

Von der Heyden Group reports its audited and consolidated financial statements

Business Finance

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Von der Heyden real estate in Sardinia

TIMAN Investments Holdings Limited (the company/group), the Von der Heyden Group Finance Plc's guarantor, presented consolidated and audited annual accounts for the financial year ended December 31, 2019, reaching a record turnover of €25,883,596, registering an 8.5 per cent increase from 2018.

The company holds, for capital growth and income generation, investments in 35 subsidiaries and associated companies around Europe, realising growth in revenues in all its four operating markets at the end of 2019.

The group reported a net shareholders equity of €44,260,068 (2018: €44,908,977). During the year under review, the group's gross profit was of €21,490,877 (2018: €19,194,575), with an operating loss of €2,629,288 (2018: €1,514,709).

Such loss reflects the recurring overhead costs of the group's structure, which historically is substantially exceeded by dividend income from subsidiaries and capital gains made with its investments.

During the year under review, EBITDA (calculated excluding share of profit from associate) amounted to €3,387,218 (2018: a negative value of €2,222,057), with the reclassification change of IFRS 16 the EBITDA measurement becomes more meaningful in measuring the group's performance. After accounting for investment income and finance costs, the group registered a pre-tax loss of €1,949,469 (2018: €12,994,300 profit).

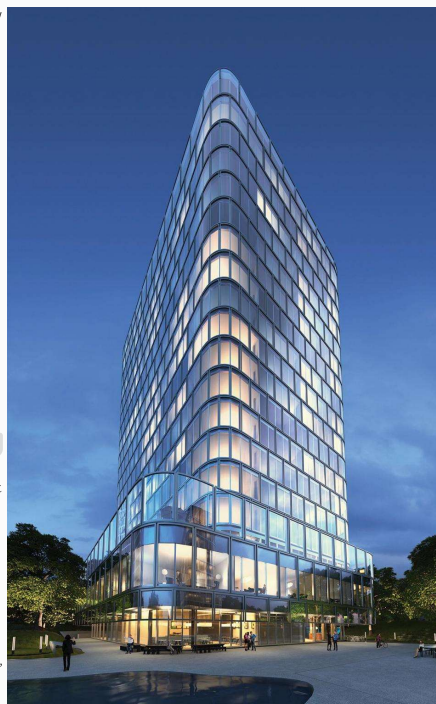
TIMAN Investments Holdings Ltd recorded a strong free cash flow position of €6,318,201 as at 31st December 2019, an increase of 66.15 per cent from 2018 which stood at EUR 3,802,604. The group's financial performance has, for the second year, been positively impacted by its associate Bogenhausener Tor Immobilien Sarl (BTI) having sold its second and last asset, the Blue Tower forming part of the Bavaria Towers office and hotel development in the city of Munich, Germany.

“ The company holds investments in 35 subsidiaries and associated companies around Europe ”

The asset was sold in December 2019 to the leading asset manager on the German market Real IS consortium with the main shareholder Bayerische Versorgungskammer. The property was sold at a record yield of less than three per cent, registering the highest rate of return on equity for the group so far in its A-Class real estate portfolio. Though the main impact of the sale in the P&L was reflected already in 2018 due to a revaluation to fair market value at that time, the sale of this asset generated a share of profits, which amounted in 2019 to another €3.1m.

Due to a planned restructuring in operations in light of a more robust market positioning, the group's hospitality chain IBB Hotel Collection did not reach the expected profit levels during 2019. The first two months of 2020 registered success in most budget targets across the 11 hotels in the group. However, the unprecedented events caused by the worldwide COVID-19 pandemic have demanded further restructuring in its hotel portfolio by maintaining, strengthening, and prioritising hotels in markets that generate the most sustainable profitability.

The Von der Heyden Group also recorded a 37 per cent increase in its total assets as at December 31, 2019 recorded at €147,785,446 (2018: €107,485,547). In line with the Von der Heyden Group's continued growth strategy and as a renowned first mover in emerging markets, it has set up an asset management company with a team of highly skilled real estate professionals operating from its new office in Kyiv, Ukraine. The local real estate and asset management team will serve to launch



Blue Tower at the Bavaria Towers

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attractive investment opportunities, working as the group's asset management arm in Ukraine and starting its first regulated real estate investment fund by the end of 2020. The fund will focus on realising the full potential of Ukrainian commercial and residential real estate market opportunities in Kyiv and Lviv to its investors.

The Von der Heyden Group has also expanded its geographic footprint to Sardinia with the launch of a real estate services arm in one of the world's most exclusive luxury locations, Costa Smeralda, Sardinia, Italy. Von der Heyden Group Real Estate provides a specialist perspective and bespoke brokerage service in the real estate market to buyers and property owners.

Furthermore, the group has acquired a 25 per cent stake in a residential co-development project in the Algarve, Portugal, and also plans to undertake its first investment in the Montenegro residential real estate market in 2020.

The gearing ratio of the group at the end of the year stood at 65.78 per cent as opposed to 54.68 per cent in 2018. The increase is not attributable to higher indebtedness by the Group but rather as a result of IFRS16 coming into force requiring the recognition of leases as liabilities in the balance sheet. The gearing ratio without the IFRS16 consideration would have been 51.89 per cent. Furthermore, given that the group does not grant corporate guarantees for hotel operating or real estate investment and development subsidiaries, the gearing ratio on a non-consolidated stand-alone basis stands at a mere 18.36 per cent.

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