



# Deutsche EuroShop AG

## Solid start to 2015

13/05/2015

**Hold** (Hold)  
**47.00 EUR** (47.00 EUR)

Close 12/05/2015 44.89 EUR  
Bloomberg: DEQ GY WKN: 748020  
Sector Real Estate

### Share price performance

52 week high 48.00 EUR  
52 week low 32.59 EUR  
Compared to MDAX  
YTD 4.0%  
1 month 0.0%  
12 months 2.3%



### Share data

EV (m EUR; 2015) 3,953  
Market Cap (m EUR) 2,422  
No. of shares (m) 54  
Free float 81.7%

### Analyst

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See end of document for disclaimer.

Deutsche EuroShop has posted Q1 results that were largely in line with our expectations.

### KEY TAKEAWAYS

- Rental revenues increased by 1% to € 50.6 m, which was marginally below our estimates.
- The FFO slightly exceeded our expectations due to lower-than-expected cash taxes.
- The result was hit by a valuation loss worth € 0.5 m.
- Nevertheless, it exceeded our estimates due to low taxes.
- The company confirmed its guidance for 2015 (sales of € 201-204 m, FFOpS € 2.24-2.28).

Deutsche EuroShop [€ m]	Q1 2015	BHL Q1 2015e	Consensus Q1 2015e	Q1 2014	% yoy
Sales	50,6	50,8	50,8	50,0	1,2%
EBIT	44,6	44,8	44,6	44,2	0,9%
EBIT-margin	88,1%	88,1%	87,8%	88,4%	-0,2 PP
FFO	30,7	30,5	30,6	26,9	14,1%
FFO-margin	60,7%	60,1%	60,2%	53,8%	6,9 PP
Net income (after min.)	25,3	24,5	25,6	22,6	12,0%
FFOpS [€]	0,57	0,57	0,57	0,54	5,6%

Source: Company information, DJ Newswire, Bankhaus Lampe Research

### FIRST TAKE

- As the operating results were in line with our expectations, we do not expect significant changes to our estimates and assessment.

in m EUR	2013	2014	2015e	2016e	2017e
Sales	188	201	204	207	210
FFO	112	121	122	127	132
FFO margin	59.6%	60.0%	59.9%	61.5%	62.9%
Net financial debt	1,445	1,362	1,288	1,209	1,137
Net asset value per share	30.59	33.17	34.47	35.65	36.68
FFOPS (in EUR)	2.08	2.23	2.26	2.36	2.45
DPS (in EUR)	1.25	1.30	1.35	1.40	1.45
Dividend yield	3.9%	3.6%	3.0%	3.1%	3.2%
EV/EBITDA	20.4	19.9	21.9	21.2	20.6
P/NAV	1.0	1.1	1.3	1.3	1.2
P/FFO	15.3	16.2	19.8	19.0	18.3

Source: Company information, Bankhaus Lampe Research estimates

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Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of 0% to 10%. "Sell" means that the share's forecast performance is negative.

## Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets in the previous twelve months for: Deutsche EuroShop AG (DEQ GY), Close (12/05/2015): 44.89 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
24/04/2015	45.85 EUR	Hold	47.00 EUR
03/02/2015	41.93 EUR	Hold	43.00 EUR
20/05/2014	36.10 EUR	Hold	37.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/04/2015)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	52.5%	71.4%
Hold	33.8%	28.6%
Sell	13.7%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
Deutsche EuroShop AG	---

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