

publity AG

Germany / Real Estate
 Frankfurt Stock Exchange
 Bloomberg: PBV GR
 ISIN: DE0006972508

Discontinuation
 of coverage

RATING
PRICE TARGET
 Return Potential
 Risk Rating

DISCONTINUED
N.A.
 n.a.
 n.a.

NEW STRATEGIC SHAREHOLDER FOR PREOS IN THE WORKS

We discontinue coverage of publity. In our note of 12 April 2021, we placed publity “Under Review” with a “Suspended” price target and forecasts. The company recently published modifications to the plans to add a new major shareholder to its PREOS Global Office Real Estate & Technology AG (PREOS) subsidiary. The Luxembourg based investment vehicle is expected to hold a ~44.7% in PREOS after the first PREOS contribution in kind and some 79.0% after the second contribution in kind. publity’s stake in PREOS would consequently be reduced to around 20% after the second contribution in kind transaction.

COMPANY PROFILE

Founded in 1999, the Frankfurt am Main-based publity AG is an established asset manager and investor with a focus on office real estate in German metropolises such as Frankfurt and Munich. Services cover key steps in the property value chain from acquisition, management to property sales.

MARKET DATA

As of 21 Mar 2022

Closing Price	€ 24.20
Shares outstanding	14.88m
Market Capitalisation	€ 360.00m
52-week Range	€ 17.10 / 31.65
Avg. Volume (12 Months)	3,726

Multiples	2020	2021E	2022E
P/E	29.7	n.a.	n.a.
EV/Sales	22.2	n.a.	n.a.
EV/EBIT	54.2	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



FINANCIAL HISTORY & PROJECTIONS

	2017	2018	2019	2020	2021E	2022E
Revenue (€m)	29.25	37.22	34.08	16.00	n.a.	n.a.
Y-o-y growth	n.a.	27.2%	-8.4%	-53.0%	n.a.	n.a.
EBIT (€m)	13.67	30.82	308.01	6.55	n.a.	n.a.
EBIT margin	46.7%	82.8%	903.9%	40.9%	n.a.	n.a.
Net income (€m)	10.59	24.62	304.65	12.11	n.a.	n.a.
EPS (diluted) (€)	1.75	2.95	20.48	0.81	n.a.	n.a.
DPS (€)	0.00	1.50	0.00	0.00	n.a.	n.a.
FCF (€m)	-2.51	-18.76	n.a.	n.a.	n.a.	n.a.
Net gearing	118.7%	-13.0%	161.7%	516.2%	n.a.	n.a.
Liquid assets (€m)	9.53	27.95	5.39	9.29	n.a.	n.a.

RISKS

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

COMPANY DATA

As of 31 Dec 2020

Liquid Assets	€ 9.29m
Current Assets	€ 13.88m
Financial Assets	€ 528.71m
Total Assets	€ 657.41m
Current Liabilities	€ 1.55m
Shareholders' Equity	€ 580.16m

SHAREHOLDERS

TO-Holding	48.0%
UBS AG	41.5%
Free Float	10.5%

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Anschrift:

First Berlin Equity Research GmbH
Mohrenstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

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First Berlin Equity Research GmbH

Authored by: Ellis Acklin, Senior Analyst

All publications of the last 12 months were authored by Ellis Acklin.

Company responsible for preparation: First Berlin Equity Research GmbH, Mohrenstraße 34, 10117 Berlin

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Person responsible for forwarding or distributing this financial analysis: Martin Bailey

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PRICE TARGET DATES

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First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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

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

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	23 November 2018	€21.35	Buy	€29.00
2...3	↓	↓	↓	↓
4	15 March 2019	€19.30	Buy	€30.00
5	5 June 2019	€37.00	Add	€44.00
6	3 December 2019	€36.95	Buy	€55.00
7	12 April 2021	€28.95	Under Review	Suspended
8	Today	€24.20	Discontinued	Discontinued

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

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Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

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