

2019 half-year results

A NEW SCALE

25 July 2019



**SOCIETE
DE LA
TOUR EIFFEL**



SPEAKERS PRESENTATION



Hubert RODARIE
Chairman



Thomas GEORGEON
Chief Executive Officer



Bruno MEYER
Deputy Chief Executive Officer




MAJORS STEPS IN LITTLE TIME


RENEWALS
SNCF AND LA POSTE
LEASES
C. 6% of revenues

DEVELOPMENT
1st PHASE PARIS
SACLAY
100% PRE LEASED

**TACTICAL
ACQUISITION**
TESSI – SALE &
LEASE BACK OVER
6 YEARS



REFURBISHMENT
BUILDINGS IN
NANTERRE AND IN
AIX-EN-PROVENCE
100% LEASED



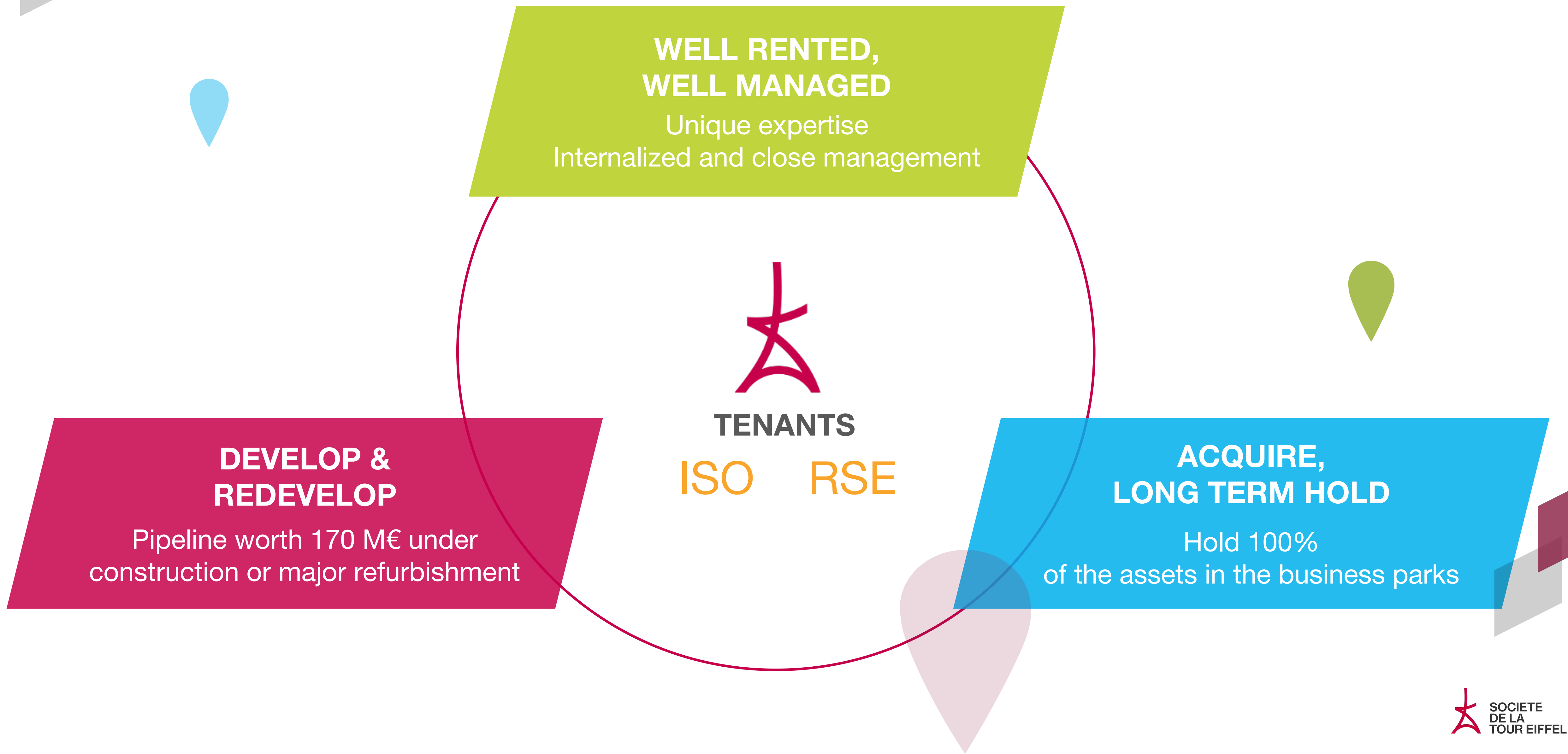
SIGNATURE
SURESNES : 1/3 OF
THE PREMISES
(vacant since 01/07/19)
C. 2% of revenues

ACQUISITION
1 BUILDING ON THE
PARK IN
MARSEILLE

**PURCHASE
AGREEMENT**
BUILDING AND LAND
RESERVE IN
AIX-EN-PROVENCE

DISPOSAL PLAN
IN WORKING
ORDER

TENANTS, THE FOCUS FOR OUR MODEL





AT THE DAWN OF A NEW STEP OF GROWTH

2014

SMA

2019

 **AFFINE**

- **Specialise in Greater Paris + Regions with potential**
- **Develop land reserves**
- **Become sole owner on business parks**
- **Expand our Services**

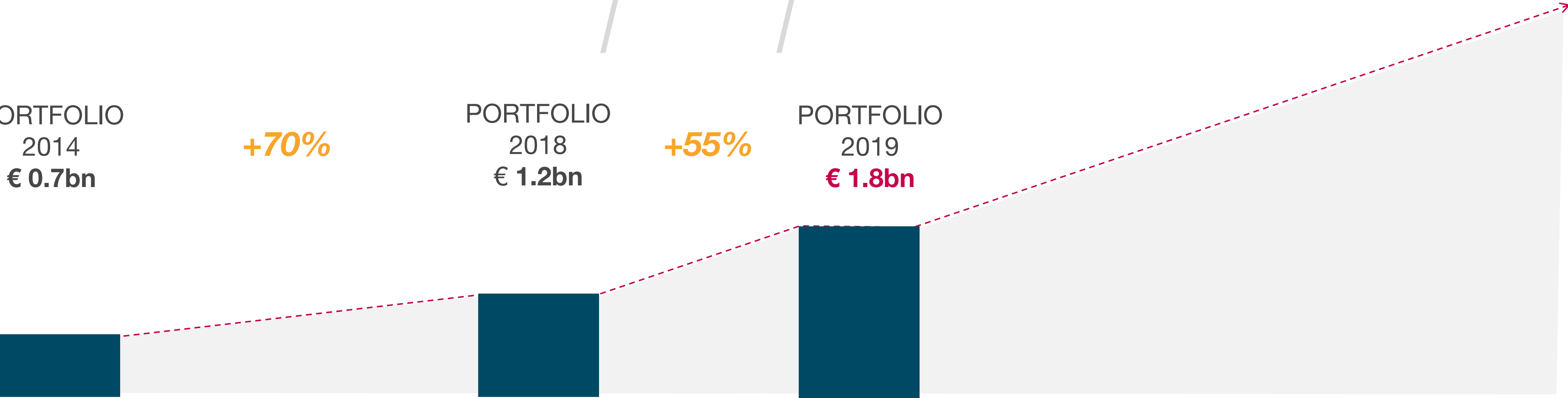
PORTFOLIO
2014
€ 0.7bn

+70%

PORTFOLIO
2018
€ 1.2bn

+55%

PORTFOLIO
2019
€ 1.8bn

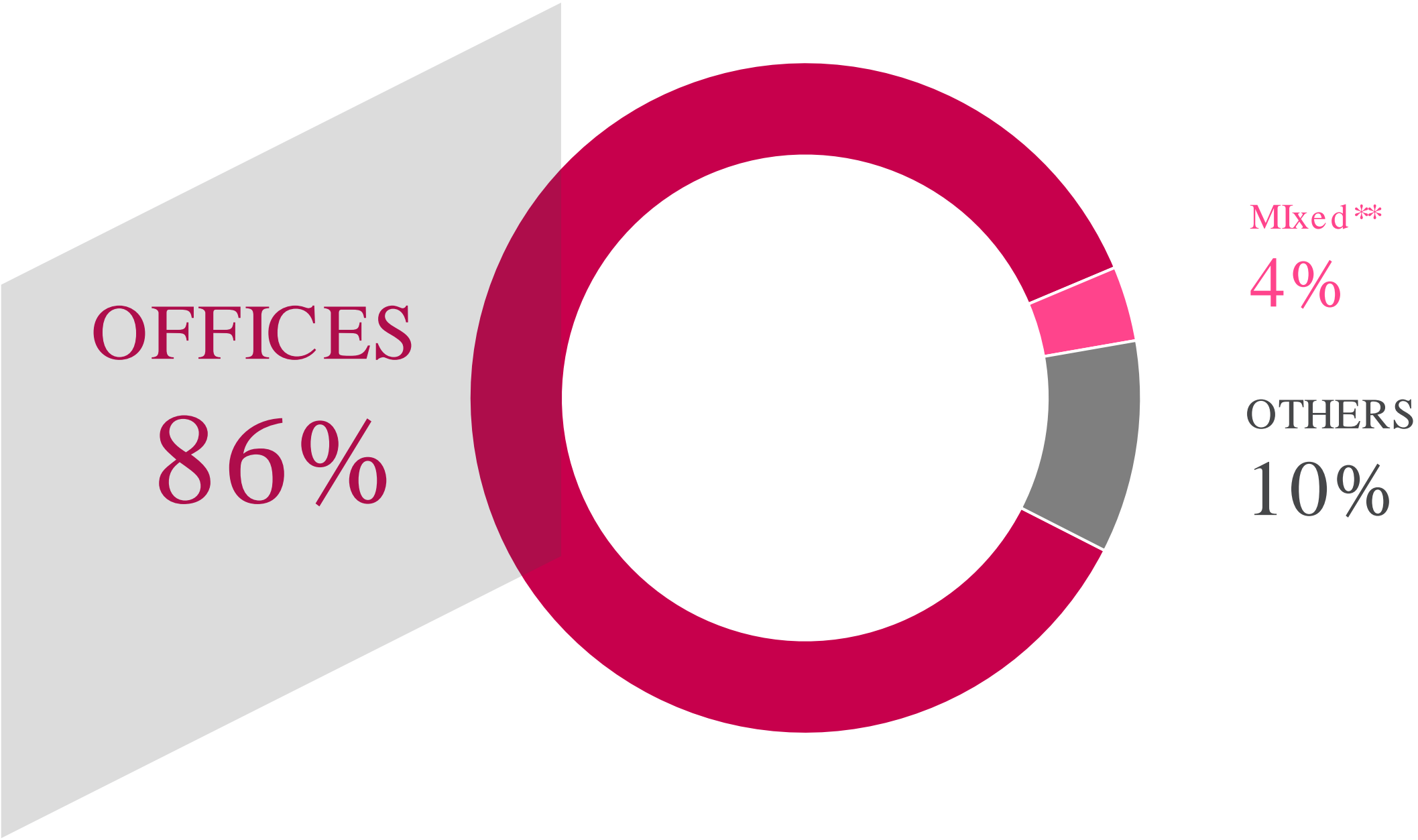


A PROPERTY PORTFOLIO OF € 1.8BN

AS AT 30 JUNE 2019



* Aix-Marseille, Bordeaux, Lille, Lyon, Nantes, Toulouse

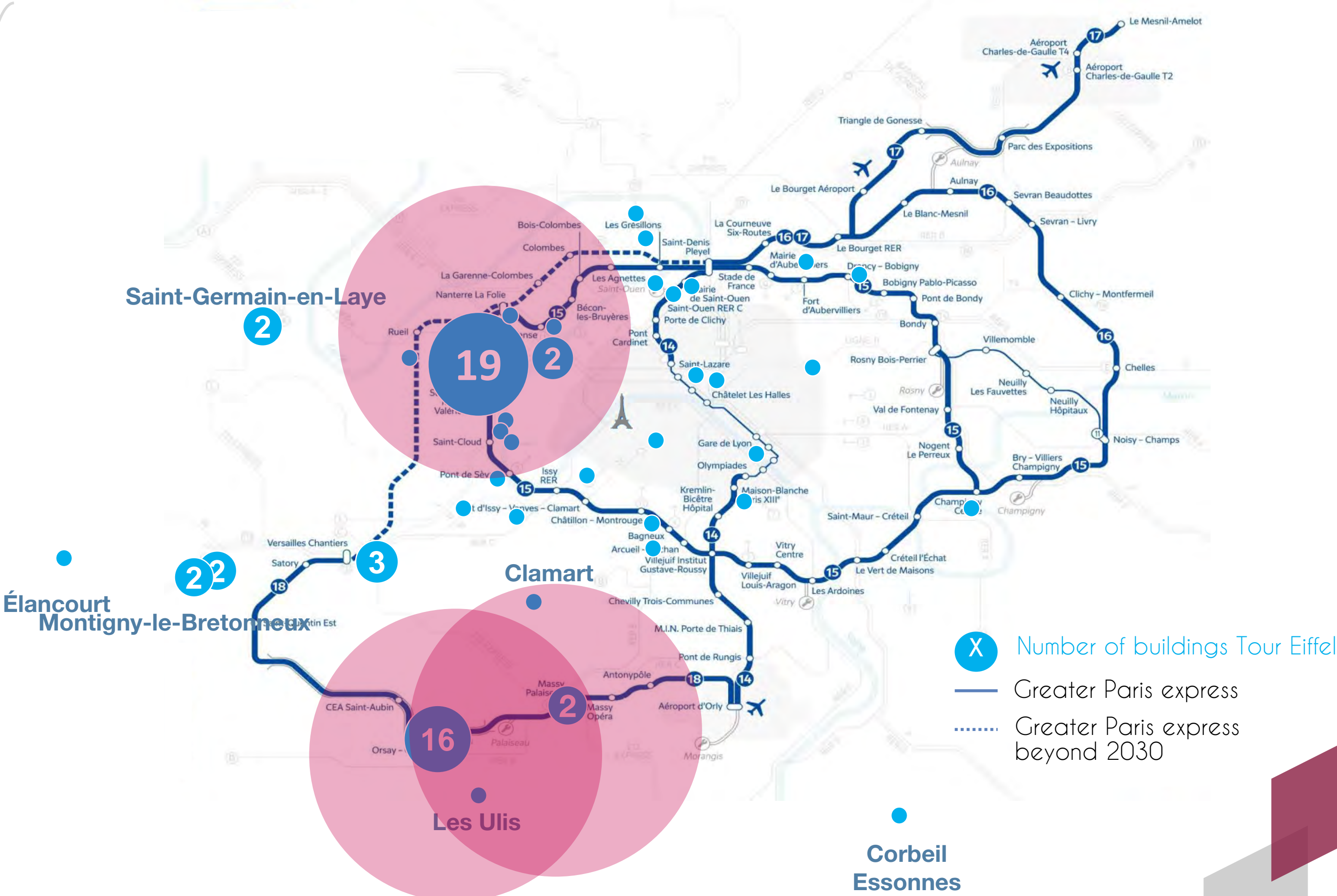


** Mixed Offices / Retail

CLEAR OBJECTIVES: 80% GREATER PARIS, 100% OFFICES

MT*
objective
80%

* Medium Term



PROJECTS MEETING THE CHALLENGES OF GREATER PARIS

NANTERRE SEINE (Park 72 300 m²)

Restructuration 6 370 m²

COMPLETED, 96% LEASED

- Small complementary surface areas for the headquarters of the large groups located in La Défense

NANTERRE PRÉFECTURE (Delta building – 14 700 m²)

Partial restructuration (5 500 m²) in occupied environment

COMPLETION 4Q 2019, 55% OCCUPIED

- At the foot of the future station of the EOLE line

MASSY (Copernic building 16 400 m² existing)

1st phase 12 600 m²

COMPLETION H2 2019 – 36% PRE-LEASED

- Typology: SME multi-tenant
- Perfect combination of transport / High-speed train line (TGV)

PARIS SACLAY (Park 17 000 m² existing)

1st phase of 13 800 m²

COMPLETION H2 2020 / 100% PRE-LEASED

- Relocation of R&D companies
- Orsay Metro line planned for 2026



**62% OF
PIPELINE ON
GREATER
PARIS**



SOLID GROWTH PIPELINES

IN THE SHORT...

- **Completions "on track"** for projects in 2019, the majority of which are fully pre-leased
- **Ramp-up in the reletting of vacant assets**
- **Renewals** of major leases about to expire (SNCF, La Poste)
- **Effective and modern renovation of assets**

...AND MEDIUM TERM

- **Strong revenue potential** by exploiting the land reserves
- **Acquisition** of several assets in Aix-Marseille

A WELL ORIENTED MARKET

INVESTMENT

**Record year in perspective
(€ 34bn in France)**

75% Greater Paris / 25% Regions

INVESTMENT

**Most dynamic cities: Greater Paris,
Lyon, Lille, Aix/Marseille, Toulouse,
Bordeaux, Nantes**

TRANSACTIONS

**H1 down (-19%) particularly on
large surface areas (-41%)**

RENTS

**Headlines rents stable
(Timid rise in the Greater Paris
inner rim)**

**Incentives slightly down
(from 20 to 18%)**

Source: BNP PARIBAS

1

**AFFINE INTEGRATION:
A CHANGE OF SCALE**

2

**A PIPELINE OF € 170M OF PROJECTS
« ON TRACK »
SELECTED PROJECTS**

3

**A DISPOSAL PLAN OF € 190M SERVING
THE DEVELOPMENT STRATEGY**

4

FINANCIAL COMPONENTS

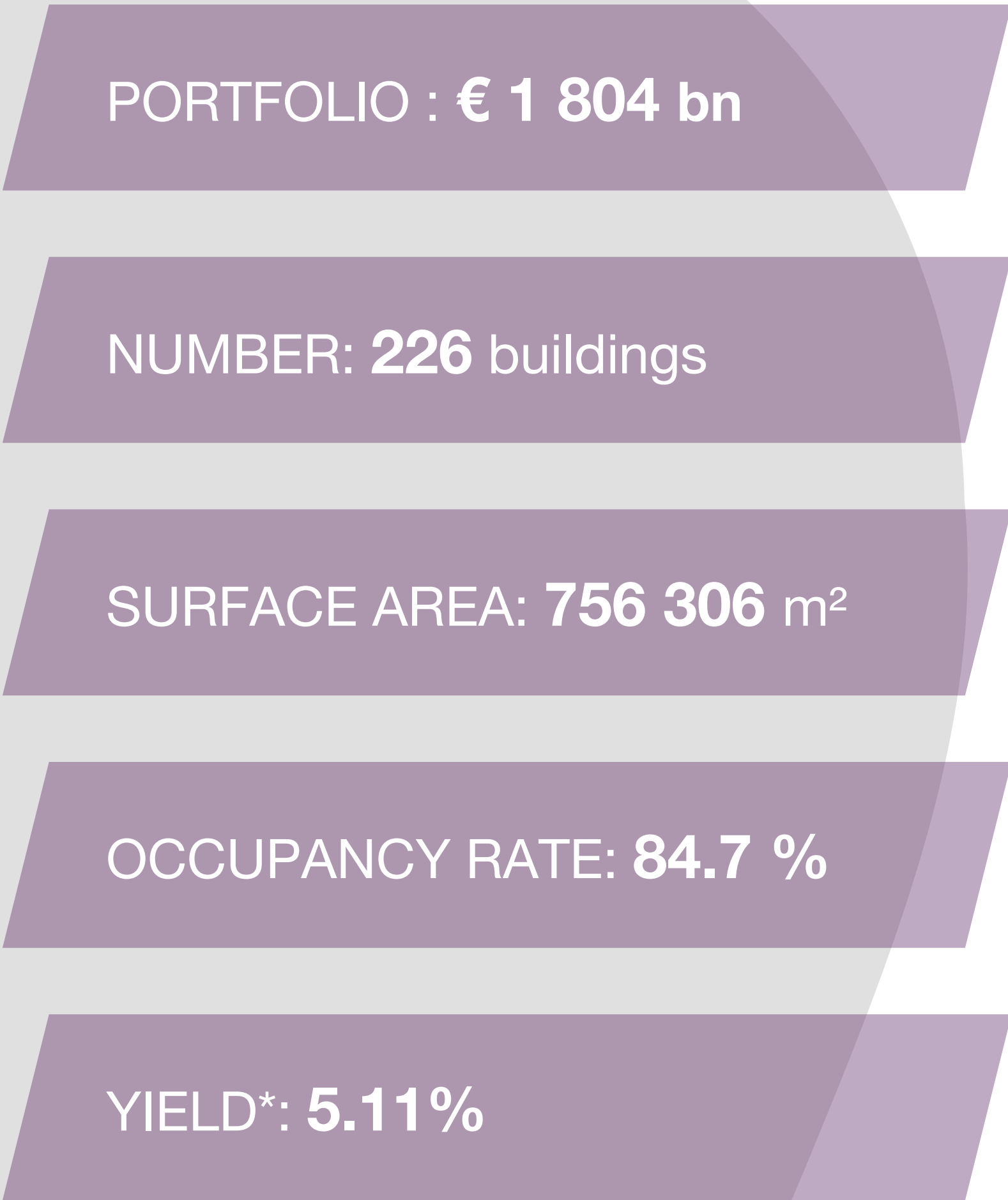
5

A CLEAR STRATEGY

AFFINE INTEGRATION: A CHANGE OF SCALE

1

TOUR EIFFEL: THE 5th LARGEST LISTED FRENCH MARKET PLAYER IN OFFICE PROPERTY



* EPRA Topped-up

GREATER PARIS

€1 298bn

100 buildings

373 351 m²

EPRA occupancy rate

86.5%

Topped-up yield

4.84%

REGIONS WITH POTENTIAL

€316 bn

51 buildings

128 713 m²

EPRA occupancy rate

92.0%

Topped-up yield

5.42%

THE CSR AT THE HEART OF THE PERFORMANCE

71% of the
assets in Greater
Paris certified

100% of
developped
assets certified

82% of assets
< 500 m
from public
transport

Reduction in the
carbon footprint of
the buildings

Objectifve 2030
-40% vs 2013

4th competition
organised by
the company's
foundation

100% of
employees
committed to
the internal
ethics charter



PICTURES OF ASSETS: GREATER PARIS

SOME EXAMPLES



Paris – Traversière – 7 800 m²



Puteaux – Linea – 15 800 m²



Nanterre – Parc Eiffel – 72 300 m²

PICTURES OF ASSETS: GREATER PARIS
SOME EXAMPLES



Vélizy – Topaz – 14 100 m²



Meudon – Green Office – 5 500 m²

PICTURES OF ASSETS: REGIONS WITH POTENTIAL

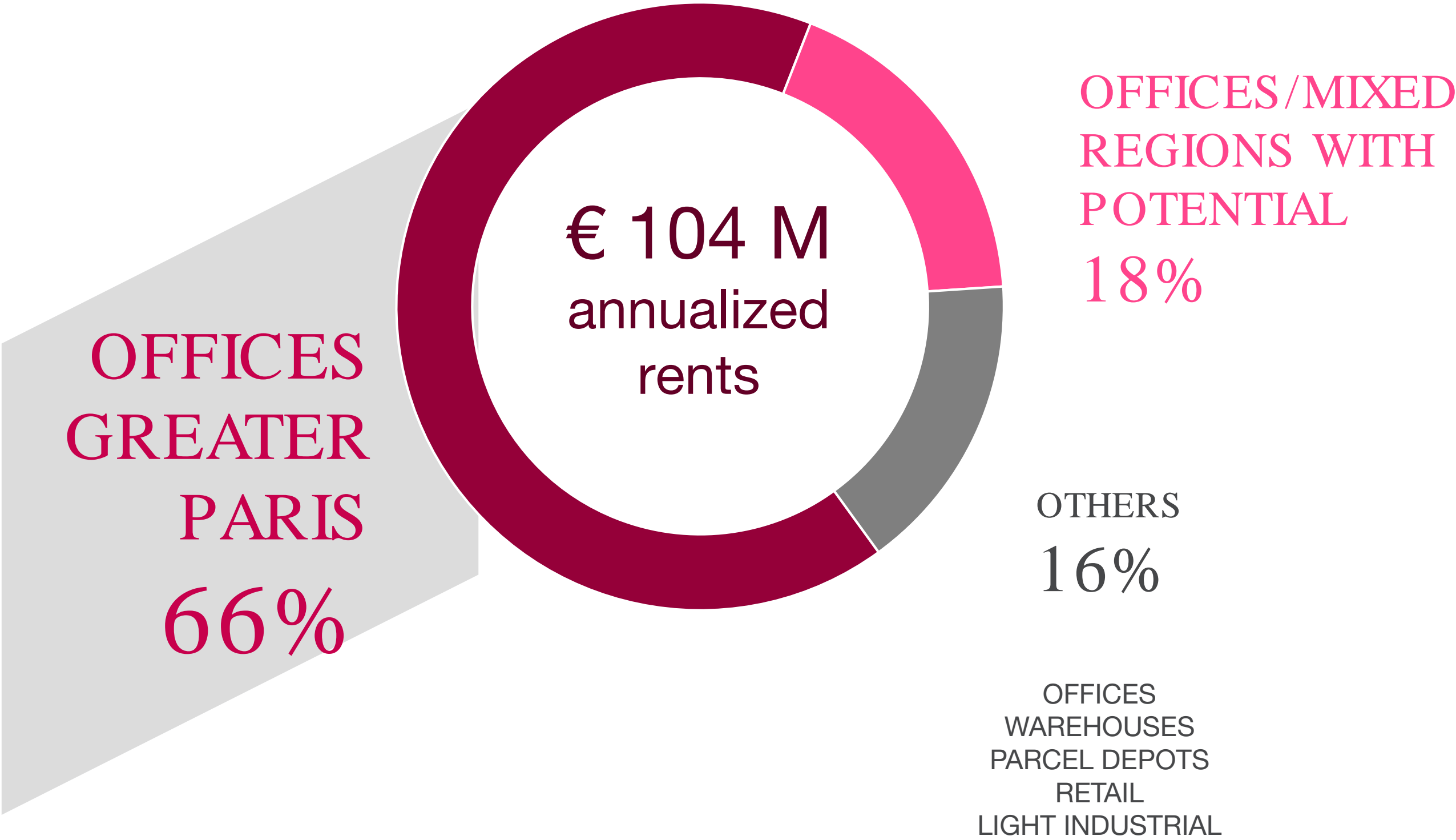
SOME EXAMPLES



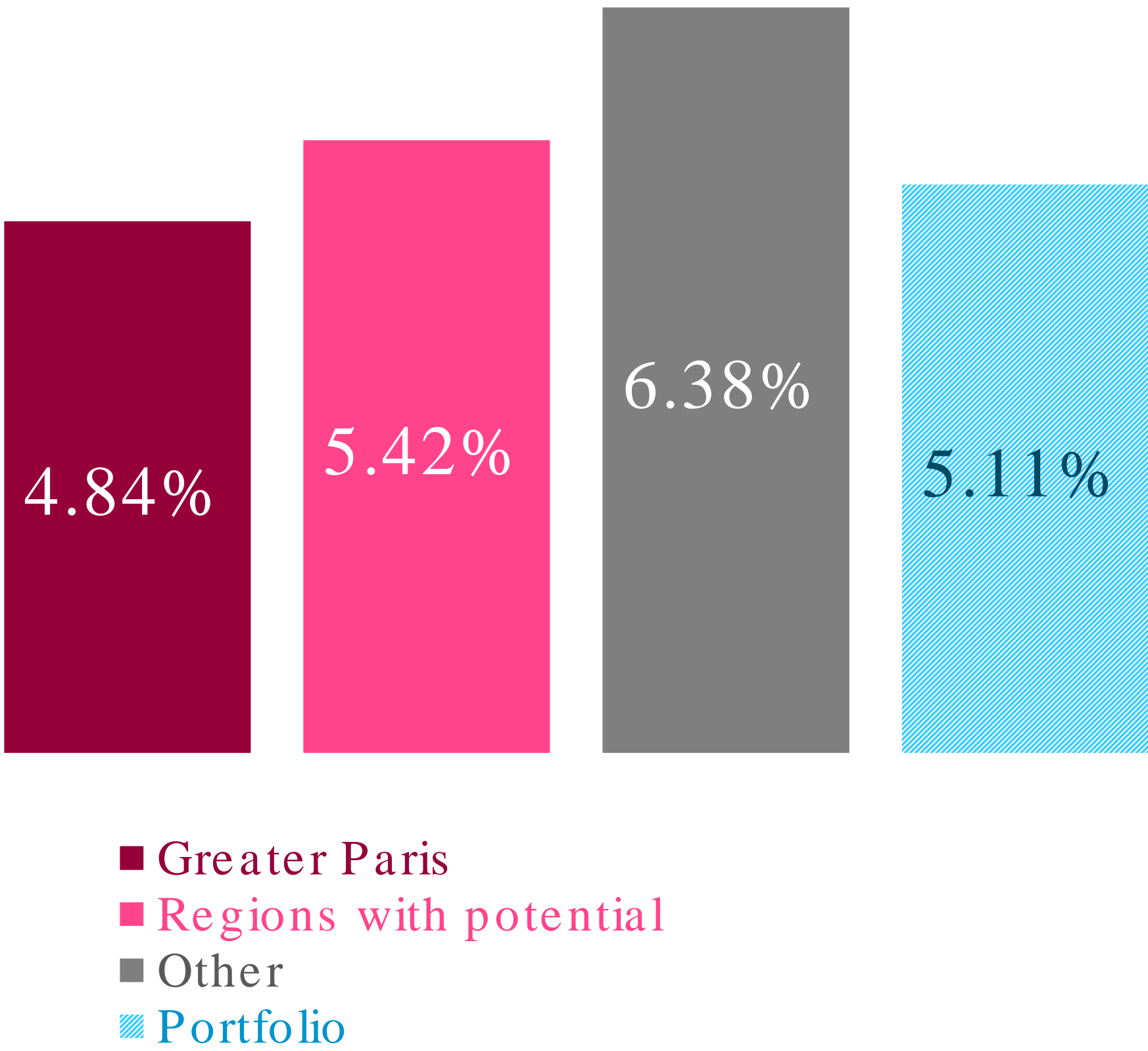
PICTURES OF ASSETS: REGIONS WITH POTENTIAL SOME EXAMPLES



A SOLID BASE FOR RENTAL INCOME

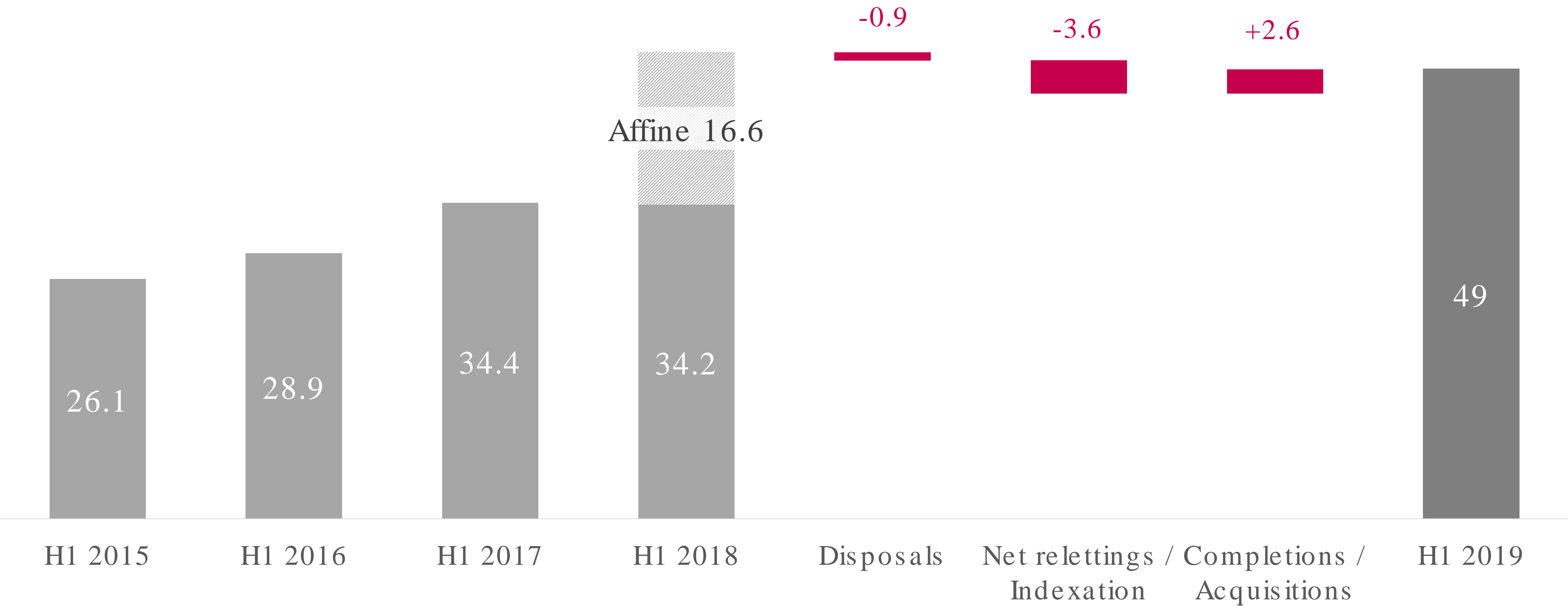


EPRA TOPPED-UP YIELD

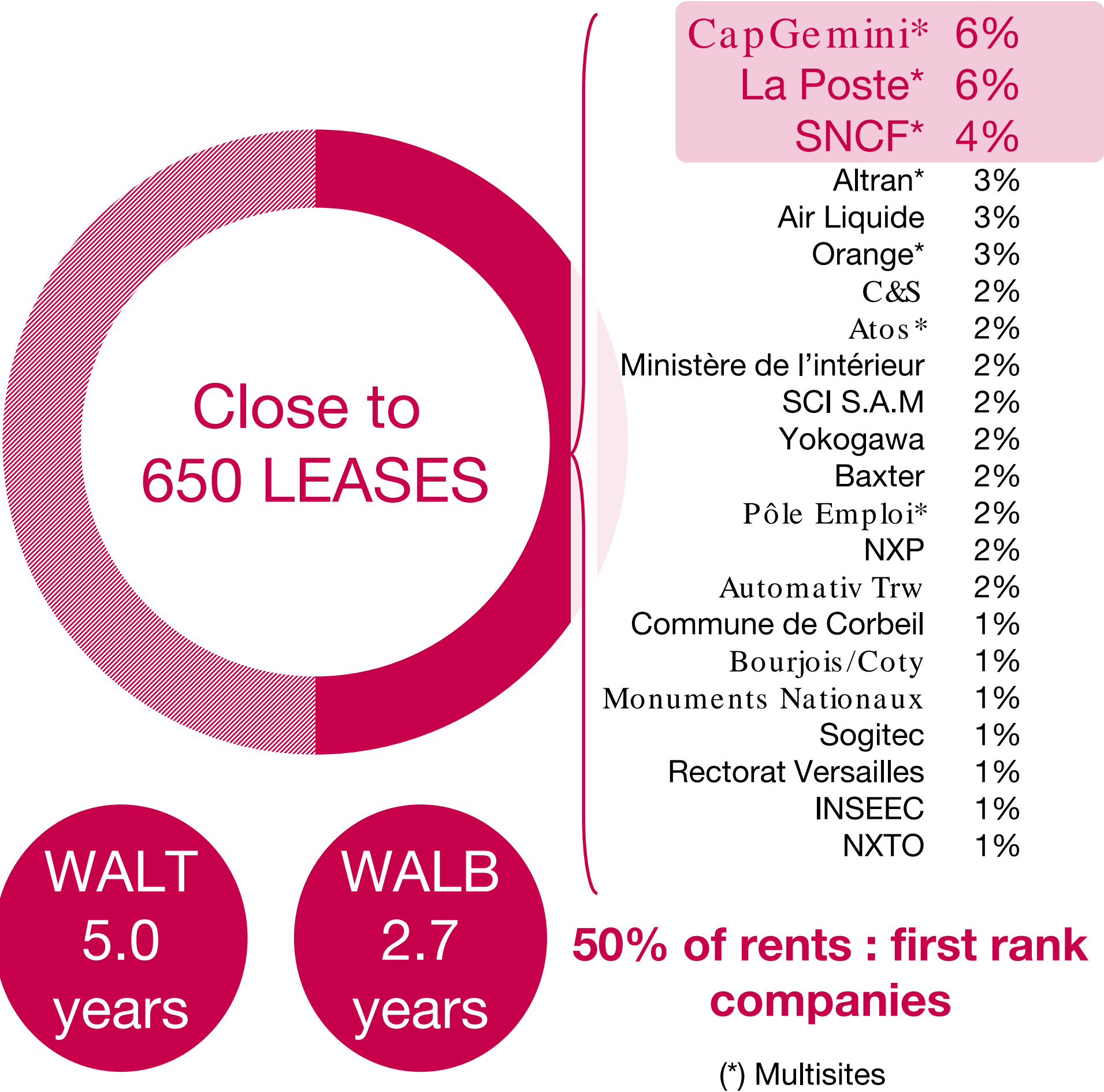


EVOLUTION AND STRUCTURE OF RENTS

RENTAL INCOME CHANGE IN €M

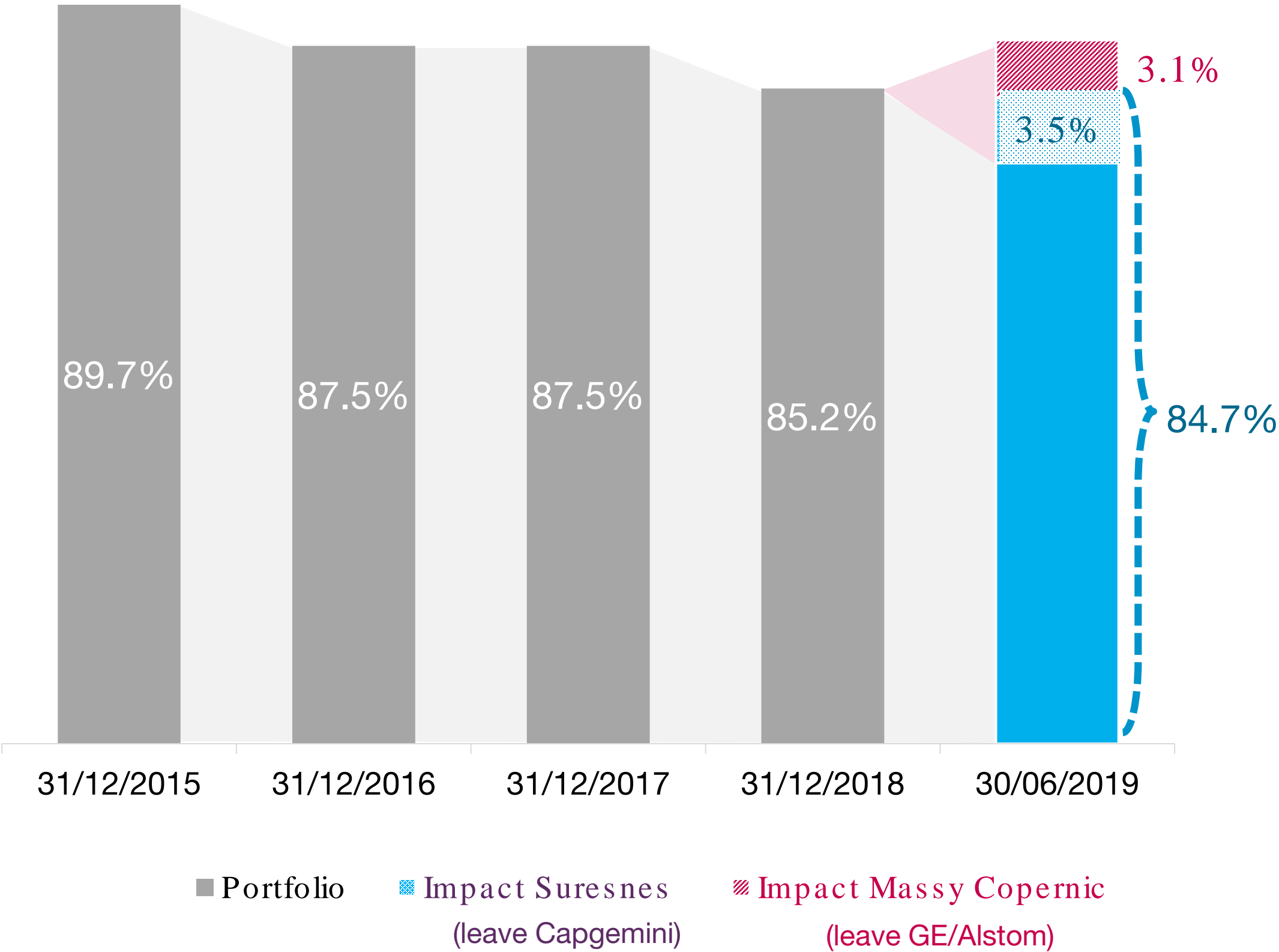


STRONG DILUTION IN RENTAL RISK



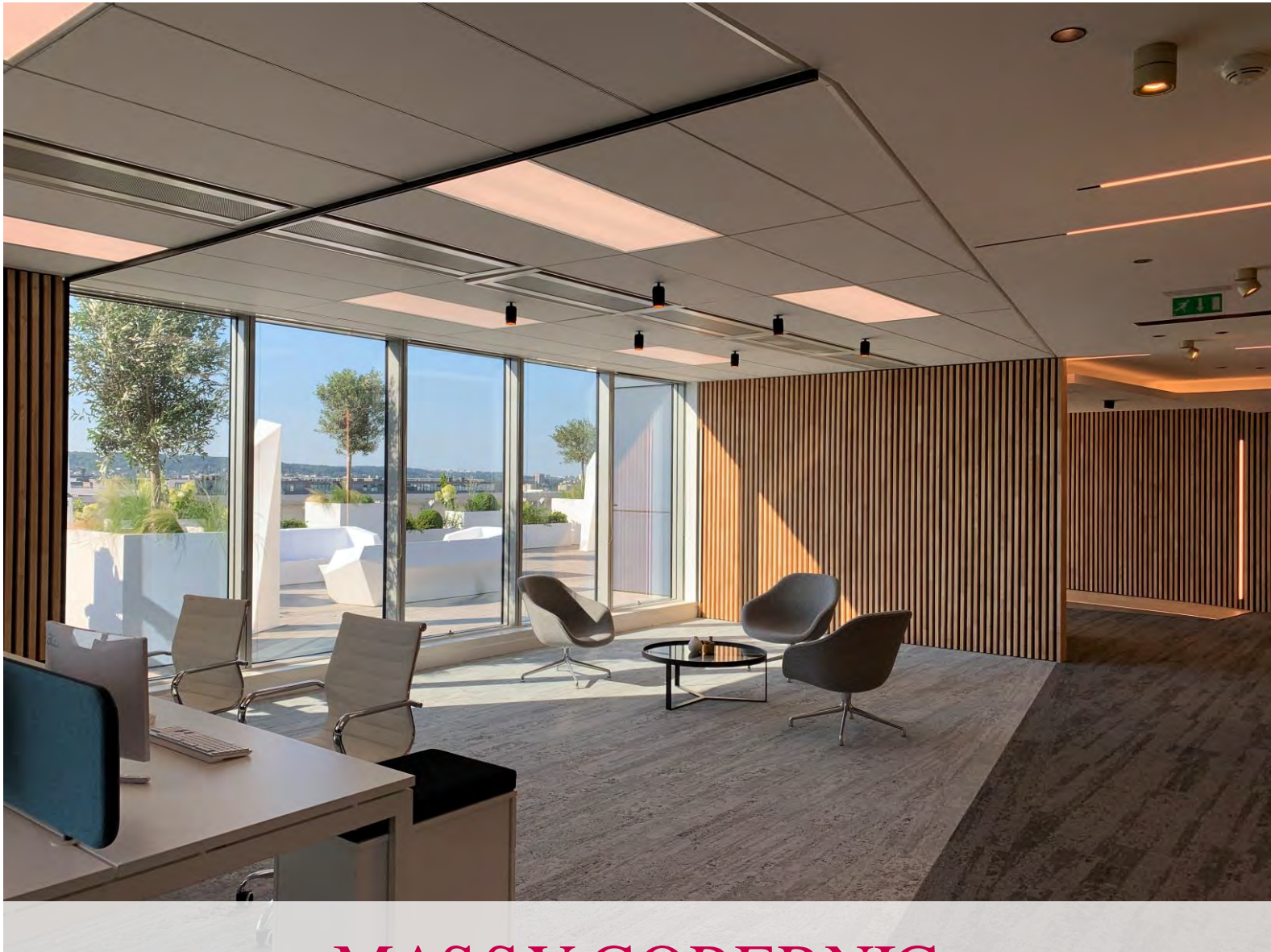
No exposition to co-working

EVOLUTION OF OCCUPANCY RATE



TRANSFORMING WORK ON KEY ASSETS

Offices



MASSY COPERNIC

Hall



Court



SURES NES SEINE ETOILE

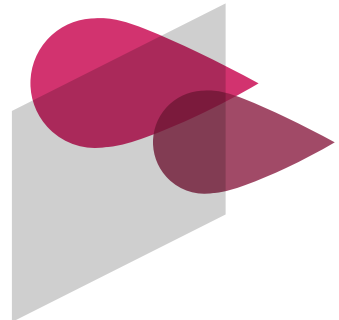
Cafeteria



2

A PIPELINE OF €170M OF
PROJECTS « ON TRACK »

SELECTED PROJECTS



MASSY: A STRONG MODULARITY

AN OFFER ADAPTED TO ALL TYPE OF COMPANY, FROM SMES TO BIG ONES



EXISTING
16 400 m²

PIPELINE
12 600 m²

EXCL. PIPELINE
12 000 m²

Existing land
reserve



Campus
1st phase of
12 600 m² under construction
(Lavoisier, Celsius, Pascal, Edison)
Operation launched 10/17
Completion scheduled Q3 19
Certified HQE Excellent
Pre-leased at 36%

2nd phase of
12 000 m² in project

Copernic
Existing building
under renovation
16 400 m²

Land Reserve



PARC EIFFEL PARIS SACLAY : TOUR EIFFEL, PIONEER DEVELOPER AT THE HEART OF THE FRENCH SILICON VALLEY

Invest.
€40.9M

Market.
100%

Expected
revenues
€2.6M

EXISTING
17 000 m²
Occupancy rate: 78%

PIPELINE
13 800 m²

Existing land reserve



1st phase of 13 800 m²
Works launched in October 2018
Fully pre-leased
Completion scheduled in H2 2020

300 m from the future Grand Paris station
scheduled in 2026 (metro line 18)



PARC EIFFEL - NANTERRE-SEINE

A MATURE PARK



EXISTING
72 300 m²

PIPELINE
6 370 m²

EXCL. PIPELINE
2 900 m²



NAVARQUE: restructuration of a 6 370 m² building for offices and light industrial
Completed in January 2019

Picture below

NANTURRA: future development of a 2 900 m² building for offices and light industrial



Services at the hear of the park to come or newly established
(Shared company nursery, Restaurant Concierge service, fitness center, Security control center, waste separation facility)

MARSEILLE - PARC EIFFEL DES AYGALES NEXT TO EUROMED

Invest.
€10.2M

Market.
42%

Expected
revenues
€0.9M

EXISTING
17 300 m²

PIPELINE
6 240 m²



CEDRE

- Rehabilitation of 2 600 m² building for offices and light industrial, ground floor, part of first floor and part of basement
- Works launched 11/2018
- **Completion scheduled Q4 2019**
- Tenant: SERAMM

L'OLIVIER

- 250 m² retail and 3 390 m² offices with adjoining parkings (5 floors)
- Works launched 04/2018.
Completion scheduled Q3 2019
- **BREEAM Good**

AIX-EN-PROVENCE / PARC DU GOLF

A SITE WITH NO EQUIVALENT AND WITH STRONG POTENTIAL

Invest.
€2.6M

Market.
100%

Expected
revenues
€210k

EXISTING
30 260 m²

PIPELINE
1 390 m²

Existing land
reserve



- Indigo**
- 1 037 m² acquried in 2017. Refurbishment.
 - Completed in 04/2019
 - 100% leased to Daikin
 - Label BREEAM RFO

- Restaurant (355 m²)**
- Le Comptoir des Docks
 - **Completion 03/2019**



BORDEAUX – JARDIN DES QUAIS

A COMMERCIAL SHIFT FOR AN ASSET WITH UNIQUE POTENTIAL



EXISTING
25 700 m²

PIPELINE
3 500 m²

Creation of 3 000 m² of offices on parking spaces and 550 m² of retail



- Ideal location on the banks of the river Garonne, near the city centre and the Cité du Vin museum and exhibition centre
- Commercial shift of this asset to a more mixed project (new retail offers, the creation of a panoramic restaurant/bar with terrace and a co-working space)
- Start of work in the second half of 2019
- Completion scheduled for 2021

LYON / CARRÉ DE SOIE – KBIS BUILDING

EXCELLENT PUBLIC TRANSPORT IN A FAST GROWING MARKET



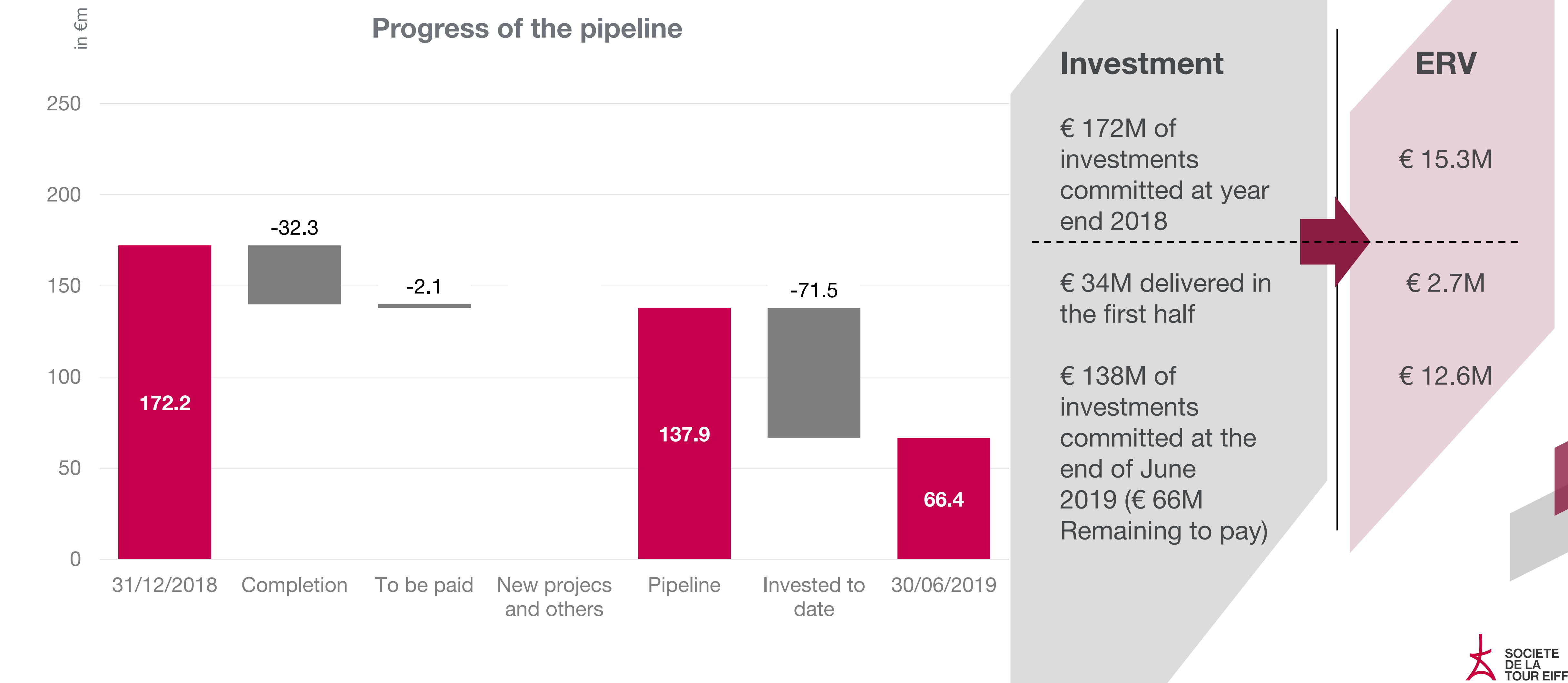
PIPELINE
7 660 m²

Office building in a mixed 26 000 m² program



- 7 660 m² (6 levels and parking places)
- Works launched in 10/2018
- **Completion scheduled in H2 2020**
- **Certification : HQE Excellent and Effinergie+**
- At the crossroads of every form of transport (road, public transport, airport, etc.)

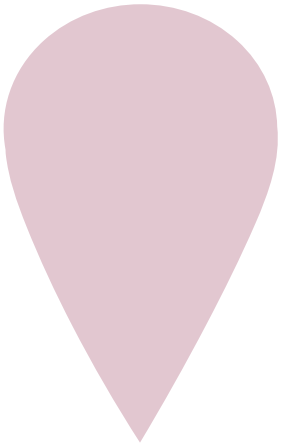
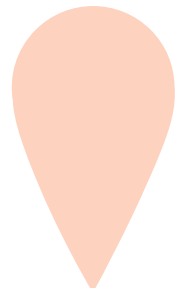
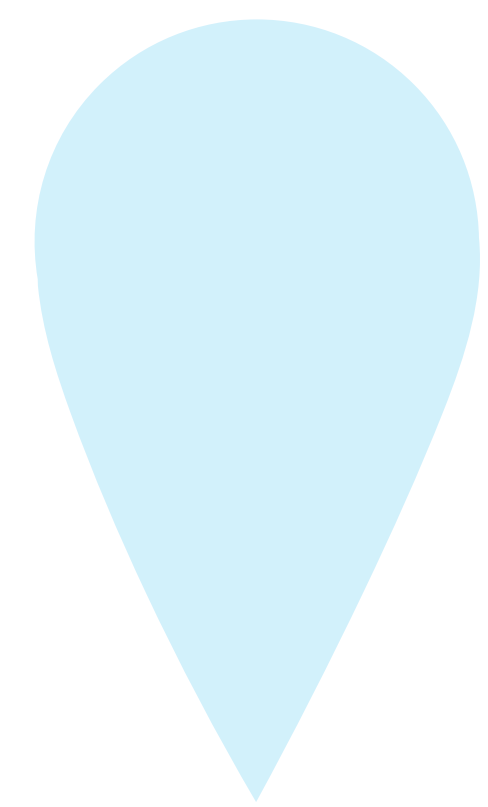
FOCUS ON THE IMPLEMENTATION OF THE DEVELOPMENT PLAN



3

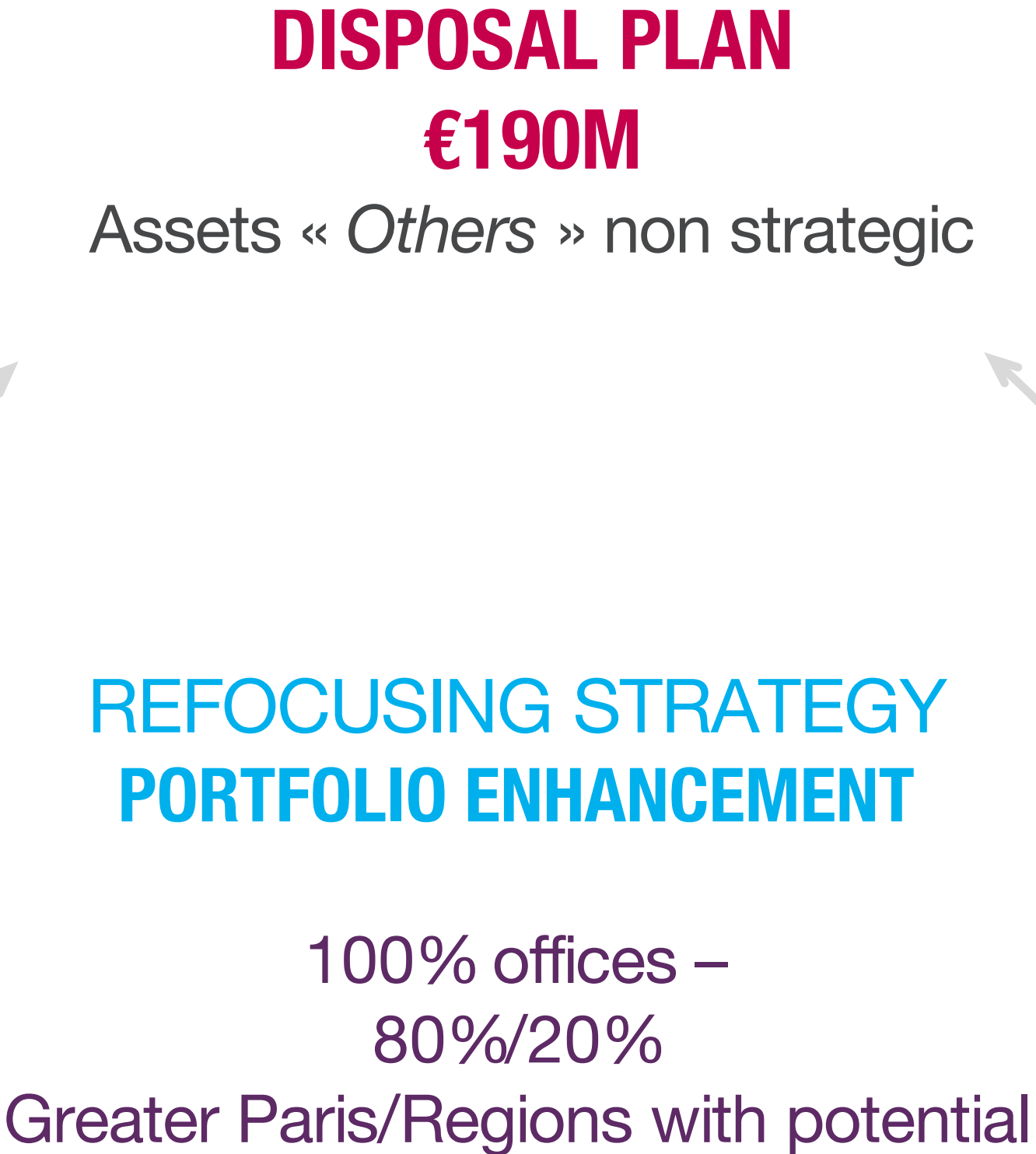
A DISPOSAL PLAN OF €190M
SERVING THE DEVELOPMENT
STRATEGY

THREE LEVERAGES SERVING THE STRATEGICAL REFOCUS

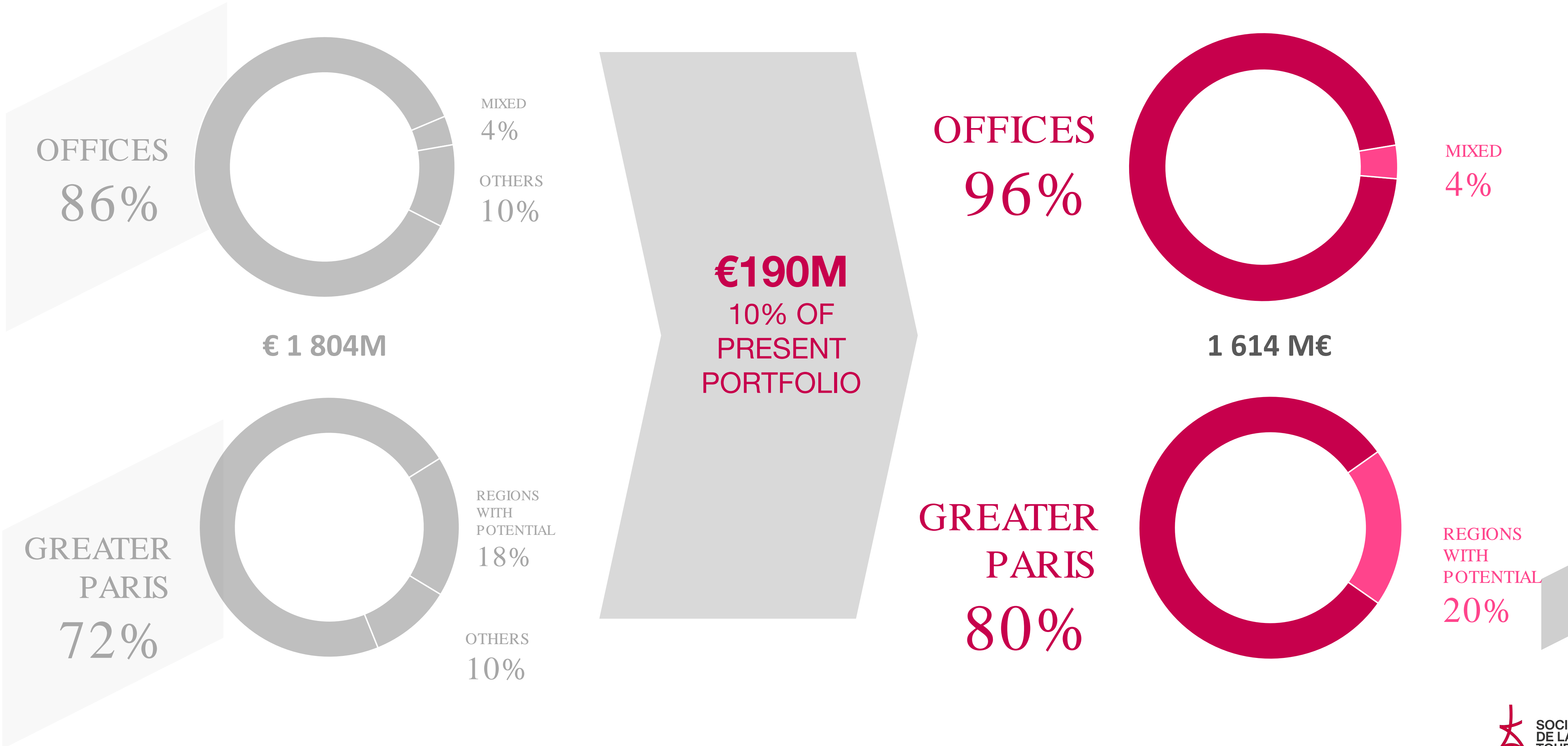


SUSTAINABILITY IN RENTAL INCOME

LTV RATIO CONTROL



€190M OF DISPOSALS TO SERVE THE STRATEGIC REFOCUS...

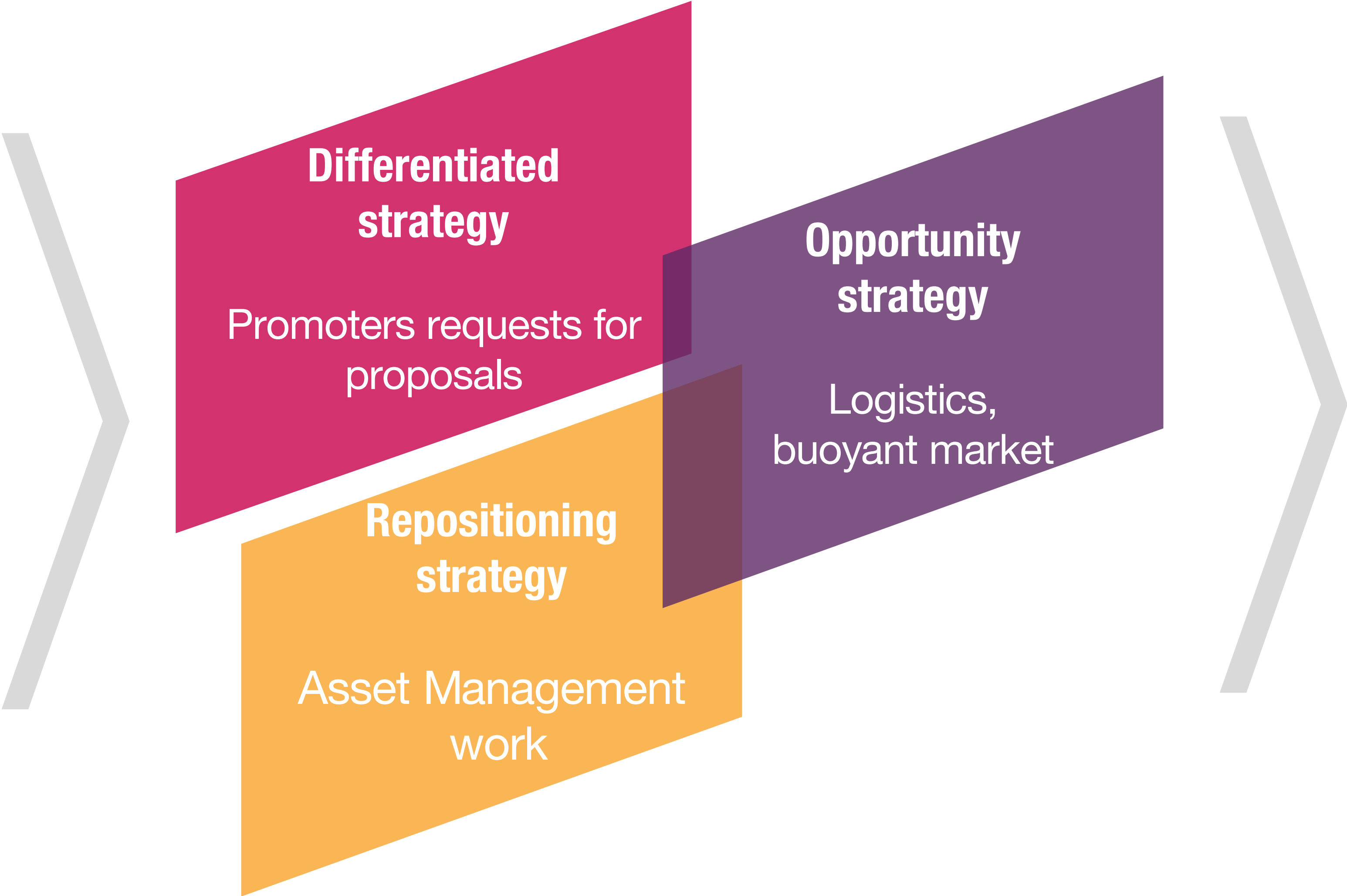


 ...IN LINE WITH THE GROUP'S OBJECTIVES

€190M
OF DISPOSALS

50/50
Tour Eiffel / Affine

A dedicated
TEAM

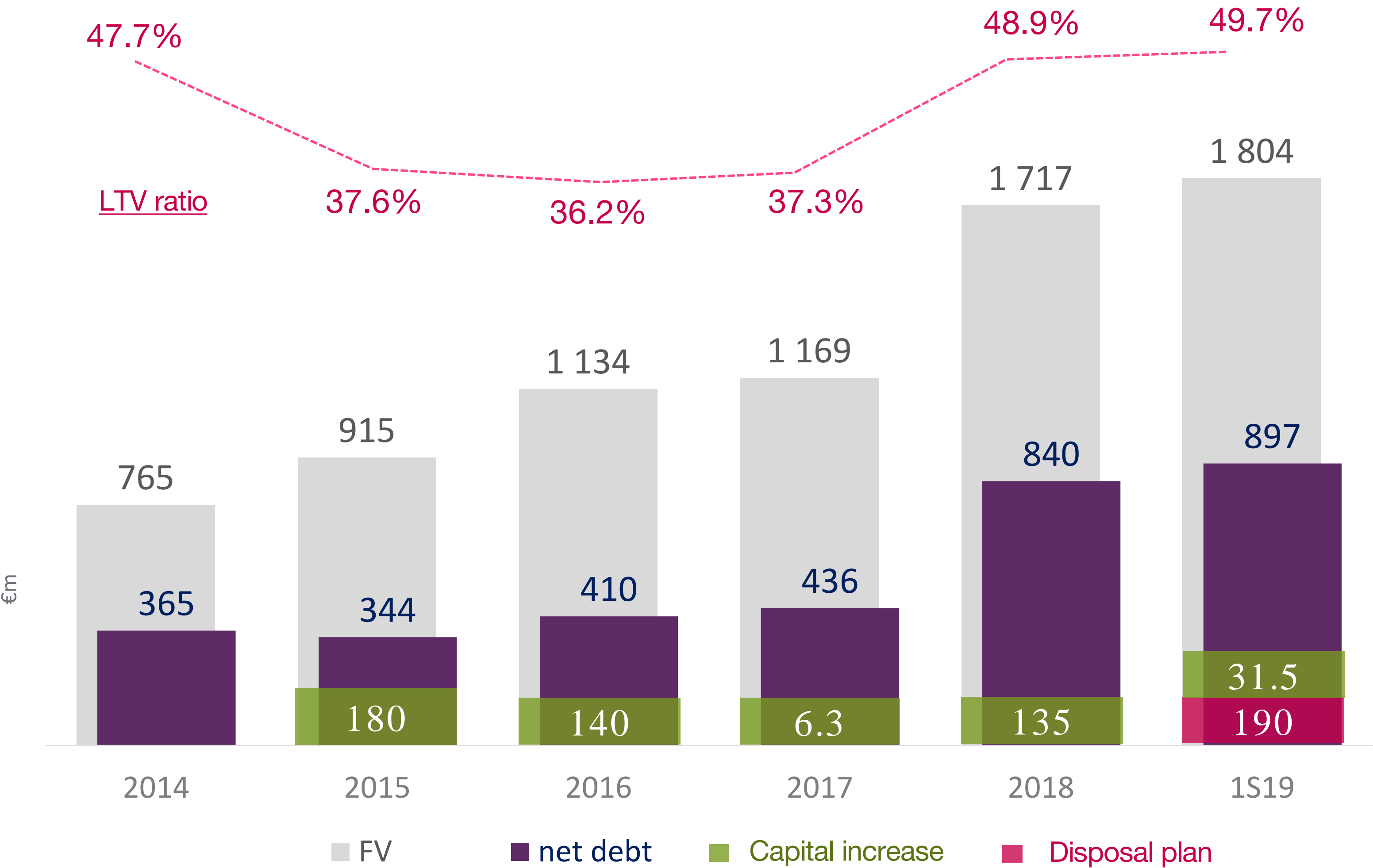


47% MARKETING

46% UNDER LOI

DEBT CONTROL MANAGEMENT

Financial structure change as at June 30, 2019



Shareholders very present in accompanying the group’s growth

A disposal plan allowing to **renew** with **financial flexibility**

4

FINANCIAL COMPONENTS

GENERATION OF SYNERGIES IN ADVANCE

Announced in March 2019	2019
----------------------------	------

Affine operational costs in 2018: € 7.8M

Consultancy and lawyers' fees
legal fees and wages

-€2.0M

-€ 3.6M

Target organization implementation
Volume effect on consultancy fees

IT, telephony
Supplies - external costs

-€1.0M

-€ 0.3M

Teams merger

Premises - Taxes

-€0.8M

-€ 0.1M

Teams merger

Group communication and advertising
Expense allowanced

-€0.5M

-€ 0.4M

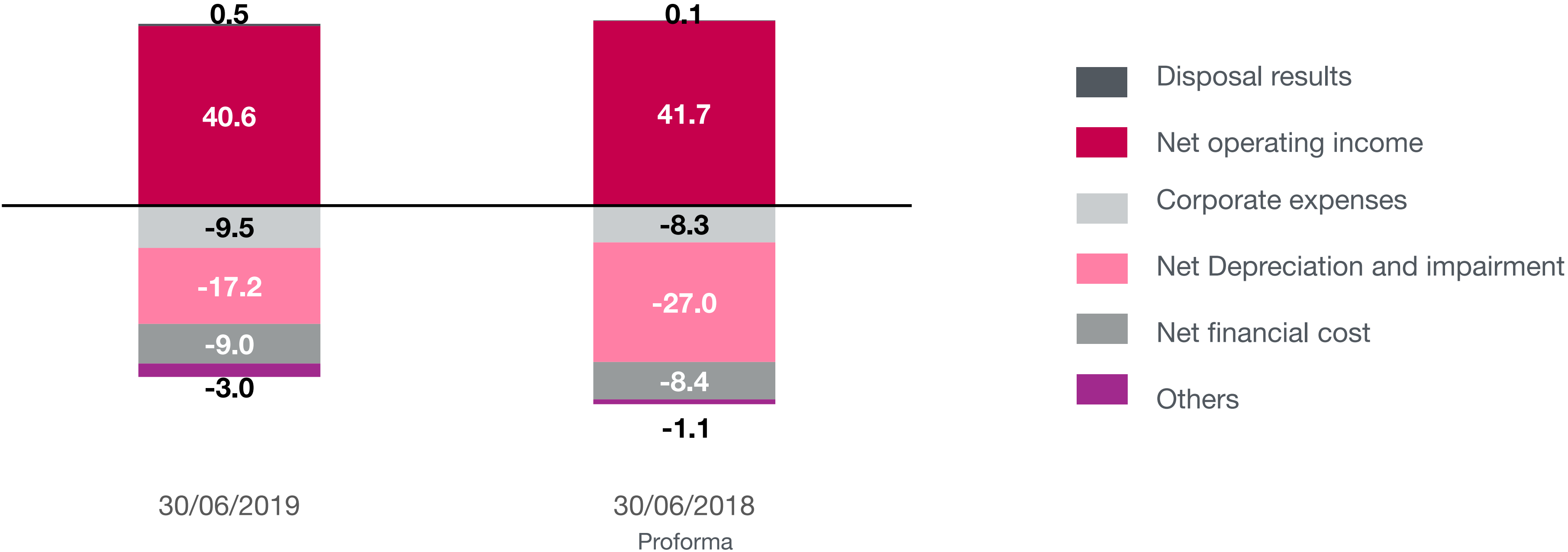
Integration and streamlining of the communication
structure

Potential recurrent savings



IFRS CONSOLIDATED STATEMENT

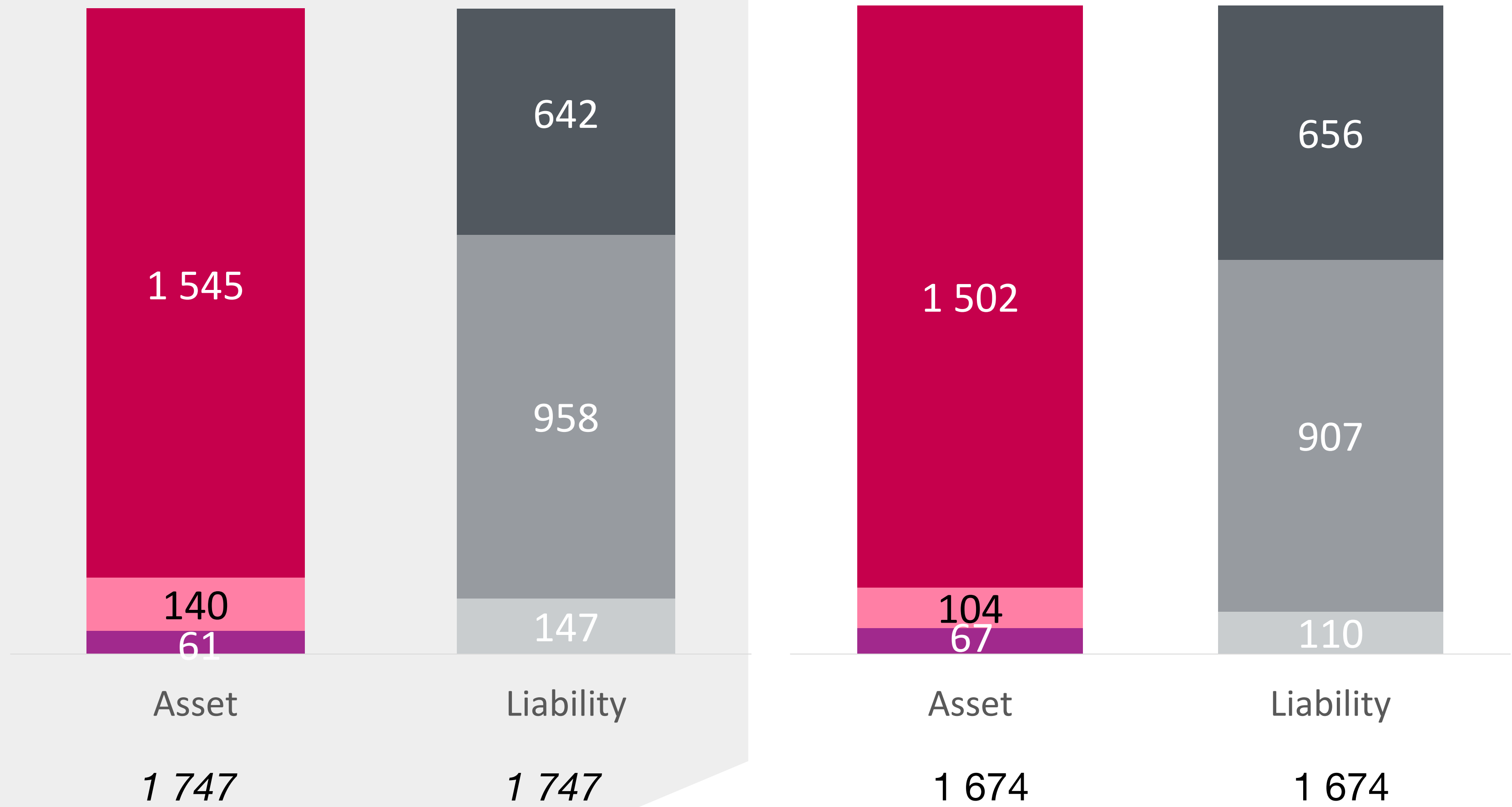
€M



€2.4M	-€3.1M	Consolidated net result PF
€26.9M	€23.4M	Recurring cash flow
€1.7	€1.9	Recurring cash flow per share

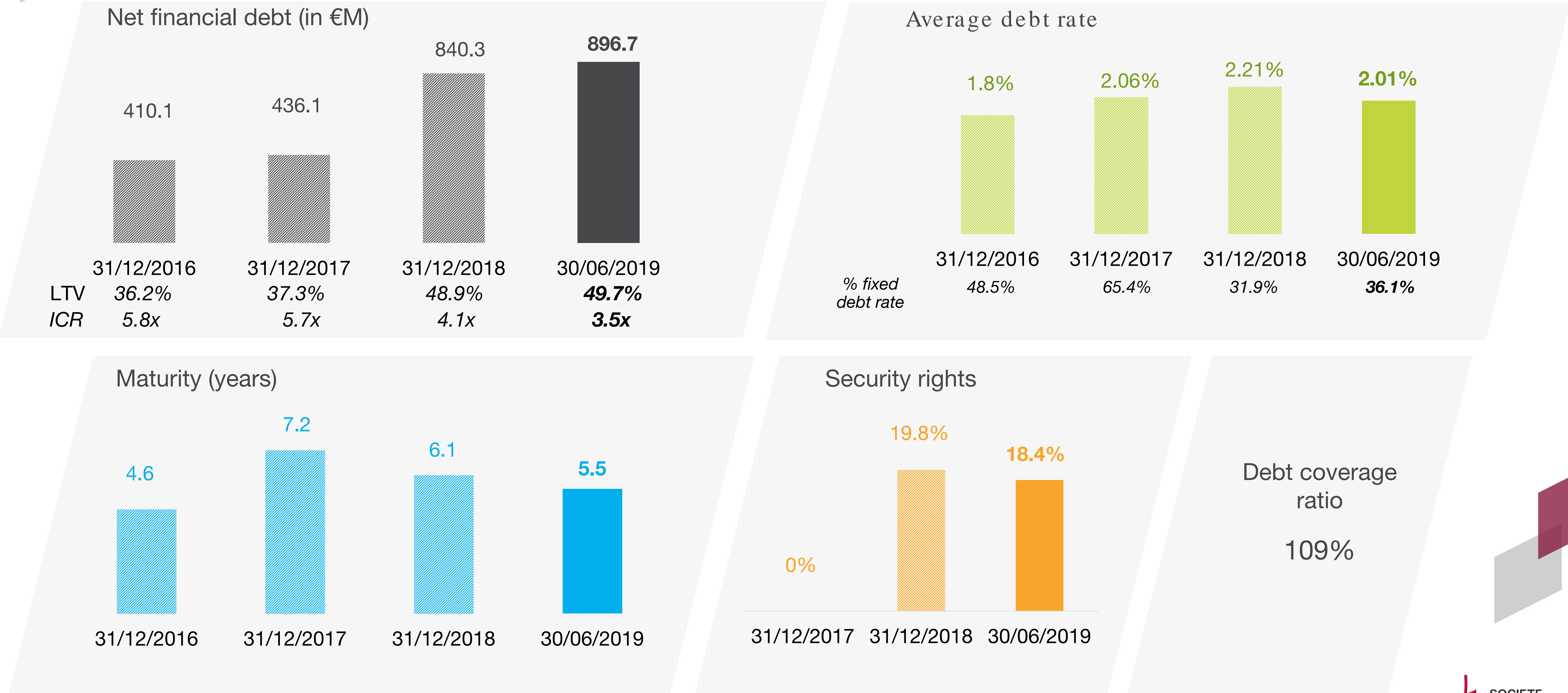
BALANCE SHEET STRUCTURE

€M 30/06/2019 31/12/2018



- Asset
- Investment properties
 - Other assets
 - Cash and equivalent
- Liability
- Share capital and reserves
 - Financial debt
 - Other liabilities

FOCUS ON DEBT





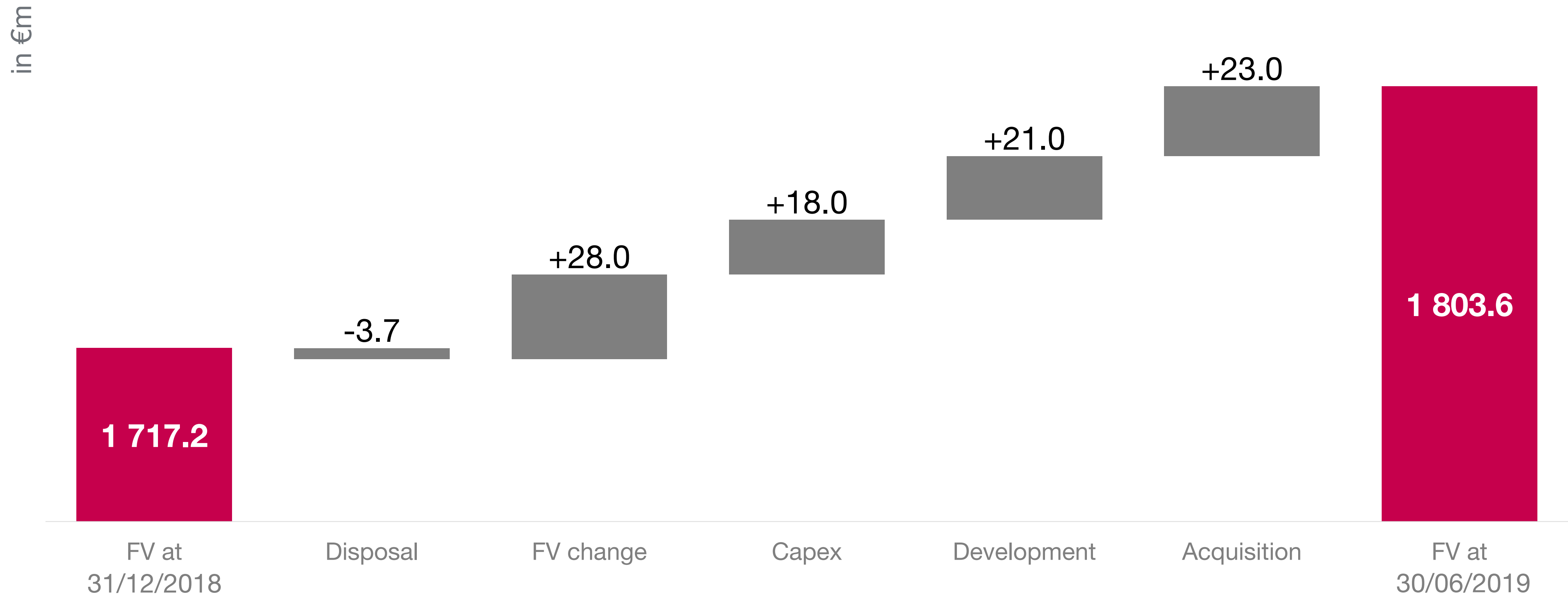
M€	H1 2019	H1 2018
EPRA earnings	€ 21.0M	€ 18.2 M
EPRA earnings per share	€ 1.23	€ 1.48
	30/06/2019	31/12/2018
EPRA net initial yield	4.73 %	4.71 %
EPRA topped-up net initial yield	5.11 %	5.13 %
EPRA vacancy rate	15.3 %	14.8 %
EPRA NAV per share*	€ 49.2	€ 50.1
EPRA NNNAV per share*	€ 51.6	€ 53.0

(*) fully diluted number of shares at end of period



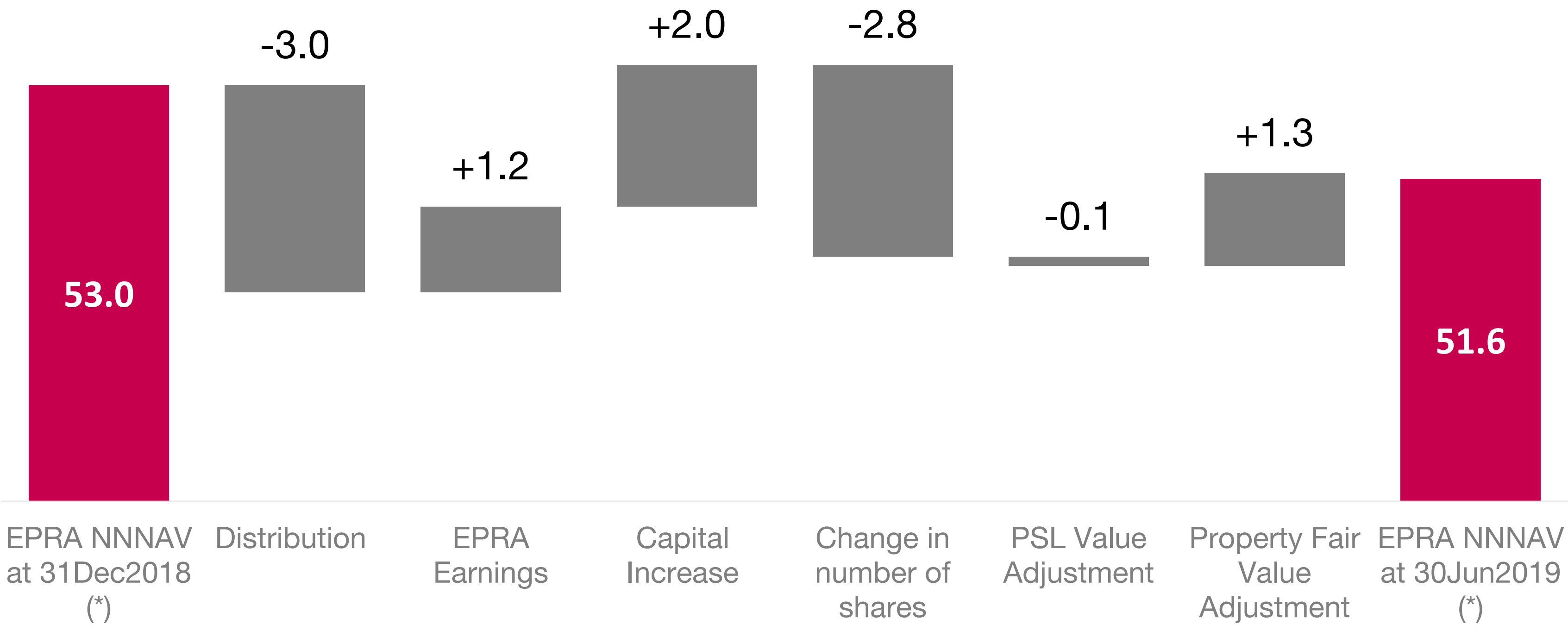
SIGNIFICANT DEVELOPMENT IN THE VALUE OF THE PROPERTY PORTFOLIO

Investment properties portfolio valuation at Fair Value (excl. Transfer costs)
Walk from December 31st 2018 to June 30th 2019



CHANGE IN NAV

EPRA NNNAV
Walk from December 31st 2018 to June 30th 2019
Euros per share

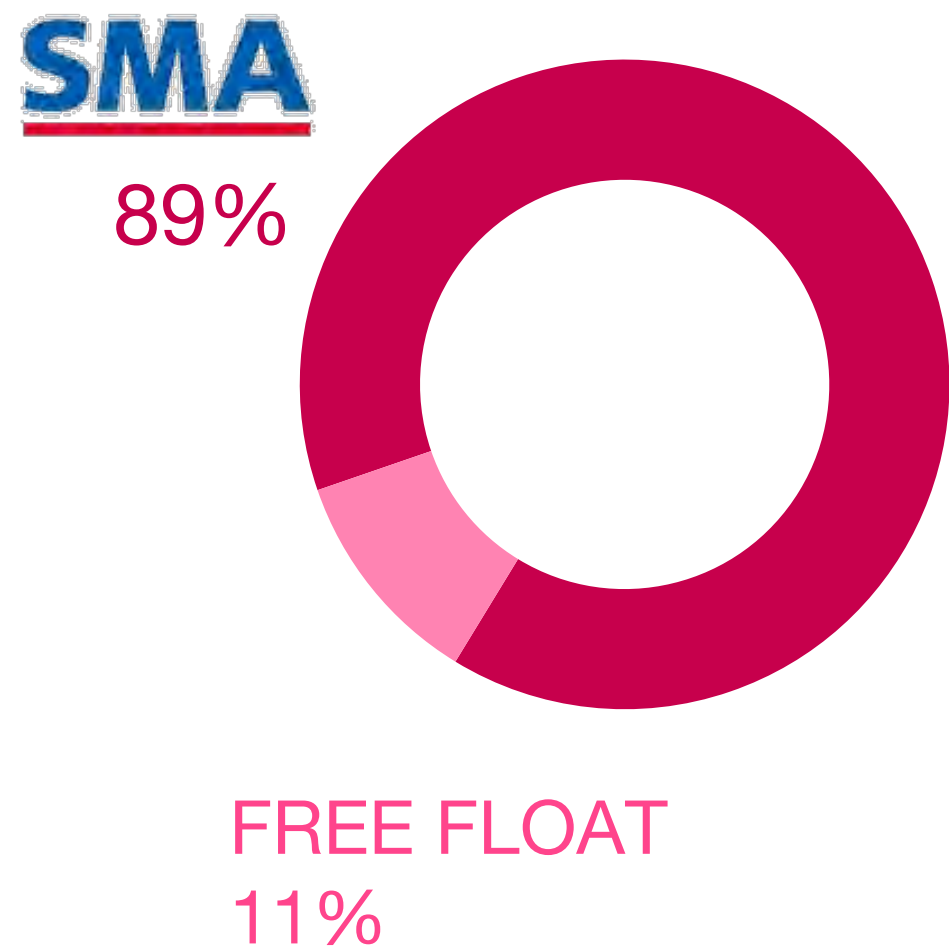


2018 dividend of € 3 paid in June 2019
67% of shareholders have chosen the payment in shares

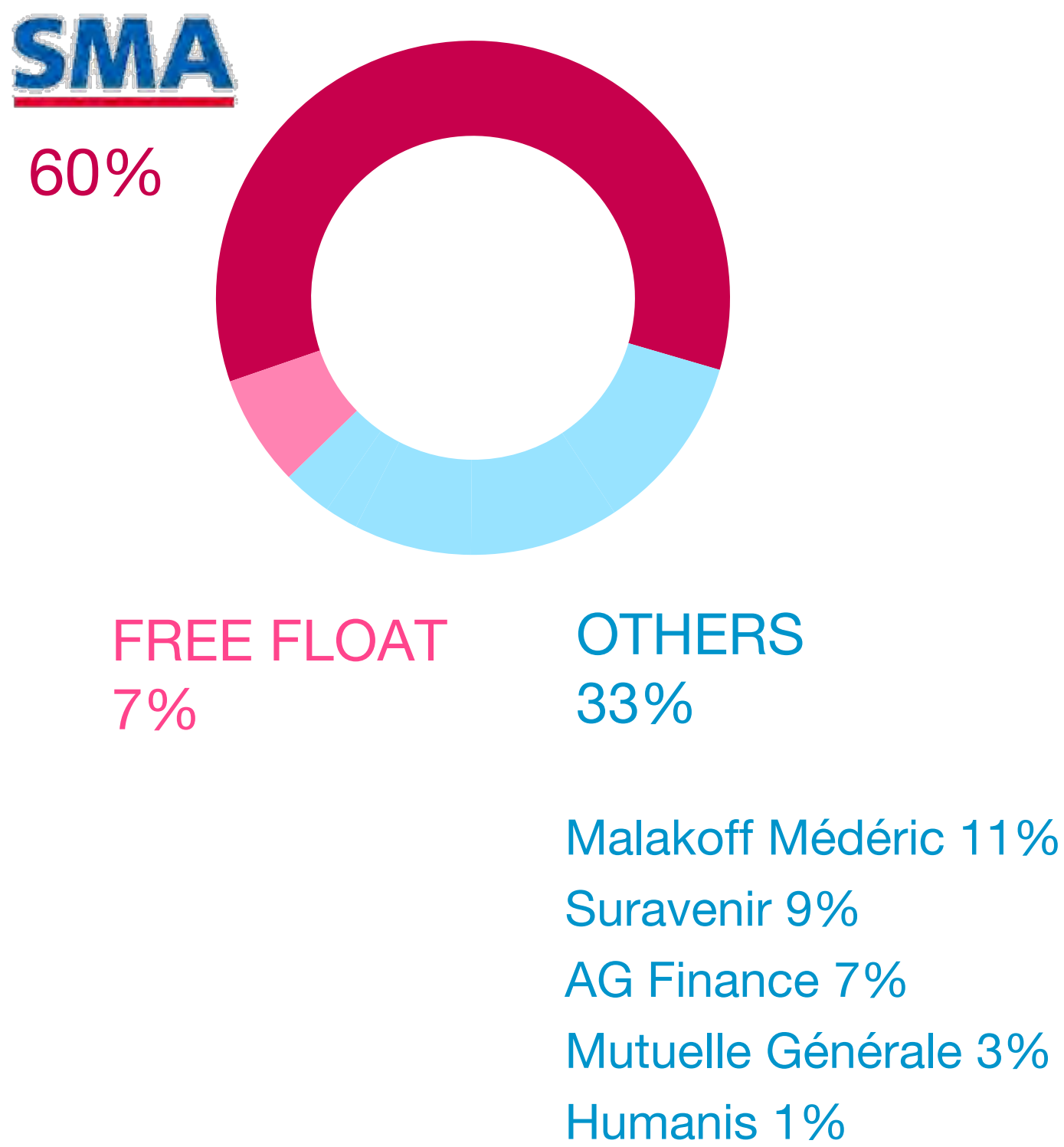
(*) Diluted number of shares (excl. own held shares) : 16 593 524 as at 30/06/2019 against 15 730 309 as at 31/12/2018

CHANGE IN SHAREHOLDING

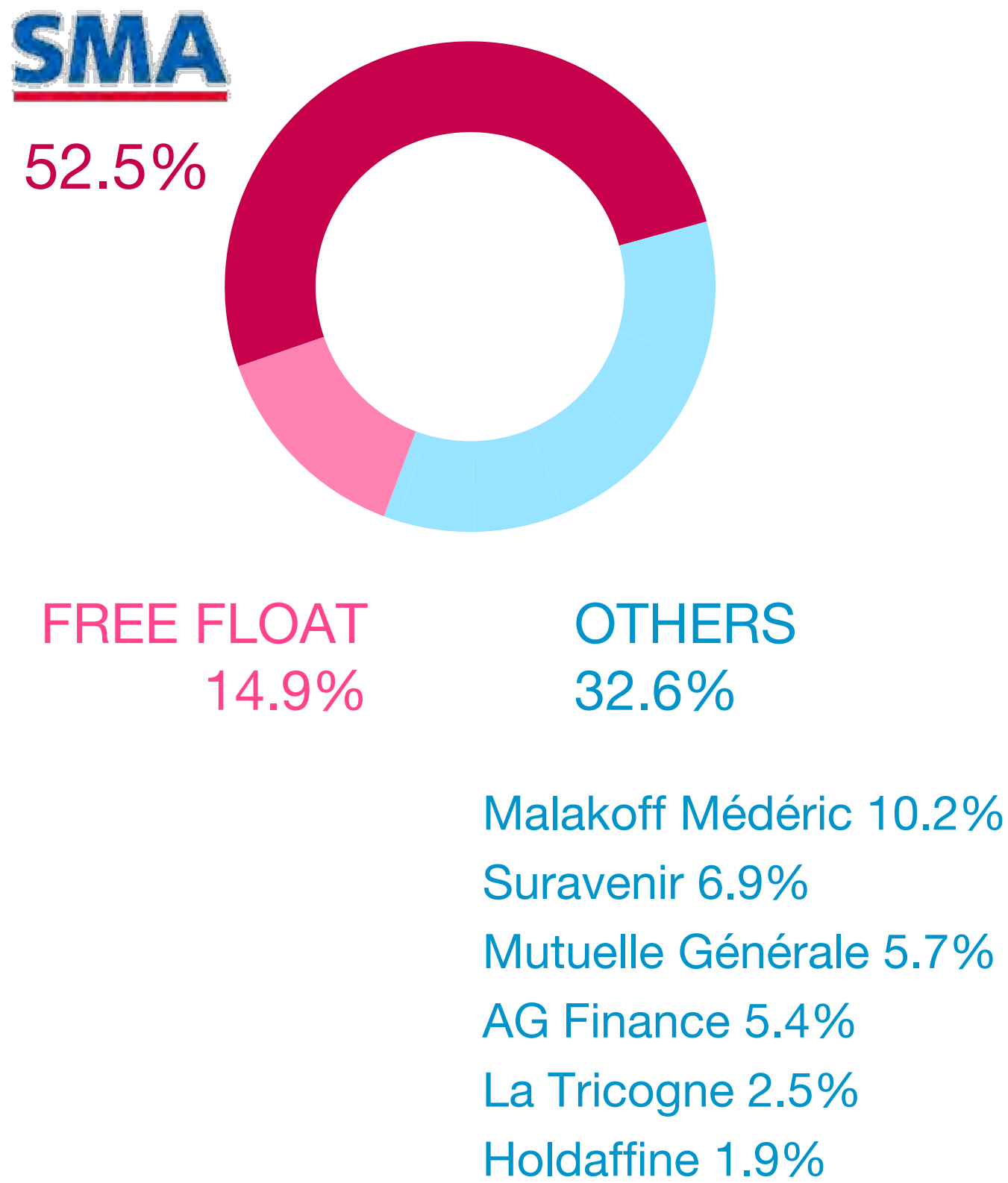
TAKEOVER BID
10/2014



BEFORE THE MERGER
12/2018



AFTER THE MERGER
06/2019 (incl. 2018 dividend)

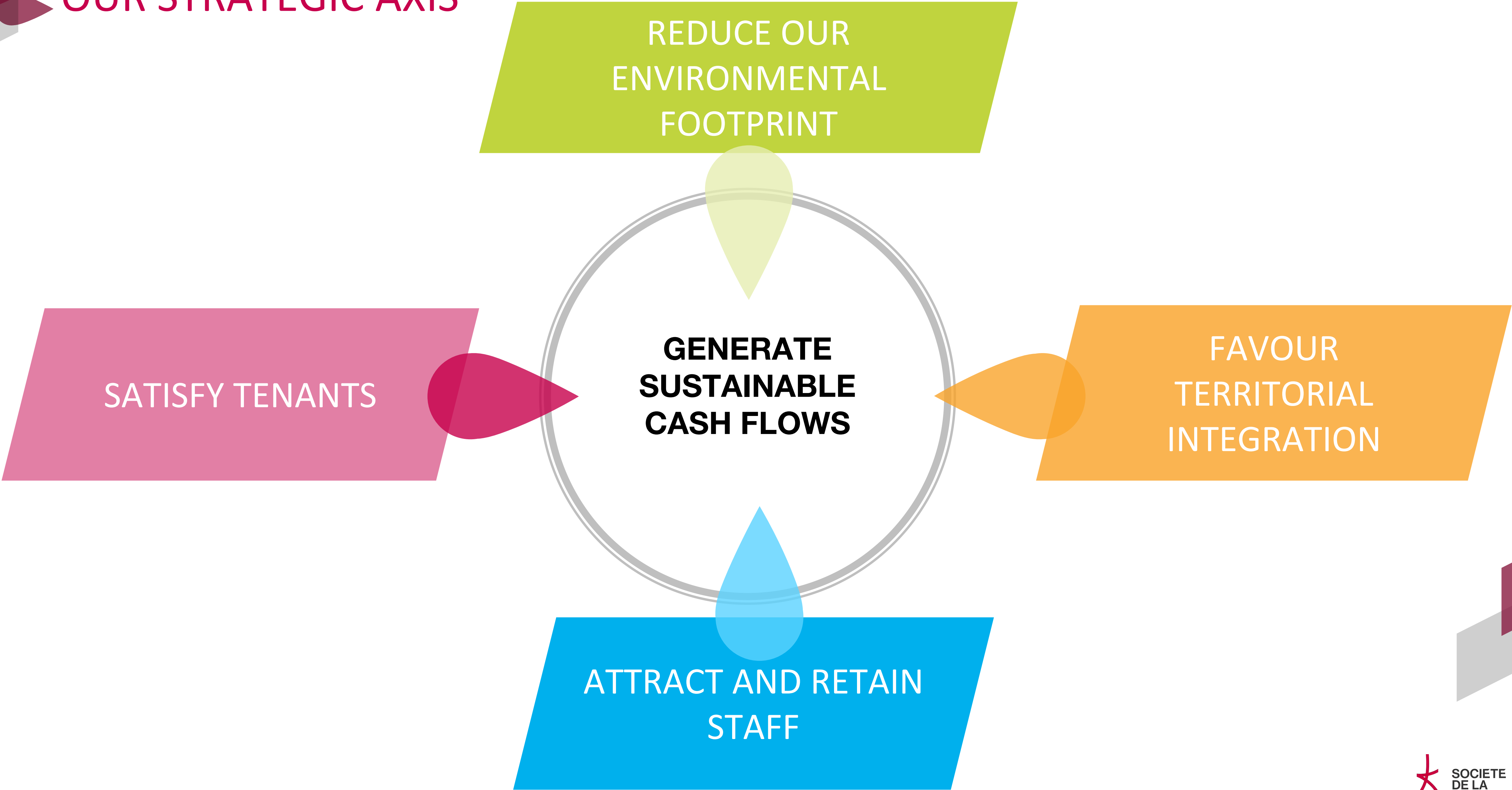




5

A CLEAR STRATEGY

OUR STRATEGIC AXIS



OUR GROWTH STRATEGY





WELL ORIENTED OUTLOOK

€ 1.8 bn of
portfolio

A change of
scale at the
dawn of a new
development
age

**Strategic
Refocus**
100 - 80/20

Optimize the
portfolio quality

€ 170M of
pipeline of
projects
generating
future
significant
incomes

€ 190M of
disposal plan in
progress with
c.50% of assets
under LOI





APPENDIX



IFRS CONSOLIDATED STATEMENT

€M - IFRS	HY 2019	HY 2018	PF HY 2018	Change (%)
Gross rental income	49.0	34.2	50.8	-3.6%
Property operating expenses	-8.4	-6.4	-9.1	
Net operating income	40.6	27.8	41.7	-2.8%
Corporate expenses	-9.5	-4.3	-8.3	
EBITDA	31.0	23.5	33.4	-7.2%
Net depreciation	-23.5	-13.9	-19.7	
Impairment & provisions	6.3	-7.1	-7.4	
Current operating income	13.8	2.5	6.4	116.6%
<i>% of rents</i>	<i>28.2%</i>	<i>7.4%</i>	<i>12.6%</i>	
Result from disposals	0.5	0.0	0.1	
Other operating income and expenses	-0.5	0.3	0.6	
Operating income	13.9	2.8	7.1	95.3%
<i>% of rents</i>	<i>28.3%</i>	<i>8.1%</i>	<i>14.0%</i>	
Net financial cost	-9.0	-5.3	-8.4	
Other financial income and expenses	-2.3	-0.2	-0.3	
Net financial results	-11.2	-5.6	-8,8	28.2%
Net income before tax	2.6	-2.8	-1.7	-257.4%
Tax	-0.1	-0.2	-1.3	
Associates	-0.2	0.0	-0.1	
Net profit/loss (Group share)	2.4	-2.9	-3.1	-177.1%
<i>% of rents</i>	<i>4.8%</i>	<i>-8.6%</i>	<i>-6.0%</i>	
Net profit/loss (Group share) per share (*)	0.15	-0.24	-0.20	-176.3%

(*) Weighted average number of outstanding shares for HY2019: 15 790 931, number of shares for HY2018: 12 269 075



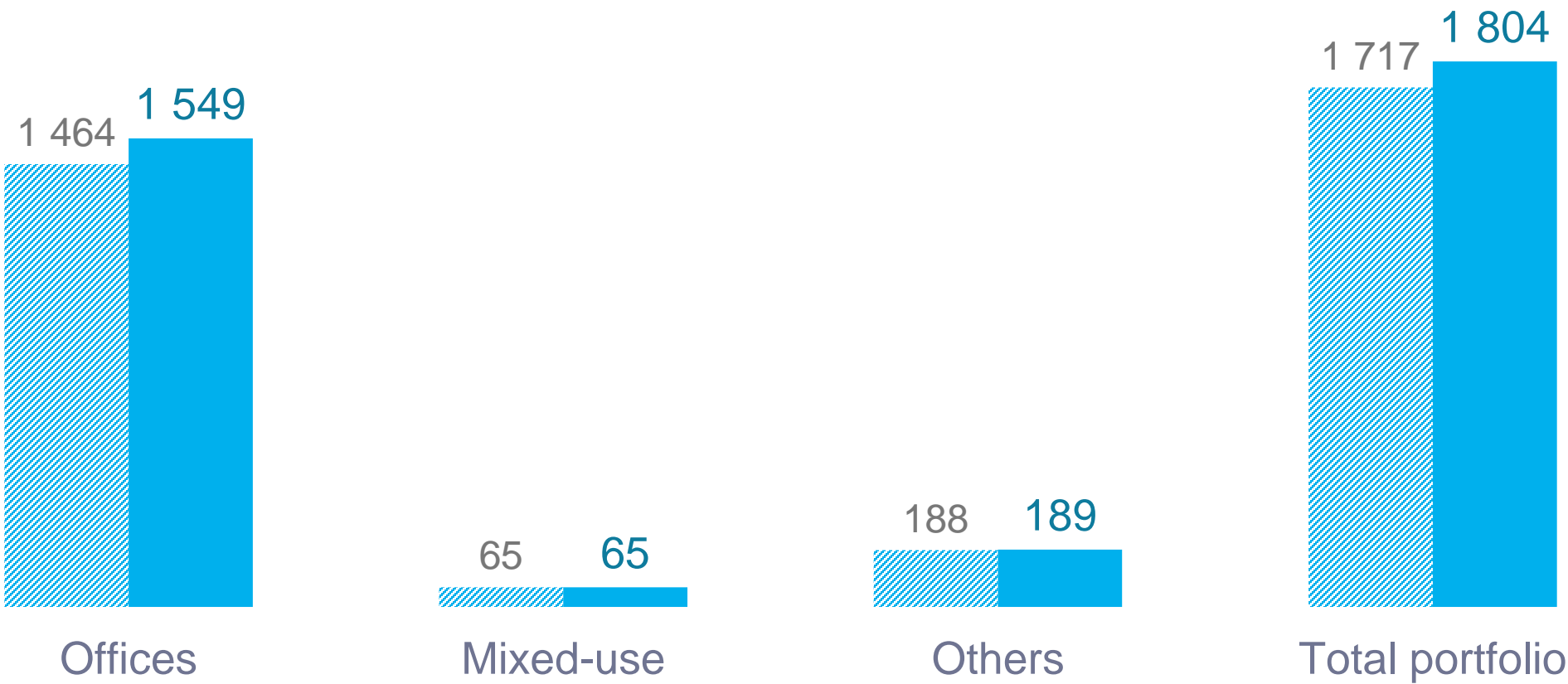
CONSOLIDATED BALANCE SHEET

€M - IFRS	30/06/2019	31/12/2018	Change (€M)	Change (%)
ASSET				
Goodwill	1.0	1.0	0.0	0.0%
Investment properties	1 515.7	1 471.4	44.4	3.0%
Assets earmarked for disposal	29.6	31.1	-1.5	-4.8%
Tangible fixed assets	0.9	0.9	0.0	-4.6%
Intangible fixed assets	0.2	0.3	-0.1	-24.5%
Right to use the leased asset	24.3	0.0	24.3	n.a.
Receivables	113.7	102.3	11.5	11.2%
Cash and equivalent	61.2	67.1	-6.0	-8.9%
Total	1 746.5	1 674.0	72.5	4.3%
LIABILITY				
Share capital and reserves	642.2	656.1	-13.9	-2.1%
<i>including result</i>	<i>2.4</i>	<i>-14.7</i>	<i>17.1</i>	<i>-116.0%</i>
Long term debt	957.8	907.5	50.4	5.5%
Other liabilities	146.5	110.4	36.1	32.7%
Total	1 746.5	1 674.0	72.5	4.3%

PORTFOLIO VALUE VARIATION (FAIR VALUE)

Valuation of the property portfolio (Fair Value) – per type of assets

€M	30/06/2019	31/12/2018	Change €M	Change (%)
Offices	1 549.2	1 464.4	84.8	5.8%
Mixed-use	65.0	65.0	0.0	0.0%
Others	189.4	187.8	1.5	0.8%
Total portfolio	1 803.6	1 717.2	86.4	5.0%

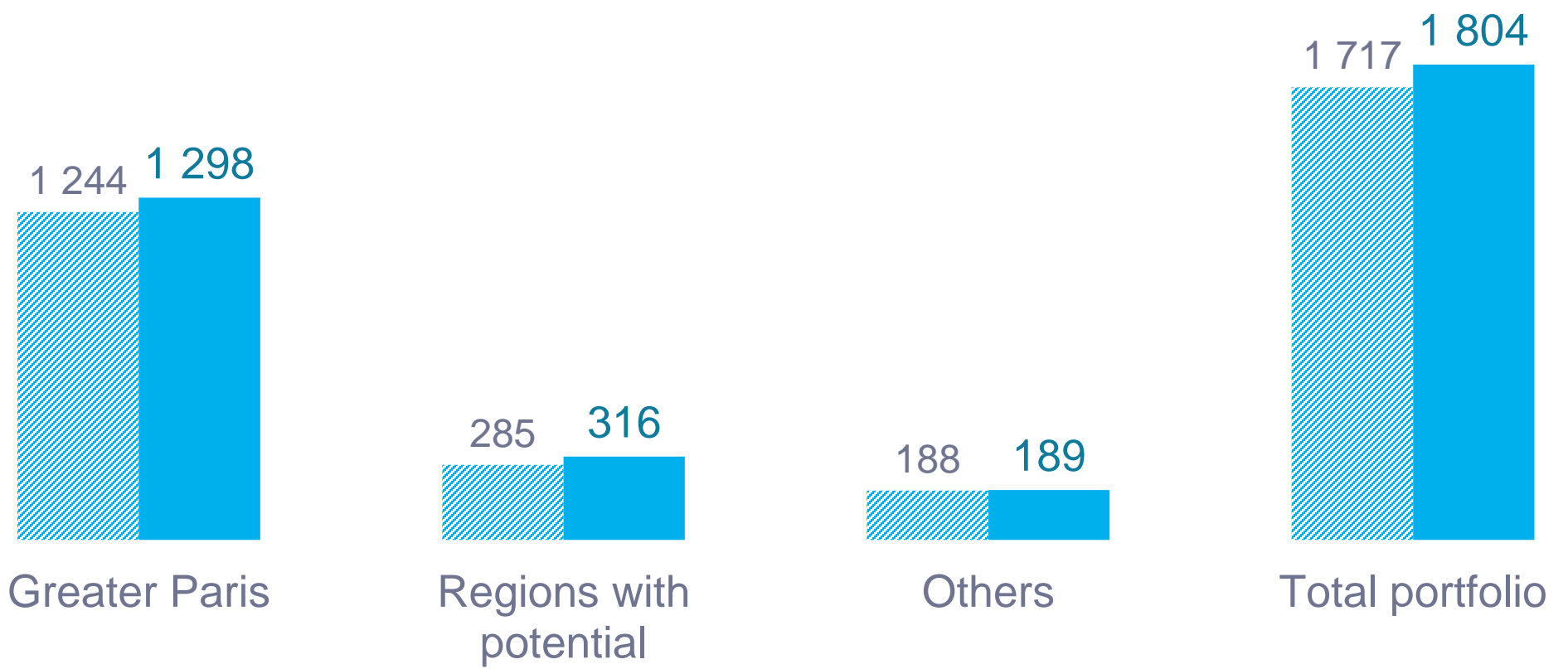


€M

31/12/2018 30/06/2019

Valuation of the property portfolio (Fair Value) – by geographical breakdown

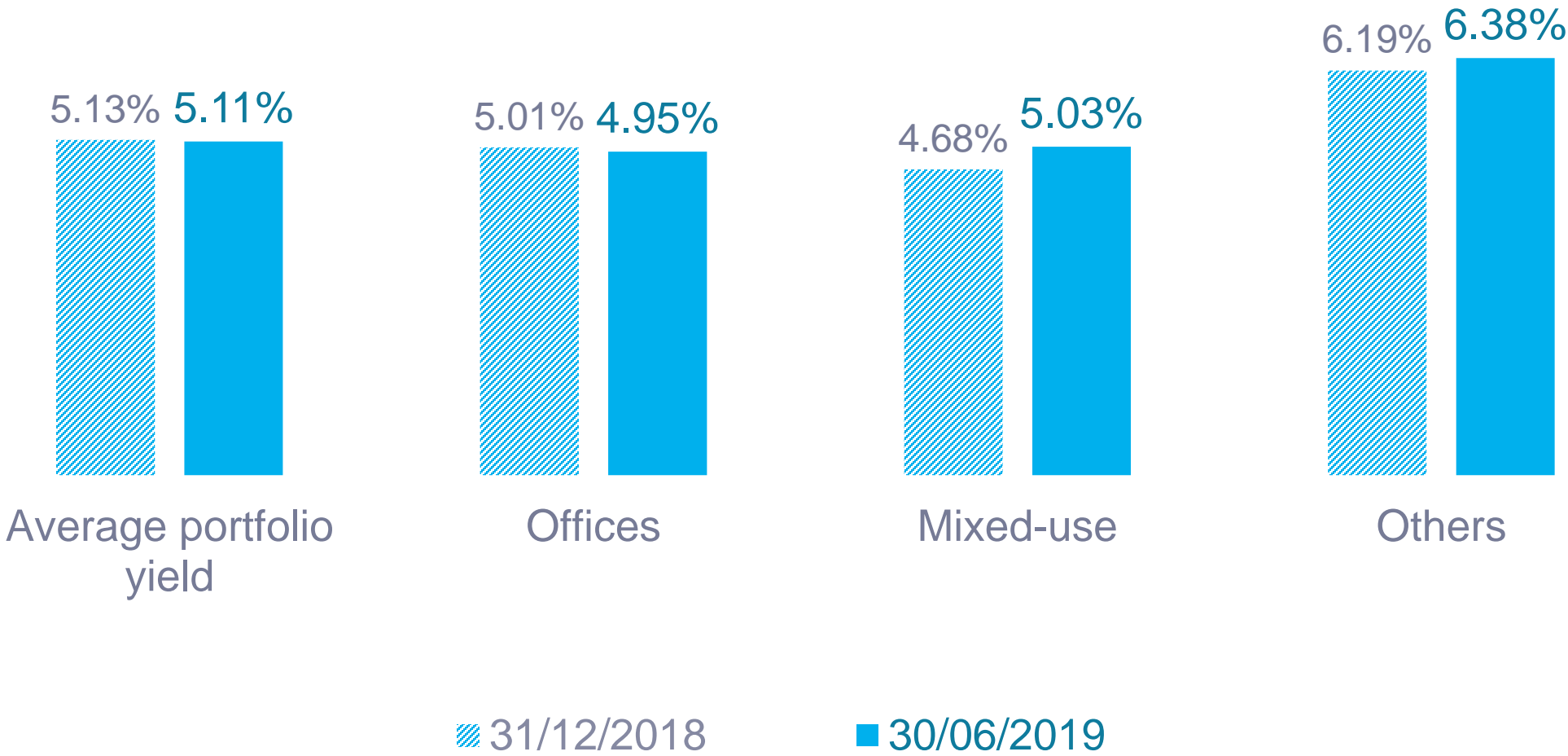
M€	30/06/2019	31/12/2018	Change €M	Change (%)
Greater Paris	1 298.2	1 243.9	54.3	4.4%
Regions with potential	316.0	285.5	30.5	10.7%
Others	189.4	187.8	1.5	0.8%
Total portfolio	1 803.6	1 717.2	86.4	5.0%



PORTFOLIO EPRA YIELD PER TYPE OF ASSETS

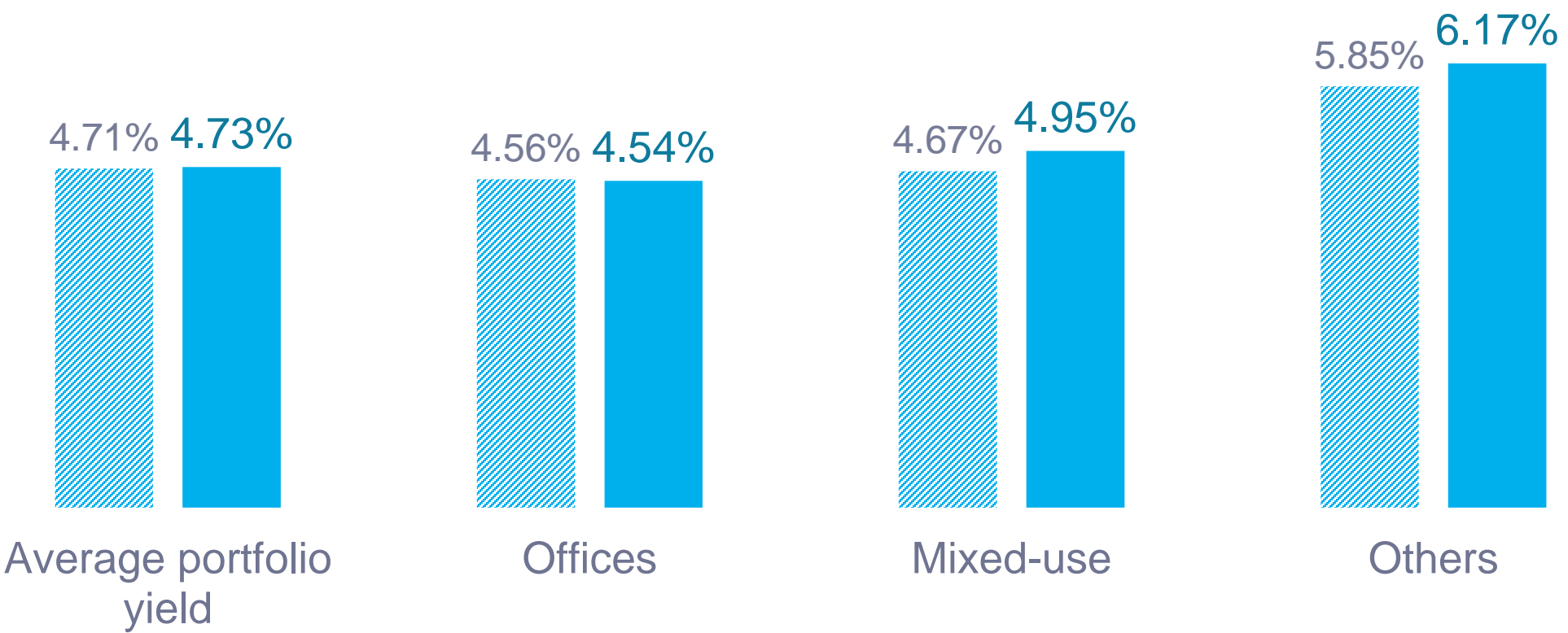
EPRA topped-up yield

€M	30/06/2019	31/12/2018
Offices	4.95%	5.01%
Mixed-use	5.03%	4.68%
Others	6.38%	6.19%
Average portfolio yield	5.11%	5.13%



EPRA yield

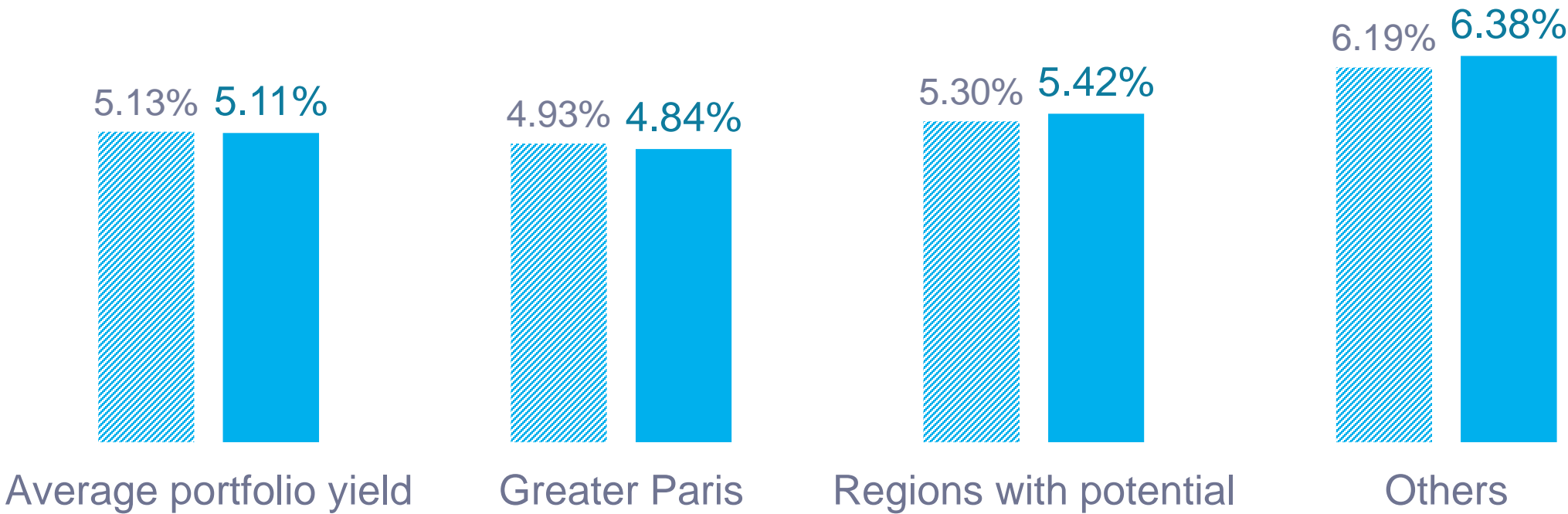
€M	30/06/2019	31/12/2018
Offices	4.54%	4.56%
Mixed-use	4.95%	4.67%
Others	6.17%	5.85%
Average portfolio yield	4.73%	4.71%



PORTFOLIO EPRA YIELD BY GEOGRAPHICAL BREAKDOWN

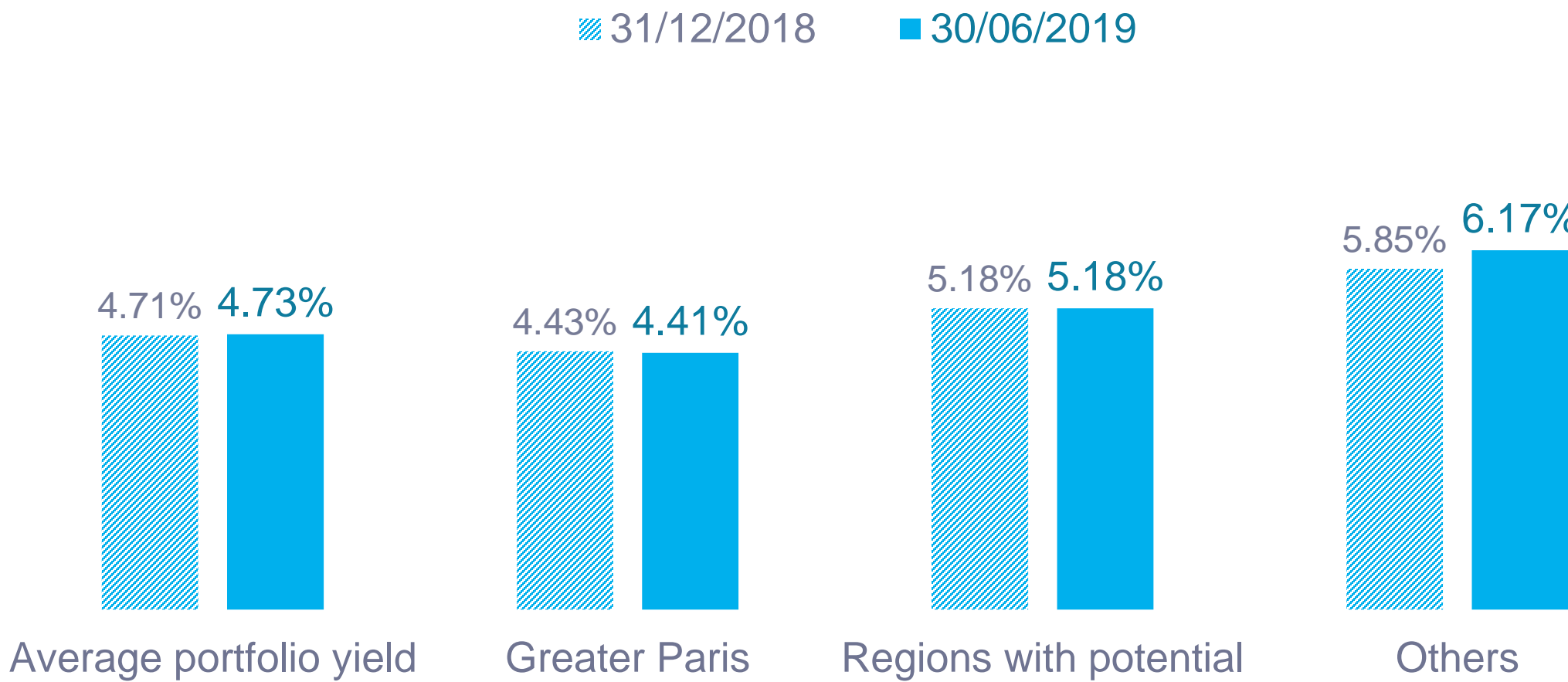
EPRA topped-up yield

€M	30/06/2019	31/12/2018
Greater Paris	4.84%	4.93%
Regions with potential	5.42%	5.30%
Others	6.38%	6.19%
Average portfolio yield	5.11%	5.13%



EPRA yield

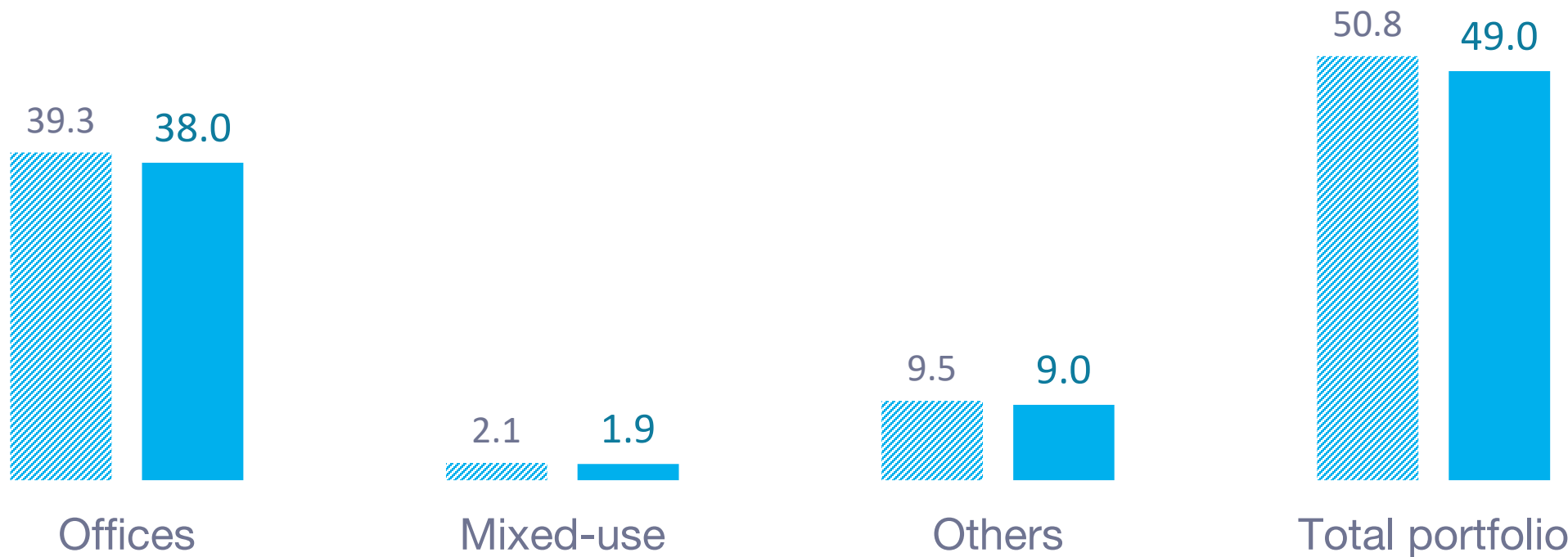
€M	30/06/2019	31/12/2018
Greater Paris	4.41%	4.43%
Regions with potential	5.18%	5.18%
Others	6.17%	5.85%
Average portfolio yield	4.73%	4.71%



RENTAL CHANGE

IFRS rental income change

€M	PF 30/06/2019	30/06/2018	Var. M€	Var. (%)
Offices	38.0	39.3	-1.2	-3.2%
Mixed-use	1.9	2.1	-0.1	-5.7%
Others	9.0	9.5	-0.4	-4.7%
Total portfolio	49.0	50.8	-1.8	-3.6%



IFRS rental income change on a like-for-like basis

€M	PF 30/06/2019	30/06/2018	Var. M€	Var. (%)
Offices	36.0	39.3	-3.2	-8.2%
Mixed-use	1.9	2.1	-0.1	-5.7%
Others	8.4	8.6	-0.2	-2.8%
Total portfolio	46.4	49.9	-3.6	-7.2%

