



**RESULTS OF
THE 3RD
QUARTER
OF 2019**

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PRESS RELEASE: RESULTS OF THE 3RD QUARTER 2019

- **Portfolio growth**

- Increase in the fair value of the real estate portfolio to € 580.85 million on September 30th 2019.

- **Increase in the EPRA earnings**

- Net result of € 36.77 million during the first 9 months of 2019.
- Net result per share of € 11.18 during the first 9 months of 2019.
- Increase in the EPRA earnings with 8.4% to € 8.21 million (compared to € 7.57 million during the first 9 months of 2018).
- Increase in the EPRA earnings per share with 8.4% to € 2.50 (compared to € 2.30 during the first 9 months of 2018).

- **Increase in the Net Asset Value (NAV) per share**

- 12.4% increase in the EPRA NAV per share to € 95.64 on September 30th 2019 (compared to € 85.06 on December 31st 2018).
- 12.4% increase in the IFRS NAV per share to € 91.99 on September 30th 2019 (compared to € 81.81 on December 31st 2018).

- **Stable debt ratio**

- Debt ratio of 47.87% (RREC Act) and 46.48% (IFRS) on September 30th 2019.

- **Dividend**

- The board of directors expects the gross dividend of the financial year 2019 to be at least equal to that of the previous financial year (i.e. € 4.75 per share).
- The board of directors decides on the payment of an interim dividend of € 3.75 gross per share in December 2019.

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1. REAL ESTATE PORTFOLIO

At September 30th 2019, Home Invest Belgium holds a real estate portfolio¹ of € 580.85 million, compared to € 543.51 million on December 31st 2018, or an increase of 6.9%.

REAL ESTATE PORTFOLIO	30/09/2019	31/12/2018
Fair value of investment properties	€ 561.32 m	€ 524.51 m
Investment properties available for rent	€ 531.01 m	€ 490.36 m
Development projects	€ 30.31 m	€ 34.14 m
Investments in associated companies and joint ventures	€ 19.53 m	€ 19.00 m
TOTAL	€ 580.85 m	€ 543.51 m

The fair value of the investment properties available for rent amounts to € 531.01 million across 50 sites.

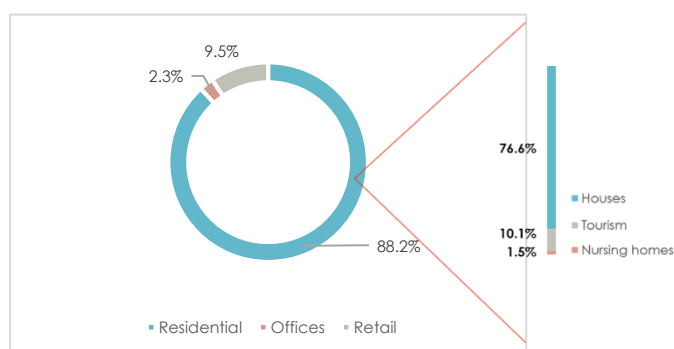
The total contractual annual rents and the estimated rental value of vacant space is € 27.37 million as at September 30th 2019.

The investment properties available for rent are valued by independent real estate experts at an average gross yield² of 5.2%.

On September 30th 2019, 63.2% of the investment properties available for rent are in the Brussels Capital Region, 14.5% in the Walloon Region, 12.3% in the Flemish Region and 10.1% in The Netherlands. Residential properties accounted for 88.2% of investment properties available for rent on September 30th 2019.

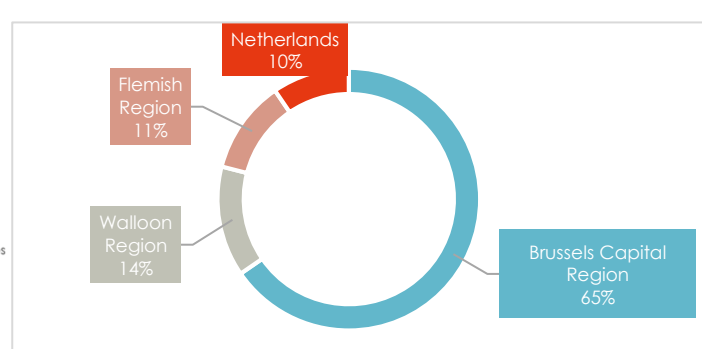
Investment properties available for rent

By type



Investment properties available for rent

By geographical distribution



1 The real estate portfolio includes (i) investment properties and (ii) investments in associated companies and joint ventures.

2 Gross rental yield = (contractual rents on a yearly basis + estimated value on vacant spaces / (fair value of the investment properties available for rent).

2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED KEY FIGURES		(In k €)
INCOME STATEMENT	30/09/2019	30/09/2018
NET RENTAL INCOME	18 589	18 059
OPERATIONAL RESULT BEFORE PORTFOLIO RESULT	11 062	11 069
XVI. Result sale investment properties	-14	175
XVIII. Changes in fair value of investment properties	37 781	54 562
XIX. Other portfolio result	-367	-385
PORTFOLIO RESULT	37 401	54 353
OPERATING RESULT	48 463	65 422
XX. Financial income	47	75
XXI. Net interest charges	-3 714	-3 348
XXII. Other financial charges	-68	-35
XXIII. Changes in fair value of financial assets and liabilities	-8 543	739
FINANCIAL RESULT	-12 278	-2 569
XXIV. Share in the profit of associates and joint ventures	529	0
TAXES	53	-189
NET RESULT	36 766	62 664
Exclusion of portfolio result	-37 401	-54 353
Exclusion of changes in real value of financial assets and liabilities	+8 543	-739
Exclusion of non EPRA elements of the share in the result of associates and joint ventures	+298	0
EPRA RESULT ³	8 206	7 572
Average number of shares ⁴	3 288 146	3 288 146
NET RESULT PER SHARE	11.18	19.06
EPRA EARNINGS PER SHARE	2.50	2.30
DISTRIBUTABLE RESULT PER SHARE ⁵	3.95	2.70

3 The EPRA result is the net result excluding the (i) portfolio result (ii) the changes in the fair value of financial assets and liabilities and (iii) the non EPRA elements of the share in the result of associated companies and joint ventures. This term is used in accordance with the Best Practices Recommendations of EPRA.

4 The average number of shares is calculated excluding the 11,712 shares held by the company.

5 The distributable result in the sense of article 13, §1, of the RREC Act.

BALANCE	30/09/2019	30/09/2018
Shareholders' equity attributable to shareholders of parent company	302 481	269 003
Total assets	590 925	551 106
Debt ratio (RREC Act) ⁶	47.87%	50.16%
Debt ratio (IFRS) ⁷	46.48%	48.90%
PER SHARE	30/09/2019	30/09/2018
Number of shares at the end of period ⁸	3 288 146	3 288 146
Stock price at closing date	116.50	91.40
IFRS NAV per share ⁹	91.99	81.81
Premium compared to IFRS NAV (at closing date)	26.6%	11.7%
EPRA NAV per share ¹⁰	95.64	85.06
Premium compared to EPRA NAV (at closing date)	21.8%	7.4%

6 The debt ratio (RREC Act) is the debt ratio calculated in accordance with RREC Act. This means that for the purposes of calculations of the debt ratio, participations in associated companies and joint ventures are processed following the proportionate consolidation method.

7 The debt ratio (IFRS) is calculated like the debt ratio (RREC Act) but based on and conciliating with a consolidated balance in accordance with IFRS where participations in joint ventures and associated companies are processed following the changes in equity.

8 The average number of shares is calculated excluding the 11, 712 shares held by the company.

9 IFRS NAV per share = Net Asset Value or Net Value per share according to IFRS.

10 EPRA NAV per share = Net Asset Value or Net Value per share following the Best Practices Recommendations of EPRA.

3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

3.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

NET RENTAL RESULT

During the first 9 months of 2019, the net rental result increased with 2.9% to € 18.59 million (as opposed to € 18.06 million during the first 9 months of 2018).

OPERATING RESULT BEFORE THE PORTFOLIO RESULT

The operating result before the portfolio result stood at € 11.07 million during the first nine months of 2019 (compared to € 11.06 million during the first 9 months of 2018).

PORTFOLIO RESULT

During the third quarter of 2019, Home Invest Belgium recorded a portfolio result of € 37.40 million.

The result on the sale of investment properties amounted to € -0.01 million during the first 9 months of 2019.

In addition, Home Invest Belgium recorded a positive change in the fair value of its real estate investments during the first 9 months of 2019, amounting to € 37.78 million. This change is mainly a consequence of the adjustment for the first quarter of 2019¹¹ of assumptions in the processing of transaction costs, in order to determine the fair value of investment properties.

FINANCIAL RESULT

The net interest charges have increased from € 3.35 million during the first 9 months of 2018 to € 3.71 million in the first 9 months of 2019. The average funding costs¹² decreased from 2.13% to 2.11% over the same period.

The changes in the fair value of the financial assets and liabilities amounted to € -8.54 million during the first 9 months of 2019. These changes are the consequence of a change in the fair value of the interest rate swaps.

TAXES

Taxes amounted to € 0.05 million during the first 9 months of 2019 (compared to -0.19 million during the first semester of 2018). This positive evolution is due to a correction of corporate tax provisions which were too high for the financial years 2017 and 2018, mainly related to the company's activities in The Netherlands.

¹¹ See Half-Year Financial Report of 2019.

¹² The average funding cost is = the interest costs including the credit margin and the cost of hedge instruments and increased by activated intercalary interests divided by the weighted average financial debt over the period in question.

NET RESULT

The net result of Home Invest Belgium amounted to € 36.77 million during the first 9 months of 2019, or € 11.18 per share.

EPRA EARNINGS

After adjustment of the net result before (i) the portfolio result, (ii) the changes in the fair value of the financial assets and liabilities and (iii) non EPRA elements of the share in the result of associates and joint ventures, the EPRA earnings amounted to € 8.21 million during the first 9 months of 2019, an increase of 8.4% (compared to the € 7.57 million during the first nine months of 2018).

EPRA earnings per share increased by 8.4% from € 2.30 during the first nine months of 2018 to € 2.50 in the first 9 months of 2019.

DISTRIBUTABLE RESULT

The sale of investment properties realized during the first 9 months of 2019 resulted in a capital gain of € 5.44 million compared to their acquisition value (augmented by the activated investments). These realized capital gains contribute to the statutory distributable result which is the basis for the dividend distribution.

The statutory distributable result¹³, including distributable capital gain, realized in the course of the first nine months of 2019, amounted to € 13.00 million, or € 3.95 per share.

3.2 CONSOLIDATED BALANCE SHEET

SHAREHOLDER'S EQUITY AND VNI PER SHARE

On September 30th 2019, the group's shareholder's equity stood at € 302.48 million, a rise of 12.4% compared to December 31st 2018.

The IFRS NAV per share has risen by 12.4% to stand at € 91.99 on September 30th 2019 (compared to € 81.81 on December 31st 2018).

The EPRA NAV per share has risen by 12.4% to stand at € 95.64 on September 30th 2019 (compared to € 85.06 on December 31st 2018).

DEBT RATIO

The debt ratio (RREC Act) amounts to 47.87% on September 30th 2019. The debt ratio (IFRS) amounts to 46.48%.

¹³ The statutory distributable amount in the meaning of article 13, §1 of the RREC Act.

4. ACTIVITIES DURING THE FIRST NINE MONTHS OF 2019

4.1. RENTAL ACTIVITY

The average occupancy rate¹⁴ of the investment properties available for rent stood at 95.05%¹⁵ during the first 9 months of 2019.

4.2. DEVELOPMENT PROJECTS

Brunfaut

Works on the Brunfaut site (rue n°13-29 and rue Fin n°4-12 in 1080 Molenbeek-Saint-Jean) are progressing according to plan. The project is a residential complex of 93 apartments, 66 parking spots and 1,443 m² of office space. Techniques and interior finishes are ongoing. The project is expected to be completed in the spring of 2020. A request for planning permission has also been submitted for the redevelopment of the adjacent Place d'Or.



Meyers-Hennau

The foundation works of the basement are almost finished and works inside have started. Completion of the project, comprising 35 apartments, 11 houses and 51 parking spots, is expected in the fourth quarter of 2020.

¹⁴ The average occupancy rate represents the average percentage over a certain period of the rented spaces, in relation to the sum of the contractual rents of the rented spaces and the estimated rental value of the vacant spaces.

¹⁵ The occupancy rate is calculated excluding (i) buildings being renovated (ii) building being commercialized for the first time and (iii) buildings being sold.



Marcel Thiry C2

Works are expected to start in the fourth quarter of 2019. The project comprises 42 apartments. The assignment for the execution of the soil and foundation techniques have also been made.



REFURBISHMENTS AND DEVELOPMENT PROJECTS WITHIN THE EXISTING PORTFOLIO

Galerie de l'Ange

Home Invest Belgium has submitted an application for a permit for the total renovation of the residential part of Galerie de l'Ange in Namur (rue de la Monnaie 4-20 in 5000 Namur) (surface area 4,239 m²). The permit has been assigned on October 8th. Altogether, 57 units are to be refurbished. Works are expected to start in the beginning of 2020 in two phases.

Le Mosan (Liège)

Home Invest Belgium is currently renovating the “Le Mosan” building in Liège (rue Léopold 2-8 in 4000 Liège), in order to meet current residential market standards. The building comprises 29 apartments for a total surface area of 2,791 m² and works will be finished in the course of Q4 2019, except for the retail spaces.



Scheldevleugel

Renovation of the Scheldevleugel building in Oudenaarde (Remparden 12 in 9700 Oudenaarde) continues. The third renovation phase including studios and common spaces is almost finished. 7 occupied and 16 unoccupied units are still to be refurbished. The building includes 95 units and 75 garage boxes for a total surface area of 6,000 m².



4.3. SALES

During the first 9 months of 2019, Home Invest Belgium has sold property for a total net amount of € 11.81 million (compared to € 3.19 million during the first nine months of 2018).

A net capital gain of € 5.44 million was realised on these sales, compared to the acquisition value (increased by activated investments).

The realised capital gain in relation to the purchase value (increased by the activated investments) contributes to the statutory distributable result of the company, which forms the basis for the distribution of the dividend.

4.4. OTHER EVENTS OCCURRED AFTER THE BALANCE DATE

Acquisition of the company BE REAL ESTATE on November 4th 2019

On November 4th 2019, Home Invest Belgium has finalized the acquisition of the company BE REAL ESTATE. The real estate portfolio of BE REAL ESTATE includes 4 buildings of the apart-hotel type, with a total of 185 residential units. The acquisition price of the company has been determined based on the investment value of the real estate of € 36 million. Home Invest Belgium retains an amount of approximately € 6 million on the payment of the share price which will become payable over a period of 3 years, subject to the realization of certain conditions.

All four buildings will be operated by the company BEAPART through a long-term leasehold agreement for a duration of 27 years under the brand name B-aparthotels (www.b-aparthotels.com).

The annual rents will amount to € 1.85 million and are triple net rents¹⁶ regardless of the performances of the operations. The annual rents of BEAPART will represent 7% of the total contractual rents.

The acquisition has been fully financed through bank loans. With this transaction, the debt ratio (RREC Act) of Home Invest Belgium increases to 51% based on the figures of September 30th 2019.

With this transaction, 185 new units are added to Home Invest Belgium's portfolio. The portfolio value increases to more than € 600 million. Brussels represents now 65% of the fair value of the real estate investments.

¹⁶ The lessee is responsible for the costs, expenses and maintenance linked to the buildings (including important works like roofs) during the entire duration of the contract.

5. OUTLOOK

OUTLOOK AND PAYMENT OF DIVIDEND

During the first nine months of 2019, the main financial indicators of Home Invest Belgium have developed positively compared to the previous year.

The residential rental market continues to grow steadily in those cities where Home Invest Belgium is active, mostly thanks to:

- A long-term urbanisation trend, marked by demographic growth in big cities, including both young and older people, leading to increased demand for homes;
- An increasing number of tenants in big cities, due to factors including an increasing need for flexibility and a change in attitudes to private property and concepts of urban sharing;

Current trends in the housing market are dominated by rising prices and the positive impact of very low long-term interest rates.

Against this background, the board of directors confirms its confidence in the further evolution of the company's results. For the current financial year, the board of directors believes that the dividend should be at least equal to that of the previous financial year (i.e. € 4.75 gross), under reservation of a sudden and important decline in the residential real estate market or other unexpected events.

In accordance with its dividend distribution policy, the board of directors has decided on November 13th 2019 to distribute an interim dividend of € 3.75 per share. Coupon n°27 will entitle to an interim dividend of € 3.75 gross or € 2.63 net per share (after deduction of the current withholding tax of 30%), payable on December 19th, 2019.

The final dividend will be decided in May 2020 during the general ordinary meeting of the company, based on the proposal of the board.

6. SHAREHOLDER'S CALENDAR

2019

Interim statement: results at 30 September 30 th 2019	Friday November 15 th
Interim dividend for the financial year 2019 – Ex date	Tuesday December 17 th
Interim dividend for the financial year 2019 – Record date	Wednesday December 18 th
Interim dividend for the financial year 2019 – Payment date	Thursday December 19 th

2020

Annual press release on the financial year 2019	Thursday February 20 th
Publication of the annual financial report on the website	Friday April 3 rd
Ordinary general meeting of the financial year 2019	Tuesday May 5 th
Final dividend for the financial year 2019 – Ex date	Tuesday May 12 th
Final dividend for the financial year 2019 – Record date	Wednesday May 13 th
Final dividend for the financial 2019 – Payment date	Thursday May 14 th
Interim statement: results at March 31 st 2020	Tuesday May 19 th
Half-year financial report: results at June 30 th 2020	Thursday September 3 rd
Interim statement: results at September 30 th 2020	Friday November 13 th

FOR ADDITIONAL INFORMATION

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About Home Invest Belgium

Home Invest Belgium is a public regulated real estate company (GVV/SIR) specializing in acquisition, sale, development and management of residential real estate. On September 30th 2019, Home Invest Belgium held a property portfolio of more than € 580 million in Belgium and The Netherlands.

Home Invest Belgium is listed on Euronext Brussels [HOMI] since June 1999. On September 30th 2019, the market capitalization amounted to € 384 million.