



# Annual results 2022

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.....Toute l'équipe.....

The logo for ARGAN features a stylized green icon of a classical building with columns on the left, followed by the word "ARGAN" in a bold, green, serif font. A horizontal line is positioned below the text.

*vous souhaite une année*

**2023**

**PLEINE D'ÉNERGIE**

**décarbonée**



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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*

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**Annual results 2022**

# Key figures of 2022

Portfolio	▪ Valuation (excl.duties):	€4 Bn	 +5 % vs 2021
	▪ Cap rate (excl. duties):	4.45 %	
	▪ Area:	3.5 million of sq.m	<i>Vs. 3.3 millions of sq.m</i>
	▪ NAV NTA :	93 € per share	
Debt	▪ Confirmation by S&P of "BBB-" rating with stable outlook		
	▪ Net debt:	€1.8 Bn	<i>Vs. 1.6 Mds €</i>
	▪ Net LTV :	45 %	<i>Vs. 43 %</i>
	▪ Cost of debt 2022 :	1.50 %	<i>Vs. 1.50 %</i>
Results	▪ Rental Income:	€166m	 6 %
	▪ Recurring net Income:	€120m	 7 %



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



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

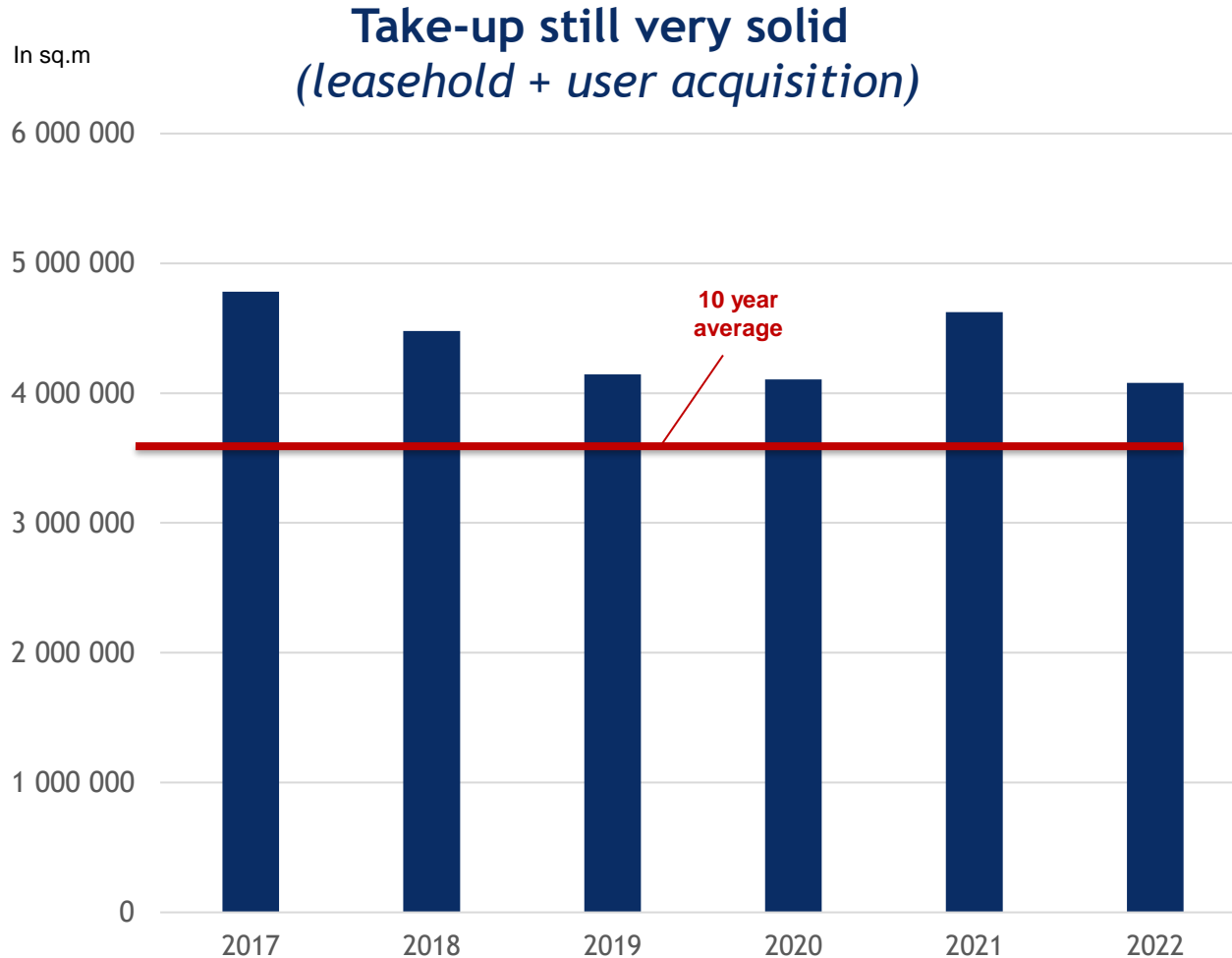


*EURIAL – Niort (79) - 21 000 sq.m*



**The logistics real estate market**

# User appetite for warehouse space is still very high

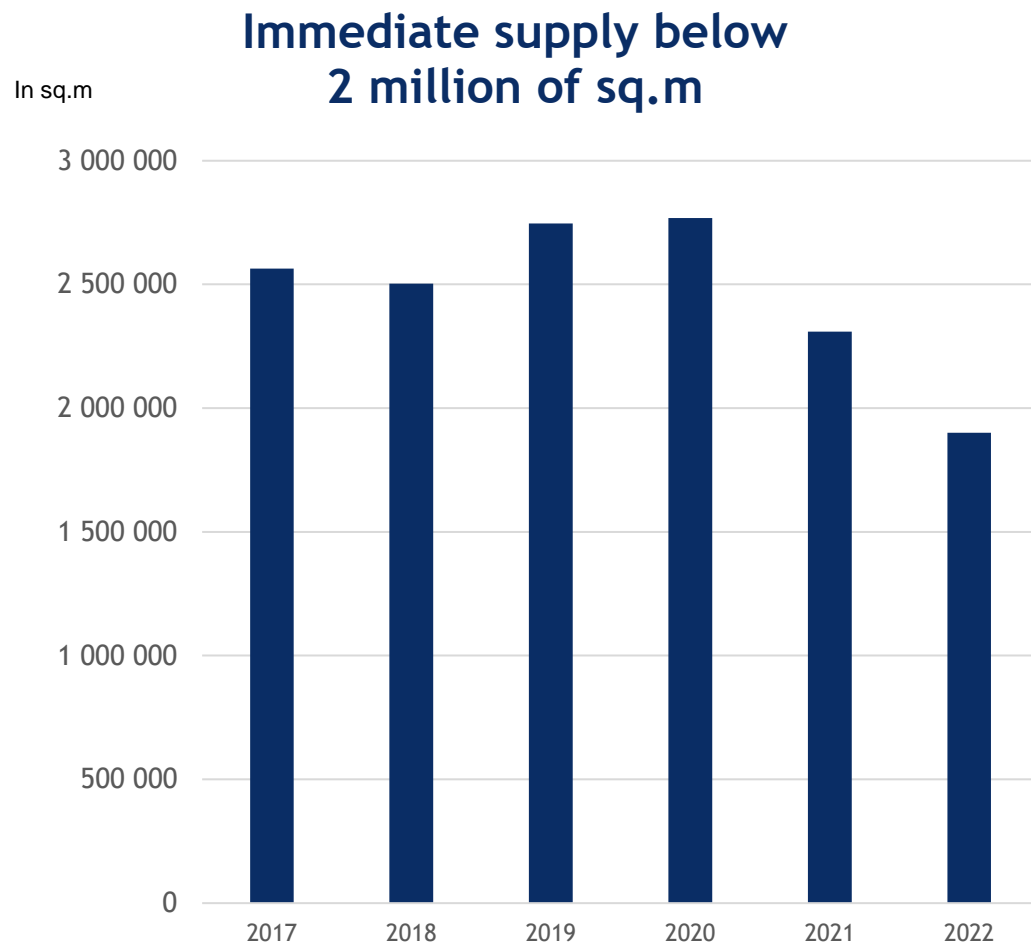


## Sustained demand for logistics

- Take-up in 2022 of 4 millions de sq.m
- **+10% vs 10 year average**

Source : CBRE

# Very high demand for warehouses with a very low rental supply

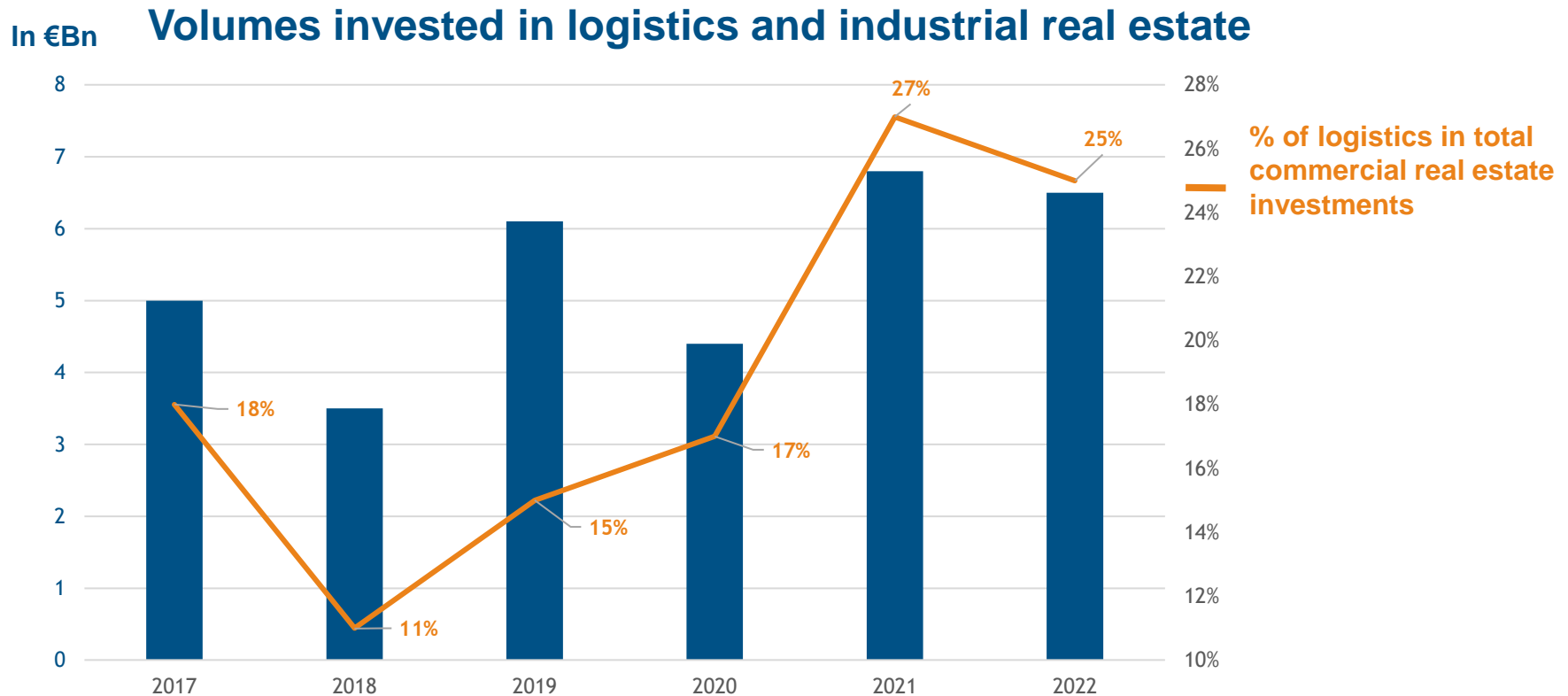


**Vacancy at 3.8% in France at the end of December 2022**

Source : CBRE



# Logistics investment market in France from 2017 to 2022



Source : CBRE

➡ The logistics asset class is attracting a growing share of investments

# Key trends for the coming years

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

# Increasing difficulty of environmental rules: opportunity or threat?

- Opportunity for those with **expertise**
- **Threat** to **new entrants**



- In recent years, applications for **building permits** and **environmental authorisations** have grown considerably in size and complexity due to **regulatory changes**

- The Law of 8 August 2016 for the reconquest of **biodiversity** has made it nearly impossible to obtain environmental authorisation if the project site contains **a protected species** (fauna and/or flora)

- The decree of 26 January 2017, which provides a framework for the **single environmental authorisation** and the **reform of impact studies**, incorporated new additional stages into an already heavy authorisation process





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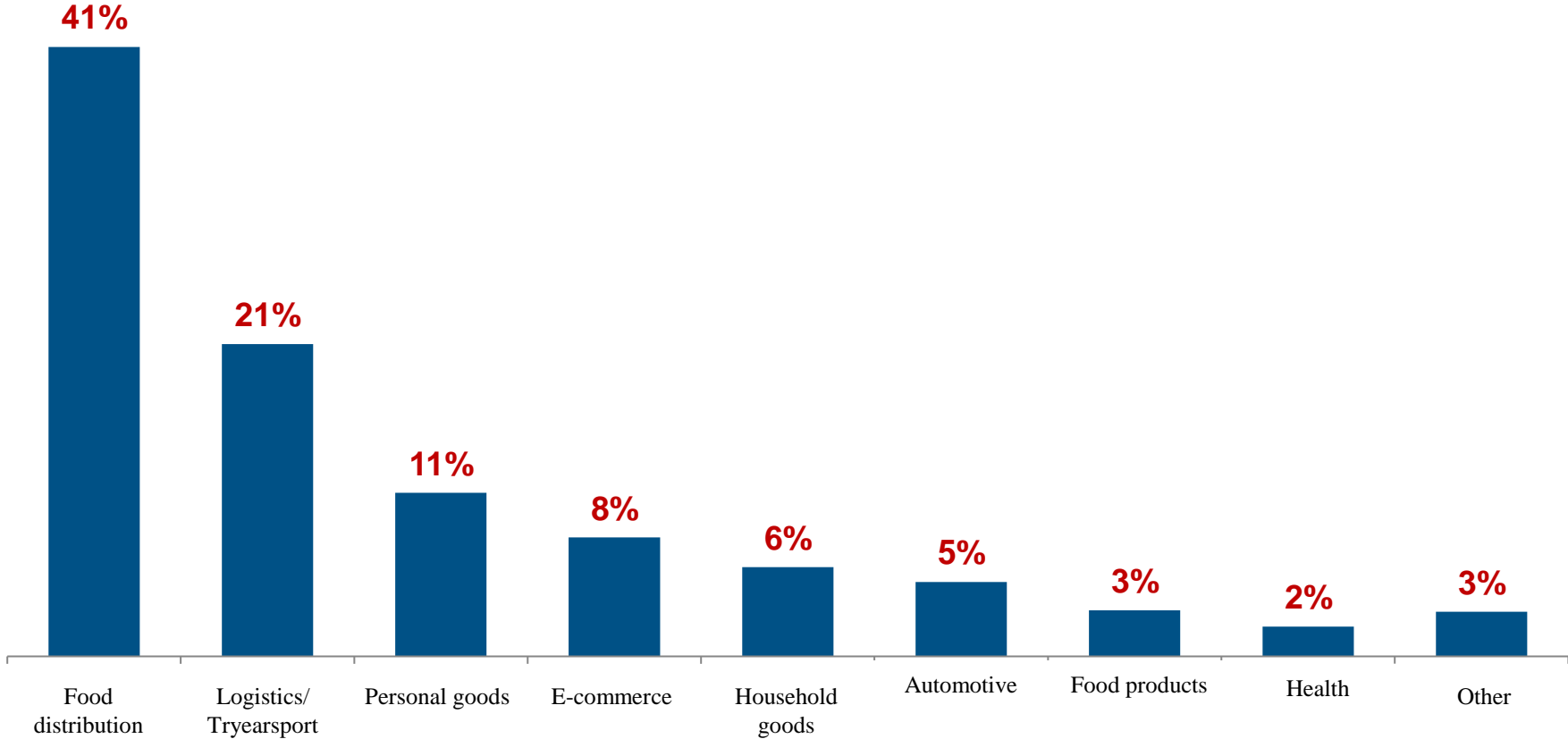
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**Loyal and top-notch  
Client-tenants**

# Leading clients

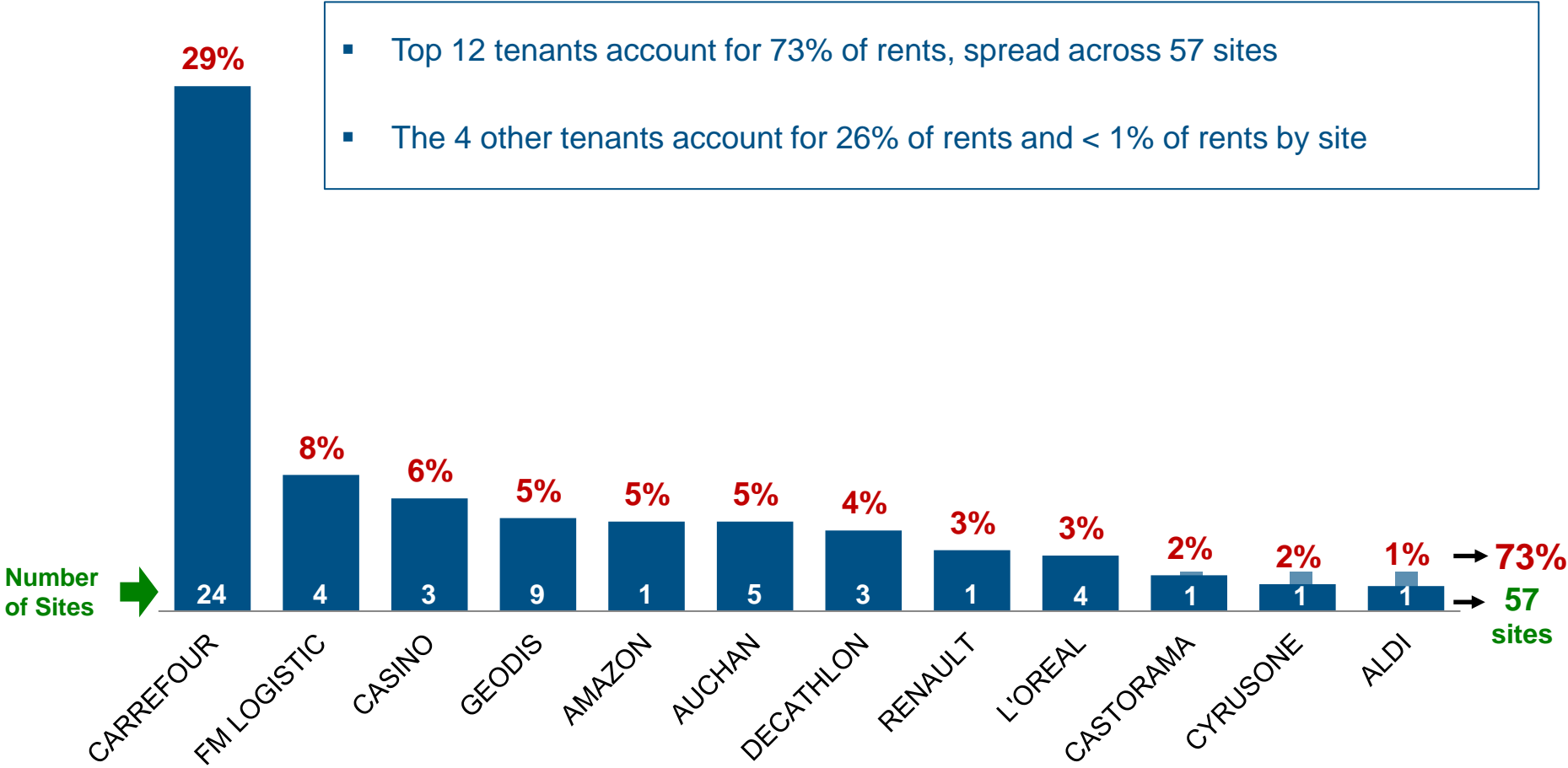


# Distribution of customers by economic sector



NB : Distribution by % of rents

# Breakdown of rental income by tenant

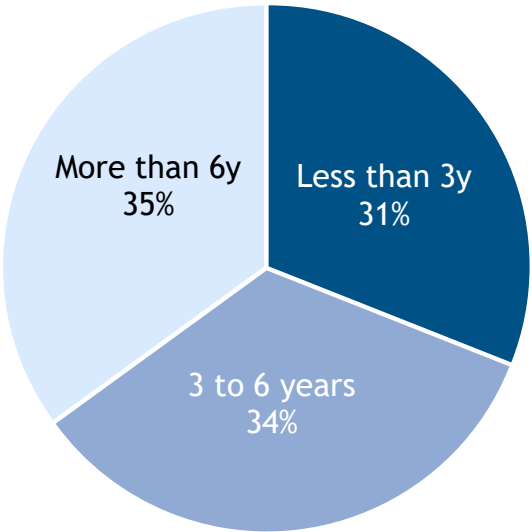


- Top 12 tenants account for 73% of rents, spread across 57 sites
- The 4 other tenants account for 26% of rents and < 1% of rents by site

# Secured rents

## Breakdown of leases by fixed term

(in % of annual rental income)



**Increase in the average remaining fixed length : 5,5 years (vs. 5,9 years in 2021)**

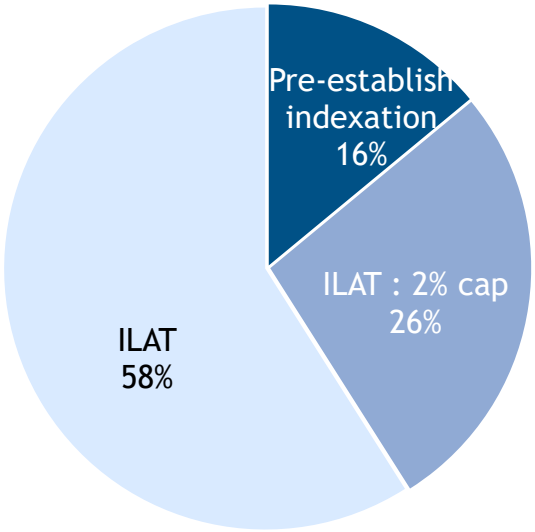
## Types of Clients



**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, GXO Logistics, etc.)

## Rent indexation



**Average indexation 2023 : +4%**





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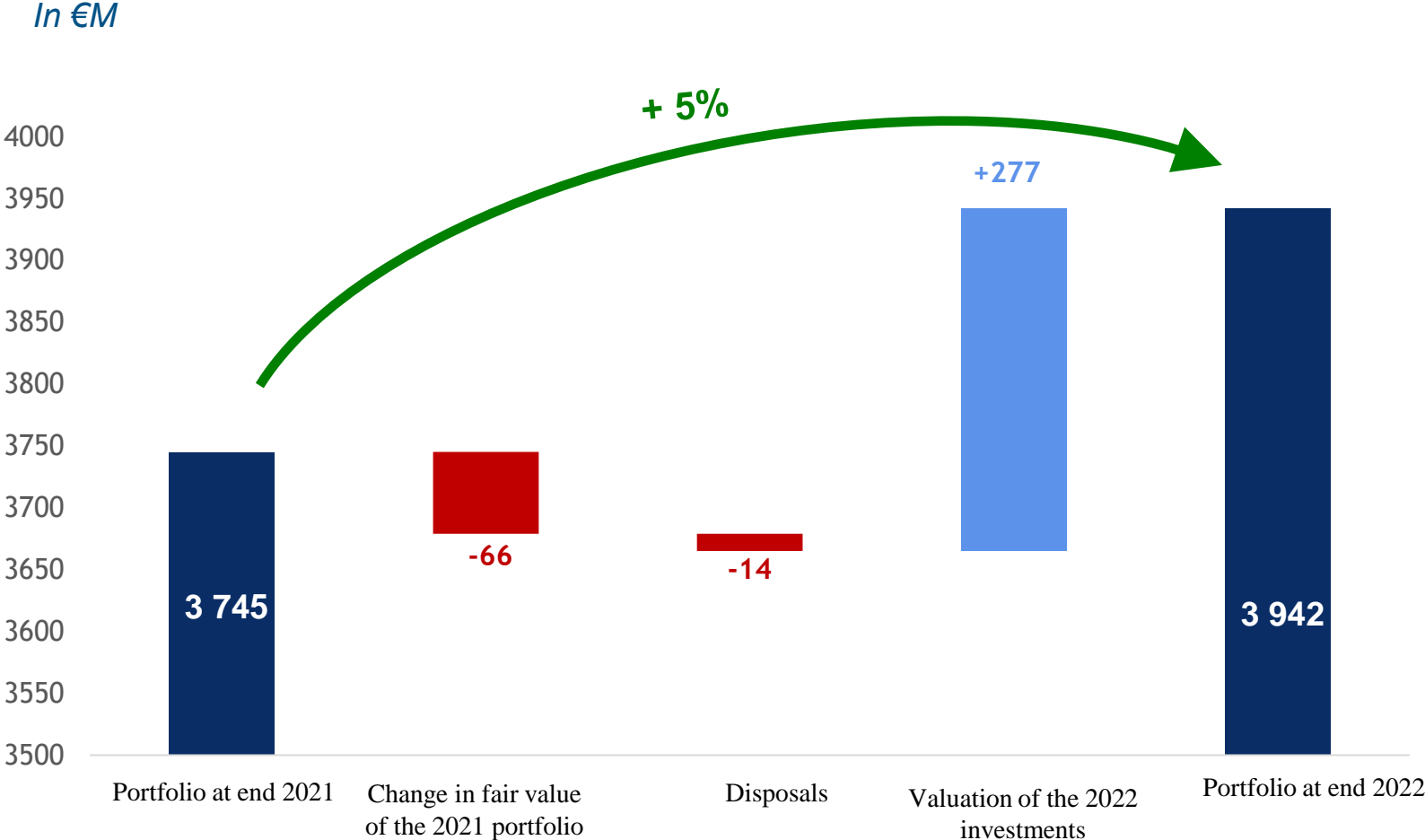
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**A PREMIUM portfolio of  
3.3 million sqm**

# 2021: Key figures of the portfolio

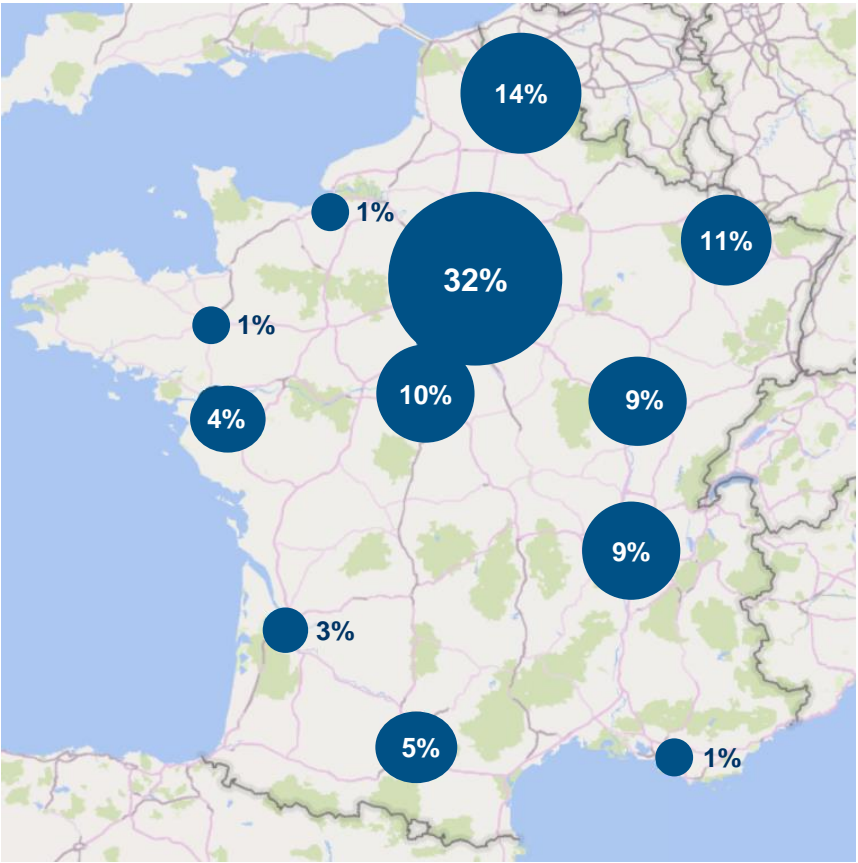
<b>Valuation:</b> <i>Excl. duties :</i>	▪ <b>€4 billion</b> (with a cap rate of 4.45%)	
<b>Built areas:</b>	▪ <b>3 500 000 sq.m</b> (vs. 3 300 000 sq.m)	 <b>6 %</b>
<b>Built land:</b>	▪ <b>920 ha</b>	
<b>Spot occupancy:</b>	▪ <b>100%</b> (vs. 99%)	
<b>Average remaining fixed lease term:</b>	▪ <b>5.5 years</b>	
<b>Average age of the warehouses:</b>	▪ <b>10.4 years</b>	
<b>Number of warehouses:</b>	▪ <b>About a hundred</b>	
<b>Certified Warehouses</b>	▪ <b>50%</b>	
<b>Number of tenants:</b>	▪ <b>60</b>	
<b>Number of employees:</b>	▪ <b>&gt; 21 000 workers in our warehouses</b>	

# Portfolio valuation : €4 Bn +5%

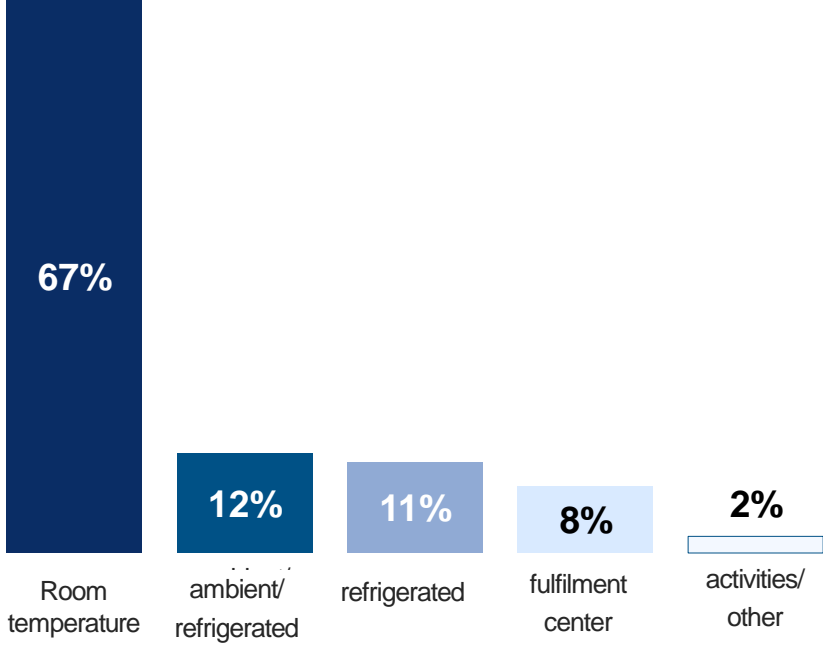


# Distribution of the logistics hubs

*by regions*



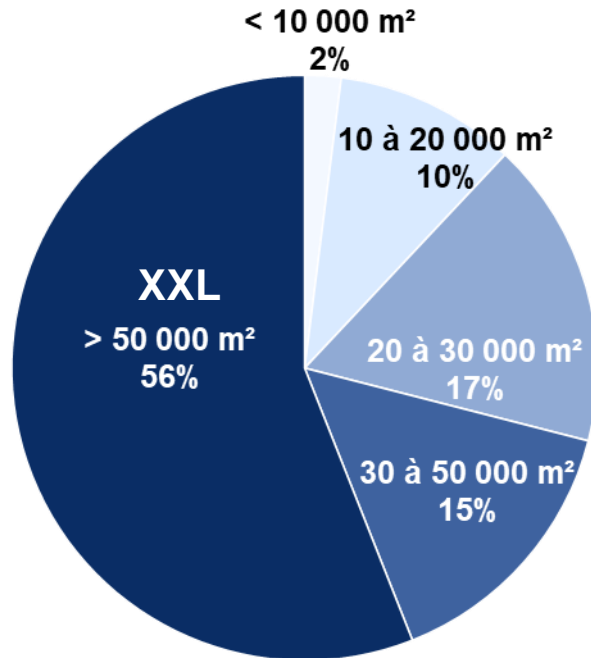
*by types*



NB : Breakdown by % of rents

# Breakdown of logistics hubs

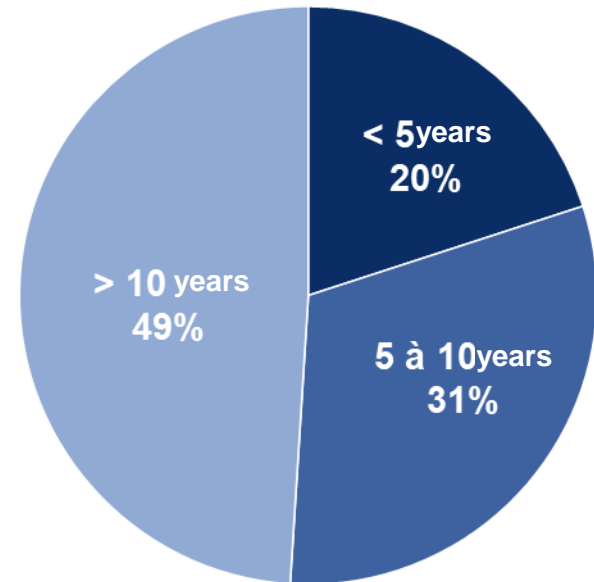
*by surface area*



**Average size: 37 000 sq.m**

The 26 XXL warehouses represent 58% of the surface areas

*by seniority*



**Average age: 10 years**

# Nearly €220m of investments in 2022

## Sites

## Chiffres clés

## Leur situation



- Tenant: Renault
- City: Sens (89)
- Area: 153 000 m<sup>2</sup>
- Fixed term: 12 years



- Tenant: Sanofi / DHL
- City: Serris (77)
- Area: 14 000 sq.m
- Fixed term : 3/10 years



- Tenant: Legallais
- City: Caen (14)
- Area: 18 000 sq.m
- Fixed term: 12 years



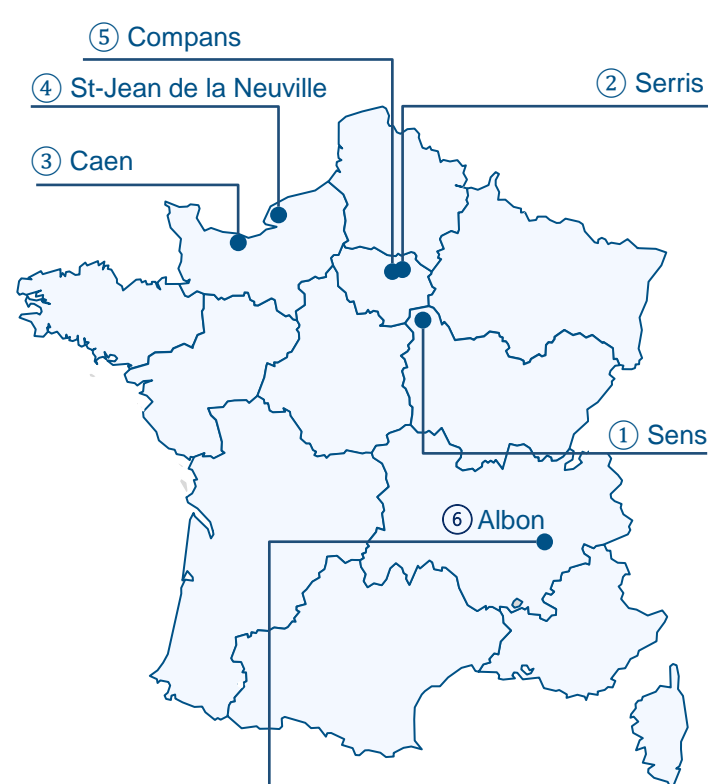
- Tenant: Didactic
- City: Saint Jean de la Neuville (76)
- Area: 14 000 sq.m
- Fixed term: 12 years



- Tenant: Colis Privé
- City: Compans (77)
- Area: 15 300 m<sup>2</sup>
- Fixed term: 12 years



- Tenant: Bert & Nutrition et Santé
- City: Albon (26)
- Area: 18 000 m<sup>2</sup>
- Fixed term: 6 & 9 years



Other investments: a 6,000 sq.m extension in Croissy, a 6,700 sq.m extension in Chanteloup, a 700 sq.m extension in Athis-Mons, a rehabilitation in Rognac and a rehabilitation in Lens

The average yield on acquisitions and developments over the year 2022 is 5.7%.



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



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



*EURIAL – Niort (79) - 21 000 sq.m*

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**Debt**

# Financial discipline for the coming years

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1

*Debt*

- Priority to debt reduction

2

Financing

- Mixed :
  - Amortizable bank debt (50%)
  - Bonded debt (50%)

3

Liquidity

- Syndicated credit facility  $\geq$  1 year of annual rental income

4

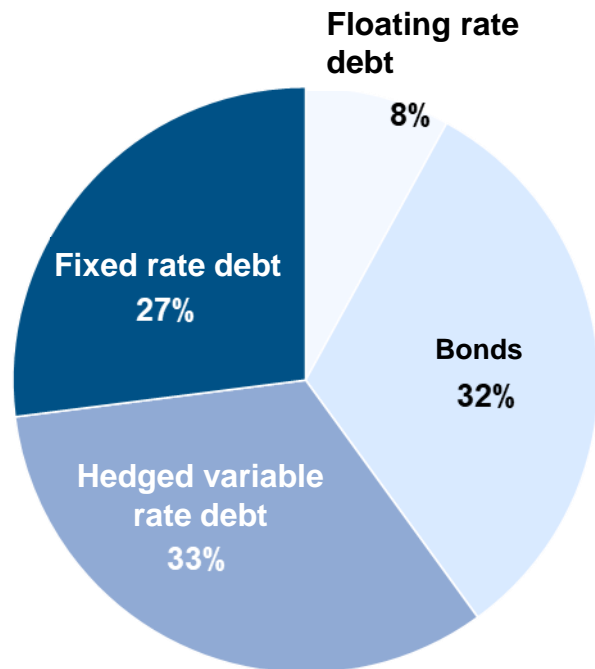
Rating

- Confirmation by S&P of "BBB-" rating with stable outlook

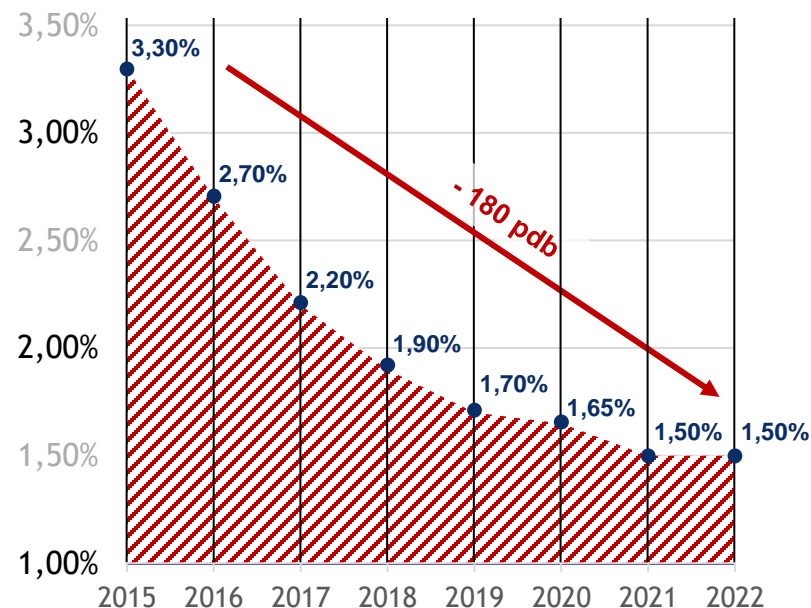


# A cost of debt of 1.50% in 2022

## DEBT STRUCTURE AT THE END OF 2022



## EVOLUTION OF THE COST OF DEBT

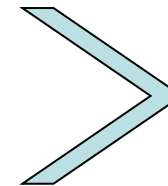


- Average cost of debt in 2022 = 1.50μ
- Maturity of debt = 6.0 years
- Net Debt / EBITDA full year = 11.6 x
- LTV EPRA : 45%.

# Controlled cost of debt and LTV ratio

## Simulation of the cost of debt as a function of Euribor

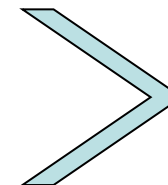
Euribor	2023	2024	2025	2026
2,0%	2,0%	2,0%	1,9%	2,5%
3,0%	2,2%	2,2%	2,2%	3,1%
4,0%	2,5%	2,5%	2,4%	3,6%
5,0%	2,8%	2,7%	2,7%	4,1%



*Assuming that the bond is refinanced in 2026 at a rate of Euribor + 1%.*

## Evolution of the LTV ratio as a function of capitalization rates

Cap rate	2023	2024	2025	2026
4,5%	45%	42%	39%	36%
5,0%	50%	47%	43%	40%
5,5%	55%	52%	48%	44%
6,0%	60%	56%	52%	48%



*Far from the 65% LTV bond covenant*



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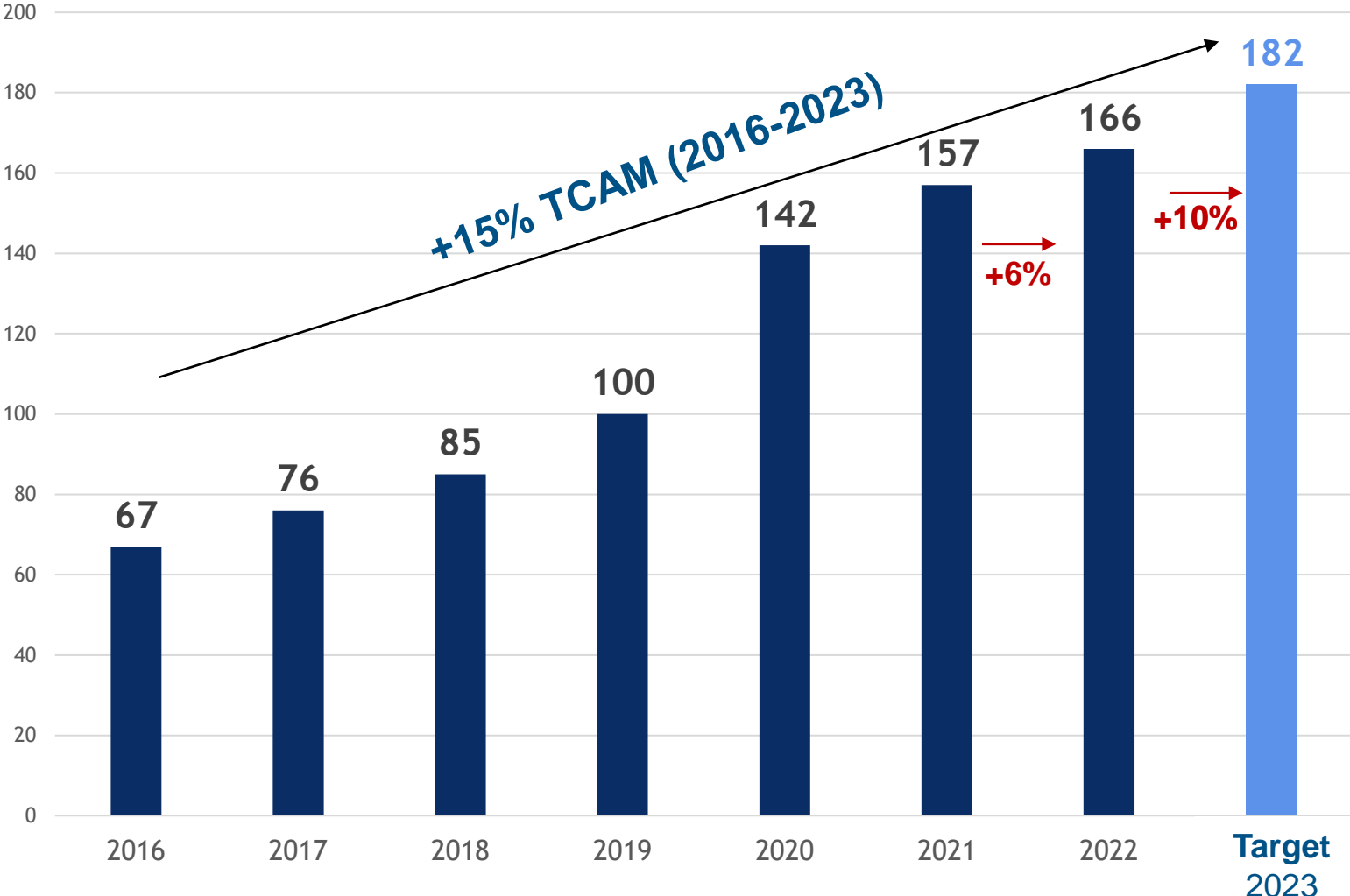


*EURIAL – Niort (79) - 21 000 sq.m*

# ARGAN

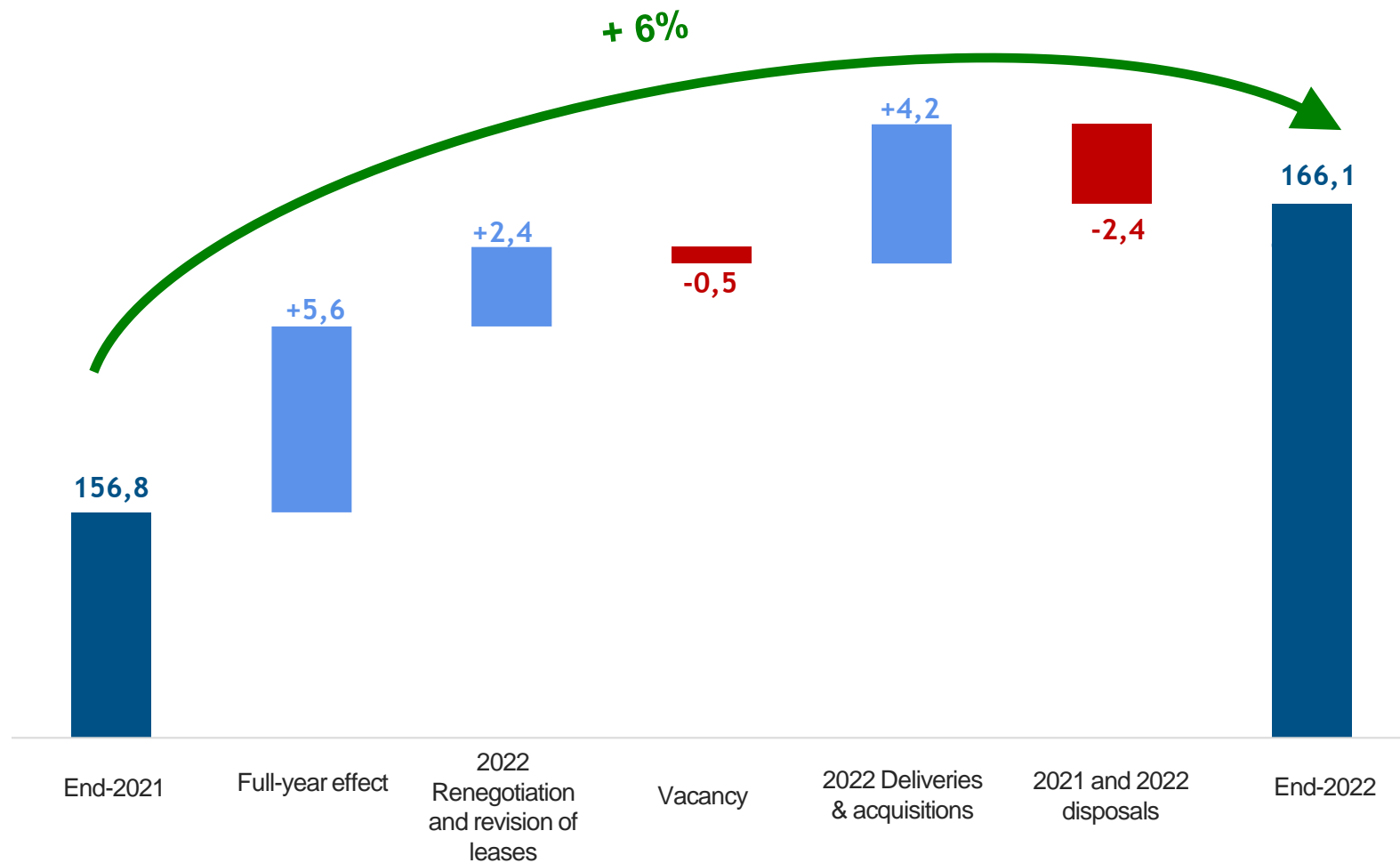
2022 results

# Continued growth in rental revenues (in €m)






# Analysis of rental income 2022: 6%

Rental income (€m)



# 2022 Recurring net income : +7%

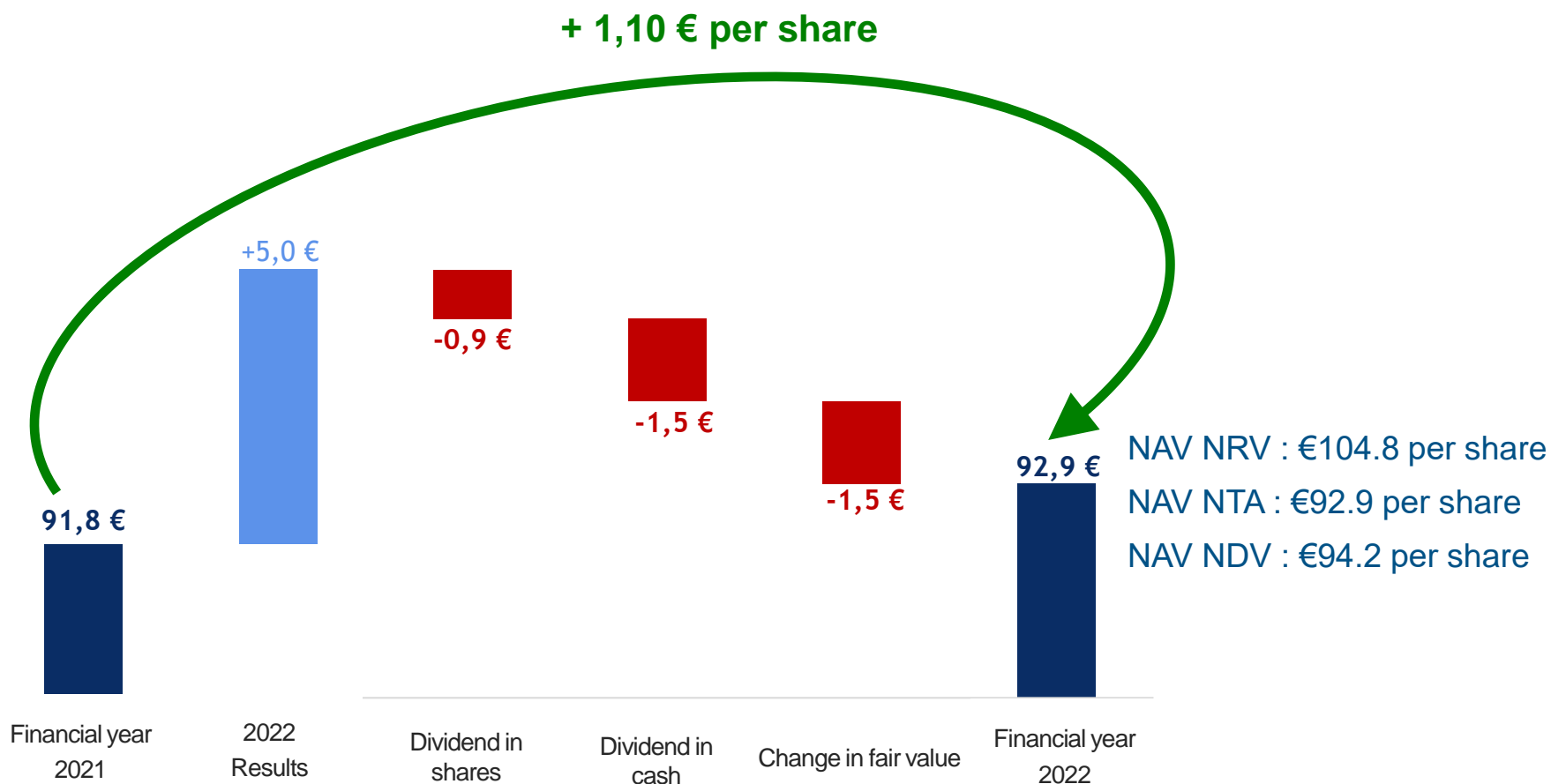
En M€	2021	2022	
Rental income	156.8	166.1	 +6 %
Current expenses	-12.8	-14.6	
Income from cash	0.2	0.6	
Interest on loans	-29.5	-28.4	
Borrowing costs	- 2.8	- 4.2	
<b>Recurring net income</b> (Net income excluding change in fair value of assets and debt hedging instruments, and excluding income from disposals)	<b>111.9</b>	<b>119.5</b>	 +7 %
<b>Recurring net income / Income</b>	<b>71 %</b>	<b>72 %</b>	
<b>Recurring net income per share (€)</b> On the basis of the weighted average number of shares for the financial year	<b>5.0 €</b> 22,495,656	<b>5.2 €</b> 22,827,845	 +5 %

# 2022 Consolidated income statement (IFRS)

En M€	2021	2022
Rental income (net of charges)	156,8	166,1
<b>EBITDA</b>	<b>147,1</b>	<b>150,5</b>
<i>EBITDA / Income</i>	<i>94%</i>	<i>91%</i>
Change in fair value	542,5	-33
Income from disposals	18,5	-0,2
Other operational expenses	-	-0,5
<b>EBITDA, after value adjustments (FV)</b>	<b>708,2</b>	<b>116,8</b>
Income from cash and equivalents	0,2	0,6
Interest on loans	-29,5	-28,4
Derivatives and borrowing costs	-6,1	-6,7
Early repayment	-	-6,5
<b>Income before tax</b>	<b>672,7</b>	<b>75,8</b>
Tax and other financial expenses	3,6	19,2
Share of income from equity-accounted companies	0	0
<b>Net income</b>	<b>676,3</b>	<b>94,9</b>
<b>Net income group share</b>	<b>668,1</b>	<b>95,1</b>
<b>Diluted earnings per share (€)</b>	<b>29,70</b>	<b>4,2</b>
On the basis of the weighted average number of shares for the financial year	22 495 656	22 827 845

# Increasing of NAV NTA 2022 per share

In €/share







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



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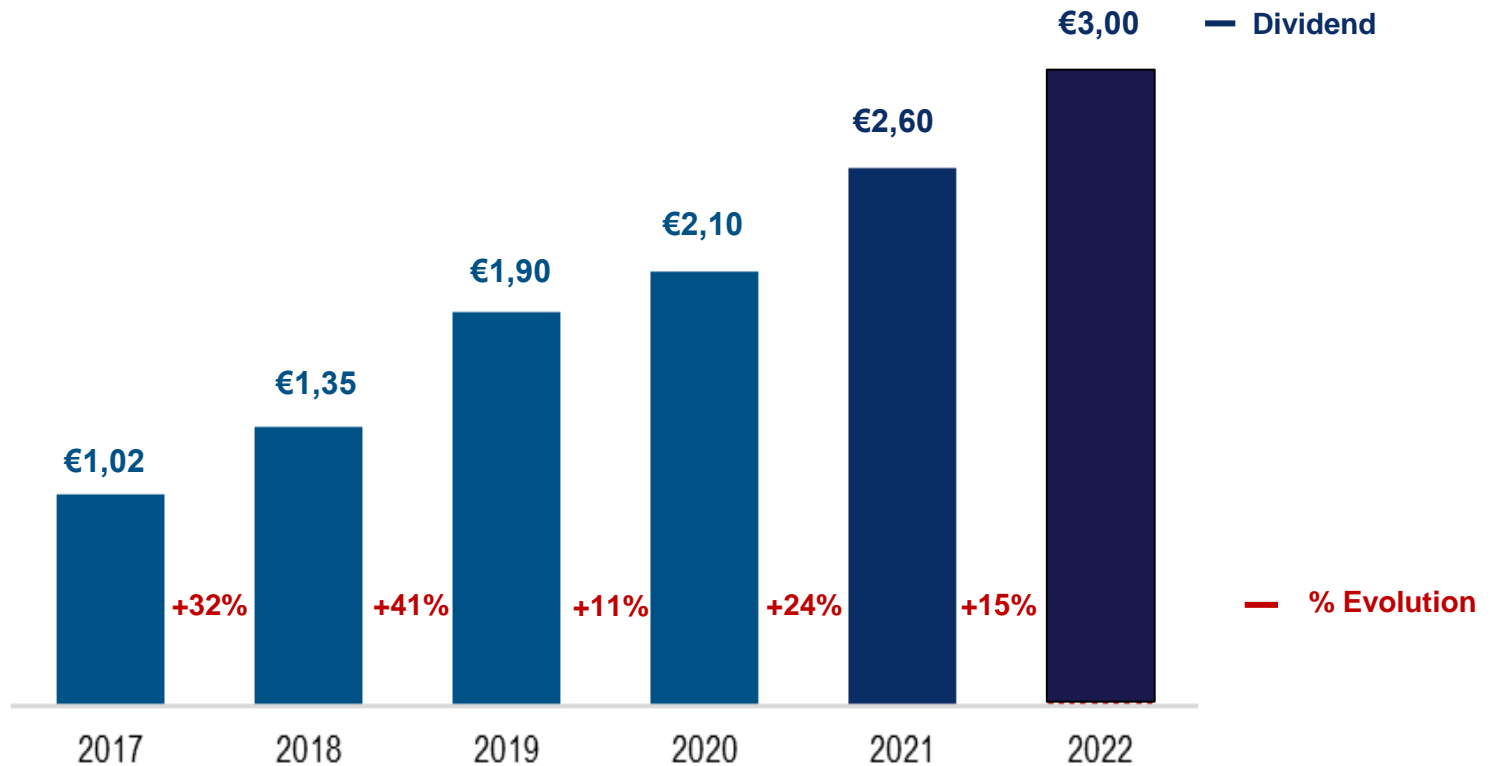
*EURIAL – Niort (79) - 21 000 sq.m*

# ARGAN

**Dividend & stock market**

# Dividend of €3.00 up 15%

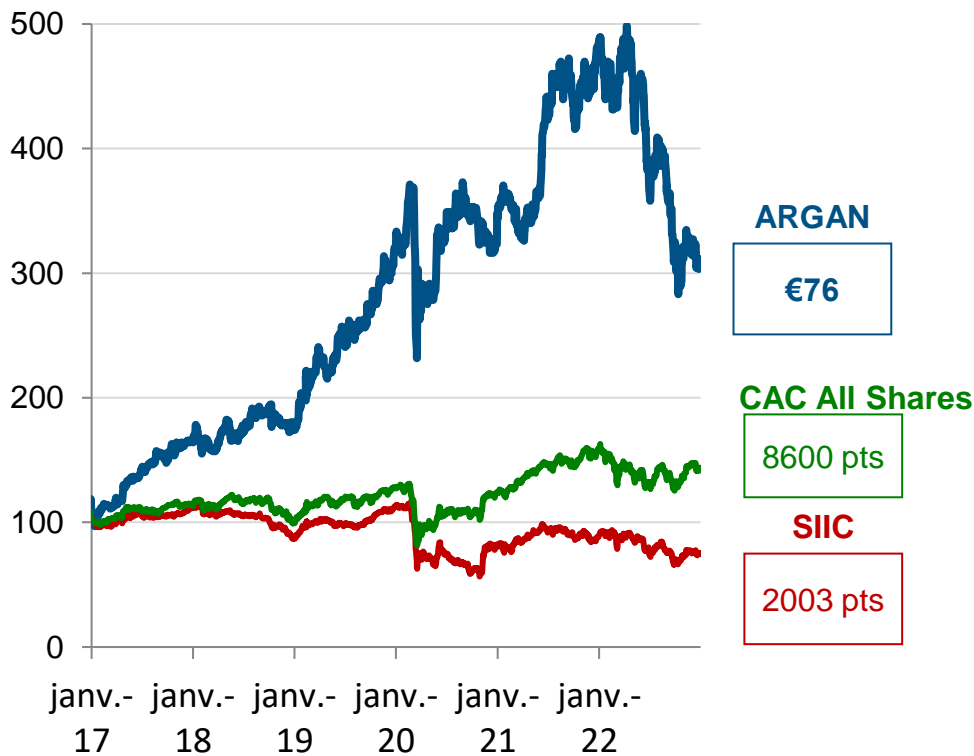
- A dividend of €3.00 per share will be proposed at the Annual General Meeting on March 23, 2023, representing :
  - A growth of +15%.
  - A yield of 4% on the average share price in December 2022 (€76.5/share)
  - A distribution rate of 58%.



Dividends posted (year N) are distributed the following year (year N+1)

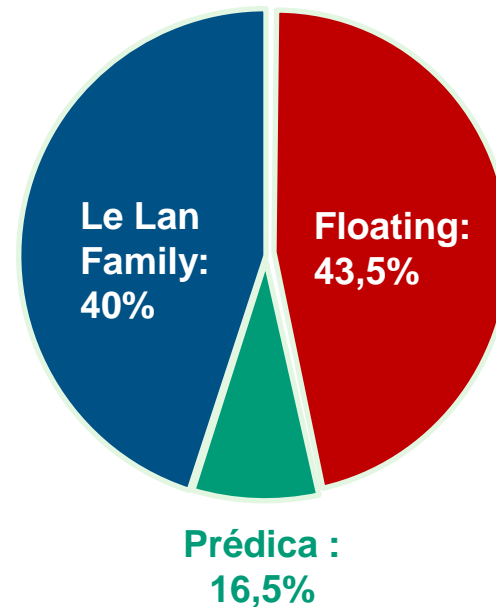
# Evolution of the share price

## Evolution of ARGAN's share price<sup>(1)</sup>



(1) Evolution du cours sur Base 100 au 01/01/2017

## Distribution of capital



### To remember

- ✓ Stable shareholder base with a long-term vision
- ✓ To be included in the EPRA index in 2023



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**Targets 2023**

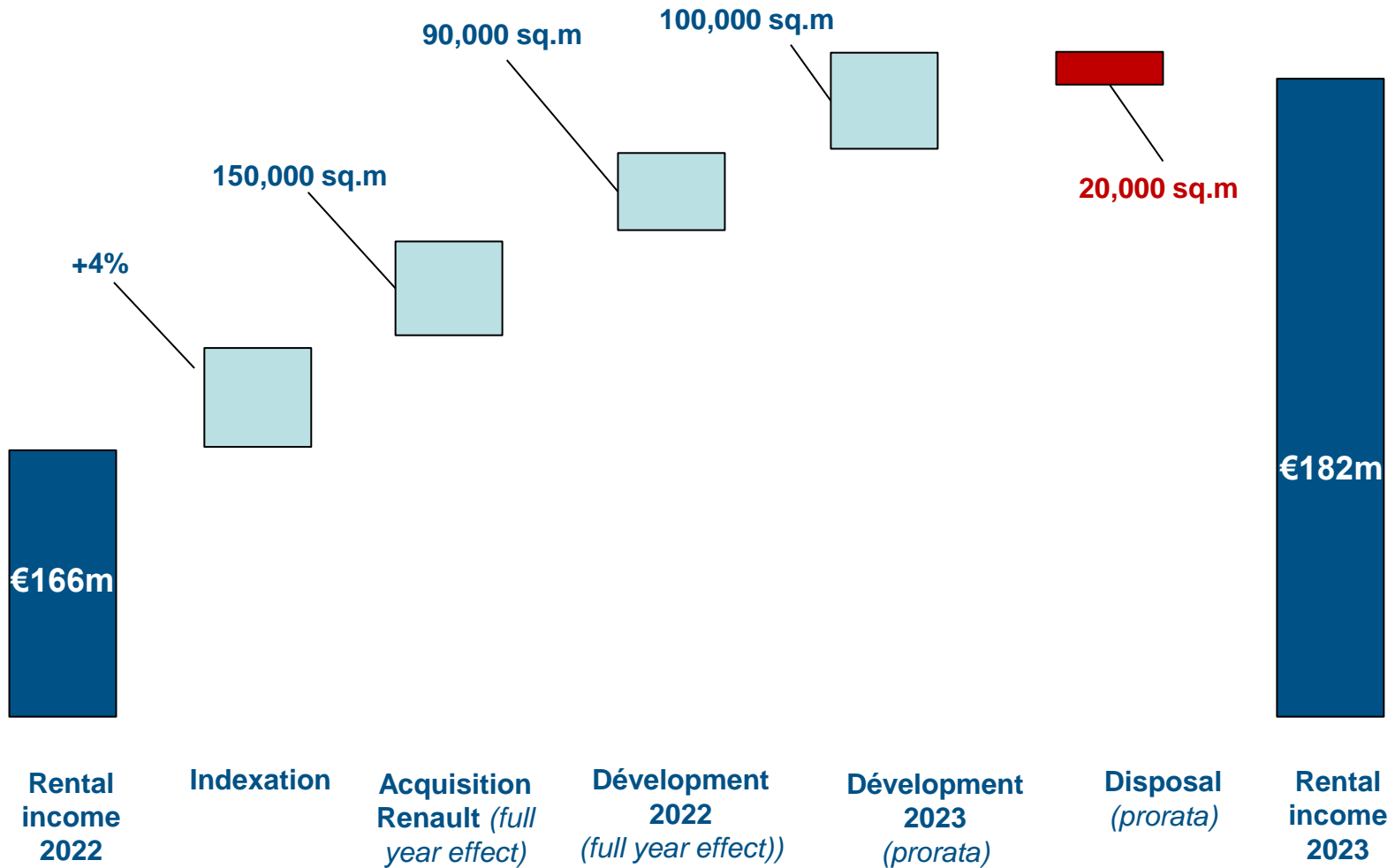
# Target 2023

Key figures	Target 2023	Changes Vs 2022
Rental Income	€182 m	↗ +10%
Recurring net income	€124 m	↗ +4%
<b>RNI / Rental income</b>	<b>68%</b>	
Dividend per share	more/equal to €3.0	

*Development 2023*

**€135m** representing  
100,000 sq.m

# Rental income of 2023 : +10% to €182m





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*EURIAL – Niort (79) - 21 000 sq.m*

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**Our new Strategic Plan**

# New economic cycle of 2022

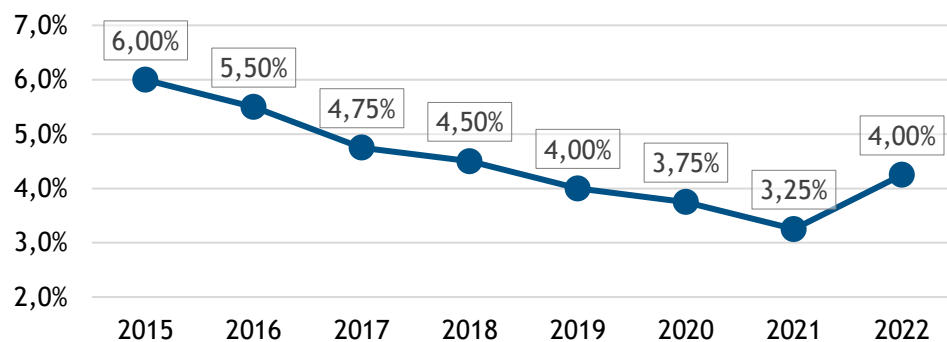
- A sharp increase in interest rates

### Swap rates evolution - 7 years



- A decompression of capitalization rates that has already begun

### Evolution of Prime Capitalization Rates in France



- Rising inflation and construction costs  
→ *Repercussion of the rents of the new developments*



# New financial strategy adapted to the new cycle

## 1 Strong deleveraging

*2030 time frames:*

→ *Net Debt/ EBITDA = 7x*

→ *LTV between 25% et 35%*  
*At a cap rate between 4,5% to 6%*

**No more new debt**

**Developments will be financed by the sale of the oldest warehouses**

→ *Rejuvenation of the stock*

**Repayment of amortizable loans is €100 m/year**

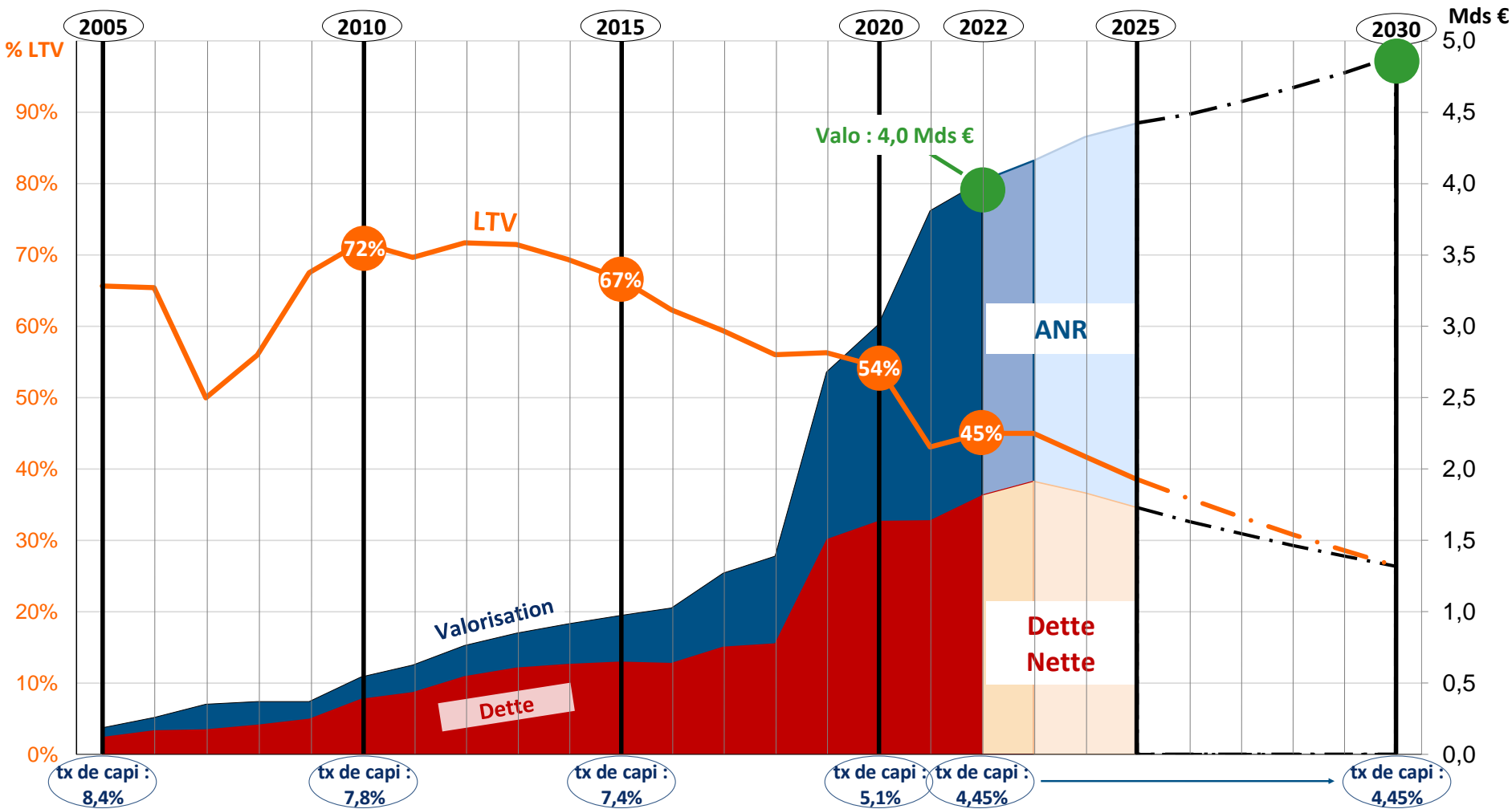
→ *Strong increase in NAV and decrease in LTV*

## 2 10% growth in 2023 and moderate thereafter

**Organic growth through** indexation and reversion on lease renewals

**Development of assets** with a higher rental yield than those sold

# Illustration of the 2023-2030 strategic plan



## Carbon neutrality in 2030

*(for lighting and heating)*

1

AUTONOM<sup>®</sup>

**Our new developments are made with**  
AUTONOM<sup>®</sup> the warehouse that produces its  
own green energy

*Already carbon neutral on lighting and heating*

**Significant improvement of the** asset base by  
selling old assets that will be replaced by new  
assets AUTONOM<sup>®</sup>

2

**Existing  
warehouses**

**Installation of electric** heat pumps on the  
entire fleet by 2030

*Banning gas*

# Regarding AUTONOM<sup>®</sup>

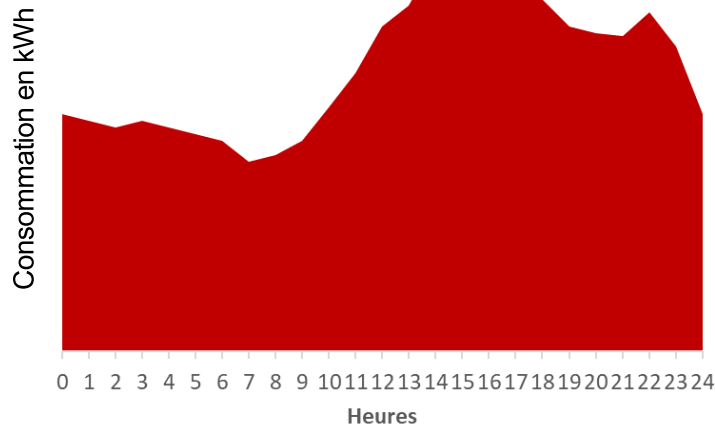
- AUTONOM<sup>®</sup> is now the warehouse that we build

AUTONOM<sup>®</sup> The warehouse, which produces its own green energy for self-consumption, is characterized by a roof equipped with a photovoltaic power plant supplemented with Lithium-Ion energy storage batteries

- By electric heat pumps for heating
- The gas heating is eliminated

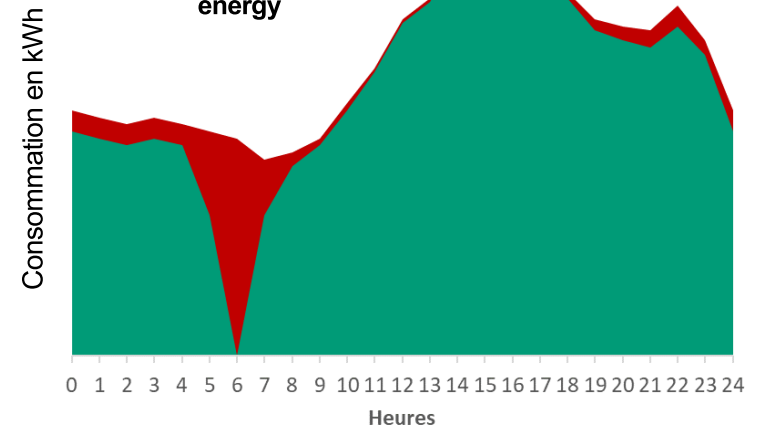
## Trad. warehouses

All electricity consumption comes from the grid



## AUTONOM<sup>®</sup>

Self-consumed green energy replaces grid energy



# Calendar of releases and meetings 2023-2024

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## ***Financial calendar 2023***

- ➔ *March 23: Annual General Meeting*
- ➔ *April 3: Q1 2023 Board of Directors Meeting*
- ➔ *July 3: Q2 2023 sales*
- ➔ *July 19: Half-yearly results 2023*
- ➔ *October 2: Third quarter 2023 sales*

## ***Financial calendar 2024***

- ➔ *January 3: 2023 annual sales*
- ➔ *January 18: Annual results 2023*
- ➔ *March 21: Annual General Meeting*