H1 Results 2024
Xior Student Housing

Interim results per 30.06.2024
Publication Half-Yearly Financial Report 2024

8 August 2024

Half-yearly report
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XIOR STUDENT HOUSING

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PRESS RELEASE

Antwerp, Belgium | 8 August 2024 | 7h00 CET
Regulated information

Strong operational results with maximum occupancy and 6.62% LfL rental growth
New rental season at top speed with once again high booking rates

Reconfirmation EPS guidance at 2.21 EUR

Reinforcement with new additional reference shareholder

Solid H1 2024 results thanks to strong real-estate segment and pricing power

- **Earnings and dividend guidance 2024 confirmed** at 2.21 EUR EPS and 1.768 EUR DPS based on strong first half with EPRA profit at 1.13 EUR/share after adjustment IFRIC 21
- Net **rental income +20%** YoY thanks to **6.62% LfL rental growth**, **98% occupancy rate** and new deliveries
- **Upward revaluation** of portfolio **(+1.4% YtD)** due to a.o. rising rental income as well as decrease in the average valuation yield
- **Debt ratio and LTV in downward trend** after execution of divestments and contributions in-kind, pro forma at 50.43% and 51.35% respectively. Further reduction below 50% remains priority
- For the full half-year report click here

Operational outperformance thanks to rock-solid European platform

- **High retention rates** combined with increasing shortages due to a.o. reduced development activity results in **lightning-fast rental** for new academic year
- **Prospects for occupancy and LfL rental growth remain high** at 98% and at least 5.5% respectively without losing sight of affordability
- More efficient operational model ensures flawless integration of new acquisitions and new deliveries **(>1,700 additional units seamlessly integrated via plug & play**)

Strengthening shareholder structure

- Katoen Natie Group (via subsidiary Car Logistics Brussels) is **new additional reference shareholder**
- Purely financial investment focused on long-term growth with no board representation
- Confirmation of confidence in student accommodation, management and strategy

Divestments and refinancings on track

- Remaining **20 MEUR of announced divestments** still to be realized by September 2024
- Sales do not concern prime assets but less efficient, non-core and non-sustainable assets
- **Bridge loan fully repaid in September** (43 MEUR remaining at present) via balance of divestments, operating cash flow and new financing and **with positive impact on cost of debt**
- **Refinancing on track:** remaining maturities up to and including Q2 2025 fully covered. Negotiations ongoing for Q3 & Q4 2025

Xior analyst & investor call
Thursday 8 August 2024 from 11:30 CET to 12:30 CET

Dial-in details Microsoft Teams:

Click here

Highlights H1 2024

3.2 bn EUR

Fair Value

98% occupancy rate

in **8** different countries

EPS 2.21 EUR

Reconfirmation guidance 2024

51.69%

LTV

83,273 KEUR **+20%**

net rental result

+1.4%

Revaluation Portfolio YtD

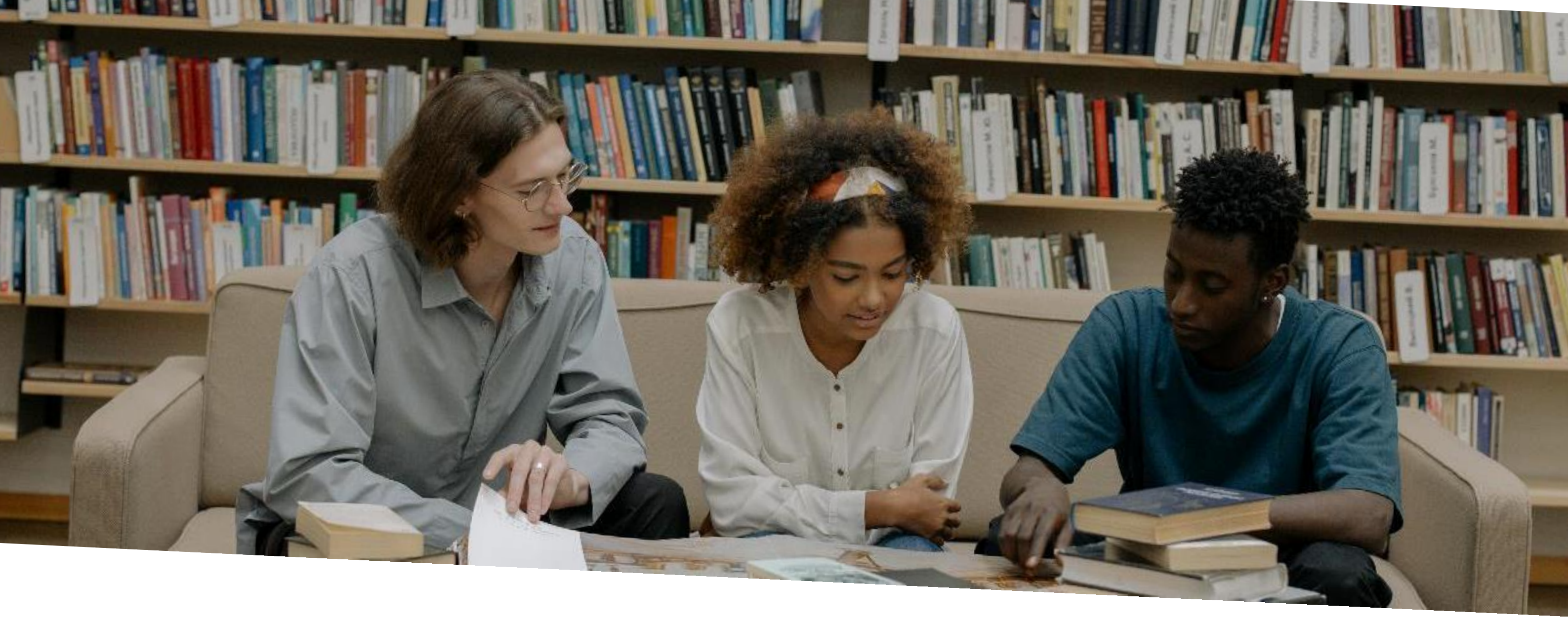
19,573

lettable units

+6.62%

YoY LfL

Xior welcomes
Katoen Natie
as
new reference
shareholder
(via subsidiary CLB)



1. Key figures H1 2024 – strong results driven by rental growth and high occupancy

- **Reconfirmation of EPS and DPS expectations for 2024**: EPS of 2.21 EUR and DPS of 1.768 EUR
- **EPRA earnings/share** – group share rises to 1.13 EUR/share[1] after IFRIC 21 adjustment (+14% YoY)
- **EPRA earnings** – group share rises to 44,596 KEUR after IFRIC 21 adjustment (+28% YoY)
- **Net rental income up 20%** to 83,273 KEUR vs H1 2023 thanks to:
  - The delivery of **new projects**
  - **LfL rental growth** continuing again at **record level** of **6.62%** YoY
  - **High and stable occupancy rate** at 98% for H1 2024
- **Upward revaluation portfolio** by +46 MEUR or **1.4%** YtD (-8 MEUR in Q1 2024) due to rising rental income as well as decrease in average valuation yield, an important turning point after 15 months of slightly negative revaluations
- **Debt ratio falls** to 51.32% and is pro forma 50.43% including the capital increase on 5 July 2024 and including the positive impact of the earn-out[2] payment in March 2025 (vs. 52.88% at the end of 2023).
- **LTV falls** to 51.69%, and including the capital increase on 5 July 2024, falls further to pro forma 51.35% (vs. 52.40% at end 2023). Further reduction to below 50% remains top priority
- **EPRA NAV/share[3]** – group share at 39.66 EUR vs 40.63 EUR on 31/12/2023
- **EPRA NTA/share[3]** at 39.56 EUR vs 40.55 EUR on 31/12/2023, -2.4% mainly due to dividend payment
- **Fair Value** property portfolio **increases to 3,235 MEUR**, with **19,573 lettable student units**. If the full committed pipeline is realised, the portfolio will increase to around 3.7 billion EUR, with more than 24,800 lettable student units[4]

2. Operational update: outperformance thanks to rock-solid European platform

Rental season update

The current letting season is going exceptionally fast, partly due to the shortage of high-quality rooms in the student accommodation market across Europe. The outlook for this market remains favourable: the growing student population and existing scarcity allow inflation to be passed through without affecting demand. Reduced development activity also continues to increase shortages. The short-term nature of student contracts allows rising inflation to be absorbed more quickly.

An early start to the rental season, combined with high retention and increasing demand, has led to lightning-fast rentals, similar to last year, resulting in full occupancy in many cities. In Xior's traditional markets, booking rates are in line with last year's numbers: approx. 92% in Belgium, > 99% in the Netherlands, > 99% in Portugal (making Portugal one of Xior's best performing markets) and approx. 93% in Spain.

[1] The figures per share have been calculated on the basis of the weighted average number of shares, taking into account the dividend entitlement of the relevant shares, unless otherwise indicated.

[2] Under IFRS, the earn-out liability was recorded as debt until it is paid in shares and converted into shares. The earn-out payment will take place on or around 31 March 2025 and is therefore not yet reflected in the debt ratio as at 30 June 2024 with a positive impact of -0.53% on the debt ratio.

[3] Based on the number of shares outstanding.

[4] Without taking into account ongoing divestments until they are fully realised.

In Xior's new markets, rentals are also in full swing and rental levels are also in line with previous year. As the peak of the rental season in Poland and the Nordics has only just started, it is common for these rental levels to only come up to full speed now (70 new bookings last week). Current booking rates for Xior's new markets are: more than 84% in the Nordics (with Malmö and Aarhus still in ramp-up), approx. 85% in Germany and approx. 68% in Poland.

The first letting (ramp-up) of newly completed buildings also exceeds expectations with, among others, Boschdijk Veste already at 100%, Zaragoza at 91% for the first building and already 73% for the newly completed second building.

These booking levels show that rent increases in response to rising inflation have no effect on demand for student rooms. Xior always strives for a healthy mix of rooms in different price ranges. Rental income is maximised without losing sight of affordability.

New deliveries 2024

The new student residences 3 Eiken (Antwerp), Felix (Antwerp), Pontoneros (Zaragoza (building 2)) and Boschdijk Veste (Eindhoven), with a total of approx. 1,050 new units, were completed this summer and are ready to welcome students for the new academic year. For Boschdijk Veste, an agreement was negotiated with TU/e university for 150 rooms for a period of 2 years. The remaining rooms of this property were fully booked in a record time of two hours.


Drie Eiken (Antwerp), BE


Felix (Antwerp), BE


Pontoneros (Zaragoza), ES


Boschdijk Veste (Eindhoven), NL

New integrated operational platform: smooth integration of new acquisitions in two top markets

The integration of the newly acquired Campo Pequeño (Lisbon) and LivinnX (Krakow) properties into Xior's operational management has been particularly smooth and efficient. This rapid integration highlights the advantages of **Xior's advanced and integrated operational platform**. The recent acquisition of the Polish operational teams allowed Xior to benefit directly from their expertise and experience, contributing to a seamless transition. In addition, the integrated IT system provided a streamlined approach, ensuring that processes were carried out efficiently and the transition was flawless.

This strategic approach facilitates a plug-and-play approach and once again proves the strength of Xior's comprehensive operational platform, which will contribute to the further growth and strengthening of its position in the market.

Basecamp by Xior brand

With the acquisition of Krakow, Xior has launched the new sub-brand 'Basecamp by Xior', an important intermediate step in the full rebranding to the Xior brand. This launch, already live on the website for Krakow, marks a strategic step to strengthen the brand identity and increase brand awareness. 'Basecamp by Xior' offers a taste of what students and tenants can expect from the full Xior experience, with a focus on quality, comfort and innovation.

BASECAMP by XIOR

Soft launch new website/Yardi platform
Xior's digital transformation to a scalable platform is starting to become a reality with the soft-go live of the first two properties in the Netherlands. Since 1 July, two residences in Groningen and Maastricht have been using various YARDI software tools. This includes a new student website with online booking journey and fully automated application process, check-in and check-out procedures and maintenance & repair services. Students now use a resident app for administrative support during their stay in the residence. The platform also optimises property management and financial accounting and will also provide further efficiency in maintenance, inspections and time savings in bulk check-ins and check-outs, as well as financial accounting and reporting.

Based on feedback and evaluation, a significant number of other properties will go live in Q4 2024, followed by the remaining properties in the Netherlands in early 2025. Xior continues to work on ease of use for its students through digital services and tools that support our core product.

CSRD
Xior is on track with its CSRD journey and is in the final phase of double materiality and target setting. This means we are almost done setting our key sustainability targets -and priorities. For the years 2024 and 2025, the focus is on the full implementation of the new strategy. This will ensure smooth and efficient reporting in 2026 (covering 2025).

New solar panels
Xior's strategic partnership for installing solar panels is running smoothly. The first projects are already in study phase with rollout in Q2 – early Q3 2024. Xior expects to have a total additional capacity of about 300 kWp by the end of 2024. Additional projects are being systematically added where possible and opportune.

For the full update, see Section 2.5 of the Half-Yearly Financial Report.

3. Strengthening with new reference shareholder

On 27 June and 5 July 2024, Xior acquired the two operational residences mentioned earlier in Poland (Krakow) and Portugal (Lisbon) with a total of 670 units (1,053 beds) and a gross yield of 8.41%. The acquisition of both residences was financed through an (indirect) contribution with issuance of new Xior shares.

Both capital increases were fully subscribed by Katoen Natie Group (via subsidiary Car Logistics Brussels). Xior welcomes this additional cornerstone shareholder in its capital and sees this as a sign of confidence in its property segment, management and strategy. Based on the transparency notification as of 10 July 2024 and based on the latest published denominator as of 5 July 2024, Car Logistics Brussels NV owns **6.96%** of Xior's capital. This is a purely financial investor who will not play an active role in the management or governance of the company.

This issuance of new shares has a positive impact of 1.1% on the debt ratio and, given the high return on investment, also boosts profits. As the second acquisition (Poland) was not fully completed until 5 July 2024, after the end of the second quarter, this acquisition and the associated capital increase have not yet been included in the H1 2024 figures. Over Q3 2024, a further improvement in the debt ratio thus follows as well as a further increase in rental income and Fair Value of the portfolio.

4. Update divestments, financings and valuation yields

Update divestments
On the publication of its Q1 figures, Xior announced an acceleration of its divestment programme, which has been successfully almost fully realised over the past few months. A total of approx. 200 MEUR worth of properties have already been sold and fully realised out of the total 220 MEUR of sales announced.

Of the announced sales (approx. 110 MEUR) in Q2, approx. 90 MEUR in sales proceeds were already received as at 30 June 2024 and thus accounted for in H1 figures. The remaining balance was already partly received after the end of Q2 and will be fully realised in September.

None of Xior's prime assets were sold, however a total of approx. 50 less sustainable, much smaller and less efficient buildings were sold, resulting in a significant improvement in the quality of the Xior portfolio. As previously communicated, all of the sales were made at an average discount of approx. 10%, with a large proportion of the properties around book value and some properties at a discount for very property-specific reasons. For example, a larger discount was given for a property in Leuven as it was a residence with, according to the residential code, rooms that were too small and would therefore require a substantial investment to make it compliant. This necessary investment was factored into the sale price when it was sold, leading to a larger discount. As well as for Carré, a larger discount was given as this property included a large part retail and this is non-core for Xior. These property- specific reasons therefore did not have any impact on the valuation of the rest of the portfolio.

Update valuation yields
As at 30 June 2024, Xior's portfolio was valued at 3.2 billion EUR (compared to 3.2 billion EUR in Q4 2023). Despite 146 MEUR of divestments in the first half of the year, the portfolio remained stable thanks to new deliveries, acquisitions and a positive revaluation of the portfolio due to an average declining valuation yield and rising rents. This positive revaluation of 1.4% YtD is an important tipping point after 15 months of slightly negative revaluations. The average gross yield for the entire portfolio experienced a slight decrease and currently stands at 5.69% (vs. 5.73% at 31/12/2023), mainly due to yield compression in Portugal, Spain and Denmark. Strong rental growth and the continued favourable outlook for supply and demand will continue to support property valuations.

Gross valuation yields	30/06/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020
Gross yields Belgium	5.31%	5.29%	5.07%	5.11%	5.15%
Gross yields Netherlands	5.69%	5.62%	5.35%	5.87%	5.89%
Gross yields Spain*	5.44%	5.62%	5.40%	5.39%	5.83%
Gross yields Portugal*	5.98%	6.13%	5.84%	6.50%	7.01%
Gross yields Poland	8.39%	8.36%	7.92%	N/A	N/A
Gross yields Germany	6.66%	6.62%	5.96%	N/A	N/A
Gross yields Denmark	5.27%	5.35%	5.04%	N/A	N/A
Gross yields Sweden	6.18%	6.13*%	N/A	N/A	N/A
Gross yields entire portfolio	**5.69%**	**5.73%**	**5.40%**	**5.51%**	**5.73%**

*NOI yields: in Spain and Portugal, gross yields are calculated based on NOI.
* Sweden's gross return as at 31 December 2023 was corrected due to a typo.

Financing update
In Q1 2024, Xior shifted a gear higher regarding the loans to be refinanced in 2024 and Q1 2025. Also this quarter, loans maturing in Q2 2025, were already refinanced more than a year in advance. For the maturities in Q3 & Q4 2025, negotiations have already been initiated.

Most of the bridge loan was repaid via the proceeds of the divestment programme. The outstanding balance to date is 43 MEUR, as around 20 MEUR of sales will still be realised and received in the coming weeks and because 25 MEUR of the loan with Natixis was repaid (this concerns part of a much larger club deal). A loan of approx. 12 MEUR was also repaid on the acquisition of Campo Pequeño. Full repayment of the bridge loan will take place in September 2024. This will be done with the proceeds of committed sales, operational cash flow and partly with new financing, with a positive impact on the cost of debt.

Maturity date	Bank	Amount (€m)	Refinancing
Q2 2025	BNP	10	Agreement to extend to Q4 2028
	Natixis	25	Repaid
Q3 2025	Nagelmackers	10	Negotiations ongoing
	Argenta	35	Extended to Q2 2029
	BNP	15	Agreement to extend to Q3 2029
Q4 2025	VDK	10	Agreement in principle to extend to 2030
	Banque de Lux	10	Extension request launched
	Belfius	20	Agreement to extend to Q2 2028

Financing cost and hedge ratio

After the peak of the financing cost in Q1 2024, the decrease has taken off, currently at 3.14% (vs. 3.18% as at Q1 2024). The average financing cost will continue to fall as the repayment of the bridge loan has not yet been fully reflected in the figures as at 30 June 2024. The average maturity of the outstanding loans has increased to 4.60 years. The hedge ratio as at H1 2024 is 91%, covering a period of 5.9 years. Reference is also made to chapter 5.9.8 of the Half-Year Report 2024 for a further breakdown of debt by maturity.

Interest cover ratio (ICR)

ICR improved to 2.54 as at 30 June 2024 (vs. 2.52 as at Q1 2024) due to the realised divestment programme and related debt reduction. Contributions to in-kind and related capital increases will also further improve the ICR.

Net debt/EBITDA (adjusted)

Net debt/EBITDA (adjusted) as at H1 2024 is 12.65. For the full calculation, see Section 5.8 in the Half-Year Report 2024 (Alternative Performance Indicators (APMs)). Net debt/EBITDA is not a covenant.

5. Publication of half-yearly financial report

For the full report, including a full operational & corporate update, please refer to the Half-Yearly Financial Report 2024 published today and available on Xior's website (Dutch & English).

Key figures H1 2024

Consolidated Income Statement *(In KEUR)*	30.06.2024	30.06.2023
Net rental result	**83,273**	69,310
Property result	**85,646**	68,578
Operating result before result on the portfolio	**61,872**	44,477
Financial result (excluding variations in the fair value of financial assets and liabilities)	**-18,518**	-10,291
EPRA earnings[5] – group share	**41,341**	32,202
EPRA earnings – group share after IFRIC 21 adjustment	**44,596**	34,929
Result on the portfolio (IAS 40)	**21,048**	-22,528

[5] Xior Student Housing NV uses alternative performance measures (APMs) to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) has issued guidelines applicable from 3 July 2016 on the use and interpretation of alternative performance measures. Chapter 5.8 of the Half-Yearly Financial Report 2024 includes the concepts that Xior considers APMs. The APMs are marked and are accompanied by a definition, an objective and a reconciliation, as required by the ESMA Directive.

Revaluation of financial instruments (non-effective interest rate hedges)	**12,793**	-5,003
Share in the result of joint ventures	**0**	138
Deferred taxes	**-3,802**	3,874
Net result (IFRS)	**71,486**	8,909

Portfolio update	30.06.2024	31.12.2023
Number of lettable student units	**19,573**	19,673
Number of countries	**8**	8

Consolidated balance sheet *(In KEUR)*	30.06.2024	31.12.2023
Equity	**1,604,896**	1,517,667
Equity – group share	**1,603,766**	1,516,890
Fair value of investment property[6]	**3,234,548**	3,212,855
Loan-to-value	**51.69%**	52.40%
Loan-to-value incl. contribution LivinnX	**51.35%**	
Debt ratio (Act on Regulated Real Estate Companies)[7]	**51.32%**	52.88%
Debt ratio incl. contribution LivinnX	**50.96%**	
Debt ratio with earn-out in equity (incl. impact LivinnX)	**50.43%**	51.87%

Key figures per share *(In €)*	30.06.2023	30.06.2023
Number of shares	**41,127,830**	35,618,161
Weighted average number of shares[8]	**39,390,997**	35,072,965
EPRA earnings[9] per share	**1.05**	0.92
EPRA earnings[9] per share – group share	**1.05**	0.92
EPRA earnings[9] per share after IFRIC 21 adjustment	**1.13**	1.00
EPRA earnings[9] per share – group share after IFRIC 21 adjustment	**1.13**	1.00
Result on the portfolio (IAS 40)	**0.53**	-0.64
Variations in the fair value of hedging instruments	**0.32**	-0.14
Net result per share (IFRS)[9]	**1.81**	0.25

[6] The fair value of investment properties is the investment value as determined by an independent real estate expert, excluding transaction costs (see BE-REIT Association press release of 10 November 2016). The fair value corresponds to the carrying amount under IFRS.
[7] Calculated in accordance with the Royal Decree of 13 July 2014 implementing the law of 12 May 2014 on regulated real estate companies.
[8] Shares are counted from the time of issue.
[9] Calculated on the basis of the weighted average number of shares.

Share closing price	**29.95**	27.25
Net asset value per share (IFRS) – group share	**38.99**	40.77

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About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain, Portugal, Germany, Poland, Denmark and Sweden. Within this property segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with shared facilities to en-suite rooms and fully equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student accommodation for students looking for the ideal place to study, live and relax. A place with that little bit extra, where every student immediately feels at home.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 30 June 2024, Xior Student Housing held a property portfolio worth approximately 3.2 billion EUR. More information is available at www.xior.be.

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