

The logo for Deutsche EuroShop (DES) is located in the top right corner. It consists of the letters 'DES' in a bold, white, sans-serif font, with horizontal lines through the letters. Below the logo, the text 'Deutsche EuroShop' is written in a smaller, white, sans-serif font.

DES

Deutsche EuroShop



**Eat. Shop. Laugh.**

**Conference Call  
Preliminary Results FY 2023**

20 March 2024

# Update on Business Activities FY 2023 – Summary

## Business Development

- **Strong comeback** of operational business
- Increase of **footfall (+5.7%)** and **retail sales (+8.6%)** compared to FY 2022
- **Strengthened return profile following acquisition** of minority interests in own shopping centers
- **Revenue** €273.3 m (+28.4%), **FFO** €171.3 m (+31.7%)
- Key performance indicators have developed favorably, also excluding any acquisitions (pro forma)



## Update on Business Activities FY 2023 – Summary

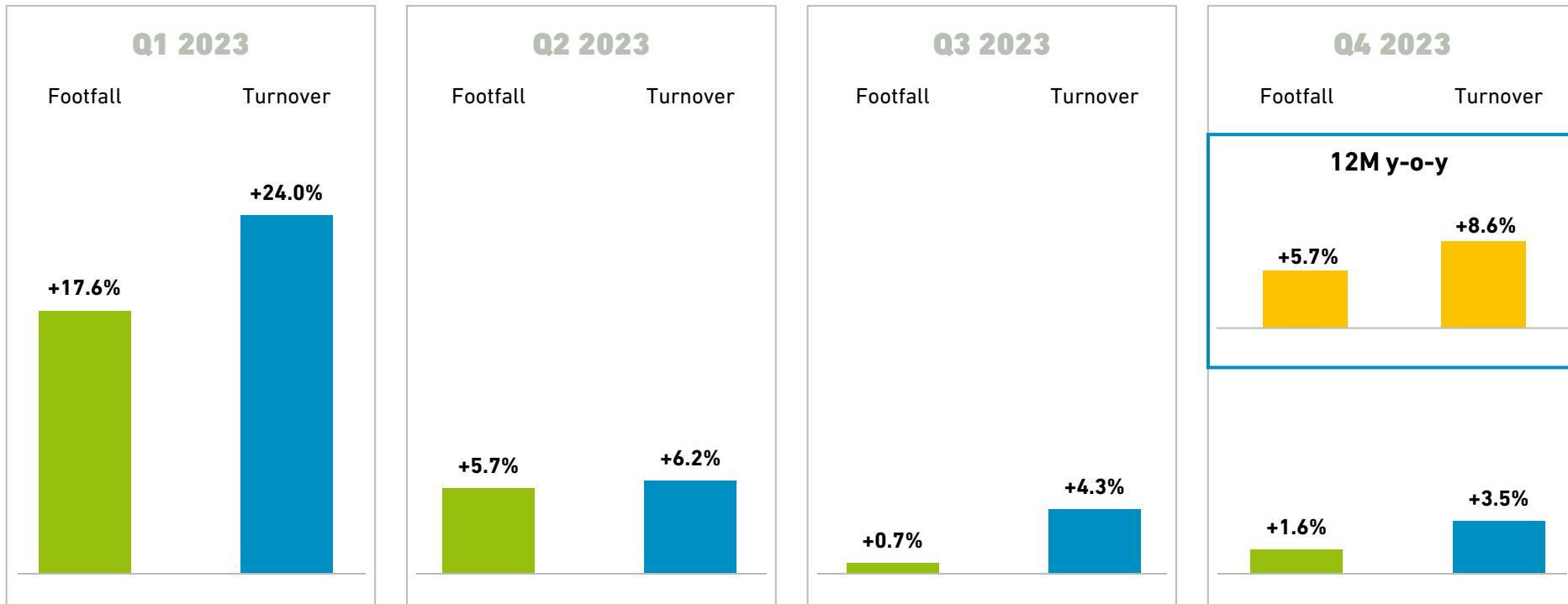
### Financing and Liquidity

- **Low LTV of 33.2%** and strong **cash position of €336.1 m** (before €149.1 m dividend in early January)
- **Steady funding situation** with long-term financing partners
- Next loan due in 2025, **major refinancings only from 2026**
- **Dividend** of €191.2 m (**€2.50 per share**) paid in September 2023 **plus** €149.1 m (**€1.95 per share**) paid in January 2024
- **Share buyback programme:** Up to €15.0 m or 750,000 shares until 20 December 2024



# Development of Retail Turnover<sup>1</sup> and Footfall

## Compared to previous year



<sup>1</sup> Source: ECE / the data only refer to the DES portfolio (incl. international centers) / nominal sales development, not adjusted for inflation / in € (with exchange rate effects)

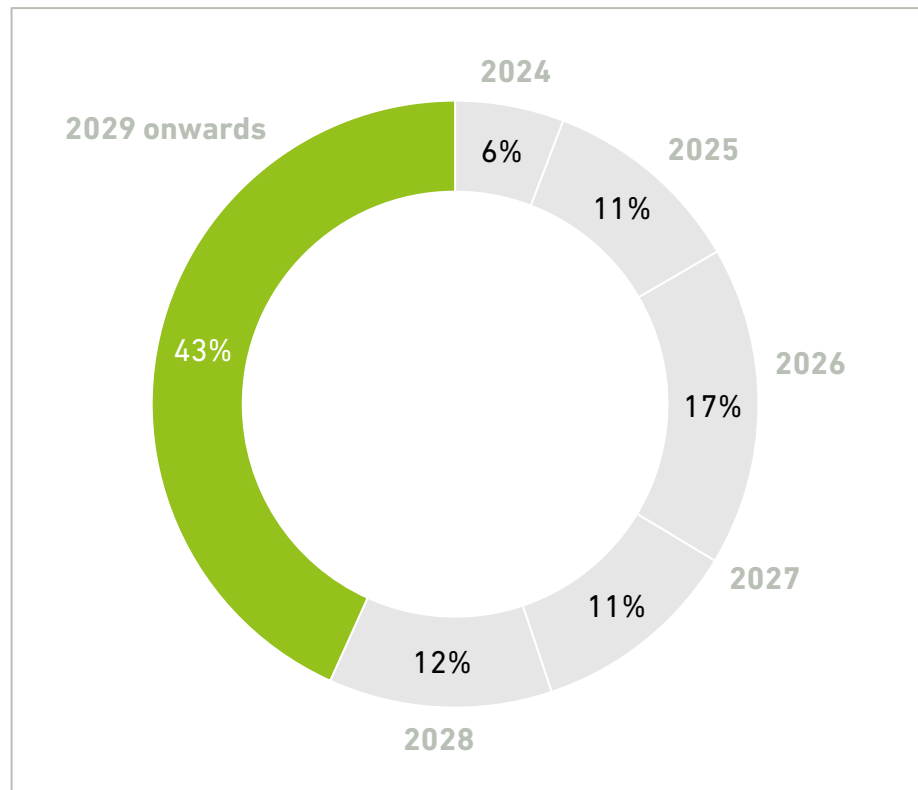
# Maturity Distribution of Rental Contracts<sup>1</sup>



Long-term contracts base  
rental income

Weighted maturity **4.7 years**  
2022 5.7 years

Occupancy rate **93.3%**  
2022 94.3%

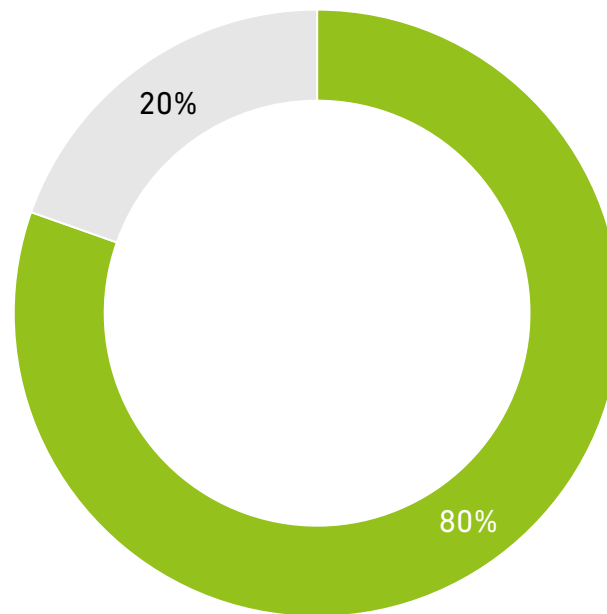


<sup>1</sup> As % of rental income as at 31 December 2023

## Tenant Structure – Top 10 Tenants

	2023 <sup>1</sup>	2022
H&M	2.6%	2.8%
New Yorker	2.3%	2.3%
Deichmann	2.3%	2.3%
P&C Düsseldorf	2.2%	2.1%
Ceconomy	2.2%	2.4%
C&A	2.2%	2.2%
Douglas	1.8%	1.9%
TK Maxx	1.7%	1.8%
Thalia	1.6%	1.5%
dm-drogerie markt	1.5%	1.6%
<b>Total</b>	<b>20.4%</b>	<b>20.9%</b>

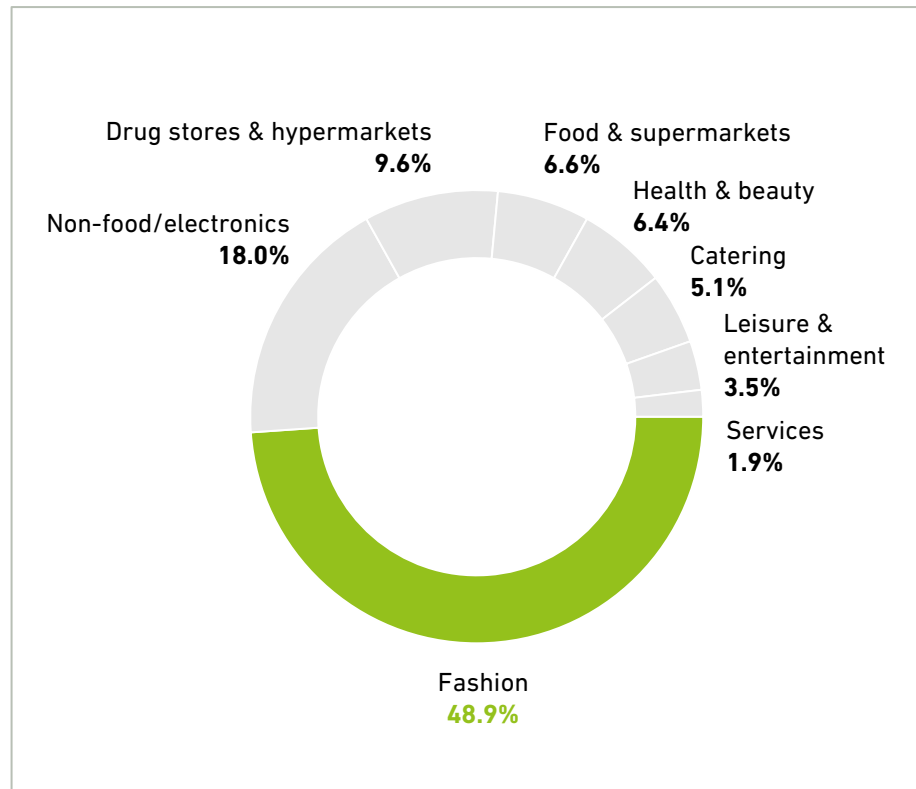
### Low level of dependence on the Top 10 Tenants<sup>1</sup>



■ Top 10 Tenants

<sup>1</sup> In % of total retail rents as at 31 Dec. 2023

# Sector Mix<sup>1</sup>



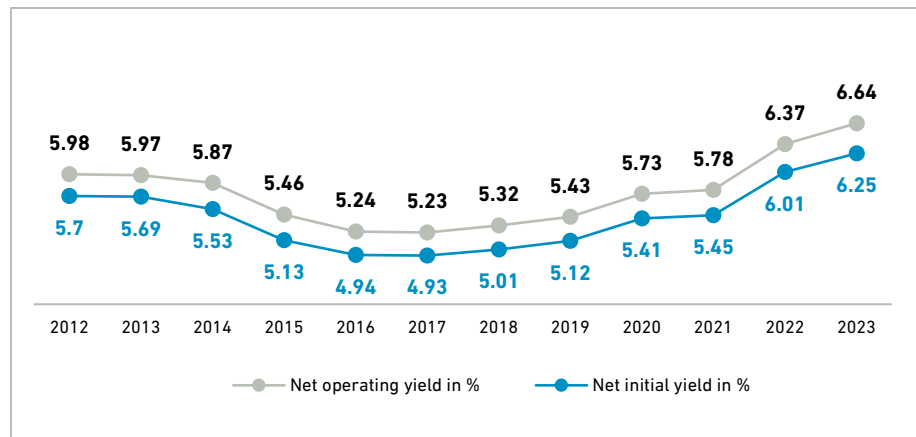
<sup>1</sup> As % of rental space as at 31 December 2023

# Valuation<sup>1</sup> – Investment Properties 31 December 2023

in € thousand	31.12.2023	31.12.2022	CHANGE
Revaluation	-229,365	-103,042	-126,323
Revaluation at-equity	-3,426	-16,604	13,178
Minority interest	23,664	13,296	10,368
<b>Valuation result before taxes</b>	<b>-209,127</b>	<b>-106,350</b>	<b>-102,777</b>
Deferred taxes	37,375	18,661	18,714
<b>Valuation result after taxes<sup>2</sup></b>	<b>-171,752</b>	<b>-87,689</b>	<b>-84,063</b>

## Valuation result negative

- Property values down in 2023
- Rising yields and impact from real estate transfer tax increase in Hamburg and Saxony
- Muted transaction market for shopping centers
- Increase of EPRA NIY from 5.34% to 5.91%



## Sensitivity Analysis

in € thousand	Basis	Change of -25bps	Change of +25bps
Rent increase rates <sup>3</sup>	1.47%	-108.6	+117.9
Cost ratio	12.07%	+45.0	-41.1
Discount rate	7.10%	+71.6	-67.1
Capitalization rate	5.64%	+108.1	-93.8

<sup>1</sup> External appraiser: JLL (since 2015) | <sup>2</sup> Attributable to group shareholders | <sup>3</sup> Nominal rate of rent increases using the DCF method during the 10-year measurement period, including inflation-related rent indexing and changes in the occupancy rate

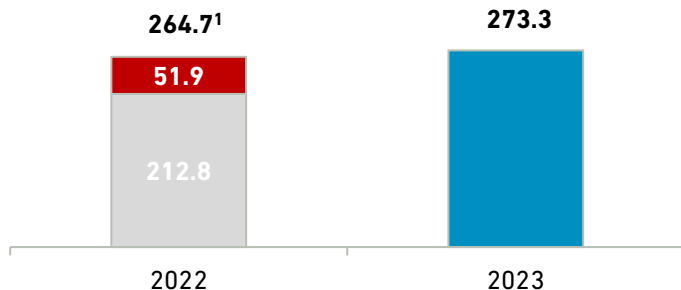


# Revenues

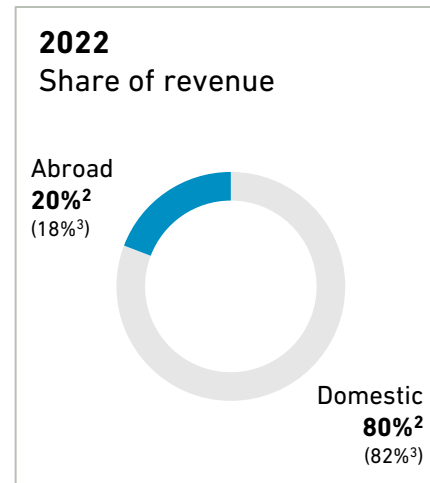
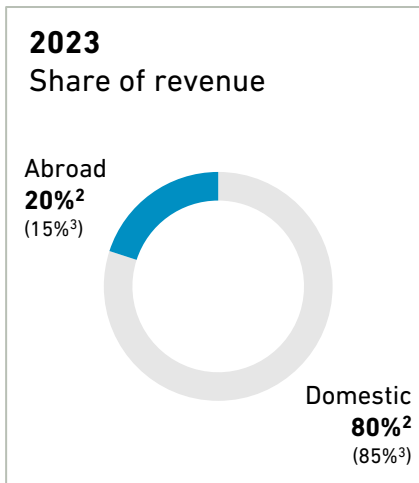
## Revenues in € million



+3.2%



- Revenues increase by €8.6 m to €273.3m (pro forma +3.2%)
- Essentially due to higher inflation-related index adjustments and higher turnover rents

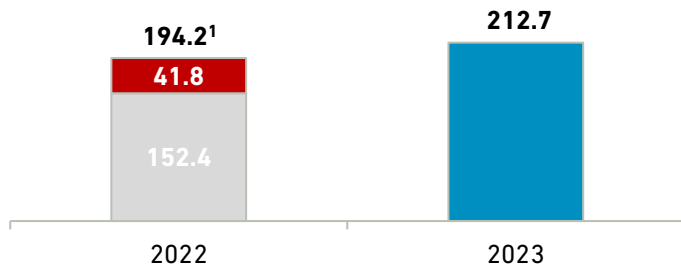


## EBIT

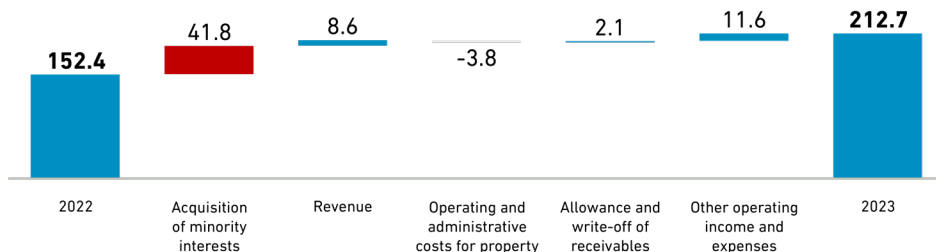
EBIT  
in € million



+9.5%



EBIT bridge 2023  
in € million



- EBIT above previous year (pro forma) +9.5% (€+18.5m) due to higher revenues, income from the reversal of provisions for non-allocable ancillary costs and maintenance as well as lower value adjustments and consultancy expenses
- Compensated by higher operating costs for property, in particular higher maintenance costs
- Other operating income includes one-off effects of c. €+15 m

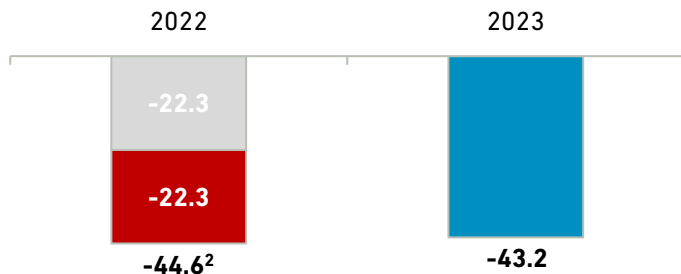
in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022 <sup>1</sup>
Revenue	273,304	264,704
Operating and administrative costs for property	-49,542	-45,738
Allowance and write-off of receivables	-8,858	-10,963
<b>NOI</b>	<b>214,904</b>	<b>208,003</b>
Other operating income	35,335	7,211
Other operating expenses	-37,578	-20,973
<b>EBIT</b>	<b>212,661</b>	<b>194,241</b>

## Financial Result<sup>1</sup> – Positive Impact from Interest Income

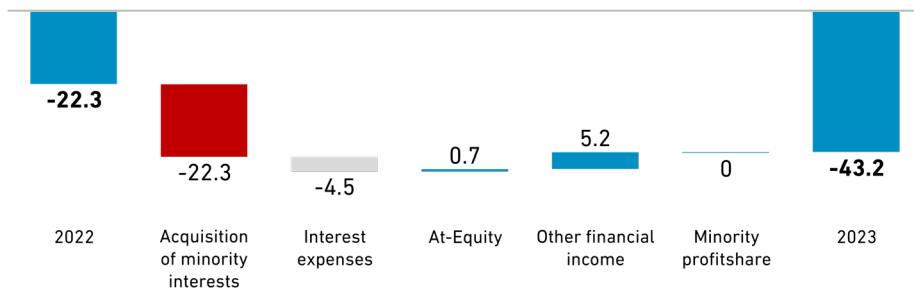
Financial result<sup>1</sup>  
in € million



+3.2%



Financial result bridge 2023  
in € million



- Financial result improved: €+1.4 m (pro forma)
- Interest expenses up by €4.5 m due to loan increase and higher interest rates for follow-up loan
- At-equity operating profit<sup>1</sup> increased by €0.7 m
- Other financial result increased by €5.2 m due to interest income on bank deposits

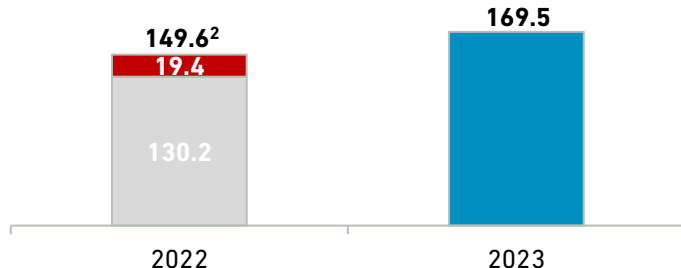
in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022 <sup>2</sup>
At-equity profit/loss	5,005	4,219
Measurement gains/losses (at equity)	3,426	3,583
Deferred taxes (at-equity)	65	-7
<b>At-equity (operating) profit/loss</b>	<b>8,496</b>	<b>7,795</b>
Interest expense	-43,313	-38,755
Profit/loss attributable to limited partners	-13,876	-13,938
Other financial result (incl. Swaps)	5,492	287
<b>Financial result<sup>1</sup></b>	<b>-43,201</b>	<b>-44,611</b>

## EBT<sup>1</sup> – Significant Increase, Positively Influenced by One-Off Income

EBT<sup>1</sup>  
in € million

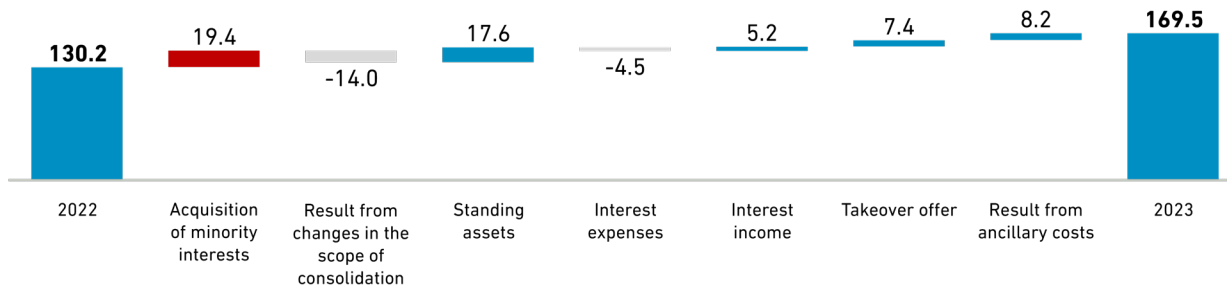


+13.3%



- EBT excl. valuation above previous year (pro forma) +13.3% (€+19.9m) due to higher operating results and income from the reversal of provisions for non-allocable ancillary costs and maintenance
- Interest income from short-term bank deposits with positive impact (€+5.2m)

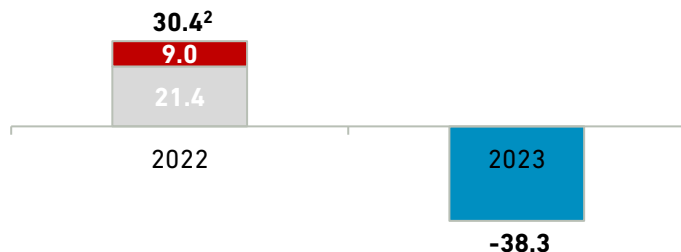
EBT<sup>1</sup> bridge 2023  
in € million



in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022 <sup>2</sup>
EBIT	212,661	194,241
Financial result <sup>1</sup>	-43,201	-44,611
EBT <sup>1</sup>	169,460	149,630

# Consolidated Result

## Consolidated result in € million



## Consolidated result decreased by €68.7 m

- Higher result from operations (EBT €+19.9 m)
- Valuation result (€-92.4 m)
- Lower taxes (€+3.8 m)

## Earnings per share decreased from €0.40 to €-0.51

in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022 <sup>2</sup>
EBT <sup>1</sup>	169,460	149,630
Valuation result <sup>1</sup>	-209,127	-116,741
Taxes <sup>1</sup>	1,390	-2,459
<b>Consolidated result</b>	<b>-38,277</b>	<b>30,430</b>
<b>Consolidated result per share in €</b>	<b>-0.51</b>	<b>0.40</b>
Weighted number of no-par-value shares issued	75,136,922	75,136,922 <sup>3</sup>

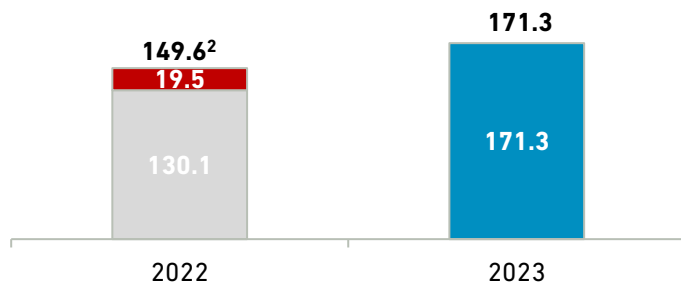
<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates | <sup>2</sup> Pro Forma | <sup>3</sup> For the purpose of improving comparability, the same weighted number of no-par value shares issued was used in the disclosure of consolidated key figures per share.

## Development of Funds From Operations (FFO)

FFO  
in € million



+14.5%



### Funds From Operations (FFO)

are used to finance the distribution of dividends, scheduled repayments on our long-term bank loans and ongoing investments in portfolio properties.

- FFO increased from €149.6 m to €171.3 m (pro forma) due to higher operating results
- FFO per share increased from €1.99 to €2.28
- Exceeding the increased forecast range of €2.08 to €2.18

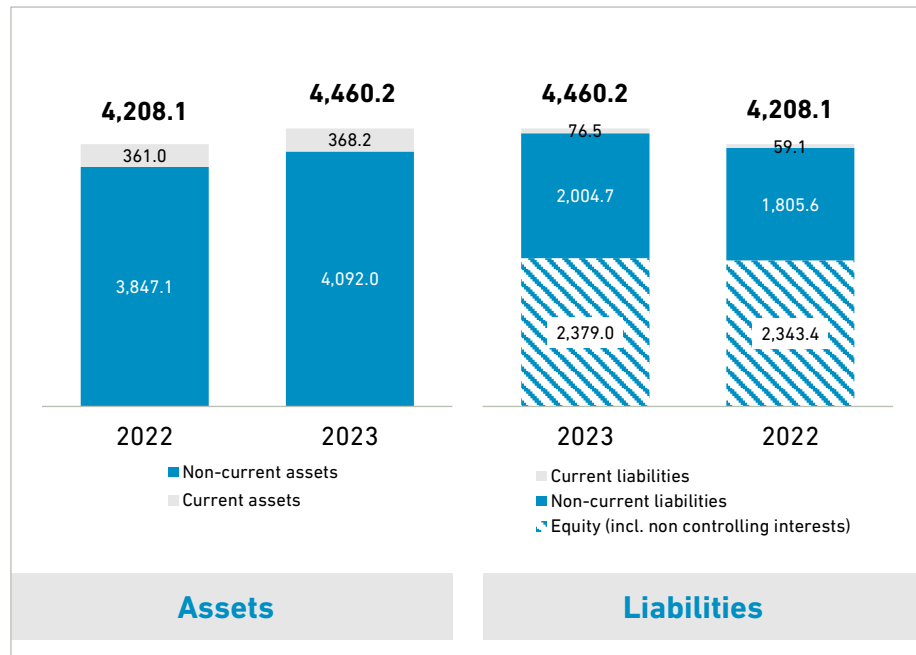
### Funds From Operations

	01.01. – 31.12.2023		01.01. – 31.12.2022 <sup>2</sup>	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	-38,277	-0.51	<b>30,430</b>	<b>0.40</b>
Valuation investment properties <sup>1</sup>	209,127	2.78	116,741	1.55
Takeover Offer <sup>3</sup>	0	0.00	4,997	0.07
Result from changes in the scope of consolidation <sup>5</sup>	7,258	0.10	0	0.00
Deferred taxes <sup>1</sup>	-6,769	-0.09	-2,601	-0.03
<b>FFO</b>	<b>171,339</b>	<b>2.28</b>	<b>149,567</b>	<b>1.99</b>
Weighted number of no-par-value shares issued		75,136,922		75,136,922 <sup>4</sup>

<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates | <sup>2</sup> Pro Forma | <sup>3</sup> After consideration of taxes | <sup>4</sup> For the purpose of improving comparability, the same weighted number of no-par value shares issued was used in the disclosure of consolidated key figures per share. | <sup>5</sup> Including acquisition costs after consideration of taxes

## Balance Sheet – Solid and Robust Structure

### Balance sheet structure in € million



- Equity ratio stands at a solid 53.3%
- LTV to 33.2% (EPRA LTV (“look through”) 34.8%<sup>3</sup>)
- Group liquidity: €336.1 m

### Balance sheet as at 31 December 2023

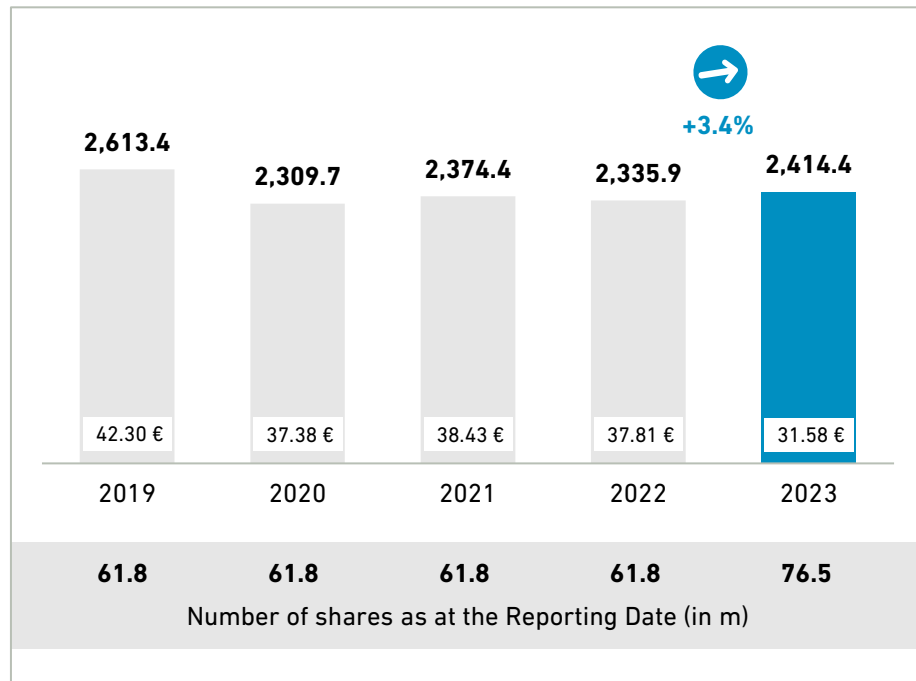
in € thousand	31.12.2023	31.12.2022 <sup>4</sup>	Change
Non-current assets	4,091,953	3,847,074	244,879
Cash and cash equivalents	336,071	334,943	1,128
Other current assets	32,173	26,089	6,084
<b>Total assets</b>	<b>4,460,197</b>	<b>4,208,106</b>	<b>252,091</b>
Equity	2,119,667	2,036,237	83,430
Non-controlling interests of limited partners	259,380	307,130	-47,750
<b>Equity (including minority interest)</b>	<b>2,379,047</b>	<b>2,343,367</b>	<b>35,680</b>
Financial liabilities	1,677,600	1,479,251	198,349
Deferred taxes	331,918	334,404	-2,486
Other liabilities	71,632	51,084	20,548
<b>Total equity and liabilities</b>	<b>4,460,197</b>	<b>4,208,106</b>	<b>252,091</b>
Equity ratio in % <sup>1</sup>	53.3%	55.7%	
LTV ratio in % <sup>2</sup>	33.2%	30.2%	
EPRA LTV ratio in % <sup>3</sup>	34.8%	33.5%	

<sup>1</sup> Including third-party interest in equity | <sup>2</sup> Ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non-current assets (investment properties and investments accounted for using the equity method) | <sup>3</sup> Ratio of net financial liabilities to long-term assets, calculated on the basis of the group share | <sup>4</sup> The disclosure of rental incentives granted was changed in the reporting year and is now recognized under investment properties. The previous year has been adjusted to improve comparability.

# Net Tangible Assets (EPRA)

## EPRA NTA

in € million (per share in €)



- EPRA NTA per share decreased due to higher amount of shares issued: €31.58 (-16.5%)
- Share price discount to NTA: 40% (18 March 2024)

## EPRA NTA

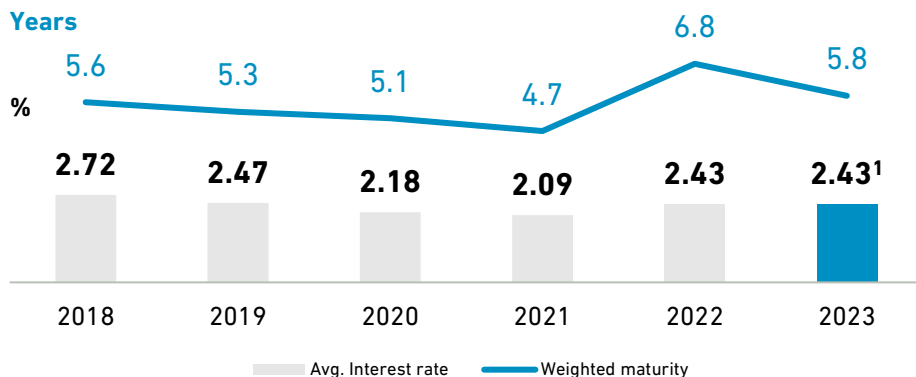
	31.12.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,119,667	27.72	2,036,237	32.96
Derivative financial instruments measured at fair value <sup>1</sup>	6,427	0.08	5,637	0.09
<b>Equity excluding derivative financial instruments</b>	<b>2,126,094</b>	<b>27.80</b>	<b>2,041,874</b>	<b>33.05</b>
Deferred taxes on investment properties and derivative financial instruments <sup>1</sup>	340,042	4.45	345,789	5.60
Intangible assets	-23	0.00	-29	0.00
Goodwill as a result of deferred taxes	-51,719	-0.67	-51,719	-0.84
<b>EPRA NTA</b>	<b>2,414,394</b>	<b>31.58</b>	<b>2,335,915</b>	<b>37.81</b>
Weighted number of no-par-value shares issued		76,455,319		61,783,594

<sup>1</sup> Including the share attributable to equity-accounted joint ventures and associates



## Interest Rate Structure<sup>1,2</sup>

Interest Lockin	Due (years)	Principal amounts (€ million)	Share of total Loan	Avg. interest Rate
2024		0		
2025	1.9	62.2	3.7%	2.03%
2026 – 2028	3.6	635.4	37.9%	2.55%
2028 ff	7.5	980.0	58.4%	2.37%
<b>Total<sup>1</sup></b>	<b>5.8</b>	<b>1,677.6</b>	<b>100.0%</b>	<b>2.43%</b>

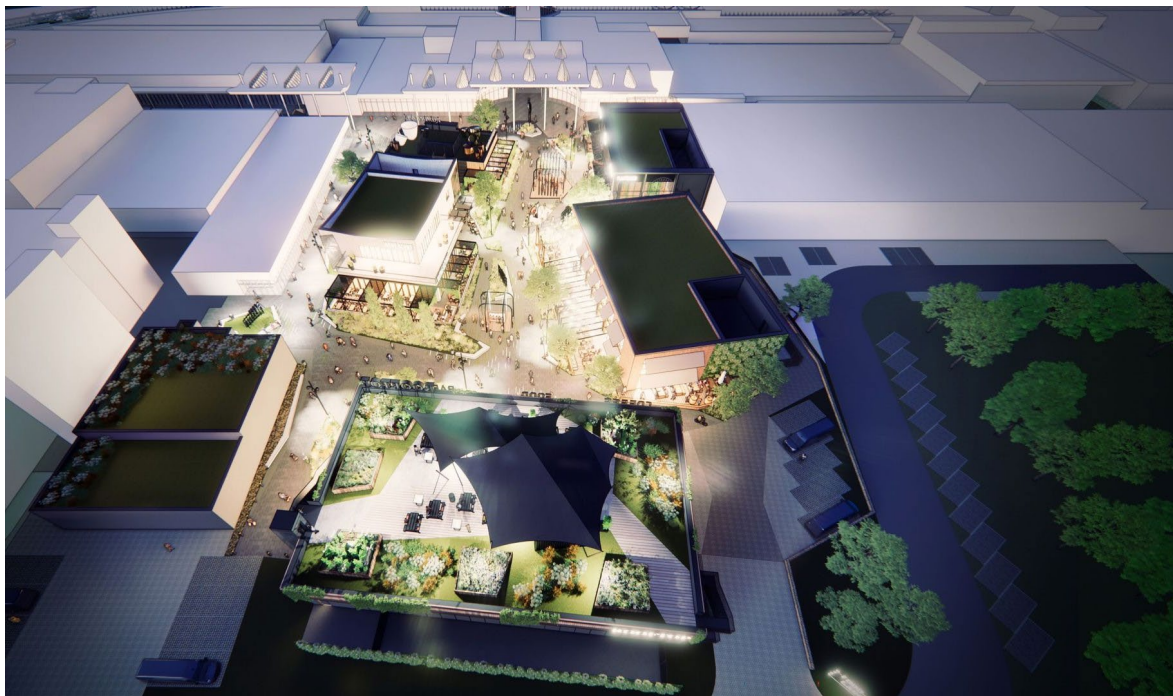


- 20 bank partners
- Weighted maturity of fixed interest periods **5.8 years<sup>1</sup>**



## Main-Taunus-Zentrum: Foodgarden

- Major investment in the DES portfolio
- Approx. €28 m total investment for the strategic advancement of the center
- Very high sustainability standards
- Completely pre-let, high-quality tenant structure: Alex, L'Osteria, The Ash, and others
- Topping out ceremony in April 2024
- Opening planned for spring 2025



## Rhein-Neckar-Zentrum: Retailtainment & Casual Dining

- New modern, free-standing restaurant building with attractive outdoor terraces, operated by L'Osteria, has opened very successfully
- Three new tenants will move into the property of a former DIY store:
  - B.O.C., a specialist bicycle retailer (opening in April 2024)
  - JUMP House, an adventure concept (opening in summer 2024)
  - A further indoor entertainment concept (opening in summer 2024)



## Rhein-Neckar-Zentrum: New Photovoltaic Plant

- Further sustainability investments in the Rhein-Neckar-Zentrum
- Photovoltaic system is currently being installed on the roof of the center
- Completion is scheduled for April 2024
- Investment: €1.1 m
- Output: 770 kilowatt peak (kWp)
- Level of self-sufficiency: 21%
- Electricity costs of around €139 k per year can be saved in future

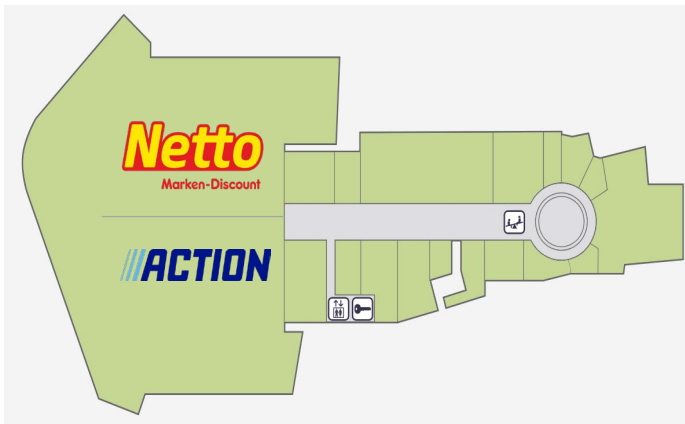


## Stadt-Galerie Hameln and A10 Center: New Promising Tenants

### ■ Stadt-Galerie Hameln:

Building permit has been granted

Action and Netto to open in Autumn 2024 on the former site of the real market



### ■ A10 Center:

Building permit has been granted

MediaMarkt and TK Maxx will open end of 2024 as strong neighbours for the successful Kaufland

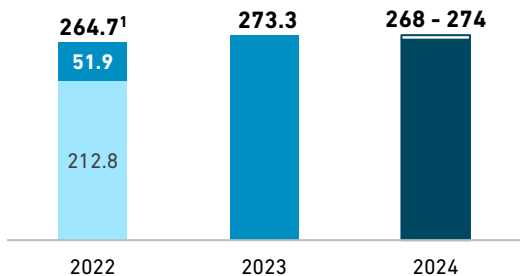


Both projects are on time and within budget

## Forecast

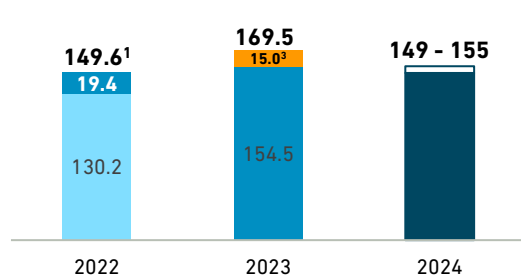
## REVENUE

€m



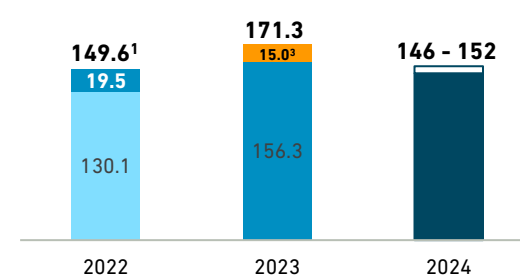
## EBT EXCL. VALUATION

€m



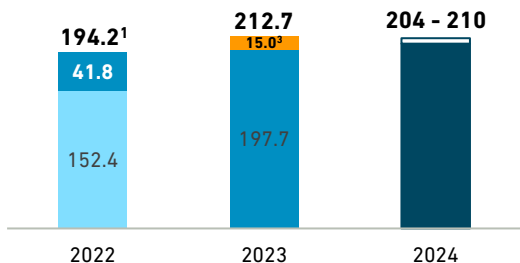
## FFO

€m



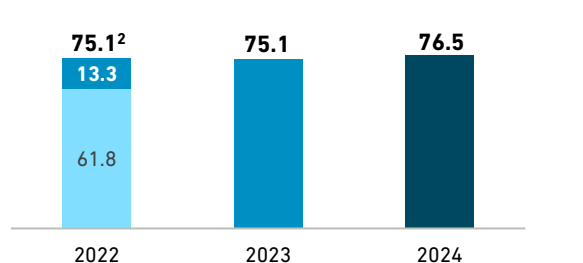
## EBIT

€m



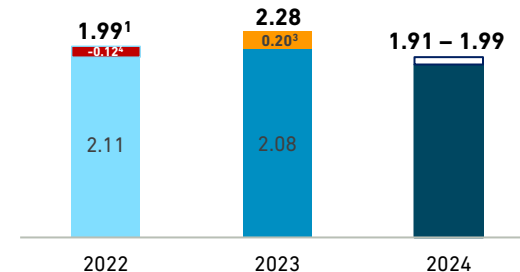
## NUMBER OF SHARES

mn



## FFO PER SHARE

€



1 Pro forma | 2 For the purpose of improving comparability, the same weighted number of no-par value shares issued was used in the disclosure of consolidated key figures per share for 2022

3 One-off effect on other operating income in the amount of around € 15 million or €0.20 per share (excl. taxes) | 4 Pro forma dilution

# Financial Calendar

## 2024

19.03.	Preliminary Results FY 2023
26.04.	Publication of the Annual Report 2023
14.05.	Quarterly Statement 3M 2024
25.06.	Annual General Meeting
14.08.	Half-year Financial Report 2024
14.11.	Quarterly Statement 9M 2024



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### Important Notice: Forward-Looking Statements

Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements. Deutsche EuroShop does not intend to update these forward-looking statements and does not assume any obligation to do so.

### Rounding and rates of change

Percentages and figures stated in this report may be subject to rounding differences. The rates of change are based on economic considerations: improvements are indicated by a plus (+); deterioration by a minus (-).

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