



## PRESS RELEASE

# UBM Development with significant earnings growth (EBT) of 21% in the first quarter of 2018

- **Profit before tax of €8.2m and earnings per share of €0.91**
- **Total Output almost doubles to €220m**
- **Net debt at record low – normalised level €400m**
- **“Pure Play Program PPP“ – substantial reduction in standing assets portfolio**
- **Guidance confirmed – record year expected in 2018**

Vienna, 30 May 2018 – UBM Development continued its strong operating performance during the first quarter of 2018. Earnings before taxes (EBT) rose by 21.4% quarter-on-quarter, and earnings per share even exceeded the past year by 39.2%. “As the first quarter confirms, we are in for a record 2018”, said Thomas G. Winkler, CEO of UBM Development.

UBM also consistently pursued its strategic goals, and the transformation into a pure real estate developer through the “Pure Play Program PPP“ gained momentum. Standing assets with a combined value of approximately € 65m were sold during the first three months alone, and additional sales with a volume of more than € 100m are expected by mid-2019. The resources released by these sales can be used for the further reduction of net debt and/or for new development projects. The clear focus on real estate development will also be reflected in a uniform branding for the entire Group: starting in mid-June, all subsidiaries – like Strauss & Partner in Austria and Münchner Grund in Germany – will carry the name “UBM Development”. “Whether our customers buy an office complex in Munich, apartments in Vienna or a hotel in Danzig, they can rely on a uniform UBM quality“, added Thomas G. Winkler.

### **Total Output nearly doubles and earnings increase significantly**

UBM Development recorded an increase of 88.8% in Total Output to € 219.9m in the first quarter of 2018, above all due to the sound increase in property sales. The standing assets portfolio was substantially reduced by the sale of an office property in Breslau and a hotel property in Linz. The largest sale in the development area was the Twarda hotel project in Warsaw, but the residential property sales also increased during the reporting period. Earnings before taxes (EBT) amounted to €8.2m in the first quarter and were 21.4% higher than the comparable prior year value. Net profit rose by 19.2% to €6.4m. Earnings per share equalled € 0.91 in the first quarter of 2018 compared with €0.65 in the previous year, which represents an increase of 39.2%.

### **Further reduction in net debt**

Net debt fell by a significant €157.7m during the reporting period to €320.2m as of 31 March 2018. This reduction was supported by a high level of sales and also by the February 2018 issue of a €100m hybrid bond which is attributable to equity. Half of this capital was used to repay the outstanding mezzanine capital provided by PORR at the beginning of April 2018, i.e. during the second quarter, which will reduce financial cost by € 0.5m annually. Including this repayment, the normalised level of net debt would be approximately €400m. Equity totalled €466.9m as of 31 March 2018, whereby an adjustment for the mezzanine capital repayment would result in a normalised equity level of over €400m. The normalised equity rate would then equal roughly 35%.

### Guidance for 2018 confirmed

The experts are predicting further strong demand on the European real estate markets in 2018, which should also continue into 2019. In view of the positive market environment and the high earnings visibility created by the 75% share of forward sales, 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 and profit before tax (EBT) of over €50m. Earnings per share should top the five euro-mark in 2018.

### Key figures:

Key earnings figures (in €m)	Q1 2018	Q1 2017	Change
Total Output <sup>1</sup>	219.9	116.5	88.8%
Revenue	176.1	85.9	105.0%
EBT	8.2	6.8	21.4%
Net Profit	6.4	5.3	19.2%

Key assets and financial figures (in €m)	31.3.2018	31.12.2017	Change
Total assets	1,128.7	1,130.9	-0.2%
Equity	466.9	355.4	31.4%
Equity ratio (in %)	41.4	31.4	10.0PP
Net debt	320.2	477.9	-33.0%

Key share and staff	31.3.2018	31.12.2017	Change
Earnings per share (in €) <sup>2</sup>	0.91	0.65	39.2%
Dividend per share (in €) <sup>3</sup>	2.00	1.60	25.0%
Market capitalisation (in €m)	305.6	304.9	0.2%
Staff <sup>4</sup>	784	748	4.8%

<sup>1</sup> Total Output corresponds to the revenue generated by fully consolidated companies and companies consolidated at equity as well as the sales proceeds from share deals in proportion to the stake held by UBM.

<sup>2</sup> The specified values and the change relate to the periods Q1 / 2018 and Q1 / 2017.

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

<sup>4</sup> Distribution: Development 302 and Hotel 482 (31.3.2018); Development 309 and Hotel 439 (31.12.2017)

**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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