



Deutsche EuroShop AG

Expanding into Czechia

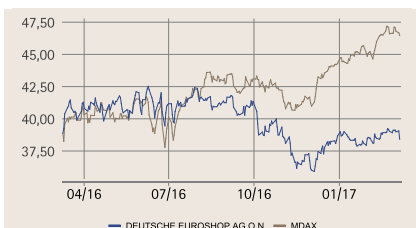
08/03/2017

Buy
45.00 EUR

Close (07/03/2017)	38.41 EUR
Bloomberg: DEQ	WKN: 748020
Sector	Real Estate

Share price performance

52 week high	42.52
52 week low	35.92
Compared to	MDAX
YTD	-5.6%
1 month	-3.5%
12 months	-20.9%



Share data

Market Cap (m EUR)	2,088
No. of shares (m)	54
Free float	82.7%
Trading vol. Ø (m EUR)	5.9

Next event

28/04/2017	Annual Results
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Analyst

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See end of document for disclaimer.

Deutsche Euroshop has acquired a shopping centre in Czechia for € 382m at an NOI yield of 5.1 %. The company is planning to issue up to 4.7 million new shares to finance the deal.

ACQUISITION IN BRNO

- Deutsche Euroshop has acquired a 85,000 sqm shopping centre in Brno, Czechia.
- The NOI yield amounts to 5.1%, which is lower than the average for its portfolio.
- The company is planning to issue up to 4.7 million new shares to finance the deal.
- The acquisition should have an immediate positive effect on the FFO and add about € 0.03 p.a. including the dilutive effect from issuing new shares.
- We regard the transaction as supportive to our BUY case as the company is expanding into a new country and accelerating growth.

in m EUR	2014	2015	2016e	2017e	2018e
Sales	201	203	204	205	206
FFO	121	123	124	130	135
FFO margin	60.0%	60.8%	60.9%	63.4%	65.6%
Net financial debt	1,372	1,337	1,322	1,152	1,083
Net asset value per share	33.17	39.12	42.71	43.11	44.06
FFOPS (in EUR)	2.23	2.29	2.30	2.39	2.36
DPS (in EUR)	1.30	1.35	1.40	1.45	1.50
Dividend yield	3.6%	3.3%	3.6%	3.8%	3.9%
EV/EBITDA	20.0	21.6	21.2	20.1	20.3
P/NAV	1.1	1.0	0.9	0.9	0.9
P/FFO	16.2	17.7	16.8	16.1	16.3

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 (07/03/2017): 38.41 EUR, Analyst: Dr. Georg Kandera (Analyst).

Date of publication	Price at recommendation	Rating	Price target
19/01/2017	38.46 EUR	Buy	45.00 EUR
13/12/2016	37.32 EUR	Buy	44.00 EUR
10/10/2016	38.79 EUR	Buy	47.00 EUR
23/03/2016	40.58 EUR	Buy	45.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2017)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	49.0%	75.0%
Hold	46.0%	25.0%
Sell	5.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
Deutsche EuroShop AG	---

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Federal Financial Supervisory Authority – Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, D-60439 Frankfurt

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