

Corporate News

ERWE Immobilien AG posts profit for first half of 2019

- Consolidated net income of Euro 2.8 million
- LTV remains low at 40.1 percent
- Net asset value (NAV) per share of Euro 4.03

Frankfurt/M., 14 August 2019. ERWE Immobilien AG (ISIN DE000A1X3WX6, ERWE), Frankfurt am Main, concluded the first half of 2019 with a profit. Consolidated net income stood at Euro 2.782 million at the end of June 2019. Income was substantially driven by fair value measurements for the land taken over in the first half of the year in Friedrichsdorf near Bad Homburg v.d.H. in the Greater Frankfurt region and for the stake held in Frankfurt Airport Center. This once again documents the strong value performance of the portfolios acquired by ERWE.

The consolidated income statement of ERWE Immobilien AG shows gross rental income of Euro 1.673 million for the first six months of the 2019 financial year. The figures for the first half of 2019 show rental income for the first full six-month period for the company's portfolio properties. The potential currently being tapped with revitalization measures will nevertheless not yet be reflected in 2019. Net of expenses, earnings from property lettings came to Euro 0.679 million. Comparison with the previous year's figures is not possible, as ERWE (previously Deutsche Technologie Beteiligungen AG) only acquired its present form on 2 May 2018 and previously had almost no operations.

Personnel expenses came to Euro 0.705 million and other operating expenses stood at Euro 1.391 million. In the first half of the year, fair value measurement accounted for Euro 5.763 million, while associates measured at equity contributed income of Euro 1.300 million. As a result, EBIT for the first half amounted to Euro 5.985 million. Net financial expenses came to Euro -1.869 million. Following the deduction of tax expenses of Euro 1.334 million, which mainly comprised deferred taxes, consolidated net income for the first half of the year amounted to Euro 2.782 million.

By acquiring undervalued commercial properties and making targeted investments, ERWE Immobilien AG is developing a portfolio that is profitable and rising in value. In the first six months of 2019, the company offered sustainable proof that its business model is working very well.

At Airport Center 1, a property at Frankfurt Airport in which ERWE owns a 10.1 percent stake and is managing the revitalisation programme, it was possible to let out space of more than 5,000 m², thus raising the occupancy rate to 94 percent already. “We are looking at full occupancy by the end of the year”, comments Rüdiger Weitzel, a member of ERWE’s Management Board. Due to the strong lettings situation, the value of the investment recognized in ERWE’s balance sheet rose by Euro 1.3 million (at-equity measurement).

ERWE can report a further lettings success with a sustainable impact at its commercial property in the historic centre of Lübeck. Here, ERWE has let around 7,700 m², and thus more than half of the property, to the city administration on a long-term basis. Over the next two years, this will raise rental income from Euro 0.3 million p.a. currently to Euro 2.2 million p.a. ERWE has also witnessed high demand from tenants, and that at rents higher than those budgeted, for the space planned in Friedrichsdorf, where the TAUNUS LAB business centre is due to be built.

Despite its investment activities, ERWE’s consolidated balance sheet reflects the strength of its equity resources. At the end of June 2019, the equity ratio corresponded to 39.8 percent of total assets, which in turn grew to Euro 131.453 million (end of 2018: Euro 127.12 million). Its net asset value stood at Euro 4.03 per share, while the loan-to-value figure came to 40.1 percent. ERWE therefore has scope to implement further growth financing.

ERWE Immobilien AG focuses on developing a highly profitable commercial real estate portfolio. Its preferred sites involve promising downtown commercial real estate in prime locations in small and medium-sized towns and cities with more than 10,000 inhabitants. ERWE acquires properties whose potential value growth can be sustainably exploited by introducing new utilisation concepts. This way, the company aims to build a highly profitable and valuable portfolio with substantial revenue growth. ERWE Immobilien AG is listed in the Regulated Market (General Standard) at the Stock Exchange in Frankfurt a.M. (XETRA) and in open trading in Berlin and Düsseldorf (ISIN: DE000A1X3WX6).

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