

# Akiş REIT 3Q18 Performance Presentation (Nov'18)



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## 1 Breaking News

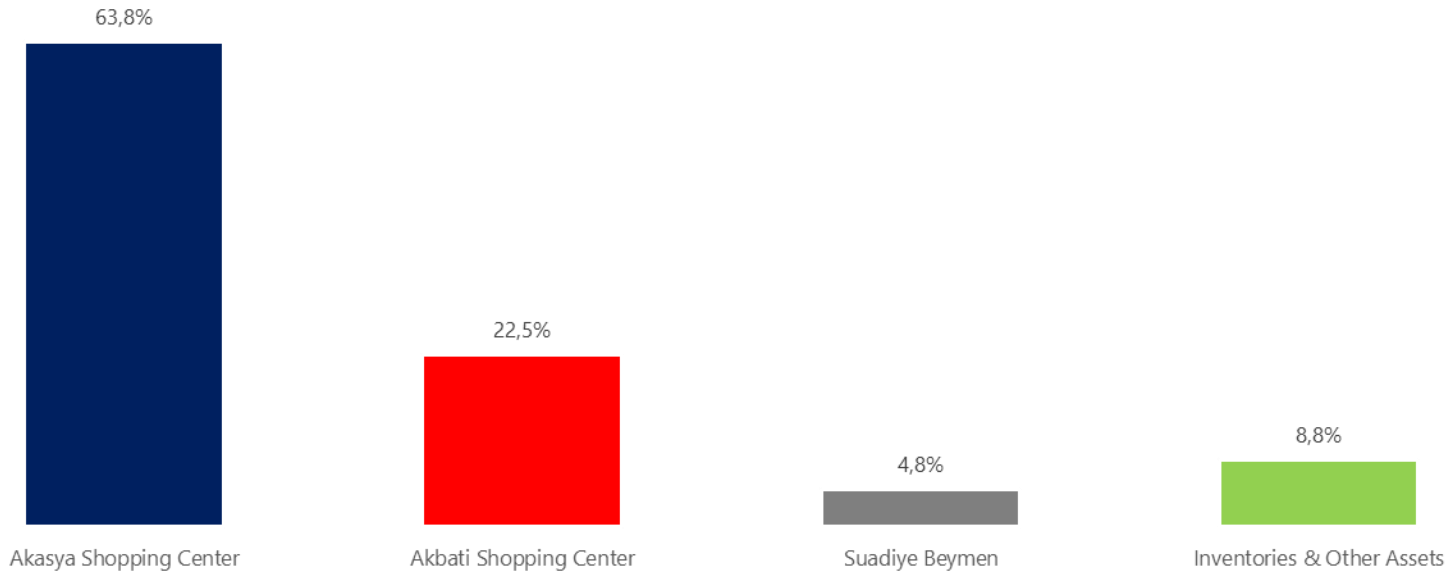
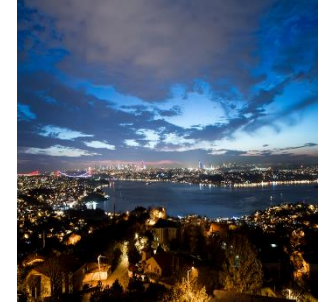
- ✓ The Communiqué Regarding Amendment on the Communiqué Regarding Decree No. 32 on the Protection of the Value of the Turkish Lira Currency (Communiqué No: 2018-32/34) is published in the Official Gazette dated 06.10.2018, numbered 30557 and came into force on the publication date (Communiqué No: 2018-32/51, the “Communiqué”). The Communiqué brings various provisions related to the implementation of the restrictions on agreements in foreign currency or foreign currency-indexed under the Decree no.85 on the Protection of the Value of Turkish Currency numbered 85 that was published on the Official Gazette dated 30534 and numbered 13.09.2018 (“Decree No.85”).
  - ✓ Accordingly, all rental contracts between Akiş REIT and its tenants have been redefined as Turkish lira for 2 years in line with the terms of the decree that has been executed by the Finance and Treasury Ministry in the following link (in Turkish)
    - ✓ <https://hazine.gov.tr/sikca-sorulan-sorular-dovize-endeksli-sozlesmeler?type=icon>
- ✓ Akiş REIT initiated a “buy-back programme” on 3rd of August with an allowance limit of 9.5mn shares and TL30mn cash.
  - ✓ Accordingly, since then, Akiş REIT accumulated 980.687 nominal shares corresponding to 0,228% of its paid-in capital
- ✓ Akiş REIT has also signed a “liquidity provider” agreement with Gedik Securities on 2nd of November in order to increase liquidity and depth of its shares

Source: Finance & Treasury Ministry, [www.gsg hukuk.com](http://www.gsg hukuk.com)

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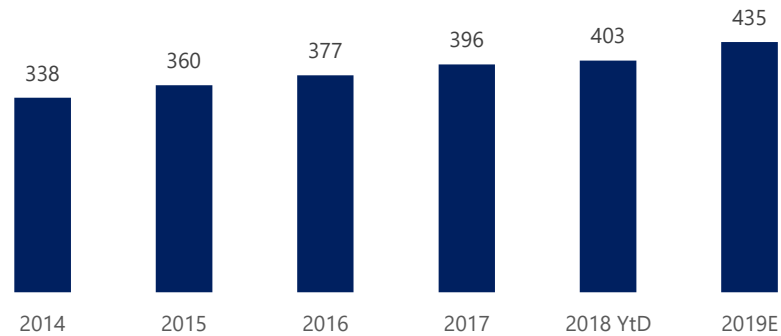


## 2 Breakdown of Portfolio

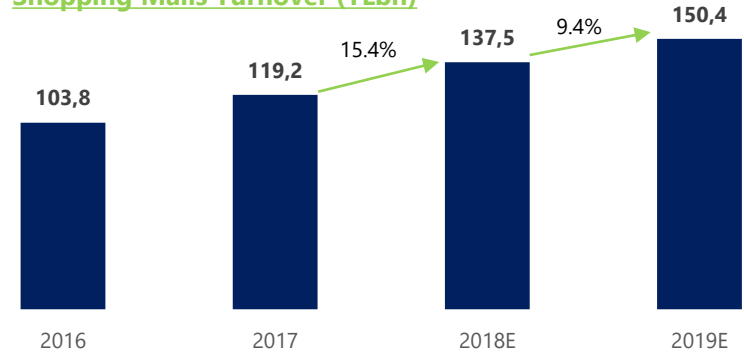


## 3 Market Overview

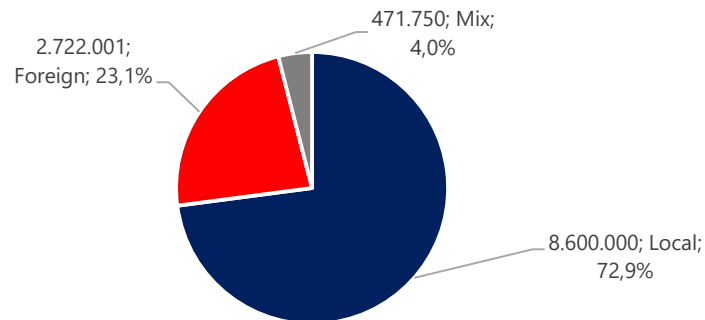
### Number of Shopping Malls



### Shopping Malls Turnover (TLbn)



### Breakdown of Investments by Investor (sqm)



- ✓ Competition is getting more intense every year
- ✓ Planned supply and demand dynamics should be more carefully analysed than ever
- ✓ Shopping Malls are not just malls but living spaces where technology and social media intersect
- ✓ Location; closeness to customer is more important than ever
- ✓ İstanbul is home to c.40% of Gross Leasable Area
- ✓ Akasya Shopping Mall still holds its title as the only almost fully let A+ shopping mall status on the Anatolian side of İstanbul whereas Akbatı Shopping Mall is still the very first and only attraction centre in its hinterland

Source: AYD, Akiş GYO

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## 3 Portfolio Overview



### Akasya Commercial Center

Opening Date	2014
Number of Shops	260
Gross Leasable Area (sqm)	80.000
Occupancy Rate	96%
Rent per sqm	US\$66/month
Rent for last Full Year	US\$57mn
International Awards	91



### Akbatı Commercial Center

Opening Date	2011
Number of Shops	173
Gross Leasable Area (sqm)	65.500
Occupancy Rate	98%
Rent per sqm	US\$32/month
Rent for last Full Year	US\$23mn
International Awards	87



### Suadiye Beymen

Opening Date	2017
Number of Shops	1
Gross Leasable Area (sqm)	c.5.000
Occupancy Rate	100%
Rent per sqm	US\$60/month
Rent for last Full Year	US\$3.2mn
International Awards	-

## 4 Portfolio Performance (Akasya Shopping Mall)

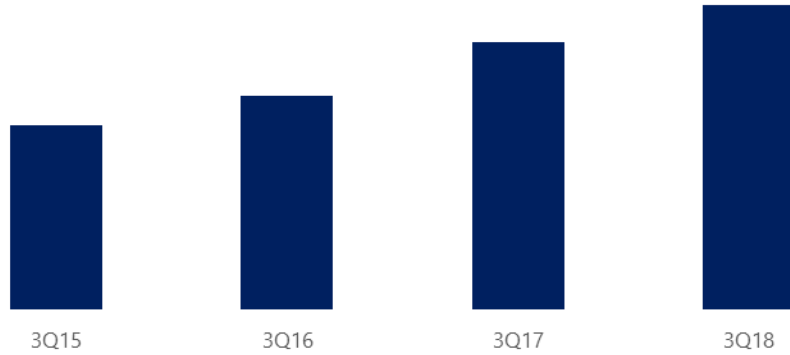


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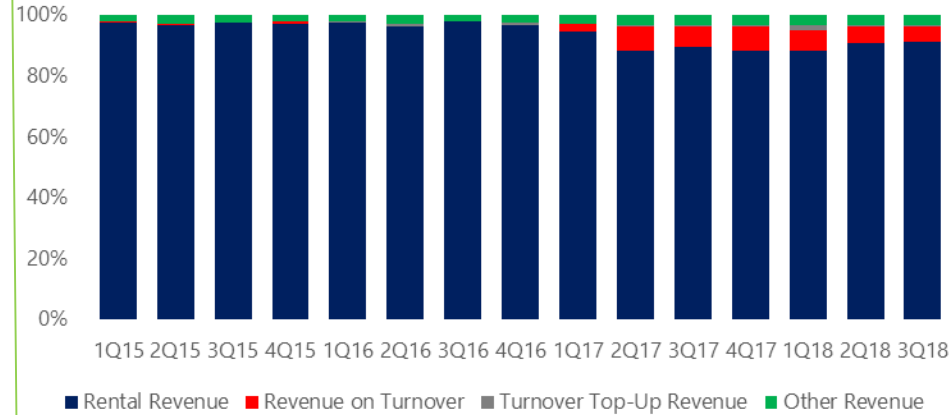
## Akasya Shopping Mall – General Overview



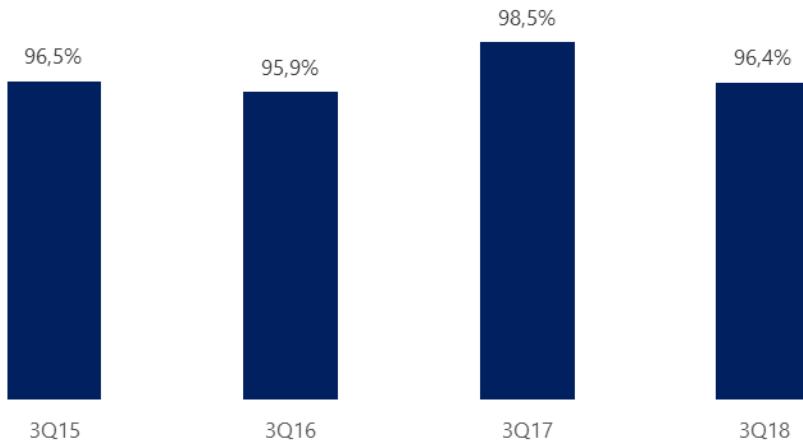
Akasya Shopping Mall stores' total TL turnover rose by c.14% in 3Q18 (YoY)



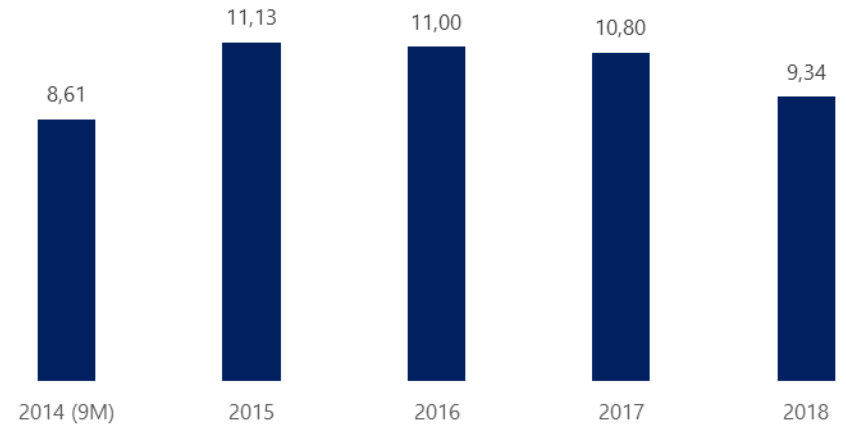
Income breakdown



Occupancy Ratio ~ 2% store mix change effect

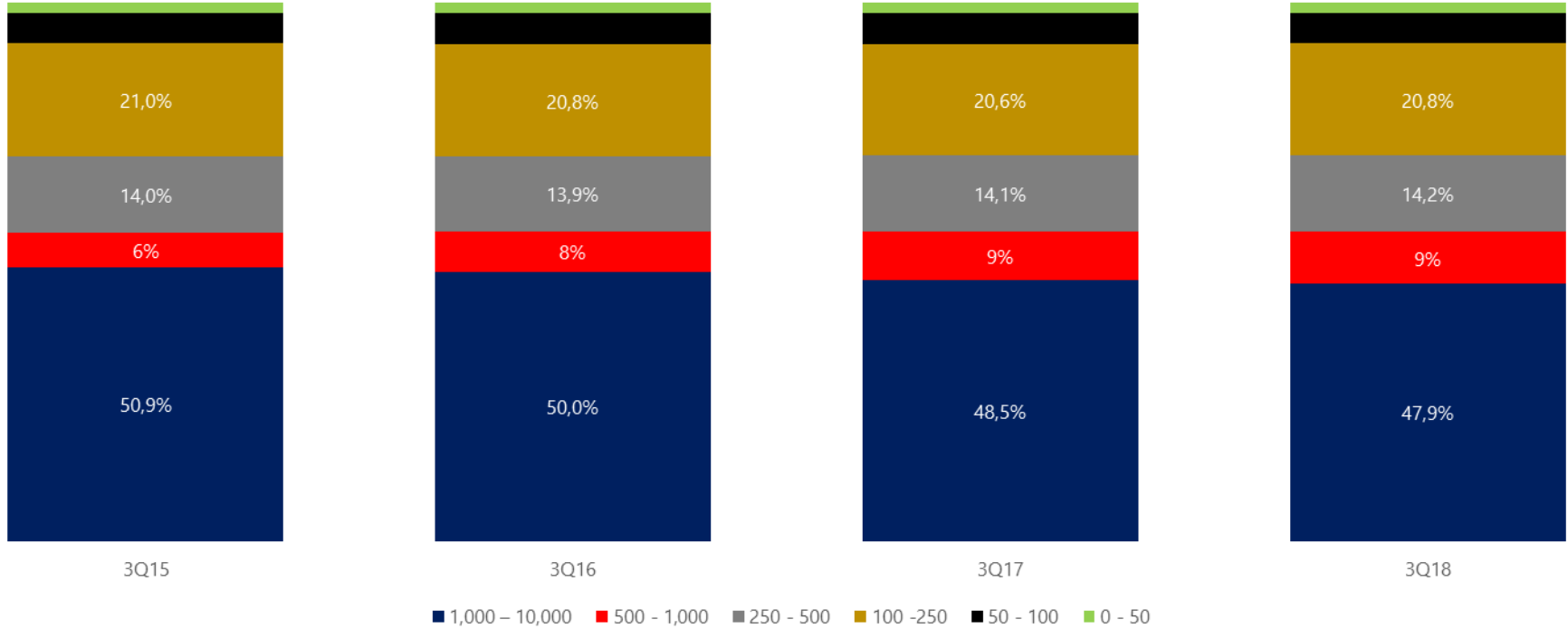


Average Store Tenure (month)



# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Akasya Shopping Mall – Store mix by size (sqm)



# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Akasya Shopping Mall – Financials



### Income yield

Akasya Shopping Mall (US\$mn)	2015	2016	2017	3Q18
Revenue	58,4	58,9	57,5	11,0
NOI	44,5	45,0	45,3	9,1
EBITDA	45,5	45,9	46,0	9,2
Latest Appraisal Value	603,8	627,6	631,0	584,9
Yield	7,54%	7,31%	7,30%	<b>7,74%</b>

9M17	9M18	YoY
42,5	39,9	-6%
32,9	32,3	-2%
33,5	32,7	-2%

- ✓ Akasya Shopping Mall posted turnover increase (c.14%) YoY in TL terms coupled with flat # of visitors
- ✓ Net Operational Margin remained around c.83% well above the last 3 years thanks to ongoing efforts on;
  - ✓ Effective cost management
  - ✓ Rise in complimentary income
  - ✓ Positive FX impact
- ✓ We focus on slightly changing store mix with new attraction areas with a further emphasis on entertainment and F&B segment

## 4 Portfolio Performance (Akbatı Shopping Mall)

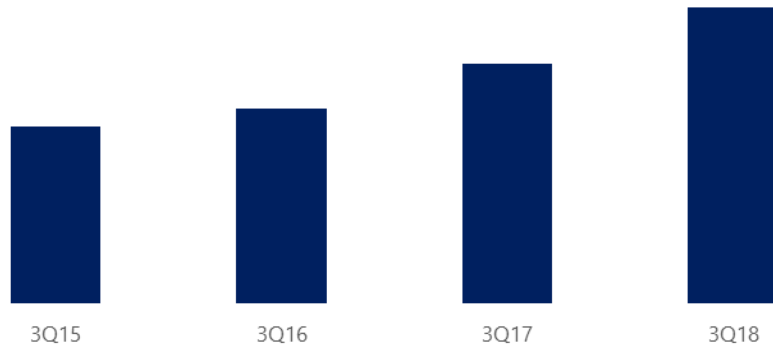


# Akiş REIT 3Q18 Performance Presentation (Nov'18)

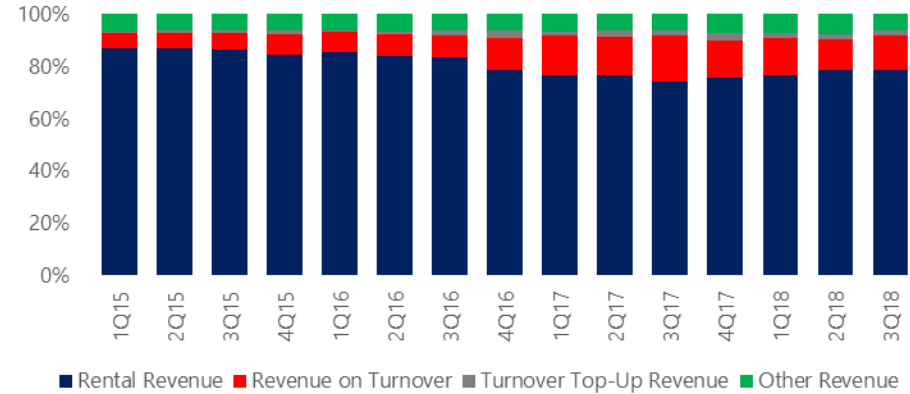
## Akbatı Shopping Mall – General Overview



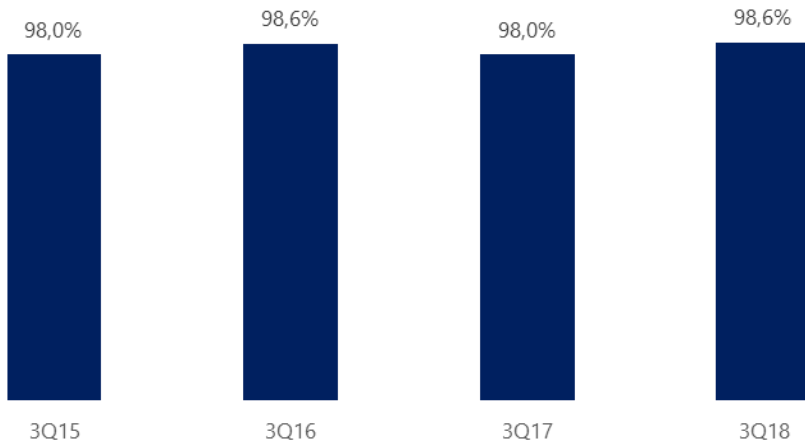
Akbatı Shopping Mall stores' total turnover rose by c.23% in 3Q18 (YoY)



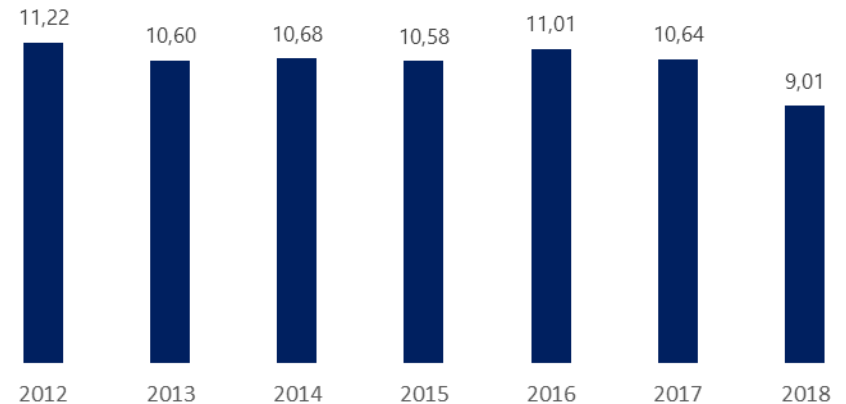
Income breakdown



Occupancy Ratio ~ Near All Times High

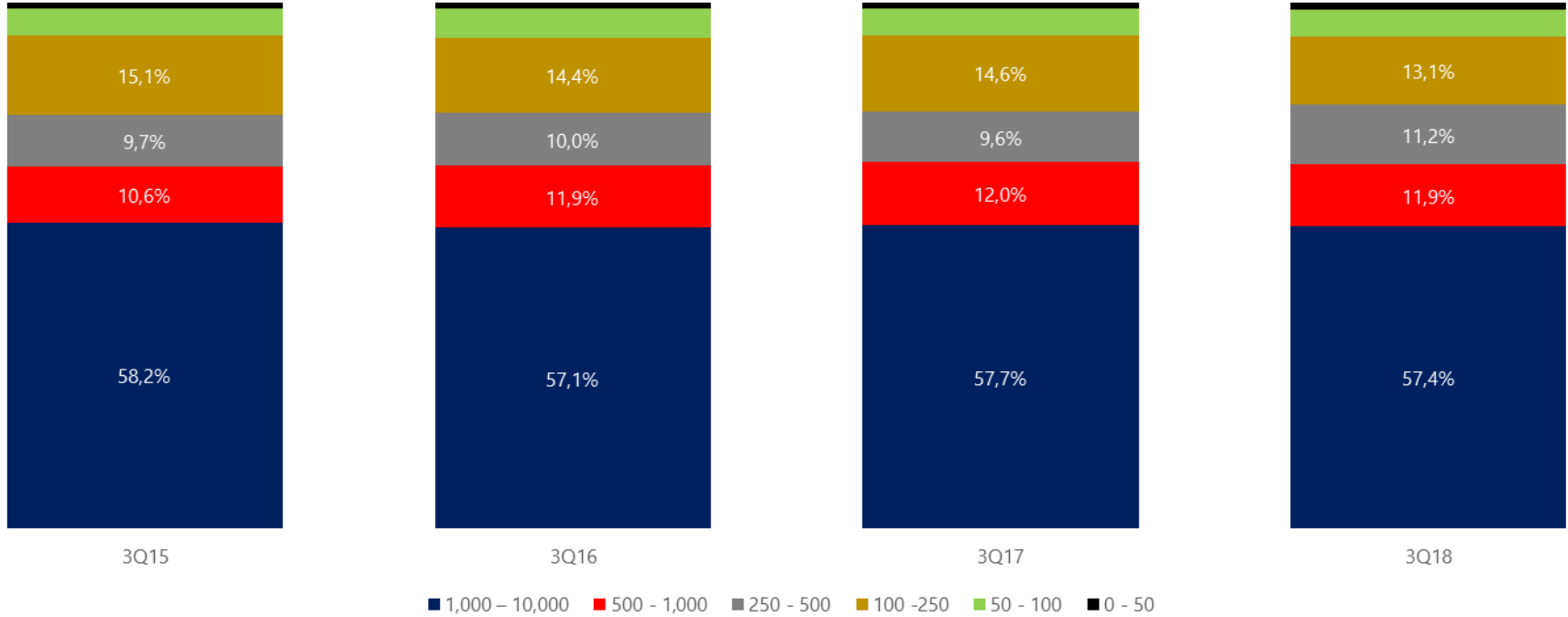


Average Store Tenure (month)



# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Akbatı Shopping Mall – Store mix by size (sqm)



■ 1,000 – 10,000 ■ 500 - 1,000 ■ 250 - 500 ■ 100 - 250 ■ 50 - 100 ■ 0 - 50



# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Akbatı Shopping Mall – Financials



### Income yield

Akbatı Shopping Mall (US\$mn)	2015	2016	2017	3Q18
Revenue	23,8	24,1	23,2	4,5
NOI	16,5	16,7	16,9	3,4
EBITDA	16,6	16,8	17,1	3,5
Latest Appraisal Value	267,4	253,5	239,4	206,6
Yield	6,22%	6,64%	7,13%	<b>8,18%</b>

9M17	9M18	YoY
16,7	16,2	-3%
12,0	11,9	-1%
12,1	12,0	-1%

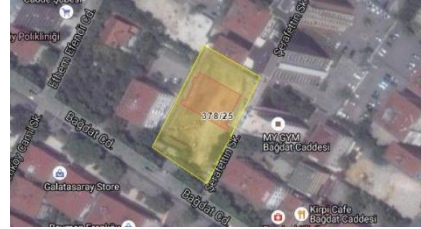
- ✓ Akbatı Shopping Mall posted significant turnover increase (c.23%) YoY coupled with 2.3% rise in the # of visitors due to;
  - ✓ Akbatı's unique shopping mall status in its hinterland
- ✓ Net Operational Margin remained around c.76% well above the average over the last 3 years thanks to ongoing efforts on;
  - ✓ Effective cost management
  - ✓ Rise in complimentary income
  - ✓ Positive FX impact

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## Portfolio Performance (High Street Retail)



### Uşaklıgil (Suadiye Beymen)

### Ak Apartmanı

### Erenköy

### Caddebostan

Current Status	Operational	Completed	Under Construction	On Hold
Est. Opening Date	Sep' 17	Jan' 19	Sept' 20	Sept' 20
Usage	Commercial	Mix	Commercial	Commercial
GLA (sqm)	c.7,500	c.1,550	c.6,925	c.2,000
GSA (sqm)	-	-	-	c.1,365
Est. Remaining Capex	-	-	US\$7mn	US\$2.1mn
Est. Rental Income	US\$3.8mn	US\$0.3mn	US\$2.7mn	US\$1mn
Est. Sales Income	-	-	-	US\$5mn

# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Our Track Record on High Street Retail



15 year lease contract

Located in one of the most prestigious Shopping Street

US\$5mn Tenant Capex

Catchment Area Population:  
~850,000 (5km radius)

Luxury Market Leader Tenant

# Akiş REIT 3Q18 Performance Presentation (Nov'18)

## Our Track Record on High Street Retail



## 5 Planned Projects - Beykoz

We plan on developing a residential/commercial project in Beykoz, one the most upmarket districts in Istanbul, seizing the opportunity of supply deficit in the region. The expected date for the project kick-off is 2020.



Project Kick-Off Date: **2020**



Project Area: **45.000 m<sup>2</sup>**



Total Investment Value: **TL240mn**  
**(TL90mn realized)**



**Expected IRR: 25%** (in TL terms)



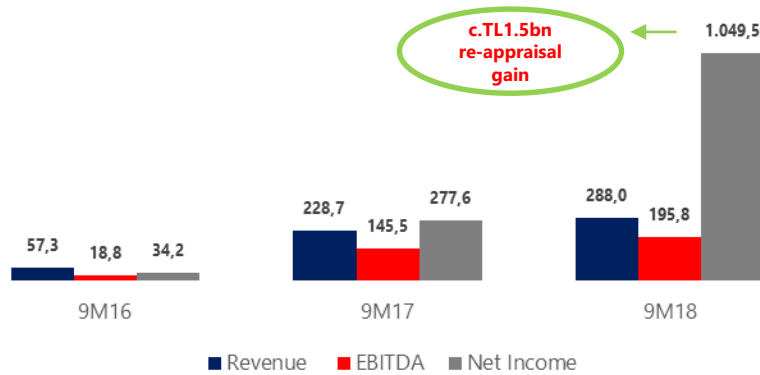
Expected Project Income: **TL370mn**

### Investment Rationale:

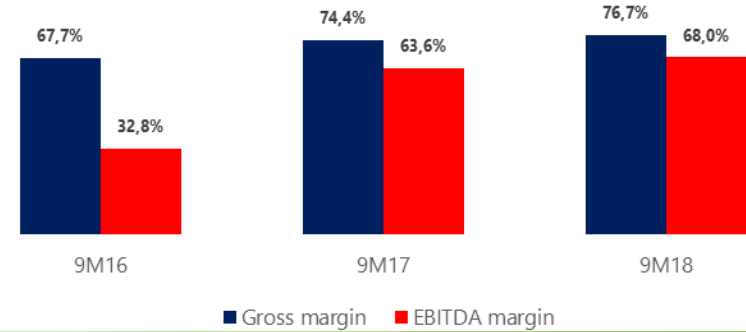
- Limited modern residential supply in the area
  - Most of the available land plot is protected area
  - Residential density one the lowest of Istanbul
- Looking over the forest and the sea
- New and upcoming infrastructure will make commuting easier

## 6 Financials' Overview

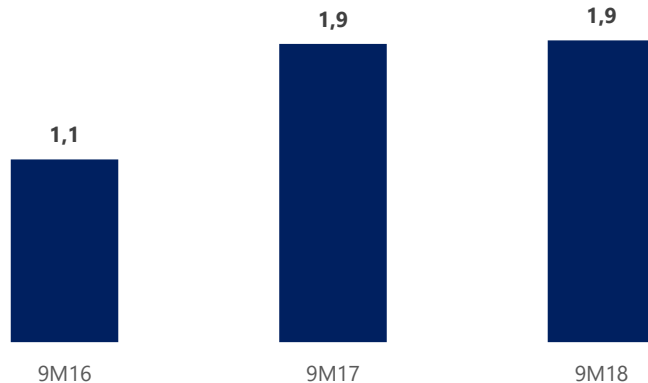
Net profit of 9M18 is mainly due to revaluation gain of Investment Properties



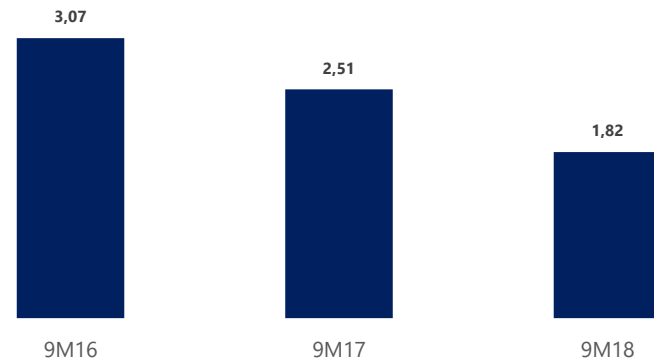
EBITDA margin improved thanks to c.27% rise in store rent revenues and significant jump in other revenues coupled with a good cost management



EBITDA/Interest Expense



Average Debt Maturity has fallen significantly due to hefty previously long term payments being now recorded as short term. We target to lengthen average debt maturity in 2018.



# Akiş REIT 3Q18 Performance Presentation (Nov'18)



## Communication

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### **Disclosure:**

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