Deutsche Konsum REIT-AG
Germany, Real Estate

SCOPE BB+ STABLE

Corporate profile

Deutsche Konsum REIT-AG started operations in 2014 and attained REIT (real estate investment trust) status in 2016, exempting it from income tax. The company's objective is to acquire and manage a retail portfolio focused on regional areas and medium-sized cities across Germany.

Key metrics

			Scope estimates	
Scope credit ratios	**2017/18**	**2018/19**	**2019/20E**	**2020/21E**
Scope-adjusted EBITDA interest cover	5.1x	6.5x	4.4x	4.1x
Scope-adjusted debt (SaD)/Scope-adjusted EBITDA (SaEBITDA)	11.7x	11.2x	12.9x	10.5x
Loan/value ratio (LTV)	53%	51%	57%	55%

Rating rationale

Scope affirms the BB+/Stable issuer rating of Deutsche Konsum REIT-AG

The affirmation is driven by our view that the Covid-19 pandemic has a limited impact on the issuer's business model and credit metrics.

The issuer rating of BB+ for Deutsche Konsum REIT-AG (DKR) is supported by the size the company has achieved in the niche market of commercial real estate (CRE) with a focus on non-cyclical retail. Its portfolio is diversified across Germany, with stable occupancy and a weighted average unexpired lease term (WAULT) of over five years, leading to predictable and steady cash flows. Relatively high profitability, implicit caps on leverage and floors on revenue diversification afford good debt protection measures and moderate leverage.

However, the rating is limited by DKR's size, which is expected to constrain its access to capital markets in times of economic turmoil. DKR's focus on a niche market leads to high concentration and weak diversification in terms of tenants, with the top three accounting for 39% of gross rental income. Furthermore, we see high downside volatility for the property portfolio due to the relatively small ticket sizes and weak macro locations, both resulting in limited fungibility. Our overall assessment of DKR's financial risk profile is negatively affected by its ambitious growth plans for the next few years.

Outlook and rating-change drivers

The Outlook for DKR is Stable and incorporates our expectation that DKR's asset base will grow, via around EUR 220m in expansion capex for FY 2019/20, leading to annualised rental income of around EUR 65m by end-September 2020. Further expansion is likely to be financed with equal amounts of debt and equity, though with the latter expected to be delayed given the current capital market environment. This will keep the loan/value (LTV) ratio below 55% in the medium term. Debt protection, as measured by EBITDA interest cover, is expected to remain above 4x.

A negative rating action is possible if LTV reaches above 55% on a continued basis, leading to DKR losing its tax-exempt REIT status. This could happen if property prices drop and DKR cannot address the increased leverage via asset disposals or equity issuances, resulting in a weakened ability and willingness of the main shareholder to support capital increases either actively or passively.

A positive action would require a significant growth in total assets and gross lettable area (GLA), leading to greater diversification by geographies and tenants.

Ratings & Outlook

Corporate rating BB+/Stable

Senior unsecured rating BBB-

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Related Methodologies

Corporate Rating Methodology, February 2020

Rating Methodology European Real Estate Corporates January 2020

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Rating drivers

Positive rating drivers	Negative rating drivers
• Largest pure-play CRE company in Germany with a focus on non-cyclical retail, supporting visibility with regard to tenants, potential investors and vendors • Moderate geographical diversification with property portfolio spread across Germany • Stable occupancy of around 90% by GLA and 95% by EPRA, though no material improvement expected via acquisition strategy • Profitability in line with those of larger peers, benefitting from economies of scale and the limited impact from Covid-19 • High EBITDA interest cover of above 4x expected to be maintained going forward • LTV expected to remain below 55% in the medium term thanks to implicit covenants in accordance with REIT status	• Limited size, but growth to accelerate, with asset base to rise to above EUR 0.8bn in FY 2019/20. • Modest diversification across sales formats; exposure to hypermarkets with their negative future prospects • Concentrated tenant portfolio with top three accounting for 39% of gross rental income, albeit partially mitigated by the majority's good credit quality • Properties' macro locations expected to lead to higher downside volatility for fair values; but micro locations and limited competition boost tenant demand and thus stabilise cash flows • Negative free operating cash flows due to discretionary portfolio expansion and mandatory dividend payments

Rating-change drivers

Positive rating-change drivers	Negative rating-change drivers
• Further significant growth by total assets and GLA, while credit metrics remain unchanged	• LTV of greater than 55% on a continued basis, leading to a loss of tax-exempt REIT status

Financial overview

				Scope estimates	
Scope credit ratios	**2017/18**	**2018/19**	**Q1 2019/20[1]**	**2019/20E**	**2020/21E**
Scope-adjusted EBITDA interest cover (x)	5.1x	6.5x	6.7x	4.4x	4.1x
Scope-adjusted debt (SaD)/ Scope-adjusted EBITDA (SaEBITDA)	11.7x	11.2x	11.6x	12.9x	10.5x
Loan/value ratio (%)	53%	51%	49%	57%	55%
Scope-adjusted EBITDA in EUR m	**2017/18**	**2018/19**	**Q1 2019/20**	**2019/20E**	**2020/21E**
EBITDA	19.8	28.7	28.8	36.0	48.4
Operating lease payments in respective year	0.3	0.5	0.6	0.5	0.5
Other	0.0	0.0	0.4	0.0	0.0
Scope-adjusted EBITDA	**20.1**	**29.2**	**29.8**	**36.5**	**48.9**
Scope-adjusted funds from operations in EUR m	**2017/18**	**2018/19**	**Q1 2019/20**	**2019/20E**	**2020/21E**
Scope-adjusted EBITDA	20.1	29.2	29.8	36.5	48.9
less: cash interest as per cash flow statement	(3.8)	(4.3)	(4.3)	(8.1)	(11.9)
less: interest component, operating leases	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
less: cash tax paid as per cash flow statement	0.1	0.0	0.0	0.0	0.0
Change in provisions	0.4	0.0	-1.0	0.0	0.0
Scope-adjusted funds from operations	**16.7**	**24.7**	**24.4**	**28.2**	**36.8**
Scope-adjusted debt in EUR m	**2017/18**	**2018/19**	**Q1 2019/20**	**2019/20E**	**2020/21E**
Interest-bearing debt	231.6	354.0	382.0	509.5	551.1
Finance leases	7.9	8.4	8.4	8.4	8.4
Short-term investments	(7.4)	(13.2)	(47.3)	(47.3)	(47.3)
Cash	(0.1)	(25.6)	(2.7)	(1.4)	(2.9)
Restricted cash	0.3	0.0	0.0	0.0	0.0
Off-balance-sheet debt	2.0	3.8	3.8	3.8	3.8
Scope-adjusted debt	**234.3**	**327.4**	**344.1**	**472.9**	**513.0**

[1] Last 12 months to end-December 2019

Business risk profile: BB

Industry risk: BB

Industry risk for DKR is modest, with an exposure to the highly cyclical real estate industry, with main segments comprising leasing, management and development of commercial real estate buildings.

Credit outlook stable for 2020

For Europe's retail-focused CRE sector, the Covid-19 crisis poses diverse risks but may have only a modest impact on credit quality in the short term. However, consequences would be more severe in case a future recovery falters. The impact will be much smaller on landlords whose tenants include a significant proportion of essential retail businesses such as supermarkets, other food shops and pharmacies.

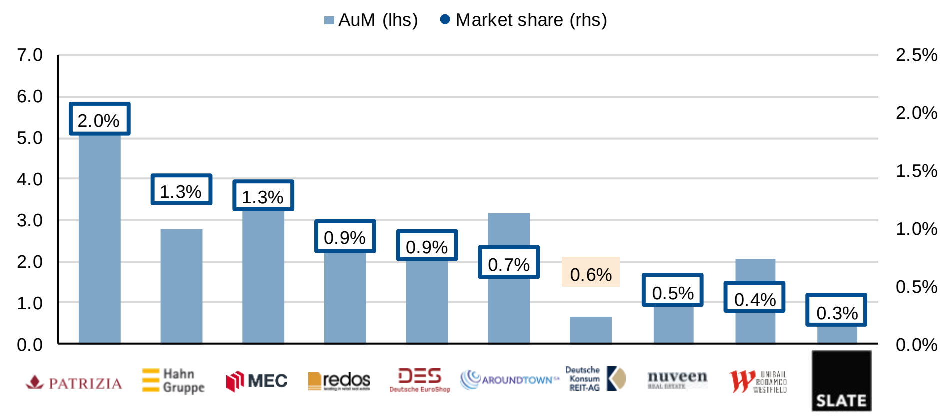
For more information, refer to the corporate outlook for real estate (click here).

Company of limited size but growth to accelerate

DKR's asset base has grown strongly since its inception in 2014. However, the company is still of limited size, as evidenced by total assets of EUR 719m at end-December 2019 (EUR 763m as at end-April 2020) and Scope-adjusted funds from operations of EUR 24.4m for the last 12 months to end-December 2020. Nevertheless, the high double-digit growth in GLA, gross rental income (GRI) and number of properties since end-September 2017 demonstrates DKR's improving access to and visibility on investment markets.

Ongoing improvements in size also support the company's access to capital markets, as evidenced by the increasing debt market exposure, now at EUR 147m (40% of debt as at end-September 2019) while the share of free-float equity has remained almost stable since FY 2017/18. However, the company is still strongly dependent on its main shareholder, Obotritia Kapital KGaA, which provided 31% in equity as well as a revolving credit facility of EUR 50m.

Figure 1: DKR and competitors by AuM[2] (EUR bn) and estimated German market share[3]



Sources: Public information, Scope

Future growth dependent on main shareholder

We anticipate further growth to improve DKR's access to capital markets, thus leading to further diversification of funding sources in the next few years. Nonetheless, we understand that the company's majority shareholder intends to keep its holding at the current level to maintain control of the company. Future growth potential is thus limited to Obotritia's ability to access capital or willingness to dilute its holding in the medium term.

[2] AuM = assets under management
[3] Based on each company's share in German retail GLA as at end-April 2020

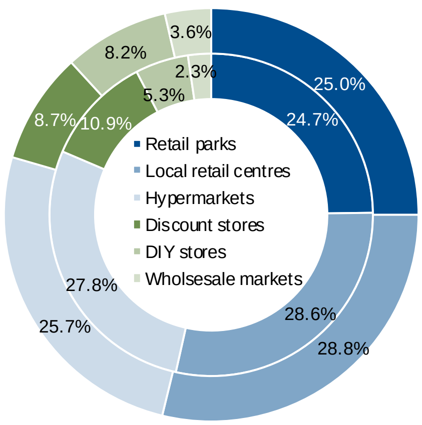
Largest pure-play commercial property company in Germany with a focus on non-cyclical retail

DKR's market share in German retail is negligible, estimated at 0.6% based 771,000 sq m of GLA (as at end-April 2020). However, we observe that this market is rather fragmented, with the largest companies barely reaching above a 1% market share. Our analysis therefore focuses on the retail sub-segment relevant to DKR: retail parks.

DKR is the largest German pure-play CRE company focusing on retail parks. Its portfolio consists of 128 properties including DIY (do-it-yourself) stores, local retail centres and supermarkets, with its market share estimated at 5%[4], followed by FCR Immobilien AG (52 retail properties[5]) and Deutsche Fachmarkt AG (34 properties[6]). In terms of portfolio size, DKR is also among the largest companies in this fragmented niche market. Its largest competitors are funds managed by, for instance, redos real estate GmbH (87 properties) or HAHN-Immobilien-Beteiligungs AG (153), as well as institutional investors whose assets are managed by Jones Lang LaSalle (54) and MEC (55).

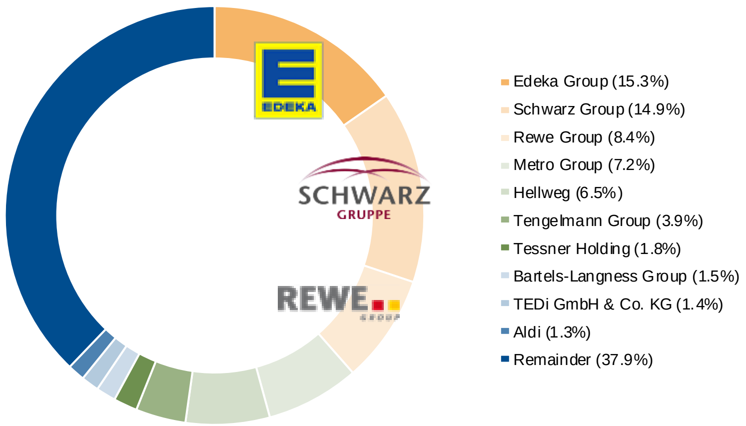
The company therefore has good visibility to tenants, potential investors and vendors (evidenced by a deal pipeline of above EUR 3bn in 2019). This supports reletting, property disposals and further growth of the portfolio, with around 55 property acquisitions planned in FY 2019/20 (EUR 220m in investments).

Figure 2: Property type by GLA (inner ribbon) and GRI (outer ribbon)



Sources: DKR, Scope

Figure 3: Pro-forma tenant diversification by GRI as at February 2020



Sources: DKR, Scope

Moderate geographical diversification with property portfolio spread across Germany

The diversification across Germany of DKR's retail property portfolio is moderate, focused on eastern federal states (78% of GLA as at end-September 2019) with slightly different demand patterns via different industry exposures.

Population outflow from former East German states halted in 2011 due to the economic recovery, and the region's population has been growing since. This should enhance the prospects of the majority of DKR's tenants, thus supporting GRI and occupancy rates in the next few years.

Since October 2019, DKR has established a significant foothold in one of Germany's economically strongest regions, Bavaria, via EUR 35m of acquisitions (EUR 3m in rental income). This should help to further stabilise rental cash flows.

Modest diversification across sales formats

DKR's diversification by property types is modest. Predominant exposures are retail parks (25% of GRI as at end-September 2019), local retail centres (29%) and

[4] Based on 393 retail parks in Germany with a GLA of above 10,000 sq m (Bulwien Gesa 2015) // DKR has 26 properties with a GLA of over 10,000 sq m as at February 2020
[5] As at 30 June 2019
[6] As at 30 September 2019

hypermarkets (26%)[7]. These three property types are closely linked to food retail, which also explains the weak tenant industry diversification (food retail: 48% of pro-forma GRI in February 2020). However, hypermarkets are facing declining demand (two of the three largest German hypermarket chains, Real and Marktkauf, are affected), which we anticipate to have a long-term negative impact on DKR's cash flows due to the higher capex needs and declining revenues.

Weak tenant industry diversification

Although tenant industry diversification is weak, the dominant industry, food retail, provides consumer necessities, leading to recurring purchases and macro resilience. Overall, DKR's exposure to non-cyclical industries – food, DIY, chemists, bakeries and healthcare – at around 72% of GRI is positive.

Concentrated tenant portfolio with top three accounting for 42% of GRI

DKR's high concentration in retail sectors is also reflected in its weak tenant diversification, with the top three accounting for 38.5% (-3pp YoY) and the top 10 for 62.2% (-4pp YoY) by pro-forma GRI at February 2020. This leaves the company very vulnerable to a single tenant's default and/or restructuring, which is an even greater risk given the disruption of Germany's retail landscape via online shopping, among other factors. The weak tenant diversification is partially mitigated by 50% of tenants by GRI being investment grade, including the top three, Edeka Group, Schwarz Group and Rewe Group.

The vulnerability of DKR's tenant portfolio was recently illustrated by the default of fashion retailer AWG in January 2019, which represented EUR 0.4m of DKR's rental income, or 1.2% of GRI at that time. DKR is especially vulnerable regarding tenants from cyclical industries, discounters and small, local players, which collectively make up 28% of the portfolio.

> AWG successfully finalised insolvency proceedings in July 2019, closing down every sixth store (DKR: one shop closure out of five; space reduction; however, already leased out to other tenants; rent reductions of between 5% to 10% for remaining contracts).

Properties' macro locations expected to lead to higher downside volatility of fair values

Although we assess the largest part of DKR's portfolio at 'D', this is only from an investor's point of view. The liquidity of these markets is weak, amplified by the low ticket sizes averaging approx. EUR 5m, which attract fewer investors than properties valued at above EUR 20m (nine in total as at February 2020).

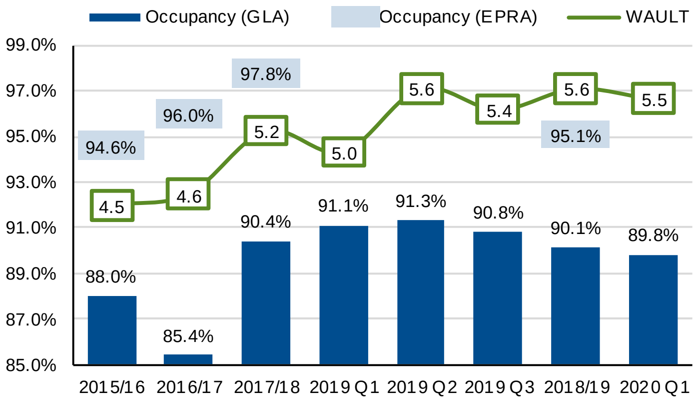
DKR's property locations are beneficial to both existing and potential tenants. Retail parks and local shopping centres enjoy limited competition via strict zoning and planning rules. This ensures the viability of existing food retail locations.

Occupancy of around 90% as at YE 2019 not expected to decrease materially as a result of acquisition strategy

DKR's occupancy has remained above 85% since its inception in 2014 and has improved considerably since end-June 2018 to above 90% (as at YE 2018) due to the delivery of refurbished retail space with much higher occupancy rates and more stable (higher occupancy levels) portfolio additions. The main driver of the company's occupancy rate is its acquisition strategy, which focuses on properties with significant vacancies. Therefore, we expect the occupancy rate to remain stable going forward, with vacancies reduced by new leases thanks to refurbishments and new area concepts, counterbalanced by new vacancies from acquisitions. However, the anticipated increase in DKR's asset base is expected to boost occupancy rates via a reduction in the share of non-stabilised assets. Current occupancy levels are sufficient to ensure the stability of future rental income, supported by a WAULT sustained above five years as at end-December 2019. Further support is provided by the even higher WAULT of anchor food-retail tenants, at 6.5 years.

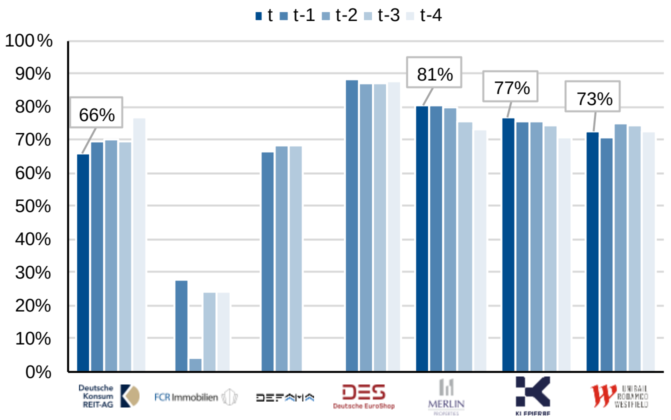
[7] According to our definition only a share of 11% of GLA is qualified as a hypermarket. Hypermarkets = retail agglomerations in excess of 5,000 sqm with the main tenant (food retail or wholesale) occupying more than 50% of GLA.

Figure 4: Occupancy and WAULT



Sources: DKR, Scope

Figure 5: EBITDA margin vs peers



Sources: DKR, Scope estimates

Profitability in line with larger peers', benefitting from economies of scale

The company has stable and high profitability, with EBITDA margins close to 70%. This is mainly driven by economies of scale, with larger lot sizes resulting in lower overheads than those of residential properties, for instance. We anticipate top-line profitability to suffer from the deferral of rents as a result of the Covid-19 crisis (collection rate of rents down to 70% in April 2020), and operating expenditure to exceed our forecasted level from February this year. The latter will be driven by an increase in recoverable costs that are either deferred or absorbed by DKR due to tenant defaults. Nonetheless, we forecast the overall impact on profitability to last only for the short term, with the Scope-adjusted EBITDA margin anticipated at more than 70% by FY 2020/21 on the back of economies of scale from portfolio growth and the comparatively low share of non-essential retail activities.

Profitability is burdened, however, by the relatively high vacancy rate. A meaningful reduction would lift profitability into the A category range. However, as this is unlikely within the next few years, we expect profitability to remain between 65% and 70%.

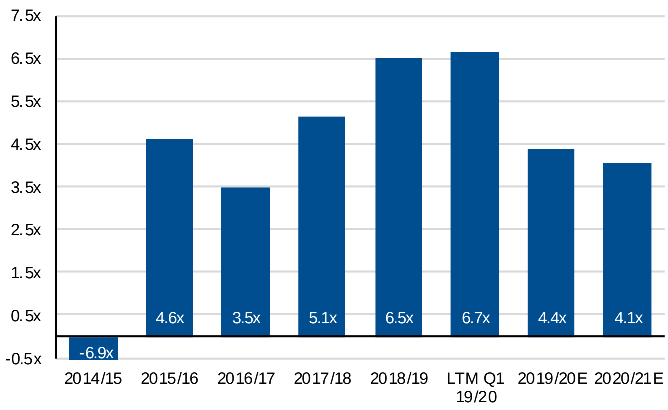
Financial risk profile: BBB-

Our rating scenario assumes/incorporates the following:

Strong debt protection with EBITDA interest cover around 5x, expected to remain at this level going forward

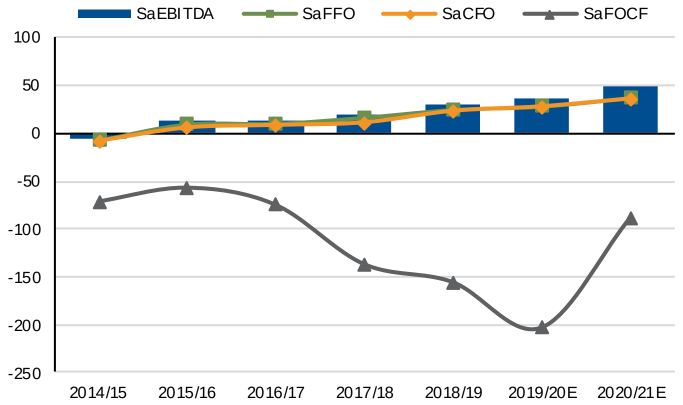
The company has benefited from a high EBITDA interest expense cover of above 3x since the financial year ending 30 September 2016. The main drivers of this level are: i) the company's low indebtedness with Scope-adjusted debt (SaD) of EUR 340m as at end-December 2019; ii) the beneficial interest rate environment with the ECB's quantitative easing programme starting shortly after DKR launched operations in late 2014 – subsequently leading to a low weighted average cost of debt of 1.9% as at end-December 2019; and iii) the company's acquisition strategy, aimed at properties producing cash yields of above 10% from day one.

Figure 6: EBITDA interest cover (x)



Sources: DKR, Scope estimates

Figure 7: Cash flows (EUR bn)



Sources: DKR, Scope estimates; 'Sa' = Scope-adjusted

We do not believe EBITDA interest expense cover will weaken to below 3x going forward despite the anticipated increase in indebtedness required to expand the company's asset base. Our view is predominately supported by i) the regulation-driven leverage cap (maximum LTV of 55%) to which the company intends to adhere; ii) the minimum exposure to income-producing real estate properties with moderate occupancy, especially to retail tenants providing essential products unaffected by Covid-19 lockdowns (supermarkets, other types of food shops and pharmacies); and iii) an industry average WAULT assuring stable operating cash flows going forward.

Negative free operating cash flow driven by expansion capex, demonstrating DKR's dependence on external financing

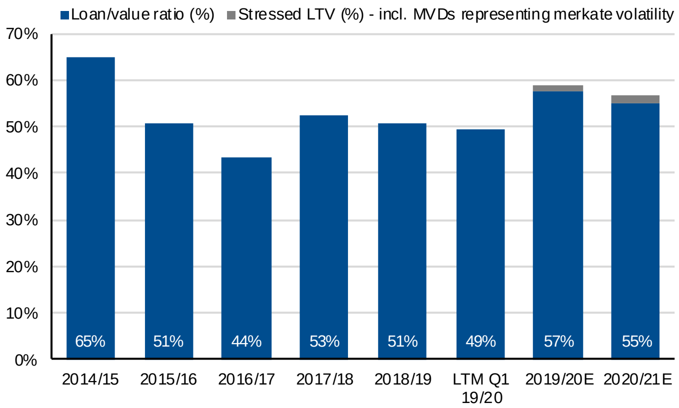
Since it was founded, DKR's operating cash flows, including Scope-adjusted funds from operations (SaFFO) and Scope-adjusted cash flow from operations (SaCFO), have increased in line with asset base growth. The latter, however, has led to continuously negative Scope-adjusted free operating cash flows (SaFOCF) ranging between negative EUR 60m-160m, which have been financed externally with EUR 172m in capital increases and EUR 351m in debt issuances (net). In light of plans to further increase the asset base, we do not expect SaFOCF to become positive within the next few years, with capex at EUR 220m in FY 2019/20 (of which EUR 170m are already underwritten as at 12 February 2020) and at EUR 100m in 2020/21, according to the company's guidance. However, around 95% of expansion capex is discretionary. This means the company could stop acquisitions immediately if access to external financing were to weaken, resulting in a positive SaFOCF. This is possible if access to the external financing of DRK's main shareholder weakened. Given its target to keep control of DKR, Obotritia would be unable to contribute further capital increases in such a scenario, thus limiting DKR's ability to maintain growth plans via equity issuances.

The company's REIT status exempts it from income tax, at the cost of dividend payments at 90% of its German GAAP results. As dividends are not discretionary, we incorporated them into SaFOCF.

LTV expected to remain below 55%; implicit financial REIT status covenants limit indebtedness

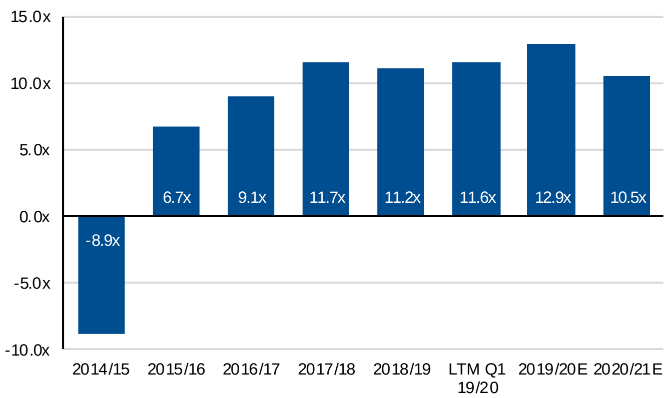
Leverage, as measured by LTV, improved during FY 2019/20 in line with our expectations and stood at 49% at end-December 2019. This ratio has, however, been volatile due to property revaluations contributing EUR 88m of fair value gains/implicit equity since 2015. As these gains have been predominately driven by yield compression rather than like-for-like rental growth, their levels could reduce if the ECB ends quantitative easing and pricing for liquidity risk increases again. Given the increased debt issuance in recent months and the limited short-term potential for fair value appreciation (see Europe commercial real estate: retail-exposed firms can weather Covid-19 crisis in the short-term), leverage is expected to exceed our forecast from February, reaching more than 55% (negative rating change driver) by end-September 2020. DKR is likely to keep LTV to the regulated level of 55%[8] by increasing equity or selling assets.

Figure 8: LTV ratio



Sources: DKR, Scope estimates

Figure 9: SaD/EBITDA



Sources: DKR, Scope estimates

We do not expect the company to sell assets to adhere to the LTV limit. Instead, we expect a capital increase, with sufficient leeway after 16 million new shares in authorised capital were resolved on during the annual general meeting (March 2019). We also expect deleveraging going forward with the company's publicly announced target to keep LTV around 50%. Thus, we believe the likely increase in leverage will not be sustained.

SaD/EBITDA fluctuating between 9x and 12x, supported by high net initial yield of over 10% for the company's portfolio

SaD/EBITDA has fluctuated between 9x and 12x (2018/19: 11.2x), reflecting DKR's low indebtedness, due to acquisitions being financed with approx. 50% equity combined with the high cash yields (over 10%) of these acquisitions. We expect SaD/EBITDA to be somewhat volatile in the future, largely depending on the timing of acquisitions and their corresponding EBITDA contribution. Irrespective of timing, we believe SaD/EBITDA will remain at around 10x going forward.

[8] According to G-REIT regulations, the maximum leverage can be breached for a maximum of two consecutive business years.

Adequate liquidity

DKR's liquidity is judged to be adequate. In detail:

Position	2019/20E		Q1 2020/21	
Unrestricted cash (t-1)	EUR	25.6m	EUR	44.9m
Open committed credit lines (t-1)	EUR	0.0m	EUR	0.0m
Free operating cash flow[9]	EUR	10.8m	EUR	6.7m
Short-term debt (t-1)	EUR	11.5m	EUR	18.3m
Coverage		**3.2x**		**2.8x**

In the past, liquidity was burdened by a high share of short-term debt. However, DKR has restructured its liabilities, extending convertibles by five years and introducing long-term financing to replace some short-term debt and flatten the maturity schedule. As such, sources of liquidity, amounting to EUR 36.4m for 2018/19, cover more than three times the liquidity need, with short-term debt at EUR 11.5m as at end-September 2019.

Liquidity risk is generally manageable in the short to medium term, with headroom provided by a high share of unencumbered assets (EUR 182m as at end-December 2019 – pro forma). Our assessment of the latter is also supported by the company's established relationships with banks, demonstrated by a financing pipeline of over EUR 110m at the end of December 2019, which is anticipated to make use of the company's unencumbered assets. In addition, the company's REIT status requires an LTV limit.

Long-term and short-term debt instrument ratings

Senior secured debt: BBB

DKR issued a EUR 40.0m bond in May 2018 with a six-year term (2018/24) and a coupon of 1.80% (ISIN: DE000A2G8WQ9). The bond benefits from a first-ranking mortgage on 15 properties, which were valued at EUR 85.4m as at September 2019. We believe the structure's overcollateralisation is adequate, with an issue-specific LTV of 43%. This positively influences recovery rates in a default scenario. According to our methodology and reasonable discounts on the company's asset base (as described below), we expect a 'superior' recovery in a default scenario, thus allowing for a two-notch uplift on the company's issuer rating of BB+.

Senior unsecured debt: BBB-

Our recovery analysis signals 'above-average recovery', which translates into instrument ratings of BBB-. Recovery is based on a hypothetical default scenario in FY 2020/21 with the company's liquidation value amounting to EUR 579m. This value is based on an 8% haircut applied to assets, reflecting a BBB category stress according to our methodology as well as liquidation costs of approx. 23% for assets and 10% for insolvency proceedings. This compares to secured financing of a forecasted EUR 364m, a fully drawn unsecured credit line of EUR 50m as well as the unsecured EUR 37m in convertible bonds and the EUR 110m straight bond. Recovery is sensitive to the advance rate used and we judge DKR's portfolio to be illiquid. We therefore limit up-notching on the issuer rating.

The DKR's Scope-adjusted unencumbered asset ratio amounts to 1.7x at end-December 2019 (pro-forma[10]), thus allowing a maximum uplift of the debt class to the BBB category[11].

[9] We exclude discretionary expansion capex from the liquidity calculation, as such investments are made only if external financing is available.
[10] Includes: i) EUR 171m in property values (acquired but not transferred up to end-December 2019); ii) EUR 91m in bank debt to be drawn to finance these purchases; and iii) EUR 68m cash and cash equivalents available
[11] The unencumbered asset ratio fell to 1.2x (pro-forma) with the issuance of a EUR 40m unsecured bond, while the accompanying capital increases anticipated for March 2020 have not been executed given the Covid-19 situation. However, our rating case assumes the unencumbered asset ratio to again reach 1.7x by end-September 2021, benefitting from the anticipated capital increases. Furthermore, we believe the high recovery under a BBB category stress provides sufficient leeway to keep the senior unsecured debt rating unchanged for the time being.

Appendix I: Peer comparison (as at last reporting date)

	Deutsche Konsum REIT-AG	NEPI Rockcastle Plc	Unibail-Rodamco-Westfield S.E.	Klépierre S.A.	Steen & Strøm AS
	BB+/Stable/--	--/--/--*	--/--/--*	--/--/--*	--/--/--*
Last reporting date	31.12.2019	31.12.2019	31.12.2019	31.12.2019	31.12.2019
Business Risk Profile					
Sa Total Assets (EUR m)	698	6,596	63,915	24,007	3,981
Portfolio yield	5.9%	6.7%	4.1%	5.0%	4.6%
GLA (thousand sq m)	725.7	2,392.0	9,800,0	5,550.0	662.2
# of residential units	na	na	na	na	na
Countries active in	1	9	12	15	3
Top 3 tenants (%)	39%	10%	na	9%	12%
Top 10 tenants (%)	62%	22%	10%	16%	22%
Office (share NRI)	na	7%	4%	na	na
Retail (share NRI)	100%	92%	92%	99%	100%
Residential (share NRI)	na	na	na	na	na
Hotel (share NRI)	na	na	na	na	na
Logistics (share NRI)	na	na	na	na	na
Others (share NRI)	na	1%	4%	1%	na
Property location	'B'	'B'	'A' to 'B'	'B'	'B'
EPRA occupancy rate (%)	95.1%[12]	97.9%	97.8%	97.0%	95.8%
WAULT (years)	5.5	4.0	5.6	4.9	3.2
Tenant sales growth (%)	na	6.8%	4.7%	1.8%	(1.1%)
Like-for-like growth rents (%)	1.1%[8]	6.2%	3.1%	3.0%	2.4%
Occupancy cost ratio (%)	na	11.9%	15.5%[13]	12.4%	12.3%
SaEBITDA margin[14]	66%	93%	73%	78%	85%
EPRA cost ratio (incl. vacancy)	26.4%[8]	8.1%	16.2%	15.4%	na
EPRA cost ratio (excl. vacancy)	23.7%[8]	8.0%	14.4%	13.9%	na
Financial risk profile					
SaEBITDA interest cover (x)[8]	6.7x	8.0x	4.3x	5.8x	4.8x
Loan/value ratio (%)	49%	30%	44%	39%	28%
SaD/SaEBITDA (x)[8]	11.6x	5.3x	12.9x	8.8x	7.4x
Weighted average cost of debt (%)	1.9%	2.4%	1.6%	1.5%	1.8x
Unencumbered asset ratio (%)	170%	316%	210%	251%[15]	425%
Weighted average maturity (years)	4.5	4.1	8.2	6.5	na

* Subscription ratings available on ScopeOne

Sources: Public information, Scope

[12] As at end-September 2019
[13] Excl. the UK (19.9%) and the United Sates (12.6%)
[14] For the last 12 months to the reporting date
[15] Scope estimate excluding Steen & Strøm

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