



CPI PROPERTY GROUP  
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PRESS RELEASE  
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## **CPI PROPERTY GROUP – Profit and Credit Estimates for 2019**

CPI PROPERTY GROUP (“**CPIPG**,” the “**Company**” or together with its subsidiaries the “**Group**”), the largest owner of real estate in the Czech Republic, Berlin and the CEE region with a diversified property portfolio valued at more than €9 billion, hereby publishes unaudited profit and credit estimates for the financial year ended 31 December 2019. While publication of the Company’s audited annual financial report is scheduled for 31 March 2020, the Company is proceeding with this unaudited disclosure so that our investors and stakeholders can be well-informed of our progress.

“CPIPG is proud of the portfolio growth achieved during 2019, which reflects our successful office acquisitions in Warsaw and improved valuations due to strong operating performance,” said Martin Nemecek, CEO of CPIPG. “We increased our investments in green-certified properties and have fully integrated ESG into the Group’s decision-making process.”

The Company estimates the following preliminary financial and operating results for the financial year ended 31 December 2019:

- **Property portfolio of €9.1 billion (an increase of €1.6 billion** from year-end 2018), driven by more than €700 million of acquisitions and positive revaluations due to strong portfolio performance and robust property markets.
- **73% of CPIPG’s property portfolio was located in the Czech Republic (46%) and Berlin (27%).** The share of Poland in the Group’s portfolio increased to 10% following more than €580 million of Warsaw office acquisitions in Q4 2019.
- **Total assets increased to €10.7 billion (up 30% versus year-end 2018),** due to the increased property portfolio and higher balances of cash and cash equivalents.
- **Gross rental income of €319 million (up 6% versus 2018),** reflecting **3.4% like-for-like growth in rental income** and the impact of acquisitions completed during 2018 and 2019.
- **Occupancy was steady at 94.3%,** relative to 94.5% at the end of 2018.
- **Total revenues of €675 million (an increase of 12% versus 2018).**
- **Net business income of €345 million (up 8% versus 2018).**
- **Funds from operations (FFO) of €219 million (an increase of 34% versus 2018).**
- **EPRA NAV increased to €5.1 billion (up 14% versus year-end 2018).**



- **Net Interest Coverage Ratio (Net ICR) improved to 7.2x** for 2019 (an increase of **3.0x** versus 2018), due to **higher EBITDA generation** and reduced interest expense following **significant debt refinancing** activities in 2018 and 2019.
- **Average cost of funding remained** stable at **1.6% p.a.** at the end of 2019.
- **Net Loan to Value (Net LTV)** decreased to **36.1%** (from 36.7% at year-end 2018).
- **Unencumbered assets** as a percentage of total assets reached a **record of 70%** (versus 65% at year-end 2018).
- **Secured debt fell to 25%** of total debt, relative to 37% at the end of 2018.
- **Total available liquidity** (comprising cash and undrawn revolving credit facilities) at the end of 2019 stood at approximately **€1.3 billion**.

“CPIPG took many steps to improve our capital structure flexibility in 2019,” said David Greenbaum, CFO of CPIPG. “The Group’s financial policy and commitment to credit ratings will continue to guide our strategy in 2020.”

Further information and analysis will be disclosed in the Group’s 2019 Annual Report, which will be published on 31 March 2020. An investor webcast will also be conducted on 2 April 2020.

#### CPI PROPERTY GROUP’S 2020 financial calendar

Publication of 2019 annual results – 31 March 2020

Annual general meeting – 28 May 2020

Publication of 2020 first quarter results – 29 May 2020

Publication of 2020 half year results – 31 August 2020

Publication of 2020 third quarter results – 30 November 2020

Publication of 2020 annual results – 31 March 2021

#### **DISCLAIMER:**

##### *BASIS OF PREPARATION OF ESTIMATES:*

THE GROUP HAS BEEN PREPARING ITS CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EU. THE SAME ACCOUNTING POLICIES, EXCEPT WITH RESPECT TO NEWLY ADOPTED IFRS MEASURES, AND METHODS OF COMPUTATION HAVE BEEN FOLLOWED IN THE PROPER PREPARATION OF THE ESTIMATES CONTAINED IN THIS PRESS RELEASE.

THE GROUP’S OBJECTIVES AND POLICIES FOR MANAGING CAPITAL, CREDIT RISK AND LIQUIDITY RISK WERE THE SAME AS THOSE THAT APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018. THESE ESTIMATES HAVE BEEN PREPARED ON A BASIS COMPARABLE WITH THE BASIS UPON WHICH THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP HAS BEEN PREPARED. THESE ESTIMATES HAVE NOT BEEN AUDITED.



*FACTORS AND ASSUMPTIONS - WITHIN THE CONTROL OF MANAGEMENT:*

THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS WELL AS THESE ESTIMATES REQUIRES MANAGEMENT TO MAKE JUDGEMENTS, ESTIMATES AND ASSUMPTIONS THAT AFFECT THE APPLICATION OF ACCOUNTING POLICIES AND THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES, INCOME AND EXPENSES. THE ESTIMATES AND ASSOCIATED ASSUMPTIONS ARE BASED ON HISTORICAL EXPERIENCE, INTERNAL CALCULATIONS AND VARIOUS OTHER FACTORS THAT MANAGEMENT BELIEVES TO BE REASONABLE UNDER THE CIRCUMSTANCES, THE RESULTS OF WHICH FORM THE BASIS OF JUDGEMENTS ABOUT THE CARRYING VALUES OF ASSETS AND LIABILITIES THAT ARE NOT READILY APPARENT FROM OTHER SOURCES.

THE ACTUAL RESULTS MAY DIFFER FROM THESE ESTIMATES. IN PREPARING THESE ESTIMATES, THE SIGNIFICANT JUDGEMENTS MADE BY MANAGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES AND THE KEY SOURCES OF ESTIMATION UNCERTAINTY WERE THE SAME AS THOSE THAT APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018.

*FACTORS AND ASSUMPTIONS – OUTSIDE THE INFLUENCE OF MANAGEMENT:*

ASIDE FROM THE ABOVE FACTORS, THE GROUP CANNOT EXCLUDE CERTAIN OMISSIONS OR ERRORS OCCURRING DURING THE COLLECTION, CONSOLIDATION AND ACCOUNTING OF DATA THAT WERE THE SOURCE OF THE PRESENT ESTIMATES. IF SUCH OMISSIONS OR ERRORS OCCUR, IT CAN HAVE AN IMPACT ON THE FINAL CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019.

AS THESE ESTIMATES RELATE TO FINANCIAL INFORMATION NOT YET AUDITED AND HAVE BEEN PREPARED ON THE BASIS OF ASSUMPTIONS ABOUT ACCOUNTING POLICIES AND FINANCIAL FIGURES, IT NATURALLY ENTAILS SUBSTANTIAL UNCERTAINTIES. DUE TO THESE UNCERTAINTIES, IT IS POSSIBLE THAT THE GROUP'S ACTUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 MAY DIFFER MATERIALLY FROM THESE ESTIMATES.

ALL DATA CONTAINED IN THIS RELEASE ARE UNAUDITED BEST ESTIMATES, SOLELY FOR INFORMATION PURPOSES. CPIPG MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY, FAIRNESS OR INTEGRITY OF THIS INFORMATION AND SHALL, IN THIS RESPECT, HAVE NO LIABILITY. THE FINAL AUDITED 2019 ANNUAL RESULTS WILL BE IN THE COMPANY'S FULL AUDITED ANNUAL FINANCIAL REPORT, WHICH IS EXPECTED TO BE PUBLISHED ON 31 MARCH 2020.



For more on CPI PROPERTY GROUP, visit our website: [www.cpihg.com](http://www.cpihg.com)

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