



Deutsche EuroShop AG

Solid start to 2016

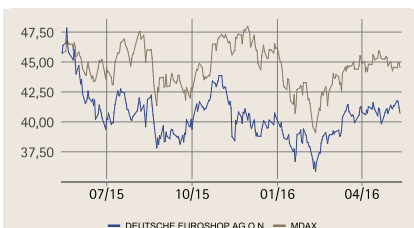
13/05/2016

Buy
45.00 EUR

Close (12/05/2016)	40.74 EUR
Bloomberg: DEQ	WKN: 748020
Sector	Real Estate

Share price performance

52 week high	47.85
52 week low	35.86
Compared to	MDAX
YTD	4.2%
1 month	0.3%
12 months	-8.4%



Share data

Market Cap (m EUR)	2,197
No. of shares (m)	54
Free float	82.7%
Trading vol. Ø (m EUR)	5.3

Next event

15/06/2016	AGM
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Analyst

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Deutsche EuroShop delivered a solid start to 2016. The FFO result was even marginally higher than we had anticipated.

Deutsche EuroShop [€ m]	Q1 2016	BHL Q1 2016e	Consensus Q1 2016e	Q1 2015	% yoy
Sales	50.7	50.7	50.7	50.6	0.2%
EBIT	44.6	44.6	44.4	44.6	-0.1%
EBIT margin	88.0%	88.0%	87.6%	88.2%	-0.3 PP
FFO	31.6	31.1	31.1	30.7	2.6%
FFO margin	62.2%	61.3%	61.3%	60.7%	1.5 PP
Net income (after min.)	24.9	25.1	n.a.	25.3	-1.6%
FFOpS [€]	0.58	0.58	0.58	0.57	1.8%

Source: Company information, Inquiry, Bankhaus Lampe Research

SOLID RESULTS

- Revenues and cost developed as we had anticipated.
- The FFO benefited from a slightly better financial result.
- The net profit was below our expectations due to higher-than-expected valuation losses.
- The company reiterated its full-year guidance: Revenue ranging between € 200 m and € 204 m, FFOpS between € 2.26 and € 2.30

in m EUR	2013	2014	2015e	2016e	2017e
Sales	188	201	203	204	205
FFO	112	121	123	124	126
FFO margin	59.6%	60.0%	60.4%	60.8%	61.6%
Net financial debt	1,443	1,372	1,304	1,237	1,170
Net asset value per share	30.59	33.17	38.94	40.66	41.78
FFOPS (in EUR)	2.08	2.23	2.27	2.30	2.34
DPS (in EUR)	1.25	1.30	1.35	1.40	1.45
Dividend yield	3.9%	3.6%	3.3%	3.4%	3.6%
EV/EBITDA	20.3	20.0	21.1	20.7	20.4
P/NAV	1.0	1.1	1.0	1.0	1.0
P/FFO	15.3	16.2	17.8	17.7	17.4

Source: Company information, Bankhaus Lampe Research estimates

Disclaimer

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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 -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

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 (12/05/2016): 40.74 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
11/09/2015	39.33 EUR	Buy	45.00 EUR
07/08/2015	41.62 EUR	Hold	47.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/04/2016)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	53.0%	60.0%
Hold	41.0%	40.0%
Sell	6.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
Deutsche EuroShop AG	---

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13 May 2016

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