



Instone Group: Accelerated growth in retail sales and progress in institutional sales; full-year targets for 2025 confirmed

- *Adjusted revenues of EUR 231.0 million in the first half of 2025 (H1-2024: EUR 255.4 million) are in line with expectations*
- *Adjusted gross profit margin remains high at 25.3 per cent (H1-2024: 25.7 per cent), underscoring the quality of Instone Group's projects and cost leadership; slightly lower margin expected in the second half of the year*
- *Sales of EUR 96.3 million (H1-2024: EUR 121.9 million) were as planned below the previous year, which had benefited from a large institutional sale; first institutional sale signed after the end of the quarter*
- *Adjusted earnings after tax of EUR 17.2 million (H1-2024: EUR 20.5 million) underscores solid profitability even at the expected trough of the earnings cycle*
- *Five land acquisitions signed or close to signing; contributing to a strengthening of the future growth profile*
- *With a very strong balance sheet (loan-to-cost: 12.0 per cent), the company is well positioned for further growth*
- *Early extension of the management contracts of Kruno Crepulja (CEO) until mid-2029 and Andreas Gräf (COO) until the end of 2027; Supervisory Board sends a clear signal for continuity*
- *Outlook for 2025 confirmed: revenues (adjusted) of EUR 500 to 600 million, adjusted earnings after tax of EUR 25 to 35 million, sales of more than EUR 500 million*

Essen, Germany, 7 August 2025: Instone Real Estate Group ("Instone Group") reports very solid results for the first half of the year in an environment marked by macroeconomic uncertainty and remains on track to achieve its targets for the 2025 financial year. Sales to private investors in particular continue to show robust demand. The sales start of new projects



is a key growth driver in this regard. Single unit sales recorded significant growth overall compared with the previous year, with growth continuing to accelerate. Sales to institutional investors were geared towards the second half of the year, and after the quarterly reporting date, an important step towards achieving the sales targets for the year as a whole was already taken with the signing of the sale of a major sub-project in one of the top eight metropolitan regions. Based on current demand indicators, we anticipate a clear continuation of the gradual market recovery.

Instone Group maintains industry-leading profitability

Adjusted revenues amounted to EUR 231.0 million in the first half of 2025 and were therefore below the previous year's level as expected (H1-2024: EUR 255.4 million), due to lower construction output and the revenue contribution from an institutional sale in the same period of the previous year. Instone Group continued to benefit from the high proportion of pre-sold projects. Of the projects under construction, totalling around EUR 2.5 billion, around 92 per cent had already been sold by the reporting date.

The adjusted gross profit margin remained at a very high and industry-leading level of 25.3 per cent in the first half of 2025 (H1-2024: 25.7 per cent). The company's leading profitability underlines the quality of the project portfolio and also benefits from structural competitive advantages, such as economies of scale in purchasing and the high level of vertical integration with in-house construction management. It is also evident that construction costs were prudently planned in an inflationary environment. A slightly lower adjusted gross margin is still expected in the second half of the year, but this is in line with expectations.

Due to the lower revenues, the adjusted operating profit (adjusted EBIT) decreased to EUR 28.9 million (H1-2024: EUR 33.4 million) despite reduced platform costs. Adjusted earnings after taxes (EAT) of EUR 17.2 million were as planned below the previous year (H1-2024: EUR 20.5 million) with a slightly higher tax rate but this shows that the company is well on track to achieve its profit target of EUR 25 to 35 million for the 2025 financial year.

Dynamic recovery in retail sales; further sales starts promise additional growth momentum



Instone Group sold properties worth around EUR 96.3 million in the first half of 2025, which was still below the previous year's level (H1-2024: EUR 121.9 million), that had benefitted from a larger institutional sale. Single-unit sales to private buy-to-let investors and owner-occupiers, however, showed very significant growth despite the ongoing macroeconomic uncertainties. Accordingly, sales from individual sales rose by around 58 per cent to approximately EUR 91 million in the first half of 2025 (H1 2024: EUR 57.5 million). A key driver for this positive development were the sales starts of three new projects tailored to the attractive promotion scheme for buy-to-let investors under the Growth Opportunities Act. These products benefit from the increased degressive depreciation of 5.0 per cent and an additional linear special depreciation of a further 5.0 per cent over four years for energy-efficient properties which provide a basis for very attractive post-tax returns for buy-to-let investors. Meanwhile, the number of new projects launched has already risen to four, and there is a pipeline of five additional sales starts for the coming months that are scheduled to go on sale before the end of this year, promising further growth acceleration in retail sales.

Although the institutional market is still characterised by a generally higher level of reluctance to buy, this customer segment is also showing positive development. While sales are also expected to be geared towards the final quarter of 2025, the sale of a major sub-project in one of Germany's top eight metropolitan regions to an institutional investor was successfully signed shortly after the end of the reporting period. The sales proceeds amount to around EUR 55 million. Instone Group is currently also in negotiations for further transactions.

Instone Group expects the market environment to improve, assuming that fundamental conditions remain favourable and the macroeconomic environment stabilises over the course of the remaining year. The company continues to anticipate a significant recovery in sales, with a planned total sales volume of over EUR 500 million in 2025.

Strong balance sheet offers significant potential for growth

The strength of Instone Group's balance sheet continues to represent an important competitive advantage, particularly in the current market environment. This should be capitalised to take advantage of attractive growth opportunities.



The ratio of net debt to contract assets plus balance sheet inventories valued at cost (loan-to-cost, LTC) remained at a very low level of 12 per cent as at H1 reporting date (31 December 2024: 10.5 per cent). The ratio of net debt to adjusted EBITDA was only 2.8x (31 December 2024: 2.1x).

As at 30 June 2025, freely available cash and cash equivalents amounted to more than EUR 270 million. In addition, the company has substantial unused credit lines (RCFs) and project financing lines.

Attractive project portfolio secures revenue potential for the coming years; several land plot acquisitions signed or close to signing

The expected sales value of Instone Group's project portfolio (gross development value, GDV) was around EUR 6.8 billion as at the quarterly reporting date (31 December 2024: EUR 6.9 billion). The current size of the pipeline already safeguards the business potential for the coming years.

The part of the portfolio that is in the construction phase amounts to around EUR 2.5 billion, of which around 92 per cent, has already been sold. This continues to ensure a high level of visibility with regard to expected future revenues and cash flows.

Regarding the further development of the project portfolio and the associated strengthening of the growth profile, the market for land acquisitions has developed very positively on the supply side in recent months. The Management Board sees attractive opportunities for value creation through the acquisition of projects in the current buyer's market. The company has already either signed or is close to signing five land plot acquisitions. In addition, the company also has an extensive pipeline as a basis for further investments in the coming quarters.

"Our results for the first half of the year show that we are well on track towards achieving our financial targets for 2025. We are seeing a clear upturn in demand and are confident about the growth prospects for our business model in the coming years.", says Kruno Crepulja, CEO of Instone Group.



Early extension of the management contracts of Kruno Crepulja (CEO) and Andreas Gräf (COO)

The Supervisory Board of Instone Group has prematurely extended the contracts of Kruno Crepulja (CEO) and Andreas Gräf (COO), which were due to expire at the end of 2025, with effect from 1 July 2025. Kruno Crepulja's contract will thus be extended until 30 June 2029 and Andreas Gräf's contract until 31 December 2027. The Supervisory Board therefore reaffirms its high level of confidence in the Management Board members and sends a clear signal of continuity regarding the company's return to its implemented growth strategy.

Outlook for 2025 confirmed

Based on the business development in the first six months, the Management Board confirms its outlook for the current 2025 financial year and expects adjusted revenues of EUR 500 to 600 million, an adjusted gross profit margin of around 23 per cent, adjusted earnings after taxes of EUR 25 to 35 million and sales of at least EUR 500 million.

The definitions of the key performance indicators mentioned in the release can be found in the glossary on the company's website at: [Glossary: Instone Real Estate Group SE](#)

About Instone Real Estate Group SE (Instone Group)

The Instone Group is one of the leading residential developers in Germany and is listed on the Prime Standard of the German stock market. Since 1991, we have been developing future-proof and sustainable urban residential quarters with apartments for sale or rent throughout Germany – to provide a long-lasting good life in the country's metropolitan areas. Our diverse expertise, combined with efficient processes and a solid financial basis, creates real added value for our stakeholders in environmental, social and economic terms. This means we are taking responsibility for one of the most pressing social issues of our time – creating needs-based and attractive living space. The company employs 406 employees at nine locations across Germany. As at 30 June 2025, the project portfolio included 43 development projects with an anticipated overall sales volume of approximately EUR 6.8 billion and around 13,800 residential units. www.instone-group.de/en



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