

Interim Announcement  
Q1/2020

# VALUES BUILT ON FORESIGHT

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# KEY GROUP INDICATORS

IN EUR THOUSAND	Q1/2020	Q1/2019	Change in %
<b>Income statement</b>			
Revenue	23,424	22,520	+4.0
Changes in value for investment properties	0	0	0
EBT (earnings before tax)	14,586	13,903	+4.9
EBT excluding valuation effects and extraordinary items	14,586	13,903	+4.9
Consolidated net income	12,230	11,600	+5.4
Earnings per share (undiluted/diluted, in EUR)	0.43	0.40	+5.4
<b>Balance sheet</b>			
	31/03/2020	31/12/2019	
Total assets	1,374,088	1,359,731	+1.1
Investment properties	1,312,932	1,296,352	+1.3
Equity	589,841	577,295	+2.2
Equity ratio (in %)	42.9	42.5	+0.4 pt.
Net debt	682,345	671,864	+1.6
LTV (loan-to-value ratio, in %)	51.0	51.0	0 pt.
NAV (net asset value), undiluted/diluted	625,550	612,974	+2.1
NAV per share (in EUR), undiluted/diluted	22.68	22.23	+2.1
<b>Other key financials</b>			
	Q1/2020	Q1/2019	
FFO (funds from operations)	12,722	12,129	+4.9
FFO per share (in EUR)	0.46	0.44	+4.9
	31/03/2020	31/12/2019	
Share price (Xetra closing price, in EUR)	22.80	29.80	-23.5
Number of shares on balance sheet date	27,579,779	27,579,779	0
Market capitalisation as of the balance sheet date	628,819	821,877	-23.5
ICR (interest coverage ratio: interest expense/net basic rents, in %)	18.0	19.1	-1.1 pt.
Average borrowing rate (in %)	2.08	2.10	-0.02 pt.
<b>Real estate KPIs</b>			
	31/03/2020	31/12/2019	
Annualised net basic rents	82,339	81,321	+1.3
Vacancy rate (in %)	1.7	1.0	+0.7 pt.
Rentable space (in sqm)	1,183,383	1,162,586	+1.8
<b>EPRA performance indicators</b>			
	Q1/2020	Q1/2019	
EPRA earnings	11,746	11,156	+5.3
EPRA earnings per share (in EUR)	0.43	0.40	+5.3
	31/03/2020	31/12/2019	
EPRA NAV	625,550	612,974	+2.1
EPRA NAV per share (in EUR)	22.68	22.23	+2.1
EPRA vacancy rate (in %)	1.7	1.0	+0.7 pt.

# VIB STARTS THE 2020 FISCAL YEAR ON COURSE

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Despite the coronavirus crisis, VIB Vermögen AG has started the 2020 fiscal year according to plan. As the Germany-wide shutdown was not imposed until the end of March, its impact on business operations and, therefore, financial KPIs during the first quarter was limited. At the time of preparation of this interim report (early May), the negative effects of the coronavirus crisis remain manageable and therefore do not constitute a substantial risk for the company. In the interests of continuing long-standing business relations with tenants, VIB is currently working to find individual solutions for those companies that are encountering severe economic difficulties as a result of the crisis. In this regard, agreements have been concluded in an amount of some EUR 2 million; these include rental deferrals, but – in certain exceptional circumstances – also relate to rental waivers.

## DEVELOPMENT OF THE PROPERTY PORTFOLIO

As of the cut-off date of March 31, 2020, the VIB property portfolio comprised 111 properties with a total rentable area of 1.18 million sqm. At Group level, the vacancy rate remains extremely low at 1.7%. Logistics and light industry properties account for the lion's share of the portfolio (67%), followed by retail parks (15%) and home improvement stores/garden centres (12%). The "office" and "commercial buildings/other" segments represent a combined share of 6%.

Construction is progressing as planned on the largest development project, which is located on Zeppelinstrasse at Interpark near Ingolstadt. On the site, which spans 113,000 sqm, the first construction phase, with a useful area of 27,500 sqm, was completed and handed over to the tenant in the fourth quarter of 2019. A rental agreement has also been concluded in respect of the remaining useful area of 89,000 sqm, which is currently under construction. VIB is pursuing a completely new approach by building a two-storey logistics complex for the first time. Alongside economic aspects, this innovative facility also reflects our commitment to sustainable construction by virtue of its efficient use of space across two floors. We still anticipate completion of the second construction phase by the end of 2020.

Construction work is also going according to plan at the Amazon distribution centre in Gersthofen, near Augsburg. A logistics facility with 7,500 sqm of warehouse and office space is currently being developed at the site, which boasts superb infrastructure links. The rental agreement, which covers both warehouse/office space and open space for delivery vehicles, has – as usual – been concluded on a long-term basis. It is anticipated that the property will be completed this summer.

Further successes have also been achieved in the area of portfolio management. Following the conclusion of rental agreement renewals until the end of 2029 with the VIB Group's second-largest tenant in 2018, the rental agreement at our largest logistics development thus far (55,000 sqm at Interpark) has now been extended by a further five years until the end of 2025.

There is also a burgeoning site pipeline for future projects. VIB currently possesses sites in excellent locations with a potential useful area of approx. 130,000 sqm. In addition to in-house developments, we also review the possibility of expanding our portfolio by means of targeted acquisitions on an ongoing basis.

## COURSE OF BUSINESS

Revenue in the first quarter increased by 4.0% to EUR 23.4 million due to rental income from properties completed and acquired in the previous year (3M 2019: EUR 22.5 million). Expenses for investment properties chiefly comprise operating costs paid in advance and maintenance expenses and were up compared to the previous year to a total of EUR 4.2 million (3M 2019: EUR 3.6 million). Personnel expenses amounted to EUR 1.0 million (3M 2019: EUR 1.0 million), whereas other operating expenses rose to EUR 0.4 million (3M 2019: EUR 0.3 million).

Profit/loss on equity-accounted investments amounted to EUR –0.1 million (3M 2019: EUR 0.1 million) and included a negative valuation effect relating to the investment held by VIB in BHB Brauholding Bayern-Mitte AG. Due to the further decline in the average interest rate for property loans, interest expenses decreased compared to the same period in the previous year by EUR 0.1 million to EUR 3.6 million (3M 2019: EUR 3.7 million). When adjusted for valuation effects and extraordinary items, earnings before tax (EBT) came in at EUR 14.6 million in the first quarter, compared with EUR 13.9 million in the prior-year period.

Following deduction of income taxes totalling EUR 2.4 million, VIB posted consolidated net income of EUR 12.2 million (3M 2019: EUR 11.6 million). Undiluted and diluted earnings per share stood at EUR 0.43 compared to EUR 0.40 in the same period in the previous year.

FFO (funds from operations), which is an indicator of cash inflow from operating activities, improved by EUR 0.6 million to EUR 12.7 million in the first three months (3M 2019: EUR 12.1 million). FFO per share came in at EUR 0.46, compared with EUR 0.44 in the previous year.

Undiluted and diluted net asset value (NAV) increased to EUR 626 million as of March 31, 2020 (31/12/2019: EUR 613 million). Undiluted and diluted NAV per share stood at EUR 22.68, compared with EUR 22.23 as of December 31, 2019.

Subject to the macroeconomic effects of the coronavirus crisis, we confirm the guidance for the 2020 fiscal year issued in the 2019 Annual Report.

Neuburg/Danube, May 13, 2020

The Management Board

# CONSOLIDATED INCOME STATEMENT (IFRS)

FOR THE PERIOD FROM JANUARY 1, 2020 TO MARCH 31, 2020

IN EUR THOUSAND	01/01– 31/03/2020	01/01– 31/03/2019
<b>Revenue</b>	<b>23,424</b>	<b>22,520</b>
Other operating revenue	765	42
<b>Total operating revenue</b>	<b>24,189</b>	<b>22,562</b>
Changes in value for investment properties	0	0
Expenses for investment properties	-4,237	-3,648
Personnel expenses	-1,040	-956
Other operating expenses	-440	-311
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>18,472</b>	<b>17,647</b>
Depreciation and amortisation	-76	-76
<b>Earnings before interest and tax (EBIT)</b>	<b>18,396</b>	<b>17,571</b>
Profit/loss on equity-accounted investments	-126	124
Other interest and similar income	0	0
Interest and similar expenses	-3,642	-3,750
Expenses from guaranteed dividends	-42	-42
<b>Earnings before tax (EBT)</b>	<b>14,586</b>	<b>13,903</b>
Income tax	-2,356	-2,303
<b>Consolidated net income</b>	<b>12,230</b>	<b>11,600</b>
Group shareholders' share of earnings	11,746	11,156
Non-controlling shareholders' share of earnings	484	444
<b>UNDILUTED EARNINGS PER ORDINARY SHARE (IN EUR)</b>		
Profit/loss on continuing operations	0.43	0.40
<b>Undiluted earnings per share</b>	<b>0.43</b>	<b>0.40</b>
<b>DILUTED EARNINGS PER ORDINARY SHARE (IN EUR)</b>		
Profit/loss on continuing operations	0.43	0.40
<b>Diluted earnings per share</b>	<b>0.43</b>	<b>0.40</b>

# IR CONTACT

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# IMPRINT

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## **Publisher**

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## **Directors entitled to represent the company**

Martin Pfandzelter (CEO),  
Holger Pilgenröther

## **Court of registration**

Ingolstadt

## **Registration no.**

HRB 101699