

Buy (old: Buy)

Price target: EUR 6.25 (old: EUR 6.25)

Price:	EUR 3.90	Next result:	-
Bloomberg:	DMRE GR	Market cap:	EUR 423.6 m
Reuters:	DMRE.DE	Enterprise Value:	EUR 1,221.8 m

09-December-20

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“REALize-Potential” strategy pays off – guidance increased

Last week, DEMIRE confirmed its FY20E rental income guidance of € 85-87m (eH&A € 86.2m) while increasing its FFO expectation to now > € 38m (previously € 36-38m; eH&A € 37.3m). This demonstrates that management is delivering on the implementation of the “REALize-Potential” strategy aimed at portfolio efficiency improvements and cost reductions.

The 9M FFO already stood at c. € 30m (+ 23% yoy) mainly driven by a **substantial reduction in financing costs** (c. € 15m yoy) thanks to a bond refinancing in October 2019 (coupon 1.875%). This should have been further supported by a **sound development of rental income** (c. +15% yoy) as reflected in a **1pp lower vacancy rate** compared to year end 2019 thanks to targeted asset management activities (i.e. refurbishments).

Moreover, the company’s increased FY20E FFO outlook should have been carried by **lower than initially expected impaired irrevocable rent receivables** despite the re-imposed COVID-19 restrictions thanks to its **well-diversified portfolio** (ABBA approach with office properties accounting for 65% of total portfolio value) aligned with a sensible **acquisition approach**.

Importantly, the **operational performance should continue to improve** thanks to harmonized reporting/ IT systems and lower administration costs. This should be supported by the company’s **portfolio optimization** focusing on larger acquisitions (target to increase portfolio value from € 1.5bn to > € 2bn) while **disposing of smaller assets** (< € 5m). This should enable a **more efficient resource allocation** and thus a **better fixed cost absorption**.

Overall, DEMIRE continues to **build-up a solid track record of value enhancement** (13 disposals in 2020 so far at or above book value) in connection with **excellent growth perspectives**. Moreover, the company set up a starting point **for regular dividend payments** as decided at the general meeting as of 09/2020. Valuation looks undemanding at 35% discount to NAV (€ 6.06 as per 9M 2020). That said, management announced a share buy-back program of up to 1m share (0.93% of shares outstanding) for € 4.39 per share yesterday (subject to changes in share price; term of acceptance ends Jan. 04). We **confirm our BUY recommendation with a PT of € 6.25** based on NAV and DDM.

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Total revenues	102	94	91	123	116	133	150
Net rental income	76	74	74	82	86	102	119
EBIT (inc revaluation net)	83	85	127	155	79	101	121
EBIT (excl revaluation net)	45	36	34	72	51	69	83
Net profit (reported)	25	14	62	76	50	67	81
FFO	8	12	23	35	37	50	60
EPS reported	0.48	0.25	0.85	0.70	0.47	0.48	0.51
FFO per share	0.16	0.22	0.32	0.32	0.34	0.36	0.38
DPS	0.00	0.00	0.00	0.54	0.14	0.14	0.17
NAV per share	5.54	5.96	5.52	6.35	6.65	6.34	6.60
NNNAV per share	4.89	5.13	4.95	5.49	5.82	5.75	5.97
EV/EBITDA	17.6	21.4	25.4	17.6	21.8	20.6	20.5
FFO yield	4.4 %	5.6 %	7.4 %	6.0 %	8.8 %	9.2 %	9.6 %
P/FFO	22.6	17.8	13.5	16.8	11.4	10.9	10.4
Dividend yield	0.0 %	0.0 %	0.0 %	13.7 %	3.5 %	3.7 %	4.3 %
P/NAV premium/discount	-35.6 %	-35.2 %	-28.8 %	-38.1 %	-40.9 %	-38.0 %	-40.5 %
P/NNNAV premium/discount	-27.0 %	-24.8 %	-20.6 %	-28.4 %	-32.5 %	-31.6 %	-34.1 %
Net gearing	232.2 %	217.6 %	82.9 %	114.9 %	125.8 %	95.8 %	121.8 %
Loan-to-value (LTV)	62.8 %	60.1 %	38.7 %	46.7 %	48.7 %	43.7 %	49.7 %
Implied yield	9.3 %	8.9 %	8.1 %	6.4 %	7.1 %	7.1 %	6.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 08.12.2020



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 5.78 / 3.84

Price/Book Ratio: 0.6

Relative performance (SDAX):

3 months -35.1 %

6 months -24.9 %

12 months -36.2 %

Changes in estimates

		Net rents	EBIT	FFO
2020	old:	86.2	79.2	37.1
	Δ	-	-	-
2021	old:	102.3	101.1	50.3
	Δ	-	-	-
2022	old:	118.7	120.8	59.8
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 107.8

Authorised capital: (in € m) 0.0

Book value per share: (in €) 6.6

Ø trading volume: (12 months) 19,020

Major shareholders:

Apollo 58.6 %

Wecken Group 32.1 %

Free float 9.3 %

Company description:

Real estate company focused on office, retail, logistics and hotel properties particularly in secondary locations in Germany.

Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net rental income	76.4	73.7	73.7	81.8	86.2	102.3	118.7
Direct property expenses	33.5	32.7	30.3	35.9	46.5	49.1	51.6
Net operating income	42.8	41.0	43.4	45.9	39.7	53.2	67.0
Earnings from property disposals	4.9	0.9	0.1	16.8	4.0	5.0	5.0
Earnings from project developments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings from other property activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	20.9	19.7	17.6	24.0	26.0	26.0	26.0
Total revenues	102.2	94.4	91.4	122.6	116.2	133.3	149.7
Revaluation result from investment properties (net)	38.4	48.6	93.1	83.0	28.0	32.0	38.0
Total income	140.6	143.0	184.4	205.6	144.2	165.3	187.7
Administrative expenses	10.7	9.9	15.3	8.4	8.0	8.1	8.2
Personnel expenses	3.9	5.4	5.3	4.7	4.5	4.7	4.9
Other operating expenses	7.4	7.5	4.5	0.9	1.0	1.1	1.2
Total operating expenses	21.9	22.8	25.2	13.9	13.5	13.9	14.3
EBITDA	85.2	87.4	128.9	155.8	84.2	102.3	121.7
EBITDA excl revaluation result (net)	46.8	38.9	35.9	72.8	56.2	70.3	83.7
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	85.2	87.4	128.9	155.8	84.2	102.3	121.7
EBITA excl revaluation result (net)	46.8	38.9	35.9	72.8	56.2	70.3	83.7
Amortisation of goodwill	0.0	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	0.0
Impairment charges	2.1	2.8	1.9	0.6	5.0	1.2	0.9
EBIT (incl revaluation net)	83.2	84.7	127.1	155.2	79.2	101.1	120.8
EBIT (excl revaluation net)	44.8	36.1	34.0	72.1	51.2	69.1	82.8
Interest income	1.2	0.9	0.5	0.4	0.5	0.0	0.0
Interest expenses	39.1	49.7	26.4	50.9	17.5	16.7	19.6
Depreciation of financial investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	-5.2	-8.3	-12.4	-6.8	-2.5	1.0	1.5
Financial result	-43.2	-57.0	-38.3	-57.3	-19.5	-15.7	-18.1
Earnings before taxes	40.0	27.6	88.8	97.9	59.7	85.4	102.7
Earnings before taxes (excl revaluation result)	1.5	-20.9	-4.3	14.8	31.7	53.4	64.7
Taxes	12.3	8.2	19.7	18.1	11.9	17.1	20.5
Net income from continuing operations (incl reval. result)	27.7	19.4	69.1	79.7	51.9	68.4	82.2
Net income from continuing operations (excl reval. result)	-10.8	-29.1	-24.0	-3.3	23.9	36.4	44.2
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary items (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cumulative effect of accounting changes (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (incl revaluation result net)	27.7	19.4	69.1	79.7	51.9	68.4	82.2
Net income (excl revaluation result net)	-10.8	-29.1	-24.0	-3.3	23.9	36.4	44.2
Minority interest	3.0	5.6	7.5	4.2	1.7	1.5	1.5
Net income (net of minority interest, incl reval. result)	24.7	13.8	61.6	75.5	50.2	66.9	80.7
Net income (net of minority interest, excl reval. result)	-13.7	-34.8	-31.5	-7.5	22.2	34.9	42.7
Funds from operations (FFO)	8.1	11.7	23.4	34.5	37.1	50.3	59.8

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
Net rental income	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Direct property expenses	43.9 %	44.4 %	41.1 %	43.9 %	54.0 %	48.0 %	43.5 %
Net operating income	56.1 %	55.6 %	58.9 %	56.1 %	46.0 %	52.0 %	56.5 %
Earnings from property disposals	6.4 %	1.3 %	0.1 %	20.5 %	4.6 %	4.9 %	4.2 %
Earnings from project developments	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings from other property activities	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	27.4 %	26.8 %	23.9 %	29.3 %	30.2 %	25.4 %	21.9 %
Total revenues	133.9 %	128.1 %	124.0 %	149.8 %	134.8 %	130.3 %	126.1 %
Revaluation result from investment properties (net)	50.3 %	65.9 %	126.3 %	101.5 %	32.5 %	31.3 %	32.0 %
Total income	184.2 %	193.9 %	250.2 %	251.3 %	167.3 %	161.6 %	158.1 %
Administrative expenses	13.9 %	13.4 %	20.8 %	10.2 %	9.3 %	7.9 %	6.9 %
Personnel expenses	5.0 %	7.3 %	7.2 %	5.7 %	5.2 %	4.6 %	4.1 %
Other operating income	27.4 %	26.8 %	23.9 %	29.3 %	30.2 %	25.4 %	21.9 %
Total operating expenses	28.6 %	31.0 %	34.2 %	17.0 %	15.7 %	13.6 %	12.1 %
EBITDA	111.6 %	118.6 %	174.9 %	190.5 %	97.6 %	100.0 %	102.6 %
EBITDA excl revaluation result (net)	61.3 %	52.7 %	48.7 %	89.0 %	65.1 %	68.7 %	70.6 %
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITA	111.6 %	118.6 %	174.9 %	190.5 %	97.6 %	100.0 %	102.6 %
EBITA excl revaluation result (net)	61.3 %	52.7 %	48.7 %	89.0 %	65.1 %	68.7 %	70.6 %
Amortisation of goodwill	0.0 %	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 %	0.0 %
Impairment charges	2.7 %	3.7 %	2.5 %	0.8 %	5.8 %	1.2 %	0.8 %
EBIT (incl revaluation net)	108.9 %	114.9 %	172.4 %	189.7 %	91.8 %	98.8 %	101.8 %
EBIT (excl revaluation net)	58.6 %	49.0 %	46.1 %	88.2 %	59.3 %	67.5 %	69.8 %
Interest income	1.5 %	1.3 %	0.7 %	0.4 %	0.6 %	0.0 %	0.0 %
Interest expenses	51.2 %	67.4 %	35.8 %	62.2 %	20.3 %	16.3 %	16.5 %
Depreciation of financial investment	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Investment income	neg.	neg.	neg.	neg.	neg.	1.0 %	1.3 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Earnings before taxes (incl revaluation result)	52.3 %	37.5 %	120.4 %	119.6 %	69.2 %	83.5 %	86.6 %
Earnings before taxes (excl revaluation result)	2.0 %	neg.	neg.	18.1 %	36.7 %	52.2 %	54.5 %
Total taxes	16.1 %	11.1 %	26.7 %	22.1 %	13.8 %	16.7 %	17.3 %
Net income from continuing operations (incl reval. result)	36.2 %	26.4 %	93.7 %	97.5 %	60.2 %	66.8 %	69.2 %
Net income from continuing operations (excl reval. result)	neg.	neg.	neg.	neg.	27.7 %	35.5 %	37.2 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Extraordinary items (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Cumulative effect of accounting changes (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (incl revaluation result net)	36.2 %	26.4 %	93.7 %	97.5 %	60.2 %	66.8 %	69.2 %
Net income (excl revaluation result net)	neg.	neg.	neg.	neg.	27.7 %	35.5 %	37.2 %
Minority interest	3.9 %	7.7 %	10.1 %	5.1 %	2.0 %	1.5 %	1.3 %
Net income (net of minority interest, incl reval. result)	32.3 %	18.7 %	83.5 %	92.3 %	58.2 %	65.3 %	68.0 %
Net income (net of minority interest, excl reval. result)	neg.	neg.	neg.	neg.	25.7 %	34.1 %	36.0 %
Funds from operations (FFO)	10.6 %	15.9 %	31.7 %	42.2 %	43.0 %	49.2 %	50.4 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	7.0	7.0	6.9	6.9	6.9	6.9	6.9
Investment properties	981.3	1,021.8	1,139.9	1,493.9	1,616.9	1,918.9	2,226.9
Development assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	1.8	1.9	0.5	0.4	0.4	0.4	0.4
Financial assets	11.5	2.2	9.0	19.4	22.0	23.5	24.8
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	1,001.5	1,032.9	1,156.2	1,520.7	1,646.2	1,949.7	2,259.0
Properties held for sale	24.3	12.3	12.3	16.3	20.5	21.3	20.8
Inventories	2.2	1.7	0.0	0.0	0.0	0.0	0.0
Accounts receivable	33.9	23.8	16.9	36.8	25.6	25.9	26.2
Other current assets	34.7	26.3	19.8	38.3	27.1	27.4	27.7
Liquid assets	31.3	73.9	190.4	102.1	45.0	160.0	55.0
CURRENT ASSETS	92.5	114.2	222.5	156.7	92.6	208.7	103.5
TOTAL ASSETS	1,094.0	1,147.1	1,378.7	1,677.4	1,738.8	2,158.4	2,362.5
Subscribed capital	54.2	54.3	107.8	107.8	105.8	150.8	150.8
Surplus capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	193.0	217.4	368.6	430.0	478.4	667.4	686.8
Net profit/loss	24.7	13.8	61.6	75.5	50.2	66.9	80.7
SHAREHOLDERS' EQUITY	271.9	285.4	537.9	613.4	634.3	885.0	918.2
MINORITY INTEREST	36.7	33.7	44.4	47.4	45.8	49.0	49.2
PROVISIONS AND ACCRUED LIABILITIES	5.8	2.6	5.2	24.5	26.2	27.3	28.6
short-term liabilities to banks	42.0	29.1	30.2	69.1	45.8	45.8	45.8
Bonds (long-term)	108.6	403.2	366.6	600.0	600.0	764.9	875.1
long-term liabilities to banks	512.0	262.6	239.8	137.8	197.4	197.4	252.3
other interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest-bearing liabilities	662.6	694.9	636.6	807.0	843.2	1,008.1	1,173.2
Accounts payable	17.4	14.7	15.4	10.0	12.8	13.0	13.3
Current liabilities	81.9	87.6	92.5	109.6	105.5	103.5	101.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	35.0	42.9	62.1	75.5	83.7	85.4	91.8
LIABILITIES	779.6	825.4	791.1	992.1	1,032.4	1,197.0	1,366.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,094.0	1,147.1	1,378.7	1,677.4	1,738.8	2,158.4	2,362.5

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	0.6 %	0.6 %	0.5 %	0.4 %	0.4 %	0.3 %	0.3 %
Investment properties	89.7 %	89.1 %	82.7 %	89.1 %	93.0 %	88.9 %	94.3 %
Development assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	0.2 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial assets	1.0 %	0.2 %	0.7 %	1.2 %	1.3 %	1.1 %	1.0 %
Other non-current assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	91.5 %	90.0 %	83.9 %	90.7 %	94.7 %	90.3 %	95.6 %
Properties held for sale	2.2 %	1.1 %	0.9 %	1.0 %	1.2 %	1.0 %	0.9 %
Inventories	0.2 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	3.1 %	2.1 %	1.2 %	2.2 %	1.5 %	1.2 %	1.1 %
Other current assets	3.2 %	2.3 %	1.4 %	2.3 %	1.6 %	1.3 %	1.2 %
Liquid assets	2.9 %	6.4 %	13.8 %	6.1 %	2.6 %	7.4 %	2.3 %
CURRENT ASSETS	8.5 %	10.0 %	16.1 %	9.3 %	5.3 %	9.7 %	4.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Subscribed capital	5.0 %	4.7 %	7.8 %	6.4 %	6.1 %	7.0 %	6.4 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Additional paid-in capital	17.6 %	18.9 %	26.7 %	25.6 %	27.5 %	30.9 %	29.1 %
Net profit/loss	2.3 %	1.2 %	4.5 %	4.5 %	2.9 %	3.1 %	3.4 %
SHAREHOLDERS' EQUITY	24.9 %	24.9 %	39.0 %	36.6 %	36.5 %	41.0 %	38.9 %
MINORITY INTEREST	3.4 %	2.9 %	3.2 %	2.8 %	2.6 %	2.3 %	2.1 %
PROVISIONS AND ACCRUED LIABILITIES	0.5 %	0.2 %	0.4 %	1.5 %	1.5 %	1.3 %	1.2 %
short-term liabilities to banks	3.8 %	2.5 %	2.2 %	4.1 %	2.6 %	2.1 %	1.9 %
Bonds (long-term)	9.9 %	35.1 %	26.6 %	35.8 %	34.5 %	35.4 %	37.0 %
long-term liabilities to banks	46.8 %	22.9 %	17.4 %	8.2 %	11.4 %	9.1 %	10.7 %
other interest-bearing liabilities	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest-bearing liabilities	60.6 %	60.6 %	46.2 %	48.1 %	48.5 %	46.7 %	49.7 %
Accounts payable	1.6 %	1.3 %	1.1 %	0.6 %	0.7 %	0.6 %	0.6 %
Current liabilities	7.5 %	7.6 %	6.7 %	6.5 %	6.1 %	4.8 %	4.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	3.2 %	3.7 %	4.5 %	4.5 %	4.8 %	4.0 %	3.9 %
LIABILITIES	71.3 %	72.0 %	57.4 %	59.1 %	59.4 %	55.5 %	57.8 %
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit	40.0	27.6	88.8	97.9	59.7	85.4	102.7
Other recurrent / non-recurrent items	-3.9	-3.1	-55.6	-44.7	-8.0	-11.1	-13.2
Increase/decrease in working capital	-0.7	11.3	5.7	-7.3	13.9	-0.1	0.0
Cash flow from operating activities	35.4	35.8	38.9	45.8	65.6	74.3	89.5
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	200.0	300.0	300.0
Financial investments	-16.2	-7.4	-24.7	-284.6	-24.7	-71.6	-54.3
Income from asset disposals	22.0	28.0	0.6	31.4	80.6	19.4	20.8
Cash flow from investing activities	5.7	20.6	-24.0	-253.2	-144.1	-352.2	-333.5
Increase/decrease in debt position	-20.6	32.8	-43.9	164.0	36.3	164.9	165.1
Dividends paid	0.0	0.0	0.0	0.0	14.8	22.0	26.1
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	15.8	0.0	173.7	0.0	0.0	250.0	0.0
Others	-33.5	-46.5	-28.1	-44.9	0.0	0.0	0.0
Cash flow from financing activities	-38.3	-13.8	101.7	119.1	21.4	392.9	139.0
Cash flow from operating activities	39.3	38.9	94.4	90.6	73.6	85.3	102.7
Cash flow after maintenance capex	40.0	27.6	88.8	97.9	59.7	85.4	102.7
Cash flow before financing	73.6	71.2	64.2	361.9	-44.0	-156.7	-161.4
Increase/decrease in liquid assets	35.3	57.5	165.9	480.9	-7.7	258.2	3.7

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Return on equity							
Net profit / Y/E equity	-5.1 %	-12.2 %	-5.9 %	-1.2 %	3.5 %	3.9 %	4.6 %
Recurring net profit / Y/E equity	3.0 %	4.1 %	4.3 %	5.6 %	5.8 %	5.7 %	6.5 %
Net profit / avg. equity	-5.1 %	-12.2 %	-5.9 %	-1.2 %	3.5 %	3.9 %	4.6 %
Recurring net profit / avg. equity	3.0 %	4.1 %	4.3 %	5.6 %	5.8 %	5.7 %	6.5 %
Security							
Net debt	631.4	621.0	446.1	704.8	798.2	848.1	1,118.2
Debt / equity	243.7 %	243.5 %	118.3 %	131.6 %	132.9 %	113.9 %	127.8 %
Net gearing	232.2 %	217.6 %	82.9 %	114.9 %	125.8 %	95.8 %	121.8 %
Interest cover	1.1	0.7	1.3	1.4	2.9	4.1	4.2
EBITDA / interest paid	2.2	1.8	4.9	3.1	4.8	6.1	6.2
Dividend payout ratio	0 %	0 %	0 %	169 %	40 %	40 %	45 %
Dividend cover	n/a	n/a	n/a	0.6	2.5	2.5	2.2
Loan-to-value (LTV)	62.8 %	60.1 %	38.7 %	46.7 %	48.7 %	43.7 %	49.7 %
Return on Net Asset Value	2.8 %	3.6 %	5.8 %	5.0 %	5.2 %	5.7 %	5.7 %
Liquidity							
Current ratio	0.6	0.7	1.2	0.6	0.4	0.9	0.4
Acid test ratio	0.6	0.7	1.2	0.6	0.4	0.9	0.4
Valuation metrics							
FFO	8.1	11.7	23.4	34.5	37.1	50.3	59.8
FFO per share	0.16	0.22	0.32	0.32	0.34	0.36	0.38
NAV	300.5	323.5	594.9	684.4	716.3	968.7	1,008.3
NAV per share	5.54	5.96	5.52	6.35	6.65	6.34	6.60
NNNAV	265.2	278.6	533.5	591.7	627.6	878.3	911.5
NNNAV per share	4.89	5.13	4.95	5.49	5.82	5.75	5.97

Source: Company data, Hauck & Aufhäuser

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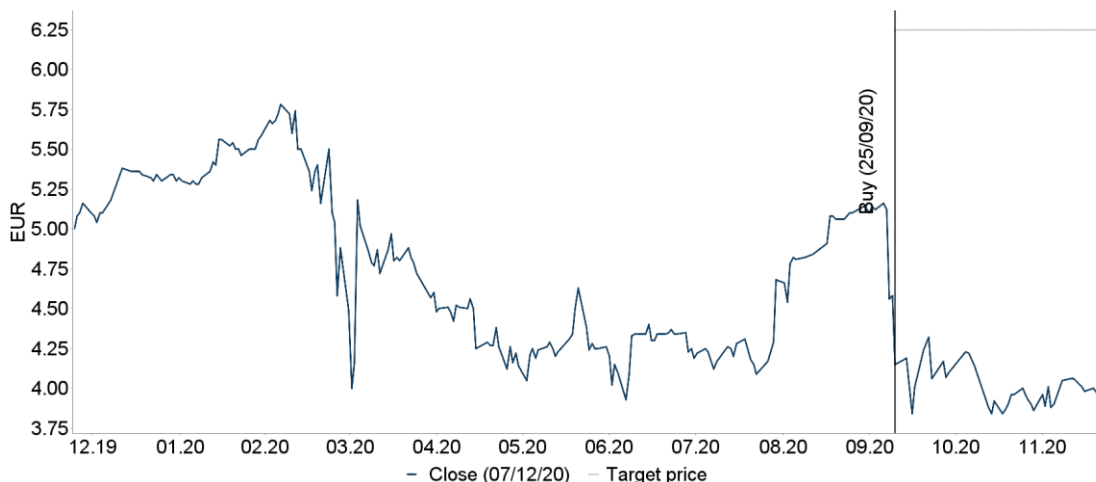
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Company	Disclosure
DEMIRE AG	2, 8

Historical target price and rating changes for DEMIRE AG in the last 12 months

**Price and Rating History
DEMIRE AG as of 09/12/20**

Initiation coverage
25-September-20



Company	Date	Analyst	Rating	Target price	Close
DEMIRE AG	23.11.2020	Stinauer, Julius	Buy	EUR 6,25	EUR 4,05
	12.11.2020	Stinauer, Julius	Buy	EUR 6,25	EUR 3,90
	25.09.2020	Stinauer, Julius	Buy	EUR 6,25	EUR 4,15
	25.09.2020	Stinauer, Julius	Buy	EUR 6,25	EUR 4,15

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Sell	8.33 %	0.00 %
Hold	22.22 %	20.83 %

Date of publication creation: 09/12/2020 08:13 AM

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