



H1 2023 Results Xior Student Housing

Interim results per 30.06.2023
Publication Half-Yearly Financial Report 2023

4 August 2023


XIOR
STUDENT HOUSING

On track in strong European student housing market



Christian Teunissen, CEO: *“This past half year has once more proven that student housing is a very strong asset class with unique fundamentals. The continued high demand and scarcity drives occupancy rates and like-for-like rental increases to record levels. This leads to stable valuations and reconfirms the resilience of this exceptional real estate segment. This is also reflected in the ongoing rental season, where current reservation rates are at historically high levels.*

Our ambitious digital transformation and integration paths are also making great progress and will not only improve our operational efficiency but will also bring the experience for our students to the next level. We are also proud to announce that our CO2 reduction targets have been validated by SBTi, ensuring we are on the right track towards net zero carbon.

Our management remains focused on bringing the LTV below 50%. Our divestment program (230 MEUR) is in full execution and is right on schedule. The current peak LTV was anticipated and, most importantly, temporary as the ongoing divestments are not yet factored into the figures. Full realization of this program will bring LTV down by 3.61%. Beyond this, we have identified additional divestments and/or continue to look at other strategic options such as a JV partnership to further lower the LTV below 50%. I am confident that our unique business model and excellent teams will enable Xior to continue to outperform.”

Commercial update: LfL of +5,64% and reservation rates at record high levels

- Continued **outperformance**, on an even larger scale thanks to Xior’s **rock solid business model**
- Consistent **high occupancy** (98%) and proven **pricing power** (LfL +5.64%), both at peak levels
- Ongoing rental season on pace with last year’s record thanks to **high demand** & despite higher prices
- Earlier start, high retention and **fast rental pace** leading to full occupancy in many cities in record time
- Promising prospects for student housing: **increasing shortages** will further support pricing power

Portfolio update: divestment program largely committed & fully on schedule

- **Majority** of 230 MEUR **divestment program committed**: 137 MEUR in agreement, remaining part in ongoing sale processes
- **Improved portfolio quality** as divestments focus on non-core, less efficient or less sustainable assets
- Portfolio **valuations overall stable** (-0.66%) supported by increasing rental income
- Delivery of **more than 2,400 new units** in H2 2023 with a limited cost to come of 65 MEUR

Financial update: Net rental result +39%, EPRA earnings +30% (+5% per share)

- H1 results fully in line with expectations
- **EPS & DPS guidance reconfirmed** at 2.20 EUR and 1.76 EUR respectively (+6.3% YoY)
- LTV at **temporary** peak of 54.43% as divestment program is not yet reflected in H1 figures. Key priority to **bring LTV below 50%** remains. LTV will be reduced by:
 - 2.08% when including 137 MEUR of divestments already under agreement
 - 1.53% when remaining part of 93 MEUR of divestment program is realized
 - **Further LTV reduction** to below 50% with additional divestments and/or strategic options
- **Cost of debt under control** at 2.4% with **high hedge ratio** of 81%. Proceeds of disposals will be used to repay debt maturing in 2024, improving debt maturity, hedge ratio (towards 100%) and cost of debt

Operational update: on track with ambitious ESG & Digital transformation roadmaps

- **CO2 targets**, a clear commitment towards net zero carbon, validated by SBTi
- **Integration of Basecamp** organization is **on track** and progressing well
- Launch of **CSRD readiness** track to prepare for new EU corporate sustainability reporting directive
- Continued progress on digital transformation, with **first roll-out of Yardi PMS** expected to start by Q1 2024 in NL, a major step towards further operational efficiency, internal value creation and enhancing the student experience

Highlights H1 2023

3.1 bn EUR

Fair Value



98% occupancy rate



in **8** different countries

54.43%

LTV



34,929 K EUR

EPRAs earnings group share
(after correction IFRIC 21)

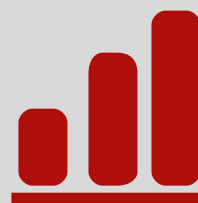


230 MEUR

disposal program

69,310 K EUR

net rental result



18,225

lettable units

+5.64%

YoY LfL



CO2 targets

validated by SBTi



1. Key figures H1 2023 results – solid figures fully in line with expectations

- **EPRA earnings** – group share of 0.92 EUR per share¹ (1.00 EUR after IFRIC 21 adjustment)
- EPRA earnings – group share of 32,202 KEUR, an increase of 30% compared to H1 2022 (34,929 KEUR after IFRIC 21 adjustment)
- **Net rental result rises** to 69,310 KEUR, an increase of 39% compared to H1 2022
- **LfL rental growth** at **record level** of **+5.64%** YoY
- **EPRA NAV/share**² – group share at 40.92 EUR compared to 43.00 EUR on 31/12/2022
- **EPRA NTA/share** at 40.85 EUR compared to 42.96 EUR on 31/12/2022
- **LTV** of 54.43% compared to 51.39% on 31/12/2022. Given the current uncertain macro-economic environment, long term balance sheet discipline remains the key focus to reduce LTV back to below 50%
- **Debt ratio** of 55.31% compared to 52.02% on 31/12/2022. Technical effect of earn-out triggering related to Basecamp transaction: 34 MEUR is recognised under IFRS rules as debt until it will be paid in shares (50% on 31st March 2024 and 50% on 31st March 2025). No cash-out and debt ratio would be 54.29% if the earn-out obligation was booked against equity
- **Occupancy rate** remains **high and stable** at 98% for H1 2023
- The real estate portfolio **increases to 3,132 MEUR**, with **18,225 lettable student** units. If the full committed pipeline is realised and after the acquisition of Basecamp, the portfolio will rise to c. 3.6 billion EUR, with over 26,100 lettable student units³
- **EPS & DPS guidance reconfirmed** at 2.20 EUR and 1.76 EUR respectively (**+6.3% YoY**)

2. Portfolio update – divestments program largely committed & fully on schedule

Update divestment program

To keep its leverage under control, Xior announced on 19 April 2023 a substantial increase in its divestment program to a total of 230 MEUR with a focus on selling the least efficient, least sustainable and non-core buildings resulting in an improved overall quality and efficiency of Xior's portfolio, a step along the path to Xior's net zero carbon targets.

In the interest of preserving shareholder value, a phased sale of building by building as opposed to a portfolio deal was opted for. By doing so at its own pace, in a well-thought-out manner, Xior is able to sell non-core, less efficient and less sustainable yet much sought-after assets at the right price. As a result, a temporary peak in LTV is reached at 54.43% as the positive effect of the divestment program is not yet reflected in the current LTV and will gradually take effect over the coming months. This current LTV was anticipated and remains in line with Xior's 2023 budget as execution of the active pipeline and payment of dividend increases the LTV while the positive effect of the divestments will only gradually take effect over the coming months on closing of the sale transactions. Xior remains committed to bring the LTV below 50%.

¹ Figures per share are calculated on the basis of the weighted average number of shares taking into account the dividend entitlement of the shares concerned, unless otherwise indicated.

² Based on the number of outstanding shares.

³ Not taking into account the ongoing disposals until fully realized.

The total announced divestment program amounts to 230 MEUR (60 MEUR Phase 1 and 170 MEUR Phase 2). The program is progressing well and is fully on schedule. Of this 230 MEUR:

- 137 MEUR is already fully committed, of which only a limited amount of 13 MEUR has been closed and is factored into half-year figures and included in the current leverage. For the remaining committed assets (124 MEUR) an agreement has already been signed but has not yet closed due to longer period between signing of preliminary sales agreements and the closing by notarial deeds. The investment demand for student housing as an asset class remains strong and sales values were overall in line with the valuations of Xior's independent valuers. This will bring LTV down by 2.08%.
- the remaining 93 MEUR is currently in full sale process with ongoing negotiations but no binding agreement has been signed yet. This will bring LTV further down by 1.53%.

Xior has identified additional divestment targets and/or is considering further strategic options such as a joint venture to bring the LTV further to below 50%.

Country	Asset	(Expected) Closing	Value
Belgium	Ierse Predikherenstraat (Leuven)	2022	
	Strijdersstraat (Leuven)	2022	
	Sint-Annastraat (Leuven)	2022	
	Diestsevest 85 (Leuven)	2022	
	Kapucijnenvoer (Leuven)	Q1 2023	
	Viaductdam (Antwerp)	Q1 2023	
The Netherlands	Wycker Grachtstraat (Maastricht)	Q1 2023	
Total assets sold and closed per 30.06.2023			c. 13 MEUR
Belgium	Blindestraat 18-20-22 (Antwerp)	Q3 2023	
	Gratiekapelstraat 2-4-6 (Antwerp)	Q3 2023	
	Korte St-Annastraat (Antwerp)	Q3 2023	
	Paardenmarkt 70-93 (Antwerp)	Q3 2023	
	Project Roosevelt (Antwerpen)	Q4 2023	
	KVS I & KVS II (Brussels)	Q4 2023	
	Kruitmolen (Brussels)	Q4 2023	
	Nieuwbrug (Brussels)	Q4 2023	
The Netherlands	Naritaweg/Barajasweg (Amsterdam)	Q3-Q4 2023	
	Nieuwlandstraat 1/1a (Tilburg)	Q4 2023	
	Mariastraat (Tilburg)	Q4 2023	
	Kapelhof (Tilburg)	Q4 2023	
	Korenbloemstraat (Tilburg)	Q4 2023	
Portugal	Enschotsestraat (Tilburg)	Q4 2023	
	Odalys Granjo (Porto)	Q3 2023	
	Odalys Lamas (Lisbon)	Q4 2023	
Total assets sold (under agreement but not yet closed)			c. 124 MEUR
Total assets to be sold (sale process ongoing but no agreement yet)			c. 93 MEUR
	No details for confidentiality reasons	Q4 2023	
Total divestment program			230 MEUR

Update active and landbank pipeline

Xior's pipeline is split into an active pipeline (for which construction has started or commitments have been made) and a landbank pipeline (projects that can be deferred or even sold).

The current active pipeline amounts to c. 518 MEUR of estimated investment value with a remaining total cost of c. 125 MEUR to complete the entire active pipeline. For 2023 and 2024, cost to come is limited to c. 65 MEUR and c. 47 MEUR respectively. During Q3 2023, more than 2,400 additional units out of this active pipeline will be delivered for the upcoming academic year and start generating rental income.

For all projects in the landbank pipeline, the permitting process continues, but no decision on starting construction has yet been taken. Moreover, the ongoing strategic review of the pipeline has led to the removal of the Odalys project in Granada (ES) and the sale of the Roosevelt project (Antwerp, BE) with a reduction of the cost to come by c. 44 MEUR.

Update valuation yields

At 30 June 2023, Xior's portfolio was valued at 3.13 billion EUR (vs. 3.03 billion EUR Q4 2022), including a limited decrease of 0.66% in property values vs. Q4 2022, reflecting the resilience of the student housing market, as well as including the capex spent in the course of Q2. Xior's strong rental growth of 5,64% LfL, mostly offset the upward yield shift in the existing portfolio (27 bps over H1 2023) with only a limited impact on valuations as a result. The valuation decreases are mainly due to higher transfer tax in the Netherlands and the ongoing ramp up of new residences in Malmö and Aarhus. Currently, the portfolio is valued at a gross valuation yield of 5.67%. The strong rental growth performance and continued favorable outlook for demand and supply will continue to support property valuations as the market adjusts to an environment of higher interest rates.

Gross valuation yields	30/06/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Gross yields Belgium	5.37%	5.07%	5.11%	5.15%	5.13%
Gross yields the Netherlands	5.63%	5.35%	5.87%	5.89%	5.63%
Gross yields Spain*	5.54%	5.40%	5.39%	5.83%	5.27%
Gross yields Portugal*	6.00%	5.84%	6.50%	7.01%	N/A
Gross yields Poland	8.16%	7.92%	N/A	N/A	N/A
Gross yields Germany	6.45%	5.96%	N/A	N/A	N/A
Gross yields Denmark	5.38%	5.04%	N/A	N/A	N/A
Gross yields entire portfolio	5.67%	5.40%	5.51%	5.73%	5.43%

*NOI yields: in Spain and Portugal gross yields are calculated based on NOI



3. Summary operational & corporate update

Update rental season

Xior continues to deliver strong operational results in Q2 2023 with a high occupancy rate of 98% and proven pricing power with LfL rental growth of 5.64% year-on-year.

The current rental season continues at record pace, driven in part by the shortage of quality rooms in the student housing market across Europe. The prospects for the student housing market remain promising: the rising student population and existing scarcity also underpin the continued ability to pass on inflation without impacting demand. The short-term nature of student contracts allows rising inflation to be absorbed more quickly.

An earlier start to the rental season, combined with higher retention and rising demand lead to lightning-fast rentals at record pace, in line with last year, resulting in full occupancy in many cities. The massive search led to long queues in many places during physical visits. In Xior's traditional markets, the reservation rates are in line with last year's all-time highs (c.93% in Belgium, c. 99% in the Netherlands and c. 85% in Iberia). In Xior's new markets, rentals are also in full swing and far ahead of last year's numbers (c. 98% in Denmark, c. 99% in Germany c. 57% in Poland). As the peak of the rental season in Poland and Spain typically starts later in the summer months, it is customary that these rental levels only pick up in speed later in the summer. The first letting (ramp-up) of newly completed buildings is also exceeding expectations: in Zaragoza the count is already at 70%. Even in Malmö, the first Xior property in Sweden, the letting rate is already close to 50% after only 3 months of marketing, and is currently ramping up even more quickly (notwithstanding NOI guarantees in place for Malmö & Aarhus).

These figures show that the rent hikes implemented in response to rising inflation have no effect on the demand for student rooms. Xior always strives for a healthy mix of rooms in different price categories. Rental income is maximized without losing sight of affordability.

ESG Update

SBTi targets validated: Xior announces that its CO2 reduction targets, submitted earlier this year, have been officially validated by SBTi.

- Xior hereby commits itself to align with the goals of the Paris Agreement, with the ultimate goal of limiting global warming to 1.5°C. As part of this commitment and to become Net Zero Carbon by 2050, Xior has set ambitious targets for its activities. These include Scope 1, Scope 2 and Scope 3 emissions.
- For Scope 1 and 2 (including the consumption for all student buildings), Xior will reduce its emissions by 42% by 2030, compared to 2020 as a base year. Scope 1 and 2 is not only limited to the corporate buildings for Xior but includes all its operational residences and the consumption of currently about 18,000 students.
- For Scope 3 (mainly linked to new developments), Xior is committed to further mapping and reducing these together with its suppliers and partners and defining concrete targets based on a reduction of CO2 intensity/m².

Launch of CSRD readiness track: Xior is currently setting up several projects and task forces to prepare for the upcoming CSRD reporting where anchoring ESG ambitions and carbon targets throughout the organisation will be key.

Digital transformation & integration

Xior's ambitious digital transformation and integration paths are fully on track and making great progress. This will not only improve the operational efficiency but will also bring the customer experience to the next level.




Xior is working further on a complete digital transformation with a new integrated PMS system (Yardi) to manage residences across all countries. This software will enable Xior to create a new student website with online bookings, including e-signature and online payments, along with enhanced residency services via a mobile app and portal to enhance the customer experience. The property management and financial accounting platform will also deliver further efficiencies in maintenance, inspections and time savings in bulk check-ins and check-outs, as well as financial accounting and reporting.

The rollout of Yardi in the Netherlands, which will be the first country to use the system, will be started in the first quarter of 2024 and will immediately cover 40% of the entire portfolio.


4. Publication of Half-Yearly Financial Report

For the full report, including full operational & corporate update, please refer to the Half-Yearly Financial Report 2023 published today and available on the Xior website ([Dutch](#) & [English](#)).






Key Figures H1 2023

Consolidated Income Statement <i>(In KEUR)</i>	30.06.2023	30.06.2022
Net rental result	69,310	49,782
Property result	68,578	46,878
Operating result before result on the portfolio	44,477	31,978
Financial result (excluding variations in the fair value of financial assets and liabilities)	-10,291	-5,259
EPRA earnings  ⁴ – group share	32,202	24,680
EPRA earnings – group share  after IFRIC 21 adjustment	34,929	26,736
Result on the portfolio (IAS 40) 	-22,528	145,683
Revaluation of financial instruments (non-effective interest rate hedges)	-5,003	47,178
Share in the result of joint ventures	138	263
Deferred taxes	3,874	-15,230
Net result (IFRS)	8,909	203,218

Portfolio update	30.06.2023	30.06.2022
Number of lettable student units	18,225	13,992
Number of countries	8	4

⁴ 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 applying as from 3 July 2016 for the use and explanation of alternative performance measures. Chapter 5.8 of the Half-yearly Financial Report 2023 includes the concepts Xior considers as APMs. The APMs are marked with  and are accompanied by a definition, an objective and a reconciliation, as required by the ESMA guideline.

Consolidated Balance sheet <i>(In KEUR)</i>	30.06.2023	31.12.2022
Equity	1,452,544	1,486,461
Equity – group share	1,452,035	1,486,268
Fair value of the investment property ⁵	3,132,453	3,026,885
Loan-to-value	54.43%	51.39%
Debt ratio (Act on Regulated Real Estate Companies) ⁶	55.31%	52.02%
Debt ratio with earn-out in equity	54,29%	

Key Figures per share <i>(In EUR)</i>	30.06.2023	30.06.2022
Number of shares	35.618.161	28.011.322
Weighted average number of shares ⁸	35.072.965	28.011.322
EPRA earnings ⁷ per share 	0.92	0.90
EPRA earnings ⁷ per share  – group share	0.92	0.88
EPRA earnings ⁷ per share  after IFRIC 21 adjustment	1.00	0.98
EPRA earnings ⁷ per share  – group share after IFRIC 21 adjustment	1.00	0.95
Result on the portfolio (IAS 40) 	-0.64	5.20
Variations in the fair value of hedging instruments	-0.14	1.69
Net result per share (IFRS) ⁸	0.25	7.25
Share closing price	27.25	41.55
Net asset value per share (IFRS) – group share	40.77	41.47

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⁵ The fair value of the investment property is the investment value as determined by an independent property expert not including the transaction fees (see BE-REIT Association press release dated 10 November 2016). The fair value corresponds to the book value under IFRS.

⁶ Calculated in accordance with the Royal Decree of 13 July 2014 implementing the Act of 12 May 2014 on Regulated Real Estate Companies.

⁷ Calculated based on the weighted average number of shares.

⁸ Shares are counted from the time of issue.



About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specializing in the student housing segment in 8 countries: 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 2023, Xior Student Housing held a property portfolio of approximately EUR 3.13 billion. More information is available at www.xior.be.

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