

Deutsche Wohnen SE

H1 2019 results

Conference Call 13 August 2019

Agenda

01 Highlights

02 Market and Portfolio

03 Financials

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Highlights H1 2019

Strong operational business

- L-f-I growth at 3.4% for the total portfolio, 3.6% in Berlin
- Adj. EBITDA margin (excl. disposal and accounting effects) increased 2pp yoy
- FFO I per share growth of 13% to EUR 0.79

Updated valuation based on slightly revised modelling assumptions

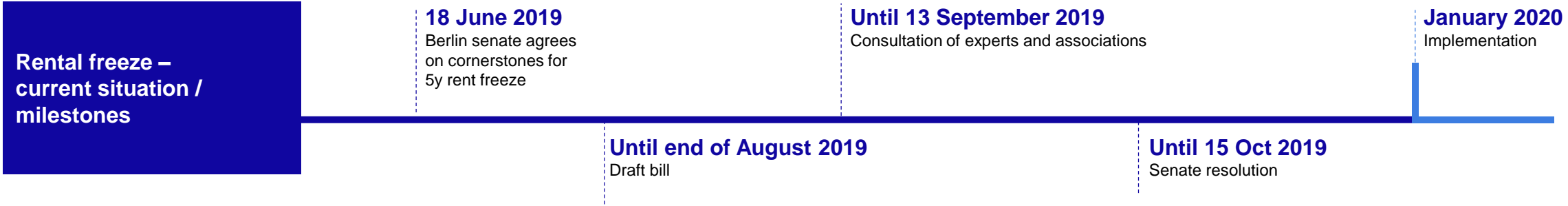
- EUR 450m portfolio revaluation (+2%) leads to average FV of EUR 2,222 per sqm for total portfolio, EUR 2,458 per sqm in Berlin
- EPRA NAV growth of 2.8% to EUR 43.43 per share

Promise to our tenants

- Deutsche Wohnen published social promise to tenants to underline social responsibility

Full year FFO I guidance confirmed

Political and regulatory environment



Our social rental policy ('Mieterversprechen')

- Deutsche Wohnen as part of the solution
- Limit of rent increases after modernization to ensure that gross rent does not exceed 30% of net household income
- Limit of rent index ('Mietspiegel') increase to a maximum of 30% affordability ratio based on net rent and net household income
- One in four re-lettings to tenants entitled to a certificate of eligibility to live in social housing ('Wohnberechtigungsschein')

Housing as part of public debate / political pressure

- Debate on housing, affordability, supply & demand and the role of private landlords will continue to be also part of political positioning
- Important to find a cooperative approach for long-term solutions

Stable like-for-like rental growth

Like-for-like 30/06/2019	Residential units (#)	In-place rent ¹ 30/06/2019 (EUR/sqm)	In-place rent ¹ 30/06/2018 (EUR/sqm)	Change (y-o-y)	Vacancy 30/06/2019 (in %)	Vacancy 30/06/2018 (in %)	Change (y-o-y)
Letting portfolio²	147,533	6.77	6.55	3.4%	1.8%	1.9%	-0.1 pp
Core ⁺	135,037	6.85	6.63	3.4%	1.7%	1.8%	-0.1 pp
Core	12,496	5.96	5.80	2.7%	2.9%	2.5%	0.4 pp
Total	159,198	6.73	6.52	3.3%	2.0%	2.0%	0.0 pp
Thereof Greater Berlin	109,721	6.82	6.59	3.6%	1.7%	1.8%	-0.1 pp

- **Total like-for-like rental growth at 3.3%, thereof 1.4% from existing tenants**

- **Tenant turnover stable at 8% across entire portfolio, around 7% in Berlin**

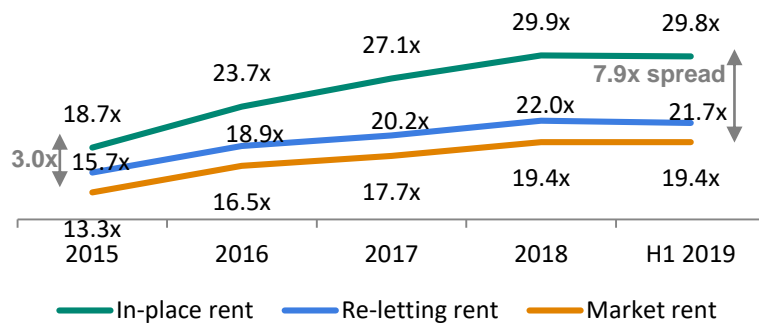
1) Contractually owed rent from rented apartments divided by rented area

2) Excluding non-core and disposal stock

Continued strong fundamentals

Regions	Residential units (#)	FV 30/06/2019 (EUR m)	FV 30/06/2019 (EUR/sqm)	FV 31/12/2018 (EUR/sqm)	Multiple in-place rent 30/06/2019	Change in-place multiple 31/12/2019	Multiple re-letting rent 30/06/2019	Change in re-letting multiple 31/12/2019	Reversionary potential ¹⁾ in EUR/sqm
Core*	146,215	21,523	2.353	2,284	28.7	+0.3x	21.6	+0.4x	2.26
Greater Berlin	115,815	17,545	2.458	2,404	30.2	+0.2x	22.3	+0.4x	2.26
Core	19,098	1,511	1.246	1,217	17.6	+0.2x	14.7	+0.1x	1.13
Non-Core	144	5	589	580	9.9	+0.2x	8.4	+0.6x	0.71
Total	165,457	23,040	2.222	2,157	27.5	+0.3x	21.0	+0.4x	2.03

DW development of multiples in Greater Berlin²



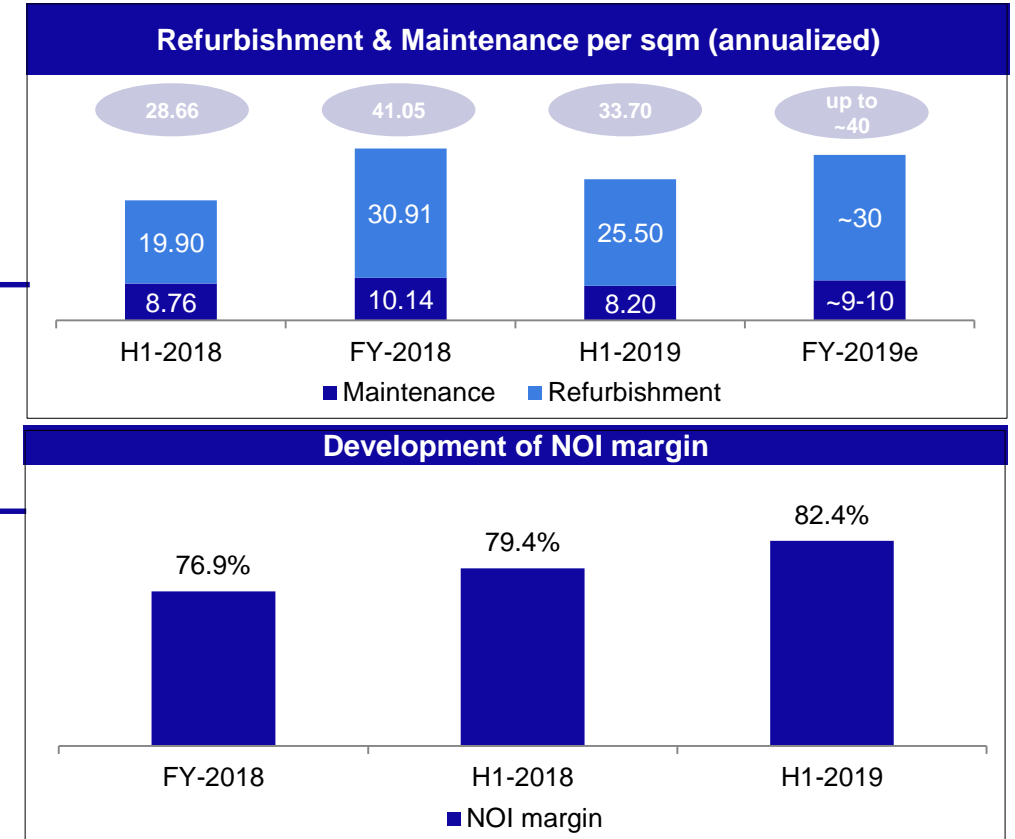
- Total portfolio valued at EUR 23.0 bn or 2,222 per sqm
- Berlin stock valued at around 55% of replacement cost
- Reversionary yield >5% based on market rents

1) Unrestricted residential units (letting portfolio); rent potential = new-letting rent compared to in-place rent

2) Market rents based on CBRE asking rents and Deutsche Wohnen Fair Values

Strong letting business, rental income up 6%

in EUR m	H1-2019	H1-2018
Income from rents (rental income)	411.1	387.3
Income relating to utility/ ancillary costs	204.9	162.3
Income from rental business	616.0	549.6
Expenses relating to utility/ ancillary costs	(201.3)	(167.4)
Rental loss	(4.5)	(3.4)
Maintenance	(42.4)	(44.0)
Others	(2.7)	(3.5)
Earnings from Residential Property Management	365.1	331.3
Personnel, general and administrative expenses	(26.2)	(23.6)
Net Operating Income (NOI)	338.9	307.7
NOI margin	82.4%	79.4%
NOI in EUR / sqm / month	5.46	5.11



Disposal business delivers attractive margins

Disposals with closing in	Privatization		Institutional sales		Total	
	H1-2019	H1-2018	H1-2019	H1-2018	H1-2019	H1-2018
No. of units	184	179	436	322	620	501
Proceeds (EUR m)	60.0	34.4	44.3	26.2	104.3	60.6
Book value (EUR m)	33.4	24.4	41.0	23.6	74.4	48.0
Price in EUR per sqm	3,605	2,411	1,780	1,510	n/a	n/a
Earnings (EUR m)	21.5	6.9	2.1	2.1	23.6	9.0
Gross margin	80%	41%	8%	11%	40%	26%
Cash flow impact (EUR m)	53	30	42	18	95	48

- Excluding one disposal of a mixed use privatization in Q1, realized prices for privatizations in Berlin amount to EUR 3,000 per sqm on average, representing an increase of 20% yoy

Table only considers disposals that already had transfer of titles

Stable EBITDA contribution from Nursing and Assisted Living

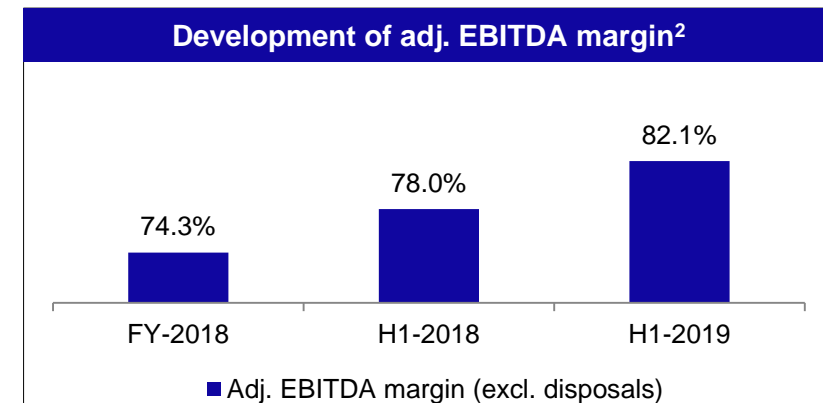
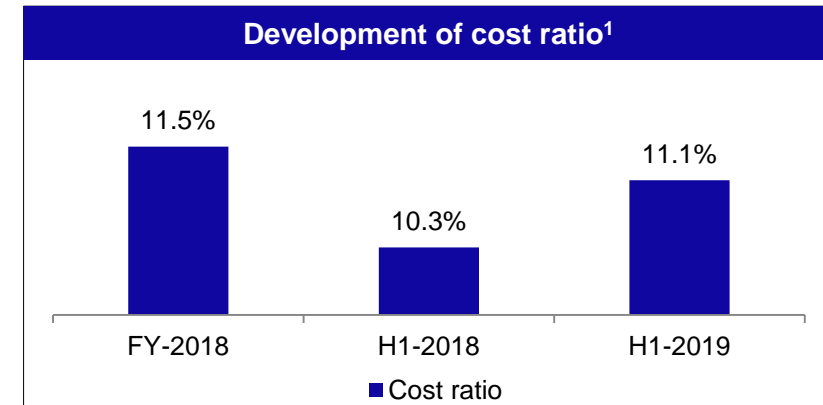
Operations (in EUR m)	H1-2019	H1-2018		in EUR m	H1-2019	H1-2018
Total income	112.0	47.9	in EUR m	Nursing & Assisted Living	102.9	41.7
Total expenses	(102.9)	(44.9)		Other	9.1	6.2
EBITDA operations	9.1	3.0	in EUR m	Staff	(68.9)	(26.7)
EBITDA margin	8.1%	6.3%		Rent / lease (inter-company) ¹	(13.0)	(7.5)
Lease expenses ¹	13.5	7.7	Other	(21.0)	(10.7)	
EBITDAR	22.6	10.7	Margin decline due to integration of operations of PFLEGEN & WOHNEN Hamburg. KATHARINENHOF on a stand alone basis at ~25%			
EBITDAR margin	20.2%	22.3%				
Assets (in EUR m)	H1-2019	H1-2018				
Lease income	36.0	21.9				
Total expenses	(1.2)	(1.1)				
EBITDA assets	34.8	20.8				
Operations & Assets (in EUR m)	H1-2019	H1-2018				
Total EBITDA	43.9	23.8				

- Occupancy level of facilities managed by KATHARINENHOF and PFLEGEN & WOHNEN Hamburg at 96.4% per H1-2019

1) The delta between lease expenses (operations) and lease income assets derives from one nursing facility which is only operated but not owned by Deutsche Wohnen group.

Robust growth of EBITDA margin to 82%

in EUR m	H1-2019	H1-2018
Earnings from Residential Property Management	365.1	331.3
Earnings from Disposals	23.6	9.0
Earnings from Nursing and Assisted Living	43.9	23.8
Segment contribution	432.6	364.1
Corporate expenses	(47.4)	(41.1)
Other operating expenses/income	(3.3)	(0.5)
EBITDA	381.9	322.5
One-offs	7.2	4.2
Adj. EBITDA (incl. disposals)	389.1	326.7
Earnings from Disposals	(23.6)	(9.0)
Corporate expenses for Disposals	1.6	1.3
Adj. EBITDA (excl. disposals)	367.1	319.0



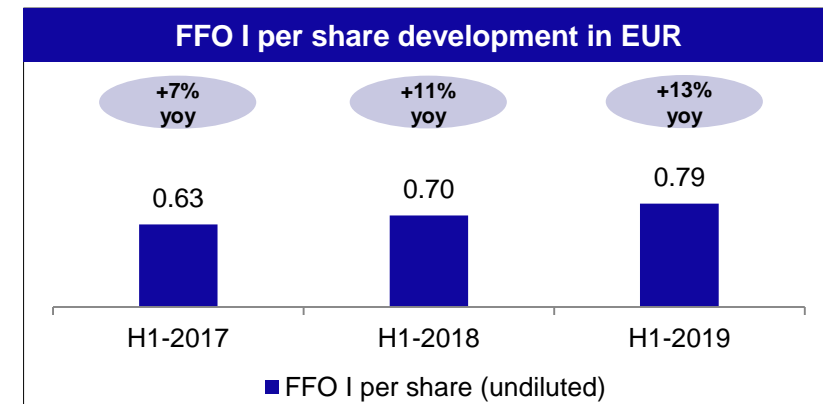
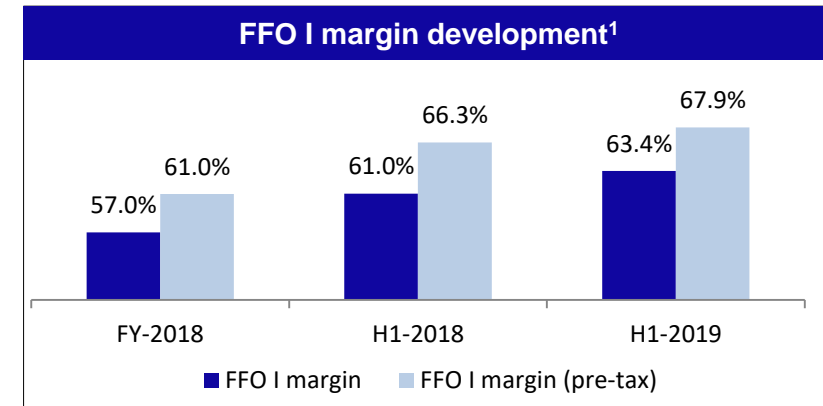
- EBITDA margin increased by 4.1 pp on the back of strong earnings growth from residential property management and the consolidation of PFLEGEN & WOHNEN Hamburg

1) Cost ratio defined as corporate expenses divided by gross rental income, whereas corporate expenses are excluding corporate expenses for disposals, numbers historically revised

2) Defined as adj. EBITDA excluding disposals divided by rental and lease income

FFO I per share growth of 13% yoy to EUR 0.79

in EUR m	H1-2019	H1-2018
EBITDA (adjusted)	389.1	326.7
Earnings from Disposals	(23.6)	(9.0)
Corporate expenses for disposals	1.6	1.3
Finance lease broadband cable network	1.4	0.9
At equity valuation	1.9	1.1
Interest expense/ income (recurring)	(63.2)	(46.3)
Income taxes	(20.3)	(21.7)
Minorities	(3.5)	(3.2)
FFO I	283.4	249.8
Earnings from Disposals	23.6	9.0
Corporate expenses for Disposals	(1.6)	(1.3)
FFO II	305.4	257.5
FFO I per share in EUR	0.79	0.70
<i>Diluted number of shares</i>	357.0	354.7
<i>Diluted FFO I per share in EUR</i>	0.79	0.70
FFO II per share in EUR	0.86	0.73

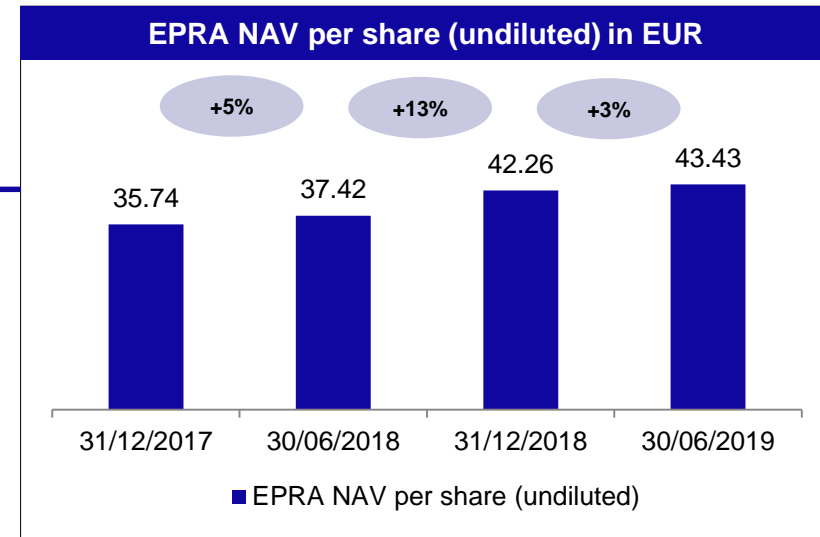


- FFO I margin improved by 2.3pp with strong top-line growth

1) FFO I margin defined as FFO I divided by rental and lease income

EPRA NAV per share increased by 3% in H1-2019

in EUR m	30/06/2019	31/12/2018
Equity (before non-controlling interests)	11,770.3	11,559.1
Fair values of derivative financial instruments	59.2	14.6
Deferred taxes (net)	3,675.1	3,514.1
EPRA NAV (undiluted)	15,504.6	15,087.8
<i>Shares outstanding in m</i>	357.0	357.0
EPRA NAV per share in EUR (undiluted)	43.43	42.26
Effects of exercise of convertibles ¹	0.0	0.0
EPRA NAV (diluted)	15,504.6	15,087.8
<i>Shares diluted in m²</i>	357.1	357.0
EPRA NAV per share in EUR (diluted)	43.41	42.26



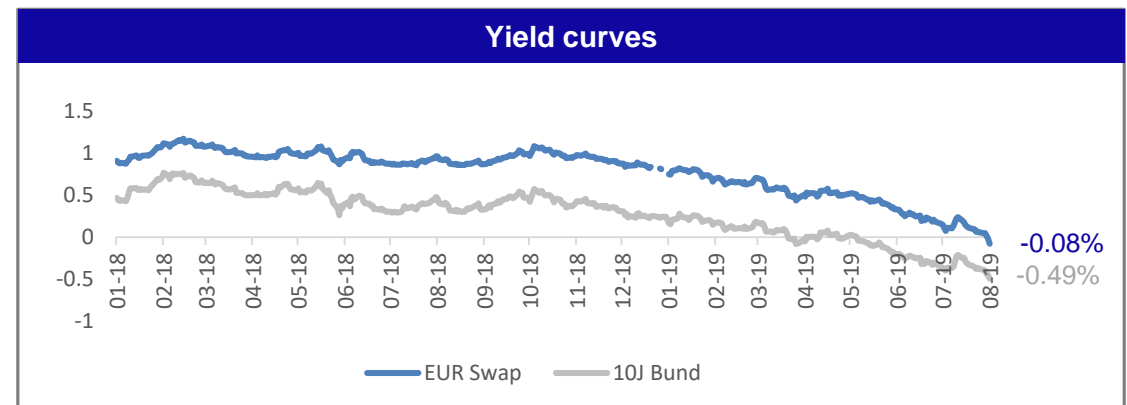
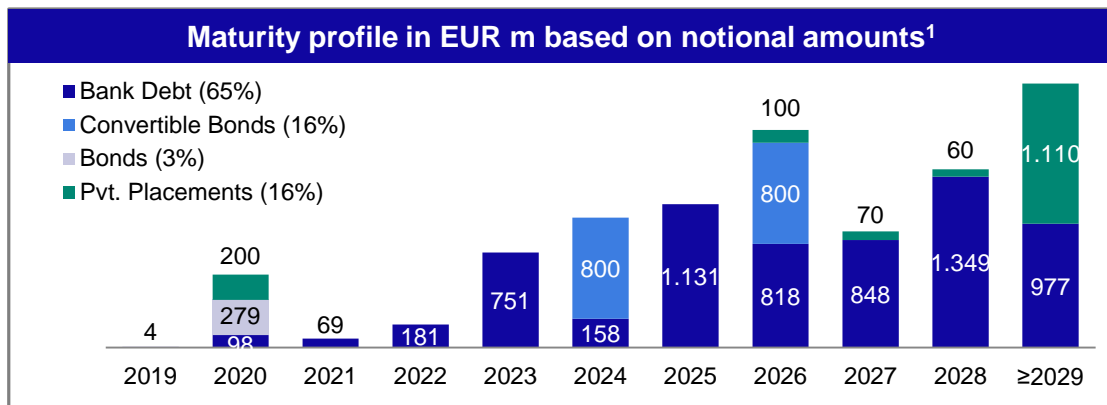
▪ EPRA NAV includes dividend payments of EUR 310m

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	65%
% unsecured debt	35%
Ø interest cost	~ 1.3% (~ 88% hedged)
LTV target range	35-40%

- Successful refinancing of EUR 221m corporate bond (notional EUR 500m) and approximately EUR 200m forward interest rate hedges
- Successful long-term refinancing of 2021/2022 bank debt in the amount of approx. EUR 310m
- Year to date more than EUR 1.4bn long-term refinanced for an average interest rate of less than 1.4% and an average maturity of approx. 11 years
- LTV at 36.9%
- ICR (adjusted EBITDA excl. disposals / net cash interest) ~5.9x
- Short-term access to c. EUR 1bn liquidity through CP program and RCFs



¹ As of 30 June 2019; excluding commercial papers

Guidance 2019 unchanged

	FY-2018 Reported	FY-2019 Guidance	Main drivers comments
FFO I (EUR m)	479.4 2018	535 2019 guidance	<ul style="list-style-type: none"> Approximately EUR 535m¹ (+12% yoy) Unchanged dividend payout ratio of 65% of FFO I
Dividend per share (EUR)	0.87 2018 ²	0.97 2019 guidance	<ul style="list-style-type: none"> Based on 65% pay-out ratio of FFO I and current shares outstanding 0.97 per share for FY 2019
LTV	36% 2018	35-40% 2019 guidance	<ul style="list-style-type: none"> 35-40% target range Aim to keep current rating A-/A3
Like-for-like rental growth	3.40% 2018	3% 2019 guidance	<ul style="list-style-type: none"> c. 3% depending on implementation of rent table outcome
Disposals			<ul style="list-style-type: none"> Focus on opportunistic disposals predominately in Core regions (mainly Kiel, Lübeck) Disposal stock of c. 9k units earmarked for disposal

1) FFO I guidance does not include recent acquisition of 2,800 residential units

Appendix

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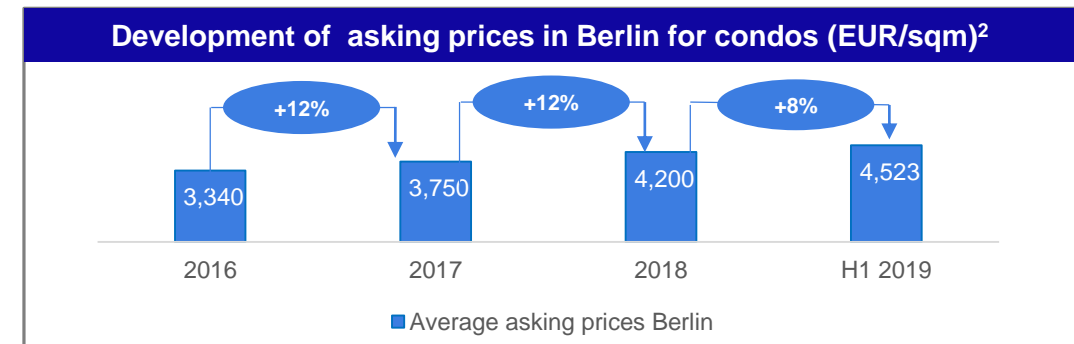
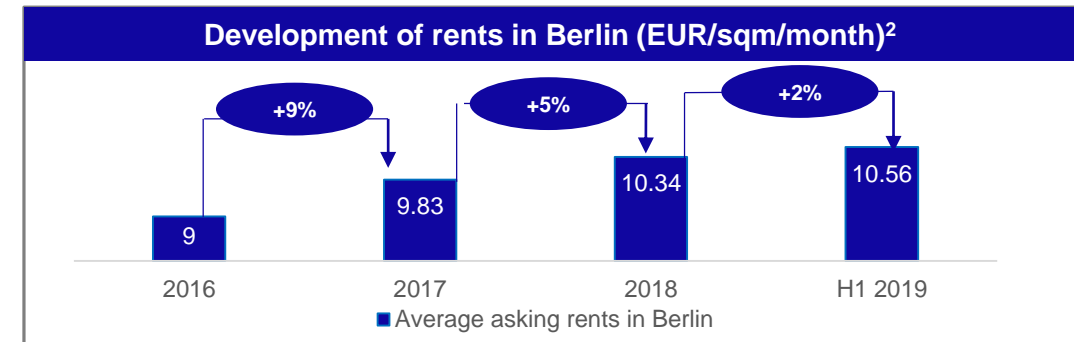
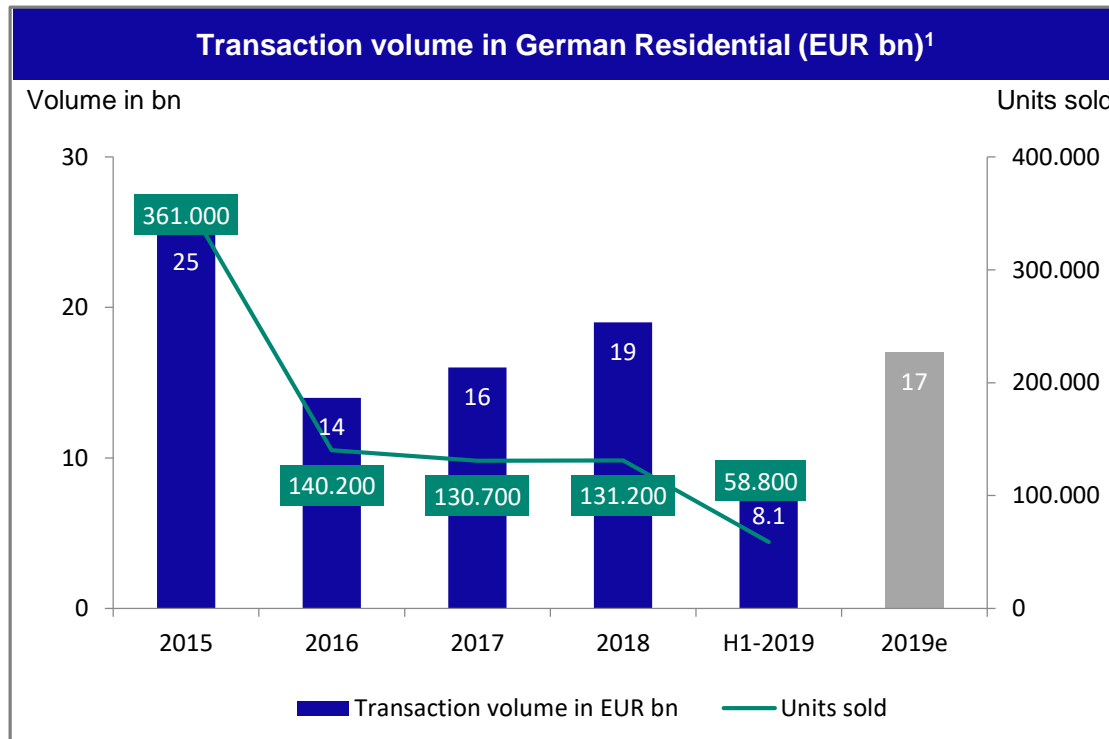


Portfolio and financials

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Dynamic transaction market

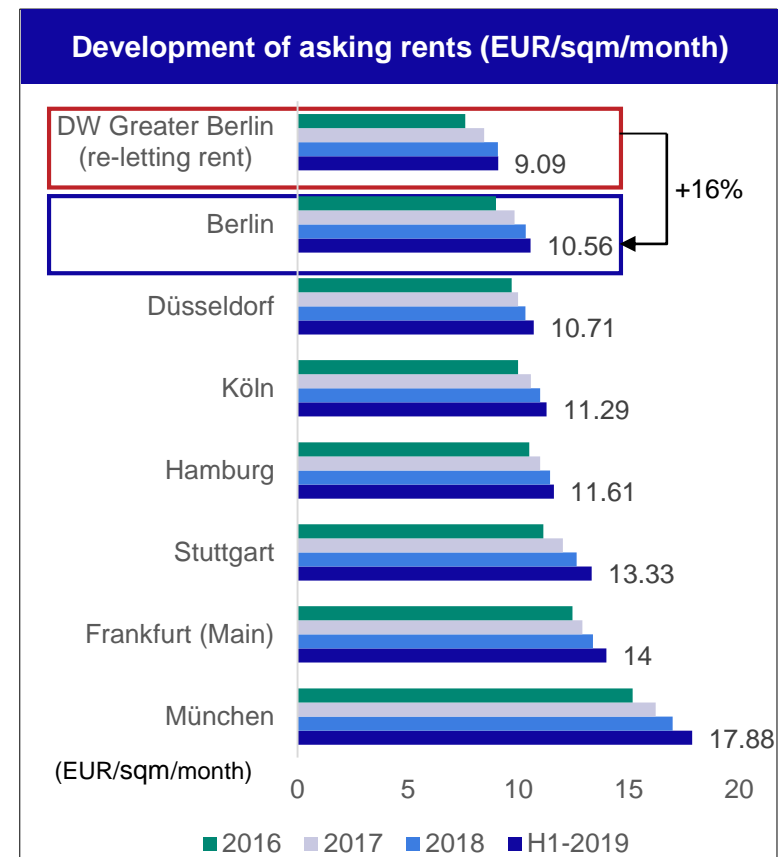
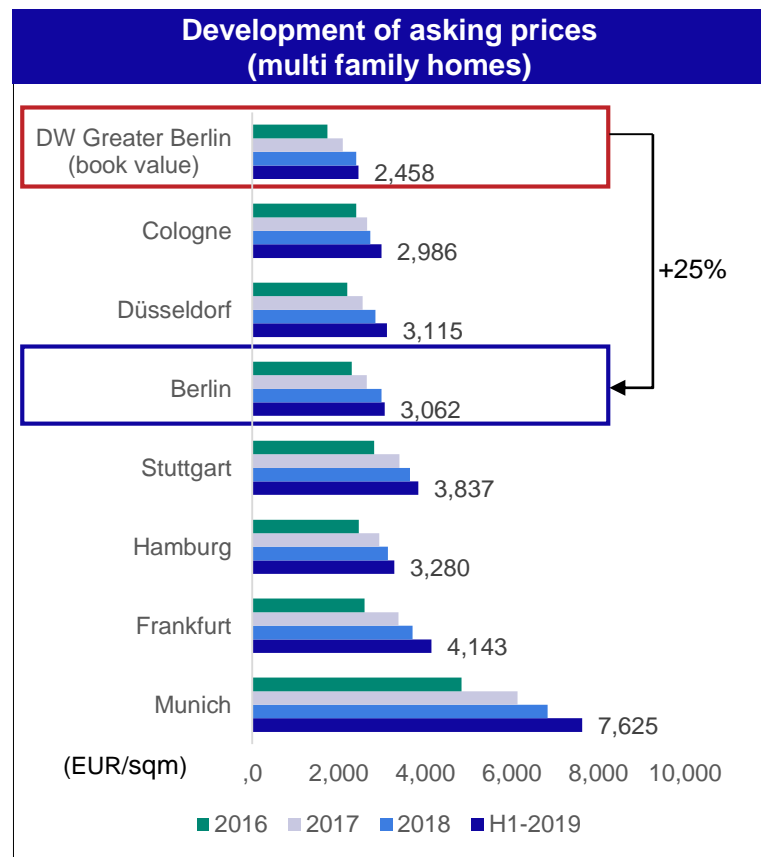
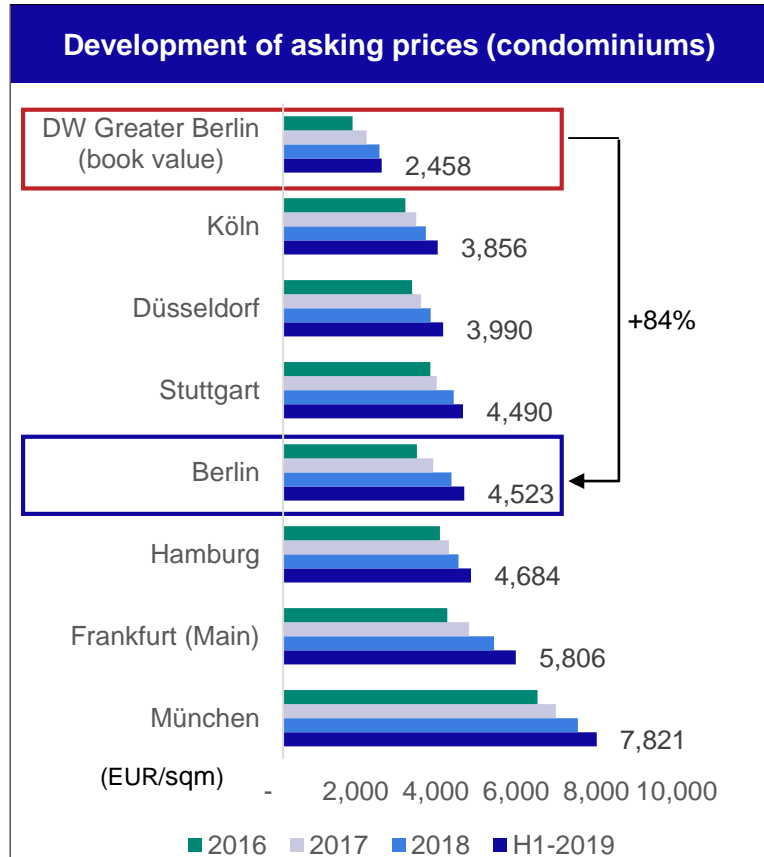


▪ **Dynamic and liquid transaction market sourced by various pockets of demand continues to drive prices in metropolitan areas**

▪ **According to the statistical office Berlin Brandenburg average prices for unbuilt land in Berlin at EUR 946 per sqm in 2018**

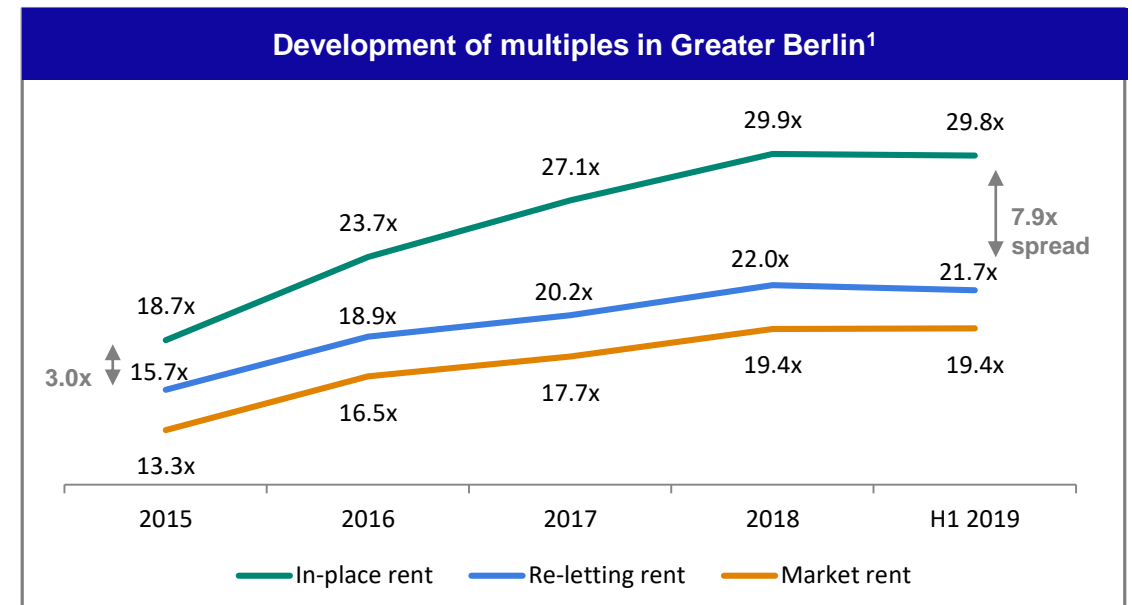
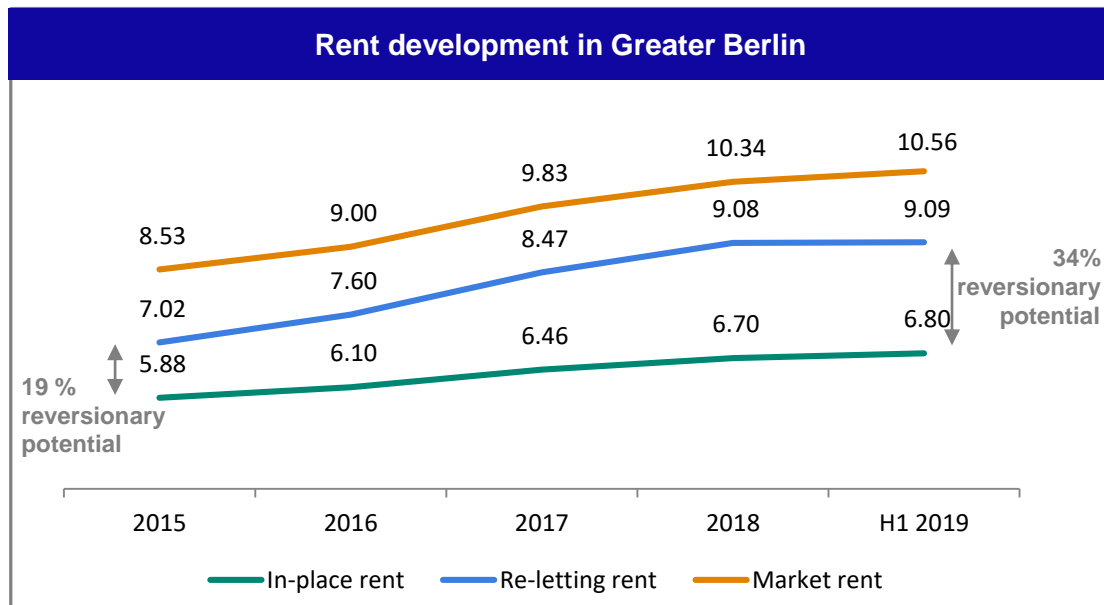
1) JLL 2019
 2) CBRE H1 2019
 deutsche-wohnen.com

Dynamic transaction market



Source: CBRE

Re-letting rents continue to outpace in-place rents



- Reversionary 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

¹ Based on Deutsche Wohnen in-place and re-letting rents, market rent multiple based on CBRE asking rents and prices for MFH.

Spread between in-place and re-letting rent multiples

Regions	Residential units (#)	FV 30/06/2019 (EUR m)	FV 30/06/2019 (EUR/ sqm)	Multiple in-place rent 30/06/2019	Multiple re-letting rent 30/06/2019	Multiple in-place rent 31/12/2018	Fair Value 31/12/2018 (EUR/ sqm)
Core⁺	146,215	21,523	2,353	28.7	21.6	28.4	2,284
Greater Berlin	115,815	17,545	2,458	30.2	22.3	29.9	2,404
Rhine-Main	10,045	1,520	2,422	24.3	19.3	23.6	2,254
Dresden/ Leipzig	8,915	1,304	2,027	28.4	22.2	27.9	1,958
Rhineland	5,766	618	1,647	20.5	17.3	17.1	1,328
Mannheim / Ludwigshafen	4,731	360	1,175	16.0	13.0	16.1	1,162
Other Core ⁺	943	175	3,160	24.5	20.1	24.7	3,159
Core	19,098	1,511	1,246	17.6	14.7	17.4	1,217
Hanover/ Brunswick	9,117	772	1,281	17.8	14.4	17.4	1,236
Kiel/ Lübeck	4,947	347	1,179	16.2	13.8	16.4	1,171
Other Core	5,034	392	1,242	18.5	16.2	18.3	1,223
Non-Core	144	5	589	9.9	8.4	9.7	580
Total	165,457	23,040	2,222	27.5	21.0	27.2	2,157

Like-for-like development as of 30 June 2019

Like-for-like 30/06/2019	Residential units (#)	In-place rent ² 30/06/2019 (EUR/ sqm)	In-place rent ² 30/06/2018 (EUR/ sqm)	Change (y-o-y)	Vacancy 30/06/2019 (in %)	Vacancy 30/06/2018 (in %)	Change (y-o-y)
Letting portfolio¹	147,533	6.77	6.55	3.4%	1.8%	1.9%	-0.1pp
Core⁺	135,037	6.85	6.63	3.4%	1.7%	1.8%	-0.1pp
Greater Berlin	109,721	6.82	6.59	3.6%	1.7%	1.8%	-0.1pp
Rhine-Main	9,239	8.15	7.85	3.8%	1.2%	1.4%	-0.2pp
Dresden/ Leipzig	5,775	5.95	5.82	2.2%	3.6%	2.9%	+0.7pp
Rhineland	4,854	6.25	6.15	1.6%	1.1%	0.9%	+0.2pp
Mannheim/ Ludwigshafen	4,556	6.17	6.02	2.4%	1.7%	2.0%	-0.3pp
Other Core ⁺	892	10.61	10.42	1.8%	0.5%	0.9%	-0.4pp
Core	12,496	5.96	5.80	2.7%	2.9%	2.5%	+0.4pp
Hanover/ Brunswick	8,922	6.06	5.89	3.0%	2.7%	2.0%	+0.7pp
Other Core	3,574	5.65	5.56	1.7%	3.7%	3.9%	-0.2pp
Total	159,198³	6.73	6.52	3.3%	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

Bridge from adjusted EBITDA to profit

in EUR m	H1-2019	H1-2018
EBITDA (adjusted)	389.1	326.7
Depreciation	(19.7)	(4.0)
At equity valuation	1.9	1.1
Financial result (net)	(68.5) ¹	(52.9) ¹
EBT (adjusted)	302.8	270.9
Valuation properties	451.3	677.5
One-offs	(21.1)	(4.2)
Valuation SWAP and convertible bonds	58.6	(63.8)
EBT	791.6	880.4
Current taxes	(20.3)	(19.7)
Deferred taxes	(168.2)	(208.0)
Profit	603.1	652.7
<i>Profit attributable to the shareholders of the parent company</i>	587.8	629.8
Earnings per share ²	1.65	1.78

Increase in depreciation mainly because of adjusted accounting effects of leasing contracts as well as depreciation of acquisitions of broadband cable network and client contracts with PFLEGEN & WOHNEN HAMBURG Gruppe

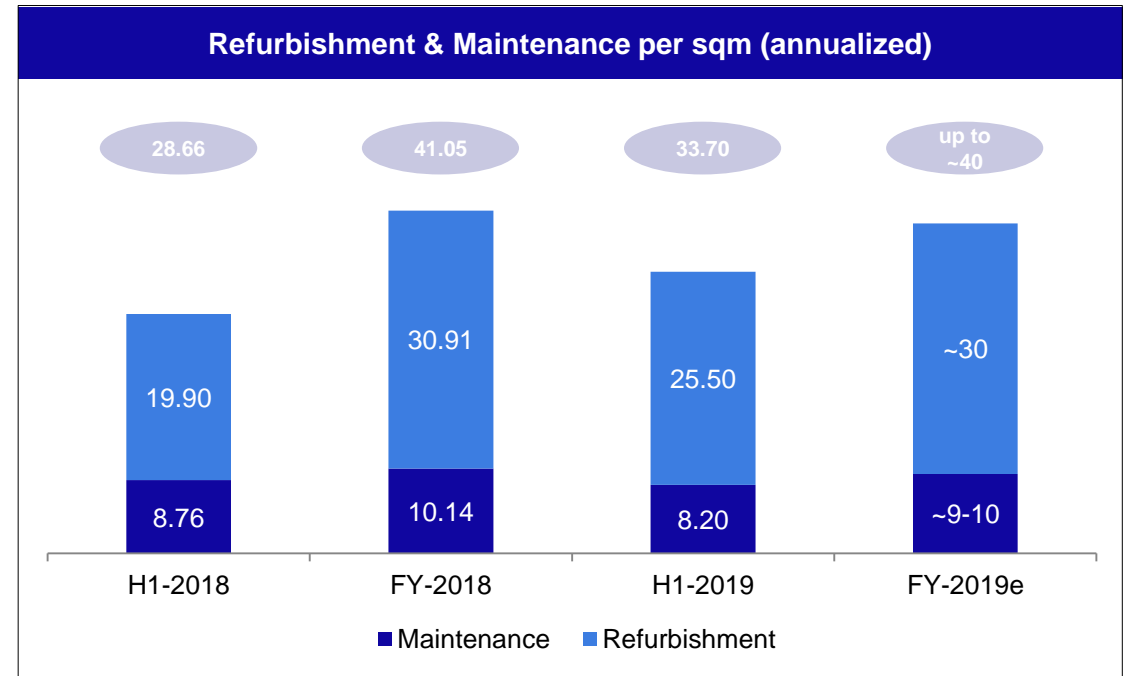
in EUR m	H1-2019	H1-2018
Interest expenses	(62.9)	(47.8)
<i>In % of gross rents</i>	~15%	~12%
Non-cash interest expenses	(6.7)	(6.6)
Interest income	1.1	1.5
Financial result (net)	(68.5)	(52.9)

One-offs mainly consist of EUR 13.9m refinancing costs mainly related to prepayment fees, EUR 2.9m restructuring and EUR 3.7m one-off income & expenses related costs

1) Adjusted for Valuation of SWAPs and convertible bonds
 2) Based on weighted average shares outstanding (H1-19: 357.0m; H1-18: 354.7m)

Investments into the portfolio

	H1-2019		H1-2018	
	EUR m	EUR / sqm ¹	EUR m	EUR / sqm ¹
Maintenance (expensed through p&l)	42.4	8.20	44.0	8.76
Refurbishment (capitalized on balance sheet)	131.9	25.50	99.9	19.90
Total	174.3	33.70	143.9	28.66



▪ Re-letting investments continue to build up 10% yield on cost

1) Annualized figure, based on the quarterly average area

Summary balance sheet

Assets

in EUR m	30/06/2019	31/12/2018
Investment properties	24,523.0	23,781.7
Other non-current assets	446.2	291.2
Derivatives	1.6	0.9
Deferred tax assets	0.1	0.1
Non current assets	24,970.9	24,073.9
Land and buildings held for sale	471.1	477.1
Trade receivables	38.7	22.4
Other current assets	638.6	151.7
Cash and cash equivalents	495.7	332.8
Current assets	1,644.1	984.0
Total assets	26,615.0	25,057.9

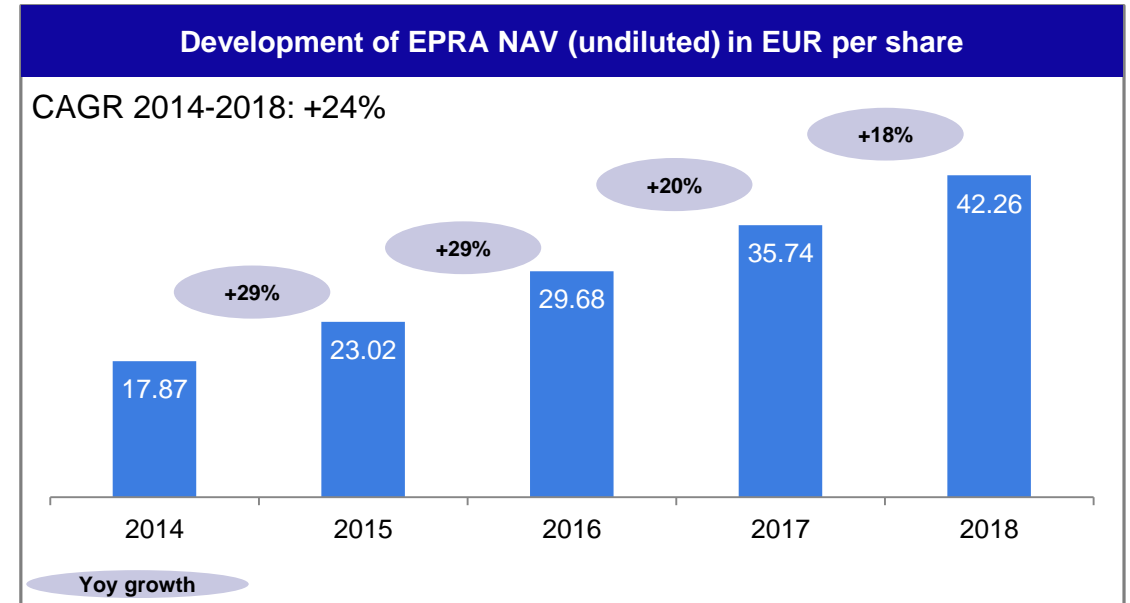
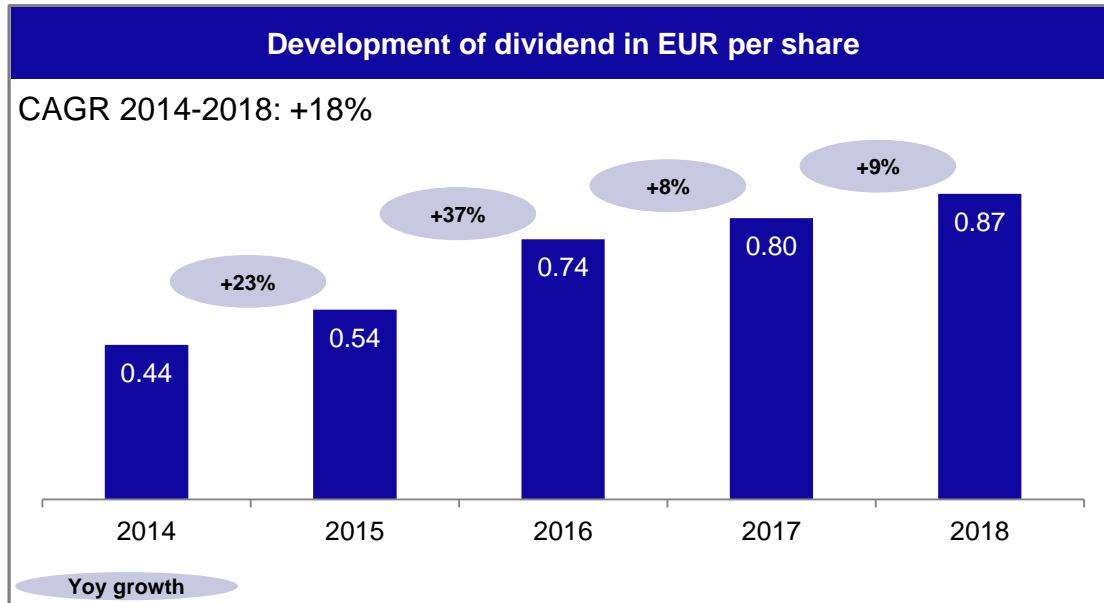
Equity and Liabilities

in EUR m	30/06/2019	31/12/2018
Total equity	12,129.2	11,908.1
Financial liabilities	6,401.0	6,184.6
Convertibles	1,650.8	1,697.2
Bonds	1,808.0	1,200.4
Tax liabilities	51.3	36.0
Deferred tax liabilities	3,397.3	3,244.7
Derivatives	61.0	15.6
Other liabilities	1,116.4	771.3
Total liabilities	14,485.8	13,149.8
Total equity and liabilities	26,615.0	25,057.9

- Investment properties represent ~92% of total assets

- Strong balance sheet structure offering comfort throughout market cycles

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 dividend of EUR 0.87 per share, DW delivered a shareholder return for 2018 of EUR 7.38 or c. 21% of 2017 EPRA NAV (undiluted)

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

Siemensstadt, Berlin



Hellersdorf, Berlin



Carl-Legien-Siedlung, Berlin



Südwestkorso, Berlin



Oranienkiez, Berlin



Hufeisensiedlung, Berlin



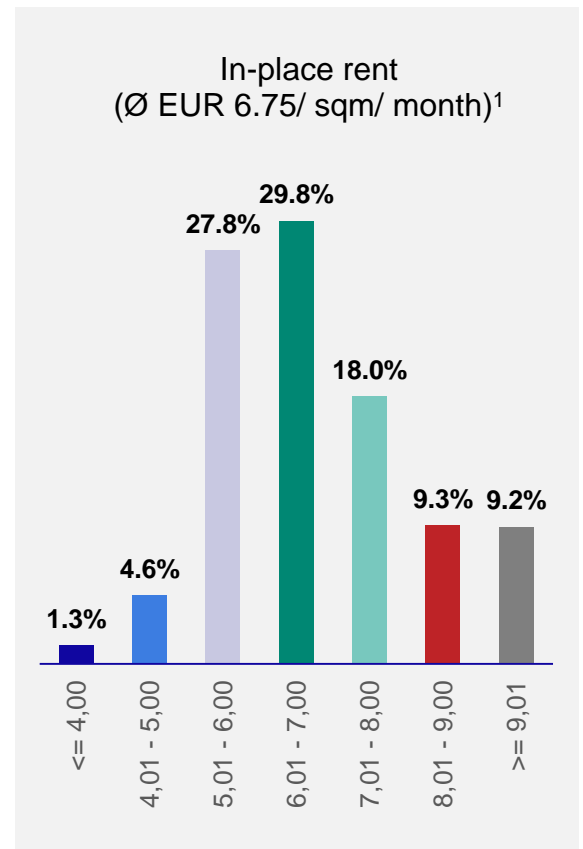
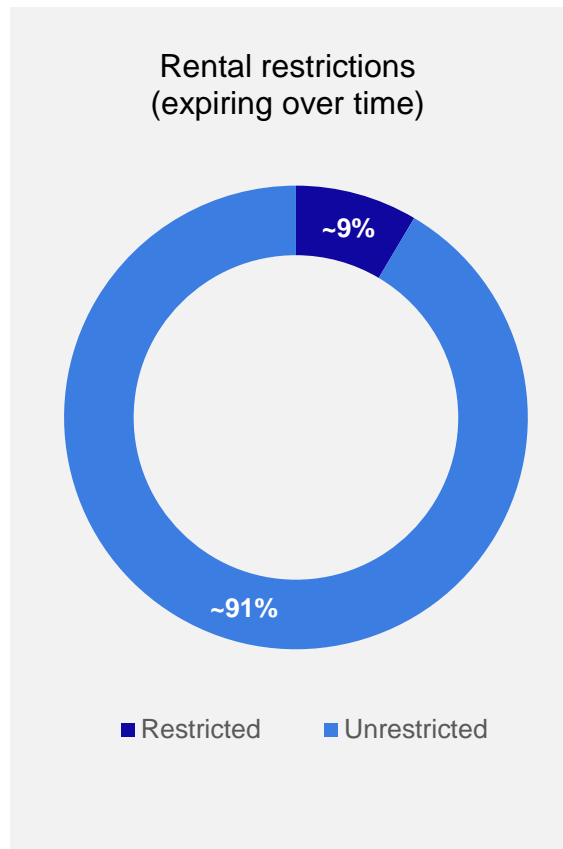
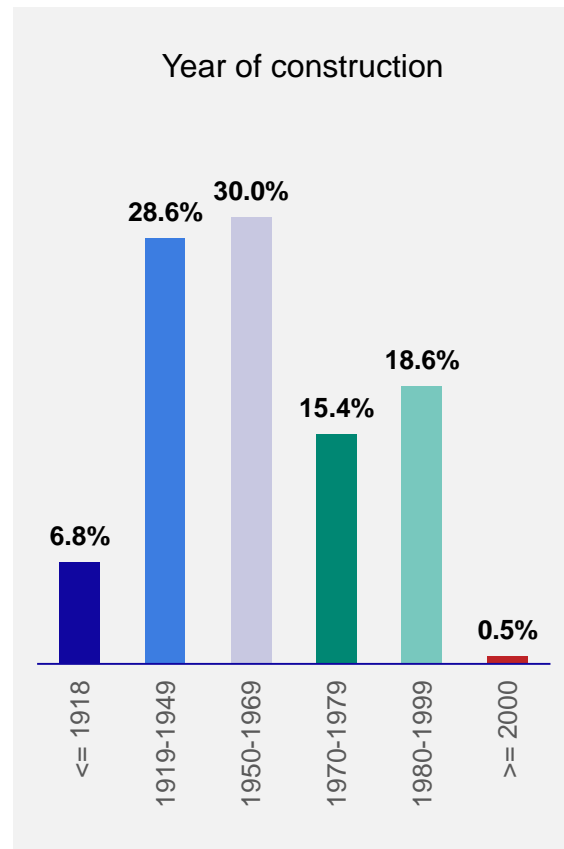
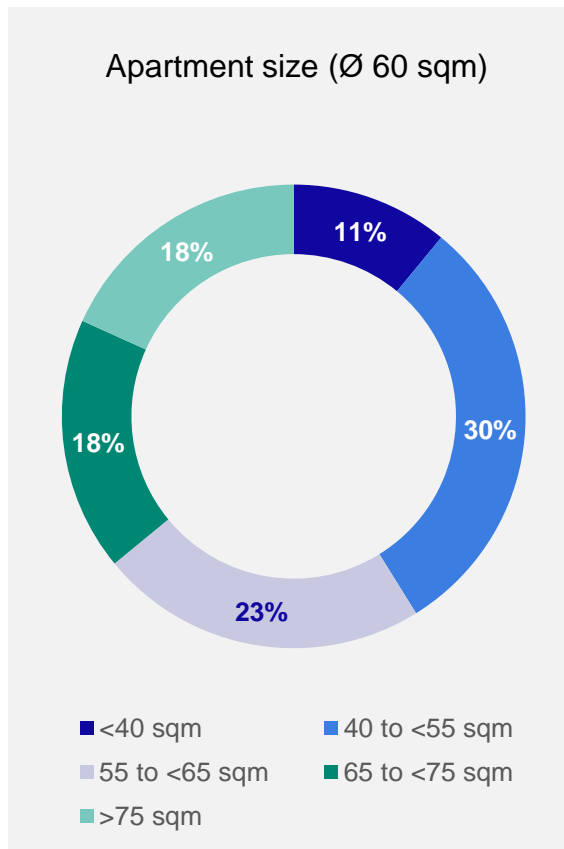
Dresden



Otto-Suhr-Siedlung, Berlin

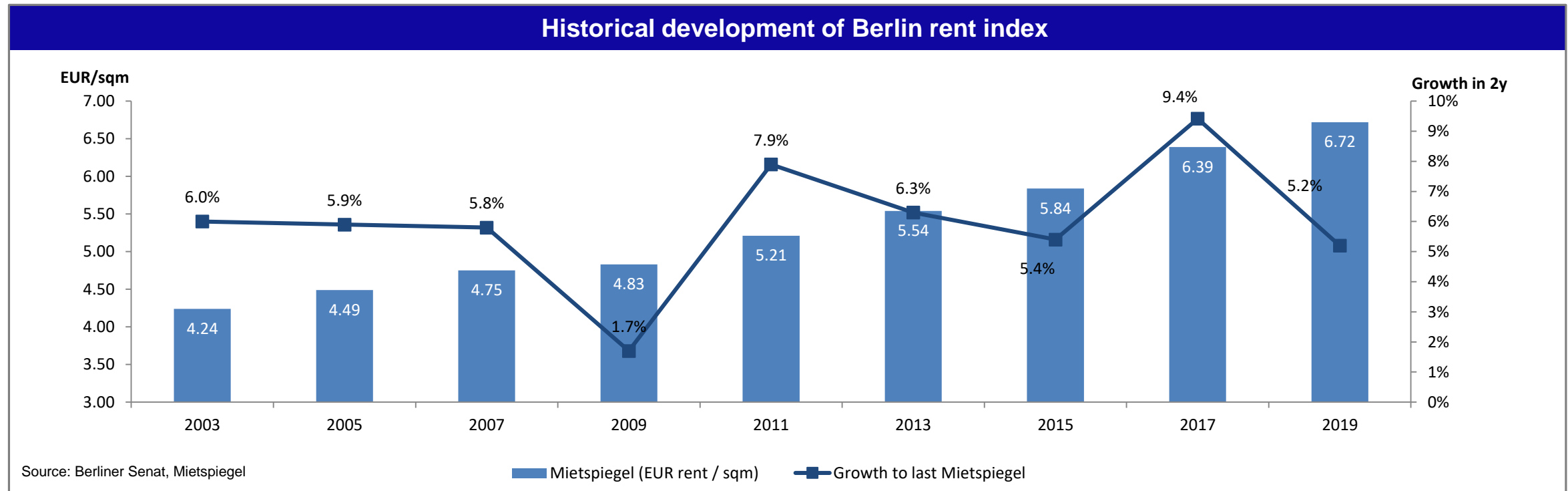


Portfolio structure – characteristics meeting strong demand



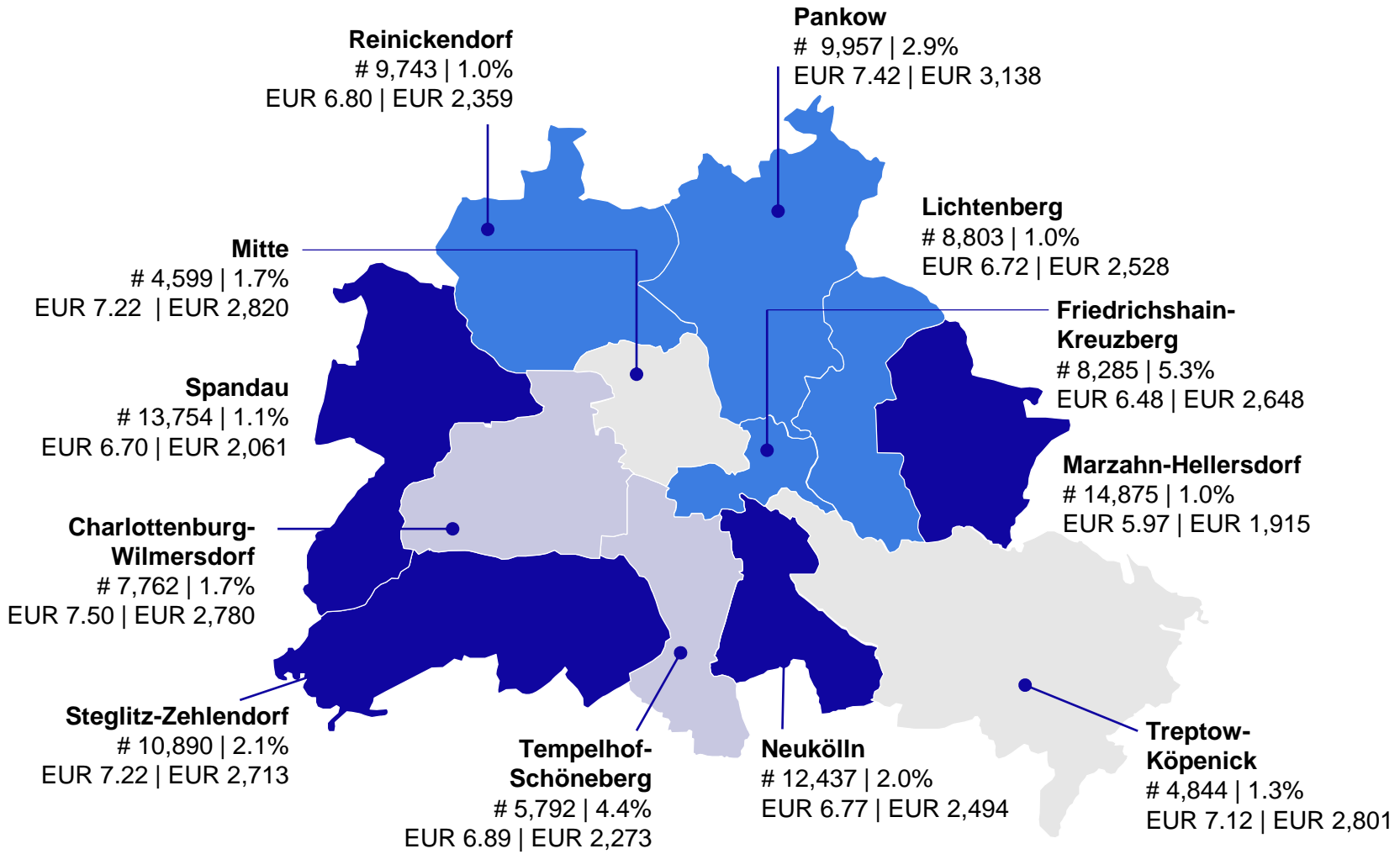
Figures as of 30 June 2018

Development of Berlin rent index



▪ Rent index outcome with an average growth of 5.2% and average in-place rent of EUR 6.72 per sqm

The Berlin portfolio at a glance



Units | Vacancy (%)
 In-place rent (EUR/sqm) | Fair value (EUR/sqm)
 > 3,000 > 5,000 >8,000 >10,000

Figures as of 30 June 2018
 deutsche-wohnen.com

CSR at Deutsche Wohnen

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Strategic sustainability programme (1/2)

Corporate management

- ### Strategic targets
- Strategic management of sustainability activities
 - Embed DW's sustainability philosophy more strongly in minds of business partners and suppliers
 - Expand stakeholder dialogue

- ### Examples of operationalized targets & achievements
- Integration of long-term sustainability targets as component of the remuneration system for the Management Board and executives
 - Part of the variable short-term remuneration of Management Board
 - Code of conduct for business partners and suppliers
 - Implemented in May 2019
 - Expand sustainability issues in stakeholder communication

Customers & properties

- High level of customer satisfaction
- Portfolio to provide up-to-date, future proof quality criteria
- Create new housing in conurbations

- Implementation of measures derived from tenant survey
 - 2017 survey showed strong results (70% satisfied with DW as a landlord; 80% are (very) satisfied with their apartment)
 - Switch to a systematic, annual format for the tenant survey
 - Further intensification of tenant dialogue
- Annual portfolio investments of EUR ~ 300m in refurbishing holdings (planned before rental freeze discussions)
- Investment programme for new housing for ~ 5,000 tenants in compliance with recognised sustainability certification systems (NaWoh and DGNB)

Employees

- Enhance the attractiveness of the employer brand
- Ensure there is no discrimination

- Further develop internal and external personnel marketing
- Keep employee retention levels high via an attractive remuneration structure, employee co-determination and eliminating redundancies
 - Ø company affiliation: 7.1 years; employee turnover: 10.6%
- Promote work-life balance and family-friendly working conditions
 - 22% of employees made use of home office
- Woman at least 40% of executive positions within the DW group
 - 46% proportion of women in management positions

Strategic sustainability programme (2/2)



Environment & climate

Strategic targets

- Maintain commitment to saving 20,000 t of CO₂ emissions annually by certain use of energy sources (hydroelectric power, PHV, CHP)
- Save 20,000 t of CO₂ emissions annually from 2022 onwards due to energetic modernizations of properties and change to eco- friendly energy sources

Examples of operationalized targets & achievements

- Combination of measures to permanently avoid CO₂ emissions by sourcing green power, operating PV systems and CHP plants
→ For 90% of let holdings communal electricity purchased entirely from hydroelectric power with annual savings of ~ 18,660 t CO₂
- Complete energy-related refurbishment of properties
→ 2015-2018: 3,750 residential units refurbished with annual savings of ~ 3,000 t CO₂
- Gradually switch of energy sources and replacement of outdated heat generation plants
→ 2018 measures with annual savings of ~ 970 t CO₂



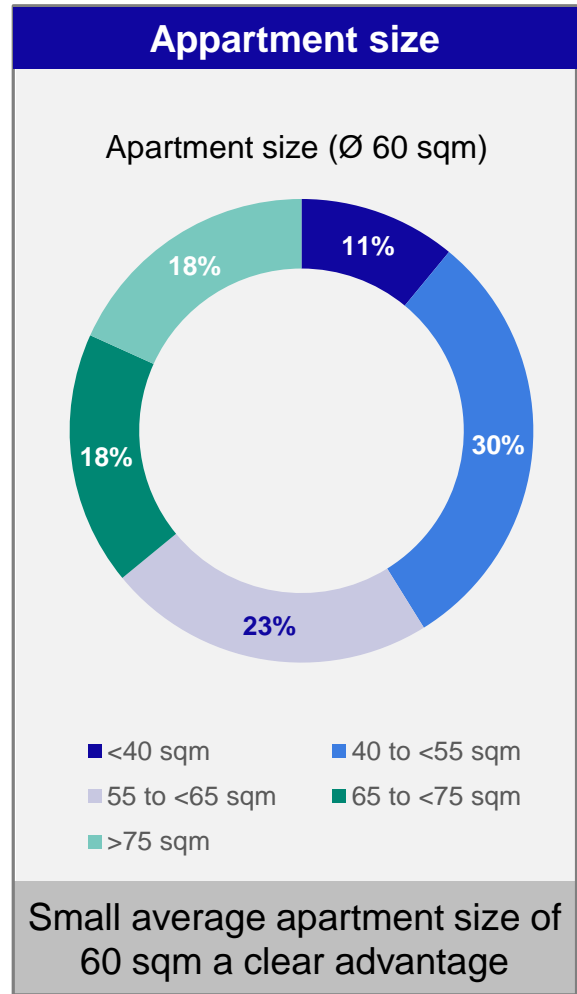
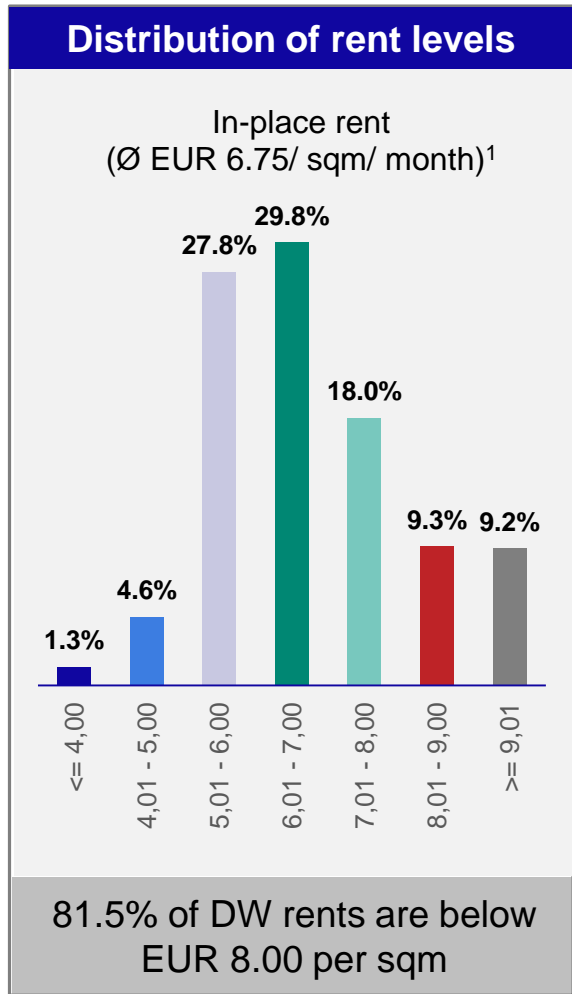
Society

- Expand, continue and structure corporate social responsibility activities
- Promote a vibrant neighbourhood structure

- Aim to implement guideline for social and cultural activities
→ 4 - 5% of new lettings available to people in difficult social circumstances
→ Promote small business use within the portfolio
→ Establish links to social agencies within the districts

PV = Photovoltaic system
CHP = Combined heat and power plant

Deutsche Wohnen provides affordable housing



Affordability of average Deutsche Wohnen flat in Berlin

	DW in-place rent	DW re-letting rent	Market rent ¹
Net cold rent per sqm (EUR)	6.80	9.09	10.56
Ancillary cost per sqm (EUR)	3.00	3.00	3.00
Gross rent per sqm (EUR)	9.80	12.09	13.56
Monthly rent (EUR)	588	725	814
Housing cost ratio²	18%	22%	25%

Based on average size and average income Deutsche Wohnen apartments screen affordable

1) Market rent based on CBRE H1 2019 ¹
 2) Affordability based on average apartment size of 60 sqm and average household income in Berlin of EUR 3,258 (CBRE) ²
 deutsche-wohnen.com

Deutsche Wohnen - a socially reliable landlord who goes beyond legal requirements

Letting flats means taking responsibility

- Investments in our properties should not be at the expense of tenants and must be socially responsible
- We want to relieve our tenants of any anxiety that they might lose their flat due to renovation measures or future increases in rent
- This is why Deutsche Wohnen will focus on the capabilities of each individual in future



Our promise to our tenants

- to increase rents after **modernisation** measures only if the annual gross warm rent does not exceed 30% of the household's net income
- to limit future "**Mietspiegel**" driven rent increases so that a household only needs to spend a maximum of 30% of its net income on net cold rent – even if the rent index would permit further increases
- to allocate one in four re-letting residential units to tenants entitled to a certificate of eligibility to live in social-housing ("**Wohnberechtigungsschein**")

Environment & climate

- In Germany rented units account for ~ 40% of final energy consumption and are responsible for 1/3 of the carbon emissions
- Key role of housing industry to achieve national climate targets

Achievements

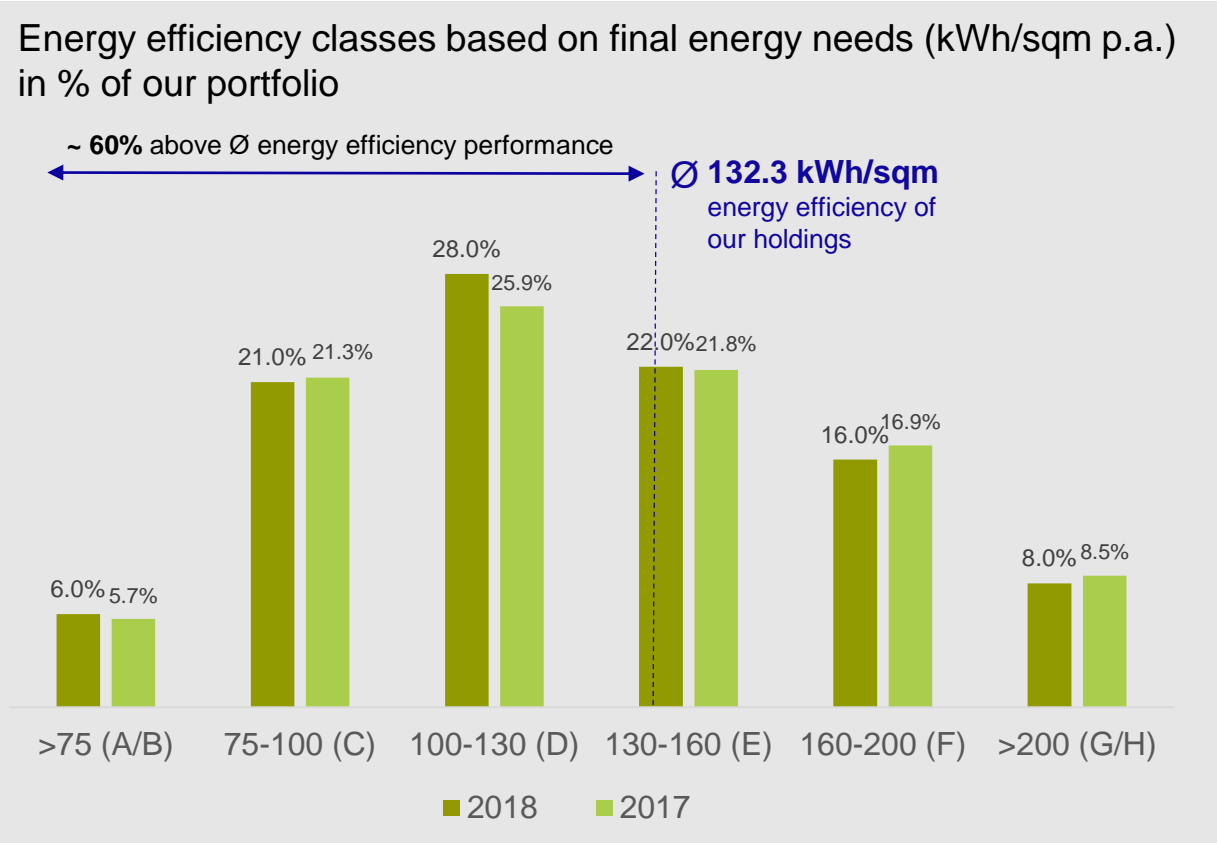
- DW reinvests more than 50% of rental income to refurbish portfolio and reduce emissions
- 1.5% annual refurbishment rate
- For 90% of our let holdings purchase of certified communal electricity from entirely hydroelectric power
 - savings of 18,660 t CO₂ in 2018
- Production of own electricity with 59 PHV systems and 6 CHP plants
 - 12 GWh fed into public grid
 - savings of 3,900 t CO₂ p.a.

Targets

- Maintain commitment of saving 20,000 t of CO₂ emissions p.a. by sourcing green power, operating PHV systems and CHP plants
- Saving 20,000 t of CO₂ emissions p.a. from 2022 onwards by completion of energy-related refurbishment of properties, gradually switch of energy sources and replacement of outdated heat generation plants

PHV = Photovoltaic systems
CHP = Combined heat and power plants

Energy intensity of our properties better than German average



- 60% of our units perform better than average residential property in Germany (135.5 kWh/sqm p.a.)¹
- ~ 27% of our units perform well with less than 100 kWh/sqm p.a.
- Ø consumption of our holdings at 132.3 kWh/sqm p.a. (2017: 133.4 kWh/sqm p.a.)

The weighted average of the final energy consumptions on the basis of the current energy performance certificate of properties. Discrepancies in the final energy requirements of approximately 20 kWh may arise due to the non-specification of the type of heating in question. The allocation according to current category of energy efficiency of properties is therefore based solely on the classification in accordance with the German Energy Saving Ordinance (EnEV). Taking account of approximately 30,000 listed units for which no energy performance certificate is required, the data comprises approximately 100% of our total portfolio.

Energy efficiency consistently improved to 132.3 kWh/sqm p.a.

Development of energy efficiency in our portfolio (in kWh/sqm)



- Energy efficiency improved from 139.1 kWh/sqm p.a. (2015) to 132.3 kWh/sqm p.a. (2018)
- 3,750 units with energetic refurbishment from 2015 – 2018 resulting in:
 - significantly reduced energy consumption of 12.5m kWh (3,000 t CO₂ p.a.)
 - improved energy efficiency by ~ 30% to 103 kWh/sqm p.a.
 - Ø reduction of 0.8 t CO₂ per residential unit

Disclaimer

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