

Half-year 2024 results

ARGAN ACHIEVED A DOUBLE WIN BY COMBINING
GROWTH & DEBT REDUCTION



July 24, 2024

Agenda

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CARREFOUR – Mondeville (14) – 82,000 sq.m



DACHSER – Bolbec (76) – 15,200 sq.m

Key H1 2024 results

H1 2024 key figures



Portfolio

- Valuation (excl. duties): **€3.8Bn**
- Cap Rate (excl. duties): **5.3%** *Vs. 5.10% end of Dec. '23*
- Area: **3.6 million sq.m**
- NAV EPRA NTA: **€78.9 per share**

Debt

- Rating S&P: "BBB-", with stable outlook
- Net debt: **€1.8Bn** *Vs. €1.9Bn end of Dec. '23*
- Net LTV (excl. duties): **45.9%** *Vs. 49.7% end of Dec. '23*
- Cost of debt H1 2024: **2.30%** *Vs. 2.30% end of Dec. '23*

Results

- Rental Income: **€98 million**  **8%**
- Recur. Net Inc. – Group share: **€67 million**  **7%**



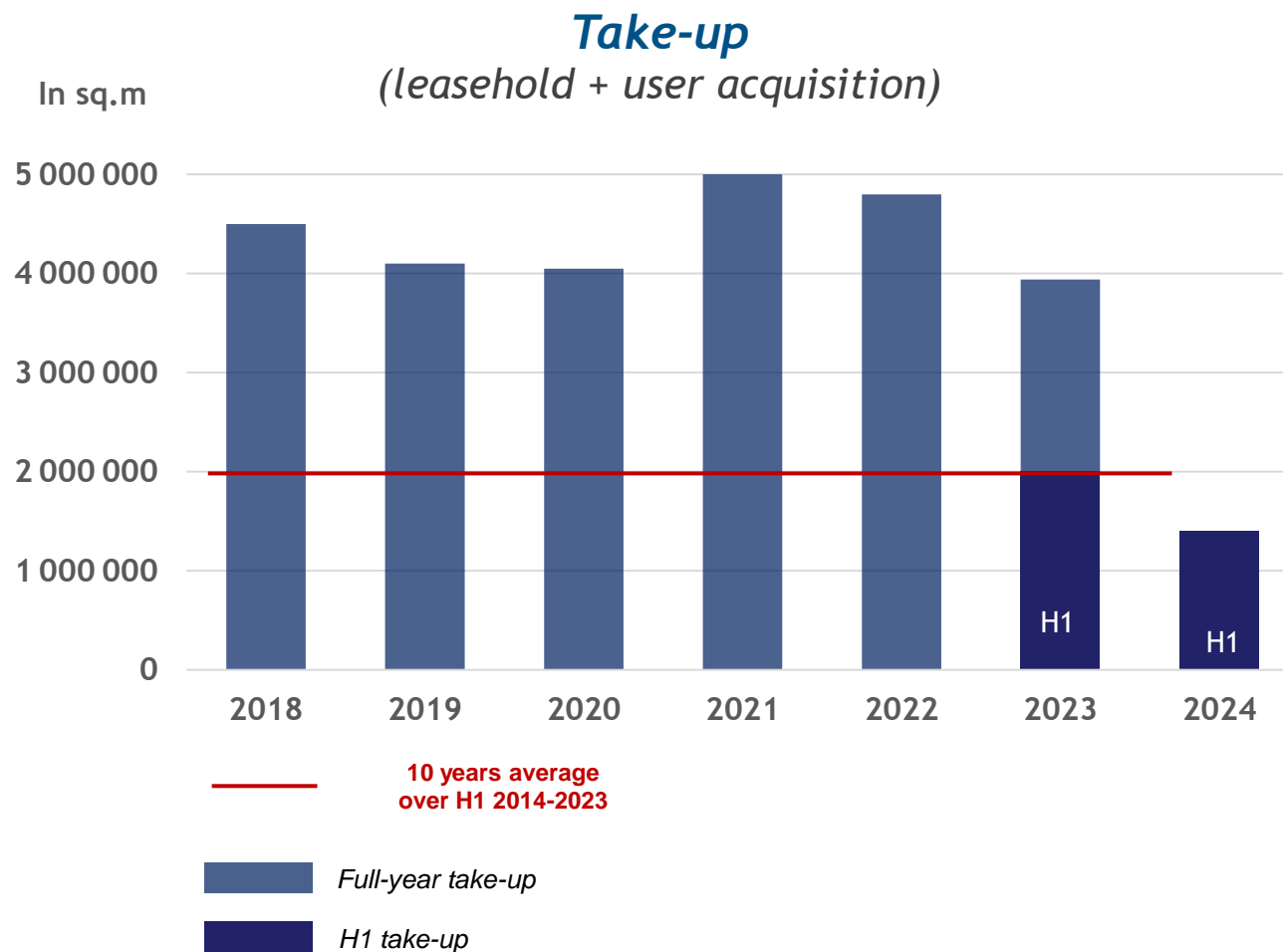
CARREFOUR – Mondeville (14) – 82,000 sq.m



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The Logistics Real Estate Market

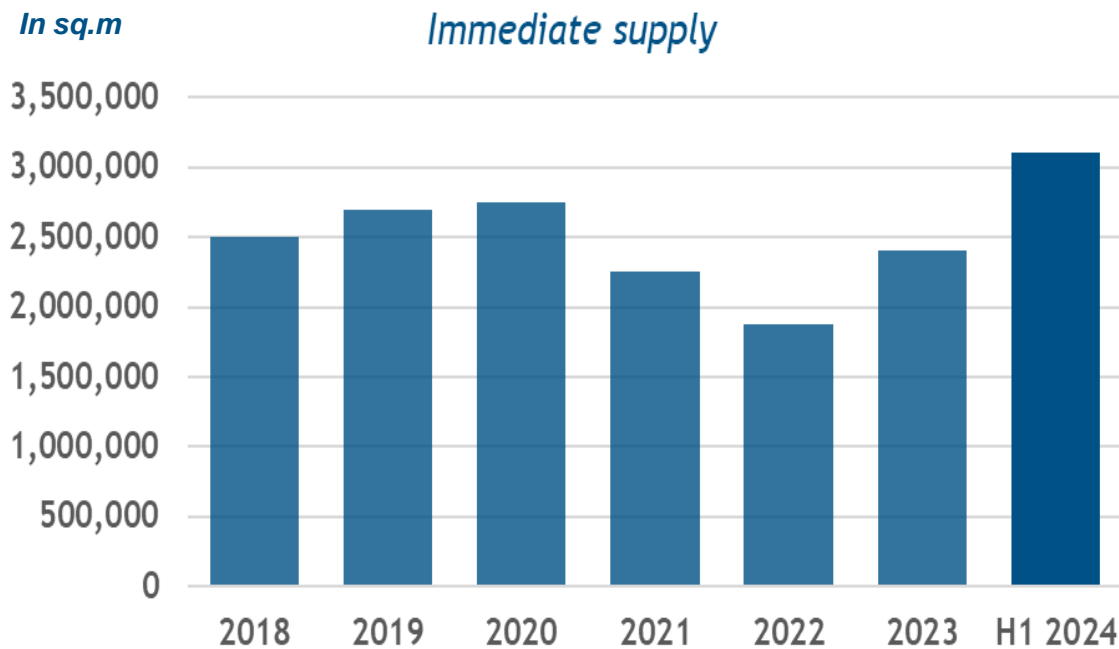
Slowdown in take-up after record years



- **Take-up retreated -31% in H1 2024 vs. last 5 years average**
- **Factors:**
Uncertain economic backdrop
&
Resilience of pure logistics players and restart of the XXL segment

Source: CBRE

A still low rental offering



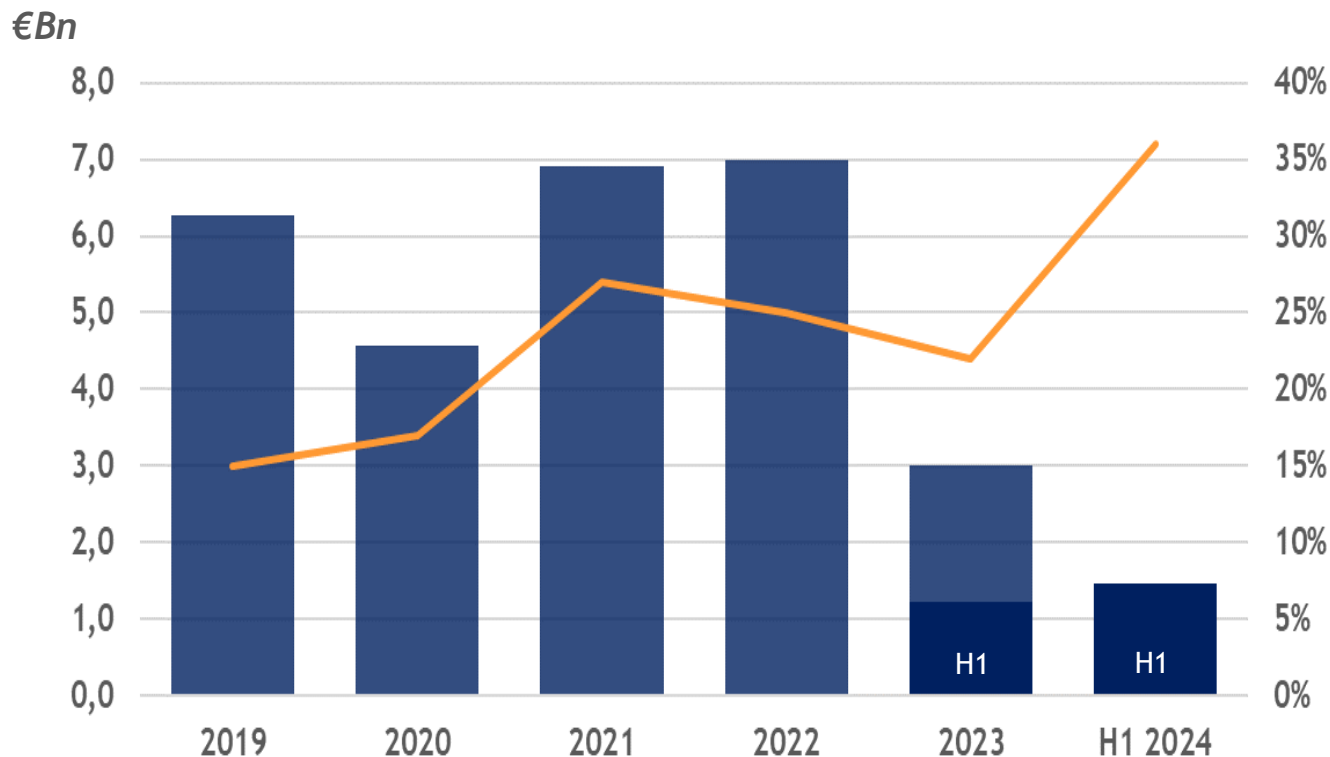
**French vacancy rate
at a low level of 4.3%
at end of June 2024**

Source: CBRE

Market of the French logistics investment

Industrial & Logistics investment

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



**Investments rebounded sharply in H1 2024 (+27% vs. H1 2023).
Record % of industrial & logistics investments over total corporate real estate (36%)**



CARREFOUR – Mondeville (14) – 82,000 sq.m



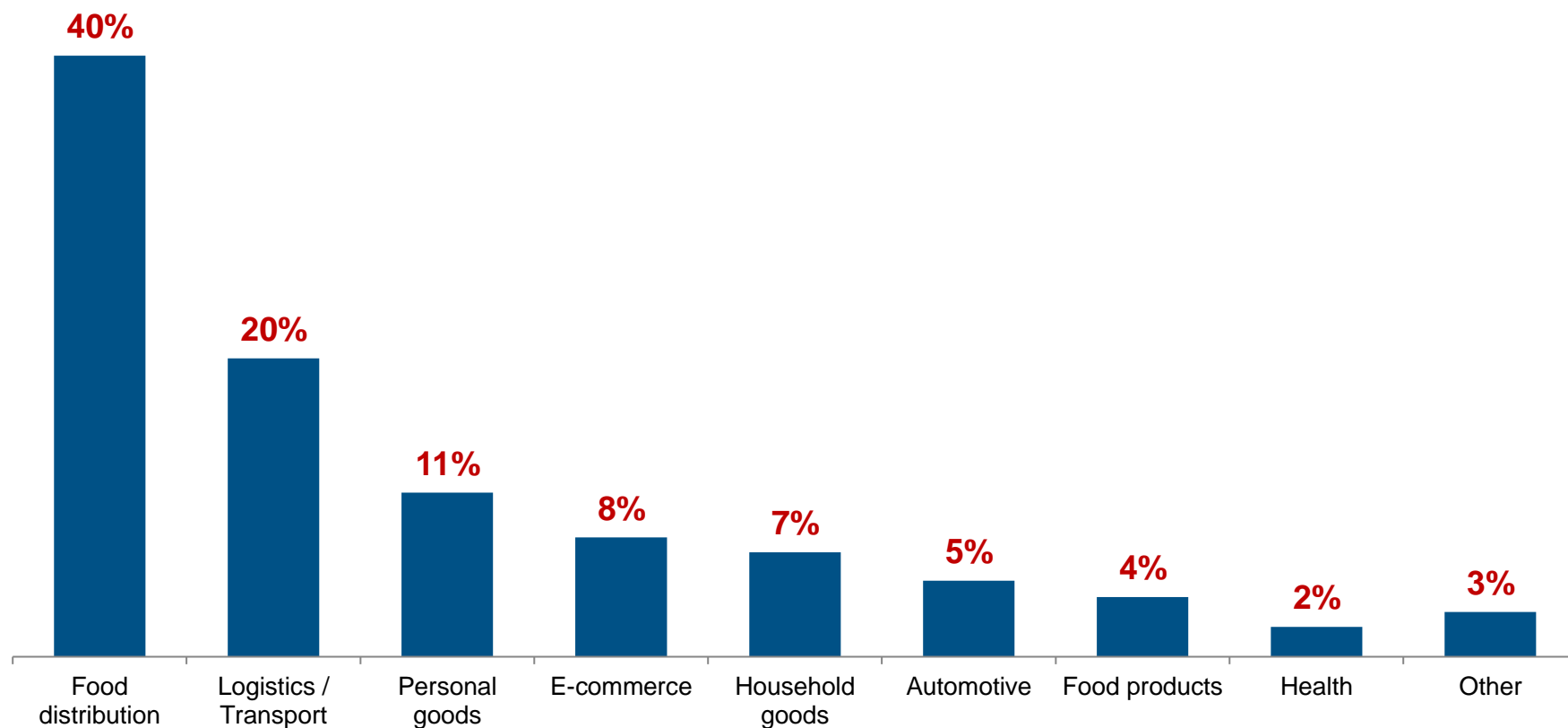
DACHSER – Bolbec (76) – 15,200 sq.m

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

Leading clients



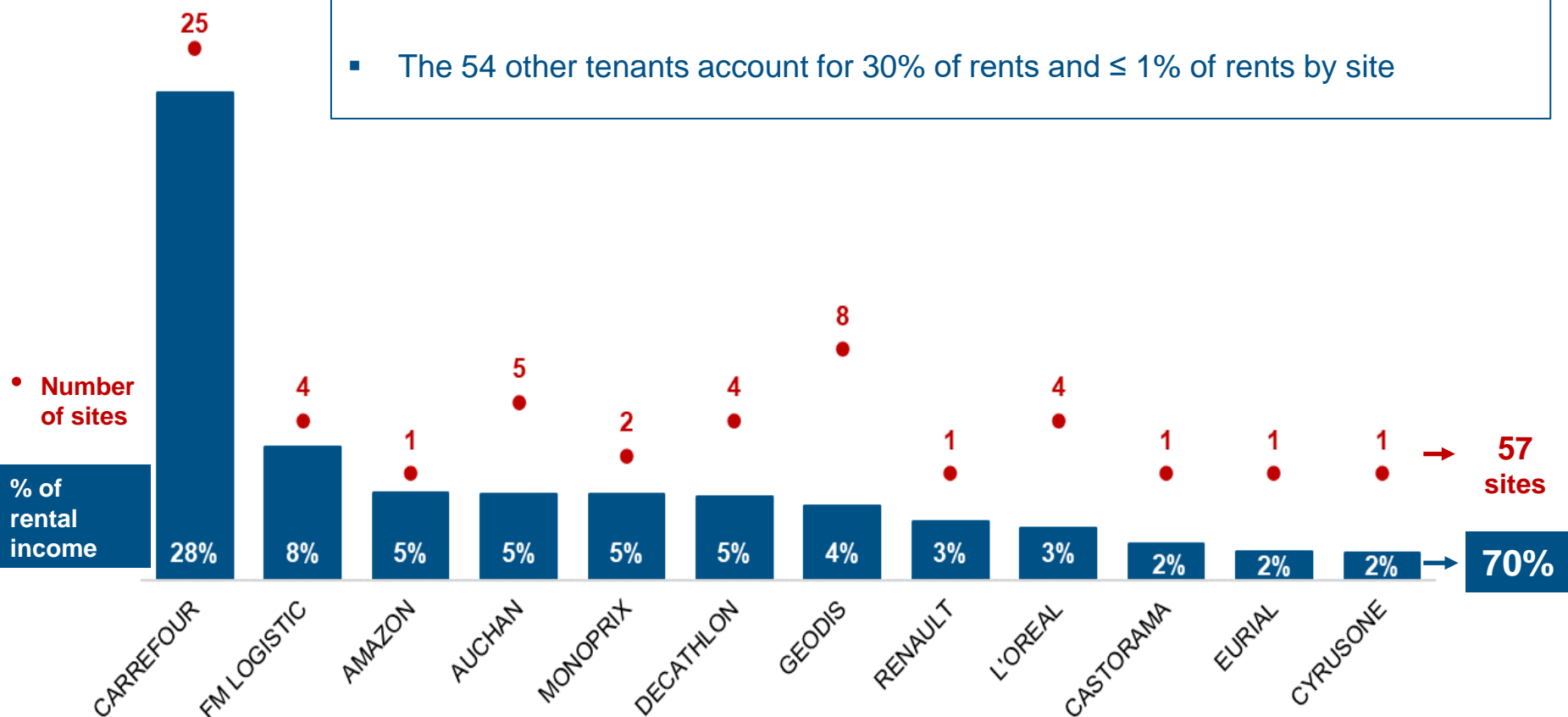
Distribution of customers by economic sector



NB: Distribution by % of rents

Breakdown of rental income by tenant

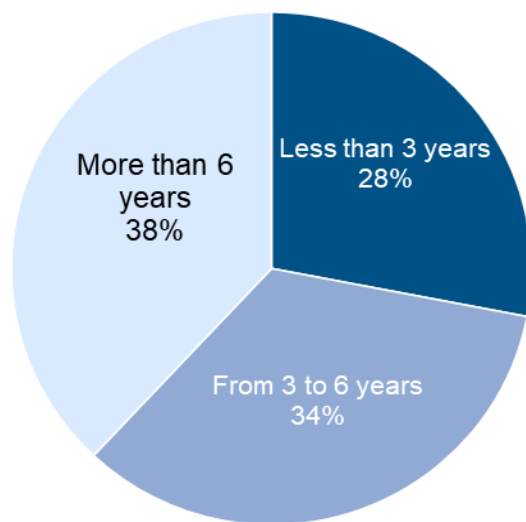
- Top 12 tenants account for 70% of rents, spread across 57 sites
- The 54 other tenants account for 30% of rents and $\leq 1\%$ of rents by site



Secured rents

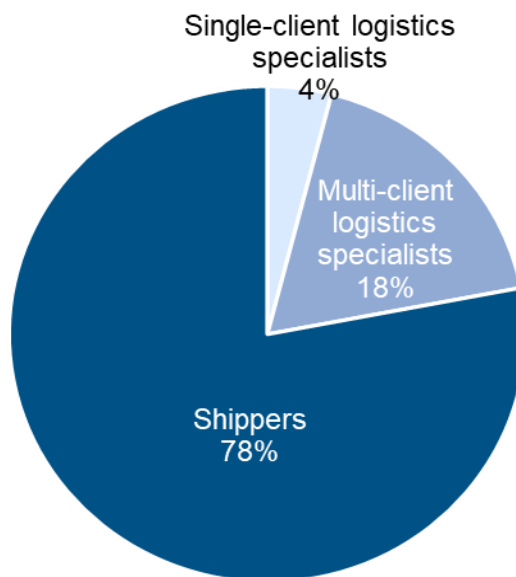
Breakdown of leases by fixed term

(in % of annual rental income)



**Average remaining
fixed length: 5.5 years**
(vs. 5.7 years end of '23)

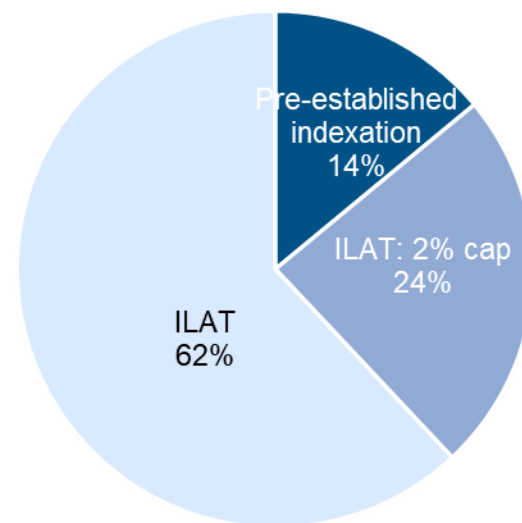
Types of clients



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 2024: +4.6%



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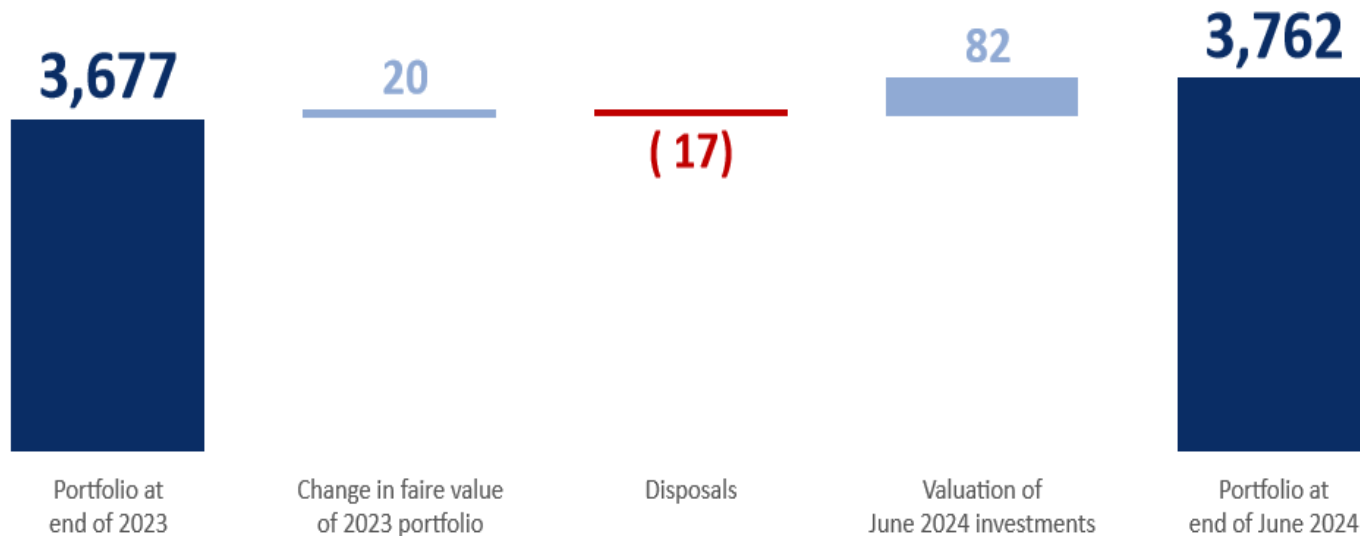
**A PREMIUM Portfolio of
3.6 million sq.m**

H1 2024: Key figures of the portfolio

Valuation <i>Excl. duties:</i>	▪ €3.8 billion (at a capitalisation rate of 5.3%)
Built areas:	▪ 3,615,000 sq.m (vs. 3,580,000 sq.m end of 2023)
Potential additional buildable area:	▪ 500,000 sq.m
Spot occupancy rate:	▪ 100%
Average remaining fixed lease term:	▪ 5.5 years
Average age of the warehouses:	▪ 11.5 years
Number of warehouses:	▪ About a hundred
Certified warehouses:	▪ 50% of the portfolio & 100% of new developments labelled Aut0nom®
Number of tenants:	▪ 66
Number of employees:	▪ 22,000 working in the Group's warehouses

Portfolio valuation: €3.8 Billion

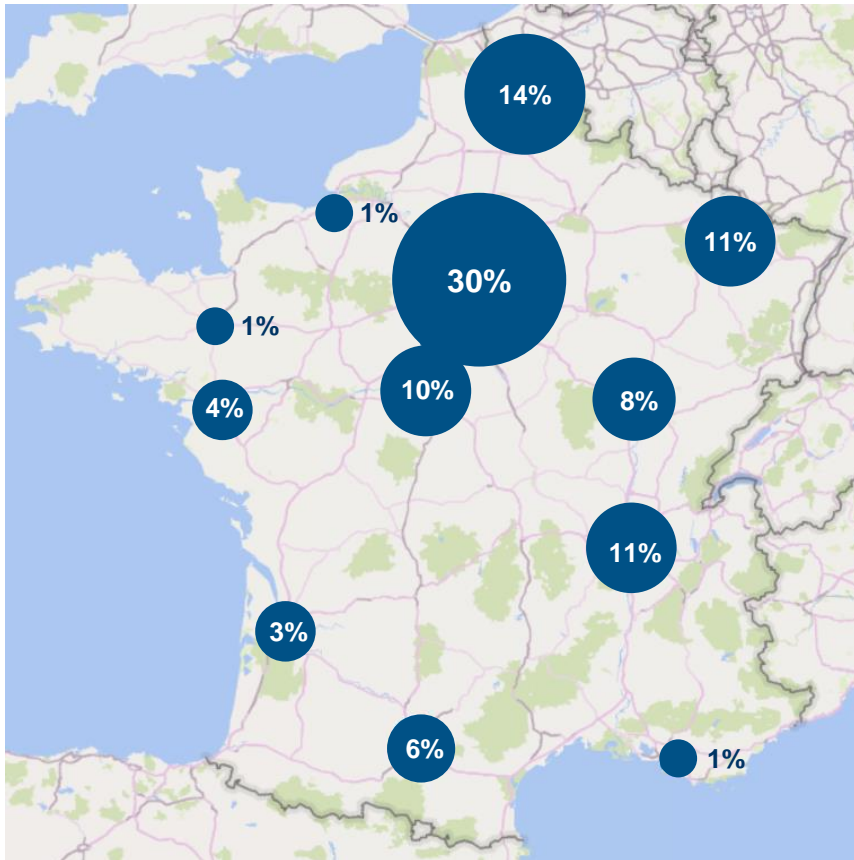
in € millions



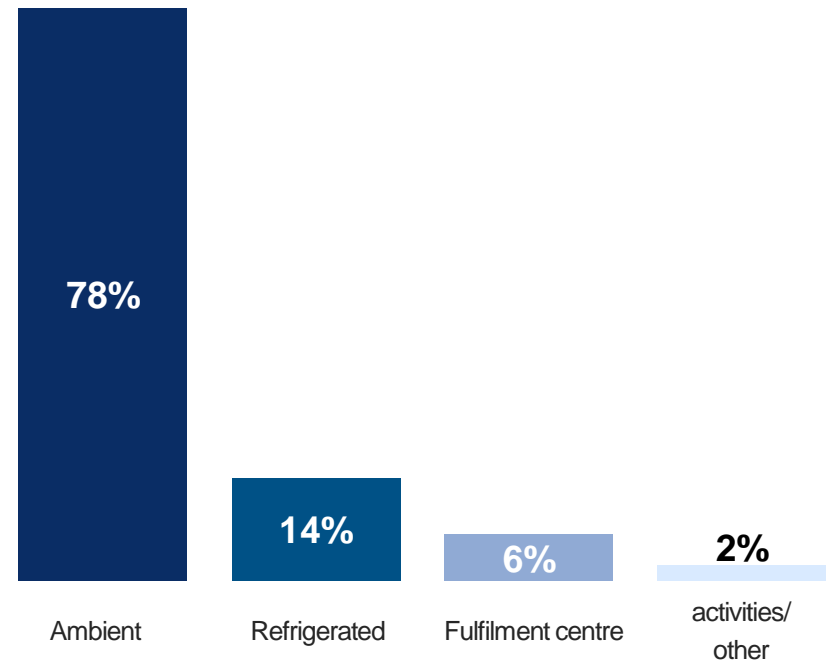
**Portfolio valuation rose by +2%,
with a portfolio fair-value now turning once again positive over the period**

Distribution of logistics hubs

By region



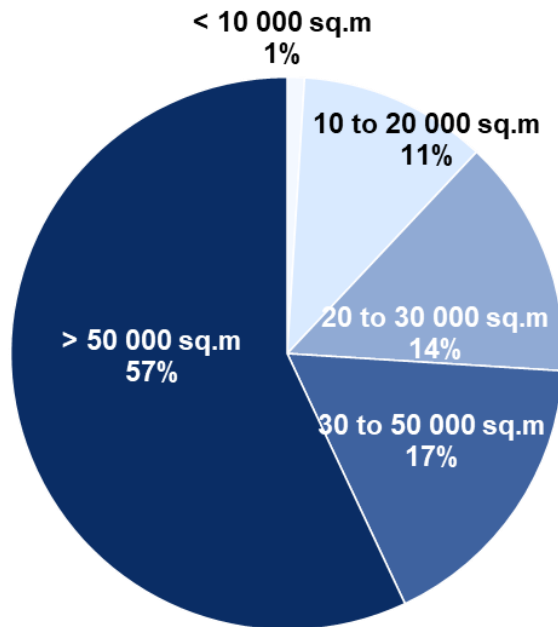
by types



NB: Breakdown by % of rents

Distribution of logistics hubs

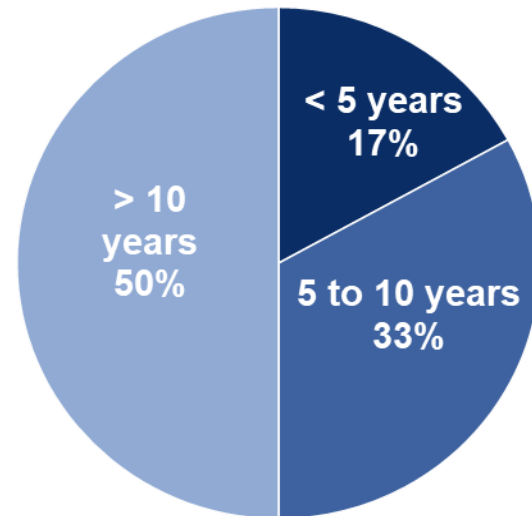
By area



Average size: 36,150 sq.m

The 27 XXL warehouses represent 57 % of the surface areas

By age



Average age: 11.5 years

2024: €180 million of investments for 170,000 sq.m (1/2)

Sites delivered in H1 '24

Main information

Location



- Castries (34)
- Area: 4,300 sq.m
- Fixed term: 6 years



①



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



②



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



③



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



④

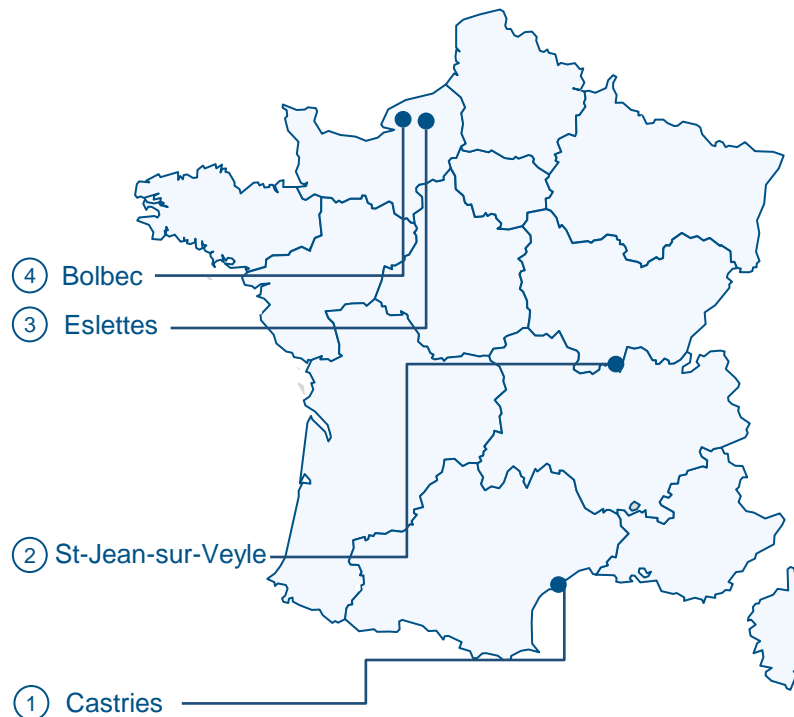


Photo credits of architects pictures: A26 Architectures

2024: €180 million of investments for 170,000 sq.m (2/2)

Sites to deliver in H2 '24

Main information

Location



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



①



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



②



- Augny (57)
- Area: 9,500 sq.m
- Fixed term: 9 years

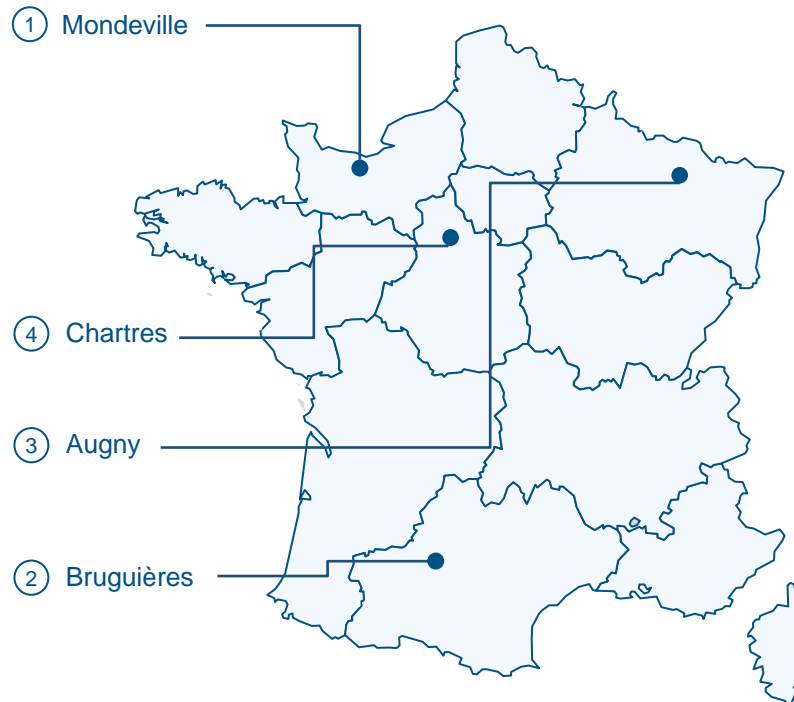


③



- Chartres (28)
- Area: 18,000 sq.m
- Fixed term: 10 years

④



* Photo credits of architects pictures: A26 Architectures

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



CARREFOUR – Mondeville (14) – 82,000 sq.m



DACHSER – Bolbec (76) – 15,200 sq.m

Debt

A financial discipline for the coming years

1

Debt

- Priority to debt reduction, aiming by the end of 2026 for:
 - An LTV (excl. duties) of around 38%*
 - A net debt / EBITDA below 8x

2

Financing

- Mixed, with a mid-term target of:
 - Amortisable bank debt (50%)
 - Bond (50%)

3

Liquidity

- RCF lines \geq 1 year of rental income (~ €250 million)

4

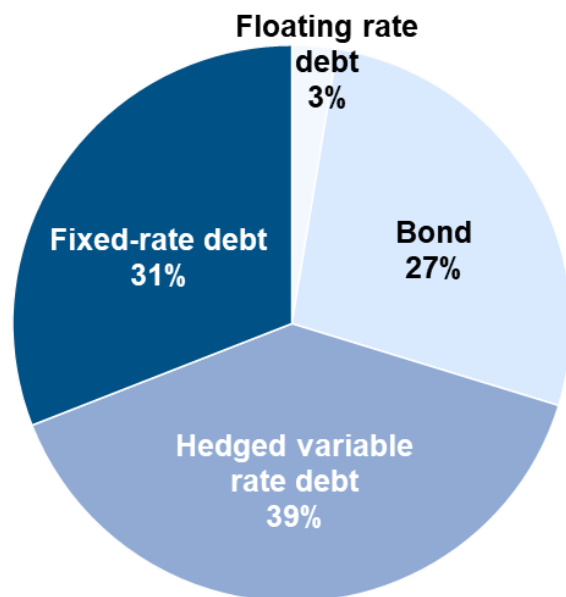
Rating

- S&P rating : “BBB-”, stable outlook

* With a constant capitalisation rate excluding duties compared to June 2024.

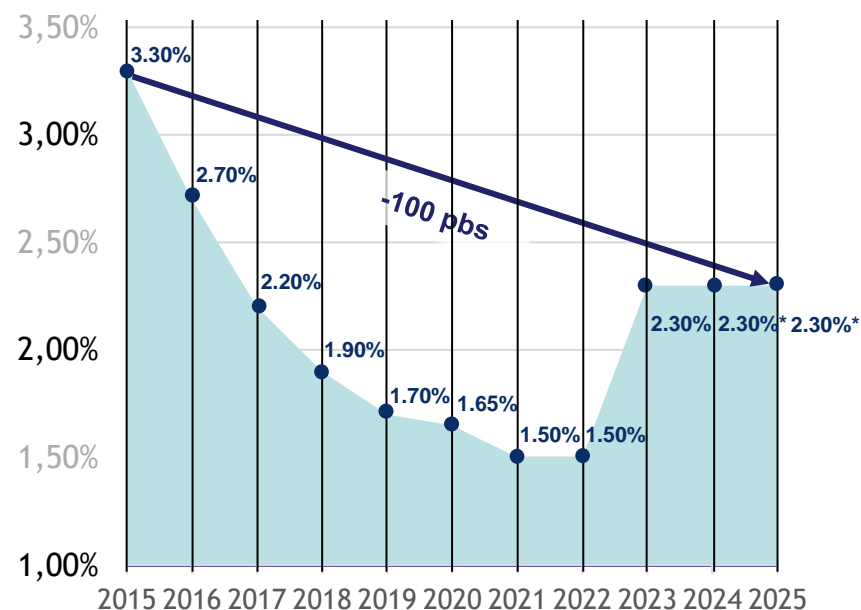
A stable cost of debt at 2.3% at the end of June 2024

DEBT STRUCTURE AT THE END OF JUNE 2024



Net debt = €1.8Bn

TRENDS IN THE COST OF DEBT



- **Average Cost of Debt at end of June 2024 = 2.30%**
- **Maturity of debt = 5.5 years**
- **Net debt / EBITDA** = 9.5x** (vs. 11x fin 2023)
- **EPRA LTV excl. duties: 45.9%** (vs. 49.7% end of 2023)

* Estimated for the end of 2024 and end of 2025 based on an average 3-month Euribor of close to 4 % over the year.

** Based on a proforma EBITDA (annualised half-year EBITDA).



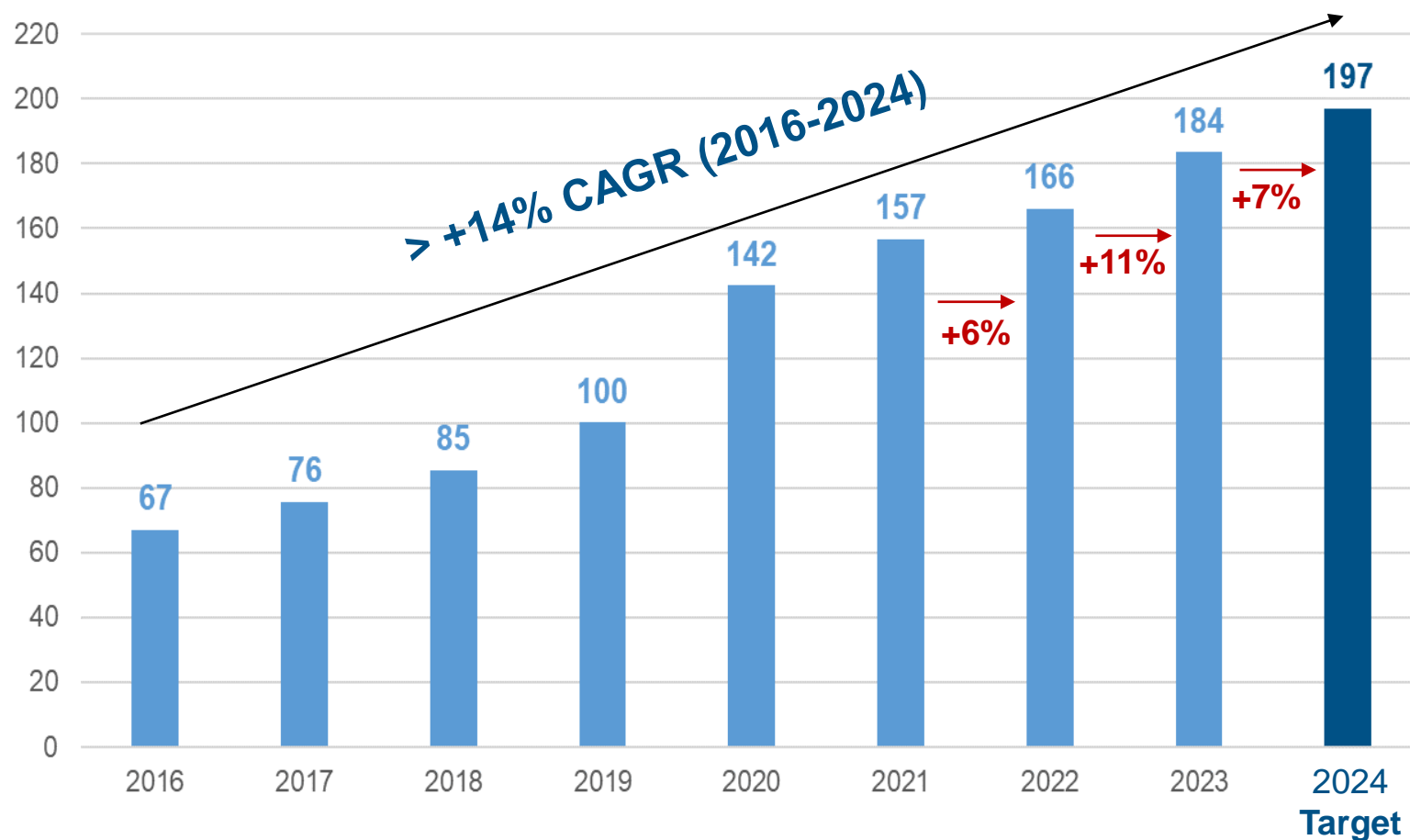
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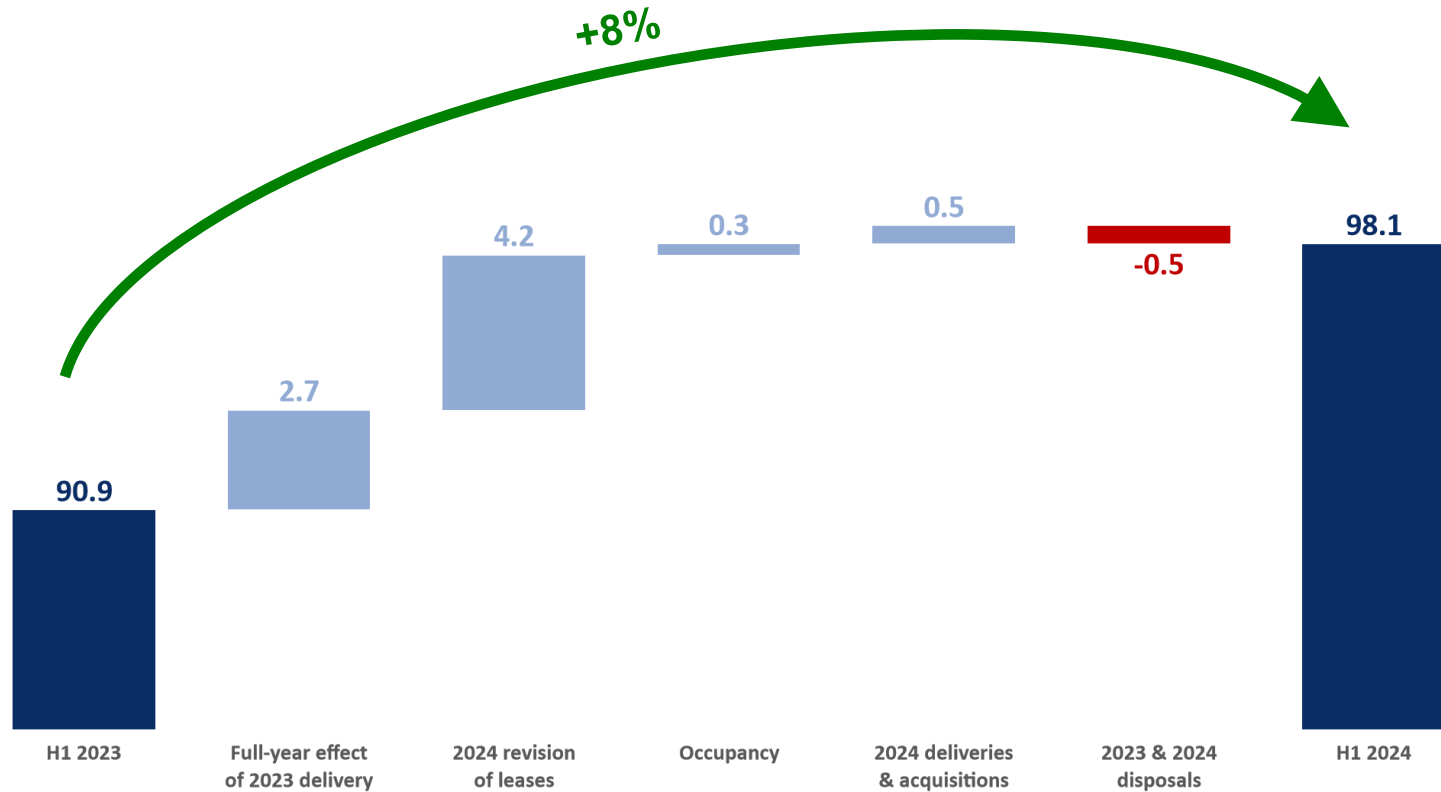
H1 2024 results

Continued growth in rental income (in € millions)



Analysis of H1 2024 rental income: ↗ 8%

Rental income (€ millions)



H1 2024 Recurring net income

In € millions	H1 2023	H1 2024	
Rental income	90.9	98.1	↗ +8%
Current expenses	-7.1	-6.6	
Income from cash	1.4	0.4	
Interest on loans	-20.2	-23.3	
Borrowing costs (spread)	-1.9	-1.6	
Recurring Net Income	63.1	67.1	↗ +6%
<i>Recurring Net Income / Rental Income</i>	69%	68%	
Recurring net income – Group share	62.8	67.0	↗ +7%
Recurring net income – Group share per share (€)	€2.73	€2.80	↗ +3%
On the basis of the weighted average number of shares for the financial year	22,999,955	23,919,304	

Sustained increase in recurring net income, in line with rental income

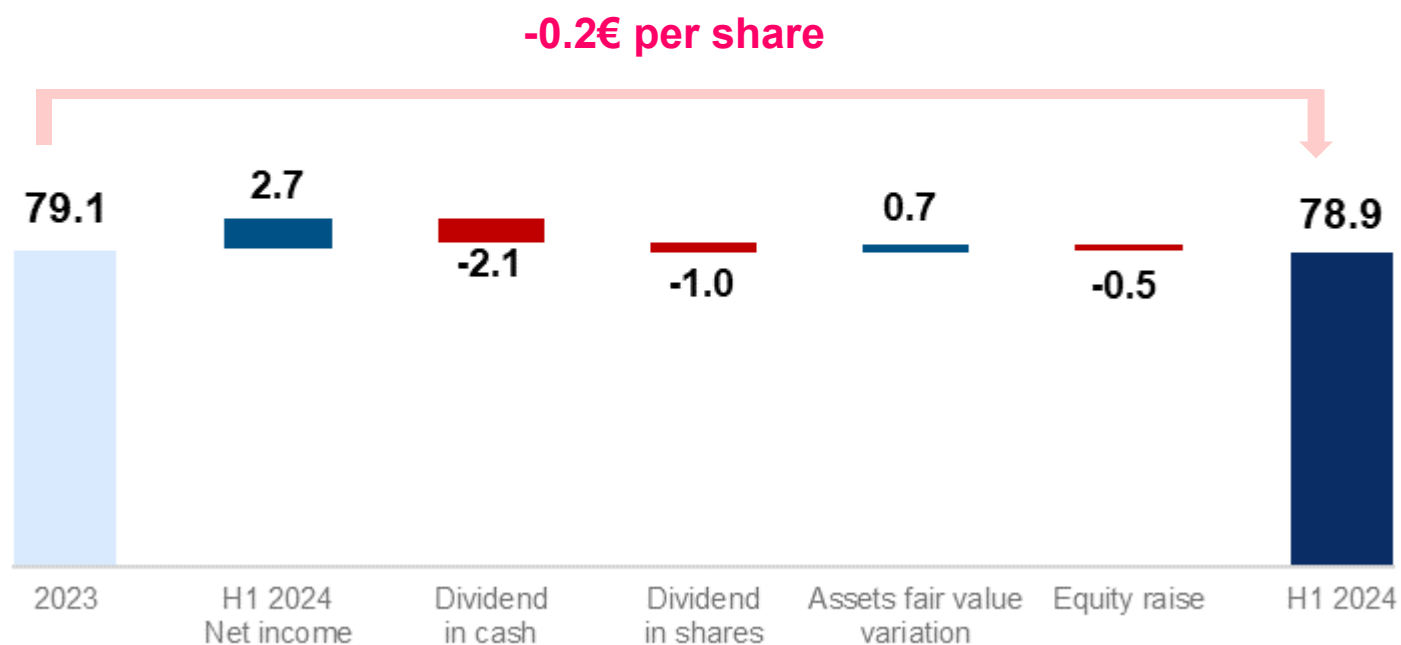
H1 2024 Consolidated income statement (IFRS)

In € millions	H1 2023	H1 2024
Rental income	90.9	98.1
EBITDA	85.3	92.6
EBITDA / Income (%)	94%	94%
Change in fair value	-332.6	17.0
Income from disposals	-0.2	-
Other operational expenses	-	-
EBITDA, after value adjustments (FV)	-247.5	109.7
Income from cash and equivalents	1.4	0.4
Interest on loans	-20.2	-23.3
Derivatives / borrowing costs / IFRS 16	-3.0	-2.6
Early repayment	-	-
Income before tax	-269.3	84.3
Tax and other financial expenses	-0.2	6.8
Share of income from equity-accounted companies	-	-
Net income	-269.5	91.1
Net income – Group share	-267.0	90.9
Earnings per share (€)	-11.61	3.80
On the basis of the weighted average number of shares for the financial year	22,999,955	23,919,304

Portfolio fair value back to positive trends

H1 2024 trends in NAV EPRA NTA per share

In €/share



NAV EPRA NRV = €89.7 € / share

NAV EPRA NTA = €78.9 / share

NAV EPRA NDV = €82.8 / share



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2024-2026 roadmap

Successful capital increase: €150 million

1

Rational

- **Strengthening our 2024-2026 roadmap:**
 - Accelerated growth path: targeted +7% CAGR
 - Strong debt reduction by the end of 2024: LTV at ~44% & Net debt / EBITDA at ~9.5x
- **Increased Argan share liquidity**

2

Frame
& conditions

- **Done in April through an ABB**
- **Without the Le Lan family and Predica to increase free float** (lock-up of 6 months)
- **2 millions shares created at €74** (6% limited discount vs. closing share price previous to the operation)

3

Key figures
of the
capital increase

- **Free float up to 48%** (vs. 44%, i.e., +20% in shares)
- **50 institutions, incl. 32 new to the Argan shareholding**
- **76% of institutions met over the year ahead**
- **Majority of “long-only” (80% vs. 20% “hedge funds”)**
- **Share liquidity: increase of +60% on Euronext** (60 days total after operation vs. 60 days before)

Ambitious mid-term roadmap

Accelerated debt reduction



- **No additional debt** to finance our development
- **About €100 million / year repaid** through amortizing mortgage loans
- **Successful equity raise: €150 million**
- **Strategic assets disposals plan:**
c. €78 million of disposals scheduled for 2024

Ongoing development



- **Carbon Zero and pre-let Aut0nom®-labelled warehouses deployment**
- **Development strategy to strengthen our leadership in PRIME logistics real estate**
- **Occupancy rate maintained at 100%**

2026

**Net debt /
EBITDA**

< 8x

LTV (excl. duties)

(Constant cap. rate)

~ 38%

2024-2026

Rental income

CAGR ~+7%






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2024 targets confirmed

Projections & targets for 2024

Portfolio (projections)	▪ Valuation (excl. duties):	€3.9Bn⁽¹⁾	<i>Vs. €3.7Bn end of Dec. '23</i>
	▪ Area:	3.7 million sq.m	<i>Vs. 3.6 M sq.m end of Dec. '23</i>
Debt (projections)	▪ Net debt:	€1.8Bn	<i>Vs. €1.9Bn end of Dec. '23</i>
	▪ Net LTV (excl. duties):	44%⁽¹⁾	<i>Vs. 49.7% end of Dec. '23</i>
	▪ Cost of debt 2024:	2.30%⁽²⁾	<i>Vs. 2.30% end of Dec. '23</i>
Results & Dividend (Targets)	▪ Rental income:	€197 million	 7%
	▪ Recur. net income – Grp share:	€135 million	 7%
	▪ Dividend per share:	€3.30⁽³⁾	 5%

1. At constant capitalisation rate compared with the end of June 2024.

2. Based on an average 3-month Euribor of close to 4% in 2024.

3. Pending on the approval of the General Assembly of March 20, 2025.



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Appendices

ESG: Our 2023 achievements – Environment

Limit our environmental impact

Strong decrease in our carbon footprint

- **Overall carbon footprint reduction of -33.5% in 2023:**

- **Scope 3 - Energy: -14.5%**

Incl. -26.5% for gas, with the deployment of new Aut0nom® warehouses and frugal energy choices made by our client-tenants

- **Scope 3 - Construction: -42.6%**

Deployment of AUT0NOM® and energy management

- 12 AUT0NOM® warehouses operational or being deployed
- Photovoltaic energy production: More than 25,000 MWh in 2023 (+67% over a year)
- Active deployment of BMS: 40% of sites equipped at the end of 2023

Construction and sustainable site management

- All ongoing developments aim at least for a “BREEAM very good” certification and for an “excellent” level starting 2025
- Increased efforts to aggregate environmental information relating to our client-tenants: **75% of water-related data reported in 2023**
- Enhanced biodiversity for the 5 projects delivered in 2023:
 - **360 trees and 2,560 shrubs were planted**
 - Installation of natural shelters for animals and insects

ESG: Our 2023 achievements – Social & Societal

Valuing our employees and create positive societal impact

Employee fostering

- First free shares for all employees created at the beginning of 2024
- Maintained attractive salary policy: fixed salary over 13 months, collective commercial bonus and profit sharing plan (2 months)
- Equity ratio maintained at a very low level of 2.4 (compared with 89 on average for companies trading on the SBF120 French index)

Ethical, inclusive and securing workplace

- A set of 4 charters was drafted and publicly available (argan.fr) as well as to all employees:
 - Anti-corruption
 - Ethics (including an anonymous whistleblowing system available to all)
 - IT & Personal data
 - Stock market code of conduct
- Maintained 0% salary-gap between men and women for an equivalent position
- No accident in 2023

Upskilling employees

- Training programs launched: 17 employees trained for a volume of 187 hours
- An awareness raising campaign regarding electrical hazards was conducted for employees operating on our sites (electrical certification for all our property managers)



ESG: Our 2023 achievements - Governance

Grant transparency, integrity and act responsibly

An organisation focused on sustainable development

- Increase awareness on Argan's ESG priorities for 100% of our employees, including the targets set as part of our 2025-2030 roadmap (2023 & 2024 reports shared with all employees)
- **A monthly committee ensures data-tracking for energy consumption, carbon emissions and renewable energy production**
- Upcoming inclusion (from 2025) of an ESG criteria for the annual employee profit sharing attribution

Exemplary corporate governance

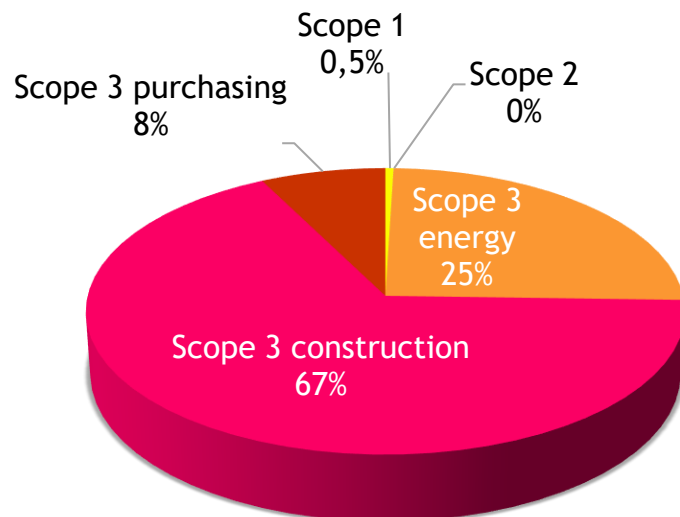
- **Increased attributions to the Audit Committee with topics relating to sustainable development. The Committee is now named the Audit, Risks and Sustainability Committee**
- A still exemplary attendance rate of our Supervisory Board: 98% in 2023
- Preparing the implementation of CSRD from 2026 by gradual inclusion of related items in our 2024 ESG report published in June

Increased integration to renowned benchmarks

- **Improved ESG ratings:**
 - Sustainalytics: ESG risk assessed as "low" from "moderate" (current rating: 16.7)
 - Ethifinance: Silver medal
- 10 principles of "Entreprises Engagées pour la Nature" signed (French label for companies committed for nature)
- Rating process launched with GRESB (Real Estate reference) and Ecovadis (financial community reference)

ESG: Focus on 2023 carbon footprint

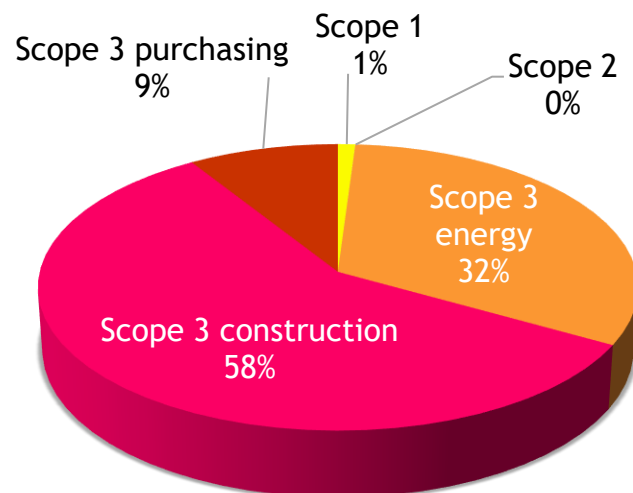
2022



All emissions: 100,535 t CO₂

Scope 1:	489 t
Scope 2:	4 t
Scope 3 energy:	25,101 t
Scope 3 construction:	67,396 t
Scope 3 purchasing:	7,545 t

2023



All emissions: 66,811 t CO₂, - 33.5%

Scope 1:	690 t	+41.1%
Scope 2:	3.6 t	- 10%
Scope 3 energy:	21,450 t	- 14.5%
Scope 3 construction:	38,661 t	- 42.6%
Scope 3 purchasing:	6,006 t	- 20%

Calendar of releases and meetings for 2024-2025

2024 financial calendar

➡ *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*