



**Q1 2021  
ACTIVITY**

**ENCOURAGING  
PERSPECTIVES**

**COVIVIO**

April 20<sup>th</sup>, 2021

# SUMMARY

- I. Letting activity: positive signals**
- II. Speeding the prime offices strategy**
- III. Ahead of schedule on our lower-carbon path**
- IV. Organisational changes**
- V. Key takeaways**





## LETTING ACTIVITY: POSITIVE SIGNALS

Lyon CBD, Silex 2



# OFFICE MARKETS: RESILIENCY DESPITE THE LOCK-DOWNS

## Take-up

### Maintained at Q1 2020 levels

In Greater Paris<sup>1</sup> (327 000 m<sup>2</sup>) ▶ - 4%  
In Milan<sup>2</sup> (70 000 m<sup>2</sup>) & ▶ ~ 0%  
Top 7 German cities (653 000 m<sup>2</sup>) ▶ - 3%

## Vacancy rate

6.7% in Greater Paris  
5.3% in Milan  
3.5% in Top 7 German cities

## Headline rents

Stable rents, on new and renovated assets  
Steady upward pressure in Top 7 German cities

## Investment market

Continuous appetite from investors  
+3% median price in Greater Paris vs end-2020

1. Excluding Total transaction of circa 130 000 m<sup>2</sup> in La Défense

2. Excluding Saipem major transaction of 41 000 m<sup>2</sup> in Milan periphery



# 64,000 M<sup>2</sup> SIGNED OR RENEWED IN Q1 2021

## 22,900 M<sup>2</sup> SIGNED AND 40,900 M<sup>2</sup> RENEWED

### Addressing Covivio's main occupancy challenges

Paris – Carré Suffren	2,800 m <sup>2</sup> new lettings; +8% vs previous rent
La Défense – CB21	1,300 m <sup>2</sup> new lettings; -12% vs previous rent
Hamburg – Zeughaus	3,000 m <sup>2</sup> of additional surfaces for existing tenant
Lyon – Silex2	1,150 m <sup>2</sup> of pre-letting

### Highlighting the reversionary potential

**4,000 m<sup>2</sup> let at +22% vs previous rent**

Milan – Garibaldi	2,060 m <sup>2</sup> new lettings; +33% vs previous rent
Milan – Amedei	820 m <sup>2</sup> new letting; +5% vs previous rent

### Supporting the growth of our long term partners

#### 9,100 m<sup>2</sup> pre-let to Onepoint on Bordeaux Jardins de l'Ars

Already tenant in Paris and Bordeaux since 2016



Reaffirmed trust in Covivio

#### Renewing 33,300 m<sup>2</sup> with Eiffage

- > Turnkey HQ campus developed for Eiffage
- > State of the art building designed by Wilmotte and Viguier gathering 1,600 employees
- > High class services



**Renewal agreement with extended maturity of 10 years firm,  
in line with previous rent**





# GERMAN RESIDENTIAL / MIETENDECKEL RULED UNCONSTITUTIONAL AMID WELL ORIENTED MARKETS

## Mietendeckel: favorable ruling from the federal court

- ◆ On April 15, Federal Constitutional Court ruled that Berlin rent freeze was unconstitutional and therefore null and void
- ◆ And will evaluate tenants situations in case of hardship

## Enhancing good rental resilience

NRW, Hamburg  
Dresde & Leipzig  
**+3.9%**  
LfL rents

- Driven by 2020 capex plan (30 M€ group share)
- Resulting in 6.5% yield

Berlin  
**+2.9%**  
LfL rents

- Mietendeckel Berlin law is void

**98.5%**  
Occupancy

- Very high occupancy





# HOTELS: TOUGH START TO THE YEAR 2021 BUT WITH POSITIVE PERSPECTIVES

## RELEASE OF SANITARY CONSTRAINTS LOOMS OVER EUROPE



In Europe, EU could achieve collective immunity by mid-July<sup>1</sup>



Progress made on vaccination gives hope to a back-to-normal situation:

- April 12<sup>th</sup>: reopening the outdoors areas of bars and restaurants and reopening of campsites and self-contained holiday accommodations.
- May 17<sup>th</sup>: hotels can reopen.
- June 21<sup>st</sup>: all legal limits on social contact will be removed.



Provisory 3-phase opening strategy starting May 15<sup>th</sup> and expecting restaurants, bars and hotels to be fully operating by mid-June.

CHANGE IN REVPAR  
IN FEBRUARY

**-84%**  
EUROPE

vs.

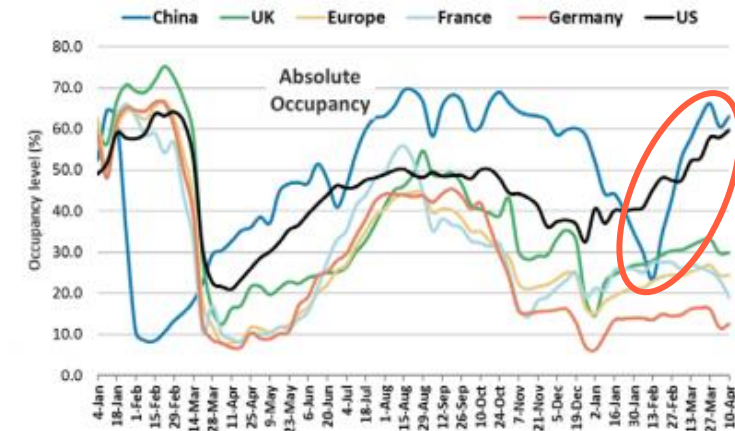
**-68%**  
FRANCE

**88%**

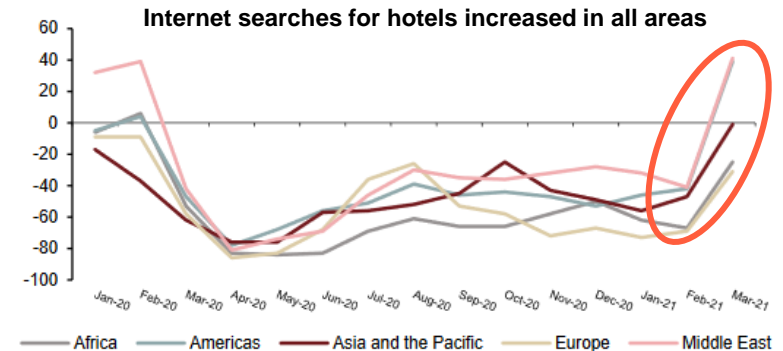
COVIVIO HOTELS PORTFOLIO COLLECTION RATE AT Q1<sup>2</sup>

## CHINA AND THE US SHOW THE STRONG CAPACITY TO RECOVER AS SOON AS RESTRICTIONS ARE LIFTED

### WEEKLY HOTEL OCCUPANCY



### HOTEL SEARCHES



Sources: Morgan Stanley ; Société Générale

1. According to commissioner Thierry Breton

2. 73% including deferred payments and incentives



# Q1 2021 REVENUES / STABLE IN LIKE-FOR-LIKE EXCLUDING HOTELS

Q1 2021	Revenues Q1 2020 Group share	Revenues Q1 2021 Group share	% change like-for-like Group share	Occupancy rate %	Average lease term firm, in years
France Offices	53	49	-1.2%	92.9%	4.6
Italy Offices	32	29	-1.1%	96.0%	7.3
German Offices	7	11	-1.0%	77.1%	4.6
German Residential	39	41	+3.4%	98.5%	n.a.
<b>Sub-total Offices &amp; Residential</b>	<b>131</b>	<b>130</b>	<b>+0.3%</b>	<b>93.5%</b>	<b>5.4</b>
Hotels in Europe	23	13	-46.2%	100% <sup>1</sup>	13.9
<b>Total strategic activities</b>	<b>155</b>	<b>143</b>	<b>-5.9%</b>	<b>94.5%</b>	<b>7.2</b>
Non-strategic	4	2	-4.7%	99.2%	6.0
<b>Total</b>	<b>158</b>	<b>144</b>	<b>-5.9%</b>	<b>94.5%</b>	<b>7.2</b>

## Offices

Full effect of 2020 releases

## German Residential

+2.9% LFL in Berlin  
+3.9% LFL in other areas

## Hotels

As expected, impact of the  
restrictions and unfavourable  
base effect





Milan, Via Cornaggia

## SPEEDING THE PRIME OFFICES STRATEGY



# A HIGH-QUALITY OFFICE PORTFOLIO

A 10.2 BN€ PORTFOLIO LOCATED IN FRANCE (5.9 BN€), MILAN (2.7 BN€) AND TOP GERMAN CITIES (1.5 BN€)

TOP EUROPEAN CITIES

**63%**

€6.3 bn / 100 assets

PARIS INNER-CITY / MILAN / TOP 5 GERMAN CITIES

& Neuilly/Levallois

**+21 pts**  
in 5 years

✓ Mix of attractive new buildings

✓ & prime redevelopment opportunities

TOP BUSINESS DISTRICTS

**28%**

€2.8 bn / 50 assets

GREATER PARIS BEST DISTRICTS  
(€2.1 bn)

Issy-Boulogne,  
Montrouge-Chatillon,  
La Défense, Rueil, Vélizy

TOP 5 FRENCH CITIES  
(€0.7 bn)

Lyon, Bordeaux,  
Marseille, Lille,  
Toulouse

✓ **Centrality:** in the best micro-location of major transports hubs

✓ **High-quality** of real estate

✓ Attractive **risk/return** profile

NON-CORE ASSETS

**9%**

€0.9 bn

MOSTLY TELECOM  
ITALIA WITH 100%  
OCC. & 11Y WALT



# OFFICES STRATEGY / IMPLEMENTATION MODE

## MORE CBDs

Accelerating on  
**core mature  
disposals in regions**

&

**Adapting the pipeline:**  
+ 5 projects to be  
committed in 2021  
**in Paris CBD, Milan  
CBD, Berlin CBD**

## MORE CONVERSION FROM OFFICES TO RESIDENTIAL

**Turning obsolete  
offices buildings  
into residential**

## MORE WELLBEING AND SERVICES

**Accompanying  
our tenants**  
in their real estate strategy

Through  
**All-in-one services  
offer**



# 2021 DISPOSALS / 500 M€ REALIZED AND SIGNED

Group Share figures

**278 M€ REALIZED**

on 2020 preliminaries

With 8% premium on 2019 appraisals



Issy-les-Moulineaux – EDO  
10,900 m<sup>2</sup> - €132 m



France - Orange portfolio  
46,000 m<sup>2</sup> - €59 m



Marseille – Euromed Astrolabe  
14,400 m<sup>2</sup> - €44 m



Milan – Via Colonna  
3,550 m<sup>2</sup> - €19 m

**221 M€ NEW COMMITMENTS**

With 6% premium on 2020 appraisals

**92% OF OFFICES**

**In France**, Mainly Preliminary on 2 core mature assets (Lille & Lyon)

**In Italy**, mostly Telecom Italia portfolio of 8 assets

**In Germany**, partnering on 45% of AlexanderPlatz project



Villeneuve d'Ascq - Hélios



Italy – Telecom Italia

**ON TRACK TO THE >600 M€ NEW COMMITMENTS  
GUIDANCE FOR 2021**





# 2021 DELIVERIES / LARGELY SECURED

**82%**

Prelet

**6.3%**

Yield on cost

**42%**Expected value creation  
o/w 30% still to be booked

March, 1

April, 8

May, 31

June, 30

October, 31



Paris 5<sup>th</sup> – Gobelins  
4,360 m<sup>2</sup> / 50 M€



Montrouge – Flow  
23,580 m<sup>2</sup> / 115 M€



Milan – The Sign B&C  
16,930 m<sup>2</sup> / 72 M€



Montpellier – Orange  
16,500 m<sup>2</sup> / 49 M€



Lyon – Silex 2 – 50% owned  
30,900 m<sup>2</sup> / 85 M€



Milan – Symbiosis D  
17,960 m<sup>2</sup> / 91 M€

**100%**

Occupancy

**100%**

Occupancy

**100%**

Occupancy

**100%**

Occupancy

**58%**

Occupancy

**47%**

Occupancy



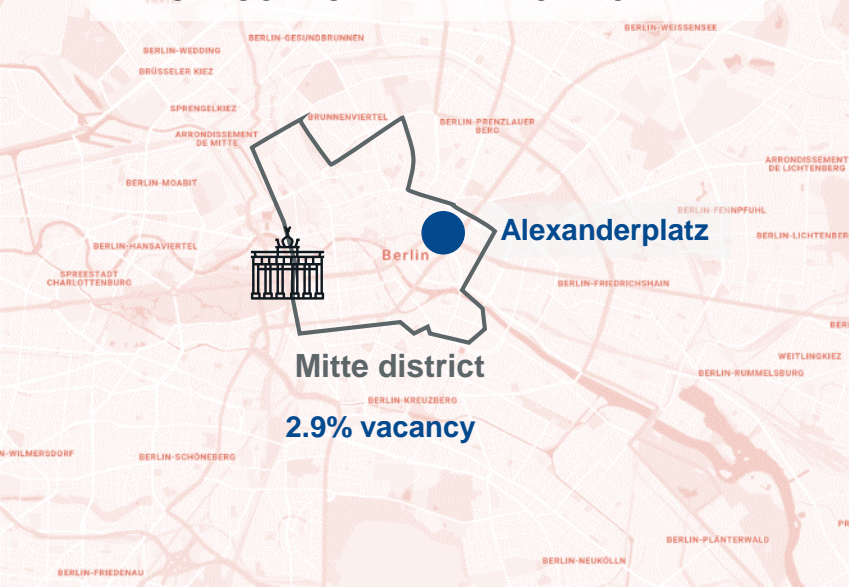
Delivered

60,000 m<sup>2</sup> mixed-use project including Offices & Residential  
developed by our teams on a hotel land bank

## IN 2021

- ▶ Building permit obtained in March 2021
- ▶ Sharing the project  
55% Covivio / 45% Generali & Covéa

### BEST LOCATION IN BERLIN CITY-CENTER



**5.1%**  
YIELD ON  
COST

**40%**  
TARGET  
VALUE  
CREATION

**€291**  
MILLION  
Group Share



**31,000 m<sup>2</sup>**  
Offices & flexible offices

**2,500 m<sup>2</sup>**  
Green rooftop

**11,600 m<sup>2</sup>**  
Furnished appartements / coliving

**17,000 m<sup>2</sup>**  
Event, restaurants, services,  
retail and storage facility





# MORE CONVERSIONS OF OBSOLETE OFFICES INTO RESIDENTIAL

THE STRENGTH OF  
DIVERSIFICATION:  
SYNERGIES BETWEEN  
ASSET CLASSES

NEUTRALIZE  
THE RISK  
ON OBSOLETE  
OFFICES



EXTRACT  
ADDITIONAL  
VALUE  
FROM LONG-  
LEASED  
ASSETS

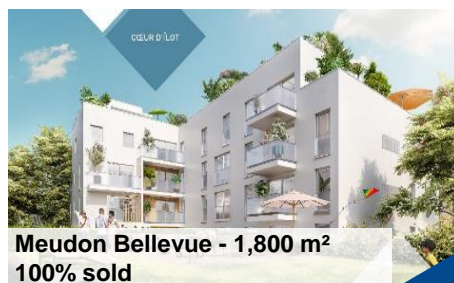
150,000 m<sup>2</sup> identified,  
mainly in Greater Paris  
and main regional cities

3 PROJECTS COMMITTED  
TO BE DELIVERED IN 2021-2022

12,300 M<sup>2</sup>

€44 MILLION

~10% TARGET  
MARGIN



5 NEW PROJECTS IN 2021

~92,000 M<sup>2</sup>

~€220 MILLION





AHEAD OF SCHEDULE  
ON OUR CARBON  
REDUCTION PATH

Paris CBD, Anjou





# OUR CARBON REDUCTION TRAJECTORY : AHEAD OF SCHEDULE FOR 2020

## A GREEN PORTFOLIO...

AT END-2020

**99%**

of core France Offices  
certified green

**89%**

of core Italy Offices  
certified green



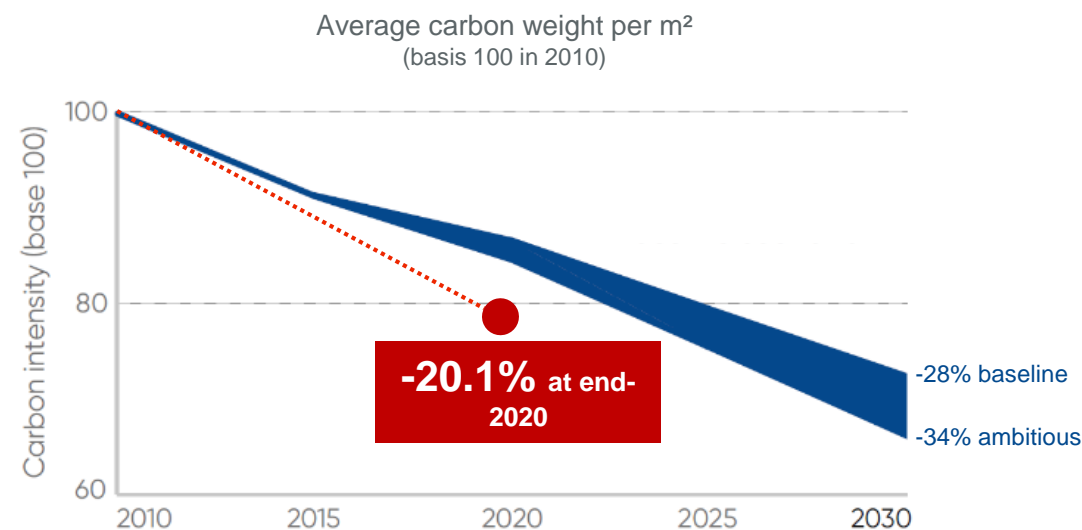
**100%**

of Germany Residential  
certified green

**73%**

of Hotels certified green

## ...DRIVING REDUCTION IN CARBON FOOTPRINT



Approved by the Science Based Targets initiative since 2018

**2020 PERFORMANCE, EXCEEDING THE AMBITIOUS SCENARIO ON ALL EMISSIONS SCOPES (1, 2 AND 3)**



Paris, Motel One

# ORGANISATIONAL CHANGES



## ORGANISATIONAL CHANGES AND APPOINTMENTS WITHIN COVIVIO'S MANAGEMENT



**Tugdual Millet**, actual CFO at Covivio, is appointed **CEO of Covivio Hotels, subsidiary of Covivio at 43.5%**



**Elsa Tobelem**, is appointed **Deputy CEO of Covivio Hotels in charge of operations.**



**Paul Arkwright**, current Director of Financial Control, Corporate Finance and Investor Relations is appointed **CFO of Covivio.**



Paris 5<sup>th</sup>, Gobelins

## KEY TAKEAWAYS





## KEY TAKEAWAYS

**1**

**First signals of markets reopening**

**2**

**German residential: strong rental growth**

**3**

**Expecting H2 recovery in hotels**

**4**

**Disposal program well on track**

**5**

**Rewarded efforts on Carbon reduction trajectory: ahead of our schedule**

# KEY UPCOMING EVENTS



**H1 RESULTS:**

**21 July 2021**

**Q3 ACTIVITY:**

**21 October 2021**

# CONTACT



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