

# COVIVIO 2021 Q3 ACTIVITY

POSITIVE DYNAMICS  
ACROSS ALL ACTIVITIES



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# SUMMARY

1. **Offices: acceleration in letting activity & success of the development pipeline**
2. **German residential: pursuit of the growth**
3. **Hotels: recovery is starting**
4. **Well on track on the disposals program**
5. **Acknowledged ESG commitment**
6. **9 Months 2021 revenues**
7. **2021 outlook**





# **1.** **OFFICES ACCELERATION IN LETTING ACTIVITY & SUCCESS OF THE DEVELOPMENT PIPELINE**

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# OFFICES MARKET – FRANCE / ITALY / GERMANY

Letting activity is catching up in Q3 in all our markets



Greater Paris

**406,000 m<sup>2</sup>**

Take-up

**+66%**

Q3 2021 vs Q3 2020

**1,207,880 m<sup>2</sup>**

Q1-Q3 2021

**+32.3%** vs Q1-Q3 2020



Milan

**92,000 m<sup>2</sup>**

Take-up

**+177%**

Q3 2021 vs Q3 2020

**267,000 m<sup>2</sup>**

Q1-Q3 2021

**+40.1%** vs Q1-Q3 2020



Top German cities<sup>1</sup>

**823,000 m<sup>2</sup>**

Take-up

**+30%**

Q3 2021 vs Q3 2020

**2,077,000 m<sup>2</sup>**

Q1-Q3 2021

**+16.2%** vs Q1-Q3 2020

# 134,000 M<sup>2</sup> OFFICES LET IN 2021 OF WHICH 53% IN Q3

134,000 m<sup>2</sup> let  
at end-September...

...in mostly Grade A assets...

...partnering with best in class  
global companies

New lettings  
**38,920 m<sup>2</sup>**  
Of which 14,460 m<sup>2</sup> in Q3



**onepoint.**  
9,100 m<sup>2</sup>

**axians**  
1,800 m<sup>2</sup>

Pre-letting  
**71,740 m<sup>2</sup>**  
Of which 52,020 m<sup>2</sup> in Q3



**MONCLER®**  
38,000 m<sup>2</sup>

**SAMSUNG**  
10,500 m<sup>2</sup>

**LVMH**  
3,900 m<sup>2</sup>

**Roland Berger**  
3,700 m<sup>2</sup>

Sold to end-user  
**23,230 m<sup>2</sup>**  
Of which 4,000 m<sup>2</sup> in Q3



**snam**  
19,000 m<sup>2</sup>



# SUCCESS OF THE SYMBIOSIS AREA IN MILAN



WELL and LEED building certifications

Surface

**38,000 m<sup>2</sup>**  
100% let

Lease length

**15**  
years

Occupancy

**100%**

Total cost

**€159m**

Value creation target

**~30%**

## SYMBIOSIS AREA

**126,000 m<sup>2</sup>** total GLA

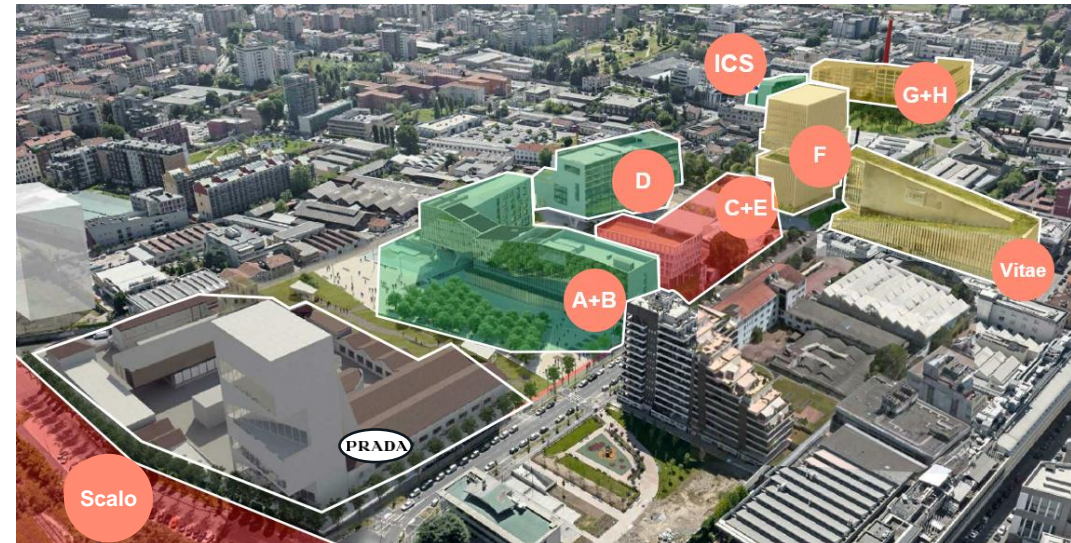
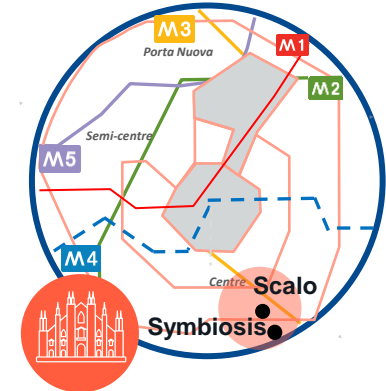
Total Budget of **~€600m**

**2007:** acquisition of land bank

**2016:** beginning of works

**2018:** first delivery

**96%** occupancy rate



*More to come with Milan Scalo di Porta Romana land bank*

# SUCCESSFUL OFFICE DEVELOPMENT PIPELINE

## 2 SUCCESSFUL DELIVERIES

### Lyon CBD - Silex<sup>2</sup>

30,900 m<sup>2</sup>

€169m (€85m GS)

64% let (90% expected at end 2021)

YoC 5.8%

Targeted certifications:



### Milan

#### Symbiosis D

18,500 m<sup>2</sup>

€89m

92% let

YoC 6.9%

Targeted certifications:



**~30% / €54m**

Target value creation (GS)

## 2 NEW COMMITMENTS IN CBDs

### Paris CBD

#### Madrid St Lazare

5,850m<sup>2</sup>

€101m

100% pre-let

Targeted certifications:



Future Covivio's HQ

### Berlin CBD

#### LOFT

6,000 m<sup>2</sup>

€40m (€26m GS)

YoC 5.3%

Targeted certifications:



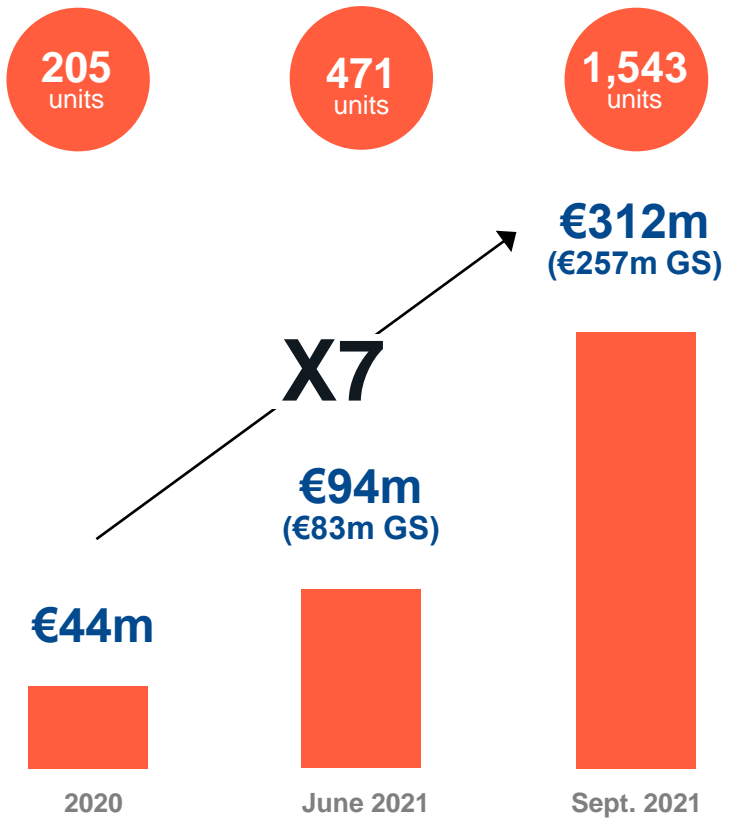
**~30% / €37m**

Target value creation (GS)



# ACCELERATION OF OFFICE INTO RESIDENTIAL DEVELOPMENT

## Total committed pipeline



3 new commitments in Q3

70,000m<sup>2</sup>  
/  
€174m

Average expected margin  
>10%



**Bordeaux Lac**  
45,500 m<sup>2</sup>  
€120m  
733 units

**Fontenay Sous Bois**  
22,850 m<sup>2</sup>  
€43m  
312 units



**St Germain en Laye**  
2,000 m<sup>2</sup>  
€12m  
24 units





## 2. GERMAN RESIDENTIAL PURSUIT OF THE GROWTH

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# GERMAN RESIDENTIAL MARKET – A SUPPORTIVE ENVIRONMENT

Growing demand, shrinking supply

General lack of offer

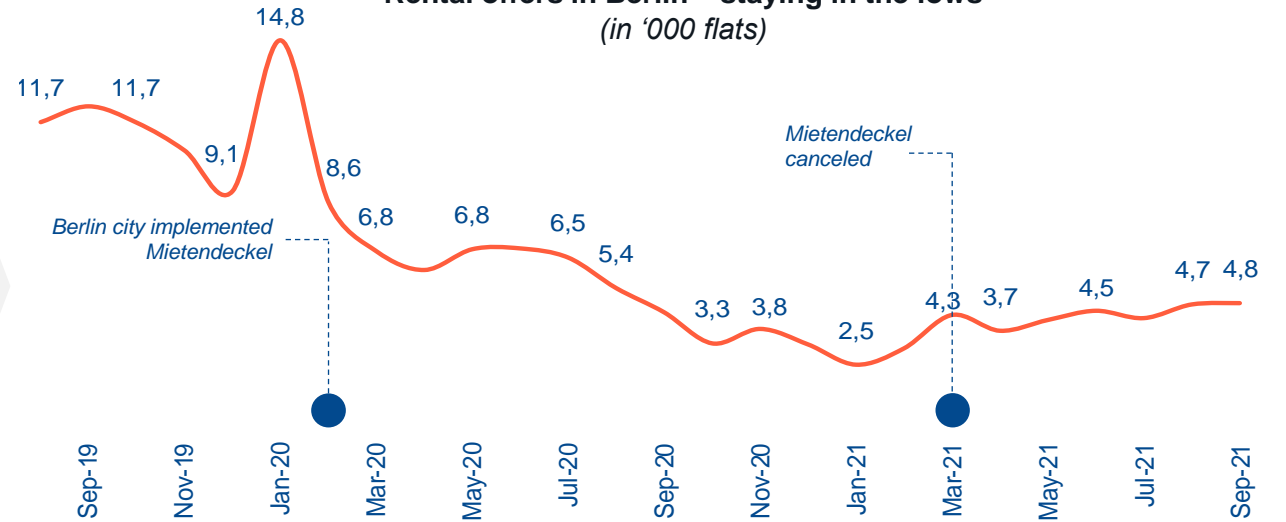
**670,000**  
Units

*Housing shortage in Germany*

**205,000**  
Units

*Of which Berlin only*

Rental offers in Berlin – staying in the lows  
(in '000 flats)



**€5,140 /m<sup>2</sup>**

*Berlin average asking price*

**+4.9%**

*Year on year  
At end September*

**€20.0 /m<sup>2</sup>**

*Berlin average asking rent  
for new flats*

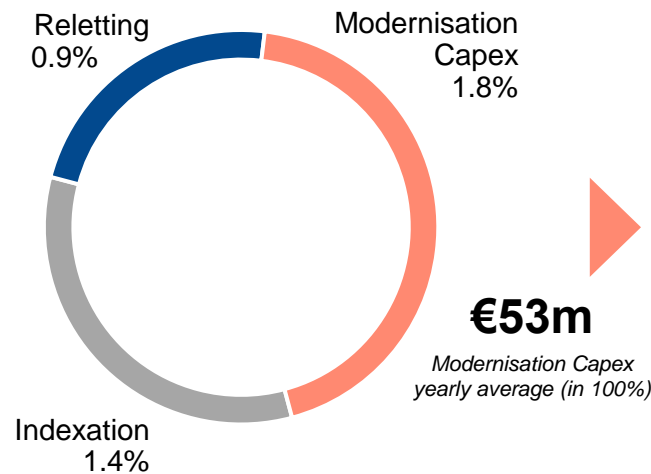
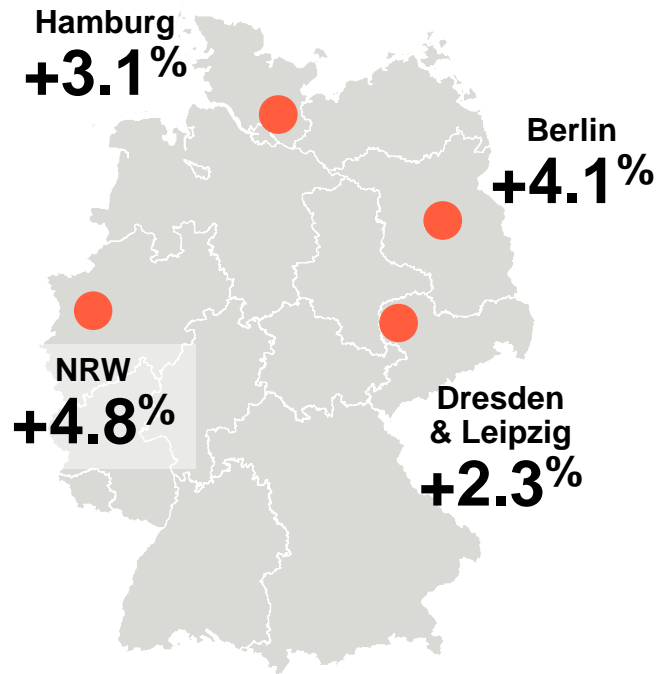
**+12.9%**

*Year on year  
At end September*



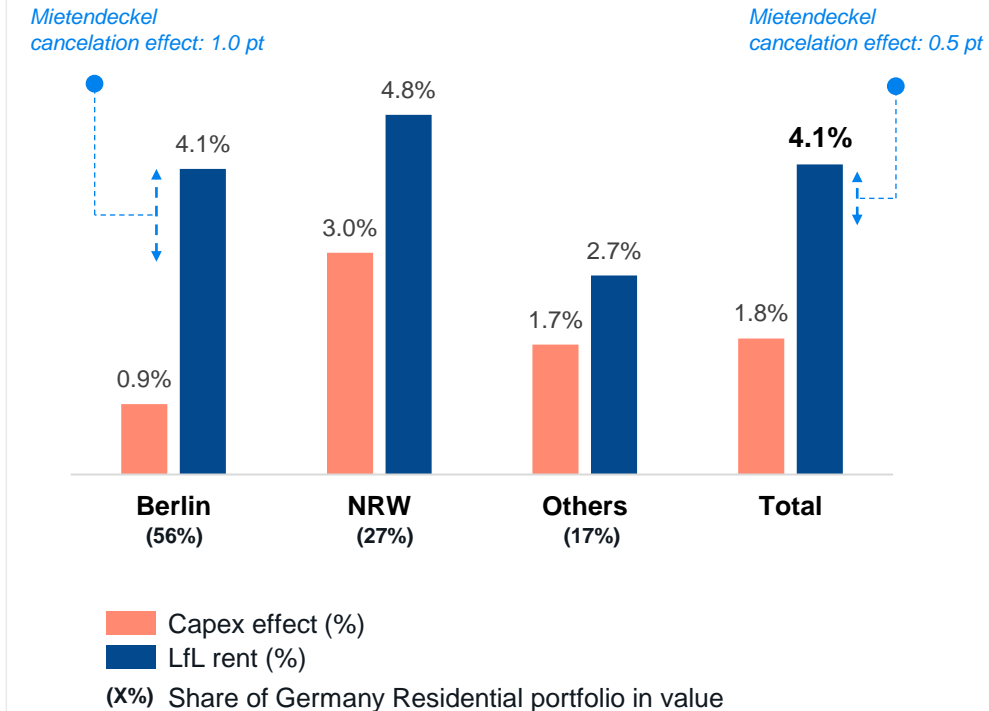
# GROWTH THROUGH RENT INCREASE

4.1% LfL rent



Around 3% of portfolio under modernisation each year

## Modernisation capex as a strong driver



Other effects on LfL rent are rental index and occupancy.

- Sustainability of the portfolio has been recognized through the HQE in operation certification for the whole portfolio

# GROWTH POTENTIAL THROUGH VALUE INCREASE

## Important drivers for values

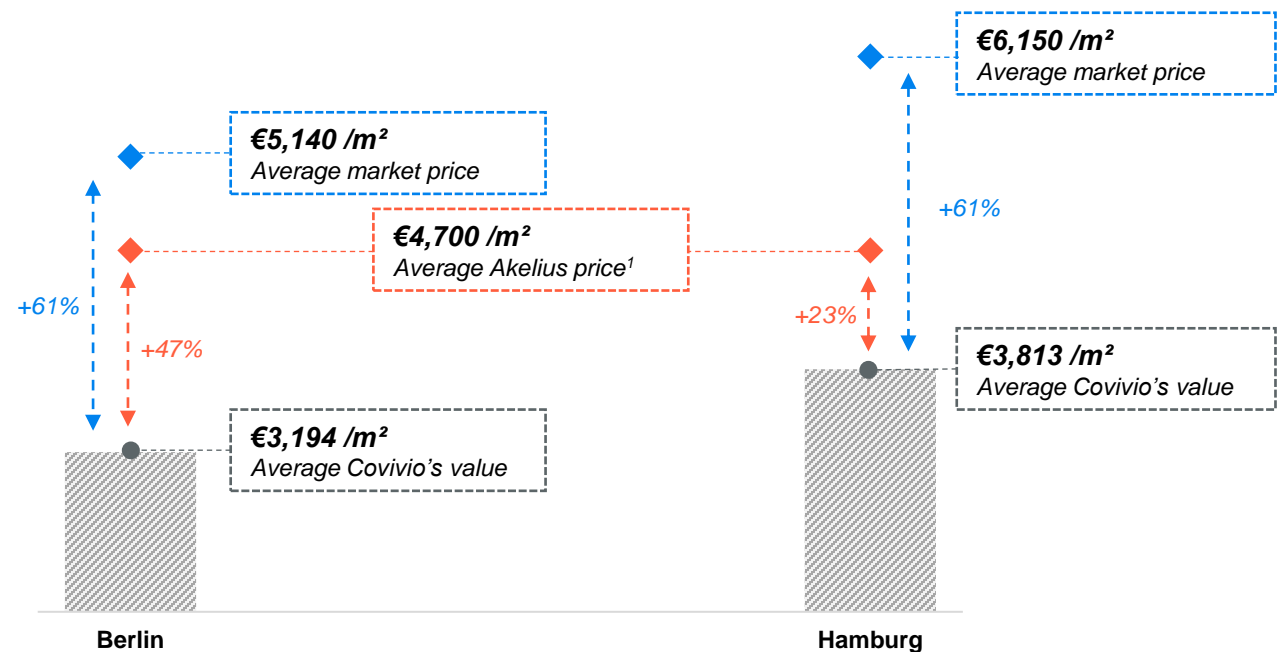
Shortage of housing supply and increasing demand

High gap between bloc and unit value

Strong investor appeal

## Latest transactions also confirmed these values

### Still significant headroom for value growth







### 3. HOTELS RECOVERY IS STARTING

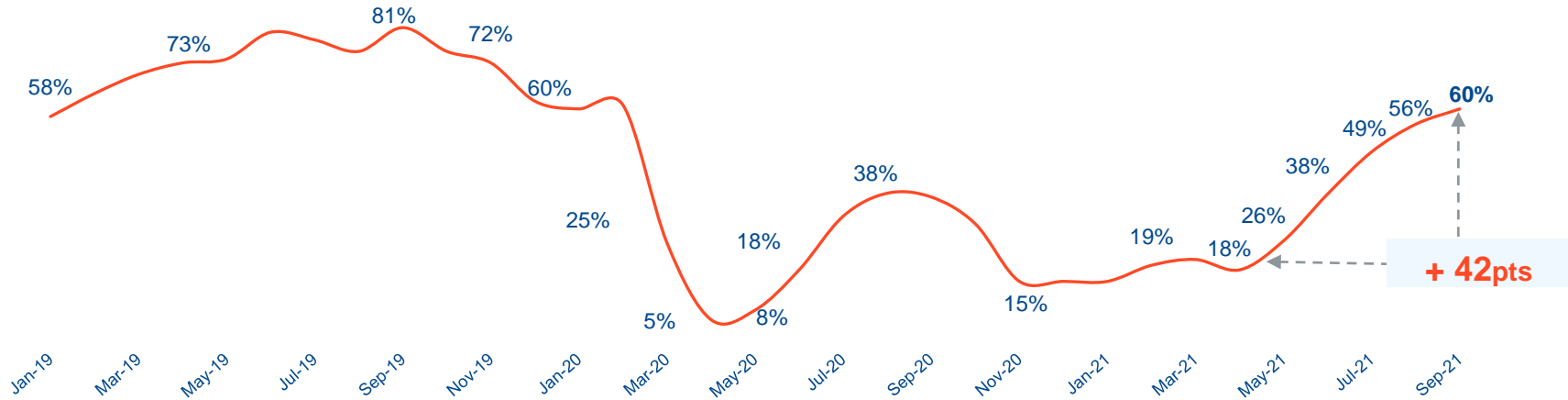
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# EUROPEAN HOTEL MARKET – MULTI-SPEED RECOVERY

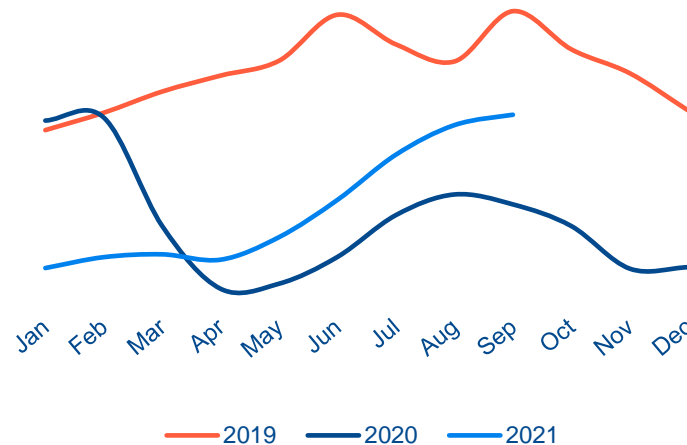
Ease of restrictions led domestic and leisure clientele return to hotels this summer

**Strong rebound  
in occupancy  
rate across  
Europe this  
summer**

Average European occupancy rate evolution since 2019



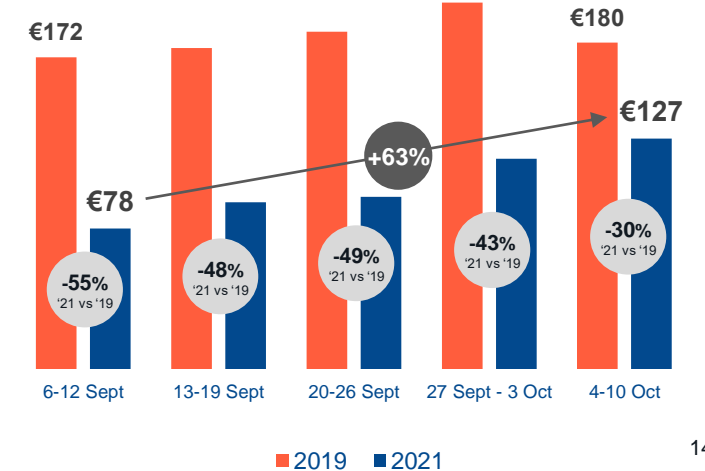
RevPAR evolution in Europe



**+95% vs Sept. 2020  
RevPar in  
Europe**

**Paris  
RevPar :  
+63%  
between September  
and October**

RevPAR in Paris





# COVIVIO HOTELS PERFORMANCE IS RAMPING UP IN Q3

## Variable leases

36% of Covivio Hotels portfolio

**+16.4%**

9M LFL rents

Of which  
**+104%**  
For Q3 2021 only

## Operating properties

20% of Covivio Hotels portfolio

**+9.8%**

9M LFL rents

Of which  
**+390%**  
For Q3 2021 only

## Fixed leases

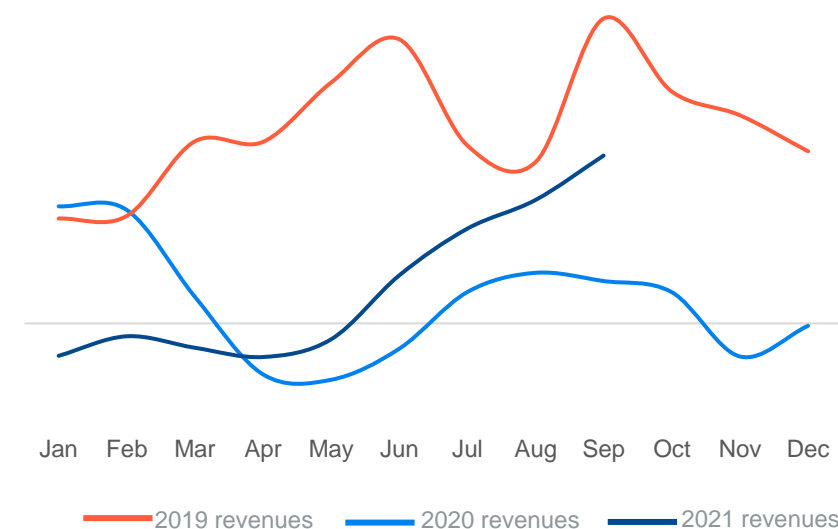
44% of Covivio Hotels portfolio

**-1.0%**

9M LFL rents

Impact of rent free periods granted in 2020

### Variable revenues recovering quickly in Q3 2021



**93%**

Collection rate<sup>1</sup>



4.

## WELL ON TRACK ON THE DISPOSALS PROGRAM

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# €514 M NEW DISPOSALS AGREEMENTS WITH A 3.4% MARGIN

**€110m** new agreements in Q3

**€1.1bn** offices disposals since  
start of 2020  
With **5.2%** margin

Disposals 2021 (committed and signed)	Group share	Gross Yield (Group Share)	Margin (Group share)
France Offices	€120m	5.5%	+3.3%
Italy Offices	€195m	5.5%	+2.0%
Germany Offices (Alexanderplatz sharing)	€61m	n.a	0.0%
Germany Residential	€69m	2.9%	+25.0%
Non-strategic	€69m	6.1%	-6.1%
<b>TOTAL</b>	<b>€514m</b>	<b>5.2%</b>	<b>+3.4%</b>

Well on track to meet the **>€600m** target





## **5.** **ACKNOWLEDGED ESG COMMITMENT**

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# GRESB 2021: STRENGTHENING TOP RANKING POSITION

## GRESB 2021 ranking

Covivio retains its status as

**“Global Sector Leader”**

in the “*Diversified Portfolio - Office/Residential*” category

with a score of

**90/100**

+ 5 pts vs 2020



### Stressed out features by GRESB this year

- ✓ Comprehensive sustainable development policy
- ✓ Verified & recognized reporting procedures
- ✓ High customer satisfaction rate
- ✓ Concrete measures to improve occupants' well-being
- ✓ Target of 100% green assets by end of 2025 (88% at end June 2021)



G R E S B®





**6.**  
**9 MONTHS 2021 REVENUES**

**COVIVIO**

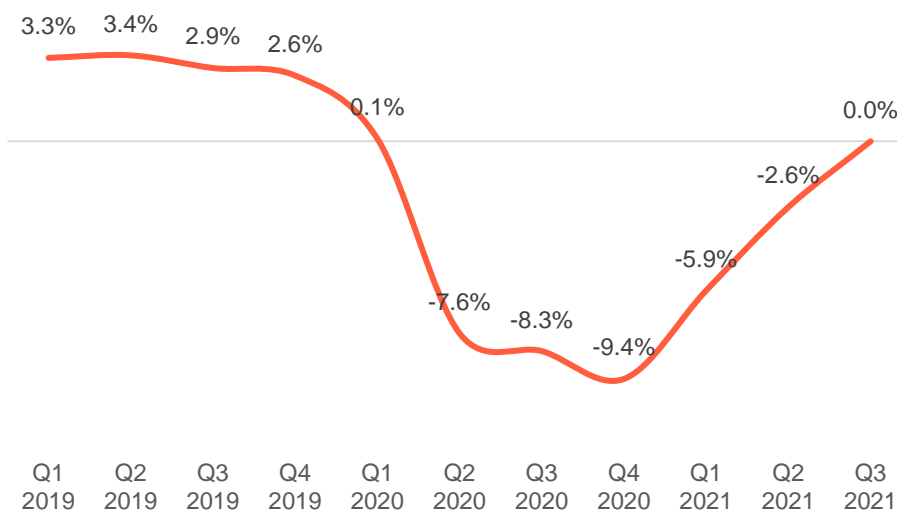


# RECOVERY WELL INITIATED AT END SEPT. 2021

	9M 2020 Revenues Group share	9M 2021 Revenues 100%	9M 2021 Revenues Group share	Variation	Like-for-like variation	Occupancy	Average firm lease term
France Offices	158	166	144	-8.8%	-3.3%	92.1%	4.8
Italy Offices	96	115	87	-9.7%	-0.9%	96.8%	7.2
Germany Offices	38	38	33	-11.4%	+0.1%	78.7%	4.6
Germany Residential	118	195	126	6.6%	+4.1%	99.0%	n.a.
Hotels in Europe	45	128	51	14.8%	+2.2%	100.0% <sup>1</sup>	13.7 <sup>1</sup>
<b>Total strategic</b>	<b>455</b>	<b>642</b>	<b>441</b>	<b>-2.9%</b>	<b>0.0%</b>	<b>94.6%</b>	<b>7.2</b>
Total non strategic	9	6	4	-56.9%	-9.0%	98.3%	5.1
<b>Total</b>	<b>464</b>	<b>648</b>	<b>445</b>	<b>-4.0%</b>	<b>-0.1%</b>	<b>94.6%</b>	<b>7.2</b>

1. Only hotels in lease

Like-for-like revenues of strategic activities



Delayed effects of 2020 from releases in France and Italy

Does not yet include the very positive letting activity in 2021



Driven by modernization capex  
Cancellation of Mietendeckel in Berlin had a positive effect of 0.5pt



Rents driven up by the strong rebound in hotel activity



## 7. 2021 OUTLOOK

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### EPRA EARNINGS 2021 GUIDANCE



Above **€400m**

> €4.2/share

vs between €390 m and €400 m  
previously





# AGENDA



▶ **13<sup>th</sup> December 2021**

**Capital markets day**

▶ **22<sup>nd</sup> February 2022**

**Annual results**

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