H1-2020 Earnings

Performing sustainably

gecina

July 24, 2020

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Gecina’s purpose « Raison d’être »

Our Values, our commitments, our future

Gecina's purpose "Raison d'être"

"Empowering shared human experiences at the heart of our sustainable living spaces"

Gecina's purpose "Raison d'être"

Our beliefs, our commitments, our future

gecina
youfirst
UtilesEnsemble

Sound operational and financial performance with sustainable commitments for people, environment & cities

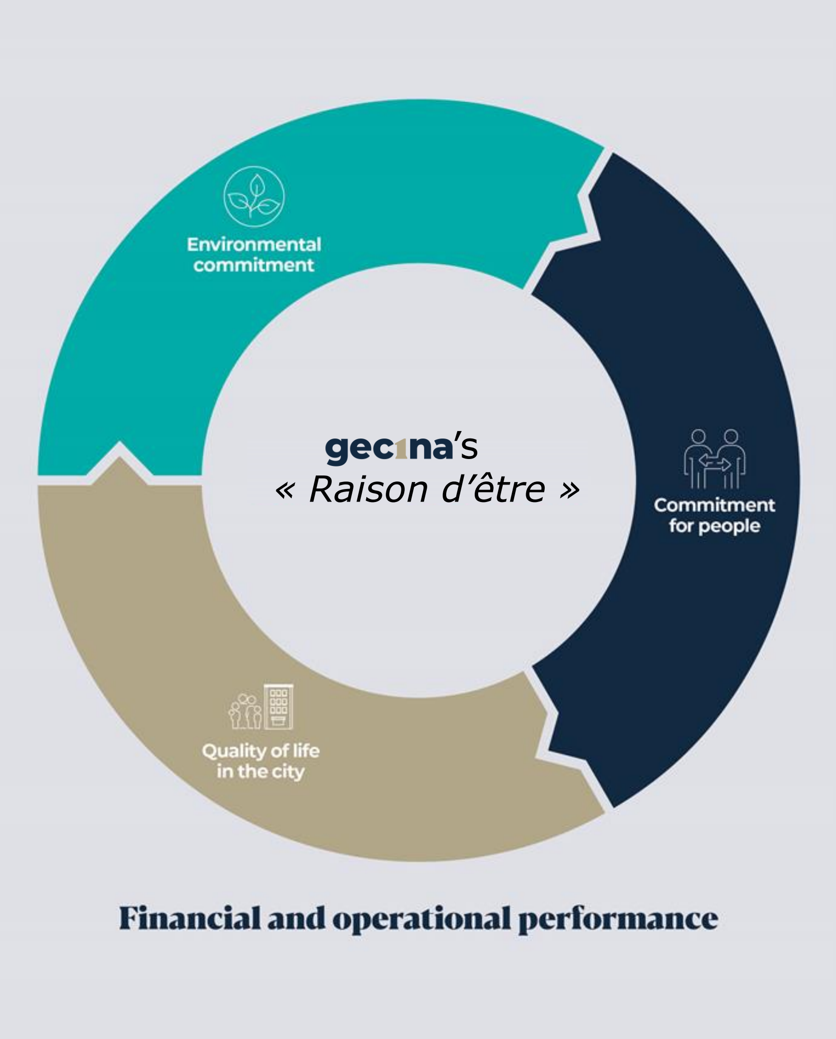
Ecological transition

Client centric

Sustainable performance

Well being Quality of life

Long term views



2 Gecina, in the Covid-19 context

Committed Group facing Covid-19

Business 100% operating

- **All sites remained open in Q2** with safety measures implemented
- **Crisis anticipated** as early as February
- **Working from home** measures for all administrative staff
- **Pursuing ongoing corporate projects**: shareholders' and bondholders' general meetings held in March & April, residential subsidiarization achieved
- Returning to HQ of employees progressively since early June 2020

Strengthening our relationship with clients

- **Rental payment deferral** or monthly instalments for 14% of the Q2 Group Office rents (i.e 3% of annual office rents)
- **Q2 rent cancellation** for SME's tenants in shut down sectors (less than 0.5% of Q2 office rents, i.e. 0.1% of annual office rents)

Mobilization to support national solidarity effort

- Moderation of **CEO compensation** and Board remuneration
- Moderation of **Dividend** 2019 payment
- Calendar for suppliers' payment maintained
- Student accommodations made available to **women victims of domestic violence and to medical and nursing staff**
- **No use of French government's economic support measures**

Well-tailored risk profile to face uncertainties

Offices in Central Areas & resilient Residential portfolio

- **64% of office portfolio in Paris City**, where markets trends remain supportive in rents and capital value
- **18%** of the Group's portfolio made of **resilient residential assets**

A robust and flexible balance sheet

- **LTV** at H1-2020: **33.2%** (including duties)
- ICR of **5.5x**
- **€4.4bn of undrawn credit lines & €0.5bn of cash** enabling to cover all the financing maturities until the end of 2023
- **Sound financial ratings** (S&P: A- / Moody's A3)

Moderate and well controlled tenant's risk

- > 80% of Gecina's **tenants are large corporates**
- **84% of our rental basis is related to tenants classified in the 2 best credit risk categories**, with very low risk or low credit risk profile (using Dunn & Bradstreet datas[1])
- **Diversified tenants mix** over all sectors of the economy, with no dominant sector amongst our tenant base
- **Low rental exposure** to prime high street **retail**

[1] 91% in the three top categories

Solid operating performance booked in H1

Rent collection

- **95% of rental collection** in H1-2020, still to move up
- 94% on offices, 1/3 of the 6% remaining benefited from payment delays, the rest is under recovery procedure
- **Q3 rental collection** so far ahead of **Q2 path** by 15pts …

Portfolio rotation & Pipeline

- **€352m of disposals achieved** at end-June 2020, +4% premium vs appraisals value
- **€56m of acquisition** of which the first residential building acquired for more than a decade revealing Gecina's renewed ambitions
- **+€115m of net value creation from the pipeline in H1** (+€1.6 per share)

Rental markets still alive in central locations!

- **+16% reversion achieved on offices** transactions in H1, with **+27% in the CBD & Paris 5/6/7**
- And **+7.4% on the residential** portfolio
- **Positive revaluation** of properties in H1, **driven by residential** portfolio (+5% in 6 months, +7% in 1 year) **and Paris City** offices (+2% in 6 months, +7% in 1 year)

Cautious and confident for the future

Markets: so far, so good in the central areas

- **c. +8% reversionary potential on office leases at end Q2-2020** to be materialized along tenants' rotation ahead
- **Vacancy rate in Paris city below 3%**
- Long-term interest rates to remain low, and therefore supportive for safe properties values

New adjusted Guidance for 2020

- Visibility improved thanks to Gecina's resilience facing health crisis
- **RNI per share in 2020 should be comprised in the range of €5.55 and €5.70** depending assumptions related to direct and indirect impacts from the Covid-19 crisis
- A **moderate adjustment compared to the initial pre-Covid guidance** of €5.80 per share, cancelled end of March

Confidence remains in a long run

- **Digitization** will drive to the loss of administrative jobs to the benefits of highly qualified jobs needing for central locations. Tenants should therefore be even more selective when considering their headquarters offices: smaller is possible, be better is required!
- Long term market trends are going along with qualitative **places to meet, collaborate, create, think, interact & produce together**. A future fully aligned with YouFirst deployment & Gecina's purpose "Raison d'être".
- **Positive driver for central locations** & multi certified/ client centric buildings (environment, connectivity, digitization, well-being etc.)

3 Resilient operational performance and supportive market for central areas

Resilient rental fundamentals for Gecina

Solid tenant base

>80% of Gecina's tenants are large corporate
64% of the office portfolio in Paris City
84% of our rental basis is related to tenants classified in the 2 best credit risk categories (using Dunn & Bradstreet datas)

Defensive lease structure

4.0 years until the next break up
5.4 years until lease end
+8% average uplift potential
2/3 of break up options in 2020-2022 in Paris City

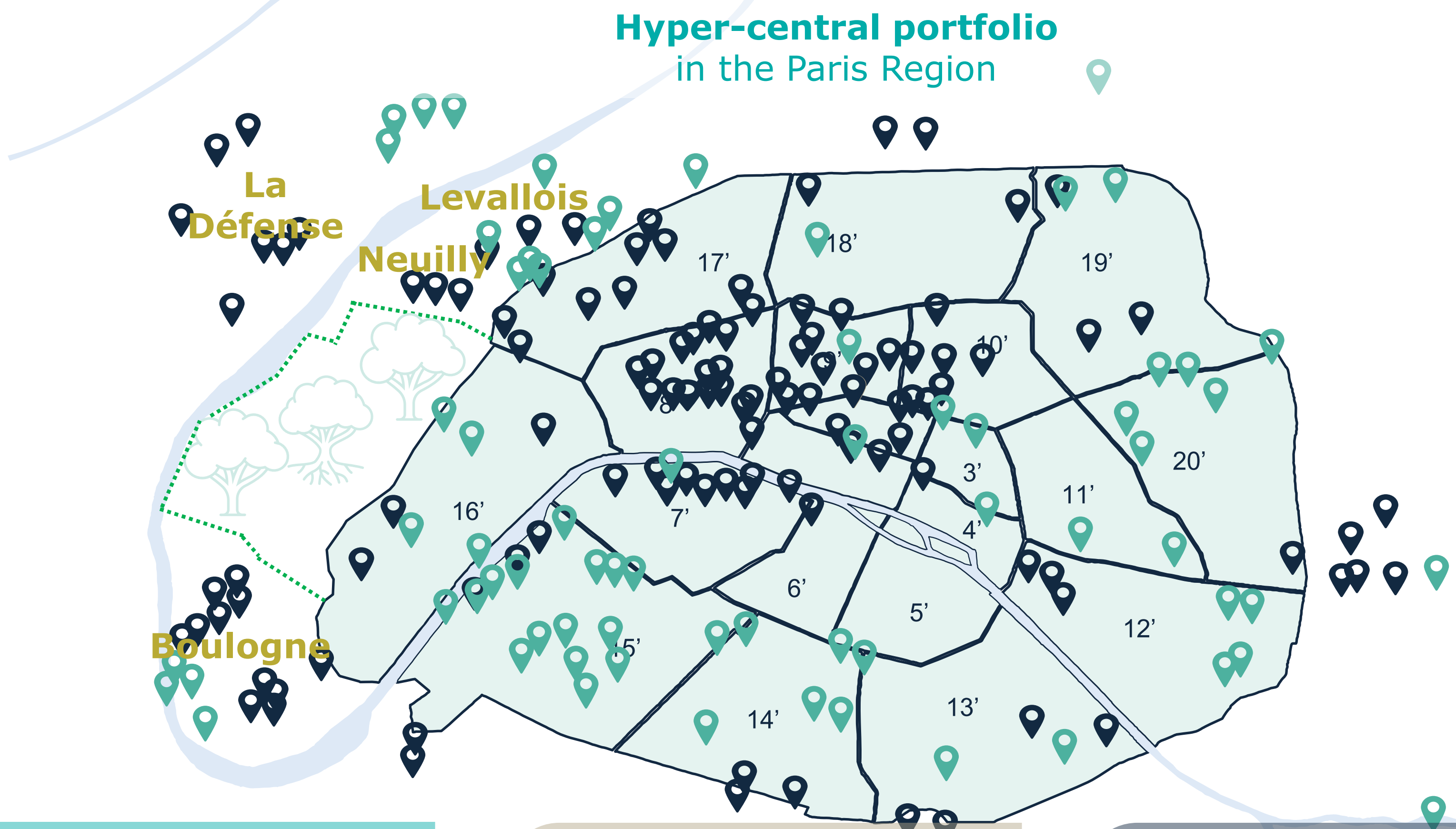
Solid rental collection

95% of rent collection in H1
Still to be increased
Q3 rental collection is, so far, **beating Q2 path**

Diversified rental base

Top 10 tenants represents 32% of the rental base
No dominant sector

Harnessing value creation through centrality & scarcity



✓ **Offices:**

€16.3bn of offices
- **64%** in Paris
- **93%** including Western Crescent

✓ **Residential:**

€3.2bn of residential
- **78%** in Paris
- **22%** in Paris Region

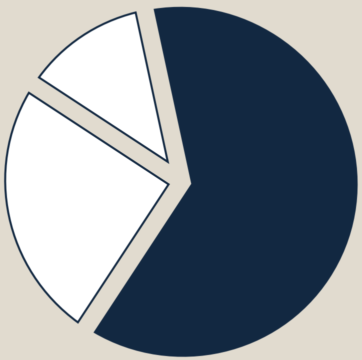
€352m of student housing

✓ **Total:**

€20bn portfolio
- **82% of offices**
- **18% of residential**

Centrality outperforms periphery

PARIS CITY: LAND OF SCARCITY & CENTRALITY



64%
of our offices in Paris

→

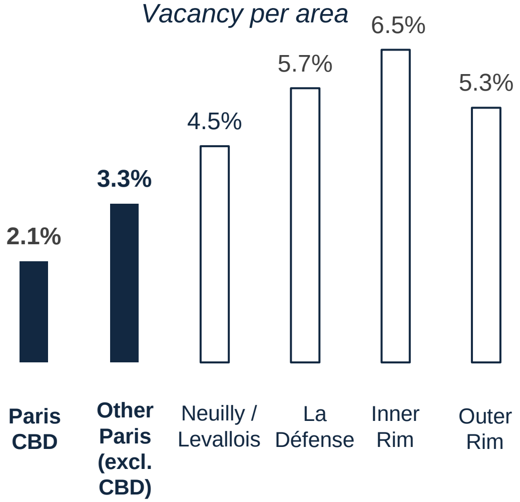
Low vacancy rate

Resilient take-up

Low future supply

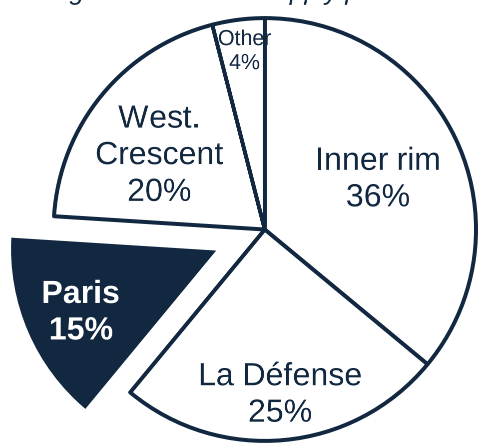
LOW VACANCY RATE IN PARIS CITY…

Vacancy per area



…AND A LIMITED FUTURE SUPPLY…

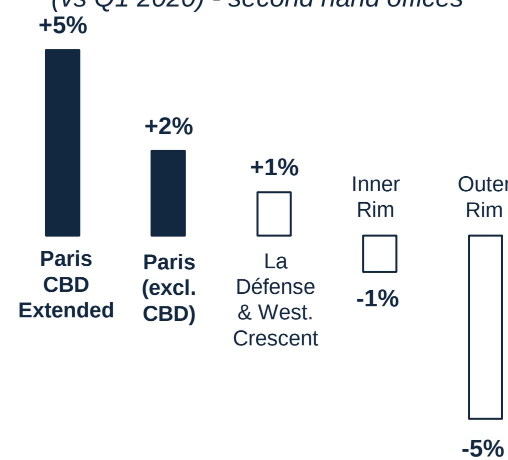
Weight of the future supply per area[1]



(70% of Gecina's committed pipeline in Paris City)

…SUPPORTING FAVORABLE RENTAL TRENDS IN CORE LOCATIONS

Average rental growth (vs Q1 2020) - second hand offices



[1]At June 2020, for the 2020-2022 period, for future supply > 5,000 sq.m
Sources: BNP RE, Immostat

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A still significant potential to be captured ahead on central locations

Reversionary potential

End-2019

Paris CBD
and 5th, 6th, 7th
+23%

Paris
(excl. CBD and 5th, 6th, 7th)
+11%

Western Crescent & La Défense
0%

Other Paris Region
-9%

Other Region
+3%

Change in ERVs H1-2020

H1-2020

Paris CBD
and 5th, 6th, 7th
+23%

Paris
(excl. CBD and 5th,6th,7th)
+12%

Western Crescent & La Défense
-6%

Other Paris Region
-11%

Other Region
-1%

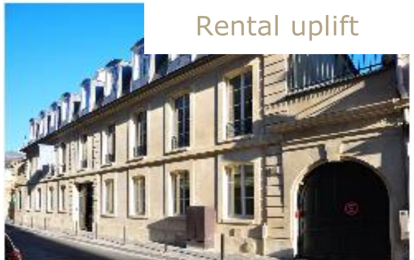
+10% *Reversionary potential on* ***93%*** *of Gecina's office portfolio*

-7% *Reversionary potential on* ***7%*** *of Gecina's office portfolio*

+8.3% reversionary potential in total

Supported by ERV growth in Paris, whilst under pressure in other locations

Dynamic rental activity in the most central areas



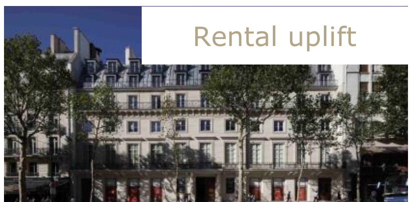
Rental uplift

- **138 Grenelle**
- Paris 7th
- c.3,000 sq.m let and renewed at H1-2020
- 100% occupied

Rental uplift

- **Biopark,** "D building"
- Paris 13th
- 1,800 sq.m let at H1-2020
- 76% occupied

- **Be Issy**
- Issy-Les-Moulineaux
- 1,100 sq.m let at H1-2020
- 85% occupied



Rental uplift

- **16 Montmartre**
- Paris CBD
- 1,300 sq.m let at H1-2020
- 100% occupied

Rental uplift

- **27 Ville-l'Evêque**
- Paris CBD
- 1,300 sq.m let at H1-2020
- 100% occupied

Pre-let

BCG

- **L1ve**
- Paris CBD
- 23,500 sq.m pre-let in 2020
- c.80% pre-let

More than 56,000 sq.m let, relet, pre-let or renewed since Jan. 2020

representing c.€35m of annualized rents

Uplift materialized[1] in H1-2020 +27% in Paris CBD

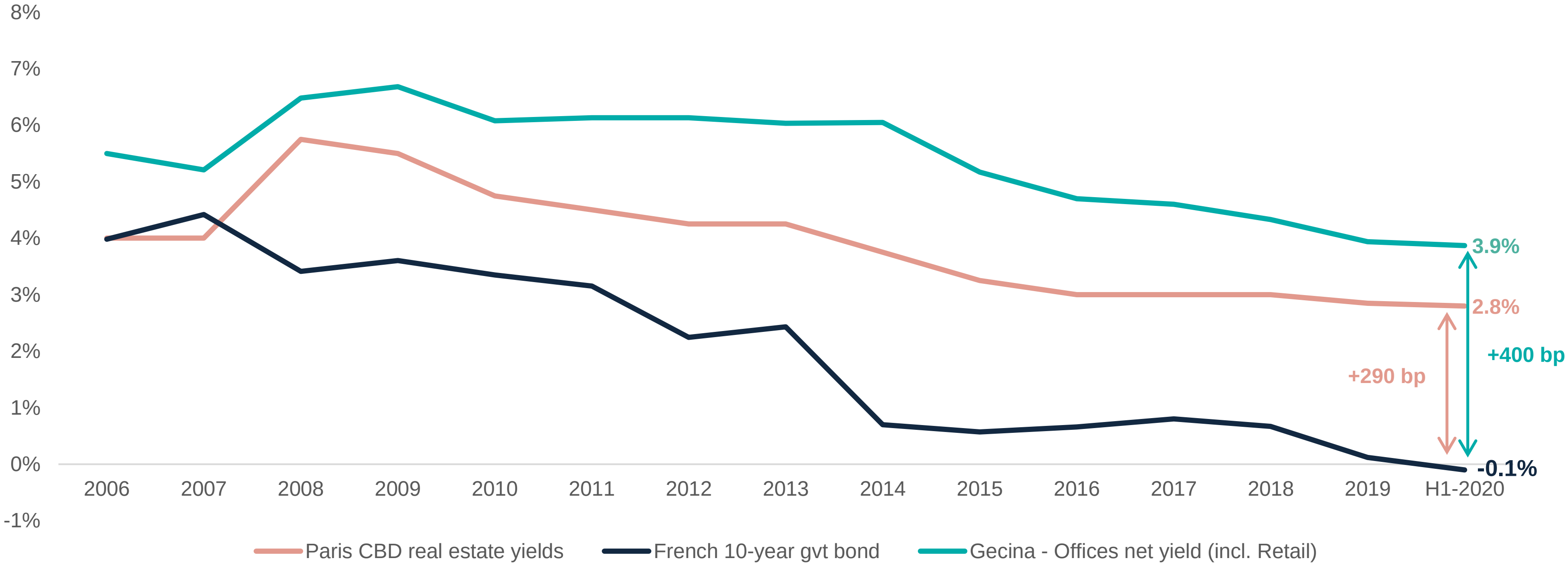
+16% in total

[1] Based on headline rents

4 Portfolio rotation:
rationalizing our portfolio further, lowering LTV and capturing value

Real estate market still attractive in a post-Covid world

HISTORICALLY HIGH-RISK PREMIUM: APPEALING FOR INVESTORS



CORE MARKETS ARE RELATIVELY PROTECTED IN 2020

✓ **Real estate assets remain attractive**

Attractive risk premium of **+290 bp** ; appealing risk reward for **secured assets**

✓ **Investment markets still dynamic**

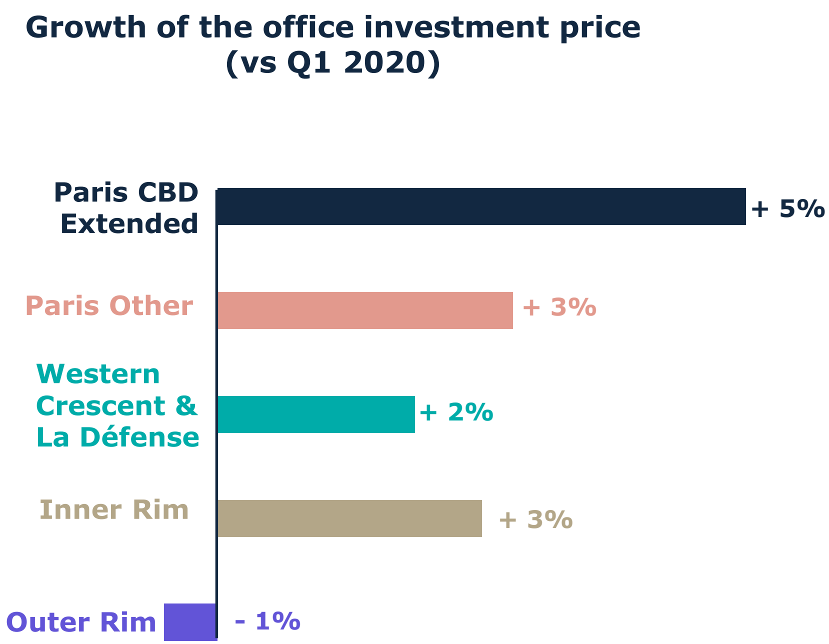
Volumes in H1 **+15%** above the 10y average

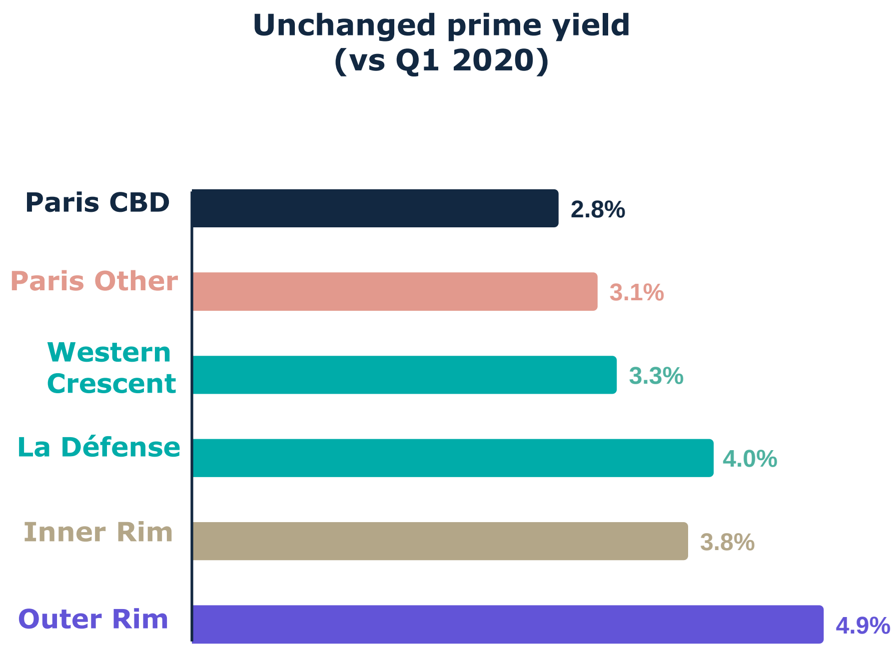
✓ **Large liquidity to be invested on properties**

Record fund raising in France for OPCI and SCPI funds (€11.4bn in 2019, €3.8bn in Q1 up to +47% yoy)

Sources: BNP RE, Immostat, ASPIM

Investment market suggests resilience for the most central areas





CORE MARKETS ARE RELATIVELY PROTECTED IN H1-2020

- ✓ Central market shows resilience
- ✓ CBD extended & Paris Other registered the highest growth in the Paris Region

- ✓ Capital values in Outer Rim are decreasing in Q2-2020
- ✓ Secondary areas may suffer more in the future

- ✓ Prime Yield at end-June 2020 are unchanged vs Q1 2020

Sources: Immostat & BNP

Value creation performance through rotation portfolio since 2014…

€8.3bn
of acquisitions[1]

€5.5bn
of disposals[2]

+€0.6bn of
net value creation
from disposals and acquisitions since end-2014

+€7.7
per share

✓ **Gecina has demonstrated know-how regarding acquisitions & disposals**

✓ **Long-term contribution to value creation through acquisitions & disposals**

✓ **Enhance centrality:** **64%** of the office portfolio is in Paris vs **55%** at end-2014

[1]Including Eurosic
[2]Disposals completed or secured at end-June, 2020

… Pursued in H1-2020

€356m of dispositions[1]

€341m of disposals ow. **79%** outside Paris

€14m of disposals

€56m of acquisition

€20m of acquisitions

€36m of acquisitions

100% inside Paris

✓ **Deleveraging**

33.2% of LTV, **-210** bp vs H1-2019

✓ **Value creation**

Prices of achieved disposals are higher than the last appraisals **(+4% premium)**

✓ **Further centralization**

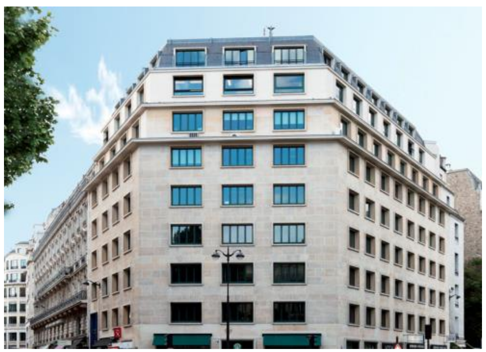
64% of the office portfolio is in Paris (vs. **61%** in H1-2019)

[1]Disposals achieved or secured

Focus: acquisition & disposals

- ✓ **First acquisition on residential market** since… (for a while)
- ✓ **Acquisition of a 4,100 sq.m** residential building for €33.1m (excl. duties) in Paris 8th

Appealing entry price and operational better off to be expected ahead



- ✓ **Asset swap:** mature and fully let asset in Paris tendered for the acquisition of 1,200 sq.m office floors in a building in which Gecina now owns 3,300 sq.m in Paris CBD

Securing mid/long term value creation potential in the heart of Paris CBD

- ✓ **8 other disposals** of offices achieved or secured in H1-2020
  - ✓ 91% outside of Paris city

Selling mature assets in secondary areas to further rationalize the portfolio

5 Further value creation potential in central areas from a non-replicable pipeline

A value creative pipeline these past years…

STRONG ACHIEVEMENTS FROM THE PIPELINE SINCE END-2014

27
assets delivered

€2.8bn
Total Investment Cost

€1.3bn
of Capex invested

+€1.1bn of net value creation from the pipeline since end-2014

Of which
+€115m
in H1-2020

+€14.7 per share since 2014

ow.
+€1.6
per share in H1-2020

- ✓ **A proven know-how to extract value from redeveloping assets in core locations**
- ✓ **Significantly contributing to outperformance of capital return over market trends**
- ✓ **Decreasing carbon and energy consumption (renewable energy) of the portfolio through sustainable redevelopment schemes**

...more to come ahead on offices

Offices committed pipeline: 10 projects to be delivered before end-2023

c.1/3 pre-let including discussions currently being finalized

Slow down of pre-leasing in Q2 due to lockdown

- **Being**
- H2 2020
- La Défense
- 12,200 sq.m

- **7 Madrid**
- H2 2020
- Paris CBD
- 11,100 sq.m
- 100% pre-let

- **Anthos**
- H1 2021
- Boulogne
- 9,600 sq.m

- **Sunside**
- H1 2021
- La Défense
- 9,800 sq.m

- **Biopark**
- H2 2021
- Paris
- 6,400 sq.m

- **157 CDG**
- H2 2021
- Neuilly
- 11,200 sq.m

- **L1ve**
- H1 2022
- Paris CBD
- 33,500 sq.m
- c.80% pre-let

- **Bancelles**
- H1 2023
- Paris CBD
- 30,300 sq.m

- **Boétie**
- H1 2023
- Paris CBD
- 10,100 sq.m

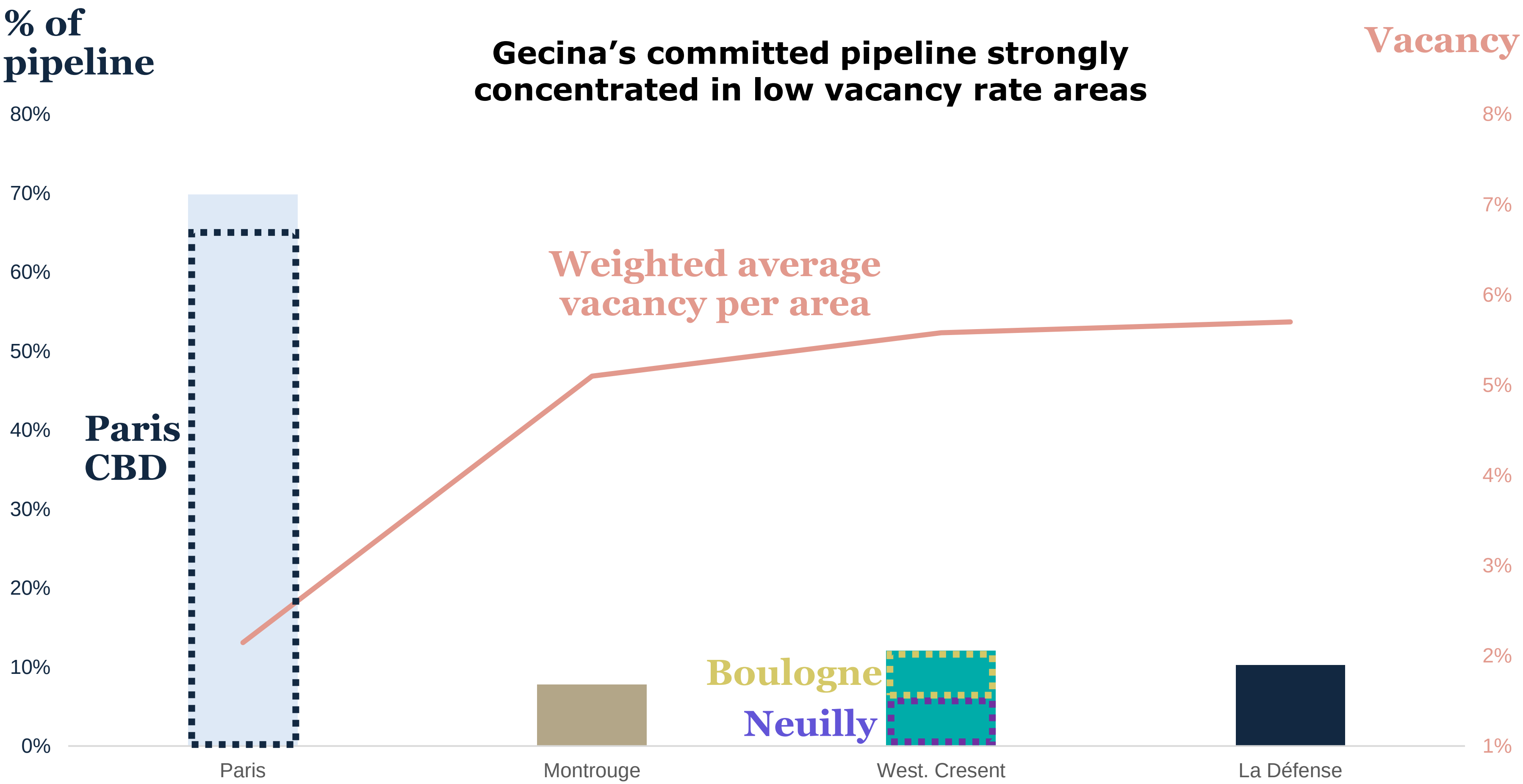
- **Porte Sud**
- H2 2023
- Inner Rim
- 18,700 sq.m

Committed pipeline on offices:
- ✓ **10 deliveries** in 2020-2023
- ✓ Total Investment Cost: **€1.8bn**

Value creation:
- ✓ Average yield on cost of **5.4%**
- ✓ Theoretical prime exit yield of **3.1%**

More to come:
- ✓ **+83,400** sq.m to be committed ahead
- ✓ **+€908m** of TIC to be committed (of which €353m capex to be injected)

Office pipeline dedicated to areas driven by scarcity and centrality



- ✓ **67%** **of pipeline in the CBD**
  70% **in Paris City**
- ✓ **With an average weighted vacancy of c.2%**

- ✓ **Very limited** **future supply in Paris City**
- ✓ … while future supply may raise locally questions in secondary areas

- ✓ **>75%** **of the pipeline in areas where vacancy rate is below** **5%**

Sources: BNP RE

More to come ahead on residential

Residential committed pipeline: **7 projects** to be delivered **before end-2023**

- **Saint-Mandé**
- H2 2020
- Paris
- 700 sq.m

- **Glacière**
- H2 2021
- Paris
- 300 sq.m

- **Ynov**
(Student Housing)
- H1 2021
- Ivry-sur-Seine
- 7,200 sq.m

- **Domaine de la Ronce**
- H1 2023
- Ville d'Avray
- 10,000 sq.m

- **Porte Brancion**
(Student Housing)
- H2 2023
- Paris
- 2,900 sq.m

- **Vouillé**
(Student Housing)
- H1 2023
- Paris
- 2,400 sq.m

- **Lourmel**
(Student Housing)
- H1 2023
- Paris
- 1,700 sq.m

- **Densification**
- 1,700 sq.m

Committed pipeline on residential:

✓ **7 deliveries** in 2020-2023

✓ Total Investment Cost: **€180m**

Value creation:

✓ Average yield on cost of **4.6%**

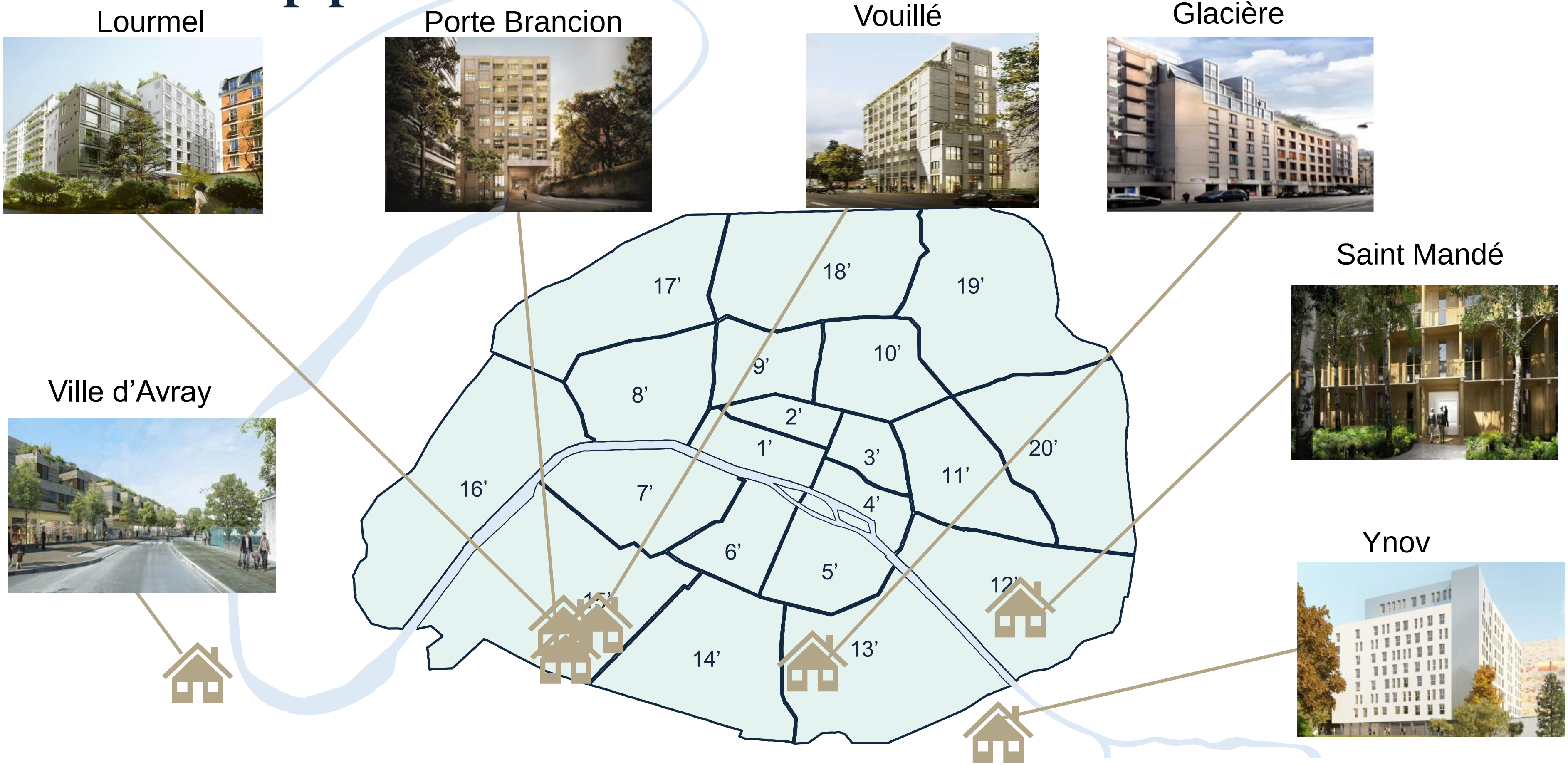
✓ Theoretical prime exit yield of **3.4%**

More to come:

✓ **+15,200** sq.m to be committed

✓ **+€79m** of TIC to be committed (of which €46m capex to be injected)

Residential pipeline



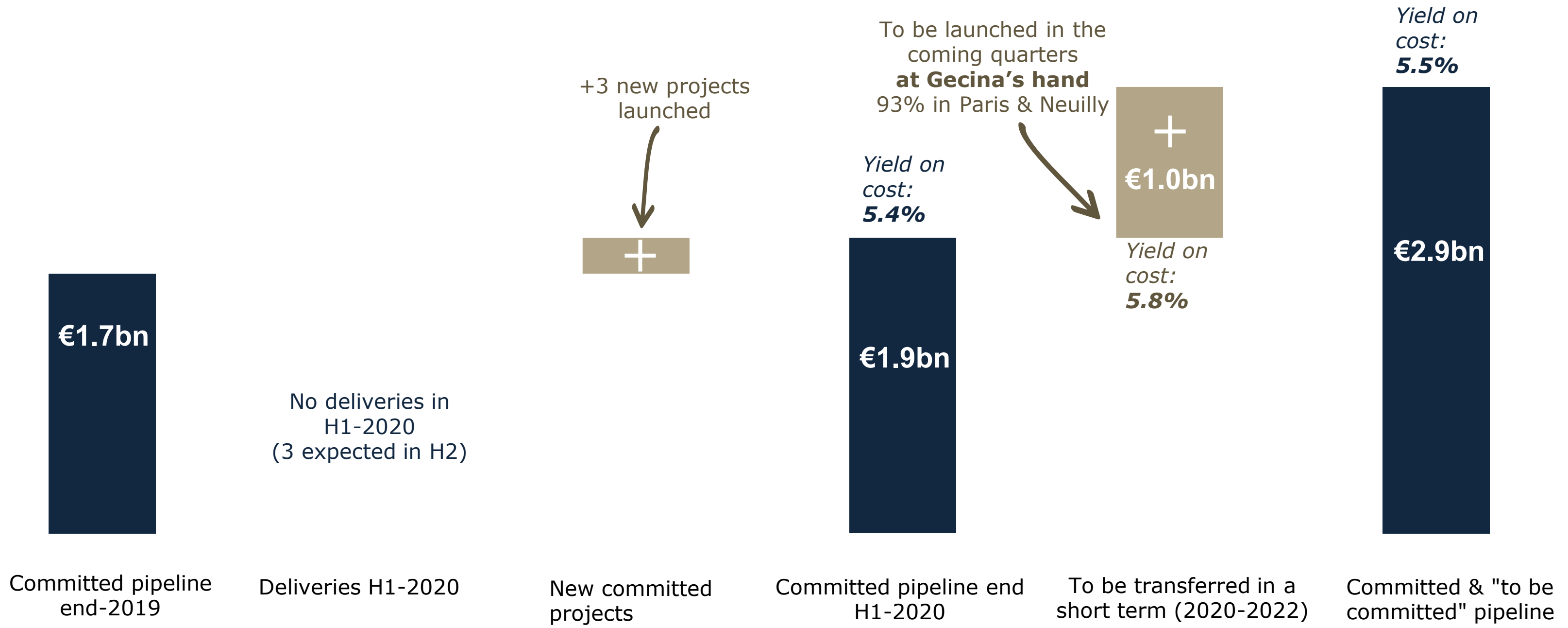
- ✓ **A growing residential pipeline** underlying Gecina's renewed ambition for this asset class
- ✓ A pipeline **dedicated to areas facing shortfall** of housings
- ✓ Answering **growing needs for central & quality** residential assets

Gecina's pipeline refueled with promising Parisian assets

€2.9bn of committed or "to be committed" projects

Incl. **€1.0bn of project to be launched in a short run** at Gecina's hand **if conditions are supportive**

OUTSTANDING PIPELINE: €2.9BN COMMITTED OR "TO BE COMMITTED"



✓ **A € 2.9bn committed or "to be committed" pipeline**

Defensive locations: 79% in Paris or Neuilly

✓ **Value creation**

Expected yield on cost: **5.5%**
c. €330m value creation booked already
ow. €115m booked in H1

✓ **A visible driver for recurring earning growth**

+€130m/140m additional IFRS net rental potential income by 2025

6 Residential: one more step for a resilient and promising asset class

2019: launch of subsidiarization of the residential portfolio

The subsidiarization is finalized since April 23, 2020

SUBSIDIARIZATION

OF THE RESIDENTIAL PORTFOLIO

Being in a position to capture **potential value-creating investment opportunities** in the Residential segment if they meet Gecina's requirements

The Group will **retain control** of the newly created subsidiary… while keeping the **Group's capital allocation roughly unchanged** (80% offices, 20% resi), eventually opening up the capital to third-party investors

Enabling **critical mass** to be achieved
Size matters for residential property, driving growth to maximize operational and financial performance

Eventually entering other markets in France when they meet Gecina's criteria, if opportunities arise

A proven track-record, with tangible contribution from the renewed strategy

RESIDENTIAL PORTFOLIO: ACCRETIVE CONTRIBUTION TO GECINA'S PERFORMANCE

EVIDENCE OF A SUCCESSFUL RENEWED STRATEGY

LfL valuation growth in H1-2020
+4.9%
(+6.9% over last 12 months)

Uplift materialized on new lettings in H1-2020
+7.4%

First residential building acquisition achieved in H1-2020 in Paris 8th district

c.27,000 sq.m[1]
Of committed projects to be delivered in 2020-2023

15,200 sq.m [1]
Of projects "to be committed"

97.6%
Average occupancy rate ratio in H1-2020

[1]including student housings

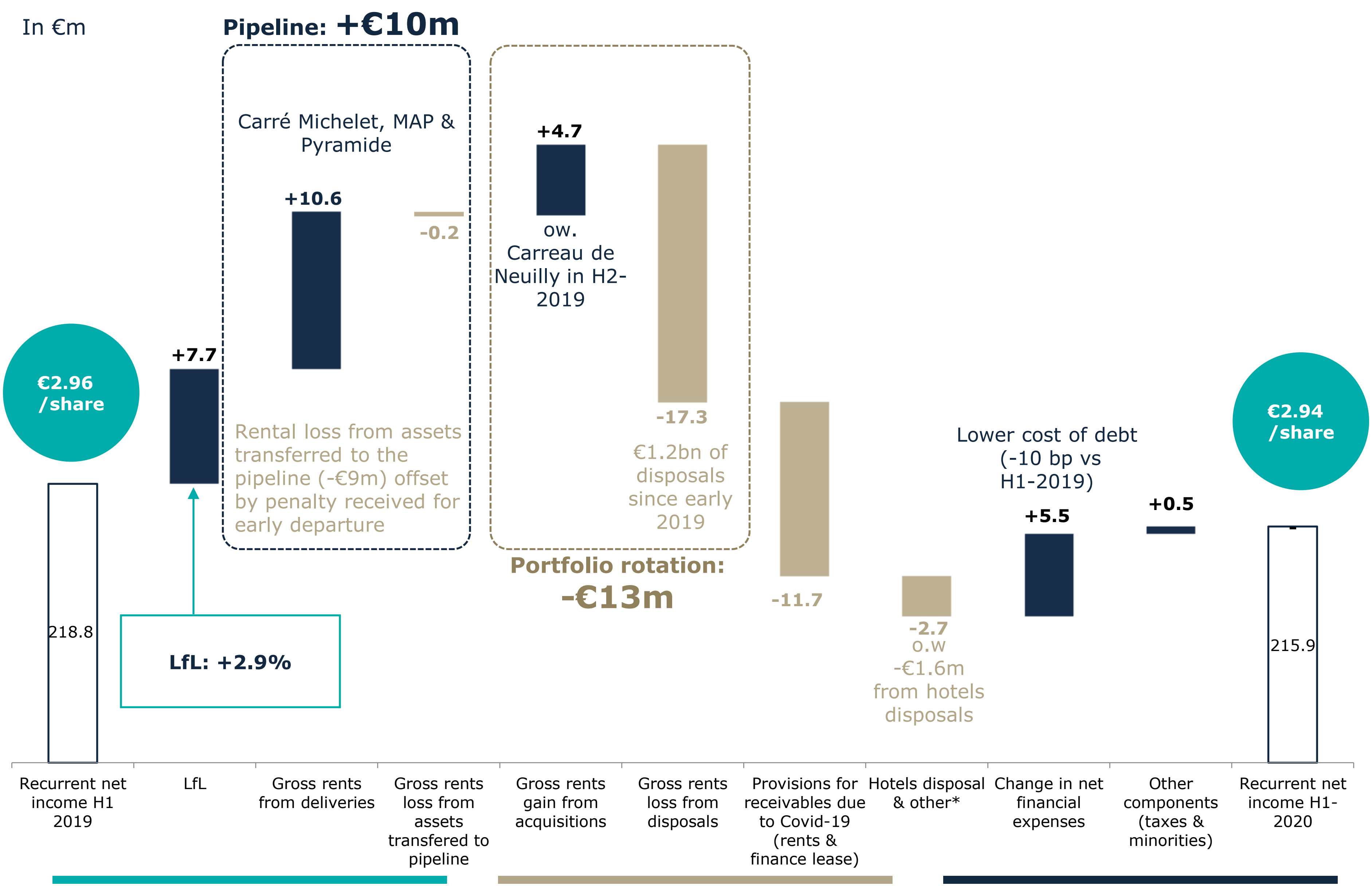
7 Solid financial performance for the H1-2020, cautious confidence for FY-2020

Financial performance at H1-2020

In €m	End-June, 2019	End-June, 2020	Growth	LfL growth
Offices	268	274	+2.1%	+3.6%
Residential	53	53	+0.3%	+1.2%
Student housings	9	9	-1.5%	-2.7%
Gross rents	**331**	**336**	+1.7%	+2.9%
RNI[1]	219	216	-1.3%	
RNI in € per share	**2.96**	**2.94**	**-0.8%**	
LTV (incl. duties)	35.3%	33.2%	-210 pb	
EPRA NRV Net Reinstatement Value	€184.5	€191.7	+3.9%	
EPRA NTA Net Tangible Asset Value	**€166.1**	**€175.0**	**+5.4%**	
EPRA NDV Net Dissolution Value	€160.5	€167.9	+4.6%	
EPRA NAV per share (in €) (bloc) – old format	**€169.8**	**€177.7**	**+4.7%**	
EPRA NAV per share (in €) (unit by unit) – old format	€176.4	€185.2	+5.0%	

[1]EBITDA including provisions recorded in connection with the health crisis, restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs (costs relating to the subsidiarization of the residential business) excluding IFRIC 21.

H1-2020 recurrent net income: changing scope and performance



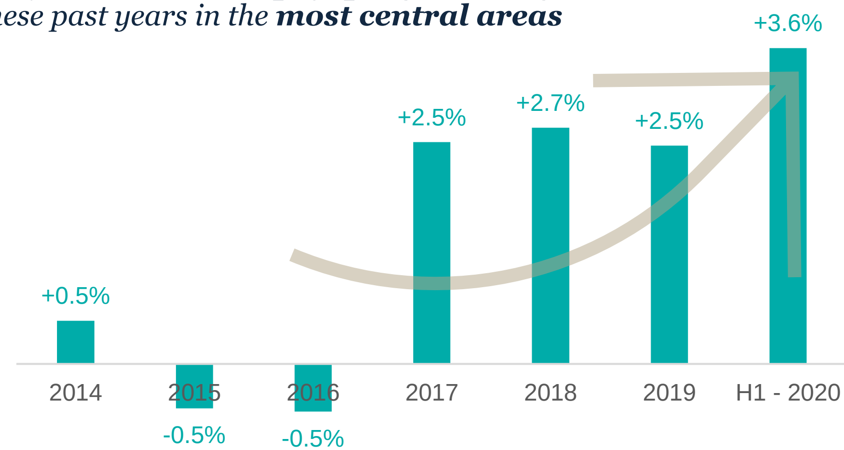
*Change in overheads costs, rental margin and other income

Gross rents performance in H1-2020

	Gross rents		Change (%)		Rental margin		Occupancy rate	
	June 30, 2019	June 30, 2020	YoY	LfL	June 30, 2019[1]	June 30, 2020	June 30, 2019	June 30, 2020
Offices	268.5	274.0	+2.1%	+3.6%	92.9%	90.7%	94.4%	93.2%
Traditionnal residential	52.8	52.9	+0.3%	+1.2%	84.0%	84.6%	97.7%	97.6%
Student residences	9.4	9.2	-1.5%	-2.7%	74.2%	70.8%	84.9%	82.1%
Group Total	**330.6**	**336.1**	**+1.7%**	**+2.9%**	**91.0%**	**89.2%**	**94.6%**	**93.4%**

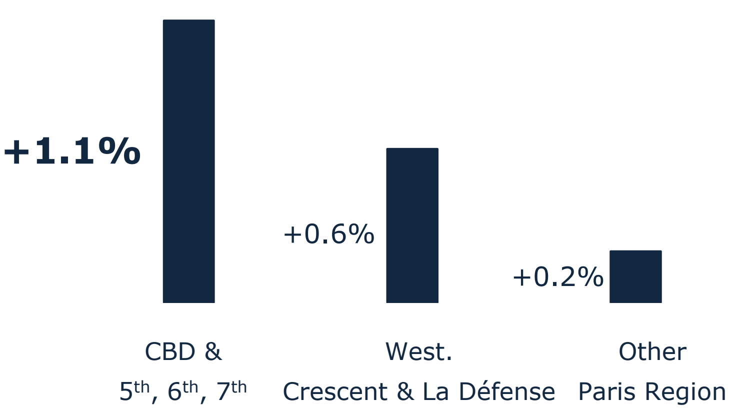
LfL growth on offices since end-2014

*Improving trends from: **indexation, vacancy reduction** and from the **rental uplift progressively materialized** these past years in the **most central areas***



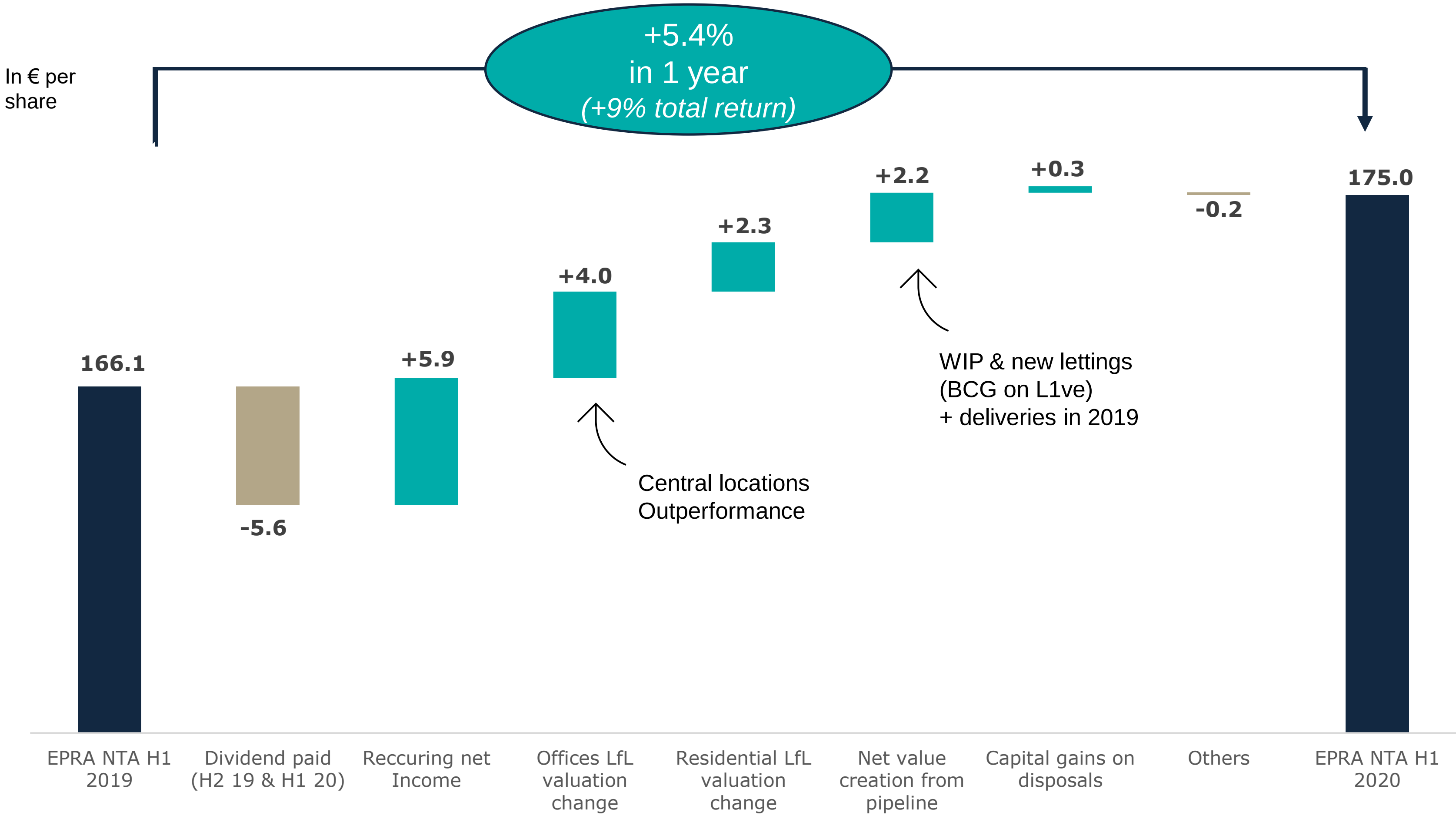
LfL contribution on offices from reversionary materialization

Positive impact** starting to be seen from past years **rental recovery** in the most **central areas



[1] The rental margin at end-June 2019 reported here is proforma for the method retained at end-June 2020 for comparison. At June 30, 2019, expenses billed to tenants included rental and technical management fees for €3.3m. These transferred costs are included in overheads from January 1, 2020 (€3.5m for the first half of 2020).

NAV increases in H1-2020 driven by supportive markets and strategy



EPRA reconstitution NAV (NRV)

€191.7 per share
(+3.9% in 12 months)

EPRA Continuation NAV (NTA)

€175.0 per share
(+5.4% in 12 months)

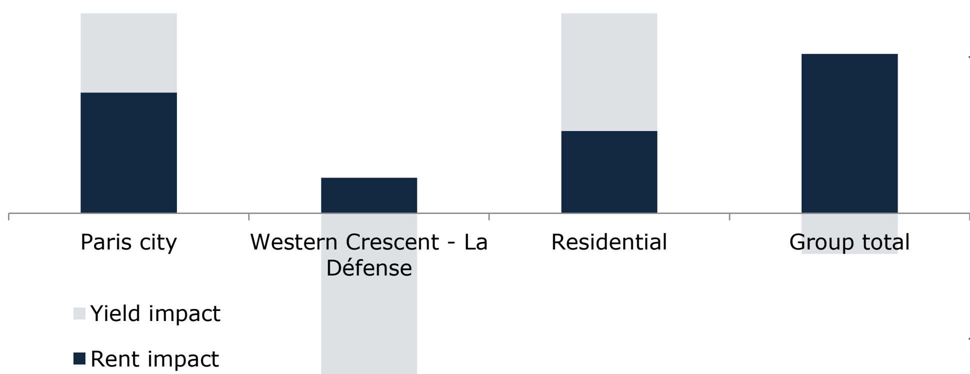
EPRA Dissolution NAV (NDV)

€167.9 per share
(+4.6% in 12 months)

NAV performance partly driven by solid market trends, revealing outperformance of most central areas …

Breakdown by segment In million euros	Appraised values June 30, 2020	Net capitalisation rates June 30, 2020	 Dec 31, 2019	Change on comparable basis June 2020 vs. Dec 2019	Change on comparable basis June 2020 vs. June 2019	Average value per sq.m June 30, 2020
Offices	**16,333**	**4.0%**	**3.9%**	**+0,3%**	**+3.5%**	**11,056**
Paris City	**10,420**	**3.3%**	**3.4%**	**+2.1%**	**+7.1%**	**16,569**
Paris CBD & 5-6-7	*7,422*	3.1%	3.1%	+2.7%	+7.5%	*21,916*
- Paris CBD & 5-6-7 - Offices	5,664	3.4%	3.3%	+0.7%	+1.7%	*19,187*
- Paris CBD & 5-6-7 - Retail units	1,758	2.1%	2.2%	+8.1%	+12.1%	*59,128*
Paris other	2,998	4.0%	4.0%	+0.9%	+6.2%	*10,853*
Western Crescent - La Défense	4,722	4.8%	4.6%	-3.2%	-2.5%	*8,768*
Other Paris Region	699	7.1%	6.7%	-1.3%	-7.6%	*2,912*
Other regions (incl. other countries)	492	4.3%	4.2%	-1.4%	+1.5%	*5,871*
Residential	**3,584**	**3.2%**	**3.3%**	**+4.2%**	**+6.2%**	**7,041**
Traditionnal Residential	3,232	3.0%	3.1%	+4.9%	+6.9%	*7,384*
Student Housing	352	4.9%	4.9%	-1.7%	+0.1%	*5,004*
Hotels & financial lease	**120**	**na**	**na**		**na**	
Group Total	**20,037**	**3.8%**	**3.8%**	**+1.0%**	**+4.0%**	**10,200**
Group Total Unit value	20,588					

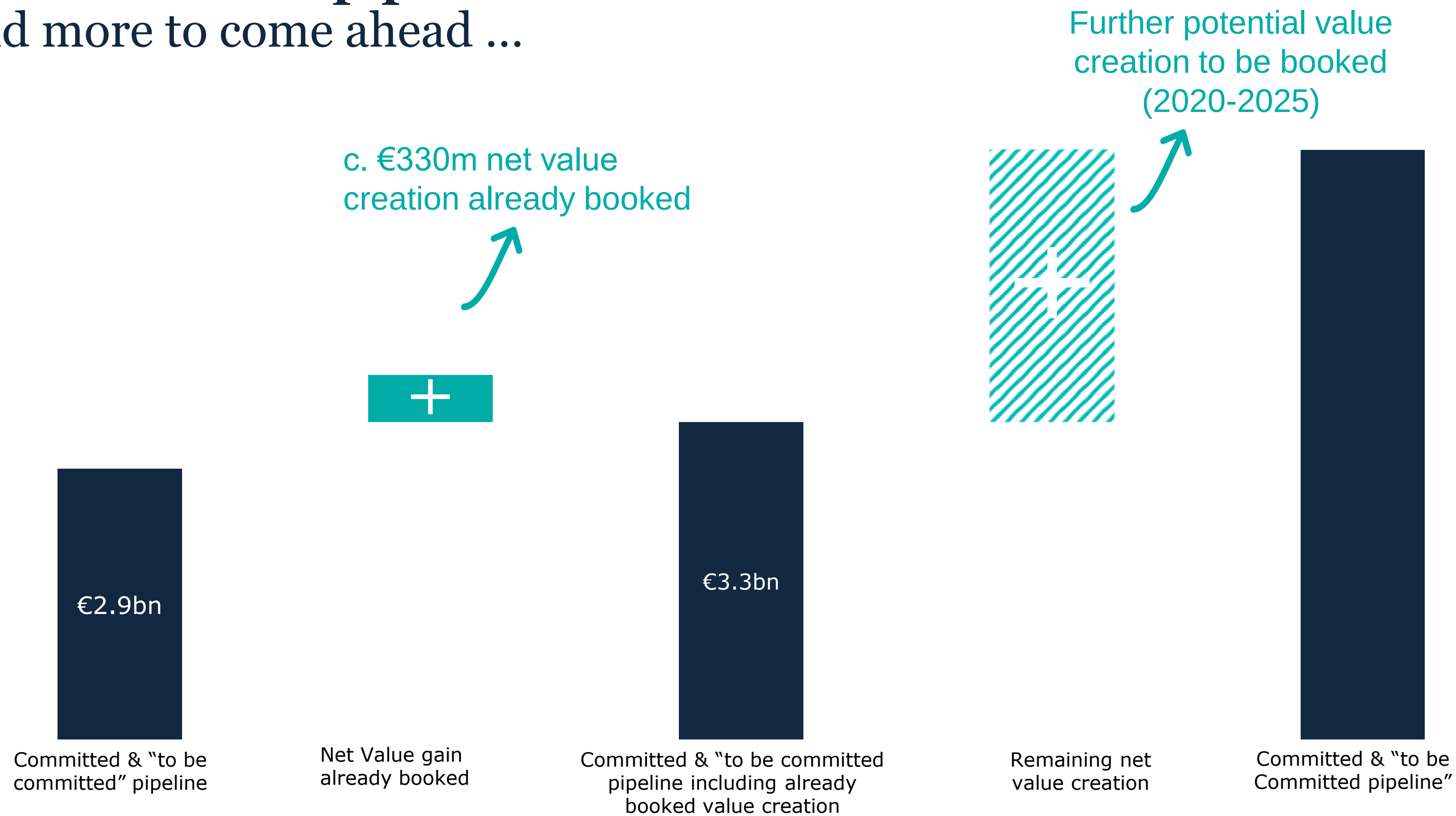
+1.5%
Incl. pipeline



Revaluation in H1 driven by **positive rental effect** in **central locations**

…as well as the pipeline's contribution

and more to come ahead …



Most of the value creation expected from the committed and "to be committed" pipelines is still to be captured over the coming years through completions and lettings

Outlook for value creation supported by central locations of assets under development (76% of committed pipeline on offices in Paris City / Neuilly, 95% of the controlled and certain one)

Proactive and sustainable management to enhance Gecina's capacity to operate its strategy

A3
Moody's

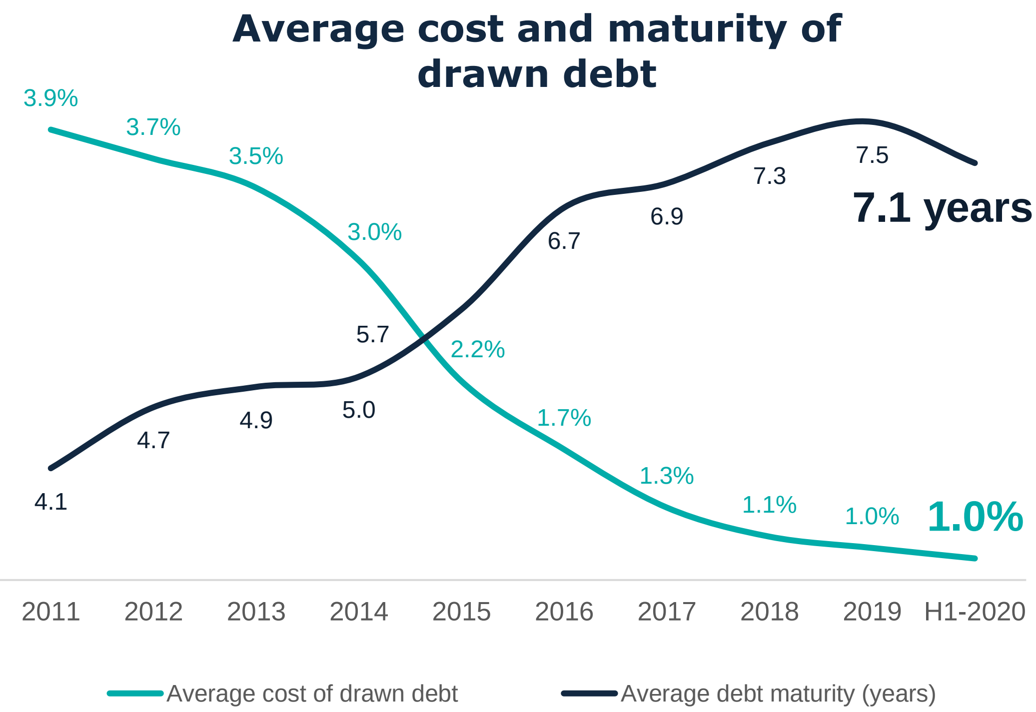
A-
S&P

€7.0bn
Net debt
-€0.2bn vs
FY 2019

70%
hedged until
2026

€2.9 bn
liquidity
(net of short-term
resources)

3.5 years
of financing
maturities
covered

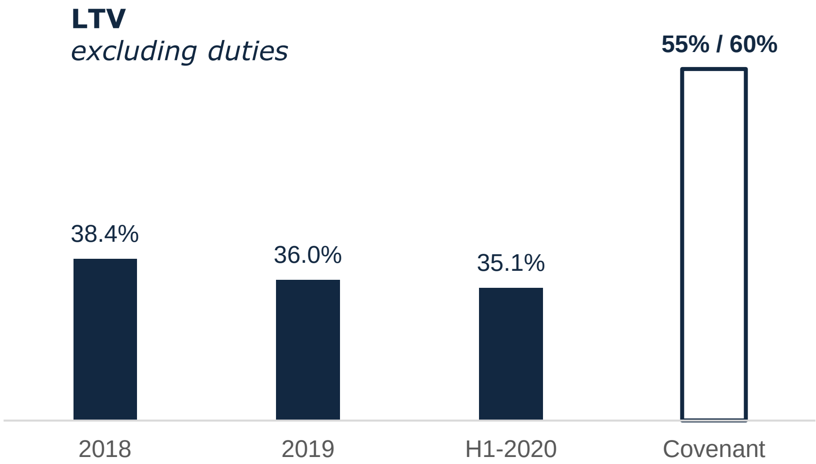


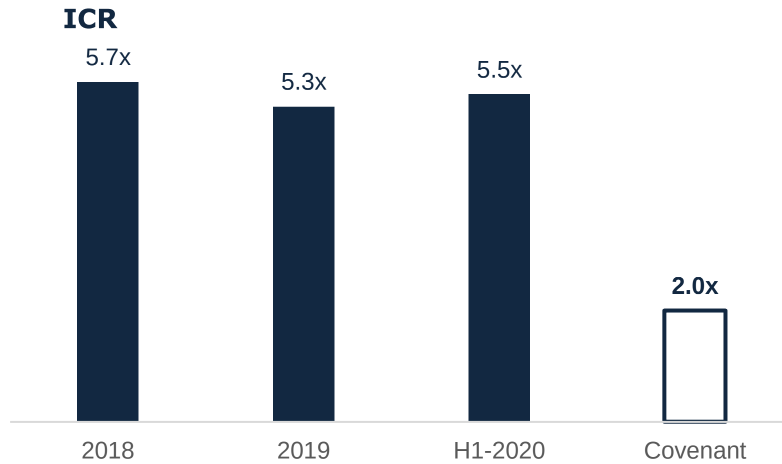
€1.2bn
responsible loans at H1-2020
26% of Gecina's bank debt
Margin based on financial metrics and ESG KPIs

1.3%
All in cost of debt
(-10pb vs. end 2019)

33.2% LTV including duties
(-210pb in 12 months, -80pb in 6 months)

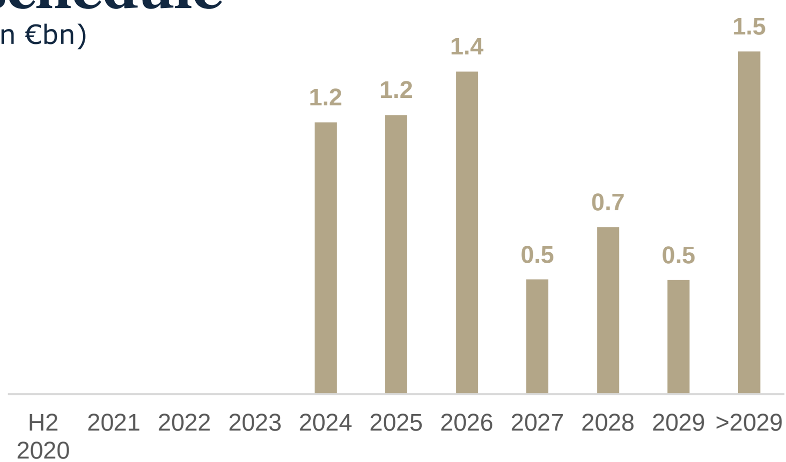
Comfort reiterated with the financial covenants …





… and high visibility on our debt schedule[1]

(in €bn)



Liquidity Metrics

€4.4bn undrawn RCF
€0.5bn cash available

€2.9bn liquidity
(restated from NEU CP)

All debt reimbursement could be covered by undrawn credit lines up to end 2023

[1]taking into account unused RCF

2020 RNI guidance

Pre-Covid-19 Guidance & **Adjustments** = **Post Covid-19 Guidance**

2019 RNI:
€5.95 per share

−

Impact of disposals achieved in 2019
- €0.29 per share

=

Proforma 2019 RNI:
€5.66 per share

RNI 2020 pre covid -19 expectation
c. 5.80€ per share

+ Strong H1-2020 performance

- Reversionary captured
- Better letting conditions
- Lower than expected cost of debt

− Covid-19 impacts

- Lower indexation (GPD drop in Q2)
- Delayed calendar for delivering assets under development
- Delayed new leases
- Rental & finance lease provisions

RNI now expected between[1]:

✓ **€5.55 per share** (tough scenario if assuming worsening macro climate)

✓ And **€5.70** if stabilizing

Hence -2% to -4% lower than initial pre-Covid-19 expectations

[1]This range includes provisions recorded in connection with the health crisis. It also excludes potential acquisition or disposal operations that have not been agreed on to date and could therefore be revised up or down in line with the portfolio's potential rotation during the second half of the year.


Q&A

8 Appendix

H1-2020 P&L and Recurrent Net Income

in million euros	June 30, 19	June 30, 20	*Change (%)*
Gross rental income	**330.6**	**336.1**	***+1.7%***
Net rental income	**304.0**	**299.7**	***-1.4%***
Operating margin for other business	6.1	(0.4)	*-106.8%*
Services and other income (net)	2.6	1.5	*-42.2%*
Salaries and management costs	(41.3)	(38.3)	*-7.2%*
EBITDA (recurring)(1)	**271.4**	**262.5**	***-3.3%***
Net financial expenses	(49.3)	(43.7)	*-11.2%*
Recurrent gross income	**222.1**	**218.8**	***-1.5%***
Recurrent net income from associates	0.6	0.7	*+16.9%*
Recurrent minority interests	(0.8)	(0.6)	*-30.4%*
Recurrent tax	(3.1)	(3.0)	*-4.5%*
Recurrent net income (Group share) (1)	**218.8**	**215.9**	***-1.3%***
Recurrent net income per share (Group share)	**2.96**	**2.94**	***-0.8%***
Gains from disposals	20.4	(5.4)	*na*
Change in fair value of properties	626.0	185.5	*na*
Real estate margin	1.4	0.0	*na*
Depreciation and amortization	(7.1)	(19.3)	*na*
Change in value of financial instruments and debt	(27.7)	(18.7)	*na*
Bond redemption costs and premiums	(16.0)	0.0	*na*
Others	1.5	(8.0)	*na*
Net income (Group share)	**817.3**	**349.9**	*na*
Average number of shares	73,849,747	73,472,992	*-0.5%*

[1]EBITDA including provisions recorded in connection with the health crisis, restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs (costs relating to the subsidiarization of the residential business)
Excluding IFRIC 21

H1-2020 Balance Sheet

ASSETS *In million euros*	Dec. 31, 2019	June 30, 2020
Non-current assets	**19,244.7**	**19,820.9**
Investment properties	17,662.3	18,059.5
Buildings under redevelopment	1,055.1	1,268.6
Buildings in operation	86.0	81.6
Other property, plant and equipment	14.6	12.4
Goodwil	196.1	192.3
Intangible assets	7.0	6.7
Financial receivables on finance leases	121.6	110.2
Long-term financial investments	25.8	25.5
Investments in associates	51.4	48.0
Non-current financial instruments	22.8	14.3
Deferred tax assets	1.9	1.9
Current assets	**1,210.1**	**1,075.5**
Properties for sale	928.8	320.1
Inventories	35.7	32.0
Trade receivables and related	77.4	106.0
Other receivables	111.2	90.4
Prepaid expenses	19.2	18.7
Current financial instruments	0.0	0.7
Cash & cash equivalents	37.8	507.6
TOTAL ASSETS	**20,454.8**	**20,896.4**

LIABILITIES *In million euros*	Dec. 31, 2019	June 30, 2020
Shareholders' equity	**12,726.6**	**12,676.5**
Share capital	573.1	573.1
Addtional paid-in capital	3,281.9	3,289.5
Consolidated reserves	7,329.0	8,449.4
Consolidated net income	1,515.3	339.1
Capital and reserves attributable to owners of the parent	**12,699.2**	**12,651.1**
Non-controlling interests	27.4	25.5
Non-current liabilities	**5,487.7**	**5,495.1**
Non-current financial liabilities	5,398.6	5,395.9
Non-current lease obligations	50.5	50.3
Non-current financial instruments	1.3	11.8
Deferred tax liabilities	1.7	0.3
Non-current provisions	35.7	36.7
Current liabilities	**2,240.5**	**2,724.8**
Current financial liabilities	1,884.9	2,184.8
Current financial instruments	0.6	0.2
Security deposits	80.5	77.7
Trade payables and related	153.0	128.2
Current taxes due & other employee-related liabilities	49.0	96.8
Other current liabilities	72.6	237.0
TOTAL LIABILITIES	**20,454.8**	**20,896.4**

Net Asset Value H1-2020 (old EPRA format)

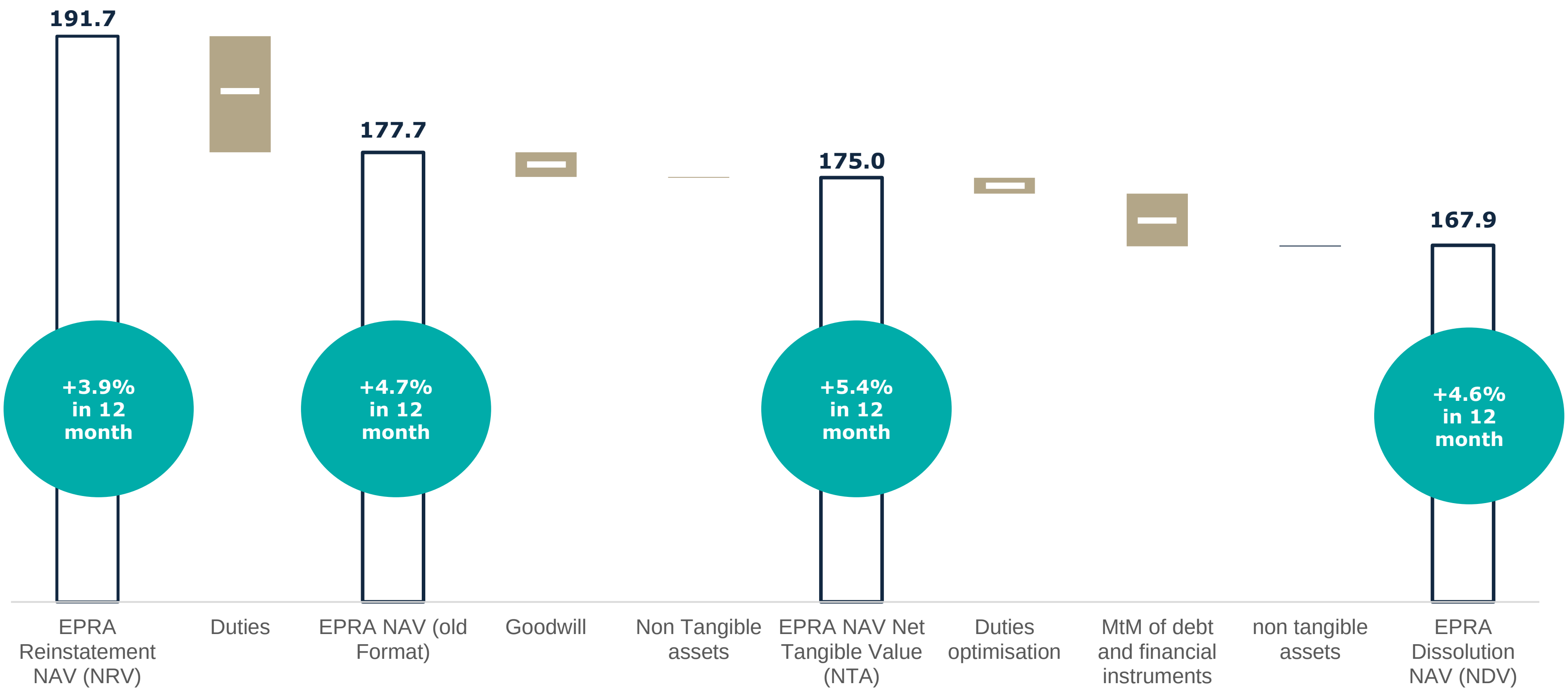
	June 30, 2019		Dec 31, 2019		June 30, 2020	
in million euros	Amount/number of shares	€ per share	Amount/number of shares	€ per share	Amount/number of shares	€ per share
Fully diluted number of shares	73,622,597		73,656,339		73,711,096	
Shareholders' equity under IFRS*	**11,985**		**12,699**		**12,651**	
+ Receivable from shareholders	201.6		0.0		183.8	
+ Impact of exercising stock options	4.0		1.7		1.5	
Diluted NAV	**12,191**	**165.6**	**12,701**	**172.4**	**12,836**	**174.1**
+ Fair value reporting of buildings, if amortized cost option has been selected	128.5		136.4		143.5	
+ Hotel business	37.7		0.0		0.0	
+ Optimization of transfer duties	118.4		135.1		123.6	
- Fair value of financial instruments	24.8		(20.9)		(3.0)	
- Deferred tax	0.0		0.0		0,0	
= Diluted EPRA NAV	**12,500**	**169.8**	**12,951**	**175.8**	**13,100**	**177.7**
+ Fair value of financial instruments	(24.8)		20.9		3.0	
+ Fair value of liabilities	(296.1)		(280.7)		(409.6)	
+ Deferred tax	0.0		0.0		(0.0)	
= Diluted EPRA triple net NAV	**12,179**	**165.4**	**12,692**	**172.3**	**12,694**	**172.2**

**Including goodwill (€192 million at June 30, 2020)*

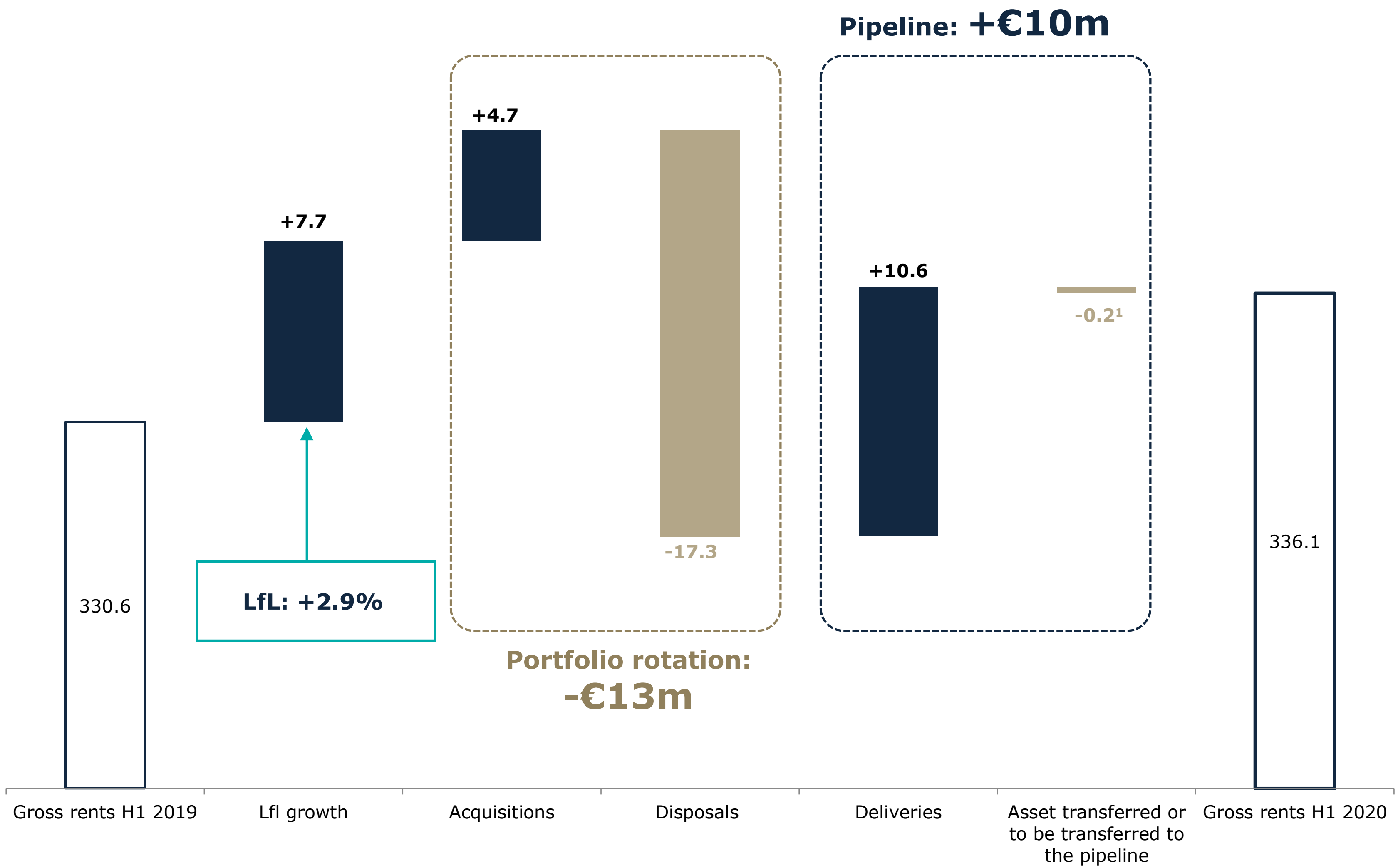
New EPRA indicators

H1-2020	EPRA NRV Net Reinstatement Value	EPRA NTA Net Tangible Asset Value	EPRA NDV Net Dissolution Value
IFRS Equity attributable to shareholders	12,651.1	12,651.1	12,651.1
Due dividends	183.8	183.8	183.8
Include / Exclude			
Hybrid instruments	1.5	1.5	1.5
Diluted NAV	**12,836.4**	**12,836.4**	**12,836.4**
Include			
Revaluation of IP (if IAS 40 cost option is used)	133.8	133.8	133.8
Revaluation of IPUC (if IAS 40 cost option used)	0.0	0.0	0.0
Revaluation of other non-current investments	0.0	0.0	0.0
Revaluation of tenant leases held as finance leases	9.6	9.6	9.6
Revaluation of trading properties	0.1	0.1	0.1
Diluted NAV at Fair Value	**12,979.9**	**12,979.9**	**12,979.9**
Exclude			
Deferred tax in relation to fair value gains of IP	0.0	0.0	n.a.
Fair value of financial instruments	-3.0	-3.0	n.a.
Goodwill as result of deferred tax	0.0	0.0	0.0
Goodwill as per theIFRS balance sheet	n.a.	-192.3	-192.3
Intangibles as per the IFRS balance sheet	n.a.	-6.7	n.a.
Include			
Fair value of fixed interest rate debt	n.a.	n.a.	-409.6
Revaluation of intangibles to fair value	0.0	n.a.	n.a.
Real estate transfer tax	1,156.7	123.6	n.a.
EPRA NAV	**14,133.6**	**12,901.5**	**12,378.0**
Fully diluted number of shares	73,711,096	73,711,096	73,711,096
NAV per share	**€191.7**	**€175.0**	**€167.9**

EPRA NAV, EPRA NRV, NTA & NDV



Gross rents changes in H1-2020: +3.6% LfL on offices and +2.9% LfL on the Group



[1]Rental loss from assets transferred to the pipeline (-€9m) offset by penalty received for early departure

Pipeline at June 30, 2020 in details

Project	Location	Delivery date	Total space (sq.m)	Total Investment (1) (€m)	Already Invested (2) (€m)	Still to Invest (€m)	Est. Yield on cost (4) (net)	Prime yields (BNPPRE)	pre-let
La Défense - Being	Western Crescent	Q3-20	12,200	98	95	3			0%
Paris - 7, Rue de Madrid	Paris CBD	Q3-20	11,100	107	103	4			100%
Boulogne - Anthos	Western Crescent	Q2-21	9,600	104	95	9			0%
Paris - Biopark	Paris	Q3-21	6,400	47	41	7			0%
La Défense - Sunside	Western Crescent	Q2-21	9,800	82	75	7			0%
Neuilly - 157 Charles de Gaulle	Western Crescent	Q4-21	11,200	108	75	32			0%
Paris - L1ve	Paris CBD	Q2-22	33,500	514	392	122			78%
Paris - Bancelles	Paris CBD	Q2-23	30,300	377	255	123			0%
Montrouge - Porte Sud	Inner Rim	Q3-23	18,700	136	51	85			0%
Paris - Boétie	Paris CBD	Q1-23	10,100	180	138	42			0%
Total offices	**2020 -2023**		**152,900**	**1,753**	**1,319**	**434**	**5.4%**	**3.1%**	**24%**
Paris - St Mandé	Paris	Q4-20	700	4	4	1			n.a
Paris - Glacière	Paris	Q3-21	300	2	0	2			n.a
Ivry sur Seine - Ynov	Inner Rim	Q2-21	7,200	41	22	19			n.a
Ville d'Avray	Inner Rim	Q1-23	10,000	78	9	69			n.a
Paris - Porte Brancion	Paris	Q2-23	2,900	19	0	19			n.a
Paris - Vouillé	Paris	Q2-23	2,400	16	0	16			n.a
Paris - Lourmel	Paris	Q2-23	1,700	13	0	13			n.a
Densification résidentiel		n.a	1,700	6	0	6			n.a
Total residential			**26,900**	**180**	**35**	**145**	**4.6%**	**3.4%**	
TOTAL Committed Pipeline	**2020-2023**		**179,800**	**1,934**	**1,355** *(3)*	**579**	**5.4%**	**3.1%**	
Controlled & Certain Offices			**83,400**	**908**	**555**	**353**	**5.9%**	**3.1%**	
Controlled & Certain Residential			**15,200**	**79**	**33**	**46**	**4.2%**	**3.1%**	
Total Controlled & Certain			**98,600**	**987**	**589**	**398**	**5.8%**	**3.1%**	
TOTAL Committed + Controlled & Certain pipeline	**2020-2025**		**278,400**	**2,921**	**1,943**	**978**	**5.5%**	**3.1%**	
Redevelopments "likely"			**107,000**	**917**	**630**	**288**	**5.0%**	**3.2%**	
Greenfields			**2,400²**	**8**	**0**	**8**	**8.9%**	**4.5%**	
Total Controlled & Likely			**109,400**	**925**	**630**	**296**	**5.1%**	**3.2%**	
TOTAL PIPELINE			**387,800**	**3,846**	**2,573**	**1,273**	**5.4%**	**3.1%**	

(1) Total investment for the committed pipeline = latest appraisal value from when the project started up + total build costs. For the controlled pipeline = latest appraisal to date + operation's estimated costs
(2) Includes the value of plots and existing buildings for redevelopments
(3) Committed pipeline is valued at €1,684m at H1-2020
(4) Yield on cost is calculated using either the contracted rents when pre-let or the mandate given to brokers for committed projects. For others. if no mandate is ongoing, assumptions retained are based on internal assumptions

Financial ratios and covenants

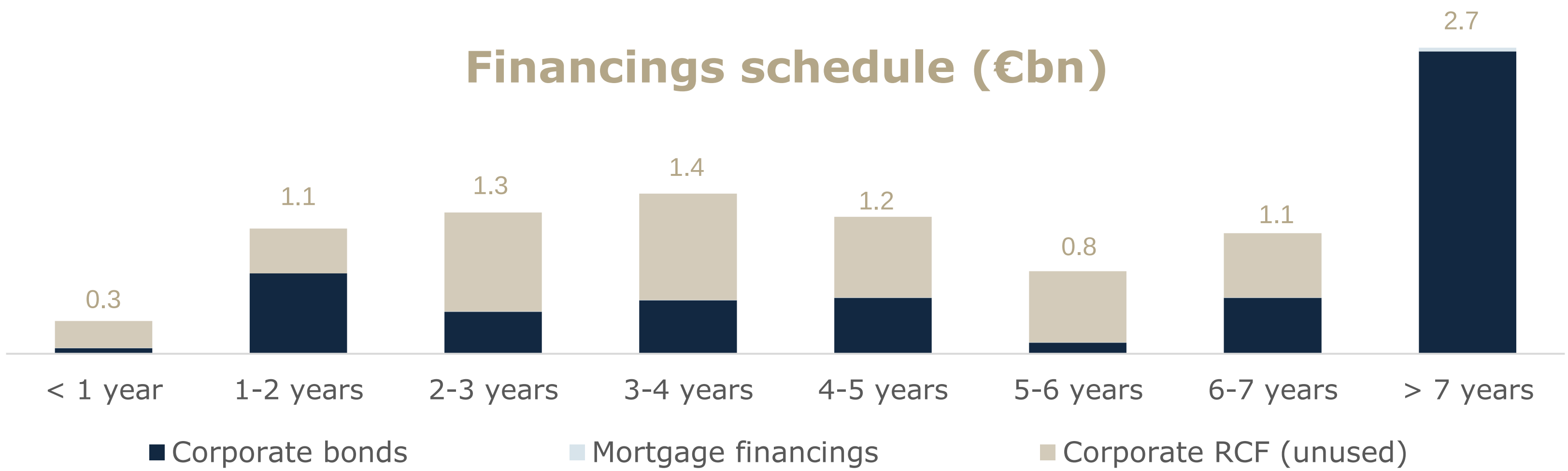
	31/12/2016	31/12/2017	31/12/2018	31/12/2019	30/06/2020
Gross financial debt (€ million)[(1)]	3,640	8,453	7,433	7,246	7,549
Net financial debt (€ million)[(2)]	3,582	8,331	7,402	7,208	7,042
Gross nominal debt (€ million)[(1)]	3,616	8,427	7,406	7,233	7,566
Unused credit lines (€ million)	2,245	3,760	4,255	4,505	4,405
Average maturity of debt (in years, adjusted for unused credit lines)	6.7	6.9	7.3	7.5	7.1
LTV (excluding duties)	29.4%	42.4%	38.4%	36.0%	35.1%
LTV (including duties)	27.7%	40.0%	36.2%	34.0%	33.2%
ICR	4.9x	5.6x	5.7x	5.3x	5.5x
Secured debt / Properties	6.5%	3.6%	1.0%	0.2%	0.2%

[(1)] Gross financial debt (excluding fair value related to Eurosic's debt) = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not yet due + miscellaneous.

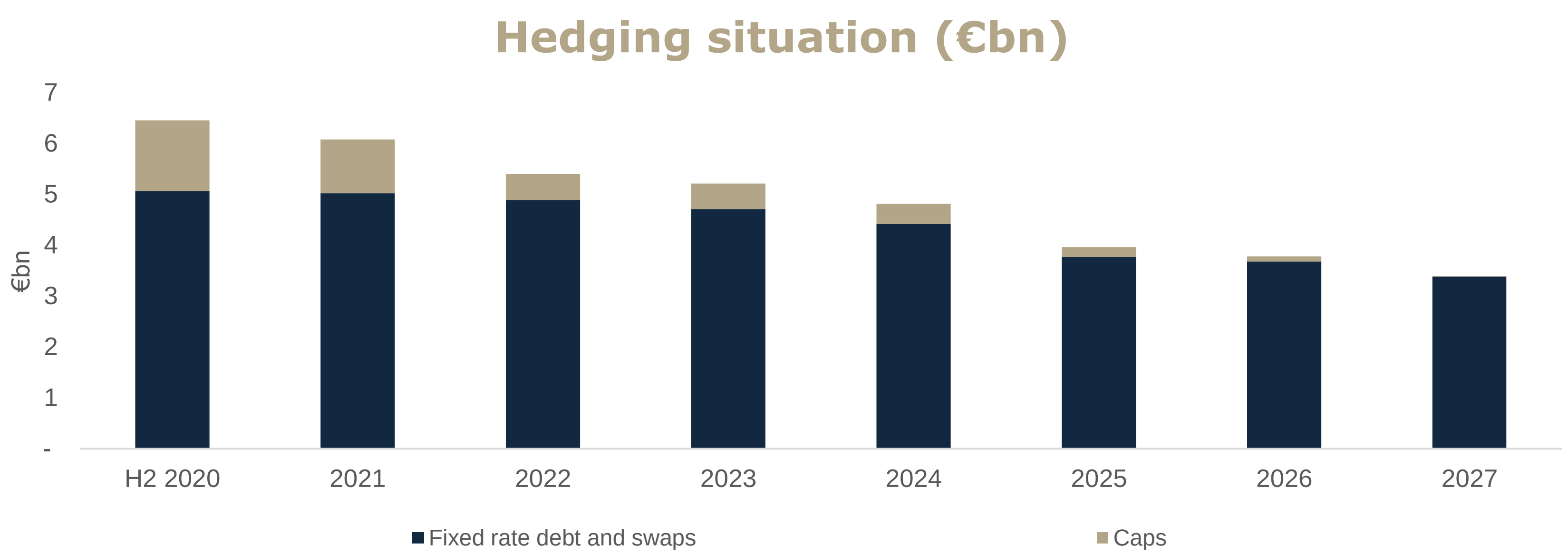
[(2)] Excluding fair value related to Eurosic's debt, €7,073 million including those items.

Ratios	Covenant	30/06/2020
LTV Net debt/revalued block value of property holding (excluding duties)	< 55% - 60%	35.1%
ICR EBITDA /net financial expenses)	> 2.0x	5.5x
Outstanding secured debt/revalued block value of property holding (excluding duties)	< 25%	0.2%
Revalued block value of property holding (excluding duties), in € billion	> 6.0 – 8.0	20.0

Financing & hedging schedule

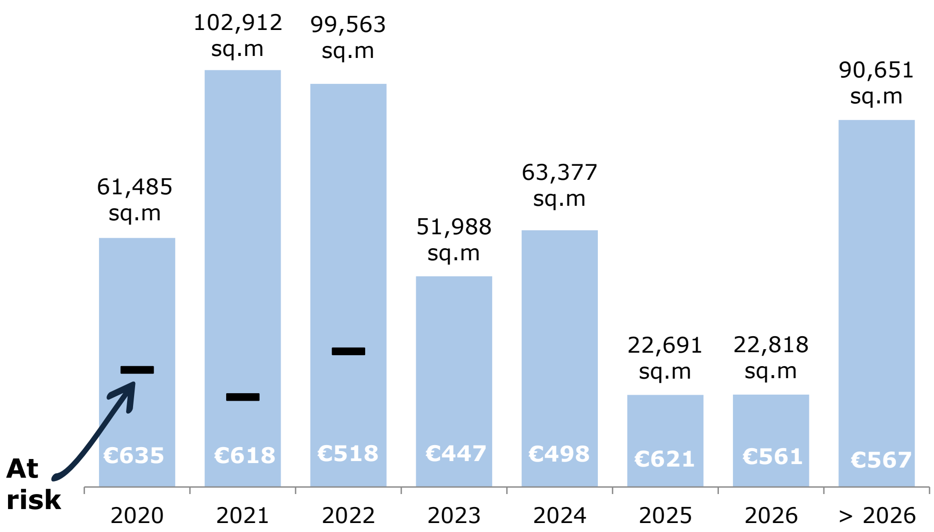


Note: 2021 RCF maturity of €240m has been rolled in July 2020 with a new 7-year sustainable RCF (2027)

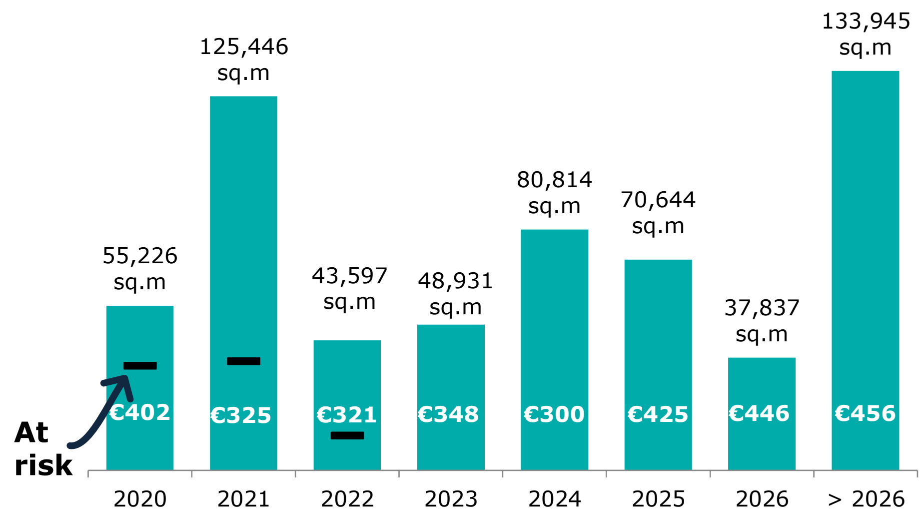


Rental Challenges in details

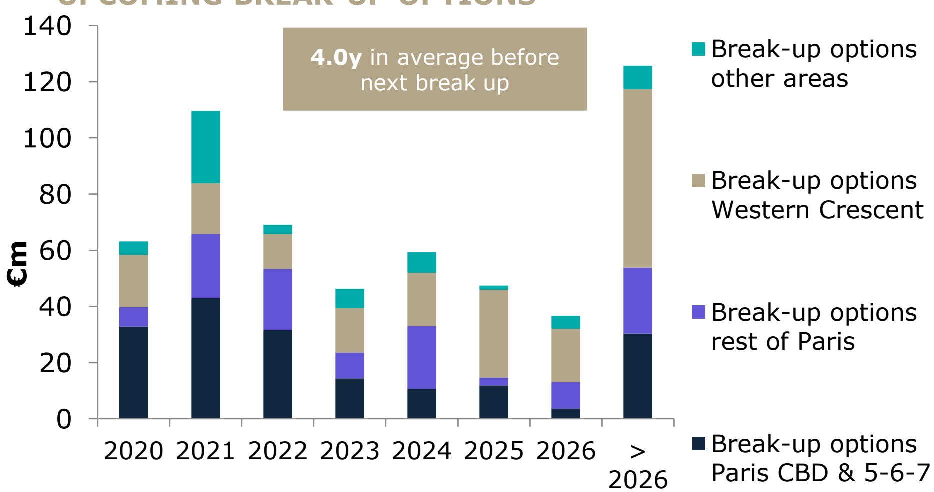
ANALYSIS OF OFFICE BREAK-UP OPTIONS IN PARIS CITY



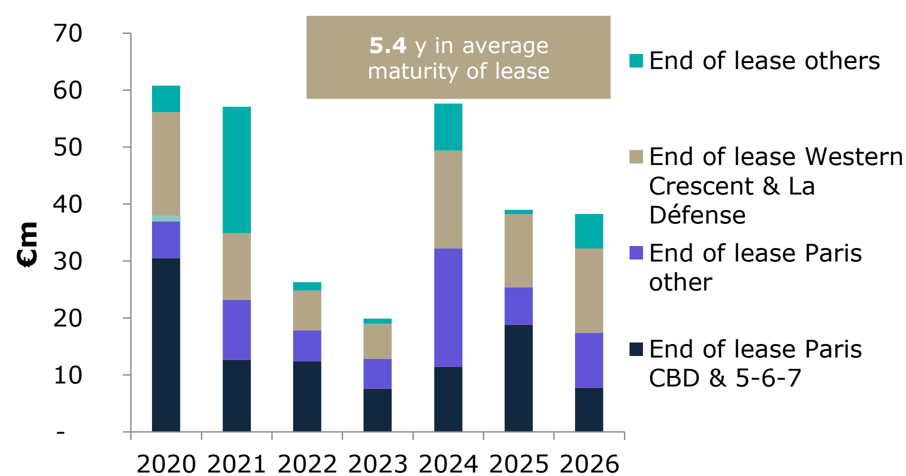
ANALYSIS OF OFFICE BREAK-UP OPTIONS IN PARIS REGION (EXCL. PARIS CITY)



UPCOMING BREAK-UP OPTIONS



UPCOMING END OF LEASE



Annualized rents at June 30, 2020

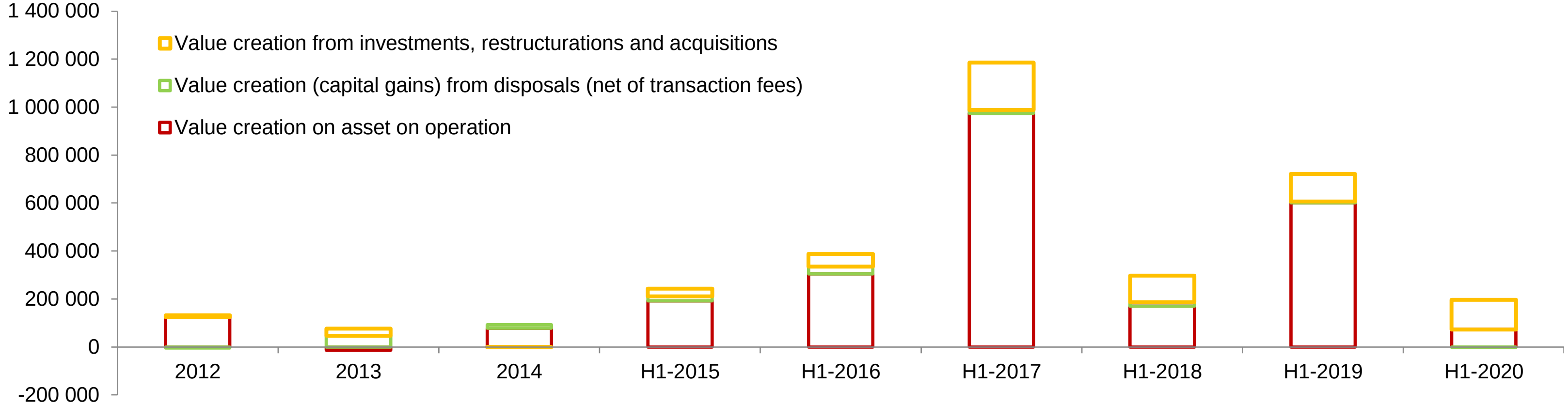
Annualized rents (IFRS)		
In €m	December 31, 2019	June 30, 2020
Offices	539	526
Residential	106	106
Student housings (Campus)	20	18
Total	**665**	**650**

Annualized IFRS rents are down -€15m vs. end 19 to €650m, due to disposals (-€11m), assets vacated and transferred to the committed pipeline (-€7m), partly offset by acquisitions and delivery of 1 building in the CBD (+2 M€), and organic components partly offset by student housing slow down related to Covid-19 crisis.

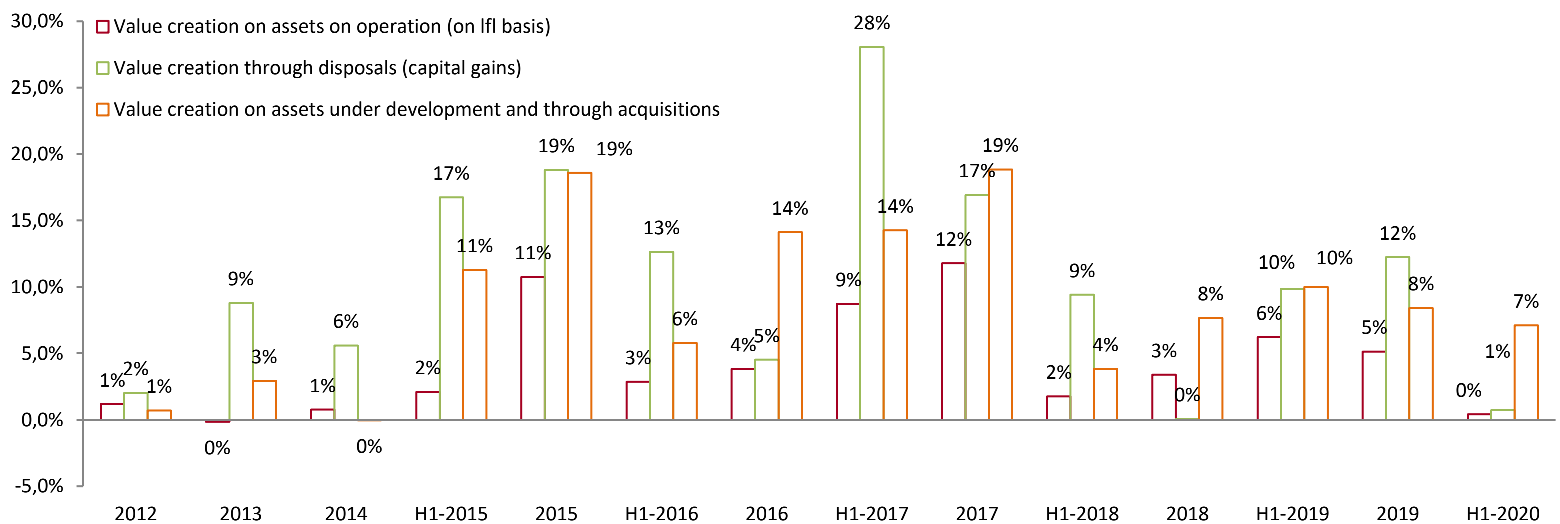
Note that €18m of these rents are booked from asset to be transferred to the pipeline ahead, and €7m are related to project already transferred to the pipeline, which former tenant left in July 2020

Asset Value Return in H1-2020

AVR IN €M

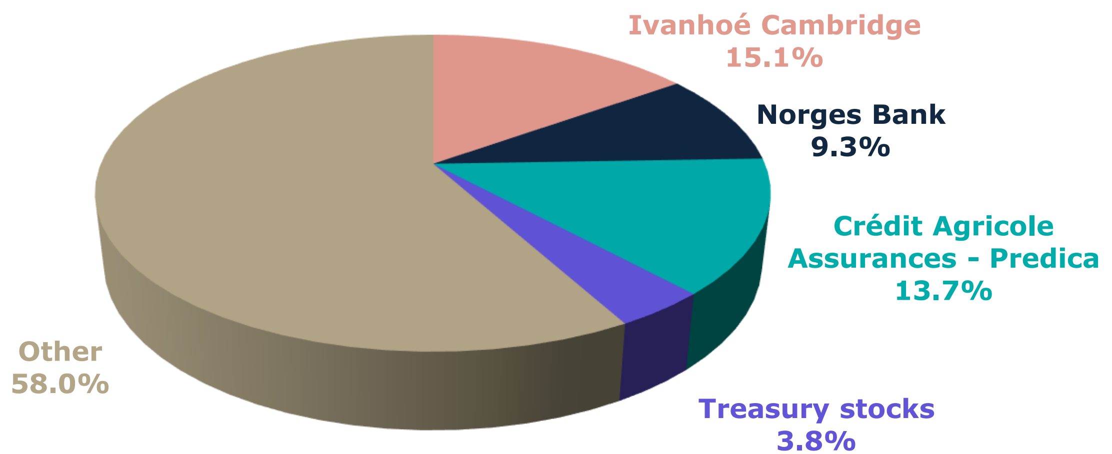


AVR – VALUE CREATION BY ASSET TYPE



Number of shares and shareholding structure at June 30,2020

	June 30, 19	Dec 31, 19	June 30, 20
Number of shares issued	76,319,060	76,410,260	76,411,605
Stock options	244,447	205,117	206,396
Treasury stock	(2,940,910)	(2,959,038)	(2,906,905)
Diluted number of shares	73,622,597	73,656,339	73,711,096
Average number of shares	73,849,747	73,644,338	73,472,992
Diluted average nulber of shares	74,094,194	73,849,455	73,679,388



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THIERRY LEWENBERG-STURM

BAUMSCHLAGER EBERLE ARCHITEKTEN

JAVIER CALLEJAS SEVILLA

JEAN THIRIET

AAA BECHU

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