



Aug 2023

LEG Immobilien SE

Company Presentation

LEG

Affordable housing in Germany

Made in NRW – Rolled out to Germany

Aachen



Bremen



Dusseldorf



Duisburg



Flensburg



Hamm



Hanover



Kaiserslautern



Mannheim



Münster



Remscheid



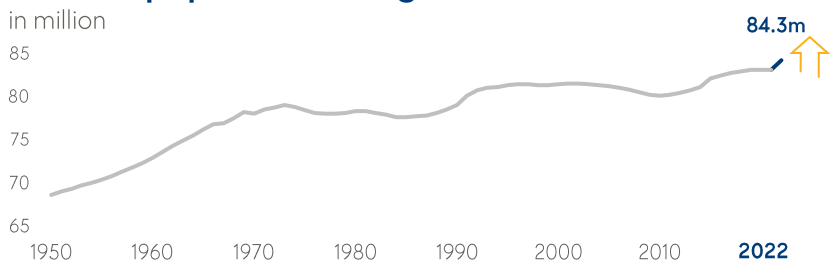
Solingen



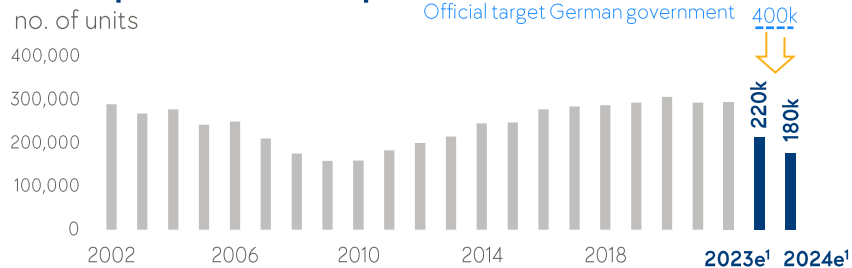
Demand – supply imbalance will persist for the coming years

Immigration remains a driver to further push demand for affordable units while new supply erodes

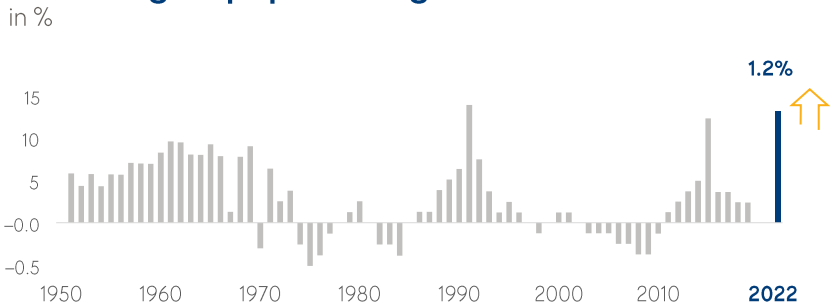
German population at highest level ever in 2022



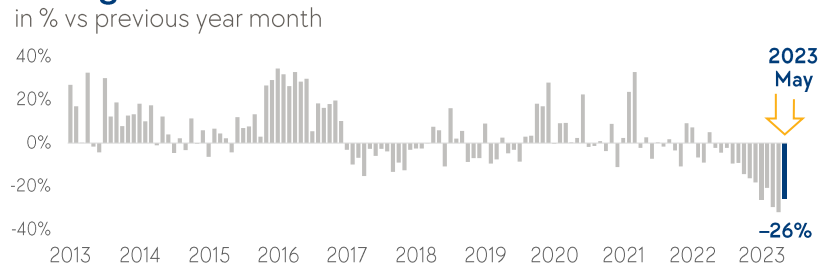
New apartments completed



2nd strongest population growth in 2022



No. of building permissions for apartments with strongest decline within last decade



Source: destatis/ 1 GDW (2023) and Macroeconomic Policy Institute (IMK) (2024)

Ongoing strong performance of operations

AFFO-guidance increased to €165m - €185m

Financials



- AFFO **+49.4%** to **€118.6m**
- AFFO p.s. **+46.8%** to **€1.60**
- FFO I **-6.4%** to **€226.0m**
- Adj. EBITDA-Margin **80.9%**
- LTV **46.6%**
 - Debt @ **6.1y** for **1.40%**
- NTA p.s. **€136.29**

Operations



- Net cold rent **+4.6%**
- I-f-I rental growth **+4.3%**
- I-f-I vacancy **2.6%** (-10bps)

ESG



- Site visit from **Vice-Chancellor**/Federal Minister for Economic Affairs and Climate Action **Robert Habeck** (Green Party) at serial refurbishment site of **RENOWATE**
- **AI-based thermostat** from LEG's joint venture seero.io for hydraulic balancing about to start **pre-series production**
- **SBTi** to be validated by end of August 2023

H1-2023

AFFO-guidance increased to €165m – €180m

Less capex for new construction and lower energy tax effect

Transaction markets remain calm
H1-2023 devaluation of 7.4%

Strong rent growth continues

Increased guidance to +3.8% – +4.0% rental growth

Successful refinancings and strong liquidity position
2023 and 2024 bond maturity covered

Guidance 2023: Focus on AFFO

Well on track – guidance increased already ahead of H1-reporting



	Guidance 2023 ¹
AFFO ²	€165m – 180m
Adj. EBITDA margin ³	c.80%
I-f-I rent growth	3.8% – 4.0%
Investments	c. 35€/sqm
LTV	Medium-term target level max. 43%
Dividend	100% AFFO as well as a part of the net proceeds from disposals

Disposals Not reflected¹

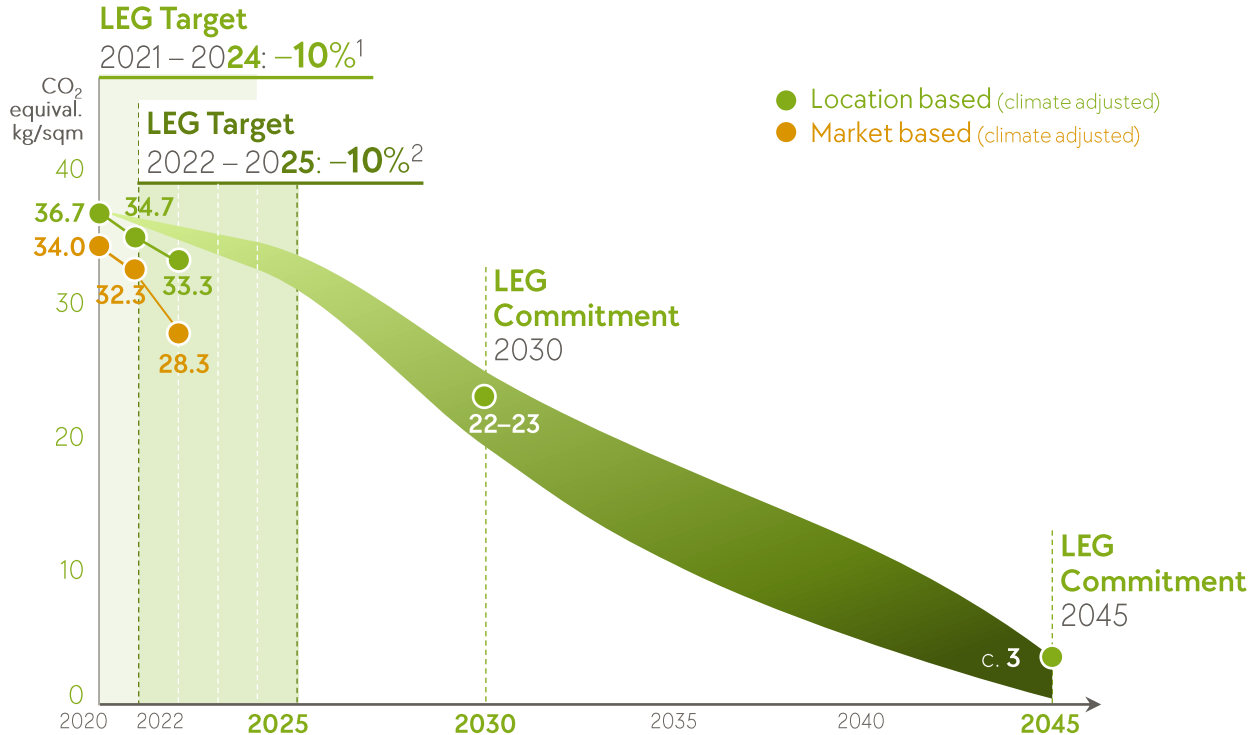
Environment	2023–2026	Reduction of persistent relative CO ₂ emission saving costs in €/ton by 10% achieved by permanent structural adjustments to LEG residential buildings
	2023	
Social	2023–2026	Improve high employee satisfaction level to 70% Trust Index Timely resolution of tenant inquiries regarding outstanding receivables
	2023	
Governance	2023	85% of Nord FM, TSP, biomass plant, 99% of all other staff holding LEG group companies have completed digital compliance training

¹ Guidance based on 167 k units. ² Adjusted for capex financed in full by subsidised, long-term loans accounted for at fair value or at cost; currently no such projects are planned; if those projects are contracted, these will be reported separately.

³ Based on the adjusted EBITDA definition effective since business year 2023, i.e. excluding maintenance (externally-procured services) and own work capitalized.

Strong CO₂ reduction of 15% in 2022

Well on track for our target towards climate neutrality

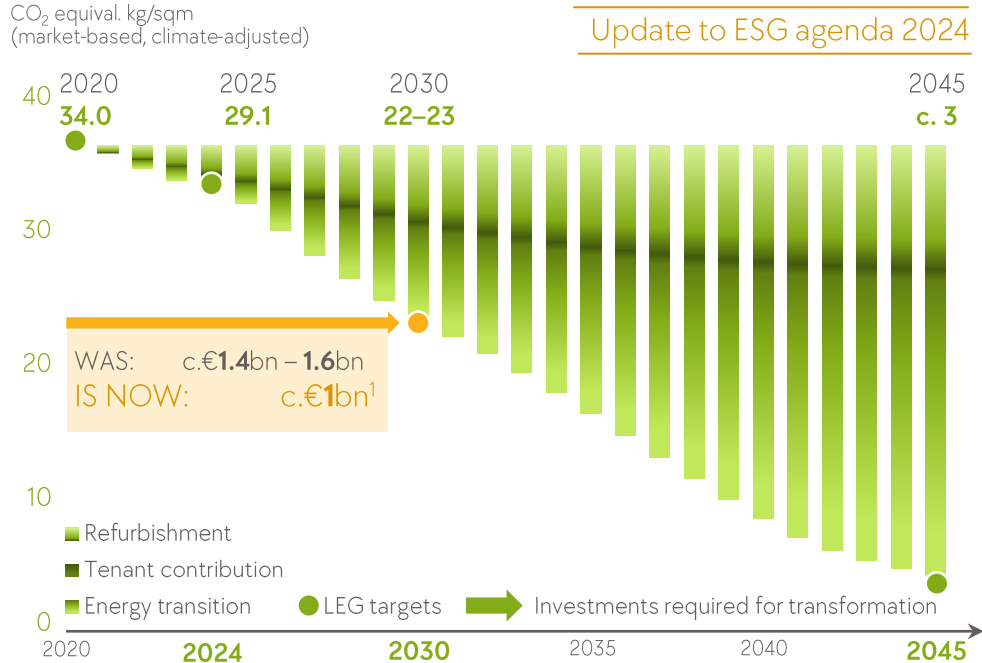


- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via LTI-component of compensation scheme
- 2023-26 LTI component envisages a **10%** efficiency improvement for investments undertaken
- Strong reduction in 2022 by **4%** to **33.3kg** (location based) and by **12%** to **28.3kg** (market based)
- Key driver:
 - **4,028t** CO₂ savings from energetic refurbishments
 - better footprint of our district heating grid based on actual certificates of our utility provider vs. original assumption of market average

¹ Based on FY20 CO₂ level. ² Based on FY21 CO₂ level. ³ Based on German buildings energy act (GEG).

Transition roadmap towards climate neutrality

Energy transition and energetic refurbishment are the main drivers to reach the targets



Refurbishment

- At least **30%** efficiency improvement
- Insulation of the building shell, incl. windows and doors
- Contribution of **25% – 30%**

Smart meter/ Tenant engagement

- Digitisation of heating system via smart metering
- Education and incentivisation of tenants
- Contribution of up to **5%**

Energy transition

- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's path
- Contribution of **65% – 70%**

¹ Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on wide role-out of air-2-air heat pumps and introduction of smart thermostats.

LEG positions itself as first mover solutions provider

Digitisation and smart technology to push change

Serial refurbishment

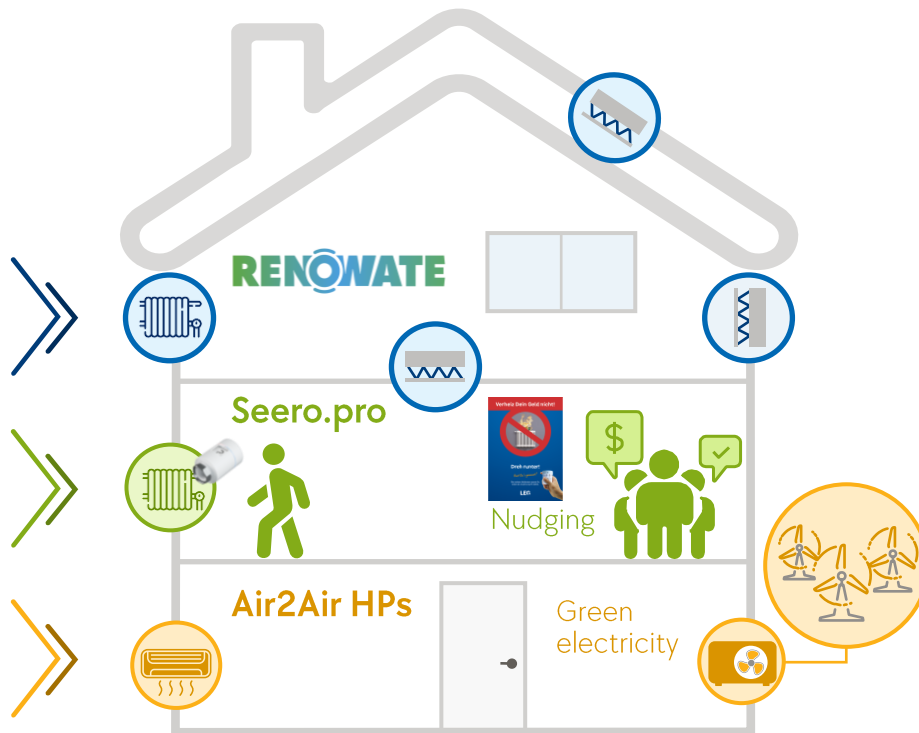
- Insulation of the building shell, incl. windows and doors
- At least **30%** efficiency improvement
- Additional **15%** subsidies from BEG

Smart technology/ Tenant engagement

- Hydraulic optimisation by digitising radiators
- **30%** reduction in carbon emissions expected
- Avoidance of **€30m** regulatory compliance costs

Energy transition

- Widespread adoption of Air2Air heat pumps
- Increasing energy efficiency standard, e.g., from **G to C**
- Saving up to **€500m** for carbon reduction until 2030¹



¹ Against original ESG 2024 agenda with assumed investments of c. €1.5bn until 2030. See slide 35.

IR Contact



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