

VALUETRUST

9. Jahreskonferenz der EACVA

Spezielle Bewertungsfragen am Beispiel von Immobiliengesellschaften

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German Real Estate Market Environment

Still a hot investment market in 2015

REAL ESTATE

RESIDENTIAL

Multi-unit dwellings

Semi-detached dwellings

Single-family homes

Portable dwellings

COMMERCIAL

Retail

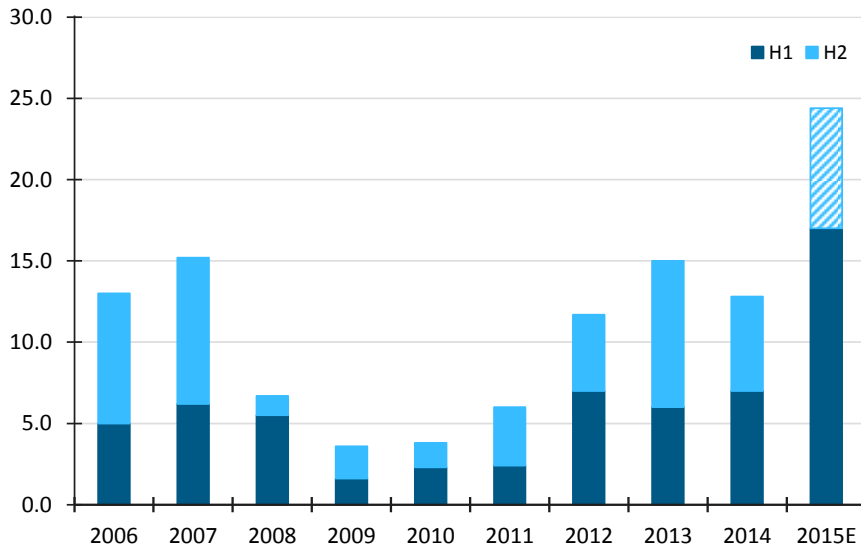
Office

Hotels & Leisure

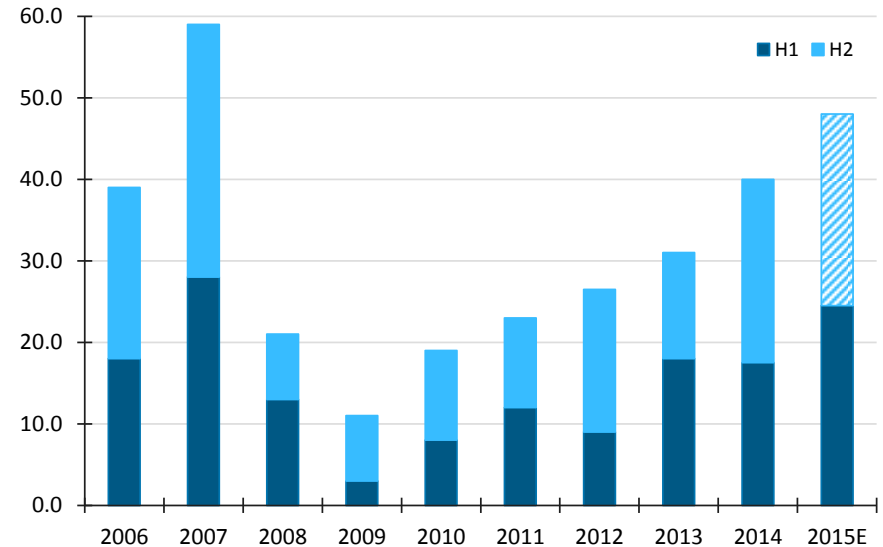
Industrial & Logistics

Healthcare

Investment volume residential portfolios (in € bn)



Investment volume commercial portfolios (in € bn)

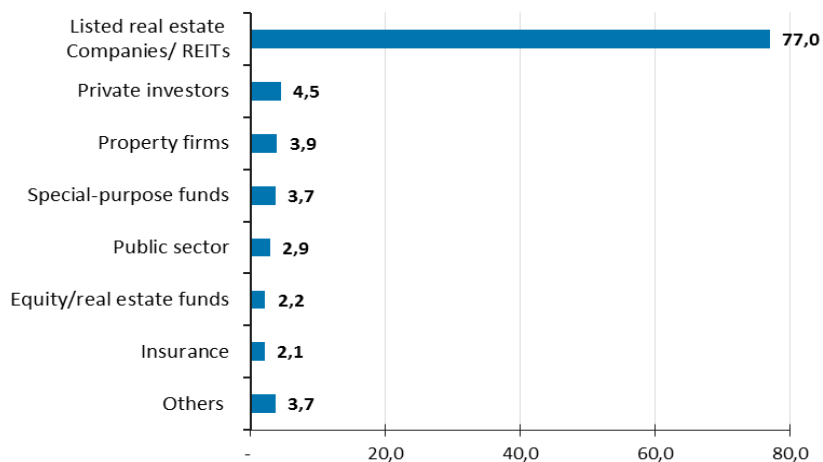


Source: BNP Paribas Real Estate, Citi Research, ValueTrust analysis.

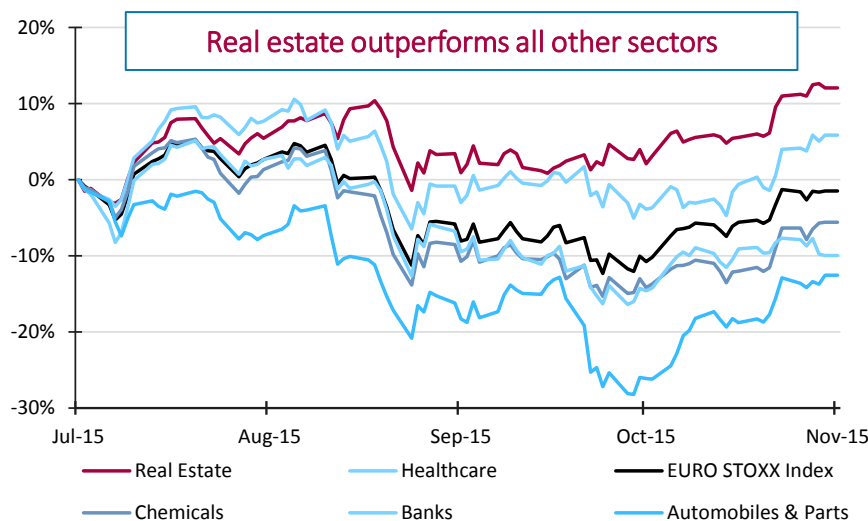
German Real Estate Market Environment

Market environment also for 2016 expected to be favorable

Investments according to buyers' groups H1 2015 (in %)



EURO STOXX Sector share price performance



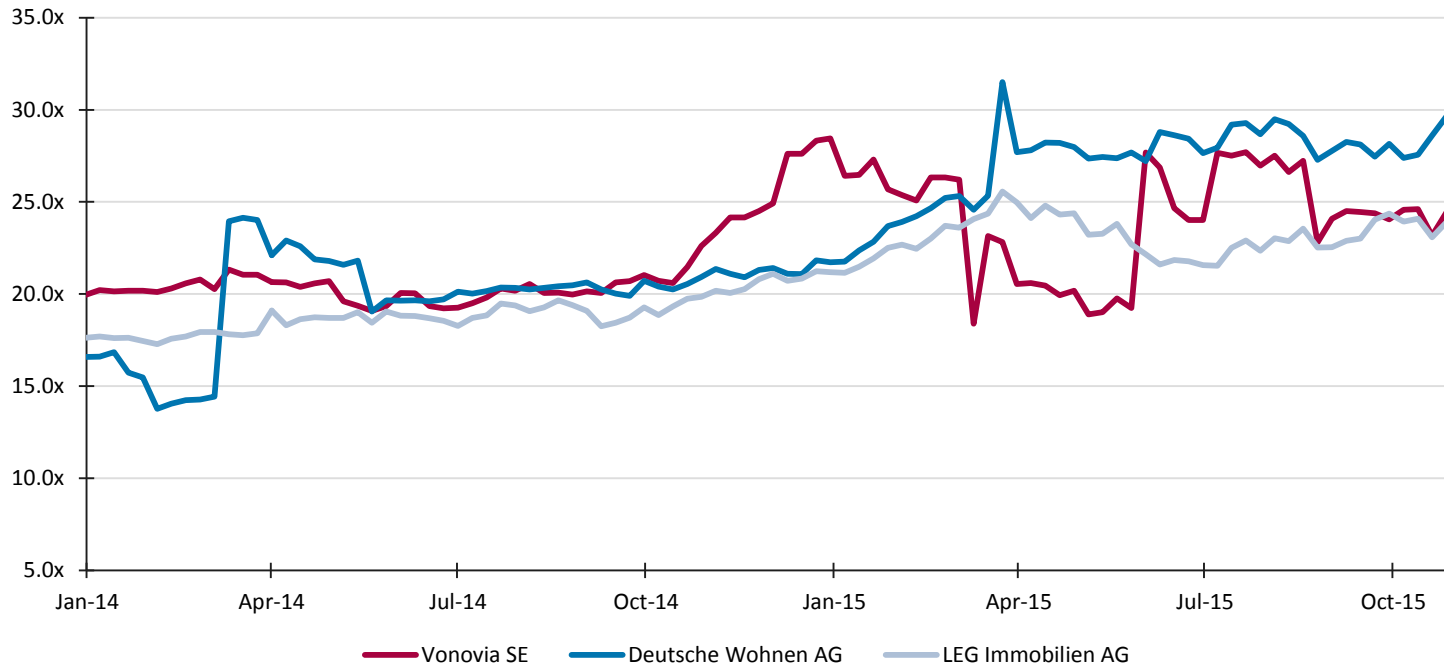
Key developments and trends

- Larger real estate deals regarding portfolio size as well as M&A volume
 - Beginning of a consolidation phase in the residential market
- Listed real estate companies are increasing their predominance
 - Buying large portfolios and engaging in takeovers to gain market shares and economies of scale
- Increasing demand for project developments (especially high-grade project development in rural areas)
- Overall favorable financing conditions
- Low interest rate environment also drives foreign investors demand for German real estate (esp. in "A cities")

German Real Estate Market Environment

Current market valuations are relatively high compared to recent years

Current market valuations based on 1 year forward EBIT multiples



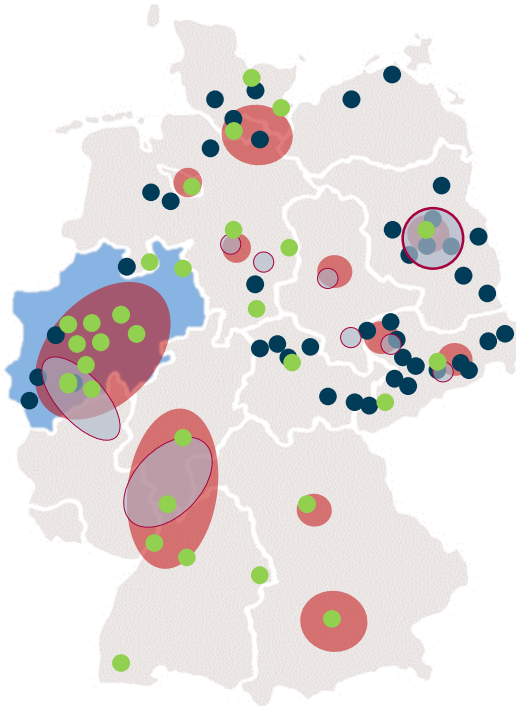
Source: S&P Capital IQ, CIQ consensus estimates, ValueTrust analysis.

German Real Estate Market Environment

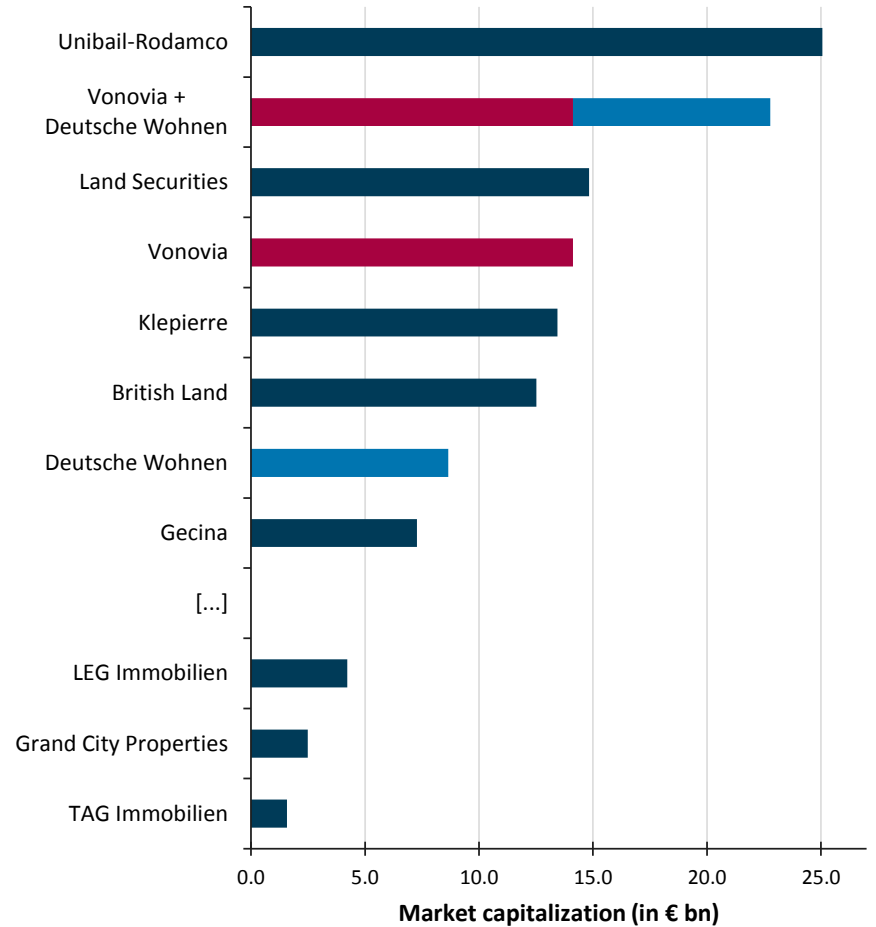
Residential sector consolidation

Major Clustering/ Locations

- Deutsche Wohnen
- LEG
- TAG
- Deutsche Annington (Vonovia)
- GAGFAH (Vonovia)



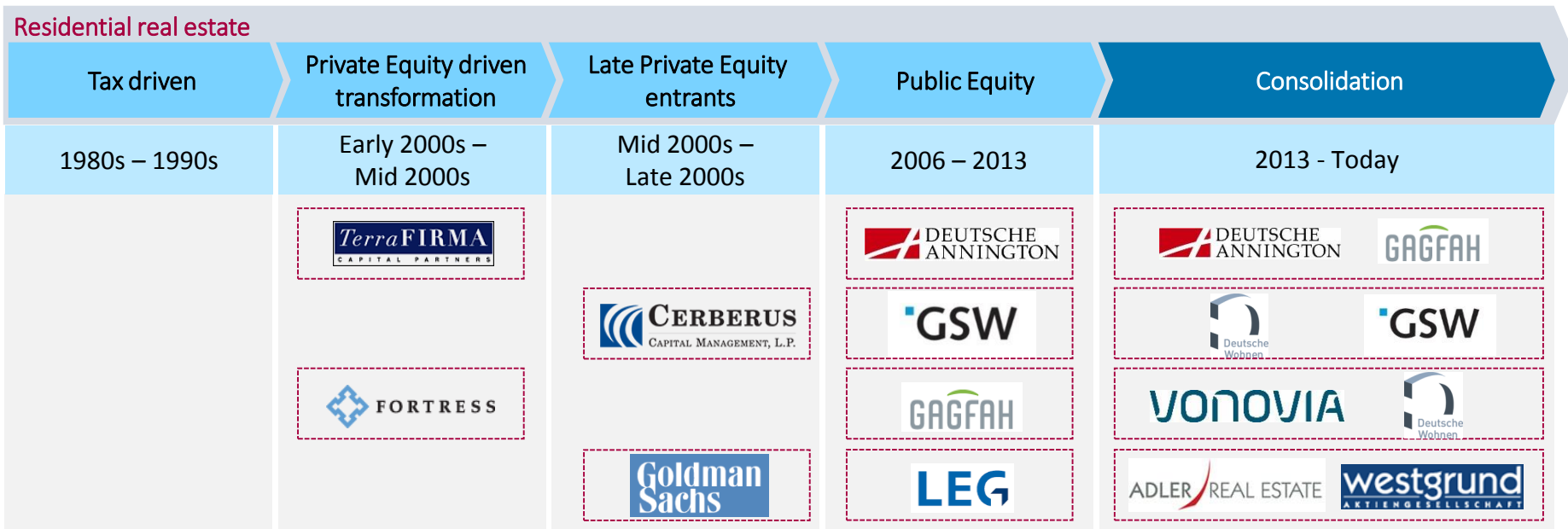
Largest listed european real estate companies



Source: S&P Capital IQ, Company reports, ValueTrust analysis.

German Real Estate Market Environment

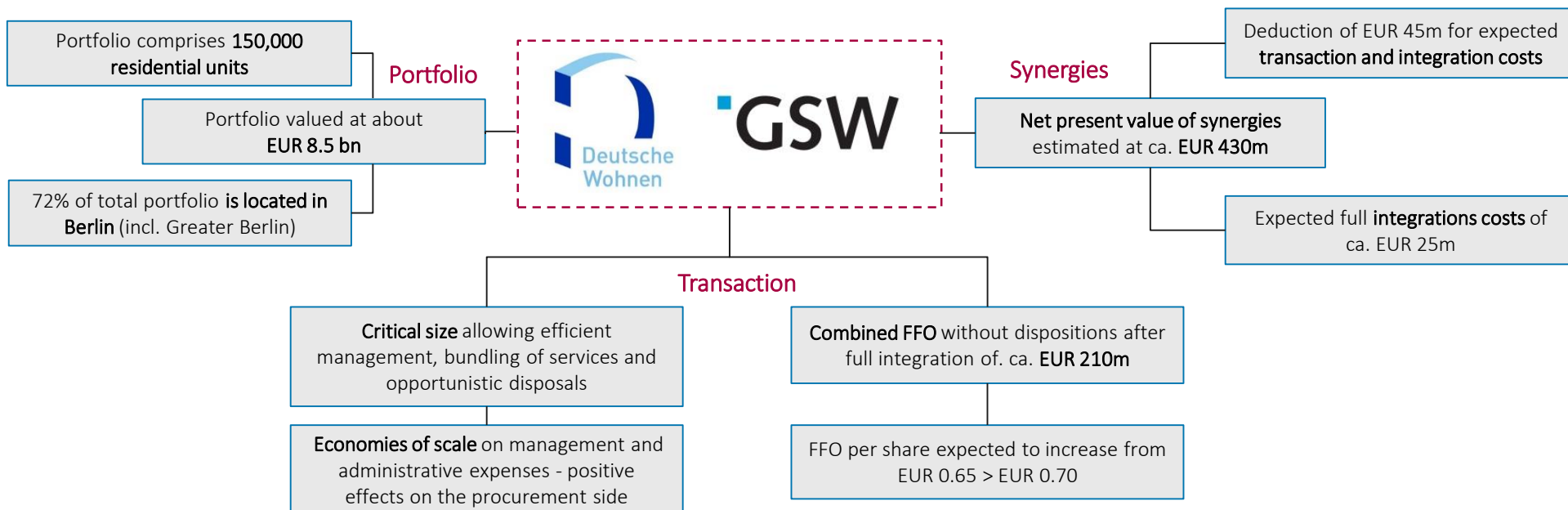
Transformation of the German real estate industry



Source: S&P Capital IQ, Vonovia, Citi Research, ValueTrust analysis.

Beginning sector consolidation

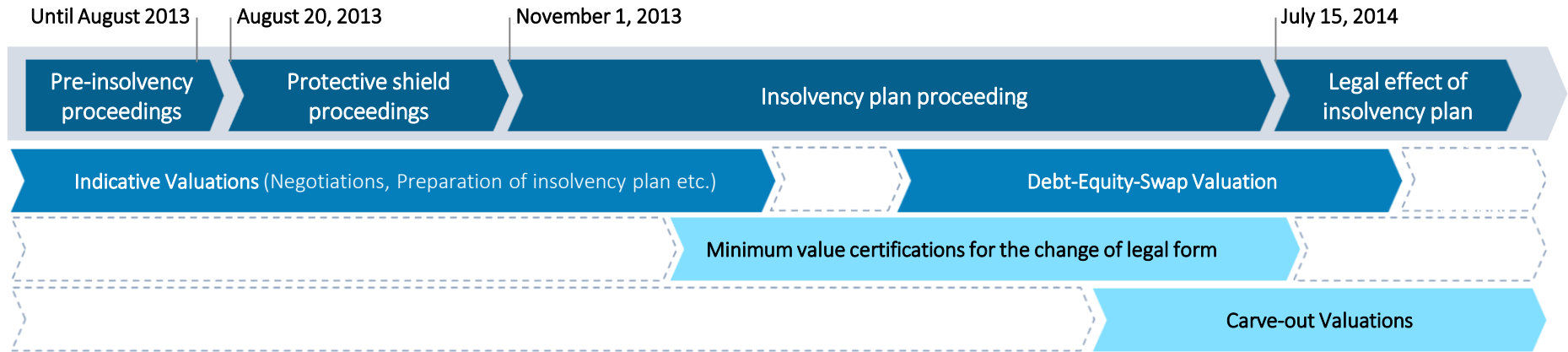
Deutsche Wohnens' takeover of GSW in 2013



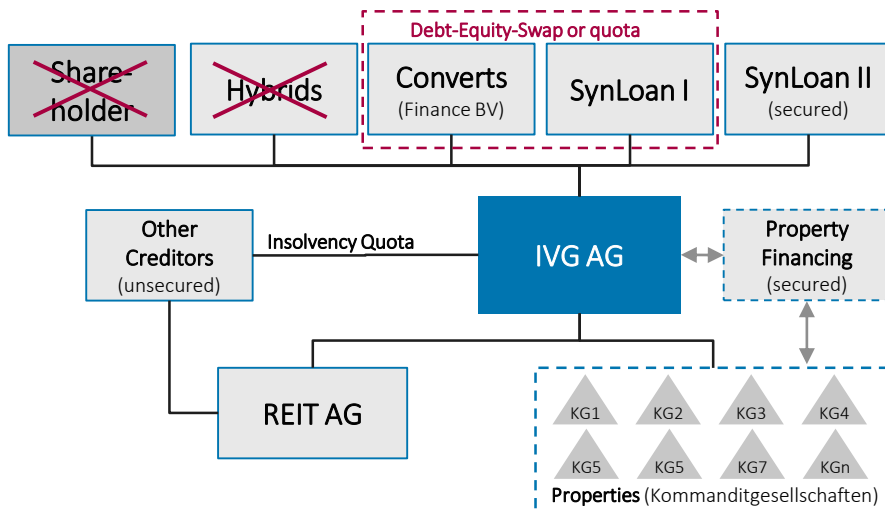
Source: Company reports, ValueTrust analysis.

The IVG Restructuring

Transformation in the German commercial real estate sector



Structure of the IVG insolvency proceedings

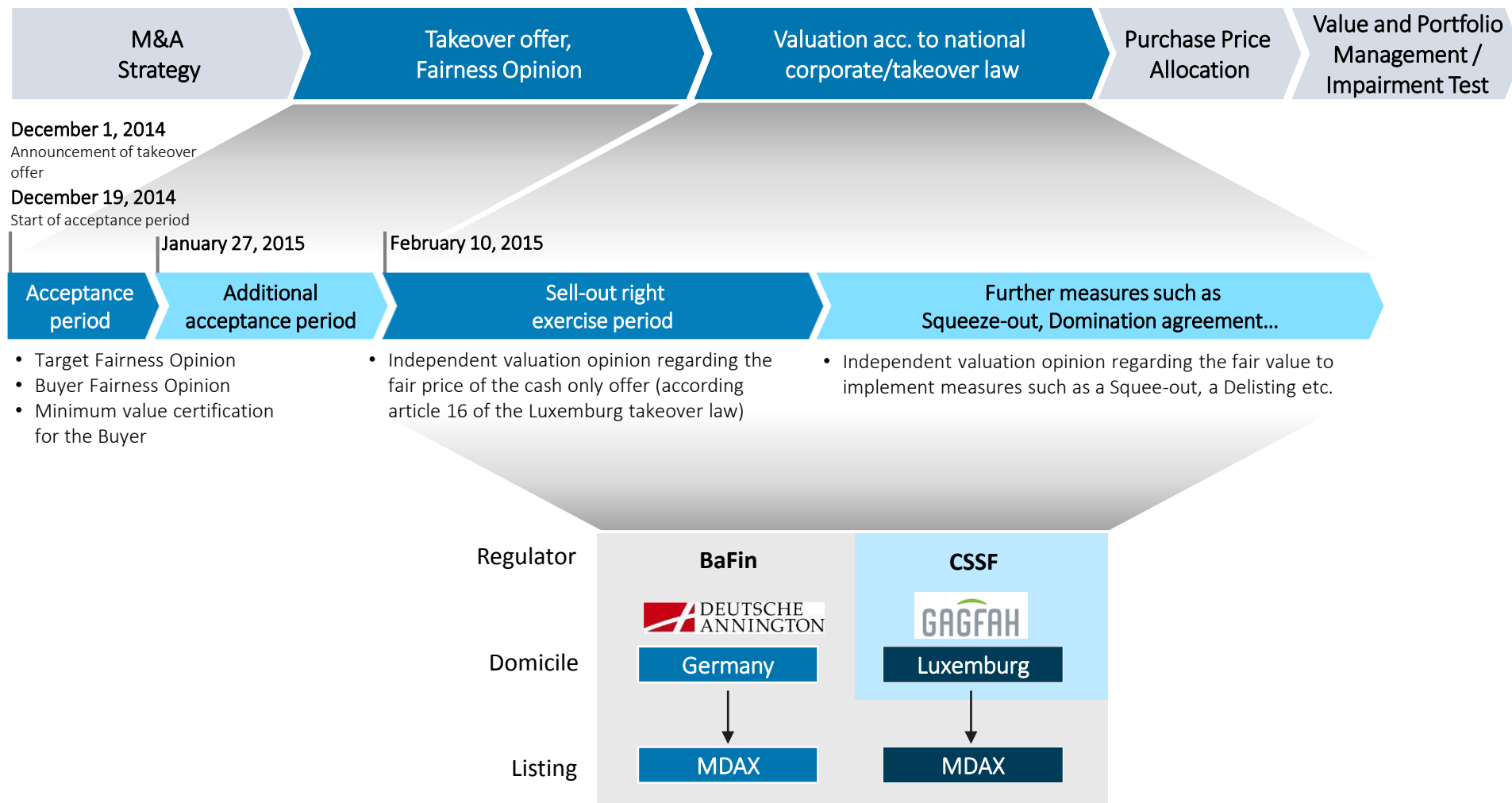


- **Debt-equity-swap** to strengthen capital structure and provide debt relief
- **Carve-out** of certain business units to simplify corporate structure
- **Transformation** of various legal entities due to German **real estate transfer tax**
- **Today:** After the successful restructuring of IVG, assessment of exit options and initiation of dual-track process (acc. to Bloomberg, Börsen-Zeitung)

Source: Company reports, Bloomberg, Börsen-Zeitung, ValueTrust analysis.

The Deutsche Annington - GAGFAH takeover

Valuations along the transaction process



Source: Company reports, ValueTrust analysis.