

FCR Immobilien AG

Germany | Real Estate | MCap EUR 167.9m

11 March 2022

UPDATE



Prelim. 2021 in-line; The best is yet to come in 2022

What's it all about?

FCR Immobilien presented good prelim. FY 2021 results. All KPI's improved significantly with the FFO up over 40% yoy (EUR 7.1m). Whilst AlsterResearch expectations were still looking for slightly higher numbers (eAR EUR 7.9m) the annualized FFO of EUR 12.8m at year end suggest that the shortfall was merely a timing issue of a backend loaded acquisition pipeline in 2021. In sum, FCR acquired 16 new properties worth EUR 80m bringing the value of the portfolio above EUR 400m. We reiterate our BUY recommendation as we see significant FFO growth in 2022. The outlook therefore is clearly positive. Our PT of EUR 22.00 also remains unchanged and offers a healthy upside of 28%.

BUY (BUY)

Target price	EUR 22.00 (22.00)
Current price	EUR 17.20
Up/downside	27.9%



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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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FCR Immobilien AG

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Prelim. 2021 in-line; The best is yet to come in 2022; BUY

EBT exceeding expectations FCR Immobilien ("FCR") reported prelim. FY 2021 results broadly meeting AlsterResearch expectations. EBT increased by nearly 30% and reached EUR 14.9m – ahead of our forecasted EUR 14.1m. Main driver of this strong increase has been the continued expansion of its property portfolio which exceeded the value of EUR 400m by the end of fiscal 2021. In 2021, FCR acquired a total of 16 properties with a total value of over EUR 80m. Also, in 2021 FCR sold a student dormitory worth EUR 20m in Bamberg, Germany which however is expected to have had a neutral impact on profitability as we assume the disposal to have occurred at market value (mark-to-market under IFRS accounting).

FFO with strong improvement Funds from operations (FFO) even increased by 42% yoy reaching EUR 7.1m which however came in slightly below our expectations (eAR: EUR 7.9m) and company's guidance of EUR 8m. On a positive note however annualized FFO has risen to EUR 12.8m suggesting that the shortfall was merely the result of backend loaded acquisitions. For 2022 we therefore see yet another steep and highly visible increase in FFOs by at least 80%.

KPIs further improved Thanks to successful asset management and the use of FCR's proprietary software, the key portfolio figures were significantly improved in the reporting period. Thus, the vacancy rate at the end of 2021 fell to 7.1%, compared to 9.7% a year earlier. The weighted remaining lease term, WAULT, was improved to 5.4 years, compared to 5.1 years previously.

Positive outlook FCR's strong focus on portfolio properties with a local shopping function in Germany once again demonstrates a sustainable development and continues to allow for profitable growth in the years to come. The annualized FFO of nearly EUR 13m therefore provides a strong foundation in our view. We reiterate our BUY rating with an unchanged PT of EUR 22.00 and believe that FCR could be an ideal portfolio addition in these volatile market conditions. Note: We keep our 2021 estimates unchanged until the publication of the final full year report.

FCR Immobilien AG	2018	2019	2020	2021E	2022E	2023E
Sales	37.3	49.7	38.9	52.0	36.2	43.8
<i>Growth yoy</i>	127.4%	33.2%	-21.7%	33.6%	-30.4%	21.2%
EBIT	7.1	18.1	14.4	22.6	24.9	31.1
FFO	3.4	-3.7	4.9	7.9	12.8	15.7
FFO-Margin	23.9%	-19.5%	21.6%	30.1%	39.5%	39.3%
Net profit	2.9	9.7	9.6	11.7	14.1	18.2
Net debt (net cash)	152.8	208.8	226.9	287.0	366.9	431.7
LTV	64.4%	68.0%	72.1%	69.7%	71.5%	72.2%
EPS recurring	0.35	1.07	1.05	1.20	1.44	1.87
FFOPS	0.41	-0.41	0.54	0.81	1.31	1.61
DPS	0.17	0.30	0.30	0.30	0.36	0.47
<i>Dividend yield</i>	1.0%	1.7%	1.7%	1.7%	2.1%	2.7%
FFO-yield	2.4%	-2.4%	3.1%	4.7%	7.6%	9.4%
EV/EBIT	45.4x	20.8x	27.4x	20.2x	21.5x	19.3x
P/E	49.7x	16.1x	16.5x	14.4x	11.9x	9.2x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 17.70 / 11.00
Price/Book Ratio 1.7x

Ticker / Symbols

ISIN DE000A1YC913
WKN A1YC91
Bloomberg FC9:GR

Changes in estimates

		Sales	EBIT	EPS
2021E	old	52,0	22,6	1,20
	Δ	0,0%	0,0%	0,0%
2022E	old	36,2	24,9	1,44
	Δ	0,0%	0,0%	0,0%
2023E	old	43,8	31,1	1,87
	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.

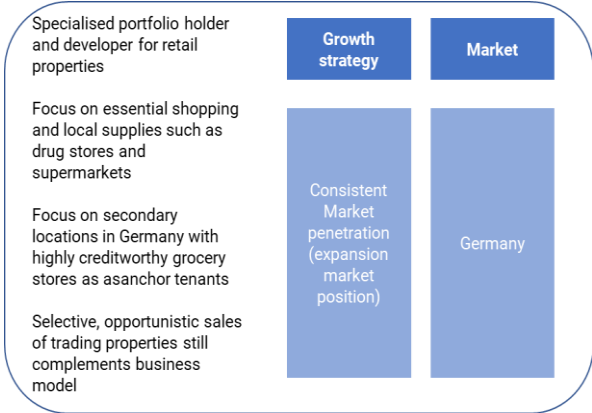
Recent transactions overview

Date	Purchase / Disposal	Type	Location	Anchor tenant	net rent in EUR K	Leasable area in sqm	WAULT Years	Purchase price EURm	Rent per sqm / month
16.01.2020	D	Retail	Duisburg	C&A		10.000			
05.02.2020	P	Retail	Gummersbach	C&A		4.500			
12.02.2020	P	Retail	Höchststadt a.d. Aisch	TAKKO und Action		1.700			
27.02.2020	P	Retail	Landau a.d. Isar	Dänisches Bettenlager und Deichmann		1.300			
09.03.2020	P	Retail portfolio	Bayern	Dänisches und Sonderpreis Baumarkt		-			
		Specialty retail	Cadolzburg	Dänisches Bettenlager		1.100			
		Specialty retail	Schwandorf	Sonderpreis Baumarkt		1.300			
		Specialty retail	Strullendorf	Sonderpreis Baumarkt		900			
28.05.2020	D	Retail	Lichtentanne	Penny		1.500			
01.07.2020	P	Retail	Westeregeln	EDEKA		1.300			
09.09.2020	D	Specialty retail	Hof	TAKKO		900			
21.10.20	P	Shopping centre	Eilenburg	Kaufland und toom Baumarkt	800	15.000	8,7	10	4,44
27.10.20	P	Grocery stores			185	-		1,99	0,00
		Retail	Ruhle, Thüringen	Netto	100	1.200	9		6,94
		Retail	Bückerburg, Thüringen	Niedrig-Preis-Markt (NP)	85	1.000	4		7,08
30.10.20	P	Retail	Ludwigslust	toom Baumarkt	435	7.600		3,8	4,77
3.11.20	D	Specialty retail	Oer-Erkenschwick, NRW	Buschkamp-Center		6.200			0,00
6.11.20	D	Specialty retail	Magdeburg			2.800			0,00
17.11.20	P	Specialty retail	Pulsnitz, Sachsen	Hammer und Pfennigpfeiffer	173	3.300		1,51	4,37
8.12.20	D	Specialty retail	Pößneck, Thüringen	NKD, vongut		7.600			0,00
9.4.21	P	Specialty retail	Görlitz	Möbel Roller, toom Baumarkt	1600	28.000	6	21,5 (eAR)	4,76
30.4.21	P	Specialty retail	Bauzen, Dresden, Plauen	pitstop, Carglass, Dänisches B.		4.200			0,00
30.4.21	P	Specialty retail	Altenberg	Netto, lokaler Baumarkt	600	3.300		7 (eAR)	6,67
9.6.21	P	Specialty retail	Zollenroder	Pfennigpfeiffer	92	1.144	4,8	0,9 (eAR)	1,73
9.6.21	P	Retail	Eching		160	5.000	6,9	2,9 (eAR)	2,17
1.9.21	P	Specialty retail	Finsterwalde	EDEKA, Rossmann, Deichmann	500	5.000	4,3	5,3 (eAR)	8,33
10.11.21	P	Commercial building	Siegen	100% C&A	>1000	7.112	6,4	10,5 (eAR)	11,72
2.12.21	P	Shopping centre	Eisenach	Marktkauf, toom, TEDI, Woolwort	4000	26.000	0	30 (eAR)	12,82
17.12.21	D	Student home	Bamberg	Student houses		-	0	20	0,00
29.12.21	P	Specialty retail	Pforzheim	toom Baumarkt	0	5.600	11,7	2,8 (eAR)	3,00
11.1.22	P	Specialty retail	Lüchte, Bad Piermont	toom Baumarkt	460	6.400	2,1	4,8 (eAR)	6,00
11.1.22	P	Specialty retail	Zeithain	Hammer Fachmärkte	260	7.850	3,5	1,6 (eAR)	2,80
18.02.2022	P	Specialty retail	Zella-Mehlis	EDEKA	300	6.500	5,3	3-3,5 (eAR)	3,85

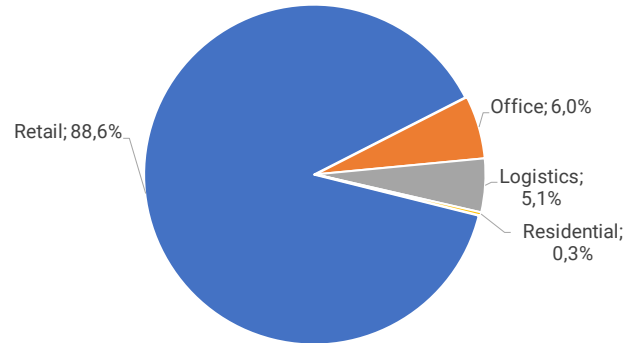
Source: Company data, AlsterResearch, K=purchase, VK=disposal

Investment case in six Charts

Business Model



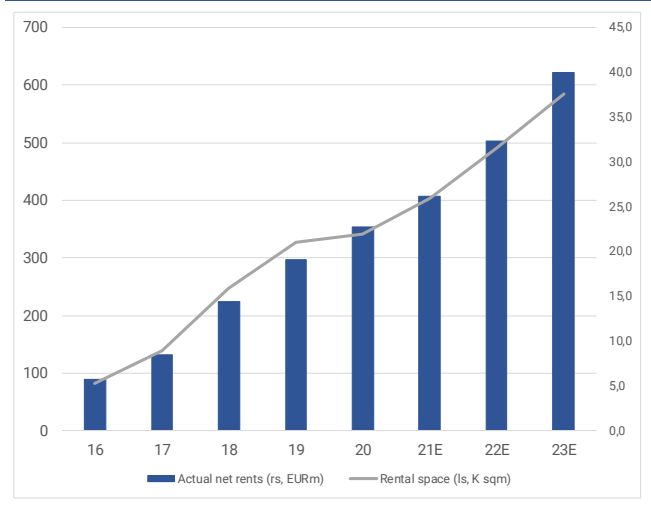
Rental income as per asset class (H1 2021)



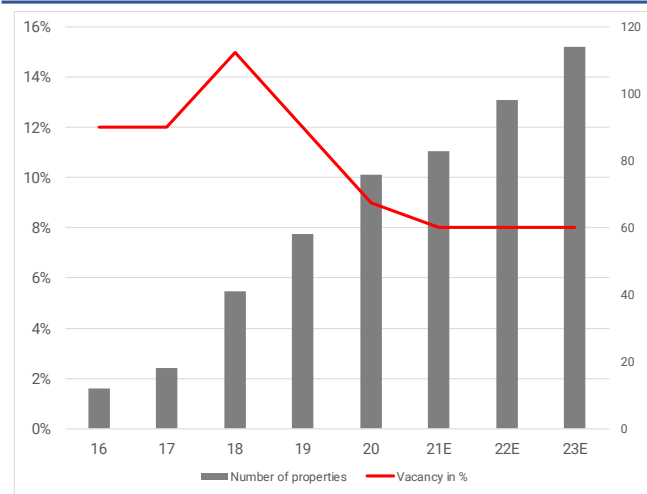
Major tenants

Food retail / grocery	Specialty retail

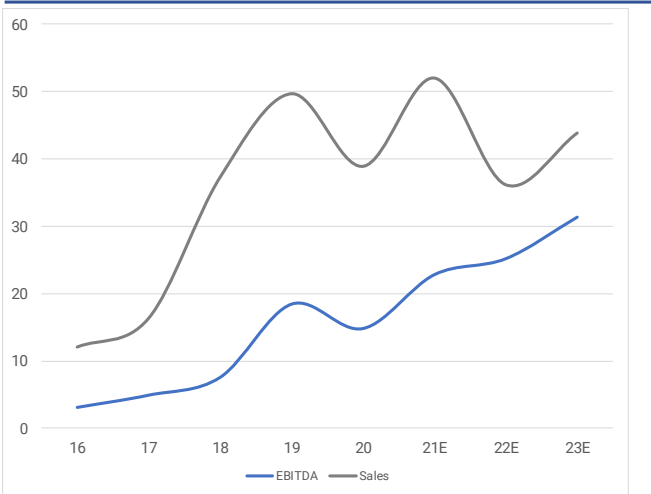
Rental Space and actual net rental income



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 21.87 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 10.9% 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)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	17.1	21.7	26.4	30.0	36.8	40.7	45.2	50.1	
Depreciation & amortization	0.3	0.3	-0.1	0.0	0.0	0.0	0.0	0.0	
Change in working capital	0.5	-0.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	
Chg. in long-term provisions	-4.0	-4.0	-3.4	-3.6	-3.7	-4.6	-3.9	-4.0	
Capex	-97.8	-80.8	-88.2	-35.2	-26.2	-26.6	-10.3	-11.0	
Cash flow	-83.9	-62.9	-65.3	-8.8	6.9	9.4	31.0	35.0	587.3
Present value	-85.1	-59.1	-56.8	-7.1	5.1	6.5	19.8	20.7	346.0
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.1%

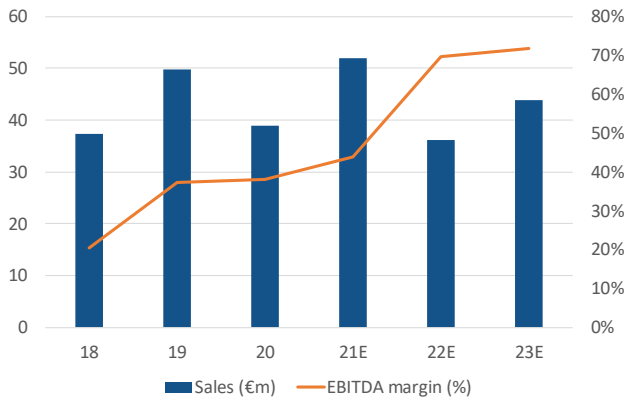
DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	190.1	Planning horizon avg. revenue growth (2021E - 2028E)	10.9%
Mid-year adj. total present value	197.5	Terminal value growth (2028E - infinity)	2.0%
Net debt / cash at start of year	301.4	Terminal year ROCE	14.5%
Financial assets	411.6	Terminal year WACC	8.1%
Provisions and off b/s debt	na		
Equity value	307.8	Terminal WACC derived from	
No. of shares outstanding	14.1	Cost of borrowing (before taxes)	5.0%
		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 **17.20**

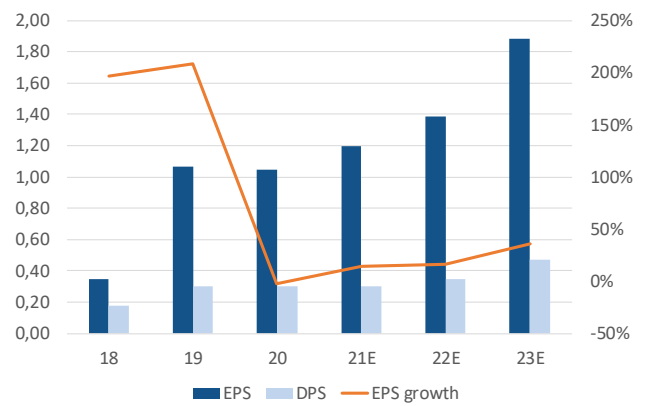
Sensitivity analysis DCF							Share of present value	
		Long term growth						
		1.0%	1.5%	2.0%	2.5%	3.0%		
Change in WACC (%-points)	2.0%	11.1	12.1	13.2	14.4	15.8	2021E - 2024E	-109.5%
	1.0%	14.1	15.4	16.9	18.6	20.5	2025E - 2028E	27.4%
	0.0%	18.0	19.8	21.9	24.3	27.2	terminal value	182.0%
	-1.0%	23.3	25.9	28.9	32.6	37.2		
	-2.0%	30.7	34.6	39.5	45.7	53.9		

Financials in six charts

Sales vs. EBITDA margin development



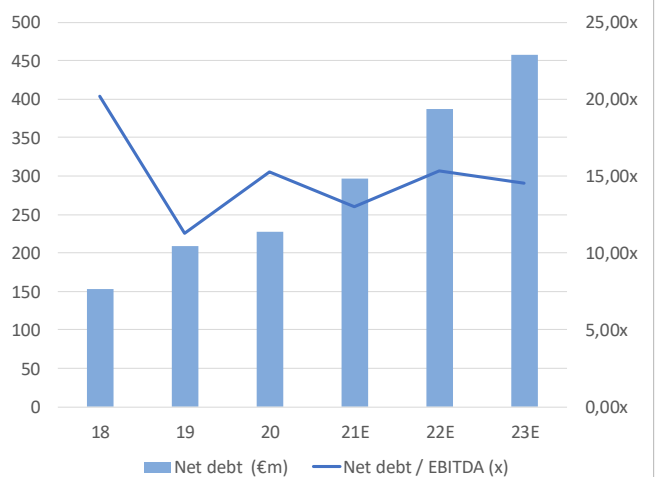
EPS, DPS in EUR & yoy EPS growth



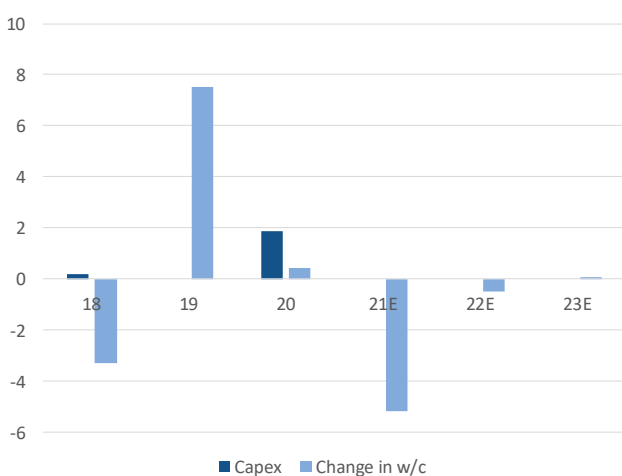
ROCE vs. WACC (pre tax)



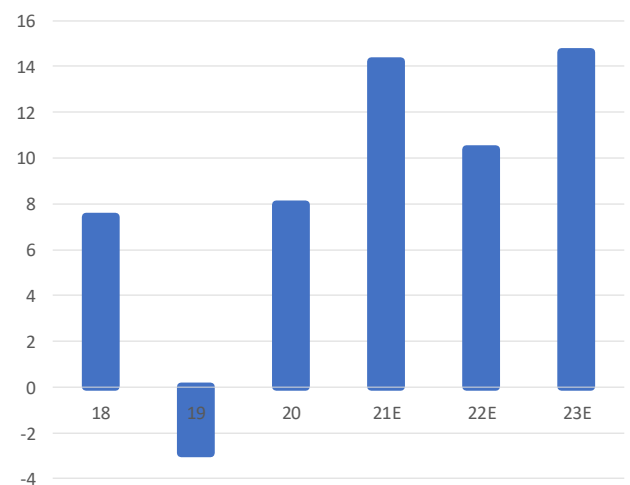
Net debt and net debt/EBITDA



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	52.0	36.2	43.8
Sales growth	127.4%	33.2%	-21.7%	33.6%	-30.4%	21.2%
Change in finished goods and work-in-process	-0.0	0.5	3.2	4.2	-0.5	-0.4
Total sales	37.3	50.1	42.1	56.2	35.6	43.4
Change in the value of investment property	0.0	13.7	0.8	2.9	3.6	4.2
Expenses from financial investments held real estate	21.3	27.9	10.9	21.8	0.0	0.0
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	33.3	10.4	12.0
EBITDA	7.6	18.5	14.8	22.9	25.2	31.4
Depreciation	0.5	0.4	0.4	0.3	0.3	0.3
EBITA	7.1	18.1	14.4	22.6	24.9	31.1
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	22.6	24.9	31.1
Financial result	-4.3	-6.2	-6.7	-8.5	-8.0	-9.2
Recurring pretax income from continuing operations	2.8	11.9	7.7	14.1	16.9	21.9
Extraordinary income/loss	0.0	0.0	3.8	0.0	0.0	0.0
Earnings before taxes	2.8	11.9	11.5	14.1	16.9	21.9
Taxes	-0.1	2.2	1.9	2.4	2.9	3.7
Net income from continuing operations	2.9	9.7	9.6	11.7	14.1	18.2
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	11.7	14.1	18.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	2.9	9.7	9.6	11.7	14.1	18.2
Average number of shares	8.48	9.15	9.15	9.76	9.76	9.76
EPS reported	0.35	1.07	1.05	1.20	1.44	1.87

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%	6%	10%	10%
Expenses from financial investments held real estate	57%	56%	28%	42%	0%	0%
Personnel expenses	14%	22%	32%	19%	26%	25%
Material expenses and other opex	14%	22%	32%	19%	26%	25%
Total operating expenses	80%	64%	70%	64%	29%	27%
EBITDA	20%	37%	38%	44%	70%	72%
Depreciation	1%	1%	1%	1%	1%	1%
EBITA	19%	36%	37%	43%	69%	71%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
Impairment charges	0%	0%	0%	0%	0%	0%
EBIT	19%	36%	37%	43%	69%	71%
Financial result	-11%	-12%	-17%	-16%	-22%	-21%
Recurring pretax income from continuing operations	8%	24%	20%	27%	47%	50%
Extraordinary income/loss	0%	0%	10%	0%	0%	0%
Earnings before taxes	8%	24%	30%	27%	47%	50%
Taxes	-0%	4%	5%	5%	8%	8%
Net income from continuing operations	8%	20%	25%	22%	39%	42%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	8%	20%	25%	22%	39%	42%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	8%	20%	25%	22%	39%	42%

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	513.0	598.0
FIXED ASSETS	238.3	300.2	322.8	413.6	514.7	599.4
Inventories	0.3	1.9	4.2	0.2	0.2	0.2
Accounts receivable	1.2	9.7	5.2	4.3	3.0	3.6
Other current assets	4.8	4.8	7.6	7.6	7.6	7.6
Liquid assets	3.9	10.1	8.7	13.0	23.1	28.3
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	0.5	0.7
CURRENT ASSETS	10.5	26.8	25.8	25.8	34.5	40.4
TOTAL ASSETS	248.8	327.0	348.7	439.5	549.2	639.8
SHAREHOLDERS EQUITY	71.0	85.6	92.4	118.1	139.2	158.9
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	390.0	460.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.3	0.2	0.3
Other provisions	2.0	3.3	1.4	1.0	0.7	0.9
Non-current liabilities	149.3	214.8	212.6	301.4	390.9	461.1
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	0.7	0.8	1.0
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	1.4	1.8
Deferred taxes	13.9	14.4	15.6	15.6	15.6	15.6
Deferred income	0.0	0.0	0.0	1.7	1.2	1.4
Current liabilities	28.5	26.5	43.7	20.1	19.1	19.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	248.8	327.0	348.7	439.5	549.2	639.8

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%	94%	93%	93%
FIXED ASSETS	96%	92%	93%	94%	94%	94%
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%	3%	4%	4%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	4%	8%	7%	6%	6%	6%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	29%	26%	27%	27%	25%	25%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	59%	65%	61%	68%	71%	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%	69%	71%	72%
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%	2%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	11%	8%	13%	5%	3%	3%
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	11.7	14.1	18.2
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	-3.0	-4.0	-4.0
Cash flow from operations before changes in w/c	4.3	4.6	10.3	9.0	10.4	14.5
Increase/decrease in inventory	0.0	0.0	-2.4	4.1	-0.0	-0.0
Increase/decrease in accounts receivable	0.0	0.0	4.5	0.9	1.3	-0.6
Increase/decrease in accounts payable	0.0	0.0	-0.7	-0.8	0.2	0.1
Increase/decrease in other w/c positions	3.3	-7.5	-1.9	1.1	-0.9	0.4
Increase/decrease in working capital	3.3	-7.5	-0.4	5.2	0.5	-0.1
Cash flow from operating activities	7.6	-2.9	9.8	14.2	10.9	14.4
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	-88.2	-97.8	-80.8
Income from asset disposals	0.0	0.0	-1.4	10.0	10.0	5.0
Cash flow from investing activities	-96.7	-56.0	-20.9	-78.2	-87.8	-75.8
Cash flow before financing	-89.1	-58.9	-11.0	-64.0	-76.9	-61.4
Increase/decrease in debt position	91.1	64.6	16.7	64.4	90.0	70.0
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	-2.9	-3.5
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	87.1	66.5
Increase/decrease in liquid assets	-1.7	6.9	-3.1	4.3	10.2	5.1
Liquid assets at end of period	3.1	9.1	5.6	9.9	20.0	25.1

Source: Company data; AlsterResearch

Real estate ratios in EURm	2018	2019	2020	2021E	2022E	2023E
Number of properties	58	76	83	98	114	130
Rental space	248,000	327,000	342,000	403,807	490,200	585,000
Actual net rents	14.4	19.1	22.7	26.2	32.4	40.0
FFO	3.4	-3.7	4.9	7.9	12.8	15.7
FFO margin	23.9%	-19.5%	21.6%	30.1%	39.5%	39.3%
FFOPS	0.41	-0.41	0.54	0.81	1.31	1.61
Potential net rents	17.7	22.2	21.7	26.5	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	513.0	598.0
ACTUAL net rental returns	6.1%	6.4%	7.2%	6.4%	6.3%	6.7%
WAULT	5.5	4.4	5.1	5.2	5.3	5.4
NAV	8.9	11.1	11.7	13.6	15.8	17.8
LTV	64.4%	68.0%	72.1%	69.7%	71.5%	72.2%

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021E	2022E	2023E
Per share data						
Earnings per share reported	0.35	1.07	1.05	1.20	1.44	1.87
Cash flow per share	0.84	-0.35	1.03	1.42	1.08	1.45
Book value per share	8.37	9.36	10.11	12.09	14.26	16.28
Dividend per share	0.17	0.30	0.30	0.30	0.36	0.47
Valuation						
P/E	49.7x	16.1x	16.5x	14.4x	11.9x	9.2x
P/CF	20.6x	-48.6x	16.7x	12.1x	15.9x	11.9x
P/BV	2.1x	1.8x	1.7x	1.4x	1.2x	1.1x
Dividend yield (%)	1.0%	1.7%	1.7%	1.7%	2.1%	2.7%
FCF yield (%)	4.9%	-2.1%	6.0%	8.3%	6.3%	8.4%
EV/Sales	8.6x	7.6x	10.1x	8.8x	14.8x	13.7x
EV/EBITDA	42.4x	20.4x	26.6x	19.9x	21.2x	19.1x
EV/EBIT	45.4x	20.8x	27.4x	20.2x	21.5x	19.3x
Income statement (EURm)						
Sales	37.3	49.7	38.9	52.0	36.2	43.8
yoy chg in %	127.4%	33.2%	-21.7%	33.6%	-30.4%	21.2%
Gross profit	21.3	27.9	10.9	21.8	0.0	0.0
Gross margin in %	57.0%	56.1%	28.0%	41.9%	0.0%	0.0%
EBITDA	7.6	18.5	14.8	22.9	25.2	31.4
EBITDA margin in %	20.3%	37.2%	38.1%	44.0%	69.7%	71.7%
EBIT	7.1	18.1	14.4	22.6	24.9	31.1
EBIT margin in %	18.9%	36.5%	37.1%	43.4%	68.9%	71.0%
Net profit	2.9	9.7	9.6	11.7	14.1	18.2
Cash flow statement (EURm)						
CF from operations	7.6	-2.9	9.8	14.2	10.9	14.4
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	14.2	10.9	14.4
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	118.1	139.2	158.9
Pension provisions	0.0	0.0	0.0	0.3	0.2	0.3
Liabilities and provisions	158.7	222.3	237.1	301.4	390.9	461.1
Net financial debt	152.8	208.8	226.9	287.0	366.9	431.7
w/c requirements	-0.9	9.2	7.8	3.8	2.3	2.9
Ratios						
ROE	4.1%	11.4%	10.3%	9.9%	10.1%	11.5%
ROCE	3.1%	5.9%	4.4%	5.4%	4.7%	5.0%
Net gearing	215.3%	243.9%	245.5%	243.1%	263.5%	271.7%
Net debt / EBITDA	20.2x	11.3x	15.3x	12.6x	14.5x	13.7x

Source: Company data; AlsterResearch

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