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PRESS RELEASE

Significant performance improvements for the Schörghuber Corporate Group in 2018

The area of Construction & Real Estate has seen a particularly strong upward trend, while the Beverages business area has enjoyed profitable sales growth both domestically and internationally. The sale of Hotel Fürstenhof in Leipzig marks the conclusion of the Hotel business sector's portfolio adjustment, which began in 2011. Meanwhile, the Seafood business area is preparing for the future by investing in its facilities and its process plant.

Munich, June 11, 2019. The consolidated results of the Schörghuber Corporate Group for 2018 are the best they have been during the tenure of the Chairman of the Executive Board Dr. Klaus N. Naeve, which will come to a close on June 30, 2019 after more than ten years. Compared with the previous year, the group results doubled to 304.7 million euros (previous year: 152.1 million euros). In the year under review, the Construction & Real Estate, Hotel and Seafood business sectors generated total sales of 771.3 million euros, representing an increase of 9.7 million euros from the previous year (761.6 million euros). The Group's EBITDA, EBIT and equity ratio also registered formidable growth. The Beverages business sector is consolidated at equity and is therefore not included in the consolidated sales. At 690.7 million euros, its 2018 sales significantly exceeded the previous year's (650.2 million euros) as well.

An overview of the Group's key performance indicators:

- consolidated sales: 771.3 million euros (previous year: 761.6 million euros)
- consolidated EBITDA (including fair-value assessment): 295.1 million euros (previous year: 194.5 million euros)
- consolidated EBIT (including fair-value assessment): 442.9 million euros (previous year: 263.2 million euros)



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- consolidated group results after minority interests: 304.7 million euros (previous year: 152.1 million euros)
- equity ratio: 45.1 percent (previous year: 43.0 percent)

Bayerische Hausbau lays the foundation for more housing construction in Munich

Bayerische Hausbau is the holding company for the Construction & Real Estate business sector, with activities in the business areas of Real Estate and Development. Its main rentable space measures a total of 543,100 m², and 15 percent consists of residential space — currently 1,455 rental properties. This year's completion of the Welfengarten-project on the Nockherberg will bring with it an additional 320 apartments for rent, raising the residential share to 19 percent. The other 85 percent of the main rentable space from the year under review is spread across the office, hotel, retail and gastronomy asset classes.

Project development within the properties inventory is one of the tasks of the Real Estate area. For example, the part of joint project Forum Schwanthalerhöhe — a shopping mall in Munich's Schwanthalerhöhe neighborhood — belonging to Bayerische Hausbau opened according to plan in September 2018. And DAVANTO, an attractive new office property, is being developed on the neighboring plot on Gollierstrasse. The building at Kardinal-Faulhaber-Strasse 1 that once housed the bank Bayerische Staatsbank is also being gutted to make way for the first Rosewood Hotel in Germany.

The Development business area comprises the planning, realization and sale of housing developments and commercial properties. One of Bayerische Hausbau's most important projects at present is the construction of around 1,500 apartments on the former premises of the Paulaner brewery on the Nockherberg in Munich. Together with a joint venture partner, the company is planning another 1,600 apartments and a school campus in the new residential district of Lerchenauer Feld in Feldmoching. The project development on Freisinger Landstrasse includes the planning of a neighborhood with infrastructure and public green spaces offering about 62,000 m² of total floor space. For another undertaking, the Paloma-Viertel in Hamburg's trendy St. Pauli neighborhood — which has been gaining publicity across Germany due to the



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large number of local residents actively involved in the project and its broad mix of different uses – an urban development contract was concluded in 2018.

In the expired financial year of 2018, Bayerische Hausbau sold 84 residential units for a volume of 69.3 million euros (previous year: 77 residential units with a 60.6 million euro sales volume), 72 of which are residential units in subdevelopments of the Nockherberg project.

In line with its commitment to good corporate citizenship, the company is taking part in the public debate over possible solutions to the housing shortage in urban centers. Plans to create new living space tend to fall through not least due to shortcomings of the public transportation infrastructure. One solution would be to introduce alternative modes of transportation in urban spaces. Thus, in 2018, Bayerische Hausbau launched the idea of an urban cable car. The company proposed an initial trial line over the Frankfurter Ring, a main road in the north of Munich, which could work to establish a quick and transfer-free direct connection between east and west in the city. The municipal authorities have already commissioned a feasibility study.

An overview of the Construction & Real Estate business sector's key performance indicators:

- subgroup sales: 383.0 million euros (previous year: 324.9 million euros)
- subgroup EBITDA: 185.5 million euros (previous year: 114.9 million euros)
- subgroup EBIT (including the effects of the fair-value assessment): 362.2 million euros (previous year: 242.9 million euros)
- subgroup results after taxes: 259.9 million euros (previous year: 143.9 million euros)
- equity ratio: 45.9 percent (previous year: 44.6 percent)

Paulaner Brewery Group goes above and beyond expectations

The Paulaner Brewery Group is the holding company for the Beverages area and a joint venture between the Schörghuber Corporate Group and Heineken, 70 percent of which is owned by the Schörghuber Corporate Group. The year under review was a very successful one for the Paulaner Brewery Group. In 2018, it was able to increase its sales volume by 6.6 percent to 8,069 khl (including non-alcoholic beverages,



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contract production and merchandise), significantly exceeding the total market average (Germany: +0.6 percent, Bavaria: +3.1 percent).

Domestically, 4,712 khl of beer were sold — including alcohol-free beer and beer-based mixed drinks — with another 1,325 khl being distributed internationally, representing an increase of 5.3 percent. This growth is primarily thanks to the rise in exports to Russia, Spain, France and China. Paulaner made up 1,036 khl of the export volume, and the brand experienced total growth of 6.6 percent to 2,507 khl.

Also worth emphasizing is the performance of Mönchshof, which achieved record growth of 17.5 percent in 2018, bringing total sales to 892.0 khl. As a result, it reached a national market share of 22 percent in the clip-lock closure bottle segment. The Fürstenberg brand grew by 3.3 percent in 2018, above all thanks to the strong performance of the non-alcoholic varieties produced. The long-established Munich brand Hacker-Pschorr also succeeded in raising its sales by 2.0 percent.

An overview of the Beverages business sector's key performance indicators:

- subgroup sales: 690.7 million euros (previous year: 650.2 million euros)
- subgroup EBITDA: 115.2 million euros (previous year: 87.5 million euros)
- subgroup EBIT: 50.7 million euros (previous year: 27.0 million euros)
- subgroup result (before minority interests): 27.5 million euros (previous year: 1.7 million euros)
- equity ratio: 36.8 percent (previous year: 36.1 percent)

Arabella Hospitality concludes hotel portfolio adjustment

As the holding company for the Hotel business sector, Arabella Hospitality SE is active in Germany and Switzerland as well as on Mallorca, operating 14 properties under the well-known names of St. Regis, The Luxury Collection, Westin, Sheraton, Four Points by Sheraton and Aloft. Management agreements with Marriott International, Inc. are in place for all the hotels.

With the sale of Hotel Fürstenhof in Leipzig, the portfolio adjustment which began in 2011 came to a close in 2018. This strategic decision had already had a positive effect on the key performance indicators for the Hotel business sector in the previous years. This trend continued in 2018 with a nearly unchanged result from that of the previous



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year, at 16.4 million euros — and that despite reduced sales following the portfolio adjustment.

Looking at the individual markets, the properties in Munich performed particularly well thanks to an excellent year of trade fairs and conferences. The Westin Grand Frankfurt experienced similarly positive growth. By contrast, the three properties on Mallorca were unable to meet expectations, due in part to the renovation of the Castillo Hotel Son Vida's spa area, which had a negative impact on hotel operations. The two hotels operated by Arabella Hospitality in Zürich, Switzerland, performed well overall but were unable to entirely fulfill the high expectations.

An overview of the Hotel business sector's key performance indicators:

- subgroup sales: 218.9 million euros (previous year: 245.8 million euros)
- subgroup EBITDA: 33.7 million euros (previous year: 35.5 million euros)
- subgroup EBIT: 20.0 million euros (previous year: 22.3 million euros)
- subgroup result (before minority interests): 16.4 million euros (previous year: 17.1 million euros)
- equity ratio: 68.7 percent (previous year: 66.7 percent)

The Seafood business sector invests in its facilities

The Seafood business sector comprises salmon breeding and production and is domiciled in Chile. The sector is operated by Productos del Mar Ventisqueros S.A., a company which produces Atlantic salmon and Pacific salmon (coho). It serves customers in many countries including the USA, Russia, China, Japan and Brazil.

Overall, breeding conditions were stable in the year under review. However, the low production costs from the previous year could not be entirely maintained, the reason being the prescribed resting periods for the seawater installations. This meant that production was transferred to other facilities which were not able to provide the same quality of breeding conditions, leading to higher costs. At the same time, Ventisqueros invested in the modernization of the facilities, including the installation of a new processing line for Pacific salmon (coho) in the Chincui process plant. Despite these challenges, the Seafood business area was able to maintain its very satisfactory results from the previous year almost unchanged. With sales reaching 183.4 million euros, it contributed 30.3 million euros to the Group's overall performance.



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An overview of the Seafood business sector's key performance indicators:

- subgroup sales: 183.4 million euros (previous year: 204.9 million euros)
- subgroup EBITDA (including the effects of the fair-value assessment): 40.6 million euros (previous year: 57.6 million euros)
- subgroup EBIT (including the effects of the fair-value assessment): 33.2 million euros (previous year: 43.3 million euros)
- subgroup result (before minority interests): 30.3 million euros (previous year: 39.4 million euros)
- equity ratio: 67.8 percent (previous year: 48.4 percent)

The Schörghuber Corporate Group supports a new meeting place for bereaved young people

At the beginning of May 2018, the charitable foundation Nicolaidis YoungWings announced that the Schörghuber Corporate Group would be lending its support to the foundation's plans for a new facility known as the "Sternenhaus." The project is one near and dear to Alexandra Schörghuber — to mark the tenth anniversary of her husband's death, she has announced that she would like to set up her own charitable foundation in his name, with the goal of supporting select other charitable organizations. Nicolaidis YoungWings, a foundation which provides support to bereaved young people, will be the first to benefit from this. By way of the Stefan Schörghuber foundation, which is still in the works, the Schörghuber Corporate Group is set to provide Nicolaidis YoungWings with the means to acquire land on the Nockherberg in Munich for its Sternenhaus — a place for bereaved young people to meet up and receive the support and advice they need from staff members. "I feel a deep connection to the work and values of the foundation and didn't hesitate to get involved with this wonderful project," Alexandra Schörghuber says.

About the Schörghuber Corporate Group

Founded in 1954 and headquartered in Munich, the family-run Schörghuber Corporate Group is a successful national and international player in the business areas Construction & Real Estate, Beverages, Hotels and Seafood. The Schörghuber Corporate Group's real estate and development activities are consolidated in Bayerische Hausbau, one of the largest real estate companies in Germany. With a real estate portfolio valued at around 2.9 billion euros, it is at the forefront of its core market in Munich, among others. The Paulaner Brewery Group, a joint venture with Heineken, owns brands such as Paulaner, Hacker-Pschorr, Mönchshof and Fürstenberg and is one of Germany's largest regional brewery groups. The Hotel business sector is managed by the



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holding company Arabella Hospitality and operates 14 properties in Germany and Switzerland and on Mallorca. The hotels are managed by Marriott International. Salmon breeding and processing, which is consolidated in Productos del Mar Ventisqueros in Chile, constitutes the fourth business sector of the Schörghuber Corporate Group, the Seafood business area. All of the sectors are united by the common values of diversity, quality and growth. Thanks to the work of the Group's approximately 5,300 employees, customers can experience these values in action every day. www.sug-munich.com.

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