



Paris, 18 February 2025

## SFL – 2024 Annual Results

**EPRA earnings: €119.2m (up 8.4%)**  
**Portfolio value (excluding transfer costs): €7,571m (up 3.3% like-for-like)**  
**Physical occupancy rate: 99.4% (100% occupancy for offices)**  
**EPRA NTA stable vs 31 December 2023: €88.0/share**  
**Recommended dividend: €2.85 per share**

*"In a commercial property market shaped by investment volumes at an all-time low and a profound transformation of corporate demand, SFL's results put it in a class of its own. Our laser-sharp strategic refocusing on the Paris market, the ambition reflected in our latest redevelopment projects and the opportunities represented by our development pipeline (Scope, Condorcet) underpin the Group's resilience and hold out the promise of significant value creation in the coming years. At the same time, the headroom provided by our balance sheet structure offers plenty of scope to seize the new market opportunities that are likely to come our way in 2025,"* said Aude Grant, SFL's Chief Executive Officer.

The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors of Société Foncière Lyonnaise ("SFL") on 18 February 2025, at its meeting chaired by Pere Viñolas Serra.

These financial statements show a further increase in operating profit and EPRA earnings, helped by the portfolio's 99.4% occupancy rate. This performance illustrates the polarisation of the Paris region's rental market, which has benefited properties located in the city centre, as well as SFL's ability to offer real estate solutions in line with the requirements of blue-chip companies. The portfolio's appraisal value grew by 3.3% over the year.

The auditors have completed their audit of the annual financial statements and are in the process of issuing their report.

### Consolidated data (€ millions)

	2023	2024	Change
Revenue*	234.4	254.2	+8.5%
Rental income	234.4	248.8	+6.1%
Adjusted operating profit**	201.6	217.8	+8.0%
Attributable net profit/(loss)	(638.8)	206.9	
EPRA earnings	109.9	119.2	+8.4%
per share	€2.56	€2.78	+8.3%

\* Including, in 2024, reversal of a €5.4 million provision for impairment of rent receivables

\*\* Operating profit before disposal gains and losses and fair value adjustments



	31/12/2023	31/12/2024	Change
Attributable equity	3,540	3,642	+2.9%
Consolidated portfolio value excluding transfer costs	7,332	7,571	+3.3%
Consolidated portfolio value including transfer costs	7,817	8,075	+3.3%
EPRA NTA	3,752	3,779	+0.7%
per share	€87.5	€88.0	+0.6%
EPRA NDV	3,673	3,739	+1.8%
per share	€85.7	€87.0	+1.6%

### Growth in 2024 operating results driven by the Group's super-prime positioning

SFL's strategic positioning means it can take full advantage of the very positive momentum and premium rents in the Paris property rental market. The physical occupancy rate for revenue-generating properties remained at a record high of 99.4% at 31 December 2024 (99.7% at 31 December 2023), including 100% occupancy of the office portfolio. The EPRA vacancy rate was 0.5% (0.2% at 31 December 2023).

Leases were signed on around 21,000 sq.m. during the year, including 20,000 sq.m. of office space let for the most part to new tenants (14 transactions). Renegotiated leases on around 4,000 sq.m. were signed with existing tenants, in some cases ahead of the lease-break date to allow SFL to capture the reversionary potential in advance.

Most leases concerned small and medium-sized units, including:

- #Cloud.paris, with 3,400 sq.m. let for a non-cancellable period of nine years to an international fund management company;
- Cézanne Saint-Honoré, with 2,700 sq.m. let for a non-cancellable period of nine years to an international law firm;
- Louvre Saint-Honoré: with the 6-year rollover of a lease on 2,300 sq.m. with Groupement des Cartes Bancaires.

A new record was set for rents on the new office leases, with the average nominal rent hitting €962 per sq.m., corresponding to an average effective rent of €846 per sq.m., for an average non-cancellable period of 7.8 years.



## **Slightly higher appraisal values, reflecting the rents negotiated for the new leases signed on properties in the portfolio and the stabilisation of interest rates**

The appraisal value of the Group's portfolio at 31 December 2024 was €7,571 million excluding transfer costs, up 3.3% from €7,332 million at 31 December 2023. No properties were purchased or sold during the year.

The increase in appraisal values reflected the application of rent escalation clauses and the sharp rise in rental values in the prime segment of the Paris property market. Discount rates and exit capitalisation rates narrowed slightly, declining by an average of 11 bps and 4 bps respectively.

The average EPRA topped-up Net Initial Yield (NIY) was unchanged at 3.8% at 31 December 2024 (3.8% at 31 December 2023). The potential rental yield was 4.1% at 31 December 2024 (3.9% at 31 December 2023).

## **Exemplary non-financial performance, an integral part of the Group's strategy**

SFL continued to be one of the highest scoring European groups in the Global Real Estate Sustainability Benchmark (GRESB), attesting to its outstanding commitment to sustainable development.

In 2024, the Group ranked among the top 10% of participants in the Europe/Listed compartment, with exceptional scores of 92/100 for the Standing Investments benchmark and 97/100 for the Development benchmark.

Last year's renewal of its 5-star rating, for the 12<sup>th</sup> year in a row, underscored the consistency of SFL's performance, confirming its position as a benchmark in the sector.

## **An attractive outlook, with a reversionary potential of €65.8 million per year**

At 31 December 2024, the portfolio's total reversionary potential (vacant space, pipeline properties, lease renegotiations) was estimated at around €65.8 million per year.

Pipeline properties represented 14% of the Group's portfolio and mainly comprised the following projects:

**Renovation of the Haussmann Saint-Augustin building** (around 12,600 sq.m.). Following the departure of the tenant (WeWork) on 30 June 2024, work has been undertaken to improve the standing of the service areas and the organisation of the office floors. Delivery is scheduled for June 2025.

**Redevelopment of the Scope office building** on Quai de la Râpée in Paris (around 22,700 sq.m.). The property has been completely restructured since its tenant moved out in September 2022. The site clearance and asbestos removal work was completed in May 2024. Restructuring work began in August 2024, with delivery scheduled for summer 2026.



Capitalised work carried out in 2024 amounted to €93.2 million, including the above two projects for a combined amount of €25.2 million and refurbishment of complete floors and common areas in the Washington Plaza, Louvre Saint-Honoré and Edouard VII buildings.

## **A balance sheet structure aligned with the long-term visibility of the Group's cash flows**

In 2024, SFL continued to adapt its balance sheet in anticipation of its future repayment obligations, while leveraging its relationship with its main shareholder:

- In June 2024, the €100 million bilateral credit line obtained from BNP Paribas was rolled over for five years (with two one-year extension options). The facility includes a spread adjustment mechanism based on the Group's performance in relation to three sustainable development criteria.
- In July 2024, the December 2022 €300 million syndicated Term Loan was extended by one year, to December 2029, and the June 2023 €835 million RCF was extended to June 2029.
- In November 2024, a €500 million long-term shareholder loan was obtained from Inmobiliaria Colonial, covering the May 2025 redemption at maturity of a bond issue for the same amount.

This loan had not been drawn down at 31 December 2024. The long-term loan is in addition to a €600 million short-term shareholder advance set up in 2023, of which €562 million had been drawn down at 31 December 2024.

Net debt at 31 December 2024 amounted to €2,660 million (€2,539 million at 31 December 2023), representing a loan-to-value ratio (LTV) of 32.9% including transfer costs and an EPRA LTV (excluding transfer costs and net of non-controlling interests) of 43.3%. At the same date, the average cost of debt after hedging was 2.0% and the interest coverage ratio (ICR) was 3.5x. The average maturity of debt is 3.3 years.

Lastly, at 31 December 2024, the Group also had access to €1,570 million in undrawn confirmed lines of credit.

## **Sharply higher revenue, representing a strong performance in last year's uncertain economic environment**

Rental income: up 6.1% as reported and up 7.1% like-for-like

Revenue came to €254.2 million in 2024, including rental income of €248.8 million and €5.4 million corresponding to the reversal of a provision for impairment of rent receivables.



**Rental income** rose by €14.4 million (6.1%) vs 2023, breaking down as follows:

- 1) **On a like-for-like basis** (revenue-generating properties, excluding changes in the portfolio affecting period-on-period comparisons), **rental income was €15.9 million higher (up 7.1%)**.

The increase reflected:

- application of rent escalation clauses (**€9.7 million** positive impact);
- the contribution of leases signed in 2023 and 2024 with new tenants, such as a leading luxury goods company which took over the former Exane offices in the #Cloud.paris building;
- improved economic rents under the new leases signed during the year.

The Cézanne Saint-Honoré and #Cloud.paris properties once again posted double-digit increases in rental income compared with 2023.

- 2) **Rental income from properties in the process of being redeveloped** contributed a net **€2.7 million**, reflecting:

- A **€13.6 million increase** following delivery of lessor-funded redevelopment work in the Louvre Saint-Honoré building to the Cartier Foundation in July 2023 and on the site of Adidas's flagship store in the Galerie des Champs-Élysées building in August 2023.
- A **€10.9 million decrease** due to vacancies or reductions in occupied space, including the 12,600 sq.m. Haussmann Saint-Augustin building previously let to WeWork, which vacated the offices on 30 June 2024 by agreement with SFL.

- 3) **Penalties received from tenants** for breaking their leases and cancellation of the related rent accruals in the IFRS financial statements trimmed **€4.2 million** from rental income for 2024 compared with 2023.

However, after reversing the provisions set aside at 31 December 2023 for the effect of the terminations, the net effect on Group **revenue** was an **increase of €1.2 million**.

Adjusted operating profit (i.e., operating profit before disposal gains and losses and fair value adjustments to investment property) rose by 8.0% to €217.8 million in 2024 (€201.6 million in 2023).

Net profit:

Fair value adjustments to investment property represented a positive €104.5 million in 2024 (vs a negative €960.3 million in 2023).

Net finance costs came to €60.0 million in 2024 (€56.0 million in 2023), an increase of €4.0 million that primarily reflected the higher interest rates.

After taking account of these key items, EPRA earnings came in at €119.2 million in 2024 (€109.9 million in 2023), representing €2.78 per share, up 1.7% on the previous year.



The Group ended the year with attributable net profit of €206.9 million (€638.8 million net loss in 2023).

**Net asset value: EPRA NTA per share at €88.0 after payment of a dividend of €2.40**

At 31 December 2024, EPRA Net Tangible Assets (NTA) stood at €88.0 per share (€3,779 million in total, up 0.7% vs 31 December 2023) and EPRA Net Disposal Value (NDV) was €87.0 per share (€3,739 million, up 1.8% vs 31 December 2023), after payment of a dividend of €2.40 per share in April 2024.

During the year, Pargal SAS elected to be taxed as an SIIC, with retroactive effect from 1 January 2024. The election had the effect of reducing EPRA NTA by €48.1 million and increasing EPRA NDV by €21.1 million.

**Dividend policy**

At the Annual General Meeting to be held on 28 April 2025, the Board of Directors will recommend paying a dividend of €2.85 per share. This payout is in line with SIIC distribution rules and is consistent with the Group's EPRA earnings for 2024 and its growth outlook.

**Governance**

Dimitri Boulte stepped down as Chief Executive Officer of SFL on 20 December 2024. On the same date, Aude Grant, Managing Director and Chief Operating Officer, was appointed Chief Executive Officer with immediate effect.

**Ownership structure**

A planned merger with Inmobiliaria Colonial was announced on 6 November 2024. Work on the merger is in progress and it remains subject to the applicable legal conditions.



## EPRA indicators

	2023	2024
<b>EPRA Earnings (€m)</b>	<b>109.9</b>	<b>119.2</b>
/share	€2.56	€2.78
EPRA Cost Ratio (including vacancy costs)	12.7%	13.1%
EPRA Cost Ratio (excluding vacancy costs)	11.8%	12.1%

	31/12/2023	31/12/2024
<b>EPRA NRV (€m)</b>	<b>4,173</b>	<b>4,218</b>
/share	€97.3	€98.2
<b>EPRA NTA* (€m)</b>	<b>3,752</b>	<b>3,779</b>
/share	€87.5	€88.0
<b>EPRA NDV (€m)</b>	<b>3,673</b>	<b>3,739</b>
/share	€85.7	€87.0
EPRA Net Initial Yield (NIY)	2.6%	2.9%
EPRA topped-up NIY	3.8%	3.8%
EPRA Vacancy Rate (Group share)	0.2%	0.5%

\* Transfer costs are included at their amount as determined in accordance with IFRS (i.e., 0).

	31/12/2023	31/12/2024
<b>LTV</b>	<b>32.5%</b>	<b>32.9%</b>
100%, including transfer costs		
<b>EPRA LTV (including transfer costs)</b>		
100%	34.3%	35.3%
Attributable to SFL	39.6%	40.7%
<b>EPRA LTV (excluding transfer costs)</b>		
100%	36.6%	37.6%
Attributable to SFL	42.2%	43.3%



## Alternative Performance Indicators (APIs)

### EPRA Earnings API

€ millions	2023	2024
<b>Attributable net profit/(loss)</b>	<b>(638.8)</b>	<b>206.9</b>
Less:		
Fair value adjustments to investment property	960.3	(104.5)
Profit on asset disposals	0.2	0
Fair value adjustments to financial instruments, discounting adjustments to debt and related costs	0.7	0.1
Expenses related to asset contributions	0	(0.7)
Tax on the above items	(31.7)	(5.3)
Tax impact of the SIIC regime election	0	(21.1)
Non-controlling interests in the above items	(180.8)	43.8
<b>EPRA earnings</b>	<b>109.9</b>	<b>119.2</b>
<i>Average number of shares (thousands)</i>	<i>42,886</i>	<i>42,929</i>
<b>EPRA earnings per share</b>	<b>€2.56</b>	<b>€2.78</b>

### EPRA NRV/NTA/NDV APIs:

€ millions	31/12/2023	31/12/2024
<b>Attributable equity</b>	<b>3,540</b>	<b>3,642</b>
Treasury shares	0	0
Fair value adjustments to owner-occupied property	34	35
Unrealised capital gains on intangible assets	4	4
Elimination of financial instruments at fair value	6	9
Elimination of deferred taxes	173	97
Transfer costs	416	431
<b>EPRA NRV (Net Reinstatement Value)</b>	<b>4,173</b>	<b>4,218</b>
Elimination of intangible assets	(1)	(4)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs*	(416)	(431)
<b>EPRA NTA (Net Tangible Assets)</b>	<b>3,752</b>	<b>3,779</b>
Intangible assets	1	4
Financial instruments at fair value	(6)	(9)
Fixed-rate debt at fair value	98	62
Deferred taxes	(173)	(97)
<b>EPRA NDV (Net Disposal Value)</b>	<b>3,673</b>	<b>3,739</b>

\* Transfer costs are included at their amount as determined in accordance with IFRS (i.e., 0).





**Net debt API**

€ millions	31/12/2023	31/12/2024
Long-term borrowings and derivative instruments	1,983	1,492
Short-term borrowings and other interest-bearing debt	644	1,253
<b>Debt in the consolidated statement of financial position</b>	<b>2,628</b>	<b>2,745</b>
Less:		
Accrued interest, deferred recognition of debt arranging fees, negative fair value adjustments to financial instruments	8	7
Cash and cash equivalents	(97)	(85)
<b>Net debt</b>	<b>2,539</b>	<b>2,667</b>

More information is available at [www.fonciere-lyonnaise.com/en/publications/results](http://www.fonciere-lyonnaise.com/en/publications/results)

**About SFL**

A benchmark player 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 €7.6 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. 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. With its sights firmly set on the future, SFL is committed to sustainable real estate with the aim of building the city of tomorrow and helping to reduce carbon emissions in its sector.

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

S&P rating: BBB+ stable outlook