



WDP

WAREHOUSES WITH BRAINS

PRESS RELEASE

Wednesday 23 October 2019, 07.00 am
Regulated information



www.wdp.eu

Interim statement on 30 September 2019

- ▶ EPRA Earnings for 9M 2019 amount to 114.0 million euros, an increase of 13% compared to 9M 2018. The EPRA Earnings per share amount to 4.91 euros, an increase of 8% compared to 9M 2018.
- ▶ WDP reaffirms its ambition to achieve EPRA Earnings per share of 6.50 euros for 2019, as well as a target gross dividend of 5.20 euros – an 8%-increase each.
- ▶ In the first nine months of 2019, around 400 million euros of new investments were secured within the framework of the new growth plan 2019-23.
- ▶ WDP legal form conversion from a partnership limited by shares ('Comm. VA') to a public limited company ('NV') as of October 2019.
- ▶ 7:1 split of WDP share from 2 January 2020.

1999 **20** 2019
YEARS OF



WDP

1. Summary

- ▶ EPRA Earnings¹ for 9M 2019 amount to 114.0 million euros, marking an increase of 12.6% over 2018 (101.2 million euros). The EPRA earnings per share² for 9M 2019 amounts to 4.91 euros, an increase of 7.9% over the figure of 4.55 euros from 2018.
- ▶ The net result (IFRS) – Group share for 9M 2019 amounts to 232.6 million euros, driven in part by a change of 192.0 million euros (or +5.1%) in the underlying value of the property portfolio. The net result (IFRS) – Group share per share for 9M 2019 amounts to 10.01 euros, compared to 8.73 euros in 2018.
- ▶ The occupancy rate³ was 97.3% on 30 September 2019, compared to 97.5% on 31 December 2018. The average duration (until the first termination date) of the lease contracts in the WDP portfolio is 5.9 years (including solar panels).
- ▶ As at 30 September 2019, the loan-to-value⁴ came to 50.1% and the gearing ratio (proportionate) to 51.5%, compared to 50.0% and 51.8%, respectively, as at 31 December 2018.
- ▶ The EPRA NAV⁵ was 80.2 euros on 30 September 2019, compared to 71.2 euros on 31 December 2018. The IFRS NAV was 74.6 euros on 30 September 2019, compared to 68.2 euros on 31 December 2018.
- ▶ Over the course of the third quarter of 2019, WDP was able to secure an investment value of approx. 75 million euros, bringing the total value of new investments within the 2019-23 growth plan to approx. 400 million euros.
- ▶ WDP and VIB Vermögen have signed a letter of intent for expansion of their respective logistics property portfolios in Germany in the regions of North Rhine-Westphalia, Bremen and Hamburg, throughout a joint venture to be established. The effective realisation of this joint venture is in its final stages and is scheduled for year-end 2019.
- ▶ On 11 September 2019, WDP's Extraordinary General Meeting approved the conversion of WDP's legal form (from a partnership limited by shares ('Comm. VA') with a statutory manager, to a public limited company ('NV') with a single-tier Board of Directors), the renewal of the authorisation for authorised capital and own share purchases and the 7:1

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.

split of the WDP share. The conversion was realised on 1 October 2019 and the share split will take place on 2 January 2020, as planned.

- ▶ For 2019, WDP confirms its ambition for EPRA Earnings of 6.50 euros per share (an increase of 8%). Based on this outlook, a dividend of 5.20 euros gross per share is proposed for 2019 (payable in 2020), marking another increase, this time of 8% over 2018.⁶

⁶ 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 a normal number of hours of sunshine.

2. Operating and financial activities during Q3 2019

2.1 Occupancy rate and leasing activity

On 30 September 2019, the property portfolio achieved an occupancy rate of 97.3%, compared to 97.5% at the end of 2018. Out of the 15% of leases that reached their next expiry date in 2019, 99% have been successfully extended (nearly 80% of which with existing customers). This reaffirms the trust customers have in WDP.

2.2 Acquisitions and divestments

2.2.1 Acquisitions

2.2.1.1 Acquisitions completed during the third quarter of 2019

The Netherlands

NEW **DE LIER, JOGCHEM VAN DER HOUTWEG 84:** purchase of new premises of around 7,700 m² for de Jong, enabling the tenant to expand its current surface area (de Jong already leases the adjoining WDP premises). The purchase price is approx. 10 million euros. De Jong will conclude a long-term lease for these additional premises. This purchase ties in with WDP's ambition to expand its location in De Lier and to explore further development opportunities.

NEW **HEERLEN:** purchase of a land resource to expand the existing pharma cluster developed by WDP in Heerlen. The commercialisation of this future newbuild location is in full swing. The investment budget for WDP is approx. 8 million euros.

2.2.1.2 Summary of all acquisitions during 2019

Location	Tenant	Lettable area (in m ²)	Investment budget (in million euros)
2019-23			
NL Zwolle, Galvaniweg	end user	52.000	38
NL De Lier, Jogchem van der Houtweg 84	De Jong	7.700	10
NL Heerlen	land reserve	80.000	8
NL		139.700	56
2019-23			
RO Cluj-Napoca	land reserve	80.000	6
RO		80.000	6
Total		219.700	61

2.2.2 Disposals

LEUVEN, VAART 25-35: anticipating the need for more housing in this part of the city, WDP entered into a partnership agreement with project developer L.I.F.E. to convert the existing Hungaria building into a residential tower block. As part of this project, WDP and L.I.F.E. are selling this site in phases.⁷ 71% of the surface area has already been sold. I Love Hungaria is scheduled for phased delivery starting in the autumn of 2019.

An amount of 10.2 million euros in *Assets held for sale* is currently recognised in the balance sheet. This covers the site at **LEUVEN – WILSELE** and part of the site at **ANDERLECHT**.

2.3 Projects completed in 2019

As announced, WDP successfully delivered the following pre-leased projects during the first nine months of 2019, for a total surface area of 215,000 m². The initial gross rental yield for all of these completed projects amounts to 6.6%, with an investment budget of approx. 136 million euros.

Location	Tenant	Delivery date	Lettable area (in m ²)	Investment budget (in million euros)
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	Lidl	3Q19	55.000	27
NL Heinoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22.075	18
NL Zwolle	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	LPP	3Q19	22.000	10
2019-23				
RO Bucharest - Dragomiresti	Arcese	3Q19	3.800	2
RO Bucharest - Dragomiresti	Mediapost	3Q19	10.000	5
RO			49.300	24
Total			215.210	136

⁷  See the [press release](#) of 30 April 2015.



2.4 Projects under development

WDP expects the total of projects under development (representing an investment volume of approx. 477 million euros⁸ and boasting a total surface area of around 662,000 m²) to generate an initial gross rental yield of around 7.2%, (namely around 6.2% in Western Europe and 8.3% in Romania).

2.4.1 Projects identified during the third quarter of 2019

Belgium



COURCELLES, RUE DE LIÈGE: the existing premises will be expanded by a surface area of approx. 2,200 m² (completion scheduled for Q3 2020). The entire site will then be leased to Conway, which already leases the WDP warehouse site at Jumez. Conway was looking for larger warehouse to facilitate the growth of its activities and will move to the Courcelles site on the basis of a nine-year lease. The investment budget for this expansion amounts to approx. 2 million euros.



NIJVEL, RUE DE L'INDUSTRIE 30: following a request from tenant WEG EUROPE, this warehouse site will be expanded by approx. 2,000 m². The investment budget for WDP comes to approx. 1 million euros. This development will be completed during the second quarter of 2020. WEG EUROPE will be signing a four-year lease for this expansion, in line with the lease for the existing building.

⁸ 225 million euros of this total has been invested so far.

NEW

ASSE - MOLLEM, ZONE 5 NO. 191, 192, 320, 321: redevelopment and expansion of the distribution centre for press distributor AMP. The project, which covers a total surface area of approx. 9,000 m², will be completed during the first quarter of 2020. The investment budget for WDP amounts to approx. 4 million euros. AMP will rent the renovated premises based on a four-year lease.

The Netherlands

NEW

BREDA, IABC: the final part of this site is currently being redeveloped and will be directly connected to the newbuild warehouse for Lidl, which will lease this 5,000 m² expansion based on a nine-year lease. The investment budget for this redevelopment amounts to approx. 3 million euros. Delivery is slated for the third quarter of 2020.

NEW

THE HAGUE, WESTVLIETWEG: redevelopment of the existing premises for CEVA Logistics into a brand-new distribution centre of approx. 26,000 m². During the construction period, CEVA Logistics will temporarily move its activities to a newbuild warehouse to be developed in Bleiswijk (see below). Completion of the premises in The Hague is scheduled for the second quarter of 2021. The investment budget for WDP amounts to approx. 19 million euros. CEVA Logistics will lease the site under a five-year lease contract.

NEW

BLEISWIJK, PRISMAPARK: realisation of a newbuild warehouse of approx. 22,000 m² in which CEVA Logistics will house its activities for one year during the redevelopment of its current site in The Hague (see above). Completion of this flexible and modular standard warehouse is scheduled for the second quarter of 2020, and the investment budget stands at approx. 13 million euros.

Romania

NEW

BUCHAREST – STEFANESTII DE JOS: realisation of a newbuild warehouse of approx. 10,000 m² for wheel manufacturer Alcar, with delivery slated for the third quarter of 2020. The investment budget amounts to approx. 5 million euros. Alcar has signed a five-year lease.

NEW

BUCHAREST – STEFANESTII DE JOS: realisation of a newbuild warehouse with a surface area of 2,000 m² for Aggreko, world leader in the field of equipment for temporary power generation, heating, cooling and dehumidifying. After completion (scheduled for Q1 2020), Aggreko will rent the site on a ten-year lease. The investment budget for this realisation amounts to approx. 2 million euros for WDP.

NEW

BUCHAREST – STEFANESTII DE JOS: construction of a distribution centre for office equipment specialist Lecom has started on the same site. Delivery of this project is slated for the second quarter of 2020. The investment budget amounts to approx. 1 million euros. Lecom will lease the building for a ten-year term.

2.4.2 Summary of all projects under development⁹

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 Asse - Mollem, Zone 5 nr. 191, 192, 320, 321	AMP	1Q20	9.000	4
BE Courcelles, rue de Liège 25	Conway	3Q20	2.190	2
BE Heppignies, rue de Capilône 6	Cora	1Q20	32.000	16
BE Lokeren	Barry Callebaut	3Q21	60.000	92
BE Nijvel, rue de l'industrie 30	WEG	2Q20	2.000	1
BE WDPort of Ghent	Distrilog	4Q19	10.000	4
BE			120.190	127
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, IABC	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, Het Klooster	Caldic	1Q20	15.000	12
NL Nieuwegein, Het Klooster	logistics company	3Q21	12.500	15
NL Rozenburg, Incheonweg	Various	1Q20	10.000	4
NL			161.900	135
2016-20				
RO Bucharest - Stefanestii de Jos	Metro	1Q20	58.000	33
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 - Dragomiresti	In commercialisation	4Q20	20.000	11
RO Bucharest - Stefanestii de Jos	Toya	4Q19	8.600	4
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 Oradea	Sogefi	4Q19	34.000	16
RO Paulesti	Iron Mountain	4Q20	10.500	5
RO Slatina	Pirelli	3Q20	62.000	40
RO			354.700	202
Total			661.790	477

⁹ 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).



2.5 Sustainability

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

▶ Solar panel project in the Netherlands

The second phase of the solar panel project in the Netherlands is currently in execution, for a total investment of approx. 20 million euros and a total additional capacity of 25 MWp, 13 MWp of which is currently in execution, by the end of 2019.

▶ 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. The eventual aim is to double the company's current capacity in Flanders. In an initial phase, WDP intends to install an additional capacity of 10 MWp by the end of 2019. The total investment budget for this installation amounts to approx. 8 million euros.

After completion of the projects under development for which commercial agreements have been successfully concluded, WDP will have a total installed capacity of 85 MWp. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

2.6 Status in relation to 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, 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 system intact.

In addition, WDP was in talks with the Dutch tax authority, 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). Talks between the Dutch tax authority and the company to flesh out the details are ongoing.¹⁰

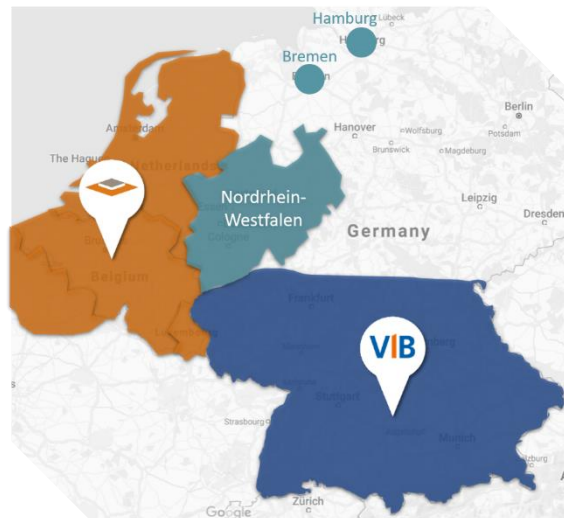
¹⁰ For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of current EPRA Earnings per share. In any case, it would never be applied retroactively.

2.7 Planned expansion of activities

WDP and VIB Vermögen have signed a letter of intent for joint expansion of their respective logistics property portfolios in Germany in the regions of North Rhine-Westphalia, Bremen and Hamburg. This planned 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. A 50/50 joint venture will be set up for this partnership. The effective realisation of this joint venture is in its final stages and is scheduled for year-end 2019.

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 Extraordinary General Meeting of 11 September 2019

At the Extraordinary General Meeting of 11 September 2019, the following agenda points were approved:

- ▶ 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 restrictions¹¹), as well as the renewal of the mandate of purchase of own shares.

¹¹  See also the [press release](#) by the BE-REIT Association of 26 April 2019.

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

2.9 Management of financial resources

- ▶ New credit facility

During the third quarter of 2019, WDP was able to secure additional credit lines of approx. 130 million euros with several Belgian and international banks.

- ▶ Hedge extension

Also during the third quarter of 2019, WDP was able to secure extensions until 2030 at a lower interest rate for a total notional amount of 225 million euros in hedges with maturity dates in 2022-25. This extension boils down to an annual savings of approx. 2 million euros starting from 2020. As before, this extension was realised in a cash-neutral manner, i.e. without any early termination fees or other costs. This brings the total of hedges extended during the first nine months of 2019 to 335 million euros, which constitutes a total saving of 3 million euros from 2020 — the equivalent of an organisational reduction in the cost of debt of -15 base points.

3. Financial results

3.1 Summary

The EPRA Earnings of WDP for the first nine months of 2019 amount to 114.0 million euros. This result represents an increase of 12.6% compared to the result of 101.2 million euros in Q3 2018. The EPRA Earnings per share come to 4.91 euros, an increase of 7.9% 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	30.09.2019	31.12.2018
Fair value of property portfolio (including solar panels) (in million euros)	3.912,5	3.449,6
Gross initial yield (including vacancies) ¹ (in %)	6,4	6,7
Net initial yield (EPRA) ² (in %)	5,7	6,0
Average lease term (until first break) ³ (in years)	5,9	5,8
Occupancy rate ⁴ (in %)	97,3	97,5
Like-for-like rental growth ⁵ (in %)	1,6	1,7
Operating margin ⁶ (in %)	91,6	91,8
Financial	30.09.2019	31.12.2018
Loan-to-value (in %) ⁷	50,1	50,0
Gearing ratio (proportional) (in line with the GVV/SIR Royal Decree) (in %)	51,5	51,8
Interest Coverage Ratio ⁸ (in x)	4,6	4,6
Average cost of debt (in %) ⁹	2,2	2,4
Average remaining duration of outstanding debt (in years)	4,4	4,4
Average remaining duration of long-term credit facilities (in years)	5,1	5,3
Hedge ratio ¹⁰ (in %)	80	91
Average remaining term of hedges ¹¹ (in years)	7,3	7,3
Result (in million euros)	30.09.2019	30.09.2018
Property result	161,8	139,7
Operating result (before the result on the portfolio)	148,3	128,3
Financial result (excluding change in the fair value of financial instruments) ¹²	-30,2	-24,2
EPRA Earnings ¹³	114,0	101,2
Result on the portfolio (including share joint ventures) - Group share ¹⁴	192,0	91,5
Change in the fair value of financial instruments - Group share	-68,5	5,6
Depreciation and write-down on solar panels (including share joint ventures) - Group share	-4,8	-4,1
Net result (IFRS) - Groupe share	232,6	194,3
Details per share (in euros)	30.09.2019	30.09.2018
EPRA Earnings ¹⁵	4,91	4,55
Result on the portfolio (including share joint ventures) - Group share ¹⁶	8,27	4,11
Change in fair value of the financial instruments - Group share	-2,95	0,25
Depreciation and write-down on solar panels - Group share	-0,21	-0,18
Net result (IFRS) - Group share	10,01	8,73
IFRS NAV ¹⁷	74,6	61,5
EPRA NAV ¹⁸	80,2	63,4
EPRA NNNAV ¹⁹	74,2	61,1

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.

Based on the comparison between 9M 2019 and 9M 2018.

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 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.

⁹ 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.

¹⁰ 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 gereguleerde vastgoedvennootschappen of 'GVV-Wet').

¹¹ The remaining duration of debt at fixed rate and interest rate hedges entered into to hedge the debt against interest rate fluctuations.

¹² 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.

¹³ 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.

¹⁴ 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.

¹⁵ The EPRA Earnings per share is the EPRA earnings based on the weighted average number of shares.

¹⁶ 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.

¹⁷ 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.

¹⁸ 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.

¹⁹ EPRA NNNAV: 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	30.09.2019	31.12.2018
EPRA Earnings (in euros per share) ²	4,91	4,55
EPRA NAV (in euros per share) ³	80,2	71,2
EPRA NNNNAV (in euros per share) ⁴	74,2	68,2
EPRA Net Initial Yield (in %)	5,7	6,0
EPRA Topped-up Net Initial Yield (in %)	5,7	6,0
EPRA vacancy rate (in %)	2,9	2,7
EPRA cost Ratio (incl. direct vacancy costs) (in %) ⁵	9,7	9,5
EPRA cost Ratio (excl. direct vacancy costs) (in %) ⁵	9,2	9,1

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. Based on the comparison between 9M 2019 and 9M 2018.

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 30 September 2019 (analytical schedule)

3.4.1 Property result

The property result amounts to 161.8 million euros for the first nine months of 2019, an increase of 15.9% compared to last year (139.7 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. With an unchanged portfolio, the rental income rose by +1.6%¹², mainly driven by the indexing of lease contracts. The property result also includes 13.1 million euros in income from solar panels, compared to 12.5 million euros in the same period last year, when the installed capacity was smaller. However, this increase is counterbalanced somewhat by the exceptionally high level of sunlight during the second and third quarters of 2018.

Gross rental income by country (in euros x 1 000)						
	Belgium	Netherlands	France	Romania	Total IFRS	Luxembourg ¹
I. Rental income	53.208	70.768	5.226	21.262	150.463	1.046
III. Rental charges ²	-126	267	-48	-90	3	7
Rental income, net of rental-related expenses	53.082	71.034	5.179	21.171	150.466	1.053

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

² The heading *Rental charges* mainly consists of *Provisions for trade receivables*.

¹² 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 148.3 million euros in the first nine months of 2019, an increase of 15.6% compared to the same period last year (128.3 million euros). Property and other general expenses amounted to 13.5 million euros for the first nine months of 2019, an increase of 2.1 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 the first nine months of 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)¹³ amounts to -30.2 million euros for the first nine months of 2019, an increase over last year (-24.2 million euros) due to higher outstanding financial debt and the recurring cost of -1.8 million euros for the concession land, which in accordance with IFRS 16, is accounted for under *Financial result* instead of under *Rental income, net of rental-related expenses* starting in 2019.

The total financial debt (as per IFRS) amounted to 1,928.8 million euros as at 30 September 2019, compared to 1,660.6 million euros in the same period last year. The average interest rate came to 2.2% over the first nine months of 2019, compared to 2.4% in 2018.

3.4.4 Share in the result of associated companies and joint ventures

The result of 0.5 million euros for the first nine months of 2019 is primarily from the underlying result of the core activities of the Luxembourg joint venture.

3.4.5 EPRA Earnings

The EPRA Earnings of WDP for the first nine months of 2019 amount to 114.0 million euros. This result marks an increase of 12.6% over the result of 101.2 million euros in 2018. The EPRA Earnings per share are up 7.9% year-on-year, to 4.91 euros, including an increase of 4% in the weighted average number of outstanding shares.

¹³ Financial result (exclusive of 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) – Group share¹⁴ for the first nine months of 2019 amounts to +192.0 million euros, or +8.27 euros per share¹⁵. For the same period last year, this result amounted to +91.5 million euros or +4.11 euros per share. This yields the following results by country for the first nine months of 2019: Belgium (+91.6 million euros), the Netherlands (+91.8 million euros), France (+3.0 million euros), Romania (+3.5 million euros) and Luxembourg (+2.1 million euros).

The revaluation of 192.0 million euros marks an increase in value of the underlying portfolio of 5.1%, mainly driven by sustained investor interest in logistics properties.

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 share¹⁶ amounts to -68.5 million euros or -2.95 euros per share for the first nine months of 2019 (compared to +5.6 million euros or +0.25 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 30 September 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 revaluated 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 not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -4.8 million euros. Since this impact involves a non-cash and

¹⁴ 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.

¹⁵ 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.

¹⁶ 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.

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 232.6 million euros in the first nine months of 2019 (compared to 194.3 million euros in the same period last year).

The difference between the net result (IFRS) - Group share of 232.6 million euros and the EPRA Earnings of 114.0 million euros is attributable to the negative change in the fair value of the interest hedging instruments, the positive fluctuation in the value of the portfolio and the depreciation and write-down on the solar panels.

3.5 Notes on the balance sheet as at 30 September 2019

3.5.1 Property portfolio¹⁷

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value¹⁸ of the WDP property portfolio according to IAS 40 amounted to 3,792.2 million euros on 30 September 2019, compared to 3,332.3 million euros at the start of the financial year (including *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels¹⁹, the total portfolio value grew to 3,912.5 million euros compared to 3,449.6 million euros at 2018 year-end.

This value of 3,912.5 million euros includes 3,455.3 million euros in completed properties (standing portfolio).²⁰ The projects under development account for a value of 240.9 million euros. In addition, WDP also holds land reserves in Heppignies, 's-Hertogenbosch, Breda and Schiphol and the land bank in Romania, at a fair value of 96.0 million euros.

The investments made in solar panels were valued at a fair value of 120.3 million euros as at 30 September 2019.

The overall portfolio is valued at a gross rental yield of 6.4%²¹. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.2%.

¹⁷ 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.

¹⁸ For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

¹⁹ Investments in solar panels are valued in compliance with IAS 16 by applying the revaluation model.

²⁰ Including a right of use of 45 million euros in relation to concession land in accordance with IFRS 16.

²¹ 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).

Portfolio statistics by country	Belgium	Netherlands	France	Luxembourg	Romania	Total
Number of lettable sites	82	95	7	2	27	213
Gross lettable area (in m ²)	1.803.168	2.081.394	192.574	32.746	678.023	4.787.905
Land (in m ²)	3.507.001	3.769.986	428.461	56.007	4.269.206	12.030.660
Fair value (in million euros)	1.269,5	1.794,5	122,9	37,0	568,3	3.792,2
% of total fair value	33%	47%	3%	1%	15%	100%
% change in fair value (YTD)	6,9%	5,1%	2,6%	8,8%	0,6%	5,1%
Vacancy rate (EPRA) ^{1,2}	5,1%	1,9%	2,4%	0,0%	0,8%	2,8%
Average lease length till first break (in y) ²	4,5	6,3	3,3	9,2	6,2	5,6
WDP gross initial yield ³	6,3%	6,0%	6,3%	6,4%	8,1%	6,4%
Effect of vacancies	-0,3%	-0,1%	-0,2%	0,0%	-0,1%	-0,2%
Adjustment gross to net rental income (EPRA)	-0,3%	-0,3%	-0,1%	-0,7%	-0,3%	-0,3%
Adjustments for transfer taxes	-0,1%	-0,3%	-0,3%	-0,4%	-0,1%	-0,2%
EPRA net initial yield ¹	5,6%	5,3%	5,7%	5,2%	7,6%	5,7%

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

² Excluding solar panels.

³ 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 80.2 euros on 30 September 2019. This marks an increase of 9.0 euros compared to an EPRA NAV per share of 71.2 euros on 31 December 2018 as a consequence of the profit generation, dividend payout and revaluation of the portfolio. The IFRS NAV per share²² came to 74.6 euros on 30 September 2019, compared to 68.5 euros on 31 December 2018.

3.6 Financial position

The total (long-term and short-term) financial debt has increased to 1,928.8 million euros as at 30 September 2019, compared to 1,697.8 million euros at the end of December 2018, mainly due to the realisation of the pre-leased project development pipeline. The short-term financial debt of 339.8 million euros mainly covers the traditional commercial paper programme (200 million euros), as well as the long-term debt maturing within the year (137.8 million euros).

The balance sheet total rose from 3,483.3 million euros on 31 December 2018 to 3,961.2 million euros by the end of September 2019. The gearing ratio (proportionate) remained fairly steady at 51.5% as at 30 September 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 50.1% as at 30 September 2019.

The weighted average term of WDP's outstanding financial debt on 30 September 2019 was 4.4 years²³. If only the total drawn and undrawn long-term loans are taken into

²² 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.

²³ Including the short-term debts, these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.


account, the weighted average term amounts to 5.1 years²⁴. On 30 September 2019, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 300 million euros²⁵.

The average cost of debt was 2.2% in the first nine months of 2019. The Interest Coverage Ratio²⁶ is equal to 4.6x for the same period, compared to 4.6x for the entire 2018 financial year. The hedge ratio²⁷, 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 80%, with a weighted average hedged term of 7.3 years.

²⁴ 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 maturity of long-term loans will be 5.3 years.

²⁵ Excluding the credit facilities to hedge the commercial paper programme.

²⁶ 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.

²⁷  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. Outlook²⁸

WDP confirms its ambition for an EPRA Earnings per share of 6.50 euros in 2019, an increase of 8% over 2018. Based on this outlook, WDP intends to propose a gross dividend of 5.20 euros for 2019, payable in 2020, also marking an increase of 8%, based on a low payout rate.

The main driver of these forecasts is the strong portfolio growth in 2018 thanks to pre-leased new construction projects and solar power projects, which will yield full returns in 2019. In addition, WDP currently holds a strong pre-leased project development pipeline of approx. 662,000 m² and a projected investment of 477 million euros, which will also start to contribute to the 2019 result.

In 2019, 15% of the contracts will reach their next maturity date, 99% 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 2019.

The projected growth in 2019 based on continued execution of the project development pipeline takes into account a forecast gearing ratio of around 52% for 2019 year-end and an average cost of debt of 2.2%.

²⁸ 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 a normal number of hours of sunshine.

5. Financial calendar

31 January 2020	Publication of 2019 annual results
29 April 2020	Annual General Meeting
4 May 2020	Ex-dividend date 2019
5 May 2020	Dividend record date 2019

6. Financial statements – Key figures as at 30 September 2019 – analytical (results and balance sheet)

6.1 Consolidated results for the first nine months of 2019

Consolidated results (in euros x 1 000)	9M 2019	9M 2018	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	149.856	127.751	22.105	17,3%
Indemnification related to early lease terminations	611	-20	631	n.r.
Income from solar energy	13.129	12.463	666	5,3%
Other operating income/costs	-1.779	-539	-1.240	n.r.
Property result	161.816	139.655	22.162	15,9%
Property charges	-5.263	-4.498	-766	17,0%
General company expenses	-8.271	-6.906	-1.365	19,8%
Operating result (before the result on the portfolio)	148.282	128.251	20.032	15,6%
Financial result (excluding change in the fair value of the financial instruments)	-30.163	-24.157	-6.006	24,9%
Taxes on EPRA Earnings	-1.295	-945	-350	n.r.
Deferred taxes on EPRA Earnings	-575	-286	-289	n.r.
Share in the result of associated companies and joint ventures	495	249	246	n.r.
Minority interests	-2.776	-1.891	-886	46,8%
EPRA Earnings	113.967	101.220	12.747	12,6%
Change in the fair value of investment properties (+/-)	195.377	93.184	102.193	n.r.
Result on disposal of investment property (+/-)	-222	-417	195	n.r.
Deferred taxes on the result on the portfolio (+/-)	-4.417	-1.195	-3.221	n.r.
Share in the result of associated companies and joint ventures	2.098	622	1.476	n.r.
Result on the portfolio	192.836	92.193	100.643	n.r.
Minority interests	-864	-668	-196	n.r.
Result on the portfolio - Group share	191.972	91.526	100.447	n.r.
Change in the fair value of financial instruments	-68.520	5.605	-74.125	n.r.
Change in the fair value of financial instruments	-68.520	5.605	-74.125	n.r.
Minority interests	0	0	0	n.r.
Change in the fair value of financial instruments - Group share	-68.520	5.605	-74.125	n.r.
Depreciation and write-down on solar panels	-5.203	-4.236	-967	n.r.
Share in the result of associated companies and joint ventures	0	0	0	n.r.
Depreciation and write-down on solar panels	-5.203	-4.236	-967	n.r.
Minority interests	385	164	220	n.r.
Depreciation and write-down on solar panels - Group share	-4.818	-4.072	-746	n.r.
Net result (IFRS)	235.857	196.673	39.184	n.r.
Minority interests	-3.256	-2.394	-862	n.r.
Net result (IFRS) - Group share	232.601	194.279	38.322	n.r.

Key ratios (in euros per share)	9M 2019	9M 2018	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	4,91	4,55	0,36	7,9%
Result on the portfolio - Group share ¹	8,27	4,11	4,15	n.r.
Change in the fair value of financial instruments - Group share ¹	-2,95	0,25	-3,20	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,21	-0,18	-0,02	n.r.
Net result (IFRS) - Group share ¹	10,01	8,73	1,28	n.r.
EPRA Earnings ²	4,87	4,49	0,38	8,6%

Weighted average number of shares	23.225.748	22.250.056	975.692	4,4%
Number of outstanding shares at the end of the period	23.391.315	22.551.462	839.853	3,7%

¹ Calculation based on the weighted average number of shares.

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

6.2 Consolidated results for the third quarter of 2019

Consolidated results (in euros x 1 000)	Q3 2019	Q3 2018	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	51.849	44.063	7.787	17,7%
Indemnification related to early lease terminations	0	-22	22	n.r.
Income from solar energy	5.244	5.236	8	0,1%
Other operating income/costs	92	278	-186	n.r.
Property result	57.185	49.555	7.630	15,4%
Property charges	-1.705	-1.371	-334	24,4%
General company expenses	-2.958	-2.420	-538	22,2%
Operating result (before the result on the portfolio)	52.521	45.764	6.757	14,8%
Financial result (excluding change in the fair value of the financial instruments)	-10.411	-8.615	-1.796	20,9%
Taxes on EPRA Earnings	-440	-414	-26	n.r.
Deferred taxes on EPRA Earnings	-223	164	-387	n.r.
Share in the result of associated companies and joint ventures	251	35	216	n.r.
Minority interests	-935	-777	-158	n.r.
EPRA Earnings	40.764	36.157	4.607	12,7%
Change in the fair value of investment properties (+/-)	43.020	56.634	-13.614	n.r.
Result on disposal of investment property (+/-)	-2	-69	68	n.r.
Deferred taxes on the result on the portfolio (+/-)	-2.112	-262	-1.850	n.r.
Share in the result of associated companies and joint ventures	499	137	362	n.r.
Result on the portfolio	41.405	56.440	-15.035	n.r.
Minority interests	-596	-170	-426	n.r.
Result on the portfolio - Group share	40.809	56.270	-15.461	n.r.
Change in the fair value of financial instruments	-22.600	9.087	-31.687	n.r.
Change in the fair value of financial instruments	-22.600	9.087	-31.687	n.r.
Minority interests	0	0	0	n.r.
Change in the fair value of financial instruments - Group share	-22.600	9.087	-31.687	n.r.
Depreciation and write-down on solar panels	-1.300	-1.527	228	n.r.
Share in the result of associated companies and joint ventures	0	0	0	n.r.
Depreciation and write-down on solar panels	-1.300	-1.527	228	n.r.
Minority interests	47	99	-52	n.r.
Depreciation and write-down on solar panels - Group share	-1.253	-1.428	175	n.r.
Net result (IFRS)	59.205	100.934	-41.730	n.r.
Minority interests	-1.485	-848	-636	n.r.
Net result (IFRS)	57.720	100.086	-42.366	n.r.

Key ratios (in euros per share)	Q3 2019	Q3 2018	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings ¹	1,74	1,61	0,14	8,5%
Result on the portfolio - Group share ¹	1,74	2,50	-0,75	n.r.
Change in the fair value of financial instruments - Group share ¹	-0,97	0,40	-1,37	n.r.
Depreciation and write-down on solar panels - Group share ¹	-0,05	-0,06	0,01	n.r.
Net result (IFRS) - Group share ¹	2,47	4,45	-1,98	n.r.
EPRA Earnings ²	1,74	1,60	0,14	8,7%
Weighted average number of shares	23.391.315	22.512.941	878.374	3,9%
Number of outstanding shares at the end of the period	23.391.315	22.551.462	839.853	3,7%

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)	30.09.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	340	252	88	n.r.
Investment property	3.739.516	3.299.864	439.653	13,3%
Other tangible fixed assets (including solar panels)	124.132	120.426	3.706	3,1%
Financial fixed assets	4.743	7.877	-3.134	-39,8%
Trade receivables and other fixed assets	5.608	4.972	636	12,8%
Deferred taxes - assets	0	0	0	n.r.
Participations in associated companies and joint ventures	18.784	10.636	8.148	76,6%
Fixed assets	3.893.124	3.444.026	449.098	13,0%
Assets held for sale	10.158	739	9.418	n.r.
Trade receivables	16.200	9.987	6.213	n.r.
Tax receivables and other current assets	37.173	18.990	18.183	n.r.
Cash and cash equivalents	769	1.724	-955	n.r.
Accruals and deferrals	3.733	7.867	-4.134	n.r.
Current assets	68.033	39.307	28.726	n.r.
Total assets	3.961.157	3.483.333	477.824	n.r.
Capital	179.210	176.684	2.526	1,4%
Issue premiums	686.874	646.286	40.587	6,3%
Reserves	646.192	428.767	217.425	50,7%
Net result for the financial year	232.601	328.784	-96.183	-29,3%
Shareholders' equity attributable to Group shareholders	1.744.877	1.580.521	164.355	10,4%
Minority interests	43.403	29.994	13.409	44,7%
Shareholders' equity	1.788.280	1.610.516	177.765	11,0%
Long-term liabilities	1.760.180	1.577.336	182.844	11,6%
Long-term financial liabilities	1.588.974	1.476.586	112.388	7,6%
Other long-term liabilities	171.206	100.750	70.456	69,9%
Short-term liabilities	412.696	295.481	117.215	39,7%
Short-term financial liabilities	339.810	221.165	118.645	53,6%
Other short-term liabilities	72.886	74.316	-1.430	-1,9%
Liabilities	2.172.876	1.872.817	300.059	16,0%
Total liabilities	3.961.157	3.483.333	477.824	13,7%

Key ratios	30.09.2019	31.12.2018	Δ y/y (abs.)	Δ y/y (%)
(in euros per share)				
IFRS NAV	74,6	68,5	6,1	8,8%
EPRA NAV	80,2	71,2	9,1	12,7%
Share price	168,4	115,2	53,2	46,2%
Premium/Discount with respect to EPRA NAV	109,9%	61,9%	48,0%	n.r.
(in euros x million)				
Fair value of the portfolio (including solar panels) ¹	3.912,5	3.449,6	462,9	13,4%
Loan-to-value	50,1%	50,0%	0,1%	n.r.
Gearing ratio (proportional) ²	51,5%	51,8%	-0,3%	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 30 September 2019 – IFRS

7.1 Profit and loss account

Income statement (in euros x 1 000)	9M 2019	FY 2018	9M 2018
Rental income	150.463	175.822	128.778
Costs related to leases	3	-1.816	-1.047
Net rental result	150.466	174.006	127.731
Recovery of property costs	0	0	0
Recovery of rental charges and taxes normally paid by the tenant on let properties	15.304	10.978	9.979
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	-18.685	-13.175	-11.822
Other income and charges related to leases	14.732	16.061	13.767
Property result	161.816	187.923	139.655
Technical costs	-3.317	-4.059	-2.948
Commercial costs	-511	-831	-640
Property management costs	-1.435	-1.381	-909
Property charges	-5.263	-6.271	-4.498
Property operating results	156.553	181.652	135.157
General company expenses	-8.271	-10.097	-6.906
Other operating income and expenses (depreciation and write-down on solar panels)	-5.203	-4.937	-4.236
Operating result (before the result on the portfolio)	143.079	166.618	124.014
Result on disposals of investment properties	-222	787	-417
Change in the fair value of investment properties	195.377	213.811	93.184
Operating result	338.234	381.215	216.781
Financial income	329	324	186
Net interest charges	-29.622	-32.517	-23.719
Other financial charges	-870	-819	-625
Change in the fair value of financial assets and liabilities	-68.520	-9.027	5.605
Financial result	-98.684	-42.039	-18.553
Share in the results of associated companies and joint ventures	2.593	466	871
Result before taxes	242.144	339.642	199.099
Taxes	-6.287	-5.796	-2.427
Net result	235.857	333.846	196.673
Attributable to:			
Minority interests	3.256	5.063	2.394
Shareholders of the Group	232.601	328.784	194.279
Weighted average number of shares	23.225.748	22.379.427	22.250.056
Net result per share (in euros)	10,01	14,69	8,73
Diluted net result per share (in euros)	10,01	14,69	8,73

7.2 Consolidated balance sheet

Balance sheet - Assets (in euros x 1 000)	30.09.2019	31.12.2018	30.09.2018
Fixed assets	3.893.124	3.444.026	3.137.232
Intangible fixed assets	340	252	198
Investment property	3.739.516	3.299.864	2.994.617
Other tangible fixed assets (including solar panels)	124.132	120.426	114.814
Financial fixed assets	4.743	7.877	10.448
Trade receivables and other fixed assets	5.608	4.972	5.914
Deferred taxes - assets	0	0	0
Participations in associated companies and joint ventures	18.784	10.636	11.241
Current assets	68.033	39.307	50.286
Assets held for sale	10.158	739	19.134
Trade receivables	16.200	9.987	15.240
Tax receivables and other current assets	37.173	18.990	7.471
Cash and cash equivalents	769	1.724	2.304
Accruals and deferrals	3.733	7.867	6.136
Total assets	3.961.157	3.483.333	3.187.518

Balance sheet - Liabilities (in euros x 1 000)	30.09.2019	31.12.2018	30.09.2018
Shareholder's equity	1.788.280	1.610.516	1.414.124
I. Shareholder's equity attributable to the parent company shareholders	1.744.877	1.580.521	1.386.558
Capital	179.210	176.684	173.035
Issue premiums	686.874	646.286	593.003
Reserves	646.192	428.767	426.241
Net result for the financial year	232.601	328.784	194.279
II. Minority interests	43.403	29.994	27.566
Liabilities	2.172.876	1.872.817	1.773.393
I. Non-current liabilities	1.760.180	1.577.336	1.471.949
Provisions	357	359	349
Non-current financial liabilities	1.588.974	1.476.586	1.427.167
Other non-current financial liabilities	161.354	96.184	43.127
Trade payables and other non-current liabilities	0	0	0
Deferred taxes - Liabilities	9.495	4.207	1.305
II. Current liabilities	412.696	295.481	301.444
Current financial liabilities	339.810	221.165	233.419
Other current financial liabilities	168	168	0
Trade payables and other current debts	47.159	47.314	47.572
Other current liabilities	11.513	7.724	8.049
Accrued charges and deferred income	14.046	19.110	12.405
Total liabilities	3.961.157	3.483.333	3.187.518

8. EPRA Performance measures²⁹

8.1 EPRA Earnings

in euros (x 1 000)

	9M 2019	9M 2018
Earnings per IFRS income statement	232.601	194.279
Adjustments to calculate the EPRA Earnings, exclude:		
I. Changes in value of investment properties, development properties held for investment and other interests	-190.174	-88.947
- Changes in the value of the real estate portfolio	-195.377	-93.184
- Depreciation and write-down on solar panels	5.203	4.236
II. Profit or losses on disposal of investment properties, development properties held for investment and other interests	222	417
VI. Changes in fair value of financial instruments and associated close-out costs	68.520	-5.605
VIII. Deferred tax in respect of EPRA adjustments	4.417	1.195
IX. Adjustments (i) to (viii) to the above in respect of joint ventures	-2.098	-622
X. Minority interests in respect of the above	479	503
EPRA Earnings	113.967	101.220
Weighted average number of shares	23.225.748	22.250.056
EPRA Earnings per share (EPS) (in euros)	4,91	4,55

8.2 EPRA NAV

in euros (x 1 000)

	30.09.2019	31.12.2018
IFRS NAV	1.744.877	1.580.521
IFRS NAV/share (in euros)	74,6	68,5
Diluted NAV, after the exercise of options, convertibles and other equity interests	1.744.877	1.580.521
Includes (+/-):		
(IV) Fair value of financial instruments	120.456	51.936
(V.a) Deferred tax	11.694	8.710
EPRA NAV	1.877.027	1.641.168
Number of shares	23.391.315	23.061.390
EPRA NAV per share (in euros)	80,2	71,2
EPRA NAV	1.877.027	1.641.168
Includes:		
I. Fair value of financial instruments	-120.456	-51.936
II. Fair value of debt	-9.094	-8.066
III. Deferred tax	-11.694	-8.710
EPRA NNNAV	1.735.783	1.572.455
Number of shares	23.391.315	23.061.390
EPRA NNNAV per share (in euros)	74,2	68,2

²⁹ EPRA is a registered trademark of the European Public Real-estate Association.

8.3 EPRA cost ratio

in euros (x 1 000)

		9M 2019	9M 2018	
Include:				
I.	Administrative/operating expenses (IFRS)	-16.403	-13.267	
	I-1. Impairments of trade receivables	-307	-86	
	I-2. Recovery of property charges	0	0	
	I-3. Recovery of rental charges and taxes normally paid by the tenant on let properties	-2.562	-1.777	
	I-4. Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	
	I-5. Property charges	-5.263	-4.498	
	I-6. General company expenses	-8.271	-6.906	
III.	Management fees less actual/estimated profit element	726	723	
V.	Administrative/operating expenses of joint ventures expense	-268	-235	
Exclude (if part of the above):				
VI.	Investment property depreciation	227	228	
	Administrative/operating expenses related to solar panels	1.241	1.114	
	EPRA costs (including direct vacancy costs)	A	-14.477	-11.437
IX.	Direct vacancy costs	745	487	
	EPRA costs (excluding direct vacancy costs)	B	-13.732	-10.950
X.	Gross rental income (IFRS)	149.853	128.798	
	Less net ground rent costs	-1.226	-961	
XII.	Gross rental income of joint ventures	1.046	690	
	Less net ground rent costs	-84	-17	
	Gross rental income	C	149.589	128.510
	EPRA cost ratio (including direct vacancy costs)	A/C	9,7%	8,9%
	EPRA cost ratio (excluding direct vacancy costs)	B/C	9,2%	8,5%

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8.4 EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1 000)

		30.09.2019	31.12.2018	
	Investment property - wholly owned	3.739.516	3.299.864	
	Investment property - share of joint ventures	42.195	29.796	
	Less developments, land reserves and the right of use of concessions	-408.541	-318.257	
	Completed property portfolio	3.373.170	3.011.401	
	Allowance for estimated purchasers' costs	140.129	128.903	
	Gross up completed property portfolio valuations	B	3.513.298	3.140.305
	Annualised cash passing rental income	208.966	195.387	
	Property outgoing	-10.411	-6.271	
	Annualised net rent	A	198.555	189.116
	Notional rent expiration of rent free period or other lease incentives	0	0	
	Topped-up net annualised rent	C	198.555	189.116
	EPRA NIY	A/B	5,7%	6,0%
	EPRA TOPPED-UP NIY	C/B	5,7%	6,0%

9. Alternative Performance Measures³⁰

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

in euros (x 1 000)

	9M 2019	9M 2018
Movement in the fair value of investment property	195.377	93.184
Result on disposal of investment property	-222	-417
Deferred taxation on result on the portfolio	-4.417	-1.195
Participation in the result of associated companies and joint ventures	2.098	622
Result on the portfolio	192.836	92.193
Minority interests	-864	-668
Result on the portfolio - Group share	191.972	91.526

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

in euros (x 1 000)

	9M 2019	9M 2018
Properties owned throughout the two years	116.252	114.452
Development property	31.585	13.372
Acquisitions	3.033	1.055
Disposals	46	1.153
Total	150.917	130.032
To be excluded		
Rental income of joint ventures	-1.064	-1.255
Indemnification related to early lease terminations	611	0
Rental income (IFRS)	150.463	128.777

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³⁰ Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter 8. *EPRA Performance measures*.

9.3 Average cost of debt

in euros (x 1 000)

	9M 2019	FY 2018
Financial result (IFRS)	-98.684	-42.039
To be excluded:		
Changes in fair value of financial assets and liabilities	68.520	9.027
Interest capitalised during construction	-2.213	-4.417
Interest cost related to leasing debts booked in accordance with IFRS 16	1.699	0
Other financial costs and revenues	-213	-324
To be included		
Interest expenses of joint ventures	-81	-87
Effective financial expenses (proportional) (A)	-30.972	-37.840
Average outstanding financial liabilities (IFRS)	1.826.942	1.571.037
Average outstanding financial liabilities of joint ventures	12.620	19.389
Average outstanding financial liabilities (proportional) (B)	1.839.562	1.590.425
Annualised Average cost of debt (A/B)	2,2%	2,4%

9.4 Operating margin

in euros (x 1 000)

	9M 2019	9M 2018
Property result (IFRS)	161.816	139.655
Operating result (before the portfolio result) (excluding depreciation and write-downs on solar panels)	148.282	128.251
Operating margin	91,6%	91,8%

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

in euros (x 1 000)

	9M 2019	9M 2018
Financial result	-98.684	-18.553
To be excluded:		
Changes in fair value of financial assets and liabilities	68.520	-5.605
Financial result (excluding the changes in fair value of financial instruments)	-30.163	-24.157

9.6 Hedge ratio

in euros (x 1 000)

	30.09.2019	31.12.2018
Notional amount of Interest Rate Swaps	1.172.927	1.174.618
Fixed-interest financial liabilities	6.356	7.072
Fixed-interest bonds	366.500	366.500
Fixed-interest financial liabilities at balance sheet date and hedging instruments (A)	1.545.783	1.548.190
Current and non-current financial liabilities (IFRS)	1.928.784	1.697.751
Proportional share in joint ventures in current and non-current financial liabilities	12.446	12.637
Financial liabilities at balance sheet date (B)	1.941.230	1.710.389
Hedge ratio (A/B)	80%	91%

9.7 Gearing ratio

in euros (x 1 000)

	30.09.2019 (IFRS)	30.09.2019 (proportional)	31.12.2018 (IFRS)	31.12.2018 (proportional)
Non-current and current liabilities	2.172.876	2.198.415	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	120.456	120.456	55.188	55.188
- I. Non-current liabilities - F. Deferred taxes - Liabilities	9.495	11.859	4.207	5.405
- II. Current liabilities - A. Provisions	0	0	0	0
- II. Current liabilities - E. Other current liabilities - Other: Hedging instruments	0	0	0	0
- II. Current liabilities - F. Accruals and deferred income	14.046	14.206	19.110	19.062
Total debt	A 2.028.523	2.051.537	1.793.954	1.813.764
Total assets	3.961.157	3.986.695	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 3.961.157	3.986.695	3.480.081	3.501.041
Gearing ratio	A/B 51,2%	51,5%	51,5%	51,8%

9.8 Loan-to-value

in euros (x 1 000)

	30.09.2019 (IFRS)	31.12.2018 (IFRS)
Non-current and current financial liabilities	1.928.784	1.697.751
Cash and cash equivalents	769	1.724
Net financial debt	A 1.928.015	1.696.027
Fair value of the real estate portfolio (excluding right of use concessions)	3.706.473	3.259.152
Fair value of the solar panels	120.310	117.366
Financing of and participations in associated companies and joint ventures	23.527	15.460
Total portfolio	B 3.850.310	3.391.978
Loan-to-value	A/B 50,1%	50,0%



MORE INFORMATION



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