



hamborner  
**REIT**



ZUKUNFT BRAUCHT SUBSTANZ

## Conference Call 3rd quarter 2017

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9 November 2017

# First nine month 2017

## Highlights

### Positive operational business development

- **20.5 % increase of income from rents and leases**
- **27.6 % growth in FFO**
- **Vacancy rate 1.5 % (1.7 % excl. rent guarantees)**

### Solid financial structure

- **REIT equity ratio 58.7 %**
- **LTV 40.0 %**

### Forecast 2017

- **Rents: + 18 - 20 %**
- **FFO: € 44 - 45 million**
- **FFO per share: € 0.55 - 0.56**

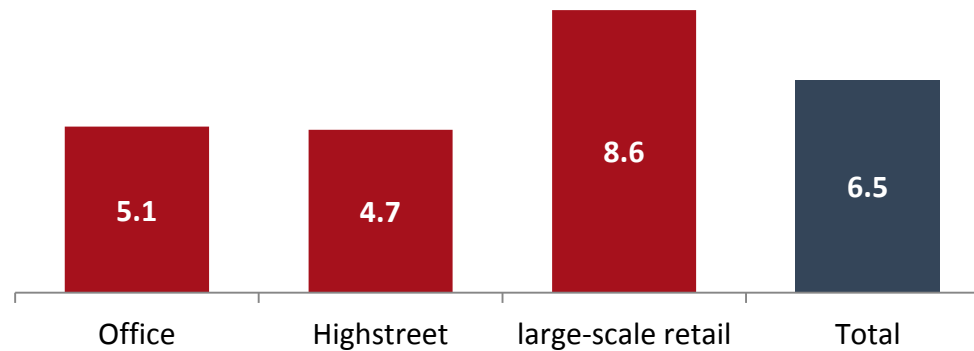
# Significant key figures

Key figures	Q1-Q3 2017	Q1-Q3 2016	Change
Rental revenues	€ 54.6 million	€ 45.3 million	+20.5%
Operating result	€ 23.6 million	€ 20.6 million	+14.4%
Profit for the period	€ 15.7 million	€ 14.1 million	+11.6%
Funds from operations (FFO)	€ 33.9 million	€ 26.5 million	+27.6%
Funds from operations (FFO) per share	€ 0.42	€ 0.33	
	30 September 2017	30 September 2016	
REIT equity ratio	58.7 %	68.3 %	-9.6%-points
Loan to value (LTV)	40.0 %	28.5 %	+11.5%-points
Net asset value (NAV) per share	€ 9.51	€ 9.03	+5.3%

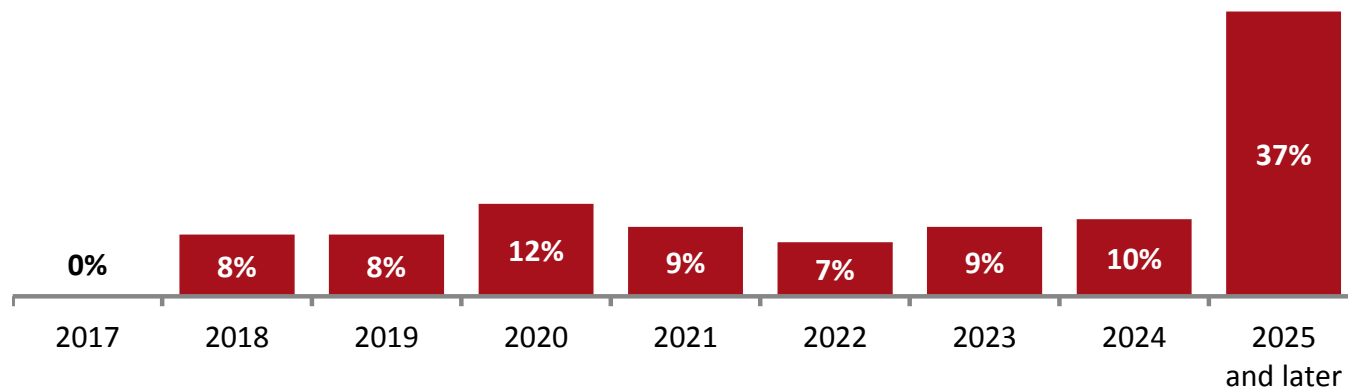
## Long-term leases

### Leasing contracts expire well distributed

#### Weighted average lease expiry by type (as of 30 September 2017, in years)



#### Split of lease contracts expiring by year (as of 30 September 2017)



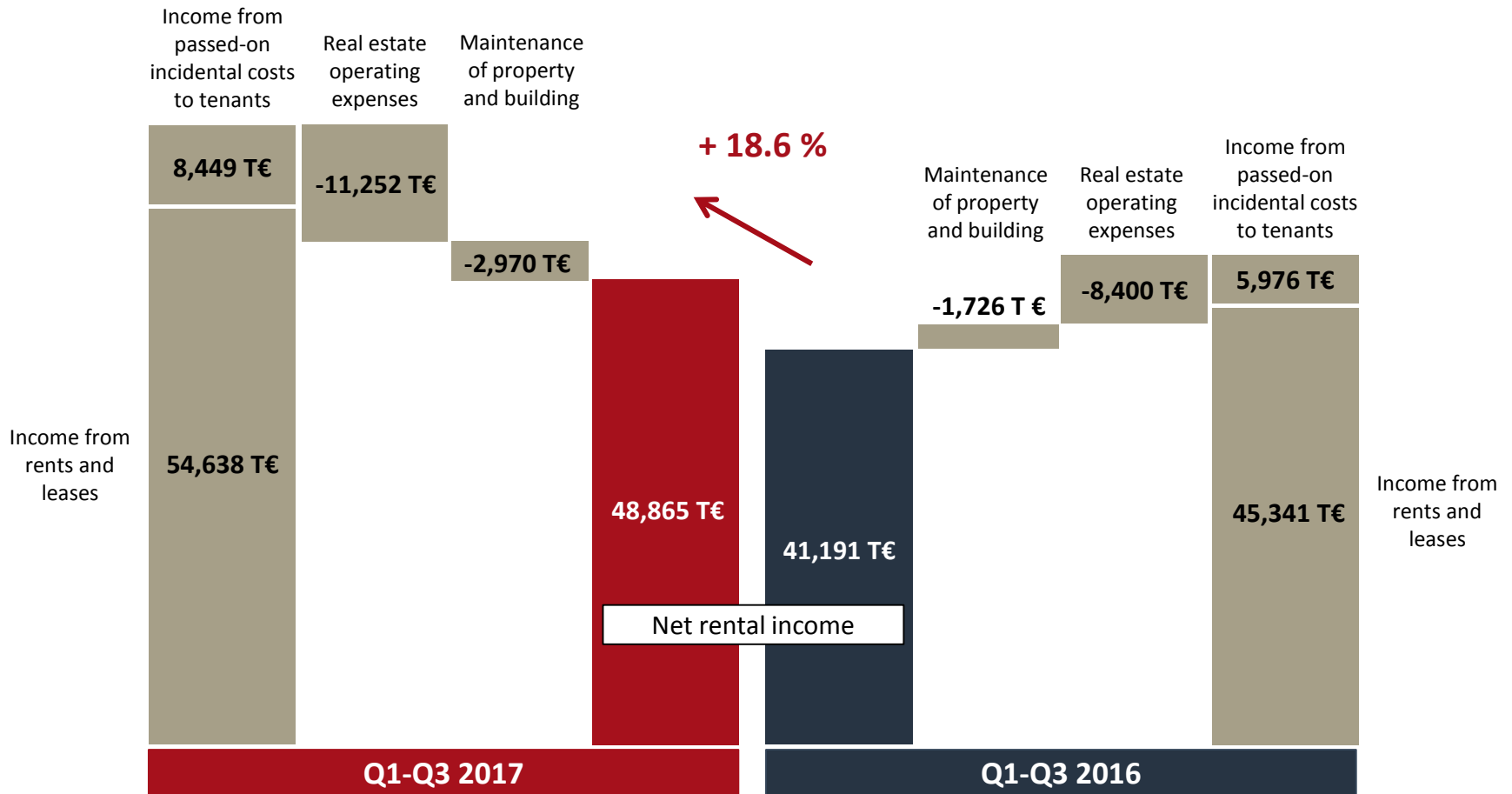
# Tenant structure

## Top 10 tenants

**Top 10 tenants** (as of 30 September 2017, % of annual rent)

	<u>Tenant</u>	<u>Sector</u>	<u>% of annual rent*</u>
	EDEKA-Group	Discount food retail	10.2%
	Kaufland Group	Discount food retail	7.4%
	real,-	Discount food retail	5.9%
	OBI	Retail (DIY)	5.6%
	Jobcenter	Government Agency	3.6%
	REWE	Discount food retail	3.2%
	H&M	Textile retail	2.3%
	NetCologne	Telecommunication	2.3%
	C&A	Textile retail	1.8%
	SPIE	Technical Services	1.4%
	<b>Total</b>		<b>43.7%</b>

# Development of net rental income

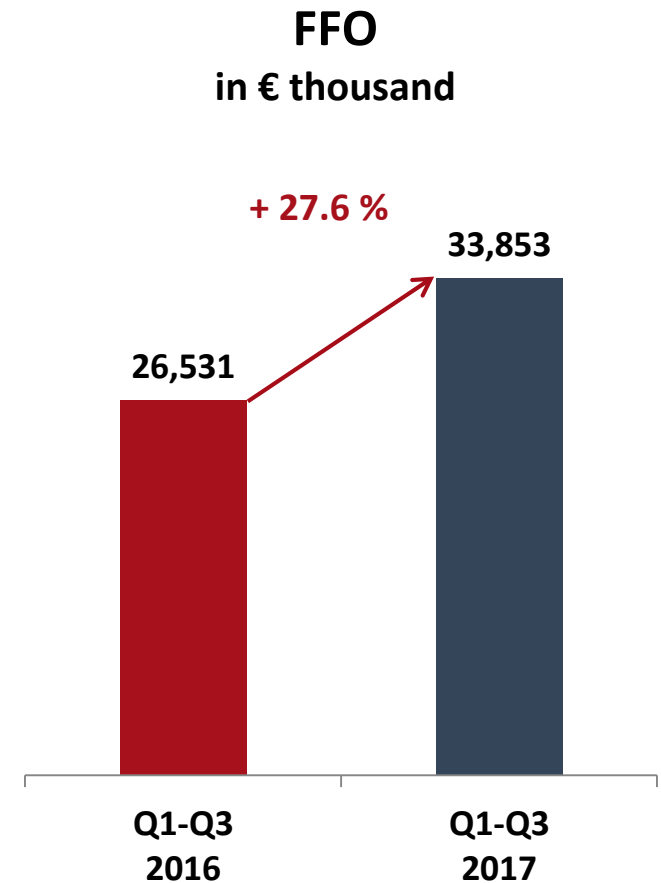


# Profit and loss account according to IFRS

<i>in thousand €</i>	Q1-Q3 2017	Q1-Q3 2016
<b>Net rental income</b>	<b>48,865</b>	<b>41,191</b>
Administrative expenses	-947	-909
Personnel expenses	-3,122	-2,870
Depreciations	-21,327	-16,543
Other operating income	957	554
Other operating expenses	-811	-778
<b>Operating results</b>	<b>23,615</b>	<b>20,645</b>
Result from the sale of investment properties	3,179	4,089
<b>Earnings before interest and taxes (EBIT)</b>	<b>26,794</b>	<b>24,734</b>
Financial result	-11,089	-10,657
<b>Net profit for the period</b>	<b>15,705</b>	<b>14,077</b>

# Funds from Operations

<i>in € thousand</i>	<b>Q1-Q3 2017</b>	<b>Q1-Q3 2016</b>
<b>Net rental income</b>	<b>48,865</b>	<b>41,191</b>
- Administrative expenses	-947	-909
- Personnel expenses	-3,122	-2,870
+ Other operating income	957	554
- Other operating expenses	-811	-778
+ Interest Income	80	2
- Interest Expenses	-11,169	-10,659
<b>FFO</b>	<b>33,853</b>	<b>26,531</b>
<b>-Capex</b>	<b>-1,832</b>	<b>-873</b>
<b>AFFO</b>	<b>32,021</b>	<b>25,658</b>
<b>FFO per share in €</b>	<b>0.42</b>	<b>0.33</b>
<b>AFFO per share in €</b>	<b>0.40</b>	<b>0.32</b>







## Cologne „O<sup>3</sup>“

Purchase price: € 48.9 million

Gross initial yield: 5.7%

Transfer of possession: 2 January 2017



## Hallstadt „market Oberfranken“

Purchase price<sup>(1)</sup>: € 43.7 million

Gross initial yield: 5.7%

Transfer of possession: 23 March 2017



## Berlin-Marzahn „Kaufland“

Purchase price: € 16.2 million

Gross initial yield: 5.3%

Transfer of possession: 31 March 2017



## Ratingen

Purchase price: € 34.4 million

Gross initial yield: 5.6%

Transfer of possession: 11 July 2017



## Hanau „Rondo Steinheim“

Purchase price: € 37.5 million

Gross initial yield: 5.4%

Transfer of possession: 17 August 2017



## Kiel

Purchase price: € 22.2 million

Gross initial yield: 5.5%

Transfer of possession: 2 Nov 2017



## Duisburg „Kasslerfelder Kreisel“

Selling price:	€ 9.5 million
Fair value as of 31 Dec 2015:	€ 9.2 million
Book value as of 31 Dec 2016:	€ 7.2 million
Transfer of possession:	1 April 2017



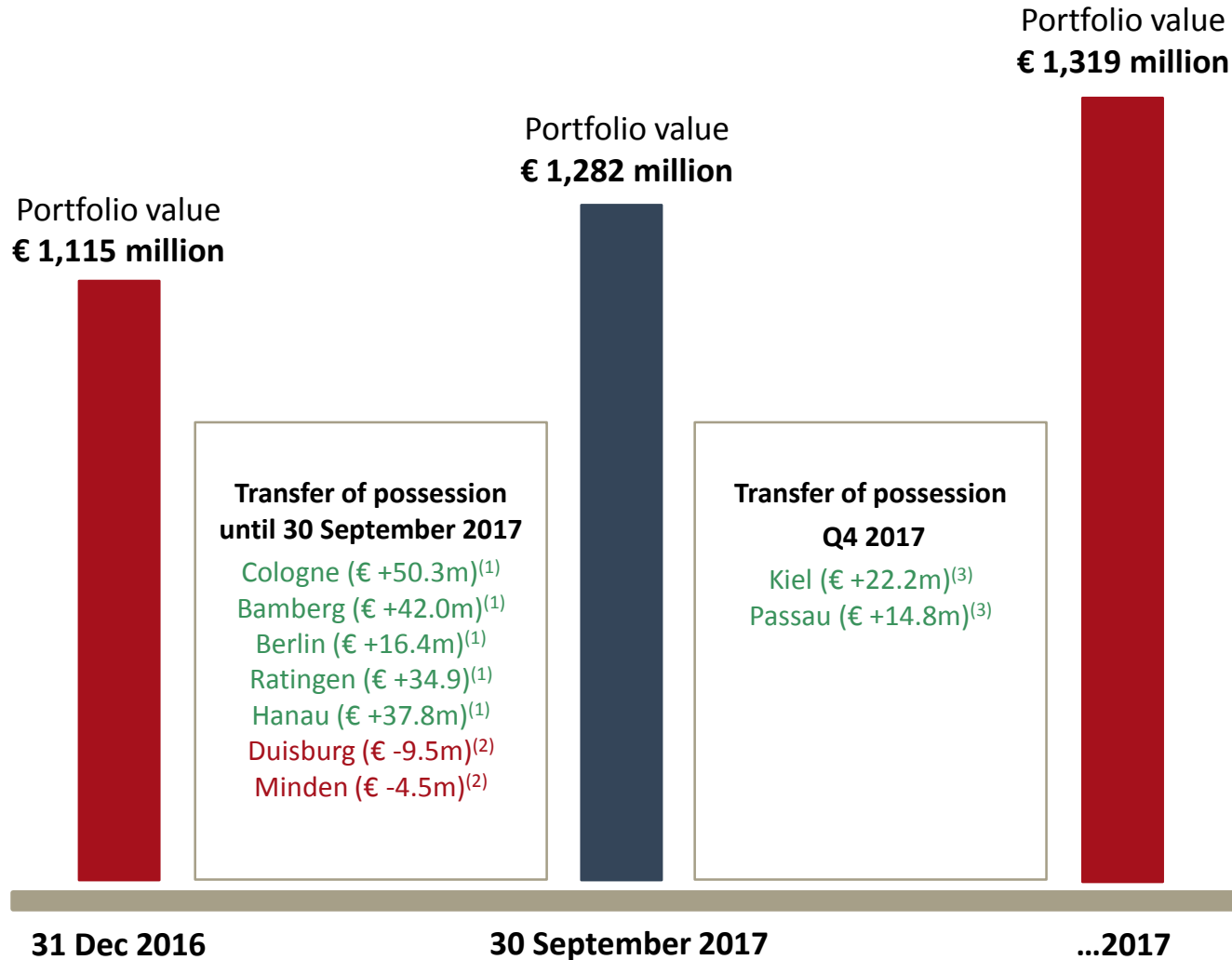
## Minden

Selling price:	€ 4.5 million
Fair value as of 31 Dec 2016:	€ 4.5 million
Book value as of 31 Dec 2016:	€ 3.9 million
Transfer of possession:	1 September 2017

## Undeveloped Land

Plot size:	98,000 m <sup>2</sup>
Selling price:	€ 0.347 million
Book value as of 31 Dec 2016:	€ 0.016 million
Transfer of possession:	3 January 2017

# Portfolio development 2017

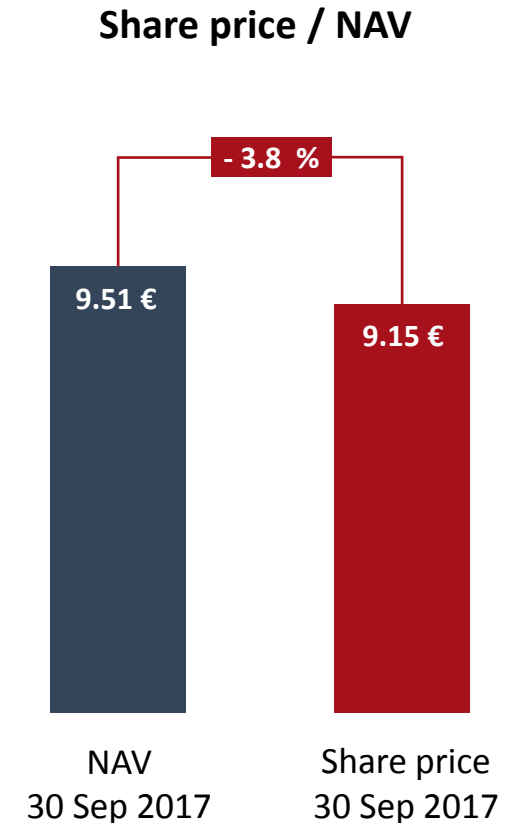


(1) Fair value as of 30 September 2017    (2) Fair value as of 31 December 2016    (3) Contractually agreed purchase price

## Net Asset Value (NAV) in accordance with EPRA

Share price 3.8 % above NAV (30 September 2017)

NAV according to EPRA in € million	30 September 2017	30 September 2016
Balance sheet long-term assets	1,081.1	890.6
+ Balance sheet short-term assets	44.1	121.8
- Non-current liabilities and provisions	-525.8	-413.4
- Current liabilities and provisions	-51.0	-35.9
<b>Balance sheet NAV</b>	<b>548.4</b>	<b>563.1</b>
+ hidden reserves "Investment property"	210.0	156.7
<b>NAV</b>	<b>758.4</b>	<b>719.8</b>
<b>NAV per share in €</b>	<b>9.51</b>	<b>9.03</b>



# Balance Sheet

## IFRS

<b>ASSETS</b> in € million	<b>30 Sep 2017</b>	<b>31 Dec 2016</b>
<b>Non-current assets</b>	<b>1,081.1</b>	<b>922.8</b>
<i>Investment Properties</i>	1,076.2	916.2
<i>Other</i>	4.9	6.6
<b>Current assets</b>	<b>44.2</b>	<b>84.0</b>
<i>Trade receivables and other assets</i>	2.7	1.4
<i>Cash and cash equivalents</i>	41.5	75.4
<i>Non-current assets held for sale</i>	0	7.2
<b>Total assets</b>	<b>1,125.3</b>	<b>1,006.8</b>

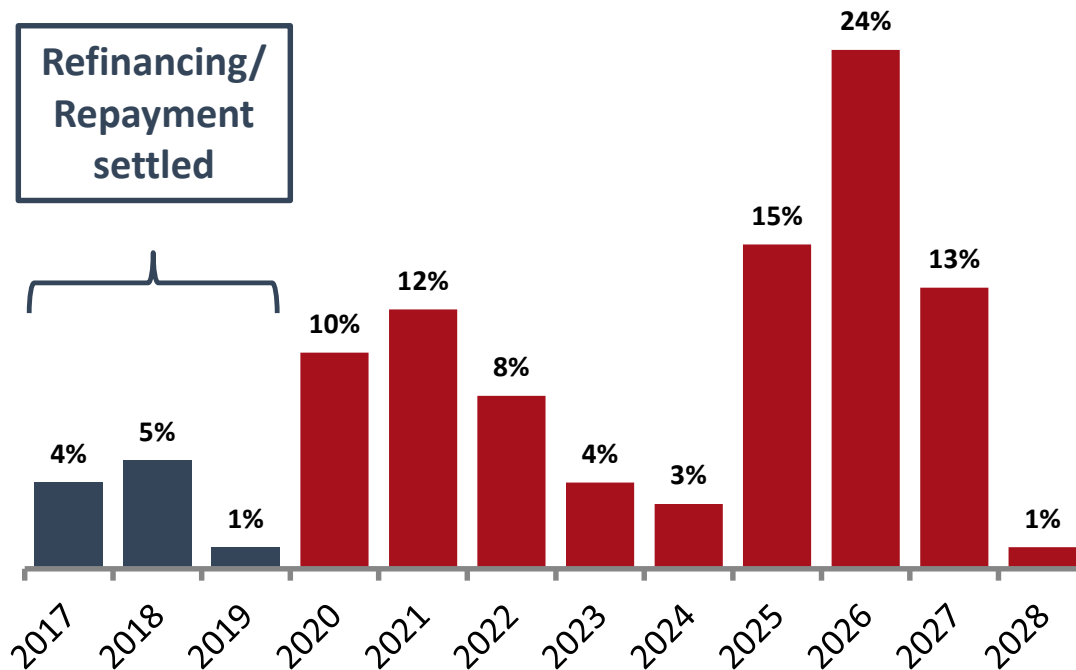
<b>Equity and Liabilities</b> in € million	<b>30 Sep 2017</b>	<b>31 Dec 2016</b>
<b>Equity</b>	<b>545.3</b>	<b>561.3</b>
<b>Financial liabilities and derivative financial instruments</b>	<b>555.5</b>	<b>420.0</b>
<b>Other liabilities and provisions</b>	<b>24,5</b>	<b>25.5</b>
<b>Total equity and liabilities</b>	<b>1,125.3</b>	<b>1,006.8</b>

**Equity ratio**  
**48.5 %**

# Stable and predictable cost of debt

## Expiration of fixed interest rates

(30 September 2017; % of total financial debt)



- Financial debt: **€ 552.4 million**
- Liquid funds: **€ 41.5 million**
- REIT equity ratio: **58.7 %**
- LTV: **40.0 %**
- Average maturity of fixed interest rates: **6.4 years**
- Average cost of debt: **2.6 %**
- Financing banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies

# Conclusion and outlook

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## Conclusion/Summary

- Successful first nine month 2017 with positive development of operational business
- Vacancy rate: 1.5%
- Transfer of possession of five assets in Cologne, Hallstadt, Berlin, Ratingen and Hanau
- Transfer of possession of office building in Kiel on 2 November 2017
- Portfolio value: € 1.3 billion

## Forecast 2017

- Rental income: **+ 18 - 20%**
- FFO: **€ 44 – 45 million**
- FFO per share: **€ 0.55 - € 0.56**
- Remaining fire power: **€ 120 - 150 million**

<b>HAMBORNER REIT AG - Financial Calendar</b>	
Interim Report for 3rd quarter 2017	9 November 2017
Preliminary figures 2017	8 February 2018
Annual Report 2017	21 March 2018
Interim Report for 1st quarter 2018	25 April 2018
AGM 2018	26 April 2018
Dividend payment	2 May 2018
Interim report for first half 2018	9 August 2018

**Many thanks for your attention!**



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