



BUILDING  
TOMORROW  
TODAY

VGP  
1H21 Results Presentation  
*31 August 2021*



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

# Fully integrated pure-play logistics real-estate company



## Company at a glance

- **Pan-European** operator, owner and developer of prime logistics and light industrial parks
- Fully integrated business model with expertise across value chain: **>300 employees in 13 countries**
- High quality standardised logistic and semi-industrial real estate asset base
- All new buildings delivered at least certified **BREEAM Very Good or equivalent<sup>4</sup>**
- Fully let standing portfolio and significantly pre-let development pipeline: **Completed portfolio is 99.4% let and Portfolio under construction is 81.3% pre-let as of June 2021**
- VGP well financed and strongly capitalized: **shares listed on Euronext Brussels since 2007**
- Successful and long-term partnership with Allianz Real Estate since 2016: **3 joint ventures since inception**

## Portfolio KPI's as of 30-Jun-21

<b>€4.48bn<sup>1</sup></b> Total GAV	<b>85</b> Parks	<b>324</b> Tenants	<b>130</b> Number of completed buildings
<b>3.9 years</b> Average Building Age	<b>99.4%<sup>2</sup></b> Occupancy	<b>8.2 years<sup>3</sup></b> WAULT	<b>€205.7mm</b> Committed annualised rental income

## Financial KPI's as of 30-Jun-21

<b>€184.3mm<sup>5</sup></b> EBITDA	<b>30.4%</b> Gearing ratio	<b>€1.4bn</b> Shareholders' Equity	<b>FitchRatings:</b> <b>BBB-</b>
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1. Gross Asset Value of VGP, including own portfolio and joint ventures at 100% as of 30 June 2021

2. Including JV portfolio at 100%

3. Refers to WAULT of JV and Own portfolio combined.

4. Started-up after 1 January 2020.

5. Operating EBITDA (Incl. JV at share) and is calculated as investment EBITDA, property development EBITDA and property management and asset management EBITDA

VGP

## 1. Highlights H1 2021



# H1 2021 results - Highlights

- **Record net profit for the period of €203.4 million**
- **Strong operating performance across regions**
  - **Record 42 buildings with 1,127,000 m<sup>2</sup> under construction (81.3% pre-let)**
    - **17 buildings with 426,000 m<sup>2</sup> have been started up in H2 2021 (currently 1,559,000 m<sup>2</sup> under construction)**
  - **8.56 million m<sup>2</sup> land bank owned or committed (+11.9% YTD)**
  - **Our total signed and renewed rental income grew with 21.9% over the first 8 months of 2021 to € 225.7 million<sup>1</sup>**
  - **Strong delivery pipeline of >550,000m<sup>2</sup> for H2 2021 expected<sup>2</sup>**
- **Anticipated capex roll-forward is expected to be fully covered by net cash proceeds from joint venture closings**
- **Advanced discussions with Allianz regarding expansion of partnership through launch of fourth joint venture ongoing**
- **Strong cash position with €469 million available on balance sheet and gearing ratio at 30.4% as of 30 June 2021**
  - **Successful €600 million green bond issue earlier in the year**

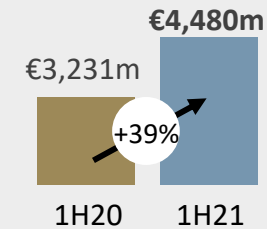
<sup>1</sup> inclusive of Joint Ventures at 100%. Additional signed and renewed rental income of €22.7 mm with total of €205.7mm as of 30<sup>th</sup> June 2021

<sup>2</sup> Delivered 5 projects with 81,000 m<sup>2</sup> of lettable area during 1H 2021

## Resilient financial performance

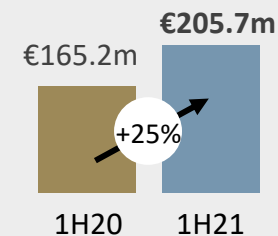
- **Strong growth of total portfolio value<sup>1</sup>**

Driven by portfolio growth and yield compression across regions



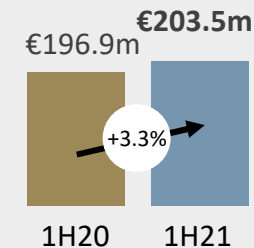
- **Continued growth in committed annualised rental income<sup>1</sup>**

Several iconic parks being brought to market

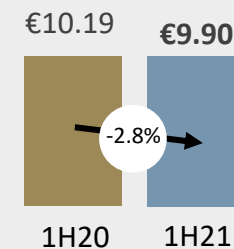


- **Record net profit**

Despite one-off forward sale of VGP Park München positively affected 1H 2020



- **Earnings per share impacted by last year's share issuance**



<sup>1</sup> Including JVs portfolio at 100%



# Update on Sustainable Development Goals

## Renewable Energy



- 61.8MWp of photovoltaic capacity is currently installed or under construction through 52 roof-projects; pipeline includes 33 projects of 71MWp
- Total projected solar power generation of 133MWp (+39% YTD)

## Building design and certification



- Preparing two projects aiming for “DGNB Klima Positiv” (CO<sub>2</sub> neutral) certification
- 100% of all new building projects at least ‘BREEAM Very Good’ or equivalent certified
- Preparing joint EBRD Research assessment for sustainable mobility and circular logistics buildings

## ESG Reporting update



- Initiated GRESB reporting for 2021 cycle (in addition to annual CDP and GRI)
- Measuring portfolio and tenants CO<sub>2</sub> footprint and analysing decarbonization pathways
- Initiated a Sustainalytics Rating process

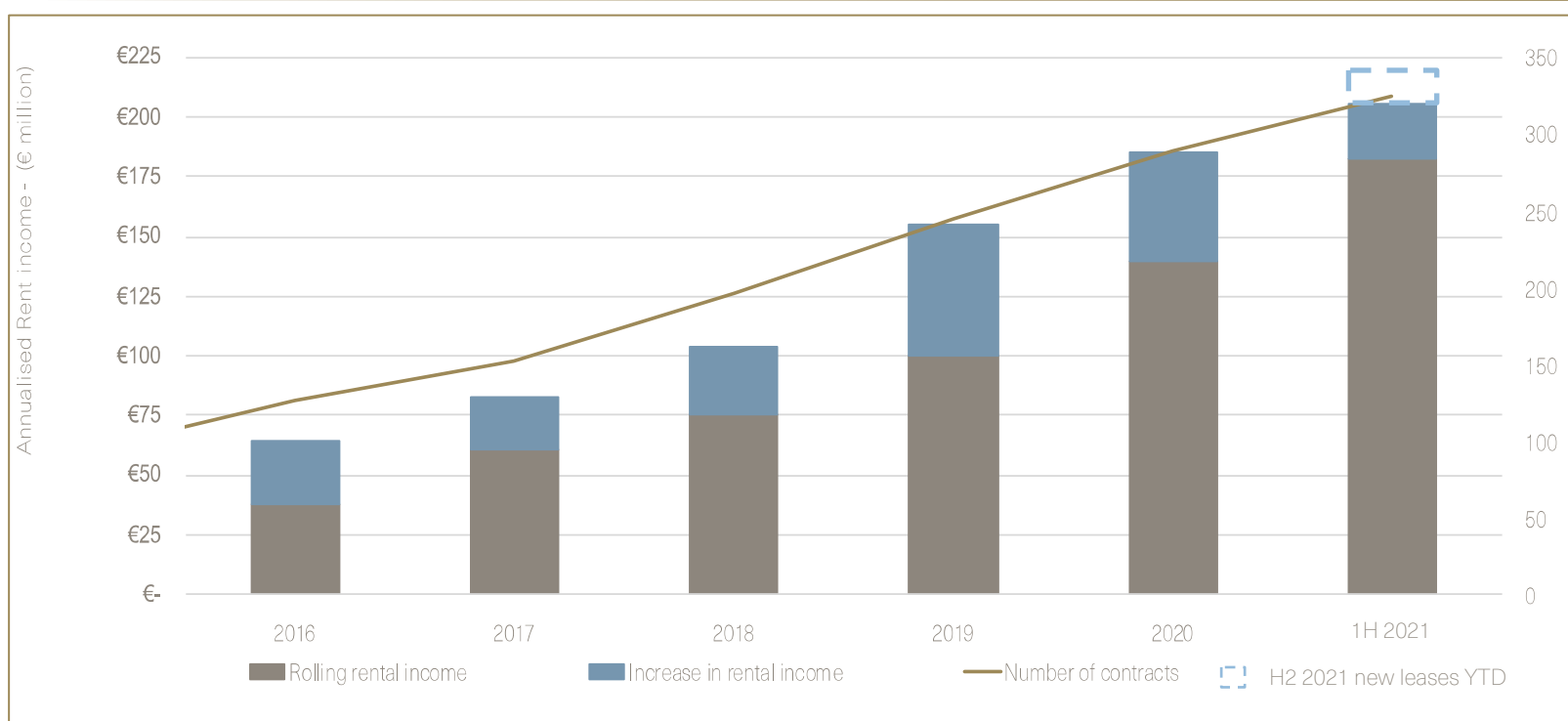


## 2. Operational performance



## H1 2021 saw strong leasing growth, with resilience into H2

### Committed annualised rental income and number of tenancy contracts<sup>1</sup>



- Committed annualised leases increased to € 225.7 million as of 31<sup>st</sup> of Aug<sup>2</sup> (2020: €185.2 million)
  - JV portfolios represent €149.1 million; own portfolio is €76.6 million
- Occupancy rate of 99.4% for the completed portfolio<sup>1</sup>

**Signed and renewed rental income of €42.7 million (+21.9%) until Aug '21 YTD**

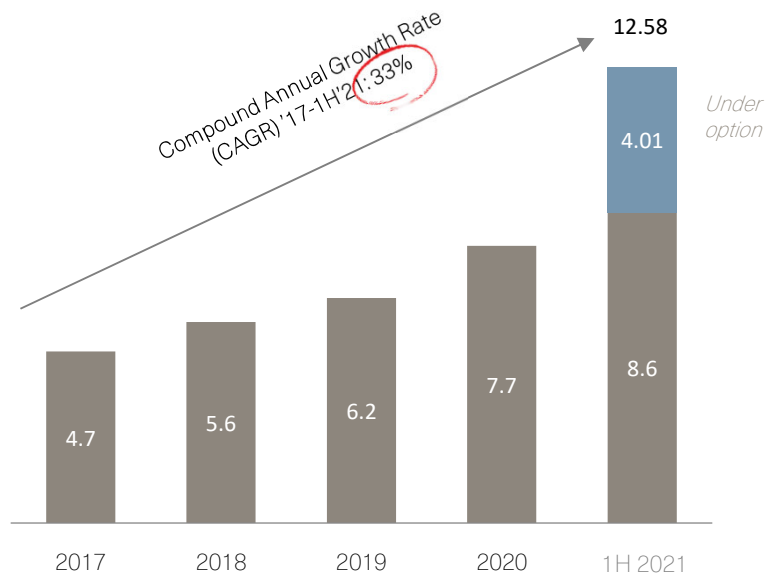
<sup>1</sup> Including 100% of JVs' assets

<sup>2</sup> As of 30th June signed annualised leases represent €205.7 million

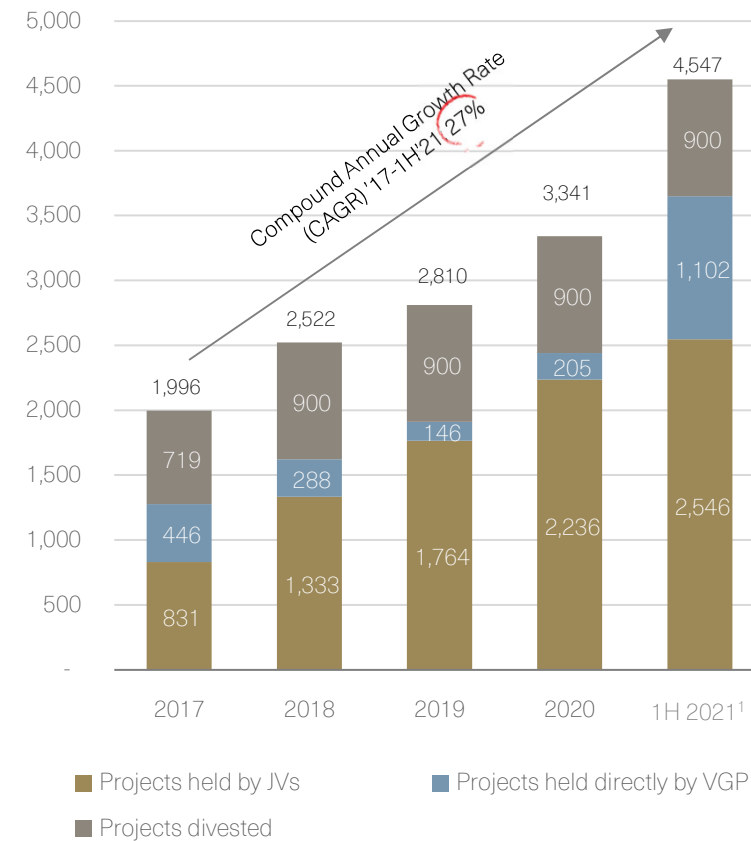


# Proven ability to rapidly convert acquired land into fully-let and operational parks

Total land bank secured (Mio. m<sup>2</sup>)



Completed<sup>1</sup> gross leasable area ('000 m<sup>2</sup>)



## Development of a significant leasable area with virtually full occupancy<sup>2</sup>

As of 30 June 2021

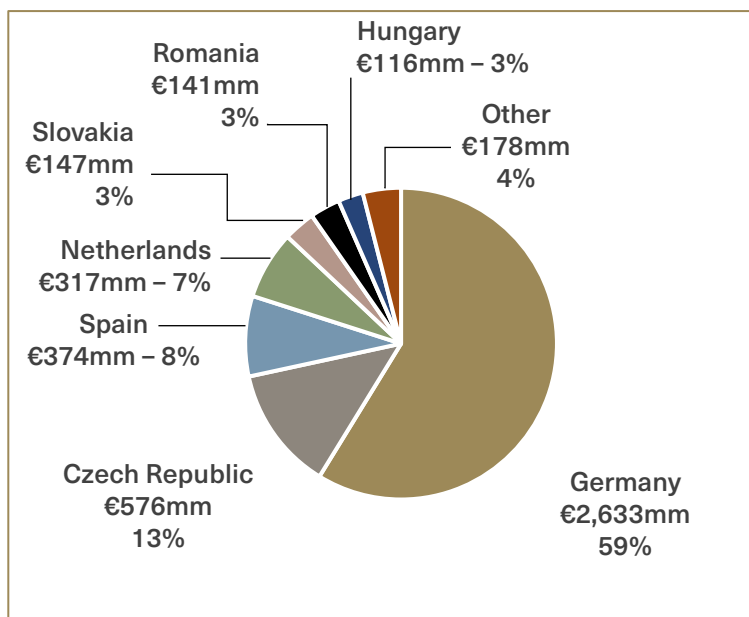
<sup>1</sup> Including 100% of JV and assets divested (see chart breakdown). 1H2021 also includes assets currently under construction

<sup>2</sup> Occupancy at June 2021 for completed portfolio (incl JVs) was 99.4%.

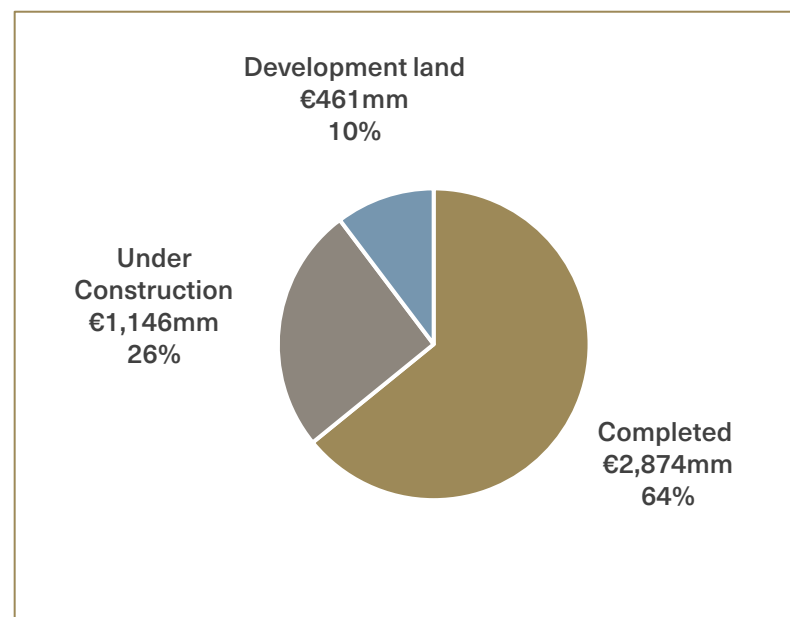
# Diversified investment portfolio

## Investment portfolio breakdown<sup>1</sup>

### Country breakdown



### Completed vs Under Construction vs Land Bank



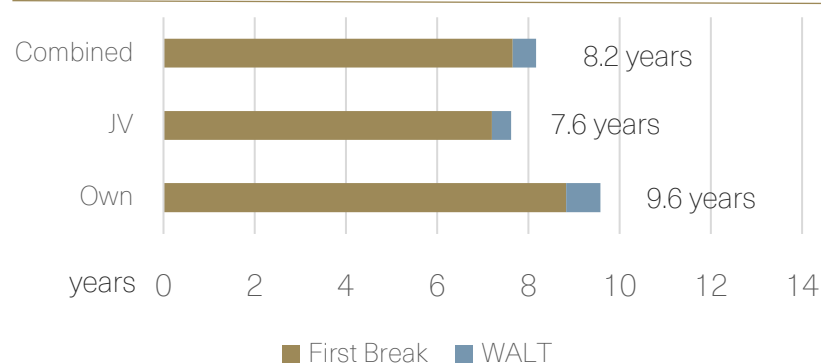
- The Investment portfolio has grown to €4,481 million<sup>1</sup>, up **38.7%YoY**
- Western Europe, represents:
  - 77% of total portfolio as of Jun-21<sup>1</sup>
  - 75% of combined portfolio growth contribution YoY
  - 71% of operating EBITDA incl. JVs at share over H1 2021

As of 30 June 2021

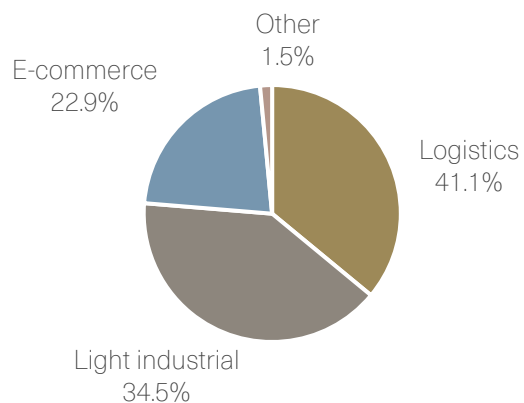
<sup>1</sup> Including 100% of JVs assets

# Portfolio leased on a long-term basis to a diversified and blue-chip customer base

## Weighted average term of the portfolio

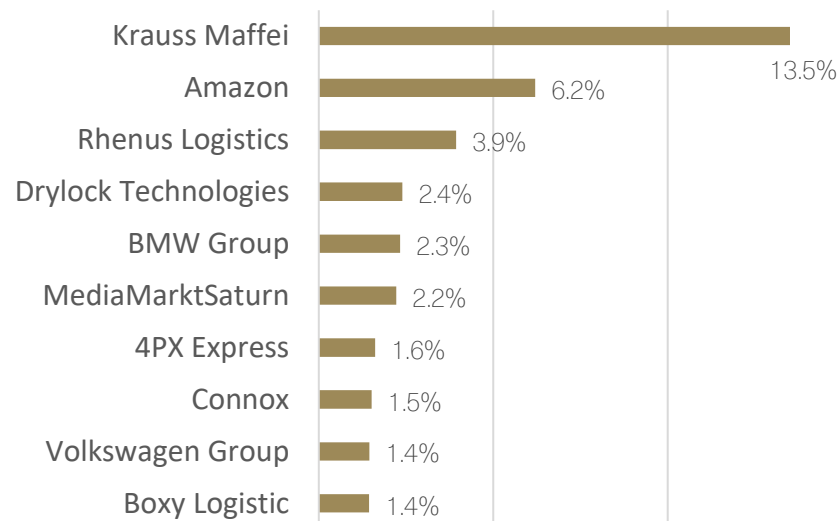


## Tenant portfolio breakdown – by industry segment



Diversified customer base

## Blue-chip top 10 Tenants (JVs at 100%)



KraussMaffei



amazon

drylock  
TECHNOLOGIES

Boxy

RHENUS  
LOGISTICS



4PX  
WORLDWIDE EXPRESS

MediaMarktSaturn

connex

Top 10 clients count for 36.6%

## Solid delivery of new developments expected for FY 2021

- During 1H 2021 a total of 5 buildings were delivered, representing 81,000 m<sup>2</sup>
- Strong delivery pipeline for 2H 2021 expected



Landgard

KDE

LSB  
Leit- und  
Sicherungstechnische  
Dienstleistungs GmbH  
TEX TRACK CONTROL

paack

COLOSSUS  
LOGISTICS



SEREDA GmbH

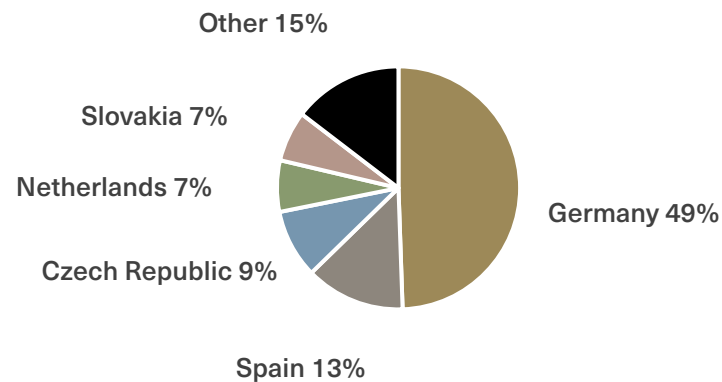


# Current development pipeline

- **At Jun 2021, 42 buildings were under construction, representing 1,127,000 m<sup>2</sup> (currently 1,528,000 m<sup>2</sup> under construction)**
  - This equates to € 69.4 million of new lease contracts
  - Portfolio Under Construction is 81.3% pre-let
  - Western Europe reflects 76% of the total development pipeline



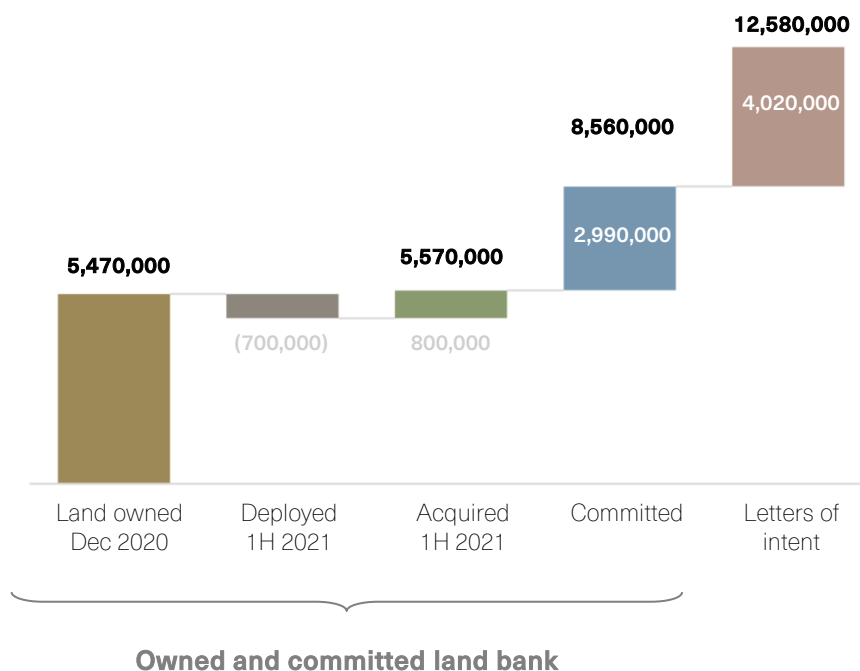
## Developments – geographic breakdown (by m<sup>2</sup>)



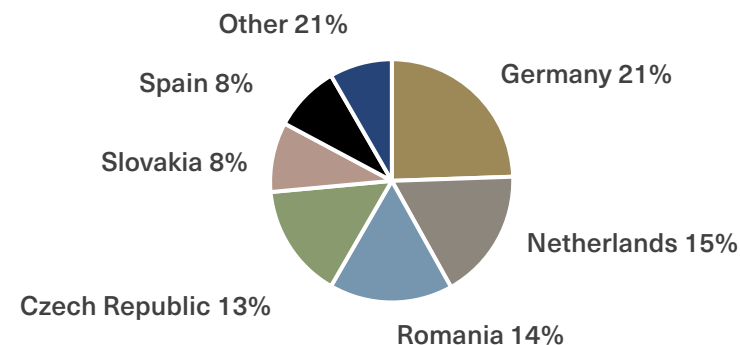


## Well advanced land bank to support future growth

### Build-up of Land bank (m<sup>2</sup>)



### Land bank<sup>1</sup> – geographic breakdown



<sup>1</sup> Geographical breakdown of development potential (split by m<sup>2</sup>) of the owned and committed land bank

- Total land bank (owned and committed) of 8.56 million m<sup>2</sup> equates to development potential of **3.93 million m<sup>2</sup>**
- In addition, 4.02 million m<sup>2</sup> of land under option, subject to due diligence, with **1.64 million m<sup>2</sup>** of development potential

**5.57 million m<sup>2</sup> of development potential embedded in the Land bank**

As of 30 June 2021

VGP

### 3. Financial performance



# Income Statement – 1H 2021

- Operating profit up €22.1 mm to €240.0mm
  - Driven by higher share of net profits of joint ventures and associates (up €65.8mm) partially offset by lower net valuation gains on investment properties (down €41.4mm)
- On a “look-through”- basis<sup>1</sup> net rental is up by € 5.1 mm YoY to € 32.0mm
- Net valuation gains on the property portfolio of € 163.2mm
  - The own standing property portfolio is valued on a weighted average yield of 5.18% (vs. 5.51% as at Dec '20)<sup>2</sup>
- Share of net profits of joint ventures and associates of € 84.4mm
  - The JVs standing property portfolio is valued on a weighted average yield of 4.53% (vs. 4.76% as at Dec '20)<sup>2</sup>
- Other expenses of €2mm, reflecting contribution to VGP Foundation
- Taxes of €30mm, primarily deferred taxes related to unrealized gains on property developments

## Income statement (€ million)

	1H21	1H20
<b>Revenue</b>	<b>18.1</b>	<b>12.4</b>
Gross rental income	7.1	4.7
Property operating expenses	(2.7)	(0.6)
<b>Net rental income</b>	<b>4.4</b>	<b>4.1</b>
Joint venture management fee income	8.5	6.1
Net valuation gains on investment properties	163.2	204.6
Administration expenses	(18.6)	(15.5)
Share of net profit from JVs and associates	84.4	18.6
Other expenses	(2.0)	-
<b>Operating profit</b>	<b>240.0</b>	<b>217.9</b>
Financial income	5.6	3.9
Financial expense	(11.8)	(12.0)
<b>Net financial result</b>	<b>(6.2)</b>	<b>(8.2)</b>
<b>Profit before taxes</b>	<b>233.8</b>	<b>209.7</b>
Taxes	(30.0)	(12.8)
<b>Profit for the period</b>	<b>203.8</b>	<b>196.9</b>

<sup>1</sup> Look-through basis includes VGP's share of the JVs net rental income

<sup>2</sup> The (re)valuation of the own, First and Second Joint Ventures' portfolio was based on the appraisal report of the property expert Jones Lang LaSalle

# Income Statement – 1H 2021 by segment

Investment			Development			Property and Asset Management		
€ million	1H 21	1H 20	€ million	1H 21	1H 20	€ million	1H 21	1H 20
Gross rental income	7.1	4.7	Gross rental income	-	-	Gross rental income	-	-
Property operating expenses	(0.3)	(0.1)	Property operating expenses	(2.4)	(0.5)	Property operating expenses	-	-
<b>Net rental income</b>	<b>6.8</b>	<b>4.6</b>	<b>Net rental income</b>	<b>(2.4)</b>	<b>(0.5)</b>	<b>Net rental income</b>	<b>-</b>	<b>-</b>
Joint venture management fee income	-	-	Joint venture management fee income	-	-	Joint venture management fee income	8.5	6.1
Net valuation gains on investment properties destined to the JVs	-	-	Net valuation gains on investment properties destined to the JVs	161.6	204.6	Net valuation gains on investment properties destined to the JVs	-	-
Administration expenses	(0.5)	(1.7)	Administration expenses	(13.2)	(9.8)	Administration expenses	(3.5)	(3.2)
Share of JVs' adjusted operating profit after tax	27.0	22.4	Share of JVs' adjusted operating profit after tax	0.0	-	Share of JVs' adjusted operating profit after tax	-	-
<b>EBITDA</b>	<b>33.4</b>	<b>25.3</b>	<b>EBITDA</b>	<b>145.9</b>	<b>194.3</b>	<b>EBITDA</b>	<b>5.0</b>	<b>2.9</b>
<ul style="list-style-type: none"> <li>Share in result of JVs up €4.6 million YoY corresponds to VGP's share in the result of the JVs <u>excluding any revaluation result</u></li> <li>JV1 is expected to upstream €15 million to VGP in September 2021</li> </ul>			<ul style="list-style-type: none"> <li>Valuation gains/(losses) of €161.6 million – 1H 2020 was positively affected by the new 50:50 VGP Park München joint venture</li> <li>H1 2021 total CapEx spent €245 million<sup>1</sup></li> </ul>			<ul style="list-style-type: none"> <li>Revenues include asset management, property management and facility management income</li> </ul>		

**For our 2021 reporting we will introduce a fourth pillar which will be based on income generated out of renewable energy**

Please note the segment reporting disclosure in the notes of our 1H 2021 condensed consolidated interim financial statements press release for overview of adjustments to operating EBITDA

<sup>1</sup> Capital expenditure directly incurred for the own portfolio amounts to € 216.9 million and amounts to € 12.3 million on development properties of the Joint Venture

## Balance sheet – assets as of Jun 2021

- Investment Properties of €1,264 mm
  - Completed portfolio €195mm
  - Under construction €709mm
  - Development land €359mm
- Investment in Joint Ventures and associates increased to €752 mm:
  - JV1: €532mm (D, CZ, SK, HU)
  - JV2: €80mm (ES, RO, IT, NL, AT, PT)
  - JV3: €128mm (München)
  - JV4: €13mm (Moerdijk)<sup>1</sup>
- Other non-current receivables increased €50mm to €314mm, reflecting increased shareholder loans to joint ventures
  - Non-current receivables also includes balance due by Allianz Real Estate in respect of VGP Park München (€ 67 mm)<sup>2</sup>
- Cash position of €469 mm – in addition several multi-year unsecured credit facilities undrawn and available (€150 mm)

	30 Jun '21	31 Dec '20
<b>ASSETS</b>		
Investment properties	1,263.8	920.2
Investment in joint ventures and associates	752.3	654.8
Other non-current receivables	314.1	264.0
Other non-current assets	26.6	19.3
<b>Total non-current assets</b>	<b>2,356.7</b>	<b>1,858.2</b>
Trade and other receivables	52.3	44.8
Cash and cash equivalents	469.2	222.4
Disposal group held for sale	109.0	102.3
<b>Total current assets</b>	<b>630.5</b>	<b>369.5</b>
<b>TOTAL ASSETS</b>	<b>2,987.1</b>	<b>2,227.7</b>

<sup>1</sup> On 26 November 2020, VGP entered into a partnership with Roozen Landgoederen Beheer in order to develop Logistics Park Moerdijk together with the Port Authority Moerdijk on a 50:50 basis. VGP Park Moerdijk's share equates to more than 450,000 m<sup>2</sup> of lettable area

<sup>2</sup> The remaining balance due by Allianz Real Estate in respect of the acquisition of VGP Park München shall become payable by Allianz Real Estate in different instalments based on the completion dates of the respective buildings



## Balance sheet – Shareholders' equity and liabilities as of June 2021

- Shareholders' equity of €1,434mm
  - Up €129mm since Dec '20, despite €75mm dividend paid in 1H 2021
- Total liabilities of €1,553 mm (2020: €922 mm)
  - Financial debt of €1,379 mm (2020: €783 mm), increased due to issuance of a debut benchmark green bond<sup>1</sup>
- Gearing at Jun '21 stood at 30.4%<sup>2</sup>
  - Well within our typical operating range for gearing ratio of between 30 and 40/45%
  - The group's financial covenant maximum consolidated gearing is 65%

	30 Jun '21	31 Dec '20
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>	<b>1,434.4</b>	<b>1,305.7</b>
Non-current financial debt	1,343.9	748.8
Other non-current (financial) liabilities	9.3	10.5
Deferred tax liabilities	71.3	43.8
<b>Total non-current liabilities</b>	<b>1,424.5</b>	<b>803.1</b>
Current financial debt	34.8	34.5
Trade debt and other current liabilities	85.3	77.7
Liabilities related to disposal group HFS	8.2	6.7
<b>Total current liabilities</b>	<b>128.2</b>	<b>118.9</b>
<b>Total liabilities</b>	<b>1,552.7</b>	<b>922.0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,987.1</b>	<b>2,227.7</b>

<sup>1</sup> On 31 March 2021 VGP issued € 600 million fixed rate green bonds due 8 April 2029 with a coupon of 1.50% per annum; assigned BBB- by Fitch

<sup>2</sup> Calculated as Net debt / Total equity and liabilities

## 3. Summary and Outlook

# Summary and Outlook



## Summary

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- Strong business performance across portfolio; achieved many new milestones and record net profit
- Inflation of construction costs offset through higher rental prices and yield compression
- Expanding our Corporate and Social Responsibility agenda
- Advanced discussions with Allianz regarding expansion of partnership; first JV has reached investment target
- Strong cash position with €469 million available on balance sheet and gearing ratio at 30.4%

## Outlook

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- View the second half of 2021 and beyond with confidence
  - development activities should continue to operate at elevated levels during the upcoming period
  - We expect technological changes and e-commerce to continue to be an important driver
  - Our existing land bank provides the foundation for growth over the coming years
- Continued focus on improving our clients' and our portfolio's CO<sub>2</sub> footprint incl. expansion of photovoltaic installations
- We expect in the coming period to be able to announce the details of a new joint venture with Allianz Real Estate

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# Appendix

# Overview of VGP Parks

## Overview of VGP Parks by country

### GERMANY

- 01 VGP Park Frankenthal
- 02 VGP Park Bobenheim-Roxheim
- 03 VGP Park Leipzig
- 04 VGP Park Leipzig-Borna
- 05 VGP Park Berlin
- 06 VGP Park Höchststadt
- 07 VGP Park Rodgau
- 08 VGP Park Bingen
- 09 VGP Park Hamburg
- 10 VGP Park München
- 11 VGP Park Soltau
- 12 VGP Park Ginsheim-Gustavsburg
- 13 VGP Park Schwalbach
- 14 VGP Park Berlin-Wustermark
- 15 VGP Park Göttingen
- 16 VGP Park Wetzlar
- 17 VGP Park Halle
- 18 VGP Park Dresden
- 19 VGP Park Bischofsheim
- 20 VGP Park Giessen-Buseck
- 21 VGP Park Giessen-Lützellinden
- 22 VGP Park Giessen Am Alten Flughafen
- 23 VGP Park Laatzen
- 24 VGP Park Magdeburg
- 25 VGP Park Chemnitz
- 26 VGP Park Erfurt
- 27 VGP Park Ottendorf-Okrilla
- 28 VGP Park Einbeck
- 29 VGP Park Berlin Oberkrämer
- 30 VGP Park Rostock
- 31 VGP Park Leipzig-Flughafen
- 32 VGP Park Wiesloch-Walldorf
- 33 VGP Park Honow

### CZECH REPUBLIC

- 34 VGP Park Ústí nad Labem
- 35 VGP Park Český Újezd
- 36 VGP Park Hrádek nad Nisou
- 37 VGP Park Tuchoměřice
- 38 VGP Park Liberec
- 39 VGP Park Písek
- 40 VGP Park Brno
- 41 VGP Park Olomouc
- 42 VGP Park Jeneč
- 43 VGP Park Chamutov
- 44 VGP Park Prostějov
- 45 VGP Park Vyškov
- 46 VGP Park České Budějovice
- 47 VGP Park Kladno

### SLOVAKIA

- 48 VGP Park Bratislava
- 49 VGP Park Malacky
- 50 VGP Park Zvolen

### HUNGARY

- 51 VGP Park Győr
- 52 VGP Park Alsónémedi
- 53 VGP Park Kecskemét
- 54 VGP Park Hatvan
- 55 VGP Park Budapest

### ROMANIA

- 56 VGP Park Timisoara
- 57 VGP Park Sibiu
- 58 VGP Park Brasov
- 59 VGP Park Bucharest
- 60 VGP Park Arad

### LATVIA

- 61 VGP Park Kekava
- 62 VGP Park Riga

### SPAIN

- 63 VGP Park Lliça d'Amunt
- 64 VGP Park San Fernando de Henares
- 65 VGP Park Fuenlabrada
- 66 VGP Park Valencia Chestre
- 67 VGP Park Zaragoza
- 68 VGP Park Sevilla
- 69 VGP Park Ciudad de la Imagen
- 70 VGP Park La Naval
- 71 VGP Park Granollers
- 72 VGP Park Martorell

### NETHERLANDS

- 73 VGP Park Roosendaal
- 74 VGP Park Nijmegen
- 75 VGP Park Moerdijk

### ITALY

- 76 VGP Park Calcio
- 77 VGP Park Valsamoggia
- 78 VGP Park Parma
- 79 VGP Park Verona
- 80 VGP Park Sordio
- 81 VGP Park Padova

### AUSTRIA

- 82 VGP Park Graz

### PORTUGAL

- 83 VGP Park Santa Maria da Feira
- 84 VGP Park Sintra
- 85 VGP Park Loures





## Track record of net cash proceeds from

## ventures: in ex joint ventures

## in net cash

### First JV: VGF Euro



Closing I  
(May '16)

GAV: c.€500mm  
Net cash: €176mm

Closing II  
(Oct '16)

GAV: c.€80mm  
Net cash: €59mm

Closing III  
(May '17)

GAV: c.€173mm  
Net cash: €122mm

Closing IV  
(May '18)

GAV: c.€400mm  
Net cash: €290mm

Closing V  
(Apr '19)

GAV: c.€203mm  
Net cash: €125mm

Closing VI  
(Nov '19)

GAV: c.€232mm  
Net cash: €123mm

Closing VII  
(Oct '20)

GAV: c.€166mm  
Net cash: €126mm

Closing VIII  
(Jun '21)

GAV: c.€68mm  
Net cash: €50mm

Net cash proceeds of €1,071mm  
from First JV

### Second JV: VGP Euro



Closing I  
(Jul '19)

GAV: c.€175mm  
Net cash: €91mm

Closing II  
(Nov '20)

GAV: c.€258mm  
Net cash: €180mm

Net cash proceeds of €271mm from  
Second JV

### Third JV: VGP Par



Seed c'ing  
(Jun '20)

GAV: c.€187mm  
Net cash: €87mm

Closing I  
(Dec '20)

GAV: c.€55mm  
Net cash: €16mm

VGP net cash proceeds of €103mm  
from Third JV

# Disclaimer



## ABOUT VGP

VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a development land bank (owned or committed) of 8.56 million m<sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP with a staff of c. 300 employees today owns and operates assets in 11 European countries directly and through several 50:50 joint ventures. As of June 2021, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 4.48 billion and the company had a Net Asset Value (EPRA NTA) of € 1.51 billion. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

**For more information, please visit: <http://www.vgpparks.eu>**

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