

Branicks



Q3 2024 Results Conference Call

7 November 2024



We continue to deliver on our promises and have a solid plan

Ahead of plan with regards to financial consolidation; successful management of maturity profile:



- Full repayment of bridge financing in early October (prior to due date in December) reducing future financing costs
- Unchanged high priority on further deleveraging efforts
- Full compliance with the covenant thresholds
- Plausibility of Branicks' business plan and financial concept confirmed

On track with disposal pipeline:



- So far, sale of 19 objects (17 COP; 2 IBU) amounting to EUR 417 million as of 30 September 2024
- Including the transactions communicated in the fourth quarter, Branicks is already close to the lower threshold of its guidance of 650 to 900 million euros; well filled transaction pipeline

Commercial portfolio as sustainable cash flow provider:



- Stable and solid rent development (due to high quality portfolio and rent indexations) deliver constant and predictable cash flows
- Ongoing portfolio optimization shows slightly lower like-for-like rental growth of -0.4% due to expired lease agreements
- Continuing strategic focus on office and logistic properties (79% of market value; as of 30 September 2024)
- Increase of the average rent from EUR 6.51/sqm prior year to EUR 7.72/sqm as of 30 September 2024

Institutional Business continues to be a stabilising factor:



- Focus on assets under management (EUR 8.9 billion; as of 30 September 2024)
- Like-for-like rental growth of 2.3%
- New asset class Renewables in partnership with Encavis started in first quarter 2024 create additional business potential
- Strong and solid setup; ready for market upswing (especially with regards to transaction fees)

On track with "Performance 2024" action plan:

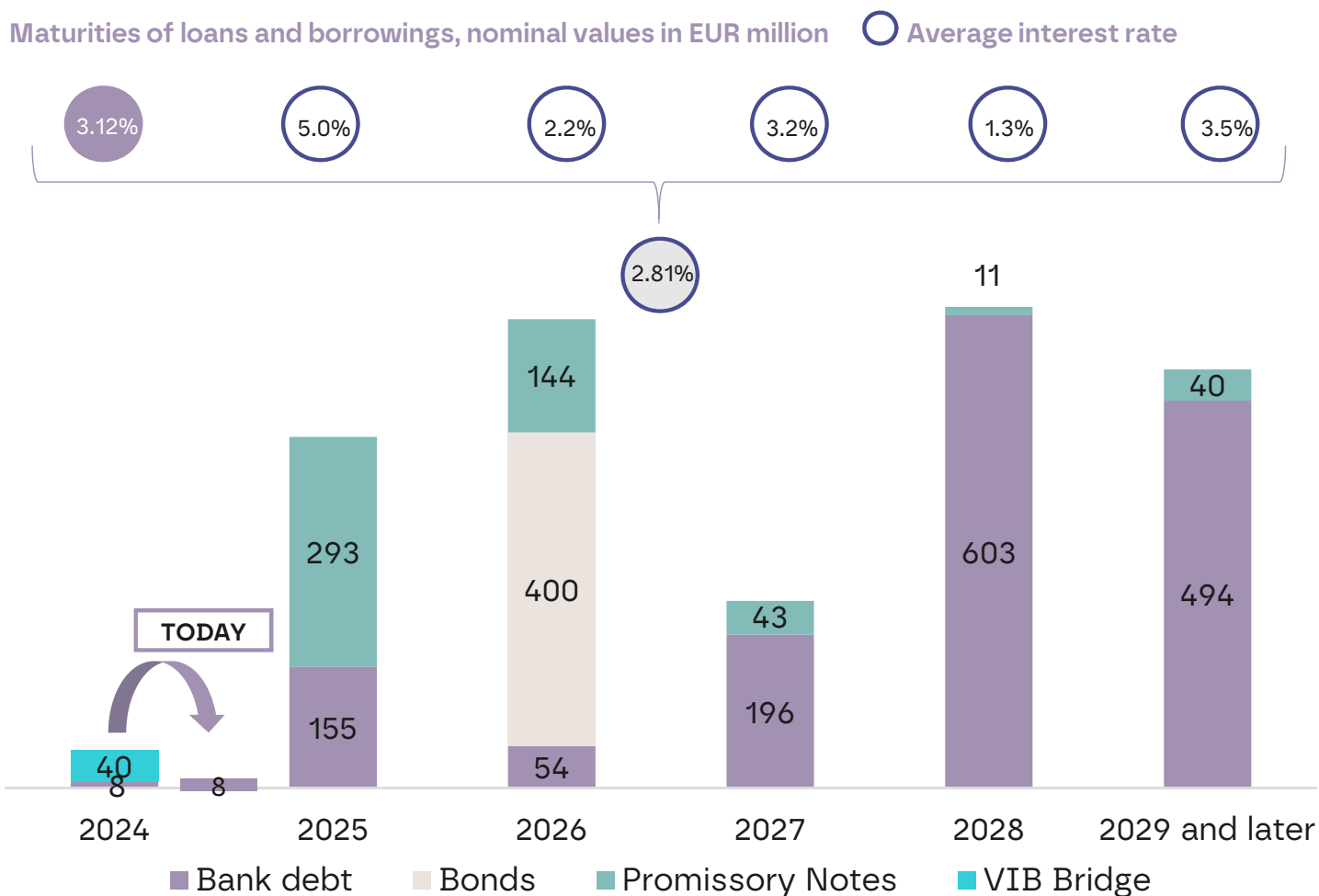


- Significantly reduced cost base due to various measures; continued cost discipline
- OPEX already reduced by 16% in 2023; and by 1.5% y-o-y as of 30 September 2024



Financial profile substantially improved

As of 30 September 2024



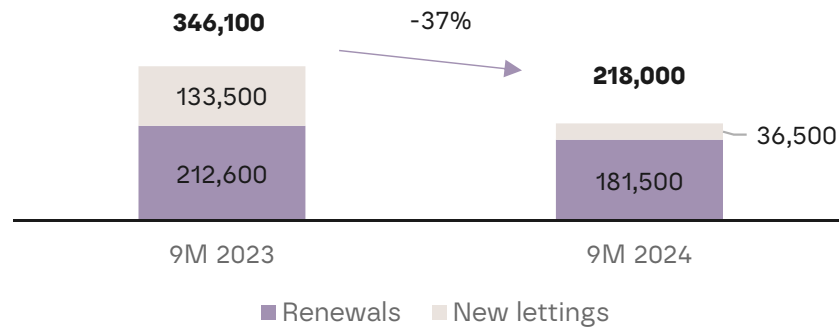
- **Continued focus on deleveraging while monitoring covenants**
- **Bond covenants** as of 30 September 2024 with sufficient headroom remaining:
 - Bond LTV 55.6% (covenant level <60.0%)¹
 - Secured LTV 31.2% (covenant level <45.0%)¹
 - Bond ICR 2.0x (covenant level >1.8x)²
- **All covenants** in 9M 2024 in line with expectation and are expected to improve due to disposals and redemption of bridge financing and mortgage loans until end of 2024 and beyond
- **Redemption of bridge** improves average interest rate by 40 bps to 2.81% compared to 3.21% as of 30 June 2024



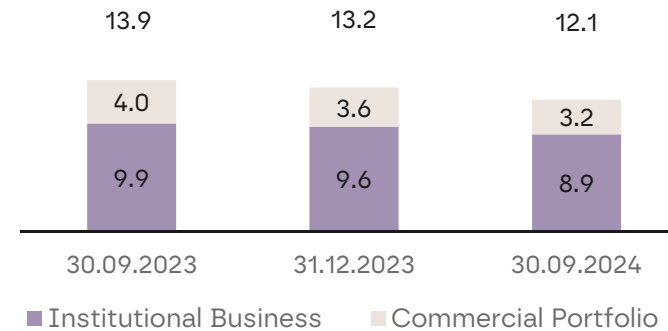
9M 2024: Solid results in a challenging market anchored by a strong real estate platform

Like-for-like rental growth continues with +1.6%

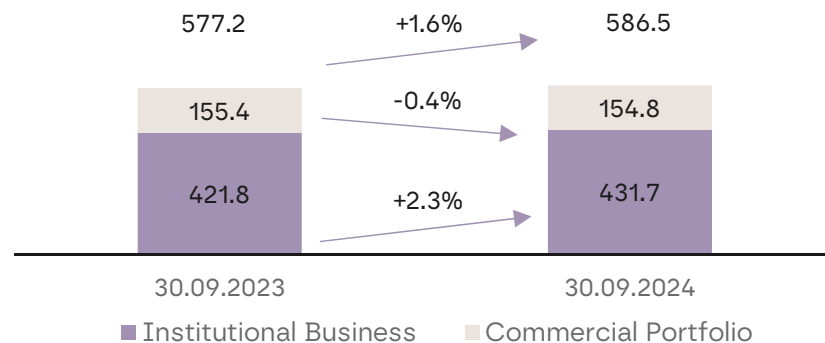
Letting performance
in sqm



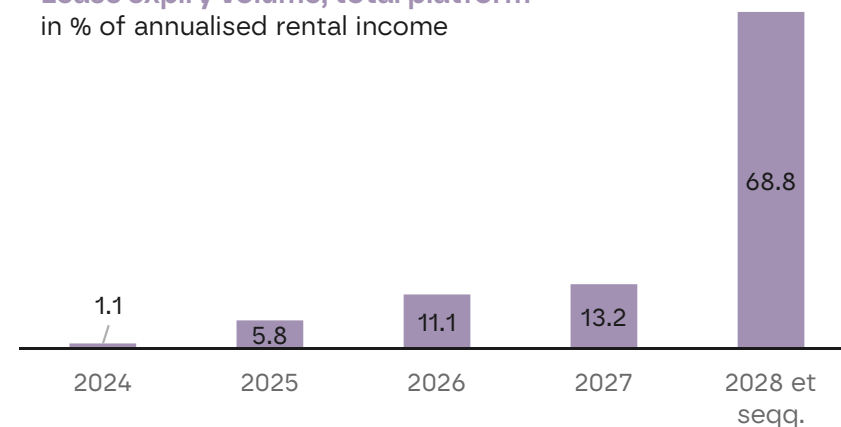
Assets under Management
in EUR billion



Like-for-like rental income
annualised in EUR million



Lease expiry volume, total platform
in % of annualised rental income

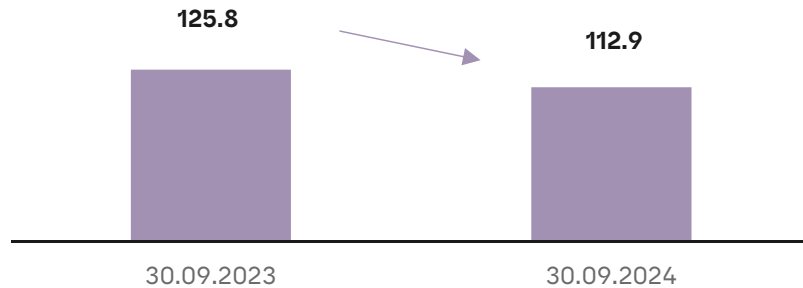




9M 2024: Stable contribution from directly held portfolio with transaction-related income

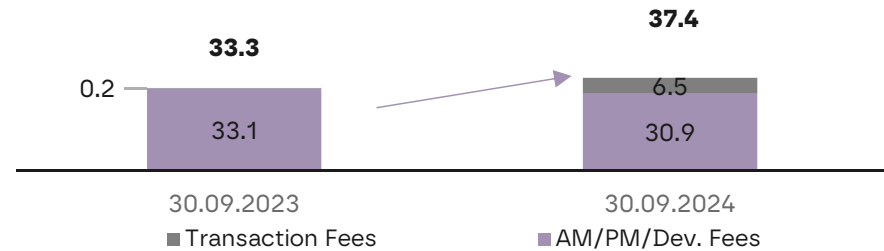
Solid recurring income results

Net rental income

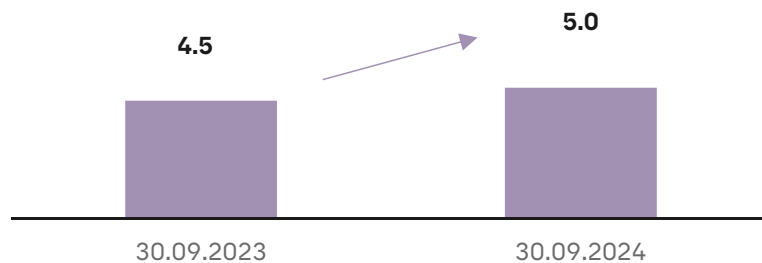


Real estate management fees

Include recurring Asset-, Property- and Development-Fees and Transaction Fees



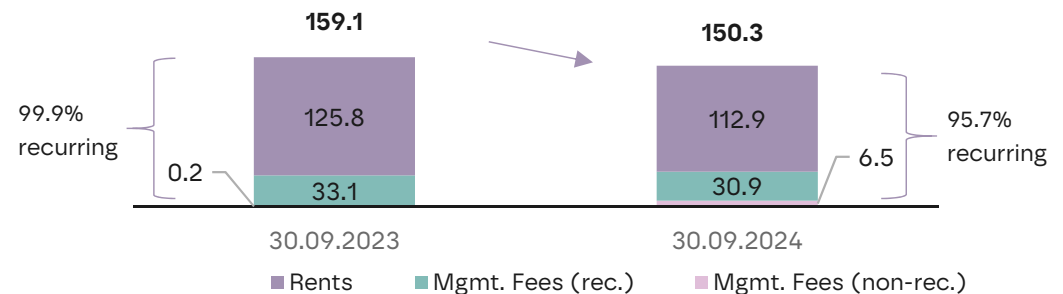
Income from associated companies



All figures in EUR million

Recurring income

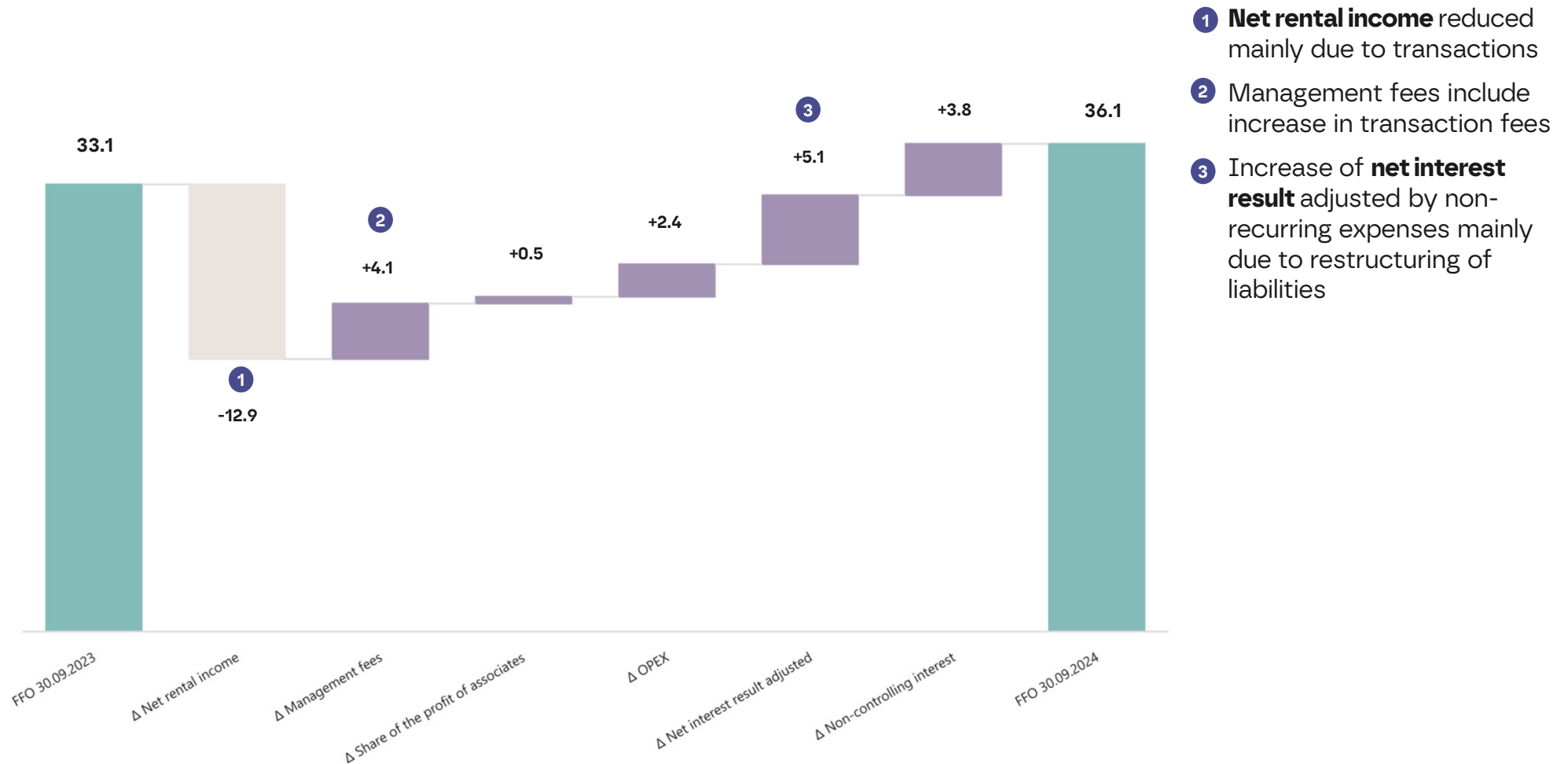
Rents and Management Fees





9M 2024: Funds from Operations (FFO)¹ in line with expectations, OPEX shows upside from “Performance 2024”

Financials



¹ Excluding non-controlling interest (NCI), before taxes



Guidance 2024

Outlook 2024

Gross rental income	EUR 160 – 175 million
Real estate management fees	EUR 40 – 50 million
FFO I (after minorities and before taxes)	EUR 40 – 55 million
Acquisitions	EUR 0 million
Disposals	EUR 650 – 900 million, thereof: Commercial Portfolio: EUR 500 - 600 million Institutional Business: EUR 150 - 300 million



Mid-term ambition confirmed: Transformation towards a profitable, ESG-focussed and value-generating asset expert

Expansion of value chain in an extended asset spectrum will sustainably strengthen cashflows and financial position

Ambitions

Substantially **improve Group earnings** and **cashflows**

Return to net profit and **positive net cashflow in 2026**

Earnings from **ESG** expertise will surpass earnings contribution from traditional real estate management

Substantial **debt reduction** and strengthened headroom for financial covenants

ICR increases generally remaining **above 2.0x** from Q2 2024 onwards

LTV <50% by course of 2025

Secured LTV around 30% by end of 2026



Q & A

Investor Relations

Contact and Financial Calendar



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Financial calendar 2025

12.03.	Publication Annual Report 2024
08.05.	Publication Quarterly Statement Q1 2025
14.05.	Publication Sustainability Report 2024
14.08.	Publication Half-Year Report 2025
20.08.	Annual General Meeting 2025
06.11.	Publication Quarterly Statement Q3 2025

More information on
branicks.com/en/ir

Branicks



Appendix

More facts and figures



9M 2024: P&L – Commercial Portfolio segment

Gross and net rental income impacted by sales

Commercial Portfolio (COP)

- **Net rental income** at EUR 112.9 million decreased by EUR 12.9 million year-on-year (previous year: EUR 125.8 million), mainly due to sales.
- The **share of the profit or loss of associates** mainly consists of deferred income from fund shares in the amount of EUR 2.8 million.
- **Depreciation and amortisation** were impacted by impairment charges of EUR 130.7 million due to sales.
- **Operating expenses** in this segment rose to EUR 20.6 million overall (previous year: EUR 17.6 million), mainly driven by higher legal and consulting costs.
- The **net interest result** of EUR -83.1 million (previous year: EUR -68.8 million) fell primarily as a result of interest charges relating to the bridge financing entered into in the previous year as well as one-off financing costs totalling EUR 21.9 million (previous year: EUR 4.3 million), which are included in other adjustments.
- The **segment's FFO contribution** after deducting minority interests declined to EUR 27.4 million (previous year: EUR 32.2 million) mainly caused by sales of investment properties.

Segment reporting

in EUR million	9M 2024			9M 2023		
	COP	IBU	Total	COP	IBU	Total
Gross rental income (GRI)	129.7		129.7	142.9		142.9
Net rental income (NRI)	112.9		112.9	125.8		125.8
Profits on property disposals	0.5		0.5	8.2		8.2
Real estate mgmt. fees		37.4	37.4		33.3	33.3
Share of the profit or loss of associates	2.8	2.2	5.0	2.3	2.2	4.5
Depreciation and amortisation	-183.4	-7.3	-190.7	-75.2	-3.1	-78.3
Net other income	1.1	-0.2	0.9	0.4	0.3	0.7
Net interest result	-83.1	-1.0	-84.1	-68.8	0.0	-68.8
Operational expenditure (OPEX)	-20.6	-27.9	-48.5	-17.6	-33.3	-50.9
- of which admin costs	-11.1	-10.1	-21.2	-6.4	-11.8	-18.2
- of which personnel costs	-9.5	-17.8	-27.3	-11.2	-21.5	-32.7
Other adjustments	24.8	0.0	24.8	4.3	0.2	4.5
Non-controlling interests	-10.4	-1.8	-12.2	-14.2	-1.8	-16.0
Funds from operations (FFO) after non-controlling interests	27.4	8.7	36.1	32.2	0.9	33.1
Funds from operations II (FFO II) after non-controlling interests	27.9	8.7	36.6	39.7	0.9	40.6



9M 2024: P&L – Institutional Business segment

Real estate management fees show stable recurring fees and low transaction activity

Institutional Business (IBU)

- **Real estate management fees** at EUR 37.4 million increased by around 12% (previous year: EUR 33.3 million) and include recurring asset, property and development fees of EUR 30.9 million (previous year: EUR 33.1 million) as well as transaction fees of EUR 6.5 million (previous year: EUR 0.2 million).
- **The share of the profit or loss of associates** came to EUR 2.2 million, unchanged from the previous year.
- Driven mainly by lower personnel costs, **operating expenses** at EUR 27.9 million were down around 16% year-on-year (previous year: EUR 33.3 million).
- The **segment's FFO contribution** after minority interests rose to EUR 8.7 million (previous year: EUR 0.9 million) due to higher fees and lower costs.

Segment reporting

in EUR million	9M 2024			9M 2023		
	COP	IBU	Total	COP	IBU	Total
Gross rental income (GRI)	129.7		129.7	142.9		142.9
Net rental income (NRI)	112.9		112.9	125.8		125.8
Profits on property disposals	0.5		0.5	8.2		8.2
Real estate mgmt. fees		37.4	37.4		33.3	33.3
Share of the profit or loss of associates	2.8	2.2	5.0	2.3	2.2	4.5
Depreciation and amortisation	-183.4	-7.3	-190.7	-75.2	-3.1	-78.3
Net other income	1.1	-0.2	0.9	0.4	0.3	0.7
Net interest result	-83.1	-1.0	-84.1	-68.8	0.0	-68.8
Operational expenditure (OPEX)	-20.6	-27.9	-48.5	-17.6	-33.3	-50.9
– of which admin costs	-11.1	-10.1	-21.2	-6.4	-11.8	-18.2
– of which personnel costs	-9.5	-17.8	-27.3	-11.2	-21.5	-32.7
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Non-controlling interests	-10.4	-1.8	-12.2	-14.2	-1.8	-16.0
Funds from operations (FFO) after non-controlling interests	27.4	8.7	36.1	32.2	0.9	33.1
Funds from operations II (FFO II) after non-controlling interests	27.9	8.7	36.6	39.7	0.9	40.6



9M 2024: Balance sheet structure

Dominated by loan repayments

- 1 As of 30 September 2024, **total assets** decreased by EUR 694.2 million compared to the end of 2023 due to sales in particular.
- 2 The decrease in **non-current assets** by EUR 474.5 million compared to 31 December 2023 is mainly attributable to the decline in investment property resulting from sales.
- 3 The decrease in **current assets** by EUR 219.7 million compared to 31 December 2023 is mainly attributable to the reduction in cash and cash equivalents by EUR 176.0 million, particularly due to loan repayments. The main driver was the almost complete repayment of the bridge financing amounting to EUR 160.0 million.
- 4 **Equity** as of 30 September 2024 was EUR 160.8 million lower than at the end of 2023, mainly impacted by the loss of EUR -153.2 million (previous year: EUR -21.0 million). At a solid 32.9%, the **equity ratio** was slightly higher than as of 31 December 2023 (31.5%).
- 5 **Liabilities** declined by a total of EUR 533.4 million compared to the end of 2023. The change in the current and non-current portion of the liabilities is mainly attributable to the almost complete repayment of the short-term bridge financing in the amount of EUR 160.0 million and the disposal of long-term property financing in the course of sales.

Balance sheet overview

in EUR million	30.09.2024		31.12.2023
Total assets	4,152.0	1	4,846.2
Total non-current assets	3,566.1	2	4,040.6
- thereof goodwill	190.2		190.2
Total current assets	585.9	3	805.6
Equity	1,366.3	4	1,527.1
Total non-current financial liabilities	1,971.7		2,316.1
Total current financial liabilities	444.1		618.9
Other liabilities	369.9		384.1
Total liabilities	2,785.7	5	3,319.1
Balance sheet equity ratio	32.9%	4	31.5%

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Presentation as of November 2024