

CORESTATE Capital

Management Presentation

Preliminary Results FY 2017

20 February
2018

This presentation contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the forward-looking statements of CORESTATE Capital Holding S.A. (the “Company”) as a result of a variety of factors, many of which are beyond the control of the Company, including those set forth from time to time in the Company’s press releases and reports and those set forth from time to time in the Company’s analyst calls and discussions. The Company does not assume any obligation to update the forward-looking statements contained in this presentation.


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All information on FY 2017 is preliminary and not-audited.

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


Performance

Delivered as promised

- 2017 **guidance** significantly **outperformed**
 - Solid and diversified **deal sourcing pipeline** increased to **>€6bn** to support organic growth
 - Intention to **double dividend** to **€2.00** per share for FY 2017 (total dividends amounts ~ €42m)
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Corporate Platform

Integration of acquisitions and major group initiatives ahead of schedule

- Set up of a comprehensive and integrated **multi-boutique platform**
 - Group wide **SAP implementation** accomplished in Dec 2017 as scheduled
 - Further substantial **strengthening** of the company's **management team**
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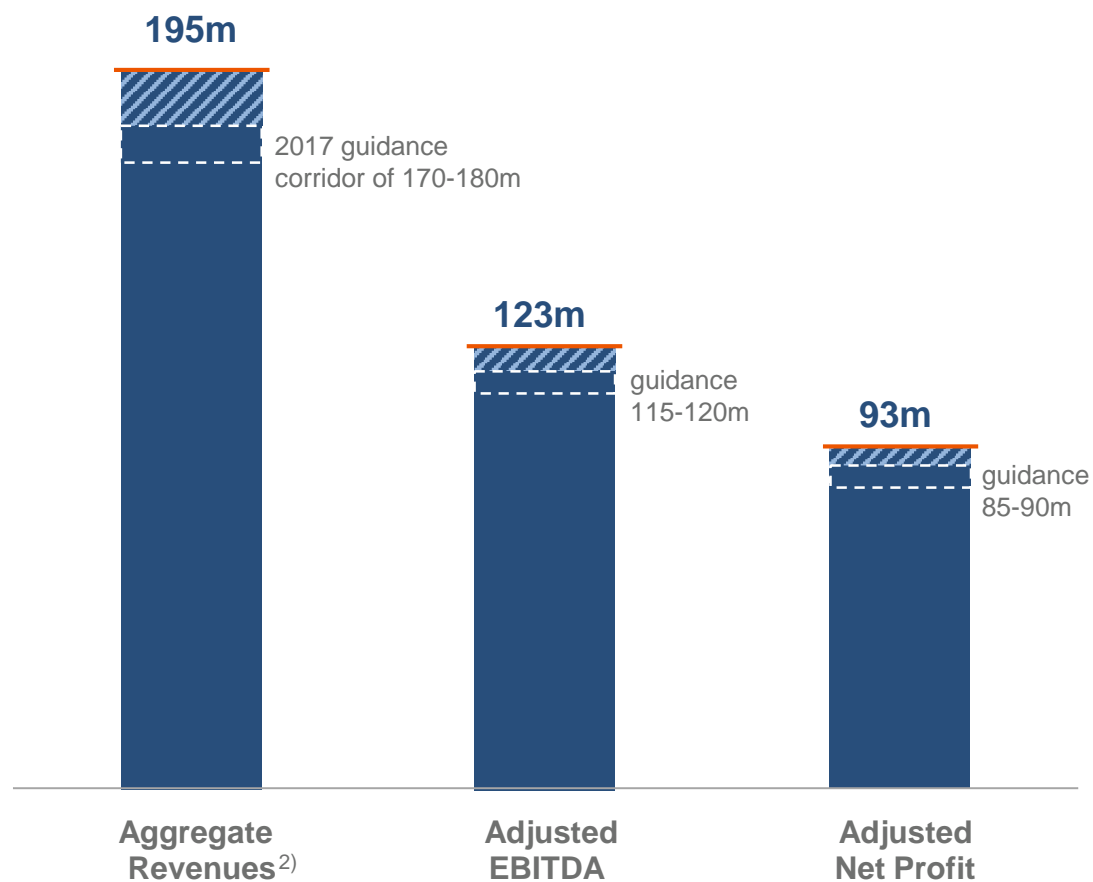
Capital Markets & Financing

Balance sheet structure and capital markets access improved

- **BB+** outlook "**stable**" rating (S&P) and issue of **€200m convertible bond** with 1.375% coupon
 - Premature refinancing of €150m acquisition loan and nearly **halved group financing costs**
 - Two additional brokers initiated **research coverage** with "**buy**" recommendation (Commerzbank & Jefferies)
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Key P&L figures ¹⁾

(in € m)



Comments

All financial and operational targets 2017 achieved or over-achieved

- Aggr. **Revenues** ²⁾ amounts to **€195m** (€60m in FY 2016)
 → major impact from pro rata consolidation of strategic acquisitions in H2
 → high portion of **recurring fee income** (approx. 85%)
- Adj. **EBITDA** amounts to **€123m** (€23m in FY 2016)
- Adj. **Net Profit** amounts to **€93m** (€19m in FY 2016)
- **EPS** on Net Profit at **€3.28** ca. **+120%** compared to FY 2016 (€1.47)

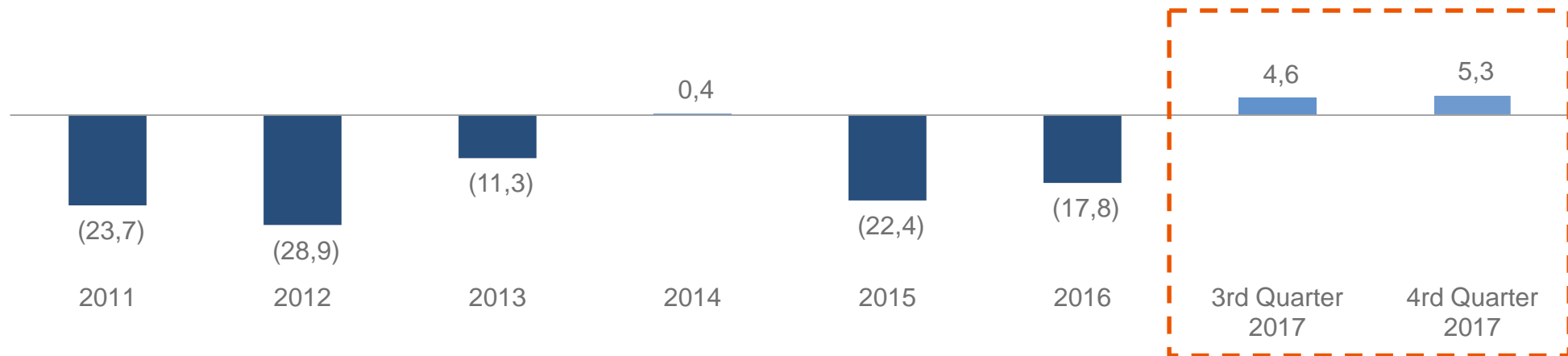
1) All figures are preliminary, not audited and may include rounding differences

2) 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

Sustainable earnings progression from second half 2017 onwards

Net profit – first consolidation in July 2017

(in € m)

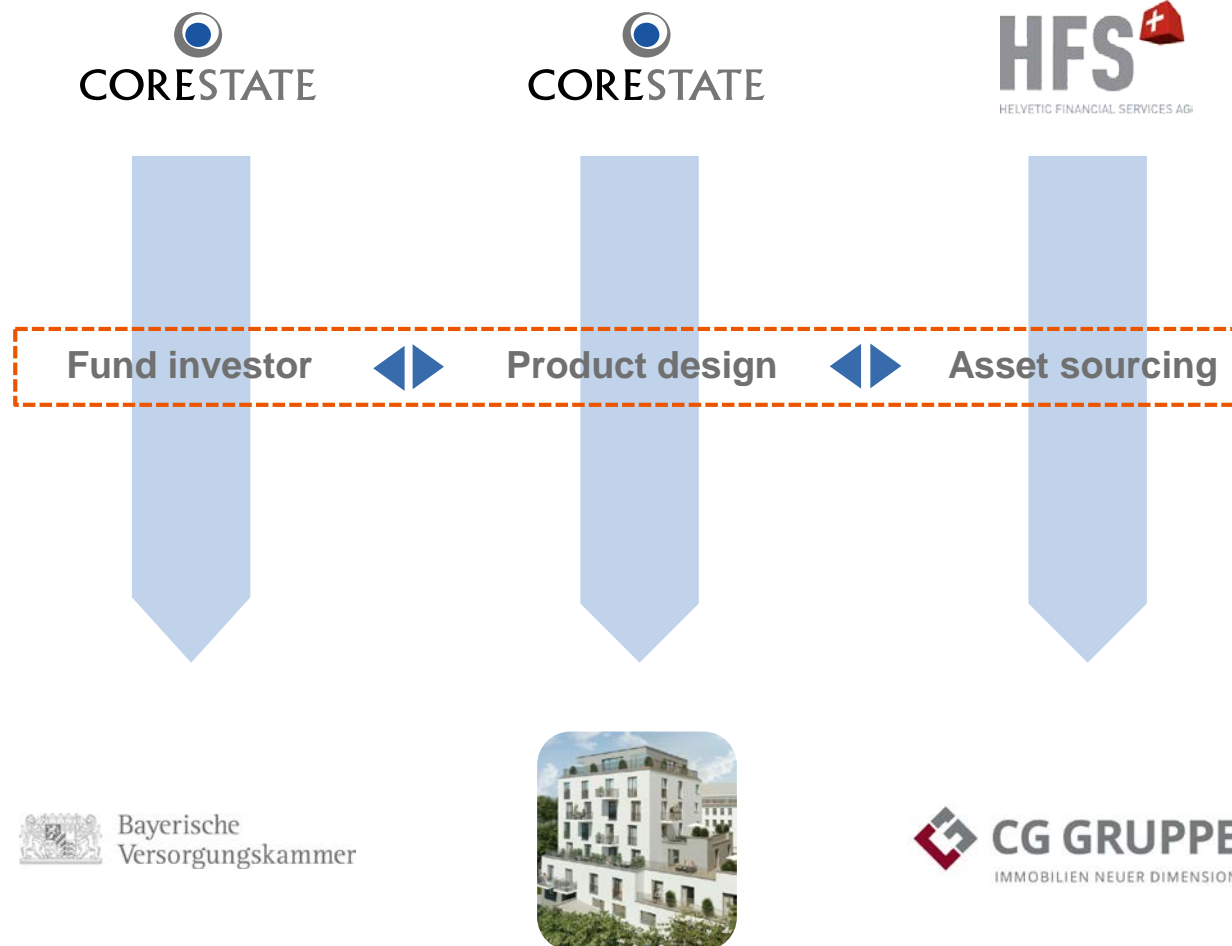


Main driver for turnaround and growth catalysts

- Consistent release of new business projects – i.a. closing of club deals (The Cloud, Amsterdam) or launch of new retail funds (Denkmal Münster, Leonardo Ulm) – as well as successful fund exits (Colosseo)
- Comprehensive savings and efficiency program bear fruits
- Realignment of existing fees structures and initiation of additional service agreements

Transaction

- In January 2018, CORESTATE acquired five micro living project developments in Germany
- The projects’ seller and developer is CG Gruppe AG which was sourced by HFS
- The product and the client came from CORESTATE
- The combined asset value after completion will be €670m



- **Dr. Michael Bütter** as new CEO from 1 May 2018
 - More than 18 years expertise in real estate and corporate governance, studied law and economics
 - Currently CEO of Immobilien Scout and member of the management board of Scout24 as well as supervisory board member at TLG Immobilien AG, ADO Properties S.A. and board member of RICS Germany
 - Former management board member at Deutsche Annington Immobilien SE (Vonovia) and real estate & private equity partner at Hogan Lovells
 - As future CORESTATE CEO in charge of i.a. strategy, international expansion, M&A, HR, legal, client relations ...
 - Member of CORESTATE's Senior Advisory Board since 2016

- **Sascha Wilhelm** will leave the Company on the best of amicable terms and with special thanks for his continued commitment and merits



ASSUMPTIONS & KEY LEVERS

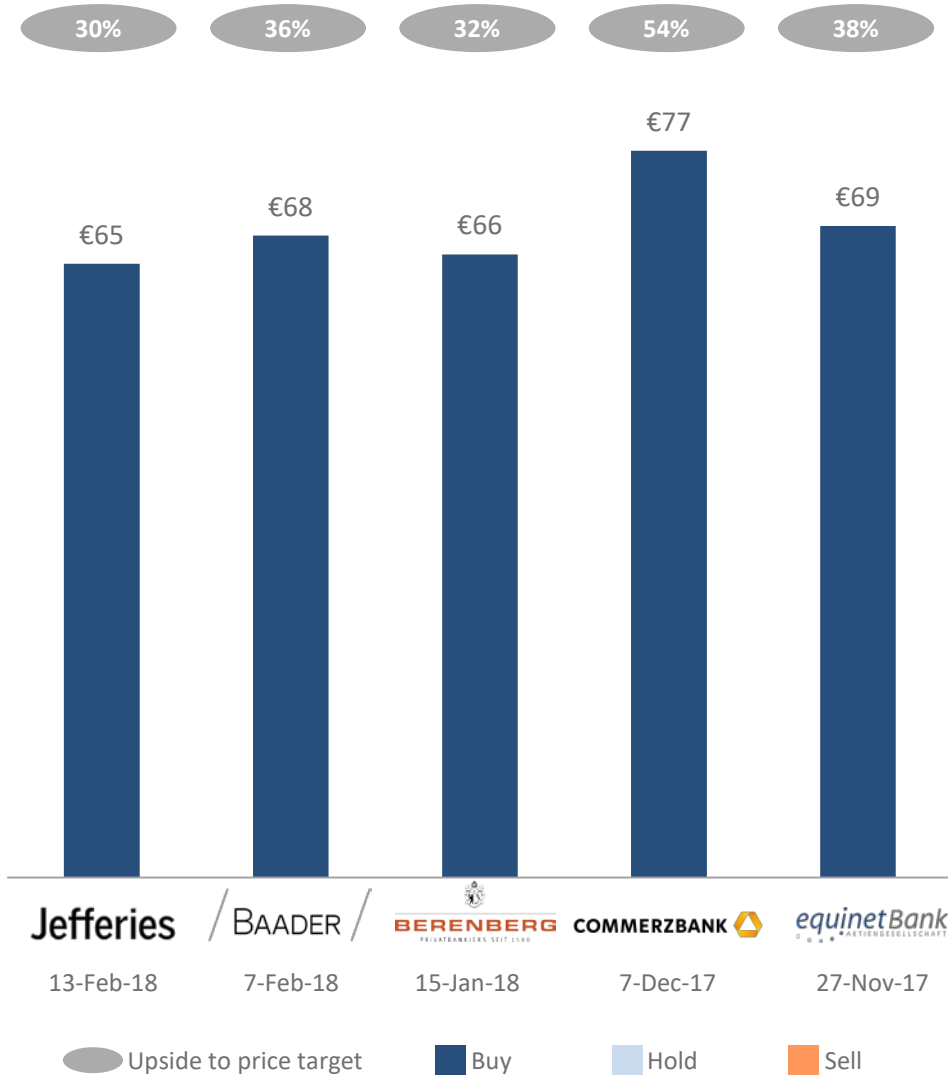
- FY 2018 includes ATOS which was acquired in Q4 2017
- High client demand for attractive risk return profiles in real estate niche markets (micro-living, highstreet, mid-size cities)
- Guidance FY 2018 does not reflect any impact from further M&A and increasing platform synergies

GUIDANCE FY 2018

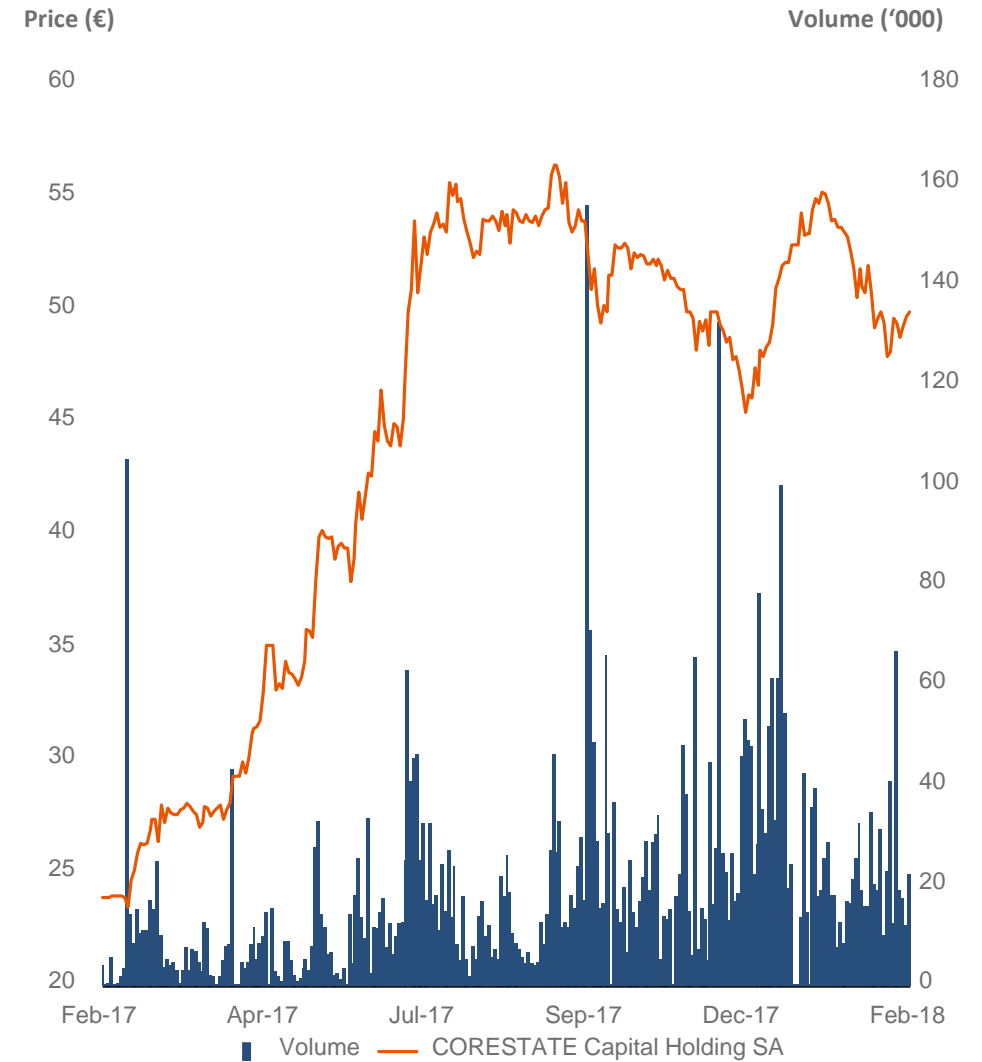
▪ Aggr. Revenues *	€230 – 240m
▪ Adj. EBITDA	€155 – 165m
▪ Adj. Group Net Profit	€120 – 130m

* 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

Broker recommendations with average target price € 69 (100% Buy)



Share price evolution



Appendix – Update on Integration of Key Shared Services



Completion Jun-17 Sep-17 Dec-17 Mar-18 Jun-18

Comments

Sales / Investment / AM	100%
HR	100%
Finance / Accounting	100%
Infrastructure & Applications	0%
SAP	100%

Sales / Investment / AM	100%
HR	100%
Finance / Accounting	100%
Infrastructure & Applications	80%
SAP	100%

Sales / Investment / AM	100%
HR	100%
Finance / Accounting	85%
Infrastructure & Applications	65%
SAP	95%

HANNOVER LEASING



- A. Integration to a great extent accomplished (in Q1 2018)**
- Implementation of **SAP** and **new treasury management system** completed in all subsidiaries except ATOS
 - Multi-Boutique Platform** established
 - Group-wide equity raising** with Key Account system across multiple brands
 - Functional setup of **investment teams** by asset classes
- B. Accelerated growth & enable scalability (from Q2 2018)**
- Focused operational alignment
 - Group-wide standardized core business processes
 - Digital Strategy
 - Plug-in capability for inorganic growth

Today

Financial Calendar 2018

20 Feb 2018	Preliminary result 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

Please note that these dates could be subject to change

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