



9M-2023

LEG Immobilien SE

9M-2023 Results

9 November 2023

LEG

Strong 9M performance points to upper end of guidance

Cash generation grows further in 2024 – AFFO 2024 to grow to €180 – 200m

Financials



- AFFO **+54.4%** to **€176.9m**
- Operating Cashflow **+18.4%** to **€306.7m**
- FFO I **-5.8%** to **€352.6m**
- Adj. EBITDA-Margin **81.4%**
- LTV **46.8%**
 - Debt @ **1.65%**¹ for **6.6y**¹
- NTA p.s. **€137.57**

Operations



- Net cold rent **+4.5%**
- I-f-I rental growth **+4.0%**
- I-f-I vacancy **2.4%** (-20bps)

ESG



- **SBTi approved** – well on track on decarbonisation path
- **ESG targets for 2024–2027** defined
- All LEG initiatives part of the ZIA Innovations radar 2023, i.e. **RENOWATE**, **dekarbo (A2A-heat pump initiative)**, **termios (thermostats/ former seero)**, **Youtilly**

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New AFFO-guidance 2024 €180-200m

Rising rental growth momentum with 3.2-3.4% expected

Transaction markets remain challenging

H2-2023 devaluation of c. 4–6% expected

Adaption of LTV target to 45% (medium-term)

C. **€130m** of disposals YTD

Successful refinancings of 2024 maturities

Fully refinanced until mid 2025

¹ Pro-forma as of 11/2023 after refinancing 97% of the 2024 maturities.

Pro forma financial profile (as of early November)

2024 maturities refinanced – next maturities mid 2025

Pro forma maturities¹



Average debt maturity (pro forma)



Average interest cost (pro forma)



Loan-to-value (30 Sept)



Highlights

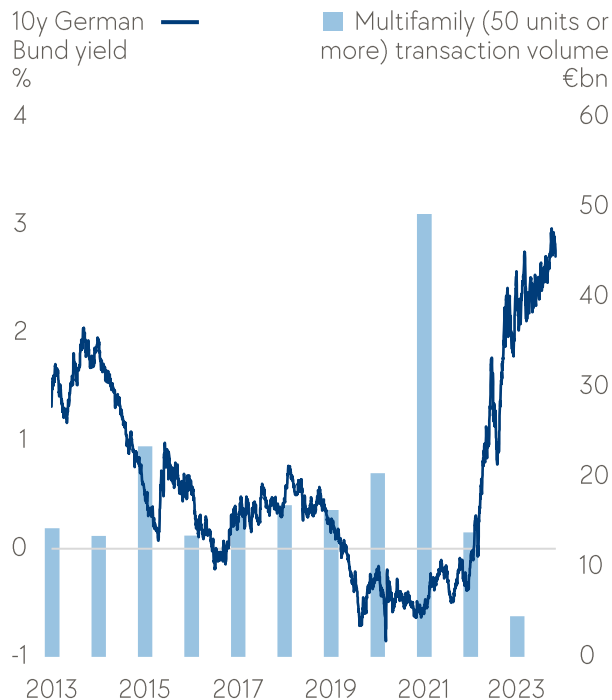
- **€500m** bond redemption, in total financings of **€>900m** signed at **8.0y** for **3.89%** cash interest costs with a mix of **c.90/10** of secured/ unsecured debt
- Headroom of **c. >25%** value decline regarding unencumbered asset test
- Secured maturities in 2025 of **€566m** to be rolled forward or refinanced (first maturities mid 2025)
- Convertible of **€400m** due as of Sept 1, 2025
- Undrawn RCF's increased to **€675m** (3y maturity) (prev. €600m)/ CP-programme of **€600m**
- Strong liquidity of **€326m** (as at 09/23)²
- Average debt maturity as at **11/23** was **6.6** years with average interest cost of **1.65%**
- Interest **hedging rate** of **c.94%**
- **LTV** of **46.8%** above new medium-term target level of **max. 45%**, but comfortably within thresholds for rating of Baa2 (stable)

¹ Pro-forma as of 11/2023 after refinancing 97% of the 2024 maturities. ² Cash and short-term deposits.

Cash remains king – macro picture remains unclear

We remain focussed on cash without jeopardising our growth

What we don't have in our hands



Source: Bloomberg, CBRE

1 Mid-point guidance 2023e to mid-point guidance 2024e.

What we have in our hands

2023e

3.0% – 3.2%
(excl. cost rents)

Rent growth



2024e

3.2% – 3.4%

Cost control



Non-maintenance, operating and personnel costs

Modest development

Investments



c. **35€/sqm**

c. **32€/sqm**
+ smart use of subsidies

Opportunistic refinancing



2024 maturities refinanced

> **€900m** refinanced
@**3.89% / 8.0y**

Generating cashflow

+10%¹

AFFO 2024e

Guidance 2024: AFFO in the range of €180m – €200m

Stronger rent growth and smart spending allows for higher cash generation



		Guidance 2024 ¹
AFFO ²		€180m – 200m
Adj. EBITDA margin ³		c. 77%
I-f-I rent growth		3.2% – 3.4%
Investments		c. 32€/sqm
LTV		Medium-term target level max. 45%
Dividend		100% AFFO as well as a part of the net proceeds from disposals
Disposals		Not reflected ¹
Environment	2024–2027	Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios
	2024	4,000 tons CO ₂ reduction from modernisation projects and customer behaviour change
Social	2024–2027	Acceleration of the processing time of total LEG tenant complaints by 10% by 31 December 2027 based on the averaged processing time of resolved complaint tickets from March 2024 and September 2024
	2024	Use of 100 LEG staff hours to design, organise or implement intercultural projects until 31 December 2024
Governance	2024	85% of TSP employees, 99% of employees in staff holding LEG group companies have completed the "IT Security" training until 31 December 2024

¹ Guidance based on 167 k units. ² Adjusted for capex financed in full by subsidised, long-term loans accounted for at fair value or at cost, these will be reported separately.

³ Based on the adjusted EBITDA definition effective since business year 2023, i.e. excluding maintenance (externally-procured services) and own work capitalised.

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