



The leading property company specialising in low cost retail parks

2020 Half-year results

23 SEPTEMBER 2020



**PATRIMOINE
& COMMERCE**

www.patrimoine-commerce.com

Key figures



2020 Key first half figures



500,000

sqm. of surface area



23.5

million euros of rents ⁽¹⁾
+4.8% vs HY1 2019



805

million euros in
total asset value ⁽²⁾



26.0

euros RNAV ⁽³⁾



47.9%

LTV ⁽⁴⁾



7.3%

capitalisation rate ⁽⁵⁾

⁽¹⁾ Gross rental income

⁽²⁾ Excl. transfer fees (incl. group share of Cherbourg and Studio Prod and assets held for sale)

⁽³⁾ Triple net / share

⁽⁴⁾ Adjusted for security deposits and hedging instruments

⁽⁵⁾ Annualised rental income + ERV of vacant spaces / value excluding transfer

A stable occupancy rate from one year to the next



An aerial photograph of a large industrial or commercial complex. The image shows several large, rectangular buildings with flat roofs, some with skylights. A large parking lot filled with cars is visible in the foreground and middle ground. In the background, there is a cityscape with various buildings and a body of water. The entire image has a yellowish-green tint.

Highlights

An unprecedented health crisis

A significant impact on business

Closure by 90% of tenants between mid-March and 11 May

A response in line with the challenges

Health measures to ensure high protection for staff

Reduction of charges program

Support provided to tenants on a case by case basis

Negotiations with the banking partners

A controlled impact

100% of tenants reopened in the week following the end of the lockdown

133 agreements concluded with tenants

26 new leases signed (excluding Covid-19)

Long-term relationships with the tenants

> CLOSE-UP ON THE AGREEMENTS CONCLUDED WITH RETAILERS

133 deals finalised and being negotiated

57
lease
renewals

16
renunciations
at the next break

35
35 rent relief refund
if departure at
next break

1
lease
extension

Monthly payments of rents

Rent relief of €2.8m granted

**2020 provisional rent relief forecast of €4.7m
(including negotiations under way)**

Close-up on retailers in difficulty

LA HALLE

13
leases

ORCHESTRA[®]
MODE ENFANT·MATERNITÉ·PUÉRICULTURE

7
leases



5
leases

Rents of €3.4m annually

6
leases taken over

4
leases taken over

4
leases taken over

4
units re-let

2
units re-let

80% of units whose tenants were affected by a judicial reorganisation have been taken over or have already been re-let to date.

The retail park: a resilient model

A RESPONSE TO CONSUMERS' DEMAND

Human-scale
surface areas

5,000 -
15,000 sqm

An open-air
customer journey,
particularly well-adapted
to the situation

AN ATTRACTIVE ENVIRONMENT FOR RETAILERS

Limited property
charges

€10/sqm

Tailored rents

€110/sqm

AN ATTRACTIVE ECONOMIC MODEL FOR THE INVESTOR

P&C: a particularly
attractive yield

7.3%

Low level
of Capex

New asset at Arçonnay

> ARÇONNAY (72)



2020
may



4,990
sqm of surface



4.8
million euros



8%



Acquisition of a plot for the purpose of building a property complex of 4,990 m² for a furniture store (*But*) and fast food restaurant (*Burger King*).



Patrimoine & Commerce is already present in this area with a retail park of 15,743 sqm.

The main powerhouses of the shopping centre are *Leclerc*, *Besson*, *Decathlon*, *Action*, *Maisons du Monde*, *Intersport*, *Darty* et *King Jouet*.

This development strengthens our presence in the centre and diversifies our commercial offering.

Disposals in line with the strategy

➤ DISPOSAL OF 4 ASSETS

- A shopping mall in Tours (37)
- Three retail units in Epinal (88)
- A retail unit in Thionville (57)
- A retail unit in Pierrelaye (95)

For a total amount of **€6,9m⁽¹⁾**, in line with the expert valuations.

⁽¹⁾ Net selling price



Increase in equity

➤ SUCCESS OF THE DIVIDEND PAYMENT IN SHARES

- Dividend of **€1,25** per share, up by **+4.2%**, validated by the General Meeting of 17 June 2020
- Nearly **80%** subscription for payment of the dividend in shares

➤ SHAREHOLDING AS AT 30 JUNE 2020

DUVAL FAMILY	PREDICA (Crédit Agricole)	BANQUE POPULAIRE VAL DE FRANCE (Groupe BPCE)	VERGELY FAMILY	GRAFF FAMILY	ROBBE FAMILY	SURAVENIR (Crédit Mutuel)	OTHER SHAREHOLDERS AND ENTITIES
28.2%	22.8%	10.7%	8.7%	5.5%	5.1%	2.3%	16.8%

VOTING RIGHTS

25.4%	20.5%	9.6%	8.4%	6.5%	4.9%	4.0%	20.8%
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SHAREHOLDING STRUCTURE

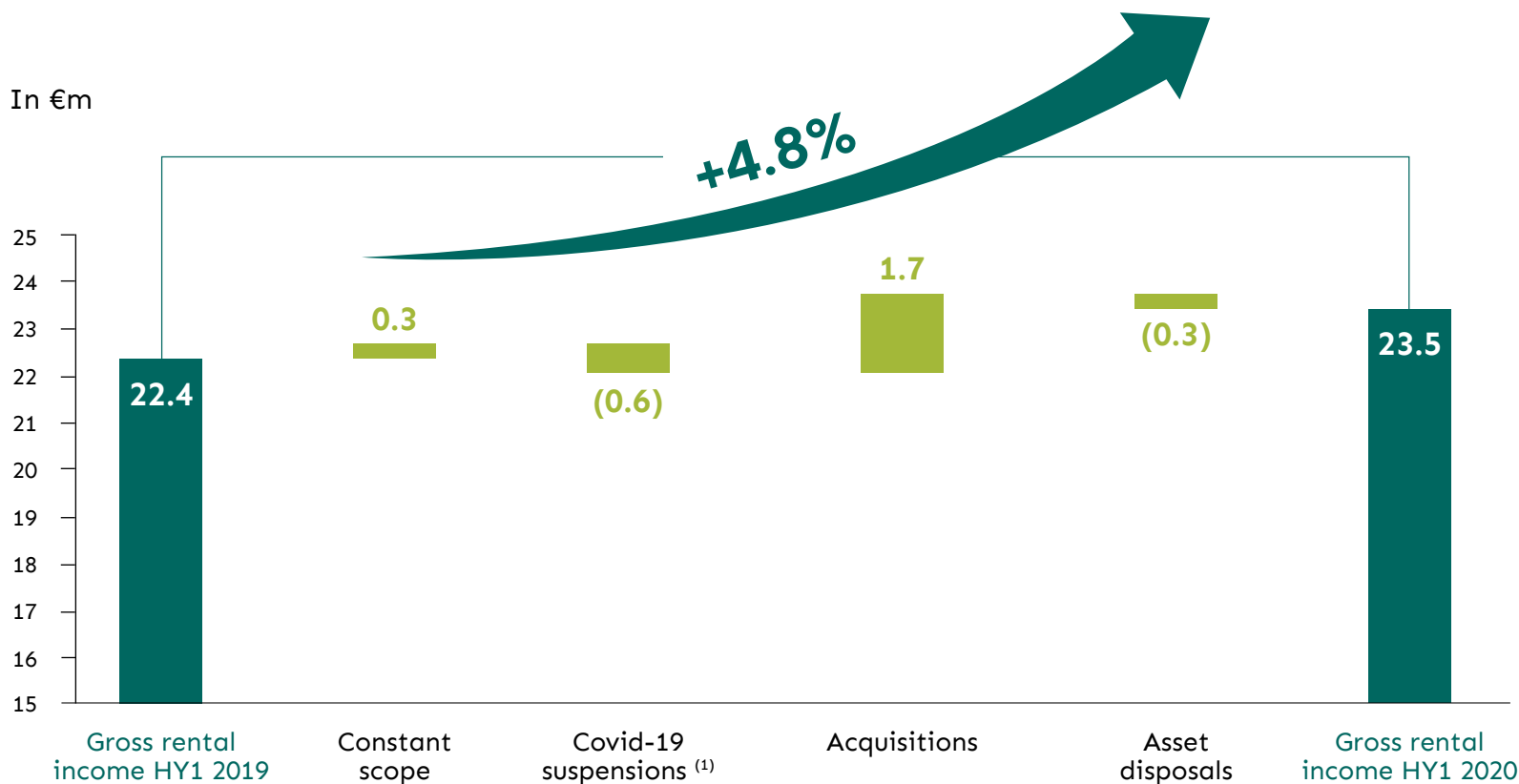
Financials



Simplified P&L as at 30/06/2020

In €m	6 months 30/06/2020	6 months 30/06/2019	Change in %
Gross rental income	23.5	22.4	+4.8%
Net rental income	22.1	20.7	+7.0%
Operating expenses and other income	(1.9)	(2.2)	(12.5)%
Normative EBITDA	20.2	18.5	+9.4%
Net cost of debt	(4.9)	(5.0)	(0.8)%
Funds from operations (FFO)	15.3	13.5	+13.1%
Change in FV of properties	(6.6)	(2.1)	
<i>of which change from reduced rate to full fees</i>	(2.0)	(0.6)	
Change in FV of financial instruments	0.0	(0.8)	
Equity method investees	(0.8)	0.2	
Other income and expenses	(0.4)	0.1	
Net income	7.5	10.9	(30.7)%
Non-controlling interests	(0.8)	1.1	
Group share of net profit	6.8	11.9	(43.5)%

Increase in gross rents



€110/sqm
Average rental
income retail park

€268/sqm
Average rental
income malls and SC

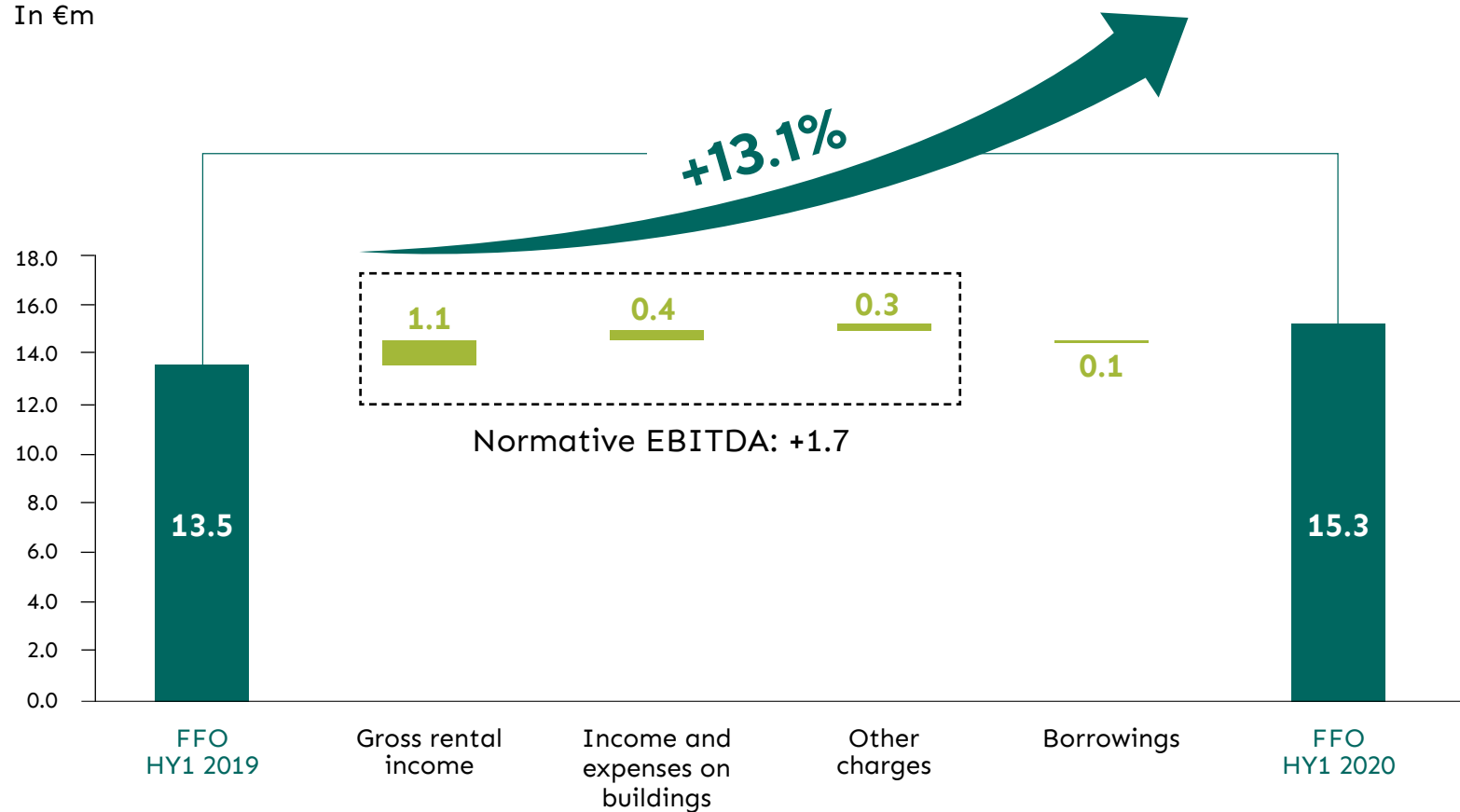
82%
Rental
Index

15%
Constant
Cost Index

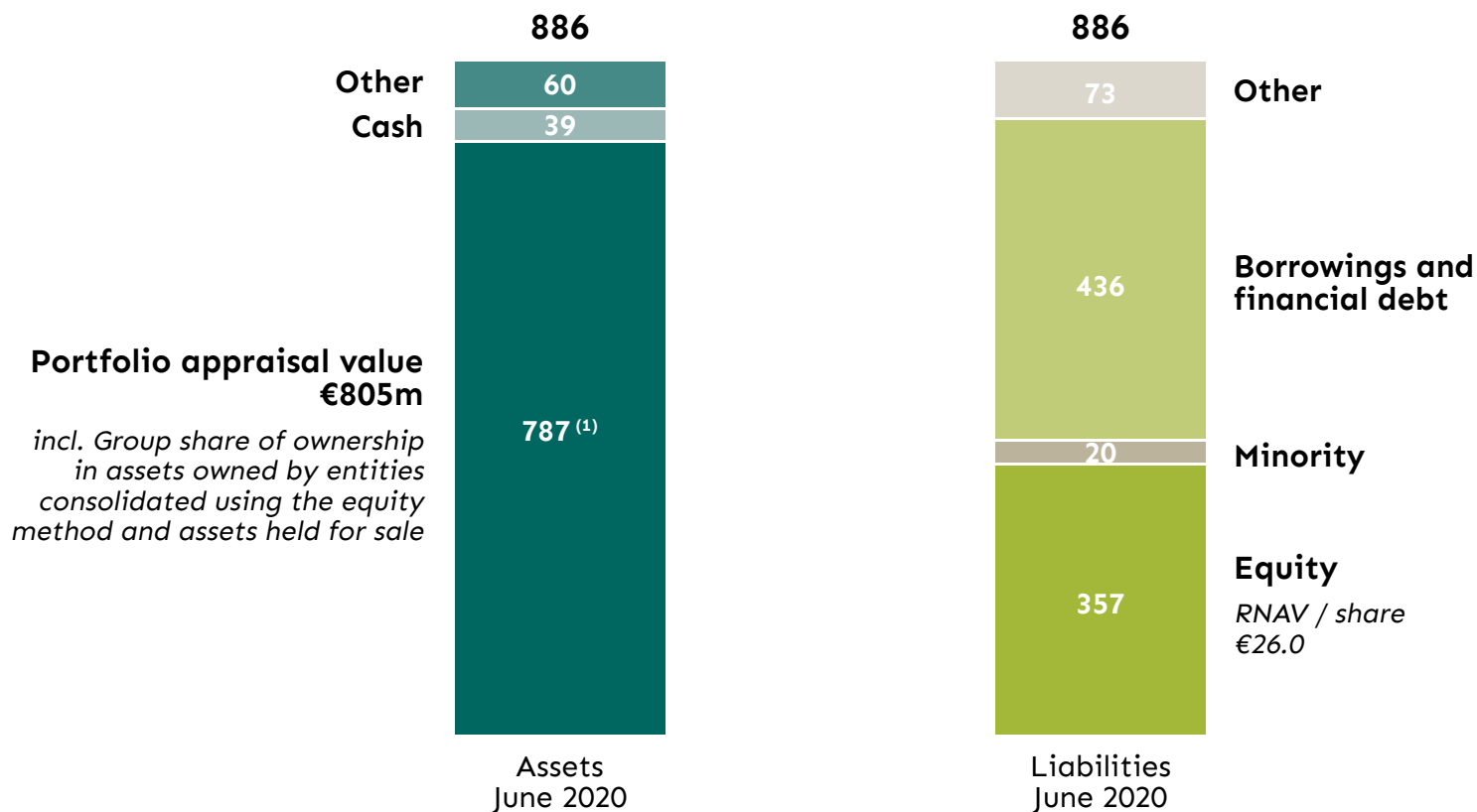
⁽¹⁾ €2.8m as at 30/06, spread over the firm residual period of the lease

Growth of the FFO

In €m

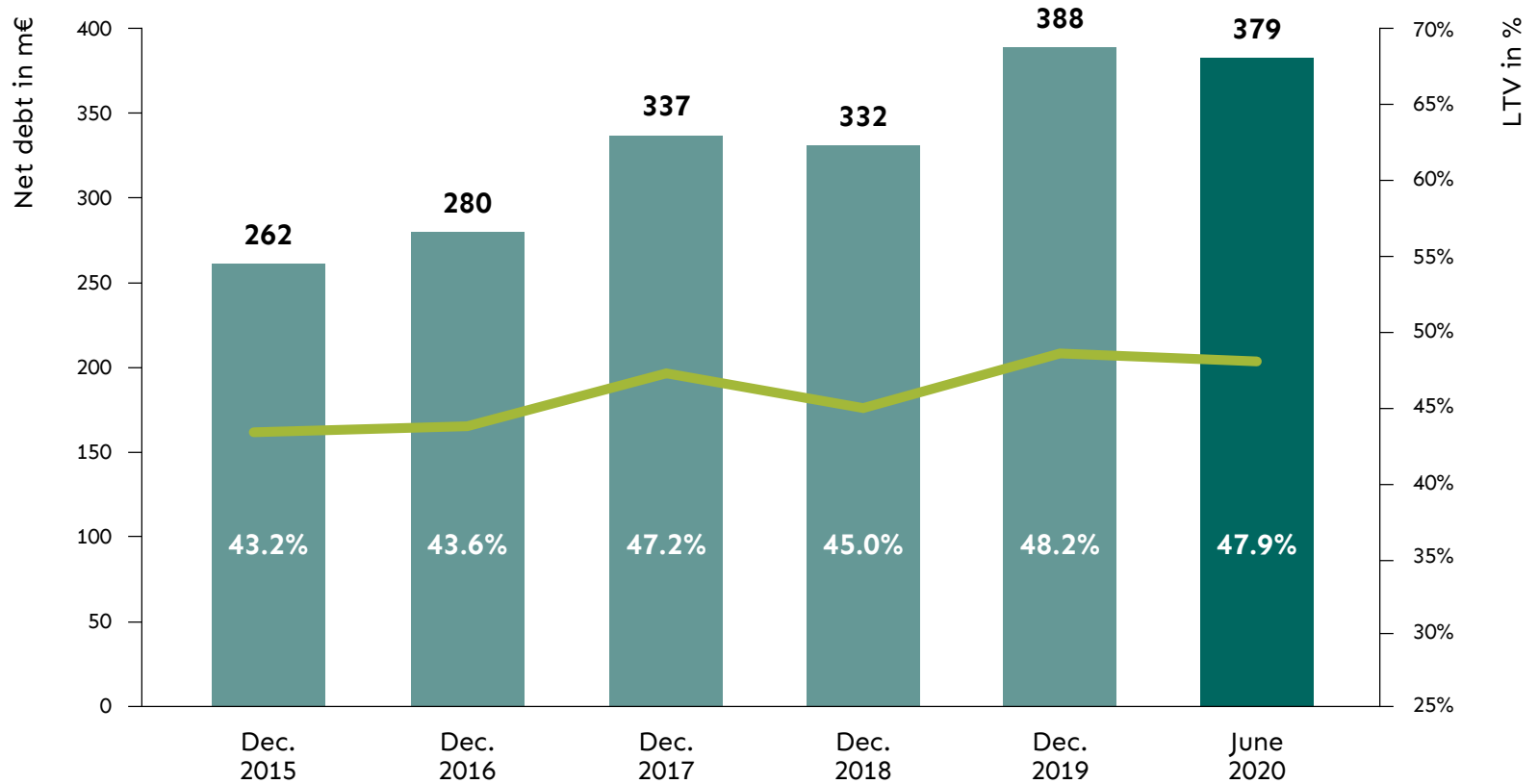


Solid financial structure

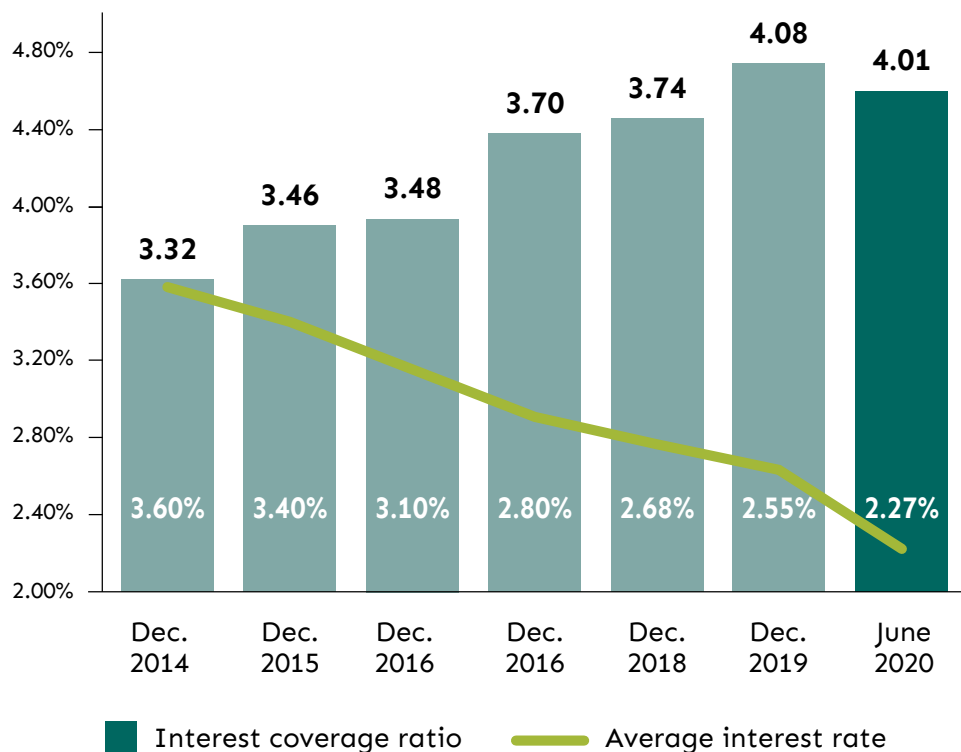


⁽¹⁾ Including assets held for sale

Monitored LTV ratio

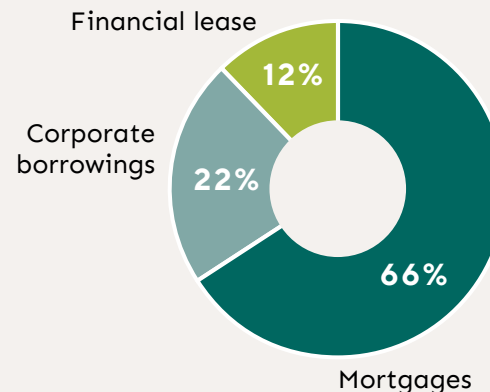


Proactive management of the debt




Patrimoine & Commerce has negotiated with all of its banking partners prolonged maturities on its mortgages in order to ensure a high level of cash is available.

Debt structure as at 30/06/2020



 **77%**
Hedged

 **5,1 year**
Average maturity

Strategy and outlook

Patrimoine & Commerce,
a high-yield real estate company



A critical size actor in France

KEY FIGURES AT 30/06/2020

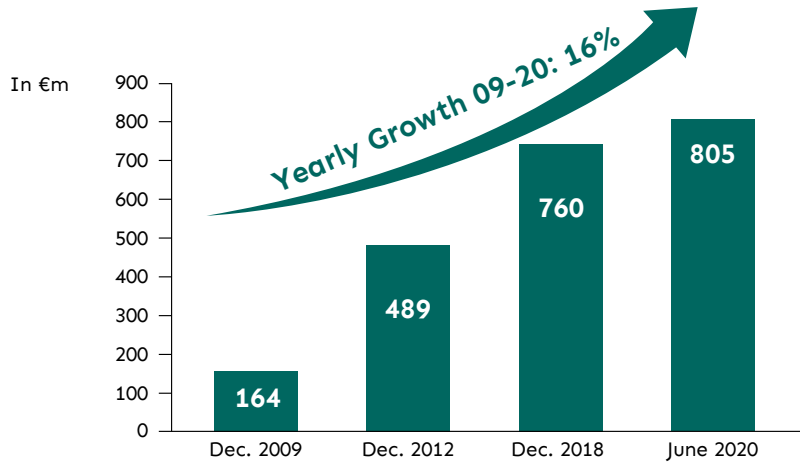
 **73**
assets

 **500,000**
sqm. of surface area
centres

 **805**
million euros
total asset value ⁽¹⁾

 **6**
regional
headquarters

ASSET VALUE EVOLUTION (IN €M)



A DENSE TERRITORIAL NETWORK



64
Retail parks

6
Shopping Centres /
Shopping Malls

3
Tertiary
buildings



⁽¹⁾ Asset value excluding rights

Attractiveness of national brands

TOP 15 OF RETAIL BRANDS OR TENANTS
35% total rents

 **90%**
National brands



BREAKDOWN IN RENTAL INCOME
by retailer type

26% Household goods

23% Personal products

17% Leisure Culture

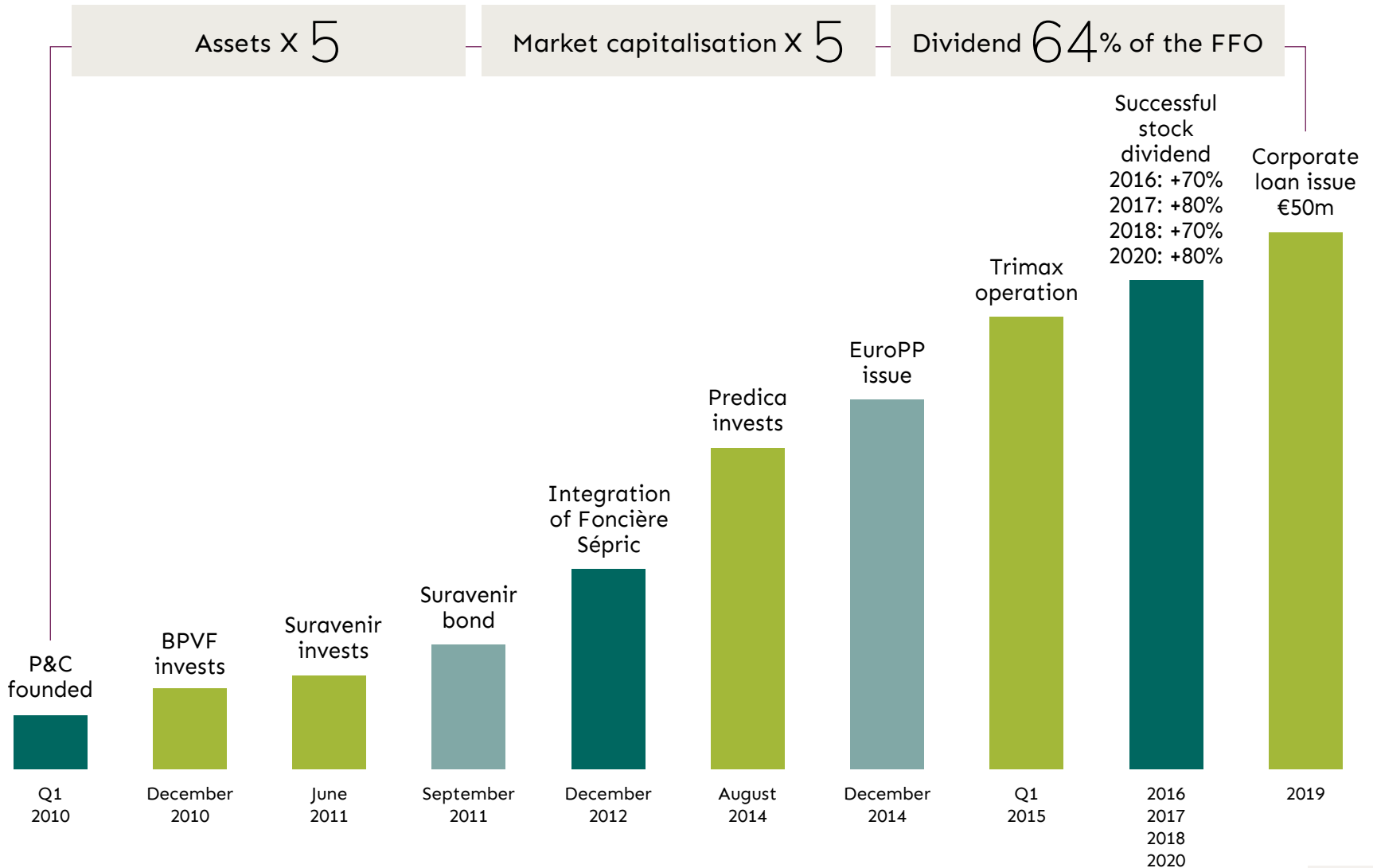
11% Food

10% Services

7% Beauty and health

6% Discount

P&C, from growth to yield



Winning strategy of a high-yield SIIC



PATRIMOINE & COMMERCE



The leader of low-cost retail parks in France



Target assets of €1bn



Yield greater than 7.0%



Ratio Loan To Value of around 50%



€100m of pipeline ⁽¹⁾



A distribution rate close to 60% of the FFO

⁽¹⁾ €10m in 2020 / €45m in 2021 / €45m in 2022



Appendices

Governance compliant with the MiddleNext Code



SUPERVISORY BOARD

15 members,
of which 12 independents

Chairman: Mr Louis Victor

REMUNERATION COMMITTEE

1 independent member / 2

AUDIT COMMITTEE

1 independent member / 3

INVESTMENT COMMITTEE

4 independent members / 5

NB: Predica considered non-independent has two members on the Supervisory board and on each sub committee

Thank you!

Patrimoine & Commerce

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**PATRIMOINE
& COMMERCE**