



## PARIS SITE TOUR

MARCO SIMONETTI  
BUSINESS UNIT DIRECTOR, SOUTHERN EUROPE



Marco Simonetti – Business Unit Director  
Southern Europe



Eric Veron – General  
Manager Vailog

## Agenda

- Presentation French business / Q&A – 9.00-9.30
- Site Visits 10.00 – 12.00am
- Buffet Lunch at Marriot Bourget 12.00 – 12.45am
- Site Visits 1pm – 2pm
- Stop at CDG airport – 2.15pm
- Stop at Gare du Nord – 3.30pm



## FRANCE

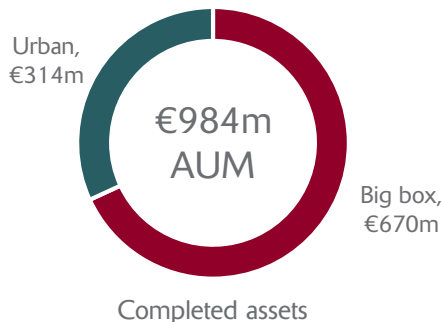
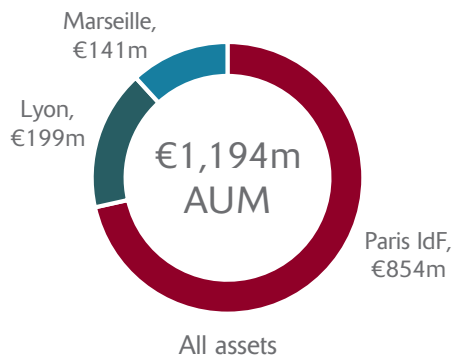
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# Portfolio strategically placed on France's logistics "spine"

## Portfolio Description – France

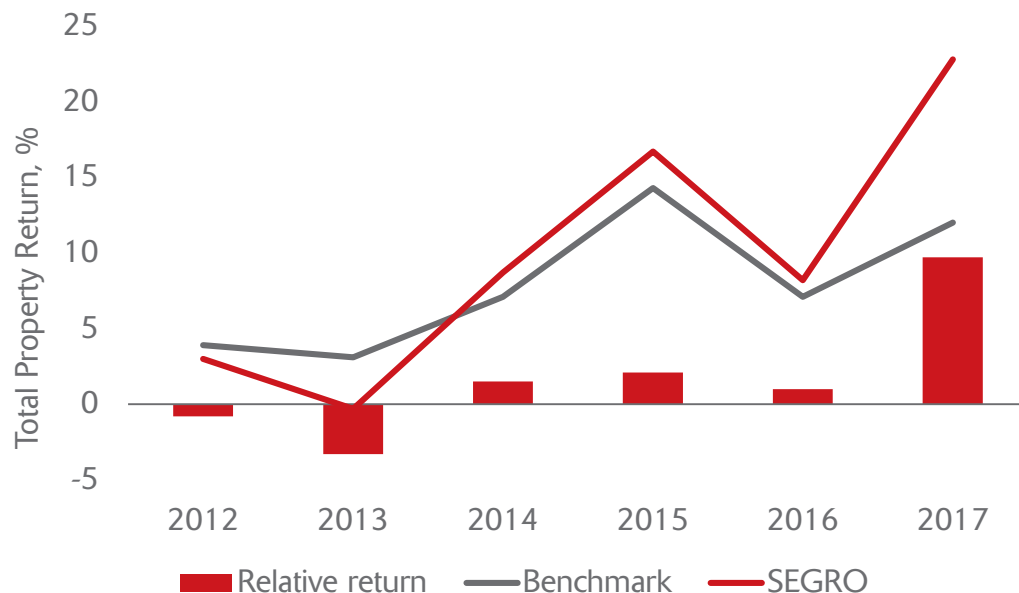
Portfolio size	1.1m sq m completed assets
Portfolio value (based on assets under management)	€1,194m including land and development €984m completed assets
True equivalent yield	5.7%
Headline rent (share)	€47m pa
Vacancy (by ERV)	2%
WAULT to break/expiry	4.8 / 6.5 years

France portfolio locations focused on Paris, Lyon and Marseille



# Strong portfolio performance vs benchmark

SEGRO France portfolio total property return vs MSCI-IPD benchmark, 2012-17, %



Source: MSCI-IPD

France portfolio TPR vs benchmark, 2012-17 (%)

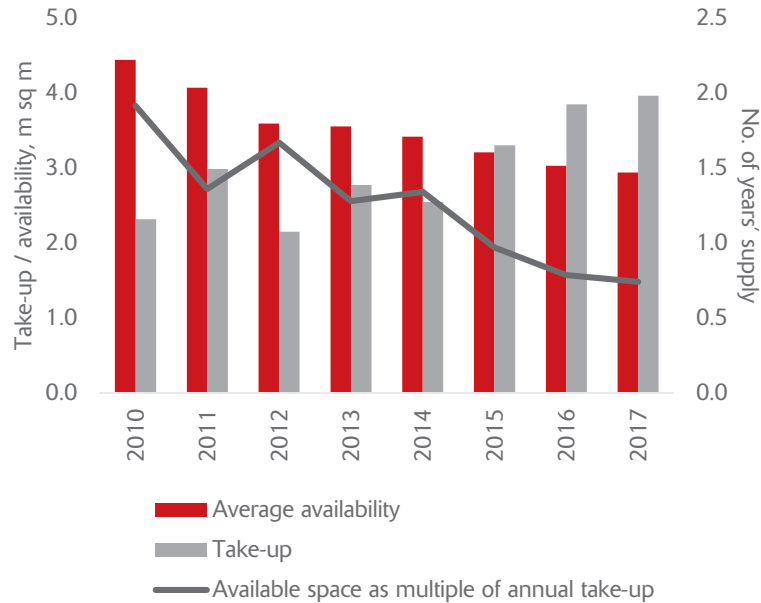
	Portfolio	Benchmark	Relative
3 year	15.8	11.1	+4.9
5 year	10.9	8.6	+2.1

TPR and benchmark calculated annually by MSCI-IPD



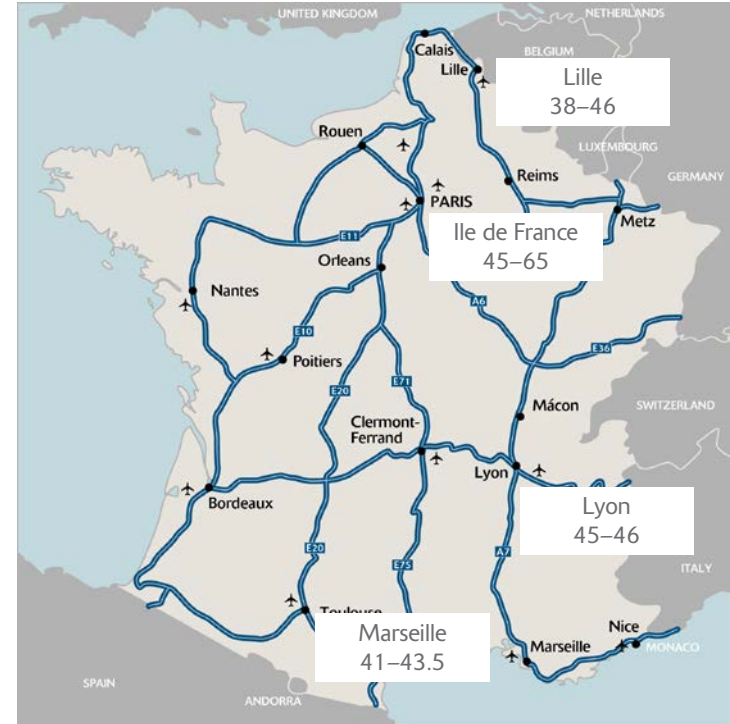
## France logistics supply-demand dynamics

(m sq m)

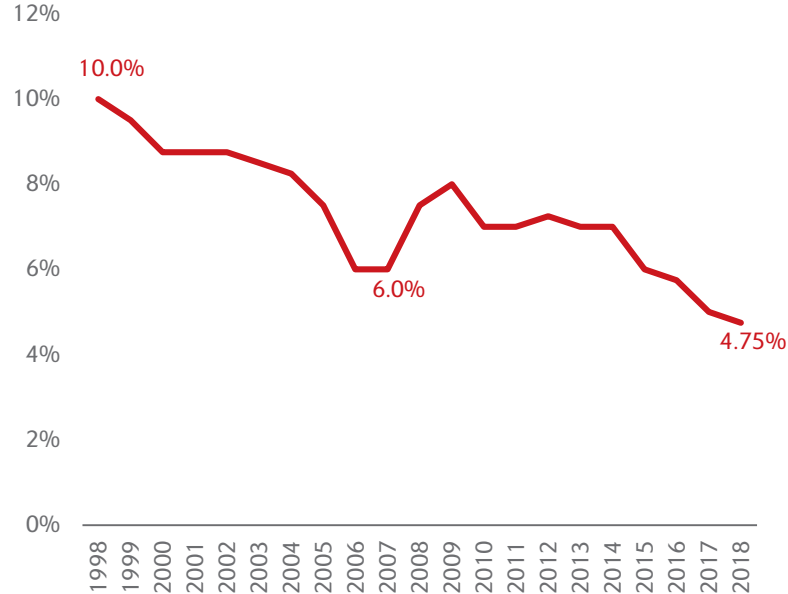


## France prime big box warehouse rental values (new or redeveloped space), 2017

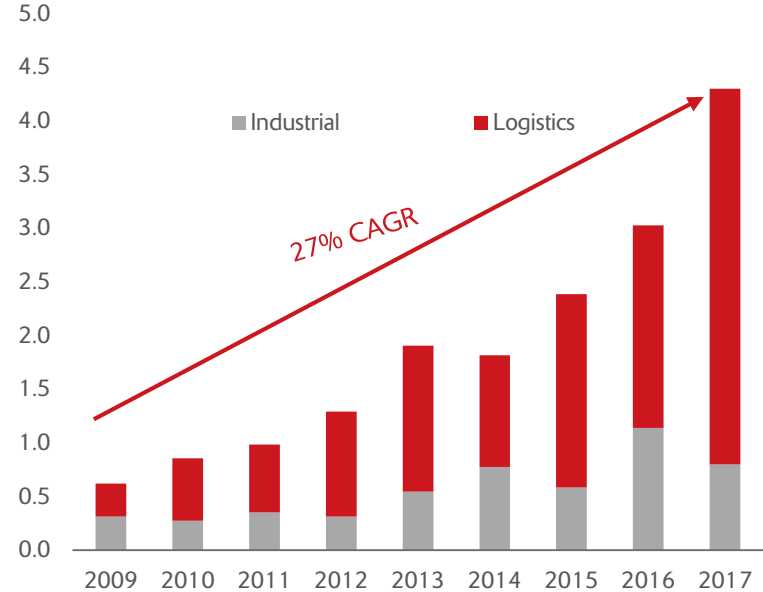
(€ per sq m per year)



## France prime big box yields



## France warehouse investment volumes, 2008-17 (€ billions)



# Paris-IdF — one of Europe's most powerful economic centres

€649bn

GDP: 30% of France GDP

12  
million

Population: 20% of France

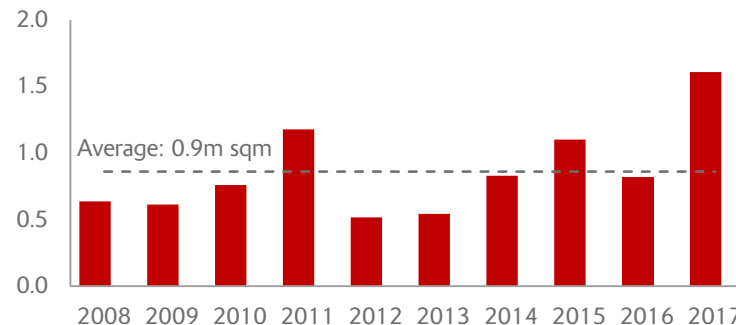
1  
million

Companies, employing 6.1 m people

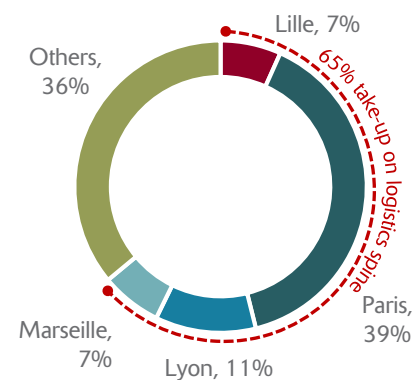
50%

Proportion of SEGRO France portfolio

Paris region take-up, million sq m

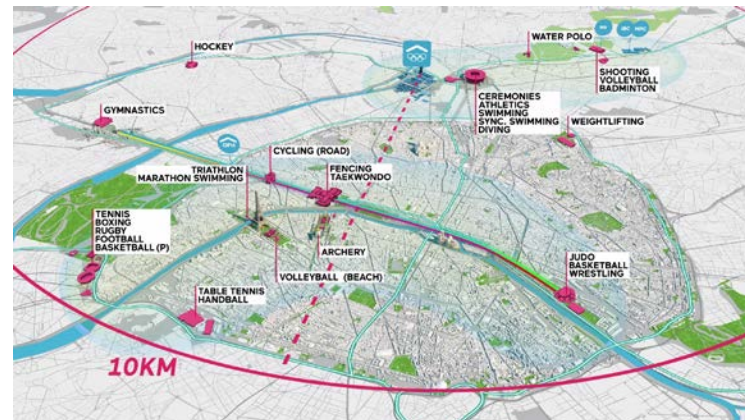
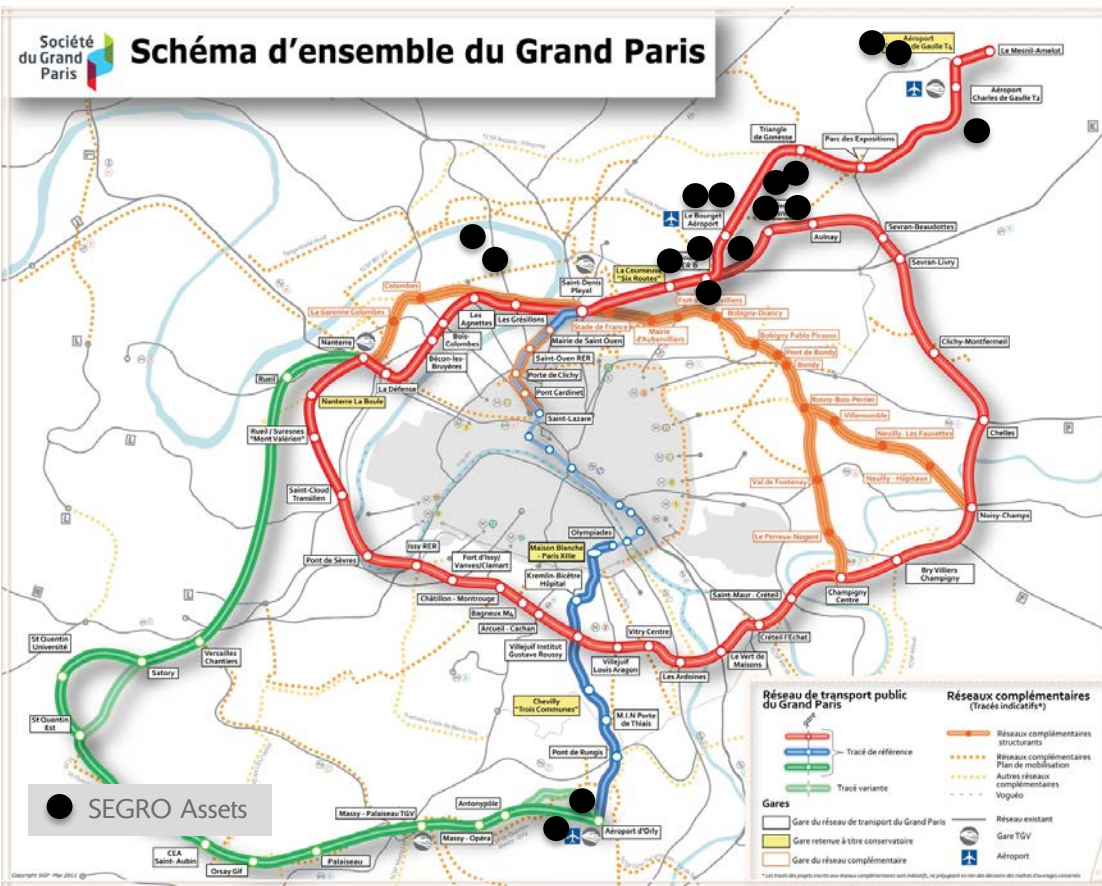


2017 take-up by region

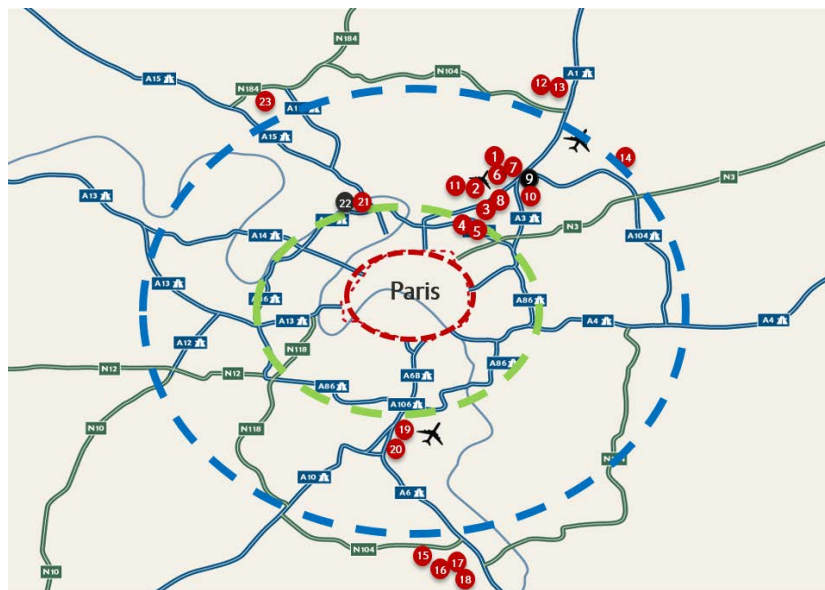




# Grand Paris and Olympics infrastructure enhance occupier demand

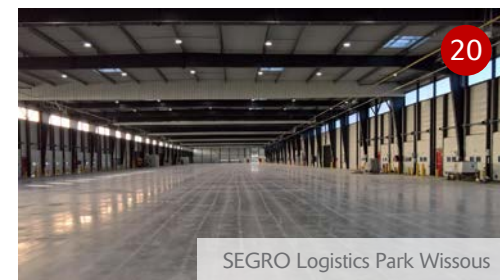


# Portfolio of big box and urban warehousing serving Paris Ile de France



- 1<sup>st</sup> Ring Road: Périphérique
- 2<sup>nd</sup> Ring Road: Motorway A86
- 3<sup>rd</sup> Ring Road: N104

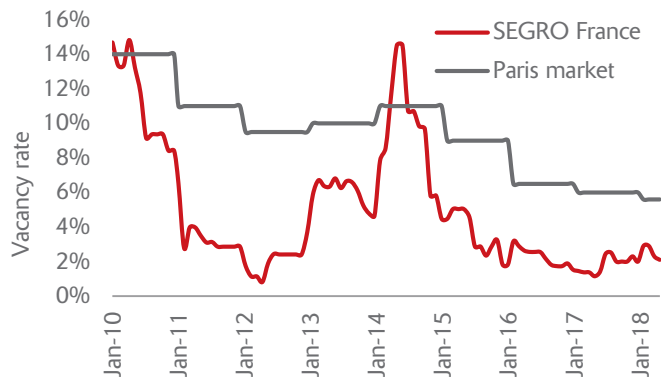
- ⊗ Completed asset
- ⊗ Under construction



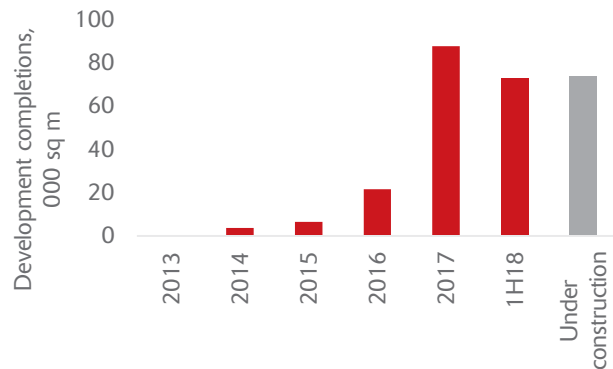




## SEGRO France vacancy rate consistently below Paris market



## Significant increase in SEGRO development activity



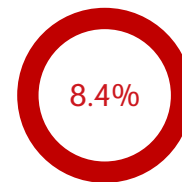
## Current development pipeline (June 2018)



Space under development (100%)



Potential headline rent (share)



Estimated yield on cost

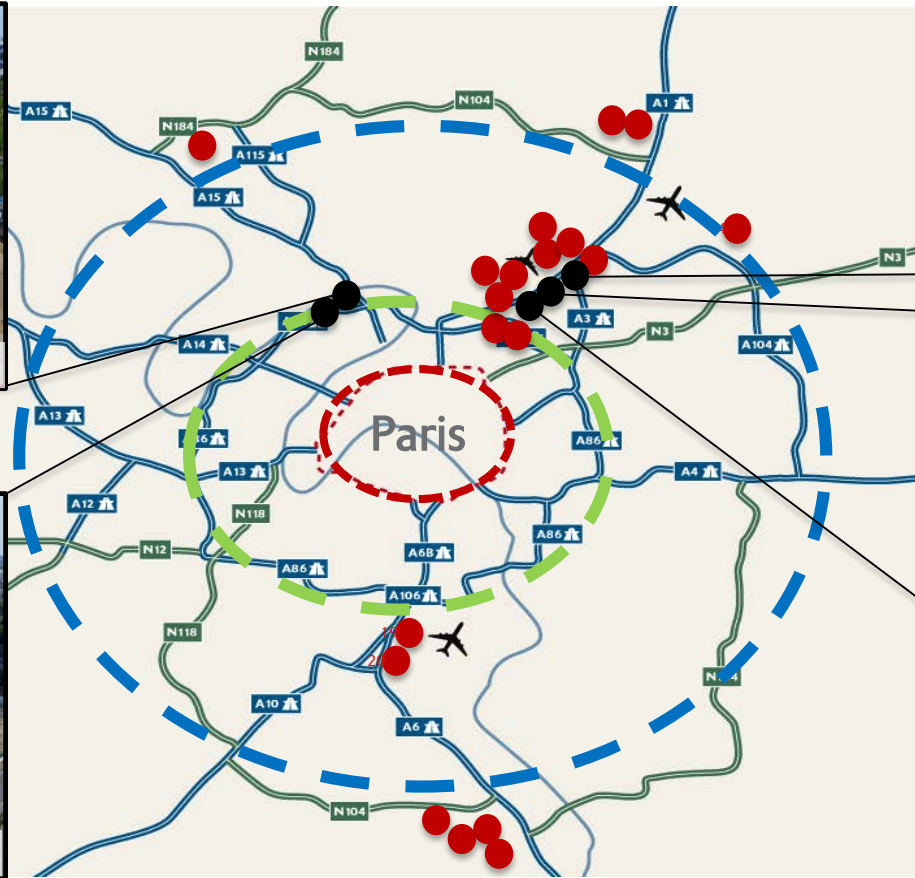


Potential rent from future pipeline (share)



## SITE TOUR







- Cross-dock parcel delivery warehouse
- Development completed in September 2017
- Pre-let to FedEx on a twelve year lease
- Prime location near to Paris' inland river port

Ownership	SEGRO Vailog
Occupiers	FedEx
Value (30 June 2018)	€15.5m
Area	12,600 sq m
Headline rent	Confidential
ERV	Confidential
Vacancy (30 Sept 2018)	0.0%
WAULT (Break / Expiry)	10.9 / 10.9





- Multi-storey urban logistics warehouse
- 50,000 sq m pre-let let to IKEA
- 12,800 sq m pre-let to Leroy Merlin
- Completion in December 2018
- Fully leased at above appraisal rental levels

Ownership	SEGRO Vailog
Occupiers	IKEA, Leroy Merlin
Value (30 June 2018)	€46.0m
Area	62,800 sq m
Headline rent	n/a
ERV	n/a
Vacancy (30 Sept 2018)	0.0%
WAULT (Break / Expiry)	n/a





- Multi-let urban warehouse park
- Acquired by SEGRO in 2003 through a sale & leaseback scheme to Baxi, a French boiler manufacturer
- Prime location close to Paris and CDG Airport

Ownership	SEGRO
Occupiers	Multi-let
Value (30 June 2018)	€71.2m
Area	37,800 sq m
Headline rent	€4.2m
ERV	€4.4m
Vacancy (30 Sept 2018)	6.1%
WAULT (Break / Expiry)	2.6 / 5.2 years



- Multi-let urban warehouse park
- B23 acquired in 2008 from DHL (sale & leaseback)
- B22 acquired in December 2011 from FEL
- Refurbishment works completed in 2014
- Prime location adjacent to one of the most important European motorways (300m frontage on the main French motorway A1)
- Close proximity to Charles de Gaulle & Bourget Airports

Ownership	SEGRO
Occupiers	Multi-let
Value (30 June 2018)	€49.7m
Area	35,700 sq m
Headline rent	€3.0m
ERV	€3.1m
Vacancy (30 Sept 2018)	4.0%
WAULT (Break / Expiry)	1.3 / 5.1 years





- Multi-let logistics park
- Building A - pre-let signed with Carrefour: completed in March 18
- Building B - pre-let signed with Chronopost: completed in July 2018
- Building C - awaiting future pre-let

Ownership	SEGRO
Occupiers	Carrefour, Chronopost
Value (30 June 2018)	€78.6m
Area	37,700 sq m
Headline rent	€3.8m
ERV	€3.7m
Vacancy (30 Sept 2018)	0.0%
WAULT (Break / Expiry)	9.8 / 11.6 years