

Argan repaid its bond in an amount of €130m without refinancing needs, thus confirming tight control over its debt

As planned, ARGAN has just proceeded to the repayment of its bond in an amount of €130m, issued in June 2017, at a fixed rate of 3.25%. Note that ARGAN had set this amount aside following the bond in an amount of €500m that was issued at particularly favourable conditions in November 2021 (with a rate of 1.011% for a maturity in November 2026). Most of Argan's debt (68% at end of 2022) is comprised of mortgage loans (asset by asset) with ongoing amortization, which – as a result – does not require any refinancing in the short term.

Estimated at 2.4% for 2023, the cost of debt remains under tight control

Moreover, as Argan's cost of debt is marginally exposed to Euribor 3-month rate variations (only 8% of the gross debt at the end of 2022), it thus has very little sensitivity to the increase of market interest rates observed since the first half-year of 2022.

As a result, taking into account an average projected Euribor 3-month rate at 3.4% for the full year 2023, the average cost of debt would stand at 2.4%.

With a BBB- (stable outlook) rating that was confirmed last February by S&P, ARGAN is thus reinforcing the quality of its signature. Announced at the start of the year, Argan's debt reduction strategy results in gradual and constant decrease in the amount of gross debt. This is linked to a double effect stemming from the natural amortization of mortgage loans (about €100m / year) and, selectively, from the proceeds of targeted sales of warehouses at the end of 2024 or early 2025, depending on market conditions.

Financial calendar 2023 (*Publication of the press release after closing of the stock exchange*)

- July 19: 2023 Half-year results
- October 2: 2023 3rd quarter sales

About Argan

ARGAN is the only French real estate company specializing in the DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES listed on Euronext.

As at December 31, 2022, ARGAN's portfolio amounted to 3.5 million sq.m, comprising approximately 100 warehouses located exclusively in France, valued at €4.0 billion. 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 CAC All-Share, EPRA Europe and IEIF SIIC France indices.

www.argan.fr

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Francis Albertinelli – CFO
Aymar de Germay – General Secretary
Samy Bensaid – Investor Relations
Phone: +33 1 47 47 47 40
E-mail: contact@argan.fr
www.argan.fr

Citigate Dewe Rogerson

Marlene Brisset – Media relations
Phone: +33 6 59 42 29 35
E-mail: argan@citigatedewerogerson.com