

Capital Markets Day 2017

General introduction

Dirk Anbeek - CEO

4 October 2017



WERELDHAVE

HUDSON'S BAY

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OH
YES!

21

OH
YES!



CAPITAL MARKETS DAY 2017 | AGENDA

STRATEGY

1. Asset allocation strategy
2. Optimizing the customer journey
3. Trends in the retail segment
4. Proposition 2030

UPDATE ON FRANCE

1. Change in leadership
2. From input to output
3. Dealing with a challenging market
4. NRI H2 will be worse than H1, stabilization expected in 2018

THE NETHERLANDS

How Wereldhave Netherlands achieved a rising occupancy rate in a rapidly changing retail environment.

1. Successful key account strategy
2. Implementation and development of WH Concepts
3. New organizational structure

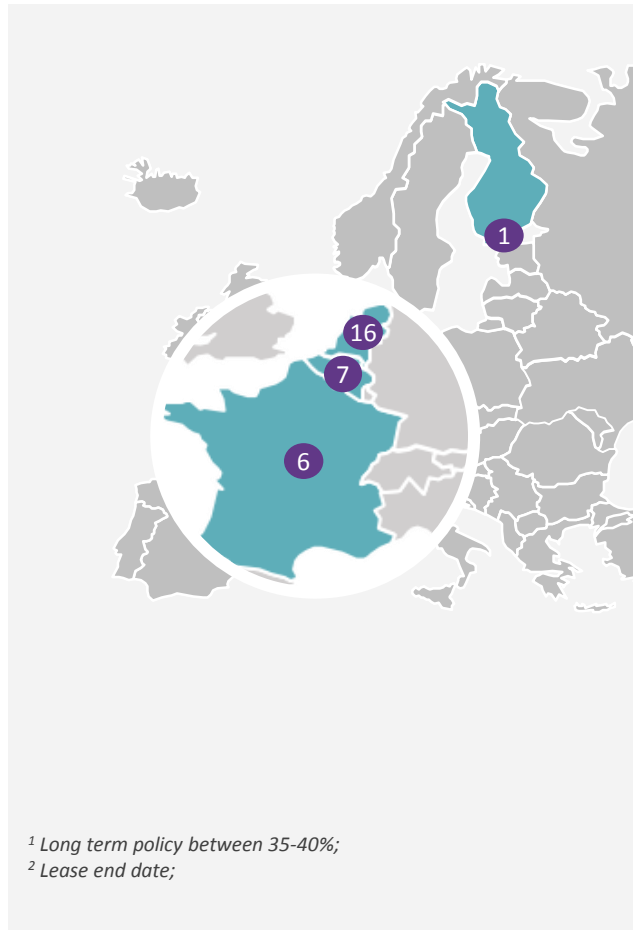
ASSET VISITS

1. Tilburg city-center
2. Arnhem – Presikhaaf
3. Arnhem – Kronenburg
4. Nieuwegein – Cityplaza

COMPANY PROFILE

CONVENIENCE SHOPPING CENTRES IN NORTH-WEST EUROPE

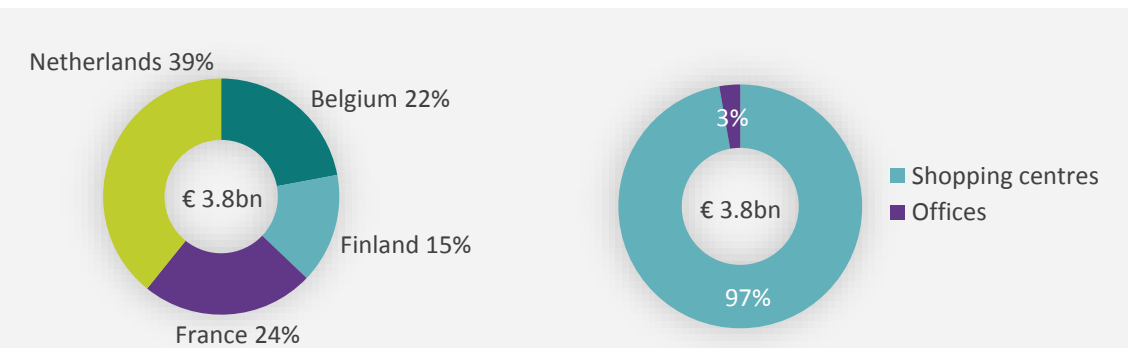
GEOGRAPHICAL OVERVIEW



KEY FACTS

# of shopping centres	30
Average size	27,000m ²
# of shopping centre visitors (H1-17)	73m
Loan to value ratio ¹	38.9%
Occupancy shopping centres	95.4%
EPRA NIY shopping centres	5.0%
WALT ²	5.0 years
Development pipeline	6% of asset value

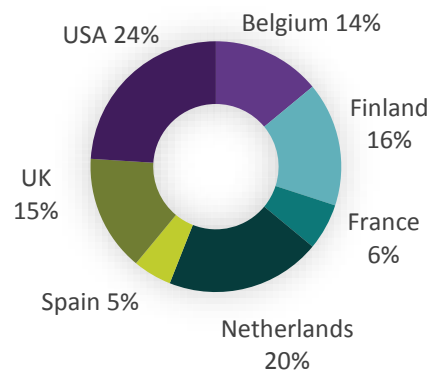
PORTFOLIO BREAKDOWN



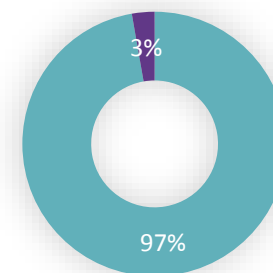
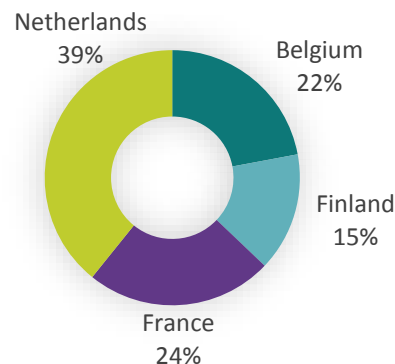
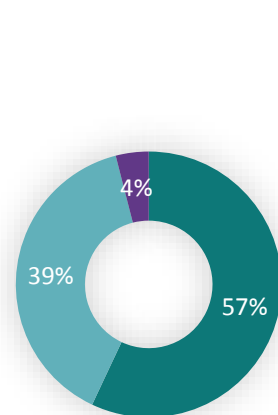
THE PORTFOLIO: 2011 AND TODAY

THE EVOLUTION FROM DIVERSIFIED TO RETAIL PURE-PLAY

YE 2011



H1 2017



- Shopping centres
- Offices
- Other

- Shopping centres
- Offices



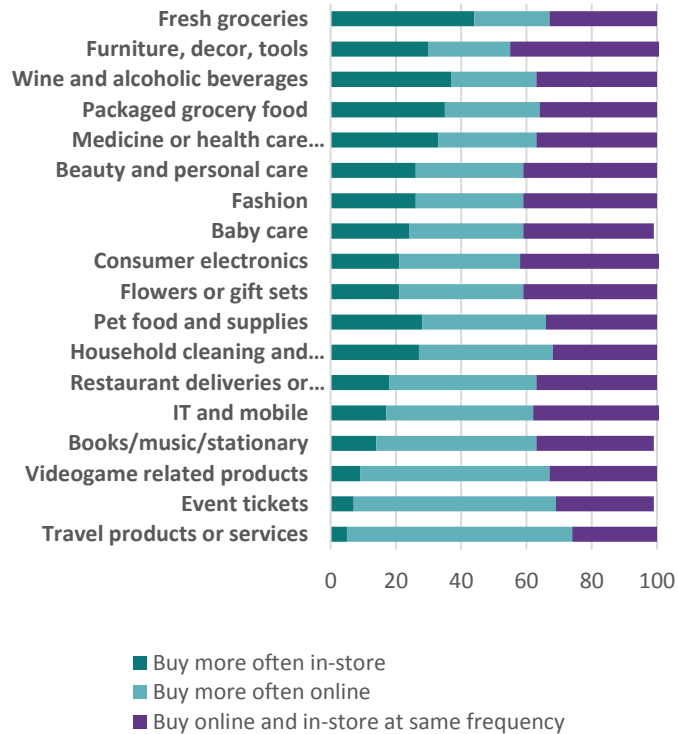
STRATEGIC PLAN 2013 – 2016 SUCCESSFULLY EXECUTED

1H17: NETHERLANDS, BELGIUM AND FINLAND STRONG; FRANCE DISAPPOINTED



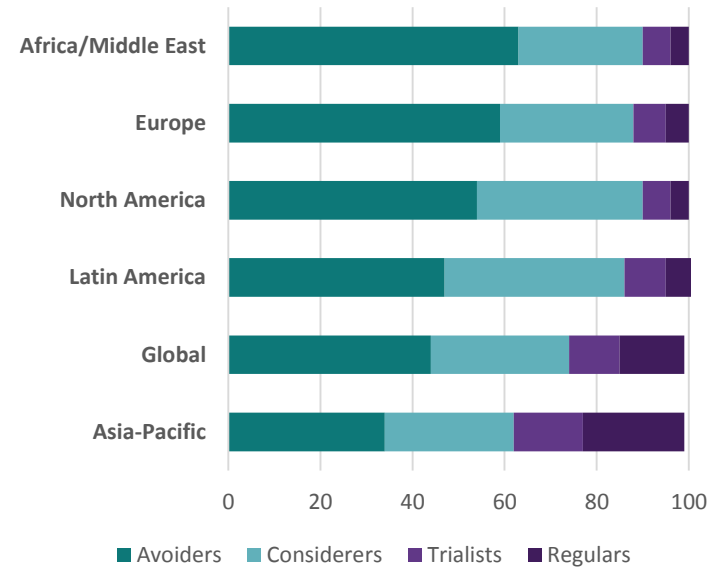
GROCERY SHOPPING AS RESILIENT ANCHOR

GLOBAL PERCENTAGE: ONLY SHOPPERS WHO SAY THEY SHOP MORE OFTEN ONLINE OR IN-STORE BY CATEGORY



Source: Nielsen (2017)

ATTITUDE ABOUT BUYING FRESH AND HOUSEHOLD GOODS ONLINE



Source: Nielsen (2017)

ASSET ALLOCATION STRATEGY

FOCUSING ON GROWING CONSUMER MARKETS

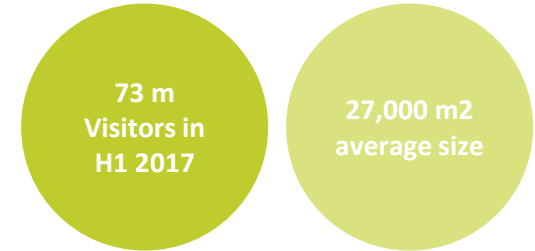
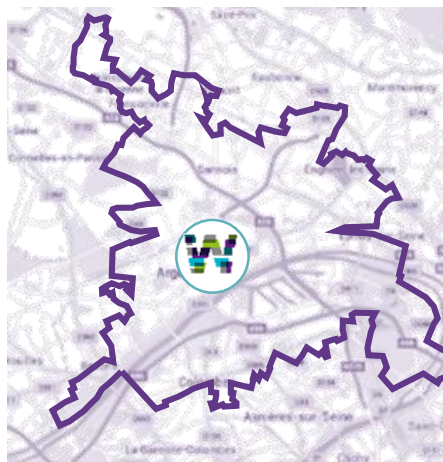
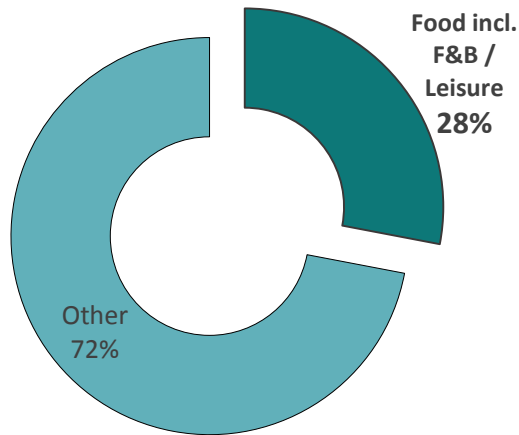


Food anchored convenience shopping centres



Growth potential in future spending power in the catchment area

Average GLA Split



Dominance in their catchment areas with above market growth in visitor numbers

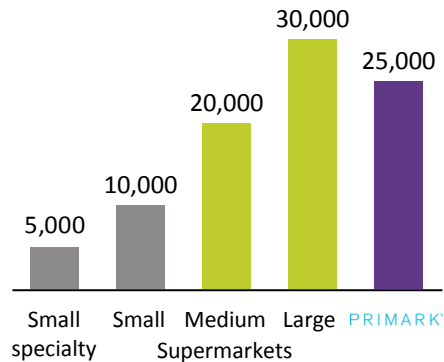


Prime locations in regional cities capture the catchment areas of medium sized cities

CONVENIENCE SHOPPING SHOWS STRONG FUNDAMENTALS

DRIVES FOOTFALL

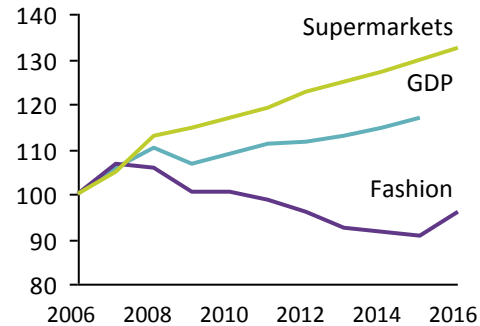
FOOTFALL # PER WEEK¹



- Supermarket anchors ensure strong footfall (2/3 of visitor base)

RESILIENT THROUGH THE CYCLE

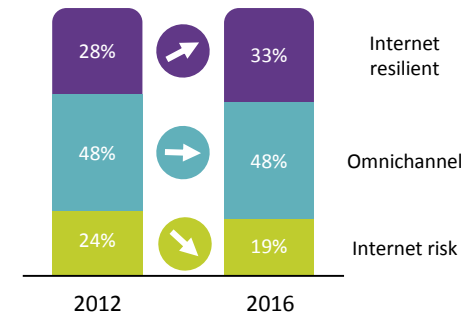
THE NETHERLANDS



- Food spending in supermarkets steadily increased since 2006

RESILIENT TO ONLINE

WERELDHAVE CATEGORIES IN PORTFOLIO²



- Resilience increased from 76% in 2012 to 81% in 2016





▪ Note 1: Based on footfall figures for the Netherlands

Note 2: 'Internet resilient': F&B / Leisure, food, services, 'Omnichannel': Fashion & accessories, health & beauty, homeware & household, sport, 'Internet risk': Department & variety, multimedia & electronics, shoes & leatherwear

▪ Source: CBS, Company analyses, Eurostat

STRATEGIC MANAGEMENT AGENDA 2017-2019

PROGRESSING WELL

	STRATEGIC DIRECTION	TARGETS 2017-2019	H1 2017
<p>RESPOND TO CONSUMER TRENDS</p> 	<ul style="list-style-type: none"> Optimise customer journey Continue tenant intimacy 	<ul style="list-style-type: none"> Drive footfall above market 	<ul style="list-style-type: none"> FI - NL + BE + FR +
<p>DRIVE EPS</p> 	<ul style="list-style-type: none"> Improve resilience of tenant base¹ Increase occupancy Maintain low cost of debt 	<ul style="list-style-type: none"> >85% resilient 97% occupancy <2% at longer maturities 	<ul style="list-style-type: none"> 81% 95.5% 1.95%
<p>OPTIMISE PORTFOLIO</p> 	<ul style="list-style-type: none"> Realise asset rotation Complete development pipeline Sustainability Limited external growth 	<ul style="list-style-type: none"> € 200m disposals € 229m pipeline Keep front position Selective acquisitions 	<ul style="list-style-type: none"> € 73m n.a. Green star, DJSI Europe Net seller
<p>TAILOR ORGANISATION</p> 	<ul style="list-style-type: none"> Assertive entrepreneurship Behaviour driven and P&L responsibility Innovation 	<ul style="list-style-type: none"> € 15 - 16m overhead p.a. 	<ul style="list-style-type: none"> € 8.6m

OPTIMISE CUSTOMER JOURNEY

In the coming 18 months we will focus on creating a frictionless shopping experience focused on customer needs

- The vision has been defined
- Preparation Q4 2017
- Programme starts 2018
- In scope: Netherlands, Belgium & France



SOCIO DEMOGRAPHIC

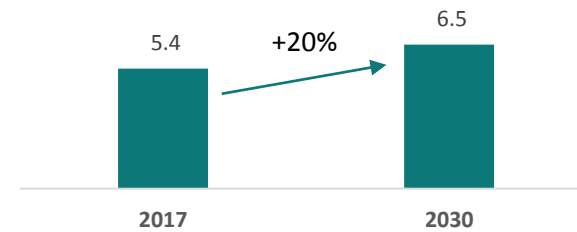
“Shopping centers and retail will increasingly become an integral part of urban society”



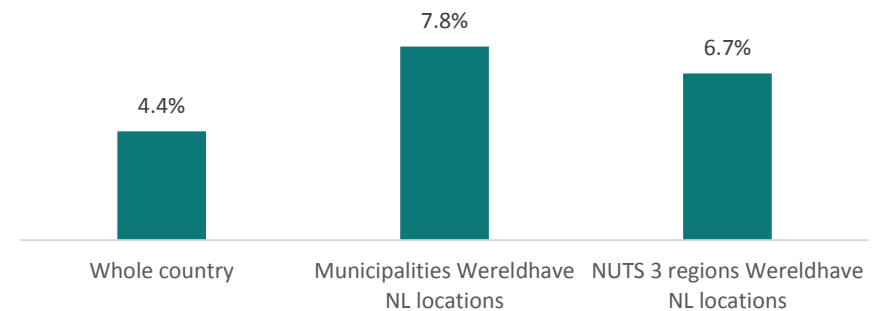
- Rise of the Elderly
- Rise of single-person households & Loneliness
- Increasing spend
- Ongoing urbanisation

* Source: CBS

NUMBER OF 55+ IN MILLIONS IN THE NETHERLANDS*



DEMOGRAPHIC GROWTH FORECASTS 2017-2030*



CONSUMER LIFESTYLE

“Besides the well-known chains, retail centers will increasingly be home to specialized small(er) businesses tailored to individual needs. Large and small retailers increasingly complement each other.”

- Individualised Life
- Experiences (rather than owning)
- Conscious life-style
- Seamless life



TRENDS RETAILING

Shopping centers will transform into important links within the omni-channel shopping experience.

- Scattering of shopping areas
- Changing formats in retail
- Integration of Commerce channels
- Changing requirements of Shopping Areas



TECHNOLOGY

Technology-enhanced shopping offers many opportunities for retailers to adapt their offering to the needs of shoppers.

- The Internet of Things will rise
- Data as a fundament
- Mobile Everywhere
- Increasing Innovation Agility



MOVING TOWARDS MIXED USE

OPTIMISING HIGHEST & BEST USE OF OUR LOCATIONS

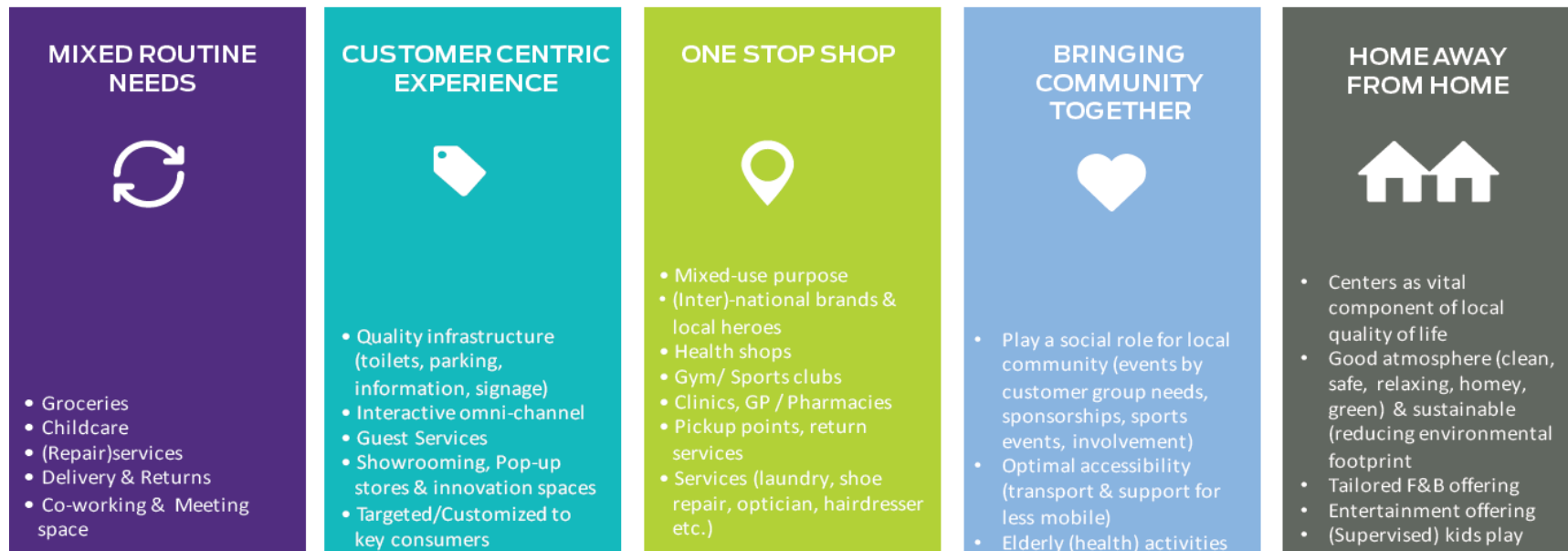
Time is rapidly becoming the most valued commodity for city-dwellers. Proximity is key.

- Residential
- Increasing Food & Beverage offer
- Co-working office space
- Healthcare
- Childcare

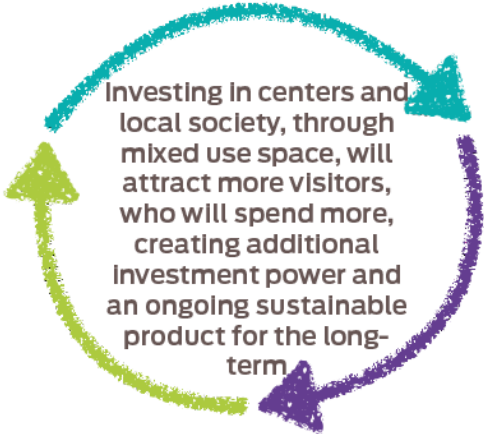


PROPOSITION 2030

Wereldhave brings people together in a mixed-use space, taking convenience to the next level and plays a vital role for local communities through direct and indirect investments



PROPOSITION 2030



**Owner's Objective:
Maximize Asset Value**

- Attract more Visitors
- Make the Visitor spend more
- Maximize Occupancy Rate
- Optimize



**Visitor's Objective:
Get the most out of their time spent**

- Have a painless shopping experience
- Feel special, serviced and entertained
- Save time & money



**Tenants Objective:
Maximize Store Value**

- Attract & convert store visitors
- Give visitors the best service
- Build a relationship with the visitor

PROPOSITION 2030

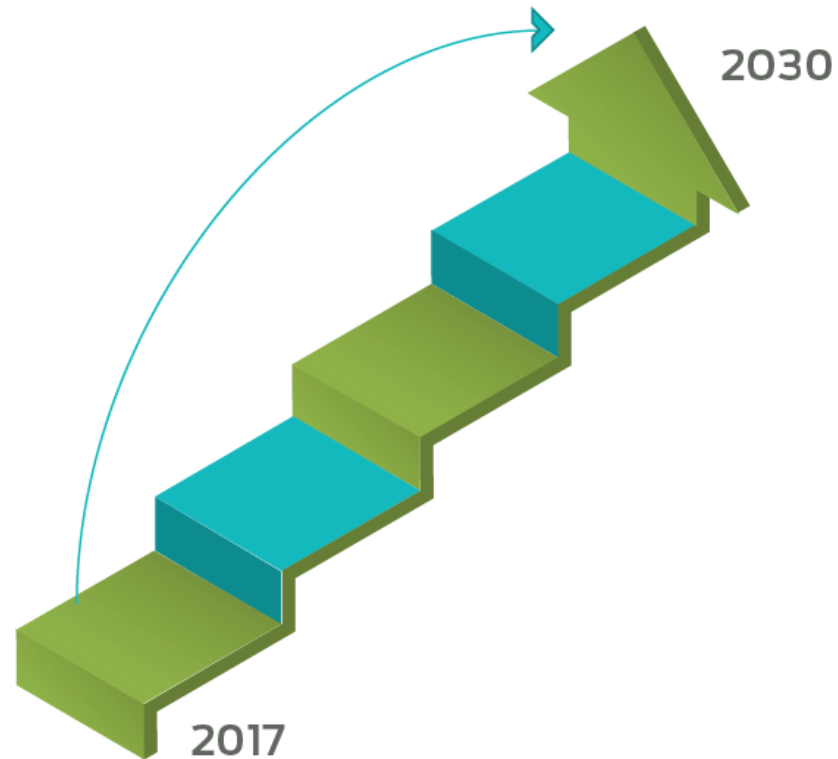
TO GET TO OUR PROPOSITION 2030 WE WILL IMPROVE THE CUSTOMER JOURNEY IN 2-YEAR INCREMENTS ALONG THE WAY

PROPOSITION 2030

- Mixed Routine Needs
- One stop Shop
- Bringing Community Together
- Customer Centric Experience
- Home Away from Home

CUSTOMER JOURNEY

- **Excellence Phase 1: 2017/2018**



PROPOSITION 2030



Corporate Enablers

Organizational Capabilities:
Strategic Partnerships & Business Development Capabilities, Testing, Innovation Team, Branding Monetisation, Program Management Office

A VIEW ON OPERATIONS 2017-2018

	OCCUPANCY (vs 1H17)	RENT LEVEL	PLATFORM	CHALLENGES
NETHERLANDS	+1%	STABLE	OPTIMUM	SPEED TO MARKET DEVELOPMENTS
BELGIUM	+1%	STABLE	STRONG, SIZE COULD RISE	GROWTH AT DECENT PRICES, GENK
FRANCE	STABLE	SLIGHTLY DOWN	TO MATURE	MARKET, OUTPUT, STRENGTHEN MERIADECK
FINLAND	+1%	STABLE	1 ASSET	RELATIVE SIZE OF THE PROPERTY

CONCLUSION

A STRONG BASE FOR RESILIENT CASH FLOWS

