



CREATING VALUES



Interim Announcement
Q3 / 2019

KEY GROUP INDICATORS

IN EUR THOUSAND	Q3/2019	Q3/2018	Change in %
Income statement			
Revenue	67,616	64,352	+5.1
Changes in value for investment properties	3,619	7,408	-51.1
EBT (earnings before tax)	45,529	45,386	+0.3
EBT excluding valuation effects and extraordinary items	41,910	37,978	+10.4
Consolidated net income	38,095	38,087	0.0
Earnings per share (undiluted and diluted, in EUR)	1.33	1.33	0.0
Balance sheet			
	30.09.2019	31.12.2018	
Total assets	1,302,188	1,234,908	+5.4
Investment properties	1,263,461	1,182,548	+6.8
Equity	550,036	527,593	+4.3
Equity ratio (in %)	42.2	42.7	-0.5 pt.
Net debt	670,540	610,098	+9.9
LTV (loan-to-value ratio, in %)	52.3	51.0	+1.3 pt.
NAV (net asset value), undiluted/diluted	582,582	559,949	+4.0
NAV per share (in EUR), undiluted/diluted	21.12	20.30	+4.0
Other key financials			
	Q3/2019	Q3/2018	
FFO (funds from operations)	36,437	33,161	+10.0
FFO per share (in EUR)	1.32	1.20	+10.0
	30.09.2019	31.12.2018	
Share price (Xetra closing price, in EUR)	27.90	21.20	+31.6
Number of shares on balance sheet date	27,579,779	27,579,779	0
Market capitalisation as of the balance sheet date	769,476	584,691	+31.6
ICR (interest coverage ratio: interest expense/net basic rents, in %)	19.4	21.1	-1.7 pt.
Average borrowing rate (in %)	2.12	2.33	-0.21 pt.
Real estate KPIs			
	30.09.2019	31.12.2018	
Annualised net basic rents	79,119	78,249	+1.1
Vacancy rate (in %)	1.0	0.7	+0.3 pt.
Rentable space (in sqm)	1,134,731	1,123,271	+1.0
EPRA performance indicators			
	Q3/2019	Q3/2018	
EPRA earnings	33,695	30,545	+10.3
EPRA earnings per share (in EUR)	1.22	1.11	+9.9
	30.09.2019	31.12.2018	
EPRA NAV	582,582	559,949	+4.0
EPRA NAV per share (in EUR)	21.12	20.30	+4.0
EPRA vacancy rate (in %)	1.0	0.7	+0.3 pt.

VIB GOES FROM STRENGTH TO STRENGTH

The positive course of business continued in the first nine months of the current financial year. VIB achieved further increases in both revenue and earnings. Alongside targeted property acquisitions and the completion of a development project, a further reduction in interest expenses was a vital factor driving the pleasing course of business.

DEVELOPMENT OF THE PROPERTY PORTFOLIO

In the current financial year, VIB completed property transactions with an investment volume of EUR 48.2 million and a total useful area of 42,500 sqm. The details of the transactions are as follows:

At the start of the year, VIB acquired another Dehner garden centre. This retail property, with a useful area of 10,200 sqm, is currently being modernised and will be handed over to the tenant in the first quarter of 2020. The total investment volume (incl. renovation costs) will amount to approximately EUR 13.5 million.

In the second quarter, VIB acquired a logistics property in Ehningen (Stuttgart metropolitan region) for a total of EUR 7.5 million. The property comprises a rentable useful area of 9,100 sqm and is currently also being renovated in accordance with the very latest technical standards. Completion is scheduled by the end of 2019.

VIB also acquired a logistics property in Seubtendorf, Thuringia, in the second quarter. The investment volume came in at EUR 16.9 million, with the useful area measuring 19,500 sqm. The site boasts a total area of approx. 74,000 sqm and therefore offers potential for subsequent redensification.

In the third quarter, a redensification project was completed on the site of one of our properties in Regensburg. The newly built office complex comprises 3,700 sqm of rentable space. It was completed and handed over to the tenant on time and on budget. The investment volume came in at EUR 10.3 million; both office buildings and the adjoining multistorey car park were already fully let on a long-term basis at the start of the construction phase.

As part of portfolio optimisation, we sold a smaller logistics property, with a useful area of 5,300 sqm, in the second quarter. The sale proceeds of EUR 2.0 million corresponded to the carrying amount of the property.

The two ongoing development projects – one at Interpark near Ingolstadt and one in Schwarzenbruck – are progressing on time and on budget. The multifunctional logistics facility at Interpark near Ingolstadt, which was already fully let at the start of construction, will comprise a total useful area of 114,500 sqm upon completion. The company anticipates that the first construction phase, which measures 27,500 sqm, will be completed by the end of 2019. The second construction phase, which will represent the company's first two-storey in-house development, measures 87,000 sqm and is set to be handed over to the tenant at the end of 2020.

The logistics property in Schwarzenbruck, which was also fully let at the start of construction, will comprise a useful area of 9,400 sqm, with an investment volume of EUR 7.2 million. The property will be handed over to the tenant in the fourth quarter of the current financial year.

There is also still a burgeoning site pipeline for future projects. VIB currently possess sites in excellent locations with a potential useful area of 115,000 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

In the first nine months of 2019, revenues increased by 5.1% to EUR 67.6 million due to additional rental income from new properties (9M 2018: EUR 64.4 million). The changes in value for investment properties arising from the completion/partial completion of in-house developments were down year-on-year at EUR 3.6 million (9M 2018: EUR 7.4 million). Due to the high degree of completion and the full letting of properties under construction as of the balance sheet date, these properties were measured at fair value pursuant to IAS 40.53A. Expenses for investment properties, which chiefly comprise operating costs paid in advance and maintenance expenses, were up compared to the prior-year period to a total of EUR 10.9 million (9M 2018: EUR 10.5 million). Personnel expenses amounted to EUR 2.9 million (9M 2018: EUR 2.8 million), whereas other operating expenses came in at EUR 1.2 million (9M 2018: EUR 1.3 million).

Due to the low fixed interest rates for property loans set in previous years, interest expenses decreased compared to the same period in the previous year by EUR 0.4 million to EUR 11.3 million (9M 2018: EUR 11.7 million). This is also reflected in a further decline in the average interest rate for the portfolio of borrowings, which now stands at 2.12% (31/12/2018: 2.33%). As a consequence, earnings before tax (EBT) – after adjustment for valuation effects and extraordinary items – increased sharply by 10.4%, or EUR 3.9 million, to EUR 41.9 million (9M 2018: EUR 38.0 million).

Following deduction of income taxes totalling EUR 7.4 million (current taxes of EUR 4.3 million, deferred taxes of EUR 3.1 million), VIB posted consolidated net income of EUR 38.1 million (9M 2018: EUR 38.1 million). As such, consolidated net income is on a par with the previous year, with the lower development gains fully offset by cost savings and the further decrease in interest expenses. As the number of shares remained the same, undiluted/diluted earnings per share were unchanged year-on-year at EUR 1.33 (9M 2018: EUR 1.33).

FFO (funds from operations), which is an indicator of cash inflow from operating activities, improved by EUR 3.3 million, or 10.0%, to EUR 36.4 million in the first nine months of 2019 (9M 2018: EUR 33.2 million). FFO per share came in at EUR 1.32, compared with EUR 1.20 in the previous year.

Undiluted and diluted net asset value (NAV) increased by 4.0% to EUR 582.6 million as of September 30, 2019 (31/12/2018: EUR 560 million). Undiluted and diluted NAV per share stood at EUR 21.12, compared with EUR 20.30 as of December 31, 2018.

As the macroeconomic situation remains stable despite weakening slightly overall, we confirm the forecast for the 2019 financial year issued in the 2018 Annual Report.

Neuburg/Danube, November 6, 2019

The Management Board

CONSOLIDATED INCOME STATEMENT (IFRS)

FOR THE PERIOD FROM JANUARY 1, 2019 TO SEPTEMBER 30, 2019

IN EUR THOUSAND	01/01– 30/09/2019	01/01– 30/09/2018
Revenue	67,616	64,352
Other operating revenue	694	189
Total operating revenue	68,310	64,541
Changes in value for investment properties	3,619	7,408
Expenses for investment properties	-10,887	-10,479
Personnel expenses	-2,913	-2,777
Other operating expenses	-1,176	-1,316
Earnings before interest, tax, depreciation and amortisation (EBITDA)	56,953	57,377
Depreciation and amortisation	-233	-230
Earnings before interest and tax (EBIT)	56,720	57,147
Profit/loss on equity-accounted investments	204	54
Other interest and similar income	17	6
Interest and similar expenses	-11,287	-11,696
Expenses from guaranteed dividends	-125	-125
Earnings before tax (EBT)	45,529	45,386
Income tax	-7,434	-7,299
Consolidated net income	38,095	38,087
Group shareholders' share of earnings	36,779	36,781
Non-controlling shareholders' share of earnings	1,316	1,306
UNDILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.33	1.33
Undiluted earnings per share	1.33	1.33
DILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.33	1.33
Diluted earnings per share	1.33	1.33

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MASTHEAD

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