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## PRESS RELEASE

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# H1 2020 results impacted by COVID-19, business model remains resilient

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*With a large amount of projects in the permitting stage, Immobel is well positioned to continue on its growth path*

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- First half-year financials have been mainly impacted by lower residential sales and reduced activity on construction sites during the lockdown with revenues at EUR 213.9 million, EBITDA<sup>1</sup> at EUR 34.6 million and net profit group share at EUR 21.9 million.
- Since the end of the lockdown, recovery of residential sales experienced in every core market.
- Delivery of new head office for Allianz Benelux (Möbius I) and signing of lease agreement with ING for a major office project in the European quarter of Brussels.
- While permitting processes have also been impacted by the lockdown, a key catalyst for solid growth in the short term is a large number of new projects expected to be launched by the end of 2021 representing more than 4,000 apartments and houses<sup>2</sup> (> EUR 1.5 billion in sales value<sup>3</sup>).
- Moreover, with its solid cash position of over EUR 200 million and strong balance sheet, Immobel is well positioned to take further advantage of additional growth opportunities and ensure its long-term development.
- The company already acquired projects with a sales value amounting to EUR 480 million mainly in Belgium, Luxembourg and France growing the sales value of its portfolio by 8% to EUR 4.8 billion.
- Despite Covid-19, the company expects to maintain its dividend policy.

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<sup>1</sup> EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result before amortization, depreciation and impairment of assets (as included in Administration Costs).

<sup>2</sup> Total number of apartments and houses on 100% basis

<sup>3</sup> Sales value or gross development value: the expected total future turnover (Group Share) of the respective projects



## Financials – noticeable impact of COVID-19

The table below provides the key consolidated figures for H1 2020 (EUR million):

Results	30/06/2020	30/06/2019	% change
Revenues	213.9	140.8	52%
EBITDA	34.6	67.2	-48%
Net profit group share	21.9	56.4	-61%
Net profit per share (EUR/share)	2.43	6.43	-62%

Balance sheet	30/06/2020	31/12/2019	% change
Inventory	993.8	961.1	3%
Equity	474.8	428.2	11%
Net debt	497.9	550.9	-10%
Sales value of portfolio (in EUR bn)	4.8	4.5	8%

Revenues in H1 2020 were mainly driven by residential sales in Belgium, France, Luxembourg and Poland (EUR 100.3 million), landbanking and the sale of one office building (Möbius I) in Belgium. Key contributors to residential sales were the residential business in France (EUR 29.2 million), Granary Island in Poland (EUR 23.5 million), Infinity (EUR 9.7 million) in Luxembourg and Parc Seny (EUR 9.6 million) in Belgium.

Compared to last year, revenues saw a strong increase, whereas EBITDA and net profit group share went down. This is the result of the contribution of the exceptional sales of Centre Etoile in Luxembourg and Möbius II in Belgium last year.

While the sales value of the company's portfolio grew by 8% from EUR 4.5 to 4.8 billion, the inventory<sup>4</sup> remained stable, as part of the new acquisitions to date have been relatively less capital intensive.

In addition, the decrease in net debt mainly reflects the proceeds from the placement of 800,000 treasury shares in May 2020, resulting in a lower gearing ratio of 51.2% (compared to 56% at the end of 2019).

### Recovery of sales

While COVID-19 strongly impacted sales from March through May, since June the company has seen a recovery of sales, mainly driven by demand for residential real estate on the coast in Belgium (O'Sea, Crown) as well as for more spacious residential units both in urban areas (e.g. Eden in Frankfurt) and in suburban areas (e.g. Astene, Erpent in Belgium).

<sup>4</sup> Inventory refers to Investment property, investments in joint ventures and associates, advances to joint ventures and associates, Inventories and Contract assets.



Furthermore, the company entered into a lease agreement with ING for a major office project in the European quarter in Brussels (approx. 14,000 sqm) and delivered Möbius I to Allianz, its new head office for the Benelux located in the North neighbourhood of Brussels.

### Permits as a catalyst for growth

While COVID-19 caused a delay in the permitting process for new projects (typically about 4 to 6 months), the company expects to obtain a large number of permits for new projects by the end of 2021, representing more than 4,000 apartments and houses and 3 offices in its core markets (Belgium, Luxembourg and France) and a sales value of more than EUR 1.5 billion. With each of these markets characterised by a substantial need for new quality assets driven by a significant shortage of supply (which is even more outspoken in Paris due to the recent delays in municipal elections), the company expects the launch of these projects to have a significant impact on its revenues and profit in the coming years.

Examples of projects in Belgium for which permitting is ongoing are Key West, the transformation of a former industrial area by the Canal in Brussels with over 500 new apartments, shops and a day-care centre, Lebeau next to the Sablon in Brussels with over 200 apartments and an office building to be refurbished, the mixed use project Brouck'R with over 300 residential units and a large amount of green space in the car-free centre of Brussels, and in Luxembourg the residential project Polvermillen on the banks of the Alzette River with over 200 apartments. In France, permits are to come in for a project in Bussy-Saint-Georges with 250 residential units, of which 130 apartments with an assisted living function, and a project in Savigny-sur-Orge with 200 residential units.

### Investments for value creation

Thanks to its strong balance sheet with a cash position of over EUR 200 million and additional equity raised (EUR 52 million) through a private placement in May, the company has significant scope to further grow its EUR 4.8 billion portfolio. In H1 2020 the company acquired projects with a sales value of EUR 480 million. In Belgium, Immobel together with its partners won the mixed-use project for the refurbishment of the area around the Brussels Midi/Zuid train station/new headquarters of the Belgian national railway company and purchased Multi, an office tower in the centre of Brussels. In Luxembourg the company acquired large projects such as Schoettermarial, a project of +/- 160 units with a great deal of green and open space and Canal, a renovation of a historical building, +/- 80 units. Immobel is also in prime position to acquire a cradle to cradle project of +/- 25,000 m<sup>2</sup> (all three primarily residential projects).

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#### About Immobel:

Immobel is the largest listed real estate developer in Belgium. The Group, which dates back to 1863, creates high-quality, future-proof urban environments with a positive impact on the way people live, work and play, and specialises in mixed real estate. With a stock market value of over EUR 650 million and a portfolio of more than 1,200,000 m<sup>2</sup> of project development in 6 countries (Belgium, Grand Duchy of Luxembourg, Poland, France, Spain, Germany), Immobel occupies a leading position in the European real estate landscape. The group strives for sustainability in urban development. Furthermore, it uses part of



its profits to support good causes in the areas of health, culture and social inclusion. Approximately 200 people work at Immobilien.com. For more information, please visit [www.immobielgroup.com](http://www.immobielgroup.com)