MOODY'S
INVESTORS SERVICE

CREDIT OPINION
5 September 2019

Update

Rate this Research

RATINGS

Deutsche Wohnen SE

Domicile	Germany
Long Term Rating	A3
Type	LT Issuer Rating - Fgn Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Oliver Schmitt +49.69.70730.732
VP-Sr Credit Officer
oliver.schmitt@moodys.com

Moritz Mayer +49.69.70730.951
Associate Analyst
moritz.mayer@moodys.com

Anke Rindermann +49.69.70730.788
Associate Managing Director
anke.rindermann@moodys.com

Deutsche Wohnen SE

Update to credit analysis

Summary Rating Rationale

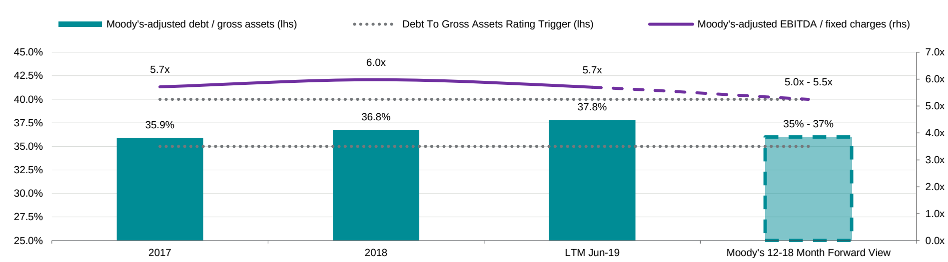
Deutsche Wohnen's A3 long term issuer rating primarily reflects (i) its focus on stable and regulated rental housing activities in Germany, (ii) the large size with high income granularity in largely supply-constrained markets, which enhance the stability of its cash flow generation, (iii) the good quality of its properties as evidenced by consistently high occupancy and good rental growth, (iv) moderate debt to asset ratio and conservative financial policies, (v) excellent fixed charge coverage and long dated debt maturities and (vi) good liquidity and access to debt capital.

The key challenge to Deutsche Wohnen are increasing political headwinds particularly in Berlin that will likely lead to tightened rental regulations that will in turn reduce the company's ability to generate continued high rental growth through its location quality and modernisation investments. Moody's also considers (i) the growing exposure to the nursing assisted living portfolio, (ii) the high geographic concentration of the company's property portfolio in Berlin, (iii) a limited pool of unencumbered assets, which reduces its financial flexibility and subordinated bondholders. Another mid-term risk for the real estate sector is a potential reversal of the very low yield environment, which can put pressure on valuations.

The negative outlook reflects the increasingly negative political and regulatory environment that Deutsche Wohnen faces in its core market Berlin.

Despite potential interference from rental regulations in Berlin, we expect the company to maintain stable debt metrics over the next two years. As of 30 June 2019, fixed charge coverage was strong at 5.7x, with effective leverage (gross adjusted debt to total assets) at 37.8%.

Exhibit 1
Moody's adjusted leverage and coverage metrics



Source: Moody's Financial Metrics™, Moody's estimate

Credit strengths

» Focus on stable and regulated rental housing activities in Germany

» Large size with high income granularity in largely supply-constrained markets

» Good asset quality as reflected in consistently high occupancy and good rental growth

» Moderate leverage and conservative financial practices

» Excellent fixed charge coverage and long dated debt maturities

» Good liquidity and access to capital

Credit weaknesses

» Increasingly negative political headwinds with potential tightened rental regulation

» Nursing and assisted living exhibit higher operating risks and expected value volatility, while diversifying income growth drivers

» High geographic concentration to Berlin

» Low level but slowly increasing amount of unencumbered assets

» Valuation downside potential with low property yields

Rating Outlook

The negative outlook reflects the increasingly negative political and regulatory environment that Deutsche Wohnen faces in its core market Berlin, while keeping its key credit ratios broadly stable.

Factors that Could Lead to an Upgrade

Given the current negative outlook a rating upgrade is less likely. Factors that could lead to an upgrade include

» Gross debt to total assets sustained below 35%, supported by financial policy

» Fixed charge cover sustained above 5.0x, and

» The regulatory concerns around rental increases ease off, and

» Reduced reliance on secured funding and an improved level of unencumbered assets including the issuance of public bonds

Factors that Could Lead to a Downgrade

» Sustained period of moderate or no rental and EBITDA growth driven by a deteriorating operating and regulatory environment, unless mitigated by increasing headroom to financial policy and a reversal of the trend of increasing net debt to EBITDA

» An increased exposure to the nursing home sector

» Gross debt to total assets sustained above 40%, or

» Fixed charge cover sustained below 4.0x

Key Indicators

Exhibit 2
Deutsche Wohnen SE

Deutsche Wohnen SE

US Millions	Dec-15	Dec-16	Dec-17	Dec-18	LTM (Jun-19)	Moody's 12- 18 months Forward View
Real Estate Gross Assets	14,539.6	17,712.3	24,673.3	28,676.5	30,234.6	29,500 - 30,500
Debt / Real Estate Gross Assets	37.9%	35.3%	35.9%	36.8%	37.8%	35% - 37%
Net Debt / EBITDA	8.7x	10.1x	12.0x	13.5x	13.4x	12.0x - 13.0x
Secured Debt / Real Estate Gross Assets	28.2%	27.4%	23.1%	24.7%	24.1%	22% - 27%
EBITDA / Fixed Charges	3.9x	5.2x	5.7x	6.0x	5.7x	5.0x - 5.5x
Amount of Unencumbered Assets	25.0%	25.0%	25.0%	25.0%	27.8%	25% - 30%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™, Moody's estimate

Corporate Profile

Deutsche Wohnen SE owns and manages a multi-family residential rental portfolio of approximately 165,457 units and 2,760 commercial units, with an estimated fair value of around €23.0 billion as of 30 June 2019. In addition the company owns 89 nursing and assisted living places with approximately 12,200 beds and apartments with an estimated fair value of around €1.3 billion.

Around 76% of the residential portfolio by value is located in the metropolitan area of Berlin, and the remainder spread across other cities in Germany, with the Rhine-Main area (6.6%) and Dresden and Leipzig (5.7%) as second and third largest portfolio locations by value. The company is the second largest residential property owner in the country and one of the largest real estate companies in Europe in terms of gross assets and market capitalisation. It is listed on the Frankfurt stock exchange, with a market capitalisation of €11.4 billion as of 2 September 2019.

Detailed Rating Considerations

Focus on stable and regulated rental housing activities in Germany

The German residential sector is one of the most stable asset classes in the European real estate industry, with high demand and limited supply supporting rents and values. While the potential for tighter regulation is a threat to property values and cash flow growth, it will also probably intensify the supply and demand imbalance.

The German rental market is highly regulated: reletting rents and rent increases for existing tenants are capped with reference to a local index (Mietspiegel) calculated by local authorities reflecting the location and quality of the units. Rent increases are mostly capped to 15% over a period of three years (5% a year; allowance made for modernisation, the cap on which is 8% per annum). From a longer-term perspective, prices and rents for residential property have been more stable in Germany than in any other large developed economy even after taking into account recent increases. Since 1970, German house prices have increased broadly in line with inflation but have never declined more than 3% in any given year[1].

Average rents remain affordable despite recent rent and value increases. Nevertheless, affordability fluctuates in tandem with the absolute amount of household income, which exposes lower-income households in particular to higher rental cost-to-income ratios. Affordability has clearly declined in the past five years, with rental growth exceeding income growth, resulting in political and regulatory activity aiming to reduce rental growth.

Increasingly negative political headwinds with potential tightened rental regulation

There is growing public pressure for German policymakers to address housing supply and affordability, which raises the risk of increased or more stringent regulations, with negative credit implications for residential real estate companies.

Especially relevant with a focus on the Berlin market, Deutsche Wohnen has been dealing with the social and political implications of the housing situations for years. However, the current ruling government in Berlin attempts to limit further rental increases with a combination of measures that restricts residential landlords to grow its rents in line with existing federal rent regulation. While details of a proposed law will be subject to further discussion before intended passing in October 2019, and questions remains whether state law on rental regulation is compatible with the German constitution, we expect that the local government will continue its attempt to interfere with rental regulations.

Large size with high income granularity in largely supply-constrained markets

Deutsche Wohnen owns a total portfolio of 165,457 residential units in Germany. Its clear focus is the strongly performing Berlin market with 70% of its residential units located in Berlin (or 76% of the portfolio fair value as of June 2019). While we think concentration within one city in Germany is a negative, the fundamentals in Berlin remain positive and contribute to a sustained income upside potential absent of regulatory limitations.

Within Berlin, the properties are generally well-located, with good access to transportation and fairly evenly spread around Berlin Mitte, with some concentration in the Western part of the city. Part of the portfolio is clustered in large blocks of groups of building (Siedlungen), with some degree of uniformity that should boost efficiency in terms of maintenance.

Deutsche Wohnen has grown the portfolio outside of Berlin to 49,642 units (or 24% of fair value), spread over a number of locations as shown in Exhibit 3.

Given the challenges to acquire reasonably priced properties or build properties in Berlin, we expect future acquisitions and new developments to lower the Berlin share in the portfolio. The company has started to build properties on larger scale in Potsdam and Dresden, with around 2,500 units planned until 2022. The company also purchased a good quality portfolio from Akelius, while at the same time announcing a sale of a portfolio largely in Northern Germany.

Exhibit 3
Residential portfolio overview
as of June 2019

Location	Residential units	Fai Value (EUR m)	in-place rent EUR/sqm/month	Vacancy	in-place rent Multiples	Commercial Units
Greater Berlin	115,815	17,545	6.80	1.9%	30.2x	1,861
Rhine-Main	10,045	1,520	8.29	1.9%	24.3x	136
Dresden / Leipzig	8,915	1,304	6.00	4.8%	28.4x	452
Rhineland	5,766	618	6.67	2.2%	20.5x	58
Mannheim / Ludwigshafen	4,731	360	6.17	2.5%	16.0x	43
Other Core +	943	175	10.56	0.5%	24.5x	14
Core+	**146,215**	**21,523**	**6.85**	**2.1%**	**28.7x**	**2,564**
Hanover / Brunswick	9,117	772	6.06	2.7%	17.8x	85
Kiel / Lübeck	4,947	347	6.06	2.6%	16.2x	12
Other Core	5,034	392	5.69	3.5%	18.5x	99
Core	**19,098**	**1,511**	**5.97**	**2.9%**	**17.6x**	**196**
Non-Core	144	5	5.13	4.3%	9.9x	0
Total	**165,457**	**23,040**	**6.75**	**2.2%**	**27.5x**	**2,760**

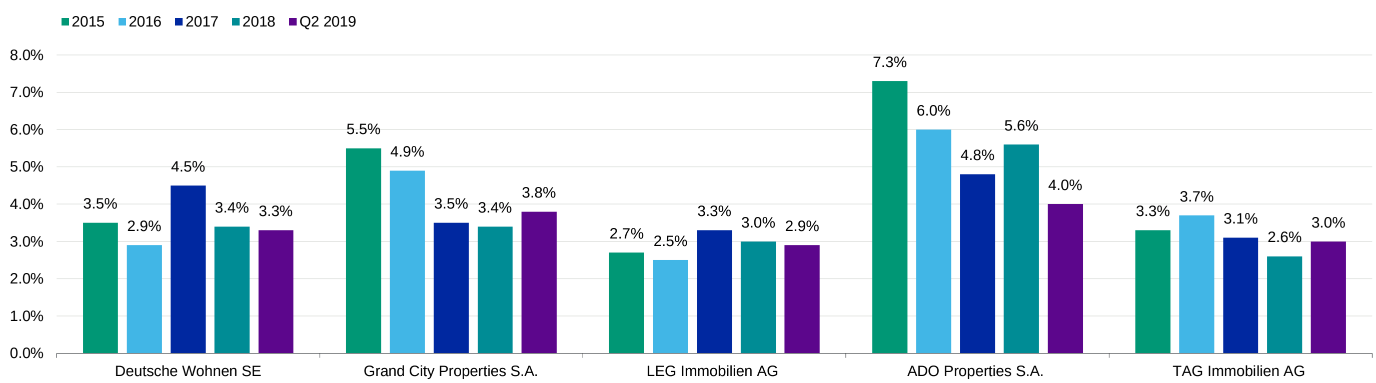
Source: Company information

Good asset quality as reflected in consistently high occupancy and good rental growth

The residental component of Deutsche Wohnen's business has been consistently well performing, even though performance moved more in line with peers for the last 18 months. The company benefits from its good location quality combined with sustained investments into the property portfolio, resulting in consistently growing rents and low vacancy levels.

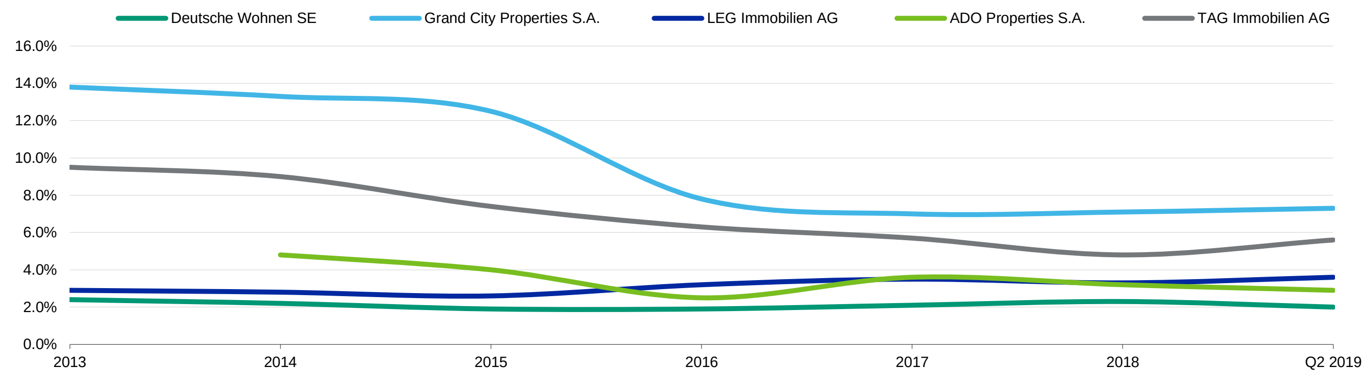
With maintenance and modernisation expenses targeted around €40/sqm for 2019, Deutsche Wohnen's capex programme is one of the largest among the peers. The company's capital spending has consistently been high over the years and the portfolio is therefore reasonably well maintained.

Exhibit 4
Like-for-like rental growth



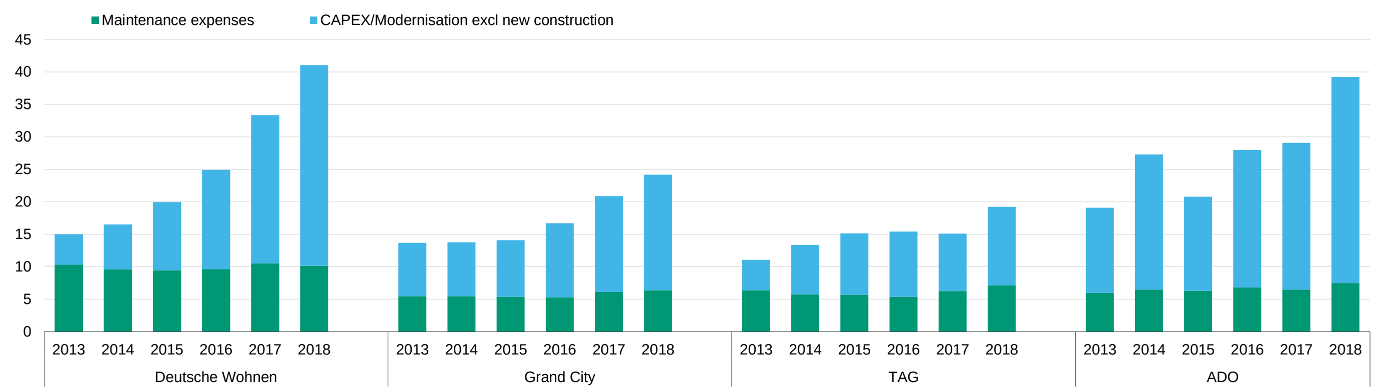
Source: Company reports

Exhibit 5
Development vacancy rates



Source: Company reports

Exhibit 6
Capex spending



Source: Company reports

Nursing and assisted living exhibit higher operating risks and expected value volatility, while diversifying income growth drivers

The nursing and assisted living businesses has a weaker credit profile compared to a pure play residential portfolio. A further increased exposure for the company to the business can result in a weaker Operating Environment subscore in our methodology, which can negatively affect the company rating. We also expect the company to leave some additional headroom in its LTV policy to counter the higher risk inherent in the portfolio.

The weaker credit features of the nursing home segment compared to the residential portfolio mainly stems from the exposure to a less liquid asset class with more expected value volatility, potentially low visibility into the profitability of the assets for its tenants, a more concentrated tenant exposure to tenants with uncertain credit strength, and potentially limited alternative use without significant investments. The property values will be more linked to the operational performance of the assets for its tenants.

On the positive side, the portfolio generates higher EBITDA margins on long lease terms in a segment that is likely to benefit from increased demand due to demographic trends in Germany. Further mitigants can be location and asset quality, and long lease terms to stronger operators.

Through acquisitions in 2018, the total nursing and assistant living portfolio grew to about €1.3 billion in asset value within 89 assets (equal to around 5% of total asset value). We estimate the EBITDA contribution (assuming a full year of income statement impact) of around 12% of total Moody's adjusted EBITDA. The company aims to grow the segment to around 15% EBITDA contribution (from our current estimate of around 12%) through a combination of further acquisitions and selected sales.

Exhibit 7

Nursing and assisted living portfolio overview

Region	Facilities	Nursing	Assisted Living	Total Beds	Occupancy
Hamburg region	17	3,140	157	3,297	93.1%
Berlin region	12	1,071	371	1,442	98.9%
Saxony region	8	523	57	580	99.3%
Total in-house	**37**	**4,734**	**585**	**5,319**	**96.4%**

Federal state	Facilities	Nursing	Assisted Living	Beds	WALT
Bavaria	14	1,704	46	1,750	10.1
North Rhine-Westphalia	10	1,185	242	1,427	13.0
Rhinelan-Palatinate	6	669	208	877	12.0
Lower Saxony	5	771	0	771	9.0
Baden-Württemberg	6	662	16	678	10.5
Hesse	4	528	0	528	10.2
Other	7	788	48	836	8.9
Total external operators	**52**	**6,307**	**560**	**6,867**	**10.7**
Total nursing	**89**	**11,041**	**1,145**	**12,186**	

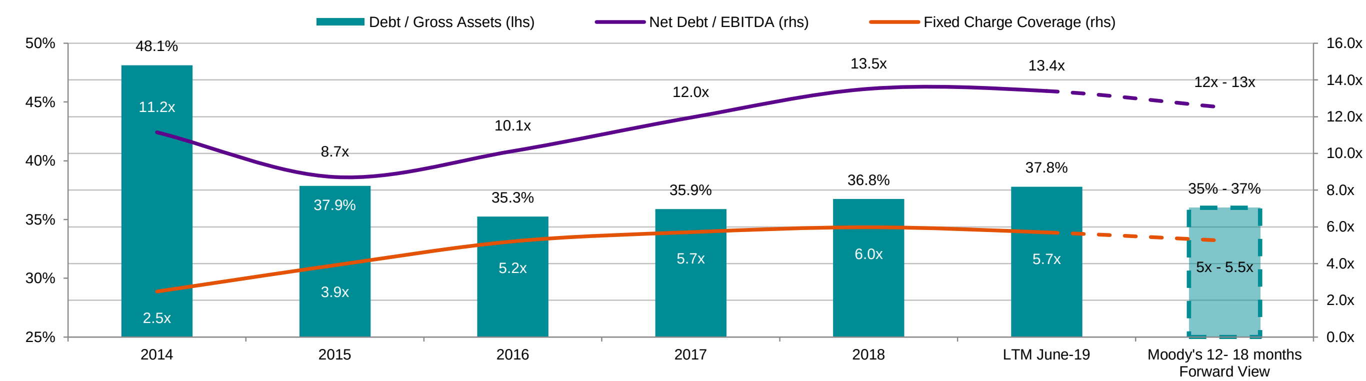
Source: Company information

Moderate leverage and conservative financial practices

Deutsche Wohnen's Moody's adjusted gross debt amounted to €10.1 billion compared to total assets of €26.6 billion, resulting in effective leverage of 37.8% as of 30 June 2019, mapping to a strong Baa in our methodology scorecard and comparing well with its rated residential peers. We expect this ratio to stay roughly stable even if moderate value declines were to occur as a consequence of changed investor appetite, also due to already announced portfolio sales. We also note that management is committed to maintain its own reported loan-to-value below 40%.

Exhibit 8

Key credit metrics are expected to be broadly stable



Source: Moody's Financial Metrics™, Moody's estimate

The company's portfolio is appraised externally annually for full year reporting, with an interim internal valuation for half year reporting. Since December 2013, the multiple of current rent has increased from 14.2x to 27.5x in Q2 2019 (21.0x based on re-letting rent), resulting in a fair value per square meter of €2,222 as of 30 June 2019.

Despite a rather conservative financial policy, Net Debt to EBITDA has been growing steadily since 2015, as the company has midly lowered LTV's and LTV policy in the last year while yields in the sector declined strongly. Net Debt to EBITDA grew from 8.7x in 2015 to 13.4x as of June 2019, which weakens the quantitative credit scores for the company.

Valuation downside potential increasing with lower yields, a mid term threat

Declining values are a key credit concern for the European property sector. With the end of quantitative easing potentially leading to a normalisation of interest rates and an end to a long risk-on sentiment, the investment cycle is more vulnerable and will react quicker than the occupational markets that we expect to be performing better, especially in the residential sector in Germany.

In a scenario of a broader yield widening, we expect the German residential sector to be less affected than other sectors given its income stability and its good debt funding through the German banking sector. Also comparing house prices to other European cities, the German residential sector does look less risky. Despite recent price increases, house prices in Germany have historically been much more stable than in any OECD country, particularly when compared to France and the UK. Also, Berlin's housing valuations and rents remain well below other major German metropolitan areas and compared to other large European cities.

Excellent fixed charge cover and long dated debt maturities

Fixed charge coverage was strong at 5.7x on a last twelve month base as of 30 June 2019, mapping to A in our scorecard and comparing well with rated peers, while an average cost of debt has declined to 1.3% in Q2 2019 from 4.9% in 2011.

Deutsche Wohnen's average debt maturity of nearly eight years is very long term and one of the longest across the entire rated European real estate coverage, providing the company with an excellent cushion again potential future increases in interest rates. As of 30 June 2019, 88% of the company's interest rates were fixed or hedged, which complies with its policy to fix at least 80% of its interest rate exposure.

Good liquidity and access to capital

We have assigned an A rating for the Liquidity and Access to Capital rating subfactor.

The high subfactor score reflects

» the company's €495.7 million of cash and cash equivalents as of 30 June 2019

» the stable cash flow generation from the portfolio

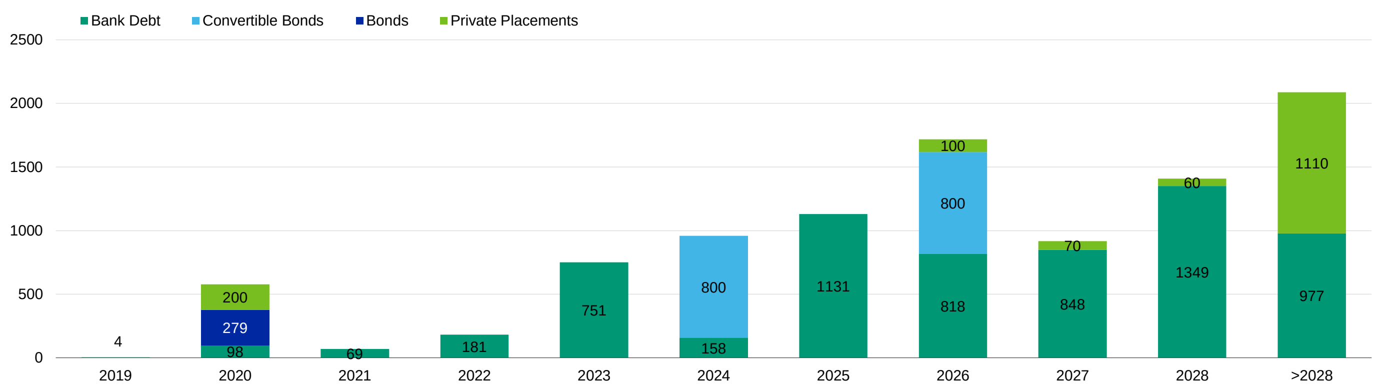
» Committed revolving facilities of around €450 million, almost fully undrawn as of 30 June 2019

» the long, staggered maturity profile of the company's debt

Deutsche Wohnen has also set up a €500 million commercial paper programme, to which we have assigned a P-2 rating. The notes issued under this programme will rank pari passu with all other unsecured and unsubordinated obligations of the company. There were no drawings under the programme as of 30 June 2019.

Exhibit 9

Long-dated maturity profile with an average maturity of around 7.9 years



As of June 2019
Source: Company information

Deutsche Wohnen has good access to equity and debt capital, even though access to equity has been potentially reduced as a consequence of the political debate around rental regulation in Berlin. The company has access to various capital market debt instruments and has diversified relationships with insurance companies and German mortgage banks. German mortgage banks can issue Pfandbriefe, or covered bonds, which provide an excellent source of funding for secured real estate loans.

Low level of unencumbered assets and relatively high secured debt ratio

Deutsche Wohnen is largely financed through secured debt. As a result, its pool of unencumbered assets represents just below 28% of total assets as of 30 June 2019, with a slowly increasing trend. While Deutsche Wohnen's liquidity profile is good, in our opinion it would be further strengthened by an increase in unencumbered assets, which represent a source of alternative liquidity in case of need.

The majority of Deutsche Wohnen's loan agreements include financial covenants, which refer to the underlying assets that secure the debt and mostly relate to loan to value and debt service coverage ratios. Most of its loans have good headroom, i.e. 20%+, but in those instances where the headroom is tighter, a potential breach of financial covenant would not automatically trigger the lender's right to accelerate repayment because all of its loan agreements provide a grace period for curing a covenant, e.g. by reducing the loan balance outstanding.

ESG considerations for the credit assessment

We take into account the impact of environmental, social and governance (ESG) factors when assessing companies' credit quality. In the case of Deutsche Wohnen, the main ESG-related drivers are the following:

» Environmental: Environmental performance of the properties have an impact on the marketability of properties and the asset quality. Deutsche Wohnen has committed to explicit energy savings targets, and continues to improve its property portfolio through energetic renovations and improved heating systems

» Social: Social considerations have placed residential rents on the political agenda in Germany and particularly in Berlin. Current considerations around further rent regulation and other measures that attempt to reduce the upward pressure on rents and influence the company's operating environment. The company has issued its own "promise to tenants", aiming to minimise or cap the impact that rental payments, property sales or modernisations have on its tenants, and a cap for rent increases to 30% of net disposable household income.

» Governance: Deutsche Wohnen's financial policy is to keep its reported LTV below 40%. The company has created some headroom even in the case of moderate value declines. The company has a history of adhering to its leverage targets

Rating Methodology and Scorecard Factors

The principal methodology used in these ratings was REITs and Other Commercial Real Estate Firms published in September 2018. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Deutsche Wohnen's long term issuer rating of A3 is two notches higher than the scorecard indicated outcome of Baa2 both under the current and the forward view of Moody's rating scorecard because we have placed more emphasis on the high stability of the company's income largely independent of economic cycles due to sustained housing shortage, particularly in Berlin. We also consider the company's very long debt maturity profile as a strong positive.

Exhibit 10

Deutsche Wohnen SE

Real Estate / REIT Industry Grid [1][2]	Current LTM 6/30/2019		Moody's 12-18 Month Forward View As of 8/30/2019 [3]	
Factor 1 : Scale (5%)	**Measure**	**Score**	**Measure**	**Score**
a) Gross Assets (USD Billion)	$30.3	Aa	$29.5 - $30.5	Aa
Factor 2 : Business Profile (25%)				
a) Market Positioning and Asset Quality	Aa	Aa	Aa	Aa
b) Operating Environment	Aa	Aa	A	A
Factor 3 : Liquidity and Access To Capital (25%)				
a) Liquidity and Access to Capital	A	A	A	A
b) Unencumbered Assets / Gross Assets	27.8%	B	25% - 30%	B
Factor 4 : Leverage and Coverage (45%)				
a) Total Debt + Preferred Stock / Gross Assets	37.8%	Baa	35% - 37%	Baa
b) Net Debt / EBITDA	13.4x	Ca	12x - 13x	Caa
c) Secured Debt / Gross Assets	24.1%	Ba	22% - 27%	Ba
d) Fixed Charge Coverage	5.7x	A	5.0x - 5.5x	A
Rating:				
a) Indicated Outcome from Scorecard		Baa1		Baa2
b) Actual Rating Assigned				A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 6/30/2019(L).
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™, Moody's estimate

Appendix

Exhibit 11

Peer comparison

	Deutsche Wohnen SE A3 Negative			Grand City Properties S.A. Baa1 Stable			LEG Immobilien AG Baa1 Stable			ADO Properties S.A. Baa3 Stable			TAG Immobilien AG Baa3 Stable		
(in US millions)	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Dec-17	FYE Dec-18	LTM Jun-19
Real Estate Gross Assets	$24,673	$28,676	$30,309	$9,016	$10,129	$10,094	$12,076	$12,854	$13,508	$5,578	$5,768	$6,065	$4,230	$4,772	$5,158
EBITDA / Fixed Charges	5.7x	6.0x	5.7x	4.7x	4.5x	4.5x	4.3x	4.5x	4.8x	2.8x	3.7x	3.6x	3.7x	3.6x	3.4x
Debt / Real Estate Gross Assets	35.9%	36.8%	37.8%	41.9%	43.4%	42.3%	44.7%	42.7%	41.5%	54.7%	48.1%	47.6%	41.3%	39.8%	39.0%
Net Debt / EBITDA	12.0x	13.5x	13.4x	11.5x	11.8x	12.2x	10.9x	11.6x	11.6x	11.2x	10.9x	11.0x	16.7x	17.4x	17.7x
Secured Debt / Real Estate Gross Assets	23.1%	24.7%	24.1%	12.4%	9.7%	7.3%	30.6%	27.1%	29.4%	41.7%	36.8%	34.9%	28.5%	24.2%	24.6%

All figures and ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 12
Moody's-adjusted debt breakdown

(in EUR millions)	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	LTM Ending Jun-19
As Reported Debt	**5,520.4**	**5,266.3**	**6,181.5**	**7,281.8**	**9,061.1**	**9,843.0**
Pensions	67.7	64.6	67.6	65.7	63.4	63.4
Operating Leases	21.6	7.9	9.2	8.0	27.7	0.0
Non-Standard Adjustments	-91.1	-271.1	-338.1	18.5	68.3	156.5
Moody's-Adjusted Debt	**5,518.6**	**5,067.7**	**5,920.2**	**7,374.0**	**9,220.5**	**10,062.9**

Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.

Exhibit 13
Moody's-adjusted EBITDA breakdown

(in EUR millions)	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	LTM Ending Jun-19
As Reported EBITDA	**1,296.1**	**1,988.2**	**3,164.7**	**2,776.2**	**2,768.5**	**2,723.3**
Pensions	0.1	0.0	0.0	0.0	0.0	0.0
Operating Leases	5.4	1.7	1.9	2.0	5.3	2.7
Interest Expense – Discounting	0.0	-8.3	-17.4	-17.7	-14.8	-14.8
Fair Value Changes & Unusual items	-841.1	-1,472.9	-2,581.6	-2,171.0	-2,099.0	-1,995.2
Non-Standard Adjustments	0.5	-1.8	-2.0	-3.0	-2.6	-3.4
Moody's-Adjusted EBITDA	**460.9**	**506.8**	**565.6**	**586.5**	**657.4**	**712.6**

Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.

Exhibit 14
Overview of Moody's-adjusted financial data

(in EUR millions)	FYE 2015	FYE 2016	FYE 2017	FYE 2018	LTM Jun-19
INCOME STATEMENT					
Revenue	1,375.1	1,128.9	1,173.5	1,101.1	1,241.3
EBITDA	506.8	565.6	586.5	657.4	712.6
Interest Expense	129.6	108.6	102.6	109.9	124.4
BALANCE SHEET					
Real Estate Gross Assets	13,384.6	16,792.8	20,547.4	25,085.6	26,615.0
Amount of Unencumbered Assets	25.0%	25.0%	25.0%	25.0%	27.8%
Cash & Cash Equivalents	651.0	192.2	363.7	332.8	495.7
Total Debt	5,067.7	5,920.2	7,374.0	9,220.5	10,062.9
Net Debt	4,416.8	5,728.0	7,010.3	8,887.7	9,567.2
CASH FLOW					
Funds from Operations	290.9	428.0	469.3	552.3	580.9
CASH FLOW FROM OPERATIONS	229.3	24.0	519.9	473.6	323.3
Capex = Capital Expenditures	133.8	177.3	286.0	483.3	801.9
Dividends	135.2	188.6	268.1	200.1	197.4
Retained Cash Flow	155.7	239.4	201.2	352.2	383.5
RCF / Debt	3.1%	4.0%	2.7%	3.8%	3.8%
Free Cash Flow (FCF)	-39.7	-341.9	-34.2	-209.8	-676.0
FCF / Debt	-0.8%	-5.8%	-0.5%	-2.3%	-6.7%
PROFITABILITY					
% Change in Sales (YoY)	44.5%	-17.9%	4.0%	-6.2%	10.8%
EBITDA Margin %	36.9%	50.1%	50.0%	59.7%	57.4%
INTEREST COVERAGE					
EBITDA / Fixed Charges	3.9x	5.2x	5.7x	6.0x	5.7x
LEVERAGE					
Debt / Real Estate Gross Assets	37.9%	35.3%	35.9%	36.8%	37.8%
Secured Debt / Real Estate Gross Assets	28.2%	27.4%	23.1%	24.7%	24.1%
Net Debt / EBITDA	8.7x	10.1x	12.0x	13.5x	13.4x

All figures and ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.

Ratings

Exhibit 15

Category	Moody's Rating
DEUTSCHE WOHNEN SE	
Outlook	Negative
Issuer Rating	A3
Senior Unsecured -Dom Curr	A3
Commercial Paper -Dom Curr	P-2
ST Issuer Rating	P-2

Source: Moody's Investors Service

Endnotes

1 Source: OECD

REPORT NUMBER 1186194

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S INVESTORS SERVICE