

Presentation of the 2020 results



 **ARGAN**

wishes
you all the
best for
2021

Financial meeting – Webcast – 20 January 2021

Summary – 2020 Results

I.	Overview	3
II.	The logistics property market	8
III.	Leading and loyal tenants	13
IV.	Portfolio	19
V.	Debt	27
VI.	2020 Results	30
VII.	Dividend and share price	40
VIII.	2021 Targets	45



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm






EURIAL – Niort - 21,000 sqm

ARGAN

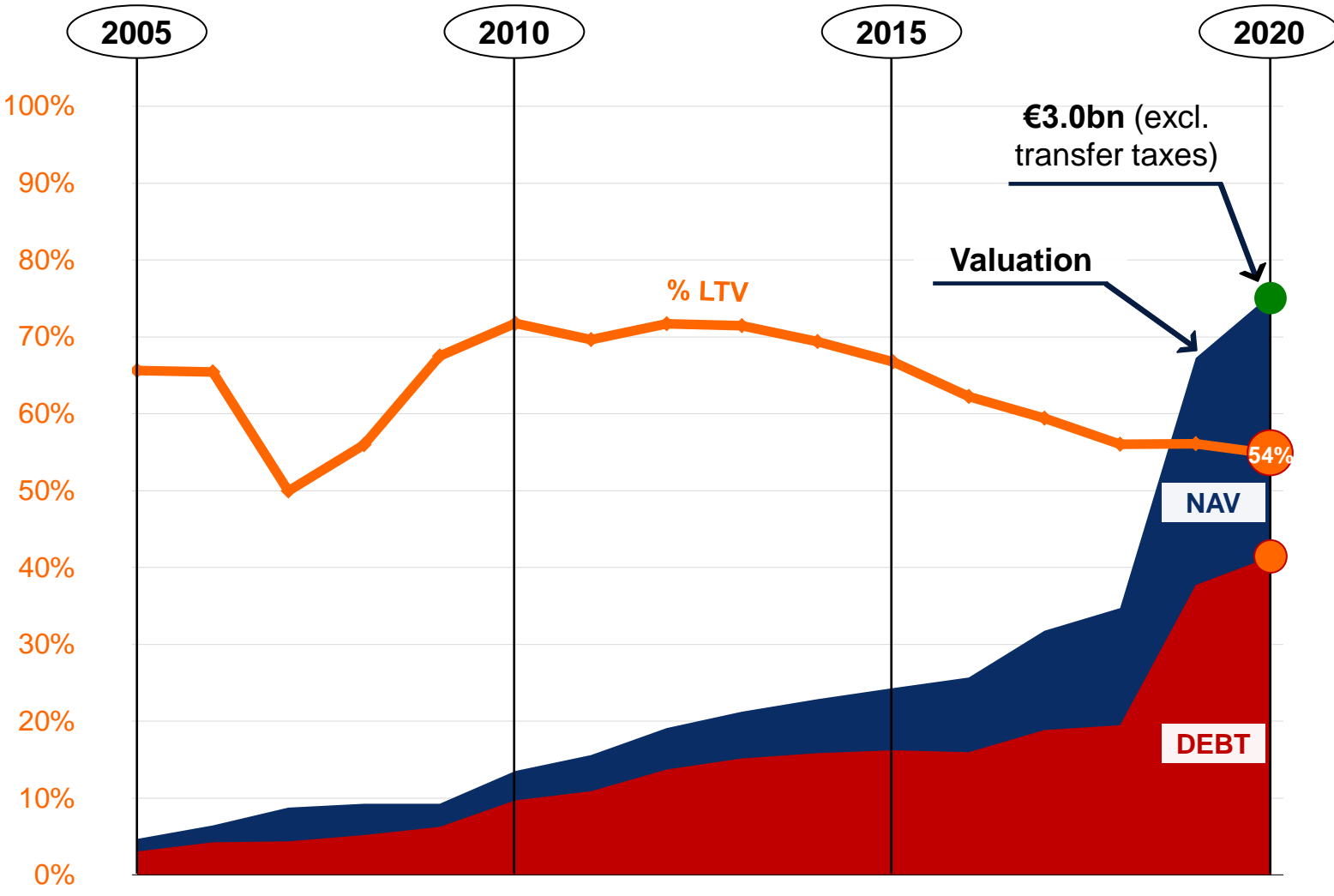
Overview

2020: Key figures

Portfolio	▪ Valuation (excl. transfer taxes):	€3.0bn	 13 %
	▪ Cap rate (excl. transfer taxes):	5.05 %	Vs. 5.30 %
	▪ Surface area:	3,000,000 sqm	Vs. 2,860,000 sqm
Debt	▪ Net debt:	€1,637m	Vs. €1,507m
	▪ LTV ratio (Net LTV):	54 %	Vs. 56 %
	▪ Cost of debt as at 31/12/2020:	1.65 %	Vs. 1.70 %
Results	▪ Rental income:	€142m	 42 %
	▪ Net income:	€279m	 30 %
	▪ Recurring net income:	€103m	 45 %
	▪ NAV EPRA NRV / share:	€73	 19 %
	▪ Dividend / share (*):	€2.10	 11 %

(*): The dividend will be submitted to the AGM for approval

Growth history



About our climate plan

➔ Reminder: The **main objective** of our climate plan is to reduce the **CO₂ emissions** of our warehouses

➔ **In 2020:**

- Equipment of the new warehouses with rooftop **photovoltaic power plants**, for the operator's own use, **having reduced CO₂ emissions by 1,200 t**
- Development of a carbon-neutral warehouse pilot project in Croissy-Beaubourg
- **Relamping** of the oldest warehouses

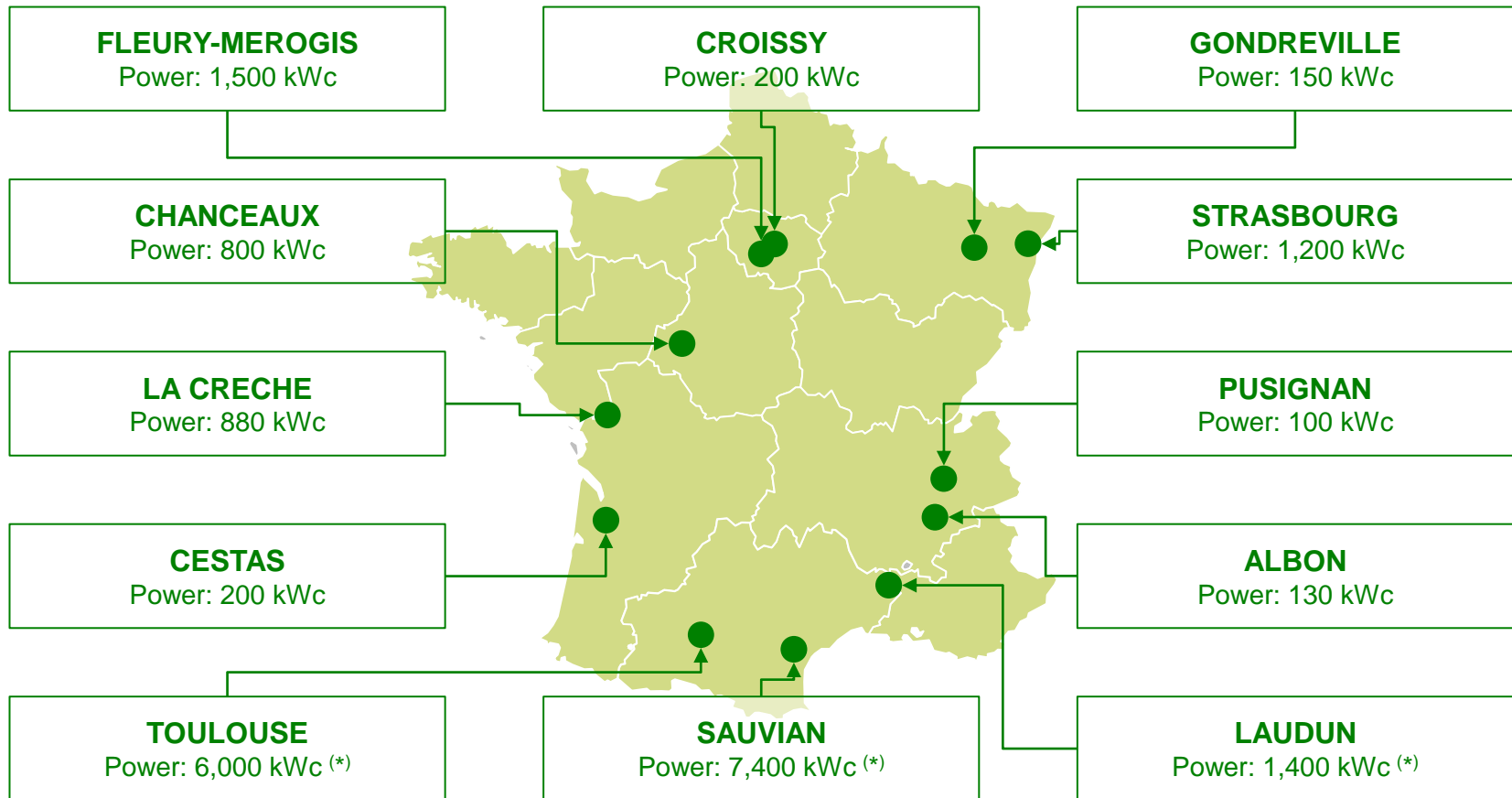
➔ **In 2021:**

- **Promotion of carbon-neutral warehouses to be built**
- For existing warehouses, implementation of a plan for **reducing CO₂ emissions by 7,000 t** representing 20% of gas heating emissions

The sun shines all over France



- Photovoltaic power plants installed on the roof and dedicated to the tenant's own use
- Yearly production = 20,000 MWh (equivalent to 6,600 households) and 1,200 t of CO₂ cut



(*) : Injection



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm



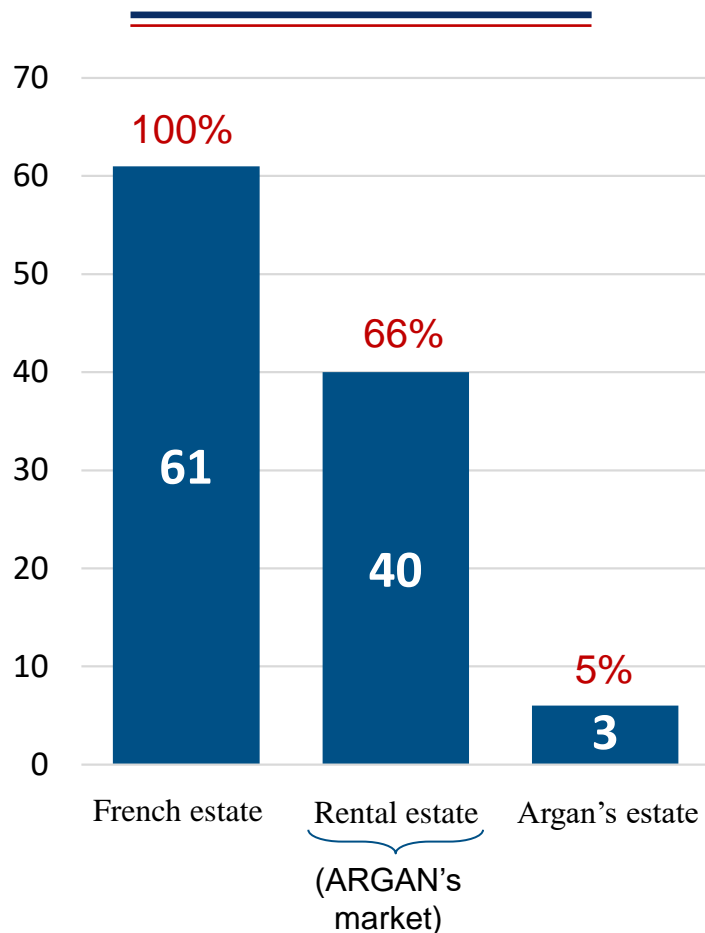
EURIAL – Niort - 21,000 sqm

ARGAN

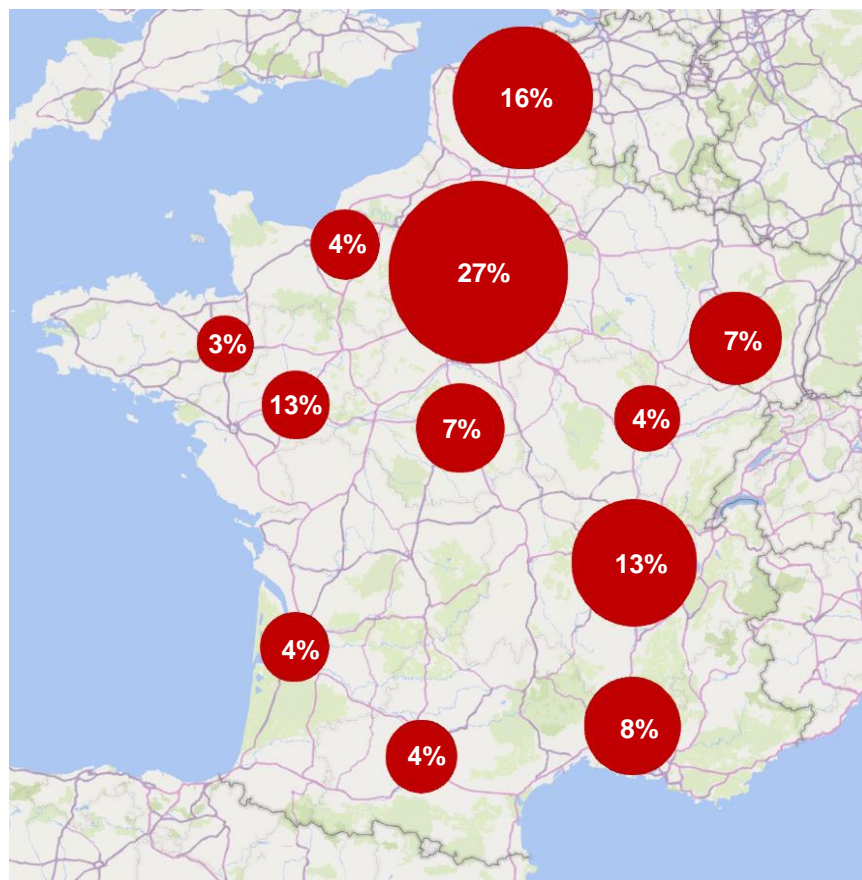
**The logistics property
market**

The warehouse estate in France at the end of 2020

Warehouses in France at the end of 2020
(million sqm)

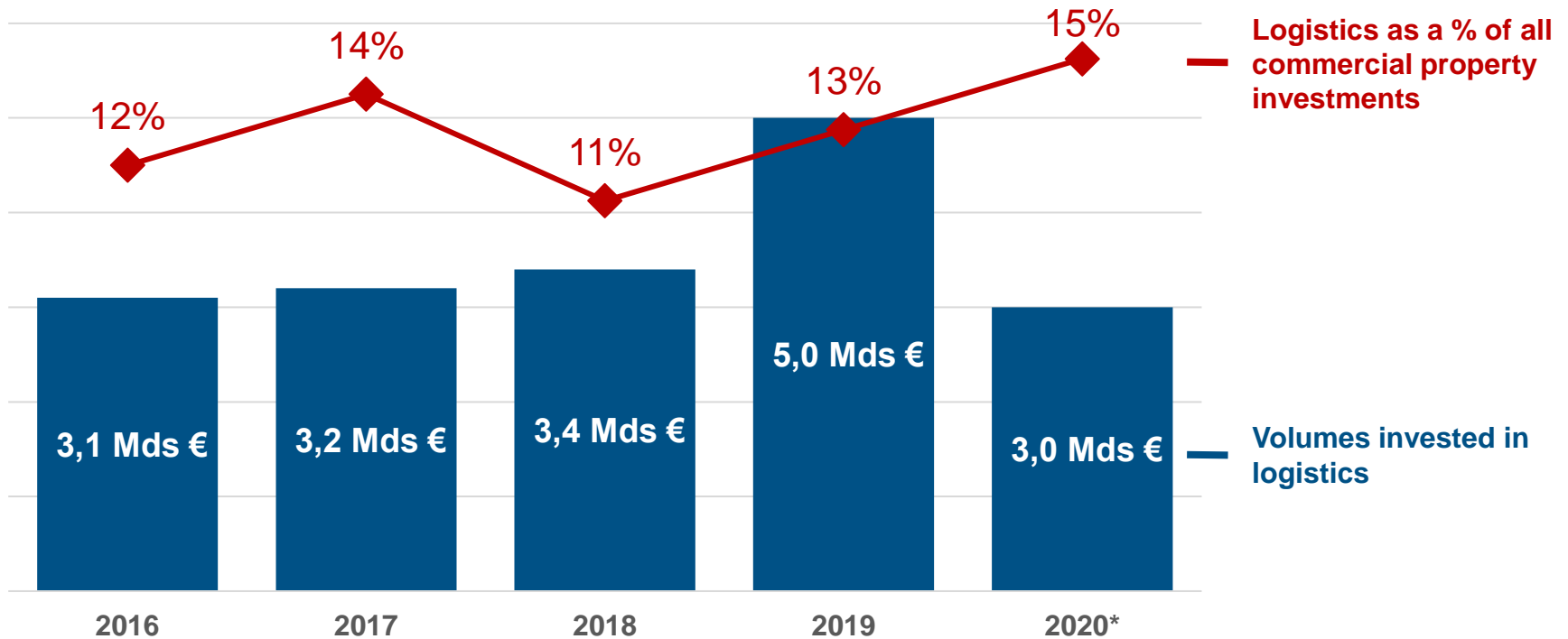


French warehouse estate



- At the end of 2020, there are approximately in France 61 million sqm of warehouse surface areas of more than 5,000 sqm, of which 66% are rented

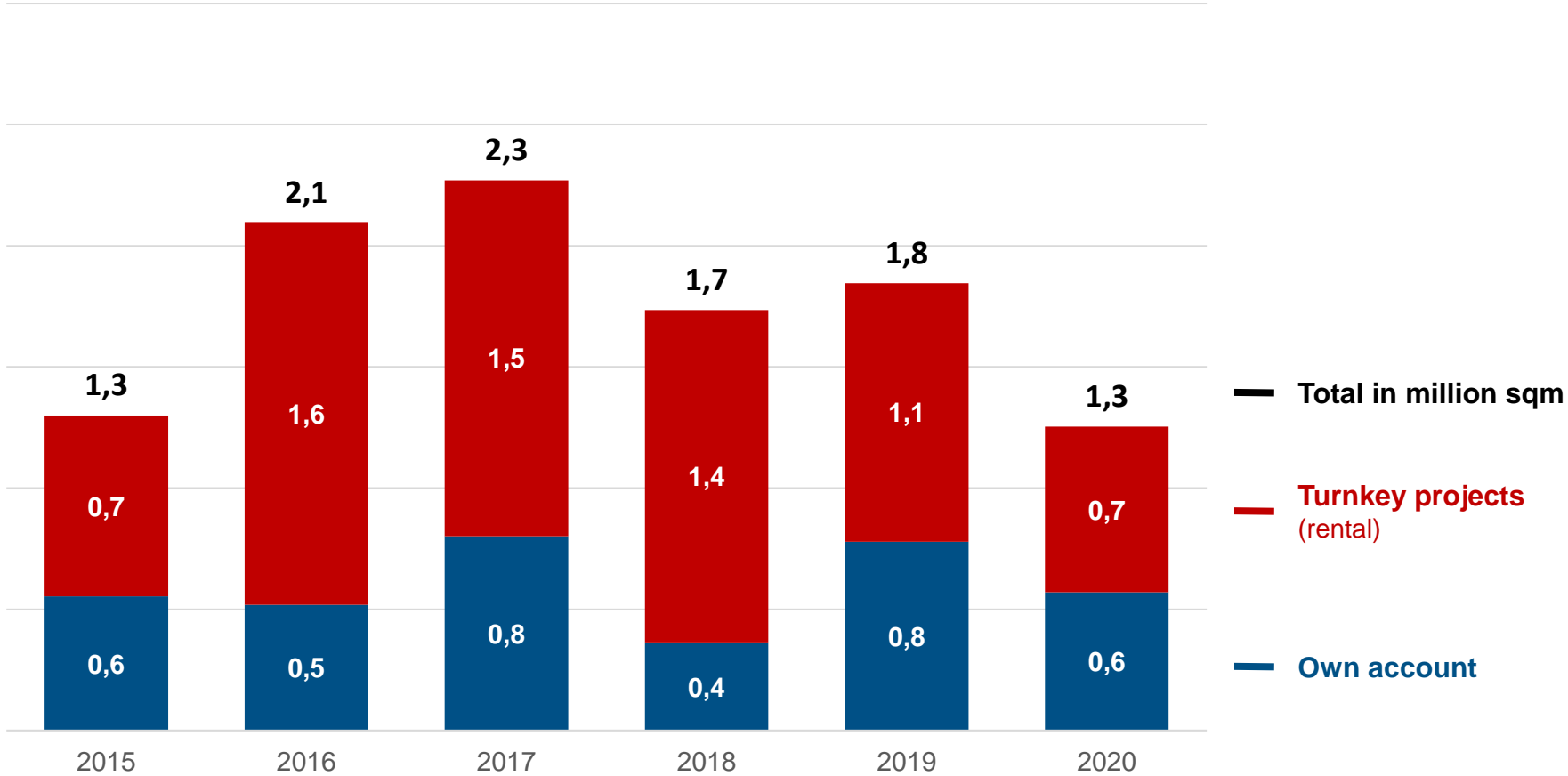
Logistics investment market from 2016 to 2020



Source: Immostat
* Projected data

➔ Logistics asset class attracts a growing share of investments

Change in warehouse development from 2015 to 2020



Source: BNP PARIBAS RE

Key trends for the coming years

- ✓ E-commerce development
- ✓ Development of last-mile urban logistics
- ✓ Reduction of carbon footprint
- ✓ Tightening of the environmental rules
- ✓ Restrictions on soil artificialisation



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm

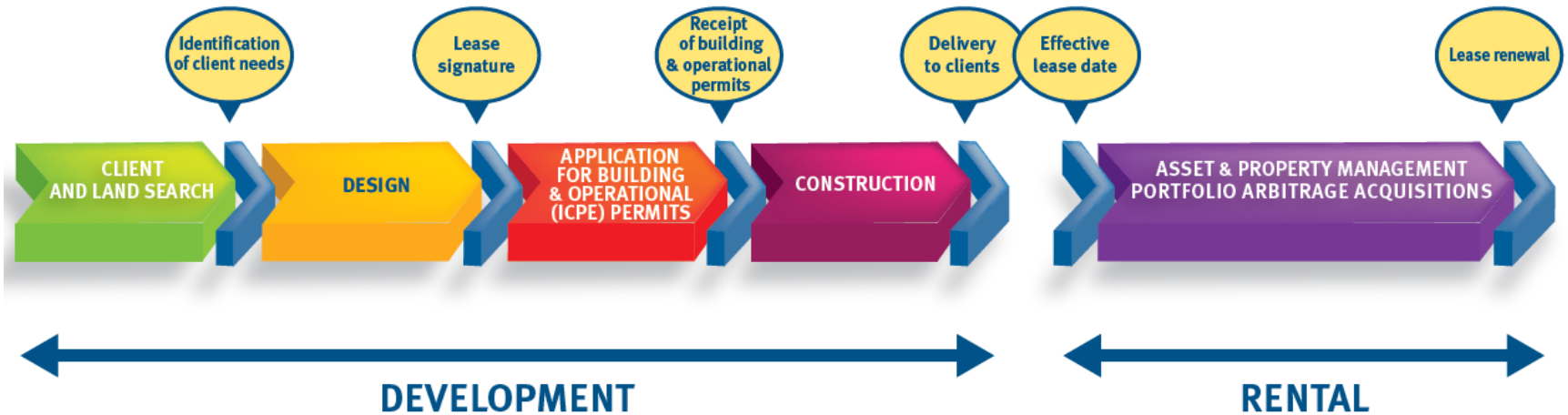


EURIAL – Niort - 21,000 sqm

ARGAN

Leading and loyal tenants

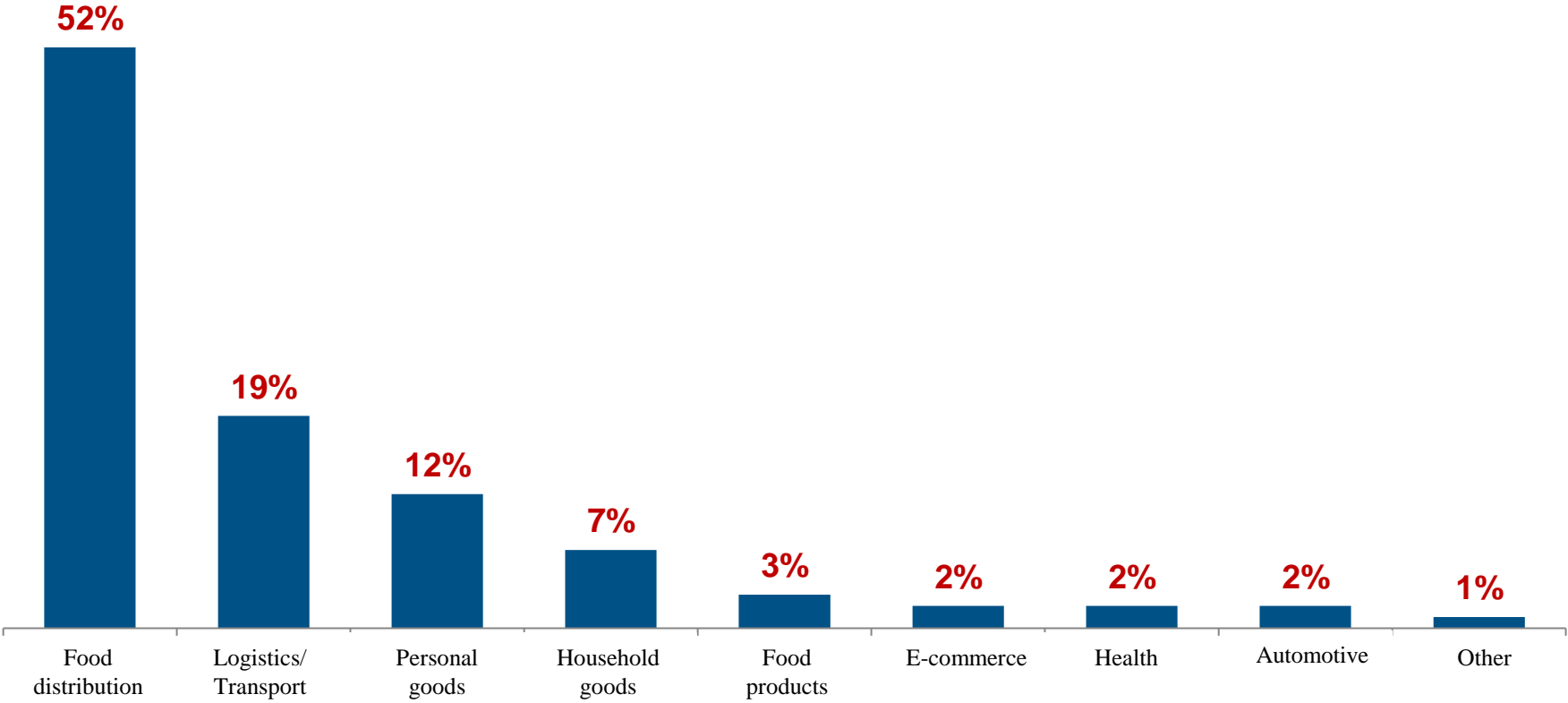
ARGAN OFFERS ITS CLIENTS A GLOBAL DEVELOPMENT AND RENTAL SERVICE OF *PREMIUM* WAREHOUSES



Leading clients

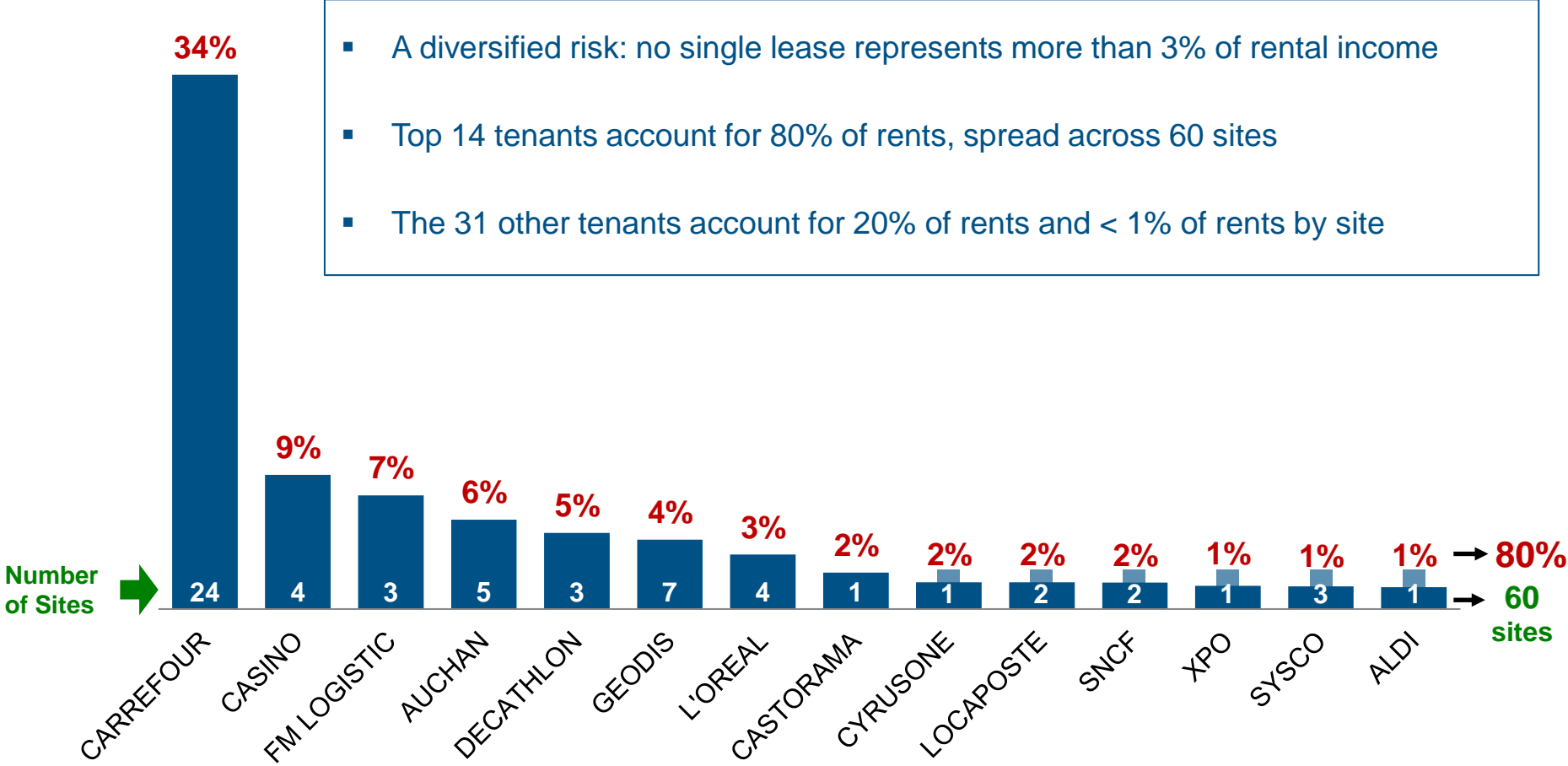


Breakdown of clients by business sector



NB : Breakdown by % of surface area

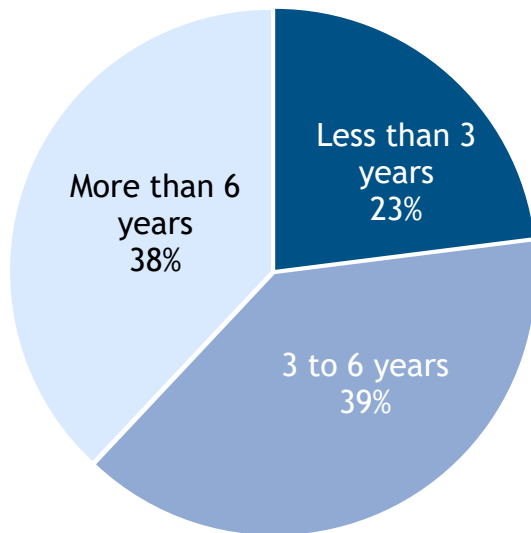
Breakdown of rental income by tenant



Secured rents

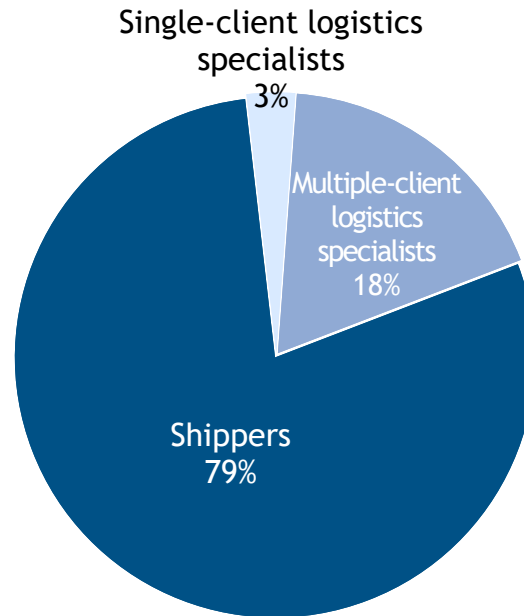
Breakdown of leases by fixed term

(in % of annual rental income)



Average remaining fixed length : 5.7 years
(vs. 5.8 years in 2019)

Types of Clients



Shippers: Manufacturers or distributors who are leaseholders (Carrefour, Décathlon, L'Oréal, etc.)

Logistics specialists: Operating on behalf of shippers who have outsourced the logistics functions (FM Logistic, Géodis, XPO Logistics, etc.)

Secured rents

(based on WALB)

€870m

Increase of the secured rents:
€870m
(vs. €807m in 2019)



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm



EURIAL – Niort - 21,000 sqm

ARGAN

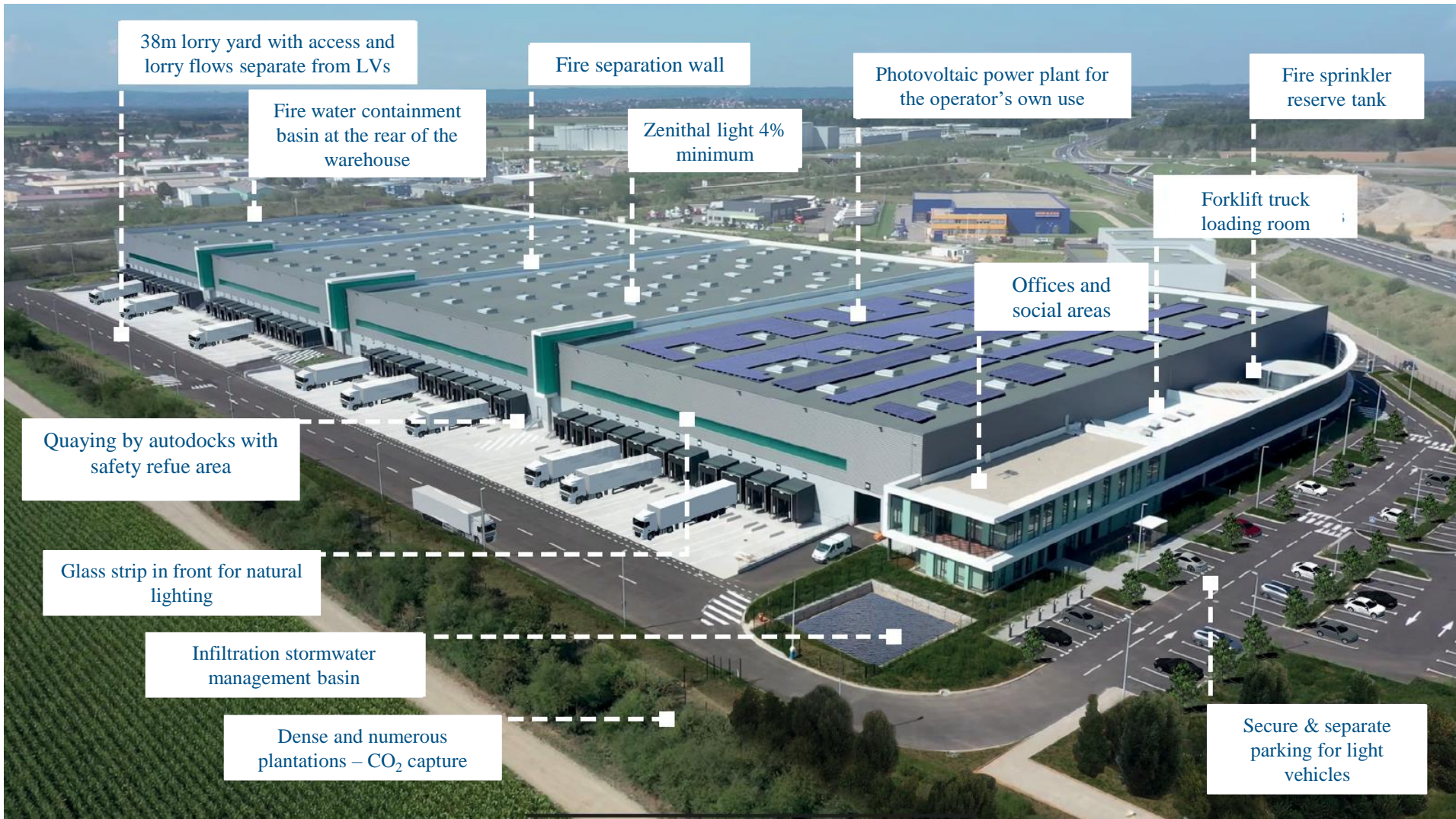
**A PREMIUM portfolio of
3 million sqm**

100% occupancy


You already know warehouses ...

But, do you know them well?

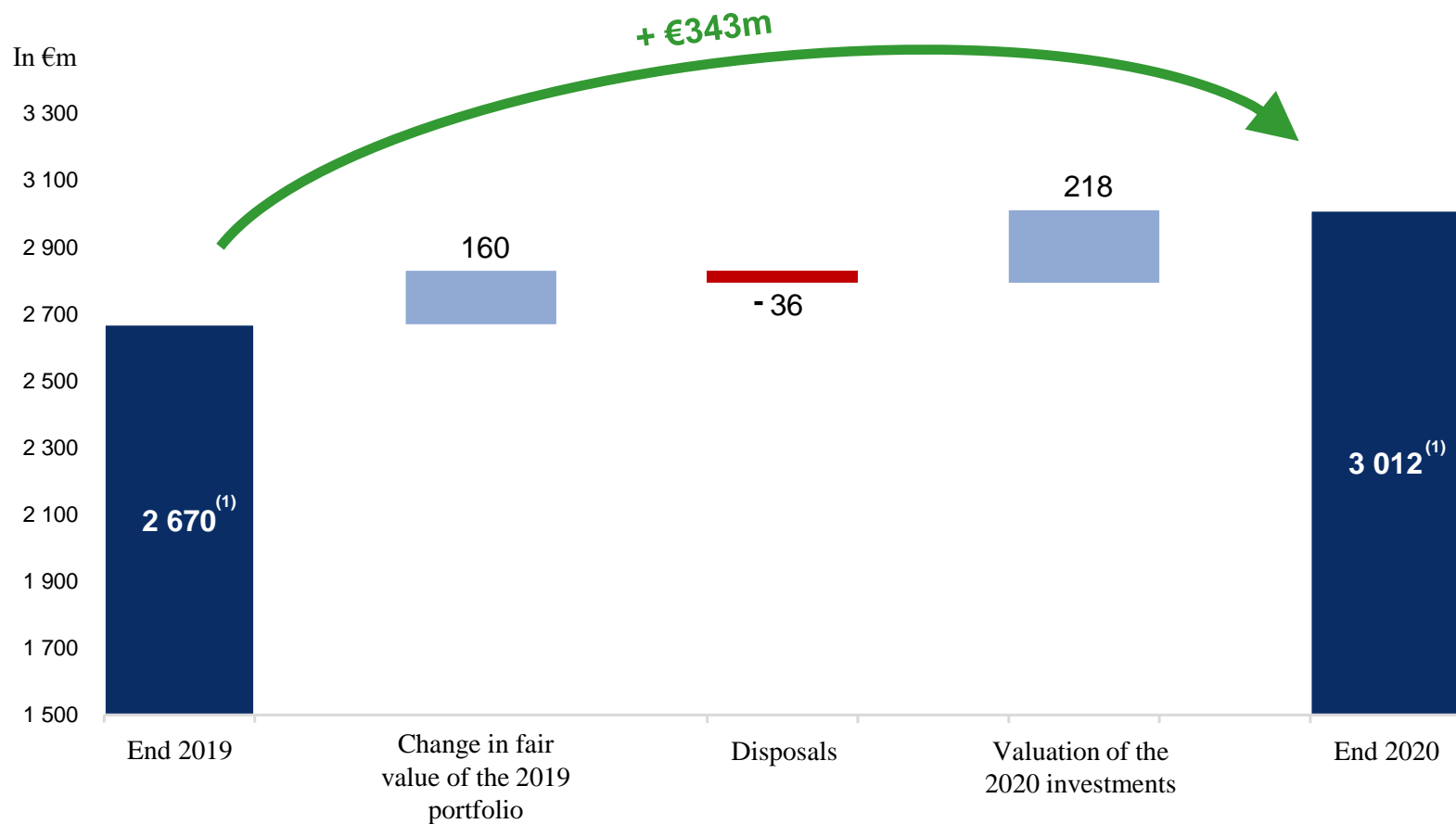
Example of a 30,000 sqm warehouse composed of 4 units et 1 cell for offices, social and technical areas
Architect: ARCHIGROUP



2020: Key figures of the portfolio

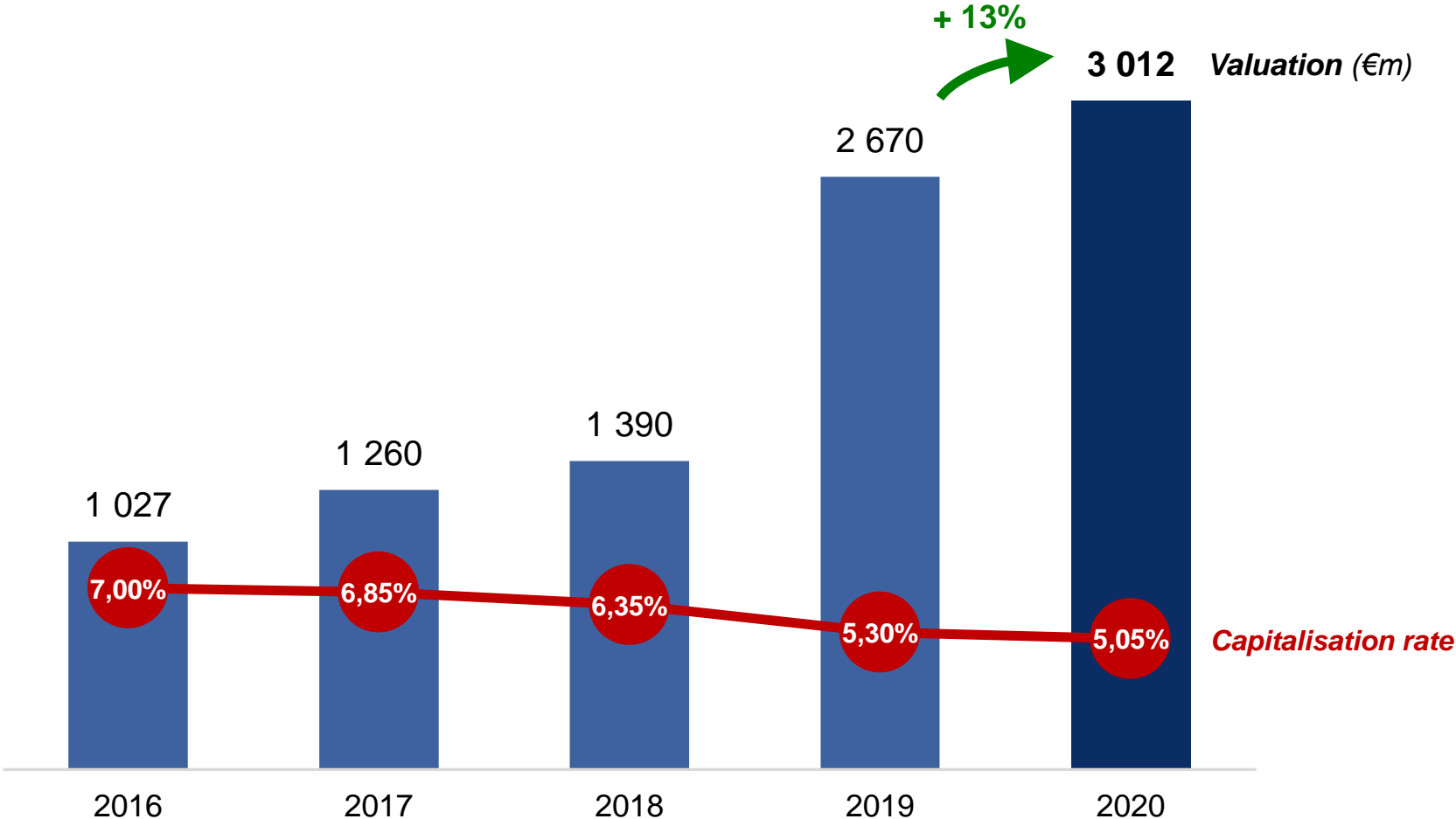
Valuation:	▪ €3 billion (vs. €2.7bn)	 13 %
Built areas:	▪ 3,000,000 sqm (vs. 2,860,000 sqm)	 5 %
Built land:	▪ 845 ha (vs. 830 ha)	
Rental income:	▪ €142m (vs. €100m)	 42 %
Occupancy rate:	▪ 100% (vs. 99%)	
Average remaining fixed lease term:	▪ 5.7 years (vs. 5.8 years)	
Average age of the warehouses:	▪ 9.2 years (vs. 8.4 years)	
Number of warehouses:	▪ 87 (vs. 85)	

Valuation of the Portfolio: €3,012m (excl. transfer taxes) 13 %



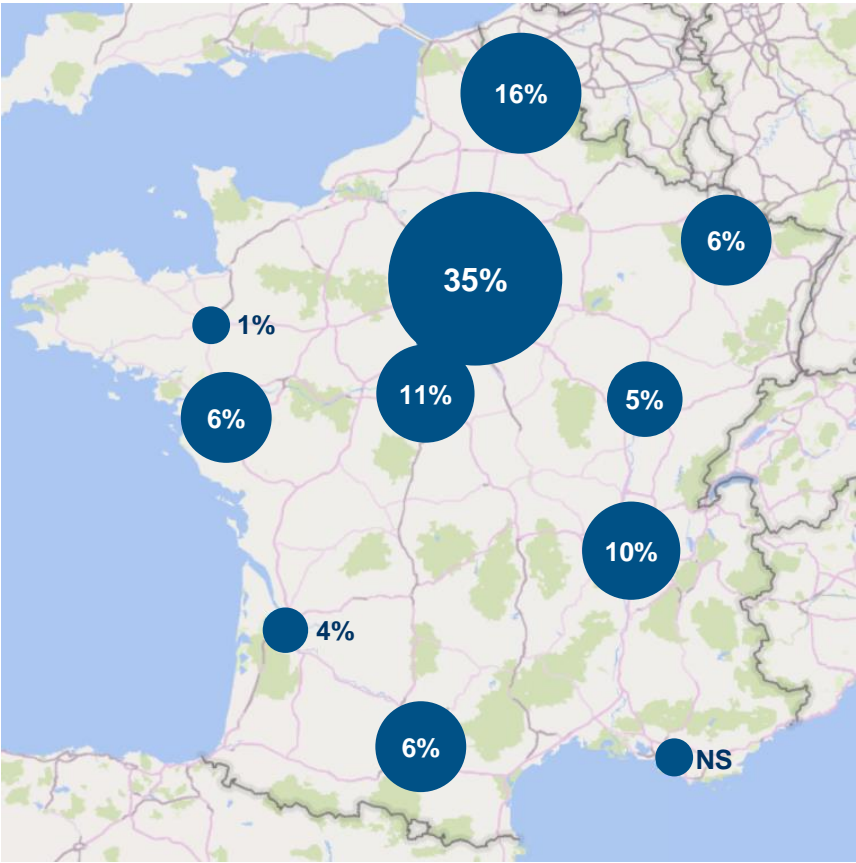
(1) : Not including land reserves

History of valuations and rates excluding transfer taxes

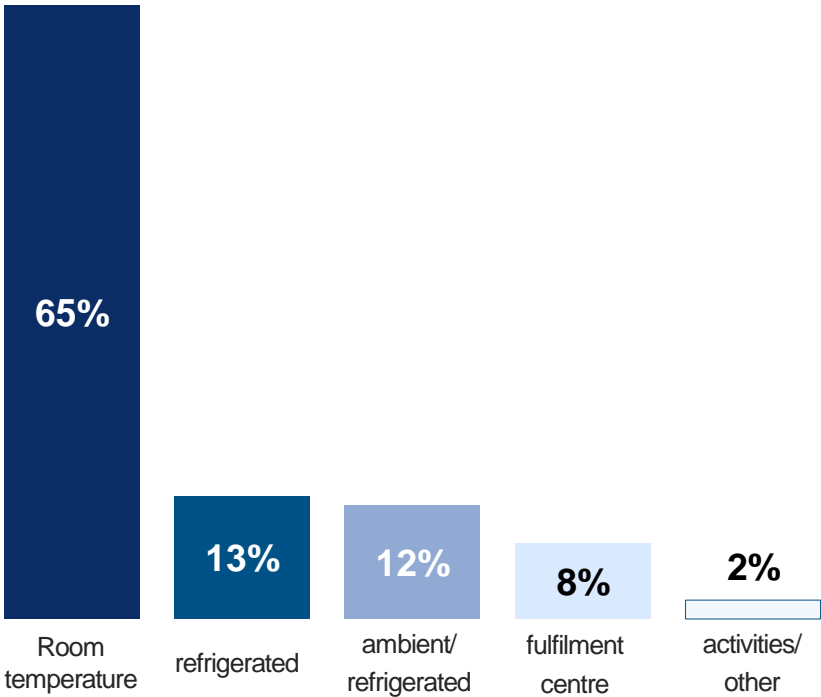


Distribution of the logistics hubs

by regions



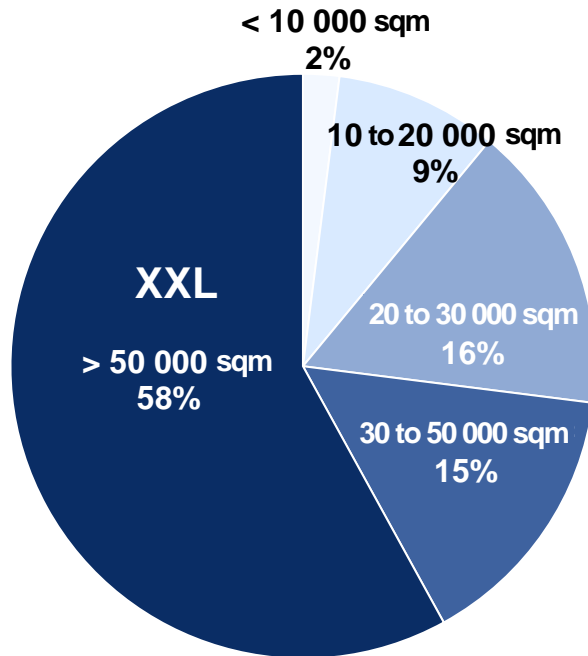
by types



NB : Breakdown by % of rents

Breakdown of logistics hubs

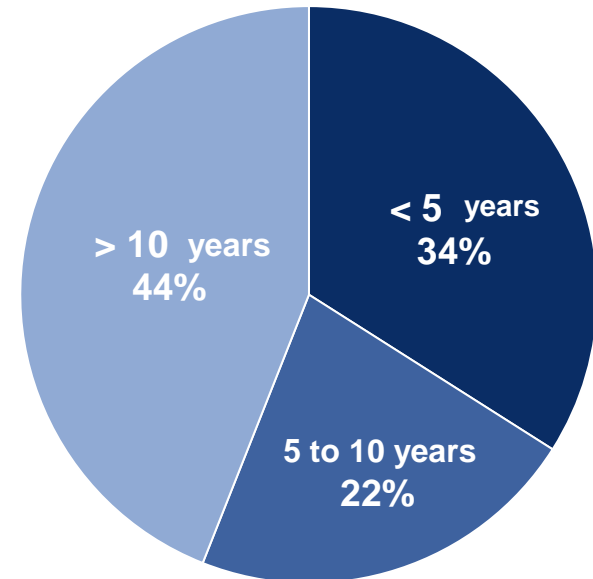
by surface area



Average size: 35,000 sqm

The 25 XXL warehouses represent 58% of the surface areas

by seniority



Average age: 9 years

Nearly €200m of investments in 2020

Sites

Key figures

Location



- Tenant: DPD France ①
- City: Lens (Billy-Berclau)
- Surface area: 7,400 sqm
- Fixed term: 11 years



- Tenant: Auchan ②
- City: Strasbourg (Vendenheim)
- Surface area: 21,500 sqm
- Fixed term: 9 years



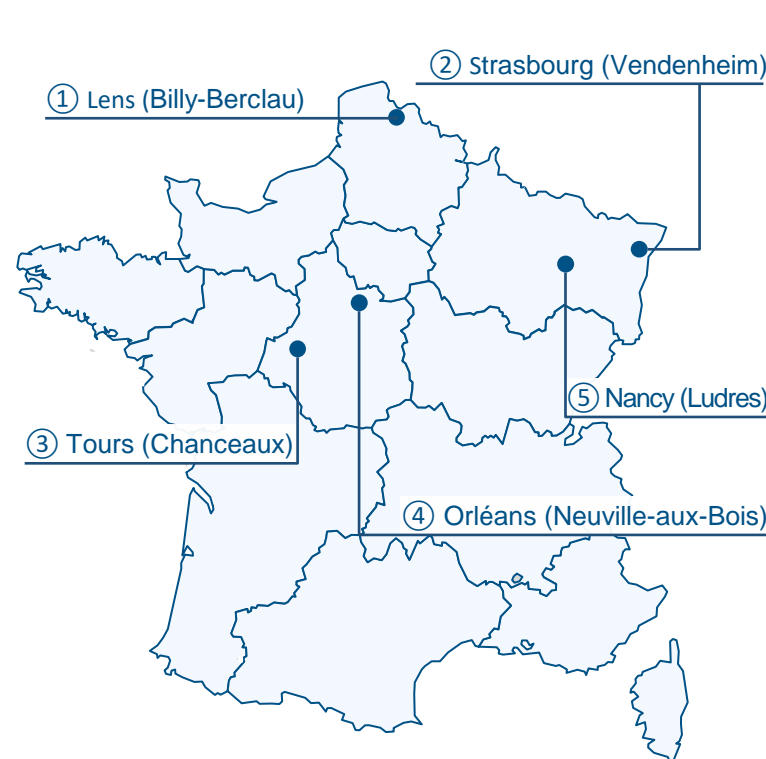
- Tenant: Auchan ③
- City: Tours (Chanceaux)
- Surface area: 17,200 sqm
- Fixed term: 9 years



- Tenant: FM Logistic ④
- City: Orléans (Neuville-aux-Bois)
- Surface area: 84,500 sqm
- Fixed term: 9 years



- Tenant: Cora ⑤
- City: Nancy (Ludres)
- Surface area: 43,600 sqm
- Fixed term: 9 years



The average **return** on acquisitions and developments over 2020 is **5.2%**



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm

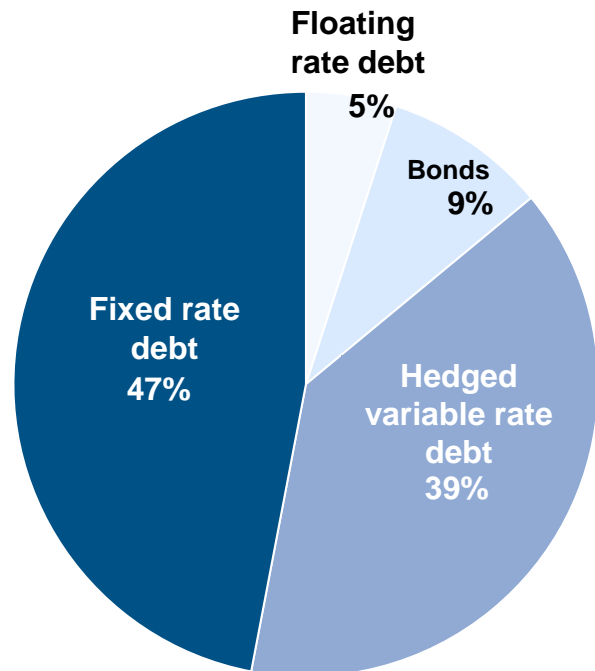


EURIAL – Niort - 21,000 sqm

The logo for ARGAN, featuring a stylized blue icon of a classical building facade with columns on the left, followed by the word "ARGAN" in a large, bold, blue serif font. A horizontal blue line runs underneath the text.The word "Debt" in a white, bold, sans-serif font, centered within a dark blue rectangular background.

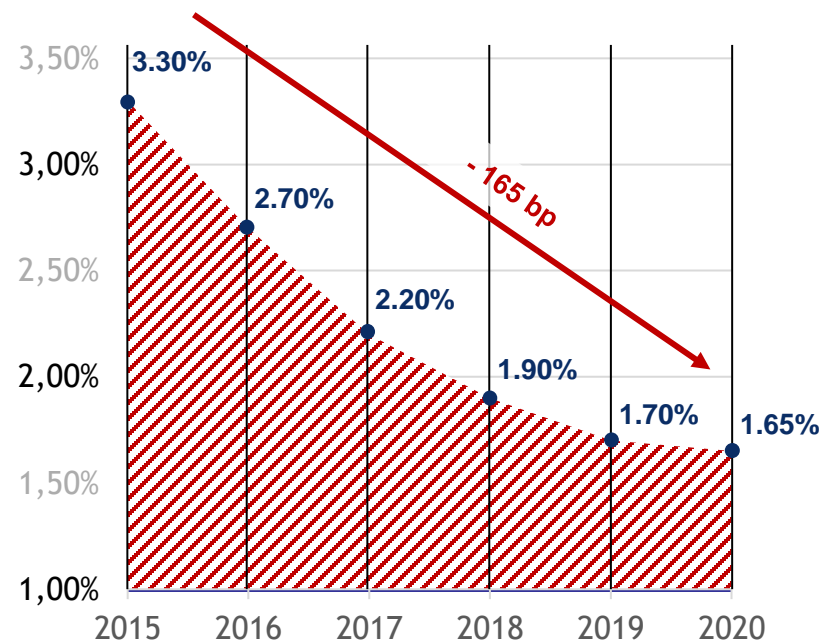
Reduction of the cost of debt to 1.65 %

DEBT STRUCTURE AT THE END OF 2020



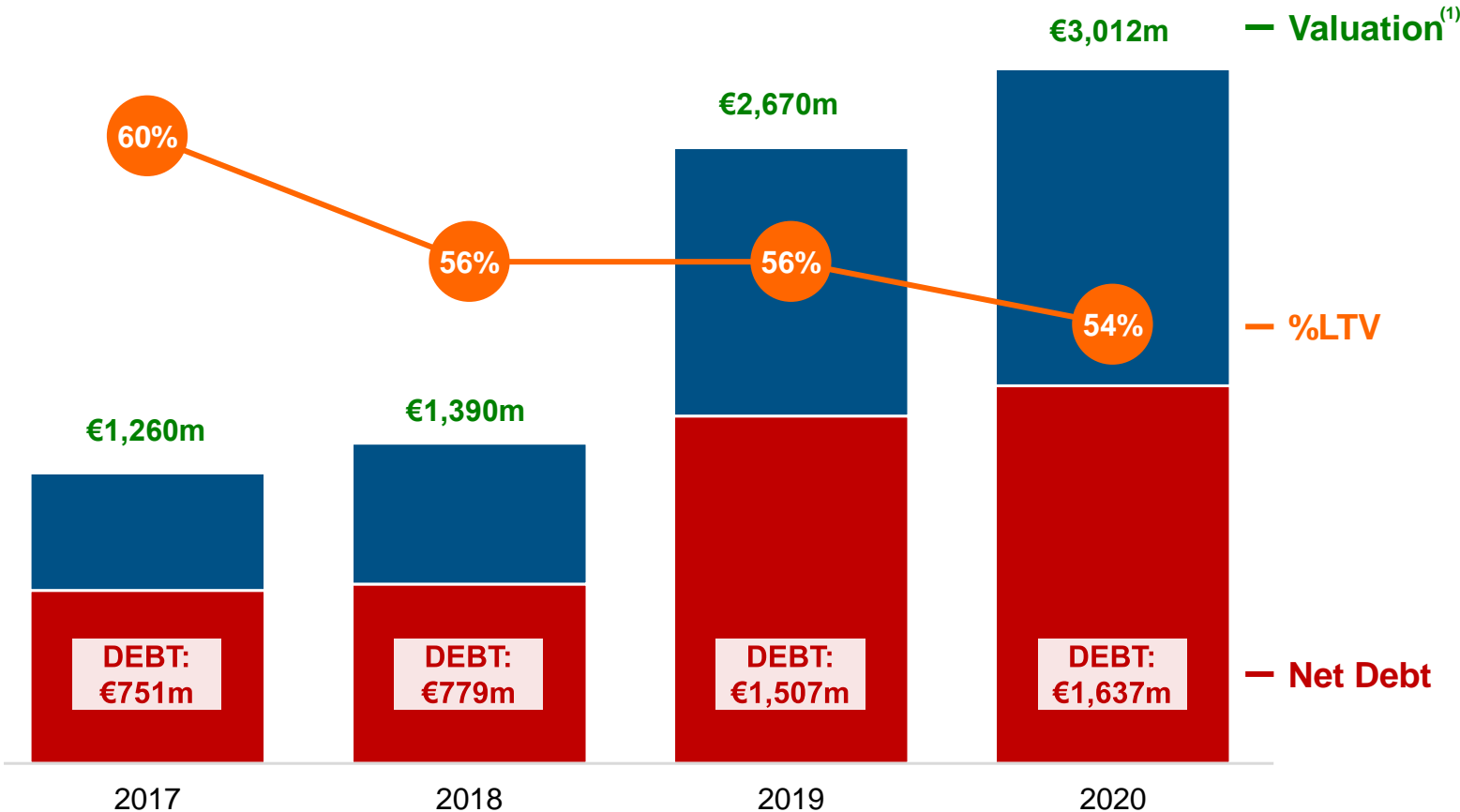
Debt maturity = 8.2 years

EVOLUTION OF THE COST OF DEBT



Average cost of debt in 2020 = 1.65 %

Evolution of Net Debt and LTV



(1): Not including land reserves



CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm



EURIAL – Niort - 21,000 sqm

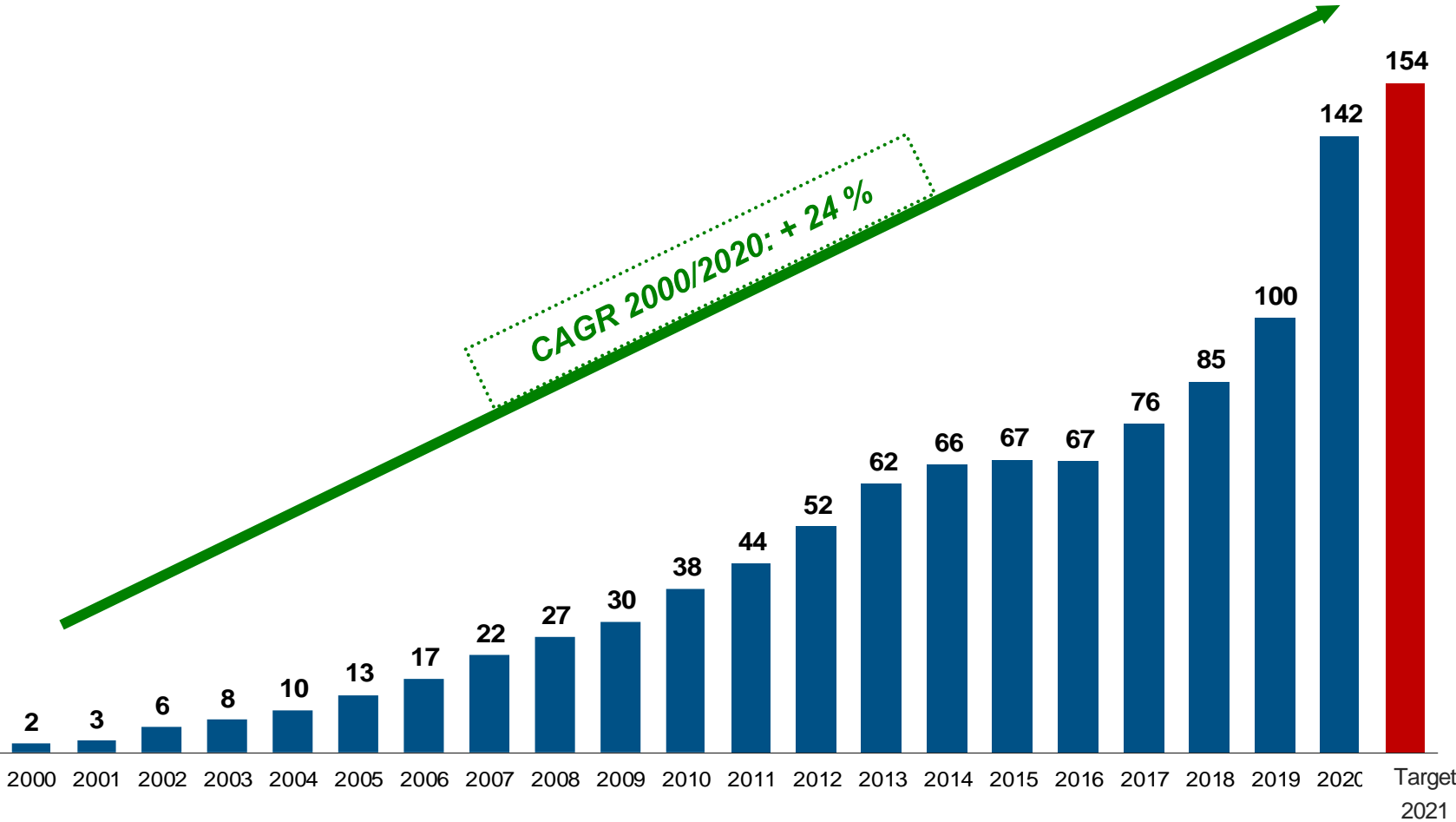


2020 Results

The financial fundamentals of ARGAN

- **Rigorous** cash flow management
- Financing mainly through **amortizable mortgage loans**, thus allowing a higher LTV ratio
- **Optimisation of the cost of debt**
- **Controlled operating costs**
- Balanced allocation between **dividend** and **self-financing** of growth and debt repayment

Continued growth in rental income (in €m)

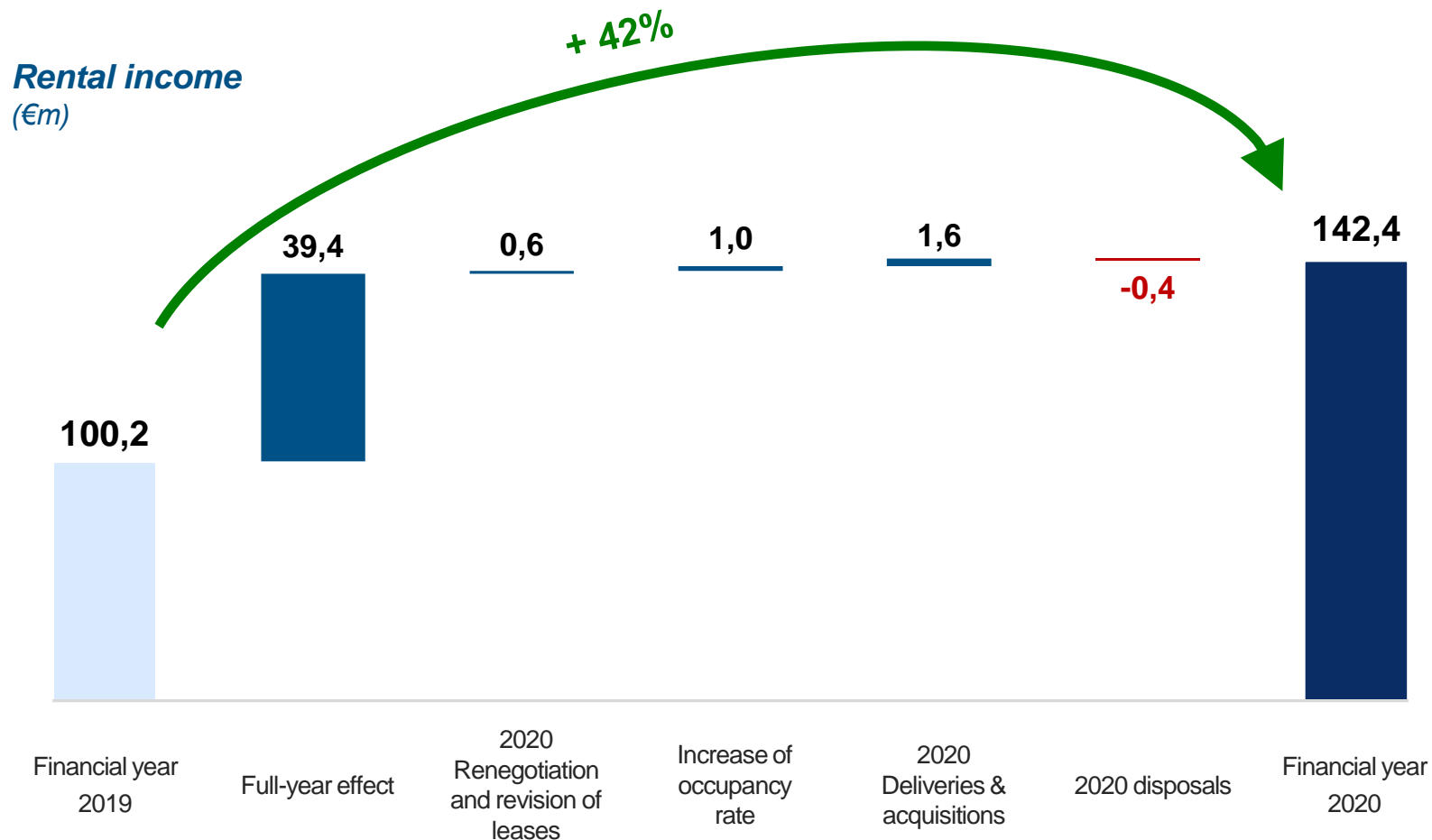


CAGR 2000/2020: + 24 %

+19% +7% +2% 0% +13% +13% +17% +42% +8%







Following portfolio disposals ↴

Analysis of 2020 rental income: 42%






Consolidated income statement (IFRS)

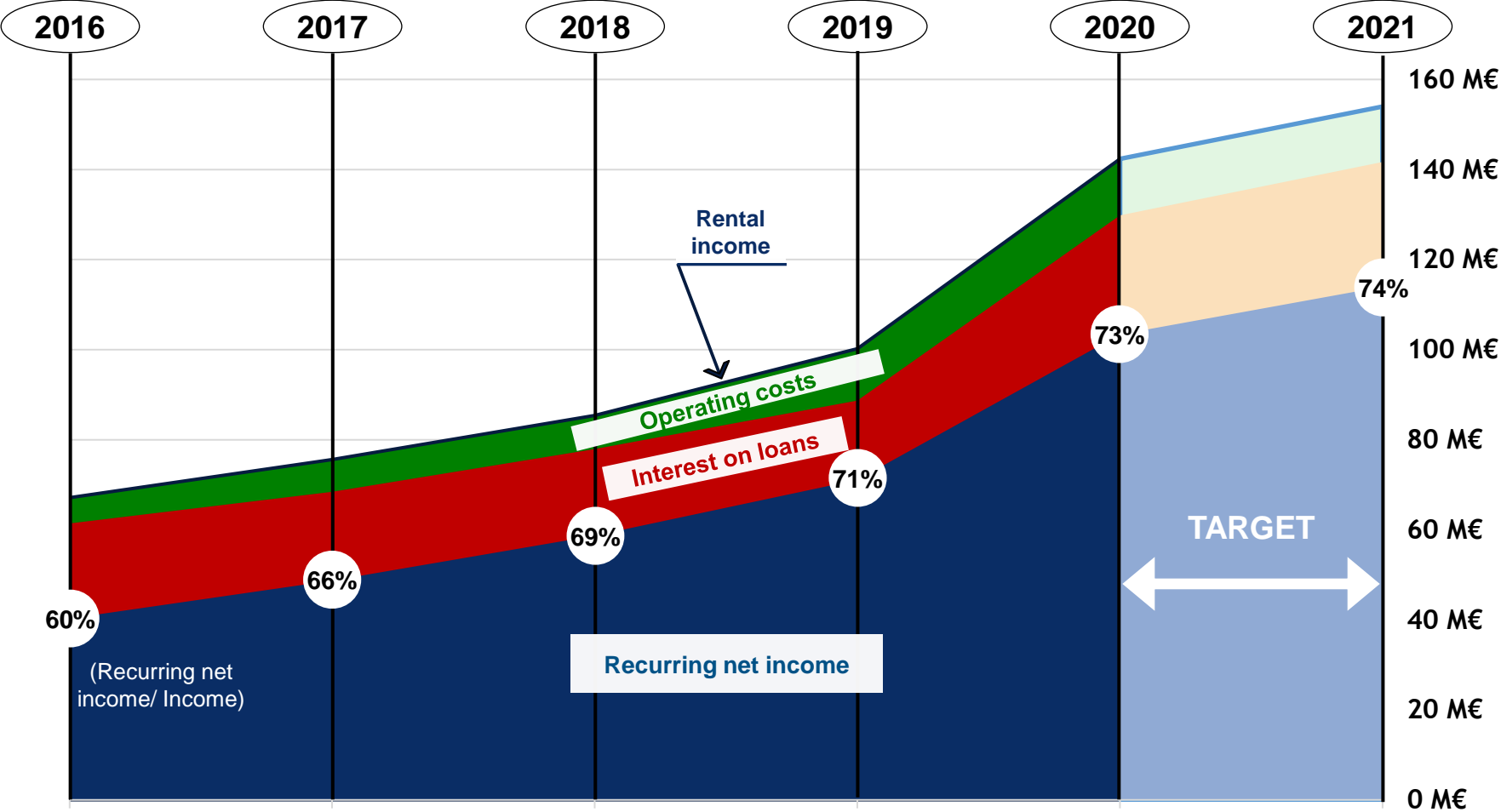
 **30%**

In €m	2019	2020	
Rental income (net of charges)	100.2	142.4	 42 %
	<i>100 %</i>	<i>100 %</i>	
EBITDA (excluding acquisition costs for CARGO)	89.2	132.2	 48 %
EBITDA / Income	<i>91 %</i>	<i>93 %</i>	
Acquisition costs CARGO	-47.1		
Change in fair value	197.1	174.6	
Income from disposals	-0.3	9.3	
EBITDA, after value adjustments (FV)	238.9	316.1	 32 %
Income from cash and equivalents	0.2	0.1	
Interest on loans	-17.1	-26.4	
Derivatives and borrowing costs	-8.8	-8.6	
Income before tax	213.2	281.2	 32 %
Tax and other financial expenses	0.4	-2.0	
Share of income from equity-accounted companies	1.4	-0.3	
Net income group share	215,0	278,9	 30 %
Diluted earnings per share (€)	12.14	12.51	
On the basis of the weighted average number of shares for the financial year	17,719,437	22,286,070	
Recurring net income (Net income excluding change in fair value of assets and debt hedging instruments, and excluding income from disposals)	71.1	103.4	 45 %
Recurring net income / Income	<i>71 %</i>	<i>73 %</i>	

Recurring net income: 45%

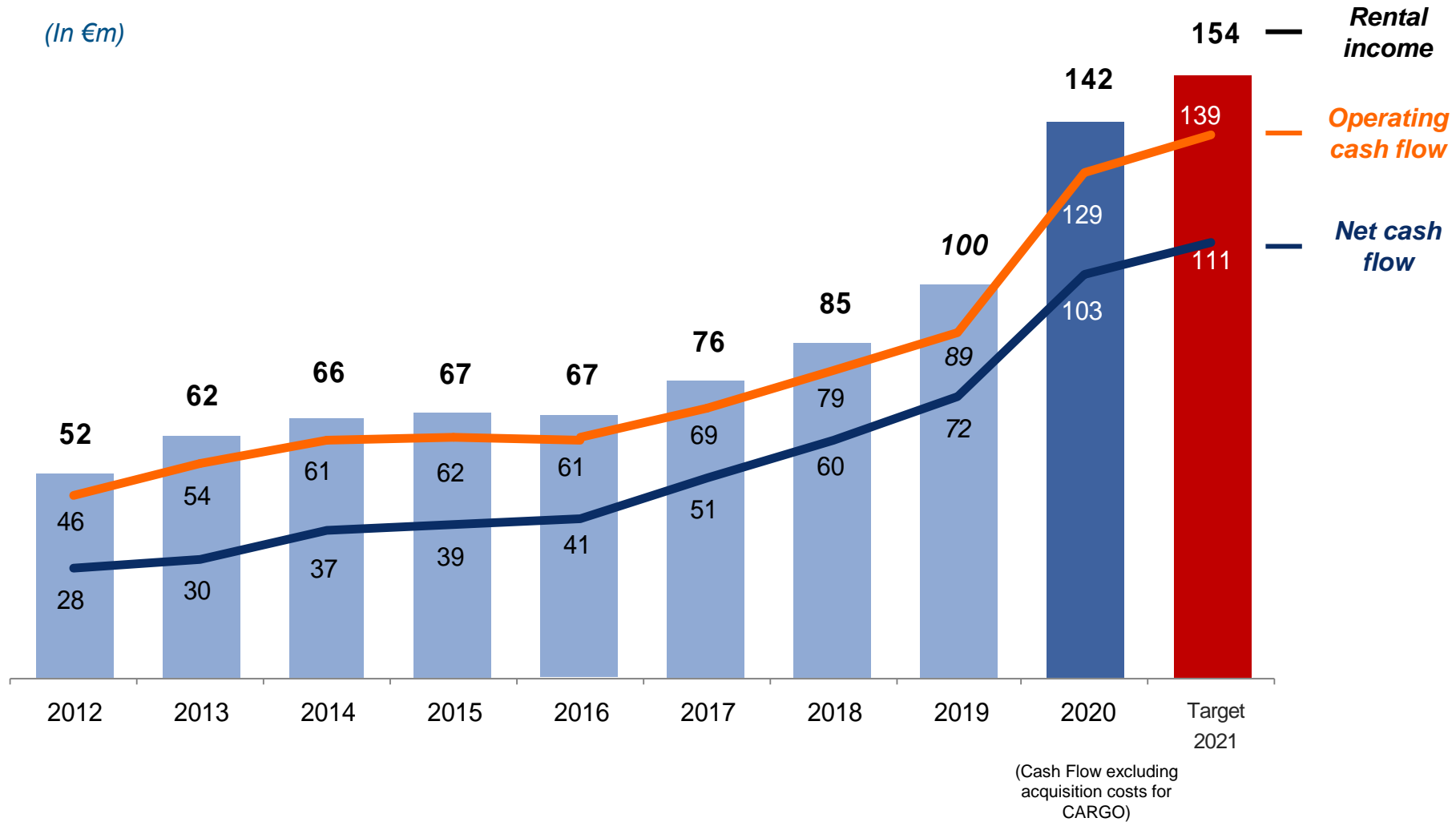
In €m	2019	2020	
Rental income (net of charges)	100.2	142.4	 42 %
	100 %	100 %	
Current expenses (excluding acquisition costs for CARGO)	-9.4	-10.4	
IFRS cost allocation of free shares financial years 2016/17/18	-2.1	0	
Income from cash	0.2	0.1	
Interest on loans	-17.1	-26.4	
Borrowing costs	- 0.7	- 2.3	
Recurring net income (Net income excluding change in fair value of assets and debt hedging instruments, and excluding income from disposals)	71.1	103.4	 45 %
Recurring net income / Income	71 %	73 %	 200 <i>pdb</i>
Recurring net income per share (€)	€4.0	€4.6	
On the basis of the weighted average number of shares for the financial year	17,719,437	22,286,070	

Change in Recurring Income

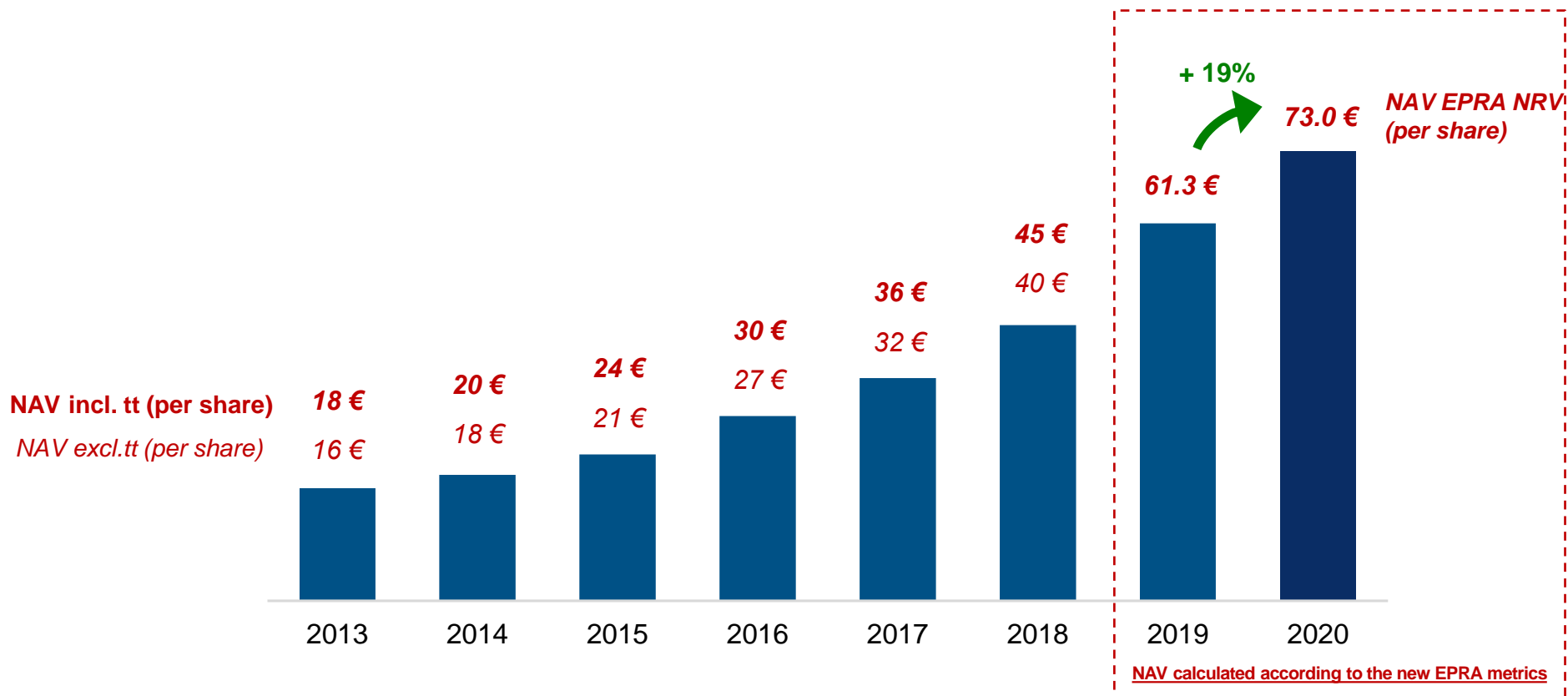


A continuously growing generation of cash flow

(In €m)



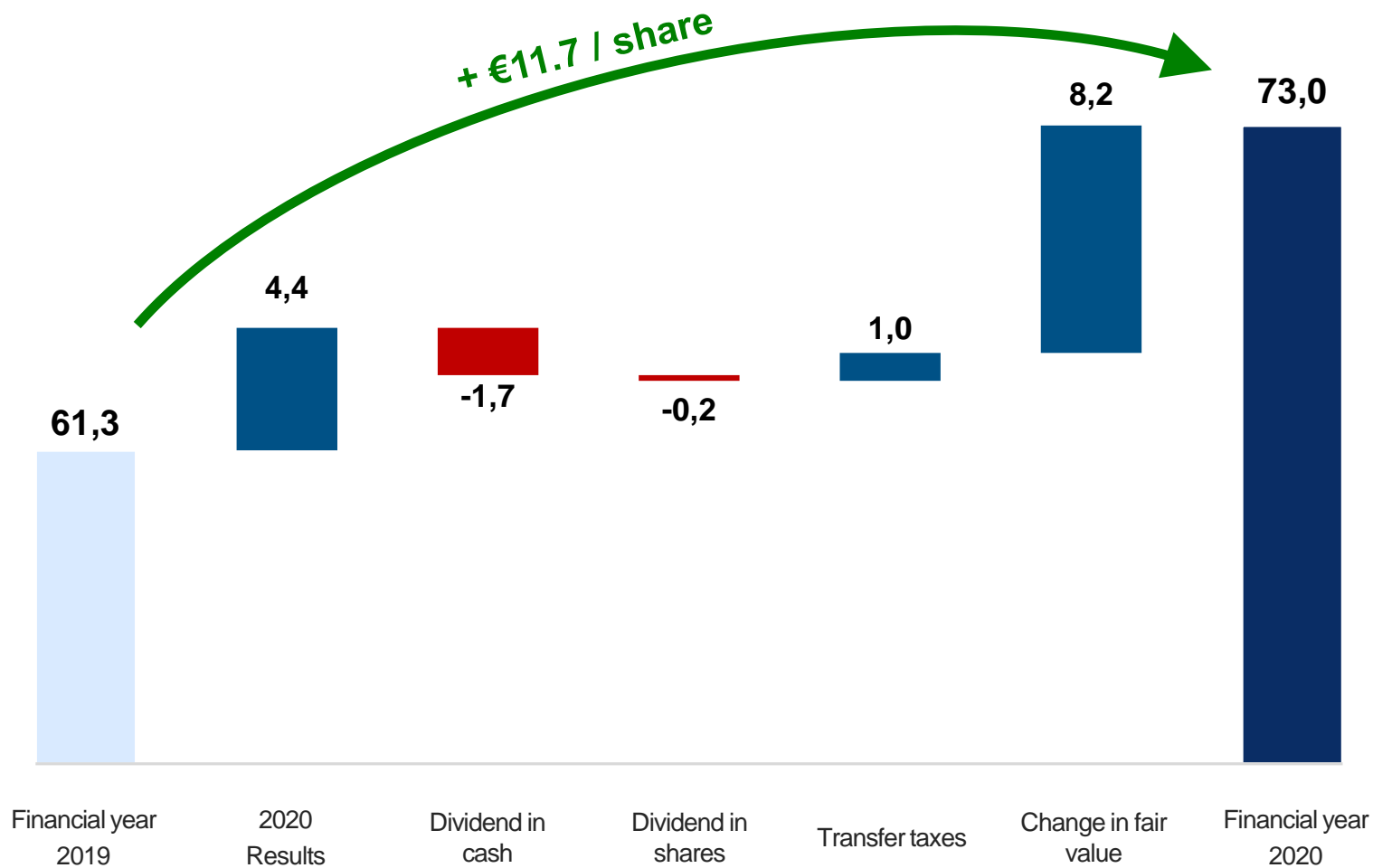
Change in NAV EPRA 19 %



- NAV EPRA NRV 2020 = 73.0 €/share
- NAV EPRA NTA 2020 = 64.2 €/share
- NAV EPRA NDV 2020 = 63.8 €/share

Change in NAV NRV EPRA in 2020 19%

(In €)





CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm



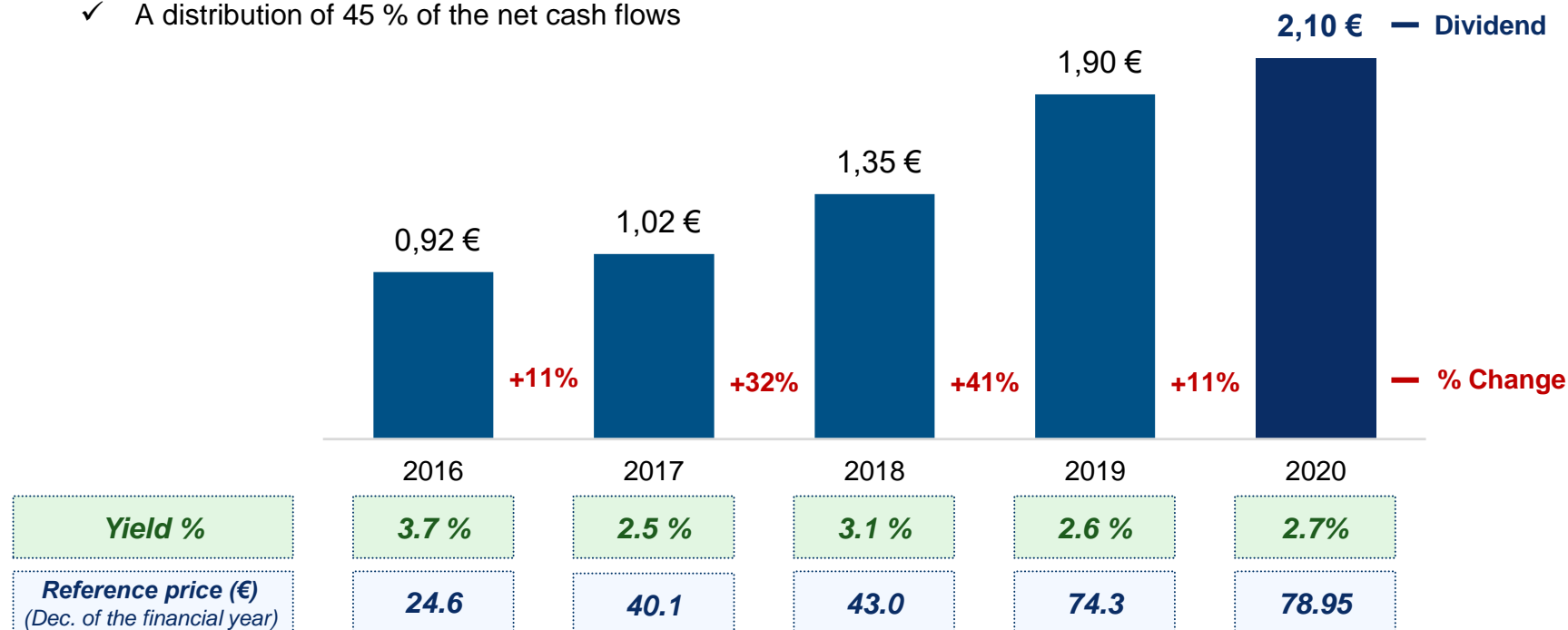
EURIAL – Niort - 21,000 sqm



Dividend and share price


Dividend of €2.10 (11% increase)

- A dividend of €2.10 per share will be submitted for approval to the annual general meeting on 25 March 2021, representing:
 - ✓ An increase of 11%
 - ✓ A yield of 2.66 % on the average share price in December 2020 (€78.95 /share)
 - ✓ A distribution of 45 % of the net cash flows



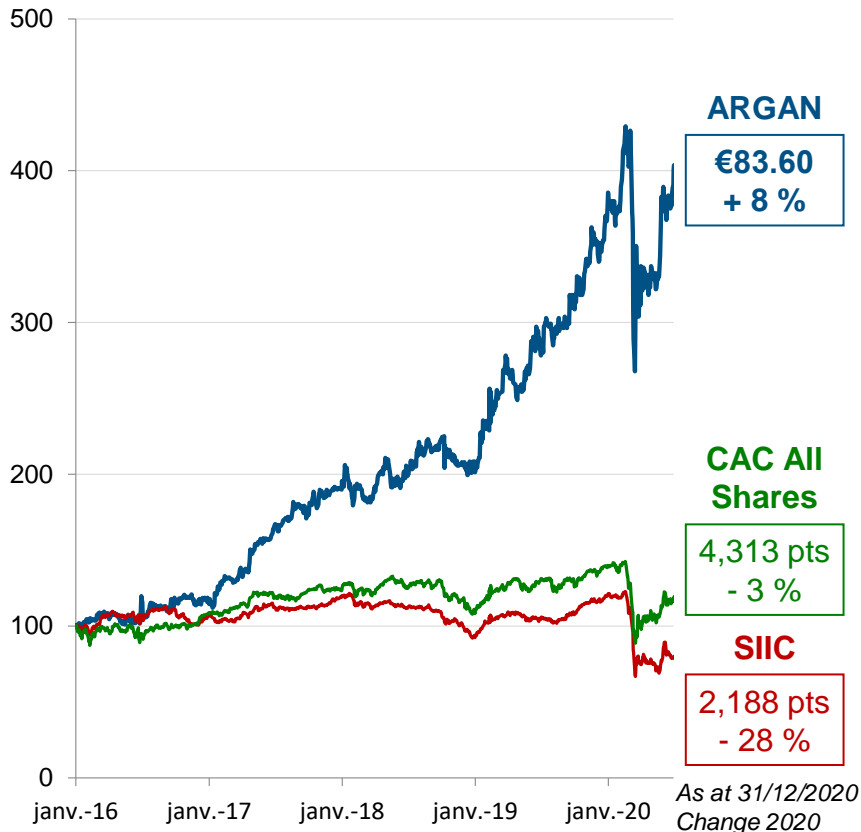
Mentioned dividends are distributed the following year

Share price and results on 31st December 2020

▪ Share price	€83.60	 + 8 %
▪ Market capitalisation	€1,865m	
▪ Net income per share in 2020	€12.5 / share	
▪ Recurring net income / Share	€4.6	
▪ NAV EPRA NRV / Share	€73.0	
▪ PER (share price / recurring income)	18	
▪ Dividend yield (on the average share price on December 2020 of €78.95/share)	2.7 %	

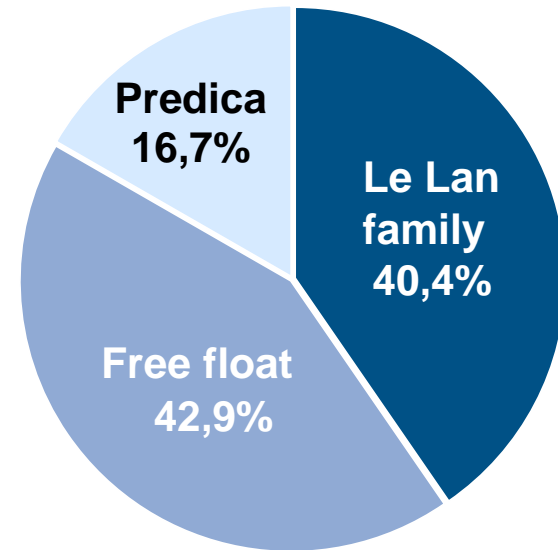
Change in share price

Change in ARGAN's share price⁽¹⁾



(1) Change in share price based 100 on 01/01/2016

Breakdown of ARGAN's share capital

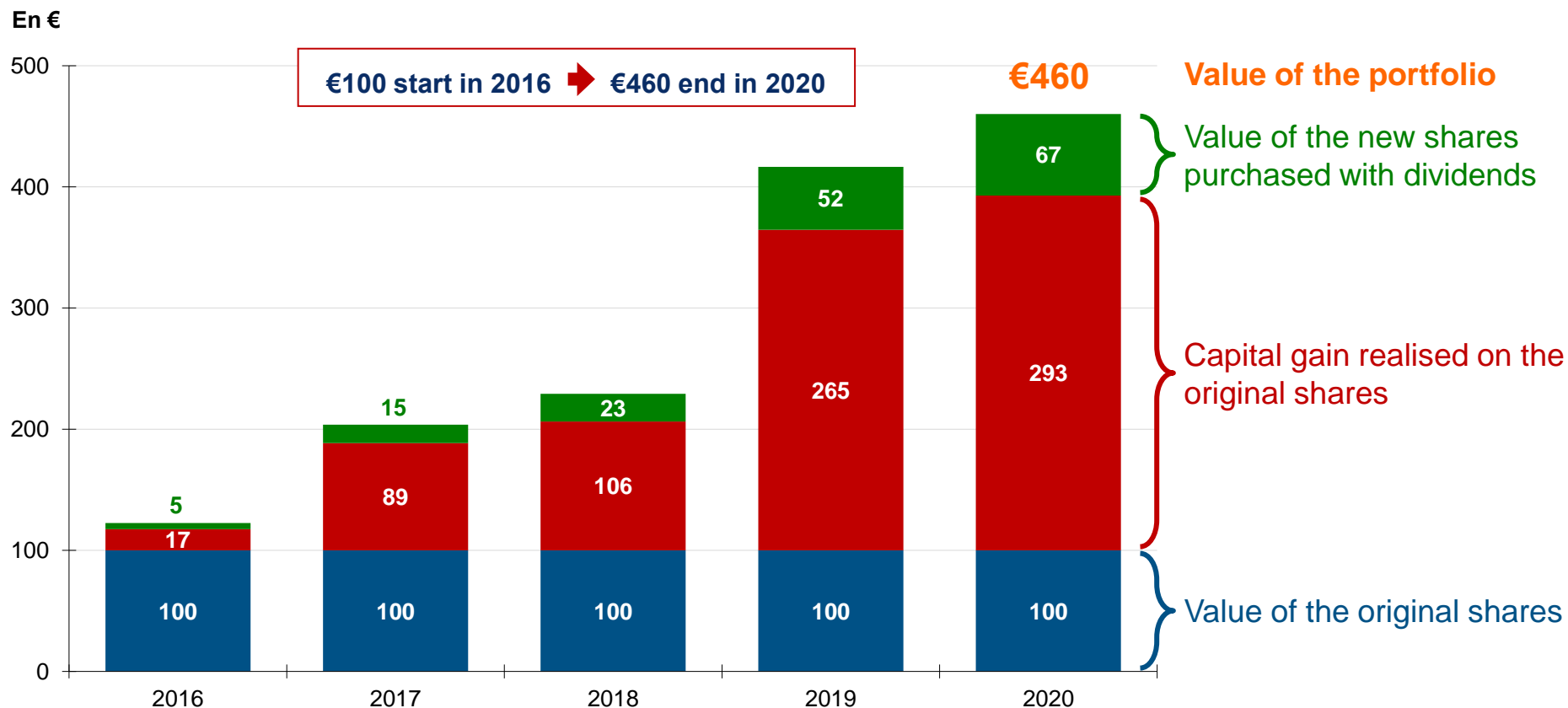


Key information

- ✓ ARGAN is included in the CAC All-Share et IEIF SIIC France indices
- ✓ Argan records a total amount of **22,309,227** shares on 31/12/2020
- ✓ The share price of ARGAN has been multiplied by **4** in 5 years
- ✓ ARGAN is listed on Euronext Paris (compartment A) and opted for the listed real estate investment companies (SIICs) tax regime

5 years evolution of a capital of €100 invested in ARGAN's shares

Investment of €100 in shares on 1st January 2016 and reinvestment of dividends in shares (excluding taxes)





CARREFOUR – Brie-Comte-Robert - 21,000 sqm



MONOPRIX – Fleury-Mérogis - 65,000 sqm












EURIAL – Niort - 21,000 sqm



2021 Targets

Targets 2021: 10% increase in our main indicators

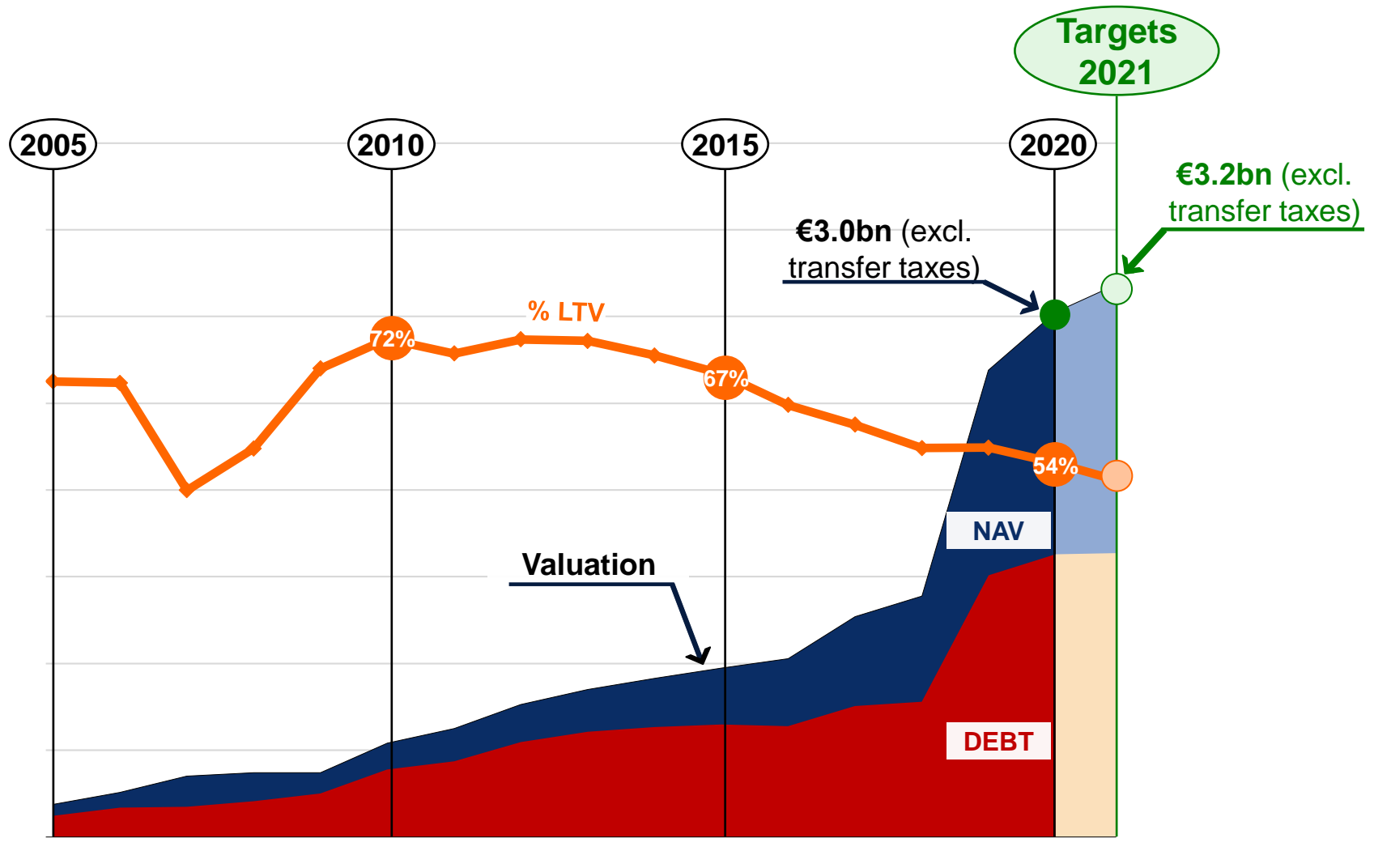
Key figures	Targets 2021	Change vs end of 2020
Rental income	€154m	 + 8 %
Recurring Net Income	€114m	 + 10 %
Dividend / share ⁽¹⁾	€2.3	 + 10 %
LTV ⁽²⁾	53%	 - 100 bps
NAV EPRA NRV / share	€80	 + 10 %
Reduction in CO ₂ emissions	8,000 t ⁽³⁾	 
Annual electricity production	20 GWh	 

(1): Dividend will be submitted for approval to the general meeting

(2): Forecast made on constant capitalisation rate

(3): Over 3 years, representing 20% of our emissions

2021 targets projection



Calendar of press releases and meetings 2021-2022

Financial calendar 2021

- ➔ *04 January: Annual revenue 2020*
- ➔ *20 January: Annual results 2020*
- ➔ *25 March: Annual General Meeting*
- ➔ *01 April: 1st quarter sales 2021*
- ➔ *01 July: 2nd quarter sales 2021*
- ➔ *15 July: Half-year results 2021*
- ➔ *01 October: 3rd quarter sales 2021*

Financial calendar 2022

- ➔ *03 January: Annual revenue 2021*
- ➔ *19 January: Annual results 2021*
- ➔ *24 March: Annual General Meeting*