

# FCR Immobilien AG

Germany | Real Estate | MCap EUR 165.0m

12 April 2022

UPDATE



## FY '21 in line; Further strong FFO improvement expected in 2022, BUY

### What's it all about?

FCR Immobilien ("FCR") presented FY 2021 results, confirming the prelim. results which had been published mid of March. Funds from operations (FFO) improved by over 40% yoy to EUR 7.1m. Despite the fact that FCR was originally aiming for an FFO of EUR 8m, we see FCR on track to further improve its cash generating ability, visible in an annualized FFO of EUR 12.8m. Consequently, the shortfall to the ambitious guidance was merely a timing issue of a backend loaded acquisition pipeline in 2021. In sum, FCR acquired 17 new properties worth EUR 80m bringing the value of the portfolio above EUR 400m. We incorporate the FY 2021 results leading to slightly lower net debt at year end and introduce our 2024 estimates. Given that the outlook remains very positive and further FFO improvements in 2022 at hand, we reiterate our BUY recommendation with unchanged PT of EUR 22.00. Upside potential of 30%.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 22.00 (22.00)</b>
Current price	EUR 16.90
Up/downside	30.2%



**MAIN AUTHOR**

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# FCR Immobilien AG

Germany | Real Estate | MCap EUR 165.0m | EV EUR 417.7m

**BUY** (BUY)

**Target price** EUR 22.00 (22.00)  
**Current price** EUR 16.90  
**Up/downside** 30.2%

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## FY '21 in-line; Further strong FFO improvement expected in '22

**Property portfolio exceeding EUR 400m** FCR reported final FY 2021 results which were in line with prelim. results presented mid of March. In total, FCR ended the year on a positive note with a continued expansion of its property portfolio, which – for the first time – exceeded the value of EUR 400m. In 2021, FCR acquired a total of 17 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 had a neutral impact on profitability as the disposal occurred at market value (mark-to-market under IFRS accounting). In essence, over the last few years the quality of FCR's revenue stream has improved significantly with recurring rental income having grown at a CAGR of nearly 19% (2018-2021) and arrived at EUR 24.1m in FY 21.

**FFO with strong improvement** Funds from operations (FFO) even increased by 42% yoy reaching EUR 7.1m which was in line with prelim. results but shy of the 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. At the same time, net debt at year end came in better than expected (EUR 247m vs. eAR EUR 287m), despite temporarily higher receivables due to the disposal of Bamberg. The LTV per year end therefore stood at 71.5% and adj. for this effect even 70%. Finally, FCR's NAV per share also further improved and came in at EUR 12.50 per end of 2021.

**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. On top, a dividend of EUR 0.35 per share (2.1% yield) further appeals to the equity story. Note: We have incorporated the FY 21 results and introduced our 2024 estimates.

FCR Immobilien AG	2019	2020	2021	2022E	2023E	2024E
Sales	49.7	38.9	52.5	35.5	43.1	48.1
<i>Growth yoy</i>	33.2%	-21.7%	34.9%	-32.3%	21.3%	11.4%
EBIT	18.1	14.4	18.5	23.6	29.6	33.0
FFO	-3.7	4.9	7.1	12.8	15.8	18.0
FFO-Margin	-19.5%	21.6%	29.4%	40.7%	40.4%	40.9%
Net profit	9.7	9.6	12.1	13.4	17.5	19.7
Net debt (net cash)	208.8	226.9	252.7	312.3	369.4	435.7
LTV	66.4%	69.7%	71.5%	69.1%	69.9%	71.6%
EPS recurring	1.07	1.05	1.25	1.38	1.80	2.02
FFOPS	-0.41	0.54	0.73	1.31	1.62	1.84
DPS	0.30	0.30	0.35	0.39	0.45	0.50
<i>Dividend yield</i>	1.8%	1.8%	2.1%	2.3%	2.7%	3.0%
FFO-yield	-2.4%	3.2%	4.3%	7.8%	9.6%	10.9%
EV/EBIT	20.6x	27.2x	22.5x	20.3x	18.1x	18.2x
P/E	15.9x	16.2x	13.5x	12.3x	9.4x	8.4x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 17.70 / 11.40  
**Price/Book Ratio** 1.5x

**Ticker / Symbols**

ISIN DE000A1YC913  
WKN A1YC91  
Bloomberg FC9:GR

**Changes in estimates**

		Sales	EBIT	EPS
<b>2022E</b>	old	36,2	24,9	1,44
	Δ	-1,8%	-5,4%	-3,8%
<b>2023E</b>	old	43,8	31,1	1,87
	Δ	-1,5%	-4,9%	-3,2%

**Key share data**

Number of shares: (in m pcs) 9.76  
Book value per share: (in EUR) 11.14  
Ø trading volume: (12 months) 4,000

**Major shareholders**

RAT Asset & Trading AG 64.4%  
FaMe Invest & Mgmt GmbH 8.0%  
Free Float 27.6%

**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	Bückeburg, 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

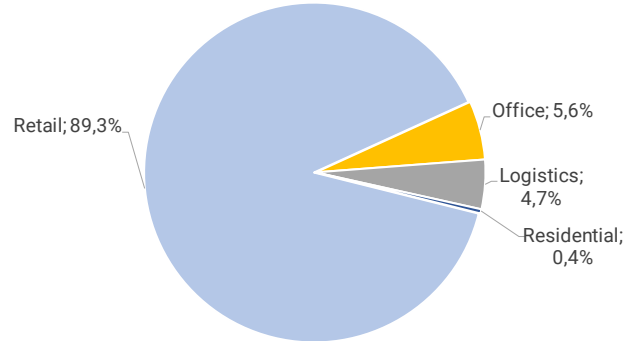
Source: Company data, AlsterResearch, K=purchase, VK=disposal

# Investment case in six Charts

## Business Model



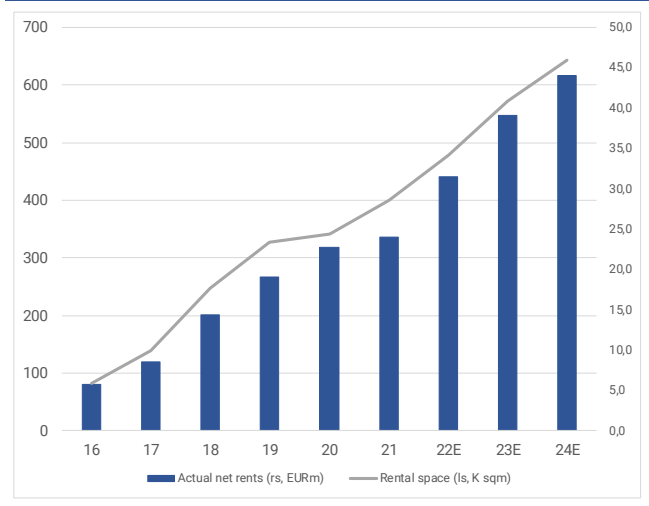
## Rental income as per asset class 2021



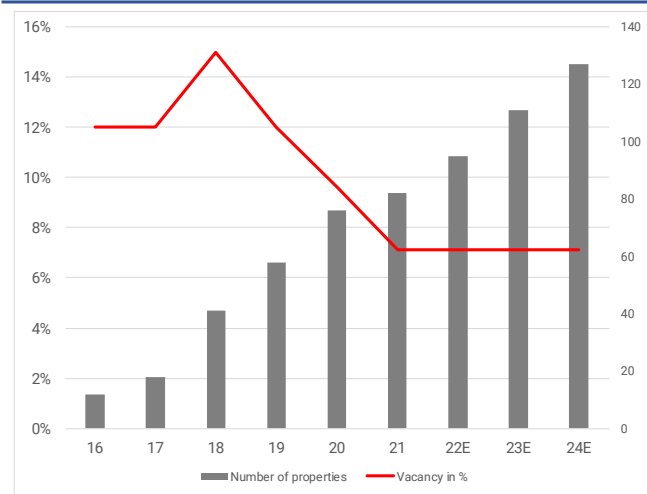
## Major tenants

Food retail / grocery	Specialty retail

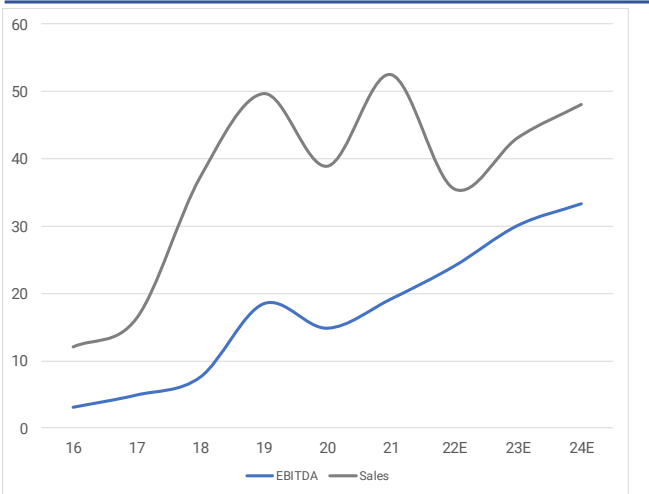
## Rental Space and actual net rental income



## 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 22.04 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 11.0% 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	16.2	20.6	24.1	27.5	30.2	33.7	37.8	42.2	
Depreciation & amortization	0.5	0.5	0.3	0.0	0.0	0.0	0.0	0.0	
Change in working capital	9.2	0.2	1.0	-0.2	-0.2	-0.2	-0.2	-0.2	
Chg. in long-term provisions	-3.2	-3.6	-3.0	-3.2	-3.3	-4.1	-3.5	-3.5	
Capex	-86.0	-73.1	-79.9	-32.8	-24.8	-25.3	-9.3	-2.8	
Cash flow	-63.4	-55.3	-57.5	-8.7	1.9	4.1	24.8	35.7	598.3
Present value	-60.0	-48.5	-46.7	-6.5	1.3	2.6	14.8	19.7	328.3
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.1%

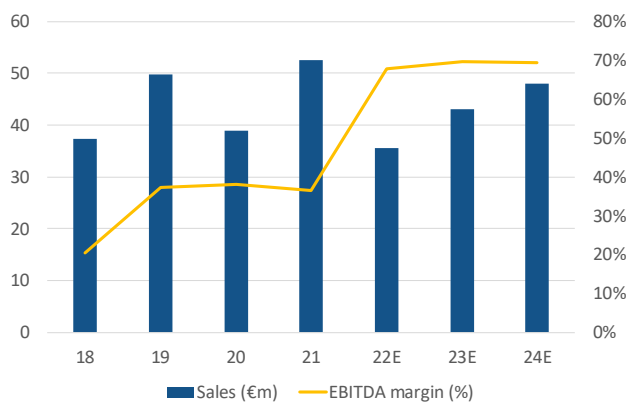
DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	205.1	Planning horizon avg. revenue growth (2021E - 2028E)	11.0%
Mid-year adj. total present value	213.1	Terminal value growth (2028E - infinity)	2.0%
Net debt / cash at start of year	271.9	Terminal year ROCE	13.7%
Financial assets	354.8	Terminal year WACC	8.1%
Provisions and off b/s debt	na		
Equity value	296.1		
No. of shares outstanding	13.4		
<b>Discounted cash flow / share upside/(downside)</b>	<b>22.04 / 30.4%</b>		
Share price		Terminal WACC derived from	
<b>16.90</b>		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%

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%		11.3	12.3	13.3	14.5	15.9	2021E - 2024E	-78.8%
1.0%		14.3	15.6	17.0	18.7	20.6	2025E - 2028E	18.7%
0.0%		18.2	20.0	22.0	24.4	27.3	terminal value	160.1%
-1.0%		23.6	26.1	29.2	32.9	37.6		
-2.0%		31.2	35.1	40.1	46.3	54.7		

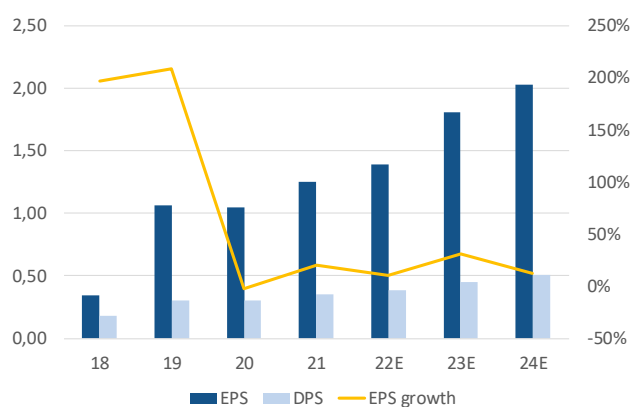
Source: AlsterResearch

# Financials in six charts

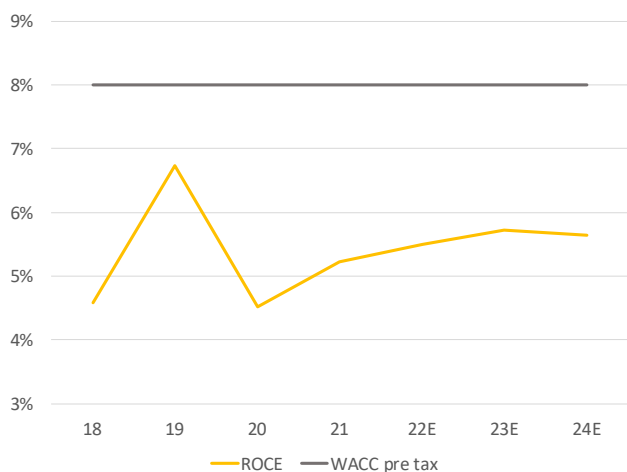
**Sales vs. EBITDA margin development**



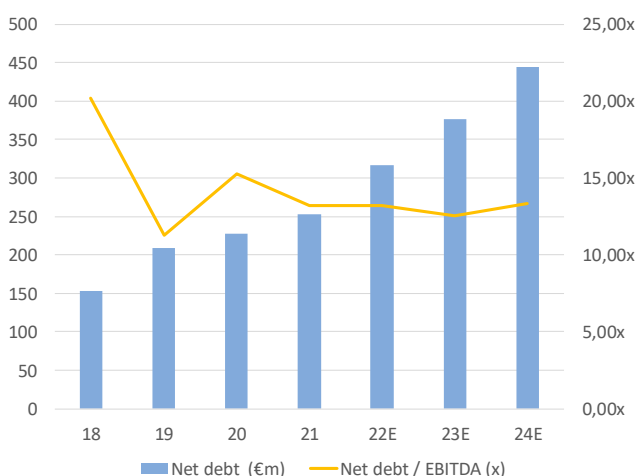
**EPS, DPS in EUR & yoy EPS growth**



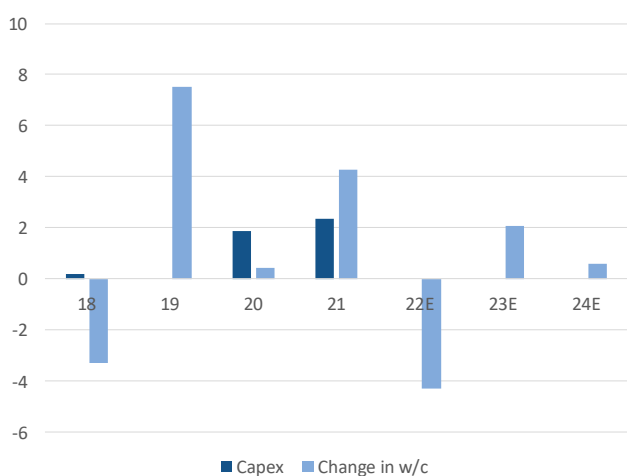
**ROCE vs. WACC (pre tax)**



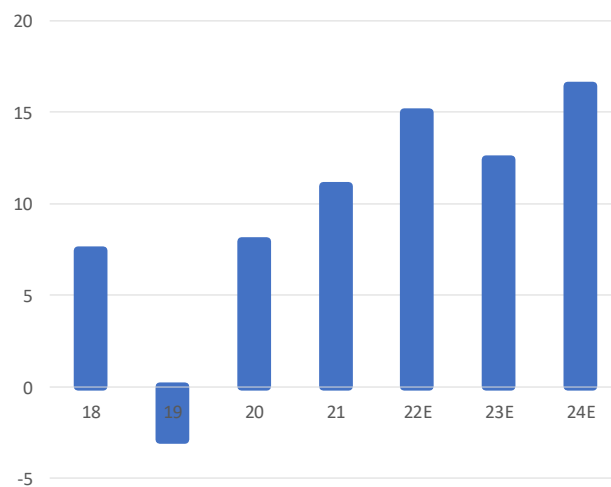
**Net debt and net debt/EBITDA**



**Capex & chg in w/c requirements in EURm**



**Free Cash Flow in EURm**



## Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>49.7</b>	<b>38.9</b>	<b>52.5</b>	<b>35.5</b>	<b>43.1</b>	<b>48.1</b>
Sales growth	33.2%	-21.7%	34.9%	-32.3%	21.3%	11.4%
Change in finished goods and work-in-process	0.5	3.2	2.6	0.4	0.2	0.0
<b>Total sales</b>	<b>50.1</b>	<b>42.1</b>	<b>55.1</b>	<b>35.9</b>	<b>43.3</b>	<b>48.1</b>
Change in the value of investment property	13.7	0.8	4.8	3.1	3.6	3.0
Expenses from financial investments held real estate	27.9	10.9	24.4	0.0	0.0	0.0
Personnel expenses	10.9	12.5	11.9	10.0	11.6	12.2
Material expenses and other opex	10.9	12.5	11.9	10.0	11.6	12.2
Total operating expenses	31.7	27.3	35.9	11.8	13.3	14.8
<b>EBITDA</b>	<b>18.5</b>	<b>14.8</b>	<b>19.2</b>	<b>24.1</b>	<b>30.1</b>	<b>33.3</b>
Depreciation	0.4	0.4	0.6	0.5	0.5	0.3
EBITA	18.1	14.4	18.5	23.6	29.6	33.0
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
<b>EBIT</b>	<b>18.1</b>	<b>14.4</b>	<b>18.5</b>	<b>23.6</b>	<b>29.6</b>	<b>33.0</b>
Financial result	-6.2	-6.7	-6.6	-7.2	-8.2	-9.0
Recurring pretax income from continuing operations	11.9	7.7	11.9	16.4	21.4	24.0
Extraordinary income/loss	0.0	3.8	3.0	0.0	0.0	0.0
Earnings before taxes	11.9	11.5	14.9	16.4	21.4	24.0
Taxes	2.2	1.9	2.7	2.9	3.8	4.3
Net income from continuing operations	9.7	9.6	12.1	13.4	17.5	19.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>9.7</b>	<b>9.6</b>	<b>12.1</b>	<b>13.4</b>	<b>17.5</b>	<b>19.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	9.7	9.6	12.1	13.4	17.5	19.7
Average number of shares	9.15	9.15	9.69	9.76	9.76	9.76
<b>EPS reported</b>	<b>1.07</b>	<b>1.05</b>	<b>1.25</b>	<b>1.38</b>	<b>1.80</b>	<b>2.02</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	1%	8%	5%	1%	1%	0%
<b>Total sales</b>	<b>101%</b>	<b>108%</b>	<b>105%</b>	<b>101%</b>	<b>101%</b>	<b>100%</b>
Change in the value of investment property	28%	2%	9%	9%	8%	6%
Expenses from financial investments held real estate	56%	28%	46%	0%	0%	0%
Personnel expenses	22%	32%	23%	28%	27%	25%
Material expenses and other opex	22%	32%	23%	28%	27%	25%
Total operating expenses	64%	70%	68%	33%	31%	31%
<b>EBITDA</b>	<b>37%</b>	<b>38%</b>	<b>36%</b>	<b>68%</b>	<b>70%</b>	<b>69%</b>
Depreciation	1%	1%	1%	1%	1%	1%
EBITA	36%	37%	35%	66%	69%	69%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
Impairment charges	0%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>36%</b>	<b>37%</b>	<b>35%</b>	<b>66%</b>	<b>69%</b>	<b>69%</b>
Financial result	-12%	-17%	-13%	-20%	-19%	-19%
Recurring pretax income from continuing operations	24%	20%	23%	46%	50%	50%
Extraordinary income/loss	0%	10%	6%	0%	0%	0%
Earnings before taxes	24%	30%	28%	46%	50%	50%
Taxes	4%	5%	5%	8%	9%	9%
Net income from continuing operations	20%	25%	23%	38%	41%	41%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>20%</b>	<b>25%</b>	<b>23%</b>	<b>38%</b>	<b>41%</b>	<b>41%</b>
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	<b>20%</b>	<b>25%</b>	<b>23%</b>	<b>38%</b>	<b>41%</b>	<b>41%</b>

Source: Company data; AlsterResearch



Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0.2	1.5	2.3	2.3	2.3	2.3
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.8	0.8	1.8	1.3	0.8	0.5
Financial assets	299.2	320.5	354.8	444.0	520.7	603.6
<b>FIXED ASSETS</b>	<b>300.2</b>	<b>322.8</b>	<b>358.9</b>	<b>447.6</b>	<b>523.8</b>	<b>606.4</b>
Inventories	1.9	4.2	2.4	2.2	2.5	2.7
Accounts receivable	9.7	5.2	16.6	4.9	4.7	3.7
Other current assets	4.8	7.6	5.5	5.5	5.5	5.5
Liquid assets	10.1	8.7	18.7	37.7	40.6	14.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.3	0.1	0.1	0.1	0.1	0.1
<b>CURRENT ASSETS</b>	<b>26.8</b>	<b>25.8</b>	<b>43.3</b>	<b>50.3</b>	<b>53.4</b>	<b>26.2</b>
<b>TOTAL ASSETS</b>	<b>327.0</b>	<b>348.7</b>	<b>402.2</b>	<b>497.9</b>	<b>577.2</b>	<b>632.6</b>
<b>SHAREHOLDERS EQUITY</b>	<b>85.6</b>	<b>92.4</b>	<b>108.0</b>	<b>128.0</b>	<b>146.8</b>	<b>162.1</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	211.5	211.1	259.6	350.0	410.0	450.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	3.3	1.4	0.5	0.4	0.4	0.5
<b>Non-current liabilities</b>	<b>214.8</b>	<b>212.6</b>	<b>260.0</b>	<b>350.4</b>	<b>410.4</b>	<b>450.5</b>
short-term liabilities to banks	7.4	24.5	11.8	0.0	0.0	0.0
Accounts payable	2.2	1.5	2.9	0.9	1.0	1.0
Advance payments received on orders	0.2	0.1	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	2.3	2.0	1.9	1.2	1.5	1.6
Deferred taxes	14.4	15.6	17.4	17.4	17.4	17.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>26.5</b>	<b>43.7</b>	<b>34.2</b>	<b>19.5</b>	<b>19.9</b>	<b>20.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>327.0</b>	<b>348.7</b>	<b>402.2</b>	<b>497.9</b>	<b>577.2</b>	<b>632.6</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0%	0%	1%	0%	0%	0%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	91%	92%	88%	89%	90%	95%
<b>FIXED ASSETS</b>	<b>92%</b>	<b>93%</b>	<b>89%</b>	<b>90%</b>	<b>91%</b>	<b>96%</b>
Inventories	1%	1%	1%	0%	0%	0%
Accounts receivable	3%	1%	4%	1%	1%	1%
Other current assets	1%	2%	1%	1%	1%	1%
Liquid assets	3%	3%	5%	8%	7%	2%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>8%</b>	<b>7%</b>	<b>11%</b>	<b>10%</b>	<b>9%</b>	<b>4%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>26%</b>	<b>27%</b>	<b>27%</b>	<b>26%</b>	<b>25%</b>	<b>26%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	65%	61%	65%	70%	71%	71%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	0%	0%	0%	0%	0%
<b>Non-current liabilities</b>	<b>66%</b>	<b>61%</b>	<b>65%</b>	<b>70%</b>	<b>71%</b>	<b>71%</b>
short-term liabilities to banks	2%	7%	3%	0%	0%	0%
Accounts payable	1%	0%	1%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	1%	0%	0%	0%	0%
Deferred taxes	4%	4%	4%	3%	3%	3%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>8%</b>	<b>13%</b>	<b>8%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	9.8	9.6	12.1	13.4	17.5	19.7
Depreciation of fixed assets (incl. leases)	0.4	0.4	0.6	0.5	0.5	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	-5.5	0.3	4.8	-3.2	-3.6	-3.0
Cash flow from operations before changes in w/c	4.6	10.3	17.6	10.7	14.5	17.0
Increase/decrease in inventory	0.0	-2.4	1.8	0.3	-0.4	-0.1
Increase/decrease in accounts receivable	0.0	4.5	-11.4	11.7	0.1	1.0
Increase/decrease in accounts payable	0.0	-0.7	1.5	-2.1	0.1	0.0
Increase/decrease in other w/c positions	-7.5	-1.9	3.9	-0.7	0.2	0.1
Increase/decrease in working capital	-7.5	-0.4	-4.3	9.2	0.2	1.0
<b>Cash flow from operating activities</b>	<b>-2.9</b>	<b>9.8</b>	<b>13.3</b>	<b>19.9</b>	<b>14.6</b>	<b>18.0</b>
CAPEX	0.0	-1.9	-2.3	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-56.0	-17.6	-39.9	-86.0	-73.1	-79.9
Income from asset disposals	0.0	-1.4	1.0	10.0	5.0	0.0
<b>Cash flow from investing activities</b>	<b>-56.0</b>	<b>-20.9</b>	<b>-41.3</b>	<b>-76.0</b>	<b>-68.1</b>	<b>-79.9</b>
Cash flow before financing	-58.9	-11.0	-28.0	-56.2	-53.4	-61.9
Increase/decrease in debt position	64.6	16.7	35.8	78.6	60.0	40.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	6.4	0.0	6.7	0.0	0.0	0.0
Dividends paid	-1.5	-2.7	-2.9	-3.4	-3.8	-4.4
Others	-3.7	-6.0	-2.3	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
<b>Cash flow from financing activities</b>	<b>65.7</b>	<b>7.9</b>	<b>37.2</b>	<b>75.2</b>	<b>56.2</b>	<b>35.6</b>
Increase/decrease in liquid assets	6.9	-3.1	9.2	19.0	2.8	-26.3
<b>Liquid assets at end of period</b>	<b>9.1</b>	<b>5.6</b>	<b>14.8</b>	<b>33.9</b>	<b>36.7</b>	<b>10.4</b>

Source: Company data; AlsterResearch

Real estate ratios in EURm	2019	2020	2021	2022E	2023E	2024E
Number of properties	76	83	95	111	127	143
Rental space	327,000	342,000	400,000	477,300	571,500	643,500
Actual net rents	19.1	22.7	24.1	31.5	39.1	44.0
FFO	-3.7	4.9	7.1	12.8	15.8	18.0
FFO margin	-19.5%	21.6%	29.4%	40.7%	40.4%	40.9%
FFOPS	-0.41	0.54	0.73	1.31	1.62	1.84
Potential net rents	22.2	21.7	29.1	29.3	na	na
Letting quota	88.0%	90.4%	92.9%	92.9%	92.9%	92.9%
Market value	299.0	314.5	346.0	444.0	520.7	600.6
ACTUAL net rental returns	6.4%	7.2%	7.0%	7.1%	7.5%	7.3%
WAULT	4.4	5.1	5.4	5.5	5.6	5.6
NAV	10.9	11.7	12.5	14.9	16.8	18.4
LTV	66.4%	69.7%	71.5%	69.1%	69.9%	71.6%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	1.07	1.05	1.25	1.38	1.80	2.02
Cash flow per share	-0.35	1.03	1.31	1.98	1.45	1.81
Book value per share	9.36	10.11	11.14	13.12	15.04	16.61
Dividend per share	0.30	0.30	0.35	0.39	0.45	0.50
<b>Valuation</b>						
P/E	15.9x	16.2x	13.5x	12.3x	9.4x	8.4x
P/CF	-47.8x	16.4x	12.9x	8.5x	11.7x	9.3x
P/BV	1.8x	1.7x	1.5x	1.3x	1.1x	1.0x
Dividend yield (%)	1.8%	1.8%	2.1%	2.3%	2.7%	3.0%
FCF yield (%)	-2.1%	6.1%	7.7%	11.7%	8.6%	10.7%
EV/Sales	7.5x	10.1x	8.0x	13.4x	12.4x	12.5x
EV/EBITDA	20.2x	26.4x	21.8x	19.8x	17.8x	18.0x
EV/EBIT	20.6x	27.2x	22.5x	20.3x	18.1x	18.2x
<b>Income statement (EURm)</b>						
Sales	49.7	38.9	52.5	35.5	43.1	48.1
yoy chg in %	33.2%	-21.7%	34.9%	-32.3%	21.3%	11.4%
Gross profit	27.9	10.9	24.4	0.0	0.0	0.0
Gross margin in %	56.1%	28.0%	46.5%	0.0%	0.0%	0.0%
EBITDA	18.5	14.8	19.2	24.1	30.1	33.3
EBITDA margin in %	37.2%	38.1%	36.5%	67.7%	69.8%	69.3%
EBIT	18.1	14.4	18.5	23.6	29.6	33.0
EBIT margin in %	36.5%	37.1%	35.3%	66.3%	68.6%	68.7%
Net profit	9.7	9.6	12.1	13.4	17.5	19.7
<b>Cash flow statement (EURm)</b>						
CF from operations	-2.9	9.8	13.3	19.9	14.6	18.0
Capex	0.0	-1.9	-2.3	0.0	0.0	0.0
Maintenance Capex	0.4	0.4	0.6	0.5	0.5	0.3
Free cash flow	-2.9	8.0	10.9	19.9	14.6	18.0
<b>Balance sheet (EURm)</b>						
Intangible assets	0.2	1.5	2.3	2.3	2.3	2.3
Tangible assets	0.8	0.8	1.8	1.3	0.8	0.5
Shareholders' equity	85.6	92.4	108.0	128.0	146.8	162.1
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	222.3	237.1	271.9	350.4	410.4	450.5
Net financial debt	208.8	226.9	252.7	312.3	369.4	435.7
w/c requirements	9.2	7.8	16.0	6.2	6.3	5.3
<b>Ratios</b>						
ROE	11.4%	10.3%	11.2%	10.5%	11.9%	12.1%
ROCE	5.9%	4.4%	4.9%	4.9%	5.3%	5.4%
Net gearing	243.9%	245.5%	234.0%	243.9%	251.6%	268.8%
Net debt / EBITDA	11.3x	15.3x	13.2x	13.0x	12.3x	13.1x

Source: Company data; AlsterResearch

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