

Press Release

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Results as of September 30, 2024

Vonovia resumes growth trajectory, doubling investments to €2 billion

- **Target: approx. 30% EBITDA increase by 2028; growth driven primarily by additional business segments, with 20–25% EBITDA contribution from new construction, value-added residential services, and sales.**
- **Plans to double annual investments by 2028 in climate action initiatives, technological innovation, and new construction.**
- **With €4 billion in additional cash generation, Vonovia has already exceeded its 2024 sales target.**
- **Stable property values.**
- **Investment grade rating confirmed.**
- **January to September 2024: core business remains robust, with high customer satisfaction.**
- **2024 guidance confirmed at upper end, with EBITDA exceeding €2.6 billion; positive outlook for 2025 as Vonovia resumes its new construction programme.**

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Bochum, November 6, 2024 – Following two years of balance sheet stabilization, Vonovia SE (“Vonovia”) is now focusing on growth and higher investments again. “We are much more than landlords. We are also successful in the development, energy-efficient modernization, and expansion of renewable energies within our neighbourhoods,” says Rolf Buch, CEO of Vonovia. “Our core business is performing exceptionally well, with nearly all our apartments occupied. Key financial indicators are tracking as expected, and we anticipate reaching all our 2024 targets at the upper end of expectations,” says Rolf Buch. “Our property values and investment grade rating remain stable, and we have already exceeded our business target for 2024. We are confidently looking ahead to 2025 and beyond, which is why we are now shifting towards growth and increased investment.”

The Development, Value-add, and Recurring Sales segments, which have been scaled back over the past two years, are now in focus again and are expected to contribute 20–25% to the Adjusted EBITDA by 2028, alongside the core Rental segment. Altogether, this amounts to approx. €500–700 million. The company also plans to expand its specialist workforce, particularly in skilled maintenance. Overall, Vonovia is looking to generate an Adjusted EBITDA of €3.2 to €3.5 billion by 2028, representing an increase of around 30% compared to 2024.

To achieve these targets, Vonovia will step up its investments, placing greater emphasis on modular refurbishment and modular construction. For 2025, the company plans to invest €1.2 billion in energy-efficient modernization, new construction and expanding solar panel and heat pump installations. By 2028, Vonovia aims to have doubled its annual investments to up to €2 billion.

Rolf Buch: “We have reduced the proportion of buildings with poor energy ratings in efficiency classes G and H in our portfolio to a marginal 2.9% and are increasingly embracing renewable energies.” To supply tenants with locally generated electricity and climate-neutral heat, Vonovia has the potential to generate 700 MWp from solar panels. Moreover, in the long term, it can install 14,000 heat pumps. In addition, Vonovia intends to leverage its decades of expertise to acquire stranded assets and bring them up to modern standards.

“At Vonovia, we have a platform that covers the entire housing business cycle: From serial new construction to efficient management and quarter development, modernization systems in series and the sustainable direct supply of energy. As a best-in-class operator, we will now also offer this comprehensive business model, which we have already professionalized for our own portfolio, to the market,” says Rolf Buch.

Furthermore, Vonovia plans to significantly reduce construction costs and resume its new construction programme, adding 3,000 apartments. Hence, Vonovia will start new construction projects in Berlin and Vienna in 2025, for example. With the Südtiroler Quartier in Salzburg, the company will realize the largest timber residential construction in Austria. Vonovia works continuously on the optimization of construction costs. The focus is on foregoing underground parking, optimizing energy standards, and increasing the share of modular construction. “These measures,” says Rolf Buch, “will enable us to continue offering affordable rental fees for middle-income households. We also welcome the government’s plans for Type E buildings, as this will further simplify and accelerate construction in Germany.” Overall, Vonovia has identified a potential for 70,000 new apartments in urban conglomerations across

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Germany and Austria, through vacant land use, densification and additional storeys on existing buildings.

Vonovia also plans to boost sales in its Recurring Sales segment and expects margins to improve as the market recovers.

Core business remains robust, with high customer satisfaction

During the first nine months of 2024, Vonovia recorded a strong overall business performance.

Since January 2024, Vonovia has increasingly sold portfolios and stakes in portfolios. Most recently, in mid-October, it sold 10 development projects to a fund managed by HIH Invest for approximately €516 million. This marks the second jointly managed fund with HIH Invest in just a few weeks. The additional cash generation of around €4 billion since the start of the year reduced the company's pro forma debt to 46.0%, which was only slightly above the target range of 40% to 45%. Operating Free Cash Flow (OFCF) increased by 38.6% compared to the first nine months of 2023, reaching approximately €1.4 billion.

The core Rental business remained stable, with an Adjusted EBITDA of €1,801.9 million (9M 2023: €1,818.6 million), despite a slightly smaller portfolio and a rise in maintenance expenses. The Adjusted EBT for the Rental segment stood at €1,363.9 million (9M 2023: €1,420.2 million). The vacancy rate remained steady at 2.1%, reflecting full occupancy. The Customer Satisfaction Index (CSI) increased by 3.4 percentage points compared to the previous year. The Value-add segment doubled its contribution from €73.3 million to €145.9 million.

Rental prices rose 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 €7.94 per square metre. In the German portfolio this figure was €7.81 per square metre.

Between January and September 2024, Vonovia invested a total of €1,051.3 million in existing properties and new construction (9M 2023: €1,095.4 million). At the same time, Vonovia increased its maintenance expenditure by approx. 6% to €523.8 million. €410.2 million was spent on modernization and €117.3 million on new construction. Overall, the Group completed 2,409 apartments (9M 2023: 1,799), thus continuing to meet its commitment to complete all the development projects it had

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started.

Vonovia is committed to its climate roadmap and the 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 3.7% year-on-year to 31.1 kg CO₂e/m².

2024 guidance confirmed at the upper end, with a positive outlook for 2025

Vonovia has reaffirmed its full-year 2024 guidance at the upper end, as it did at the half-year mark. It expects its Adjusted EBITDA to be at the upper end of the range, between €2.55 billion and €2.65 billion. The Adjusted EBT is also likely to be at the upper end of the range, between €1.7 and €1.8 billion.

In 2025, Vonovia expects to generate rental income of €3.3 to €3.4 billion. The Adjusted EBITDA is likely to be between €2.7 and €2.8 billion and the Adjusted EBT between €1.75 and €1.85 billion. The sustainability targets are expected to be fully met in both 2024 and 2025.

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Financial Key Figures in € million	9M 2023*	9M 2024	Change in %
Adjusted EBITDA Total (continued operations)*	1,958.4	1,986.7	1.4
Adjusted EBITDA Rental	1,818.6	1,801.9	-0.9
Adjusted EBITDA Value-add	73.3	145.9	99.0
Adjusted EBITDA Recurring Sales	51.6	38.9	-24.6
Adjusted EBITDA Development*	14.9	0.0	-100
Adjusted EBT (continued operations)	1,420.2	1,363.9	-4.0
Adjusted EBT (continued operations) per share in €**	1.77	1.67	-8.3
Result from the valuation of investment properties*	-6,318.2	-1,426.3	-77.4
Profit for the period	-3,808.9	-592.1	-84.5
Operating Free Cash-Flow	995.7	1,379.7	38.6
Total cost of maintenance, modernization, and new construction (to hold)*	1,095.4	1,051.3	-4.0
thereof for maintenance*	495.1	523.8	5.8
thereof for modernization*	378.4	410.2	8.4
thereof for new construction (to hold)*	221.9	117.3	-47.1

Key Balance Sheet Figures in € million	31.12.2023	30.09.2024	Change in %
Fair value of real estate portfolio	83,927.7	82,636.5	-1.5
EPRA NTA	38,140.9	36,746.3	-3.7
EPRA NTA per share in €***	46.82	44.66	-4.6
LTV pro forma in %	46.7	46.0	target range 40% to 45%
Net Debt/EBITDA	15.6x	15.7x	0.1x
ICR	4.0x	3.7x	-0.3x

Non-financial Key Figures	9M 2023	9M 2024	Change in %
Number of units managed	618,679	614,977	-0.6
thereof own apartments	547,998	541,619	-1.2
thereof apartments owned by others	70,681	73,358	3.8
Number of apartments sold	1,713	5,429	>100
thereof Recurring Sales	958	1,516	58.2
thereof Non Core/other	755	3,913	>100
Number of new apartments completed	1,799	2,409	33.9
thereof own apartments	1,292	875	-32.3
thereof apartments for sale	507	1,534	>100
Vacancy rate (in %)	2.1	2.1	-
Monthly in-place rent in €/m ²	7.67	7.94	3.5
CO ₂ intensity in Germany in kg CO ₂ e/sqm	32.3	31.1	-3.7
Number of employees (as of September, 30)	11,937	12,010	0.6

* 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.

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The full 9M report can be found at the following web address:

EN: <https://report.vonovia.com/2024/q3/en/>

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

Financial calendar 2025:

19.03.2025: Presentation of the 2024 key business figures

07.05.2025: Interim Statement for the First Quarter 2025

28.05.2025: Annual General Meeting

About Vonovia

Vonovia SE is Europe's leading private residential real estate company. Vonovia currently around 541,600 residential units in all attractive cities and regions in Germany, Sweden, and Austria. It also manages around 73,400 apartments. Its portfolio is worth approximately € 83 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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