



H1-2024

LEG Immobilien SE

# H1-2024 Results

9 August 2024

**LEG**

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## Guidance raise to €190 – 210m AFFO

Continued strong operations point to AFFO per share growth of c.+10%<sup>1</sup>

### Financials

- AFFO **-7.5%** to **€109.7m**
- Operating cashflow **+5.2%** to **€278.0m**
- FFO I **-3.6%** to **€217.9m**
- Adj. EBITDA-Margin **75.7%**
- LTV **49.0%/ 48.3%** pro-forma<sup>2</sup>
  - Debt @ **1.66%** for **Ø 6.0y**
- NTA p.s. **€122.59**

### Operations

- Net cold rent **+3.3%**
- I-f-I rental growth **+2.9%**, thereof free-financed **+3.4%**
- I-f-I vacancy **2.5%** (-10bps)

### ESG

- Score of **Sustainalytics** ESG Risk Rating further improved to **5.1** and ranked no. **6** out of **1,030** real estate companies globally
- LEG was awarded a special **prize for targeted learning and employee development** (DW Future Prize of the Real Estate Industry)
- LEG ranked **no.1 in DAX 50 ESG for ESG achievements, no.3 in STOXX Global ESG Social Leaders**

H1-2024

### Guidance increase to €190 – 210m (€180 – 200m)

Strong fundamentals allow also to lift investments to €34/sqm (€32/sqm)

Valuations bottoming out at around 5% gross yield for LEG

### Minor devaluation of 1.6% for H1-2024 – trough in sight

### Roughly €285m of disposals YTD

Recovery of the residential transaction market continues

Free financed segment with 3.4% (I-f-I) rent growth

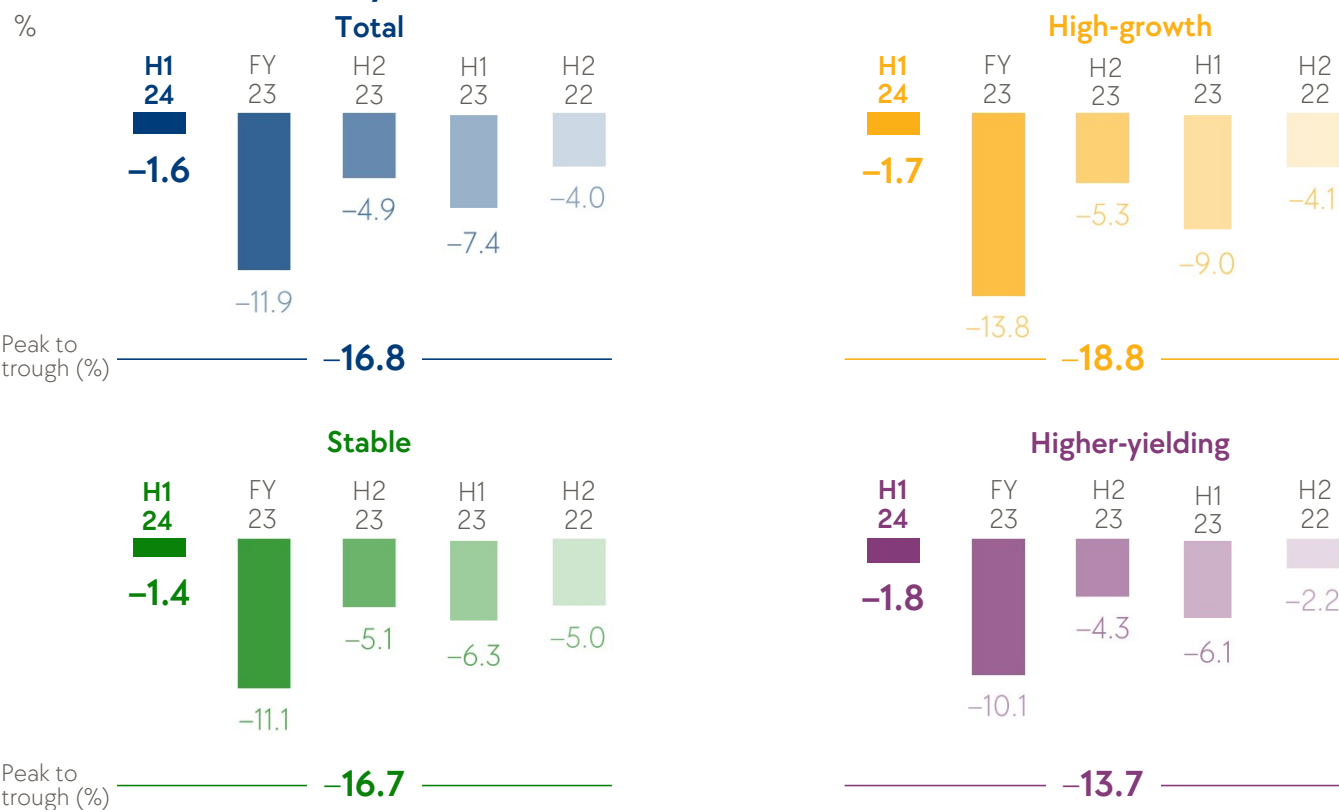
### Free financed rents to grow by 3.8 – 4.0% for FY24e

<sup>1</sup> Based on midpoint of new guidance range. <sup>2</sup> Based on reported H1 LTV and taking YTD disposals into account.

# Portfolio valuation H1-2024

Valuation bottoming out – trough in sight

## Valuation decline by markets<sup>1</sup>



<sup>1</sup> Property valuation with cut-off date as of 31 March 2024 and revaluation date as of 30 June 2024.  
<sup>2</sup> Source: BNP Real Estate for transactions >30 units.

## Highlights

- Devaluation of **-1.6%** in **H1-2024**, pressure easing off; similar trend in all markets
- Residential transaction market with slight recovery in Q2-2024<sup>2</sup> (**€3.3bn** in H1-2024, **+25%** yoy)
- Since peak in H1-2022 combined devaluation effect of c.**16.8%**
- Average object-specific discount rate increased to **5.0%** (FY-2023 **4.7%**), cap rate increased to **5.8%** (FY-2023 **5.7%**)

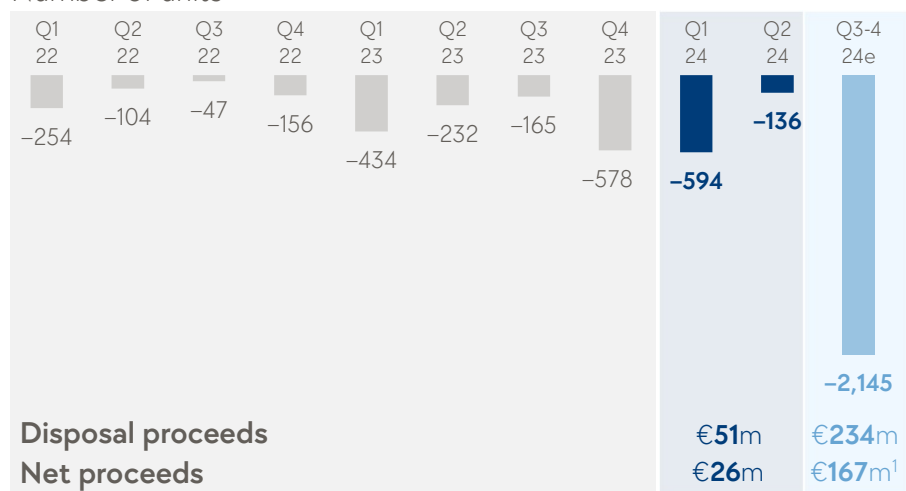
# Roughly €285m and almost 2,900 units of disposals YTD



Majority to be transferred in the second half of the year

## Portfolio development – Divestments

Number of units



Gross proceeds c.€285m  
Net proceeds c.€193m<sup>1</sup>

- From the start of our disposal programme in Q1-2022 until H1 2024 c. **2,700** units transferred for c.€**182m**
- So far **2,145** units expected to be transferred in the course of the year with corresponding proceeds of c.€**234m**
- More disposals in the pipeline

## Signed disposals YTD (not yet transferred)

	Price €m	Units
<b>Existing portfolio</b>		
Krefeld (NRW)	16	236
Warburg (NRW)	5	86
Hanover area (Lower Saxony)	61	766
Dortmund/ Essen (NRW) <b>NEW</b>	10	170
Recklinghausen (NRW) <b>NEW</b>	22	409
Other incl. commercial <b>UPDATE</b>	20	128
<b>New built</b>		
Essen/ Duesseldorf (NRW)	63	211
Bremen (Bremen) <b>NEW</b>	37	139
<b>Total</b>	<b>c.234</b>	<b>2,145</b>

- Signings reflect recovery of transaction markets
- Disposals at low end as well as high end of quality spectrum
- Rigorous price discipline continued - in total, disposals transacted above book values
- One disposal with a volume of c.€**35m** regarding a commercial complex (announced in Q4-23) did not close
- Buyers range from HNWI's, pension funds to smaller domestic and international institutionals

<sup>1</sup> Assuming all signings will ultimately be transferred until year end. Net proceeds = Disposal price less redemption of underlying secured financing, transaction fees and calculatory taxes.



# Financial profile



2024 maturities completely refinanced – 60% of 2025 maturities covered by pro-forma excess cash

## Maturity Profile<sup>1</sup>



## Average debt maturity



## Average interest cost



## Loan-to-value



## Highlights

- **All 2024 maturities refinanced** – opportunistic refinancing of the 2025 maturities now in focus
- Upcoming **secured maturities** in **2025** reduced to c.€458m after early redemption of c.€100m
- **Convertible bond** in the amount of €400m due in September 2025
- **Undrawn RCFs** in the amount of €750m as well as an **unused CP program** of €600m
- **Robust liquidity** position of > €350m<sup>2</sup>
- **60% of the 2025 maturities** already **covered** with cash and cash from sales proceeds (>€500m), i.e. next maturities in September 2025
- Average **debt maturity** of **6.0 years** with average **interest cost** of **1.66%**
- Average interest **hedging rate** c.**94%**
- **LTV** at **49.0%** as of 30 June 2024 (pro-forma **48.3%**)<sup>3</sup>
- **Interest Coverage Ratio (ICR)** at **4.3x**

<sup>1</sup> The maturity profile is based on the contractually agreed maturities of the financial liabilities. <sup>2</sup> Cash and short-term deposits. <sup>3</sup> Based on reported H1-2024 LTV and taking YTD disposals into account. <sup>4</sup> Covered by existing excess cash and incoming net proceeds from disposals.

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