



CPI Property Group

(société anonyme)

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Press Release - Corporate News

Luxembourg, 30 August 2024

CPI PROPERTY GROUP publishes financial results for the first half of 2024

CPI PROPERTY GROUP (“CPIPG” or the “Group”), a leading European landlord, hereby publishes unaudited financial results for the six-month period ended 30 June 2024.

“CPIPG’s consistent growth in rental income demonstrates once again the benefits of our **diversified, resilient and high-quality portfolio**,” said David Greenbaum, CEO. “**Further reducing leverage and complexity** remain our key priorities.”

Highlights for the first half of 2024 include:

- **Total assets were €21.2 billion**, and EPRA NRV was €6.8 billion.
- **CPIPG’s property portfolio was €18.6 billion** (versus €19.5 billion at year-end 2023) reflecting disposals, a modest decline in valuations (-0.8%) and FX movements, partially offset by CapEx investments.
- **The Group closed €980 million of disposals year-to-date. Nearly €400 million of signed disposals** are expected to close in the next 2-3 months.
- **Net rental income increased by 5.0% to €418 million** despite disposals driven by **like-for-like rental growth of 4.4%**. Net business income rose to €443 million.
- **Consolidated adjusted EBITDA was €395 million; FFO1 was €200 million.**
- **Occupancy remained solid at 91.3%** with a stable WAULT of 3.4 years.
- **The EPRA topped-up net initial yield increased by 0.3% versus year-end to 5.7%.**
- In May 2024, CPIPG issued a **€500 million 5-year green bond**, with proceeds used to **fully repay our remaining bridge facility**.
- **Net LTV decreased to 50%**, down 2.3 p.p. from year-end 2023. **Net Debt was reduced by more than €900 million** compared to year-end.
- **Net debt/EBITDA declined by 1.3x to 11.8x** on an annualised basis versus year-end.
- **Unencumbered assets stood at 49%**, and **net ICR increased slightly to 2.6x.**
- In June 2024, the Group completed a **minority equity investment** in part of our portfolio in Poland from Sona Asset Management (UK) LPP for **€250 million**.
- **Total available liquidity was €1.7 billion** at the end of H1 2024, covering **bond maturities over the next two years.**



Completion of independent review of short seller allegations

Earlier today, CPIP Group published an update for our stakeholders regarding the completion of an independent review by Global Law firm White & Case relating to the allegations raised by a short seller.

The investigation found no evidence to substantiate the short seller's claims.

The separate press release and further information can be found [here](#).

Other selected events occurring post-H1

On 12 July, S IMMO completed the sale of the HOTO Business Tower in Zagreb.

On 20 August, IMMOFINANZ sold the myhive Victorei office development in the old town of Bucharest for approximately €27 million.

Half-year results webcast

CPIP Group will host a webcast in relation to its financial results for the six-month period ending 30 June 2024. The webcast will be held on **Thursday, 5 September 2024, at 11:00 am CET / 10:00 am UK**.

Please register for the webcast in advance via the link below:

<https://edge.media-server.com/mmc/p/5vj8vceb>

FINANCIAL HIGHLIGHTS

Performance		H1 2024	H1 2023	Change
Total revenues	€ million	811	831	(2.3%)
Gross rental income (GRI)	€ million	472	457	3.2%
Net rental income (NRI)	€ million	418	399	5.0%
Net hotel income ¹	€ million	18	29	--
Net business income (NBI)	€ million	443	437	1.4%
Consolidated adjusted EBITDA	€ million	395	394	0.3%
Funds from operations (FFO)	€ million	200	209	(4.3%)
Net profit for the period	€ million	(3)	(50)	94.5

Assets		30-Jun-2024	31-Dec-2023	Change
Total assets	€ million	21,231	21,930	(3.2%)
Property portfolio	€ million	18,623	19,531	(4.7%)
Gross leasable area	sqm	6,485,000	6,462,000	0.4%
Share of green certified buildings*	%	41.4	40.6	0.8 p.p.
Occupancy	%	91.3	92.1	(0.8 p.p.)
Like-for-like gross rental growth**	%	4.4	7.9	(3.5 p.p.)
Total number of properties***	No.	665	711	(6.5%)
Total number of residential units	No.	13,273	13,630	(2.6%)
Total number of hotel rooms****	No.	6,845	8,690	(21.2%)

*According to property portfolio value

** Based on gross headline rent

*** Excluding residential properties in the Czech Republic

**** Including hotels operated, but not owned by the Group

Financing structure		30-Jun-2024	31-Dec-2023	Change
Total equity	€ million	8,432	8,257	2.1%
EPRA NRV (NAV)	€ million	6,791	7,033	(3.4%)
Net debt	€ million	9,312	10,220	(8.9%)
Net Loan-to-value ratio (Net LTV)	%	50.0	52.3	(2.3 p.p.)
Net debt/EBITDA	x	11.8x	13.1x	(1.3x)
Secured consolidated leverage	%	23.3	24.0	(0.7 p.p.)
Secured debt to total debt	%	47.1	46.5	0.6 p.p.
Unencumbered assets to total assets	%	48.9	47.8	1.1 p.p.
Unencumbered assets to unsecured debt	%	187	174	13.0 p.p.
Net interest coverage (Net ICR)	x	2.6x	2.5x	0.1x

¹ Due to the sale of a 50% stake in CPI Hotels, the hotel operating entity, income due from most hotel properties have been reclassified as rental income, as opposed to hotel income previously. Thus, the current hotel income figures are not comparable on a like-for-like basis to last year's figures.

CONSOLIDATED INCOME STATEMENT

(€ million)	Three-month period ended	
	30 June 2024	30 June 2023
Gross rental income	472.0	457.5
Service charge and other income	216.0	219.0
Cost of service and other charges	(191.6)	(200.2)
Property operating expenses	(78.1)	(77.7)
Net rental income	418.3	398.6
Development sales	12.7	-
Development operating expenses	(11.4)	-
Net development income	1.3	-
Hotel revenue	68.8	103.5
Hotel operating expenses	(50.8)	(74.0)
Net hotel income	18.0	29.5
Other business revenue	41.7	50.7
Other business operating expenses	(36.6)	(42.0)
Net other business income	5.1	8.7
Total revenues	811.2	830.7
Total direct business operating expenses	(368.5)	(393.9)
Net business income	442.7	436.8
Net valuation loss	(153.7)	(217.2)
Net loss on disposal of investment property and subsidiaries	(14.6)	(1.2)
Amortization, depreciation and impairment	(16.0)	(34.9)
Administrative expenses	(68.3)	(64.5)
Other operating income	12.7	7.9
Other operating expenses	(9.9)	(15.2)
Operating result	192.9	111.7
Interest income	20.9	15.4
Interest expense	(175.0)	(165.5)
Other net financial result	3.0	28.3
Net finance costs	(151.1)	(121.8)
Share of gain of equity-accounted investees (net of tax)	(20.7)	(5.4)
Profit before income tax	21.1	(15.5)
Income tax expense	(23.9)	(34.6)
Net profit from continuing operations	(2.8)	(50.1)

Gross rental income

Gross rental income increased by €14.5 million (3.17%) to €472 million in Q2 2024 compared to Q2 2023. The change was driven by reclassification of hotels from PPE to Investment property (and related revenue from hotels revenue to gross rental income) of €5.1 million and inflation indexation of rental income by the Group.

Administrative expenses

Administrative expenses increased by €3.8 million in Q2 2024 compared to Q2 2023, primarily due to increase of overall advisory costs.

Net valuation loss

Net valuation loss of €153.7 million in Q2 2024 was represented primarily by revaluation loss generated by S IMMO (€84.2 million), Immofinanz (€28.4 million) and selected office portfolio in Prague.

Interest expense

Net interest expense increased by €4.0 million in Q2 2024 compared to Q2 2023, mainly due to an overall increase in the cost of financing. IMMOFINANZ and S IMMO net interest expense increased by €4.6 million and €6.5 million, respectively.

Net hotel income

Net hotel income decreased by €11.5 million due to disposal of part of the Group's hotels portfolio in March 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	30 June 2024	31 December 2023
NON-CURRENT ASSETS		
Intangible assets and goodwill	80.9	129.8
Investment property	16,886.8	17,262.7
Property, plant and equipment	379.6	866.5
Deferred tax assets	117.9	118.2
Equity accounted investees	784.7	717.2
Other non-current assets	600.2	452.1
Total non-current assets	18,850.1	19,546.5
CURRENT ASSETS		
Inventories	81.8	73.5
Trade receivables	229.0	227.7
Cash and cash equivalents	1,162.5	1,022.6
Assets linked to assets held for sale	522.3	722.7
Other current assets	385.6	337.3
Total current assets	2,381.2	2,383.8
TOTAL ASSETS	21,231.3	21,930.3
EQUITY		
Equity attributable to owners of the Company	5,372.2	5,567.6
Perpetual notes	1,623.4	1,585.2
Non-controlling interests	1,436.7	1,104.5
Total equity	8,432.3	8,257.3
NON-CURRENT LIABILITIES		
Bonds issued	4,724.9	4,274.1
Financial debts	4,925.0	6,325.7
Deferred tax liabilities	1,489.8	1,547.7
Other non-current liabilities	211.2	223.7
Total non-current liabilities	11,350.9	12,371.2
CURRENT LIABILITIES		
Bonds issued	71.7	209.2
Financial debts	709.7	412.2
Trade payables	140.7	218.3
Other current liabilities	526	462.1
Total current liabilities	1,448.1	1,301.8
TOTAL EQUITY AND LIABILITIES	21,231.3	21,930.3

Total assets

Total assets decreased by €699 million (3.2%) to €21,231.3 million as at 30 June 2024 compared to 31 December 2023. The decrease relates primarily to disposals of investment property (€692.7 million including €281.6 million of investment property classified as asset held for sale as at 31 December 2023).

Total liabilities

Total liabilities decreased by €874 million (6.4%) to €12,799 million as at 30 June 2024 compared to 31 December 2023, primarily due to a decrease in financial debts (€ 1,103.2 million).

Equity and EPRA NRV

Total equity increased by €175.0 million from €8,257.3 million as at 31 December 2023 to €8,432.3 million as at 30 June 2024. The movements of equity components were as follows:

- Decrease of translation reserve by €52.4 million, of revaluation reserve by €23.6 million, and of hedging reserve by € 14.3 million;
- Decrease of retained earnings by €111.8 million;
- Increase in perpetual notes by €38.2 million.
- Increase in non-controlling interests of €332.2 million.

EPRA NRV was €5,372 million as at 30 June 2024, representing a decrease of 3.5% compared to 31 December 2023. The decrease of EPRA NRV was driven by the above changes in the Group's equity attributable to the owners, primarily a decrease of retained earnings and a decrease of translation, revaluation and hedging reserve.

	30 June 2024	31 December 2023
Equity attributable to the owners (NAV)	5,372	5,568
Diluted NAV	5,372	5,568
Fair value of financial instruments	(115)	(93)
Deferred tax on revaluations	1,577	1,601
Goodwill as a result of deferred tax	(43)	(43)
EPRA NRV (€ million)	6,791	7,033



For disclosures regarding Alternative Performance Measures used in this press release please refer to our Half-year Management Report 2024, chapters Glossary of terms, Key ratio reconciliations and EPRA performance; accessible at <http://cpipg.com/reports-presentations-en>.

Unaudited documents will be available tonight at the following link:
<http://www.cpipg.com/reports-presentations-en>

Half-year 2024 unaudited financial statements
Half-year 2024 unaudited management report

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