

# FCR Immobilien

Retail - Property / Germany

## Positive Q1 21 figures

Earnings/sales releases - 18/05/2021

**Positive Q1 21 figures don't account for the most recent significant acquisitions in April-May 2021. Scope will continue to evolve all along FY 21.**

### Fact

- EBITDA was up from €3.5m in Q1 20 to €3.9m in Q1 21.
- EBT was up from €1.5m to €2.0m.
- It percolates in FFO up from €1.1m to €1.4m.
- Revenue, vacancy rate and lfl growth were unavailable.
- NAV came to €116m vs. the current market cap of €114m. Q1 21 doesn't include the significant positive revaluations from both the standing portfolio and the nine assets acquired in April-May 2021.
- The company's guidance was confirmed: i/ investing €160m in new properties; ii/ rising EBT from €11.5m to €14.0m, and iii/ rising FFO from €5.0m to €8.0m.

### Analysis

As Q1 21 revenue was unavailable, FCR Immobilien disclosed its annualised rental income as now targeting €22.3m vs. €19.5m in December 2020. Excluding the most recent acquisitions, the €0.3m of incremental FFO registered in Q1 21 was equivalent to 10% of the company's annual target (+€3m in FY 21). By adding the contribution from the nine properties acquired after 30 March, €1.2m of additional FFO looks secured to date, i.e. 40% of the company's FY 21 target.

Further acquisitions should be announced soon. The growing NAV (from €107.3m in December 2020 to €116.0m in March 2021) benefited from the recent capital increase of €7m in February 2021. The remaining €1.7m contribution to NAV came mostly from Q1 21 FFO, in our view (€1.4m). As the share is trading at €11.70, it is now 8% above the €10.80 per new share placed earlier in 2021. It's good to remember that appraisals aren't reviewed through Q1. Consequently, we hope for positive revaluations to be applied to the assets acquired recently and later in 2021. They should contribute to raising the NAV per share.

FCR Immobilien now has to secure the disposal of its non-core assets. The imminent grand reopening in continental Europe could pave the way for such transactions before summer 2021. As far as the key non-core assets were concerned in January 2021, "Suiten am Schloss" is in the process of being sold and "Il Pelagone" benefited from a non-binding Letter Of Intent from a potential buyer. Such disposals are key to transform the cash-back into the equity portion required for buying the remaining €136-140m of assets targeted in FY 21. To reach the FY 21 guidance, c.€77-94m remains to be invested, should they all be fully consolidated as from 1 July 2021.

### Impact

With Q1 21 figures being consistent with FY 21 guidance, we don't need to modify our estimates.

## Baader Europe

<b>Add</b>	<b>Upside: 18.6%</b>
Target Price (6 months)	€ 13.8
Share Price	€ 11.6
Market Cap. €M	113
Price Momentum	<b>STRONG</b>
Extremes 12Months	9.57 ▶ 12.4
Sustainability score	3.8 /10
Credit Risk	B →
Fundamental Strength	0 /10
Bloomberg	FC9 GY Equity
Reuters	FC9.DE


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PERF	1w	1m	3m	12m
FCR Immobilien AG	-0.85%	-4.92%	0.00%	21.2%
Real Estate	-2.49%	-1.07%	9.78%	33.0%
STOXX 600	-0.70%	-0.05%	6.29%	34.7%

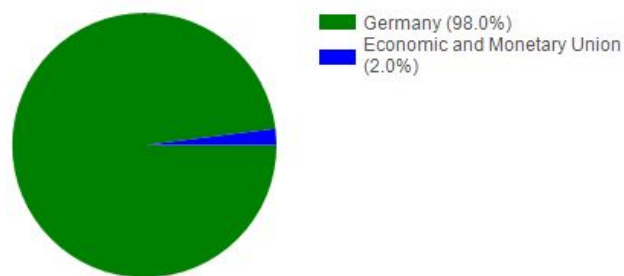
Sector Opinion	<b>Underweight</b>
Strongest upside	Merercialys
Worst potential	Inmobiliaria Colonial

[Complete Sector Analysis](#)

Last updated: 29/03/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	20.5	13.0	7.17	6.88
Dividend yield (%)	2.67	3.02	3.45	3.88
EV/EBITDA(R) (x)	25.8	25.0	17.5	16.4
Adjusted EPS (€)	0.55	0.90	1.62	1.69
Growth in EPS (%)	n/a	63.7	80.6	4.22
Dividend (€)	0.30	0.35	0.40	0.45
Sales (€M)	42.1	77.2	53.3	55.5
EBITDA/R margin (%)	35.1	22.9	50.9	50.3
Attributable net profit (€M)	9.55	11.3	18.0	18.3
ROE (after tax) (%)	10.7	11.2	15.6	14.1
Gearing (%)	237	242	258	247

[Company Valuation](#) - [Company Financials](#)

## Sales by Geography



## Consolidated P&amp;L Accounts

	12/20A	12/21E	12/22E
Sales	€M 42.1	77.2	53.3
Change in sales	% -19.5	83.2	-31.0
Change in staff costs	% -28.3	-20.0	-10.0
EBITDA	€M 12.9	16.2	25.9
<b>EBITDA(R) margin</b>	<b>% 30.6</b>	<b>21.0</b>	<b>48.6</b>
Depreciation	€M -0.76	-0.42	-0.45
Underlying operating profit	€M 12.1	15.8	25.5
<b>Operating profit (EBIT)</b>	<b>€M 12.9</b>	<b>19.8</b>	<b>28.1</b>
Net financial expense	€M -2.92	-6.80	-8.10
of which related to pensions	€M 0.00	0.00	0.00
Exceptional items & other	€M 1.47	1.20	0.40
Corporate tax	€M -1.95	-2.92	-2.41
Equity associates	€M		
Minority interests	€M		
<b>Adjusted attributable net profit</b>	<b>€M 5.00</b>	<b>8.47</b>	<b>15.8</b>
NOPAT	€M 9.06	13.8	19.7

## Cashflow Statement

	12/20A	12/21E	12/22E
EBITDA	€M 12.9	16.2	25.9
Change in WCR	€M 5.18	0.00	0.00
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M 0.10	-2.92	-2.41
Exceptional items	€M 11.0	45.0	10.0
Other operating cash flows	€M 1.47	1.20	0.40
Total operating cash flows	€M 30.7	59.5	33.9
Capital expenditure	€M -26.6	-120	-70.0
Total investment flows	€M -26.6	-120	-70.0
Net interest expense	€M -2.92	-6.80	-8.10
Dividends (parent company)	€M -2.74	-2.74	-3.42
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M 0.00	7.00	0.00
Total financial flows	€M 6.80	59.9	35.7
Change in cash position	€M 10.9	0.00	0.00
<b>Free cash flow (pre div.)</b>	<b>€M 1.19</b>	<b>-67.3</b>	<b>-44.2</b>

## Per Share Data

		12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...	Mio	9.15	9.76	9.76
Number of diluted shares (average)	Mio	9.15	9.45	9.76
<b>Benchmark EPS</b>	<b>€</b>	<b>0.55</b>	<b>0.90</b>	<b>1.62</b>
Restated NAV per share	€	11.7	11.8	13.3
<b>Net dividend per share</b>	<b>€</b>	<b>0.30</b>	<b>0.35</b>	<b>0.40</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 13.4	55%	● Hammerson
Dividend Yield	€ 13.6	20%	● Klépierre
DCF	€ 15.1	10%	● Mercialys
P/E	€ 15.4	10%	● Unibail-Rodamco-...
P/Book	€ 12.2	5%	● Wereldhave
TARGET PRICE	€ 13.8	100%	

## NAV/SOTP Calculation

## Balance Sheet

	12/20A	12/21E	12/22E
Goodwill	€M 1.50	1.50	1.50
Total intangible	€M 1.50	1.50	1.50
Tangible fixed assets	€M 315	394	456
Financial fixed assets	€M 5.95	5.95	5.95
WCR	€M 4.39	4.39	4.39
Other assets	€M 10.8	10.8	10.8
Total assets (net of short term liab.)	€M 338	417	479
<b>Ordinary shareholders' equity</b>	<b>€M 92.4</b>	<b>108</b>	<b>123</b>
Quasi Equity & Preferred	€M		
Minority interests	€M 0.00	0.00	0.00
Provisions for pensions	€M 0.00	0.00	0.00
Other provisions for risks and liabilities	€M 0.00	0.00	0.00
Total provisions for risks and liabilities	€M 0.00	0.00	0.00
Tax liabilities	€M 15.6	16.2	16.7
Other liabilities	€M		
<b>Net debt (cash)</b>	<b>€M 230</b>	<b>292</b>	<b>340</b>
Total liab. and shareholders' equity	€M 338	417	479

## Capital Employed

	12/20A	12/21E	12/22E
Capital employed after depreciation	€M 327	406	468

## Profits &amp; Risks Ratios

		12/20A	12/21E	12/22E
<b>ROE (after tax)</b>	<b>%</b>	<b>10.7</b>	<b>11.2</b>	<b>15.6</b>
ROCE	%	2.77	3.41	4.21
<b>Gearing (at book value)</b>	<b>%</b>	<b>237</b>	<b>242</b>	<b>258</b>
Adj. Net debt/EBITDA(R)	x	17.8	18.0	13.1
Interest cover (x)	x	4.17	2.32	3.14

## Valuation Ratios

		12/20A	12/21E	12/22E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>20.5</b>	<b>13.0</b>	<b>7.17</b>
Free cash flow yield	%	1.16	-59.4	-39.0
P/Book	x	1.11	1.05	0.92
<b>Dividend yield</b>	<b>%</b>	<b>2.67</b>	<b>3.02</b>	<b>3.45</b>

## EV Calculation

		12/20A	12/21E	12/22E
Market cap	€M	103	113	113
+ Provisions	€M	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	230	292	340
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	0.00	0.00	0.00
+ Minority interests (fair value)	€M	0.00	0.00	0.00
= EV	€M	333	406	453
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>25.8</b>	<b>25.0</b>	<b>17.5</b>
EV/Sales	x	7.90	5.26	8.50

Analyst : Christian Auzanneau, Changes to Forecasts : 29/03/2021.

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