



CPI Property Group

(société anonyme)

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Press Release - Corporate News

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CPI PROPERTY GROUP publishes financial results for the first quarter of 2025

CPI Property Group S.A. ("CPIPG" or the "Group"), a leading European landlord, hereby publishes unaudited financial results for the three-month period ending 31 March 2025.

Highlights for the first quarter of 2025 include:

- **Total assets were €20.4 billion**, and EPRA NRV was €6.4 billion.
- **CPIPG's property portfolio was €17.8 billion** (versus €18.2 billion at year-end 2024), reflecting disposals partially offset by CapEx investments.
- **In Q1 2025, the Group completed €231 million in gross disposals.** In addition, €267 million in disposals for which advance cash payments were received in Q4 2024 were formally closed and deconsolidated during Q1, temporarily negatively impacting the Group's leverage.
- Net Loan-to-Value (LTV) was 50.9%, mainly due to the timing mismatch between cash received from sales and the deconsolidation of properties during Q1 2025. **Net LTV was 49.9% pro forma** for disposals closed post Q1 and disposals signed but not yet closed.
- **Like-for-like rents grew by 1%** across the Group's portfolio.
- **Net rental income was €196 million.**
- **Consolidated adjusted EBITDA was €182 million;** FFO1 was €93 million.
- **Administrative expenses declined by more than 10%** and remain a priority topic for the Group.
- **Occupancy stood at 92%** with a stable WAULT of 3.5 years.
- **Net debt/EBITDA stood at 12.5x** on an annualised basis.
- Unencumbered assets slightly declined by 1 p.p. to 48% and Net ICR stood at 2.2x.
- **Total available liquidity remained high at €1.5 billion**, covering all bond maturities for the next 24 months and all debt maturities for the next 18 months, with bank loans continuing to be rolled over.

Disposal update

In January 2025, CPIPG formally closed €267 million of disposals in Croatia and Italy for which cash advances were received in Q4 2024, with proceeds primarily used to repay the Group's revolving credit facility.

In addition, year-to-date the Group has closed or signed disposals with a gross value of more than €650 million.

€231 million of disposals were closed in Q1, and €190 million so far in Q2, mostly at the level of CPI Europe; a higher than usual proportion of these assets were encumbered by bank loans.

Another €230 million in disposals have been signed but are not yet closed, and €370 million of disposals have received at least one letter of intent and/or are in the due diligence stage. As a result, the Group is optimistic about achieving our disposal target of €1 billion in 2025.

Notable disposals in 2025 include an office and retail complex with adjacent land in Bratislava, a non-yielding residential development project in London, and the Marriott Vienna for more than €100 million.

The Group continues to see healthy appetite from both local and international investors for European real estate assets, supported by active bank lending and relatively low interest rates.

Capital structure matters

Earlier today, the Group's subsidiary CPI Europe announced a tender offer for up to €100 million of bonds maturing in October 2027. As proceeds from disposals are received, CPIPG intends to continue prioritising repayment of short-term and higher-coupon bonds.

Concurrently, the Group continues to evaluate available options regarding the SGD and EUR hybrid bonds with near-term call dates, taking into account our stakeholders including bondholders and rating agencies.

SBTi validation of environmental targets

As part of CPIPG's ongoing commitment to sustainability, the Science Based Targets initiative (SBTi) has validated the Group's enhanced near-term greenhouse gas (GHG) emissions reduction target. The new target aligns with the more ambitious 1.5°C pathway for Scope 1 and 2 emissions. This follows CPIPG's previous target which was validated under the well below 2°C scenario.

FINANCIAL HIGHLIGHTS

Performance		Q1-2025	Q1-2024	Change
Total revenues	€ million	361	412	(12.3%)
Gross rental income (GRI)	€ million	222	237	(6.6%)
Net rental income (NRI)	€ million	196	208	(6.1%)
Net hotel income	€ million	2	5	(53.5%)
Net business income (NBI)	€ million	199	221	(10.3%)
Consolidated adjusted EBITDA	€ million	182	199	(8.4%)
Funds from operations (FFO)	€ million	93	111	(16.1%)
Net profit for the period	€ million	36	41	(12.8%)

Assets		31-Mar-2025	31-Dec-2024	Change
Total assets	€ million	20,384	20,564	(0.9%)
Property portfolio	€ million	17,833	18,231	(2.2%)
Gross leasable area	sqm	6,203,000	6,330,000	(2.0%)
Occupancy	%	91.6	92.1	(0.5 p.p.)
Like-for-like gross rental growth*	%	0.6	3.0	(2.4 p.p.)
Total number of properties**	No.	554	592	(6.4%)
Total number of residential units	No.	11,891	12,454	(4.5%)
Total number of hotel rooms	No.	5,502	6,708	(18.0%)

* Based on gross headline rent

** Excluding residential properties in the Czech Republic

Financing structure		31-Mar-2025	31-Dec-2024	Change
Total equity	€ million	7,847	7,820	0.3%
EPRA NRV (NAV)	€ million	6,395	6,394	0.0%
Net debt	€ million	9,084	9,051	0.4%
Net Loan-to-value ratio (Net LTV)	%	50.9	49.6	1.3 p.p.
Net debt/EBITDA	x	12.5x	12.1x	0.4x
Secured consolidated leverage	%	23.7	23.1	0.6 p.p.
Secured debt to total debt	%	47.3	46.6	0.7 p.p.
Unencumbered assets to total assets	%	48.3	48.8	(0.5 p.p.)
Unencumbered assets to unsecured debt	%	183%	185%	(2.0 p.p.)
Net interest coverage (Net ICR)	x	2.2x	2.4x	(0.2x)

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT*

(€ million)	Three-month period ended	
	31 March 2025	31 March 2024
Gross rental income	221.5	237.2
Service charge and other income	100.4	105.9
Cost of service and other charges	(91.9)	(96.6)
Property operating expenses	(34.5)	(38.2)
Net rental income	195.6	208.3
Development sales	10.6	8.4
Development operating expenses	(9.7)	(8.4)
Net development income	0.9	-
Hotel revenue	18.4	32.5
Hotel operating expenses	(15.9)	(27.1)
Net hotel income	2.5	5.4
Other business revenue	10.4	28.2
Other business operating expenses	(10.8)	(20.6)
Net other business income	(0.4)	7.6
Total revenues	361.4	412.2
Total direct business operating expenses	(162.8)	(190.9)
Net business income	198.6	221.3
Net valuation loss	-	(22.6)
Net gain/ (loss) on disposal of investment property and subsidiaries	5.7	(4.2)
Amortization, depreciation and impairment	(5.6)	(16.1)
Administrative expenses	(29.2)	(32.6)
Other operating income	10.5	5.5
Other operating expenses	(3.9)	(4.5)
Operating result	176.1	146.8
Interest income	8.1	10.1
Interest expense	(89.7)	(89.9)
Other net financial result	(58.4)	(21.4)
Net finance costs	(140.0)	(101.2)
Share of gain of equity-accounted investees (net of tax)	7.5	5.5
Profit before income tax	43.6	51.1
Income tax expense	(8.0)	(10.3)
Net profit from continuing operations	35.6	40.8

* The presented financial statements do not represent a full set of interim financial statements as if prepared in accordance with IAS 34

Gross rental income

The decrease of gross rental income by €15.7 million (6.6%) was driven by Group's sales, compensated by reclassification of hotel properties from own operating to investment property of €2.2 million (and related reclassification from hotels income to gross rental income in profit and loss). Decrease of €8.4 million was caused by sales realized by S IMMO Group. 23 German properties were sold by S IMMO Group at the beginning of 2025, 17 asset deals and 6 properties were sold via share deals (decrease of €6.9 million). S IMMO Group also sold Zagrebtower and Savska in 2024 (decrease of €1.5 million).

Property operating expenses

Similarly, a decrease of property operating expense in Q1 2025 compared to Q1 2024 by 9.7 % was related to the Group's sales.

Administrative expenses

A decrease of administrative expenses by €3.4 million in Q1 2025 compared to Q1 2024 reflects primarily decrease in wages and social costs (€2.8 million) and marketing costs (€1.0 million).

Other net financial result

Other financial loss was about €37.0 million (173 %) higher than in Q1 2024. This was caused mainly by net foreign exchange rate loss on property portfolio (about €15 million higher FX loss compared to Q1 2024) and by net loss from revaluation of financial derivatives €1.1 million (compared to net income €14.2 million in Q1 2024).

Amortization, depreciation and impairments

Amortization, depreciation and impairments decrease by €10.4 million compared to Q1 2024 primarily due to disposal of hotel and Swiss portfolio realized in 2024. These sales caused a decrease of depreciation of about €5 million, €2 million respectively.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION*

(€ million)	31 March 2025	31 December 2024
NON-CURRENT ASSETS		
Intangible assets and goodwill	84.0	85.6
Investment property	16,248.1	16,411.9
Property, plant and equipment	376.0	374.2
Deferred tax assets	71.4	80.6
Equity accounted investees	805.5	797.7
Other non-current assets	595.0	531.6
Total non-current assets	18,180.0	18,281.6
CURRENT ASSETS		
Inventories	48.4	48.7
Trade receivables	196.7	207.6
Cash and cash equivalents	1,092.6	1,082.0
Assets linked to assets held for sale	394.5	637.1
Other current assets	471.3	306.7
Total current assets	2,203.5	2,282.1
TOTAL ASSETS	20,383.5	20,563.7
EQUITY		
Equity attributable to owners of the Company	4,960.6	4,950.2
Perpetual notes	1,595.5	1,580.0
Non-controlling interests	1,291.1	1,289.7
Total equity	7,847.2	7,819.9
NON-CURRENT LIABILITIES		
Bonds issued	4,849.7	4,870.5
Financial debts	4,948.7	4,884.2
Deferred tax liabilities	1,481.9	1,456.4
Other non-current liabilities	253.6	240.4
Total non-current liabilities	11,533.9	11,451.5
CURRENT LIABILITIES		
Bonds issued	82.4	107.2
Financial debts	218.1	267.2
Trade payables	129.9	184.3
Other current liabilities	572.0	733.6
Total current liabilities	1,002.4	1,292.3
TOTAL EQUITY AND LIABILITIES	20,383.5	20,563.7

* The presented financial statements do not represent a full set of interim financial statements as if prepared in accordance with IAS 34

Total assets

Total assets decreased by €180.2 million (0.9%) to €20,383.5 million as at 31 March 2025 compared to 31 December 2024. The decrease relates primarily to decrease of investment property (€163.8 million), which represents mainly transfers to AHFS in CPI Europe (€162.3 million) and decrease of AHFS (€242.6 million) mainly due to sales of Sunčani Hvar (€225.3 million).

Total liabilities

Total liabilities decreased by €207.5 million (1.6%) to €12,536.3 million as at 31 March 2025 compared to 31 December 2024, primarily due to decrease in other liabilities (€148.4 million) and bonds issued (€45.6 million).

Equity and EPRA NRV

Total equity increased by €27.3 million from €7,819.9 million as at 31 December 2024 to €7,847.2 million as at 31 March 2025. The movements of equity components were as follows:

- Increase in retained earnings by €75.5 million due to profit for the period attributable to the owners of €14.2 million and transfer of revaluation reserve of €59.5 million connected with sale of the Hvar hotel portfolio;
- Increase of NCI in the period of €1.6 million;
- Increase of perpetual notes due to interest of €15.4 million;
- Decrease of other reserves of €65.2 million.

EPRA NRV was €6,395 million as at 31 March 2025, stable compared to 31 December 2024.

	31 March 2025	31 December 2024
Equity attributable to the owners (NAV)	4,961	4,950
Diluted NAV	4,961	4,950
Fair value of financial instruments	(26)	(37)
Deferred tax on revaluations	1,503	1,524
Goodwill as a result of deferred tax	(43)	(43)
EPRA NRV (€ million)	6,395	6,394

GLOSSARY

Alternative Performance Measures (APM)	Definition	Rationale
Consolidated adjusted EBITDA	Net business income as reported deducting administrative expenses as reported.	This is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Group's depreciation and amortisation policy and capital structure or tax treatment. It is one of the fundamental indicators used by companies to set their key financial and strategic objectives.
Consolidated adjusted total assets	Consolidated adjusted total assets is total assets as reported deducting intangible assets and goodwill as reported.	
EPRA Net Reinstatement Value (NRV)	EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.
Funds from operations or FFO	It is calculated as net profit for the period adjusted by non-cash revenues/expenses (like deferred tax, net valuation gain/loss, impairment, amortisation/depreciation, goodwill etc.) and non-recurring (both cash and non-cash) items. Calculation also excludes accounting adjustments for unconsolidated partnerships and joint ventures.	Funds from operations provide an indication of core recurring earnings.
Net debt/EBITDA	It is calculated as Net debt divided by Consolidated adjusted EBITDA.	A measure of a company's ability to pay its debt. This ratio measures the amount of income generated and available to pay down debt before covering interest, taxes, depreciation and amortisation expenses.
Net ICR	It is calculated as Consolidated adjusted EBITDA divided by a sum of interest income as reported and interest expense as reported.	This measure is an important indicator of a firm's ability to pay interest and other fixed charges from its operating performance, measured by EBITDA.
Net Loan-to-Value or Net LTV	It is calculated as Net debt divided by fair value of Property Portfolio.	Loan-to-value provides a general assessment of financing risk undertaken.
Secured consolidated leverage ratio	Secured consolidated leverage ratio is a ratio of a sum of secured financial debts and secured bonds to Consolidated adjusted total assets.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt - properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Secured debt to total debt	It is calculated as a sum of secured bonds and secured financial debts as reported divided by a sum of bonds issued and financial debts as reported.	This measure is an important indicator of a firm's financial flexibility and liquidity. Lower levels of secured debt typically also means lower levels of mortgage debt - properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales.
Unencumbered assets to total assets	It is calculated as total assets as reported less a sum of encumbered assets as reported divided by total assets as reported.	This measure is an important indicator of a commercial real estate firm's liquidity and flexibility. Properties that are free and clear of mortgages are sources of alternative liquidity via the issuance of property-specific mortgage debt, or even sales. The larger the ratio of unencumbered assets to total assets, the more flexibility a company generally has in repaying its unsecured debt at maturity, and the more likely that a higher recovery can be realized in the event of default.
Unencumbered assets to unsecured debt	It is calculated as unencumbered assets as reported divided by a sum of unsecured bonds and unsecured financial debts as reported.	This measure is an additional indicator of a commercial real estate firm's liquidity and financial flexibility.

Non-financial definitions	Definition
Company	CPI Property Group S.A.
Property Portfolio value or PP value	The sum of value of Property Portfolio owned by the Group
Gross Leasable Area or GLA	Gross leasable area is the amount of floor space available to be rented. Gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the property owner.
Group	CPI Property Group S.A. together with its subsidiaries
Net debt	Net debt is borrowings plus bank overdraft less cash and cash equivalents.
Occupancy	Occupancy is a ratio of estimated rental revenue regarding occupied GLA and total estimated rental revenue, unless stated otherwise.
Property Portfolio	Property Portfolio covers all properties and investees held by the Group, independent of the balance sheet classification, from which the Group incurs rental or other operating income.

APM RECONCILIATION *

EPRA NRV reconciliation (€ million)	31-Mar-25	31-Dec-24
Equity attributable to owners of the company	4,961	4,950
Effect of exercise of options, convertibles and other equity interests	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	4,961	4,950
Revaluation of trading property and property, plant and equipment	0	0
Fair value of financial instruments	(26)	(37)
Deferred tax on revaluation	1,503	1,524
Goodwill as a result of deferred tax	(43)	(43)
EPRA NRV	6,395	6,394

Net LTV reconciliation (€ million)	31-Mar-25	31-Dec-24
Financial debts	5,167	5,152
Bonds issued	4,932	4,978
Net debt linked to assets held for sale	78	3
Cash and cash equivalents	(1,093)	(1,082)
Net debt	9,084	9,051
Total property portfolio	17,833	18,231
Net LTV	50.9%	49.6%

Net Interest coverage ratio reconciliation (€ million)	Q1-2025	FY 2024
Interest income	8	46
Interest expense	(90)	(362)
Consolidated adjusted EBITDA	182	747
Net ICR	2.2x	2.4x

Secured debt to total debt reconciliation (€ million)	31-Mar-25	31-Dec-24
Secured bonds	0	0
Secured financial debts	4,816	4,727
Total debts	10,186	10,145
Secured debt as of Total debt	47.3%	46.6%

* Totals might not sum exactly due to rounding differences.

Unencumbered assets to total assets reconciliation (€ million)	31-Mar-25	31-Dec-24
Bonds collateral	0	0
Bank loans collateral	10,546	10,532
Total assets	20,384	20,564
Unencumbered assets ratio	48.3%	48.8%

Consolidated adjusted EBITDA reconciliation (€ million)*	Q1-2025	Q1-2024
Net business income	199	221
Administrative expenses	(29)	(33)
Other effects	13	10
Consolidated adjusted EBITDA	182	199

Funds from operations (FFO) reconciliation (€ million)*	Q1-2025	Q1-2024
Net profit/(loss) for the period	36	41
Deferred income tax	6	(3)
Net valuation gain or loss on investment property	0	(23)
Net valuation gain or loss on revaluation of derivatives	(1)	14
Net gain or loss on disposal of investment property and subsidiaries	6	(4)
Net gain or loss on disposal of PPE/other assets	0	(1)
Amortization, depreciation and impairments	(6)	(16)
Other non-cash items	(39)	(38)
GW/Bargain purchase	0	0
Other non-recurring items	(24)	0
Share on profit of equity accounted investees/JV adjustments	7	5
Other effects	6	5
Funds from operations	93	111

Secured consolidated leverage ratio reconciliation (€ million)	31-Mar-25	31-Dec-24
Secured bonds	0	0
Secured financial debts	4,816	4,727
Consolidated adjusted total assets	20,300	20,478
Secured consolidated leverage ratio	23.7%	23.1%

Unencumbered assets to unsecured debt reconciliation (€ million)	31-Mar-25	31-Dec-24
Total assets	20,384	20,564
Bonds collateral	0	0
Bank loans collateral	10,546	10,532
Total debt	10,186	10,145
Secured bonds	0	0
Secured financial debts	4,816	4,727
Unencumbered assets to unsecured debt	183%	185%

* Includes pro-rata EBITDA/FFO for Q1 2025 and Q1 2024 of Equity accounted investees.

Property portfolio reconciliation (€ million)	31-Mar-25	31-Dec-24
Investment property - Office	7,337	7,424
Investment property - Retail	4,721	4,808
Investment property - Landbank	1,801	1,796
Investment property - Residential	1,136	1,126
Investment property - Development	656	663
Investment property - Hotels rented	354	353
Investment property - Agriculture	150	149
Investment property - Industry & Logistics	61	61
Investment property - Other	33	33
Property, plant and equipment - Hospitality	275	275
Property, plant and equipment - Other	42	40
Property, plant and equipment - Agriculture	17	17
Property, plant and equipment - Residential	6	6
Property, plant and equipment - Office	2	2
Property, plant and equipment - Landbank	1	1
Inventories - Development	42	41
Inventories - Landbank	1	1
Equity accounted investees	793	793
Assets held for sale	351	589
Other non-financial assets	55	55
Total	17,833	18,231

Net debt/EBITDA reconciliation (€ million)	31-Mar-25	31-Dec-24
Net debt	9,084	9,051
Net business income*	794	842
Administrative expenses*	(117)	(137)
Other effects*	51	41
Net debt/EBITDA	12.5x	12.1x

*Annualised



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