



Annual Results 2022



.....Toute l'équipe.....

 **ARGAN**

vous souhaite une année

2023

PLEINE D'ÉNERGIE

décarbonée



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CARREFOUR – Brie-Comte-Robert (77) – 21,000 m²



MONOPRIX – Fleury-Mérogis (91) – 65,000 m²




EURIAL – Niort (79) – 21,000 m²





Annual Results 2022

Key Results 2022

Portfolio	▪ Valuation (excl.duties):	€4Bn	 +5 % vs 2021
	▪ Cap Rate (excl. duties):	4.45 %	
	▪ Area:	3.5M m ²	Vs. 3.3M m ²
	▪ NAV NTA :	93 € per share	

Debt	▪ Confirmation by S&P of "BBB-" rating with stable outlook		
	▪ Net Debt:	€1.8Bn	Vs. €1.6B
	▪ Net LTV :	45 %	Vs. 43 %
	▪ Cost of Debt 2022 :	1.5 %	Vs. 1.5 %

Results	▪ Rental Income:	€166M	 6 %
	▪ Recurring Net Income:	€120M	 7 %



CARREFOUR – Brie-Comte-Robert (77) – 21,000 m²



MONOPRIX – Fleury-Mérogis (91) – 65,000 m²

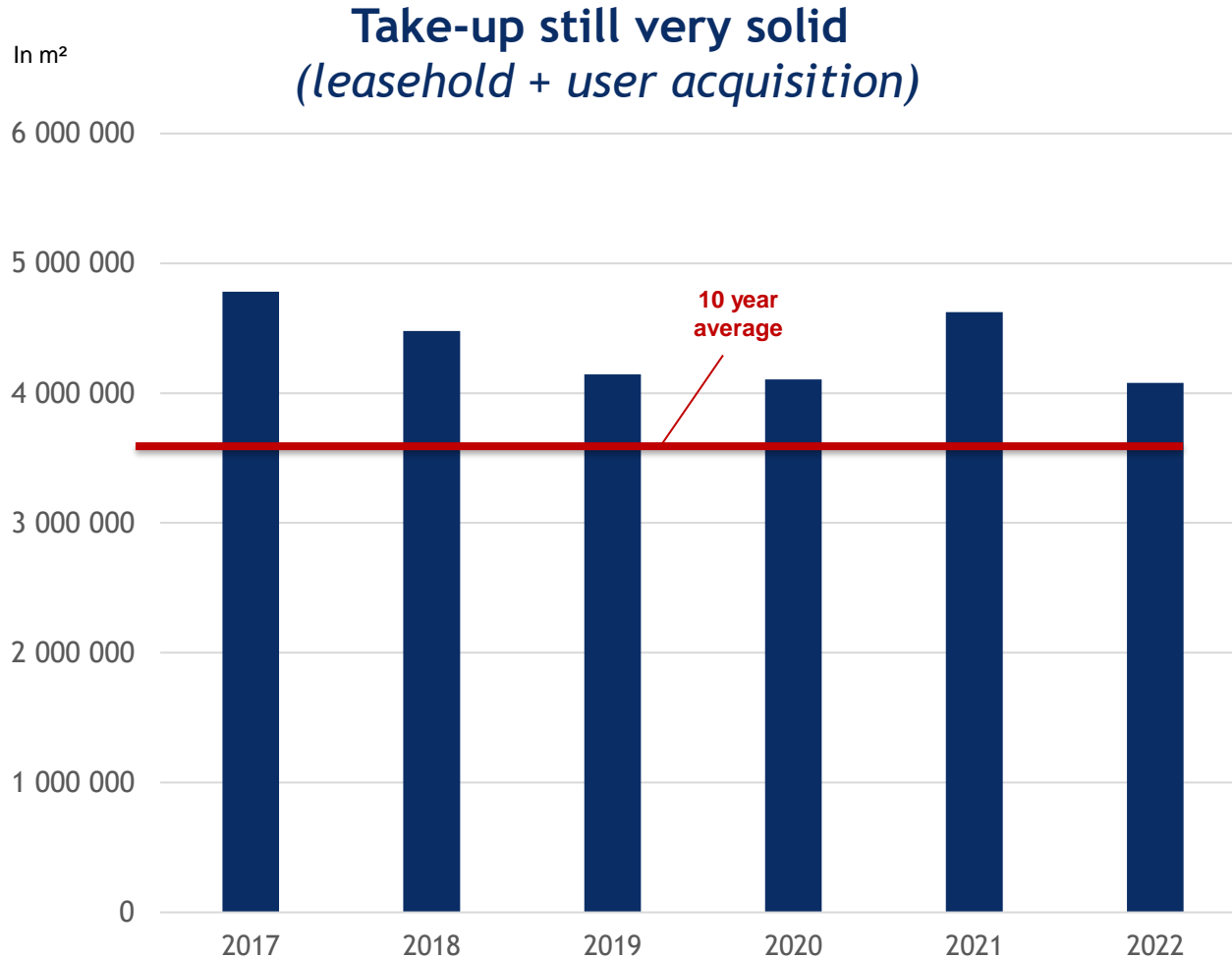


EURIAL – Niort (79) – 21,000 m²



The Logistics Real Estate Market

User Appetite for Warehouse Space Still Very High:

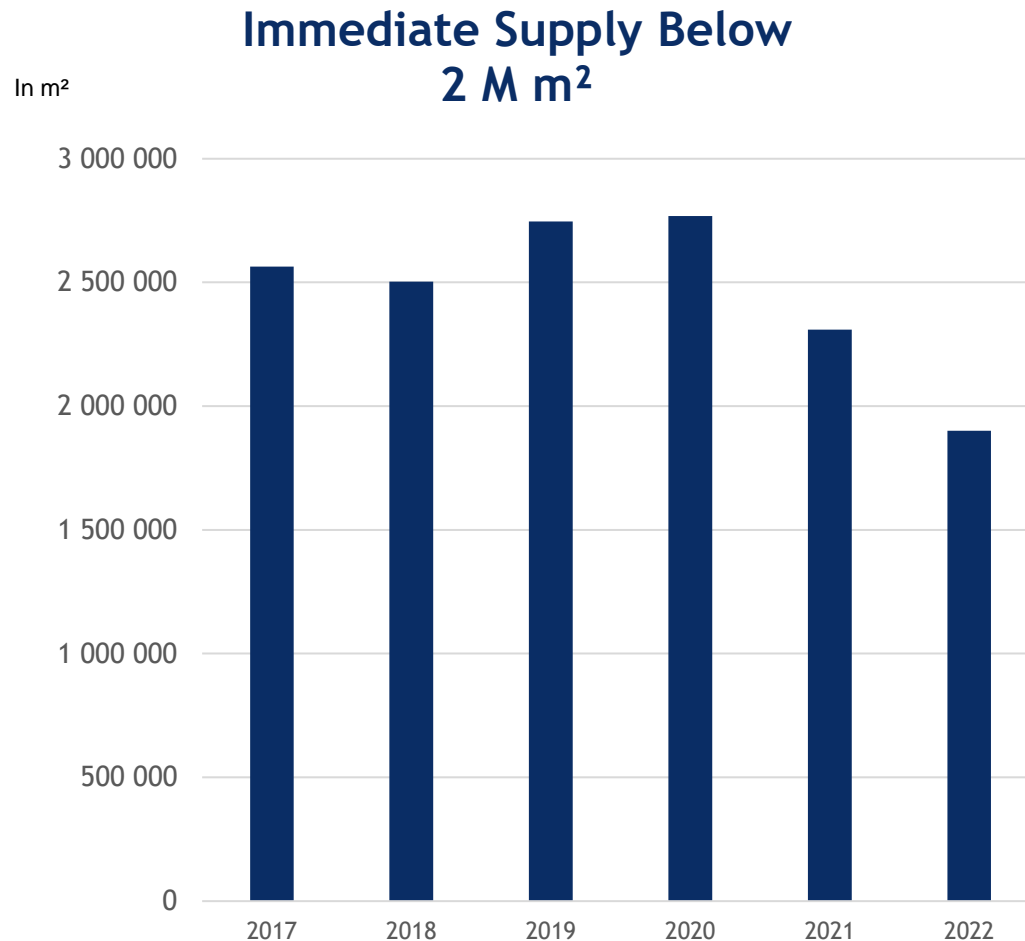


Sustained demand for logistics

- Take-up in 2022 of 4M m²
- **+10% vs 10 year average**

Source : CBRE

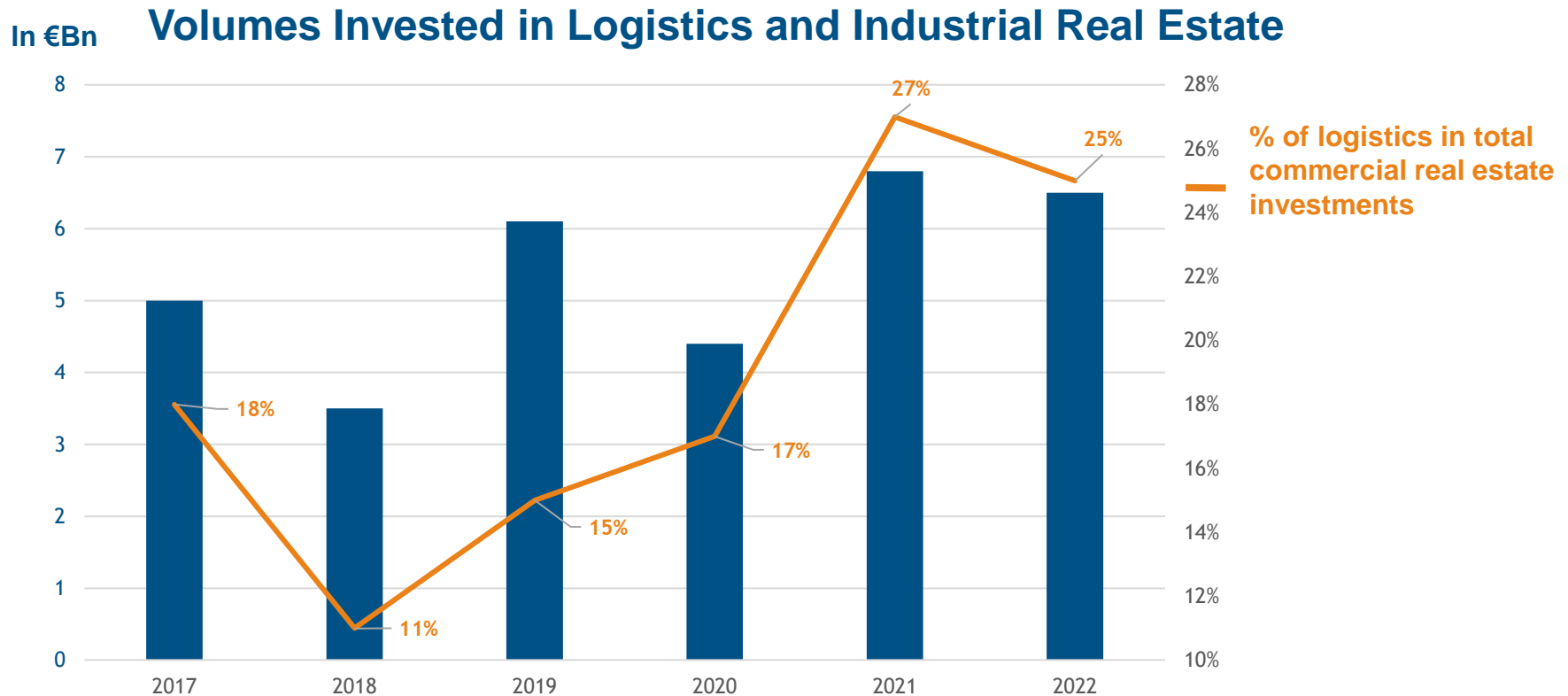
Very High Demand for Warehouses with a Very Low Rental Supply



**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:

- ✓ E-commerce development
- ✓ Development of last-mile urban logistics
- ✓ Reduction of carbon footprint
- ✓ Tightening of 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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EURIAL – Niort (79) – 21,000 m²

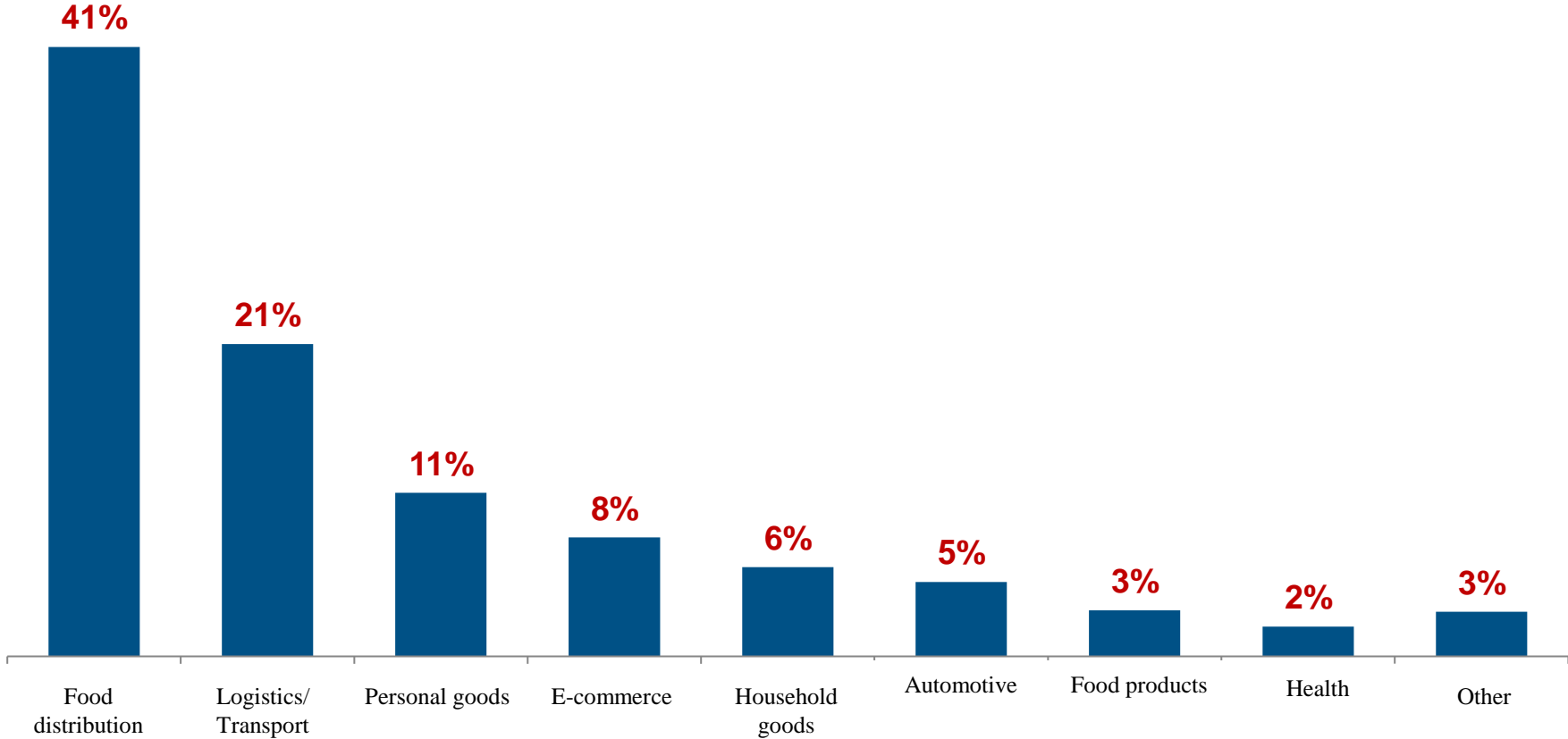


**Loyal and Blue Chip
Clients/Tenants**

Leading Clients



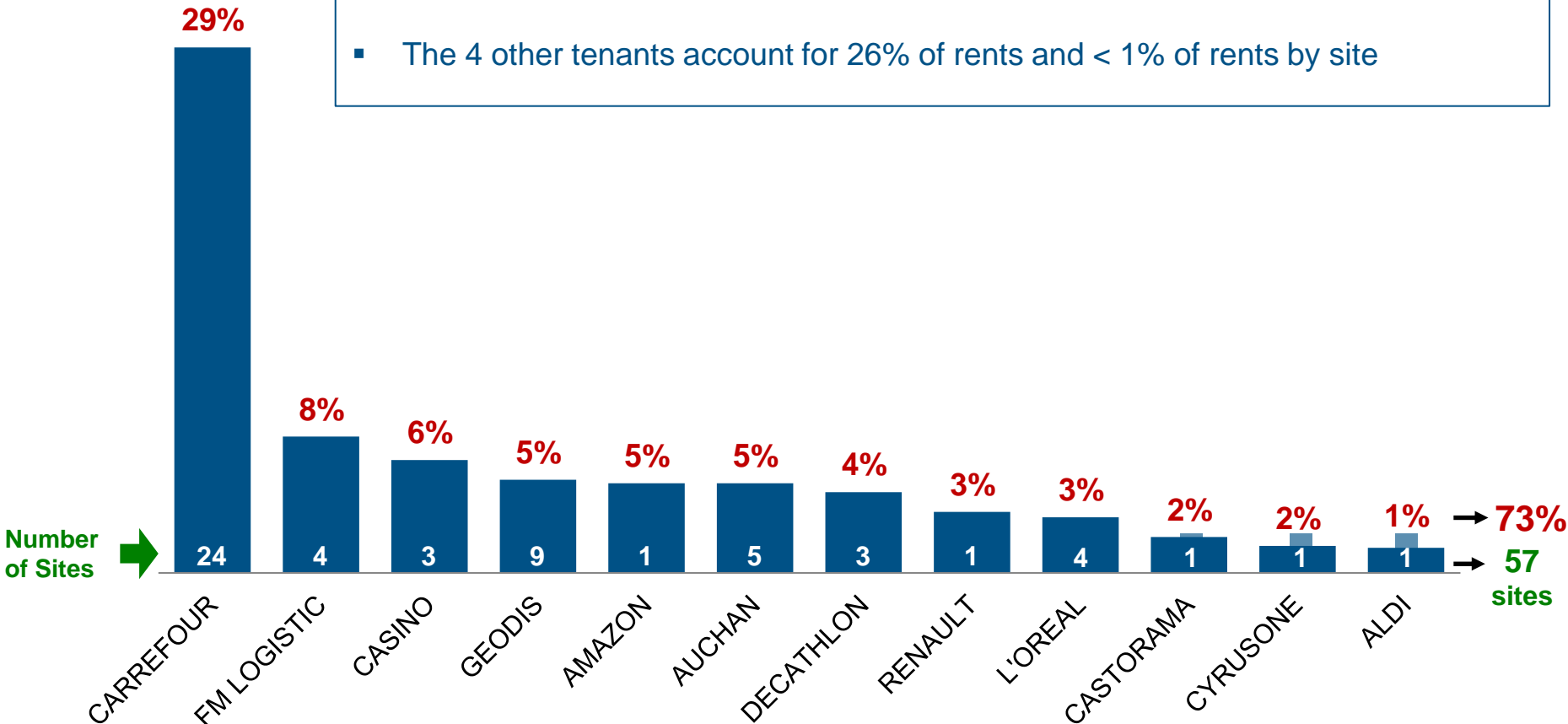
Distribution of Customers By Economic Sector:



NB : Distribution by % of rents

Breakdown of Rental Income by Tenant:

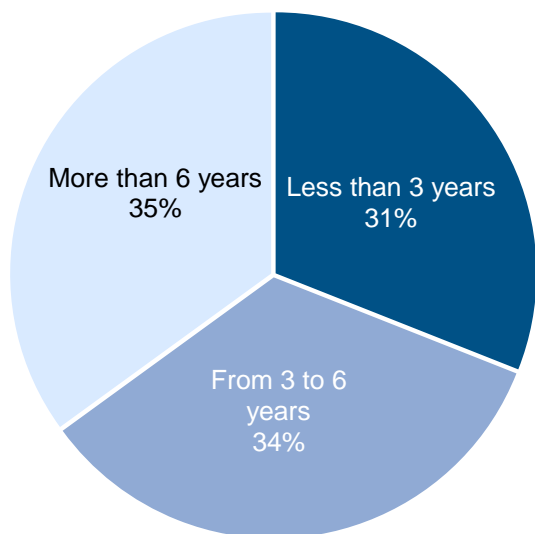
- Top 12 tenants account for 73% of rents, spread across 57 sites
- The 4 other tenants account for 26% of rents and < 1% of rents by site



Secured Rents:

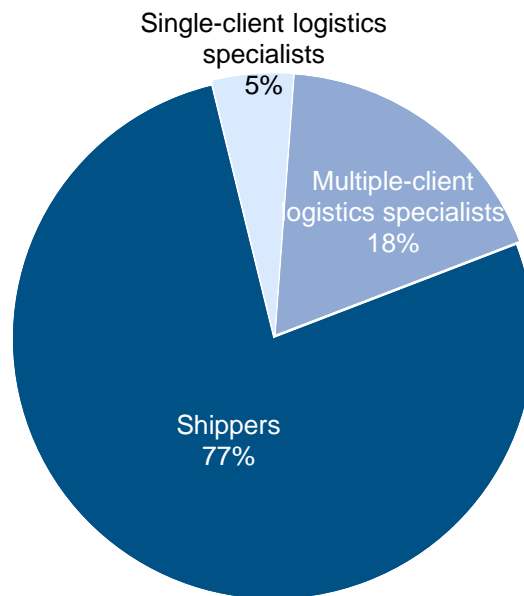
Breakdown of Leases by Fixed Term

(in % of annual rental income)



**Increase in the average
remaining fixed length :
5.5 years
(vs. 5.9 years in 2021)**

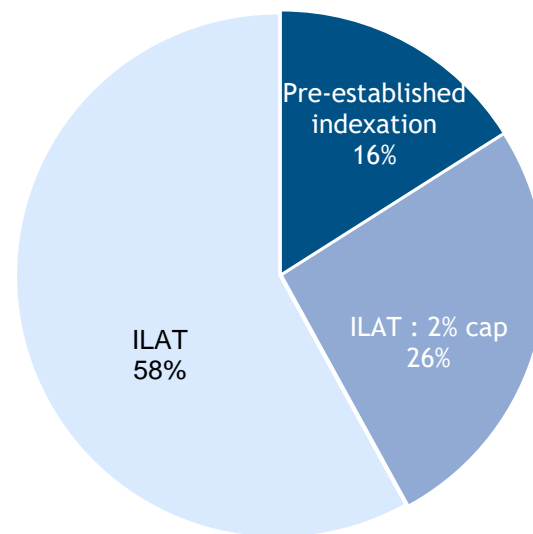
Types of Clients



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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EURIAL – Niort (79) – 21,000 m²

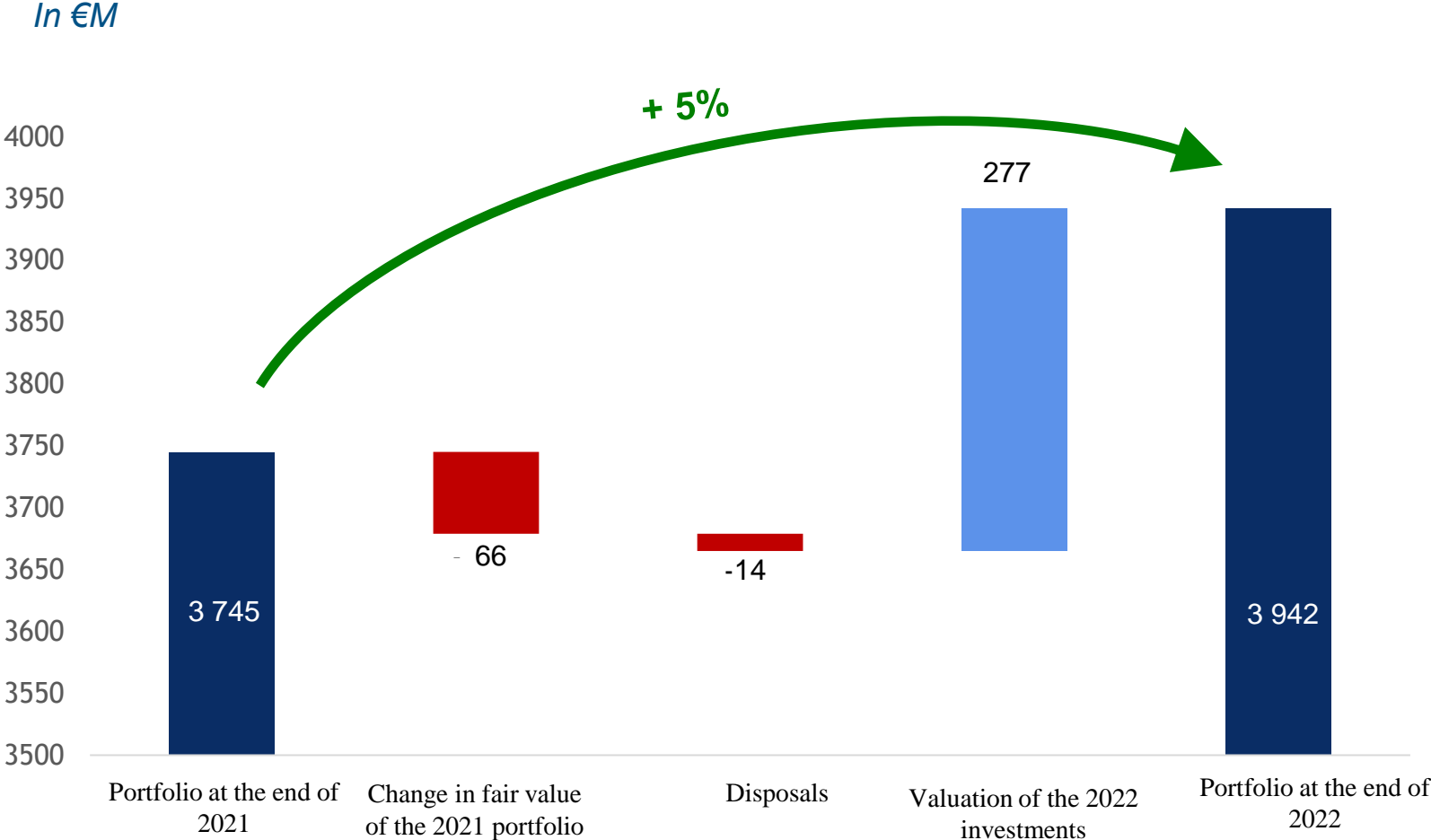
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**A PREMIUM Portfolio of
3.3M m²**

2022: Key Figures of the Portfolio

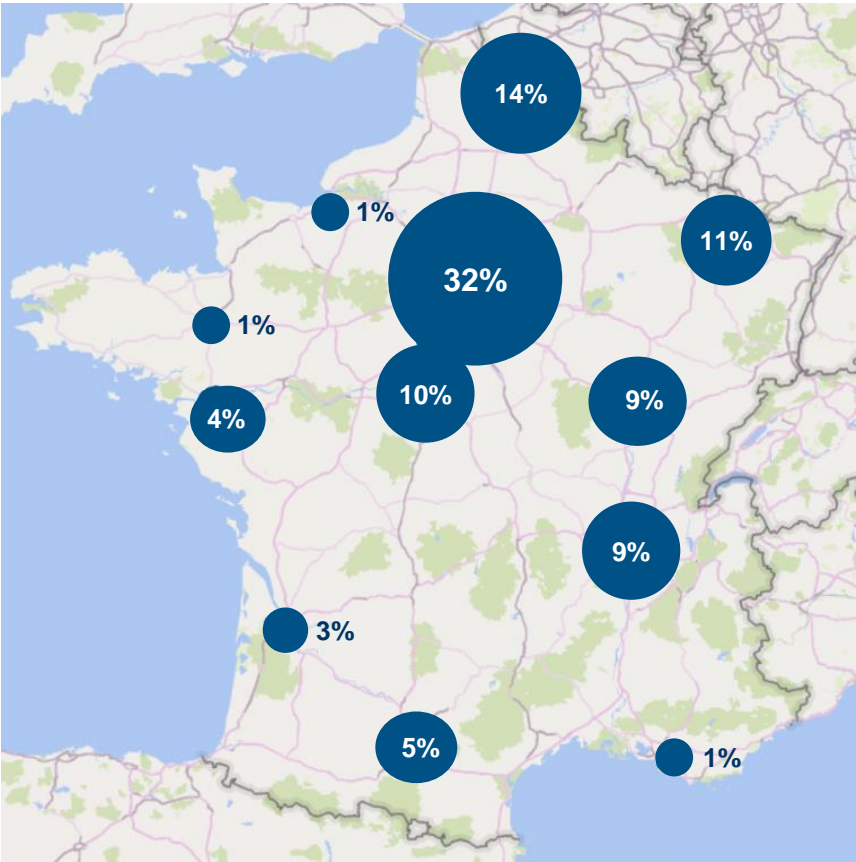
Valuation: <i>Excl. duties</i> :	▪ €4Bn (with a cap rate of 4.45%)
Built Areas:	▪ 3.5M m² (vs. 3.3M m ²)  6 %
Built Land:	▪ 920 ha
Spot Occupancy:	▪ 100% (vs. 99%)
Average Remaining Fixed Lease Term:	▪ 5.5 years
Average Age of The Warehouses:	▪ 10.4 years
Number of Warehouses:	▪ About a hundred
Certified Warehouses	▪ 50%
Number of Tenants:	▪ 60
Number of Employees:	▪ > 21 000 workers in our warehouses

Portfolio Valuation : €4 Bn +5%

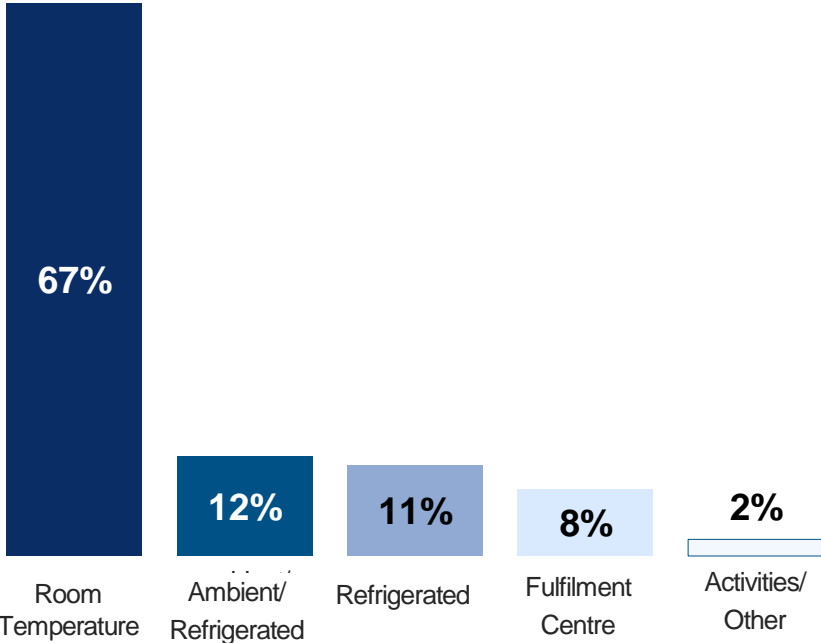


Distribution of the Logistics Hubs:

by Regions



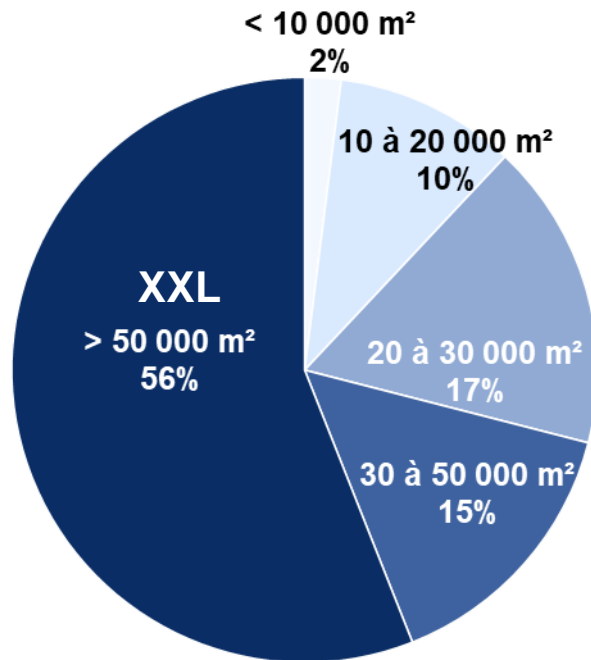
by Types



NB : Breakdown by % of Rents

Breakdown of Logistics Hubs:

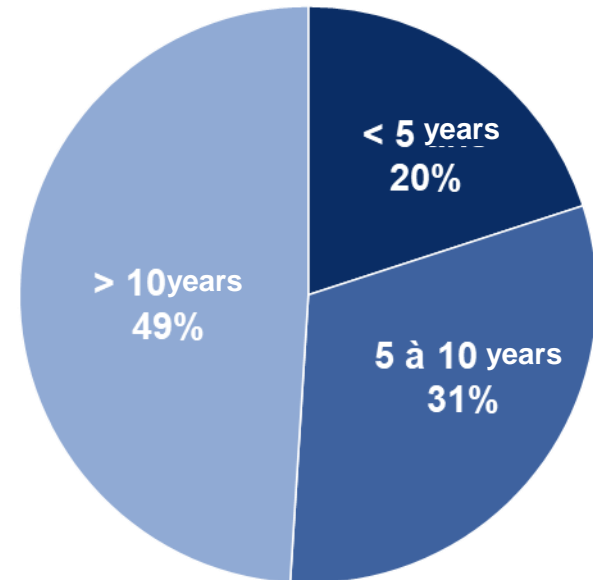
by Surface Area



Average size: 37 000 m²

The 26 XXL warehouses represent 58% of the surface areas

by Age



Average age: 10 years

Nearly €220M of Investments in 2022

Sites

Key Data

Location



- Tenant: Renault
- City: Sens (89)
- Area: 153,000 m²
- Fixed term: 12 years



- Tenant: Sanofi / DHL
- City: Serris (77)
- Area: 14,000 m²
- Fixed term : 3/10 years



- Tenant: Legallais
- City: Caen (14)
- Area: 18,000 m²
- Fixed term: 12 years



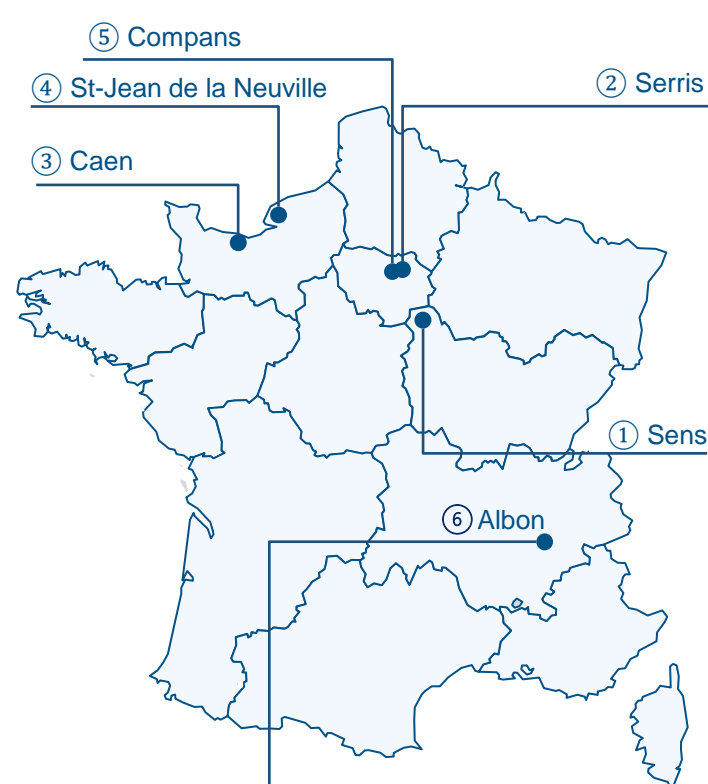
- Tenant: Didactic
- City: Saint Jean de la Neuville (76)
- Area: 14,000 m²
- Fixed term: 12 years



- Tenant: Colis Privé
- City: Compans (77)
- Area: 15,300 m²
- Fixed term: 12 years



- Tenant: Bert & Nutrition et Santé
- City: Albon (26)
- Area: 18,000 m²
- Fixed term: 6 & 9 years



Other investments: a 6,000 m² extension in Croissy, a 6,700 m² extension in Chanteloup, a 700 m² extension in Athis-Mons, rehabilitation in Rognac and rehabilitation in Lens

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



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EURIAL – Niort (79) – 21,000 m²

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Debt

Financial Discipline for the Coming Years:

1

Debt

■ Prioritise Debt Reduction

2

Financing

■ Mixed :

■ Amortisable Bank Debt (50%)

■ Bond (50%)

3

Liquidity

■ RCF \geq 1 Year of Annual Rental Income

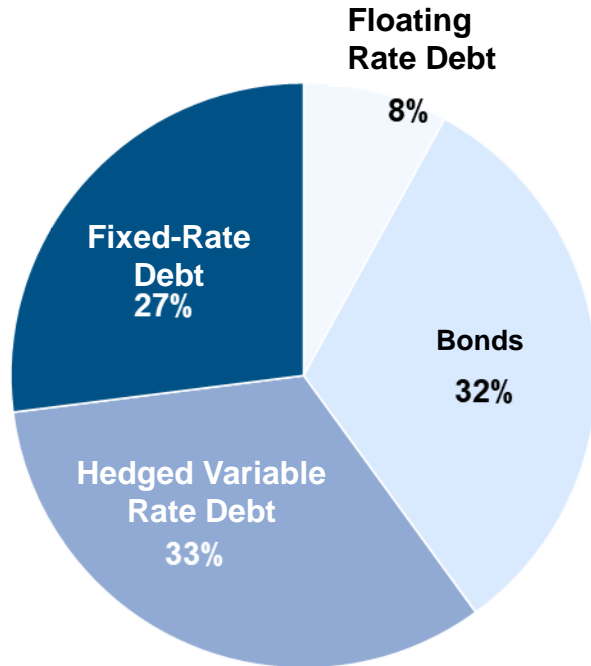
4

Rating

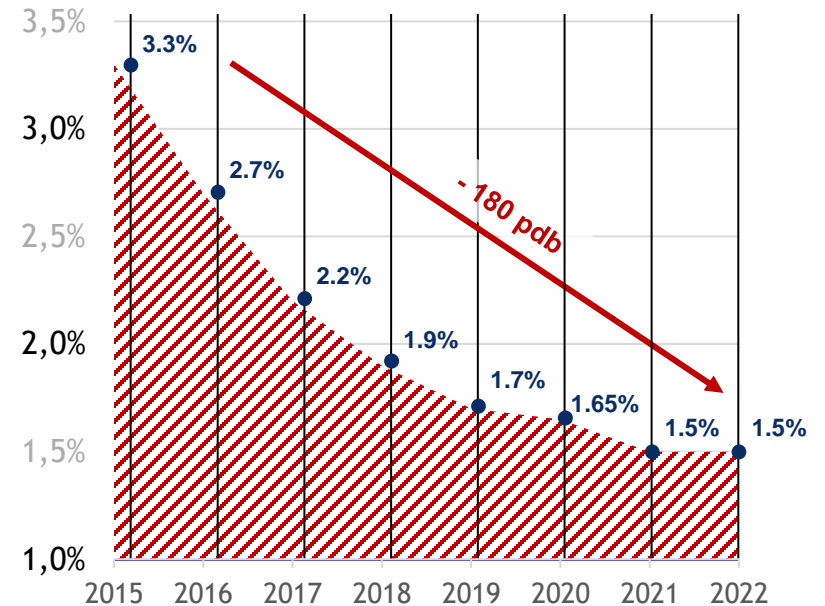
■ Confirmation by S&P of "BBB-" Rating with Stable Outlook

Cost of Debt = 1.5% in 2022

DEBT STRUCTURE AT THE END OF 2022



EVOLUTION OF THE COST OF DEBT

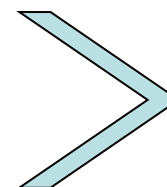


- **Average Cost of Debt in 2022 = 1.5 %**
- **Maturity of Debt = 6.0 years**
- **Net Debt / EBITDA Full Year = 11.6 x**
- **LTV EPRA : 45%.**

Controlled Cost of Debt and LTV Ratio:

Simulation of the Cost of Debt According to Euribor

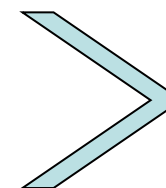
Euribor	2023	2024	2025	2026
2%	2%	2%	1.9%	2.5%
3%	2.2%	2.2%	2.2%	3.1%
4%	2.5%	2.5%	2.4%	3.6%
5%	2.8%	2.7%	2.7%	4.1%



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

Evolution of the LTV Ratio as a Function of Capitalisation Rates

Cap Rate	2023	2024	2025	2026
4.5%	45%	42%	39%	36%
5%	50%	47%	43%	40%
5.5%	55%	52%	48%	44%
6%	60%	56%	52%	48%



Far from the 65% LTV bond covenant



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MONOPRIX – Fleury-Mérogis (91) – 65,000 m²

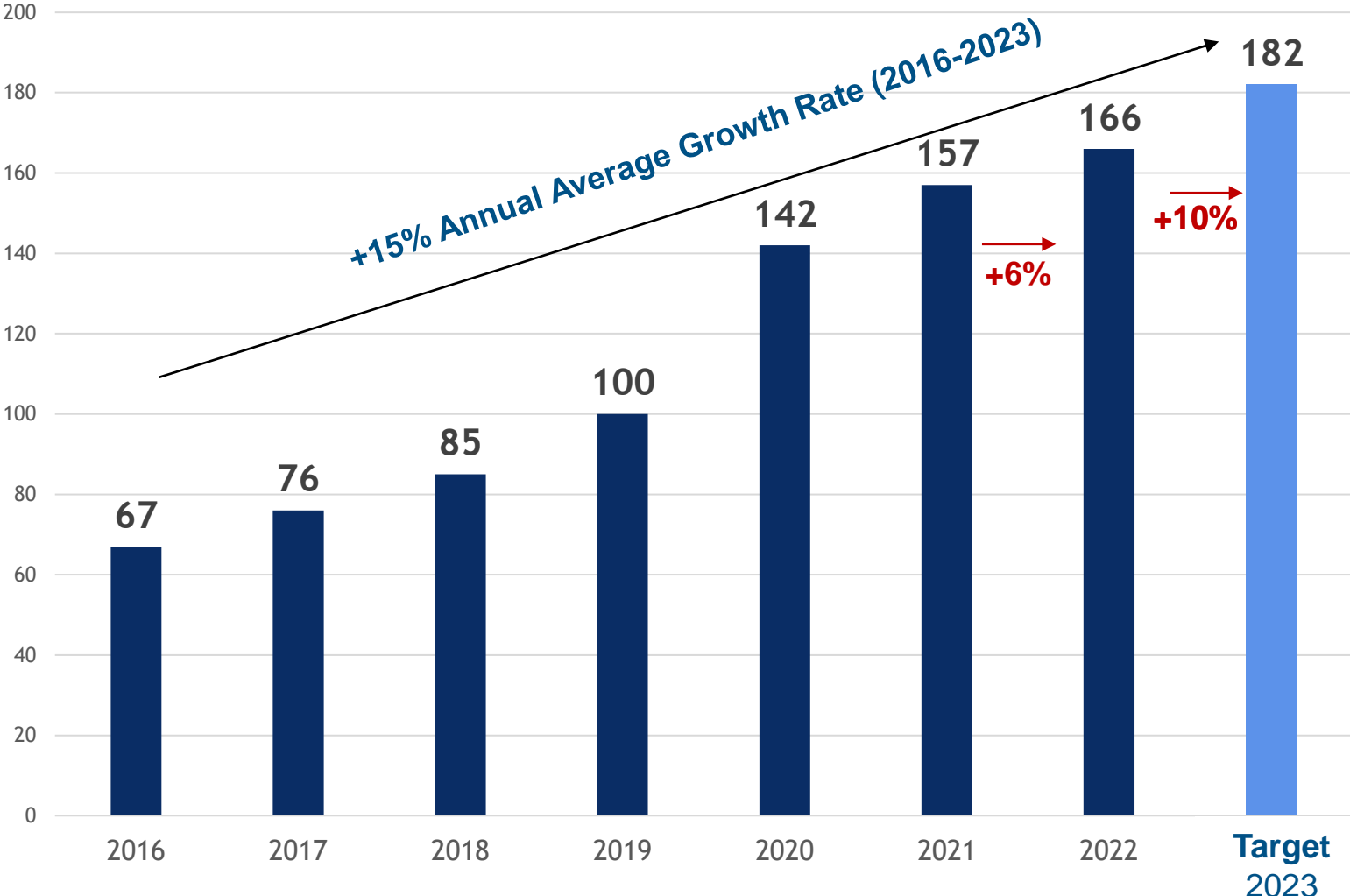


EURIAL – Niort (79) – 21,000 m²

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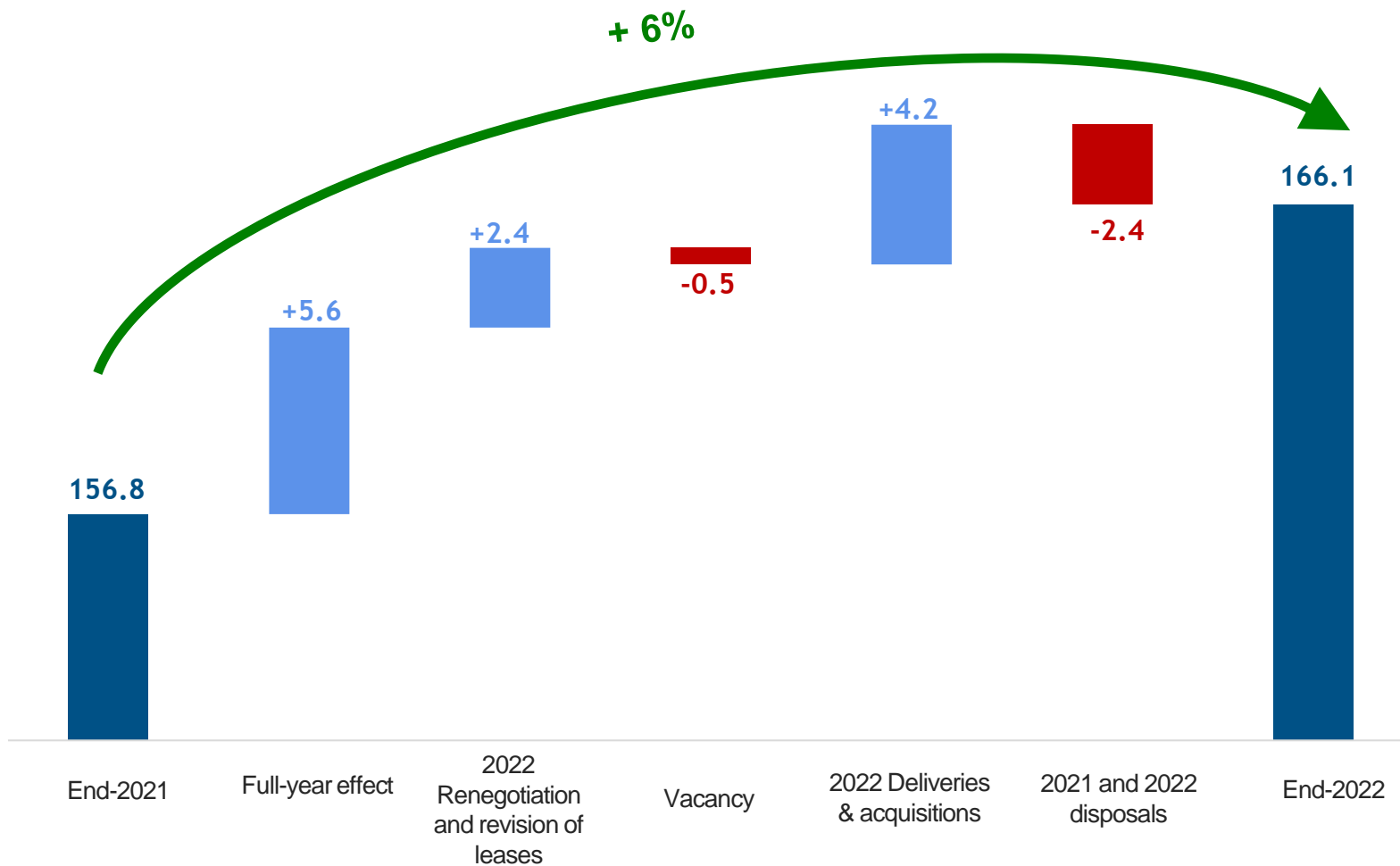
Results 2022

Continued Growth in Rental Incomes (in € M)






Analysis of Rental Income 2022: 6%

Rental Income (€ M)



Recurring Net Income 2022 : +7%

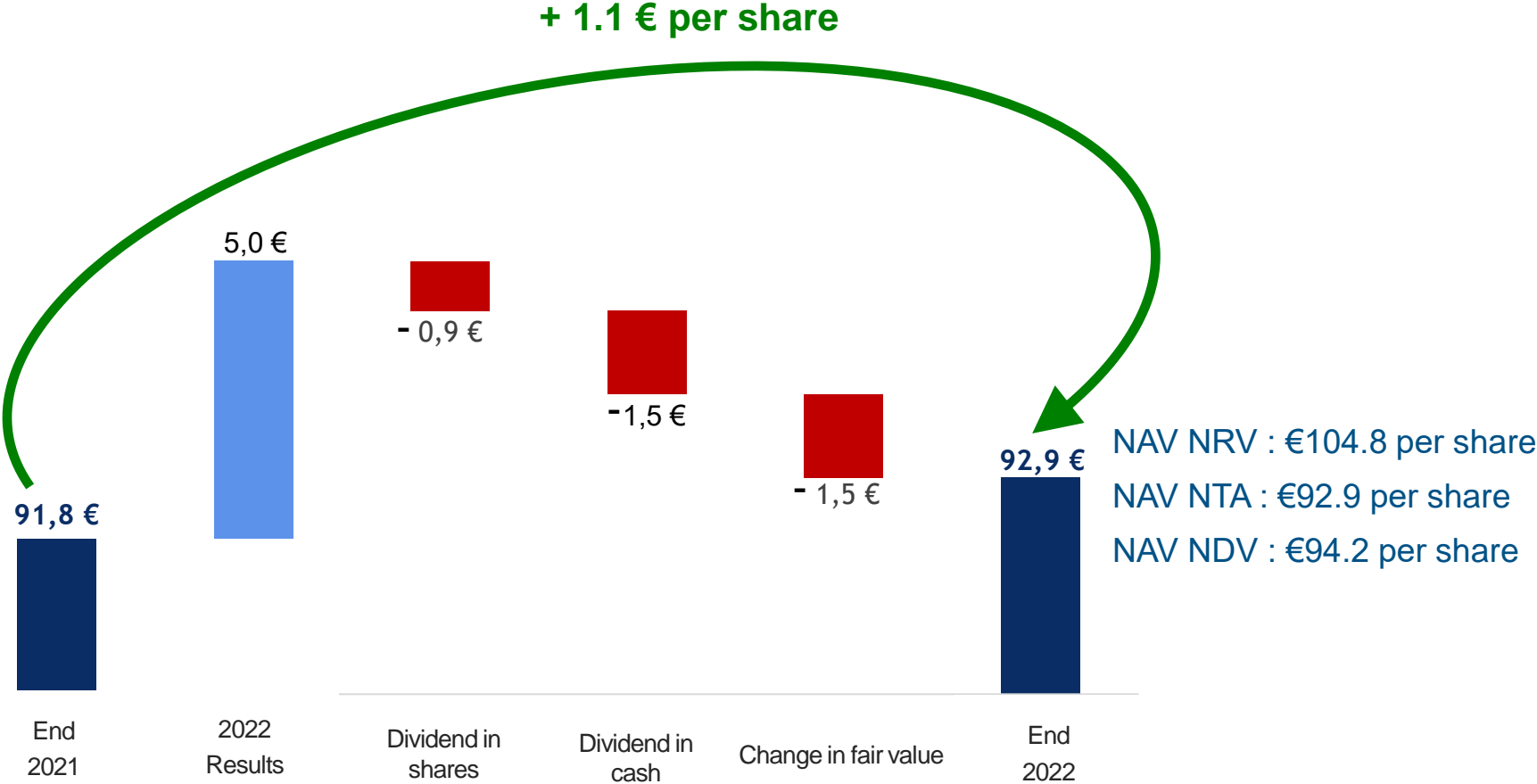
In € M	2021	2022	
Rental Income	156.8	166.1	 +6 %
Current expenses	-12.8	-14.6	
Income from cash	0.2	0.6	
Interest on loans	-29.5	-28.4	
Borrowing costs	- 2.8	- 4.2	
Recurring Net Income (Net income excluding change in fair value of assets and debt hedging instruments, and excluding income from disposals)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

Consolidated Income Statement 2022 (IFRS)

In € M	2021	2022
Rental Income	156.8	166.1
EBITDA	147.1	150.5
<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
EBITDA, after value adjustments (FV)	708.2	116.8
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
Income before tax	672.7	75.8
Tax and other financial expenses	3.6	19.2
Share of income from equity-accounted companies	0	0
Net Income	676.3	94.9
Net Income Group Share	668.1	95.1
Diluted Earnings per Share (€)	29.7	4.2
On the basis of the weighted average number of shares for the financial year	22,495,656	22,827,845

Increase in NAV NTA Per Share 2022

In €/share





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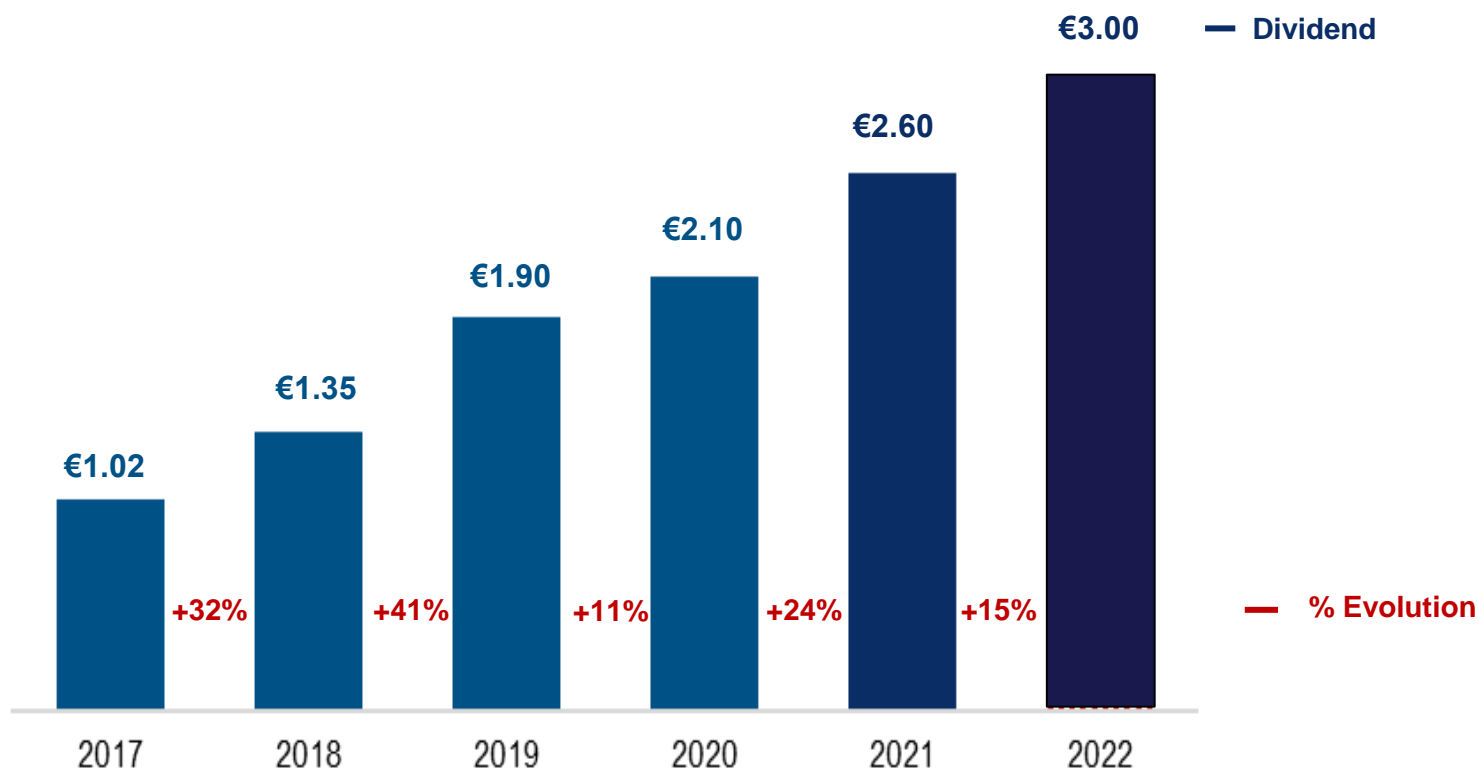
EURIAL – Niort (79) – 21,000 m²

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**Dividend & Stock
Market**

Dividend of €3 up 15%

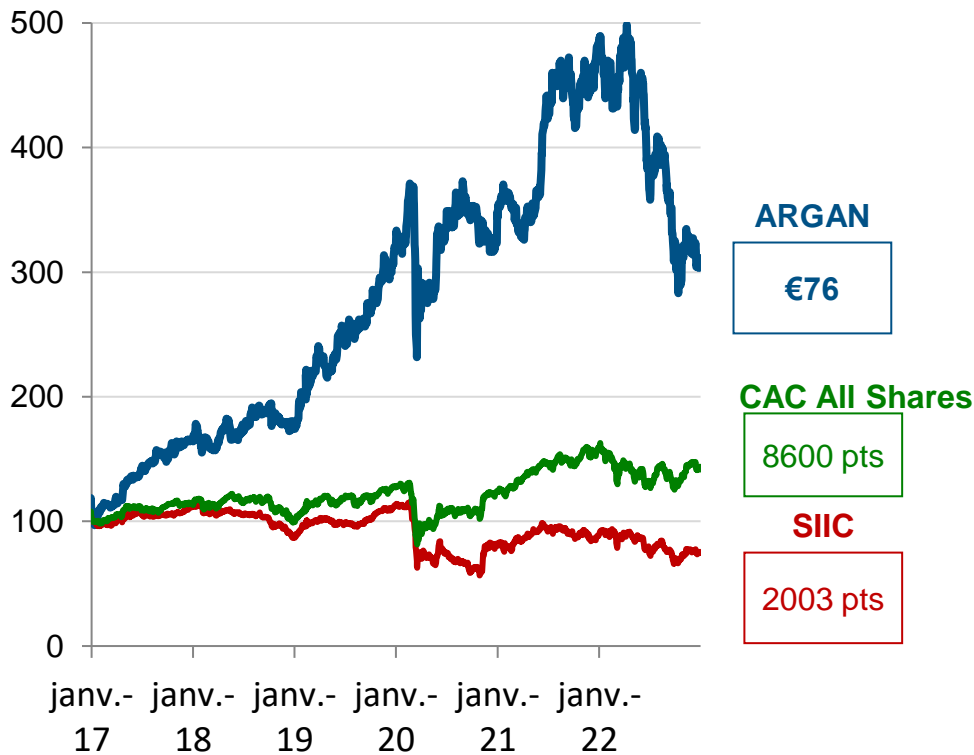
- A dividend of €3 per share will be proposed at the Annual General Meeting on March 23rd, 2023, representing :
 - A growth of +15%.
 - A yield of 4% on the average share price in December 2022 (€76.5/share)
 - A distribution rate of 58%.



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

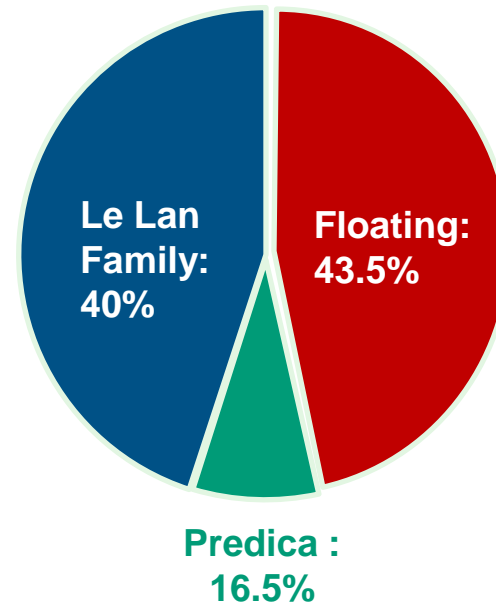
Evolution of the Share Price:

Evolution of ARGAN's Share Price⁽¹⁾



(1) Evolution of the share price at base index 100 in 2017

Distribution of Capital



To remember

- ✓ Stable shareholder base with a long-term vision
- ✓ Included in the EPRA index in March 2023



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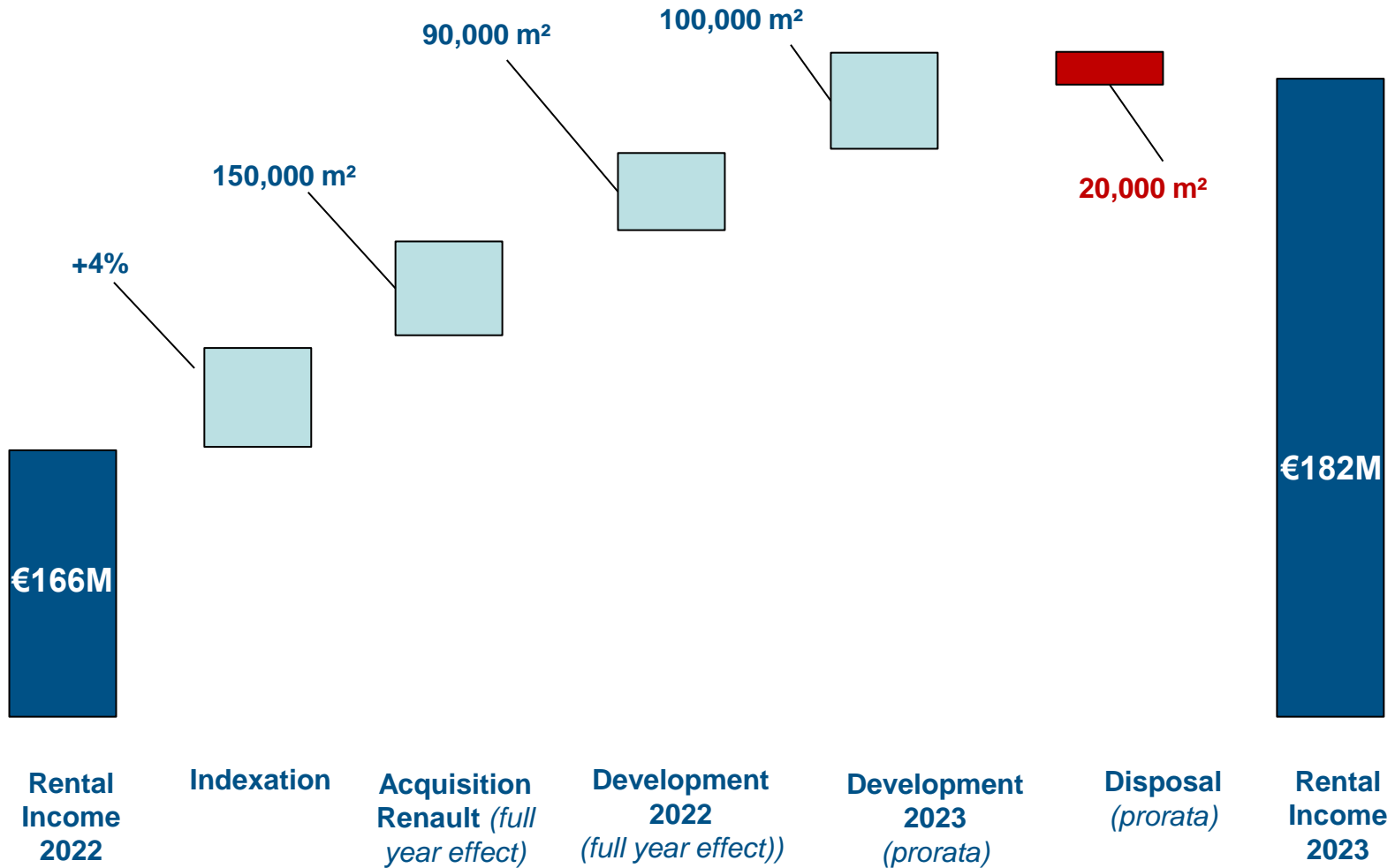
The logo for ARGAN, featuring a stylized blue icon of a classical building facade with columns on the left, followed by the word "ARGAN" in a large, bold, blue serif font. A horizontal line is positioned below the text.

Targets 2023

Target 2023

Key Figures	Target 2023	Changes Vs 2022
Rental Income	€182 M	↗ +10%
Recurring Net Income	€124 M	↗ +4%
RNI / Rental Income	68%	
Dividend per Share	more/equal to €3	
<i>Development 2023</i>	€135M representing 100,000 m ²	

Rental Income 2023 : +10% to €182M





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EURIAL – Niort (79) – 21,000 m²



Our New Strategic Plan

New Economic Cycle 2022:

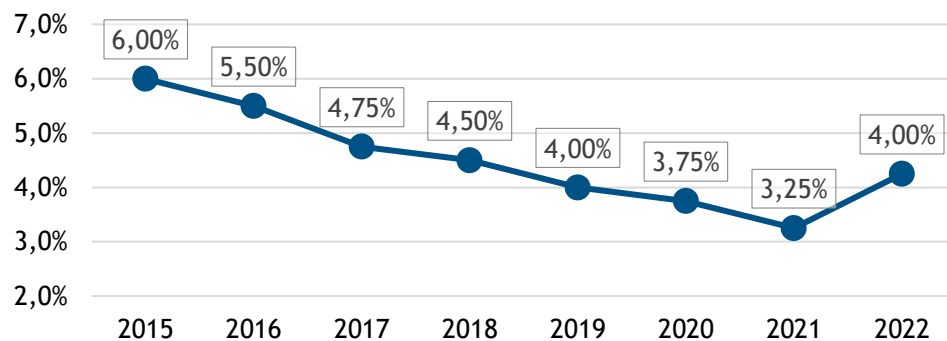
- A sharp increase in interest rates

Swap rates evolution - 7 years



- A decompression of capitalisation rates that has already begun

Evolution of Prime Capitalisation Rates in France



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

New Financial Strategy Adapted to the New Cycle:

1 Strong deleveraging

2030 time frames:

→ *Net Debt/ EBITDA = 7x*

→ *LTV between 25% and 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 portfolio*

Repayment of amortisable loans is €100 M/year

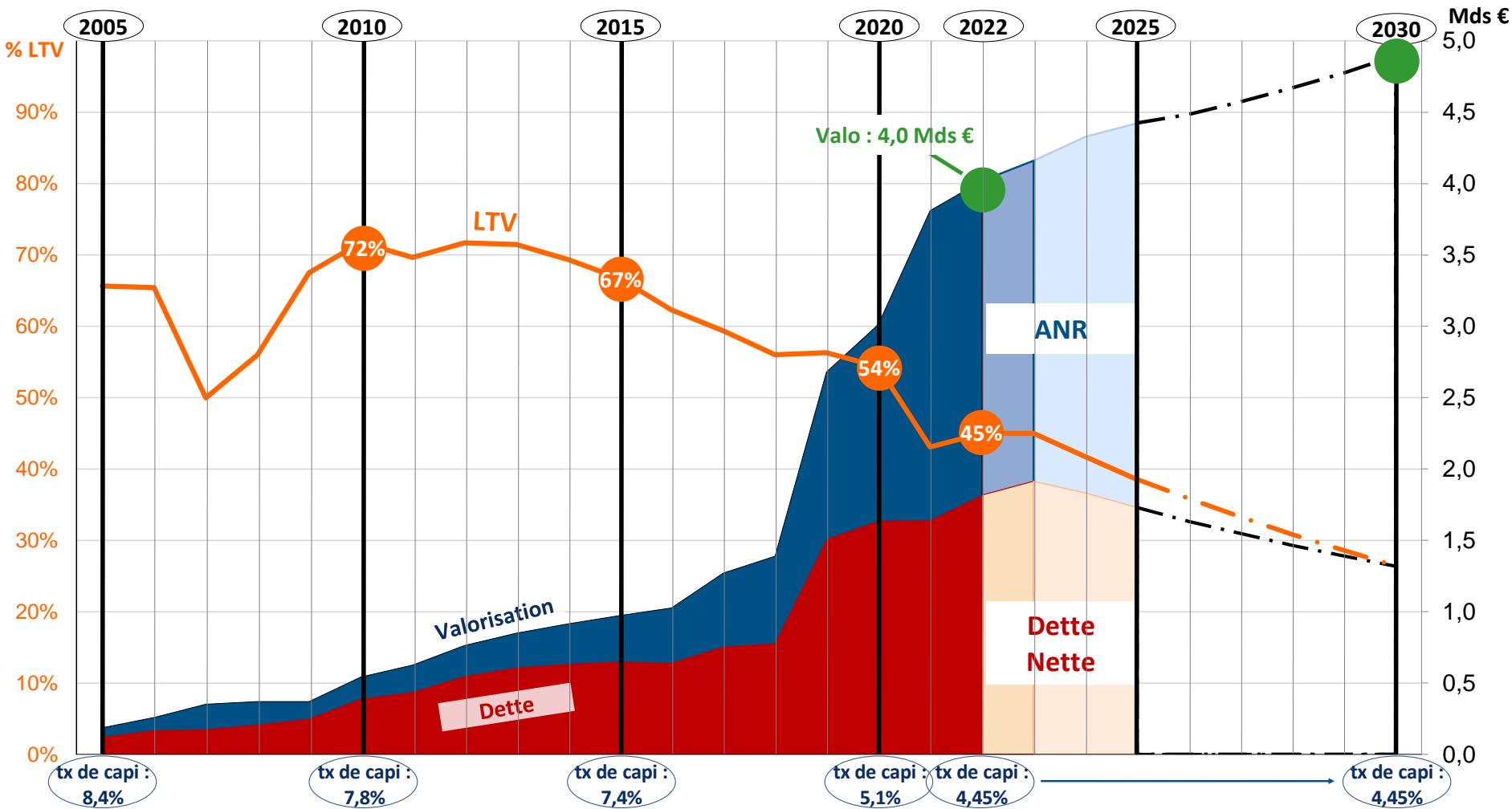
→ *Strong increase in NAV and decrease in LTV*

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



An Ambitious ESG Policy:

Carbon Neutrality in 2030

(for lighting and heating)

1 AUTONOM[®]

Our new developments are made with AUTONOM[®], 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[®]

2 Existing Warehouses

Installation of electric heat pumps in existing warehouses by 2030.

Ban gas

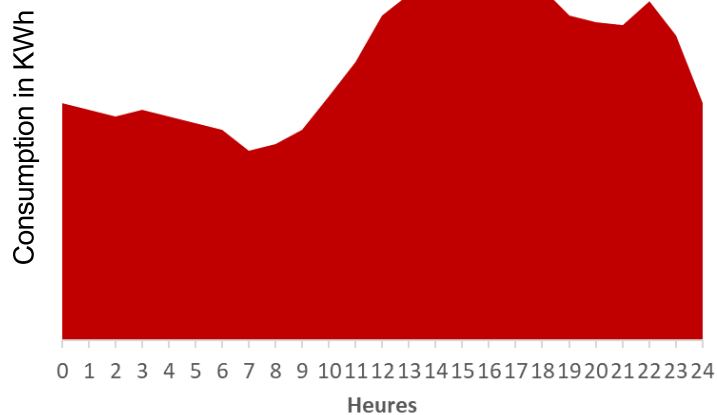
AUTONOM[®] is now the type of warehouse that we build!

AUTONOM[®] produces its own green energy for self-consumption and is characterised by :

- a roof equipped with a photovoltaic power plant, supplemented with Lithium-Ion energy storage batteries
- electric heat pumps for heating
- gas heating that is eliminated.

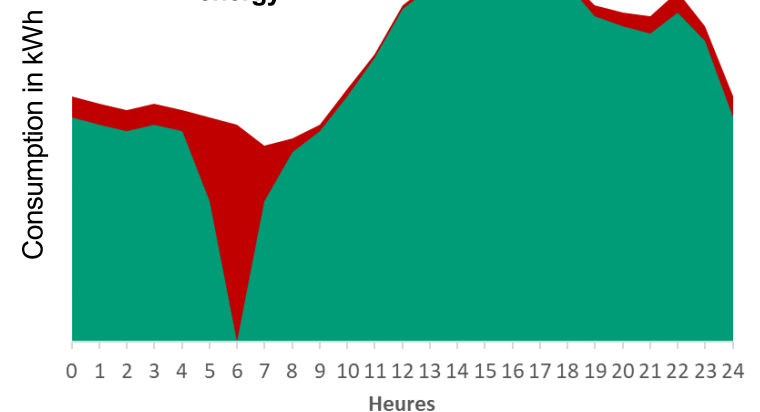
Traditional Warehouses

All electricity consumption comes from the grid



AUTONOM[®]

Self-consumed green energy replaces grid energy



Calendar of Releases and Meetings 2023-2024

Financial Calendar 2023

- ➔ *March 23rd : Annual General Meeting*
- ➔ *April 3rd: Q1 2023 Sales*
- ➔ *July 3rd: Q2 2023 Sales*
- ➔ *July 19th : Half-yearly Results 2023*
- ➔ *October 2nd : Q3 2023 Sales*

Financial Calendar 2024

- ➔ *January 3rd : 2023 Annual Sales*
- ➔ *January 18th : Annual Results 2023*
- ➔ *March 21st : Annual General Meeting*