

| | | | |
|--|--|---|---|
| Buy EUR 15.00 Price EUR 12.20 Upside 23.0 % | Value Indicators: EUR NAV (WRe): 14.89 FFO-Yield: 15.46 | Share data: Bloomberg: DEF GR Reuters: DEF.MU ISIN: DE000A13SUL5 | Description: Commercial real estate company focused on retail parks in Northern and Eastern Germany |
| | Market Snapshot: EUR m Market cap: 47.58 No. of shares (m): 3.90 Freefloat MC: 29.02 Ø Trad. Vol. (30d): 22.31 th | Shareholders: Freefloat 61.0 % MSC Invest GmbH 32.4 % Geminus GmbH 4.8 % Supervisory board 1.9 % | Risk Profile (WRe): 2018e LTV: 66.4 % Equity Ratio: 19.8 % |

Solid Q3; Impact from recent acquisitions more visible in 2019

Stated Figures Q3/2018:

| in EUR m | 9M/18 | 9M/18e | 9M/17 | +/- in % |
|---------------|-------|--------|-------|----------|
| Revenues | 6.41 | 6.39 | 4.06 | 58% |
| EBITDA | 3.98 | 3.95 | 2.69 | 48% |
| EBT | 1.67 | 1.62 | 1.24 | 34% |
| Net profit | 1.31 | 1.28 | 0.97 | 35% |
| EPS (€) | 0.37 | 0.36 | 0.27 | 36% |
| FFO | 2.66 | 2.67 | 1.81 | 47% |
| FFO-margin | 41% | 40% | 45% | |
| FFOPS (€) | 0.75 | 0.75 | 0.51 | 47% |
| LTV (%) | 61.7% | | 65.0% | |
| NAV/share (€) | 9.24 | | 6.03 | 53% |

Comment on Figures:

- The Q3 numbers released in mid-November were slightly better than expected and the overall growth trend was strongly positive. The impact from announced recent acquisitions in September is expected to be fully visible in 2019, as the consolidation of the acquired four retail parks took place in October and November.
- The impressive growth with mid double-digit growth rates for revenues, EBITDA and FFO was driven by the ongoing portfolio expansion within the last four quarters and looks to continue in 2019. The FFO margin was stable at ~40% but should improve over time as strong operating margins from the rising existing portfolio are expected to compensate ongoing acquisition costs for a portfolio growth of EUR 15-20m p.a.

- The market development of commercial properties remains very robust, as the extent of possible interest rate hikes seems to be limited. The transaction volume of commercial properties in Germany increased by 8% to EUR 42bn in the first 9M according to JLL due to an extremely strong Q3 volume of EUR 16.4bn. The share of retail properties amounts to 20% and was driven by the Karstadt/Kaufhof transaction (~EUR 1.8bn). Nevertheless, investor's focus in the domestic retail segment remains on retail parks with a food retailer as anchor tenant. We assume that this property type should be more resilient to threats from online business. According to JLL, the prime yields of retail parks fell by 10bp to 4.5% in 2018. We believe that DEFAMA's focus on retail parks in smaller transactions enables higher value creation for shareholders, as DEFAMA's targets are generally below the radar screen of funds and institutional investors.

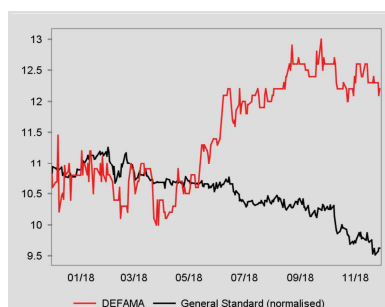
- => We reiterate our **Buy recommendation** and our **PT of EUR 15** as Q3 figures confirmed our positive view of DEFAMA's growth strategy. The annualised FFO of EUR 4.4m based on 30 properties lead to an attractive current FFO yield of more than 9%. We like DEFAMA's acquisition discipline (pricing & location) with a clear focus on retail parks, which enables sustainable value creation for shareholders. Possible significant profits from the re-development of the retail park in Radeberg could strengthen the equity base in 2020 at the latest. Furthermore, we believe that management will stick to its dividend policy (payout ratio ~ 40-50% of net income from operating business), which could lift the dividend yield to >5% based on current price.

Changes in Estimates:

| FY End: 31.12. in EUR m | 2018e (old) | + / - | 2019e (old) | + / - | 2020e (old) | + / - |
|-------------------------|-------------|-------|-------------|-------|-------------|-------|
| Rental income | 8.89 | 1.5 % | 11.48 | 0.0 % | 13.79 | 0.1 % |
| FFOPS I | 0.96 | 0.0 % | 1.17 | 0.0 % | 1.44 | 0.1 % |
| EPS | 0.48 | 1.4 % | 0.61 | 0.0 % | 1.86 | 0.1 % |

Comment on Changes:

- We slightly increase our top-line estimate for 2018, as the consolidation of acquired retail parks already took place in Q4 which also has a positive impact on net profit.
- We strongly believe that DEFAMA is well on track to fulfil its 2018 targets.



Rel. Performance vs General

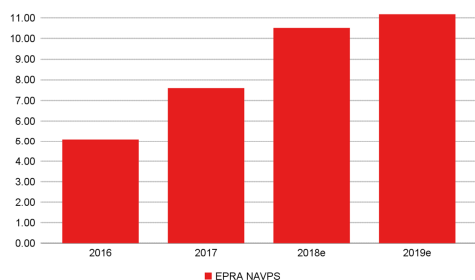
| | |
|---------------------|--------|
| 1 month: | n/a |
| 6 months: | 15.7 % |
| Year to date: | 24.6 % |
| Trailing 12 months: | 24.3 % |

Company events:

20.06.19 AGM

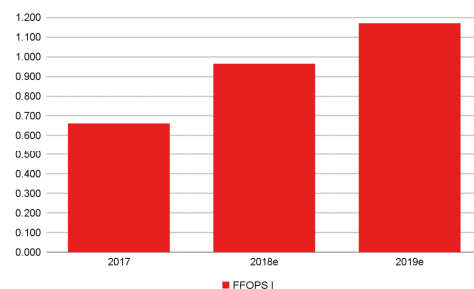
| FY End: 31.12. in EUR m | CAGR (17-21e) | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|---------------------------|---|--------|---------|--------|--------|--------|--------|--------|
| Rental income | | 1.01 | 3.44 | 5.83 | 9.02 | 11.48 | 13.80 | 15.99 |
| Change yoy | | n.a. | 240.6 % | 69.5 % | 54.8 % | 27.3 % | 20.2 % | 15.8 % |
| EBIT | | 0.46 | 1.67 | 2.67 | 3.70 | 4.97 | 11.49 | 7.10 |
| FFO I | | 0.53 | 1.59 | 2.58 | 3.51 | 4.57 | 5.62 | 6.54 |
| FFO I-margin | | 52.2 % | 46.2 % | 44.3 % | 38.9 % | 39.8 % | 40.7 % | 40.9 % |
| EBT | | 0.36 | 1.11 | 1.77 | 2.23 | 3.02 | 9.19 | 4.44 |
| Net income | | 0.30 | 0.89 | 1.36 | 1.76 | 2.38 | 7.26 | 3.51 |
| EPS | | 0.14 | 0.30 | 0.38 | 0.48 | 0.61 | 1.86 | 0.90 |
| FFOPS I | | 0.24 | 0.54 | 0.66 | 0.96 | 1.17 | 1.44 | 1.68 |
| DPS | | 0.10 | 0.20 | 0.34 | 0.39 | 0.52 | 0.62 | 0.71 |
| Dividend Yield | | n.a. | 3.8 % | 3.8 % | 3.2 % | 4.2 % | 5.1 % | 5.9 % |
| Book Value / Share | | 2.57 | 3.00 | 3.18 | 4.17 | 4.27 | 5.51 | 5.70 |
| EPRA NAVPS | | 3.26 | 5.10 | 7.60 | 10.52 | 11.18 | 13.58 | 21.13 |
| P / E | | n.a. | 17.2 x | 23.2 x | 25.3 x | 20.0 x | 6.6 x | 13.5 x |
| Price / Book | | n.a. | 1.4 x | 3.1 x | 2.9 x | 2.9 x | 2.2 x | 2.1 x |
| P / NAVPS | | n.a. | 1.0 x | 1.2 x | 1.2 x | 1.1 x | 0.9 x | 0.6 x |
| FFO I-Yield | | n.a. | 10.4 % | 7.4 % | 7.9 % | 9.6 % | 11.8 % | 13.9 % |
| ROE | | n.a. | 10.9 % | 12.4 % | 12.7 % | 14.5 % | 38.0 % | 16.0 % |
| LTV | | 59.7 % | 56.0 % | 61.1 % | 66.4 % | 68.0 % | 75.7 % | 76.0 % |
| Equity Ratio | | 31.6 % | 32.0 % | 20.5 % | 19.8 % | 17.4 % | 18.8 % | 17.3 % |
| Guidance: | 2018e: FFO of EUR >3.4m, EPS (HGB) of EUR >0.49 | | | | | | | |

NAV per share development in EUR



Source: Warburg Research

FFO per share development in EUR



Source: Warburg Research

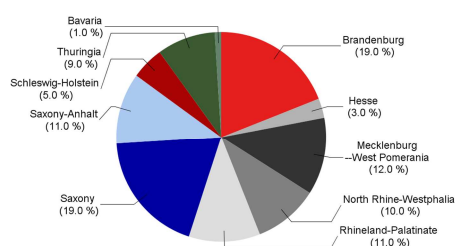
Company Background

- Founded in 2014 and headquartered in Berlin, DEFAMA focuses on the acquisition, ownership and management of retail parks in German small and medium-sized cities, predominantly in Northern and Eastern Germany.
- The investment strategy is to "buy and hold" assets with high occupancy and minor capex needs for a maximum purchase price of 9x annual rent.
- Investment volumes are EUR 1 - 5 million per asset. Anchor tenants are nationwide retailers.

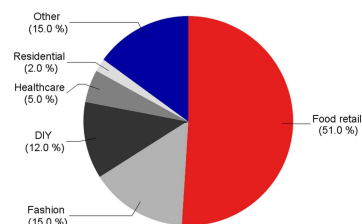
Competitive Quality

- Real estate competence: founder, major shareholder and CEO Matthias Schrade, previously oversaw as a board member responsible for acquisitions for a non-listed real estate company based in Munich.
- Unique focus: the company competes for assets that are too large for individual investors and too small for institutional investors and can "buy low".
- Strong access to local public banks networks, for whom real estate financings for DEFAMA projects are large and important deals. They in turn know smaller tenants well.
- Focus on leading centers in smaller cities ("big fish in a small pond").

Geographical breakdown of rental income % of total rental income



Rental income by sector % of rental income



Source: Warburg Research

| Valuation | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|--------------|------|--------|--------|--------|--------|--------|--------|
| P / E | n.a. | 17.2 x | 23.2 x | 25.3 x | 20.0 x | 6.6 x | 13.5 x |
| P / NAVPS | n.a. | 1.0 x | 1.2 x | 1.2 x | 1.1 x | 0.9 x | 0.6 x |
| Price / Book | n.a. | 1.4 x | 3.1 x | 2.9 x | 2.9 x | 2.2 x | 2.1 x |
| P / FFOPS I | n.a. | 9.6 x | 13.5 x | 12.6 x | 10.4 x | 8.5 x | 7.2 x |
| FFO I-Yield | n.a. | 10.4 % | 7.4 % | 7.9 % | 9.6 % | 11.8 % | 13.9 % |
| ROE | n.a. | 10.9 % | 12.4 % | 12.7 % | 14.5 % | 38.0 % | 16.0 % |
| Equity Ratio | 32 % | 32 % | 21 % | 20 % | 17 % | 19 % | 17 % |

| Company Specific Items | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|------------------------|-------|-------|-------|-------|-------|-------|-------|
| NAV/Share | 3.26 | 5.10 | 9.09 | 10.52 | 11.18 | 13.58 | 21.13 |
| Vacancy Rate | 2.5 % | 2.7 % | 2.7 % | 4.0 % | 3.0 % | 3.0 % | 3.0 % |

Consolidated profit and loss

| In EUR m | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Sales | 1.01 | 3.44 | 5.83 | 9.02 | 11.48 | 13.80 | 15.99 |
| Rental income | 1.01 | 3.44 | 5.83 | 9.02 | 11.48 | 13.80 | 15.99 |
| Change yoy | n.a. | 240.6 % | 69.5 % | 54.8 % | 27.3 % | 20.2 % | 15.8 % |
| Property operating costs | 0.15 | 0.60 | 1.24 | 1.93 | 2.58 | 3.11 | 3.60 |
| Property management costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rental profit | 0.86 | 2.84 | 4.58 | 7.10 | 8.90 | 10.70 | 12.39 |
| Income from property sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.50 | 0.00 |
| Other revenues | 0.00 | 0.11 | 0.12 | -0.38 | -0.11 | 0.00 | 0.00 |
| Gross profit | 0.87 | 2.95 | 4.70 | 6.72 | 8.79 | 16.20 | 12.39 |
| Administration expenses | 0.12 | 0.38 | 0.35 | 0.53 | 0.53 | 0.81 | 0.94 |
| Personnel expenses | 0.05 | 0.20 | 0.47 | 0.73 | 0.94 | 1.13 | 1.31 |
| Other operating income/expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unfrequent items | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA | 0.69 | 2.36 | 3.89 | 5.45 | 7.16 | 14.25 | 10.14 |
| Valuation result | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.50 | 0.00 |
| Depreciation of fixed assets | -0.23 | 0.69 | 1.22 | 1.75 | 2.18 | 2.76 | 3.04 |
| EBITA | 0.46 | 1.67 | 2.67 | 3.70 | 4.97 | 11.49 | 7.10 |
| Amortisation of intangible assets/Goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EBIT | 0.46 | 1.67 | 2.67 | 3.70 | 4.97 | 11.49 | 7.10 |
| Interest income | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest expenses | 0.11 | 0.56 | 0.90 | 1.47 | 1.95 | 2.30 | 2.66 |
| Other financial income (loss) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Financial result | -0.11 | -0.56 | -0.90 | -1.47 | -1.95 | -2.30 | -2.66 |
| EBT | 0.36 | 1.11 | 1.77 | 2.23 | 3.02 | 9.19 | 4.44 |
| <i>Margin</i> | <i>35.4 %</i> | <i>32.2 %</i> | <i>30.4 %</i> | <i>24.7 %</i> | <i>26.3 %</i> | <i>66.6 %</i> | <i>27.8 %</i> |
| Total taxes | -0.06 | -0.22 | -0.41 | -0.47 | -0.63 | -0.63 | -0.63 |
| thereof cash taxes | -0.06 | -0.22 | -0.41 | -0.47 | -0.63 | -1.93 | -0.93 |
| Net income from continuing operations | 0.30 | 0.89 | 1.36 | 1.76 | 2.38 | 7.26 | 3.51 |
| Income from discontinued operations (net of tax) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net income before minorities | 0.30 | 0.89 | 1.36 | 1.76 | 2.38 | 7.26 | 3.51 |
| Minority interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net income | 0.30 | 0.89 | 1.36 | 1.76 | 2.38 | 7.26 | 3.51 |
| Number of shares, average | 2.16 | 2.92 | 3.90 | 3.64 | 3.90 | 3.90 | 3.90 |
| FFO (II) | 0.53 | 1.59 | 2.58 | 3.51 | 4.57 | 5.62 | 6.54 |
| <i>FFO I-margin</i> | <i>52.2 %</i> | <i>46.2 %</i> | <i>44.3 %</i> | <i>38.9 %</i> | <i>39.8 %</i> | <i>40.7 %</i> | <i>40.9 %</i> |
| FFOPS I | 0.24 | 0.54 | 0.66 | 0.96 | 1.17 | 1.44 | 1.68 |
| EPS | 0.14 | 0.30 | 0.38 | 0.48 | 0.61 | 1.86 | 0.90 |
| EPS adj. | 0.14 | 0.30 | 0.38 | 0.45 | 0.61 | 1.86 | 0.90 |

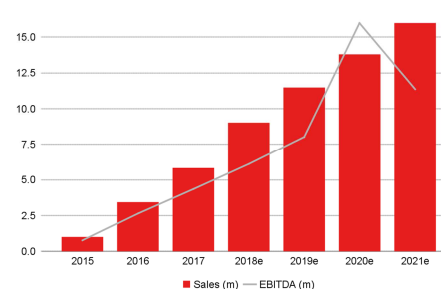
*Adjustments made for:

Guidance: 2018e: FFO of EUR >3.4m, EPS (HGB) of EUR >0.49**Financial Ratios**

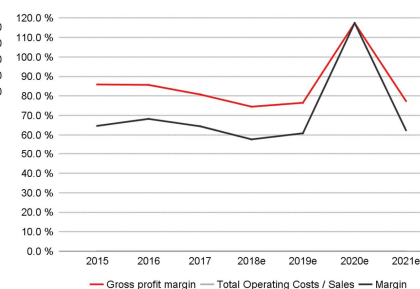
| | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|--|--------|--------|--------|--------|--------|--------|--------|
| Property operating costs / Rental Income | 14.4 % | 17.3 % | 21.4 % | 21.4 % | 22.5 % | 22.5 % | 22.5 % |
| Operating Leverage (Real Estate) | n.a. | 1.3 x | 2.3 x | 2.5 x | 4.8 x | 6.1 x | 7.4 x |
| Rental profit / interest expenses | 7.5 x | 5.1 x | 5.1 x | 4.8 x | 4.6 x | 4.6 x | 4.7 x |

Sales, EBITDA

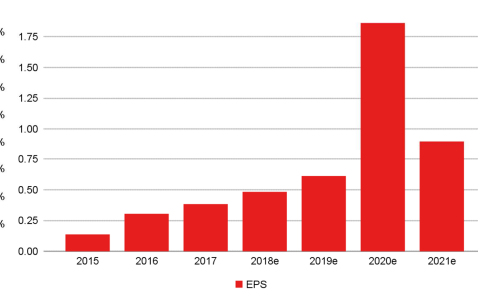
in EUR m

**Operating Performance**

in %

**Performance per Share**

in EUR



Source: Warburg Research

Source:

Source: Warburg Research

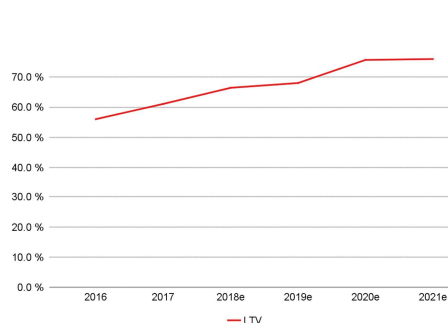
Consolidated balance sheet

| In EUR m | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 |
| thereof other intangible assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| thereof Goodwill | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 |
| Property, plant and equipment | 0.00 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 |
| Investment properties | 14.23 | 31.41 | 51.96 | 77.40 | 92.72 | 101.96 | 116.42 |
| Financial assets | 0.04 | 0.05 | 0.24 | 0.24 | 0.24 | 0.24 | 0.24 |
| Other long-term assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fixed assets | 14.28 | 31.50 | 52.24 | 77.68 | 93.00 | 102.24 | 116.70 |
| Inventories | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts receivable | 0.04 | 0.12 | 0.22 | 0.09 | 0.00 | 0.09 | 0.09 |
| Liquid assets | 3.71 | 1.46 | 2.49 | 5.23 | 3.61 | 13.20 | 13.08 |
| Other short-term assets | 0.08 | 0.17 | 0.46 | 0.56 | 0.65 | 0.56 | 0.56 |
| Current assets | 3.83 | 1.75 | 3.17 | 5.88 | 4.26 | 13.85 | 13.72 |
| Total Assets | 18.10 | 33.25 | 55.41 | 83.56 | 97.26 | 116.09 | 130.43 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 2.23 | 3.55 | 3.55 | 3.90 | 3.90 | 3.90 | 3.90 |
| Capital reserve | 2.21 | 6.15 | 6.15 | 10.44 | 10.44 | 10.44 | 10.44 |
| Retained earnings | 1.28 | 0.94 | 1.59 | 1.94 | 2.31 | 7.15 | 7.88 |
| Other equity components | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shareholders' equity | 5.72 | 10.64 | 11.29 | 16.28 | 16.65 | 21.49 | 22.22 |
| Minority interest | 0.00 | 0.00 | 0.10 | 0.29 | 0.29 | 0.29 | 0.29 |
| Provisions | 0.06 | 0.20 | 0.36 | 0.97 | 0.34 | 0.34 | 0.34 |
| thereof provisions for pensions and similar obligations | 0.03 | 0.10 | 0.18 | 0.17 | 0.17 | 0.17 | 0.17 |
| Financial liabilities (total) | 12.24 | 20.83 | 43.07 | 65.85 | 79.24 | 93.22 | 106.83 |
| thereof short-term financial liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts payable | 0.02 | 0.08 | 0.19 | 0.15 | 0.15 | 0.15 | 0.15 |
| Other liabilities | 0.07 | 1.51 | 0.51 | 0.31 | 0.88 | 0.89 | 0.89 |
| Liabilities | 12.38 | 22.61 | 44.13 | 67.28 | 80.61 | 94.60 | 108.21 |
| Total liabilities and shareholders' equity | 18.10 | 33.25 | 55.41 | 83.56 | 97.26 | 116.09 | 130.43 |

Financial Ratios

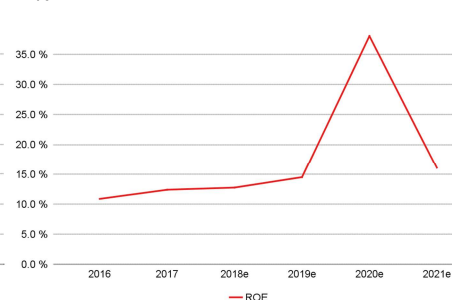
| | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| Return on Capital | | | | | | | |
| ROA | n.a. | 3.5 % | 3.1 % | 2.5 % | 2.6 % | 6.8 % | 2.8 % |
| ROE | n.a. | 10.9 % | 12.4 % | 12.7 % | 14.5 % | 38.0 % | 16.0 % |
| FFO I / Equity | n.a. | 0.2 x | 0.2 x | 0.3 x | 0.3 x | 0.3 x | 0.3 x |
| Solvency | | | | | | | |
| Net Debt | 8.56 | 19.46 | 40.76 | 60.79 | 75.80 | 80.19 | 93.93 |
| Net Financial Debt | 8.53 | 19.37 | 40.58 | 60.62 | 75.63 | 80.02 | 93.76 |
| Net Fin. Debt / EBITDA | 12.3 x | 8.2 x | 10.4 x | 11.1 x | 10.6 x | 5.6 x | 9.2 x |
| LTV | 59.7 % | 56.0 % | 61.1 % | 66.4 % | 68.0 % | 75.7 % | 76.0 % |
| Equity Ratio | 31.6 % | 32.0 % | 20.5 % | 19.8 % | 17.4 % | 18.8 % | 17.3 % |

LTV



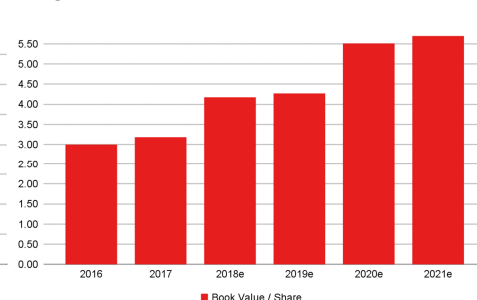
ROE

in %



Book Value per Share

in EUR



Source: Warburg Research

Source: Warburg Research

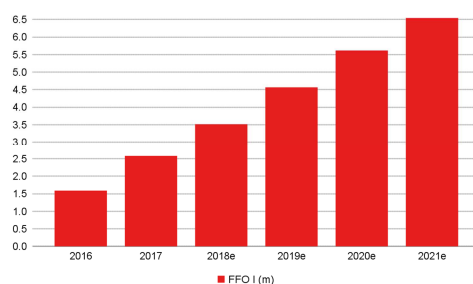
Source: Warburg Research

Consolidated cash flow statement

| In EUR m | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|--|---------------|---------------|---------------|---------------|---------------|--------------|---------------|
| Net income | 0.30 | 0.89 | 1.36 | 1.76 | 2.38 | 7.26 | 3.51 |
| Valuation changes properties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.50 | 0.00 |
| Depreciation of fixed assets | -0.23 | 0.69 | 1.22 | 1.75 | 2.18 | 2.76 | 3.04 |
| Amortisation of goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Amortisation of intangible assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Increase/decrease in long-term provisions | 0.00 | 0.07 | 0.08 | -0.01 | 0.00 | 0.00 | 0.00 |
| Deferred taxes | 0.00 | 0.07 | 0.28 | -0.40 | 0.00 | 0.00 | 0.00 |
| Other non-cash income and expenses | n.a. | 1.49 | -1.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Flow before NWC change | n.a. | 3.21 | 1.64 | 3.10 | 4.57 | 4.52 | 6.54 |
| Increase / decrease in inventory | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Increase / decrease in accounts receivable | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Increase / decrease in accounts payable | n.a. | 0.06 | 0.11 | -0.04 | 0.00 | 0.00 | 0.00 |
| Increase / decrease in other working capital positions | n.a. | -0.14 | -0.29 | -0.10 | 0.00 | 0.00 | 0.00 |
| Increase / decrease in working capital (total) | n.a. | 1.41 | -1.48 | -0.14 | 0.00 | 0.00 | 0.00 |
| Net cash provided by operating activities [1] | 0.36 | 1.65 | 1.36 | 3.10 | 4.57 | 10.02 | 6.54 |
| Investments in properties | n.a. | -17.92 | -21.95 | -26.29 | -17.50 | -6.50 | -17.50 |
| Income from asset disposals | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investments in intangible assets | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payments for acquisitions | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Financial investments | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investments in other assets (net) | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net cash provided by investing activities [2] | -14.32 | -17.92 | -21.95 | -26.29 | -17.50 | -6.50 | -17.50 |
| Change in financial liabilities | n.a. | 8.59 | 22.24 | 22.78 | 13.39 | 13.98 | 13.61 |
| Dividends paid | n.a. | 0.22 | -0.58 | -1.21 | -1.41 | -2.01 | -2.41 |
| Purchase of own shares | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital measures | n.a. | 1.32 | 0.00 | 0.35 | 0.00 | 0.00 | 0.00 |
| Other | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net cash provided by financing activities [3] | 3.71 | 14.02 | 21.63 | 25.93 | 11.32 | 6.07 | 10.83 |
| Change in liquid funds [1]+[2]+[3] | n.a. | -2.25 | 1.03 | 2.74 | -1.61 | 9.58 | -0.12 |
| Effects of exchange-rate changes on cash | n.a. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash and cash equivalent at end of period | n.a. | 1.46 | 2.49 | 5.23 | 3.61 | 13.20 | 13.08 |

Financial Ratios

| | 2015 | 2016 | 2017 | 2018e | 2019e | 2020e | 2021e |
|------------------------------|--------|---------|---------|---------|---------|--------|---------|
| Cash Flow | | | | | | | |
| FFO (II) | 0.53 | 1.59 | 2.58 | 3.51 | 4.57 | 5.62 | 6.54 |
| FFOPS I | 0.24 | 0.54 | 0.66 | 0.96 | 1.17 | 1.44 | 1.68 |
| FFOPS I diluted | 0.24 | 0.45 | 0.73 | 0.90 | 1.17 | 1.44 | 1.68 |
| FFO I-Yield | n.a. | 10.4 % | 7.4 % | 7.9 % | 9.6 % | 11.8 % | 13.9 % |
| FFO I-margin | 52.2 % | 46.2 % | 44.3 % | 38.9 % | 39.8 % | 40.7 % | 40.9 % |
| Interest Paid / Avg. Debt | n.a. | 3.4 % | 2.8 % | 2.7 % | 2.7 % | 2.7 % | 2.7 % |
| Management of Funds | | | | | | | |
| Capex/Investment Properties | n.a. | -57.0 % | -42.3 % | -34.0 % | -18.9 % | -6.4 % | -15.0 % |
| Avg. Working Capital / Sales | n.a. | 0.9 % | 0.7 % | -0.1 % | -0.9 % | -0.8 % | -0.4 % |
| Dividend Payout Ratio | 72.8 % | 65.7 % | 97.4 % | 80.2 % | 84.2 % | 33.3 % | 79.3 % |

FFO

Source: Warburg Research

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| DEFAMA Deutsche Fachmarkt AG | 5 | http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A13SUL5.htm |

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| | | |
|-----|--------------------------|---|
| -B- | Buy: | The price of the analysed financial instrument is expected to rise over the next 12 months. |
| -H- | Hold: | The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months. |
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| “-“ | Rating suspended: | The available information currently does not permit an evaluation of the company. |

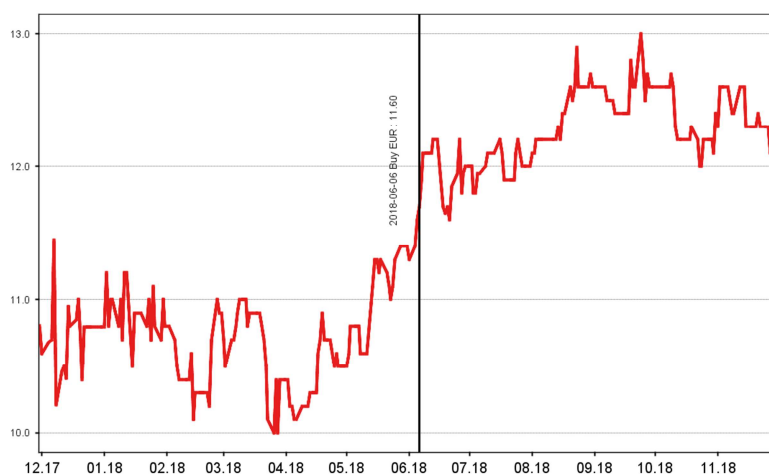
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| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 130 | 63 |
| Hold | 66 | 32 |
| Sell | 3 | 1 |
| Rating suspended | 7 | 3 |
| Total | 206 | 100 |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 34 | 72 |
| Hold | 11 | 23 |
| Sell | 0 | 0 |
| Rating suspended | 2 | 4 |
| Total | 47 | 100 |

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