



## With record results, return to full speed ahead

- **Record EBT of €44m (+50%) and net profit of nearly €27m (+25%)**
- **Pipeline expansion of 60% to €2 bn – ready for market opportunities**
- **Liquidity of more than €230m, equity just under €470m – higher than before the corona crisis**
- **Calibration and reinvention: focus on green building and smart office**

Vienna, 27 August 2020 – UBM has delivered a record half-year. EBT rose by nearly half year-on-year, and the company's financial position has grown even stronger. "With our financial strength and a newly positioned UBM, the order of the day is now full speed ahead", commented Thomas G. Winkler, CEO of UBM Development AG. Experts now see a short but deep recession as the most probable scenario. The demand for UBM's residential and office asset classes is still massive and even stronger than before the COVID-19 crisis in the residential segment. Ongoing low interest rates and the lack of investment alternatives are expected to further intensify this situation.

UBM has adjusted its strategic orientation to reflect the changing market conditions and reinvented itself to a certain extent. The project pipeline was expanded by 60% to €2 bn, with residential projects now comprising 43% and office projects 25%. This reinvention also involves a strict focus on green building and smart office. "Without change and without the necessary substance, the corona-related crisis represents a threat – also for the real estate sector", added Winkler. The coming quarters should bring a range of opportunities arising from the financial difficulties faced by many competitors. A number of developers took on high risks during the boom years, banks are becoming more restrictive with debt financing and mezzanine investors are nervous. UBM has positioned itself in recent months to make optimal use of the resulting opportunities.

### Record results and financial strength

EBT rose by nearly 50% to €43.8m, and net profit increased by roughly 25%. These record results were generated despite valuation adjustments in the hotel business. For tourism, the way back to normality will be long and difficult – but the demand for UBM's residential and office projects remains high and unbroken. For example: the sale of the large-scale "Gmunder Höfe" project with 322 apartments was announced in June. UBM not only protected its liquidity position but increased its buffer despite the COVID-19 pandemic. Cash and cash equivalents totalled more than €230m at the end of the first half-year.

### H1 2020 earnings and financial indicators in detail

UBM Development generated stable Total Output of €181.3m in the first half of 2020 (H1/2019: €182.6m). Total Output for the reporting period was based, above all, on the progress of construction on previously sold real estate projects. The largest contributions to Total Output were made by the QBC 1&2 office project in Vienna, which was forward sold in mid-2019, and by two large-scale residential projects in Germany, the "Gmunder Höfe" in Munich with over 300 apartments and the "immergrün" in Berlin with nearly 400 apartments.

EBT rose by a sound €14.5m over the previous year to €43.8m (H1/2019: €29.3m). Profit for the period (net profit after tax) totalled €26.6m and represents an increase of 24.5% over the first half of 2019 (€ 21.3m). The resulting earnings per share rose by 17.6% from €2.54 in the first half of 2019 to €2.99 in the reporting period. (Beginning with the 2020 financial year, the calculation of this KPI reflects the deduction of the interest attributable to hybrid bondholders; the comparative prior year data were adjusted).

Equity rose by €5.6m over the level at year-end 2019 to €468.1m as of 30 June 2020. Equity was increased by the substantial improvement in earnings during the reporting period and reduced by the dividend payment of €16.4m on 5 June 2020. The equity ratio equalled 34.2% at the end of June 2020 (31 December 2019: 35.1%). Net debt amounted to €487.2m at the end of the reporting period. Net debt in relation to total assets (loan-to-value ratio) equalled 35.6% as of 30 June 2020. Cash and cash equivalents totalled a comfortable €234.5m at the end of the first half-year.

### **Outlook – ready for take-off and prepared for all scenarios**

Conclusive forecasts over the development of earnings in 2020 are still not possible at the moment because of the uncertain market environment. Current travel restrictions have had a direct negative effect on UBM's hotel leasing business. This development was reflected accordingly in the financials for the first half-year. The risk appetite of investors, banks and tenants is declining, while the ongoing low interest rate environment and the continuing flight towards real values should further increase investment pressure. Based on its previous track record and record half-year results, UBM is optimally prepared for this situation. At the same time, the overall development of business and the company's risk position will be continuously evaluated to prepare for alternative scenarios.

## Key performance indicators H1 2020 (in €m)

Key earnings figures	H1 2020	H1 2019	Change
Total Output <sup>1</sup>	181.3	182.6	-0.7%
Revenue	79.6	92.0	-13.5%
EBT	43.8	29.3	49.5%
Net profit	26.6	21.3	24.5%
Key asset and financial figures	30.6.2020	31.12.2019	Change
Total assets	1,367.9	1,316.4	3.9%
Equity	468.1	462.5	1.2%
Equity ratio (in %)	34.2%	35.1%	-0.9PP
Net debt <sup>2</sup>	487.2	442.4	10.1%
Cash and cash equivalents	234.5	212.4	10.4%
Key share data and staff	30.6.2020	31.12.2019	Change
Earnings per share (in €) <sup>3</sup>	2.99	2.54	17.6%
Earnings per share incl. hybrid interest (in €) <sup>4</sup>	3.45	3.01	14.9%
Market capitalisation	230.9	352.7	-34.5%
Dividend per share (in €) <sup>5</sup>	2.20	2.20	0.0%
Staff <sup>6</sup>	342	389	-12.1%

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

<sup>3</sup> Earnings per share after the deduction of hybrid capital interest (change in calculation beginning in 2020, comparative data adjusted). Values based on H1.

<sup>4</sup> Earnings per share before the deduction of hybrid capital interest. Values based on H1.

<sup>5</sup> The dividend was paid during the respective financial year but is based on net profit for the previous financial year.

<sup>6</sup> Decline due to deconsolidation of Hotel Holiday Inn Gdansk City Centre (2019: 55 employees).

**UBM Development** creates real estate for Europe's top cities. The strategic focus is on green building and smart office in major European metropolitan areas like Vienna, Berlin, Munich or Prague. With over 145 years of history, UBM is a one-stop provider for the entire development value chain from initial planning all the way to marketing. The company's shares are listed in the Prime Market of the Vienna Stock Exchange, the segment with the highest transparency requirements.

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