Vonovia SE

Vonovia SE's ratings reflect its Germany-weighted EUR79.4 billion residential-for-rent portfolio. Fitch Ratings expects rents to grow over the long term, albeit at a pace limited by regulation, supporting higher rental-derived EBITDA. This will be driven by ongoing investment, including to available modernised units, related value-added services, and driving efficiencies across the group's operating platform. Regulated residential-for-rent's net rental yields are lower than current debt funding costs.

The previous disposals-led deleveraging is largely complete, with Fitch-calculated net debt/EBITDA forecast at 17.7x at end-2025. Fitch only includes recurring rental-derived profits in EBITDA, not capital profits from residential disposals, and deducts cash minority dividends. Fitch-calculated interest coverage is set to narrow to 2x by 2028 as the group's average cost of debt resets to prevailing rates.

Key Rating Drivers

Inflation Trailing Rental Growth: Vonovia's core like-for-like rental growth – despite slowing annual inflation – should remain about 3% (3Q25 and 2024: both 2.8%), with modernisation capex fuelling another 1% in 3Q25 (2024: 0.9%). This brings, after rent contributions from retained newbuild units, rental growth to 4.2% in 3Q25 and 4.1% in 2024. Vonovia's increased modernisation spend on vacated units quickens the increase closer to market rents and drives rental growth. Residential-for-rent is the main component of group EBITDA and the focus of Fitch-adjusted EBITDA.

Add-On Value-Added Services: Greater in-sourcing of residential services has crystallised cost savings, and investment in maintenance-related work, energy-related selling and provision (solar panels) add value and generate complementary EBITDA. Following the operational integration of Deutsche Wohnen (DW), Vonovia is focusing on optimising further the synergies from its economies of scale and operating platform.

Low Residential-for-Rent NIY: The German portfolio's low 3.5% net initial yield (NIY, net rents/value) reflects stable regulated rents, underpinned by conducive supply and demand dynamics, and incorporates future years' increased rents. As a result, Vonovia has to increase recurring profits on its amassed portfolio by driving operational efficiencies, optimise value-added services' profits, and tightly manage its average cost of debt to protect its interest coverage and dividend capacity.

Investments Revamp: This year has seen Vonovia move from preserving liquidity to investing for growth, as investor confidence in the sector also returned. It continues to invest in maintenance (EUR0.5 billion); additional modernisation on vacated units (EUR0.8 billion spend); and in energy efficiency (solar, heat pumps), which increases rents at an attractive 6%-7% yield-on-cash deployed and promotes green credentials and core profits. The company has restarted investing in developed-for-sale residential units, leveraging its market knowledge and capabilities. This activity will become broadly self-funding.

Disposal Programme Slowdown: Vonovia plans to sell the remaining EUR1.5 billion of non-core, mostly residential assets by end-2026 to sharpen its geographic focus. A further EUR3.8 billion pipeline will be sold, unit by unit, over time, with no liquidity pressure but with a focus on crystallising asset appreciation. This slower pace contrasts with headline disposals of EUR5.6 billion (excluding Apollo joint venture (JV) transactions) during 2023-2024, which reduced Fitch-adjusted net debt/EBITDA to 19.1x at end-2024 (end-2021: 25.3x) following the DW acquisition.

DW Integration Completed: Vonovia completed the full integration of DW (largely acquired in 2021), after the domination and profit and loss transfer agreement (DLPTA) was approved at the AGM in January 2025.

Apollo Minority Cash Leakages: Linked to the DLPTA, Vonovia formed a new JV with Apollo, under which Apollo acquired an indirect 10.1% minority stake in DW. This introduced Apollo as a "professional" minority interest which, alongside the remaining DW minorities, receive a fixed remuneration. The structure also frees cash circulation while keeping economic ownership below the tax-efficient 90%. Vonovia in turn received EUR1 billion of cash. Fitch currently consolidates this as debt due to the transaction's debt-like features. In line with the previous two Apollo financings with outsized minority cash dividends, we also treat Apollo's DW-related minority dividends as interest expense.

Bond Market Comeback: Vonovia has resumed frequent unsecured bond issuance, placing EUR1.8 billion in 2024 and EUR2.7 billion by end-3Q25. This follows an absence from the unsecured bond market in 2023, when sector spreads were unfavourable. Vonovia was among the first to return in January 2024 with a GBP400 million bond at a coupon of 4.6% after hedging. Funding spreads have since eased, reflecting restored investor confidence, to around 4%, depending on currency and tenor.

Narrowing Interest Coverage: Vonovia's interest coverage will tighten as low-coupon debt is refinanced at prevailing rates and EBITDA is based on phased rent uplifts. The Fitch-calculated interest coverage will narrow to 2x by 2028, consistent with the current rating. The long tenor of Vonovia's debt (end-2024 weighted average debt maturity: 6.3 years) mitigates refinancing risk and delays interest rate re-setting.

Deleveraging Delayed: We forecast net debt/EBITDA to settle at around 17x from 2026. Of the EUR5.6 billion headline disposals in 2023 and 2024 (excluding Apollo JVs), only about EUR2 billion has been received in cash. A further EUR0.7 billion from signed disposals is due by 2027.

Germany Regulatory Housing Sentiment: Germany's housing shortage is intensifying, with demand driven by cities' population growth, including migration, while new construction hit a new low in 2025. If Vonovia reduces construction costs toward EUR3,600 per square metre (sqm) as announced, its scale and national reach could support new supply. Policy proposals have shifted toward supply-side support, such as faster permit grants and subsidies for social housing, rather than stricter rent controls.

Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	5,152	4,875	5,087	3,435	3,557	3,715
EBITDA	2,281	2,363	2,246	2,397	2,453	2,517
EBITDA after associates and minorities	2,239	2,323	2,203	2,337	2,393	2,457
EBITDA net interest coverage (x)	4.1	3.2	2.5	2.3	2.2	2.2
EBITDA net leverage (x)	19.5	18.8	19.2	17.7	17.1	16.8

Source: Fitch Ratings, Fitch Solutions

Vonovia SE Property Portfolio at End-2024

Asset class	Residential-for-rent
Geography	Germany
Portfolio size	EUR82 billion
Number of units	~540,000
Gross leasable area	33,839,000sqm
Net initial yield (EPRA "topped-up")	3.3%
Average rent per sqm/month	EUR8
Vacancy rate	2%

Source: Fitch Ratings, Vonovia SE

Vonovia Group Portfolio

(%)	2020	2021	2022	2023	2024
Organic rent increase	+3.1	+3.2	+3.3	+3.8	+4.1
of which market rent Increase (lfl)	+0.6	+1.0	+1.0	+2.3	+2.8
Modernisation spend (lfl)	+1.9	+1.6	+1.6	+1.0	+0.9
New construction	+0.6	+0.6	+0.7	+0.5	+0.4

lfl – like for like.
Source: Fitch Ratings, Vonovia SE

Peer Analysis

Vonovia has the largest European residential-for-rent portfolio (end-2024: EUR82 billion, 539,753 units), followed by Heimstaden Bostad AB (BBB-/Stable) with EUR29.1 billion and 162,415 units. The UK's Grainger plc (BBB-/Stable) has EUR4.2 billion of 11,069 units. German peers include Peach Property Group AG (B/Stable; EUR1.9 billion), mainly focused in in the North Rhine-Westphalia region of Germany, and D.V.I. Deutsche Vermoegens- und Immobilienverwaltungs GmbH (BBB-/Stable; Berlin-focused EUR2.3 billion and mainly residential).

Heimstaden Bostad's portfolio benefits from pan-European diversification, affording it beneficial exposure to different countries' economic cycles as well as their approaches to residential-for-rent regulations and rent indices, whereas Vonovia's portfolio is primarily in Germany at 88% by end-2024 value, Sweden 9% and Austria 3%. Both companies have significant exposure to Berlin, with Heimstaden Bostad's coming from its acquisition of the Akelius portfolio.

Vonovia's predominantly German portfolio is of a lower quality than Heimstaden Bostad's pan-European portfolio, so its 2024 lfl rental growth is lower than Heimstaden Bostad's. For 2024 Vonovia (excluding rents on new-builds) was 3.7%, versus Heimstaden Bostad's German portfolio at 5.7% (Heimstaden Bostad group: 5.6%).

Vonovia has much longer-dated debt and has fixed the interest rates on most of it, providing a stable interest cover ratio (about 2.1x-2.4x). Heimstaden Bostad's interest cover (2024 trough of 1.4x before rising to 1.5x in 2026 due to disposal proceeds and phasing of rent increases over time) did not benefit from such long-term interest rate-fixing. Vonovia's lower average cost of debt (2024: 1.9% rising to 2.5% in 2026) does not include hybrids (none issued), whereas this cost hinders Heimstaden Bostad's financial profile (Fitch forecasts 3.8% in 2025).

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Property Portfolio	Rental Income Risk Profile	Liability Profile	Access to Capital	Profitability	Financial Structure	Financial Flexibility
Vonovia SE	BBB+/Stable	aa	a-	bbb+	a-	a-	a-	a	bbb	bbb+
D.V.I. Deutsche Vermogens- und Immobilienverwaltungs GmbH	BBB-/Stable	aa	bb+	bbb+	a-	bbb+	bbb-	a	bbb-	bbb+
Grainger plc	BBB-/Stable	aa	a	bbb	bbb	bbb-	bbb	bbb	bbb-	bbb
Heimstaden Bostad AB	BBB-/Stable	aa	bbb	a	a-	bbb	bbb-	bbb	bbb-	bbb-
Peach Property Group AG	B/Stable	aa-	bbb	bbb	bbb+	b+	b	a	b+	bb-
SCI LAMARTINE	BBB+/Stable	aa	bbb+	a-	a-	a	bbb+	bbb-	bbb+	a
Sveafastigheter AB (publ)	BBB-/Positive	aa	bbb	bbb+	a-	b+	bbb	bbb+	bbb+	bbb

Source: Fitch Ratings

Relative Importance of Factor: Higher, Moderate, Lower

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Net debt/rental-derived EBITDA above 19.0x
- EBITDA net interest coverage below 1.75x
- Average debt maturity below 5 years

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Net debt/rental-derived EBITDA below 17.0x
- EBITDA net interest coverage above 2.0x
- Senior unsecured debt rating: unencumbered investment property assets/unsecured debt above 2.0x and a lower reliance on secured debt

Liquidity and Debt Structure

By end-3Q25, Vonovia had accumulated EUR3 billion of cash, primarily from disposals, and expects to receive another EUR0.5 billion from signed but not closed disposals in the near term, increasing cash to EUR3.5 billion by end-2025. Vonovia has a core undrawn EUR3 billion revolving credit facility (RCF) maturing in 2030. Fitch's liquidity score for 2026 is 1.7x.

The 2024 average cost of debt for Vonovia was a competitive 1.9%. At end-2024, 98% of the book was fixed or hedged (end-2023: 98%). Vonovia has not accessed hybrid bonds.

Vonovia's ratings benefit from its access to unsecured debt markets (3Q25: EUR2.7 billion bonds, including EUR1.3 billion low-coupon unsecured-ranking convertibles) alongside secured funding refinancings. Consistent with peers, when Vonovia's numerous secured financings are updated, their specific loan-to-value (LTV) target is 50% whereas the amortised long-dated facility may have an LTV as low as 25%-30%.

Vonovia's unencumbered assets/unsecured debt was 159% at end-2024, above its covenant 125%. Fitch-calculated unencumbered investment property/unsecured debt is 1.6x, which is not consistent with Fitch's EMEA real estate senior unsecured 2x threshold for a rating uplift. We calculate that secured fundings have an asset coverage of 3x on average, which is inefficient for the issuer but favourable to secured lenders.

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2026F
Available liquidity	
Beginning cash balance	3,500
Rating case FCF after acquisitions and divestitures	551
Total available liquidity (A)	**4,051**
Liquidity uses	
Debt maturities	-4,036
Total liquidity uses (B)	**-4,036**
Liquidity calculation	
Ending cash balance (A+B)	15
EUR3 billion RCF availability (maturity 2030)	3,000
Ending liquidity	**3,015**
Liquidity score (x)	1.7

Source: Fitch Ratings, Fitch Solutions, Vonovia SE

Scheduled Debt Maturities

(EURm)	30 Sep 25
4Q25	1,854
2026	4,036
2027	5,339
2028	4,866
2029	3,973
2030	5,475
Thereafter	16,883
Total	**42,427**

Source: Fitch Ratings, Fitch Solutions, Vonovia SE

Fitch's Key Rating-Case Assumptions

Fitch's Key Rating-Case Assumptions

- Core regulated rents to increase by about 4% a year during 2025-2028, including rent uplifts on renewals at 10% (assuming 7.5% of the portfolio churns a year), and apartments after capex receive a 7% rental yield on spend (Vonovia quotes 8%-9%). New-builds (space creation) yield a 7% rent (on-cost) return. This results in 4.1%-4.2% annual increases in gross rental income for 2025-2028.
- Increase of around EUR140 million in annual EBITDA contribution from rented value-added services from 2025 (2024: EUR89 million excluding one-offs).
- Profits from recurring sales and development-to-sale of residential units not added to Fitch-adjusted EBITDA, but these activities' FCF net inflows are added to group cash flow
- Space-creation capex at EUR400 million a year, and modernisation (upgrade of building and optimisation) at EUR400 million to EUR500 million a year, plus capitalised maintenance spend averaging EUR700 million a year.
- Refinanced debt uses Fitch's Global Economic Outlook policy rates of 2% from 2025.
- Dividend growing by 5% a year with a lowered 30% scrip.

- Disposals in 2025 and 2026 include EUR1.6 bullion of non-core assets. In addition, disposals in 2025 to 2028 include EUR0.5 billion of non-strategic/"recurring" portfolio sales
- The three Apollo transactions are treated as on-balance-sheet debt, totalling EUR3 billion, and the minorities' outsized cash dividends paid related to servicing this debt are transferred to Vonovia's interest expense.

Financial Data

(EURm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	5,152	4,875	5,087	3,435	3,557	3,715
Revenue growth (%)	42.2	-5.4	4.4	-32.5	3.6	4.4
EBITDA before income from associates	2,281	2,363	2,246	2,397	2,453	2,517
EBITDA margin (%)	44.3	48.5	44.2	69.8	68.9	67.7
EBITDA after associates and minorities	2,239	2,323	2,203	2,337	2,393	2,457
EBITDAR	2,300	2,363	2,246	2,397	2,453	2,517
EBITDAR margin (%)	44.7	48.5	44.2	69.8	68.9	67.7
EBIT	2,060	1,952	2,125	2,280	2,333	2,396
EBIT margin (%)	40.0	40.0	41.8	66.4	65.6	64.5
Gross interest expense	-368	-810	-888	-996	-1,075	-1,098
Pretax income including associate income/loss	-733	1,570	1,364	1,283	1,259	1,298
Summary balance sheet						
Readily available cash and equivalents	1,198	959	2,019	3,333	1,287	611
Debt	44,759	44,719	44,379	44,795	42,198	41,963
Net debt	43,561	43,761	42,361	41,462	40,911	41,352
Lease-adjusted debt	44,759	44,719	44,379	44,795	42,198	41,963
Summary cash flow statement						
EBITDA	2,281	2,363	2,246	2,397	2,453	2,517
Cash interest paid	-541	-719	-867	-996	-1,075	-1,098
Cash tax	-188	-154	-251	-103	-107	-111
Dividends received less dividends paid to minorities (inflow/outflow)	-42	-41	-44	-60	-60	-60
Other items before FFO	98	33	84	—	—	—
FFO	1,641	1,550	1,243	1,237	1,211	1,247
FFO margin (%)	31.9	31.8	24.4	36.0	34.0	33.6
Change in working capital	-107	-340	322	—	—	—
CFO (Fitch-defined)	1,535	1,210	1,565	1,237	1,211	1,247
Total non-operating/nonrecurring cash flow	—	—	—	100	100	100
Capex	-2,476	-1,104	-1,266	—	—	—
Capital intensity (capex/revenue) (%)	48.1	22.6	24.9	—	—	—
Common dividends	-672	-373	-506	—	—	—
FCF	-1,613	-267	-208	—	—	—
FCF margin (%)	-31.3	-5.5	-4.1	—	—	—
Net acquisitions and divestitures	5,281	615	-391	—	—	—
Other investing and financing cash flow items	117	-756	907	—	—	—
Net debt proceeds	-1,779	119	-269	416	-2,597	-235
Net equity proceeds	—	—	-41	—	—	—
Total change in cash	-242	428	390	1,314	-2,046	-676
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	2,133	-862	-2,164	-339	-660	-1,688

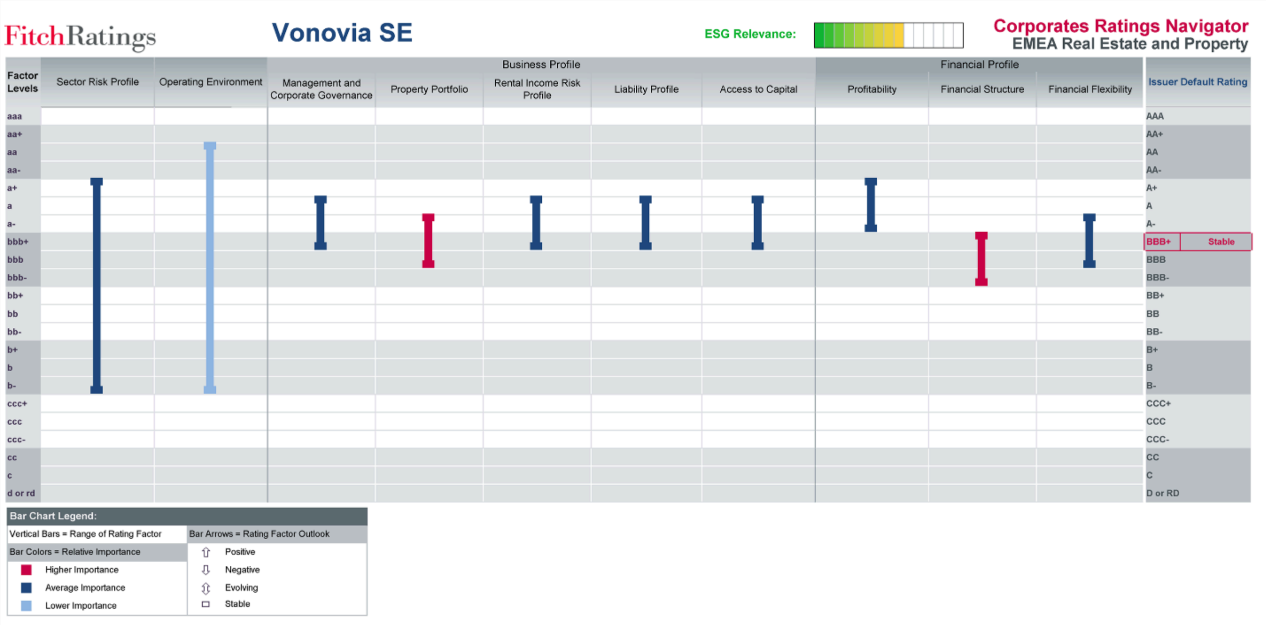
(EURm)	2022	2023	2024	2025F	2026F	2027F
FCF after acquisitions and divestitures	3,668	348	-599	898	551	-441
FCF margin after net acquisitions (%)	71.2	7.1	-11.8	26.2	15.5	-11.9
Gross Leverage ratios (x)						
EBITDA leverage	20.0	19.3	20.2	19.2	17.6	17.1
EBITDAR leverage	19.8	19.3	20.2	19.2	17.6	17.1
FFO leverage	20.8	20.3	21.8	20.1	18.5	17.9
FFO adjusted leverage	20.6	20.3	21.8	20.1	18.5	17.9
(CFO-capex)/debt (%)	-2.1	0.2	0.7	0.1	-0.7	-1.1
Net leverage ratios (x)						
EBITDA net leverage	19.5	18.8	19.2	17.7	17.1	16.8
EBITDAR net leverage	19.3	18.8	19.2	17.7	17.1	16.8
FFO net leverage	20.3	19.9	20.8	18.6	17.9	17.6
FFO adjusted net leverage	20.1	19.9	20.8	18.6	17.9	17.6
(CFO-capex)/net debt (%)	-2.2	0.2	0.7	0.1	-0.7	-1.1
Coverage ratios (x)						
EBITDA interest coverage	4.1	3.2	2.5	2.3	2.2	2.2
EBITDAR fixed-charge coverage	4.0	3.2	2.5	2.3	2.2	2.2
EBITDAR net fixed-charge coverage	4.3	3.6	2.8	2.3	2.2	2.2
FFO interest coverage	4.0	3.1	2.4	2.2	2.1	2.1
FFO fixed-charge coverage	3.9	3.1	2.4	2.2	2.1	2.1

CFO – Cash flow from operations. The forecast years are based on rental income-derived rents and EBITDA.
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



FitchRatings

Vonovia SE

Corporates Ratings Navigator
EMEA Real Estate and Property

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific-funding characteristics and the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bbb			

Property Portfolio

a	Portfolio Liquidity and Ability to Leverage Assets	a	Good institutional appetite (buyers/sellers/lenders) in best markets, indicating high liquidity and ability to leverage assets.
a-	Investment Granularity	a	Very high portfolio granularity. Top 10 assets comprise less than 20% of net rental income or value.
bbb+	Geographic Strategy	bbb	A strong and focused presence in a prime market; or focus on two to three markets with appropriate scale. Markets display different economic and business cycles.
bbb	Asset Quality	bbb	Prime and good secondary.
bbb-	Development Exposure	a	Committed development cost to complete of up to 5% of investment properties. Limited speculative development.

Rental Income Risk Profile

a+	Occupancy	a	Limited occupancy volatility through cycles. Occupancy consistently above 95%. Track record of limited tenant defaults.
a	Lease Duration, Renewal and Lease Maturity Profile	a	Lease duration (or average tenure for residential) longer than seven years with large majority renewed. Smoothed lease maturity profile with no large lease expiries in the medium term.
a-	Rental Income Volatility	bbb	Sustained rental income growth and/or average volatility in rents compared to comparable sector levels. Less reversionary potential in rents in the near term.
bbb+	Tenant Concentration and Tenant Credit	a	Top 10 tenants comprise less than 15% of annual passing rent ; below-average tenant credit risk.
bbb			

Liability Profile

a+	Debt Maturity Profile	a	Average debt tenor at least seven years. No year represents more than 15% of total debt.
a	Interest Rate Hedging Profile	a	Fixed or hedged debt above 75% of total debt (recent period-end measured) with average interest rate maturity at least seven years. Evidence of consistent policy through the cycle.
a-			
bbb+			
bbb			

Access to Capital

a+	Sources of Capital	a	Market-leading access through cycles to all of common and preferred equity, unsecured bonds/bank debt, secured debt, and/or joint ventures.
a	Unencumbered Asset Pool	bbb	Leveragable unencumbered pool with limited adverse selection.
a-	Absolute Scale	a	Rent-yielding property assets of at least EUR5bn.
bbb+			
bbb			

Profitability

aa-	FFO Dividend Cover	a	1.4x
a+	Asset Class Volatility	a	Portfolio values change less than 15% peak to trough with strong track record of recovery.
a			
a-			
bbb+			

Financial Structure

a-	Loan-To-Value	bbb	50%
bbb+	Unencumbered Asset Cover	bb	1.5x
bbb	Managing Balance Sheet Through the Cycle	bbb	Maintenance of a suitable LTV taking asset volatility into account.
bbb-	EBITDA Net Leverage	ccc	>11.0x
bb+			

Financial Flexibility

a	Financial Discipline	bbb	Less conservative policy but generally applied consistently.
a-	Liquidity Coverage	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
bbb+	Recurring Income EBITDA Interest Cover	bbb	1.75x
bbb	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging. Debt and cash flow well matched.
bbb-			

Credit-Relevant ESG Derivation

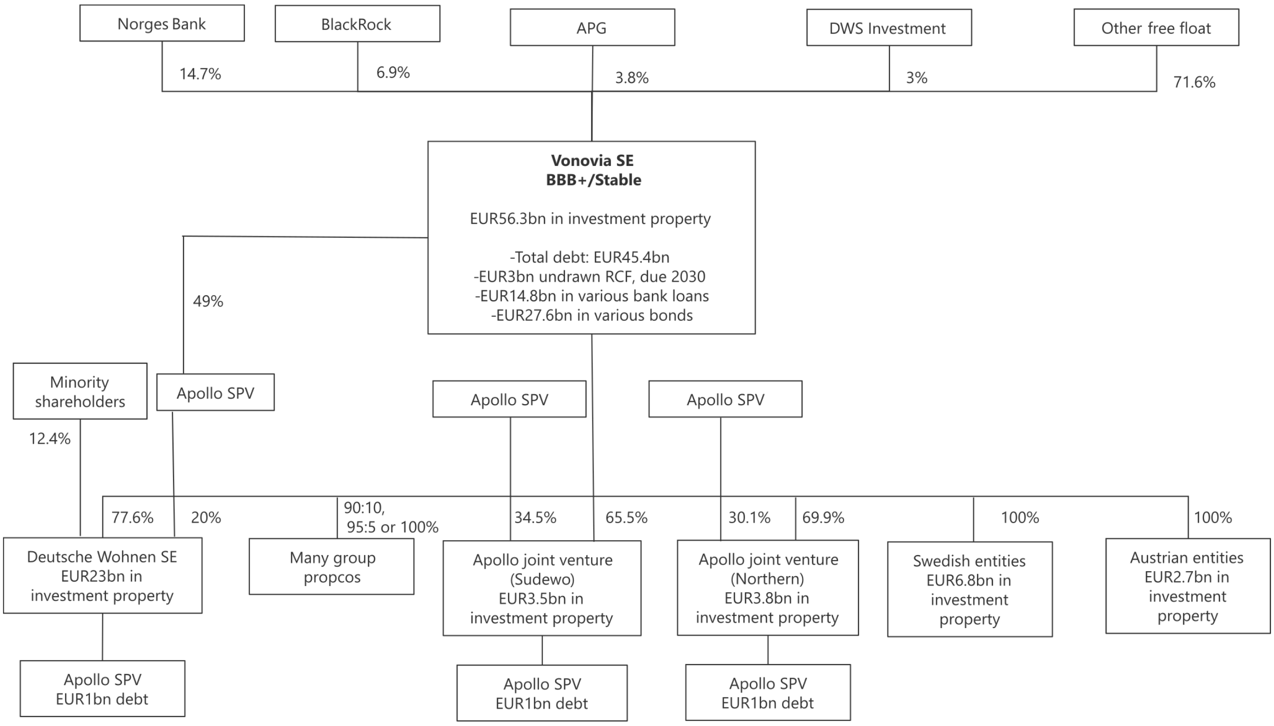
Vonovia SE has 9 ESG potential rating drivers

- Focus on low-carbon new-builds and renovations
- Buildings' energy consumption, focus on renewable sources
- Sustainable building practices including Green building certificate credentials
- Portfolio's exposure to climate change-related risk including flooding
- Shift in market preferences
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Vonovia SE, as at end-3Q25

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA after associates and minorities (EURm)	EBITDA margin (%)	EBITDA interest coverage (x)	EBITDA net leverage (x)
Vonovia SE	BBB+						
	BBB+	2024	5,087	2,203	44.2	2.5	19.2
		2023	4,875	2,323	48.5	3.2	18.8
		2022	5,152	2,239	44.3	4.1	19.5
D.V.I. Deutsche Vermogens- und Immobilienverwaltungs GmbH	BBB-						
	BBB-	2024	127	92	72.9	2.3	15.7
	BBB-	2023	120	80	66.0	2.1	17.7
	BBB-	2022	95	77	78.6	3.7	17.4
Grainger plc	BBB-						
	BBB-	2024	194	99	50.8	1.6	18.3
	BBB-	2023	166	85	50.6	1.6	19.5
	BBB-	2022	150	74	49.3	1.6	19.7
Heimstaden Bostad AB	BBB-						
	BBB-	2024	1,387	869	62.7	1.4	19.6
	BBB	2023	1,342	813	60.6	1.6	21.4
	BBB	2022	1,142	667	58.4	2.6	25.3
Peach Property Group AG	B						
	CCC+	2024	125	60	47.9	1.3	17.2
	BB	2023	121	64	52.9	1.4	22.5
	BB	2022	117	58	49.6	1.2	26.5
SCI LAMARTINE	BBB+						
	BBB+	2024	74	44	59.9	1.5	16.9
	BBB+	2023	60	34	56.9	1.2	23.0
	BBB+	2022	38	22	57.9	220.0	35.7

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary							
Revenue		5,087	—	—	—	—	5,087
EBITDA	(a)	2,267	—	—	-21	0	2,246
Depreciation and amortization		-121	—	—	—	—	-121
EBIT		2,146	—	—	-21	0	2,125
Balance sheet summary							
Debt	(b)	42,379	—	—	—	2,000	44,379
Of which other off-balance-sheet debt		—	—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—	—
Lease-adjusted debt		42,379	—	—	—	2,000	44,379
Readily available cash and equivalents	(c)	2,084	-65	—	—	-0	2,019
Not readily available cash and equivalents		—	65	—	—	—	65
Cash flow summary							
EBITDA	(a)	2,267	—	—	-21	0	2,246
Dividends received from associates less dividends paid to minorities	(d)	-144	—	—	—	100	-44
Interest paid	(e)	-767	—	—	—	-100	-867
Interest received	(f)	74	—	—	—	—	74
Preferred dividends paid	(g)	—	—	—	—	—	—
Cash tax paid		-251	—	—	—	—	-251
Other items before FFO		63	—	—	21	0	84
FFO	(h)	1,243	—	100	—	-100	1,243
Change in working capital		322	—	—	—	—	322
CFO	(i)	1,565	—	100	—	-100	1,565
Non-operating/nonrecurring cash flow		—	—	—	—	—	—
Capex	(j)	-1,266	—	—	—	—	-1,266
Common dividends paid		-506	—	—	—	—	-506
FCF		-208	—	100	—	-100	-208
Gross leverage (x)							
EBITDA leverage	b/(a+d)	20.0	—	—	—	—	20.2
(CFO-capex)/debt (%)	(i+j)/b	0.7	—	—	—	—	0.7
Net leverage (x)							
EBITDA net leverage	(b-c)/(a+d)	19.0	—	—	—	—	19.2
(CFO-capex)/net debt (%)	(i+j)/(b-c)	0.7	—	—	—	—	0.7
Coverage (x)							

(EURm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Preferred dividends, associates and minorities cash adjustments	Lease treatment	Other adjustments	Adjusted values
EBITDA interest coverage	(a+d)/(-e)	2.8	—	—	—	—	2.5

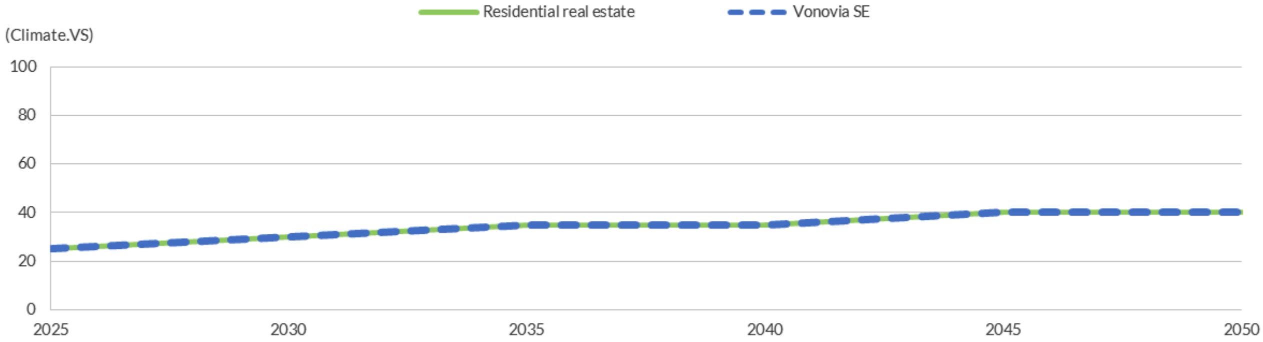
CFO – Cash flow from operations
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR675.7 million.
Source: Fitch Ratings, Fitch Solutions, Vonovia SE

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2024 revenue-weighted Climate.VS for Vonovia SE 2035 is 35 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution
As of Dec. 31, 2024



Source: Fitch Ratings

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

FitchRatings

Vonovia SE

Corporates Ratings Navigator
EMEA Real Estate and Property

Credit-Relevant ESG Derivation

Vonovia SE has 9 ESG potential rating drivers

- Vonovia SE has exposure to emissions regulatory risk but this has very low impact on the rating.
- Vonovia SE has exposure to energy productivity risk but this has very low impact on the rating.
- Vonovia SE has exposure to unsustainable building practices risk but this has very low impact on the rating.
- Vonovia SE has exposure to extreme weather events but this has very low impact on the rating.
- Vonovia SE has exposure to shifting consumer preferences but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	9	issues	3
not a rating driver	3	issues	2
	2	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Focus on low-carbon new-builds and renovations	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Energy Management	3	Buildings' energy consumption, focus on renewable sources	Property Portfolio; Rental Income Risk Profile; Access to Capital; Profitability
Water & Wastewater Management	2	Buildings' water consumption, recycling	Property Portfolio; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Sustainable building practices including Green building certificate credentials	Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Exposure to Environmental Impacts	3	Portfolio's exposure to climate change-related risk including flooding	Property Portfolio; Profitability; Financial Structure; Financial Flexibility

E Relevance: 5, 4, 3, 2, 1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Data security	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility
Labor Relations & Practices	2	Impact of labor negotiations and employee (dis)satisfaction	Rental Income Risk Profile; Profitability; Financial Flexibility
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Shift in market preferences	Property Portfolio; Rental Income Risk Profile; Profitability; Financial Structure; Financial Flexibility

S Relevance: 5, 4, 3, 2, 1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

G Relevance: 5, 4, 3, 2, 1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

Long-Term IDR	BBB+
Senior Unsecured Debt - Long-Term Rating	BBB+
Outlook	
Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 35

Applicable Criteria

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)
Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Corporate Rating Criteria (June 2025)

Related Research

Global Corporates Sector Forecasts Monitor – September 2025
Global Economic Outlook (December 2025)
EMEA Residential-for-Rent Property Companies — Relative Credit Analysis (February 2025)
D.V.I. Deutsche Vermogens- und Immobilienverwaltungs GmbH (December 2024)
Heimstaden AB and Heimstaden Bostad AB (January 2025)
SCI LAMARTINE (July 2025)
Peach Property Group AG (December 2025)
Sveafastigheter AB (publ) (April 2025)
EMEA Real Estate - Refinancing Risk and Interest Coverage Resilience (December 2025)

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