



Conference Call – H1-2019 Results

13 August 2019

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

Decent first half-year performance

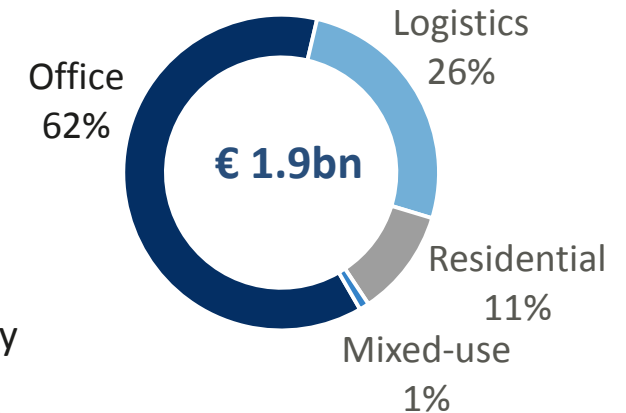
- **+4.4%** organic growth on RE AuMs in 2019
- Acquisition of French **STAM** with **€ 1.9bn** additional AuM
- Earnings **in-line with budgets** and **FY targets** over all segments and subsidiaries
- Roll-out of **comprehensive ESG strategy** with first report and clear **grid of goals**
- Seasonality in warehousing and temporary balance sheet usage
- Further tailwind from economic environment and product focus/pipeline

Profile



- Well-established French real estate asset manager
- € 1.9bn Assets under Management in France
- FY2019(e) sales c € 12m; EBITDA c € 5.5m

STAM Asset Classes



Rationale

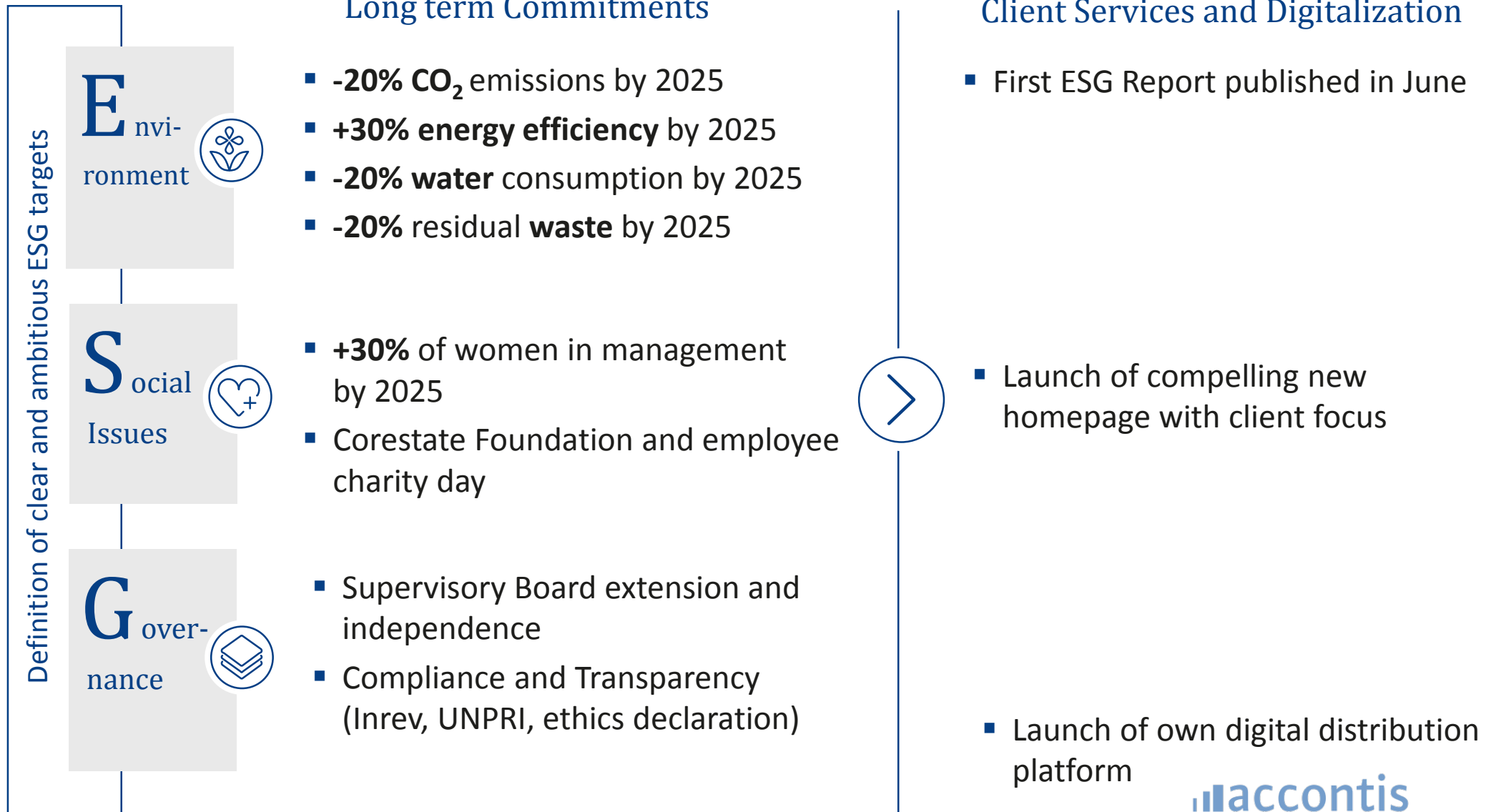


- France as one core element of European growth strategy
- Expansion of product range (logistics, office, residential)
- Synergies from broader international institutional client base
- French market very attractive for micro living

Deal Structure

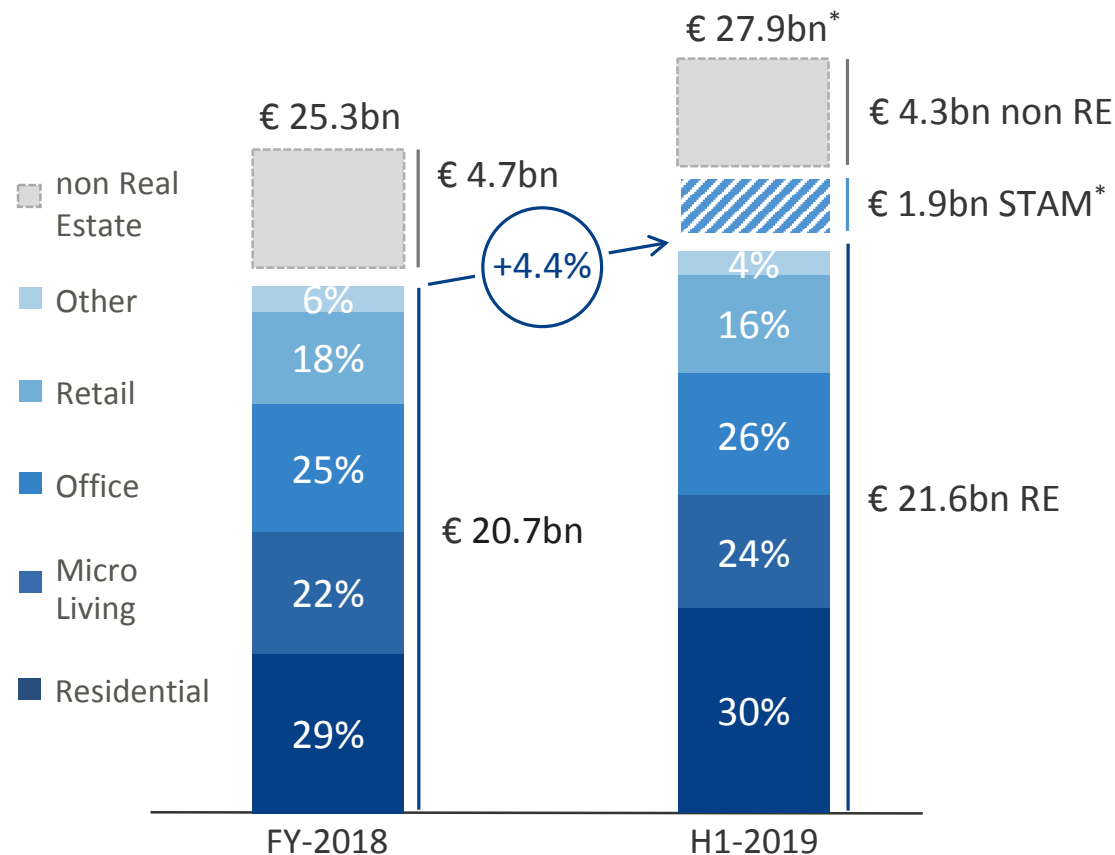


- Time line: approval from French regulatory authority expected in Q4/2019
- Purchase price in shares and cash
- CEO and key management remain in place



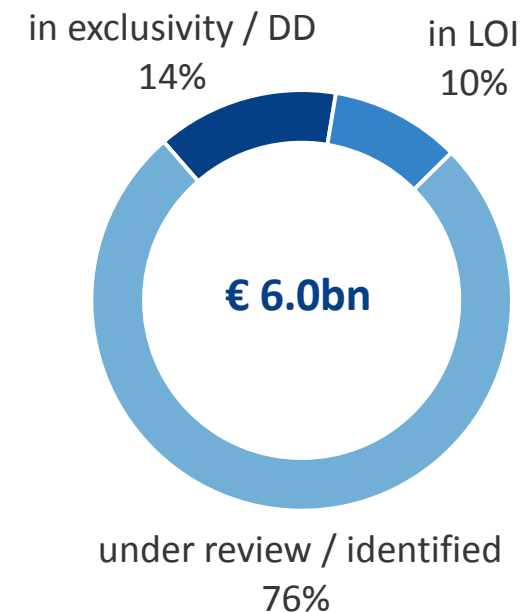
Assets under Management

- Since end of 2018 **+4.4%** organic growth in **RE AuMs**
- STAM acquisition will add **€ 1.9bn** AuMs
- Planned decrease in non Real Estate AuMs of **€ -0,4bn**



Sourcing Pipeline

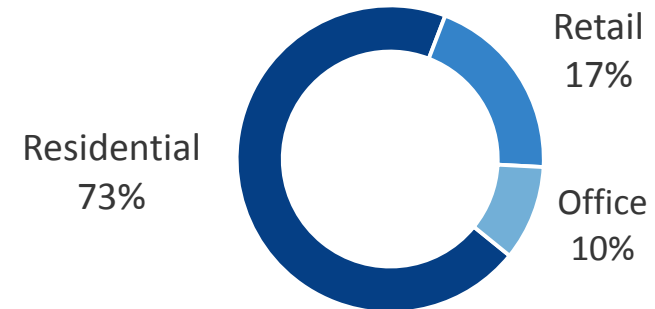
- Deal pipeline remains strong and promising



* incl. STAM on a pro forma basis as of after closing end of 2019

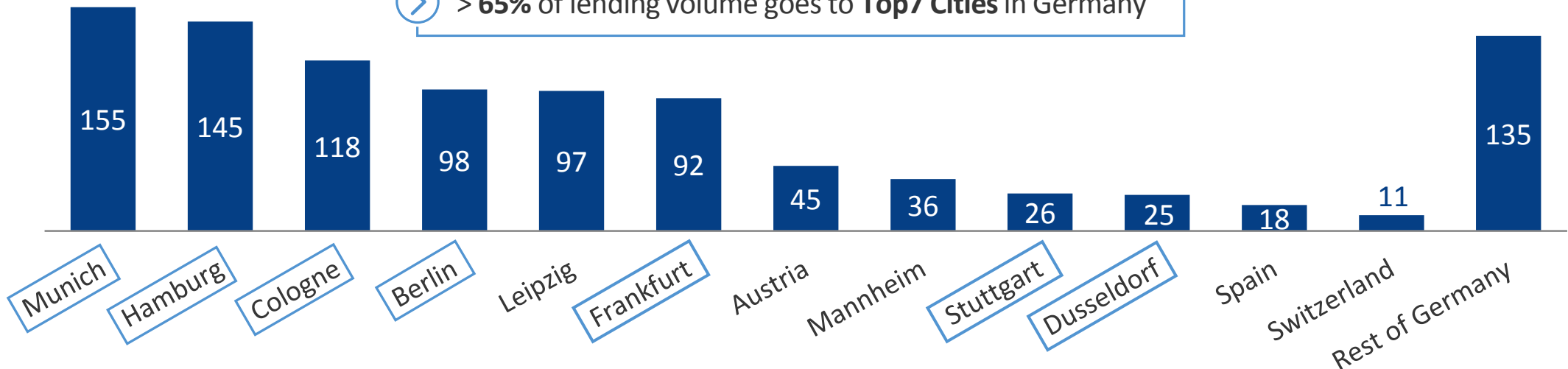
Profile of HFS Mezzanine Funds end of H1-2019

- Total committed fund volume: **c € 1,25bn**
- Predominantly German residential
- # of financed projects: **57**
- Ø size of mezzanine financing: **c € 22m**
- Ø interest rate: **c 19,5%**

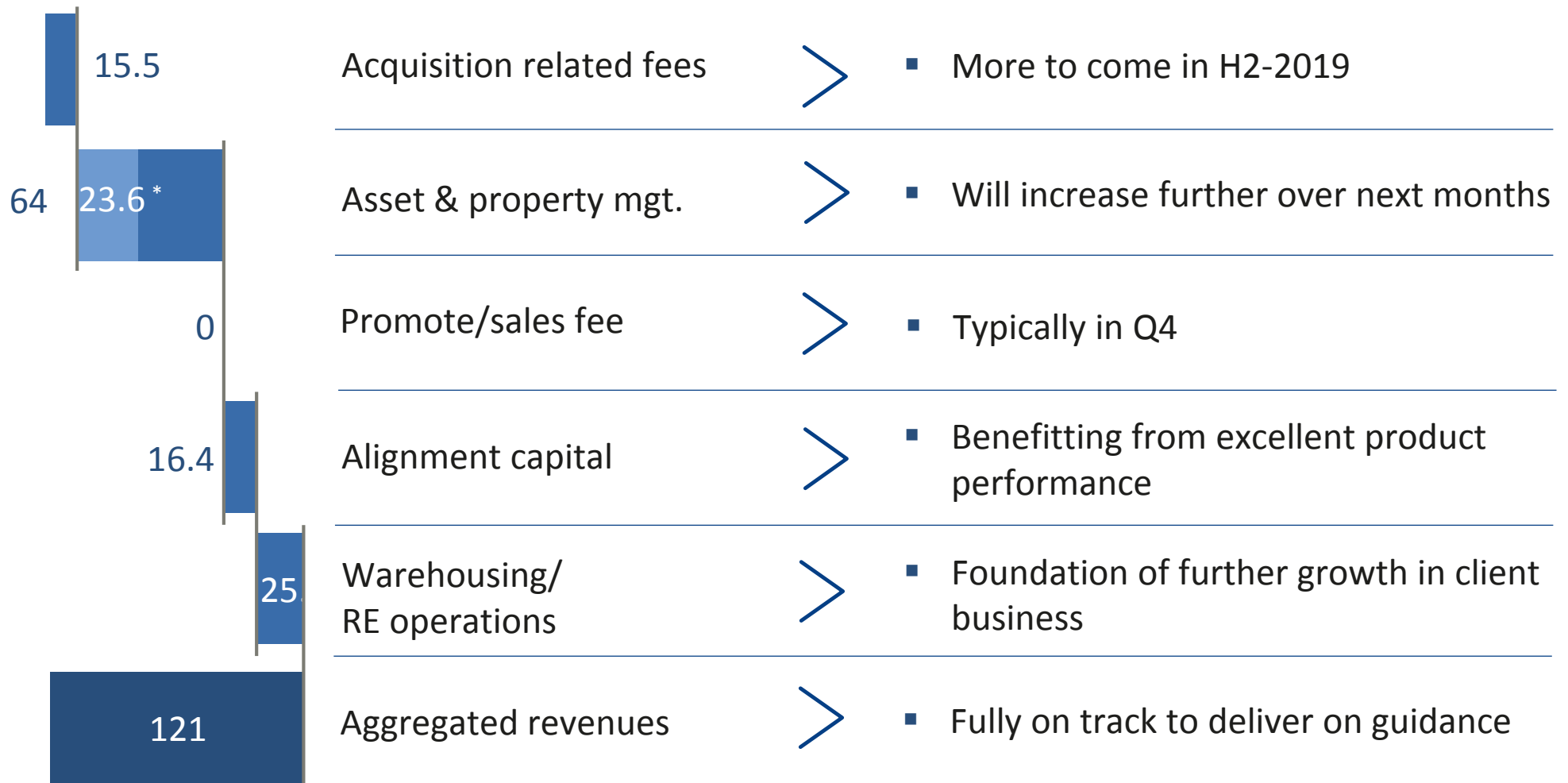


Regional Break Down of Current Outstanding Financings (in m€)

> 65% of lending volume goes to **Top7 Cities** in Germany



H1-2019 Revenue Stream (in m€)



* Coupon participation fee (pro rata temporis)

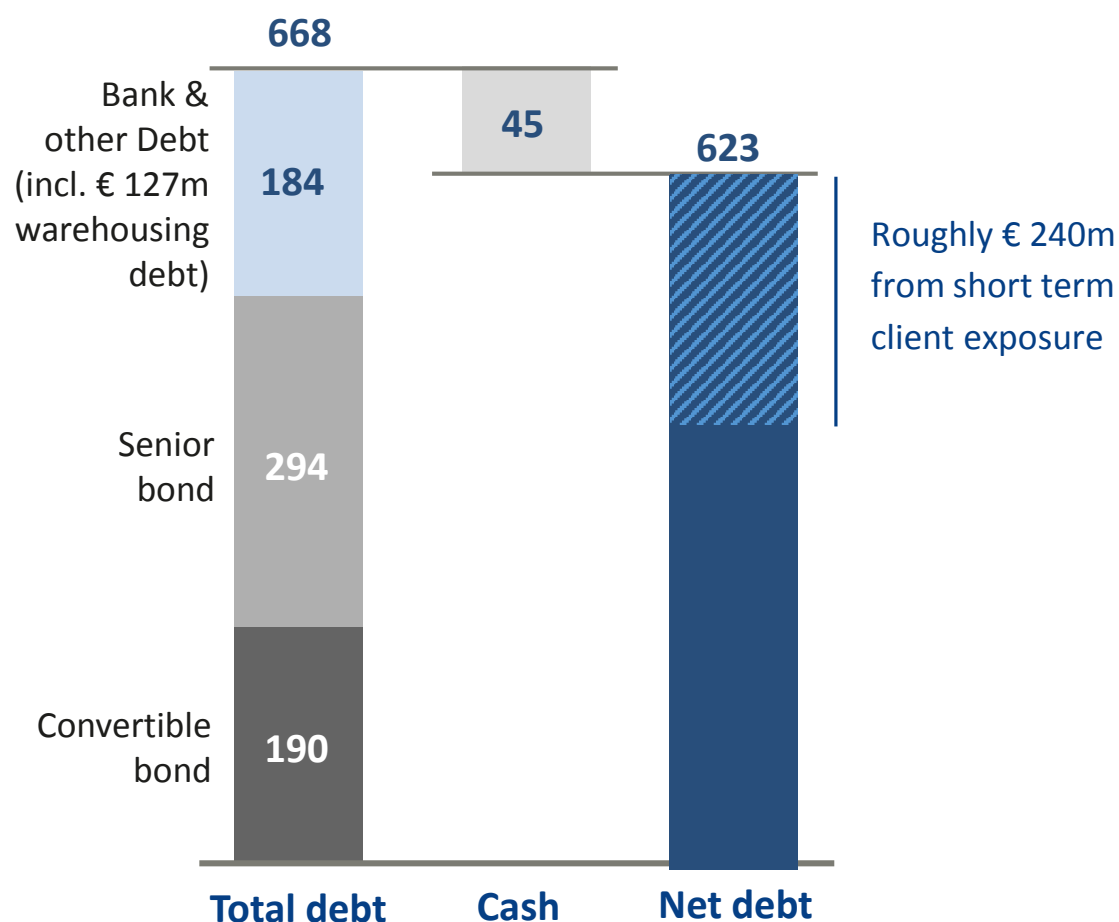
Key P&L Figures H1-2019 (in m€)

| | | |
|----------------------------------|--------------|--------------|
| Aggr. Revenues | 121.0 | 100% |
| Expenses from RE Investment Mgt. | -40.3 | 33.3% |
| Alignment Capital expenses | -4.6 | 3.8% |
| Warehousing expenses | -10.2 | 8.4% |
| G&A expenses | -12.1 | 10.0% |
| Other Income | 15.1 | 12.5% |
| EBITDA | 68.9 | 56.9% |
| D&A | -16.8 | 13.9% |
| EBIT | 52.2 | 43.1% |
| Financial result | -12.7 | 10.5% |
| Net profit | 36.9 | 30.5% |
| Adj. Net Profit | 47.8 | 39.5% |

- Temporary higher OpEx ratio (c 45.5%) mainly due to rose fix cost base and accrued expenses for upcoming transactions volumes in H2-2019
- Increase in G&A expenditures driven by M&A activities and a contractual one-time payment
- Positive impact on other income released provisions (expiring liabilities from Hannover Leasing acquisition)
- Minor effects from IFRS16 on EBITDA and D&A
- Seasonal peak in warehousing leads to higher financial expenses
- Positive offset tax effect in Q2
- Adjustments on net profit level
 - Asset management contracts (D&A) € 6.2m
 - DTA & non-control. interests € -0.9m

Debt Overview End of June 2019

(in m€)



- Seasonal utilization of balance sheet for warehousing and client exposure (via structured assets held for sale, inventories or other short-term assets)
- Efficient deployment of cash position
- Higher total financial leverage of 3.5x* will go down again into target range of 2x to 3x in H2-2019
- Robust equity ratio of c 40%

* Net debt / EBITDA (LTM); EBITDA from Q1 2019 and adj. EBITDA from April to December 2018

More to come in 2019 on operations

- Structures sales process for several assets
- Product innovations
 - HL: Restart of open-end real estate fund business
 - HFS: Expansion of private debt offer in different risk-return classes
- Increasing residential exposure to growing B-Cities
- Closing and Integration of STAM

Financial Guidance 2019

| | |
|-----------------|--------------|
| Aggr. Revenues* | € 285 - 295m |
| EBITDA | € 165 - 175m |
| Adj. Net Profit | € 130 - 140m |

* 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

Appendix – H1-2019 Profit & Loss Statement

| (€ m) | H1 2019 | H1 2018 |
|---|---------------|---------------|
| Revenue from Acquisition Related Fees | 15.5 | 26.2 |
| Revenue from Asset and Property Management | 64 | 67.9 |
| Revenue from Promote Fees realised | 0 | 0.2 |
| Total Revenue from Real Estate Investment Management | 79.6 | 94.3 |
| <i>Total Expenses from Real Estate Investment Management</i> | <i>(40.3)</i> | <i>(34.5)</i> |
| Total Earnings from Real Estate Investment Management | 39.2 | 59.9 |
| Share of Profit or Loss from Associates and Joint Ventures | 7.2 | 11.1 |
| Dividends from other Alignment Capital | 3.5 | 4 |
| Gain/Loss from fair value measurement of financial instruments related to Real Estate | 5.7 | - |
| <i>Expenses from Management of Associates and Joint Ventures</i> | <i>(4.6)</i> | <i>(3.8)</i> |
| Total Earnings from Alignment Capital Management | 11.8 | 11.3 |
| Net Rental Income | 6.4 | 9.8 |
| Revenue from Service Charges | 3.6 | 0.6 |
| Net Gain from selling Property Holding Companies / Inventories | 4.2 | 0.4 |
| Income from other Warehousing activities | 10.9 | 5.7 |
| Total Income from Real Estate Operations / Warehousing | 25.1 | 16.4 |
| <i>Expenses from Real Estate Operations / Warehousing</i> | <i>(10.2)</i> | <i>(6.1)</i> |
| Total Earnings from Real Estate Operations / Warehousing | 14.9 | 10.3 |
| General & Administrative Expenses | (12.1) | (13.4) |
| Other Income | 15.1 | 1.1 |
| EBITDA | 68.9 | 69.1 |
| Depreciation and Amortisation | (16.8) | (12.9) |
| EBIT | 52.2 | 56.2 |
| Financial Income | 3.8 | 5.4 |
| Financial Expenses | (16.4) | (12.1) |
| Income Tax Expenses | (2.6) | (6.7) |
| Net Profit for the Period | 36.9 | 42.8 |

Appendix – Balance Sheet as of 30 June 2019

| (€ m) | 30.06.2019 | 31.12.2018 |
|--|----------------|----------------|
| Non-Current Assets | | |
| Goodwill | 567.1 | 567.1 |
| Other intangible Assets | 121.3 | 132.4 |
| Investment in Associates and Joint Ventures | 99.7 | 88.0 |
| Other Financial Instruments | 105.6 | 93.7 |
| Other Non-Current Assets | 112.4 | 103.7 |
| Total Non-Current Assets | 1,006.1 | 984.9 |
| Current Assets | | |
| Inventories | 160.7 | 91.8 |
| Structured Assets held for Sale | 81.5 | 0 |
| Other short-term Assets | 112.3 | 41.3 |
| Cash and Cash Equivalents (incl. Restricted Cash) | 44.7 | 196.9 |
| Other Current Assets | 80.5 | 75.8 |
| Total Current Assets | 479.7 | 405.8 |
| Total Assets | 1,485.8 | 1,390.7 |
| Equity | | |
| Total Equity | 597.6 | 621.0 |
| Long-term Financial Liabilities to Banks | 17.7 | 69.7 |
| Other Long-term Financial Liabilities | 521.6 | 514.5 |
| Other Non-Current Liabilities (incl. Other Long-Term Provisions & Deferred Tax Liabilities) | 53.7 | 41.9 |
| Total Non-Current Liabilities | 593.0 | 626.1 |
| Current Liabilities | | |
| Short-term Financial Liabilities to Banks | 128.9 | 0.5 |
| Other Short-term Provisions | 21.4 | 33.4 |
| Other Short-term Financial Liabilities | 0 | 2.5 |
| Other Current Liabilities (Incl. Short-term Liabilities to Shareholders, to Associates, Trade Payables & Current Income Tax Liabilities) | 144.9 | 107.3 |
| Total Current Liabilities | 295.2 | 143.7 |
| Total Equity and Liabilities | 1,485.8 | 1,390.7 |

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Financial Calendar 2019

- | | |
|-------------|--|
| 14 Feb 2019 | Preliminary result of FY 2018 |
| 21 Mar 2019 | Publication annual financial report 2018 |
| 26 Apr 2019 | Annual General Meeting |
| 14 May 2019 | Publication Q1 financial report |
| 13 Aug 2019 | Publication H1 financial report |
| 12 Sep 2019 | Capital Markets Day |
| 12 Nov 2019 | Publication Q3 financial report |

Please note that these dates could be subject to change