



Deutsche Wohnen SE

» **Q1 2018 results**

Conference Call, 15 May 2018

» Agenda

1

Highlights Q1 2018

2

Portfolio

3

Financials

4

Appendix

» Highlights Q1 2018

Operating business remains strong

- L-f-I rental growth remains high with 4.4% for total letting portfolio – for Berlin even at 5.1%
- Rent potential increased further to 37% in Berlin
- Attractive NOI margin of 79%

Capex programme to accelerate rental and value growth fully on track

- Investments of almost EUR 350m or c. EUR 35 per sqm targeted for 2018

Bolt-on acquisitions of ~850 units in Core+ locations through several deals

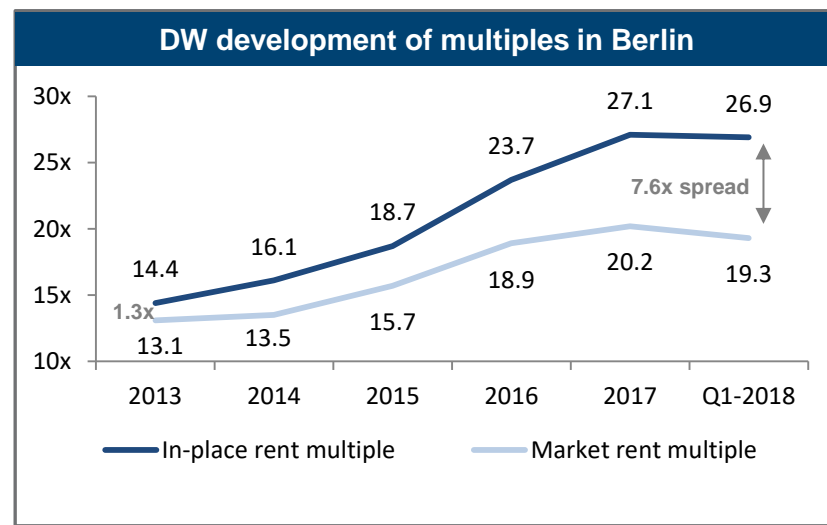
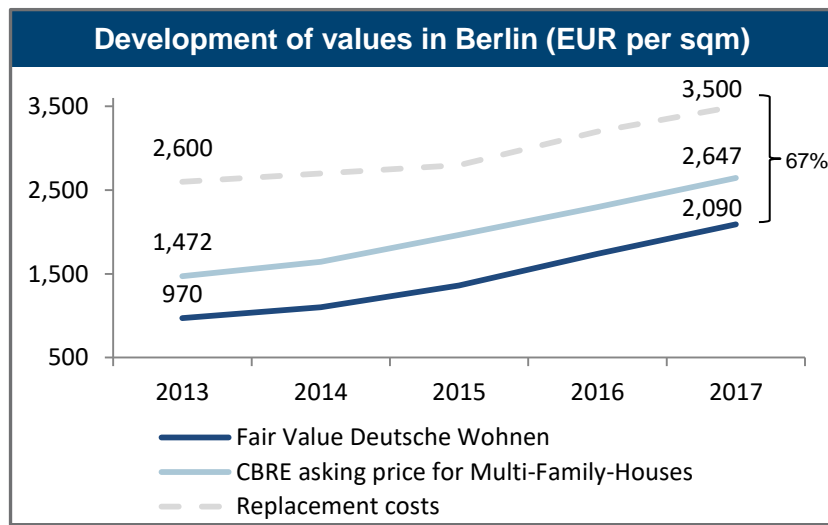
- ~500 units are located in Dresden/ Leipzig and 300 units in Berlin

Market dynamics continue to be strong

- Despite realised I-f-I rental growth reversionary potential continues to be high at 35% in Core+
- Attractive spread between in-place and market rent multiples offer further potential for NAV growth

» Portfolio update Q1 2018 – significant reversionary potential

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 %
Core+	140,557	92.4%	6.57	2,006	25.5	18.7	35%	2.1%
Core	18,883	7.3%	5.76	1,150	16.7	13.9	17%	2.2%
Non-core	1,283	0.3%	4.85	699	13.0	10.0	16%	5.0%
Total	160,723	100%	6.46	1,892	24.5	18.2	31%	2.1%
Thereof Greater Berlin	114,250	77.3%	6.52	2,091	26.9	19.3	37%	2.1%



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)

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

Like-for-like 31/03/2018	Residential units number	In-place rent ²⁾ 31/03/2018 EUR/sqm	In-place rent ²⁾ 31/03/2017 EUR/sqm	Change y-o-y	Vacancy 31/03/2018 in %	Vacancy 31/03/2017 in %	Change y-o-y
Strategic core and growth regions							
Core ⁺	131,363	6.54	6.25	4.6%	1.7%	1.6%	0.1 pp
Core	18,682	5.76	5.59	3.0%	2.2%	2.0%	0.2 pp
Letting portfolio ¹⁾	150,045	6.44	6.17	4.4%	1.8%	1.6%	0.2 pp
Total	154,408	6.42	6.15	4.4%	1.9%	1.7%	0.2 pp
Thereof Greater Berlin	107,896	6.48	6.16	5.1%	1.8%	1.6%	0.2 pp

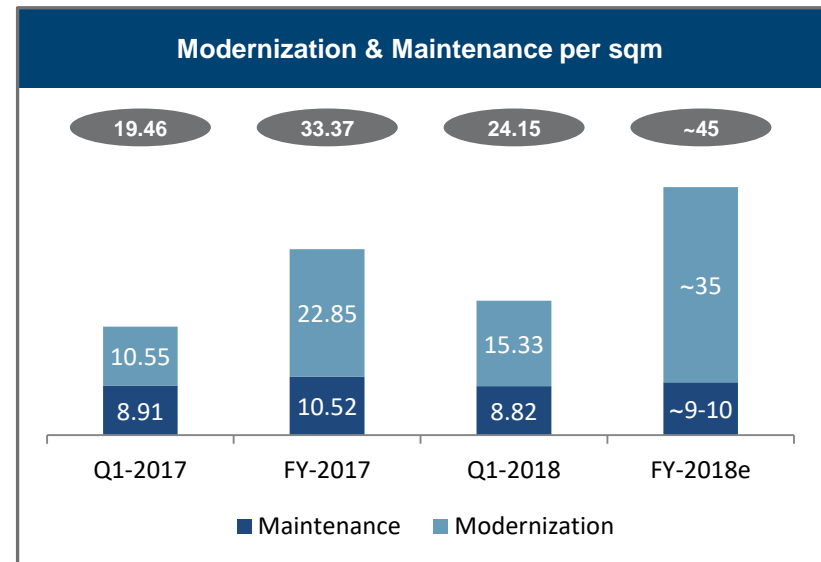
- Strong like-for-like rental growth of 4.4%, in Berlin even more than 5%
- Vacancy slightly increased to 1.9%, however ~50bps capex driven vacancy

1) Excluding disposal portfolio and non-core portfolio

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

» Value enhancing Capex programme is fully on track

	Q1-2018		Q1-2017	
	EUR m	EUR / sqm ¹⁾	EUR m	EUR / sqm ¹⁾
Maintenance (expensed through p&l)	22.1	8.82	21.8	8.91
Modernization (capitalized on balance sheet)	38.4	15.33	25.8	10.55
Total	60.5	24.15	47.6	19.46
Capitalization rate	63.5%		54.2%	



- Significant increase in modernization investments to EUR 15.33 per sqm (+45% yoy), due to progressing Capex programme
- Re-letting investment of EUR 100m p.a. to realize reversionary potential at an unlevered yield on cost of 12%

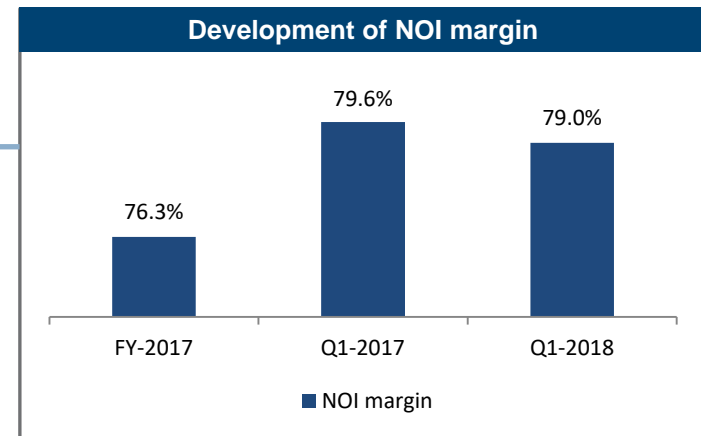
1) Annualized figure, based on the quarterly average area

» Stable margins and increased NOI per sqm

in EUR m	Q1-2018	Q1-2017
Income from rents (rental income)	192.9	180.4
Income relating to utility/ ancillary costs	101.8	91.8
Income from rental business	294.7	272.2
Expenses relating to utility/ ancillary costs	(105.0)	(94.0)
Rental loss	(2.5)	(1.2)
Maintenance	(22.1)	(21.8)
Others	(1.4)	(1.0)
Earnings from Residential Property Management	163.7	154.2
Personnel, general and administrative expenses	(11.4)	(10.6)
Net Operating Income (NOI)	152.3	143.6
NOI margin	79.0%	79.6%
NOI in EUR / sqm / month	5.07	4.89

Income split from rental business due to first time application of IFRS 15 - amended figures for Q1-2017 accordingly

Non recoverable expenses: Q1-2018: EUR -3.2m
Q1-2017: EUR -2.2m



- Attractive NOI margin of 79% underscores operational efficiency

» Attractive margins of disposal business despite significant revaluations

Disposals	Privatization		Institutional sales		Total		
	with closing in	Q1-2018	Q1-2017	Q1-2018	Q1-2017	Q1-2018	Q1-2017
No. of units		76	184	273	306	349	490
Proceeds (EUR m)		17.0	23.9	13.9	28.4	30.9	52.3
Book value		11.4	18.3	13.0	22.9	24.4	41.2
Price in EUR per sqm		2,423	1,843	1,017	1,126	n/a	n/a
Earnings (EUR m)		4.0	3.6	0.8	5.0	4.8	8.6
Gross margin		49%	31%	7%	24%	27%	27%
Cash flow impact (EUR m)		14.7	20.1	6.7	27.9	21.4	48.0

- Demand for property continues to be high and is reflected in higher prices per sqm

- Privatization business continues to deliver significant gross margins despite year end 2017 portfolio revaluation

» Target to double EBITDA contribution from Nursing and Assisted Living mid-term

Operations (in EUR m)	Q1-2018	Q1-2017
Total income	23.5	23.0
Total expenses	(22.2)	(20.9)
EBITDA operations	1.3	2.1
EBITDA margin	5.5%	9.1%
Lease expenses	3.8	3.8
EBITDAR	5.1	5.9
EBITDAR margin	21.7%	25.7%

Assets (in EUR m)	Q1-2018	Q1-2017
Lease income	10.6	10.5
Total expenses	(0.3)	(0.1)
EBITDA assets	10.3	10.4

Operations & Assets (in EUR m)	Q1-2018	Q1-2017
Total EBITDA	11.6	12.5

in EUR m	Q1-2018	Q1-2017
Nursing & Living	20.5	20.0
Other	3.0	3.0

in EUR m	Q1-2018	Q1-2017
Staff	(13.1)	(12.1)
Rent / lease (inter-company)	(3.7)	(3.7)
Other	(5.4)	(5.1)

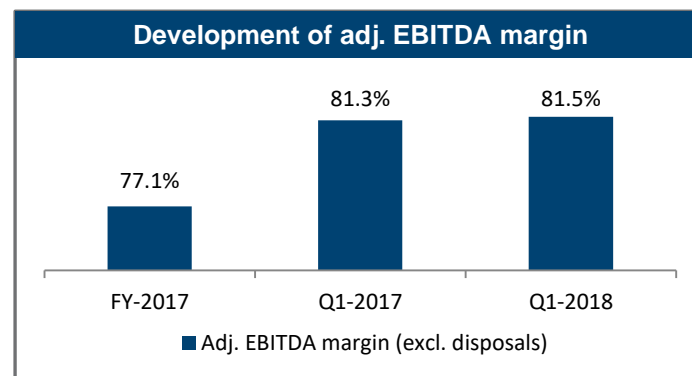
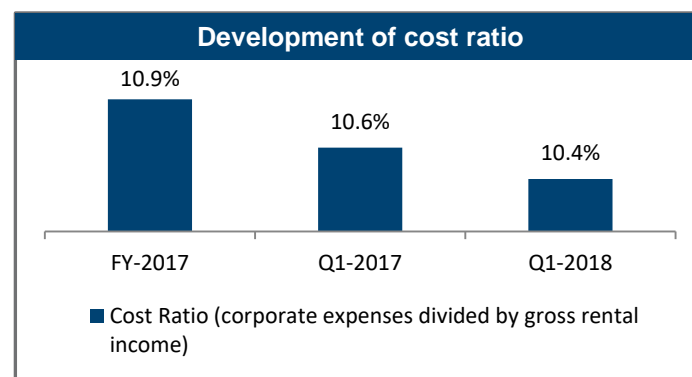
Margin decline mainly from increasing staff expenses (use of temporary employees, wage inflation and additional headcount)

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

- Slight decrease of EBITDA contribution YoY due to wage inflation
- Occupancy level of facilities managed by Katharinenhof at 97.8% per Q1-2018

» EBITDA margin stable above 80%

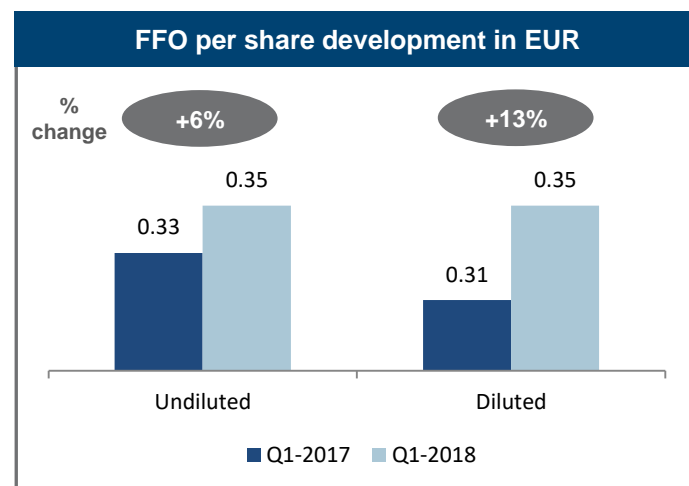
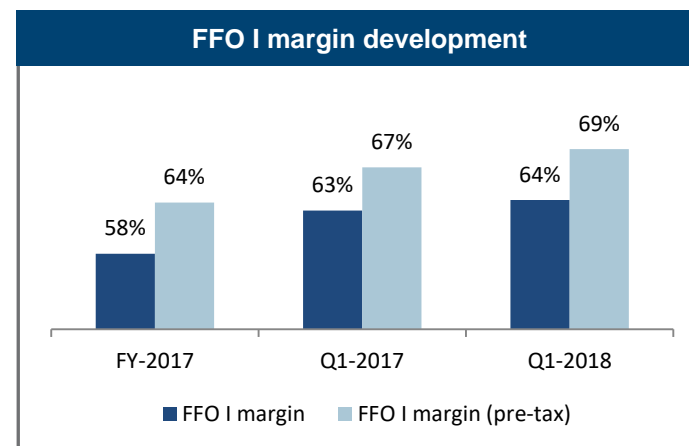
in EUR m	Q1-2018	Q1-2017
Earnings from Residential Property Management	163.7	154.2
Earnings from Disposals	4.8	8.6
Earnings from Nursing and Assisted Living	11.6	12.5
Segment contribution margin	180.1	175.3
Corporate expenses	(20.0)	(19.1)
Other operating expenses/ income	0.5	(1.0)
EBITDA	160.6	155.2
One-offs	1.4	0.1
Adj. EBITDA (incl. disposals)	162.0	155.3
Earnings from Disposals	(4.8)	(8.6)
Adj. EBITDA (excl. disposals)	157.2	146.7



- Stable adj. EBITDA margin (excl. disposals) above 80% despite increase in personnel expenses

» FFO I per share growth of 6% to improve throughout 2018

in EUR m	Q1-2018	Q1-2017
EBITDA (adjusted)	162.0	155.3
Earnings from Disposals	(4.8)	(8.6)
Long-term remuneration component (share based)	0.0	1.1
Finance lease broadband cable network	0.1	0.0
At equity valuation	0.7	0.2
Interest expense/ income (recurring)	(22.8)	(24.6)
Income taxes	(10.5)	(8.3)
Minorities	(1.6)	(2.0)
FFO I	123.1	113.1
Earnings from Disposals	4.8	8.6
FFO II	127.9	121.7
FFO I per share in EUR¹⁾	0.35	0.33
<i>Diluted number of shares²⁾</i>	354.7	363.4
<i>Diluted FFO I per share²⁾ in EUR</i>	0.35	0.31
FFO II per share in EUR¹⁾	0.36	0.35



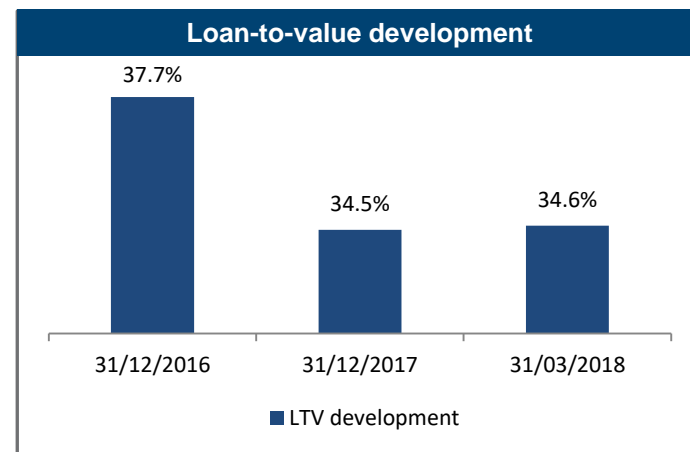
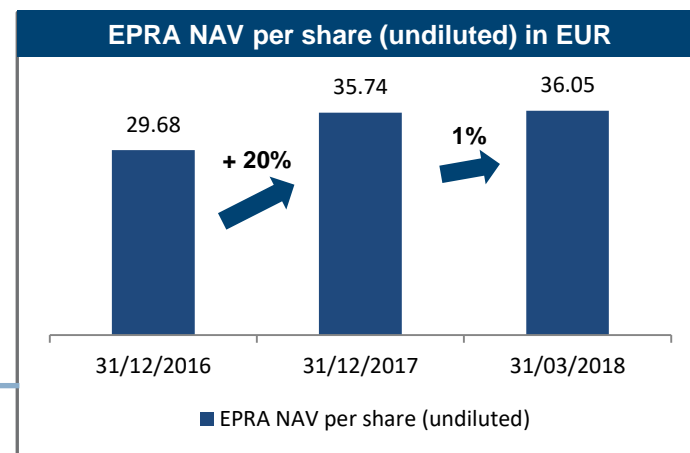
- FFO I margin improved by 2pp, mainly through operating performance and further lowering of financing costs

1) Based on weighted average shares outstanding (Q1 2018: 354,67m, Q1 2017: 344.35m)

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

» EPRA NAV per share stable in Q1 2018

in EUR m	31/03/2018	31/12/2017
Equity (before non-controlling interests)	9,991.5	9,888.2
Fair values of derivative financial instruments	0.5	2.0
Deferred taxes (net)	2,794.5	2,786.6
EPRA NAV (undiluted)	12,786.5	12,676.8
Shares outstanding in m	354.7	354.7
EPRA NAV per share in EUR (undiluted)	36.05	35.74
Effects of exercise of convertibles	0.0 ¹⁾	0.0 ¹⁾
EPRA NAV (diluted)	12,786.5	12,676.8
Shares diluted in m	354.7 ²⁾	354.7 ²⁾
EPRA NAV per share in EUR (diluted)	36.05	35.74



- Next revaluation with H1- 2018 financials envisaged

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

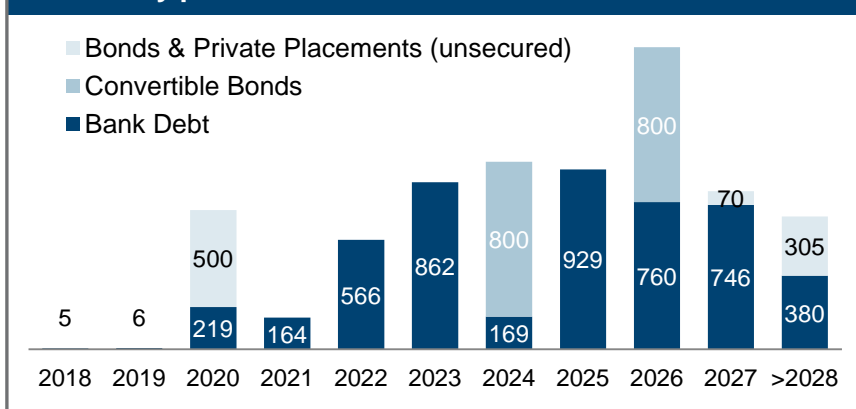
2) Currently both convertible bonds are out-of-the-money; strike prices are at EUR 48.30 and EUR 50.85 as of 31-Mar-2018

» Conservative long-term capital structure

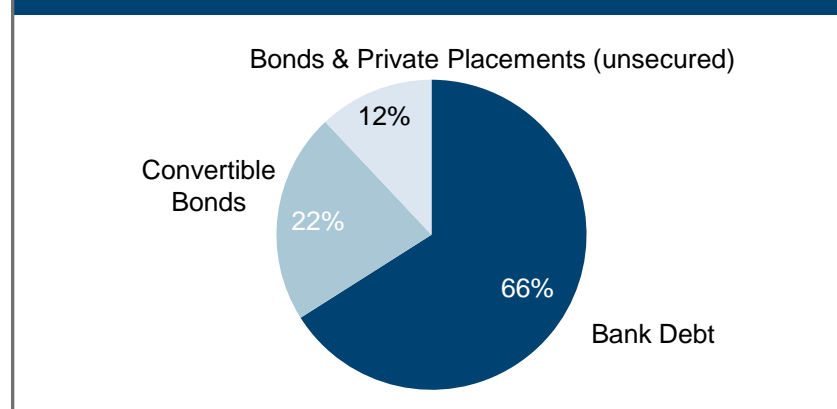
Rating	A- / A3; stable outlook
Ø maturity	~ 7.7 years
% secured bank debt	66%
% unsecured debt	34%
Ø interest cost	1.3% (~88% hedged)
LTV target range	35-40%

- Low leverage, long maturities and strong rating
- Flexible financing approach to optimize financing costs
- LTV at 34.6% as of Q1 2018 (-1.5pp yoy)
- ICR (adjusted EBITDA excl. disposals / net cash interest) ~6.9x (+0.9x yoy)
- Short-term access to c. EUR 1bn liquidity through CP program and RCFs

Maturity profile in EUR m based on notional amounts¹⁾



Debt structure¹⁾



1) As of 31 March 2018, excluding commercial papers

» Guidance unchanged

	FY-2017	FY-2018e	Main drivers/ comments
FFO I (EUR m)	432.3	~470	Operational performance
Dividend per share (EUR)	0.80	~0.86	Based on 65% pay-out ratio from FFO I and current shares outstanding
LTV	34.5%	35-40% (target range)	Aim to keep current rating
Like-for-like rental growth	4.4%	~3%	<ul style="list-style-type: none"> ▪ ~3% based on in-place rent in EUR/ sqm ▪ 4-5% based in P&L impact (timing effect)

» Appendix

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

Südwestkorsor, Berlin



Siemensstadt, Berlin



Otto-Suhr-Siedlung, Berlin



Oranienkiez, Berlin



Hellersdorf, Berlin



Carl-Legien-Siedlung, Berlin



Hufeisensiedlung, Berlin



Dresden



» More than EUR 8bn value potential for residential portfolio

	Multiple		Underlying rent (EUR m)		Fair Value (EUR m)	Fair Value (EUR/sqm)	Description
Current portfolio (31-Dec-2017)	25	x	767	≅	18,864	EUR 1,886	<ul style="list-style-type: none"> Fair Value of residential portfolio as of 31-Dec-2017
Rent potential "operate" stock	25	x	150	≅	3,750		<ul style="list-style-type: none"> Based on difference of achieved re-letting rents and current in-place rent (excluding capex stock and rent restricted units)
Rent potential "capex" stock	30	x	80	≅	2,400		<ul style="list-style-type: none"> Based on difference of market rent post investment vs. current in-place rent As capex investments lead to fully refurbished stock, higher multiple applicable
Regulation gap	25	x	75	≅	1,875		<ul style="list-style-type: none"> Gap between currently observed market rent of c. EUR 9.00¹⁾ and new letting rent impacted by rent regulation (excluding capex stock)
Estimated Potential			1,072 (ERV)	≅	26,889	EUR 2,781	Estimated Fair Value based on <u>today's</u> observed market rent levels

- Estimated Rental Value (ERV) of >EUR 1 bn represents a Fair Value potential of almost EUR 2,800 per sqm and translates into more than 50% NAV upside potential

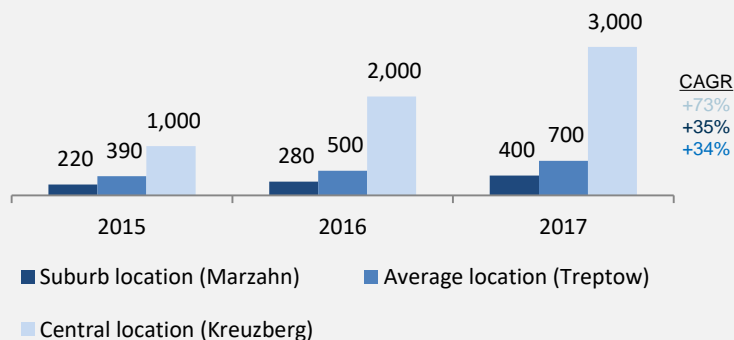
1) Empririca (on postal code basis)

» Significant scope for rent potential to widen further in Berlin

Replacement costs

- Average replacement costs > EUR 3,500 per sqm, predominately driven by increase of prices for land plots
 - Replacement costs at 1.7x DW Berlin book value
 - New construction requires at least EUR 12 per sqm/ month to allow for 3.5% gross yield¹⁾
- Demand supply shortage expected to continue
 - Current shortage of c. 100,000 units; expected to grow to > 200,000 units by 2030
 - New supply at current run rate of c. 14,000 units (thereof ~40% condominiums) is not sufficient

Examples for development of land prices in Berlin (EUR/ sqm)²⁾



- For pick-up of new construction activity further increase of market rents required

Affordability

- Average DW apartment size of only 60 sqm offers competitive advantage in terms of affordability
 - Increasing demand from 1-2 person(s) households
- Based on average DW in-place rent of EUR 6.52 per sqm and including ancillary costs average monthly rent appears affordable with EUR ~540
- Market rent for fully refurbished apartment leading to average monthly rent of EUR ~810

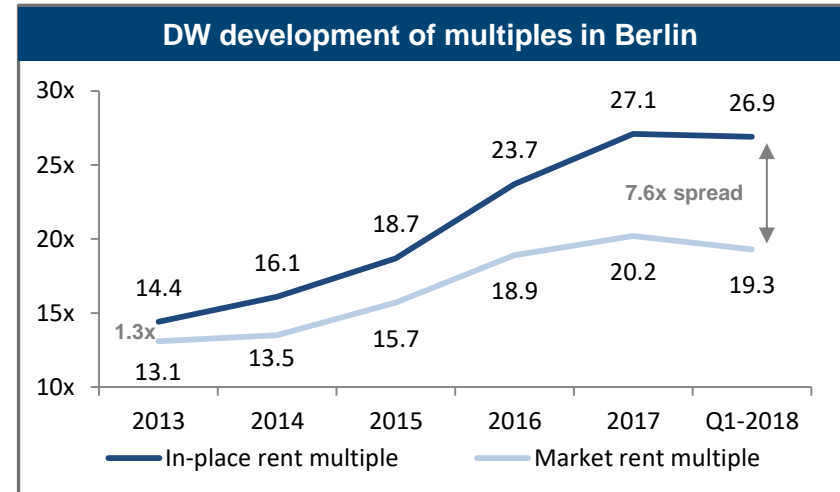
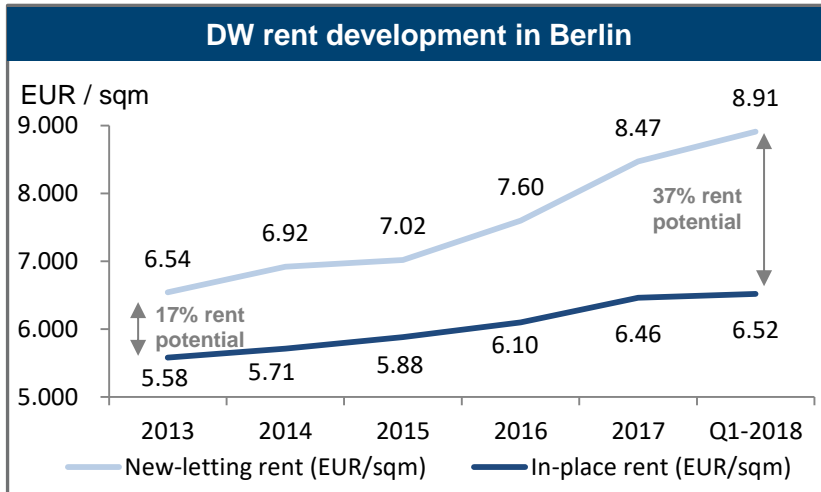
Examples for rents in Berlin

	DW in-place rent	DW re-letting rent	Market rent ³⁾
Rent (EUR/sqm)	6.52	8.91	11.00
Average ancillary cost (EUR/sqm)	2.50	2.50	2.50
Average DW apartment size	60 sqm	60 sqm	60 sqm
Average rent per month (EUR)	EUR 541	EUR 685	EUR 810

- Berlin rent levels screen well from an affordability perspective

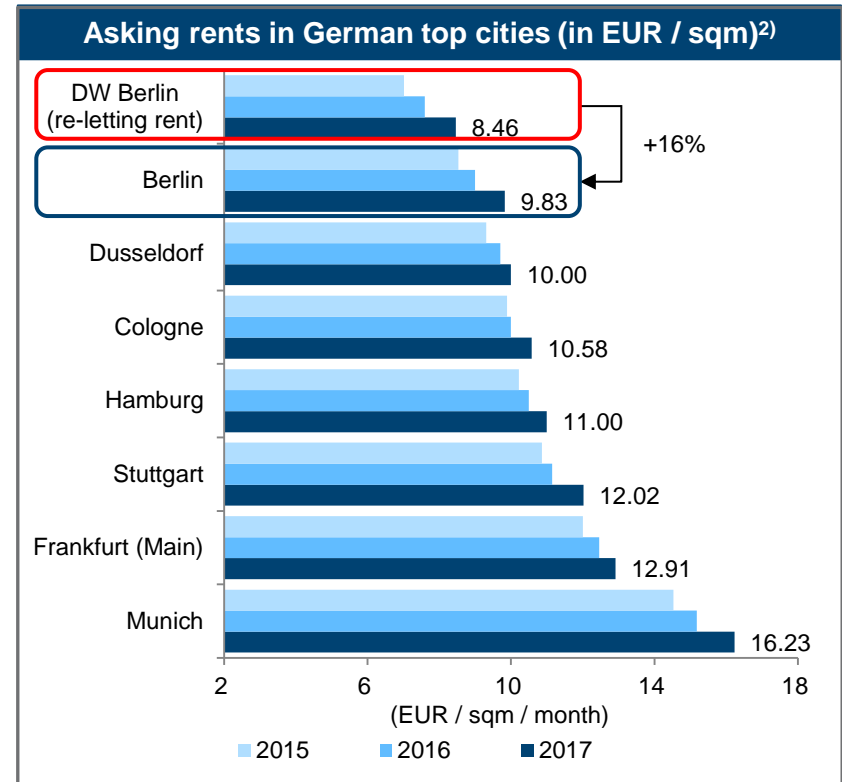
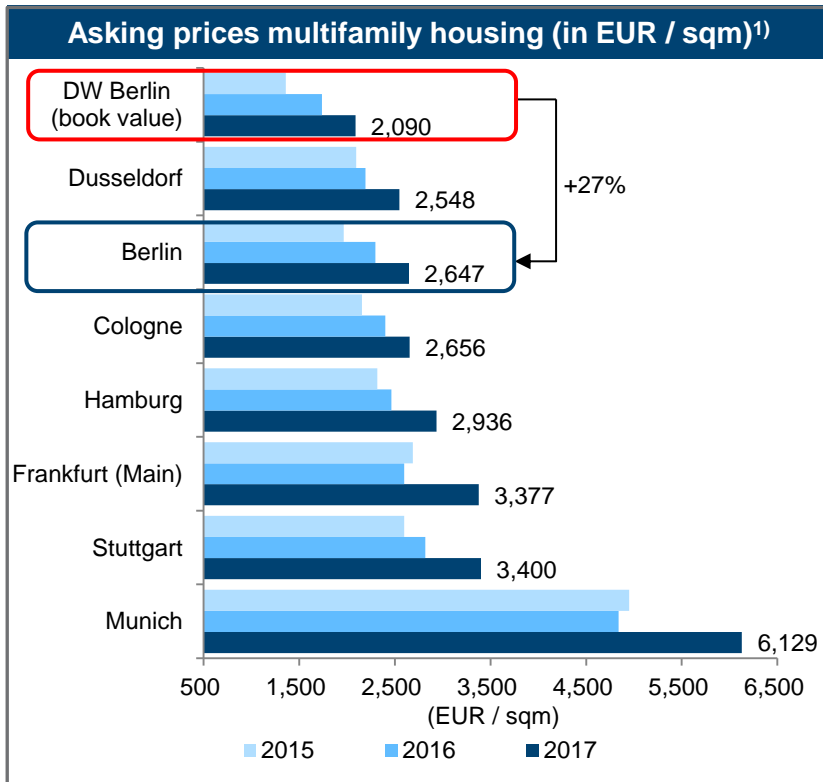
1) Given development of replacement cost and social quota as part of zoning process
 2) Source: Committee on Berlin Property Values (Gutachterausschuss Bodenrichtwerte)
 3) Market rent for fully refurbished apartments in Berlin

» Re-letting rents continue to outpace in-place rents



- Total rent potential for entire portfolio (incl. effects of capex program) stable at EUR 230m; unlocking that rent potential as key driver for organic NAV growth
- Spread between in-place and market multiples significantly widened over the last 5 years, implying significant further value upside potential over the coming years

» Current level of rents and prices offer significant growth potential



- 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. 27% above Deutsche Wohnen Fair Value per sqm
 - CBRE asking rents c. 16% above current re-letting rent of Deutsche Wohnen portfolio in Berlin

1) CBRE median asking prices 2017, DW portfolio valuation
 2) CBRE asking rents 2017, DW portfolio valuation

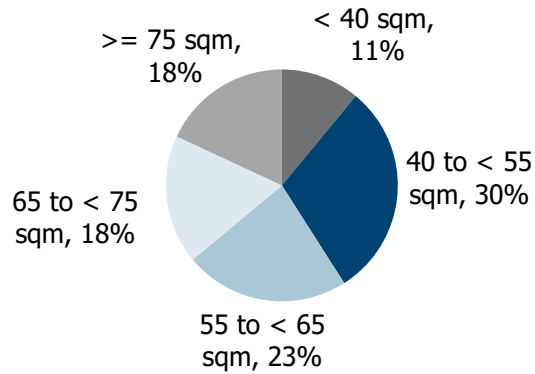
» Strong like-for-like development in particular in Berlin

Like-for-like 31/03/2018	Residential units number	In-place rent ²⁾ 31/03/2018 EUR/sqm	In-place rent ²⁾ 31/03/2017 EUR/sqm	Change y-o-y	Vacancy 31/03/2018 in %	Vacancy 31/03/2017 in %	Change y-o-y
Letting portfolio¹⁾	150,045	6.44	6.17	4.4%	1.8%	1.6%	0.2 pp
Core⁺	131,363	6.54	6.25	4.6%	1.7%	1.6%	0.1 pp
Greater Berlin	107,896	6.48	6.16	5.1%	1.8%	1.6%	0.2 pp
Rhine-Main	9,151	7.71	7.50	2.8%	1.4%	1.5%	-0.1 pp
Rhineland	4,913	6.30	6.17	2.1%	0.9%	1.1%	-0.2 pp
Mannheim/Ludwigshafen	4,419	6.00	5.84	2.8%	0.9%	0.6%	0.3 pp
Dresden / Leipzig	4,004	5.48	5.37	2.1%	2.6%	2.4%	0.2 pp
Other Core ⁺	980	10.41	10.33	0.9%	0.3%	0.2%	0.1 pp
Core	18,682	5.76	5.59	3.0%	2.2%	2.0%	0.2 pp
Hanover / Brunswick	9,089	5.84	5.68	2.9%	1.9%	1.9%	0.0 pp
Kiel / Lübeck	4,945	5.80	5.55	4.5%	1.9%	2.1%	-0.2 pp
Other Core	4,648	5.53	5.45	1.6%	3.1%	2.2%	0.9 pp
Total	154,408³⁾	6.42	6.15	4.4%	1.9%	1.7%	0.2 pp

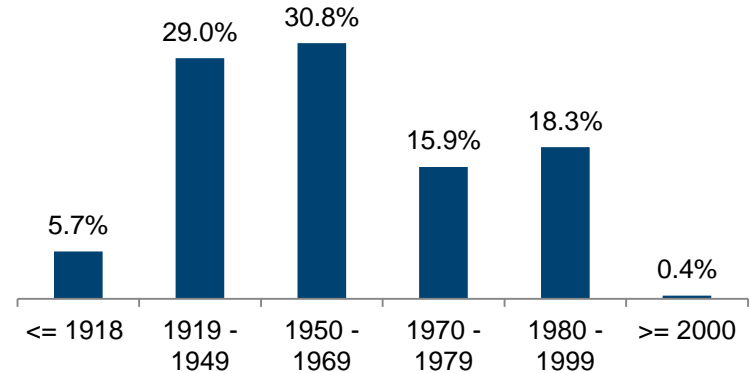
1) Excluding disposal portfolio and non-core portfolio; 2) Contractually owed rent from rented apartments divided by rented area; 3) Total L-F-I stock incl. Non-Core

» Portfolio structure – characteristics meeting strong demand

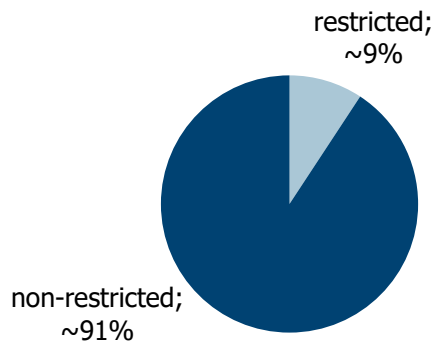
Apartment size Ø 60 sqm



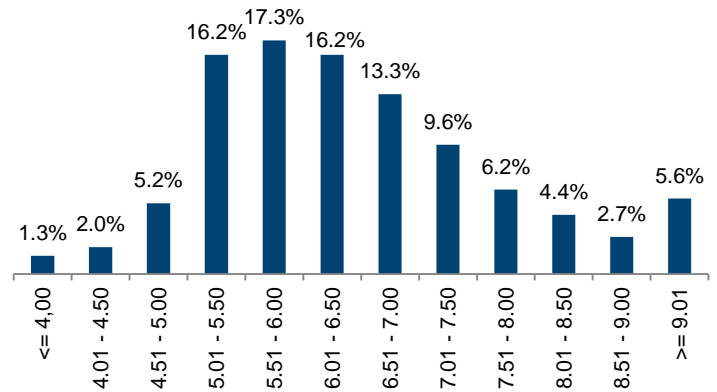
Year of construction



Rental restrictions (expiring over time)



In-place rent (Ø 6.40 EUR/sqm/month)



Note: figures as of 31-Dec-2017

» Berlin – The place to be!



Government

Seat of parliament, government and professional associations¹⁾

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 2016	13,659 ⁴⁾	+27%
Ø asking rent per sqm/month ⁵⁾	EUR 9.83	+9.2%
Ø asking price per sqm ⁵⁾	EUR 2,647	+15.3%

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

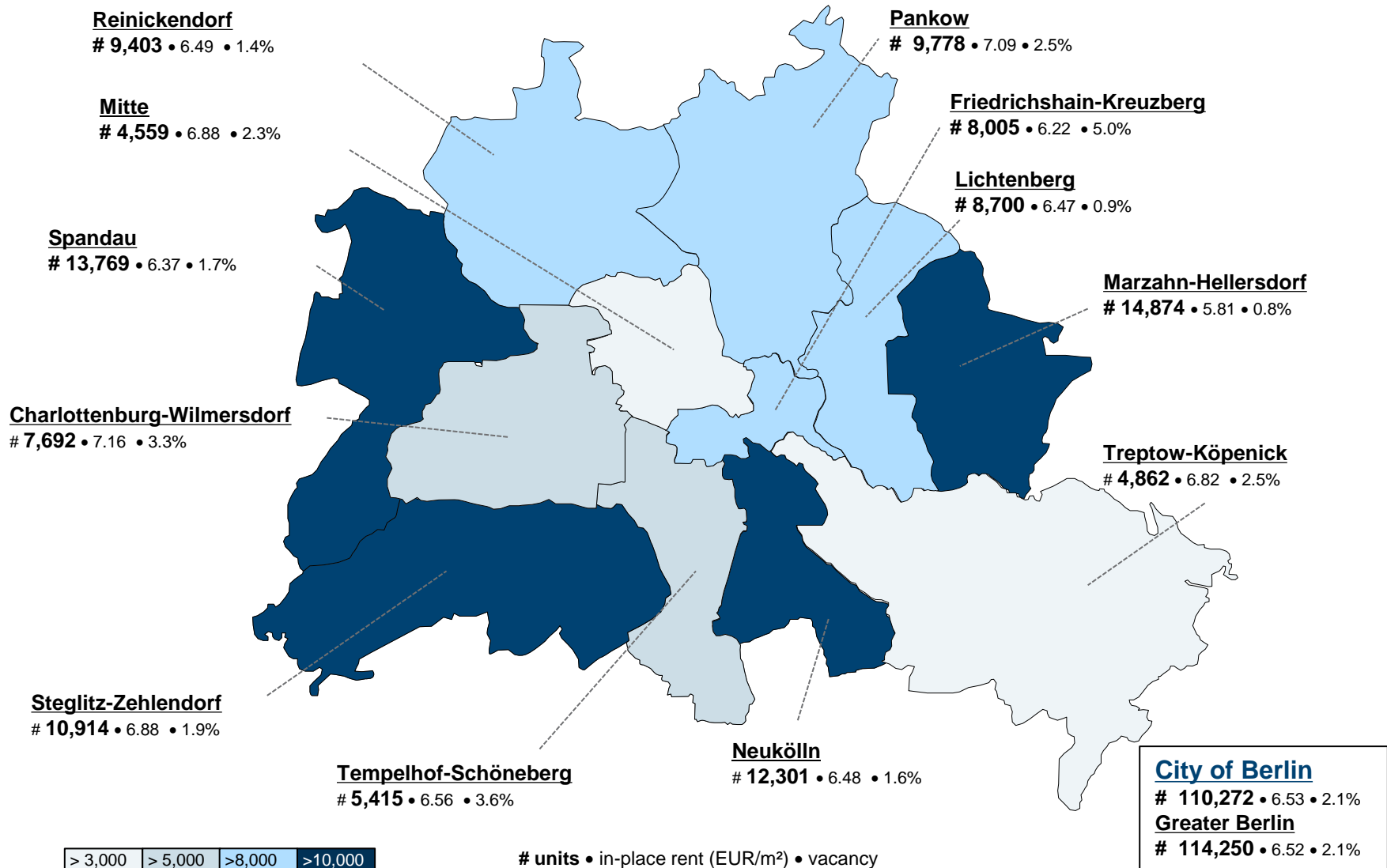
2) CBRE

3) visitberlin / Berlin Institute for Statistics

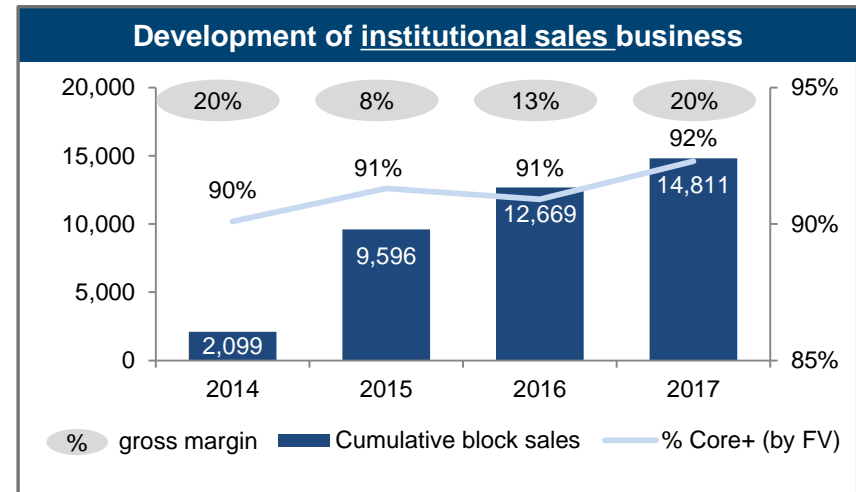
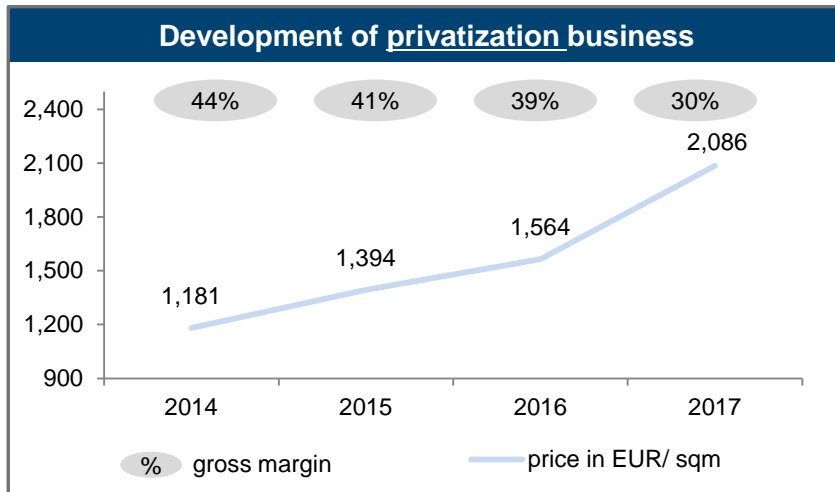
4) Latest number available is of 2016

5) CBRE asking rents and asking prices for multifamily housing

» THE BERLIN-PORTFOLIO AT A GLANCE



» 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 realized prices increased by 77%
- No reliance on free cash flow generation to finance investment program

- 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 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**

» Best in class Nursing and Assisted Living portfolio

Uferpalais, Berlin



Im Schlossgarten, Brandenburg



Wolkenstein, Saxony



Wilsdruff, Saxony



Quellenhof, Saxony



Am Schwarzen Berg, Lower Saxony



Garpfen, Lower Saxony



Am Auensee, Saxony



Oberau, Bavaria



Blankenese, Hamburg



Zum Husaren, Hamburg



Am Lunapark, Saxony



» Nursing and Assisted Living segment

Nursing identified as attractive driver for further external growth

Assets including operations

Managed by owner ¹⁾	Region	Facilities #	Beds #	Occupancy rate
	Greater Berlin	12	1,441	98.2%
	Hamburg	3	492	94.7%
	Saxony	7	492	99.6%
	Lower Saxony	1	131	97.9%
	In-house operations	23	2,556	97.8%

Assets excluding operations

Other operators	Region	Facilities #	Beds #	WALT
	Bavaria	7	999	11.5
	North-Rhine Westphalia	5	908	12.8
	Lower Saxony	4	661	10.2
	Rhineland-Palatinate	4	617	12.4
	Baden-Württemberg	5	573	13.0
	Other	3	374	9.1
	Total other operators	28	4,132	11.4
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. 24%, 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 operational¹⁾ 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 ~713m, translating into attractive RoCE of ~7% for low risk DW business model

¹⁾ Managed through participation in Katharinenhof

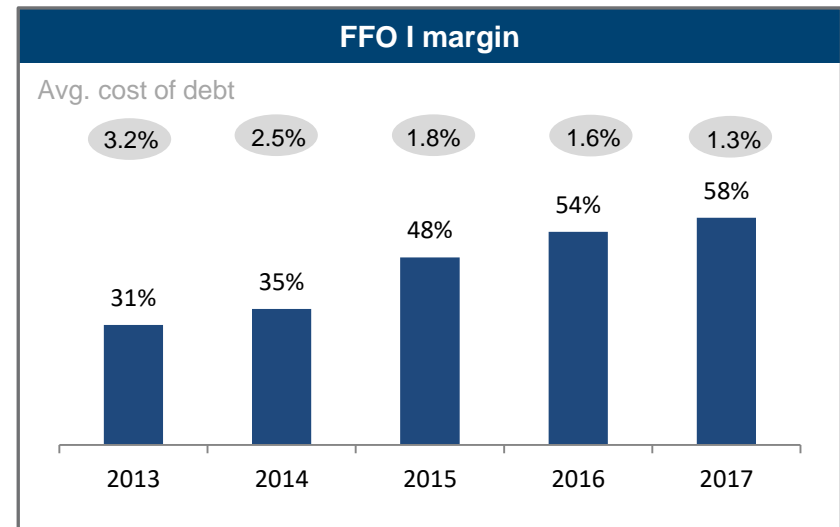
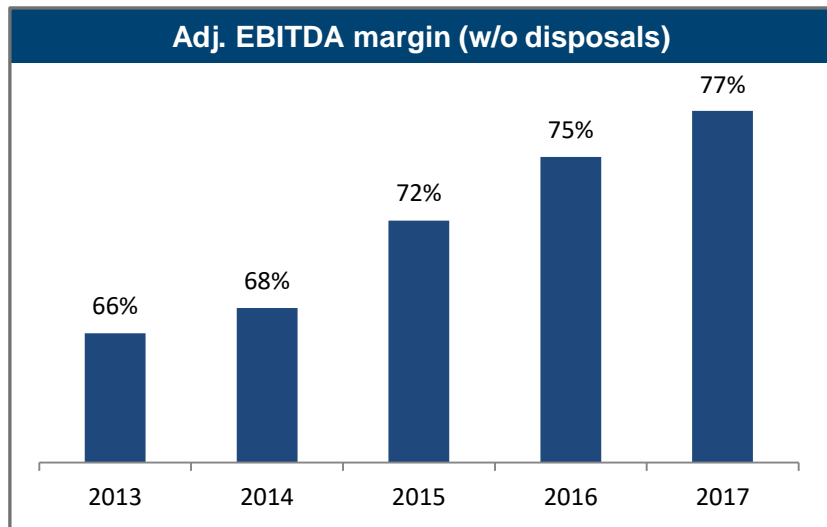
» Acquisition track record since 2013

Main acquisitions (>1,000 units deal size)				Fair Value in EUR/sqm			In-place rent in EUR/sqm		
Year	Deal	Residential units #	Location	At Acquisition	31/12/2017	Δ	At Acquisition	31/12/2017	Δ
2013	Centuria	5,200	Berlin	711	1,803	154%	4.65	5.67	22%
	Larry	6,500	Berlin	842	1,706	103%	4.97	5.88	18%
	GSW	60,000	Berlin	960	2,072	116%	5.44	6.40	18%
2015	Windmill	~4,600	Berlin	1,218	1,803	48%	5.12	5.72	12%
	Henry	~1,600	Berlin	1,302	1,835	41%	5.26	5.65	7%
	Accentro	1,200	Berlin	1,227	2,016	64%	5.14	5.70	11%
2016	Olav	15,200		1,342	1,774	32%	5.92	6.52	10%
	<i>thereof</i>	~5,200	<i>Berlin</i>	1,469	1,959	33%	5.55	6.32	14%
		~3,800	<i>Kiel</i>	1,043	1,264	21%	5.37	5.63	5%
		~1,000	<i>other Core+</i>	3,159	3,159	0%	10.34	10.42	1%
2017	Helvetica	~3,900	Berlin	2,390	2,645	11%	6.95	7.53	8%
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

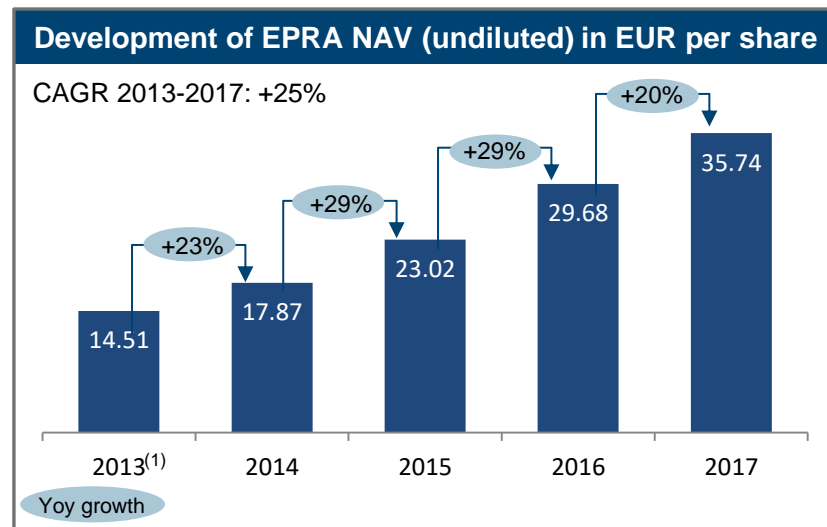
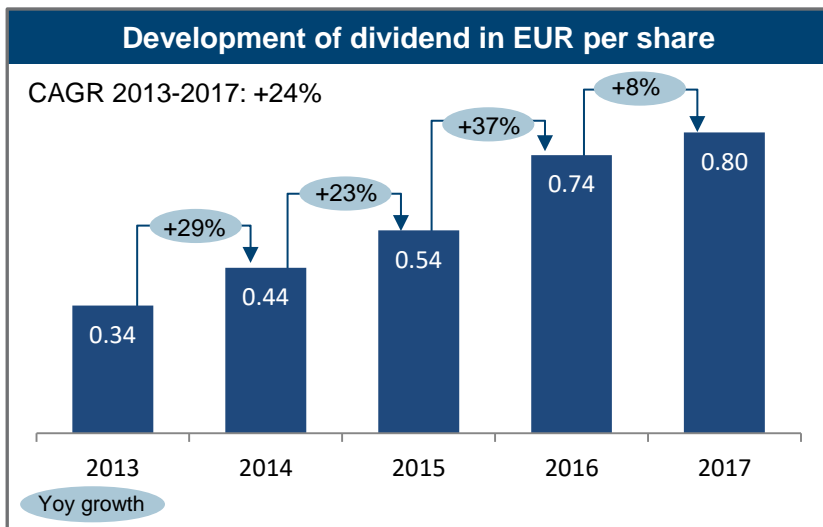
» Operational and financial improvements drive margins



- 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)

1) As reported, no scrip adjustment

» Bridge from adjusted EBITDA to profit

in EUR m	Q1-2018	Q1-2017
EBITDA (adjusted)	162.0	155.3
Depreciation	(1.9)	(1.7)
At equity valuation	0.7	0.2
Financial result (net)	(26.2)	(38.3)
EBT (adjusted)	134.6	115.5
One-offs	(2.6)	(9.2)
Valuation SWAP and convertible bonds	(3.8)	(31.1)
EBT	128.2	75.2
Current taxes	(10.5)	(9.7)
Deferred taxes	(14.3)	(18.2)
Profit	103.4	47.3
<i>Profit attributable to the shareholders of the parent company</i>	101.3	45.3
Earnings per share ¹⁾	0.29	0.13

in EUR m	Q1-2018	Q1-2017
Interest expenses	(23.6)	(24.7)
<i>In % of rental income</i>	~12.2%	~13.7%
Non-cash interest expenses	(3.4)	(13.7)
	(27.0)	(38.4)
Interest income	0.8	0.1
Financial result (net)	(26.2)	(38.3)

1) Based on weighted average shares outstanding (Q1 2018: 354.67m; Q1 2017: 344.35m)

» Summary balance sheet

Assets

in EUR m	31/03/2018	31/12/2017
Investment properties	19,769.2	19,628.4
Other non-current assets	175.6	134.4
Derivatives	4.1	3.3
Deferred tax assets	1.9	0.4
Non current assets	19,950.8	19,766.5
Land and buildings held for sale	295.9	295.8
Trade receivables	37.2	15.5
Other current assets	93.5	97.9
Cash and cash equivalents	350.6	363.7
Current assets	777.2	772.9
Total assets	20,728.0	20,539.4

Equity and Liabilities

in EUR m	31/03/2018	31/12/2017
Total equity	10,316.4	10,211.0
Financial liabilities	4,739.3	4,751.1
Convertibles	1,673.6	1,669.6
Bonds	876.6	826.6
Tax liabilities	36.5	27.2
Deferred tax liabilities	2,512.8	2,496.7
Derivatives	4.8	5.3
Other liabilities	568.0	551.9
Total liabilities	10,411.6	10,328.4
Total equity and liabilities	20,728.0	20,539.4

- Investment properties represent ~95% of total assets

- Strong balance sheet structure offering comfort throughout market cycles

» Management board and areas of responsibilities



Michael Zahn

*Chief Executive Officer
(CEO)*

More than 20 years in the firm

Areas of responsibility:

- Strategy
- Asset Management
- Controlling
- Strategic participations
- HR
- PR & Marketing



Lars Wittan

*Chief Operating Officer
(COO)*

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

Areas of responsibility:

- Letting business
- Rent development
- Portfolio investments
- New construction
- IT



Philip Grosse

*Chief Financial Officer
(CFO)*

*Since 2013 at Deutsche Wohnen,
since 2016 CFO*

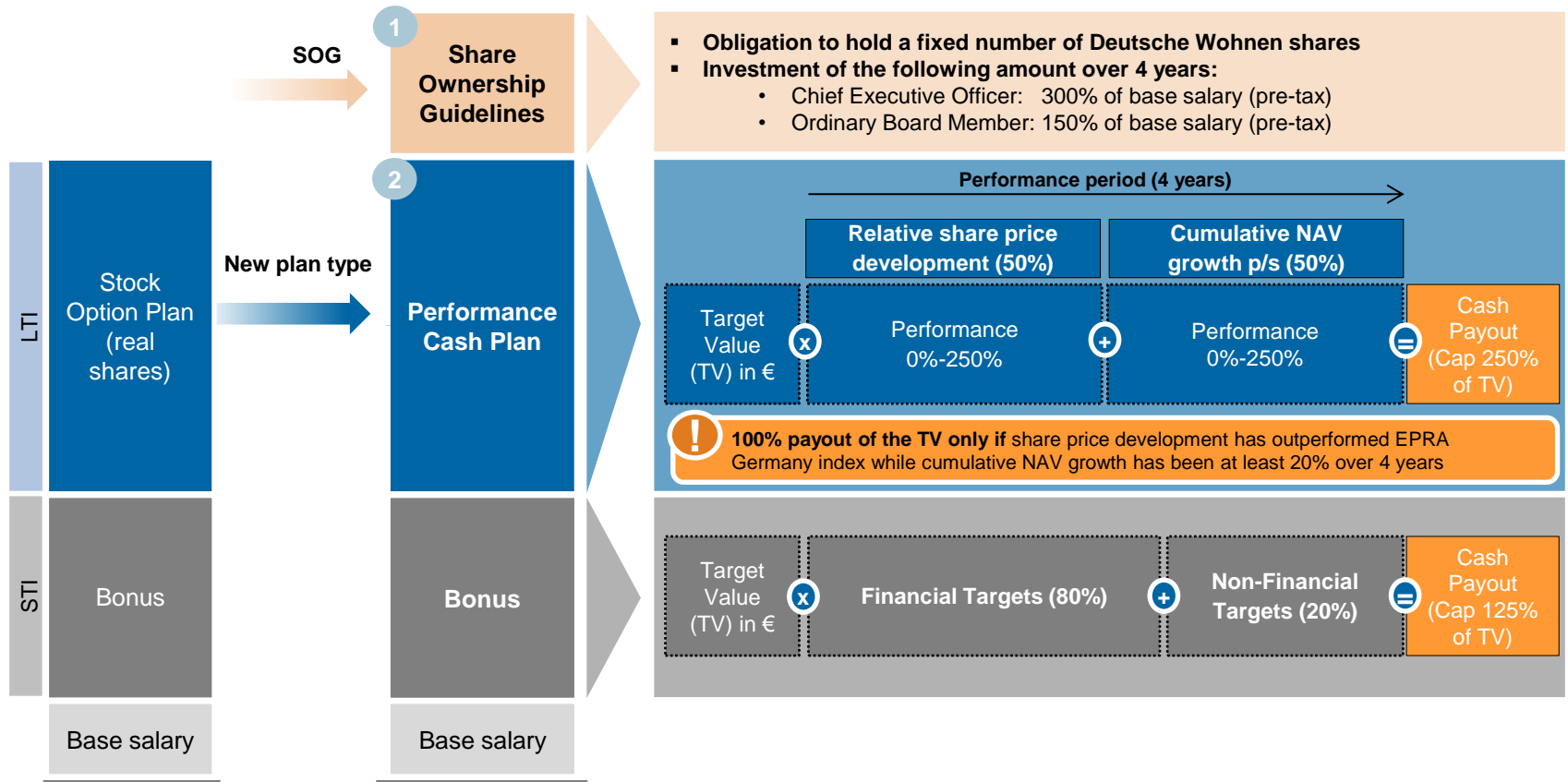
Areas of responsibility:

- Accounting/ Tax
- Financing
- Treasury
- Investor Relations
- Legal/Compliance
- Risk Management

» 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

» Disclaimer

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