Deutsche Wohnen SE

» Company presentation

November 2017

» Content

1 Deutsche Wohnen business model "Made in Germany"

1. **~160,000 residential units** and **51 Nursing & Assisted Living** facilities with Fair Value of **EUR ~18 bn**

2. Focus on **metropolitan areas** in Germany, 75% of assets in Berlin

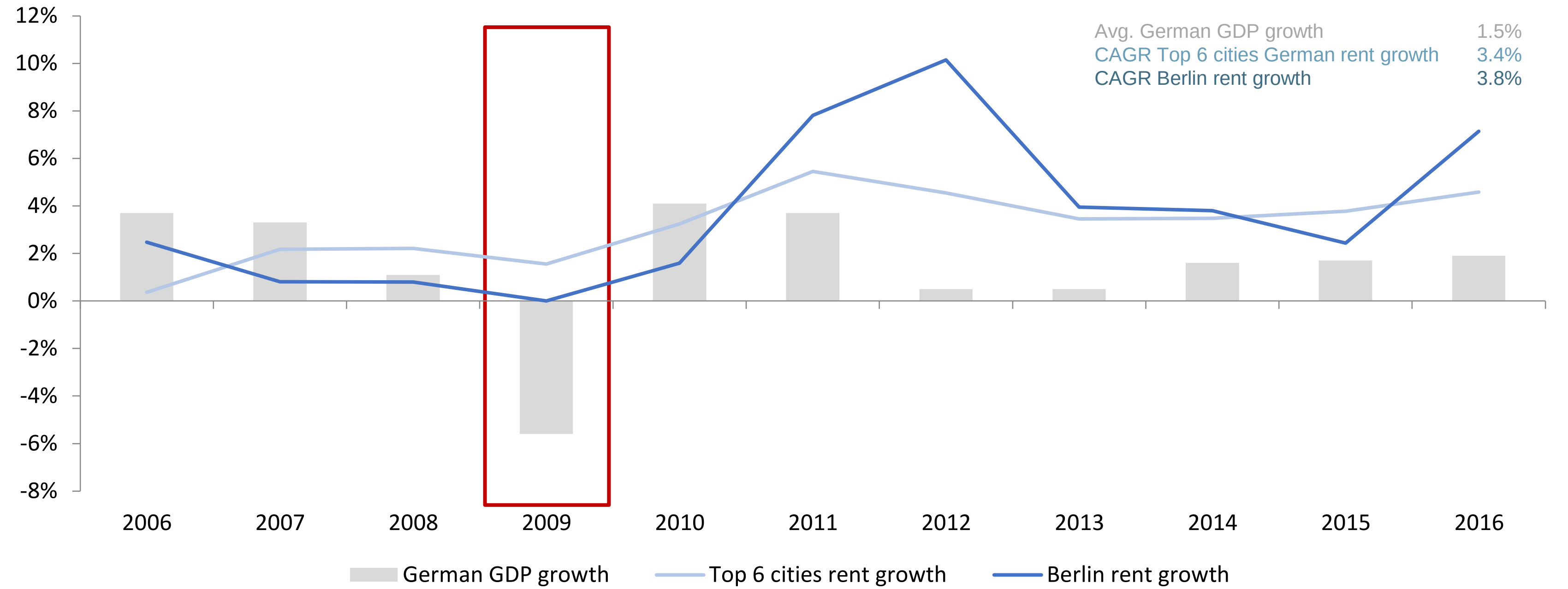
3. **3rd largest listed landlord** in Europe with **market cap of ~EUR 13bn**

4. **Committed to total shareholder return**: dividend + NAV growth

5. Conservative financing structure with **low leverage (35–40% LTV)** and **A- / A3 rating**

2 German Residential is resilient throughout recessions

Germany: GDP and rent growth

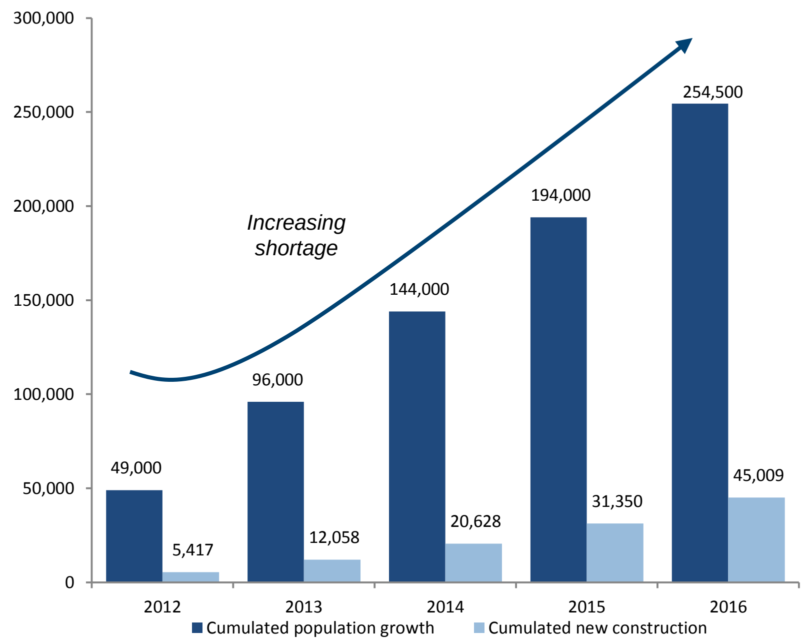


Source: Statista, bulwiengesa. Top 6 cities considered are Dusseldorf, Frankfurt am Main, Hamburg, Cologne, Munich, Stuttgart

- **While German GDP strongly decreased in 2009, rental growth (based on asking rents) in Berlin and Germany remained positive**

2 Market and sector specific trends underpin the investment case

Net immigration and new construction in Berlin

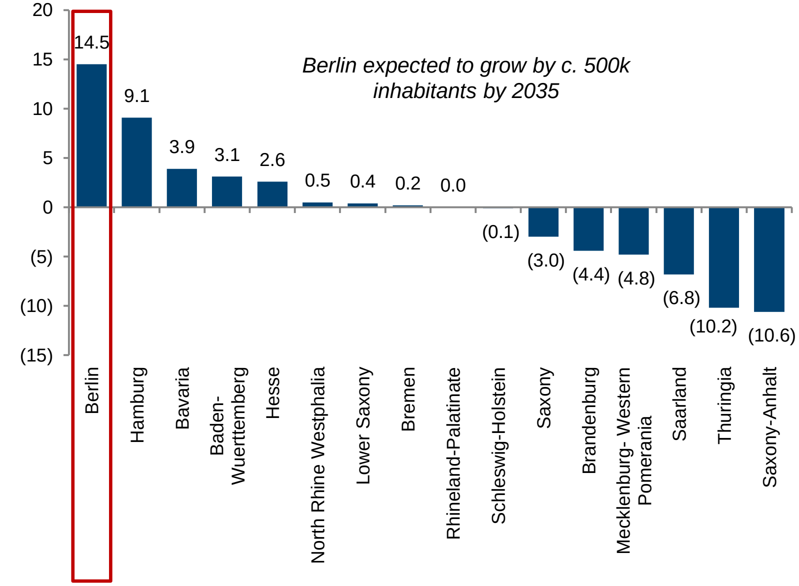


Source: Amt für Statistik Berlin / Brandenburg

Berlin with strongest population growth forecast

Development of residents: Boomtown Berlin

Change in number of residents 2015 - 2035 (in %)

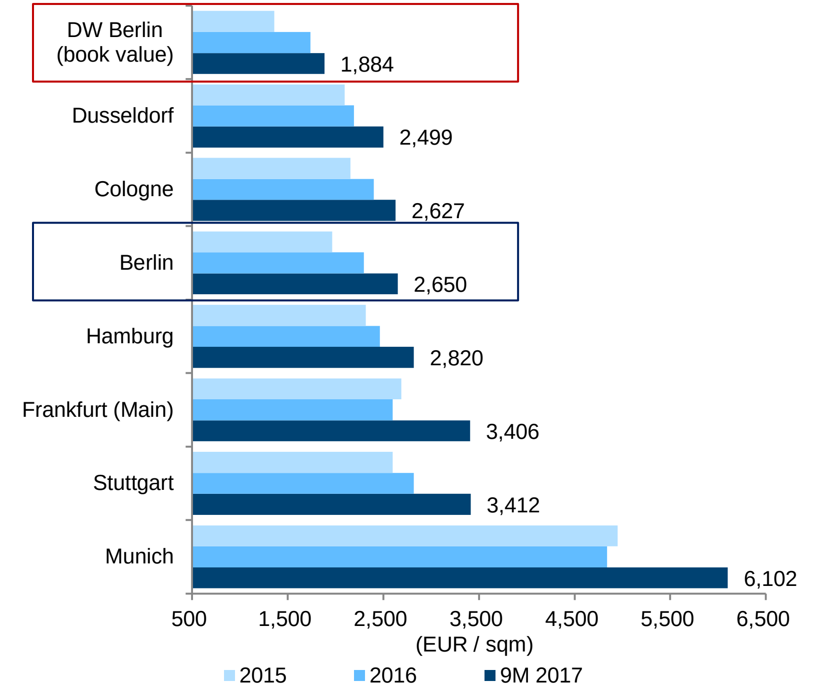


Source: iwd, Population forecast as of 29 September 2017

- **Supply demand imbalance has significantly widened in recent years in Berlin with no indication of reversal of trend**
- **Demographic forecasts show strongest growth for federal state of Berlin with c. 500k additional inhabitants by 2035**

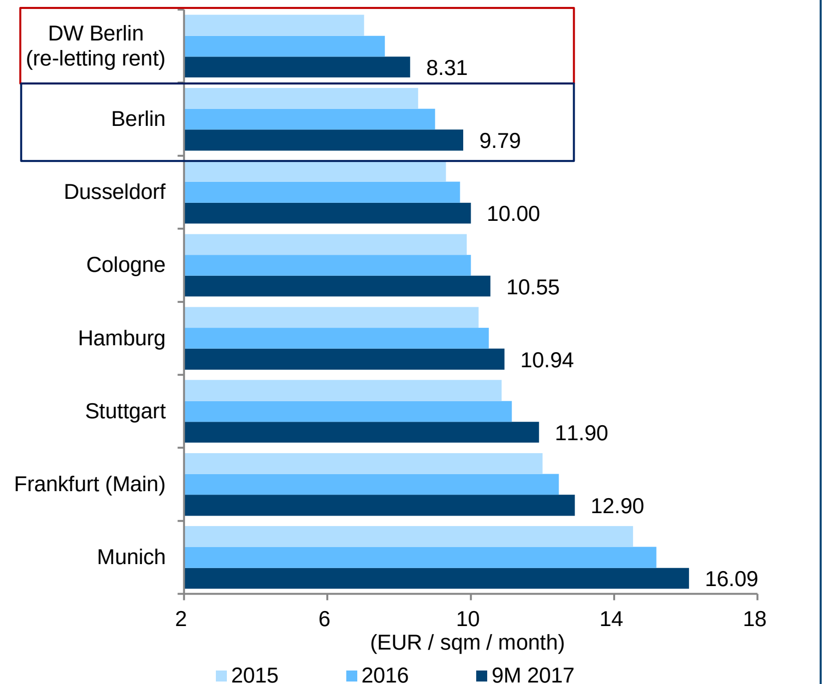
2 Current level of rents and prices offer significant growth potential

Asking prices multifamily housing (in EUR / sqm)



Source: CBRE Median asking prices, DW portfolio valuation

Asking rents in German top cities (in EUR / sqm)



Source: CBRE Median of asking rents, DW re-letting rent

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

- **Deutsche Wohnen portfolio offers catch-up potential for rents and values**
  - **CBRE's asking prices for multifamily housing are c. 40% above Deutsche Wohnen fair value per sqm**
  - **CBRE asking rents c. 18% above current re-letting rent of Deutsche Wohnen portfolio in Berlin**

Source: CBRE ; CBRE adjusts values for outlliers, same rent offers in different apartment searches and excludes new construction as well as furnished flats

3 Our Residential Letting Business

Focused quality portfolio in dynamic growth regions in Germany

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	Multiple market rent	Rent potential[2] in %	Vacancy in %
Strategic core and growth regions	**159,496**	**99.6%**	**6.35**	**1,728**	**22.7**	**17.5**	**27%**	**2.1%**
Core⁺	140,601	92.3%	6.44	1,820	23.5	17.9	30%	2.0%
Core	18,895	7.3%	5.65	1,055	15.6	13.6	16%	2.2%
Non-core	1,429	0.4%	4.91	688	12.7	10.1	17%	5.7%
Total	**160,925**	**100%**	**6.33**	**1,718**	**22.6**	**17.5**	**27%**	**2.1%**
Thereof Greater Berlin	***114,314***	***76.8%***	***6.37***	***1,884***	***24.7***	***18.4***	***30%***	***2.0%***

- **Total portfolio valued at market rent multiple of 17.5x (5.7% gross yield)**

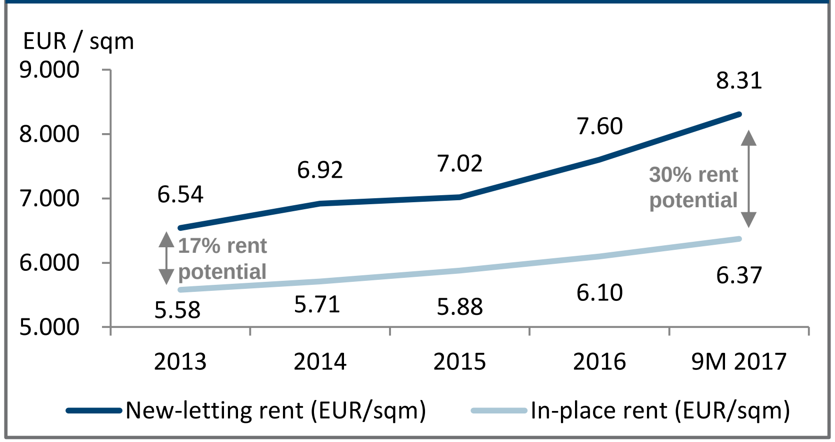
- **Rent potential stable at 27% for the total portfolio and 30% for Core⁺ / Berlin**

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

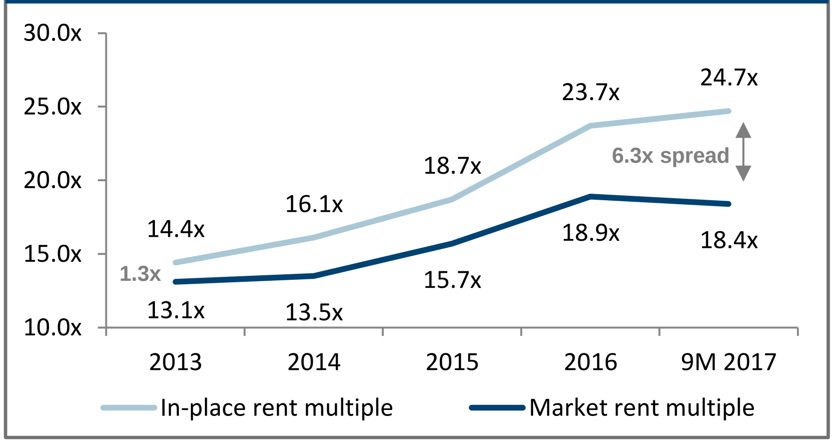
3 Our Residential Letting Business

Re-letting rents have outpaced in-place rents

DW rent development in Berlin



DW development of multiples in Berlin



- **Reversionary potential remains high at 30%, in-place multiple slightly decreased in Q3 as rent increases through Mietspiegel became effective**
- **Total rent potential for entire portfolio (incl. effects of capex program) increased to c. EUR 230m; unlocking that rent potential will require c. EUR 1.5bn investments over next 5 years (capex program plus re-letting investments)**
- **Spread between in-place and market multiples significantly widened over the last 4.5 years, implying significant further value upside over the coming years**

3 Our Residential Letting Business

Deutsche Wohnen's portfolio is best-in-class

Südwestkorso, Berlin

Siemensstadt, Berlin

Otto-Suhr-Siedlung, Berlin

Oranienkiez, Berlin

Hellersdorf, Berlin

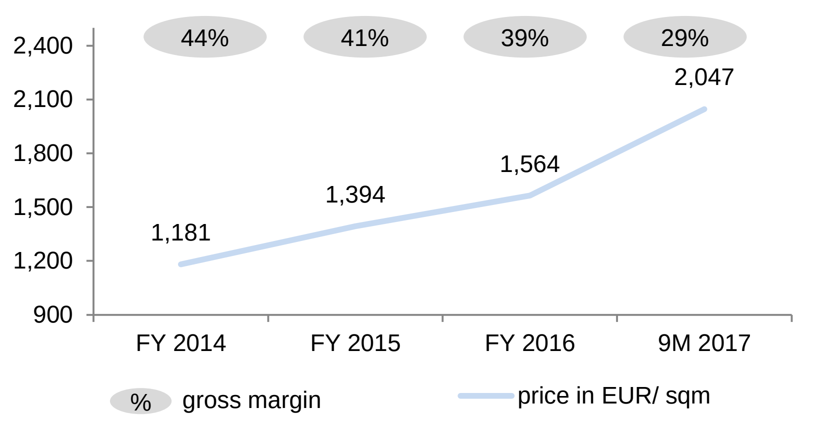
Carl-Legien-Siedlung, Berlin

Hufeisensiedlung, Berlin

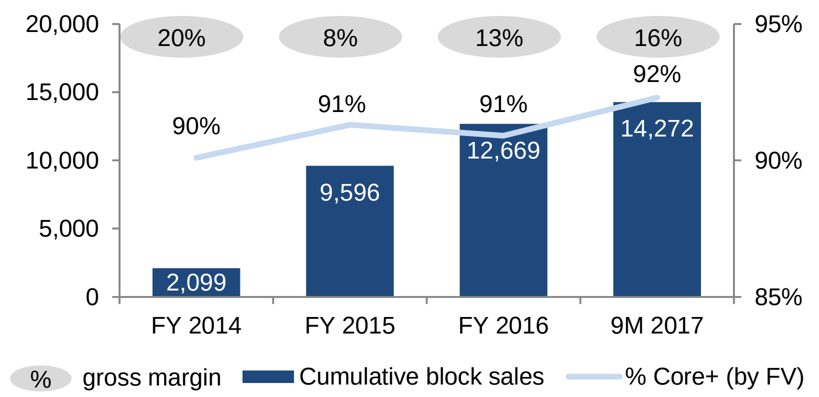
Dresden

3 Our Disposal segment
Disposals business remains opportunistic

Development of privatization business



Development of institutional sales business



- Continuation of selective privatizations to validate price points in micro locations
- Continue to achieve attractive gross margins despite > EUR 6bn portfolio revaluations since 2014
- Since 2014 realized prices increased by 73%
- No reliance on free cash flow generation to finance investment program

- Successful streamlining of portfolio in recent years
  - >14,000 units disposed at attractive margins since 2014
  - Non-Core disposals almost completed at prices significantly above book value
- Share of Core+ increased to 92%

Too early in cycle to accelerate privatization pace to turn book gains into cash returns for shareholders

Opportunistic disposals at attractive prices possible to improve overall quality and further de-risk portfolio

3 Nursing & Assisted Living segment

Nursing identified as attractive driver for further external growth

Assets including operations

Managed by owner – Region	Facilities #	Beds #	Occupancy rate
Greater Berlin	12	1,441	98.7%
Hamburg	3	492	94.5%
Saxony	7	492	100.0%
Lower Saxony	1	131	98.9%
In-house operations	**23**	**2,556**	**98.2%**

Assets excluding operations

Other operators – Region	Facilities #	Beds #	WALT
Bavaria	7	999	11.7
North-Rhine Westphalia	5	908	13.0
Lower Saxony	4	661	10.4
Rhineland-Palatinate	4	617	12.6
Baden-Württemberg	5	573	13.2
Other	3	374	9.3
Total other operators	**28**	**4,132**	**11.9**
Total nursing	**51**	**6,668**	**n/a**

- Fragmented market with promising fundamental outlook offers room for consolidation
  - Significant investments needed to absorb required capacity built-up in industry with inefficient access to capital
  - Attractive risk adjusted yield spread compared to other real estate asset classes
- Proven operational know-how through Katharinenhof brand
  - High occupancy rates of c. 98%
  - Strong EBITDAR margins of c. 25%, putting DW in top decimal in terms of profitability
  - Proven integration track record for acquired businesses
- Deutsche Wohnen business model superior to most peers
  - As owner with operational know-how exposed to lower risk and low cost of funding
  - Expansion of day care and outpatient care with synergies to residential sector
- Focus on acquisition of real estate properties
  - Preferably in combination with operational management to further enhance yields
  - Adherence to strict acquisition criteria focussing on quality, market positioning and expected value upside
  - Doubling of capacity mid-term envisaged

- **FV of nursing assets amounts to EUR ~690m, translating into attractive RoCE of ~7% for low risk DW business model**

3 Nursing & Assisted Living segment

Uferpalais, Berlin

Im Schlossgarten, Brandenburg

Wolkenstein, Saxony

Wilsdruff, Saxony

Quellenhof, Saxony

Am Schwarzen Berg, Lower Saxony

Garpsen, Lower Saxony

Am Auensee, Saxony

Oberau, Bavaria

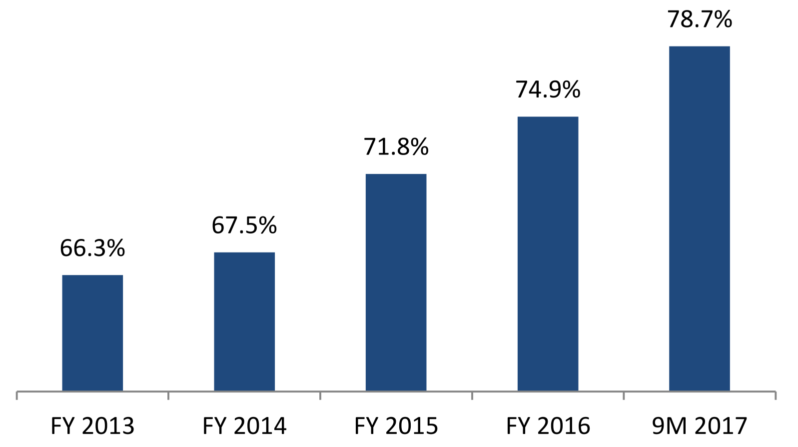
Blankenese, Hamburg

Zum Husaren, Hamburg

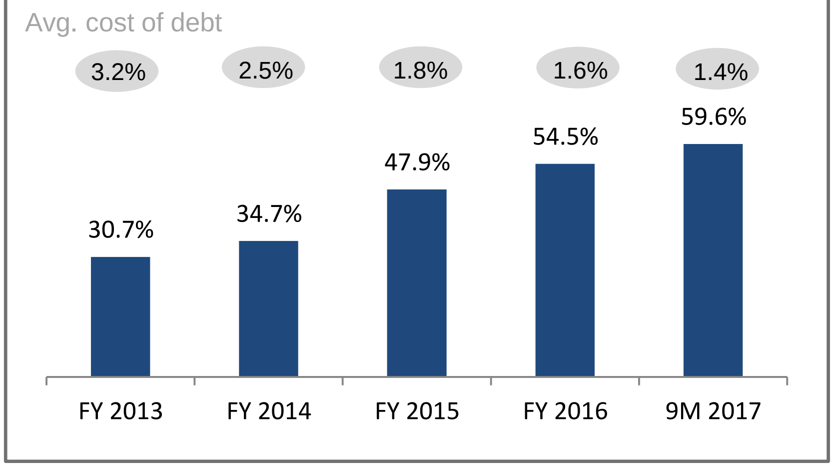
Am Lunapark, Saxony

4 Operational and financial improvements drive margins

Adj. EBITDA margin (w/o disposals)



FFO I margin

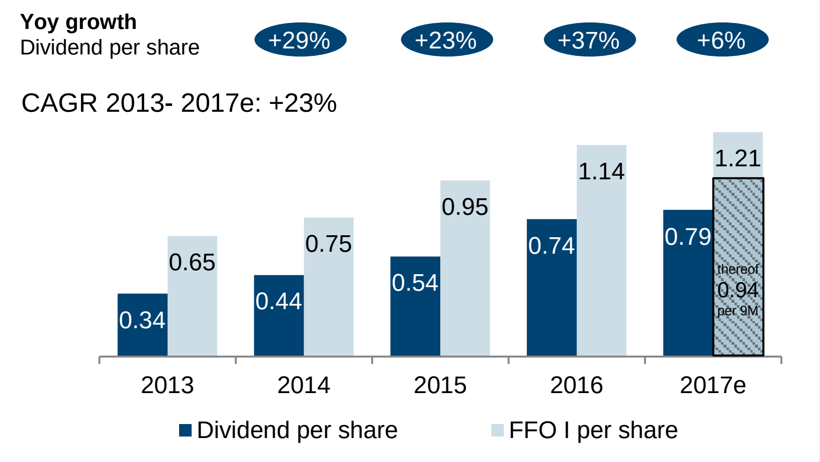


Concentrated portfolio and successful integration of acquired businesses as well as further efficiency improvement of operational business let to best in class EBITDA margin

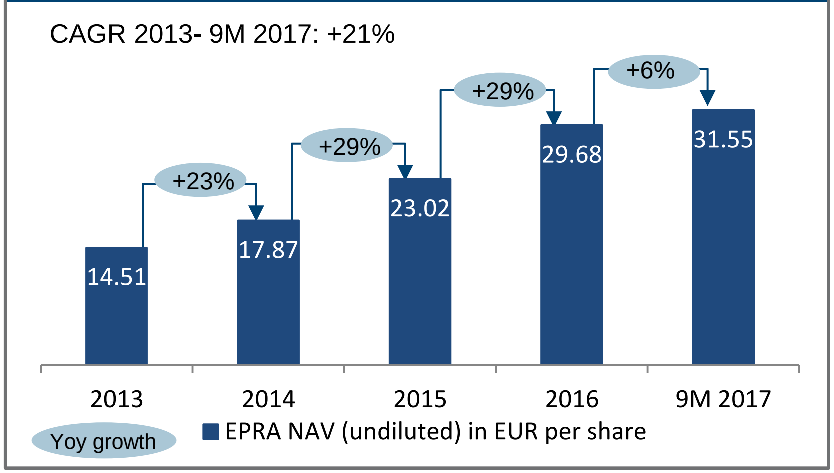
Early and proactive management of liabilities to take advantage of attractive financing environment – average cost of debt reduced by more than 50% since 2013

4 Strong generation of total shareholder return

Development of dividend in EUR per share



Development of EPRA NAV (undiluted) in EUR per share



- **Deutsche Wohnen consistently generated high shareholder return with an EPRA NAV CAGR of >21% and a dividend CAGR of 23% for 2013-2017e while reducing its risk profile**

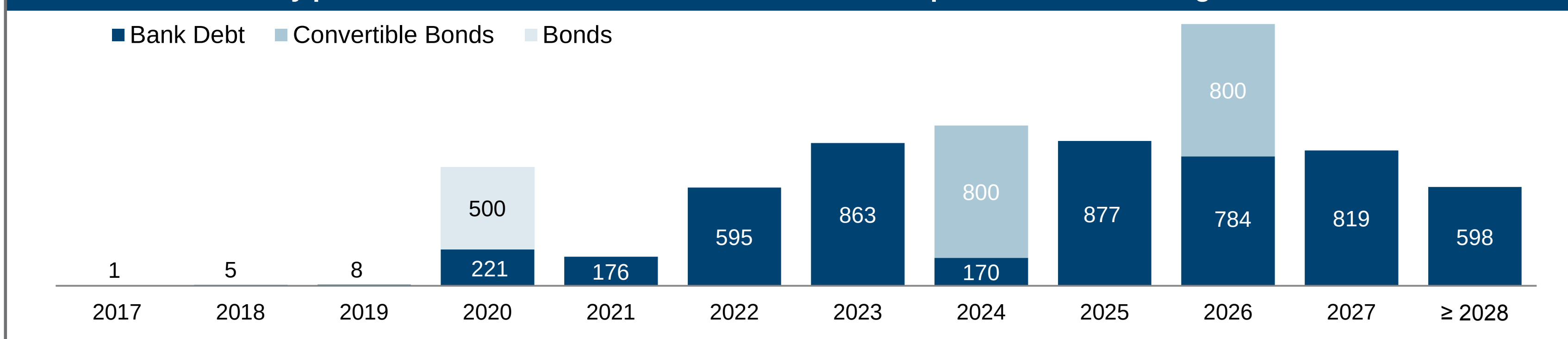
- **Considering a dividend of EUR 0.74 per share, Deutsche Wohnen delivered a shareholder return for 2016 of EUR 7.40 or 32% of 2015 EPRA NAV (undiluted)**

4 Conservative long term capital structure

Rating	A- / A3; stable outlook
Ø maturity[1)]	~ 8.2 years
% secured bank debt[1)]	66%
% unsecured debt[1)]	34%
Ø interest cost[1)]	1.4% (~87% hedged)
LTV target range	35-40%

- Low leverage, long maturities and strong rating
- Flexible financing approach to optimize financing costs – unencumbered assets increased to > EUR 4bn
- No significant maturities until and including 2019
- LTV at 37.0% as of 9M 2017 (-0.7pp vs year end)
- ICR (adjusted EBITDA excl. disposals / net cash interest) 5.9x (+0.5x yoy)
- Short term access to c. EUR 1bn liquidity through Commercial Paper programme and RCFs

Maturity profile in EUR m based on notional amounts[2)] – pro forma refinancing October 2017



1) pro forma convertible refinancing October 2017
2) Excluding commercial papers

4 Full year guidance remains unchanged

	2016	2017 Guidance	update	Main drivers
FFO I (EUR m)	384	~425	✓	Operational performance and recent acquisitions
Dividend per share (EUR)	0.74	~0.78	✓	Based on 65% pay-out ratio from FFO I and current shares outstanding
LTV	37.7%	35-40% (target range)	✓	Aim to keep current rating
Like-for-like rental growth	2.9%	>4%	✓	In Berlin we expect up to 5% lfl rental growth

5 Key strategic priorities to accelerate rental and value growth

Investments existing stock	▪ To unlock reversionary potential, reletting investments of EUR 7,800 on average per unit invested, at a return of 12% (yield on cost) ▪ Complex Capex programme for 30,000 units by 2021, thereof almost 50% are in assignment or execution phase ▪ Almost doubling of reversionary potential post capex to 50% - total EUR 230m ➔ Significant fair value uplift margin post capitalized investments expected
Investments new construction	▪ Mid-term pipeline of ~3,700 units, thereof almost 50% in planning phase with construction work starting in 2018 ▪ Monetization of existing land bank through redensification / addition of floors on top of existing buildings ➔ ROI of ~60% for redensification measures expected
Bolt-on acquisitions	▪ Opportunistic acquisitions in residential in metropolitan areas ➔ Challenging market with low supply and demanding prices ▪ Opportunistic acquisitions in Nursing & Assisted Living or development of new facilities ➔ Target to double EBITDA contribution from Nursing & Assisted Living from 7% to 15% in the mid-term

6 Highlights of business model

1. Resilient and growing residential real estate market in Germany
2. Focused quality portfolio in dynamic growth regions in Germany
3. High quality asset base with high rent and value upside potential
4. Low risk and efficient financing structure
5. Strong and predictable cash flow generation

Yield and value upside at low risk profile

» Appendix (9M 2017)

» Highlights 9M 2017

Strong operating business

- L-f-l rental growth of 4.2% for letting portfolio – for Berlin even at 5.0% as Mietspiegel effects start to come through
- Adjusted EBITDA (excl. disposals) up 7.5% yoy to EUR 435.3m
- Attractive NOI margin of 77.4% despite increased maintenance costs

Capex programme to accelerate rental and value growth fully on track

- Modernization expenses increased by 70% to EUR 142.1m yoy or EUR 19.08 per sqm (annualized)

Successful refinancing of EUR 400m convertible bond due 2021

- Attractive terms for new EUR 800m convertible bond (0.6% coupon, 61% premium to EPRA NAV)
- Diluted FFO I up 15% yoy at EUR 0.94 per share (pro-forma for convertible refinancing)
- Convertible bond due 2021 successfully refinanced

Market dynamics continue to be strong

- Despite realised l-f-l rental growth reversionary potential continues to be high at 30% in Core+
- Attractive spread between in-place and market rent multiples offer further potential for NAV growth

» Strong like-for-like development in particular in Berlin

Like-for-like 30/09/2017	Residential units number	In-place rent[2)] 30/09/2017 EUR/sqm	In-place rent[2)] 30/09/2016 EUR/sqm	Change y-o-y	Vacancy 30/09/2017 in %	Vacancy 30/09/2016 in %	Change y-o-y
Strategic core and growth regions							
Core+	131,620	6.42	6.14	4.5%	1.6%	1.5%	0.1 pp
Core	18,682	5.65	5.56	1.7%	2.2%	1.8%	0.3 pp
Letting portfolio[1)]	150,302	6.32	6.07	4.2%	1.7%	1.5%	0.2 pp
Total	**155,238**	**6.31**	**6.05**	**4.1%**	**1.9%**	**1.6%**	0.2 pp
Thereof Greater Berlin	**108,114**	**6.35**	**6.04**	**5.0%**	**1.7%**	**1.5%**	**0.2 pp**

- **Strong like for like rental growth of 4.2% in letting portfolio, in Berlin even 5.0% as Mietspiegel adjustments start to kick-in**
- **Tenant turnover stable at 8% for total portfolio, Berlin at 7%**
- **Vacancy slightly increased, due to Capex measures (~45bps capex driven vacancy)**

1) Excluding disposal portfolio and non-core portfolio; 2) Contractually owed rent from rented apartments divided by rented area

» Strong like-for-like development in particular in Berlin (2)

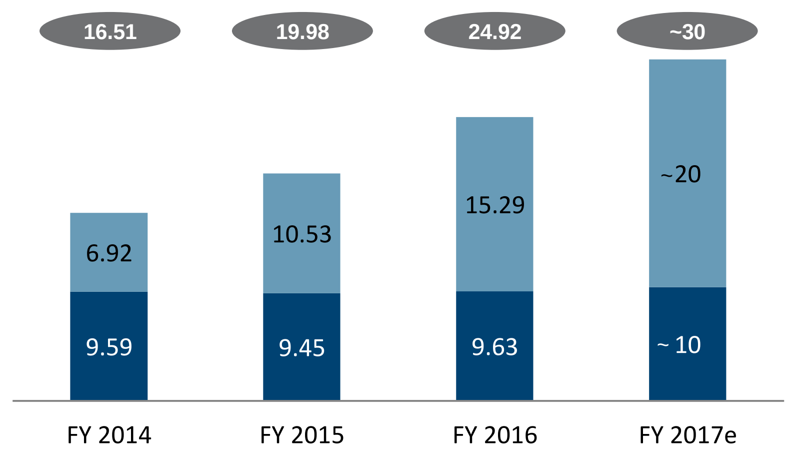
Like-for-like 30/09/2017	**Residential units** Number	**In-place rent[2)] 30/09/2017** EUR/sqm	**In-place rent[2)] 30/09/2016** EUR/sqm	**Change** y-o-y	**Vacancy 30/09/2017** in %	**Vacancy 30/09/2016** in %	**Change** y-o-y
Letting portfolio[1)]	**150,302**	**6.32**	**6.07**	**4.2%**	**1.7%**	**1.5%**	**0.2 pp**
Core[+]	**131,620**	**6.42**	**6.14**	**4.5%**	**1.6%**	**1.5%**	**0.1 pp**
Greater Berlin	108,114	6.35	6.04	5.0%	1.7%	1.5%	0.2 pp
Rhine-Main	8,821	7.64	7.42	2.9%	1.8%	1.4%	0.4 pp
Rhineland	4,913	6.22	6.12	1.6%	0.6%	1.2%	- 0.6 pp
Mannheim/Ludwigshafen	4,418	5.96	5.70	4.5%	0.7%	0.6%	0.1 pp
Dresden / Leipzig	3,973	5.41	5.33	1.6%	2.2%	2.4%	-0.2 pp
Sonstige Core[+]	1,381	9.89	9.78	1.1%	0.5%	1.3%	-0.8 pp
Core	**18,682**	**5.65**	**5.56**	**1.7%**	**2.2%**	**1.8%**	**0.3 pp**
Hanover / Brunswick	9,089	5.74	5.64	1.9%	1.9%	1.9%	0.0 pp
Kiel / Lübeck	4,945	5.59	5.52	1.4%	2.3%	1.6%	0.7 pp
Core Cities Eastern Germany	4,648	5.51	5.43	1.5%	2.7%	2.0%	0.7 pp
Total	**155,238[3)]**	**6.31**	**6.05**	**4.1%**	**1.9%**	**1.6%**	**0.2 pp**

1) Excluding disposal portfolio and non-core portfolio; 2) Contractually owed rent from rented apartments divided by rented area; 3) Total L-f-l stock incl. Non-Core

» Focused and increasing investments into the portfolio

	9M 2017		9M 2016	
	EUR m	EUR / sqm[1)]	EUR m	EUR / sqm[1)]
Maintenance (expensed through p&l)	**74.1**	**9.95**	**64.4**	**8.75**
Modernization (capitalized on balance sheet)	**142.1**	**19.08**	**83.5**	**11.34**
Total	**216.2**	**29.03**	**147.9**	**20.08**
Capitalization rate	**65.7%**		**56.5%**	

Modernization & Maintenance per sqm



- **Value enhancing Capex programme is fully on track**
- **Re-letting investment of EUR 100m p.a. to realize 30% reversionary potential at an unlevered yield on cost of 12%**
- **Significant increase in modernization expenses to EUR 19.08 per sqm (+68% yoy), maintenance and modernization per sqm almost reached guided level of EUR ~30 per sqm for 2017, thereof EUR ~10 per sqm expensed through p&l (maintenance)**

1) Annualized figure, based on the quarterly average area

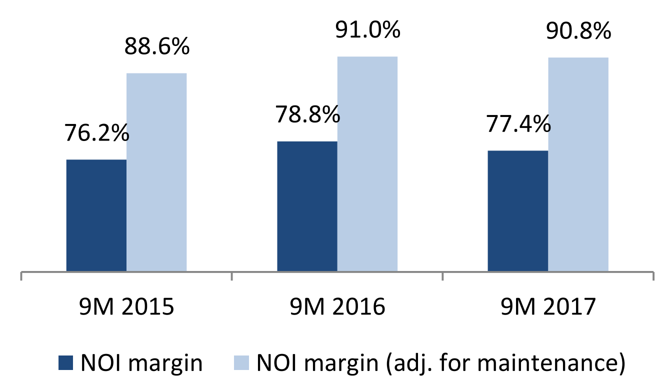
» NOI margin at 77.4%

in EUR m	9M 2017	9M 2016
Rental income	**553.4**	**526.1**
Non-recoverable expenses	(8.0)	(6.2)
Rental loss	(4.3)	(4.8)
Maintenance	(74.1)	(64.4)
Others	(5.4)	(6.0)
Earnings from Residential Property Management	**461.6**	**444.7**
Personnel, general and administrative expenses	(33.0)	(30.1)
Net Operating Income (NOI)	**428.6**	**414.6**
NOI margin	77.4%	78.8%
NOI in EUR / sqm / month	4.80	4.69

Maintenance expenses as a percentage of rental income increased from 12.2% to 13.4%

in EUR m	9M 2017	9M 2016
Net operating income (NOI)	428.6	414.6
Cash interest expenses	(71.7)	(76.0)
Cash flow from portfolio after cash interest expenses	**356.9**	**338.6**

Development of NOI margin



- **Adjusted for higher maintenance in 9M 2017 NOI margin remained stable**

» Attractive margins of disposal business despite significant revaluations

Disposals	Privatization		Institutional sales		Total	
with closing in	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
No. of units	571	1,061	1,603	2,544	2,174	3,605
Proceeds (EUR m)	83.8	125.5	115.7	175.5	199.5	301.0
Book value	65.1	89.9	99.7	156.5	164.8	246.4
Price in EUR per sqm	2,047	1,538	971	961	n.m.	n.m.
Earnings (EUR m)	14.0	28.7	14.5	17.7	28.5	46.4
Gross margin	29%	40%	16%	12%	21%	22%
Cash flow impact (EUR m)	74.7	111.7	113.5	143.4	188.2	255.1

- **Demand for property continues to be high; a total of 3,072 units were sold, of which 2,174 units had transfer of ownership in the first nine months of 2017**

- **Too early in cycle to accelerate privatization pace to turn book gains into cash returns for shareholders**

- **Continued strong demand for residential properties used for portfolio clean-up in non-core regions**

» Increasing FFO contribution from Nursing and Assisted Living

Operations (in EUR m)	9M 2017	9M 2016
Total income	69.4	52.4
Total expenses	(63.1)	(47.1)
EBITDA operations	**6.3**	**5.3**
EBITDA margin	9.1%	10.1%
Lease expenses	11.2(2)	9.7(1)
EBITDAR	**17.5**	**15.0**
EBITDAR margin	25.2%	28.6%

Assets (in EUR m)	9M 2017	9M 2016
Lease income	31.4(2)	8.9(1)
Total expenses	(0.8)	(0.5)
EBITDA assets	**30.6**	**8.4**

Operations & Assets (in EUR m)	9M 2017	9M 2016
Total EBITDA	**36.9**	**13.7**
Interest expenses	(3.1)	(3.3)
FFO I contribution	**33.8**	**10.4**

in EUR m	9M 2017	9M 2016
Nursing	53.9	41.5
Living	6.5	4.9
Other	9.0	6.0

in EUR m	9M 2017	9M 2016
Staff	(36.9)	(26.7)
Rent / lease	(11.2)	(9.7)
Other	(15.0)	(10.7)

Slight margin decline in operational business from the integration of 3 facilities in Hamburg acquired in Q4 2016. Ramp-up of one fully refurbished facility currently running at improved occupancy level of ~90%

Set out in the consolidated group financial statements as “Earnings from nursing and assisted living”

Includes payments to operational partner

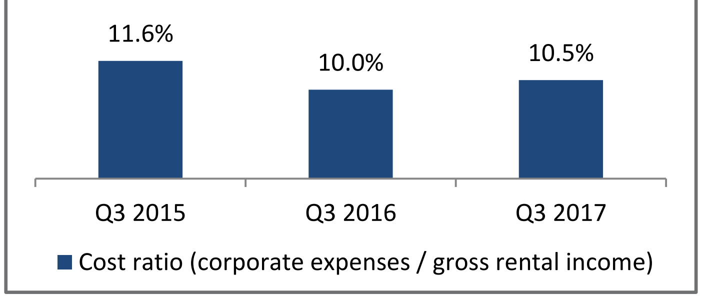
- **Continued high occupancy rate of c. 98% through Katharinenhof participation is a testimonial of good operational performance**

1) *The delta between lease expenses (operations) and lease income assets derives from one nursing facility wich is only operated but not owned by Deutsche Wohnen group*
2) *Since January 1, 2017, 28 nursing facilities rented to third parties are included in lease income*

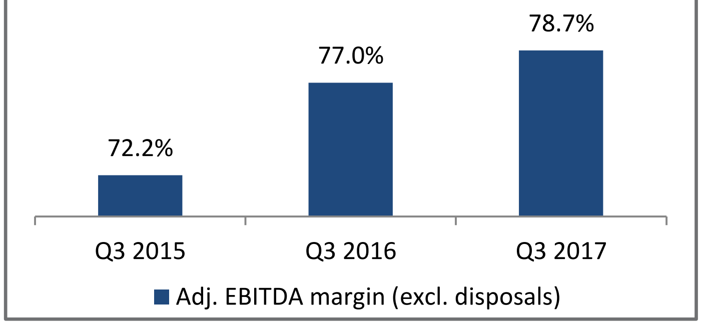
» EBITDA margin continues to be strong

in EUR m	9M 2017	9M 2016
Earnings from Residential Property Management	461.6	444.7
Earnings from Disposals	28.5	46.4
Earnings from Nursing and Assisted Living	36.9	13.7
Segment contribution margin	**527.0**	**504.8**
Corporate expenses	(58.1)	(52.4)
Other operating expenses/income	(5.3)	(1.0)
EBITDA	**463.6**	**451.4**
One-offs	0.2	0.0
Adj. EBITDA (incl. disposals)	**463.8**	**451.4**
Earnings from Disposals	(28.5)	(46.4)
Adj. EBITDA (excl. disposals)	**435.3**	**405.0**

Development of cost ratio



Development of adj. EBITDA margin



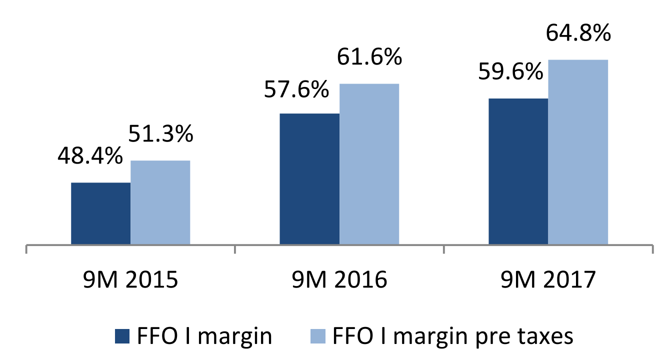
- **Slightly higher cost ratio due to increased personnel expenses, primarily driven by new hiring to execute capex programme as well as increases of compensation for existing staff**

- **Increased earnings from residential property management and acquisitions in nursing and assisted living led to further increase of adj. EBITDA margin by 1.7pp (excl. disposals)**

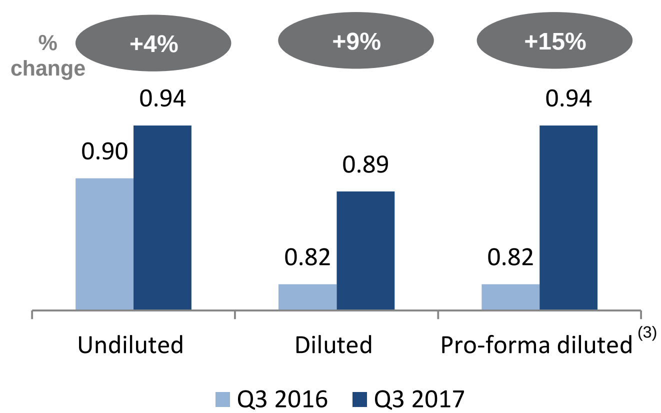
» FFO growth of 9% mainly driven by operations and acquisitions

in EUR m	9M 2017	9M 2016
EBITDA (adjusted)	**463.8**	**451.4**
Earnings from Disposals	(28.5)	(46.4)
Long-term remuneration component (share based)	1.2	1.6
At equity valuation	1.3	1.5
Interest expense/ income (recurring)	(74.2)	(78.6)
Income taxes	(28.8)	(21.3)
Minorities	(4.8)	(5.2)
FFO I	**330.0**	**303.0**
Earnings from Disposals	28.5	46.4
FFO II	**358.5**	**349.4**
FFO I per share in EUR[1)]	**0.94**	**0.90**
Diluted number of shares[2)]	370.7	370.8
Diluted FFO I per share[2)] in EUR	0.89	0.82
Pro-forma diluted number of shares[3)]	351.3	370.8
Pro-forma diluted FFO I per share[3)] in EUR	0.94	0.82
FFO II per share in EUR[1)]	**1.02**	**1.04**

FFO I margin development



FFO per share development in EUR



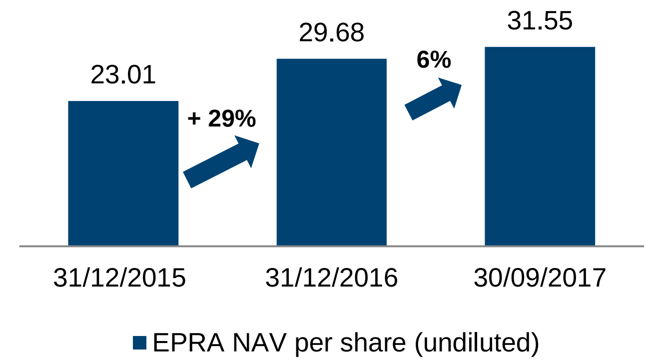
- **FFO I margin improved by 2pp, mainly through operating performance and further lowering of financing costs**

1) Based on weighted average shares outstanding (9M 2017: 351.3m; 9M 2016: 337.4m)
2) Based on weighted average shares assuming full conversion of in the money convertible bonds
3) Based on weighted average shares assuming convertible bond 2021 is fully taken out

» EPRA NAV per share stable in 9M 2017

in EUR m	30/09/2017	31/12/2016
Equity (before non-controlling interests)	8,842.2	7,965.6
Fair values of derivative financial instruments	20.0	47.0
Deferred taxes (net)	2,328.7	2,004.4
EPRA NAV (undiluted)	**11,190.9**	**10,017.0**
Shares outstanding in m	354.7	*337.5*
EPRA NAV per share in EUR (undiluted)	**31.55**	**29.68**
Effects of exercise of convertibles	678.0	992.3
EPRA NAV (diluted)	**11,868.9**	**11,009.3**
Shares diluted in m	*374.1*	*370.8*
EPRA NAV per share in EUR (diluted)	**31.72**	**29.69**

EPRA NAV[(1)] per share (undiluted) in EUR



- **Next revaluation with FY 2017 financials envisaged**

1) *EPRA NAVs as reported*

» Bridge from adjusted EBITDA to profit

in EUR m	9M 2017	9M 2016
EBITDA (adjusted)	**463.8**	**451.4**
Depreciation	(5.2)	(4.6)
At equity valuation	1.3	1.5
Financial result (net)	(91.4)	(88.5)
EBT (adjusted)	**368.5**	**359.8**
Valuation properties	885.9	731.3
One-offs	(32.3)	(6.4)
Valuation SWAP and convertible bonds	(178.3)	(155.2)
EBT	**1,043.8**	**929.5**
Current taxes	(30.2)	(21.3)
Deferred taxes	(307.6)	(245.6)
Profit	**706.0**	**662.6**
Profit attributable to the shareholders of the parent company	679.0	642.2
Earnings per share[1)]	1.93	1.90

in EUR m	9M 2017	9M 2016
Interest expenses	(74.8)	(79.3)
In % of rental income	*~14%*	*~15%*
Non-cash interest expenses	(17.2)	(9.9)
	(92.0)	**(89.2)**
Interest income	0.6	0.7
Financial result (net)	**(91.4)**	**(88.5)**

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

Thereof EUR (181.5 m) from convertible bonds (increase in market value because of positive share price performance) and EUR 3.2m from valuation of derivatives

1) Based on weighted average shares outstanding (9M 2017: 351.3m; 9M 2016: 337.4m);

» Summary balance sheet

Assets

in EUR m	30/09/2017	31/12/2016
Investment properties	17,941.0	16,005.1
Other non-current assets	132.2	108.6
Deferred tax assets	0.7	0.7
Non current assets	**18,073.9**	**16,114.4**
Land and buildings held for sale	345.1	381.5
Trade receivables	19.1	16.4
Other current assets	109.0	79.1
Cash and cash equivalents	395.0	192.2
Current assets	**868.2**	**669.2**
Total assets	**18,942.1**	**16,783.6**

Equity and Liabilities

in EUR m	30/09/2017	31/12/2016
Total equity	**9,146.6**	**8,234.0**
Financial liabilities	4,793.6	4,600.0
Convertibles	1,553.5	1,045.1
Bonds	833.2	732.3
Tax liabilities	50.6	48.3
Deferred tax liabilities	1,997.9	1,687.1
Derivatives	21.5	47.0
Other liabilities	545.2	389.8
Total liabilities	**9,795.5**	**8,549.6**
Total equity and liabilities	**18,942.1**	**16,783.6**

- **Investment properties represent ~95% of total assets**

- **Strong balance sheet structure offering comfort throughout market cycles**

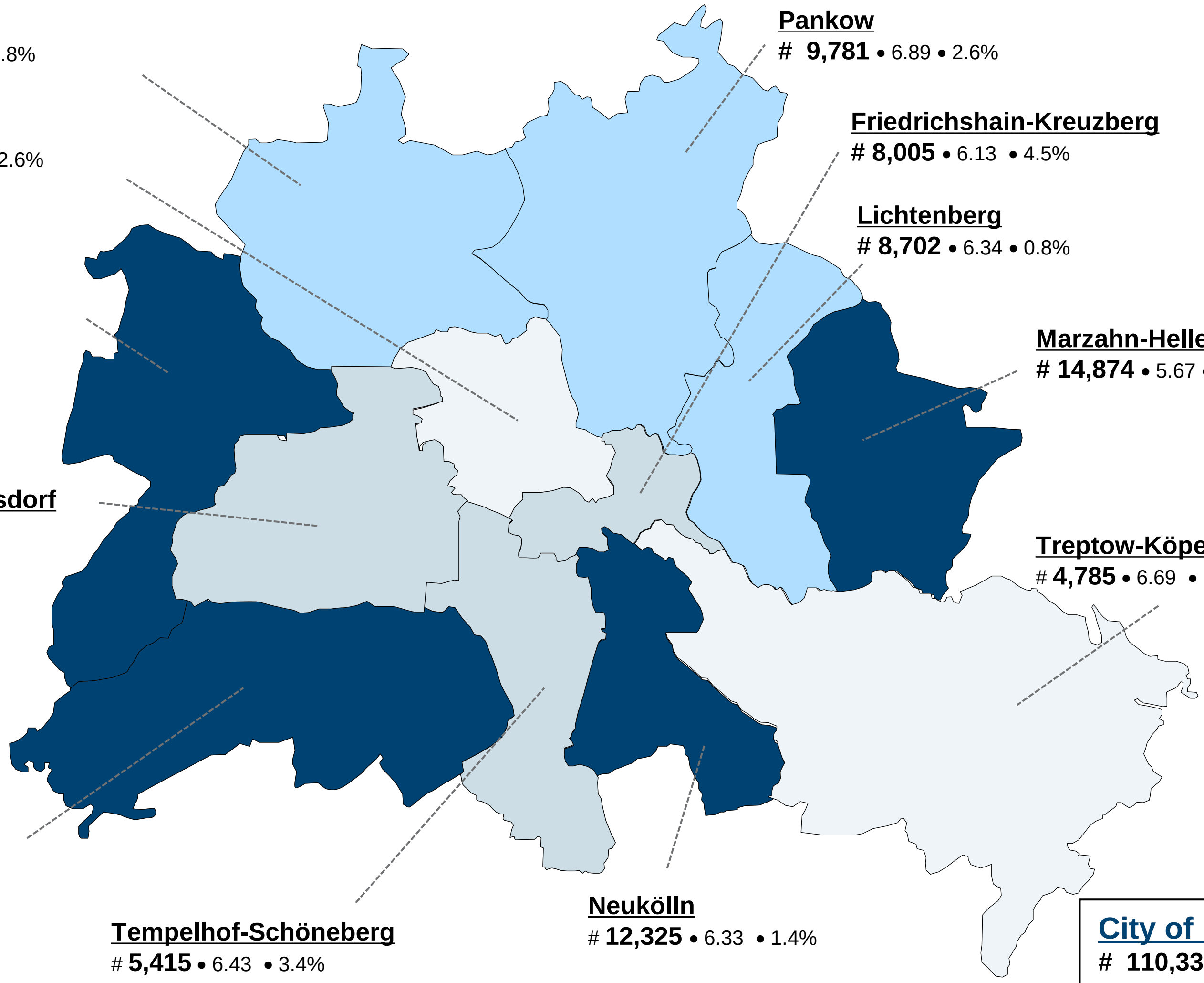
» Early refinancing of the convertible bonds due 2020 and 2021

	Refinancing CB 2020 in Feb 2017		Refinancing CB 2021 in Sep 2017	
Notional amount	€250m	€800m	€400m	€800m
Issue date	Nov 2013	Feb 2017	Aug 2014	Oct 2017
Maturity	Nov 2020	Jul 2024	Sep 2021	Jan 2026
Coupon p.a.	0.500%	0.325%	0.875%	0.600%
Initial conversion premium	30.0%	53.0%	27.5%	40.0%
Conversion price (current)	€17.45	€48.30	€20.57	€50.85
Premium to EPRA NAV per share*	-44.7%	53.1%	-34.8%	61.2%
Tendered notes	~100%	n/a	~100%	n/a
Purchase price (approx.)	€472m	n/a	€730m	n/a
Underlying shares	14.3m	16.6m	19.4m	15.7m

*as of 30/09/2017

- Deeply „in the money convertibles" refinanced with „out of the money" convertibles, thereby reducing dilution risk for shareholders
- Mitigation of the refinancing risk and utilisation of the attractive financing environment
- Full flexibility to redeem convertible bonds in cash and/or shares, thereby effective tool to manage capital structure
- Prolongation of the overall maturity profile to ~8.2 years

» THE BERLIN-PORTFOLIO AT A GLANCE



Reinickendorf
9,443 • 6.33 • 1.8%

Mitte
4,602 • 6.68 • 2.6%

Spandau
13,777 • 6.23 • 1.9%

Charlottenburg-Wilmersdorf
7,695 • 6.97 • 3.1%

Steglitz-Zehlendorf
10,928 • 6.73 • 2.0%

Tempelhof-Schöneberg
5,415 • 6.43 • 3.4%

Neukölln
12,325 • 6.33 • 1.4%

Pankow
9,781 • 6.89 • 2.6%

Friedrichshain-Kreuzberg
8,005 • 6.13 • 4.5%

Lichtenberg
8,702 • 6.34 • 0.8%

Marzahn-Hellersdorf
14,874 • 5.67 • 0.6%

Treptow-Köpenick
4,785 • 6.69 • 1.6%

City of Berlin
110,332 • 6.38 • 2.0%
Greater Berlin
114,314 • 6.37 • 2.0%

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

 # units • in-place rent (EUR/m²) • vacancy

» Appendix (Miscellaneous)

» Berlin's key facts

Population - 2016	
Population Berlin	~3.5m
Number of households	~2m
Population forecast (2035)	~4.0m

Residential units - 2016	
Number of residential units	1,916,517
Home ownership ratio	~15%
Completed new construction	~11,000

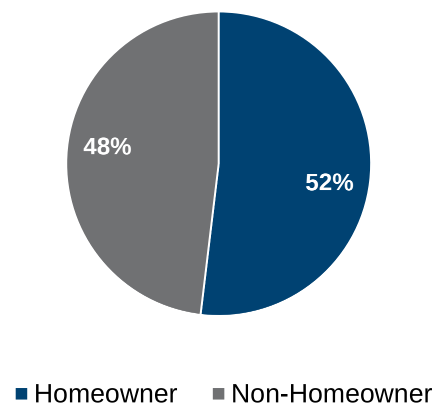
Vacancy and rents	
Average vacancy rate	1.2%
Average in-place rent (Mietspiegel 2017)	€6.39/sqm/month
Average asking rent (CBRE 9M 2017)	€9.79/sqm/month

Economic data	
Average unemployment rate	9.8%
Net household income per month	~€2,900
Biggest employers: Deutsche Bahn, Charité, Vivantes, BVG, Siemens, Deutsche Post	

Source: Statistical Office Berlin-Brandenburg; Federal Employment Agency; CBRE; Senatsverwaltung für Stadtentwicklung

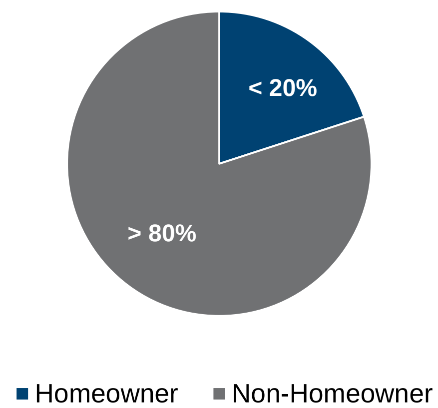
» Unique market characteristics in German Housing Market

Germany - Home ownership ratio



Source: Eurostat

Berlin – Home ownership ratio



Source: CBRE, UBS

Homeownership – Germany vs Europe

Germany	UK	France	Netherlands	EU Average	Italy	Spain
51.9%	63.5%	64.1%	69.0%	69.4%	72.9%	77.8%

» Mechanisms of rent development in dynamic markets like Berlin

Current regulations

Unrestricted units

New letting

Indefinite rental contracts
Freedom of contract at market rent level
BUT rental cap at „customary rent“ +10% *(so called Mietpreisbremse)*
Exceptions from rental cap: new construction and extensively refurbished units

Existing contracts

Maximum increase of 15% in 3 years
Not higher than the so called “local costumary rent"
proven by:

- Official rent table (Mietspiegel) or
- 3 comparable apartments or
- A report of an official surveyer

OR
Lease contracts with: indexation bound to CPI; graduated rents

In case of modernisation works:
11% of modernisation cost can be charged to the tenant (per sqm/ per month)
BUT hardship clause (monthly rent not allowed to exceed 30% of available net household income) effectively leads to lower apportionment

Restricted units

- Cost rent principle – only changes of the cost rent allow rent increases
- Cost rent calculation strictly regulated by law
- Many different social housing programs with special calculation rules

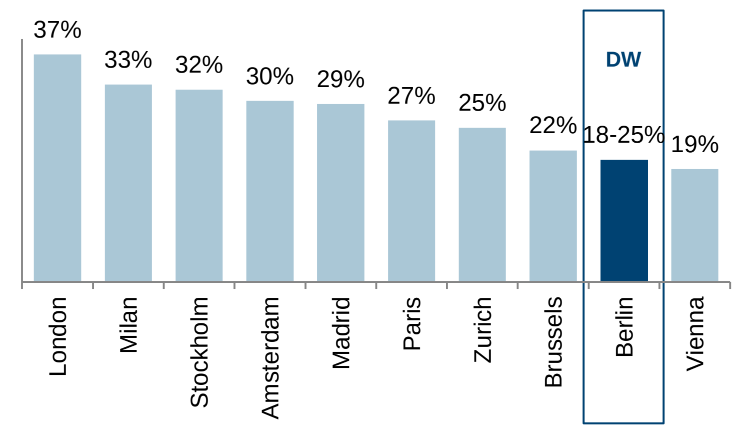
Effects of the regulations:
- slower rental growth (it takes longer to reach market rent level)
- new residential construction becomes economically difficult

» Valuation in perspective of rent potential and affordability

Affordability of average Deutsche Wohnen flat in Berlin

		DW in-place	Market rent
Rent (EUR/sqm)		6.37	10.00[1]
Average ancillary cost (EUR/sqm)		2.50	
Average DW apartment size		60 sqm	
Average rent per month[2]		**EUR 532**	**EUR 750**
Average net household income[1]		EUR 2,990	
Housing cost ratio[3]		**18%**	**25%**
Gross initial yield (%)	DW in-place valuation (EUR 1,884 / sqm)	4.1%	6.4%

Housing cost ratios across major European cities[4]



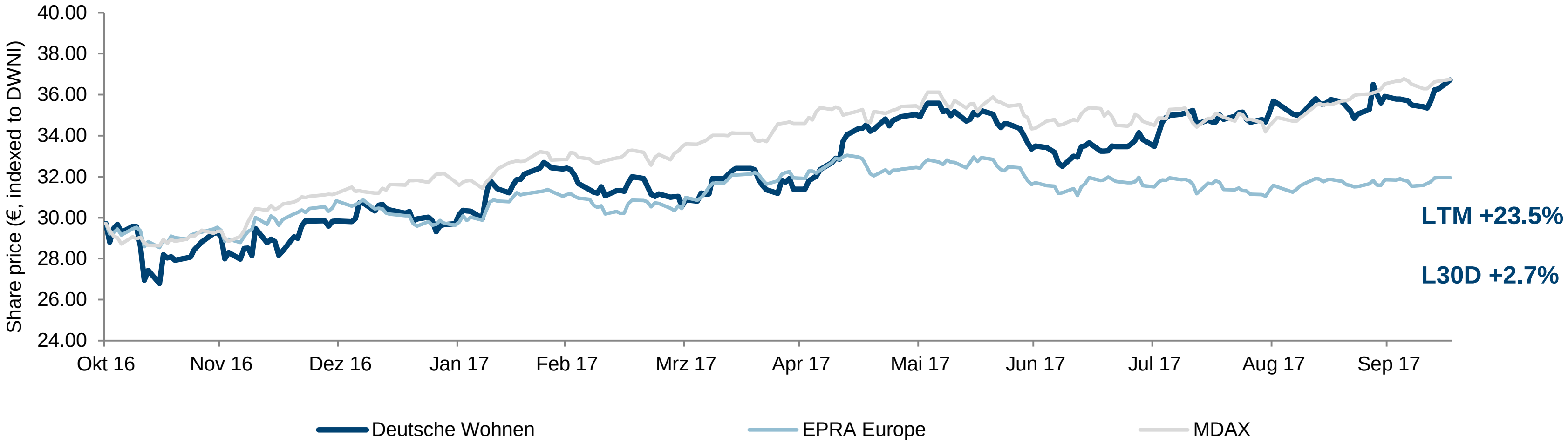
Source: CBRE EMEA Residential Market Report 2016

- More than 80% of DW portfolio consists of apartment sizes of less than 75 sqm, average apartment size of only 60 sqm leads to advantage in terms of affordability
- Based on DW in-place rent, 18% of household income is spent for housing
- Assuming CBRE market rents, the housing cost ratio amounts to 25%, which is still far below the usually applied 30% affordability hurdle
- Huge gap between in-place rent and market rent multiples offers further upside

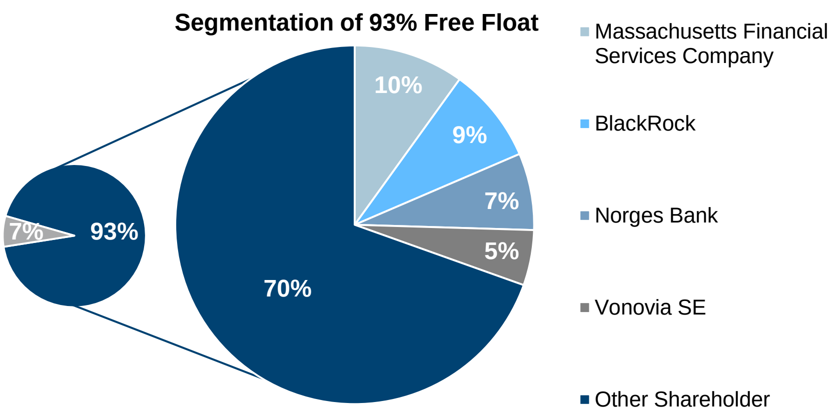
1) *CBRE Berlin housing market report 2017*
2) *Including ancillary costs*
3) *(Average size x gross rent (net rent + ancillary cost)) / average household income*
4) *Average asking rent for a 70 sqm apartment / average purchasing power per household*

» Deutsche Wohnen well positioned in capital markets

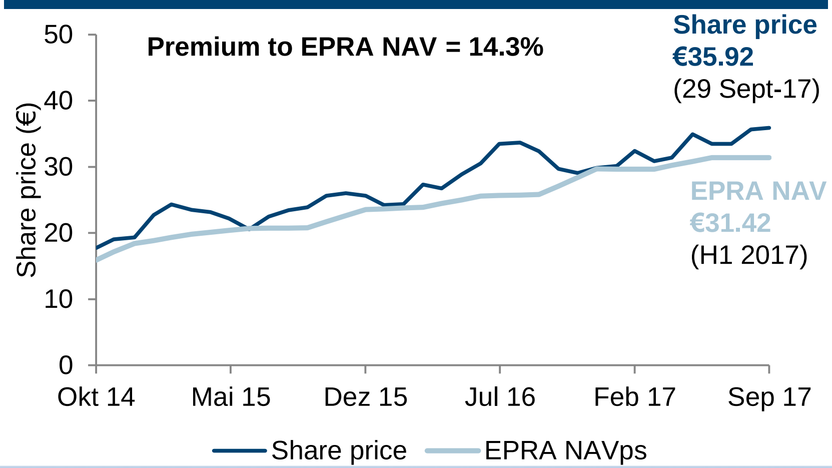
Share Price Development LTM



Share Free Float and Top Shareholders



L3Y EPRA NAV vs Share



1) *Factset, Voting Rights Announcements*
2) *Market Data as of September 29 2017*

» History of Deutsche Wohnen

GEHAG (Berlin)

1924: Foundation

1925: Beginning of modern housing development

1998: Privatisation

2006: Acquisition of Eisenbahn-Siedlungs-Gesellschaft and Fortimo GmbH

Deutsche Wohnen (Frankfurt)

1998: Deutsche Wohnen AG started its operational activities

1999: IPO

2007: Merger

2010: Moving up to MDAX

2012: Acquisition of the BauBeCon Group with around 23,400 residential units

2013: Takeover of GSW Immobilien AG

2017: Increased focus on internal growth

GSW (Berlin)

1924: Foundation

1961–79: Constructon of largescale housing developments

2004: Privatisation

2011: IPO

» Management board and areas of responsibilities

Michael Zahn

Chief Executive Officer (CEO)

More than 20 years in the firm

Areas of responsibility:
- Strategy
- Rent development & investments
- Strategic participations
- HR
- PR & Marketing

Lars Wittan

Chief Investment Officer (CIO)

Since 2007 at Deutsche Wohnen, since 2011 member of the management board

Areas of responsibility:
- Asset Management
- Accounting/Tax
- Controlling
- Risk Management
- IT/Organisation

Philip Grosse

Chief Financial Officer (CFO)

Since 2013 at Deutsche Wohnen, since 2016 CFO

Areas of responsibility:
- Equity Financing
- Debt Financing
- Treasury
- Investor Relations
- Legal/Compliance

» Disclaimer

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