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CA Immobilien Anlagen AG: CA Immo recorded a strong first quarter

Wien (pta045/23.05.2017/19:55) - 23.05.2017

- * Rental income increased by 9% to EUR 43.8 m.
- * EBITDA with EUR 30.4 m above previous year's level
- * Significant rise in net profit to EUR 23.2 m (+ 76%)
- * FFO I per share increased by more than 16% to EUR 0.25 (2016: EUR 0.22 per share)
- * FFO I - annual target confirmed

CA Immo has made a successful start to business year 2017 and sustained the positive earnings trend of recent quarters.

Results for quarter one 2017

In the first three months of 2017, **rental income** for CA Immo rose by a significant 9% to EUR 43.8 m. The positive trend was essentially sustained through the acquisition of Millennium Towers in Budapest and the procurement of a minority holding from joint venture partner Union Investment, which in turn generated an increase in rent. The **net rental income (NRI)** stood at EUR 38.2 m, compared to EUR 35.3 m in 2016. As a result of the positive operational development, **earnings before interest, taxes, depreciation and amortisation (EBITDA)** rose by around 6% to EUR 30.4 m (compared to EUR 28.8 m in 2016).

The **revaluation result** totalled EUR 9.5 m on the key date (2016: EUR 16.7 m). The largest contributions to the revaluation gain in terms of amount came from properties in Munich and Berlin. **Earnings before interest and taxes (EBIT)** of EUR 43.4 m were around 7% below last year's figure (EUR 46.5 m in 2016), largely due to a lower revaluation result in yearly comparison. The **financial result** after the first three months stood at EUR -12.2 m, a significant improvement on the previous year's value of EUR -27.4 m. The Group's financing costs, a key element in long-term revenue, fell by approximately 9% on the 2016 value to EUR -10.2 m.

Earnings before taxes (EBT) stood at EUR 31.2 m, up 63% on the previous year's value of EUR 19.1 m. Aside from the higher operational result, a significantly improved financial result compensated for the lower valuation result. The **result for the period** was EUR 23.2 m, a substantial improvement of roughly 76% on last year's figure. **Earnings per share** amounted to EUR 0.25 on the balance sheet date (EUR 0.14 per share in 2016).

FFO I, a key indicator of the Group's long-term earning power, reported before taxes and adjusted for the sales result and other non-permanent effects, totalled EUR 23.6 m in quarter one of 2017 (EUR 20.9 m in 2016). **FFO I per share** was EUR 0.25 on the key date, more than 16% up on the 2016 figure of EUR 0.22 per share. As in preceding quarters, this underlines operational development that was both robust and independent of the valuation result and which forms the basis for the long-term dividend policy of CA Immo. **FFO II**, which includes the sales result and applicable taxes, stood at EUR 20.2 m on the key date (EUR 14.9 m in 2016). **FFO II per share** was EUR 0.22 (against EUR 0.15 per share in 2016).

CA Immo has upheld a robust balance sheet with an equity ratio of 50% and a conservative **loan-to-value ratio** (net debt to property assets) of 35%. On the key date, **NAV (shareholders' equity) per share** was EUR 23.87 (against EUR 22.12 per share on 31.3.2016). The EPRA NAV per share stood at EUR 26.97 (EUR 24.61 per share on 31.3.2016).

Dynamic implementation of growth strategy

The strategic focus has turned to expansion of real estate portfolios in the core cities. This will enable CA Immo to pursue its central objective of steadily raising earning power over the long term and thereby increasing the dividend for shareholders. In-house development of high quality office properties on the core markets of CA Immo as a driver of organic growth, especially in Germany,

has accelerated over recent quarters; the monetization of existing land reserves (mainly in inner city areas of Munich, Frankfurt and Berlin) will pick up pace.

In this context, the company evaluates as previously announced the optimized utilization of the existing land reserves. This includes investigating the possibility of developing land earmarked for residential construction and its subsequent sale in future. According to current planning status, this operational extension could translate into a potential development volume of above EUR 1 bn over the next 10 years; together with additional optimization measures in the commercial segment a potential development volume of more than EUR 4 bn could be generated over this period.

The acquisition of the 49% share of the Eastern Europe portfolio from joint venture partner Union Investment is consistently in line with the strategic goal of eliminating minority holdings from the routine business of CA Immo. As part of the implementation of this strategy, CA Immo together with both joint venture partners PPG and WPV decided to evaluate the sale of the Tower 185 office building in Frankfurt within what is presently an ideal market environment (CA Immo holding: 33%). In parallel, all internal approvals for the realisation of the Tower ONE project, another high-quality office tower in Frankfurt, have been obtained.

Outlook: Annual target confirmed

The annual target for long-term revenue - an increase in FFO I on last year's value of EUR 91.7 m to over EUR 100 m (> EUR 1.05 per share) - is hereby confirmed.

| Profit and loss (EUR m) | 1Q 17 | 1Q 16 | yoy |
|---|-------------|-------------|--------------|
| Rental income | 43.8 | 40.2 | 8.9% |
| Net rental income (NRI) | 38.2 | 35.3 | 8.5% |
| Other development expenses | -1.0 | -1.0 | 2.2% |
| Result from trading and construction works | 0.4 | -0.6 | n.m. |
| Result from the sale of investment properties | 0.4 | 1.2 | -70.2% |
| Income from services | 2.7 | 3.1 | -11.8% |
| Indirect expenses | -10.5 | -9.5 | 10.4% |
| Other operating income | 0.2 | 0.3 | -37.9% |
| EBITDA | 30.4 | 28.8 | 5.7% |
| Depreciation and impairment/reversal | -0.8 | -0.8 | 0.6% |
| Result from revaluation | 9.5 | 16.7 | -43.1% |
| Result from joint ventures | 4.2 | 1.8 | 133.3% |
| EBIT | 43.4 | 46.5 | -6.8% |
| Financing costs | -10.2 | -11.2 | -8.6% |
| Result from derivatives | 1.0 | -1.6 | n.m. |
| Result from financial investments | 0.5 | 0.9 | -36.6% |
| Other financial result | -3.5 | -15.5 | -77.3% |
| Earnings before tax (EBT) | 31.2 | 19.1 | 62.9% |

| | | | |
|-------------------------------------|-------------|-------------|--------------|
| Income tax | -8.0 | -5.9 | 34.2% |
| Net profit | 23.2 | 13.2 | 75.8% |
| Earnings per share in EUR (basic) | 0.25 | 0.14 | 77.6% |
| Earnings per share in EUR (diluted) | 0.25 | 0.14 | 77.6% |

| Balance sheet (EUR m) | 31.03.2017 | 31.12.2016 | +/- |
|--|-------------------|-------------------|-------------|
| Investment properties | 3,016.4 | 2,923.7 | 3.2% |
| Investment properties under development | 470.4 | 433.0 | 8.6% |
| Own-used properties | 6.6 | 6.6 | -1.3% |
| Other long-term assets | 13.2 | 13.8 | -4.2% |
| Investments in joint ventures | 158.4 | 191.4 | -17.2% |
| Financial assets | 88.1 | 89.7 | -1.8% |
| Deferred tax assets | 1.8 | 1.6 | 14.9% |
| Assets held for sale and relating to disposal groups | 0.0 | 26.8 | n.m. |
| Properties held for trading | 47.6 | 34.1 | 39.3% |
| Cash and cash equivalents | 433.7 | 395.1 | 9.8% |
| Other short-term assets | 201.0 | 193.3 | 3.9% |
| Total assets | 4,437.0 | 4,309.1 | 3.0% |
| | | | |
| Shareholders' equity | 2,228.4 | 2,204.5 | 1.1% |
| Long-term financial liabilities | 1,502.9 | 1,412.6 | 6.4% |
| Other long-term liabilities | 96.1 | 100.4 | -4.3% |
| Deferred tax liabilities | 245.7 | 240.0 | 2.4% |
| Short-term financial liabilities | 160.1 | 153.0 | 4.7% |
| Other short-term liabilities | 203.8 | 198.6 | 2.7% |
| Liabilities + Equity | 4,437.0 | 4,309.1 | 3.0% |

| Selected balance sheet items (EUR m) | 31.03.2017 | 31.12.2016 | +/- |
|---|-------------------|-------------------|------------|
|---|-------------------|-------------------|------------|

| | | | |
|----------------------------------|---------|---------|------|
| Property assets | 3,540.9 | 3,424.3 | 3.4% |
| Total assets | 4,437.0 | 4,309.1 | 3.0% |
| Cash and cash equivalents | 433.7 | 395.1 | 9.8% |
| Long-term financial liabilities | 1,502.9 | 1,412.6 | 6.4% |
| Short-term financial liabilities | 160.1 | 153.0 | 4.7% |
| Debt | 1,663.0 | 1,565.6 | 6.2% |
| Net debt | 1,225.2 | 1,167.7 | 4.9% |
| Shareholders' equity | 2,228.4 | 2,204.5 | 1.1% |
| NAV per share (in EUR) | 23.87 | 23.60 | 1.1% |
| EPRA NAV per share (in EUR) | 26.97 | 26.74 | 0.9% |
| EPRA NNNNAV per share (in EUR) | 24.79 | 24.56 | 0.9% |
| Equity ratio | 50.2% | 51.2% | |
| Gearing | 74.6% | 71.0% | |
| Net gearing | 55.0% | 53.0% | |
| Loan-to-value | 47.0% | 45.9% | |
| Loan-to-value (net) | 34.6% | 34.2% | |

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