



**RESULTS OF  
THE 3<sup>RD</sup>  
QUARTER  
OF 2020**

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**Regulated information**

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# PRESS RELEASE: RESULTS OF THE 3<sup>RD</sup> QUARTER 2020

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- **Qualitative residential real estate portfolio**

- Increase in the fair value of the real estate portfolio to € 640.00 million at 30 September 2020.
- The investment properties available for rent consist for 89.7% of residential real estate.
- 67.5% of the investment properties available for rent are located in the Brussels Capital Region.
- More than 50% of the investment properties available for rent are younger than 10 years; more than 70% are younger than 20 years.
- Completion in the third quarter of 2020 of The Factory, a residential development project with 93 housing units in Molenbeek (Brussels).

- **Solid operational results despite COVID-19**

- Increase of rental income by 6.2% to € 19.81 million during the first nine months of 2020.
- Average occupancy rate of 94.3% during the first nine months of 2020.

- **Increase in the EPRA earnings**

- 21.1% increase in the EPRA earnings to € 9.94 million during the first nine months of 2020 (compared to € 8.21 million during the first nine months of 2019).
- 21.1% increase in the EPRA earnings per share to € 3.02 in the first nine months of 2020 (compared to € 2.50 in the first nine months of 2019).

- **Net Asset Value per share (NAV)**

- Increase in EPRA NAV per share to € 99.00 at 30 September 2020 (+ 3.1% compared to € 96.00 at 31 December 2019).

- **Stable debt ratio and strong liquidity position**

- Debt ratio of 50.98% (RREC Royal Decree) and 49.55% (IFRS) at 30 September 2020.
- Decrease in the average cost of debt to 1.54% in the first nine months of 2020 (compared to 2.11% in the first nine months of 2019).
- Home Invest Belgium has € 32 million available credit lines.
- The company does not have credit lines or bonds maturing in 2020 and 2021. The first coming maturity date is in 2022.

- **Dividend**

- The board of directors expects the gross dividend of the financial year 2020 to be at least equal to that of the previous financial year (i.e. € 4.85 per share).
- The board of directors has decided to distribute an interim dividend of € 4.25 gross per share in December 2020 (compared to an interim dividend of € 3.75 gross in December 2019).

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# 1. REAL ESTATE PORTFOLIO

At 30 September 2020, Home Invest Belgium holds a real estate portfolio<sup>1</sup> of € 640.00 million, compared to € 629.92 million at 31 December 2019, or an increase of 1.6%.

REAL ESTATE PORTFOLIO	30/09/2020	31/12/2019
Fair value of investment properties	€ 619.21 m	€ 609.59 m
Investment properties available for rent	€ 594.49 m	€ 573.38 m
Development projects	€ 24.72 m	€ 36.22 m
Investments in associated companies and joint ventures	€ 20.79 m	€ 20.33 m
<b>TOTAL</b>	<b>€ 640.00 m</b>	<b>€ 629.92 m</b>

The fair value of the investment properties available for rent amounts to € 594.49 million across 52 sites.

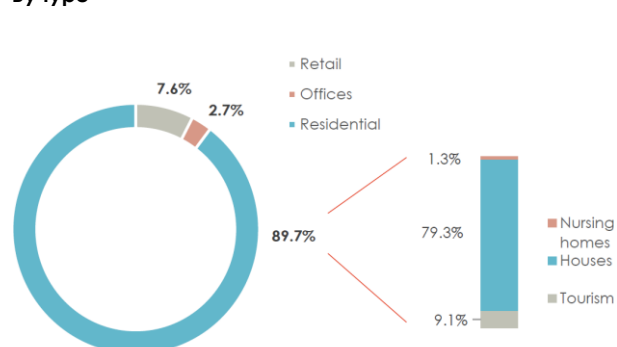
The total contractual annual rents and the estimated rental value of vacant space is € 29.80 million as at 30 September 2020.

The investment properties available for rent are valued by independent real estate experts at an average gross rental yield<sup>2</sup> of 5.0%.

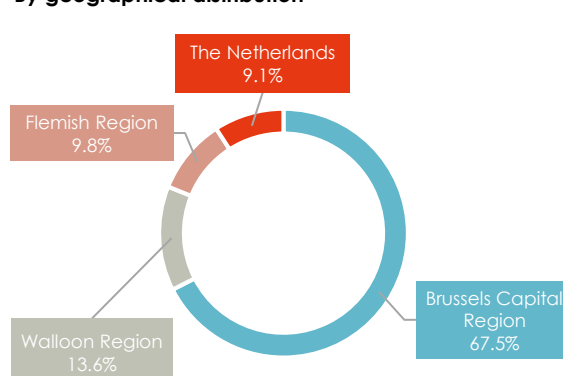
Residential properties accounted for 89.7% of investment properties available for rent at 30 September 2020.

At 30 September 2020, 67.5% of the investment properties available for rent are located in the Brussels Capital Region, 13.6% in the Walloon Region, 9.8% in the Flemish Region and 9.1% in The Netherlands.

**Investment properties available for rent  
By type**



**Investment properties available for rent  
By geographical distribution**



<sup>1</sup> The estate portfolio consists of (i) investment properties and (ii) investments in associated companies and joint ventures equity method.

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

## 2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED KEY FIGURES		(in k €)
INCOME STATEMENT	30/09/2020	30/09/2019
NET RENTAL INCOME	19 814	18 589
OPERATIONAL RESULT BEFORE PORTFOLIO RESULT	12 130	11 062
XVI. Result on the sale of investment properties	763	-14
XVIII. Changes in fair value of investment properties	4 142	37 781
XIX. Other portfolio result	-549	-367
PORTFOLIO RESULT	4 356	37 401
OPERATING RESULT	16 487	48 463
XX. Financial income	46	47
XXI. Net interest charges	-3 133	-3 714
XXII. Other financial charges	-30	-68
XXIII. Changes in fair value of financial assets and liabilities	-3 871	-8 543
FINANCIAL RESULT	-6 988	-12 278
XXIV. Share in the profit of associated companies and joint ventures	462	529
TAXES	-177	53
NET RESULT	9 784	36 766
Exclusion of portfolio result	- 4 356	-37 401
Exclusion of changes in real value of financial assets and liabilities	+3 871	+8 543
Exclusion of non-EPRA elements of the share in the result of associated companies and joint ventures	+638	+298
EPRA EARNINGS <sup>3</sup>	9 936	8 206
Average number of shares <sup>4</sup>	3 288 146	3 288 146
NET RESULT PER SHARE (in €)	298	11.18
EPRA EARNINGS PER SHARE (in €)	302	2.50

<sup>3</sup> EPRA earnings 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.

<sup>4</sup> The average number of shares is calculated excluding the 11.712 shares held by the company.

BALANCE	30/09/2020	31/12/2019
Shareholders' equity (attributable to shareholders of parent company)	315 044	309 618
Total assets	650 445	639 169
Debt ratio (RREC Royal Decree) <sup>5</sup>	50.98%	51.41%
Debt ratio (IFRS) <sup>6</sup>	49.55%	50.11%
PER SHARE	30/09/2020	31/12/2019
Number of shares at end of period <sup>7</sup>	3 288 146	3 288 146
Stock price at closing date	118.00	114.00
IFRS NAV per share <sup>8</sup>	95.81	94.16
Premium compared to IFRS NAV (at closing date)	23.2%	21.1%
EPRA NAV per share <sup>9</sup>	99.00	96.00
Premium compared to EPRA NAV (at closing date)	19.2%	18.7%

<sup>5</sup> The debt ratio (RREC Royal Decree) is the debt ratio calculated in accordance with RREC Royal Decree. 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.

<sup>6</sup> The debt ratio (IFRS) is calculated like the debt ratio (RREC Royal Decree) 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.

<sup>7</sup> The average number of shares is calculated excluding the 11.712 shares held by the company.

<sup>8</sup> IFRS NAV per share = Net Asset Value or Net Value per share according to IFRS.

<sup>9</sup> EPRA NAV per share = Net Asset Value or Net Value per share following the Best Practices Recommendations of EPRA.

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## 3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

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### 3.1. NOTES TO THE CONSOLIDATED INCOME STATEMENT

#### Net rental income

The net rental income has risen from € 18.59 million during the first nine months of 2019, to € 19.57 million during the first nine months of 2020 (+5.3%).

#### Operating result before the portfolio result

The operating result before the portfolio result increased from € 11.07 million during the first nine months of 2019 to € 12.13 million during the first nine months of 2020.

#### Portfolio result

During the first nine months of 2020, Home Invest Belgium achieved a portfolio result of € 4.36 million.

The result on the sale of investment properties amounted to € 0.76 million during the first nine months of 2020.

In addition, during the first nine months of 2020, Home Invest Belgium recorded a positive change in the fair value of its real estate investments amounting to € 4.14 million. These variations are mainly due to upward revaluations in the third quarter of 2020 in the residential segment of the property portfolio.

In accordance with the 'Valuation Practice Alert', published by the Royal Institute of Chartered Surveyors (RICS) on 2 April 2020, the reports of the independent real estate experts state that they were prepared taking into account a 'material evaluation uncertainty', as determined by the RICS standards.

The other portfolio result amounts to € -0.55 million. In this item, the changes in deferred taxes are recorded.

#### Financial result

As a result of the rearrangement of hedging instruments and the refinancing of credits in 2019, the net interest charges have decreased from € 3.71 million in the first nine months of 2019 to € 3.13 million in the first nine months of 2020. The average cost of debt<sup>10</sup> decreased from 2.11% during the first nine months of 2019 to 1.54% during the first nine months of 2020.

The changes in the fair value of the financial assets and liabilities amounted to € -3.87 million during the first nine months of 2020. These changes are the consequence of a change in the fair value of the interest rate swaps.

#### Taxes

Taxes amounted to € -0.18 million during the first nine months of 2020 (compared to € +0.05 million during the first nine months of 2019).

#### Net result

The net result (group share) of Home Invest Belgium amounted to € 9.78 million during the first nine months of 2020, or € 2.98 per share.

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<sup>10</sup> 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.

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### EPRA earnings

After adjustment of the net result for (i) the portfolio result, (ii) the changes in the fair value of the financial assets and liabilities, and (iii) the non-EPRA elements of the share in the result of associated companies and joint ventures, EPRA earnings amount to € 9.94 million during the first nine months of 2020, an increase of 21.1% compared to € 8.21 million during the first nine months of 2019.

EPRA earnings per share increased by 21.3% from € 2.50 during the first nine months of 2019 to € 3.02 during the first nine months of 2020.

### Distributable result

The sales of investment properties, realised in the first nine months of 2020, resulted in a capital gain of € 2.33 million compared to the acquisition value (plus capitalised investments). These realised capital gains contribute to the distributable result, which forms the basis for the distribution of the dividend.

The distributable result<sup>11</sup>, defined as the EPRA earnings increased by the distributable capital gains realised on the sale of investment properties, amounted to € 12.26 million in the first nine months of 2020, or € 3.73 per share.

## 3.2. NOTES TO THE CONSOLIDATED BALANCE SHEET

### Shareholder's equity and NAV per share

At 30 September 2020, the shareholder's equity of the group stood at € 315.04 million, which is an increase of 1.8% compared to 31 December 2019.

The IFRS NAV per share has risen by 1.8% to stand at € 95.81 at 30 September 2020 (compared to € 94.16 at 31 December 2019).

EPRA NAV per share has risen by 3.1% to stand at € 99.00 at 30 September 2020 (compared to € 96.00 at 31 December 2019).

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<sup>11</sup> The distributable result is defined as the EPRA earnings increased by the distributable capital gains realised on the sale of investment properties..



### 3.3. FUNDING STRUCTURE

#### Debt ratio

The debt ratio (RREC Royal Decree) amounted to 50.98% at 30 September 2020. The debt ratio (IFRS) amounted to 49.55%.

Considering a maximum permitted debt ratio of 65%, Home Invest Belgium still has a debt capacity of € 268.42 million, as defined by the RREC Royal Decree, in order to fund new investments.

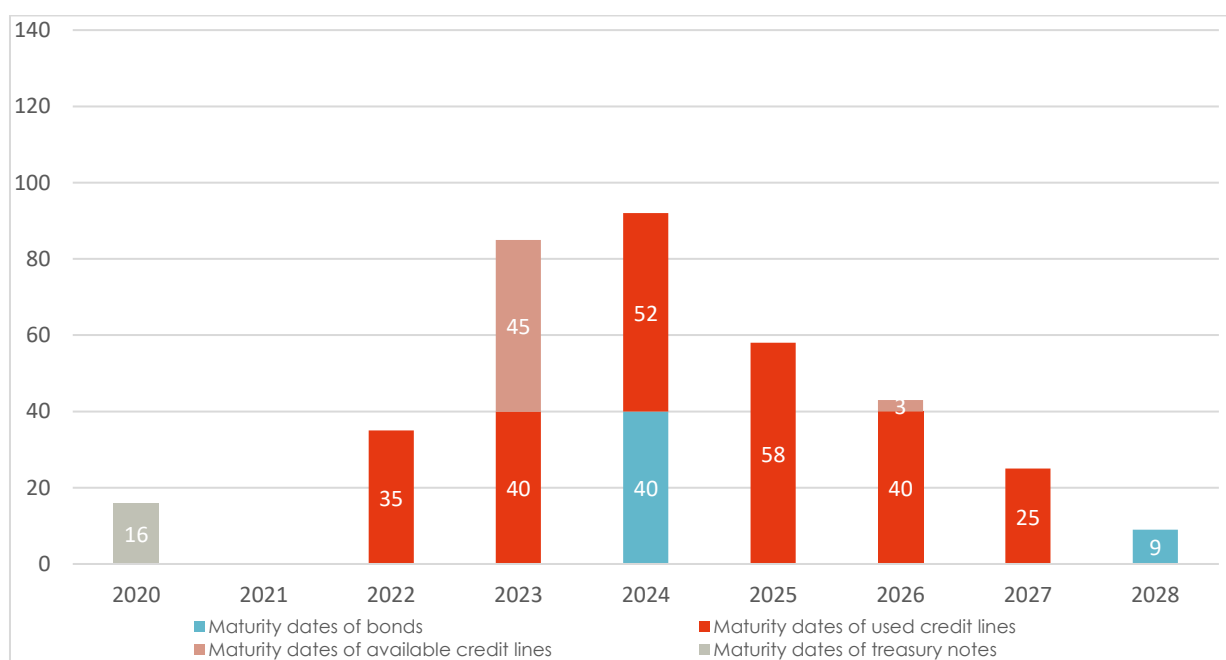
Considering Home Invest Belgium's strategy to keep the debt ratio in the medium and long term below 55%, Home Invest Belgium still has a debt capacity of € 59.88 million to fund new investments.

#### Debt composition

At 30 September 2020, Home Invest Belgium had € 315.00 million in financial debts composed of:

- Bilateral credit lines drawn for an amount of € 250.00 million with 6 different financial institutions, with well spread maturity dates until 2027. There are no maturities in 2020 and 2021. The first coming maturity date is in 2022;
- A bond for an amount of € 40.00 million, maturing in 2024 and a bond under the EMTN-program for an amount of € 9.00 million with maturity date in 2028;
- Treasury notes ("commercial paper") for an amount of € 16.00 million. Notwithstanding the short-term nature of the outstanding commercial paper, the outstanding amount is fully covered by available long-term credit lines (back-up lines).

#### Maturity of debts (€ mio)



The weighted average remaining duration of the financial debts amounts to 4.3 years.

At 30 September 2020, Home Invest Belgium disposed of € 48.00 million of undrawn available credit lines, of which:

- € 16.00 million long term back-up lines covering short-term outgoing treasury notes;
- € 32.00 million available credit lines.

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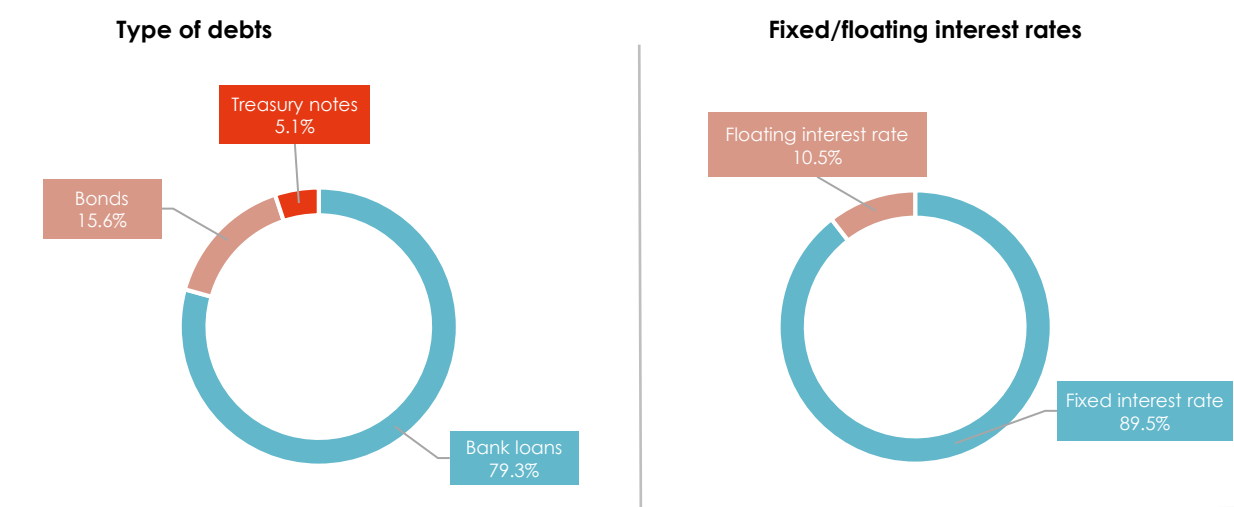
## Hedges

At 30 September 2020, 89.50% of financial debts (€ 282.0 million) had a fixed interest rate, using Interest Rate Swaps as hedging instruments, among other things.

The fixed interest rates have a weighted average remaining duration of 5.1 years.

The total value of the hedges at closing date was negative for an amount of € 8.23 million due to a decrease in interest rates after conclusion of the hedges.

Through its hedging policy, the board of directors wishes to protect the company against potential increases in interest rate.



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## 4. ACTIVITY REPORT

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### 4.1. RENTAL ACTIVITIES

The average occupancy rate<sup>12</sup> of the investment properties available for rent was 94.3%<sup>13</sup> during the first nine months of 2020 (compared to 95.1% during the first nine months of 2019).

This decrease is mainly due to a decrease in the rental activities of Home Invest Belgium in the second quarter of 2020 as a result of the stricter measures taken by the authorities in the light of COVID-19.

In the third quarter of 2020, the commercial activities were fully restarted and Home Invest Belgium is again very active in the market. The expectations are that the occupancy rate will stabilize again at around 95.00% if no new additional measures against the pandemic are taken.

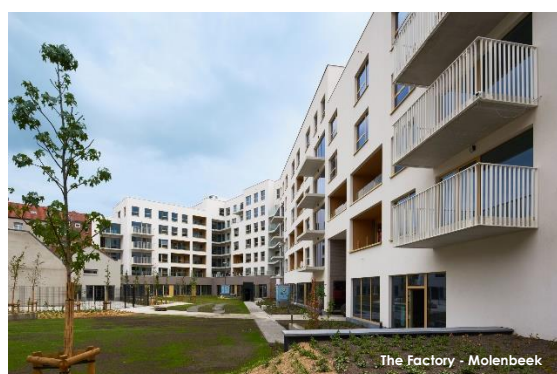
### 4.2. DEVELOPMENT AND REFURBISHMENT PROJECTS

#### Overall progress of the building sites

After an interruption of 3 weeks (between 18 March 2020 and 6 April 2020), the development and refurbishment works have resumed their normal pace. At present, the company only expects a limited impact on the expected completion dates of the projects.

#### Delivery of The Factory (Molenbeek) in the third quarter of 2020

The project The Factory on the Brunfaut site (rue Brunfaut n°13-29 and rue Fin n°4-12 in 1080 Molenbeek-Saint-Jean), for the construction of a residential complex with 93 apartments, 66 parking spaces and 1.443 m<sup>2</sup> of office space, was delivered as planned in the third quarter of 2020. The letting of the project has started with strong first results.



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<sup>12</sup> The average occupancy rate calculated as the average percentage over a certain period of the contractual rents 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.

<sup>13</sup> The occupancy rate is calculated excluding (i) buildings being renovated (ii) building being commercialised for the first time and (iii) buildings being sold.

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### 4.3. SALES

During the first nine months of 2020, Home Invest Belgium has sold property for a total net amount of € 15.23 million (compared to € 11.81 million during the first nine months of 2019).

A net capital gain of € 0.76 million was realised on these sales compared to the latest fair value and a capital gain of € 2.33 million compared to the acquisition value (increased by activated investments).

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

### 4.4 UPDATE COVID-19

In the light of the COVID-19 pandemic and the new federal measures announced on 30 October 2020, Home Invest Belgium has taken the necessary measures to protect the health of its employees and tenants and to ensure the continuity of its activities. Home Invest Belgium's employees have switched to working from home. Thanks to the investments made in the IT-platform in recent years, this transition went smoothly.

Home Invest Belgium is currently evaluating the situation as follows:

- The value of the real estate portfolio has shown to be robust during the first nine months of 2020. During this period, Home Invest Belgium recorded positive changes in the fair value of its investment properties for an amount of € 4.14 million, mainly in the residential property segment. In this context, we would like to point out that the reports of the independent real estate experts were drawn up with a 'material evaluation uncertainty', as determined by the RICS standards.
- The company has a balanced financing structure and a strong liquidity position. The debt ratio amounts to 50.98% (RREC Royal Decree) and 49.55% (IFRS) at 30 September 2020. The company has € 32 million freely available credit lines. The company has no maturity dates for credit lines or bonds in 2020 and 2021. The first coming maturity dates are in 2022.
- The pandemic led to a slowdown in rental activities in the second quarter of 2020, resulting in a drop in occupancy rates. Commercial activities were resumed in the third quarter of 2020. The pandemic has had virtually no impact on payment behaviour or payment arrears in the housing segment, Home Invest Belgium's core market. The housing segment represents 79.0% of the fair value of the investment properties available for rent. In the tourism and retail segments, which account for 9.1% and 7.6% respectively of the investment properties available for rent, Home Invest Belgium conducted discussions with each of its tenants to find a solution on a case by case basis. In the retail segment, Home Invest Belgium has reached agreements with the majority of its tenants. In the tourism segment, an agreement has been reached with the operator of the holiday parks that is in line with the company's expectations. In the first nine months of 2020, Home Invest Belgium has set up provisions for doubtful debtors to the best of its estimate. Overall, Home Invest Belgium posted strong operating results during the first nine months of 2020, despite Covid-19. We do not expect any further financial impact from the COVID-19 pandemic over the closed periods.

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## 5. OUTLOOK

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### DIVIDEND

Taking into account the strong operational results of the company, the board of directors has decided to increase the interim dividend from € 3,75 per share to €4,25 per share. More specifically, coupon no. 29 will give entitlement to an interim dividend of € 4,25 gross or € 2,975 net per share (after deduction of the current withholding tax of 30%). The interim dividend will be paid on 4 December 2020.

The final dividend will be decided in May 2021 during the general ordinary meeting of the company, based on the proposal of the board. The board expects the gross dividend for the full financial year 2020 to be at least equal to that of the previous financial year (i.e. € 4.85 gross per share).

### OUTLOOK 2020

During the first nine months of 2020, the operational results of Home Invest Belgium have developed positively despite the COVID-19 pandemic.

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 housing;
- 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.

Home Invest Belgium owns a sustainable portfolio given its young age. More than 50% of the investment properties available for rent are younger than 10 years. Given the quality and the location of the properties in predominantly large urban areas, Home Invest Belgium is well positioned to take on a leading role in the favourable trends of the residential market.

Home Invest Belgium is considering international expansion of its activities as a specialist in the residential rental market.

Against this background, the board of directors confirms its confidence in the long-term prospects of the company.

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## 6. SHAREHOLDER'S CALENDAR

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### 2020

Interim statement: results at 30 September 2020	Friday 13 November
Interim dividend for the financial year 2020 – Ex date	Wednesday 2 December
Interim dividend for the financial year 2020 – Record date	Thursday 3 December
Interim dividend for the financial year 2020 – Payment date	Friday 4 December

### 2021

Annual press release on the financial year 2020	Wednesday 24 February
Publication of the annual financial report on the website	Friday 2 April
Ordinary general meeting of the financial year 2020	Tuesday 4 May
Final dividend for the financial year 2020 – Ex date	Monday 10 May
Final dividend for the financial year 2020 – Record date	Tuesday 11 May
Final dividend for the financial year 2020 – Payment date	Wednesday 12 May
Interim statement: results at 31 March 2021	Wednesday 19 May
Half-year financial report: results at 30 June 2021	Thursday 9 September
Interim statement: results at 30 September 2021	Thursday 18 November

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## FOR ADDITIONAL INFORMATION

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### About Home Invest Belgium

Home Invest Belgium is a Belgian public regulated real estate company (GVV/SIR) specialised in the acquisition, sale, development, letting and management of residential real estate. On 30 September 2020, Home Invest Belgium held a real estate portfolio worth €640 million in Belgium and the Netherlands.

Home Invest Belgium has been listed on Euronext Brussels [HOMI] since 1999. On 30 September 2020, the market capitalisation amounted to € 389 million.