



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company presentation

Preliminary figures 2018

Dr. Rüdiger Mrotzek

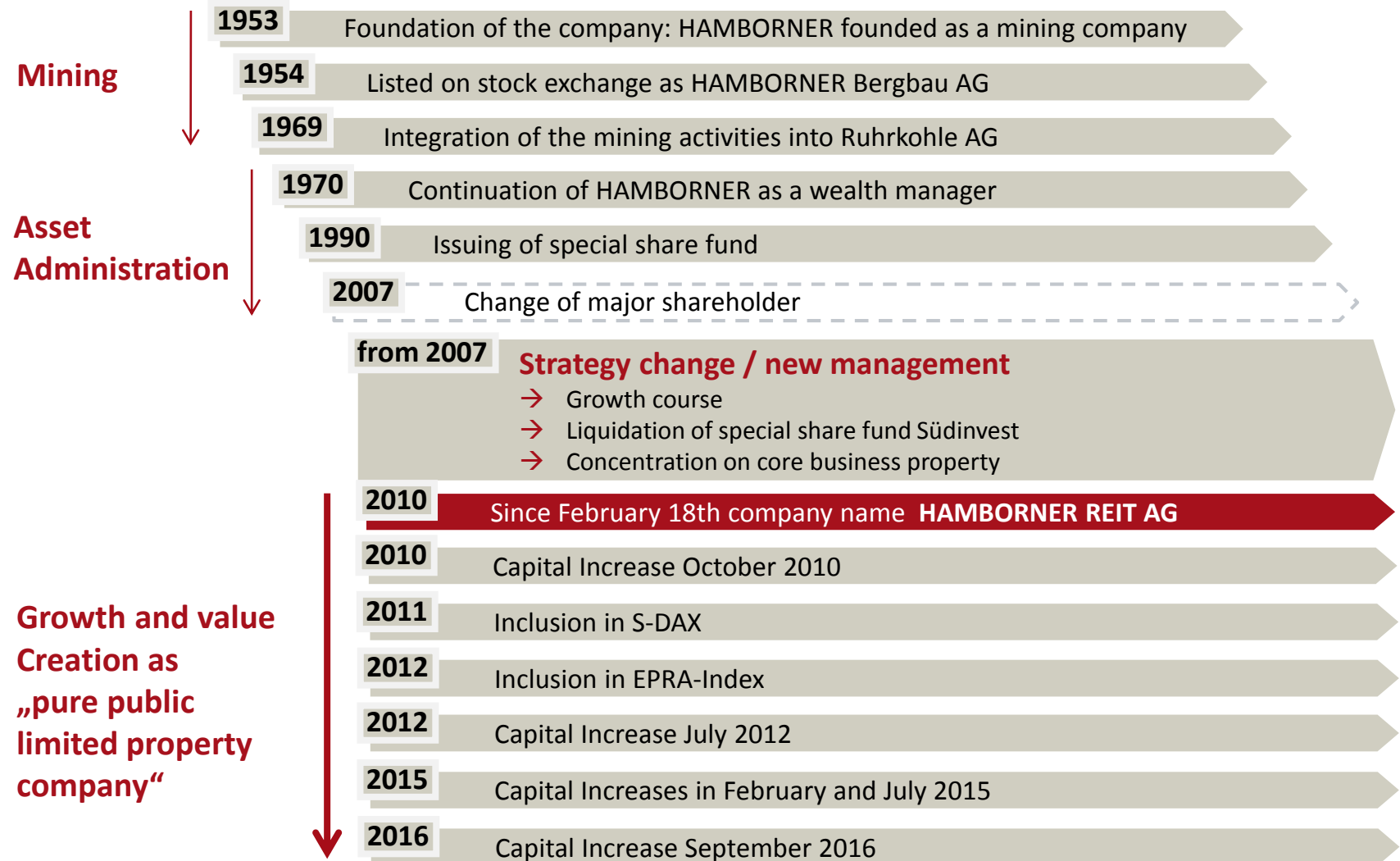
Hans Richard Schmitz

7 February 2019

1	History / Capital markets track record
2	Portfolio-Management
3	Asset-Management
4	Financial Figures / Financial Position

History / Capital markets track record

Historical development of the company



History / Capital markets track record

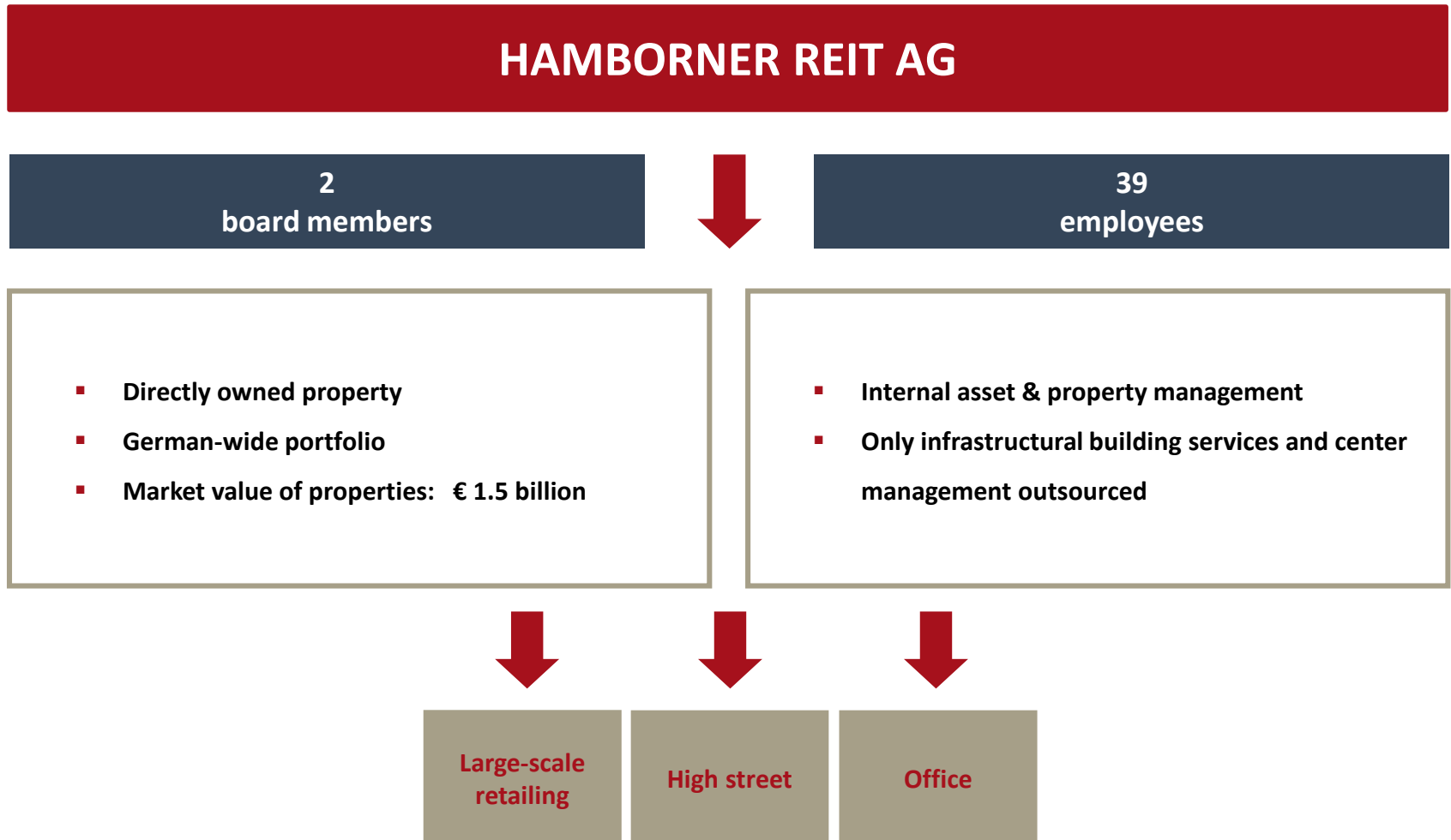
[R]eal [E]state [I]nvestment [T]rust (REIT)

Requirements for G-REITs

- Listing on the regulated market
- at least 45 % equity-ratio
- > 15% free float
- > 75% of assets must be real estate assets
- > 75% of revenues must stem from real estate assets
- > 90% of net income has to be paid as dividends each year
- < 10% direct holding in shares

History / Capital markets track record

Lean corporate structure – no holding/parent companies



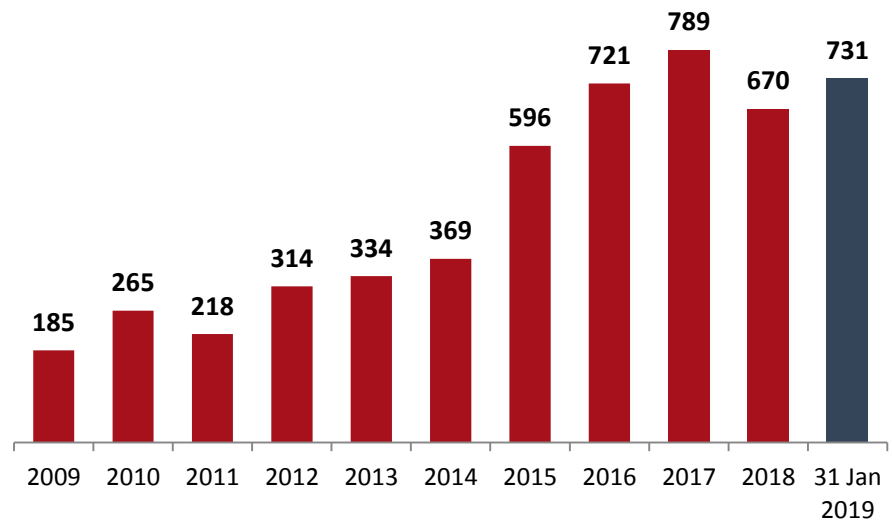
History / Capital markets track record

Growing market capitalization and increasing free float

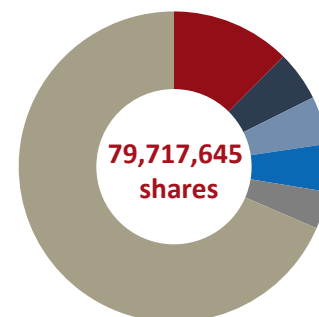
Milestones

- **2007:** Start of new strategy
- **2010:** Achievement of G-REIT status and change of company name to HAMBORNER REIT AG
- **October 2010:** Capital Increase – net proceeds of approx. € 76m
- **February 2011:** Secondary placement of approx. € 89 million HSH stake
- **March 2011:** SDAX index inclusion
- **March 2012:** EPRA index inclusion
- **July 2012:** Capital Increase – 11,373,333 new shares, net proceeds of approx. € 71.4m
- **Feb 2015:** Capital Increase – 4,549,332 new shares, gross proceeds of approx. € 40.9m – RAG Foundation new shareholder
- **July 2015:** Capital Increase – 11,959,948 new shares, gross proceeds of approx. € 101.6m
- **September 2016:** Capital Increase – 17,715,032 new shares, gross proceeds of approx. €166.5m
- **May 2018:** New Authorisation to issue option and convertible bonds

Market cap (€ million)



Shareholders

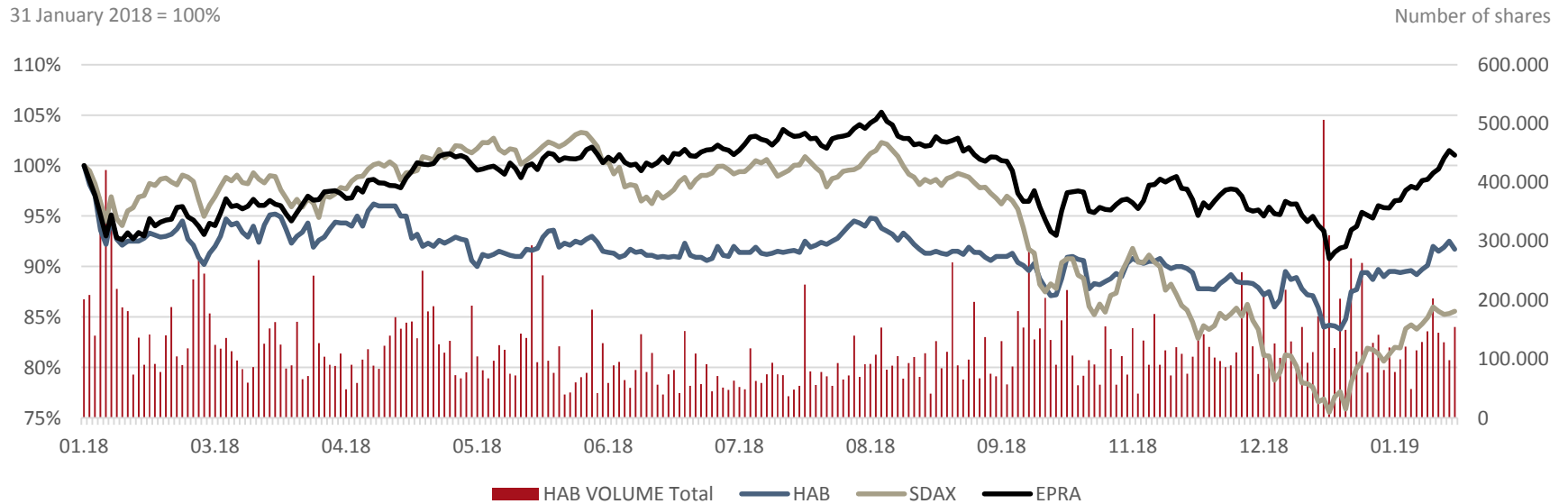


- **12.45%** RAG Foundation (Essen) (of which: 2.67% through RAG AG)
- **5.20%** BlackRock Inc. (Wilmington)
- **4.99%** BNP Paribas (Paris)
- **4.95%** Belfius Insurance (Brussels)
- **3.89%** Prof. Dr. Siegert (Düsseldorf)
- **68.52%** Freefloat

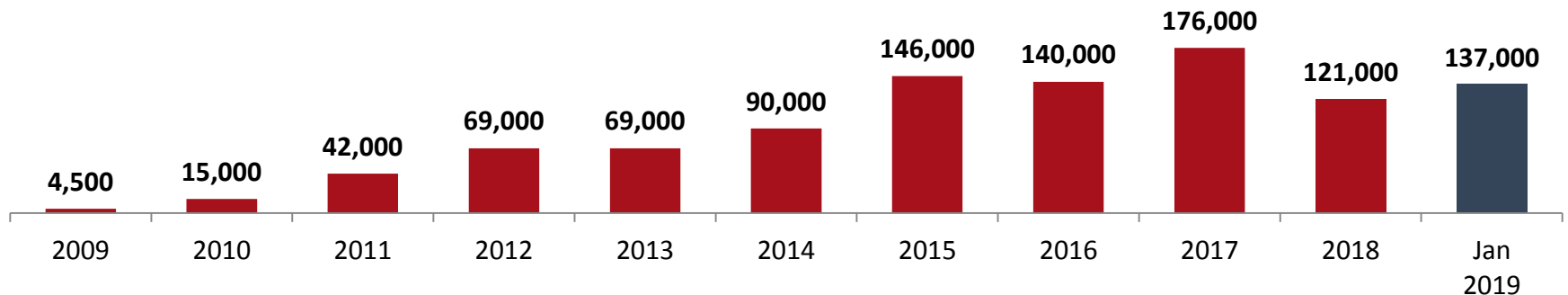
History / Capital markets track record

HAMBORNER REIT AG share

Development of share price and turnover (1 year)



Average turnover per day (# shares)



1	History / Capital markets track record
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Portfolio-Management

Well defined acquisition strategy

Acquisition strategy

- Regional diversification in high-growth regions in West, South and South-West Germany
- Focus also on towns and cities outside the main metropolises
- Focus on acquisitions of €10 million - €100 million
- Improving cost/yield structures through acquisition of larger properties and disposal of smaller properties
- Off-market deals preferred

Asset focus

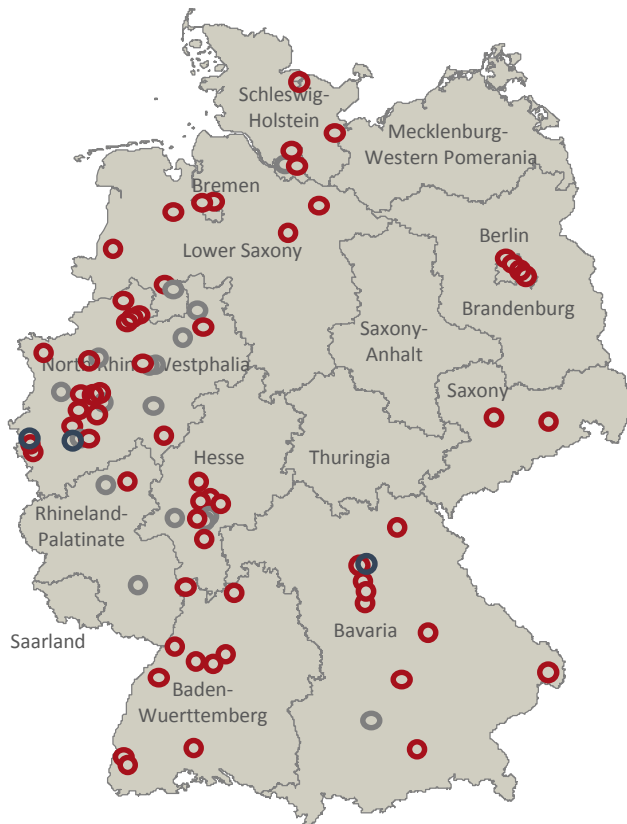
- Focus on quality properties, location and property strategy determined by asset type:
 - Commercial buildings used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Large scale retailing in town centre sites or highly frequented edge-of-town sites, nationally at locations with > 60,000 inhabitants
 - Modern office buildings built or redeveloped from the year 2007 onwards in town centre sites of cities with > 100,000 inhabitants

- **Diversified commercial real estate portfolio structure with clear yield-orientation**
- **Creating value through continuous expansion of portfolio/benefit from scale-effects**

Portfolio-Management

Balanced portfolio with 100% German focus

Geographical portfolio spread

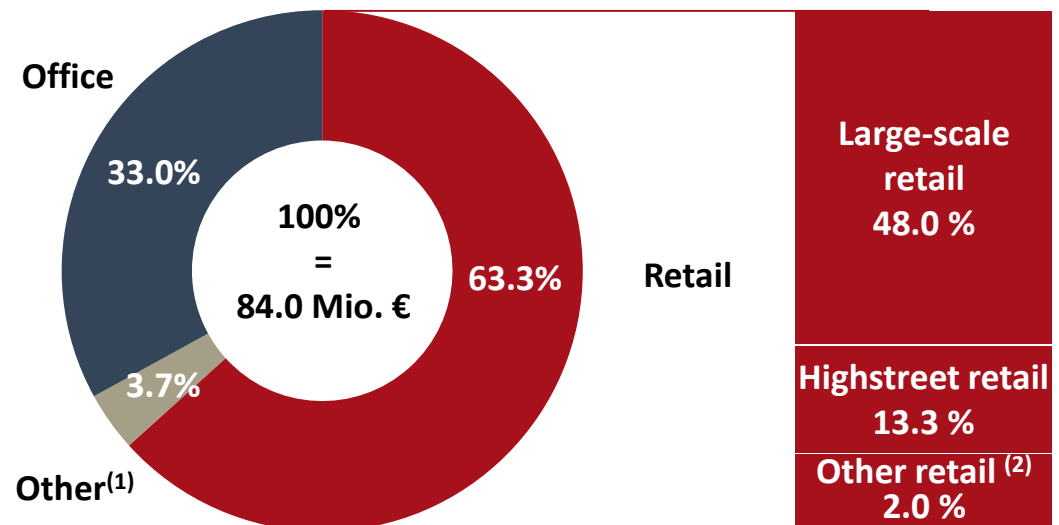


- Acquisitions before 2007
- Acquisitions from 2007
- Purchase contract signed

Diversification of asset types












- 78 properties in 60 cities in Germany
- Focus on West, South and South-West
- € 1.517 billion portfolio value

Annualised rental income



- (1) Residential units, restaurants, catering, fitness, storage space, parking spaces, short-term leases
- (2) Smaller retail spaces < 1,200 m² in mixed-used assets

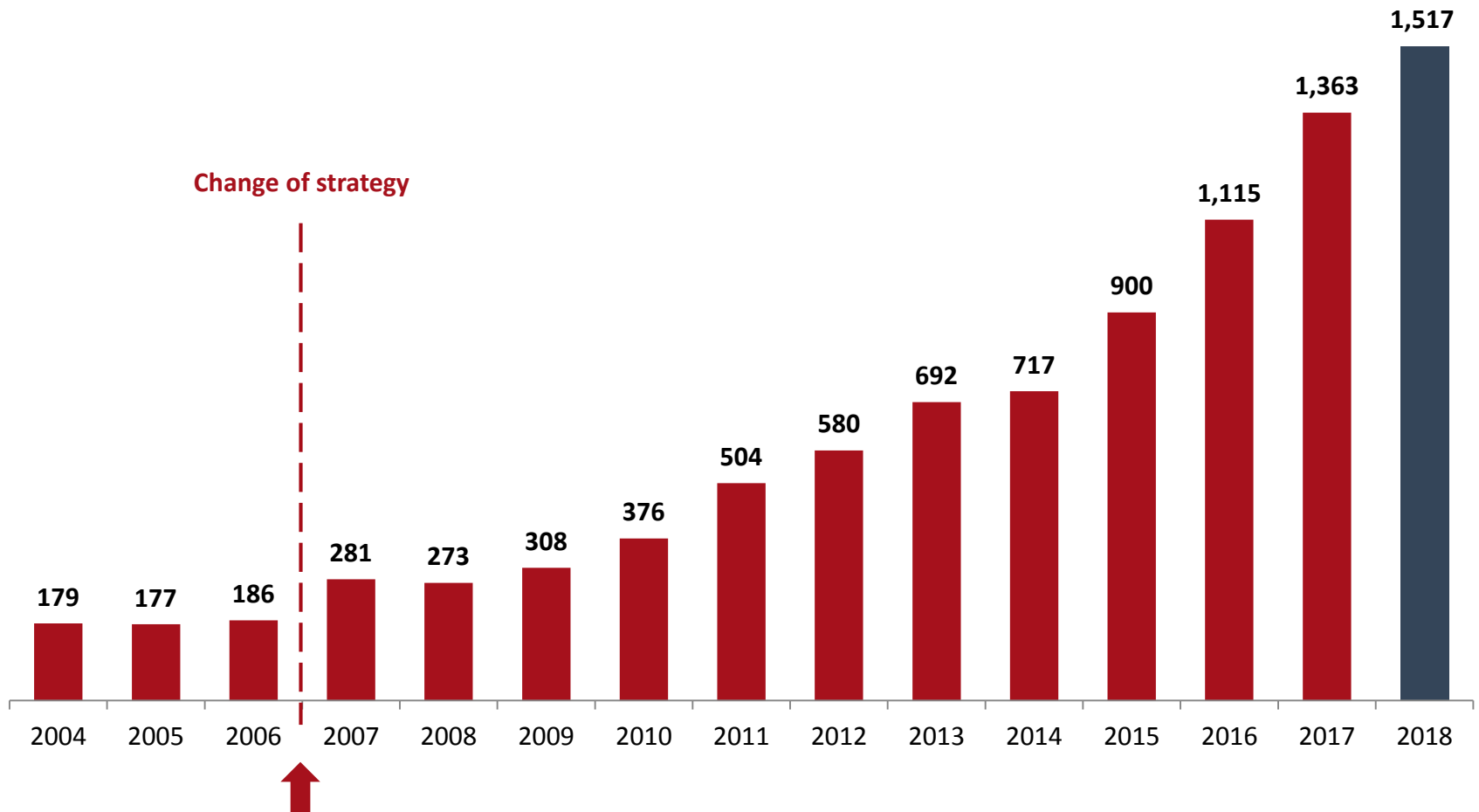
Regional diversification

<u>Federal State</u>	<u>Number of properties</u>	<u>Share in market value of total portfolio (31 December 2018)</u>
Northrhine-Westphalia	28	 26%
Bavaria	10	 19%
Baden-Wuerttemberg	10	 16%
Hessen	9	 12%
Berlin	4	 9%
Lower Saxony	6	 6%
Schleswig-Holstein	2	 5%
Hamburg	3	 2%
Bremen	3	 2%
Saxony	2	 2%
Rhineland-Palatinate	2	 1%
Total	78	

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

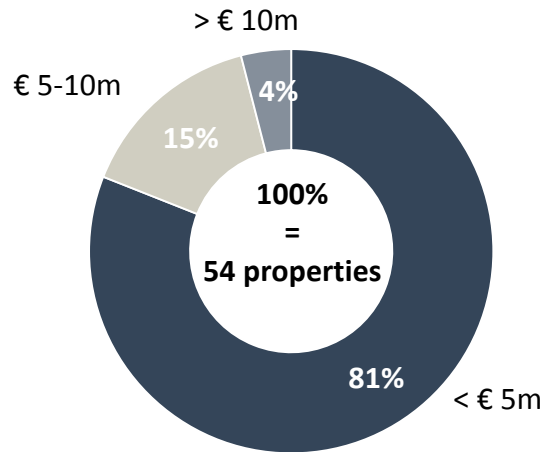


Portfolio-Management

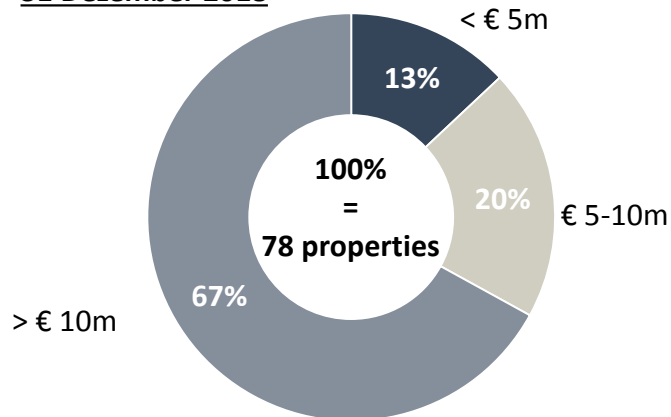
Portfolio structure

Portfolio split by property value

31 Dezember 2006

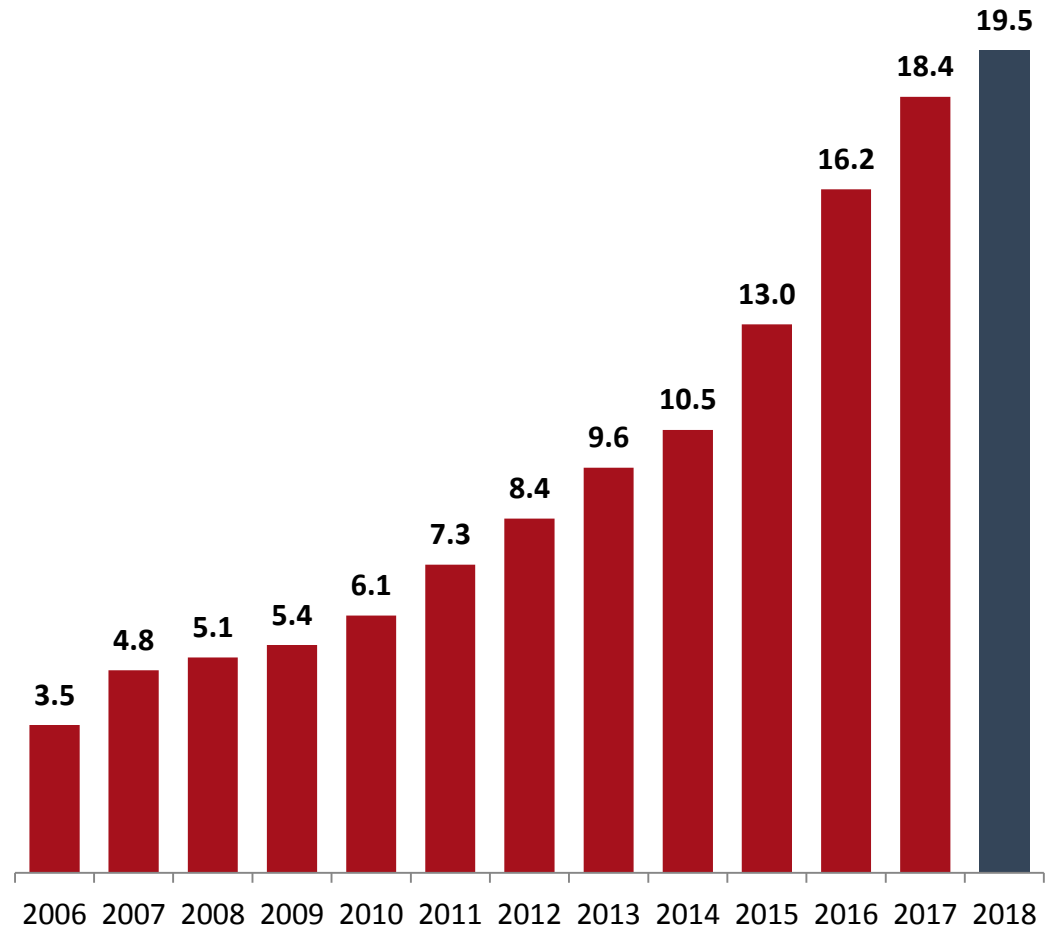


31 Dezember 2018



Average value per asset (in € million)

31 December 2018 (Number of properties = 78)



Investments 2018



Düsseldorf
Harffstraße



Cologne
Unter Linden

Built	1980 (Modernized 2011)	2009
Main tenants	EDEKA	EDEKA, ALDI, dm, Sparkasse
Leased area	5,343 m ²	6,533 m ²
Annual rental income	0.6 million	€ 1.0 million
Remaining lease term	10.0 years ⁽¹⁾	8.1 years ⁽¹⁾
Gross initial yield	5.7 %	5.1 %
Purchase price	€ 9.7 million	€ 20.2 million
Transfer of possession	2 January 2018	2 January 2018

(1) As of date of transfer

Investments 2018



Bonn
Basketsring



Darmstadt
Leydhecker Strasse

Built	2008	2000
Main tenants	EDEKA	REWE, Herbalife, Alcan Systems
Leased area	4,934 m ²	19,400 m ²
Annual rental income	€ 0.8 million	€ 2.5 million
Remaining lease term	10.0 years ⁽¹⁾	5.9 years ⁽¹⁾
Gross initial yield	5.5 %	5.6 % ⁽²⁾
Purchase price	€ 13.8 million	€ 42.8 million
Transfer of possession	2 January 2018	20 April 2018

(1) As of date of transfer (2) Calculation incl. € 1.6m maintenance expenses

Portfolio-Management

Investments 2018

Transfer of possession 2018/2019



Berlin
Landsberger Allee



Bamberg
Starkenfeldstrasse

Built	1975 (Modernized in 2011)	2013
Main tenants	Globus Baumarkt	EDEKA, Perbility, Bosch BKK, IG Metall
Leased area	16,500 m ²	6,100 m ²
Annual rental income	€ 1.7 million	€ 0.83 million
Remaining lease term	11.6 years ⁽¹⁾	8.5 years ⁽¹⁾
Gross initial yield	5.3 %	5.5 %
Purchase price	€ 32.1 million	€ 15.0 million
Transfer of possession	30 November 2018	July 2019e

(1) As of date of signing

Portfolio-Management

Investments 2018

Transfer of possession 2019/2020



Aachen
Gut-Dämme-Straße/Grüner Weg



Bonn
Krähenhorst/Soenneckenstraße

Built	2019 (under construction)	2019 (under construction)
Main tenants	Barmer, ...	Barmer, ...
Leased area	8,200 m ²	6,200 m ²
Annual rental income	€ 1.5 million	€ 1.2 million
Remaining lease term	approx. 8 years ⁽¹⁾	approx. 10 years ⁽¹⁾
Gross initial yield	5.2 %	5.3 %
Purchase price	€ 28.3 million	€ 22.8 million
Transfer of possession	Q4 2019/Q1 2020e	Q4 2019/Q1 2020e

(1) As of date of signing

Divestments 2018



Brunnthal

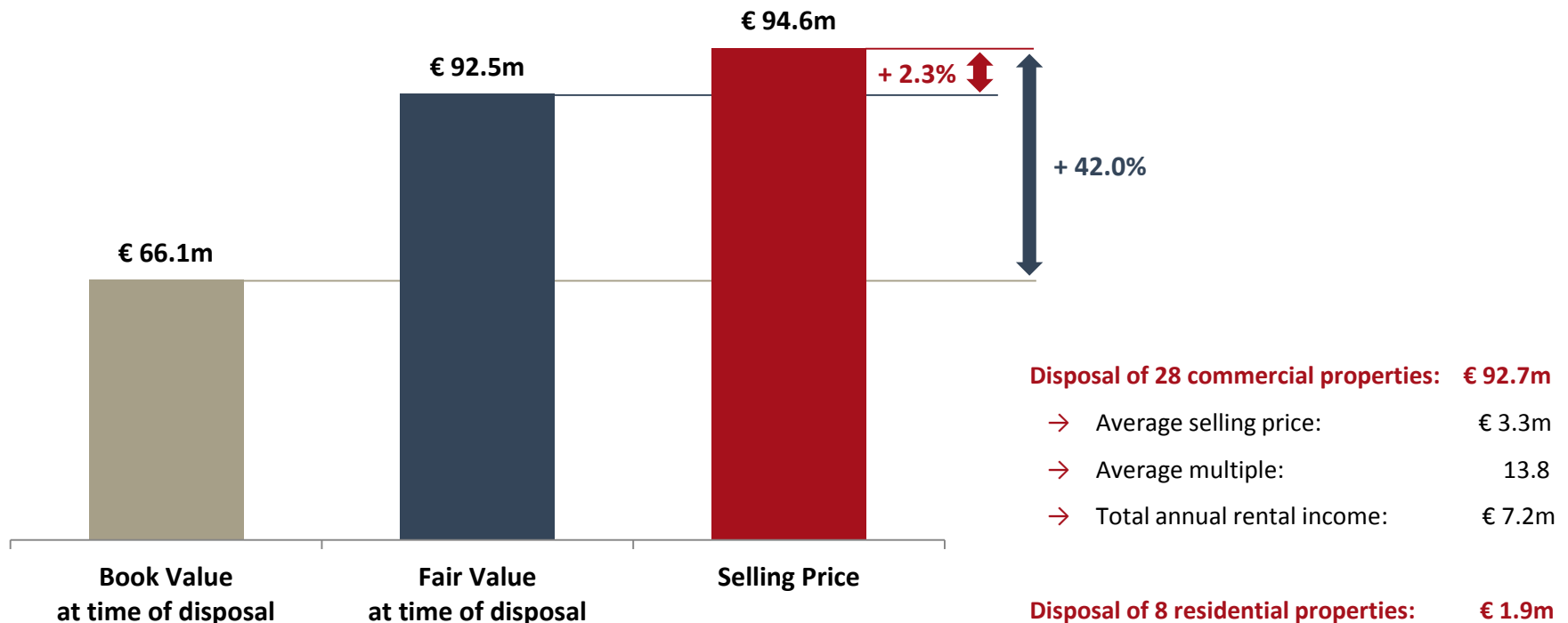
Selling price:	€ 11.2 million
Fair value as of 31 December 2017:	€ 11.1 million
Book value as of 30 September 2018:	€ 10.2 million
Book profit:	€ 1.0 million
Transfer of possession:	1. December 2018

Undeveloped land

Plot size:	200,000 m ²
Selling price:	€ 0.8 million
Book value as of 31 December 2017:	€ 0.2 million
Book profit:	€ 0.6 million
Transfer of possession:	December 2018

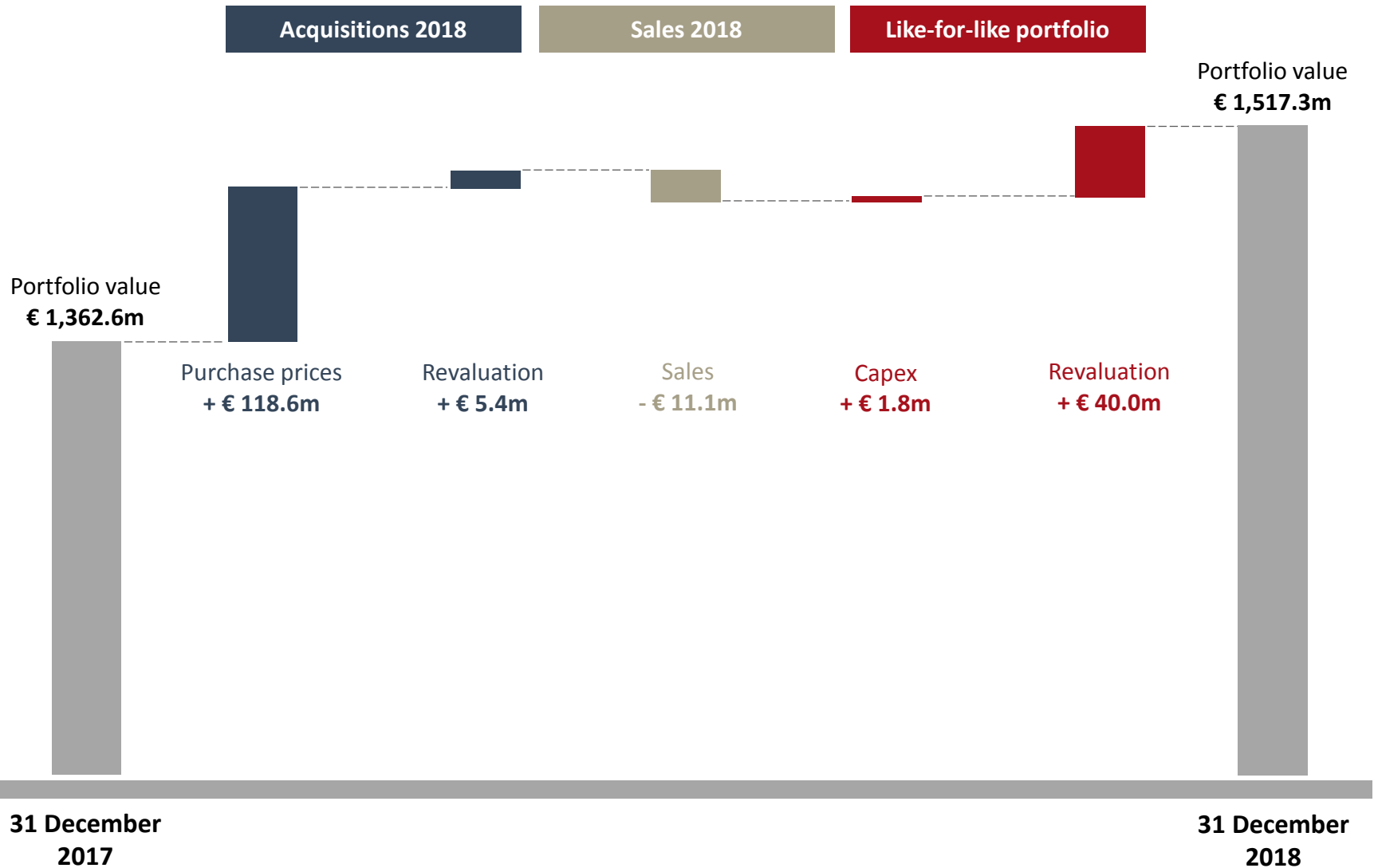
Portfolio-Management

Divestments since change of strategy in 2007

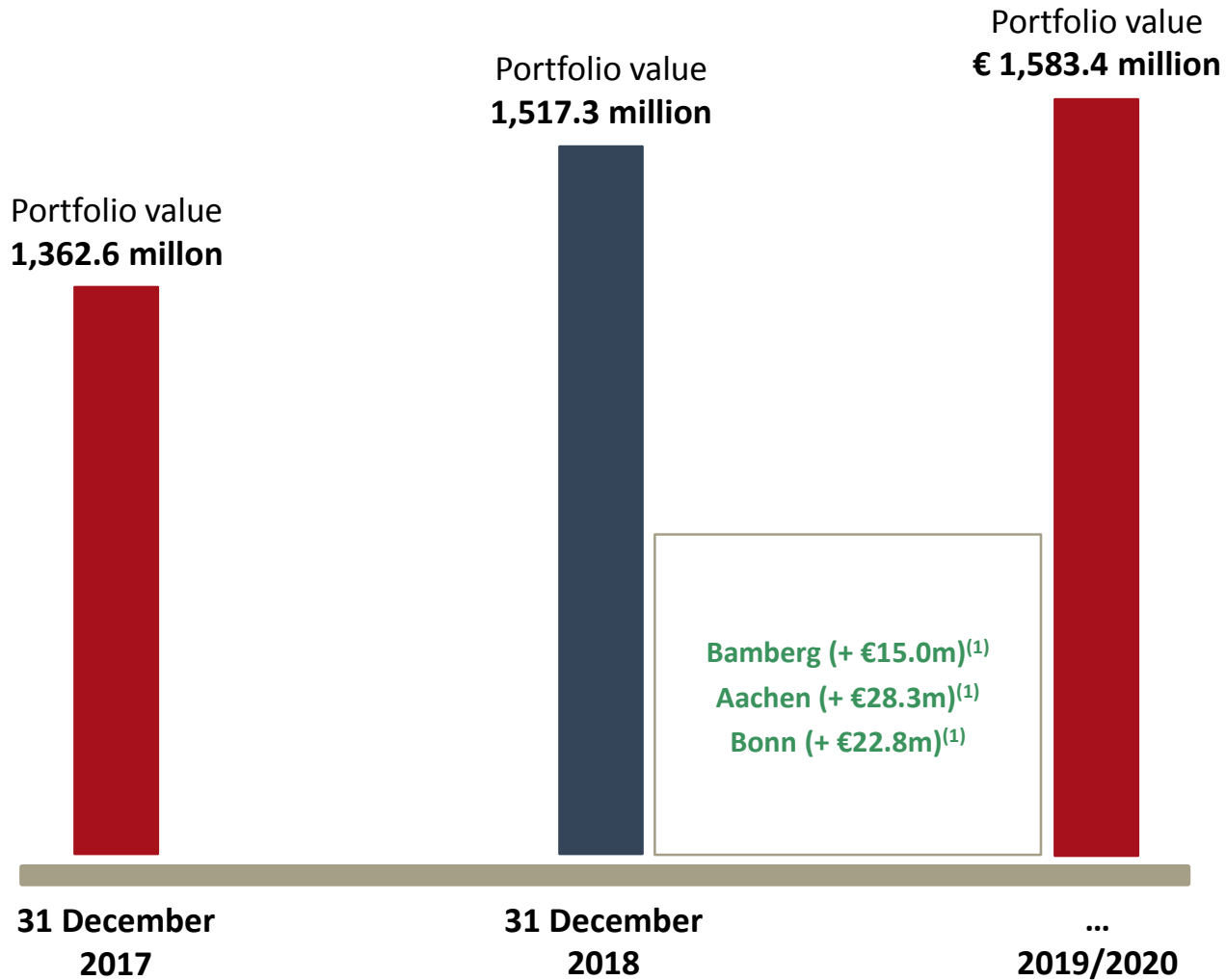


Portfolio-Management

Portfolio development



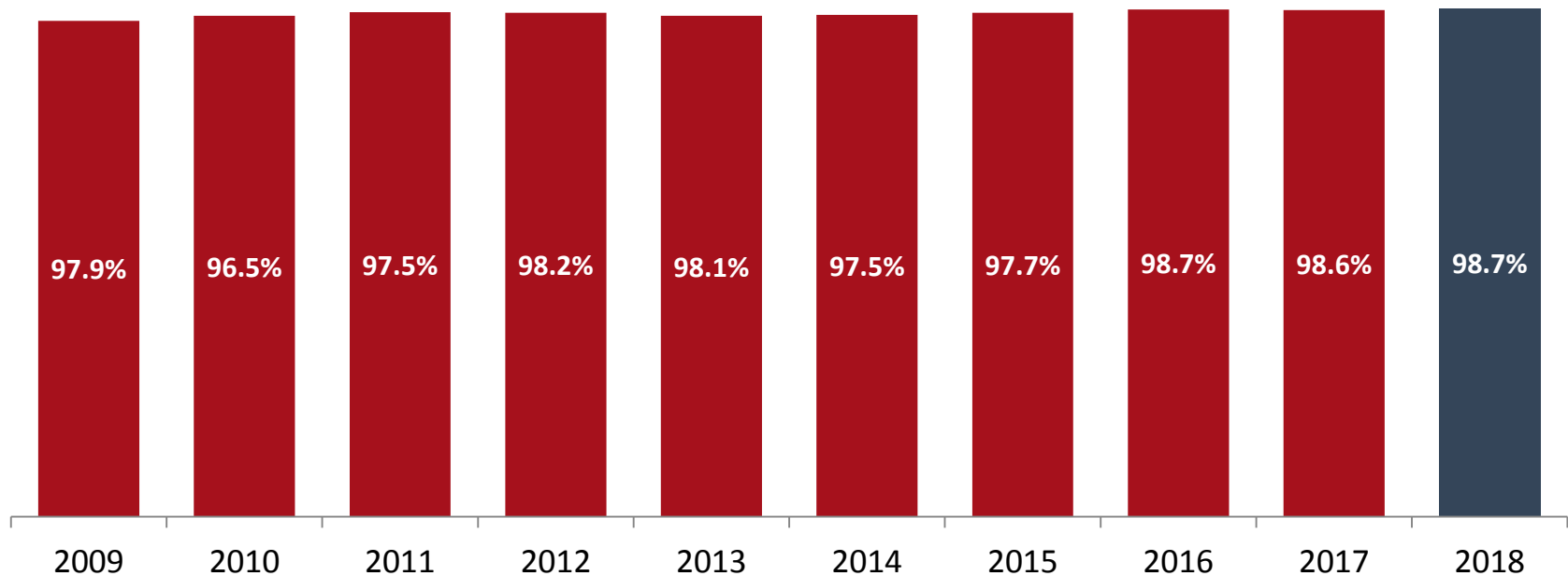
Portfolio development



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High and stable occupancy

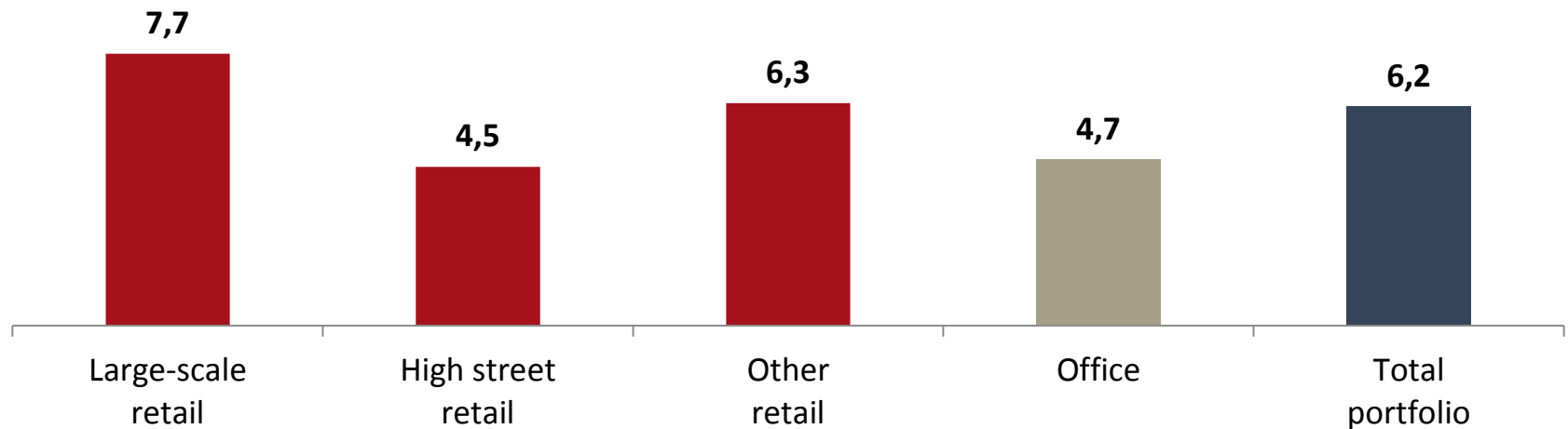
Occupancy rates



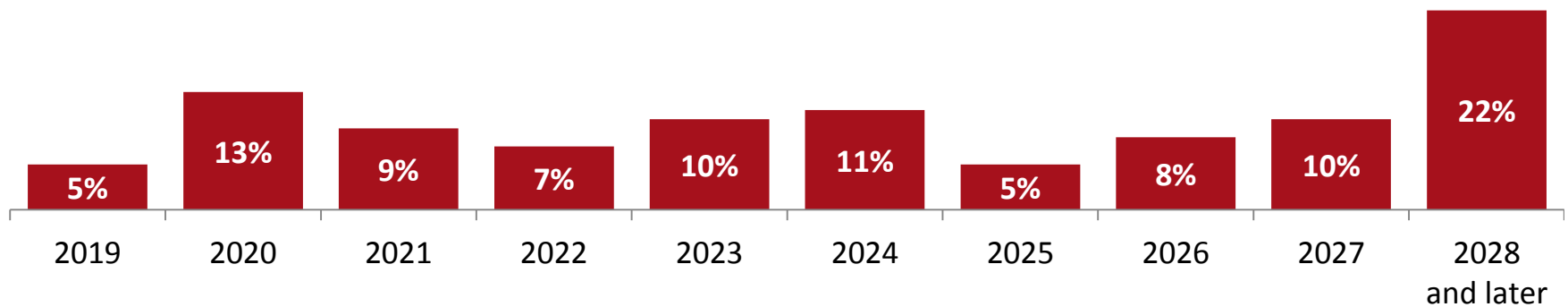
- Vacancy rate as of 31 December 2018 (incl. rent guarantees): 1.3 %
- Vacancy rate as of 31 December 2018 (excl. rent guarantees): 1.8 %

Long-term leases

Weighted average lease expiry by type (31 December 2018, in years)



Split of lease contracts expiring by year (31 December 2018)



Solid tenants

Top 10 tenants (as of 31 December 2018)

	Tenant	Sector	% annual rents*
	EDEKA Group	Food retail	11.6%
	Kaufland Group	Food retail	6.8%
	REWE Group	Food retail	5.6%
	real,-	Food retail	5.5%
	OBI	DIY retail	5.1%
	Jobcenter	Agency of unemployment	3.3%
	Globus DIY stores	DIY retail	2.0%
	NetCologne	Telecommunication	1.7%
	Telefonica O ₂	Telecommunication	1.7%
	C&A	Textile retail	1.6%
	Total		<u>44.9%</u>

1 History / Capital markets track record

2 Portfolio-Management

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4 Financial Figures/Financial Position

Financial Figures / Financial Position

Successful fiscal year 2018

Highlights

- Income from rents and leases: + **12.6%**
- Funds from operations (FFO): + **17.7%**
- Vacancy rate: **1.7 %** (incl. rent guarantees)
- Acquisition of five properties in Cologne, Bonn, Düsseldorf, Darmstadt and Berlin
 - Total investment volume: **€ 118.6 m**
- Portfolio value: **€ 1.517 billion**
- NAV per share: **€ 10.79**
- Dividend increase to **€ 0.46**
- Purchase contracts signed for three further assets in Bamberg, Aachen and Bonn
 - Total investment volume: **€ 66.1m**
 - Transfer of possession in 2019/2020

Financial Figures / Financial Position

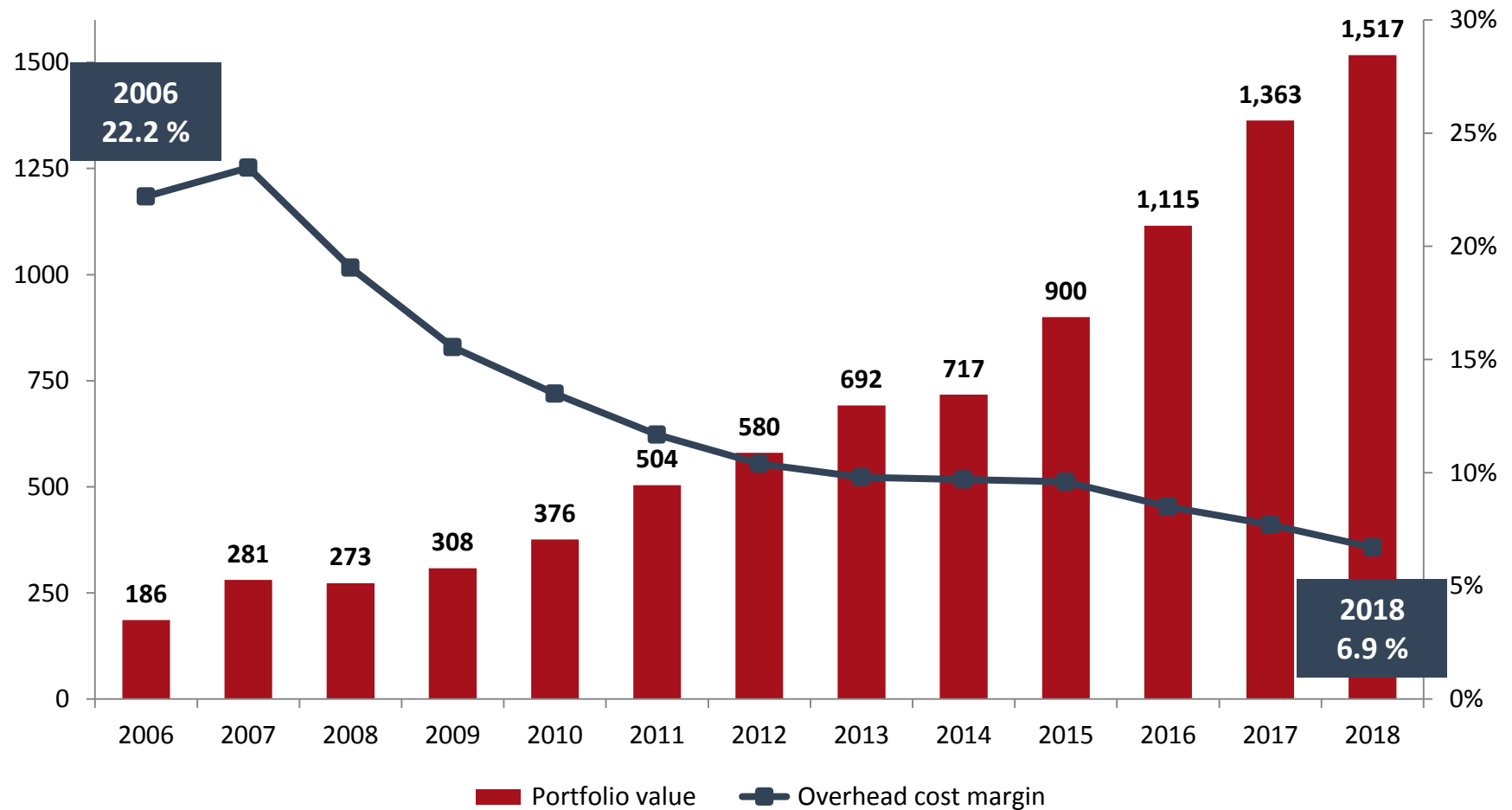
Significant preliminary key figures 2018

Kennzahlen	2018 Preliminary figures	2017	Change
Income from rents and leases	€ 83.4 million	€ 74.1 million	+ 12.6 %
Operating result	€ 32.8 million	€ 29.4 million	+ 11.8 %
Profit for the period	€ 19.4 million	€ 17.7 million	+ 9.7 %
Funds from operations (FFO)	€ 52.7 million	€ 44.7 million	+ 17.7 %
Funds from operations (FFO) per share	€ 0.66	€ 0.56	+ 17,7 %
REIT equity ratio	56.4 %	59.0 %	- 2.6 %-points
Loan to value (LTV)	42.5 %	39.6 %	+ 2.9 %-points
Net asset value (NAV) per share	€ 10.79	€ 10.15	+ 6.3 %
Dividend per share	€ 0.46*	€ 0.45	+ 2.2 %

Financial Figures / Financial Position

Benefitting from economies of scale

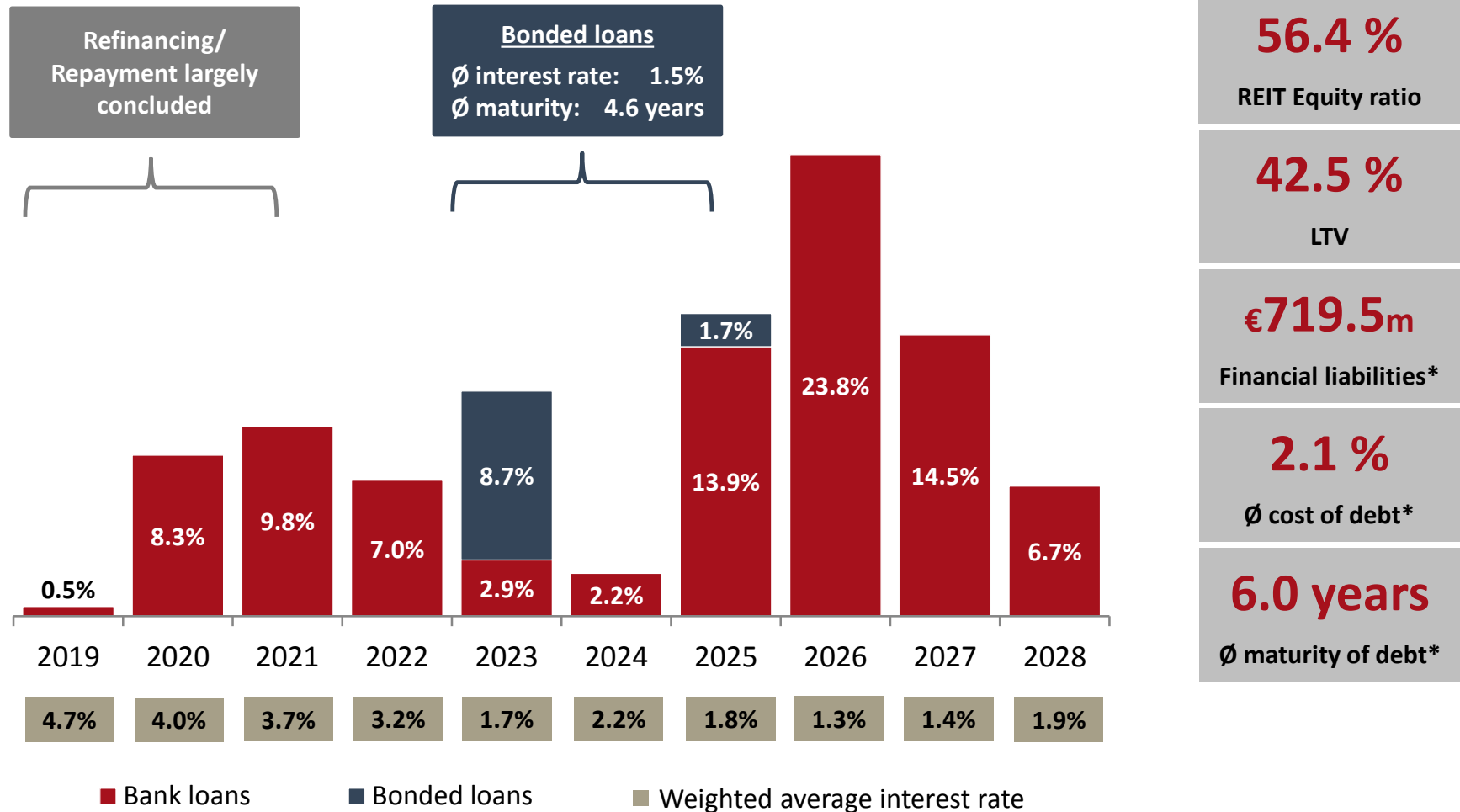
Portfolio value (€ million) and overhead cost margin*



Financial Figures / Financial Position

Financial liabilities

Expiration of financial liabilities (as of 31 December 2018)

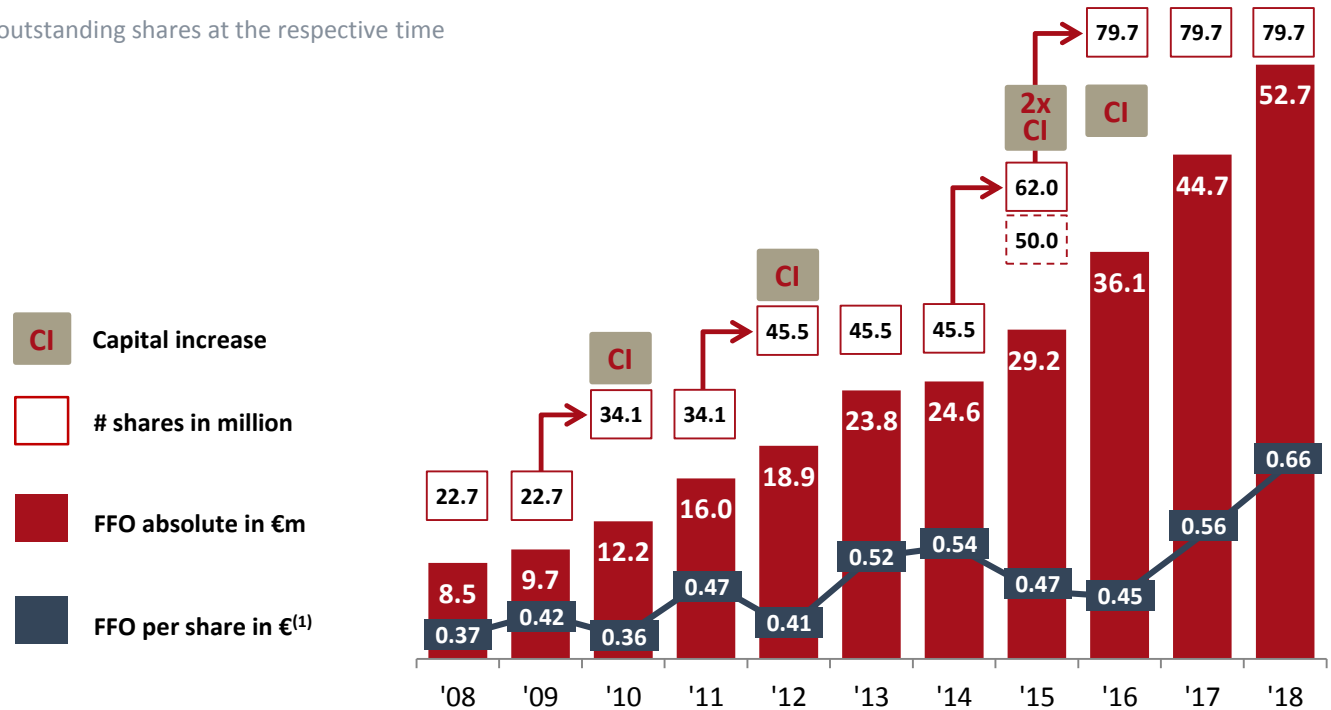


Financial Figures / Financial Position

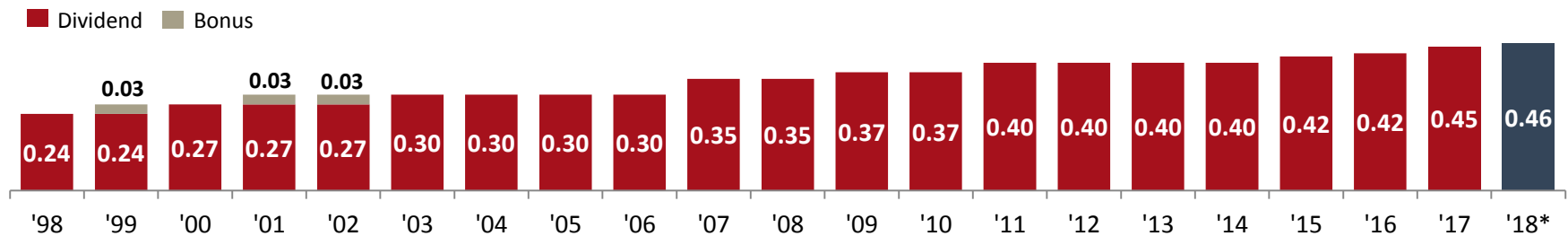
Increasing FFO and dividend per share

Funds From Operations (FFO)

(1) Calculation of FFO per share with outstanding shares at the respective time



Dividend per share (€)



Outlook

Forecast 2019

- Income from rents and leases: + 1 % – 2 %
- Expected FFO at the current high level
- Forecast does not take into account further acquisitions or disposals
- Additional acquisitions in the course of 2019 would have a further positive effect on rental income and operating result
- Remaining fire power: € 80 – 100 million
- Final figures for 2018 will be published on 27 March 2019

Dividend outlook

- Continuation of reliable and sustainable dividend policy
- Dividend proposal to AGM 2019: 46 cents (+2.2 %)
- Further dividend increase of 2.2 % to 47 cents planned in 2020

HAMBORNER REIT AG - Financial Calendar	
Annual report 2018	27 March 2019
Interim Report for 1st quarter 2019	2 May 2019
AGM 2019	7 May 2019
Interim Report for 1st half 2019	1 August 2019
Interim Report for 3rd quarter 2019	7 November 2019

Many thanks for your attention!

TOP 10 Properties (1/2)



Mannheim
Kurpfalz Center



Munich
NuOffice



Berlin
EUREF Campus



Cologne
O³



Lübeck
Haerder Center

	Mannheim Kurpfalz Center	Munich NuOffice	Berlin EUREF Campus	Cologne O³	Lübeck Haerder Center
Asset type	Retail	Office	Office	Office	High Street
Year of acquisition	2016	2013	2013	2017	2016
Purchase price	€ 80.0 million	€ 40.1 million	€ 33.0 million	€ 48.9 million	€49.1 million
Fair value	€ 82.9 million ⁽¹⁾	€ 63.5 million ⁽¹⁾	€ 58.1 million ⁽¹⁾	€ 53.4 million ⁽¹⁾	€ 53.1 million ⁽¹⁾
Annual rental income	€ 4.0 million	€ 2.5 million	€ 2.3 million	€ 2.8 million	€ 2.4 million
Remaining lease term	6.0 years ⁽¹⁾	4.6 years ⁽¹⁾	5.1 years ⁽¹⁾	4.8 years ⁽¹⁾	4.2 years ⁽¹⁾
Main tenants	Real, Toys'R'Us, ALDI, dm, Adler Mode	Estée Lauder, Armani, Zielpuls	Deutsche Bahn, Schneider Electric	NetCologne	REWE, mytoys, KIK

(1) As of 31 December 2018

TOP 10 Properties (2/2)



Hallstadt
Market Oberfranken



Darmstadt



Karlsruhe



Celle



Hanau
Rondo Steinheim

Asset type	Retail	Retail/office	Retail/Office	Retail	Retail
Year of acquisition	2017	2018	2012	2015	2017
Purchase price	€ 41.4 million	€ 42.8 million	€ 37.0 million	€ 35.2 million	€ 37.5 million
Fair value	€ 46.5 million ⁽¹⁾	€ 45.6 million ⁽²⁾	€ 45.4 million ⁽¹⁾	€ 44.2 million ⁽¹⁾	€ 40.5 million ⁽¹⁾
Annual rental income	€ 2.5 million	€ 2.5 million	€ 2.5 million	€ 2.3 million	€ 2.0 million
Remaining lease term	6.5 years ⁽¹⁾	6.4 years ⁽¹⁾	3.2 years ⁽¹⁾	9.8 years ⁽¹⁾	13.5 years ⁽¹⁾
Main tenants	Müller, tegut, C&A, Expert, ALDI	REWE, Herbalife, Alcan Systems	EDEKA, Brandmaker	Real, ALDI, Rossmann, tedox, Fressnapf	REWE, ALDI, dm, Deichmann

(1) As of 31 December 2018

Appendix

TOP 50 Cities in Germany



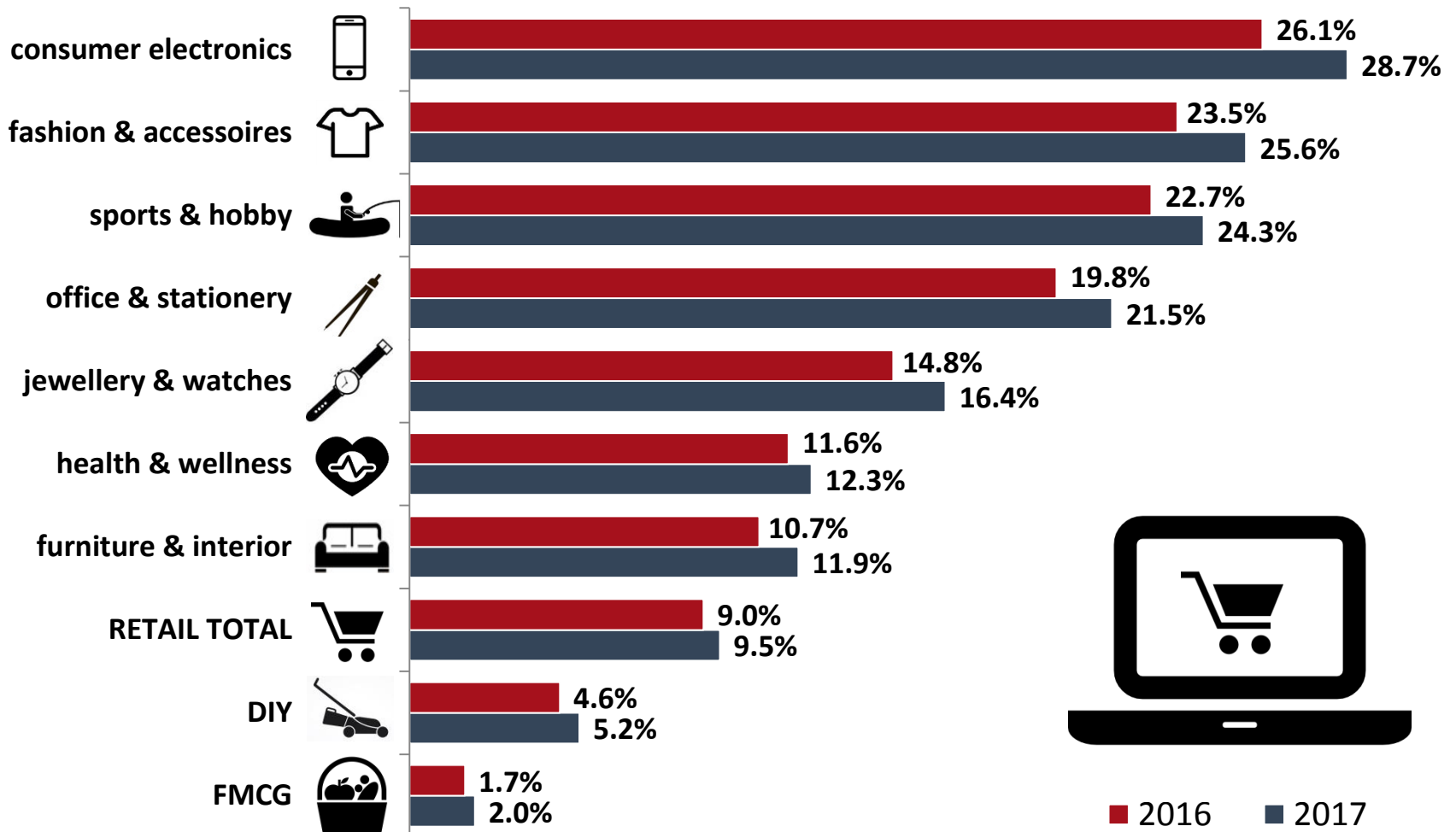
High attractiveness in terms of

- Demographic development
- Purchase power
- Centrality
- Future opportunities

- Aachen***
- Aschaffenburg
- Augsburg***
- Bad Homburg***
- Bamberg***
- Bayreuth***
- Berlin***
- Böblingen
- Bonn***
- Braunschweig
- Cologne***
- Darmstadt***
- Dresden***
- Düsseldorf***
- Erlangen***
- Esslingen am Neckar
- Frankfurt am Main***
- Freiburg im Breisgau***
- Friedrichshafen
- Fürth***
- Göttingen
- Hamburg***
- Hanover
- Heidelberg
- Heilbronn
- Ingolstadt***
- Karlsruhe***
- Kempton
- Koblenz***
- Konstanz
- Landshut
- Leipzig***
- Ludwigsburg
- Mainz
- Mannheim***
- Munich***
- Münster***
- Nürnberg
- Oldenburg***
- Passau***
- Pforzheim
- Regensburg***
- Reutlingen
- Sindelfingen
- Stuttgart***
- Tübingen***
- Ulm
- Wiesbaden***
- Wolfsburg
- Würzburg

Appendix

Consumer purchasing behaviour in Germany Share of eCommerce in retail sales





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