



9M 2018/2019 results

1 October 2018 to 30 June 2019

14 August 2019

Deutsche
Konsum
REIT-AG



Agenda

Highlights 9M 2018/2019

Property Portfolio

Financial structure

Financials 9M 2018/2019

Appendix

- Strategy

- Management

- External partners

- Revitalisation / Value add

- Property overview as at 30 June 2019

- Glossary

Strong portfolio growth

- Acquired 34 retail properties with a total investment volume of 160 mEUR at an average yield of 9.3%
- (Proforma) portfolio now generates annualised rents of 49.2 mEUR

Operational business in good shape

- FFO margin increased to 64% (+10pp)
- 1.1% rent increase per sqm (lfl adjusted for capex-induced rental increases)
- Vacancy dropped to 9.2%
- WALT has increased to 5.4 years due to prolongation of major rental contracts

Portfolio valuation increase

- Revaluation of the property portfolio as at 30 June 2019 up 6.9% or 32.4 mEUR
- Valuation amounts to 12.8x multiple of in-place annual rent / yield of 7.8%

Financial structure strengthened

- ICR rose to 5.3x EBITDA which led to rating upgrades
- Issue of 50mEUR unsecured corporate bond has uplifted acquisition power

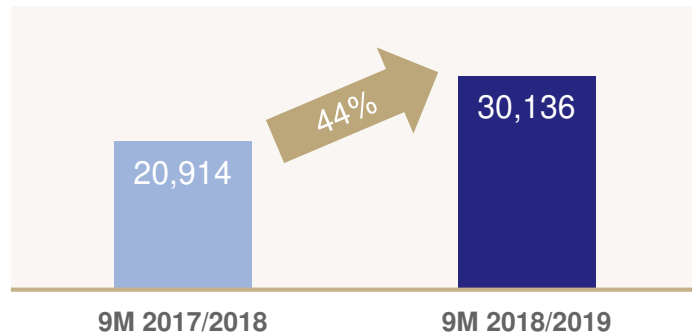
9M 2018/2019 results

Financial key figures

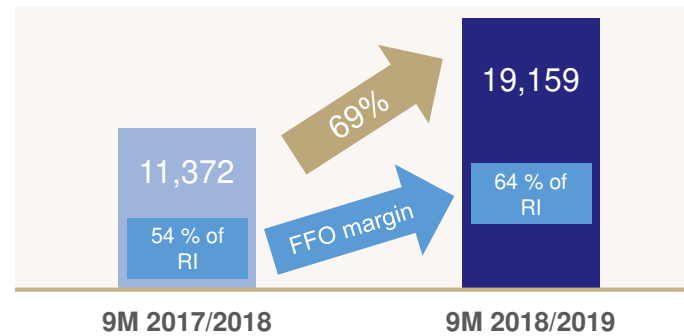
Strong and continuous growth

5

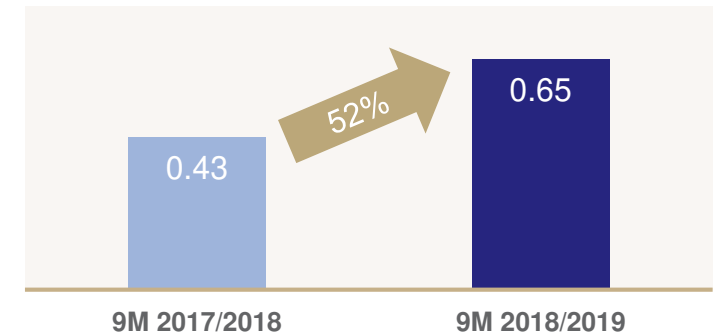
Rental income (kEUR)



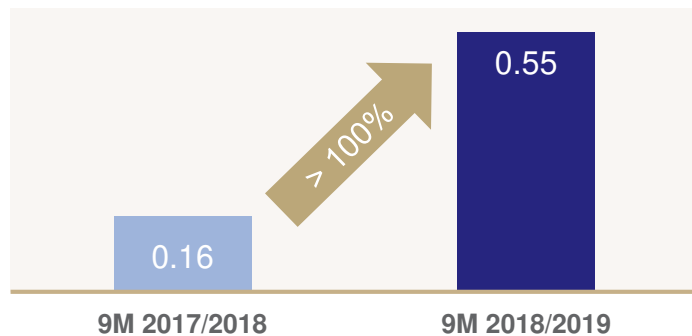
FFO (kEUR)



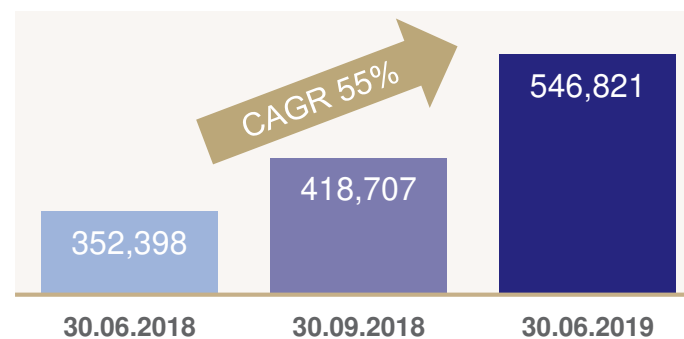
FFO per share (EUR)



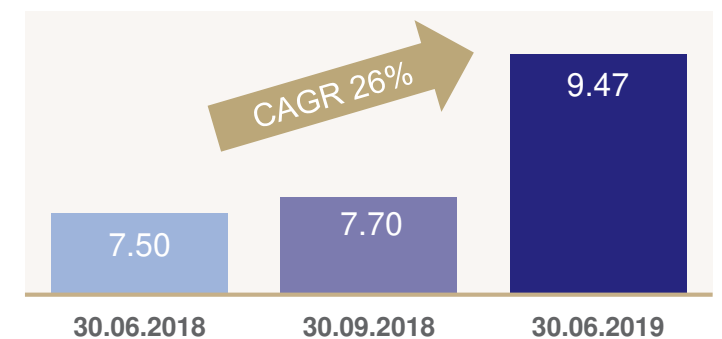
aFFO per share (EUR)



Investment properties (kEUR)



EPRA NAV per share (EUR)

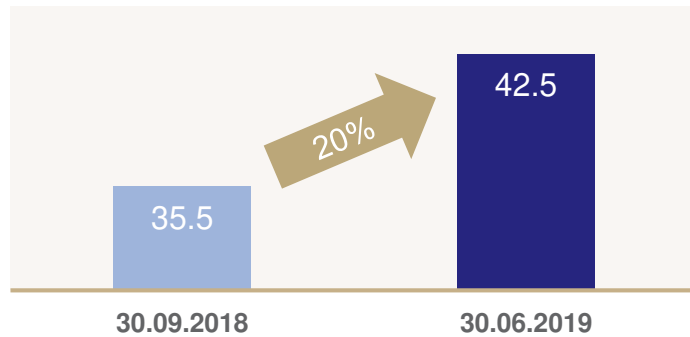


Property portfolio

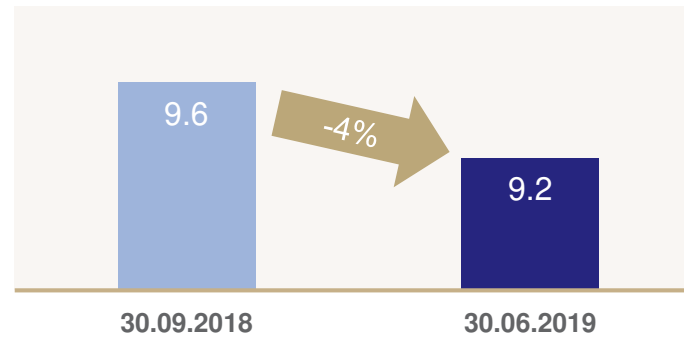
Property portfolio

Key portfolio figures as at 30 June 2019

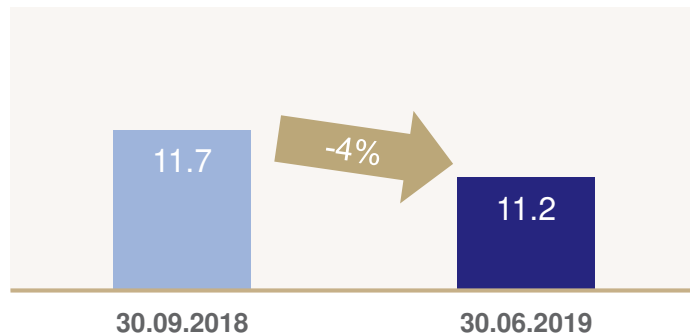
Annualised rent (mEUR)



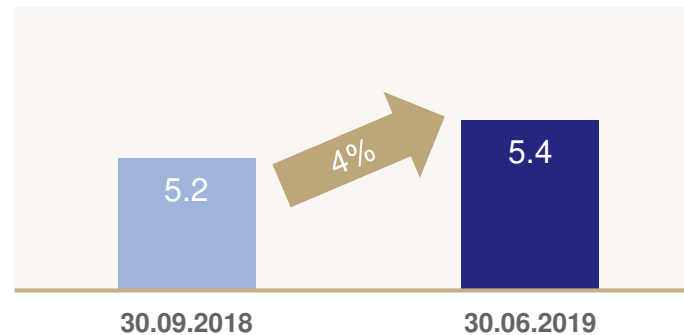
Vacancy (%)



Initial yield (%)



WALT (years)



>> Portfolio snapshot:

- Key portfolio figures based on 113 properties accounted as at 30.06.2019
- Vacancy level mainly dropped due to the latest addition of assets with high occupancy rates
- Increase of WALT mainly due to long lease extensions and new properties with higher WALTs

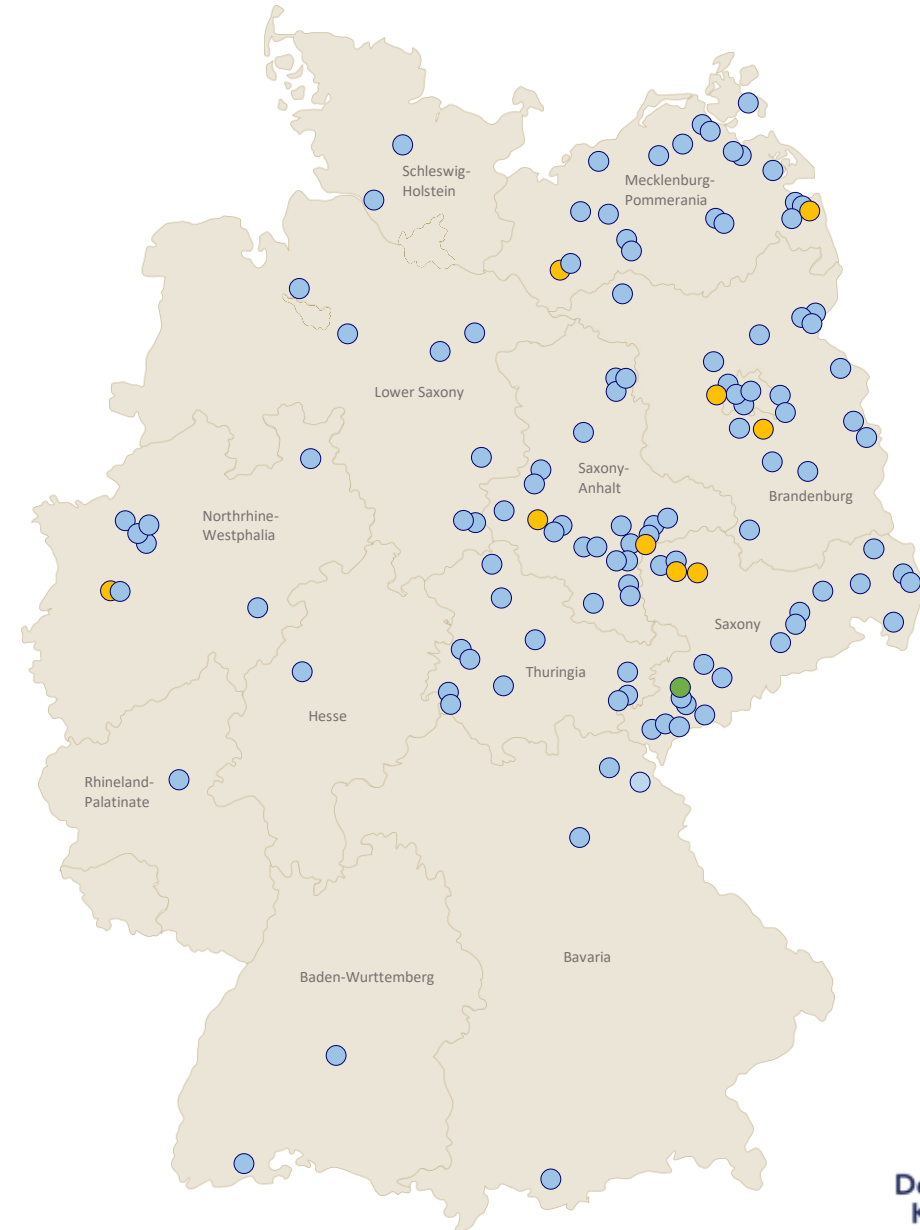
Property portfolio

Portfolio consists of 123 properties with 727,000 sqm

>> Top 10 assets with the highest fair values (as at 30 June 2019):

	City	Lettable space (sqm)	Year of acquisition	Annual rent (mEUR)	Fair value (mEUR)	Valuation gain since acquisition (%)
1	Elsterwerda	34,435	2018	1.76	26.4	+15
2	Leipzig	22,400	2015	1.68	26.0	+73
3	Erfurt	16,920	2015	1.50	25.0	+16
4	Ludwigslust	14,386	2015	1.55	24.7	+90
5	Werdau	39,390	2018	2.31	22.5	+17
6	Greifswald	9,410	2016	1.28	19.3	+43
7	Oer-Erkenschwick	9,555	2017	1.26	18.9	+41
8	Pritzwalk	15,157	2016	1.36	17.8	+32
9	Bitterfeld	19,682	2015	1.08	15.6	+56
10	Grevenbroich	11,961	2019	1.13	14.0	+7
		193,296		14.91	210.2	

- Portfolio as at 30.06.2019 (113 properties)
- Transfers of ownership occurred after 30.06.2019 (9 properties)
- Acquired assets with outstanding transfer of ownership (1 property)



Property portfolio

Selection of the latest property acquisitions

>> 9M 2018/2019 total investment volume amounts to 160 mEUR:

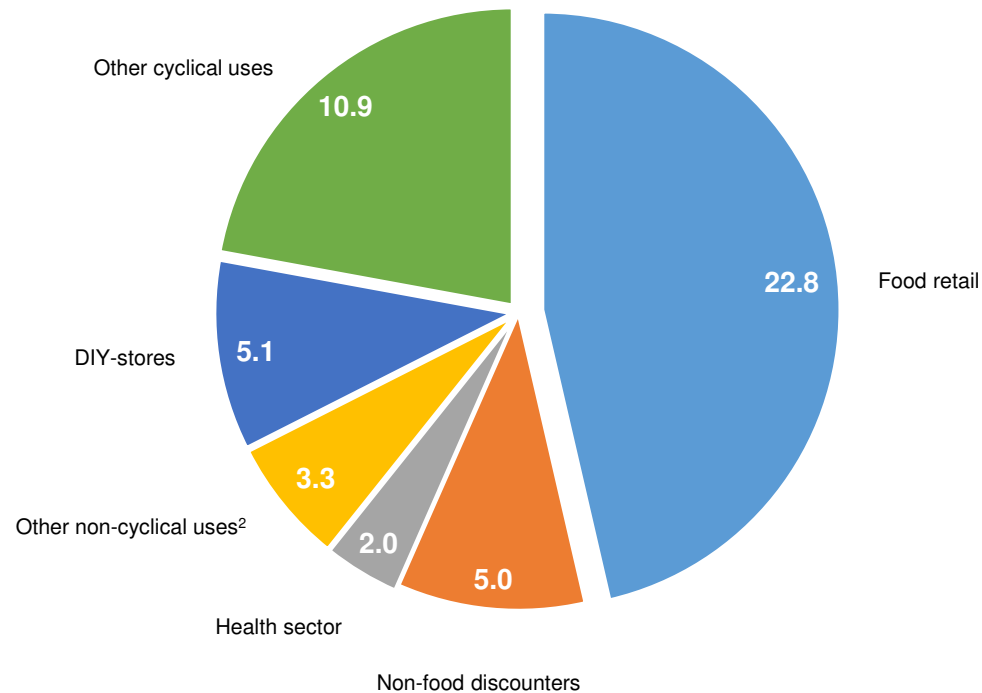


Location	Chemnitz – Vita Center (Saxony)	Eggesin (Mecklenburg-Pommerania)	Lübz (Mecklenburg-Pommerania)
Space (sqm)	42,000	1,200	1,700
Annualised rent (kEUR)	2,900	126	146
Main tenants	REWE, ALDI, DM, Deichmann and others	Netto	Lidl
WALT	c. 7 years	c. 9 years	c. 6 years
Announced	03 June 2019	03 June 2019	03 June 2019
Transfer of ownership	September 2019	July 2019	July 2019

Tenant mix

Rent contribution from non-cyclical tenants of c. 68%































>> Rent contribution by tenant classification (mEUR)¹:



¹ Annualised rent contribution of the pro forma portfolio (123 properties) as at 30 June 2019

² Involves e.g. drug stores, bakeries, banks and apartments

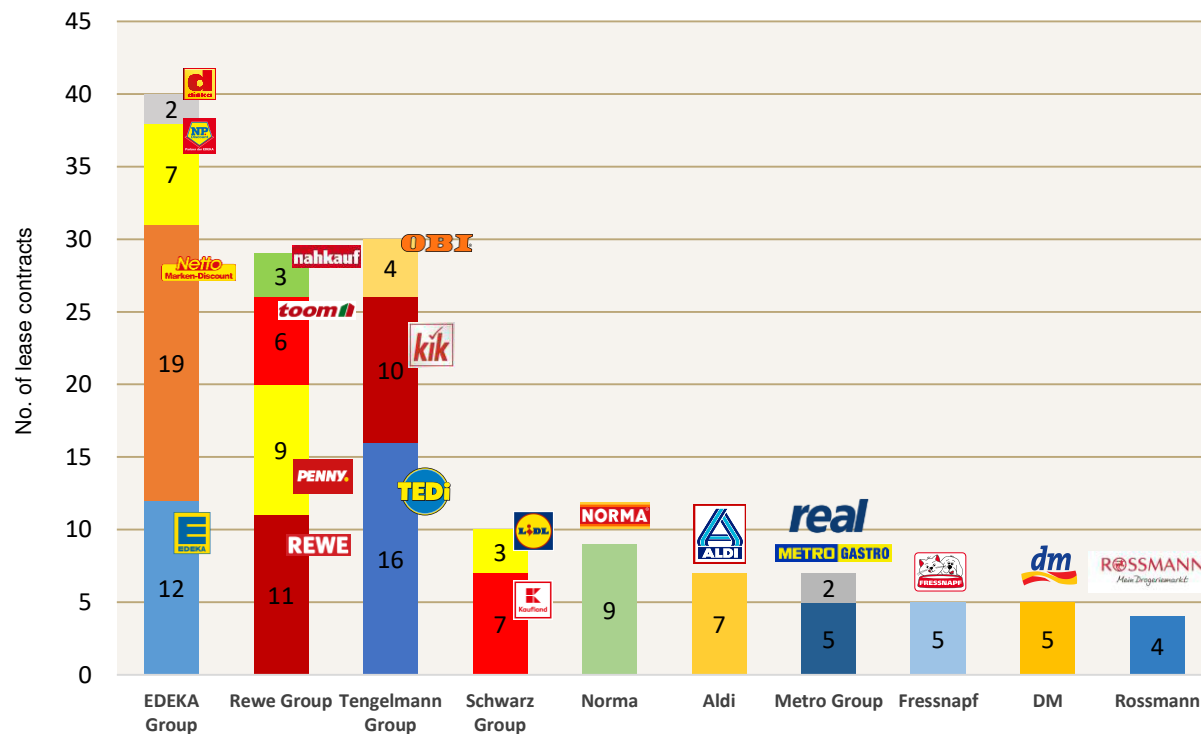
>> Rent contribution by major tenants¹:

Tenant group	Brands	Rents (mEUR)	WALT in years
Schwarz Group	 	6.9	5.5
Edeka Group	   	6.8	6.7
Rewe Group	  	3.3	6.7
Metro Group	 	2.8	8.5
Bartels-Langness Group		1.0	8.4
ALDI		0.8	5.6
Norma		0.6	4.2
Others	  	0.6	5.0
Food retail		22.8	6.5
Rewe Group		2.1	5.9
Tengelmann Group		1.7	4.9
Others		1.3	5.8
DIY stores		5.1	5.5
Tengelmann Group	 	1.4	4.3
Others	       	3.6	5.3
Non-food discounters		5.0	5.0

Leases

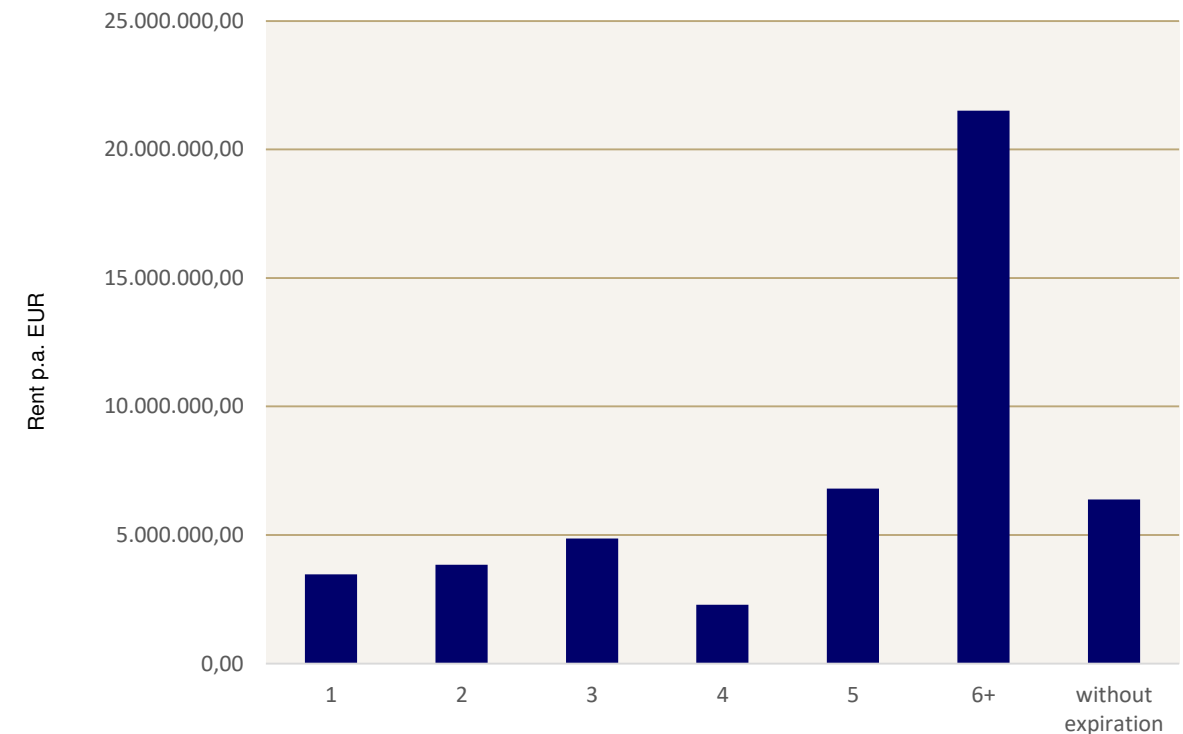
DKR as a reliable partner for stable long-term tenancies

>> Multiple leases with the same tenants¹:



➤ Multiple leases with the same tenant strengthens DKRs position towards the tenants

>> Annualised rents allocated to years of lease contract maturities¹:



➤ WALT as at 30 June 2019: 5.6 years

¹ Based on the proforma portfolio as at 30 June 2019

Property portfolio

Revaluation uplift by 6.9% as at 30 June 2019

>> Portfolio development within the last 21 months:

	30.09.2017	30.09.2018	30.06.2019	Proforma portfolio (including signed assets)
Number of properties	62	90	113	123
Rental space (sqm)	330.1	517.8	637.7	726.6
Total fair value (mEUR)	275.4	418.7	546.8	625.0
Fair value per sqm (EUR)	835	809	858	860
Valuation multiple	11.1x	11.8x	12.8x	12.8x
Total annualised portfolio rent (mEUR)	24.8	35.5	42.5	49.2
Vacancy rate (%)	14.6	9.6	9.2	10.4
WALT (years)	4.6	5.2	5.4	5.6

- DKRs avg. acquisition price of c. 595 EUR / sqm (portfolio as of 30 June 2019) far below replacement costs
- Fair value of the portfolio as of 30 June 2019 up by 32.4 mEUR or 6.9%
- Driven by lease contract prolongations and vacancy reductions as well as yield compression
- Potential valuation gains after completion of revitalisations not included
- Valuation done by CBRE

Valuation potential

Share price currently trades at a 6.7% yield

>> NAV impact derived from factor increases (c.p.) leads to upside potential:

	Annualised total portfolio rent (mEUR)	Hypothetical valuation multiple	Yield	Portfolio value (mEUR)	Net LTV	Net debt outstanding	NAV (mEUR)	Number of shares m	Hypothetical NAV per share (EUR)
Current portfolio as at 30.06.2019	42.5	12.9	7.8%	546.8	50,7%	298.7	283.7	29,960	9.47
Assumptions (Pro forma portfolio)	49.0	14.0	7.1%	686.0	44%	298.7	387.3	29,960	12.93
	49.0	14.5	6.9%	710.5	42%	298.7	411.8	29,960	13.74
	49.0	15.0	6.7%	735.0	41%	298.7	436.3	29,960	14.56
	49.0	15.5	6.5%	759.5	39%	298.7	460.8	29,960	15.38
	49.0	16.0	6.3%	784.0	38%	298.7	485.3	29,960	16.20
	49.0	16.5	6.1%	808.5	37%	298.7	509.8	29,960	17.02
	49.0	17.0	5.9%	833.0	36%	298.7	534.3	29,960	17.83

Current trading
level of DKR
shares

- We believe that there is a still potential for value increases in the future
- Compared to the peer group DKRs external portfolio valuation (book value) is still at fairly conservative ~ 7.8% yield which implies hidden reserves

¹ Assumptions are based on the current pro forma portfolio consisting of 123 assets and GAV of 625 mEUR with an annualised rent of 49.0 mEUR

Financial structure



Financial structure

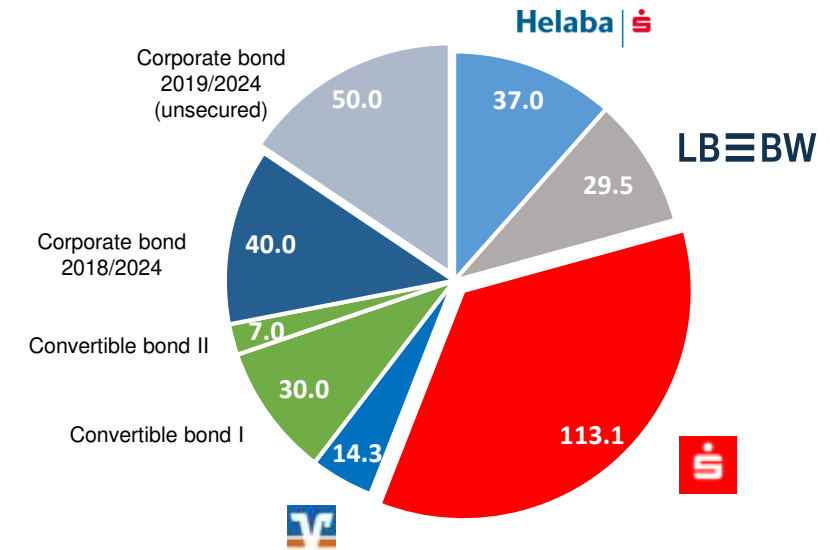
Conservative and efficient debt structure

>> Financial KPIs:

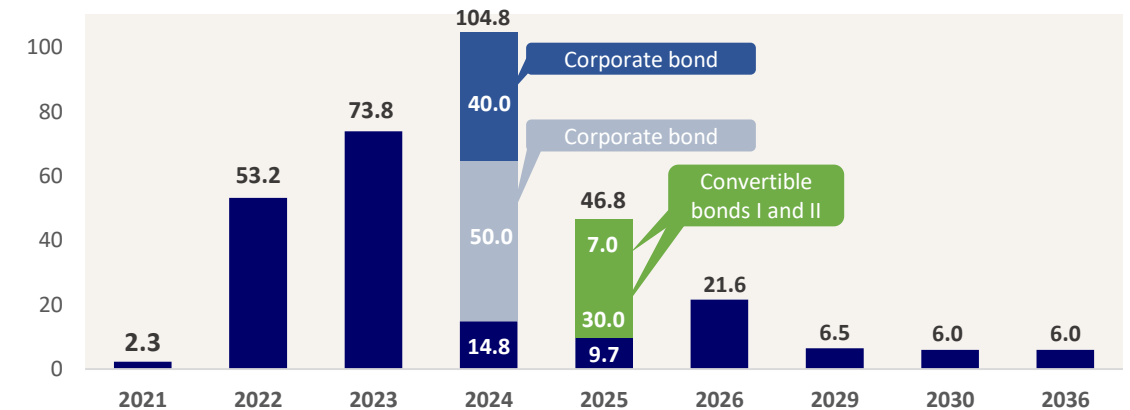
	30.06.2019	30.09.2018	%
Total financial debt (loans / bonds / convertible bonds), mEUR	312.5	231.6	+35
Avg. loan interest, % p.a.	2.00	1.98	+1
Avg. total debt interest, % p.a.	1.95	1.87	+4
(Net-) LTV (%)	50.7	51.2	-1
Average loan maturity (years)	5.0	5.5	-9
ICR (EBITDA excl. valuation / interest results)	5.3x	3.9x	+36
Rating secured senior debt (Scope)	„BBB“ (Investment grade)	„BBB“ (Investment grade)	-
Rating unsecured senior debt (Scope)	„BBB-“ (Investment grade)	„BB+“ (Non-Investment grade)	-

- Significant increase of ICR to 5.3x
- “Investment grade” rating uplift for unsecured debt in February 2019
- Interest costs of DKR have potential for further decreases

Debt allocation (mEUR initial nominal debt)



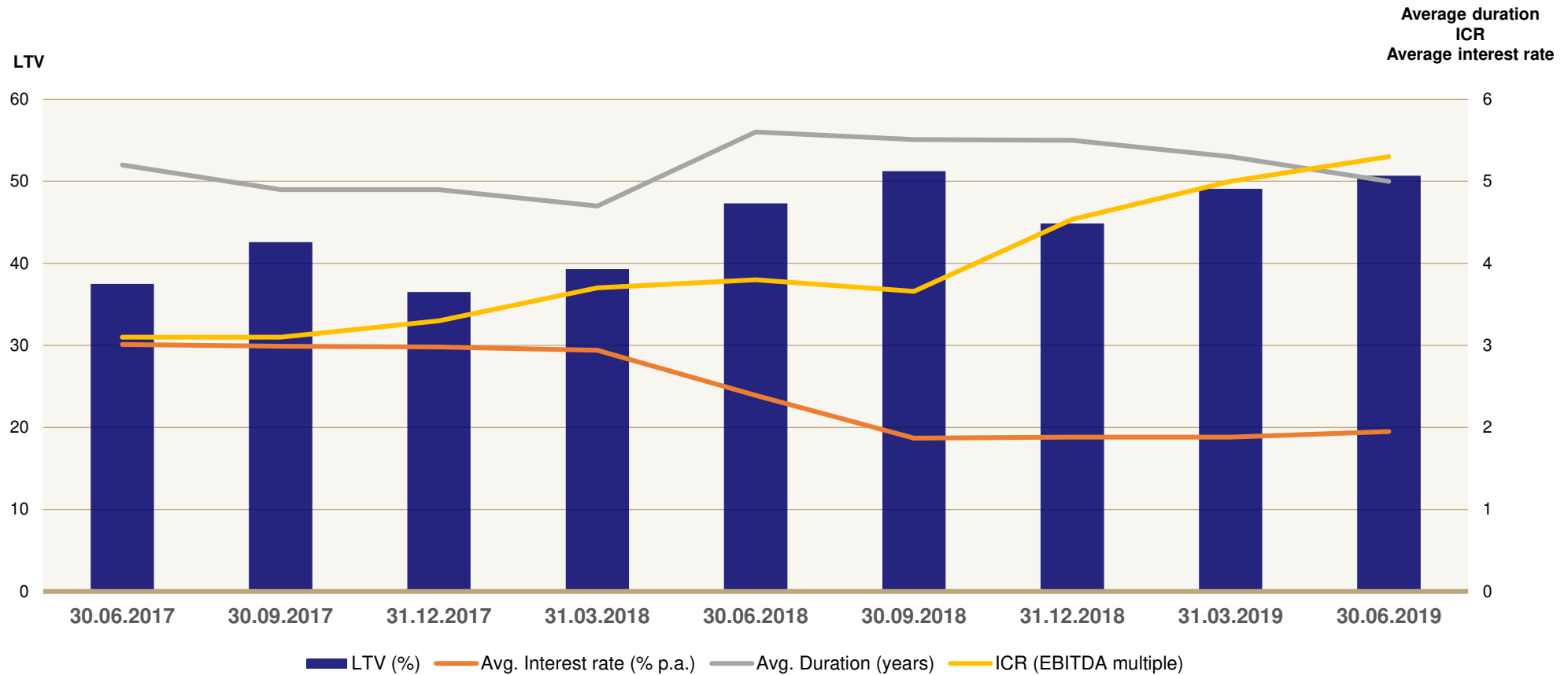
Loan allocation according to maturity of fixed interest rates (mEUR initial nominal debt)



Financial structure

Reduced interest costs while solvency has strongly increased

>> Development of debt metrics over the last 24 months:



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Financials 9M 2018/2019

Condensed IFRS balance sheet

	kEUR	30.06.2019	30.09.2018	kEUR	30.06.2019	30.09.2018	
	Assets			Equity and liabilities			
Pro forma portfolio currently mEUR 625 (including the latest notarised acquisitions)	Investment properties	546,821.0	418,707.3	Subscribed capital	29,959.9	27,236.3	Increased equity due to 10% Capital increase on 22 Nov 2018 with cash contribution of mEUR 29.3
	Other non-current assets	42,759.0	18,524.3	Capital reserves	121,463.5	94,164.9	
	Deferred tax assets	0.0	0.0	Other reserves	855.7	855.7	
	Total non-current assets	589,580.0	437,231.6	OCI	-257.1	0.0	
Purchase prices in escrows	Other current assets	20,624.0	15,560.8	Retained earnings	131,706.6	87,505.5	
	Cash position	408.3	140.5	Total equity	283,728.6	209,762.4	Emission of mEUR 50 unsecured bond on 5 April 2019
	Total current assets	21,032.4	15,701.3	Bank liabilities	170,924.5	146,709.3	
Contains VAT receivables and cash escrows as well as interest bearing short-term cash investments				Convertible bonds	36,125.8	36,098.9	
				Corporate bonds	90,226.5	40,158.4	
				Other liabilities	8,631.7	7,866.6	
				Deferred tax liabilities	0.0	0.0	Increased bank liabilities due to new loans withdrawn and refinancing of short term loans
				Total long-term liabilities	305,908.5	230,833.1	
				Bank liabilities	10,897.7	8,513.7	
				Other financial liabilities	4,345.7	116.2	
				Other short-term liabilities	5,731.9	3,707.6	
				Total short-term liabilities	20,975.3	12,337.5	
	Total assets	610,612.4	452,932.9	Total equity and liabilities	610,612.4	452,932.9	

Financials 9M 2018/2019

LTV and EPRA NAV

>> LTV (loan-to-value):

kEUR	30.06.2019	30.09.2018
Bank loans	181,822.3	155,223.0
Convertible bonds	36,125.8	36,098.9
Corporate bond	90,226.5	40,158.4
Other short term borrowings	4,345.7	116.2
Total financial liabilities	312,520.3	231,596.4
- Cash position	-408.3	-140.5
- Property management accounts ¹	-4,882.1	-
- Short term interest bearing lendings	-8,507.9	-7,425.6
Net debt	298,722.0	224,030.4
Investment properties	546,821.0	418,707.3
Purchase prices paid into escrow	42,754.1	18,518.5
Properties	589,575.1	437,225.8
Net LTV	50.7%	51.2%

>> EPRA NAV:

kEUR	30.06.2019	30.09.2018
Total equity	283,728.6	209,762.4
Conversion of convertible bonds	0.0	0.0
NAV	283,728.6	209,762.4
Fair value of derivative instruments	-	-
Deferred taxes	-	-
EPRA NAV	283,728.6	209,762.4
Number of shares	29,960,944	27,236,313
EPRA NAV per share (EUR), undiluted	9.47	7.70

¹ Included since Q1 2018/2019

Financials 9M 2018/2019

Condensed IFRS income statement

Rental income has mainly increased in the course of the property portfolio growth

Interest expenses resulting from interest bearing short-term lendings of unused cash amounts

Contains a non-cash valuation effect of 700 kEUR from the revaluation of convertible bonds after the amendments of the bond conditions effective Nov 2018

¹ Presentation changed according to new IFRS 15 accounting rules obligatory since the beginning of the financial year; therefore prior year figures were adjusted

kEUR	01.10.2018 – 30.06.2019	01.10.2017 – 30.06.2018	%
Rental income	30,136.0	20,914.4	44.1
Income from recharched operating costs ¹	4,289.3	1,788.6	>100.0
Operating expenses	-11,130.3	-7,289.9	>-52.7
Net rental income	23,295.0	15,413.0	51.1
Income from property disposal	975.0	30.0	>100.0
Expenses from property disposal	-658.1	-30.0	>-100.0
Net result from property disposal	316.9	0.0	>100.0
Gains from fair value measurement of investment properties	32,351.0	15,390.6	>100.0
Other operating income	442.3	37.9	>100.0
Personnel expenses	-526.9	-371.9	-41.7
Depreciation of other assets	-0.8	-0.5	-20.0
Impairment of receivables	0.0	-117.9	>100.0
Other operating expenses	-1,582.2	-1,303.9	-21.3
EBIT	54,295.4	29,047.1	86.9
Interest income	1,202.9	243.6	>100.0
Interest expenses	-5,305.2	-3,854.7	-37.6
EBT	50,193.1	25,436.0	97.3
Taxes	0.0	-10.5	>-100.0
Total period income	50,193.1	25,425.5	97.4
Earnings per share (undiluted), EUR	1.70	0.96	78.5
Earnings per share (diluted), EUR	1.18	0.65	81.2

Opportunistic sale of a supermarket in Berlin-Konradshöhe for a 18x annual rent multiple

Property valuation as of 30 June 2019 led to significantly higher fair value gains

Contains one-offs of 179 kEUR. Remaining increase results from higher general expenses for IR work, appraisers fees and others in course of the company's growth

FFO reconciliation

>> FFO/aFFO:

Contains non-cash items due to IFRS revaluation of convertible bonds

Contains non-periodic items of 440 kEUR as well as non-recurring expenses of 274 kEUR (e.g. consultancy fees due to new IFRS standards, implementation of a new software etc.)

kEUR	01.10.2018 – 30.06.2019	01.10.2017 – 30.06.2018	%
Total period income	50,193.1	25,425.5	97.4
+/- Income taxes	0.0	10.5	>-100.0
+ Depreciation of other assets	0.8	0.7	23.2
+/- Gain/loss from remeasurement of investment properties	-32,351.0	-15,390.6	>-100.0
Net result from property disposal	-316.9	0.0	>-100.0
Non-cash expenses / income	918.3	415.5	>100.0
Other non-recurring expenses	714.7	910.4	-21.5
FFO	19,158.9	11,371.9	68.5
- Capex	-2,873.6	-7,221.9	>-100.0
aFFO	16,285.3	4,150.0	>100.0
FFO per share (EUR), undiluted¹	0.65	0.43	52.3
aFFO per share (EUR), undiluted¹	0.55	0.16	>100.0

¹ On the basis of average number of shares within the period

DKR shares



DKR shares

DKR share performance reflects the scalability of the business model

>> DKR shares:




12.08.2019

ISIN	DE000A14KRD3
WKN	A14KRD3
Symbol	DKG
Number of shares	29,959,944
Nominal capital (kEUR)	29,959
Share class	Bearer shares
Stock exchanges	XETRA, Frankfurt, Berlin
Segment	Prime Standard
Indizes	Prime all share, CDAX, DIMAX, RX REIT
Share price (EUR)	14.70
52w high/low (EUR)	17.00 / 10.95
Market Cap (EUR)	c. 440.000.000



- DKR shares trade at a 7.5% FFO-yield (referring to the expected running rate of 33.0 mEUR at 30 Sep 2019)
- Dividend yield at c. 2.7% (referring to the dividend forecast of 0.40 EUR for the FY 2018/2019)

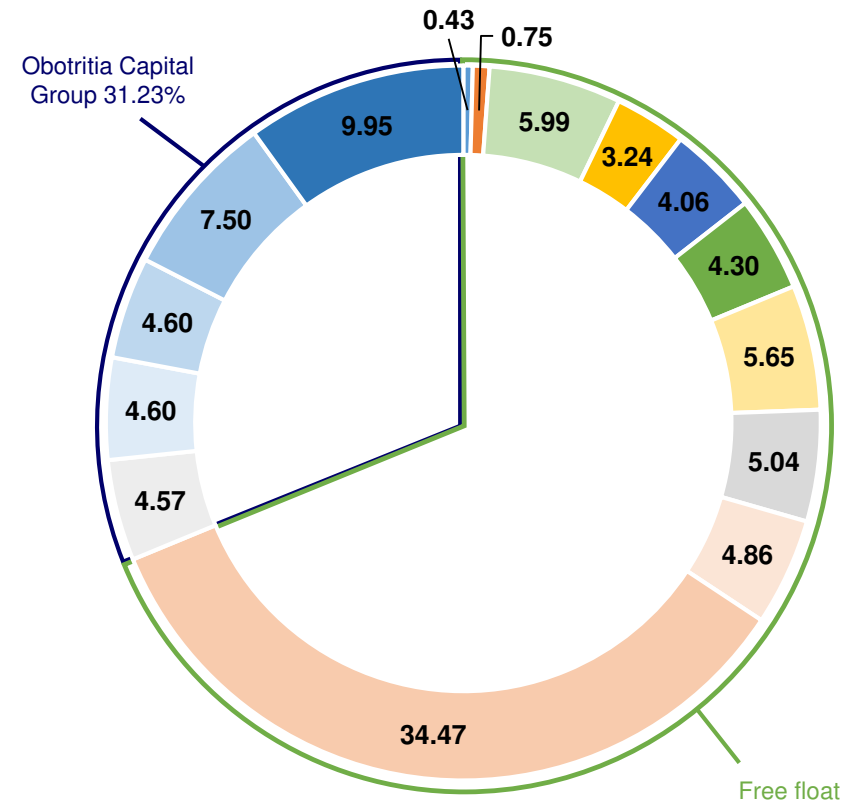
>> Analyst coverage:

Publication date	Bank	Analyst	Recommendation	Price target
13 August 2019	 BERENBERG PRIVATBANKIERS SEIT 1590	Kai Klose	„Buy“	EUR 18.90
9 August 2019	 Bankhaus Lampe	Dr. Georg Kanders	„Buy“	EUR 18.50
21 February 2019	 ODDO BHF	Thomas Effler	„Buy“	EUR 12.80

>> DKR share developments in 9M 2018/2019:

- Successful 10% share capital increase closed on 22 Nov 2018
- Issuance of 2.7 million new shares at a share price of 11 EUR
- Increased free float
- DKR aims to step into EPRA indices and SDAX

>> Current shareholder structure (30 June 2019) :



- Carmignac Gestion
- Midgard Beteiligungsgesellschaft mbH/ EFa Vermögensverwaltungs KG
- Parson GmbH
- Tiven GmbH
- 9. Ostdeutschland Invest GmbH
- Retail Real Estate Opportunity UG
- Zerena GmbH
- Goebel Home Accessories AG
- Lotus AG
- Other free float
- Obotritia Alpha Invest GmbH
- Försterweg Beteiligungs GmbH
- Hevella Capital GmbH & Co. KGaA
- Babelsberger Beteiligungs GmbH
- Obotritia Capital KGaA

Guidance



Outlook and guidance

Outlook to Fiscal Year 2018/2019

>> FFO-Guidance for FY 2018/2019:

- DKR expects FFO between 26.0 mEUR and 29.0 mEUR
- FFO run rate of 33.0 mEUR by the end of FY 2018/2019

>> Dividend outlook for FY 2018/2019:

- Based on current projections we expect a dividend of 0.40 EUR per share

Financial calendar









Financial calendar

DKRs next financial events

>> Financial calendar:

Date	
14.08.2019	Publication of the quarterly statement for the third quarter of 2018/2019 financial year
18.12.2019	Publication of the final annual statements/annual financial report for the financial year 2018/2019

>> Upcoming events:

Date		Country
02.09.2019	Roadshow, Helsinki	
04.09.2019	Roadshow, London	
10.09.2019	Roadshow, Brussels	
23.09.2019	Berenberg and Goldman Sachs Eighth German Corporate Conference, Munich	
24.09.2019	Baader Investment Conference, Munich	
26.11.2019	Deutsches Eigenkapitalforum, Frankfurt am Main	

Appendix



>> Growing BASIC RETAIL investor – biggest niche player in Germany:



Retail property portfolio in established micro locations

- 121 retail properties
- > 0.5bn EUR GAV and 46mEUR annualised rents
- Initial yields > 10%
- Best local micro locations all over Germany



Defensive and solvent tenant mix

- Food-anchored and non-cyclical tenants for daily needs supply (BASIC RETAIL)
- Very solvent tenants
- Less negative impact by E-commerce
- Multiple leases with the same tenants are game changers and strengthen DKRs bargaining power



Stock exchange listed investor

- Prime Standard listing
- Significantly increased market cap
- High cashflows
- Mandatory dividend distribution
- Highest transparency standards



Solid and efficient funding

- Company and trade tax exemption due to REIT status
- 55% maximum LTV leverage
- Average costs of debt < 1.9% per annum
- Very lean admin structure

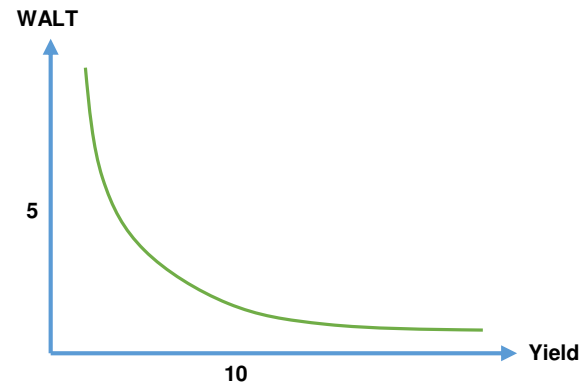
Investment approach

>> Growing BASIC RETAIL investor – biggest niche player in Germany:



Highly fragmented niche to be consolidated

- Niche of properties in a range between 1 mEUR and 25 mEUR too big for private investors and too small for institutional investors
- Semi-professional market niche which DKR runs professionally
- Asset-wise acquisitions cheaper than portfolio deals



Accepting short WALTs

- We make use of the disproportionate decline of property prices compared to the decline of the WALT on the market
- Deep property analysis before acquisition



High-speed acquisition process

- DKR buys out of equity which is advantageous in the acquisition process
- Debt refinancing after acquisition

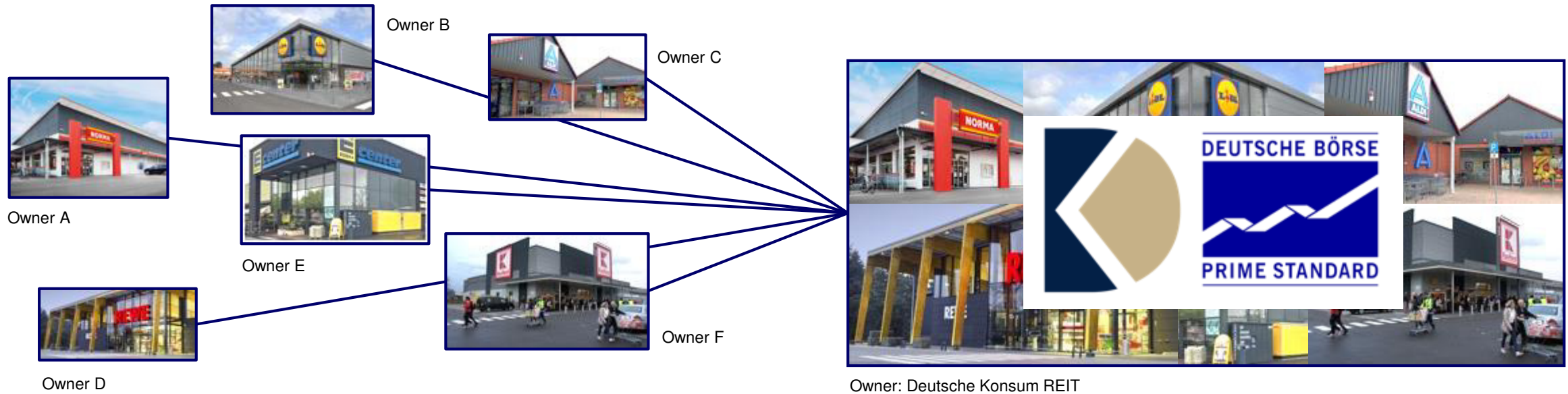


Value enhancing asset management

- Investing in properties if value enhancing
- DKR as a reliable partner of the tenant
- Vacancy reduction and rental contract prolongations
- Multiple leases with the same tenant increase DKR's power

Business Model & Strategy

Bundling single properties into an institutional asset class



- Strong and effective **risk diversification** of single properties by bundling them into a portfolio
- **Synergies and stronger position** towards tenants
- Significant funding advantages on a portfolios basis
- **Tax exemption** due to REIT-Status
- **Institutional** quality of the DKR share due to Prime Standard listing, dividend obligation and full transparency

Business Model & Strategy

Basic retail sector remains stable with best outlook

>> Main statistical data according to latest sector analysis 2017¹:

4.2 %
Growth of the
stationery retail
in 2017

**124m
sqm**
Total retail
lease area in
Germany

- Strong German economy and increasing consumption in the private sector underscores this growth
- Market share of DKR of 0.6% (720k sqm)
- „E-commerce remains as a platform for the non-food-sector¹“

Company	Sales Channel (selection)	Stores		Sales Area		Space Productivity (gross)		Turnover	
		No.	Change since 2016	Ave. per store in sq m	Change since 2016	€/sq m	Change since 2016	€ million	Change since 2016
EDEKA	NETTO	4,188	1.0 %	780	0.6 %	4,250	0.2 %	13,910	1.8 %
	EDEKA	3,708	-0.7 %	1,230	6.8 %	4,480	-0.3 %	20,375	5.7 %
	E-Center	437	4.0 %	3,190	0.2 %	4,510	-0.6 %	6,291	3.7 %
	MARKTKAUF	128	-4.5 %	5,660	0.5 %	4,170	1.0 %	3,019	-3.0 %
METRO Group	real	284	-0.4 %	6,930	-0.7 %	4,240	-0.2 %	8,350	-1.3 %
REWE Group	PENNY	2,188	1.4 %	720	0.5 %	5,090	1.0 %	7,972	2.9 %
	REWE	3,445	2.1 %	1,490	0.8 %	4,010	-0.3 %	20,555	2.5 %
	REWE Center*	36	-2.7 %	6,400	-0.1 %	4,020	1.4 %	927	-1.3 %
Schwarz Group	Lidl	3,178	-0.2 %	870	1.4 %	7,400	-0.1 %	20,432	1.1 %
	Kaufland	658	0.3 %	4,340	0.2 %	4,940	0.2 %	14,116	0.7 %

- Expansion of stationary food retail goes on
- DKRs main food retail tenants keep on growing

¹ https://www.bulwiengesa.de/sites/default/files/hahn_retail_real_estate_report_2018_2019.pdf

Basic retail threatened less by E-Commerce (1)

>> Market research according to 13. Retail Real Estate Report Germany 2018/2019 by bulwiengesa / Hahn¹:

05. Online Shares of Total Turnover in the Food and Drugstore Segments 2015 – 2017



Source: HDE

fig. 3

10. Top 5 Food Retailers in Germany 2017

	Turnover in € billion	Turnover growth since 2016 in %
EDEKA	57,16	4,4
Schwarz Group	38,61	4,5
REWE Group	34,84	3,2
ALDI	29,55	4,2
METRO Group incl. C&C	13,62	-2,6

Source: bulwiengesa, Tradedimensions

fig. 4

Results of the statistical data:

- Food sector and other goods of daily needs (basic retail) are hardly impacted by E-Commerce which has a market share of < 2 % (fig. 3)
- German station grocery chains continue a very robust growth despite E-Commerce (fig. 4)

¹ https://www.bulwiengesa.de/sites/default/files/hahn_retail_real_estate_report_2018_2019.pdf

Business Model & Strategy

Basic retail threatened less by E-Commerce (2)

>> Market research according to 13. Retail Real Estate Report Germany 2018/2019 by bulwiengesa / Hahn¹:

Development of Online Sales in Germany

Figures in € billion

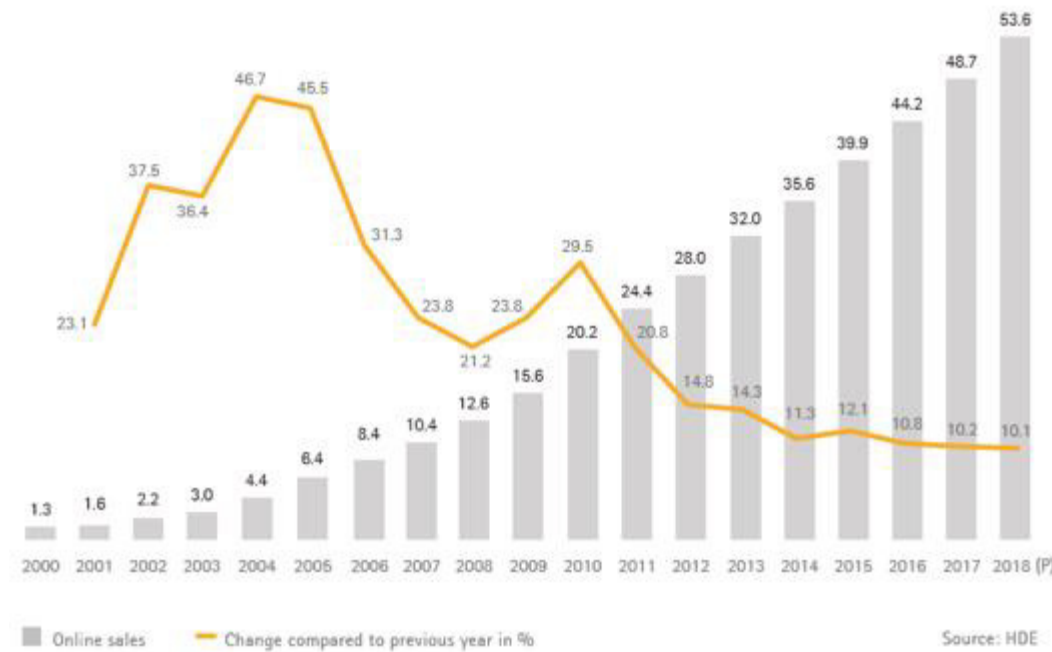


fig. 1

14. Shares of Total Turnover Generated Online by Segment in 2016 and 2017

Figures in %



fig. 2

Results of the statistical data:

- Yearly growth rate of general E-Commerce swings around 10% and grows especially in the non-food sector (see fig. 1 & 2)

¹ https://www.bulwiengesa.de/sites/default/files/hahn_retail_real_estate_report_2018_2019.pdf

Basic retail threatened less by E-Commerce (3)

>> Biggest grocery delivery services compared to DKR property portfolio:

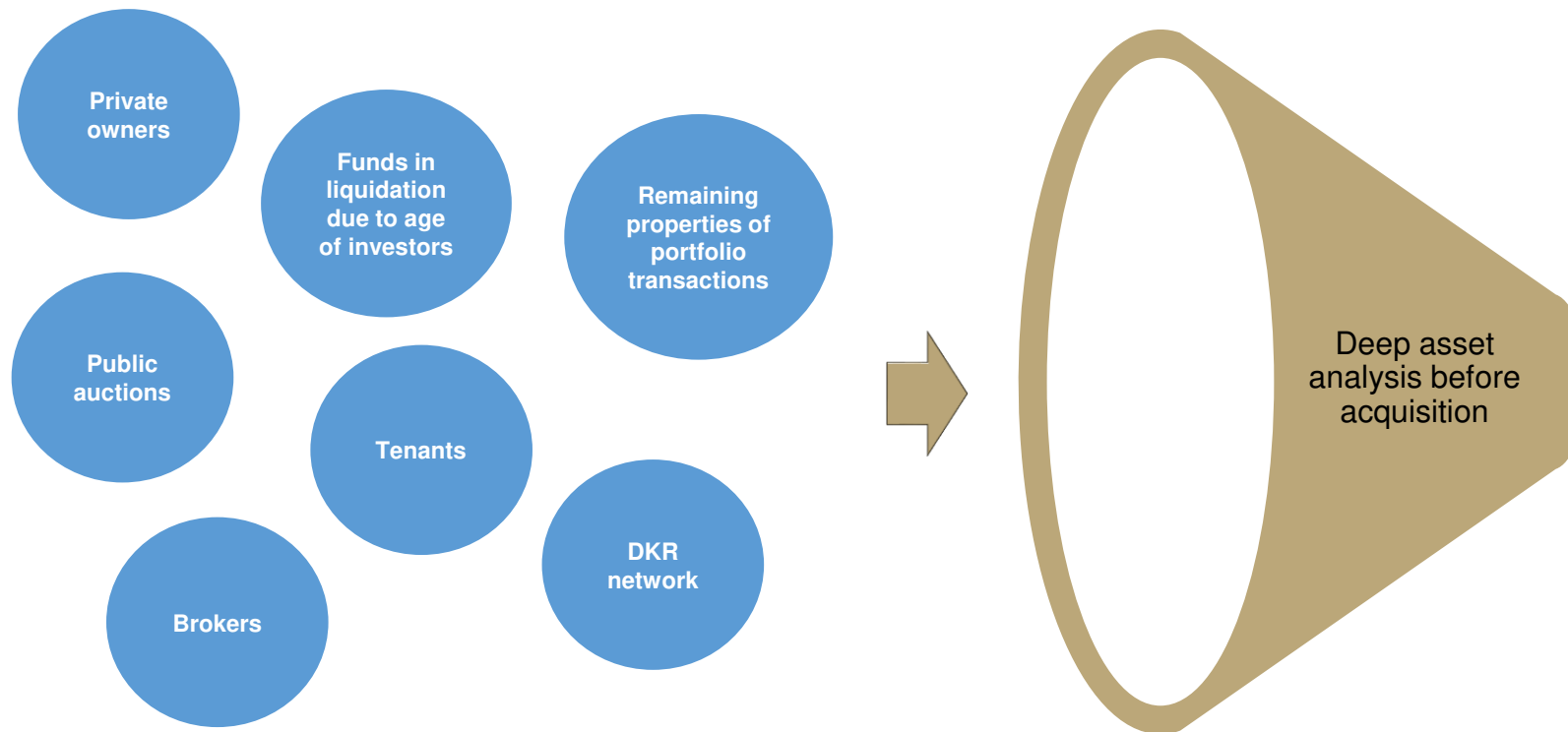
- DKR portfolio with low overlapping with regions serviced by fresh food deliverers
- In 2017 E-Commerce in the grocery business remained at a very slight proportion of < 1% of gross sales
- Remaining strong growth of the stationary grocery retail sector
- Threat by E-Commerce mainly affect for electronic goods, fashion and leisure retailers which often are situated in big innercity malls or highstreet locations without grocery anchors



¹ https://www.bulwiengesa.de/sites/default/files/hahn_retail_real_estate_report_2018_2019.pdf

Acquisition process

Sourcing process for retail properties



- Investment team analyses a yearly property volume of up to 3bn EUR
- Rigorous compliance with DKR investment criteria
- Stepwise acquisition of single assets preferred
- Hand-wise selection of acquisitions



Experienced and committed management



Alexander Kroth (CIO)

Alexander joined DKR in January 2017 and initially set up the company together with Rolf. He is in charge of DKR's investment strategy and the asset management. Before he worked at Obotritia Capital and KPMG. Alexander has real estate experience of more than 10 years.

In July 2017 Alexander has been appointed to CIO. Alexander is personally and financially committed to DKR.

Rolf Elgeti (CEO)

Rolf has been the founder of Deutsche Konsum REIT-AG, which is a spin-off of his investment company Obotritia Capital. Before he was the CEO of TAG Immobilien AG, Hamburg, which experienced an enormous growth under his leadership and stepped into German Mid-Cap Index (MDAX).

Before Rolf worked many years as an equity strategist at ABN Amro, Commerzbank and UBS in London. He has excellent banking and real estate knowledge. Rolf is personally and financially committed to DKR.

Christian Hellmuth (CFO)

Christian joined DKR in January 2017 and is responsible for Finance, Accounting and IR. Before he worked many years in leading positions at WCM, Deutsche Wohnen, GSW, Porsche Consulting and PricewaterhouseCoopers. Christian has real estate experience of more than 15 years.

In July 2017 Christian has been appointed to CFO. Christian is personally and financially committed to DKR.

Strong external property partners

>> DKRs main external management partners:

Asset Manager

Elgeti Brothers GmbH

Property Manager



GV Nordost
Verwaltungsgesellschaft mbH



Appraiser

CBRE

Technical Property Developer



IT and Management Software Providers



evans
SOFTWARE



Revitalisation

Value add by extensive property redevelopments

>> Current major revitalisation projects:



Location	Domcenter Greifswald	Kirschbergcenter Hohenmölsen	Kolumbuspassage Rostock	Lindencenter Stralsund
Space (sqm)	9,410	7,797	4,492	5,775
Vacancy at start	~ 37%	~ 38%	~ 12%	~ 27%
Project description	Fresh appearance by new facade, new space utilisation, new tenants and expansion of existing tenants	Fresh appearance by new facade, new space utilisation, new tenants and expansion of existing tenants	New concept and new grocery anchor tenant which improves the tenant mix	New space utilisation and improvement of tenant mix
Investment volume	5 mEUR	3 mEUR	~ 1.5 mEUR	~ 2 mEUR
Expected finalisation	Completed	Spring 2020	Spring 2020	Spring 2020

Portfolio overview

DKRs detailed property portfolio



DKRs portfolio as at 30 June 2019

DKR Portfolio									
#	Address	Use	Tenant	Rental space sqm	Vacancy %	Rent level €/sqm	Monthly rent € p.m.	Annual rent € p.a.	WALT years
1	Bad Oeynhausen, Mindener Straße 67/Alter Röhmer Weg 22	Local retail centre	NP, TEDI	4.590	22,2%	5,91	21.099	253.183	1,3
2	Bitterfeld, Brehmer Straße 34	Local retail centre	OBI, REWE Markt, DM	19.707	25,8%	6,03	88.152	1.057.825	7,7
3	Erlurt, Gothaer Straße 22	Hypermarket	Real, toom	19.750	0,0%	6,33	125.066	1.500.792	12,8
4	Ludwigslust, Am Marstall 2	Shopping Centre	Famila, KIK	14.379	0,8%	9,08	129.446	1.553.350	6,5

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Please find DKR's current portfolio in a detailed overview online under the following link:

[DKR property portfolio overview as at 30 June 2019](#)

>> Calculation of financial figures:

Financial KPI	Calculation
Average debt interest rate	Weighed average interest rates of financial instruments divided by nominal financial debt
EPRA NAV per share	Total equity modified according to EPRA guidelines divided by number of shares
FFO	Funds From Operations – Recurring and oneoff adjusted fund from the operation of the property portfolio
GAV	Gross Asset Value – Value of investment properties in the balance sheet
Initial yield	Annualised rental income divided by purchase price
Net-LTV	Net Loan-to-value – debt (financial liabilities minus cash) divided by GAV
Valuation multiple	Gross asset value divided by rental income
WALT	Weighed average lease terms of the portfolio remaining

IR contact

Please get in touch

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Unless otherwise specified all information is for the quarter ended 30 June 2019.