

Annual Results 2023 presentation

Excellent financial performance
driving ambitious targets for 2024



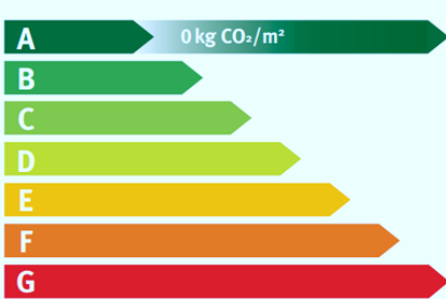
January 18, 2024

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NUTRITION & SANTE and BERT&YOU – Albon (26) – 31,000 sq.m



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BUT – Janneyrias (38) – 38,000 sq.m

Key 2023 results

2023 key figures



Portfolio

- Valuation (excl. duties): **€3.7 billion**
- Cap Rate (excl. duties): **5.1%**
- Area: **3.6 million sq.m**
- EPRA NAV NTA: **€79.1 per share**

Debt

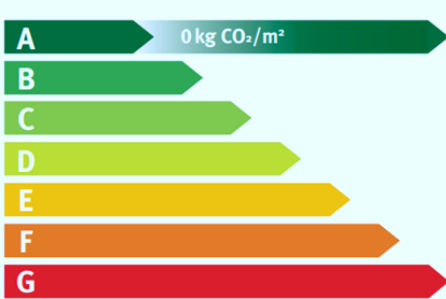
- Rating S&P: « **BBB-** »
- Net debt: **€1.9 billion** Vs. €1.8Bn at Dec. 31, '22
- Net LTV excl. duties: **49.7%** Vs. 45.1% at Dec. 31, '22
- Cost of Debt 2023: **2.30%** Vs. 1.50% at Dec. 31, '22

Results

- Rental Income: **€184 million**  11%
- Recurring Net Income – Group share: **€126 million**  5%



NUTRITION & SANTE and BERT&YOU – Albon (26) – 31,000 sq.m



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The Logistics Real Estate Market

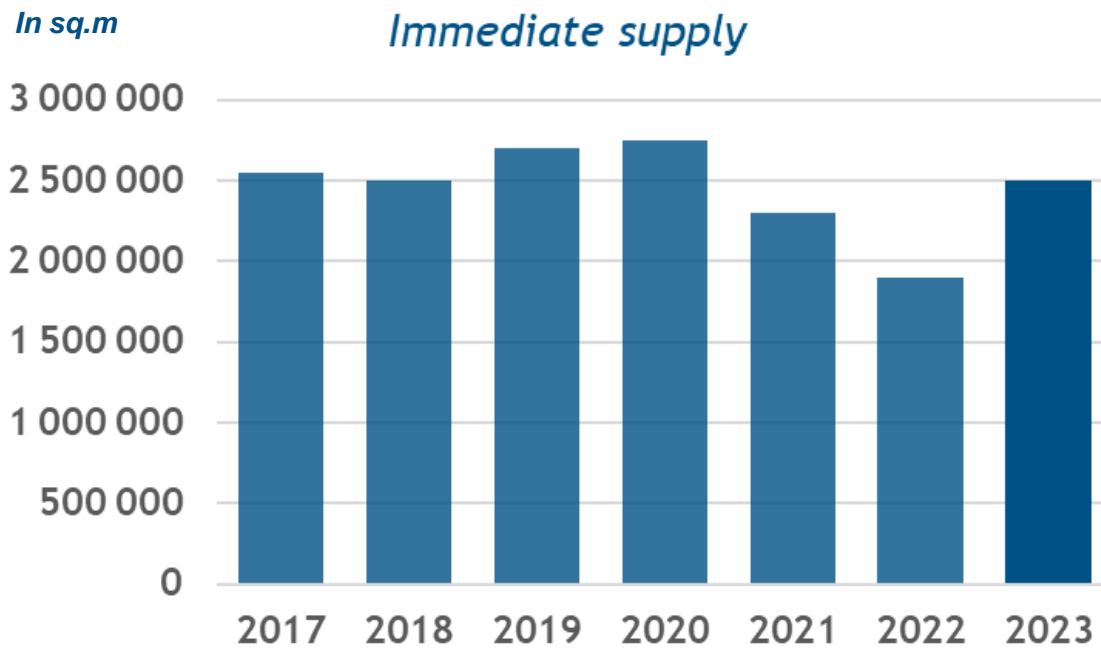
Slowdown in take-up after record years



- **Take-up retreated -24% in 2023**
- **Factors include:**
 - Fewer transactions for XXL warehouses (> 50,000 sq.m)**
 - &**
 - Less available land thus giving historical and trusted players an advantage**

Source: CBRE

A still low rental offering



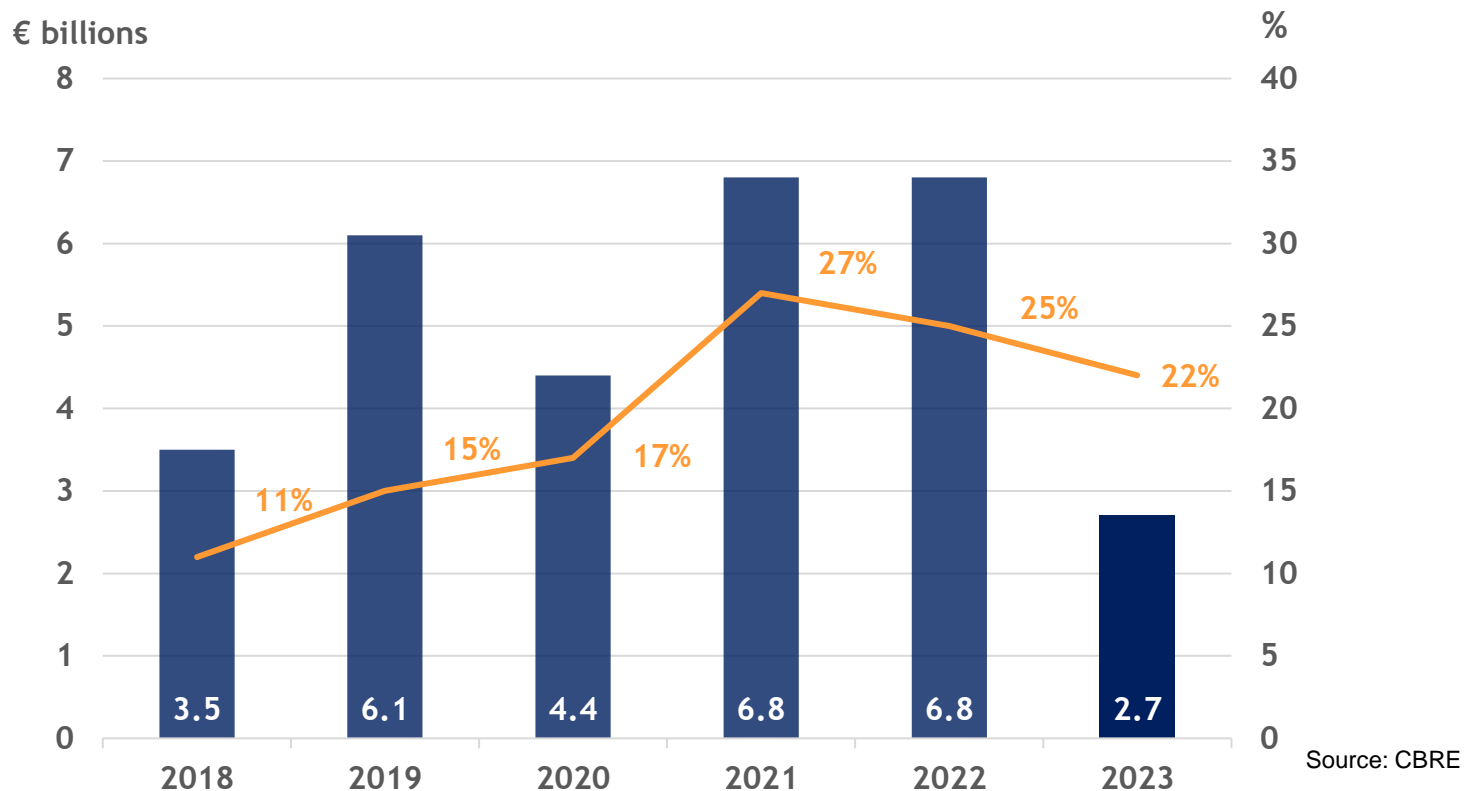
**French vacancy rate
at a low level of 4.7%
at end of December 2023**

Source: CBRE

Market of the French logistics investment

Industrial & Logistics investment

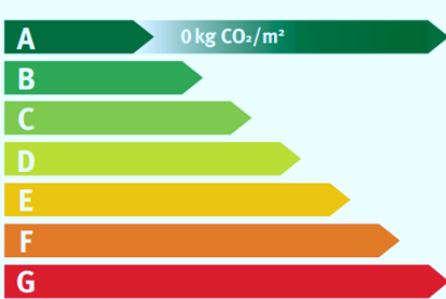
— % of logistics over all investments made in corporate real estate



Decline in investments over 2023 on a backdrop of a « wait-and-see » market over the first 9 months before recording first significant transactions in Q4



NUTRITION & SANTE and BERT&YOU – Albon (26) – 31,000 sq.m



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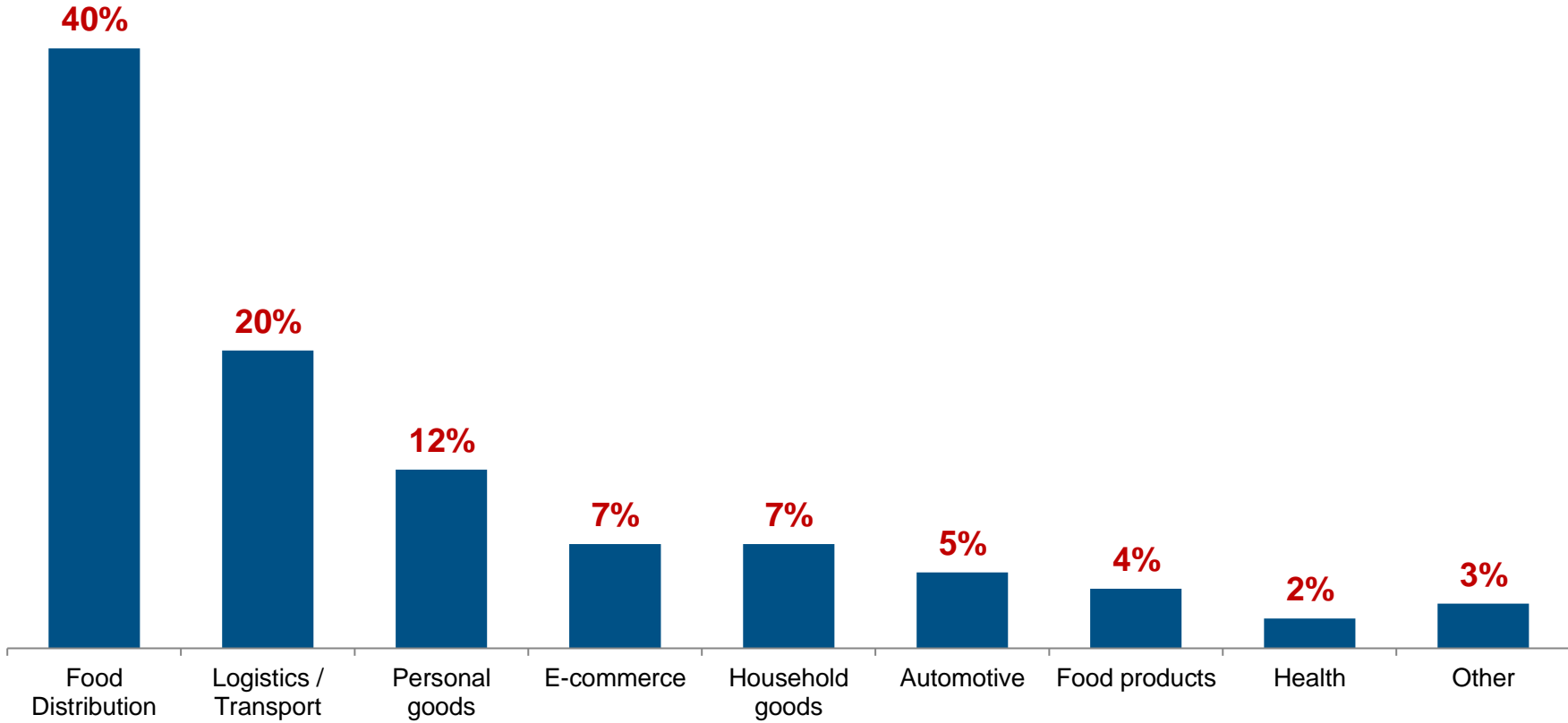
BUT – Janneyrias (38) – 38,000 sq.m

**Loyal and Blue-Chip
Clients/Tenants**

Leading clients



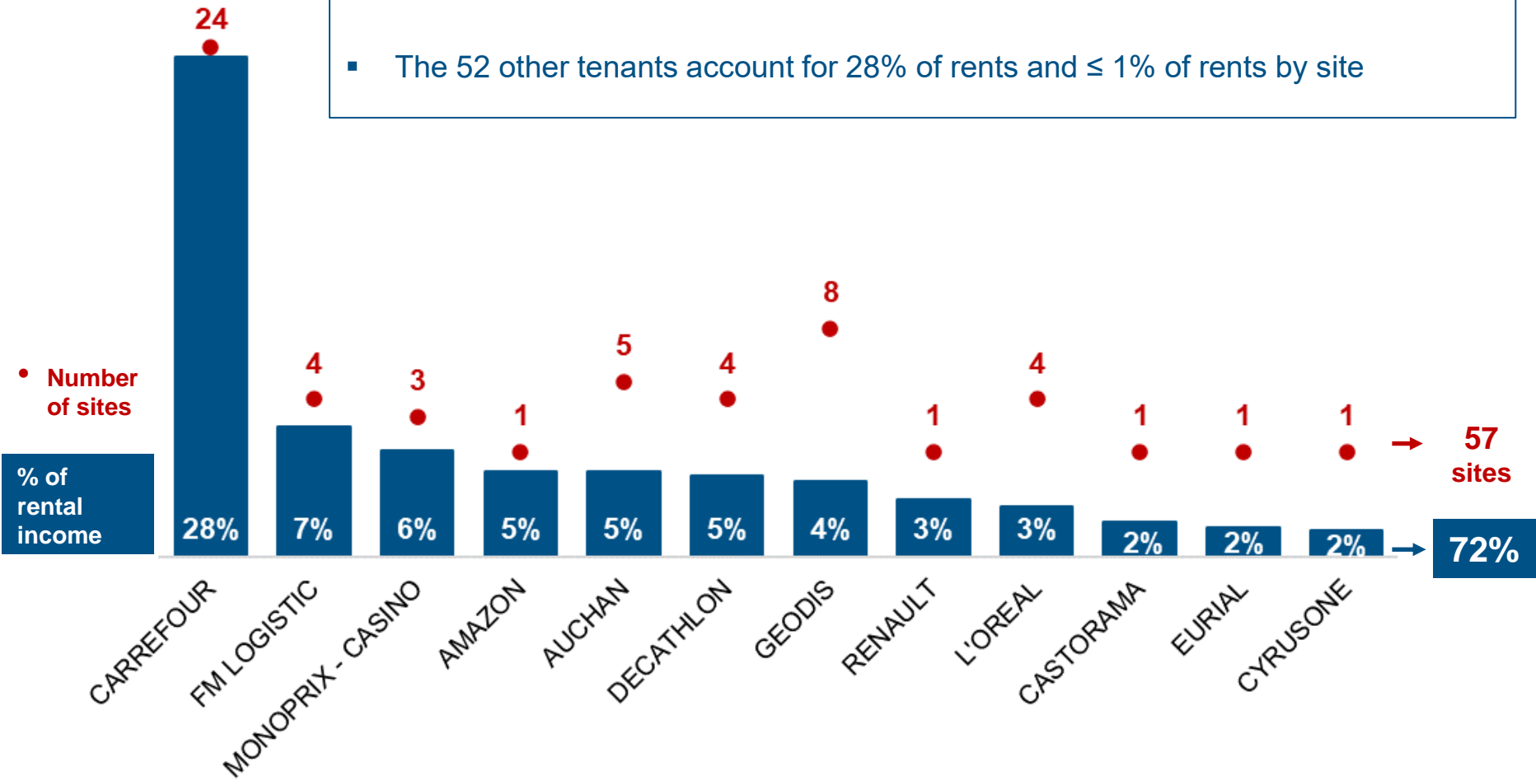
Distribution of customers by economic sector



NB: Distribution by % of rents

Breakdown of rental income by tenant

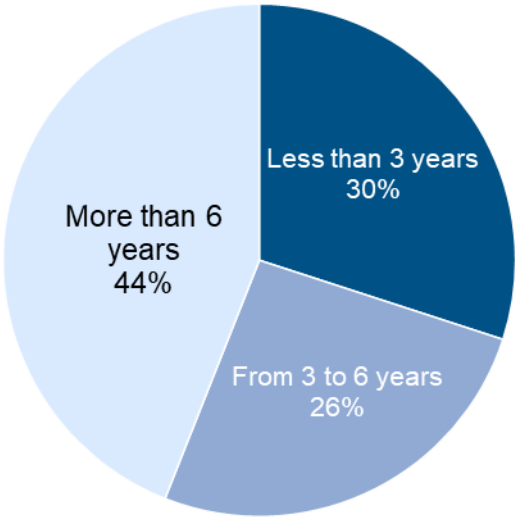
- Top 12 tenants account for 72% of rents, spread across 57 sites
- The 52 other tenants account for 28% of rents and $\leq 1\%$ of rents by site



Secured rents

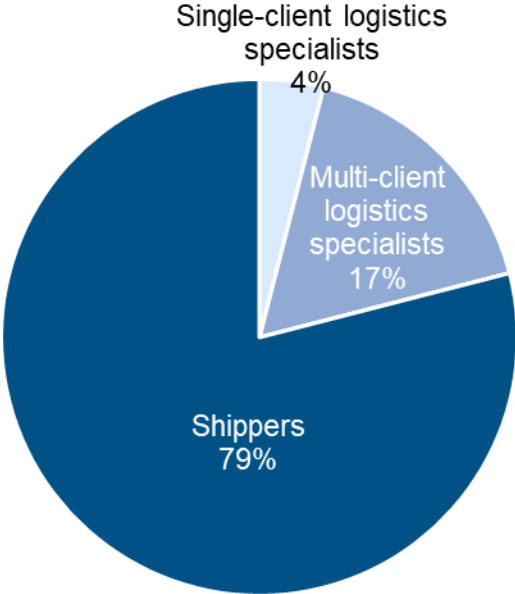
Breakdown of leases by fixed term

(in % of annual rental income)



Average remaining fixed length: 5.7 years
(up 0.2 years vs. Dec. 31, 2022)

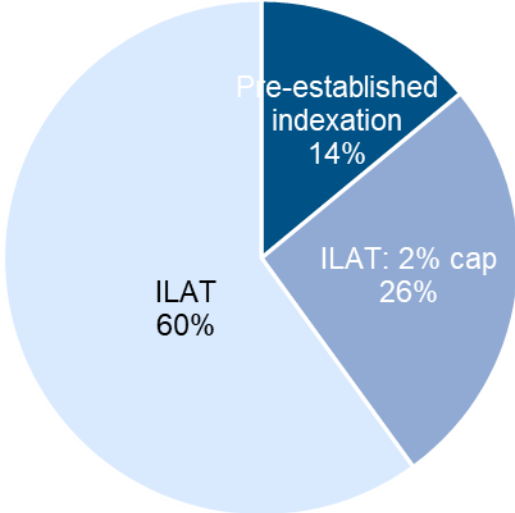
Types of clients



Shippers: Manufacturers or distributors who are leaseholders (Carrefour, Decathlon, 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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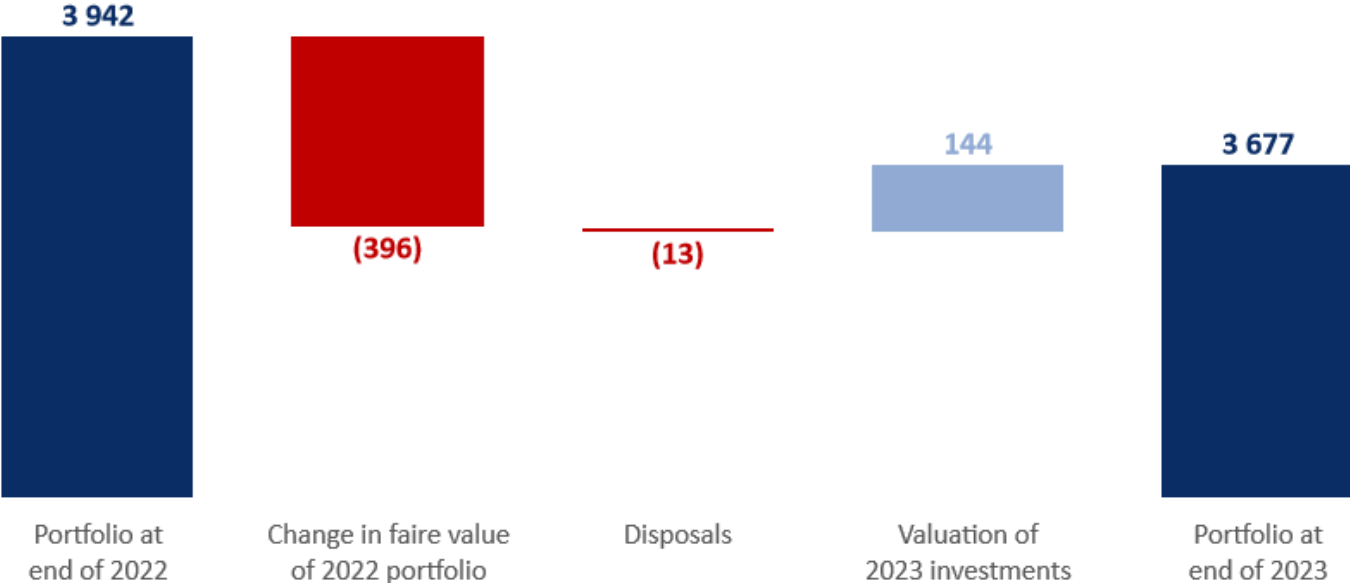
**A PREMIUM portfolio of
3.6 million sq.m**

2023: Key figures of the portfolio

Valuation <i>Excl. duties:</i>	▪ €3.7 billion (at a capitalisation rate of 5.1%)
Built areas:	▪ 3,580,000 sq.m (vs. 3,500,000 sq.m end of 2022)
Built land:	▪ 1,000 ha
Spot occupancy rate:	▪ 100%
Average remaining fixed lease term:	▪ 5.7 years
Average age of the warehouses:	▪ 11.1 years
Number of warehouses:	▪ About a hundred
Certified warehouses:	▪ 50% end of 2023 & 100% projects under the Aut0nom® label
Number of tenants:	▪ 64
Number of employees:	▪ 22,000 working in the Group's warehouses

Portfolio valuation: €3.7 billion

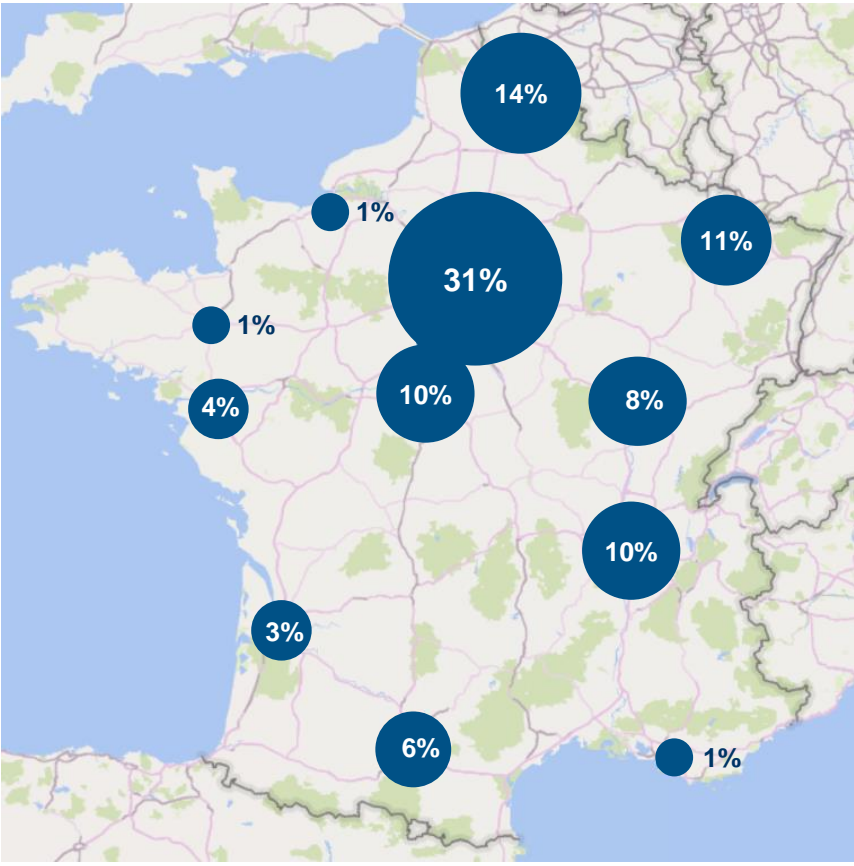
In € millions



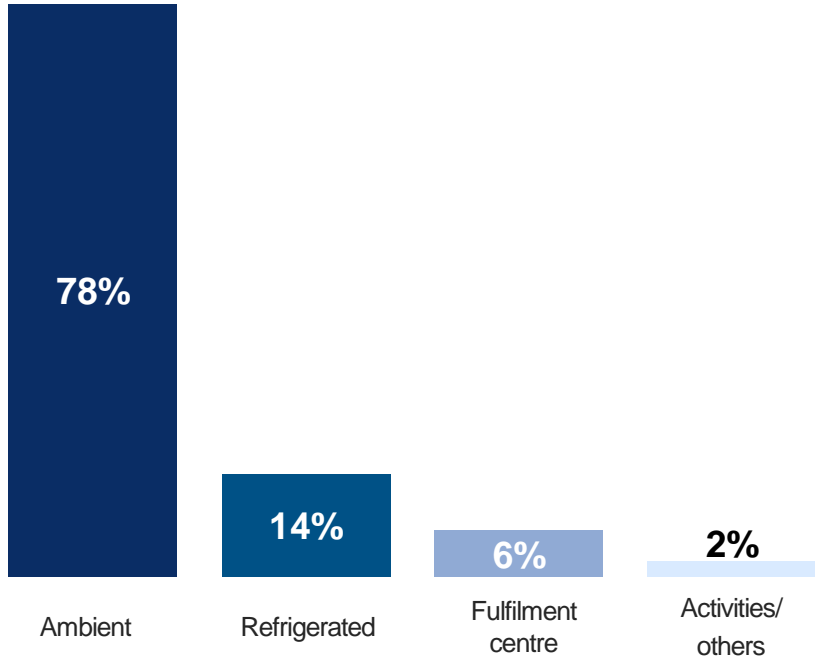
Portfolio valuation was down -7%, due to the mechanical effect linked to the rise in capitalisation rates

Distribution of logistics hubs

by region



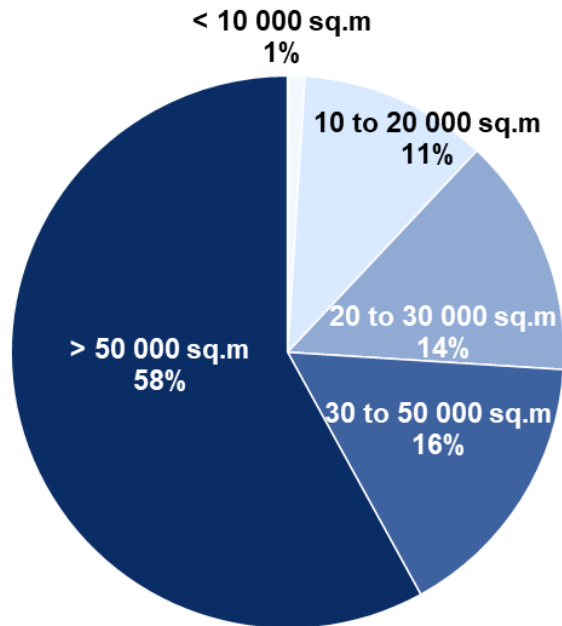
by types



NB: Breakdown by % of rents

Distribution of logistics hubs

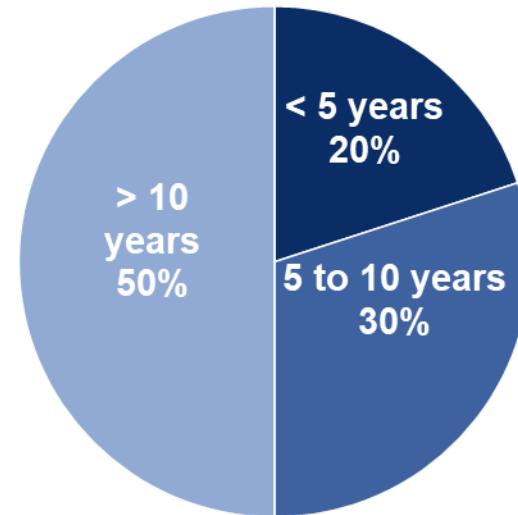
by surface area



Average size: 36,900 sq.m

The 27 XXL warehouses represent 58% of the surface areas

by age



Average age: 11.1 years

2023: €132 million of investments for 100,000 sq.m

Sites*

Main information

Location

Own developments



- Montbartier (82) ①
- Area: 19,000 sq.m



- St-Jean-sur-Veyle (01) ②
- Area: 14,500 sq.m
- Fixed term: 12 years



- La Crèche (79) ③
- Extension
- Area: 12,500 sq.m
- Fixed term: 12 years



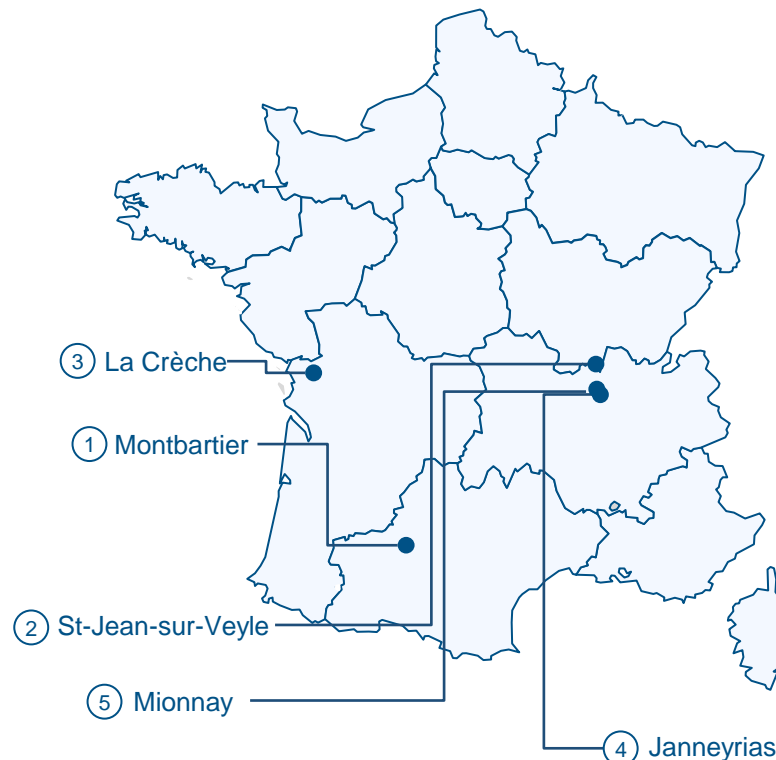
Acquisitions



- Janneyrias (38) ④
- Area: 38,000 sq.m
- Fixed term: 9.5 years



- Mionnay (01) ⑤
- Area: 15,000 sq.m
- Fixed term: 9 years



The average yield for projects delivered in 2023 was 5.2%, including:

- Our own developments: 6.1% (3 sites for about half of investments);
- Acquisitions: 4.4% (at financial conditions negotiated at the end of 2021).

* Photo credits of architects pictures: A26 Architectures

2024: €180 million of investments for 170,000 sq.m

Sites*



Main information

- Mondeville (14) ①
- Area: 82,000 sq.m
- Fixed term: 9 years



- St-Jean-sur-Veyle (01) ②
- Area: 31,300 sq.m
- Fixed term: 12 years



- Eslettes (76) ③
- Area: 4,600 sq.m
- Fixed term: 9 years



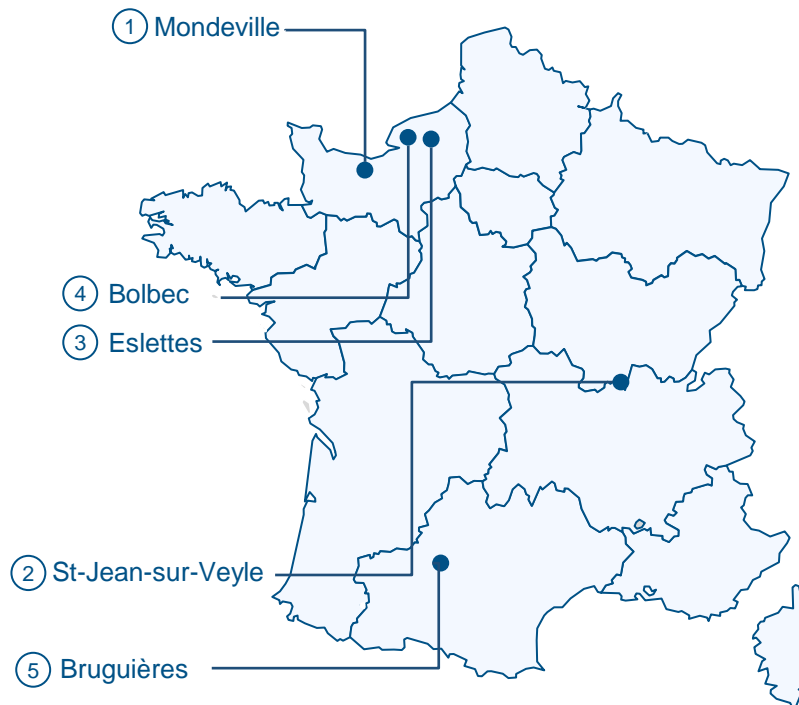
- Bolbec (76) ④
- Area: 15,200 sq.m
- Fixed term: 6 years



- Bruguères (31) ⑤
- Extension
- Total area: 13,400 sq.m
- Fixed term: 12 years



Location

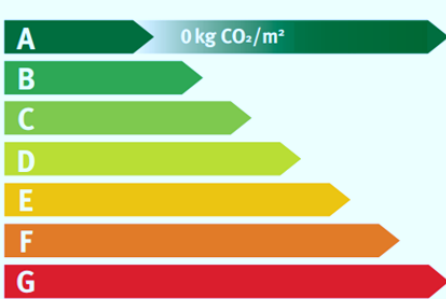


- **2024 is a new year of record investments after 2023;**
- **The average yield for projects to be delivered in 2024 is approaching 7%.**

* Photo credits of architects pictures: A26 Architectures



NUTRITION & SANTE and BERT&YOU – Albon (26) – 31,000 sq.m



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BUT – Janneyrias (38) – 38,000 sq.m

Debt

A financial discipline for the coming years

1

Debt

- Priority to debt reduction, aiming by the end of 2026:
 - An LTV (excl. duties) below 40%*
 - Net debt / EBITDA of 8x

2

Financing

- Mixed:
 - Amortisable bank debt (50%)
 - Bond (50%)

3

Liquidity

- RCF \geq 1 year of annual rental income

4

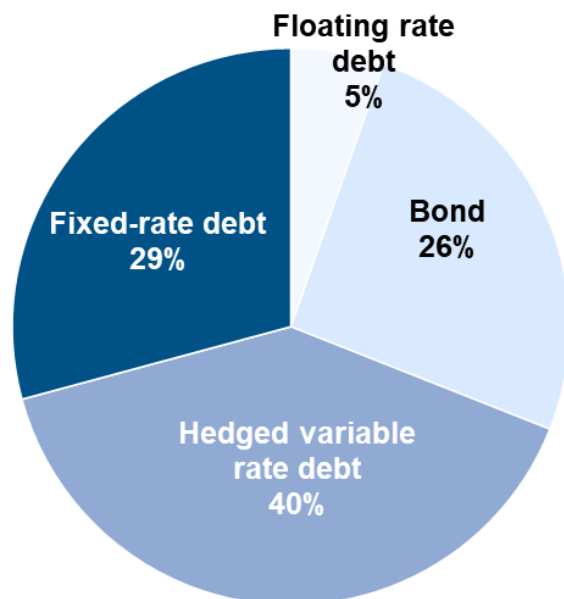
Rating

- Rating S&P: “BBB- ”

* With a capitalisation rate excluding duties of 5.25%.

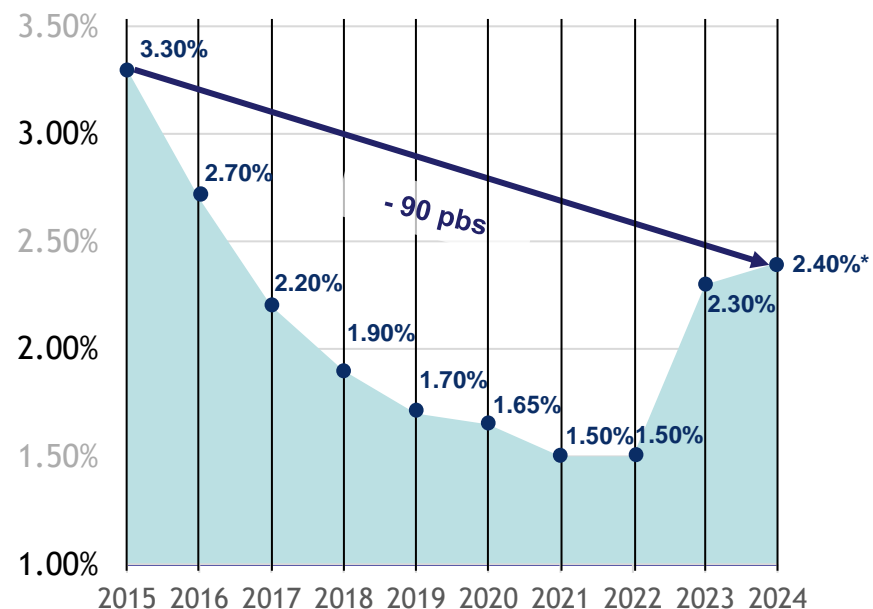
A cost of debt at 2.3% in 2023

DEBT STRUCTURE AT THE END OF 2023



Net debt = €1.9 billion

TRENDS IN THE COST OF DEBT



- **Average Cost of Debt at end of 2023 = 2.30%**
- **Maturity of Debt = 5.8 years**
- **Net debt / EBITDA full-year = 11 x (vs. 1.6 x end of 2022)**
- **LTV EPRA = 49.7% (vs. 45.1% end of 2022)**

* Estimates for 2024 based on a 3-month Euribor average rate of 4% for the year.

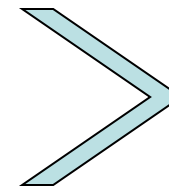
Cost of debt and LTV ratio under tight control

Simulation of the cost of debt according to 3-month Euribor

Euribor	2024	2025	2026
2.0%	2.2%	2.1%	2.8%
3.0%	2.2%	2.2%	3.2%
4.0%	2.4%	2.4%	3.7%
5.0%	2.5%	2.5%	4.2%

Evolution of the LTV ratio as a function of capitalisation rates

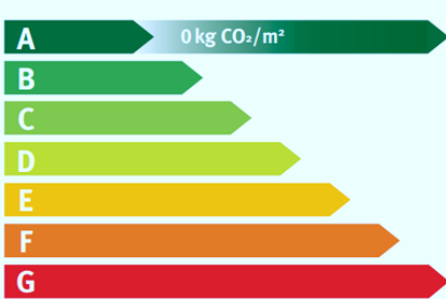
Cap. rates	2024	2025	2026
4.5%	41%	36%	32%
5.0%	46%	40%	36%
5.5%	50%	44%	40%
6.0%	55%	47%	43%



***Far from
the 65% LTV
bond covenant***



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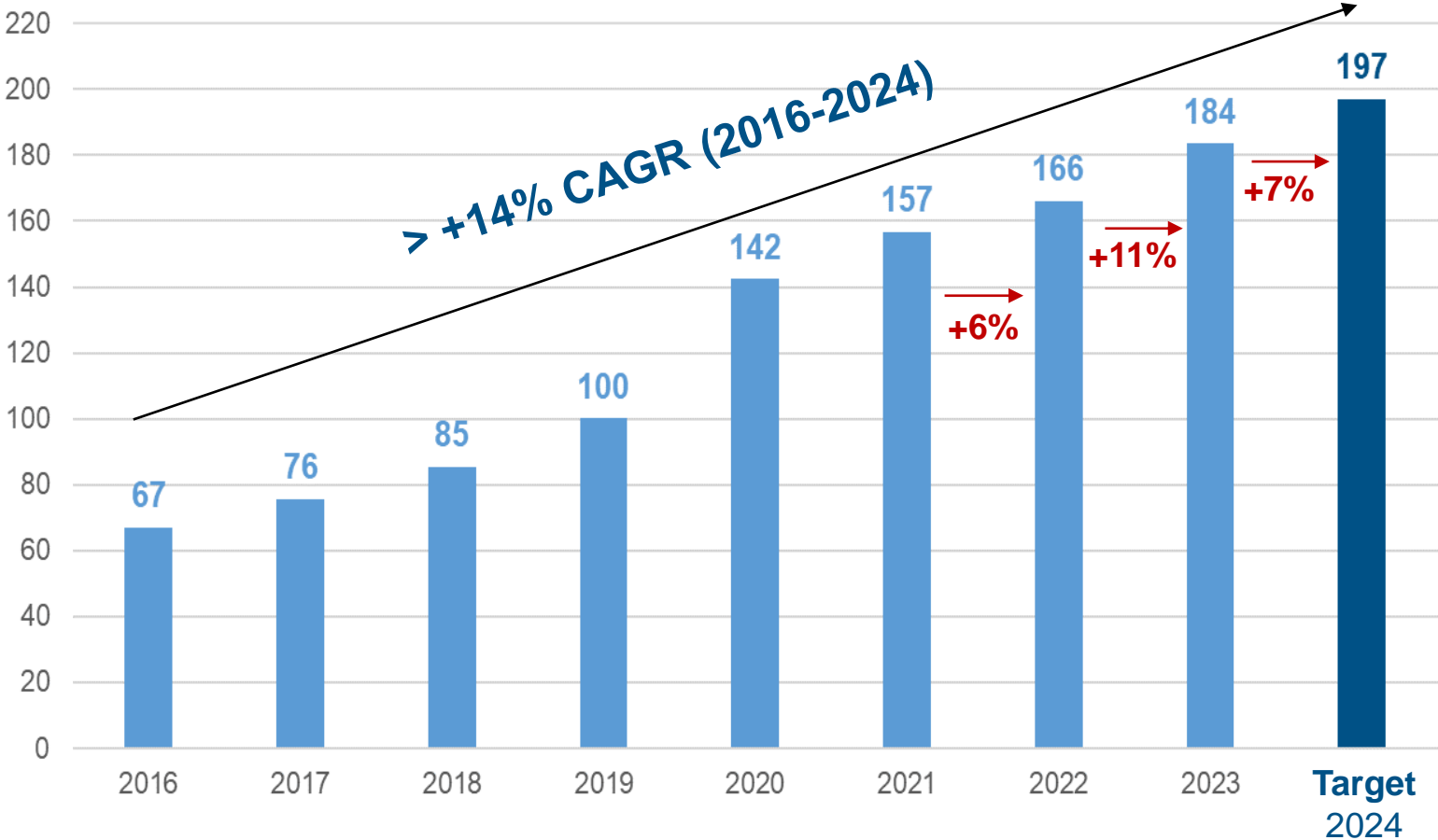
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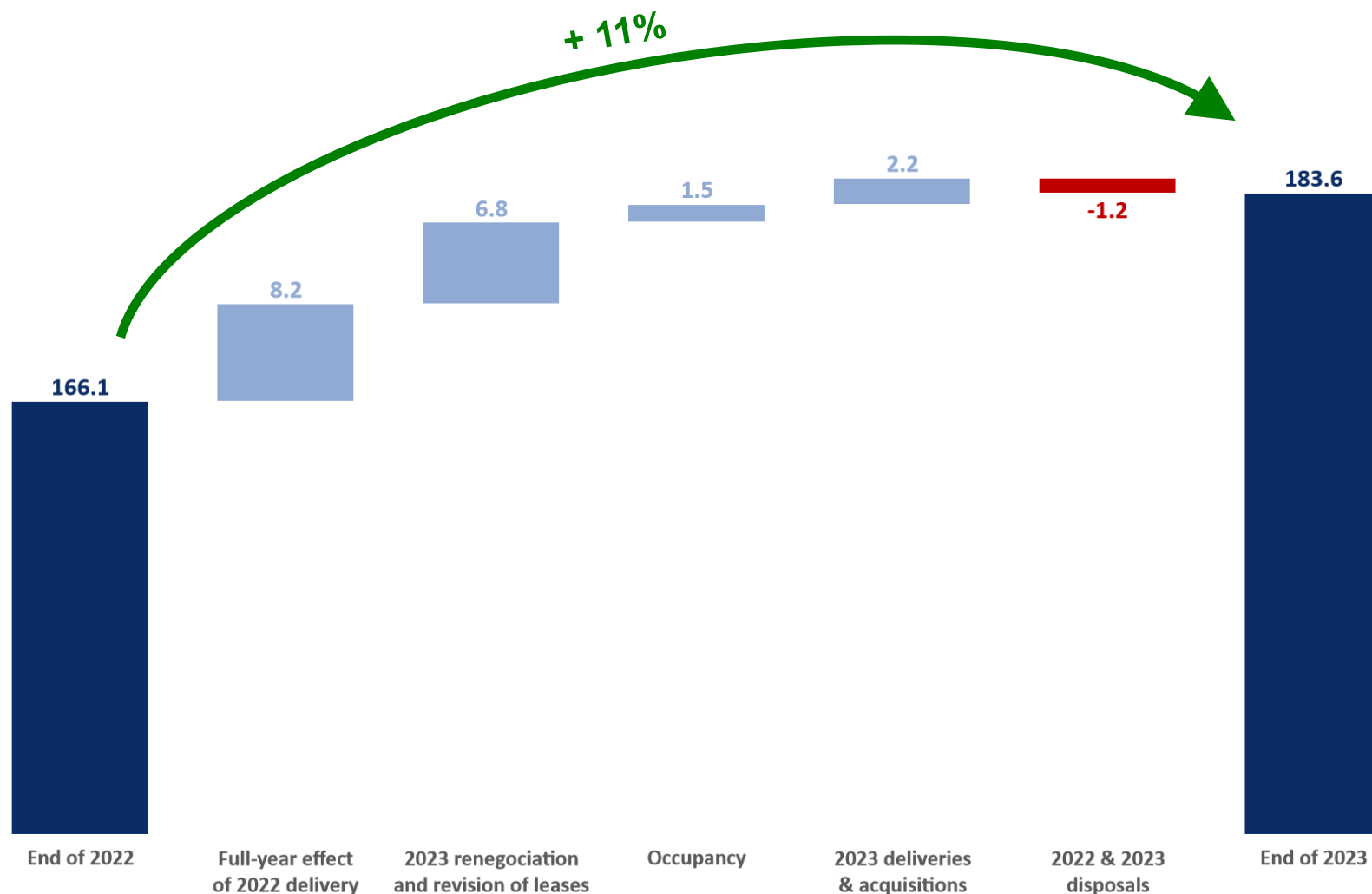
2023 results

Continued growth in rental income (in € millions)



Analysis of 2023 rental income: ↗ 11%

Rental income (€ millions)



2023 Recurring net income

In € millions	2022	2023	
Rental Income	166.1	183.6	↗ +11%
Current expenses	-14.6	-13.9	
Income from cash	0.6	1.6	
Interest on loans	-28.4	-41.4	
Borrowing costs (spread)	-4.2	-3.7	
Recurring Net Income	119.5	126.2	↗ +6%
<i>Recurring Net Income / Rental Income</i>	72%	69%	
Recurring net income – Group share	119.2	125.6	↗ +5%
Recurring net income – Group share per share (€)	€5.2	€5.5	↗ +5%
On the basis of the weighted average number of shares for the financial year	22,827,845	23,030,242	

The recurring net income was impacted by the rise in financial costs between 2022 and 2023

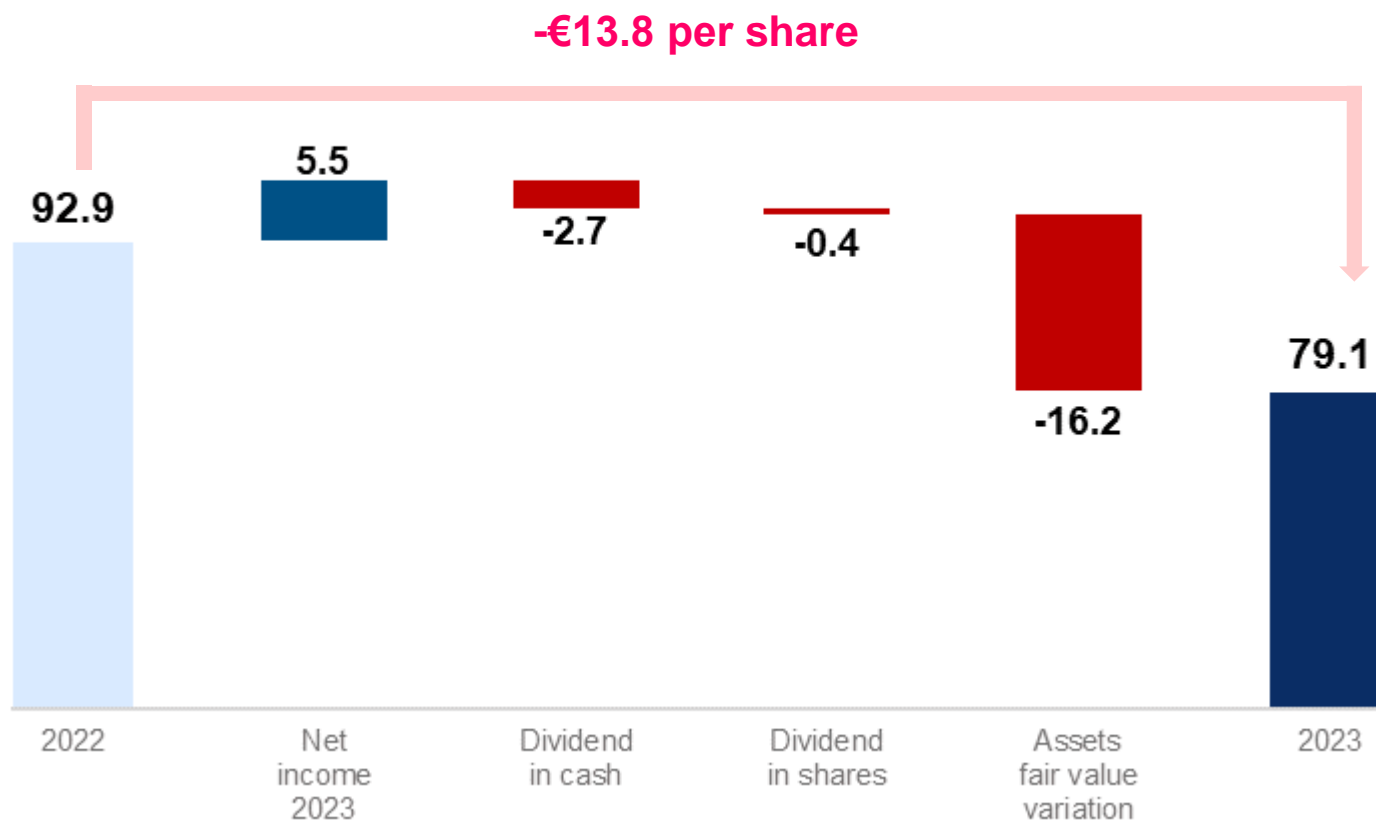
2023 Consolidated income statement (IFRS)

In € millions	2022	2023
Rental Income	166.1	183.6
EBITDA	150.5	172.1
EBITDA / Income (%)	91%	94%
Change in fair value	-33.0	-373.2
Income from disposals	-0.2	-0.2
Other operational expenses	-0.5	-
EBITDA, after value adjustments (FV)	116.8	-201.2
Income from cash and equivalents	0.6	1.6
Interest on loans	-28.4	-41.4
Derivatives / borrowing costs / IFRS 16	-6.7	-5.8
Early repayment	-6.5	-
Income before tax	75.8	-246.8
Tax and other financial expenses	19.2	-19.7
Share of income from equity-accounted companies	-	-
Net Income	94.9	-266.4
Net Income Group Share	95.1	-263.5
Diluted Earnings per Share (€)	4.2	-11.4
On the basis of the weighted average number of shares for the financial year	22,827,845	23,030,242

Decrease in the net income linked to the mechanical impact of rising capitalisation rates

Trends in the 2023 NAV PERA NTA per share

In €/share



NAV EPRA NRV = €90.6 / share

NAV EPRA NTA = €79.1 / share

NAV EPRA NDV = €83.6 / share



NUTRITION & SANTE and BERT&YOU – Albon (26) – 31,000 sq.m



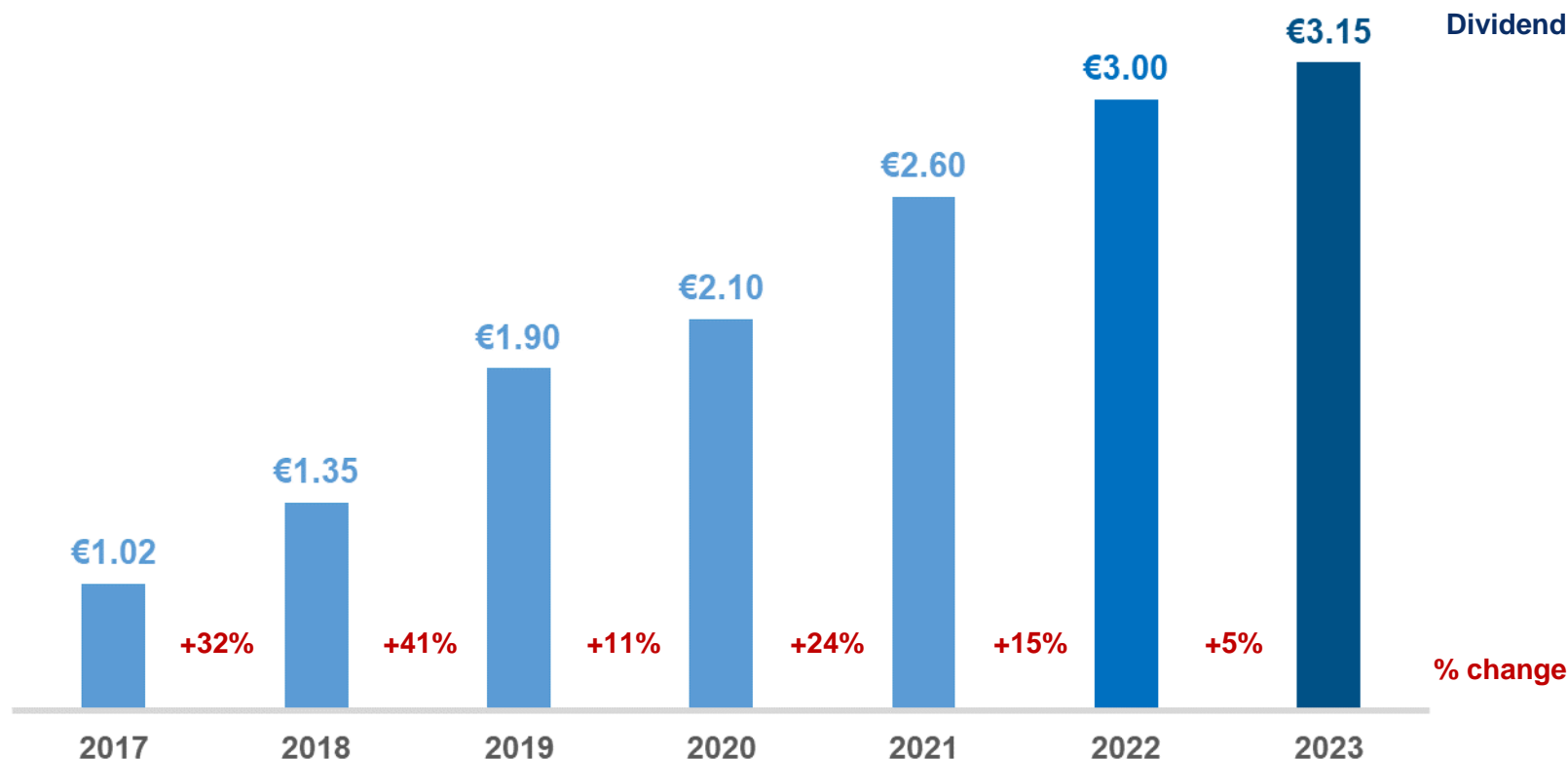
BUT – Janneyrias (38) – 38,000 sq.m

**Dividend and
Stock market**

Dividend at €3.15, up +5%

- A dividend of €3.15 per share will be put to shareholders at the Annual General Meeting on March 21, 2024, representing:

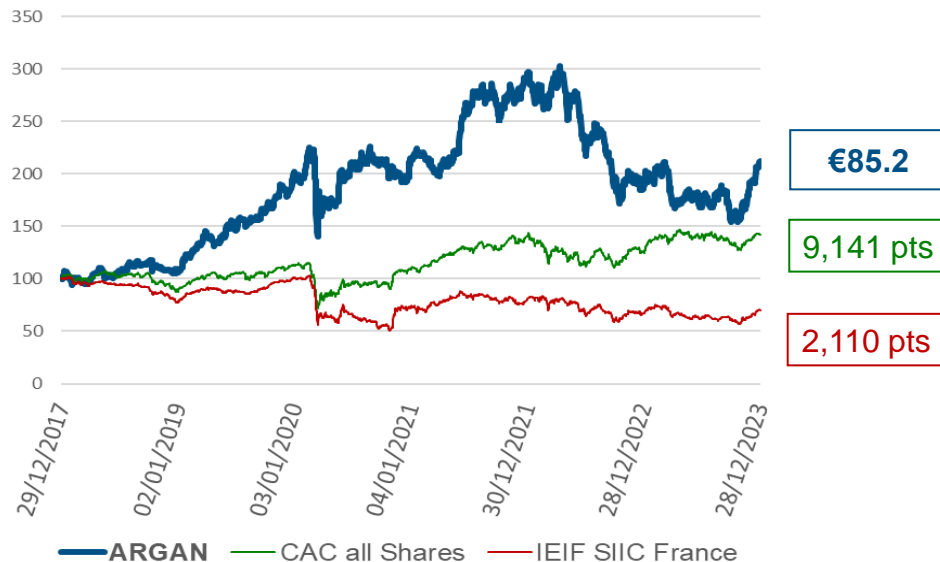
- ✓ A constant increase of the dividend per share (CAGR for 2017-2023 = +21%)
- ✓ A yield of 4% on the average of the share price in December 2023 (€80.6 / share)
- ✓ A distribution rate of 58% (based on the group share recurring net income per share for 2023)



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

Share price trends

Trends in ARGAN share price⁽¹⁾

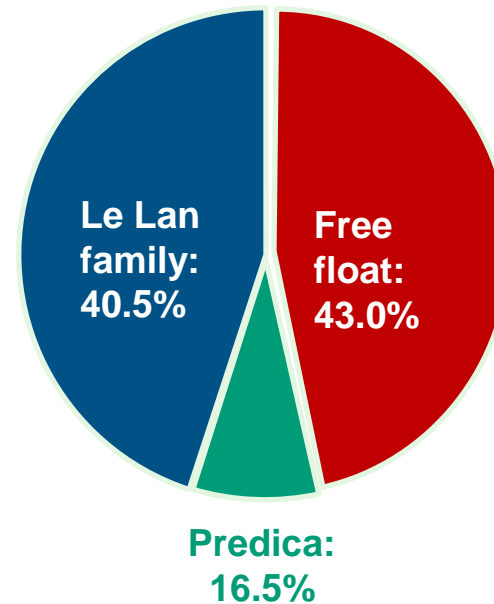


(1) Share price trends with a 100-basis index from the end of 2017

Highlights

- ✓ **ARGAN overperformed over the last 6 years:**
 - ARGAN: +112%
 - CAC All shares: +42%
 - IEIF SIIC France: -30%

Distribution of capital

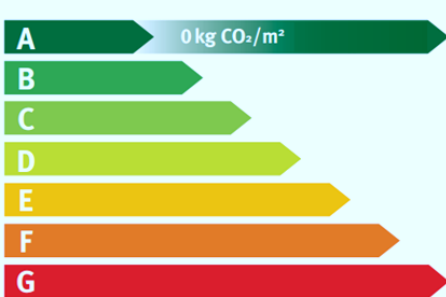


Highlights

- ✓ **Stable shareholder base with a long-term vision**
- ✓ **2023 inclusions: SBF 120 & FTSE EPRA**



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**Strongly proactive
ESG roadmap**

ESG targets: E for the Environment

1 Developments	<ul style="list-style-type: none">■ 100% of our new projects Aut0nom®-labelled, the “in-use” Net Zero warehouse
2 Existing portfolio	<ul style="list-style-type: none">■ €50 million invested from 2024 to 2030 to replace gas heating with electric heat pumps
3 Decarbonation	<ul style="list-style-type: none">■ A low-carbon strategy aligned with the Paris Accords <p>2030 targets {</p> <ul style="list-style-type: none">SCOPE 1: - 70%SCOPE 2: Net ZeroSCOPE 3: - 50% for “in-use” emissions

ESG targets: S for Social

1

**Attractiveness –
increased
employee
retention**

- **100% of employees shareholders of the company starting in 2024**
- **Equity ratio maintained below 10 (2.3 in 2023)**

2

**Training
/
Coaching**

- **A multi-year training and coaching plan customized for all employees**

3

Ethics

- **Several Charters implemented to confirm internal and external commitments of our company: Anti-corruption, ethics, personal data management, responsible purchasing**

ESG targets: G for Governance

1

Increased awareness on ESG commitments

- 100% of ARGAN employees being trained to ESG stakes and having their compensation tied to ESG criteria

2

ESG rating

- ESG rating (Sustainalytics, GRESB, Ethifinance...), followed by a certification of our approach by independent bodies

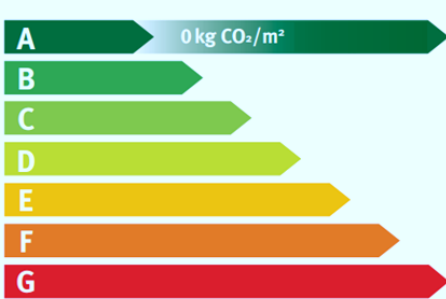
3

Tracking our commitments

- A monthly committee to follow trends in energy consumption and CO₂ emissions
- The Audit, Risks and Sustainability Committee – chaired by an independent member of the Supervisory Board – is in charge of tracking the implementation of ARGAN's ESG policy
- Regular reporting made to the Supervisory Board



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2024 targets



2024 targets part of our roadmap for debt reduction and self-financed growth

Strong debt reduction



- **No additional debt** to finance our development
- **About €100 million / year repaid** through amortizing mortgage loans
- **Strategic assets disposals plan**: €75 million of disposals scheduled for 2024

Ongoing development



- **Carbon Zero and pre-let Aut0nom®-labelled warehouses deployment**
- **An ambitious development pipeline strengthening our leadership in the PRIME logistics real estate market**
- **Occupancy rate maintained at 100%**

2026

Net debt /
EBITDA

~8x

LTV (excl. duties)

(Cap. rate: 5.25%)




< 40%

2024-2026

Rental income

CAGR ~ +5%

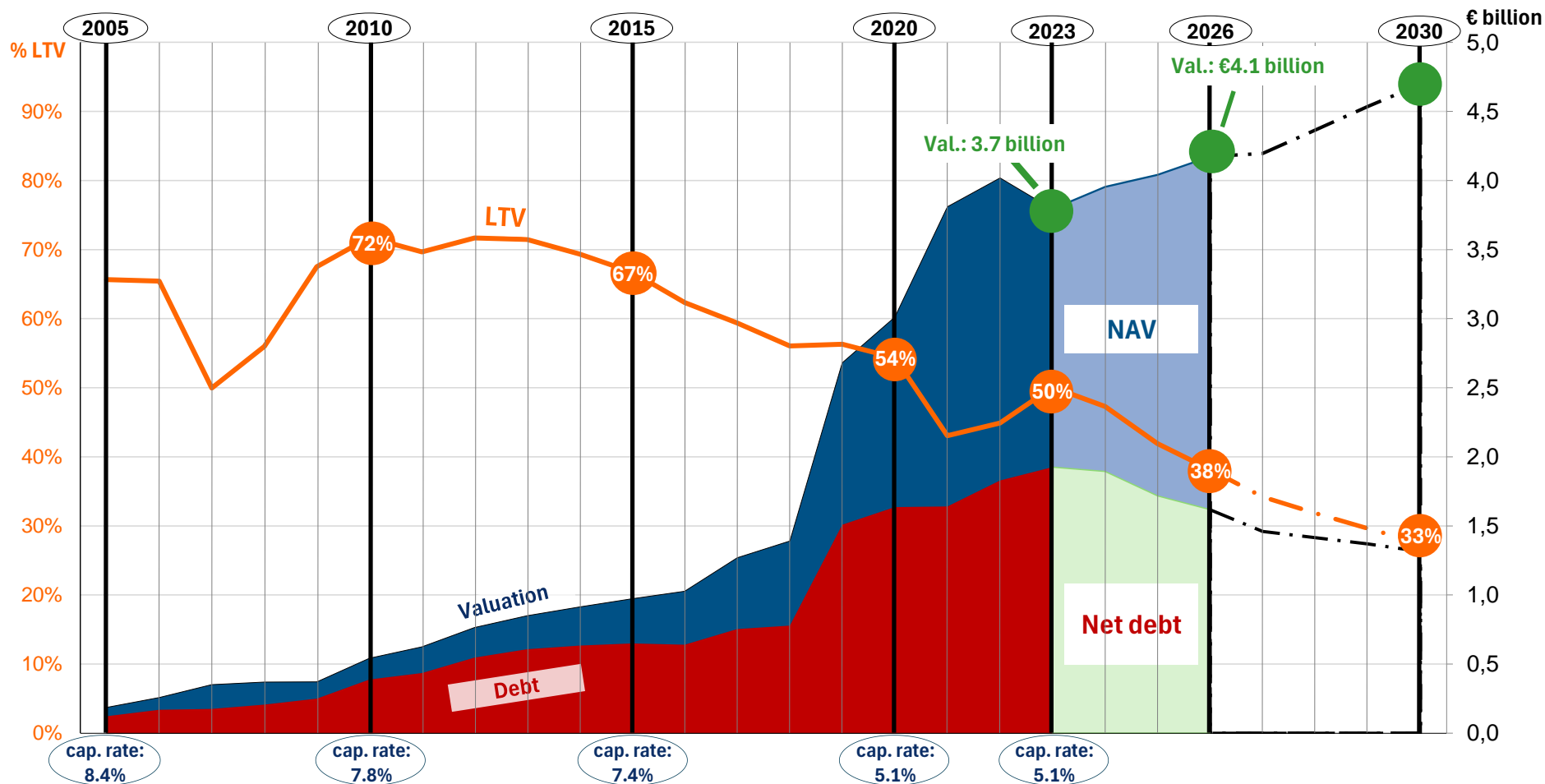
Projections & targets for 2024

Portfolio (projections)	▪ Valuation (excl. duties):	€3.9 billion	Vs. €3.7 bn Dec. 31 '23
	▪ Area:	3.7 million sq.m	Vs. 3.6 M sq.m Dec. 31, '23
Debt (projections)	▪ Net debt:	€1.9 billion	Vs. €1.9 bn Dec. 31, '23
	▪ Net LTV (excl. rights):	48%	Vs. 49.7% Dec. 31, '23
	▪ Cost of debt 2024:	2.40%⁽¹⁾	Vs. 2.30% Dec. 31, '23
Results & Dividend (Targets)	▪ Rental Income:	€197 million	 7%
	▪ Recurring Net Income – Group share:	€133 million	 6%
	▪ Dividend per share:	€3.30⁽²⁾	 5%

1. Hypothesis: 3-month Euribor of 4% on average in 2024.

2. Subject to approval during the Shareholders Annual Meeting of March 20, 2025.

Illustration of the 2024-2026 strategic plan



Calendar of releases and meetings for 2024-2025

2024 financial calendar

- ➔ *March 21: General Assembly 2024*
- ➔ *April 2: Net sales of 1st quarter 2024*
- ➔ *July 1: Net sales of 2nd quarter 2024*
- ➔ *July 24: Half-year results 2024*
- ➔ *October 1: Net sales of 3rd quarter 2024*

2025 financial calendar

- ➔ *January 3: Net sales of 4th quarter 2024*
- ➔ *January 16: Annual results 2024*
- ➔ *March 20: General Assembly 2025*