

Sector: Investment companies

Price: €5.54
 Market cap: €52m
 Forecast net debt (€m) 149.0
 Forecast gearing ratio (%) 99.0
 Market FRA

Share price graph (€)

Company description

FVI manages a portfolio of 42 commercial properties covering c 366,000sqm at (subject to completion of one sale expected by year end. It's diversified portfolio of office and retail assets, is spread across Germany with a focus on regional locations.

Price performance

%	1m	3m	12m
Actual	12.4	5.0	13.3
Relative*	7.9	5.6	6.5

* % Relative to local index

Analyst

Martyn King

Fair Value REIT (FVI)

INVESTMENT SUMMARY

Having substantially repositioned its investment portfolio over the past two years, FVI has now achieved the same with its shareholder structure. Obotritia Capital (founded by former Tag CEO Rolf Elgeti) has become the new anchor shareholder through three controlled special purpose vehicles. H.F.S. and IC have sold down substantial stakes, and the free float is increased. The new structure promises to support FVI's expansion ambitions.

Meanwhile, portfolio optimisation has continued with two further small sales above carrying value. With 9m14 results, full year guidance of €5.1m underlying (EPRA basis) consolidated net profits and a dividend of €0.25 per share was reiterated. The shares have risen, but the yield and discount to NAV remain attractive.

INDUSTRY OUTLOOK

Although the German economy has slowed, the commercial real estate market is benefiting from low interest rates, a dearth of attractive yield generating investment alternatives and the comparative stability of the economy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	36.8	21.6	10.1	63.78	8.7	2.9
2013	36.4	19.8	8.6	68.68	8.1	3.9
2014e	29.5	16.2	11.1	53.95	10.3	3.7
2015e	31.6	17.6	13.0	64.33	8.6	3.8