# Aroundtown SA

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

H1 results

| | |
|---|---|
| **RATING** | **BUY** |
| **PRICE TARGET** | **€ 3.80** |
| Return Potential | 89.6% |
| Risk Rating | Medium |

## GROWTH LEVERS BUILD, FINANCING DRAG LINGERS

**Six month reporting showed steady operational performance but also a company still caught between an improving operational platform and a stubborn financing drag. LFL rental growth reached 2.7%, valuations held firm, plus recent refinancing and liability-management measures have extended AT's maturity runway through 2028. Meanwhile, the higher GCP stake, winding-down share buybacks and a €55m rental uplift pipeline from conversions and repositionings provide tangible earnings drivers. In our view, the rub is timing. These growth levers will take time to override higher refinancing costs, meaning FFOPS expansion is more of a mid-term story. We nevertheless see AT entering this stretch on a much sturdier footing with refinancing risk greatly reduced and internal growth increasingly visible. Our updated forecasts and DCF model point to fair value per share of €3.8 (old: 4.1) equal to upside of 90%. We maintain our Buy rating.**

**Growth levers build, financing drag lingers** In our view, the chief H1 takeaway is that AT now has a credible toolbox of earnings-growth levers, but investors will need patience before these fully show through in FFOPS upside. AT brass highlighted: (1) ~€100m in RI from continued 2% to 3% LFL growth; (2) €55m of annualised rent upside from conversions and hotel repositionings; (3) a ~€10m FFO boost starting next year through the upped GCP stake; and (4) accretive share buyback effects as the main offsets to rising finance costs. Yet the timing is uneven: the buyback and GCP contribution become more visible in 2027, while conversion and repositioning benefits build progressively through 2030. Against sizeable 2027 & 2028 maturities, refinancing costs remain the main obstacle to near-term FFOPS growth even though refinancing risk itself has been materially reduced.

**Other H1 takeaways and musings** Aside from the headline results, other earnings call highlights covering corporate and market themes included: (1) confidence that capital markets remain open despite. . . (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

| | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|
| Rental income (€m) | 1,222.1 | 1,192.8 | 1,180.9 | 1,182.9 | 1,199.2 | 1,235.5 |
| Y/Y growth | 12.6% | -2.4% | -1.0% | 0.2% | 1.4% | 3.0% |
| Adj. EBITDA (€m) | 1,002.3 | 1,002.9 | 1,014.4 | 999.3 | 1,012.7 | 1,056.4 |
| Net income (€m) | -457.1 | -2,426.4 | 309.3 | 1,127.9 | 578.6 | 776.5 |
| EPRA NTA (€m) | 10,135.2 | 8,058.7 | 8,165.4 | 8,502.5 | 8,503.9 | 8,864.4 |
| EPRA NTAPS (€) | 9.3 | 7.4 | 7.4 | 7.8 | 8.5 | 8.9 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.08 | 0.12 | 0.12 |
| FFO 1 (€m) | 362.7 | 332.0 | 315.2 | 288.0 | 278.0 | 270.3 |
| FFOPS 1 (€) | 0.33 | 0.30 | 0.29 | 0.26 | 0.25 | 0.24 |
| Liquid assets (€ m) | 2,709.4 | 3,026.0 | 3,640.9 | 4,029.6 | 3,178.2 | 2,796.6 |

### 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 / London and Netherlands real estate markets.

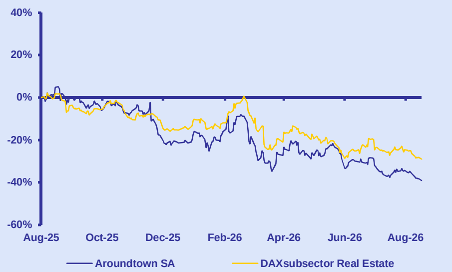
### MARKET DATA

As of 27 Aug 2026

| | |
|---|---|
| Closing Price | € 2.00 |
| Shares outstanding | 1537.03m |
| Market Capitalisation | € 3,080.20m |
| 52-week Range | € 2.00 / 3.38 |
| Avg. Volume (12 Months) | 2,723,394 |

| Multiples | 2025 | 2026E | 2027E |
|---|---|---|---|
| P/FFO 1 | 7.6 | 8.2 | 8.4 |
| P/NTA | 0.3 | 0.2 | 0.2 |
| FFO 1 Yield | 13.1% | 12.3% | 11.9% |
| Div. Yield | 4.0% | 6.1% | 6.0% |

### STOCK OVERVIEW




### COMPANY DATA

As of 30 Jun 2026

| | |
|---|---|
| Liquid Assets | € 3,859.0m |
| Investment Properties | € 25,241.0m |
| Total Assets | € 33,921.0m |
| Current Liabilities | € 4,752.0m |
| EPRA NTA | € 9,054.0m |
| Total Equity | € 14,650.0m |

### SHAREHOLDERS

| | |
|---|---|
| Treasury shares* | 27.0% |
| Avisco Group / Vergepoint | 15.0% |
| Stumpf Capital | 10.0% |
| Free Float | 48.0% |

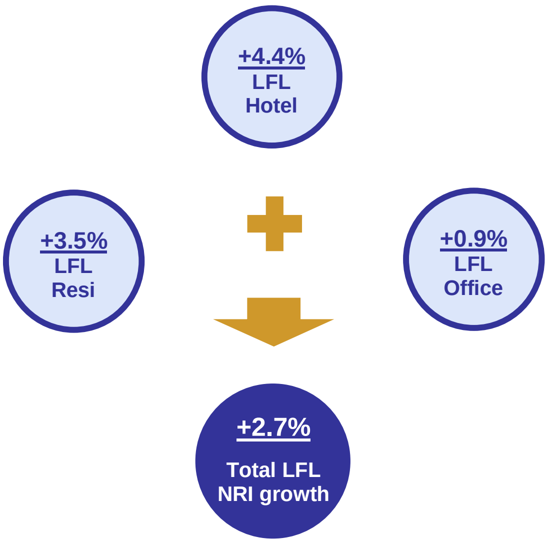
**Analyst:** Ellis Acklin, Tel. +49 (0)30 - 80 93 96 83

. . . macro volatility, with liquidity and completed refinancing work sufficient to cover maturities through 2028; (2) stable property values. The entire portfolio was assessed by external valuers in Q2, but valuations were effectively unchanged vs YE25 as the tougher macro backdrop largely offset operational gains; (3) continued emphasis on extracting upside from the existing portfolio through capital recycling, conversions and repositionings augmented by selective external growth when the right opportunities appear; (4) a sharper focus on living assets, particularly Hotels and Residential, while the GCP stake has edged higher to 84% (old: 81%) through open-market purchases. Management have not set a formal target holding; (5) the share buyback is basically complete after execution at an average ~67% discount to EPRA NTA; (6) €55m of expected rental uplift from conversion and repositioning projects at an estimated ~12% yield on CapEx with serviced apartment conversions and hotel refurbishments staggered mainly across 2026 to 2030; (7) continued hotel segment strength from ramp-up leases, re-openings and repositionings—the refurbished Hotel Bristol Berlin was featured as a successful luxury-lifestyle case study; (8) still subdued office demand, although AT signed ~130k $m^2$ of new leases alongside ~160k $m^2$ of prolongations over the last 12 months, while *Bau-Turbo* is helping accelerate the conversion pipeline; (9) management see tighter short-term letting rules being kicked around by lawmakers as tenable for AT's serviced apartment strategy. These assets retain the longer-term option to convert into conventional residential use; and (10) reduced political risk from the federal coalition's 2 July agreement to pursue legislation barring Germany's *Länder* from socialising / expropriating privately owned rental portfolios, particularly relevant to Berlin following the 2021 referendum.

## 2ND QUARTER HIGHLIGHTS

Net rental income like-for-like (LFL) was +2.7% for the January-to-June period. The Hotel segment led LFL performance at +4.4%, ahead of the 3.5% notched by Residential. The former category is benefitting from new hotel openings and repositioning upside as the landlord continues to upgrade select hotels.

**Figure 1: Like-for-like H1 breakdown**




*Source: First Berlin Equity Research; Aroundtown*

Meanwhile, CPI-indexation and conversion optionality prodded along by *Bau-Turbo* frameworks are supporting higher rents for offices. The systemic residential supply and demand imbalance again kept resi vacancies near historical lows at 3.3% (YE25: 3.2%) providing good operational tailwinds. We do not expect resi dynamics to change for the foreseeable future.

**Table 1: 2nd quarter vs prior year and FBe**

| All figures in EURm | Q2/26 | Q2/26E | *variance* | Q2/25 | *variance* | 6M/26 | 6M/25 | *variance* |
|---|---|---|---|---|---|---|---|---|
| Rental income | 382 | 382 | *0%* | 381 | *0%* | 762 | 758 | *0%* |
| Net rent | 294 | 297 | *-1%* | 296 | *-1%* | 591 | 591 | *0%* |
| AEBITDA | 250 | 251 | *0%* | 250 | *0%* | 500 | 501 | *0%* |
| *Margin* | *85%* | *85%* | - | *84%* | - | *85%* | *85%* | - |
| FFO 1 | 74 | 71 | *3%* | 74 | *-1%* | 144 | 150 | *-4%* |
| FFOPS 1 (€) | 0.06 | 0.06 | *3%* | 0.07 | *-1%* | 0.13 | 0.14 | *-4%* |

*Source: First Berlin Equity Research; Aroundtown*

**Stable operations; FFO still gated** 2.7% LFL rental growth comprised 2.2% for commercial properties and 3.5% for resi. Net disposal effects meant that H1/26 net rental income (NRI) of €591m was virtually unchanged YoY, while AEBITDA also remained stable. On a quarterly basis, headline KPIs came within a whisker of FBe.

Bottom line FFO 1 was 4% below the prior year comp, as flat AEBITDA and lower perpetual note attributions (-10% YoY) were unable to fully compensate for the 26% YoY rise in financing costs. The stock buyback supported FFOPS, but the positive impact of reduced minority leakage from the GCP deal was essentially offset by the higher share count stemming from the transaction. FFO 2 tallied €268m vs €200m in the prior year period.

**Portfolio rotation during H1** AT closed some €350m of disposals at ~BV (-1%) and has signed roughly €390m YTD. Importantly, proceeds are increasingly being recycled into clearly accretive uses: (1) completed acquisitions yielding >7%; (2) repurchased shares at an average ~67% discount to EPRA NTA; and (3) continued funding of office conversions and hotel repositionings carrying indicated respective yields of 14% and 13%, respectively. The landlord still holds ~€400m of assets classified as held for sale, suggesting further recycling ahead. In our view, the latest numbers reinforce our view that management are not pivoting towards outright expansion, but selectively redeploying capital where returns comfortably clear funding costs, while keeping balance sheet discipline intact.

**Table 2: H1 portfolio KPIs**

| in EURm | Unit | Q2/26 | 2025 | *Variance* |
|---|---|---|---|---|
| Investment property | €m | 25,241 | 24,916 | *1%* |
| Value per m² | m² | 2,688 | 2,657 | *1%* |
| Annualised net rent | €m | 1,158 | 1,149 | *1%* |
| LFL rental growth | % | 2.7 | 3.0 | *-0.3 pp* |
| Rental yield | % | 5.0 | 5.0 | *0.0 pp* |
| Vacancy | % | 7.6 | 7.6 | *0.0 pp* |
| In-place rent | m² | 11.8 | 11.7 | *1%* |

*Source: First Berlin Equity Research; Aroundtown*

**Portfolio KPIs largely unchanged YTD** The portfolio value edged up to €2,688 / m² (YE25: €2,657 / m²). Q2 in-place rent tallied €11.8 / m² and the portfolio vacancy rate stood at 7.6%. Annualised net rent tallied €1,158m at the end of the reporting period. The portfolio currently has rent reversionary potential of ~25% to be captured over the mid- to long-term with a host of good operational drivers in place.

**Table 3: Balance sheet highlights**

| All figures in EURm | 6M/26 | 2025 | *Variance* |
|---|---|---|---|
| Cash and liquid assets | 3,859 | 4,034 | *-4%* |
| Investment property | 25,241 | 24,916 | *1%* |
| Total assets | 33,921 | 33,691 | *1%* |
| Total financial debt | 15,169 | 14,951 | *1%* |
| Total equity | 14,650 | 15,022 | *-2%* |
| Equity ratio | 43.2% | 44.6% | *-1.4 pp* |
| EPRA NTA | 9,054 | 8,503 | *6%* |
| Unencumbered asset ratio | 69% | 70% | *-1.0 pp* |
| Loan-to-Value (LTV) | 43% | 41% | *2.0 pp* |

*Source: First Berlin Equity Research; Aroundtown*

**Leverage edges up on capital deployment** LTV rose to 43% at the end of H1 vs 41% at YE25. This reflects acquisitions and investment activity alongside cash deployment into the accretive share buyback. The ratio remains within management's <45% policy ceiling, although headroom for outright balance sheet expansion is clearly slimmer than earlier in the year. Net debt / EBITDA edged up to 11.3x, while ICR compressed to 3.3x from 3.9x at YE25. Management downplayed the latter move on the call, noting that the YoY optics are skewed by an unusually high prior-year comp and that the current level is not viewed as problematic for credit assessments. On funding, AT raised ~€1.6bn YTD and repaid ~€2.3bn of bonds, including the €850m 5 year issue paired with sizeable tender and redemption activity. The combo reduced near-term refinancing needs and extended the maturity profile. Aroundtown also retains good financial flexibility with some €17bn in unencumbered assets and €3.9bn of liquidity plus a further €1.0bn undrawn RCF in the financial tool kit.

# LOOKING AHEAD

### Table 4: Confirmed guidance vs FBe

| | Unit | 2026 Guidance Initial | 2026 Guidance Current | FBe 2026 | 2025 |
|---|---|---|---|---|---|
| FFO 1 | €m | 250 -280 | 275 -305 | 278 | 288 |
| FFOPS 1 | € | 0.24 -0.27 | 0.24 -0.27 | 0.25 | 0.26 |
| DPS* | € | 0.12 -0.14 | 0.12 -0.14 | 0.12 | 0.08 |

** subject to AGM approval, based on updated dividend policy to 50%of FFO I from 2026 onward*

| Positive drivers | Negative drivers |
|---|---|
| Conservative rent increases | Full impact of 2025 disposals |
| Low er minority leakage post GCP transaction | Expected 2026 disposals from Held for Sale assets; |
| Cost efficiency measures | already excluded from FFO 1 guide |
| Perpetual note deals --> low er total coupon | Refinancing above current CoD |
| Share buyback | |

*Source: First Berlin Equity Research; Aroundtown*

Management confirmed the 2026 guide calling for FFOPS in the range of €0.24 to €0.27. We have rolled the Q2 performance into our forecasts that now factor in slower external growth than assumed earlier this year. We have also nudged our WACC estimate higher to 5.5% (old: 5.4%) to reflect the recent rise in German bond yields. The combined effects result in fair value per share of €3.8 (old: €4.1).

### Table 5: Changes to FBe and TP

| | old | new | *revision* | *upside* | *dividend yield* | *total upside* |
|---|---|---|---|---|---|---|
| **Target price (€)** | **4.1** | **3.8** | ***-7%*** | ***90%*** | ***6%*** | ***96%*** |

| in €m | 2026E Old | 2026E New | *variance* | 2027E Old | 2027E New | *variance* |
|---|---|---|---|---|---|---|
| Net rent (NRI) | 1,231 | 1,199 | *-2.6%* | 1,269 | 1,235 | *-2.7%* |
| AEBITDA | 1,051 | 1,013 | *-3.6%* | 1,093 | 1,056 | *-3.4%* |
| *margin* | *85%* | *84%* | - | *86%* | *86%* | - |
| FFO 1 | 292 | 278 | *-4.7%* | 296 | 270 | *-8.8%* |
| *Margin* | *24%* | *23%* | - | *23%* | *22%* | - |
| FFOPS 1 (€) | 0.26 | 0.25 | *-5.6%* | 0.26 | 0.24 | *-9.0%* |

*Source: First Berlin Equity Research estimate*

# VALUATION MODEL

**We remain Buy-rated on AT** Near-term FFO upside remains gated as higher refinancing costs will likely absorb much of the operating progress, and we do not expect a clean earnings inflection before 2029 based on today's management feedback. That said, the equity story is not without catalysts. The dividend is back, and the buyback has been executed at a highly accretive ~67% discount to NTA. Plus, the higher GCP stake reduces minority leakage, and the existing portfolio offers visible rental growth of some €100m alongside €55m of conversion and repositioning levers. At the same time, refinancing risk has been materially reduced and property values have stabilised. We therefore see scope for the valuation gap to narrow as AT demonstrates that leverage remains controlled, refinancing stays manageable and these internal growth levers progressively translate into renewed FFOPS growth.

### Table 6: DCF model

| All figures in EURm | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|
| **AEBITDA** | **1,013** | **1,056** | **1,099** | **1,140** | **1,181** | **1,225** | **1,268** | **1,312** |
| (-) Tax | -122 | -127 | -132 | -137 | -142 | -147 | -152 | -157 |
| **(=) Net operating cash flow** | **891** | **930** | **967** | **1,003** | **1,040** | **1,078** | **1,116** | **1,155** |
| (-) Total investments (CapEx and WC) | -293 | -442 | -434 | -415 | -430 | -447 | -461 | -477 |
| (-) Investments | -199 | -435 | -424 | -406 | -421 | -437 | -453 | -468 |
| (-) Working capital | -93 | -7 | -11 | -9 | -9 | -10 | -9 | -9 |
| **(=) Free cash flows (FCF)** | **599** | **488** | **532** | **588** | **609** | **631** | **654** | **677** |
| **PV of FCF's** | **588** | **454** | **470** | **492** | **483** | **474** | **467** | **458** |

| All figures in EUR '000 | |
|---|---|
| PV of FCFs in explicit period | 6,106 |
| PV of FCFs in terminal period | 12,524 |
| Enterprise value (EV) | 18,630 |
| + Net cash / - net debt (2024) | -14,317 |
| + Investments / minority interests | 0 |
| Shareholder value | 4,313 |
| **Fair value per share in EUR** | **3.8** |

Terminal growth rate

| WACC | 1.7% | 1.8% | 1.9% | 2.0% | 2.1% | 2.2% | 2.3% |
|---|---|---|---|---|---|---|---|
| 4.9% | 5.9 | 6.3 | 6.8 | 7.3 | 7.8 | 8.4 | 9.0 |
| 5.1% | 4.8 | 5.1 | 5.5 | 6.0 | 6.4 | 6.9 | 7.4 |
| 5.3% | 3.8 | 4.1 | **4.4** | **4.8** | **5.2** | 5.6 | 6.1 |
| 5.5% | 2.9 | 3.2 | **3.5** | **3.8** | **4.1** | 4.5 | 4.9 |
| 5.7% | 2.1 | 2.3 | **2.6** | **2.9** | **3.2** | 3.5 | 3.8 |
| 5.9% | 1.4 | 1.6 | 1.8 | 2.1 | 2.3 | 2.6 | 2.9 |
| 6.1% | 0.7 | 0.9 | 1.1 | 1.4 | 1.6 | 1.8 | 2.1 |

| | |
|---|---|
| Cost of equity | 7.8% |
| Pre-tax cost of debt | 3.0% |
| Tax rate | 12.0% |
| After-tax cost of debt | 2.6% |
| Share of equity capital | 45.0% |
| Share of debt capital | 55.0% |
| **WACC** | **5.5%** |

Terminal AEBITDA margin

| WACC | 87.4% | 88.4% | 89.4% | 90.4% | 91.4% | 92.4% | 93.4% |
|---|---|---|---|---|---|---|---|
| 4.9% | 6.4 | 6.7 | 7.0 | 7.3 | 7.6 | 7.9 | 8.2 |
| 5.1% | 5.2 | 5.4 | 5.7 | 6.0 | 6.3 | 6.6 | 6.8 |
| 5.3% | 4.1 | 4.3 | **4.6** | **4.9** | **5.1** | 5.4 | 5.6 |
| 5.5% | 3.1 | 3.4 | **3.6** | **3.8** | **4.1** | 4.3 | 4.5 |
| 5.7% | 2.3 | 2.5 | **2.7** | **2.9** | **3.1** | 3.4 | 3.6 |
| 5.9% | 1.5 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.7 |
| 6.1% | 0.8 | 1.0 | 1.2 | 1.4 | 1.6 | 1.8 | 1.9 |

**Please note our model runs through 2038 and we have only shown the abbreviated version for formatting purposes; perpetual notes included in net debt for DCF purposes*

# INCOME STATEMENT

| All figures in EURm | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Net rent** | **1,222** | **1,193** | **1,181** | **1,183** | **1,199** | **1,235** |
| Operating and other income | 388 | 410 | 361 | 360 | 352 | 369 |
| **Rental and operating income (RI)** | **1,610** | **1,603** | **1,542** | **1,543** | **1,551** | **1,605** |
| Capital gains, property revaluations & other | -497 | -3,218 | -125 | 386 | 104 | 315 |
| Result from equity-accounted investees | 6 | -150 | -43 | 15 | 16 | 16 |
| Property OpEx | -695 | -638 | -550 | -549 | -549 | -562 |
| Administration & other OpEx | -63 | -65 | -66 | -65 | -62 | -63 |
| **Operating income (EBIT)** | **361** | **-2,468** | **759** | **1,329** | **1,060** | **1,311** |
| Net financial result | -185 | -230 | -235 | -243 | -312 | -348 |
| Other financial expenses | -194 | -14 | -31 | -49 | -25 | 0 |
| Impairment of goodwill | -404 | -137 | -46 | -239 | 0 | 0 |
| **Pre-tax income (EBT)** | **-422** | **-2,849** | **446** | **798** | **723** | **963** |
| Tax expense | -117 | -120 | -125 | -129 | -128 | -136 |
| Deferred tax | 82 | 543 | -13 | 459 | -17 | -50 |
| **Tax result** | **-35** | **423** | **-137** | **330** | **-144** | **-187** |
| **Comprehensive net income** | **-457** | **-2,426** | **309** | **1,128** | **579** | **777** |
| Minority interests | 70 | -592 | 53 | 256 | 98 | 132 |
| Perpetual notes | 118 | 153 | 203 | 206 | 195 | 199 |
| **Net income to owners** | **-645** | **-1,988** | **53** | **665** | **285** | **446** |
| Basic EPS (€) | -0.58 | -1.82 | 0.05 | 0.61 | 0.25 | 0.39 |
| **AEBITDA** | **1,002** | **1,003** | **1,014** | **999** | **1,013** | **1,056** |
| **Ratios** | | | | | | |
| AEBITDA before JV contributions (NRI) | 77.2% | 79.3% | 80.1% | 80.0% | 79.8% | 80.7% |
| FFO 1 margin ( NRI) | 29.7% | 27.8% | 26.7% | 24.3% | 23.2% | 21.9% |
| **Expenses as % of revenues** | | | | | | |
| Property OpEx | 43.2% | 39.8% | 35.7% | 35.6% | 35.4% | 35.0% |
| Administration & other OpEx | 3.9% | 4.0% | 4.3% | 4.2% | 4.0% | 3.9% |
| **Y/Y Growth** | | | | | | |
| Net rent | 12.6% | -2.4% | -1.0% | 0.2% | 1.4% | 3.0% |
| Operating income | -79.2% | n.m. | n.m. | 75.3% | -20.3% | 23.7% |
| Adjusted EBITDA | 2.8% | 0.1% | 1.1% | -1.5% | 1.3% | 4.3% |
| Net income/ loss | n.m. | n.m. | n.m. | 1157.1% | -57.1% | 56.2% |
| **Funds from Operations (FFO)** | | | | | | |
| **AEBITDA before JV contribution** | **944** | **946** | **946** | **946** | **957** | **997** |
| Finance expense | -185 | -230 | -235 | -243 | -312 | -348 |
| Tax expense | -117 | -120 | -125 | -129 | -128 | -136 |
| Minority adjustment | -136 | -127 | -128 | -121 | -86 | -86 |
| Other adjustments | 5 | 3 | 2 | 2 | 2 | 2 |
| Perpetual attribution | -118 | -153 | -204 | -206 | -195 | -199 |
| **FFO 1 before JV contribution** | **392** | **318** | **257** | **248** | **238** | **229** |
| JV FFO 1 contributions | 46 | 47 | 58 | 40 | 40 | 41 |
| Extraordinary provision for uncollected rents | -75 | -33 | 0 | 0 | 0 | 0 |
| **FFO 1** | **363** | **332** | **315** | **288** | **278** | **270** |
| FFOPS 1 (€) | 0.33 | 0.30 | 0.29 | 0.26 | 0.25 | 0.24 |

# BALANCE SHEET

| All figures in EURm | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Current assets, total** | **4,856** | **4,692** | **5,600** | **5,606** | **4,422** | **3,972** |
| Cash and cash equivalents | 2,305 | 2,641 | 3,128 | 3,618 | 2,764 | 2,381 |
| Short-term investments | 313 | 506 | 652 | 402 | 403 | 403 |
| Receivables | 1,168 | 1,008 | 1,035 | 849 | 893 | 923 |
| Other current assets | 138 | 127 | 81 | 61 | 62 | 64 |
| Assets held for sale | 931 | 410 | 703 | 676 | 300 | 200 |
| **Non-current assets, total** | **32,492** | **28,868** | **28,020** | **28,085** | **28,730** | **29,531** |
| Property, plant & equipment | 1,508 | 1,379 | 1,329 | 1,051 | 1,054 | 1,057 |
| Investment properties | 27,981 | 24,632 | 24,375 | 24,916 | 25,596 | 26,446 |
| Equity accounted investees | 1,292 | 1,087 | 926 | 1,036 | 1,017 | 958 |
| Other LT assets | 1,711 | 1,769 | 1,390 | 1,082 | 1,063 | 1,069 |
| **Total assets** | **37,347** | **33,559** | **33,620** | **33,691** | **33,152** | **33,503** |
| **Current liabilities, total** | **1,289** | **1,539** | **2,948** | **2,987** | **1,351** | **1,393** |
| Short-term debt | 123 | 420 | 1,692 | 1,781 | 178 | 178 |
| Accounts payable | 666 | 672 | 689 | 790 | 741 | 765 |
| Provisions & other current liabilities | 500 | 448 | 567 | 416 | 432 | 450 |
| **Long-term liabilities, total** | **18,235** | **16,870** | **15,662** | **15,682** | **16,785** | **16,636** |
| Long-term debt | 14,573 | 13,822 | 12,763 | 13,170 | 14,226 | 13,994 |
| Deferred tax liabilities | 2,662 | 2,107 | 2,098 | 1,577 | 1,594 | 1,644 |
| Other LT liabilities | 999 | 942 | 801 | 934 | 965 | 998 |
| Minority interests | 3,490 | 2,750 | 2,839 | 3,070 | 3,035 | 3,167 |
| **Shareholders' equity** | **14,333** | **12,400** | **12,171** | **11,952** | **11,980** | **12,307** |
| **Total consolidated equity and debt** | **37,347** | **33,559** | **33,620** | **33,691** | **33,152** | **33,503** |
| **Ratios** | | | | | | |
| ICR (x) | 5.1 | 4.1 | 4.0 | 3.9 | 3.1 | 2.9 |
| Net debt / adj. EBITDA (x) | 12.1 | 11.2 | 10.7 | 10.9 | 11.1 | 10.8 |
| Equity ratio | 47.7% | 45.1% | 44.6% | 44.6% | 45.3% | 46.2% |
| Financial leverage | 84.3% | 90.5% | 89.3% | 91.3% | 93.7% | 92.4% |
| EPRA NTA | 10,135 | 8,059 | 8,165 | 8,503 | 8,504 | 8,864 |
| EPRA NTAPS (€) | 9.3 | 7.4 | 7.4 | 7.8 | 8.5 | 8.9 |
| Net debt | 12,087 | 11,216 | 10,870 | 10,918 | 11,226 | 11,375 |
| Return on equity (ROE) | -3.2% | -19.6% | 2.5% | 9.4% | 4.8% | 6.3% |
| Loan-to-value (LTV) | 40% | 43% | 42% | 41% | 42% | 42% |

# CASH FLOW STATEMENT

| All figures in EURm | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Net income** | **-457** | **-2,426** | **309** | **1,128** | **579** | **777** |
| Depreciation & amortisation | 21 | 18 | 20 | 18 | 17 | 18 |
| Capital gains, property revaluations & other | 497 | 3,218 | 125 | -386 | -104 | -315 |
| Profit share from equity accounted investees | -6 | 150 | 43 | -15 | -16 | -16 |
| Goodw ill impairment | 404 | 137 | 46 | 239 | 0 | 0 |
| Shared based payment in a subsidiary | 5 | 5 | 5 | 4 | 0 | 0 |
| Net finance expenses | 379 | 245 | 266 | 292 | 337 | 348 |
| Tax result | 35 | -423 | 137 | -330 | 144 | 187 |
| **Operating cash flow** | **879** | **923** | **952** | **950** | **957** | **998** |
| | | | | | | |
| Changes in w orking capital | -27 | -54 | -51 | -11 | -97 | -11 |
| Provisions for other liabilities | -2 | -5 | -4 | -40 | 23 | 24 |
| Dividend received | 35 | 19 | 37 | 28 | 34 | 75 |
| Tax paid | -97 | -111 | -113 | -119 | -128 | -136 |
| **Net operating cash flow** | **788** | **772** | **821** | **808** | **791** | **949** |
| | | | | | | |
| CapEx/ intangibles | -26 | -16 | -19 | -20 | -20 | -21 |
| Net disposal / investment in properties | 556 | 575 | 237 | 324 | -199 | -435 |
| Proceeds from financial asset investments | -121 | 50 | -65 | -118 | 20 | 21 |
| **Cash flow from investing** | **409** | **608** | **153** | **186** | **-199** | **-435** |
| | | | | | | |
| Debt financing, net | -629 | -338 | 204 | 551 | -547 | -233 |
| Equity financing, net | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments for ow n shares | -255 | 0 | 0 | 0 | -250 | 0 |
| Dividends paid | -169 | 0 | 0 | 0 | -87 | -122 |
| Other financing activities | -506 | -499 | -466 | -828 | -248 | -195 |
| Net paid financing expenses | -204 | -214 | -233 | -228 | -312 | -348 |
| **Cash flow from financing** | **-1,764** | **-1,052** | **-496** | **-505** | **-1,444** | **-898** |
| | | | | | | |
| **Net cash flows** | **-567** | **329** | **477** | **488** | **-853** | **-383** |
| Assets held for sale - cash | -6 | 9 | -1 | 0 | 0 | 0 |
| Fx effects | 5 | -2 | 11 | 1 | 0 | 0 |
| **Cash, start of the year** | **2,873** | **2,305** | **2,641** | **3,128** | **3,618** | **2,764** |
| **Cash, end of the year** | **2,305** | **2,641** | **3,128** | **3,618** | **2,764** | **2,381** |
| | | | | | | |
| FFO 1 before JV contribution | 392 | 318 | 257 | 248 | 238 | 229 |
| FFO 1 | 363 | 332 | 315 | 288 | 278 | 270 |
| FFOPS 1 (€) | 0.33 | 0.30 | 0.29 | 0.26 | 0.25 | 0.24 |

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|---|---|---|---|
| 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...66 | ↓ | ↓ | ↓ | ↓ |
| 67 | 5 May 2025 | €2.60 | Buy | €4.00 |
| 68 | 2 June 2025 | €2.79 | Buy | €4.00 |
| 69 | 1 September 2025 | €3.38 | Buy | €4.40 |
| 70 | 2 December 2025 | €2.89 | Buy | €4.10 |
| 71 | 30 January 2026 | €2.70 | Buy | €4.10 |
| 72 | 24 March 2026 | €2.29 | Buy | €4.10 |
| 73 | 16 April 2026 | €2.64 | Buy | €4.10 |
| 74 | 1 June 2026 | €2.54 | Buy | €4.10 |
| 75 | Today | €2.00 | Buy | €3.80 |

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