

Warimpex AG

PT: EUR 1 / PLN 4.29

Update

Rating: BUY

While the sale of Russian assets (in total 53,100 sqm) that was announced on October 31 led to a one-off loss of EUR 30.3m, we believe that the transaction is very positive for shareholders as it removes the biggest risk associated with an investment in Warimpex. Management now plans to fully concentrate on the development of its office projects in Poland (Cracow) and Germany (Darmstadt). Based on WXF's equity position as of 30/09/2024, the stock is currently trading at a P/BVPS of just 0.4x. Given much lower business risk, an improving market environment for real estate companies and mostly long-term interest-bearing debt, we now recommend to BUY Warimpex's shares with a new 12-months PT (50% NNAV, 50% peer group) of EUR 1 (prev. EUR 1.60). Our new estimates reflect the sale of Russian assets, which in H1/24 made up c. 36% of Gross Asset Value and accounted for c. 41% of Warimpex' total revenues. While the company's net gearing remains high, its hotels and offices generate predictable cash flows.

In its 9M/24 report, Warimpex shows revenues and profits excl. Russia and assets and liabilities from discontinued Russian operations of EUR 88m and EUR 63.6m respectively. Total revenues equalled EUR 15.7m (+13.2% y-o-y), whereby Investment Properties grew by 9.5% y-o-y and Hotels segment by 4.7%. Due to a remeasurement loss of EUR 5.9m and the loss from discontinued operations EBIT and net income declined to EUR -6m and EUR -42.8m respectively. At the end of September 2024, WXF had net debt (incl. discontinued assets & liabilities) of EUR 130.8m (30/06/2024: EUR 216m, 31/12/2023: EUR 210.3m) and equity (excl. minorities) of EUR 77.2m (30/06/2024: EUR 117.6m, 31/12/2023: EUR 121.9m).

After the sale of 4 commercial buildings & 1 hotel in St. Petersburg as well as the MC55 office development project in Polish Bialystok, Warimpex now still has offices in Cracow, Lodz and Budapest, 1 hotel in Darmstadt as well as 3 office projects under development (Chopin & Mogilska IV in Cracow, West Yard in Darmstadt). While Chopin and West Yard already have a building permit, Mogilska IV is the least developed project. Construction work will start dependent on market conditions.

| in EURm | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|-----------------|---------|---------|---------|---------|---------|---------|
| Total turnover | 26.72 | 45.14 | 49.69 | 24.37 | 29.25 | 31.18 |
| EBITDA | 14.51 | 16.50 | 21.62 | 2.78 | 6.66 | 8.53 |
| EBIT | 15.54 | 59.15 | -16.83 | -7.72 | 4.16 | 13.53 |
| Net income | 12.27 | 42.84 | -23.79 | -79.79 | 0.10 | 8.35 |
| EPS | 0.24 | 0.82 | -0.46 | -1.48 | 0.00 | 0.15 |
| 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 | 10.44% | 29.07% | -16.29% | -79.22% | 0.13% | 9.96% |
| Net gearing | 174.70% | 135.98% | 174.44% | 182.41% | 187.99% | 165.98% |
| Net debt/EBITDA | 15.00x | 14.03x | 9.84x | 52.13x | 22.48x | 17.13x |
| P/NAV | 0.27x | 0.20x | 0.27x | 0.42x | 0.42x | 0.38x |
| LTV | 62.5% | 57.6% | 60.9% | 68.8% | 65.9% | 63.1% |
| P/E | 2.58x | 0.76x | neg | neg | 326.78x | 4.01x |

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 | 3 December 2024 / 9:30 am |
| Website | www.warimpex.com |
| Sector | Real Estate |
| Country | Austria |
| ISIN | AT0000827209 |
| Reuters | WXFB.VI |
| Bloomberg | WXF AV |

Share information

| | |
|-------------------------|---------------------|
| Last price | 0.62 |
| Number of shares (m) | 54.00 |
| Market cap. (EURm) | 33.48 |
| 52-weeks range | EUR 0.98 / EUR 0.50 |
| Average volume (shares) | 23,707 |

Performance

| | |
|----------|---------|
| 4-weeks | 1.64% |
| 13-weeks | -4.60% |
| 26-weeks | -22.31% |
| 52-weeks | -24.85% |
| YTD | -17.33% |

Shareholder structure

| | |
|--|-----------|
| Georg Folian (incl. Bocca Privatst.) | 25.00% |
| Franz Jurkowitzsch (incl. Amber Privatst.) | 25.00% |
| Generali Pension Fund | >5.00% |
| Treasury shares | 3.59% |
| Free float | c. 40.00% |

Financial calendar

| | |
|---------------------------|----------------|
| Annual Report 2024 (exp.) | April 29, 2025 |
|---------------------------|----------------|

Analyst

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9M/24 results

Revenues and Profitability

In 9M/24, Warimpex generated total revenues of EUR 15.7m (+13.2% y-o-y on a comparable basis without the Russian assets). While the Investment properties segment was positively affected by the completion of Mogilska 35 Office at the end of 2023 and the conclusion of new leases, the Hotels segment benefitted from higher average room rates, in our view.

On October 31, Warimpex announced the sale of all its Russian assets and corresponding liabilities to a Russian buyer. The three office properties, one multi-use building, a hotel and property reserves in St. Petersburg, which at the end of June 2024 accounted for c. 36% of the company's Gross Asset Value, were held through various Russian companies. The agreed purchase price was received by Warimpex in Austria at the end of October.

| in EURm | 9M/24 | 9M/23 |
|---------------------------------|--------------|--------------|
| Hotels | 4.51 | 4.31 |
| <i>Share in total sales</i> | <i>28.7%</i> | <i>31.0%</i> |
| EBITDA margin | 13.2% | 14.4% |
| Investment properties | 9.40 | 8.59 |
| <i>Share in total sales</i> | <i>59.7%</i> | <i>61.8%</i> |
| EBITDA margin | 44.1% | 52.6% |
| Development and services | 1.82 | 1.01 |
| <i>Share in total sales</i> | <i>11.6%</i> | <i>7.2%</i> |
| EBITDA margin | -211.5% | -406.5% |
| Total revenues | 15.74 | 13.90 |

Source: Company information, East Value Research GmbH

| in EURm | 9M/24 | 9M/23 | change y-o-y |
|-----------------------|----------------|---------------|--------------|
| Total revenues | 15.74 | 13.90 | 13.2% |
| EBITDA | 0.89 | 1.05 | -15.6% |
| <i>EBITDA margin</i> | <i>5.6%</i> | <i>7.6%</i> | |
| EBIT | -6.02 | -2.39 | 151.9% |
| <i>EBIT margin</i> | <i>-38.2%</i> | <i>-17.2%</i> | |
| Net income | -42.75 | 3.25 | -1414.6% |
| <i>Net margin</i> | <i>-271.6%</i> | <i>23.4%</i> | |

Source: Company information, East Value Research GmbH

Between January and September 2024, Warimpex' EBITDA (-15.6% y-o-y to EUR 889k) was negatively affected by a higher share of directly-attributable expenses in total revenues (56.8% vs. 50.7% in 9M/23), which was related to the Mogilska 35 office building. While EBIT (EUR -6m vs. EUR -2.4m in 9M/23) was additionally negatively impacted by a Depreciation, amortization and remeasurement result of EUR 6.9m (EUR 3.4m), a lower net financial result (EUR -5.9m vs. EUR -4.6m) due to higher interest rates as well as a loss from the sale of Russian assets of EUR 30.3m resulted in a net income of EUR -42.8m (EUR 3.3m). Unfortunately, from continuing operations Warimpex also generated a loss (EUR -12.4m vs. EUR -7.3m in 9M/23).

Balance sheet and Cash flow

At the end of September 2024, Warimpex had consolidated equity excl. minorities of EUR 77.2m, which corresponds to an equity ratio of 24.2%.

Due to the transaction in Russia the company's largest balance sheet position - investment properties – declined from EUR 348.3m in 9M/23 to EUR 210.5m. Property, plant and equipment (property that is currently under development) was valued at EUR 15.4m (EUR 32.3m). Net investments in joint-ventures (relates to WXF's 50% stake in the Intercontinental Hotel in Warsaw) equalled EUR 439k (EUR 25k).

At the end of 9M/24, interest-bearing debt (incl. short-term debt related to Russian operations that were sold including debt on October 1) amounted to EUR 220.1m (30/06/2024: EUR 225.3m), thereof 42% was short term and c. 20% with a variable rate. Net debt (excl. Russian liabilities & cash from Russian assets) equalled EUR 130.8m (EUR 216m) and net gearing 169.3% (183.7%).

Between January and September 2024, Warimpex generated an operating cash flow of EUR 17m (9M/23: EUR 20.7m). While cash receipts from operating activities slightly declined by 3.7% y-o-y to EUR 42.2m, the respective cash payments/outflows increased by 8.8% to EUR 25.2m.

Cash flow from investing amounted to EUR -289k (9M/23: EUR -13.8m) and in our view reflected especially the sale of the MC55 project in Bialystok in July 2024 for EUR 3.8m and the completion of the Mogilska 35 office building in 2023. Cash flow from financing reached EUR -11.1m, the same level as last year. Between January and September 2024, Warimpex' cash position went down by EUR 5.3m to EUR 12.2m (with a FX effect of EUR -320k).

Financial forecasts

Revenues and Profitability

In our view, the sale of Russian assets is positive as it should result in a significant improvement of investor' sentiment towards Warimpex. Warimpex' Gross Asset Value is now split as follows: Poland (c. 73%), Germany (c. 17%), and Hungary (c. 10%). It comprises 6 office buildings, 5 in Poland and 1 in Hungary; the fully-owned greet hotel in Darmstadt/Germany plus the 50% shareholding in the Intercontinental in Warsaw; and 3 office projects currently under development (2 in Cracow and 1 in Darmstadt). In addition, Warimpex owns various land plots in Warsaw/Poland, Cracow/Poland, Budapest/Hungary and Darmstadt/Germany.

Our new estimates for Warimpex are significantly below the previous ones as the Russian properties (Zeppelin, Jupiter 1 & 2, AirportCity Car Park, Avior Tower and Airportcity Plaza) together accounted for c. 41% of the company's revenues. Moreover, the office buildings in St. Petersburg generated by far the highest rental yields. Our new forecasts for 2024E account for the EUR 30.3m one-off loss related to the Russian transaction, a EUR 37.4m foreign exchange loss on roubles that was already accounted for in WXF's equity as of 30/09/2024 and increasing operating costs.

| in EURm | 2024E | 2025E | 2026E |
|--|---------------|--------------|--------------|
| Hotels | 5.88 | 6.25 | 6.61 |
| <i>(% of net sales)</i> | <i>24.1%</i> | <i>21.4%</i> | <i>21.2%</i> |
| EBITDA margin | 13.0% | 20.0% | 22.6% |
| Number of hotels | 1 | 1 | 1 |
| Number of hotel rooms | 330 | 330 | 330 |
| Avg. occupancy rate | 65.0% | 69.0% | 73.0% |
| Avg. hotel rate per day & room (EUR) | 75 | 75 | 75 |
| Investment properties | 16.08 | 20.37 | 21.67 |
| <i>(% of net sales)</i> | <i>66.0%</i> | <i>69.6%</i> | <i>69.5%</i> |
| EBITDA margin | 44.0% | 50.0% | 54.0% |
| Number of office and commercial properties | 6 | 6 | 6 |
| Avg. lettable office space | 85,100 | 85,100 | 85,100 |
| Avg. occupancy rate | 75.0% | 86.0% | 91.5% |
| Avg. rental fee per month & sqm (EUR) | 21 | 23 | 23 |
| Development and services | 2.40 | 2.64 | 2.90 |
| <i>(% of net sales)</i> | <i>9.8%</i> | <i>9.0%</i> | <i>9.3%</i> |
| EBITDA margin | -211.0% | -181.0% | -161.0% |
| Total revenues | 24.37 | 29.25 | 31.18 |
| <i>(change y-o-y)</i> | <i>-51.0%</i> | <i>20.1%</i> | <i>6.6%</i> |

Source: East Value Research GmbH

| | 2024E | | 2025E | | 2026E | |
|-----------------------|----------------|---------------|--------------|--------------|--------------|--------------|
| in EURm | new* | old | new* | old | new* | old |
| Total revenues | 24.37 | 47.79 | 29.25 | 51.49 | 31.18 | 51.71 |
| EBITDA | 2.78 | 15.79 | 6.66 | 21.56 | 8.53 | 24.32 |
| <i>EBITDA margin</i> | <i>11.4%</i> | <i>33.0%</i> | <i>22.8%</i> | <i>41.9%</i> | <i>27.3%</i> | <i>47.0%</i> |
| EBIT | -7.72 | -0.21 | 4.16 | 19.06 | 13.53 | 29.32 |
| <i>EBIT margin</i> | <i>-31.7%</i> | <i>-0.4%</i> | <i>14.2%</i> | <i>37.0%</i> | <i>43.4%</i> | <i>56.7%</i> |
| Net income | -79.79 | -8.38 | 0.10 | 6.86 | 8.35 | 15.41 |
| <i>Net margin</i> | <i>-327.5%</i> | <i>-17.5%</i> | <i>0.4%</i> | <i>13.3%</i> | <i>26.8%</i> | <i>29.8%</i> |

* Excl. the results of the Russian properties

Source: East Value Research GmbH

CAPEX and Working capital

We maintain our view 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 -182 days in 2023 to 30 days in the long run.

Valuation

We have valued Warimpex by using a weighted average of an undiscounted NNNAV (50% weight) and peer-group-based fair value (50%). In the previous reports, we discounted the NNNAV by 50% due to the company's exposure to Russia. After accounting for 1.94m treasury shares, our 12-months PT goes down from EUR 1.60 to EUR 1 per share (upside of 61.1% at present), however we now rate the stock a BUY.

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Austrian long-term government bonds with maturity in 2120E is 2.13% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: 4y average unlevered beta of companies from the Real Estate (Diversified) sector of 0.45x (Source: www.damodaran.com)
- (3) *Levered beta*: 1.25x
- (4) *Equity risk premium (Austria)*: 5.18% (Source: 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*: 8.7%
- (10) *WACC*: 5.7%

Triple NNNAV calculation

| in EURm | |
|---|--------------|
| Equity (as of 30/09/2024) | 77.23 |
| + Deferred taxes (net) | -6.06 |
| + Market value of derivative instruments | 0.00 |
| = EPRA NAV | 71.17 |
| - Market value of derivative instruments | 0.00 |
| - Market value of off-balance-sheet debt | 0.00 |
| - Deferred taxes (net) | 6.06 |
| = EPRA NNNAV | 77.23 |
| : Number of shares outstanding (excl. 1,939,280 own shares) | 52.06 |
| = EPRA NNNAV per share | 1.48 |

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 5bn and an occupancy rate of 88.8%. In 2023, CA Immobilien Anlagen generated revenues of EUR 419.3m, a net profit of EUR -224.5m and funds from operation (FFO) of EUR 113.8m. Its current market capitalization equals EUR 2.3bn.
- (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 8bn and an occupancy rate of 92.2%. In 2023, Immofinanz generated revenues of EUR 727.3m, a net profit of EUR -180.3m and funds from operation (FFO) of EUR 275.3m. Its current market capitalization equals EUR 2.1bn.
- (3) *S Immo AG*: S IMMO AG, which is based in Vienna and is 50%-owned by Immofinanz, is a real estate investment company with a focus on capital cities in Austria, Germany and CEE. 95.8% of its property portfolio are commercial properties (offices, shopping centres and hotels), while residential properties account for 4.2%. The company has assets worth EUR 3.52bn with an average occupancy rate of 91.8%. In 2023, it generated revenues of EUR 338.2m, a net profit of EUR -32.2m and FFO of EUR 99.6m. Currently, its market capitalisation equals EUR 1.6bn.
- (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 has an investment portfolio of c. EUR 3bn (retail & office, residential properties, land bank) and an occupancy rate of 83%. In 2023, it generated revenues of PLN 794.7m, a net profit of PLN 45.5m and FFO of PLN 307.6m. Currently, its market capitalisation equals PLN 2.4bn.
- (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 59 standing buildings, has assets worth EUR 2.7bn and an average occupancy rate of 86.1%. In 2023, it generated revenues of EUR 241.4m and a net income of EUR -54.2m. Currently, its market capitalisation equals EUR 721.8m.

(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 assets with a book value of EUR 1.3bn. In 2023, it generated revenues of EUR 85.3m and a net profit of EUR -46.6m. Of the total output of EUR 284.2m (= revenues of fully consolidated and "at-equity" subsidiaries plus sale proceeds from share deals), 22% stemmed from the residential segment. Currently, UBM has a market capitalisation of EUR 127.5m.

| Company | P/BVPS | | P/E | | Net debt/EBITDA | Net interest cover | Net gearing |
|---|---------------|--------------|----------------|-------------|-----------------|--------------------|-------------|
| | Latest | 2024E | 2025E | Latest | Last FY | Latest | |
| CA Immobilien Anlagen AG (EUR) | 0.9x | n.a | 15.9x | 8.0x | 3.2x | 76.5% | |
| Immofinanz AG (EUR) | 0.5x | 9.3x | 6.7x | 11.4x | 3.0x | 104.9% | |
| S Immo AG (EUR) | 0.9x | 29.2x | 20.2x | 1.7x | 3.7x | 14.9% | |
| Globe Trade Centre S.A. (PLN) | 0.5x | 10.9x | 8.4x | 12.8x | 3.3x | 117.9% | |
| Globalworth Real Estate Inv. Ltd. (EUR) | 0.5x | n.a | n.a | 8.1x | 2.6x | 69.3% | |
| UBM Development AG (EUR) | 0.4x | n.a | 22.9x | neg | n.a | 163.7% | |
| Median | 0.5x | 10.9x | 15.9x | 8.1x | 3.2x | 90.7% | |
| Warimpex AG (EUR) | 0.4x | n.a | 326.8x | 6.0x | n.a | 169.32% | |
| Premium/Discount | -20.8% | n.a | 1954.4% | | | | |
| Fair value Warimpex (EUR) | 0.41 | | | | | | |

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

Price target calculation

| Valuation method | Fair value | Weight |
|---|-------------|--------|
| NNNAV calculation (EUR) | 1.48 | 50% |
| Peer Group Analysis (EUR) | 0.41 | 50% |
| Weighted average (present value) | 0.95 | |
| In 12-months (PV * (1+WACC)) | 1.00 | |
| In PLN (PLN-EUR = 4.30) | 4.29 | |

Source: East Value Research GmbH

Profit and loss statement

| in EURm | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|--------------|--------------|---------------|---------------|--------------|--------------|
| Total revenues | 26.72 | 45.14 | 49.69 | 24.37 | 29.25 | 31.18 |
| Directly-attributable expenses | -10.60 | -16.10 | -17.11 | -14.13 | -13.46 | -12.16 |
| Gross profit | 16.12 | 29.04 | 32.58 | 10.23 | 15.80 | 19.02 |
| Other operating income | 6.49 | 1.37 | 0.85 | 0.09 | 0.09 | 0.10 |
| Gains/losses from the disposal of properties | 0.00 | 2.82 | 0.00 | 0.00 | 0.00 | 0.00 |
| Administrative expenses | -7.32 | -14.12 | -10.37 | -4.95 | -5.88 | -6.21 |
| Other operating expenses | -0.78 | -2.61 | -1.44 | -2.59 | -3.35 | -4.39 |
| EBITDA | 14.51 | 16.50 | 21.62 | 2.78 | 6.66 | 8.53 |
| Depreciation, amortization & remeasurement | 1.02 | 42.65 | -38.44 | -10.50 | -2.50 | 5.00 |
| EBIT | 15.54 | 59.15 | -16.83 | -7.72 | 4.16 | 13.53 |
| Net financial results | -0.61 | -6.52 | -10.50 | -8.10 | -4.00 | -2.50 |
| EBT | 14.92 | 52.63 | -27.32 | -15.82 | 0.16 | 11.03 |
| Income taxes | -2.94 | -9.76 | 3.51 | 3.80 | -0.04 | -2.65 |
| Gains/losses from discontinued operations | 0.00 | 0.00 | 0.00 | -30.34 | 0.00 | 0.00 |
| FX losses from discontinued operations | 0.00 | 0.00 | 0.00 | -37.42 | 0.00 | 0.00 |
| Minority interests | 0.29 | -0.03 | 0.01 | -0.01 | -0.02 | -0.03 |
| Net income / loss | 12.27 | 42.84 | -23.79 | -79.79 | 0.10 | 8.35 |
| EPS | 0.24 | 0.82 | -0.46 | -1.48 | 0.00 | 0.15 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Share in total sales | | | | | | |
| Total revenues | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Directly-attributable expenses | -39.66 % | -35.67 % | -34.44 % | -58.00 % | -46.00 % | -39.00 % |
| Gross profit | 60.34 % | 64.33 % | 65.56 % | 42.00 % | 54.00 % | 61.00 % |
| Other operating income | 24.29 % | 3.04 % | 1.71 % | 0.35 % | 0.32 % | 0.33 % |
| Gains/losses from the disposal of properties | 0.00 % | 6.25 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Administrative expenses | -27.40 % | -31.29 % | -20.88 % | -20.30 % | -20.10 % | -19.90 % |
| Other operating expenses | -2.92 % | -5.78 % | -2.89 % | -10.63 % | -11.45 % | -14.09 % |
| EBITDA | 54.31 % | 36.55 % | 43.51 % | 11.42 % | 22.77 % | 27.34 % |
| Depreciation, amortization & remeasurement | 3.83 % | 94.49 % | -77.37 % | -43.09 % | -8.55 % | 16.03 % |
| EBIT | 58.15 % | 131.04 % | -33.86 % | -31.67 % | 14.22 % | 43.38 % |
| Net financial results | -2.29 % | -14.45 % | -21.12 % | -33.24 % | -13.67 % | -8.02 % |
| EBT | 55.85 % | 116.59 % | -54.99 % | -64.92 % | 0.55 % | 35.36 % |
| Income taxes | -11.02 % | -21.63 % | 7.07 % | 15.58 % | -0.13 % | -8.49 % |
| Gains/losses from discontinued operations | 0.00 % | 0.00 % | 0.00 % | -124.50 % | 0.00 % | 0.00 % |
| FX losses from discontinued operations | 0.00 % | 0.00 % | 0.00 % | -153.58 % | 0.00 % | 0.00 % |
| Minority interests | 1.10 % | -0.06 % | 0.03 % | -0.04 % | -0.07 % | -0.10 % |
| Net income / loss | 45.93 % | 94.91 % | -47.89 % | -327.46 % | 0.35 % | 26.78 % |

Balance sheet

| in EURm | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Cash and cash equivalents | 11.19 | 15.92 | 6.86 | 12.96 | 3.35 | 2.04 |
| Inventories | 0.14 | 0.19 | 0.16 | 0.13 | 0.13 | 0.11 |
| Trade accounts and notes receivables | 5.67 | 4.87 | 4.81 | 2.69 | 3.63 | 4.30 |
| Assets-held-for-sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current assets | 17.00 | 20.99 | 11.82 | 15.78 | 7.11 | 6.45 |
| Property, plant and equipment | 36.59 | 36.41 | 33.11 | 15.45 | 15.60 | 15.76 |
| Other intangible assets | 0.08 | 0.05 | 0.01 | 0.01 | 0.01 | 0.01 |
| Goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investment property | 324.60 | 388.46 | 323.24 | 210.50 | 212.61 | 214.73 |
| Joint ventures | 0.42 | 0.41 | 0.44 | 0.44 | 0.44 | 0.45 |
| Financial assets measured at FV | 5.50 | 5.22 | 0.00 | 0.00 | 0.00 | 0.00 |
| Derivative financial instruments | 0.40 | 0.09 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other long-term assets | 2.35 | 1.78 | 1.65 | 0.87 | 0.88 | 0.89 |
| Deferred tax assets | 1.19 | 1.67 | 1.01 | 16.17 | 16.15 | 14.56 |
| Non-current assets | 371.11 | 434.08 | 359.45 | 243.44 | 245.69 | 246.40 |
| Total assets | 388.12 | 455.07 | 371.27 | 259.22 | 252.80 | 252.85 |
| Trade payables | 11.89 | 9.05 | 10.34 | 7.82 | 6.77 | 5.50 |
| Short-term financial debt | 29.36 | 28.82 | 27.17 | 28.70 | 26.70 | 24.70 |
| Income tax liabilities | 0.29 | 0.02 | 0.10 | 0.11 | 0.11 | 0.11 |
| Provisions | 2.94 | 0.10 | 0.09 | 0.04 | 0.05 | 0.05 |
| Deferred revenues | 0.10 | 0.02 | 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 |
| Current liabilities | 44.58 | 38.01 | 37.72 | 36.70 | 33.65 | 30.39 |
| Long-term financial debt | 196.77 | 216.15 | 190.01 | 127.00 | 124.00 | 121.00 |
| Other long-term liabilities | 7.27 | 8.41 | 7.95 | 7.45 | 6.95 | 6.45 |
| Deferred revenues | 0.06 | 0.04 | 0.02 | 0.00 | 0.00 | 0.00 |
| Pension provisions | 2.75 | 2.34 | 2.32 | 2.34 | 2.36 | 2.39 |
| Deferred tax liabilities | 11.96 | 19.83 | 11.23 | 6.06 | 6.04 | 4.45 |
| Long-term liabilities | 218.82 | 246.77 | 211.52 | 142.84 | 139.34 | 134.28 |
| Total liabilities | 263.40 | 284.78 | 249.24 | 179.54 | 173.00 | 164.67 |
| Shareholders equity | 124.61 | 170.16 | 121.90 | 79.54 | 79.64 | 87.99 |
| Minority interests | 0.11 | 0.13 | 0.13 | 0.14 | 0.16 | 0.19 |
| Total liabilities and equity | 388.12 | 455.07 | 371.27 | 259.22 | 252.80 | 252.85 |

Cash Flow Statement

| in EURm | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|---------------|--------------|---------------|---------------|--------------|--------------|
| Net income / loss | 12.27 | 42.84 | -23.79 | -79.79 | 0.10 | 8.35 |
| Depreciation, amortization & remeasurement | -1.02 | -42.65 | 38.44 | 10.50 | 2.50 | -5.00 |
| Change of working capital | 0.00 | 0.00 | 0.00 | -0.38 | -1.99 | -1.92 |
| Others | -6.27 | 11.16 | 10.14 | 20.33 | 0.00 | 0.00 |
| Net operating cash flow | 4.98 | 11.35 | 24.79 | -49.34 | 0.61 | 1.43 |
| Cash flow from investing | -17.58 | -3.11 | -10.29 | 120.67 | -4.77 | 2.70 |
| Free cash flow | -12.61 | 8.24 | 14.51 | 71.33 | -4.16 | 4.13 |
| Cash flow from financing | 14.52 | -4.52 | -21.49 | -65.23 | -5.45 | -5.44 |
| Change of cash | 2.26 | 4.73 | -9.07 | 6.10 | -9.61 | -1.31 |
| Cash at the beginning of the period | 8.93 | 11.19 | 15.92 | 6.86 | 12.96 | 3.35 |
| Cash at the end of the period | 11.19 | 15.92 | 6.86 | 12.96 | 3.35 | 2.04 |

Financial ratios

| Fiscal year | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|----------|---------|---------|----------|---------|---------|
| Profitability and balance sheet quality | | | | | | |
| Gross margin | 60.34% | 64.33% | 65.56% | 42.00% | 54.00% | 61.00% |
| EBITDA margin | 54.31% | 36.55% | 43.51% | 11.42% | 22.77% | 27.34% |
| EBIT margin | 58.15% | 131.04% | -33.86% | -31.67% | 14.22% | 43.38% |
| Net margin | 45.93% | 94.91% | -47.89% | -327.46% | 0.35% | 26.78% |
| Return on equity (ROE) | 10.44% | 29.07% | -16.29% | -79.22% | 0.13% | 9.96% |
| Return on assets (ROA) | 3.32% | 10.85% | -3.58% | -27.65% | 1.62% | 4.29% |
| Return on capital employed (ROCE) | 3.63% | 11.55% | -4.40% | -2.64% | 1.44% | 4.62% |
| Economic Value Added (in EURm) | -6.98 | 24.56 | -33.55 | -18.47 | -9.25 | -2.32 |
| Net debt (in EURm) | 217.70 | 231.39 | 212.64 | 145.08 | 149.71 | 146.05 |
| Net gearing | 174.70% | 135.98% | 174.44% | 182.41% | 187.99% | 165.98% |
| Loan-to-Value (LTV) | 62.54% | 57.60% | 60.87% | 68.78% | 65.91% | 63.09% |
| Equity ratio | 32.11% | 37.39% | 32.83% | 30.68% | 31.50% | 34.80% |
| Current ratio | 0.38 | 0.55 | 0.31 | 0.43 | 0.21 | 0.21 |
| Quick ratio | 0.38 | 0.55 | 0.31 | 0.43 | 0.21 | 0.21 |
| Net interest cover | 25.35 | 9.07 | -1.60 | -0.95 | 1.04 | 5.41 |
| Net debt/EBITDA | 15.00 | 14.03 | 9.84 | 52.13 | 22.48 | 17.13 |
| Tangible BVPS | 2.31 | 3.15 | 2.26 | 1.47 | 1.47 | 1.63 |
| Capex/Sales | -231.54% | -44.58% | 61.01% | 495.25% | -16.32% | 8.67% |
| Working capital/Sales | -24.45% | -9.01% | -11.09% | -21.07% | -10.75% | -3.92% |
| Cash Conversion Cycle (in days) | -327 | -161 | -182 | -158 | -135 | -111 |
| Trading multiples | | | | | | |
| P/NAV | 0.27 | 0.20 | 0.27 | 0.42 | 0.42 | 0.38 |
| P/E | 2.58 | 0.76 | -1.35 | -0.42 | 326.78 | 4.01 |
| P/FCF | -2.66 | 4.06 | 2.31 | 0.47 | -8.05 | 8.10 |

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