

# Conference Call H1 2021

Niclas Karoff

Hans Richard Schmitz

29 July 2021



# Highlights H1 2021

## Reliable operational business – including substantial letting successes

- **Stable operational development** in H1 2021 despite ongoing challenging market environment
- HAMBORNER continues to benefit from **risk-diversified portfolio** and **high-quality tenant profile**
- Rental income of **€42.9m** slightly below previous year's level (H1 2020: €43.9m), FFO increase of 5.1% to **€28.4m** (H1 2020: €27.0m)
- Significant letting successes incl. signing of follow-up leases for all REAL locations – H1 letting result approx. **96,000m<sup>2</sup>**

## Portfolio development in line with adjusted strategy

- Fair value of property portfolio as of 30 June 2021 amounts to **€1,549.4m**
- Successful continuation of **portfolio streamlining and capital recycling**
- Acquisition of **three office properties** in line with portfolio strategy ('core' and 'manage-to-core')
- Disposal of non-strategic high-street assets remains well on track

## Solid financial profile

- EPRA NAV per share in line with full-year guidance at **€11.02**
- Financing structure remains solid with **REIT equity ratio** at **57.5%** and **LTV** at **44.6%** as of 30 June 2021
- **Strong cash position** allows for flexible use regarding further acquisition opportunities



# Key Figures H1 2021

Key figures	30 June 2021	30 June 2020	Change
<b>Profit and loss statement</b>			
Income from rents and leases	€42.9m	€43.9m	-2.1%
Operating result	€19.7m	-€0,8m	n/a
Profit for the period	€45.1m	-€8.5m	n/a
<b>Key KPIs</b>			
Funds from Operations (FFO)	€28.4m	€27.0m	+5.1%
Funds from Operations (FFO) per share	€0.35	€0.34	+2.9%
Key figures	30 June 2021	31 December 2020	Change
<b>Financial KPIs</b>			
REIT equity ratio	57.5 %	54.5 %	+3.0%-points
Loan to Value (LTV)	44.6 %	44.5 %	+0.1%-points
<b>EPRA metrics</b>			
EPRA Net Asset Value (NAV) per share	€11.02	€11.05	-0.3%
EPRA Net Tangible Assets (NTA) per share	€11.02	€11.05	-0.3%



# Portfolio Key Metrics as of 30 June 2021

	Retail	Office	Total Portfolio <sup>(1)</sup>	Portfolio share High-Street
Fair value	€868.1m	€681.2m	<b>€1,549.4m</b>	€105.3m
Number of properties	43	26	<b>69</b>	8
Leased area	399,091 m <sup>2</sup>	215,596 m <sup>2</sup>	<b>614,686 m<sup>2</sup></b>	49,879 m <sup>2</sup>
Annualized rent	€51.1m	€33.2m	<b>€84.2m</b>	€7.4m
Annualized rental yield	5.9%	4.9%	<b>5.4%</b>	7.0%
EPRA vacancy rate	1.8%	1.5%	<b>1.7%</b>	7.6%
WALT	7.0 years	5.1 years	<b>6.2 years</b>	4.6 years
<b>Like for like development 30 June 2021 to 30 June 2020<sup>(2)</sup></b>				
Rents	-0.6%-points	+3.1%-points	<b>+0.8%-points</b>	-6.3%-points
EPRA vacancy rate	+0.1%-points	-0.2%-points	<b>0.0%-points</b>	+1.7%-points
WALT	-0.5 years	+0.5 years	<b>-0.1 years</b>	0.0 years

(1) Including two sold High-Street properties (fair value: €23.1m) and one retail property (fair value: €3.1m) with expected/carried out transfer of ownership in Q3 2021

(2) Excluding acquisitions/disposals in 2020 and 2021



## Mainz



Office (Single-tenant)

## Münster



Office (Multi-tenant)

## Stuttgart



Office (Multi-Tenant)

<b>Asset type</b>	Office (Single-tenant)	Office (Multi-tenant)	Office (Multi-Tenant)
<b>Investment approach</b>	„Manage-to-core“	„Core“	„Manage-to-core“
<b>Year of construction</b>	1994	2021	1991
<b>Leased area</b>	7,700 m <sup>2</sup>	6,300 m <sup>2</sup>	5,930 m <sup>2</sup>
<b>Remaining lease term</b>	2.7 years <sup>(1)</sup>	7.5 years <sup>(2)</sup>	2.4 years <sup>(2)</sup>
<b>Occupancy rate</b>	100%	100% <sup>(3)</sup>	93%
<b>Annual rental income</b>	€1.3m	€1.1m	n/a
<b>Purchase price</b>	€18.6m	€23.9m	n/a
<b>Gross initial yield</b>	7.0%	4.5%	5.1 %
<b>Transfer of possession</b>	29 March 2021	Q4 2021 / Q1 2022e	Q3 2021e

(1) As of 30 June 2021

(2) As of date of signing

(3) Including rent guarantees



## Recent Disposals

### Bad Homburg



### Bad Homburg



### Langenfeld



### Offenburg



<b>Asset type</b>	High-Street	High-Street	High-Street retail	High-Street retail
<b>Selling price</b>	€11.2m	€15.9m	€14.8m	€8.5m
<b>Annual rental income</b>	€0.67m	€0.82m	€1.07m	€0.55m
<b>WALT</b>	6.6 years <sup>(1)</sup>	4.2 years <sup>(1)</sup>	3.7 years <sup>(2)</sup>	3.7 years <sup>(2)</sup>
<b>Transfer of possession</b>	1 April 2021	1 May 2021	Q3 2021e	Q3 2021e

### Hamburg



### Fürth



### Villingen-Schwenningen



<b>Asset type</b>	Retail	Retail	Retail
<b>Selling price</b>	€10.9m	€27.9m	€3.1m
<b>Annual rental income</b>	€0.43m	€1.72m	€0.25m
<b>WALT<sup>(1)</sup></b>	5.8 years <sup>(1)</sup>	7.5 years <sup>(1)</sup>	4.5 years <sup>(1)</sup>
<b>Transfer of possession</b>	1 May 2021	5 May 2021	1 July 2021

(1) As of date of transfer of possession

(2) As of 30 June 2021



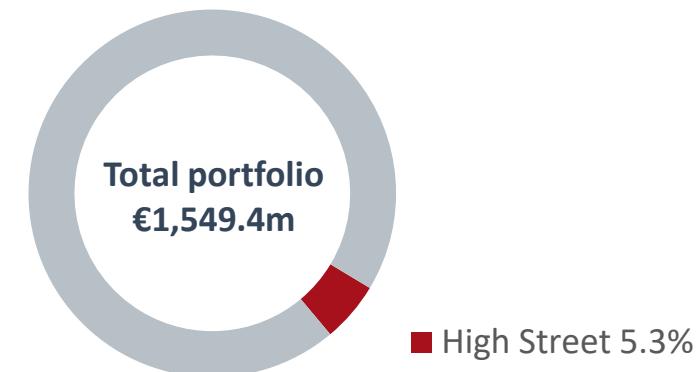
## Disposals since strategy update H1 2020<sup>(1)</sup> (as of 29 July 2021)

	Total	Thereof High-Street
No. of assets	18	15
Sales volume	€151.4m	€109.5m
Fair value gain	4.4%	3.4%
Book value gain	43.1%	53.1%
Annualised rent	€9.5m	€7.1m



- ➔ Disposals (predominantly High-Street assets) in line with HAMBORNERs overall strategy and proactive portfolio management approach
- ➔ Sales realized above latest fair value and significantly above book value
- ➔ Streamlined portfolio further improves operational efficiency (average asset size: € 22.5m - YOY +13%) and maintenance profile

## Residual High-Street portfolio<sup>(2)</sup> (as of 29 July 2021)



### Residual High-Street portfolio<sup>(2)</sup>

No. of assets	6
Fair value	€82.2m

- ➔ Gradual disposal of five remaining High-Street assets
- ➔ Lübeck property categorized as 'manage-to-core' – intended medium-term divestment after successful repositioning

(1) Including two sold High-Street properties (fair value: €23.1m) and one retail property (fair value: €3.1m) with expected/carried out transfer of ownership in Q3 2021

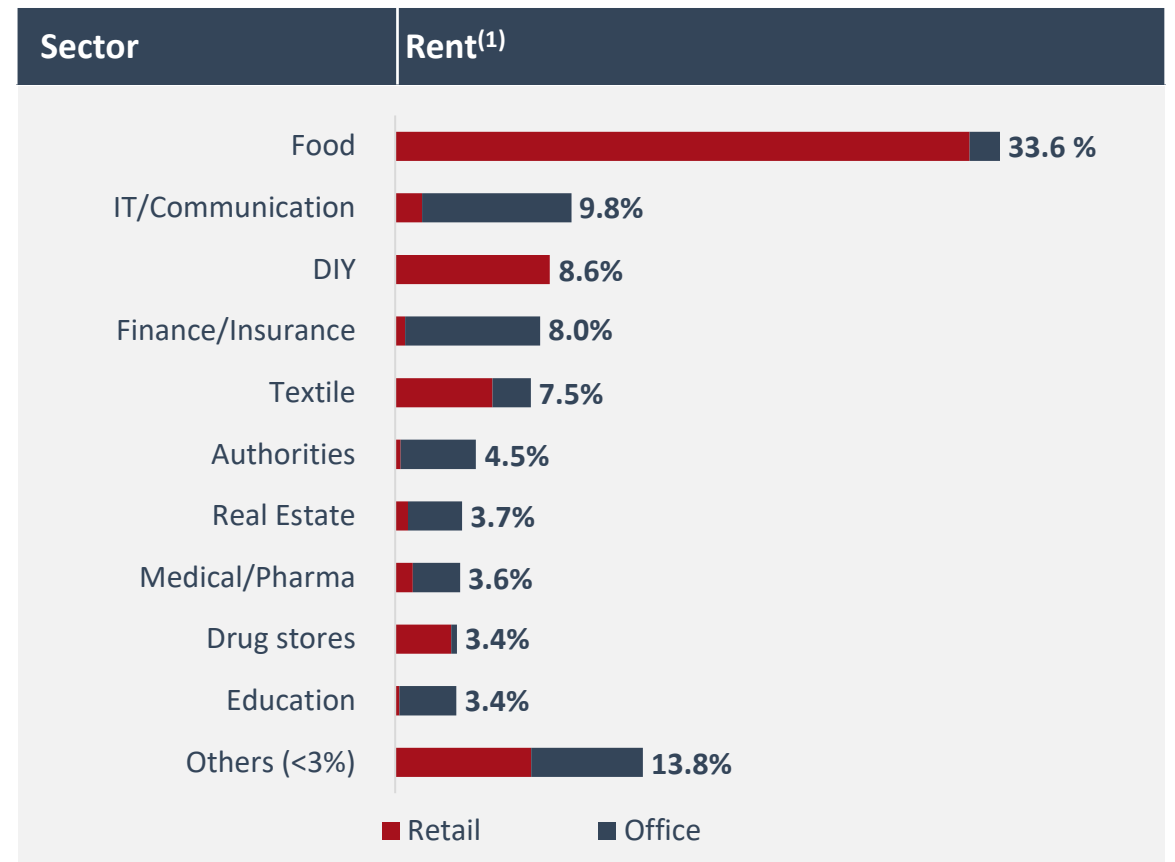
(2) Excluding two sold High-Street properties (fair value: €23.1m) with expected transfer of ownership in Q3 2021

## Top-10 tenants (as of 30 June 2021)

Tenant	Sector	Rent <sup>(1)</sup>
EDEKA	Food retail	11.5 %
Kaufland	Food retail	5.8 %
REWE	Food retail	5.7 %
Real	Food retail	5.7 %
OBI	DIY	5.2 %
Jobcenter	Agency of unemployment	3.3 %
Barmer	Insurance	2.4 %
Globus	DIY	2.2 %
Netcologne	IT/ Communication	2.2 %
ALDI	Food retail	1.6 %
<b>Total</b>		<b>45.5 %</b>

(1) % of annualized rents (including rent guarantees)

## Sector distribution (as of 30 June 2021)



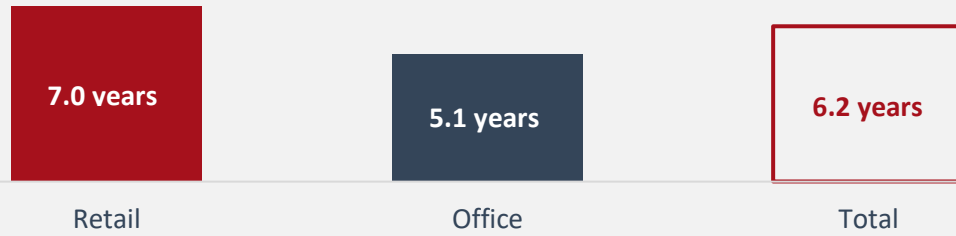
- ➔ HAMBORNER's tenant profile further strengthened by increased food (YoY +120 bps) and reduced textile exposure (YoY -190 bps)
- ➔ TOP-10 tenants grasps only market leading food and DIY retailers as well as high-worthiness corporate and public tenants





# Lease Contracts

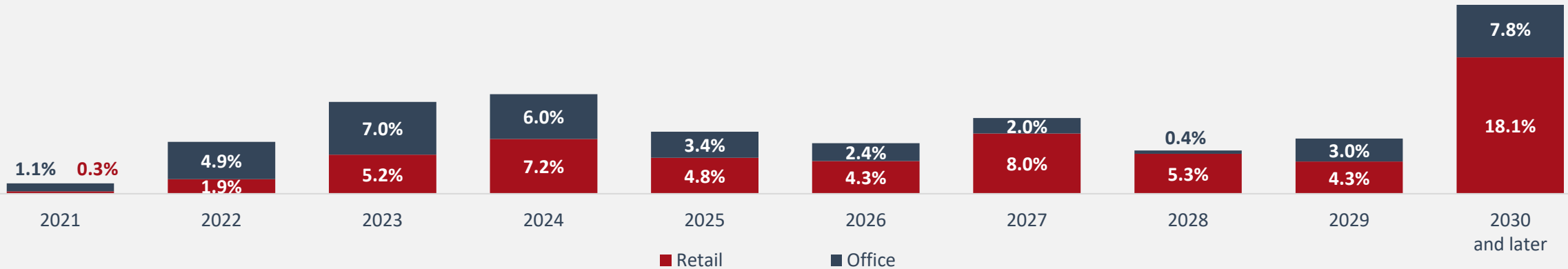
### Weighted average lease expiry (as of 30 June 2021)



### Letting result (H1 2021)



### Lease expiry schedule (as of 30 June 2021; % of annual rents)



- ➔ Total WALT remains at comfortable level of 6.2 years
- ➔ Very limited amount of expiring leases in remaining time 2021 – next larger letting volumes from 2023 onwards



# Real locations | Follow-up leases



Celle

New tenant: **Kaufland**

Transfer: **Q3 2021e**



Gießen

Transfer: **Q4 2021e**



Mannheim

New tenant: **Globus**

Transfer: **Q2 2022e**

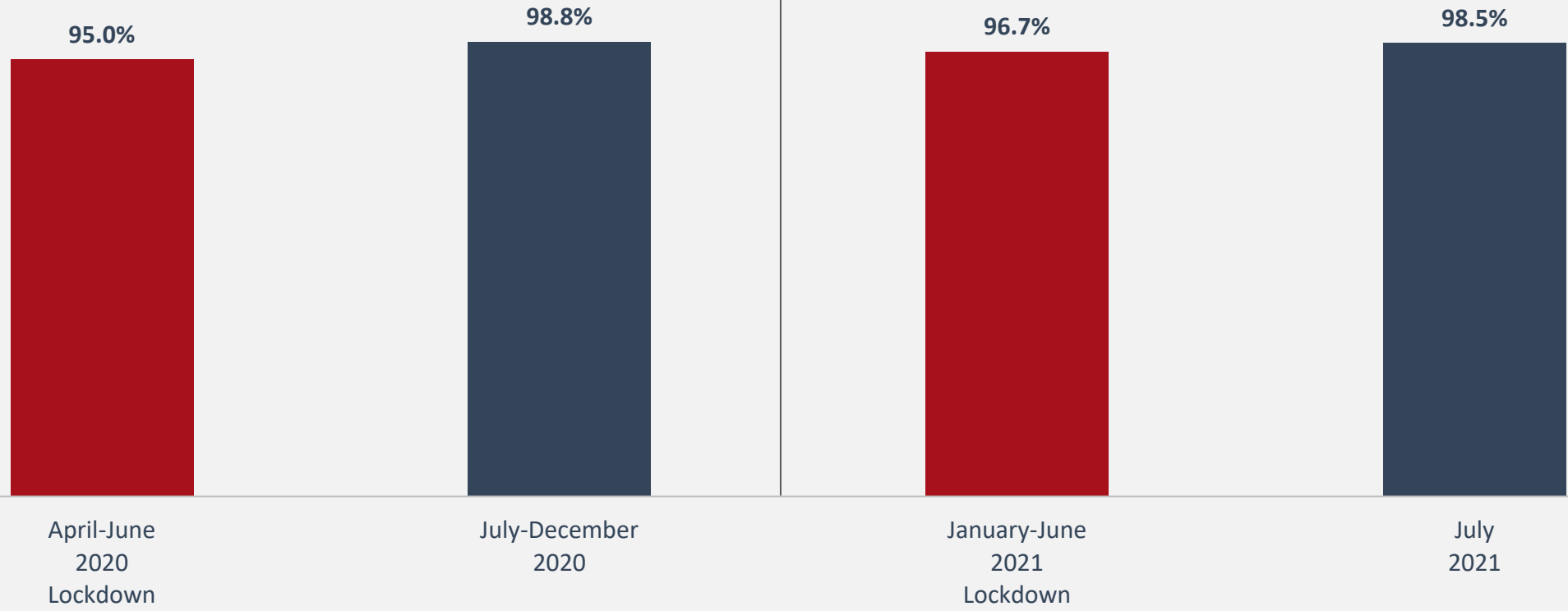
Total rental space		approx. 33,000m <sup>2</sup>
Total WALT		17.9 years
Expected maintenance 2021	①	€-1.6m – €-2.9m
Capex 2021		approx. €-0.3m

Compensation payment 2021	②	€+2.2m
Incentives	③	€-7.8m
Total fair value (31 Dec 2020)		€131.4
Total fair value (30 Jun 2021)		€136.4
Remaining lettable space	④	approx. 4,200m <sup>2</sup>

- ① Expected investments for properties in Celle & Gießen with effects on 2021 earnings; subject to approvals of antitrust & local building authorities
- ② Compensation payment for premature termination of lease agreement in Mannheim property
- ③ Building cost subsidies of €7.8m pro-rated over total lease term (deducting income from rents and leases)
- ④ Remaining space to be leased on basis of comprehensive re-letting concept with potential effects on capex/maintenance in 2022



Rent collection rates<sup>(1)</sup> (as of 28 July 2021)



- ➡ Despite challenging market conditions high rent collection rates during various lockdown phases
- ➡ Fast re-incent to normal levels once retail business free from major opening restrictions



## Funds from Operations (FFO)

	in k€	H1 2021	H1 2020	Change
1	Income from rents and leases	42,928	43,868	-2.1%
	Income from passed on costs	7,183	6,985	+2.8%
	Operating expenses	-9,867	-9,619	+2.6%
	Maintenance expenses	-2,208	-2,604	-15.2%
	<b>Net rental income</b>	<b>38,036</b>	<b>38,630</b>	<b>-1.5%</b>
2	Administrative expenses	-930	-631	+47.4%
	Personnel expenses	-2,653	-2,576	+3.0%
3	Other operating income	2,844	1,032	n/a
4	Other operating expenses	-1,785	-1,652	+8.1%
	Interest expenses	-7,139	-7,802	-8.5%
	<b>FFO</b>	<b>28,373</b>	<b>27,001</b>	<b>+5.1%</b>
	- Capex	-1,073	-651	+64.8%
	<b>AFFO</b>	<b>27,300</b>	<b>26,350</b>	<b>+3.6%</b>
	<i>FFO per share in €<sup>(1)</sup></i>	<i>0.35</i>	<i>0.34</i>	<i>+2.9%</i>
	<i>AFFO per share in €<sup>(1)</sup></i>	<i>0.34</i>	<i>0.33</i>	<i>+1.5%</i>

Comments	
1	Decline in rental income mainly due to property disposals (-€2.1m) and pandemic-related risk provisioning (-€0.5m); in contrast, rental income increases by €1.9m due to property additions
2	Increase results from higher expenses for cash deposits as well as from postponement of previous year's AGM to Q4 2020
3	Increase mainly relates to compensation payment of €+2.2m in connection with early termination of rental agreement;
	FFO adjustment due to impairment reversal for Gießen property (€-2.1m)
4	Includes pandemic-related impairment of receivables in an amount of €1.1m

(1) Based on number of shares at the end of the respective reporting period; increased number of shares due to scrip dividend offer in Q4 2020 and Q2 2021



# EPRA Net Asset Value (NAV) & Net Tangible Assets (NTA)

in k€	30 June 2021	31 Dec 2020
1 Long-term assets	1,148,590	1,200,826
2 Short-term assets	155,963	64,958
3 Non-current liabilities and provisions	-726,852	-685,431
Current liabilities	-89,178	-105,598
<b>Balance sheet NAV</b>	<b>488,523</b>	<b>474,755</b>
+ Hidden reserves investment property	405,981	397,114
4 + Hidden reserves assets held for sale	2,175	18,852
<b>Net Asset Value (NAV)</b>	<b>896,679</b>	<b>890,721</b>
<b>NAV per share in €</b>	<b>11.02</b>	<b>11.05</b>
Intangible Assets	-473	-499
<b>Net Tangible Assets (NTA)</b>	<b>896,206</b>	<b>890,222</b>
<b>NTA per share in €</b>	<b>11.02</b>	<b>11.05</b>

Comments	
1	Decrease in long-term assets mainly related to property disposals
2	Increase in short-term assets mainly related to higher liquidity position
3	Non-current liabilities and provisions increase due to additional financing related to newly acquired assets
4	Decrease relates to transfer of ownership of sold assets during H1 2021

## NAV to NTA reconciliation (k€)

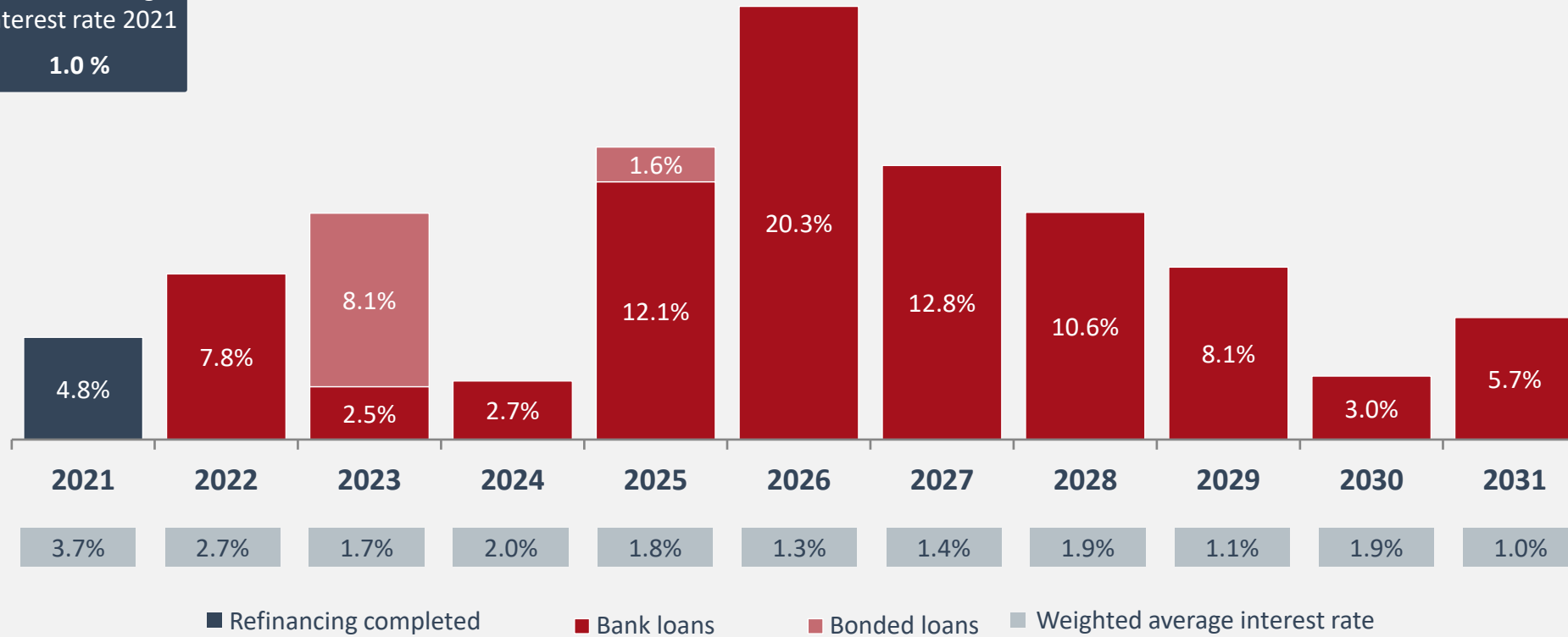




# Financial situation

## Expiration of financial liabilities (as of 30 June 2021)

Ø Refinancing interest rate 2021  
**1.0 %**



**57.5%**  
REIT Equity ratio

**44.6%**  
LTV

**€770.0m**  
Financial liabilities<sup>(1)</sup>

**1.71%**  
Ø cost of debt<sup>(1)</sup>

**5.1 years**  
Ø maturity of debt<sup>(1)</sup>

**9.5x**  
EBITDA/  
Interest coverage

(1) As of 30 June 2021 (incl. loans concluded but not yet utilized)

## Guidance 2021

- Rental income: €82 - 86m → **€83 - 85m**
- FFO: €45 - 50m → **€48 - 50m**
- NAV per share still expected to reach previous year's level

<b>Half-year financial report H1 2021</b>	29 July 2021
<b>Interim statement Q3 2021</b>	9 November 2021
<b>Preliminary figures 2021</b>	8 February 2022
<b>Annual report 2021</b>	17 March 2022
<b>Quarterly financial statement Q1 2022</b>	26 April 2022
<b>Annual General Meeting 2022</b>	28 April 2022





## Contact

### Niclas Karoff

CEO

**E-Mail:** n.karoff@hamborner.de



### Hans Richard Schmitz

COO / CFO

**E-Mail:** h.schmitz@hamborner.de



### Christoph Heitmann

Head of Investor Relations &  
Public Relations

**E-Mail:** c.heitmann@hamborner.de

**Tel.:** +49 (0)203 / 54405-32



### HAMBORNER REIT AG

**Web:** [www.hamborner.de](http://www.hamborner.de)



**Mail:** info@ir.hamborner.de

**Phone:** +49 (0)203 54405-32

# Many thanks for your attention!



This presentation was exclusively prepared for the addresses specified on the title page and/or the participants at the mentioned event. The information in this presentation is based on both public information and documents as well as information which was made available to HAMBORNER REIT AG by the respectively mentioned companies and third parties.

All statements, opinions and assessments contained in this presentation correspond to the current estimates and/or opinions of HAMBORNER REIT AG and may therefore not be construed as constant, immutable statements. HAMBORNER gives no guarantee with regard to the correctness or completeness of the information contained herein. HAMBORNER and its organs, boards, employees or other parties acting on behalf of HAMBORNER accept no liability whatsoever for the statements made in this presentation.