



**Solid first-quarter performance**  
**Gross rental income up to €168.1m**  
**(+2.4% on a current basis and +3.7% like-for-like)**  
**Strong resilience thanks to the centrality strategy**  
**High level of operational mobilization faced with the health crisis**

**Fundamentals further strengthened**

- **Office portfolio** located in very low vacancy rates areas, generating **like-for-like gross rental income growth of +4.0%** (+3.7% for the entire portfolio)
- **Diversified rental base**
- **Robust and flexible balance sheet** (end-2019: LTV of 34% including duties, €4.5bn of undrawn credit lines covering all debt maturities up to the end-2023)
- **€347m of sales** completed or under preliminary agreements in Q1 2020 (4% premium versus the latest appraisals)

**Subsidiarization of the residential portfolio**

- Creation of a **dedicated subsidiary with a portfolio of over €3bn and 107 staff**
- **Contribution approved** by the General Meetings of the shareholders and note holders
- Gecina is putting in place a vehicle to help drive the development of its residential rental portfolio

**Mobilization to support customers**

- Gecina is **cancelling the second quarter's rent** excluding general expenses and taxes for **its very small business tenants** whose activities have been shut down following the Government Decree, particularly in retail
- Very small businesses and SMEs from "shut down" sectors represent less than 2% of the commercial rental base
- Gecina has made **commitments to support the most vulnerable companies** in its portfolio by responding quickly and deferring rent or setting up monthly instalments on a case-by-case basis, covering nearly 13% of its office rental base to date

**Mobilization to support the national solidarity effort**

- Student accommodations made available to **women victims of domestic violence** and **healthcare workers**
- Payments for all its contractors, and service providers in line with the regular timetable
- The Group is not using so far the business support measures, such as the furlough arrangements, the government-backed loans or the deferral of costs
- Gecina has responded to the French Government's appeals to moderate dividend policies by reducing its 2019 dividend to €5.30 per share, covering its distribution requirements under the SIIC system
- The Board of Directors has decided, as proposed by the Chief Executive Officer, to reduce her fixed compensation for 2020 by two months' salary as a solidarity measure during this period. An equivalent amount will be donated to the Gecina Foundation to support charities working to fight against Covid-19 consequences. The same approach has been adopted for Directors' compensation for Board meetings focused specifically on Covid-19.

### **Mobilization to support employees**

- Widespread **home-working** measures rolled out since the start of the lockdown, without using the furlough arrangements
- **€1,000 bonus** for building staff and superintendents and student residence managers who are working on the ground
- Payment of profit sharing and company performance bonuses

### **Caution needed for the current year**

- The current uncertainty does not make it possible at this stage to accurately determine the consequences of this crisis
- On March 31, 2020, Gecina suspended its guidance for the year

### **Key figures at end-March 2020**

Gross rental income	Mar 31, 2019	Mar 31, 2020		Change (%)
In million euros			Current basis	Like-for-like
<b>Offices</b>	<b>132.9</b>	<b>136.3</b>	<b>+2.6%</b>	<b>+4.0%</b>
Traditional residential	26.4	26.4	+0.3%	+1.3%
Student residences	4.8	5.3	+9.6%	+9.0%
<b>Total gross rental income</b>	<b>164.1</b>	<b>168.1</b>	<b>+2.4%</b>	<b>+3.7%</b>

**Méka Brunel, Chief Executive Officer:** *"In an exceptional context with the global outbreak crisis, I am particularly proud of the dedication shown by Gecina's teams to keep the Group's business at the heart of their concerns. Facing this unprecedented turbulence, Gecina's employees are continuing to consider their most vulnerable customers concerns, these very small businesses, particularly in the retail sector, whose reduced financial capacities are making hard to weather the crisis and for which we are granting the cancelation of one quarter's rent.*

*However, in a very uncertain environment, Gecina is demonstrating its resilience, thanks to the strategic choices made in the last few years to realign operations around the Paris Region's most central sectors, as well as the affirmation of our ambition in the residential sector and the proactive and cautious management of our balance sheet.*

*I would also like to pay tribute to the work accomplished by Bernard Carayon, whose term of office as Chairman ended following today's General Meeting. His dedication and his risk management expertise have been valuable. We are delighted that he will be able to continue sharing his expertise with us as a Board Director".*

## Solid performance for the first quarter before Covid-19

The solid performance achieved in the first quarter of 2020 highlights the **relevance of the strategic choices** made by Gecina in the last few years (realignment around centrality sectors, affirmation of the residential business, active portfolio rotation, value extraction on buildings with strong potential, etc.).

**However, it is important to note that the performance elements presented in this press release are observed at the end of March 2020 and do not reflect the impacts of Covid-19, since this crisis emerged during the second half of March.**

The Group has a **robust balance sheet**, with a **loan to value (LTV) ratio of 34% including duties** at end-2019 (excluding the sales completed since the start of 2020), further strengthened by its high volume of **undrawn credit lines** (€4.5bn at end-2019), enabling it to cover all the maturities on its loans through to the end of 2023. The Group's access to the short-term debt market has remained satisfactory, enabling it to renew and extend the maturity of its short-term debt. Furthermore, the **resilience of the residential and commercial portfolio**, which is concentrated in the Paris Region's most central sectors, with over 80% of office rental income generated by key account customers, is a definite asset.

Since the French Government's first decisions, Gecina has granted **staggered rent payments or monthly instalments** to facilitate cash flow management for customers representing nearly **13% of the Group's office rents**. This effort by Gecina exceeds the levels requested by the French authorities, since the percentage of very small businesses (businesses with less than 10 staff) whose activity has been shut down in the context of the current health crisis is limited, representing 1% of the total rental base for offices. These very small businesses operating in sectors that have been shut down will see their rents canceled for the second quarter, while their charges and taxes will still be payable. In terms of rent collection, based on the rent due at April 1, excluding the deferrals, monthly instalments and cancellations granted, **the recovery rate represents 84% to date**. On the same date one year ago, this rate was 91%.

In addition, the deliveries of buildings that are currently being developed will logically be deferred as the sites are currently shut down.

However, as the current uncertainty does not make it possible at this stage to determine the consequences of this crisis, the Gecina Group suspended its guidance for the year on March 31, 2020.

## Rental income benefiting from recent deliveries and organic rental income growth, which are offsetting the impact of sales and redevelopments

Gross rental income In million euros	Mar 31, 2019	Mar 31, 2020	Change (%)	
			Current basis	Like-for-like
<b>Offices</b>	<b>132.9</b>	<b>136.3</b>	<b>+2.6%</b>	<b>+4.0%</b>
Traditional residential	26.4	26.4	+0.3%	+1.3%
Student residences	4.8	5.3	+9.6%	+9.0%
<b>Total gross rental income</b>	<b>164.1</b>	<b>168.1</b>	<b>+2.4%</b>	<b>+3.7%</b>

**On a current basis**, rental income is up slightly, climbing +2.4%, despite the significant impact of sales carried out in 2019 and 2020 (-€7m) and the redevelopment projects launched (-€2m). As such, this performance primarily reflects the impact of the **assets delivered in 2019 (+€6m)**, as well as like-for-like growth (+€5m) and the acquisitions made at the end of 2019 and start of 2020 (+€2m).

**Like-for-like**, the performance came to +3.7% at end-March 2020. This improvement is linked to an **increase in indexation (+1.9%)**, as well as the **positive impact of rental reversion (+0.5%)** for both offices (headline reversion of +22%) and residential (+7.2%), and a **reduction in rental vacancies (+1.4%)**. The headline reversion is linked mainly to the fact that renewals and relettings in the first quarter were concentrated primarily in Paris City.

Note that this like-for-like performance does not include the impacts of the letting of the assets delivered following redevelopment operations. Including these assets, this rate represents +6.6%.

### Offices: positive trends for offices in the most central sectors

Gross rental income - Offices	Mar 31, 2019	Mar 31, 2020	Change (%)	
In million euros			Current basis	Like-for-like
<b>Offices</b>	<b>132.9</b>	<b>136.3</b>	<b>+2.6%</b>	<b>+4.0%</b>
<b>Paris City</b>	<b>70.5</b>	<b>75.4</b>	+7.0%	+2.2%
- Paris CBD & 5-6-7	<b>44.2</b>	<b>44.7</b>	+1.1%	+3.1%
- Paris - Other	26.3	30.8	+16.9%	+0.4%
Western Crescent - La Défense	43.5	45.6	+5.0%	+8.0%
Paris Region - Other	13.4	10.7	-20.0%	+5.2%
Other French regions / International	5.6	4.6	-18.0%	-1.7%

**On a current basis**, rental income from offices is up +2.6%, despite the high volume of sales carried out in 2019 and the assets transferred to the pipeline. This increase therefore reflects the significant volume of assets delivered in 2019 and the positive organic trends.

This performance reflects:

- Rental income from the **buildings delivered recently (+€6.0m)**: six buildings were delivered, with five in Paris City (fully let) and one in La Défense (Carré Michelet).
- The temporary loss of rent from assets with strong value-creation potential that will be or have been **transferred to the pipeline (-€2.5m)**, including the "Bancelles" building in Paris' central business district.
- The **impact of sales** of non-strategic or mature assets **(-€6.6m)**, linked primarily to the sales completed in 2019, as well as the sales finalized during the first quarter.
- The rest of the change on a current basis is the result of like-for-like growth and the impact of the acquisitions made.

**Like-for-like, office rental income is up +4.0% at end-March 2020**, benefiting from higher **indexation (+2.0%)** and **rental reversion (+0.5%)** reflecting the good level of Gecina's core markets in the last few years, supporting the reversion potential captured in the last few months, secured through renewals, renegotiations and relettings (with a positive incoming-outgoing differential in the central sectors), as well as the positive impact of the **reduction in rental vacancies (+1.4%)**.

**Rental reversion's contribution is more than twice as high in Paris' CBD than for all the other sectors.**

Overall, the positive like-for-like trends in **Paris City (+2.2%)**, and especially **Paris' CBD (+3.1%)**, are being driven primarily by **rental reversion effects**, illustrating the excellent performance by office markets at the heart of Paris, which has offered major reversion potential in the last few years for Paris' best areas.

In the **Western Crescent**, the solid organic growth (+8.0%) is linked primarily to the **letting of office space in 2019 for assets that were partially vacant in the first quarter of 2019** (notably Be Issy and Octant-Sextant).

For the rest of the Paris Region, the reduced vacancy rate also accounts for the improvement in the rate of like-for-like rental income growth.

### Residential portfolios: improvement in organic performance

For the **traditional residential portfolio**, rental income is up +1.3% like-for-like. This performance reflects the impact of the strategy rolled out aiming to capture reversion potential and reduce the effects of rental vacancies by accelerating turnaround times for lettings. Since the start of the year, the **rent differential secured between new and old tenants came to +7.2%**, contributing +0.5% to this portfolio's like-for-like rental performance. Furthermore, indexation came to 1.4% and the change in the vacancy rate did not have any impact on like-for-like performance at end-March. However, a non-recurring adjustment factor reduced the first quarter's organic growth by -0.5%. Restated for this non-recurring adjustment, the like-for-like growth rate for residential rental income represents nearly 2.0%.

**On a current basis**, rental income shows a slight increase, up +0.3%. The impacts of progress with the program launched by the Group in the last few years to sell apartments on a unit basis when they become vacant were offset by the like-for-like performance.

Rental income from **student residences** is up strongly like-for-like (+9.0%), thanks primarily to the **improved occupancy rate** for the Rose de Cherbourg residence, which was delivered in the second half of 2018 and is now up to cruising speed, as well as the **positive reversion** achieved. On a current basis, rental income growth came to +9.6%.

## Group occupancy rate still high

The Group's **average financial occupancy rate** was once again high, coming in at 93.6%, but down -110bp year-on-year linked primarily to the delivery of partially vacant buildings (Carré Michelet) and the sale of fully occupied buildings, offsetting the progress made with letting partially vacant buildings in the first quarter of 2019 (e.g. Be Issy and Octant-Sextant). As a result, the occupancy rate for the **office portfolio** is down to 93.0%.

For the **student residence** portfolio, the financial occupancy rate is up strongly year-on-year to nearly 94%, linked to the gradual ramping up of two residences delivered recently (notably in Puteaux-La Défense).

For the **traditional residential** portfolio, the financial occupancy rate remained stable overall at a very high level of 97.7%

Average financial occupancy rate	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020
<b>Offices</b>	<b>94.5%</b>	<b>94.4%</b>	<b>94.2%</b>	<b>93.8%</b>	<b>93.0%</b>
Traditional residential	97.6%	97.7%	97.7%	97.6%	97.7%
Student residences	87.3%	84.9%	85.4%	88.0%	93.9%
Other commercial assets	96.4%	na	na	na	na
<b>Group total</b>	<b>94.7%</b>	<b>94.6%</b>	<b>94.4%</b>	<b>94.1%</b>	<b>93.6%</b>

## Lettings activity generating significant positive reversion in the most central sectors in the first quarter

Since the start of the year, Gecina has let, relet or renegotiated nearly 42,600 sq.m, representing €28m of annualized headline rent, with almost half linked to the pre-letting of part of the Live building in Paris' central business district (CBD).

The performance levels achieved once again show a clear rental outperformance for Gecina's preferred sectors and especially Paris City. **The headline reversion achieved on relettings, renewals and renegotiations therefore represents +22%. This particularly strong performance is linked in part to the fact that most of these operations were carried out in Paris City.**

## €347m of sales completed or covered by preliminary agreements at end-March, further strengthening the portfolio's quality and centrality

Since the start of the year, **Gecina has sold or secured sales for €347m**, achieving a **premium of around +4.3%** (excluding preliminary agreements) **versus the latest appraisal values**, with **€304m completed on assets that were already subject to preliminary sales agreements at end-2019.**

The first quarter's sales include the Le Valmy building (29,500 sq.m), on the border of Paris and Montreuil, and a building on Avenue Pierre 1er de Serbie in Paris' CBD, sold as part of an asset swap to acquire additional units in a jointly-owned building that is now owned by Gecina and also in Paris' central business district.

Among the commercial buildings covered by preliminary sales agreements signed in the first quarter, the building at 54/56 avenue du Général Leclerc in Boulogne was sold mid-April for nearly €37m, achieving a premium versus its latest free appraisal values.

## **Gecina's General Meetings approve the launch of the subsidiarization of the residential portfolio**

The General Shareholders' Meeting, held as a closed session on April 23, 2020, and the General Meetings for note holders (held on March 23 and April 7, 2020) ratified all the resolutions relating to the proposed contribution enabling the subsidiarization of Gecina's residential portfolio.

Gecina is therefore effectively positioned to move forward with its residential strategy in order to better satisfy the needs for housing, flexibility and services, while responding to key environmental and societal stakes, by developing a responsible, quality rental offering aimed at middle-class households. Today, the Group is therefore positioned to capitalize on potential investment opportunities in order to achieve major synergies and launch new investments in sectors with strong value creation potential in the Paris Region or certain leading French cities that meet Gecina's requirements in terms of financial performance and operational risk.

## **Gecina governance changes**

### Jérôme Brunel appointed Chairman of the Board of Directors, replacing Bernard Carayon

Bernard Carayon's term of office ended at the General Meeting held on April 23 as he had reached the age limit set by the bylaws. Mr Carayon will continue to be a Group Director. The General Meeting also ratified Mr Jérôme Brunel's appointment as a Gecina Director, while the Board of Directors appointed him as Chairman of the Board of Directors from today.

Jérôme Brunel's expertise, particularly in terms of governance, CSR and public affairs, represents a significant asset, complementing the expert capabilities that are already in place within Gecina's Board of Directors.

The Board of Directors now has 11 members, including seven independent Directors.

### Creation of two new committees on CSR and Compliance and Ethics

As recommended by the Governance, Appointments and Compensation Committee, the Board of Directors has also decided to create two new Committees, alongside the Audit and Risks Committee, the Governance, Appointments and Compensation Committee and the Strategic and Investment Committee:

- A Corporate Social Responsibility (CSR) Committee
- A Compliance and Ethics Committee

The creation of the CSR Committee illustrates Gecina's strong commitment to playing a major and increased role within the community on CSR issues.

The creation of the Compliance and Ethics Committee will enable Gecina to ensure its compliance with regulations, as well as anti-corruption standards and market best practices.

## **Gecina suspended its guidance on March 31, 2020 in the context of uncertainty linked to the effects of Covid-19**

Although it is too early to accurately estimate the operational impacts linked to this crisis, the Group benefits from a certain number of key strengths that enable it to be confident that it will be able to cope with the potential short or medium-term consequences of this crisis.

More specifically, Gecina has a robust balance sheet, with a loan to value (LTV) ratio of 34% (including duties) at end-2019, further strengthened by its high volume of undrawn credit lines (€4.5bn at end-2019), enabling it to cover all the maturities on its loans through to the end of 2023, and it remains confident about the relative resilience of its residential and commercial portfolio, which is concentrated in the Paris Region's most central sectors, with over 80% of office rental income generated by key account customers.

However, faced with the current uncertainty, which does not make it possible at this stage to accurately determine the consequences of this crisis, the Gecina Group suspended its guidance for 2020 on March 31.

---

### **Gecina, at the heart of urban life**

Gecina owns, manages and develops property holdings worth 20 billion euros at end-2019. As a specialist for centrality and uses, the Group is building its business around Europe's leading office portfolio, with nearly 97% located in the Paris Region, and a diversification division with residential assets in particular. Gecina has put sustainable innovation

at the heart of its strategy to create value and anticipate the expectations of around 100,000 customers and end users, thanks to the dedication and expertise of its staff, who are committed to an understated, fluid and inclusive city. To offer its customers high-quality services and support their changing needs, Gecina has launched YouFirst, its relational brand.

Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the SBF 120, CAC Next 20, CAC Large 60, Euronext 100, FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders and Vigeo indices. In line with its community commitments, Gecina has created a company foundation, which is focused on protecting the environment, supporting all forms of disability, preserving heritage and facilitating access to housing for as many people as possible.

[www.gecina.fr](http://www.gecina.fr)

---

## **GECINA CONTACTS**

### **Financial communications**

Samuel Henry-Diesbach  
Tel: +33 (0)1 40 40 52 22  
[samuelhenry-diesbach@gecina.fr](mailto:samuelhenry-diesbach@gecina.fr)

Virginie Sterling  
Tel: +33 (0)1 40 40 62 48  
[virginiersterling@gecina.fr](mailto:virginiersterling@gecina.fr)

### **Press relations**

Julien Landfried  
Tel: +33 (0)1 40 40 65 74  
[julienlandfried@gecina.fr](mailto:julienlandfried@gecina.fr)

Armelle Miclo  
Tel: +33 (0)1 40 40 51 98  
[armellemiclo@gecina.fr](mailto:armellemiclo@gecina.fr)