



# Full-Year Results 2018

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February 14, 2019

# Highlights 2018

Core city assets drive results:  
Occupancy rate: 99.3%  
Like-for-like rental growth: 1.6%  
Value increase: 1.0%

FII regime in the Netherlands retained; Vastned advocates for conversion to a REIT regime

Direct result 2018 above guidance range: € 2.22 per share

Expanded clusters in Amsterdam, Utrecht, Paris and Madrid with acquisitions of € 49 million; divested € 71 million

Takeover bid on Vastned Retail Belgium did not succeed: minimum acceptance threshold of 90% was not achieved

Dividend proposal for 2018: € 2.05 per share

Launched share buyback programme of € 40 million maximum, of which € 10 million was completed in 2018

Loan-to-value: 39.0%  
Average interest rate at year-end 2018: 2.5%

Guidance direct result 2019: € 2.00 - € 2.10 per share

# European retail market developments

- Low unemployment, economic growth and higher consumer spending were positive factors for retailers in 2018
- Consumers' disposable income did not rise or very little, spending patterns are changing and many retailers are still struggling to adapt to this
- Margins are under pressure since multi- or omnichannel strategies coincide with new operational challenges and a different cost base
- Location, size, quality and service are key for success
  - A good strategy, considerable investments in staff and shops, physical and/or online, are needed
  - Presence of food & beverage is important for popularity of the retail area
- Points of attention are the uncertainty around Brexit, international trade conflicts, the worldwide debt mountain and economic growth levelling off



*Kalverstraat 11-17, Amsterdam*

# Solid results

- Solid performance, driven by the continued focus on high street assets in large European cities
- Occupancy rate increased to 98.6% (2017: 98.1%)
- Portfolio increased 5.9 million in value (0.4%)<sup>1)</sup>

Key figures 2018	Core city assets	Mixed retail locations	Total
%			
Occupancy rate at 31 December 2018	99.3	96.7	98.6
Like-for-like gross rental growth	1.6	(1.0)	0.8
Value movements 2018 <sup>1)</sup>	1.0	(2.1)	0.4
Value at 31 December 2018 (€ million) <sup>2)</sup>	1,290	290	1,580
Share of total portfolio	82	18	100

1) Excluding acquisitions and divestments

2) Including assets held for sale

# Occupancy rate

- Overall occupancy rate increased 50 bps to 98.6% at year-end 2018
  - Core city assets maintain high occupancy rate (99.3%)
  - Mixed retail locations improved occupancy rate in the Netherlands

Occupancy rate	Core city assets		Mixed retail locations		Total	
	Year-end 2018	Year-end 2017	Year-end 2018	Year-end 2017	Year-end 2018	Year-end 2017
The Netherlands	100.0	99.6	95.3	93.7	98.5	97.1
France	99.2	99.3	100.0	83.7	99.2	98.4
Belgium	97.7	99.9	98.3	98.4	98.0	99.1
Spain	100.0	100.0	100.0	100.0	100.0	100.0
<b>Total</b>	<b>99.3</b>	<b>99.6</b>	<b>96.7</b>	<b>95.1</b>	<b>98.6</b>	<b>98.1</b>

# Leasing activity

- 71 leases were concluded, totalling 14.0% of the total theoretical annual gross rental income
  - 29 leases for core city assets, resulting in 1.4% rent increase
  - Despite a challenging secondary retail market, 42 leases were concluded for mixed retail locations, resulting in 9.4% rent decrease

2018	Number of leases concluded	Leasing activity		Rental change	
FY	#	€ million	% of TGOI	€ million	%
Cory city assets	29	8.5	11.2	0.1	1.4
Mixed retail locations	42	2.1	2.8	(0.2)	(9.4)
<b>Total</b>	<b>71</b>	<b>10.6</b>	<b>14.0</b>	<b>(0.1)</b>	<b>(0.9)</b>
<b>Q4</b>					
Cory city assets	6	2.1	2.8	0.0	(0.3)
Mixed retail locations	6	0.3	0.4	0.0	(5.0)
<b>Total</b>	<b>12</b>	<b>2.4</b>	<b>3.2</b>	<b>0.0</b>	<b>(0.9)</b>



Calle Serrano 36, Madrid

# Investments in food & beverage

- Consumers increasingly like to combine shopping with coffee, lunch or dinner
- Presence of food & beverage is becoming a key factor in the attractiveness of retail areas
- Portfolio currently comprises of approximately 4.5% food & beverage properties
- Vastned will further expand food & beverage assets that are located near the well-known high streets



*Drieharingstraat 2-8, 14-18 and 22, Utrecht*



*Oudegracht 136, Utrecht*



*Reguliersdwarstraat 80-84, Amsterdam*

# Improved the quality of the portfolio

- Expanded clusters in the Netherlands, France and Spain for in total € 49 million
  - Reguliersdwarsstraat 80-84 in Amsterdam
  - Drieharingstraat 2-8, 14-18 and 22 in Utrecht's new culinary high street
  - Rue des Francs Bourgeois 10 and 12 in Le Marais, Paris
  - Calle de Fuencarral 27 in Madrid
- Divested non-strategic properties in the Netherlands and France for in total € 71 million
  - Shopping centers in Zwijndrecht, Harderwijk and Limoges
  - Secondary retail locations in Coevorden, Doetinchem, Dordrecht, Harlingen, Hilversum, Hoogeveen, Leek, Leeuwarden, Middelburg, Oosterhout, Sneek and Stadskanaal
  - Rue Saint-Jean 44-45 in Nancy and Rue Saint-Ferréol 29 in Marseille



*Drieharingstraat 2-8, 14-18 and 22, Utrecht*

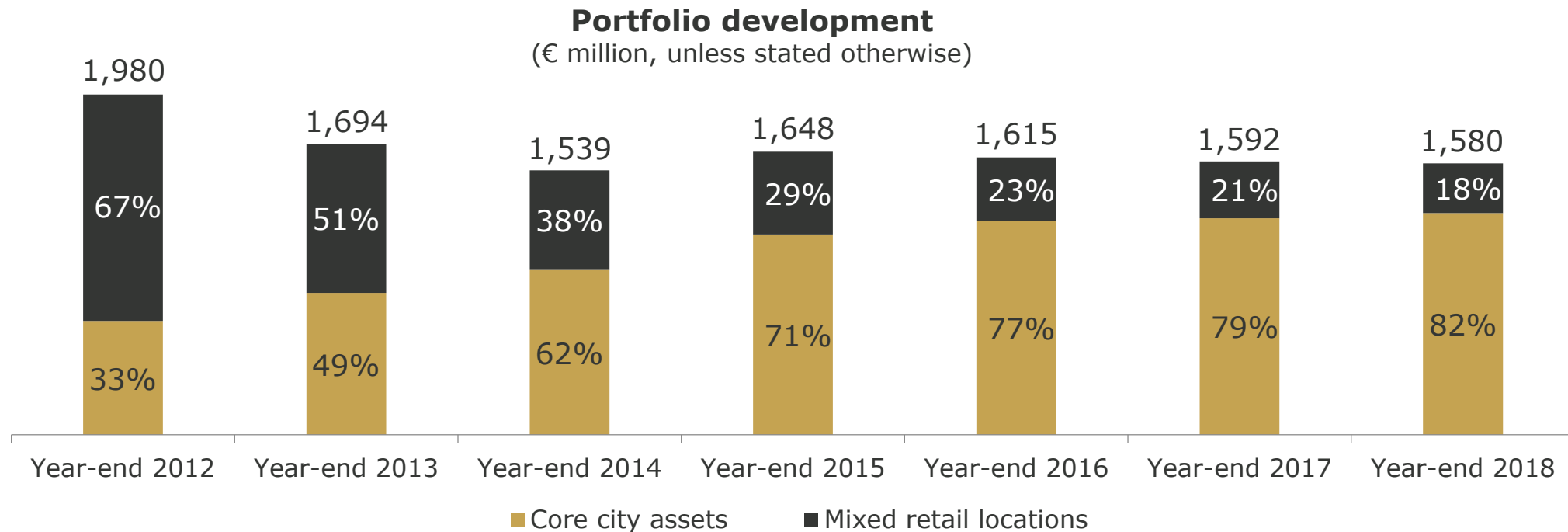


*Rue des Francs Bourgeois 12, Paris*



# Portfolio transformation completed

- Rotated € 1.8 billion in assets since the introduction of the high street strategy in 2011:
  - 82% of total portfolio is located in high streets of large historic European cities
  - Occupancy rate increased from 95.1% year-end 2011 to 98.6% year-end 2018



## Other developments in 2018

- Takeover of Vastned Retail Belgium did not succeed
  - Minimum acceptance threshold of 90% of the free float was not achieved
- FII regime in the Netherlands retained
  - Vastned advocates for conversion to a Dutch REIT
- Launched a share buyback programme of € 40 million maximum
  - 292,208 shares were repurchased in 2018 for a total of € 9.8 million



## Financial Results

# 2018 financial key figures

Direct result:  
€ 2.22 per share

Indirect result:  
€ 0.04 per share

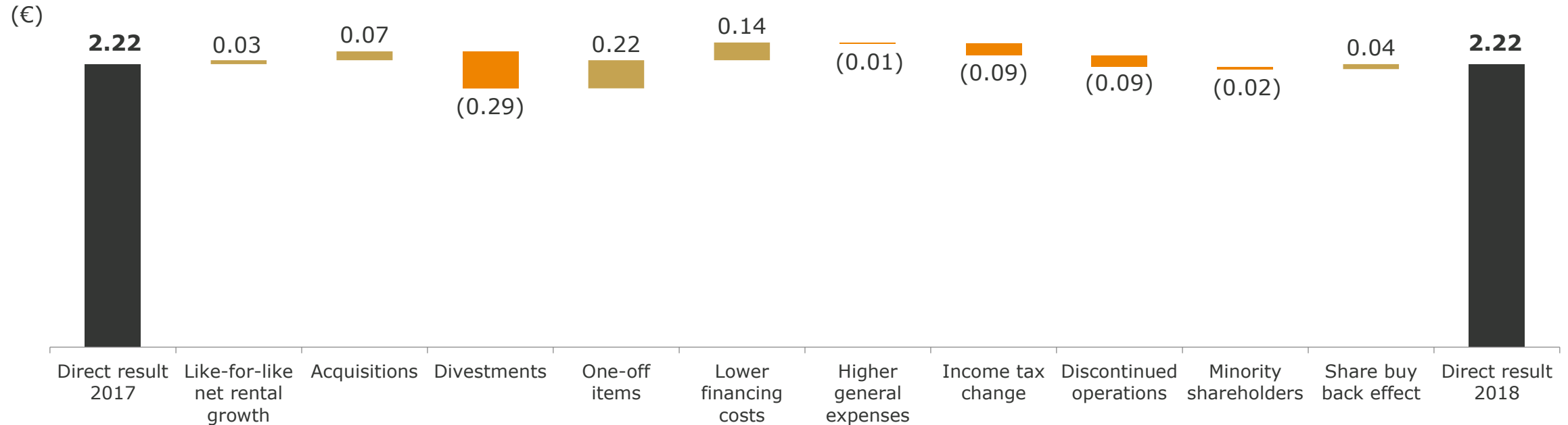
Loan-to-value:  
39.0%

	FY 2018 / 31 December 2018	FY 2017 / 31 December 2017
Direct result per share	€ 2.22	€ 2.22
Indirect result per share	€ 0.04	€ 2.89
Like-for-like gross rental income	0.8%	1.3%
Value movements*	0.4%	4.8%
Loan-to-value	39.0%	38.8%
Average interest rate (spot)	2.5%	2.5%
NAV	€ 46.40	€ 46.12
EPRA NNNAV	€ 46.49	€ 45.66

\* Excluding acquisitions and divestments

# Direct result per share

- Direct result per share was stable at € 2.22
- Lower financing costs, the buyout payment from Forever 21 and the share buyback effect was offset by net divestments in 2018



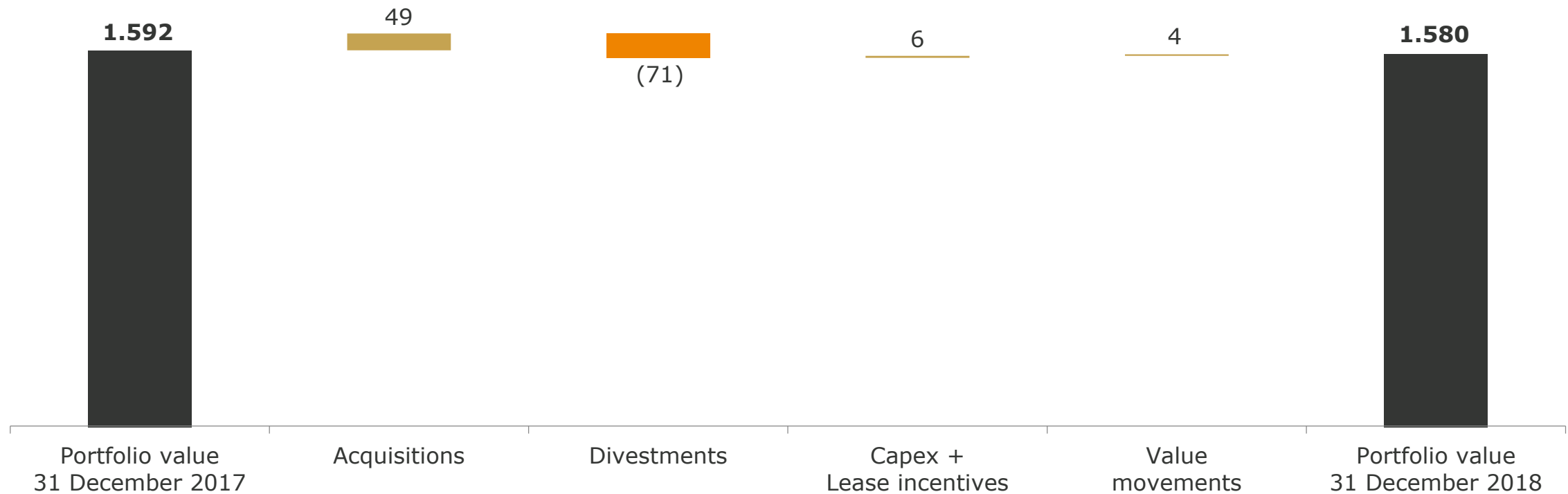
# Like-for-like rental growth

- Like-for-like rental growth for the total portfolio was 0.8% in 2018
- Growth in the Netherlands, France and Belgium was partly offset by the vacancy of Calle Serrano 36 in Madrid (now leased to Sephora)

Rental growth 2018	Core city assets		Mixed retail locations		Total	
	€ million	%	€ million	%	€ million	%
The Netherlands	0.9	4.7	(0.3)	(2.8)	0.6	2.0
France	0.2	1.6	0.0	(0.4)	0.2	1.5
Belgium	0.1	0.9	0.1	1.2	0.2	1.1
Spain	(0.5)	(17.2)	0.0	1.1	(0.5)	(16.2)
<b>Total</b>	<b>0.7</b>	<b>1.6</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>0.5</b>	<b>0.8</b>

# Portfolio value development\*

(€ million)



\* Including assets held for sale

# Value movements

- The portfolio increased € 5.9 million in value in 2018
  - Core city assets up 1.0%, despite value decreases in Belgium and France
  - Mixed retail locations decreased 2.1%

Value movements 2018*	Core city assets		Mixed retail locations		Total	
	€ million	%	€ million	%	€ million	%
The Netherlands	22.3	4.4	(3.5)	(2.6)	18.8	2.9
France	(6.6)	(1.7)	0.0	(34.8)	(6.6)	(1.7)
Belgium	(4.4)	(1.9)	(2.7)	(1.7)	(7.1)	(1.8)
Spain	0.8	0.9	0.0	1.5	0.8	0.9
<b>Total</b>	<b>12.1</b>	<b>1.0</b>	<b>(6.2)</b>	<b>(2.1)</b>	<b>5.9</b>	<b>0.4</b>

\* Excluding acquisitions and divestments



# Financial position

Loan-to-value:  
39.0%

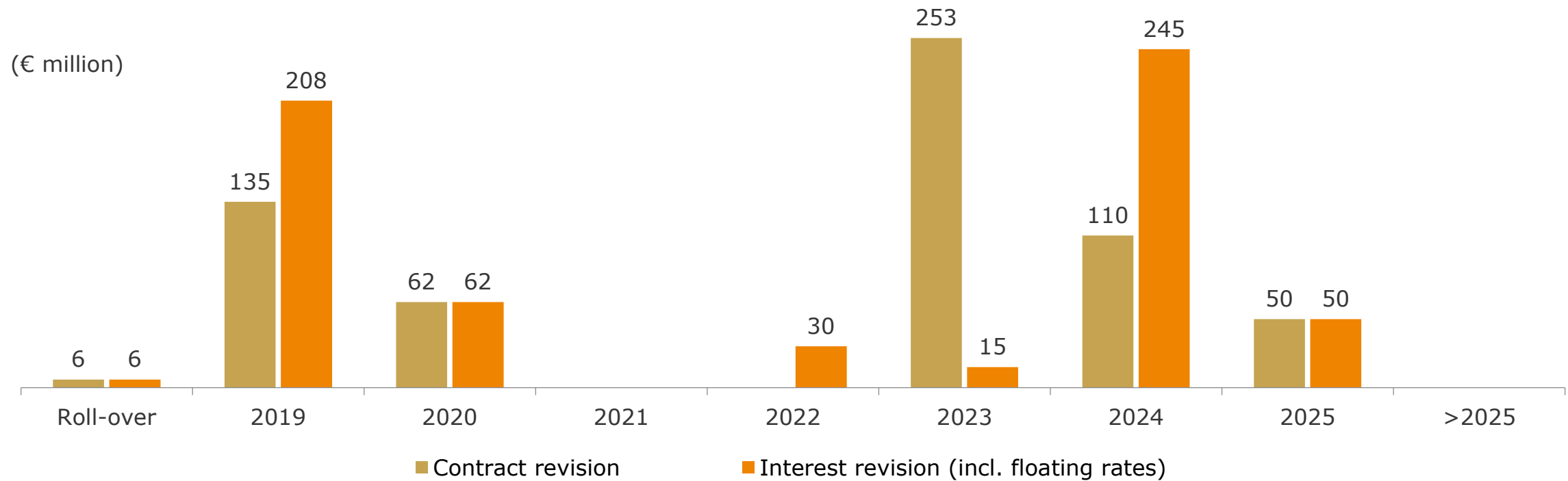
Average interest rate:  
2.5%

Non-bank financing:  
52.3%

	31 December 2018	31 December 2017
Total used credit facilities	€ 616 million	€ 616 million
Unused credit facility	€ 198 million	€ 197 million
Loan-to-value	39.0%	38.8%
Average interest rate (spot)	2.5%	2.5%
Average maturity contract revision (LTD)	4.7 year	4.3 year
Interest coverage ratio	4.5	3.9
Share of non-bank financing of interest-bearing loans	52.3%	44.0%
Share of fixed interest rate loans	87.1%	78.8%

# Loan expiries

- Average maturity of the loan portfolio (LTD) increased to 4.7 years (2017: 4.3 years)
- Convertible loan of € 110 million is due in April 2019; repayment from unused part of existing facilities





# After balance sheet developments and outlook 2019

# After balance sheet date developments

- New long-term bond of € 50 million was placed with Pricoa Capital Group
- Non-strategic property In de Cramer 140 in Heerlen was sold for € 3.5 million
- 217.670 shares were repurchased in the period 1 January 2019 to 7 February 2019 for a total consideration of € 7.1 million

# Outlook 2019

- Step-by-step execution of the strategy
  - Optimisation of existing portfolio
  - Cautious acquisitions in selected European cities
  - Divestment of non-strategic assets
  
- Results
  - Expected direct result 2019 between € 2.00 and € 2.10 per share

# Q&A

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