



UBM with record dividend of €2.20 per share 2018 best year in the company's 145-year history

- **Record earnings of €55m before tax and €5.31 per share**
- **Financial position better than ever – equity ratio of 35.3%**
- **Record investments of €300m alone in new projects – cash totals € 200m**
- **2019: repetition of the 2018 record year – without spectacular completions**
- **No signs of a change in the strong demand for real estate even in the mid-term**

Vienna, 11 April 2019 – UBM Development recorded the best year in its corporate history during 2018 and, with the recommended dividend of €2.20 per share, underscores the promised sustainable profitability. The company generated EBT of €55m and earnings per share of €5.31. The financial position of Europe's leading hotel developer is better than ever – a strong balance sheet with an equity ratio of 35.3% increases flexibility and expands the manoeuvring room for the future. UBM invested a record volume of €300m alone in new projects during 2018 and, in doing so, created the basis for future earnings.

"UBM is not only the largest hotel developer in Europe – we also confirmed the long-term reliability of our profitability in 2018", commented Thomas G. Winkler, CEO of UBM, on the record results for 2018.

Record sales lead to a substantial increase in Total Output and earnings

UBM generated growth of over 20% in Total Output to €897.7m in 2018. This increase was supported, in particular, by higher revenue from property sales, which reached a record volume of €659.1m. The highlights for the year included, above all, the large-scale Leuchtenbergring hotel and office project in Munich, the Zalando headquarters in Berlin and the Office Provider project in Vienna. EBT also set a new record with a year-on-year increase of more than 10% to €55.5m. Net profit for 2018 amounted to €39.5m. Earnings per share rose substantially from €4.88 in 2017 to €5.31.

Solid starting base with strong balance sheet

Equity increased substantially over the comparable prior year value of €355.4m to €436.3m as of 31 December 2018. This growth was supported by the Group's sound earnings position as well as the issue of a hybrid bond in February 2018, which had a net effect of almost €50m on equity after the repayment of the outstanding mezzanine capital. The equity ratio equalled 35.5% at year-end 2018, which represents the upper end of the promised range of 30-35%, and improved nearly four percentage points in only one year. UBM successfully continued its debt reduction, in particular through spectacular sales, despite record investments in new projects. Net debt fell by 11.7% year-on-year to €421.9m. In relation to total assets, LTV equalled 34% at year-end 2018 and stood at the low end of the range for a pure play developer. Total assets amounted to €1,234.7m as of 31 December 2018 and were 9.2% higher than at year-end 2017.

Well-filled pipeline provides for future earnings

“Even though our level of investments was higher than half a billion Euros in 2018, UBM has over €200m in cash and very low debt ratio for a pure developer“, added Winkler.

UBM invested a record volume of approximately €300m alone in new projects during 2018, which will provide for future earnings. Investments amounted to €530m in total during the past year. In Austria, the large-scale project LeopoldQuartier at a site of over 23,000 m² within walking distance of Vienna’s first district will represent UBM’s largest hotel project to date with more than 700 rooms and over 700 residential units. In Germany, UBM secured another future project at a development site of roughly 28,000 m² on Munich’s Baubergerstrasse for the construction of apartments and offices. The pipeline currently totals €1.8 bn (sales volumes up to 2022) and includes 16 hotels with roughly 4,200 rooms in the top cities of UBM’s core markets – which will allow the company to continue to participate in the ongoing boom in city tourism. The pipeline will also benefit from the mega-trend towards urbanisation through the more than 3,500 apartments which UBM plans to develop over the coming years, above all in the major German cities and in Vienna. The demand for properties in the residential asset class is stronger than ever before due to the structural undersupply of housing in these cities.

Strong demand for real estate and sustainable earnings in 2019 and beyond

Demand on the European real estate market is expected to remain strong in 2019 and the following years due to the continuing low-interest environment. There is a growing shortage of products in all of UBM’s asset classes and core markets, but the demand remains unbroken. In view of its high-quality pipeline, the company is optimistic that it can benefit from this situation and produce continuous earnings growth. UBM assumes it can successfully duplicate the record 2018 financial year in 2019 and again generate earnings before tax (EBT) of approximately €55m and net profit of approximately €40m, even without spectacular completions like in 2018. Since larger project completions in 2019 are scheduled primarily for the second half-year and a number of current real estate projects will only then be suitable for a forward structure also, a slower start and stronger second half-year are expected.

Key performance indicators 2018:

Key earnings figures (in €m)	2018	2017	2016	Change 2017-2018
Total Output ¹	897.7	744.7	557.5	20.5%
Revenue	514.0	364.7	417.0	41.0%
Earnings before taxes	55.5	50.5	40.1	10.1%
Net profit	39.5	37.0	29.4	6.8%

Key assets and financial figures (in €m)	2018	2017	2016	Change 2017-2018
Total assets	1,234.7	1,130.9	1,233.8	9.2%
Equity	436.3	355.4	341.5	22.8%
Equity ratio	35.3%	31.4%	27.7%	3.9PP
Net debt	421.9	477.9	691.2	-11.7%

Key share data and staff	2018	2017	2016	Change 2017-2018
Earnings per share (in €)	5.31	4.88	3.90	8.9%
Share price (in €)	33.40	40.80	31.00	-18.1%
Market capitalisation (in €m)	249.6	304.9	231.6	-18.1%
Dividend per share (in €)	2.20 ²	2.00	1.60	10.0%
Staff ³	365	748	716	-51.2%

Note: The key data were rounded using the compensated summation method. Changes were calculated using the exact amounts.

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 Recommendation to the Annual General Meeting on 29 May 2019

³ The substantial reduction from 2017 to 2018 resulted from the deconsolidation of ubm hotels.

UBM Development is the leading hotel developer in Europe. The strategic focus is on the three clearly defined asset classes hotel, residential and office as well as on the three core markets of Germany, Austria and Poland. With 145 years of experience, UBM focuses on its core competence, the development of real estate. From the planning to the marketing of the property, all services are offered from a single source. The shares of UBM are listed in the prime market segment of the Vienna Stock Exchange.

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