

LEG Immobilien AG
9M-2020 Results

12 November 2020

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- I. **HIGHLIGHTS 9M-2020**
- II. PORTFOLIO AND OPERATING PERFORMANCE
- III. FINANCIAL PERFORMANCE
- IV. OUTLOOK
- V. APPENDIX



Strong performance – FFO I Guidance 2020 narrowed and positive outlook for 2021



Financials

- FFO I +14.5% to €296.7m
- EBITDA-Margin 77.5%
- LTV 36.4%/pro forma LTV ~40%¹
 - 7.7y for 1.35%
- NAV ps €115.21

Operations

- Net cold rent +5.6%
- L-f-I rental growth +2.3%
- L-f-I vacancy 3.1% (-50bps)
- Acquisition of Fischbach Services to scale apartment renovation capacities

ESG

- EPRA Gold award and Sustainalytics upgrade
- CO2 Accounting – well on track
- Initiated Germany's first real-world laboratory for serial modernisation
- Corona bonus for all employees to recognize performance

Strong performance in 9M-2020 ✓

Guidance narrowed to upper end of ~€380m for FY 2020

Minimal Corona effect YTD

Strong financial profile maintained – in line with strategy

Further growth ahead: FY 2021 guidance of €410m – 420m

¹ Pro forma LTV - taking the remaining ~6,400 units acquisition as well as the linked cash outflows into account.

COVID-19 update: Effects remain minimal – up to now no effects from second wave

Impact on rental growth: ~50bps

- Voluntary suspension of Miet-spiegel rent increases: ~20bps
→ Resumed in Q3/ effective in Q4
- Postponement of modernisation measures in H1: ~30bps

Deferral of rents

- <1% of units
- Minor liquidity effect with <€1m

Positive letting performance

- Improving level of new lettings throughout Q3 shows demand for affordable product
- Lower number of terminations drives additionally positive performance
- Vacancy rate nearing **structural low**

Capex spending

- Investment push to make use of lowered VAT and available craftsmen capacities
- Focus on turn cost measures to realize additional value potential

Shift towards digital on operations

- Virtual and full self-serviced viewings for prospective tenants
- Enabling employees to work from home up to 100%

Acquisitions

- Markets see ongoing demand from active and new investors. Low yields fuel demand.

Balance sheet/ financing

- Successful placement of €823m equity/convertible to finance portfolio acquisitions and preserve strong balance sheet
- Strong liquidity position with cash at hand ~€300m and ~€400m in RCF¹

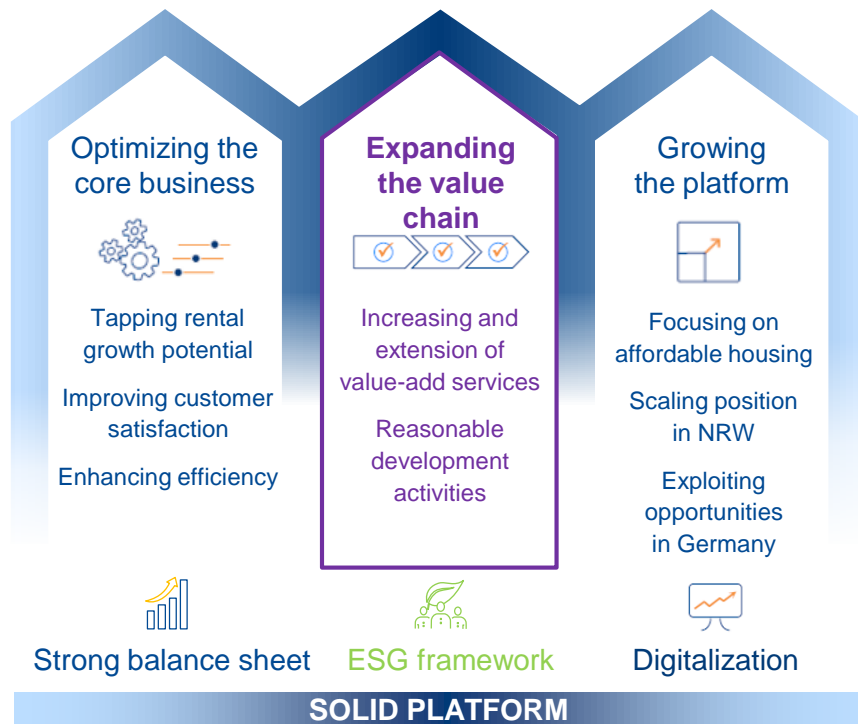


1 Post cash outflows in November for ~6,400 units acquisition announced in June.

We act in line with our strategy – LWS Plus extends value chain successfully



Our strategy






















Expanding the value chain



- Overall a focussed approach – no intention to insource everything
- Acquisition of Fischbach Services to smartly position along the value chain with special focus on apartment renovation capacities
- Integration as fourth pillar of our services offering as LWS Plus
- Scalable business

Further improving our ESG profile

ESG	2016	2017	2018	2019	2020	
MSCI  ESG Rating						
 SUSTAINALYTICS <small>a Morningstar company</small> ESG Rating				20.1	10.4	 Upgrade
 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small> sBPR Award						 Upgrade
 GRESB <small>REAL ESTATE</small> ESG Rating				52	New scoring in progress	
 DAX ESG Index					DAX 50 ESG	
MSCI  ESG Indices					MSCI EAFE Choice ESG Screened Index MSCI World Custom ESG Climate Series MSCI OFI Revenue Weighted Global ESG Index	

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Acquisition of Fischbach Services GmbH

Scalable business model



Company background

- Project management company specialized on managing the renovation of vacant apartments
- Currently conducting 25% of LEG's renovation of vacant apartments
- Scalable, efficient and proven and highly digitalized platform
- Low personal intensity with only 25 employees, managing approx. 80 contractors

Transaction details

- LEG purchased 100% of Fischbach Services GmbH per 01.10.2020, wholly owned subsidiary of Fischbach Holding GmbH
- Contractual framework ensures commitment of founders, management, staff and contractors for the coming years

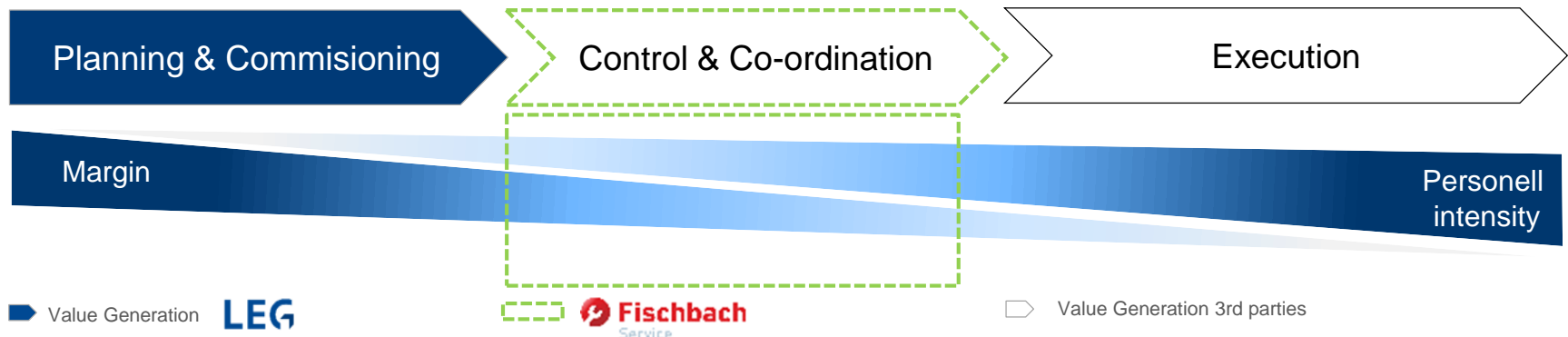
Rationale for LEG

- Goal is to scale business to conduct 75% of LEG's renovation of vacant apartments through Fischbach in the medium-term
- Access to attractive margin part of value chain without requirement to add craftsmen to payroll
- Faster / better quality renovation to reduce duration of vacancies

Financials

- EBITDA contribution¹ of ~€5m for 2021
- EBITDA-margin effect¹ on Group level of +100bps
- Future growth primarily fuels positive cash effect and will not be transparent in Group KPI due to consolidation

Significant margin contribution due to attractive position at the value chain

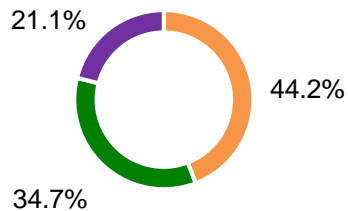


¹ Expected FY 2021 effect; for accounting effects see slide no.37 in Appendix.

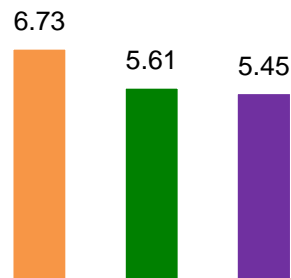
Rent development positive across all market clusters



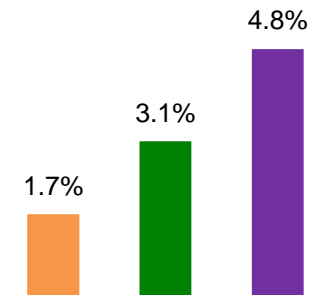
Market split (GAV)



In-place rent €/sqm



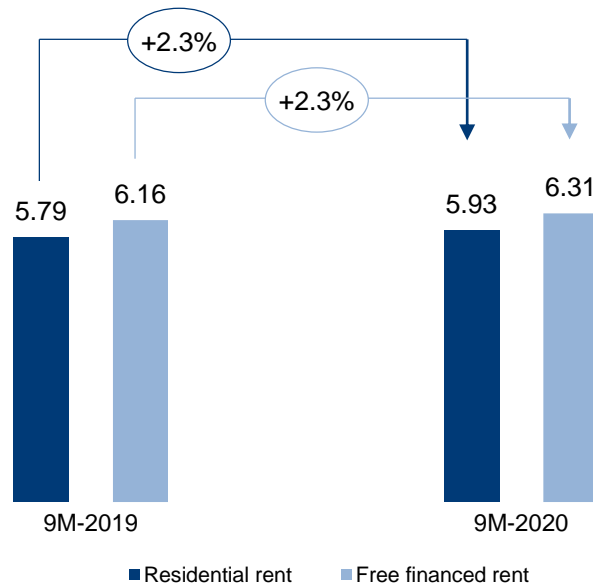
Vacancy



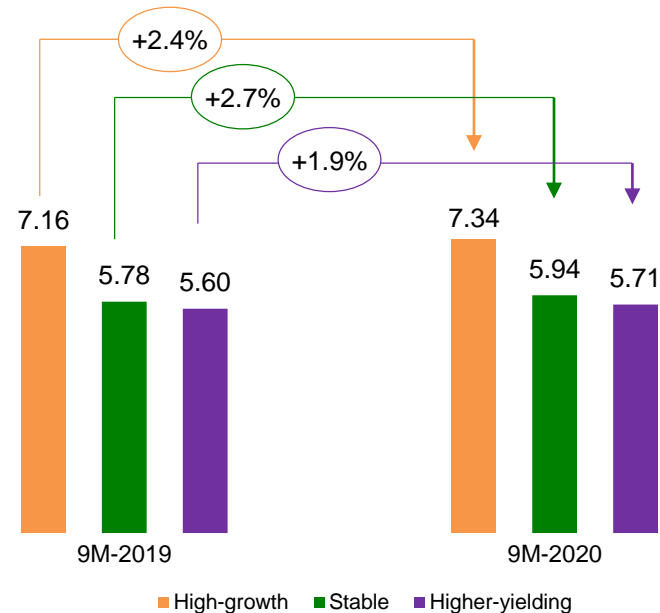
Markets	Total portfolio		High-growth		Stable		Higher-yielding	
	9M-2020	Δ (YOY)	9M-2020	Δ (YOY)	9M-2020	Δ (YOY)	9M-2020	Δ (YOY)
# of units ¹	138,601	+3.6%	41,918	+5.6%	54,203	+6.2%	42,360	-1.6%
GAV residential assets (€m)	12,692	+17.4%	5,612	+13.5%	4,404	+26.8%	2,676	+20.4%
In-place rent (sqm), I-f-I	€5.93	+2.3%	€6.73	+2.3%	€5.61	+2.6%	€5.45	+2.0%
EPRA vacancy, I-f-I	3.1%	-50 bps	1.7%	-20 bps	3.1%	-40 bps	4.8%	-110 bps

¹ Incl. 120 units intended for disposal.

L-f-l rent development (€/sqm/month)



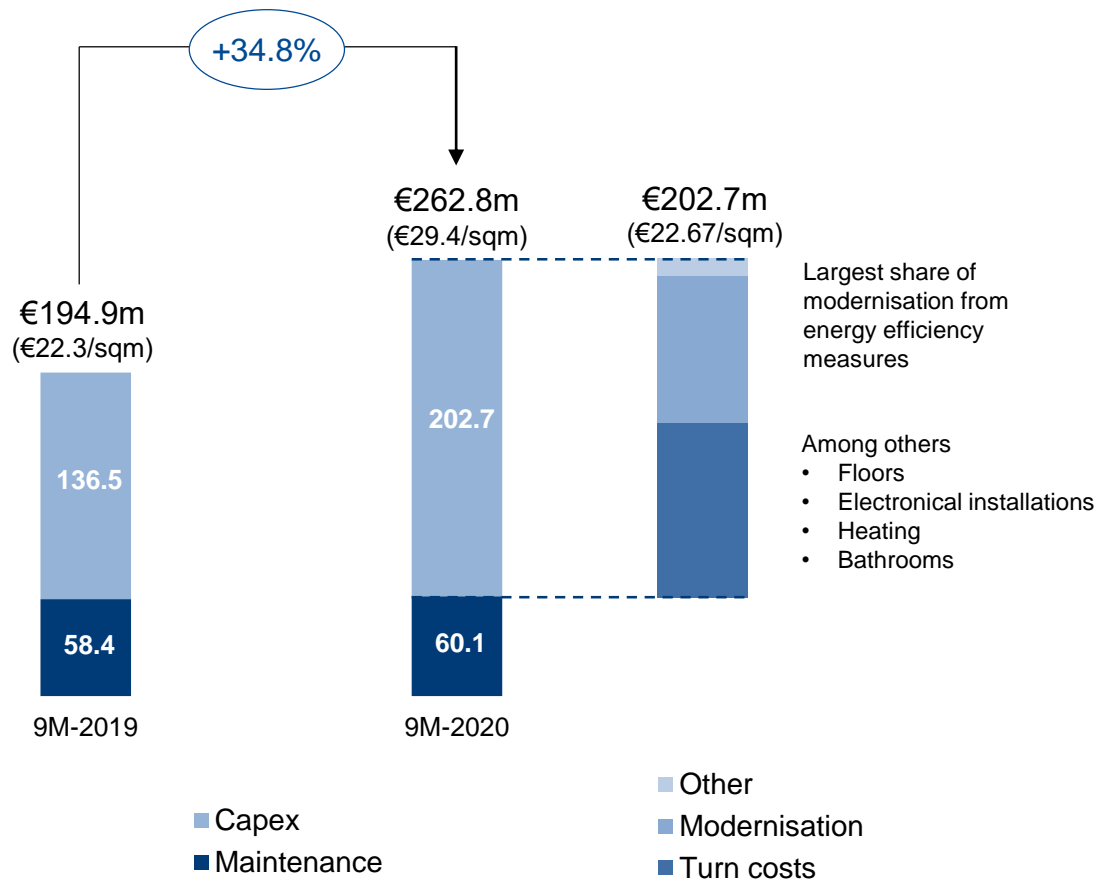
L-f-l free financed rent development (€/sqm/month)



- Performance of free financed units demonstrates strong underlying fundamentals
- Some negative effects from Corona due to Mietspiegel rent increase suspension and postponed modernisation projects
- Rent restricted units: +2.0% year-on-year (like-for-like) due to cost rent adjustment in January 2020
- High exposure to structural growth markets and respective commuter belts support strong performance

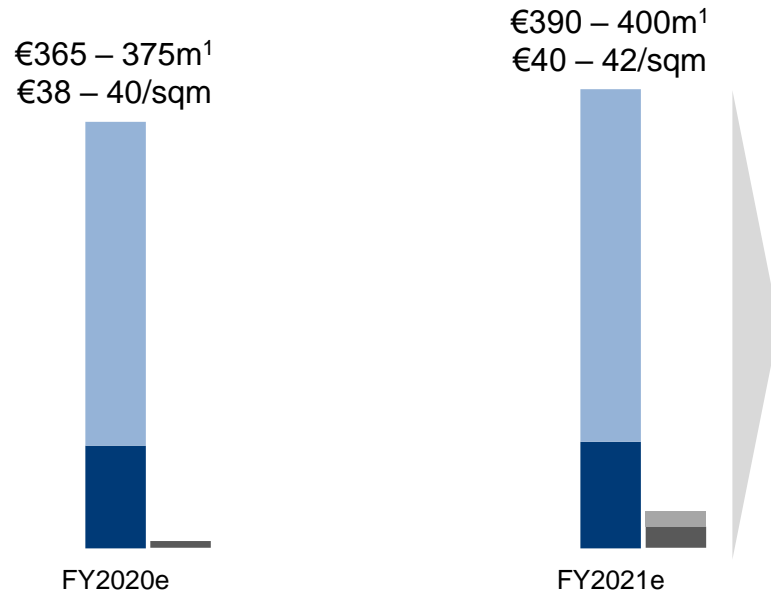
Capex & maintenance

Ongoing focus on growth and energy efficiency



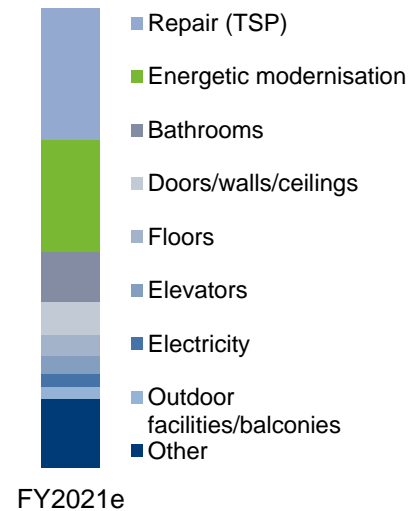
- Investments **increased c.35%** year-over-year due to strong increase in line with value enhancing capex
- Benefitting from available capacities and low VAT
- 9M increase mainly driven by energy efficient modernisation as well as value-enhancing turn-cost spending

Total portfolio related expenditures – breakdown

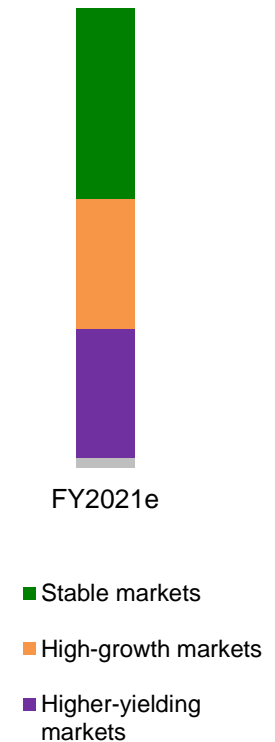


- Capex
- Maintenance
- Acquisition backlog
- New development

Split across types of expenditures



Split across markets and segments

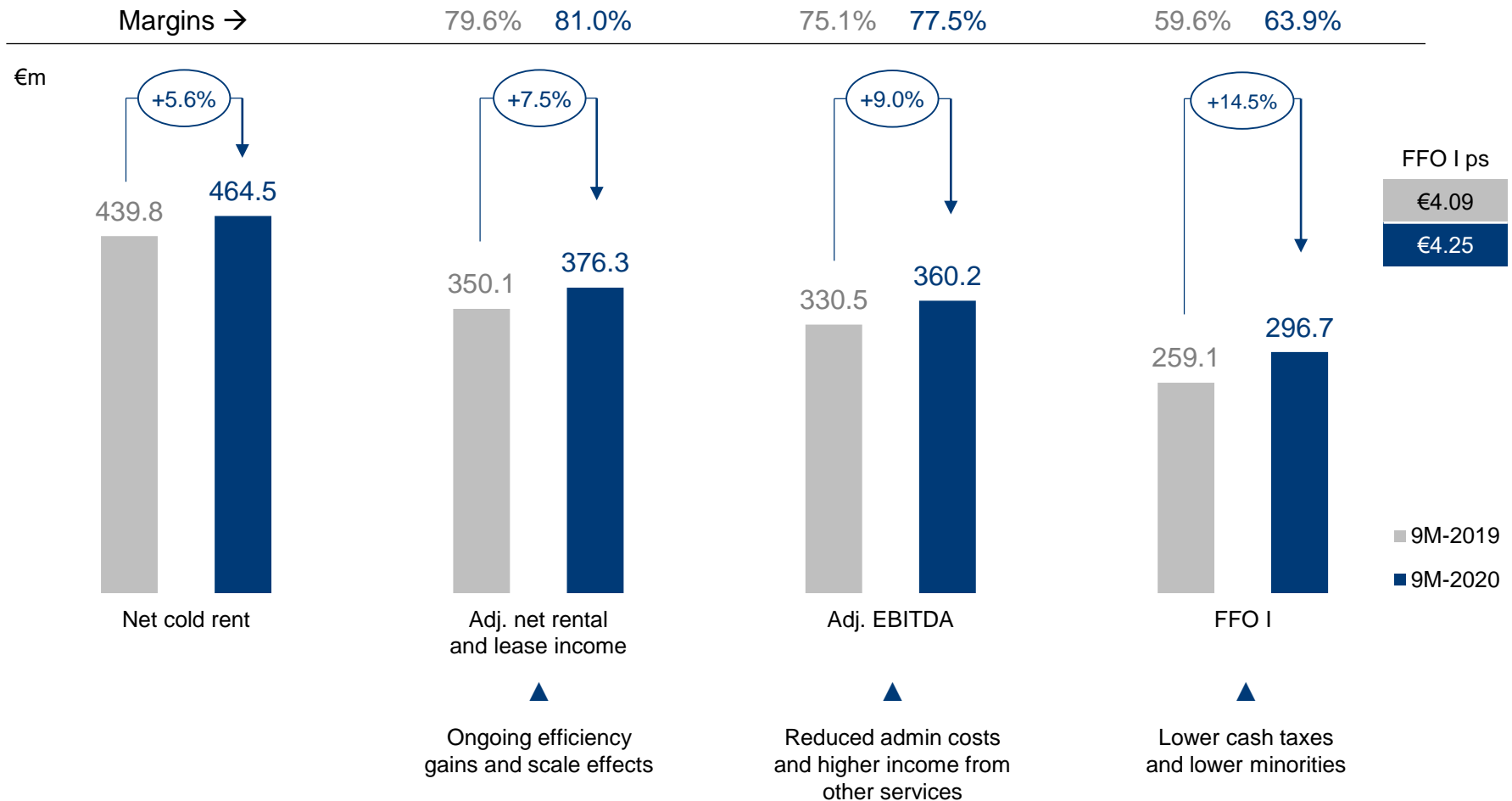


¹ Capex + Maintenance

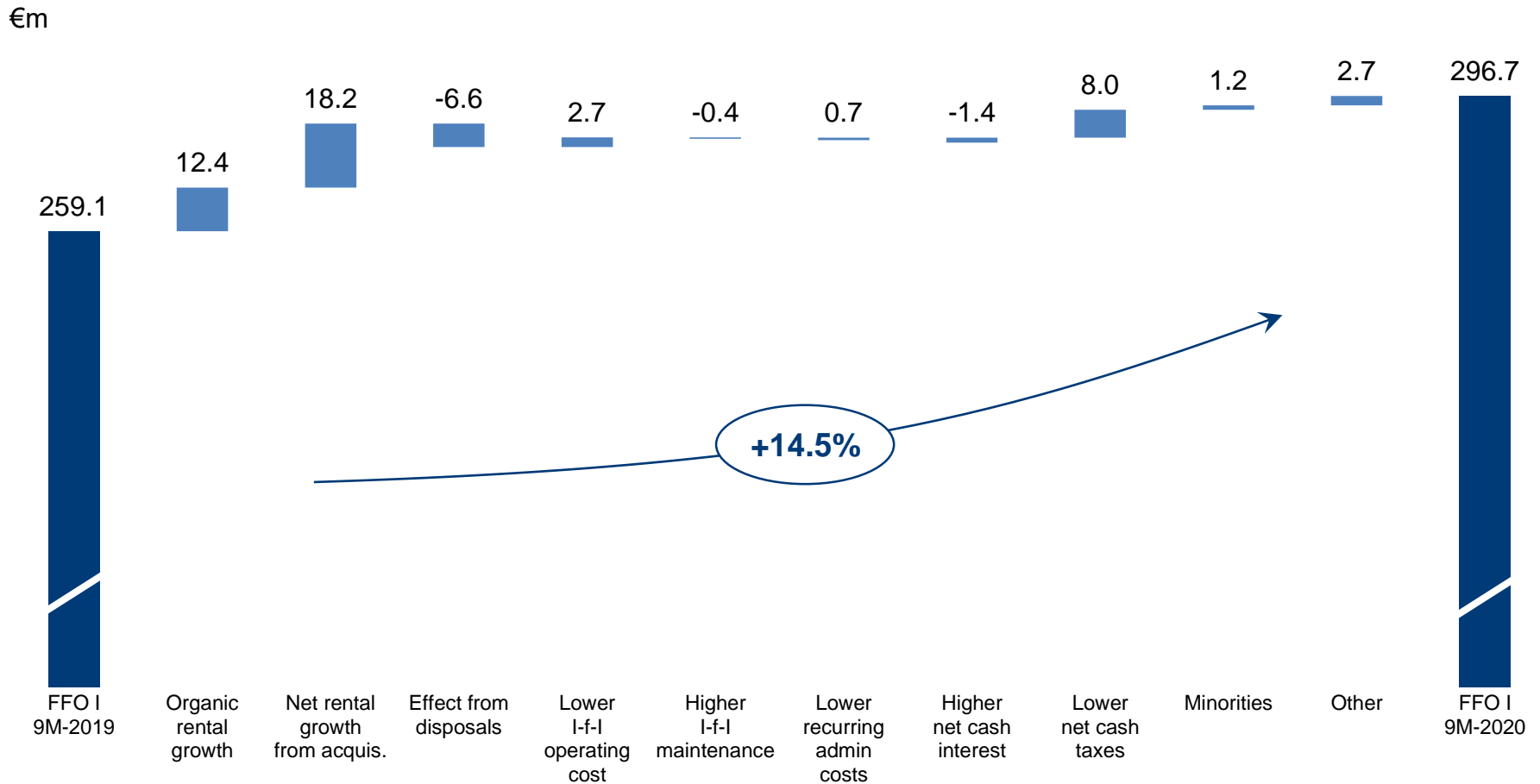
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Margin expansion story continues

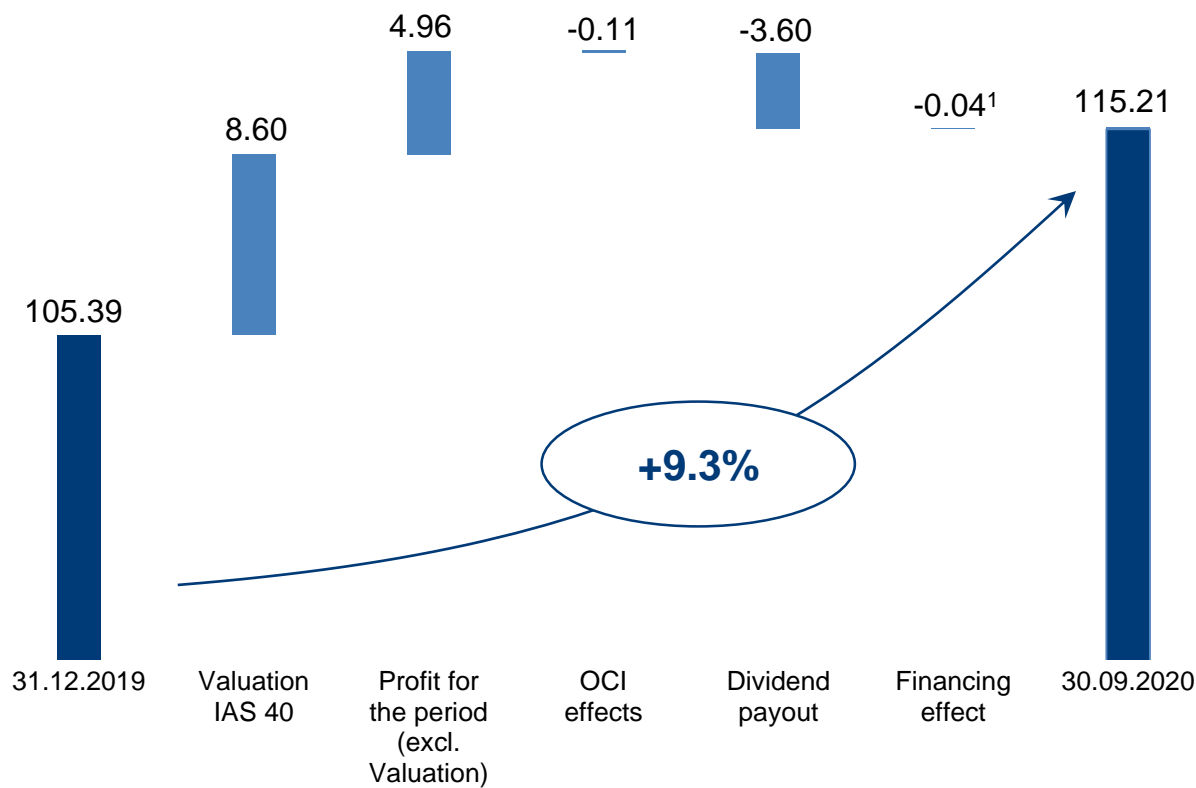


FFO bridge 9M-2020: Increase of +€37.6m (+14.5%)



EPRA Net Asset Value of €115.21 per share

Adj. EPRA NAV ps (in €)



- Profit and revaluation gains as the key drivers for NAV uplift in 9M 2020
- Minor effects from OCI and the capital increase

¹ Effects from capital increase (€-0.14 per share) and 2017/2025 convertible bond (in the money; €+0.10 per share).

Portfolio valuation: With €1,440/sqm @4.8% gross yield still at attractive levels in absolute and relative terms



Market segment	Residential Units	GAV Residential Assets (€m)	GAV/sqm (€)	Gross yield	In-Place Rent Multiple	Market Multiples ¹	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	41,918	5,612	2,001	4.0%	25.2x	21.4x	252	5,864
Stable Markets	54,203	4,404	1,284	5.2%	19.3x	17.1x	141	4,545
Higher-Yielding Markets	42,360	2,676	1,036	6.1%	16.5x	15.0x	86	2,762
Total Portfolio²	138,601	12,692	1,440	4.8%	20.7x	18.2x	478	13,171

¹ Estimated rental values as of 30 June 2020.

² Incl. 120 units intended for disposal.

Increased investments in modernisation and energy efficiency measures translate into strong returns



	Monheim	Dortmund	Herne
Market	High-growth	Stable	Higher-yielding
# of units	1,963	415	56
Total sqm	134,022	30,263	3,565
Year(s) of construction	1967 – 1971	1967	1962
Mod. start/completion ¹	2014 - 2021	2015 - 2018	2019 - 2020
Rent development ² (€/sqm)			
Total investment ³	€60.3m	€10.2m	€1.7m
Share of modernisation	66%	60%	72%
Yield total vs. mod. ⁴	5.3% 8.1%	4.7% 7.9%	3.0% 4.2%
Modernisation and maintenance measures	E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint	E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system	E.g. thermal insulation composite system, top floor ceiling insulation attic ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits
Average reduction of energy demand p.a. after modernisation ⁵	-40% ✓	-46% ✓	-45% ✓

1 With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period.

2 Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers.

3 Including investments for modernisation, maintenance and repair.

4 Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed.

5 Calculated values.

Example 1: 1,963 modernised units in Monheim

"Here in Monheim, LEG has invested many millions of euros to modernise the Berlin district over the past few years. We are of course delighted that the company is realising its largest project so far here. We have been working well together for many years on the stepwise development of this particular district – with great success."

Mayor of Monheim
Daniel Zimmermann



Market

of units

Total sqm

Year(s) of construction

Mod. start/completion¹

Rent development²
(€/sqm)

Total investment³

Share of modernisation

Yield total vs. mod.⁴

Modernisation and
maintenance measures

Average reduction of
energy demand p.a.
after modernisation⁵

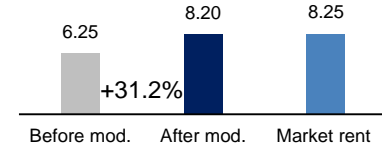
High-growth

1,963

134,022

1967 – 1971

2014 - 2021



€60.3m

66%

5.3%

8.1%

E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint

-40% ✓

¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period.

² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers.

³ Including investments for modernisation, maintenance and repair.

⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed.

⁵ Calculated values.

Example 2: 415 modernised units in Dortmund



Market

of units

Total sqm

Year(s) of construction

Mod. start/completion¹

Rent development²
(€/sqm)

Total investment³

Share of modernisation

Yield total vs. mod.⁴

Modernisation and
maintenance measures

Average reduction of
energy demand p.a.
after modernisation⁵

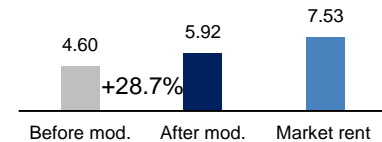
Stable

415

30,263

1967

2015 - 2018



€10.2m

60%

4.7%

7.9%

E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system

-46%



¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period.

² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers.

³ Including investments for modernisation, maintenance and repair.

⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed.

⁵ Calculated values.

Example 3: 56 modernised units in Herne



Market

of units

Total sqm

Year(s) of construction

Mod. start/completion¹

Rent development²
(€/sqm)

Total investment³

Share of modernisation

Yield total vs. mod.⁴

Modernisation and
maintenance measures

Average reduction of
energy demand p.a.
after modernisation⁵

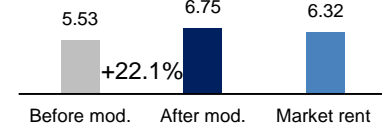
Higher-yielding

56

3,565

1962

2019 - 2020



€1.7m

72%

3.0%

4.2%

E.g. thermal insulation composite system, top floor ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits

-45%



¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period.

² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers.

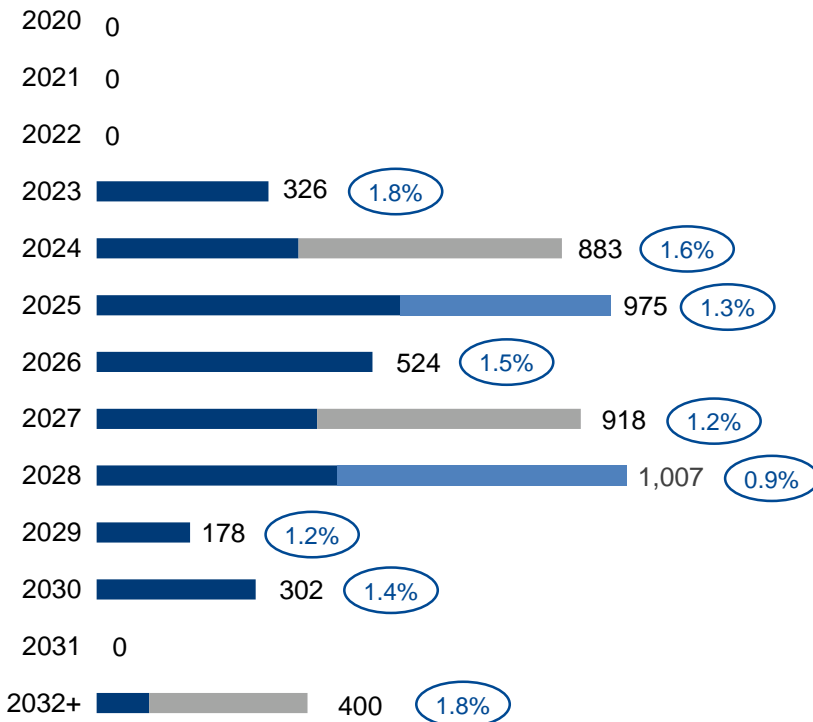
³ Including investments for modernisation, maintenance and repair.

⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed.

⁵ Calculated values.

Maturity profile

€m



■ Debt ■ Bonds ■ Convertible (%) Weighted avg. interest (excl. subsidised loans)

9M highlights

- Successful implementation of scrip dividend resulting in a reduced dividend payment by €84.6m
- No significant maturities until 2023
- Strong liquidity as of end of October with ~€300m cash at hand and ~€400m RCF's¹

Average debt maturity (years)



Average interest costs



Loan-to-value




¹ Taking the ~6,400 units acquisition from June with transfer of ownership by end of October as well as the linked cash outflows into account.

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Higher guidance 2020 and new 2021 guidance

Margin expansion story set to continue

	2020		Drivers/Comments
FFO I	~€380m (prev. €375 – 380m)	€410m – 420m	2021 to benefit from 2020 acquisitions and rental growth
I-f-I rent growth	~2.3%	~3.0%	Including postponed effects from 2020
I-f-I vacancy	Slightly decreasing	–	No longer an explicit target as vacancy is close to structural level
EBITDA margin	~74%	~75%	Scale effects + services business
Investments	~38 – 40€/sqm	~40 – 42€/sqm	Excl. new construction, backlog acquisitions
LTV	40 – 43%	40 – 43%	Preserve strong financial basis
Dividend	70% of FFO I	70% of FFO I	Confirm attractive pay-out. Depending on market condition also as scrip dividend
Acquisition ambition	>7,000 units	Not reflected in guidance ~7,000 units	Focus on affordable living in Germany

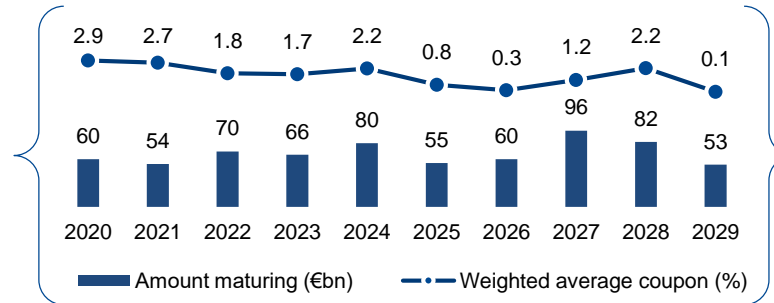
Well positioned in a no-yield environment

Hunt for yield to continue as BUNDS only offer negative yields and interest income will diminish

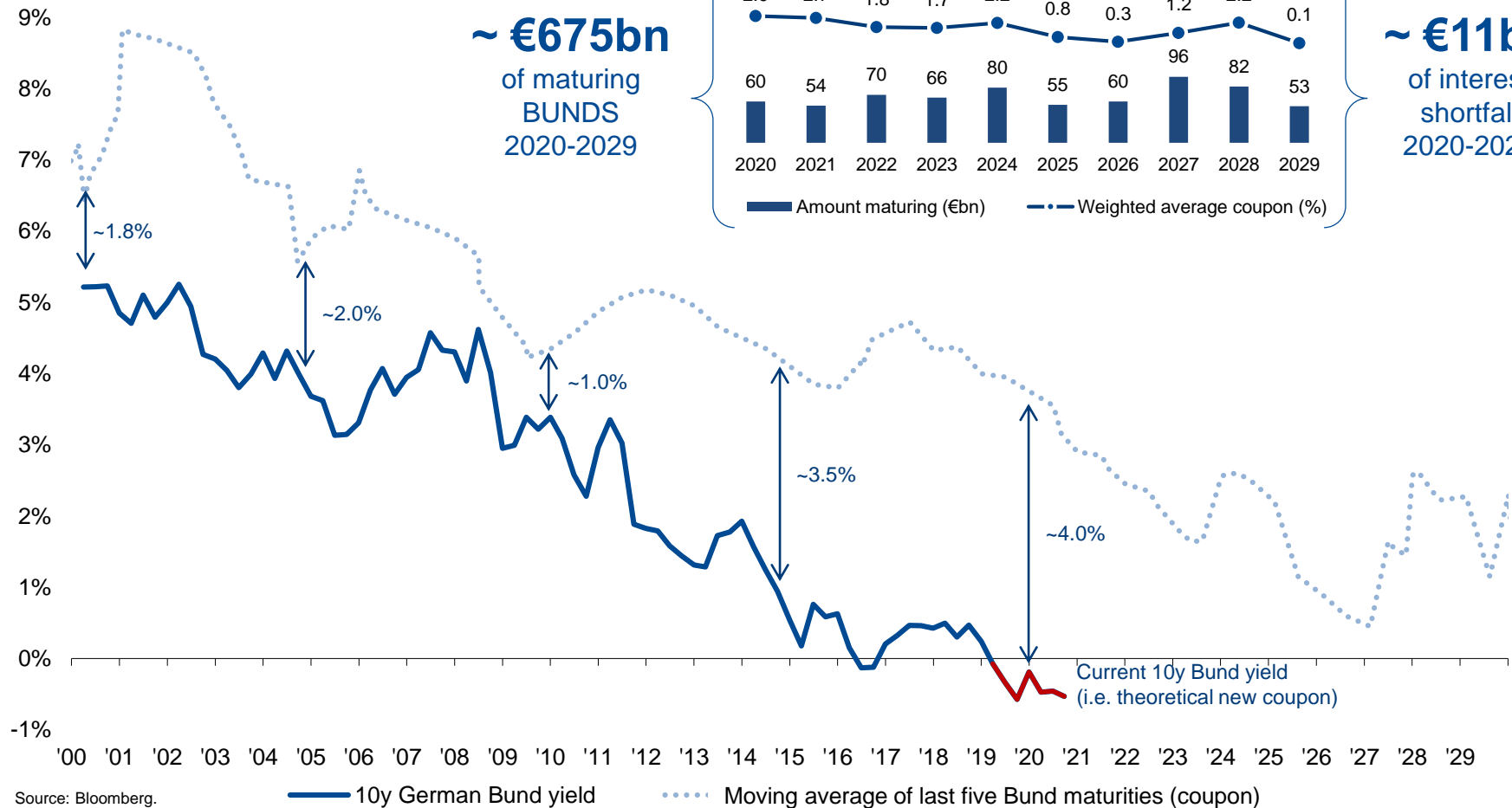
LEG
gewohnt gut.

10Y BUND yield/ avg coupon

~ €675bn
of maturing
BUNDS
2020-2029



~ €11bn
of interest
shortfall
2020-2029



Pure Play German residential

100%

Focus on affordable housing

€5.93/sqm

Attractive yields

4.8% GAV yield

Strong financial profile

~40% LTV¹

Growth opportunities

~€700m fire power

¹ Pro forma LTV - taking the remaining ~6,400 units acquisition as well as the linked cash outflows into account.

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Operating results		9M-2020	9M-2019	%/bp
Net cold rent	€m	464.5	439.8	5.6
Net rental and lease income	€m	365.7	340.2	7.5
EBITDA adjusted	€m	360.2	330.5	9.0
FFO I	€m	296.7	259.1	14.5
FFO I per share	€	4.25	4.09	3.9
FFO II	€m	295.5	255.9	15.5
EBITDA margin (adj.)	%	77.5	75.1	240 bp
FFO I margin	%	63.9	59.6	580 bp
Portfolio		30.09.2020	30.09.2019	+/- %/bp
Residential units	number	138,601	133,806	3.6
In-place rent (I-f-I)	€/sqm	5.93	5.79	2.3
Capex	€m	202.7	136.5	48.5
Maintenance	€m	60.1	58.4	2.9
EPRA vacancy rate (I-f-I)	%	3.1	3.6	-50 bp
Balance sheet		30.09.2020	31.12.2019	+/- %/bp
Investment properties	€m	13,222.2	12,031.1	9.9
Cash and cash equivalents	€m	848.8	451.2	88.1
Equity	€m	6,677.6	5,933.9	12.5
Total financing liabilities	€m	5,728.8	5,053.9	13.4
Current financing liabilities	€m	487.3	197.1	147.2
Net debt	€m	4,850.5	4,570.8	6.1
LTV	%	36.4	37.7	-130 bp
LTV adjusted ¹	%	~40%		
Equity ratio	%	45.8	45.9	-10 bp
Adj. EPRA NAV, diluted	€m	8,702.6	7,273.0	19.7
Adj. EPRA NAV per share, diluted	€	115.21	105.39	9.3

¹ Taking the remaining ~6,400 units acquisition into account.

€m	30.09.2020	31.12.2019
Equity (excl. minority interests)	6,653.1	5,909.9
Effect of exercising options, convertibles and other rights	444.9	26.1
NAV	7,098.0	5,936.0
Fair value measurement of derivative financial instruments	120.2	84.0
Deferred taxes ¹	1,567.4	1,336.4
EPRA-NAV	8,785.6	7,356.4
Number of shares fully-diluted incl. convertible (m)	75,534	69,010
EPRA-NAV per share in €	116.31	106.60
Goodwill resulting from synergies	83.0	83.4
Adjusted EPRA-NAV (excl. goodwill)	8,702.6	7,273.0
Adjusted EPRA-NAV per share in €	115.21	105.39

- €593.3m revaluation
- €354.1m capital increase
- €257.0m dividend payment (of which €84.6m in shares)

- Including €418.8m positive equity effect from 2017/2025 convertible bond ("in the money"²) and €15.4m negative equity accounting effect

- Gross yield of 4.8% (thereof free financed portfolio: 5.0%) and value per sqm (€1,440) still reflect decent gap to recent portfolio transactions
- Value of services business not included in NAV
 - Scenario: additional value approx. €5.30 - €8.00 per share (FY 2019; discount rate of 4.0% - 6.0%)

¹ And goodwill resulting from deferred taxes on EPRA-adjustments.

² As of 30 September 2020 the share price of €121.80 is higher than the current conversion price (€116.34) of the 2017/2025 convertible bond. Therefore, the effects in the NAV reconciliation are shown as dilutive (3,438,349 dilutive shares).

Appendix

FFO calculation



€m	9M-2020	9M-2019
Net cold rent	464.5	439.8
Profit from operating expenses	-1.2	-0.9
Maintenance (externally-procured services)	-37.4	-36.9
Staff costs	-53.7	-48.8
Allowances on rent receivables	-5.6	-5.8
Other	6.5	-0.3
Non-recurring project costs (rental and lease)	3.2	2.9
Recurring net rental and lease income	376.3	350.0
Recurring net income from other services	6.6	3.4
Staff costs	-16.0	-24.4
Non-staff operating costs	-13.6	-10.9
Non-recurring project costs (admin.)	6.9	12.0
Recurring administrative expenses	-22.7	-23.3
Other income and expenses	0.0	0.4
Adjusted EBITDA	360.2	330.5
Cash interest expenses and income	-59.7	-58.4
Cash income taxes from rental and lease	-2.0	-10.0
FFO I (including non-controlling interests)	298.5	262.1
Non-controlling interests	-1.8	-3.0
FFO I (excluding non-controlling interests)	296.7	259.1
FFO II (including disposal of investment property)	295.5	255.9
Capex-adjusted FFO I (AFFO)	94.0	122.6

- +€24.7m YOY/+5.6%

- Growth in staff costs mainly due to increased tariff and additional FTE's (operations and craftsmen services)

- Adj. NRI increased by +€26.3m YOY (+7.5%)

- Staff costs impacted by one-time payments in 2019

- Admin. cost slightly reduced

- EBITDA increased by +€29.7m YOY (+9.0%)

- Nearly stable interest costs (average costs in Q3-2020: 1.35% vs. 1.64% in Q3-2019) despite higher debt volume

Appendix

Balance sheet



€m	30.09.2020	31.12.2019
Investment property	13,222.2	12,031.1
Other non-current assets	350.5	322.7
Non-current assets	13,572.7	12,353.8
Receivables and other assets	128.9	89.6
Cash and cash equivalents	848.8	451.2
Current assets	977.7	540.8
Assets held for sale	33.7	25.2
Total Assets	14,584.1	12,919.8
Equity	6,677.6	5,933.9
Non-current financing liabilities	5,241.5	4,856.8
Other non-current liabilities	1,878.8	1,654.2
Non-current liabilities	7,120.3	6,511.0
Current financing liabilities	487.3	197.1
Other current liabilities	298.9	277.8
Current liabilities	786.2	474.9
Total Equity and Liabilities	14,584.1	12,919.8

- Revaluation €593.3m
- Acquisitions €431.5m
- Capex, additions €203.5m

- Cash flow from operating activities €240.5m
- Investing activities -€607.9m
- Financing activities €765.0m
 - Issue of convertible bond €544.0m
 - Capital increase €269.6m
 - Borrowing of bank loans €258.4m
 - Repayment of loans -€173.5m
 - Cash dividend -€172.4m

€m	30.09.2020	31.12.2019
Financial liabilities	5,728.8	5,053.9
Excluding lease liabilities (IFRS 16)	29.5	31.8
Cash & cash equivalents	848.8	451.2
Net Debt	4,850.5	4,570.8
Investment properties	13,222.2	12,031.1
Properties held for sale	33.7	25.2
Prepayments for investment properties	69.7	53.5
Property values	13,325.6	12,109.8
Loan to Value (LTV) in %	36.4	37.7
Pro forma LTV in %¹	~40.0	37.7

- Strong balance sheet with LTV of 36.4%
- Pro forma LTV (including payment of acquisitions) of around 40%

¹ Taking the remaining ~6,400 units acquisition into account.

Appendix

Income statement



€m	9M-2020	9M-2019
Net rental and lease income	365.7	340.2
Net income from the disposal of investment property	-0.8	-0.8
Net income from the valuation of investment property	593.3	551.6
Net income from the disposal of real estate inventory	-2.3	-2.0
Net income from other services	4.2	1.5
Administrative and other expenses	-32.6	-38.0
Other income	0.1	0.4
Operating earnings	927.6	852.9
Net finance costs	-112.9	-182.0
Earnings before income taxes	814.7	670.9
Income tax expenses	-158.6	-182.0
Consolidated net profit	656.1	488.9

- Higher rental income +€24.7m YOY/+5.6%

- Recurring admin. costs reduced

- Net income from fair value measurement of derivatives -€43.7m (9M-2019: -€91.3m)
- Slight increase of cash interests (€59.7m; +€1.3m YOY) due to rising debt volume

- Cash taxes FFO I -€2.9m, cash taxes from disposals -€0.9m

Cash effective interest expense









€m	9M-2020	9M-2019
Reported interest expense	71.2	92.7
Interest expense related to loan amortisation	-9.8	-29.5
Interest costs related to valuation of assets/liabilities	-0.1	-0.6
Interest expenses related to changes in pension provisions	-0.9	-1.9
Other interest expenses	-0.6	-2.1
Cash effective interest expense (gross)	59.8	58.6
Cash effective interest income	0.1	0.2
Cash effective interest expense (net)	59.7	58.4

- Previous year: early conversion of convertible bond, early repayment of subsidised loans and refinancing

- Interest coverage improved further (6.0x up from 5.7x YOY)

Fischbach to become new contributor to our services business as LWS Plus

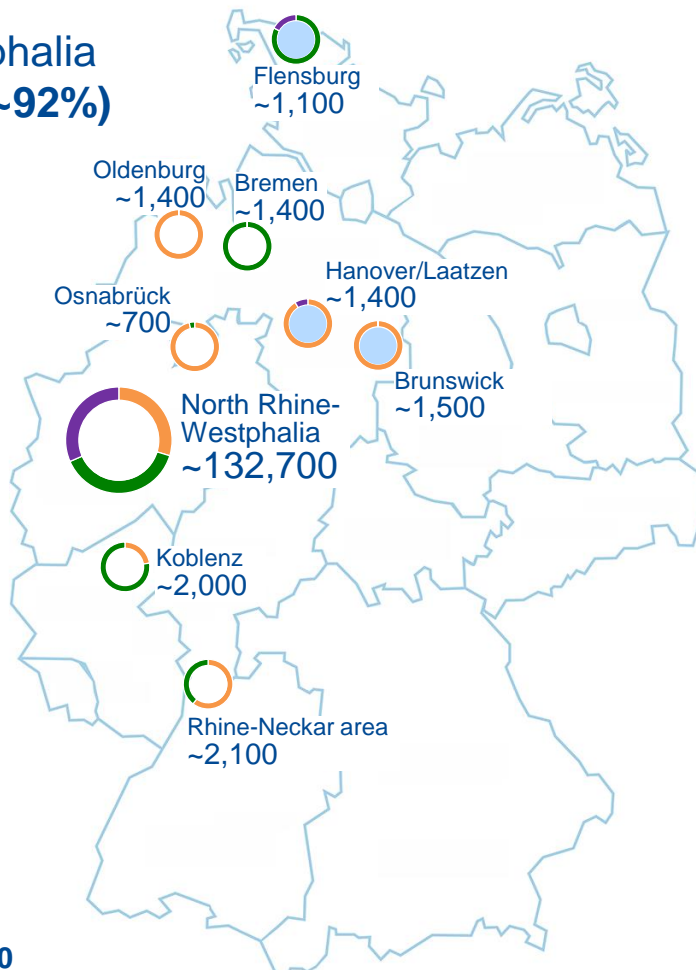


 <p>LEG WohnService</p> <p>Partner</p>  <hr/> <p>Cooperation Multimedia: TV, internet and telephone Launch January 2014</p>	 <p>LEG EnergieService</p> <p>Partner</p>  <hr/> <p>Cooperation Electricity, heating, gas, metering Launch March 2015</p>	 <p>LEG TechnikService</p> <p>Partner</p>  <hr/> <p>Joint venture (51%) Small repair work, craftsmen services Launch January 2017</p>	 <p>LEG LWS Plus</p> <p>former</p>  <hr/> <p>100% entity General contractor services Acquisition Oct 2020</p>
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Group P&L effect of LWS Plus

€m	2019	Annual effect 2021		
Net cold rent	586.1			
Profit from operating expenses	-2.8			
Maintenance (externally-procured services)	-61.0			
Staff costs	-68.2	- €5-6m	Lower staff costs from internalization/ capitalization of costs	↓
Allowances on rent receivables	-7.9			
Other	-1.3			
Non-recurring project costs (rental and lease)	8.3			
Recurring net rental and lease income	453.2	+ €5-6m	Improved income	↑
Recurring net income from other services	6.0			
Staff costs	-30.1			
Non-staff operating costs	-32.6			
Non-recurring project costs (admin.)	29.5			
Recurring administrative expenses	-33.2			
Other income and expenses	0.5			
Adjusted EBITDA	426.5	+ €5-6m	Improved EBITDA / EBITDA-Margin + ~100bps	↑
Cash interest expenses and income	-78.7			
Cash income taxes from rental and lease	-2.8			
FFO I (including non-controlling interests)	345.0	+ €4-5m	Cash tax effect of ~€1m	↑
Non-controlling interests	-3.7			
FFO I (excluding non-controlling interests)	341.3	+ €4-5m	Improved FFO	↑

North Rhine-Westphalia (~132,700 units / ~92%)



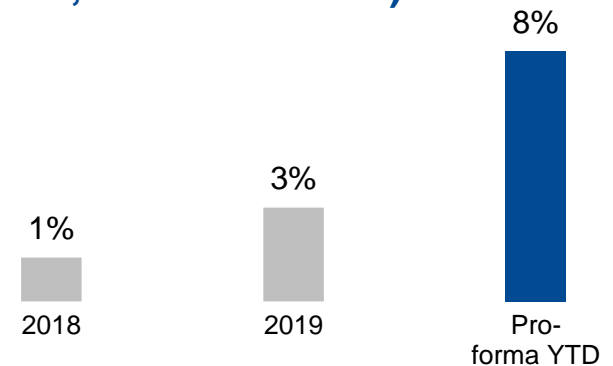
■ High-Growth

■ Stable

■ Higher-Yielding

● Acquisitions June 2020

Outside North Rhine-Westphalia¹ (~12,000 units / ~8%)

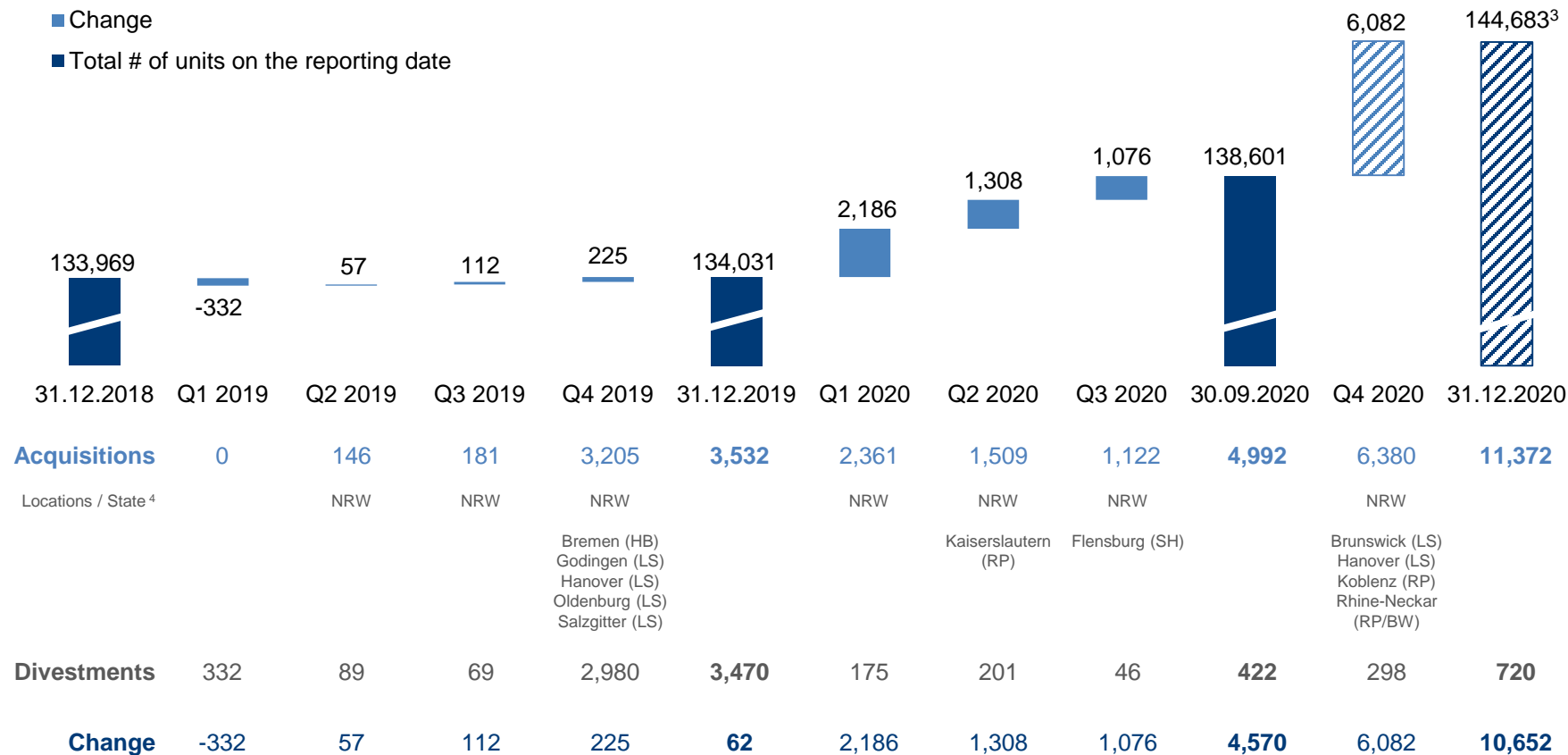


Growth along our investment criteria

- Asset class **affordable living** ✓
- Entry via **orange** and **green** markets ✓
- **>1,000** units per location ✓

¹ Including ~7,500 units acquired in June 2020.

Portfolio transactions: Based on date of transfer of ownership^{1,2}



¹ Residential units.

² Note: The date of the transaction announcement and the transfer of ownership are usually several months apart. The number of units may therefore differ from other disclosures, depending on the data basis.

³ Pro-forma number of residential units including ~7,500 units acquired in June 2020, total transfer of ownership expected for Q4 2020. Subject to change should additional acquisitions and/or disposals occur.

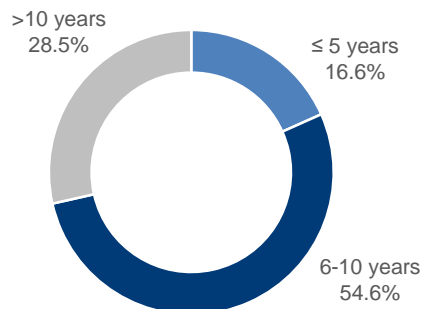
⁴ BW = Baden-Württemberg, HB = Bremen, LS = Lower Saxony, NRW = North Rhine-Westphalia, RP = Rhineland-Palatinate, SH = Schleswig-Holstein.

Refinancing of subsidised loans lifting value

Rent potential subsidised units

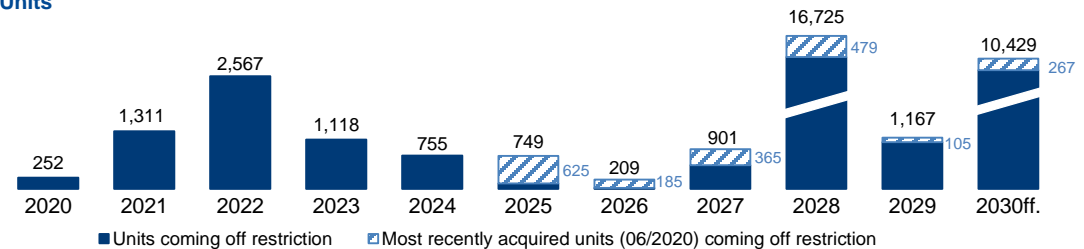
- Until 2028, around **25,000 units¹** will come off rent restriction
- Units show **significant upside to market rents**
- The **economic upside can theoretically be realised the year after restrictions expire**, subject to general legal and other restrictions⁵

Around 70% of units¹ to come off restriction until 2028

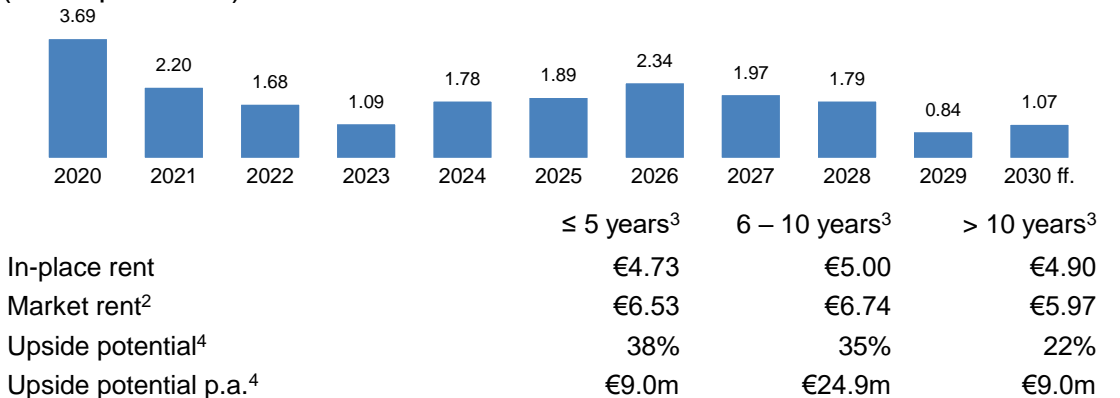


Number of units¹ coming off restriction and rent upside

Units



Spread to market rent (in €/sqm/month)



¹ Pro forma number of units including ~7,500 units acquired in June 2020; total transfer of ownership expected for Q4 2020.

² Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.

³ ≤5 years = 2020-2024; 6-10 years = 2025-2029; >10 years = 2030ff.

⁴ Rent upside is defined as the difference between LEG in-place rent and market rent (defined in footnote 2).

⁵ For example rent increase cap of 15% or 20% for three years.

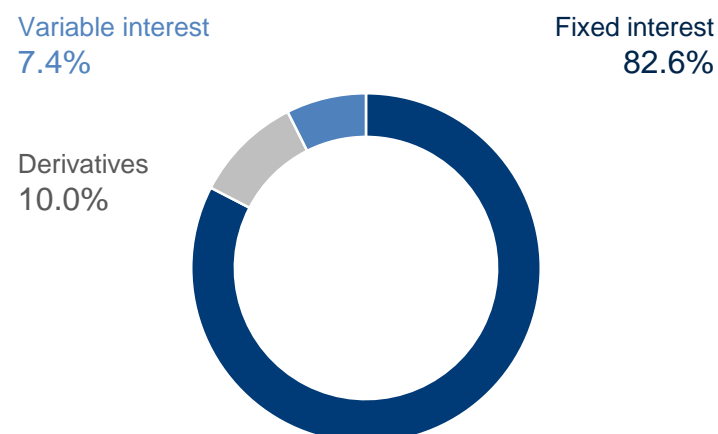
Unsecured financing covenants

Covenant	Threshold	30.09.2020
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.7x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	237%
Net Financial Indebtedness / Total Assets	≤60%	34%
Secured Financial Indebtedness / Total Assets	≤45%	21%

Ratings (Moody's)

Type	Rating	Outlook
Long Term Rating	Baa1	Stable
Short Term Rating	P-2	Stable

Financing mix



Key financial ratios

	30.09.2020	30.09.2019
Net debt / EBITDA	10.6x	9.8x
LTV	36.4%	36.3%

Capital market financing

Corporate bonds

	2017/2024	2019/2027	2019/2034
Issue Size	€500m	€500m	€300m
Term / Maturity Date	7 years / 23 January 2024	8 years / 28 November 2027	15 years / 28 November 2034
Coupon	1.250 % p.a. (annual payment)	0.875 % p.a. (annual payment)	1.625 % p.a. (annual payment)
Issue Price	99.409 %	99.356 %	98.649 %
Financial Covenants	<ul style="list-style-type: none"> • Net financial debt/ total assets \leq 60% • Secured financial debt/ total assets \leq 45% • Unencumbered assets/ unsecured financial debt \geq 125% • Adj. EBITDA/ net cash interest \geq 1.8 x 		
ISIN	XS1554456613	DE000A254P51	DE000A254P69
WKN	A2E4W8	A254P5	A254P6

Capital market financing

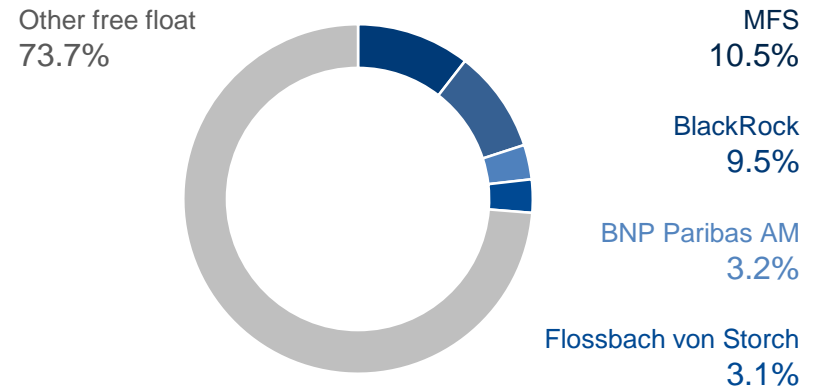
Convertible bonds

	2017/2025	2020/2028
Issue Size	€400m	€550m
Term/ Maturity Date	8 years/ 1 September 2025	8 years/ 30 June 2028
Coupon	0.875% p.a. (semi-annual payment: 1 March, 1 September)	0.4% p.a. (semi-annual payment: 15 January, 15 July)
# of shares	3,438,349	3,546,869
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price	€116.3349 (as of 4 September 2020)	€155.0663 (as of 7 September 2020)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

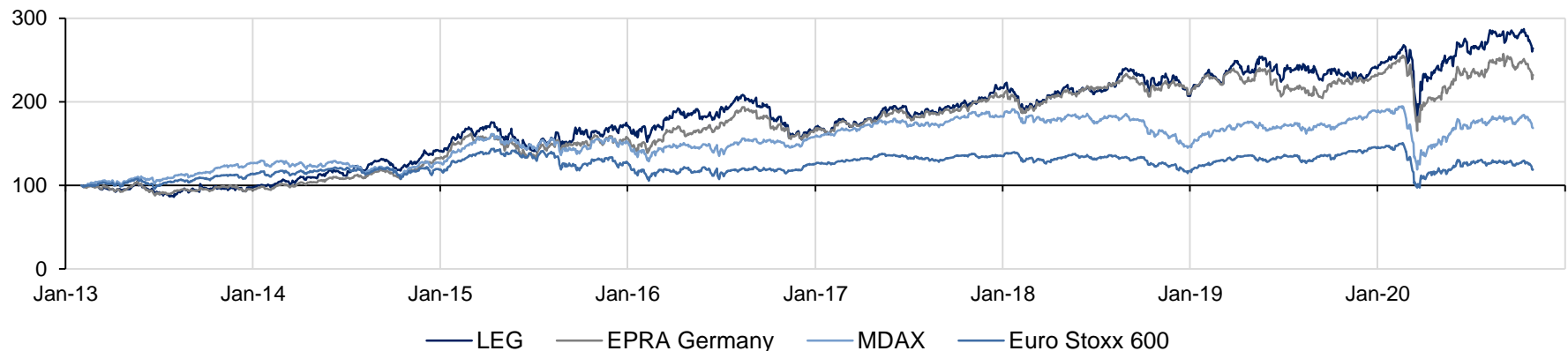
Basic data

- Market segment: Prime Standard
- Stock Exchange: Frankfurt
- Total no. of shares: 72,095,943 (16.09.2020)
- Ticker symbol: LEG
- ISIN: DE000LEG1110
- Indices: MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
- Weighting: MDAX 3.42% (30.09.2020)
EPRA 3.81% (30.09.2020)

Shareholder structure¹

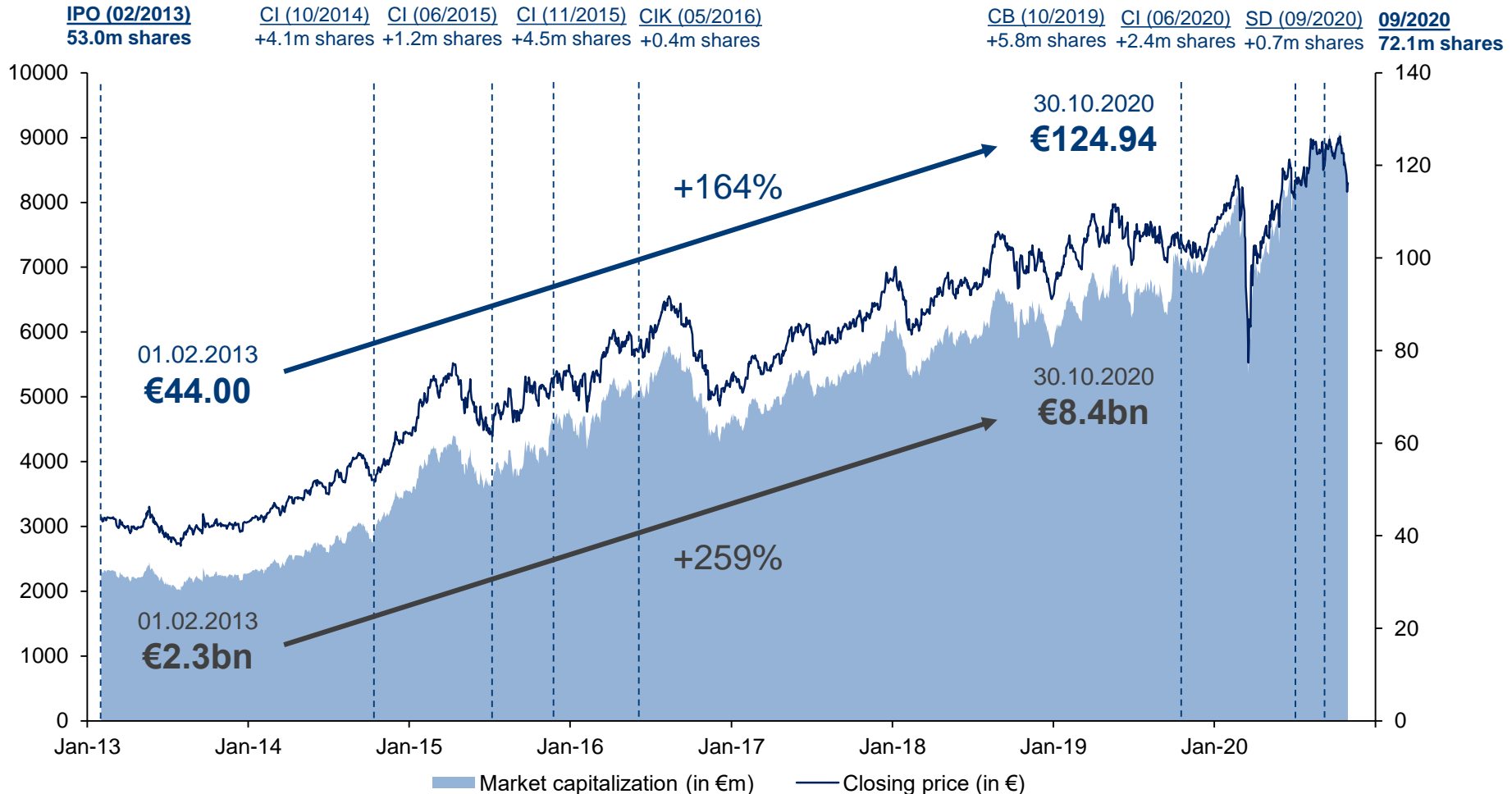


Share (30.10.2020; indexed; in %; 01.02.2013 = 100)



¹ Shareholdings according to voting rights notifications; as of 04.11.2020.

Sustainable increase in share price and market capitalisation since IPO



IPO = Initial Public Offering; CI = capital increase; CIK = capital increase in kind; CB = convertible bond; SD = stock dividend

Date	Report/Event	Venue/Note
2020		
12.11.2020	Quarterly Statement Q3 as of 30 September 2020	Release
24.11.2020	Roadshow, Deutsche Bank	Virtual
26.11.2020	Real Estate Paris Seminar, Berenberg	Virtual
01. - 02.12.2020	Global Real Estate Conference, UBS	Virtual
02.12.2020	Convertible Bond Conference, Unicredit	Virtual
04.12.2020	Roadshow Scandinavia, Berenberg	Virtual
07.12.2020	Roadshow Canada, Credit Suisse	Virtual
09.12.2020	Real Estate Conference, HSBC	Virtual
2021		
10.03.2021	Annual Report 2020	Release
11.05.2021	Quarterly Statement Q1 as of 31 March 2021	Release
10.08.2021	Quarterly Report Q2 as of 30 June 2021	Release
10.11.2021	Quarterly Statement Q3 as of 30 September 2021	Release

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