



WDP

WAREHOUSES WITH BRAINS

PRESS RELEASE

Friday 31 January 2020, 07.00 am
Regulated Information



www.wdp.eu

Annual results for the period 01.01.2019 - 31.12.2019

2019:

- ▶ EPRA Earnings of 0.93 euros per share, an increase of 8%, in line with expectations
- ▶ Dividend confirmed at 0.74 euros per share, also an increase of 8%
- ▶ Excellent start to the 2019-23 growth plan: a new investment volume of approximately 550 million euros was realised during 2019
- ▶ 2019, the year in which WDP celebrated the twentieth anniversary of its listing on the Brussels stock exchange, saw a number of notable highlights, including its inclusion in the BEL 20 index, the entry into a new country (Germany), important changes in the governance structure and the first capital increase via an accelerated bookbuild (ABB) for a BE-REIT

2019-23:

- ▶ Ambition to achieve EPRA Earnings of at least 1.15 euros per share in 2023
- ▶ Based on an envisaged annual portfolio growth of 10%

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WDP shares were split by a factor of 7 with effect from 2 January 2020. All tables and historical figures included in this press release have been adapted accordingly.

1. Summary

- ▶ The EPRA Earnings¹ for 2019 amount to 152.4 million euros, marking an increase of 13.4% compared to 2018 (134.4 million euros). The EPRA Earnings per share² for 2019 amount to 0.93 euros, an increase of 8.3% compared to 0.86 euros in 2018.
- ▶ The net result (IFRS) – Group share for 2019 amounts to 393.7 million euros, driven in part by an increase of 287.9 million euros in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for 2019 amounts to 2.40 euros, compared to 2.10 euros in 2018.
- ▶ The occupancy rate³ was 98.1% on 31 December 2019, compared to 97.5% on 31 December 2018. The average duration (until the first break) of the lease contracts in the WDP portfolio is 6.0 years (including solar panels).
- ▶ As at 31 December 2019, the loan-to-value⁴ came to 45.0% and the gearing ratio (proportionate) to 46.7%, compared to 50.0% and 51.8%, respectively, as at 31 December 2018.
- ▶ The EPRA NAV⁵ was 12.8 euros on 31 December 2019, compared to 10.2 euros on 31 December 2018. The IFRS NAV was 12.2 euros on 31 December 2019, compared to 9.8 euros on 31 December 2018.
- ▶ The new strategic 2019-23 growth plan saw an excellent start: throughout the course of 2019, new investments representing approximately 550 million euros in total were identified.
- ▶ WDP is remaining true to its strategy of synchronous issue of debts and shareholders' equity in line with its investment rhythm. As such, the capital base was strengthened by approximately 285 million euros in 2019 through retained earnings, optional dividend and the capital increase via an accelerated bookbuild (ABB)⁶. This was a first for a Belgian GVV/SIR (regulated real estate company).

In accordance with the guidelines issued by ESMA (the European Securities and Markets Authority), the Alternative Performance Measures (APM) used by WDP must be defined in a footnote on their first mention in this press release. This definition will also be accompanied by a symbol (▣) so the reader can easily recognise it as an APM definition. Chapters 8 and 9 of this press release also give a reconciliation of these indicators.

¹ ▣ EPRA Earnings: this figure is the underlying result of the 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 changes in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.

² ▣ The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares.

³ The occupancy rate is calculated based on the rental values of the leased properties and the unleased space and includes income from solar panels. This does not include projects under development or renovations.

⁴ ▣ The loan-to-value is obtained from the IFRS statements by dividing the net financial debts by the sum of the fair value of the property portfolio, the fair value of the solar panels and financing for and holdings in associated companies and joint ventures.

⁵ ▣ 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 investment properties over the long term. See also www.epra.com.

⁶ An exempt accelerated private placement with international institutional investors with the composition of an order book.

- ▶ In the exact same year that WDP is celebrating the twentieth anniversary of its listing on the Brussels exchange, the company was included in the BEL 20. The inclusion took effect on 18 March 2019.
- ▶ WDP and VIB Vermögen entered into a partnership through the joint venture WDP & VIB⁷, with the aim of expanding their property portfolio at a regional level in the German regions of North Rhine-Westphalia, Bremen and Hamburg. Both companies hold a 50% stake in this joint venture. The joint venture WDP & VIB immediately signed an agreement for the acquisition of a plot of land of approximately 80,000 m² for the future development of a logistics site in Gelsenkirchen (Germany).
- ▶ Since 1 October 2019, WDP's legal form has changed from a Belgian partnership limited by shares ('Comm. VA') with a statutory manager to a Belgian public limited company ('NV') with a single-tier Board of Directors.
- ▶ With a view to increasing marketability, accessibility and attractiveness of WDP shares, the WDP share was split by a factor of 7 with effect from 2 January 2020.
- ▶ Throughout the course of 2019, WDP drew up and implemented a multi-year ESG Roadmap for the 2019-23 period, with clear actions in line with the previously implemented WDP ESG Framework. In this way, WDP wishes to meet its corporate social responsibility obligations through a number of fixed objectives.
- ▶ For 2020, WDP anticipates EPRA Earnings of 1.00 euro per share (an increase of 8%). Based on this outlook, the dividend for 2020 (payable in 2021) is projected at 0.80 euros gross per share, also marking an increase of 8% over 2019.⁸
- ▶ The above achievements have given the execution of the 2019-23 growth plan a boost. On this basis, WDP aspires EPRA Earnings per share of at least 1.15 euros for 2023 (as opposed to 1.15 euros at the launch of the growth plan).⁸

⁷ See the [press releases](#) dated 6 June 2019 and 19 December 2019.

⁸ These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate and/or the demand for logistics real estate), and a normal number of hours of sunshine.

2. Operational and financial activities during 2019

2.1 Occupancy rate and leasing activity

On 31 December 2019, the property portfolio achieved an occupancy rate of 98.1%, compared to 97.5% at the end of 2018, which reflects the dynamics of the logistics market. The lease contracts that reached their next maturity date in 2019 (15% of all lease contracts) could nearly all be extended (almost 80% of which were with existing clients). This reaffirms the trust customers have in WDP.

2.2 Acquisitions and divestments

2.2.1 Acquisitions

2019 saw the realisation of several acquisitions, with a total investment volume of around 124 million euros. All of these acquisitions were made at prices in line with the fair value determined in the valuations from the independent property experts. WDP generates an overall gross initial rental yield of approximately 5.7% on this⁹.

2.2.2 Acquisitions completed during the fourth quarter of 2019

The Netherlands



WDP is expanding its existing partnership with catering wholesaler Sligro using a sale and leaseback of the Sligro warehouses in **DEVENTER** and **BREDA**¹⁰. This transaction fits in well with Sligro's roll-out of a new distribution network in the Netherlands. It relates to the acquisition and leasing of two high-value warehouses with freezer and refrigeration facilities that are certified as BREEAM Outstanding¹¹, for an investment amount of approximately 20 million euros and approximately 22 million euros respectively. Both properties have a surface area of approximately 25,000 m². Sligro will rent both properties on a 15-year triple net lease.



SCHIPHOL LOGISTICS PARK: the existing WDP site on Pudongweg/Incheonweg in Schiphol, located next to the DSV and Kuehne + Nagel sites, is being expanded with land resources for the future of more than 30,000 m². The investment budget for this acquisition amounts to around 10 million euros.

⁹ Excluding land reserve.

¹⁰ Purchase is scheduled for Q2 2020.

¹¹ BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate related to the performance of a building over its complete life cycle. BREEAM is the main and most used sustainability label for buildings in Europe. Unlike other standards, BREEAM applies a multi-criteria approach. The certification process examines not only the energy consumption of a property, but also land use, ecology, the construction process, water use, waste, pollution, transport, materials, health and comfort. A building can receive an overall rating of Acceptable, Pass, Good, Very Good, Excellent or Outstanding.

Romania

NEW

CLUJ – APAHIDA: the acquisition of a multi-tenant site of approximately 17,000 m² for packaging specialist Ulma and logistics service provider Aquila. The investment budget amounts to around 11 million euros.

2.2.3 Summary of all acquisitions during 2019

Location	Tenant	Lettable area (in m ²)	Investment budget (in million euros)
<i>2019-23</i>			
NL Schiphol Logistics Park	land reserve	30.200	10
NL Zwolle, Galvaniweg	food retailer	52.000	38
NL De Lier, Jogchem van der Houtweg 84	De Jong	7.700	10
NL Heerlen	land reserve	80.000	7
NL Breda, Kapittelweg	Sligro	25.900	22
NL Deventer, Nering Bögelweg 40	Sligro	25.250	20
NL		221.050	107
<i>2019-23</i>			
RO Cluj-Napoca	land reserve	80.000	6
RO Cluj-Apahida	Ulma / Aquila	17.000	11
RO		97.000	17
Total		318.050	124

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2.3 Disposals

LEUVEN, VAART 25-35: responding to the demand for more accommodation in this part of the city, the existing Hungaria building is to be converted into a residential tower block under a cooperation agreement with project developer L.I.F.E. As part of this project, WDP along with L.I.F.E. are selling this site in phases.¹² 73% of the surface area has already been sold. The phased delivery of I Love Hungaria started in the autumn of 2019.

The sites in **SINT-NIKLAAS, BOORTMEERBEEK (LEUVENSESTEENWEG 238), LEUVEN – WILSELE** and part of the site in **ANDERLECHT** were also sold during 2019. An amount of 5.8 million euros in *Assets held for sale* is currently recognised in the balance sheet. This relates to the remaining part of the site in **ANDERLECHT** and a small site in **PUURS** in Belgium and the site in **DRUNEN** in The Netherlands.

¹²  See the [press release](#) dated 30 April 2015.

2.4 Projects completed in 2019

As announced, WDP successfully delivered the following pre-leased projects during 2019, with a total area of 361,000 m². The initial gross rental yield for all of these completed projects is 7.2%, with an investment budget of approximately 216 million euros. The average term of the lease contracts amounts to 10 years.

Location	Tenant	Delivery date	Lettable area (in m ²)	Investment budget (in million euros)
2016-20				
BE Tongeren, Heersterveldweg 17	GLS	4Q19	5.000	8
2019-23				
BE WDPort of Ghent	Distrilog	4Q19	10.000	4
BE			15.000	12
2016-20				
NL Arnhem, Bedrijvenpark Ijsseloord 2	Bunzl	2Q19	20.250	18
NL Barendrecht, Dierensteinweg 30 (C-D)	The Greenery	1Q19	23.700	10
NL Bleiswijk, Prismalaan West 43	Hoogsteder	2Q19	8.000	7
NL Bleiswijk, Snelliuslaan 15	Konings-Zuivel	2Q19	8.000	6
NL Breda, Heilaarstraat 263	Lidl	3Q19	55.000	27
NL Heinoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22.075	18
NL Zwolle, Mindenstraat 7	Altrex	2Q19	3.885	2
NL Zwolle	wehkamp	1Q19	25.000	24
NL			165.910	112
2016-20				
RO Brazi	Carrefour	3Q19	11.000	5
RO Bucharest - Stefanestii de Jos	Kitchen Shop	3Q19	2.500	2
RO Bucharest - Stefanestii de Jos	Metro	4Q19	58.000	33
RO Bucharest - Stefanestii de Jos	LPP	3Q19	22.000	10
2019-23				
RO Bucharest - Dragomiresti	Arcese	3Q19	3.800	2
RO Bucharest - Dragomiresti	Mediapost	3Q19	10.000	5
RO Bucharest - Dragomiresti	In commercialisation	4Q19	20.000	11
RO Bucharest - Stefanestii de Jos	Toya	4Q19	8.600	4
RO Oradea	Sogefi	4Q19	34.000	16
RO Paulesti	Iron Mountain	4Q19	10.500	5
RO			180.400	92
Total			361.310	216



2.5 Projects under development

WDP expects the total of projects under development, representing an investment volume of approximately 480 million euros¹³ and boasting a total surface area of around 637,000 m², to generate an initial gross rental yield of around 6.8% (an initial gross rental yield of around 6.1% in Western Europe and 8.2% in Romania). This pipeline is fully pre-let (100%) and the average term of the lease contracts amounts to 10 years.

2.5.1 Projects identified during the fourth quarter of 2019

Belgium

LONDERZEEL, WEVERSTRAAT 27-29: a state-of-the-art, sustainable and innovative new-build project will be erected on the existing WDP site to be redeveloped at Weversstraat 27-29 (Londerzeel) for the distribution activities of Colruyt. Thanks to its strategic location on the A12 motorway that connects Brussels and Antwerp, the new distribution centre will further optimise efficiency when it comes to the flow of goods. WDP will develop this new-build warehouse, boasting approximately 20,000 m², with completion scheduled for the end of 2020. The investment budget amounts to around 9 million euros¹⁴.

¹³ 262 million euros of which is to be invested.

¹⁴ This excludes an investment amount of 6 million euros for the land already under ownership.

NEW

HEPPIGNIES: a new-built warehouse is to be expanded with approximately 2,000 m² (scheduled completion: Q1 2021). The investment budget for this expansion stands at around 5 million euros for WDP.

NEW

GEEL, HAGELBERG 12: this is another expansion of an existing site. Situated in industrial zone Geel-ENA23¹⁵, Distrilog's distribution centre is being provided with an additional surface area of approximately 8,000 m² and will be able to be commissioned at the end of 2020. The term of this new area is to be aligned with the existing lease contract for the site as a whole, which has a term of 6 years. The investment budget amounts to around 4 million euros.

The Netherlands

'S-HERTOGENBOSCH, KETELAARSKAMPWEG/ZANDZUIGERSTRAAT: WDP will build a distribution centre on its own land in 's-Hertogenbosch. The land, which was once home to Total Fina and metal trader Huiskens-van Erp depots and an Essent combined heat and power plant, has been fully cleaned and will be redeveloped in a sustainable manner. This site will be leased in the long term to three parties: Sanitairwinkel.nl, an (online) distributor of sanitary products; Spierings Smart Logistics, a local logistics service provider; and international logistics service provider ID Logistics. The proximity to the BCT container terminal offers opportunities for sustainable transport between road and sea. After completion (expected at the end of Q3 2020), this site will have a total surface area of approximately 55,000 m². The three clients will each rent part of the site on long-term leases. The investment budget for WDP amounts to approximately 33 million euros¹⁶.

RIDDERKERK, NIEUW REIJERWAARD: a new 26,000 m² distribution centre is being developed for Kivits Groep Holding, a full-service logistics service provider for the PFV sector¹⁷. Kivits will rent the building on a 15-year lease. The site expands WDP's existing PFV portfolio in the Barendrecht region. The new warehouse is expected to be completed at the end of 2020. In anticipation of this project being completed, Kivits' activities have been moved to WDP's property located on Ziedewij in Barendrecht. The investment budget for WDP amounts to approximately 28 million euros.

Romania

NEW

BUCHAREST – STEFANESTII DE JOS: for Decathlon, the existing location will be expanded with a surface area of around 10,000 m² in warehouse storage, with completion scheduled during the fourth quarter of 2020. The investment budget for this expansion amounts to around 5 million euros. Decathlon is signing on to a 10-year lease.

¹⁵ Economisch Netwerk Albertkanaal (ENA [*Economic Network Albert Canal*]).

¹⁶ This excludes an investment amount of 15 million euros for the land already under ownership.

¹⁷ PFV stands for potatoes, fruit and vegetables.

2.5.2 Summary of all projects under development¹⁸

Location	Tenant	Delivery date	Lettable area (in m ²)	Investment budget (in million euros)	
2019-23					
BE	Asse - Mollem, Zone 5 nr. 191, 192, 320, 321	AMP	1Q20	9.000	4
BE	Courcelles, rue de Liège 25	Conway	4Q20	2.190	2
BE	Geel, Hagelberg 12	Distrilog	4Q20	8.000	4
BE	Heppignies	fully let	1Q21	2.000	5
BE	Heppignies, rue de Capilône 6	Cora	1Q20	32.000	16
BE	Lokeren	Barry Callebaut	3Q21	60.000	92
BE	Londerzeel, Weversstraat 27-29	Colruyt	4Q20	20.000	9
BE	Nijvel, rue de l'industrie 30	WEG	2Q20	2.000	1
BE				135.190	133
2016-20					
LU	Bettembourg (Eurohub Sud)	Trendy Foods / Sobolux / end user	1Q20	25.000	12
LU				25.000	12
2019-23					
NL	Bleiswijk, cluster I - hal A+B	CEVA Logistics	2Q20	22.000	13
NL	Bleiswijk, cluster I - hal C	Drake & Farrell	3Q20	17.000	16
NL	Bleiswijk, cluster II	Boland	1Q21	16.400	18
NL	Breda, Heilaarstraat 263	Lidl	3Q20	5.000	3
NL	Den Haag, Westvlietweg	CEVA Logistics	2Q21	26.000	19
NL	Eindhoven, Park Forum	Brocacef	1Q20	10.000	10
NL	Kerkrade, Steenbergstraat	Berner Produkten	1Q20	28.000	25
NL	Nieuwegein, Brigadedok	Caldic	1Q20	15.000	12
NL	Nieuwegein, Divisiedok 1	Bol.com	3Q21	12.500	15
NL	Ridderkerk, Nieuw Reijerwaard	Kivits Groep Holding	4Q20	26.000	28
NL	Rozenburg, Incheonweg	Various	1Q20	10.000	4
NL	's-Hertogenbosch, Ketelaarskampweg - Zandzuigerstraat	Sanitairwinkel.nl / Spierings Smart Logistics / ID Logistics	3Q20	55.000	33
NL				242.900	197
2016-20					
RO	Bucharest - Stefanestii de Jos	Auchan	1Q20	77.000	45
RO	Buzau	Ursus Breweries	3Q20	21.000	13
RO	Deva	Carrefour	3Q20	45.000	24
RO	Sibiu	Aeronamic Eastern Europe	2Q20	4.000	4
2019-23					
RO	Bucharest - Stefanestii de Jos	Decathlon	4Q20	10.000	5
RO	Bucharest - Stefanestii de Jos	Alcar	3Q20	10.000	5
RO	Bucharest - Stefanestii de Jos	Lecom	2Q20	2.600	1
RO	Bucharest - Stefanestii de Jos	Aggreko	1Q20	2.000	2
RO	Slatina	Pirelli	3Q20	62.000	40
RO				233.600	138
Total				636.690	480

¹⁸ Based on 100% of the investment in the fully consolidated entities (including WDP Romania) and prorated for the joint ventures (in particular, 55% for WDP Luxembourg).



2.6 Ambition of a total PV portfolio of 100 MWp over the medium term

WDP currently holds a total installed capacity of 80 MWp spread across 85 sites, implying that approximately one third of the buildings have access to locally produced green electricity. Over the medium term, WDP will strive for a total PV portfolio of 100 MWp.

Realisations in the course of 2019

▶ Solar panel project in the Netherlands

The second phase of the solar panel project in the Netherlands is under development and offers additional capacity of 25 MWp in total, of which capacity of 15 MWp was installed throughout 2019 in line with the planned schedule.

▶ Solar panel project in Flanders

Following the past installation of solar panels in Flanders, with a total capacity of around 20 MWp between 2008 and 2012, WDP has launched a new initiative to install solar panels on the roofs of its Flemish warehouses. In first phase, additional capacity of 5 MWp was installed during 2019. Installation of another 5 MWp is scheduled.

2.7 ESG

Announced in early 2019, the 📌 **WDP ESG Framework** wishes to deepen the existing sustainability strategy, within the framework of the United Nations' Sustainable Development Goals (SDGs).

During the course of 2019, a multi-year ESG Roadmap was drawn up and implemented for the 2019-23 period in addition to the operating and financial objectives that were established in the strategic 2019-23 growth plan, which also contains a number of specific actions in the Environmental, Social and Governance sphere.

To this end, a number of different workshops were organised within the company and objectives defined as a result. The company wishes to continue on this path and further integrate this approach into its company culture.



In order to respond to issues relating to ESG, which are essential for maintaining a sustainable future, WDP has opted for focus topics where the company can make a clear difference and create value.

Various projects were realised during 2019, including:

- ▶ With regard to energy efficiency and reducing CO₂ emissions, an energy monitoring tool has been rolled out across the portfolio, which measures the basic consumption of electricity, gas and water for each building. The aim of this tool is to aggregate the data after a period of one year in an overall footprint calculation and to further analyse the data in order to optimise clients' consumption. Furthermore, this is also compatible with

the solar panels programme, the capacity of which was increased by a third in 2019 to 80 MWp. A third of WDP sites are now equipped with a PV installation.

- ▶ As part of the company’s growth, the personal development of staff is also an area of attention, to the extent that a formal development programme has been approved for implementation across the Group during the course of 2020. Alongside a training plan, sporting initiatives are also supported – for example: a third of WDP employees took part in the annual ImmoRun. The HSES team launched an awareness-raising campaign on safety and well-being at work, while the DWWWDP team once again raised money for charity. Both teams will further roll out their activities throughout 2020.
- ▶ In terms of governance, a new structure was put in place as a result of the new corporate legislation. The new structure is in line with the best industry practices.

In terms of ESG reporting, WDP wishes to report to all its stakeholders in a structured and clear manner. Taking into account the company’s size and sector, WDP is setting up an ESG reporting that is aligned with the ever increasing requirements when it comes to ESG reporting – mainly driven by the investment community. As a result, a selection of reporting standards (EPRA, sBPR and GRI) and ratings (MSCI and ISS) were chosen, marking a framework for WDP's ESG reporting from now on. WDP is also looking at the option of being admitted to the Dow Jones Sustainability Index in the medium term.

2.8 Expansion of regional activities

2.8.1 Joint venture WDP & VIB

WDP and VIB Vermögen have signed a joint venture partnership for the expansion of their respective logistics property portfolios in Germany in the regions of North Rhine-Westphalia, Bremen and Hamburg. This expansion complements each of their existing activities; thanks to this partnership, they can offer their clients broader geographic coverage. In line with their core business, the investments are primarily ‘develop and hold’ and selective acquisitions of industrial, semi-industrial and logistics buildings. Both companies hold a 50% stake in this joint venture.

North Rhine-Westphalia is the most densely populated region in Germany, characterised by strong, rapidly growing logistics activity, equipped with one of Europe’s biggest transport hubs, with direct access to the major North Sea ports, and located at the crossroads of the main motorways in this heavily industrialised region. Moreover, the port of Hamburg is a leader in



foreign trade, with direct links to destinations such as China.

2.8.2 Land resources in Gelsenkirchen

The joint venture WDP & VIB has signed an agreement for the acquisition of a plot of land of approximately 80,000 m² for the future development of a logistics site in Gelsenkirchen (Germany). The newly acquired plot of land is part of an industrial zone and will offer space for two logistics buildings to be developed, each with a surface area of approximately 20,000 m². The start of the works depends is subject to pre-leasing and will take place after remediation of the site by the municipality (not before Q4 2020). The commercialisation of this brownfield development is in full swing.




Gelsenkirchen is situated at the heart of North Rhine-Westphalia (Germany). Given its direct connections to various national motorways, this region boasts an excellent supra-regional and European infrastructure. The region is located in the middle of the Ruhr valley and is served by several airports. The public port offers connections to three modes of transport (rail, road and water) and has the highest turnover along the Rhine-Herne Canal.

2.9 Extraordinary General Meeting of 11 September 2019

The following agenda items were approved during the Extraordinary General Meeting of 11 September 2019:

- ▶ The conversion of WDP's legal form from of a Belgian partnership limited by shares ('Comm. VA') with a statutory manager, to a Belgian public limited company ('NV') with a single-tier Board of Directors under the recently adopted Belgian Code of Companies and Associations, which no longer includes the Comm. VA as a legal form. WDP has exercised the 'early opt-in'. The conversion was realised on 1 October 2019.
- ▶ Renewal of the mandate for authorised capital (taking into account the option recently introduced by the Belgian GVV/SIR Act to realise a capital increase via accelerated book building (ABB), subject to certain legal restrictions¹⁹), as well as the renewal of the mandate of purchase of own shares.

¹⁹  See the [press release](#) from the BE-REIT Association dated 26 April 2019.

- ▶ WDP share split by a factor of 7, with effect from 2 January 2020, with a view to increasing the marketability, accessibility and attractiveness of the shares.

2.10 Management of financial resources

- ▶ New credit facility

Over the course of 2019, WDP secured additional credit facilities of around 200 million euros with various Belgian and foreign banks.

- ▶ Credit line extension

As usual, WDP extended its long-term credit lines maturing in 2020 proactively, for a total of 70 million euros.

- ▶ WDP received the Green Bond Pioneer Certificate of Recognition, awarded by the Climate Bonds Initiative, for its issue of a green bond.



- ▶ Optional dividend of approximately 43 million euros²⁰

WDP's shareholders opted to contribute their dividend rights for 56% of their shares in exchange for new shares instead of cash dividend payments. This resulted in a capital increase for WDP of about 43 million euros through the creation of 329,925 new shares, taking into account the issue price of 131.04 euros (i.e. 18.72 euros after share split).

- ▶ In November 2019, WDP launched a capital increase in cash within the authorised capital waiving the legal preferential rights of existing shareholders (partly in favour of WDP's current reference shareholder, the management body RTKA, the family company owned by the Jos De Pauw family) and without granting an irreducible allocation right to existing shareholders. The gross amount of this capital increase amounted to 200 million euros via the issue of 1,250,000 new shares at an issue price of 160.00 euros per share (i.e. 22.86 euros after share split). The capital increase was achieved through an exempt accelerated private placement with international institutional investors with the composition of an order book (ABB or an accelerated bookbuild).²¹

- ▶ Extension of hedges and fixed-rate debts

In 2019, WDP extended hedges and fixed-rate debt for a total notional amount of 385 million euros maturing in 2020-25 at a lower interest rate towards 2029-31. These extensions were achieved in a cash-neutral manner; in other words, without severance payments or other costs. The effect of these extensions is an annual saving

²⁰  See the [press release](#) dated 17 May 2019.

²¹  See the [press releases](#) dated 6 and 12 November 2019.

of around 4 million euros from 2020 – the equivalent of an organic reduction in the cost of debts of -20 bp.

2.11 Status of policy regarding Dutch REIT status

As part of the planned elimination of the dividend tax, the Dutch Government coalition agreement of October 2017 stated the intention that FBIs (Fiscale Beleggingsinstelling), including WDP through its subsidiary WDP Nederland N.V., would no longer be allowed to invest directly in Dutch real estate from 2020 onwards. In October 2018, the Dutch Government announced that it would retain the dividend tax and also keep the current FBI regime intact.

In addition, WDP was in talks with the Dutch tax authorities, which indicated to WDP that – as a shareholder in WDP Nederland N.V., which has FBI status – it is subject to a new shareholder test (the conditions to qualify as an FBI depend on factors such as activities and shareholder structure).²²

The shareholder test's requirements are not yet clear, partly because this depends on the outcome of thousands of appeals between the Dutch tax authorities and foreign investment funds concerning the repayment of the dividend tax. A ruling from the European Court of Justice and then the Dutch Supreme Court is expected during the course of 2020.

Furthermore, the Dutch Government is currently investigating whether specific adjustments to the property FBI regime are possible and feasible by means of an evaluation and possibly through an amended policy and/or regulation in 2021.

WDP favours a simple and transparent solution, focusing on maintaining the property FBI for stock-listed companies, as is the case in other EU member states in which a REIT regime applies. In this way, a competitive business environment can be created for the property sector, where the necessary investments are made in infrastructure and it is made more sustainable. One such example is the thriving sector of the Belgian REITs and their contribution to society.

Over time and via EPRA (the *European Public Real Estate Association*), WDP hopes that steps can be taken towards an EU REIT, which may be able to strike the right balance between facilitating cross-border investments and protecting national interests such as safeguarding the tax base.

²² For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of current EPRA Earnings per share. In any case, it would never be applied retroactively.

3. Financial results

3.1 Summary

The EPRA Earnings of WDP for 2019 amount to 152.4 million euros. This result marks an increase of 13.4% over the result of 134.4 million euros in 2018. The EPRA Earnings per share come to 0.93 euros, an increase of 8.3% over the same period last year.

This increase in the EPRA Earnings primarily stems from strong growth in the WDP portfolio in 2018-19 by means of pre-leased projects in the growth markets of the Netherlands and Romania. In addition, operational and financial costs were actively managed and kept under control.

3.2 Key figures

Key figures		
Operational	31.12.2019	31.12.2018
Fair value of property portfolio (including solar panels) (in million euros)	4,175,8	3,449,6
Gross initial yield (including vacancies) ¹ (in %)	6,3	6,7
Net initial yield (EPRA) ² (in %)	5,6	6,0
Average lease term (until first break) ³ (in years)	6,0	5,8
Occupancy rate ⁴ (in %)	98,1	97,5
Like-for-like rental growth ⁵ (in %)	1,4	1,7
Operating margin ⁶ (in %)	91,6	91,3
Financial	31.12.2019	31.12.2018
Loan-to-value (in %) ⁷	45,0	50,0
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree) (in %)	46,7	51,8
Net debt / EBITDA (adjusted) ⁸ (in x)	8,0	9,0
Interest Coverage Ratio ⁹ (in x)	4,5	4,6
Average cost of debt ¹⁰ (in %)	2,2	2,4
Average remaining duration of outstanding debt (in years)	4,2	4,4
Average remaining duration of long-term credit facilities (in years)	4,8	5,3
Hedge ratio ¹¹ (in %)	84,9	90,5
Average remaining term of hedges ¹² (in years)	7,1	7,3
Result (in million euros)	31.12.2019	31.12.2018
Property result	216,6	187,9
Operating result (before the result on the portfolio)	198,3	171,6
Financial result (excluding change in the fair value of financial instruments) ¹³	-40,2	-33,0
EPRA Earnings ¹⁴	152,4	134,4
Result on the portfolio (including share joint ventures) - Group share ¹⁵	277,4	208,3
Change in the fair value of financial instruments - Group share	-29,9	-9,0
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-6,2	-4,8
Net result (IFRS) - Groupe share	393,7	328,8
Details per share (in euros)	31.12.2019	31.12.2018
EPRA Earnings ¹⁶	0,93	0,86
Result on the portfolio (including share joint ventures) - Group share ¹⁷	1,69	1,33
Change in fair value of the financial instruments - Group share	-0,18	-0,06
Depreciation and write-down on solar panels - Group share	-0,04	-0,03
Net result (IFRS) - Group share	2,40	2,10
IFRS NAV ¹⁸	12,2	9,8
EPRA NAV ¹⁹	12,8	10,2
EPRA NNAV ²⁰	12,2	9,7

¹ Calculated by dividing annualised contractual gross (cash) rents by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).

² Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations van EPRA. See also www.epra.com.

³ Including the solar panels which are included in the remaining weighted average term of the green energy certificates.

⁴ Calculated based on the rental values for the leased properties and the non-leased surfaces, including the income from solar panels. Ongoing projects and/or renovations are not considered.

⁵ Like-for-like rental growth: organic growth of the gross rental income year-on-year on the basis of an unchanged portfolio, excluding development projects, acquisitions and disposals during both periods of this comparison.

⁶ The operating margin, obtained by dividing the operating result (before the result on the portfolio) by the property result.

⁷ 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.

⁸ The net debt / EBITDA (adjusted) is calculated starting from the proportional accounts: in the denominator taking into account the trailing-twelve-months EBITDA but adjusted to reflect the annualized impact of external growth; 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).

⁹ Defined as operating result (before the result on the portfolio) divided by interest charges less interest and dividends collected less the fee for financial leasing and other.

¹⁰ 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.

¹¹ 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 obligatory parameter under the Belgian Regulated Real-Estate Investment Companies Law (Wet betreffende de geregelende vastgoedvennootschappen or 'GVV-Wet').

¹² The remaining duration of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

¹³ 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.

¹⁴ 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.

¹⁵ Result on the portfolio (including share joint ventures) - Group share: realised and unrealised capital gains/loss with respect to the latest valuation by the property 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.

¹⁶ The EPRA Earnings per share is the EPRA earnings based on the weighted average number of shares.

¹⁷ Result on the portfolio (including share joint ventures) - Group share per share: this is the result on the portfolio based on the weighted average number of shares.

¹⁸ IFRS NAV: Net asset value before profit distribution of the current year in accordance with the IFRS balance sheet. The IFRS NAV is calculated as the shareholders' equity as per IFRS divided by the number of shares entitled to dividend on the balance sheet date.

¹⁹ 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.

²⁰ EPRA NNAV: this is the EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also www.epra.com.

3.3 EPRA metrics

EPRA key performance measures ¹	31.12.2019	31.12.2018
EPRA Earnings (in euros per share) ²	0,93	0,86
EPRA NAV (in euros per share) ³	12,8	10,2
EPRA NNNNAV (in euros per share) ⁴	12,2	9,7
EPRA Net Initial Yield (in %)	5,6	6,0
EPRA Topped-up Net Initial Yield (in %)	5,6	6,0
EPRA vacancy rate (in %)	2,1	2,7
EPRA cost Ratio (incl. direct vacancy costs) (in %) ⁵	9,5	9,4
EPRA cost Ratio (excl. direct vacancy costs) (in %) ⁵	9,1	9,0

¹ Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see www.epra.com.

² 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.

³ 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.

⁴ EPRA NNNNAV: EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred taxes. See also www.epra.com.

⁵ EPRA Cost Ratio: administrative and operating costs (including and excluding direct vacancy costs) divided by the gross rental income. See also www.epra.com.

3.4 Notes on the profit and loss account as at 31 December 2019 (analytical schedule)

3.4.1 Property result

The property result for 2019 amounts to 216.6 million euros, an increase of 15.2% compared to last year (187.9 million euros). This increase is driven by continued portfolio growth in 2018-19, primarily through new pre-leased projects in the growth markets of the Netherlands and Romania. Based on an unchanged portfolio, the rental income rose by +1.4%²³, mainly driven by the indexing of leases. The property result also includes 14.7 million euros in income from solar panels, compared to 14.5 million euros. Underlying, there is an increase based on a larger installed capacity, compensated by a like-for-like decrease from an unfavourable comparison base (namely the exceptionally high level of solar irradiance during the course of 2018).

Gross rental income by country (in euros x 1 000)							
	Belgium	Netherlands	France	Romania	Total IFRS	Luxembourg ¹	
I. Rental income	71.346	96.204	6.929	28.269	202.748	1.481	
III. Costs related to leases ²	-85	356	84	-171	184	-4	
Rental income, net of rental-related expenses	71.261	96.560	7.013	28.098	202.932	1.476	

¹ Taken into account the proportional share in WDP's rental income for Luxembourg (55%).

² The heading *Costs related to leases* mainly consists of *Provisions for trade receivables*.

²³ Like-for-like rental growth: this is the organic growth in gross rental income year-on-year with an unchanged portfolio, exclusive of project developments, acquisitions and sales during these two comparison periods.

3.4.2 Operating result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 198.3 million euros for 2019, an increase of 15.6% compared to the same period last year (171.6 million euros). Property and other general company expenses amounted to 18.3 million euros for 2019, an increase of 1.9 million euros compared to the costs for the same period in 2018. The overhead trend for the company is in line with the underlying portfolio growth. WDP succeeded in controlling costs, with the operating margin for 2019 coming to 91.6% – in line with the average in recent years.

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

The financial result (excluding change in the fair value of financial instruments)²⁴ amounts to -40.2 million euros for 2019, an increase over last year (-33.0 million euros) due to higher outstanding financial debt on the one hand, and on the other hand the recurring cost of -2.4 million euros for the concession land, which in accordance with IFRS 16, as from 2019, is accounted for in the *Financial result* instead of in the *Rental income, net of rental-related expenses*.

The total financial debt (as per IFRS) amounted to 1,854.8 million euros as at 31 December 2019, compared to 1,697.8 million euros in the same period last year. The average cost of debt comes to 2.2% for 2019, compared to 2.4% in 2018.

3.4.4 Share in the result of associated companies and joint ventures

The result of 0.6 million euros for 2019 primarily stems from the underlying result of the core activities of the Luxembourg joint venture.

3.4.5 EPRA Earnings

The EPRA Earnings of WDP for 2019 amount to 152.4 million euros. This result marks an increase of 13.4% over the result of 134.4 million euros in 2018. The EPRA Earnings per share are up 8.3% year-on-year, to 0.93 euros, including an increase of 4.7% in the weighted average number of outstanding shares.

²⁴ Financial result (excluding change in the fair value of financial instruments): this is the financial result according to IFRS exclusive of the change in the fair value of financial assets and liabilities, and reflects the actual financial expenses of the company.

3.4.6 Result on the portfolio (including share joint ventures) – Group share

The result on the portfolio (including share joint ventures and after taxes) – Group share²⁵ for 2019 amounts to +277.4 million euros, or +1.69 euros per share²⁶. For the same period last year, this result amounted to +208.3 million euros or +1.33 euros per share. This breaks down as follows by country for 2019: Belgium (+125.0 million euros), the Netherlands (+134.5 million euros), France (+5.6 million euros), Romania (+9.9 million euros) and Luxembourg (+2.5 million euros).

The revaluation of the portfolio (excluding deferred taxes on the portfolio result and the result on disposal of investment property) amounts to 287.9 million euros. This revaluation is mainly driven by the revaluation of the existing portfolio by 7.3% (based on the yields that were adjusted by 30 basis points, driven by sustained investor interest in logistics properties) and the latent capital gains on project developments.

3.4.7 Change in the fair value of financial instruments – Group share

The change in the fair value of financial assets and liabilities – Group share²⁷ amounts to -29.9 million euros or -0.18 euros per share for 2019 (compared to -9.0 million euros or -0.06 euros per share in 2018). This negative impact stems from the change in fair value of the interest rate hedges concluded (Interest Rate Swaps) as at 31 December 2019, as a result of a decrease in long-term interest rates during 2019.

The change in the fair value of these interest rate hedges has been fully accounted for in the profit and loss account, not in shareholders' equity. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

3.4.8 Depreciation and write-down on solar panels (including share joint ventures) – Group share

The solar panels are valued on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 *Tangible fixed assets*. In compliance with IAS 16, WDP must include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. This newly calculated net book value is then revalued at fair value. This revaluation is recognised directly in the shareholders' equity to the extent that it still exceeds the historical cost price, plus accumulated depreciations. If it does

²⁵ Result on the portfolio (including share joint ventures) – Group share: realised and unrealised capital gains/loss with respect to the latest valuation by the property experts, taking into account the effective or deferred capital gains tax due, including WDP's proportionate share in the portfolio of affiliated companies and joint ventures.

²⁶ Result on the portfolio (including share joint ventures) per share – Group share: this is the result on the portfolio (including share joint ventures) based on the weighted average number of shares.

²⁷ The change in the fair value of financial assets and liabilities – Group share (non-cash item) is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges concluded.

not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -6.2 million euros. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

3.4.9 Net result (IFRS) – Group share

The EPRA Earnings along with the result on the portfolio, the change in the fair value of financial instruments and the depreciation and write-down on solar panels result in a net result (IFRS) – Group share of 393.7 million euros in 2019 (compared to the same period last year, when this figure was 328.8 million euros).

The difference between the net result (IFRS) - Group share of 393.7 million euros and the EPRA Earnings of 152.4 million euros is mainly attributable to the positive fluctuation in the value of the portfolio.

3.4.10 Comparison table following the share split

Consolidated results - Key ratios (in euros per share)	FY 2019 after share split	FY 2018 after share split	FY 2019 before share split	FY 2018 before share split
EPRA Earnings ¹	0,93	0,86	6,50	6,00
Result on the portfolio - Group share ¹	1,69	1,33	11,84	9,31
Change in the fair value of financial instruments - Group share ¹	-0,18	-0,06	-1,28	-0,40
Depreciation and write-down on solar panels - Group share ¹	-0,04	-0,03	-0,26	-0,21
Net result (IFRS) - Group share ¹	2,40	2,10	16,80	14,69
EPRA Earnings ²	0,88	0,83	6,18	5,83
Proposed payment	127.642.012	110.694.672	127.642.012	110.694.672
Dividend payout ratio (versus EPRA Earnings) ³	83,8%	82,4%	83,8%	82,4%
Gross dividend	0,74	0,69	5,18	4,80
Net dividend	0,52	0,48	3,64	3,36
Weighted average number of shares	164.047.016	156.655.989	23.435.288	22.379.427
Number of outstanding shares at the end of the period	172.489.205	161.429.730	24.641.315	23.061.390

¹ Calculation based on the weighted average number of shares.

² Calculation based on the number of shares entitled to dividend.

³ The dividend payout ratio is calculated in absolute terms based on the consolidated result. Dividend is distributed on a statutory basis by WDP NV/SA.

3.5 Notes on the balance sheet as at 31 December 2019

3.5.1 Property portfolio²⁸

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value²⁹ of the WDP property portfolio according to IAS

²⁸ Under IFRS 11 *Joint arrangements*, the joint ventures (mainly WDP Luxembourg, in which WDP retains 55%) are incorporated using the equity accounting method. WDP's proportionate share in the portfolio of WDP Luxembourg (55%) is still reflected in the statistics in the reporting on the portfolio.

²⁹ For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

40 amounted to 4,054.8 million euros on 31 December 2019, compared to 3,332.3 million euros at the start of the financial year (including the *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels³⁰, the total portfolio value grew to 4,175.8 million euros compared to 3,449.6 million euros at 2018 year-end.

This value of 4,175.8 million euros includes 3,682.6 million euros in completed properties (standing portfolio).³¹ The projects under development account for a value of 265.3 million euros. In addition, WDP also holds land reserves in places such as Heppignies, Bleiswijk, Breda, Heerlen and Schiphol as well as the land bank in Romania, at a fair value of 106.9 million euros.

The investments in solar panels were valued at a fair value of 121.0 million euros as at 31 December 2019.

The overall portfolio is valued at a gross rental yield of 6.3%³². The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.2%.

Portfolio statistics by country	Belgium	Netherlands	France	Luxembourg	Romania	Total
Number of lettable sites ¹	84	96	7	2	57	246
Gross lettable area (in m ²)	1.813.774	2.108.773	192.675	33.007	890.074	5.038.303
Land (in m ²)	3.635.284	4.032.283	428.461	56.007	4.323.353	12.475.388
Fair value (in million euros)	1.329,9	1.923,9	125,6	40,7	634,7	4.054,8
% of total fair value	33%	47%	3%	1%	16%	100%
% change in fair value (YTD)	9,3%	7,0%	4,6%	8,9%	3,2%	7,1%
Vacancy rate (EPRA) ^{2,3}	4,2%	0,3%	2,2%	2,2%	2,5%	2,1%
Average lease length till first break (in y) ³	4,3	6,3	4,0	9,0	6,7	5,6
WDP gross initial yield ⁴	6,1%	5,9%	6,1%	6,5%	7,9%	6,3%
Effect of vacancies	-0,3%	0,0%	-0,1%	-0,2%	-0,2%	-0,1%
Adjustment gross to net rental income (EPRA)	-0,3%	-0,3%	-0,1%	-0,7%	-0,2%	-0,3%
Adjustments for transfer taxes	-0,1%	-0,3%	-0,3%	-0,4%	-0,1%	-0,2%
EPRA net initial yield ²	5,4%	5,2%	5,5%	5,3%	7,3%	5,6%

¹ As from now the number of lettable sites is also shown for Romania, while previously the number of logistics parks was shown for Romania.

² Financial performance indicator calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see www.epra.com.

³ Excluding solar panels.

⁴ Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unlet properties by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).

3.5.2 NAV per share

The EPRA NAV per share amounted to 12.8 euros on 31 December 2019. This marks an increase of 2.6 euros compared to an EPRA NAV per share of 10.2 euros on 31 December 2018 as a consequence of the profit generation, dividend payout and revaluation of the portfolio. The IFRS NAV per share³³ came to 12.2 euros on 31 December 2019, compared to 9.8 euros on 31 December 2018.

³⁰ Investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.

³¹ Includes a right of use of 46 million euros, related to the land retained through a concession pursuant to IFRS 16.

³² Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

³³ The IFRS NAV is calculated as shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date. This is the net value according to Belgian GVV/SIR legislation.

3.6 Financial position

The total (long-term and short-term) financial debts had increased to 1,854.8 million euros by 31 December 2019, compared to 1,697.8 million euros at the end of December 2018, mainly due to the execution of the pre-leased project development pipeline. The short-term financial debt of 286.6 million euros includes primarily the commercial paper programme (199 million euros) as well as the long-term debt that matures within the year (around 70 million euros – this concerns the bond of 50 million euros with a maturity date in March 2020 and a small loan of 20 million euros that expires in May 2020, which will both be refinanced from the existing unused credit facilities as foreseen).

The balance sheet total rose from 3,483.3 million euros on 31 December 2018 to 4,222.8 million euros by the end of December 2019. The gearing ratio (proportionate) decreased to 46.7% as at 31 December 2019, compared to 51.8% on 31 December 2018. The loan-to-value, which compares the net financial debt to the portfolio value (based on the IFRS statements, including solar panels and financing to and holdings in joint ventures), came to 45.0% as at 31 December 2019.

The weighted average term of WDP's outstanding financial debt on 31 December 2019 was 4.2 years³⁴. If only the total drawn and undrawn long-term loans are taken into account, the weighted average term amounts to 4.8 years³⁵. On 31 December 2019, the total amount of undrawn and confirmed long-term credit facilities amounted to approximately 350 million euros³⁶.

The average cost of debt was 2.2% in 2019. The Interest Coverage Ratio³⁷ is equal to 4.5x for the same period, compared to 4.6x for the entire 2018 financial year. The hedge ratio³⁸, which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), comes to 84.9%, with a weighted average hedged term of 7.1 years.

³⁴ Including the short-term debts, these mainly consist of the commercial paper programme, which is fully covered by back-up facilities.

³⁵ For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option is exercised every time, the weighted average term of long-term loans will be 5.1 years.

³⁶ Excluding the credit facilities to hedge the commercial paper programme.

³⁷ Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividend collection, minus compensation for financial leasing and others.

³⁸ 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 obligatory parameter under the Belgian Regulated Real-Estate Investment Companies Act (the 'GVV/SIR Act').

4. Outlook³⁹

4.1 Outlook 2020

In 2020, WDP expects EPRA Earnings per share of 1.00 euro (around 174 million euros), an increase of 8% over 2019. Based on this outlook, WDP intends to propose a gross dividend of 0.80 euros for 2020, payable in 2021, also marking an increase of 8%, based on a low payout rate.

The main driver of these forecasts is the strong portfolio growth in 2019 thanks to pre-leased new construction projects and solar projects, which will yield full returns in 2020. In addition, WDP currently holds a strong pre-leased project development pipeline of 637,000 m² and a total investment of 480 million euros⁴⁰, which will also start to contribute to the 2020 result.

In 2020, 13% of the contracts will reach their next maturity date, 50% of which have already been extended. Based on information currently available and the current rental market situation, WDP projects a minimum average occupancy rate of 97% for 2020.

The projected growth in 2020 based on continued execution of the project development pipeline takes into account a forecast gearing ratio for 2020 year-end below 50% and an average cost of debt of 2.1%.

4.2 2019-23 growth plan

As part of the current 2019-23 growth plan, WDP as of the end of 2019 has identified a total investment package of 550 million euros, roughly 37% of the planned cumulative volume of 1.5 billion euros. This is an excellent start to the new five-year plan straight away, which is necessary taking into account the increased complexity and the longer lead times of some projects.

There remains a sustained demand for modern logistics sites and therefore sufficient growth potential for WDP to realise its business plan, despite the increased pressure on returns (due to greater interest in the sector from investors and the continuing negative interest rate climate), a growing shortfall in available land and extended permit processes:

- ▶ first and foremost, a number of fundamental trends have continued, such as changes in consumer behaviour (such as e-commerce), technological developments and the demand for sustainability, which lead to adapted consumption and distribution networks;

³⁹ These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate and/or the demand for logistics real estate), and a normal number of hours of sunshine. The figures displayed take into account the WDP share split by a factor of 7, which came into effect on 2 January 2020.

⁴⁰ 262 million euros of which is yet to be invested.

- ▶ by standardising the market and the stricter approach towards zoning and permits, WDP sees a move towards more brownfield projects and increasingly complex deals in which expertise and customer focus will be key.

Within this context, WDP believes it is ready to execute its growth plan based on its client franchise, the increasingly large portion of cross-selling within the portfolio, its extensive network of partners and a highly experienced and motivated team of employees.

On this basis, WDP expects to be able to sustain further portfolio growth at a rate of 10% per year, to over 5 billion euros in 2023, on the basis of which EPRA Earnings per share of at least 1.15 euros in 2023 (as opposed to 1.15 euros at the launch of the growth plan) is aspired.

5. Financial calendar

22 April 2020	Publication of Q1 2020 results
29 April 2020	Annual General Meeting
4 May 2020	2019 ex-dividend date
5 May 2020	2019 dividend record date
29 May 2020	2019 dividend payment date
31 July 2020	Publication of 2020 interim results and publication of 2020 interim financial report
21 October 2020	Publication of Q3 2020 results
29 January 2021	Publication of 2020 annual results
28 April 2021	Annual General Meeting

6. Financial statement – Key figures as at 31 December 2019 – analytical (results and balance sheet)⁴¹

6.1 Consolidated results

Consolidated results (in euros x 1 000)	FY 2019	FY 2018	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	201.971	173.791	28.180	16,2%
Indemnification related to early lease terminations	961	215	745	n.r.
Income from solar energy	14.689	14.537	152	1,0%
Other operating income/costs	-1.055	-619	-436	n.r.
Property result	216.566	187.923	28.643	15,2%
Property charges	-7.245	-6.271	-973	15,5%
General company expenses	-11.034	-10.097	-936	9,3%
Operating result (before the result on the portfolio)	198.287	171.555	26.733	15,6%
Financial result (excluding change in the fair value of the financial instruments)	-40.216	-33.012	-7.204	21,8%
Taxes on EPRA Earnings	-1.724	-1.587	-137	n.r.
Deferred taxes on EPRA Earnings	-975	-511	-464	n.r.
Share in the result of associated companies and joint ventures	610	256	353	n.r.
Minority interests	-3.607	-2.342	-1.266	54,0%
EPRA Earnings	152.374	134.359	18.015	13,4%
Change in the fair value of investment properties (+/-)	285.353	213.811	71.542	n.r.
Result on disposal of investment property (+/-)	10	787	-777	n.r.
Deferred taxes on the result on the portfolio (+/-)	-7.972	-3.698	-4.274	n.r.
Share in the result of associated companies and joint ventures	2.507	209	2.298	n.r.
Result on the portfolio	279.897	211.109	68.788	n.r.
Minority interests	-2.475	-2.853	378	n.r.
Result on the portfolio - Group share	277.423	208.257	69.166	n.r.
Change in the fair value of financial instruments	-29.883	-9.027	-20.856	n.r.
Change in the fair value of financial instruments	-29.883	-9.027	-20.856	n.r.
Minority interests	0	0	0	n.r.
Change in the fair value of financial instruments - Group share	-29.883	-9.027	-20.856	n.r.
Depreciation and write-down on solar panels	-6.526	-4.937	-1.589	n.r.
Share in the result of associated companies and joint ventures	0	0	0	n.r.
Depreciation and write-down on solar panels	-6.526	-4.937	-1.589	n.r.
Minority interests	344	132	212	n.r.
Depreciation and write-down on solar panels - Group share	-6.183	-4.805	-1.377	n.r.
Net result (IFRS)	399.470	333.846	65.624	n.r.
Minority interests	-5.738	-5.063	-675	n.r.
Net result (IFRS) - Group share	393.732	328.784	64.948	n.r.

Key ratios (in euros per share)	FY 2019	FY 2018	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	0,93	0,86	0,07	8,3%
Result on the portfolio - Group share ¹	1,69	1,33	0,36	n.r.
Change in the fair value of financial instruments - Group share ¹	-0,18	-0,06	-0,12	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,04	-0,03	-0,01	n.r.
Net result (IFRS) - Group share ¹	2,40	2,10	0,30	n.r.
EPRA Earnings ²	0,88	0,83	0,05	6,1%
Proposed payment	127.642.012	110.694.672	16.947.339	15,3%
Dividend payout ratio (versus EPRA Earnings) ³	83,8%	82,4%	1,4%	n.r.
Gross dividend	0,74	0,69	0,05	7,9%
Net dividend	0,52	0,48	0,04	8,3%

Weighted average number of shares	164.047.016	156.655.989	7.391.027	4,7%
Number of outstanding shares at the end of the period	172.489.205	161.429.730	11.059.475	6,9%

¹ Calculation based on the weighted average number of shares.

² Calculation based on the number of shares entitled to dividend.

³ The dividend payout ratio is calculated in absolute terms based on the consolidated result. Dividend is distributed on a statutory basis by WDP NV/SA.

⁴¹ The figures displayed take into account the splitting of the WDP shares by a factor of 7, which came into effect on 2 January 2020.

6.2 Consolidated results (by quarter)

Consolidated results (in euros x 1 000)	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Rental income, net of rental-related expenses	49.099	48.907	51.849	52.116
Indemnification related to early lease terminations	190	421	0	350
Income from solar energy	2.374	5.512	5.244	1.560
Other operating income/costs	-2.460	589	92	724
Property result	49.203	55.429	57.185	54.749
Property charges	-1.796	-1.762	-1.705	-1.982
General company expenses	-2.689	-2.623	-2.958	-2.763
Operating result (before the result on the portfolio)	44.717	51.044	52.521	50.005
Financial result (excluding change in the fair value of the financial instruments)	-9.672	-10.080	-10.411	-10.053
Taxes on EPRA Earnings	-656	-200	-440	-429
Deferred taxes on EPRA Earnings	-230	-123	-223	-400
Share in the result of associated companies and joint ventures	119	125	251	114
Minority interests	-878	-964	-935	-831
EPRA Earnings	33.400	39.803	40.764	38.407
Change in the fair value of investment properties (+/-)	24.331	128.026	43.020	89.976
Result on disposal of investment property (+/-)	-235	14	-2	232
Deferred taxes on the result on the portfolio (+/-)	-1.069	-1.236	-2.112	-3.555
Share in the result of associated companies and joint ventures	-493	2.092	499	409
Result on the portfolio	22.535	128.896	41.405	87.061
Minority interests	-152	-116	-596	-1.610
Result on the portfolio - Group share	22.383	128.780	40.809	85.451
Change in the fair value of financial instruments	-15.964	-29.956	-22.600	38.638
Change in the fair value of financial instruments	-15.964	-29.956	-22.600	38.638
Minority interests	0	0	0	0
Change in the fair value of financial instruments - Group share	-15.964	-29.956	-22.600	38.638
Depreciation and write-down on solar panels	-1.210	-2.693	-1.300	-1.323
Share in the result of associated companies and joint ventures	0	0	0	0
Depreciation and write-down on solar panels	-1.210	-2.693	-1.300	-1.323
Minority interests	33	305	47	-41
Depreciation and write-down on solar panels - Group share	-1.178	-2.387	-1.253	-1.364
Net result (IFRS)	39.639	137.013	59.205	163.613
Minority interests	-997	-774	-1.485	-2.482
Net result (IFRS) - Group share	38.642	136.239	57.720	161.131

Key ratios (in euros per share)	Q1 2019	Q2 2019	Q3 2019	Q4 2019
EPRA Earnings ¹	0,21	0,24	0,25	0,23
Result on the portfolio - Group share ¹	0,14	0,79	0,25	0,51
Change in the fair value of financial instruments - Group share ¹	-0,10	-0,18	-0,14	0,23
Depreciation and write-down on solar panels - Group share ¹	-0,01	-0,01	-0,01	-0,01
Net result (IFRS) - Group share ¹	0,24	0,84	0,35	0,96
EPRA Earnings ²	0,21	0,24	0,25	0,22
Weighted average number of shares	161.429.730	162.546.398	163.739.205	168.399.532
Number of outstanding shares at the end of the period	161.429.730	163.739.205	163.739.205	172.489.205

¹ Calculation based on the weighted average number of shares.

² Calculation based on the number of shares entitled to dividend.

6.3 Consolidated balance sheet

Consolidated balance sheet (in euros x 1 000)	31.12.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	422	252	171	n.r.
Investment property	4.002.340	3.299.864	702.477	21,3%
Other tangible fixed assets (including solar panels)	125.244	120.426	4.818	4,0%
Financial fixed assets	4.743	7.877	-3.134	-39,8%
Trade receivables and other fixed assets	4.162	4.972	-810	-16,3%
Deferred taxes - assets	0	0	0	n.r.
Participations in associated companies and joint ventures	19.707	10.636	9.072	85,3%
Fixed assets	4.156.619	3.444.026	712.593	20,7%
Assets held for sale	5.779	739	5.040	n.r.
Trade receivables	15.364	9.987	5.377	n.r.
Tax receivables and other current assets	34.249	18.990	15.259	n.r.
Cash and cash equivalents	3.604	1.724	1.881	n.r.
Accruals and deferrals	7.175	7.867	-692	n.r.
Current assets	66.171	39.307	26.864	n.r.
Total assets	4.222.790	3.483.333	739.458	n.r.
Capital	185.746	176.684	9.062	5,1%
Issue premiums	876.849	646.286	230.563	35,7%
Reserves	647.590	428.767	218.823	51,0%
Net result for the financial year	393.732	328.784	64.948	19,8%
Shareholders' equity attributable to Group shareholders	2.103.917	1.580.521	523.395	33,1%
Minority interests	45.944	29.994	15.950	53,2%
Shareholders' equity	2.149.861	1.610.516	539.346	33,5%
Long-term liabilities	1.707.475	1.577.336	130.139	8,3%
Long-term financial liabilities	1.568.199	1.476.586	91.613	6,2%
Other long-term liabilities	139.276	100.750	38.526	38,2%
Short-term liabilities	365.454	295.481	69.973	23,7%
Short-term financial liabilities	286.629	221.165	65.464	29,6%
Other short-term liabilities	78.826	74.316	4.510	6,1%
Liabilities	2.072.929	1.872.817	200.112	10,7%
Total liabilities	4.222.790	3.483.333	739.458	21,2%

Key ratios	31.12.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	12,2	9,8	2,4	24,6%
EPRA NAV	12,8	10,2	2,6	25,6%
Share price	23,2	16,5	6,7	40,8%
Premium/Discount with respect to EPRA NAV	81,5%	61,8%	19,6%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels) ¹	4.175,8	3.449,6	726,1	21,0%
Loan-to-value	45,0%	50,0%	-5,0%	n.r.
Gearing ratio (proportional) ²	46,7%	51,8%	-5,1%	n.r.
Net debt / EBITDA (adjusted)	8,0x	9,0x	-1,0x	n.r.

¹ Including the proportional share of WDP in the portfolio of WDP Luxembourg (55%).

² For the method used in the calculation of the gearing ratio, refer to the Belgian Royal Decree on GVV/SIRs.

7. Financial statement – Balance sheet and profit and loss account as at 31 December 2019 – IFRS⁴²

7.1 Profit and loss account

Income statement (in euros x 1 000)	FY 2019	FY 2018	FY 2017
Rental income	202.748	175.822	145.661
Costs related to leases	184	-1.816	-1.286
Net rental result	202.932	174.006	144.375
Recovery of property costs	0	0	0
Recovery of rental charges and taxes normally paid by the tenant on let properties	18.226	10.978	9.239
Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	54	0
Rental charges and taxes normally paid by the tenant on let properties	-21.238	-13.175	-11.635
Other income and charges related to leases	16.646	16.061	12.513
Property result	216.566	187.923	154.493
Technical costs	-4.552	-4.059	-3.345
Commercial costs	-656	-831	-683
Property management costs	-2.037	-1.381	-930
Property charges	-7.245	-6.271	-4.959
Property operating results	209.321	181.652	149.534
General company expenses	-11.034	-10.097	-6.695
Other operating income and expenses (depreciation and write-down on solar panels)	-6.526	-4.937	-3.904
Operating result (before the result on the portfolio)	191.761	166.618	138.935
Result on disposals of investment properties	10	787	929
Change in the fair value of investment properties	285.353	213.811	94.763
Operating result	477.124	381.215	234.627
Financial income	453	324	3.268
Net interest charges	-39.411	-32.517	-28.504
Other financial charges	-1.257	-819	-498
Change in the fair value of financial assets and liabilities	-29.883	-9.027	16.470
Financial result	-70.099	-42.039	-9.264
Share in the results of associated companies and joint ventures	3.117	466	10.803
Result before taxes	410.142	339.642	236.166
Taxes	-10.672	-5.796	-1.010
Net result	399.470	333.846	235.156
Attributable to:			
Minority interests	5.738	5.063	0
Shareholders of the Group	393.732	328.784	235.156
Weighted average number of shares	164.047.016	156.655.989	151.810.827
Net result per share (in euros)	2,40	2,10	1,55
Diluted net result per share (in euros)	2,40	2,10	1,55

⁴² The figures displayed take into account the WDP share split by a factor of 7, which came into effect on 2 January 2020. The statutory auditor Deloitte Bedrijfsrevisoren, represented by Rik Neckebroeck, has confirmed that the accounting information provided in the report does not give cause for any reservations on his part and is in accordance with the financial statements endorsed by the Board of Directors.

7.2 Consolidated statement of overall result

in euros (x 1 000)

	FY 2019	FY 2018
I. Net result	399.470	333.846
II. Other elements of the overall result (recoverable through profit and loss)	983	3.876
Revaluation on solar panels	983	3.876
Revaluation on solar panels in joint ventures	0	0
Overall result	400.453	337.722
Attributable to:		
Minority interests	5.961	4.847
Shareholders of the Group	394.492	332.875

7.3 Consolidated balance sheet

Balance sheet - Assets (in euros x 1 000)	31.12.2019	31.12.2018	31.12.2017
Fixed assets	4.156.619	3.444.026	2.632.554
Intangible fixed assets	422	252	146
Investment property	4.002.340	3.299.864	2.404.027
Other tangible fixed assets (including solar panels)	125.244	120.426	95.876
Financial fixed assets	4.743	7.877	97.469
Trade receivables and other fixed assets	4.162	4.972	3.411
Deferred taxes - assets	0	0	0
Participations in associated companies and joint ventures	19.707	10.636	31.626
Current assets	66.171	39.307	42.745
Assets held for sale	5.779	739	7.525
Trade receivables	15.364	9.987	9.042
Tax receivables and other current assets	34.249	18.990	22.830
Cash and cash equivalents	3.604	1.724	1.231
Accruals and deferrals	7.175	7.867	2.116
Total assets	4.222.790	3.483.333	2.675.299

Balance sheet - Liabilities (in euros x 1 000)	31.12.2019	31.12.2018	31.12.2017
Shareholder's equity	2.149.861	1.610.516	1.238.439
I. Shareholder's equity attributable to the parent company shareholders	2.103.917	1.580.521	1.238.439
Capital	185.746	176.684	168.873
Issue premiums	876.849	646.286	545.154
Reserves	647.590	428.767	289.256
Net result for the financial year	393.732	328.784	235.156
II. Minority interests	45.944	29.994	0
Liabilities	2.072.929	1.872.817	1.436.860
I. Non-current liabilities	1.707.475	1.577.336	1.158.293
Provisions	357	359	655
Non-current financial liabilities	1.568.199	1.476.586	1.108.966
Other non-current financial liabilities	122.501	96.184	48.673
Trade payables and other non-current liabilities	3.061	0	0
Deferred taxes - Liabilities	13.357	4.207	0
II. Current liabilities	365.454	295.481	278.566
Current financial liabilities	286.629	221.165	240.849
Other current financial liabilities	168	168	0
Trade payables and other current debts	51.944	47.314	22.774
Other current liabilities	8.300	7.724	1.549
Accrued charges and deferred income	18.413	19.110	13.394
Total liabilities	4.222.790	3.483.333	2.675.299

8. EPRA Performance measures⁴³

8.1 EPRA Earnings

in euros (x 1 000)

	FY 2019	FY 2018
Earnings per IFRS income statement	393.732	328.784
Adjustments to calculate the EPRA Earnings, exclude:		
I. Changes in value of investment properties, development properties held for investment and other interests	-278.827	-208.874
- Changes in the value of the real estate portfolio	-285.353	-213.811
- Depreciation and write-down on solar panels	6.526	4.937
II. Profit or losses on disposal of investment properties, development properties held for investment and other interests	-10	-787
VI. Changes in fair value of financial instruments and associated close-out costs	29.883	9.027
VIII. Deferred tax in respect of EPRA adjustments	7.972	3.698
IX. Adjustments (i) to (viii) to the above in respect of joint ventures	-2.507	-209
X. Minority interests in respect of the above	2.131	2.721
EPRA Earnings	152.374	134.359
Weighted average number of shares	164.047.016	156.655.989
EPRA Earnings per share (EPS) (in euros)	0,93	0,86

8.2 EPRA NAV

in euros (x 1 000)

	31.12.2019	31.12.2018
IFRS NAV	2.103.917	1.580.521
IFRS NAV/share (in euros)	12,2	9,8
Diluted NAV, after the exercise of options, convertibles and other equity interests	2.103.917	1.580.521
Includes (+/-):		
(IV) Fair value of financial instruments	81.819	51.936
(V.a) Deferred tax	17.769	8.710
EPRA NAV	2.203.505	1.641.168
Number of shares	172.489.205	161.429.730
EPRA NAV per share (in euros)	12,8	10,2
EPRA NAV	2.203.505	1.641.168
Includes:		
I. Fair value of financial instruments	-81.819	-51.936
II. Fair value of debt	-8.097	-8.066
III. Deferred tax	-17.769	-8.710
EPRA NNAV	2.095.820	1.572.455
Number of shares	172.489.205	161.429.730
EPRA NNAV per share (in euros)	12,2	9,7

⁴³ EPRA is a registered trademark of the European Public Real-estate Association. The figures displayed take into account the WDP share split by a factor of 7, which came into effect on 2 January 2020.

8.3 EPRA cost ratio

in euros (x 1 000)

		FY 2019	FY 2018 ¹	
Include:				
I.	Administrative/operating expenses (IFRS)	-21.546	-18.939	
	I-1. Impairments of trade receivables	-256	-427	
	I-2. Recovery of property charges	0	0	
	I-3. Recovery of rental charges and taxes normally paid by the tenant on let properties	-3.012	-2.197	
	I-4. Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	54	
	I-5. Property charges	-7.245	-6.271	
	I-6. General company expenses	-11.034	-10.097	
III.	Management fees less actual/estimated profit element	954	963	
V.	Administrative/operating expenses of joint ventures expense	-451	-424	
Exclude (if part of the above):				
VI.	Investment property depreciation	303	304	
	Administrative/operating expenses related to solar panels	1.567	1.578	
	EPRA costs (including direct vacancy costs)	A	-19.173	-16.519
IX.	Direct vacancy costs	871	787	
	EPRA costs (excluding direct vacancy costs)	B	-18.302	-15.732
X.	Gross rental income (IFRS)	201.788	175.607	
	Less net ground rent costs	-1.633	-1.389	
XII.	Gross rental income of joint ventures	1.481	947	
	Less net ground rent costs	-112	-60	
	Gross rental income	C	201.523	175.105
	EPRA cost ratio (including direct vacancy costs)	A/C	9,5%	9,4%
	EPRA cost ratio (excluding direct vacancy costs)	B/C	9,1%	9,0%

¹ Limited changes were made to the method of calculating the EPRA cost ratio, leading to minor changes in the EPRA cost ratio for 2018.

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8.4 EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1 000)

		31.12.2019	31.12.2018	
	Investment property - wholly owned	4.002.340	3.299.864	
	Investment property - share of joint ventures	46.099	29.796	
	Less developments, land reserves and the right of use of concessions	-436.664	-318.257	
	Completed property portfolio	3.611.775	3.011.402	
	Allowance for estimated purchasers' costs	152.819	128.903	
	Gross up completed property portfolio valuations	B	3.764.594	3.140.305
	Annualised cash passing rental income	220.990	195.387	
	Property outgoing	-10.644	-6.271	
	Annualised net rent	A	210.346	189.116
	Notional rent expiration of rent free period or other lease incentives	0	0	
	Topped-up net annualised rent	C	210.346	189.116
	EPRA NIY	A/B	5,6%	6,0%
	EPRA TOPPED-UP NIY	C/B	5,6%	6,0%

9. Alternative Performance Measures⁴⁴

9.1 Result on the portfolio (including share joint ventures) – Group share

in euros (x 1 000)

	FY 2019	FY 2018
Movement in the fair value of investment property	285.353	213.811
Result on disposal of investment property	10	787
Deferred taxation on result on the portfolio	-7.972	-3.698
Participation in the result of associated companies and joint ventures	2.507	209
Result on the portfolio	279.897	211.109
Minority interests	-2.475	-2.853
Result on the portfolio - Group share	277.423	208.257

9.2 Change in the gross rental income based on an unchanged portfolio

in euros (x 1 000)

	FY 2019	FY 2018
Properties owned throughout the two years	155.358	153.214
Development property	43.397	20.281
Acquisitions	3.826	667
Disposals	686	2.393
Total	203.268	176.554
To be excluded		
Rental income of joint ventures	-1.481	-947
Indemnification related to early lease terminations	961	215
Rental income (IFRS)	202.748	175.822

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⁴⁴ Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter 8. *EPRA Performance measures*. The figures displayed take into account the WDP share split by a factor of 7, which came into effect on 2 January 2020.

9.3 Average cost of debt

in euros (x 1 000)

	FY 2019	FY 2018
Financial result (IFRS)	-70.099	-42.039
To be excluded:		
Changes in fair value of financial assets and liabilities	29.883	9.027
Interest capitalised during construction	-3.471	-4.417
Interest cost related to leasing debts booked in accordance with IFRS 16	2.300	0
Other financial costs and revenues	-246	-324
To be included		
Interest expenses of joint ventures	-146	-87
Effective financial expenses (proportional) (A)	-41.778	-37.840
Average outstanding financial liabilities (IFRS)	1.835.658	1.571.037
Average outstanding financial liabilities of joint ventures	21.189	19.389
Average outstanding financial liabilities (proportional) (B)	1.856.847	1.590.425
Annualised Average cost of debt (A/B)	2,2%	2,4%

9.4 Operating margin

in euros (x 1 000)

	FY 2019	FY 2018
Property result (IFRS)	216.566	187.923
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	198.287	171.555
Operating margin	91,6%	91,3%

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

in euros (x 1 000)

	FY 2019	FY 2018
Financial result	-70.099	-42.039
To be excluded:		
Changes in fair value of financial assets and liabilities	29.883	9.027
Financial result (excluding the changes in fair value of financial instruments)	-40.216	-33.012

9.6 Hedge ratio

in euros (x 1 000)

	31.12.2019	31.12.2018
Notional amount of Interest Rate Swaps	1.172.364	1.174.618
Fixed-interest financial liabilities	51.252	7.072
Fixed-interest bonds	366.500	366.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.590.116	1.548.190
Current and non-current financial liabilities (IFRS)	1.854.828	1.697.751
Proportional share in joint ventures in current and non-current financial liabilities	17.346	12.637
Financial liabilities at balance sheet date (B)	1.872.174	1.710.389
Hedge ratio (A/B)	85%	91%

9.7 Gearing ratio

in euros (x 1 000)

	31.12.2019 (IFRS)	31.12.2019 (proportional)	31.12.2018 (IFRS)	31.12.2018 (proportional)
Non-current and current liabilities	2.072.929	2.100.285	1.872.817	1.893.778
To be excluded:				
- I. Non-current liabilities - A. Provisions	357	357	359	359
- I. Non-current liabilities - C. Other non-current financial liabilities - Permitted hedging instruments	81.819	81.819	55.188	55.188
- I. Non-current liabilities - F. Deferred taxes - Liabilities	13.357	15.908	4.207	5.405
- II. Current liabilities - A. Provisions	0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments Hedging instruments	0	0	0	0
- II. Current liabilities - F. Accruals and deferred income	18.413	18.418	19.110	19.062
Total debt	A 1.958.984	1.983.784	1.793.954	1.813.764
Total assets	4.222.790	4.250.146	3.483.333	3.504.293
To be excluded:				
- E. Financial fixed assets - Financial instruments at fair value through profit and loss - Permitted hedging instruments	0	0	3.252	3.252
Total assets	B 4.222.790	4.250.146	3.480.081	3.501.041
Gearing ratio	A/B 46,4%	46,7%	51,5%	51,8%

9.8 Loan-to-value

in euros (x 1 000)	31.12.2019		31.12.2018	
		(IFRS)		(IFRS)
Non-current and current financial liabilities		1.854.828		1.697.751
Cash and cash equivalents		3.604		1.724
Net financial debt	A	1.851.223		1.696.027
Fair value of the real estate portfolio (excluding right of use concessions)		3.963.820		3.259.152
Fair value of the solar panels		121.010		117.366
Financing of and participations in associated companies and joint ventures		24.450		15.460
Total portfolio	B	4.109.280		3.391.978
Loan-to-value	A/B	45,0%		50,0%

9.9 Net debt / EBITDA (adjusted)

in euros (x 1 000)	31.12.2019		31.12.2018	
Long-term and short-term financial liabilities (IFRS)		1.854.828		1.697.751
- Cash and cash equivalents (IFRS)		-3.604		-1.724
Net debt (IFRS)	A	1.851.223		1.696.027
Operating result (before the result on the portfolio) (IFRS) (TTM) ¹	B	191.761		166.618
+ Depreciation and write-down on solar panels		6.526		4.937
+ Share in the EPRA Earnings of joint ventures		610		256
EBITDA (IFRS)	C	198.897		171.811
Net debt / EBITDA	A/C	9,3x		9,9x

in euros (x 1 000)	31.12.2019		31.12.2018	
Long-term and short-term financial liabilities (proportional)		1.872.174		1.710.389
- Cash and cash equivalents (proportional)		-4.433		-2.720
Net debt (proportional)	A	1.867.741		1.707.668
- Projects under development x Loan-to-value		-119.917		-80.725
- Financing to joint ventures x Loan-to-value		-1.065		-1.151
Net debt (proportional) (adjusted)	B	1.746.759		1.625.793
Operating result (before the result on the portfolio) (IFRS) (TTM) ¹	C	191.761		166.618
+ Depreciation and write-down on solar panels		6.526		4.937
+ Operating result (before the result on the portfolio) of joint ventures (TTM) ¹		1.026		462
Operating result (before the result on the portfolio) (proportional) (TTM) ¹	D	199.313		172.017
Adjustment for normalized EBITDA ²		18.193		7.611
EBITDA (proportional) (adjusted)	E	217.506		179.628
Net debt / EBITDA (adjusted)	B/E	8,0x		9,1x

¹ For the calculation of this APM, it is assumed that the operating result (before the result on the portfolio) is a proxy for EBITDA. TTM stands for trailing 12 months and means that the calculation is based on financial figures for the past 12 months.

² On a normalized basis, i.e. including the annualized impact of external growth in function of the realized disposals, acquisitions and projects.



MORE INFORMATION



WDP NV/SA
Blakebergen 15
1861 Wolvertem
Belgium

www.wdp.eu
investorrelations@wdp.eu

Joost Uwents
CEO

M +32 (0) 476 88 99 26
joost.uwents@wdp.eu

Mickael Van den Hauwe
CFO

M +32 (0) 473 93 74 91
mickael.vandenhauwe@wdp.eu

WDP develops and invests in logistics property (warehouses and offices). WDP's property portfolio amounts to around 5 million m². This international portfolio of semi-industrial and logistics buildings is spread over around 250 sites at prime logistics locations for storage and distribution in Belgium, France, the Netherlands, Luxembourg, Germany and Romania. More information about WDP can be found at www.wdp.eu.

WDP NV/SA – BE-REIT (public regulated real estate company under Belgian law).
Company number 0417.199.869 (Register of legal entities of Brussels, Dutch section)

10. Disclaimer

Warehouses De Pauw NV/SA, abbreviated WDP, having its registered office at Blakebergen 15, 1861 Wolvertem (Belgium), is a public Regulated Real Estate Company, incorporated under Belgian law and listed on Euronext.

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