AROUNDTOWN

Buy (unchanged) **Target: Euro 5.00** (unchanged)

26 | August | 2026

Der Spezialist für Finanzaktien

Price (Euro)	**2,03**
52 weeks range	3.52 / 1.99

Key Data

ISIN	LU1673108939
Ticker	AT1
Bloomberg	AT1 GR
Reporting standard	IFRS
Market Cap (Euro million)	3.120
Number of shares (million)	1.537,0
Free Float	48,0%
Free Float Market Cap (Euro million)	1.498
CAGR Adj. EBITDA profit ('25-'28e)	16,2%

Multiples	**2025**	**2026e**	**2027e**	**2028e**
Market Cap/ Total revenues	2,0	2,0	1,9	1,9
PE-Ratio	**3,3**	**4,8**	**3,5**	**3,0**
Dividend Yield	3,9%	5,9%	7,4%	8,9%
Price-to-Book-Ratio	**0,29**	**0,28**	**0,27**	**0,25**
P/ NAV-ratio	**0,26**	**0,25**	**0,24**	**0,22**

Key Data per share (Euro)	**2025**	**2026e**	**2027e**	**2028e**
Earnings per share (EPS)	**0,61**	**0,42**	**0,58**	**0,67**
FFO I per share	**0,26**	**0,28**	**0,32**	**0,34**
Dividend per share (DPS)	**0,08**	**0,12**	**0,15**	**0,18**
EPRA NTA per share	**7,75**	**8,09**	**8,55**	**9,06**

Financial Data (Euro Millions)	**2025**	**2026e**	**2027e**	**2028e**
Revenues (rental income)	**1.543,1**	**1.577,0**	**1.611,7**	**1.650,4**
Capital gains, Prop. Revaluations	385,6	345,0	489,2	461,7
EBITDA profit	1.347,1	1.331,3	1.530,8	1.569,6
Adj. EBITDA profit (cash driven)	**999,3**	**1.012,3**	**1.070,8**	**1.569,6**
Operating profit (EBIT)	**1.329,4**	**1.309,2**	**1.507,9**	**1.545,0**
Net financial result	-292,1	-346,8	-340,5	-326,1
Pre-tax profit (EBT)	**798,3**	**905,5**	**1.102,4**	**1.177,0**
Taxation	329,6	-172,0	-198,4	-178,1
Net profit after minorities	**665,0**	**440,1**	**596,6**	**682,3**
FFO I	**288,0**	**291,4**	**326,6**	**345,1**
Shareholders' equity (Euro billion)	8,0	8,4	8,8	9,4
Property portfolio (Euro billion)	**24,9**	**24,4**	**25,2**	**25,9**
RoE (after tax)	**4,4%**	**2,9%**	**3,7%**	**4,0%**
Equity ratio (incl. equity minorities)	44,6%	44,1%	43,6%	43,0%

Main Shareholders

Treasury shares	27%
Avisco Group Plc. / Vergepoint	15%
Stumpf Capital GmbH	10%

Financial calendar

3Q 2026 report	25 November 2026
2026 annual report	March 2027

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+2.7% in 1H like-for-like rents, net rental income and adjusted EBITDA unchanged despite disposals, stake in Grandcity up to 84% strengthening the cash generation and the residential exposure, continued capital recycling and unchanged FFO guidance

Today, Aroundtown published its 1H 2026 results. **Like-for-like rents increased by a solid 2.7%, despite the still subdued economic environment in Germany. The residential hike was even +3.5% and hotel even at +4.4%. Even the sluggish office market saw positive l-f-l rental growth of 0.9%.** Besides the solid rental performance, the significantly higher exposure to residential is another positive. Following the successful share-for-share offer in March and subsequent open market transactions, AT now holds a 84% stake in Grand City and could gradually increase its stake further, towards the maximum of 89.5%. The higher residential exposure should improve the overall risk-return profile, given GCP's very low vacancy rate of 3.3%. The higher GCP stake is also FFO accretive, as it reduces the contribution attributable to minorities. **With the higher GCP stake which translates into a higher FFO contribution, the firm already lifted its full-year FFO guidance in May to a range of Euro 275m to 305m and has now confirmed it with its half-year numbers.** In general, the company continues its prudent capital recycling program to sell non-core locations and mature assets with no further potential for value accretion and put this capital into more promising assets and conversion projects (from office to resi or serviced apartments) with a much higher value accretion potential and to give it back to shareholders by dividends and share buybacks, as the strong balance sheet allows for both. AT has completed a Euro 350m disposal volume in 1H 2026 (Euro 390m to date), which makes us expect again a high full year trading volume of Euro 650m to Euro 850m, in the same magnitude as in 2025 (Euro 790m). Despite the high trading volume last year, net rental income (Euro 591m) and adjusted EBITDA (Euro 500m) remained fully unchanged, due to the good operating and letting performance. Even FFO I was just slightly down from Euro 150m to Euro 144m, but will profit from the higher GCP stake in next quarters. With regards to FFO II, it even surged 34%, from Euro 200m to Euro 268m, as the disposal margins were higher in this period.

The balance sheet is very solid with a 43% equity ratio in June (Dec. 2025: 45%) and LTV at 43%, below the 45% target (Dec. 2025: 41%). The cash position remains at high Euro 3.9bn (Dec. 2025: Euro 4.03bn), despite the 1H share buybacks. Unencumbered assets are at high Euro 17.0bn, out of a total Euro 25.2bn portfolio (67.5%). The debt side has a relatively undemanding maturity profile for next years. Cost of debt was slightly up with a general hike in interest rates, from 2.3% in 2025 to 2.6% in 1H 2026. Refinancing risk was mitigated at an early stage by a very proactive perpetual note management and new bonds in 4Q 2025 and 1Q 2026. **There is a solid upside in annualized rents for the next 3 or 4 years, to a total of > Euro 150m, to come from indexations, re-lettings and in particular from completed conversion projects. We keep our € 5.00 target price which is supported by a € 8.00 EPRA NTA.**

THOMSON REUTERS ANALYST AWARDS 2017 WINNER
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SRC Der Spezialist für Finanzaktien

Aroundtown SA

Industry:	Real Estate
Sub-segments:	Commercial (incl. Hotel)/ Residential
Target Countries:	Germany
Registered	Luxembourg
German Office:	Berlin
Foundation:	2004
Employees:	1621
IR Contact:	Timothy Wright
Email	info@aroundtownholdings.com
Credit Rating:	BBB by S&P (Investment Grade)
Stock exchange:	Prime Standard Frankfurt
ISIN:	LU1673108939
Bloomberg:	AT1 GR

MANAGEMENT

Barak Bar-Hen **CEO & COO**

Timothy Wright **CCMO**

Jonas Tintelnot **CFO**

Limor Bermann **CSO**

Frank Roseen Director

Jelena Afxentiou Director

Markus Kreuter Indep. Director

Markus Leininger Indep. Director

Simone Runge- Indep. Director

Ran Laufer Non-Exec. Director

Daniel Malkin Indep. Director

ADVISORY BOARD

Dr. Gerhard Cromme **Chairman**

Yakir Gabay

Claudio Jarczyk

Founded in 2004, AROUNDTOWN SA ("AT1") is a real estate investment company specializing in identifying and investing in value-add and income generating properties. Aroundtown SA is listed in the German Prime Standard since June 2017 and member of German MDax index.

AT's primary real estate target markets are ecoconomically attractive and densely populated regions in Germany. The company is active in both the commercial as well as the residential real estate sector. Nonetheless, it more plays an active role in the commercial sector since the residential exposure within the portfolio is represented by an interest in the publicly listed company Grand City Properties (“GCP”) with a stake of 63% as of FY 2025, which is being fully consolidated since 1 July 2021. The firm's total portfolio currently amounts to Euro 25bn. Office properties have a share of 34% relatively to the total portfolio of investment properties based on appraisal values and residential properties stand for 33%. The hotel share stands at 20%. The rest is retail, logistics and others as well as development rights. The company is very much geared to continue its capital recycling program to sell non-core or mature assets and to buy properties or projects with a high value accretion potential. Here one important topic are conversion projects from outdated offices to serviced apartments or other types of residential use.

AT comes along with a well-experienced management team where each member supplements the team with a distinctive professional background in various fields like investment banking, real estate investment and asset management and project development for instance. AROUNDTOWN targets turnaround opportunities of distressed and/or mismanaged properties and has a strong track record with regard to property turnaround by working out sound individual business plans. Detailed property-related data are deliberately not diclosed. AT argues that they are doing so in order to direct investors' attention on the bottom line on company level rather than being monitored on the performance of each individual property. Currently, the firm sells assets but is also looking for intersting opportunities in commercial and residential poperties, where assets are under-valued or under-managed or in an under-rent situation. With a high cash balance of over Euro 4.0bn, additional undrawn credit lines of another 900m and a solid balance sheet with a 45% equity ratio and a decreasing LTV of 41% in 2025 (2024: 42%), we see the firm in a decent position despite the still challenging market and believe that once the conditions are more favourable again, the firm will translate the superior portfolio in much higher earnings. And investors will profit as the firm strives to pay-out about a higher 50% stake of FFO I result in dividends from FY 2026 on. The firm starts to pay a dividend in 2026 for FY 2025 (8 Cents), after skipping dividend in the difficult years 2022, 2023, 2024 which were coined by Covid pandemic and the German recession. The firm has a BBB / stable outlook investment grade S & P rating. Furthermore, the company has a 8.7 ESG rating from Sustainalytics which makes the Top 4% in the Real Estate Industry (2026 Sustainalytics Global ESG Leader Badge). Furthermore the company improved the ISS ESG rating from C to C+, making them top 20% of Real Estate sector in the ISS ESG Real Estate sector.

Aroundtown is part of the DAX ESG Index and ranked as the highest ESG ranked real estate constituent of the index. The company is also a member in the second highest German MDAX equity index.

PORTFOLIO OVERVIEW JUNE 2026

AROUNDTOWN

Portfolio by asset type not incl. held for sale	Investment property (€m)[3]	Lettable area (k sqm)	EPRA Vacancy[1)4)]	Annualized net rent (€m)[5)]	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield	WALT (years)
Office	8,428	2,875	13.6%	421	13.8	2,932	5.0%	4.3
Residential	8,326	3,477	3.3%	409	10.0	2,395	4.9%	NA
Hotel	5,042	1,477	2.2%	249	14.6	3,414	4.9%	13.1
Logistics/Other	447	376	7.0%	25	5.6	1,189	5.5%	5.1
Retail	1,113	483	12.4%	54	10.5	2,305	4.8%	5.1
Development rights & Invest[2)]	1,885							
Total	**25,241**	**8,688**	**7.6%**	**1,158**	**11.8**	**2,688**	**5.0%**	**7.3**

Source: Company Data, SRC Research

The top-line will boost by about Euro 150m on an annualized rent basis from 2030

The combined measures to quickly accelerate top-line growth will more than offset a higher cost of debt.

In addition to rent indexations and re-lettings for a continued growth in the like-for-like-rents, it is the big number of current conversion projects, from office to residential or serviced apartments, that gives an additional boost of more than Euro 150m from 2030 on. Furthermore, the higher GCP stake is FFO accretive and the recent share buyback program (and more probably to come in future) will also boost FFO performance.

SEVERAL FFO GROWTH DRIVERS TO OFFSET INCREASING FINANCE EXPENSES

CONTINUED EXTRACTION OF TOP-LINE GROWTH

- Continued rental growth reflected in solid like-for-like performance among all asset types from re-letting and indexation

~ €100m
Rental income from expected 2-3% like-for-like growth in the next 3-4 years

CONVERSION, DEVELOPMENT AND REPOSITIONING

- Rent upside extracted through conversions, development, and refurbishment, at attractive yield on capex on **current projects**

+ €55m
Expected annualized rental upside until 2030[1)]

HIGHER FFO THROUGH INCREASED STAKE IN GCP

- Higher contribution from residential asset class, benefitting from strong cash generation and solid fundamentals
- Attractive 10% FFO yield

+ €10m post 2026
Full year FFO I impact as a result of the increased stake in GCP

ACCRETIVE SHARE BUY BACK

- Capturing window of opportunity stemming from market volatility to drive accretive per-share growth with partial impact in 2026, and full impact in 2027
- Share buyback program initiated in January and nearly completed

↑ FFO I per share
Further impact on a per-share basis from buy-back

The conversion pipeline in detail. More to come the next years.

MAIN PIPELINE EXPECT TO BE COMPLETED GRADUALLY OVER THE NEXT ~3 YEARS

Project	Location	Delivery date	Asset type / use
TOTAL			
OFFICE → SERVICED APARTMENT CONVERSIONS			
Karl-Liebknecht-Str. 33 (Alexanderplatz)	Berlin	2026/2027	Office → serviced apartments
Hansastr. 95	Dortmund	2026/2027	Mixed-use / serviced apts + office
Stuttgarter Str. 18	Frankfurt	2027	Office → serviced apartments
Köpenicker Str. 30	Berlin	2027	Office → serviced apartments
Marburger Str. 12-13	Berlin	2027	Office → serviced apartments
Wiechert-Allee 18-22	Hannover	2027	Office → serviced apartments
Bleichstraße 64–66	Frankfurt	2028	Office → serviced apartments
HOTEL			
Hannover Prime Center Hotel	Hannover	2026/2027	Extensive refurbishment
Frankfurt – Former Intercontinental	Frankfurt	2028/2029	Extensive refurbishment
Cardo Roma	Rome	2026/2027	Extensive refurbishment of additional rooms
Hotel Bristol Berlin	Berlin	2026/2027	Extensive refurbishment
Paris Marriott	Paris	2028/2029	Extensive refurbishment
Several further hotel projects	Germany	2026-2030	Targeted modernization and refurbishment of several hotels

AROUNDTOWN SA *31/12 IFRS (Euro Millions)*	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**	**CAGR '25 - '28e**
Revenues	**1.609,9**	**1.602,8**	**1.542,3**	**1.543,1**	**1.577,0**	**1.611,7**	**1.650,4**	**2,3%**
Capital gains, property revaluations and others	**-497,3**	**-3.217,5**	**-125,4**	**385,6**	**345,0**	**489,2**	**461,7**	
Share in profit from investment in equity-accounted investees	5,9	-149,8	-42,5	15,1	25,9	59,9	78,4	
Property-related operating expenses	-694,9	-638,4	-550,2	-549,0	-575,6	-588,3	-578,3	
thereof depreciation and amortization	-21,1	-17,9	-20,2	-17,7	-22,1	-22,9	-24,6	
Administrative and other expenses	-62,5	-64,7	-65,7	-65,4	-63,1	-65,7	-67,2	
Operating profit (EBITDA)	**382,2**	**-2.449,7**	**778,7**	**1.347,1**	**1.331,3**	**1.530,8**	**1.569,6**	**5,2%**
Operating Profit (EBIT)	**361,1**	**-2.467,6**	**758,5**	**1.329,4**	**1.309,2**	**1.507,9**	**1.545,0**	**5,1%**
Impairement of goodwill	-404,3	-137,0	-46,0	-239,0	-57,0	-65,0	-42,0	
Finance expenses	-184,8	-230,1	-235,2	-243,0	-264,4	-275,0	-270,6	
Other financial results	-194,1	-14,4	-31,0	-49,1	-82,4	-65,5	-55,5	
Net financial result	**-378,9**	**-244,5**	**-266,2**	**-292,1**	**-346,8**	**-340,5**	**-326,1**	
Pre-tax profit (EBT)	**-422,1**	**-2.849,1**	**446,3**	**798,3**	**905,5**	**1.102,4**	**1.177,0**	**13,8%**
Tax (cash and deferred)	-35,0	422,7	-137,0	329,6	-172,0	-198,4	-178,1	
Net profit before minorities	**-457,1**	**-2.426,4**	**309,3**	**1.127,9**	**733,4**	**904,0**	**998,9**	**-4,0%**
Minorities and perpetual notes investors	-188,0	438,8	-256,4	-462,9	-293,4	-307,3	-316,6	**-11,9%**
Net profit after minorities	**-645,1**	**-1.987,6**	**52,9**	**665,0**	**440,1**	**596,6**	**682,3**	**0,9%**
Number of shares (weighted average, excl. treasury shares)	**1.109,9**	**1.093,0**	**1.093,6**	**1.094,0**	**1.045,7**	**1.025,2**	**1.014,1**	
Earnings per share (EPS, basic)	**-0,58**	**-1,82**	**0,05**	**0,61**	**0,42**	**0,58**	**0,67**	
Earnings per share (EPS, diluted)	**-0,58**	**-1,82**	**0,05**	**0,61**	**0,42**	**0,58**	**0,67**	
Dividend per share (DPS)	0,00	0,00	0,00	0,08	0,12	0,15	0,18	
EBITDA	**382,2**	**-2.449,7**	**778,7**	**1.347,1**	**1.331,3**	**1.530,8**	**1.569,6**	**5,2%**
Adjusted EBITDA	**878,8**	**1.002,9**	**1.014,4**	**999,3**	**1.012,3**	**1.070,8**	**1.569,6**	**16,2%**
FFO I	**362,7**	**332,0**	**315,5**	**288,0**	**291,4**	**326,6**	**345,1**	**6,2%**
FFO I per share	**0,33**	**0,30**	**0,29**	**0,26**	**0,28**	**0,32**	**0,34**	**8,9%**
Shareholders' Equity (without minorities)	**9.585,3**	**7.643,3**	**7.630,2**	**8.005,1**	**8.357,6**	**8.828,8**	**9.357,3**	**5,3%**
Shareholders' Equity (including minorities)	**17.823,4**	**15.149,7**	**15.009,7**	**15.021,8**	**15.652,0**	**16.501,2**	**17.454,1**	
EPRA NTA	**10.775,3**	**8.058,7**	**8.165,4**	**8.502,5**	**8.876,9**	**9.377,3**	**9.938,7**	**5,3%**
Balance Sheet sum	37.347,1	33.559,3	33.619,9	33.690,6	35.471,0	37.870,5	40.590,9	
Equity Ratio	47,7%	45,1%	44,6%	44,6%	44,1%	43,6%	43,0%	
RoE (after tax)	-3,5%	-12,1%	0,4%	4,4%	2,9%	3,7%	4,0%	
Property portfolio (including equity-accounted investees)	**27.981,0**	**24.632,4**	**24.375,3**	**24.916,0**	**24.417,7**	**25.150,2**	**25.904,7**	
Book Value per share (Euro) - undiluted	**8,76**	**6,99**	**6,96**	**7,30**	**7,62**	**8,05**	**8,53**	**5,3%**
EPRA NTA per share (Euro) - undiluted	**9,85**	**7,36**	**7,45**	**7,75**	**8,09**	**8,55**	**9,06**	**5,3%**

SRC Research
- Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
Aroundtown	May 27, 2026	Buy	2,55 €	5,00 €
Aroundtown	March 5, 2026	Buy	2,61 €	5,00 €
Aroundtown	February 16, 2026	Buy	2,79 €	4,50 €
Aroundtown	November 26, 2025	Buy	3,19 €	4,50 €
Aroundtown	August 27, 2025	Buy	3,29 €	4,00 €
Aroundtown	May 28, 2025	Buy	2,69 €	3,20 €
Aroundtown	March 27, 2025	Buy	2,43 €	3,20 €
Aroundtown	November 27, 2024	Buy	2,00 €	3,50 €
Aroundtown	August 29, 2024	Buy	2,39 €	3,50 €
Aroundtown	May 29, 2024	Buy	2,20 €	3,50 €
Aroundtown	April 2, 2024	Buy	1,96 €	3,50 €

Please note:
The share price mentioned in this report is from 25 August 2026. AROUNDTOWN SA mandated SRC Research for covering the share.