

13 March 2025

DEMIRE

Germany

Real Estate

Further significant decline in FFO expected – Reduce

- **We keep our cautious stance on DEMIRE and confirm our Reduce rating with a lower TP of EUR 0.70 (prev.: EUR 1.25).** We review our estimates after the successful bond refinancing in 4Q24 and ahead of the release of the FY24 results due on 20 March. On the one hand, the bond refinancing will stabilize the balance sheet for the moment. On the other hand, financing costs will significantly increase and in combination with executed and still needed disposals the lower portfolio basis will hurt the FFO generation for this year and beyond.
- **Decline in FFO will continue:** For FY24, the company set guidance for rental income of EUR 64-66mn, a decline by ~16% yoy due to disposals. In terms of FFO, the company has no concrete guidance but is expecting a significantly lower result than the EUR 36.7mn for FY23. After the bond refinancing and the deconsolidation of the insolvent Limes portfolio and further disposals last year, we estimate a FFO of EUR 25.6mn, -30% yoy. For FY25, we significantly lower our assumptions due to higher financing costs and the lower portfolio basis from EUR 22mn to EUR 7mn. In particular, the shareholder loan of approx. EUR 100mn from the majority shareholder at a coupon of 22% p.a. will weigh on the FFO. The bond volume is lowered from EUR 500mn to approx. EUR 250mn but the coupon will more than double from 1.875% to 5% p.a. For this and the next two years, we do not expect a materially higher FFO than our forecasted level of EUR 5-10mn.
- **Valuation:** We keep our cautious stance on the company and thus confirm our Reduce rating. We estimate a further decline in NAVps to around EUR 2.60 as of YE24 and potential stabilization this and next year. However, the low profitability due to high financing costs for the years to come will not add value to the company in our view. Therefore, our TP of EUR 0.70 is around the current share price level and is based on a value of EUR 0.75 from our economic profit model and a value of EUR 0.65 based on an applied 75% discount on 2026E NAV.

	2023	2024E	2025E	2026E	2027E
Gross rental income (EUR mn)	78.5	66.0	54.1	48.2	46.2
EBITDA (EUR mn)	7.8	18.8	19.8	20.1	21.5
Net income (EUR mn)	-147.2	-50.5	-1.8	-0.8	1.4
EPS adjusted (EUR)	0.05	0.06	0.00	-0.01	-0.01
EPS reported (EUR)	-1.39	-0.48	-0.02	-0.01	0.01
FFO per share (EUR)	0.35	0.24	0.07	0.05	0.06
DPS (EUR)	0.00	0.00	0.00	0.00	0.00
NAV per share (EUR)	3.13	2.62	2.60	2.57	2.59
NAV prem./discount (%)	-41.9	-66.2	-73.1	-72.8	-73.0
P/E adjusted (x)	36.4	14.7	-	-	-
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FFO yield (%)	19.3	27.1	10.0	7.1	8.6
Implied yield (EBITDA/EV) (%)	0.9	3.3	4.3	5.2	5.4
ROCE adj. (%)	-0.2	1.4	-0.8	0.2	1.4
Net loan-to-value (%)	59.6	55.4	50.1	45.8	46.5

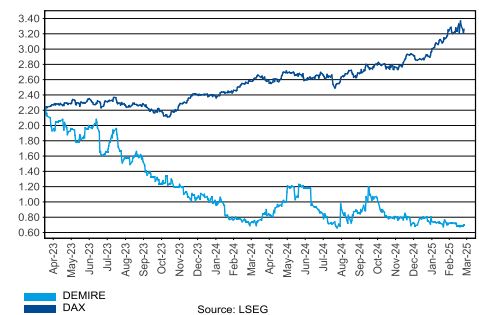
Source: Company data, Baader Helvea Equity Research

Reduce (prev. Reduce)

Closing price as of 12-Mar-25	EUR 0.70
High/Low (12M)	1.23/0.66
Target price (prev. EUR 1.25)	EUR 0.70
Upside to target price (%)	0.0
Expected dividend yield (%)	0.0
Total return potential (%)	0.0

Reuters/Bloomberg	DMRE.DE/DMRE GY
Avg. daily turnover (EUR mn)	0.01
Free float (%)	7.2
Market cap. (EUR mn)	74
No. of shares issued (mn)	105.5
Events	
Annual general meeting	14-May-2025
Bal. sheet press conf.	20-Mar-2025
Shareholders	
	Apollo Managed Funds 58.6%, Wecken Gruppe 32.1%, Treasury shares 2.1%

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-2.8	1.4	-20.5
rel. DAX	-5.2	-9.6	-42.9
rel. STOXX Europe 600	-1.6	-2.8	-26.2
rel. SXXP Real Estate	3.2	7.3	-6.1

Changes in estimates

EUR mn	2024E Prev.	Delta (%)	2025E Prev.	Delta (%)
Rental income	68.2	-3.2	63.8	-15.3
FFOps (EUR)	0.25	-4.0	0.21	-66.7
NAVps (EUR)	2.86	-8.4	2.97	-12.5
DPS (EUR)	0.00	-	0.00	-

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CHANGES IN ESTIMATES, PREVIEW ON FY24 RESULT, PORTFOLIO

Changes in estimates

Significant changes in estimates for FY25 and FY26 and initiation of FY27 estimates

EUR mn	2023	2024E				2025E			2026E			2027E
	Rep.	New	Prev.	Chg. (%)	Guidance	New	Prev.	Chg. (%)	New	Prev.	Chg. (%)	New
Gross rental income	78.5	66.0	68.2	-3	64-66	54.1	63.8	-15	48.2	58.7	-18	46.2
<i>Chg. yoy (%)</i>	-3.2	-15.9	-13.1	-3pp		-18.1	-6.5	-12pp	-10.9	-8.1	-3pp	-4.1
EBITDA	7.8	18.8	32.8	-43		19.8	36.2	-45	20.1	35.4	-43	21.5
Valuation result	-176.8	-58.7	-37.9	55		3.6	4.6	-22	3.4	17.5	-80	3.1
EBIT	-187.9	-41.9	-5.1	726		23.4	40.8	-43	23.5	52.8	-56	24.6
EBT	-177.5	-52.9	-21.2	149		2.6	18.7	-86	3.2	25.5	-88	5.8
Net profit	-152.0	-49.5	-24.2	105		-0.8	14.8	-105	0.2	21.2	-99	2.4
Net profit after minority interest	-147.2	-50.5	-25.2	100		-1.8	13.8	-113	-0.8	20.2	-104	1.4
FFO before minorities	36.7	25.6	26.1	-2		7.1	22.1	-68	5.7	14.3	-60	6.2
<i>FFO (before minorities) margin (%)</i>	46.8	38.8				13.1			11.8			13.4
<i>Chg. yoy (%)</i>	-12.0	-30.4				-72.4			-19.7			9.4
FFO after minorities	31.4	22.6	21.1	7		4.1	19.1	-79	2.7	11.3	-76	3.2
EPS reported (EUR)	-1.39	-0.48	-0.24	100		-0.02	0.13	-113	-0.01	0.19	-104	0.01
FFOps diluted (before min.), (EUR)	0.35	0.24	0.25	-2		0.07	0.21	-68	0.05	0.13	-60	0.06
EPS adjusted (EUR)	0.05	0.06	0.20	-71		0.00	0.18	-100	-0.01	0.11	-112	-0.01
DPS (EUR)	0.00	0.00	0.00			0.00	0.00		0.00	0.00		0.00
Net debt	697	505	573	-12		409	487	-16	339	473	-28	351
Net LTV (%)	59.6	55.4	56.5	-1pp		50.1	52.0	-2pp	45.8	50.1	-4pp	46.5
Net LTV (bonds), (%)	57.7	52.8	54.8	-2pp		48.1	50.4	-2pp	43.8	48.6	-5pp	44.5
Equity ratio (%)	25.1	28.1	24.9	3pp		31.5	26.6	5pp	34.4	27.9	6pp	34.1
NAVps basic (EUR)	3.24	2.69	3.09	-13		2.64	3.18	-17	2.61	3.38	-23	2.6
NAVps adjusted (EUR)	3.13	2.62	2.86	-8		2.60	2.97	-13	2.57	3.16	-19	2.6
<i>Chg. yoy (%)</i>	-31.6	-16.0	-8.0	-8pp		-1.1	4.0	-5pp	-1.1	6.5	-8pp	0.7

Source: Company data, Baader Helvea Equity Research

Preview on FY24E results

Preview on 2024E results due on 20-Mar-2025

EUR mn	9M23	4Q23	2023	9M24	4Q24E	2024E
Gross rental income	59.9	18.6	78.5	50.6	15.4	66.0
<i>Chg. yoy (%)</i>	0.0	-12.0	-3.2	-15.4	-17.6	-15.9
EBITDA	20.9	-13.1	7.8	14.4	4.5	18.8
<i>Chg. yoy (%)</i>	-49.4	-5.2	-71.7	-31.4	-134.1	142.6
EBIT	-64.6	-123.4	-187.9	-13.8	-28.1	-41.9
EBT	-57.5	-120.0	-177.5	-22.9	-30.0	-52.9
Net income	-49.5	-102.4	-152.0	-21.6	-27.8	-49.5
Net income after minorities	-47.0	-100.2	-147.2	-22.4	-28.0	-50.5
FFO after tax before minorities	27.8	8.9	36.7	23.0	3.7	25.6
<i>Chg. yoy (%)</i>	-9.8	-18.4	-12.0	-17.5	-57.9	-30.4
FFO after minorities	23.2	8.2	31.4	18.8	4.8	22.6
FFOps before minorities (EUR)	0.26	0.08	0.35	0.22	0.04	0.24
<i>Chg. yoy (%)</i>	-9.8	-18.4	-12.0	-17.5	-57.9	-30.4
FFOps after minorities (EUR)	0.28	0.16	0.30	0.18	0.04	0.21
EPS reported (EUR)	-0.44	-0.94	-1.39	-0.21	-0.26	-0.48
DPS (EUR)	-	-	0.00	-	-	0.00
NAVps (EUR)	-	-	3.13	-	-	2.62
Net LTV (%)	-	-	59.6	-	-	55.4

Source: Company data, Baader Helvea Equity Research

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Portfolio overview

Commercial portfolio as of 30-Sep-2024

	GAV (EUR mn)	Share (%)	Properties (number)	GAV/ property (EUR mn)	Value per m ² (EUR)	GRI yield (%)	EPRA Vacancy (%)	WALT (years)	GRI (EUR/m ² /p.m.)	GRI p.a. (EUR mn)	Lettable space (‘000 m ²)
Office	511	63	35	14.6	1,306	7.2	14.8	3.2	9.60	36.9	391
Retail	239	29	15	15.9	1,238	7.3	14.4	4.8	9.33	17.5	193
Other	62	8	4	15.5	2,146	5.2	15.9	15.9	12.51	3.2	29
Total (30-Sep-24)	812	100	54	15.0	1,324	7.1	14.7	4.4	9.64	57.6	613
Total (31-Dec-23)	1,076	100	59	18.2	1,253	7.1	13.1	4.6	9.00	76.7	858
Chg. (in %/pp)	-25		-5	-18	6	0.0pp	1.6pp	-0.2years	7	-25	-29

Source: Company data, Baader Helvea Equity Research

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CONSOLIDATED INCOME STATEMENT

		2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Total revenues	EUR mn	107.2	77.3	132.3	177.9	187.6	94.6	150.0	176.3	150.1	126.8	47.2
Gross rental income (GRI)	EUR mn	73.7	73.7	81.8	87.5	82.3	81.1	78.5	66.0	54.1	48.2	46.2
Change yoy	%	-3.5	0.0	11.0	7.0	-5.9	-1.5	-3.2	-15.9	-18.1	-10.9	-4.1
Service charge income/expenses (net)	EUR mn	-4.5	-4.8	-4.8	-7.6	-8.0	-7.6	-8.9	-8.9	-7.0	-6.3	-5.8
Property operating expenses	EUR mn	-13.6	-10.4	-11.5	-9.7	-7.1	-11.2	-10.1	-9.6	-8.6	-7.2	-6.9
Net rental income (NRI)	EUR mn	55.6	58.5	65.5	70.2	67.2	62.3	59.5	47.5	38.4	34.7	33.5
Change yoy	%	-5.0	5.2	12.0	7.2	-4.3	-7.2	-4.5	-20.2	-19.2	-9.6	-3.4
as a percentage of GRI	%	75.5	79.4	80.1	80.3	81.6	76.9	75.8	72.0	71.0	72.0	72.5
Other revenues	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit on disposal of investment properties	EUR mn	0.9	0.1	16.8	-1.0	1.4	-8.2	-14.3	-5.8	-5.0	-2.4	0.0
Profit on disposal of trading prop./developments	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative expenses	EUR mn	-9.9	-13.7	-8.4	-7.5	-6.2	-5.9	-6.8	-6.7	-6.4	-6.0	-5.8
Personnel expenses	EUR mn	-5.4	-5.3	-4.7	-5.9	-5.0	-4.8	-4.8	-5.2	-5.2	-5.2	-5.2
Other income	EUR mn	5.1	2.5	4.3	1.5	1.2	0.8	1.0	1.0	1.0	1.0	1.0
Other expenses	EUR mn	-7.5	-6.2	-0.9	-1.4	-2.0	-16.8	-26.8	-10.0	-1.5	-1.0	-1.0
EBITDA	EUR mn	38.8	35.9	72.8	55.9	56.6	27.5	7.8	18.8	19.8	20.1	21.5
Change yoy	%	-17.7	-7.5	102.8	-23.1	1.1	-51.5	-71.7	142.6	5.1	1.3	7.2
as a percentage of total revenues	%	36.2	46.4	55.0	31.4	30.1	29.0	5.2	10.7	13.2	15.8	45.6
Depreciation	EUR mn	-2.8	-1.9	-0.6	-6.2	-3.5	-1.5	-18.9	-2.0	0.0	0.0	0.0
Valuation result	EUR mn	48.6	93.1	83.0	-22.1	48.8	-98.9	-176.8	-58.7	3.6	3.4	3.1
EBIT	EUR mn	84.6	127.1	155.2	27.7	101.9	-72.9	-187.9	-41.9	23.4	23.5	24.6
Income from associates/investment	EUR mn	0.1	0.0	0.0	0.0	1.1	-0.3	1.0	0.0	0.0	0.0	0.0
Valuation result from financial derivatives	EUR mn	-2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest result	EUR mn	-31.5	-25.9	-17.9	-10.0	-15.2	-0.9	4.4	-9.0	-18.7	-18.3	-16.8
Interests of minority shareholders	EUR mn	-8.3	-12.4	-7.7	-3.4	-7.0	0.8	5.1	-2.0	-2.0	-2.0	-2.0
Other financial income/Expenses	EUR mn	-14.6	0.0	-31.7	-7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	EUR mn	-57.0	-38.3	-57.3	-21.2	-22.1	-0.1	9.5	-11.0	-20.7	-20.3	-18.8
EBT	EUR mn	27.6	88.8	97.9	6.5	80.8	-73.3	-177.5	-52.9	2.6	3.2	5.8
Unrealized chg. In market values	EUR mn	-21.9	-78.1	-83.0	22.1	-48.8	98.9	176.8	58.7	-3.6	-3.4	-3.1
EBT adjusted	EUR mn	5.8	10.7	14.8	28.6	32.0	25.6	-0.7	5.8	-0.9	-0.2	2.7
Change yoy	%	-22.5	85.4	38.6	92.9	11.9	-20.2	n.a.	n.a.	n.a.	n.a.	n.a.
as a percentage of total revenues	%	5.4	13.8	11.2	16.1	17.1	27.0	-0.4	3.3	-0.6	-0.2	5.7
Income taxes	EUR mn	-0.3	-0.5	-4.7	-0.7	-6.7	-6.8	-12.6	-4.5	-3.0	-2.5	-2.5
Deferred income taxes	EUR mn	-7.9	-19.2	-13.5	3.4	-12.6	8.6	38.1	7.9	-0.4	-0.5	-0.9
Tax rate	%	29.7	22.2	18.5	-41.4	23.8	2.5	14.4	6.5	128.6	93.8	58.2
Net profit	EUR mn	19.4	69.1	79.7	9.2	61.6	-71.5	-152.0	-49.5	-0.8	0.2	2.4
Change yoy	%	-29.7	255.4	15.5	-88.5	571.7	-216.1	112.5	-67.5	-98.5	-126.0	1132.9
as a percentage of total revenues	%	18.1	89.4	60.3	5.2	32.8	-75.6	-101.3	-28.1	-0.5	0.2	5.1
Minority interest	EUR mn	-5.6	-7.5	-4.2	-0.7	-3.1	5.8	4.8	-1.0	-1.0	-1.0	-1.0
Net profit after minority interest	EUR mn	13.8	61.6	75.5	8.5	58.5	-65.7	-147.2	-50.5	-1.8	-0.8	1.4
Direct investment result	EUR mn	-12.9	15.0	-3.1	31.7	27.0	25.6	5.8	6.1	0.1	-1.3	-0.8
Indirect investment result	EUR mn	26.7	46.6	78.6	-23.2	31.5	-91.4	-153.0	-56.5	-1.8	0.5	2.2
Funds from operations (FFO)	EUR mn	11.7	23.4	34.5	39.2	39.8	41.8	36.7	25.6	7.1	5.7	6.2
Change yoy	%	45.1	98.9	47.7	13.5	1.7	4.9	-12.0	-30.4	-72.4	-19.7	9.4
FFO margin	%	15.9	31.7	42.2	44.8	48.4	51.5	46.8	38.8	13.1	11.8	13.4
FFO after minorities	EUR mn	5.4	19.4	30.5	33.8	35.0	36.5	31.4	22.6	4.1	2.7	3.2
Number of shares at period end	mn	54.3	107.8	107.8	105.8	105.5	105.5	105.5	105.5	105.5	105.5	105.5
Avg. number of shares outstanding	mn	54.3	72.2	107.8	106.8	105.6	105.5	105.5	105.5	105.5	105.5	105.5
EPS reported	EUR	0.25	0.85	0.70	0.08	0.55	-0.62	-1.39	-0.48	-0.02	-0.01	0.01
EPS adjusted	EUR	-0.17	0.21	-0.03	0.30	0.25	0.24	0.05	0.06	0.00	-0.01	-0.01
FFO per share	EUR	0.17	0.32	0.32	0.37	0.38	0.39	0.35	0.24	0.07	0.05	0.06
FFO per share (after min.)	EUR	0.10	0.27	0.28	0.32	0.33	0.34	0.30	0.21	0.04	0.03	0.03
DPS	EUR	0.00	0.00	0.54	0.62	0.31	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data, Baader Helvea Equity Research

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CONSOLIDATED BALANCE SHEET

		2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
ASSET												
Non-current assets	EUR mn	1,032.9	1,150.9	1,520.7	1,451.1	1,543.8	1,325.8	1,029.6	856.7	801.3	726.7	741.8
Investment property	EUR mn	1,021.8	1,139.9	1,493.9	1,426.3	1,433.1	1,231.1	947.3	717.1	681.7	617.1	632.2
Development property	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	EUR mn	1.9	0.5	0.4	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Intangible assets (incl. goodwill)	EUR mn	7.0	6.9	6.9	6.9	6.8	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets and other investments	EUR mn	0.2	0.0	0.0	0.0	91.8	87.9	73.9	124.5	114.5	104.5	104.5
Derivatives	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	EUR mn	2.0	3.7	19.4	17.7	11.9	6.7	8.3	15.0	5.0	5.0	5.0
Deferred tax assets	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	EUR mn	114.2	227.7	156.7	174.2	161.8	211.0	298.0	152.9	98.4	97.7	95.6
Investment properties held for sales	EUR mn	12.3	12.3	16.3	31.0	0.0	121.0	149.1	79.1	29.1	29.1	29.1
Other assets held for sale	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	EUR mn	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	EUR mn	18.6	15.8	6.3	7.3	8.7	13.8	14.2	12.0	11.0	11.0	11.0
Other receivables and assets	EUR mn	7.8	9.2	32.0	34.2	13.5	18.8	14.7	8.0	8.0	8.0	8.0
Derivatives	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketable securities and cash	EUR mn	73.9	190.4	102.1	101.6	139.6	57.4	120.0	53.8	50.3	49.6	47.5
Total assets	EUR mn	1,147.1	1,378.7	1,677.4	1,625.3	1,705.6	1,536.9	1,327.5	1,009.6	899.6	824.4	837.4
EQUITY AND LIABILITIES												
Equity	EUR mn	319.1	582.3	660.8	598.0	592.4	486.7	333.3	283.8	283.1	283.3	285.7
Minority interest	EUR mn	33.7	44.4	47.4	40.1	43.3	36.5	29.7	30.7	31.7	32.7	33.7
Total shareholders' equity	EUR mn	285.4	537.9	613.4	558.0	549.0	450.2	303.6	253.1	251.4	250.6	252.0
Issued capital	EUR mn	54.3	107.8	107.8	107.8	107.8	107.8	107.8	107.8	107.8	107.8	107.8
Capital reserves	EUR mn	0.0	129.8	129.9	88.4	88.4	88.4	89.8	89.8	89.8	89.8	89.8
Earnings reserves	EUR mn	231.4	300.3	375.7	363.8	355.1	256.3	108.3	57.8	56.1	55.3	56.7
Other reserves	EUR mn	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury shares	EUR mn	0.0	0.0	0.0	-2.0	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3
Non-current liabilities	EUR mn	780.6	742.7	912.1	987.6	1,066.8	996.4	280.3	635.3	532.1	459.6	470.2
Financial liabilities	EUR mn	665.8	606.4	737.8	817.3	280.4	267.0	120.3	230.0	180.0	160.0	170.0
Bonds	EUR mn	0.0	0.0	0.0	0.0	594.0	546.4	0.0	253.0	203.0	153.0	153.0
Deferred tax liabilities	EUR mn	42.9	62.1	75.5	72.1	84.7	76.0	37.9	30.3	27.0	24.6	25.1
Provisions	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	EUR mn	71.9	73.1	78.7	78.9	82.9	80.4	72.0	72.0	72.0	72.0	72.0
Derivatives	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	EUR mn	0.0	1.2	0.8	0.5	0.3	0.0	24.1	24.1	24.1	24.1	24.1
Lease liabilities	EUR mn	0.0	0.0	19.2	18.7	24.5	26.6	25.9	25.9	25.9	25.9	25.9
Current liabilities	EUR mn	47.4	53.7	104.6	39.7	46.5	53.7	713.9	90.5	84.5	81.5	81.5
Financial liabilities	EUR mn	29.1	30.2	69.1	12.4	16.1	15.6	670.7	50.0	50.0	50.0	50.0
Trade payables	EUR mn	14.7	19.7	10.0	10.7	10.6	16.6	10.0	10.0	10.0	10.0	10.0
Provisions	EUR mn	1.0	1.3	2.2	3.0	4.0	3.0	2.6	2.5	2.5	2.5	2.5
Financial derivatives	EUR mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	EUR mn	2.6	2.5	23.2	13.6	15.8	18.5	30.6	28.0	22.0	19.0	19.0
Total equity and liabilities	EUR mn	1,147.1	1,378.7	1,677.4	1,625.3	1,705.6	1,536.9	1,327.5	1,009.6	899.6	824.4	837.4
Net debt	EUR mn	621.0	446.1	724.0	746.8	775.4	798.2	697.0	505.1	408.7	339.3	351.4
Net LTV	%	60.1	38.7	47.9	51.2	50.9	55.4	59.6	55.4	50.1	45.8	46.5
Net LTV (bonds)	%	58.2	37.8	46.2	49.2	49.7	54.0	57.7	52.8	48.1	43.8	44.5
Equity ratio	%	27.8	42.2	39.4	36.8	34.7	31.7	25.1	28.1	31.5	34.4	34.1
Net debt/EBITDA	x	16.4	12.5	12.9	13.1	14.1	22.4	31.5	20.5	16.5	15.1	16.3
Interest coverage	x	1.2	1.4	3.1	5.7	3.6	40.2	-5.0	2.7	1.3	1.2	1.3

Source: Company data, Baader Helvea Equity Research

Key data

DEMIRE

Germany

Real Estate

Reuters: DMRE.DE Bloomberg: DMRE GY

Reduce

Price on 12-Mar-25 EUR 0.70

Target price EUR 0.70

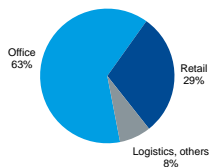
High/Low (12M) EUR 1.23/0.66

Market cap. EUR mn 74

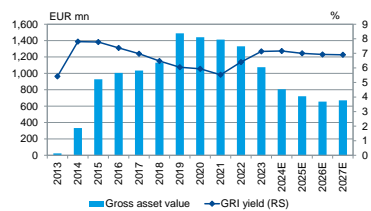
Company profile

Property holding company with a EUR 0.8bn commercial real estate portfolio. Focus is on secondary locations in Germany.

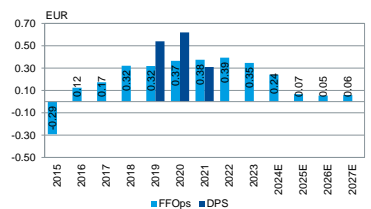
Portfolio split (by GAV), (9M24)



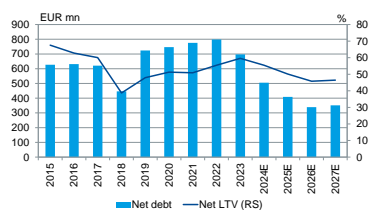
Portfolio development



FFOps and DPS



Financial status



Source: Company data, LSEG, Baader Helvea Equity Research

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FY 31 Dec.	2022	2023	2024E	2025E	2026E	2027E
Share data						
EPS adjusted (EUR)	0.24	0.05	0.06	0.00	-0.01	-0.01
Indirect investment result (EUR)	-0.86	-1.44	-0.54	-0.02	0.00	0.02
EPS reported (EUR)	-0.62	-1.39	-0.48	-0.02	-0.01	0.01
FFOps (EUR)	0.39	0.35	0.24	0.07	0.05	0.06
Dividend (EUR)	0.00	0.00	0.00	0.00	0.00	0.00
Book value (EUR)	4.18	2.82	2.35	2.33	2.32	2.34
NAV adj. (EUR)	4.57	3.13	2.62	2.60	2.57	2.59
Number of shares (outstanding, mn)	105.5	105.5	105.5	105.5	105.5	105.5
Share price (avg./current, EUR)	3.53	1.82	0.88	0.70	0.70	0.70
Market cap. (avg./current, EUR mn)	380.7	196.0	95.3	73.9	73.9	73.9
Enterprise value (EUR mn)	1,152.3	867.0	574.5	456.6	387.3	399.4
Valuation	2022	2023	2024E	2025E	2026E	2027E
P/E adj. (x)	14.7	36.4	14.7	-	-	-
FFO yield (%)	11.0	19.3	27.1	10.0	7.1	8.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
Implied yield (EBITDA/EV), (%)	2.4	0.9	3.3	4.3	5.2	5.4
P/NAV (x)	0.77	0.58	0.34	0.27	0.27	0.27
P/BV (x)	0.84	0.64	0.38	0.30	0.30	0.30
ROCE/WACC (x)	0.32	-0.01	0.73	-0.15	0.04	0.46
(EV/CE)/(ROCE/WACC) (x)	2.34	-104.84	0.84	-3.64	14.36	1.12
Key company data						
Rental income growth (%)	-1.5	-3.2	-15.9	-18.1	-10.9	-4.1
EBITDA growth (%)	-51.5	-71.7	142.6	5.1	1.3	7.2
FFO growth (%)	4.9	-12.0	-30.4	-72.4	-19.7	9.4
FFO per share growth (%)	2.6	-10.3	-31.4	-70.8	-28.6	20.0
DPS growth (%)	-100.0	-	-	-	-	-
EBITDA margin adj. (%)	33.9	9.9	28.5	36.6	41.6	46.6
ROE recurring (%)	5.3	1.7	2.1	0.0	-0.5	-0.3
Net gearing (%)	158.5	201.4	168.8	135.2	110.6	113.9
Net loan-to-value (%)	55.4	59.6	55.4	50.1	45.8	46.5
Equity ratio (%)	31.7	25.1	28.1	31.5	34.4	34.1
Interest cover (x)	40.2	-5.0	2.7	1.3	1.2	1.3
Income statement (EUR mn)						
Total revenues	94.6	150.0	176.3	150.1	126.8	47.2
Gross rental income	81.1	78.5	66.0	54.1	48.2	46.2
Net rental income	62.3	59.5	45.5	36.9	33.7	32.5
EBITDA	27.5	7.8	18.8	19.8	20.1	21.5
EBIT	-72.9	-187.9	-41.9	23.4	23.5	24.6
EBT	-73.3	-177.5	-52.9	2.6	3.2	5.8
EBT adjusted	25.6	-0.7	5.8	-0.9	-0.2	2.7
Net profit after minorities	-65.7	-147.2	-50.5	-1.8	-0.8	1.4
Funds from operations (FFO)	41.8	36.7	25.6	7.1	5.7	6.2
Balance sheet (EUR mn)						
Investment property	1,231	947	717	682	617	632
Non-current assets	1,326	1,030	857	801	727	742
Cash and equivalents	57	120	54	50	50	47
Current assets	211	298	153	98	98	96
Total assets	1,537	1,328	1,010	900	824	837
Equity	487	333	284	283	283	286
Interest bearing debt	829	791	533	433	363	373
Total equity and liabilities	1,537	1,328	1,010	900	824	837
Net debt	772	671	479	383	313	326
Cash flow (EUR mn)						
Cash flow from operating activities	32.7	24.9	2.9	4.8	-3.8	2.8
Cash flow from investing activities	-26.3	65.4	232.4	89.0	68.0	-12.0
Free cash flow	6.5	90.3	235.3	93.8	64.2	-9.2
Dividend paid	-35.4	-3.4	0.0	0.0	0.0	0.0
Cash flow from financing activities	-86.9	-27.4	-301.4	-97.4	-64.9	7.1
Changes in cash position	-80.5	62.9	-66.1	-3.6	-0.7	-2.1

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Disclaimer

Important Notice and Disclosures pursuant to Art. 20 of the Regulation (EU) No 596/2014 of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 and pursuant to Art. 34, 36 and 37 of the Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016**A. GENERAL STATEMENTS**

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Applicable Key Factors

Company	Key
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Key Factors Specified by Art. 5 and 6 of the Commission Delegated Regulation (EU) No. 2016/958 of 9 March 2016

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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst	
DEMIRE	23-May-24	Reduce	EUR	1.25	1.20	22-May-24	Andre Remke, CFA

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Expected total return based on forecast dividend and 12-month price targets.

Rating	Expected total return
Buy	>20%
Add	5%-20%
Reduce	-10% to 5%
Sell	<-10%

Research ratings key:

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