

Buy EUR 33.80 (EUR 33.00) Price EUR 28.90 Upside 17.0 %	Value Indicators: EUR FFO-Yield 2022e: 32.67 Rent multiples 2022e: 36.25	Warburg ESG Risk Score: 2.2 ESG Score (MSCI based): 2.0 Balance Sheet Score: 3.5 Market Liquidity Score: 1.0	Description: Commercial real estate company with focus on southern Germany, Buy and hold strategy
	Market Snapshot: EUR m Market cap: 797.1 No. of shares (m): 27.6 EV: 1,507.0 Freefloat MC: 656.8 Ø Trad. Vol. (30d): 451.17 th	Shareholders: Freefloat 82.4 % Management&Supervisory 2.5 % VR Bank Neuburg-Rain 4.1 % Kreissparkasse Biberach 7.3 %	Key Figures (WRe): 2020e LTV: 54.7 % Equity Ratio: 43.0 %

Valuation result strong on completion of own developments; Sound growth in 2021

Stated Figures 2020:				
	2020	2020e	2019	+/- in %
Revenue	94,2	94,1	91,0	4%
EBIT (adjusted)	71,9	73,2	70,9	1%
Valuation result	22,3	17,0	22,3	0%
EBT (adjusted)	57,7	57,7	56,0	3%
Net profit	67,3	60,4	63,2	7%
FFO	50,4	50,4	48,9	3%
FFO-margin	53%	54%	54%	
FFOPS (€)	1,83	1,83	1,77	3%
EPRA-NAVPS (€)	24,16	23,86	22,23	9%

Comment on Figures:

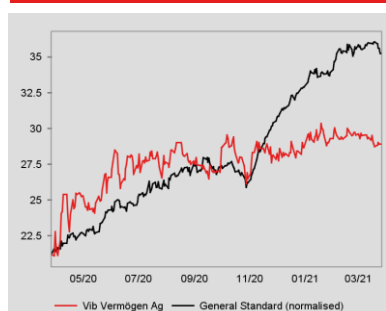
- VIB's prelims were in line with our estimates. Rental income grew 4% to EUR 94m and was only modestly affected by Covid-19 (EUR -0.4m).
- Valuation result of EUR 22m (0.1% of the portfolio) was stable yoy but clearly exceeded our estimate of EUR 17m. VIB benefitted from the successful completion of its modern own developments in 2020 especially the large project at Interpark. The portfolio valuation with a yield of 6.8% remains conservative in the current environment.
- The operating performance with an FFO of EUR 50.4 (+3%) and a stable FFO margin of 53% met expectations at the midpoint of VIB's guidance.
- VIB's 2021 guidance for sales of EUR 99-105m (WRe old: 103.8m), EBT before valuation of EUR 61-65m (WRe old: 66.7m), and FFO in the range of EUR 54-58m (WRe old: EUR 57m) is in line with our previous and slightly updated estimates.

- The demand for logistics properties should remain strong. For this reason, VIB was recently able to announce successful letting activities of ~62k sqm in its properties in Baunatal, Haiming and Regensburg. The rental contract in Haiming of about 38.5 sqm with a mid-sized logistic company was prolonged by additional 10 years. The contract in Regensburg (~12.25k sqm) was extended by 18 months. Short-term leases are sometimes typical for contracts with smaller logistic companies as these are dependent on specific orders which are generally non-recurring. In the case of a missing follow-up order, VIB could refurbish to increase rents as demand for logistic properties will stay at a high level. The property in Baunatal was vacant and included in VIB's vacancy rate of 2.6% at end of Q3. After refurbishment, the property was leased to a logistic company for 5.5 years and should contribute ~EUR 600k p.a. (WRe).
- We confirm our Buy recommendation and slightly **increase our price target to EUR 33.80** based on our estimates for 2022. Given the existing pipeline of ~110k sqm and possible new projects in the JV with WDP, the positive growth trend is expected to continue in 2022. Valuation is attractive with an FFO yield of above 7%. VIB's published EPRA-NTA is based on rental yield of 6.8% which is a conservative approach, given the observation of yield compression in the logistic property sector.

Changes in Estimates:				
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -
Rental income	103.8	-1.3 %	109.1	-1.3 %
EBIT	105.1	-9.0 %	101.4	-1.5 %
FFO I	57.0	0.9 %	61.7	-1.0 %
FFOPS I	2.07	0.9 %	2.24	-1.0 %
Net income	73.0	-10.4 %	69.7	-1.3 %

Comment on Changes:

- We slightly adjust our estimates for 2021 and 2022 reflecting VIB's existing pipeline and expected contribution to revenues.
- As VIB released a very strong valuation result in 2020 (7m above WRe) we take a more conservative stance for 2021 and anticipate a slightly lower number for 2021 (~EUR 7m).

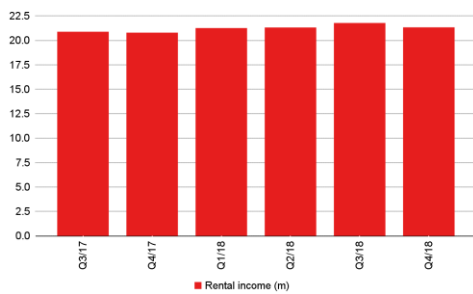


Rel. Performance vs General	
1 month:	-1.3 %
6 months:	-24.4 %
Year to date:	-6.3 %
Trailing 12 months:	-38.5 %

Company events:	
28.04.21	FY 2020
12.05.21	Q1
01.07.21	AGM
11.08.21	Q2

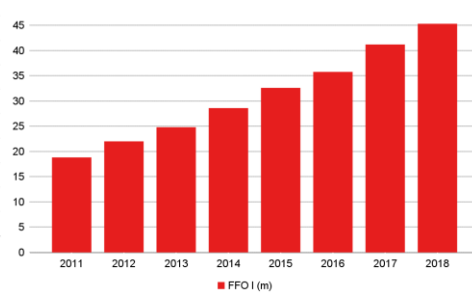
FY End: 31.12. in EUR m	CAGR (20-22e)	2016	2017	2018	2019	2020	2021e	2022e
Rental income		79.0	82.8	85.7	90.2	93.6	102.5	107.7
Change yoy		3.1 %	4.8 %	3.5 %	5.3 %	3.8 %	9.5 %	5.1 %
EBIT	3.0 %	79.1	81.8	87.0	93.0	94.2	95.6	99.9
Valuation result	-18.0 %	18.0	17.4	19.5	22.3	22.3	15.0	15.0
EBT	2.8 %	58.8	64.5	71.2	78.3	80.0	80.7	84.6
FFO I	10.1 %	35.8	41.2	45.3	48.9	50.4	57.6	61.0
FFO I-margin		45.3 %	49.8 %	52.9 %	54.2 %	53.8 %	56.2 %	56.7 %
Net income	2.9 %	47.2	51.6	57.6	63.2	65.0	65.5	68.7
EPS	2.7 %	1.71	1.87	2.09	2.29	2.36	2.37	2.49
FFOPS I	10.1 %	1.30	1.49	1.64	1.77	1.83	2.09	2.21
DPS	6.5 %	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Dividend Yield		3.0 %	2.9 %	3.0 %	2.7 %	2.7 %	2.8 %	2.9 %
NAV per share		17.05	18.58	20.30	22.23	24.27	26.15	28.18
EPRA NAV		470.1	512.5	559.9	612.9	669.3	721.3	777.3
EPRA NAVPS		17.05	18.58	20.30	22.22	24.27	26.15	28.18
P / E		10.7 x	11.2 x	10.4 x	11.2 x	11.7 x	12.2 x	11.6 x
Price / Book		1.2 x	1.2 x	1.2 x	1.3 x	1.3 x	1.2 x	1.1 x
P / NAVPS		1.1 x	1.1 x	1.1 x	1.2 x	1.1 x	1.1 x	1.0 x
FFO I-Yield		7.1 %	7.2 %	7.5 %	6.9 %	6.6 %	7.2 %	7.7 %
ROE		11.6 %	11.7 %	11.9 %	12.0 %	11.3 %	10.5 %	10.3 %
LTV		57.8 %	55.5 %	54.2 %	54.7 %	54.7 %	53.6 %	52.3 %
Equity Ratio		39.7 %	41.9 %	42.7 %	42.5 %	43.0 %	44.0 %	45.1 %
Guidance:		2021 in EUR m: Sales 99-105 ; EBT 61-65 bef. val. ; FFO 54-58						

Rental income development in EUR m



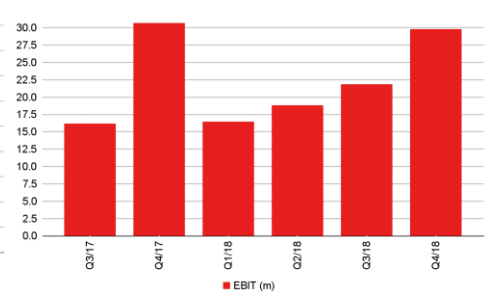
Source: Warburg Research

FFO I in EUR m



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

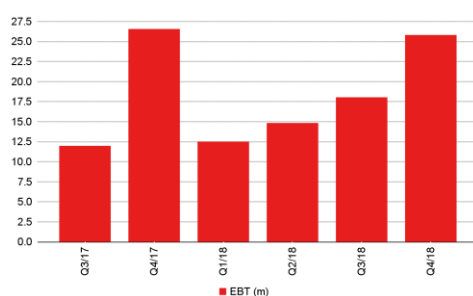
Company Background

- A commercial real estate company focused on the growth region of southern Germany; Buy and hold strategy
- 113 properties worth more than EUR 1.3bn
- 12% of the rental income comes from DIY&Garden centers, 8% from groceries&discounters, 7% from other retailers, 67% from logistics and light industry properties and 6% from offices and service providers.

Competitive Quality

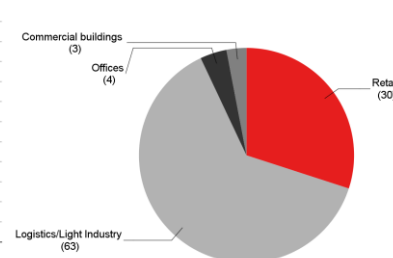
- Rare combination of cash flow strength (FFO-yield >6.5%) and attractive locations.
- Portfolio highlights: broad diversification of sectors and tenants, attractive rental yield of ~7%, low vacancy rate ~1.0%
- Outstanding cash flow from stable rental income, efficient company structure (lowest expense ratios among real estate companies)
- VIB's high expertise in renting properties is primarily based on the management's strong regional network of contacts

EBT development in EUR m



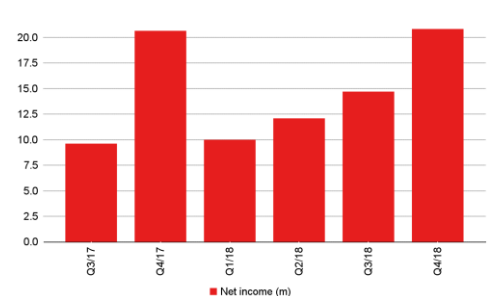
Source: Warburg Research

Annualised rental income by segments in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

Valuation							
	2016	2017	2018	2019	2020	2021e	2022e
P / E	10.7 x	11.2 x	10.4 x	11.2 x	11.7 x	12.2 x	11.6 x
P / NAVPS	1.1 x	1.1 x	1.1 x	1.2 x	1.1 x	1.1 x	1.0 x
Price / Book	1.2 x	1.2 x	1.2 x	1.3 x	1.3 x	1.2 x	1.1 x
P / FFOPS I	14.2 x	14.0 x	13.3 x	14.4 x	15.1 x	13.8 x	13.1 x
FFO I-Yield	7.1 %	7.2 %	7.5 %	6.9 %	6.6 %	7.2 %	7.7 %
ROE	11.6 %	11.7 %	11.9 %	12.0 %	11.3 %	10.5 %	10.3 %
Equity Ratio	40 %	42 %	43 %	42 %	43 %	44 %	45 %

Company Specific Items							
	2016	2017	2018	2019	2020	2021e	2022e
NAV per share	17.05	18.58	20.30	22.23	24.27	26.15	28.18
EPRA NAV	470.1	512.5	559.9	612.9	669.3	721.3	777.3

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Total Sales	79.5	83.6	86.8	91.0	94.2	103.1	108.3
Rental income	79.0	82.8	85.7	90.2	93.6	102.5	107.7
Change yoy	3.1 %	4.8 %	3.5 %	5.3 %	3.8 %	9.5 %	5.1 %
Property operating costs	9.8	10.0	10.7	11.0	11.9	13.1	13.7
Rental profit	69.1	72.8	75.0	79.2	84.8	91.0	97.8
Income from property sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other revenues	0.6	0.8	1.1	0.8	0.6	0.6	0.6
Gross profit	66.3	69.8	71.8	74.9	76.8	86.6	91.0
Personnel expenses	3.8	3.6	3.7	3.9	4.2	4.3	4.5
Other operating income/expenses	-1.3	-1.4	-0.3	-0.1	-0.4	-1.3	-1.3
EBITDA	61.2	64.7	67.8	70.9	72.2	80.9	85.2
Valuation result	18.0	17.4	19.5	22.3	22.3	15.0	15.0
Depreciation of fixed assets	0.1	0.3	0.3	0.3	0.3	0.3	0.3
EBITA	79.1	81.8	87.0	93.0	94.2	95.6	99.9
Amortisation of intangible assets/Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	79.1	81.8	87.0	93.0	94.2	95.6	99.9
Interest income	0.0	0.0	0.0	0.3	0.0	0.2	0.2
Interest expenses	20.4	17.4	15.6	15.0	14.1	15.2	15.5
Other financial income (loss)	-0.2	-0.2	-0.2	0.0	0.0	0.0	0.0
Financial result	-20.3	-17.4	-15.8	-14.7	-14.2	-15.0	-15.3
EBT	58.8	64.5	71.2	78.3	80.0	80.7	84.6
<i>Margin</i>	<i>73.9 %</i>	<i>77.1 %</i>	<i>82.0 %</i>	<i>86.0 %</i>	<i>85.0 %</i>	<i>78.3 %</i>	<i>78.1 %</i>
Total taxes	9.4	10.5	11.3	12.9	12.8	12.9	13.5
FFO (II)	35.8	41.2	45.3	48.9	50.4	57.6	61.0
<i>FFO I-margin</i>	<i>45.3 %</i>	<i>49.8 %</i>	<i>52.9 %</i>	<i>54.2 %</i>	<i>53.8 %</i>	<i>56.2 %</i>	<i>56.7 %</i>
Net income from continuing operations	49.4	53.9	59.9	65.4	67.3	67.8	71.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	49.4	53.9	59.9	65.4	67.3	67.8	71.0
Minority interest	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Net income	47.2	51.6	57.6	63.2	65.0	65.5	68.7
Number of shares, average	27.6	27.6	27.6	27.6	27.6	27.6	27.6
FFOPS I	1.30	1.49	1.64	1.77	1.83	2.09	2.21
EPS	1.71	1.87	2.09	2.29	2.36	2.37	2.49
EPS adj.	1.71	1.87	2.09	2.29	2.36	2.37	2.49

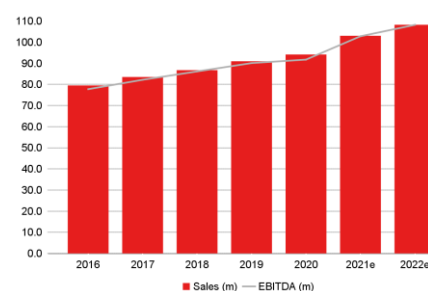
*Adjustments made for: Goodwill

Guidance: 2021 in EUR m: Sales 99-105 ; EBT 61-65 bef. val. ; FFO 54-58

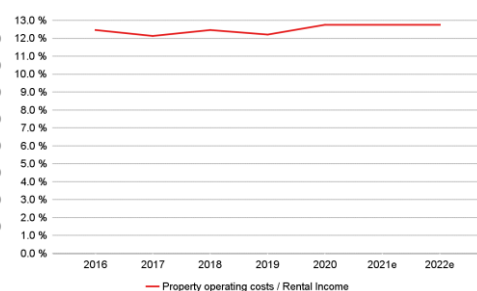
Financial Ratios

	2016	2017	2018	2019	2020	2021e	2022e
Property operating costs / Rental Income	12.5 %	12.1 %	12.4 %	12.2 %	12.8 %	12.8 %	12.8 %
Operating Leverage (Real Estate)	34.9 x	23.8 x	31.5 x	20.5 x	27.3 x	12.1 x	20.8 x
Rental profit / interest expenses	3.4 x	4.2 x	4.8 x	5.3 x	6.0 x	6.0 x	6.3 x

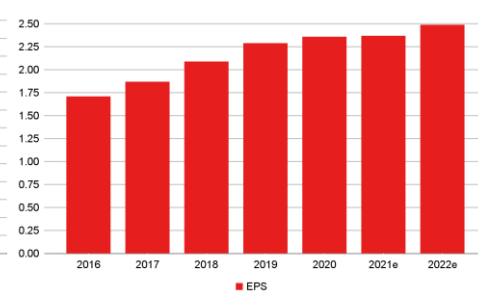
Sales, EBITDA
in EUR m



Rental expense ratio
in %



Performance per Share



Source: Warburg Research

Source:

Source: Warburg Research

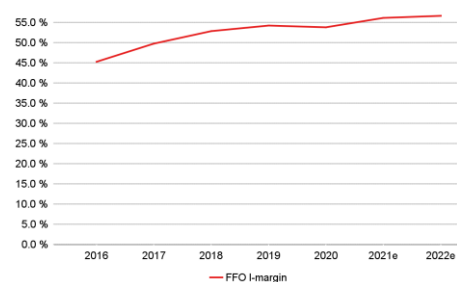
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Assets							
Goodwill and other intangible assets	0.0	0.0	0.0	0.0	0.0	0.1	0.1
thereof other intangible assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	6.9	8.3	8.0	10.0	11.1	11.3	11.5
Investment properties	1,061.8	1,096.7	1,182.5	1,296.4	1,368.0	1,433.0	1,498.0
Financial assets	4.7	5.3	6.2	11.9	14.2	14.2	14.2
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	1,073.5	1,110.3	1,196.8	1,318.3	1,393.4	1,458.6	1,523.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.7	4.1	6.0	3.6	3.7	3.7	3.7
Liquid assets	39.1	38.0	31.0	36.7	39.4	62.3	68.8
Other short-term assets	1.5	1.3	1.1	1.1	17.7	2.8	2.8
Current assets	43.3	43.4	38.1	41.4	60.8	68.8	75.3
Total Assets	1,116.8	1,153.7	1,234.9	1,359.7	1,454.2	1,527.5	1,599.1
Liabilities and shareholders' equity							
Subscribed capital	27.6	27.6	27.6	27.6	27.6	27.6	27.6
Capital reserve	191.2	191.2	191.2	191.2	191.2	191.2	191.2
Retained earnings	60.3	66.1	75.8	85.6	94.6	139.3	186.0
Other equity components	144.8	177.2	210.2	247.6	286.0	288.0	290.0
Shareholders' equity	423.8	462.0	504.8	552.0	599.3	646.1	694.8
Minority interest	19.7	21.3	22.8	25.3	25.8	26.1	26.3
Provisions	2.0	2.3	2.4	2.9	3.3	3.7	4.0
thereof provisions for pensions and similar obligations	2.0	2.3	2.4	2.9	3.3	3.7	4.0
Financial liabilities (total)	614.0	608.4	641.1	708.6	747.9	768.6	783.6
thereof short-term financial liabilities	41.6	21.1	33.3	27.7	30.1	35.0	35.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	57.2	59.7	63.8	70.9	77.7	83.1	90.3
Liabilities	673.2	670.4	707.3	782.4	829.0	855.3	877.9
Total liabilities and shareholders' equity	1,116.8	1,153.7	1,234.9	1,359.7	1,454.2	1,527.5	1,599.1

Financial Ratios

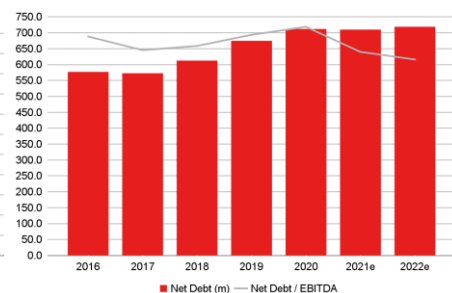
	2016	2017	2018	2019	2020	2021e	2022e
Return on Capital							
ROA	4.4 %	4.5 %	4.8 %	4.9 %	4.6 %	4.4 %	4.4 %
ROE	11.6 %	11.7 %	11.9 %	12.0 %	11.3 %	10.5 %	10.3 %
FFO I / Equity	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x
Solvency							
Net Debt	576.9	572.7	612.5	674.8	711.9	709.9	718.9
Net Financial Debt	574.9	570.5	610.1	671.9	708.6	706.3	714.8
Net Fin. Debt / EBITDA	9.4 x	8.8 x	9.0 x	9.5 x	9.8 x	8.7 x	8.4 x
LTV	57.8 %	55.5 %	54.2 %	54.7 %	54.7 %	53.6 %	52.3 %
Equity Ratio	39.7 %	41.9 %	42.7 %	42.5 %	43.0 %	44.0 %	45.1 %

FFO margin
in %



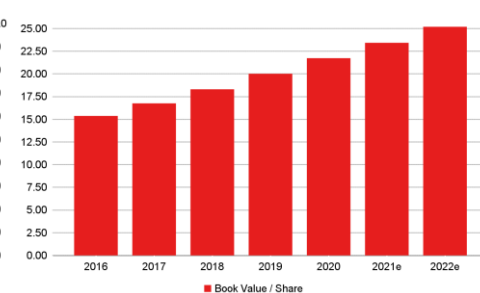
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

NAV per Share
in EUR



Source: Warburg Research

Consolidated cash flow statement

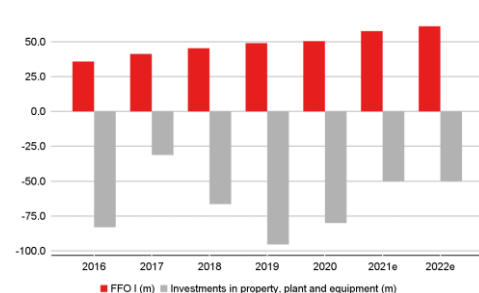
In EUR m	2016	2017	2018	2019	2020	2021e	2022e
Net income	49.4	53.9	59.9	65.4	67.3	67.8	71.0
Valuation changes properties	18.0	17.4	19.5	22.3	22.3	15.0	15.0
Depreciation of fixed assets	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	0.4	0.3	0.1	0.6	0.4	0.3	0.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	8.9	6.4	2.3	0.4	7.0	7.7	4.8
Cash Flow before NWC change	40.7	43.5	43.1	44.4	52.7	61.1	61.5
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-0.6	-1.4	-1.8	2.4	-0.2	0.0	0.0
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-0.6	-1.4	-1.8	2.4	-0.2	0.0	0.0
Net cash provided by operating activities [1]	58.2	59.4	60.7	69.1	74.8	76.1	76.5
Investments in property, plant and equipment	-83.0	-31.3	-66.4	-95.4	-80.0	-50.0	-50.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	14.9	0.0
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	-0.1	-0.3	-0.3	-0.3	-0.3	-0.5	-0.5
Financial investments	1.5	0.9	0.0	0.0	0.0	0.0	0.0
Investments in other assets (net)	-2.3	-10.4	26.2	8.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-82.3	-21.7	-92.6	-103.6	-80.0	-35.1	-50.0
Change in financial liabilities	64.3	-5.6	32.7	67.5	39.3	20.6	15.0
Dividends paid	-13.9	-15.9	-17.4	-18.8	-19.3	-20.7	-22.1
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-20.3	-17.3	-15.5	-13.8	-12.2	-18.0	-13.0
Net cash provided by financing activities [3]	30.1	-38.8	-0.2	34.9	7.8	-18.0	-20.1
Change in liquid funds [1]+[2]+[3]	6.0	-1.1	-32.1	0.4	2.6	23.0	6.4
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	39.1	38.0	5.9	31.4	39.4	62.3	68.8

Financial Ratios

	2016	2017	2018	2019	2020	2021e	2022e
Cash Flow							
FFO (II)	35.8	41.2	45.3	48.9	50.4	57.6	61.0
FFOPS I	1.30	1.49	1.64	1.77	1.83	2.09	2.21
FFOPS I diluted	1.30	1.49	1.64	1.77	1.83	2.09	2.21
FFO I-Yield	7.1 %	7.2 %	7.5 %	6.9 %	6.6 %	7.2 %	7.7 %
FFO I-margin	45.3 %	49.8 %	52.9 %	54.2 %	53.8 %	56.2 %	56.7 %
Interest Paid / Avg. Debt	3.5 %	2.8 %	2.5 %	2.2 %	1.9 %	2.0 %	2.0 %
Management of Funds							
Maint. Capex / Net rental income	n.a.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex/Investment Properties	7.8 %	2.8 %	5.6 %	7.4 %	5.8 %	3.5 %	3.3 %
Avg. Working Capital / Sales	3.0 %	4.1 %	5.8 %	5.2 %	3.9 %	3.6 %	3.5 %
Dividend Payout Ratio	30.7 %	30.7 %	29.9 %	29.5 %	30.7 %	32.6 %	33.0 %

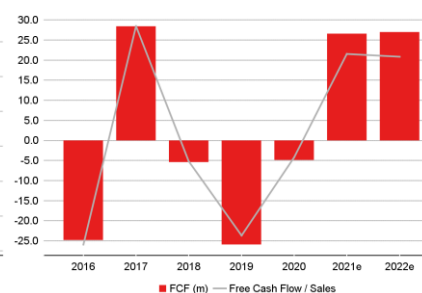
Investments and FFO

in EUR m



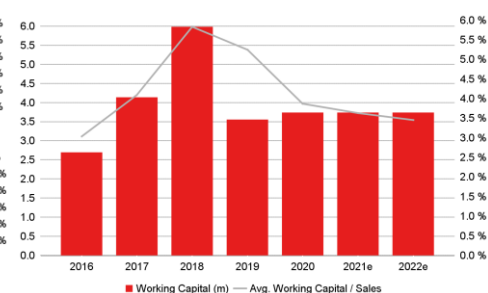
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
VIB Vermögen	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2YPDD0.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	134	65
Hold	61	29
Sell	7	3
Rating suspended	5	2
Total	207	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	38	78
Hold	8	16
Sell	0	0
Rating suspended	3	6
Total	49	100

PRICE AND RATING HISTORY VIB VERMÖGEN AS OF 26.03.2021



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplasier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com