



PRESS RELEASE

Q1-3 2020 stronger than expected – earnings rise to over €50m

- **EBT increases by 10.4% to €51m**
- **€2.2 bn pipeline with 50% residential and 30% office**
- **Cash and equity higher than before corona**
- **UBM reinvents itself: green. smart. and more.**

Vienna, 26 November 2020 – UBM Development increased EBT by 10% to over € 50m in the first three quarters of 2020 despite the Corona-related declines in the hotel business and foreign currency losses. Cash reserves are even higher than before Corona at over € 230m, and equity has risen to a new high. In addition, UBM has used the past months to reinvent itself to a certain extent: The development pipeline, which has again grown to €2.2 bn, now consists of 50% residential and 30% office, with only 15% in the hotel sector. UBM's strategic focus has shifted to **“green. smart. and more.”**

“We are developing sustainable and intelligent buildings that are also aesthetically appealing“, explains Thomas G. Winkler, CEO of UBM Development AG. The company believes it is optimally prepared to meet future challenges with this new orientation: “Our financials clearly exceeded expectations in this difficult environment, which shows that the future has already begun“, adds Winkler.

UBM completed a number of very successful property sales in recent months despite corona: A total of 1,000 apartments were sold in less than one year – more than ever before. The demand for UBM's office projects also remains unbroken. The largest office project currently under construction in Germany, the F.A.Z. Tower, was sold for almost €200m. Plans call for a further increase in the strong development pipeline over the coming months with additional office and residential projects. With its financial strength, UBM is positioned to react quickly and take advantage of potential opportunities. “We will see a Corona dent in 2021 but are very optimistic that our current set-up will allow us to smoothly resume our pre-crisis growth in 2022“, comments Winkler in conclusion.

Weaker top line, higher earnings

UBM Development generated Total Output of €292.1m in the first three quarters of 2020, a substantial decline compared with the first three quarters pre-Corona (€460.4m). 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 the “immergrün” residential project in Berlin with nearly 400 apartments. In addition, the “Gmunder Höfe” project in Munich and the “Nordbahnhofviertel” project in Vienna were forward sold to the Vonovia Group during the reporting period.

EBT rose by 10.4% year-on-year to €51.0m (Q1–3/2019: €46.2m). The tax rate rose substantially to 34.7%, primarily due to a higher share of earnings from Germany, which led to a decline of €4.8m in profit for the period to €33.3m. The resulting earnings per share equalled €3.63, compared with €4.60 in the first three quarter of the previous year. (Beginning with the 2020 financial year, the calculation of this indicator includes a deduction for the share attributable to the hybrid capital holders; the comparative prior year data were adjusted accordingly.)

Proven crisis-resistance

Equity rose by €13.3m over the level at year-end 2019 to €475.8m as of 30 September 2020 based on the earnings generated during the reporting period. Equity was reduced by the dividend payment of €16.4m. The equity ratio equalled 34.3% at the end of September 2020 (31 December 2019: 35.1%). Net debt totalled €509.2m at the end of the third quarter and equalled 36.7% in relation to total assets (loan-to-value ratio) as of 30 September 2020. Cash and cash equivalents increased by €20.4m since the beginning of the year and equalled €232.7m at the end of the third quarter.

Outlook

Conclusive forecasts over the development of earnings in 2020 are impossible at the present time because of the prevailing uncertain market environment. The development of earnings in the first three quarters clearly exceeded expectations, but a challenging fourth quarter lies ahead. There has been a sharp rise in the number of COVID-19 infections in Europe during the autumn months which, in turn, has led to further massive travel and retail restrictions. UBM's hotel leasing business has been directly affected, and the resulting impact on business activities must be re-evaluated in this context. At the same time, UBM assumes the expected market environment will also lead to new opportunities. Real estate projects currently in realisation by competitors are likely to come under increasing pressure in the next six months due to the prevailing uncertainty, and a strong partner may be needed. These potential investments or acquisitions will, however, only have a positive influence on UBM's earnings development beginning in 2022. Due to the limited project acquisition activity in 2020 and the further course of the COVID-19 pandemic, earnings in 2021 are expected to be lower than the previous year. UBM is optimistic concerning a successful return to the pre-corona development beginning in 2022 and expects to emerge stronger from these crisis years.

Key performance indicators Q1-3 2020 (in €m)

Key earnings figures	Q1-3 2020	Q1-3 2019	Change
Total Output ¹	292.1	460.4	-36.6%
Revenue	126.8	183.2	-30.8%
EBT	51.0	46.2	10.4%
Net profit	33.3	38.1	-12.6%
Key asset and financial figures	30.9.2020	31.12.2019	Change
Total assets	1,387.6	1,316.4	5.4%
Equity	475.8	462.5	2.9%
Equity ratio (in %)	34.3%	35.1%	-0.8PP
Net debt ²	509.2	442.4	15.1%
Cash and cash equivalents	232.7	212.4	9.6%
Key share data and staff	30.9.2020	31.12.2019	Change
Earnings per share (in €) ³	3.63	4.60	-21.0%
Earnings per share incl. hybrid interest (in €) ⁴	4.34	5.30	-18.2%
Market capitalisation	231.6	352.7	-34.3%
Dividend per share (in €) ⁵	2.20	2.20	0.0%
Staff ⁶	335	389	-13.9%

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 Earnings per share after the deduction of hybrid capital interest (change in calculation beginning in 2020, comparative data adjusted). Values based on Q1-3.

⁴ Earnings per share before the deduction of hybrid capital interest. Values based on Q1-3.

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

⁶ 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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