

## 2023 rental income

### **€184 million: up +11%**

- **Occupancy rate: 100%**
- **Record investment pipeline in 2023 and 2024: over €310 million**

*Rental income (IFRS) as of December 31, 2023 (unaudited figures)*

<b>€ million</b>	<b>Year 2023</b>	<b>Year 2022</b>	<b>Trend</b>
1 <sup>st</sup> quarter (Jan. – March)	45.2	40.7	↗ + 11%
2 <sup>nd</sup> quarter (Apr. – June)	45.7	41.0	↗ + 11%
3 <sup>rd</sup> quarter (Jul. – Sept.)	46.3	41.2	↗ + 12%
4 <sup>th</sup> quarter (Oct. – Dec.)	46.4	43.2	↗ + 7%
<b>Total (Jan. – Dec.)</b>	<b>183.6</b>	<b>166.1</b>	<b>↗ + 11%</b>

### **Strong increase in rental income by + 11% in 2023**

**ARGAN**, the leading French real estate company specializing in the DEVELOPMENT and RENTAL of PREMIUM WAREHOUSES, recorded a **strong increase** in its **rental income by +11% in 2023**, which thus stood at **€184 million over the year**. The strong momentum recorded in 2023 comes from the full-year effect of rents coming from the developments in 2022, rents of 5 warehouses delivered in 2023, as well as the indexation that took place on January 1, 2023 (+4% on average).

**ARGAN** exceeded the initial target set at €182 million in rental income for the year, which was then updated to €183 million and announced as part of the 2023 half-year results release<sup>1</sup>.

### **A solid momentum in 2023: €132 million of investments delivered**

In 2023, our Group has delivered a total of 5 new warehouses (including one extension) in PRIME locations, cumulating €132 million in investments for 100,000 sq.m and an average yield of 5.2%.

2023 deliveries include **two acquisitions of newly-built warehouses**, at **financial conditions negotiated at the end of 2021 before rates increased**, with an average yield of 4.4%. These were made in:

- **Janneyrias (38)**, close to Lyon, by the A432 French highway, for **BUT**, the leading French retailer for furniture, as part of a 9.5-year fixed-term lease. This 38,000 sq.m platform is equipped with LED lighting with presence-sensors and a photovoltaic power station for self-consumption; and in
- **Mionnay (01)**, North-East of Lyon, by delivering a total surface of 15,000 sq.m, for **COVERGUARD**, major player on the market of personal protective equipment (PPE). **AUTONOM®-labelled**, this warehouse, with direct access to the A46 French highway, is made of two cells of about 6,500 sq.m each, and an office bloc of 1,500 sq.m.

<sup>1</sup> For more information on ARGAN's 2023 targets, please refer to the press releases published on July 19 and January 19, 2023.

ARGAN has also developed three logistics platforms, which represent half of the amount of 2023 investments, with an average yield of 6.1%. These are located in:

- **Montbartier (82)**, near Toulouse, at the junction of the A62 and A20 French highways, through a strengthened partnership with **DECATHLON by delivering the retailer our 4<sup>th</sup> AUTONOM<sup>®</sup>-labelled site**, a warehouse that produces its own green energy, for a total surface of 19,000 sq.m;
- **St-Jean-sur-Veyle (01)**, on the A40 French highway very near Mâcon and the A6 French highway, for the delivery of a new tri-temperature building of a surface of 14,500 sq.m **labelled AUTONOM<sup>®</sup>**. This site is operated by **BACK EUROP FRANCE**, the French leading player in the distribution of bakery-pastry (*boulangerie-pâtisserie*), as part of a 12-year fixed-term lease; and in
- **La Crèche (79)**, East of Niort, at the crossroads of the A10 and A83 French highways, for an extension of negative cold new spaces of 12,500 sq.m on a site dedicated to storing fresh products for **EURIAL**, the Milk division of the Agrial cooperative, with a 12-year long fixed-term lease for the whole site, signed as part of this new delivery. This was also an opportunity to significantly decrease the ecological footprint as **the whole site is now labelled AUTONOM<sup>®</sup>**.

**Projects delivered in 2023 were already financed through amortizing mortgage loans that were taken out in 2022, before interest rates rose.**

At the same time, ARGAN sold a 20,000 sq.m logistics platform located in **Bonneuil (94)**.

### **A record pipeline: €180 million of investments planned for 2024**

This **very upbeat business momentum is now continuing in 2024 with a secured volume of developments nearing €180 million for 170,000 sq.m in total, with an average yield approaching 7%**. The **high profitability of deliveries planned for 2024** testifies to ARGAN's ability to pursue its profitable growth momentum, driven by a **portfolio of AUTONOM<sup>®</sup>-labelled warehouses on strategic locations**, as part of a long-term partnership approach with **reliable and blue-chip clients**.

Projects for the year include **developments already announced**, and launched in:

- **Mondeville (14)**, near Caen, between the French "Nationale 814" – the ring road of Caen – and "A13", **where the construction of a new AUTONOM<sup>®</sup>-labelled site has started for a surface of 82,000 sq.m for CARREFOUR**. This project takes place on a **former industrial brownfield of Stellantis, with an exemplary environmental approach**. The lease is set for a 9-year fixed term;
- **Eslettes (76)**, close to Rouen, for a 4,600 sq.m **distribution centre for DSV, which is AUTONOM<sup>®</sup>-labelled**, as part of a 9-year fixed-term lease; and in
- **Bruguères (31)**, also for a **distribution centre**, rented to **GEODIS**, an operation that increases the site's size to 13,400 sq.m, a few kilometres North of Toulouse and along the A62 French highway. The delivery of the extension will mark the start of a new long-term lease of 12 years.

These projects that were previously announced are moreover completed by **ongoing new developments** in:

- **Bolbec (76)**, for **DACHSER** (a new client) **for the construction of an AUTONOM<sup>®</sup>-labelled warehouse of 15,200 sq.m** located alongside a site previously rented to DIDACTIC in 2022; and in
- **St-Jean-sur-Veyle (01)**, near Mâcon, for **U PROXIMITE** – also a new client – as part of a tri-temperature warehouse of a surface of 31,300 sq.m that is **AUTONOM<sup>®</sup>-labelled**, with a delivery planned in the 2<sup>nd</sup> quarter of 2024 and that will be adjacent to the one rented to BACK EUROP France since 2023. The lease is set for a 12-year fixed-term.

**Half of 2024 developments were pre-financed through mortgage amortizing loans, and the other half will be through warehouses disposals in 2024 and in 2025.**

**Overall, 2023 and 2024 are two record years in terms of investments for ARGAN, with a total of over €310 million for 270,000 sq.m of new lettable areas.**

More generally, recent projects mark ARGAN's shift towards AUTONOM<sup>®</sup> as its standard for developments. As such, about ten warehouses, whose principle is to produce their own green energy for their own self consumption, are already delivered or being constructed. This results in strongly reduced CO<sub>2</sub> emissions.

### **A PREMIUM portfolio of 3.6 million sq.m, appraised at €3.7 billion excluding transfer duties at the end of December 2023:**

As at December 31, 2023, the portfolio of buildings represented 3,580,000 sq.m. **Standing at €3.68 billion excluding duties** (compared with €3.94 billion at the end of 2022), the decrease in value over the year (-7 %) mainly came from the **mechanical impact of decompressing capitalization rates**, that increased from 4.45% excluding duties at the end of 2022 (4.2% including duties) to **5.10% excluding duties as at December 31, 2023** (i.e., 4.85% including duties).

**The weighted average residual lease term**, computed as at December 31, 2023, **increased to 5.7 years** (compared with 5.5 years at the end of December 2022).

**The occupancy rate of the portfolio remained at a maximum of 100%** with a **weighted average age at 11.1 years** (compared with 10.4 years as at December 31, 2022).

### **2024 financial calendar** (*Publication of the press release after closing of the stock exchange*)

- January 18: Annual results 2023
- March 21: General Assembly 2024
- April 2: Net sales of 1<sup>st</sup> quarter 2024
- July 1: Net sales of 2<sup>nd</sup> quarter 2024
- July 24: Half-year results 2024
- October 1: Net sales of 3<sup>rd</sup> quarter 2024

### **2025 financial calendar** (*Publication of the press release after closing of the stock exchange*)

- January 3: Net sales of 4<sup>th</sup> quarter 2024
- January 16: Annual results 2024
- March 20: General Assembly 2025

## **About ARGAN**

ARGAN is the only French real estate company specializing in the DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES listed on EURONEXT and is the leading player of its market in France. Building on a unique customer-centric approach – which consists in tailor-made and innovative support throughout all project phases from the development milestones to the rental management – ARGAN has grown strongly since it first started in 2000. The company recorded 184 million Euros in yearly rental income in 2023. Moreover, as of December 31, 2023, our portfolio consists in spaces of 3.6 million sq.m, across about a hundred warehouses all located in France, which are worth 3.7 billion Euros.

ARGAN's development model takes into account all its stakeholders and aims at pursuing a growth path that is profitable, with a debt kept under control, while ensuring to fully minimise its environmental and societal impact.

ARGAN is a listed real estate investment company (French SIIC), on Compartment A of Euronext Paris (ISIN FR0010481960 - ARG) and is included in the Euronext SBF 120, CAC All-Share, EPRA Europe and IEIF SIIC France indices.



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