

Sale of LogPark Leipzig to HIH Invest

Demire has just announced that it has sold the LogPark Leipzig to HIH Invest Real Estate. The sales price has not been disclosed. The LogPark has a lettable area of around 160,000 sqm and has with Amazon and Momox two well-known main tenants. Note, that Demire had reached an agreement with a buyer to sell the LogPark a year ago, but the potential buyer stepped back from the contract. Last time the sales price was at around EUR 121m. Although we expect the sales price to be slightly lower this time (because of the further deterioration of real estate markets and Demire was under greater pressure to sell the asset this time) we see the news as positively as it is an important step for the refinancing of Demire's EUR 500m bond (due in October 2024). We estimate a cash inflow of around EUR 70m from the transaction (cash level at 30.9.2023 amounted to EUR 132m). We stick to our Hold recommendation with a target price of EUR 1.30.

Dr Philipp Häßler CFA
+49 69 58997 414, philipp.haessler@paretosec.com