

# Annual General Meeting



30 June 2015

ANNUAL RESULTS  
2014/2015

Brussels, 23 October 2015

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# Strategy and achievements



- > Belgian REIT (RREC/SIR/GVV)
  - market cap > €820 m
- > Focusing on “housing with care”: Senior housing
  - demographic evolution: ageing
- > Focusing on Western Europe
  - Belgium
  - Germany

# Segment information

(As of 30 June 2015)

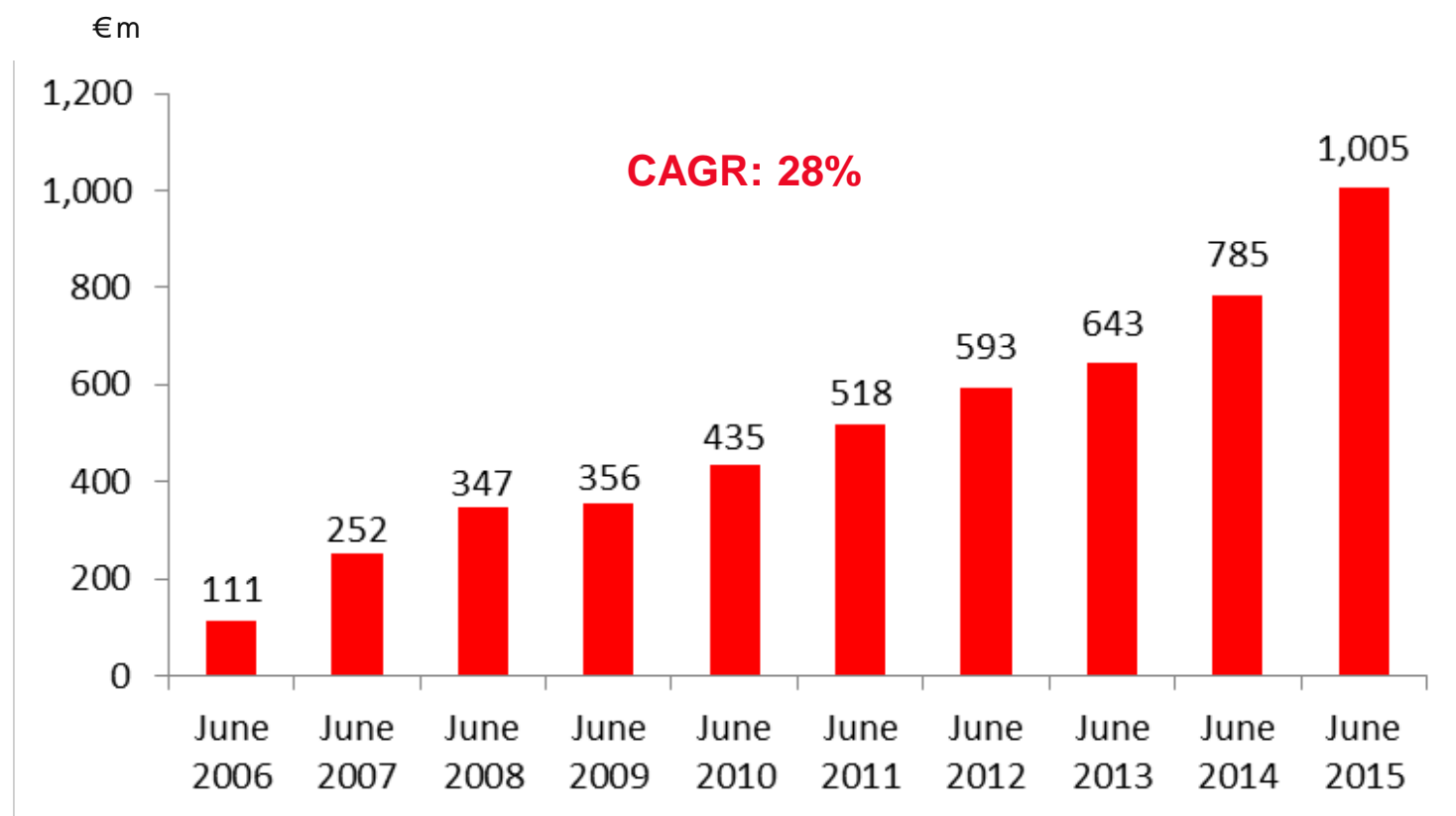
	CORE		NON-CORE
	Senior housing in Western Europe	Apartment buildings in Belgium's main cities	Hotels in Belgium
			
Weight:	71 %	22 %	7 %
Yield:	5.9 %	5.4 %	6.2 %
EBIT margin:	99 %	58 %	99 %
	→ Cash flow (long-term leases) + growth potential	→ Value play <sup>1</sup>	→ Cash flow (long-term leases)

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

# Milestones

## 10 years evolution

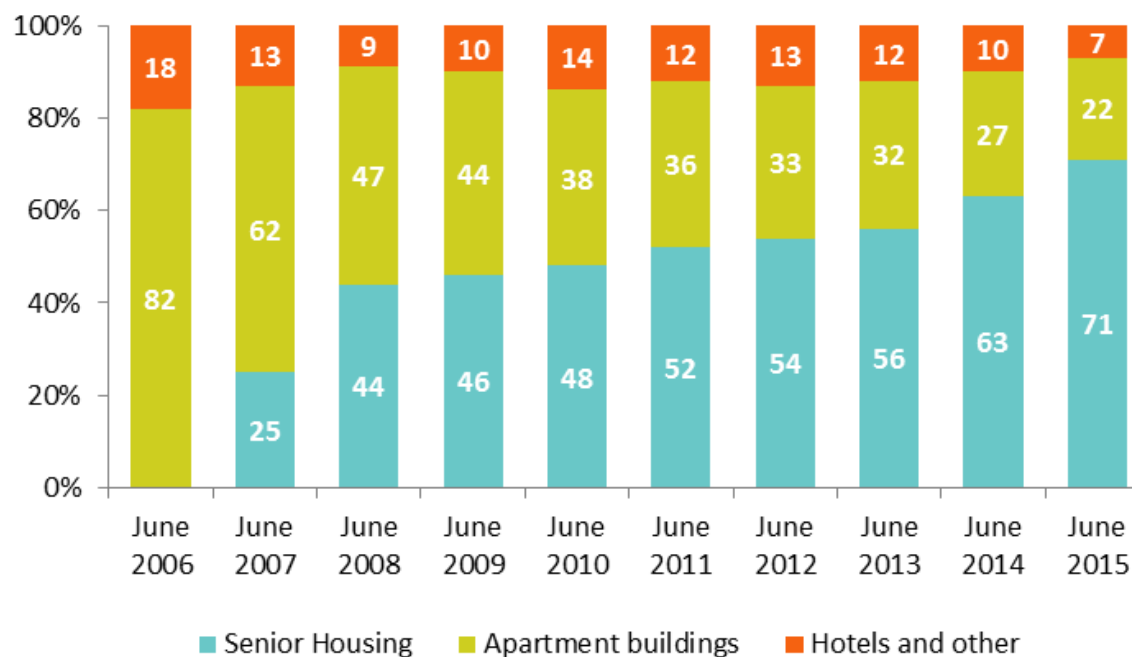
### Investment properties at fair value



# Milestones

## Focus on Senior Housing

### Evolution by segment (fair value)

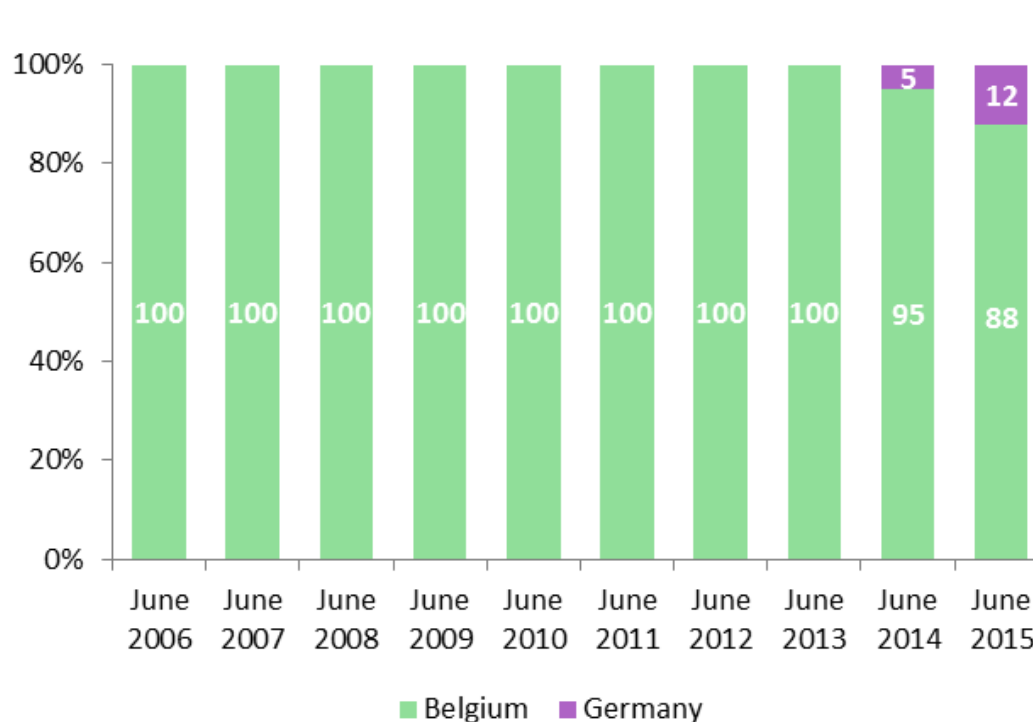


Marketable property at fair value (€1,005 m, incl. assets held for sale)

# Milestones

## Focus on Western Europe

### Geographical breakdown (fair value)



Marketable property at fair value (€1,005 m, incl. assets held for sale)



# Corporate identity



> New logo and new corporate slogan



# Equity

## Capital increase June 2015

- > Public capital increase in cash: €153 m, successfully ended on 29 June 2015 despite turbulent financial markets
- > Issue price: €49.00
- > Coupon No. 14: Right to the full dividend entitlement for the 2014/2015 financial year, already detached, to be paid on 30 October 2015

# Investment activity QTD 2015/2016

## Since capital increase of June 2015



(As of 5 October 2015)

- > **4 additions in Belgium**
  - Résidence de La Houssière (Braine-le-Compte)
  - Senior Flandria (Bruges)
  - Vinkenbosch (Hasselt) (+ project)
  - Heydeveld (Opwijk) (+ project)
- > **1 project subject to outstanding conditions in Germany**
  - Extension of Die Rose im Kalletal (North Rhine-Westphalia)
- > **1 framework agreement in Belgium**
  - Mechelen (Mechelen)

# Investment activity QTD 2015/2016

Since capital increase of June 2015

(in €million)		Marketable investment properties	Development projects	Total
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
<b>Total as of 5 October 2015</b>		<b>33</b>	<b>32</b>	<b>65</b>

# Portfolio analysis



# Investment activity YTD 2014/2015

(As of 30 June 2015)

## > 8 additions in Belgium

- Oase Aarschot Wissenstraat (Aarschot)
- Oase Tienen (Tienen)
- De Notelaar (Olen)
- Overbeke (Wetteren)
- Halmolen (Halle-Zoersel)
- Villa Temporis (Hasselt)
- La Ferme Blanche (Remicourt)
- Residentie Sporenpark (Beringen)

## > 3 completions in Belgium

- Eyckenborch (Gooik)
- Klein Veldeken (Asse)
- 't Hoge (Kortrijk)

## > 9 additions in Germany

# Investment activity in Germany (1)



Rheinbach



Wenden-Rothemühle



Olpe-Rüblinghause



Bad Harzburg



Kalletal



Kirchlengern



Enger



Kierspe



# Investment activity in Germany (2)



Service-Residenz Schloss Bensberg



## > Germany:

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

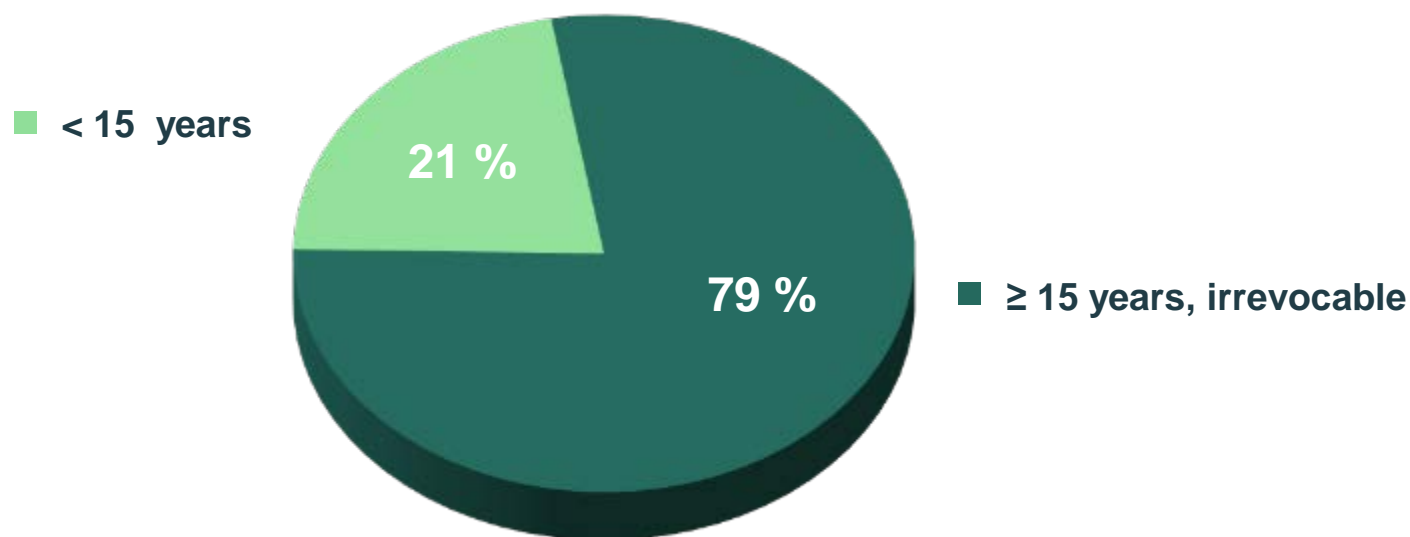
## > **Portfolio of 14 assets** (13 Pflegeheime + 1 Betreutes Wohnen):

- Capacity > 1,200 residents
- Total fair value > €100 million
- Initial gross rental yield of approx. 7 %
- Double net long leases
- Average remaining lease maturity: approx. 24 years
- 5 tenants (AGO, Volkssolidarität, Senator, Residenz-Gruppe Bremen, Schloss Bensberg Management)

# Lease maturity

(As of 30 June 2015)

## Initial lease maturity

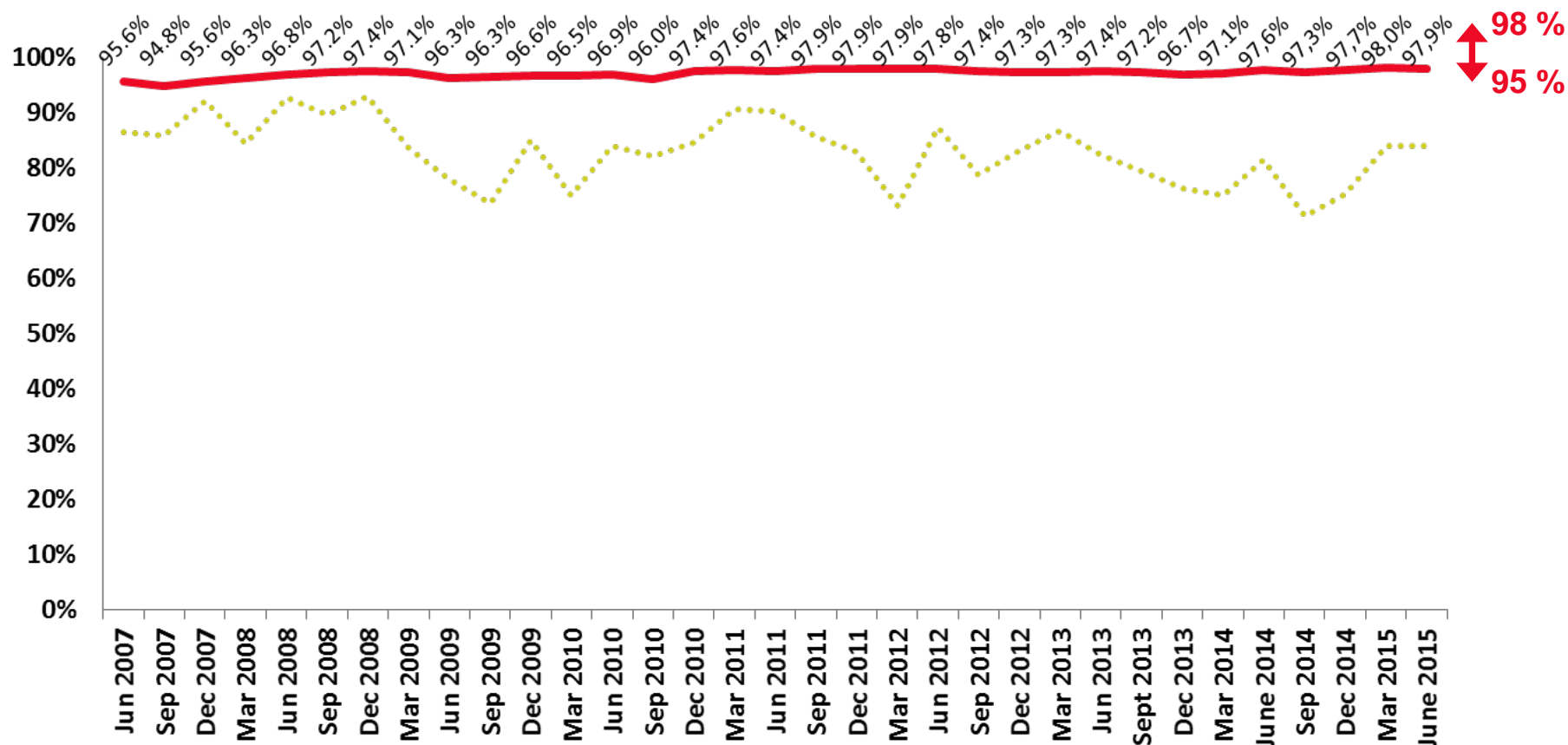


## Average remaining lease maturity

**20 years**

Marketable property at fair value (€1,005 m, incl. assets classified as held for sale)

# Occupancy rate

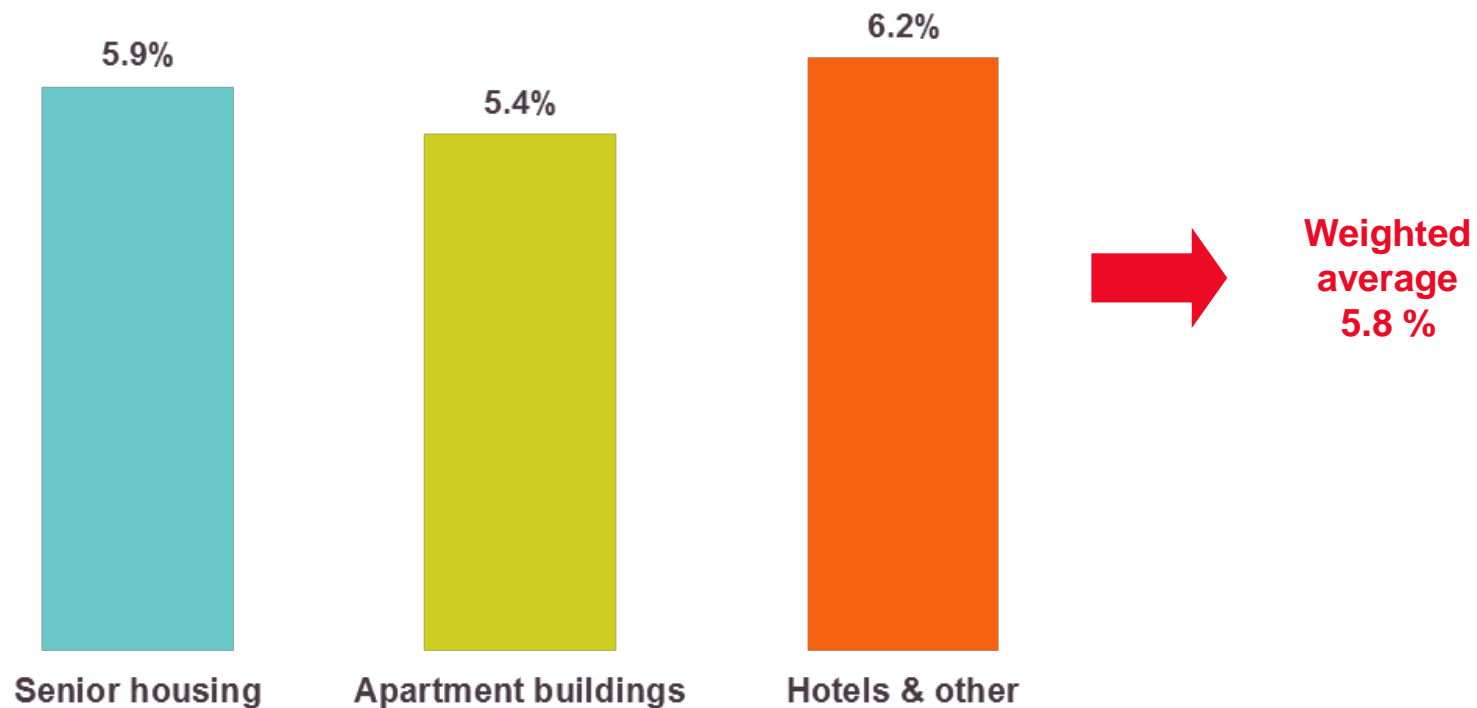


→ Very high and stable occupancy rates

Red line: Total portfolio (excl. furnished apartments) (93% of portfolio) : (contractual + guaranteed rents) / (contractual rents + ERV for unlet spaces).  
Green dots: Furnished apartments (7% of portfolio) : Rented days QTD / total number of days QTD. Occupancy rate YTD 2014/2015: 78.3%; YTD 2013/2014: 78.0%.

# Yields on fair value

(As of 30 June 2015)



# Segment EBIT margins\*

(As of 30 June 2015)



Senior  
housing



Apartment  
buildings



Hotels  
&  
other

Unallocated &  
inter-segment

**TOTAL**

	Senior housing	Apartment buildings	Hotels & other	Unallocated & inter-segment	<b>TOTAL</b>
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>

→ **Increasing total EBIT margin**

\* EBIT / net rental income

# Valuation of property\*

2008 → 2015

	FY 2008/2009		FY 2009/2010		FY 2010/2011		FY 2011/2012		FY 2012/2013		FY 2013/2014		FY 2014/2015	
	€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%
Apartment buildings	-7,851	-4%	-1,904	-1%	1,552	1%	3,032	2%	-82	0%	-145	0%	1,061	1%
Hotels & other	-1,415	-4%	-963	-2%	1,191	2%	45	0%	-1,017	0%	-99	0%	125	0%
<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>

Limited decrease → Resilience → 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 30 June 2015)

Projects and renovations		Estimated inv.	Inv. as of 30 June 2015	Future inv.	Date of completion	Comments
(in €million)						
<b>I. In progress</b>						
Sundry	Sundry	2	2	0	2015/2016	Renovation of 2 residential buildings
Salve	Brasschaat	2	2	0	2015/2016	Renovation and redevelopment of a rest home
't Hoge	Kortrijk	2	0	2	2015/2016	Extension and renovation of a rest home
Helianthus	Melle	4	1	3	2015/2016	Extension of a rest home
Pont d'Amour	Dinant	8	7	1	2015/2016	Extension of a rest home
Marie-Louise	Wemmel	4	1	3	2015/2016	Renovation and conversion into assisted-living apartments
Villa Temporis	Hasselt	10	2	8	2016/2017	Construction of a rest home
Au Bon Vieux Temps	Mont-Saint-Guibert	10	2	8	2016/2017	Construction of a rest home
Op Haanven	Veerle-Laakdal	4	1	4	2016/2017	Extension and renovation of a rest home
La Ferme Blanche	Remicourt	6	0	6	2016/2017	Extension and renovation of a rest home
Huize Lieve Moenssens	Dilsen-Stokkem	7	0	7	2016/2017	Extension and renovation of a rest home
Aux Deux Parcs	Jette	2	0	2	2017/2018	Extension of a rest home
Air du Temps	Chênee	6	0	6	2017/2018	Extension and renovation of a rest home
Plantijn	Kapellen	8	0	7	2018/2019	Extension and renovation of a rest home
<b>II. Subject to outstanding conditions</b>						
Résidence du Lac	Brussels	5	0	5	2017/2018	Construction of an apartment building
De Stichel	Vilvoorde	4	0	4	2017/2018	Extension of a rest home
Oase Binkom	Binkom	2	0	2	2017/2018	Extension of a rest home
Résidence Cheveux d'Argent	Spa	3	0	3	2017/2018	Extension of a rest home
<b>III. Land reserves</b>						
Terrain Bois de la Pierre	Wavre	2	2	0	-	Land reserve
Platanes	Brussels	0	0	0	-	Land reserve
<b>IV. Acquisitions subject to outstanding conditions</b>						
Leopoldspark	Leopoldsburg	20	0	20	2015/2016	Construction of a new rest home
Oase projects	Aarschot & Glabbeek	28	0	28	2016-2017	Construction of 2 new rest homes
<b>Total</b>		<b>138</b>	<b>21</b>	<b>118</b>		
Changes in fair value		-	1	-		
<b>On balance sheet</b>			<b>22</b>			

→ Pre-let : 95 %

# Financials





# Highlights

YTD FY 2014/2015 (1)

- > **Rental income:** +23 % YoY
- > **Profit excl. IAS 39 & IAS 40:** +26 % YoY
- > **Change in fair value of investment properties:** €19 m  
(of which €15 m, i.e. +1.5 %, relates to marketable investment properties)
- > **Total fair value of investment properties:** > €1 billion
- > **Debt-to-assets ratio:** 37 %, a significant reduction following the successful completion of a €153 m capital increase in June 2015

# Highlights

## YTD FY 2014/2015 (2)

- > **Proposed gross dividend 2014/2015: €2.00/share**, already detached, which represents a statutory pay-out ratio of 86 %

# Portfolio

YTD FY 2014/2015

- > **Total Portfolio outlook: €1,121 m**
  - €1,003 m (including projects on balance sheet, excl. assets classified as held for sale)
  - + €118 m (committed investments in pipeline)

# Income Statement

## Business driven

Income Statement - analytical scheme (x €1,000)	30 juin 2015	30 juin 2014	Var.
Rental income	49,903	40,675	+23%
Rental-related charges	-50	-62	
Net rental income	49,853	40,613	+23%
Operating charges	-10,831	-9,192	
Operating result before result on portfolio	39,022	31,421	+24%
<i>EBIT margin %</i>	78%	77%	
Financial result excl. IAS 39	-13,148	-10,965	
Current tax	-376	-141	
<b>Profit excl. IAS 39 &amp; IAS 40</b>	<b>25,498</b>	<b>20,315</b>	<b>+26%</b>

**Result excl. IAS 39 & IAS 40:  
+15% ahead of initial budget**

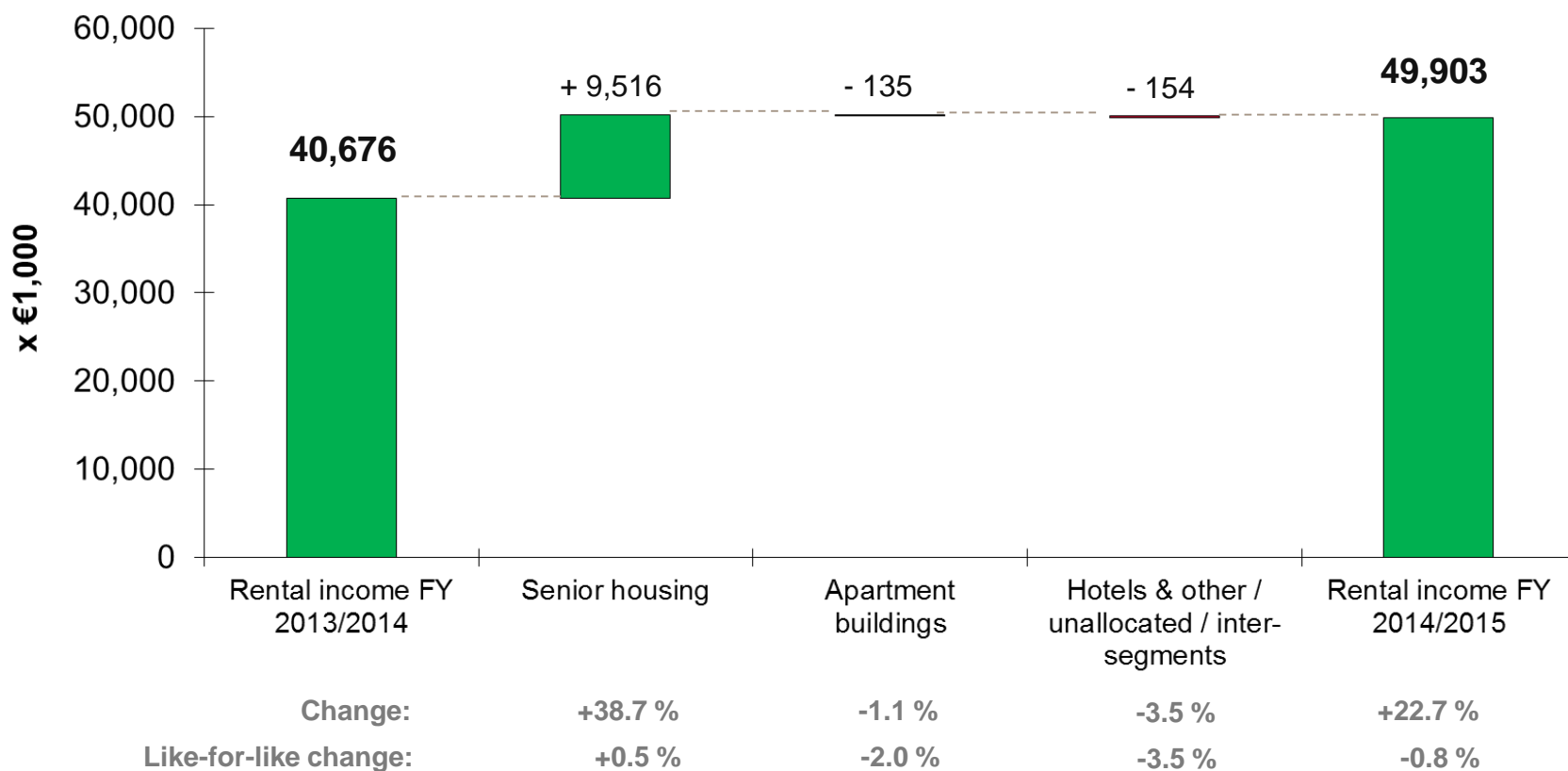
# Income Statement

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<b>Profit excl. IAS 39 &amp; IAS 40</b>	<b>25,498</b>	<b>20,315</b>	<b>+26%</b>
Denominator (IAS 33)	10,658,981	9,917,093	
<b>Result per share excl. IAS 39 &amp; IAS 40 (€/share)</b>	<b>2.39</b>	<b>2.05</b>	<b>+17%</b>

# Rental income

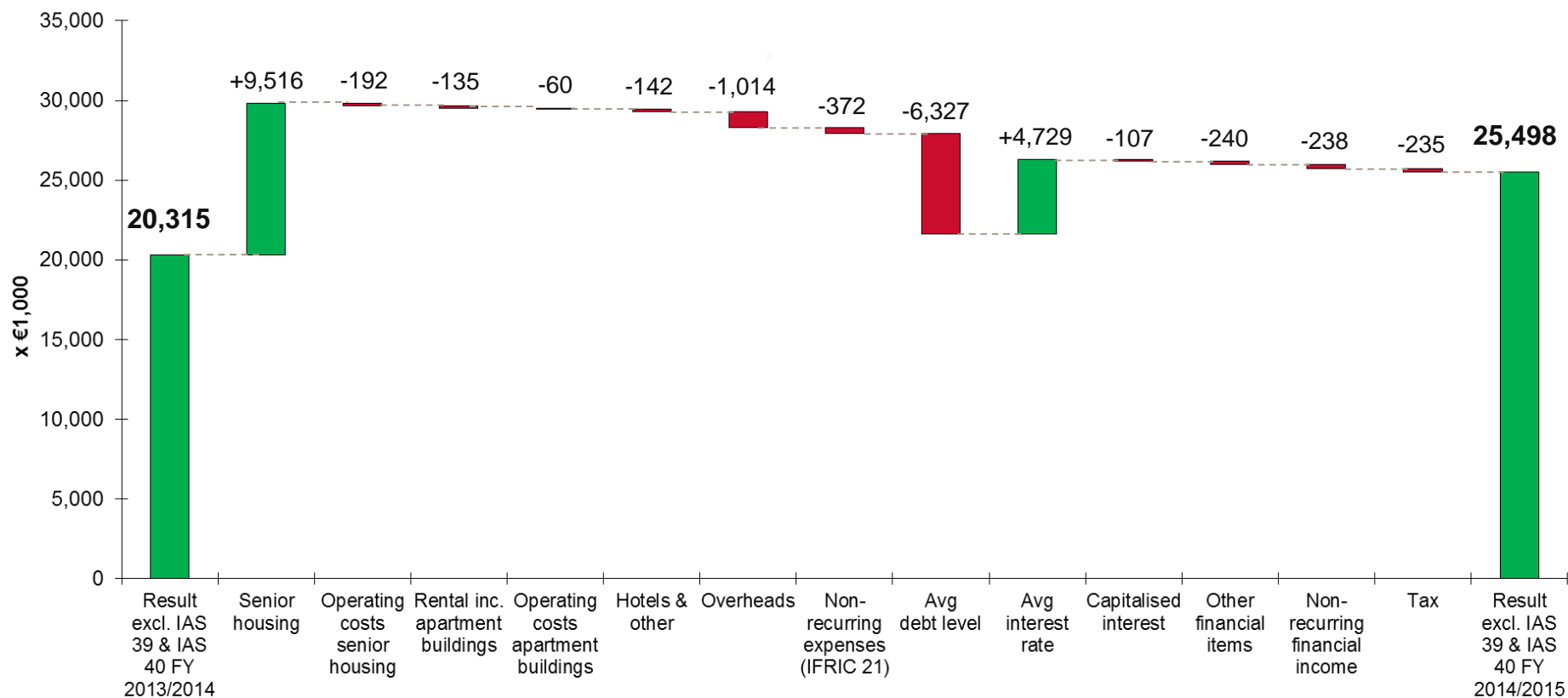
(As of 30 June 2015)



**23 % increase YoY**

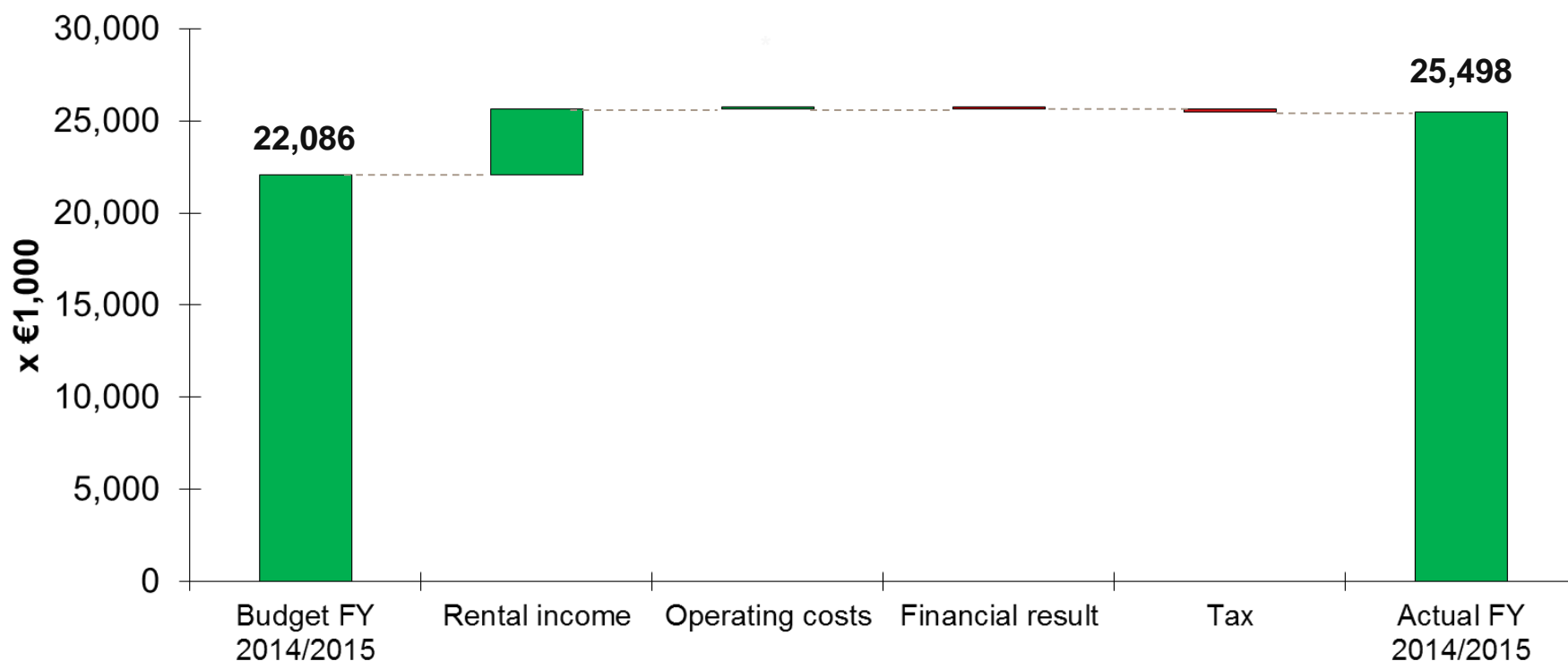
# Result excl. IAS 39 & IAS 40

(As of 30 June 2015)



# Result excl. IAS 39 & 40 vs Budget\*

(As of 30 June 2015)

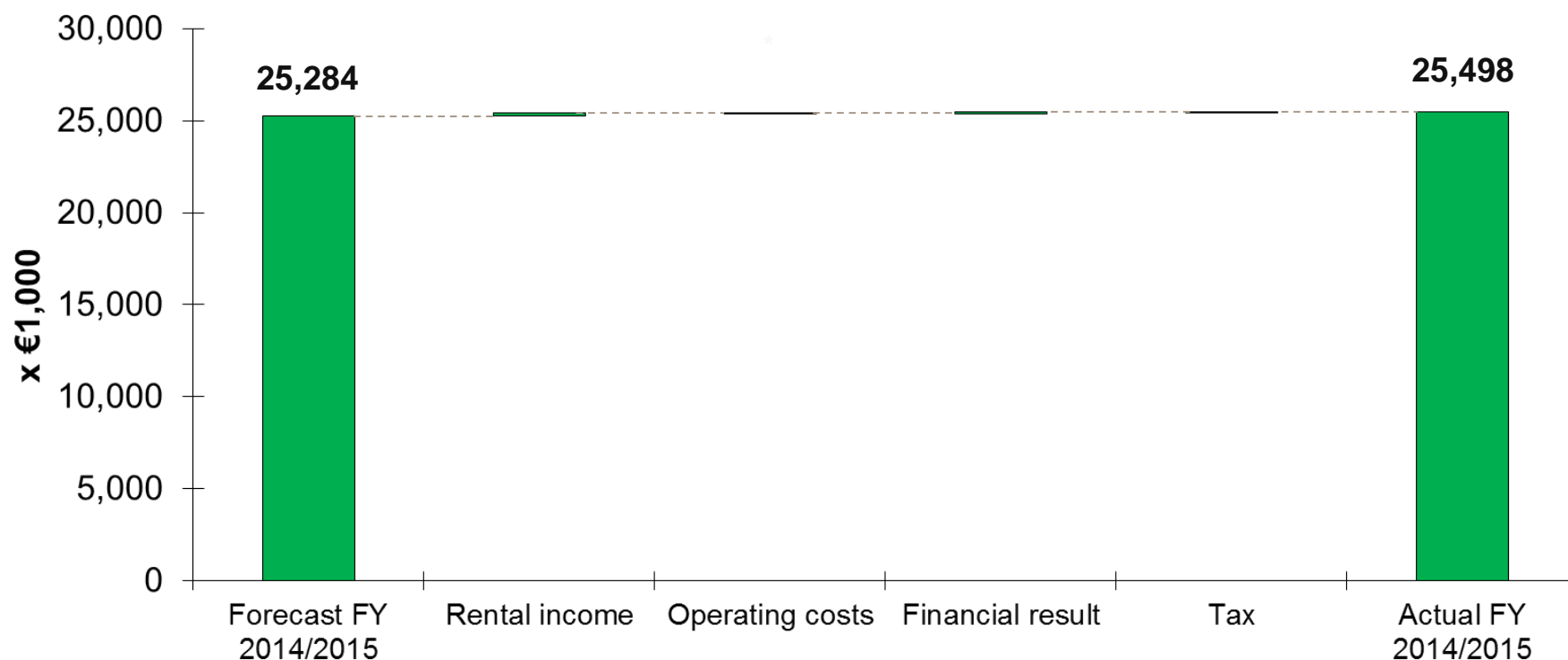


\* Initial budget 2014/2015 as published in the 2013/2014 Annual Financial Report.



# Result excl. IAS 39 & 40 vs Forecast\*

(As of 30 June 2015)



\* Forecast 2014/2015 as published in the Securities Note regarding the capital increase of 29 June 2015.

# Income Statement

## Market driven

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

	30 June 2015	30 June 2014
Profit excl. IAS 39 & IAS 40	25,498	20,315
IAS 39 impact: changes in fair value of financial assets and liabilities	374	-2,990
IAS 40 impact: changes in fair value of investment properties	19,259	3,816
IAS 40 impact: gains on disposals of investment properties	428	0
IAS 40 impact: deferred taxes	-395	244
Roundings	1	0
<b>Profit (o.p.)</b>	<b>45,165</b>	<b>21,385</b>
Denominator (IAS 33)	10,658,981	9,917,093
<b>Net result per share (g.s. - IAS 33 - €share)</b>	<b>4.24</b>	<b>2.16</b>

Non cash

**Profit more than doubled YoY**

# Hedging policy

(As of 30 June 2015)

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

## Business driven:

Avg effective interest rate of 3.0 %, well below PY (4.0 %), and lower than initial budget (3.4 %)

- > ... even in spite of accounting volatility

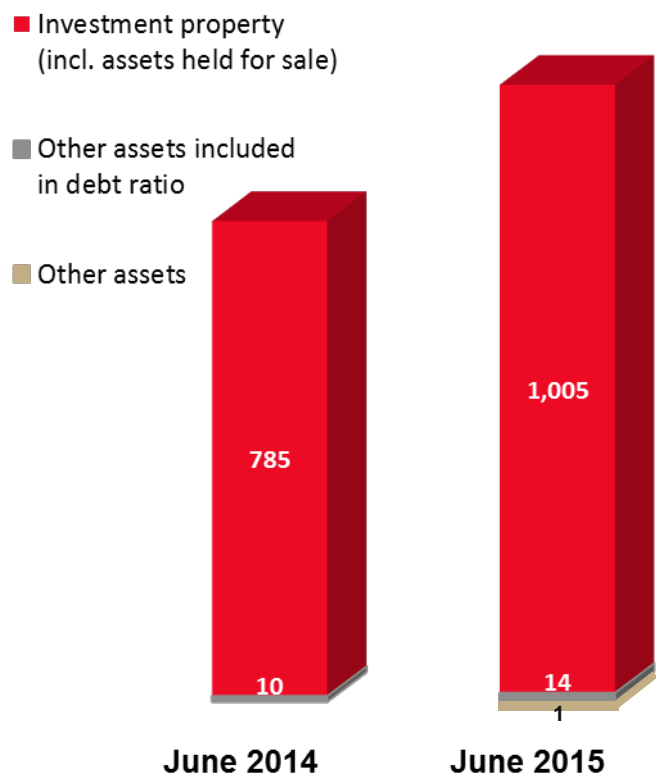
## Market driven:

Change in FV of derivatives (non cash items) under IAS 39 in 2014/2015:  
+€461k in result (vs. -€2,990k in PY)  
-€181k in equity (vs. -€2,710k PY)

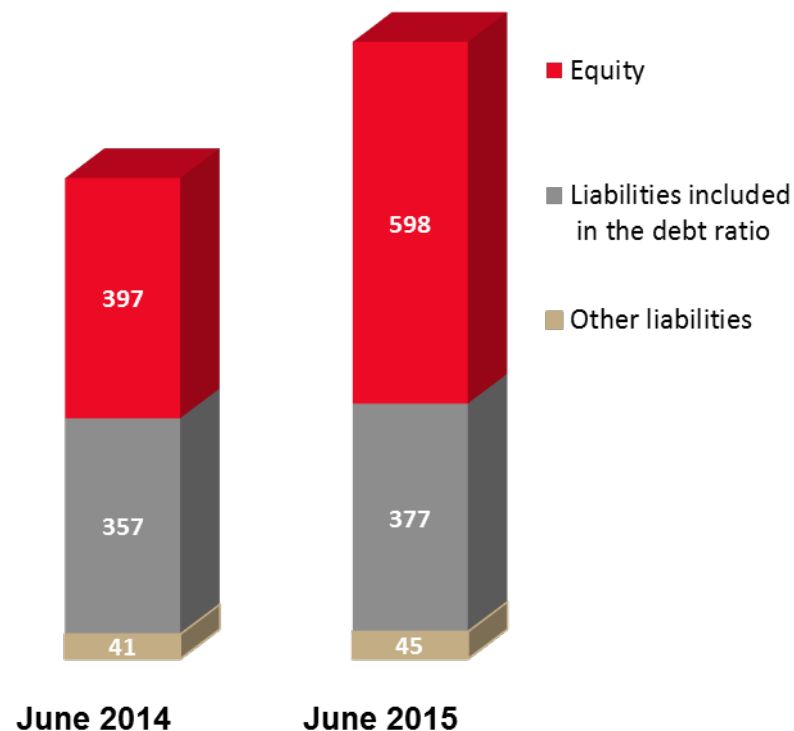
# Consolidated balance sheet (€m)

(As of 30 June 2015)

## Assets

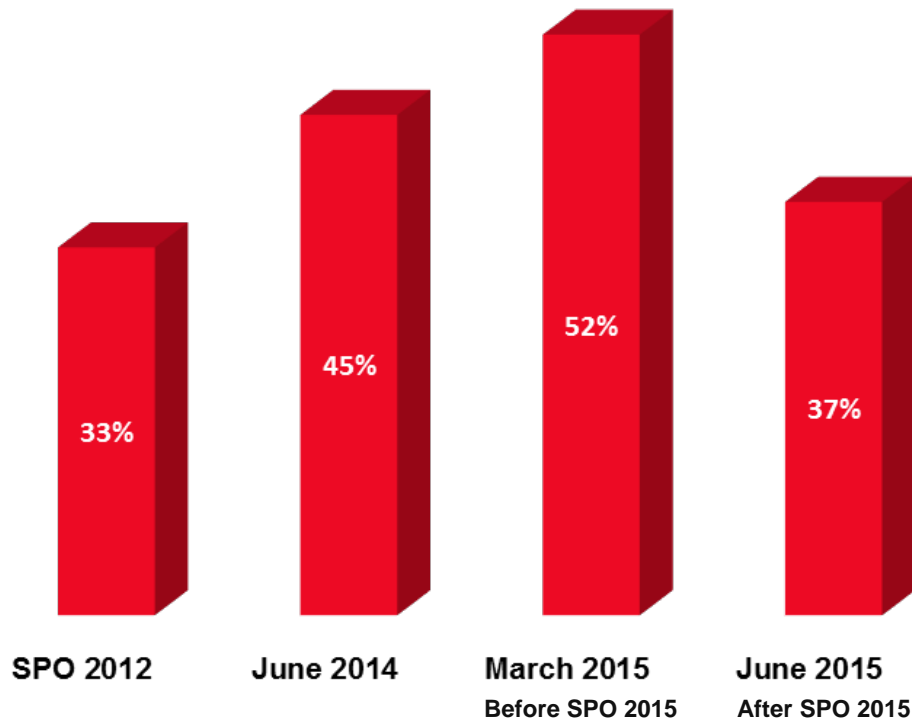


## Equity & Liabilities



# Debt-to-assets ratio

(As of 30 June 2015)



## Headroom\* :

- Debt increase of €234 m without investments or €585 m with investments
- Drop of MTM of buildings of 38 %

\* Based on bank covenant of max. 60 %. Based on legal max. of 65 %, headroom is respectively €285 m, €815 m and 43 %.

# Net asset value

Net asset value per share (in €)	30 June 2015	30 June 2014	Var.
<b>Based on fair value of investment properties</b>			
Net asset value based on fair value	42.59	36.84	16%
IAS 39 impact	<u>2.70</u>	<u>3.73</u>	
<b>Net asset value after deduction of dividend, excl. IAS 39</b>	<b>45.29</b>	<b>40.57</b>	<b>12%</b>

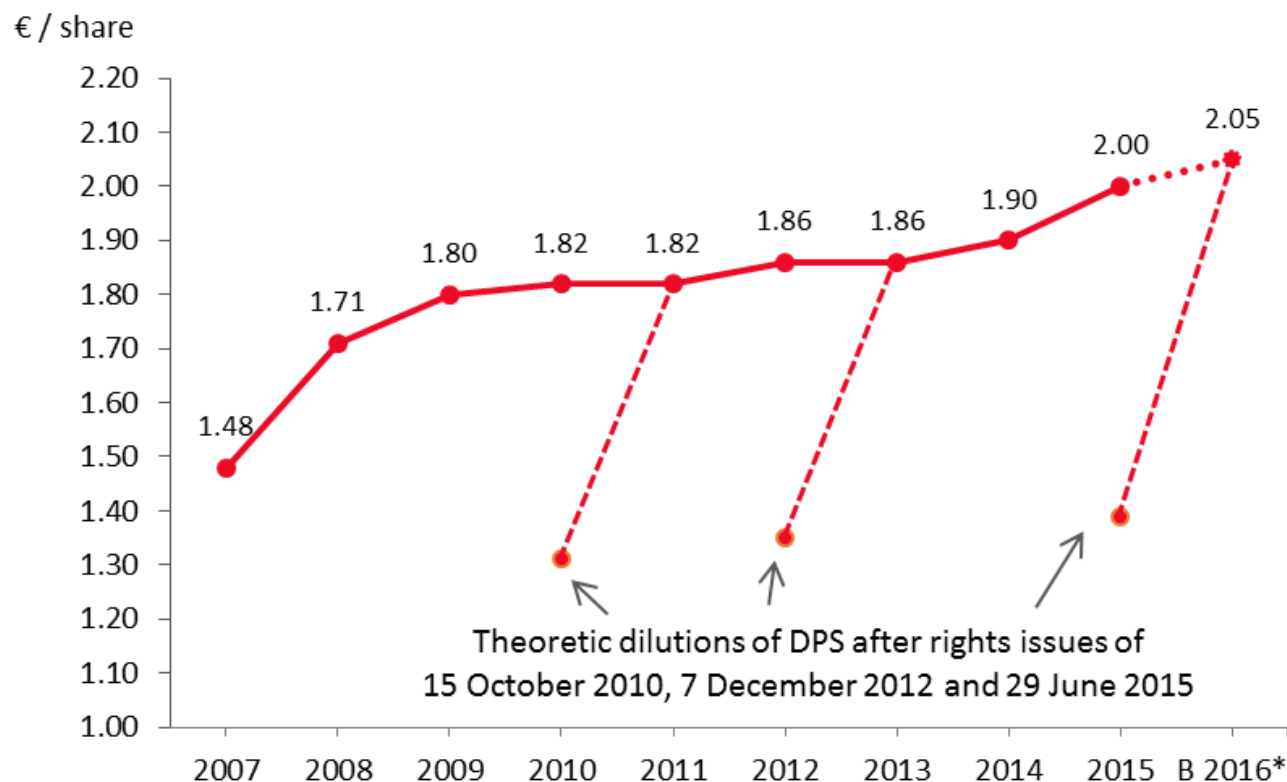
**Premium on 8 Oct. 2015:**  
**35 % vs NAV at FV incl. IAS 39**  
**27 % vs NAV at FV excl. IAS 39**

**Premium on 8 Oct. 2015, taking into account coupon No. 14 already detached:**  
**40 % vs NAV at FV incl. IAS 39**  
**32 % vs NAV at FV excl. IAS 39**

# Shares & shareholders



# Dividend track record

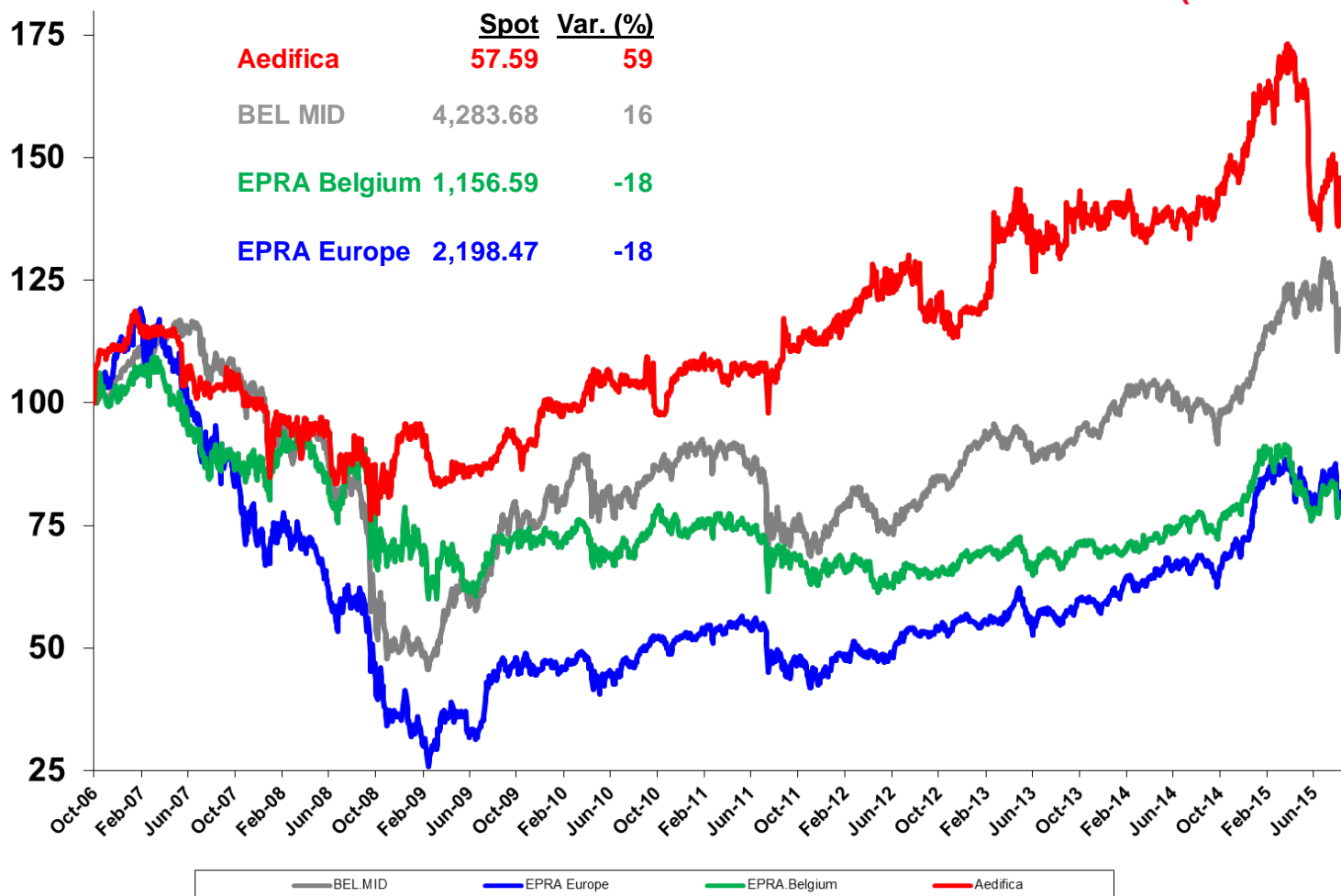


\* 2015/2016 Budgeted dividend (see section 7 of the Board of Directors' Report included in the 2014/2015 Annual Financial Report)



# Share price since IPO

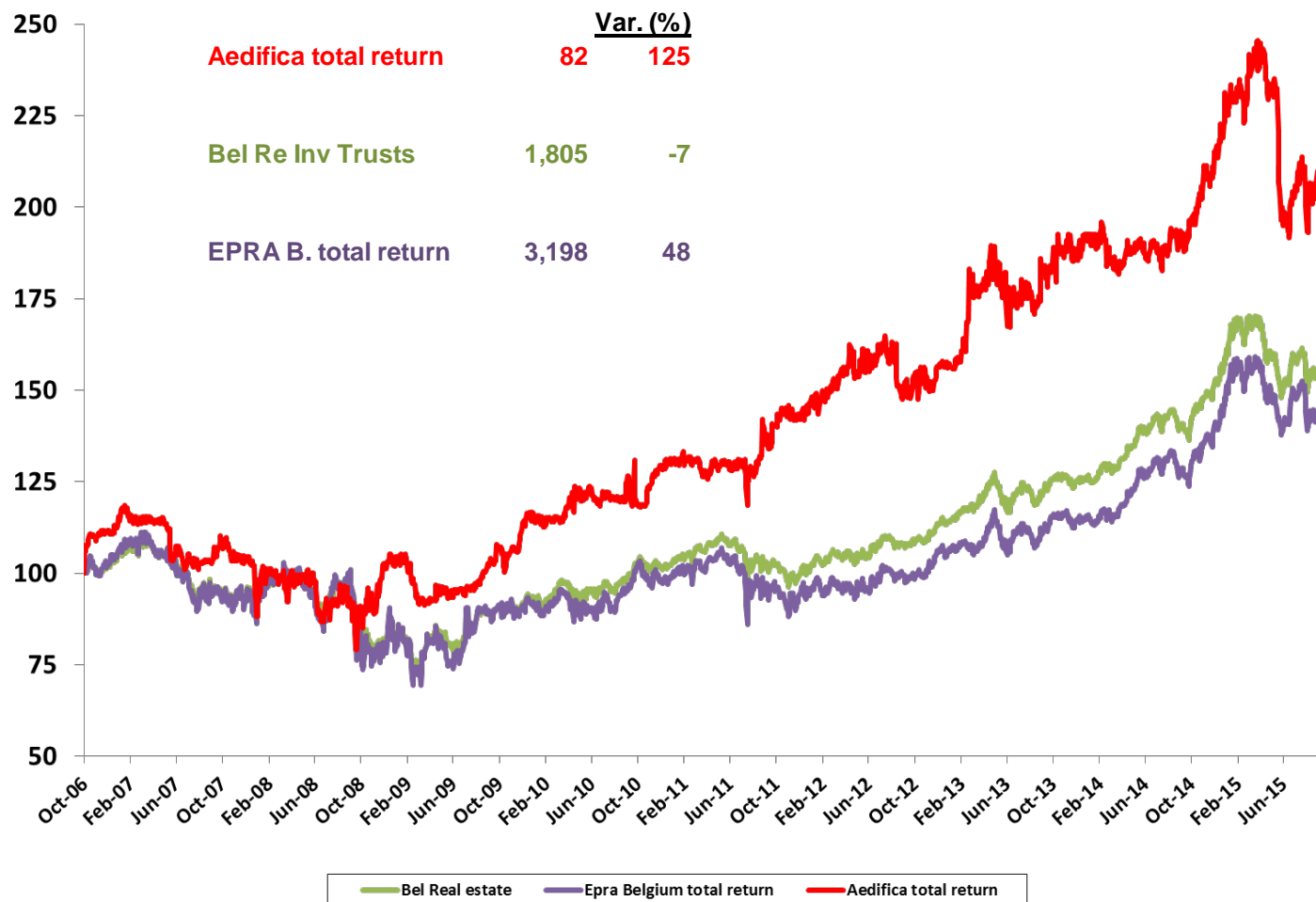
(As of 8 October 2015)



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

(As of 8 October 2015)

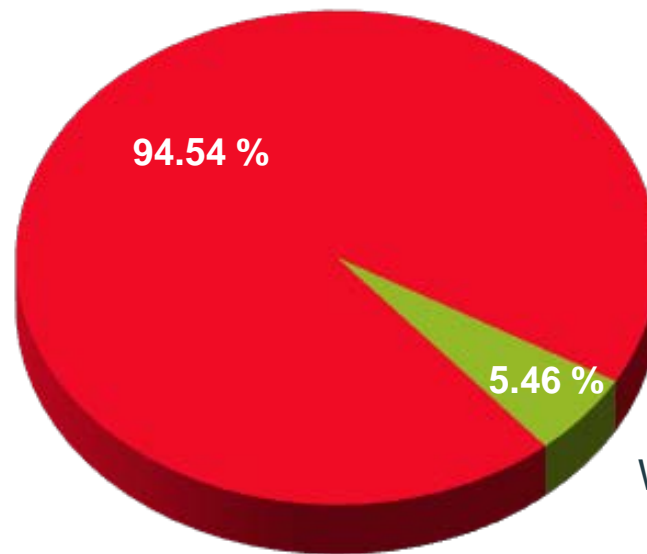


Aedifica: based on the IPO price (€41), adjusted to take into account the rights issues of 2010 (- €1.89), 2012 (- €1.93) and 2015 (- €0.89), i.e. an adjusted IPO price of €36.29.

# Shareholding\*

(Update as of 17 March 2015)

Free float



Wulfsdonck Investment  
via **Finasucre**

\* A total of 14,045,931 shares are listed on Euronext Brussels.

# Rankings (1/2)

- > One of the highest free floats of all Belgian REITs
- > 4<sup>th</sup> largest liquidity amongst all Belgian REITs<sup>1</sup>  
(Daily average: €820k at the end of Sept. 2015;  
€230k at the end of June 2012 before capital increase of Dec. 2012)
- > 4<sup>th</sup> largest Belgian REIT in terms of fair value<sup>1</sup>
- > 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)

<sup>1</sup> Based on the Oct. 2015 “Belgian RREC Overview” by Degroof Petercam

<sup>2</sup> Investors Directory 2015, Expertise BVBA, published in January 2015

# Rankings (2/2)

- > Biggest increase in portfolio value among Belgian REITs in 2014<sup>1</sup>

MARKET MOVERS	
Company	Change
Aedifica	+39%
Montea	+31%
Ascencio	+28%
Wereldhave Belgium	+26%
QRF City Retail	+19%
WDP (Warehouses De Pauw)	+14%
Home Invest Belgium	+11%
Retail Estates	+8%
Leasinvest Real Estate	+5%
Vastned Retail Belgium	+5%
Care Property Invest	+3%
Befimmo	+1%
Intervest Offices & Warehouses	-1%
Cofinimmo	-6%
Source / Copyright © Expertise 100 (12-2014).	

<sup>1</sup> "Dossier B-REITs & Values 2015", *Expertise News*, 22 May 2015

# Awards

## EPRA

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

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



- > Annual Report 2013/2014



# Awards

## ABAF/BVFA

- > Belgian Association of Financial Analysts
- > 55<sup>st</sup> Award for Financial Communication
- > Small & Mid Cap ranking
  - 1<sup>st</sup> place for Best Financial Communication
  - 1<sup>st</sup> place in the Non-Financial Information category
  - 3<sup>rd</sup> place in the Investor Relations category



*L'Echo, 13 October 2015, p. 32*

# Outlook





# Outlook FY 2015/2016

## Portfolio



### > Focus on investments

- **Development pipeline:** Salve, 't Hoge, Helianthus, Pont d'Amour, Marie-Louise, Leopoldspark, Oase Aarschot Poortvelden
- **New investments in senior housing:**
  - Germany: targets being studied
  - Belgium: targets being studied
- **Objective for future investments:**
  - Enhancing long-term cash flows in senior housing
  - Growing in the German market
  - Exploring new segments

# Outlook FY 2015/2016

## Portfolio

### > Focus on investments

- **Development pipeline:** Salve, 't Hoge, Helianthus, Pont d'Amour, Marie-Louise, Leopoldspark, Oase Aarschot Poortvelden
- **New investments in senior housing:**
  - Germany: targets being studied
  - Belgium: targets being studied
- **Objective for future investments:**
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done

# Outlook FY 2015/2016

- > **Budgeted rental income: €59 m**
- > **Budgeted EBIT margin: 79 %**
- > **Budgeted result excl. IAS 39 & 40: €32 m**
- > **Budgeted dividend: €29 m**
- > **Budgeted DPS: €2.05/share (gross), higher than FY 2014/2015**

## > “Tax shift”:

- Risk :
  - Withholding tax raised to 27 % (2016) instead of 15 % (2015) ?
- Opportunity: end of “80 % residential threshold” implying:
  - End of tax-driven limitation of investment scope
  - Favourable impact on arbitration policy
- Current pay-out ratio at a low 86 %

# 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





# Aedifica SA/NV



Public REIT under Belgian Law  
Regulated Real Estate Company (RREC)  
Société immobilière réglementée (SIR)  
Geregulementeerde vastgoedvennootschap (GVV)  
Avenue Louise 331  
1050 Brussels

Tel: +32 (0)2 626 07 70 - Fax: +32 (0)2 626 07 71

[info@aedifica.be](mailto:info@aedifica.be)

[www.aedifica.be](http://www.aedifica.be)



# 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.*