

Guidance increase due to fewer property sales

Demire has increased its 2023 earnings guidance. It expects now to achieve rental income of between EUR 78m and EUR 80m (before: EUR 74.5m – 76.5m; PAsE: EUR 75.5m) and a FFO I before taxes/minorities of between EUR 35m and EUR 37m (before: EUR 33m – EUR 35m, PAsE: EUR 34.5m). The reason for the higher guidance is that the company expects fewer real estate property sales in 2023 than originally planned. On the one hand the guidance increase is good news, on the other hand it is not as the company needs to generate cash by selling real estate properties. However, we do not interpret the guidance increase that way that the sale of the LogPark in Leipzig, which is of key importance for the company regarding the 2024 refinancing, has become less likely but rather that other assets for sale will not be sold anymore this year, contrary to the original plans. Furthermore, keeping the guidance post the solid Q3 results (FFO I: EUR 28m) was quite conservative, anyway. In the last CC the management sounded relatively optimistic to be able to sell the LogPark – we hope for some good news in the next weeks. We stick to our Hold rating with a target price of EUR 1.30.

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