

Branicks Group AG

Buy (unchanged) **Target: Euro 8.00** (old: Euro 7.00)

28 | August | 2025



■ **Price (Euro)** **1,96**
52 weeks range 2.70 / 1.55

■ Key Data

ISIN DE000A1X3XX4
Bloomberg BRNK:GR
Reporting standard IFRS
Market Cap (Euro million) 164
Number of shares (million) 83,6
Free Float 51,8%
Free Float Market Cap (Euro million) 85
CAGR FFO ('24 -'27e) 5,4%

Multiples	2024	2025e	2026e	2027e
Market Cap / Total revenues	1,0	1,2	1,3	1,3
PE-Ratio	-0,6	-33,2	11,8	8,6
Dividend Yield	0,0%	0,0%	0,0%	5,1%

Key Data per share (Euro)	2024	2025e	2026e	2027e
Earnings per share (EPS)	-3,36	-0,06	0,17	0,23
FFO per share	0,63	0,59	0,65	0,73
Dividend per share (DPS)	0,00	0,00	0,00	0,10

Financial Data (Euro '000)	2024	2025e	2026e	2027e
Gross rental income	168.915	135.301	121.906	126.539
Net rental income	150.217	121.086	103.920	108.996
Administrative expenses	-31.298	-20.817	-24.884	-25.120
Personnel expenses	-35.591	-33.880	-32.389	-33.150
Real estate management fees	48.172	58.124	75.290	81.590
Profit on disposal of investment property	4.333	8.734	13.011	6.883
EBIT	-294.626	45.578	67.356	73.117
Net financial result	-104.502	-68.825	-60.597	-56.639
EBT	-393.241	-13.698	19.180	29.965
Taxation	27.705	3.425	-2.877	-6.744
Net profit after minorities	-281.113	-4.936	13.829	19.114
FFO	52.200	48.900	54.400	61.100

■ Main Shareholders

Deutsche Immobilien Chancen-Gruppe 25,0%
Yannick Patrick Heller 10,1%
RAG-Stiftung 10,0%
FMR LLC 3,1%

■ Financial calendar

3Q 2025 report 26 November 2025
2025 annual report March 2026

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Good steps forward in the consolidation process, many transactions, strong lettings, decreasing interest expenses and OPEX, FFO +17% and paying back debt – we lift the target to € 8.00

Yesterday Branicks published the 1H 2025. As stated with our update from 21 July, the firm was busy to drive the consolidation process to bring down debt and strengthen the balance sheet in a still demanding market. **All promissory notes due in 2025 were repaid, Euro 225m in 1H 2025 and Euro 68m in July. The financial liabilities decreased -10.2% in only 6 months, from Euro 2.31bn at year-end 2024 to Euro 2.07bn. The equity ratio was up from 30.2% to 31.8%, the adjusted LTV slightly improved from 57.5% to 57.3% and the bond covenants have a wider headroom now, as Bond ICR stepped up in 6 months from 2.0x to 2.3x. The better balance sheet came along with an improving cash flow picture. The FFO I increased +17%, from Euro 19.4m to Euro 22.7m, making the unchanged FFO I full year guidance of Euro 40m to Euro 55m a very realistic scenario. The hike in FFO was supported by a 0.9% hike in Like-for-Like rents in the overall portfolio and a reduction of operating costs by 14%, from Euro 33m to Euro 28m. The lower net interest expenses also helped a lot (Euro -19m), as average interest rate was down from 2.5% to 2.4%. The management stated to expect the full year operating costs to be around Euro 54m, what means a further improvement to come.**

The balance sheet and FFO picture was rounded out by 10 certified sale transactions keeping the 2025 disposal target for the Commercial Portfolio at Euro 500m to Euro 600m that will help to set free more capital and further relieve the balance sheet. The portfolio quality is superior and clearly helped to support future revenues by a pleasing letting performance. The rental take-up was at high 215k sqm, +19% compared to 181k sqm in 1H 2024. Almost half of it (104k sqm) were new leases, a great jump compared to last year with only 20k sqm new leases, which show first encouraging signs of a recovery. For 2025 there are no more big refinancing issues in the debt profile and investor's eyes are now more directed to next year with Euro 600m refinancing needs, thereof in 13 months on 22 Sept 2026 the Euro 400m Green Bond (2.25% coupon) is due as the biggest part of it. We are optimistic about a continued and even rising success in cash generation by selling assets and relieving the balance as well as getting higher rents from many new rental contracts and prolongations as well as potential higher transaction fees in Institutional Business. In our view, the Green Bond repayment will be a mix from repayment, new loans and perhaps a new bond issue or a tender offer. **The NAV per share is still above 10 Euros and the adjusted NAV including the value of Institutional Business remains stable at Euro 12.39 (Euro 12.55 at year-end 2024). With next year's downsizing the balance sheet, we also expect a re-rating of the Branicks share. We react early and lift our target from € 7.00 to € 8.00.**

Branicks Group AG

Industry: Real Estate
Sub-segment: Commercial property investor
 Own book / Institutional Business / Managed Accounts
 (transaction, asset and property management)

Management Board of Branicks
 Sonja Wärntges (CEO)
 Johannes von Mutius (CIO)
 Christian Fritzsche (CIBO)

Region: Germany
Headquarter: Frankfurt
Foundation 1998
Employees: 266

Supervisory Board of Branicks:
 Dr. Angela Geerling (Chairwoman)
 Michael Zahn
 Prof. Dr. Gerhard Schmidt
 Eberhard Vetter
 Rene Zahnd
 Jürgen Overath

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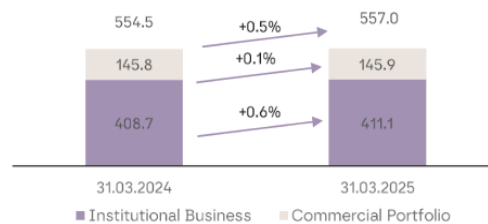
Branicks (formerly DIC Asset) is a strong commercial properties player in the German market with two strong and in general more or less equally weighted pillars or businesses, which help for a very complementary income and investment structure.

In the Commercial Portfolio Branicks does on balance sheet investment for their own books, in particular office and logistics properties that offer a stable cash income as well as some value add properties which need more attention to reduce vacancy and increase the intrinsic cash flow in mid-term, in particular by repositioning or revitalization of some assets. This strategy is complemented by an intelligent cycle management to sell some properties at the right time for portfolio optimization and generating additional trading profits. The commercial portfolio has a size of about Euro 2.8bn at present.

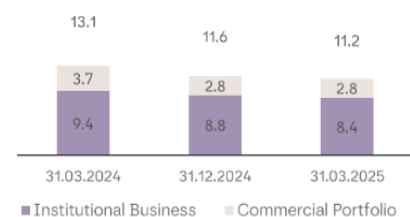
In the second pillar, the Institutional Business, the company launches diversified real estate funds for many years, as the DIC Office Balance I was initiated in 2010 and DIC Office Balance II in 2014 and DIC Office Balance III in 2015, all with targeted AuM between Euro 300m and Euro 450m. Branicks also initiated funds outside the office topic, for instance with the DIC Retail Balance I fund, which came in September 2017 with a size of about Euro 250m or the new RLI-GEG Logistics & Light Industrial III fund with a volume of Euro 400m. The institutional business offers a great range of fees for set-up, transactions, asset and property management services for the funds, club deals and individual mandates. In addition to a broad income stream from servicing fees there are lucrative equity returns from the co-investment stakes. The assets under management in the Institutional Business steeply increased by almost 50% in 2019, from Euro 3.9bn to Euro 5.7bn, to Euro 7.6bn in 2020 and again steeply to Euro almost Euro 9.3bn in 2021 and Euro 10.2bn in 2022. At the end of 2023, the AuM in the segment amounted to Euro 9.6bn. With no acquisitions in 2024 and some down-valuations of the portfolio the size of IB went down to Euro 8.8bn. All activities in the field of fund business (third party mandates) have been bundled under the GEG roof. Both pillars, the Commercial Portfolio and the Institutional Business, are serviced from the group's own asset and property management platform, with branches in Frankfurt, Mannheim, Düsseldorf, Cologne, Hamburg, Munich, Berlin, Stuttgart and Neuburg. The institutional business offers a lucrative income stream of management fees as well as transaction-related fees and performance fees. As of April 2024, the firm announced a stronger strategic focus on ESG and Renewables and launched its first Renewable Fund with a target volume of Euro 300m in May 2024.

The FFO I result of 2023 stood at a level of Euro 51.9m and was a bit improved to Euro 52.2m in 2024 despite the still sluggish market conditions and the still quite low transaction volumes in the institutional business segment. The Euro 52.2m FFO result was within Branicks' target range of Euro 40m to Euro 55m. For 2025 Branicks keeps the FFO target range unchanged. The focus remains on a reduction of debt, as financial liabilities could be remarkably reduced in 2024, by 22% from Euro 3.0bn to Euro 2.3bn.

Like-for-like rental income
annualised in EUR million



Assets under Management
in EUR billion



Source: Company Data, SRC Research


Branicks Group AG
 31/12 IFRS ('000)

	2021	2022	2023	2024	2025e	2026e	2027e	CAGR '24 - '27e
Gross rental income	108.390	175.956	188.273	168.915	135.301	121.906	126.539	-9,2%
Ground rents	-523	-339	-169	-170	-170	-170	-170	
Service charge income on principal basis	23.211	31.269	32.886	34.544	27.871	20.540	21.610	
Service charge expenses on principal basis	-26.415	-36.572	-38.997	-35.780	-28.391	-26.473	-26.840	
Other property-related expenses	-13.447	-17.774	-17.359	-17.292	-13.525	-11.883	-12.143	
Net rental income	91.216	152.540	164.634	150.217	121.086	103.920	108.996	-10,1%
Administrative expenses	-21.518	-37.863	-27.210	-31.298	-20.817	-24.884	-25.120	
Personnel expenses	-38.096	-42.581	-40.101	-35.591	-33.880	-32.389	-33.150	
Depreciation and amortization	-42.986	-73.883	-156.024	-435.918	-88.950	-69.521	-70.470	
Real estate management fees	101.225	88.375	50.853	48.172	58.124	75.290	81.590	19,2%
Other operating income	3.815	5.699	2.495	7.611	4.725	5.831	8.540	
Other operating expenses	-1.802	-3.409	-796	-2.152	-3.444	-3.902	-4.152	
Net proceeds from disposal of investment property	139.337	51.494	558.611	543.449	518.285	354.839	145.884	
Carrying amount of investment property disposed	-115.572	-38.797	-550.427	-539.116	-509.551	-341.828	-139.001	
Profit on disposal of investment property	23.765	12.697	8.184	4.333	8.734	13.011	6.883	
Net operating profit before financing activities (EBIT)	115.619	101.575	2.035	-294.626	45.578	67.356	73.117	n.a.
Share of the profit or loss of associates	6.524	18.918	6.448	5.887	9.549	12.421	13.487	
Interest income	9.550	10.635	17.878	18.473	3.685	4.725	5.803	
Interest expenses	-59.257	-71.217	-110.694	-122.975	-72.510	-65.322	-62.442	
Profit/loss before tax (EBT)	72.436	59.911	-84.333	-393.241	-13.698	19.180	29.965	n.a.
Tax	-14.051	-17.053	13.634	27.705	3.425	-2.877	-6.744	
Net profit	58.385	42.858	-70.699	-365.536	-10.274	16.303	23.221	
Minorities	590	11.834	-4.739	-84.423	-5.338	2.474	4.107	
Net profit after minorities	57.795	31.024	-65.960	-281.113	-4.936	13.829	19.114	
FFO	107,2	114,2	51,9	52,2	48,9	54,4	61,1	5,4%
Number of shares ('000)	81.504	82.689	83.427	83.566	83.566	83.566	83.566	
Earnings per share	0,71	0,38	-0,79	-3,36	-0,06	0,17	0,23	
FFO per share	1,32	1,38	0,62	0,63	0,59	0,65	0,73	
Dividend per share	0,75	0,75	0,00	0,00	0,00	0,00	0,10	
Shareholders' Equity	1.133.969	1.664.101	1.527.139	1.128.482	1.123.546	1.152.376	1.214.604	2,5%
Balance Sheet sum	3.493.650	5.180.270	4.846.174	3.741.591	3.348.724	3.365.468	3.446.239	
Equity Ratio	32,5%	32,1%	31,5%	30,2%	33,6%	34,2%	35,2%	



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Rating Chronicle

Company	Date	Rating	former share price	former target
Branicks Group AG	21.07.2025	Buy	1,95 €	7,00 €
Branicks Group AG	08.05.2025	Buy	1,91 €	7,00 €
Branicks Group AG	17.03.2025	Buy	2,15 €	7,00 €
Branicks Group AG	08.11.2024	Buy	2,50 €	7,00 €
Branicks Group AG	27.08.2024	Buy	2,23 €	7,00 €
Branicks Group AG	19.08.2024	Buy	1,83 €	7,00 €
Branicks Group AG	21.05.2024	Buy	1,98 €	5,00 €
Branicks Group AG	02.05.2024	Buy	1,62 €	5,00 €
Branicks Group AG	04.04.2024	Buy	1,35 €	5,00 €
Branicks Group AG	06.03.2024	Buy	1,24 €	3,00 €
Branicks Group AG	08.11.2023	Buy	4,10 €	9,00 €
DIC Asset AG	04.08.2023	Buy	4,21 €	11,00 €
DIC Asset AG	10.07.2023	Buy	5,31 €	11,00 €
DIC Asset AG	11.05.2023	Buy	6,70 €	14,00 €
DIC Asset AG	13.04.2023	Buy	6,71 €	16,00 €
DIC Asset AG	15.02.2023	Buy	8,85 €	16,00 €
DIC Asset AG	26.01.2023	Buy	8,74 €	16,00 €

Please note: The share price mentioned in this report is from 27 August 2025. Branicks Group AG mandated SRC Research for covering the share.

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