

**Buy** (old: Hold)

24.04.2023

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

### Gearing up for '24 refinancing // Up to BUY

At the end of last week, DEMIRE made two announcements which should create confidence among shareholders regarding the 2024 refinancing issue:

- On Thursday, the company announced the **disposal of an Ulm based property to a German Family office**. The property in question has a lettable area of around 48k sqm and is centrally located near Ulm's main train station. The main tenant of the property is Deutsche Telekom. While the transaction volume has not been disclosed, we estimate the **purchase price at around € 75m**, which should mark only a slight discount to its book value (eNuW: € 80m). As the asset was de facto unencumbered, the proceeds will accrue in full to DEMIRE.
- On Friday, DEMIRE announced that it successfully repurchased € 51m of its corporate bond due in October 2024. After the company already repurchased € 50m nominal in November 2022, the outstanding volume of the bond will be reduced to € 499m. The overall 2024 refinancing wall should hence be reduced to c. 670m. Moreover, the repurchase should also have a positive impact on the company's financial result, as the bond is currently trading at 69%.

As those measures should already enhance DEMIRE's negotiation position regarding the refinancing, we expect **further news flow on the transaction angle** going forward. In fact, the **company will need to dispose additional € 125m worth of properties** in the course of the year to achieve the communicated LTV target of <45%, according to our estimates. Here, we have been told by the company that management is already in advanced negotiations for further disposals.

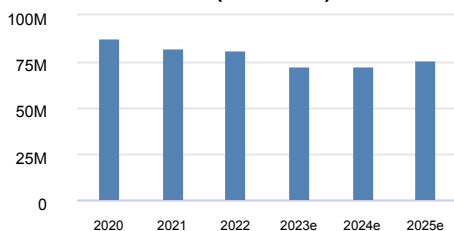
Overall, we highly appreciate that the company is living up to their promises by proactively shoring up liquidity and optimize the portfolio. Especially in light of the current macro headwinds, with a near standstill on the real estate transaction market, the recent disposals (Ulm & Leipzig) show the operational strength of DEMIRE's asset management team. On top of that, the sale of the Ulm property further diversifies the portfolio, as Telekom's share of rental income is reduced below 10% vs 30% in 2018, thus significantly reducing cluster risks.

After the weak share price performance recently (-17% last 30d), valuation looks undemanding, in our view. Hence, we upgrade the stock to **BUY with an unchanged PT of € 2.50** based on NAV 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	18.5%	18.5%	19.4%	15.2%	3.8%	19.4%
FFO margin	46.1%	48.4%	51.5%	44.9%	54.7%	54.6%
NTA per share	5.8	6.0	5.0	5.1	5.3	-1.0
Dividend yield	30.4%	15.2%	0.0%	3.0%	3.7%	3.9%
P/NTA premium/discount	-64.8%	-65.8%	-59.1%	-59.6%	-61.5%	-304.0%
P/FFO	5.4	5.4	5.2	6.6	26.4	5.2
Loan-to-value (LTV)	51.5%	50.8%	55.4%	45.4%	43.2%	45.5%
Implied yield	7.1%	6.6%	8.0%	10.0%	11.3%	11.1%

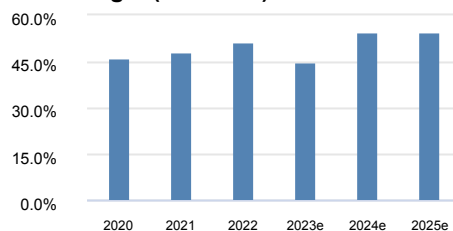
Source: Company data, NuWays, Close price as of 21.04.2023

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



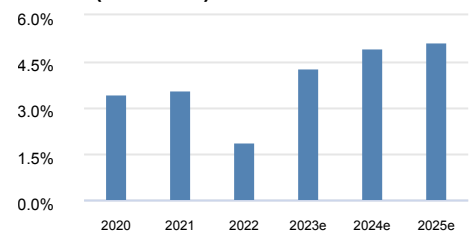
Source: NuWays Research

#### 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



High/low 52 weeks (€)	4.65 / 1.88
3m rel. performance	-20.6%
6m rel. performance	-24.0%
12m rel. performance	-51.6%

#### Market data

Share price (in €)	2.04
Market cap (in € m)	219.9
Number of shares (in m pcs)	107.8
Enterprise value (in € m)	728.1
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


#### 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	22.6
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>-20.4</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>33.1</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>33.1</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>32.6</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%	29.3%	29.6%
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.	2.5%	2.4%
<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.	0.6%	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>19.2%</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%	54.6%

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	243.1	163.6
<b>CURRENT ASSETS</b>	<b>174.2</b>	<b>161.8</b>	<b>211.0</b>	<b>328.7</b>	<b>314.4</b>	<b>184.3</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>1,256.3</b>	<b>1,234.7</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	239.1	227.4
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>358.6</b>	<b>365.5</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>1,256.3</b>	<b>1,234.7</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%	77.4%
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>75.0%</b>	<b>85.1%</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>25.0%</b>	<b>14.9%</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%	19.0%	18.4%
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>28.5%</b>	<b>29.6%</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%	6.1%	6.2%
<b>LIABILITIES</b>	<b>62.8%</b>	<b>64.5%</b>	<b>67.3%</b>	<b>65.6%</b>	<b>67.0%</b>	<b>65.7%</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>-4.1</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>36.4</b>	<b>30.5</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	-22.1	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>-74.8</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>36.4</b>	<b>30.5</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>130.5</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>99.8</b>	<b>120.5</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	425.5	475.0
Debt / equity	152.1%	166.7%	190.1%	173.4%	186.5%	174.7%
Net gearing	133.8%	141.2%	177.3%	123.3%	118.7%	129.9%
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%	43.2%	45.5%
Return on Net Asset Value	6.5%	6.3%	7.9%	6.1%	7.1%	-39.6%
<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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