

Warimpex AG



PT: EUR 2.63/PLN 12.32

Initiating Coverage

Rating: n.a.

Warimpex Finanz- und Beteiligungs AG (Warimpex) is a Vienna-based real estate investment and development company that is active in Central- and Eastern Europe. The company owns, develops, and operates office buildings and hotels in Poland, Hungary, Russia, Germany and Austria. Currently it owns, co-owns or leases four hotels (c. 11% of its total portfolio value) and operates nine office buildings (c. 70%). Approx. 95% of its office space is rented to large public or corporates clients based on long-term contracts. At the same time, c. 87% of its interest-bearing debt has a duration of 2 or more years and c. 80% has a fixed interest rate. While >50% of its revenues stem from Russia and net gearing (150.9%) and net debt/EBITDA (16.2x) are high, we believe that Warimpex' current market valuation is far too low. Our 12-months PT (50% NNAV, 50% peer group) equals EUR 2.63, whereby we have discounted the NNAV per share by 50% due to the company's exposure to Russia. This is c. 4x the company's current share price of EUR 0.66. However, we would like to emphasize that an investment in Warimpex is risky as it is unclear whether the Russian government will deprive it of its assets as part of its retaliation against Western sanctions.

Warimpex' main strengths are its track record of >40 years, long-term top-quality tenants e.g. Gazprom, Air Liquide, Rödl & Partner, City of Cracow and a very low average vacancy rate of 4% in its office buildings. Since 2018, the share of hotel revenues declined from c. 68% to c. 28% and the share of revenues from investment properties that are based on long-term lease contracts has gone up from c. 29% to c. 67%. Thus, the company is now less exposed to unforeseeable events such as the COVID-19 pandemic, which was the main reason, why its sales in 2020 declined by 18.9% y-o-y.

We expect that Warimpex will increase its revenues and EBITDA every year by 2024E. Together with retention of all profits, this should allow the company to reduce the net debt/EBITDA ratio to 11.2x. In our view, last year the company's sales reached EUR 46.8m (+75.1% y-o-y) and the EBITDA EUR 19.7m (+35.6%). Due to completion of additional office space e.g. in Cracow, Lodz and Darmstadt we expect that by 2024E both figures will increase to EUR 54.7m and EUR 24.2m respectively.

in EURm	2019	2020	2021	2022E	2023E	2024E
Total turnover	31.64	25.66	26.72	46.80	51.47	54.69
EBITDA	29.86	2.98	14.51	19.68	22.13	24.18
EBIT	45.35	-7.69	15.54	27.68	27.13	29.18
Net income	62.09	-29.69	12.27	15.45	15.26	17.04
EPS	1.16	-0.57	0.24	0.29	0.28	0.32
DPS	0.14	0.00	0.00	0.00	0.00	0.00
Dividend yield	21.21%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	46.11%	-22.07%	10.44%	11.67%	10.33%	10.40%
Net gearing	100.55%	157.49%	174.70%	206.21%	180.96%	157.69%
Net debt/EBITDA	5.34x	58.48x	15.00x	14.68x	12.70x	11.24x
P/NAV	0.22x	0.32x	0.29x	0.25x	0.23x	0.21x
LTV	50.3%	61.5%	62.5%	65.2%	63.1%	61.0%
P/E	0.57x	neg	2.75x	2.31x	2.34x	2.09x

Company profile

Warimpex Finanz- und Beteiligungs-AG is a Vienna-based developer and investor in commercial real estate, especially office buildings and hotels. The company is listed in Austria and Poland.

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Website	www.warimpex.com
Sector	Real Estate
Country	Austria
ISIN	AT0000827209
Reuters	WXFB.VI
Bloomberg	WXF AV

Share information

Last price	0.66
Number of shares (m)	54.00
Market cap. (EURm)	35.64
52-weeks range	EUR 0.98 / EUR 0.60
Average volume (shares)	6,500

Performance

4-weeks	-6.78%
13-weeks	1.54%
26-weeks	-4.86%
52-weeks	-20.86%
YTD	1.54%

Shareholder structure

Georg Folian	15.00%
Franz Jurkowsch (CEO)	14.00%
Amber Privatstiftung (Mr G. Folian)	11.00%
Bocca Privatstiftung (Mr F. Jurkowsch)	11.00%
NN Pension Fund	>5.00%
Treasury shares	3.59%
Free float	c. 40.00%

Financial calendar

Annual Report 2022	April 27, 2023
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Investment Case

- Warimpex AG, which was founded in 1954 as an Eastern Europe-focused commodity trading company, is a Vienna-based investor and developer of office buildings and hotels. The company acts both as an asset manager and property owner until it can generate the highest added value through sale. In the past, it has owned and developed some of the most prominent properties in Central and Eastern Europe e.g. the Radisson Blu Sobieski and the Sheraton Hotel in Warsaw, the B52 office building in Budapest and Dvorak Spa & Wellness in Karlovy Vary. Currently, Warimpex owns or has a minority stake in 9 office buildings and 4 hotels, with a total gross asset value of EUR >365m. While approx. 50% of its properties are in St. Petersburg, its Russian project companies are self-sufficient and only financed by local banks.
- From 1979, when it had started its real estate business, Warimpex had been focused on hotels, however it has shifted its focus to office buildings in the last 10 years. They are leased to large tenants such as Gazprom and Air Liquide based on long-term contracts and have an effective occupancy rate and gross rental yield of 96% and 8.5% respectively that we believe is very strong. The buildings, which were completed/bought in 2022 and are supposed to be constructed by 2026E, will increase Warimpex' lettable space by >67,000 sqm: Mogilska 35 and Mogilska Phase IV & Chopin in Cracow, MC 55 in Bialystok and the West Yard in Darmstadt.
- The real estate markets, in which Warimpex is active, are highly attractive. The Eastern European countries, of which all but Russia will increase their GDP in 2023E, are among the Top 10 within Europe and the Middle Eastern region in terms of prime office yields. Vienna and Darmstadt both have strong office rental markets.
- In 9M/22, Warimpex generated revenues of EUR 32.4m (+69% y-o-y), of which >50% stemmed from Russia and >30% from Poland. EBITDA (+102.7% to EUR 16m) and net income (+451.6% to EUR 13.6m) strongly recovered compared to the previous year, in which occupancy rates in office buildings and hotels were negatively impacted by the COVID-19-related lockdowns. Due to further improvement of occupancy rates and the sale of the B52 office building in Budapest we believe that in 2022 Warimpex generated revenues of EUR 46.8m (+75.1%), an EBITDA of EUR 19.7m (+35.6%) and a net income of EUR 15.4m (+25.8%). Due to the opening of new office buildings e.g. Mogilska Phase III in Cracow we expect that by 2024E these figures will increase to EUR 54.7m (2y CAGR of 8.1%), EUR 24.2m (10.8%) and EUR 17m (5%) respectively.
- We initiate coverage of Warimpex with a 12-months PT (50% NNAV, 50% peer group) of EUR 2.63, whereby we have discounted the NNAV by 50% due to the company's exposure to Russia and have also accounted for 1.94m of own shares. We like the fact that the company is owner-managed, has financially strong long-term tenants, and a focus on promising property markets. While besides the Russian exposure the high net debt/EBITDA of 16.2x constitutes a risk, the share of Warimpex' financial debt that is due in one year or has a variable rate is <20%. We expect that the company's share price will strongly recover as soon as the Ukraine war ends and interest rates in Europe start to decline again.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> - Warimpex is a developer and investor in hotels and commercial real estate with a track record of >40 years and a particular focus on Germany, Austria, Russia, Poland and Hungary - Because of its "hybrid" business model, the company generates on-going cash flows from rent and operation of hotels. Property sales are realised opportunistically - Russian subsidiaries act autonomously and cover their liquidity needs locally - Most (c. 87%) of the financial debt is only due in 2 years or more. c. 80% has a fixed interest rate - Long and successful co-operation with international hotel groups InterContinental, Kempinski and Accor - Strong focus on energy efficiency and ESG criteria in real estate development. While the Zeppelin Business Tower and the Avior Tower in St. Petersburg have the LEED Gold, Mogilska 43 & 35 in Cracow and Ogrodowa in Lodz have the BREEAM Excellent green certificate - High insider ownership of 51% 	<ul style="list-style-type: none"> - In 9M/22, >50% of revenues stemmed from Russia, where also c. 50% of total gross assets were located - It remains unclear whether Warimpex will ever be able to sell its real estate in Russia - High net gearing of 150.9% and net debt/EBITDA of 16.2x 30/09/2022) - Low liquidity of the stock as many brokers do not allow to buy/sell the company's shares due to its exposure to Russia
Opportunities	Threats
<ul style="list-style-type: none"> - Completion of development projects in Bialystok, Cracow and Darmstadt in the next three years - Acquisitions of other cash-flow-generating assets - Introduction of co-working spaces in Warimpex' office buildings as after the pandemic clients demand more flexibility - Improvement of sentiment towards Russia following an end of the Russia-Ukraine conflict - Reduction of interest rates, which would positively impact investment activity and valuations in the real estate sector 	<ul style="list-style-type: none"> - Warimpex' assets could be taken over by the Russian government and sold to "friendly" investors as part of retaliation against Western sanctions - Potential issues with refinancing of existing financial debt due to Warimpex' exposure to Russia - High costs of compliance to international environmental laws - Increasing costs of construction (materials, work)

Valuation

We have valued Warimpex by using a weighted average of a NNNNAV- (50% weight) and peer-group-based fair value (50%). Thereby, we have discounted the NNNNAV by 50% due to the company's exposure to Russia and have accounted for 1.94m of own shares. Our approach derives a 12-months price target for the stock of EUR 2.63, which implies an upside of 298.1% at current level.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Austrian long-term government bonds with maturity in 2120E is 2.46% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: Average unlevered beta of companies from the Real Estate (Diversified) sector of 0.41x
- (3) *Levered beta*: 1.14x
- (4) *Equity risk premium (Austria)*: 6.63% (Source: www.damodaran.com)
- (5) *Effective tax rate*: 24%
- (6) *Target equity ratio*: 30%
- (7) *Target debt ratio*: 70%
- (8) *After-tax debt costs*: 3.8%
- (9) *Equity costs*: 10%
- (10) *WACC*: 5.7%

Triple NNNAV calculation

in EURm	
Equity (as of 30/09/2022)	171.30
+ Deferred taxes (net)	-13.92
+ Market value of derivative instruments	0.29
= EPRA NAV	157.67
- Market value of derivative instruments	-0.29
- Market value of off-balance-sheet debt	0.00
- Deferred taxes (net)	13.92
= EPRA NNNAV	171.30
: Number of shares outstanding (excl. 1,939,280 own shares)	52.06
= EPRA NNNAV per share	3.29
= Discounted by 50% due to high exposure to Russia	2.19

Source: East Value Research GmbH

Peer Group Analysis

Below are listed companies, which we have identified as Warimpex' main peers:

- (1) *CA Immobilien Anlagen AG*: CA Immobilien Anlagen, which is headquartered in Vienna, is a real estate group with operations in Austria, Germany, Poland and Czechia. Its core business involves leasing, managing and developing high-quality office buildings. The company has assets of EUR 6.5bn and an occupancy rate of >88%. In 2022, CA Immobilien Anlagen generated revenues of EUR 305.3m, a net profit of EUR 75.5m and funds from operation (FFO) of EUR 121.7m. Its current market capitalization equals EUR 2.5bn.
- (2) *Immofinanz AG*: Immofinanz, which is based in Vienna, manages and develops retail and office properties in Austria, Germany, Poland, Czechia, Slovakia, Hungary, Romania and the Adriatic region. The company has assets worth EUR 5.5bn and an occupancy rate of 94%. In 2021, Immofinanz generated revenues of EUR 515m, a net profit of EUR 347.1m and funds from operation (FFO) of EUR 110.4m. Its current market capitalization equals EUR 1.8bn.
- (3) *S Immo AG*: S IMMO AG, which is based in Vienna, is a real estate investment company with a focus on capital cities in Austria, Germany and CEE. Approx. 70% of its property portfolio are commercial properties (offices, shopping centres and hotels). Residential properties account for 30%. The company has assets worth EUR 3bn with an average occupancy rate of c. 94%. In 2021, it generated revenues of EUR 203m, a net profit of EUR 229.5m and FFO of EUR 75.3m. Currently, its market capitalisation equals EUR 936.2m.
- (4) *Globe Trade Centre S.A.*: Globe Trade Centre, which is based in Warsaw, is a real estate investor and developer with a focus on Poland, Hungary, and capital cities in Central, Eastern and Southern Europe. The company owns 42 buildings with 729,000 sqm of office and retail space, has assets of EUR >2bn and an occupancy rate of >89%. In 2021, it generated revenues of PLN 806.1m, a net profit of PLN 195.3m and FFO of PLN 344.9m. Currently, its market capitalisation equals PLN 3.5bn.
- (5) *Globalworth Real Estate Investments Ltd.*: Globalworth Real Estate Investments, which is based in Guernsey, is a real estate investment firm focused on office properties in CEE's largest property markets, Poland and Romania. The company owns 50 standing Class A office buildings, has assets worth EUR 3.2bn and an average occupancy rate of 85.6%. In 2022, it generated revenues of EUR 242.1m and a net income of EUR -17m. Currently, its market capitalisation equals EUR 691.4m.

(6) *UBM Development AG*: UBM Development, which is headquartered in Vienna, focuses on green buildings and smart offices in Austria, Germany, Poland and Czechia (in the past also in France and Amsterdam) and is active as hotel lessee. The company offers a comprehensive service portfolio comprising market analysis, project development, planning and project management, financing, rental and asset management. The company has EUR 1.4bn of assets, of which however only EUR 525m are standing. In 2021, it generated revenues of EUR 278.3m and a net profit of EUR 42.2m. Of the total output of EUR 471m (= revenues of fully consolidated and "at-equity" subsidiaries plus sale proceeds from share deals), 41% stemmed from the residential segment. Currently, UBM has a market capitalisation of EUR 207.8m.

Company	P/BVPS		P/E		Net debt/EBITDA	Net interest cover	Net gearing
	Latest	2022E	2023E	Latest	Latest	Latest	
CA Immobilien Anlagen AG (EUR)	0.7x	30.6x	38.2x	12.0x	3.9x	59.5%	
Immofinanz AG (EUR)	0.5x	12.2x	10.4x	10.4x	3.5x	51.0%	
S Immo AG (EUR)	0.5x	8.2x	11.8x	10.5x	8.6x	59.4%	
Globe Trade Center S.A. (PLN)	3.1x	22.0x	123.2x	2.3x	n.a	102.3%	
Globalworth Real Estate Inv. Ltd. (EUR)	0.4x	n.a	7.9x	10.2x	n.a	79.1%	
UBM Development AG (EUR)	0.4x	12.5x	7.4x	neg	n.a	97.5%	
Median	0.5x	12.5x	11.1x	10.4x	3.9x	69.3%	
Warimpex AG (EUR)	0.2x	2.3x	2.3x	16.2x	3.9x	150.85%	
Premium/Discount	-59.2%	-81.6%	-78.9%				
Fair value Warimpex (EUR)	2.78						

Source: CapitalIQ, marketscreener.com, East Value Research GmbH

Price target calculation

Valuation method	Fair value	Weight
NNNAV calculation (EUR)	2.19	50%
Peer Group Analysis (EUR)	2.78	50%
Weighted average (present value)	2.49	
In 12-months (PV * (1+WACC))	2.63	
In PLN (PLN-EUR = 4.69)	12.32	

Source: East Value Research GmbH

9M/22 results

Revenues and Profitability

In 9M/22, Warimpex generated total revenues of EUR 32.4m, which corresponds to an increase of 69% y-o-y. Compared to the previous year, which was negatively affected by the COVID-19 pandemic, all segments showed a strong recovery. For example, in the Hotels segment, where both the occupation rates and average room rates went up strongly in our view, revenues improved by 103% y-o-y and EBITDA by 149.6%. In Poland, occupancy rates in office buildings strongly increased y-o-y, while in Russia results were positive impacted by a stronger rouble and the first-time full consolidation of the Jupiter 1 & 2 office property in St. Petersburg.

in EURm	9M/22	9M/21
Hotels	6.61	3.26
<i>Share in total sales</i>	<i>20.4%</i>	<i>17.0%</i>
EBITDA margin	30.4%	24.7%
Investment properties	23.91	14.90
<i>Share in total sales</i>	<i>73.7%</i>	<i>77.7%</i>
EBITDA margin	59.1%	66.5%
Development and services	1.91	1.03
<i>Share in total sales</i>	<i>5.9%</i>	<i>5.4%</i>
EBITDA margin	-10.5%	-276.8%
Total revenues	32.43	19.19

Source: Company information, East Value Research GmbH

in EURm	9M/22	9M/21	change (%)
Total revenues	32.43	19.19	69.0%
EBITDA	15.95	7.87	102.7%
<i>EBITDA margin</i>	<i>49.2%</i>	<i>41.0%</i>	
EBIT	21.48	8.34	157.5%
<i>EBIT margin</i>	<i>66.2%</i>	<i>43.5%</i>	
Net income	13.55	2.46	451.6%
<i>Net margin</i>	<i>41.8%</i>	<i>12.8%</i>	

Source: Company information, East Value Research GmbH

In 9M/22, Warimpex' EBITDA went up by 102.7% y-o-y to EUR 16m and the respective margin from 41% in 9M/21 to 49.2%. The reason were much higher revenues y-o-y and a EUR 2.8m gain on the sale of the fully occupied B52 office building in Budapest in June 2022 (sale price of EUR 12.6m, >5,200 sqm, was acquired in 2018). EBIT (EUR 21.5m vs. EUR 8.3m) was additionally positively impacted by a remeasurement gain of EUR 5.5m.

Balance sheet and Cash flow

At the end of September 2022, Warimpex had consolidated equity excl. minorities worth EUR 171.3m, which corresponds to an equity ratio of 35.6%.

As of September 30th, the largest position on Warimpex' balance sheet were investment properties – properties that generate a cash flow for the company – worth EUR 402.5m (9M/21: EUR 268m). Property, plant and equipment (EUR 45.7m vs. EUR 35.5m in 9M/21) reflect property that is currently under development. Net investments in joint-ventures (EUR 417k vs. EUR 4.8m) relate to Warimpex' 50% stake in Sienna Hotel Sp. z.o.o (50%), which in turn relate to the InterContinental Hotel in Warsaw. Financial assets measured at fair value through other comprehensive income (EUR 5.6m vs. EUR 5.7m in 9M/21) relate to the company's 9.88% stake in the Palais Hansen Immobilienentwicklung GmbH, which owns the Kempinski Hotel Palais Hansen in Vienna. Other assets of EUR 2.2m (9M/21: EUR 8.6m) reflect bank deposits that serve as collateral for bank deposits or loans.

Regarding interest-bearing debt: it amounted to EUR 276.6m (EUR 196.2m) at the end of September 2022. Thereof, 10.1% (10.6%) was short term. Net debt equalled EUR 258.4m (EUR 189.4m) or 16.2x (24.1x) EBITDA, which is very high but significantly better than in the previous year. Net gearing equalled 150.9% (162.2%).

Russian properties are financed in roubles so a weaker RUB lowers respective property values and the value of financial liabilities in EUR. The respective changes are not shown on the P&L but affect the equity position.

Between January and September 2022, Warimpex generated an operating cash flow of EUR 8.1m compared to EUR 4.1m in 9M/21, which stemmed from much higher cash receipts from hotels, investment property, development projects and interest income. Cash flow from investing equalled EUR -2.9m (9M/21: EUR -13.3m) and was mainly impacted by the sale of the B52 tower in Budapest and the acquisition of the Red Tower in Lodz in June. The Red Tower office building is located in the city center, has >12,000 sqm and is currently only partially leased. In the coming years, it is also supposed to offer co-working spaces.

In 9M/22, Warimpex' cash flow from financing amounted to EUR -1.6m compared to EUR 6.7m last year as the company raised less new debt than in 9M/21. Between January and September 2022, Warimpex' cash position increased from EUR 11.2m to EUR 18.2m (incl. EUR 3.4m from FX effects).

Structure of Warimpex' financial debt (latest figures from 31 December 2021)

Non-derivative financial liabilities (in EURk)	Due within 1 year	Due in 1-5 years	More than 5 years	Total
Fixed-rate bonds	2,001	5,702		7,703
Fixed-rate project loans	17,197	85,060	125,170	227,427
Variable-rate project loans	2,333	10,119	33,747	46,199
Fixed-rate borrowing/overdraft facilities	4,306			4,306
Variable-rate borrowing/overdraft facilities	13,618			13,618
Lease liabilities	304	1,159	1,572	3,035
Other loans and borrowings	240		173	413
Total	39,999	102,040	160,662	302,701
Share of financial debt due in max. 1-year	13.2%			
Share of variable-rate financial debt	19.8%			

Source: Company information, East Value Research GmbH

Financial forecasts

Revenues and Profitability

Regarding Warimpex' results in the coming years, we expect that they will be mainly positively impacted by the completion of development of new office buildings such as Mogilska 35, Chopin, MC 55 and West Yard. In addition, we forecast that the company will acquire new cash-flow-generating real estate projects. Below is our detailed analysis of Warimpex' revenues, which the company splits into the following segments:

Hotels: This segment covers the results of Warimpex' 2 fully-owned hotels and 2 ones, in which it has a minority stake (InterContinental Hotel in Warsaw – 50%, Hotel Kempinski Palais Hansen in Vienna – 9.88%). Adjusted for its proportionate share of ownership, the company has in total 831 beds. We believe that after the pandemic the average occupancy went up from 34.5% in 2020 to 76% in 2022E and will stay at this level in the long run. As average rate per day, we have assumed EUR 100 in the long run, which is EUR 25 higher than in 2020.

We believe that in 2022E this segment generated revenues of EUR 23.1m (+132.9% y-o-y) and an EBITDA margin of 27% (2021: 17.7%). In our view, sales will remain stable and the EBITDA margin will grow to >29% by 2031E.

Investment properties: This segment covers Warimpex' 9 office and commercial buildings in Lodz, Cracow, St. Petersburg, and Budapest, which have a total lettable space of 126,300 sqm as of year-end 2022. The average occupancy rate of the buildings is assumed at 96%, whereby the four properties in Russia are fully leased. For the coming years, we have assumed a constant occupancy rate and average price per sqm, while the total lettable space will likely increase due to the completion of the following office buildings:

Opened in Q3/22 – Avior Tower 1 in St. Petersburg (16,935 sqm)

In summer 2023E – Mogilska 35 in Cracow (11,876 sqm)

In 2024E – West Yard 29 in Darmstadt (13,800 sqm)

In 2025E – MC 55 in Bialystok (33,400 sqm of office and 5,000 sqm of commercial space)

In our view, this segment generated revenues of EUR 30.3m (+27.2% y-o-y) and an EBITDA margin of 51% (2021: 65.7%) in 2022E. In the long run, we expect it to grow at a CAGR of 5.9% and reach a target EBITDA margin of >54%.

Development and services: The results of this segment stem either from the sale of developed properties or from development activities and services for third parties. Thus, they are subject to significant fluctuations.

We believe that in 2022E revenues of this segment reached EUR 2.4m (+32.7% y-o-y) and its EBITDA equalled EUR -24k (2021: EUR 1.8m). For the coming years, we expect a revenue CAGR of 8.8% and an EBITDA margin of up to 11%.

in EURm	2022E	2023E	2024E
Hotels	23.05	23.05	23.05
<i>(% of net sales)</i>	<i>49.3%</i>	<i>44.8%</i>	<i>42.1%</i>
EBITDA margin	27.0%	27.4%	27.8%
Number of hotels	4	4	4
Number of hotel rooms (adj. for proport. share of ownership)	831	831	831
Avg. occupancy rate	76.0%	76.0%	76.0%
Avg. hotel rate per day & room (EUR)	100	100	100
Investment properties	30.35	34.54	37.47
<i>(% of net sales)</i>	<i>64.8%</i>	<i>67.1%</i>	<i>68.5%</i>
EBITDA margin	51.0%	51.5%	52.5%
Number of office and commercial properties	9	10	12
Avg. lettable office space (adj. for proport. share of ownership)	122,690	139,625	151,501
Avg. occupancy rate	96.0%	96.0%	96.0%
Avg. rental fee per month & sqm (EUR)	21	21	21
Development and services	2.40	2.88	3.17
<i>(% of net sales)</i>	<i>5.1%</i>	<i>5.6%</i>	<i>5.8%</i>
EBITDA margin	-1.0%	1.0%	3.0%
Reconciliation	-9.00	-9.00	-9.00
Total revenues	46.80	51.47	54.69
<i>(change y-o-y)</i>	<i>75.1%</i>	<i>10.0%</i>	<i>6.3%</i>

Source: East Value Research GmbH

in EURm	2022E	2023E	2024E
Total revenues	46.80	51.47	54.69
EBITDA	19.68	22.13	24.18
<i>EBITDA margin</i>	<i>42.0%</i>	<i>43.0%</i>	<i>44.2%</i>
EBIT	27.68	27.13	29.18
<i>EBIT margin</i>	<i>59.1%</i>	<i>52.7%</i>	<i>53.3%</i>
Net income	15.45	15.26	17.04
<i>Net margin</i>	<i>33.0%</i>	<i>29.6%</i>	<i>31.2%</i>

Source: East Value Research GmbH

in EURm	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020
Total turnover	6.27	8.96	8.11	8.30	31.64	7.91	5.73	5.89	6.13	25.66
<i>y-o-y change</i>	-6.4%	16.2%	12.2%	10.1%	8.5%	26.3%	-36.1%	-27.4%	-26.2%	-18.9%
EBITDA	7.60	2.31	43.52	-23.57	29.86	0.93	-0.58	1.43	1.21	2.98
<i>EBITDA margin</i>	121.3%	25.8%	536.4%	-283.9%	94.4%	11.8%	-10.2%	24.2%	19.7%	11.6%
EBIT	7.45	9.18	39.92	-11.21	45.35	-2.41	-6.83	0.33	1.22	-7.69
<i>EBIT margin</i>	118.9%	102.5%	492.0%	-135.0%	143.3%	-30.4%	-119.2%	5.6%	19.9%	-30.0%
Net income	8.84	5.11	39.08	9.07	62.09	-17.28	-3.26	-8.88	-0.27	-29.69
<i>Net margin</i>	141.1%	57.0%	481.6%	109.2%	196.2%	-218.3%	-57.0%	-150.8%	-4.4%	-115.7%

in EURm	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	Q4/22E	2022E
Total turnover	6.05	6.70	6.44	7.53	26.72	8.52	11.58	12.33	14.37	46.80
<i>y-o-y change</i>	-23.5%	16.9%	9.4%	22.9%	4.1%	40.9%	72.8%	91.4%	90.8%	75.1%
EBITDA	1.62	3.38	2.86	6.65	14.51	2.91	7.83	5.21	3.73	19.68
<i>EBITDA margin</i>	26.8%	50.5%	44.4%	88.3%	54.3%	34.2%	67.6%	42.2%	26.0%	42.0%
EBIT	2.14	3.80	2.41	7.19	15.54	-1.26	18.00	4.75	6.20	27.68
<i>EBIT margin</i>	35.3%	56.7%	37.3%	95.5%	58.1%	-14.8%	155.4%	38.5%	43.1%	59.1%
Net income	-0.58	2.30	0.74	9.82	12.27	-4.39	17.61	0.14	2.09	15.45
<i>Net margin</i>	-9.6%	34.3%	11.4%	130.4%	45.9%	-51.5%	152.1%	1.2%	14.5%	33.0%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

In our view, Warimpex' gross CAPEX in 2022E-2024E will equal in total EUR 74.6m. Regarding working capital, we forecast that the cash conversion cycle will increase from -327 days in 2021 to 30 days in the long run.

Business description

Warimpex Finanz- und Beteiligungs AG, which is based in Vienna/Austria, is a real estate investor and developer with a focus on office buildings and hotels. To date, the company has developed real estate assets of more than EUR 2bn in various real estate projects in Austria, Germany, Poland, France, Russia, Czechia, Romania and Hungary. Apart from Vienna, Warimpex has offices in Budapest, Lodz, Cracow and St. Petersburg. For many years, it has successfully co-operated with international hotel groups such as InterContinental, Kempinski and Accor. Warimpex, which has 142 employees, has been listed on the Vienna and Warsaw Stock Exchange since 2007.

Company history

1959: Foundation of Warimpex Export-, Import- Transithandelswarengesellschaft m.b.H., an import/export and transit commodity trading company with a focus on Eastern Europe, by Mr Stefan Folian, grandfather of the current CFO Daniel Folian.

1979: Development of the first hotel in Budapest, which was sold three years later.

1982: Transformation of Warimpex Export-, Import- Transithandelswarengesellschaft m.b.H. into the joint stock company Warimpex Handels AG.

1986: Foundation of Warimpex Finanz- und Beteiligungs AG with a focus on real estate in Central and Eastern Europe under the leadership of Messrs Franz Jurkowitsch (the company's current CEO) and Georg Folian.

In the following years, the company rapidly expanded its real estate portfolio and developed numerous new projects, mainly five- and four-star hotels and office buildings.

By 1989, Warimpex successfully sold the following properties, among others: Jelenia Gora Hotel, Holiday Inn Hotel in Warsaw, and the Novotel in Budapest.

1994: Merger of Warimpex Handels AG and Warimpex Finanz- und Beteiligungs AG.

2007: Simultaneous listing on the stock exchanges in Vienna and Warsaw.

2009: Sale of 50% in the andel's Hotel in Cracow (was opened in 2007).

2011: Sale of the Radisson Blu Sobieski Hotel in Warsaw for EUR >50m (purchased in 2006).

2013: Sale of the LePalais Hotel in Prague (was opened in 2002).

2015: Sale of 50% in the andel's Hotel in Berlin (was bought in 2009) for EUR 52.5m, the angelo Hotel (opened in 2009) and the Hotel Liner (purchased in 2008) in Ekaterinburg.

2016: Sale of the angelo Hotel in Prague (was bought in 2006).

2017: Sale of a 50% stake in eight hotels for in total EUR 180m (Warimpex' share) incl. Diplomat Prague (opened in 1990), angelo Pilsen (opened in 2008), andel's Lodz (opened in 2009), andel's Cracow (opened in 2007), Chopin Cracow (acquired in 2006), angelo Katowice (opened in 2010), Amber Baltic Miedzyzdroje (opened in 1991) and the angelo Bucharest (bought in 2007).

2018: Warimpex Group starts to let out smaller office spaces.

Issuance of a bond worth EUR 9m with 2.79% interest rate that has been repaid since September 2021 at EUR 1.8m annually and will be fully repaid by September 2025E.

2019: Sale of the Dvořák Spa & Wellness in Karlovy Vary (was opened in 1990), as well as 50% in the French hotels Dream Castle (opened in 2004) and Magic Circus (purchased in 2007) for EUR 59m.

Acquisition of the greet hotel in Darmstadt, which since then has been renovated and reclassified into investment property.

2021: Warimpex receives the building permits for a project in the Polish city of Bialystok, which comprises three buildings with 33,400 sqm of office and 5,000 sqm of commercial space.

In November, the company starts the construction of the Mogilska 35 office building in Cracow with c. 12,000 sqm.

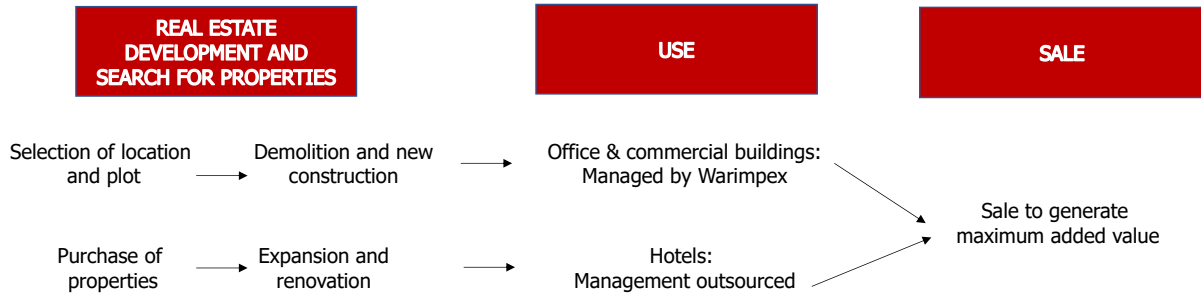
In December, the company acquires the remaining 48.8% stake in the Airportcity project in St. Petersburg and the remaining 55.98% stake in AO Micos, the owner of the Jupiter 1 & 2 office towers in this city.

2022: Warimpex receives the building permit for a new office building with 21,200 sqm next to the Chopin hotel in Cracow.

In June, the company sells the B52 building in Budapest, which it acquired in 2018, for EUR 12.8m and buys the Red Tower office building in Lodz for an undisclosed amount.

Completion of Avior Tower 1 with 16,900 sqm of lettable space in H2/22. It already has a 100% occupancy rate and has been contributing to the company's results from Q1/23.

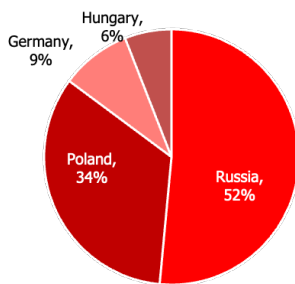
As the graph below shows, Warimpex develops own or acquired real estate, manages it and sells opportunistically. Thus, it generates the highest possible return on each property.



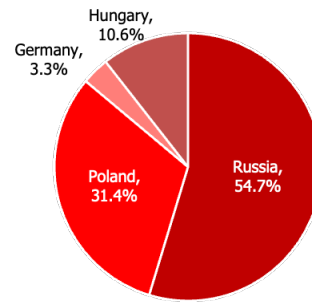
Source: Company information, East Value Research GmbH

Russia is still the most important market for Warimpex. However, the company’s subsidiaries there operate self-sufficiently and are only financed by local banks, which reduces the risk for Warimpex’ shareholders.

Structure of gross assets (H1 2022)



Structure of sales (2021)



Source: Company information, East Value Research GmbH

Latest information on Warimpex' properties

Country	City	Property	Ownership	Year of construction	Hotel rooms	Total lettable space (sqm)	Office	Retail	Other	Effective occupancy rate	Fair Value (EURm) as of 31/12/2021	Gross rental yield as of 31/12/2021
Poland	Cracow	Mogilska 43	100%	2019		13,173	11,344	1,565	264	98.0%		
Poland	Cracow	Mogilska 41	100%	1967		5,371	5,088		283	100.0%		
Poland	Lodz	Ogrodowa 8	100%	2018		29,902	24,931	3,491	1,480	88.0%		
Poland	Lodz	Piotrkowska Str. 148/150	100%	1978/2008		12,413	12,359		54			
Total						60,859	53,722	5,056	2,081	90.0%	120.74	6.64%
Russia	St. Petersburg	Zeppelin	100%	2015		15,481.0	12,537		2,944	100.0%		
Russia	St. Petersburg	Jupiter	100%	2012		16,807.0	16,807			100.0%		
Russia	St. Petersburg	Airportcity Car Park	100%	2017		4,700.0	2,200		2,500	100.0%		
Russia	St. Petersburg	Avior Tower	100%	2022		18,635	18,635			100.0%		
Total						55,623	50,179	2,944	2,500	100.0%	101.80	10.96%
Hungary	Budapest	Erzsébet	100%	1963/65		14,355	14,355			96.0%		
Total						14,355	14,355			97.0%	34.70	7.73%
Investment properties (total)						130,837	118,256	8,000	4,581	96.0%	257.24	8.50%
Russia	St. Petersburg	Airportcity Plaza	100%	2011	294							
Germany	Darmstadt	greet	100%	1988	330							
Hotels (total)						624					41.59	
Poland	Cracow	Mogilska 35	100%	2023		11,784	10,500	1,284				
Property under construction (total)						11,784	10,500	1,284			32.77	
Poland	Cracow	Chopin	100%	2024		20,606	18,015	2,591				
Poland	Cracow	Mogilska Phase IV	100%	2024		9,050	8,074	976				
Poland	Bialystok	Offices MC55	100%	2024		38,455	33,431	5,024				
Germany	Darmstadt	West Yard	100%	2024-2026		11,449	11,449					
Projects being implemented (total)						79,560	70,969	8,591			18.66	
Germany	Darmstadt	Construction field 2 & 3	100%									
Poland	Cracow	Mogilska Reserve	100%									
Russia	St. Petersburg	Startovaya land plot	100%									
Russia	St. Petersburg	Avior land plot	100%									
Poland	Warsaw	various	100%									
Hungary	Budapest	Hungaria körút	100%									
Property reserves (total)											15.36	
Total (EURm)											365.62	

Source: Company information, East Value Research GmbH

In 2022, Warimpex acquired the Red Tower in Lodz and finished the construction of Avior Tower in St. Petersburg.

Below is a detailed description of Warimpex' hotels and office buildings:

Hotels

Warimpex' currently fully owns two hotels – the Crowne Plaza in St. Petersburg and the greet in Darmstadt – and is shareholder of two others: Kempinski in Vienna (9.88% share) and the InterContinental Hotel in Warsaw (50% share, operating lease). All four have in total 831 beds (adj. for the proportionate share of ownership).

Airportcity Plaza St. Petersburg (100% owned)



294 rooms, Spa & fitness centre

Conference centre (1,130 sqm)

Close to Pulkovo superhighway and Pulkovo Airport

InterContinental Hotel Warsaw (50% owned)



Tallest 5-star hotel in Poland with 414 rooms, suites and luxury apartments

Located in Warsaw's financial district

14 conference rooms with a total area of >1,340 sqm

50% were sold in 2012 and leased back

greet Hotel Darmstadt (100% owned)



Close to the central railway station, universities as well as several renowned companies

330 rooms & suites, 26 meeting rooms with 2,000 sqm

5,000 sqm private garden space

Renovated and refurbished in 2020/2021

Hotel Kempinski Palais Hansen (9.88% owned)



Located in Vienna's historic city centre

152 rooms and suites, 800 sqm wellness & spa area, 820 sqm conference rooms & ballroom

Sushi bar "Daihachi", 2 restaurants, "Wintergarten" and "Edvard"

Warimpex has a JV together with Vienna Insurance Group and UBM Development.

Investment properties

Warimpex currently owns nine office & commercial buildings.

Erzsebet office towers incl. car park in Budapest (100% owned)



Office complex consisting of two separate office buildings with 14,355 sqm and 157 parking spaces

Close to the intersection Hungária krt. and the M3 highway

Airportcity Business Tower Zeppelin in St. Petersburg (100% owned)



Class A business tower, 1.5 km from the Pulkovo Airport

Total gross building area of 15,481 sqm

LEED Gold Certificate

Airportcity Business Towers Jupiter 1 & 2 in St. Petersburg (100% owned)



Class A business towers with a total gross area of >16,800 sqm

Close to the Pulkovo superhighway and the international airport

Parking spaces

Airportcity Avior Tower 1 in St. Petersburg (100% owned)



Class A business towers with a total gross area of 18,635 sqm

1.5 km from Pulkovo airport

Canteen & car park

Mogilska 41 in Cracow (100% owned)



Prime location in the commercial district of Cracow

Direct connection to public transportation at Rondo Mogilskie

Class B office

12 floors above ground and 5,088 sqm leasable office space

Mogilska 43 in Cracow (100% owned)



11,344 sqm leasable office space, 1,565 sqm leasable retail space

Class A office

2 underground levels with 203 parking spaces

Prime location in the business district of Cracow

Ogrodowa Office in Lodz (100% owned)



Class A office

24,931 sqm leasable office space and 3,491 sqm leasable retail space

Underground car park with 286 parking spaces

Direct connection to public transportation

Red Tower Office in Lodz (100% owned)



>12,000 sqm net lease area of the building

central location, 15 min from Lodz Airport

Management

Franz Jurkowitsch (CEO and co-founder): Mr Franz Jurkowitsch co-founded Warimpex and has been its CEO since 1986. In the company, he is responsible for strategy and corporate communication.

Daniel Folian (Deputy CEO & CFO): Mr Daniel Folian has been Warimpex's Deputy CEO and CFO since 2018. His responsibilities include finance and accounting, investor relations and financial management. His father, Mr Georg Folian, co-founded Warimpex Finanz- und Beteiligungs AG together with Mr Jurkowitsch.

Alexander Jurkowitsch (Member of the Management Board): Mr Alexander Jurkowitsch has been Member of the Management Board since 2006. He is in charge of planning, construction, IT and information management.

Florian Petrowsky (Member of the Management Board): Mr Florian Petrowsky has been Member of the Management Board of Warimpex since 2014. His areas of responsibility include transaction management, organization, human resources, and legal issues.

Market environment

Macroeconomic environment in Warimpex' markets

In 2022, apart from Russia all countries, where Warimpex operates, exhibited positive GDP growth. At 4.9%, the economies grew particularly strongly in Poland and Hungary, which however also stemmed from a decline of economic activity during the pandemic years 2020-2021. In 2023E-2024E, all Warimpex' local markets, which are part of the EU, will likely report positive GDP growth figures. Due to the war in Ukraine and the Western sanctions Russia's economy will likely also decline in 2023E. Only in 2024E, it is expected to grow again, which however will also depend on a quick end of the war.

Country	GDP growth			Inflation rate			Reference interest rate	
	2022	2023E	2024E	2022	2023E	2024E	Currently	2021
Austria	4.8%	0.5%	1.4%	8.6%	6.6%	3.6%	3.5%	0.0%
Germany	1.8%	0.2%	1.3%	6.9%	6.3%	2.4%	3.5%	0.0%
Poland	4.9%	0.9%	2.1%	13.2%	11.9%	5.7%	6.8%	0.1%
Hungary	4.9%	0.6%	2.6%	15.3%	16.4%	4.0%	13.0%	3.0%
Russia	-2.9%	-0.9%	2.6%	11.9%	5-7%	4.0%	7.5%	9.5%

Source: Eurostat, Russian Central Bank, Russian Economic Ministry, East Value Research GmbH

Due to the Russia-Ukraine conflict, high energy prices and supply chain issues after the COVID-19 pandemic inflation rates in Warimpex' markets will also remain at elevated levels in 2023E. In the former communist European countries such as Poland and Hungary, they are generally higher than in Western Europe. In Russia, inflation is expected to be lower than in CEE in 2023E-2024E. The strong price increases have forced central banks in Europe to increase reference rates significantly since the beginning of 2022, which has made debt e.g. for financing real estate transactions much more expensive. They will likely only start to lower interest rates in the second half of this year.

Current situation and trends in the European commercial real estate market

The information in this paragraph stems from the following sources: BNP Paribas, CBRE, JLL, Savills, Cushman & Wakefield, EHL and NF Group.

In 2022, the European commercial real estate market reached a volume of EUR 305.2bn and thus declined by 18% y-o-y. The main reason were rising financing costs. The best performing asset class were retail properties with a volume increase of 20% y-o-y to EUR 43.2bn. While the transaction volume in the office segment declined by 15% y-o-y to EUR 96.1bn, the weakest demand was recorded in the residential property market (-46% to EUR 59.7bn). However, due to price reductions and a slowdown of inflation there could be a substantial recovery of transaction volumes already in 2023E.

A major trend in the real estate sector is ESG. Nowadays, an ESG audit of properties is an important part of the purchase process. In the recent past, the EU has enforced a transparency directive, which obliges real estate companies to issue information on the share of sustainable activities in investments, business expenses and sales. The following shows the different technical evaluation criteria, which must be fulfilled according to the EU taxonomy:

1. *New buildings (build after 2021):*

- The primary energy consumption must be 10% below the national requirements for low-energy buildings.
- Airtightness testing and thermography for buildings with a usable floor area of more than 5,000 sqm per usable unit.
- Deviations from planning or deficiencies in this area must be communicated to investors and clients. This also applies to the greenhouse potential of the buildings upon request.

2. *Redevelopment and fundamental renovation:*

- Refurbishments must achieve energy savings of min. 30% or be in line with the national implementation of the EU Buildings Directive.

3. *Specific individual measures:*

- Taxonomy-compliant measures incl. photovoltaic systems, wind turbines, improvement of external insulation or charging stations for electric vehicles.

4. *Acquisition and ownership:*

- Buildings constructed by the end of 2020 must have a Class A EPC rating. Otherwise, a property must belong to the best 15% of a country or region in terms of primary energy consumption. In addition, large non-residential buildings may be subject to testing and documentation requirements for heating, ventilation and air-conditioning systems.

The local real estate markets in Austria, Germany, Poland, Hungary and Russia

In 2022, the transaction volume in the Austrian real estate sector equalled EUR 4bn, thus c. 12% less than in the previous year. The residential and office segments performed the weakest. However, the prime office yields increased and reached 3.5% compared to 3.2% in 2021.

In Germany, the commercial real estate market reached a volume of EUR 54.1bn in 2022 after EUR 64.1bn in the previous year. Office buildings accounted for 41% or EUR 22.3bn, while logistics (19% share, EUR 10.1bn volume) and retail (17%, EUR 9.4bn) came in 2nd and 3rd. Like in Austria, prime yields increased y-o-y. In Berlin, they equalled 3.2% (2021: 2.4%), in Munich 3.2% (2.5%) and in Düsseldorf 3.4% (2.75%).

Against the European trend, in Poland the transaction volume in the commercial real estate market grew by c. 2% y-o-y to a value of EUR 5.9bn, after EUR 5.7bn in 2021. The highest share of 36% had office buildings (EUR 2.1bn compared to EUR 1.7bn), followed by industrial and logistics properties (34%, EUR 2bn). The transaction volume in retail properties rose to EUR 1.5bn (2021: EUR 898m, 26% share). While prime office yields equalled 5.25% (2021: 4.5%), retail yields amounted to 6.25% (5.75%). In regional cities, Lublin is the cheapest location when it comes to office rents and Cracow & Wroclaw the most expensive.

At the end of 2022, the total modern retail stock in Poland amounted to 13.3m sqm of GLA and further 330,000 sqm were under construction. The country's shopping centre density is higher than the European average, but still below the average for Western Europe.

In Hungary, the value of the commercial real estate market equalled EUR 1.4bn in 2022 and was thus 18% higher y-o-y. This is fully attributable to the acquisition by S Immo of office properties owned by Immofinanz and the CPI Property Group. With a volume of EUR 836m (61%), office buildings had the highest share, followed by retail (23%, EUR 318m) and logistics properties (9%, EUR 129m). The prime yields for office properties went up from 5.25% in 2021 to 6.0% and for shopping centers and retail parks equalled 5.75% and 6.5% respectively.

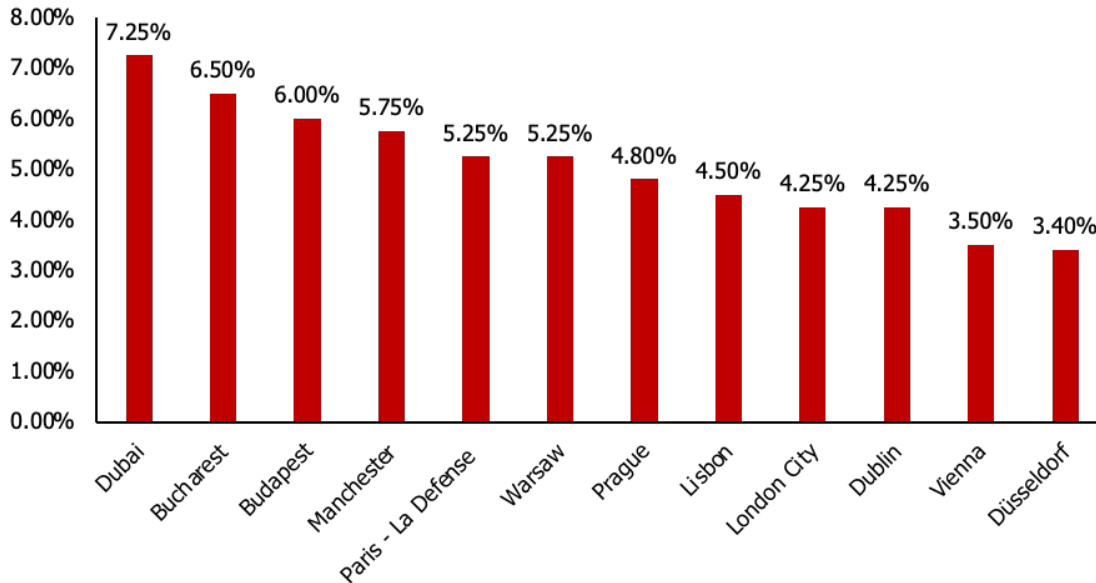
In CEE, the office delivery pipeline currently remains significant, with over 1.1m sqm under construction in the capitals, thereof 29% in Budapest. In the recent past, the office sector has been the most significant contributor to transaction volumes e.g. due to the acquisition of CA Immo's portfolio in Romania and Google's acquisition of The Warsaw Hub in Poland. Increases in construction and fit-out costs have lifted headline office rents in the recent past, and the trend is expected to continue in 2023E.

In the area of hotels, the transaction volume in CEE reached EUR 409m in 2022, which is still 70% below the pre-pandemic 2019. The reasons were the war in Ukraine, rising energy costs & interest rates, the lack of qualified labor, and overall recession concerns. Despite an inflow of refugees from Ukraine and a robust increase in average room prices per day, hotel occupancy rates were lower than in 2019. In Vienna, net revenues from overnight stays rose by c. 190% to EUR 884m, compared to EUR 305m in 2021, and hotel bed occupancy reached almost 46.5% (2021: c. 24%).

In Russia, investments in commercial real estate reached an all-time high in 2022 and amounted to RUB 487.2bn (USD 6.9bn). The reason was the sale of assets of foreign companies that left the market to local investors. Compared to 2021, the increase of transaction volume equalled 21% y-o-y, whereby at 3.3% the share of foreign capital was the smallest ever. With 22%, offices had the highest share in transaction volume, followed by warehouses/industrial real estate (17%) and retail property (8%). Moscow accounted for 69% of the total and St. Petersburg ranked second (22%). Historically, the transaction volume in the Russian commercial real estate market has equalled max. RUB 300bn (USD 4.3bn) per year.

According to data of EuropaProperty.com from Q4/22 (see chart below), the Eastern European EU member states are among the most attractive markets in the EME region for investors in office buildings.

Prime office yields in major EME cities



Source: EuropeProperty.com, JLL, East Value Research GmbH

Office markets in selected cities in Germany, Austria and CEE

City	Office stock	Vacancy rate	Headline rent (EUR/sqm/monh)
Warsaw	6,343,000	12.1%	EUR 22-26
Szczecin	186,000	3.9%	EUR 12.75-13.30
Poznan	620,400	11.2%	EUR 13.50-15
Wroclaw	1,320,000	15.6%	EUR 13.50-15.50
Lodz	629,600	22.0%	EUR 12.50-13.50
Krakow	1,651,700	15.4%	EUR 14-15
Katowice	716,600	16.9%	EUR 13.50-15
Lublin	222,000	15.5%	EUR 11.50-12.50
Tricity	1,011,000	13.5%	EUR 13.50-14.25
Prague	3,800,000	7.70%	EUR 27
Budapest	4,176,000	11.30%	EUR 24
St. Petersburg	3,942,000	6.9% (class A), 9% (class B)	EUR 27.60 (class A), EUR 18.60 (class B)
Vienna	13,000,000	4.10%	Up to EUR 26
Darmstadt	1,600,000	4.10%	EUR 13.40

Source: EuropeProperty.com, CBRE, Cushman & Wakefield, kf.expert, dzhyp.de,

Profit and loss statement

in EURm	2019	2020	2021	2022E	2023E	2024E
Total revenues	31.64	25.66	26.72	46.80	51.47	54.69
Directly-attributable expenses	-14.17	-11.29	-10.60	-16.85	-18.01	-18.60
Gross profit	17.47	14.37	16.12	29.95	33.45	36.10
Other operating income	0.48	0.42	6.49	1.90	1.92	1.94
Gains/losses from the disposal of properties	28.93	0.00	0.00	2.82	0.00	0.00
Administrative expenses	-13.64	-8.67	-7.32	-11.70	-12.87	-13.67
Other operating expenses	-3.39	-3.14	-0.78	-3.30	-0.38	-0.19
EBITDA	29.86	2.98	14.51	19.68	22.13	24.18
Depreciation, amortization & remeasurement	15.49	-10.67	1.03	8.00	5.00	5.00
EBIT	45.35	-7.69	15.54	27.68	27.13	29.18
Net financial results	25.76	-21.43	-0.61	-7.30	-7.00	-6.70
EBT	71.10	-29.11	14.92	20.38	20.13	22.48
Income taxes	-3.98	-2.01	-2.94	-4.89	-4.83	-5.39
Minority interests	-5.03	1.43	0.29	-0.04	-0.04	-0.04
Net income / loss	62.09	-29.69	12.27	15.45	15.26	17.04
EPS	1.16	-0.57	0.24	0.29	0.28	0.32
DPS	0.14	0.00	0.00	0.00	0.00	0.00
Share in total sales						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Directly-attributable expenses	-44.78 %	-43.99 %	-39.66 %	-36.00 %	-35.00 %	-34.00 %
Gross profit	55.22 %	56.01 %	60.34 %	64.00 %	65.00 %	66.00 %
Other operating income	1.52 %	1.65 %	24.29 %	4.06 %	3.73 %	3.54 %
Gains/losses from the disposal of properties	91.44 %	0.00 %	0.00 %	6.03 %	0.00 %	0.00 %
Other operating expenses	-10.70 %	-12.25 %	-2.92 %	-7.04 %	-0.73 %	-0.34 %
EBITDA	94.36 %	11.61 %	54.31 %	42.05 %	43.00 %	44.20 %
Depreciation, amortization & remeasurement	48.95 %	-41.57 %	3.84 %	17.09 %	9.71 %	9.14 %
EBIT	143.32 %	-29.96 %	58.15 %	59.14 %	52.71 %	53.35 %
Net financial results	81.40 %	-83.50 %	-2.29 %	-15.60 %	-13.60 %	-12.25 %
EBT	224.72 %	-113.46 %	55.85 %	43.54 %	39.11 %	41.10 %
Income taxes	-12.57 %	-7.82 %	-11.02 %	-10.45 %	-9.39 %	-9.86 %
Minority interests	-15.91 %	5.57 %	1.10 %	-0.09 %	-0.08 %	-0.07 %
Net income / loss	196.24 %	-115.71 %	45.94 %	33.01 %	29.65 %	31.16 %

Balance sheet

in EURm	2019	2020	2021	2022E	2023E	2024E
Cash and cash equivalents	7.52	8.93	11.19	6.78	7.56	9.86
Inventories	0.13	0.15	0.14	0.22	0.24	0.24
Trade accounts and notes receivables	3.86	3.45	5.67	5.60	6.16	6.54
Assets-held-for-sales	0.00	0.00	0.00	0.00	0.00	0.00
Current assets	11.51	12.53	17.00	12.60	13.95	16.65
Property, plant and equipment	38.88	33.88	36.59	46.00	46.05	46.10
Other intangible assets	0.11	0.08	0.08	0.06	0.16	0.26
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Investment property	272.46	251.34	324.60	403.00	407.03	411.10
Joint ventures	10.67	5.08	0.42	0.42	0.42	0.43
Financial assets measured at FV	6.24	5.63	5.50	5.56	5.61	5.67
Derivative financial instruments	0.00	0.00	0.40	0.30	0.30	0.31
Other long-term assets	12.22	11.16	2.35	2.30	2.32	2.35
Deferred tax assets	4.48	0.98	1.19	0.00	0.00	0.00
Non-current assets	345.05	308.13	371.11	457.63	461.90	466.21
Total assets	356.56	320.67	388.12	470.24	475.85	482.86
Trade payables	10.18	8.88	11.89	9.00	8.71	8.05
Short-term financial debt	16.08	16.65	29.36	28.00	26.00	24.00
Income tax liabilities	0.05	0.01	0.29	0.48	0.49	0.49
Provisions	0.76	2.24	2.94	0.75	0.83	0.88
Deferred revenues	0.21	0.23	0.10	0.02	0.02	0.02
Liabilities associated with assets-held-for-sale	0.00	0.00	0.00	0.00	0.00	0.00
Current liabilities	27.28	28.02	44.58	38.26	36.05	33.44
Long-term financial debt	146.02	161.79	196.77	265.00	260.00	255.00
Other long-term liabilities	7.78	6.73	7.27	9.00	8.50	8.00
Deferred revenues	2.75	1.96	0.06	0.06	0.07	0.07
Pension provisions	4.72	4.70	2.75	2.60	2.63	2.65
Deferred tax liabilities	10.94	8.68	11.96	15.11	13.11	11.11
Long-term liabilities	172.21	183.86	218.82	291.77	284.30	276.83
Total liabilities	199.49	211.87	263.40	330.03	320.35	310.27
Shareholders equity	158.43	110.62	124.61	140.06	155.32	172.36
Minority interests	-1.36	-1.83	0.11	0.15	0.19	0.23
Total liabilities and equity	356.56	320.67	388.12	470.24	475.85	482.86

Cash Flow Statement

in EURm	2019	2020	2021	2022E	2023E	2024E
Net income / loss	62.09	-29.69	12.27	15.45	15.26	17.04
Depreciation, amortization & remeasurement	-15.49	10.67	-1.03	-8.00	-5.00	-5.00
Change of working capital	0.00	0.00	0.00	-2.78	-0.86	-1.05
Others	-46.65	21.49	-6.27	-4.34	2.00	2.00
Net operating cash flow	-0.04	2.47	4.98	0.32	11.40	12.99
Cash flow from investing	-11.60	-11.34	-17.58	-78.43	1.97	1.84
Free cash flow	-11.64	-8.87	-12.61	-78.10	13.38	14.84
Cash flow from financing	9.72	11.46	14.52	73.69	-12.60	-12.53
Change of cash	-1.29	1.41	2.26	-4.41	0.78	2.30
Cash at the beginning of the period	8.81	7.52	8.93	11.19	6.78	7.56
Cash at the end of the period	7.52	8.93	11.19	6.78	7.56	9.86

Financial ratios

Fiscal year	2019	2020	2021	2022E	2023E	2024E
Profitability and balance sheet quality						
Gross margin	55.22%	56.01%	60.34%	64.00%	65.00%	66.00%
EBITDA margin	94.36%	11.61%	54.31%	42.05%	43.00%	44.20%
EBIT margin	143.32%	-29.96%	58.15%	59.14%	52.71%	53.35%
Net margin	196.24%	-115.71%	45.94%	33.01%	29.65%	31.16%
Return on equity (ROE)	46.11%	-22.07%	10.44%	11.67%	10.33%	10.40%
Return on assets (ROA)	10.19%	-2.58%	3.32%	4.84%	4.68%	4.92%
Return on capital employed (ROCE)	13.00%	-2.81%	3.63%	4.87%	4.69%	4.93%
Economic Value Added (in EURm)	24.17	-24.78	-6.97	-3.42	-4.27	-3.26
Net debt (in EURm)	159.30	174.21	217.70	288.82	281.07	271.79
Net gearing	100.55%	157.49%	174.70%	206.21%	180.96%	157.69%
Loan-to-Value (LTV)	50.34%	61.47%	62.54%	65.20%	63.06%	60.97%
Equity ratio	44.43%	34.50%	32.11%	29.78%	32.64%	35.70%
Current ratio	0.42	0.45	0.38	0.33	0.39	0.50
Quick ratio	0.42	0.44	0.38	0.32	0.38	0.49
Net interest cover	-1.76	-0.36	25.35	3.79	3.88	4.35
Net debt/EBITDA	5.34	58.48	15.00	14.68	12.70	11.24
Tangible BVPS	2.93	2.05	2.31	2.59	2.88	3.19
Capex/Sales	-194.52%	86.29%	-231.55%	-167.59%	3.84%	3.37%
Working capital/Sales	-29.08%	-29.14%	-24.45%	-8.01%	-5.62%	-3.37%
Cash Conversion Cycle (in days)	-214	-233	-327	-147	-128	-110
Trading multiples						
P/NAV	0.22	0.32	0.29	0.25	0.23	0.21
P/E	0.57	-1.16	2.75	2.31	2.34	2.09
P/FCF	-3.06	-4.02	-2.83	-0.46	2.66	2.40

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