

# Immofinanz

Analysis of management board  
compensation

15 April 2019

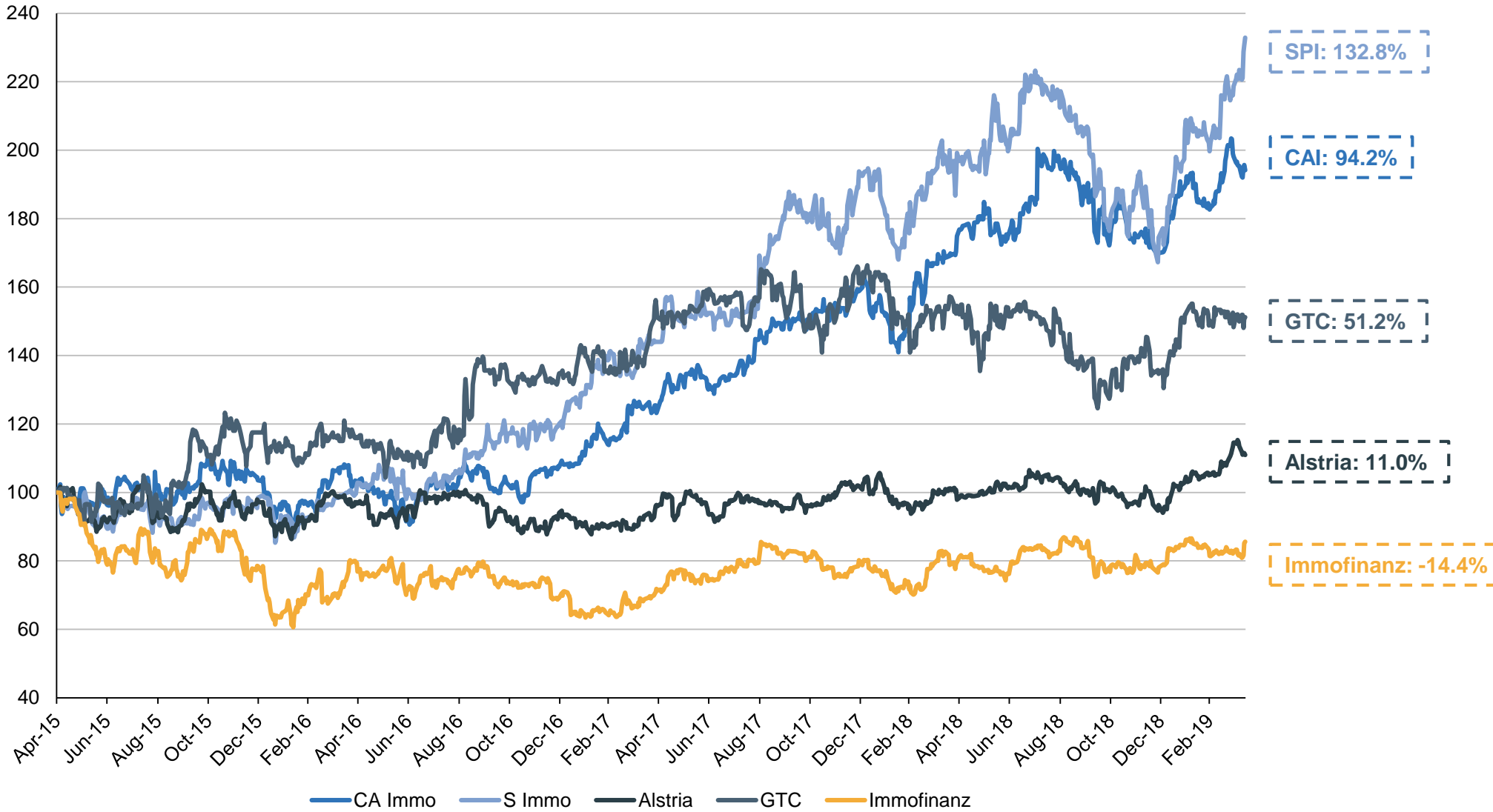


# Executive summary

- Since our public criticism of the leadership of Immofinanz AG (“**Immofinanz**”) - launched on 27 February 2018 - the relative under-performance of Immofinanz compared to its peers has not changed
- We view this as a result of poor execution of many key corporate actions that have more than offset the operating improvements of its standing portfolio. These issues include
  - Sale of the Russian portfolio under self-created pressure (condition for the CA Immo merger idea) at a deplorably low price
  - Predictable failure of CA Immo Anlagen Invest (“**CAI**”) merger idea after significant cost and time had been spent
  - Start of next half-baked M&A adventure via the purchase of ~29% stake in S Immo AG (“**S Immo**“) from real estate tycoons Ronny Pecik and Rene Benko for €20 / share (vs. market price of €16.66 per 18 April 2018)
  - Rumours about planned acquisitions of large prime ‘towers’ at ultra-high prices
- Despite an incredible absolute and relative lack of value creation for Immofinanz shareholders, the management team have been rewarded better than any of its peers, especially in 2018 where a €4 million special bonus was granted
- These issues demonstrate the poor management discipline and loose governance / oversight standards at Immofinanz
- Petrus Advisers supports the nomination of two independent directors to the Supervisory Board of Immofinanz

# Share price development since Oliver Schumy took over

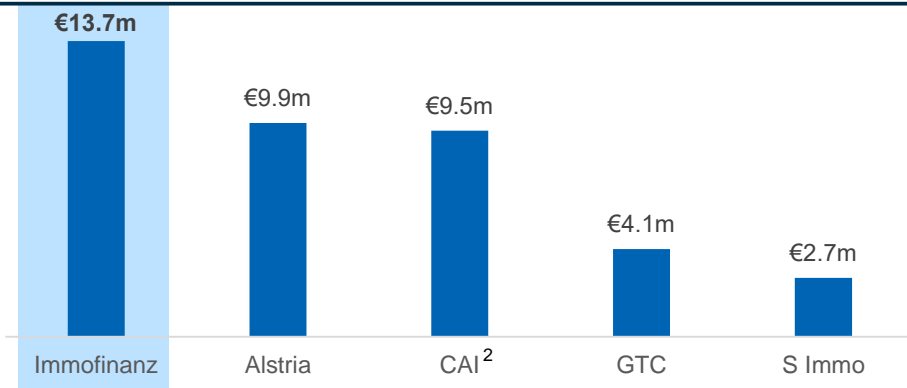
**PETRUSADVISERS**



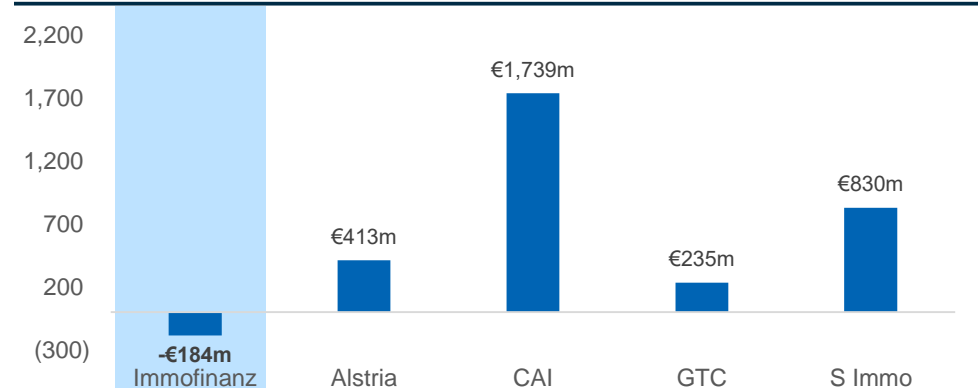
Source: Bloomberg

# Highest paid, lowest performing

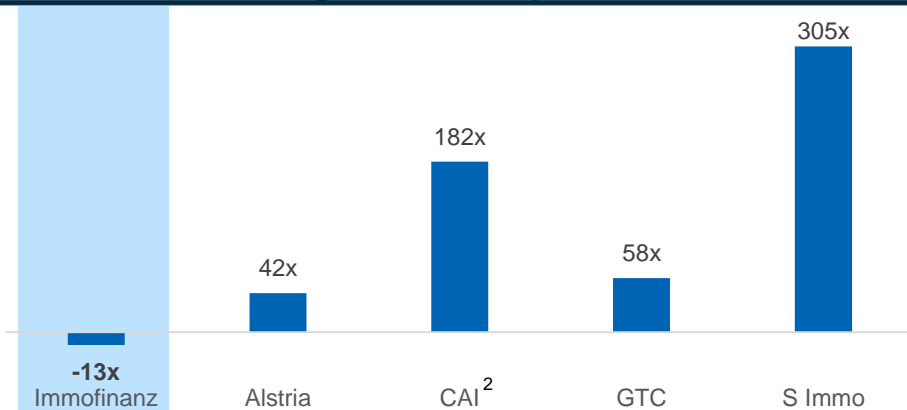
Cumulative 2015-18<sup>1</sup> management board pay



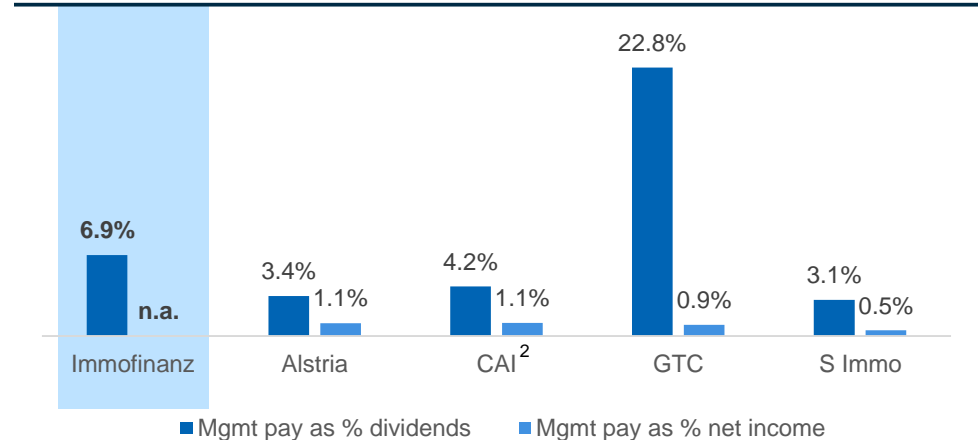
Shareholder value creation<sup>3</sup>



Shareholder value creation as multiple of management compensation



Cumulative management pay as % Net income and % dividend



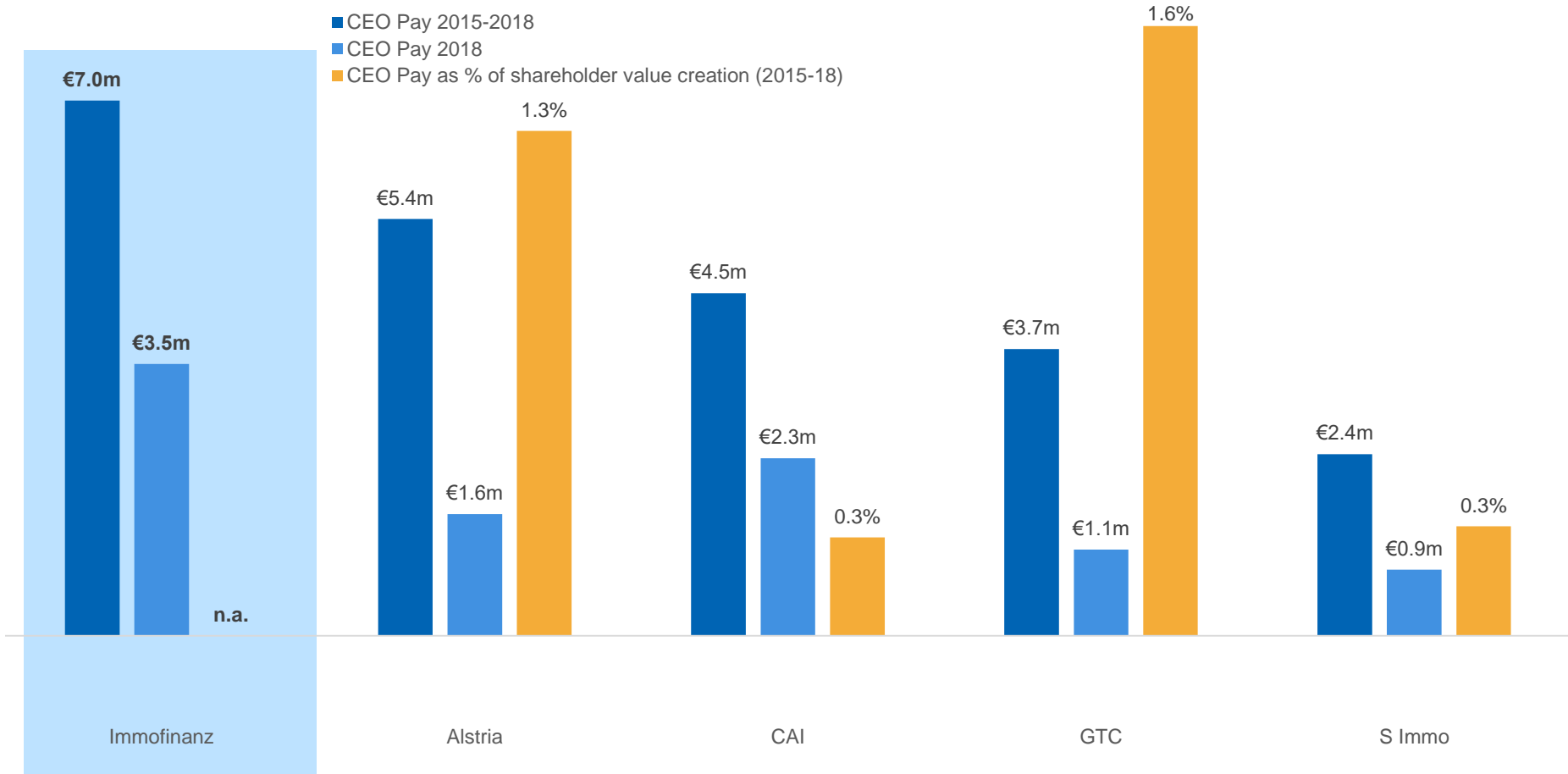
Source: company filings, Bloomberg

1) From 01/05/2015 to 31/12/2018. 2) Change of control payments have been excluded from the analysis. 3) Shareholder value creation defined as: (share price AT 12/04/2019 – share price at 30/04/2015) x number of shares outstanding on 30 April 2015 + cumulative dividends received from 30/04/015 to date.

Note: IIA had a 30 April year end until April 2016 (their 2015/16 year end) while peer companies all have 31 December year ends. As such, net income and management compensation for peer companies have been reduced by 1/3 in the 2015 calendar year to make them comparable to IIA.

# CEO pay

In both 2018 and cumulatively<sup>1</sup>, Oliver Schumy is by far the highest paid CEO



Source: company filings

1) Between 1 May 2015 and 31 December 2018. Peer companies pro rata adjusted for 2015 (see previous page).

2) Shareholder value creation defined as: (share price today – share price at 30 April 2015) x shares outstanding on 30 April 2015 + dividends received from 30 April 2015 to date.