



## **Highest net profit ever recorded in the first half-year: UBM Development on course to a new record year**

- **Net profit of €20.8m (+28%) and EBT of €28.1m (+24%)**
- **Earnings per share at €2.53**
- **Equity ratio of 37%, net debt down at €311m**
- **Pipeline with over 3,200 hotel rooms, 130,000m<sup>2</sup> of office space and 3,750 apartments**
- **Half-year confirms guidance for record year in 2018**

Vienna, 30 August 2018 – UBM Development remained on record course during the first half of 2018: at €20.8m, UBM generated the highest half-year net profit in the company's history. Earnings before tax (EBT) rose by 24.2% year-on-year to €28.1m, which means more than half the guidance of €50m for 2018 was recorded in the first six months. On top, UBM had an equity ratio of 37% and net debt of only €311m at the end of June 2018, and cash reserves exceeded €200m. "We are financially stronger than ever. This opens up an entire range of new opportunities for UBM", explained Thomas G. Winkler, CEO of UBM Development.

The demand for properties in UBM's core markets is unabated, contrasted by a visible supply shortage. Especially in the Top-7 cities in Germany, experts see a higher potential for investments than anywhere else in Europe. This is why UBM focuses strongly on this market: "50% of our investments are directed to Germany. We are developing projects in 6 out of the top 7 cities", indicated Thomas G. Winkler. In Germany, UBM recently completed one of its showcase projects – the large-scale Leuchtenbergring office and hotel project in Munich, which was sold for €190m just under a year ago and had a significantly positive effect on Q2 2018. The company's pipeline is well-filled despite numerous completions in the first half-year: over 3,200 hotel rooms and over 130,000m<sup>2</sup> of office space are currently under development. A total of 3,750 apartments with a volume of €1 bn are also in the sale and development pipeline. Especially the hotel business set a new record with 12 projects, which underscore UBM's market position as the leading hotel developer in Europe.

### **Significant increase in Total Output**

Total Output rose by 31.0% to €552.8m in the first half of 2018, above all due to a sound increase in revenue from property sales. The reporting period highlights not only included the Leuchtenbergring project in Munich, but also the Twarda hotel project in Warsaw and "Der Rosenhügel" and Quartier Belvedere Central (QBC) 6.1 residential construction projects in Vienna. Earnings before tax (EBT) rose by 24.2% year-on-year to €28.1m. Net profit increased by 28.0% to €20.8m and represents an improvement in earnings per share from €2.09 in the previous year to of € 2.53. These record results were supported by successful sales activities as well as the ongoing implementation of the "Next Level" efficiency programme.

### **Successful optimisation of financial indicators**

Net debt amounted to only €311.2m as of 30 June 2018 and declined by a substantial €166.6m, or nearly 35%, during the first half-year. This reduction was based on sound sales performance as well as the issue of a hybrid bond which is attributed to equity (net effect of €50m after the repayment of €50m of mezzanine capital to PORR). Equity totalled €412.4m as of 30 June 2018, and the equity

ratio reached 36.5%. With cash and cash equivalents of €206.7m, UBM has a comfortable cash position – despite the payment of a record dividend in the second quarter – which creates increased flexibility for the future.

### Outlook 2018: record year

In view of the positive market environment and the high earnings visibility, UBM expects Total Output and earnings will exceed 2015, the previous record year in the company's history. The Management Board confirms the guidance communicated for 2018 with Total Output of over €750m and profit before tax (EBT) of over €50m. Earnings per share should top the five euro-mark in 2018.

### Key figures:

Key earnings figures (in €m)	H1 2018	H1 2017	Change
Total Output <sup>1</sup>	552.8	422.1	31.0%
Revenue	367.9	234.2	57.1%
EBT	28.1	22.6	24.2%
Net profit	20.8	16.3	28.0%

Key asset and financial figures (in €m)	30.6.2018	31.12.2017	Change
Total assets	1,129.4	1,130.9	-0.1%
Equity	412.4	355.4	16.0%
Equity ratio (in %)	36.5%	31.4%	5.1 PP
Net debt	311.2	477.9	-34.9%

Key share data and staff	30.6.2018	30.6.2017	Change
Earnings per share (in €)	2.53	2.09	21.0%
Share price	40.80	37.37	9.2%
Market capitalisation (in €m)	304.9	279.2	9.2%
Staff <sup>2</sup>	760	745	2.0%

<sup>1</sup> Total Output corresponds to the revenue generated by fully consolidated companies and companies consolidated at equity as well as the sale proceeds from share deals in proportion to the stake held by UBM.

<sup>2</sup> Distribution: Development 305 and Hotel 455 (30.6.2018); Development 305 and Hotel 440 (30.6.2017)

**UBM Development** is the leading hotel developer in Europe. Its strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets Germany, Austria and Poland. With 145 years of experience, UBM focuses on its core competency, the development of real estate. The Group acts as a one-stop provider for the entire value chain from initial planning all the way to marketing the property. UBM's shares are listed in the Prime Market segment of the Vienna Stock Exchange.

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