

Aroundtown SA

Germany / Real Estate
 Frankfurt Stock Exchange
 Bloomberg: AT1 GR
 ISIN: LU1673108939

2023 results

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 3.40

80.8%
 Medium

SECTOR HEADWINDS BEGINNING TO EASE

LFL rental growth of 3.2% led good operational performance in 2023. Management guide for ~1% to 2% LFL this year spurred by: (1) strong residential market dynamics; (2) further office CPI-indexation offsetting rising vacancies; and (3) a full recovery of the hotel portfolio. As anticipated, FFO 1 took another hit in Q4 (-13%) due to higher financing costs and perpetual note attribution. Cash and liquid assets tallied €3bn and cover debt maturities until mid-2026. Meanwhile, AT launched an exchange offer with a 15% tender option to certain perpetual note holders. Good participation would help restore the notes' equity component and could boost FFO 1 on reduced coupon payments. The landlord looks well positioned to handle the still challenging property sector with its disciplined liquidity management approach. We remain Buy-rated on AT with a €3.4 target price (old: €3.3).

Conference call takeaways The formula for riding out the sector storm remained much the same in the October-to-December period. Operations are a bright spot with LFL rental growth topping 3.2% on good contributions from the residential (3.4%) and office assets (3.3%). But still tricky capital market themes again commanded significant airtime on the earnings call. Management hinted that the bond market may be warming up though, and we reckon the Fed's latest dovish comments are reason to stoke rate cut optimism. However, AT prefers to brace for a prolonged high-rate scenario and continues to husband cash. Consequently, the dividend was shuttered for the second year in a row. The landlord's liquid assets together with expected disposal and vendor loan proceeds now tally €3.9bn (Q3: €3.7bn) covering debt maturities to mid-2026. But larger debt expiries are lurking in H2/26 to YE28.

Looking ahead Management set the 2024 FFO 1 guide at €280m to €310m which equates to a 16% to 7% Y/Y decline. We have recalibrated 2024 FBe above the low end (overleaf). Much this year will hinge on the still mostly idling transaction market, which continues to be gated by elevated. . . (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Rental income (€m)	1,003.0	1,085.7	1,222.1	1,192.8	1,198.8	1,218.7
Y/Y growth	31.0%	8.2%	12.6%	-2.4%	0.5%	1.7%
Adj. EBITDA (€m)	944.1	974.9	1,002.3	1,002.9	1,017.2	1,043.5
Net income (€m)	1,709.1	906.4	1,078.1	-457.1	-2,426.4	186.7
EPRA NTA (€m)	11,186.9	11,564.0	10,122.0	8,058.7	7,986.0	8,410.7
EPRA NTAPS (€)	9.5	10.2	9.3	7.4	7.3	7.7
DPS (€)	0.22	0.23	0.00	0.00	0.19	0.18
FFO 1* (€m)	357.8	353.2	362.5	330.6	287.1	273.0
FFOPS 1* (€)	0.27	0.30	0.33	0.30	0.26	0.24
Liquid assets (€m)	3,287.1	3,276.6	2,756.2	3,026.0	3,646.4	2,536.2

RISKS

Risks include, but are not limited to, unfavourable interest rate developments, unfavourable macroeconomic developments, and the departure of key personnel.

COMPANY PROFILE

Aroundtown SA is a specialist real estate company focused on investing in and managing value-add properties primarily located in the German/ Netherlands real estate markets.

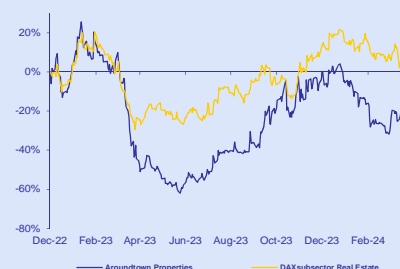
MARKET DATA

As of 03 Apr 2024

Closing Price	€ 1.88
Shares outstanding	1537.02m
Market Capitalisation	€ 2,890.37m
52-week Range	€ 0.90 / 2.48
Avg. Volume (12 Months)	7,173,798

Multiples	2023	2024E	2025E
P/FFO 1	6.2	7.3	7.7
P/NTA	3.0	4.0	5.0
FFO 1 Yield	16.1%	13.6%	13.0%
Div. Yield	0.0%	10.2%	9.7%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2023

Liquid Assets	€ 3,025.8m
Current Assets	€ 4,691.8m
EPRA NTA	€ 8,058.7m
Investment Properties	€ 24,632.4m
Current Liabilities	€ 1,539.4m
Total Equity	€ 15,149.7m

SHAREHOLDERS

Treasury shares*	29.0%
Avisco Group / Vergoport	15.0%
Stumpf Capital	10.0%
Free Float	46.0%



. . . rates and is hurting property valuations as well as deal flow. The upshot: the worst of the sector downturn may be over, but there is still work to be done.

Portfolio update The office market continues to be hampered by occupier reluctance to expand footprints in the still uncertain macro environment, but AT inked 130k m² in new lettings last year, while another 200k m² of workspace was prolonged.

Meanwhile, the hotel portfolio continues to rebound, and rent collections are expected to return to pre-pandemic levels in 2024, meaning we have likely seen the last provisions for unpaid rents. Hotel rental income will also get a boost from several hotels set to re-open once refurbishments are wrapped up.

Finally, resi remains characterised by low supply vs high demand, and a mere 250k new flats are expected to hit the market this year. With new build currently halted by eye-watering construction costs, market watchers expect Germany's flat shortage to swell to 750k units in 2025 (now: 550k). Compounding the issue, the high rate environment and tight supply also mean that renters are far more reluctant to move out of their flats. The residential portfolio vacancy remained at a record low of 3.6% at YE23. These factors should prod resi LFL growth towards 3% this year.

Q4 REPORTING HIGHLIGHTS

Net rental income like-for-like (LFL) was +3.2%—in-place rent +3.6%; occupancy minus 0.4%—at the end of the year. The residential segment led LFL performance at +3.4% followed by office at +3.3%. Office continued to benefit in Q4 from CPI-indexation as well as step-up rent adjustments, whereas the residential supply and demand imbalance kept resi vacancies at a historical low of 3.6% (YE22: 4.0%; YE21: 5.2%) and provides good operational tailwinds.

Table 1: Fourth quarter results vs FBe and prior year comp

All figures in EURm	Q4/23	Q4/23E	variance	Q4/22	variance	2023	2022	variance
Net rental income	298	304	-2%	306	-2%	1,193	1,222	-2%
AEBITDA before JV contribution	241	227	6%	225	7%	946	944	0%
Margin	81%	79%	-	74%	-	79%	77%	-
AEBITDA	255	260	-2%	244	4%	1,003	1,002	0%
FFO 1 before JV contribution	68	62	10%	87	-22%	318	392	-19%
Margin	23%	20%	-	29%	-	27%	32%	-
FFO 1	77	67	15%	88	-13%	332	363	-8%
FFOPS 1 (€)	0.07	0.06	15%	0.08	-8%	0.30	0.33	-7%

Source: First Berlin Equity Research; Aroundtown

Fourth quarter FFO 1 better than expected AT closed some €1.2bn in property disposals in 2023, which somewhat offset the good LFL performance. The net effects led to a 2% decline in Q4 rental income (NRI), while AEBITDA was also steady on the prior year (+4%), thanks to lower operating expenses. As expected, bottom line FFO 1 was down 13% Y/Y. The latter is occasioned by the higher financing costs and perpetual note attributions after management decided not to call the 2023 notes (overleaf). But the KPI beat our number on the better operating performance ('AEBITDA before JV contribution') and higher 'contribution of JV's FFO 1' line item.

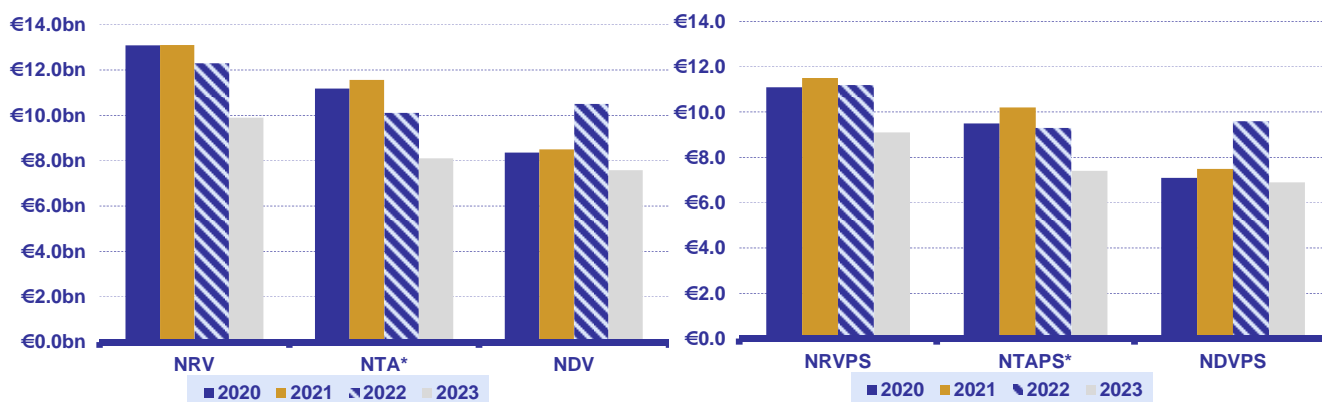


On a full year basis, headline KPIs performed similar to Q4 figures, although FFO 1 took a smaller hit (-8%) over the full year, owing to the timing of the perpetual note resets and rise in financing costs. FFO 2 tallied €449m in 2023 vs €714m in the prior year. Properties were sold at a mean 3% discount to BV resulting in a capital loss of roughly €43m.

Portfolio value down 4% Q/Q As of YE23, the portfolio averaged €2,421 / m² at a net rental yield of 5%. Q4 in-place rent stood at €10.7 / m² vs €10.7 / m² at the end of Q3 and €10.3 / m² at YE22, while the portfolio vacancy rate was 7.9% vs 7.6% at the end of 2022. Annualised net rent tallied €1,142m at the end of the reporting period compared to €1,151m at YE22.

Net asset value KPIs lower on lower property valuations As expected, the landlord booked further devaluations in Q4 (€1.3bn). Aroundtown had the entire portfolio reassessed for the second time in the October-to-December period to capture the most up-to-date discount and cap rates for 2023 reporting. Good operational growth, particularly in the residential portfolio spurred by market fundamentals i.e. the systemic supply-demand imbalance in key German metropolitan hubs and London, was unable to fully compensate for yield expansion. Management cautioned there could be further yield expansion in this year but at a lesser magnitude than witnessed in 2023. We have factored €-600m in revaluations into 2024 FBE.

Figure 1: EPRA BPR reporting



*Reclassified in Dec. 2022 to exclude real estate transfer tax (RETT)

Source: First Berlin Equity Research; Aroundtown

Equity took a hit on the decrease in valuations. NTAPS consequently declined to €7.4 (YE22: €9.3) on the impact of the aforementioned negative revaluations and the €-2.4bn net income recorded over the course of 2023. We also note that the company still has comfortable covenant headroom, meaning only a total asset value loss would breach the 'net debt / net assets' covenant.

**Table 2: Financial highlights**

All figures in EURm	2023	2022	variance
Cash and liquid assets*	3,026	2,719	11%
Investment property	24,632	27,981	-12%
Total assets	33,559	37,347	-10%
Total financial debt*	14,242	14,806	-4%
Total equity	15,150	17,823	-15%
Equity ratio	45%	48%	-
EPRA NTA	8,059	10,135	-20%
Unencumbered asset ratio	74%	82%	-
Loan-to-Value (LTV)	43%	40%	-
* inc. those under held for sale			

Source: First Berlin Equity Research; Aroundtown

The LTV clambered 300 basis points Y/Y to 43% but remains below the targeted 45% level set by AT brass. The net debt / EBITDA and interest coverage (ICR) ratios stood at 11.1x and 4.2x respectively at the end of Q4 vs 11.9x and 5.2x last year.

The €3.9bn liquidity runway now covers maturing debts through H1/26 after 2023 net debt reductions of €0.9bn (€1.5bn since June 2022). The company repurchased €1.3bn in bonds last year at a high discount and will continue to pursue this course in 2024, while the capital markets run the rate gamut.

AT has secured €1bn in bank debt last year at a 1.4% margin over Euribor. Management mentioned that the landlord could technically fully swap out its unsecured debt with bank loans if necessary, and the company still has ~€17.9bn in unencumbered assets in its financial tool pouch to work with.

Movement on the perpetual note front Aroundtown and Grand City launched exchange offers with 15% tender options to holders of several perpetual notes (table 4). The aim is to restore and maintain the equity content according to S&P guidelines. The new notes are expected to be rated BBB- by S&P Global Ratings Europe Ltd. Plus, the offers could result in a boost to FFO 1 on coupon savings with good note holder participation.

Table 3: Overview of exchange offers

Currency	Outstanding Volume (m)	Current status			Exchange offer terms	
		Coupon (%)	Reset Rate (%)	1st call / next reset* dates	Coupon (%)	Years until reset date
EUR (AT)*	369	7.078	4.625 + 5Y mid-Sw ap	20-Jan-2028	7.125	6.00
EUR (AT)	600	3.375	3.980 + 5Y mid-Sw ap	23-Sep-2024	7.125	6.00
EUR (AT)*	400	4.542	2.250 + 5Y mid-Sw ap	17-Jan-2029	5.000	5.25
EUR (AT)	500	2.875	3.460 + 5Y mid-Sw ap	12-Jan-2025	5.000	5.25
EUR (AT)	500	2.875	3.460 + 5Y mid-Sw ap	12-Jan-2025	7.125	6.00
EUR (GCP)*	200	6.332	3.887 + 5Y mid-Sw ap	22-Jan-2028	6.125	6.00
EUR (GCP)*	350	5.901	2.682 + 5Y mid-Sw ap	24-Oct-2028	6.125	6.00
* notes which were not called; otherwise notes that have yet to reach 1st call dates						

Source: First Berlin Equity Research; Aroundtown

The offer comes on the heels of management comments that the capital markets are beginning to warm. The offers are subject to minimum size hurdles—€200m each for the two AT offers and €150m for the GCP offer—and the one week offer period commenced on 2 April.



The 25 June 2024 perpetual notes were not targeted in the offer, due to their Fx complexity, and we have factored their reset into our model. The full effect of the reset will be a nearly €24m increase in coupon payments on an annualised basis.

Table 4: Perpetual notes not called

Currency	Outstanding Volume (m)	Current Coupon (%)	Reset rate (%)*	Next Reset Date
EUR (AT)	369	7.078	4.625 + 5Y mid-Sw ap	20-Jan-2028
USD (AT)	642	7.747	3.796 + 5Y mid-Sw ap	21-Jul-2028
EUR (GCP)	200	6.332	3.887 + 5Y mid-Sw ap	22-Jan-2028
EUR (GCP)	350	5.901	2.682 + 5Y mid-Sw ap	24-Oct-2028
EUR (AT)	400	4.542	2.250 + 5Y mid-Sw ap	17-Jan-2029

Source: First Berlin Equity Research; Aroundtown

Table 5: Overview of perpetual notes that have not reached their first call date

Currency	Outstanding Volume (m)	Current Coupon (%)	Reset Rate (%)	First Call Date
GBP (AT)	400	3.000	4.377 + 5Y mid-Sw ap	25-Jun-2024
EUR (AT)	600	3.375	3.980 + 5Y mid-Sw ap	23-Sep-2024
EUR (AT)	500	2.875	3.460 + 5Y mid-Sw ap	12-Jan-2025
EUR (GCP)	700	1.500	2.184 + 5Y mid-Sw ap	09-Jun-2026
EUR (AT)	600	1.625	2.419 + 5Y mid-Sw ap	15-Jul-2026

Source: First Berlin Equity Research; Aroundtown

**Table 6: Initial 2024 guidance**

	Unit	2024 Guidance	FBe 2024	2023A
FFO 1	€m	280 -310	287	332
FFOPS 1	€	0.26 -0.28	0.26	0.30

Source: First Berlin Equity Research; Aroundtown

Table 7: Changes to FBe and TP

	old	new	revision	upside	dividend yield	total upside
Target price (€)	3.3	3.4	2%	81%	10%	91%
	2024E			2025E		
in €m	Old	New	variance	Old	New	variance
Net rent (NRI)	1,212	1,199	-1.1%	1,244	1,219	-2.0%
AEBITDA	1,049	1,017	-3.0%	1,103	1,043	-5.4%
margin	87%	85%	-	89%	86%	-
FFO 1	331	287	-13.3%	288	273	-5.3%
Margin	27%	24%	-	23%	22%	-
FFOPS 1 (€)	0.32	0.26	-13.3%	0.26	0.24	-5.3%

Source: First Berlin Equity Research estimates

Bottom line earnings set to decline Y/Y for now Updated forecasts now factor in: (1) steady AEBITDA margins with inflation effects on OpEx largely accounted for; (2) higher financing expenses and perpetual note attributions impacting FFO 1 along with the ongoing rise in secured debt; and (3) further yield expansion in H1. We continue to assume the landlord will remain a net seller this year in the event transactions pick up. The net effect of our changes points to a 13% decline in bottom line FFO 1 in 2024. We will update our numbers again once the perpetual note offer has been wrapped up. A successful exchange could positively impact the bottom line FFO 1.



VALUATION MODEL

We now value Aroundtown with a discounted cash flow model (DCF) after previously using a discounted dividend model (DDM) to derive fair value for its shares. The decision by AT brass to not pay a dividend for the second consecutive year makes the latter method poorly suited. The landlord is sticking to its traditional dividend policy (75% of FFO 1) but maintains this will be subject to market developments.

An NAV-based methodology likewise makes little sense, given that Germany's property bellwethers (Vonovia, Aroundtown, Grand City, LEG, TAG) have been trading well below their respective NAVs for years, and this discount has widened substantially during the interest rate shock. Our DCF model points to fair value of €3.4 per share vs €3.3 in our last report. We are Buy-rated on Aroundtown.

Table 8: DCF model

All figures in EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
AEBITDA	1,017	1,043	1,085	1,127	1,167	1,210	1,254	1,299
(-) Tax	-153	-157	-163	-169	-175	-181	-188	-195
(=) Net operating cash flow	865	887	923	958	992	1,028	1,066	1,104
(-) Total investments (CapEx and WC)	-17	-600	-537	-417	-433	-452	-456	-476
(-) Capital expenditures	99	-588	-518	-398	-415	-433	-436	-455
(-) Working capital	-116	-12	-19	-19	-18	-19	-20	-21
(=) Free cash flows (FCF)	847	287	385	541	559	576	609	628
PV of FCF's	817	264	337	451	443	435	439	431

All figures in EUR '000	WACC	Terminal growth rate						
		-0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%
PV of FCFs in explicit period	4.4%	2.1	3.0	4.2	5.8	7.9	10.9	15.4
PV of FCFs in terminal period	4.6%	1.6	2.4	3.5	4.9	6.7	9.2	13.0
Enterprise value (EV)	4.8%	1.1	1.9	2.9	4.1	5.7	7.9	11.0
+ Net cash / - net debt (2023)	5.0%	0.7	1.4	2.3	3.4	4.8	6.6	9.3
+ Investments / minority interests	5.2%	0.3	0.9	1.7	2.7	4.0	5.6	7.8
Shareholder value	5.4%	-0.1	0.5	1.2	2.1	3.2	4.7	6.6
Fair value per share in EUR	5.6%	-0.4	0.1	0.8	1.6	2.6	3.8	5.5

	WACC	Terminal AEBITDA margin						
		88.0%	89.0%	90.0%	91.0%	92.0%	93.0%	94.0%
Cost of equity	4.4%	5.0	5.3	5.5	5.8	6.1	6.3	6.6
Pre-tax cost of debt	4.6%	4.1	4.4	4.6	4.9	5.1	5.4	5.6
Tax rate	4.8%	3.4	3.6	3.9	4.1	4.3	4.6	4.8
After-tax cost of debt	5.0%	2.7	2.9	3.2	3.4	3.6	3.8	4.0
Share of equity capital	5.2%	2.1	2.3	2.5	2.7	2.9	3.1	3.3
Share of debt capital	5.4%	1.6	1.7	1.9	2.1	2.3	2.5	2.7
WACC	5.6%	1.0	1.2	1.4	1.6	1.8	1.9	2.1

*Please note our model runs through 2033 and we have only shown the abbreviated version for formatting purposes



INCOME STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Net rent	1,003	1,086	1,222	1,193	1,199	1,219
Operating and other income	177	238	388	410	413	419
Rental and operating income (RI)	1,180	1,323	1,610	1,603	1,611	1,638
Capital gains, property revaluations & other	769	810	-497	-3,218	-449	500
Result from equity-accounted investees	196	193	6	-150	6	6
Property OpEx	-443	-533	-695	-638	-603	-606
Other income	0	0	0	0	0	0
Administration & other OpEx	-51	-57	-63	-65	-64	-64
Operating income (EBIT)	1,652	1,737	361	-2,468	502	1,473
Net financial result	-201	-180	-185	-230	-265	-285
Other financial expenses	-168	-162	-194	-14	0	0
Impairment of goodwill	0	0	-404	-137	0	0
Pre-tax income (EBT)	1,283	1,394	-422	-2,849	237	1,188
Tax expense	-89	-100	-117	-120	-122	-125
Deferred tax	-287	-216	82	543	72	-80
Tax result	-377	-316	-35	423	-50	-205
Comprehensive net income	906	1,078	-457	-2,426	187	983
Minority interests	165	330	83	-592	-84	189
Perpetual notes	90	106	118	153	203	215
Net income to owners	652	642	-658	-1,988	68	579
Basic EPS (€)	0.50	0.55	-0.59	-1.82	0.06	0.52
AEBITDA	944	975	1,002	1,003	1,017	1,043
Ratios						
AEBITDA before JV contributions (NRI)	77.5%	80.2%	77.2%	79.3%	79.9%	80.5%
FFO 1 margin (NRI)	35.7%	32.5%	29.7%	27.7%	24.0%	22.4%
Expenses as % of revenues						
Property OpEx	37.5%	40.3%	43.2%	39.8%	37.4%	37.0%
Administration & other OpEx	4.3%	4.3%	3.9%	4.0%	4.0%	3.9%
Y/Y Growth						
Net rent	31.0%	8.2%	12.6%	-2.4%	0.5%	1.7%
Operating income	-23.4%	5.1%	-79.2%	n.m.	n.m.	193.6%
Adjusted EBITDA	22.2%	3.3%	2.8%	0.1%	1.4%	2.6%
Net income/ loss	-50.2%	-1.5%	n.m.	n.m.	n.m.	753.3%
Funds from Operations (FFO)						
AEBITDA before JV contribution	777	871	944	946	957	981
Finance expense	-201	-180	-185	-230	-265	-285
Tax expense	-89	-100	-117	-120	-122	-125
Minority adjustment	-36	-82	-136	-126	-129	-131
Other adjustments	9	7	5	5	5	5
Perpetual attribution	-90	-106	-118	-153	-203	-215
FFO 1 before JV contribution	371	409	391	320	243	228
JV FFO 1 contributions	107	69	46	43	44	45
Extraordinary provision for uncollected rents	-120	-125	-75	-33	0	0
FFO 1	358	353	362	331	287	273



BALANCE SHEET

All figures in EURm	2019	2020	2021	2022	2023	2024E	2025E
Assets							
Current assets, total	3,743	4,781	5,529	4,856	4,692	5,042	3,951
Cash and cash equivalents	2,192	2,692	2,873	2,305	2,641	3,258	2,144
Short-term investments	878	454	376	313	506	506	506
Receivables	454	617	1,219	1,168	1,008	1,148	1,167
Other current assets	5	141	28	138	127	131	135
Assets held for sale	214	877	1,033	931	410	0	0
Non-current assets, total	21,702	26,241	33,854	32,492	28,868	28,783	29,813
Property, plant & equipment	20	877	1,849	1,508	1,379	1,383	1,387
Investment properties	18,127	21,172	29,116	27,981	24,632	24,493	25,581
Equity accounted investees	2,506	3,177	1,223	1,292	1,087	1,093	1,019
Other LT assets	1,049	1,014	1,667	1,711	1,769	1,814	1,825
Total assets	25,445	31,022	39,383	37,347	33,559	33,825	33,764
Shareholders' equity & debt							
Current liabilities, total	857	1,074	1,607	1,289	1,539	1,241	1,267
Short-term debt	246	181	544	123	420	80	80
Accounts payable	343	435	621	666	672	695	703
Provisions & other current liabilities	268	458	442	500	448	466	485
Long-term liabilities, total	11,209	14,364	18,620	18,235	16,870	17,401	16,744
Long-term debt	9,759	11,680	15,026	14,573	13,822	14,397	13,631
Deferred tax liabilities	1,107	2,026	2,766	2,662	2,107	2,035	2,115
Other LT liabilities	342	659	828	999	942	970	999
Minority interests	1,309	2,025	3,875	3,503	2,749	2,665	2,854
Shareholders' equity	12,070	13,558	15,281	14,320	12,400	12,518	12,899
Total consolidated equity and debt	25,445	31,022	39,383	37,347	33,559	33,825	33,764
Ratios							
ICR (x)	4.8	4.3	4.9	4.9	4.0	3.2	3.1
Net debt / adj. EBITDA (x)	10.9	11.1	14.2	12.8	11.9	11.1	11.1
Equity ratio	52.6%	50.2%	48.6%	47.7%	45.1%	44.9%	46.7%
Financial leverage	57.9%	63.4%	80.8%	84.4%	90.5%	84.5%	84.7%
EPRA NTA	10,523	11,187	11,564	10,122	8,059	7,986	8,411
EPRA NTAPS (€)	8.6	9.5	10.2	9.3	7.4	7.3	7.7
Net debt	6,985	8,598	12,344	12,087	11,216	10,582	10,926
Return on equity (ROE)	14.2%	6.7%	7.1%	-3.2%	-19.6%	1.5%	7.6%
Loan-to-value (LTV)	34%	34%	39%	40%	43%	42%	41%



CASH FLOW STATEMENT

All figures in EURm	2019	2020	2021	2022	2023	2024E	2025E
Net income	1,709	906	1,078	-457	-2,426	187	983
Depreciation & amortisation	2	4	16	21	18	18	18
Capital gains, property revaluations & other	-1,218	-769	-810	497	3,218	449	-500
Profit share from equity accounted investees	-299	-196	-193	-6	150	-6	-6
Goodwill impairment	0	0	0	404	137	0	0
Shared based payment in a subsidiary	5	3	6	5	5	0	0
Net finance expenses	96	369	343	379	245	265	285
Tax result	351	377	316	35	-423	50	205
Operating cash flow	646	694	755	879	923	962	986
Changes in working capital	-34	-36	-57	-27	-54	-159	-22
Provisions for other liabilities	-3	-3	-4	-2	-5	26	27
Dividend received	61	43	24	35	19	0	80
Tax paid	-57	-83	-93	-97	-111	-122	-125
Net operating cash flow	614	616	626	788	772	707	945
CapEx/ intangibles	-3	-36	23	-26	-16	-22	-22
Disposal / investment in investment properties, net	-2,311	1,427	1,179	556	575	99	-588
Acquisition / disposals of subsidiaries	0	0	0	0	0	0	0
Proceeds from investments in financial assets	-576	-377	-124	-121	50	15	16
Cash flow from investing	-2,890	1,014	1,078	409	608	92	-594
Debt financing, net	2,148	-493	-1,320	-629	-338	235	-766
Equity financing, net	596	0	0	0	0	0	0
Payments for own shares	0	-1,001	-444	-255	0	0	0
Share buy-back in a subsidiary	0	0	-270	0	0	0	0
Dividends paid	-209	-22	-252	-169	0	0	-210
Other financing activities	854	94	-120	-506	-499	-152	-203
Net paid financing expenses	-161	-212	-201	-204	-214	-265	-285
Cash flow from financing	3,228	-1,634	-2,607	-1,764	-1,052	-182	-1,465
Net cash flows	952	-5	-903	-567	329	617	-1,114
Assets held for sale - cash	-4	-3	-2	-6	9	0	0
Fx effects	1	-1	16	5	-2	0	0
Cash & equivalents from TLG	0	509	1070	0	0	0	0
Cash, start of the year	1,243	2,192	2,692	2,873	2,305	2,641	3,258
Cash, end of the year	2,192	2,692	2,873	2,305	2,641	3,258	2,144
FFO 1 before JV contribution	357	371	409	391	320	243	228
FFO 1	446	358	353	362	331	287	273
FFOPS 1 (€)	0.38	0.27	0.30	0.33	0.30	0.26	0.24

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	29 September 2015	€3.40	Buy	€5.70
2...51	↓	↓	↓	↓
52	31 May 2022	€4.40	Buy	€7.40
53	26 August 2022	€2.99	Buy	€7.30
54	2 November 2022	€2.02	Buy	€5.10
55	7 December 2022	€2.32	Buy	€4.60
56	5 April 2023	€1.25	Buy	€3.50
57	2 June 2023	€0.96	Buy	€3.50
58	4 September 2023	€1.51	Buy	€3.50
59	4 December 2023	€2.24	Buy	€3.30
60	Today	€1.88	Buy	€3.40

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