



# S IMMO

## Annual results for 2017

05 April 2018





We develop value





**Attractive  
properties & real  
values**

**1.2m**

m<sup>2</sup> space

**6.1%**

Rental yield

**EUR 1,839,680,000**

IFRS Property portfolio

**94.8%**

Occupancy rate

**73%**

Commercial properties

**27%**

Residential properties



# Annual results 2017



# Annual results 2017



Consolidated income statement	01-12/2017	01-12/2016
Revenues	191.4	198.8
Rental income	112.0	118.2
Revenues from operating costs	33.4	37.7
Revenues from hotel operations	46.0	42.9
Other operating income	2.9	3.4
Property operating expenses	-59.9	-64.2
Hotel operating expenses	-36.2	-32.0
<b>Gross profit</b>	<b>98.2</b>	<b>106.0</b>
Gains on property disposals	10.3	5.1
Management expenses	-19.0	-18.6
<b>EBITDA</b>	<b>89.6</b>	<b>92.5</b>

In EUR m

# Annual results 2017



Consolidated income statement	01-12/2017	01-12/2016
<b>EBITDA</b>	<b>89.6</b>	<b>92.5</b>
Depreciation and amortisation	-9.0	-7.8
Results from property valuation	127.6	194.0
<b>Operating result (EBIT)</b>	<b>208.1</b>	<b>278.7</b>
Financial result	-41.4	-55.3
Participating certificates result	-6.0	-6.9
<b>Net income before tax (EBT)</b>	<b>160.7</b>	<b>216.5</b>
Taxes on income	-27.3	-12.1
<b>Consolidated net income</b>	<b>133.5</b>	<b>204.3</b>

In EUR m

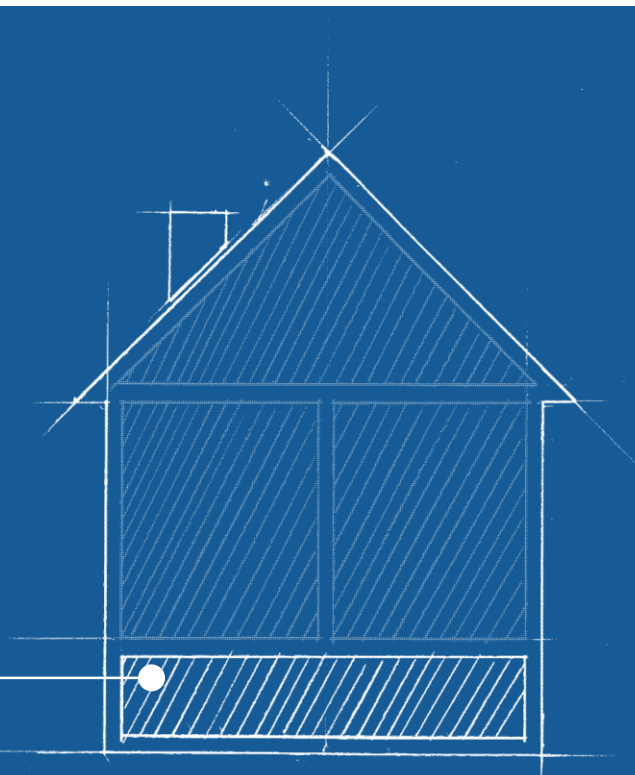
## Revaluation result by region



in EUR '000	2017	2016
Austria	37,101	38,167
Germany	70,005	136,698
CEE	20,486	19,170
	<b>127,592</b>	<b>194,035</b>

We create value – with our strong earnings and cash flow generating portfolio.

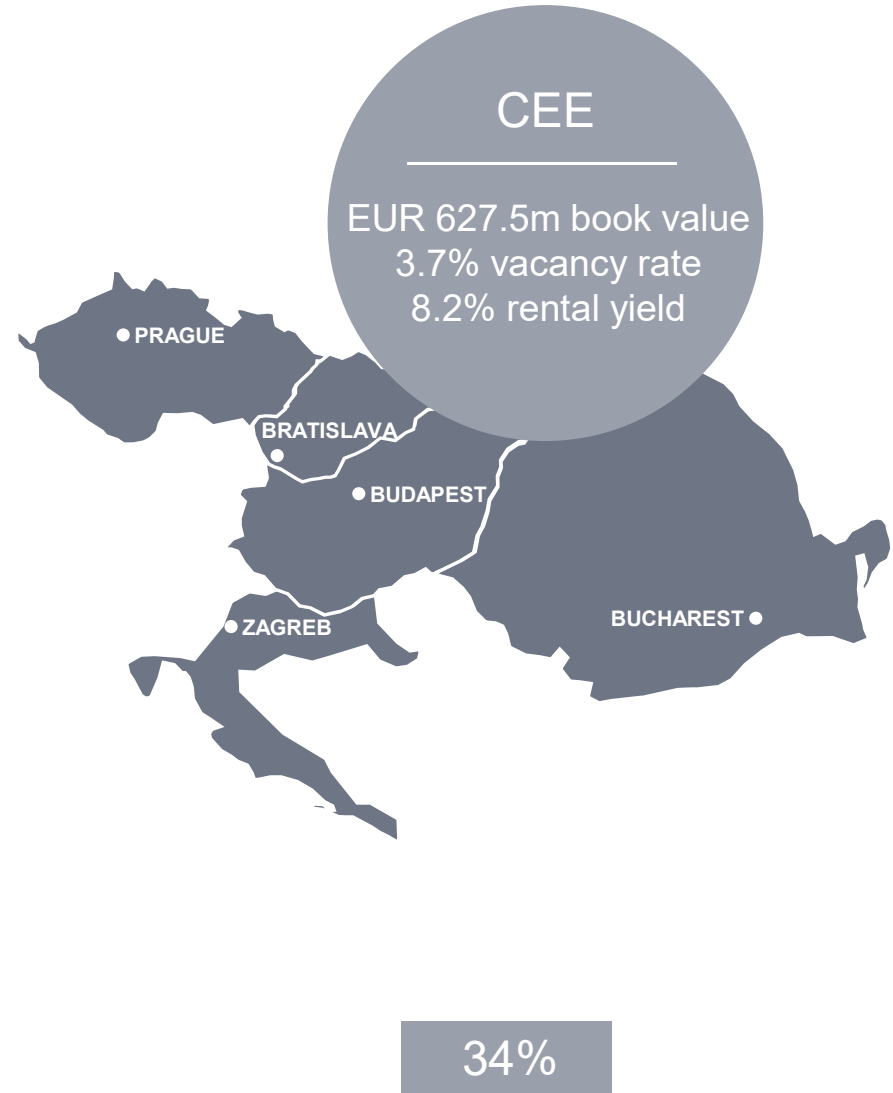
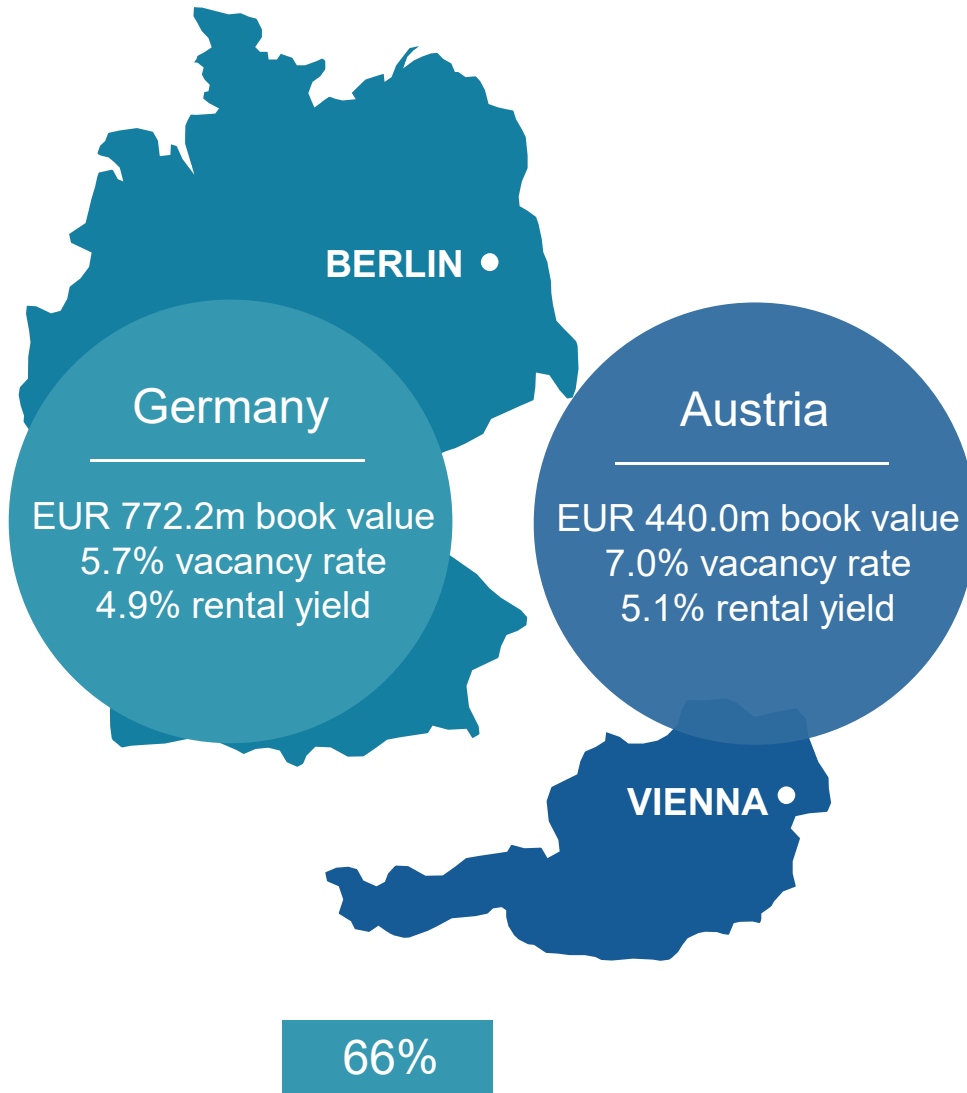
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# Robust business model

Portfolio generating strong earnings and cash flow



## Robust business model

### Tenant structure

- Broad diversification
- No tenant contributes more than 5% to rental revenues
- Share of top 15 tenants in rental revenues: ~ 26%
- Average weighted remaining term of the top 15 tenants: 6.73 years
- No cluster risk with regard to tenants

### Top 15 tenants:

Cora, Kaufhof, Social Insurance Institution for Farmers in Austria, Accor, Austria Trend Hotel, OBI, Hewlett Packard, EuroAgentur Hotels & Travel, Austrian Republic, Müller, City of Vienna, Leroy Merlin Romania, Euromedia Group, Medirex, Citibank

## Other financial assets: EUR 300m as of 31 December 2017

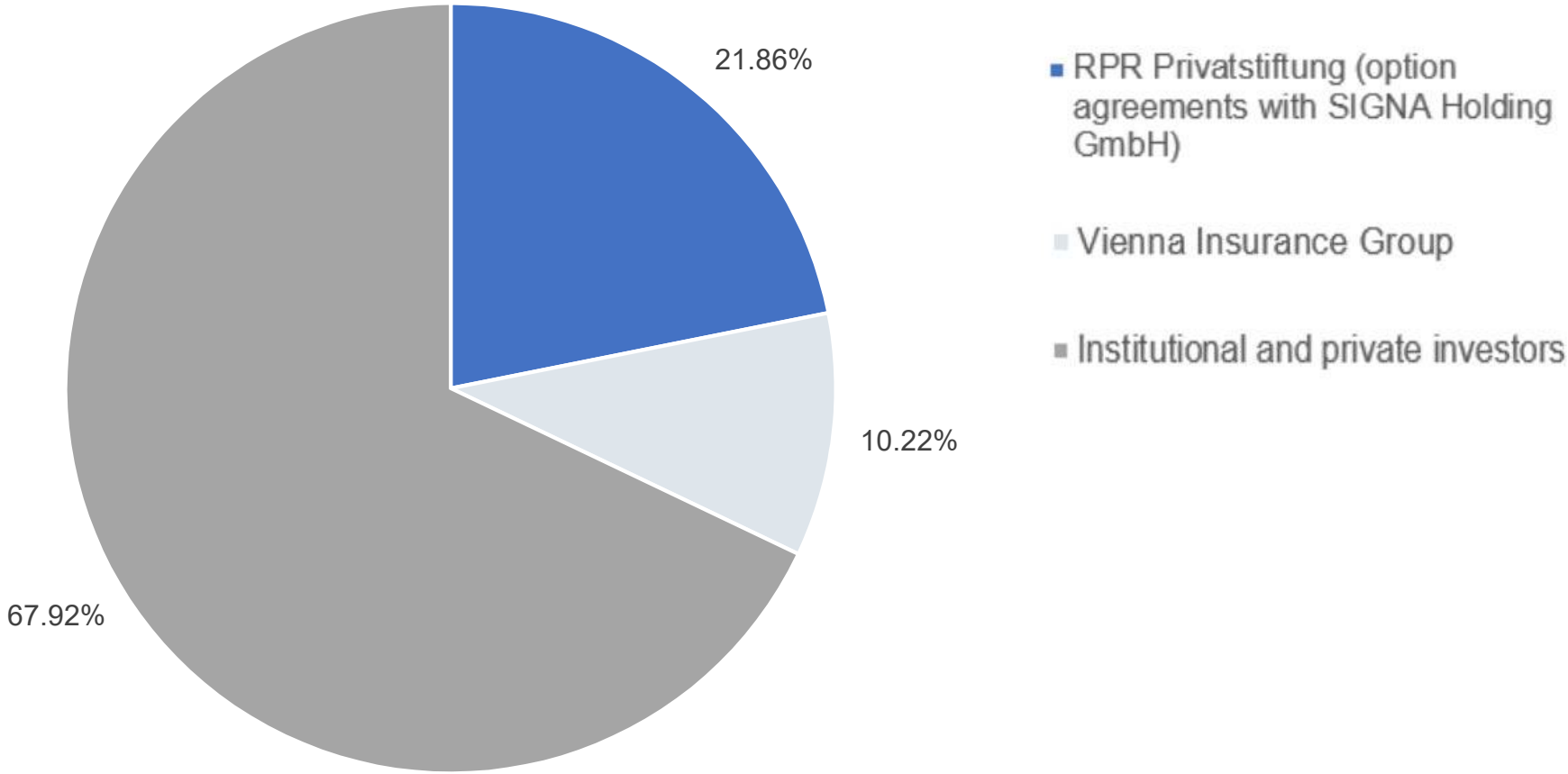


### In particular shares in the following real estate companies:

- CA Immobilien Anlagen AG (5% notification threshold crossed on 14 November 2017)
- Immofinanz AG (10% notification threshold crossed on 27 February 2018)
- Dividend yield ~ 3%
- Significant positive contribution to equity

Austria, Vienna

# Shareholder structure



We create value – through  
project development

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# Current projects



## Germany

- 11 projects with an investment volume of EUR 380m (~ 160,000 m<sup>2</sup>)

## Austria

- 3 projects with an investment volume of EUR 203m (~ 51,000 m<sup>2</sup>)

## CEE

- 5 projects with an investment volume of EUR 145m (~ 82,500 m<sup>2</sup>)

Münzblock, Leipzig

# Our highlights



101 Neukölln, Berlin



QBC, Vienna



Siebenbrunnengasse, Vienna



Einsteinova, Bratislava



The Mark, Bucharest





## From commercial to residential

- Extensive renovation
- Two-thirds of the 18,000 m<sup>2</sup> of usable space are being converted into apartments
- Top location:
  - ✓ at the heart of Vienna's up-and-coming fifth district
  - ✓ construction of a new section of underground line U2 (completed in 2023) → excellent connection to Vienna's city centre



## QBC, Vienna



### Prime office space

- Realisation of up to 42,000 m<sup>2</sup>
- S IMMO is invested with a stake of 35% (building sections 1 & 2)
- Excellent location:
  - ✓ next to Vienna's Central Station
  - ✓ new CBD with several group headquarters

## 101 Neukölln, Berlin



### Modern office and retail space

- Approx. 23,800 m<sup>2</sup>
- Refurbishment and redesign into modern, loft-style offices including retail area in highly frequented location
- Centrally located in Neukölln
- Building permission was granted at the beginning of 2018

## Einsteinova, Bratislava



### Modern and sustainable office property

- Approx. 23,500 m<sup>2</sup>
- Completion in 2018
- More than 95% are already pre-let
- Renowned tenants like Uniqo
- Close proximity to the old town
- Surrounded by several shopping and recreational opportunities
- S IMMO is invested with a stake of 51%

## The Mark, Bucharest



### Modern offices in the heart of Bucharest

- Approx. 25,000 m<sup>2</sup> of lettable area
- Completion by the end of 2018
- Close proximity to the city centre
- Quick access to the underground
- Aiming for a BREEAM "Excellent" certification



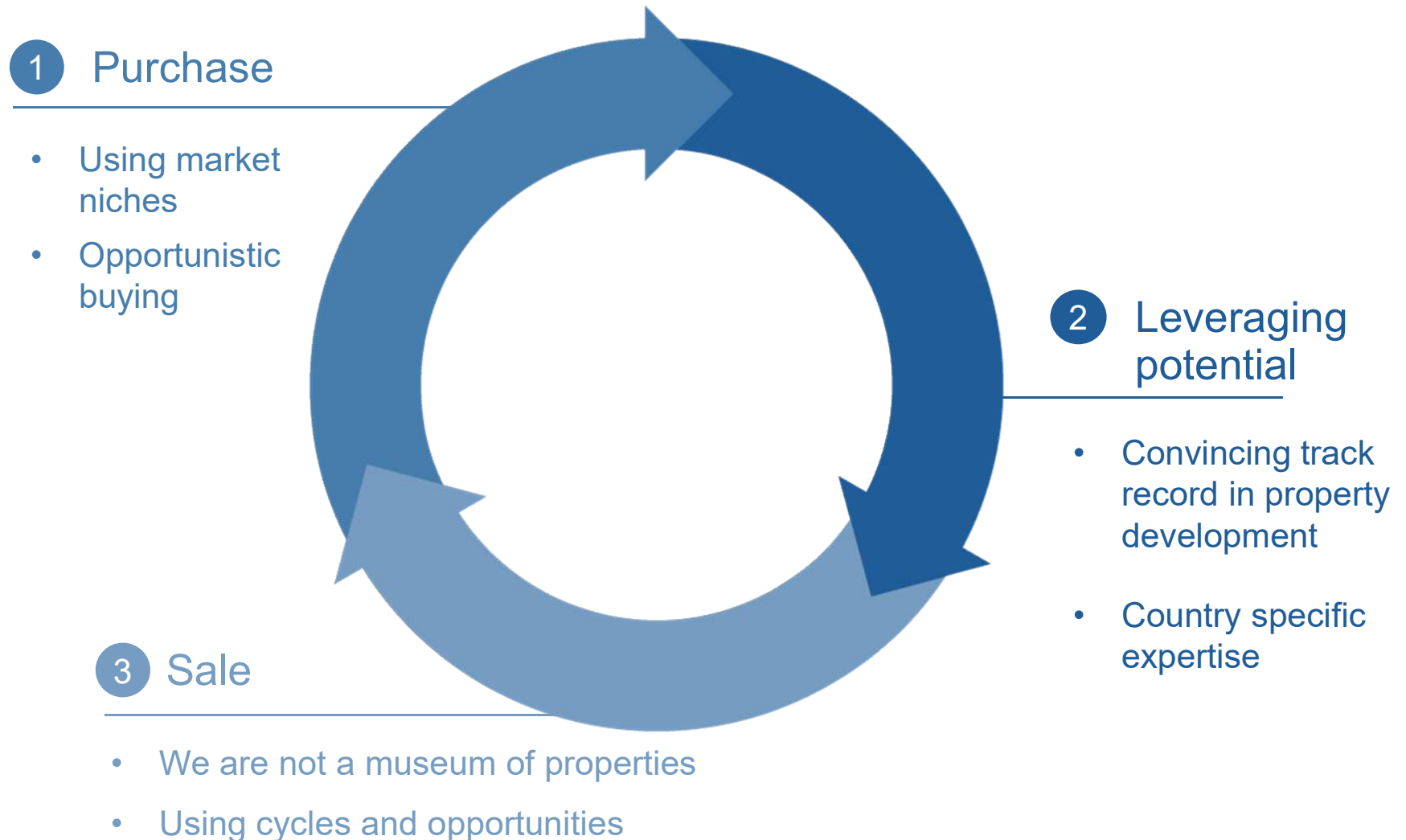
## Development of Sonneninsel

- Significant increase in office space by using the potential of the area for densification
- Planned rentable area: 22.000 m<sup>2</sup>
- Commercial use
- Brainstorming and basic evaluation
- Planning of preliminary design afterwards

We create value— through  
cycle-oriented transactions

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## Increase in value by repositioning



- Acquired in 2015
- 16,000 m<sup>2</sup> of useable space
- Acquisition price: approx. EUR 10m
- Refurbishment costs: approx. EUR 10m
- Innovative marketing concept and extensive repositioning
- Expected annual rental income after completion: EUR 2m

Leuchtenfabrik, Berlin



## Increase in value by investment & expansion



- Redesign of 20,000 m<sup>2</sup> available area
- Expansion of the tenant structure
- Opening March 2018: more than 40 new tenants, overall more than 170 stores
- Strengthening of the market position
- Increase in yield and value
- 14 million visitors annually

Sun Plaza, Bucharest

# Cycle-oriented transactions

## Timing is everything



- 2010:  
Purchase of the properties  
Hoch Zwei and Plus Zwei at the  
initial market value
- 7 years of stable cashflow  
through rental income
- 2017:  
sold for EUR 75m above  
acquisition costs
- Realising profits is a main part of  
our cycle-oriented strategy

Hoch Zwei, Vienna

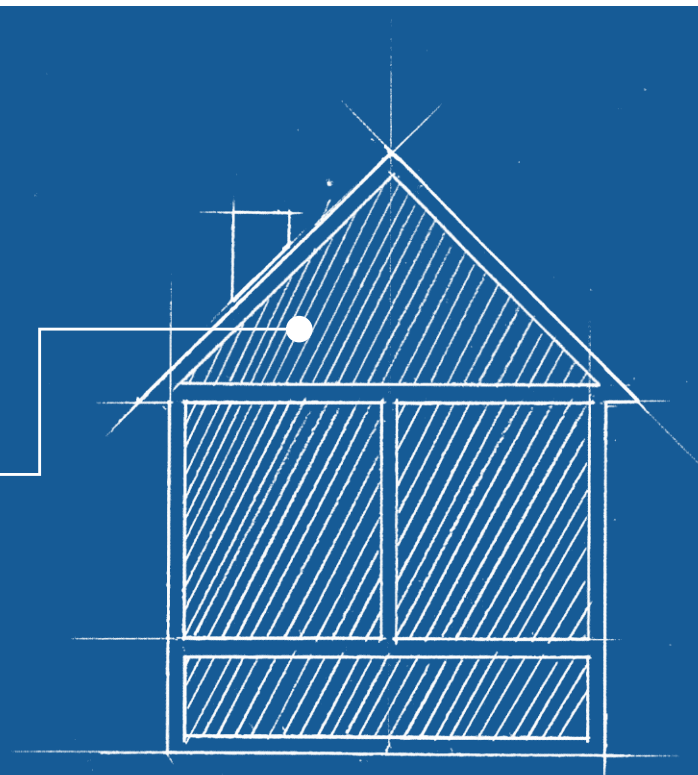
## The figures confirm our approach



	31 December 2017	31 December 2016
FFO I	EUR 42.7m	EUR 40.1m
FFO I per share	EUR 0.64	EUR 0.60
EPRA-NAV per share	EUR 17.63	EUR 14.62
EPS	EUR 1.97	EUR 2.98
LTV	49.3%	55.9%

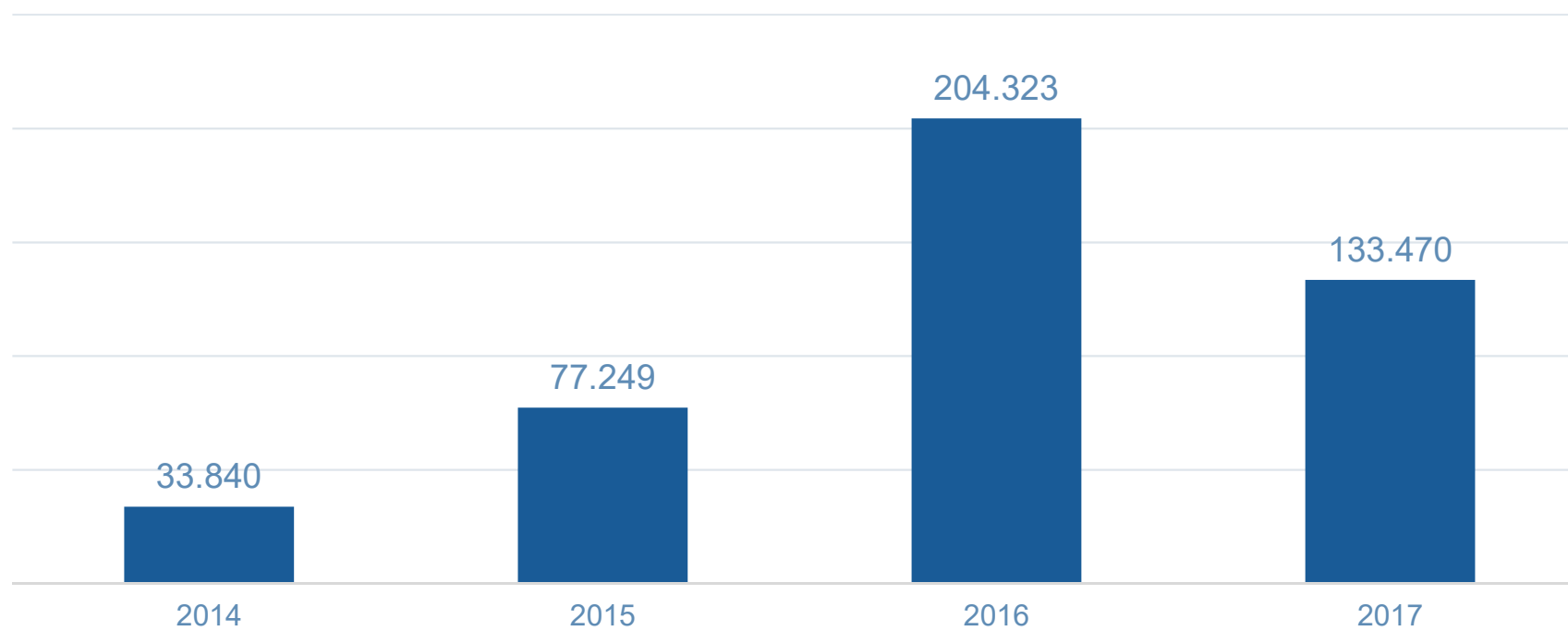
## Potential & outlook

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## Development of key figures

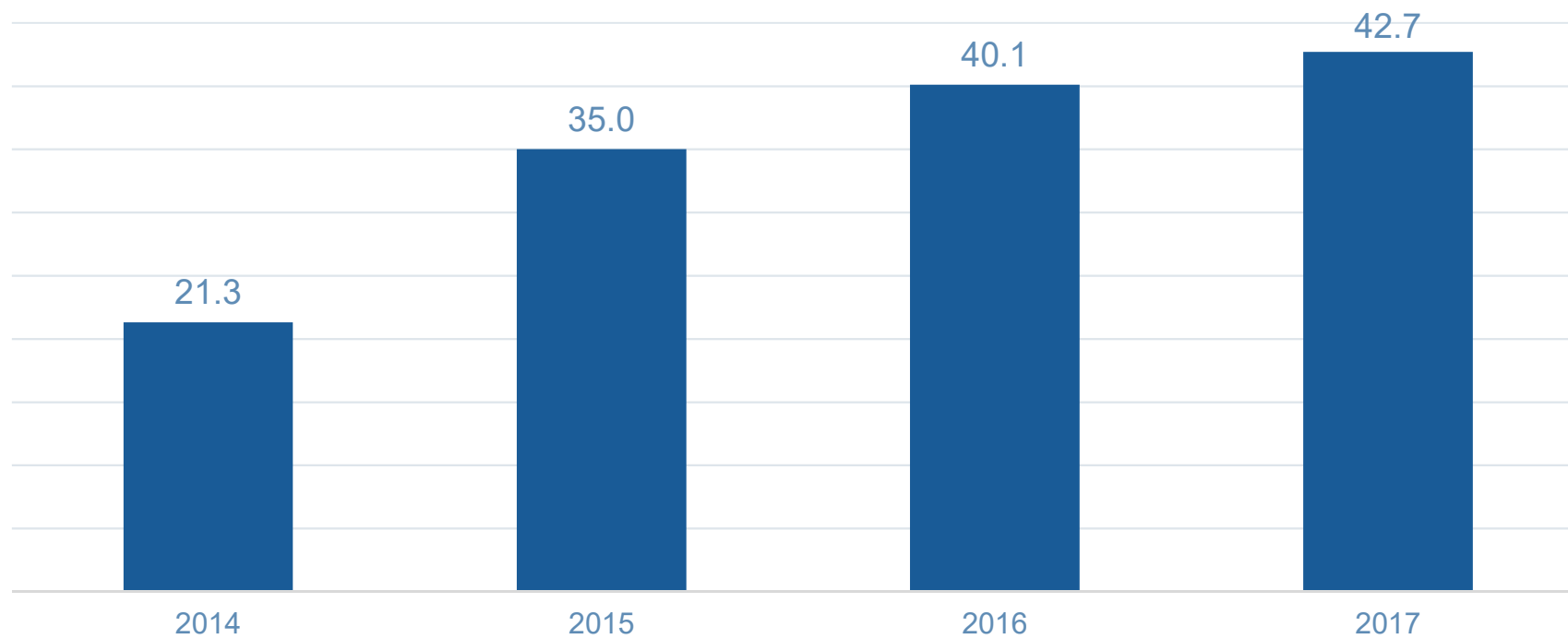
### Consolidated net income



■ Consolidated net income in EUR m

# Development of key figures

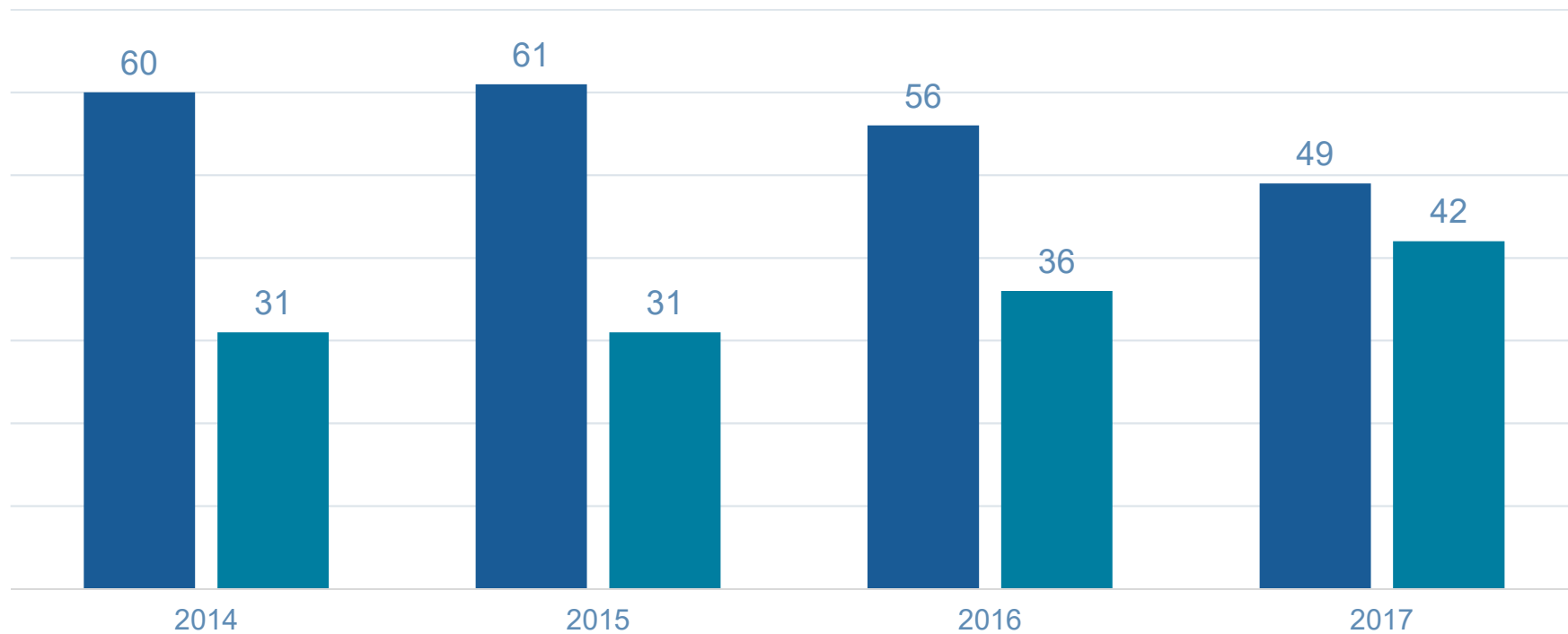
## FFO I



■ FFO I in EUR m

# Development of key figures

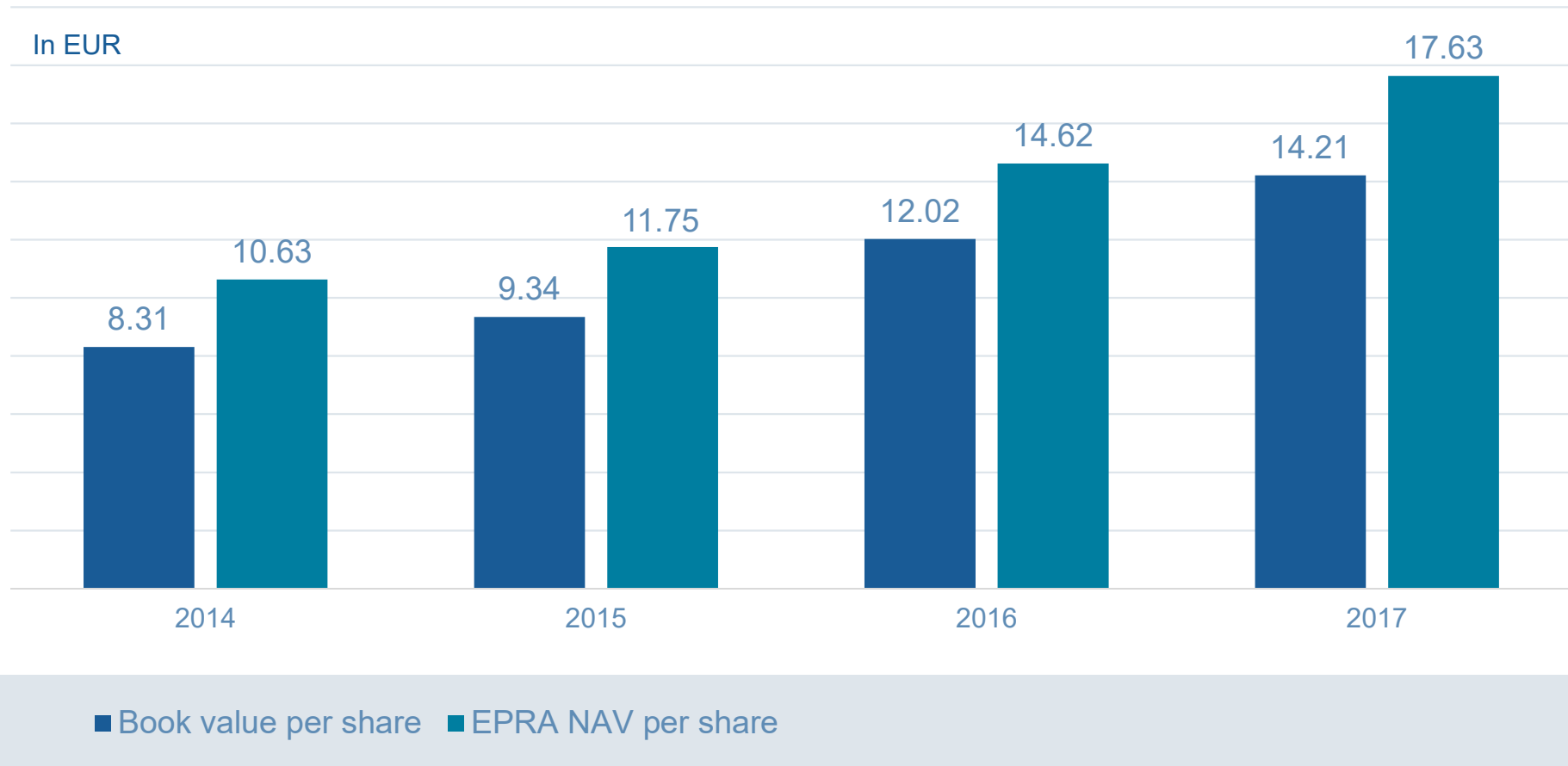
## Loan to value ratio / equity ratio



■ Loan to value ratio in %

■ Equity ratio in %

# Strong NAV growth



**Value potential: S IMMO share lists at a price well below EPRA NAV**



## Prudent debt management

- Cost of funding as of 31 December 2017: 2.67%
- Average weighted interest rate for all long-term loans: 1.63%
- Average weighted final maturity of long-term loans: 6.4 years

## Loan to value ratio

- LTV ratio for secured financing: 36.6% of property investments
- LTV ratio for unsecured financing (bonds): 12.7%
- Total LTV at 49.3%

# Sustainable dividend policy



\* Proposal to the AGM on 03 May 2018

## We are looking ahead

### Generating future profits



- Exciting projects with ~ 294,000 m<sup>2</sup>
- Acquisition of properties with sustainable rental yields in Germany
- Investing in companies with value potential
- High catch-up potential for property values in CEE

Siebenbrunnengasse, Vienna

## These are our qualities



- Strong earnings and cash flow generating portfolio
- Great value potential
- Attractive development pipeline
- Dynamic value creation
- Excellent results
- Sustainable dividend policy





Thank you  
for your attention!





# Appendix



# APPENDIX

## S IMMO at a glance



- Spread of risk by portfolio diversification
- 100% invested in EU
- In Austria & CEE focus on capital cities, in Germany focus on Berlin and selected secondary cities
- Specialist in our markets
- Operating in attractive market niches, investment in properties with potential
- Strong track record in terms of development of earnings and cash flow

# APPENDIX

## Coverage

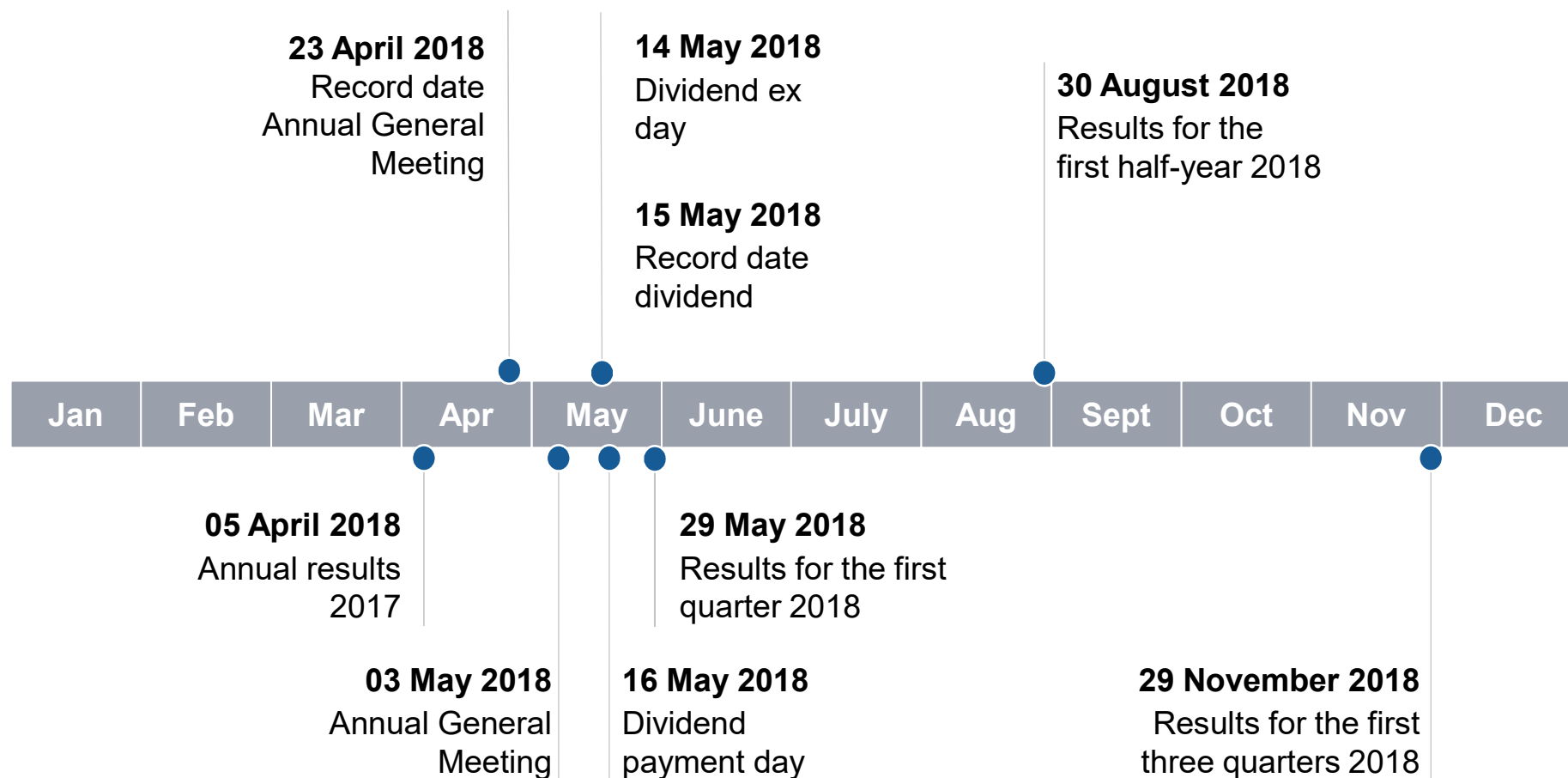


Research house	Target price	Last update	Recommendation
Baader Bank	EUR 13.80	01 March 2018	Hold
Erste Group	EUR 15.40	06 September 2017	Accumulate
Raiffeisen Centrobank	EUR 18.00	09 January 2018	Buy
SRC Research	EUR 16.00	28 November 2017	Buy
<b>Average target price</b>	<b>EUR 15.80</b>		



# APPENDIX

## Financial calendar 2018



# APPENDIX

## Services



**We offer the following services on our website [www.simmoag.at/en](http://www.simmoag.at/en):**

- Newsletter subscription/RSS feeds/e-Mail services



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Our network on Xing:  
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View our profile on LinkedIn:  
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# APPENDIX

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