

CORESTATE Capital

Q1-2018 Results

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Glossary: € = Euro; \$ = (US)Dollar; (F)Y = (financial) year(s); H = half year(s); M = month(s); Q = quarter(s); % = percentage; a = actual; acc. = according; adj. = adjusted; aggr. = aggregated; approx. = approximately; c./ca. = circa; e = expected; k = thousand(s); m = million(s); bn = billion(s)

Corporate Governance

- Management Board realignment completed
- Successful **AGM** and **distribution of €42m** to shareholders (€2 per share)

Operational Performance

- Decent start in the year with **promising Q1 results**

Corporate Structure

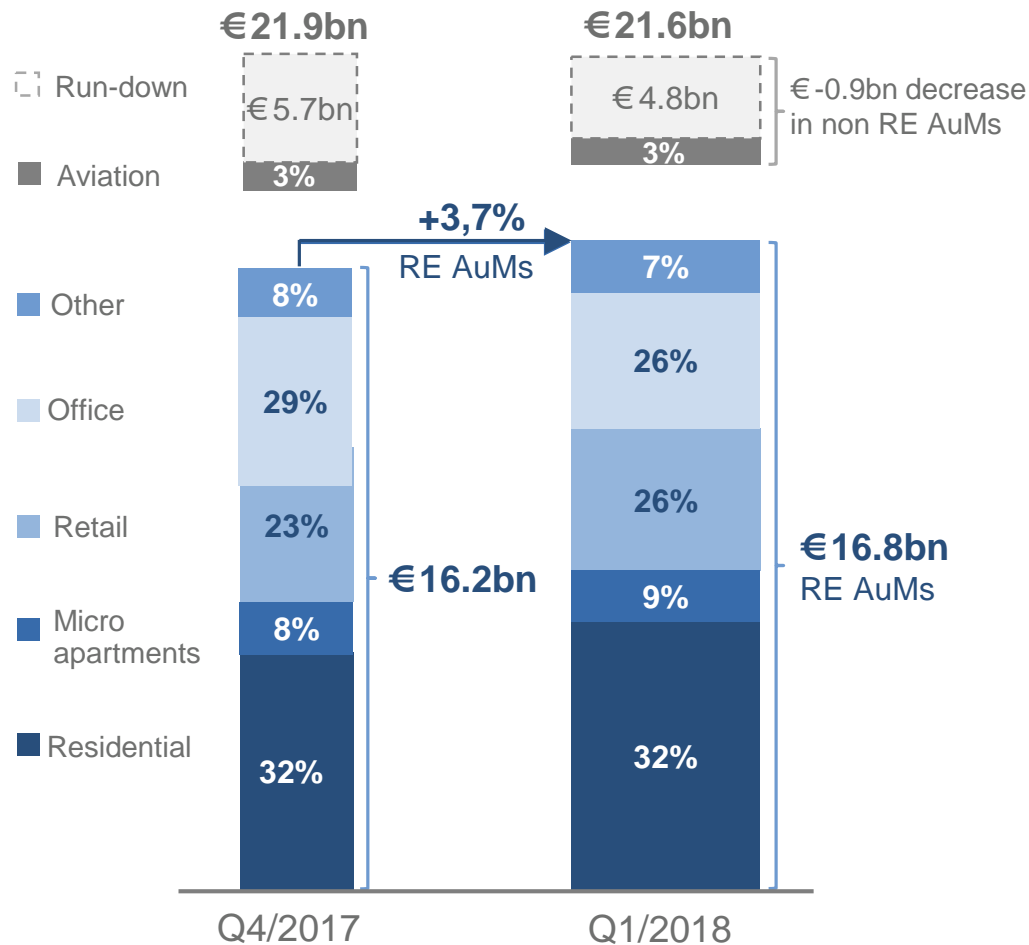
- Rebranding ATOS, fully integrated in CORESTATE
- Further progress in business process standardization and operational alignment

Capital Markets & Financing

- **€300m** senior unsecured **bond** placed in March
- Increase of free float to >63% and **SDAX** inclusion
- One additional broker initiated **research coverage** with “**buy**” recommendation

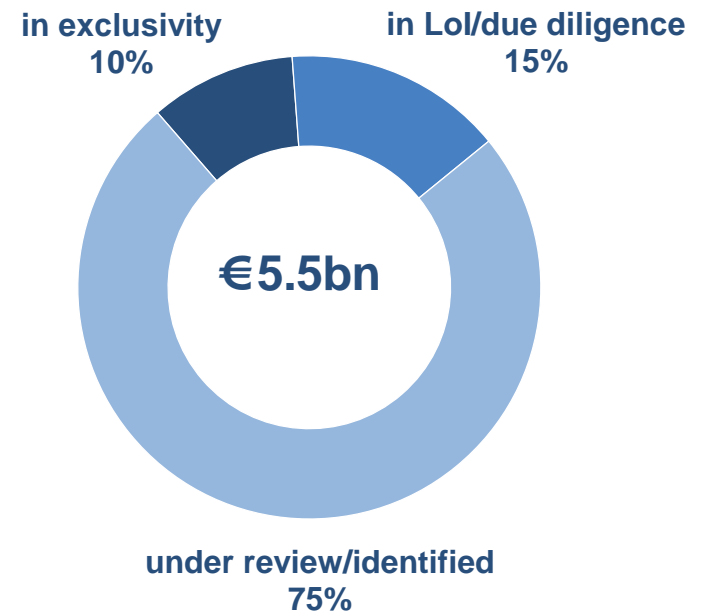
Increasing Real Estate AuMs

- Compensation of decrease in run-down portfolio by strong organic growth in RE AuMs



Strong Sourcing Pipeline

- Slight seasonal impact from typical deal restraint in the first quarter



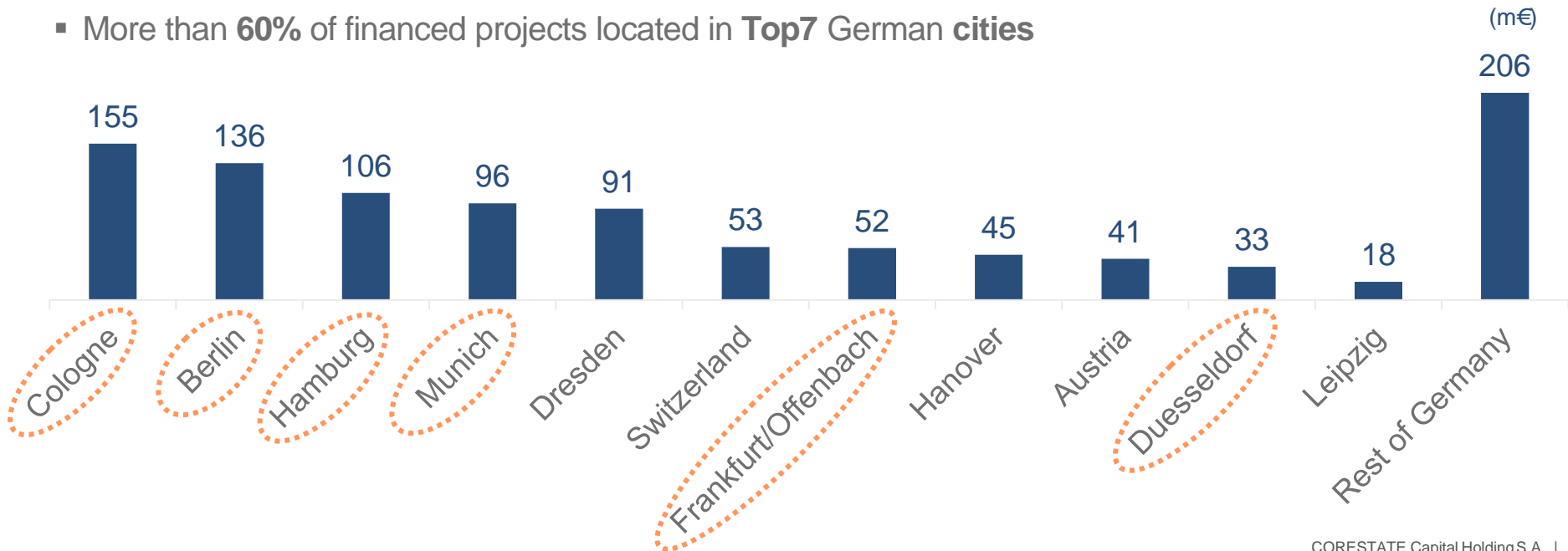
Profile of HFS Funds end of March 2018

- Total fund volume ~ €1,2bn
- # of financed projects 58
- Ø size of mezzanine financing €15.4m
- Since Q4-2017 share on German residential increased



Regional break down of current financing (in m€)

- More than **60%** of financed projects located in **Top7 German cities**

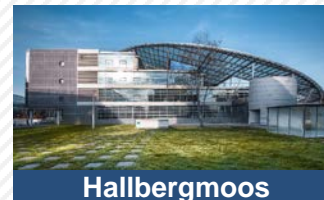


High Street VIII



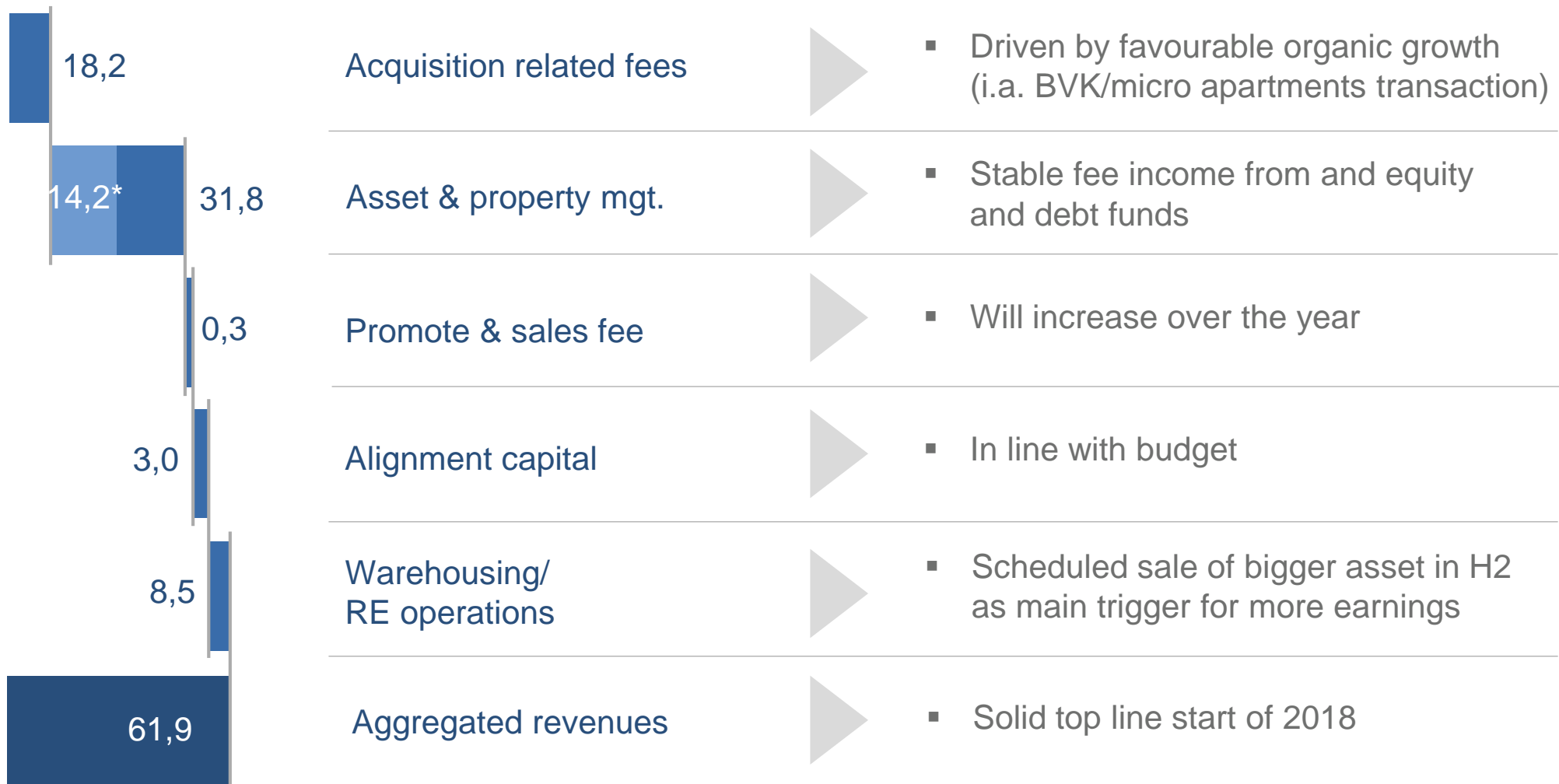
- Sizeable and well-diversified portfolio of prime retail properties throughout Germany
- **5 retail assets** in prime locations of **mid-sized cities** (112k sqm, 95% occupied, Ø-lease length 8.8Y)
- Annual cash distribution of around **c. 6.00%**
- Aggregated investment size (AIC) is around c. €250m (18.2x), equity commitment of **c. €100m**

CORESTATE Opportunity Deutschland I



- Target volume of up to € 800m with equity contributions of **€ 400m**
- Cash distribution of **4.50% p.a.** for a seven-year term
- Already existing seed portfolio of **7 properties**
- Portfolio generates a total rental income of c. €17m p.a., has a WALE of 5 years and a lettable area of 218k sqm which are currently 90% occupied

Q1-2018 Revenue Stream in m€



* Coupon participation fee (pro rata temporis)

Key P&L Figures in m€	Q1-2018	
Aggr. Revenues	61.9	100%
Management expenses	-17.3	27.9%
Alignm. Capital/Warehousing Exp.	-2.9	4.7%
G&A expenses*	-4.3	6.5%
EBITDA	37.4	60%
Adj. EBITDA	38.8	62.7%
D & A	-6.5	10.5%
EBIT	30.7	59.6%
Financial result	0.7	1.1%
Net profit	28.5	46%
Adj. Net Profit	34.7	56%

* incl. other expenses

Also decent quarter in terms of expenses and earnings

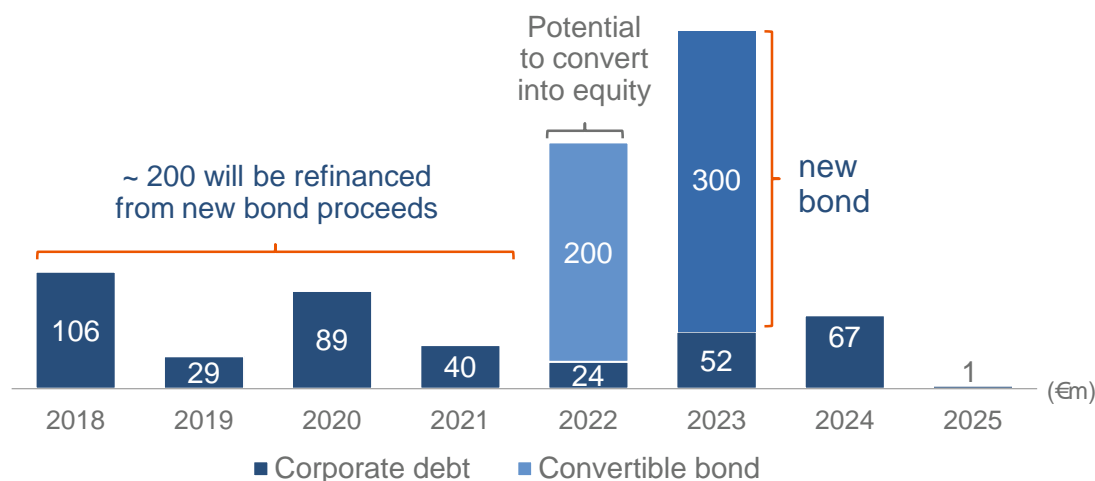
- Operational management expenses mainly fixed cost driven
- G&A incl. € 1.4m cost of management board realignment
- € 6.0m extra depreciation on management contracts
- Positive accounting effect on financial result of c. € 3m mainly from derivatives
- € 1.1m deferred tax asset from one-off items in adj. Net Profit

Terms of Senior Unsecured Bond Placement as of March 2018

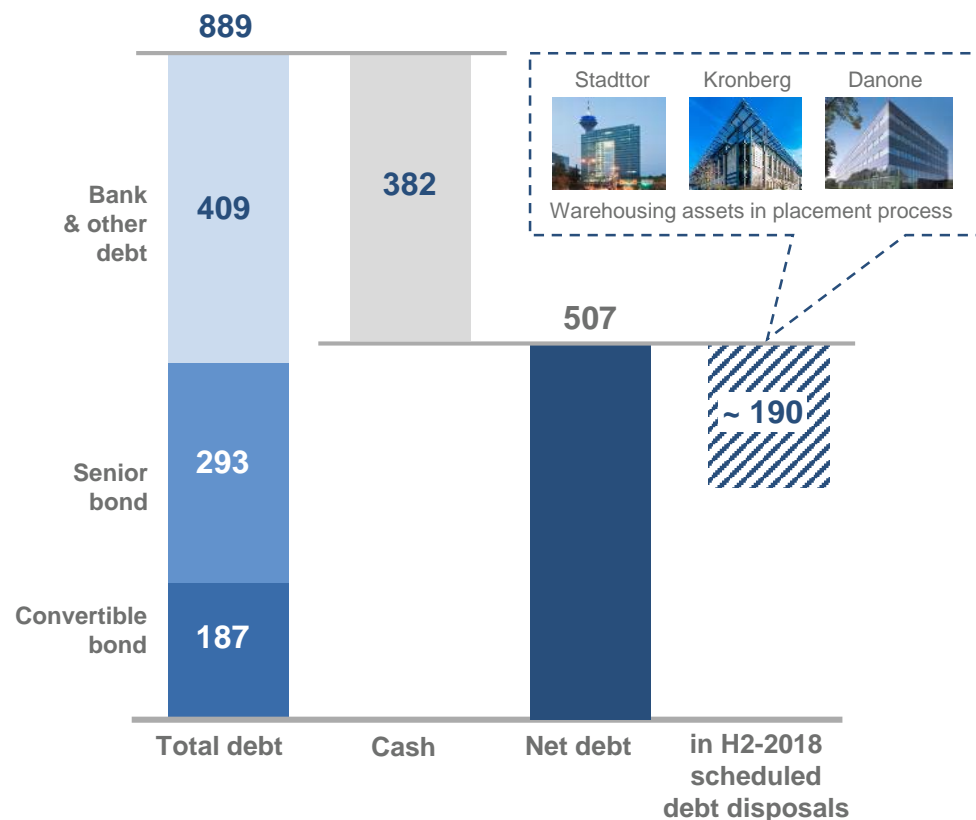
- Issuance volume **€300m**
- Coupon **3.5%**
- Date of issuance **23 March 2018**
- Maturity **April 2023**
- Rating **BB+, Outlook “stable” (S&P)**
- First coupon date **15 October 2018**

Rationale and Maturity Profile

- Capital structure **harmonized** and **simplified** with two key financing instruments
- **Maturity profile** extended
- Source for further growth (warehousing, acquisitions ..)



Debt overview as of 31.03.2018



- **Leverage** reduced to **3.3x** (Q4-2017: 4.2x) mainly due to onward consolidation effects of strategic acquisitions
- In H2-2018 planned **deconsolidation of warehousing asset** with underlying debt of c. **€190m** generates de-leverage potential of **approx. -1.2x**
- Typical range for **additional warehousing assets** build up through the year would be between **€50-100m**

Net Debt
adj. EBITDA (LTM)*

3.3x

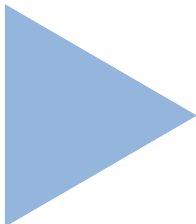
-1.2x

* Adj. EBITDA (LTM) = € 155.7m from Q2/2017-Q1/2018

More to come in 2018 on operations

- Execution of deal pipeline and client growth
 - More new business projects at Hannover Leasing (Club Deals)
 - Expansion of student housing activities in Europe
- Strengthen branches in London and Madrid
- Ongoing structured market screening on M&A targets

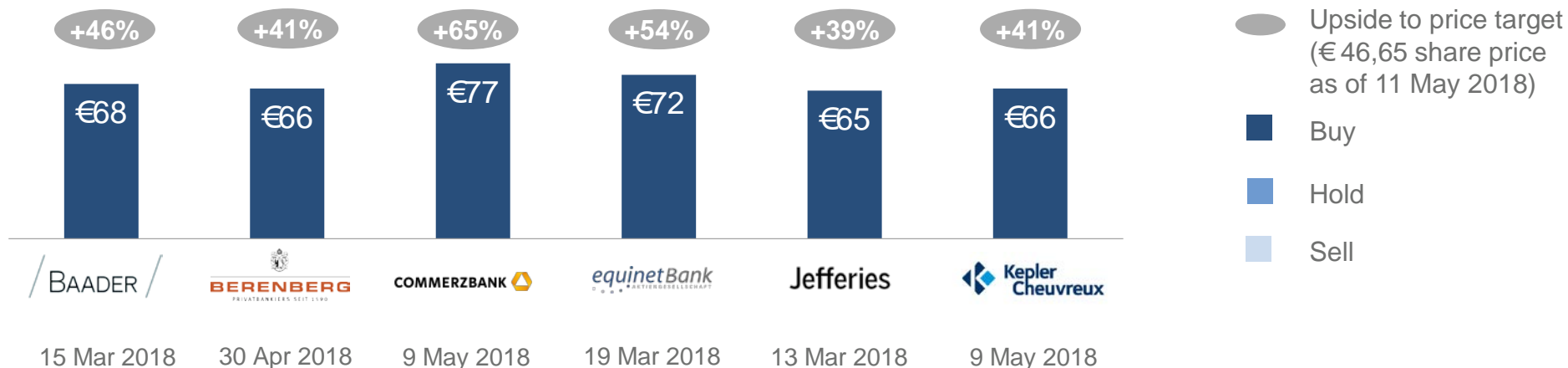
Financial Outlook 2018 Confirmed



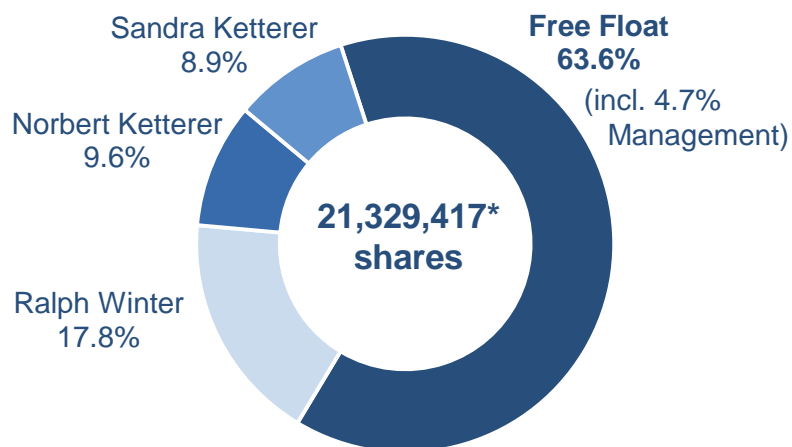
Aggr. Revenues*	230 - 240 Mio. €
Adj. EBITDA	155 - 165 Mio. €
Adj. Net Income	120 - 130 Mio. €

* Aggregate Revenues include Revenues and Gains from Real Estate Investment Management, Share of Profit and Loss from Associates and Joint Ventures, and Total Income from Real Estate Operations / Warehousing

Average target price €69.0 (100% Buy)



Shareholder structure & important share events



* As of 31 March 2018

- 4 Oct 2016 First Day of Trading
- 23 Feb 2017 c. €23m Capital Increase
- 20 Sept 2017 Share Placement (c. €157m) by Flygon
- 21 Nov 2017 Placement of Convertible Bond (€200m)
- 27 Feb 2018 Share Placement (c. 20%) by R. Winter and M. Hoensbruch
- 19 March 2018 Inclusion in SDAX

Appendix – Q1-2018 Profit & Loss Statement

(€m)	Q1/2018	Q1/2017
Revenue from Acquisition Related Fees	18.2	1.3
Revenue from Asset and Property Management	31.8	6.1
Revenue from Promote and Sales Fees realized	0.3	-
Revenue from Real Estate Investment Management	50.4	7.4
Management expenses	(18.8)	(7.8)
Earnings from Real Estate Investment Management	31.5	(0.46)
Net Rental Income	5.1	0.3
Revenue from Service Charges	0.26	0.17
Net Gain from Selling Property Holding Companies	0.43	4.3
Income from other Warehousing activities	2.7	-
<i>Total Income from Real Estate Operations / Warehousing</i>	<i>8.5</i>	<i>4.8</i>
<i>Expenses from Real Estate Operations / Warehousing</i>	<i>(2.3)</i>	<i>(0.45)</i>
Earnings from Real Estate Operations / Warehousing	6.2	4.3
Earnings from Alignment Capital	2.4	4.8
General, Administrative and Other Expenses	(2.4)	(2.8)
Other Income	(0.3)	0
EBITDA	37.4	5.9
Depreciation and Amortisation	(6.5)	(0.16)
EBIT	30.8	5.7
Net Financial Expenses	0.7	(0.3)
EBT	31.6	5.4
Income Tax Expenses	(3.1)	0.1
Net Profit for the Period *	28.4	5.6
<i>of which attributable to equity holders</i>	<i>28.0</i>	<i>5.5</i>

* As of 31 March 2018

Appendix – Balance Sheet as of 31 March 2018

(€m)	31.03.2018	31.12.2017
Non-Current Assets		
Goodwill	556.9	556.9
Intangible Assets	135.4	141
Investment in Associates and Joint Ventures	64.9	59.9
Total Non-Current Assets	921.3	915.8
Current Assets		
Inventories	252.9	268.3
Receivables	60.2	52.6
Cash and Cash Equivalents	382.2	108.8
Total Current Assets	766.7	511.2
Total Assets	1.688	1.427
Equity		
Total Equity	581.1	551.4
Long-term Financial Liabilities to Banks	213.2	238.3
Other Long-term Financial Liabilities	536.5	243
Other Non-Current Liabilities	28.4	30.5
Total Non-Current Liabilities	808	541.6
Current Liabilities		
Short-term Financial Liabilities to Banks	123.2	132.3
Other Short-term Provisions	38.2	42.9
Other Short-term Financial Liabilities	16.2	15.5
Other Current Liabilities	78.7	75.9
Total Current Liabilities	298.5	334
Total Equity and Liabilities	1.688	1.427

Financial Calendar 2018

20 Feb 2018	Preliminary results of FY 2017
13 Mar 2018	Publication annual financial report 2017
27 Apr 2018	Annual General Meeting
15 May 2018	Publication Q1 financial report
14 Aug 2018	Publication H1 financial report
06 Sep 2018	Capital Markets Day
13 Nov 2018	Publication Q3 financial report

Dates subject to change

Investor Contact

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