

Interim Announcement
Q3/2021

TAKING SUSTAINABILITY TO NEW DIMENSIONS



GROUP KPIS

IN EUR THOUSAND	01/01– 30/09/2021	01/01– 30/09/2020	Change in %
Income statement KPIs			
Revenue	77,374	70,390	+9.9
Changes in value for investment properties	8,797	11,658	–24.5
EBT (earnings before tax)	59,172	55,203	+7.2
EBT excluding valuation effects and extraordinary items	50,375	43,545	+15.7
Consolidated net income	49,705	46,356	+7.2
Earnings per share (undiluted/diluted, in EUR)	1.75	1.63	+7.4
Balance sheet KPIs			
	30/09/2021	31/12/2020	
Total assets	1,491,578	1,454,156	+2.6
Investment properties	1,383,833	1,368,001	+1.2
Equity	657,827	625,178	+5.2
Equity ratio (in %)	44.1	43.0	+1.1 pt.
Net debt	691,573	708,584	–2.4
LTV (loan-to-value) ratio (in %)	48.5	50.3	–1.8 pt.
NAV (net asset value), undiluted/diluted	702,651	666,322	+5.5
NAV per share (in EUR), undiluted/diluted	25.36	24.16	+5.0
Other financial KPIs			
	01/01– 30/09/2021	01/01– 30/09/2020	
FFO (funds from operations)	44,098	38,051	+15.9
FFO per share (in EUR)	1.60	1.38	+15.9
	30/09/2021	31/12/2020	
Share price (Xetra closing price, in EUR)	37.10	28.65	+29.5
Number of shares on balance sheet date	27,710,009	27,579,779	+0.5
Market capitalisation as of the balance sheet date	1,028,041	790,161	+30.1
ICR (interest coverage ratio: interest expense/net basic rents, in %)	15.1	17.5	–2.4 Pkt.
Average borrowing rate (in %)	1.71	1.77	–0.06 Pkt.
Real estate KPIs			
	30/09/2021	31/12/2020	
Annualised net basic rents	91,860	89,597	+2.5
Vacancy rate (in %)	1.2	2.5	–1.3 pt.
Rentable space (in sqm)	1,292,335	1,285,995	+0.5
EPRA performance indicators			
	01/01– 30/09/2021	01/01– 30/09/2020	
EPRA earnings	40,829	35,082	+16.4
EPRA earnings per share (in EUR)	1.48	1.27	+16.5
	30/09/2021	31/12/2020	
EPRA-NRV	764,230	727,901	+5.0
EPRA NRV per share (in EUR)	27.58	26.39	+4.5
EPRA NTA	728,539	694,396	+4.9
EPRA NTA per share (in EUR)	26.29	25.18	+4.4
EPRA vacancy rate (in %)	1.2	2.5	–1.3 pt.

POSITIVE COURSE OF BUSINESS IN THE FIRST NINE MONTHS

The successful course of business of the VIB Group has once again continued in the first nine months of the current fiscal year. By virtue of the new additions to the property portfolio, VIB has been able to further increase both revenue and profit. As in the previous quarters, the financial effects and risks of the coronavirus crisis remain manageable and do not currently constitute a substantial risk for the company. As of the balance sheet date of September 30, 2021, rental waivers for the 2021 financial year were granted Group-wide in the amount of EUR 258 thousand. The forecast for 2021 as a whole, contained in the 2020 Annual Report, includes a deduction of EUR 500 thousand to account for the risk of rental waivers.

Alongside the positive development of the financial and property-related indicators, VIB has also achieved further successes in the implementation of its sustainability strategy:

this year, for instance, photovoltaic capacity totalling approx. 4,300 kWp has been installed on the roofs of new and existing properties, which equates to an increase of some 100% in the total PV capacity of VIB.

We have also made progress in the area of building certification. DGNB Gold Standard or BREEAM certification has been achieved for the most recently completed logistics properties in Eslarn and at Interpark, as well as for the office complex built last year in Regensburg and a large existing property at Interpark.

The VIB sustainability strategy also involves improving the transparency of sustainability reporting for our stakeholders. With this in mind, we are especially delighted that EPRA has this year once again recognised VIB with its most prestigious accolade – the EPRA Sustainability Gold Award – for the company’s sustainability reporting. Moreover, VIB has also improved its GRESB Rating. GRESB – a renowned, independent and investor-led organisation in the area of ESG ratings – upgraded its score for VIB from “D” to “B”, which represents a substantial improvement on the five-category rating scale (“A” to “E”).

DEVELOPMENT OF THE PROPERTY PORTFOLIO

As of September 30, 2021, the VIB Group property portfolio comprised 113 properties with a total rentable area of 1.29 million sqm. The vacancy rate remains extremely low at 1.2% (31/12/2020: 2.5%). Logistics and light industry properties account for the lion’s share of the portfolio (71%), followed by retail parks (13%) and home improvement stores/garden centres (11%). The “office” and “service/other” segments represent a combined share of 5%.

At the start of the year, rental renewals were agreed for the existing properties in Baunatal, Haiming, and Regensburg, with a combined useful area of 62,000 sqm. All three properties are in the logistics/light industry sector.

Also in the first quarter, the two development projects in Eslarn and at Interpark were completed on schedule and handed over to their tenants. These two logistics properties, which were already fully let at the start of construction, boast a total useful area of 16,500 sqm and hold sustainability certification in accordance with the DGNB Gold Standard. What’s more, both properties have been fitted with a photovoltaic installation.

Following completion of the renovation phase, the property in Ehningen (Stuttgart metropolitan region) was let in the second quarter. A rental agreement with a term of five-and-a-half years is in place for this logistics property, which measures 9,100 sqm. Also in the second quarter, a further office complex, with a total useful area of 3,200 sqm, was completed at BUSINESSPARK Regensburg.

In the second quarter of the current year, VIB was granted planning permission for the existing site in Erding. On the site, commercial use areas for light industry as well as modern office spaces are planned, totalling approximately 86,000 sqm.

A new site in Meitingen (Augsburg metropolitan region) was also added to the site pipeline in the second quarter. The site, which boasts excellent transport links and already features a development plan, allows for the construction of a logistics/light industry property with a total useful area of some 25,000 sqm.

In the third quarter, VIB sold an existing property as part of its portfolio optimisation. The property, located in Aalen, is a retail park spanning 10,200 sqm with an adjacent cinema complex.

The extension to the logistics property in Schwäbisch Gmünd is still progressing according to plan. Following completion in the first half of 2022, the total useful area will increase by 6,100 sqm to 22,500 sqm. At the same time, the rental agreement will be extended for a further seven years. In light of the demands placed on sustainable construction, half of the roof area will be covered with gardens and the other half will feature a photovoltaic system.

As of the cut-off date of September 30, 2021, VIB boasts a site pipeline with a potential useful area of 160,000 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

On account of further additions to the property portfolio, revenue rose by 9.9% to EUR 77.4 million (9M 2020: EUR 70.4 million). The changes in value for investment properties arising from the completion/partial completion of in-house developments came in at EUR 8.8 million (9M 2020: EUR 11.7 million). Expenses for investment properties chiefly comprise operating costs paid in and maintenance expenses and stood at EUR 12.3 million (9M 2020: EUR 12.1 million). Personnel expenses amounted to EUR 3.3 million (9M 2020: EUR 3.1 million), whereas other operating expenses rose to EUR 1.4 million (9M 2020: EUR 1.3 million).

Profit/loss on equity-accounted investments amounted to EUR 0.1 million, compared to EUR -0.3 million in the previous year. Due to the further decline in the average interest rate for property loans, interest expenses decreased by EUR 0.8 million to EUR 10.1 million (9M 2020: EUR 10.9 million). When adjusted for valuation effects and extraordinary items, earnings before tax (EBT) rose sharply by 15.7% in the first nine months to EUR 50.4 million (9M 2020: EUR 43.5 million).

Following deduction of income taxes totalling EUR 9.5 million (current taxes of EUR 5.1 million, deferred taxes of EUR 4.4 million), VIB generated consolidated net income of EUR 49.7 million (9M 2020: EUR 46.4 million). Undiluted and diluted earnings per share stood at EUR 1.75 compared to EUR 1.63 in the same period in the previous year.

FFO (funds from operations), which is an indicator of cash inflow from operating activities, improved significantly by EUR 6.0 million, or 15.9%, to EUR 44.1 million in the first nine months (9M 2020: EUR 38.1 million). FFO per share came in at EUR 1.60, compared with EUR 1.38 in the previous year.

Undiluted and diluted net asset value (NAV) increased to EUR 703 million as of September 30, 2021 (31/12/2020: EUR 666 million). Undiluted and diluted NAV per share stood at EUR 25.36, compared with EUR 24.16 as of December 31, 2020.

At the time of preparation of this interim report, coronavirus infection rates in Germany are once again on the rise. The extent to which any new worsening of the coronavirus pandemic will adversely impact the German economy is currently not foreseeable. As has been the case since the start of the pandemic, however, we believe – on account of the stable position of the company – that there will be no significant negative effects on the earnings position of the VIB Group. We confirm the forecasts published for the 2021 fiscal year in the 2020 Annual Report.

Neuburg/Danube, November 10, 2021

The Managing Board



Martin Pfandzelter
(CEO)



Holger Pilgenröther
(CFO)

CONSOLIDATED INCOME STATEMENT (IFRS)

FOR THE PERIOD FROM JANUARY 1, 2021 TO SEPTEMBER 30, 2021

IN EUR THOUSAND	01/01– 30/09/2021	01/01– 30/09/2020
Revenue	77,374	70,390
Other operating income	418	1,220
Total operating income	77,792	71,610
Changes in value for investment properties	8,797	11,658
Expenses for investment properties	-12,276	-12,145
Personnel expenses	-3,308	-3,124
Other operating expenses	-1,397	-1,291
Earnings before interest, tax, depreciation and amortisation (EBITDA)	69,608	66,708
Depreciation and amortisation	-328	-236
Earnings before interest and tax (EBIT)	69,280	66,472
Profit/loss on equity-accounted investments	108	-251
Other interest and similar income	0	0
Interest and similar expenses	-10,091	-10,893
Expenses from guaranteed dividends	-125	-125
Earnings before tax (EBT)	59,172	55,203
Income tax	-9,467	-8,847
Consolidated net income	49,705	46,356
Group shareholders' share of earnings	48,234	44,895
Non-controlling shareholders' share of earnings	1,471	1,461
UNDILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.75	1.63
Undiluted earnings per share	1.75	1.63
DILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.75	1.63
Diluted earnings per share	1.75	1.63

IR CONTACT

VIB Vermögen AG

Petra Riechert
Tilly-Park 1
86633 Neuburg/Danube
Germany

Tel: +49(0)8431 9077-952
Fax: +49(0)8431 9077-1952
Email: petra.riechert@vib-ag.de

MASTHEAD

Publisher

VIB Vermögen AG
Tilly-Park 1
86633 Neuburg/Danube
Germany

Tel: +49(0)8431 9077-0
Fax: +49 (0)8431 9077-1952

E-mail: info@vib-ag.de
Website: www.vib-ag.de

Directors entitled to represent the company

Martin Pfandzelter (CEO),
Holger Pilgenröther

Court of registration

Ingolstadt, Germany

Registration no.

HRB 101699