

Ad-hoc

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Bochum, April 26, 2023 – Vonovia announces the sale of a minority common equity participation in its “Südewo” portfolio to Apollo, on behalf of its affiliated and third party insurance clients and other long-term investors, for €1.0bn.

The transaction values the Südewo portfolio at €3.3bn on a debt free and cash free basis, implying a discount below 5% to its fair value as of December 31, 2022, and below 6% to the fair value as of June 30, 2022.

Vonovia retains a long-term call-option to repurchase the participation at an IRR of 6.95%-8.30% (including dividends received) without an obligation to exercise the option. Vonovia will continue to control, operate, and consolidate the portfolio, which comprises more than 21k residential units in locations across the state of Baden-Württemberg. Closing of the transaction is expected to occur around May 31, 2023 and is subject to further conditions such as the absence of material adverse changes and regulatory clearances.

With the proceeds, Vonovia generates ~50% of the targeted €2bn free cash flow from asset disposals to which the company committed for 2023E. The transaction has no material impact on Vonovia’s near term Group FFO per share or NTA per share. Vonovia intends to use the proceeds for liability management and to cover upcoming debt maturities, with the company’s LTV expected to reduce by 1 percentage point to 44.1% and Net debt / EBITDA by 0.3x to 15.5x.