ctp CMD24

25–26 SEPTEMBER 2024

ctp.eu

Capital Markets Day
Bucharest & Belgrade

Richard Wilkinson, Group CFO

CTP’s strong credit profile

CTP N.V.

Session presenter

Richard Wilkinson

GROUP CFO

As Group CFO, Richard oversees and works constantly to expand CTP's core business in its CEE markets. Among his many achievements to date as CFO, he organised the largest industrial real estate refinancing in CEE history, led CTP's debut green bond issue, guided CTP's IPO process in 2021 and oversaw the takeover of Deutsche Industrie REIT.

- Risk management & internal audit
- Compliance
- IR
- Funding

Funding principles centre around Investment Grade rating

Baa3 with stable outlook

5 July 2024

BBB- with stable outlook

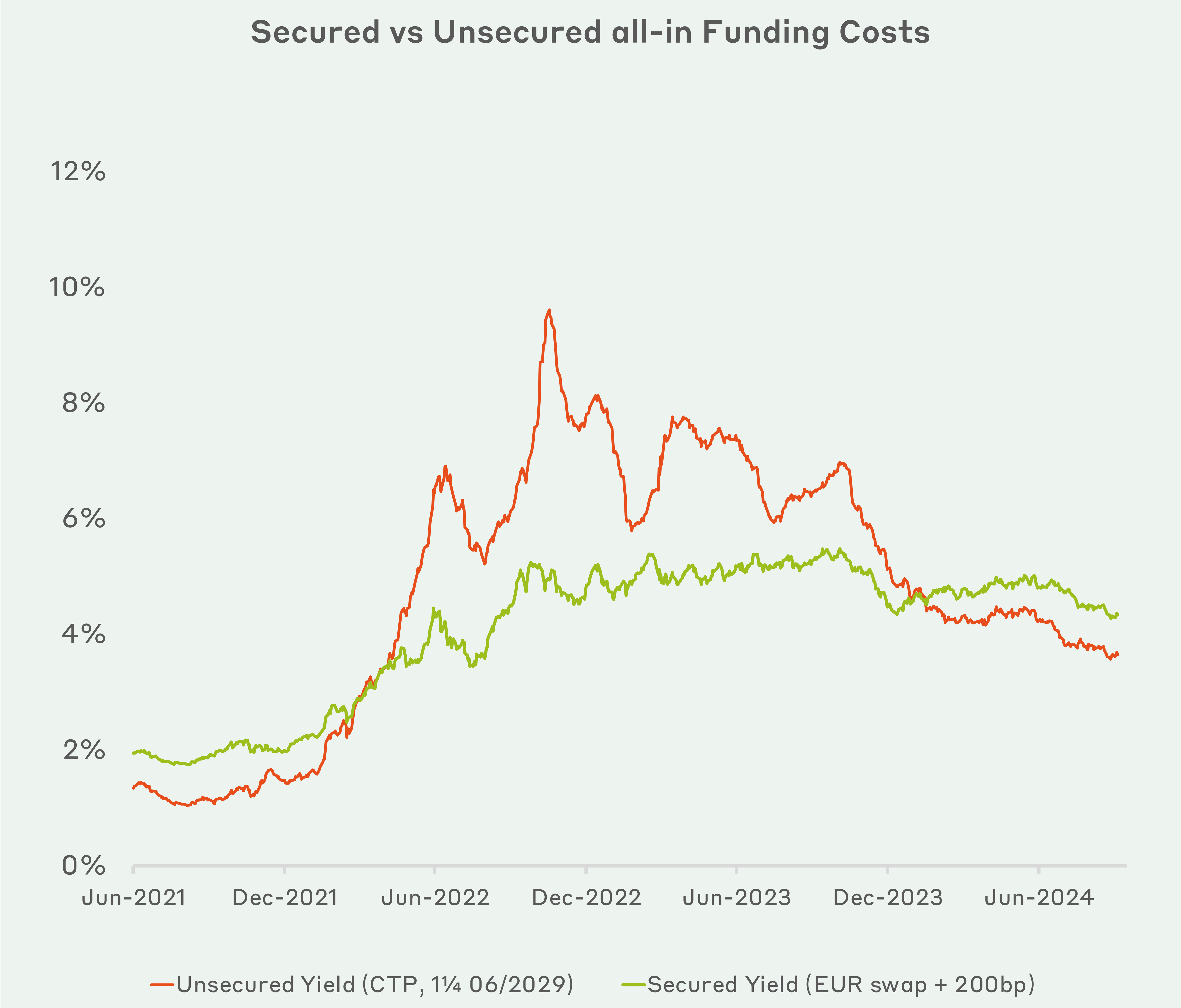
13 September 2024

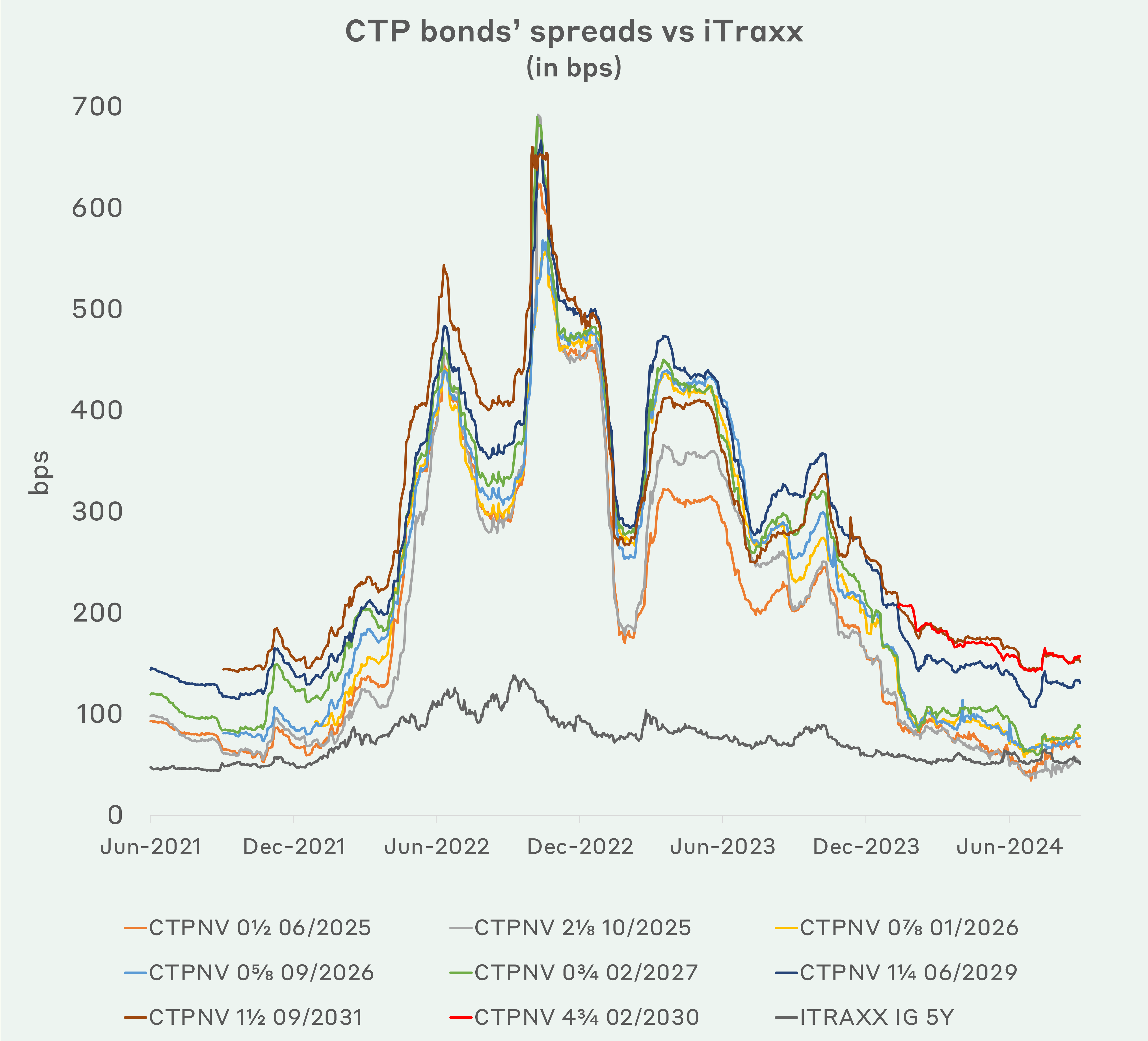
- Multiple pools of liquidity
- Mix of unsecured and secured debt
- Strong organic cash-flow from operator business
- Conservative financial policy and focus on cash-flow metrics
- Proven access to debt and equity markets
- Solid liquidity position

Access to liquidity and capital at all time as a competitive advantage in CEE

CTP's debt structure

Bond market currently most attractive – with spreads close to historical levels





Funding – forward looking cash flow metrics

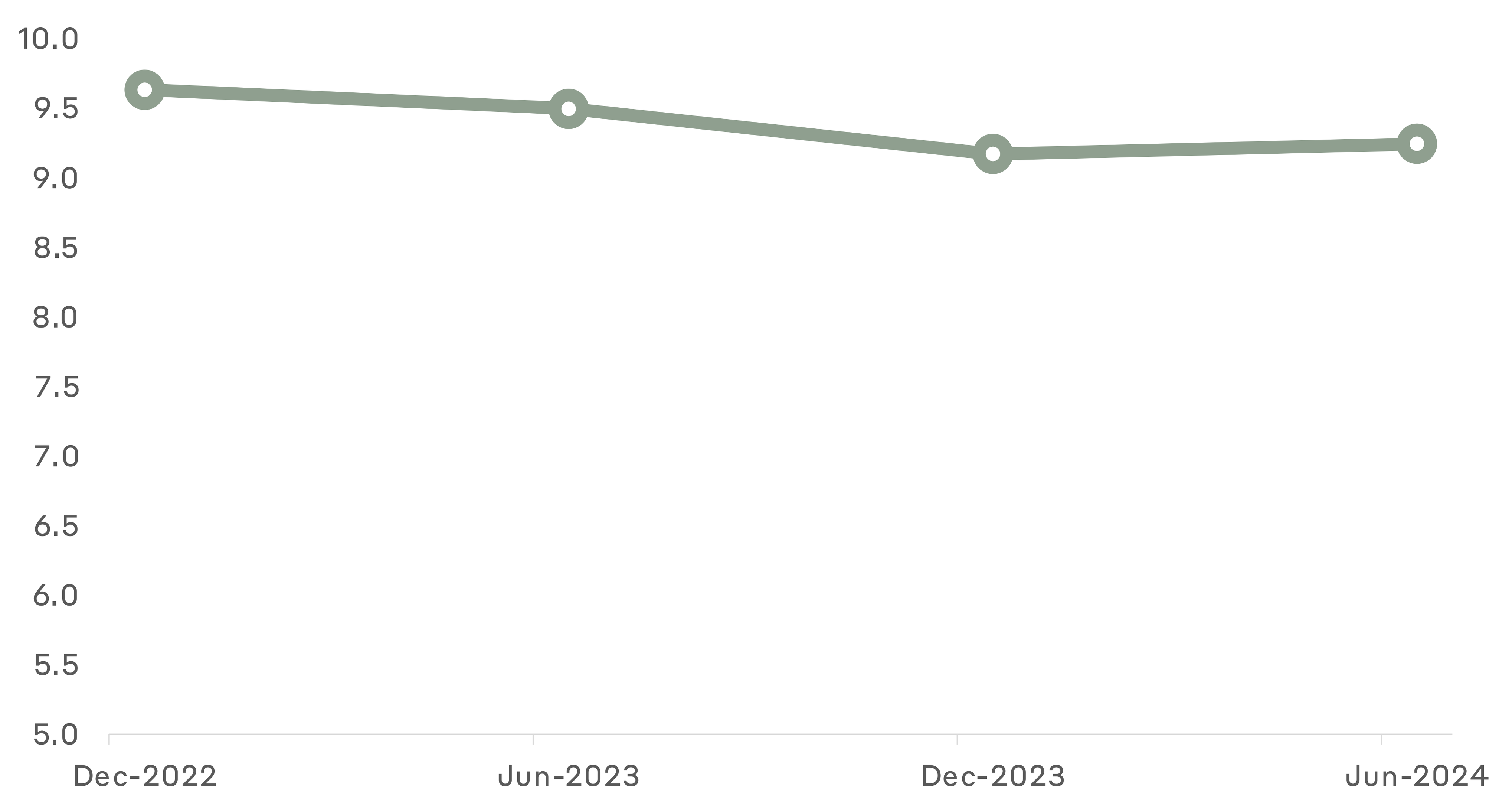
- As developer, CTP always has front loaded debt to finance landbank and developments, while the rental income follows 12 – 24 months later.
- Forward looking metrics therefore more relevant—which are also used by rating agencies as they present a look through view.

Normalised net debt to EBITDA *(in € '000)*	
Net debt adjusted for the cost of deliveries of investment property under development	7,127,203
Normalised EBITDA	770,950
Normalised Net Debt to EBITDA (ratio)	**9.2x**

Normalised Net Debt to EBITDA

- EBITDA includes full annualized income of last 12-month deliveries and annualized income of the current investment properties under development
- Net Debt includes debt needed to finalize the current investment properties under development
- **30 June 2024: 9.2x**

Normalised Net Debt to EBITDA



Normalised Net Debt to EBITDA target below 10x, consistent with strong Investment Grade credit rating

Deleveraging through developments – Normalised Net debt to EBITDA

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Retained earnings have significant potential to deleverage our balance sheet and enable growth
→ 70% - 80% dividend pay-out AREPS → retained earnings potential of ~€270 million

This enable us to build up to 1.5 million sqm (including land acquisitions) funded by debt while improving LTV, Normalised Net debt to EBITDA and ICR

Simplified example (EURm)		
GLA	1,500,000	sqm
Construction costs	€ 750	€ 500 per sqm
Landbank utilized	€ 150	€ 50 per sqm * 2 (2:1 build up ratio)
Development CAPEX	€ 900	
Cash	€ 270	Retained earning potential
Net debt	**€ 630**	
Revaluation potential	€ 530	~58% (from 10.3% YoC to 6.5% portfolio yield)
Investment Property	**€ 1,430**	Construction costs + landbank + revaluation
Net LTV	**44.1%**	**<46.2% as at 30 June 2024 (pro-forma for ABB LTV is 44.2%)**
Rental income	€ 90	EUR 60 per sqm per year
Adjusted EBITDA	**€ 78**	87% Adjusted EBITDA to Rental income as at 30 June 2024
Normalised Net debt to EBITDA	**8.0x**	**<9.2x as at 30 June 2024**

2024 AREPS ~€360 million (80 cents per share * 453 million shares outstanding), 2/3 scrip vs 1/3 cash take-up assumed

Deleveraging through developments – ICR

- As we continued to grow in 2023 and 2024 to meet strong tenant demand, our ICR decreased during those years due to new financing at higher cost of debt as well as the refinancing maturing cheaper debt
- Further financing of growth in 2025 and 2026 will continue to reduce ICR as historically low funding costs are replaced at higher interest rates
- ICR is expected to bottom out above 2.5x times during 2025-2027 and improve from there
- Each EUR invested in the pipeline improves ICR thanks to the high YoC of over 10%

ICR – 30 June 2024 (in € mil)		
Adjusted EBITDA	530.0	
Interest expense	170.5	
ICR	**3.1x**	
Adjusted ICR for interest income		
Adjusted EBITDA	**530.0**	
Interest expense	170.5	
Interest income	28.8	
Net interest expense	**141.7**	
Adjusted ICR for interest income	**3.7x**	**> 3.1x current ICR**

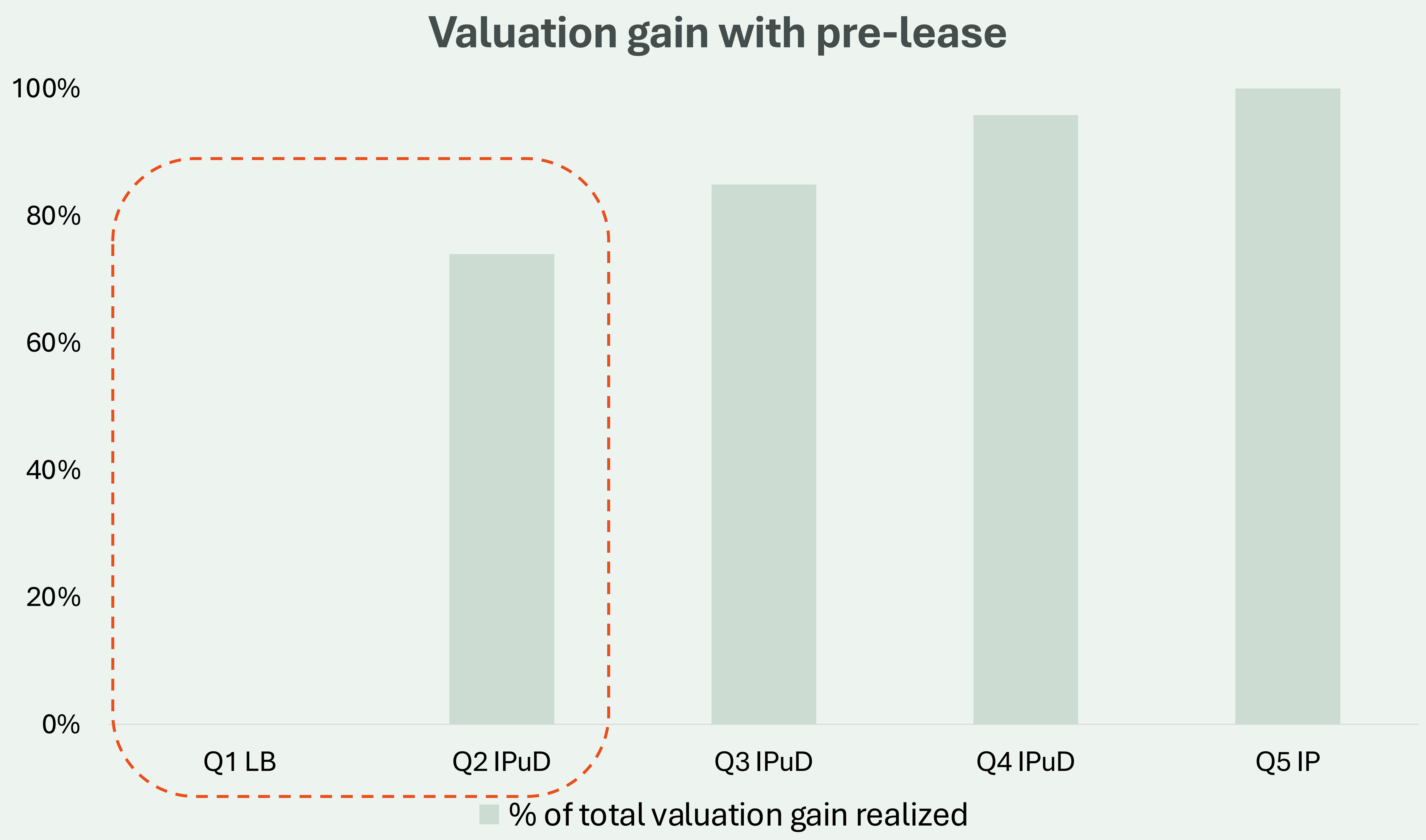
ICR calculation does not include interest income which has a relatively high impact on the result given the cash position of € 1.1 billion as at 30 June 2024

Simplified example		
GLA	100,000	
Income		
Rent per sqm	€ 60	
Rent annually	€ 6,000,000	Assuming 10% YoC
Adjusted EBITDA to Rental income	87.0%	
Adjusted EBITDA	€ 5,220,000	
Capital employed		
Total construction cost	€ 60,000,000	€ 500 construction costs + € 50 per sqm * 2 (2:1 build up ratio)
LTV	45.0%	
Debt	€ 27,000,000	
Interest expense		
Cost of debt assumption based on current marginal cost of debt	4.0%	
Interest expense	€ 1,080,000	
ICR	**4.8x**	**> 3.1x current ICR**

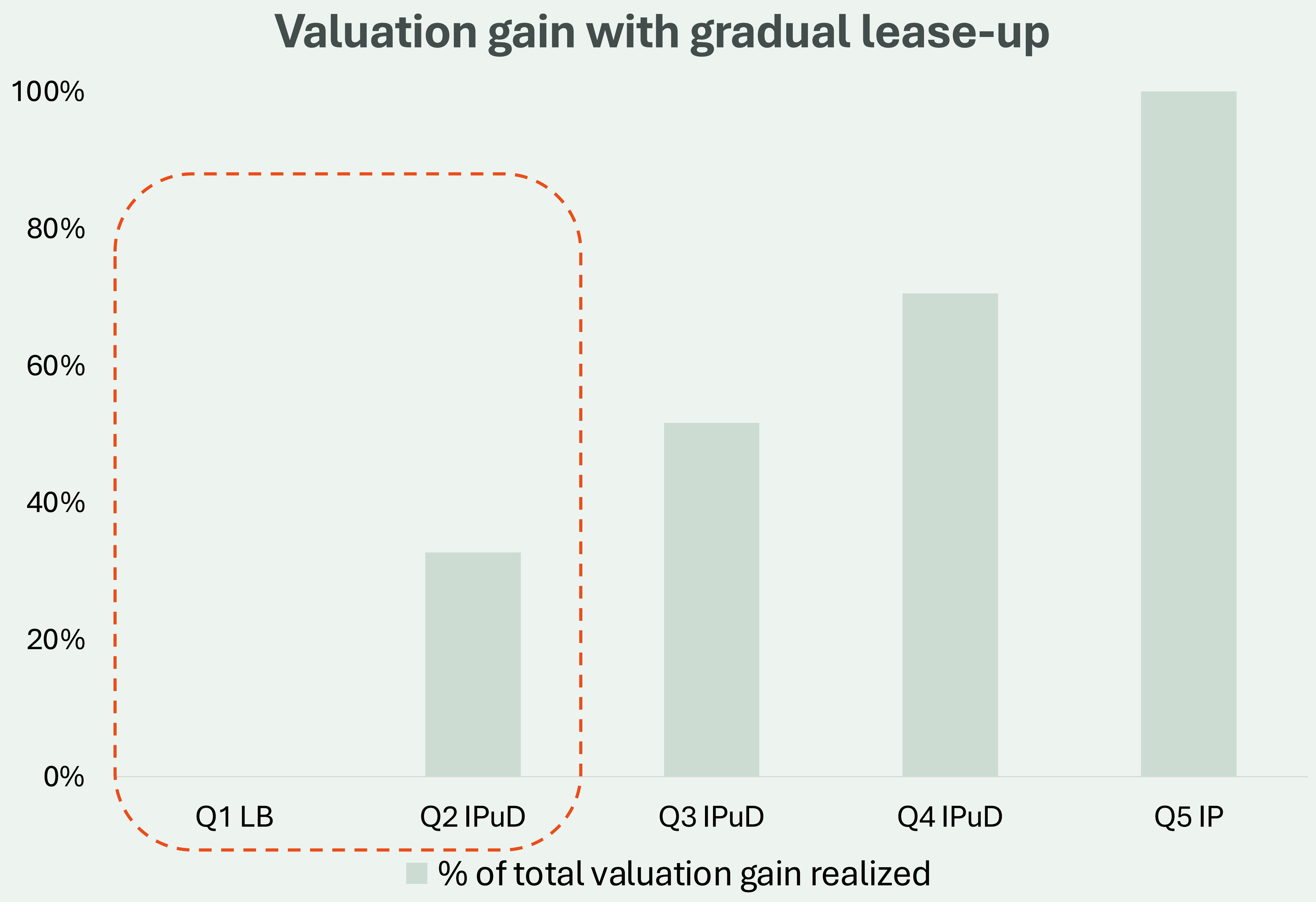
Every Euro invested at our YoC target >10%, levered to 45%, below 6.25% cost of debt is accretive to the current ICR

Deleveraging through developments – valuation gains

Valuation gain in two cases of IPuD with different pre-letting strategy

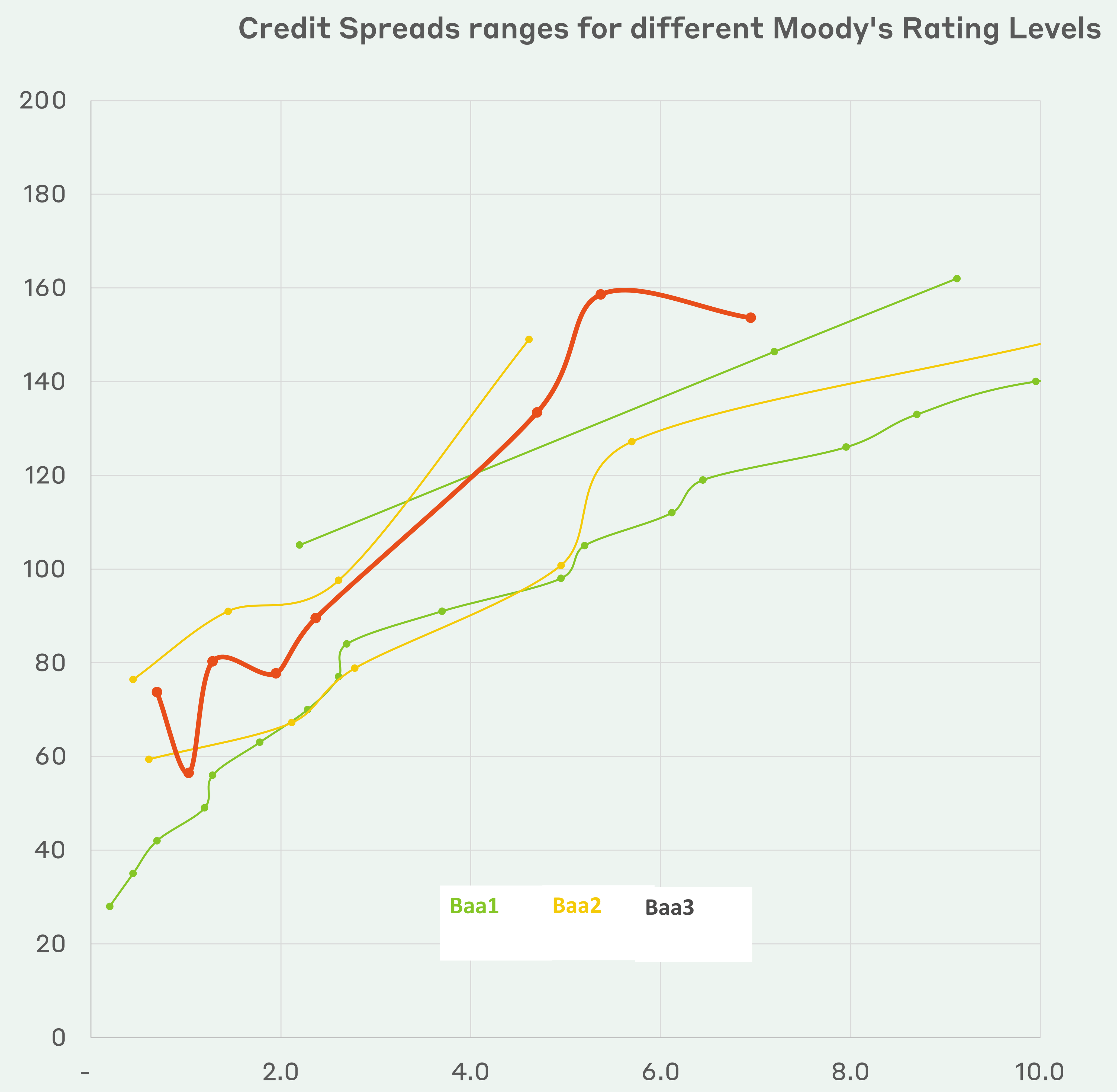


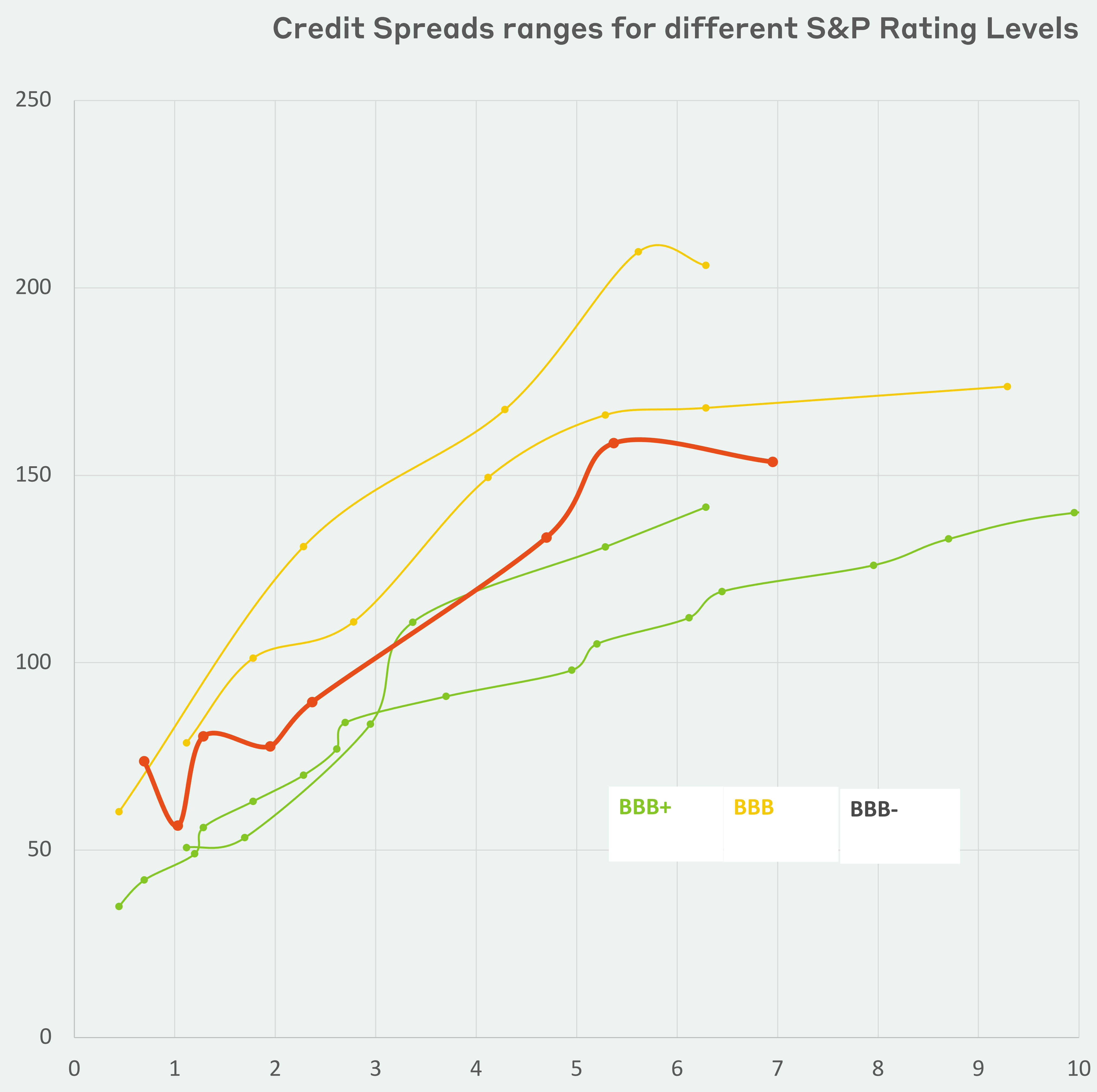
→ Large proportion of valuation gain realized at construction start



→ Valuation gain realized in stages until delivery

Bond market reflects CTP strong credit profile – trading through many BBB and BBB+ names





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