

# Warimpex AG

PT: EUR 2.11/PLN 9.44

Update

Rating: n.a.

**In Q2/23, Warimpex' (WXF) results were negatively impacted by a weaker rouble, higher financing costs and value adjustments. While revenues increased by 15% y-o-y following among others higher occupancy rates in Poland, EBITDA and EBIT declined by 27.6% and 93.5% respectively, but this largely resulted from a one-off gain from property sales of EUR 2.8m in Q2/22. However, positive in H1/23 was the development of net debt, which showed both a decline y-o-y and q-o-q (compared to H1/22, it declined by EUR >50m). While we have reduced our EBIT and net income estimates, the upside to our new 12-months PT (50% disc. NNNAV, 50% peer group) of EUR 2.11 (prev. EUR 3.24) remains high as it is still more than 160.7% above WXF's current share price. The main risk remains the 43% (Q1/23: 46%) share of Russian assets in the total property portfolio, which is revalued every quarter. We would like to emphasize that already 60% of Warimpex' lettable space of 126,300 sqm has sustainability certificates.**

**In H1/23, the higher occupancy of its hotels and Polish office buildings as well as the fully occupied Avior Tower in St. Petersburg that was completed in Q3/22 positively impacted WXF' results, while a weaker rouble, higher financing costs, a gain from asset sales last year and write-downs weighted on its profitability.** Between January and June 2023, Warimpex generated revenues of EUR 26.3m (+30.6% y-o-y), of which c. EUR 16.7m stemmed from Russia. While EBITDA (EUR 11.3m, +4.9% y-o-y) developed positively, EBIT (EUR 6.4m, -61.5%) and net profit (EUR 214k, -98.4%) were impacted by interest expenses of EUR 5.2m and depreciation, amortization, and remeasurement losses totalling EUR 4.8m, among others.

**While we continue to expect that H2/23E will be better than the first half mainly due to opening of Mogilska 35 office building (>11,700 sqm), we have adjusted our estimates for 2023E and due to the basis effect also the following years.** For 2023E, we now forecast revenues of EUR 50.1m, an EBITDA of EUR 22.3m (EUR 19.5m), EBIT of EUR 16.3m (EUR 24.5m) and net income of EUR 5.2m (EUR 11.9m). 2024E-2026E should be positively impacted by the opening of the office buildings Mogilska IV & Chopin in Cracow (total: c. 29,700 sqm lettable space), MC55 in Bialystok (>38,400 sqm) and West Yard in Darmstadt (>11,400 sqm). A prudent cash flow management allows Warimpex to buy assets e.g. land plots on an opportunistic basis.

in EURm	2020	2021	2022	2023E	2024E	2025E
Total turnover	25.66	26.72	45.14	50.12	53.57	64.00
EBITDA	2.98	14.51	16.50	22.25	27.21	34.65
EBIT	-7.69	15.54	59.15	16.25	24.21	33.65
Net income	-29.69	12.27	42.84	5.17	11.44	18.85
EPS	-0.57	0.24	0.82	0.10	0.21	0.35
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	-22.07%	10.44%	29.07%	2.99%	6.32%	9.61%
Net gearing	157.49%	174.70%	135.98%	121.52%	111.31%	96.10%
Net debt/EBITDA	58.48x	15.00x	14.03x	9.57x	7.64x	5.70x
P/NAV	0.40x	0.35x	0.26x	0.25x	0.23x	0.21x
LTV	61.5%	62.5%	57.6%	54.9%	52.7%	50.5%
P/E	neg	3.38x	0.99x	8.46x	3.82x	2.32x

## 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	0.81
Number of shares (m)	54.00
Market cap. (EURm)	43.74
52-weeks range	EUR 0.98 / EUR 0.60
Average volume (shares)	6,553

## Performance

4-weeks	-5.81%
13-weeks	3.39%
26-weeks	17.71%
52-weeks	0.00%
YTD	22.40%

## 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

9M/23 report	November 29, 2023
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## Analyst

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## H1/23 results

### Revenues and Profitability

In H1/23, Warimpex generated total revenues of EUR 26.3m, which corresponds to a y-o-y growth of 30.6%. Compared to Q1, when it equalled 51.9% y-o-y, the sales growth in Q2 (+15%) slowed down significantly. Both Hotels (+54.6% y-o-y) and Investment properties (+32.2%) performed very well due to higher room rates and occupancy rates. In the Investment properties segment, the EBITDA margin strongly recovered as the Avior tower in St. Petersburg was opened in Q3/22 and since then has been fully occupied. In general, Russian operations contributed revenues of c. EUR 16.7m (63.6%) to the total.

in EURm	H1/23	H1/22
<b>Hotels</b>	<b>5.91</b>	<b>3.83</b>
<i>Share in total sales</i>	<i>22.5%</i>	<i>19.0%</i>
EBITDA margin	19.9%	34.6%
<b>Investment properties</b>	<b>19.42</b>	<b>14.69</b>
<i>Share in total sales</i>	<i>73.9%</i>	<i>73.1%</i>
EBITDA margin	76.7%	50.6%
<b>Development and services</b>	<b>0.93</b>	<b>1.59</b>
<i>Share in total sales</i>	<i>3.5%</i>	<i>7.9%</i>
EBITDA margin	-516.7%	125.2%
<b>Total revenues</b>	<b>26.26</b>	<b>20.10</b>

Source: Company information, East Value Research GmbH

in EURm	H1/23	H1/22	change y-o-y
<b>Total revenues</b>	<b>26.26</b>	<b>20.10</b>	30.6%
<b>EBITDA</b>	<b>11.26</b>	<b>10.74</b>	4.9%
<i>EBITDA margin</i>	<i>42.9%</i>	<i>53.4%</i>	
<b>EBIT</b>	<b>6.44</b>	<b>16.73</b>	-61.5%
<i>EBIT margin</i>	<i>24.5%</i>	<i>83.2%</i>	
<b>Net income</b>	<b>0.21</b>	<b>13.42</b>	-98.4%
<i>Net margin</i>	<i>0.8%</i>	<i>66.8%</i>	

Source: Company information, East Value Research GmbH

Between January and June 2023, Warimpex' EBITDA improved by 4.9% y-o-y to EUR 11.3m as the share of CoGS (34.3% vs. 35.9% in H1/22), administrative expenses (20.7% vs. 25.2%) and other operating expenses (2.7% vs. 5.9%) significantly declined. However, EBIT (EUR 6.4m vs. EUR 16.7m in H1/22) and net income (EUR 214k vs. EUR 13.4m) were negatively affected by 1. the fact that in contrast to H1/22 there were a remeasurement loss of EUR 5.5m and no gains from asset sales, and 2. much higher interest expenses y-o-y (EUR -5.2m vs. EUR 947k).

## Balance sheet and Cash flow

At the end of June 2023, Warimpex had consolidated equity excl. minorities of EUR 148.9m, which corresponds to an equity ratio of 35.8% (31/03/2023: 36.8%, 31/12/2022: 37.4%, H1/22: 35.7%).

At the end of H1/23, the largest position on the company's balance sheet were investment properties with EUR 355.5m (H1/22: EUR 406.8m). Property, plant and equipment (property that is currently under development) was worth EUR 33.9m (EUR 46.6m). Net investments in joint-ventures (relates to WXF's 50% stake in the Intercontinental Hotel in Warsaw) equalled EUR 25k (EUR 418k). Financial assets measured at fair value (10% stake in the Hotel Palais Hansen Kempinski in Vienna) through other comprehensive income were worth EUR 5.3m (EUR 5.6m).

At the end of the last quarter, interest-bearing debt amounted to EUR 228.4m (31/03/2023: EUR 235.8m, 31/12/2022: EUR 247.3m, 30/06/2022: EUR 279.4m), thereof 9.9% was short term and c. 19% with a variable rate. Net debt equalled EUR 215.7m (EUR 220.5m, EUR 231.4m, EUR 257.2m). Net gearing amounted to 144.8% (31/03/2023: 137.1%, 31/12/2022: 136%, 30/06/2022: 145.6%) and thus has been slightly deteriorating q-o-q this year.

Between January and June 2023, Warimpex generated an operating cash flow of EUR 16.6m (H1/22: EUR 6.3m). The reason were c. 47% higher cash receipts from letting and hotel operations, real estate development projects and interest income y-o-y. Excl. the c. EUR 5m from prepayments for rents, the "normalized" operating cash flow equalled EUR 11.6m.

Cash flow from investing, which last year was positively impacted by an inflow of EUR 12.5m related to the sale of the B52 building in Budapest, amounted to EUR -9.6m (H1/22: EUR -2m), The "normalized" free cash flow equalled EUR 2m. In H1/23, the cash flow from financing reached EUR -8.4m (EUR 2.7m) as last year the company issued a bond worth EUR 13.4m. Between January and June 2023, Warimpex' cash position declined by EUR 3.2m to EUR 12.7m, whereby EUR -1.8m stemmed from FX effects.

We like the fact that Warimpex clearly prioritizes the repayment of debt. Given the current environment with increasing interest rates, we believe that this is a good strategy.

## Financial forecasts

### Revenues and Profitability

After the relatively weak Q2/23, we have decided to lower our EBITDA, EBIT and net income estimates for 2023E and due to the basis effect also for the coming years. However, in our view the last quarters have shown that Warimpex' team is really doing a great job. Management has been able to reduce net debt since last year every quarter, the financial debt is to c. 90% long-term and the Russian project companies – their share in the total property portfolio declined to 43% from 46% in Q1/23 – are self-sufficient (at the end of Q2, they had cash of EUR 7.5m, EUR 2m less q-o-q, but according to management this resulted from the weaker rouble). Even despite the current challenging times for real estate companies, Warimpex has sufficient financial capacity to be able to finance opportunistic acquisitions – management has clearly excluded further investments in Russia – and the development of its current projects especially in Poland and Germany.

In terms of results, we expect a better H2/23E due to the opening of Mogilska 35 office building in Cracow and the increasing occupancy rates in the Red Tower in Lodz. In 2024E, we expect a positive contribution from the opening of the Mogilska IV & Chopin buildings in Cracow and MC55 in Bialystok. The West Yard office building in Darmstadt should contribute to results especially in 2025E and 2026E.

*Hotels:* This segment covers the results of Warimpex' 4 hotels (fully-owned and with minority stakes), which together have 831 beds. Among others, the company owns a 50% stake in the Intercontinental Hotel in Warsaw (occupancy rate of 78% at the end of June vs. 70% in H1/22), 100% in the greet hotel in Darmstadt (51% vs. 30%) and 100% in the Airportcity Plaza in St. Petersburg (49% vs. 49%). We forecast that the average occupancy rate and average room rate will remain at 76% and EUR 40 respectively in the coming years. Also, we continue to expect that Warimpex will not invest in additional hotels.

Despite 10-20% price increases in H1/23 y-o-y and higher occupancy rates, for 2023E we have maintained our revenue estimate (EUR 9.3m), while the forecast for the EBITDA margin is now slightly lower 20% (previously: 22.4%).

*Investment properties:* This segment covers Warimpex' 9 office and commercial buildings in Lodz, Krakow, St. Petersburg, and Budapest, which had a total lettable space of 126,300 sqm at the end of June 2023.

As of 30/06/2023, the Red Tower and Ogrodowa office buildings in Lodz had occupancy rates of 29% and 91% respectively, while in case of the Mogilska 41-43 building in Cracow the respective figure was 100%. The 4 office buildings in St. Petersburg were fully occupied, while the occupancy rate in the Erzsebet office building in Budapest equalled 95%.

We maintain our assumption that due to the opening of new office & commercial buildings in Poland and Germany the total lettable space will increase to 143,235 in 2023E and to 193,511 by 2025E. The average occupancy rate and rental fee should remain unchanged compared to 2022, thus 96% and EUR 23 respectively. We forecast that in 2023E this segment will generate revenues of EUR 37.6m (+13.4% y-o-y, prev. EUR 37.6m) and an EBITDA margin of 76% (2022: 64.1%, prev. 64.6%).

*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.

In our view, this year the segment will generate revenues of EUR 3.3m (+20% y-o-y) and an EBITDA margin of -190% (2022: -250.8%, prev. -150.8%).

in EURm	2023E	2024E	2025E
<b>Hotels</b>	<b>9.27</b>	<b>9.27</b>	<b>9.27</b>
<i>(% of net sales)</i>	18.5%	17.3%	14.5%
EBITDA margin	20.0%	20.4%	20.8%
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)	40	40	40
<b>Investment properties</b>	<b>37.60</b>	<b>40.72</b>	<b>50.80</b>
<i>(% of net sales)</i>	75.0%	76.0%	79.4%
EBITDA margin	76.0%	75.0%	73.0%
Number of office and commercial properties	10	12	13
Avg. lettable office space (adj. for proport. share of ownership)	143,235	155,111	193,511
Avg. occupancy rate	96.0%	96.0%	96.0%
Avg. rental fee per month & sqm (EUR)	23	23	23
<b>Development and services</b>	<b>3.25</b>	<b>3.58</b>	<b>3.93</b>
<i>(% of net sales)</i>	6.5%	6.7%	6.1%
EBITDA margin	-190.0%	-90.0%	-60.0%
<b>Total revenues</b>	<b>50.12</b>	<b>53.57</b>	<b>64.00</b>
<i>(change y-o-y)</i>	11.0%	6.9%	19.5%

Source: East Value Research GmbH

in EURm	2023E		2024E		2025E	
	new	old	new	old	new	old
<b>Total revenues</b>	<b>50.12</b>	<b>50.12</b>	<b>53.57</b>	<b>53.57</b>	<b>64.00</b>	<b>64.00</b>
<b>EBITDA</b>	<b>22.25</b>	<b>19.46</b>	<b>27.21</b>	<b>25.01</b>	<b>34.65</b>	<b>32.91</b>
<i>EBITDA margin</i>	44.4%	38.8%	50.8%	46.7%	54.1%	51.4%
<b>EBIT</b>	<b>16.25</b>	<b>24.46</b>	<b>24.21</b>	<b>30.01</b>	<b>33.65</b>	<b>37.91</b>
<i>EBIT margin</i>	32.4%	48.8%	45.2%	56.0%	52.6%	59.2%
<b>Net income</b>	<b>5.17</b>	<b>11.87</b>	<b>11.44</b>	<b>16.31</b>	<b>18.85</b>	<b>22.54</b>
<i>Net margin</i>	10.3%	23.7%	21.4%	30.4%	29.4%	35.2%

Source: East Value Research GmbH

in EURm	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021
<b>Total turnover</b>	<b>7.91</b>	<b>5.73</b>	<b>5.89</b>	<b>6.13</b>	<b>25.66</b>	<b>6.05</b>	<b>6.70</b>	<b>6.44</b>	<b>7.53</b>	<b>26.72</b>
<i>y-o-y change</i>	26.3%	-36.1%	-27.4%	-26.2%	-18.9%	-23.5%	16.9%	9.4%	22.9%	4.1%
<b>EBITDA</b>	<b>0.93</b>	<b>-0.58</b>	<b>1.43</b>	<b>1.21</b>	<b>2.98</b>	<b>1.62</b>	<b>3.38</b>	<b>2.86</b>	<b>6.65</b>	<b>14.51</b>
<i>EBITDA margin</i>	11.8%	-10.2%	24.2%	19.7%	11.6%	26.8%	50.5%	44.4%	88.3%	54.3%
<b>EBIT</b>	<b>-2.41</b>	<b>-6.83</b>	<b>0.33</b>	<b>1.22</b>	<b>-7.69</b>	<b>2.14</b>	<b>3.80</b>	<b>2.41</b>	<b>7.19</b>	<b>15.54</b>
<i>EBIT margin</i>	-30.4%	-119.2%	5.6%	19.9%	-30.0%	35.3%	56.7%	37.3%	95.5%	58.1%
<b>Net income</b>	<b>-17.28</b>	<b>-3.26</b>	<b>-8.88</b>	<b>-0.27</b>	<b>-29.69</b>	<b>-0.58</b>	<b>2.30</b>	<b>0.74</b>	<b>9.82</b>	<b>12.27</b>
<i>Net margin</i>	-218.3%	-57.0%	-150.8%	-4.4%	-115.7%	-9.6%	34.3%	11.4%	130.4%	45.9%

in EURm	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23
<b>Total turnover</b>	<b>8.52</b>	<b>11.58</b>	<b>12.33</b>	<b>12.70</b>	<b>45.14</b>	<b>12.95</b>	<b>13.31</b>
<i>y-o-y change</i>	40.9%	72.8%	91.4%	68.7%	68.9%	51.9%	15.0%
<b>EBITDA</b>	<b>2.91</b>	<b>7.83</b>	<b>5.21</b>	<b>0.55</b>	<b>16.50</b>	<b>5.60</b>	<b>5.67</b>
<i>EBITDA margin</i>	34.2%	67.6%	42.2%	4.3%	36.6%	43.2%	42.6%
<b>EBIT</b>	<b>-1.26</b>	<b>18.00</b>	<b>4.75</b>	<b>37.67</b>	<b>59.15</b>	<b>5.28</b>	<b>1.16</b>
<i>EBIT margin</i>	-14.8%	155.4%	38.5%	296.5%	131.0%	40.8%	8.7%
<b>Net income</b>	<b>-4.39</b>	<b>17.61</b>	<b>0.14</b>	<b>29.48</b>	<b>42.84</b>	<b>1.33</b>	<b>-1.14</b>
<i>Net margin</i>	-51.5%	152.1%	1.2%	232.1%	94.9%	10.2%	-8.5%

Source: Company information, East Value Research GmbH

### CAPEX and Working capital

Warimpex' management plans to spend EUR 10m on CAPEX this year. We continue to forecast that both property, plant and equipment and investment properties will grow at 1% per year in the coming years. Regarding working capital, we have maintained our assumption that the cash conversion cycle will increase from -161 days in 2022 to 30 days in the long run.

## Valuation

We have valued Warimpex by using a weighted average of a NNNAV (50% weight) and peer-group-based fair value (50%). Thereby, we have discounted the NNNAV by 50% due to the company's exposure to Russia and have accounted for 1.94m of treasury shares. Compared to our last update, our 12-months price target for Warimpex' stock goes down from EUR 3.24 to EUR 2.11, which still implies an upside of 160.7% at current level. The reason are lower estimates and peer-group-based fair value (EUR 2.06 vs. EUR 4.03).

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Austrian long-term government bonds with maturity in 2047E is 2.54% (Source: [www.boerse-stuttgart.de](http://www.boerse-stuttgart.de))
- (2) *Beta*: 4y average unlevered beta of companies from the Real Estate (Diversified) sector of 0.46x
- (3) *Levered beta*: 1.28x
- (4) *Equity risk premium (Austria)*: 6.63% (Source: [www.damodaran.com](http://www.damodaran.com))
- (5) *Effective tax rate*: 24%
- (6) *Target equity ratio*: 30%
- (7) *Target debt ratio*: 70%
- (8) *After-tax debt costs*: 4.4%
- (9) *Equity costs*: 11%
- (10) *WACC*: 6.4%

### Triple NNNAV calculation

in EURm	
<b>Equity (as of 30/06/2023)</b>	<b>148.94</b>
+ Deferred taxes (net)	-15.93
+ Market value of derivative instruments	0.02
<b>= EPRA NAV</b>	<b>133.04</b>
- Market value of derivative instruments	-0.02
- Market value of off-balance-sheet debt	0.00
- Deferred taxes (net)	15.93
<b>= EPRA NNNAV</b>	<b>148.94</b>
: Number of shares outstanding (excl. 1,939,280 own shares)	52.06
<b>= EPRA NNNAV per share</b>	<b>2.86</b>
<b>= Discounted by 50% due to high exposure to Russia</b>	<b>1.91</b>

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 the Czech Republic. Its core business involves leasing, managing and developing high-quality office buildings. The company has assets of EUR 5.6bn and an occupancy rate of 90.5%. 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 125.3m. Its current market capitalization equals EUR 3bn.
- (2) *Immofinanz AG*: Immofinanz, which is based in Vienna, manages and develops retail and office properties in Austria, Germany, Poland, the Czech Republic, Slovakia, Hungary, Romania and the Adriatic region. The company has assets worth EUR 7.8bn and an occupancy rate of 92.5%. In 2022, Immofinanz generated revenues of EUR 270.3m, a net profit of EUR 142.6m and funds from operation (FFO) of EUR 146m. Its current market capitalization equals EUR 2.5bn.
- (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 2.8bn with an average occupancy rate of 91.3%. In 2022, it generated revenues of EUR 260.8m, a net profit of EUR 27.2m and FFO of EUR 64.7m. Currently, its market capitalisation equals EUR 846m.
- (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 2.3bn and an occupancy rate of 87%. In 2022, it generated revenues of PLN 747m, a net profit of PLN 105m and FFO of PLN 305m. Currently, its market capitalisation equals PLN 3.2bn.
- (5) *Globalworth Real Estate Investments Ltd.*: Globalworth Real Estate Investment, 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 2.3bn 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 632.2m.



(6) *UBM Development AG*: UBM Development, which is headquartered in Vienna, focuses on green buildings and smart offices in Austria, Germany, Poland and the Czech Republic (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 402.3m of investment properties. In 2022, it generated revenues of EUR 133.9m and a net profit of EUR 25.9m. Of the total output of EUR 390.7m (= 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 163.5m.

Company	P/BVPS		P/E		Net debt/EBITDA	Net interest cover	Net gearing
	Latest	2023E	2024E	Latest	Latest	Latest	
CA Immobilien Anlagen AG (EUR)	0.9x	108.9x	17.4x	11.4x	4.4x	59.0%	
Immofinanz AG (EUR)	0.6x	10.0x	9.8x	265.7x	0.2x	82.1%	
S Immo AG (EUR)	0.5x	36.4x	9.0x	9.2x	3.0x	57.8%	
Globe Trade Center S.A. (PLN)	3.0x	15.5x	10.3x	2.6x	3.1x	108.6%	
Globalworth Real Estate Inv. Ltd. (EUR)	0.4x	n.a	n.a	10.2x	2.6x	79.1%	
UBM Development AG (EUR)	0.4x	n.a	6.3x	neg	n.a	132.7%	
<b>Median</b>	<b>0.6x</b>	<b>25.9x</b>	<b>9.8x</b>	<b>10.2x</b>	<b>3.0x</b>	<b>80.6%</b>	
Warimpex AG (EUR)	0.3x	8.5x	3.8x	12.9x	9.1x	143.18%	
<b>Premium/Discount</b>	<b>-50.5%</b>	<b>-67.4%</b>	<b>-60.8%</b>				
<b>Fair value Warimpex (EUR)</b>	<b>2.06</b>						

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

### Price target calculation

Valuation method	Fair value	Weight
NNNAV calculation (EUR)	1.91	50%
Peer Group Analysis (EUR)	2.06	50%
<b>Weighted average (present value)</b>	<b>1.99</b>	
<b>In 12-months (PV * (1+WACC))</b>	<b>2.11</b>	
<b>In PLN (PLN-EUR = 4.47)</b>	<b>9.44</b>	

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

## Profit and loss statement

in EURm	2020	2021	2022	2023E	2024E	2025E
<b>Total revenues</b>	<b>25.66</b>	<b>26.72</b>	<b>45.14</b>	<b>50.12</b>	<b>53.57</b>	<b>64.00</b>
Directly-attributable expenses	-11.29	-10.60	-16.10	-17.28	-16.86	-17.58
<b>Gross profit</b>	<b>14.37</b>	<b>16.12</b>	<b>29.04</b>	<b>32.85</b>	<b>36.71</b>	<b>46.42</b>
Other operating income	0.42	6.49	1.37	0.34	0.38	0.42
Gains/losses from the disposal of properties	0.00	0.00	2.82	0.00	0.00	0.00
Administrative expenses	-8.67	-7.32	-14.12	-10.78	-11.41	-13.50
Other operating expenses	-3.14	-0.78	-2.61	-0.16	1.53	1.32
<b>EBITDA</b>	<b>2.98</b>	<b>14.51</b>	<b>16.50</b>	<b>22.25</b>	<b>27.21</b>	<b>34.65</b>
Depreciation, amortization & remeasurement	-10.67	1.02	42.65	-6.00	-3.00	-1.00
<b>EBIT</b>	<b>-7.69</b>	<b>15.54</b>	<b>59.15</b>	<b>16.25</b>	<b>24.21</b>	<b>33.65</b>
Net financial results	-21.43	-0.61	-6.52	-9.40	-9.10	-8.80
<b>EBT</b>	<b>-29.11</b>	<b>14.92</b>	<b>52.63</b>	<b>6.85</b>	<b>15.11</b>	<b>24.85</b>
Income taxes	-2.01	-2.94	-9.76	-1.64	-3.63	-5.96
Minority interests	1.43	0.29	-0.03	-0.04	-0.04	-0.04
<b>Net income / loss</b>	<b>-29.69</b>	<b>12.27</b>	<b>42.84</b>	<b>5.17</b>	<b>11.44</b>	<b>18.85</b>
EPS	-0.57	0.24	0.82	0.10	0.21	0.35
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>Share in total sales</b>						
Total revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Directly-attributable expenses	-43.99 %	-39.66 %	-35.67 %	-34.47 %	-31.47 %	-27.47 %
Gross profit	56.01 %	60.34 %	64.33 %	65.53 %	68.53 %	72.53 %
Other operating income	1.65 %	24.29 %	3.04 %	0.69 %	0.71 %	0.65 %
Gains/losses from the disposal of properties	0.00 %	0.00 %	6.25 %	0.00 %	0.00 %	0.00 %
Administrative expenses	-33.80 %	-27.40 %	-31.29 %	-21.50 %	-21.30 %	-21.10 %
Other operating expenses	-12.25 %	-2.92 %	-5.78 %	-0.32 %	2.86 %	2.06 %
EBITDA	11.61 %	54.31 %	36.55 %	44.40 %	50.80 %	54.14 %
Depreciation, amortization & remeasurement	-41.57 %	3.83 %	94.49 %	-11.97 %	-5.60 %	-1.56 %
EBIT	-29.96 %	58.15 %	131.04 %	32.43 %	45.20 %	52.58 %
Net financial results	-83.50 %	-2.29 %	-14.45 %	-18.75 %	-16.99 %	-13.75 %
EBT	-113.46 %	55.85 %	116.59 %	13.67 %	28.21 %	38.83 %
Income taxes	-7.82 %	-11.02 %	-21.63 %	-3.28 %	-6.77 %	-9.32 %
Minority interests	5.57 %	1.10 %	-0.06 %	-0.08 %	-0.07 %	-0.06 %
Net income / loss	-115.71 %	45.93 %	94.91 %	10.31 %	21.37 %	29.45 %

## Balance sheet

in EURm	2020	2021	2022	2023E	2024E	2025E
Cash and cash equivalents	8.93	11.19	15.92	15.73	13.92	17.25
Inventories	0.15	0.14	0.19	0.20	0.20	0.21
Trade accounts and notes receivables	3.45	5.67	4.87	5.41	5.78	6.91
Assets-held-for-sales	0.00	0.00	0.00	0.00	0.00	0.00
<b>Current assets</b>	<b>12.53</b>	<b>17.00</b>	<b>20.99</b>	<b>21.35</b>	<b>19.90</b>	<b>24.37</b>
Property, plant and equipment	33.88	36.59	36.41	33.90	34.24	34.58
Other intangible assets	0.08	0.08	0.05	0.03	0.03	0.04
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Investment property	251.34	324.60	388.46	378.00	381.78	385.60
Joint ventures	5.08	0.42	0.41	0.41	0.42	0.42
Financial assets measured at FV	5.63	5.50	5.22	5.27	5.33	5.38
Derivative financial instruments	0.00	0.40	0.09	0.00	0.00	0.00
Other long-term assets	11.16	2.35	1.78	1.50	1.52	1.53
Deferred tax assets	0.98	1.19	1.67	0.68	0.00	0.00
<b>Non-current assets</b>	<b>308.13</b>	<b>371.11</b>	<b>434.08</b>	<b>419.80</b>	<b>423.31</b>	<b>427.55</b>
<b>Total assets</b>	<b>320.67</b>	<b>388.12</b>	<b>455.07</b>	<b>441.15</b>	<b>443.21</b>	<b>451.91</b>
Trade payables	8.88	11.89	9.05	8.83	7.76	7.21
Short-term financial debt	16.65	29.36	28.82	22.80	20.80	18.80
Income tax liabilities	0.01	0.29	0.02	0.04	0.04	0.04
Provisions	2.24	2.94	0.10	0.01	0.11	0.14
Deferred revenues	0.23	0.10	0.02	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
<b>Current liabilities</b>	<b>28.02</b>	<b>44.58</b>	<b>38.00</b>	<b>31.71</b>	<b>28.74</b>	<b>26.21</b>
Long-term financial debt	161.79	196.77	216.15	203.60	198.60	193.60
Other long-term liabilities	6.73	7.27	8.41	10.80	10.30	9.80
Deferred revenues	1.96	0.06	0.04	0.04	0.04	0.04
Pension provisions	4.70	2.75	2.34	2.41	2.43	2.45
Deferred tax liabilities	8.68	11.96	19.83	17.10	16.12	13.94
<b>Long-term liabilities</b>	<b>183.86</b>	<b>218.82</b>	<b>246.78</b>	<b>233.95</b>	<b>227.49</b>	<b>219.84</b>
<b>Total liabilities</b>	<b>211.87</b>	<b>263.40</b>	<b>284.78</b>	<b>265.65</b>	<b>256.23</b>	<b>246.05</b>
<b>Shareholders equity</b>	<b>110.62</b>	<b>124.61</b>	<b>170.16</b>	<b>175.33</b>	<b>186.78</b>	<b>205.62</b>
Minority interests	-1.83	0.11	0.13	0.17	0.21	0.25
<b>Total liabilities and equity</b>	<b>320.67</b>	<b>388.12</b>	<b>455.07</b>	<b>441.15</b>	<b>443.21</b>	<b>451.91</b>

## Cash Flow Statement

in EURm	2020	2021	2022	2023E	2024E	2025E
Net income / loss	-29.69	12.27	42.84	5.17	11.44	18.85
Depreciation, amortization & remeasurement	10.67	-1.02	-42.65	6.00	3.00	1.00
Change of working capital	0.00	0.00	0.00	-0.74	-1.44	-1.69
Others	21.49	-6.27	11.16	1.75	0.30	2.17
<b>Net operating cash flow</b>	<b>2.47</b>	<b>4.98</b>	<b>11.35</b>	<b>12.17</b>	<b>13.31</b>	<b>20.33</b>
<b>Cash flow from investing</b>	<b>-11.34</b>	<b>-17.58</b>	<b>-3.11</b>	<b>8.55</b>	<b>-6.08</b>	<b>-4.20</b>
Free cash flow	-8.87	-12.61	8.24	20.72	7.22	16.13
<b>Cash flow from financing</b>	<b>11.46</b>	<b>14.52</b>	<b>-4.52</b>	<b>-20.92</b>	<b>-9.04</b>	<b>-12.80</b>
Change of cash	1.41	2.26	4.73	-0.19	-1.81	3.33
Cash at the beginning of the period	7.52	8.93	11.19	15.92	15.73	13.92
Cash at the end of the period	8.93	11.19	15.92	15.73	13.92	17.25

## Financial ratios

Fiscal year	2020	2021	2022	2023E	2024E	2025E
<b>Profitability and balance sheet quality</b>						
Gross margin	56.01%	60.34%	64.33%	65.53%	68.53%	72.53%
EBITDA margin	11.61%	54.31%	36.55%	44.40%	50.80%	54.14%
EBIT margin	-29.96%	58.15%	131.04%	32.43%	45.20%	52.58%
Net margin	-115.71%	45.93%	94.91%	10.31%	21.37%	29.45%
Return on equity (ROE)	-22.07%	10.44%	29.07%	2.99%	6.32%	9.61%
Return on assets (ROA)	-2.58%	3.32%	10.85%	3.30%	4.64%	6.12%
Return on capital employed (ROCE)	-2.81%	3.63%	11.55%	3.02%	4.44%	6.01%
Economic Value Added (in EURm)	-26.90	-9.46	21.55	-13.79	-8.06	-1.61
Net debt (in EURm)	174.21	217.70	231.39	213.07	207.91	197.60
Net gearing	157.49%	174.70%	135.98%	121.52%	111.31%	96.10%
Loan-to-Value (LTV)	61.47%	62.54%	57.60%	54.91%	52.69%	50.50%
Equity ratio	34.50%	32.11%	37.39%	39.74%	42.14%	45.50%
Current ratio	0.45	0.38	0.55	0.67	0.69	0.93
Quick ratio	0.44	0.38	0.55	0.67	0.69	0.92
Net interest cover	-0.36	25.35	9.07	1.73	2.66	3.82
Net debt/EBITDA	58.48	15.00	14.03	9.57	7.64	5.70
Tangible BVPS	2.05	2.31	3.15	3.25	3.46	3.81
Capex/Sales	86.29%	-231.54%	-41.85%	17.06%	-11.36%	-6.56%
Working capital/Sales	-29.14%	-24.45%	-9.01%	-6.63%	-3.53%	-0.31%
Cash Conversion Cycle (in days)	-233	-327	-161	-143	-124	-106
<b>Trading multiples</b>						
P/NAV	0.40	0.35	0.26	0.25	0.23	0.21
P/E	-1.42	3.38	0.99	8.46	3.82	2.32
P/FCF	-4.93	-3.47	5.31	2.11	6.05	2.71

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