

## Press Release

### H1 2024 results

## **Vonovia reports robust operating results for the first half of the year and confirms annual guidance at the upper end**

- **Core business remains sound – De facto full occupancy – High level of customer satisfaction.**
- **Full-year 2024 guidance confirmed at the upper end.**
- **Market has bottomed out, with only slight markdown in property valuation – Stabilization now on home straight.**
- **Sales program on target at €1.5 billion.**

*Bochum, August 1, 2024* – Vonovia SE (“Vonovia”) concluded the first half of 2024 with a robust operating result. The key performance indicators of the Bochum-based Group developed as anticipated, confirming the upper-end figures of its full-year guidance. The revaluation of Vonovia’s portfolio was €82.5 billion and therefore only slightly below the year-end level of 2023, confirming expectations of a market recovery.

Rolf Buch, CEO of Vonovia, comments: “The valuation results show that Vonovia has put the crisis behind it and is once again delivering robust performance in a challenging environment. The second quarter saw higher volumes of property transactions and the expected stabilization of our property values. Having built our business around the social megatrends of urbanization, demographic change, and climate change, we can now see it gaining momentum. This should make us optimistic about the year as a whole. So, once we have completed our sales program, we will switch from stabilization back to growth again in 2025 at the latest.”

Vonovia’s 2024 sales program is firmly on track. To reduce its debt, Vonovia aims to sell properties worth €3 billion in total this year, of which it achieved €1.5 billion by the middle of the year. This includes Vonovia selling a portfolio of 1,970 apartments in the greater Frankfurt area and the Rhine-Main region at the beginning of the second half of the year for approximately €300 million, slightly above book value. Another €185 million was generated from the sale of smaller units across

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all sales categories. Also, in April, Vonovia sold 4,500 apartments in Berlin.

Pro forma, the LTV (loan-to-value) ratio was 47.3%. Thanks to the robust basis, Vonovia saw further growth in its key indicator of its internal financing operations, its Operating Free Cash Flow (OFCF), which rose to €800.3 million – 4.7% higher than the previous year.

## Positive mid-year trends

Vonovia's core business – rental and efficient management of apartments – was marked by high demand for rental flats throughout the first half of 2024. EBITDA Rental was €1,191.6 million (H1 2023: €1,209.0 million), while the total EBITDA was €1,266.5 million (H1 2023: €1,299.8 million). The vacancy rate remained unchanged at 2.2%, indicating full occupancy. The Value-add segment grew by 28.8% year-on-year, contributing €56.8 million to the Group's earnings (H1 2023: €44.1 million). By contrast, the Recurring Sales and Development segments remained below the H1 2023 figures, as expected. However, the trend in the second quarter was significantly more positive compared with the start of the year. At €887.2 million (H1 2023: €945.8 million), earnings before taxes – Adjusted EBT – were impacted by portfolio sales and higher interest expenses. However, the trend in the second quarter is considerably more positive than at the beginning of the year.

Rents increased by 3.8% as of the reporting date (market rent: 2.2%, modernization: 1.3%, new construction: 0.3%). The average effective monthly rent across the Group, including Sweden and Austria, was €7.86 per square meter. In the German portfolio this figure was €7.73 per square meter.

## Increased new construction, yet with a lower carbon footprint

During the first half of 2024, Vonovia invested a total of €673.8 million in existing properties and new builds (H1 2023: €706.4 million). At the same time, Vonovia increased its maintenance expenditure by 6% to €332.3 million. €243.2 million was spent on modernization and €98.3 million on new construction. Overall, the Group completed 1,655 apartments during the first six months (H1 2023: 1,193), thus continuing to meet its commitment to complete all the development projects it had started.

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Vonovia is keen to step up its development as soon as the environment for new construction becomes more favorable, with reasonable costs and affordable rental prices. Rolf Buch says: "We welcome the initiative by German Justice Minister Dr Marco Buschmann to submit the introduction of a building type E for interministerial review. This important step will accelerate approval procedures and simplify construction in Germany."

The Customer Satisfaction Index (CSI) was 3.5 percentage points higher in the first half of 2024 compared to the full year of 2023. In the second quarter of 2024 alone, customer satisfaction was 6.9 percentage points above the average for that quarter in the prior year. To maintain high-quality service for its tenants, Vonovia is making substantial investments in the development of its junior talent pool. Today, August 1, 2024, 300 apprentices are set to start their careers at Vonovia in a range of commercial, technical, and manual occupations.

Vonovia is committed to its climate roadmap and its goal of achieving a virtually climate-neutral building portfolio by 2045. It has been a success, as the carbon intensity of the German portfolio decreased by 3.4% year-on-year to 31.5 kg CO<sub>2e</sub>/m<sup>2</sup>.

## **Full-year 2024 guidance has been confirmed at the upper end**

The key figures developed as anticipated in the first half of the year and were in line with the full-year guidance. At the same time, a positive trend emerged towards the middle of the year, and Vonovia has therefore confirmed its full-year 2024 guidance at the upper end. Vonovia expects organic rental growth to be at the upper end of the 3.8% to 4.1% range and anticipates that its Adjusted EBITDA will be at the upper end of a range between €2.55 and €2.65 billion. The Adjusted EBT, says the Group, is expected to be at the upper end of a range between €1.7 and €1.8 billion.

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| <b>Financial Key Figures</b> in € million                                | <b>H1 2023*</b> | <b>H1 2024</b> | <b>Change in %</b> |
|--|-----------------|----------------|--------------------|
| Adjusted EBITDA Total (continued operations)*                            | 1,299.8         | 1,266.5        | -2.6               |
| Adjusted EBITDA Rental   | 1,209.0         | 1,191.6        | -1.4               |
| Adjusted EBITDA Value-add  | 44.1            | 56.8           | 28.8               |
| Adjusted EBITDA Recurring Sales  | 37.0            | 22.2           | -40.0              |
| Adjusted EBITDA Development  | 9.7             | -4.1           | -                  |
| Adjusted EBT (continued operations)                                      | 945.8           | 887.2          | -6.2               |
| Adjusted EBT (continued operations) per share in €**                     | 1,19            | 1,09           | -8.3               |
| Result from the valuation of investment properties*                      | -6.382,2        | -1.432,0       | -77.6              |
| Earning Before Taxes (EBT)*  | -5.869,8        | -588,3         | -90.0              |
| Profit for the period  | -4.130,4        | -529,2         | -87.2              |
| Total cost of maintenance, modernization, and new construction (to hold) | 706,4           | 673,8          | -4.6               |
| thereof for maintenance*   | 313,6           | 332,3          | 6.0                |
| thereof for modernization*   | 254,3           | 243,2          | -4.4               |
| thereof for new construction (to hold)*                                  | 138,5           | 98,3           | -29.0              |

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| <b>Key Balance Sheet Figures</b> in € million | <b>31.12.2023</b> | <b>30.06.2024</b> | <b>Change in %</b> |
|---|-------------------|-------------------|--------------------|
| Fair value of real estate portfolio           | 83,927.7          | 82,464.7          | -1.7               |
| EPRA NTA                                      | 38,140.9          | 36,603.7          | -4.0               |
| EPRA NTA per share in €***                    | 46.82             | 44.48             | -5.0               |
| LTV pro forma in %                            | 46.7              | 47.3              | -                  |
| Net Debt/EBITDA                               | 15.6x             | 16.1x             | 0.5x               |
| ICR   | 4.0x              | 3.6x              | -0.4x              |

| <b>Non-financial Key Figures</b>                                 | <b>H1 2023</b> | <b>H1 2024</b> | <b>Change in %</b> |
|--|----------------|----------------|--------------------|
| Number of units managed  | 618,516        | 614,578        | -0.6               |
| thereof own apartments   | 548,080        | 542,881        | -0.9               |
| thereof apartments owned by others                               | 70,436         | 71,697         | 1.8                |
| Number of apartments sold****                                    | 1,282          | 3,869          | >100               |
| thereof Recurring Sales  | 628            | 921            | 46.7               |
| thereof Non Core/other****                                       | 654            | 2,948          | >100               |
| Number of new apartments completed                               | 1,193          | 1,655          | 38.7               |
| thereof own apartments   | 962            | 637            | -33.8              |
| thereof apartments for sale                                      | 231            | 1,018          | >100               |
| Vacancy rate (in %)  | 2.2            | 2.2            | -                  |
| Monthly in-place rent in €/m <sup>2</sup>                        | 7.58           | 7.86           | 3.7                |
| CO <sub>2</sub> intensity in Germany in kg CO <sub>2</sub> e/sqm | 32.6           | 31.5           | -3.4               |
| Number of employees (as of June, 30)                             | 11,891         | 12,087         | 1.6                |

\* Previous year's figures for 2023 adjusted to the current definition of key figures and segments.

\*\* Based on the weighted average number of shares carrying dividend rights.

\*\*\* Based on the shares carrying dividend rights on the reporting date.

\*\*\*\* Without units sold in July 2024.

**The full H1 report can be found at the following web address:**

EN: <https://report.vonovia.com/2024/q2/en/>

**Further details, photographic material and video footage can be found in the [Media Library](#).**

## **Financial calendar 2024:**

*06.11.2024: Interim Statement for the Third Quarter 2024*

## **About Vonovia**

Vonovia SE is Europe's leading private residential real estate company. Vonovia currently around 543,000 residential units in all attractive cities and regions in Germany, Sweden, and Austria. It also manages around 71,000 apartments. Its portfolio is worth approximately € 82.5 billion. As a modern service provider, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, attractive, and livable homes is a prerequisite for the company's successful development. Therefore, Vonovia makes long-term investments in the maintenance, modernization, and senior-friendly conversion of its properties. The company is also creating more and more new apartments by realizing infill developments and adding to existing buildings.

The Bochum based company has been listed on the stock exchange since 2013. Since September 2015 Vonovia has been a constituent in the DAX. Vonovia SE is also a constituent of additional national and international indices, including DAX 50 ESG, Dow Jones Sustainability Index Europe, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe, and GPR 250 World. Vonovia has a workforce of approximately 12,000 employees.

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