

FCR Immobilien AG

Germany | Real Estate | MCap EUR 151.3m

6 December 2021

UPDATE



Major acquisition provides visibility for 2022; PT up; Remains BUY

What's it all about?

FCR executed another significant transaction, acquiring a shopping center with a total leasable area of 26.000 m² in Eisenach, a city with 42,000 inhabitants in the Eastern part of Germany. The newly acquired asset comes with a net annualized rent of EUR 4m and we expect FCR to have applied the typical financing structure, e.g. an LTV of 75-80% (eAR). Consequently, the annual FFO contribution amounts to EUR 2.4m. With a purchase price of c. EUR 1.100-1.200 per square meter we assume a transaction volume of c. EUR 30m, bringing the initial yield above 11% (eAR). On an annual basis, FCR's FFO now stand at nearly EUR 12m providing an excellent visibility into next year's FFO expectations. In fact, annualized FFO now account for 75% of our forecasted EUR 15.8m (eAR 2022E). We therefore reiterate to BUY and increase our PT to EUR 17.50 (old EUR 16.20) as we gain confidence about higher long term FFO generation.

BUY (BUY)

Target price	EUR 17.50 (16.20)
Current price	EUR 15.50
Up/downside	12.9%



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FCR Immobilien AG

Germany | Real Estate | MCap EUR 151.3m | EV EUR 378.3m

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Up/downside 12.9%

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Major acquisition provides visibility for 2022; PT up, BUY

Major acquisition FCR Immobilien ("FCR") continued to execute on its acquisition pipeline by acquiring a shopping center in Eisenach, a city of 42,000 inhabitants in the Eastern part of Germany. With a **leasable area of approx. 26,000m²**, this acquisition represents the second largest transactions in the company's history. Although the parties have agreed not to disclose the purchase price, we assume that FCR has paid approx. EUR 1.100-1.200 per m² lifting the total investment to c. EUR 30m (eAR).

Renowned anchor tenants and 100% occupancy rate The shopping center houses a broad variety of shops for the local supply. Long-term anchor tenants include renowned specialist retailers such as Marktkauf (Edeka Group) or B1 Discount Baumarkt – a brand of German DIY chain "toom". **The property is fully let** and the **annual net rent is around EUR 4m. Applying the typical financing structure**, e.g. an LTV of 75-80% (eAR), the annual FFO contribution is assumed to be around EUR 2.4m. **Thus, the initial yield is calculated to be in the range of c. 11-11.5% p.a.** and thus at the upper end of the company's guided range of 8-12%.

Good visibility for 2022. With this transaction, FCR's property portfolio exceeds the market value of EUR 400m. The annualized net rent amounts to EUR 28m and the annual FFO contribution stands at nearly EUR 12m. This represents c. 75% of our forecasted 2022E FFO of EUR 15.8m and thus provides **very good visibility on yet another increase in FFO in 2022E**. In fact, FFO would have more than tripled within three years (2020-2022E), indicating the excellent project execution at FCR.

BUY confirmed - We view last week's news as further proof that FCR's business model is intact and that FCR can acquire lucrative assets at reasonable prices. Despite the good share price performance, we **reiterate to BUY as we increase our PT to EUR 17.50** (old EUR 16.20), mainly as the improved visibility allows for higher long term FFO assumptions. In addition, FCR still trades some 15% below comparable peers, supporting our increased higher share price target.

FCR Immobilien AG	2018	2019	2020	2021E	2022E	2023E
Sales	37.3	49.7	38.9	52.5	59.4	67.4
<i>Growth yoy</i>	127.4%	33.2%	-21.7%	34.9%	13.1%	13.4%
EBIT	7.1	18.1	14.4	24.7	38.2	44.2
FFO	3.4	-3.7	4.9	8.6	15.8	19.3
FFO-Margin	23.9%	-19.5%	21.6%	32.7%	36.4%	38.1%
Net profit	2.9	9.7	9.6	13.4	21.9	26.2
Net debt (net cash)	152.8	208.8	226.9	294.9	380.2	432.2
LTV	64.4%	68.0%	72.1%	71.6%	73.7%	73.4%
EPS recurring	0.35	1.07	1.05	1.38	2.24	2.68
FFOPS	0.41	-0.41	0.54	0.88	1.62	1.97
DPS	0.17	0.30	0.30	0.34	0.56	0.67
<i>Dividend yield</i>	1.1%	1.9%	1.9%	2.2%	3.6%	4.3%
FFO-yield	2.6%	-2.6%	3.5%	5.7%	10.5%	12.7%
EV/EBIT	43.1x	19.9x	26.2x	18.1x	13.9x	13.2x
P/E	44.8x	14.5x	14.8x	11.3x	6.9x	5.8x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 15.60 / 10.60
Price/Book Ratio 1.5x

Ticker / Symbols

ISIN DE000A1YC913
WKN A1YC91
Bloomberg FC9:GR

Changes in estimates

		Sales	EBIT	EPS
2021E	old	52,5	24,7	1,38
	Δ	0,0%	0,0%	0,0%
2022E	old	59,4	38,2	2,24
	Δ	0,0%	0,0%	0,0%
2023E	old	67,4	44,2	2,68
	Δ	0,0%	0,0%	0,0%

Key share data

Number of shares: (in m pcs) 9.76
Book value per share: (in EUR) 10.11
Ø trading volume: (12 months) 4,000

Major shareholders

RAT Asset & Trading AG 65.0%
FaMe Invest & Mgmt GmbH 8.0%
Free Float 27.0%

Company description

FCR Immobilien AG is a German-based company in the real estate sector. The public limited company focuses on retail properties in established secondary locations in Germany with anchor tenants that are mainly highly credible grocery stores.

Recent transactions overview

Date	Purchase / Disposal	Location	Anchor tenant	net rent in EUR K	Leasable area in sqm	WAULT Years	Purchase price EURM
16.01.2020	D	Duisburg	C&A		10.000		
05.02.2020	P	Gummersbach	C&A		4.500		
12.02.2020	P	Höchststadt a.d. Aisch	TAKKO und Action		1.700		
27.02.2020	P	Landau a.d. Isar	Dänisches Bettenlager und Deichmann		1.300		
09.03.2020	P	Bayern	Dänisches und Sonderpreis Baumarkt				
		Cadolzburg	Dänisches Bettenlager		1.100		
		Schwandorf	Sonderpreis Baumarkt		1.300		
		Strullendorf	Sonderpreis Baumarkt		900		
28.05.2020	D	Lichtentanne	Penny		1.500		
01.07.2020	P	Westeregeln	EDEKA		1.300		
09.09.2020	D	Hof	TAKKO		900		
21.10.20	P	Eilenburg	Kaufland und toom Baumarkt	800	15.000	8,7	10
27.10.20	P			185			1,99
		Ruhle, Thüringen	Netto	100	1.200	9	
		Bückeberg, Thüringen	Niedrig-Preis-Markt (NP)	85	1.000	4	
30.10.20	P	Ludwigslust	toom Baumarkt	435	7.600		3,8
3.11.20	D	Oer-Erkenschwick, NRW	Buschkamp-Center		6.200		
6.11.20	D	Magdeburg			2.800		
17.11.20	P	Pulsnitz, Sachsen	Hammer und Pfennigpfeiffer	173	3.300		1,51
8.12.20	D	Pößneck, Thüringen	NKD, vongut		7.600		
9.4.21	P	Görlitz	Möbel Roller, toom Baumarkt	1600	28.000	6	20 (eAR)
30.4.21	P	Bauzen, Dresden, Plauen	pitstop, Carglass, Dänisches B.		4.200		
30.4.21	P	Altenberg	Netto, lokaler Baumarkt	600	3.300		7 (eAR)
9.6.21	P	Zollenroder	Pfennigpfeiffer	92	1.144	4,8	0,9 (eAR)
9.6.21	P	Eching		160	5.000	6,9	2,9 (eAR)
1.9.21	P	Finsterwalde	EDEKA, Rossmann, Deichmann	500	5.000	4,3	5,3 (eAR)
10.11.21	P	Siegen	100% C&A	>1000	7.112	6,4	10,5 (eAR)
2.12.21	P	Eisenach	Marktkauf, toom, TEDI, Woolwortf	4000	26.000		30 (eAR)

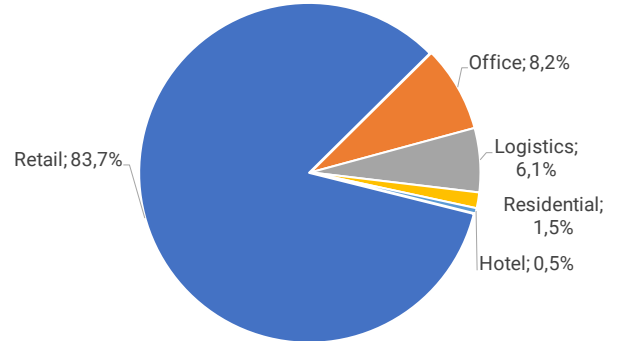
Source: Company data, AlsterResearch

Investment case in six Charts

Business Model



Rental income as per asset class (H1 2021)



Major tenants

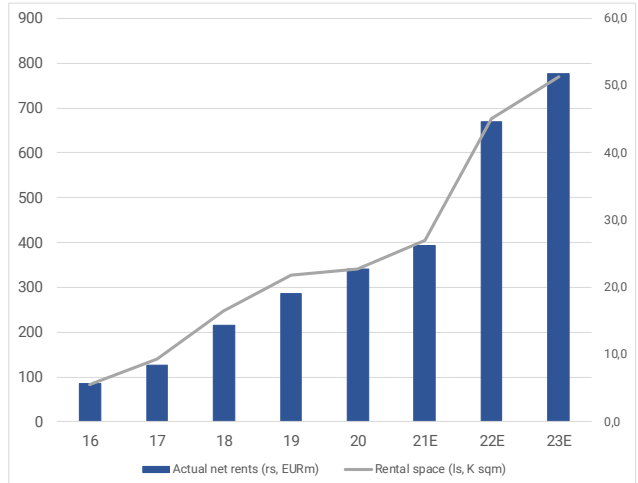
Food retail / grocery



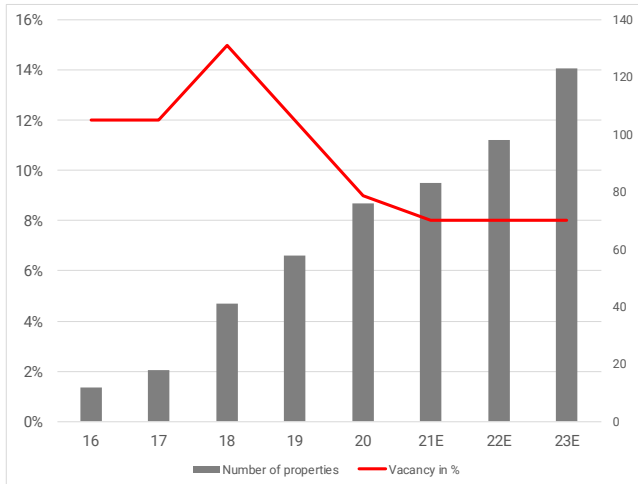
Specialty retail



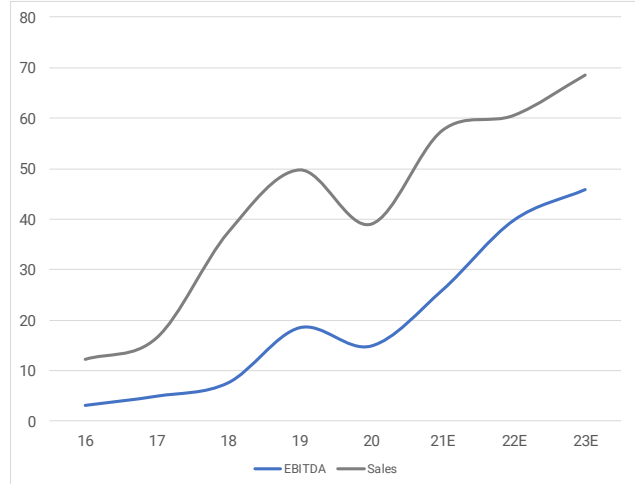
Rental Space and actual net rental income



Development of vacancies and number of properties



Sales and earnings development in EURm



Source: Company data, AlsterResearch

SWOT Analysis

Strengths

- Convincing business model with promising future perspectives
- High financial strength thanks to stock market listing
- High management competence
- Clear degression effects through scalable business model
- AI-based software expertise
- Space reserves at the locations of the retail parks

Weaknesses

- Organizational structure still reflects the announced company size not sufficiently again (sole director)
- Lack of stock market liquidity causes still low free float
- Lack of breadth in the shareholder structure (share of private customers, institutional)

Opportunities

- Improved balance sheet and cash flow statement ratios due to the company's re-focusing on its core portfolio management and development competencies
- Trend reversal in regional population development in favour of rural areas (D locations)
- Greater attractiveness of locations by expanding the sector mix (service provider, health care provider, gastronomy)
- Capital increase provides opportunity for better rating and lower refinancing costs

Threats

- Corona crisis could massively dampen consumer spending nationwide
- Individual risk in key positions through strong focus on the founder
- Conditions imposed by local authorities that restrict use
- Stronger growth in online trade
- Designation of further retail spaces in the neighbourhood

Valuation

DCF Model

The DCF model results in a **fair value of EUR 17.48 per share**:

Top-line growth: We expect FCR Immobilien AG to continue benefitting from structural growth. Hence our growth estimates for 2021-28E is in the range of 5.2% p.a. The long-term growth rate is set at 2.0%.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.00. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.1%.

DCF (EUR m) (except per share data and beta)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	15.6	25.6	29.7	34.4	37.9	40.4	43.0	44.2	
Depreciation & amortization	0.3	0.3	0.3	-0.1	0.0	-0.0	0.0	-0.0	
Change in working capital	5.5	0.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	
Chg. in long-term provisions	-5.0	-6.0	-6.9	-3.2	-3.5	-3.8	-4.8	-4.0	
Capex	-86.2	-98.2	-66.0	-77.4	-56.9	-43.7	-43.4	-2.6	
Cash flow	-69.8	-78.3	-42.9	-46.4	-22.5	-7.1	-5.3	37.5	629.0
Present value	-69.4	-72.1	-36.6	-36.6	-16.5	-4.8	-3.3	21.8	363.1
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.1%

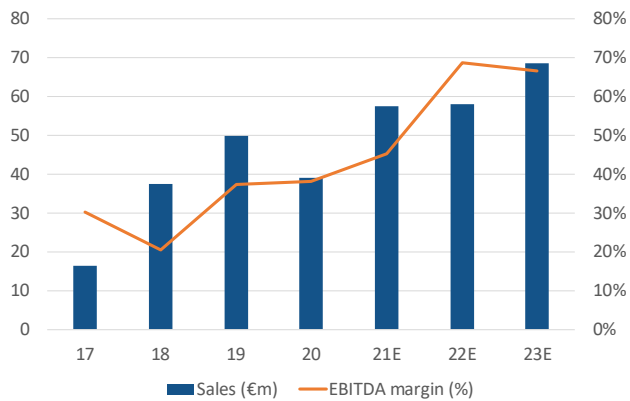
DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	145.5	Planning horizon avg. revenue growth (2021E - 2028E)	5.2%
Mid-year adj. total present value	151.2	Terminal value growth (2028E - infinity)	2.0%
Net debt / cash at start of year	237.1	Terminal year ROCE	13.2%
Financial assets	320.5	Terminal year WACC	8.1%
Provisions and off b/s debt	na		
Equity value	234.6		
No. of shares outstanding	13.4		
		Terminal WACC derived from	
Discounted cash flow / share	17.48	Cost of borrowing (before taxes)	5.0%
upside/(downside)	12.8%	Long-term tax rate	25.0%
		Equity beta	1.00
		Unlevered beta (industry or company)	1.00
		Target debt / equity	0.5
		Relevered beta	1.38
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	10.3%
Share price	15.50		

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%		6.1	7.1	8.3	9.6	11.2	2021E - 2024E	-147.6%
1.0%		9.2	10.6	12.2	14.0	16.2	2025E - 2028E	-1.9%
0.0%		13.3	15.2	17.5	20.1	23.3	terminal value	249.5%
-1.0%		18.9	21.7	25.0	29.1	34.2		
-2.0%		26.9	31.2	36.5	43.4	52.5		

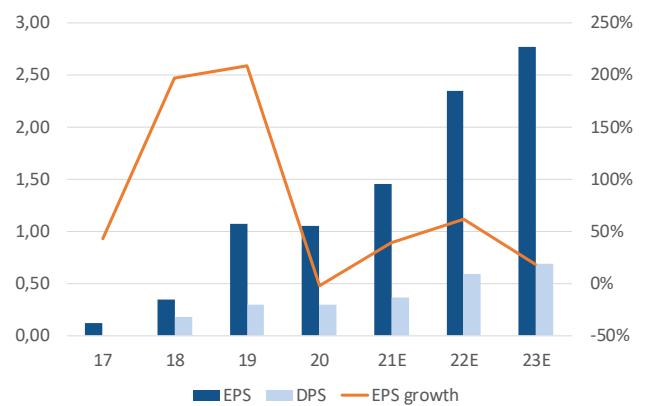
Source: AlsterResearch

Financials in six charts

Sales vs. EBITDA margin development



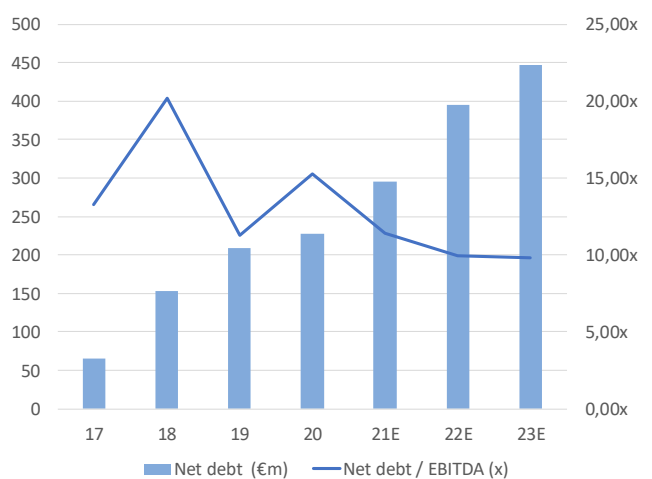
EPS, DPS in EUR & yoy EPS growth



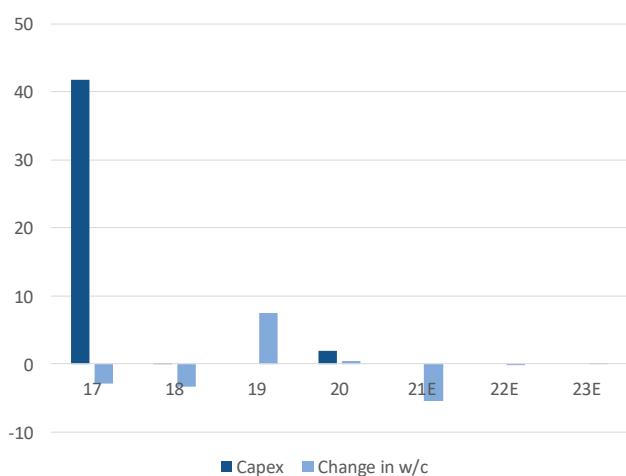
ROCE vs. WACC (pre tax)



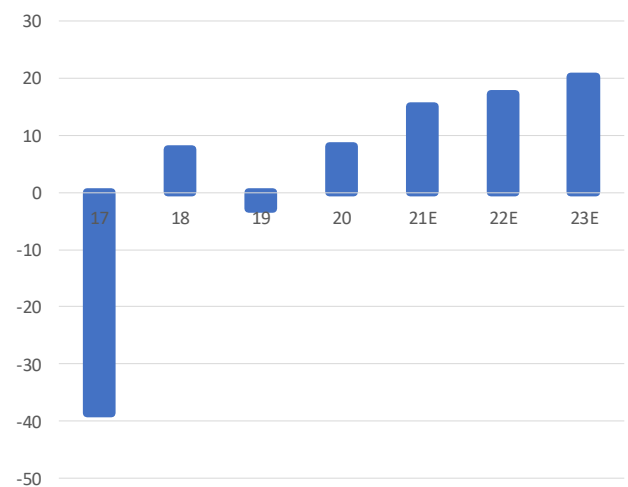
Net debt and net debt/EBITDA



Capex & chg in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net sales	37.3	49.7	38.9	52.5	59.4	67.4
Sales growth	127.4%	33.2%	-21.7%	34.9%	13.1%	13.4%
Change in finished goods and work-in-process	-0.0	0.5	3.2	4.2	-0.9	-0.7
Total sales	37.3	50.1	42.1	56.7	58.5	66.7
Change in the value of investment property	0.0	13.7	0.8	4.9	6.2	7.1
Expenses from financial investments held real estate	21.3	27.9	10.9	22.3	11.9	12.8
Personnel expenses	5.1	10.9	12.5	10.0	9.5	11.0
Material expenses and other opex	5.1	10.9	12.5	10.0	9.5	11.0
Total operating expenses	29.7	31.7	27.3	31.7	20.0	22.1
EBITDA	7.6	18.5	14.8	25.0	38.5	44.5
Depreciation	0.5	0.4	0.4	0.3	0.3	0.3
EBITA	7.1	18.1	14.4	24.7	38.2	44.2
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.1	18.1	14.4	24.7	38.2	44.2
Financial result	-4.3	-6.2	-6.7	-8.5	-11.9	-12.8
Recurring pretax income from continuing operations	2.8	11.9	7.7	16.2	26.3	31.5
Extraordinary income/loss	0.0	0.0	3.8	0.0	0.0	0.0
Earnings before taxes	2.8	11.9	11.5	16.2	26.3	31.5
Taxes	-0.1	2.2	1.9	2.7	4.4	5.3
Net income from continuing operations	2.9	9.7	9.6	13.4	21.9	26.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.9	9.7	9.6	13.4	21.9	26.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	2.9	9.7	9.6	13.4	21.9	26.2
Average number of shares	8.48	9.15	9.15	9.76	9.76	9.76
EPS reported	0.35	1.07	1.05	1.38	2.24	2.68

Profit and loss (common size)	2018	2019	2020	2021E	2022E	2023E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	-0%	1%	8%	8%	-2%	-1%
Total sales	100%	101%	108%	108%	99%	99%
Change in the value of investment property	0%	28%	2%	9%	10%	10%
Expenses from financial investments held real estate	57%	56%	28%	42%	20%	19%
Personnel expenses	14%	22%	32%	19%	16%	16%
Material expenses and other opex	14%	22%	32%	19%	16%	16%
Total operating expenses	80%	64%	70%	60%	34%	33%
EBITDA	20%	37%	38%	48%	65%	66%
Depreciation	1%	1%	1%	1%	1%	0%
EBITA	19%	36%	37%	47%	64%	66%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
Impairment charges	0%	0%	0%	0%	0%	0%
EBIT	19%	36%	37%	47%	64%	66%
Financial result	-11%	-12%	-17%	-16%	-20%	-19%
Recurring pretax income from continuing operations	8%	24%	20%	31%	44%	47%
Extraordinary income/loss	0%	0%	10%	0%	0%	0%
Earnings before taxes	8%	24%	30%	31%	44%	47%
Taxes	-0%	4%	5%	5%	7%	8%
Net income from continuing operations	8%	20%	25%	26%	37%	39%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	8%	20%	25%	26%	37%	39%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	8%	20%	25%	26%	37%	39%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	0.2	0.2	1.5	1.5	1.5	1.5
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.5	0.8	0.8	0.5	0.2	-0.1
Financial assets	237.6	299.2	320.5	411.6	516.0	589.1
FIXED ASSETS	238.3	300.2	322.8	413.6	517.7	590.5
Inventories	0.3	1.9	4.2	0.3	0.3	0.4
Accounts receivable	1.2	9.7	5.2	4.3	4.9	5.5
Other current assets	4.8	4.8	7.6	7.6	7.6	7.6
Liquid assets	3.9	10.1	8.7	5.1	39.8	17.8
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.3	0.3	0.1	0.8	0.9	1.0
CURRENT ASSETS	10.5	26.8	25.8	18.1	53.5	32.4
TOTAL ASSETS	248.8	327.0	348.7	431.8	571.2	622.9
SHAREHOLDERS EQUITY	71.0	85.6	92.4	109.8	128.3	149.0
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	147.3	211.5	211.1	300.0	420.0	450.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.3	0.4	0.4
Other provisions	2.0	3.3	1.4	1.0	1.2	1.3
Non-current liabilities	149.3	214.8	212.6	301.4	421.5	451.8
short-term liabilities to banks	9.5	7.4	24.5	0.0	0.0	0.0
Accounts payable	2.3	2.2	1.5	1.2	1.4	1.6
Advance payments received on orders	0.1	0.2	0.1	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	2.8	2.3	2.0	2.1	2.4	2.7
Deferred taxes	13.9	14.4	15.6	15.6	15.6	15.6
Deferred income	0.0	0.0	0.0	1.7	2.0	2.2
Current liabilities	28.5	26.5	43.7	20.6	21.4	22.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	248.8	327.0	348.7	431.8	571.2	622.9

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	0%	0%	0%	0%	0%	0%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	-0%
Financial assets	96%	91%	92%	95%	90%	95%
FIXED ASSETS	96%	92%	93%	96%	91%	95%
Inventories	0%	1%	1%	0%	0%	0%
Accounts receivable	0%	3%	1%	1%	1%	1%
Other current assets	2%	1%	2%	2%	1%	1%
Liquid assets	2%	3%	3%	1%	7%	3%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	4%	8%	7%	4%	9%	5%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	29%	26%	27%	25%	22%	24%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	59%	65%	61%	69%	74%	72%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	1%	0%	0%	0%	0%
Non-current liabilities	60%	66%	61%	70%	74%	73%
short-term liabilities to banks	4%	2%	7%	0%	0%	0%
Accounts payable	1%	1%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	1%	1%	0%	0%	0%
Deferred taxes	6%	4%	4%	4%	3%	3%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	11%	8%	13%	5%	4%	4%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	2.9	9.8	9.6	13.4	21.9	26.2
Depreciation of fixed assets (incl. leases)	0.5	0.4	0.4	0.3	0.3	0.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.8	-5.5	0.3	-5.0	-6.0	-6.9
Cash flow from operations before changes in w/c	4.3	4.6	10.3	8.7	16.1	19.6
Increase/decrease in inventory	0.0	0.0	-2.4	4.0	-0.1	-0.0
Increase/decrease in accounts receivable	0.0	0.0	4.5	0.8	-0.6	-0.7
Increase/decrease in accounts payable	0.0	0.0	-0.7	-0.3	0.3	0.2
Increase/decrease in other w/c positions	3.3	-7.5	-1.9	1.1	0.4	0.5
Increase/decrease in working capital	3.3	-7.5	-0.4	5.5	0.1	-0.0
Cash flow from operating activities	7.6	-2.9	9.8	14.3	16.2	19.6
CAPEX	-0.2	0.0	-1.9	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-96.6	-56.0	-17.6	-86.2	-98.2	-66.0
Income from asset disposals	0.0	0.0	-1.4	0.0	0.0	0.0
Cash flow from investing activities	-96.7	-56.0	-20.9	-86.2	-98.2	-66.0
Cash flow before financing	-89.1	-58.9	-11.0	-71.9	-82.0	-46.5
Increase/decrease in debt position	91.1	64.6	16.7	64.4	120.0	30.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1.0	6.4	0.0	6.7	0.0	0.0
Dividends paid	-0.3	-1.5	-2.7	-2.7	-3.4	-5.5
Others	-4.4	-3.7	-6.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	87.4	65.7	7.9	68.3	116.6	24.5
Increase/decrease in liquid assets	-1.7	6.9	-3.1	-3.6	34.6	-21.9
Liquid assets at end of period	3.1	9.1	5.6	2.0	36.6	14.7

Source: Company data; AlsterResearch

Real estate ratios in EURm	2018	2019	2020	2021E	2022E	2023E
Number of properties	58	76	83	98	120	137
Rental space	248,000	327,000	342,000	403,807	660,000	753,500
Actual net rents	14.4	19.1	22.7	26.2	43.6	50.6
FFO	3.4	-3.7	4.9	8.6	15.8	19.3
FFO margin	23.9%	-19.5%	21.6%	32.7%	36.4%	38.1%
FFOPS	0.41	-0.41	0.54	0.88	1.62	1.97
Potential net rents	17.7	22.2	21.7	na	na	na
Letting quota	85.0%	88.0%	91.0%	92.0%	92.0%	92.0%
Market value	237.4	299.0	314.5	411.6	516.0	589.1
ACTUAL net rental returns	6.1%	6.4%	7.2%	6.4%	8.4%	8.6%
WAULT	5.5	4.4	5.1	5.2	5.3	5.4
NAV	8.9	11.1	11.7	12.8	14.6	16.8
LTV	64.4%	68.0%	72.1%	71.6%	73.7%	73.4%

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021E	2022E	2023E
Per share data						
Earnings per share reported	0.35	1.07	1.05	1.38	2.24	2.68
Cash flow per share	0.84	-0.35	1.03	1.43	1.63	1.97
Book value per share	8.37	9.36	10.11	11.25	13.14	15.26
Dividend per share	0.17	0.30	0.30	0.34	0.56	0.67
Valuation						
P/E	44.8x	14.5x	14.8x	11.3x	6.9x	5.8x
P/CF	18.6x	-43.8x	15.0x	10.8x	9.5x	7.9x
P/BV	1.9x	1.7x	1.5x	1.4x	1.2x	1.0x
Dividend yield (%)	1.1%	1.9%	1.9%	2.2%	3.6%	4.3%
FCF yield (%)	5.4%	-2.3%	6.7%	9.2%	10.5%	12.7%
EV/Sales	8.2x	7.3x	9.7x	8.5x	9.0x	8.7x
EV/EBITDA	40.2x	19.5x	25.5x	17.9x	13.8x	13.1x
EV/EBIT	43.1x	19.9x	26.2x	18.1x	13.9x	13.2x
Income statement (EURm)						
Sales	37.3	49.7	38.9	52.5	59.4	67.4
yoy chg in %	127.4%	33.2%	-21.7%	34.9%	13.1%	13.4%
Gross profit	21.3	27.9	10.9	22.3	11.9	12.8
Gross margin in %	57.0%	56.1%	28.0%	42.4%	20.0%	19.0%
EBITDA	7.6	18.5	14.8	25.0	38.5	44.5
EBITDA margin in %	20.3%	37.2%	38.1%	47.5%	64.8%	66.1%
EBIT	7.1	18.1	14.4	24.7	38.2	44.2
EBIT margin in %	18.9%	36.5%	37.1%	47.0%	64.3%	65.7%
Net profit	2.9	9.7	9.6	13.4	21.9	26.2
Cash flow statement (EURm)						
CF from operations	7.6	-2.9	9.8	14.3	16.2	19.6
Capex	-0.2	0.0	-1.9	0.0	0.0	0.0
Maintenance Capex	0.5	0.4	0.4	0.3	0.3	0.3
Free cash flow	7.4	-2.9	8.0	14.3	16.2	19.6
Balance sheet (EURm)						
Intangible assets	0.2	0.2	1.5	1.5	1.5	1.5
Tangible assets	0.5	0.8	0.8	0.5	0.2	-0.1
Shareholders' equity	71.0	85.6	92.4	109.8	128.3	149.0
Pension provisions	0.0	0.0	0.0	0.3	0.4	0.4
Liabilities and provisions	158.7	222.3	237.1	301.4	421.5	451.8
Net financial debt	152.8	208.8	226.9	294.9	380.2	432.2
w/c requirements	-0.9	9.2	7.8	3.4	3.8	4.3
Ratios						
ROE	4.1%	11.4%	10.3%	12.2%	17.0%	17.6%
ROCE	3.1%	5.9%	4.4%	6.0%	6.9%	7.4%
Net gearing	215.3%	243.9%	245.5%	268.5%	296.3%	290.0%
Net debt / EBITDA	20.2x	11.3x	15.3x	11.8x	9.9x	9.7x

Source: Company data; AlsterResearch

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