

# VONOVIA

## dbAccess German Corporate Conference 2022

Vonovia SE – Fireside Chat with Philip Grosse, CFO



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Tables and diagrams may include rounding effects.

Per share numbers for 2013-2014 are TERP.adjusted (TERP factor: 1.051). Subscription rights offering in 2015 due to Südewo acquisition.

Per share numbers for 2013-2020 are TERP adjusted (TERP factor: 1.067). Subscription rights offering in 2021 due to Deutsche Wohnen acquisition.

# Highlights

## Q1 2022 Results

- €729.7m **Adj. EBITDA Total** (+44.2%); +10.1% excl. DWNI.
- €564.0m **Group FFO** (+44.4%); +7.7% excl. DWNI.
- €0.73 **Group FFO p.s.** (+12.3%).
- €63.55 **EPRA NTA p.s.** (+1.2%) (new definition excl. purchaser's costs).
- 43.7% **LTV**.
- 14.5x **Net debt/EBITDA**.

## Inflation, rent growth, affordability, and resi prices

- Mietspiegel are not "fixed" by lawmakers but based on market data; rent growth expected to follow inflation over time but with a lag due to look-back period and average effect. Index rents are becoming relevant instruments to accelerate rent growth.
- No material affordability issues expected in light of comprehensive government support.
- Prices for existing properties have been moving alongside construction prices for 50 years (only on a lower level); only period of slight decline was during high vacancy.

## 2022 Guidance update

- *At least* 3.3% organic rent growth.
- ~3,300 units recurring sales volume (+300).
- Discretionary investment program:
  - €1.0bn - €1.1bn for portfolio investments;
  - €0.3bn - €0.4bn for space creation (reduced by ~€0.9bn, reflecting the intended shift from development to hold to development to sell).

## Priorities in a new environment with increased cost of capital

- Immediate actions:
  - No incremental debt;
  - Organic funding of reduced invest program;
  - Dev. to hold to be switched to dev. to sell;
  - Increased recurring sales volume;
  - No larger portfolio acquisitions (incl. Adler).
- Near-term actions:
  - Monetize platform value by rolling out service business to third-parties;
  - Analysis on feasibility for JV partnerships to arbitrage between public and private equity;
  - Capital allocation strategy.