



# Altarea an independent leader in real estate investment and property development

1<sup>st</sup> July 2021



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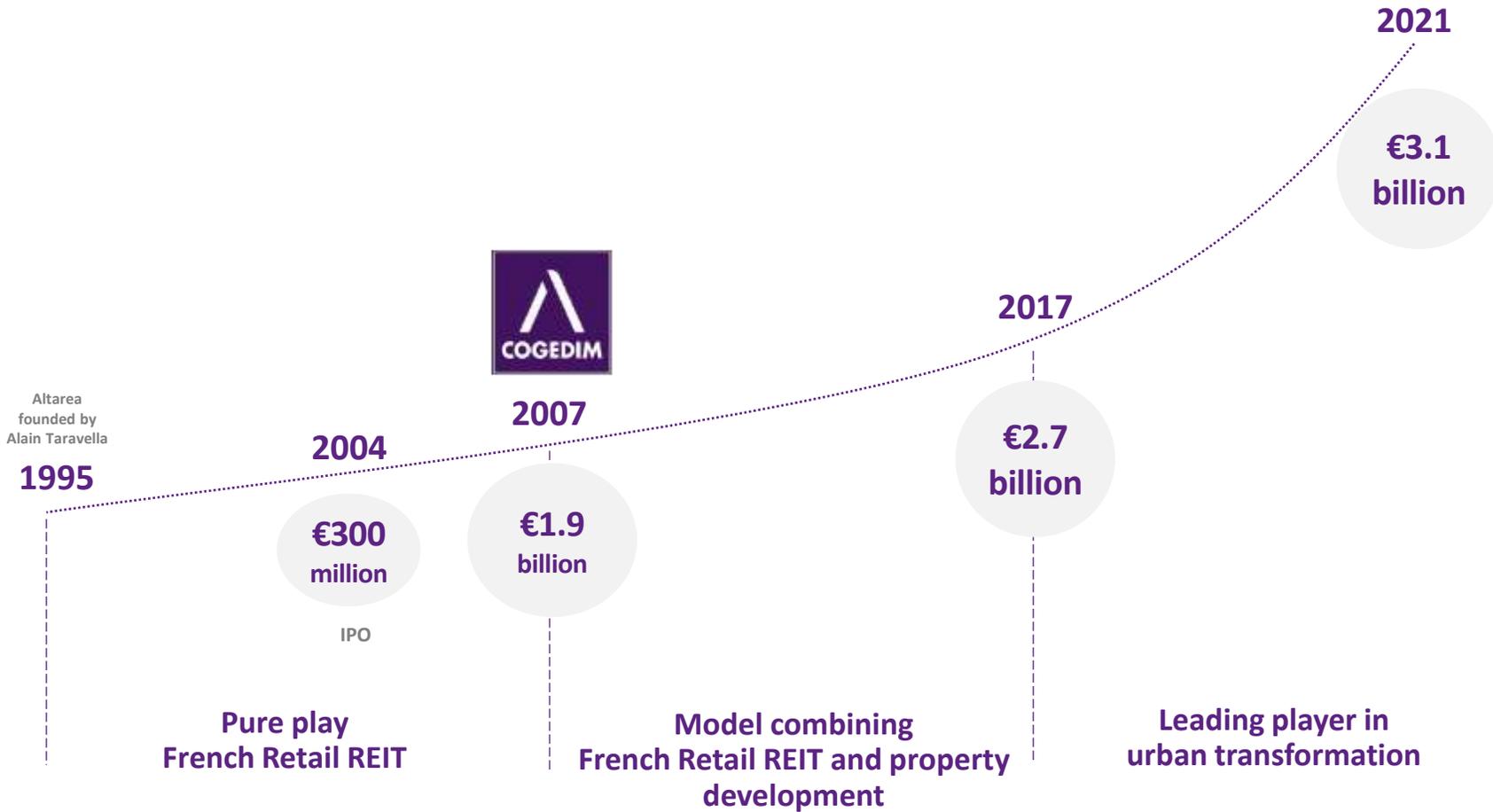
1. Altarea, a leading player in urban transformation
2. Partnership with Crédit Agricole Assurances
3. Primonial: the leading independent European wealth and property asset management group
4. Details of the plan to acquire the Primonial group
5. Altarea 2025: ambitious growth targets



# 1. Altarea a leading player in urban transformation



# Altarea: a history of growth, an entrepreneurial culture focused on property development

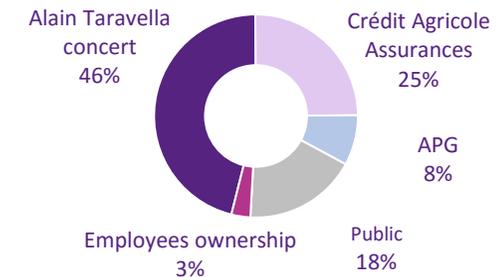


## Governance



**ALAIN TARAVELLA** Chairman and Founder  
**JACQUES EHRMANN** Chief Executive Officer

## Ownership structure

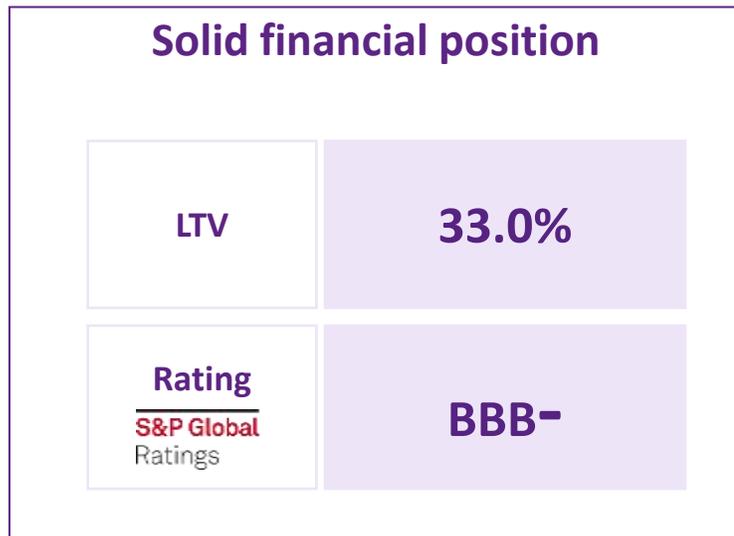
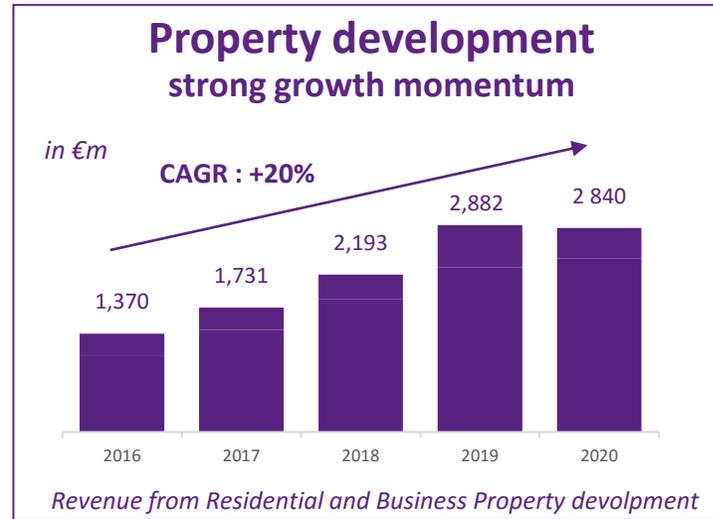
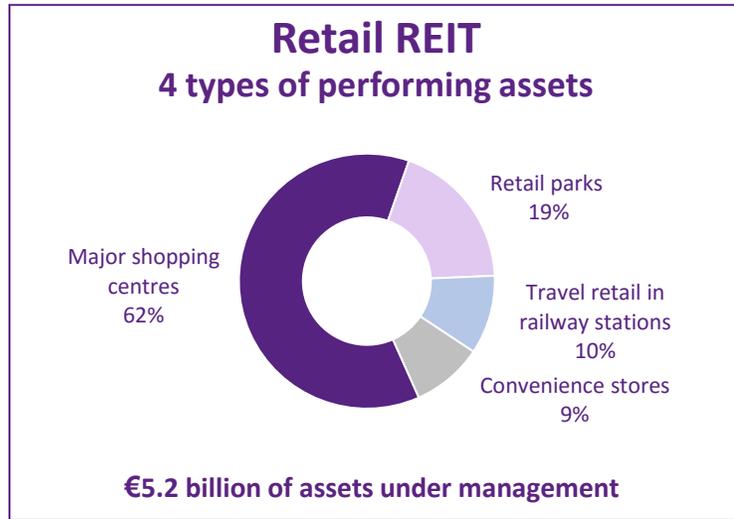


Market capitalisation





# Altarea: an effective operational and financial model



### Recurrent returns from retail REIT

30% of 2020 FFO

65% of capital employed

### Growth from property development

70% of 2020 FFO

35% of capital employed

# Altarea: two major strategic transactions

## €1 billion retail real estate partnership



51% / 49%

**Existing assets owned by Altarea**  
(retail parks and retail units in train stations)

## Acquisition of the Primonial group for €1.9 billion



**Acquisition of 100% of the shares**  
in two steps

**The leading independent European**  
wealth and real estate asset  
manager

# Altarea is stepping up the roll-out of its integrated business model across the entire real-estate value chain by forming an unrivalled group in Europe

**Acceleration of the retail real estate partnership strategy**  
**Acquisition of the leading independent European wealth and real estate asset manager**

**Leadership in the most dynamic segments of the real estate market**  
**Urban Transformation & Property investment and savings**



**Enhanced operational profile combining growth & recurrence**

**Solid financial structure maintained with €1.2 billion in equity raised**

**Altarea 2025: ambitious growth targets**

## 2. Retail real estate partnership with Crédit Agricole Assurances



# Retail real estate partnership on €1 billion of assets owned by Altarea

*Altarea 51% / Crédit Agricole Assurances 49%*

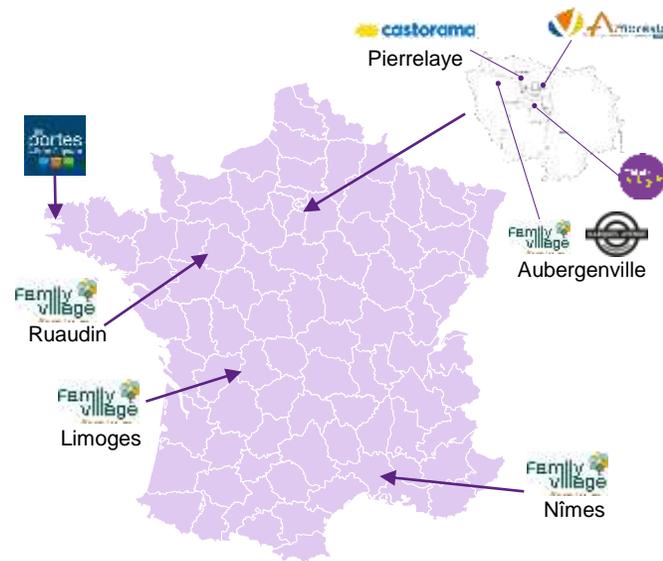
## Retail parks - 9 assets



THIAIS VILLAGE – Thiais (94)



FAMILY VILLAGE – Limoges (87)



## Retail units in train stations – 6 assets



### GARE PARIS-MONTPARNASSE (75)

Concession until **2052**  
 Redevelopment completed  
**130 stores**



### 5 ITALIAN TRAIN STATIONS

Milan, Rome, Turin, Padua, Naples  
 Concession until **2041**  
 Extension projects underway

Financed entirely through straight equity : €515m contributed by Altarea and €485 million by Crédit Agricole Assurances  
 Transaction valuations slightly lower than 2020 year-end appraisal values

# Acceleration of the retail real estate partnership strategy

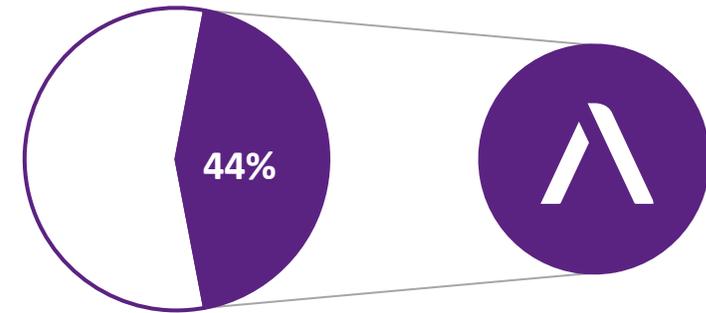
A strategy initiated more than 10 years ago

| Year | Properties  | Altarea stake |
|------|---|---------------|
| 2010 | Cap 3000  | 33%           |
| 2013 | 5 assets  | 51%           |
| 2019 | 5 assets<br><i>(Convenience and Europe)</i>           | 25%           |
| 2021 | 15 assets<br><i>(Retail parks and train stations)</i> | 51%           |

Partners



Altarea manages a portfolio of 43 assets



Value of assets under management  
**€5.2 billion**

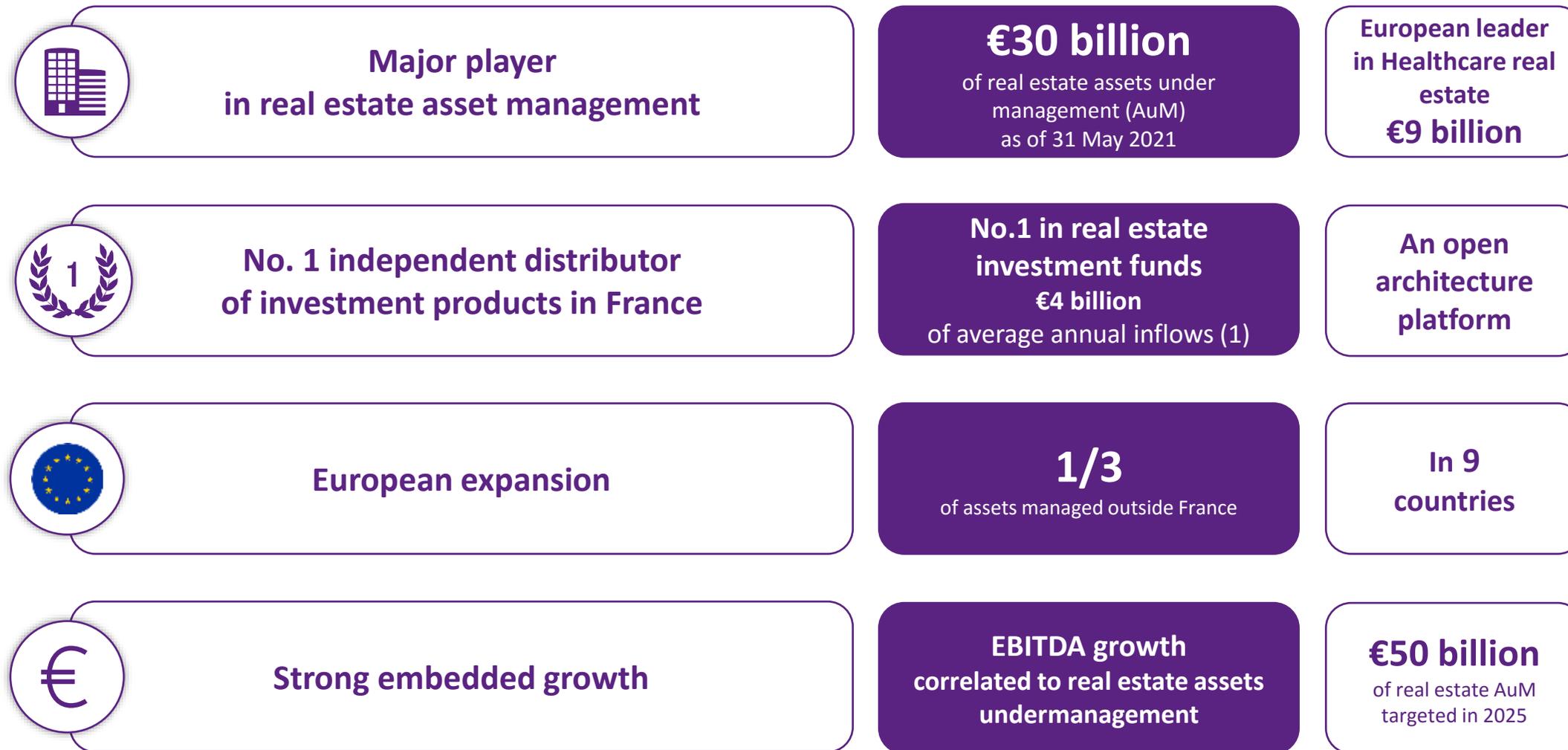
Economic stake  
**€2.3 billion**

**Retail : an attractive asset class in the context of post-Covid consumption recovery**  
**Renewed interest from institutional investors alongside a best-in-class asset manager**

**3.  
Primonial:  
leading  
independent  
European  
wealth and  
real estate  
asset  
manager**

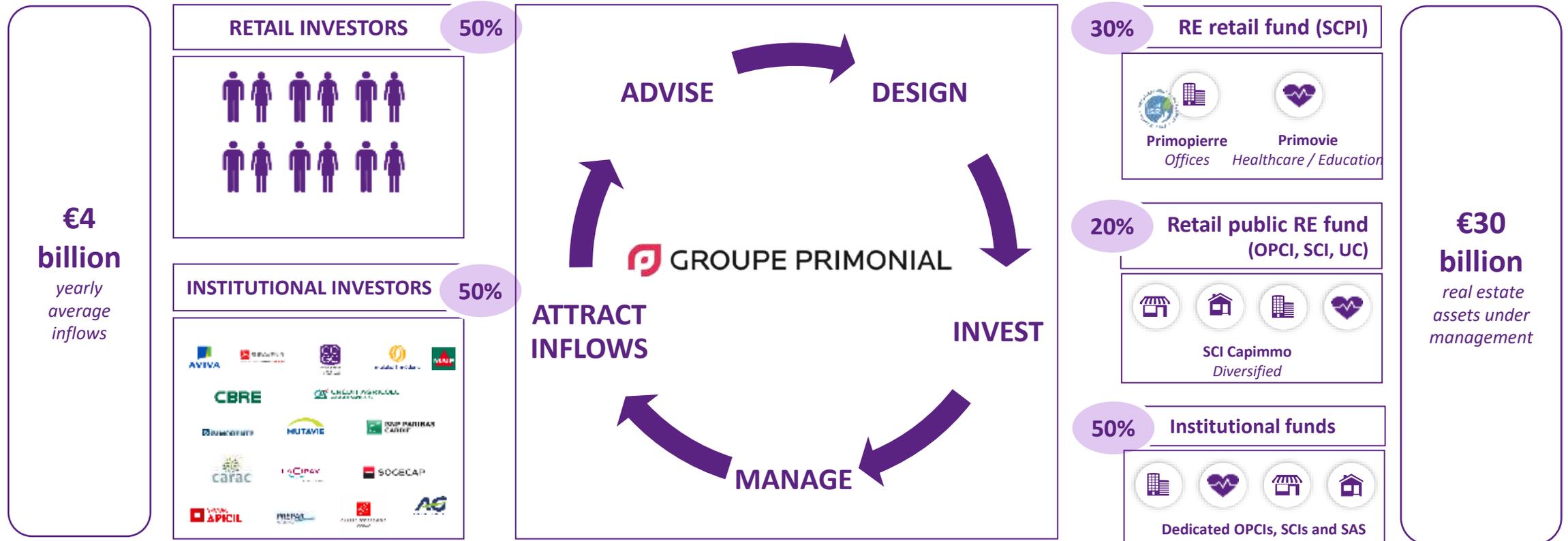


## The leading independent European wealth and real estate asset manager



(1) Over the 2017/2020 period.

# Primonial raises savings from retail and institutional investors to be invested in real estate funds designed and managed by Primonial



# Demonstrated track-record to successfully deploy capital

## A multi- diversified and a pan-European portfolio



Offices  
50%



Healthcare  
31%



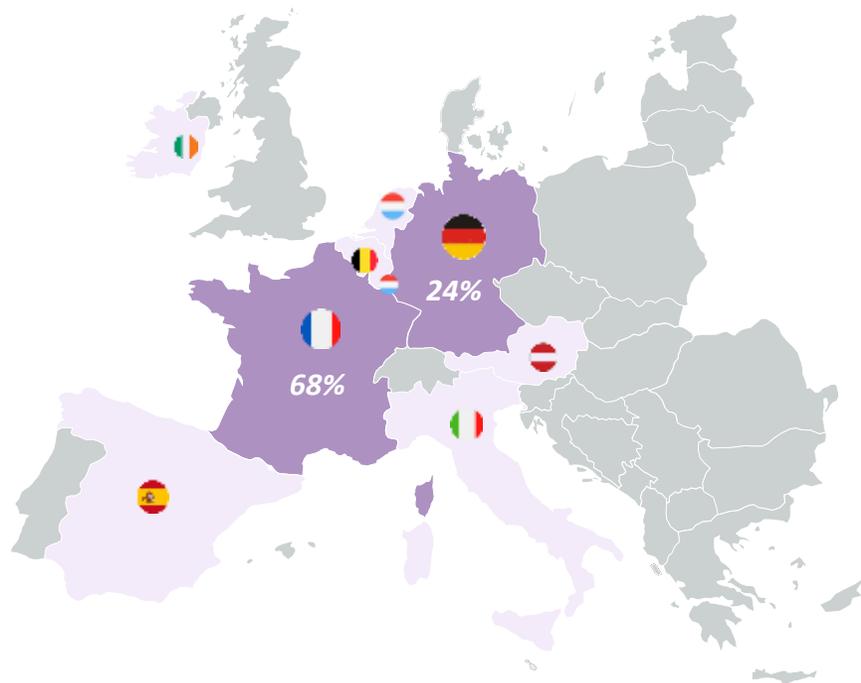
Retail  
10%



Residential  
7%



Hotels  
2%



## Exceptional track record and an awarded performance

20%

Market share  
of annual inflows  
from retail investors in  
France



**First prize**  
Best SCPI manager  
voted for by financial  
advisors in 2020



No.1 SCPI <sup>(1)</sup>



**Pierre d'Or award**  
from Immoweek  
Asset manager and  
investor of the year  
2020



No. 1 in unit-based property  
investments (OPCI and SCI) <sup>(1)</sup>



**Most innovative  
company 2021**  
Independent financial  
advisor awards



**Best dedicated platform  
for financial advisors**  
Trophée Or award 2020

(1) Source: IEIF - Inflows from retail investors, 2017-2020

# Business model combining recurring cash-flows and strong growth

## Recurring cash-flows from real estate asset management

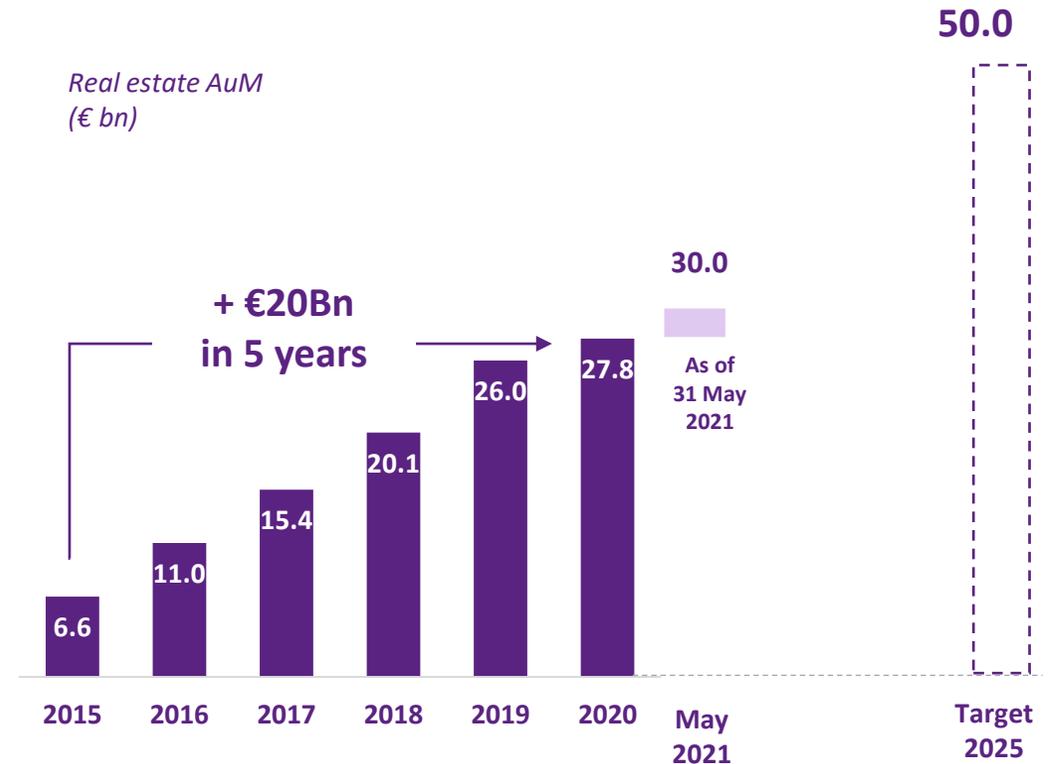
**70% to 80%** of revenues consisting of asset management fees based on real estate assets under management (AuM)

### Strong, consistent growth in Assets under Management

- Growth in inflows (€2.1bn in inflows as of mid-June 2021)
- Investments held for the long term<sup>(1)</sup>, with almost no attrition

EBITDA margin: between 0.40% and 0.50% of real estate AuM

## Strong growth in real estate assets under management



(1) More than 20 years for retail investors and around 10 years for institutional club deals

# A talented and experienced team supporting renewed growth ambition



**Stéphane VIDAL**  
Chairman



**Laurent FLÉCHET**  
Deputy CEO  
*Asset management immobilier*



**Rachel DE VALICOURT**  
Deputy CEO  
*Advisory and Distribution*



Deputy CEO  
*Finance and coordination*



**Juergen FENK**  
Directeur Général  
*Immobilier Europe*



**Stéphanie LACROIX**  
CEO  
*Primonial REIM*



**Grégory FRAPET**  
Chairman of the  
Management Board  
*Primonial REIM*

## Continuity in Primonial's corporate governance

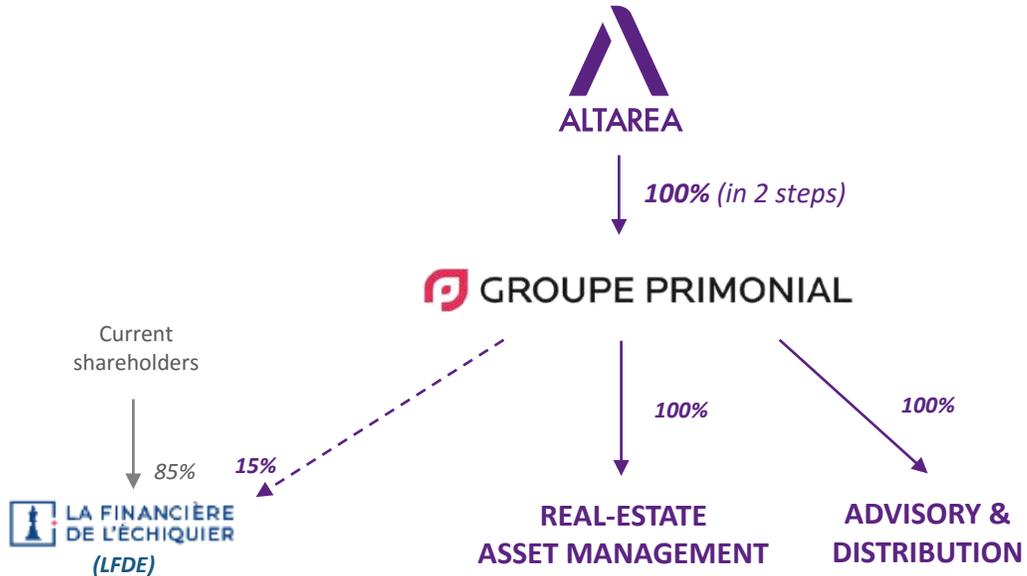
- Unchanged executive team executing growth strategy
- Appointment of a Deputy Chief Executive Officer in charge of finance and coordination with Altarea
- Autonomous decision-making
- Primonial's Supervisory Board still chaired by an independent member
- No conflicts of interest
- Strong alignment of interests, with significant reinvestment by managers

4.  
Contemplated  
acquisition  
of Primonial  
group



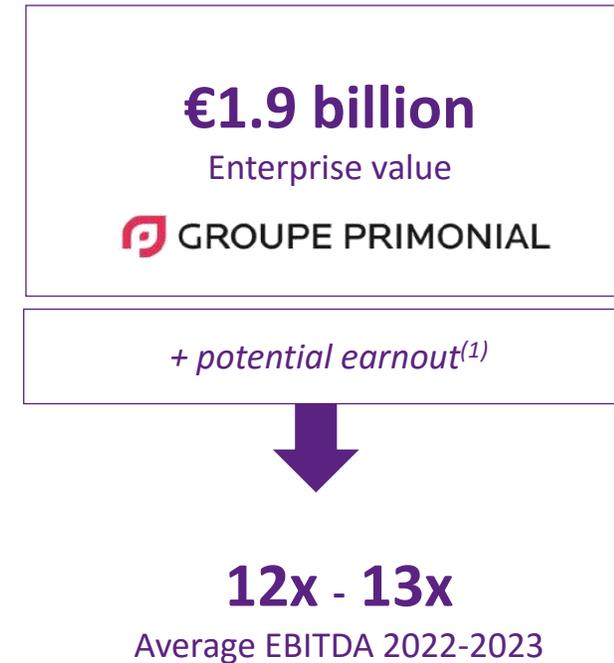
# Transaction perimeter and valuation

## Transaction perimeter



- Acquisition of shares for €1.2 billion in 2 steps: 60% of share capital in Q1 2022 and remaining 40% in Q1 2024
- 15% stake in LFDE: exit mechanism with value protection

## Valuation



(1) Maximum €225 million earnout payable in 2024 depending on achievement of the 2022-2023 business plan.

# Transaction predominantly equity funded in order to maintain Altarea's solid financial base

## Equity financing

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€1.2bn

### Retail real estate partnership

€485m

### Rights issue with preferential share subscription rights for shareholders

*The two main shareholders (70% of the capital) have already committed to subscribe for their share*

€350m

### Scrip dividends

*Option to receive 50% of the dividend in shares between 2021 and 2024  
The two main shareholders (70% of the capital) have already committed to subscribe for their share*

€350m

### Investment by Primonial management

€60m

## Debt financing

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### Syndicated loan from four mandated banking partners

*BNP Paribas, Crédit Agricole CIB, Natixis and Société Générale  
Term: 5 years (up to 7 years option)*

€800m



**Equity financing secured**  
*before closing*

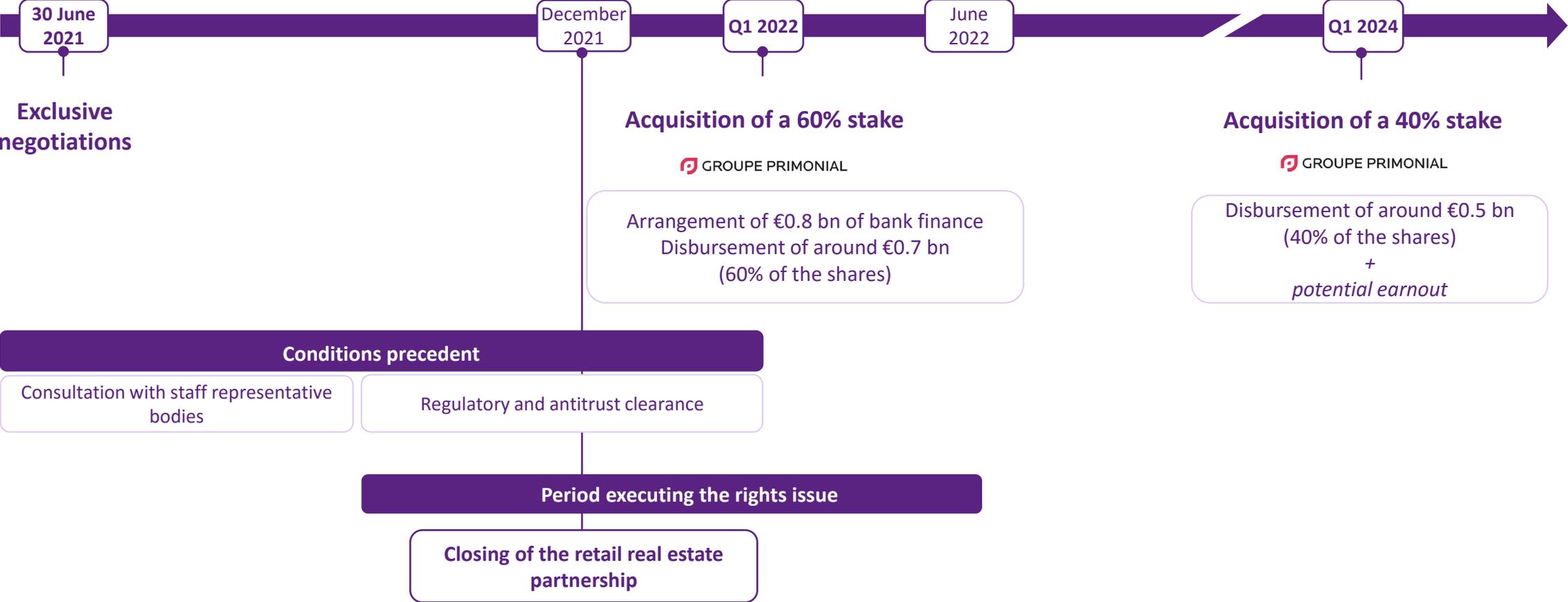
**Liquidity maintained**  
*after the acquisition of the first 60%*

**Investment-grade credit rating**  
**confirmed by S&P Global**

**Financial room for manoeuvre**  
**preserved**

# Contemplated timeline with a closing in Q1 2022

## Indicative timetable



**5.**  
**Altarea 2025:**  
**ambitious**  
**growth targets**



# Strong convictions in our markets

## Urban transformation: a vast and growing market

Changing uses in all asset classes  
Fight against climate change  
Growing needs (housing, healthcare, logistics etc.)  
Mixed-use projects (the “fifteen minutes city”)

## Real Estate is increasingly attractive

Ongoing high levels of savings among retail investors  
*(ageing populations and pension systems in crisis)*  
Institutional investors increasing their allocations to real assets  
Yield and inflation-linked investments increasingly attractive  
in a low-interest-rate environment  
Growth in socially responsible asset management (ESG)



## Real estate

Usage value  
Safe-haven value  
Financial value  
Environmental value  
Shared value

# The most comprehensive real estate expertise on the market

## All asset classes

|   |   |
|---|---|
|  Residential |  Office              |
|  Healthcare  |  Retail              |
|  Hotels      |  Logistics           |
|  Education   |  Serviced residences |

## All expertises

- Property development
- Real-estate investment
- Asset management
- Distribution and Advisory

## All investment vehicles

-  **"Physical" property**  
*(Pinel, historical monuments, Malraux, managed property)*
-  **Collective real-estate investments**  
*(unit-based, SCPI, OPCI, SCI, club deal)*
-  **Other investment vehicles***(life insurance and endowment plans, savings and investments, structured products)*

## All real estate strategies

- Core / Core+**  
*Prime locations and top-tier tenants*
- Value-add / Opportunistic**  
*Properties to be redeveloped or repositioned*



## Working for all types of clients

- Retail investors**  
*(investors/first-time buyers)*
- Institutional investors**
  - Corporates**  
*(end-users/retailers)*
  - Public authorities**  
*(local/national)*
  - Partners**  
*(networks, financial advisors, independent financial advisors)*

# Leading positions in all property markets

**No. 1 property developer in France**

**€19 billion pipeline**  
*(all products combined)*



**No. 2 residential property developer in France**

**50,000 units in the pipeline**



**No. 1 Healthcare real-estate asset manager in Europe**

**€9 billion of assets under management**



**No. 1 independent real estate asset manager**

**€35 billion of assets under management**  
*(across all assets classes)*



**Leading player in commercial property**

**€15 billion of assets under management**  
**€5 billion development pipeline**



**No. 1 distributor of  
real-estate investment vehicles in France**

**€8-10 billion per year**



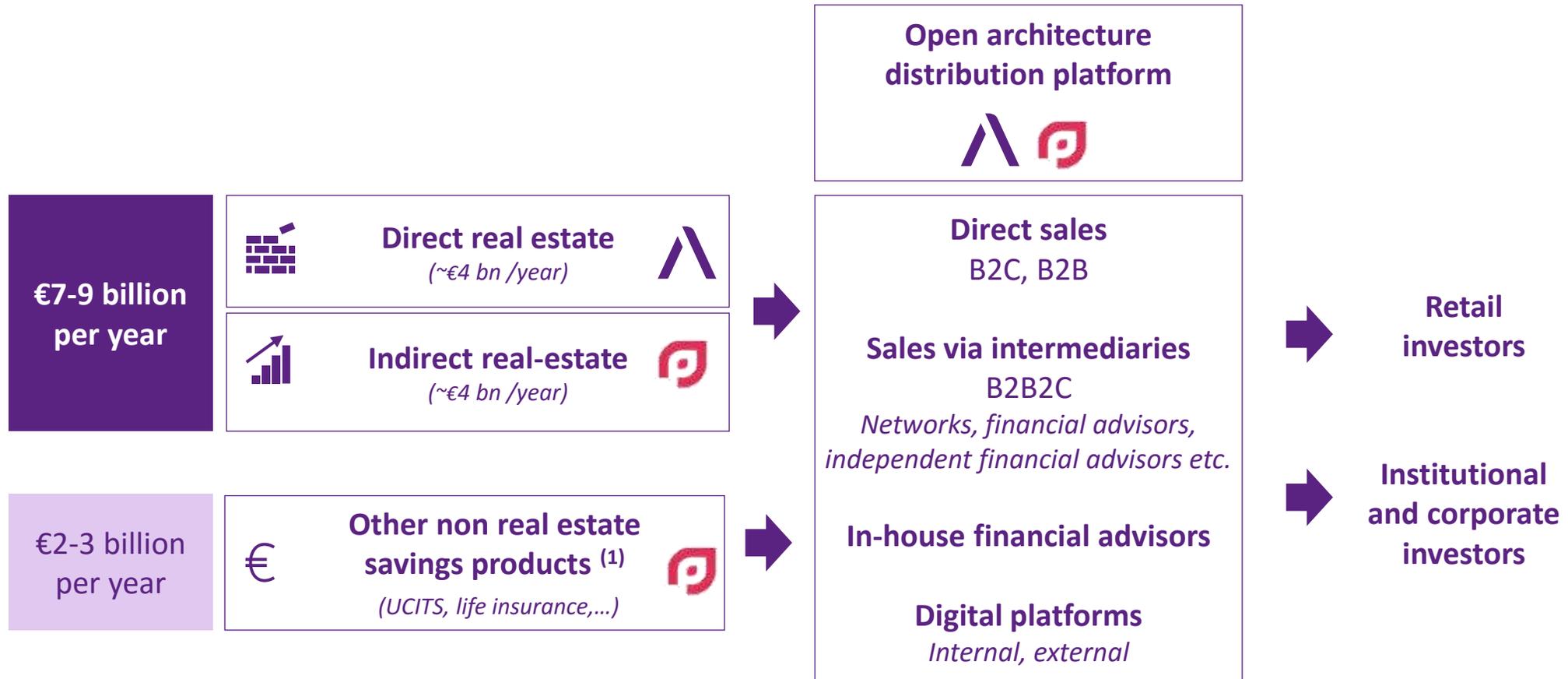
**No. 1 developer of major  
mixed urban projects**

**13 projects (> 900,000 sqm)**



**No. 1  
property expertise platform**  
**2,750 employees**

# A powerful distribution platform of saving products, leader in real-estate



(1) Products designed by Primonial Group or by designed by financial partners whose products Primonial distributes (banks, insurance companies, funds, etc.)

# A leader in ESG Real Estate

## Commitment to CLIENTS

 **Customer service department of the year 2021**, for the fourth year running



 **No. 2** in the HCG – Les Echos (2020) client relationship league table

 **2 SRI** labelled funds



## Commitment to EMPLOYEES

 **Top Employer 2021**



 Company Foundation committed to Education, Social Integration and Health with a solidarity commitment of employees



## Commitment to the CLIMATE

 **40% reduction in energy consumption** in the commercial property portfolio by 2030

 **85.7% reduction in CO<sub>2</sub>** and **65.7% reduction in energy consumption** in the retail property portfolio in 2020

 **Roadmap towards carbon-neutral status**, SBTi compatible, for all business activities and brands

 **291 M€ invested in structured products with ESG criteria** (85% net inflows 2020)

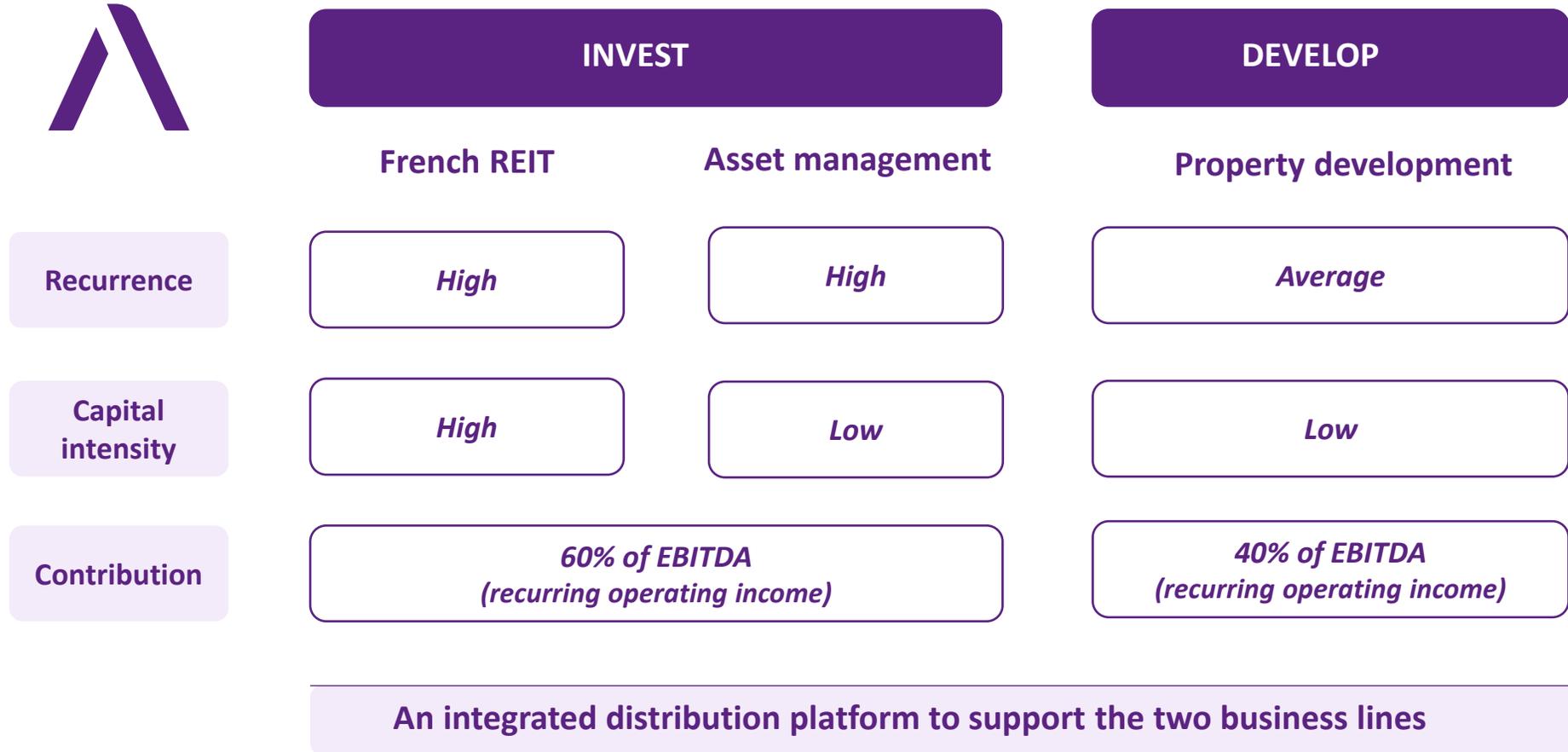
 **Green Star 5\*** in the GRESB ranking



 **Integration of non-financial criteria applied in staff incentive plans 2021-2023**  
*(Clients, Climate, Employees)*

# A synergetic organisation with two business lines

## Enhanced operational and financial profile



# Altarea 2025: ambitious growth targets

Potential fully diluted FFO  
of  
**€18-20**  
per share <sup>(1)</sup>

- **Increasing contribution from Primonial**
  - Acquisition in two steps (60% in 2022 and 100% in 2024)
  - EBITDA well over €180 million at the end of that period
- **Growth for Altarea current perimeter of activities**
  - Further implementation of asset management strategy in retail
  - Execution and delivery of development pipeline
- **Increase in tax on non-SIIC activities**  
(development and asset management)

Ongoing solid financial  
position

- High level of liquidity
- Loan to value ratio < 40%
- Continuation of a financial policy that will enable the Group to maintain its credit ratios

(1) Depending on the expected number of shares created through the capital increase and scrip dividend payments, subject to the stabilizing of the health environment.

**Altarea is stepping up the roll-out of its integrated business model  
across the entire real-estate value chain  
by forming a group without rival in Europe**



**Altarea: an independent leader in real estate  
investment and property development**



## Appendix

# Glossary

- **Open architecture:** Open architecture enables Primonial's distribution network to distribute its own products (including the SCPI *Société Civile de placement immobilier*) and also those of other financial asset managers (especially life insurance and structured products) at the same time.
- **EBITDA:** Operational results before changes in value, estimated expenses and transaction costs.
- **Financial advisors:** Asset manager or wealth manager specialised in advising and private wealth management and who deals with individual asset management or family holdings, including fiduciary estate or company asset.
- **Independent financial advisors:** Expert in management and optimisation of assets, maintaining a full independence from financial institutions.
- **Real estate Club deal:** Syndicated and collective investment between a limited number of investors, in an *ad hoc* vehicle to invest in several projects of property development.
- **SCPI (*Société Civile de Placement Immobilier*):** Non-listed vehicle that raises money from savers in order to build a portfolio that is exclusively made of real estate assets (offices, retail...). The SCPI is managed by a management company approved by the AMF.
- **SCI (*Société Civile Immobilière*):** Legal status of a company the object of which is the real estate and not commercial. A SCI is made of several associates in order to manage an asset in common, sharing both the profits and losses.
- **OPCI (*Organisme de Placement Collectif Immobilier*):** Non-listed vehicle that raises money from savers to build a portfolio made of at least 60% of real estate assets, of which up to 35% are invested in securities (stocks, bonds, OPCVM) and 5% at least of cash. The OPCI is managed by a management company approved by the AMF.
- **CAGR:** Compound annual growth rate.
- **Gross inflows:** Amount corresponding to the sum of the subscriptions/repayments on the products commercialised by Primonial group (life insurance and capitalisation, SCPI, OPCVM, Structured products, Direct Real estate ...).
- **Net inflows:** Sum of gross inflows (+) and buybacks (-) over a certain period of time.
- **Assets under management (AuM) :** Amount registered in the vehicles managed by management
- **Unit of account:** Financial investment such as shares or stocks of securities or real estate (Sicav, stocks, bond, shares in mutual funds, shares in SCI, shares in SCPI).
- **SRI (*Socially Responsible Investment*):** Investment that aims to reconcile economic performance with social and environmental impact by financing companies that contribute to sustainable development in all types of business segments.
- **Label ISR:** Label attributed after a strict process of labelling led by independent organizations ; it provides a unique marker to the investors who are willing to take part into a more sustainable economy.