

**Hold** (old: Hold)

23.03.2023

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

### Roadshow feedback: Refinancing remains the focus

**Topic:** We hosted a management roadshow with the CFO of DEMIRE. Here are the key takeaways:

The #1 topic for DEMIRE remains the **refinancing wall in 2024**, where the company will have to repay liabilities in the amount of c. € 720m, of which € 550m are attributable to the company's corporate bond. As it is not foreseeable that the bond market will recover by next year, a refinancing via bank loans seems most feasible, in our view. Here, the company is already in discussions with lenders to extend the bank liabilities expiring in 2024 ahead of schedule and at the same time increase their volumes. Still, in light of substantially increased interest rates we expect a **sharp increase in the average interest rate** by some 200bp from currently c. 1.7% on average to become visible by YE 2024e.

In order to be in the best possible negotiating position with regard to the refinancing, the **company also targets to significantly reduce the LTV** throughout 2023e from 54% at the end of 2022 to <45%. This is to be achieved by shoring up liquidity via the sale of further assets, following the divestment of a large logistics property (c. € 80m net cash inflow) in December 2022. However, according to our estimates, the company will need to dispose at least an additional € 200m worth of properties in the course of the year to achieve the communicated LTV target. Despite a rather muted Q1, management provided us with reassurance, that the company will **some transaction newsflow during Q2**.

On top of that, management stated that it aims to **buy back further tranches of its corporate bond**, after the company already bought back € 50m of the principal in November 2022 at an average price of 72%. In light of the still depressed trading levels of the bond (72%), it would be highly sensible to buy back further tranches, in our view.

Separately, management provided an update on the **possible exit of main shareholders Apollo and Wecken**. The conglomerates' stated goal remains the sale of its 91% stake, although we do not expect this to happen before a successful refinancing. While still uncertain, we would welcome a partial or even full sale the stake as it would increase the free float and possibly also the trading volumes (six-months avg. daily volume of 1.3k shares).

Overall, we remain on the sidelines for DEMIRE's share, as macro headwinds and uncertainties regarding the upcoming refinancing wall prevail. **HOLD, € 2.50 PT** based on NAV and DDM.

### Share Performance



High/low 52 weeks (€)	4.74 / 1.88
3m rel. performance	-6.8%
6m rel. performance	-35.0%
12m rel. performance	-34.7%

### Market data

Share price (in €)	2.36
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	A0XF5F
ISIN	DE000A0XF5F0

### Key shareholders

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

### Estimates changes

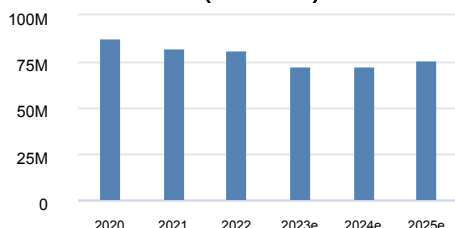
	2023e	2024e	2025e
Net rents	0%	0%	0%
FFO	0%	0%	0%
EPS	0%	0%	0%

### Comment on changes

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%

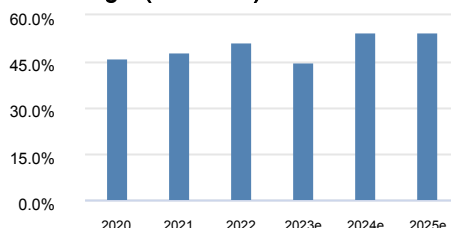
Source: Company data, NuWays, Close price as of 22.03.2023

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



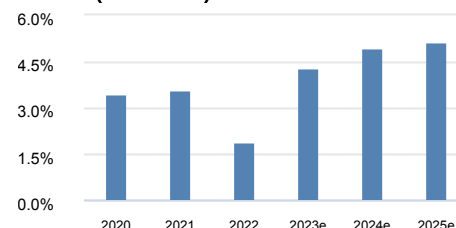
Source: NuWays Research

### 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, retail and logistics properties complement Demire's offering.

### 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 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>

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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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

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