

Deutsche Wohnen SE



9M 2018 results

Conference Call, 14 November 2018

Agenda

01

Highlights

02

Market and Portfolio

03

Financials and Outlook

04

Appendix

Highlights 9M 2018

Operating business continues to perform well

- Reversionary potential remains high with 31% for the total residential portfolio and 37% for Berlin
- L-f-I rental growth at 3.5% (Berlin at 3.8%) with rent index effects fading in
- Adj. EBITDA margin (ex disposals) at 81% (+2.4 pp yoy)

Key performance indicators remain strong

- FFO I per share increased by 10% to EUR 1.03 per share and even 16% on a fully diluted basis
- EPRA NAV per share at EUR 37.76 (+6% vs. year-end; stable qoq), next valuation update with FY 2018 numbers

Acquisition in Nursing & Assisted Living

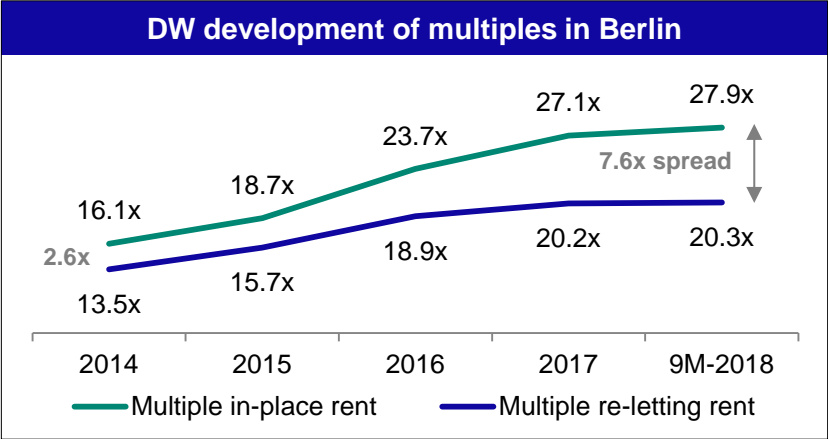
- Transfer of titles for the 30 acquired nursing facilities took place on October 1st
- Acquisition price of EUR 680m at 5% EBITDA yield on a fully integrated basis

Updated full year guidance for 2018

- FFO I of EUR 473m to EUR 478m
- Portfolio revaluation of up to EUR 1.5bn for H2 2018

High reversionary potential supports NAV growth

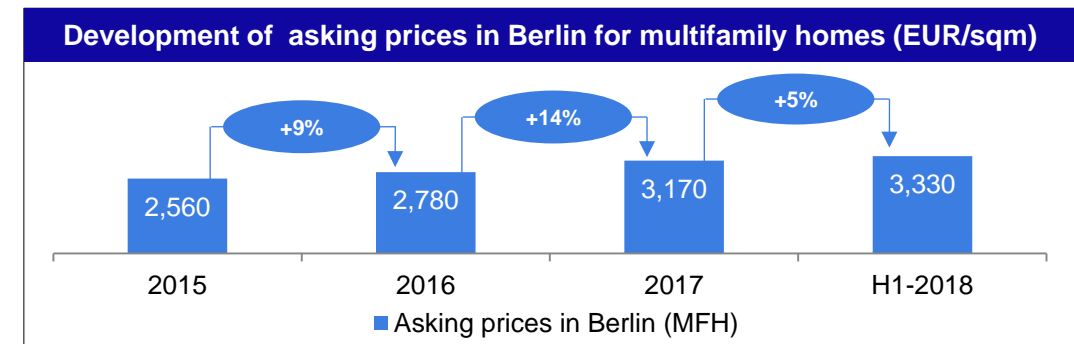
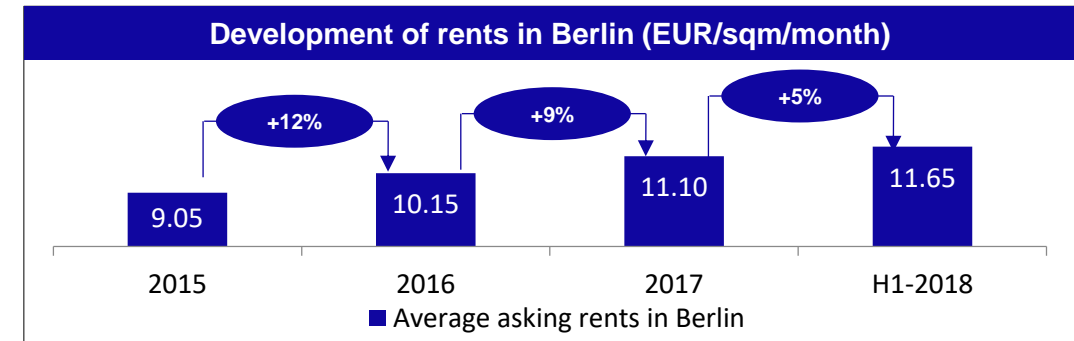
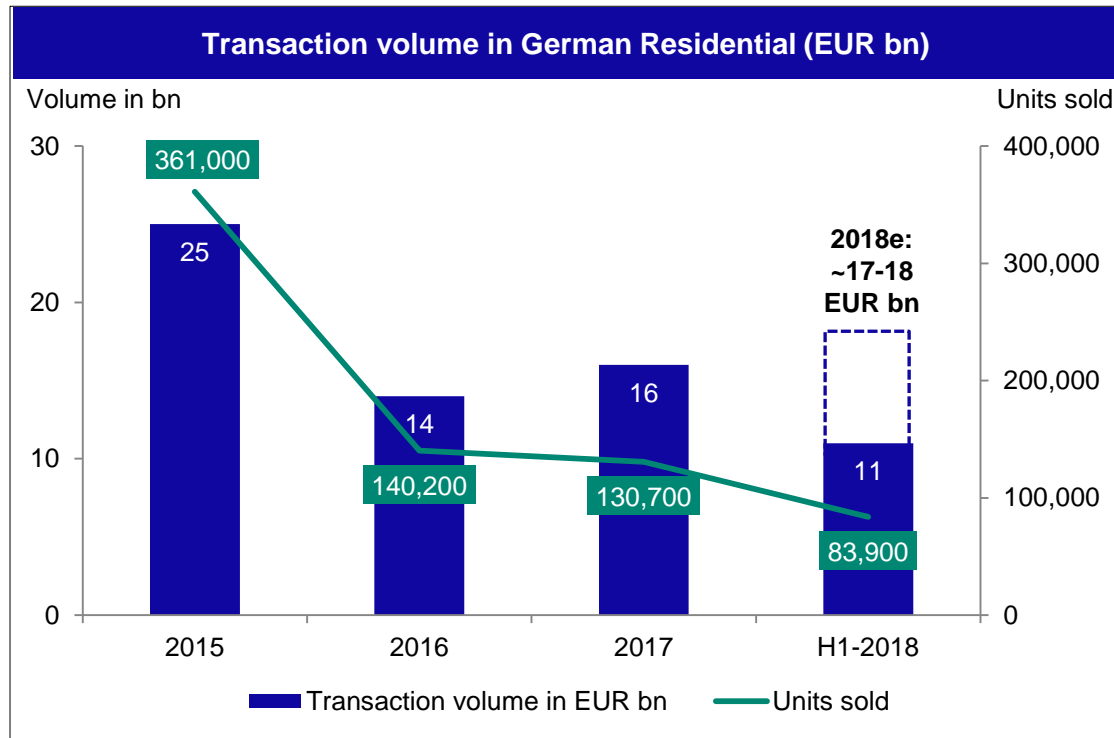
Strategic cluster	Residential units (#)	% of total (measured by fair value)	In-place rent ¹ (EUR/sqm/month)	Fair value (EUR/sqm)	Multiple in-place rent (x)	Multiple re-letting rent (x)	Rent potential ² (in %)	Vacancy (in %)
Strategic core and growth regions	161,800	99.7%	6.56	1,987	25.3	19.1	32%	2.1%
Core+	142,872	92.8%	6.66	2,100	26.4	19.6	35%	2.1%
Core	18,928	6.9%	5.83	1,154	16.6	13.8	17%	2.4%
Non-core	1,257	0.3%	4.89	612	11.3	8.8	18%	5.2%
Total	163,057	100%	6.55	1,975	25.3	19.0	31%	2.1%
<i>Thereof Greater Berlin</i>	<i>115,478</i>	<i>77.6%</i>	<i>6.62</i>	<i>2,202</i>	<i>27.9</i>	<i>20.3</i>	<i>37%</i>	<i>2.1%</i>



- Unchanged reversionary potential of 31% (37% in Berlin)
- Valuation amounts to EUR 2,100 per sqm in Core+ and EUR 2,202 per sqm in Berlin
- Portfolio valued at re-letting multiple of 19.0x (5.3% reversionary yield)

1) Contractually owed rent from rented apartments divided by rented area
 2) Unrestricted residential units (letting portfolio); rent potential = re-letting rent compared to in-place rent (letting portfolio)

Dynamic transaction market



▪ Dynamic and liquid transaction market sourced by various pockets of demand continues to drive prices in metropolitan areas

Strong like-for-like development in particular in Berlin

Like-for-like 30/09/2018	Residential units (#)	In-place rent ¹ 30/09/2018 (EUR/sqm)	In-place rent ¹ 30/09/2017 (EUR/sqm)	Change (y-o-y)	Vacancy 30/09/2018 (in %)	Vacancy 30/09/2017 (in %)	Change (y-o-y)
Strategic core and growth regions							
Letting portfolio ²	155,293	6.56	6.34	3.5%	1.9%	1.9%	0.0 pp
Core ⁺	137,053	6.66	6.43	3.6%	1.9%	1.9%	0.0 pp
Core	18,240	5.83	5.65	3.2%	2.4%	2.2%	+0.2 pp
Total	159,410	6.54	6.32	3.5%	2.0%	2.0%	0.0 pp
Thereof Greater Berlin	112,472	6.62	6.37	3.8%	1.9%	1.9%	0.0 pp

- Like-for-like rental growth of 3.5% in letting portfolio (Berlin at 3.8%) with last year's Berlin rent index effects fading in
- Tenant turnover stable at 8% for total portfolio, Berlin at 7%
- Like-for-like vacancy unchanged at 2%, thereof c. 50bps capex driven

1) Contractually owed rent from rented apartments divided by rented area

2) Excluding non-core and disposal stock

Almost EUR 1bn acquisitions predominately in Core+ in 2018

Berlin

- c. 2,600 units in Berlin
- Mostly pre-war buildings (“Altbau“)

Berlin, Philippistr.



Berlin, Cäsarstr.



Dresden/Leipzig

- C. 2,700 units
- Mostly modernized pre-war buildings (“Altbau“)

Dresden, Weinbergstr.



Leipzig, Kurt-Eisner-Str.



Leipzig, Christianstr.

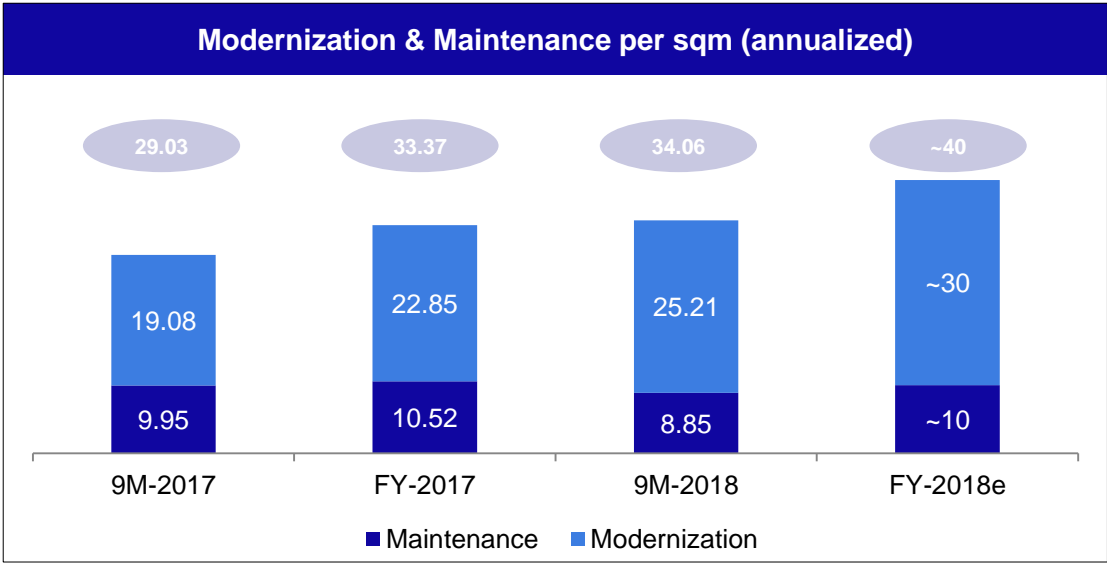


▪ In the first 9 months 2018 acquisition of c. 5,600 units for almost EUR 1bn have been signed (Ø price per sqm < EUR 2,500). C. 55% of them had transfer of titles until the end of September 2018

▪ Recent acquisitions present an attractive a product for potential future privatisations

Investments into the portfolio to further accelerate in Q4 2018

	9M-2018		9M-2017	
	EUR m	EUR / sqm ¹	EUR m	EUR / sqm ¹
Maintenance (expensed through p&l)	67.0	8.85	74.1	9.95
Modernization (capitalized on balance sheet)	190.8	25.21	142.1	19.08
Total	257.8	34.06	216.2	29.03



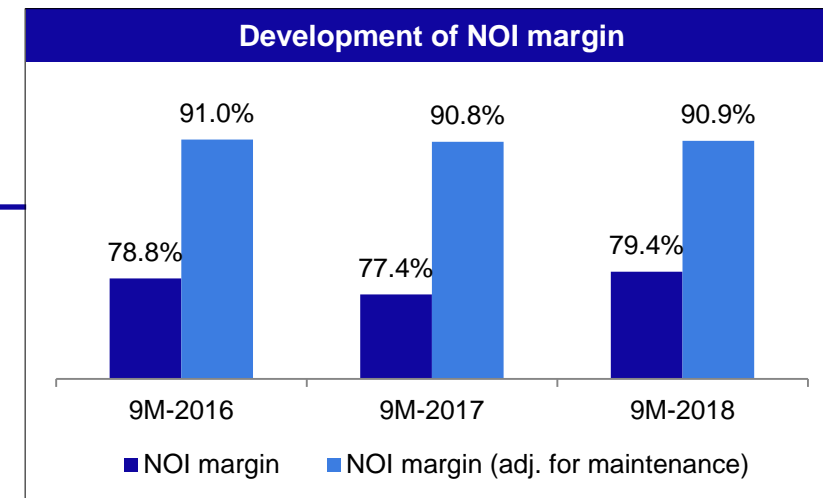
- Re-letting investment of c. EUR 100m p.a. continue to realize c. 30% reversionary potential at an unlevered yield on cost of c. 12%
- Targeted modernization expenses for ongoing capex programme slightly lag behind as approvals take longer
- Maintenance expenses of EUR 8.85 per sqm slightly below last year, upswing towards EUR 10 per sqm expected in Q4 2018

1) Annualized figure, based on the quarterly average area
deutsche-wohnen.com

Strong letting business

in EUR m	9M-2018	9M-2017
Income from rents (rental income)	585.0	553.4
Income relating to utility/ ancillary costs	266.7	252.3
Income from rental business	851.7	805.7
Expenses relating to utility/ ancillary costs	(273.8)	(260.3)
Rental loss	(5.2)	(4.3)
Maintenance	(67.0)	(74.1)
Others	(5.5)	(5.4)
Earnings from Residential Property Management	500.2	461.6
Personnel, general and administrative expenses	(35.7)	(33.0)
Net Operating Income (NOI)	464.5	428.6
NOI margin	79.4%	77.4%
NOI in EUR / sqm / month	5.11	4.80

Maintenance expenses as a percentage of rental income at 11.5% (9M 2017: 13.4%)



- Strong rental income growth of 5.7% and lower maintenance expenses lead to 79.4% NOI margin

Attractive margins of disposal business despite revaluations

Disposals	Privatization		Institutional sales		Total	
	9M-2018	9M-2017	9M-2018	9M-2017	9M-2018	9M-2017
with closing in						
No. of units	264	571	322	1,603	586	2,174
Proceeds (EUR m)	50.7	83.8	27.9	115.7	78.6	199.5
Book value (EUR m)	35.7	65.1	23.9	99.7	59.6	164.8
Price in EUR per sqm	2,463	2,047	1,607	971	n/a	n/a
Earnings (EUR m)	10.4	14.0	3.1	14.5	13.5	28.5
Gross margin	42%	29%	17%	16%	32%	21%
Cash flow impact (EUR m)	44.1	74.7	19.5	113.5	63.6	188.2

- Demand for property continues to be high; a total of 1,945 units were sold, of which 586 units had transfer of ownership in the first nine months of 2018
- Continued strong demand for residential properties used for portfolio clean-up in non-core regions through institutional sale of c. 850 units in Lutherstadt-Wittenberg at c. 50% gross margin (share deal)

Table only considers disposals that already had transfer of titles

Increasing FFO contribution from Nursing and Assisted Living

Operations (in EUR m)	9M-2018	9M-2017		in EUR m	9M-2018	9M-2017
Total income	73.0	69.4	-			
Total expenses	(67.4)	(63.1)				
EBITDA operations	5.6	6.3	-			
EBITDA margin	7.7%	9.1%				
Lease expenses ¹	11.5	11.2	-			
EBITDAR	17.1	17.5				
EBITDAR margin	23.4%	25.2%	-			
Assets (in EUR m)	9M-2018	9M-2017				
Lease income	33.3	31.4	-			
Total expenses	(1.3)	(0.8)				
EBITDA assets	32.0	30.6				
Operations & Assets (in EUR m)	9M-2018	9M-2017				
Total EBITDA	37.6	36.9				

in EUR m	9M-2018	9M-2017
Nursing & Assisted Living	63.4	60.4
Other	9.6	9.0

in EUR m	9M-2018	9M-2017
Staff	(40.1)	(36.9)
Rent / lease (inter-company) ¹	(11.2)	(10.9)
Other	(16.1)	(15.3)

Slight recovery of EBITDAR margin to 23.4% from 22.3% in H1 2018
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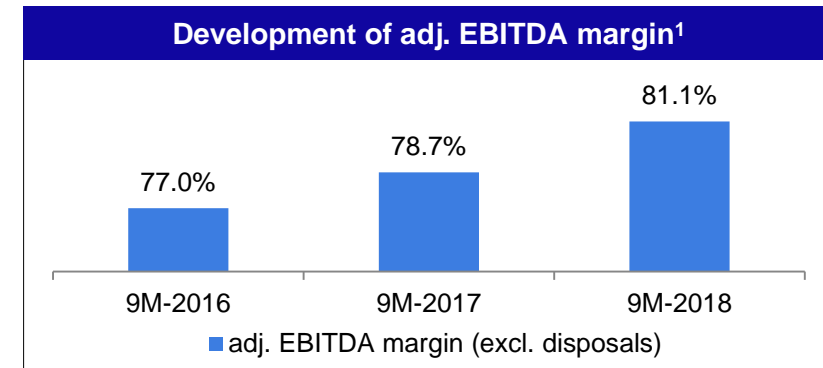
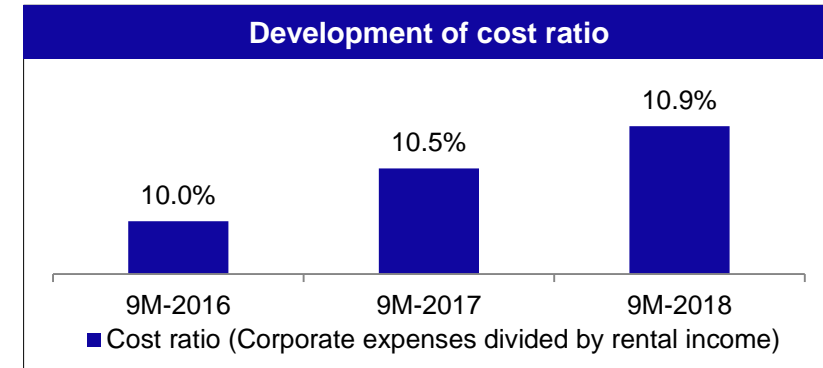
- Continued high occupancy rate of c. 98% of the facilities operated by KATHARINENHOF®

- Recent acquisition of 30 nursing facilities had transfer of ownership on the 1st of October 2018

1) The delta between lease expenses (operations) and rent/ lease (inter-company) expenses derives from one nursing facility which is only operated but not owned by Deutsche Wohnen group.

Adj. EBITDA margin above 80%

in EUR m	9M-2018	9M-2017
Earnings from Residential Property Management	500.2	461.6
Earnings from Disposals	13.5	28.5
Earnings from Nursing and Assisted Living	37.6	36.9
Segment contribution	551.3	527.0
Corporate expenses	(63.8)	(58.1)
Other operating expenses/income	(3.1)	(5.3)
EBITDA	484.4	463.6
One-offs	3.7	0.2
Adj. EBITDA (incl. disposals)	488.1	463.8
Earnings from Disposals	(13.5)	(28.5)
Adj. EBITDA (excl. disposals)	474.6	435.3

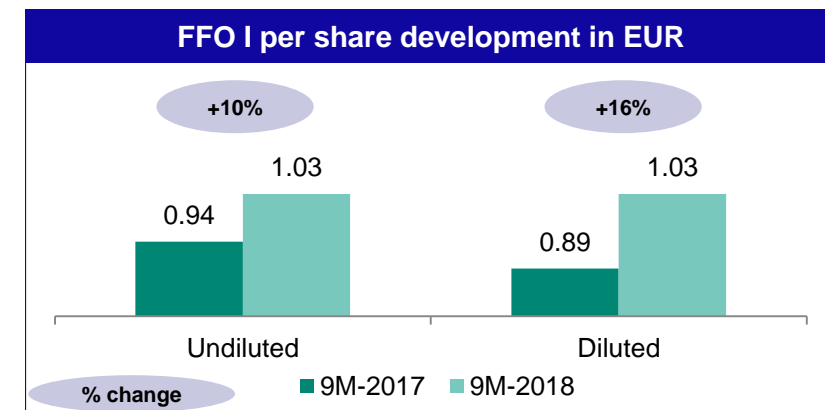
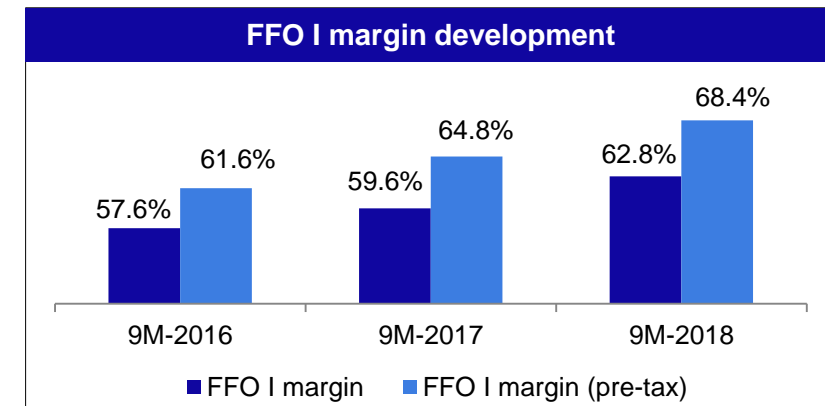


- Cost ratio slightly increased yoy to c. 11% due to continued investments in operational platform and introduction of incentive schemes for employees to motivate staff in a highly competitive labour market
- Increased earnings from residential property management and acquisitions in nursing and assisted living led to further increase of adj. EBITDA margin by 2.4pp (excl. disposals)

1) Defined as adj. EBITDA excluding disposals divided by rental income

FFO I per share growth of 10% yoy to EUR 1.03

in EUR m	9M-2018	9M-2017
EBITDA (adjusted)	488.1	463.8
Earnings from Disposals	(13.5)	(28.5)
Long-term remuneration component (share based)	0.0	1.2
Finance lease broadband cable network	1.7	0.0
At equity valuation	1.2	1.3
Interest expense/ income (recurring)	(72.6)	(74.2)
Income taxes	(33.2)	(28.8)
Minorities	(4.6)	(4.8)
FFO I	367.1	330.0
Earnings from Disposals	13.5	28.5
FFO II	380.6	358.5
FFO I per share in EUR¹	1.03	0.94
Diluted number of shares ²	355.3	370.7
Diluted FFO I per share ² in EUR	1.03	0.89
FFO II per share in EUR¹	1.07	1.02



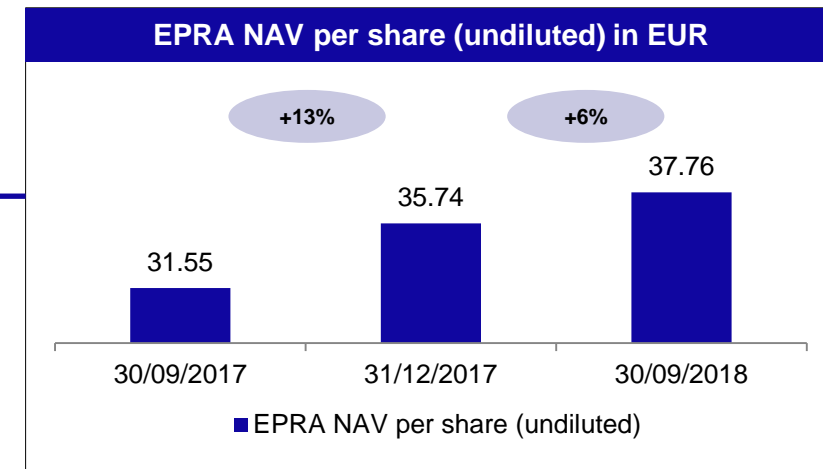
- FFO I margin (pre-tax) improved by 3.6pp, mainly through operating performance and acquisitions

1) Based on weighted average shares outstanding (9M-2017: 351.26 m and 9M-2018: 355.29 m shares)

2) Based on total shares assuming full conversion of in the money convertible bonds

EPRA NAV per share +6% versus year end 2017

in EUR m	30/09/2018	31/12/2017
Equity (before non-controlling interests)	10,434.0	9,888.2
Fair values of derivative financial instruments	1.8	2.0
Deferred taxes (net)	3,041.9	2,786.6
EPRA NAV (undiluted)	13,477.7	12,676.8
<i>Shares outstanding in m</i>	356.9	354.7
EPRA NAV per share in EUR (undiluted)	37.76	35.74
Effects of exercise of convertibles	0.0 ¹	0.0 ¹
EPRA NAV (diluted)	13,477.7	12,676.8
<i>Shares diluted in m</i>	356.9 ²	354.7 ²
EPRA NAV per share in EUR (diluted)	37.76	35.74



- Full revaluation of portfolio with FY 2018 financials envisaged

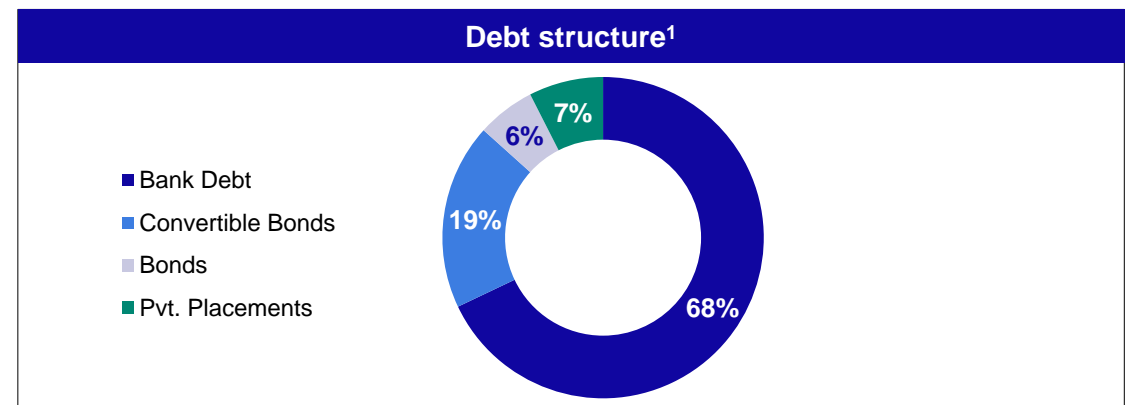
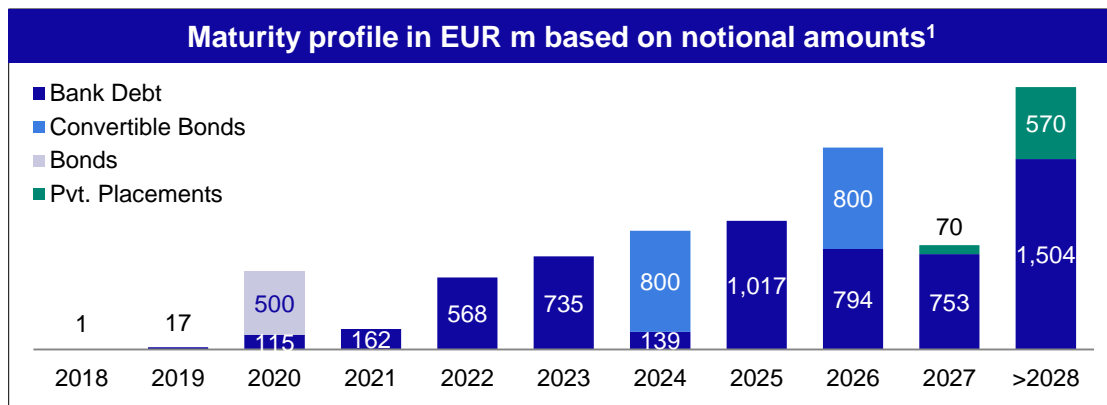
1) Effects of convertible bonds are only considered if the respective instruments are in the money/ dilutive

2) Currently both convertible bonds are out-of-the-money

Conservative long-term capital structure

Rating	A- / A3; stable outlook
Ø maturity	~ 7.9 years
% secured bank debt	68%
% unsecured debt	32%
Ø interest cost	~ 1.3% (~ 88% hedged)
LTV target range	35-40%

- Low leverage, long maturities and strong rating
- Flexible financing approach to optimize financing costs
- LTV at 36.5% as of Q3 2018 (-0.5pp yoy)
- ICR (adjusted EBITDA excl. disposals / net cash interest) ~6.5x (+0.6x yoy)
- Short-term access to c. EUR 1bn liquidity through CP program and RCFs



1) As of 30 September 2018

Strategic Business Update





Residential Business

1. Continuous portfolio concentration on growth markets through portfolio acquisitions and disposals
2. Ongoing improvement of existing residential portfolio through permanent re-letting investments and energetic modernisation
3. Realisation of synergies through standardisation and digitalization of core business processes
4. Enhancement of our customer services and further expansion of our value-add businesses throughout the value chain

Nursing & Assisted Living

- Strategic options:
 - Full service provider with operations and assets
 - Ownership of assets only
- Re-defined portfolio strategy

Guidance 2018 Update

	Old Guidance	New Guidance
FFO I (EUR m)	~470	 473-478 Guidance
Dividend per share (EUR)	~0.86	 ~0.86 - 0.87
LTV	34.5% Reported	 ~35-40% (target range) <ul style="list-style-type: none"> • Aim to keep current A-/A3 rating
Like-for-like rental growth	4.4% Reported	 ~3% Guidance <ul style="list-style-type: none"> • ~ 3% based on in-place rent in EUR/ sqm • 4-5% based in P&L impact (timing effect)
Valuation uplift (EUR bn)	n/a	Up to EUR 1.5bn in H2

Appendix

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Strong like-for-like development as of 30 September 2018

Like-for-like 30/09/2018	Residential units (#)	In-place rent ² 30/09/2018 (EUR/sqm)	In-place rent ² 30/09/2017 (EUR/sqm)	Change (y-o-y)	Vacancy 30/09/2018 (in %)	Vacancy 30/09/2017 (in %)	Change (y-o-y)
Letting portfolio¹	155,293	6.56	6.34	3.5%	1.9%	1.9%	0.0pp
Core⁺	137,053	6.66	6.43	3.6%	1.9%	1.9%	0.0pp
Greater Berlin	112,472	6.62	6.37	3.8%	1.9%	1.9%	0.0pp
Rhine-Main	9,137	7.82	7.59	3.1%	1.4%	1.8%	-0.4pp
Dresden/Leipzig	5,056	5.79	5.64	2.6%	2.5%	3.6%	-1.1pp
Rhineland	4,908	6.35	6.22	2.1%	0.8%	0.6%	+0.2pp
Mannheim/Ludwigshafen	4,537	6.05	5.99	1.1%	2.0%	1.3%	+0.7pp
Other Core ⁺	943	10.48	10.41	0.7%	0.6%	0.4%	+0.2pp
Core	18,240	5.83	5.65	3.2%	2.4%	2.2%	+0.2pp
Hanover/Brunswick	8,646	5.91	5.74	2.9%	2.2%	1.9%	+0.3pp
Kiel/Lübeck	4,945	5.90	5.59	5.5%	2.7%	2.3%	+0.4pp
Other Core	4,649	5.59	5.51	1.4%	2.5%	2.7%	-0.2pp
Total	159,410³	6.54	6.32	3.5%	2.0%	2.0%	0.0pp

1) Excluding non-core and disposal stock

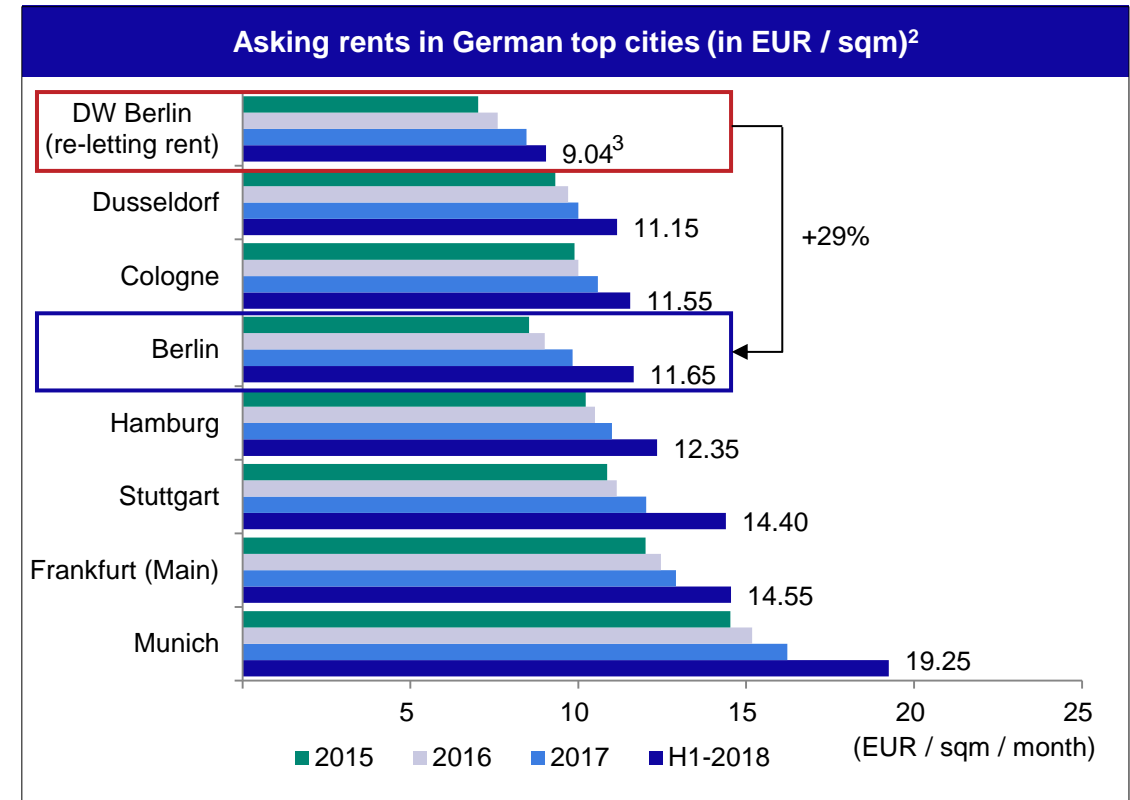
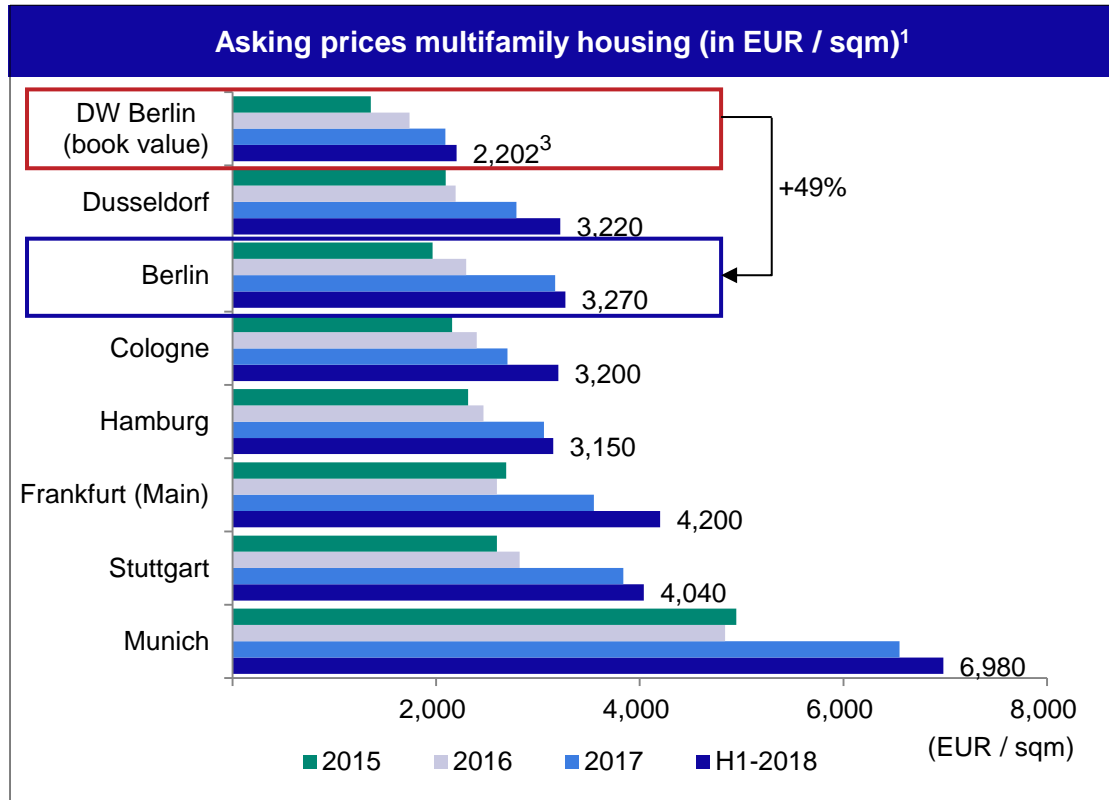
2) Contractually owed rent from rented apartments divided by rented area

3) Total I-f-I stock incl. Non-Core

Attractive spread between in-place and re-letting rent multiples offer further potential for NAV growth

Regions	Residential units (#)	FV 30/09/2018 (EUR m)	FV 30/09/2018 (EUR/sqm)	Multiple in-place rent 30/09/2018	Multiple re-letting rent 30/09/2018	Multiple in-place rent 31/12/2017	Fair Value 31/12/2017 (EUR/sqm)
Core⁺	142,872	18,660	2,100	26.4	19.7	25.6	2,000
Greater Berlin	115,478	15,591	2,202	27.9	20.4	27.1	2,090
Rhine-Main	9,912	1,237	1,994	21.2	16.6	21.0	1,924
Dresden/Leipzig	6,403	831	1,764	24.6	19.9	23.0	1,618
Rhineland	5,382	467	1,329	17.2	14.9	16.8	1,285
Mannheim/Ludwigshafen	4,754	359	1,164	16.1	13.4	16.0	1,151
Other Core ⁺	943	175	3,159	24.7	21.1	24.9	3,149
Core	18,928	1,384	1,154	16.6	13.9	16.9	1,149
Hanover/Brunswick	9,127	704	1,167	16.5	13.5	16.8	1,164
Kiel/Lübeck	4,855	321	1,064	16.0	14.4	18.0	1,218
Other Core	4,946	360	1,221	17.3	14.2	16.0	1,053
Non-Core	1,257	54	612	11.3	8.8	13.1	705
Total	163,057	20,098	1,975	25.3	19.1	24.6	1,886

Current level of rents and prices offer further growth potential



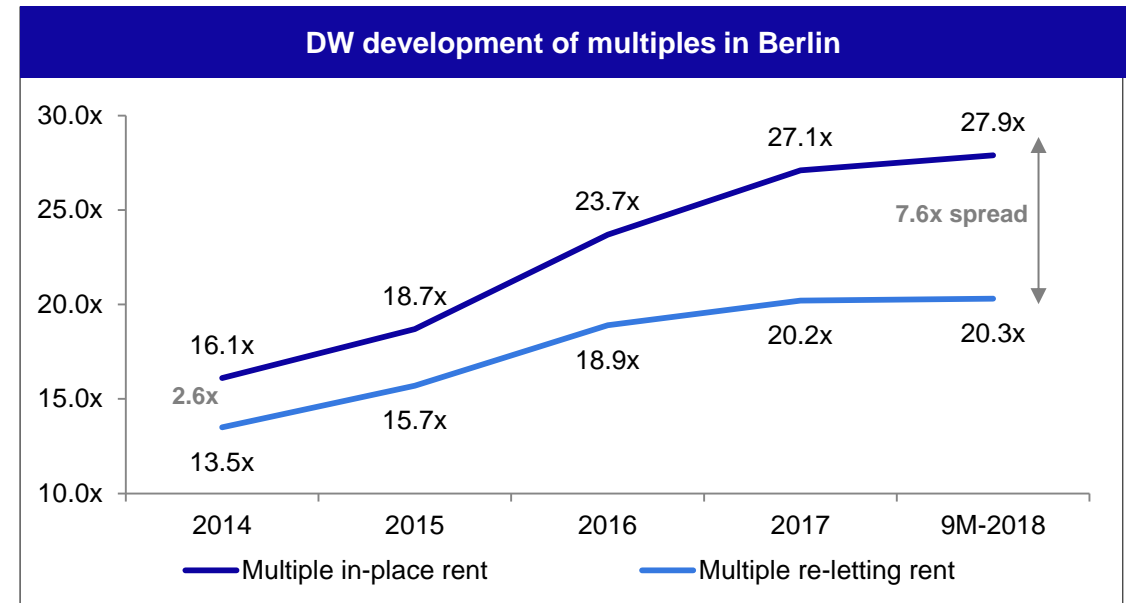
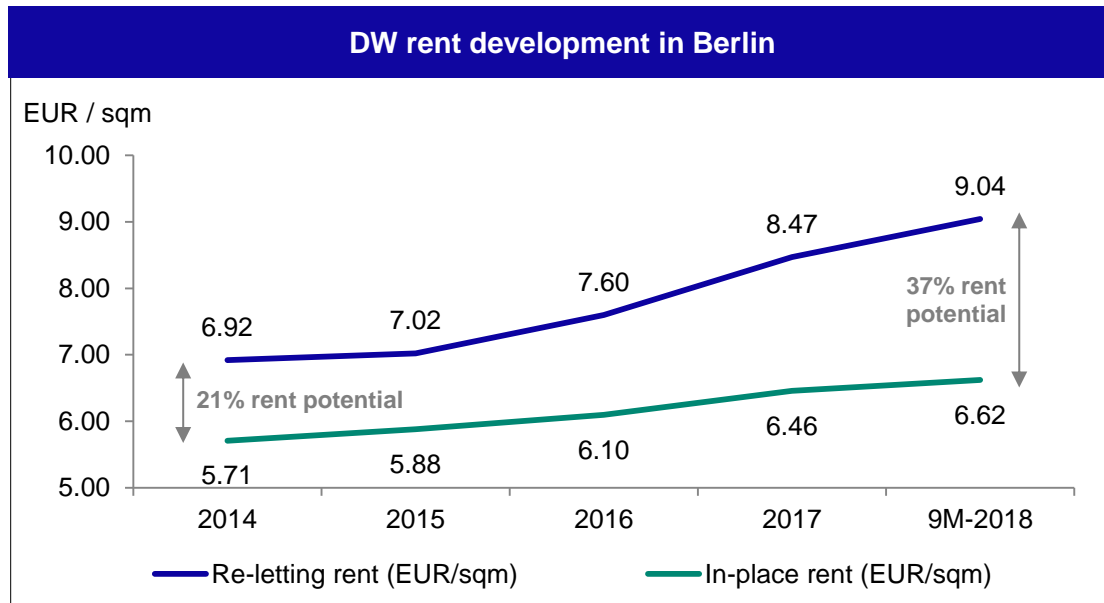
▪ **Dynamic development of residential rents and prices for German top cities, based on strong demographic trends and fundamentals**

1) JLL median asking prices based on 'Immodaten.net' including all age clusters, DW portfolio valuation

2) JLL median asking prices based on 'Immodaten.net' including furnished apartments and all age clusters, DW portfolio data

3) DW Berlin numbers based on 9M-2018

Re-letting rents continue to outpace in-place rents



- Rent rent potential significantly increased since 2014 as re-letting rents have grown much faster than (regulated) in-place rents
- Spread between in-place and re-letting rent multiples significantly widened over the last years, implying significant further value upside over the coming years

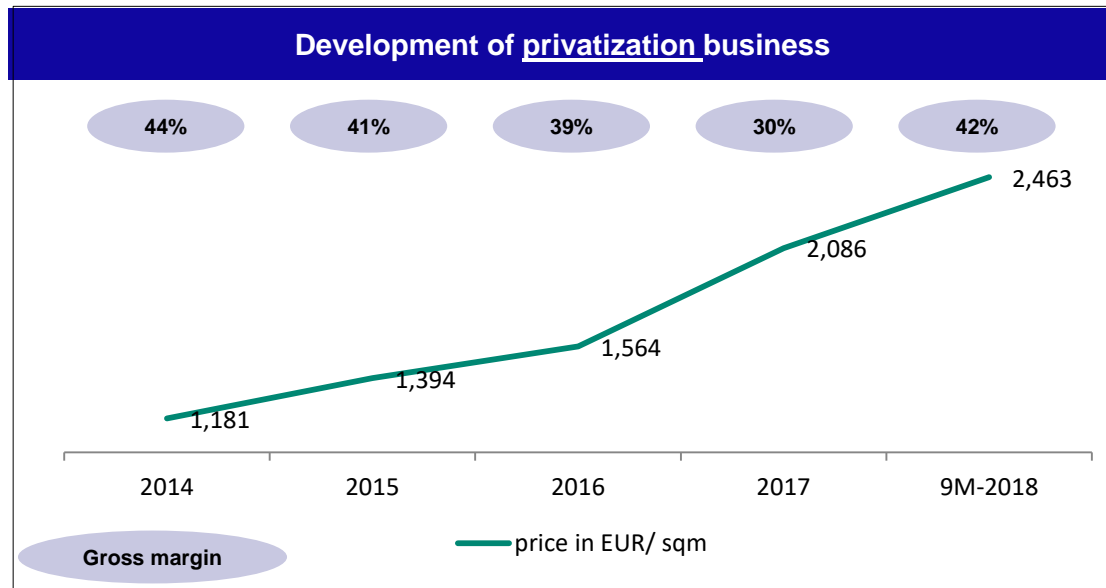
Acquisition track record since 2013

Year	Deal	Main acquisitions (>1,000 units deal size)		Fair Value in EUR/sqm			In-place rent in EUR/sqm		
		Residential units #	Location	At Acquisition	30/09/2018	Δ	At Acquisition	30/09/2018	Δ
2013	Centuria	5,200	Berlin	711	1,809	154%	4.65	5.81	25%
	Larry	6,500	Berlin	842	1,889	124%	4.97	6.02	21%
	GSW	60,000	Berlin	960	2,147	124%	5.44	6.57	21%
2015	Windmill	~4,600	Berlin	1,218	1,808	48%	5.12	5.87	15%
	Henry	~1,600	Berlin	1,302	1,915	47%	5.26	5.70	8%
	Accentro	1,200	Berlin	1,227	2,390	95%	5.14	6.55	27%
2016	Olav	15,200		1,342	1,838	37%	5.92	6.72	14%
	<i>thereof</i>	~5,200	<i>Berlin</i>	1,469	2,141	46%	5.55	6.52	17%
		~3,800	<i>Kiel</i>	1,043	1,261	21%	5.37	5.91	10%
		~1,000	<i>other Core⁺</i>	3,159	3,159	0%	10.34	10.48	1%
2017	Helvetica	~3,900	Berlin	2,390	2,993	25%	6.95	7.81	12%
Total		~86,500							

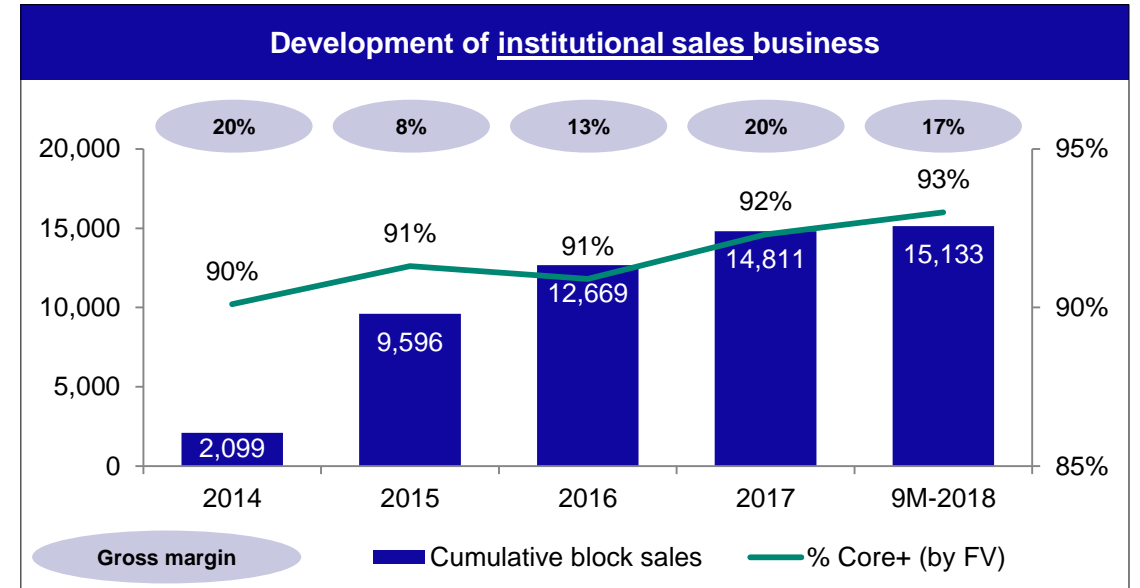
- Acquisitions delivered attractive total returns through rent development and NAV uplift

- ~13% of acquired units have been sold at double digit gross margins to streamline portfolio quality

Disposals business remains opportunistic

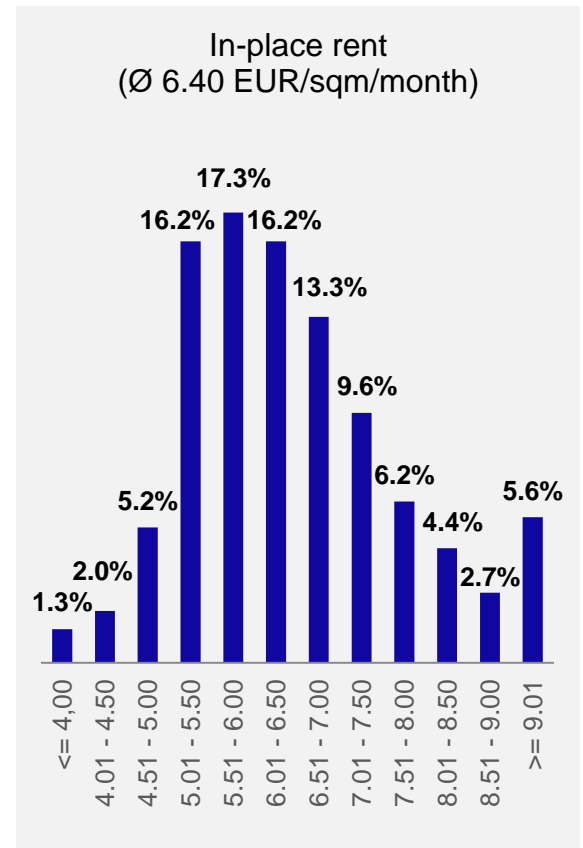
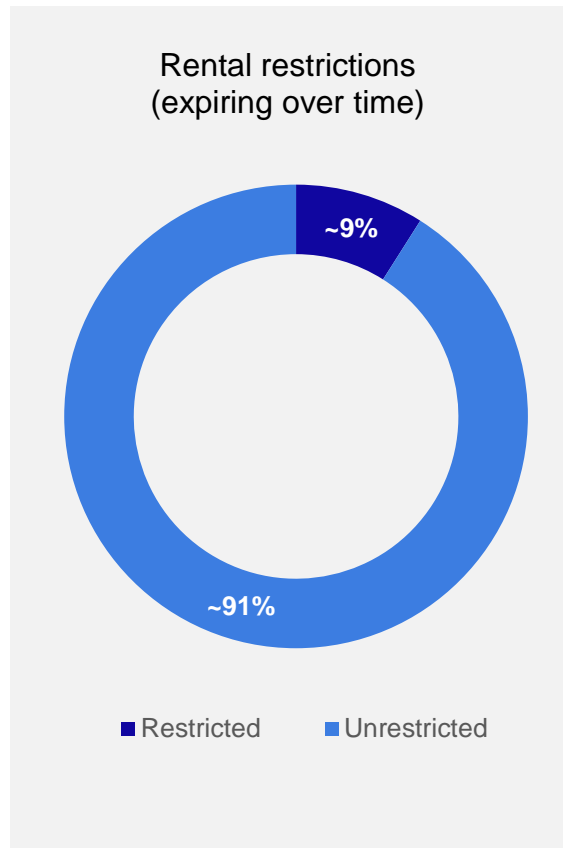
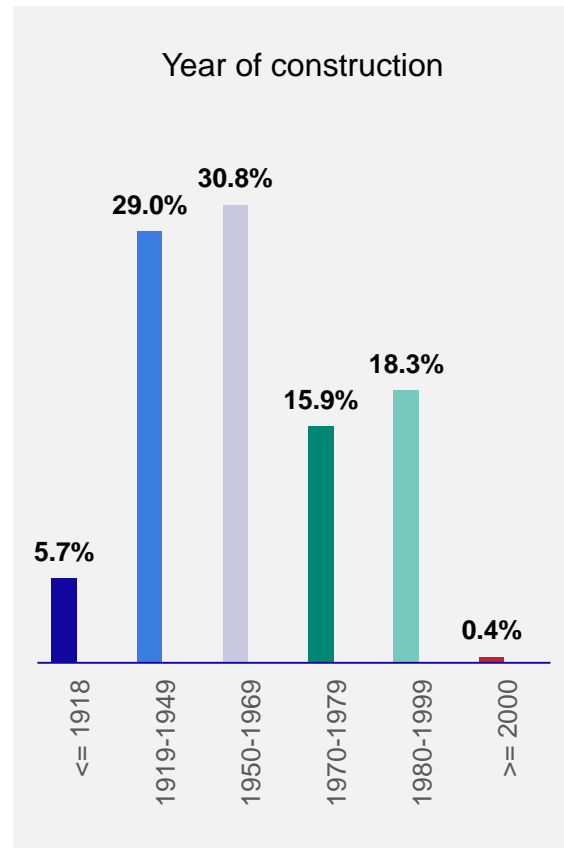
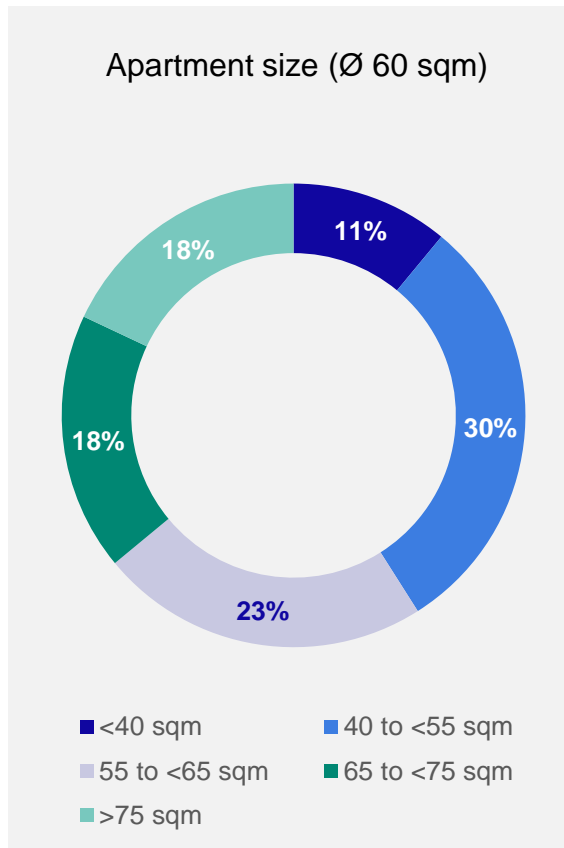


- Continuation of selective privatizations to validate price points in micro locations
- Continue to achieve attractive gross margins despite > EUR 7bn portfolio revaluations since 2014
- Since 2014 average realized prices increased by 77%
- No reliance on free cash flow generation to finance investment program
- **Too early in cycle to accelerate privatization pace to turn book gains into cash returns for shareholders**



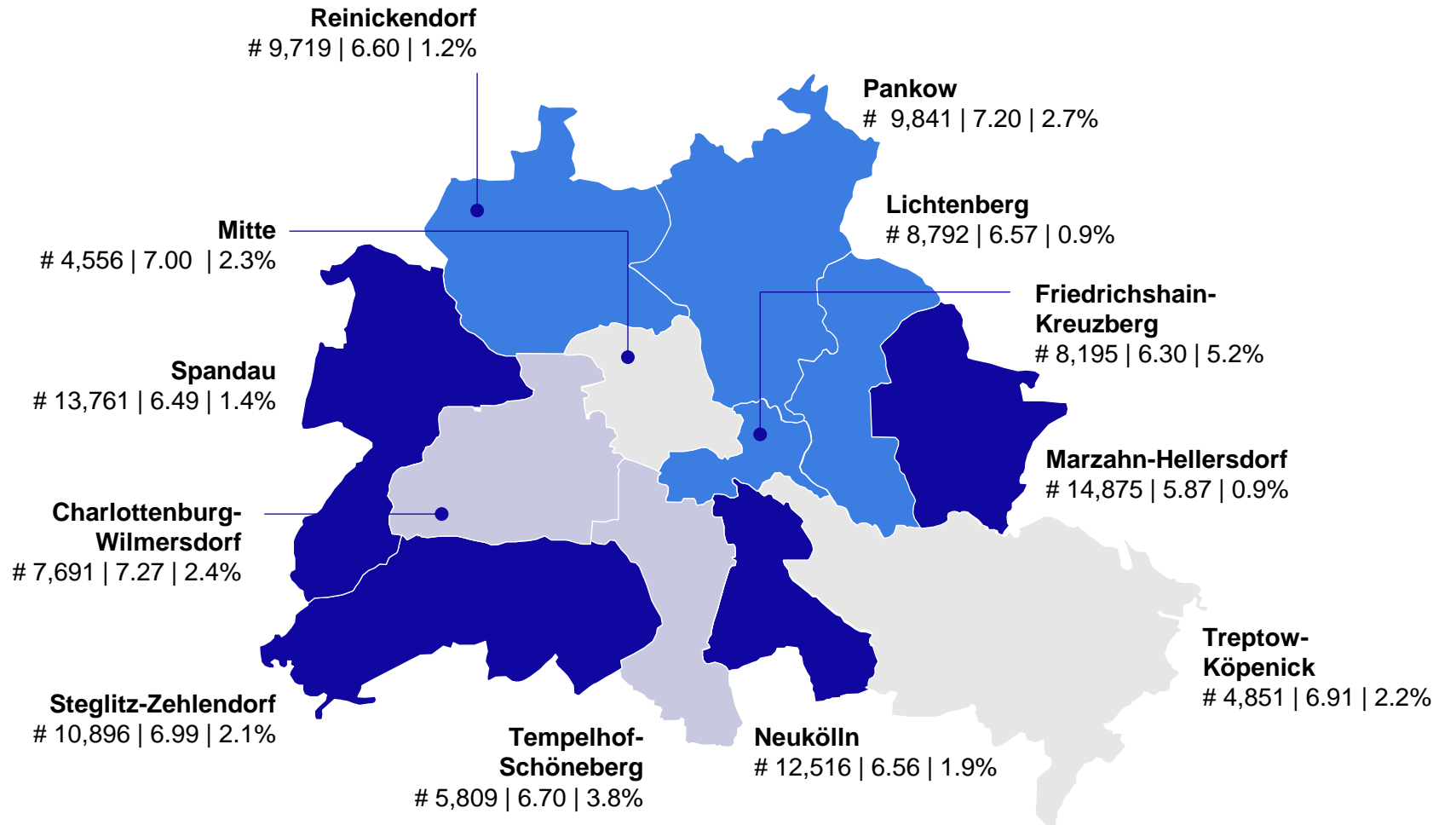
- Successful streamlining of portfolio in recent years
 - ~15,000 units disposed at attractive margins since 2014
 - Non-Core disposals almost completed at prices significantly above book value
- Share of Core+ increased to 93%
- **Opportunistic disposals at attractive prices possible to improve overall quality and further de-risk portfolio**

Portfolio structure – characteristics meeting strong demand



Figures as of 31 December 2017
deutsche-wohnen.com

The Berlin portfolio at a glance



Berlin
111,502 | 6.62 | 2.1%

Greater Berlin
115,478 | 6.62 | 2.1%

Units | In-place rent (EUR/sqm) | Vacancy (%)

> 3,000 > 5,000 > 8,000 > 10,000

Berlin – The place to be!



Government

Seat of parliament, government and professional associations¹⁾

Industry

Siemens signed biggest single investment in technology campus with EUR 600m for Siemensstadt

Innovation

2nd best performing European startup ecosystem with app. 2,000 active tech Startups²⁾

High-tech

- 6,500 technology firms
- 15,000 IT students
- Forecast 2020: 100,000 new jobs²⁾

Tourism

More than 12.9 million arrivals in 2017 (+1.8% compared to 2016)³⁾

Science

Highest density of researchers and academics in Germany (per capita)¹⁾

Population / economy

	2017	Y-o-y
Population	~3.7m	+1.1%
Population forecast 2035	~4.0m	
Ø unemployment rate	9.0%	-0.8pp
Ø net household income per month ²⁾	EUR 3,046	+1.9%

Residential market characteristics

	2017	Y-o-y
Number of residential units	1.9m	<1%
New construction	15 669 ⁴⁾	+15%
Ø asking rent per sqm/month ⁵⁾	EUR 11.10	+9.0%

1) <https://www.berlin.de/wirtschaft/wirtschaftsstandort/standortfaktoren/3932386-3671590-Standortvorteile.html>

2) CBRE

3) visitberlin / Berlin Institute for Statistics

4) Berlin Institute for Statistics

5) JLL asking rent in H2 2017

Deutsche Wohnen's residential portfolio is best-in-class

Siemensstadt, Berlin



Hellersdorf, Berlin



Carl-Legien-Siedlung, Berlin



Südwestkorso, Berlin



Oranienkiez, Berlin



Hufeisensiedlung, Berlin



Dresden



Otto-Suhr-Siedlung, Berlin



Bridge from adjusted EBITDA to profit

in EUR m	9M-2018	9M-2017
EBITDA (adjusted)	488.1	463.8
Depreciation	(6.0)	(5.2)
At equity valuation	1.2	1.3
Financial result (net)	(82.1)	(91.4)
EBT (adjusted)	401.2	368.5
Valuation properties	677.5	885.9
One-offs	(5.1)	(32.3)
Valuation SWAP and convertible bonds	(55.2)	(178.3)
EBT	1,018.4	1,043.8
Current taxes	(31.4)	(30.2)
Deferred taxes	(230.3)	(307.6)
Profit	756.7	706.0
<i>Profit attributable to the shareholders of the parent company</i>	731.6	679.0
Earnings per share ¹	2.06	1.93

in EUR m	9M-2018	9M-2017
Interest expenses	(74.8)	(74.8)
<i>In % of gross rents</i>	~13%	~14%
Accrued interest on liabilities and pension (non-cash)	(9.5)	(17.2)
Interest income	2.2	0.6
Financial result (net)	(82.1)	(91.4)

Non-cash interest expense decreased mainly due to redemption of subsidized loans (accounted below its nominal value)

One-offs decreased yoy and mainly consist of project and transaction related expenses in 9M 2018

1) Based on weighted average shares outstanding (9M-2017: 351.26 m and 9M-2018: 355.29 m shares)

Summary balance sheet

Assets

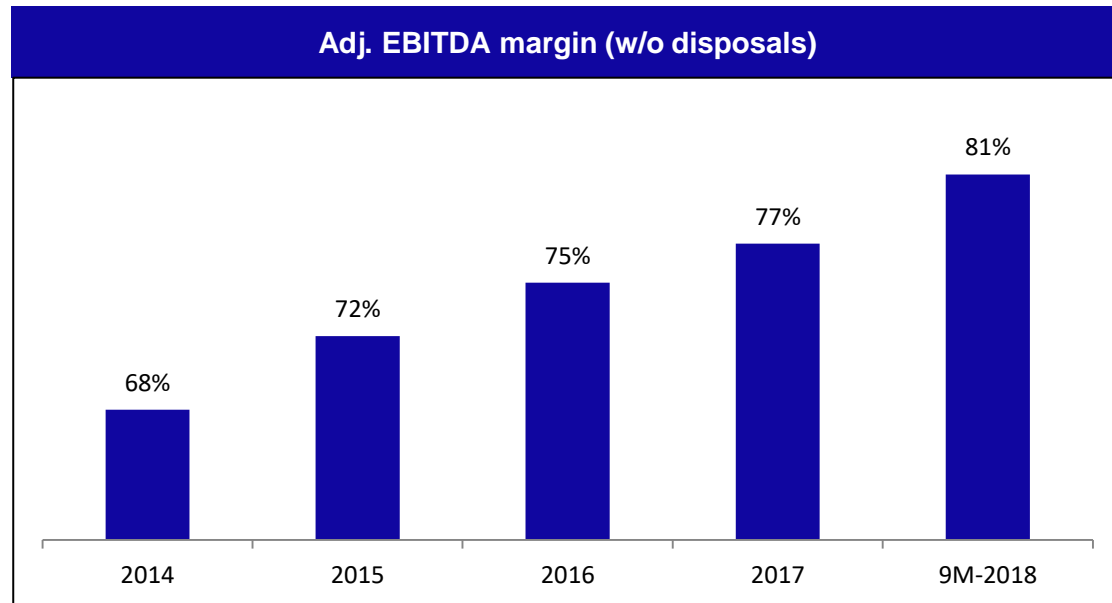
in EUR m	30/09/2018	31/12/2017
Investment properties	21,220.1	19,628.4
Other non-current assets	187.2	134.4
Derivatives	6.2	3.3
Deferred tax assets	0.3	0.4
Non current assets	21,413.8	19,766.5
Land and buildings held for sale	431.8	295.8
Trade receivables	21.1	15.5
Other current assets	210.0	97.9
Cash and cash equivalents	674.2	363.7
Current assets	1,337.1	772.9
Total assets	22,750.9	20,539.4

Equity and Liabilities

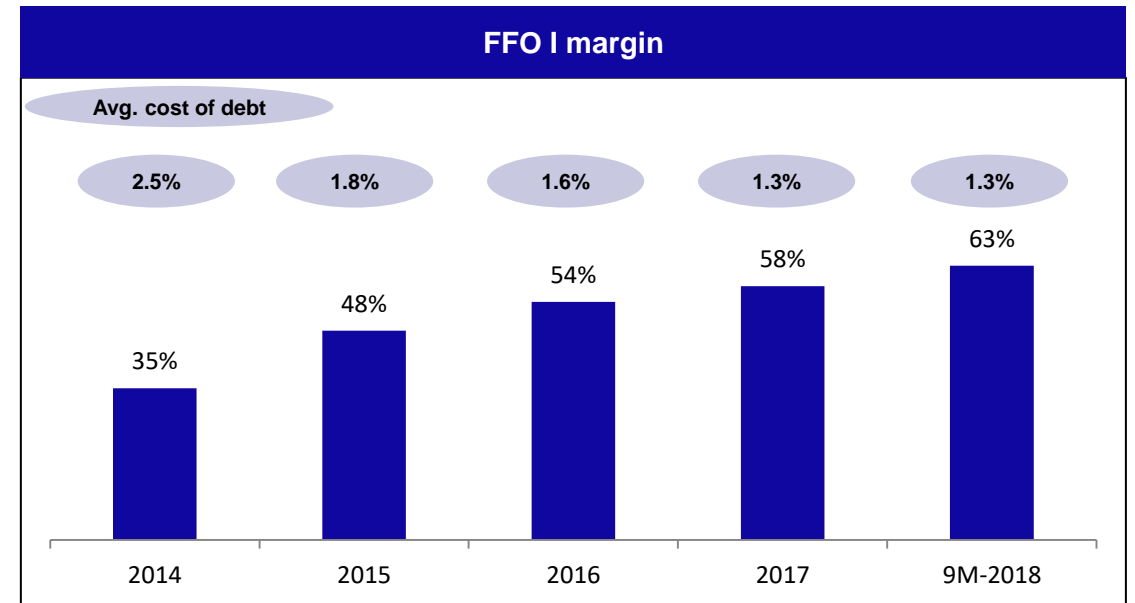
in EUR m	30/09/2018	31/12/2017
Total equity	10,776.4	10,211.0
Financial liabilities	5,742.1	4,751.1
Convertibles	1,714.4	1,669.6
Bonds	1,135.0	826.6
Tax liabilities	54.3	27.2
Deferred tax liabilities	2,730.9	2,496.7
Derivatives	8.1	5.3
Other liabilities	589.7	551.9
Total liabilities	11,974.5	10,328.4
Total equity and liabilities	22,750.9	20,539.4

- Investment properties represent ~93% of total assets
- Strong balance sheet structure offering comfort throughout market cycles

Operational and financial improvements drive margins

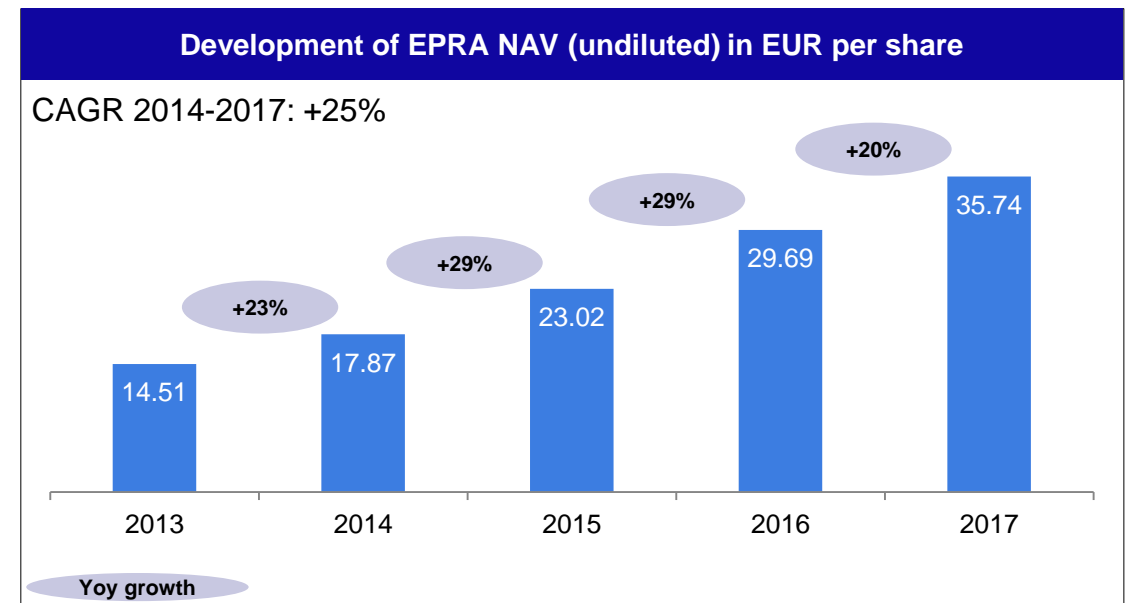
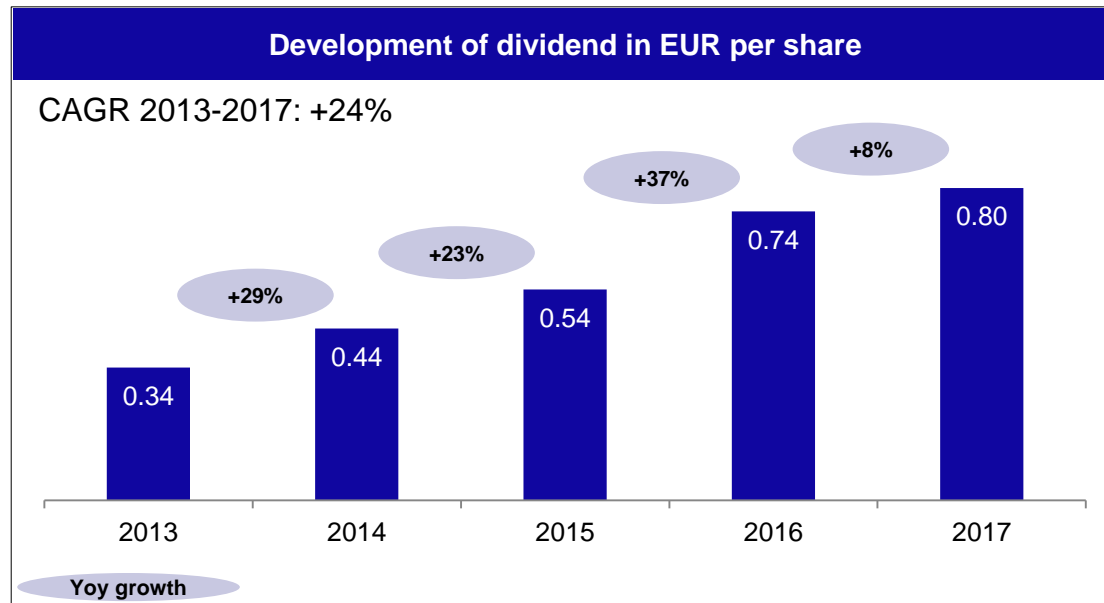


- Concentrated portfolio and successful integration of acquired businesses as well as further efficiency improvement of operational business let to best in class EBITDA margin



- Early and proactive management of liabilities to take advantage of attractive financing environment – average cost of debt reduced by more than 50% since 2013

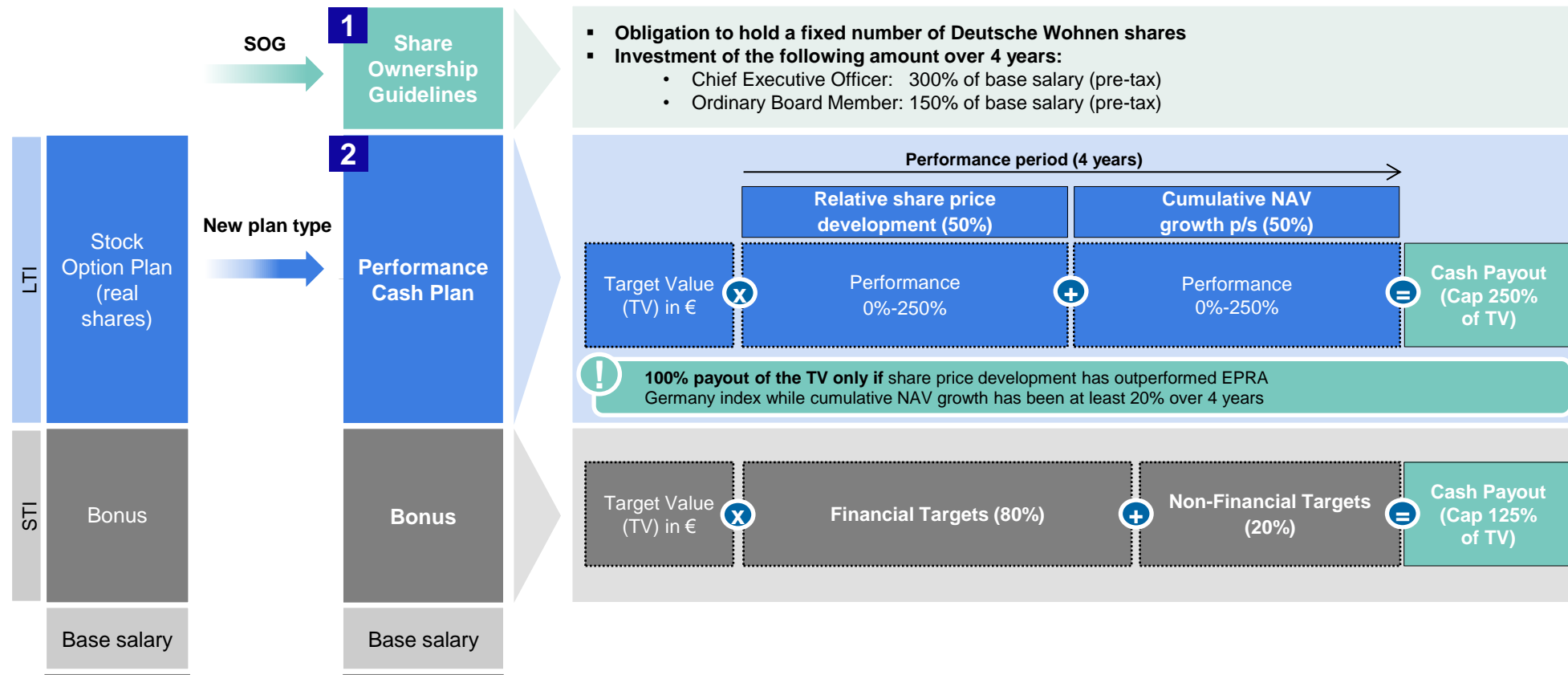
Strong generation of total shareholder return



- DW consistently generated high shareholder return based on capital growth and dividend payments while reducing its risk profile
- Considering suggested dividend of EUR 0.80 per share, DW delivered a shareholder return for 2017 of EUR 6.86 or c. 23 % of 2016 EPRA NAV (undiluted)

Executive Board compensation system – as of 1 January 2018

- 1** Introduction of Share Ownership Guidelines (SOGs)
- 2** Conversion of the Stock Option Plan into a Performance Cash Plan
- ➔ Reduction of the plan's complexity and meeting of investor and proxy advisor expectations



STI = Short Term Incentive; LTI = Long Term Incentive

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