



# Q1 2020 RESULTS

22 April 2020



WAREHOUSES  
WITH BRAINS

[www.wdp.eu](http://www.wdp.eu)

# AGENDA

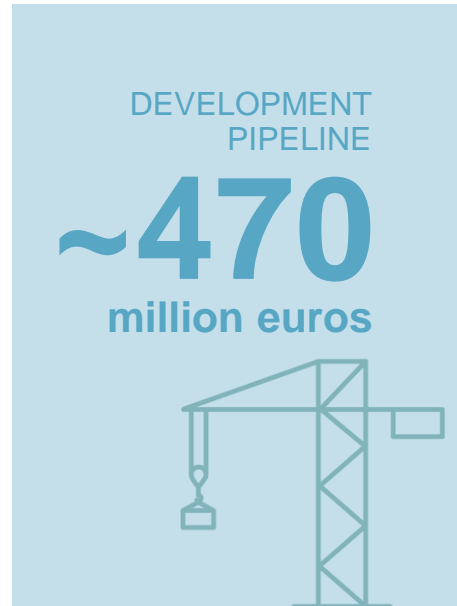
- Highlights Q1 2020
- Roll-out growth plan 2019-23
- Market insights
- Q1 2020 activity report
- Financial management
- WDP share
- Statement Covid-19 and Outlook 2020



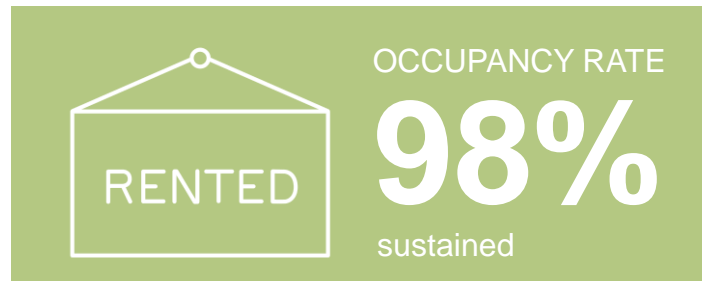
# HIGHLIGHTS Q1 2020

Positioned for further growth

Q1 2020



**110M EUROS**  
**INVESTMENTS SECURED**

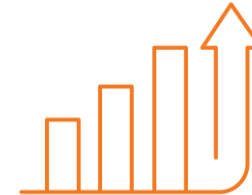


# ROLL-OUT SCORECARD GROWTH PLAN AS OF Q1 2020

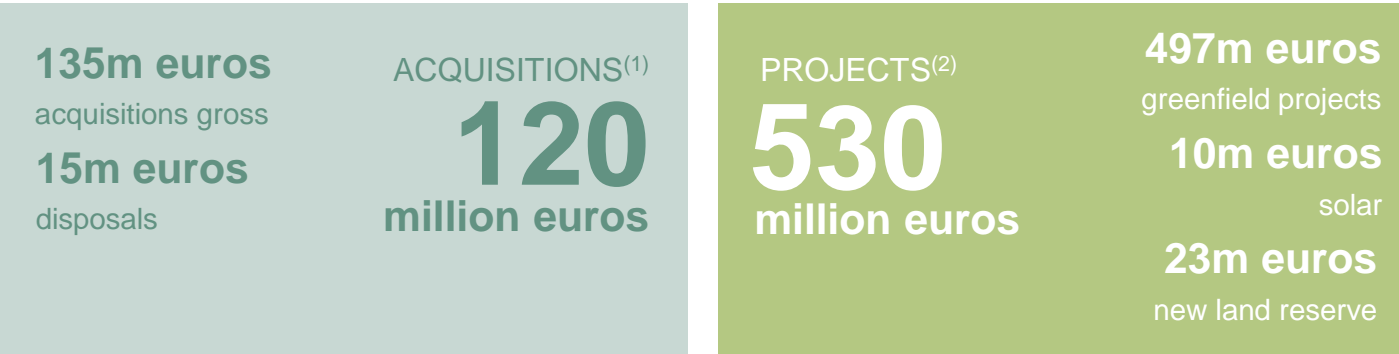
5Y GROWTH PLAN

Towards a 5bn portfolio in 2019-23

**43%** Targeted portfolio growth secured  
**~650** million euros



## DYNAMIC PORTFOLIO DEVELOPMENT



(1) Net of disposals.

(2) Including solar projects.

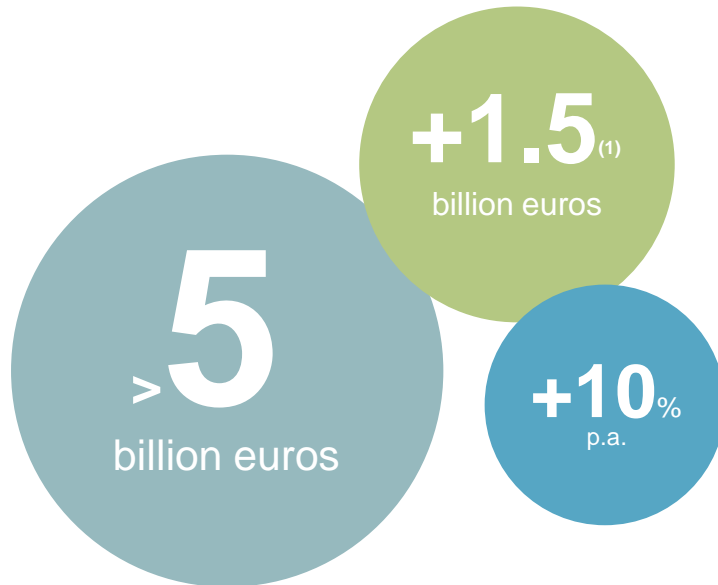
(3) The package of 650 million euros in investments (out of the envisaged 1.5 billion euros) refers to new projects and acquisitions identified within the context of the growth plan 2019-23. These are secured investments which are already reflected in the balance sheet or are in execution.

# GROWTH PLAN 2019-23

5Y GROWTH PLAN

Towards a 5bn portfolio

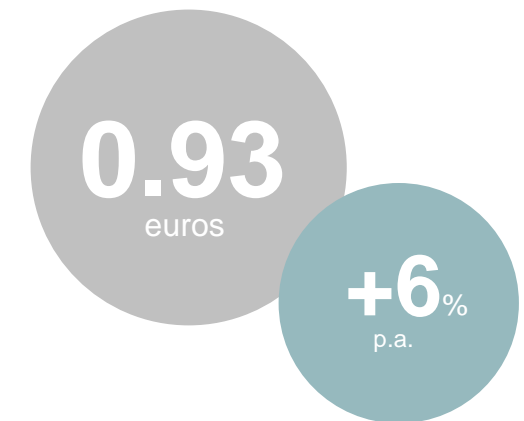
## Property portfolio<sup>(2)</sup>



## Growth EPRA EPS<sup>(2)</sup>



## DPS ambition 2023<sup>(2)</sup>



### BASE YEAR 2018

- ✓ EPRA EPS: 0.86 euros
- ✓ Portfolio: 3.5bn euros
- ✓ DPS: 0.69 euros

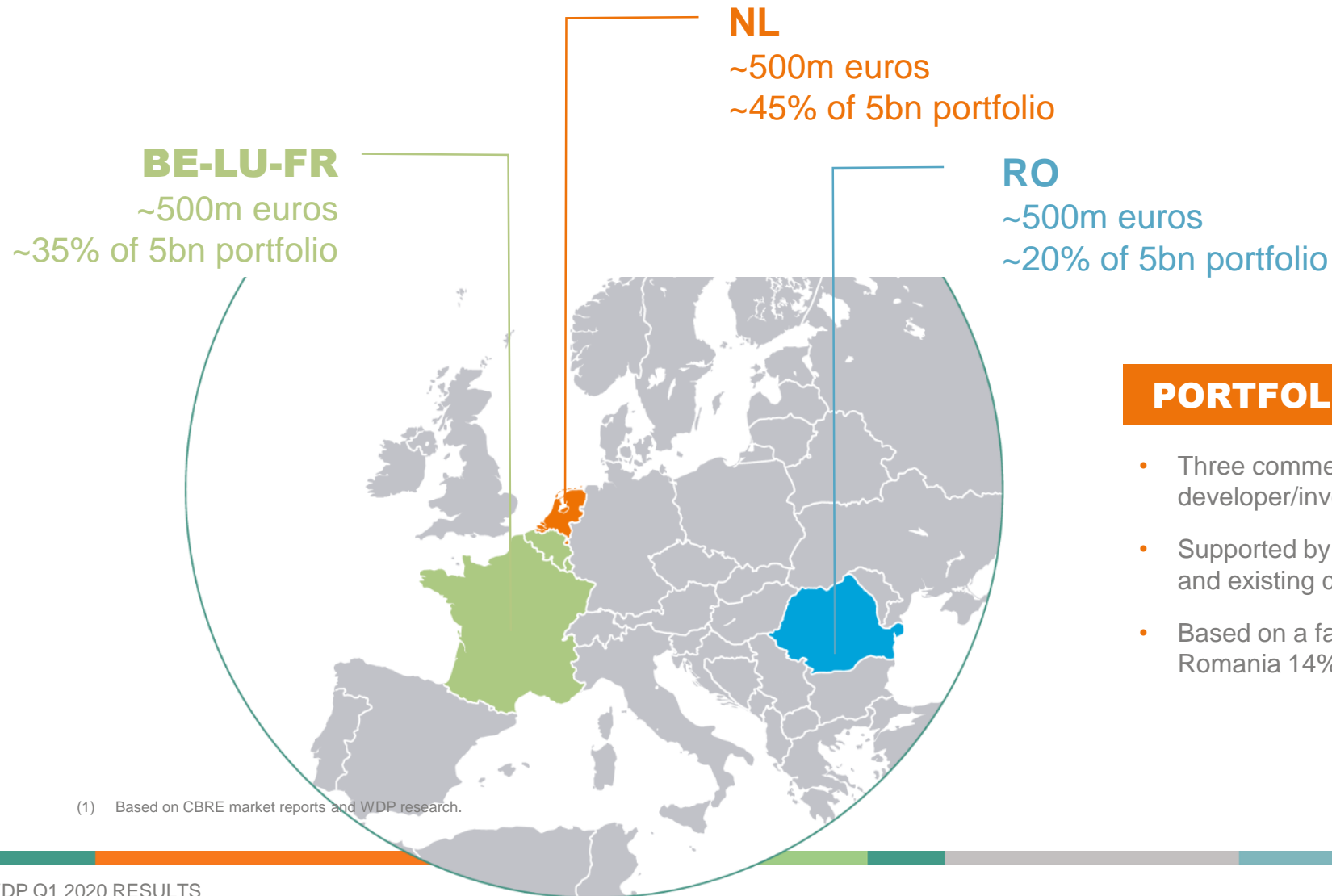
(1) Investment volume to be realized i.e. excluding portfolio revaluations and referring to the net effective economic interest of WDP (i.e. excluding minority interests and including the proportionate share in joint ventures).

(2) Covid-19 disclaimer: WDP believes that, in the longer term, the structural tendencies will remain intact – such as changes in consumer behaviour (e.g. e-commerce), technological developments and the demand for sustainability, which lead to adapted consumption and distribution networks, and therefore a demand for logistics space. WDP considers that these changes will be strengthened by this crisis because of an increased share in food e-commerce and a return to local production closer to the consumer. It is impossible to estimate now what the implications will be on the implementation of the 2019-23 business plan, as the consequences of the economic recession provoked by this crisis are not yet fully visible.

# GROWTH PLAN 2019-23

5Y GROWTH PLAN

Towards a 5bn portfolio



## PORTFOLIO GROWTH 1.5BN EUROS

- Three commercial platforms capitalizing on developer/investor model
- Supported by growing logistics market together with new and existing clients
- Based on a fairly low market share: Benelux 9% and Romania 14%<sup>(1)</sup>

(1) Based on CBRE market reports and WDP research.

# BASED ON

- Increasing portfolio with 1.5bn euros<sup>(1)</sup> in existing geographical markets
  - Based on further strengthening footprint in BE-NE-LU-FR-RO and with RO <20%
  - Mainly through pre-let developments on existing and/or new land
  - Considering the pricing environment opportunistically through acquisitions that add long-term value to the portfolio (including a high residual value and the potential to create partnerships with customers)
  - WDP is currently examining a broadening of its activities in the Benelux' neighbouring regions
  - Continued investments in alternative energy sources as well as projects for reducing energy consumption
- A stable operating environment and continued structural demand for new modern logistics space
- Strong operational fundamentals (high occupancy, long lease duration, sustainable rent levels)
- Continuation of matching property acquisitions with synchronous debt and equity issuance<sup>(2)</sup>
- Funding business plan with targeted debt/equity mix of 50/50, thereby maintaining balanced capital structure



- **Creating growth and profitability**
- **Driven by healthy sector in strategic region for logistics**

(1) Referring to the envisaged investment volume (i.e. excluding any portfolio revaluations) and the net effective economic interest of WDP (i.e. excluding minority interests and including the proportionate share in joint ventures).

(2) In principle, through retained earnings, stock dividend, contributions in kind and/or accelerated bookbuilds (ABB) with respect to the equity component. Related to the debt funding, in principle a combination of traditional credit facilities, bond issues and private placements.

# DRIVERS

5Y GROWTH PLAN



**Long-term relations with clients leading to repeat business**

55% of growth last 3 year

**Capacity to source off market deals through complex puzzles**

20% of growth last 3 year

**Expansion potential in owner-occupied segment through sale & leaseback**

Need for solid real estate partner

**Capturing structural growth of logistics sector, including growth market RO**

Still relatively limited market share

**Development projects on strategic land reserves**

Constantly replenishing land reserves

**Value-add redevelopments offering higher return vs. plain vanilla developments**

>100bps spread

**Including sustainable measures (e.g. solar panels) and add-on service**

Increasing total return

**Correct risk-adjusted return in RO**

>200bps spread in development yields



MARKET

INSIGHTS

# LONG-TERM DRIVERS IN LOGISTICS



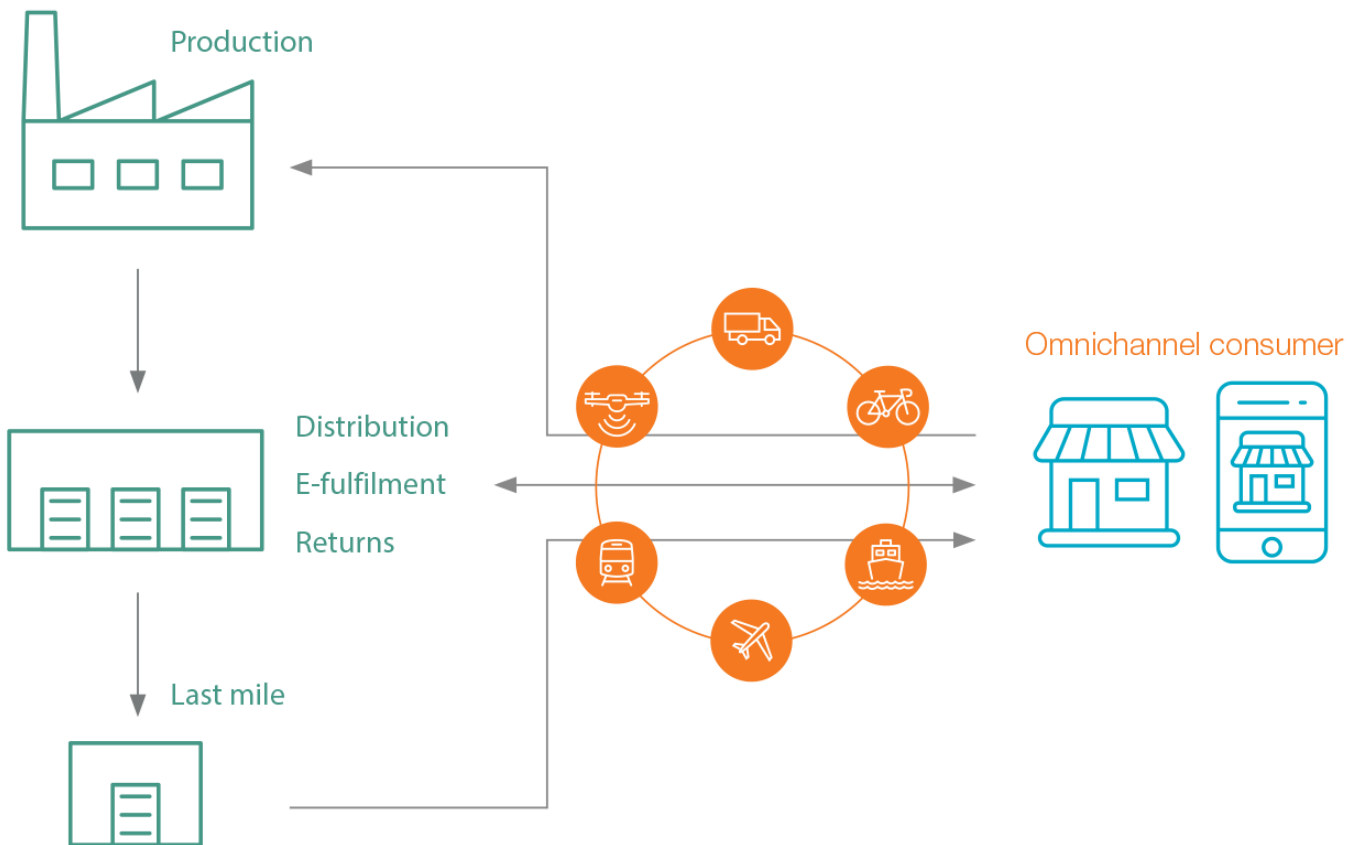
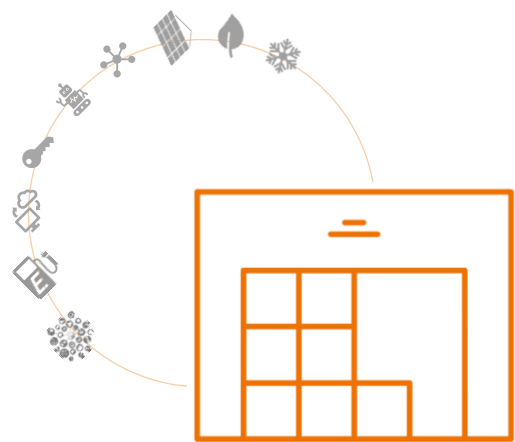
# KEY ROLE IN SUPPLY CHAIN

MARKET INSIGHTS

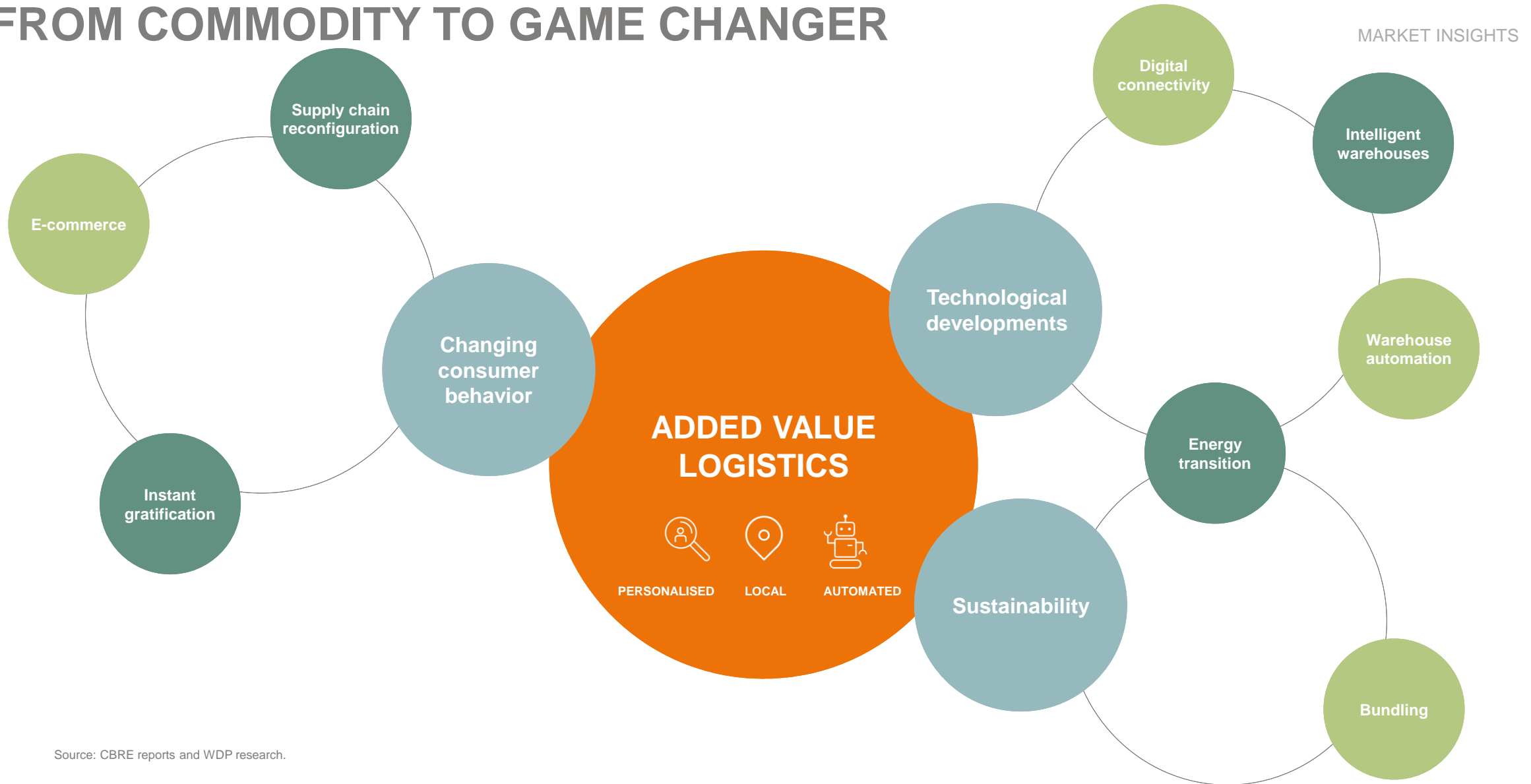
**MODERN**

**INTELLIGENT**

**LOGISTICS**



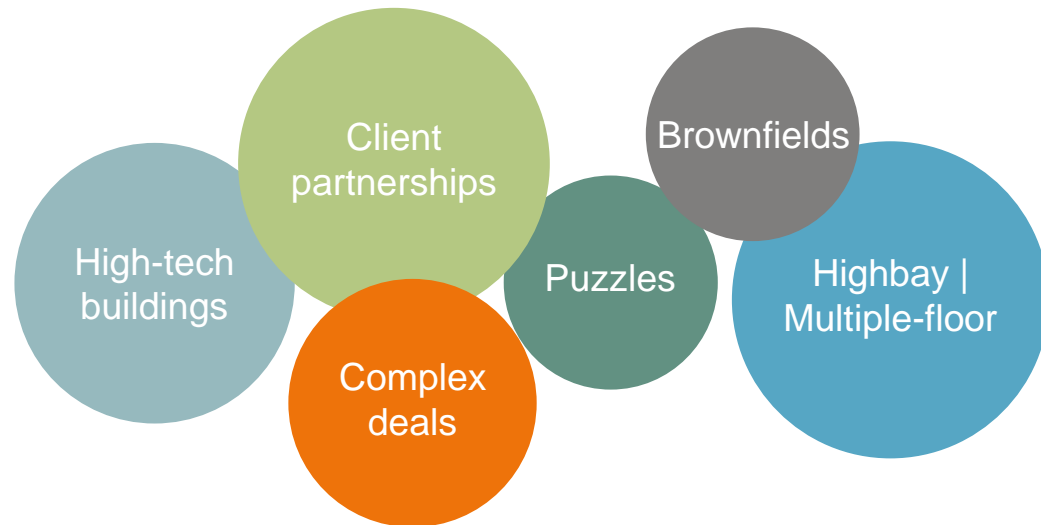
# FROM COMMODITY TO GAME CHANGER



Source: CBRE reports and WDP research.

# FUTURE TRENDS

MARKET INSIGHTS



## Sound positioning



- Strong client-based franchise
- Vast network & inhouse team of business developers
- Technology requiring specific knowledge and expertise
- Qualitative and timely execution
- Market leader in all key markets
- Cross-selling

# ACTIVITY REPORT

Q1 2020



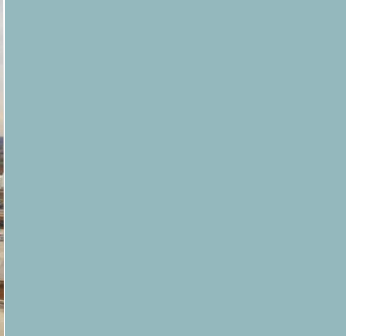
# PROJECTS EXECUTED

Q1 2020

Location	Tenant	Delivery date	Lettable area (in m²)	Investment budget (in million euros)
<b>2019-23</b>				
BE Heppignies, rue de Capilône 6C	Cora	1Q20	32.000	16
BE			32.000	16
<b>2019-23</b>				
NL Eindhoven, Park Forum	Brocacef	1Q20	10.000	10
NL Kerkrade, Steenbergstraat	Berner Produkten	1Q20	28.000	25
NL Maastricht, Habitatsingel 59	Sligro	1Q20	16.000	16
NL Nieuwegein, Brigadedok	Caldic	1Q20	15.000	12
NL			69.000	64
<b>2016-20</b>				
RO Bucharest - Stefanestii de Jos	Auchan	1Q20	77.000	45
RO Sibiu	Aeronamic Eastern Europe	1Q20	4.000	4
RO			81.000	49
<b>Total</b>			<b>182.000</b>	<b>129</b>

**Capex**  
**129m euros**

Gross initial yield  
**6.9%**



PROJECTS EXECUTED

# PROJECTS UNDER DEVELOPMENT (PRE-LET)

Q1 2020

Location	Tenant	Planned delivery date pre-Covid-19	Planned delivery date	Lettable area (in m <sup>2</sup> )	Investment budget (in million euros)
<b>2019-23</b>					
BE Asse - Mollem, Zone 5 nr. 191, 192, 320, 321	AMP	1Q20	2Q20	9.000	4
BE Courcelles, rue de Liège 25	Conway	4Q20	1Q21	2.190	2
BE Geel, Hagelberg 12	Distrilog	4Q20	3Q21	8.000	4
BE Heppignies	fully let	1Q21	4Q21	2.000	5
BE Lokeren, Industrieterrein E17/4	Barry Callebaut	3Q21	3Q21	60.000	92
BE Londerzeel, Weversstraat 27-29	Colruyt	4Q20	4Q20	20.000	9
BE Nijvel, rue de l'industrie 30	WEG	4Q20	4Q20	2.000	1
BE				103.190	116
<b>2016-20</b>					
LU Bettembourg (Eurohub Sud 3)	Trendy Foods / Sobolux / Fedex	1Q20	2Q20	25.000	12
<b>2019-23</b>					
LU Bettembourg (Eurohub Sud 4)	In commercialisation	n.r.	2Q21	25.000	13
LU				50.000	25
<b>2019-23</b>					
NL Bleiswijk, Prismalaan 17-19	CEVA Logistics	2Q20	2Q20	22.000	13
NL Bleiswijk, Prismalaan West 31	Boland	1Q21	1Q21	16.400	18
NL Bleiswijk, Snelliuslaan 13	Drake & Farrell	3Q20	3Q20	17.000	16
NL Breda, Heilaarstraat 263	Lidl	3Q20	3Q20	5.000	3
NL Den Haag, Westmietweg	CEVA Logistics	2Q21	3Q21	26.000	19
NL Heerlen, Argonstraat 14-16	3PL	n.r.	4Q20	26.000	14
NL Nieuwegein, Divisiedok 1	Bol.com	3Q20	3Q20	12.500	15
NL Ridderkerk, Nieuw Reijerwaard	Kivits Groep Holding	4Q20	4Q20	26.000	30
NL Rozenburg, Incheonweg	Various	1Q20	2Q20	10.000	4
NL 's-Hertogenbosch, Ketelaarskampweg - Zandzuigerstraat	Sanitairw.inkel.nl / Spierings Smart Logistics / ID Logistics	3Q20	3Q20	55.000	33
NL				215.900	165



# PROJECTS UNDER DEVELOPMENT (PRE-LET)

97%  
Pre-let

Q1 2020

10y  
Avg. lease  
duration

Location	Tenant	Planned delivery date pre-Covid-19	Planned delivery date	Lettable area (in m <sup>2</sup> )	Investment budget (in million euros)
<b>2016-20</b>					
RO Buzau	Ursus Breweries	3Q20	4Q20	21.000	13
RO Deva	Carrefour	3Q20	4Q20	45.000	24
<b>2019-23</b>					
RO Bucharest - Stefanestii de Jos	Decathlon	4Q20	1Q21	10.000	5
RO Bucharest - Stefanestii de Jos	Alcar	3Q20	3Q20	10.000	5
RO Bucharest - Stefanestii de Jos	Lecom	2Q20	2Q20	2.600	1
RO Bucharest - Stefanestii de Jos	Aggreko	1Q20	2Q20	2.000	2
RO Craiova	Profi	n.r.	2Q21	58.000	33
RO Slatina	Pirelli	3Q20	3Q20	62.000	40
RO Timisoara	Profi	n.r.	4Q21	57.000	38
RO				267.600	160
<b>Total</b>				<b>636.690</b>	<b>466</b>

Capex  
466m euros<sup>(1)</sup>

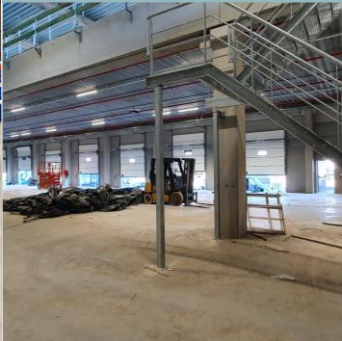
Gross initial yield<sup>(2)</sup>

6.9%

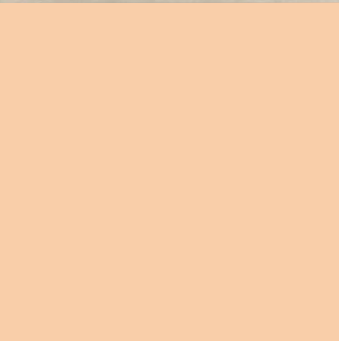
The above summary of the projects under development takes into account a delay in the delivery as a consequence of the Covid-19 crisis and concerns an assessment of the development of the new-build projects based on the current situation. Together with its building partners, WDP endeavours to keep the construction sites operational wherever possible and where permitted by the government, whilst prioritising on everyone's safety and health. The concrete challenges are safety measures imposed by the government in each country, the supply of building materials and the availability of an adequate workforce.

(1) Cost to come: 283m euros.

(2) Gross yield in the Benelux: 6.1% and in Romania: 8.4%.



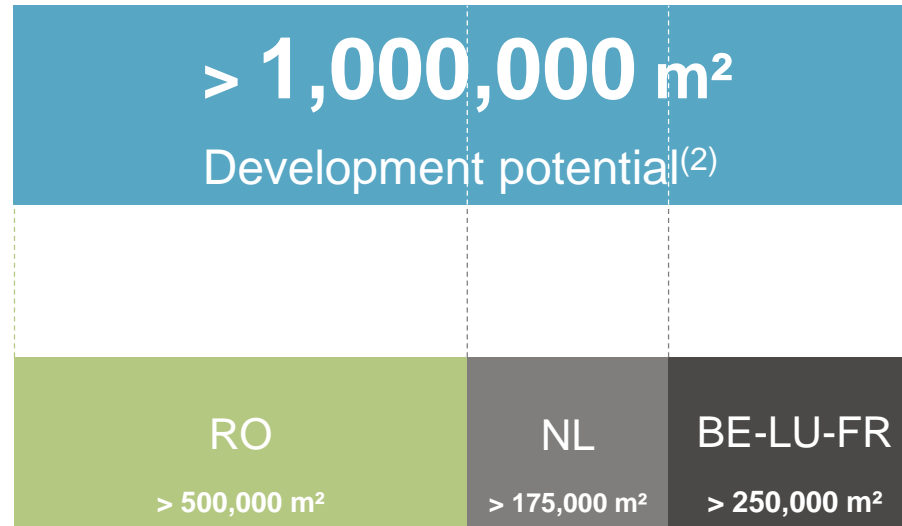
**PROJECTS IN EXECUTION**



# DEVELOPMENT POTENTIAL<sup>(1)</sup>

Q1 2020

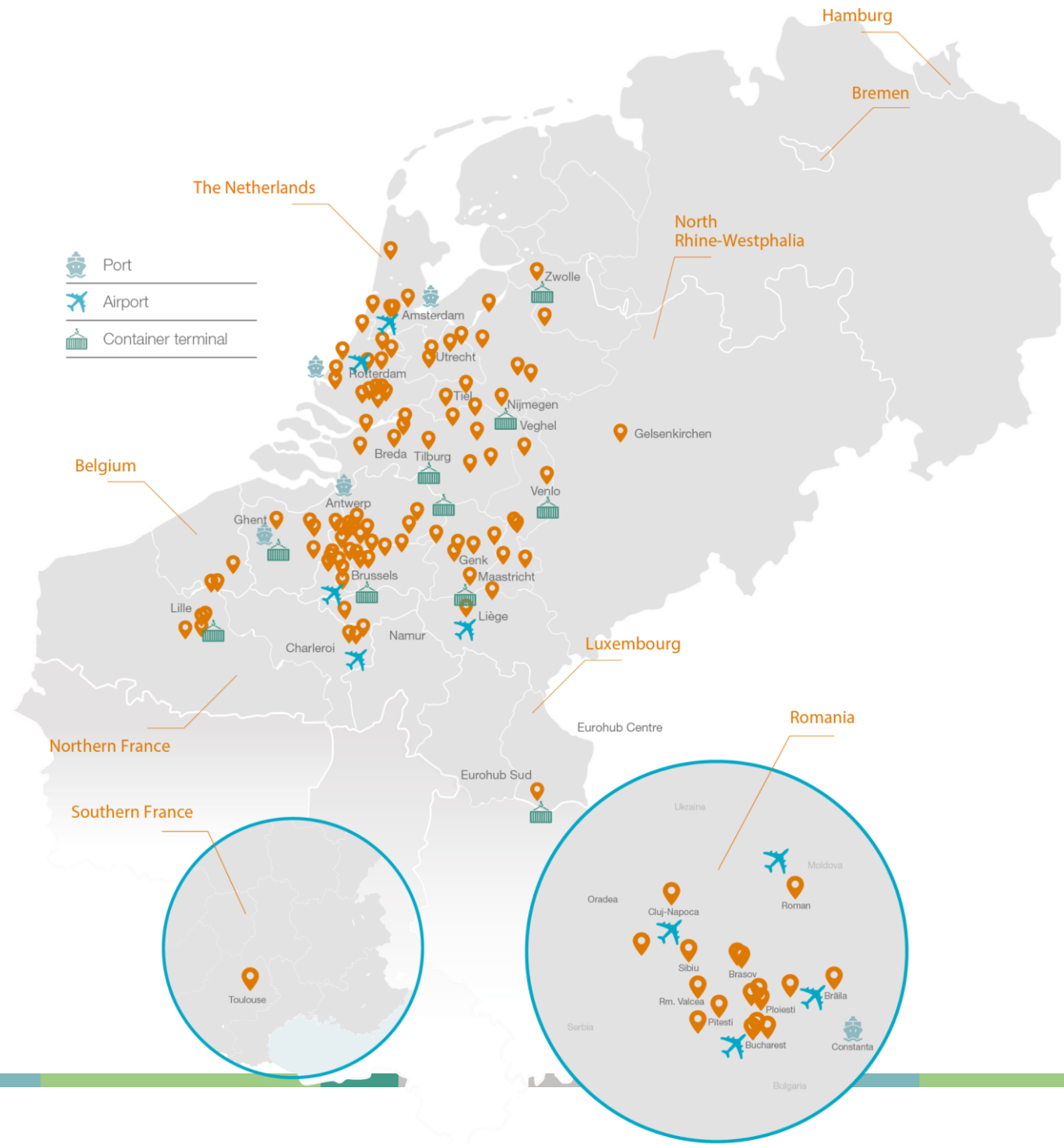
Fair value<sup>(1)</sup> **99 million euros**



(1) Uncommitted development potential. The 99m euros refers to the fair value of the (freehold) land reserves in the balance sheet.

(2) Initiation subject to pre-letting, secured financing and permits. The potential buildable surface also incorporates development potential on several leasehold land plots (BE: WDPort of Ghent and Trilogiport, NL: Amsterdam) on which WDP has an exclusive option on the concession.

# INFRASTRUCTURE MULTIMODAL CONSUMER



# PORTFOLIO FAIR VALUE SPLIT<sup>(1)</sup>

Q1 2020

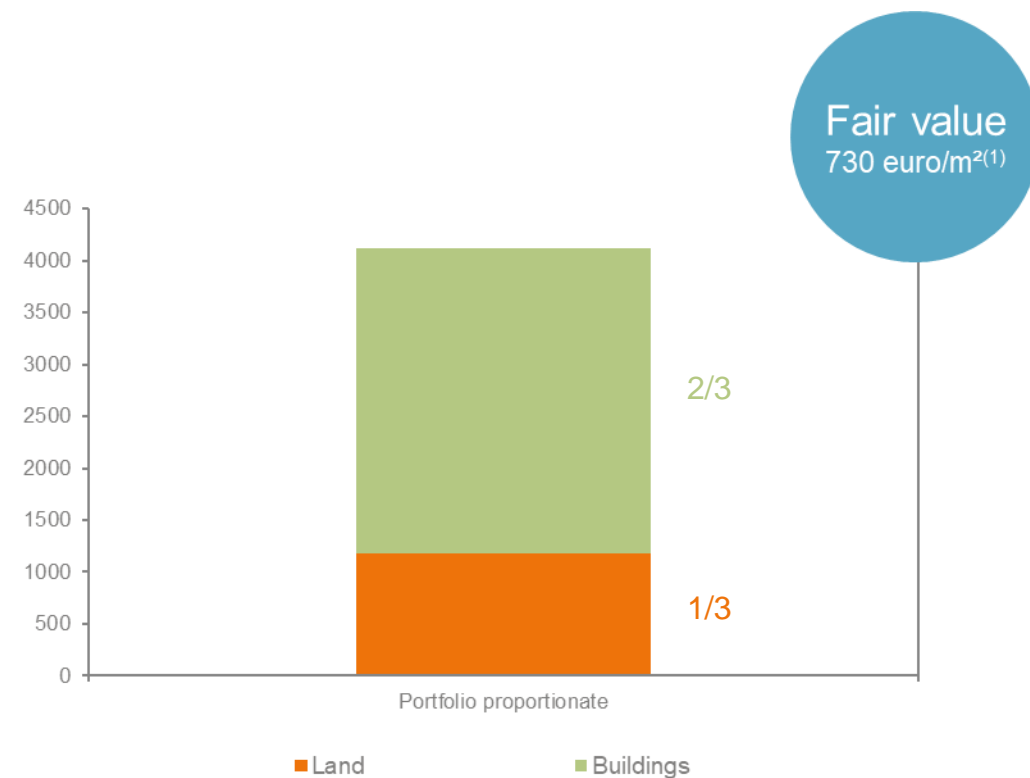
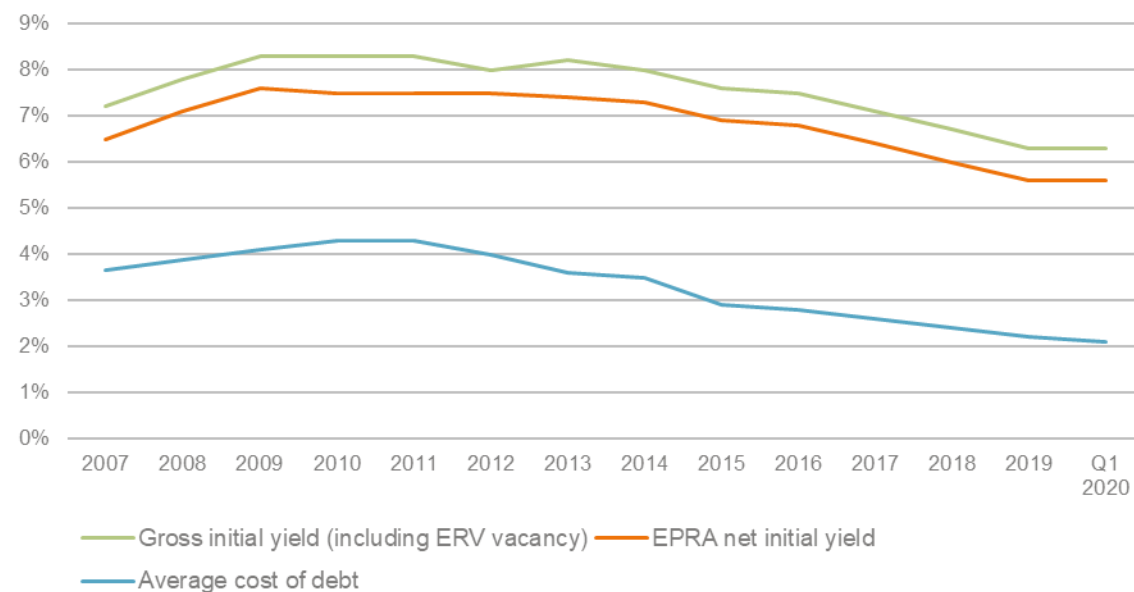
## PORTFOLIO STATISTICS BY COUNTRY

	Belgium	Netherlands	France	Luxembourg	Romania	Total
Fair value (in million euros)	1.353,0	1.983,5	126,4	42,8	662,4	4.168,1
Gross lettable area (in m <sup>2</sup> )	1.817.668	2.159.388	192.235	33.007	952.996	5.155.294
Land (in m <sup>2</sup> )	3.635.905	4.045.491	436.681	56.007	4.337.857	12.511.940
Average lease length till first break (in y)	4,2	6,4	3,1	8,8	6,8	5,7
Vacancy rate (EPRA)	4,2%	0,3%	2,2%	2,2%	2,3%	2,0%
WDP gross initial yield	6,2%	5,9%	6,1%	6,4%	7,8%	6,3%
EPRA net initial yield	5,5%	5,2%	5,5%	5,5%	7,3%	5,6%

(1) Excluding solar panels and including projects, land reserve and assets held for sale. Vacancy rate excluding solar panels (EPRA definition). Including the proportional share of WDP in the portfolio of the joint ventures (mainly WDP Luxembourg at 55%). In the IFRS accounts, those joint ventures are reflected through the equity method.

# EVOLUTION PORTFOLIO YIELD

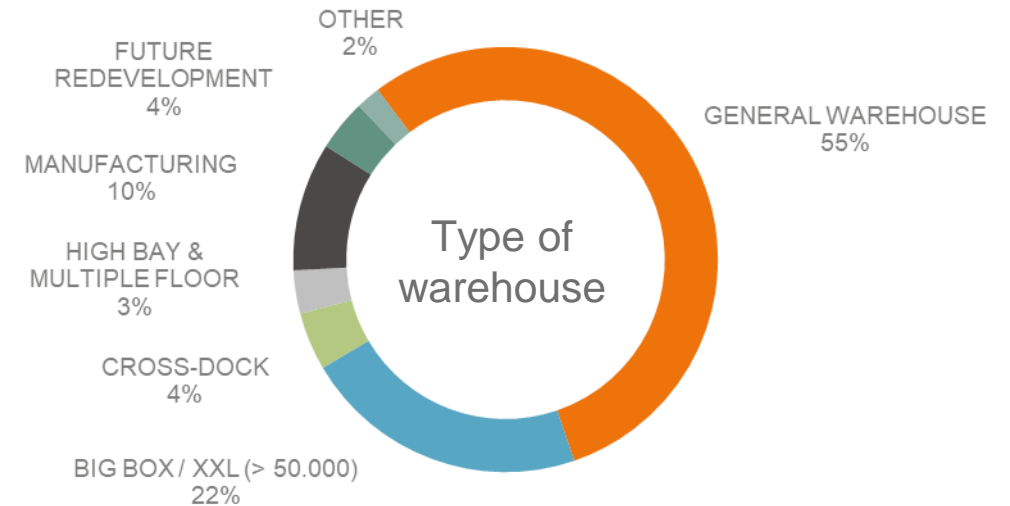
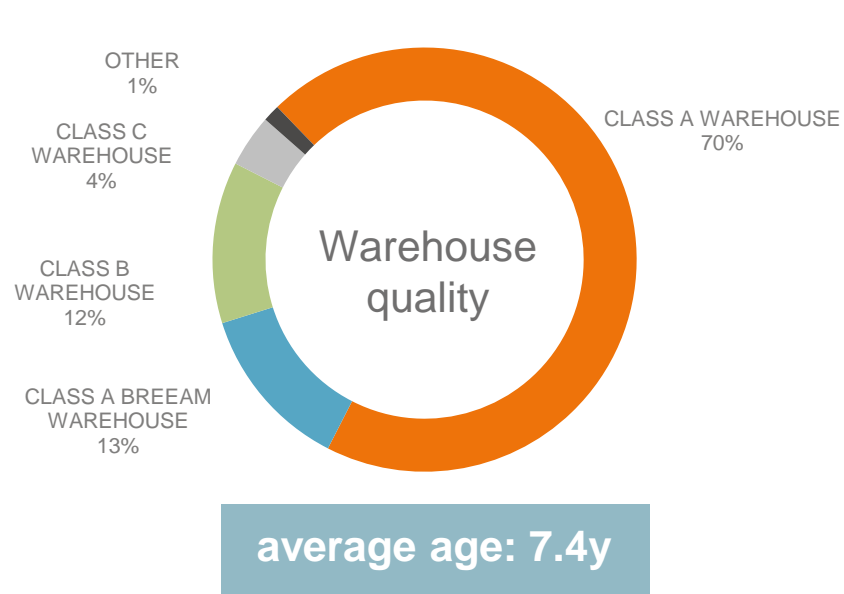
Q1 2020



(1) Calculated on a warehouse square meter equivalent basis.

# HIGH-QUALITY PORTFOLIO

Q1 2020



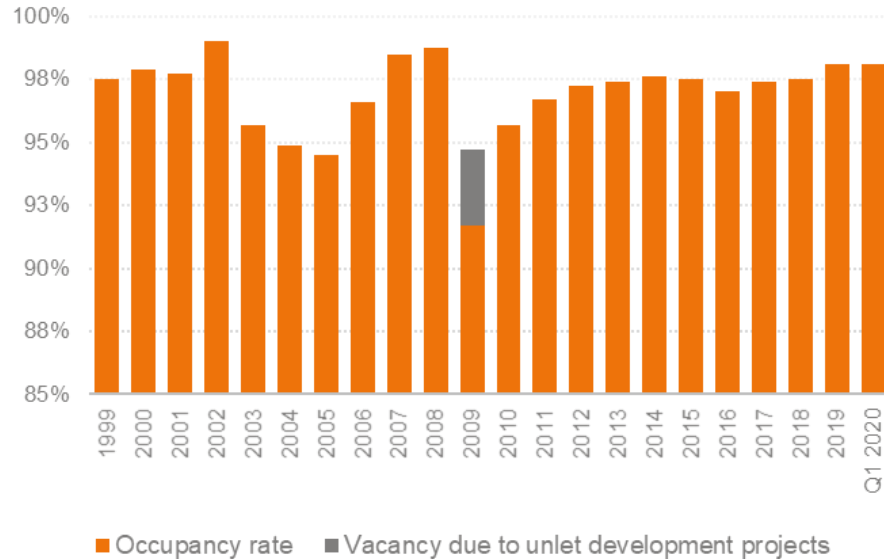
- Locations on strategic logistic corridors
- Robust building quality, integrating sustainability & flexibility throughout lifecycle
- Diversified portfolio and integrated facility management to tailor clients' needs

# OCCUPANCY

Q1 2020

High occupancy and strong customer retention

### Historical occupancy rate



### Lease maturity profile (till first break)



- Occupancy rate 98.1% on 31 March 2020 (vs. 98.1% end 2019)
- Lease renewal rate of circa 90% over the last 5 years
- 68% of the 13% of leases maturing in 2020 already extended
- Lease duration (incl. solar panels) till first break: 6.0y (7.4y till expiration)

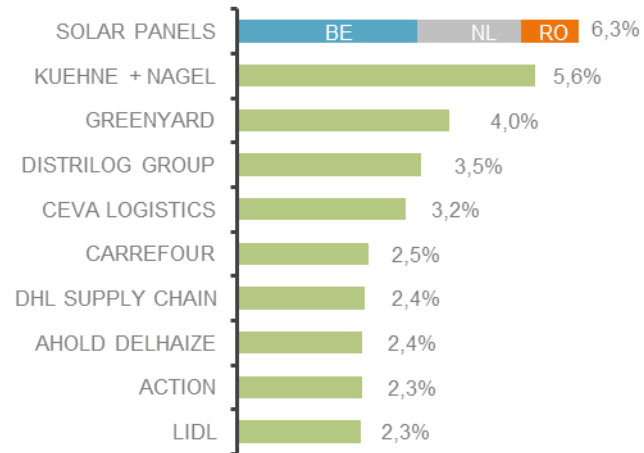


# DIVERSIFIED

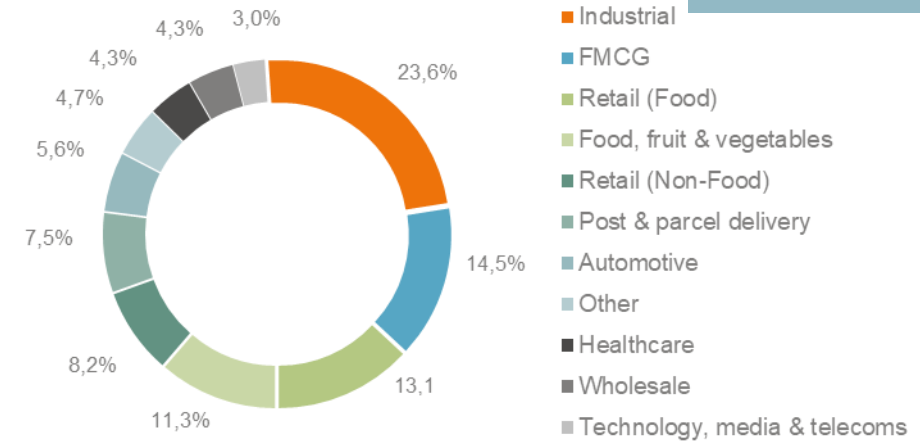
Well-spread tenant profile

Q1 2020

Top-10 tenants (~35%)(1)



Tenant industry activities



35% 3PL 65% end user

10% dedicated e-commerce



- Active in multiple industries and predominantly large (inter)national corporates
- Healthy mix between end-users and logistic service providers
- Top tenants spread over multiple buildings/businesses/countries (max. building risk <3%)

(1) Every tenant out of the top-10 is located at multiple locations within the property portfolio.

# CONSOLIDATED RESULTS

Q1 2020

## ANALYTICAL P&L

(in euros x 1 000)	Q1 2020	Q1 2019	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	54.031	49.099	4.931	10,0%
Indemnification related to early lease terminations	0	190	-190	n.r.
Income from solar energy	2.740	2.374	367	15,5%
Other operating income/costs	-3.064	-2.460	-605	n.r.
<b>Property result</b>	<b>53.707</b>	<b>49.203</b>	<b>4.504</b>	<b>9,2%</b>
Property charges	-2.252	-1.796	-456	25,4%
General company expenses	-3.185	-2.689	-496	18,4%
<b>Operating result (before the result on the portfolio)</b>	<b>48.269</b>	<b>44.717</b>	<b>3.552</b>	<b>7,9%</b>
Financial result (excluding change in the fair value of the financial instruments)	-8.815	-9.672	857	-8,9%
Taxes on EPRA Earnings	-230	-656	425	n.r.
Deferred taxes on EPRA Earnings	-250	-230	-20	n.r.
Share in the result of associated companies and joint ventures	139	119	20	n.r.
Minority interests	-1.048	-878	-170	19,3%
EPRA Earnings	38.066	33.400	4.665	14,0%
Change in the fair value of investment properties (+/-)	34.504	24.331	10.173	n.r.
Result on disposal of investment property (+/-)	-20	-235	214	n.r.
Deferred taxes on the result on the portfolio (+/-)	-1.612	-1.069	-543	n.r.
Share in the result of associated companies and joint ventures	504	-493	997	n.r.
<b>Result on the portfolio</b>	<b>33.377</b>	<b>22.535</b>	<b>10.841</b>	<b>n.r.</b>
Minority interests	-576	-152	-424	n.r.
Result on the portfolio - Group share	32.800	22.383	10.417	n.r.
Change in the fair value of financial instruments - Group share	-15.988	-15.964	-23	n.r.
Depreciation and write-down on solar panels - Group share	-1.136	-1.178	42	n.r.
<b>Net result (IFRS)</b>	<b>55.327</b>	<b>39.639</b>	<b>15.689</b>	<b>n.r.</b>
Minority interests	-1.585	-997	-588	n.r.
<b>Net result (IFRS) - Group share</b>	<b>53.742</b>	<b>38.642</b>	<b>15.101</b>	<b>n.r.</b>

# CONSOLIDATED RESULTS

Q1 2020

## OPERATIONAL

(in %)	Q1 2020	Q1 2019	Δ y/y (abs.)	% Growth
Occupancy rate <sup>(1)</sup>	98,1%	98,1%	0,0%	n.r.
Like-for-like rental growth	2,0%	1,4%	0,6%	n.r.
Operating margin <sup>(2)</sup>	89,9%	90,9%	-1,0%	n.r.

## PER SHARE DATA

Per share data	Q1 2020	Q1 2019	Δ y/y (abs.)	% Growth
EPRA Earnings	0,22	0,21	0,01	6,7%
Result on the portfolio - Group share	0,19	0,14	0,05	n.r.
Change in the fair value of financial instruments - Group share	-0,09	-0,10	0,01	n.r.
Depreciation and write-down on solar panels - Group share	-0,01	-0,01	0,00	n.r.
Net result (IFRS) - Group share	0,31	0,24	0,07	n.r.
Dividend	0,80	0,74	0,06	8,1%
Weighted average number of shares	172.489.205	161.429.730	11.059.475	6,9%

(1) Including the proportional share of WDP in the portfolio of the joint ventures (mainly WDP Luxembourg at 55%)

(2) Including solar panels

# CONSOLIDATED B/S

Q1 2020

in euros x 1 000	31.03.2020	31.12.2019	Δ (abs.)	Δ (%)
Intangible fixed assets	507	422	84	n.r.
Investment properties	4.115.842	4.002.340	113.502	2,8%
Other tangible fixed assets (solar panels inclusive)	126.724	125.244	1.480	1,2%
Financial fixed assets	4.934	4.743	191	4,0%
Trade debtors and other fixed assets	3.947	4.162	-215	-5,2%
Deferred tax asset	0	0	0	0%
Participations in associated companies and joint ventures	20.550	19.707	843	4,3%
<b>Fixed assets</b>	<b>4.272.504</b>	<b>4.156.619</b>	<b>115.885</b>	<b>2,8%</b>
Assets held for sale	3.944	5.779	-1.834	n.r.
Trade receivables	25.135	15.364	9.771	n.r.
Tax receivables and other current assets	24.778	34.249	-9.471	n.r.
Cash and cash equivalents	3.801	3.604	197	n.r.
Deferrals and accruals	9.681	7.175	2.507	n.r.
<b>Current assets</b>	<b>67.340</b>	<b>66.171</b>	<b>1.169</b>	<b>n.r.</b>
<b>Total assets</b>	<b>4.339.845</b>	<b>4.222.790</b>	<b>117.054</b>	<b>2,8%</b>
Capital	185.746	185.746	0	0,0%
Share premiums	876.849	876.849	0	0,0%
Reserves	1.042.860	647.590	395.270	61,0%
Net result for the financial year	53.742	393.732	-339.990	-86,4%
<b>Equity capital attributable to the shareholders of the parent</b>	<b>2.159.198</b>	<b>2.103.917</b>	<b>55.281</b>	<b>2,6%</b>
Minority interests	47.523	45.944	1.579	3,4%
<b>Equity capital</b>	<b>2.206.721</b>	<b>2.149.861</b>	<b>56.860</b>	<b>2,6%</b>
Non-current financial debt	1.677.765	1.568.199	109.566	7,0%
Other non-current liabilities	158.202	139.276	18.926	13,6%
<b>Non-current liabilities</b>	<b>1.835.967</b>	<b>1.707.475</b>	<b>128.492</b>	<b>7,5%</b>
Current financial debt	204.677	286.629	-81.952	-28,6%
Other current liabilities	92.480	78.826	13.654	17,3%
<b>Current liabilities</b>	<b>297.157</b>	<b>365.454</b>	<b>-68.298</b>	<b>-18,7%</b>
<b>Liabilities</b>	<b>2.133.124</b>	<b>2.072.929</b>	<b>60.194</b>	<b>2,9%</b>
<b>Total liabilities</b>	<b>4.339.845</b>	<b>4.222.790</b>	<b>117.054</b>	<b>2,8%</b>

# CONSOLIDATED B/S

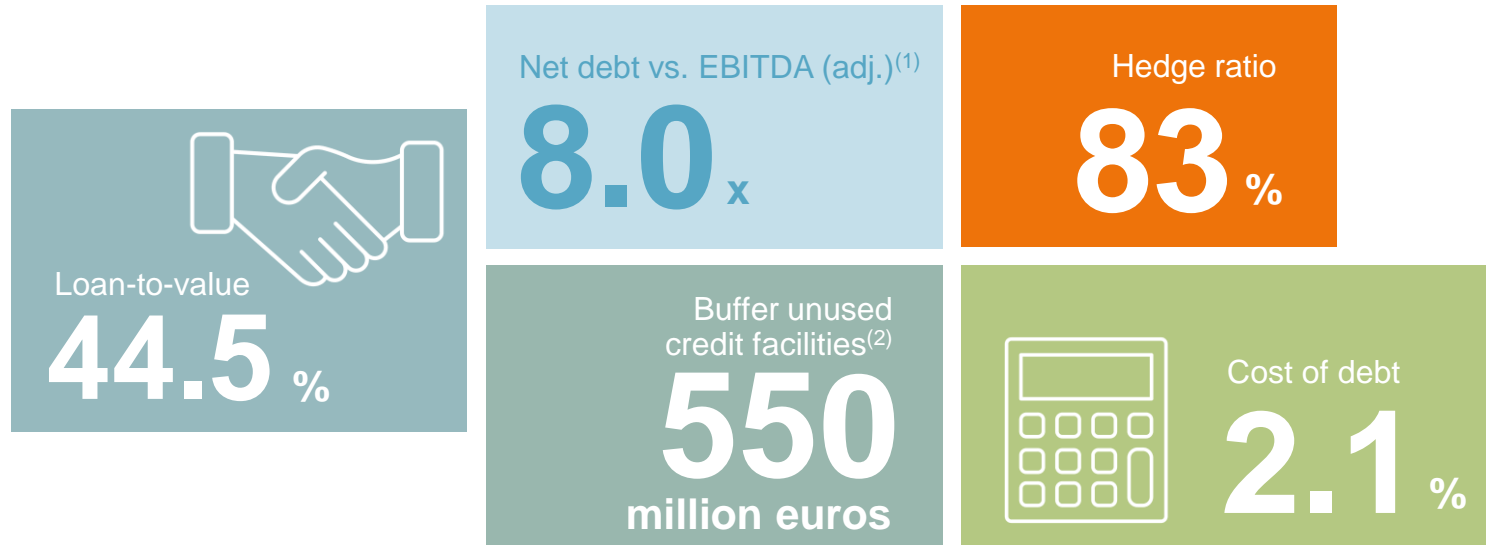
Q1 2020

## METRICS

	31.03.2020	31.12.2019	Δ y/y (abs.)	Δ y/y (%)
IFRS NAV	12,5	12,2	0,3	2,6%
EPRA NAV	13,2	12,8	0,4	3,4%
EPRA NNNAV	12,5	12,2	0,4	3,1%
Share price	26,2	23,2	3,0	12,9%
Premium / (discount) vs. EPRA NAV	98,3%	81,5%	16,8%	n.r.
Loan-to-value	44,5%	45,0%	-0,6%	n.r.
Debt ratio (proportionate)	46,4%	46,7%	-0,2%	n.r.
Net debt / EBITDA (adjusted)	8,0x	8,0x	0,0x	n.r.

# FINANCIAL MANAGEMENT

Q1 2020



- New financing package of circa 200 million euros with IFC, a member of the World Bank Group
- Strong liquidity position covering all committed capex and 2020-21 debt maturities
- Excluding potential from retained earnings and stock dividend (85 million euros in 2019)
- Balanced and stable capital structure

(1) The net debt / EBITDA (adjusted) is calculated starting from the proportional accounts as follows: in the denominator taking into account the trailing-twelve-months EBITDA but adjusted to reflect the annualized impact of acquisitions/developments/disposals; in the numerator taking into consideration the net financial indebtedness adjusted for the projects under development multiplied by the loan-to-value of the group (as these projects are not yet income contributing but already (partially) financed on the balance sheet).

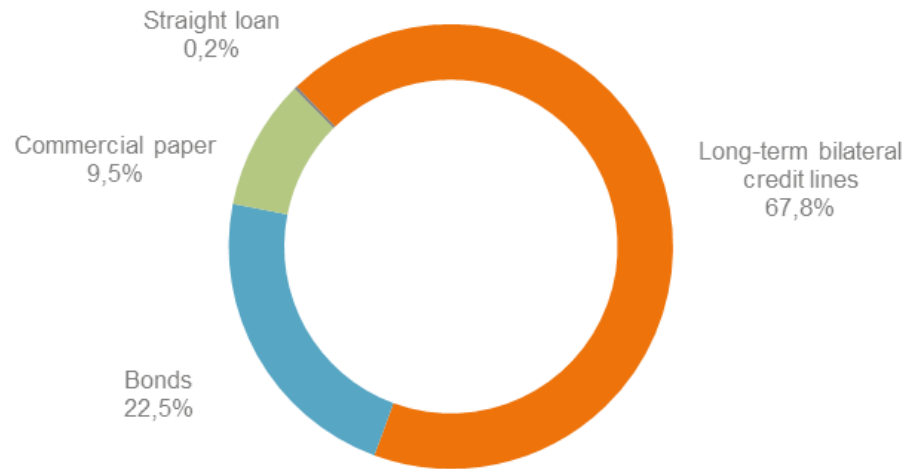
(2) Excluding the backup facilities for hedging the commercial paper programme.

# FINANCING STRUCTURE

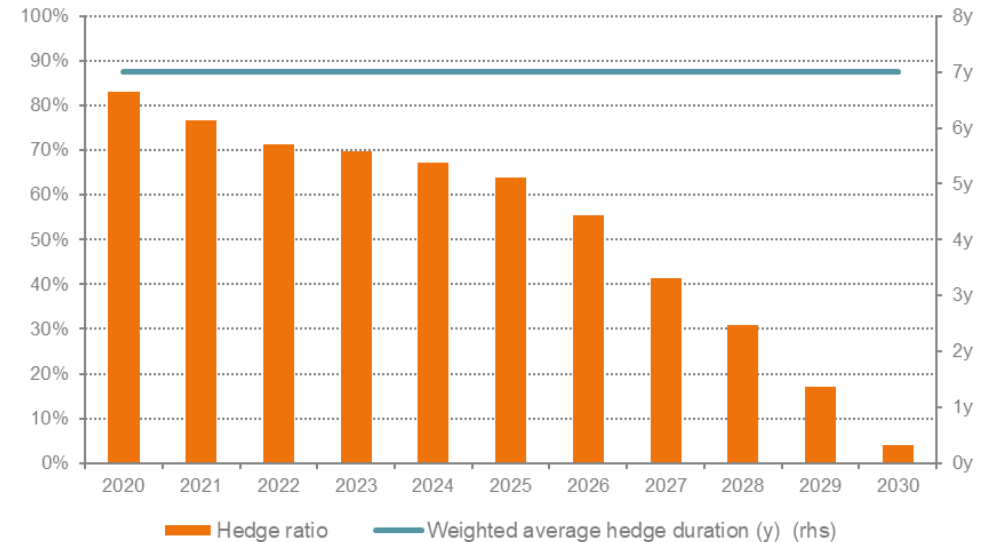
Q1 2020

Solid debt metrics and active liquidity management

### Debt composition



### Evolution hedge ratio



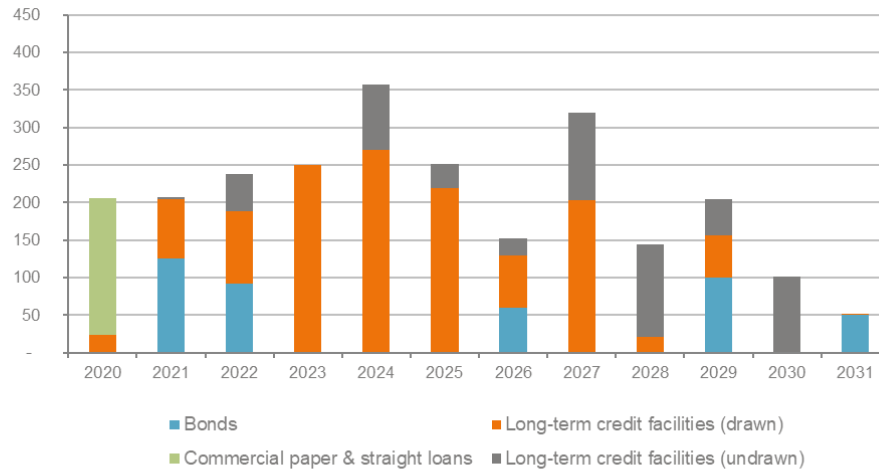
- Cost of debt at 2.1% for Q1 2020, guidance for 2.1% in FY 2020
- ICR at 4.6x based on long-term visibility and hedge ratio (at 83%)
- Interest rate sensitivity: +100bps Euribor, -1.5% EPRA EPS

# FINANCING STRUCTURE

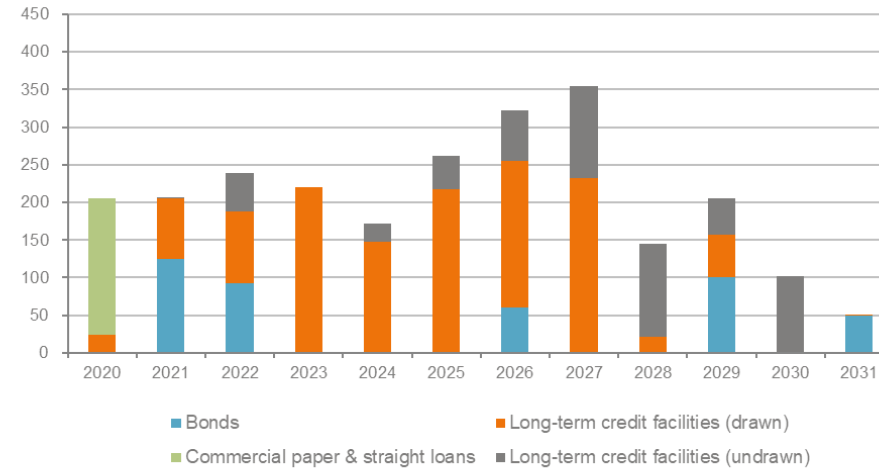
Q1 2020

Well-spread debt maturities

Debt maturities (min.)<sup>(1)</sup>



Debt maturities (max.)<sup>(1)</sup>



- Commercial paper programme (capped at 200 million euros) fully covered
- Committed undrawn long-term credit lines of 550m euros<sup>(1)</sup>
- Duration of outstanding debt of 4.5y (incl. commercial paper)
- Duration of long-term credit facilities of min. 5.3y and max. 5.5y<sup>(2)</sup>

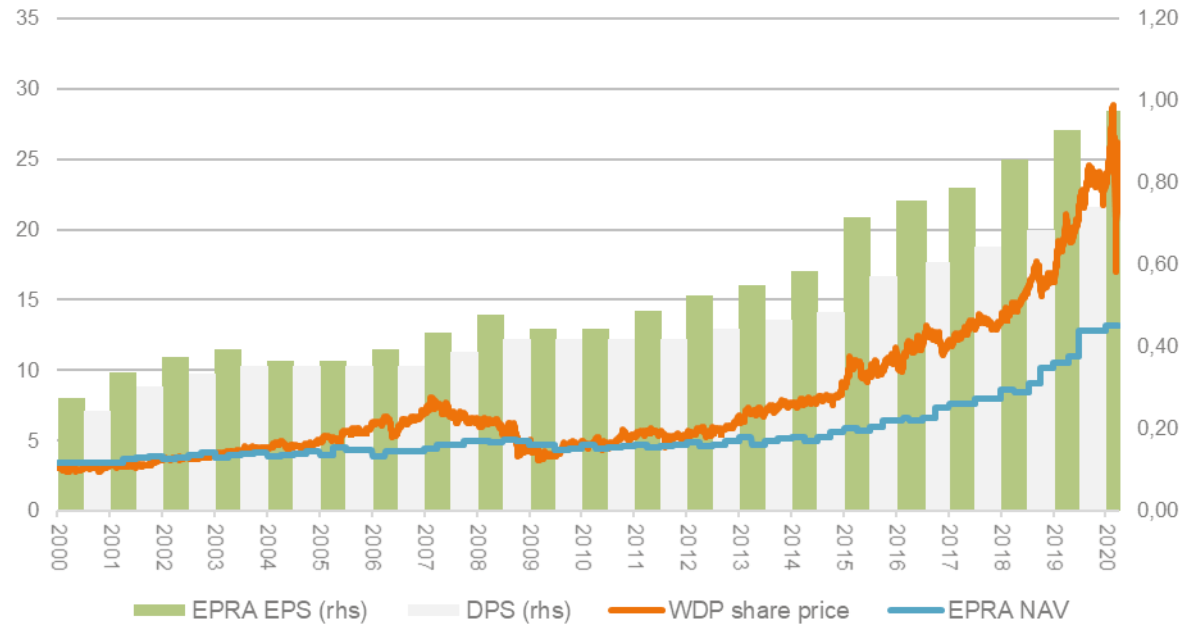
(1) Excluding the back-up facilities to cover the commercial paper program and available short-term credit facilities.

(2) Some loans are structured with a renewal option at the discretion of the lenders. The minimum loan duration assumes these renewal options are not exercised. The maximum loan duration assumes the loans are rolled over at the date of the renewal.



# SHARE STATISTICS

WDP SHARE

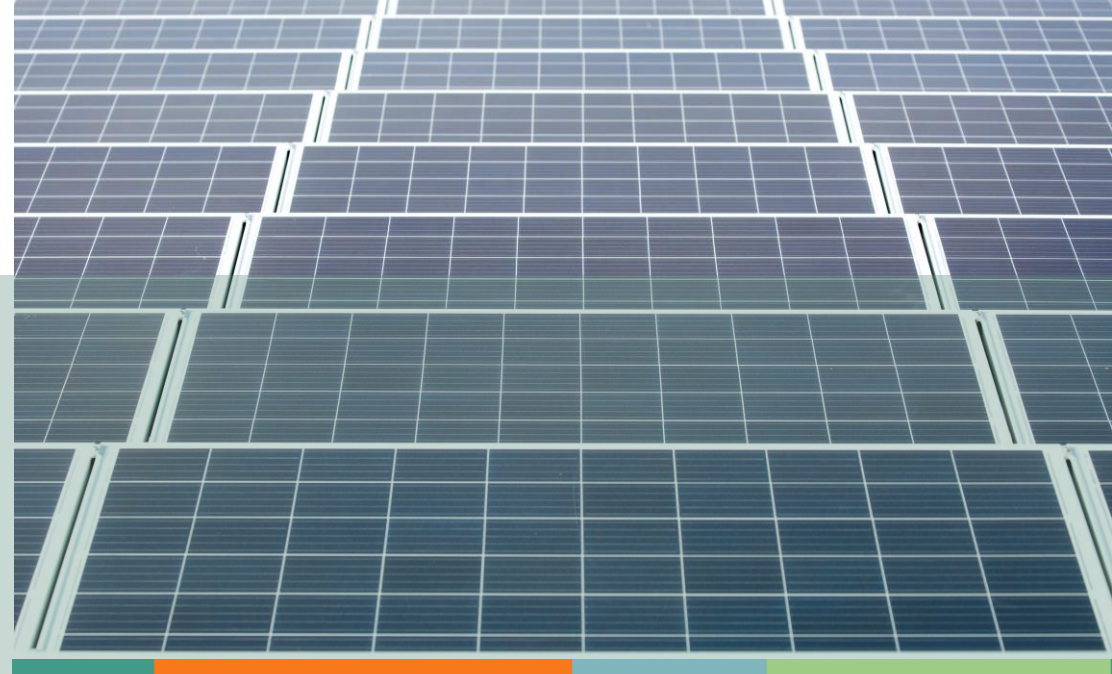


- Market cap of circa 4bn euros
- Free float of 75% - Family Jos De Pauw 25%
- Member of Euronext BEL20 and AMX

**STATEMENT COVID-19**

**OUTLOOK**

**2020**



# STATEMENT COVID-19 AND OUTLOOK 2020

COVID-19 AND OUTLOOK 2020

- **General**

Our main focus is on the health and safety of the staff and all the partners of WDP. #TeamWDP is currently fully operational via a digital environment and modern communication tools, and is available to assist the clients and navigate through this crisis together with all stakeholders.

- **Financial**

WDP has a robust balance sheet with healthy metrics, such as a gearing ratio of 46.4% (compared to covenant at a maximum of 65%) and an Interest Coverage Ratio of 4.6x (compared to covenant at minimum of 1.5x). In terms of liquidity, the commercial paper programme is completely hedged, and WDP also holds 550 million euros of unused credit facilities, by means of which it can comfortably handle the projects under development (approx. 650,000 m<sup>2</sup>, 97% pre-leased, and 283 million euros of which was still to be invested as at 31 March 2020) and the maturity dates of debts up to the end of 2021 (approx. 220 million euros). Moreover, the above does not take into account the potential annual impact of retained earnings and the optional dividend (in 2019, 85 million euros combined).

# STATEMENT COVID-19 AND OUTLOOK 2020

COVID-19 AND OUTLOOK 2020

- **Portfolio and customers**

WDP can rely on a diversified, high-quality client base in terms of exposure per country, sector and location, which ensures a spreading of the risks. Furthermore, the warehouses are operational and functional, and in many cases critical for the supply chain and provisioning at this time of lockdown. WDP is aware of the challenges faced by its clients; a number of clients have indicated that they are struggling with short-term liquidity issues. WDP is currently working out a solution involving rearrangements and the extension of the payment terms with a number of clients in the portfolio (currently approximately 10%) on a case-by-case basis and only when there are well-founded reasons to do so – WDP has not granted any rent reduction, given the important role of the warehouses. In the coming quarters this will lead to a rise in client receivables.

- **Payment records of clients**

WDP has currently received 95% of the rent for March 2020 and 85% of the due rent invoices of April 2020 (for the monthly rents) and the second quarter of 2020 (for the quarterly rents).

# STATEMENT COVID-19 AND OUTLOOK 2020

COVID-19 AND OUTLOOK 2020

- **Projects under development**

Due to the necessary safety measures and depending on each country, there will be delays in the execution of the development projects. WDP attempts to deal with this as well as it possibly can, together with its partners the clients and the construction companies, while prioritising on everyone's health and safety. Most of WDP's construction sites are still operational, subject to any inconvenience caused in some cases where there is a more limited capacity or a delayed supply of building materials.

- **Outlook 2020**

On the basis of the above, WDP expects EPRA Earnings per share of between 0.95 and 1.00 euro compared to 1.00 euro previously, mainly due to the anticipated delay in the delivery of projects under development as well as an anticipated increase in the provision for doubtful debtors. Based on this outlook, WDP still intends to set a gross dividend of 0.80 euro for 2020 payable in 2021, which is an increase of 8% (as foreseen initially). WDP is still assuming an occupancy rate of at least an average of 97% for 2020 and debt ratio which remains below 50% (on the basis of the current portfolio valuation).

# STATEMENT COVID-19 AND OUTLOOK 2020

COVID-19 AND OUTLOOK 2020

- **Long-term perspective**

WDP believes that, in the longer term, the structural tendencies will remain intact – such as changes in consumer behaviour (e.g. e-commerce), technological developments and the demand for sustainability, which lead to adapted consumption and distribution networks, and therefore a demand for logistics space. WDP considers that these changes will be strengthened by this crisis because of an increased share in food e-commerce and a return to local production closer to the consumer. It is impossible to estimate now what the implications will be on the implementation of the 2019-23 business plan, as the consequences of the economic recession provoked by this crisis are not yet fully visible.

- **Disclaimer**

This outlook and these assumptions are based on the current situation, knowledge and assessment of the crisis, and are subject to the duration and development of the Covid-19 pandemic and the nature and effectiveness of the corresponding government measures.



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WAREHOUSES  
WITH BRAINS



in



[www.wdp.eu](http://www.wdp.eu)

# LEXICON

## Hedge ratio

Percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an compulsory parameter under the Belgian Regulated Real Estate Investment Companies Act (the GVV/SIR Law). (APM)

## Interest Rate Swap (IRS)

A transaction in which the parties swap interest rate payments for a given duration. WDP uses interest rate swaps to hedge against interest rate increases by converting current interest payments into fixed interest payments.

## IFRS NAV

The IFRS NAV is calculated as the shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date.

## Like-for-like growth

Organic growth of the gross rental income year-on-year, excluding development projects, acquisitions and disposals during both periods of this comparison. (APM)

## Loan-to-value

The loan-to-value is obtained from the IFRS statements by dividing the net financial debt by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing to and holdings in associated companies and joint ventures. (APM)

## Market capitalization

Closing price on the stock market, multiplied by the number of shares outstanding on that date.

## Net debt / EBITDA (adj.)

The net debt / EBITDA (adjusted) is calculated starting from the proportional accounts as follows: in the denominator taking into account the trailing-twelve-months EBITDA but adjusted to reflect the annualized impact of acquisitions/developments/disposals; in the numerator taking into consideration the net financial indebtedness adjusted for the projects under development multiplied by the loan-to-value of the group (as these projects are not yet income contributing but already (partially) financed on the balance sheet).

## Occupancy rate

Calculation based on the rental values of leased properties and non-leased surfaces, including income from solar panels. Ongoing projects and/or renovations are not considered.

## Operating margin

The operating margin is calculated by dividing net operating result (before the result on the portfolio) by the property result. (APM)

## Optional dividend

In an optional dividend, the dividend receivable linked to a specific number of existing shares entitles the owner to a single new share at an issue price per share that may entail a discount on the list price (based on an average share price for a specific period or otherwise). The issue of shares as part of the optional dividend is subject to the general company law regarding capital increases. If a cash contribution is made in addition to a contribution in kind as part of the payment of an optional dividend, the special provisions of Section 26, §1 of the Law of 12 May 2014 on capital increases in cash are declared not applicable under law if this optional dividend is made payable for all shareholders. The special rules regarding contributions in kind in a GVV/SIR, as provided for in Article 26, §2 of the Law of 12 May 2014 do not apply either, provided specific conditions are satisfied.

## Result on the portfolio (including share joint ventures)

Realised and unrealised capital gains/loss with respect to the latest valuation by the expert, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of associated companies and joint ventures. (APM)

## Result on the portfolio (including share joint ventures) per share

This is the result on the portfolio based on the weighted average number of shares. (APM)



# LEXICON

## **APM (Alternative Performance Measure)**

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

## **Average cost of debt**

This refers to the weighted average yearly interest rate for the reporting period, taking into account the average outstanding debt and the hedging instruments during that same period. (APM)

## **Change in the fair value of financial instruments**

The change in fair value of financial assets and liabilities (non-cash item) are calculated based on the mark-to-market (M-t-M) value of the interest rate hedges entered into.

## **EPRA (European Public Real Estate Association)**

A pan-European association of listed property companies dedicated to promoting the industry, implementing best practices for accounting, reporting and corporate governance, delivering qualitative data to investors and a think tank dedicated to key issues facing the industry ([www.epra.com](http://www.epra.com)). EPRA is a registered trade mark of European Public Real Estate Association.

## **EPRA cost ratio (including direct vacancy costs)**

All administrative and operating expenses (including direct vacancy costs), divided by the gross rental income. (APM)

## **EPRA cost ratio (excluding direct vacancy costs)**

All administrative and operating expenses (excluding direct vacancy costs), divided by the gross rental income. (APM)

## **EPRA Earnings**

This is the underlying result of core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. See also [www.epra.com](http://www.epra.com). (APM)

## **EPRA Earnings per share**

The EPRA Earnings per share is the EPRA Earnings based on the weighted average number of shares. (APM)

## **EPRA NAV**

This is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with real estate investments over the long term. See also [www.epra.com](http://www.epra.com). (APM)

## **EPRA NNAV Triple Net Asset Value**

EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also [www.epra.com](http://www.epra.com). (APM)

## **Fair value**

The fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs.

## **Financial result (excluding change in the fair value of financial instruments)**

This is the financial result according to IFRS exclusive of the change in fair value of financial assets and liabilities, and reflects the actual financial expenses of the company. (APM)

## **Free float**

Percentage of the shares held by the general public. According to the EPRA and Euronext definition, this is all shareholders who individually own less than 5% of the total number of shares.

## **Gearing ratio (proportional)**

Statutory ratio calculated on the basis of the GVV/SIR regulations by dividing the financial and other liabilities by the total assets. See the GVV/SIR Royal Decree of 13 July 2014 for the gearing ratio calculation method.

## **Gearing ratio (IFRS)**

The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportional) in accordance with the Belgian Royal Decree on Regulated Real-Estate Investment Companies (the 'GVV-KB'), but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method. (APM)

# DISCLAIMER

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