



TLG IMMOBILIEN AG
Q1 2019 RESULTS

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AGENDA

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Highlights
Q1 2019

02



Portfolio

03



Financials

04



Outlook

05



Appendix



01



HIGHLIGHTS Q1 2019

KEY HIGHLIGHTS Q1 2019



Operations

- ✓ Rental income growing to EUR 57.0 m in Q1 2019 implying a YoY increase of 3.7%
- ✓ Like-for-like portfolio rental growth of the strategic portfolio of 3.5% across total portfolio; thereof office of 5.4%
- ✓ EPRA Vacancy Rate as of Q1 2019 at 3.4%



Balance Sheet

- ✓ Total portfolio value amounts to EUR 4,098.6 m
- ✓ (Adj.) EPRA NAV/s of EUR 26.67 implies increase by 1.5% compared to adj. EPRA NAV/s FY 2018
- ✓ Net LTV of 33.6% provides significant firepower for further growth
- ✓ Average cash cost of debt remains at 1.8 % p.a.



Growth

- ✓ Property acquisitions closed in Western German core markets with a total volume of EUR 88.8 m YTD
- ✓ TLG IMMOBILIEN continues to execute its growth strategy via acquisitions and investments into the existing portfolio
- ✓ Portfolio clean-up progressing with disposal of non strategic retail properties

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02



PORTFOLIO

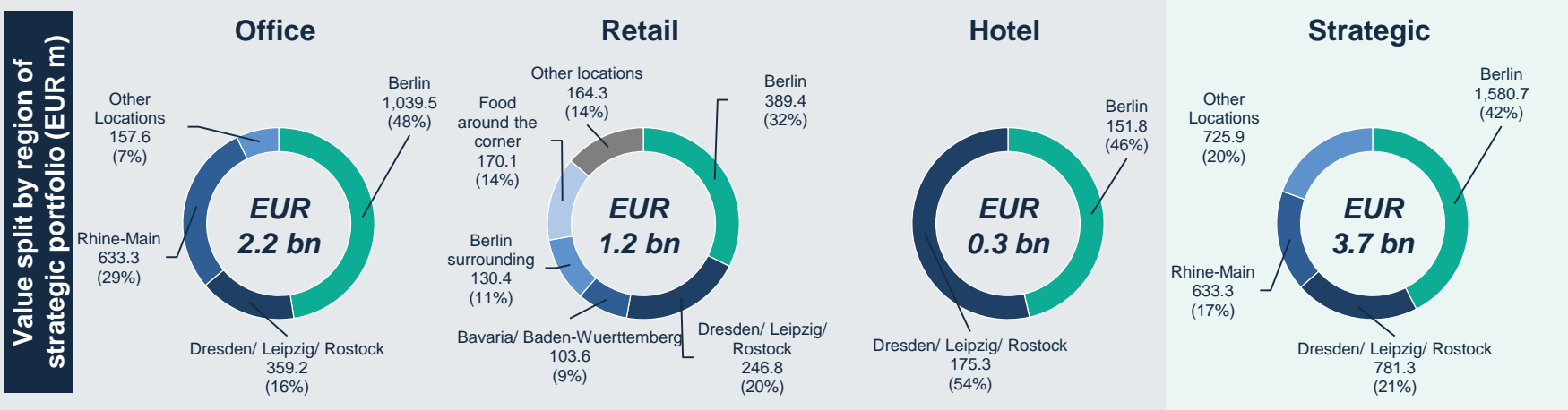
TLG IMMOBILIEN PORTFOLIO AS OF 31 MARCH 2019

EUR 3.7 BN STRATEGIC PORTFOLIO

KEY INDICATORS

	OFFICE	RETAIL	HOTEL	STRATEGIC	NON STRATEGIC	TOTAL 31-Mar-19	TOTAL 31-Mar-18	CHANGE
Property value (EUR m)	2,189.6	1,204.6	327.1	3,721.3	377.3	4,098.6	3,476.6	17.9%
Property value (EUR/sqm)	2,869	1,746	2,982	2,381	1,163	2,172	1,816	19.6%
Properties (number)	62	217	7	286	105	391	425	- 34 units
Annualised in-place rent (EUR m) ¹	100.9	79.9	17.2	197.9	28.2	226.2	219.9	2.9%
In-place rental yield (%)	4.6	6.6	5.2	5.3	7.5	5.5	6.3	- 0.8 pp
EPRA Vacancy Rate (%)	4.4	2.2	1.4	3.4	3.8	3.4	3.8	- 0.4 pp
WALT (years)	5.6	5.4	11.1	6.0	6.7	6.1	6.1	0.0 yrs

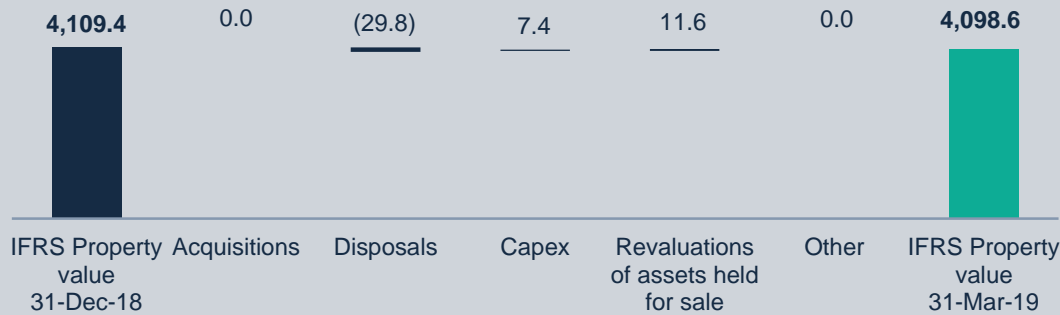
¹ The annualised in-place rent is calculated using the annualised rents agreed as at the reporting date – not factoring in rent-free periods



DEVELOPMENT OF PROPERTY VALUES DURING Q1 2019

TOTAL PORTFOLIO VALUE OF APPROX. EUR 4.1 BN

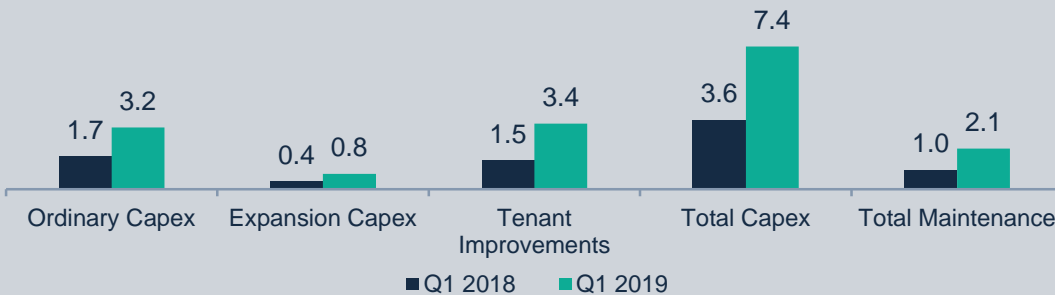
Property Value Reconciliation In EUR m



Comments

- ✓ Disposal of objects identified as non strategic in line with the portfolio strategy
- ✓ Increase across all capex measures mainly stemming from new lettings as well as identified investment measures into existing portfolio

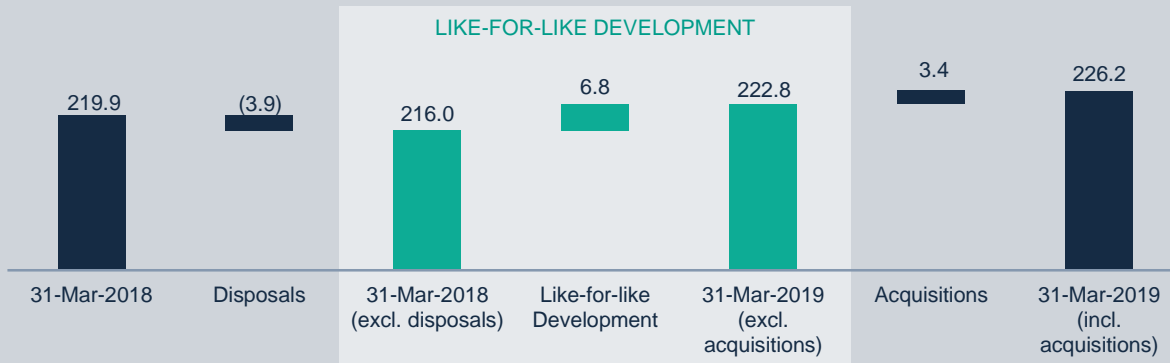
Capex Breakdown Q1 2019 vs. Q1 2018 In EUR m



DEVELOPMENT OF KEY METRICS (1/3)

STRONG LFL RENTAL GROWTH ACROSS TOTAL PORTFOLIO

Annualised In-place Rent In EUR m



Comments

- ✓ YoY increase of annualised in-place rent of EUR 6.3 m (+2.9%)
- ✓ EUR 6.8 m like-for-like rental growth (+3.5% for the strategic portfolio) across the portfolio compared to March 2018 with like-for-like increases across all asset classes
- ✓ Contribution by asset class: 74% office, 13% retail, 9% hotel and 4% non strategic

Like-for-like Development by Asset Class in %



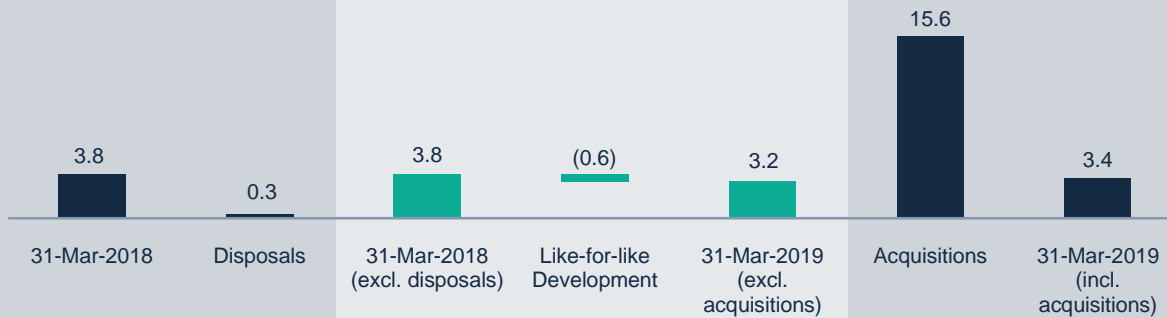
DEVELOPMENT OF KEY METRICS (2/3)

TOTAL PORTFOLIO LFL EPRA VACANCY RATE OF 3.2%

EPRA Vacancy Rate

In %

LIKE-FOR-LIKE DEVELOPMENT



Comments

- ✓ Current 3.2% like-for-like EPRA Vacancy Rate implies reduction of 0.6pp YoY
- ✓ Low EPRA Vacancy within the portfolio (like-for-like decrease of 0.6pp YoY) of 3.2%: office 4.1%, retail 2.2%, hotel 1.4%
- ✓ Slight decrease within the hotel portfolio due to re-lettings of two office units
- ✓ Portfolio acquisitions since March 2018 with a higher EPRA Vacancy allow further upside via active asset management

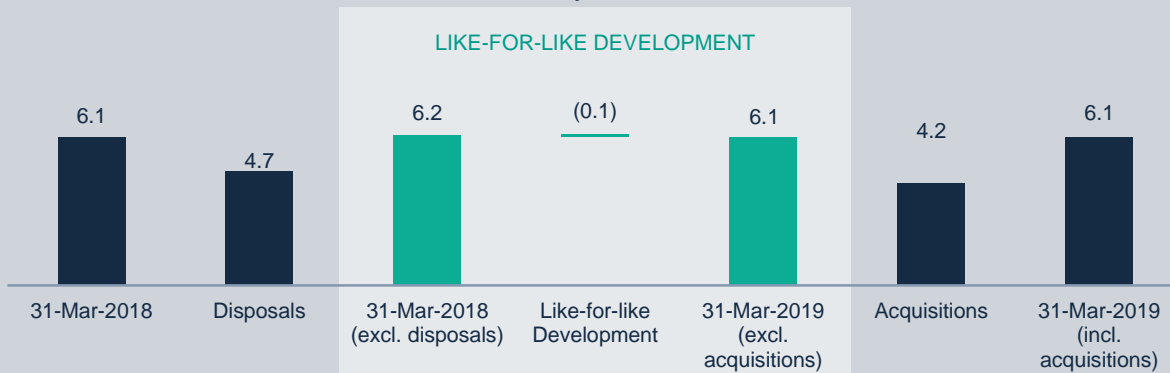
Like-for-like Development by Asset Class in p.p.



DEVELOPMENT OF KEY METRICS (3/3)

TOTAL WALT AT STABLE LEVEL OF 6.1 YEARS

WALT In years



Comments

- ✓ Portfolio WALT remains at approximately 6 years
- ✓ Minor decrease in WALT (like-for-like) of only 0.1 years due to continuous asset management success particularly in the asset class office

Like-for-like Development by Asset Class in years





03



FFO RECONCILIATION Q1 2019

8.7% YOY INCREASE DRIVEN BY ACTIVE ASSET MANAGEMENT

FFO Value Drivers Q1 2019
in EUR m



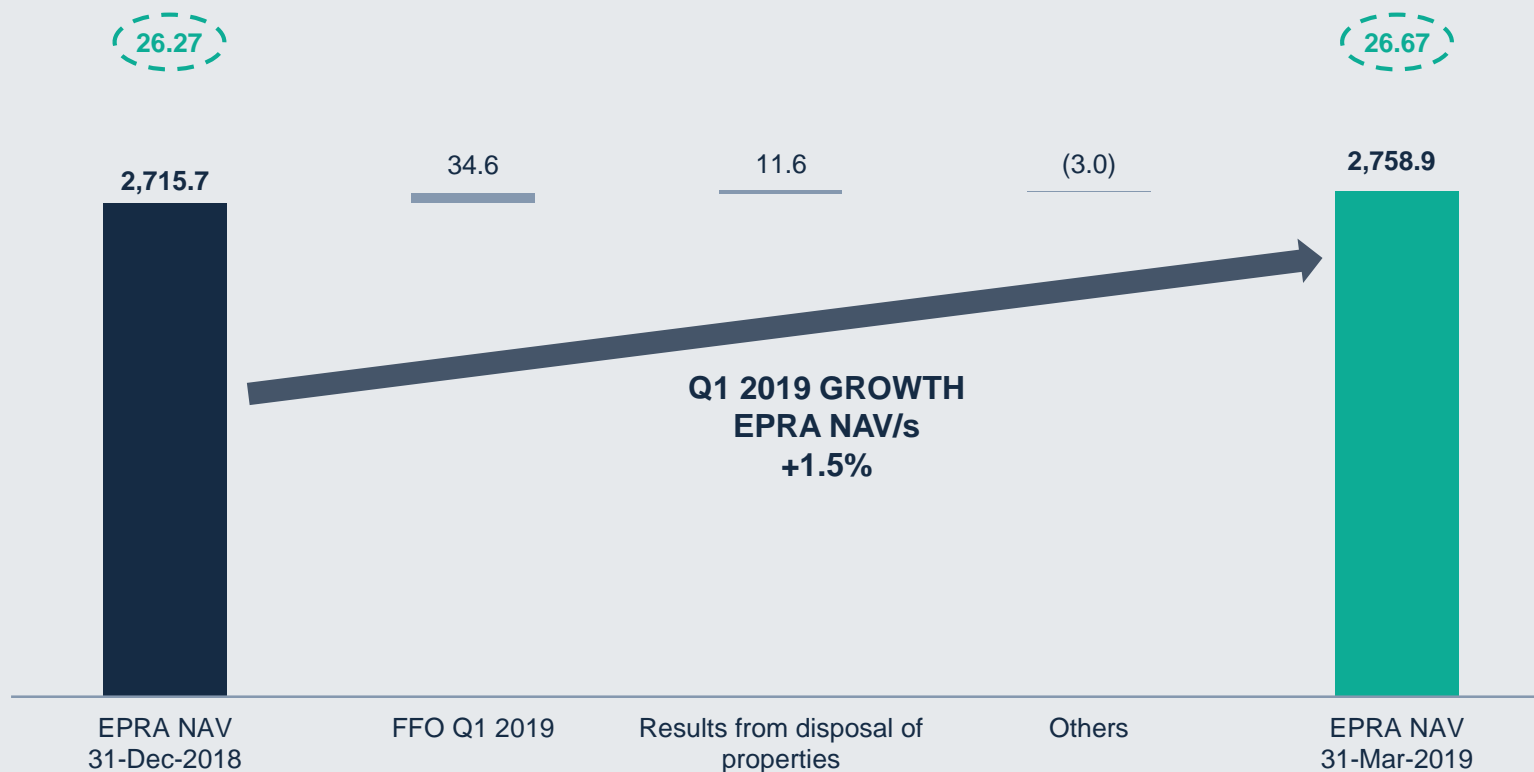
¹ Including other operating expenses and income as well as personnel expenses

EPRA NAV/S GROWING TO EUR 26.67

GROWTH MAINLY DRIVEN BY OPERATING RESULT

EPRA NAV Q1 2019 Development

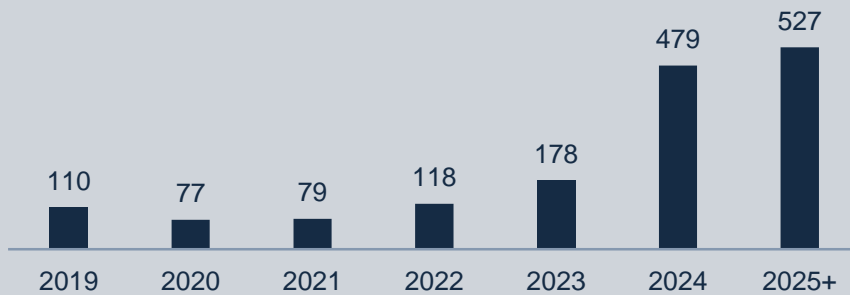
In EUR m



CONSERVATIVE FINANCING STRUCTURE

HIGHLY COMFORTABLE NET LTV OF 34% AND CONTINUOUSLY LOW CASH COST OF DEBT OF 1.8%

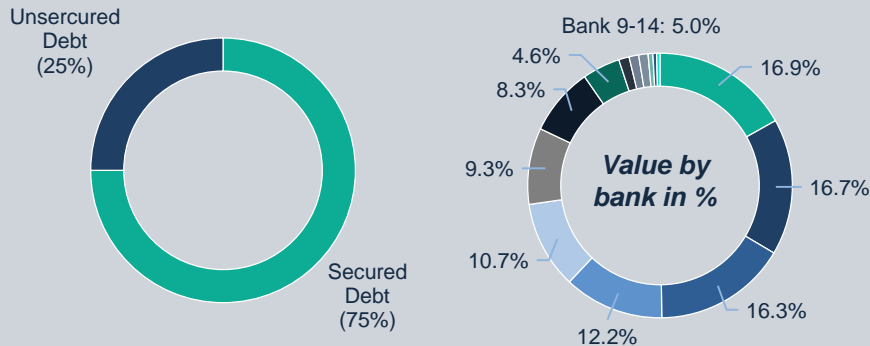
Maturity Profile as of 31 Mar 2019 ¹
In EUR m



Debt Structure and Debt Service

	As of 31 March 2019
Gross debt (EUR m)	1,568
Net LTV (%)	33.6
Avg. cash cost of debt (%)	1.82% p.a.
Avg. weighted maturity (years)	5.2
Interest rate fixed or hedged (%)	99.3%

Overview of Debt Structure



Comments

- ✓ Reduction of LTV by 6.0 pp compared to Q1 2017
- ✓ Very comfortable overall maturity profile

¹ Excluding regular amortisation payments

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OUTLOOK

OUTLOOK 2019



	Actual FY 2018	FY 2019 Guidance	Δ FY 2019 vs. FY 2018
FFO (EUR m)	134.0	140-143	+ 5.6%
FFO (EUR/s) ¹	1.30	1.35-1.38	+ 5.0%
Dividend (EUR/s) ²	0.91	c. 70% of FFO	-
Net LTV	34.7%	<45%	-

¹ Based on current number of shares | ² Dividend proposal, to be confirmed at TLG's annual general meeting 2019



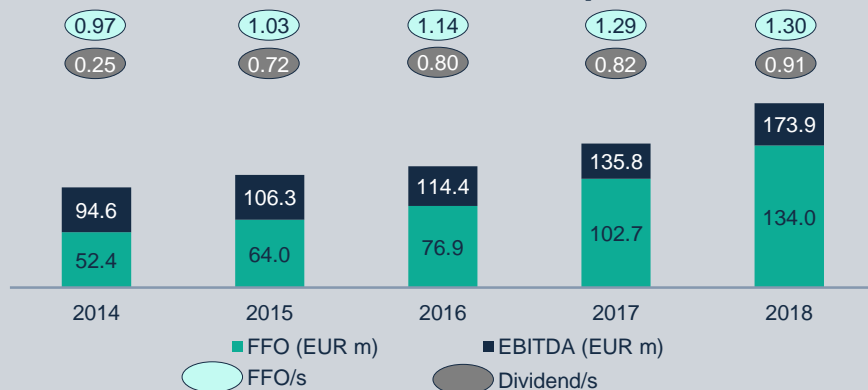
05



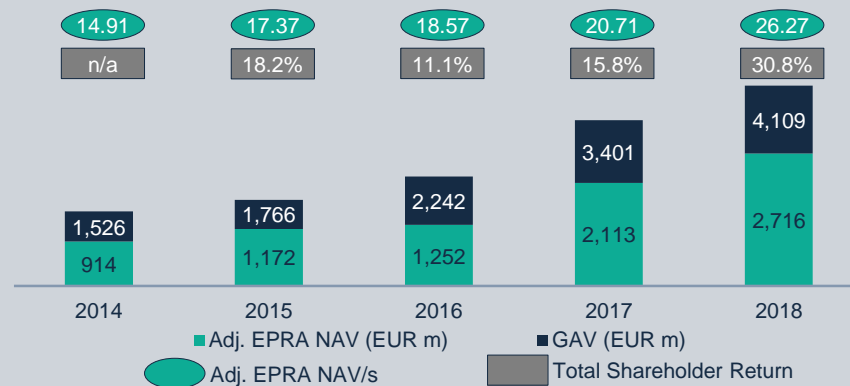
KEY HIGHLIGHTS FY 2014 - 2018

CONTINUOUS GROWTH AND IMPROVEMENTS ACROSS ALMOST ALL PORTFOLIO AND FINANCIAL METRICS OVER RECENT YEARS

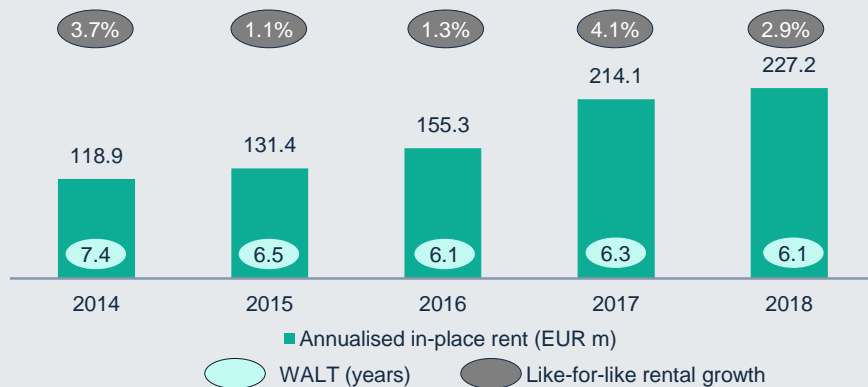
FFO and EBITDA Development



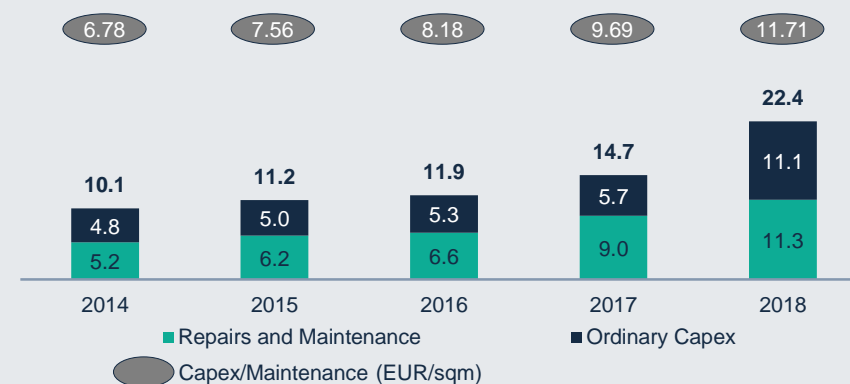
Evaluation of GAV and EPRA NAV over time



Development of Annualised In-place-Rent



Capex and Maintenance

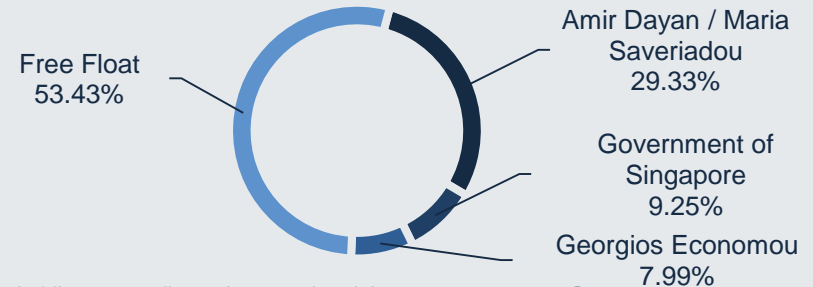


TLG IMMOBILIEN SHARE INFORMATION

Basic Share Information (as of 31 March 2019)

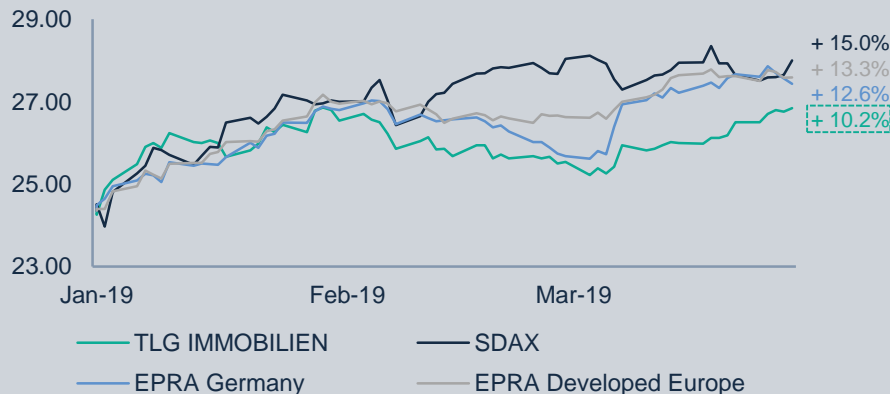
Symbol	TLG
Share price (XETRA, 31-Mar-2018)	EUR 26.84
ISIN	DE000A12B8Z4
Performance in Q1 2019	+ 10.2%
Primary exchange	Frankfurt Stock Exchange
Shares outstanding 31-Mar-2019	103.4 million
Market capitalization	EUR 2.8 bn

Shareholder Structure¹



Shareholdings according to latest voting rights announcements. See <http://ir.tlg.eu/websites/tlg/English/2300/shareholder-structure.html> for further details.
Free float: shareholdings < 5%

Share Price Performance in Q1 2019



Coverage by Analysts



¹ As of 03 May 2019 | ² Average of range: 25.60 - 28.00
Source: Thomson Reuters, Broker Research and Bloomberg as of 03 May 2019

Q1 2019 EARNINGS UNDERLINING STRONG PERFORMANCE

Income Statement

In EUR m

	Q1 2019	Q1 2018
Rental income	57.0	55.0
Net operating income from letting activities	50.8	48.6
Result from the remeasurement of investment property	0.0	0.0
Results from the disposals of properties	11.6	0.3
Other operating income	0.3	0.4
Personnel expenses	1. - 3.2	- 4.0
Depreciation	- 0.5	- 0.2
Other operating expenses	2. - 3.7	- 5.6
Earnings before interest and taxes (EBIT)	55.2	39.4
Net interest	- 8.4	- 7.6
Other financial result	3. - 12.8	2.0
Earnings before taxes (EBT)	34.0	33.9
Income taxes	- 9.4	- 14.1
Net income	24.6	19.7
Other comprehensive income (OCI)	0.2	0.1
Total comprehensive income	24.8	19.8

Comments

1. Q1 2018 affected by non cash one-off effect of EUR 0.6m from the transition of the LTI scheme
2. Decrease due to one-off effect in 2018 caused by WCM integration
3. Increase of other financial costs based on fair value measurement of financial instruments

STRONG BALANCE SHEET REMAINS FOUNDATION FOR FUTURE GROWTH

Balance Sheet

In EUR m

	31 Mar 2019	31 Dec 2018
Non-current assets	3,999.8	4,112.8
Investment property (including advance payments)	1. 3,951.0	4,067.6
Property, plant and equipment	8.8	8.9
Other non-current assets	39.9	36.3
Current assets	353.6	208.1
Real estate inventory	0.7	0.7
Receivables and other current assets	24.0	20.4
Cash and cash equivalents	189.9	153.9
Non-current assets classified as held for sale	138.9	33.1
Total assets	4,353.3	4,320.8
Equity	2,181.5	2,157.2
Liabilities	2,171.9	2,163.6
Non-current liabilities	1,938.9	1,970.1
Non-current liabilities to financial institutions	989.0	1,046.3
Corporate bond	398.6	396.5
Provisions and other non-current liabilities	62.2	46.8
Deferred tax liabilities	489.1	480.5
Current liabilities	232.9	193.5
Current liabilities to financial institutions	180.4	136.6
Tax liabilities	3.1	2.7
Other current provisions	4.3	4.5
Trade payables	31.6	35.4
Other current liabilities	13.6	14.3
Total equity and liabilities	4,353.3	4,320.8

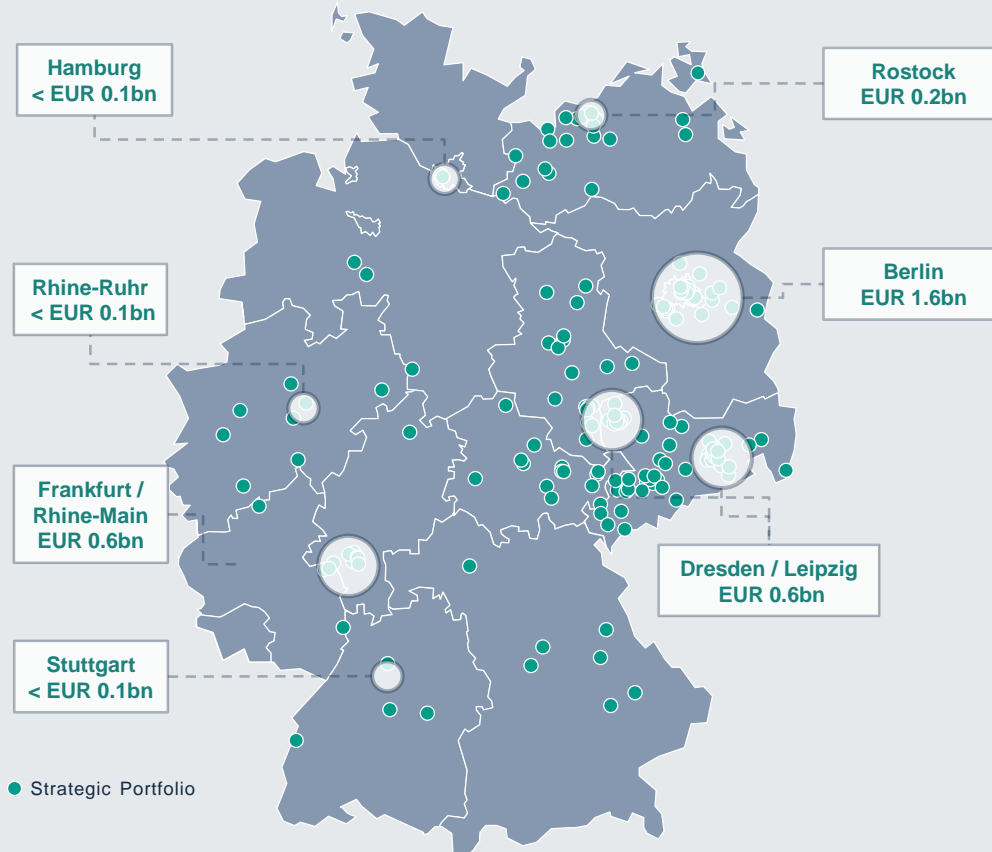
Comments

1. Decrease stemming from re-classification of portfolio value of EUR 135.7 m into non-current assets classified as held for sale

PORTFOLIO FOCUS ON DYNAMIC GROWTH MARKETS

EUR 3.7 BN STRATEGIC PORTFOLIO CONCENTRATED ON KEY GROWTH MARKETS THROUGHOUT GERMANY

Strategic footprint in German key commercial hubs



Strategic Portfolio

- ✓ EUR 3.7 bn portfolio of strategic properties identified; around EUR 0.8 bn NAV growth identified out of potential investments within the next 10 years

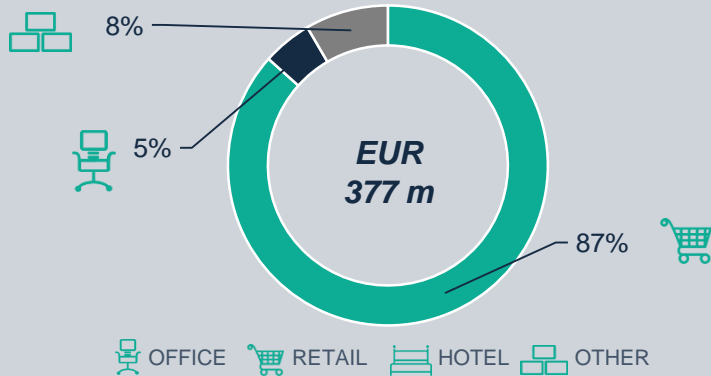
Selection Criteria Strategic Properties

- ✓ Office and hotel assets
 - ✓ In attractive major cities and or well-established inner-city office and hotel locations
- ✓ Retail assets
 - ✓ Highly frequented micro-locations in Germany with upside potential
 - ✓ City centers almost all food-anchored

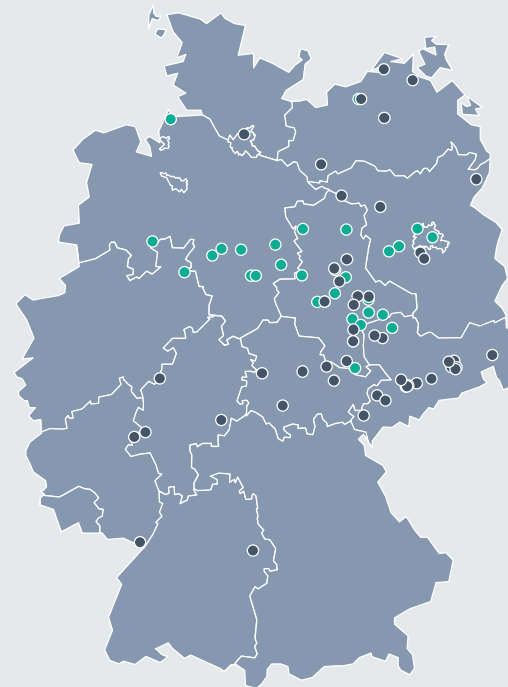
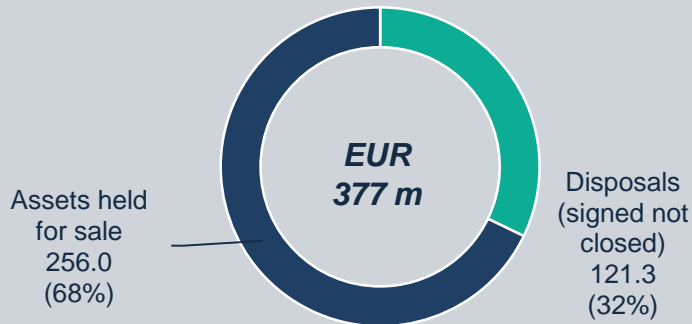
NON STRATEGIC PORTFOLIO DEFINED

NON STRATEGIC PORTFOLIO OF EUR 377 M IDENTIFIED –
THEREOF DISPOSALS OF EUR 121 M ALREADY SIGNED

Non strategic Portfolio as of 31-Mar-2019



Breakdown of non strategic Portfolio



- Non strategic Portfolio, disposals signed, not closed
- Non strategic Portfolio, assets held for sale

Selection Criteria non strategic Properties

- ✓ Locations in rural regions with relative high asset management efforts
- ✓ Assets without active asset management opportunities for value creation
- ✓ Non-food retail assets

LIKE-FOR-LIKE PORTFOLIO VALUE FY 2017-18 IN DETAIL

APPLYING A PORTFOLIO VALUATION WHICH IS IN LINE WITH CURRENT ATTRACTIVE MARKET CONDITIONS

Portfolio value FY 2017			Portfolio value FY 2018							L-f-L Change		Key Drivers
Property value (EUR)	Property value (EUR m)	In-place rental yield	Property value (EUR m)	Property value (EUR/sqm)	In-place rent	In-place rental yield	Market rent	Yield on market rent	WALT	Property value (EUR m)	Property Value (%)	
Office	1,610	5.5%	2,058	2,910	11.62	4.5%	13.89	5.7%	5.7	447	28%	✓ Shifts in market environment due to yield compression
Retail	1,092	7.1%	1,184	1,756	10.12	6.6%	9.84	6.7%	5.5	92	8%	✓ Increase of market rents, in particular with respect to the Berlin portfolio
Hotel	286	5.6%	327	2,978	13.18	5.0%	16.13	6.4%	11.6	41	14%	✓ Revaluations of single assets on the basis of recently renewed rental agreements
Strategic	2,988	6.1%	3,569	2,393	11.05	5.2%	12.22	6.1%	6.1	580	19%	
Non strategic	389	7.8%	399	1,141	7.68	7.7%	7.07	7.4%	6.7	10	2%	
TOTAL	3,378	6.3%	3,967	2,156	10.41	5.5%	11.25	6.2%	6.2	590	18%	

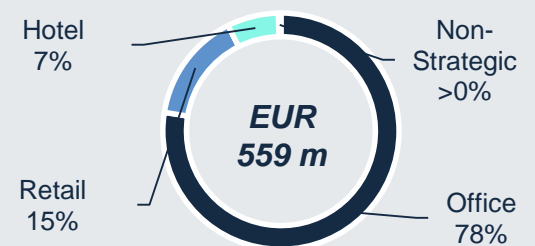
Split of Portfolio Valuation Change



Split of Re-Valuations by Regions



Split of Re-Valuations by Asset Class



BERLIN REGION – BENEFITING PRIMARILY FROM STRONG MARKET DYNAMICS

APPROX. 80% OF FAIR VALUE UPLIFT BASED ON BERLIN PORTFOLIO



OFFICE, Kaiserin-Augusta-Allee



RETAIL, Helene-Weigel-Platz



HOTEL, Die Welle

TLG IMMOBILIEN Portfolio as of 31 Dec 2018					
	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)
Office	1,003	4,379	3.4%	12.81	4.7 ¹
Retail	421	2,387	4.8%	10.09	6.1
Hotel	152	3,691	4.7%	15.28	10.9
Other ²	5	-	-	-	-
TOTAL	1,581	3,432	3.9%	11.90	5.9¹

Market Parameters		
Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent
5.4%	20.11	56.9%
5.3%	10.56	4.7%
5.8%	18.57	21.5%
-	-	-
5.4%	15.76	32.5%

Comments

- ✓ Majority of valuation uplift driven by office asset class (approx. 75%)
- ✓ Approx. 40% of the Berlin valuation uplift contributed by Alexanderstrasse and Englische Strasse
- ✓ Valuation uplift in retail asset class amounts to approx. EUR 48 m due to investment potentials

¹ Including future lease, signed until 31 December 2018 | ² Not meaningful as majority of Other comprises land plots

BERLIN: ALEXANDERSTRASSE AND ENGLISCHE STRASSE IN DETAIL

VALUATION UPLIFT PRIMARILY RESULT OF ACTIVE ASSET MANAGEMENT AND POSITIVE MARKET FUNDAMENTALS

Alexanderstrasse



	H1 2018	FY 2018	Change
Average rent (EUR/sqm)	13.98	15.02	+ 7%
Average market rent (EUR/sqm)	19.87	23.54	+ 18%
WALT (years)	2.6	2.2	- 0.4 years

Property Value (EUR m)	178.5	240.1	+ 35%
Property Value (EUR/sqm)	4,203	5,650	+ 35%
In-place rental yield	3.6%	3.0%	- 0.6 pp
Implied rental yield on market rent	5.6%	5.0%	- 0.6 pp

Key drivers

- ✓ Yield compression
- ✓ Increase in current rental contracts
- ✓ Increase of market rents
- ✓ Development not yet reflected

Englische Strasse



	H1 2018	FY 2018	Change
Average rent (EUR/sqm)	20.84	20.84	+ 0%
Average market rent (EUR/sqm)	19.00	25.88	+ 28%
WALT (years) ¹	1.5	10.4	+ 8.9 years

Property Value (EUR m)	69.2	132,7	+ 92%
Property Value (EUR/sqm)	3,884	7,447	+ 92%
In-place rental yield	6.4%	3.3%	- 3.2 pp
Implied rental yield on market rent	5.9%	4.1%	- 1.8 pp

Key drivers

- ✓ New letting contracts for ten years
- ✓ No creation of vacancy
- ✓ No tenant improvements required
- ✓ Increase of market rents

¹ Including future lease, signed in November 2018

DRESDEN / LEIPZIG / ROSTOCK / RHINE-MAIN REGION WITH STRONG MARKET FUNDAMENTALS

CONTRIBUTION OF APPROX. 17% TO TOTAL VALUATION UPLIFT

TLG IMMOBILIEN Portfolio as of 31 Dec 2018						Market Parameters			Comments	
Dresden / Leipzig / Rostock	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)	Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent		
	Office	351	1,733	6.0%	8.82	6.8	6.5%	9.37	6.2%	✓ Dresden, Leipzig and Rostock contributing approx.12% to the total valuation uplift
	Retail	258	1,845	6.8%	10.81	5.1	7.0%	10.72	- 0.8%	✓ Additional valuation upside potential from developments mainly in Dresden to be realized going forward
	Hotel	175	2,551	5.2%	11.87	12.2	6.9%	14.67	23.5%	✓ Rhine-Main region only contributing marginally to valuation uplift as already fairly valued
	Other ¹	47	-	-	-	-	-	-	-	
TOTAL	830	1,799	6.2%	9.58	7.2	6.7%	10.06	5.0%		
Rhine-Main region	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)	Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent		
	Office	633	2,878	5.5%	14.45	6.0	5.8%	14.01	- 3.1%	



OFFICE, Bleichstrasse, Frankfurt Main

¹ Not meaningful as majority of Other comprises land plots

UPLIFT FROM OTHER MAINLY DRIVEN BY FOOD-ANCHORED RETAIL



OFFICE, Stuttgart



OFFICE, Bonn



RETAIL, Döbeln

TLG IMMOBILIEN Portfolio as of 31 Dec 2018

	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)
Office	112	954	8.4%	7.28	3.8
Retail	892	1,462	7.4%	9.38	6.0
Other ¹	3	-	-	-	-
TOTAL	1,007	1,346	7.5%	8.88	5.7

Market Parameters

Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent
8.6%	6.83	- 6.1%
7.2%	8.84	- 5.8%
-	-	-
7.4%	8.34	- 6.1%

Comments

- ✓ Majority of Other comprises food-anchored retail properties
- ✓ Valuation uplift from retail properties of approx. EUR 12 m highlighting that food-anchored retail in strong micro locations is less impacted by e-commerce

¹ Not meaningful as majority of Other comprises land plots

SIGNIFICANT POTENTIAL FOR INVESTMENTS

EUR 820 M NAV GROWTH DURING THE NEXT 10 YEARS

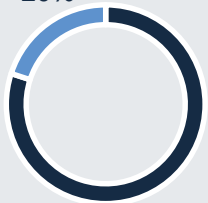
Key measures

New- and Re-development

- ✓ Re-using existing assets for higher returns
- ✓ New developments on existing TLG IMMOBILIEN “city-center-land” plots
- ✓ Ownership of land plots simplifies the termination of existing lease contracts
- ✓ Pre-lease opportunity due to existing tenant relationships and asset management

Future Gross Floor Space¹

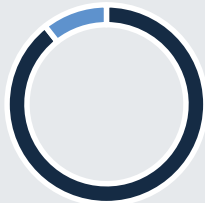
Dresden; ~20%



Berlin; ~80%

Future Fair Market Value¹

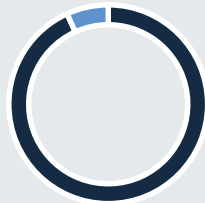
Dresden; ~10%



Berlin; ~90%

Potential Value Creation¹

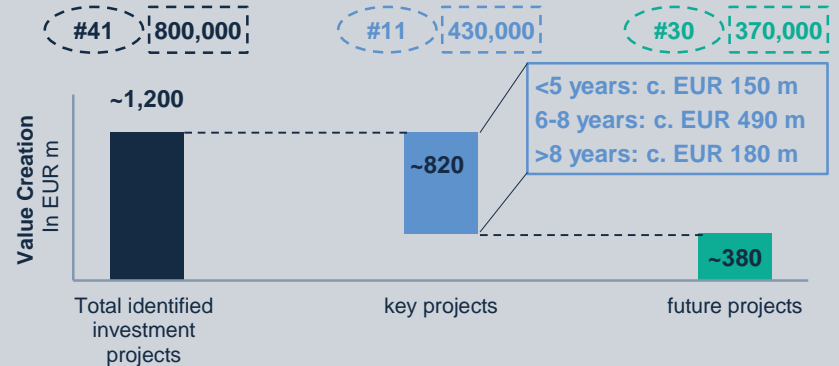
Dresden; ~5-10%



Berlin; ~90-95%

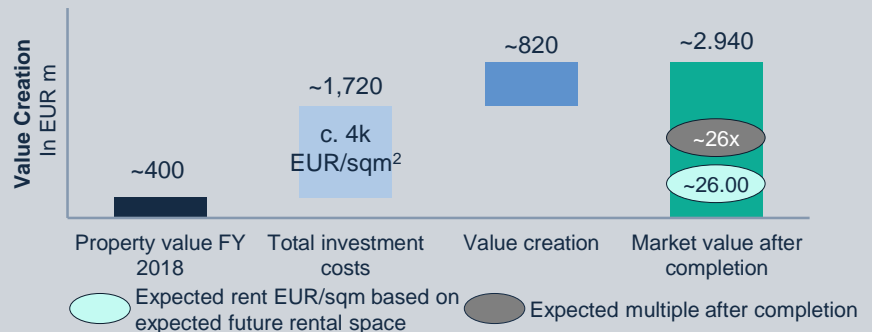
Identified Value Creation Potential

Number of properties (#) / future gross floor space (sqm)



Value Bridge of Key Projects

In EUR m



¹ Key projects | ² Per gross floor space

SELECTED DEVELOPMENT PROJECTS

DEVELOPMENT PIPELINE COMPRISING TROPHY PROJECTS IN BERLIN AND DRESDEN

Alexanderstrasse, Berlin



Future gross floor space	149,500 sqm
Investment volume	EUR 880 m
Value creation	EUR 390 m

- ✓ Planning permission negotiation with the State of Berlin ongoing
- ✓ Design concept competition process being prepared

Annenhöfe, Dresden



Future gross floor space	22,300 sqm
Investment volume	EUR 60 m
Value creation	EUR 11 m

- ✓ Preparation of building application documents initiated
- ✓ Presentation of the project in the development committee of the City of Dresden
- ✓ Negotiations with potential tenants

OPTIMISATION OF PORTFOLIO

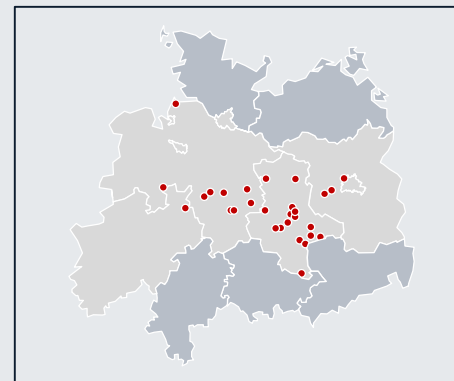
DISPOSAL OF NON STRATEGIC RETAIL ASSETS AND ACQUISITION OF VALUE-ENHANCING OFFICE PROPERTY

Acquisition: Westside Office – Bonn



Signing	February 2019
Total investment	EUR 88.8 m
Annualised in-place rent	EUR 5.3 m
In-place rental yield	6.5% ¹
WALT	6.0 years
EPRA Vacancy Rate	0.0%
Lettable area	33,614 sqm
Top tenant	listed company, public administration

Disposal: Retail Portfolio of 29 Assets



Signing	March 2019
Purchase price	c. EUR 118 m
Annualised in-place rent	EUR 7.5 m
In-place rental yield	6.4%
WALT	11.4 years
EPRA Vacancy Rate	0.0%
Lettable area	78,998 sqm
Top tenant	Edeka

¹ Based on purchase price of EUR 81.5 m

ALL ANNOUNCED MEASURES EITHER ALREADY EXECUTED OR INITIATED

Actions and Measures

Define / confirm cities and regions for strategic footprint of TLG IMMOBILIEN



Identify investment opportunities into existing portfolio



Define strategic and non strategic portfolio



Continuously monitor value-enhancing acquisition opportunities



FINANCIAL CALENDAR AND CONTACT DETAILS

Financial Calendar



AGM

21 May 2019

Q2 2019 RESULTS

12 August 2019

Q3 2019 RESULTS

06 November 2019

TLG IMMOBILIEN AG



SVEN ANNUTSCH

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