



CPI Property Group

(société anonyme)

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Press Release - Corporate News

Luxembourg, 31 March 2022

CPI PROPERTY GROUP publishes financial results for 2021

CPI PROPERTY GROUP (hereinafter “CPIPG”, the “Company” or together with its subsidiaries the “Group”), a leading owner of income-generating European real estate, hereby publishes audited financial results for the financial year ended 31 December 2021.

“2021 was a year of successful performance and growth for CPIPG,” said Martin Němeček, CEO. “Throughout the year, we made smart acquisitions, strengthened our capital structure and expanded our equity investor base.”

Highlights of the 2021 financial year include:

- **CPIPG’s property portfolio increased to €13.1 billion** (up 27% versus 2020) as the Group completed €1.5 billion of acquisitions and benefited from a €1.4 billion increase in the fair value of residential, landbank and office assets across the Group. **Total assets reached €14.4 billion** (up 22%).
- **Net rental income increased to €363 million** (up 7% versus 2020) and **consolidated adjusted EBITDA rose to €368 million** (up 9%) due to the contribution from recent acquisitions and developments, slightly higher occupancy at 93.8% and 3.3% like-for-like growth in gross rental income.
- **The hotel segment reported net income of €14 million** (versus a loss of €3 million in 2020) reflecting the gradual recovery of the hotel sector, especially in the second half of 2021, and effective cost management.
- **Net business income of €385 million and FFO of €254 million** (both up 12% versus 2020) show the benefits of CPIPG’s stable business performance, diversified sources of income, and contribution from recent acquisitions.
- The Group collected **97% of contracted rent in 2021** before the impact of one-time COVID-19 discounts, which amounted to less than 3% of gross rental income. **Office and residential collections were close to 100%.**
- **EPRA NRV (NAV) grew by 38% to €7.0 billion.**
- **Net Loan-to-Value (LTV) dropped to a record low of 35.7%** at year-end 2021, following fresh equity raised, disposals and positive revaluations in the second half of 2021.
- **Unencumbered assets remain high at 70%** (stable versus 2020) and **net ICR stood at 4.6x**, well above financial policy guidelines.
- CPIPG’s **total available liquidity was at €1.2 billion** (cash and undrawn €700 million revolving credit facility) at the end of 2021.
- During 2021, CPIPG **issued €1.4 billion of senior unsecured and hybrid bonds**. Proceeds were partially used to repay more than **€750 million of senior unsecured bonds, Schuldschein and hybrid bonds callable or maturing in 2022, 2023 and 2024**. As a result of these steps, **weighted average debt maturity increased** from 4.8 years in 2020 **to 5.2 years** at the end of 2021.



“CPIPG is proud of our performance during 2021, with positive developments across our key business measures,” said **David Greenbaum, CFO**. “We remain committed to our financial policy, credit ratings and ESG journey.”

Notable events occurring after the end of 2021 include:

IMMOFINANZ and S IMMO acquisitions

During 2021, CPIPG acquired shares of IMMOFINANZ and S IMMO in the public market and through block purchases. As of 31 December 2021, CPIPG owned 21.6% of IMMOFINANZ and 12.4% of S IMMO.

On 3 December 2021, CPIPG announced the intention to launch a mandatory takeover offer for IMMOFINANZ. Upon the conclusion of the offer’s initial acceptance period on 23 February 2022, **CPIPG owned 54.9% of IMMOFINANZ shares**. An additional acceptance period remains open until 28 May 2022. CPIPG expects to fully consolidate IMMOFINANZ in our financial statements as of Q1 2022.

On 31 March 2022, an extraordinary general meeting of IMMOFINANZ was held. The general meeting appointed Martin Němeček and Miroslava Greštiaková to the Supervisory Board of IMMOFINANZ. Four members of the Supervisory Board also resigned. Accordingly, the Supervisory Board of IMMOFINANZ now comprises Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan, Stefan Guetter, and two representatives of the IMMOFINANZ workers council.

During the first quarter of 2022, the Group also continued to acquire shares in **S IMMO, resulting in a current shareholding of 16.1%** (or 42.6% including IMMOFINANZ’s stake of 26.5% in S IMMO).

Capital markets activity

In January 2022, the Group issued **€700 million of 8-year sustainability-linked senior unsecured bonds**. Proceeds were used primarily to fund the full repayment of two bonds: US\$376.9 million (approximately €333 million) of unsecured bonds due March 2023 and €239.4 million of unsecured bonds due October 2024. Following these transactions, pro forma weighted average debt maturity at the end of 2021 increased by another 8 months to 6.0 years.

Also in January 2022, CPIPG issued an additional £50 million of 2.75% senior unsecured green bonds due January 2028.

Disposal pipeline

In August 2021, CPIPG’s Board of Directors approved a plan to complete up to €1 billion of disposals, with proceeds intended to reduce leverage and recharge CPIPG’s financial profile for future growth.

By the end of 2021, the Group had signed disposals that would raise gross proceeds of approximately €700 million and has since completed most of these transactions. Since the beginning of 2022, CPIPG has signed nearly €200 million of additional disposals relating to our logistics assets and landbank in the Czech Republic.

The Group is confident to close pending transactions in the coming weeks and is on track to meet our disposal plan.

War in Ukraine

The impact on the Group from the Russian invasion of Ukraine has been limited. CPIPG owns one hotel property in Moscow, valued at €17 million as of the end of 2021, which represents only 0.1% of our portfolio. There is no other direct impact on any of the Group’s business operations or assets.



CPIPG has acted promptly and provided various forms of aid to support refugees from Ukraine, including providing hotel beds in the Czech Republic, use of our warehouse space in Berlin, and food, supplies, and monetary donations to charities and authorities coordinating the humanitarian aid response.

Annual results webcast

CPIPG will host a webcast in relation to its financial results for 2021. The webcast will be held on **Wednesday 6 April 2022 at 10:00am CET / 9:00am UK.**

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

<https://webcasting.brrmedia.co.uk/broadcast/624481afc06d1847121eb7a1>

FINANCIAL HIGHLIGHTS

Performance		2021	2020	Change
Gross rental income	€ million	402	356	12.7%
Net rental income	€ million	363	338	7.4%
Net hotel income	€ million	14	(3)	545%
Total revenues	€ million	664	623	6.6%
Net business income	€ million	385	344	11.9%
Consolidated adjusted EBITDA	€ million	368	338	8.8%
Funds from operations (FFO)	€ million	254	227	11.8%
Net profit for the period	€ million	1,292	244	430%

Assets		31-Dec-2021	31-Dec-2020	Change
Total assets	€ million	14,369	11,801	21.8%
Property portfolio	€ million	13,119	10,316	27.2%
Gross leasable area	sqm	3,667,000	3,636,000	0.9%
Occupancy	%	93.8	93.7	0.1 p.p.
Like-for-like gross rental growth*	%	3.3	0.8	2.5 p.p.
Total number of properties**	No.	367	343	7.0%
Total number of residential units	No.	11,755	11,929	(1.5%)
Total number of hotel rooms***	No.	7,025	6,753	4.0%

* Based on gross rent, excluding one-time discounts

** Excluding residential properties in the Czech Republic

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

Financing structure		31-Dec-2021	31-Dec-2020	Change
Total equity	€ million	7,695	5,787	33.0%
EPRA NRV (NAV)	€ million	7,039	5,118	37.6%
Net debt	€ million	4,682	4,194	11.6%
Net Loan-to-value ratio (Net LTV)	%	35.7	40.7	(5.0 p.p.)
Net debt/EBITDA	x	12.7x	12.4x	0.3x
Secured consolidated leverage ratio	%	9.8	12.0	(2.2 p.p.)
Secured debt to total debt	%	27.0	29.0	(2.0 p.p.)
Unencumbered assets to total assets	%	70.4	70.0	0.4 p.p.
Unencumbered assets to unsecured debt	%	267%	241%	26 p.p.
Net ICR	x	4.6x	5.4x	(0.8x)

CONSOLIDATED INCOME STATEMENT

(€ million)	Twelve-month period ended	
	31 December 2021	31 December 2020
Gross rental income	401.8	356.5
Service charge and other income	139.1	139.6
Cost of service and other charges	(116.2)	(107.4)
Property operating expenses	(61.8)	(51.0)
Net rental income	362.9	337.7
Development sales	12.9	34.3
Development operating expenses	(9.4)	(29.9)
Net development income	3.5	4.4
Hotel revenue	66.4	43.7
Hotel operating expenses	(52.6)	(46.8)
Net hotel income	13.8	(3.1)
Other business revenue	43.6	48.5
Other business operating expenses	(38.4)	(43.1)
Net other business income	5.2	5.4
Total revenues	663.8	622.6
Total direct business operating expenses	(278.4)	(278.2)
Net business income	385.4	344.4
Net valuation gain	1,275.8	173.1
Net gain on disposal of investment property and subsidiaries	34.5	0.7
Amortization, depreciation and impairment	(52.0)	(88.0)
Administrative expenses	(58.4)	(47.1)
Other operating income	6.5	23.3
Other operating expenses	(5.8)	(2.8)
Operating result	1,586.0	403.6
Interest income	17.9	18.2
Interest expense	(97.3)	(80.9)
Other net financial result	39.3	9.8
Net finance costs	(40.1)	(52.9)
Share of gain (loss) of equity-accounted investees (net of tax)	15.1	(10.6)
Profit before income tax	1,561.0	340.1
Income tax expense	(269.4)	(96.5)
Net profit from continuing operations	1,291.6	243.6



Gross rental income

Gross rental income increased by €45.3 million (12.7%) to €401.8 million in 2021 primarily due to the growth of rental income generated by the office portfolios in Berlin (€9.1 million) and Warsaw (€4.7 million) and acquisitions in Italy (€21.5 million).

Net hotel income

In 2021, net hotel income turned positive to €13.8 million, an increase of €16.9 million (544.5%), amidst a gradual recovery from COVID-19 lockdowns and travel restrictions.

Net valuation gain

In 2021, the valuation gain of €1,275.8 million reflected primarily revaluations of the Czech portfolio (€508.6 million), Berlin offices (€443.5 million) and the portfolio in Italy (€251.1 million).

Amortization, depreciation and impairment

Amortization, depreciation and impairment decreased by €36.0 million to €52.0 million in 2021 due to significant impairment loss of the hotel portfolio recognized in 2020 (€46.7 million).

Interest expense

Interest expense increased by €16.4 million to €97.3 million in 2021 due to the increase in total bonds issued.

Other net financial result

The other net financial result reflects primarily realized foreign exchange gain.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	31 December 2021	31 December 2020
NON-CURRENT ASSETS		
Intangible assets and goodwill	114.0	107.1
Investment property	10,275.8	8,792.6
Property, plant and equipment	854.6	779.4
Deferred tax assets	164.1	155.6
Equity accounted investees	1,216.1	658.1
Other non-current assets	338.0	330.9
Total non-current assets	12,962.6	10,823.7
CURRENT ASSETS		
Inventories	11.8	38.8
Trade receivables	105.7	85.4
Cash and cash equivalents	501.8	632.3
Assets linked to assets held for sale	588.5	37.7
Other current assets	198.6	183.5
Total current assets	1,406.4	977.7
TOTAL ASSETS	14,369.0	11,801.4
EQUITY		
Equity attributable to owners of the Company	5,991.8	4,320.8
Perpetual notes	1,611.6	1,369.6
Non-controlling interests	91.2	96.1
Total equity	7,694.6	5,786.5
NON-CURRENT LIABILITIES		
Bonds issued	3,693.7	3,195.2
Financial debts	1,164.4	1,269.6
Deferred tax liabilities	1,082.4	842.2
Other non-current liabilities	96.2	116.9
Total non-current liabilities	6,036.7	5,423.9
CURRENT LIABILITIES		
Bonds issued	41.1	108.8
Financial debts	233.5	253.0
Trade payables	116.2	70.6
Other current liabilities	246.9	158.6
Total current liabilities	637.7	591.0
TOTAL EQUITY AND LIABILITIES	14,369.0	11,801.4

Total assets

Total assets increased by €2,567.6 million (21.8%) to €14,369.0 million at 31 December 2021 compared to 31 December 2020. The increase was driven primarily by investment property acquisitions, development costs and other additions (€875.0 million) and acquisition of shares in equity accounted investees (€558.0 million).

Total liabilities

Total liabilities increased by €659.5 million (11.0%) to €6,674.4 million at 31 December 2021 compared to 31 December 2020, largely due to incremental debt issuance. The Group issued new bonds of €893.1 million and repaid €463.2 million of bonds and €71.5 million of Schuldschein loans in 2021.

The increase of deferred tax liability was primarily due to the property revaluation gains in 2021.

EQUITY AND EPRA NRV

Total equity increased by €1,908.1 million from €5,786.5 million as at 31 December 2020 to €7,694.6 million as at 31 December 2021. The movements of equity components were as follows:

- Increase due to the profit for the period of €1,291.6 million (profit to the owners of €1,202.7 million);
- Increase due to issuance of new shares €540.9 million;
- Decrease due to share buy-back €239.9 million;
- Decrease in revaluation and hedging reserve in total of €6.9 million;
- Increase in translation reserve of €137.5 million;
- Increase from transactions with NCI in total of €18.0 million
- Increase due to issuance and repayment of perpetual notes net of €166.9 million.

EPRA NRV was €7,039 million as at 31 December 2021, representing increase of 37.6% compared to 31 December 2020. The increase of EPRA NRV was driven by the above changes in the Group's equity attributable to the owners (increase of retained earnings and other reserves).

	31 December 2021	31 December 2020
Equity attributable to the owners (NAV)	5,992	4,321
Effect of exercise of options, convertibles and other equity interests	-	-
Diluted NAV	5,992	4,321
Revaluation of trading property and PPE	-	3
Deferred tax on revaluations	1,090	837
Goodwill as a result of deferred tax	(43)	(43)
EPRA NRV (€ million)	7,039	5,118



For disclosures regarding Alternative Performance Measures used in this press release please refer to our Annual Management Report 2021, chapters Glossary, Key Ratio Reconciliations and EPRA Performance; accessible at <http://cpipg.com/reports-presentations-en>.

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

2021 audited financial report
2021 audited management report

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