



PRESS RELEASE

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P3 Group S.à r.l results for the year ended 31 December 2023: Continued Strong Operational and Financial Performance

Key Messages

- Structural tailwinds for logistics properties remain intact with strong supply and demand dynamics despite economic uncertainties.
- Portfolio value grew 8.1% to €9.0 billion, driven by acquisitions and development projects which offset the impact of disposals and revaluation.
- Strong operating results with a Net Operating Income (NOI) increase of +19% driven by strong like-for-like NOI growth of +6%, acquisitions and completed developments.

P3 Group S.à r.l. has today released its condensed consolidated interim financial results for the year 2023, reporting another period of robust operational and financial performance.

The company recorded a 19% increase in NOI to €423 million (2022: €357 million), attributed to portfolio expansion and increasing rent levels. On a like-for-like basis, NOI rose by 6%, driven by lease indexation and strong re-leasing spreads, with new effective rents averaging 23% higher when compared to prior leases on the same space. An enhanced EBITDA margin of 83% was achieved, reflecting the company's strategic focus on growth, efficient re-leasing, and operational efficiency.

P3's asset portfolio grew to ~8.4 million m² of Gross Lettable Area (GLA) (2022: 7.6 million m² GLA), while maintaining an overall high occupancy rate of 97% (2022: 98%). In total, ~950 thousand m² were added through acquisitions and completed developments, offset by some minor disposals. In August, P3 made its debut in the UK market and currently has assets totalling ~160 thousand m² GLA under management. The company's portfolio remains weighted towards Western Europe, with approximately 60% of assets based in Western Europe and the remaining 40% in Central and Eastern Europe.

In the reporting period, P3 completed several key transactions, including seven yielding acquisitions in Poland, Germany, France, and Spain, adding approximately ~700 thousand m² to its portfolio. Additionally, the company acquired two forward funding development projects in the Netherlands totalling ~90 thousand m² and completed 11 developments across Europe with a total of ~250 thousand m² GLA. P3 shows continued momentum in the development pipeline with 20 projects under construction, which are 69% pre-let, totalling ~740 thousand m² GLA. Additionally, three forward funding opportunities, totalling another ~80 thousand m² GLA, are also in progress.

Frank Pörschke, P3 CEO, commented: "Structural tailwinds for the logistics real estate market remain intact, despite economic uncertainties which persisted through 2023. Interest hikes led to a higher cost of debt and increased returns requirements overall, which were partly balanced by strong rental growth. Despite these challenges, P3 recorded robust operating and financial performance. The impact of our acquisition and development activities contributed to a growing portfolio value to €9.0 billion, offsetting the impact of disposals and revaluation."



Thilo Kusch, P3 CFO, added: “P3 recorded robust financial performance in 2023, with an improved EBITDA margin of 83%, reflecting the company’s strategic focus on growth, efficient re-leasing, and operational efficiency. Despite the challenging economic environment, P3 was able to sign over €2 billion in debt in 2023, which coupled with the continued support of our shareholder, ensures a solid financial foundation with a stable LTV ratio of 46.3% and strong liquidity. After the year end, we successfully issued an unsecured €600 million Green Bond. Demand was very strong and the order book, consisting of more than 150 investors, was more than five times oversubscribed.”

2023 Financial Highlights

- Favourable occupier markets, along with prudent and proactive portfolio management, allowed P3 to maintain a high occupancy of 97% (2022: 98%) and increasing rent levels, in addition to record levels of indexation as 96% of leases are linked to inflation.
- +19% increase in net operating income to €423 million (2022: €357 million) driven by strong like-for-like growth of +6%, acquisitions and completed developments.
- EBITDA margin improved to 83% and EBITDA to €359 million (2022: 81% and €295 million) as a result of portfolio growth and focus on efficient processes.
- Portfolio value increased to €9.0 billion (2022: €8.3 billion) driven by acquisitions and development offsetting disposals and revaluation impact.
- Comparatively low -3.2% like-for-like re-valuation of the operating portfolio through market-wide yield expansion, partly offset by 5.4% ERV growth.
- Continued momentum in the development pipeline with 20 projects under construction, 69% pre-let, totalling ~740 thousand m² GLA, and a further ~530 thousand m² GLA in the future pipeline. Additionally, three forward funding opportunities, totalling another ~80 thousand m² GLA, are also in progress.
- In August, P3 entered the UK market and now has logistics assets totalling 160 thousand m² under management.
- Strong liquidity, with €700 million RCF available.
- Successful February 2024 €600 million Green Bond issuance priced at a credit spread of 207 bps and a fixed coupon of 4.625%.

Further reading

- P3’s Consolidated Financial Statements for the year 2023 can be viewed [here](#)
- An updated Investor Presentation March 2024 can be viewed [here](#)
- P3 CEO, Frank Pörschke, gives a recorded summary of P3’s 2023 results [here](#)

For more information, visit <https://www.p3parks.com/investors>

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NOTES TO EDITORS

P3 is a long-term investor, manager, and developer of European warehouse properties with about 8.4m m² of assets under management and land bank of 2 m² potential GLA for further development. P3 has commercial activities in 11 countries and has been investing and developing in European markets for more almost two decades. Headquartered in Prague, P3 employs more than 280 people across 11 offices in key European cities, offering integrated development, asset and property management services. For more information about P3, please visit www.p3parks.com

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Glossary

NOI – Net Operating Income

GAV – Gross Asset Value

EBITDA – Earnings Before Income, Tax, Deductions, and Amortisation

GLA – Gross Lettable Area

LTV – Loan to Value