



**WDP**

WAREHOUSES WITH BRAINS

## 9M 2018 results

26 October 2018

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

# AGENDA

- ▶ Introduction
- ▶ Highlights 9M 2018
- ▶ Roll-out growth plan 2016-20
- ▶ Built on strong fundamentals
- ▶ 9M 2018 results
- ▶ Outlook 2018
- ▶ WDP share

# HIGHLIGHTS 9M 2018

EPS

**4.55**

euros  
+9% y/y

Occupancy  
rate

**97%**

sustained

Development  
pipeline

**ca. 340m**

euros

Portfolio

**>3bn**

euros

**POSITIONED  
FOR  
FURTHER  
GROWTH**

3

- ▶ Healthy operational and financial metrics sustained
- ▶ New investment volume of 250m euros secured YTD



**WDP**

WAREHOUSES WITH BRAINS

# ROLL-OUT SCORECARD AS OF 9M 2018



4

(1) Including solar projects.

(2) The identification rate of ca. 80% was realized after 55% of the time lapsed. The package of 1 billion euros investments (out of the envisaged 1,25 billion euros) refers to new projects and acquisitions identified within the context of the growth plan 2016-20. These are secured investments which are already reflected in the balance sheet or are in execution.

**WDP**

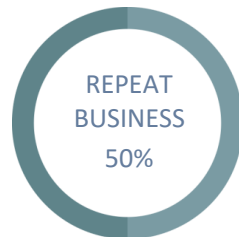
WAREHOUSES WITH BRAINS

# ACTIVE PORTFOLIO MANAGEMENT

GROWTH PLAN 2016-20

Targeted portfolio  
growth secured

**80%**  
(~1bn euros)



Acquisitions

**350m**  
euros

**Aquisitions gross**  
400m euros  
**Disposals**  
50m euros

Projects

**650m**  
euros

**Greenfield projects**  
515m euros  
**Redevelopments**  
100m euros  
**Solar**  
35m euros



**WDP**

WAREHOUSES WITH BRAINS





GROWTH PLAN 2016-20  
**TOWARDS A 3BN+ PORTFOLIO**

Capitalize on existing portfolio, clients and platform

Structural drivers underpinning demand for logistics space

Consolidating market leadership through repeat business

Improved access to funding through size



**WDP**

WAREHOUSES WITH BRAINS





logistic  
campus

e-commerce

sustainability

# GROWTH PLAN 2016-20

Strategy underpinned by  
structural macro trends in logistics  
and GDP growth

specialization

multimodality

last mile  
delivery

security

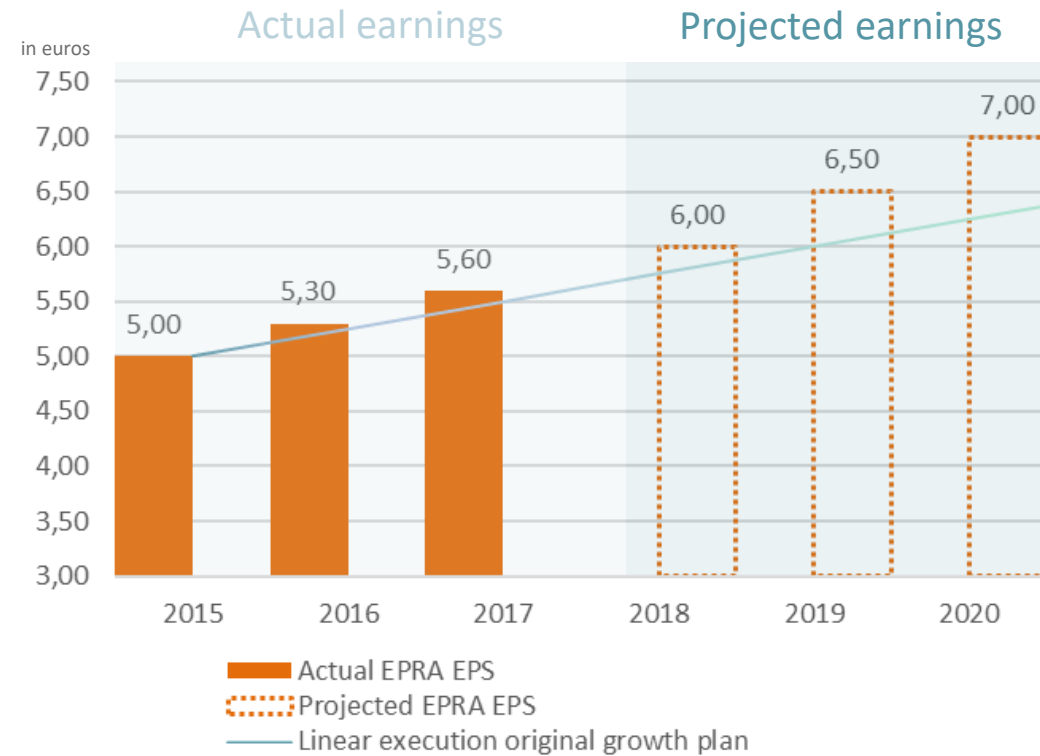


**WDP**

WAREHOUSES WITH BRAINS

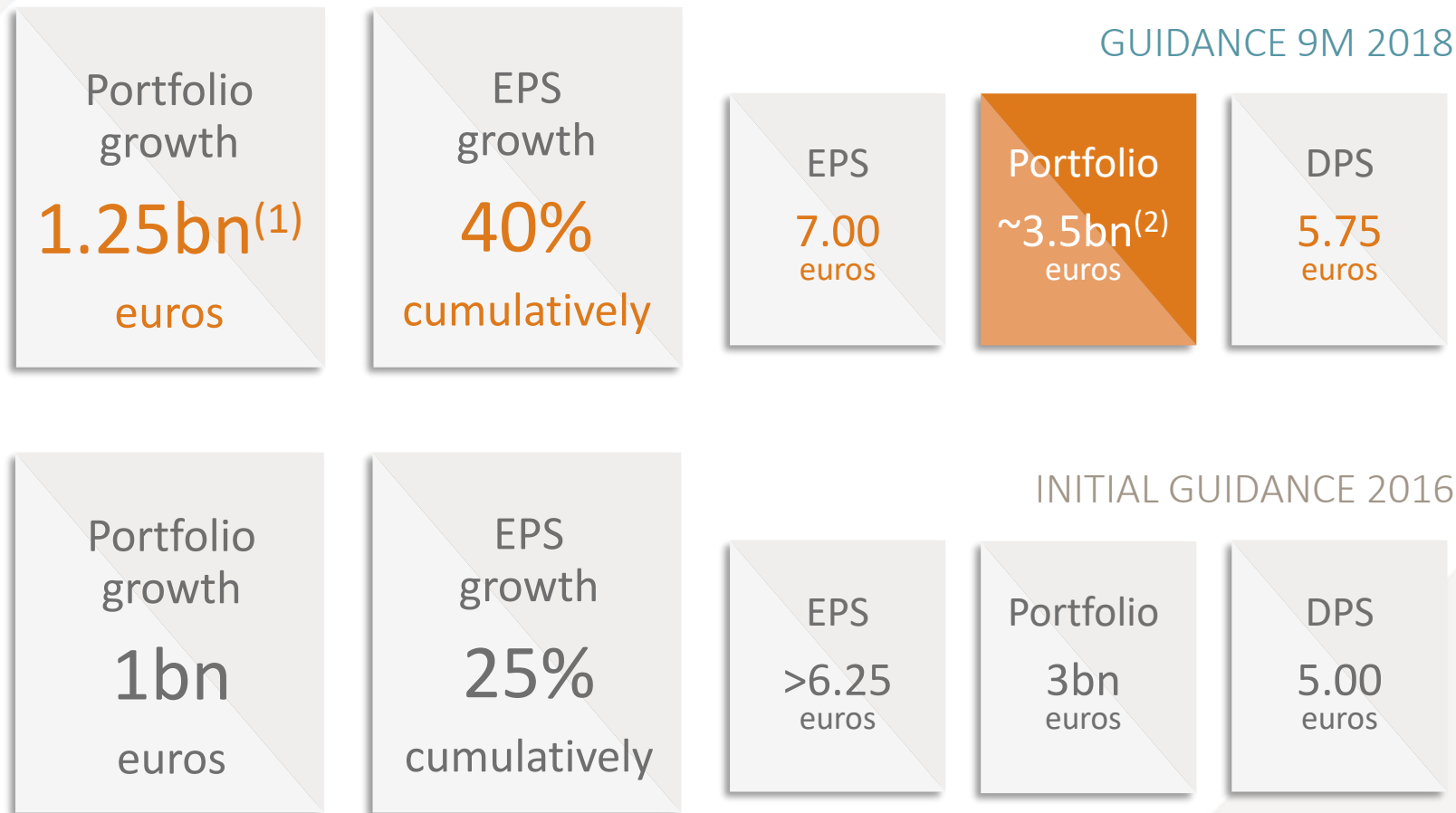


# 2016-20: EPRA EPS GROWTH





# GUIDANCE



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

(2) Including portfolio revaluations 2016-18YTD.



**WDP**

WAREHOUSES WITH BRAINS

## BASED ON

- ▶ Increasing portfolio with >60% or 1.25bn euros<sup>(1)</sup> in existing geographical markets
  - ▶ Growth mainly derived from the Netherlands and Romania
  - ▶ Acquisitions that add long-term value to the portfolio (including a high residual value and the potential to create partnerships with customers)
  - ▶ Realization of pre-let developments on existing and/or new land (through a combination of repeat business as well as through new partners)
  - ▶ Continued investments in alternative energy sources as well as projects for reducing energy consumption within the existing portfolio (such as the solar panel programme in the Netherlands)
- ▶ Continuation of matching property acquisitions with synchronous debt and equity issuance<sup>(2)</sup>
- ▶ Strong operational fundamentals (high occupancy, long lease duration, sustainable rent levels)
- ▶ Controlled cost of debt (based on a solid risk profile)

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

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

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

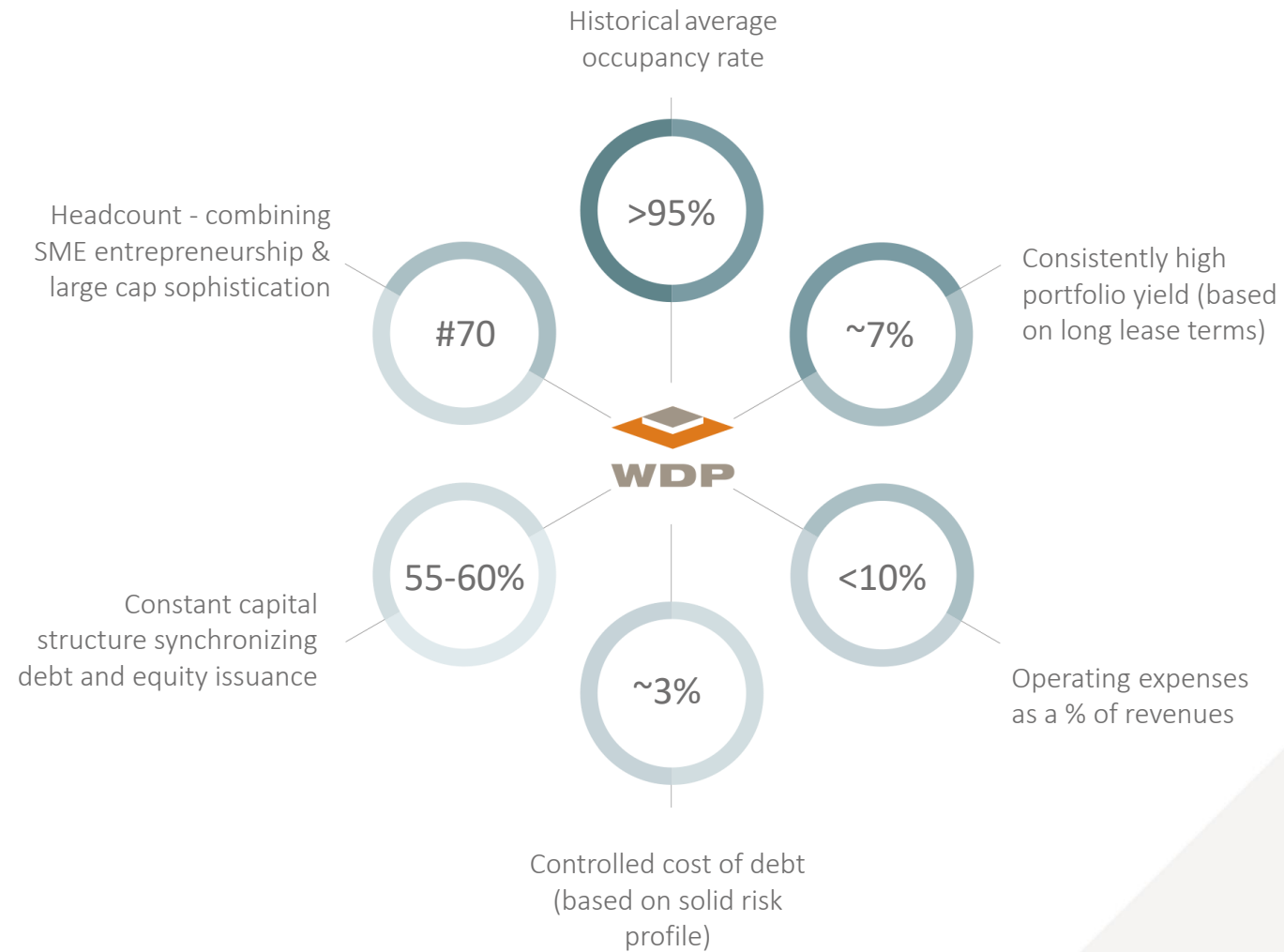


**WDP**

WAREHOUSES WITH BRAINS



# BUILT ON STRONG FUNDAMENTALS



# PURCHASES

Location	Tenant	Lettable area (in m <sup>2</sup> )
BE Asse-Zellik (1)	land reserve	14.000
BE Asse-Zellik (2)	land reserve	22.000
BE Asse-Zellik (3)	land reserve	52.000
BE		88.000
NL Veghel	land reserve	10.000
NL		10.000
RO Cluj-Napoca (4)	Profi	33.000
RO Brasov (2)	Flenco	20.000
RO Timisoara (6)	Procter & Gamble / various	37.000
RO		90.000
<b>Total</b>		<b>188.000</b>

Capex  
74m euros  
Gross initial yield<sup>(1)</sup>  
8.8%

(1) Excluding land reserve.



# PROJECTS EXECUTED

Location	Tenant	Delivery date	Lettable area (in m <sup>2</sup> )
NL Amsterdam, Kaapstadweg	DHL	3Q18	14.000
NL Bleiswijk, Maansteenweg/Spectrumlaan (1)	Mediq	3Q18	25.000
NL Bleiswijk, Maansteenweg/Spectrumlaan (3)	Toolstation	3Q18	11.900
NL Bleiswijk, Spectrumlaan 29	Total Exotics	1Q18	4.000
NL Bleiswijk, Spectrumlaan 31	Misi	1Q18	7.000
NL Echt, Fahrenheitweg	Dick Vijn	2Q18	14.000
NL Moerdijk, Energieweg 4	Gondrand Traffic	2Q18	18.000
<b>NL</b>			<b>93.900</b>
RO Aricestii Rahtivani	Kamtec	1Q18	4.500
RO Cluj-Napoca (3)	Profi	3Q18	11.000
RO Oarja (3)	CEVA Logistics	2Q18	29.000
RO Oarja (4)	CEVA Logistics	3Q18	18.000
RO Oradea (1)	Kuehne + Nagel	1Q18	4.000
RO Paulesti (1)	Global Enterprises International	2Q18	4.800
RO Ramnicu Valcea (3)	Faurecia	1Q18	4.800
RO Roman	Profi	2Q18	39.000
RO Timisoara (2)	TE Connectivity Solutions	1Q18	8.000
RO Timisoara (3)	Mömax	1Q18	3.000
RO Timisoara (4)	360 Co-Packing	1Q18	6.000
<b>RO</b>			<b>132.100</b>
<b>Total</b>			<b>226.000</b>

Capex  
128m euros  
Gross initial yield  
7.3%

# PROJECTS IN EXECUTION (PRE-LET)

Location	Tenant	Delivery date	Lettable area (in m <sup>2</sup> )
BE Heppignies, rue de Capilône 6	Trafic	4Q18	15.000
BE Tongeren, Heersterveldweg 17	GLS	4Q19	5.000
BE			20.000
LU Bettembourg (Eurohub Sud)	Auchan / Innovation First	4Q18	25.000
LU Bettembourg (Eurohub Sud)	End user (60%)	4Q19	25.000
LU			50.000
NL Arnhem, Bedrijvenpark Ijsseloord 2	Bunzl	2Q19	20.250
NL Barendrecht, Dierensteinweg 30 (C-D)	The Greenery	1Q19	23.700
NL Bleiswijk, Maansteenweg/Spectrumlaan (4)	Konings-Zuivel	1Q19	8.000
NL Bleiswijk, Maansteenweg/Spectrumlaan (5)	Hoogsteder	2Q19	8.000
NL Breda	Lidl	3Q19	55.000
NL Heerlen, Earl Bakkenstraat (2)	CEVA Logistics	4Q18	13.000
NL Heinenoord, Bedrijvenpark Hoekse Waard	VCKG Holding / New Corp Logistics	1Q19	22.075
NL Schiphol Logistics Park	Rapid Logistics / Panalpina	4Q18	17.000
NL Solar	Various	4Q18	10 MWp
NL Tiel, De Diepert 5	Kuehne + Nagel (38%)	4Q18	32.000
NL Veghel, Marshallweg 2	Kuehne + Nagel	4Q18	35.000
NL Zwolle (1)	wehkamp	4Q18	25.000
NL Zwolle (2)	Altrex	3Q19	3.885
NL			262.910



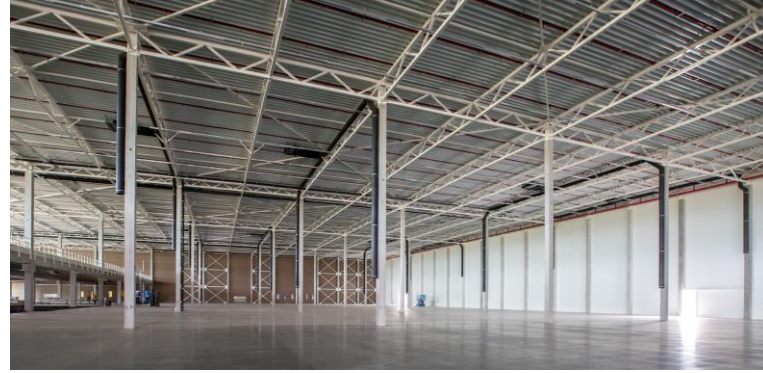
# PROJECTS IN EXECUTION (PRE-LET)

RO Brasov (3)	Inter Cars	4Q18	3.000
RO Bucharest - Dragomiresti (4)	Aquila Part Prod Com	4Q18	24.000
RO Bucharest - Dragomiresti (5)	Sarantis Romania	4Q18	10.000
RO Bucharest - Stefanestii de Jos (4)	Metro	1Q20	58.000
RO Bucharest - Stefanestii de Jos (5)	LPP	2Q19	22.000
RO Bucharest - Stefanestii de Jos (6)	Kitchen Shop	2Q19	2.500
RO Buzau	Ursus Breweries	3Q19	21.000
RO Constanta - Mihail Kogalniceanu	Vestas ceu Romania	4Q18	2.300
RO Oradea (2)	Inteva Products Salonta	4Q18	16.000
RO Paulesti (2)	Production company	4Q18	8.800
RO Sibiu (3)	Aeronamic Eastern Europe	2Q19	4.000
RO Timisoara (5)	360 Co-Packing	4Q18	15.000
RO			186.600
<b>Total</b>			<b>519.510</b>

Capex  
343m euros<sup>(1)</sup>

Gross initial yield  
7.3%

(1) Cost to date: 162m euros (this figure differs from the reported figure of 173m euros due to some projects held for disposal and the value of existing sites prior to the start of the redevelopment).





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

Freehold (full ownership)	Potential buildable surface (m <sup>2</sup> )
BE Heppignies	45.000
BE Courcelles	10.000
BE Various	70.000
NL Bleiswijk	30.000
NL s-Hertogenbosch	50.000
NL Schiphol Logistics Park	6.000
NL Various	10.000
RO Various	>500.000
Leasehold (options on concessions)	Potential buildable surface (m <sup>2</sup> )
BE WDPort of Ghent	150.000
BE Trilogiport	35.000
LU Eurohub Sud	25.000
Leasehold (exclusive options) <sup>(3)</sup>	Potential buildable surface (m <sup>2</sup> )
NL Schiphol Logistics Park	10.000
NL Nieuwegein	15.000
NL Bleiswijk	35.000

Fair value<sup>(1)</sup>  
100m euros

Potential<sup>(2)</sup>  
>1,000,000 m<sup>2</sup>

(1) Uncommitted development potential. The 114m euros refers to the fair value of the (freehold) land reserves in the balance sheet.

(2) Initiation subject to pre-letting, secured financing and permits.

(3) WDP has taken the commitment to acquire these three land plots respectively by end 2018 (Nieuwegein), end 2019 (Bleiswijk) and early 2020 (Schiphol) for a total amount of 30m euros.



**WDP**

WAREHOUSES WITH BRAINS

# PREPARING FOR GROWTH

## TOWARDS 500 MILLION EUROS PORTFOLIO WDP ROMANIA

Capital base of Romanian entity reinforced<sup>(1)</sup>

Ownership rate from 51/49 towards 80/20

Fully consolidated as from January 2018



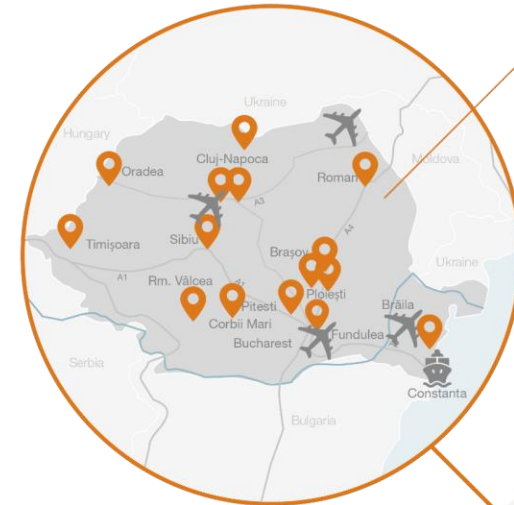
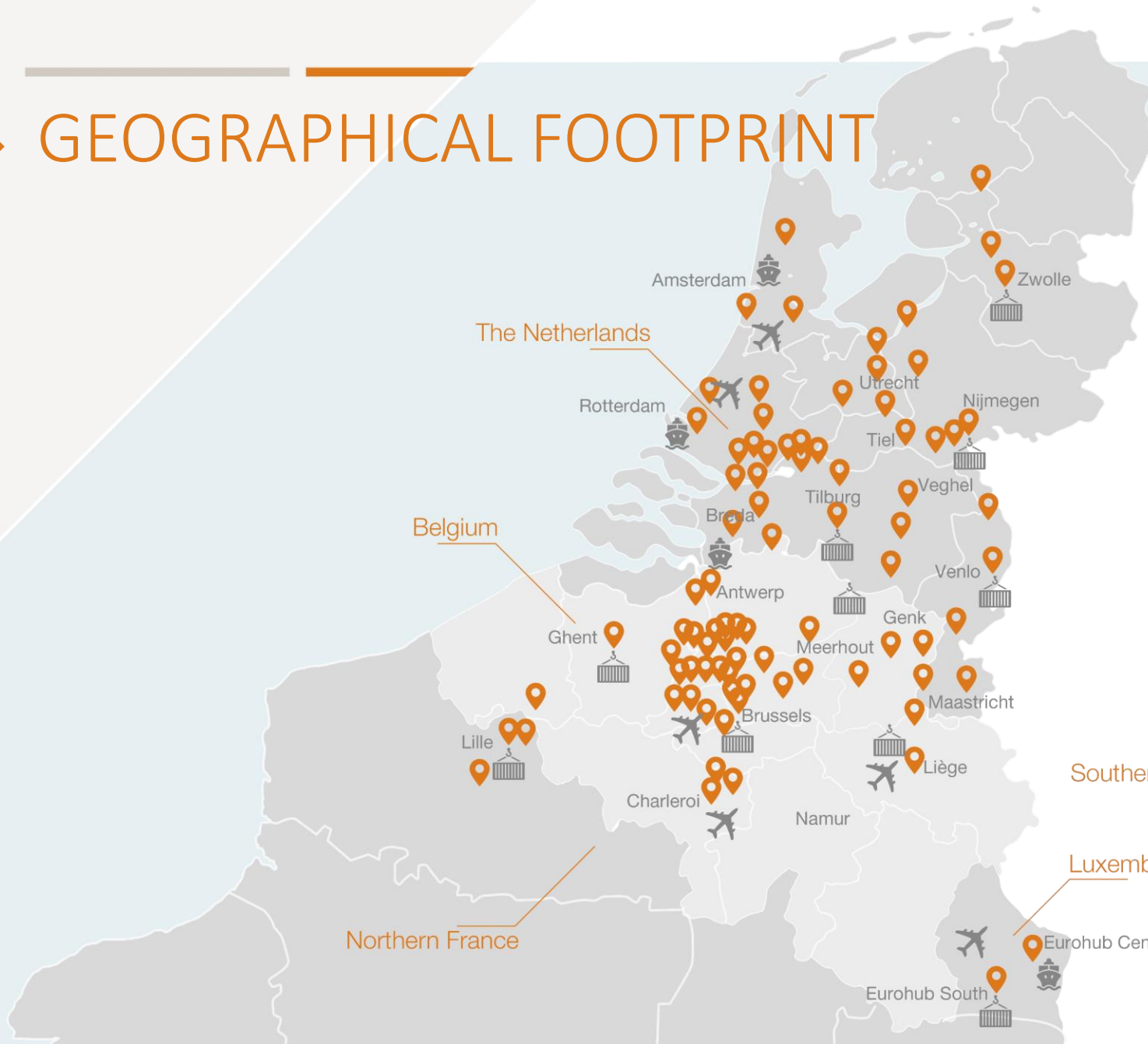
**WDP**

WAREHOUSES WITH BRAINS

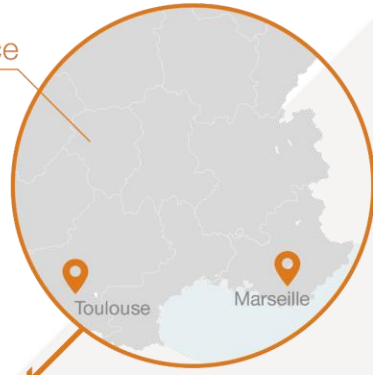
(1) Through a conversion of the subordinated loan provided by WDP.



# GEOGRAPHICAL FOOTPRINT



Romania



Southern France

Luxembourg



**WDP**  
WAREHOUSES WITH BRAINS

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

9M 2018

	BELGIUM	NETHERLANDS	FRANCE	LUXEMBOURG	ROMANIA	WDP GROUP
Fair value	1,097m euros	1,399m euros	127m euros	21m euros	395m euros	3,038m euros
Buildings	1,742,000 m <sup>2</sup>	1,756,000 m <sup>2</sup>	197,000 m <sup>2</sup>	15,000 m <sup>2</sup>	434,000 m <sup>2</sup>	4.1m m <sup>2</sup>
Land	3,414,000 m <sup>2</sup>	3,409,000 m <sup>2</sup>	471,000 m <sup>2</sup>	29,000 m <sup>2</sup>	3,242,000 m <sup>2</sup>	10.6m m <sup>2</sup>
Average lease length till first break	4.3y	6.4y	4.1y	1.2y	8.0y	5.6y
Vacancy rate	5.9%	0.9%	4.0%	0.0%	0.0%	2.8%
Gross yield (incl. ERV unlet)	6.8%	6.7%	6.5%	7.9%	8.4%	6.9%
EPRA net initial yield	6.1%	6.1%	5.8%	6.8%	8.1%	6.3%

20



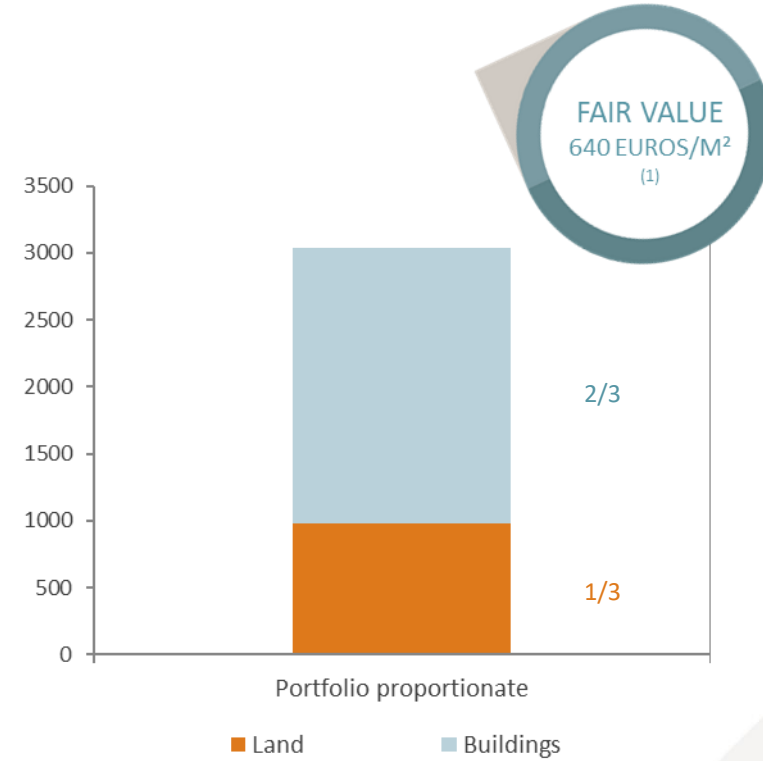
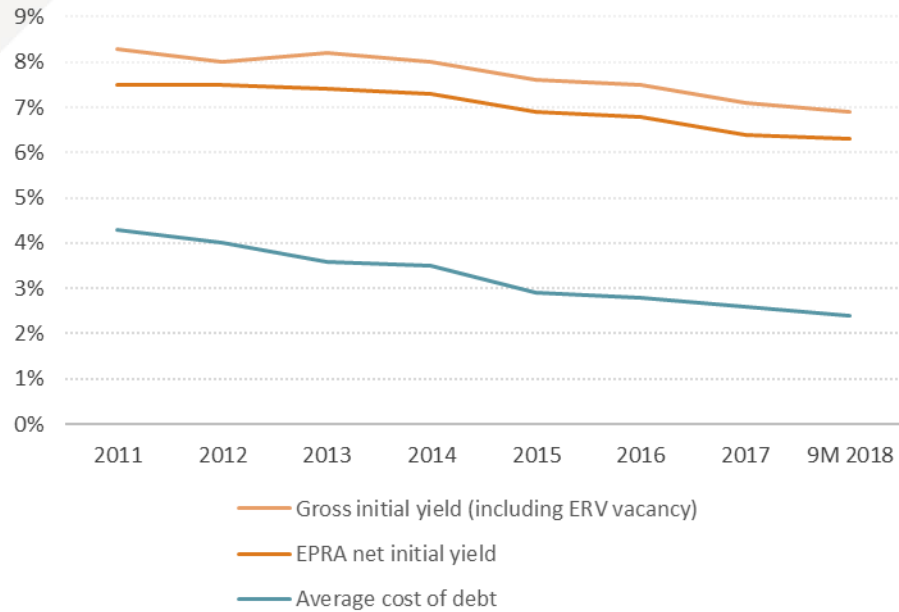
**WDP**

WAREHOUSES WITH BRAINS

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

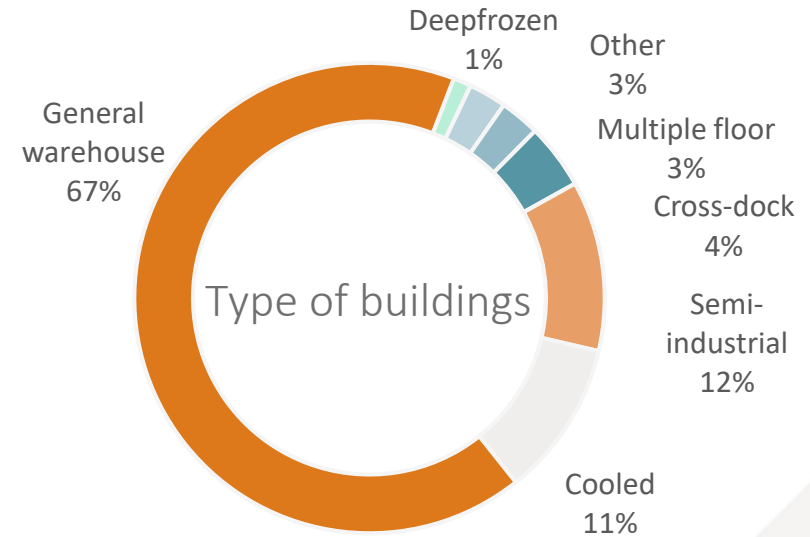
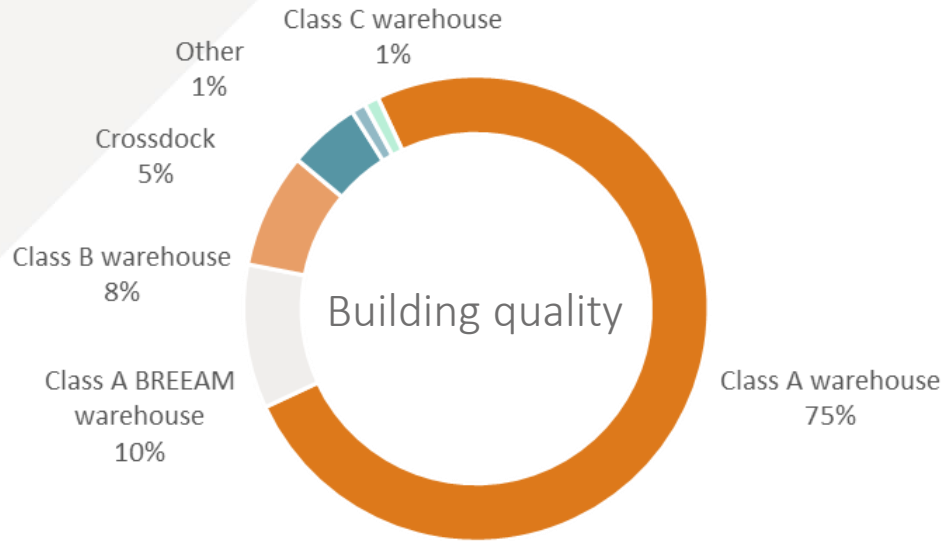


# EVOLUTION PORTFOLIO YIELD



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

# HIGH-QUALITY PORTFOLIO

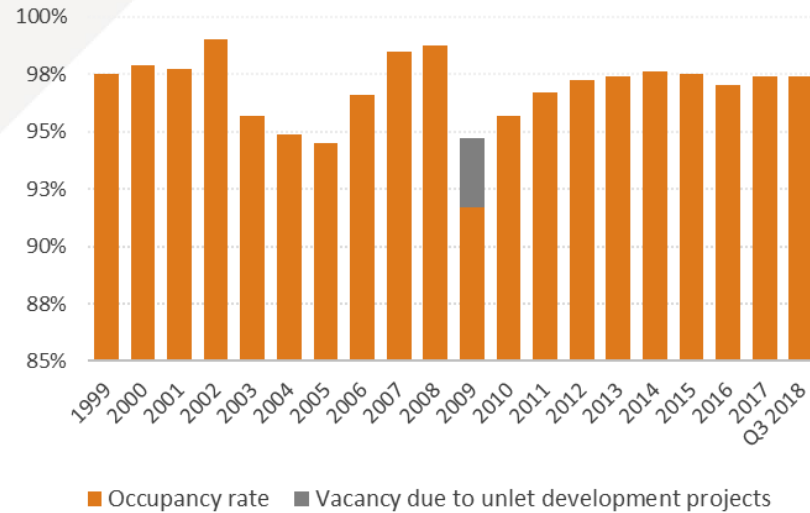


## LONG-TERM CONSIDERATION AND ENTREPRENEURSHIP

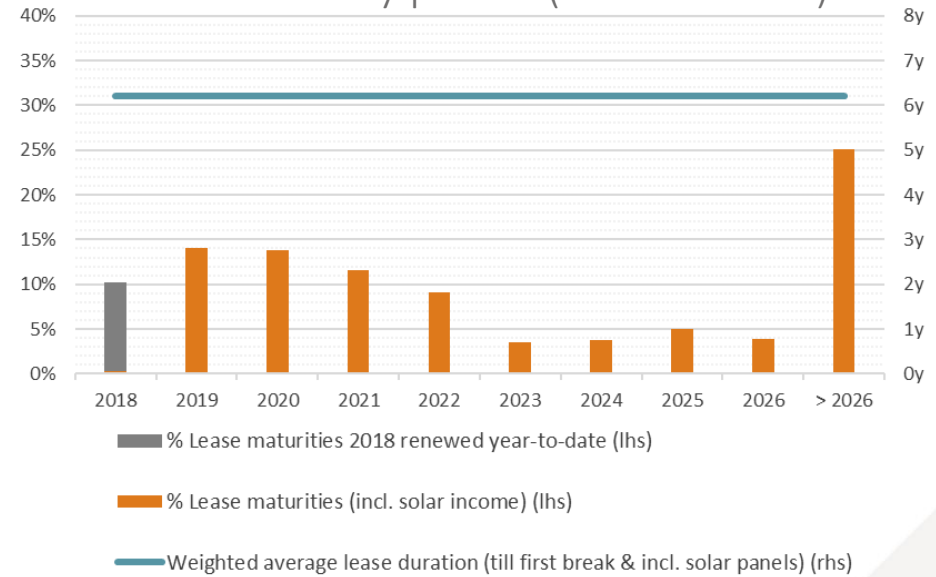
- ▶ Locations on strategic logistic corridors
- ▶ Robust building quality, integrating sustainability & flexibility throughout lifecycle
- ▶ Diversified portfolio and integrated facility management to tailor clients' needs

# OCCUPANCY

Historical occupancy rate



Lease maturity profile (till first break)

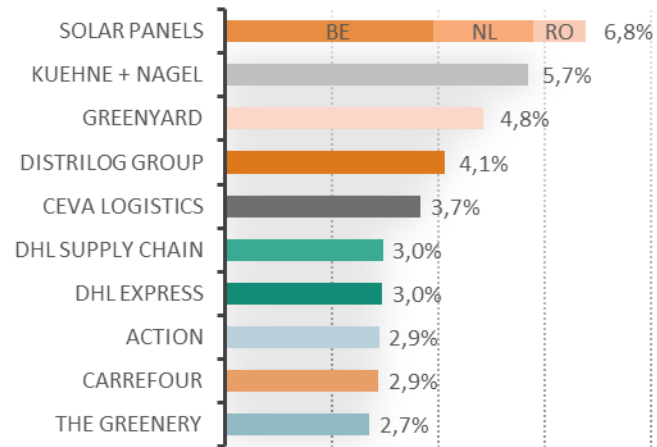


## CONTINUED HIGH OCCUPANCY

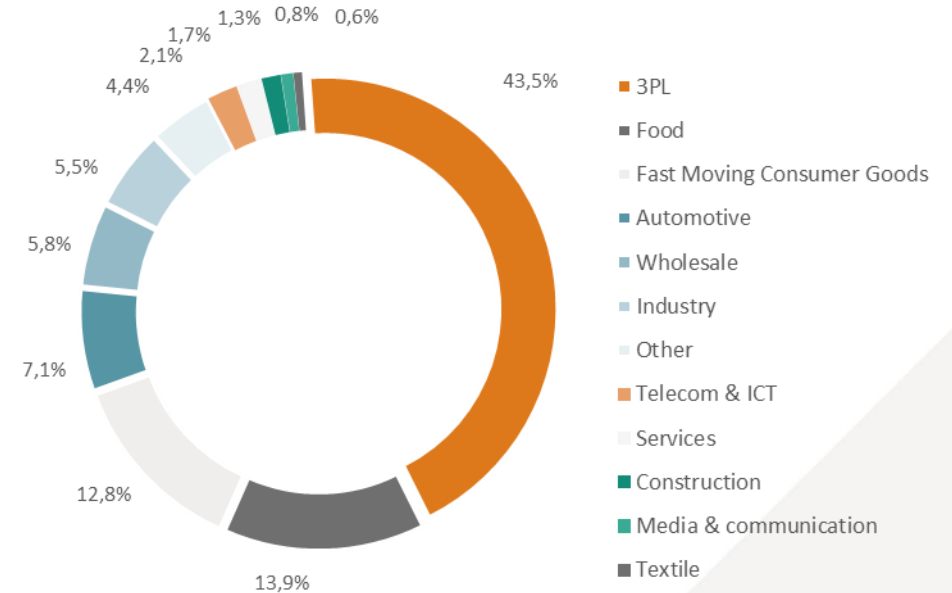
- ▶ Occupancy rate 97.4% at Q3 2018 (vs. 97.4% end 2017)
- ▶ Lease renewal rate of circa 90% over the last 5 years
- ▶ 97% of the 10% of leases maturing in 2018 extended

# DIVERSIFIED CLIENT BASE

Top-10 tenants (~40%)(1)



Tenant industry activities



## WELL-SPREAD TENANT PROFILE

- ▶ Active in multiple industries and predominantly large (inter)national corporates
- ▶ Healthy mix between end-users and logistic service providers
- ▶ Top tenants spread over multiple buildings/businesses/countries (max. building risk <5%)

(1) Seven tenants out of the top-10 are located at different locations within the property portfolio.



# LONG-TERM LEASES

## Weighted average lease duration

	Till first break	Till expiration
Rental contracts (excl. solar panels)	5,6	7,1
Rental contracts (incl. solar panels)	6,0	7,4

## INCOME VISIBILITY

- ▶ Circa 1/4 of contracts have a duration of minimum 10y
- ▶ Focus on long-term quality cash flows
- ▶ Strong historical client retention rate and fidelity

# KEY FIGURES

Operational	30.09.2018	31.12.2017
Fair value of real estate portfolio (incl. solar panels) (in million euros) <sup>(1)</sup>	3.150	2.670
Gross rental yield (incl. vacancy) (in %)	6,9	7,1
Net initial yield (EPRA) (in %)	6,3	6,4
Average lease duration (till first break) (in y) <sup>(2)</sup>	6,0	6,2
Occupancy rate (in %) <sup>(2)</sup>	97,4	97,4
Like-for-like rental growth (in %)	1,8	1,1
Operating margin (%) <sup>(3)</sup>	91,8	92,7
Per share data (in euros)	30.09.2018	30.09.2017
EPRA Earnings	4,55	4,17
Result on the portfolio - Group share	4,11	3,81
Changes in the fair value of the financial instruments - Group share	0,25	0,73
Depreciation and write-down on solar panels - Group share	-0,18	-0,15
Net result (IFRS) - Group share	8,73	8,56
IFRS NAV	61,5	53,9
EPRA NAV	63,4	55,9
EPRA NNNNAV	61,1	53,5

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

(2) Including solar panels.



**WDP**

WAREHOUSES WITH BRAINS

# CONSOLIDATED RESULTS

Analytical P&L (in euros x 1 000)	9M 2018	9M 2017	Δ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	127.751	106.466	21.285	20,0%
Indemnification related to early lease terminations	-20	591	-611	n.r.
Income from solar energy	12.463	9.113	3.350	36,8%
Other operating income/costs	-539	-196	-344	n.r.
<b>Property result</b>	<b>139.655</b>	<b>115.975</b>	<b>23.680</b>	<b>20,4%</b>
Property charges	-4.498	-3.624	-873	24,1%
General company expenses	-6.906	-4.825	-2.082	43,1%
<b>Operating result (before the result on the portfolio)</b>	<b>128.251</b>	<b>107.526</b>	<b>20.725</b>	<b>19,3%</b>
Financial result (excl. changes in the fair value of financial instruments)	-24.157	-19.534	-4.623	23,7%
Taxes on EPRA Earnings	-945	-250	-695	n.r.
Deferred taxes on EPRA Earnings	-286	-340	53	n.r.
Share in the results of associated companies and joint ventures	249	2.646	-2.397	n.r.
Minority interests	-1.891	0	-1.891	0%
<b>EPRA Earnings</b>	<b>101.220</b>	<b>90.048</b>	<b>11.172</b>	<b>12,4%</b>
Changes in the fair value of investment properties (+/-)	93.184	79.151	14.032	n.r.
Result on disposal of investment property (+/-)	-417	466	-884	n.r.
Deferred taxes on the result on the portfolio (+/-)	-1.195	-79	-1.116	n.r.
Share in the results of associated companies and joint ventures	622	2.638	-2.016	n.r.
<b>Result on the portfolio</b>	<b>92.193</b>	<b>82.177</b>	<b>10.016</b>	<b>n.r.</b>
Minority interests	-668	0	-668	n.r.
Result on the portfolio - Group share	91.526	82.177	9.348	n.r.
Changes in the fair value of the financial instruments - Group share	5.605	15.759	-10.154	n.r.
Depreciation and write-down on solar panels - Group share	-4.072	-3.211	-861	n.r.
<b>Net result (IFRS)</b>	<b>196.673</b>	<b>184.773</b>	<b>11.899</b>	<b>n.r.</b>
Minority interests	-2.394	0	-2.394	n.r.
<b>Net result (IFRS) - Group share</b>	<b>194.279</b>	<b>184.773</b>	<b>9.505</b>	<b>n.r.</b>

# CONSOLIDATED RESULTS

Per share data	9M 2018	9M 2017	Δ y/y (abs.)	% Growth
EPRA Earnings	4,55	4,17	0,38	9,0%
Result for the portfolio - Group share	4,11	3,81	0,31	n.r.
Changes in the fair value of the financial instruments - Group share	0,25	0,73	-0,48	n.r.
Depreciation and write-down on solar panels - Group share	-0,18	-0,15	-0,03	n.r.
Net result (IFRS) - Group share	8,73	8,56	0,17	n.r.
Weighted average number of shares	22.250.056	21.578.743	671.313	3,1%





# CONSOLIDATED B/S

in euros x 1 000	30.09.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	198	146	52	n.r.
Investment properties	2.994.617	2.404.027	590.590	24,6%
Other tangible fixed assets (solar panels inclusive)	114.814	95.876	18.939	19,8%
Financial fixed assets	10.448	97.469	-87.021	-89,3%
Trade debtors and other fixed assets	5.914	3.411	2.503	73,4%
Deferred tax asset	0	0	0	0%
Participations in associated companies and joint ventures	11.241	31.626	-20.385	-64,5%
<b>Fixed assets</b>	<b>3.137.232</b>	<b>2.632.554</b>	<b>504.678</b>	<b>19,2%</b>
Assets held for sale	19.134	7.525	11.609	n.r.
Trade receivables	15.240	9.042	6.198	n.r.
Tax receivables and other current assets	7.471	22.830	-15.359	n.r.
Cash and cash equivalents	2.304	1.231	1.073	n.r.
Deferrals and accruals	6.136	2.116	4.020	n.r.
<b>Current assets</b>	<b>50.286</b>	<b>42.745</b>	<b>7.541</b>	<b>n.r.</b>
<b>Total assets</b>	<b>3.187.518</b>	<b>2.675.299</b>	<b>512.219</b>	<b>19,1%</b>
Capital	173.035	168.873	4.162	2,5%
Share premiums	593.003	545.154	47.849	8,8%
Reserves	426.241	289.256	136.985	47,4%
Net result for the financial year	194.279	235.156	-40.877	-17,4%
<b>Equity capital attributable to the shareholders of the parent</b>	<b>1.386.558</b>	<b>1.238.439</b>	<b>148.119</b>	<b>12,0%</b>
Minority interests	27.566	0	27.566	0%
<b>Equity capital</b>	<b>1.414.124</b>	<b>1.238.439</b>	<b>175.686</b>	<b>14,2%</b>
Long-term financial debt	1.427.167	1.108.966	318.201	28,7%
Other long term liabilities	44.782	49.328	-4.546	-9,2%
<b>Long-term liabilities</b>	<b>1.471.949</b>	<b>1.158.293</b>	<b>313.656</b>	<b>27,1%</b>
Short-term financial debt	233.419	240.849	-7.431	-3,1%
Other short term liabilities	68.026	37.717	30.309	80,4%
<b>Short-term liabilities</b>	<b>301.444</b>	<b>278.566</b>	<b>22.878</b>	<b>8,2%</b>
<b>Total liabilities</b>	<b>3.187.518</b>	<b>2.675.299</b>	<b>512.219</b>	<b>19,1%</b>

# CONSOLIDATED B/S

Metrics	30.09.2018	31.12.2017	Δ y/y (abs.)	Δ y/y (%)
IFRS NAV	61,5	56,3	5,2	9,3%
EPRA NAV	63,4	58,3	5,1	8,8%
EPRA NNNNAV	61,1	55,9	5,2	9,4%
Share price	113,4	93,4	20,0	21,4%
Premium / (discount) vs. EPRA NAV	78,8%	60,3%	18,5%	n.r.
Debt ratio (IFRS)	53,9%	51,5%	2,5%	n.r.
Debt ratio (proportionate)	54,1%	53,1%	1,0%	n.r.



# FINANCIAL MANAGEMENT

Debt ratio

~54%

Buffer unused  
credit facilities

135m  
euros

Cost of debt

2.4%

Hedge ratio

84%

31

- ▶ Strong liquidity position
- ▶ Debt book well-covered against rising interest rates
- ▶ Equity strengthening of ~100m euros<sup>(1)</sup>

(1) Following the retained earnings (35 million euros), the optional dividend (47 million euros) and the capital increases related to the acquisition of the sites at Asse-Zellik (5 million euros and 12 million euros).

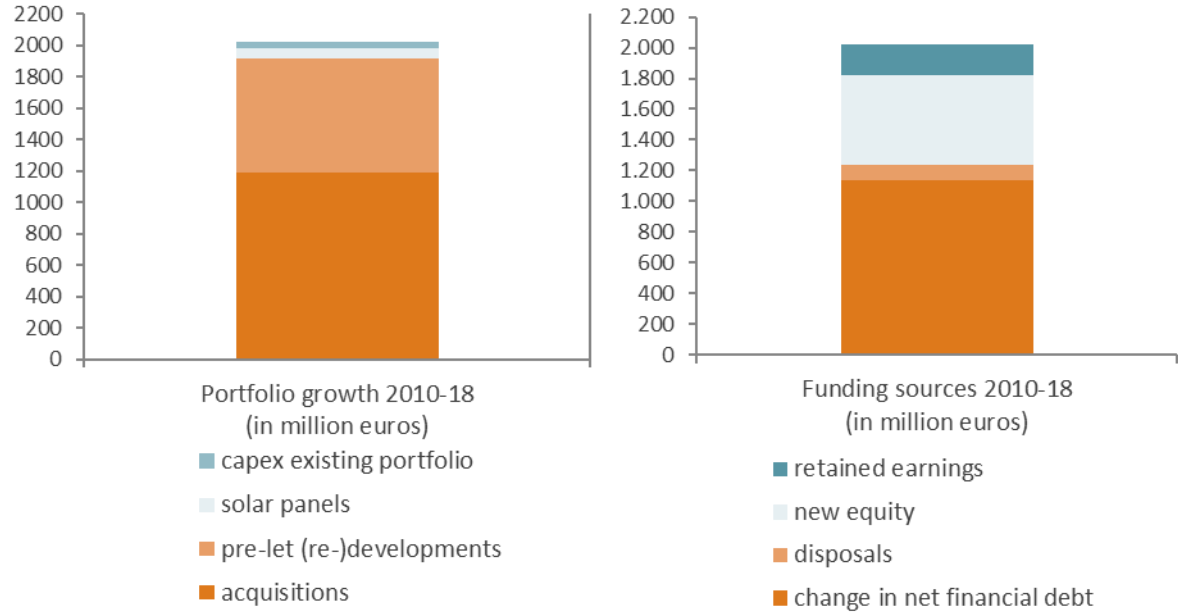


**WDP**

WAREHOUSES WITH BRAINS



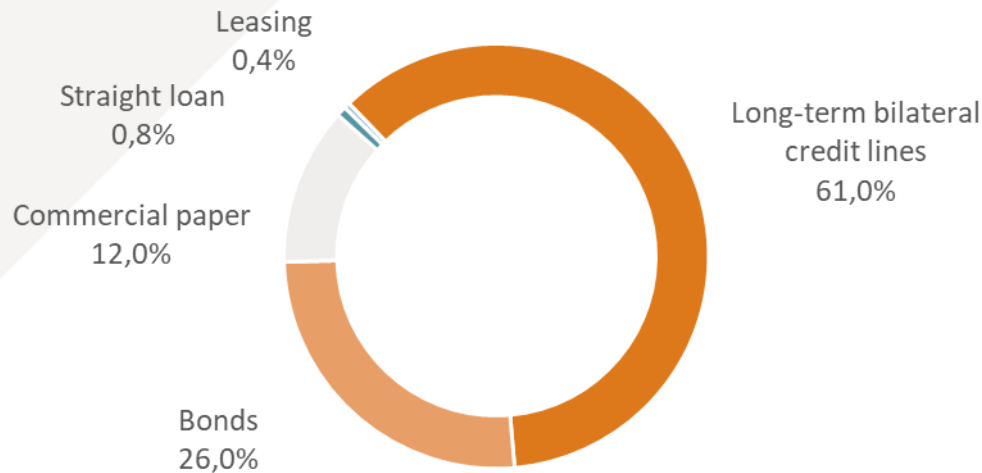
# MAINTAINING BALANCED CAPITAL STRUCTURE



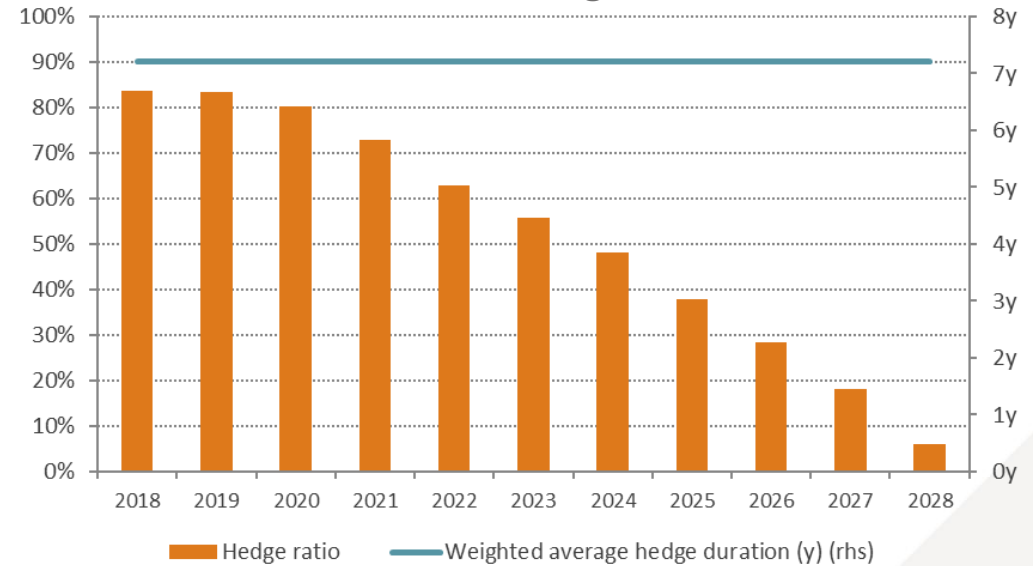
- ▶ Total investment volume of ca. 2bn euros in 2010-18
- ▶ Matching investments with synchronized debt and equity issuance

# FINANCING STRUCTURE

Debt composition



Evolution hedge ratio



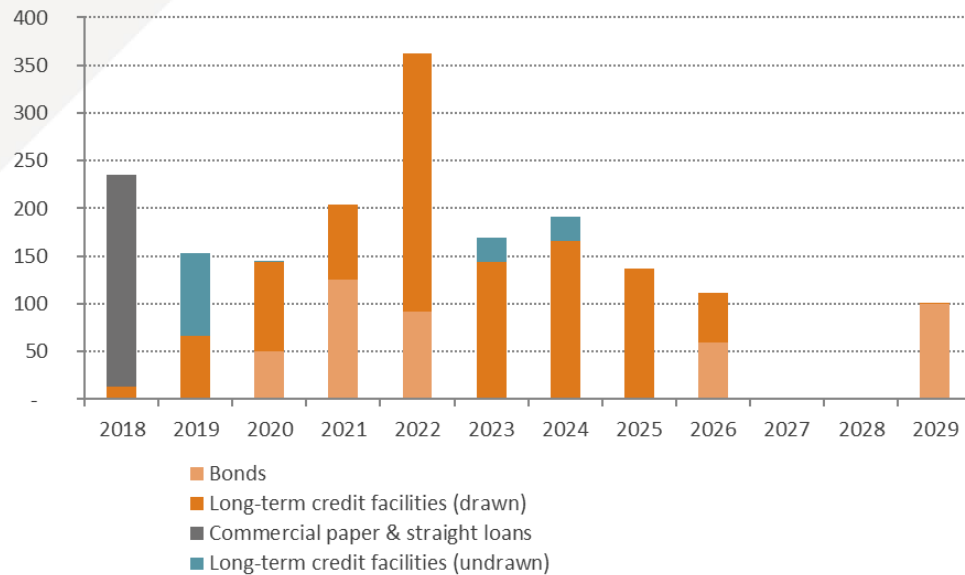
## SOLID DEBT METRICS AND ACTIVE LIQUIDITY MANAGEMENT

- ▶ Committed undrawn long-term credit lines of 135m euros<sup>(1)</sup>
- ▶ ICR at 4.7x based on long-term visibility and hedge ratio (at 84%)
- ▶ Cost of debt at 2.4% for FY 2018
- ▶ Interest rate sensitivity: +100bps Euribor, ~-1.5% EPRA EPS

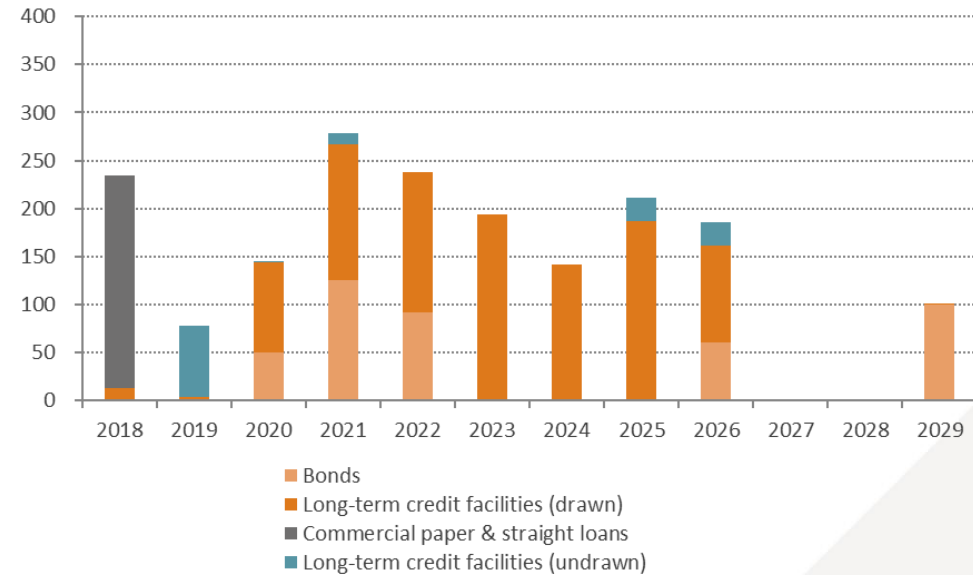
(1) Excluding the back-up facilities to cover the commercial paper program and available short-term credit facilities.

# FINANCING STRUCTURE

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



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



## WELL-SPREAD DEBT MATURITIES

- ▶ Balanced mix of funding sources
- ▶ Duration of outstanding debt of 4.2y (incl. commercial paper)
- ▶ Duration of long-term credit facilities of min. 4.4y and max. 4.8y<sup>(1)</sup>

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



# FOCUS ON SUSTAINABLE CASH FLOW

## INVESTMENTS

- ▶ Portfolio yielding ~7%
- ▶ High occupancy rate >95%
- ▶ Lease duration ~6y
- ▶ Opex <10% of rents

## GENERATING STRONG CASH FLOW PROFILE

- ▶ Recurring return on equity >10%
- ▶ High Interest Coverage Ratio
- ▶ Balanced risks
- ▶ High income visibility

- ▶ Stable debt ratio ~55-60%
- ▶ Cost of debt ~3%
- ▶ Hedge duration ~7y
- ▶ Debt duration ~4y

## FUNDING





# OUTLOOK 2018: TOWARDS A 3BN PORTFOLIO



(1) Based on the situation and prospects as at today and barring unforeseen events (such as a material deterioration of the economic and financial environment) and a normal level of solar irradiation.



**WDP**

WAREHOUSES WITH BRAINS

# OUTLOOK 2018: TOWARDS A 3BN PORTFOLIO

- ▶ EPRA EPS 2018: 6.00 euros
  - ▶ Increase of +7% y/y
  - ▶ 9M 2018 EPRA EPS growth of +9% not reflective of FY growth<sup>(2)</sup>
  - ▶ Based on EPRA Earnings of circa 134m euros in absolute terms
  
- ▶ Underlying assumptions 2018
  - ▶ Strong impact of development completions in 2017-18
  - ▶ Occupancy rate projected to be minimum 97% on average throughout 2018
  - ▶ High lease renewal rate (10% lease expiries in 2018, of which already 97% renewed)
  - ▶ Debt ratio around 54% end 2018 and average cost of debt of 2.4%
  
- ▶ DPS 2018: 4.80 euros (gross)
  - ▶ Equivalent to +7% y/y reflecting envisaged EPS average growth rate in growth plan 2016-20
  - ▶ Based on a low pay-out ratio

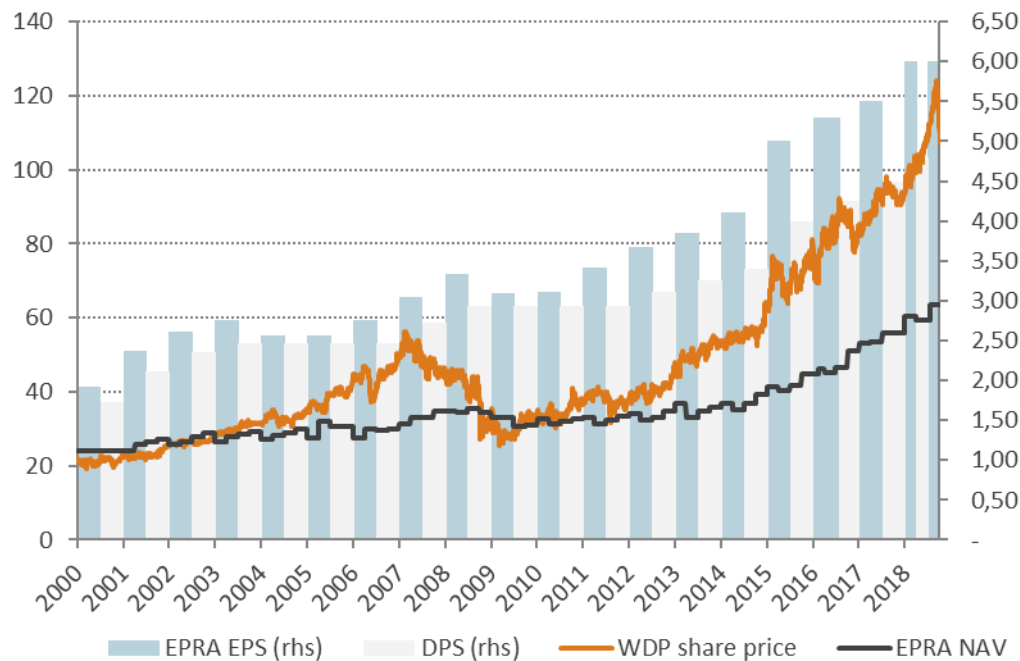
**WDP**

WAREHOUSES WITH BRAINS

(1) Based on the situation and prospects as at today and barring unforeseen events (such as a material deterioration of the economic and financial environment) and a normal level of solar irradiation.

(2) Mainly due to projects delivered in 2017 that have mainly started to contribute as from Q2 2017 and a one-off gain in Q4 2017 related to setting-up a deferred tax asset for the Romanian activities. Excluding the latter, the underlying y/y increase in EPRA EPS for Q4 2018 would equate to +10%.

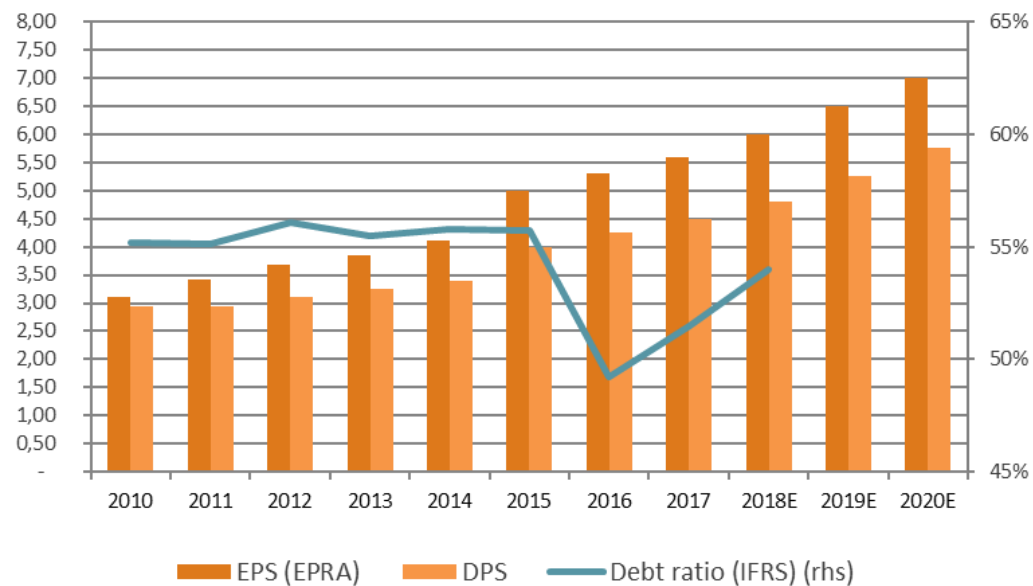
# SHARE STATISTICS



## SHARE STATISTICS

- ▶ EPRA NAV per share of 63.4 euros at 9M 2018
- ▶ Market cap of circa 2.5bn euros
- ▶ Free float of 75% - Family Jos De Pauw 25%

# CONSISTENT PERFORMANCE



39

## EARNINGS GROWTH BASED ON CONSTANT CAPITAL STRUCTURE

- ▶ Creating growth and profitability
- ▶ Efficient deployment of capital (debt and equity)
- ▶ Expected EPRA EPS growth 2018-20E: +25% from 5.60 to 7.00 euros







**Joost Uwents**  
CEO  
+32 (0)476 88 99 26  
joost.uwents@wdp.eu

**Mickael Van den Hauwe**  
CFO  
+32 (0)473 93 74 91  
mickael.vandenhauwe@wdp.eu



**APM (Alternative Performance Measure)**

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

**Average cost of debt**

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

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

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

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

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

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

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

**EPRA Earnings**

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

**EPRA Earnings per share**

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

**EPRA NAV**

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

**EPRA NNAV Triple Net Asset Value**

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

**Fair value**

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



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

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

**Free float**

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

**Gearing ratio (proportionate)**

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

**Gearing ratio (IFRS)**

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

**Hedge ratio**

Percentage of fixed-rate and floating-rate debts hedged against interest rate fluctuations by means of derivatives. This economic parameter is not a compulsory parameter under the Belgian Regulated Real-Estate Investment Companies Act (Wet betreffende de geregelenteerde vastgoedvennootschappen or GVV-Wet). (APM)

**Interest Rate Swap (IRS)**

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

**IFRS NAV**

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

**Like-for-like growth**

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



**Like-for-like growth**

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

**Market capitalization**

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

**Occupancy rate**

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

**Operating margin**

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

**Optional dividend**

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

**Result on the portfolio (including participation joint ventures)**

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

**Result on the portfolio (including participation joint ventures) per share**

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

**EPRA NNNAV Triple Net Asset Value**

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

**Variations in fair value of financial instruments**

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



Warehouses De Pauw Comm. VA, 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.

This presentation contains forward-looking information, forecasts, beliefs, opinions and estimates prepared by WDP, relating to the currently expected future performance of WDP and the market in which WDP operates (“forward-looking statements”). By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the forward-looking statements will not be achieved. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in, or implied by, such forward-looking statements. Such forward-looking statements are based on various hypotheses and assessments of known and unknown risks, uncertainties and other factors which seemed sound at the time they were made, but which may or may not prove to be accurate. Some events are difficult to predict and can depend on factors on which WDP has no control. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

This uncertainty is further increased due to financial, operational and regulatory risks and risks related to the economic outlook, which reduces the predictability of any declaration, forecast or estimate made by WDP. Consequently, the reality of the earnings, financial situation, performance or achievements of WDP may prove substantially different from the guidance regarding the future earnings, financial situation, performance or achievements set out in, or implied by, such forward-looking statements. Given these uncertainties, investors are advised not to place undue reliance on these forward-looking statements. Additionally, the forward-looking statements only apply on the date of this presentation. WDP expressly disclaims any obligation or undertaking, unless if required by applicable law, to release any update or revision in respect of any forward-looking statement, to reflect any changes in its expectations or any change in the events, conditions, assumptions or circumstances on which such forward-looking statements are based. Neither WDP, nor its representatives, officers or advisers, guarantee that the assumptions underlying the forward-looking statements are free from errors, and neither of them makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.