

Press Release

Quarterly results for the period January to March 2022

Deutsche Wohnen makes good start to financial year 2022

- Increase of 18.2% in earnings after taxes
- Slight rise in NAV of 1.4% to EUR 55.17 per share
- FFO I per share solid at EUR 0.34 (previous year: EUR 0.45)
- Stable outlook and forecast confirmed

Berlin, 9 May 2022. The business operations of Deutsche Wohnen SE continued to develop positively in the first quarter of 2022. Quarterly earnings after taxes were EUR 236.0 million – 18.2% higher than in the corresponding quarter of the previous year. The key driver for this rise was an increase in the value of the property portfolio in the amount of EUR 156.1 million. This revaluation results from an organic development in the value of our holdings and is independent of transaction activity on the German residential property market.

Olaf Weber, CFO of Deutsche Wohnen: “Deutsche Wohnen can look back on a successful first quarter in 2022. The key business figures have developed positively and in line with our expectations. Moreover, we see the increase in the value of our holdings as proof that our investments in the quality of our portfolio are paying off. Against this background, we anticipate that our business operations will continue to develop positively in 2022.”

At EUR 189.6 million, contracted rental income was approximately 13% below the figure for the previous year. The reason for this lower figure are last year’s portfolio sales, especially the sale of around 11,000 units to the State of Berlin. This transaction was agreed in September 2021 and was concluded at the turn of the year. Accordingly, the number of residential units in the holdings of Deutsche Wohnen was 140,590 as at 31 March 2022. Furthermore rental income in the first quarter of the previous year included back payment claims due to the decision of the German constitutional court on the invalidity of the Berlin rent freeze for residential properties (Gesetz zur Mietenbegrenzung im Wohnungswesen in Berlin – MietenWoG Bln) in the amount of EUR 11m. In the absence of these back payment claims the decrease of rental income amounts to 8%. At the same time, in-place rents rose moderately by 1.8% to an average of EUR 7.34 per sqm (on a like-for-like basis). The vacancy rate is unchanged at a very low level of 1.6%.

The development of other important business figures was also stable. At EUR 0.34, FFO I per share was in line with expectations and approximately 24,4% below the figure for the equivalent quarter of the previous year. The reason for this is the lower rent revenues following the portfolio sales, especially the sale of around 11,000 units to the State of Berlin on the one hand and furthermore the increase in the number of shares as part of the merger with Vonovia as convertible bonds with a total nominal value of around EUR 1.6bn were converted into shares. The adjusted NAV (formerly EPRA NTA) rose by 1.4% compared to the end of the previous year to EUR 55.17 per share. This is primarily a result of the positive development of the earnings for this quarter. At 28.3%, the loan-to-value ratio (LTV) continues to be low and will probably remain below 30% through to the end of the year.

Forecast confirmed

Based on the good start it has made to the financial year 2022, Deutsche Wohnen can confirm its forecast. Accordingly, an FFO I of around EUR 490 million and an adjusted EBITDA (without disposals) of around EUR 640 million are anticipated for the current year. Because the German residential property market continues to develop positively, particularly in the metropolitan regions, an increase in the NAV compared to the financial year 2021 is expected.

Overview of business development

Profit and loss statement		Q1 2022	Q1 2021	Change
Earnings from Residential Property Management	EUR m	170.1	193.1	-11.9%
Earnings from Disposals	EUR m	8.2	-1.2	n.m.
Earnings from Nursing and Assisted Living	EUR m	22.2	19.6	13.3%
EBITDA (adjusted)	EUR m	166.1	208.6	-20.4%
Earnings after taxes	EUR m	236.0	199.7	18.2%
FFO I	EUR m	135.6	154.8	-12.4%
FFO I per share	EUR	0.34	0.45	-24.4%

Balance sheet		31.03.2022	31.12.2021	Change
Investment properties	EUR m	28,916.0	28,730.5	0.7%
Equity	EUR m	17,460.7	17,203.4	1.5%
Loan-to-Value Ratio (LTV)	in %	28.3	28.6	-0.3pp
ICR	x-times	8.5	6.6	1.9
NAV	EUR m	21,898.5	21,588.7	1.4%
NAV per share	EUR	55.17	54.39	1.4%

Non-financial key figures		31.03.2022	31.12.2021	Change
Number of residential and commercial units		143,198	153,958	-7.0%
In-place rent (residential)	EUR per sqm	7.34	7.20	1.9%
Vacancy rate (residential)	in %	1.6	1.4	0.2pp

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed property companies in Europe and is part of the Vonovia Group. The business focus of the company is on managing its own portfolio of residential properties in dynamic metropolitan regions and conurbations in Germany. Deutsche Wohnen sees itself as having both a social responsibility and a duty to maintain and newly develop good-quality and affordable housing in vibrant residential neighbourhoods. As at 31 March 2022, the portfolio comprised a total of around 143,200 units, of which 140,600 were residential and around 2,600 commercial.

Important note

This publication is neither an offer to sell nor a solicitation to buy securities.

To the extent that this document contains forward-looking statements, these are not facts and are recognisable by such words as 'will', 'expect', 'believe', 'estimate', 'intend', 'endeavour', 'assume' and similar expressions. These statements express the intentions, opinions or current expectations and assumptions of Deutsche Wohnen and the individuals acting in concert with it. The forward-looking statements are based on current plans, estimates and forecasts that Deutsche Wohnen and the individuals acting in concert with it have made to the best of their knowledge, but do not make any claims as to their future accuracy. Forward-looking statements are subject to risks and uncertainties that are generally difficult to predict and are usually not within the control of Deutsche Wohnen or the individuals acting in concert with it. It should be remembered that the actual results or consequences may differ considerably from those mentioned or contained in the forward-looking statements.