



Photo : Luc Morelhaus



Half-year results 2022



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CARREFOUR – Brie-Comte-Robert (77) - 21 000 sq.m



MONOPRIX – Fleury-Mérogis (91) - 65 000 sq.m



EURIAL – Niort (79) - 21 000 sq.m



Key points

Key figures for the first half of 2022: **+7% growth in rental income**

Portfolio: Growing Valuation



Valuation excl. duties: €4.03 bn

↑ +8% vs 2021

Total area: 3.3 million of sq.m

Occupancy: 99%

Cap rate excl. duties: 4.1%

↓ -20 bps vs 2021

Debt under control



Net Debt: €1.7 Bn

LTV incl. duties: 39%

LTV excl. duties: 41%

Cost of debt: 1.35%

↓ -15 bps vs 2021

Half-year results Exceeding targets



Rental income: €82 m (H1-2022)

↑ +7% vs S1 2021

Recurring net income: €58.2 m (H1-2022)

↑ +5% vs S1 2021

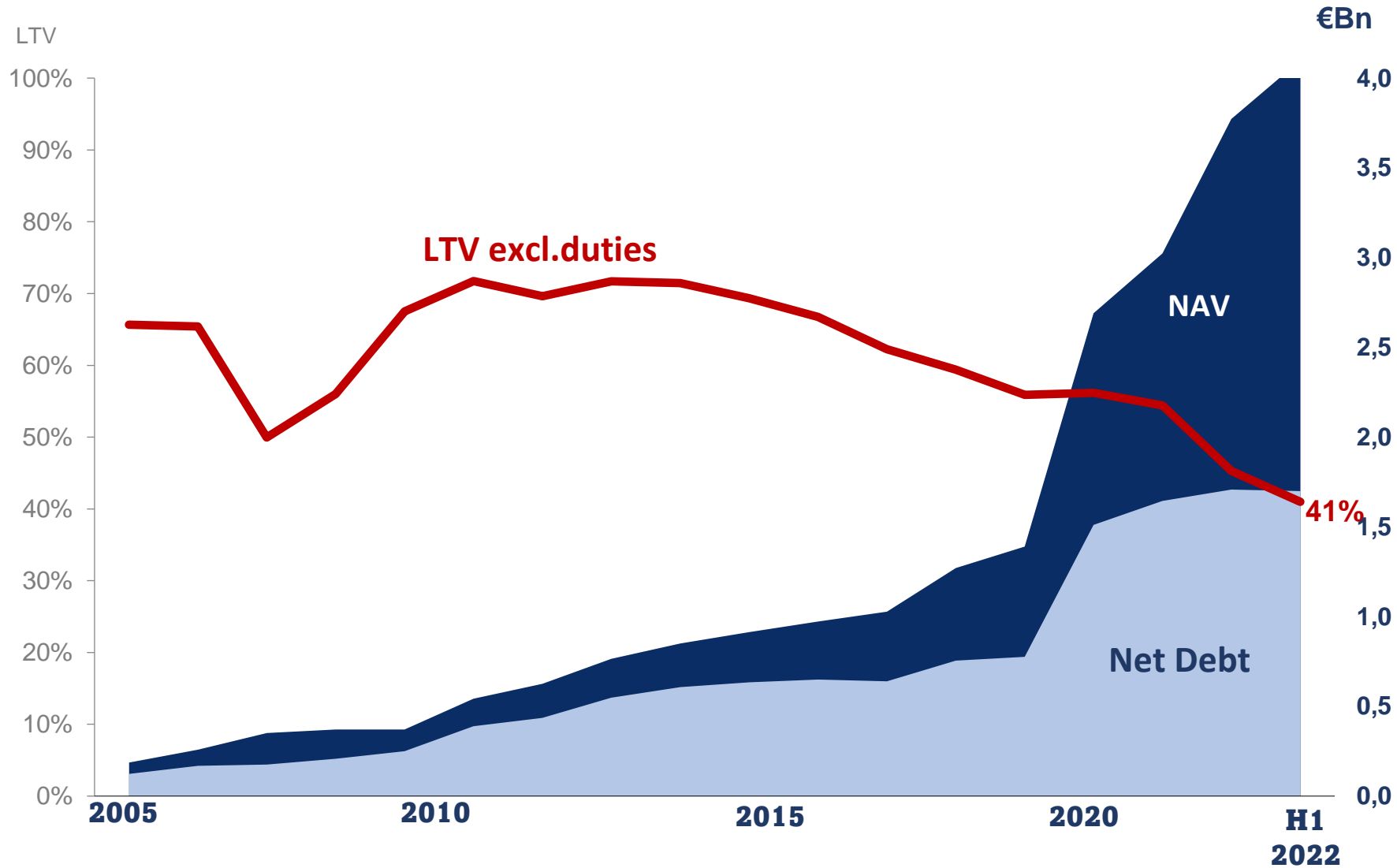
NAV EPRA NTA per share: € 103 per share

↑ +12% vs 2021

NAV EPRA NRV per share: € 115 per share

↑ +12% vs 2021

Rise in asset valuation and fall in LTV



Growth in asset values to €4.0 billion excl. duties :
 +22% over 1 year
 +8% over 6 months

Continued deleveraging strategy :
 39% incl. duties
 41% excl. duties

A tailored-made approach to make the portfolio more virtuous

Existing assets



Replacement of all old boilers with high efficiency boilers by 2023:

- -20% of CO₂ par year
- LED implementation
 - 85% of warehouses equipped

Assets developed since 2018



450,000 sq.m of warehouses equipped with solar panels since 2018

- Lower carbon emission of -1,200 t per year
- Production of 20,600 MWh/year

Launching of **AUTONOM**[®]

- Warehouse that build it own green energy
- Allow to have an autonomy of 50% of global needs
- Gas is banned

Breem Certification « Very good »

Significant reduction of energy and carbon consumption in warehouses



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**French logistic market:
A demand that does not weaken**

Major trends for the coming years in France



Development of e-commerce and online food distribution



Corporate inventory build-up and relocation



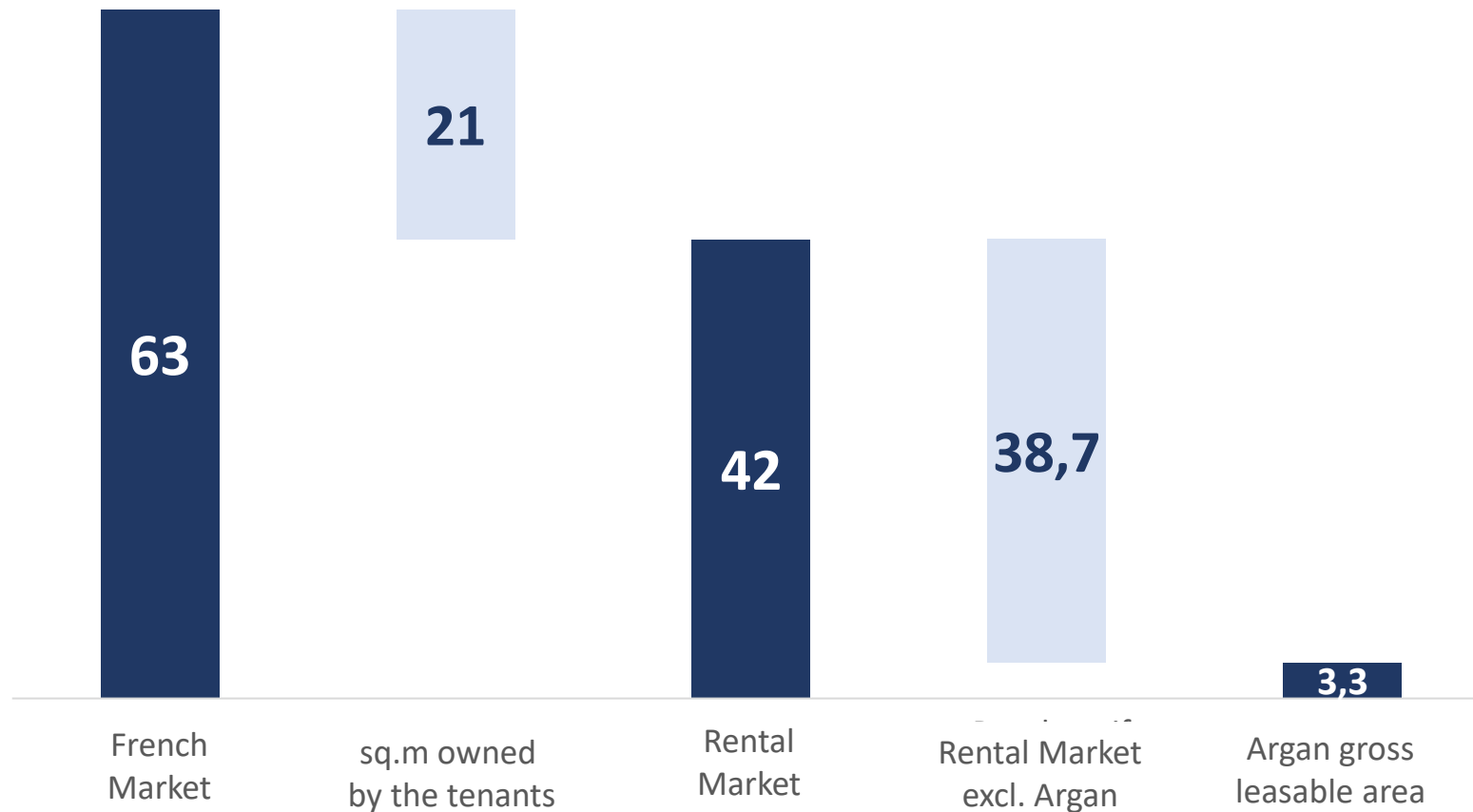
Progressive mechanization of warehouses



Scarcity of land available for construction

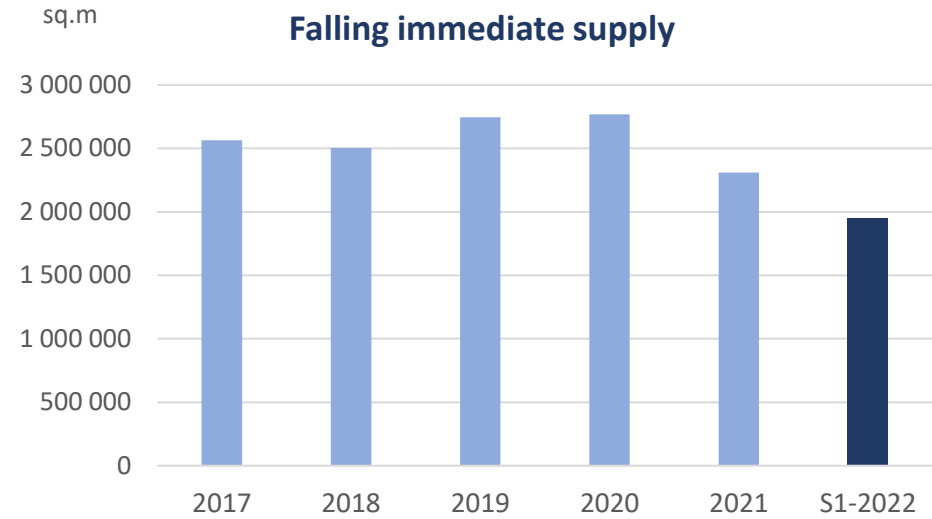
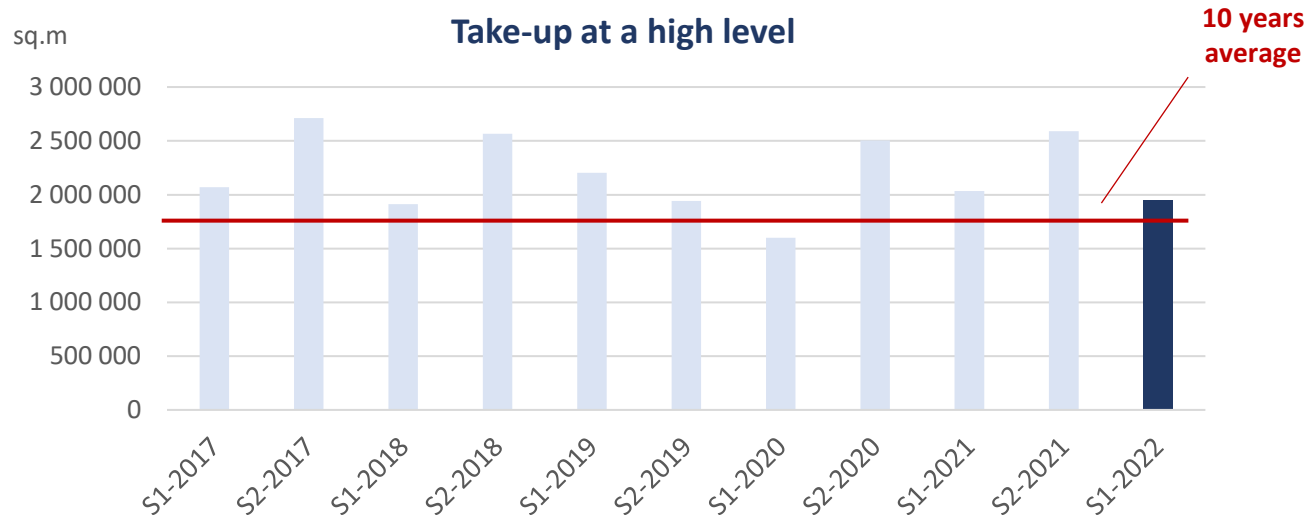
Warehouses market in France

Distribution of logistics sq.m in France in millions of sq.m.



- In France, there are 63 million sq.m of warehouse space, **66% of which is leased, i.e. 42 million sq.m**
- Argan represents 5% of the total stock but **8% of the French rental stock in H1-2022**
- **21,000 people work in our warehouses**

Take-up at a high level combined with a falling immediate supply



Sustained take-up in 2022

- Take-up of 2 millions of sq.m (H1-2022) :
 - +14% vs 10-year average**



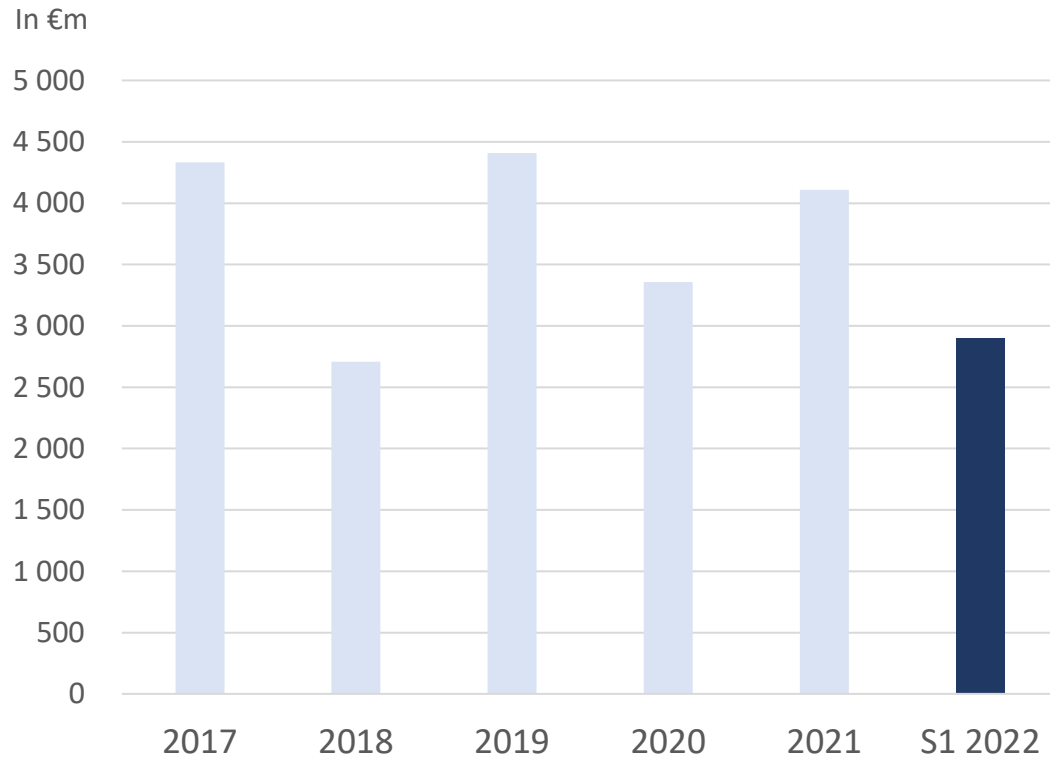
Very low immediate supply

- Falling immediate supply** at its lowest for 5 years :
 - 15% vs end-2021
 - 30% vs end-2020
- 3.6% vacancy in France**

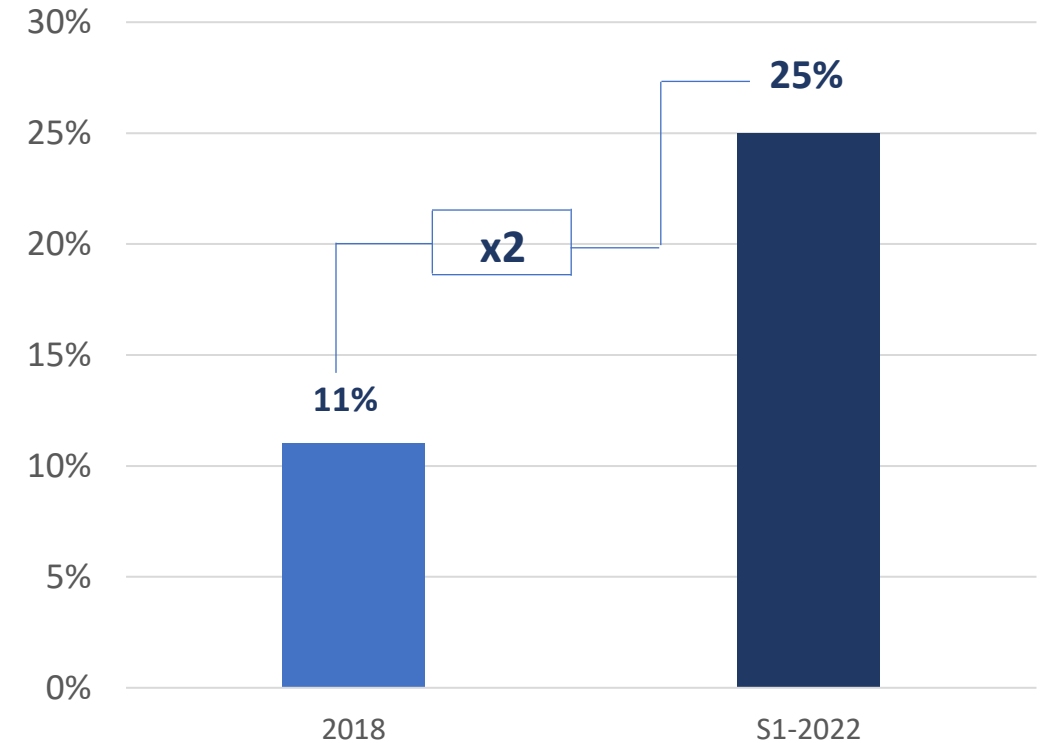
Source : CBRE

Investment market: sustained demand from investors

High investment in logistics real estate in H1-2022



The weight of logistics in transactions has doubled in 4 years





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Tenant clients that support
Argan's growth

Sustainable organic growth, supported by our tenant customers



Development of **AUTONOM[®]**, the warehouse that produces its own green energy



170,000 sq.m of projects in H2-2022 and 2023 fully pre-leased



Acquisition in October 2022 of the 150,000 sq.m warehouse leased to Renault



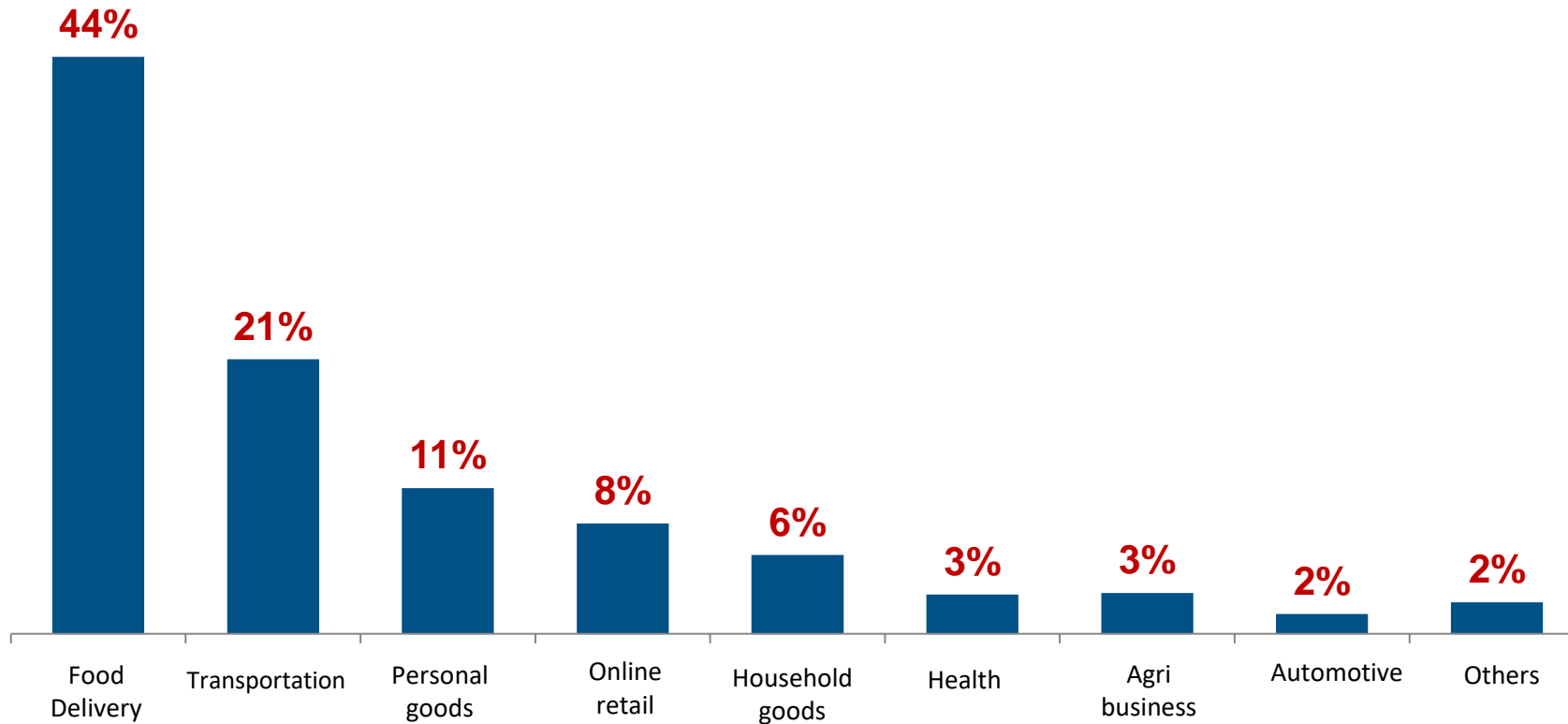
Prime tenants with growing logistics needs

Leading client-tenants



- 50% of our development comes from existing tenants
- 100% collection rate in H1-2022

Breakdown of customers by economic sector



NB: Distribution by % of rental income

Food distribution: a buoyant sector

Food distributors are required to increase their needs for logistics space to respond to the strong growth in this area:

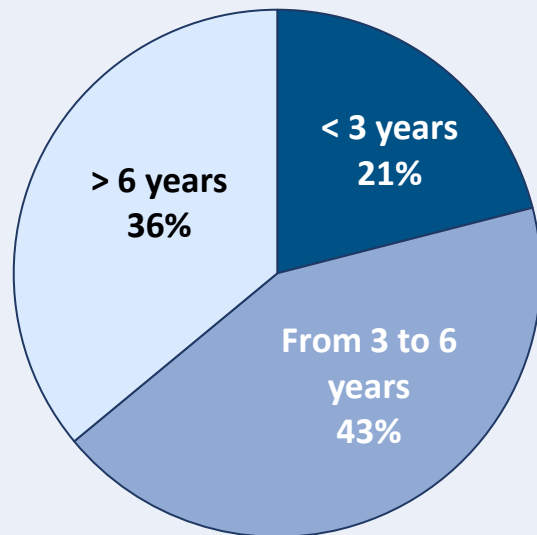
Revenue from online food distribution on the rise since 2019

Source: Fevad

Secured rental income

Leases by firm duration

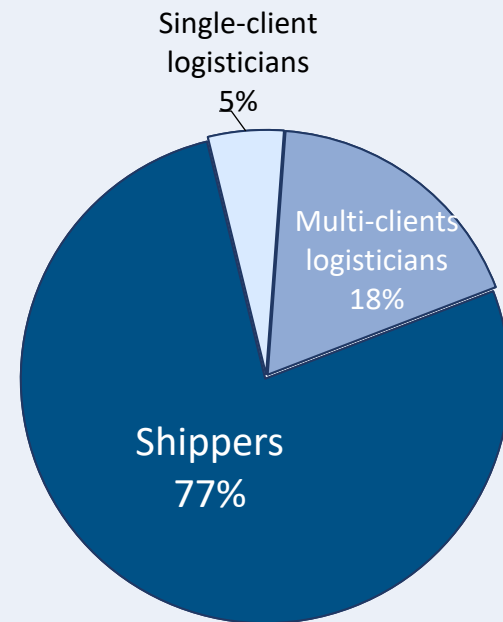
(% of annualized rental income)



Remaining average firm
lease: 5.8 years

Tenants typology

(% of annualized rental income)

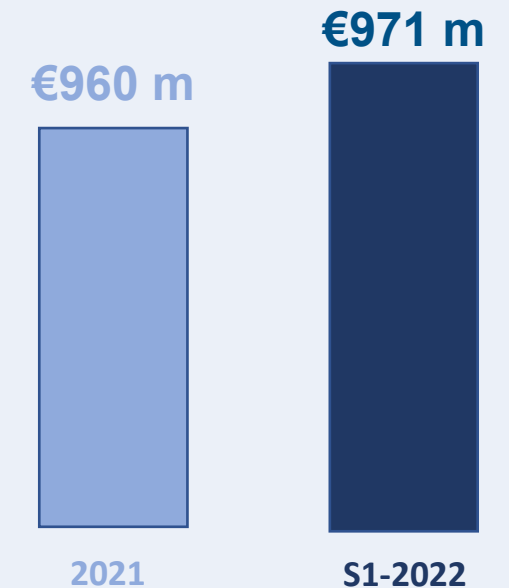


Shippers: Industrialists or distributors holding leases
(Carrefour, Décathlon, L'Oréal...)

Logisticians: Operating on behalf of shippers who
have outsourced the logistics function (FM Logistic,
Géodis, GXO Logistics...)

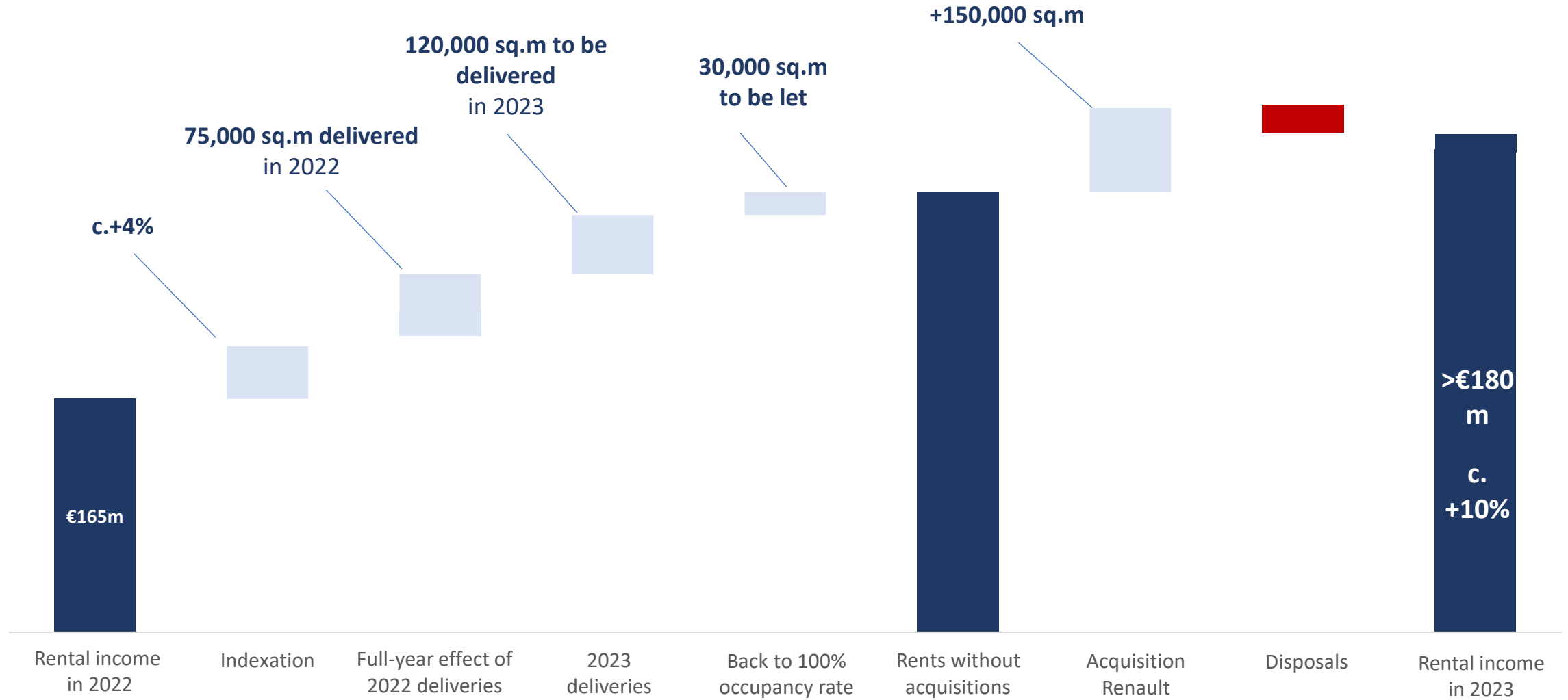
Secured rents

(based on the remaining firm lease duration)



Secured rents increased of
+€11m to €971m

An embedded growth for 2023 rents





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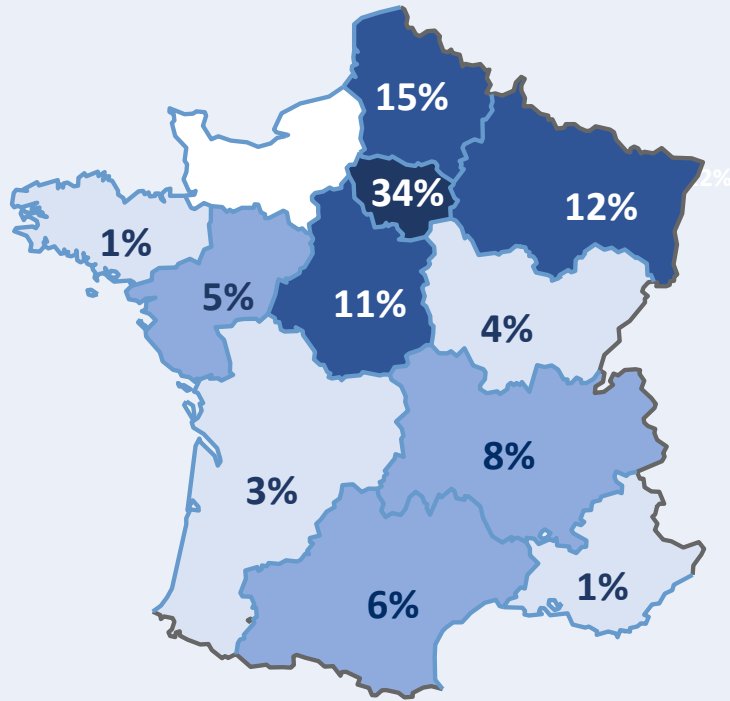
**A PREMIUM portfolio of
3.3 millions of sq.m**

Key figures for the first half of 2022: **+7% growth in rental income**

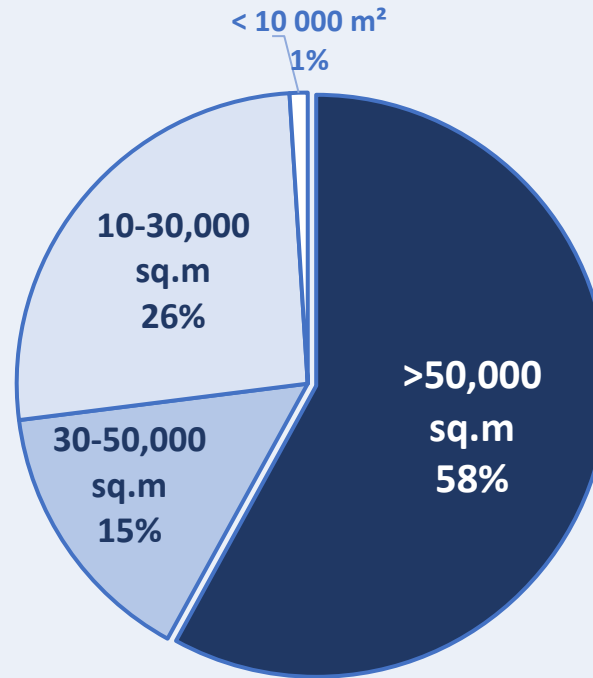
Valuation :	▪ €4.03 Bn (vs. €3.75 Bn in 2021)	 +8%
Total built area:	▪ 3,280,000 sq.m (vs. 3,265,000 sq.m in 2021)	
Total land:	▪ 900 ha	
Occupancy rate:	▪ 99%  100% in 2023	
Average remaining firm lease:	▪ 5.8 years (vs 5.9 in 2021)	
Average years old warehouses:	▪ 10 years (vs 9.6 in 2021)	
Number of warehouses:	▪ c.100	

A well-balanced portfolio, recent and mainly located in Paris region

Per region



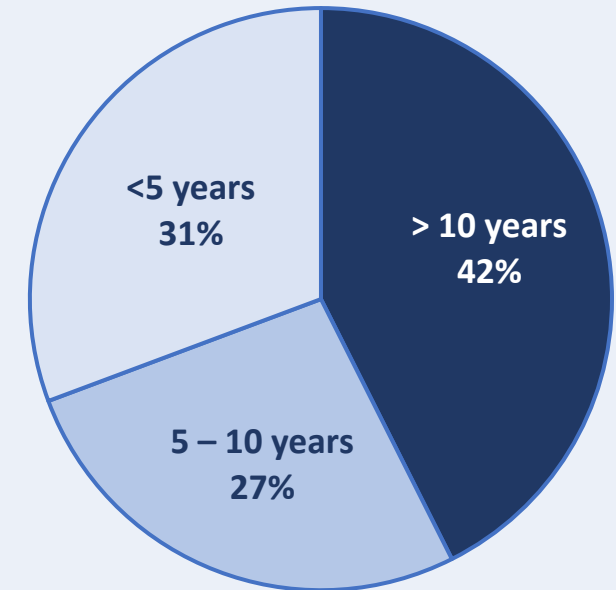
Per size



Average size: 36,500 sq.m

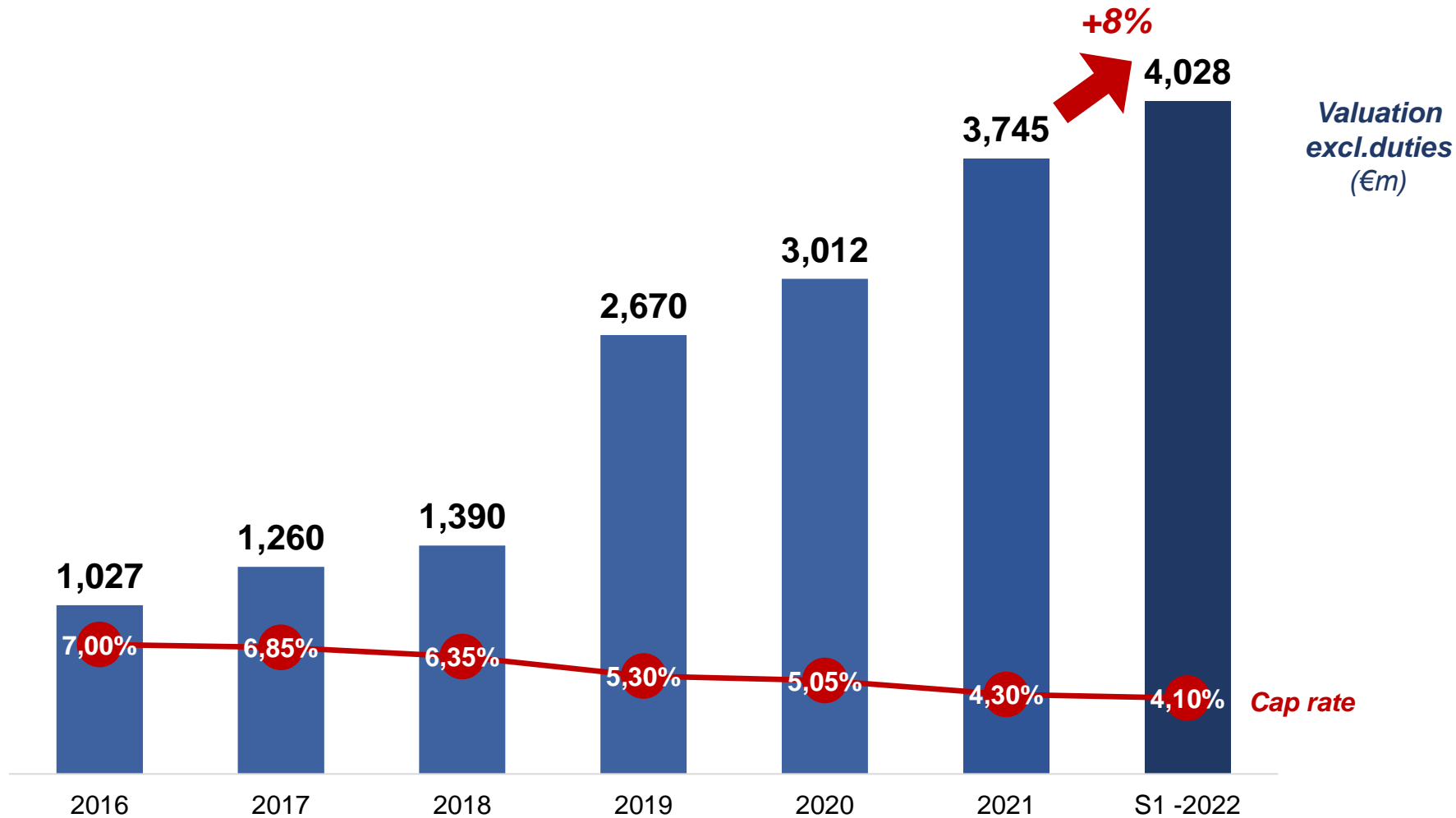
26 XXL warehouses: 58% of areas

per seniority



Average seniority: 10 years

A portfolio that is now valued at €4 billion



Investment market in H1-2022:

- Prime transactions at rates around 3.5% on the market
- A significant increase in H1-2022 in logistics transactions



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The logo for ARGAN, featuring a stylized blue icon of a classical building 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.A solid blue rectangular banner with the text "A debt under control" written in a white, sans-serif font.

A debt under control

Diversified debt under control



Debt protected against rising interest rates



No needs of refinancing until 2026

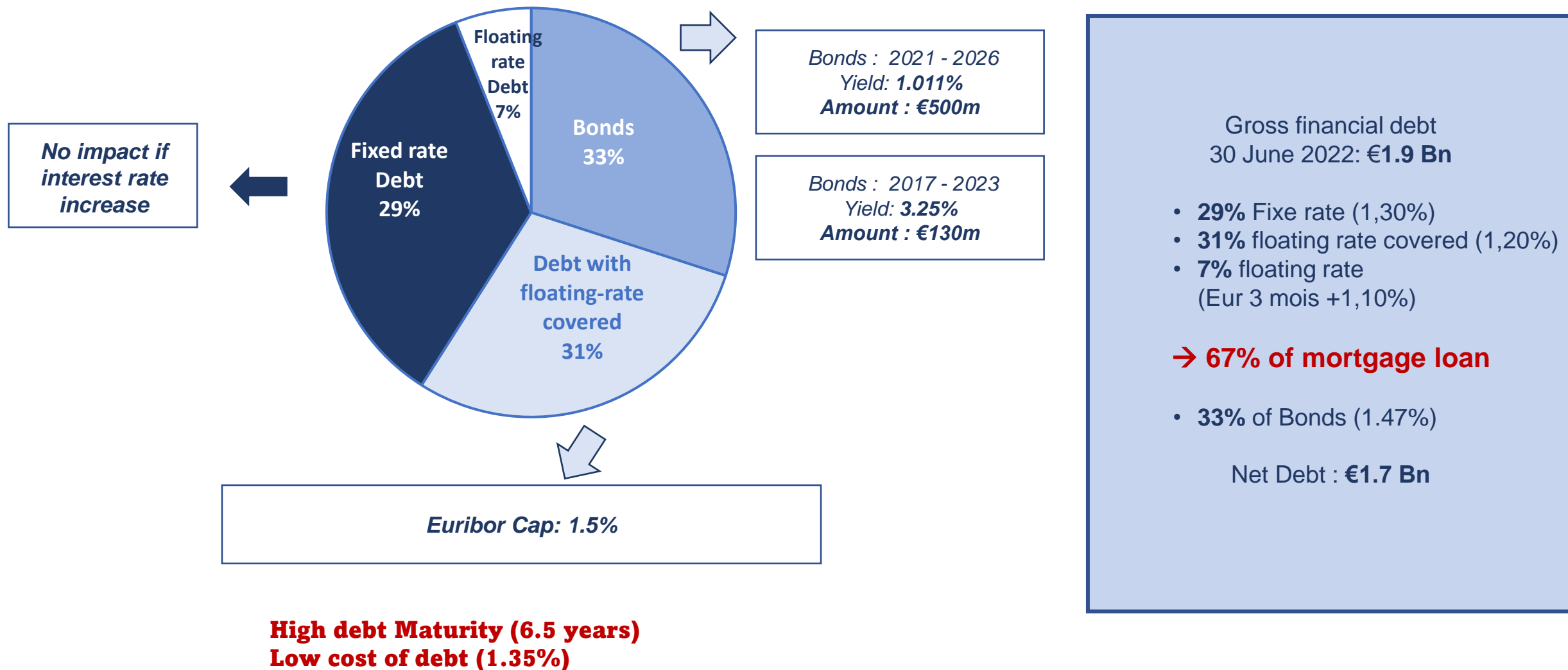


High average maturity (6.5 years) and a cost of debt very low (1.35%)



CSR loan in H1-2022 of €140m

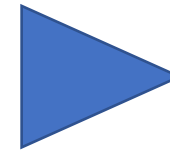
A debt with a predominance of depreciable mortgage credit



A low cost of debt and a balanced LTV in the event of a rise in interest rates

Cost of debt will not exceed 2% with an Euribor at 3%

Euribor	2022	2023	2024
0.0%	1.40%	1.25%	1.25%
1.0%	1.70%	1.60%	1.55%
2.0%	1.95%	1.85%	1.80%
3.0%	2.10%	2.00%	1.95%

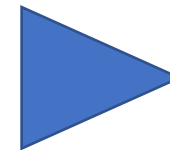


Cost of debt little impacted by the rise in rates because:

- 62% fixed rate debt
- 31% of floating-rate debt hedged, with hedging instruments that are activated as soon as the Euribor reaches 1.5%.
- **Only 7%** floating-rate debt

A control LTV, far from our covenants

Cap Rate	2022	2023	2024
4.1%	42.6%	42.5%	41.6%
4.5%	46.8%	46.6%	45.7%
5.0%	51.9%	51.7%	50.7%



Controlled debt. very far from our covenants

- Even with a capitalization rate of 5.0% in 2024 and **without factoring in future rent increases** in the valuation. our LTV ratio would be 50%, far from our covenant (bond) of 65%.



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Guidance raised for 2022

Guidance raised for 2022

Key figures	New Target <i>H1-2022</i>	Changes Vs 2021
Gross rents	<u>€165m</u>	 +5%
Recurring net results Margin (RNR / Gross rents)	<u>€118m</u> 72%	 +5%
Dividend / share ⁽¹⁾	<u>€3.00</u>	 +15%

(1) : Under AGM approval



Development of AUTONOM[®], the warehouse that produces its own green energy for self-consumption:

- Roof equipped with a photovoltaic power plant
- Lithium-Ion type energy storage battery system
- Electric air/air heat pumps, reversible heating-cooling

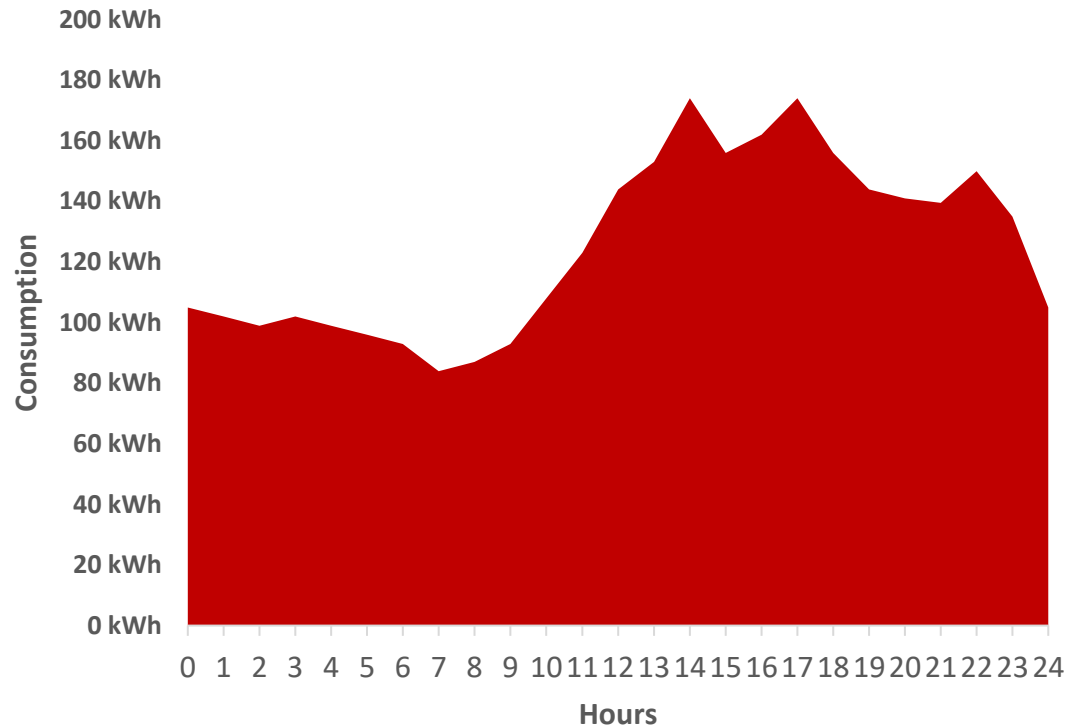


AUTONOM[®] allows the tenant to save energy in exchange for an additional rent



- **Energy efficiency 4 times higher than gas**
- **CO2 emissions divided by 20**

Traditional Warehouse



AUTONOM[®]

