

**Hold** (old: Hold)

17.03.2023

**EUR 2.50** (old: EUR 2.50)

### FY 22: Guidance beat but outlook remains clouded / chg. est

Yesterday, DEMIRE released its FY 2022 results, which were surprisingly strong. Thanks to a particularly pronounced Q4 and an excellent letting performance throughout the year, the company was able to beat its guidance on both ends. However, the company is facing several challenges going forward, which could weigh on the share price.

Despite the full impact of disposals from 2021 and the partial impact of 2022 disposals, FY 2022 **rental income decreased only slightly by 1.5% yoy to € 81.1m**, mainly driven by a record letting performance of c. 287k sqm (+10.2% I-f-I contractual rents) as well as a high share of indexed rental contracts (c. 70%). With that, the company exceeded both our estimate of € 80.3m and the guidance range of € 78-80m.

Despite increased operating expenses and an associated lower gross margin (-8pp yoy), **FFO increased by 4.9% yoy to € 41.8m**, ahead of our expectation of € 39.8m and the guidance of € 38.5-40.5m. This was mainly due to a decrease in administrative costs and FFO relevant income taxes.

However, despite strong operations, the revaluation result came in significantly below our expectation, as the **market value of the portfolio declined by 4.7%** (eNuW 2%) on a like-for-like basis, resulting in a portfolio value of € 1.2bn at the end of 2022. We do not expect this trend to reverse in the short-term and expect another devaluation in 2023e (eNuW -3%).

The company also gave an outlook for FY 2023, which looks rather conservative, in our view. **Management guides for rental income in the range of € 71-73m** (eNuW old: € 76.5m) and **FFO in the range of € 30-32m** (eNuW old: € 40.9m). The mid-points imply yoy declines of 11% (top line) and 26% (bottom line). Moreover, an **LTV of <45% is targeted** vs 54% at FY 2022.

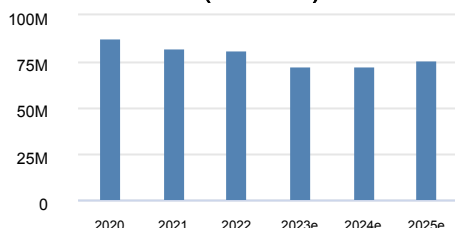
The outlook also implies that DEMIRE intends to dispose more assets throughout 2023e than we estimated (eNuW: > € 300m vs eNuW old: € 250m). Taking into account the current near standstill of the transaction market, we regard this as highly ambitious. Hence, we remain slightly above the guidance with our new estimates.

In light of prevailing macro-headwinds and uncertainties regarding the upcoming 2024-refinancing wall, it is too early to buy, in our view. **HOLD with an unchanged PT of € 2.50** based on NTA and DDM.

Y/E 31.12 (EUR)	2020	2021	2022	2023e	2024e	2025e
Net rental income	87.5	82.3	81.1	72.9	72.8	76.5
Rental income growth	6.5%	-3.9%	-27.1%	-14.8%	24.8%	5.0%
FFO	40.4	39.8	41.8	32.8	39.8	41.8
Net profit	9.2	61.6	-71.5	4.2	14.4	32.7
EPS	0.08	0.55	-0.62	0.04	0.13	0.31
FFO yield	15.4%	15.4%	16.2%	12.7%	3.8%	16.2%
FFO margin	46.1%	48.4%	51.5%	44.9%	54.7%	54.7%
NTA per share	5.8	6.0	5.0	5.1	5.3	-1.0
Dividend yield	25.3%	12.7%	0.0%	2.5%	3.1%	3.2%
P/NTA premium/discount	-57.8%	-58.9%	-50.9%	-51.5%	-53.8%	-345.0%
P/FFO	6.5	6.5	6.2	7.9	26.4	6.2
Loan-to-value (LTV)	51.5%	50.8%	55.4%	45.4%	43.1%	45.4%
Implied yield	7.1%	6.6%	7.6%	9.4%	10.6%	10.4%

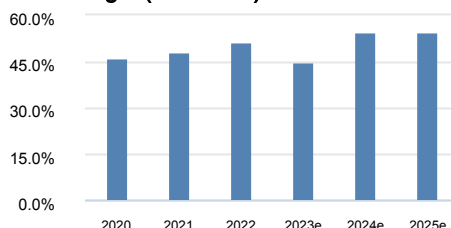
Source: Company data, NuWays, Close price as of 16.03.2023

#### Net rental income (2020-25e)



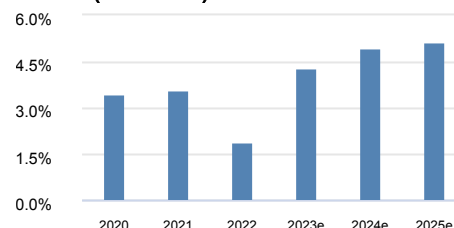
Source: NuWays Research

#### FFO margin (2020-25e)



Source: NuWays Research

#### ROCE (2020-25e)



Source: NuWays Research

#### Company description

DEMIRE is a German real estate company specializing in promising commercial real estate located in larger cities and their adjacent metropolitan areas. Properties are predominantly used as offices, but hotel, retails and logistics properties complement Demire's offering.

#### Share Performance



3m rel. performance	-3.5%
6m rel. performance	-27.3%
12m rel. performance	-34.9%

#### Market data

Share price (in €)	2.45
Market cap (in € m)	264.1
Number of shares (in m pcs)	107.8
Enterprise value (in € m)	772.3
Ø trading volume (6 months)	7,522

#### Identifier

Bloomberg	DMRE GR
Reuters	DMRE
WKN	A0XFSF
ISIN	DE000A0XFSF0

#### Key shareholders

Apollo	58.6%
Wecken Group	32.1%
Treasury Shares	2.1%
Free Float	7.2%

#### Estimates changes

	2023e	2024e	2025e
Net rents	-5%	-5%	-5%
FFO	-20%	-1%	0.0
EPS	-20%	-1%	0.0

#### Comment on changes

- We adjust our forecast, to reflect higher than initially expected property disposals.

#### Guidance

- Rental Income: € 71-73m
- FFO: € 30-32m
- LTV: <45%

## Financials

Profit and loss (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Net rental income</b>	<b>87.5</b>	<b>82.3</b>	<b>81.1</b>	<b>72.9</b>	<b>72.8</b>	<b>76.5</b>
Direct property expenses	38.6	35.4	46.8	43.8	36.4	38.2
<b>Net operating income</b>	<b>48.9</b>	<b>47.0</b>	<b>34.2</b>	<b>29.2</b>	<b>36.4</b>	<b>38.2</b>
Earnings from property disposals	-1.0	1.4	-8.2	1.0	1.0	0.0
Earnings from project developments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earnings from other property activities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating income	22.8	22.5	28.9	33.6	29.9	32.7
<b>Total revenues</b>	<b>109.3</b>	<b>106.2</b>	<b>101.8</b>	<b>107.5</b>	<b>103.7</b>	<b>109.1</b>
Revaluation result from investment properties (net)	-22.1	48.8	-98.9	-36.9	-18.6	0.0
<b>Total income</b>	<b>87.1</b>	<b>155.0</b>	<b>2.9</b>	<b>70.6</b>	<b>85.1</b>	<b>109.1</b>
Administrative expenses	6.8	4.7	4.1	-3.8	2.7	5.4
Personnel expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	1.4	2.0	16.8	9.0	3.0	3.0
<b>Total operating expenses</b>	<b>14.7</b>	<b>13.2</b>	<b>27.5</b>	<b>11.7</b>	<b>12.3</b>	<b>14.9</b>
<b>EBITDA</b>	<b>33.8</b>	<b>106.4</b>	<b>-71.4</b>	<b>15.1</b>	<b>36.4</b>	<b>55.9</b>
<b>EBITDA excl revaluation result (net)</b>	<b>55.9</b>	<b>57.6</b>	<b>27.5</b>	<b>52.0</b>	<b>55.0</b>	<b>55.9</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>33.8</b>	<b>106.4</b>	<b>-71.4</b>	<b>15.1</b>	<b>36.4</b>	<b>55.9</b>
<b>EBITA excl revaluation result (net)</b>	<b>55.9</b>	<b>57.6</b>	<b>27.5</b>	<b>52.0</b>	<b>55.0</b>	<b>55.9</b>
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
Impairment charges	6.2	3.5	1.5	1.0	1.0	1.0
<b>EBIT (incl revaluation net)</b>	<b>27.7</b>	<b>103.0</b>	<b>-72.9</b>	<b>14.1</b>	<b>35.4</b>	<b>54.9</b>
<b>EBIT (excl revaluation net)</b>	<b>49.8</b>	<b>54.2</b>	<b>26.0</b>	<b>51.0</b>	<b>54.0</b>	<b>54.9</b>
Interest income	1.3	3.2	18.4	7.0	7.0	7.0
Interest expenses	19.1	18.3	19.3	17.6	21.3	22.7
Depreciation of financial investment	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	-3.4	-7.0	0.5	0.0	-4.8	-4.8
<b>Financial result</b>	<b>-21.2</b>	<b>-22.1</b>	<b>-0.4</b>	<b>-10.6</b>	<b>-19.1</b>	<b>-20.5</b>
<b>Earnings before taxes</b>	<b>6.5</b>	<b>80.8</b>	<b>-73.3</b>	<b>3.5</b>	<b>16.3</b>	<b>34.5</b>
<b>Earnings before taxes (excl revaluation result)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Taxes	0.7	6.7	6.8	-0.5	1.3	0.1
<b>Net income from continuing operations (incl reval. result)</b>	<b>9.2</b>	<b>61.6</b>	<b>-71.5</b>	<b>4.2</b>	<b>14.4</b>	<b>32.7</b>
<b>Net income from continuing operations (excl reval. result)</b>	<b>31.3</b>	<b>12.8</b>	<b>27.4</b>	<b>41.1</b>	<b>33.0</b>	<b>32.7</b>
Income from discontinued operations (net of tax)	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
Cumulative effect of accounting changes (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (incl revaluation result net)</b>	<b>9.2</b>	<b>61.6</b>	<b>-71.5</b>	<b>4.2</b>	<b>14.4</b>	<b>32.7</b>
<b>Net income (excl revaluation result net)</b>	<b>31.3</b>	<b>12.8</b>	<b>27.4</b>	<b>41.1</b>	<b>33.0</b>	<b>32.7</b>
Minority interest	0.7	3.1	-5.8	-0.0	0.4	0.0
<b>Net income (net of minority interest, incl reval. result)</b>	<b>8.5</b>	<b>58.5</b>	<b>-65.7</b>	<b>4.3</b>	<b>14.0</b>	<b>32.7</b>
<b>Net income (net of minority interest, excl reval. result)</b>	<b>30.6</b>	<b>9.7</b>	<b>33.1</b>	<b>41.2</b>	<b>32.7</b>	<b>32.7</b>
Funds from operations (FFO)	40.4	39.8	41.8	32.8	39.8	41.8

Profit and loss (common size)	2020	2021	2022	2023e	2024e	2025e
<b>Net rental income</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct property expenses	44.1%	42.9%	57.8%	60.0%	50.0%	50.0%
<b>Net operating income</b>	<b>55.9%</b>	<b>57.1%</b>	<b>42.2%</b>	<b>40.0%</b>	<b>50.0%</b>	<b>50.0%</b>
Earnings from property disposals	neg.	1.8%	neg.	1.4%	1.4%	0.0%
Earnings from projects developments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Earnings from other property activities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating income	26.1%	27.3%	35.6%	46.1%	41.1%	42.7%
<b>Total revenues</b>	<b>124.9%</b>	<b>129.1%</b>	<b>125.5%</b>	<b>147.5%</b>	<b>142.5%</b>	<b>142.7%</b>
Revaluation result from investment properties (net)	neg.	59.2%	neg.	neg.	neg.	0.0%
<b>Total income</b>	<b>99.6%</b>	<b>188.3%</b>	<b>3.6%</b>	<b>96.8%</b>	<b>116.9%</b>	<b>142.7%</b>
Administrative expenses	7.8%	5.7%	5.1%	neg.	3.8%	7.0%
Personnel expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating income	26.1%	27.3%	35.6%	46.1%	41.1%	42.7%
<b>Total operating expenses</b>	<b>16.8%</b>	<b>16.1%</b>	<b>33.9%</b>	<b>16.1%</b>	<b>16.9%</b>	<b>19.5%</b>
<b>EBITDA</b>	<b>38.6%</b>	<b>129.3%</b>	<b>neg.</b>	<b>20.7%</b>	<b>50.0%</b>	<b>73.2%</b>
<b>EBITDA excl revaluation result (net)</b>	<b>63.9%</b>	<b>70.0%</b>	<b>33.9%</b>	<b>71.4%</b>	<b>75.6%</b>	<b>73.2%</b>
Depreciation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBITA</b>	<b>38.6%</b>	<b>129.3%</b>	<b>neg.</b>	<b>20.7%</b>	<b>50.0%</b>	<b>73.2%</b>
<b>EBITA excl revaluation (net)</b>	<b>63.9%</b>	<b>70.0%</b>	<b>33.9%</b>	<b>71.4%</b>	<b>75.6%</b>	<b>73.2%</b>

Profit and loss (common size)	2020	2021	2022	2023e	2024e	2025e
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%
Impairment charges	7.0%	4.2%	1.9%	1.4%	1.4%	1.3%
<b>EBIT (incl revaluation net)</b>	<b>31.6%</b>	<b>125.1%</b>	<b>neg.</b>	<b>19.4%</b>	<b>48.6%</b>	<b>71.9%</b>
<b>EBIT (excl revaluation net)</b>	<b>56.9%</b>	<b>65.8%</b>	<b>32.0%</b>	<b>70.0%</b>	<b>74.2%</b>	<b>71.9%</b>
Interest income	1.5%	3.8%	22.7%	9.6%	9.6%	9.2%
Interest expenses	21.8%	22.3%	23.8%	24.1%	29.2%	29.7%
Depreciation of financial investment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment income	neg.	neg.	0.6%	0.0%	neg.	neg.
<b>Financial result</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
<b>Earnings before taxes (incl revaluation result)</b>	<b>7.4%</b>	<b>98.2%</b>	<b>neg.</b>	<b>4.9%</b>	<b>22.4%</b>	<b>45.1%</b>
<b>Earnings before taxes (excl revaluation result)</b>	<b>32.7%</b>	<b>38.9%</b>	<b>31.5%</b>	<b>55.5%</b>	<b>48.0%</b>	<b>45.1%</b>
Taxes	neg.	23.4%	neg.	neg.	2.6%	2.3%
<b>Net income from continuing operations (incl reval. result)</b>	<b>10.5%</b>	<b>74.8%</b>	<b>neg.</b>	<b>5.8%</b>	<b>19.8%</b>	<b>42.7%</b>
<b>Net income from continuing operations (excl reval. result)</b>	<b>35.8%</b>	<b>15.6%</b>	<b>33.8%</b>	<b>56.4%</b>	<b>45.4%</b>	<b>42.7%</b>
Income from discontinued operations (net of tax)	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%
Cumulative effect of accounting changes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income (incl revaluation result net)</b>	<b>10.5%</b>	<b>74.8%</b>	<b>neg.</b>	<b>5.8%</b>	<b>19.8%</b>	<b>42.7%</b>
<b>Net income (excl revaluation result net)</b>	<b>35.8%</b>	<b>15.6%</b>	<b>33.8%</b>	<b>56.4%</b>	<b>45.4%</b>	<b>42.7%</b>
Minority interest	0.8%	3.8%	neg.	neg.	0.5%	0.0%
<b>Net income (net of minority interest, incl reval. result)</b>	<b>9.7%</b>	<b>71.1%</b>	<b>neg.</b>	<b>5.8%</b>	<b>19.3%</b>	<b>42.7%</b>
<b>Net income (net of minority interest, excl reval. result)</b>	<b>35.8%</b>	<b>15.6%</b>	<b>33.8%</b>	<b>56.4%</b>	<b>45.4%</b>	<b>42.7%</b>
Funds from operations (FFO)	46.1%	48.4%	51.5%	44.9%	54.7%	54.7%

Source: Company data, NuWays

Balance sheet (EUR m)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	6.9	6.8	0.0	0.0	0.0	0.0
Investment properties	1,426.3	1,433.1	1,231.1	931.5	847.1	955.6
Property, plant and equipment	0.3	0.2	0.2	0.2	0.2	0.2
Financial assets	8.2	91.8	87.9	87.9	87.9	87.9
Other non-current assets	9.5	11.9	6.7	6.7	6.7	6.7
Deferred taxes	-3.4	12.6	-8.6	-0.2	0.6	1.7
<b>FIXED ASSETS</b>	<b>1,451.1</b>	<b>1,543.8</b>	<b>1,325.8</b>	<b>1,026.3</b>	<b>941.9</b>	<b>1,050.4</b>
Properties held for sale	31.0	0.0	121.0	100.0	50.0	0.0
Accounts receivable	7.3	8.7	13.8	10.0	9.0	8.4
Other current assets	34.2	13.5	12.2	12.2	12.2	12.2
Liquid assets	101.6	139.6	57.4	206.5	244.0	164.6
<b>CURRENT ASSETS</b>	<b>174.2</b>	<b>161.8</b>	<b>211.0</b>	<b>328.7</b>	<b>315.2</b>	<b>185.3</b>
<b>TOTAL ASSETS</b>	<b>1,625.3</b>	<b>1,705.6</b>	<b>1,536.9</b>	<b>1,354.9</b>	<b>1,257.2</b>	<b>1,235.7</b>
Subscribed capital	105.8	105.5	105.5	105.5	105.5	105.5
Surplus capital	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	443.7	385.0	410.5	302.3	239.9	228.4
Net profit/loss	8.5	58.5	-65.7	4.3	14.0	32.7
<b>SHAREHOLDER'S EQUITY</b>	<b>558.0</b>	<b>549.0</b>	<b>450.2</b>	<b>412.1</b>	<b>359.5</b>	<b>366.6</b>
<b>MINORITY INTEREST</b>	<b>40.1</b>	<b>43.3</b>	<b>36.5</b>	<b>38.3</b>	<b>40.2</b>	<b>42.2</b>
<b>PROVISIONS AND ACCRUED LIABILITIES</b>	<b>7.1</b>	<b>12.7</b>	<b>16.1</b>	<b>16.1</b>	<b>16.1</b>	<b>16.1</b>
short-term liabilities to banks	12.4	16.1	15.6	96.1	60.0	30.0
Bonds (long-term)	592.0	594.0	546.4	550.0	100.0	100.0
long-term liabilities to banks	225.3	280.4	267.0	44.2	484.2	484.2
other interest-bearing liabilities	18.7	24.5	26.6	24.5	24.5	24.5
<b>Interest-bearing liabilities</b>	<b>848.4</b>	<b>915.0</b>	<b>855.7</b>	<b>714.7</b>	<b>668.6</b>	<b>638.6</b>
Accounts payable	10.7	10.6	16.6	12.0	11.0	10.5
<b>Current liabilities</b>	<b>99.7</b>	<b>100.9</b>	<b>102.3</b>	<b>97.7</b>	<b>96.7</b>	<b>96.2</b>
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	72.1	84.7	76.0	76.0	76.0	76.0
<b>LIABILITIES</b>	<b>1,020.2</b>	<b>1,100.6</b>	<b>1,034.0</b>	<b>888.5</b>	<b>841.4</b>	<b>810.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1,625.3</b>	<b>1,705.6</b>	<b>1,536.9</b>	<b>1,354.9</b>	<b>1,257.2</b>	<b>1,235.7</b>

Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
Investment properties	87.8%	84.0%	80.1%	68.7%	67.4%	77.3%
Property, plant and equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets	0.5%	5.4%	5.7%	6.5%	7.0%	7.1%
Other non-current assets	0.6%	0.7%	0.4%	0.5%	0.5%	0.5%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FIXED ASSETS</b>	<b>89.3%</b>	<b>90.5%</b>	<b>86.3%</b>	<b>75.7%</b>	<b>74.9%</b>	<b>85.0%</b>
Properties held for sale	1.9%	0.0%	7.9%	7.4%	4.0%	0.0%
Accounts receivable	0.5%	0.5%	0.9%	0.7%	0.7%	0.7%
Other current assets	2.1%	0.8%	0.8%	0.9%	1.0%	1.0%
Liquid assets	6.3%	8.2%	3.7%	15.2%	19.4%	13.3%
<b>CURRENT ASSETS</b>	<b>10.7%</b>	<b>9.5%</b>	<b>13.7%</b>	<b>24.3%</b>	<b>25.1%</b>	<b>15.0%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Subscribed capital	6.5%	6.2%	6.9%	7.8%	8.4%	8.5%
Surplus capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Additional paid-in capital	27.3%	22.6%	26.7%	22.3%	19.1%	18.5%
Net profit/loss	0.5%	3.4%	-4.3%	0.3%	1.1%	2.6%
<b>SHAREHOLDERS EQUITY</b>	<b>34.3%</b>	<b>32.2%</b>	<b>29.3%</b>	<b>30.4%</b>	<b>28.6%</b>	<b>29.7%</b>
<b>MINORITY INTEREST</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.4%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.4%</b>
<b>PROVISIONS FOR PENSIONS AND SIMILIAR OBLIGATIONS</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
short-term liabilities to banks	0.8%	0.9%	1.0%	7.1%	4.8%	2.4%
Bonds (long-term)	36.4%	34.8%	35.6%	40.6%	8.0%	8.1%
long-term liabilities to banks	13.9%	16.4%	17.4%	3.3%	38.5%	39.2%
other interest-bearing liability	1.2%	1.4%	1.7%	1.8%	1.9%	2.0%
<b>Interest-bearing liabilities</b>	<b>52.2%</b>	<b>53.6%</b>	<b>55.7%</b>	<b>52.7%</b>	<b>53.2%</b>	<b>51.7%</b>
Accounts payable	0.7%	0.6%	1.1%	0.9%	0.9%	0.8%
<b>Current liabilities</b>	<b>6.1%</b>	<b>5.9%</b>	<b>6.7%</b>	<b>7.2%</b>	<b>7.7%</b>	<b>7.8%</b>
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	4.4%	5.0%	4.9%	5.6%	6.0%	6.2%
<b>LIABILITIES</b>	<b>62.8%</b>	<b>64.5%</b>	<b>67.3%</b>	<b>65.6%</b>	<b>66.9%</b>	<b>65.6%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Net profit</b>	<b>6.5</b>	<b>80.8</b>	<b>-73.3</b>	<b>3.5</b>	<b>16.3</b>	<b>34.5</b>
<b>Other recurrent / non-recurrent items</b>	<b>45.3</b>	<b>-20.9</b>	<b>119.7</b>	<b>37.4</b>	<b>20.1</b>	<b>-3.9</b>
Increase/decrease in working capital	-15.7	5.3	1.6	-0.8	-0.0	0.1
<b>Cash flow from operating activities</b>	<b>36.0</b>	<b>65.2</b>	<b>48.0</b>	<b>40.1</b>	<b>36.5</b>	<b>30.6</b>
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payment for acquisitions	-65.4	-24.7	-32.4	-25.0	-25.0	-100.0
Financial investments	-0.1	-78.6	1.5	0.0	0.0	0.0
Income from asset disposals	100.5	103.1	4.5	300.0	100.0	0.0
<b>Cash flow from investing activities</b>	<b>35.0</b>	<b>-0.2</b>	<b>-26.3</b>	<b>275.0</b>	<b>75.0</b>	<b>-100.0</b>
Increase/decrease in debt position	20.1	58.8	-51.2	-141.4	-46.1	-10.0
Dividends paid	-60.1	-67.7	-35.4	-8.4	-6.6	0.0
Purchase of own shares	-9.0	-1.2	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Others	-22.5	-16.9	-17.3	-16.4	-21.3	0.0
<b>Cash flow from financing activities</b>	<b>-71.5</b>	<b>-27.0</b>	<b>-103.9</b>	<b>-166.1</b>	<b>-73.9</b>	<b>-10.0</b>
<b>Cash flow from operating activities</b>	<b>36.0</b>	<b>65.2</b>	<b>48.0</b>	<b>40.1</b>	<b>36.5</b>	<b>30.6</b>
<b>Cash flow after maintenance capex</b>	<b>6.5</b>	<b>80.8</b>	<b>-73.3</b>	<b>3.5</b>	<b>16.3</b>	<b>34.5</b>
<b>Cash flow before financing</b>	<b>262.1</b>	<b>339.4</b>	<b>118.8</b>	<b>373.5</b>	<b>168.0</b>	<b>130.6</b>
<b>Increase/decrease in liquid assets</b>	<b>268.6</b>	<b>382.4</b>	<b>50.3</b>	<b>215.8</b>	<b>100.7</b>	<b>120.6</b>

Key ratios (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Return on Equity</b>						
Net profit / Y/E equity	5.5%	1.8%	7.4%	10.0%	9.1%	8.9%
Recurring net profit / Y/E equity	7.2%	7.3%	9.3%	8.0%	11.1%	11.4%
Net profit / avg. equity	5.5%	1.8%	7.4%	10.0%	9.1%	8.9%
Recurring net profit / avg. equity	7.2%	7.3%	9.3%	8.0%	11.1%	11.4%
<b>Security</b>						
Net debt	746.8	775.4	798.2	508.2	424.6	474.0
Debt / equity	152.1%	166.7%	190.1%	173.4%	186.0%	174.2%
Net gearing	133.8%	141.2%	177.3%	123.3%	118.1%	129.3%
Interest cover	2.6	3.0	1.3	2.9	2.5	2.4
EBIDTA / interest paid	1.8	5.8	-3.7	0.9	1.7	2.5
Dividend payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend cover	0.6	1.2	n.a.	5.0	5.0	5.0
Loan-to-value (LTV)	51.5%	50.8%	55.4%	45.4%	43.1%	45.4%
Return on Net Asset Value	6.5%	6.3%	7.9%	6.1%	7.1%	-39.7%
<b>Liquidity</b>						
Current ratio	0.9	0.7	1.0	1.1	1.2	0.8
Acid test ratio	0.9	0.7	1.0	1.1	1.2	0.8
<b>Valuation metrics</b>						
FFO	40.4	39.8	41.8	32.8	39.8	41.8
FFO per share	0.38	0.38	0.40	0.31	0.38	0.40
NTA per share	5.8	6.0	5.0	5.1	5.3	-1.0

Source: Company data, NuWays

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Conflicts of interest that existed at the time when this research report was published:

Company	Disclosures
DEMIRE AG	2

### Historical target price and rating changes for DEMIRE AG

Company	Date	Analyst	Rating	Target Price	Close
DEMIRE AG	02.12.2022	Sennewald, Philipp	Hold	EUR 2.80	EUR 2.38



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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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