



UBM raises guidance for 2019 by 18% **Increase in earnings and successful sales during the first half-year**

- **Guidance: EBT raised from €55m to €65m, net profit expected at €47-50m**
- **Record pipeline: €2 bn until 2022 (+ €200m)**
- **H1 2019: earnings per share +18.6% and EBT +4.2%**
- **Strong H2 expected: trade sales and key forward sale already signed**
- **Optimised balance sheet: historically lowest risk premium on tap of bond 18-23**

Vienna, 28 August 2019 – UBM Development has raised its previous guidance for EBT in 2019 by 18% to €65m. Net profit (after taxes) is expected in the range of €47-50m. This increase is based not only on the sound development of earnings in the first half of 2019 (earnings per share +18.6%, EBT +4.3%), but also on the successful sales activities and their impact on earnings for the second half-year. The two trade sales planned for 2019 as well as the most important forward sale, the QBC 1&2 office project in Vienna, have been signed. UBM is not only optimistic for the 2019 financial year, but also anticipates a sustainable rise in earnings for the future.

“This year’s increase in profit is not a one-off, it represents an increase in our earnings level for the future“, comments Thomas G. Winkler, CEO of UBM Development AG. The optimism is supported by the current low-interest environment, which is expected to continue medium- to long-term, and by the resulting flight of investors into tangible assets like real estate. At the same time, UBM has managed to expand the pipeline for the next three and a half years by a further €200m to €2 bn – including 16 city hotels with more than 4,000 rooms and 3,500 apartments in high-demand cities as Vienna, Berlin, Munich or Prague.

“Our pipeline has reached a new record level – and our long-term mega-projects are not even included yet“, Thomas G. Winkler underscores this outlook.

Earnings growth despite fewer completions

UBM generated Total Output of €182.6m in the first half of 2019 (H1/2018: €552.8m) due to an absence of major completions during the reporting period. However, EBT rose from €28.1m to €29.3m and earnings per share by 18.6% from €2.53 to €3.01. The excellent reporting period performance resulted from substantial progress on two trade sales and one forward sale, which led to valuation adjustments and an increase in earnings in the first half of 2019, but will only contribute to Total Output in later quarters. Portfolio optimisation measures included the sale of a site for 60,000 m² of office space outside Munich, as just recently a roughly three-hectare development site within the city boundaries was acquired. The sale of the two Disney Hotels in Paris is also scheduled to close shortly. A particular highlight was the forward sale of the QBC 1&2, the last and largest part of the successful project, the Quartier Belvedere Central (QBC), in Vienna’s new “financial district“ which was sold a year and a half before completion. In total, the sale proceeds for this urban quarter development amounted to over €450m.

Strong balance sheet as a key competitive advantage

Equity remained nearly unchanged at €433.4m as of 30 June 2019, and the equity ratio reflected the upper end of the target range of 30-35% with 34.6% at the end of the second quarter. Despite record investments in new projects during the previous year, net debt remained low at €478.3m. Net debt in relation to total assets equalled only 38.2% at the end of June 2019, which represents the lower end of the range for a pure play developer. Cash and cash equivalents of €182.0m at the half-year also mean high financial flexibility for the future. These balance sheet indicators demonstrate UBM's exceptional financial strength, a standing that is not only valued by shareholders but also by creditors. The risk premium on UBM's bonds has dropped by nearly half in recent years and last equalled 250 basis points. The 3.125% UBM bond (2018-2023) was tapped by €45m in June 2019 at these conditions.

"We are currently able to refinance at more favourable rates than ever before. And that also represents an important step towards our common goal – to increase the value of the company based on the share price", adds Patric Thate, CFO of UBM Development AG.

Key performance indicators H1 2019 (in €m)

Key earnings figures	H1 2019	H1 2018	Change
Total Output ¹	182.6	552.8	-67.0%
Revenue	92.0	367.9	-75.0%
EBT	29.3	28.1	4.3%
Net profit	21.3	20.8	2.5%
Key asset and financial figures	30.06.2019	31.12.2018	Change
Total assets	1,253.6	1,234.6	1.5%
Equity	433.4	436.3	-0.8%
Equity ratio (in %)	34.6%	35.3%	-0.7PP
Net debt ²	478.3	421.9	13.4%
Key share data and staff	30.06.2019	31.12.2018	Change
Earnings per share (in €) ³	3.01	2.53	18.6%
Market capitalisation (in €m)	287.7	249.6	15.3%
Dividend per share (in €) ⁴	2.20	2.00	10.0%
Staff ⁵	376	365	3.0%

¹ 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.

² Net debt comprises current and non-current bonds and financial liabilities, excluding lease liabilities, minus cash and cash equivalents.

³ The reported amounts and the change are based on the periods from 1–6/2019 and 1–6/2018.

⁴ The dividend was paid during the respective financial year, but is based on net profit for the previous financial year.

⁵ Of which: 55 hotel employees in H1/2019 (2018: 52 employees)

UBM Development is the leading hotel developer in Europe. Its strategic focus is on the three asset classes Hotel, Residential and Office and on major European metropolitan areas as Vienna, Berlin, Munich or Prague. With over 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 development value chain from initial planning all the way to marketing the property. UBM's shares are listed in the Prime Market, the segment with the highest transparency requirements on the Vienna Stock Exchange.

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