

# NINE MONTHS OF 2017

NOVEMBER 7, 2017



# 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 9M 2017



Ernst-Merck-Strasse 9, Hamburg

## › Operating business

- Revenues: EUR 143.8 million
- FFO: EUR 85.9 million (after minorities)
- FFO per share: EUR 0.56

## › Leasing

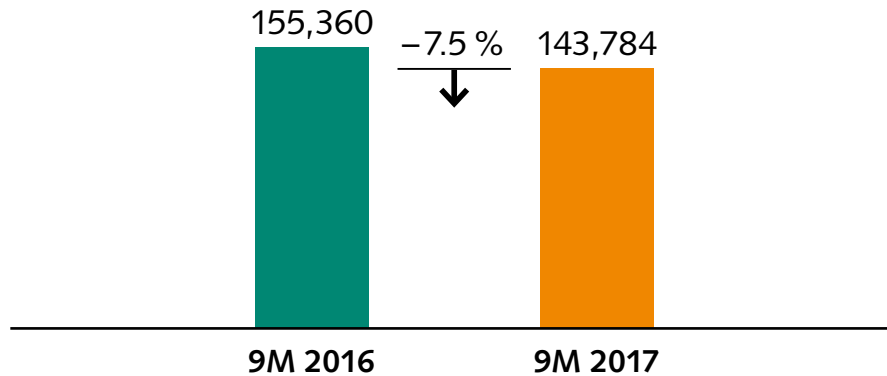
- New leases: 68,600 m<sup>2</sup>
- Extended leases: 126,600 m<sup>2</sup>
- EPRA vacancy rate: 9.3 %

## › Transactions

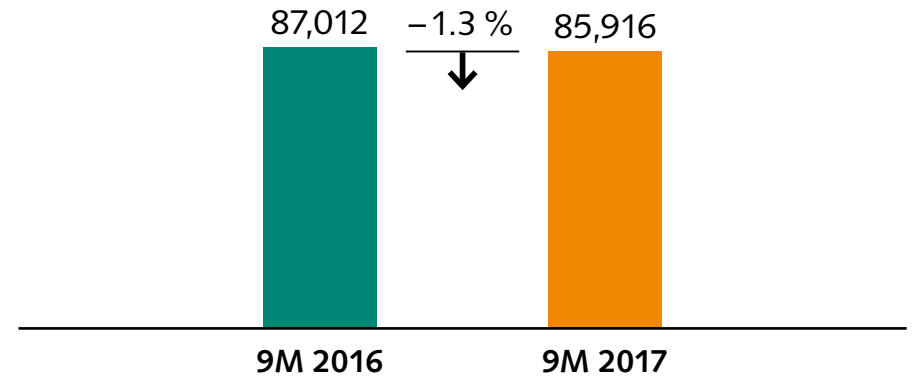
- Acquisition of 13 assets for a total AIC of EUR 188.4 million, yield of 6.1 %
- Disposal of Kaisergalerie for a total consideration on EUR 170 million, buyers' yield of 2.9 %
- Disposal of 4 non-core assets for a total consideration of EUR 60.5 million from August to October 2017

# FINANCIALS: SELECTED PROFIT & LOSS POSITIONS

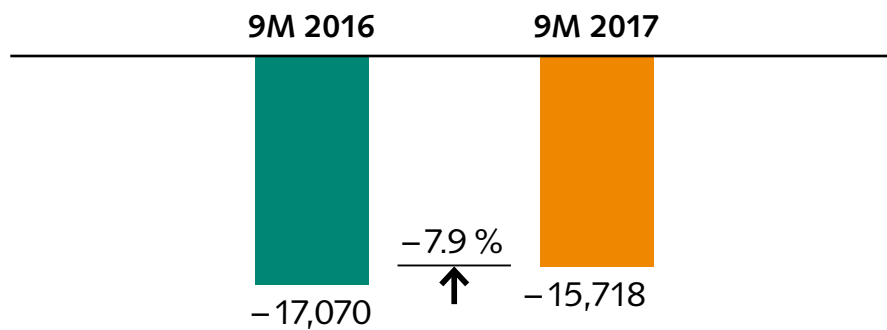
## GROSS RENTAL INCOME in EUR million



## FUNDS FROM OPERATIONS (FFO) in EUR million



## SG&A in EUR million



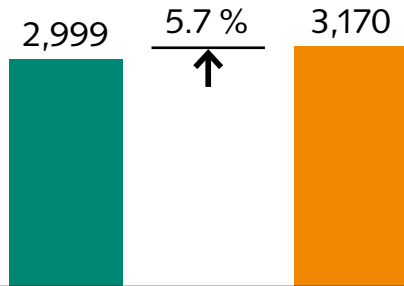
## RATIOS

- > FFO per share: EUR 0.56
- > FFO margin: 59.8 %
- > EPRA cost ratio: 15.3 %



# FINANCIALS: SELECTED BALANCE SHEET POSITIONS

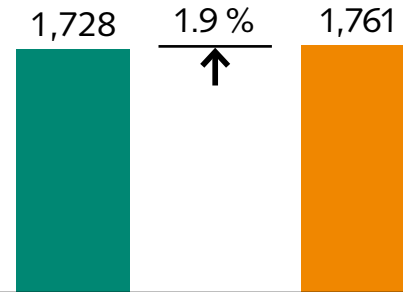
## INVESTMENT PROPERTY in EUR million



Dec. 31, 2016

Sep. 30, 2017

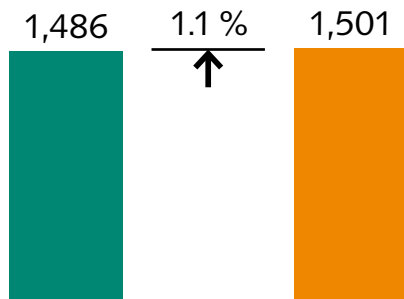
## EQUITY in EUR million



Dec. 31, 2016

Sep. 30, 2017

## LONG-TERM-FINANCIAL DEBT in EUR million



Dec. 31, 2016

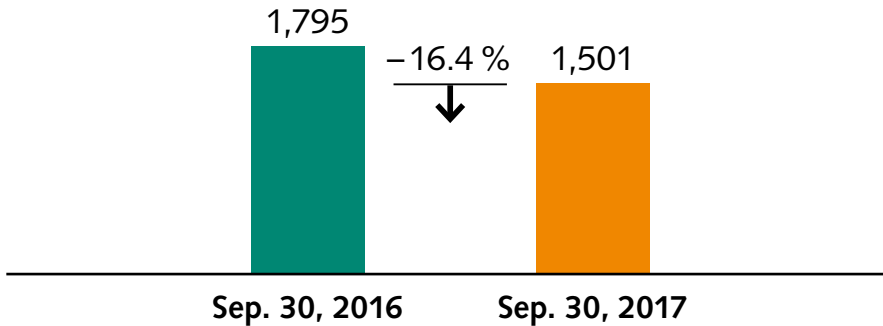
Sep. 30, 2017

## RATIOS

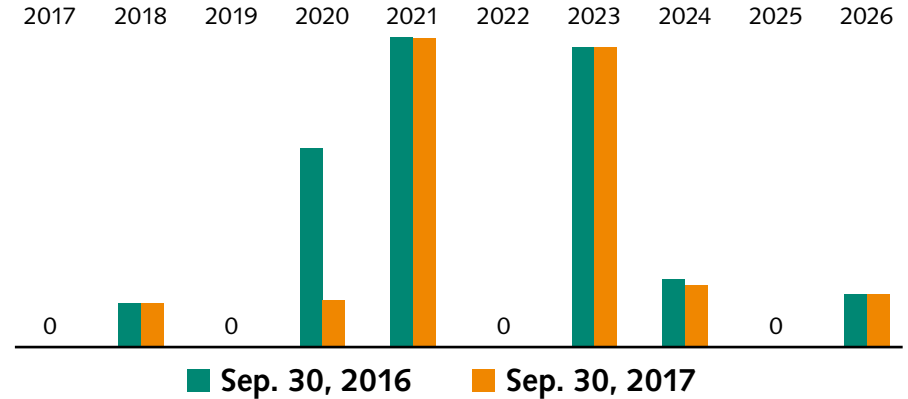
- › G-REIT equity ratio: 53.5 %
- › Net LTV: 44.5 %
- › EPRA NAV per share: EUR 11.52

# REDUCING QUANTUM OF DEBT

## FINANCIAL DEBT in EUR million



## MATURITY PROFILE in EUR million



## DEBT'S COMPOSITION in EUR million

	Sep. 30, 2016	Sep. 30, 2017
Bonds	1,000	1,000
Convertible bond	79	79
Schuldschein	150	150
Bank debt	566	242
Revolving credit line	0	30
<b>Total</b>	<b>1,795</b>	<b>1,501</b>

## OVERALL TARGETS

- Reduce quantum of debt on balance sheet
- Reduce overall leverage
- Proactively manage average debt maturity

# OPERATIONS: PORTFOLIO UPDATE

## PORTFOLIO DATA (Sep. 30, 2017)

- › Portfolio value: EUR 3.2 billion
- › EPRA vacancy rate: 9.3 %
- › WAULT: 4.8 years
- › Contractual rent: EUR 204.8 million
- › Valuation yield: 6.4 %
- › Value per m<sup>2</sup>: EUR 1,948

## ALSTRIA'S INVESTMENT MARKETS

### Total portfolio

- Investment volume: EUR 3.2 billion
- Number of assets: 119
- ☒ Lettable space: 1.6 million m<sup>2</sup>

- ⊙ Headquarters
- Local offices

### Hamburg

- EUR 871 m
- 38 assets
- ☒ 374,000 m<sup>2</sup>

### Rhine / Ruhr

- EUR 930 m
- 36 assets
- ☒ 512,000 m<sup>2</sup>

### Rhine / Main

- EUR 695 m
- 21 assets
- ☒ 316,000 m<sup>2</sup>

### Stuttgart

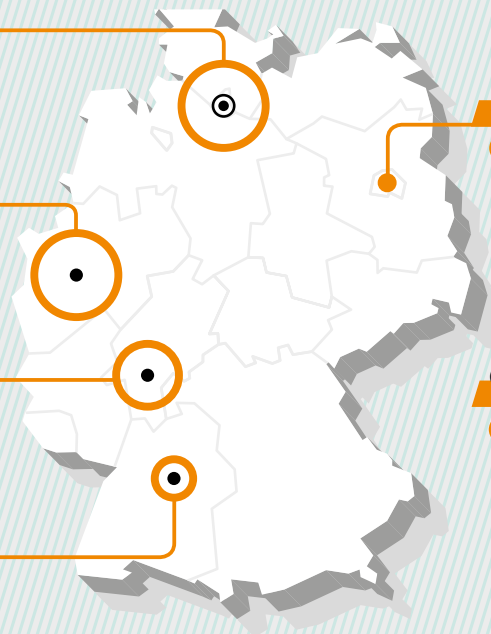
- EUR 425 m
- 11 assets
- ☒ 264,000 m<sup>2</sup>

### Berlin

- EUR 122 m
- 6 assets
- ☒ 63,000 m<sup>2</sup>

### Others

- EUR 141 m
- 7 assets
- ☒ 107,000 m<sup>2</sup>



# SUBSTANTIAL RISK REDUCTION ON THE PORTFOLIO

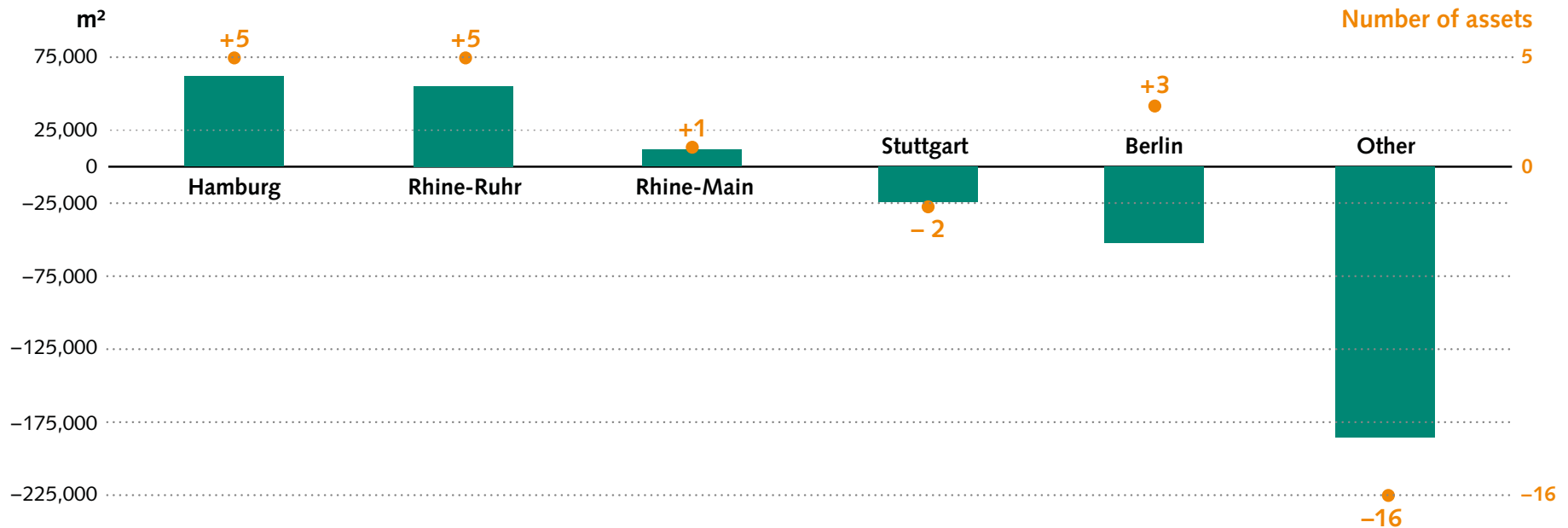
OCTOBER 2015

- › Number of properties: **120**
- › Total value: **EUR 3,296 million**
- › Annual net rent: **EUR 208 million**

NOVEMBER 2017

- › Number of properties: **116**
- › Total value: **EUR 3,141 million**
- › Annual net rent: **EUR 201.2 million**

## CHANGES IN SQM AND NUMBER OF ASSETS





# OPERATIONS: LEASING 9M 2017

## NEW LEASES 68,600 m<sup>2</sup>

- 105 new leases
- Avg. lettable area: 653 m<sup>2</sup>
- Avg. rent: EUR 12.47 m<sup>2</sup>/month
- WAULT: 7.6 years
- Future cashflow: EUR 78.3 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)
Hauptstätter Str. 65–67	Stuttgart	State of BW	8,400	16.64	1,677	10.0	0.8 %
Am Seestern 1	Düsseldorf	Atos Origin	7,600	14.36	1,310	10.0	3.8 %
Ernst-Merck-Str. 9	Hamburg	Publicis Pixelpark	5,850	18.30	1,285	10.0	2.5 %
Horbeller Str. 11	Köln	Matratzen Concord	4,400	9.09	480	10.0	10.0 %
Ingersheimer Str. 20	Stuttgart	Vector Informatik	2,700	12.52	406	6.0	0.0 %
Goldsteinstr. 114	Frankfurt	PORR Deutschland	2,300	10.50	290	10.0	5.0 %
Platz der Einheit 1	Frankfurt	ING-DiBa AG	2,250	19.05	515	5.0	8.3 %
Jagenbergstr. 1	Neuss	Yanfeng Europe	2,000	7.50	180	10.5	7.9 %
Washingtonstr. 16/16a	Dresden	Hönigsberg & Düvel	1,630	7.92	155	4.3	1.9 %
<b>Total</b>			<b>37,130</b>		<b>6,297</b>		

## LEASE EXTENSIONS 126,600 m<sup>2</sup>

- 53 new leases
- Avg. lettable area: 2,389 m<sup>2</sup>
- Avg. rent: EUR 9.56 m<sup>2</sup> / month
- WAULT: 5.0 years
- Future cashflow: EUR 72.1 million

## 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)
Vaihinger Str. 131	Stuttgart	Daimler	21,400	14.74	3,785	4.0	0 %
Breitwiesenstr. 5–7	Stuttgart	Daimler	15,400	9.55	1,765	7.5	4.0 %
Werner-v.-Siemens-Platz 1	Laatzen	Siemens	17,200	6.31	1,302	2.0	0 %
Jagenbergstr. 1	Neuss	Yanfeng Europe	6,700	5.75	462	10.5	7.9 %
Nagelsweg 41–45	Hamburg	HUK Coburg	5,200	11.79	736	5.0	0 %
<b>Total</b>			<b>65,900</b>		<b>8,050</b>		

# SUSTAINABILITY

## RENEWABLES FIRST

- › nearly 80 % of alstria's energy consumption is carbon neutral
- › total carbon footprint reduced by 24 %
- › 8,407 tonnes CO<sub>2</sub> saved by renewables
- › expanding renewables strategies to tenant consumptions

## LEADERSHIP & CONSISTENCY

- › CDP Leadership Group A-rating for a second consecutive year
- › CSR reporting since 2009, now according to the new GRI Standards
- › third-party assurance of our environmental indicators

## CENTRALIZE, DIGITALIZE, MEASURE, IMPROVE

- › central purchasing of renewables across portfolio
- › Mieterstrompool > same fair purchase conditions of renewables for tenants
- › apply smart meters across portfolio
- › start collaborations to analyze consumption data



## Mieterstrompool campaign

# OUTLOOK



**Steinstraße 5–7, Hamburg**

› **Guidance FY 2017 confirmed:**

- Revenues: EUR 193 million
- FFO: EUR 113 million

# 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	153.3 million
Free float	100 %

## CONTACT

Investor Relations / Public Relations <b>RALF DIBBERN</b>	<b>alstria office REIT-AG</b> Bäckerbreitengang 75 20355 Hamburg, Germany
E rdbibbern@alstria.de	www.alstria.com
T +49 (0) 40 226 341-329	info@alstria.de
F +49 (0) 40 226 341-229	

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 M

TEUR (9M 2017)	IFRS	Adjustments	FFO 9M 2017
<b>Revenues</b>	<b>143,784</b>	<b>0</b>	<b>143,784</b>
Income less expenses from passed on operating expenses	-193	0	-193
Real estate operating expenses	-14,521	179	-14,342
<b>Net rental income</b>	<b>129,070</b>	<b>179</b>	<b>129,249</b>
Administrative expenses	-5,854	361	-5,494
Personnel expenses	-9,864	728	-9,137
Other operating income	7,913	-5,716	2,197
Other operating expenses	-8,108	6,699	-1,409
Gain on disposal of investment properties	3,127	-3,127	0
<b>Net operating result</b>	<b>116,284</b>	<b>-876</b>	<b>115,406</b>
Net financial result	-27,013	2,046	-24,967
Share of the result of joint venture	28,413	-30,136	-1,723
Net loss from fair value adjustments on financial derivatives	-3,632	3,632	0
<b>Pretax income / FFO</b>	<b>114,051</b>	<b>-25,334</b>	<b>88,716</b>
Income tax	-2,352	2,367	15
Minorities	0	-2,815	-2,815
<b>Net profit / FFO after minorities</b>	<b>111,699</b>	<b>-25,782</b>	<b>85,916</b>

## ADJUSTMENTS

- › Share of the result of joint venture:  
EUR 30,136 k non-recurring disposal gain JV
- › Other operating expenses:  
EUR 5,262 non-cash increase in minority share of alstria office prime portfolio GmbH & Co. KG
- › Other operating income:  
EUR 5,000 k non-recurring tenant compensation payments
- › Net financial result:  
EUR 2,046 k non-cash financing costs, mainly related to convertible bond
- › EUR 3,632 k non-cash valuation movement on financial derivatives
- › EUR k 3,127 non-recurring gain from disposal of investment properties