

## Q3 results with mixed picture

*Demire has reported Q3 results which give a mixed picture in our view. FFO I (before minorities) was with EUR 8.6m slightly above our forecast of EUR 8.4m and pretax profit was with EUR -2.5m slightly better than expected (EUR -3.8m). Due to recent portfolio disposals net rental income was down by 16% yoy to EUR 13.6m, below our forecast of EUR 15.5m. Looking at the KPIs, net LTV was stable qoq at 52.9%, WALT declined by 0.2x to 4.4x and the vacancy rate was up by 300 bps qoq to 12.6%. Like-for-like rental growth was negative at 1.1% after a number of quarters with a positive development. The total value of the real estate portfolio declined by 1% qoq to EUR 1.16bn. The cash position increased by EUR 9m qoq to EUR 132m. The operating performance looks ok, although the increase in the vacancy rate does not bode well for the rental income development in the next quarters. However, additional sales of properties are of key importance, 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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