



UBM Development on course in Q1 2019

Solid earnings and good prospects for the future

- **Earnings before tax of €7.9m and net profit of €5.9m**
- **Strong balance sheet and further optimisation of the financing structure**
- **Good progress on current sales activities**
- **Well-filled pipeline of €1.8 bn and tailwinds in all asset classes**
- **Outlook for 2019 at record prior year level**

Vienna, 28 May 2019 – UBM Development guided for a slow start in 2019, but is still delivering solid results for the first quarter: Despite the absence of project completions or hand-overs during the reporting period, earnings before tax were only slightly lower than the previous year at €7.9m. Net profit amounted to €5.9m for the first three months. The balance sheet remained strong with an equity ratio of 35% and a loan-to-value ratio of only 37% as of 31 March 2019. The financing structure is currently undergoing further optimisation through the tapping of the 3.125% corporate bond (2018-2023) by €45m to a volume of €120m in total. This solid balance sheet creates an important competitive advantage over other developers who cannot obtain capital market refinancing at similar conditions.

“The tailwinds in our markets are continuing. A full pipeline and a strong balance sheet represent the perfect mix to also deliver attractive earnings in the future”, commented CEO Thomas G. Winkler. Based on the good progress of sales activities – trade sales as well as forward sales – UBM is optimistic that the record results in 2018 can be repeated in 2019, also without spectacular completions.

Solid earnings

UBM generated Total Output of €71.6m in the first quarter of 2019, compared with €219.9m in the first three months of 2018. The year-on-year decline in Total Output resulted primarily from the strong sales performance at the end of 2018, while the turn of the year 2017/2018 brought the postponement of several transactions into the following year, i.e. into the first quarter of 2018. Total Output for the reporting period was influenced primarily by the progress of construction on real estate projects. A major part came from two projects: Holiday Inn Gdansk City Centre and “immergrün“ residential project in Berlin. EBT totalled €7.9m and was only €0.3m below the comparable prior year level of €8.2m. Profit for the period (net profit after tax) totalled €5.9m and was €0.5m lower than the €6.4m recorded in the first quarter of 2018.

Strong balance sheet as an important competitive advantage

Equity totalled €436.3m as of 31 March 2019. With 35% the equity ratio reflected the upper end of the promised range of 30-35%. Despite record investments in new projects during the previous year, net debt remained at a low €462.0m. Net debt in relation to total assets equalled 37% at the end of March 2019, which represents the lower end of the range for a pure play developer.

Progress on sales activities and well-filled pipeline

The 2019 financial year will see fewer spectacular completions than 2018, but several projects will become suitable for forward sales during the course of the year such as the QBC 1&2 office project in Vienna and five new hotel development projects. Good progress was also made on trade sales in recent months, which could have an influence on earnings in 2019. UBM's pipeline is also well-filled after 2019 – in total the pipeline amounts to €1.8 bn (sales volume up to 2022). The pipeline 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.

In view of the continuing low interest environment, demand on the European real estate market is expected to remain high. The shortage of attractive projects in all of UBM's asset classes and core markets is contrasted by unbroken demand. UBM is optimistic that it can benefit from this situation due to its high-quality pipeline and generate steady earnings growth over the medium-term.

Key performance indicators Q1 2019 (in € m)

Key earnings figures	Q1 2019	Q1 2018	Change
Total Output ¹	71.6	219.9	-67.4%
Revenue	36.0	176.1	-79.5%
EBT	7.9	8.2	-4.1%
Net profit	5.9	6.4	-7.6%
Key asset and financial figures			
Total assets	1,247.3	1,234.6	1.0%
Equity	436.3	436.3	0.0%
Equity ratio (in %)	35.0%	35.3%	-0.3PP
Net debt ²	462.0	421.9	9.5%
Key share data and staff			
Earnings per share (in €)	0.78	0.91	-14.3%
Market capitalisation	270.5	249.6	8.4%
Dividend per share (in €) ³	2.20 ⁴	2.00	10.0%
Staff	368	365	0.8%

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 Net debt equals current and non-current bonds and financial liabilities, excluding leasing liabilities, minus cash and cash equivalents.

³ The dividend is paid in the respective financial year, but is based on profit for the previous financial year.

⁴ Recommendation to the Annual General Meeting on 29 May 2019.

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 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 UBM shares are listed in the prime market segment of the Vienna Stock Exchange.

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