

Further buy back of outstanding bond

Demire has just announced that it had bought back additional EUR 51m of its outstanding 1.875% Senior Notes 2019/2024. The outstanding nominal value of the bond has thus been reduced to EUR 499m. Assuming that Demire bought back the bond around the current price of 70%, we calculate a profit of c. EUR 15m. This is clearly another piece of good news after yesterday's news that it has sold a property in Ulm. While the profit of around EUR 15m is nice, the reduction of the outstanding bond volume to EUR 499m is more important, in our view- By buying back EUR 101m (EUR 50m in November 22) of the bond at estimated 70% the company did not only make a book profit but also saved cash of around EUR 30m which should help to refinance the outstanding debt of EUR 668m (of which EUR 169m is bank debt) next year. We remain confident that Demire will manage to refund its debt next year and thus stick to our Hold recommendation with a target price of EUR 1.90.

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