



UBM Development on record course with 30% earnings increase

- **Earnings per share rise to €3.66 in Q1-3 2018 (+30%)**
- **Strong financial position – flexibility for future investments in Q4**
- **Booming real estate market – no end to strong demand in sight**
- **Q1-3 confirm outlook for record year in 2018**

Vienna, 29 November 2018 – UBM Development remains on record course after nine months: Earnings per share rose substantially by 30% year-on-year to € 3.66 in the first three quarters. The other fundamental parameters like Total Output (+26.5% to €670m) and EBT (+15.8% to €35.4m) also suggest that the full 2018 financial year will top the previous record results.

The financial position of UBM Development is stronger than ever before: The equity ratio equalled 37.3% and net debt amounted to €329.7m at the end of the third quarter of 2018. “This very low debt level gives us the flexibility for new projects which will secure our future profitability today“, commented Thomas G. Winkler, CEO of UBM Development. One major future investment was made at the beginning of October: With the purchase of a 23,000 m² site at a top location in Vienna, where hotel and residential properties will be built, UBM has secured a follow-up project – with regard to both size and quality – for the Quartier Belvedere Central (QBC). Further investments are planned by the end of the year: “We want to invest €150-200m in the acquisition of new projects during the fourth quarter alone. The demand in our core markets is unbroken“, added Winkler.

Substantial increase in Total Output and earnings

Total Output rose by 26.5% to €670.1m in the first three quarters of 2018, primarily as a result of the substantial growth in revenue from property sales. Particular highlights included the Leuchtenbergring project in Munich, the Twarda hotel project in Warsaw and “Der Rosenhügel“ and QBC 6.1 residential projects in Vienna. EBT rose to €35.4m in the first nine months and was 15.8% higher than the previous year. The improvement in net profit was even stronger with an increase of 27.9% to €27.8m due to positive effects from deferred taxes. Earnings per share equalled €3.66, compared with €2.81 in the previous year.

Successful optimisation of financial indicators

Net debt totalled only €329.7m as of 30 September 2018 and was €148.1m lower than at the beginning of the year. This reduction was supported by the high level of sales during the reporting period as well as the cash inflow from the issue of a hybrid bond which is attributable to equity (net effect of €50m after the repayment of €50m in mezzanine capital to PORR). Equity totalled €420.5m as of 30 September 2018, and the equity ratio equalled 37.3%. With €178.3m of liquid funds, UBM has a comfortable cash position which – combined with the very low level of debt – will allow for future investments in new projects that will already be reflected in fourth quarter figures.

Outlook on 2018: record year

Based on the development of business in the first three quarters of 2018, UBM expects Total Output and earnings will exceed 2015, the previous record year in the company's history. The Management Board confirms the guidance for 2018 with Total Output of over €750m, profit before tax (EBT) of over €50m and net profit of more than €5 per share.

Key performance indicators:

Key earnings figures (in €m)	Q1-3 2018	Q1-3 2017	Change
Total Output ¹	670.1	529.7	26.5%
Revenue	446.9	296.9	50.5%
EBT	35.4	30.5	15.8%
Net profit	27.8	21.7	27.9%

Key asset and financial figures (in €m)	30.9.2018	31.12.2017	Change
Total assets	1,128.4	1,130.9	-0.2%
Equity	420.5	355.4	18.3%
Equity ratio (in %)	37.3%	31.4%	5.9 PP
Net debt	329.7	477.9	-31.0%

Key share data and staff	30.9.2018	30.9.2017	Change
Earnings per share (in €)	3.66	2.81	30.0%
Share price	40.30	38.64	4.3%
Market capitalisation (in €m)	301.1	288.7	4.3%
Staff ²	678	773	-12.3%

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 Distribution: Development 308 and Hotel 370 (30.9.2018); Development 306 and Hotel 464 (30.9.2017)

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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