

SFL – First-Quarter 2020 Financial Information

Rental income: €46.6 million, up 1.9% like-for-like

Consolidated revenue by business segment (€000's)

	Q1 2020	Q1 2019
Rental income	46,638	48,504
<i>o/w Paris Central Business District</i>	39,209	40,416
<i>Paris Other</i>	6,832	7,613
<i>Western Crescent</i>	598	475
Other revenue	0	0
Total consolidated revenue	46,638	48,504

First-quarter 2020 consolidated rental income amounted to €46.6 million, down by a slight €1.9 million or 3.8% from the €48.5 million reported for the same period in 2019.

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income rose by €0.9 million (1.9%), primarily as a result of index increases, and the occupancy rate was stable at around 97% in both periods.
- Rental income from spaces being redeveloped was down by €2.1 million, mainly following the renovation of several floors in the 103 Grenelle and Edouard VII buildings that were vacated in late 2019 and early 2020.
- Lastly, no income from penalties was received in first-quarter 2020, unlike in the same period of 2019 when penalties of €0.6 million were received.

The physical occupancy rate for revenue-generating buildings remained high, at 97.0% at 31 March 2020 (versus 97.4% as of 31 December 2019), while the EPRA vacancy rate stayed low, at 1.9%.

No properties were purchased or sold during the first quarter of 2020.

SFL's consolidated net debt was very slightly higher at 31 March 2020, at €1,740 million (compared with €1,732 million at 31 December 2019), representing a loan-to-value (LTV) ratio of 22.8% based on the portfolio's appraisal value at 31 December 2019.

The Group's liquidity position at 31 March 2020 was excellent, with €890 million in undrawn confirmed lines of credit and cash at bank and in hand of €116 million.

Covid-19 health crisis

SFL's greatest strengths in the current situation are its strategic positioning and low LTV. It is still difficult to assess the direct and indirect effects of the public health crisis on SFL's business and results, but all possible measures are being taken to limit the impact and their effectiveness is monitored on a daily basis.

The Group acted swiftly to ensure that all of its properties could remain open and available for use by tenants. The only services no longer available are those that would breach current health measures (mainly mass catering services).

Rental income: SFL is largely unaffected by government measures concerning small retail outlets because of its strategic focus on prime office properties in Paris. The handful of requests received from tenants are analysed on a case-by-case basis and the Group endeavours to support them as far as possible during this difficult period, for example by allowing them to defer payment of their rent for the second quarter of 2020.

Redevelopment and renovation projects: these projects have been halted for the time being, and contractors are currently determining the necessary measures for work to resume, with an ever-present focus on safety conditions. Delivery of the projects will most likely be delayed by a few months due to these disruptions, but while it is too early to make any reliable estimate of the impact of these delays, it is expected to be limited.

Property leasing activities: the rental market has slowed without coming to a complete halt; however, SFL is largely unaffected because it has very few vacant units immediately available for rental. The major property leasing challenges concern the 83 Marceau and Biome properties that are currently being redeveloped and will be delivered in 2021/2022.

A citizen-based approach

To ensure business continuity while also protecting employees, all of SFL's teams are working from home on full pay, with no temporary lay-offs.

Lastly, SFL has contributed to the collective effort to fight the pandemic, by donating €550,000 to the Fondation de France's programmes in support of hospitals and health workers, medical research and assistance for vulnerable people. The Group has also offered to make one of its vacant properties available to the urban affairs ministry to provide emergency housing.



About SFL

Leader in the prime segment of the Parisian commercial real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €7.2 billion and is focused on the Central Business District of Paris (#cloud.paris, Edouard VII, Washington Plaza, etc.), and for the quality of its client portfolio, which is composed of prestigious companies in the consulting, media, digital, luxury, finance and insurance sectors. As France's oldest property company, SFL demonstrates year after year an unwavering commitment to its strategy focused on creating a high value in use for users and, ultimately, substantial appraisal values for its properties.

Stock market: Euronext Paris Compartment A – Euronext Paris ISIN FR0000033409 – Bloomberg: FLY FP – Reuters: FLYP PA

S&P rating: BBB+ stable outlook

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