

# FIRST 3 MONTHS OF 2018

MAY 3, 2018



# DISCLAIMER

## Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, general economic conditions, including in particular economic conditions in the alstria's core business and core markets, general competitive factors, the impact of acquisitions, including related integration issues, and reorganization measures. Furthermore, the development of financial markets, interest rate levels, currency exchange rates, as well as national and international changes in laws and regulations, in particular regarding tax matters, can have a corresponding impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

## No duty to update

The company assumes no obligation to update any information contained herein.

# HIGHLIGHTS Q1 2018



Steinstrasse 5–7, Hamburg

## › Operating business

- Revenues: EUR 48.3 million
- FFO: EUR 29.8 million (after minorities)
- FFO per share: EUR 0.17

## › Leasing

- New leases: 14,100 m<sup>2</sup>
- Extended leases: 18,500 m<sup>2</sup>
- EPRA vacancy rate: 11.2 %

## › Transactions

- Acquisition of 2 assets for a total AIC of EUR 87.4 million
- Disposal of 2 assets for a total consideration of EUR 13.6 million

## › Financing

Capital increase:

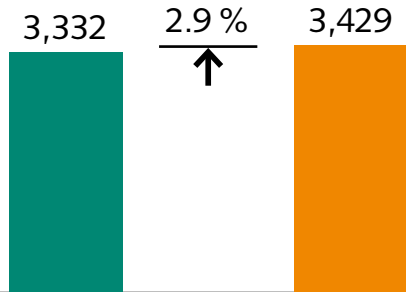
- Issuance of 15.3 m shares at EUR 12.60
- Gross proceeds of EUR 193 million

Conversion of the convertible bond:

- Outstanding amount reduced from EUR 73.5 million to EUR 0.2 million
- 7.9 million shares issued at EUR 12.35
- Equity increased by EUR 97 million

# SELECTED BALANCE SHEET POSITIONS

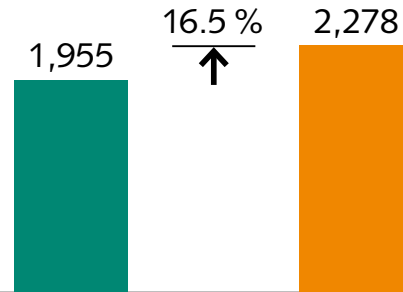
## INVESTMENT PROPERTY in EUR million



Dec. 31, 2017

Mar. 31, 2018

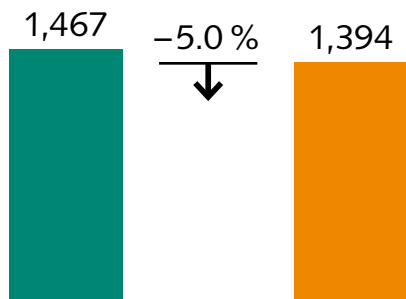
## EQUITY in EUR million



Dec. 31, 2017

Mar. 31, 2018

## FINANCIAL DEBT in EUR million



Dec. 31, 2017

Mar. 31, 2018

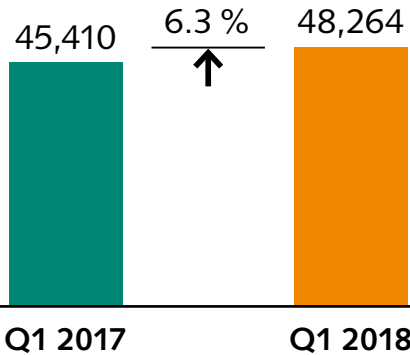
## RATIOS

- › G-REIT equity ratio: 65.4 %
- › Net LTV: 35.1 % as of today\*
- › EPRA NAV per share: EUR 12.85

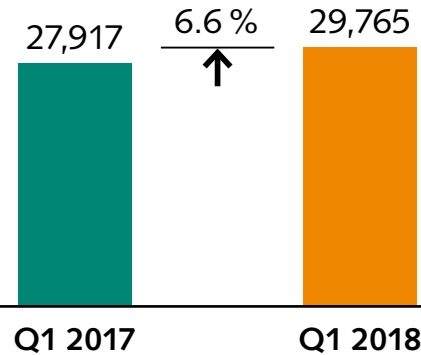
\*After EUR 92.2 million dividend payment.

# FINANCIALS: SELECTED PROFIT & LOSS POSITIONS

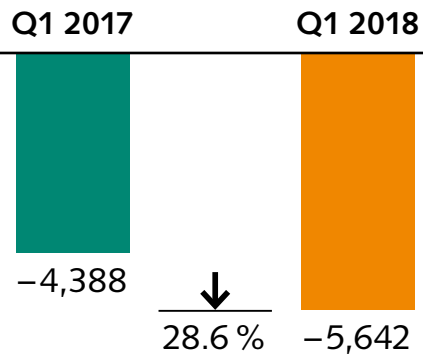
## GROSS RENTAL INCOME in EUR k



## FUNDS FROM OPERATIONS (FFO) in EUR k



## SG&A in EUR k

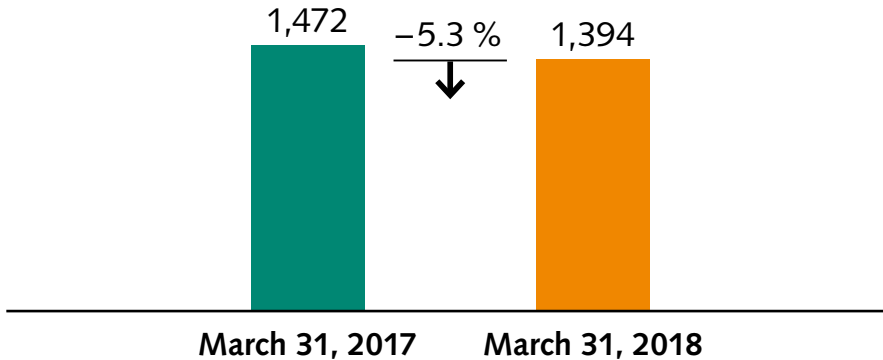


## RATIOS

- › FFO per share: EUR 0.17
- › FFO margin: 61.7 %
- › EPRA cost ratio: 18.0 %

# DE-LEVERING THE COMPANY

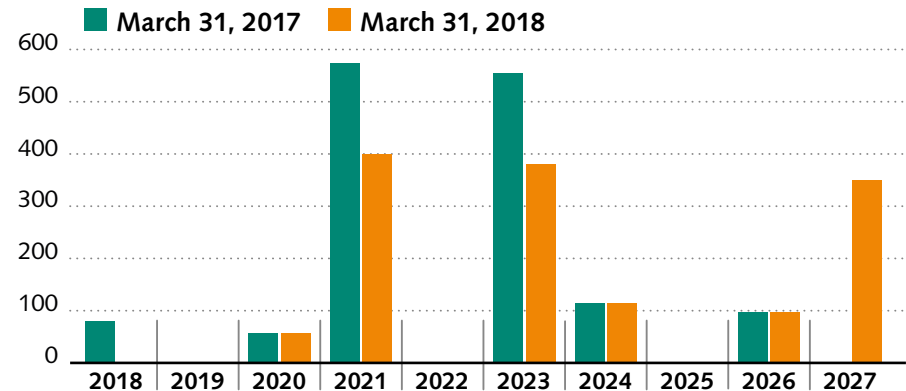
## FINANCIAL DEBT in EUR million



## COMPOSITION OF DEBT in EUR million

	March 31, 2018	March 31, 2017
Bonds	1,002	1,000
Convertible bond	0	79
Schuldschein	150	150
Bank debt	242	243
<b>Total</b>	<b>1,394</b>	<b>1,472</b>

## MATURITY PROFILE in EUR million

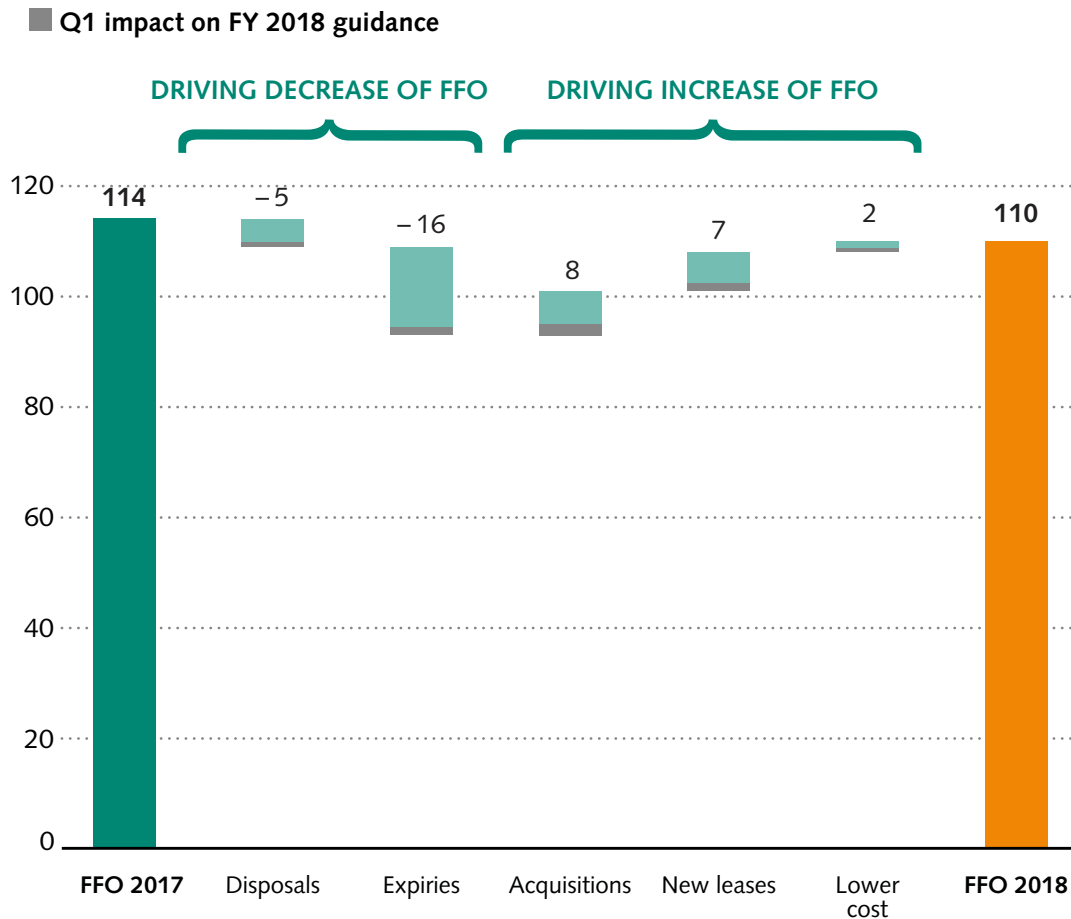


## RATIO

- Conversion of convertible bond in the course of Q1 2018
- Cost of debt as per March 31, 2018: 1.9%
- 98.3 % of total debt is fixed or hedged
- > 80 % unencumbered assets

# GUIDANCE 2018

FFO GUIDANCE BRIDGE in EUR million



- > **Guidance 2018 confirmed**
  - Revenues: EUR 187 million
  - FFO: EUR 110 million

# OPERATIONS: PORTFOLIO UPDATE

## PORTFOLIO DATA (March 31, 2018)

- > **Portfolio value:** EUR 3.4 billion
- > **EPRA vacancy rate:** 11.2 %
- > **WAULT:** 4.6 years
- > **Contractual rent:** EUR 199.4 million
- > **Valuation yield:** 5.8 %
- > **Value per m<sup>2</sup>:** EUR 2,156

## ALSTRIA'S INVESTMENT MARKETS

as per March 31, 2018

### Total portfolio

- Investment volume: EUR 3,420 million
- 🏠 Number of assets: 116
- 📄 Lettable space: 1,586,376 m<sup>2</sup>
- 📍 Headquarters
- Local offices

### Hamburg

- EUR 1,054 million
- 🏠 37 assets
- 📄 398,871 m<sup>2</sup>

### Rhine-Ruhr

- EUR 986 million
- 🏠 36 assets
- 📄 511,953 m<sup>2</sup>

### Rhine-Main

- EUR 689 million
- 🏠 18 assets
- 📄 306,792 m<sup>2</sup>

### Stuttgart

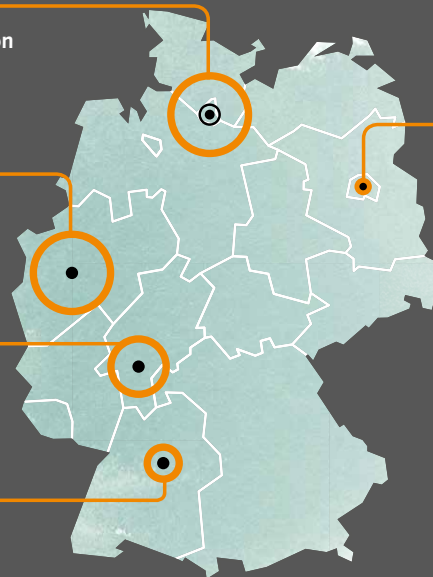
- EUR 408 million
- 🏠 9 assets
- 📄 209,142 m<sup>2</sup>

### Berlin

- EUR 159 million
- 🏠 6 assets
- 📄 62,799 m<sup>2</sup>

### Others

- EUR 124 million
- 🏠 10 assets
- 📄 96,818 m<sup>2</sup>





# OPERATIONS: LEASING UPDATE Q1 2018

## NEW LEASES 2018: 14,100 m<sup>2</sup>

- 29 new leases in 2018 ytd
- Avg. lettable area: 574 m<sup>2</sup>
- Avg. rent: EUR 11.68 m<sup>2</sup>/month
- WAULT: 4.2 years
- Future cashflow: EUR 9.9 million

## LEASE EXTENSIONS 18,500 m<sup>2</sup>

- 16 lease extensions in ytd
- Avg. lettable area: 1,253 m<sup>2</sup>
- Avg. rent: EUR 11.39 m<sup>2</sup>/month
- WAULT: 4.7 years
- Future cashflow: EUR 12.8 million

## NEW LEASES > 1,500 m<sup>2</sup>

Adress	City	Tenant	Lettable area	Net rent/m <sup>2</sup> (EUR)	Net rent p.a. (EUR k)	Lease length (years)	Rent free (in % of lease length)
Heidenkampsweg 99–101	Hamburg	Commerzbank AG	1,800	12.04	260	5.0	0.0
Süderstraße 24	Hamburg	BIQ Bildung Innovation Qualifizierung GmbH	1,900	11.62	265	3.0	8.3
Am Wehrhahn 33	Hamburg	Ebner Stolz Wirtschaftspr. Partnerschaft MBB	2,400	16.98	489	10.0	10.7

## RENEWALS > 5,000 m<sup>2</sup>

Adress	City	Tenant	Lettable area	Net rent/m <sup>2</sup> (EUR)	Net rent p.a. (EUR k)	Lease length (years)	Rent free (in % of lease length)
Breitwiesenstr. 5–7	Stuttgart	Cenit AG	7,478	12,66	1,765	7.5	4.0

# CASE STUDY HARBURGER RING



Harburger Ring 17, Hamburg

- › **2007:** Acquisition of the 3,600 m<sup>2</sup> building for EUR 3.4 million (mixed use office, residential, retail), rental income EUR 250 k p. a.
- › **2014:** Vacation of the building and start of refurbishment
- › **2014–2016:** Capex of EUR 4.2 million for substantial modernisation of office, retail and residential space
- › Rental income of EUR 500 k p. a. after refurbishment
- › Disposal of the building for EUR 10 million in 2018
- › Buyers' yield: 4.7 %
- › Gain to recent appraised value: 8.1 %
- › alstria's UIRR over the holding period: 8.3 %

# ALSTRIA'S SHARE

## SHARE

ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
Indizes	FTSE EPRA / NAREIT Global Real Estate Index Series, FTSE EPRA / NAREIT Europe Real Estate Index Series, MDAX, RX REIT Index, GPR 250 Index Series, GPR 250 REIT Index Series
Number of shares	177.3 million
Free float	100 %

## CONTACT

Investor Relations / Public Relations	<b>alstria office REIT-AG</b>
<b>RALF DIBBERN</b>	Steinstrasse 7
E rdbibbern@alstria.de	20095 Hamburg, Germany
T +49 (0) 40 226 341-329	www.alstria.com
F +49 (0) 40 226 341-229	info@alstria.de

Corporate  
Responsibility

Prime

rated by

oekom research



[www.twitter.com/alstria\\_REIT](http://www.twitter.com/alstria_REIT)



[www.alstria.blogspot.com](http://www.alstria.blogspot.com)



[www.linkedin.com/  
company/alstria-office-reit-ag](http://www.linkedin.com/company/alstria-office-reit-ag)

# APPENDIX: RECONCILIATION FROM IFRS TO FFO

## IFRS P&L AND FFO in EUR million

TEUR (Q1 2018)	IFRS	Adjustments	FFO Q1 2018
<b>Revenues</b>	<b>48,264</b>	<b>0</b>	<b>48,264</b>
Income less expenses from passed on operating expenses	-367	0	-367
Real estate operating expenses	-6,253	736	-5,517
<b>Net rental income</b>	<b>41,644</b>	<b>736</b>	<b>42,380</b>
Administrative expenses	-2,136	178	-1,958
Personnel expenses	-3,506	46	-3,460
Other operating income	3,378	-1,877	1,501
Other operating expenses	-1,524	969	-555
Gain on disposal of investment properties	560	-560	0
<b>Net operating result</b>	<b>38,416</b>	<b>-508</b>	<b>37,908</b>
Net financial result	-8,600	1,238	-7,362
Share of the result of joint venture	62	0	62
Net loss from fair value adjustments on financial derivatives	2,471	-2,471	0
<b>Pretax income / FFO</b>	<b>32,349</b>	<b>-1,741</b>	<b>30,608</b>
Income tax	3	-3	0
Minorities	0	-843	-843
<b>Net profit / FFO after minorities</b>	<b>32,352</b>	<b>-2,587</b>	<b>29,765</b>

## ADJUSTMENTS

- › EUR 2,471 k non-cash valuation movement on financial derivatives
- › **Other operating income**
  - EUR 777 k non-recurring tenant compensation payments
  - EUR 1,100 k release of accruals
- › **Net financial result**  
EUR 1,238 k non-cash financing costs, mainly related to convertible bond
- › **Minorities**  
EUR 843 k non-cash increase in minority share of alstria office Prime Portfolio GmbH & Co. KG