



MORE OPTIONS



S IMMO AG

Conference Call
Half-year results 2015

Friedrich Wachernig, Wilhelm Bayer | Vienna | 27 August 2015

Management

Proven operational excellence

Ernst Vejdovszky

Chairman of the Management Board

- Co-founder of Sparkassen Immobilien Anlagen AG
- Ten years on the Management Board of Immorent AG, 26 years on Management Board of S IMMO AG
- Finance, corporate communications and investor relations, acquisition, disposals, risk management, audit, asset management Germany



Friedrich Wachernig, MBA

Member of the Management Board

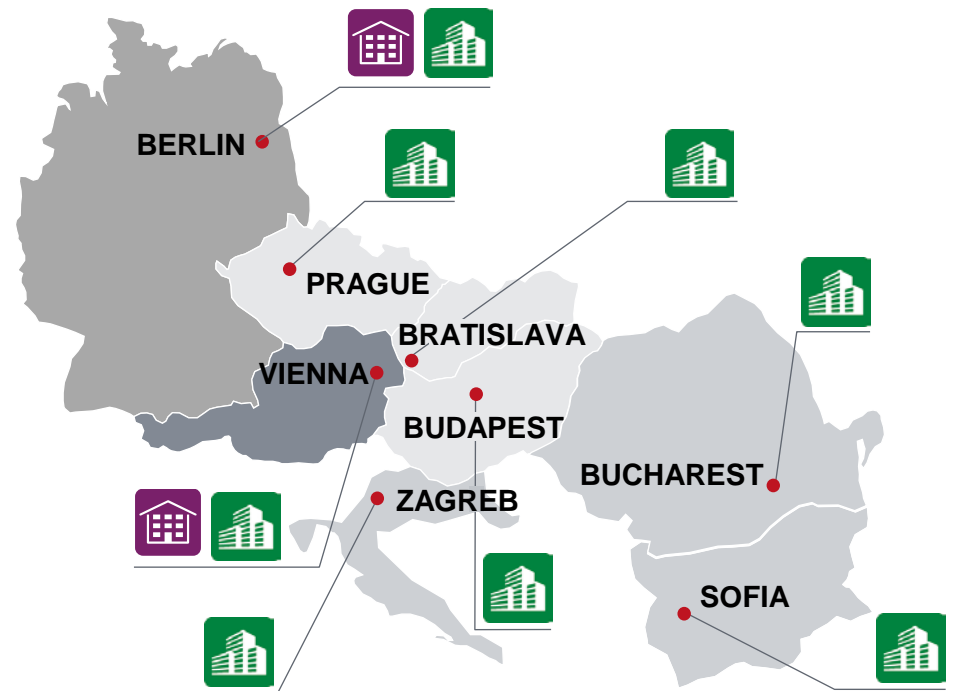
- Member of S IMMO's Management Board since November 2007
- 20 years experience in managing property development projects in CEE and SEE
- Project development, legal, compliance, organisation, IT, HR, asset management Austria, CEE and SEE

Overview of S IMMO AG

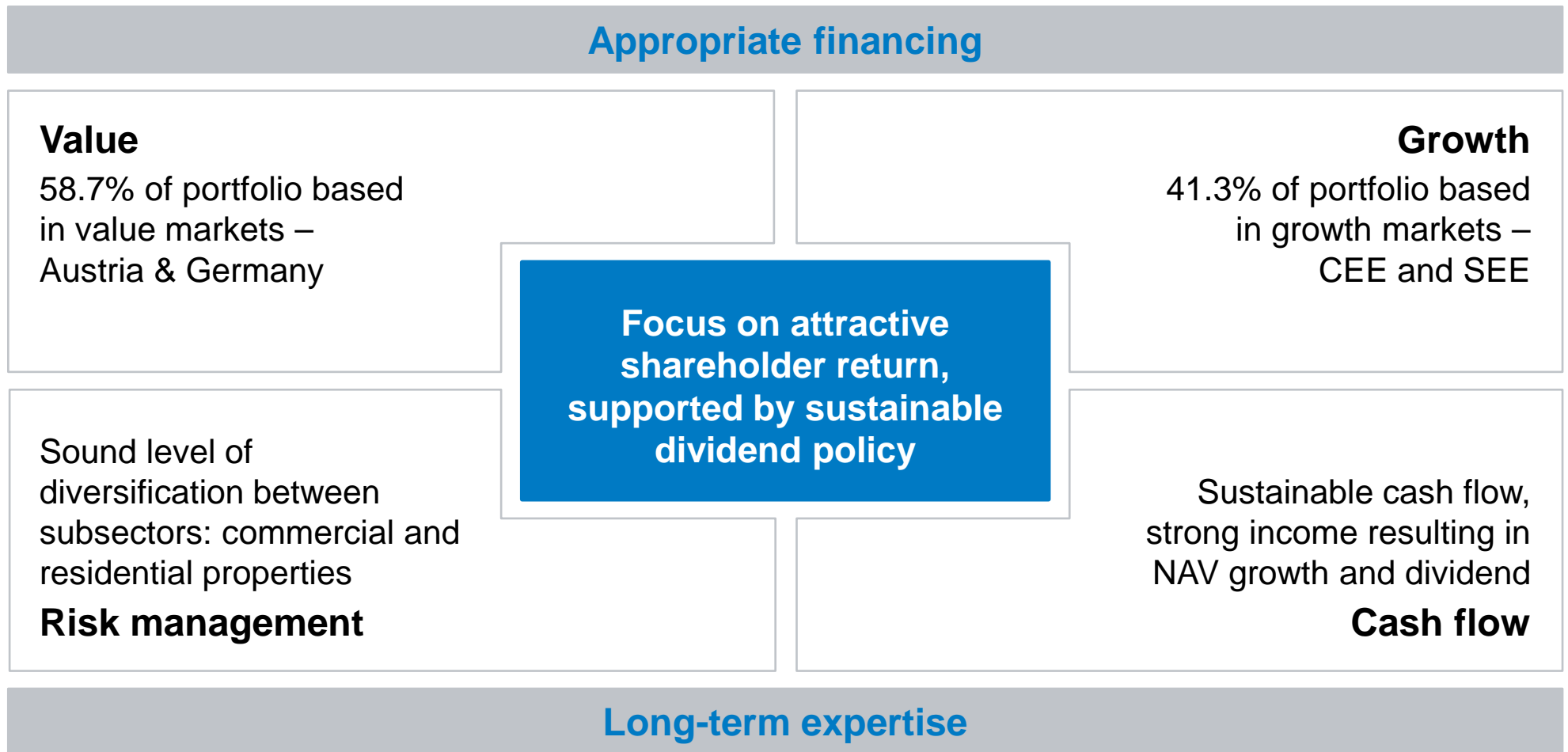
Key Facts (as at 30 June 2015)

- EBIT: EUR 48.9m
- Property portfolio: EUR 1,793.1m
- Occupancy rate: 91.6%
- Overall rental yield: 7.0%

Portfolio Overview



Proposition at a glance

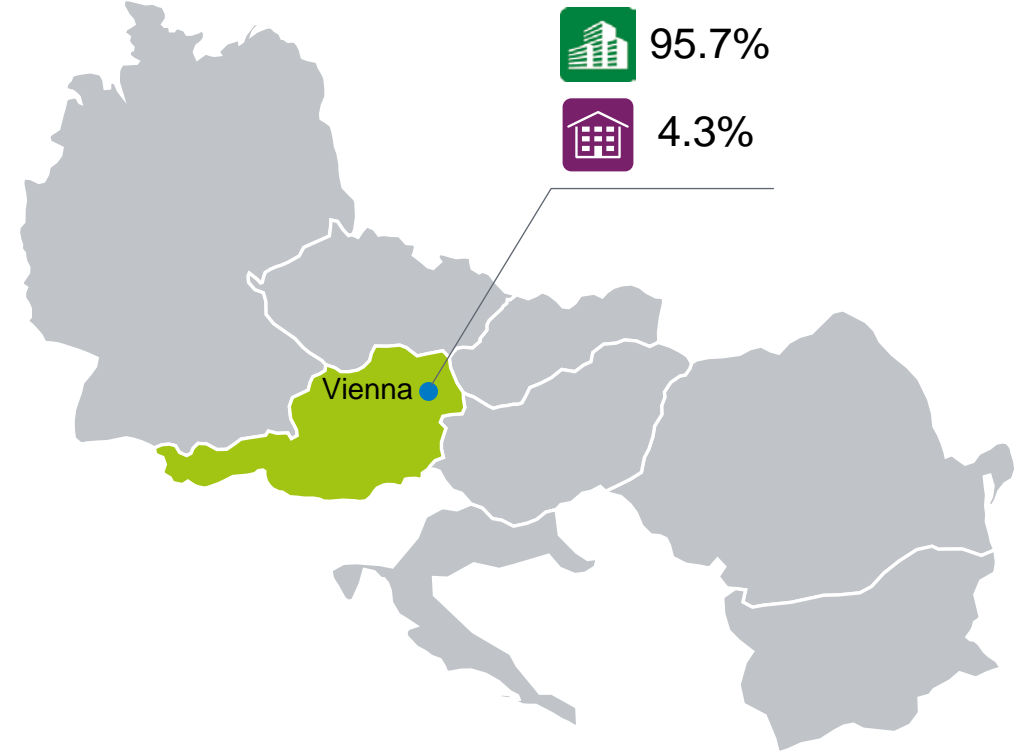







Attractive market environment

Austria / Vienna

	Gross rental yield	Vacancy rate	Book value in EUR m	Total usable space (in '000 m ²)
HY 2015	6.0%	7.2%	564.1	259.8
FY 2014	6.1%	6.0%	572.1	284.8



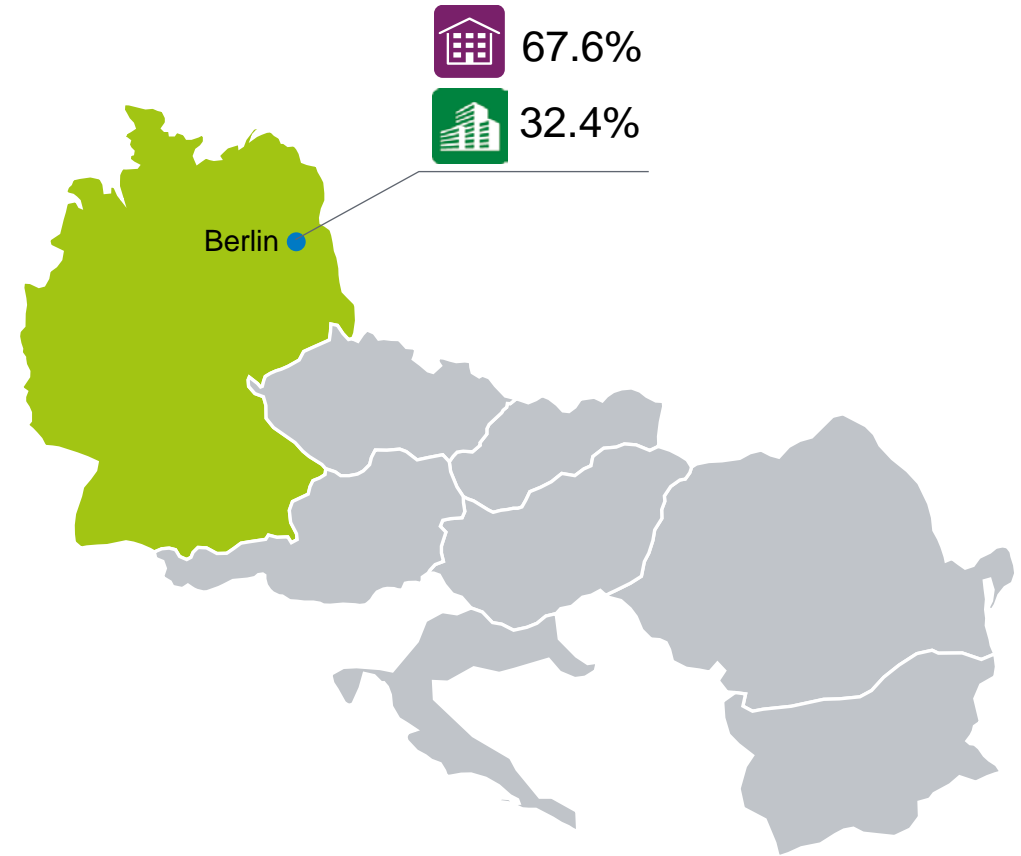
Economic forecast 2015*

- GDP/capita: EUR 39,948.2 
- Real GDP growth: 0.9% 
- Unemployment rate: 5.1% 

*Source: International Monetary Fund, World Economic Outlook Database July, Outlook for 2015

Germany / Berlin

	Gross rental yield	Vacancy rate	Book value in EUR m	Total usable space (in '000 m ²)
HY 2015	6.1%	8.2%	493.9	382.7
FY 2014	6.1%	9.0%	459.2	387.5

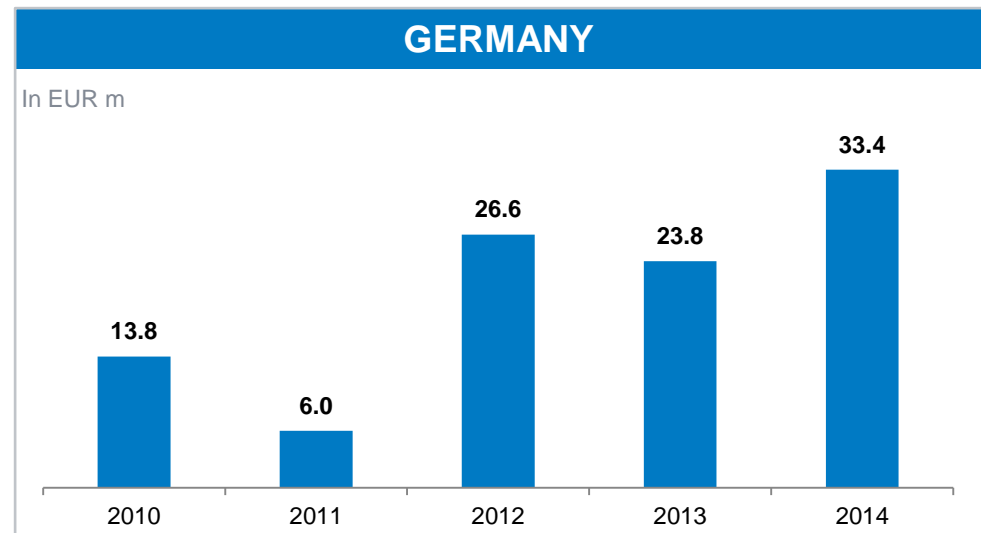
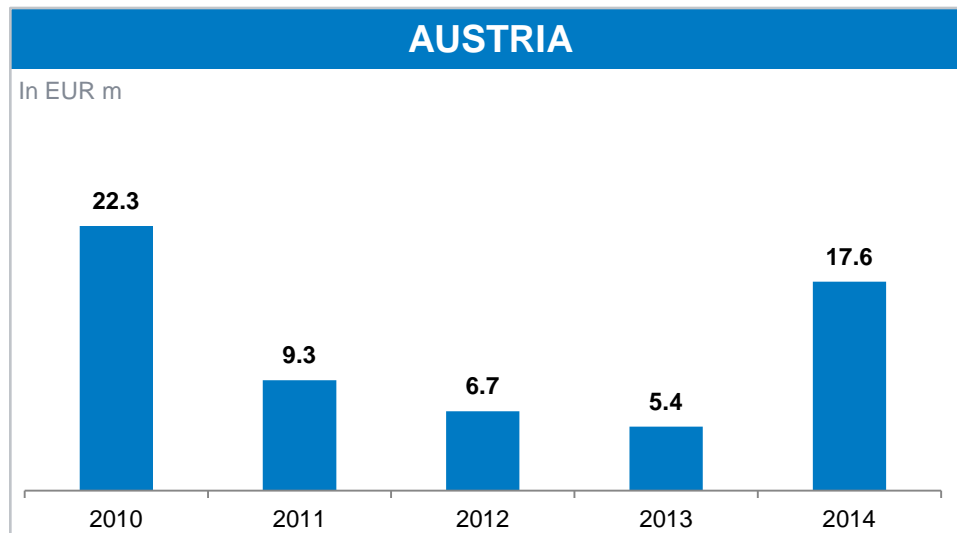


Economic forecast 2015*

- GDP/capita: EUR 37,684.4
- Real GDP growth: 1.6%
- Unemployment rate: 4.9%

*Source: International Monetary Fund, World Economic Outlook Database July, Outlook for 2015

Property valuation



AUSTRIA

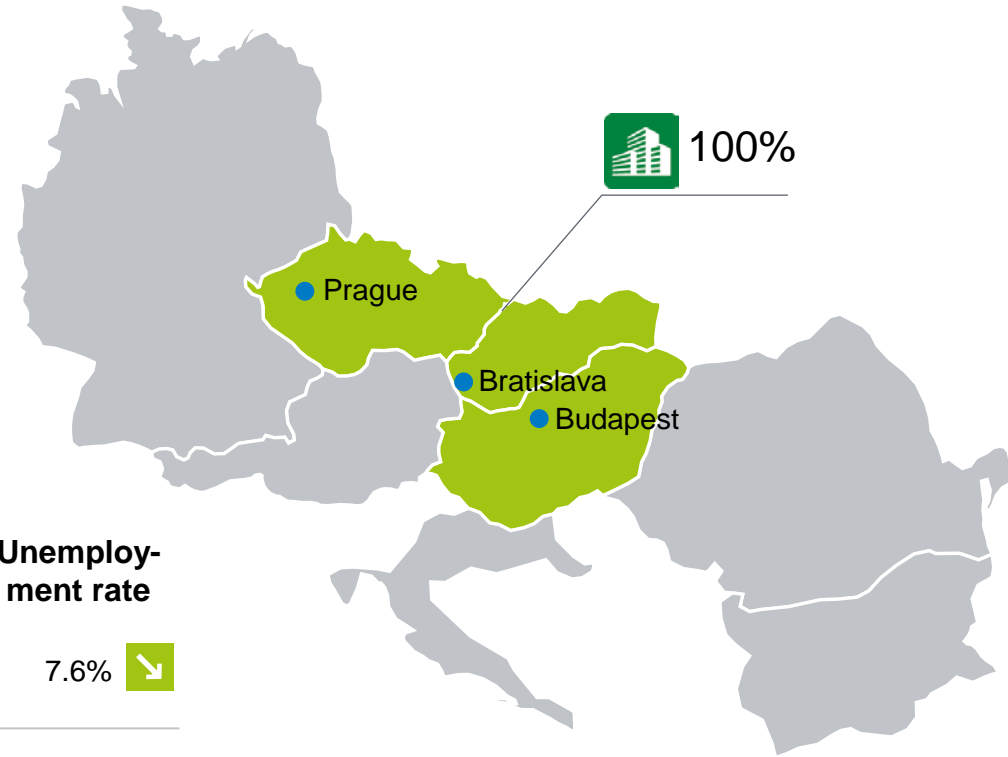
Stable market with high price level, S IMMO focusing on opportunistic investments

GERMANY

Positive outlook for economy and office market, S IMMO focusing on commercial and residential properties in Berlin and cities nearby the German capital

CEE / Capital Cities

	Gross rental yield	Vacancy rate	Book value in EUR m	Total usable space (in '000 m ²)
HY 2015	7.6%	12.0%	345.1	248.2
FY 2014	7.6%	13.0%	344.5	244.6



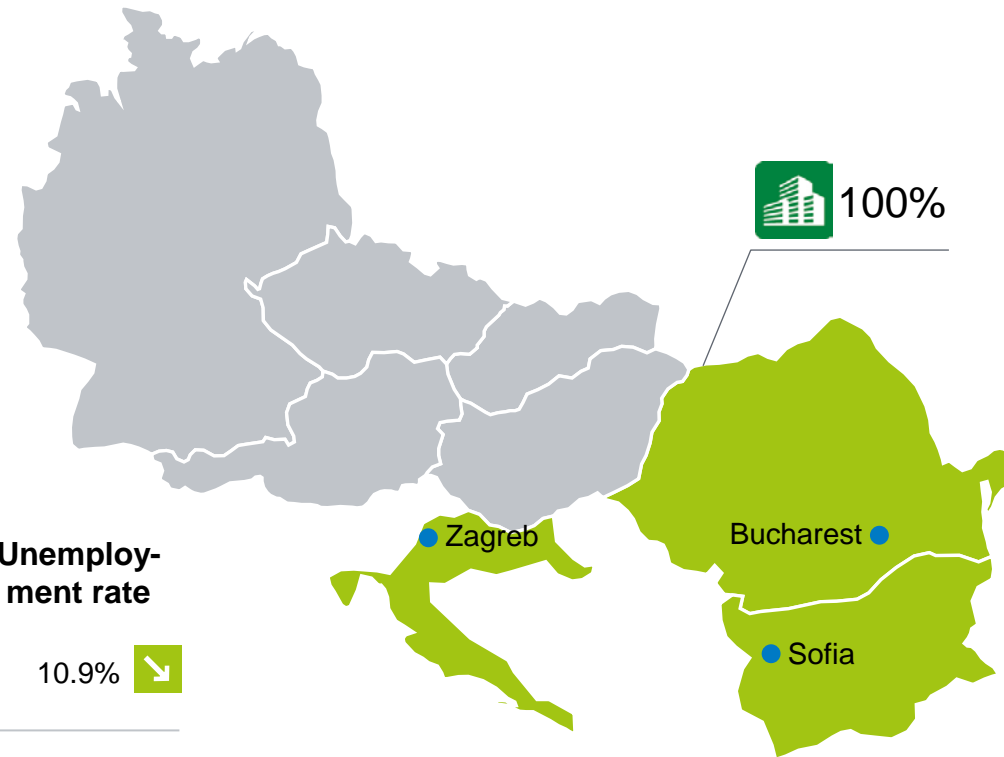
Economic forecast 2015*

	GDP/capita in EUR	Real GDP growth	Unemployment rate
Hungary	11,544.2	2.7%	7.6%
Slovakia	14,495.0	2.9%	12.4%
Czech Republic	15,423.3	2.5%	6.1%

*Source: International Monetary Fund, World Economic Outlook Database July, Outlook for 2015

SEE / Capital Cities

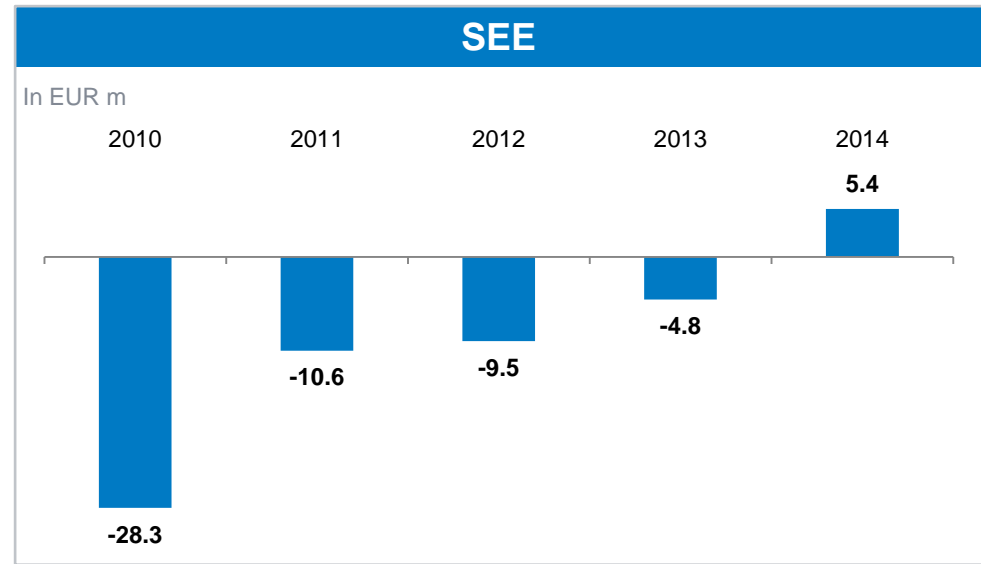
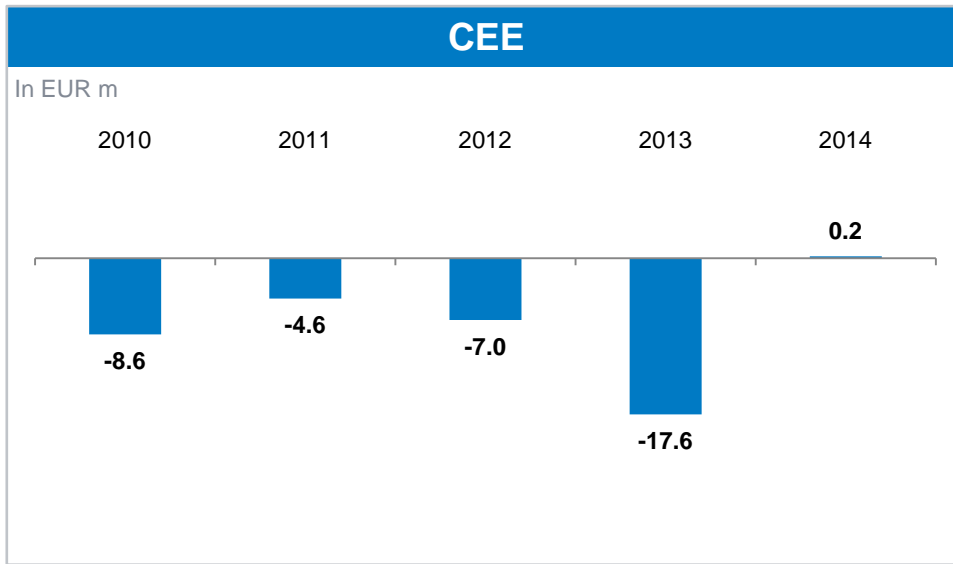
	Gross rental yield	Vacancy rate	Book value in EUR m	Total usable space (in '000 m ²)
HY 2015	9.1%	6.4%	390.0	296.0
FY 2014	8.6%	7.0%	388.7	295.7



Economic forecast 2015*		GDP/capita in EUR	Real GDP growth	Unemployment rate
	Bulgaria	6,461.4	1.2%	10.9%
	Croatia	10,363.3	0.5%	17.3%
	Romania	8,596.2	2.7%	6.7%

*Source: International Monetary Fund, World Economic Outlook Database July, Outlook for 2015

Property valuation



CEE

Economy in CEE countries is recovering, opportunistic investments are possible

SEE

Shopping centres and offices face a growing demand in SEE countries, opportunistic investments possible







**Experienced asset manager and
real estate developer**

Case studies asset management

Refurbishment, Berlin	Hoch Zwei, Vienna	Marriott, Budapest	Serdika Center, Sofia
			
<p>Energy-efficient, value-adding refurbishment of residential properties</p>	<p>41,000 m² state-of-the-art office space</p>	<p>5-star-hotel, 364 rooms, primarily business travellers</p>	<p>Largest development project in the company's history</p>
<p>Rent increase: 85.9%*</p>	<p>Long-term rental contract with blue chip tenant</p>	<p>Successful renovation during ongoing operation</p>	<p>99% let out at opening, currently fully let</p>
<p>Decrease vacancy rate: 17.7pp to 3.3%*</p>	<p>Home of OMV AG headquarters – leading oil and gas corporation in Central Europe</p>	<p>Renovation under challenging conditions (facade part of Danube panorama - UNESCO World Heritage Site)</p>	<p>210 shops, focus on fashion; anchor tenants: Peek & Cloppenburg, H&M, Piccadilly Supermarket</p>

*Like-for-like development since 2009

Case studies asset management competence - Refurbishment Berlin*

Ufnaustrasse 7	Boxhagener Strasse 74	Leibnizstrasse 40	Finowstrasse 35
			
<p>Rent increase: 339.2%</p>	<p>Rent increase: 230.5%</p>	<p>Rent increase: 79.4%</p>	<p>Rent increase: 79.4%</p>
<p>CAGR rental income: 32.2%</p>	<p>CAGR rental income: 26.3%</p>	<p>CAGR rental income: 12.3%</p>	<p>CAGR rental income: 8.6%</p>
<p>Decrease vacancy rate: 51.9pp to 6.8%</p>	<p>Decrease vacancy rate: 50.0pp to 2.2%</p>	<p>Decrease vacancy rate: 23.7pp to 7.2%</p>	<p>Decrease vacancy rate: 3.2pp to 1.2%</p>

*Like-for-like development of all figures since 2009

Current development projects

Sonnenallee, Berlin	Schlossstrasse, Berlin	Spreehöfe, Berlin	The Mark, Bucharest
			
<p>Commercial property: Total usable space: 12,000 m²</p>	<p>Residential property: Total usable space: 3,570 m²</p>	<p>Commercial property: Total usable space: 16,100 m²</p>	<p>Office property: Total usable space 28,000 m²</p>
<p>Almost vacant at time of purchase; current occupancy rate: 90%</p>	<p>Prestigious building, rent increase potential</p>	<p>Located directly at the river Spree with boat dock</p>	<p>Located in CBD</p>
<p>Good location with excellent public transport connection</p>	<p>Development potential (top floor, land bank)</p>	<p>Planned rebranding, careful renovation of historic building</p>	<p>Highly efficient and low energy service installations, climate-responsive facade</p>
<p>Revitalisation of area ongoing, innovative marketing concepts</p>	<p>Central location, good public transport connection</p>	<p>Tenant mix to create a unique working atmosphere</p>	<p>Renowned architect: Chapman Taylor</p>

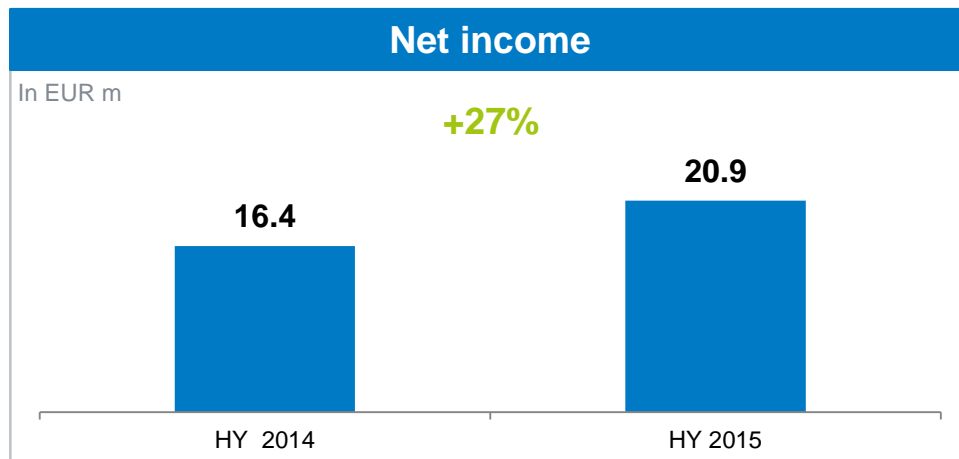
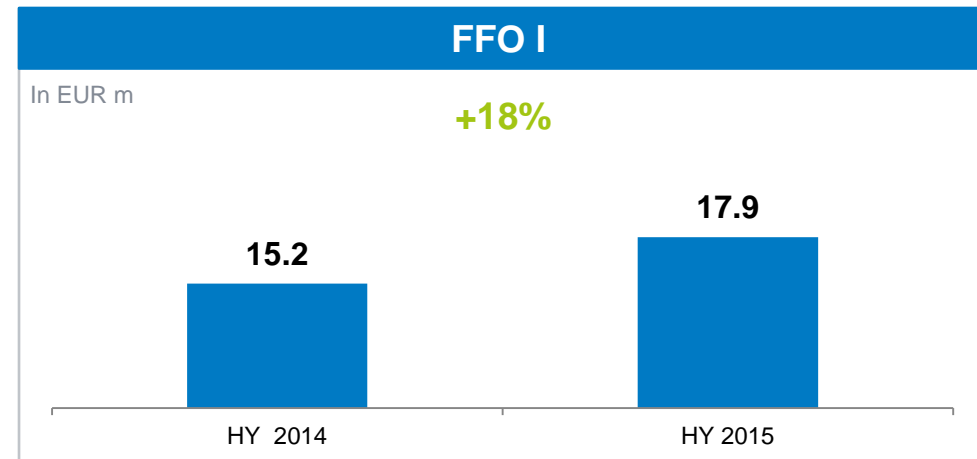
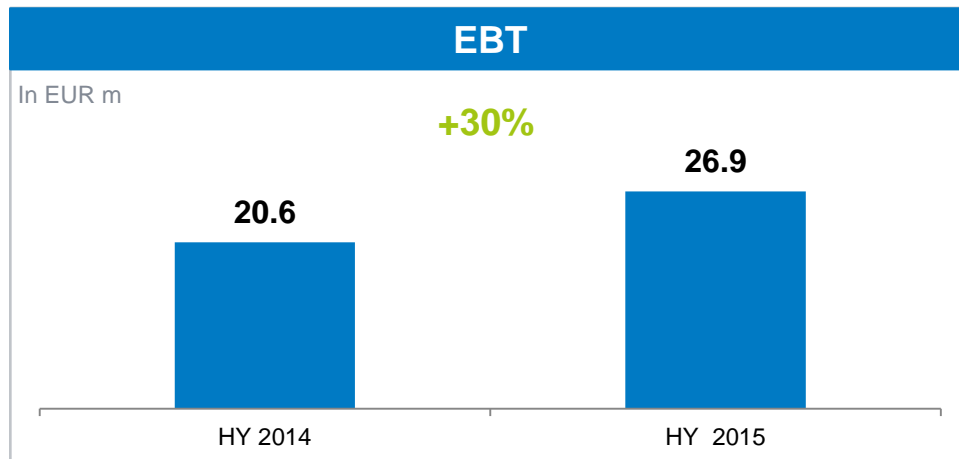
Acquisitions Germany

Development potential		Standing properties with sustainable return	
Land bank	Development projects	Commercial	Residential
Current rental yield: ~ 3.0 – 10.6%	Current rental yield: ~ 3.7 – 7.8%	Rental yield: ~ 6.2 – 8.4%	Rental yield: ~ 4.2 – 6.9%
Plot size: 75,228 m ² ~ 75,000 m ² NFA	42,928 m ² NFA EUR 620 – 1,950/m ²	Occupancy rate: 89 – 100%	Occupancy rate: 96 – 100%
Price/m ² plot size: EUR 128 – 208	Plus development potential: ~ 14,000 m ² NFA	Price/m ² NFA: EUR 887 – 1,715	Price/m ² NFA: EUR 635 – 1,530



Strong financial performance

Highlights HY 2015



- Further acquisitions in Germany: over EUR 90m since the beginning of the year
- Current low interest rates secured for roughly ten years for two thirds of the company's financing

Consolidated income statement

In kEUR	01-06/2015	01-06/2014
Revenues	92,199	93,233
of which rental income	54,632	56,843
of which revenues from operating costs	16,703	17,271
of which revenues from hotel operations	20,864	19,119
Other operating income	1,382	2,274
Expenses directly attributable to properties	-27,003	-26,232
Hotel operating expenses	-15,854	-14,645
Gross profit	50,724	54,630
Gains on property disposals	5	0
Management expenses	-7,659	-7,626
EBITDA	43,070	47,004

Consolidated income statement

In kEUR

	01-06/2015	01-06/2014
EBITDA	43,070	47,004
Depreciation and amortisation	-3,834	-3,667
Results on property valuation	9,675	8,904
Operating result (EBIT)	48,911	52,241
Financing costs	-22,319	-29,830
Financing income	739	760
Results from companies measured at equity	1,021	328
Participating certificate result	-1,434	-2,870
Net income before tax (EBT)	26,918	20,629
Taxes on income	-5,994	-4,191
Consolidated net income for the period	20,924	16,438

Financing

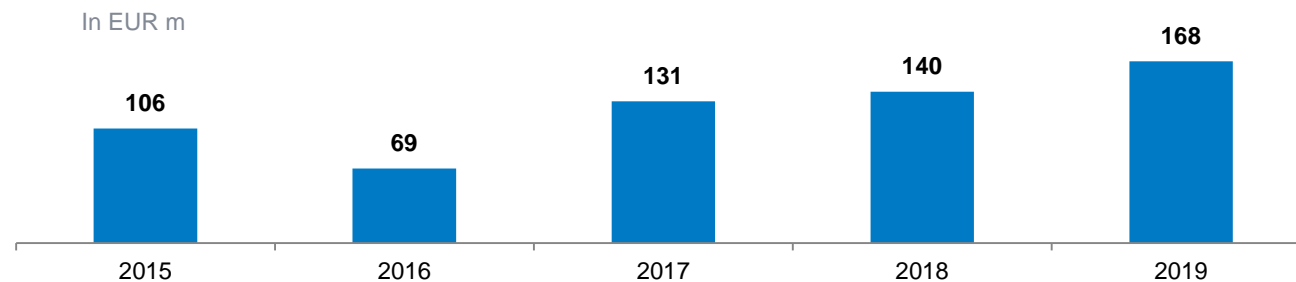
DEBT STRUCTURE

- **LTV as at 30 June 2015: 62%**
- LTV secured: 43%
- LTV unsecured: 19%

DEBT SERVICES

- Cost of funding as at 30 June 2015: **3.64%**
Significant decrease compared to 4.76% as at 31 December 2014
- Average weighted maturity (loans, credit lines & bonds): **~ 6.5 years**
- Hedging on current interest rate level leads to positive effects on cost of funding and FFO

MATURITY PROFILE



S IMMO corporate bonds

S IMMO 2014–2021 (in exchange of participating certificates)

Redemption	Volume	Identification number	Price as at 27 July 2015
17 June 2021	EUR 90m	AT0000A177D2	111.00

S IMMO 2014–2019

Redemption	Volume	Identification number	Price as at 11 August 2015
03 October 2019	EUR 100m	AT0000A19SB5	104.38

S IMMO 2015–2025 (in exchange of participating certificates)

Redemption	Volume	Identification number	Price as at 07 August 2015
09 April 2025	EUR 34m	AT0000A1DBM5	100.45

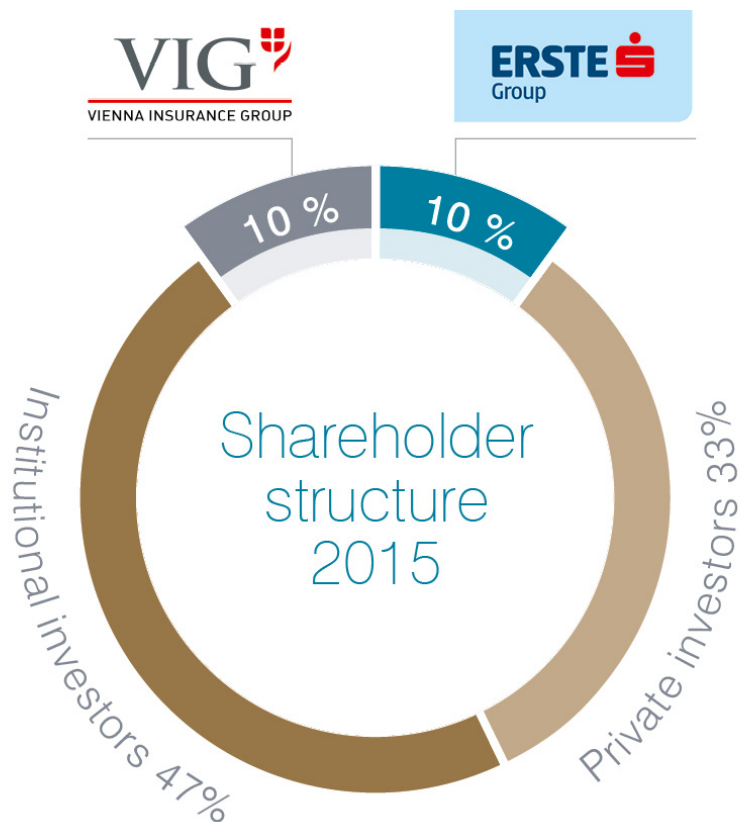
S IMMO 2015–2027

Redemption	Volume	Identification number	Price as at 11 August 2015
21 April 2027	EUR 65m	AT0000A1DWK5	100.88



Stock snapshot

Stock snapshot

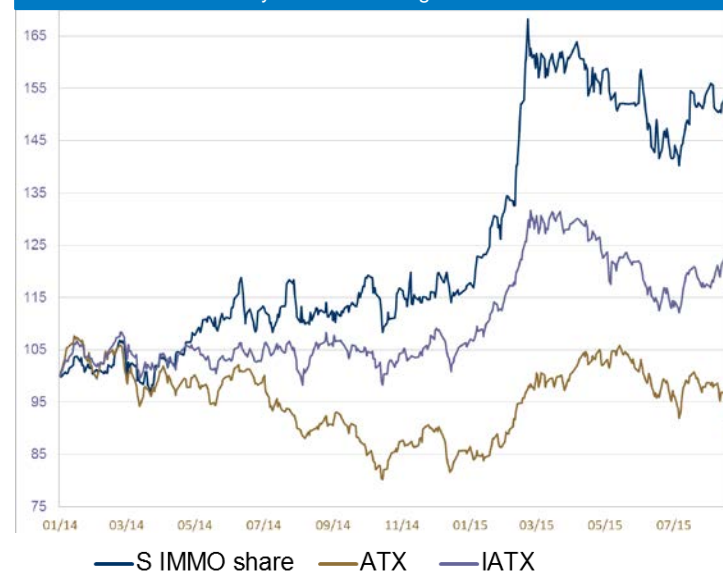


Institutional investors by country



Share price development

Indexed from 01 January 2014 to 21 August 2015



S IMMO share

Share key figures	as at 30 June 2015
Closing price	EUR 7.45
Market cap	EUR 498.5m
YTD-performance	20.74%
One-year-performance	25.42%
Book value per share	EUR 8.44
EPRA NAV per share	EUR 10.26
Earnings per share	EUR 0.30*
FFO I per share	EUR 0.27*

* 01 January – 30 June 2015

Coverage

Research house	Target price	Last Update	Recommendation
Erste Group	EUR 9.00	12 February 2015	Buy
HSBC Global Research	EUR 7.50	06 August 2015	Reduce
Kepler Cheuvreux	EUR 8.50	29 May 2015	Hold
Raiffeisen Centrobank	EUR 6.70	06 November 2014	Hold
SRC Research	EUR 9.50	28 May 2015	Accumulate
Average target price	EUR 8.24		



Outlook

Outlook

Doubling the FFO I

- From EUR 21.3m in 2014 to about EUR 40m by 2018

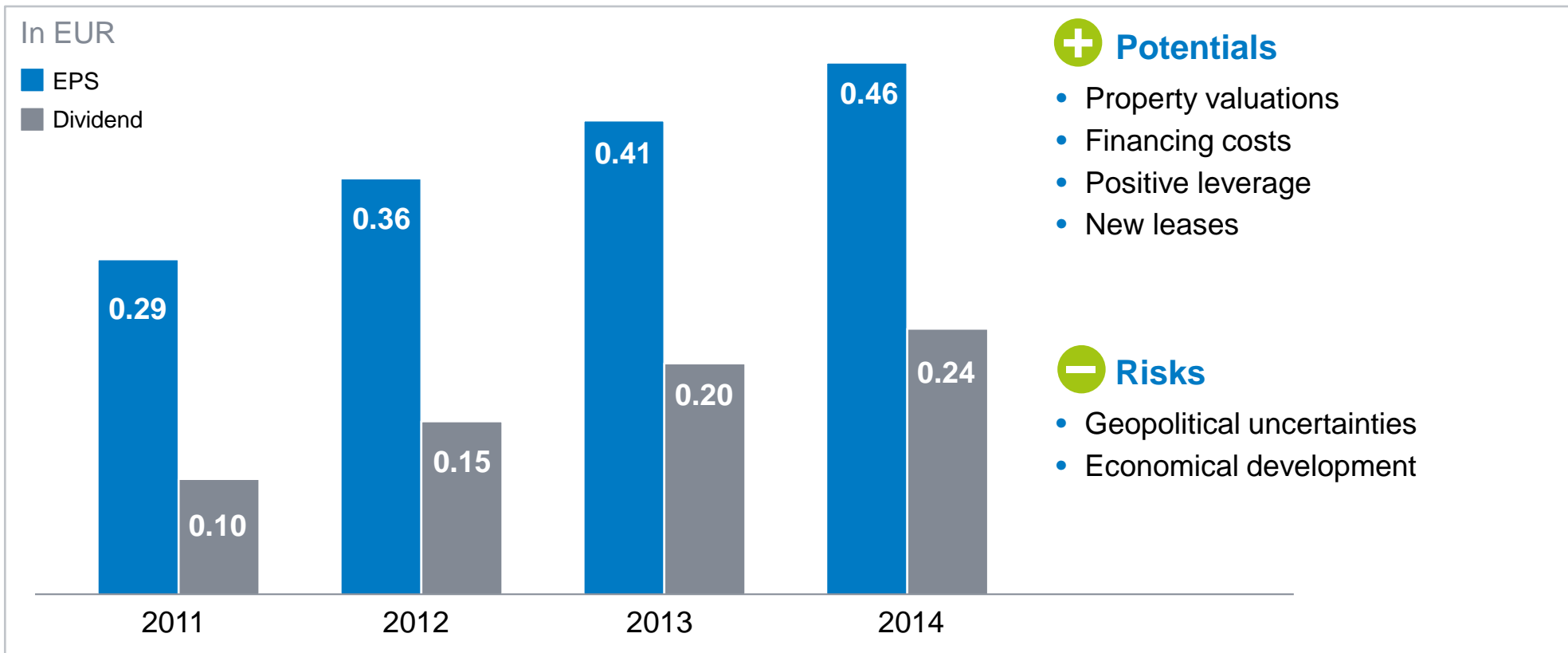
Boosting net income

- Revaluation potential due to asset management and development expertise

Expanding the portfolio

- Approximately two thirds of the investment volume for acquisitions in Germany
- Remaining funds for opportunistic purchases and development projects in Austria and CEE/SEE

Dividend strategy



Historic average dividend yield: 3.25%

Key investment highlights

- **High yielding and cash flow generating portfolio** in attractive **European capital cities**
- **Long-term development experience** provides access to attractive assets and enables value generation
- **Growth potential** generated through portfolio acquisitions and existing (re)development pipeline
- **Monetisation of value potential** in parts of the portfolio **to control leverage**
- **Highly experienced management** with **strong track record** in S IMMO's markets



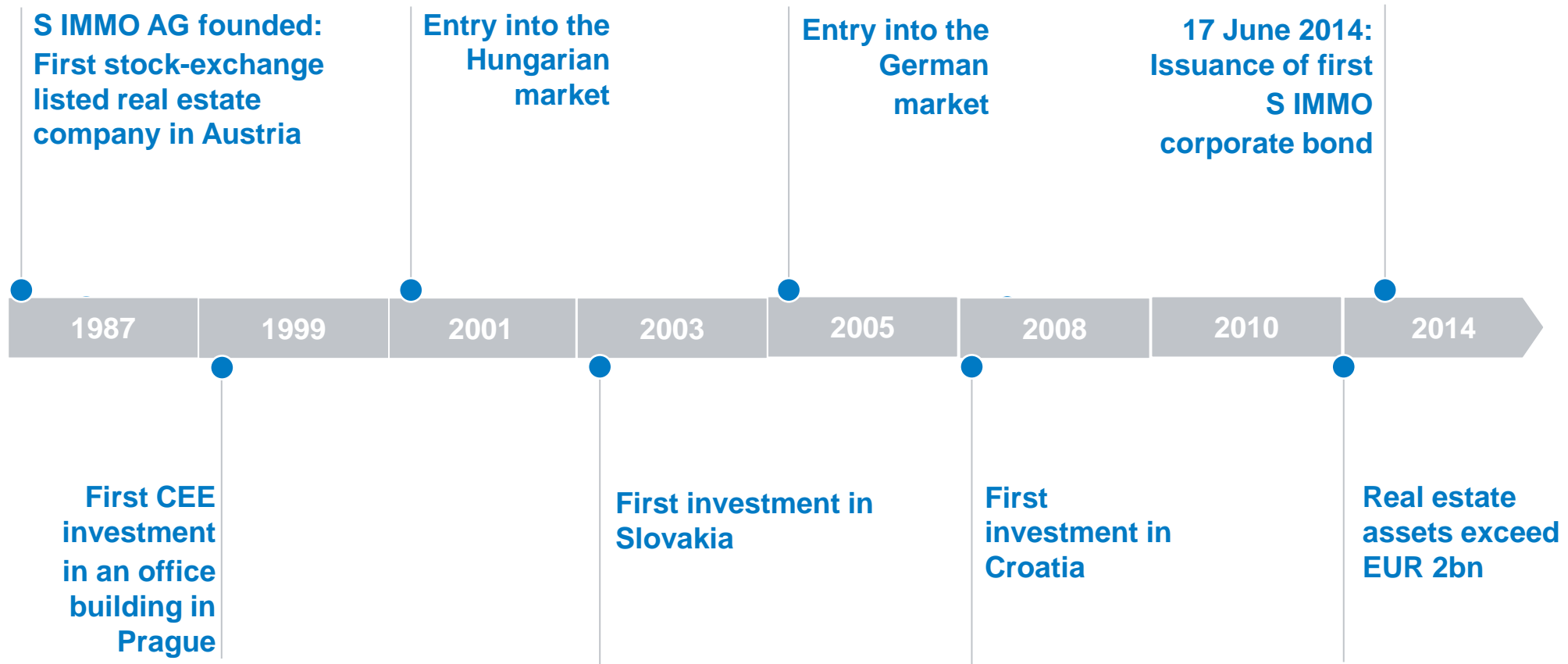
Thank you for your attention!



Appendix

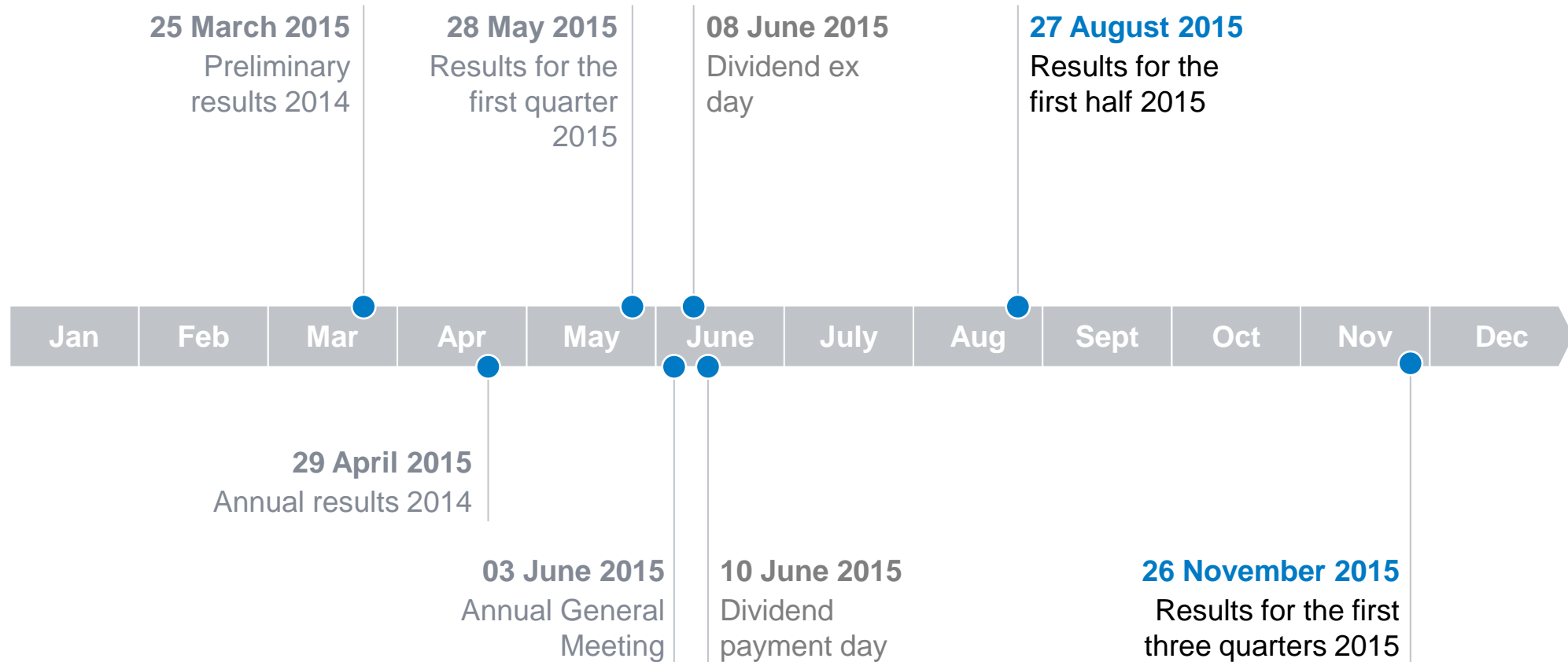
APPENDIX

Company history



APPENDIX

Financial calendar 2015



APPENDIX

Roadshows and Investor Conferences 2015

- **20 January 2015**
Kepler Cheuvreux, Frankfurt, Germany
- **29 January 2015**
Erste Group, London, Great Britain
- **11 February 2015**
Baader Bank, Milan, Italy
- **26 February 2015**
Vienna Stock Exchange/IPREO "Small caps on the road", Frankfurt, Germany
- **19 March 2015**
HSBC Conference, Frankfurt, Germany
- **16-18 April 2015**
Raiffeisen Centro Bank, Zürs, Austria
- **10 September 2015**
SRC Forum, Frankfurt, Germany
- **21-22 September 2015**
Vienna Stock Exchange/IPREO "Small caps on the road", London, Great Britain
- **23-25 September 2015**
Baader Bank, Munich, Germany
- **06-10 October 2015**
Erste Group, Stegersbach, Austria

APPENDIX

Balance sheet / Assets

In kEUR

	30 June 2015	31 December 2014
Non-current assets		
Investment properties		
Rental properties	1,659,624	1,587,063
Properties under development and undeveloped land	14,829	14,452
Owner-operated properties	118,624	119,999
Other non-current assets	32,703	26,803
Current assets		
Inventories	1,134	1,394
Cash and cash equivalents	47,705	74,697
Other current assets	30,394	27,419
Properties held for sale	0	42,845
	1,905,013	1,894,672

APPENDIX

Balance sheet / Equity and liabilities

In kEUR

	30 June 2015	31 December 2014
Shareholders' equity		
Shareholders equity including minorities	589,485	581,252
Non-current liabilities		
Subordinated participating certificate capital	54,688	95,539
Issued bonds	286,794	188,367
Other financial liabilities	710,439	782,190
Other non-current liabilities	84,177	78,620
Current liabilities		
Financial liabilities	133,370	122,992
Other current liabilities	46,060	45,712
	1,905,013	1,894,672

APPENDIX Services

We offer the following services on www.simmoag.at/en:

- Our investment story: investmentstory.simmoag.at/en
- Summary of the annual report 2014: report.simmoag.at
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APPENDIX

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