

Presse Release

Interim result as at 30 June 2021

Deutsche Wohnen achieves stable half-year results

- › **Systematic implementation of new-build strategy**
- › **Solid development of important key figures and confirmation of forecast**
- › **Management and Supervisory Boards welcome Vonovia SE's plan to make improved offer for business combination**

Berlin, 13 August 2021. In the first half-year, Deutsche Wohnen continued its stable development, and its results were in line with the forecast. Furthermore, the company is making systematic progress with its ambitious climate and new-build strategy. As before, Deutsche Wohnen takes a positive view of the intended business combination with Vonovia SE.

Michael Zahn, CEO of Deutsche Wohnen: "With its well-founded climate strategy and integrated new-build platform, Deutsche Wohnen has put itself in a strong position to meet its responsibilities to society as a whole. The basis for all of this is the strong and stable development of the company - something which is also reflected in the half-year results published today."

Focus on new building, climate protection and customer service

In the first half-year of 2021, Deutsche Wohnen systematically pressed ahead with its new-build strategy. The company has set itself the goal of making a contribution to combatting the housing shortage in Germany's growth regions. Accordingly, it intends to build approximately 18,000 flats, primarily in the metropolitan regions of Berlin, Dresden/Leipzig, Munich and Stuttgart. To achieve this, Deutsche Wohnen has pooled its new-build skills in a separate platform led by the QUARTERBACK Group.

The company is on track with the implementation of its new-build pipeline. For example, construction work on the Schutzengarten project – which involves the construction of just under 500 new flats - began in May of this year in the centre of Dresden, the state capital of Saxony. Roofing ceremonies are pending for new-build projects in Berlin, Potsdam, Frankfurt and Munich, which will create a total of around 2,800 further flats.

This increase in new-build activity is also reflected in the level of our investments, which amounted to EUR 184 million in the first half-year of 2021 (H1 2020: EUR 24.8 million).

Our new-build projects will in future be certified by the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB), and we are aiming for a Gold standard certificate at the very least. This represents an important building block in the company's climate strategy, which has the ambitious target of achieving climate neutrality by 2040. This means minimising energy requirements in the company's holdings and using energy forms that are as low in CO₂ intensity as possible to meet those energy requirements that are unavoidable. To improve our tenants' acceptance of necessary modernisation measures, Deutsche Wohnen will continue to uphold the promise it made to them, namely that no one will have to lose their flat because of modernisation work. In addition, the company contributed to the political debate last year with its "Concept for socially responsible climate action in the property sector". This plan aims to significantly increase the rate of refurbishment in existing buildings and, at the same time, to reduce the financial burden placed on tenants by modernisation costs. This would be a way of helping to achieve the national climate protection targets sustainably.

Deutsche Wohnen has provided information about these and other measures and tools that are part of its commitment to sustainability in what is already its ninth Sustainability Report, which was produced in accordance with the global standards set by the GRI (Global Reporting Initiative).

Deutsche Wohnen is also committed to continuing to improve customer satisfaction. The most important tool in this endeavour is our annual tenants' survey. It will be launched at the end of August and will once again canvass the opinion of tenants on various topics concerning their flat, their neighbourhood and their landlord.

Sound business development in H1, with forecast for entire year confirmed

In the first half-year of 2021, Deutsche Wohnen achieved a stable development with results which fell within the anticipated corridor. At EUR 373.3 million, earnings from Residential Property Management were slightly higher than in the equivalent period of the previous year (EUR 370.7 million). Gains from the fair value adjustment of investment properties were EUR 480.7 million, of which approximately EUR 100 million were due to valuation effects caused by disposals. Profit for the period rose by 18.3% to EUR 256.4 million (previous year: EUR 216.7 million). The development of FFO I was also solid, with an increase to EUR 291.4 million (previous year: EUR 285.7 million) or of 4.9% to EUR 0.85 per share (undiluted). At EUR 52.67, the EPRA NTA per share was slightly above (by 1.4%) its level at the end of the previous financial year (EUR 51.93 as at 31.12.2020). Taking into account the most recent sale of shares to Vonovia, the LTV was at 38% and so was within the targeted corridor of 35-40%.

Against the background of this solid business development in the first six months, we are able to confirm our forecast for the financial year 2021, for which an FFO I at the level of the previous year is anticipated.

Support for intended business combination with Vonovia

Deutsche Wohnen continues to take a positive view of the intended business combination with Vonovia SE. With Deutsche Wohnen's consent, the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has approved Vonovia's application for the removal of the blocking period to enable it to make a new, improved offer. Previously, Deutsche Wohnen and Vonovia had signed a new agreement on the merger of both companies on 1 August. In this agreement, the key elements of the first takeover offer were confirmed.

Overview of business development

Profit and loss statement		H1 2021	H1 2020	Change
Earnings from Residential Property Management	EUR m	373.3	370.7	0.7%
Earnings from disposals before valuation gains due to disposal	EUR m	25.2	5.9	327.1%
Earnings from Nursing and Assisted Living	EUR m	39.7	42.5	-6.6%
EBITDA (adjusted)	EUR m	387.4	373.2	3.8%
Earnings after taxes	EUR m	256.4	216.7	18.3%
FFO I	EUR m	291.4	285.7	2.0%
FFO I per share (undiluted)	EUR	0.85	0.81	4.9%

Balance sheet		30.06.2021	31.12.2020	Change
Investment properties	EUR m	28,551.4	28,069.5	481.9
Equity	EUR m	13,743.4	13,841.3	-97.9
Loan-to-Value ratio (LTV)	in %	40.2	37.0	3.2
EPRA NTA	EUR m	19,873.9	17,852.9	11.3%
EPRA NTA per share	EUR	52.67	51.93	1.4%

Non-financial key figures		30.06.2021	30.06.2020	Change
Number of residential and commercial units		157,621	165,051	-4.5%
In-place rent (residential)	EUR /sqm	7.15	6.93	3.2%
Vacancy rate (residential)	in %	1.6	1.8	-0.2pp

Deutsche Wohnen

Deutsche Wohnen is one of the leading publicly listed residential property companies in Europe. 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 30 June 2021, the portfolio comprised a total of around 158,000 units, of which around 155,000 were residential and around 3,000 commercial. Deutsche Wohnen SE is listed in the Deutsche Börse's DAX and is also included in the leading indices EPRA/NAREIT, STOXX Europe 600, GPR 250 and DAX 50 ESG.

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.

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