FitchRatings

Warehouses De Pauw NV/SA

Warehouses De Pauw NV/SA's (WDP) ratings reflect its wholly owned EUR7.1 billion logistics portfolio at end-2024, which includes big-box and general warehouses that benefit from ongoing tenant demand for modern logistic and industrial hubs. Despite WDP's sizeable 2024 expansion into France, it remains mostly Benelux-focused (end-2024:72% of income-producing assets value) and substantially exposed to the Romanian (18%) higher-risk market.

WPD's Fitch Ratings-calculated net debt/EBITDA rose to 8.4x at end-2024 (end-2023: 7.3x) as the company used its leverage headroom for portfolio growth. Despite this increase, the financial profile remains robust, and we expect EBITDA leverage to stay within 8.0x-8.4x until 2028, supporting the Stable Outlook. Although the weighted average cost of debt increased to 2.3% at end-March 2025 from 1.9% at end-2024, EBITDA net interest coverage should remain above 5.5x during 2025-2028

Key Rating Drivers

Growth Supported by Opportunistic Acquisitions: Easing market uncertainties and stabilising valuation yields led WDP to invest almost EUR600 million in opportunistic acquisitions during 2024. The company acquired around EUR315 million of income-producing properties in France, generating annual rents of around EUR17 million (let for 5-11 years), implying a gross initial yield of 5.3%. The French portfolio totalled over EUR550 million at end-2024. In Romania, WDP purchased assets worth around EUR200 million, adding annual rents of over EUR20 million.

In 2025, the company has already procured over EUR300 million of acquisitions, mainly in Belgium and Luxembourg, which we expect will bring around EUR17 million of annual rent.

Prudent Development Pipeline: The company delivered EUR151 million of developments in 2024, with a yield on cost (YoC) of 6.7% (blend of Western Europe 6.0% and Romania 7.7%). Another EUR360 million of projects are in the medium-term pipeline, with a YoC of 7.2%. The developments are predominantly 70% pre-let, before the development starts, at end-1Q25 (at end-2024: 60%). However, when excluding the projects that are uncommitted, the pre-let level is closer to 90%.

Increased Footprint Outside Benelux: Acquisitive growth in 2024 led to a beneficial improvement in geographical concentration, with the French exposure increasing to almost 8% of the investment property portfolio at end-2024 (end-2023: 3%). Achieving the critical mass of over EUR500 million of assets in France prompted WDP to open a new office and appoint a country manager, signalling its intention to expand further in this market. Despite this, the company remains concentrated mostly on Benelux (72%) and has increased exposure to the higher-yielding (NIY end-1Q25: 7.5% in comparison to Benelux 5%) but riskier Romanian market (18%).

Good Operational Performance: WPD achieved 2.6% like-for-like rental growth in 2024 (2023: 6%), predominantly driven by inflation-linked indexation. Rental income growth is supported by contractual indexation and the portfolio's reversionary potential. The portfolio's NIY was 5.4% at end-2024. Occupancy was stable at 98% at end-2024 (end-1Q25: 98.1%) and the weighted average lease term to earliest-break (WALB) was 5.7 years (5.4 years). The tenant pool is diversified with the top 10 tenants representing less than 25% of rental income.

Ratings

Long-Term IDR	BBB+
Senior Unsecured Debt - Long-Term Rating	A-

Outlook

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 25

Applicable Criteria

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)

Corporate Rating Criteria (June 2025)

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)

Related Research

Global Corporates Macro and Sector Forecasts

Global Economic Outlook — June 2025

EMEA Real Estate Outlook 2025 (December 2024)

EMEA Real Estate — The Adverse Effects of Rising Interest Rates: 2024 Update (December 2024)

Property Companies' Low-Coupon Debt Beneficial to Take-Private Offers (September 2024)

EMEA Real Estate: Logistics Property Companies —Relative Credit Analysis (February 2025)

Analysts

Bartlomiej Jakubiec
+48 22 103 3041
bartlomiej.jakubiec@fitchratings.com

Manu Nair
+44 20 3530 1255
manu.nair@fitchratings.com

Robust Financial Profile: In 2024, the company utilised its available leverage headroom, investing in developments and acquisitions to increase debt and raising net debt/EBITDA to 8.4x. We expect this ratio to remain at 8.4x in 2025, then decreasing to 8.0x in 2028. EBITDA net interest coverage remained prudent at 8.0x in 2024 (2023: 9.6x). Despite the average cost of debt increasing to 2.3% in 1Q25 (end-2024: 1.9%), we expect the ratio to stay above 5.5x through 2028. This is supported by 80% of debt being hedged at an average duration above 4.5 years.

Stable Interest in Modern Warehouses: WDP continues to gain from ongoing tenant demand for modern and energy-efficient facilities, fuelled by supply chain reconfigurations and renewed expansion of e-commerce. This robust demand is paired with limited supply, predominantly due to land scarcity, electricity grid capacity limitations and limited speculative activity. Additionally, rents are under upward pressure from higher construction costs, boosting the reversionary potential of the portfolio.

Portfolio's Green Credentials: We anticipate WDP's portfolio will benefit from the eco-friendly attributes of its strategically positioned properties, along with extra earnings from photovoltaic (PV) energy. The power generated by solar panels bolsters the offering of other sustainable energy solutions like electric vehicle chargers and heat pumps, which helped tenants achieve their carbon reduction goals. The company aims to expand its end-1Q25 installed solar capacity of 240MWp (megawatt peak) to 350MWp by 2027.

Senior Unsecured Rating Uplift: The additional rating notch above the IDR for WDP's senior unsecured debt rating reflects an above-average recovery for certain types of real estate, and for companies fulfilling Fitch's criteria of regular independent valuations, investment in established markets with investor depth, and unencumbered investment property assets/unsecured debt above 2.0x and a secured debt/total debt ratio less than 20%. WDP's 18% exposure to Romania does not adversely affect this assessment for the group. All WDP's debt is unsecured.

Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	293.3	336.9	387.2	445.7	486.1	537.4
EBITDA after associates and minorities	294.1	325.5	367.7	413.3	456.3	508.9
EBITDA margin (%)	100.3	96.6	95.0	92.7	93.9	94.7
EBITDA net leverage (x)	8.3	7.3	8.4	8.4	8.3	8.0
EBITDA net interest coverage (x)	7.0	9.6	8.0	5.5	6.2	5.9

Source: Fitch Ratings, Fitch Solutions

WDP's Property Portfolio at End-December 2024

Asset class	Logistics
Geography (by fair value)	Belgium: 31%, Netherlands: 41%, Romania: 18%, France: 8%, Germany: 2%
Portfolio size	EUR7.1 billion (consolidated), plus EUR0.17 billion (share in JV)
Passing rent	EUR387 million
Occupancy	98%
EPRA net initial yield (NIY)	End-2024: 5.4%, end-2023: 5.3%

Source: Fitch Ratings, WDP

Peer Analysis

WDP's EUR7.1 billion (end-2024) Benelux-focused modern portfolio of big boxes and general warehouses is comparable in size and quality with SELP Finance SARL's (BBB/Stable) EUR6.0 billion and VGP N.V.'s (BBB-/Stable) EUR7.8 billion pan-European portfolios mainly owned within its JVs. It is larger than the same-rated AXA Logistics Europe Master S.C.A's (AXA LEM; BBB+/Stable) continental European EUR4.9 billion portfolio, Montea NV's (BBB+/Stable) EUR2.8 billion Benelux-focused portfolio and UK-based LondonMetric Property Plc's (BBB+/Stable) GBP2.8 billion predominantly urban logistics portfolio. SEGRO PLC (BBB+/Stable), also rated the same as WDP, has a bigger portfolio, including urban big boxes, of GBP15.1 billion (excluding its share of SELP) and is primarily focused on the UK market. The portfolios of lower-rated Titanium Ruth Holdco Limited's (BBB-/Stable) and Sweden-focused Catena AB (publ)'s (BBB/Stable) are smaller, at EUR1.4 billion and EUR3.7 billion, respectively.

WDP's end-2024 WALB of 5.7 years is comparable with SELP's 5.2 years, AXA LEM's 6.1 years and Montea's 5.9 years but shorter than that of SEGRO (7.2 years for the group), Titanium Ruth (7.5 years) and LondonMetric (11 years).

In comparison with the development-led growth strategy of Montea, SELP and SEGRO, WDP supplements its predominantly pre-let development pipeline with opportunistic acquisitions. In contrast, the strategies of AXA LEM, LondonMetric and Titanium Ruth have recently been acquisition-led, aided by some development or forward-purchases. We consider a development-led growth approach riskier, mitigated by higher returns from invested capital.

Fitch forecasts WDP's net debt/EBITDA at around 8.0x-8.4x in 2025-2028, which is within its 8.0x-9.0x rating sensitivities supporting the 'BBB+' IDR. Equally rated Montea and AXA LEM have the same rating sensitivity range. LondonMetric's blended 7.5x-8.5x includes the lower debt capacity of its specialist portfolios. SELP and Titanium Ruth have higher ranges of 9.0x-10.0x for their 'BBB' and 'BBB-' IDRs, respectively.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Property Portfolio	Rental Income Risk Profile	Liability Profile	Access to Capital	Profitability	Financial Structure	Financial Flexibility
Warehouses De Pauw NV/SA	BBB+/Stable	aa	a-	bbb	bbb+	bbb	a-	bbb	bbb+	a+
AXA Logistics Europe Master S.C.A.	BBB+/Stable	aa	bbb	bbb+	bbb	bb+	bbb+	bb+	bbb+	a
Montea NV	BBB+/Stable	aa	a	bbb-	bbb+	bbb+	bbb+	bbb	bbb+	a+
SEGRO PLC	BBB+/Stable	aa	a	bbb+	a-	a-	a	bbb	bbb+	a-
LondonMetric Property Plc	BBB+/Stable	aa	a	bbb+	bbb+	bbb	a-	bbb-	bbb+	a
Catena AB (publ)	BBB/Stable	aa	a	bbb	bbb	bb+	bbb	bbb	bbb+	bbb
SELP Finance SARL	BBB/Stable	aa	bbb	bbb+	bbb	bb+	a-	bbb	bbb	bbb+
Titanium Ruth Holdco plc	BBB-/Stable	aa	a-	bb+	bbb	bb-	bbb	bbb-	bbb	bbb
VGP N.V.	BBB-/Stable	aa	bbb	bbb	bbb+	bb+	bbb-	bb+	bb+	bbb+
MLP Group S.A.	BB+/Stable	bbb+	bbb-	bb+	bbb	bb+	bb-	bbb-	bb	bbb

Source: Fitch Ratings

Relative Importance of Factor: Higher, Moderate, Lower

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Net debt/EBITDA above 9.0x (reflecting the current portfolio mix) on a sustained basis
- EBITDA net interest coverage below 2.0x on a sustained basis
- For the senior unsecured rating: deterioration in unencumbered investment property/unsecured debt asset cover to significantly below 2.0x on a sustained basis

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Increased material geographic diversification and scale across western Europe
- Net debt/EBITDA below 8.0x on a sustained basis
- EBITDA net interest coverage above 3.0x on a sustained basis
- Increase in the weighted average debt maturity to above five years

Liquidity and Debt Structure

With EUR10 million of readily available cash at end-2024 aided by EUR1.6 billion of undrawn credit facilities (excluding maturities shorter than 1 year), WDP has enough liquidity to cover debt maturing in 2025. WDP has no near-term bulk debt repayments and has a weighted average debt maturity of 4.9 years (end-2023: 5.9 years). Liquidity is continuously supported with scrip dividends and contribution-in-kind (in 2024 EUR103 million and EUR40 million, respectively).

At end-2024, 89% of the company's all-unsecured debt was either fixed or covered by interest-rate hedges with an average hedge duration of 5 years. The cost of debt remained unchanged of 1.9% in 2024 and Fitch expects it to stay below 2.5% until 2028. We expect EBITDA interest coverage to remain above 5.5x (end-2024: 8.0x).

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

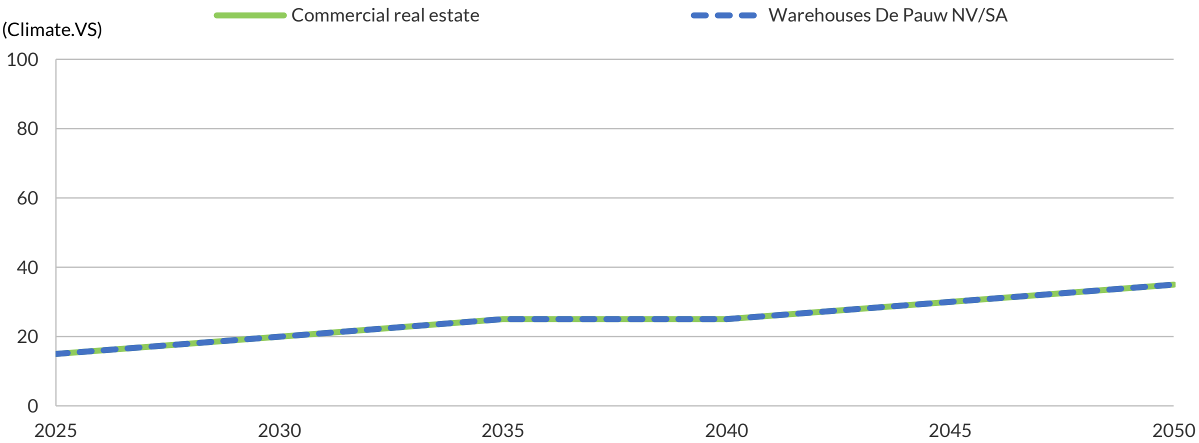
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The end-2024 revenue-weighted Climate VS for WDP for 2035 is 25 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of 31 Dec 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2025F
Available liquidity	
Beginning cash balance	10
Rating case FCF after acquisitions and divestitures	-393
Total available liquidity (A)	**-382**
Liquidity uses	
Debt maturities	-72
Total liquidity uses (B)	**-72**
Liquidity calculation	
Ending cash balance (A+B)	-455
Revolver availability	1,597
Ending liquidity	**1,142**
Liquidity score (x)	16.8

Source: Fitch Ratings, Fitch Solutions, Warehouses De Pauw NV/SA

Scheduled Debt Maturities

(EURm)	31 Dec 24
2025	72
2026	405
2027	284
2028	359
2029	284
Thereafter	1,696
Total	**3,102**

Source: Fitch Ratings, Fitch Solutions, Warehouses De Pauw NV/SA

Key Assumptions

Fitch's Key Assumptions within our Rating Case for the Issuer:

- Like-for-like rental growth, driven by indexation-linked rental uplifts, of 2% in 2025-2026 and about 1.7% in 2027-2028. Total CAGR until 2028 of around 10% is supported by rents from developments and acquisitions coming on-stream.
- Acquisitions of around EUR870 million during 2025-2028 with a gross rent yield of 6%. Developments during 2025-2028 of EUR940 million with a rental yield of 6.0%-6.5%.
- Investments in solar panels of EUR50 million yearly. Maintenance capex of EUR10 million yearly.
- Equity sourced from retained earnings or scrip dividends. No equity issuance assumed. Dividend assumed at 80% of funds from operations and 40% of scrip dividend take-up (in comparison to almost 60% take-up historically).

Financial Data

(EURm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	293	337	387	446	486	537
Revenue growth (%)	15.0	14.9	14.9	15.1	9.1	10.6
EBITDA before income from associates	291	322	363	413	456	509
EBITDA margin (%)	99.1	95.5	93.9	92.7	93.9	94.7
EBITDA after associates and minorities	294	326	368	413	456	509
EBIT	282	304	352	399	442	494
EBIT margin (%)	96.1	90.3	90.8	89.5	90.8	91.9
Gross interest expense	-45	-43	-47	-76	-73	-86
Pretax income including associate income/loss	343	-35	473	335	380	420
Summary balance sheet						
Readily available cash and equivalents	8	13	10	15	49	32
Debt	2,460	2,394	3,102	3,499	3,844	4,119
Net debt	2,452	2,381	3,091	3,484	3,795	4,087
Summary cash flow statement						
EBITDA	291	322	363	413	456	509
Cash interest paid	-42	-35	-46	-76	-73	-86
Cash tax	—	—	—	-17	-20	-24
Dividends received less dividends paid to minorities (inflow/outflow)	3	4	4	—	—	—
Other items before FFO	-4	-7	-0	—	—	—
FFO	248	284	321	320	363	400
FFO margin (%)	84.6	84.4	83.0	71.9	74.8	74.4
Change in working capital	61	-31	-10	—	—	—
CFO (Fitch-defined)	309	253	311	320	363	400
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-447	-319	-119	—	—	—
Capital intensity (capex/revenue) (%)	152.3	94.7	30.7	—	—	—
Common dividends	-164	-127	-143	—	—	—
FCF	-301	-194	49	—	—	—
FCF margin (%)	-102.7	-57.6	12.5	—	—	—
Net acquisitions and divestitures	-35	3	-614	—	—	—
Other investing and financing cash flow items	-140	-42	-73	—	—	—
Net debt proceeds	164	-80	607	398	345	276
Net equity proceeds	297	295	—	—	—	—
Total change in cash	-1	6	-3	5	34	-17
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-645	-444	-876	-713	-674	-692
FCF after acquisitions and divestitures	-336	-191	-566	-393	-311	-292
FCF margin after net acquisitions (%)	-114.5	-56.8	-146.1	-88.1	-64.0	-54.4
Gross Leverage ratios (x)						
EBITDA leverage	8.4	7.4	8.4	8.5	8.4	8.1
(CFO-capex)/debt (%)	-5.6	-2.8	6.2	1.1	1.7	2.4

(EURm)	2022	2023	2024	2025F	2026F	2027F
Net Leverage ratios (x)						
EBITDA net leverage	8.3	7.3	8.4	8.4	8.3	8.0

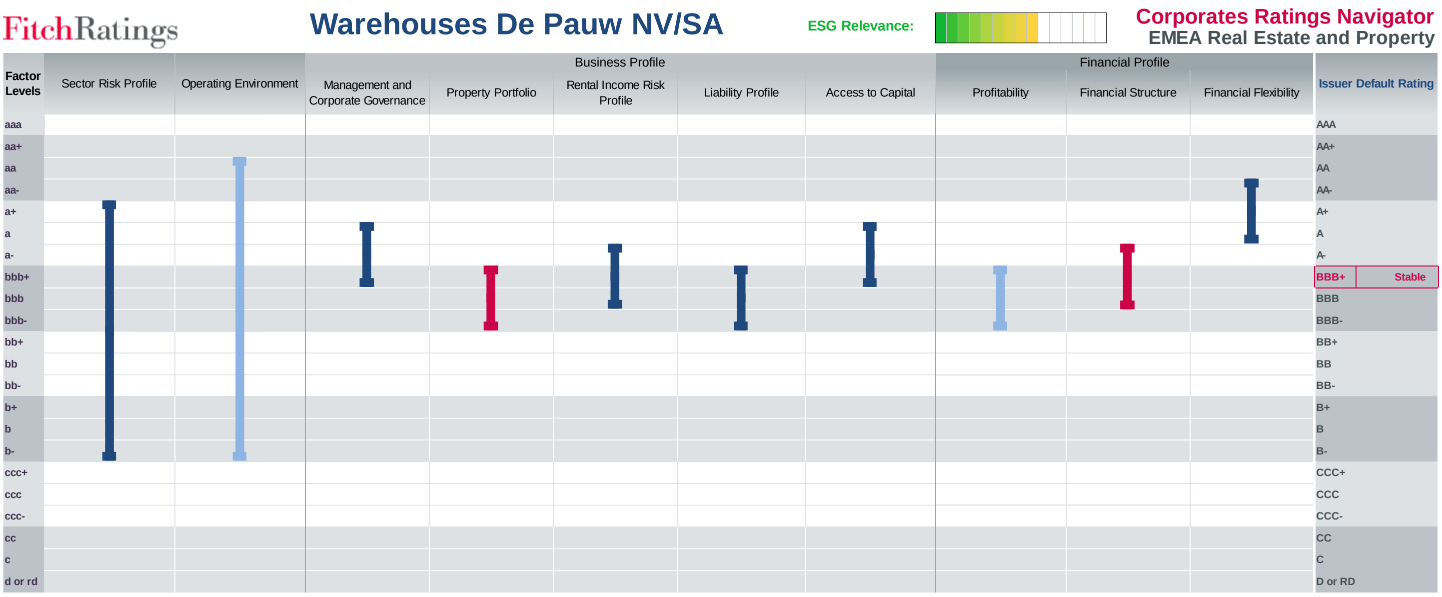
(CFO-capex)/net debt (%)	-5.6	-2.8	6.2	1.1	1.7	2.4
Coverage ratios (x)						
EBITDA interest coverage	7.0	9.3	8.0	5.5	6.2	5.9

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colors = Relative Importance		⇧	Positive
■	Higher Importance	⇩	Negative
■	Average Importance	⇳	Evolving
■	Lower Importance	□	Stable

FitchRatings

Warehouses De Pauw NV/SA

Corporates Ratings Navigator
EMEA Real Estate and Property

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	a	Strong combination of issuer-specific funding characteristics and the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb			

Property Portfolio

a-	Portfolio Liquidity and Ability to Leverage Assets	bbb	Average institutional appetite (buyers/sellers/lenders) in strong markets, indicating liquidity and ability to leverage assets.
bbb+	Investment Granularity	a	Very high portfolio granularity. Top 10 assets comprise less than 20% of net rental income or value.
bbb	Geographic Strategy	bbb	A strong and focused presence in a prime market; or focus on two to three markets with appropriate scale. Markets display different economic and business cycles.
bbb-	Asset Quality	bbb	Prime and good secondary.
bb+	Development Exposure	a	Committed development cost to complete of up to 5% of investment properties. Limited speculative development.

Rental Income Risk Profile

a	Occupancy	a	Limited occupancy volatility through cycles. Occupancy consistently above 95%. Track record of limited tenant defaults.
a-	Lease Duration, Renewal and Lease Maturity Profile	bbb	Lease duration (or average tenure for residential) of above five years with most renewed. Smoothed lease maturity profile with no large lease expiries in the near term.
bbb+	Rental Income Volatility	bbb	Sustained rental income growth and/or average volatility in rents compared to comparable sector levels. Less reversionary potential in rents in the near term.
bbb	Tenant Concentration and Tenant Credit	bbb	Top 10 tenants comprise 15%-30% of annual passing rent ; average tenant credit risk.
bbb-			

Liability Profile

a-	Debt Maturity Profile	bbb	Average debt tenor above five years. No year represents more than 20% of total debt.
bbb+	Interest Rate Hedging Profile	bbb	Fixed or hedged debt above 60% of total debt (recent period-end measured) with average interest rate maturity above five years. Evidence of consistent policy.
bbb			
bbb-			
bb+			

Access to Capital

a+	Sources of Capital	bbb	Solid access to all common and preferred equity, unsecured bonds/bank debt, secured debt, and/or joint ventures.
a	Unencumbered Asset Pool	a	Leveragable unencumbered pool with no adverse selection.
a-	Absolute Scale	a	Rent-yielding property assets of at least EUR5bn.
bbb+			
bbb			

Profitability

a-	FFO Dividend Cover	a	1.4x
bbb+	Asset Class Volatility	bb	Portfolio values change less than 40% peak to trough with a track record of recovery
bbb			
bbb-			
bb+			

Financial Structure

a	Loan-To-Value	a	40%
a-	Unencumbered Asset Cover	a	2.5x
bbb+	Managing Balance Sheet Through the Cycle	bbb	Maintenance of a suitable LTV taking asset volatility into account.
bbb	EBITDA Net Leverage	a	8.0x
bbb-			

Financial Flexibility

aa	Financial Discipline	aa	Publicly announced conservative financial policy. Track record of strict compliance.
aa-	Liquidity Coverage	aa	No need for external funding beyond committed facilities in the next 24 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
a+	Recurring Income EBITDA Interest Cover	aa	3.0x
a	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging.
a-			

Credit-Relevant ESG Derivation

Warehouses De Pauw NV/SA has 9 ESG potential rating drivers

- Focus on low-carbon new-builds and renovations
- Buildings' energy consumption, focus on renewable sources
- Sustainable building practices including Green building certificate credentials
- Portfolio's exposure to climate change-related risk including flooding
- Shift in market preferences
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

FitchRatings

Warehouses De Pauw NV/SA

Corporates Ratings Navigator
EMEA Real Estate and Property

Credit-Relevant ESG Derivation

Warehouses De Pauw NV/SA has 9 ESG potential rating drivers

- Warehouses De Pauw NV/SA has exposure to emissions regulatory risk but this has very low impact on the rating.
- Warehouses De Pauw NV/SA has exposure to energy productivity risk but this has very low impact on the rating.
- Warehouses De Pauw NV/SA has exposure to unsustainable building practices risk but this has very low impact on the rating.
- Warehouses De Pauw NV/SA has exposure to extreme weather events but this has very low impact on the rating.
- Warehouses De Pauw NV/SA has exposure to shifting consumer preferences but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

ESG Relevance to Credit Rating

key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	Focus on low-carbon new-builds and renovations	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability	5
Energy Management	3	Buildings' energy consumption, focus on renewable sources	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability	4
Water & Wastewater Management	2	Buildings' water consumption, recycling	Property Portfolio; Profitability	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Sustainable building practices including Green building certificate credentials	Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility	2
Exposure to Environmental Impacts	3	Portfolio's exposure to climate change-related risk including flooding	Property Portfolio; Profitability; Financial Structure; Financial Flexibility	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Data security	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility	4
Labor Relations & Practices	2	Impact of labor negotiations and employee (dis)satisfaction	Rental Income Risk Profile; Profitability; Financial Flexibility	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Shift in market preferences	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility	1

Governance (G) Relevance Scores

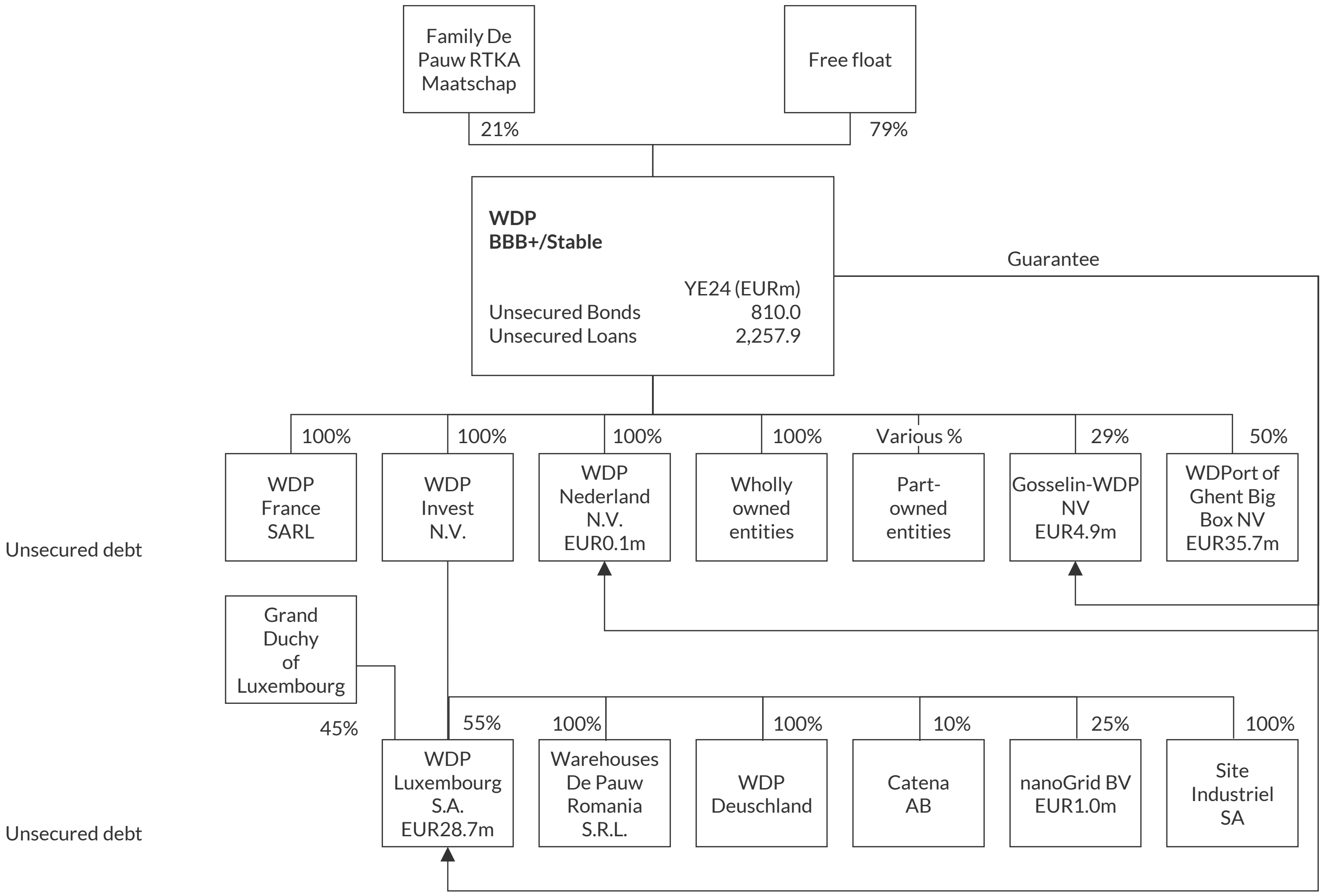
General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, WDP, as at end-2024

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA after associates and minorities (EURm)	EBITDA margin (%)	EBITDA net leverage (x)	EBITDA interest coverage (x)
Warehouses De Pauw NV/SA	BBB+						
	BBB+	2024	387	368	93.9	8.4	8.0
	BBB+	2023	337	326	95.5	7.3	9.3
	BBB+	2022	293	294	99.1	8.3	7.0
AXA Logistics Europe Master S.C.A.	BBB+						
	BBB+	2023	243	163	69.3	4.1	26.3
	BBB+	2022	198	122	63.6	7.2	30.7
Catena AB (publ)	BBB						
	BBB-	2023	162	125	77.3	8.2	3.6
		2022	139	105	75.7	7.4	5.1
SEGRO PLC	BBB+						
	BBB+	2024	753	593	74.0	8.8	2.4
	BBB+	2023	632	545	79.3	10.7	2.4
	A-	2022	552	451	79.9	12.0	3.0
SELP Finance SARL	BBB						
	BBB	2024	320	281	87.9	6.6	3.8
	BBB	2023	308	260	84.5	9.3	3.8
	BBB	2022	277	225	81.2	9.9	4.1
Titanium Ruth Holdco Limited	BBB-						
	BBB-	2023	68	50	74.0	14.4	9.6
	BBB-	2022	55	36	65.7	17.1	4.1
VGP N.V.	BBB-						
	BBB-	2022	51	57	68.6	29.2	1.4
MLP Group S.A.	BB+						
	BB+	2024	50	42	83.0	13.6	1.3
		2023	47	44	94.1	9.4	2.6
		2022	33	30	93.0	10.8	3.8
Montea NV	BBB+						
		2023	107	103	96.4	6.9	8.3
		2022	91	92	100.8	8.9	4.4
LondonMetric Property Plc	BBB+						
		2024	208	184	87.4	12.9	3.6
		2023	167	147	87.7	7.7	3.9
		2022	157	148	86.8	7.8	5.2

Source: Fitch Ratings, Fitch Solutions

Logistics Sector Property Portfolio Factors

■ Concern ■ Medium ■ Good

Company	Investment Property Portfolio Value	Geographical Spread (% Of Portfolio by Rent or Value)	Vacancy Rate (%)	Average Lease Length (Years) (to break)	Top Tenant Concen-trations and Top Tenant (%)	Sector Concentrations (%)	Acquisition Or Develop-ment Strategy	Asset Type (%)	Average Asset Age (Years)	Net Initial Yield (%)	Topped-Up Net Initial Yield (%)
AXA Logistics Europe Master S.C.A End-Dec 2024	EUR4.9bn	By value: France: 25 Germany: 20 UK:16 Italy: 10 Sweden: 12	4.0	6.1	Top 10: 39 Amazon: 13	Logistics	Acq.	Distribution Warehouses: 75 Last mile: 9 E-fulfilment Centre: 7 Other: 9 (as of Dec23)	10.5	4.9	n.a.
Catena AB End- Dec 2024	EUR3.7bn	By value: Sweden: 82 Denmark: 18	3.3	6.7 (to expiry)	Top 10: 55 DSV: 20	Logistics & transport: 52 Food & beverage: 17 Durable goods: 15 Other: 16	Both	Warehouses: 52 Distribution centres: 36 Terminals: 11 (as of 2023)	n.a.	5.5	5.6
CBRE Europe Logistics Partners S.C.A. SICAV-SIF	EUR3.0bn	By value: France: 19 Germany: 16 Poland: 16 Italy: 12 Belgium: 10 Netherlands: 8 Denmark: 6	7.8	4.0	Top 5: 25.7	3PL Retail	Dev.	Regional distribution warehouses: 73 Intermodal: 26 Urban: 1	n.a.	Average Net Yield: 4.5	n.a.
Montea NV End- Dec 2024	EUR2.7bn	By value: Belgium: 47 Netherlands: 41 France: 11 Germany: 1	0.2	5.9	Top 10: 30 Amazon: 4	Logistics: 46 Construction 14 Food & beverage: 15 Auto: 6 Pharma: 7 Retail: 8	Dev.	Big box focus	10	5.1	5.1
London-Metric Property Plc Distribution Portfolio	EUR2.8bn	UK: 100	1.8	11.0	Top 5: 7	Of total portfolio: Urban logistics: 24 Regional: 11 Mega: 6	Acq.	Urban logistics: 61 Regional: 27 Mega: 12	n.a.	4.5	4.7
MLP Group S.A. End- Dec 2023	EUR0.85bn	By value: Poland: 86 Germany: 13 Romania: 2	5.0	7.1	Top 10: 38	Logistics: 29 Manufacturing: 34 Retail: 28 E-commerce: 9	Dev.	Big box: 93 Urban: 7	Est. ~7	Net true equivalent yield: Poland: 5.9 Germany: 4.6 Romania: 4.5	Reversion-ary: Poland: 6.7 Germany: 4.6 Romania: 7.9

Logistics Sector Property Portfolio Factors (Cont.)

■ Concern ■ Medium ■ Good

Company	Investment Property Portfolio Value	Geographical Spread (% Of Portfolio by Rent or Value)	Vacancy Rate (%)	Average Lease Length (Years) (to break)	Top Tenant Concen-trations and Top Tenant (%)	Sector Concentrations (%)	Acquisition Or Develop-ment Strategy	Asset Type (%)	Average Asset Age (Years)	Net Initial Yield (%)	Topped-Up Net Initial Yield (%)
SEGRO PLC (at share) End-Dec 2024	GBP17.9bn	By value: UK: 56 France: 11 Germany: 12 Italy: 7 Poland: 7	3.0	7.2	Top 20: 33	Transport and logistics: 23 Retail: 18 Manufacturing: 15 TMT: 11 Wholesale dist.: 9 Post & parcel: 10	Both	UK urban: 44 UK big box: 11 Cont. Europe urban: 13 Cont. Europe big box: 22 Data centres : 8	n.a.	4.1	4.4
SELP Finance SARL End-Dec 2024	EUR6.0bn	By value: Germany: 27 Italy: 13 France: 18 Poland: 22 Spain: 8 Netherlands: 8 Czechia: 3	3.2	5.2	Top 10: 23 Top 20: 35	Transport and logistics: 35 Retail: 26 Manufacturing: 20 Wholesale dist.: 7 Post & parcel: 4	Both	Big box: 97 Urban warehouses: 3	9.8	Net true equivalent yield: 5.7	n.a.
Titanium Ruth Hldco Limited End-Sept 2024	EUR1.4bn	By rent: Germany: 41 Italy: 14 Spain: 14 Belgium: 11 Netherlands: 12	5.6	7.5	Top 10: 76	Omnichannel Retail: 26 Third-party Logistics: 26 Online retail: 17 Manufacturing: 10	Acq.	Big box: 100	5.2	4.7	4.7
Tritax Big Box plc End-Dec 2023	GBP4.8bn	UK: 100	2.5	11.4 (to expiry)	Top 10: 49	Online retail: 22 Food retail: 16 Home & DIY: 13 Other retail: 11	Both	Big box: 100	10	4.2	4.6
Warehouses de Pauw NV/SA (WDP) End-Dec 2024	EUR 7.7bn	By value: Netherlands: 39 Belgium: 31 Romania: 20 France: 7	2.0	5.7	Top 10: 24 (Excl. solar)	Industrial: 18 Retail (food): 18 FMCG: 13 Retail (non-food): 10 Food, fruit & veg: 7 Healthcare: 7	Both	General warehouse: 52 Big box: 24 Manufacturing: 8	8.0	5.4	5.3
VGP SA JVs at 100% End-Dec 2024	EUR7.8bn	By value: Germany: 40 Belgium: 12 Czech Republic: 8 Spain: 7	VGP: 2.0 JVs: 1.8	VGP: 9.0 JVs: 6.9 Com-bined: 7.6	Top 10: 31 Amazon: 6	By area Logistics: 19 Light industrial: 50 E-commerce: 28 Other: 3	Dev.	Big box: n.a Industrial: n.a Manufacturing: n.a.	4.2	Weighted Average Yield: VGP: 7.2 JVs: 5.1	n.a.

Note: All data as of December 2024 unless otherwise stated
Source: Fitch Ratings, companies' disclosures

Fitch Adjusted Financials

(EURm As of 31 Dec 24)	Notes and formulas	Standardised values	Fair value and other debt adjustments	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary							
Revenue		387	—	—	—	—	387
EBITDA	(a)	530	—	—	-4	-163	363
Depreciation and amortisation		-12	—	—	—	—	-12
EBIT		518	—	—	-4	-163	352
Balance sheet summary							
Debt	(b)	3,026	38	—	—	38	3,102
Of which other off-balance-sheet debt		—	—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—	—
Lease-adjusted debt		3,026	38	—	—	38	3,102
Readily available cash and equivalents	(c)	10	—	—	—	—	10
Not readily available cash and equivalents		—	—	—	—	—	—
Cash flow summary							
EBITDA	(a)	530	—	—	-4	-163	363
Dividends received from associates less dividends paid to minorities	(d)	—	—	—	—	4	4
Interest paid	(e)	-50	—	—	4	—	-46
Interest received	(f)	—	—	—	—	—	—
Preferred dividends paid	(g)	—	—	—	—	—	—
Cash tax paid		—	—	—	—	—	—
Other items before FFO		-114	—	—	—	113	-0
FFO	(h)	367	—	4	—	-50	321
Change in working capital		-10	—	—	—	—	-10
CFO	(i)	356	—	4	—	-50	311
Non-operating/nonrecurring cash flow		—	—	—	—	—	—
Capex	(j)	-119	—	—	—	—	-119
Common dividends paid		-143	—	—	—	—	-143
FCF		94	—	4	—	-50	49
Gross leverage (x)							
EBITDA leverage	b/(a+d)	5.8	—	—	—	—	8.4
(CFO-capex)/debt (%)	(i+j)/b	7.7	—	—	—	—	6.2
Net leverage (x)							
EBITDA net leverage	(b-c)/(a+d)	5.8	—	—	—	—	8.4
(CFO-capex)/net debt (%)	(i+j)/(b-c)	7.8	—	—	—	—	6.2
Coverage (x)							
EBITDA interest coverage	(a+d)/(-e)	10.7	—	—	—	—	8.0

CFO – Cash flow from operations
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR70.7 million.
Source: Fitch Ratings, Fitch Solutions, Warehouses De Pauw NV/SA

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