

Aroundtown SA

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

Q1/22
 Update

RATING
BUY

PRICE TARGET
€ 7.40

Return Potential 68.2%
 Risk Rating Medium

WEATHERING THE PERFECT STORM

First quarter reporting was close to FBe and has Aroundtown tracking towards confirmed guidance. However, property investors continue to shrug at steady earnings results and widening discounts to NAV. AT shares have shed some 17% YTD although operational performance has remained steady in the face of rising interest rates and inflation mixed with recessionary fears and lingering pandemic effects. Although we expect the stock to remain volatile over the near term, there are ample signs that operations will be able to ride out the current storm. With NAV valuations presently deemphasised by investors, we now value AT with a discounted dividend model, which also factors in a higher risk-free rate to reflect rising Bund yields. The increased cost of equity results in a €7.4 target price (old: €8.3), and we remain Buy-rated on Aroundtown.

Weathering the perfect storm In addition to recessionary fears and lingering pandemic headwinds still impacting the hotel business, red-hot inflation is now forcing financial watchdogs to tighten monetary policy. Property stocks, once considered rock solid, have also received a drubbing as part of the broader market slump. Despite the prospect of rising interest rates hurting Aroundtown's average cost of debt (CoD) over the mid-term, we see ample headroom for operations to optimise the capital structure, absorb higher interest costs and still generate strong FFO 1 along with attractive dividends for investors.

Too early to assume worst case scenarios Aroundtown continues to cull the portfolio of mature, non-core properties and recycle disposal proceeds into accretive share buybacks or debt repayments to reduce financing costs. The company reported signed disposals of ~€1.1bn at the end of Q1 and has funnelled proceeds into €0.8bn in debt repayments and €0.2bn in share purchases YTD. Residential properties (Grand City) now anchor AT's portfolio with a 30% component and help offset uncertainty in the commercial assets, particularly hotels (18% of portfolio). Although a *full* recovery for the hotel industry may have to wait until 2024, there are signs of improvement, and we believe that pandemic costs have peaked for AT. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2018	2019	2020	2021	2022E	2023E
Net rent (€m)	633.00	765.70	1,003.00	1,085.70	1,185.37	1,176.99
Adj. EBITDA (€m)	606.0	772.7	944.1	974.9	1001.5	1003.5
Net income (€m)	1,827.80	1,709.10	906.40	1,078.10	1,037.82	1,259.50
EPS (diluted) (€)	1.54	1.12	0.50	0.55	0.63	0.81
EPRA NTA ¹ (€m)	n.a.	10,522.78	11,186.90	11,564.01	11,694.19	12,428.22
NTAPS ¹ (€m)	n.a.	8.59	9.51	10.21	10.59	11.25
DPS (€)	0.25	0.14	0.22	0.23	0.24	0.28
FFO 1 ² (€m)	359.64	445.58	357.80	353.20	359.25	419.03
FFOPS 1 ² (€)	0.34	0.38	0.27	0.30	0.32	0.38
Liquid assets (€m)	1,613.90	3,074.70	3,287.09	3,276.61	3,076.17	2,889.77

¹ No NTA data reported prior to 2019 ² after perpetual and covid-19 adjustments

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.

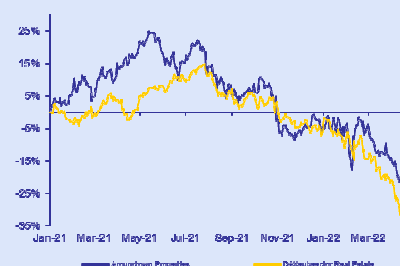
MARKET DATA

As of 30 May 2022

Closing Price	€ 4.40
Shares outstanding	1,537.02m
Market Capitalisation	€ 6762.89m
52-week Range	€ 4.27 / 7.08
Avg. Volume (12 Months)	2,747,818

Multiples	2021	2022E	2023E
P/FFO 1	14.6	13.6	11.6
P/NTA	0.4	0.4	0.4
FFO 1 Yield	6.9%	7.4%	8.6%
Div. Yield	5.2%	5.5%	6.5%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2022

Liquid Assets	€ 2,169.00m
Current Assets	€ 4,776.00m
EPRA NTA	€ 11,364.00m
Investment properties	€ 28,902.00m
Current Liabilities	€ 1,500.00m
Total Equity	€ 18,996.00m

SHAREHOLDERS

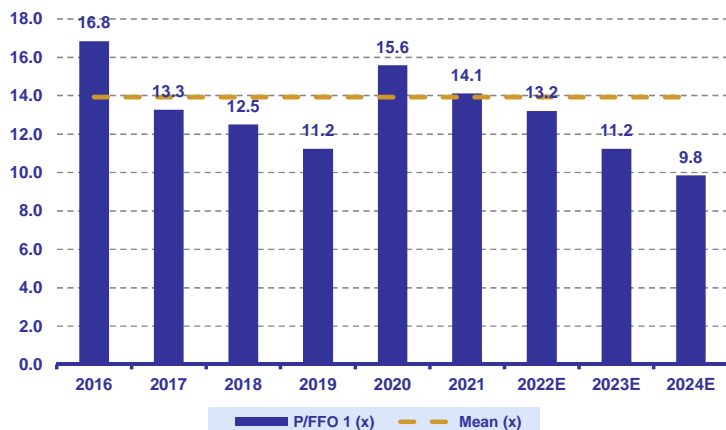
Treasury shares*	30.0%
Avisco Group	10.0%
Blackrock	5.6%
Free Float	54.4%

* 12% are held through TLG Immobilien AG, voting rights suspended



MARKET WHIPLASH HAS SHAKEN INVESTORS

Figure 1: Trading below long-term P/FFO 1 mean



Source: First Berlin Equity Research; Aroundtown

Aroundtown stock recently retreated below its historic P/FFO 1 mean, but we think downside risk is low now, particularly considering the steady operational performance during turbulent times. In our view, three factors give us confidence that operations will weather the current interest rate storm and so deserve greater investor consideration.

Exposure to rising rates looks manageable Aroundtown's first large refinancing (>€800m) is not until 2025, and we have factored in a 50 basis point increase in AT's CoD to 1.75% at that juncture. In the meantime, current liquidity (€2.2bn) covers maturities for the next ~3 years, and 98% of debt-interest is fixed / hedged. Plus, the unencumbered assets ratio hit 85%, giving the company the option to swap to cheaper bank debt if the bond market remains unfavourable for refinancing.

Management noted that the acquisition market remains highly competitive. We thus reckon Aroundtown will remain a net-seller into next year. Proceeds will allow the company to pay down further debt if needed and / or top up the share buyback program. Thus far AT has worked through ~60% of the current €1bn stock repurchase program.

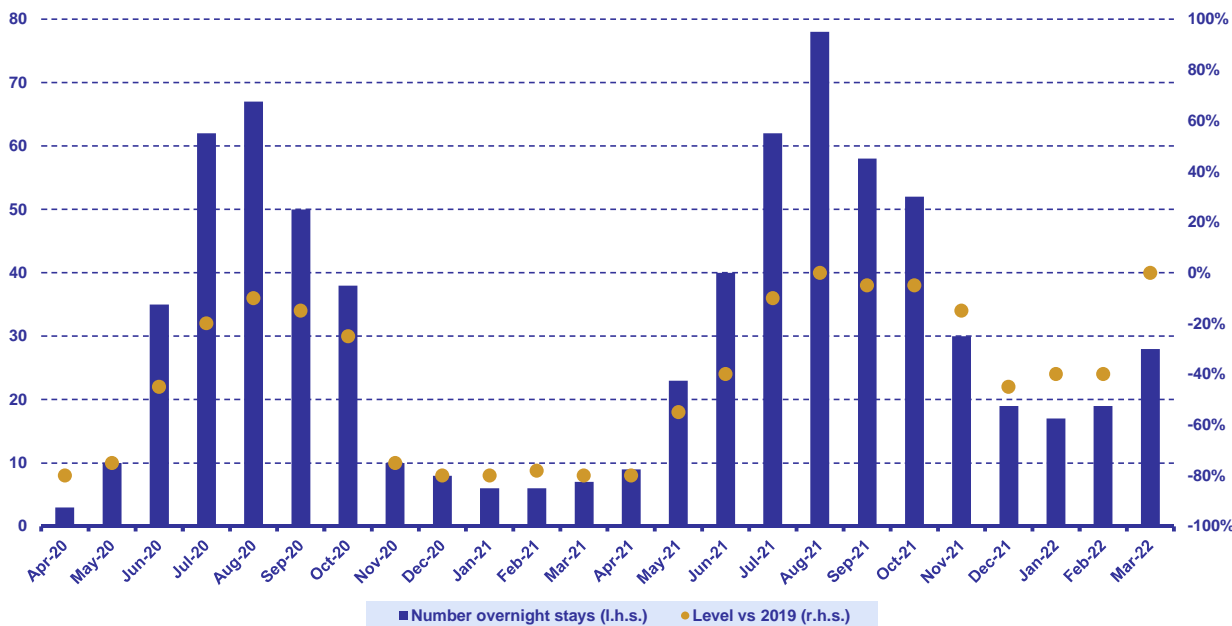
Hotel sector slowly coming back online Aroundtown confirmed expectations of improved hotel collection rates in the range of 60% to 70% for 2022 (2021: 48%). This optimism is based on the ongoing easing of restrictions across Germany, whereas the UK has already removed all travel restraints. April rent collections hit 65% vs 45% in Q1/22.

After another winter of lockdowns, we expect a strong summer uptick in domestic tourism. This plays into the strength of AT's hotel portfolio which historically caters to domestic getaway seekers (> 80% of German and UK hotel bookings; >60% of Netherlands).

Soft international and business travel remains the wild card in a *full* hotel recovery. Corporates are adjusting to less frequent trips and increasingly embracing virtual meeting solutions. Plus, the threat of a recession may cut into planned travel budgets for corporates and international tourists.



Figure 2: Combined overnight stays: Germany, Belgium, Netherlands



Source: European Travel Commission & Tourism Economist

Under this scenario, we expect Aroundtown’s covid provision to be lower this year (FBe: €100m vs 2021: €125m) and potentially much less in 2023, assuming domestic tourism remains unchecked by lawmakers. The Q1 expense for uncollected rents was €30 vs €38m in the prior year period (-21%). We thus think the lower drag on earnings will translate into higher earnings and dividend yields.

Demand acts as a floor for residential sector. . . . Aroundtown holds a 50% stake in Grand City Properties, which now accounts for 30% of annualised net rent. Demand for flats in the residential landlord’s core markets—particularly Berlin (24% of residential portfolio)—still vastly outstrips supply, and we do not see this gap narrowing significantly anytime soon. Buoyant job markets, hordes of millennials approaching homebuying years, and remote working trends have all spurred demand for more living space.

Plus, Germany is less exposed to the gathering interest rate storm, given that: (1) Germans generally prefer to rent to own their homes; and (2) only ~18% of German homeowners are saddled with mortgages according to the OECD. In our view, these factors buffer against operational downside.

. . . but markets seem to be pricing in a much worse scenario for residential German residential has been widely regarded as a safe haven investment during recent years, owing to: (1) good long-term rent visibility; (2) reversionary upside of well stocked and diversified portfolios; and (3) a market driven by sizable supply / demand gaps that prod rents and property valuations higher. But rising Bund yields and central banks signalling rate hikes to combat inflation have shaken this view.

Now property investors appear to be betting that required risk spreads will almost fully vanish, but we contend that Grand City’s increasing profitability will help offset rising bond yields and continue to contribute steady earnings to the Aroundtown bottom line. We also think investors will eventually get more comfortable with tighter spreads, once they recalibrate expectations to the changing price of money.



HIGHLIGHTS FROM THE Q1 RESULTS

Net rental income like-for-like (LFL) was +0.9%—in-place rent +1.6%; occupancy minus 0.7%—for the period. The office segment led LFL performance with +1.8%. Adjusted for the minus 0.8% LFL performance for hotel assets, the KPI totalled +1.7% broken down to +2.8% for in-place rent and minus 0.9% occupancy LFL. The metrics did not include GCP but will in future reporting.

Table 1: 2021 results vs prior year and FBE

All figures in EURm	Q1/22	Q1/22E	variance	Q1/21	variance
Recurring LT net rental income	305	302	0.8%	226	34.7%
Net rental income	309	304	1.6%	233	32.4%
AEBITDA before JV contribution*	247	243	1.4%	190	29.9%
Margin (on NRI)	80%	80%	-	81%	-
Adjusted EBITDA	258	252	2.3%	230	12.1%
FFO 1 ¹	89	87	2.6%	87	3.1%
FFOPS 1 ¹ (€)	0.080	0.078	2.6%	0.073	9.6%
FFOPS 1 before covid adjustment (€)	0.106	0.104	1.9%	0.105	1.0%

* Previously adj. EBITDA commercial, recurring LT; ¹Previously FFO 1 after perpetuals, covid adjusted

Source: First Berlin Equity Research; Aroundtown

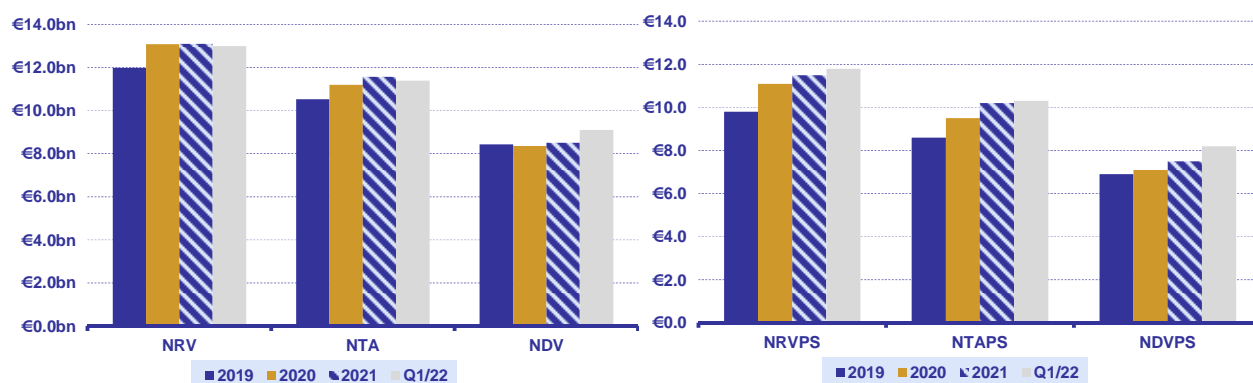
Net rental income (NRI) rose 32% on an annualised basis to €309m. The growth owes largely to the GCP consolidation. Adjusted for Grand City, NRI was down 9% Y/Y to €212m. The decline is traced to some €2.0bn in disposals between the periods.

'Adj. EBITDA before JV contribution' which reflects recurring operational profit excluding capital gains and revaluation effects, climbed 30% Y/Y to €247m in Q1 owing chiefly to the GCP contribution. Excluding the Grand City effects, the KPI was 10% lower on an annualised basis at €170m, due to aforementioned disposals. Including the JV contributions, AEBITDA tallied €258m (+12%).

FFO 1 metrics in line with guidance FFO 1 was up 3.1% Y/Y, helped by the lower €125m Covid-19 provision at €30m (Q1/21: €38m). The GCP consolidation had no material impact on FFO calculations since AT's share of GCP FFO was already included in the old accounting. On a non-adjusted basis, FFO 1 totalled €119m vs €125m in the prior year period with disposal effects offsetting LFL growth.

FFOPS 1 rose 10% Y/Y to €0.08, thanks to the impact of the share buyback, while 'FFOPS 1 before covid-19 adjustments' edged 1% higher to €0.106. FFO 2 tallied €143m (Q1/21: €233m), thanks to the €130m of property disposals with a 66% margin over cost including CapEx.

Figure 3: EPRA NAV and NAVPS developments



Source: First Berlin Equity Research; Aroundtown

EPRA NTA totalled €11.4bn (€10.3 / share) compared to €11.6bn at year-end 2021 (€10.2 / share, +1%). Profits generated during the period were mitigated by the share buyback (~€137m).

Table 2: Financial highlights

All figures in EURm	3M/22	2021	variance
Cash and liquid assets	2,169	3,244	-33%
Investment property	28,902	29,116	-1%
Total assets	38,602	39,383	-2%
Net debt	12,687	12,344	3%
Total equity	18,996	19,156	-1%
Equity ratio	49%	49%	-
EPRA NTA	11,364	11,564	-2%
Unencumbered asset ratio	85%	83%	-
Loan-to-Value (LTV)	40%	39%	-

Source: First Berlin Equity Research; Aroundtown

Balance sheet metrics remain solid The debt structure includes an LTV of 40% alongside a 1.2% average cost of debt with a 5.7 year maturity. AT repaid some €0.8bn in more expensive debt in Q1. The interest coverage ratio (ICR) and unencumbered asset ratio stood at 5.3x and 85% respectively at the end of March.



OUTLOOK

Table 3: Confirmed guidance vs FBe

	Unit	2022 Guidance	FBe 2022
FFO 1 ¹	€m	350 - 375	359
FFOPS 1 ¹	€	0.31 - 0.34	0.32
DPS	€	0.23 - 0.25	0.24

¹Previously FFO 1 after perpetuals, covid adjusted

Source: First Berlin Equity Research; Aroundtown

Our updated near term forecasts now factor in: (1) a €45m covid provision for next year (old: €0m), which accounts for the disproportionate decline in 2023 FFO 1; (2) reduced acquisition assumptions for 2022, which effect next year's topline; and (3) adjusted acquisition and disposal assumptions for 2023, which virtually net out. We now don't assume Aroundtown will be a *significant* net buyer now until 2024.

Table 4: Changes to FBe and target price

	old	new	revision	upside	dividend yield	total upside
Target price (€)	8.3	7.4	-10.8%	68.2%	5.5%	73.7%
in €m	Old	2022E New	variance	Old	2023E New	variance
Net rent (NRI)	1,179	1,185	0.6%	1,209	1,177	-2.7%
AEBITDA	1,018	1,001	-1.6%	1,061	1,004	-5.4%
margin	86%	84%	-	88%	85%	-
FFO 1 ¹	354	359	1.5%	496	419	-15.6%
Margin	30%	30%	-	41%	36%	-
FFOPS 1 ¹ (€)	0.45	0.32	1.5%	0.65	0.38	-15.6%

¹Previously FFO 1 after perpetuals, covid adjusted

Source: First Berlin Equity Research estimates

Our revised forecasts result in a DPS CAGR of 10.6% for the period 2023 to 2026 and a dividend yield of 5.7% on 2022 FBe. The latter KPI stands to rise even further on 2023E, depending on performance of the hotel portfolio.



VALUATION MODEL

We now value Aroundtown with a discounted dividend model (DDM). We believe this method is well suited to the rising interest rate environment, given the direct impact of interest rates on funds from operations and the resulting dividend payout (75% of FFO 1). The previous NAV based methodology was heavily impacted by non-cash portfolio revaluation gains.

We have also bumped up the risk-free rate in our cost of equity estimate to 1.0% in order to reflect the current spike in German bond yields, while our forecasts now factor in higher interest expenses for Aroundtown starting in 2025 when large volumes of debt will need to be refinanced. Our model includes a sensitivity table to gauge the impact of various rate levels on fair value. These factors result in a €7.4 price target (old: €8.3).

Aroundtown has shed some 34% in value over the past year having been hit by the one-two punch of pandemic lockdown effects and shaken sector sentiment as the era of ultra-cheap money comes to an end. The company's stock is trading at lows last seen during the early pandemic, when hotels were suffering peak lockdown constraints. We believe the market will rationalise and see good upside even if rates climb. Our rating remains Buy.

Figure 4: Discounted dividend model

in €m	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	TV
FFOPS 1 (€)	0.32	0.38	0.43	0.49	0.51	0.54	0.56	0.60	0.62	0.62
Payout ratio	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Dividend (DPS) (€)	0.24	0.28	0.33	0.37	0.38	0.40	0.42	0.45	0.46	0.47
Y/Y		17%	14%	13%	4%	5%	5%	6%	4%	n.a.
NPV	0.24	0.26	0.28	0.30	0.30	0.30	0.30	0.30	0.29	5.46
CAGR 2023 to 2027	10.6%									
Terminal growth rate	1.0%									
Discount rate	5.6%									
NPV of dividends (€)	2.0									
NPV of TV (€)	5.5									
Fair value per share €	7.4									

		Terminal growth						
		-0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%
Discount rate	4.4%	7.6	8.2	8.9	9.8	10.9	12.4	14.3
	4.8%	7.0	7.5	8.1	8.9	9.8	10.9	12.4
	5.2%	6.6	7.0	7.5	8.1	8.8	9.7	10.9
	5.6%	6.1	6.5	6.9	7.4	8.0	8.8	9.7
	6.0%	5.7	6.1	6.4	6.9	7.4	8.0	8.8
	6.4%	5.4	5.7	6.0	6.4	6.8	7.3	8.0
	6.8%	5.1	5.4	5.6	6.0	6.3	6.8	7.3

		Cost of Debt						
		1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.3%
Discount rate	4.4%	11.2	10.7	10.3	9.8	8.8	7.9	6.9
	4.8%	10.1	9.7	9.3	8.9	8.0	7.1	6.3
	5.2%	9.2	8.9	8.5	8.1	7.3	6.5	5.8
	5.6%	8.5	8.1	7.8	7.4	6.7	6.0	5.3
	6.0%	7.8	7.5	7.2	6.9	6.2	5.6	5.0
	6.4%	7.3	7.0	6.7	6.4	5.8	5.2	4.6
	6.8%	6.8	6.5	6.2	6.0	5.4	4.9	4.3



INCOME STATEMENT

All figures in EURm	2018	2019	2020	2021	2022E	2023E
Net rent	633	766	1,003	1,086	1,185	1,177
Operating and other income	114	129	177	238	303	301
Rental and operating income (RI)	747	895	1,180	1,323	1,489	1,478
Capital gains, property revaluations & other	1,536	1,218	769	810	588	661
Result from equity-accounted investees	252	299	196	193	74	77
Property OpEx	-219	-228	-443	-533	-587	-524
Other income	0	0	0	0	0	0
Administration & other OpEx	-23	-27	-51	-57	-59	-56
Operating income (EBIT)	2,294	2,156	1,652	1,737	1,506	1,636
Net financial result	-115	-142	-201	-180	-181	-177
Other financial expenses	-94	46	-168	-162	-99	0
Pre-tax income (EBT)	2,085	2,060	1,283	1,394	1,226	1,459
Tax expense	-44	-71	-89	-100	-100	-100
Deferred tax	-213	-280	-287	-216	-88	-99
Tax result	-257	-351	-377	-316	-188	-200
Comprehensive net income	1,828	1,709	906	1,078	1,038	1,260
Minority interests	161	343	165	330	219	249
Perpetual notes	46	58	90	106	119	119
Net income to owners	1,620	1,308	652	642	700	891
Basic EPS (€)	1.54	1.12	0.50	0.55	0.63	0.81
AEBITDA	606	773	944	975	1,001	1,004
Ratios						
Adj EBITDA before JV contributions	95.7%	100.9%	94.1%	89.8%	84.5%	85.3%
Tax rate	7.3%	9.1%	9.5%	10.3%	10.0%	10.0%
Expenses as % of revenues						
Property OpEx	29.3%	25.5%	37.5%	40.3%	39.4%	35.4%
Administration & other OpEx	3.0%	3.1%	4.3%	4.3%	3.9%	3.8%
Y/Y Growth						
Revenues	41.7%	19.8%	31.9%	12.1%	12.5%	-0.7%
Operating income	19.4%	-6.0%	-23.4%	5.1%	-13.3%	8.7%
Adjusted EBITDA	78.8%	27.5%	22.2%	3.3%	2.7%	0.2%
Net income/ loss	26.3%	-19.3%	-50.2%	-1.5%	8.9%	27.4%
Funds from Operations (FFO)						
AEBITDA before JV contribution	497	641	777	871	955	954
Finance expense	-115	-142	-201	-180	-181	-177
Tax expense	-44	-71	-89	-100	-100	-100
Minority adjustment	-7	-17	-36	-82	-125	-127
Other adjustments	8	3	9	7	8	8
Perpetual attribution	-46	-58	-90	-106	-119	-119
FFO 1 before JV contribution	293	357	371	409	437	438
JV FFO 1 contributions	67	89	107	69	22	26
FFO 1 before Covid adjustment	360	446	478	478	459	464
Extraordinary provision for uncollected rents	0	0	-120	-125	-100	-45
FFO 1¹	360	446	358	353	359	419

¹ Previously FFO 1 after perpetuals, covid adjusted



BALANCE SHEET

All figures in EURm	2018	2019	2020	2021	2022E	2023E
Assets						
Current assets, total	2,102	3,743	4,781	5,529	4,622	4,226
Cash and cash equivalents	1,243	2,192	2,692	2,873	2,672	2,484
Short-term investments	366	878	454	376	376	376
Receivables	277	454	617	1,219	1,346	1,336
Other current assets	5	5	141	28	28	29
Assets held for sale	211	214	877	1,033	200	0
Non-current assets, total	16,939	21,702	26,241	33,854	34,168	35,611
Property, plant & equipment	33	20	877	1,849	1,855	1,860
Investment properties	14,174	18,127	21,172	29,116	29,465	30,857
Equity accounted investees	2,215	2,506	3,177	1,223	1,253	1,284
Other LT assets	517	1,049	1,014	1,667	1,595	1,610
Total assets	19,041	25,445	31,022	39,383	38,790	39,837
Shareholders' equity & debt						
Current liabilities, total	606	857	1,074	1,607	1,248	1,212
Short-term debt	27	246	181	544	56	56
Accounts payable	451	343	435	621	732	678
Provisions & other current liabilities	128	268	458	442	460	478
Long-term liabilities, total	8,491	11,209	14,364	18,620	18,104	18,307
Long-term debt	7,444	9,759	11,680	15,026	14,394	14,468
Deferred tax liabilities	882	1,107	2,026	2,766	2,854	2,953
Other LT liabilities	164	342	659	828	856	886
Minority interests	567	1,309	2,025	3,875	4,094	4,344
Shareholders' equity	9,377	12,070	13,558	15,281	15,344	15,974
Total consolidated equity and debt	19,041	25,445	31,022	39,383	38,790	39,837
Ratios						
ICR (x)	4.7	4.8	4.3	4.9	5.0	5.1
Net debt / adj. EBITDA (x)	11.8	10.9	11.1	14.2	11.9	12.2
Equity ratio	52.2%	52.6%	50.2%	48.6%	50.1%	51.0%
Financial leverage	62.6%	57.9%	63.4%	80.8%	74.1%	72.8%
EPRA NTA	n.a.	10,523	11,187	11,564	11,694	12,428
EPRA NTAPS (€)	n.a.	8.6	9.5	10.2	10.6	11.3
Net debt	5,871	6,985	8,598	12,344	11,374	11,635
Return on equity (ROE)	19.5%	14.2%	6.7%	7.1%	6.8%	7.9%
Loan-to-value (LTV)	35%	34%	34%	39%	37%	36%



CASH FLOW STATEMENT

All figures in EURm	2018	2019	2020	2021	2022E	2023E
Net income	1,828	1,709	906	1,078	1,038	1,260
Depreciation & amortisation	2	2	4	16	15	15
Capital gains, property revaluations & other	-1,536	-1,218	-769	-810	-588	-661
Profit share from equity accounted investees	-252	-299	-196	-193	-74	-77
Shared based payment in a subsidiary	3	5	3	6	0	0
Net finance expenses	208	96	369	343	280	177
Tax result	257	351	377	316	188	200
Operating cash flow	510	646	694	755	858	913
Changes in working capital	-39	-34	-36	-57	-38	-53
Provisions for other liabilities	-3	-3	-3	-4	20	21
Dividend received	51	61	43	24	44	45
Tax paid	-46	-57	-83	-93	-100	-100
Net operating cash flow	473	614	616	626	785	825
CapEx/ intangibles	-5	-3	-36	23	-20	-20
Disposal / investment in investment properties, net	-915	-2,311	1,427	1,179	1,048	-530
Acquisition / disposals of subsidiaries	-1,829	0	0	0	0	0
Proceeds from investments in financial assets	-175	-576	-377	-124	20	21
Cash flow from investing	-2,924	-2,890	1,014	1,078	1,047	-530
Debt financing, net	2,588	2,148	-493	-1,320	-1,120	75
Equity financing, net	601	596	0	0	0	0
Payments for own shares	0	0	-1,001	-444	-400	0
Share buy-back in a subsidiary	0	0	0	-270	0	0
Dividends paid	-226	-209	-22	-252	-250	-261
Other financing activities	87	854	94	-120	-82	-119
Net paid financing expenses	-97	-161	-212	-201	-181	-177
Cash flow from financing	2,953	3,228	-1,634	-2,607	-2,034	-483
Net cash flows	501	952	-5	-903	-201	-187
Assets held for sale - cash	6	-4	-3	-2	0	0
Fx effects	-1	1	-1	16	0	0
Cash & equivalents from TLG	0	0	509	1070	0	0
Cash, start of the year	736	1,243	2,192	2,692	2,873	2,672
Cash, end of the year	1,243	2,192	2,692	2,873	2,672	2,484
FFO 1 before covid adjustment	360	446	478	478	459	464
FFO 1 ¹	360	446	358	353	359	419
FFOPS 1 before covid adjustment (€)	0.34	0.38	0.37	0.41	0.41	0.42
FFOPS 1 ¹ (€)	0.34	0.38	0.27	0.30	0.32	0.38

¹Previously FFO 1 after perpetuals, covid adjusted

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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.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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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...43	↓	↓	↓	↓
44	28 January 2021	€5.67	Buy	€8.60
45	31 March 2021	€6.07	Buy	€8.60
46	15 April 2021	€6.34	Buy	€8.60
47	31 May 2021	€6.89	Buy	€8.60
48	30 August 2021	€6.47	Buy	€8.60
49	23 September 2021	€6.06	Buy	€8.60
50	25 November 2021	€5.91	Buy	€8.60
51	31 March 2022	€5.27	Buy	€8.30
52	Today	€4.40	Buy	€7.40

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