

MERLIN Properties agrees to sell its stake in Testa Residencial for €321.2 million

- The price implies an equity valuation of €1,895 million
- It accomplishes the divestment target included in its business plan and maximizes the value for its shareholders

Madrid – 17 September. MERLIN Properties, Banco Santander and BBVA have formalized, on 14 September 2018, an agreement with Tropic Real Estate Holding, S.L., company managed by the real estate funds of Blackstone, for the sale of 50.01% of Testa Residencial.

Testa Residencial is the leading company in the rented residential market in Spain. It has a portfolio of 10,615 units, mainly open market housing, not restricted by protection schemes, with annualized gross rents of € 85 million and an occupancy rate of 91.4%.

MERLIN Properties acquired the residential portfolio of Testa, from Sacyr, in July 2015. It consisted initially of 1,519 rented units, with a net valuation of € 176.8 million. Afterwards, in June 2016, it reached an agreement with the shareholders of the extinct Metrovacesa for the spin-off and contribution of its rented residential assets to Testa, resulting in a total portfolio of 4,706 units, which subsequently was strengthened with the contribution by Acciona of 1,058 additional units. Since then, Testa Residencial has successfully executed its business plan and enhanced significantly its management team, which has led a very significant growth in all its metrics, to reach 10,615 units owned and the absolute leadership in the Spanish market. MERLIN Properties has supervised this process according to the service level agreement subscribed at the time and cancelled at the beginning of this year in preparation for the sale of the company, which has led to a significant increase in the value of its stake.

The sale proceeds obtained will be used to reduce the leverage in line with the objectives of the business plan of the Company.

About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of approximately 5,500 million euros, specialized in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centers and logistics facilities, within the Core and Core Plus segments, forming part of the benchmark IBEX-35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate, GPR Global Index, GPR-250 Index, and MSCI Small Caps indices.

Please visit www.merlinproperties.com to learn more about the company.

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