

# Warimpex AG



PT: EUR 3.05/PLN 13.99

Update

Rating: n.a.

**Warimpex Finanz- und Beteiligungs AG (Warimpex) reported solid fiscal-year 2022 results. While on the top-line and EBITDA level they were weaker than we had expected, EBIT (EUR 59.2m vs. our estimate of EUR 27.7m) and net income (EUR 42.8m vs. EUR 15.5m) were significantly above our forecasts due to a much higher gain from remeasurement of the investment portfolio. Positive was also the improved net gearing (136% vs. 174.7% in 2021) and equity ratio (37.4% vs. 32.1%) y-o-y. At the end of December, 88.2% of Warimpex' financial debt was long-term. The Russian business, which is financed by local banks in rubles and does not require any support from Warimpex, develops without problems, however management does not plan new projects in the country. In mid-2023, Warimpex will open another office building in Cracow: Mogilska 35. In the future, it plans to focus on projects in Poland and Germany. Our new 12-months PT (50% NNNAV that we have additionally discounted by 50% due to the exposure to Russia, 50% peer group) equals EUR 3.05 (prev. EUR 2.63) following higher peer-group-based FV. While an investment in Warimpex remains risky as 49% of its assets are in Russia, the company's current share price only equals EUR 0.69. Also, WXF's AGM on June 1<sup>st</sup> will vote on a potential share buyback.**

**In 2022, Warimpex' results were boosted by higher occupancy of its hotels, first-time full consolidation of the Jupiter 1 & 2 office property in St. Petersburg, a stronger ruble, a one-off gain from the sale of the B52 building in Hungary and a significant remeasurement gain.** Total turnover equalled EUR 45.1m (+68.9% y-o-y, our estimate: EUR 46.8m). Thereof, 62.9% stemmed from Russia. While EBITDA (EUR 16.5m, +13.5% y-o-y, our estimate: EUR 19.7m) was weaker than we had expected, EBIT (EUR 59.2m, +280.7% y-o-y, EUR 27.7m) and net profit (EUR 42.8m, +249% y-o-y, EUR 15.5m) were much higher as the remeasurement gain exceeded our estimate by far (EUR 45.9m vs. EUR 11m).

**While we have not factored in any one-off gains, we expect that this year results will be positively impacted by the opening of Mogilska 35 office building.** In 2024E-2026E, Warimpex' figures should further improve due to the opening of the office buildings Mogilska IV & Chopin in Cracow and MC55 in Bialystok, for which the company has already received the building permit, as well as the West Yard in Darmstadt.

## 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.

Date of publication	4 May 2023 / 6:30 am
Website	www.warimpex.com
Sector	Real Estate
Country	Austria
ISIN	AT0000827209
Reuters	WXFB.VI
Bloomberg	WXF AV

## Share information

Last price	0.69
Number of shares (m)	54.00
Market cap. (EURm)	37.26
52-weeks range	EUR 0.89 / EUR 0.56
Average volume (shares)	5,900

## Performance

4-weeks	16.67%
13-weeks	1.54%
26-weeks	-0.85%
52-weeks	-17.06%
YTD	1.54%

## Shareholder structure

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

## Financial calendar

Q1/23 report	May 30, 2023
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## Analyst

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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	19.46	25.01	32.91
EBIT	-7.69	15.54	59.15	24.46	30.01	37.91
Net income	-29.69	12.27	42.84	13.82	18.27	24.50
EPS	-0.57	0.24	0.82	0.26	0.34	0.45
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%	7.81%	9.46%	11.42%
Net gearing	157.49%	174.70%	145.34%	126.86%	110.29%	91.17%
Net debt/EBITDA	58.48x	15.00x	14.99x	11.99x	8.92x	6.28x
P/NAV	0.34x	0.30x	0.22x	0.20x	0.18x	0.16x
LTV	61.5%	62.5%	57.6%	54.6%	52.5%	0.0%
P/E	-1.21x	2.88x	0.84x	2.70x	2.04x	1.52x

## 2022 results

### Revenues and Profitability

In 2022, Warimpex generated total revenues of EUR 45.1m (+68.9% y-o-y) compared to our estimate of EUR 46.8m. The reasons for the positive development were a stronger ruble, the first-time full consolidation of the Jupiter 1 & 2 office property in St. Petersburg, stronger occupancy, and higher hotel rates y-o-y.

In terms of sales, especially the Hotel segment performed well, with a growth of 91.7% y-o-y to EUR 9.3m. Profitability was weaker y-o-y in the Hotels and Development and services segments due to cost inflation.

Negative was the high share of revenues that stemmed from Russia (62.9% vs. 54.7% in 2021).

in EURm	2022	2021
<b>Hotels</b>	<b>9.27</b>	<b>4.84</b>
<i>Share in total sales</i>	<i>20.5%</i>	<i>18.1%</i>
EBITDA margin	22.0%	23.6%
<b>Investment properties</b>	<b>33.15</b>	<b>20.27</b>
<i>Share in total sales</i>	<i>73.5%</i>	<i>75.8%</i>
EBITDA margin	64.1%	63.5%
<b>Development and services</b>	<b>2.71</b>	<b>1.62</b>
<i>Share in total sales</i>	<i>6.0%</i>	<i>6.1%</i>
EBITDA margin	-250.8%	30.8%
<b>Total revenues</b>	<b>45.14</b>	<b>26.72</b>

Source: Company information, East Value Research GmbH



Source: Company information, East Value Research GmbH

in EURm	2022	2022E	2021	2022 vs. 2022E	2022 vs. 2021
<b>Total revenues</b>	<b>45.14</b>	<b>46.80</b>	<b>26.72</b>	-3.6%	68.9%
<b>EBITDA</b>	<b>16.48</b>	<b>19.68</b>	<b>14.51</b>	-16.3%	13.5%
<i>EBITDA margin</i>	<i>36.5%</i>	<i>42.1%</i>	<i>54.3%</i>		
<b>EBIT</b>	<b>59.15</b>	<b>27.68</b>	<b>15.54</b>	113.7%	280.7%
<i>EBIT margin</i>	<i>131.0%</i>	<i>59.1%</i>	<i>58.1%</i>		
<b>Net income</b>	<b>42.84</b>	<b>15.45</b>	<b>12.27</b>	177.3%	249.0%
<i>Net margin</i>	<i>94.9%</i>	<i>33.0%</i>	<i>45.9%</i>		

Source: Company information, East Value Research GmbH

In 2022, Warimpex' EBITDA went up by 13.5% y-o-y to EUR 16.5m, however remained 16.3% below our estimate of EUR 19.7m. On the sale of the fully occupied B52 office building in Budapest (sale price of EUR 12.6m, >5,200 sqm, was acquired in 2018), the company made a one-off gain of EUR 2.8m. However, EBIT (+280.7% to EUR 59.2m) and net income (+249% to EUR 42.8m) were 113.7% and 177.3% above our estimates due to a much higher remeasurement gain than we had previously forecast (EUR 45.9m vs. our estimate of EUR 11m).

### Balance sheet and Cash flow

At the end of December 2022, Warimpex had consolidated equity excl. minorities of EUR 170.2m (equity ratio of 37.4% compared to 35.6% at the end of 9M/22 and 32.1% as of 31/12/2021).

At the end of 2022, the largest position on the company's balance sheet were investment properties with EUR 388.5m (2021: EUR 324.6m). Property, plant and equipment, which reflects property that is currently under development, followed with EUR 36.4m (EUR 36.6m). Net investments in joint-ventures (= Warimpex' 50% stake in Sienna Hotel Sp. z.o.o, which relates to the InterContinental Hotel in Warsaw) equalled EUR 410k (EUR 415k). Financial assets measured at fair value through other comprehensive income (= relate to the company's 9.88% stake in the Palais Hansen Immobilienentwicklung GmbH in Vienna) were worth EUR 5.2m (EUR 5.5m).

At the end of last fiscal year, interest-bearing debt amounted to EUR 245m (2021: EUR 228.9m), thereof 11.8% (13%) was short term and 19% (23%) with a variable rate. Net debt equalled EUR 247.3m (EUR 217.7m) or 15x (15x) EBITDA, which is pretty high. Net gearing and Loan-to-Value amounted to 145.3% (174.7%) and 57.6% (62.5%) respectively and thus significantly improved y-o-y.

Between January and December 2022, Warimpex generated an operating cash flow of EUR 11.4m compared to EUR 5m in 2021. The reasons were EUR 22.3m higher cash receipts from letting and hotel operations, real estate development projects and interest income y-o-y. Cash flow from investing amounted to EUR -3.1m (2021: EUR -17.6m) and was mainly impacted by the sale of the B52 tower in Budapest and the acquisition of the Red Tower in Lodz in June 2022.

In 2022, the cash flow from financing reached EUR -4.5m compared to EUR 14.5m in the previous year as the company raised EUR 20.2m less new debt. Between January and December 2022, Warimpex' cash position increased from EUR 11.2m to EUR 15.9m (incl. EUR 1m from FX effects).

## Financial forecasts

### Revenues and Profitability

Our new estimates account for the information in the Annual Report 2022, however do not include any acquisitions or divestments in the coming years. In 2023E, we expect a further improvement of Warimpex' results due to the opening of the new Mogilska 35 office building in Cracow. By 2025E, the following new buildings should also contribute to results: Chopin (Cracow), MC 55 (Bialystok) and West Yard 29 (Darmstadt). According to a recent interview with Warimpex' CEO with the Polish press agency PAP, the company forecasts a CAPEX of EUR 10m in 2023E, plans no further investments in Russia and wants to focus on Poland and Germany in the coming years.

*Hotels:* This segment covers the results of Warimpex's 4 hotels (fully-owned and with minority stakes), which together have 831 beds. In our view, the occupancy rate in 2022 equalled 76% and the average room rate EUR 40. We expect both figures to remain unchanged in the coming years. Also, we do not believe that Warimpex will invest in additional hotels.

We now believe that in 2023E this segment will generate revenues of EUR 9.3m and an EBITDA margin of 22.4% (2022: 22%), which in the long run should increase to >24%.

*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 as of year-end 2022. The occupancy rate equalled 96% - whereby the four office buildings in Russia were fully occupied – and the average rental fee per month and sqm EUR 23.

We expect that due to the opening of the 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. At the same time, we believe that the average occupancy rate and rental fee will remain unchanged. In our view, this segment will generate revenues of EUR 37.6m (+13.4% y-o-y) and an EBITDA margin of 64.6% (2022: 64.1%) in 2023E. While by 2031E revenues should grow at a CAGR of 5.8%, we believe that the EBITDA margin will reach >67%.

*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 segment will generate revenues of EUR 3.3m (+20% y-o-y) and an EBITDA margin of -150.8% (2022: -250.8%) in 2023E. For the coming years, we expect a revenue CAGR of 8.8% and an EBITDA margin of >3%.

in EURm	2023E	2024E	2025E
<b>Hotels</b>	<b>9.27</b>	<b>9.27</b>	<b>9.27</b>
(% of net sales)	18.5%	17.3%	14.5%
EBITDA margin	22.4%	22.8%	23.2%
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>
(% of net sales)	75.0%	76.0%	79.4%
EBITDA margin	64.6%	65.6%	66.1%
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>
(% of net sales)	6.5%	6.7%	6.1%
EBITDA margin	-150.8%	-50.8%	-20.8%
<b>Total revenues</b>	<b>50.12</b>	<b>53.57</b>	<b>64.00</b>
(change y-o-y)	11.0%	6.9%	19.5%

Source: East Value Research GmbH

in EURm	2023E	2024E	2025E
<b>Total revenues</b>	<b>50.12</b>	<b>53.57</b>	<b>64.00</b>
<b>EBITDA</b>	<b>19.46</b>	<b>25.01</b>	<b>32.91</b>
EBITDA margin	38.8%	46.7%	51.4%
<b>EBIT</b>	<b>24.46</b>	<b>30.01</b>	<b>37.91</b>
EBIT margin	48.8%	56.0%	59.2%
<b>Net income</b>	<b>13.82</b>	<b>18.27</b>	<b>24.50</b>
Net margin	27.6%	34.1%	38.3%

Source: East Value Research GmbH

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

in EURm	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022
<b>Total turnover</b>	<b>6.05</b>	<b>6.70</b>	<b>6.44</b>	<b>7.53</b>	<b>26.72</b>	<b>8.52</b>	<b>11.58</b>	<b>12.33</b>	<b>12.70</b>	<b>45.14</b>
<i>y-o-y change</i>	-23.5%	16.9%	9.4%	22.9%	4.1%	40.9%	72.8%	91.4%	68.7%	68.9%
<b>EBITDA</b>	<b>1.62</b>	<b>3.38</b>	<b>2.86</b>	<b>6.65</b>	<b>14.51</b>	<b>2.91</b>	<b>7.83</b>	<b>5.21</b>	<b>0.53</b>	<b>16.48</b>
<i>EBITDA margin</i>	26.8%	50.5%	44.4%	88.3%	54.3%	34.2%	67.6%	42.2%	4.2%	36.5%
<b>EBIT</b>	<b>2.14</b>	<b>3.80</b>	<b>2.41</b>	<b>7.19</b>	<b>15.54</b>	<b>-1.26</b>	<b>18.00</b>	<b>4.75</b>	<b>37.67</b>	<b>59.15</b>
<i>EBIT margin</i>	35.3%	56.7%	37.3%	95.5%	58.1%	-14.8%	155.4%	38.5%	296.5%	131.0%
<b>Net income</b>	<b>-0.58</b>	<b>2.30</b>	<b>0.74</b>	<b>9.82</b>	<b>12.27</b>	<b>-4.39</b>	<b>17.61</b>	<b>0.14</b>	<b>29.48</b>	<b>42.84</b>
<i>Net margin</i>	-9.6%	34.3%	11.4%	130.4%	45.9%	-51.5%	152.1%	1.2%	232.1%	94.9%

Source: Company information, East Value Research GmbH

### CAPEX and Working capital

Warimpex' management plans to spend EUR 10m on CAPEX this year. We have assumed that both property, plant and equipment and investment properties will grow at 1% per year in the coming years. Regarding working capital, we forecast 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 Russian exposure and have accounted for 1.94m of own shares. Compared to the last report, our 12-months price target for Warimpex' stock goes up from EUR 2.63 to EUR 3.05, which implies an upside of 342.6% at current level.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Austrian long-term government bonds with maturity in 2047E is 2.5% (Source: [www.boerse-stuttgart.de](http://www.boerse-stuttgart.de))
- (2) *Beta*: Average unlevered beta of companies from the Real Estate (Diversified) sector of 0.41x
- (3) *Levered beta*: 1.14x
- (4) *Equity risk premium (Austria)*: 6.63% (Source: [www.damodaran.com](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*: 10%
- (10) *WACC*: 6.1%

### Triple NNNAV calculation

in EURm	
<b>Equity (as of 31/12/2022)</b>	<b>170.16</b>
+ Deferred taxes (net)	-18.17
+ Market value of derivative instruments	0.09
<b>= EPRA NAV</b>	<b>152.08</b>
- Market value of derivative instruments	-0.09
- Market value of off-balance-sheet debt	0.00
- Deferred taxes (net)	18.17
<b>= EPRA NNNAV</b>	<b>170.16</b>
: Number of shares outstanding (excl. 1,939,280 own shares)	52.06
<b>= EPRA NNNAV per share</b>	<b>3.27</b>
<b>= Discounted by 50% due to high exposure to Russia</b>	<b>2.18</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 5.9bn and an occupancy rate of 89.9%. 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 2.6bn.
- (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 8.4bn and an occupancy rate of 92.9%. 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 2bn.
- (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 3.3bn with an average occupancy rate of 92.6%. 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 902.4m.
- (4) *Globe Trade Centre S.A.*: Globe Trade Centre, which is based in Warsaw, is a real estate investor and developer with a focus on Poland, Hungary, and capital cities in Central, Eastern and Southern Europe. The company owns 42 buildings with 729,000 sqm of office and retail space, has assets of EUR >2bn and an occupancy rate of >89%. In 2022, it generated revenues of PLN 767.3m, a net profit of PLN 107.8m and FFO of PLN 313.2m. Currently, its market capitalisation equals PLN 3.3bn.
- (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 3.2bn and an average occupancy rate of 85.6%. In 2022, it generated revenues of EUR 242.1m and a net income of EUR -17m. Currently, its market capitalisation equals EUR 688.8m.



(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 1.5bn of assets. 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 219.8m.

	P/BVPS		P/E		Net debt/EBITDA	Net interest cover	Net gearing
Company	Latest	2023E	2024E		Latest	Latest	Latest
CA Immobilien Anlagen AG (EUR)	0.8x	39.5x	22.9x		12.0x	3.9x	59.5%
Immofinanz AG (EUR)	0.5x	11.5x	10.9x		297.9x	0.2x	92.7%
S Immo AG (EUR)	0.5x	31.2x	10.3x		12.3x	3.0x	77.0%
Globe Trade Center S.A. (PLN)	3.0x	115.2x	10.5x		2.5x	3.0x	104.6%
Globalworth Real Estate Inv. Ltd. (EUR)	0.4x	0.4x	n.a		10.2x	2.6x	79.1%
UBM Development AG (EUR)	0.4x	8.0x	6.4x		neg	n.a	101.3%
<b>Median</b>	<b>0.5x</b>	<b>21.4x</b>	<b>10.5x</b>		<b>12.0x</b>	<b>3.0x</b>	<b>85.9%</b>
Warimpex AG (EUR)	0.2x	2.7x	2.0x		15.0x	9.1x	145.34%
<b>Premium/Discount</b>	<b>-59.9%</b>	<b>-87.4%</b>	<b>-80.5%</b>				
<b>Fair value Warimpex (EUR)</b>	<b>3.58</b>						

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

### Price target calculation

Valuation method	Fair value	Weight
NNNAV calculation (EUR)	2.18	50%
Peer Group Analysis (EUR)	3.58	50%
<b>Weighted average (present value)</b>	<b>2.88</b>	
<b>In 12-months (PV * (1+WACC))</b>	<b>3.05</b>	
<b>In PLN (PLN-EUR = 4.58)</b>	<b>13.99</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	-17.38	-18.04	-20.27
<b>Gross profit</b>	<b>14.37</b>	<b>16.12</b>	<b>29.04</b>	<b>32.75</b>	<b>35.53</b>	<b>43.73</b>
Other operating income	0.42	6.49	1.37	1.39	1.40	1.42
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	-15.68	-16.76	-20.03
Other operating expenses	-3.14	-0.78	-2.61	1.01	4.84	7.79
<b>EBITDA</b>	<b>2.98</b>	<b>14.51</b>	<b>16.50</b>	<b>19.46</b>	<b>25.01</b>	<b>32.91</b>
Depreciation, amortization & remeasurement	-10.67	1.02	42.65	5.00	5.00	5.00
<b>EBIT</b>	<b>-7.69</b>	<b>15.54</b>	<b>59.15</b>	<b>24.46</b>	<b>30.01</b>	<b>37.91</b>
Net financial results	-21.43	-0.61	-6.52	-6.22	-5.92	-5.62
<b>EBT</b>	<b>-29.11</b>	<b>14.92</b>	<b>52.63</b>	<b>18.24</b>	<b>24.09</b>	<b>32.29</b>
Income taxes	-2.01	-2.94	-9.76	-4.38	-5.78	-7.75
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>13.82</b>	<b>18.27</b>	<b>24.50</b>
EPS	-0.57	0.24	0.82	0.26	0.34	0.45
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 %	-34.67 %	-33.67 %	-31.67 %
Gross profit	56.01 %	60.34 %	64.33 %	65.33 %	66.33 %	68.33 %
Other operating income	1.65 %	24.29 %	3.04 %	2.77 %	2.62 %	2.21 %
Gains/losses from the disposal of properties	0.00 %	0.00 %	6.25 %	0.00 %	0.00 %	0.00 %
Other operating expenses	-12.25 %	-2.92 %	-5.78 %	2.02 %	9.03 %	12.17 %
EBITDA	11.61 %	54.31 %	36.55 %	38.83 %	46.69 %	51.42 %
Depreciation, amortization & remeasurement	-41.57 %	3.83 %	94.49 %	9.98 %	9.33 %	7.81 %
EBIT	-29.96 %	58.15 %	131.04 %	48.81 %	56.02 %	59.23 %
Net financial results	-83.50 %	-2.29 %	-14.45 %	-12.41 %	-11.06 %	-8.78 %
EBT	-113.46 %	55.85 %	116.59 %	36.40 %	44.97 %	50.45 %
Income taxes	-7.82 %	-11.02 %	-21.63 %	-8.74 %	-10.79 %	-12.11 %
Minority interests	5.57 %	1.10 %	-0.06 %	-0.08 %	-0.07 %	-0.06 %
Net income / loss	-115.71 %	45.93 %	94.91 %	27.58 %	34.10 %	38.28 %

## Balance sheet

in EURm	2020	2021	2022	2023E	2024E	2025E
Cash and cash equivalents	8.93	11.19	15.92	6.93	10.29	19.65
Inventories	0.15	0.14	0.19	0.20	0.21	0.24
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>12.55</b>	<b>16.28</b>	<b>26.80</b>
Property, plant and equipment	33.88	36.59	36.41	36.77	37.14	37.51
Other intangible assets	0.08	0.08	0.05	0.15	0.25	0.35
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Investment property	251.34	324.60	388.46	398.46	402.45	406.47
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	0.09	0.09	0.09
Other long-term assets	11.16	2.35	1.78	1.80	1.82	1.84
Deferred tax assets	0.98	1.19	1.67	0.00	0.00	0.00
<b>Non-current assets</b>	<b>308.13</b>	<b>371.11</b>	<b>434.08</b>	<b>442.96</b>	<b>447.48</b>	<b>452.06</b>
<b>Total assets</b>	<b>320.67</b>	<b>388.12</b>	<b>455.07</b>	<b>455.50</b>	<b>463.76</b>	<b>478.85</b>
Trade payables	8.88	11.89	9.05	8.89	8.31	8.31
Short-term financial debt	16.65	29.36	28.82	26.82	24.82	22.82
Income tax liabilities	0.01	0.29	0.02	0.02	0.02	0.02
Provisions	2.24	2.94	0.10	0.11	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>35.85</b>	<b>33.28</b>	<b>31.31</b>
Long-term financial debt	161.79	196.77	216.15	211.15	206.15	201.15
Other long-term liabilities	6.73	7.27	8.41	7.91	7.41	6.91
Deferred revenues	1.96	0.06	0.04	0.04	0.04	0.04
Pension provisions	4.70	2.75	2.34	2.37	2.39	2.42
Deferred tax liabilities	8.68	11.96	19.83	14.03	12.03	10.03
<b>Long-term liabilities</b>	<b>183.86</b>	<b>218.82</b>	<b>246.78</b>	<b>235.50</b>	<b>228.02</b>	<b>220.55</b>
<b>Total liabilities</b>	<b>211.87</b>	<b>263.40</b>	<b>284.78</b>	<b>271.35</b>	<b>261.31</b>	<b>251.85</b>
<b>Shareholders equity</b>	<b>110.62</b>	<b>124.61</b>	<b>170.16</b>	<b>183.99</b>	<b>202.25</b>	<b>226.75</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>455.50</b>	<b>463.76</b>	<b>478.85</b>

## Cash Flow Statement

in EURm	2020	2021	2022	2023E	2024E	2025E
Net income / loss	-29.69	12.27	42.84	13.82	18.27	24.50
Depreciation, amortization & remeasurement	10.67	-1.02	-42.65	-5.00	-5.00	-5.00
Change of working capital	0.00	0.00	0.00	-0.72	-0.96	-1.15
Others	21.49	-6.27	11.16	4.13	2.00	2.00
<b>Net operating cash flow</b>	<b>2.47</b>	<b>4.98</b>	<b>11.35</b>	<b>12.24</b>	<b>14.31</b>	<b>20.35</b>
<b>Cash flow from investing</b>	<b>-11.34</b>	<b>-17.58</b>	<b>-3.11</b>	<b>-4.28</b>	<b>1.65</b>	<b>1.61</b>
Free cash flow	-8.87	-12.61	8.24	7.96	15.96	21.96
<b>Cash flow from financing</b>	<b>11.46</b>	<b>14.52</b>	<b>-4.52</b>	<b>-16.95</b>	<b>-12.61</b>	<b>-12.60</b>
Change of cash	1.41	2.26	4.73	-8.99	3.35	9.36
Cash at the beginning of the period	7.52	8.93	11.19	15.92	6.93	10.29
Cash at the end of the period	8.93	11.19	15.92	6.93	10.29	19.65

## 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%	65.33%	66.33%	68.33%
EBITDA margin	11.61%	54.31%	36.55%	38.83%	46.69%	51.42%
EBIT margin	-29.96%	58.15%	131.04%	48.81%	56.02%	59.23%
Net margin	-115.71%	45.93%	94.91%	27.58%	34.10%	38.28%
Return on equity (ROE)	-22.07%	10.44%	29.07%	7.81%	9.46%	11.42%
Return on assets (ROA)	-2.58%	3.32%	10.85%	4.40%	5.22%	6.29%
Return on capital employed (ROCE)	-2.81%	3.63%	11.55%	4.43%	5.30%	6.44%
Economic Value Added (in EURm)	-26.06	-8.48	22.74	-7.00	-3.45	1.52
Net debt (in EURm)	174.21	217.70	247.32	233.40	223.08	206.74
Net gearing	157.49%	174.70%	145.34%	126.86%	110.29%	91.17%
Loan-to-Value (LTV)	61.47%	62.54%	57.60%	54.62%	52.49%	0.00%
Equity ratio	34.50%	32.11%	37.39%	40.39%	43.61%	47.35%
Current ratio	0.45	0.38	0.55	0.35	0.49	0.86
Quick ratio	0.44	0.38	0.55	0.34	0.48	0.85
Net interest cover	-0.36	25.35	9.07	3.93	5.07	6.74
Net debt/EBITDA	58.48	15.00	14.99	11.99	8.92	6.28
Tangible BVPS	2.05	2.31	3.15	3.41	3.75	4.20
Capex/Sales	86.29%	-231.54%	-41.85%	-8.54%	3.09%	2.52%
Working capital/Sales	-29.14%	-24.45%	-9.01%	-6.69%	-4.47%	-1.94%
Cash Conversion Cycle (in days)	-233	-327	-161	-143	-124	-106
<b>Trading multiples</b>						
P/NAV	0.34	0.30	0.22	0.20	0.18	0.16
P/E	-1.21	2.88	0.84	2.70	2.04	1.52
P/FCF	-4.20	-2.96	4.52	4.68	2.33	1.70

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