkenbosch ASBL	1	0%	0%
			Residentie Sporenpark SPRL	1	1%	2%
			FDL Group SCA	1	1%	0%
			Foyer De Lork ASBL	6	5%	0%
			Proinvest SPRL	1	0%	0%
			Les Jardins de la Mémoire ASBL	1	1%	0%

°° Korian group.

# Main tenants (2)

Segment	Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2016	30/06/2016
<b>SENIOR HOUSING</b>				<b>100</b>	<b>81%</b>	<b>75%</b>
	<b>Belgium</b>			<b>71</b>	<b>58%</b>	<b>59%</b>
		Orpea		9	8%	10%
			Château Chenois Gestion SPRL	3	2%	3%
			New Philip SA	3	2%	2%
			Parc Palace SA	1	2%	2%
			Progestimmob SA	1	2%	2%
			Résidence du Golf SA	1	1%	1%
		Oase <sup>*****</sup>		3	3%	4%
			Oase ASBL	3	3%	4%
		Vulpia		6	6%	5%
			Vulpia Vlaanderen ASBL	5	5%	5%
			Résidence Alice aux Pays des Merveilles	1	0%	0%
		Time for Quality		1	1%	1%
			Service Flat Residenties ASBL	1	1%	1%
		Other		6	3%	4%
			Le Château de Tintagel SPRL	1	0%	0%
			Résidence Bois de la Pierre SA	1	1%	1%
			Buitenhof ASBL	1	1%	1%
			Résidence de la Houssière SA	1	1%	1%
			Heydeveld Woon- en Zorgcentrum ASBL	1	1%	1%
			WZC Prinsenhof ASBL	1	0%	1%

<sup>\*\*\*\*\*</sup> Oase has at the end of 2016 proceeded to a sale (subject to conditions) of its operations to Vulpia. The conditions were not satisfied as per 31



# Main tenants (3)

Segment	Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2016	30/06/2016
<b>SENIOR HOUSING</b>				<b>100</b>	<b>81%</b>	<b>75%</b>
	<b>Germany</b>			<b>21</b>	<b>16%</b>	<b>13%</b>
		Orpea		5	4%	5%
			Senioren Wohnpark Weser GmbH	3	2%	3%
			Bonifatius Seniorendienst GmbH <sup>ooo</sup>	1	1%	1%
			Seniorenresidenz Kierspe GmbH <sup>ooo</sup>	1	1%	1%
		Alloheim <sup>o</sup>		4	3%	4%
			AGO Herkenrath Betriebsgesellschaft für Sozialeinrichtungen mbH	1	1%	1%
			AGO Dresden Betriebsgesellschaft für Sozialeinrichtungen mbH	1	1%	1%
			AGO Weisseritz Betriebsgesellschaft für Sozialeinrichtungen mbH	1	1%	1%
			Senator Senioren- und Pflegeeinrichtungen	1	1%	1%
		Residenz Management		3	2%	2%
			Medeor Senioren-Residenzen GmbH <sup>oooo</sup>	1	1%	1%
			Katholische Hospitalgesellschaft Südwestfalen gGmbH Olpe <sup>oooo</sup>	2	1%	1%
		Volkssolidarität		1	0%	1%
			Volkssolidarität Südthüringen e. V.	1	0%	1%
		DRK Kreisverband Nordfriesland e. V.		1	1%	1%
			DRK Pflegedienste Nordfriesland gGmbH	1	1%	1%
		Vitanas		5	5%	0%
			Vitanas GmbH & Co. KGaA	5	5%	0%
		Aetas Management GmbH		1	1%	0%
			Residenz Zehlendorf Kranken- und Pflegeheim GmbH	1	1%	0%
		Other		1	1%	1%
			Schloss Bensberg Management GmbH +	1	1%	1%

<sup>o</sup> With AGO.

<sup>ooo</sup> Sub-tenant of Senioren Wohnpark Weser GmbH.

<sup>oooo</sup> Sub-tenant of Residenz Management GmbH.

Based on contractual rents



# Main tenants (4)

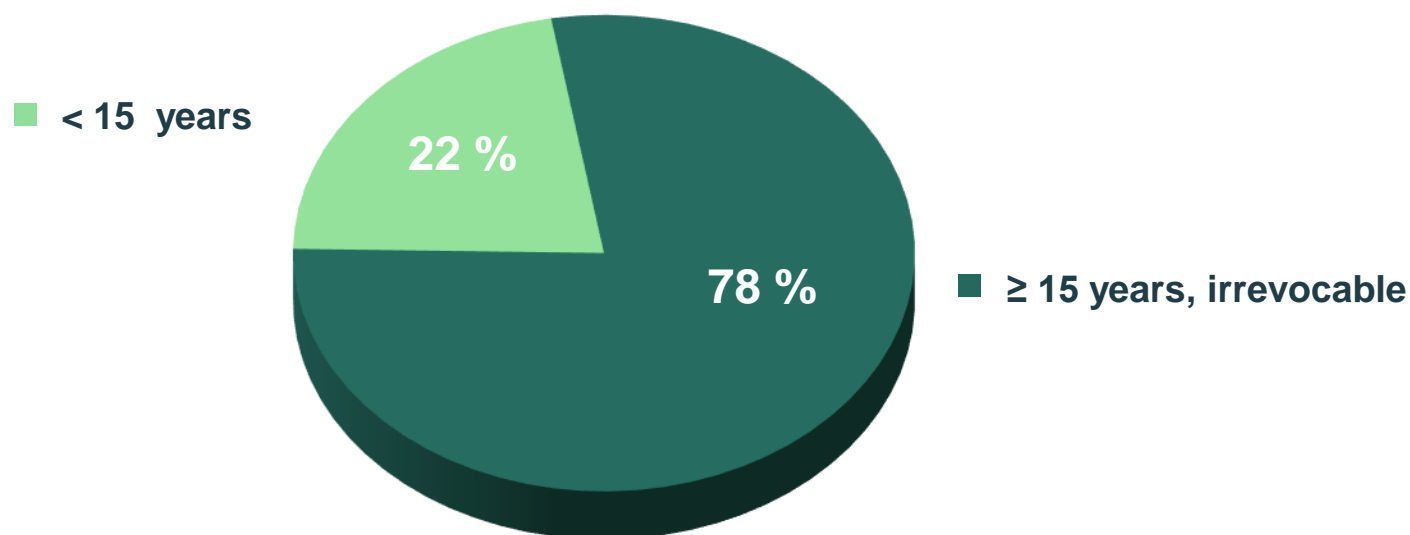
Segment	Country	Group controlling the legal entities in contractual relation with Aedifica	Tenants	Number of sites	31/12/2016	30/06/2016
SENIOR HOUSING				100	81%	75%
	The Netherlands			8	7%	3%
		Domus Magnus		2	1%	2%
			Panta Rhei V BV	1	1%	1%
			DM Benvenuta BV	1	0%	0%
		Stepping Stones Home & Care		2	1%	1%
			Poort van Sachsen Weimar BV	1	1%	1%
			Villa Spes Nostra BV	1	1%	0%
		Martha Flora		1	0%	0%
			Martha Flora Lochem BV	1	0%	0%
		Vitalis		3	5%	0%
			Stichting Vitalis Residentiële Woonvormen	3	5%	0%
HOTELS AND OTHER				10	6%	7%
	Belgium			10	6%	7%
		Martin's Hotels		2	4%	5%
			Martin's Brugge SA	1	2%	3%
			Martin's Hotel SA	1	2%	2%
		Different Hotel Group		4	1%	2%
			Different Hotels SA	4	1%	2%
		Senior Living Group °°		1	0%	0%
			Senior Living Group SA	1	0%	0%
		Other		3	0%	0%
OTHER TENANTS				75	13%	18%
	Belgium			75	13%	18%
TOTAL				185	100%	100%

°° Korian group.

# Lease maturity

(As of 31 December 2016)

## Initial lease maturity



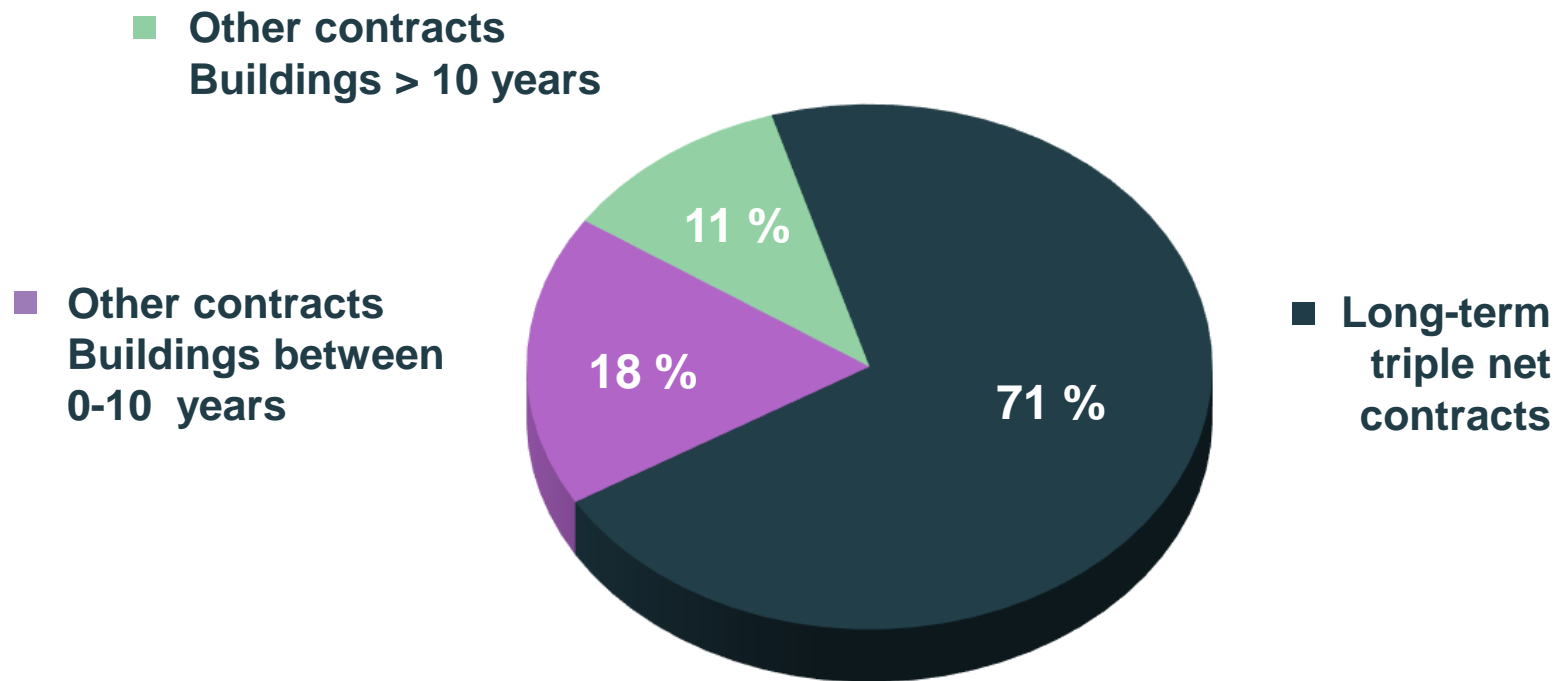
## Average remaining lease maturity

**20 years**

Marketable investment properties incl. assets classified as held for sale (€1,430 m)

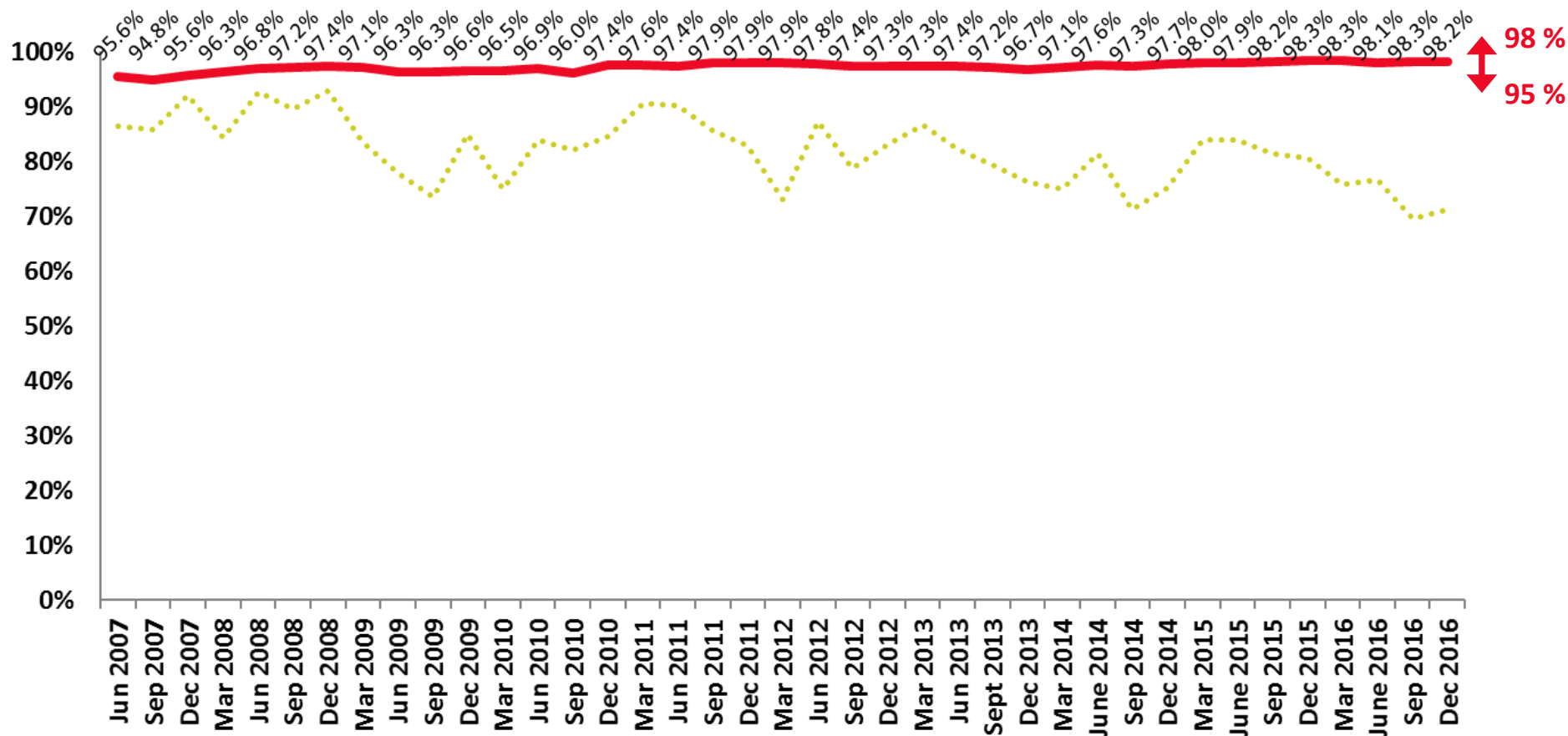
# Age of buildings

(As of 31 December 2016)



Marketable investment properties incl. assets classified as held for sale (€1,430 m)

# Occupancy rate

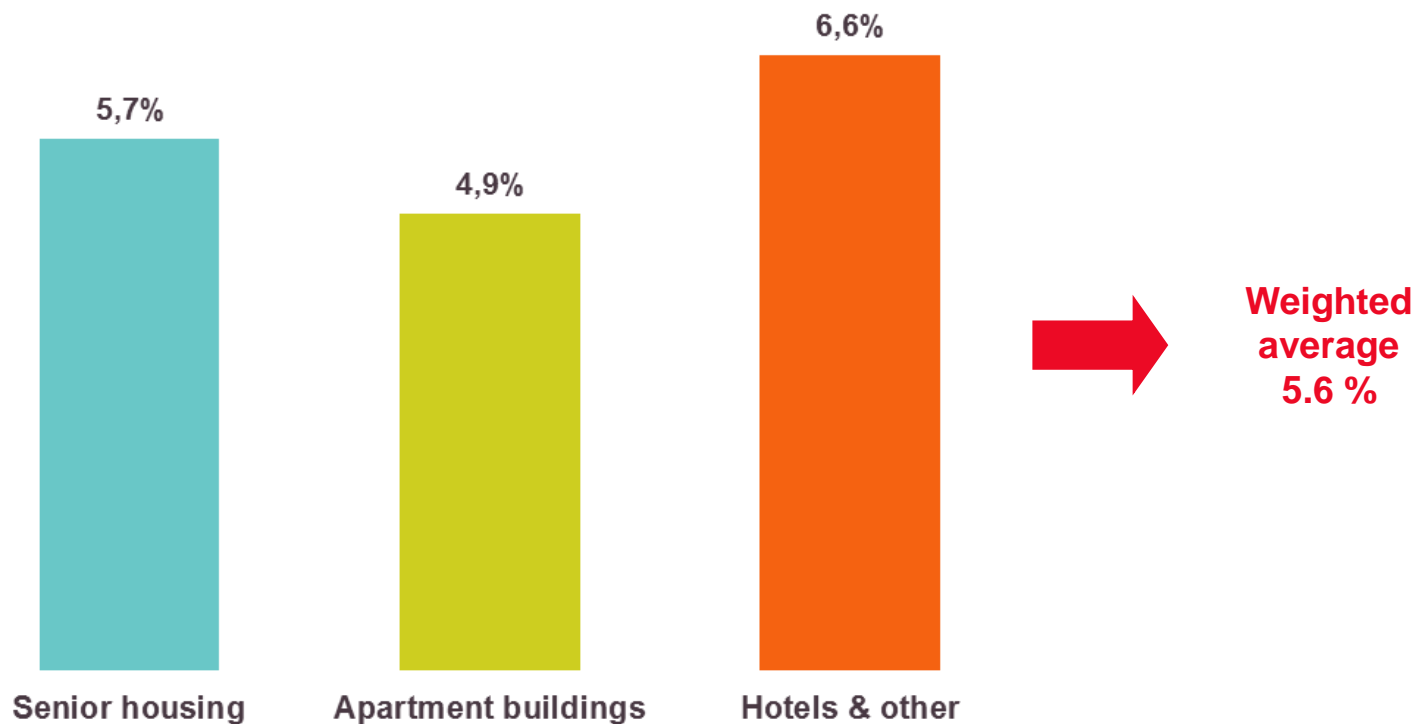


→ Very high and stable occupancy rates

Red line: Total portfolio (excl. furnished apartments) (95% of portfolio) : (contractual + guaranteed rents) / (contractual rents + ERV for unlet spaces).  
Green dots: Furnished apartments (5% of portfolio) : Rented days QTD / total number of days QTD. Occupancy rate YTD Dec. 2016: 71.1%; YTD 2015/2016: 78.6%.

# Yields on fair value

(As of 31 December 2016)



# Segment EBIT margins\*



Senior  
housing



Apartment  
buildings



Hotels  
&  
other

(As of 31 December 2016)

	Senior housing	Apartment buildings	Hotels & other	Unallocated & inter-segment	TOTAL
FY 2007/2008	100 %	64 %	98 %	-	<b>68 %</b>
FY 2008/2009	100 %	64 %	96 %	-	<b>71 %</b>
FY 2009/2010	100 %	64 %	99 %	-	<b>73 %</b>
FY 2010/2011	100 %	64 %	98 %	-	<b>75 %</b>
FY 2011/2012	100 %	63 %	99 %	-	<b>76 %</b>
FY 2012/2013	100 %	61 %	100 %	-	<b>76 %</b>
FY 2013/2014	100 %	59 %	99 %	-	<b>77 %</b>
FY 2014/2015	99 %	58 %	99 %	-	<b>78 %</b>
FY 2015/2016	99 %	59 %	99 %	-	<b>80 %</b>
H1 2016/2017	99 %	75 %	100 %	-	<b>86 %</b>

→ **Total EBIT margin steadily increasing**

Note: Due to IFRIC 21, the total EBIT margin is usually higher in H1 than the expected FY total EBIT margin.

Total EBIT margin excl. IFRIC 21 = 83 % instead of 86 %. Apartment buildings margin excl. IFRIC 21 = 64 % instead of 75 %.

Total EBIT margin excl. IFRIC 21 and unusual items = 83 % instead of 86 %. Apartment buildings margin excl. IFRIC 21 and unusual items = 61 % instead of 75 %.

\* EBIT / net rental income

# Valuation of property\*

2008 → 2016

	FY 2008/2009		FY 2009/2010		FY 2010/2011		FY 2011/2012		FY 2012/2013		FY 2013/2014		FY 2014/2015		FY 2015/2016		H1 2016/2017	
	€k	%	€k	%	€k	%	€k	%	€k	%	€k	%	€k	%	€k	%	€k	%
Senior housing	13	0%	1,684	1%	6,072	2%	5,991	2%	7,347	2%	5,896	1%	13,343	2%	17,588	2%	10,033	1%
Apartment buildings	-7,851	-4%	-1,904	-1%	1,552	1%	3,032	2%	-82	0%	-145	0%	1,061	1%	339	0%	-216	0%
Hotels & other	-1,415	-4%	-963	-2%	1,191	2%	45	0%	-1,017	0%	-99	0%	125	0%	-1,062	-1%	-3,081	-4%
<b>Total</b>	<b>-9,253</b>	<b>-3%</b>	<b>-1,183</b>	<b>0%</b>	<b>8,815</b>	<b>2%</b>	<b>9,068</b>	<b>2%</b>	<b>6,248</b>	<b>1%</b>	<b>5,652</b>	<b>1%</b>	<b>14,529</b>	<b>2%</b>	<b>16,865</b>	<b>2%</b>	<b>6,736</b>	<b>1%</b>

Limited decrease → Resilience → Increase → Increase → Increase → Increase → Increase → Increase → Increase

→ Low volatility since July 2008

→ Positive trends since Jan. 2010

\* Excluding initial FV of acquisitions, and excluding MTM on development projects.

# Development projects

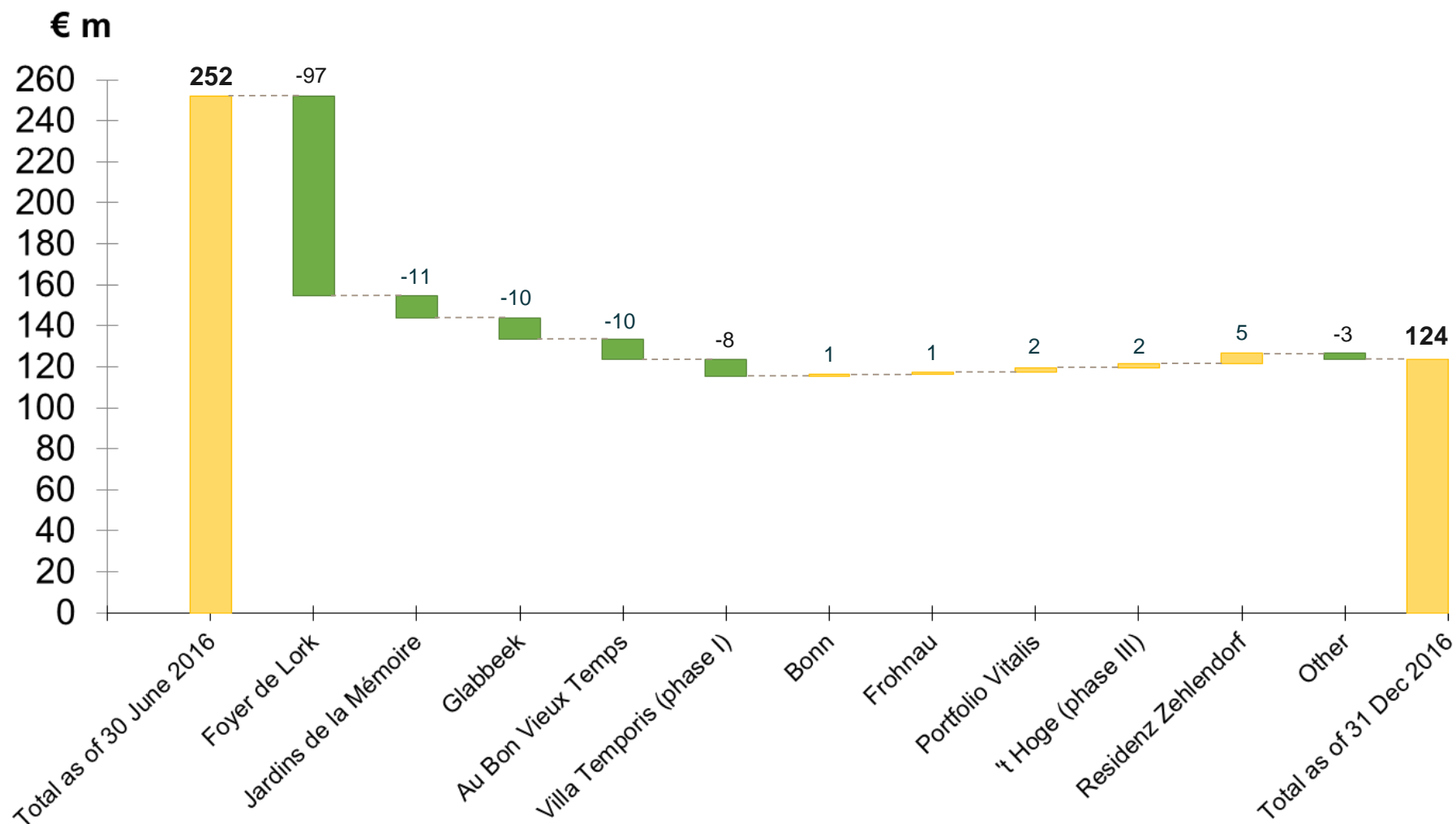
(As of 31 December 2016)

Projects and renovations (in € million)		Estimate d inv.	Inv. as of 31 December 2016	Future inv.	Date of completion	Comments
<b>I. Projects in progress</b>						
't Hoge II	Kortrijk (BE)	2	1	1	2016/2017	Extension and renovation of a rest home
Moleneik	Deventer (NL)	10	5	5	2016/2017	Construction of a care residence
Op Haanven	Veerle-Laakdal (BE)	2	2	1	2016/2017	Extension and renovation of a rest home
La Ferme Blanche	Remicourt (BE)	6	2	4	2016/2017	Extension and renovation of a rest home
Vinkenbosch I	Hasselt (BE)	11	10	1	2016/2017	Extension of a rest home
Prinsenhof	Koersel (BE)	4	0	4	2016/2017	Extension and renovation of a rest home
Hotel Martin's Brugge	Brugge (BE)	1	0	1	2016/2017	Extension of the hotel
Huize Lieve Moenssens	Dilsen-Stokkem (BE)	7	0	7	2017/2018	Extension and renovation of a rest home
Résidence l'Air du Temps	Chênee (BE)	7	1	6	2017/2018	Extension and renovation of a rest home
Résidence Cheveux d'Argent	Spa (BE)	3	0	3	2017/2018	Extension of a rest home
Villa Temporis II	Hasselt (BE)	2	0	2	2017/2018	Renovation of a rest home
Bonn	Bonn (DE)	1	0	1	2017/2018	Renovation of a rest home
Frohnau	Berlin (DE)	1	0	1	2017/2018	Renovation of a rest home
Genderstate/Petruspark/ Parc Imstenrade	Eindhoven (NL)/ Heerlen (NL)	2	0	2	2017/2018	Renovation of three sites
Résidence Aux Deux Parcs	Jette (BE)	2	0	2	2018/2019	Extension of a rest home
Vinkenbosch II	Hasselt (BE)	1	0	1	2018/2019	Renovation of a rest home
Plantijn	Kapellen (BE)	9	2	7	2019/2020	Extension and renovation of a rest home
Residenz Zehlendorf	Berlin (DE)	5	0	5	2019/2020	Renovation of a rest home
<b>II. Projects subject to outstanding conditions</b>						
De Stichel	Vilvoorde (BE)	4	0	4	2017/2018	Extension of a rest home
't Hoge III	Kortrijk (BE)	2	0	2	2018/2019	Extension of a rest home
<b>III. Land reserves</b>						
Terrain Bois de la Pierre	Wavre (BE)	2	2	0		- Land reserve
Platanen	Brussels (BE)	0	0	0		- Land reserve
<b>IV. Acquisitions subject to outstanding conditions</b>						
Walgaerde	Hilversum (NL)	4	0	4	2016/2017	Acquisition of a care residence
Oostende	Oostende (BE)	11	0	11	2017/2018	Acquisition of a rest home
Martha Flora Rotterdam	Rotterdam (BE)	8	0	8	2018/2019	Acquisition of a new care residence
Mechelen	Mechelen (BE)	16	0	16	2018/2019	Acquisition of a new rest home
<b>Total</b>		<b>124</b>	<b>25</b>	<b>99</b>		
Changes in fair value		-	1	-		
Roundings		-	1	-		
<b>On balance sheet</b>			<b>27</b>			

→ Pre-let : 98 %



# Development projects



# Financials



# Income Statement

## Business driven

Income Statement - analytical scheme (x €1,000)	31 December 2016	31 December 2015	Var.
Rental income	37,253	28,654	+30%
Rental-related charges	-27	-19	
Net rental income	37,226	28,635	+30%
Operating charges	-5,338	-5,281	
Operating result before result on portfolio	31,888	23,354	+37%
<i>EBIT margin %</i>	86%	82%	
Financial result excl. changes in fair value	-8,104	-6,293	
Corporate tax	-416	-241	
<b>Profit excl. changes in fair value</b>	<b>23,368</b>	<b>16,820</b>	<b>+39%</b>

**39 % increase in result excl. changes in fair value, above budget**

# Income Statement

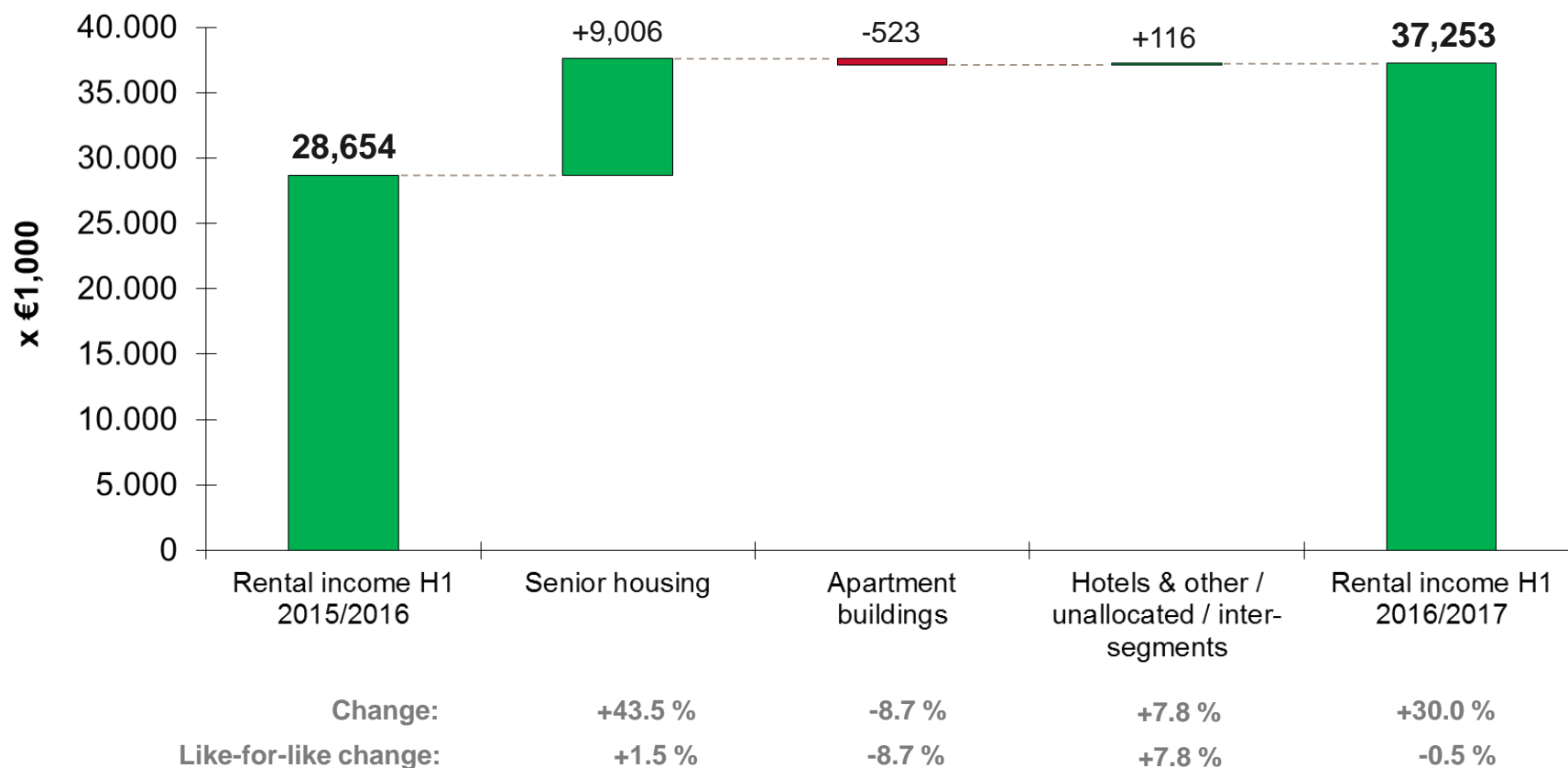
## Business driven

Income Statement - analytical scheme (x €1,000)	31 December 2016	31 December 2015	Var.
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Financial result excl. changes in fair value	-8,104	-6,293	
Corporate tax	-416	-241	
<b>Profit excl. changes in fair value</b>	<b>23,368</b>	<b>16,820</b>	<b>+39%</b>
Denominator (IAS 33)	14,220,596	14,064,202	
<b>Earnings per share excl. changes in fair value (€/share)</b>	<b>1.64</b>	<b>1.20</b>	<b>+37%</b>

**37 % increase in EPS excl. changes in fair value, above budget**

# Rental income

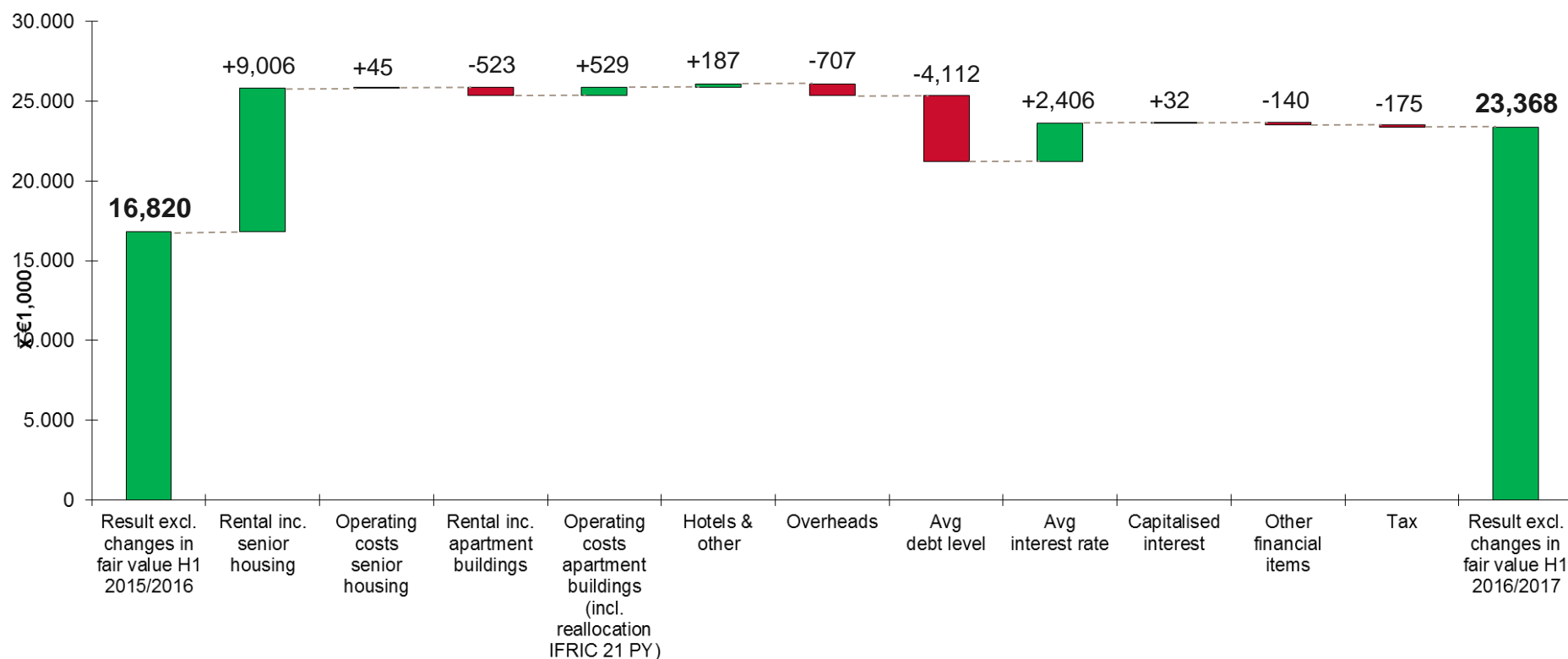
(As of 31 December 2016)



**30 % increase YoY**

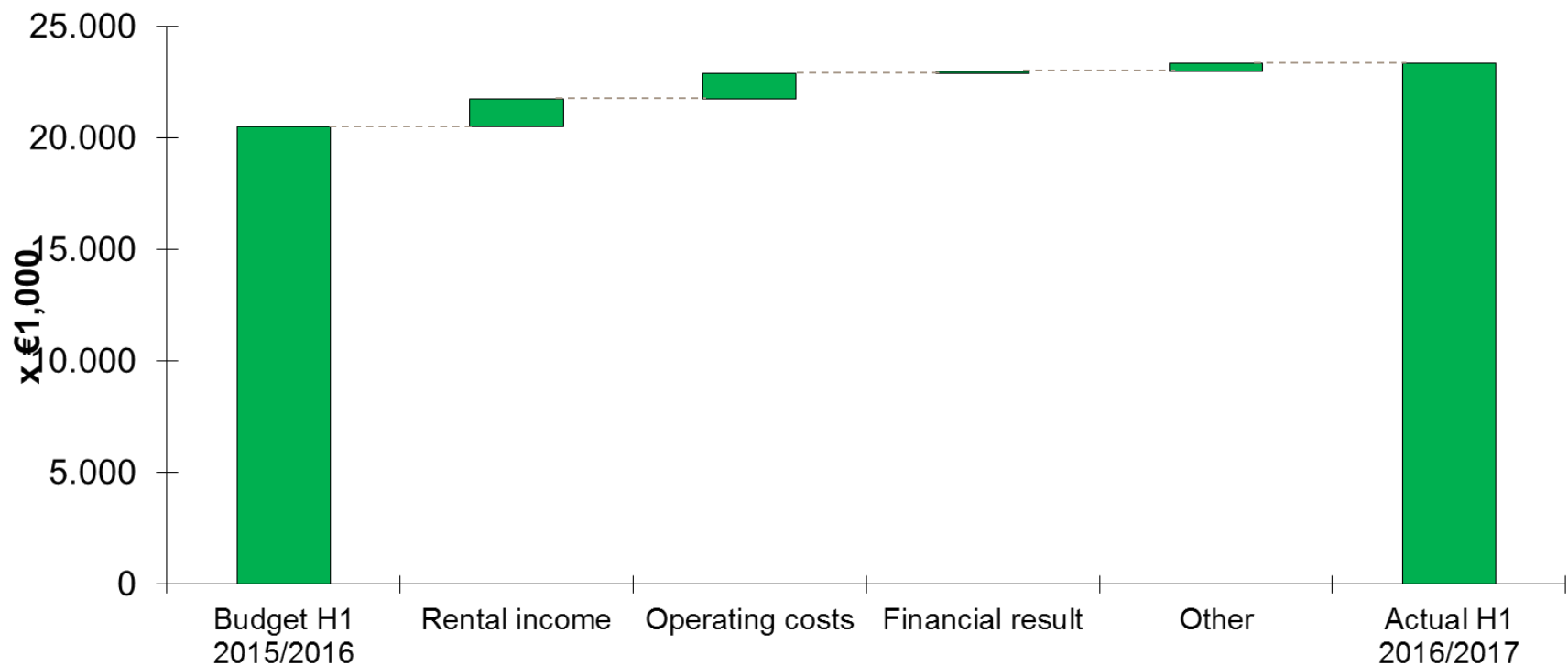
# Result excl. changes in fair value

(As of 31 December 2016)



# Result excl. changes in fair value vs Budget

(As of 31 December 2016)



# Income Statement

## Market driven

### Income Statement - analytical scheme (x €1,000)

	31 December 2016	31 December 2015
Profit excl. changes in fair value	23,368	16,820
Changes in fair value of financial assets and liabilities	3,443	-951
Changes in fair value of investment properties	597	7,866
Gains on disposals of investment properties	69	0
Deferred taxes	-640	-363
Roundings	0	0
<b>Profit (o.p.)</b>	<b>26,837</b>	<b>23,372</b>
Denominator (IAS 33)	14,220,596	14,064,202
<b>Earnings per share (o.p. - IAS 33 - €/share)</b>	<b>1.89</b>	<b>1.66</b>

Non cash



# Hedging policy

(As of 31 December 2016)

- > Economic **stability and foreseeability** of interest cash outflows...

## Business driven:

Avg effective interest rate of 2.4 %, below H1 PY (3.0 %) and FY budget (2.5 %)

- > ... even in spite of accounting volatility

## Market driven:

Change in FV of derivatives (non cash items) under IAS 39 in H1 2016/2017:  
+€3,698k in result (vs. -€940k in H1 PY)  
+€2,323k in equity (vs. -€705k in H1 PY)

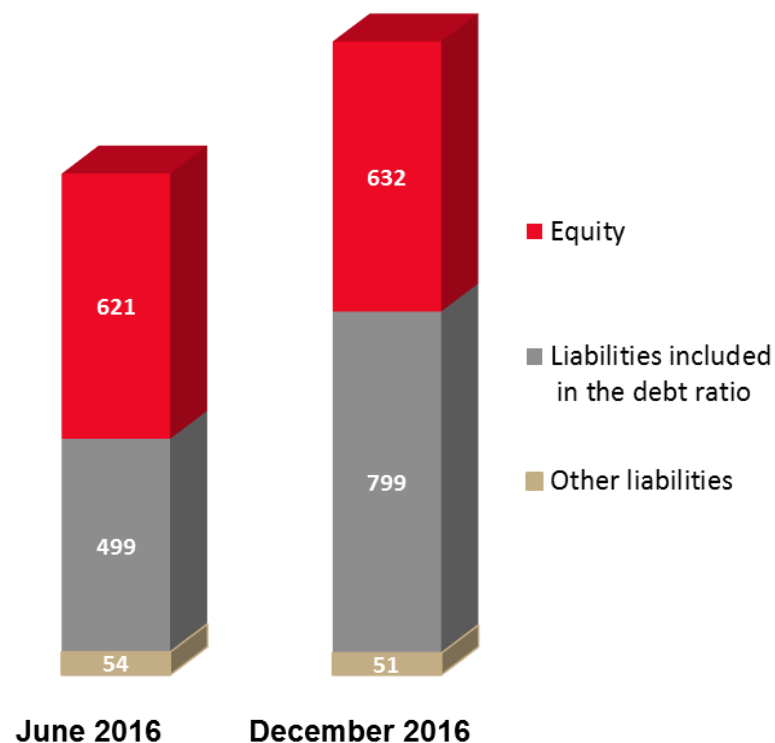
# Consolidated balance sheet (€ m)

(As of 31 December 2016)

## Assets

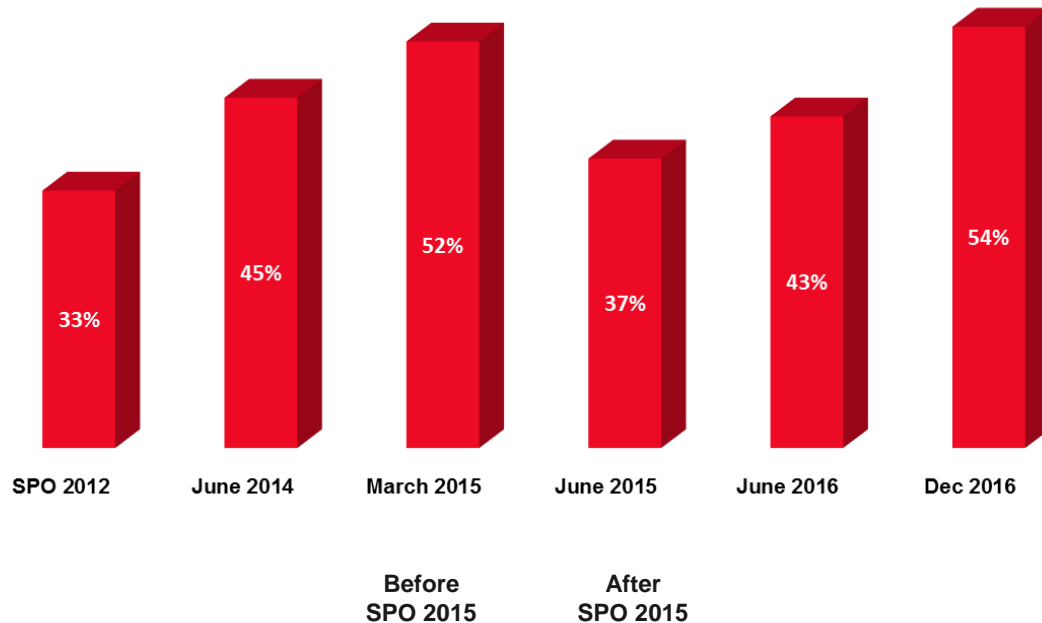


## Equity & Liabilities



# Debt-to-assets ratio

(As of 31 December 2016)



## Headroom\* :

- Debt increase of €88 m without investments or €222 m with investments
- Drop of MTM of buildings of 10 %

\* Based on bank covenant of max. 60 %. Based on legal max. of 65 %, headroom is respectively €162 m, €465 m and 17 %.

# Credit facilities (€ m)

(As of 31 December 2016)

	Utilisation	Credit lines	New credit line	Early refinancing	Credit lines
	31 Dec 2016	31 Dec 2016	Post 31 Dec 2016	Post 31 Dec 2016	21 Feb 2017
2016/2017	30	30		-30	0
2017/2018	92	92		-25	67
2018/2019	111	131			131
2019/2020	80	80			80
2020/2021	91	91			91
2021/2022	127	167			167
2022/2023	135	160			160
2023/2024	54	81	20	55	156
2024/2025 and following :	49	49			49
<b>Total</b>	<b>769</b>	<b>881</b>	<b>20</b>	<b>0</b>	<b>900</b>
<b>Weighted Average Maturity (years)</b>	<b>4,1</b>	<b>4,3</b>			<b>4,6</b>

→ Approx. €165 m refinanced or added during H1 2016/2017

→ No credit line maturing before 30 June 2017

# Net asset value

Net asset value per share (in €)	31 December 2016	30 June 2016	Var.
<b>Based on fair value of investment properties</b>			
Net asset value	43.96	41.64	6%
Effect of the changes in fair value of hedging instruments	<u>2.88</u>	<u>3.34</u>	
<b>Net asset value excl. changes in fair value of hedging instruments</b>	<b>46.83</b>	<b>44.98</b>	<b>4%</b>

**Premium on 20 Feb. 2017:**  
**63% vs NAV at FV incl. IAS 39**  
**53% vs NAV at FV excl. IAS 39**

# Number of shares

Number of shares	31 December 2016	30 June 2016
Number of shares outstanding*	14,380,656	14,192,032
Total number of shares	14,380,656	14,192,032
Total number of shares on the stock market**	14,380,656	14,172,176
Weighted average number of shares outstanding (IAS 33)	14,220,596	14,122,758
Number of dividend rights***	14,380,656	14,186,987

\* After deduction of the treasury shares.

\*\* 19,856 shares were traded on 2 November 2016.

122,672 shares were traded on 2 December 2016.

65,952 shares were traded on 12 December 2016.

\*\*\* Based on the rights to the dividend for the shares issued during the year.

# Value potentially not reflected in the NAV

- > Belgian REIT → highly regulated framework
- > Assessment: long term cash flows at interesting yields
- > Pipeline:
  - Committed
  - Pre-let
- > Track record of successful investments
- > Track record of successful financing (equity and debt)

## > Aedifica included in the EPRA indices



### Key performance indicators according to the EPRA Best Practice Recommendations

	31 December 2016	31 December 2015
EPRA Earnings* (in €/share)	1.64	1.20
EPRA Cost Ratio (including direct vacancy costs)* (in %)	14%	18%
EPRA Cost Ratio (excluding direct vacancy costs)* (in %)	14%	18%
	31 December 2016	30 June 2016
EPRA NAV* (in €/share)	47.17	45.14
EPRA NNNAV* (in €/share)	43.32	41.45
EPRA Net Initial Yield (NIY) (in %)	5.2%	5.2%
EPRA Topped-up NIY (in %)	5.2%	5.2%
EPRA Vacancy Rate (in %)	2%	2%

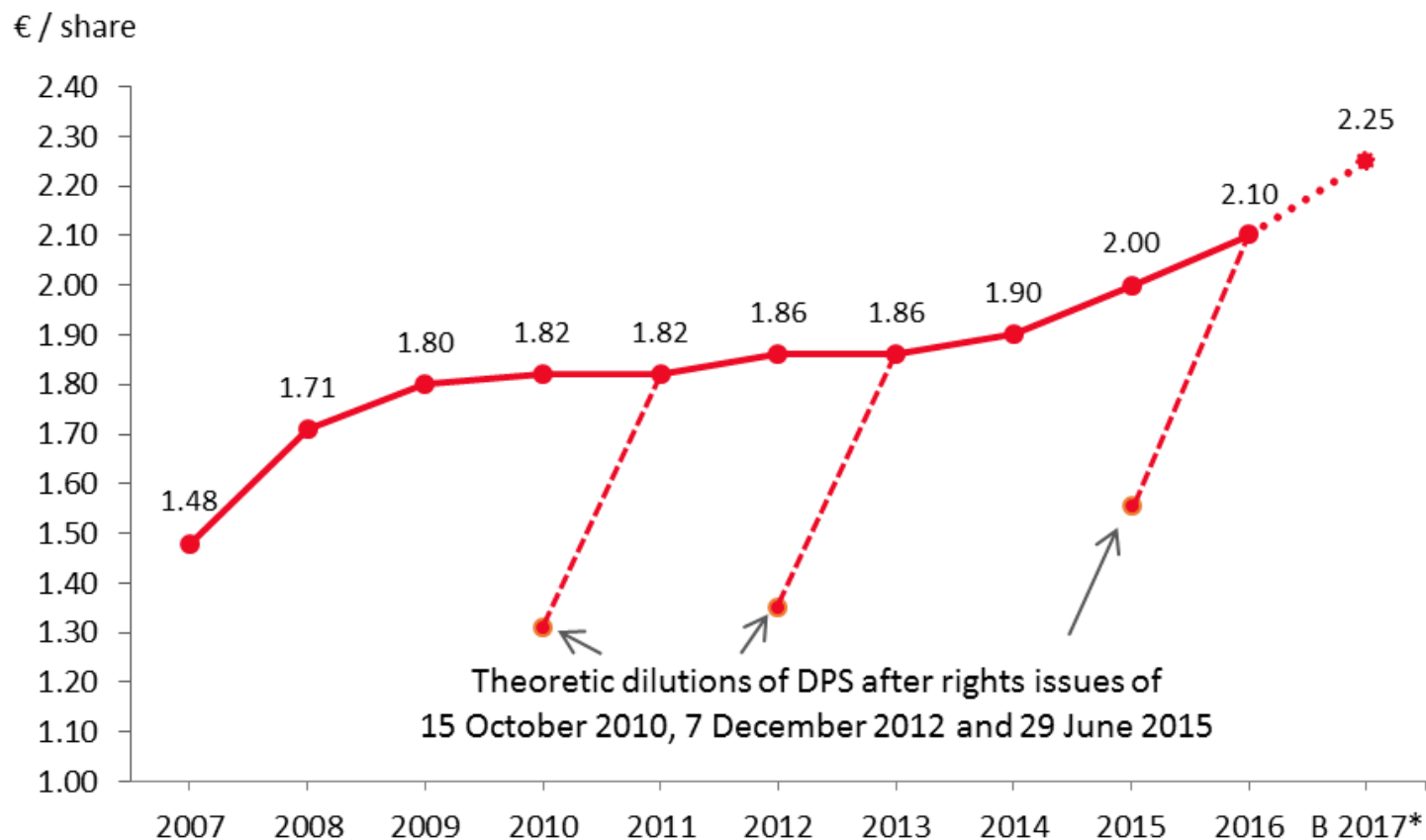
\* APM



# Shares & shareholders



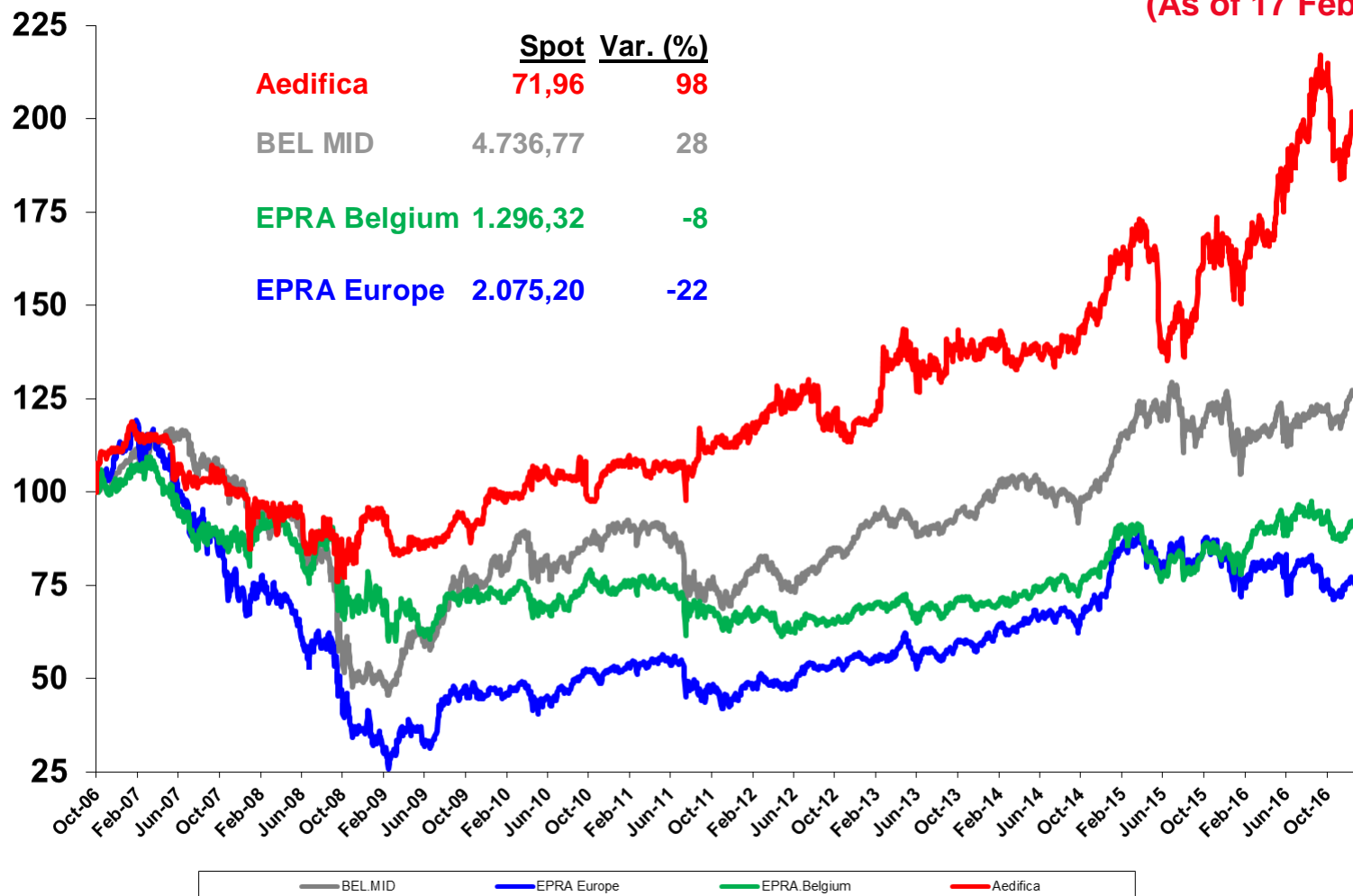
# Dividend track record



\* 2016/2017 Budgeted dividend (see section 7 of the Board of Directors' Report included in the 2015/2016 Annual Financial Report).

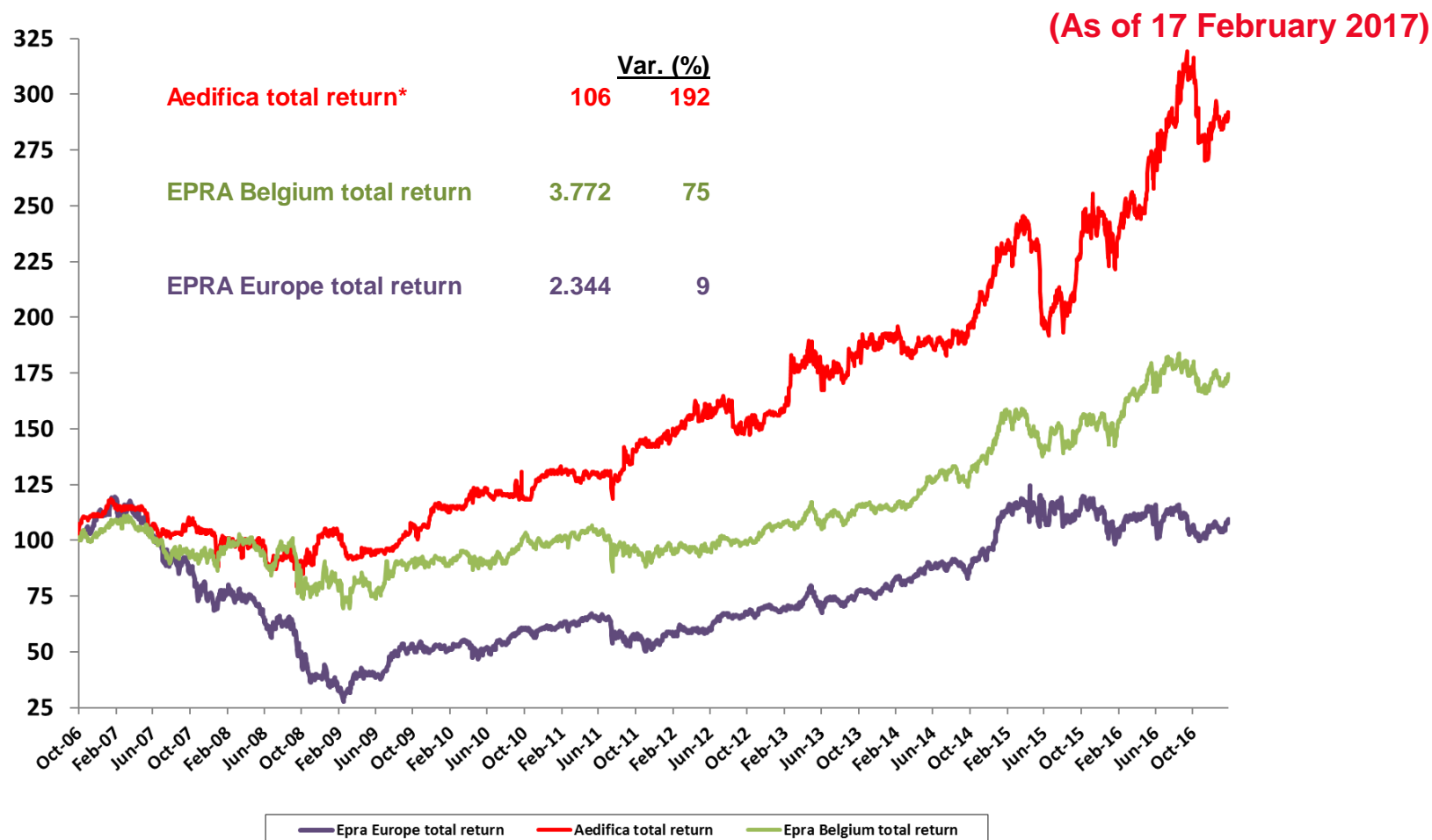
# Share price since IPO

(As of 17 February 2017)



Aedifica: based on the IPO price (€41), adjusted to take into account the rights issues of 2010 (- €1.89), 2012 (- €1.93) and 2015 (- €0.89), i.e. an adjusted IPO price of €36.29.

# Total return since IPO



\* Aedifica: based on the IPO price (€41), adjusted to take into account the rights issues of 2010 (- €1.89), 2012 (- €1.93) and 2015 (- €0.89), i.e. an adjusted IPO price of €36.29.

# Shareholding\*

(As of 18 December 2015)

Free float



\* A total of 14,192,032 shares are listed on Euronext Brussels (2 November 2016).

- > The highest free float of all Belgian REITs
- > 4<sup>th</sup> largest market cap amongst all Belgian REITs<sup>1</sup>
- > 8<sup>th</sup> largest real estate portfolio in Belgium<sup>2</sup> (36<sup>th</sup> in 2006)
- > Aedifica accounts for 36 % of the invested volume in Belgian rest homes in 2005-2015<sup>3</sup>

<sup>1</sup> Based on the 10 Feb. 2017 “Weekly Table Value” by Bank Degroof Petercam

<sup>2</sup> Investors Directory 2016, Expertise BVBA, published in January 2016

<sup>3</sup> Insight - Booming Market: Belgian Nursing Homes, Cushman & Wakefield, published in January 2016

# Awards

## EPRA

### “EPRA Reporting: Best Practices Recommendations” (BPR)

- > Annual Report 2012/2013  
(1<sup>st</sup> implementation of BPR)



- > Annual Report 2013/2014
- > Annual Report 2014/2015



## > Transparency

- NV/SA
- Management in the box
- Belgian Code 2009 on Corporate Governance

## > Board of Directors

- 9 Directors
  - 7 non-executive Directors of which 5 independent ones
  - 2 executive Directors
  - Gender diversity ratio: 44 %
- Audit Committee
- Nomination & Remuneration Committee
- Investment Committee

## > Management Committee

- 4 members



# Outlook



# Outlook FY 2016/2017

## Portfolio - Focus on investments

### > Development pipeline:

- ☐ 't Hoge
- ☐ Molenenk
- ☐ Villa Temporis I
- ☐ Au Bon Vieux Temps
- ☐ Op Haanven
- ☐ La Ferme Blanche
- ☐ Vinkenbosch I
- ☐ Prinsenhof
- ☐ Hotel Martin's Brugge
- ☐ Walgaerde
- ☐ Glabbeek
- ☐ Les Jardins de la Mémoire

# Outlook FY 2016/2017

## Portfolio - Focus on investments

### > Development pipeline:

- ☐ 't Hoge
- ☐ Molenenk
- ☒ Villa Temporis I
- ☒ Au Bon Vieux Temps
- ☐ Op Haanven
- ☐ La Ferme Blanche
- ☒ Vinkenbosch I
- ☐ Prinsenhof
- ☐ Hotel Martin's Brugge
- ☐ Walgaerde
- ☒ Glabbeek
- ☒ Les Jardins de la Mémoire

# Outlook FY 2016/2017

## Portfolio - Focus on investments

### > Objective for future investments:

- ☐ Enhancing long-term cash flows in senior housing
- ☐ Growing in the 3 home markets
  - ☐ Belgium
  - ☐ The Netherlands
  - ☐ Germany
- ☐ Exploring new segments

# Outlook FY 2016/2017

## Portfolio - Focus on investments

### > Objective for future investments:

- ☐ Enhancing long-term cash flows in senior housing
- ☐ Growing in the 3 home markets
  - ☒ Belgium (Foyer de Lork deal closed on 19 Aug. 2016)
  - ☒ The Netherlands (Vitalis deal closed on 14 Sept. 2016)
  - ☒ Germany (Vitanas deal closed on 31 Aug. 2016)
- ☐ Exploring new segments

# Outlook FY 2016/2017

## Portfolio - Focus on investments



### > Equity:

- Financing future growth
- Management weights all options

# Outlook FY 2016/2017

- > **Budgeted rental income: €76 m**
- > **Budgeted result excl. changes in fair value: €42 m**
- > **Budgeted EPS excl. changes in fair value: €2.97/share**
- > **Budgeted DPS: € 2.25/share (gross), higher than FY 2015/2016**
- > **Actuals H1 2016/2017: ahead of budget**

# Outlook FY 2016/2017

## > **Withholding tax:**

- General rule: raised to 30 % (2017) instead of 27 % (2016)
- Will be reduced to 15 % for healthcare REITs like Aedifica in 2017 (pending administrative modalities)



# Conclusion



## Attractiveness for shareholders:

- > Strong underlying demographic trends
- > Long-term growth potential
- > Fair value history of portfolio showing resilience
- > Average remaining lease duration: 20 years
- > Investment, equity and debt-financing track record
- > Dividend track record



**Stefaan Gielens** - Chief Executive Officer

**Jean Kotarakos** - Chief Financial Officer

**Martina Carlsson** – Control & Communication manager



# Aedifica SA/NV



Public REIT under Belgian Law  
Regulated Real Estate Company (RREC)  
Société immobilière réglementée (SIR)  
Geregulementeerde vastgoedvennootschap (GVV)  
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# Forward looking statement

*To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes and other unusual items. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "believes," "may," "could" , "estimates", "intends", "targets", "objectives", "potential", "outlook", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements. This presentation is directed to financial analysts and institutional investors and is not to be considered as an incentive to invest or as an offer to acquire shares. The information herein is extracted from the Company annual and half-year reports and press releases but does not reproduce the whole content of these documents. Only the French annual and half-year report and press releases form legal evidence.*

# Appendix





# Belgian REIT

- > **“sicafi / vastgoedbevak”** until 17 October 2014
- > **RREC (SIR / GVV)** since 17 October 2014
- > **Investment property:** maximum 20 % in one (group of) asset(s)
- > **Appraisal:**
  - At fair value on a quarterly basis by an independant expert
  - No depreciation of properties
- > **Dividend: at least 80 % of cash flow paid out as dividend**
- > **Debt-to-assets ratio: limited to 65 % (bank covenant: 60 %)**
- > **Tax status:**
  - Exit tax
  - Limited corporate tax in Belgium for parent company
- > **Withholding tax 2017 for healthcare REITs:** 15 % (pending administrative modalities)



# Milestones

- > Nov. 2005: Creation of Aedifica
- > Dec. 2005: Filed as Vastgoedbevak/Sicafi + 1<sup>st</sup> acquisitions
- > Oct. 2006: IPO
- > Oct. 2010: 1<sup>st</sup> SPO
- > Dec. 2012: 2<sup>nd</sup> SPO
- > Oct. 2014: SIR/GVV
- > June 2015: 3<sup>rd</sup> SPO

# Investments in 2015/2016 (1)

Flandria



**9 July 2015**

Acquisition of an assisted-living building in Bruges  
(Province of West-Flanders, Belgium)

- €10m invested amount
- 108 units

Résidence La Houssière



**2 July 2015**

Acquisition of a rest home in  
Braine-le-Comte  
(Province of Hainaut, Belgium)

- €10 m invested amount
- 94 units

**1 October 2015**

Acquisition of a rest home in Hasselt  
(Province of Limburg, Belgium)

- €4 m invested amount
- 59 units

Vinkenbosch



# Investments in 2015/2016 (2)

Heydeveld



**2 October 2015**

Acquisition of a rest home in Opwijk  
(Province of Flemish Brabant, Belgium)

- €9m invested amount
- 75 units

Prinsenhof



**17 December 2015**

Acquisition of a rest home in Koersel  
(Province of Limburg, Belgium)

- €6 m invested amount
- 41 units

# Investments in 2015/2016 (3)



Käthe-Bernhardt-Haus

## 29 February 2016

Acquisition of a rest home and an assisted-living building in Husum (State of Schleswig-Holstein, Germany)

- €7 m invested amount
- 83 units



Marie-Louise

## January 2016

Completion of the renovation of an assisted-living building in Wemmel (Province of Flemish Brabant, Belgium)

- €4 m invested amount
- 30 units

## 1 March 2016

Acquisition of a portfolio (1 site under construction and 1 site subject to outstanding conditions) of 4 senior housing sites in The Netherlands

- €18 m invested amount
- 44 units





# Investments in 2015/2016 (4)



Residentie Poortvelden

## 24 March 2016

Acquisition of a rest home and an assisted-living building in Aarschot (Province of Flemish Brabant, Belgium)

- €12 m invested amount
- 84 units

## 29 March 2016

Acquisition of a rest home and an assisted-living building in Leopoldsborg (Province of Limburg, Belgium)

- €21 m invested amount
- 150 units



Leopoldspark

# Investments in 2015/2016 (5)



Saksen Weimar

**13 May 2016**

Acquisition of a care residence in Arnhem  
(Province of Gelderland, The Netherlands)

- €8 m invested amount
- 42 units



Helianthus

**15 April 2016**

Completion of the extension of a rest home in  
Melle (Province of East Flanders, Belgium)

- €4 m invested amount
- 69 units

# Investments in 2015/2016 (6)

**28 June 2016**

Completion of the extension of a rest home in Kalletal (State of North Rhine-Westphalia, Germany)

- Less than €3 m invested amount
- 28 extra units



Die Rose im Kalletal



Martha Flora Lochem

**2 June 2016**

Acquisition of a care residence in Lochem (Province of Gelderland, The Netherlands)

- €2 m invested amount
- 13 units



# Investments in 2016/2017 (1)

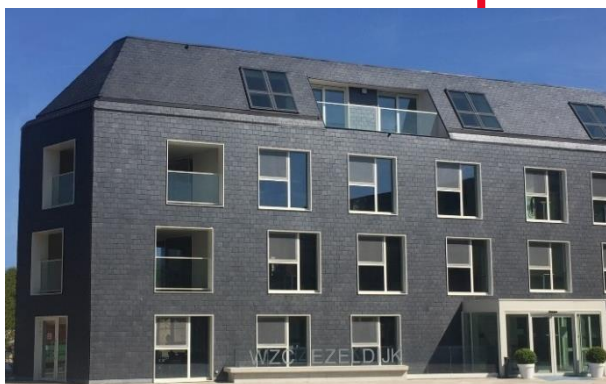


Parc Imstenrade

**14 September 2016**

Acquisition of a portfolio of 3 senior housing sites in The Netherlands

- €73 m invested amount
- 446 units



Ezeldijk

**19 August 2016**

Acquisition of a portfolio of 8 rest homes in Belgium

- €97 m invested amount
- 719 units



St. Anna

**31 August 2016**

Acquisition of a portfolio of 5 rest homes in Germany

- €60 m invested amount
- 657 units



# Investments in 2016/2017 (2)

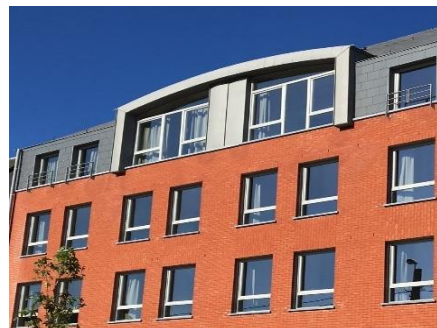
**30 September 2016**

Acquisition of a rest home  
in Glabbeek (Province of  
Flemish Brabant, Belgium)

- €12 m invested amount
- 90 units



Den Boomgaard



Au Bon Vieux Temps

**30 September 2016**

Completion of a rest home in  
Mont-Saint-Guibert (Province  
of Walloon Brabant, Belgium)

- €10 m invested amount
- 104 units



Villa Temporis

**30 September 2016**

Completion of a rest home in Hasselt  
(Province of Limburg, Belgium)

- €7 m invested amount
- 103 units (63 units added)

# Investments in 2016/2017 (3)



Residenz Zehlendorf

## 15 December 2016

Acquisition of a rest home in Berlin (Germany)

- €8 m invested amount
- 145 units

## 8 December 2016

Acquisition of a rest home in Anderlecht (Brussels, Belgium), announced on 28 June 2016

- €11 m invested amount
- 110 units



Les Jardins de la Mémoire



Spes Nostra

## 21 December 2016

Acquisition of a care residence in Vleuten (Province Utrecht, The Netherlands)

- €7 m invested amount
- 30 units

# Investments in 2016/2017 (4)

**19 January 2017**

Acquisition of a care residence in Oude Pekela  
(Province of Groningen, The Netherlands)

- €5 m invested amount
- 32 units (including a medical centre)



Het Dokhuis



Vinkenbosch

**19 January 2017**

Completion of the extension of a rest home in Hasselt  
(Province of Limburg, Belgium)

- €15 m invested amount
- 80 units (21 units added)

# Notes