



# RETAILTAINMENT

**Conference Call**  
**Quarterly Statement**  
**3M 2022**

13 May 2022

## Update on Business Activities – Summary

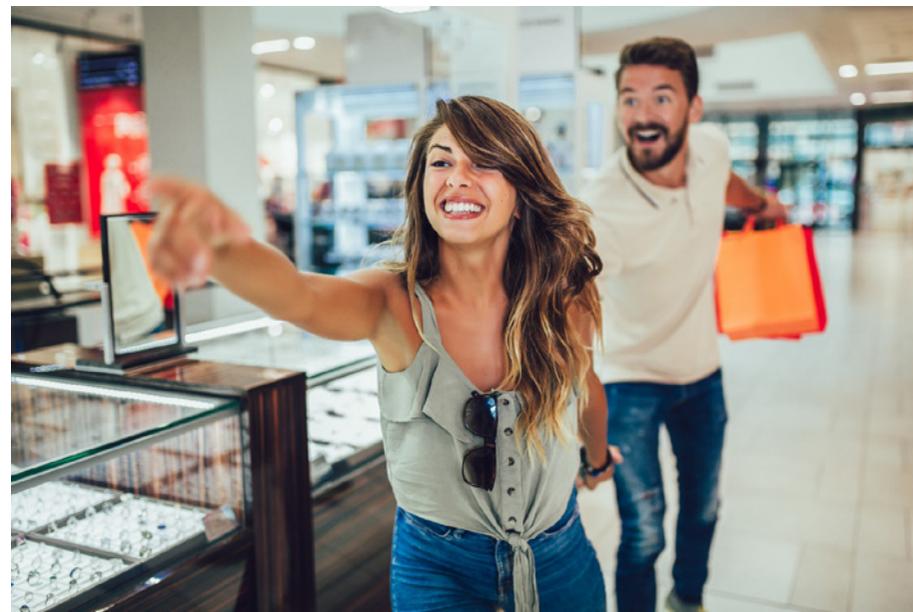
### Rents

- **Collection ratio :**  
2021: **95%** (after rent concessions)  
Q1 2022: **99%** (very limited rent concessions)



### Financials & Liquidity

- **Solid cash position** DES Group: **€357m** (31 March 2022)
- **Closing of a loan of €107.4m for a refinancing due March 2022** for Altmarkt-Galerie Dresden: 2.45% for 10 years
- Refinancing activities for two loans of €108m **due 2022** ongoing
- Continued **trustful negotiations with banking partners** for 2022 refinancings and regular exchange about effects of pandemic financial covenants
- Until 31 March 2021 **all financial covenants were met**



## Update on Business Activities – Summary

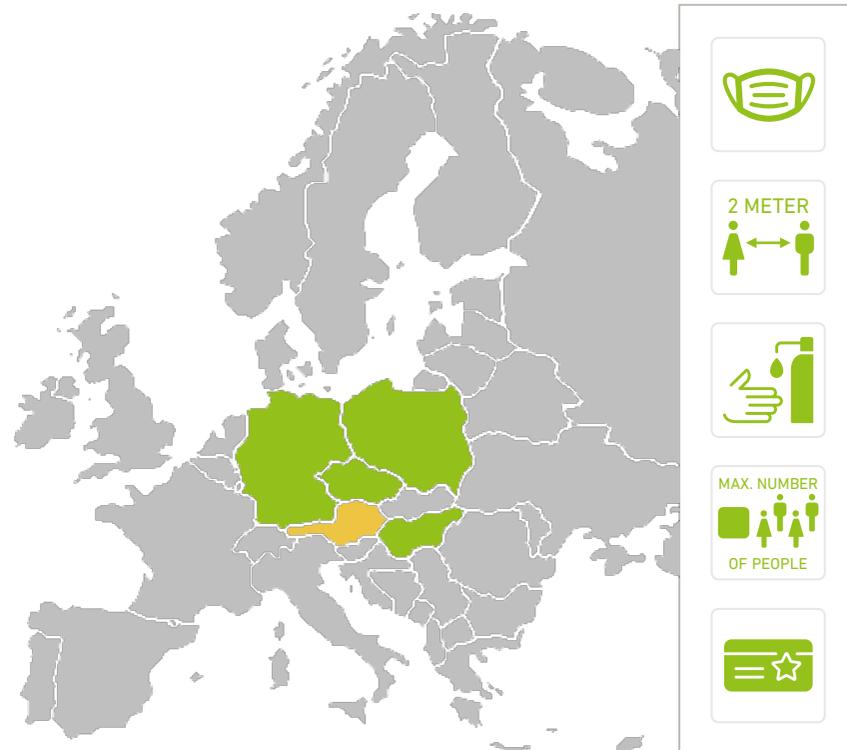


### Forecast FY 2022

- **Dividend proposal:** €1.00 per share
- **FFO 3M 2021:** €0.51 per share
- 2022 expected to be the **transition year** to new normality
- **Forecast: FFO 2022 between €1.95 and €2.05** per share
- Forecast **conditional upon** enduring **stabilization of pandemic** without further lockdowns or significant business restrictions, **continued improvement of consumption and retail turnovers** of our tenants in 2022 (e.g. Christmas sales) and the **granting and the continued and timely payout of established German government relief programs** for substantial part of our tenant base

## Current Regulations in DES' Markets<sup>1</sup>

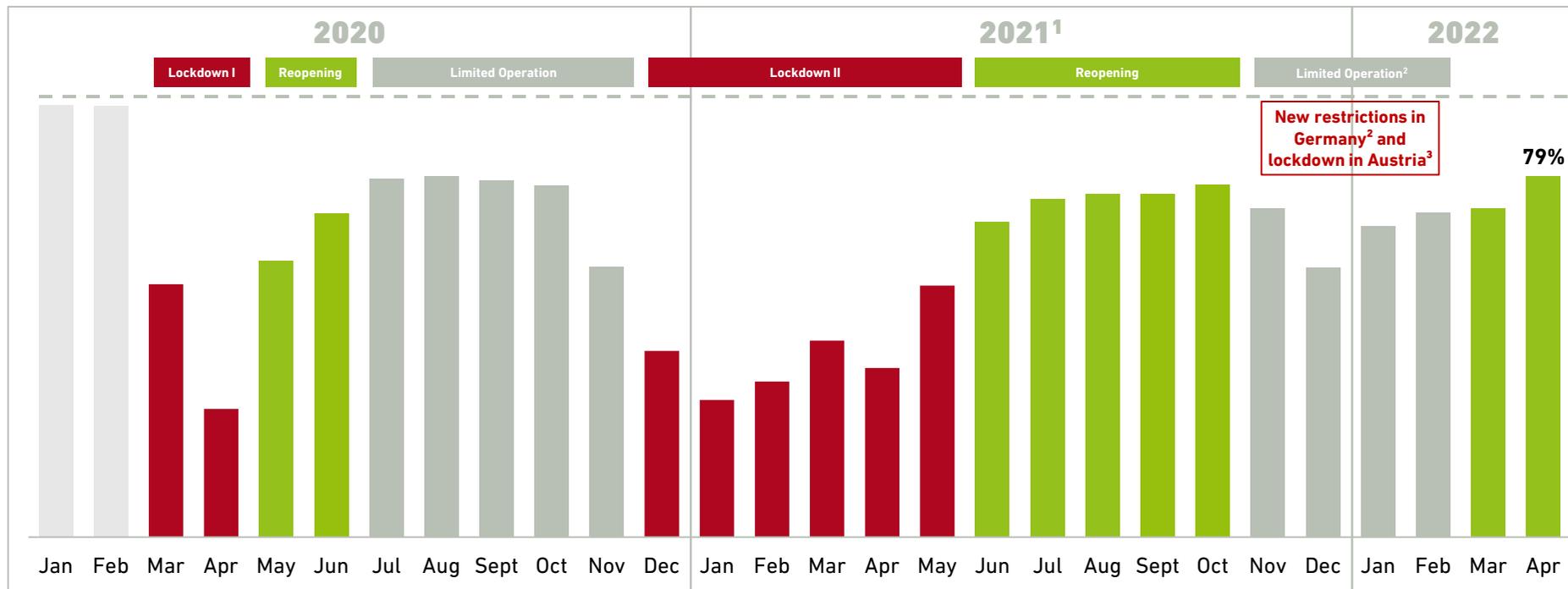
- Germany**    **Normal Operation** – since 30 April 2022
- Currently there are no more restrictions
  - NO MASKS! (Exception: Hospitals, retirement homes, public transport)
- Austria**    **Nearly Normal Operation** – since 23 March 2022
- Masks are mandatory (FFP2)
  - After a relief at the beginning of March 2022, the rules have been adjusted again
- Czech Republic**    **Normal Operation** – since 14 March 2022
- Currently there are no more restrictions
  - NO MASKS!
- Hungary**    **Normal Operation** – since 7 March 2022
- Currently there are no more restrictions
  - NO MASKS!
- Poland**    **Normal Operation** – since April 2022
- Currently there are no more restrictions
  - NO MASKS!



<sup>1</sup> Status: 2 May 2022; subject to possible short-term regional relaxations / intensifications

## Corona Impact – Footfall

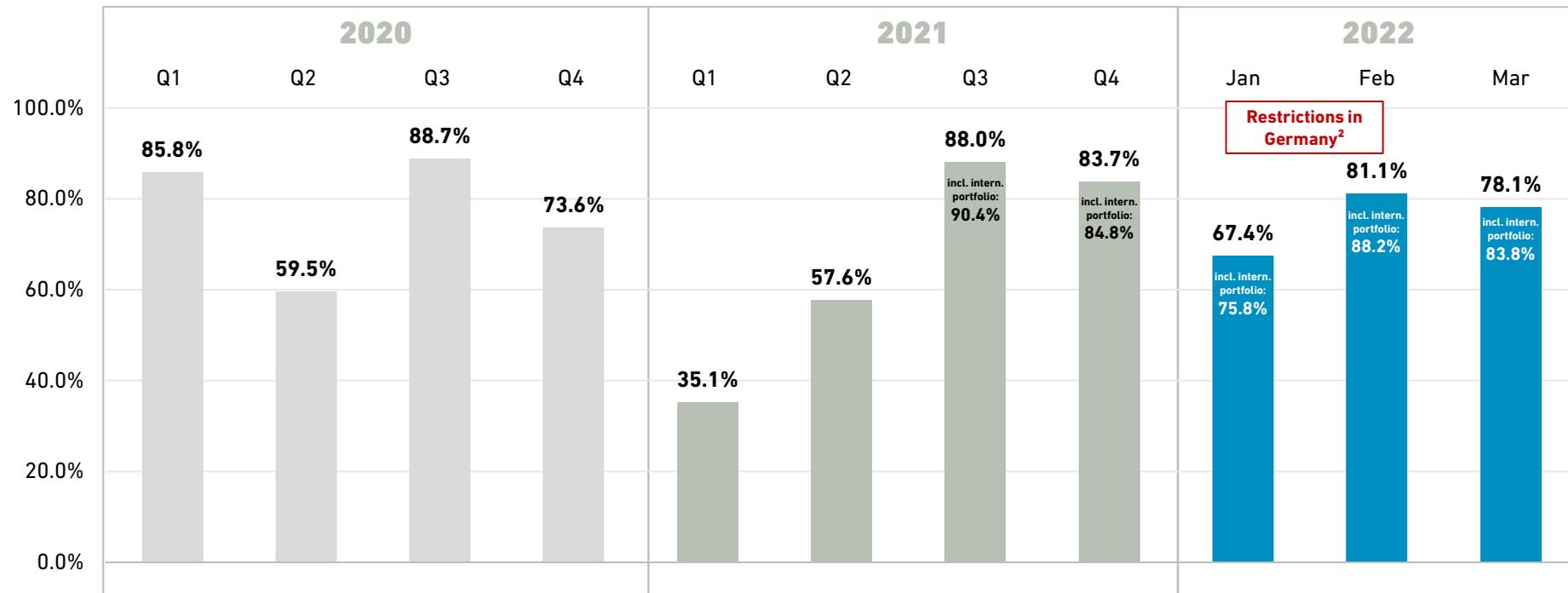
Development of the daily footfall compared to the average of the respective month in 2019



<sup>1</sup> 2021 was updated due to defective counting equipment | <sup>2</sup> means "2G" access to shops only for vaccinated and recovered persons (except basic supplies) / introduced between 24 Nov. and 8 Dec. depending on the federal state / abolished in mid-February 2022 | <sup>3</sup> "Hard" lockdown in Austria between 22 Nov. and 12 Dec. 2021

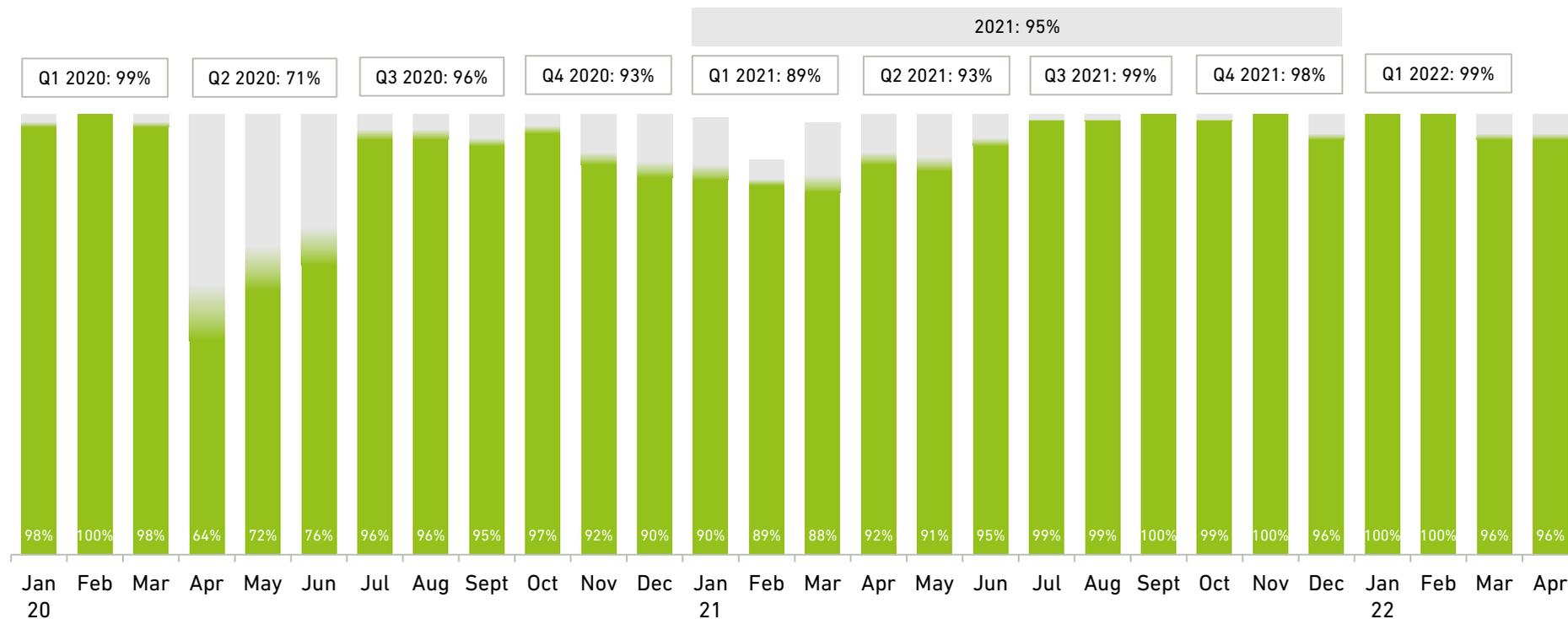
# Corona Impact – Retail Turnover<sup>1</sup>

## Development of retail turnover of centers in Germany compared to 2019



<sup>1</sup> Source: ECE / due to the pandemic, the figures are only comparable to a limited extent | <sup>2</sup> "2G" (means access to shops only for vaccinated and recovered persons (except basic supplies)) / introduced between 24 Nov. and 8 Dec. depending on the federal state in Germany / abolished in mid-February 2022

# Corona Impact – Collection Rates<sup>1</sup>



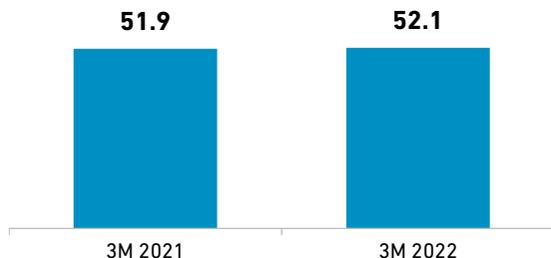
<sup>1</sup> After rent concessions / the figures for 2022 have been updated according to incoming payments

## Revenues – Nearly unchanged

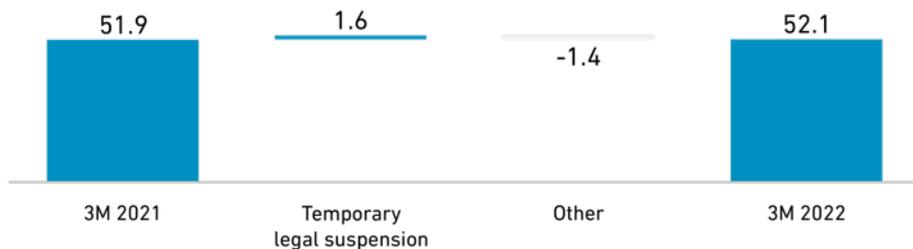
Revenue  
in € million



+0.3%

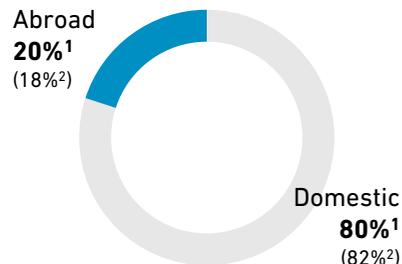


Revenue bridge 3M 2022  
in € million

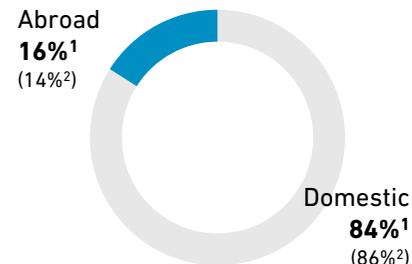


- Recognition of rental income according to lease contracts
- Nearly unchanged revenues of €52,1m (+0.3%)
- Prior year influenced by the situation in Poland: temporary legal suspension of rents (€+1.6m)
- Still impact due to default of tenants, lower turnover-based rents, longer post-leasing periods and higher vacancy rates

**3M 2022**  
Share of revenue



**3M 2021**  
Share of revenue



1 "Look through" (calculated on the basis of the group share) | 2 Consolidated

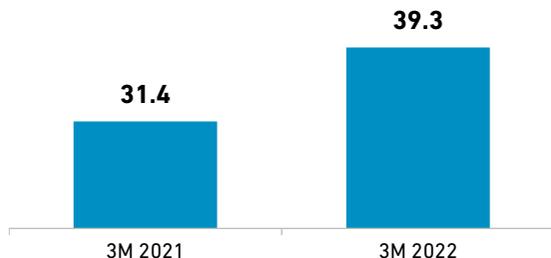
## EBIT – Significantly above the previous year

### EBIT

in € million

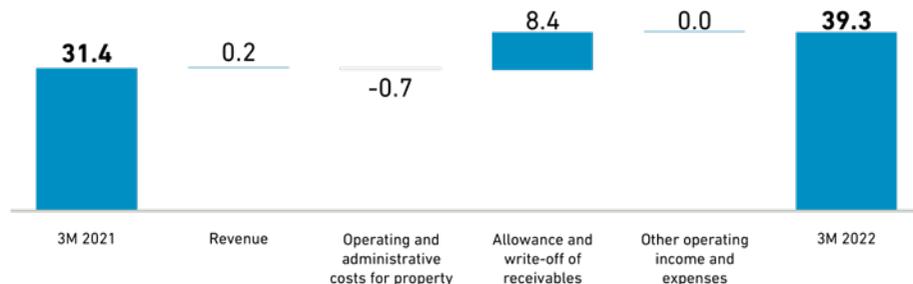


+24.9%



### EBIT bridge 3M 2022

in € million



- EBIT increased to €39.3m (+24.9%)
- In the previous year, the allowances include a significant portion of the rent concessions granted. In the reporting year, the allowances decreased to €3.5m (3M 2021: €11.9m).

in € thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
Revenue	52.061	51.904
Operating and administrative costs for property	-8.245	-7.499
Allowance and write-off of receivables	-3.457	-11.868
<b>NOI</b>	<b>40.359</b>	<b>32.537</b>
Other operating income	1.693	784
Other operating expenses	-2.773	-1.878
<b>EBIT</b>	<b>39.279</b>	<b>31.443</b>

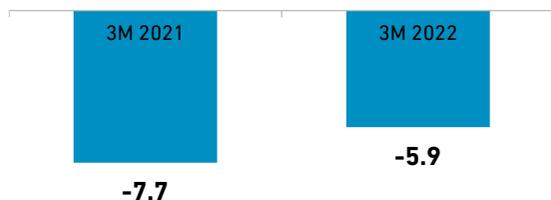
## Financial result<sup>1</sup> – Improved due to higher At-Equity result

### Financial result<sup>1</sup>

in € million



+23.7%



### Financial result 3M 2022

in € million



- Financial result improved: €+1.8m
- Interest expenses reduced by €1.1m due to favorable refinancings (Billstedt-Center and City-Galerie Wolfsburg)
- At-equity operating profit<sup>1</sup> increased by €2.3m
- Minority profit share by €-3.9m

in € thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
At-equity (operating) profit/loss	7.120	4.756
Interest expense	-9.095	-10.205
Profit/loss attributable to limited partners	-3.943	-2.293
Other financial result	13	2
<b>Financial result<sup>1</sup></b>	<b>-5.905</b>	<b>-7.740</b>

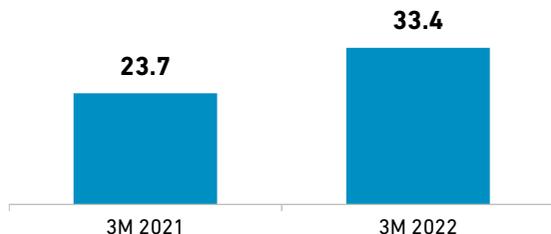
<sup>1</sup> Excluding valuation

## EBT<sup>1</sup> – with significant increase

EBT<sup>1</sup>  
in € million

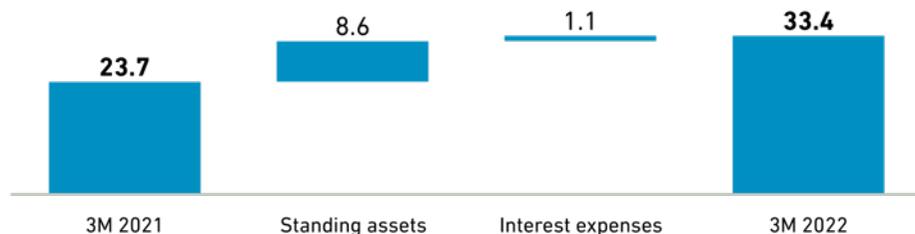


+40.8%



### EBT<sup>1</sup> bridge 3M 2022

in € million



- EBT (excl. valuation) above previous year +40.8% (€+9.7m) due to high operating results (€+8.6m)
- Interest savings with positive impact (€+1.1m)

in € thousand	01.01. – 31.03.2022	01.01. – 31.03.2021
EBIT	39.279	31.443
Financial result <sup>1</sup>	-5.905	-7.740
EBT <sup>1</sup>	33.374	23.703

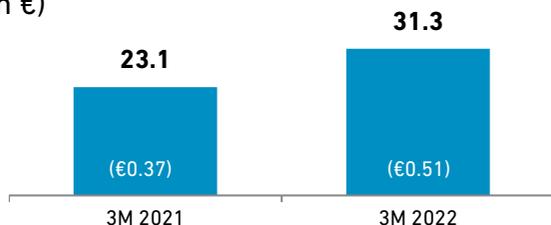
<sup>1</sup> Excluding valuation

## EPRA earnings

**EPRA earnings**  
in € million  
(per share in €)



**+37.8%**



- EPRA earnings improved by €8.2m to €31.3m
- EPRA earnings per share increased from €0.37 to €0.51

### EPRA earnings

	01.01. – 31.03.2022		01.01. – 31.03.2021	
	in € thousand	per share in €	in € thousand	per share in €
<b>Consolidated profit</b>	<b>24.542</b>	<b>0,40</b>	<b>22.322</b>	<b>0,36</b>
Valuation investment properties <sup>1</sup>	3.447	0,06	-2.486	-0,04
Deferred taxes in respect of EPRA adjustments <sup>2</sup>	3.272	0,05	3.290	0,05
<b>EPRA Earnings</b>	<b>31.261</b>	<b>0,51</b>	<b>23.126</b>	<b>0,37</b>
Weighted number of no-par-value shares issued	61,783,594		61,783,594	

<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates

## Consolidated result

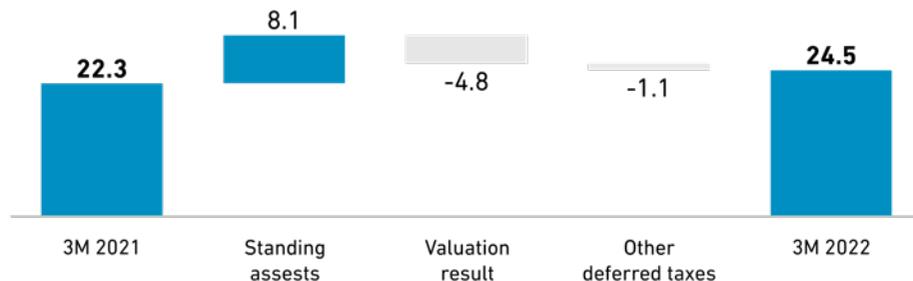
### Consolidated profit

in € million (per share in €)



### Consolidated profit bridge 3M 2022

in € million



Consolidated result increased in total by €2.2m. The following effects are included in that change:

- Higher result from standing assets (€+8.1m)
- Previous year's Valuation result positively influenced by a revaluation of an undeveloped plot of land (€-4.8m)
- Changes due to other deferred taxes (€-1.1m)

Earnings per share increased from €0.36 to €0.40

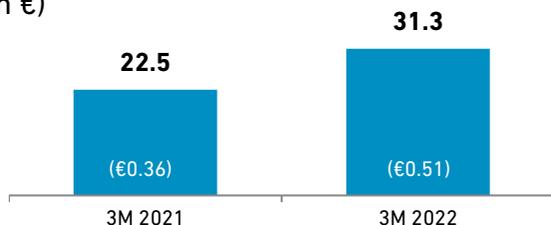
## Development of Funds From Operations (FFO)

### FFO

in € million  
(per share in €)



+39.1%



### Funds From Operations (FFO)

are used to finance the distribution of dividends, scheduled repayments on our long-term bank loans and ongoing investments in portfolio properties.

- FFO increased from €22.5m to €31.3m due to higher operating results
- FFO per share increased from €0.36 to €0.51

### Funds From Operations

	01.01. – 31.03.2022		01.01. – 31.03.2021	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	24.542	0,40	22.322	0,36
Valuation investment properties <sup>1</sup>	3.447	0,06	-2.486	-0,04
Deferred taxes <sup>1</sup>	3.272	0,05	2.646	0,04
<b>FFO</b>	<b>31.261</b>	<b>0,51</b>	<b>22.482</b>	<b>0,36</b>
Weighted number of no-par-value shares issued	61,783,594		61,783,594	

<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates | <sup>2</sup> Including the tax expense attributable to the interest refund

## Balance Sheet – Solid and Robust Structure

### Balance sheet structure

in € million



- Equity ratio stands at a solid 56.0%
- LTV to 29.7% (“look-through” 32.4%<sup>3</sup>)
- Group liquidity: €356.6m (€+27.7m)

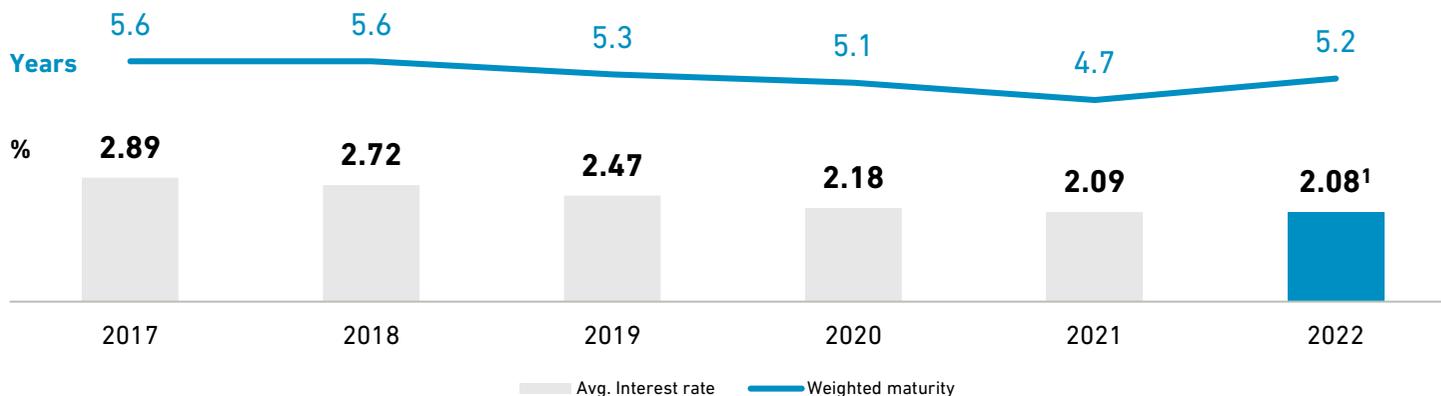
### Balance sheet as at 31 March 2022

in € thousand	31.03.2022	31.12.2021	Change
Non-current assets	3,902,420	3,900,890	1,530
Cash and cash equivalents	356,556	328,839	27,717
Other current assets	41,908	49,061	-7,153
<b>Total assets</b>	<b>4,300,884</b>	<b>4,278,790</b>	<b>22,094</b>
Equity	2,092,169	2,062,866	29,303
Right to redeem of limited partners	316,693	314,914	1,779
<b>Equity (including minority interest)</b>	<b>2,408,862</b>	<b>2,377,780</b>	<b>31,082</b>
Financial liabilities	1,499,608	1,502,114	-2,506
Deferred taxes	337,701	333,037	4,664
Other liabilities	54,713	65,859	-11,146
<b>Total equity and liabilities</b>	<b>4,300,884</b>	<b>4,278,790</b>	<b>22,094</b>
Equity ratio in % <sup>1</sup>	56.0%	55.6%	
LTV ratio in % <sup>2</sup>	29.7%	30.5%	
LTV ratio (“look-through”) in % <sup>3</sup>	32.4%	33.3%	

1 Including third-party interest in equity | 2 Ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non-current assets (investment properties and investments accounted for using the equity method) | 3 Ratio of net financial liabilities to long-term assets, calculated on the basis of the group share

## Interest Rate Structure<sup>1,2</sup>

Interest Lockin	Due (years)	Principle amounts (€ million)	Share of total Loan	Avg. interest Rate
2022		129.1	8.6%	3.13%
2023 – 2026	3.0	479.6	32.0%	2.50%
2027 – 2031	7.7	890.9	59.4%	1.98%
<b>Total<sup>1</sup></b>	<b>5.2</b>	<b>1,499.6</b>	<b>100%</b>	<b>2.08%</b>



- **18 German and 4 foreign bank partners**
- **Weighted maturity of fixed interest periods 5.2 years<sup>1</sup>**

**Including non-consolidated loans:**  
 Weighted maturity: **5.4 years**  
 Avg. interest rate: **2.05%**

<sup>1</sup> As of 31 March 2022 | <sup>2</sup> Excl. non-consolidated loans

## Loan Maturities until 2027<sup>1,2</sup>

in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	Regular redemption payments	Total maturities
2022	225.9	3.26%	12.1	<b>238.0</b>
2023	209.0	2.99%	11.5	<b>220.5</b>
2024	0		11.9	<b>11.9</b>
2025	58.3	2.07%	12.5	<b>70.8</b>
2026	168.6	2.39%	8.0	<b>176.6</b>
2027	189.8	3.13%	4.4	<b>194.2</b>
	<b>851.6</b>			



**Already completely fixed**

- €107.4m, 2.45%, 10y (03/2022)

## At-equity consolidated loans<sup>1</sup>

in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	DES' share
2022 – 2025	0		
2026	88.0	2.16%	50%
2027	0		

1 As of 31 March 2022 | 2 Excl. at-equity consolidated loans

# Tenants – Contract Renewals and New Signings during the Pandemic<sup>1</sup>

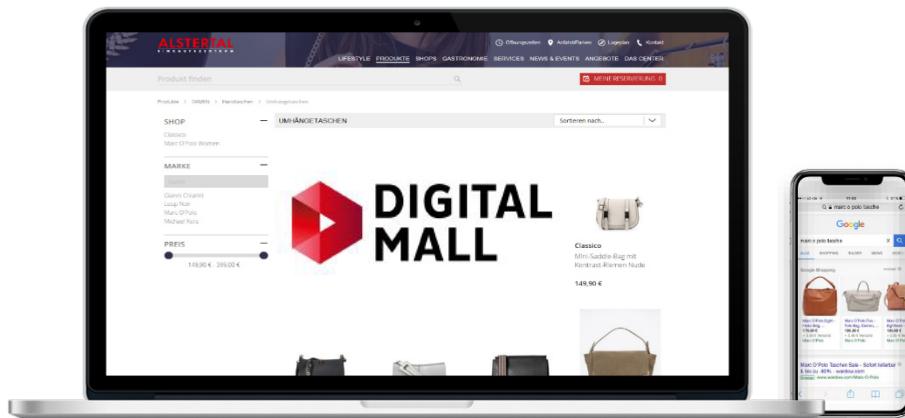
## Leasing

- Continued stabilization of situation and arrangements with tenants as well as releasing activities as **key tasks** for the coming quarters
- Successful **prolongations** with **prime retailers** and negotiations
- Other major and **well-known anchor tenants or concepts** will newly join our centers


# Update Digital Mall – Onboarding

## Digital Mall

- Onboarding of retailers continues with now more than **3.7 million products** available for search
- City-Arkaden Klagenfurt as **first foreign shopping center** of DES joined the Digital Mall



- >100 Digital Mall retail Partners
- 1,000 Connected Stores
- 65 Centers Live
- 3.7m Available Products



## Main-Taunus-Zentrum: "Foodtrucks.365"



## Outlook

### Financing and Liquidity

- Continued **trustful negotiations with banking partners** for 2022 (€108m) and 2023 (€209m) refinancings and regular exchange about effects of pandemic financial covenants



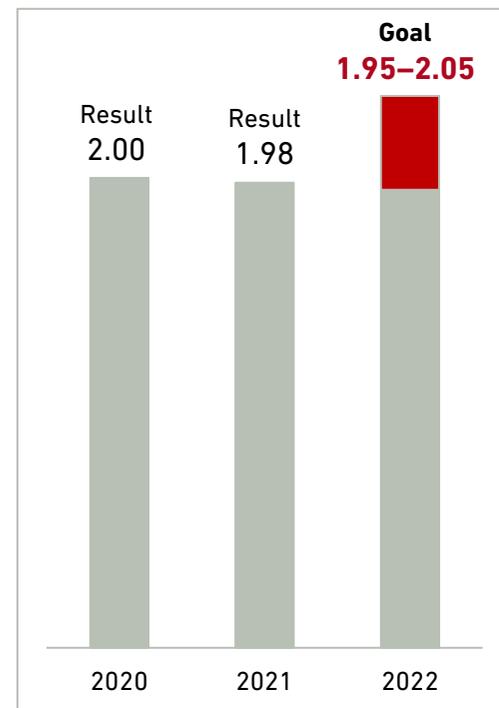
### Transaction market

- Some transactions concluded, either for landmark assets and/or in regions that were less corona-influenced.
- Germany
  - First shopping center transaction seen in Berlin/Germany, however the asset (Boulevard Berlin) is a conversion project to a very large extent
  - Gera Arcaden sold by Unibail Rodamco
  - There seem to be early signs of demand coming back, mainly on the basis of the stabilizing corona situation and the high yield differential between shopping centers and other real estate asset classes (e.g. residential, logistics or office). The spike of the interest rates might support this process while the Ukraine war may delay the transaction market recovery further

## Outlook

### Forecast

- **FFO between €1.95 and €2.05 per share, 2022 expected to be the transition year** to new normality
- Forecast **conditional upon**
  - **expected continuing and enduring stabilization of the pandemic** without further lockdowns or significant business restrictions,
  - **continued improvement of consumption and retail turnovers** of our tenants in 2022 (e.g. Easter Sales) and the **continuance of the established German government relief programs**
  - **No major and enduring negative effects on private consumption due to the Ukraine war.**



## Financial Calendar

### 2022

**12.05. Quarterly Statement 3M 2022**

19.05. Kempen European Property Seminar, Amsterdam

**23.06. Annual General Meeting, Hamburg**

**11.08. Half-year Financial Report 2022**

25.08. Montega HIT Hamburger Investorentag, Hamburg

19.09. Berenberg and Goldman Sachs German Corporate Conference, Munich

19.-23.09. Baader Investment Conference, Munich

20.10. SG The Pan-European RE Conference, Paris

**10.11. Quarterly Statement 9M 2022**

23.11. DZ BANK Equity Conference, Frankfurt

## Contact



### Deutsche EuroShop AG Investor & Public Relations

Heegbarg 36  
22391 Hamburg

Tel. +49 (40) 41 35 79 – 20/– 22

Fax +49 (40) 41 35 79 – 29

E-Mail: [ir@deutsche-euroshop.com](mailto:ir@deutsche-euroshop.com)

Web: [www.deutsche-euroshop.com](http://www.deutsche-euroshop.com)



Leben statt Lockdown.  
Lass dich impfen.

- [instagram.com/deutscheeuroshop](https://www.instagram.com/deutscheeuroshop)
- [youtube.com/DeutscheEuroShop](https://www.youtube.com/DeutscheEuroShop)
- [facebook.com/euroshop](https://www.facebook.com/euroshop)
- [slideshare.net/desag](https://www.slideshare.net/desag)
- [twitter.com/des\\_ag](https://twitter.com/des_ag)
- [flickr.com/desag](https://www.flickr.com/desag)
- [ir-mall.com](mailto:ir-mall.com)

#### Important Notice: Forward-Looking Statements

Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements. Deutsche EuroShop does not intend to update these forward-looking statements and does not assume any obligation to do so.

#### Rounding and rates of change

Percentages and figures stated in this report may be subject to rounding differences. The rates of change are based on economic considerations: improvements are indicated by a plus (+); deterioration by a minus (-).