

# Grand City Properties S.A.

Luxembourg / Real Estate  
 Frankfurt  
 Bloomberg: GYC GR  
 ISIN: LU0775917882

2023 results

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 12.50**

Return Potential 39.3%  
 Risk Rating Medium

## NOT OUT OF THE WOODS, BUT THE TREES ARE STARTING TO THIN

LFL rental growth of 3.3% led good operational performance in 2023, and management expect this to continue this year and guide ~3% for the KPI with new build falling further behind targets combined with high occupancy rates of German resi. Meanwhile elevated interest rates continue to gate acceptable refinancing options and property transactions. As anticipated, FFO 1 took another hit in Q4 (-10%) due to higher financing costs and perpetual note attribution. Cash and liquid assets tallied €1.2bn and now cover debt maturities until YE26. The landlord looks well positioned to handle the still challenging property sector. We remain Buy-rated on GCP with a €12.5 target price (old: €12.6).

**Not quite out of the woods.** . . . Operations shone again in Q4 on the back of high demand for scarcely available flats, while expensive financial markets continued to cast a shadow over the property sector, choking off transactions. GCP management sounded more upbeat on the call than in previous quarters hinting that the bond market is starting to look more like a refinancing option and that the all-important transaction market could pick up in H2/24. The well for large volume deals remains pretty dry with financing the culprit, but the landlord is still seeing some smaller deal flow. The company communicated expectations to remain a net seller this year, if the transaction market does indeed warm.

**. . . but the trees are starting to thin for GCP and its property brethren** We expect another year of good operational performance driven by solid LFL rental growth (FBe: 3.5%) spurred by the well-located German and London portfolios. But we do not expect any meaningful relief on financing costs at this juncture and have recalibrated 2024 FBe to the lower end of the FFO 1 guide (€175m to €185m). The US Fed meets this week, and we expect comments to further temper the market's hopes of swift easing.

**Other conference call takeaways** LFL rental income topped 3.3% in 2023, and signs, including Mietspiegel uplift, point to a similar, if not better, performance this year. GCP's portfolio now has. . . (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Rental income (€m)	535.4	524.6	582.5	607.7	622.5	638.9
Y/Y growth	-4.4%	-2.0%	11.0%	4.3%	2.4%	2.6%
Adj. EBITDA (€m)	299.8	298.6	308.1	319.6	330.0	341.7
Net income (€m)	362.2	523.5	129.2	-547.5	-125.3	244.6
EPRA NTA* (€m)	4,566.4	5,020.2	4,655.6	4,013.8	3,855.2	3,980.5
EPRA NTAPS* (€)	26.5	30.4	27.0	23.2	22.3	23.1
DPS (€)	0.82	0.83	0.00	0.00	0.77	0.80
FFO 1 (€m)	182.2	186.3	192.2	183.9	177.7	183.8
FFOPS 1 (€)	1.07	1.11	1.14	1.07	1.03	1.06
Liquid assets (€m)	1,697.9	1,113.5	436.8	1,253.8	1,411.4	1,199.6

\*Updated to exclude RETT

### RISKS

Risks include, but are not limited to, unfavourable interest rate developments, unfavourable macroeconomic developments, and departure of key personnel.

### COMPANY PROFILE

Grand City Properties is a specialist real estate company focused on investing in and managing value-add opportunities in the German real estate market. The overarching strategy is to improve the portfolio through targeted modernisation and intensive tenant management and thus create value by subsequently raising occupancy and rental levels.

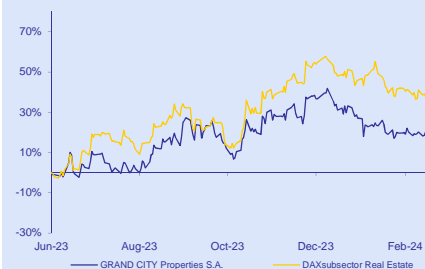
### MARKET DATA

As of 15 Mar 2024

Closing Price € 8.98  
 Shares outstanding 176.19m  
 Market Capitalisation € 1,581.31m  
 52-week Range € 6.09 / 10.18  
 Avg. Volume (12 Months) 222,858

Multiples	2023	2024E	2025E
P/FFO 1	8.4	8.7	8.4
P/NTA	0.4	0.4	0.4
FFO 1 Yield	11.9%	11.5%	11.9%
Div. Yield	0.0%	8.6%	8.9%

### STOCK OVERVIEW



### COMPANY DATA

As of 31 Dec 2023

Liquid Assets € 1,070.6m  
 Investment Properties € 8,629.1m  
 EPRA NTA € 4,013.8m  
 Total Assets € 10,918.1m  
 Current Liabilities € 653.7m  
 Total Equity € 5,230.1m

### SHAREHOLDERS

Edolaxia Ltd. 61.0%  
 Treasury 2.0%  
 Free float 37.0%



. . . 22% embedded NRI upside vs market levels (YE22: 17%) to unlock. Aside from good LFL growth, investors should also be greatly cheered by the three year cash runway that now covers debt maturities until YE26. This is a reassuring improvement on the Q2/25 runway at YE22. Plus, GCP also still has a €6.6bn stable of unencumbered assets in its debt management tool pouch to work out bank financing deals after having restocked the balance sheet with some €550m in 1.4% secured debt last year.

As expected, the landlord booked further devaluations in Q4 (€321m). GCP had the entire portfolio reassessed for the second time in the October-to-December period to capture the most up-to-date discount and cap rates for 2023 reporting. Equity took a hit on the decrease in valuations, but the LTV only clambered 100 basis points Y/Y to 37% and remains well below the targeted 45% level set by GCP brass. We also note that the company's covenant headroom ranks among the best of resi peers. 2024 guidance (overleaf) looks similar to 2023 results (overleaf) and is admittedly conservative to start off the year, allowing for market forces to run the gamut.

## Q3 RESULT HIGHLIGHTS

GCP realised total LFL net rental growth of 3.3% comprising 0.2% occupancy increases and 3.1% in-place rent. In-place LFL rent contains 1.8% re-letting and 1.3% indexation. The strong performance owes to the aforementioned macro trends in the London and German markets with the British capital spearheading the KPI with 5.0% LFL, while Hamburg, Berlin, and Leipzig led German growth.

As in recent quarters, the high rate environment and tight apartment supply also mean that tenants are far more reluctant to move out of their rented flats. Portfolio vacancy remained at a record low (3.8%), and GCP expects occupancy growth to remain limited until market fundamentals change.

**Table 1: Fourth quarter vs prior year and FBe**

in €m	Q4/23	Q4/23E	Variance	Q4/22	Variance	2023	2022	Variance
Rental income	152	144	5.7%	158	-4.0%	608	583	4.3%
Net rent	104	100	3.4%	101	2.2%	411	396	3.8%
Adjusted EBITDA	80	74	9.4%	78	3.1%	320	308	3.9%
margin	73%	73%	-	77%	-	78%	78%	-
FFO 1 (after perpetuals)	43	37	16.1%	48	-9.7%	184	192	-4.3%
FFOPS 1 (€) (after perpetuals)	0.25	0.21	20.0%	0.27	-7.8%	1.07	1.14	-6.6%

Source: First Berlin Equity Research; Grand City Properties

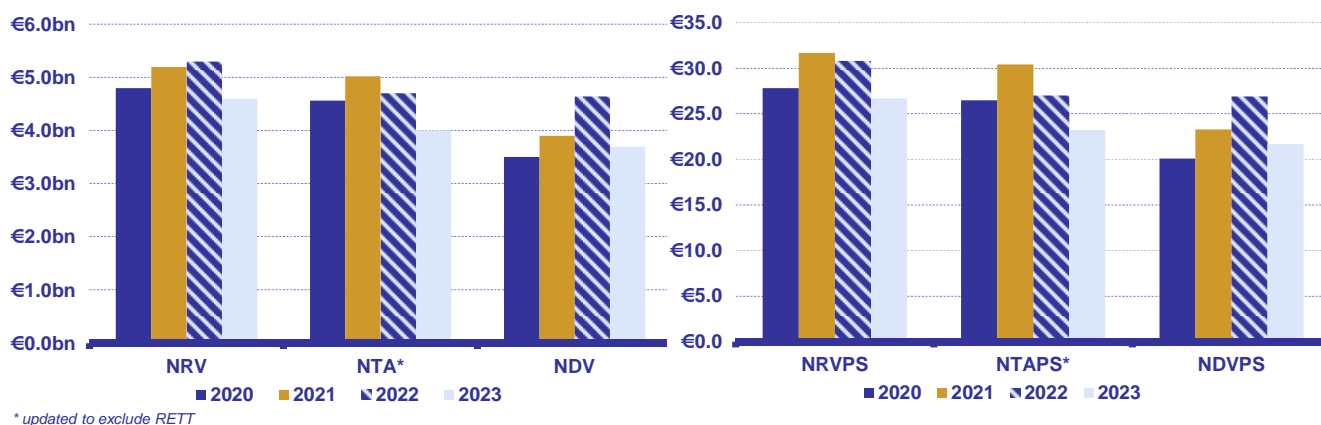
AEBITDA rose 3% Y/Y in the October-to-December period, driven chiefly by the rise in net rental income. FFO 1, the key industry indicator for recurring operational cash flow, topped our Q4 estimate by 16% on the 9% AEBITDA beat. But the KPI fell shy of the prior year result by 10%, mainly due to higher financing costs from new and existing debt plus perpetual note attribution. FFOPS 1 of €0.25 was also ~8% lower Y/Y.

On a full year basis, the headline results showed a similar Y/Y performance to the Q4 figures. FFO 1 took a 4.3% hit during the twelve month period, owing to higher financing costs that offset the increases in NRI and AEBITDA last year. FFO 2 was up 27% in 2023 on the €300m in disposals executed at ~3% below book value. These allowed GCP to crystallise gains of ~€72m and boost liquidity.



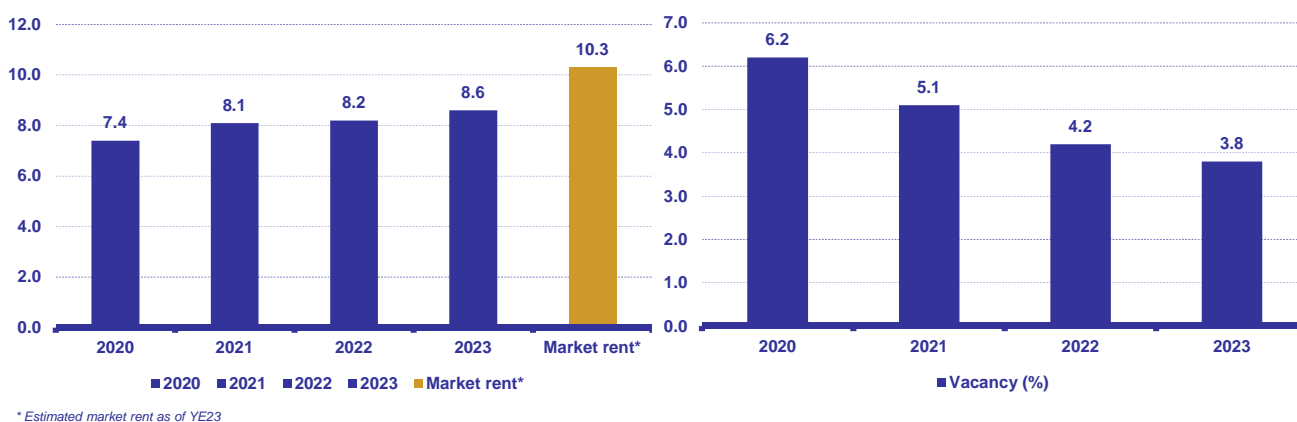
**Portfolio valued at €2,109 / m<sup>2</sup> (Q3/23: €2,180 / m<sup>2</sup>)** The company made no material acquisitions in the October-to-December period. YE23 in-place rent climbed to €8.6 / m<sup>2</sup> vs €8.5 / m<sup>2</sup> at the end of Q3 and €8.2 / m<sup>2</sup> at YE22, while the portfolio vacancy rate remained at a record low of 3.8%. Annualised net rent tallied €406m at the end of the reporting period compared to €402m in Q3 and €393m at YE22. The portfolio currently has rent reversionary potential to €495m (~22%) to be captured over the mid- to long-term.

**Figure 1: EPRA BPR reporting**



Source: First Berlin Equity Research; Grand City Properties

**Figure 2: In-place rent and vacancy developments**



Source: First Berlin Equity Research; Grand City Properties

**Real term property values back to 2018 levels after Q4 devaluations** GCP booked a LFL revaluation decrease of 9% excluding CapEx (-8% including CapEx). The decline owes to the higher discount and cap rates (see table 2) on the back of higher interest rates.

**Table 2: Valuation parameters**

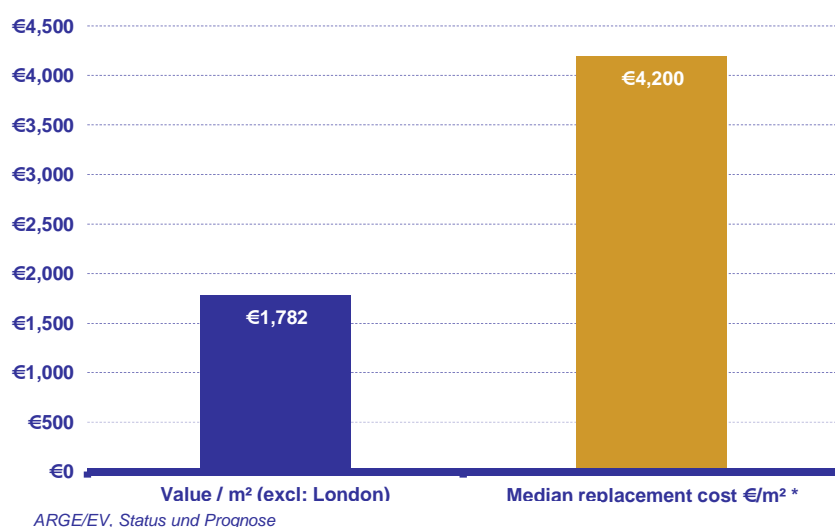
	Unit	2023	2022
Rent multiple	x	20.9	23.6
Value	€/m <sup>2</sup>	2,109	2,282
Market rental growth p.a.	%	1.9	1.8
Avg. discount rate	%	5.4	4.8
Avg. capitalisation rate	%	4.1	3.8

Source: First Berlin Equity Research; Grand City Properties



Good operational growth spurred by market fundamentals i.e. the systemic supply-demand imbalance in key German metropolitan hubs and London, was unable to fully compensate for yield expansion. Management cautioned there could be further yield expansion in H1 but at a lesser magnitude than witnessed in 2023. We have factored €-350m in revaluations into 2024 FBe. Downside is also buffered by the sizable gap between the value of GCP's German properties to replacement costs (figure 3).

**Figure 3: Portfolio values far below replacement costs**



Source: First Berlin Equity Research; Grand City Properties

The balance sheet featured a stable LTV of 37% after a one percentage point increase (YE22: 36%), or 48% assuming perpetual notes are counted as debt (YE22: 46%). The net debt / EBITDA and interest coverage (ICR) ratios stood at 10.0x and 5.6x respectively at the end of Q4 vs 11.4x and 6.6x last year.

**Table 3: Financial highlights**

in €m	2023	2022	Variance
Cash & liquid assets	1,230	429	187%
Investment property	8,629	9,530	-9%
Unencumbered assets	6,607	8,665	-24%
Unencumbered assets ratio	75%	88%	-
Total equity	5,230	5,914	-12%
EPRA NTA	4,014	4,656	-14%
Loans and borrowings	872	323	170%
Straight & convertible bonds	3,560	3,612	-1%
Loan-to-Value (LTV)	37%	36%	-
Equity ratio	49%	53%	-

Source: First Berlin Equity Research; Grand City Properties

**Table 4: Changes to FBe and TP**

	old	new	revision	upside	dividend yield	total upside
Price target (€)	12.6	12.5	-0.8%	39.3%	8.6%	47.9%
in €m	2024E			2025E		
	Old	New	Variance	Old	New	Variance
Net rent (NRI)	413	421	2.0%	431	433	0.5%
AEBITDA	322	330	2.6%	339	342	0.7%
margin (NRI)	78%	78%	-	79%	79%	-
FFO 1	169	178	4.9%	177	184	3.8%
Margin	41%	42%	-	41%	42%	-
FFOPS 1 (€)	0.98	1.03	4.9%	1.03	1.03	3.8%

Source: First Berlin Equity Research; Grand City Properties

**More rental growth ahead** Updated forecasts now factor in: (1) an increase in LFL in-place rent to 3.5% (old: 3.0%), spurred by solid market fundamentals; (2) steady AEBITDA margins with inflation effects largely accounted for; (3) higher financing expenses impacting FFO 1 with the ongoing rise in secured debt; and (4) further yield expansion in H1. We continue to assume the landlord will remain a net seller this year in the event transactions pick up.

**Table 5: 2024 guidance vs FBe and prior year results**

	Unit	2024 Guidance	FBe 2024	2023A
FFO 1	€m	175 - 185	178	184
FFOPS 1	€	1.01 - 1.07	1.03	1.07
DPS *	€	0.76 - 0.80	0.77	0.00
LFL net rent growth	%	~3.0	3.5	3.3
LTV	%	< 45	36	36

\* subject to market conditions and AGM approval

Source: First Berlin Equity Research; Grand City Properties



## VALUATION MODEL

We now value Grand City with a discounted cash flow model (DCF) after previously using a discounted dividend model (DDM) to derive fair value for Grand City shares. The recent decision by GCP brass to not pay a dividend for the second consecutive year makes the latter method poorly suited. The landlord is sticking to its traditional dividend policy (75% of FFO 1) in its 2024 guidance but maintains this will be subject to market developments.

An NAV-based methodology likewise makes little sense, given that Germany's property bellwethers (Vonovia, Aroundtown, Grand City, LEG, TAG) have been trading well below their respective NAVs for years, and this discount has widened substantially during the interest rate shock. Our DCF model points to a fair value of €12.5 per share vs €12.6 with the DDM our last report. We are Buy-rated on GCP.

**Table 6: DCF model**

All figures in EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>AEBITDA</b>	<b>330</b>	<b>342</b>	<b>362</b>	<b>383</b>	<b>401</b>	<b>420</b>	<b>439</b>	<b>458</b>
(-) Tax	-46	-48	-51	-54	-56	-59	-61	-64
<b>(=) Net operating cash flow</b>	<b>284</b>	<b>294</b>	<b>311</b>	<b>329</b>	<b>345</b>	<b>361</b>	<b>377</b>	<b>394</b>
(-) Total investments (CapEx and WC)	185	-225	-213	-205	-194	-185	-179	-182
(-) Capital expenditures	202	-218	-202	-194	-185	-176	-169	-173
(-) Working capital	-16	-7	-11	-11	-9	-9	-9	-9
<b>(=) Free cash flows (FCF)</b>	<b>469</b>	<b>69</b>	<b>99</b>	<b>125</b>	<b>151</b>	<b>176</b>	<b>199</b>	<b>212</b>
<b>PV of FCFs</b>	<b>451</b>	<b>63</b>	<b>86</b>	<b>104</b>	<b>120</b>	<b>133</b>	<b>143</b>	<b>145</b>

All figures in EUR '000		Terminal AEBITDA margin							
		79.2%	79.7%	80.2%	80.7%	81.2%	81.7%	82.2%	
PV of FCFs in explicit period	1,543	4.4%	17.1	17.5	17.8	18.2	18.5	18.9	19.2
PV of FCFs in terminal period	3,813	4.6%	15.1	15.4	15.7	16.1	16.4	16.7	17.0
Enterprise value (EV)	5,356	4.8%	13.2	13.6	13.9	14.2	14.5	14.8	15.1
+ Net cash / - net debt	-3,202	5.0%	11.6	11.9	12.2	12.5	12.8	13.0	13.3
+ Investments / minority interests	0	5.2%	10.1	10.4	10.7	10.9	11.2	11.5	11.7
Shareholder value	2,154	5.4%	8.8	9.0	9.3	9.5	9.8	10.0	10.3
<b>Fair value per share in EUR</b>	<b>12.5</b>	5.6%	7.6	7.8	8.0	8.3	8.5	8.7	9.0

		Terminal growth rate							
		-0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	
Cost of equity	6.9%	4.4%	9.4	11.6	14.5	18.2	23.1	30.2	41.1
Pre-tax cost of debt	3.0%	4.6%	8.2	10.3	12.8	16.1	20.4	26.4	35.3
Tax rate	14.0%	4.8%	7.1	9.0	11.3	14.2	17.9	23.1	30.5
After-tax cost of debt	2.6%	5.0%	6.2	7.8	9.9	12.5	15.8	20.2	26.5
Share of equity capital	45.0%	5.2%	5.2	6.8	8.6	10.9	13.9	17.7	23.1
Share of debt capital	55.0%	5.4%	4.4	5.8	7.5	9.5	12.2	15.5	20.1
<b>WACC</b>	<b>5.0%</b>	5.6%	3.6	4.9	6.4	8.3	10.6	13.6	17.6

\*Please note our model runs through 2033 and we have only shown the abbreviated version for formatting purposes



## INCOME STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Net rent</b>	<b>372</b>	<b>375</b>	<b>396</b>	<b>411</b>	<b>421</b>	<b>433</b>
<b>Rental and operating income</b>	<b>535</b>	<b>525</b>	<b>583</b>	<b>608</b>	<b>623</b>	<b>639</b>
Property revaluations & capital gains	343	695	118	-890	-353	134
Result from equity-accounted investees	4	4	0	0	0	0
Property expenses	-226	-218	-266	-279	-283	-288
Cost of buildings sold	0	0	0	0	0	0
Administration expenses	-11	-11	-11	-11	-11	-11
Depreciation & amortisation	-5	-8	-10	-9	-9	-10
<b>Operating income (EBIT)</b>	<b>640</b>	<b>986</b>	<b>413</b>	<b>-582</b>	<b>-34</b>	<b>465</b>
Finance expenses	-53	-46	-47	-57	-61	-65
Other financial results	-46	-149	-137	-86	0	0
<b>Pre-tax income (EBT)</b>	<b>542</b>	<b>791</b>	<b>229</b>	<b>-724</b>	<b>-95</b>	<b>400</b>
Current tax	-31	-39	-39	-41	-42	-43
Deferred tax	-61	-135	-11	127	42	-16
<b>Tax result</b>	<b>-93</b>	<b>-174</b>	<b>-50</b>	<b>86</b>	<b>0</b>	<b>-60</b>
Minority interests	-54	-69	-25	124	14	-51
Hybrid note investors	-33	-25	-25	-34	-45	-45
<b>Net income</b>	<b>362</b>	<b>524</b>	<b>129</b>	<b>-548</b>	<b>-125</b>	<b>245</b>
Basic EPS (€)	2.13	3.12	0.77	-3.18	-0.73	1.42
<b>AEBITDA</b>	<b>300</b>	<b>299</b>	<b>308</b>	<b>320</b>	<b>330</b>	<b>342</b>
<b>Ratios</b>						
AEBITDA margin (% of net rent)	80.5%	79.7%	77.8%	77.7%	78.3%	79.0%
Tax rate	10.5%	13.1%	12.7%	-12.8%	12.7%	12.7%
<b>Expenses (% of net rent)</b>						
Property expenses	60.8%	58.2%	67.2%	67.8%	67.1%	66.5%
Administration expenses	2.9%	3.0%	2.7%	2.7%	2.6%	2.6%
<b>Y-Y Growth</b>						
Rental and operating income	-4.4%	-2.0%	11.0%	4.3%	2.4%	2.6%
Total revenues	-4.4%	-2.0%	11.0%	4.3%	2.4%	2.6%
Operating income	-7.6%	54.0%	-58.1%	n.m.	n.m.	n.m.
Adjusted EBITDA	0.7%	-0.4%	3.2%	3.7%	3.3%	3.5%
Net income/ loss	-11.0%	44.5%	-75.3%	n.m.	n.m.	n.m.
<b>Funds from Operations (FFO)</b>						
<b>Operating profit</b>	<b>640</b>	<b>986</b>	<b>413</b>	<b>-582</b>	<b>-34</b>	<b>465</b>
Depreciation and amortisation	5	8	10	9	9	10
<b>EBITDA</b>	<b>645</b>	<b>994</b>	<b>423</b>	<b>-572</b>	<b>-25</b>	<b>475</b>
Property revaluations & capital gains	-343	-695	-118	890	353	-134
Others	-2	-1	3	2	2	2
<b>Adjusted EBITDA</b>	<b>300</b>	<b>299</b>	<b>308</b>	<b>320</b>	<b>330</b>	<b>342</b>
Financial expense	-53	-46	-47	-57	-61	-65
Tax	-31	-39	-39	-41	-42	-43
Minority & JV contributions	-1	-2	-5	-4	-5	-5
<b>FFO 1 (before perpetuals)</b>	<b>215</b>	<b>211</b>	<b>217</b>	<b>218</b>	<b>222</b>	<b>229</b>
Perpetual note adjustment	-33	-25	-25	-34	-45	-45
<b>FFO 1</b>	<b>182</b>	<b>186</b>	<b>192</b>	<b>184</b>	<b>178</b>	<b>184</b>



## BALANCE SHEET

All figures in EURm	2019	2020	2021	2022	2023E	2024E	2025E
<b>Current assets, total</b>	<b>1,629</b>	<b>2,264</b>	<b>1,679</b>	<b>1,134</b>	<b>1,841</b>	<b>1,921</b>	<b>1,720</b>
Cash and cash equivalents	914	1,412	895	325	1,129	1,285	1,072
Traded securities at fair value through P&L	155	286	218	112	125	126	127
Trade and other receivables	342	395	452	353	391	409	420
Inventories - Trading property	16	16	0	0	0	0	0
Assets held for sale	201	155	114	344	196	100	100
<b>Non-current assets, total</b>	<b>8,223</b>	<b>8,602</b>	<b>9,883</b>	<b>9,997</b>	<b>9,078</b>	<b>8,643</b>	<b>9,022</b>
Equipment and intangible assets	27	27	70	77	64	70	77
Investment property	7,981	8,043	9,364	9,550	8,650	8,190	8,543
Equity accounted investees	21	108	0	0	0	0	0
Other LT assets	151	373	397	316	298	310	322
Deferred tax assets	42	51	51	54	66	73	80
<b>Total assets</b>	<b>9,851</b>	<b>10,866</b>	<b>11,562</b>	<b>11,131</b>	<b>10,918</b>	<b>10,564</b>	<b>10,742</b>
<b>Current liabilities, total</b>	<b>454</b>	<b>427</b>	<b>773</b>	<b>309</b>	<b>654</b>	<b>373</b>	<b>383</b>
Short-term debt	33	147	455	5	299	10	10
Trade and other payables	288	209	216	225	254	256	260
Other current liabilities	133	71	103	79	101	107	114
<b>Long-term liabilities, total</b>	<b>4,431</b>	<b>4,884</b>	<b>4,986</b>	<b>4,908</b>	<b>5,034</b>	<b>5,089</b>	<b>5,094</b>
Long-term debt	521	427	353	319	863	950	1,200
Convertible and straight bonds	3,195	3,639	3,642	3,612	3,271	3,271	3,000
Deferred taxes	592	634	760	789	662	620	636
Other LT liabilities	122	183	231	189	239	249	259
Minority interests	444	535	615	666	516	502	553
<b>Shareholders' equity</b>	<b>4,523</b>	<b>5,020</b>	<b>5,188</b>	<b>5,249</b>	<b>4,714</b>	<b>4,600</b>	<b>4,712</b>
<b>Total consolidated equity and debt</b>	<b>9,851</b>	<b>10,866</b>	<b>11,562</b>	<b>11,131</b>	<b>10,918</b>	<b>10,564</b>	<b>10,742</b>
<b>Ratios</b>							
EPRA NTA* (€m)	4,358	4,566	5,020	4,656	4,014	3,855	3,981
EPRA NTAPS* (€)	25.9	26.5	30.4	27.0	23.2	22.3	23.1
Net debt (€m)	2,690	2,521	3,342	3,506	3,202	2,819	3,010
Net debt / equity (x)	0.6	0.5	0.6	0.7	0.7	0.6	0.6
Net debt / EBITDA (x)	9.0	8.4	11.2	11.4	10.0	8.5	8.8
Interest cover (x)	6.6	5.7	6.4	6.6	5.6	3.6	3.6
Loan-to-value (LTV)	33%	31%	36%	36%	37%	36%	36%
Equity ratio	50%	51%	50%	53%	48%	48%	49%
Return on equity (ROE)	9.9%	8.1%	10.6%	3.0%	-12.2%	-1.9%	6.5%

\* updated to exclude RETT





## CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Net income</b>	<b>449</b>	<b>617</b>	<b>179</b>	<b>-638</b>	<b>-95</b>	<b>341</b>
Depreciation and amortisation	5	8	10	9	9	10
Profit from equity accounted investees	-4	-4	0	0	0	0
Change in fair value of investment properties	-343	-695	-118	890	353	-134
Net finance expenses	98	195	184	143	61	65
Tax result	93	174	50	-86	0	60
Others	2	3	3	2	0	0
<b>Operating cash flow</b>	<b>300</b>	<b>299</b>	<b>308</b>	<b>320</b>	<b>329</b>	<b>340</b>
Change in working capital	-29	-45	-61	-38	-7	3
Tax paid	-28	-37	-31	-32	-42	-43
<b>Net cash flow from operating activities</b>	<b>242</b>	<b>217</b>	<b>216</b>	<b>249</b>	<b>280</b>	<b>300</b>
Investment in fixed/intangible assets	-7	-8	-5	-3	-16	-17
Net property investments / disposals	-492	-465	-242	51	202	-218
Acquisition of subsidiaries	547	333	-4	0	0	0
Proceeds from investments in financial assets	-439	-58	82	99	-13	-14
<b>Cash flow from investing</b>	<b>-392</b>	<b>-198</b>	<b>-168</b>	<b>148</b>	<b>173</b>	<b>-249</b>
Debt financing, net	559	-71	-486	496	-202	-21
Equity financing, net	207	-91	-25	-25	-34	-45
Share buyback	0	-272	0	0	0	0
Dividend paid	-71	-54	-56	0	0	-133
Other financing activities	7	0	-2	-17	0	0
Net paid financing expenses	-51	-50	-47	-49	-61	-65
<b>Cash flow from financing</b>	<b>651</b>	<b>-537</b>	<b>-617</b>	<b>405</b>	<b>-296</b>	<b>-264</b>
Fx effects	-3	2	-1	0	0	0
<b>Net cash flows</b>	<b>498</b>	<b>-517</b>	<b>-571</b>	<b>804</b>	<b>156</b>	<b>-213</b>
Cash, start of the year	914	1,412	895	325	1,129	1,285
<b>Cash, end of the year</b>	<b>1,412</b>	<b>895</b>	<b>325</b>	<b>1,129</b>	<b>1,285</b>	<b>1,072</b>
<b>AEBITDA / share (€)</b>	<b>1.74</b>	<b>1.69</b>	<b>1.75</b>	<b>1.81</b>	<b>1.87</b>	<b>1.94</b>
<b>FFO 1</b>	<b>182</b>	<b>186</b>	<b>192</b>	<b>184</b>	<b>178</b>	<b>184</b>
<b>FFOPS 1 (€)</b>	<b>1.07</b>	<b>1.11</b>	<b>1.14</b>	<b>1.07</b>	<b>1.03</b>	<b>1.06</b>
<b>Y-Y Growth</b>						
Operating cash flow	-2.9%	-10.4%	-0.4%	15.4%	12.1%	7.2%
Adjusted EBITDA / share	-1.6%	-2.8%	3.2%	3.7%	3.3%	3.5%
FFO 1	1.8%	2.3%	3.2%	-4.3%	-3.4%	3.4%
FFOPS 1	0.3%	3.6%	2.8%	-6.8%	-3.4%	3.4%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	21 January 2013	€4.37	Buy	€14.30
2...49	↓	↓	↓	↓
50	18 May 2022	€16.43	Buy	€24.50
51	16 August 2022	€13.86	Buy	€24.00
52	12 October 2022	€9.29	Buy	€19.00
53	17 November 2022	€10.51	Buy	€16.80
54	21 March 2023	€7.32	Buy	€12.80
55	21 May 2023	€7.18	Buy	€12.80
56	17 August 2023	€7.32	Buy	€12.80
57	16 November 2023	€9.11	Buy	€12.60
58	Today	€8.98	Buy	€12.50

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