AROUNDTOWN

Buy (unchanged) **Target: Euro 4.50** (old: Euro 4.00)

26 | November | 2025

Der Spezialist für Finanzaktien

Price (Euro)	**3,19**
52 weeks range	3.52 / 2.15

Key Data

ISIN	LU1673108939
Ticker	AT1
Bloomberg	AT1 GR
Reporting standard	IFRS
Market Cap (Euro million)	4.903
Number of shares (million)	1.537,0
Free Float	46,0%
Free Float Market Cap (Euro million)	2.255
CAGR Adj. EBITDA profit ('24-'27e)	0,4%

Multiples	**2024**	**2025e**	**2026e**	**2027e**
Market Cap/ Total revenues	3,2	3,2	3,1	3,1
PE-Ratio	**65,9**	**4,8**	**7,4**	**5,6**
Dividend Yield	0,0%	6,3%	10,2%	13,4%
Price-to-Book-Ratio	**0,46**	**0,42**	**0,41**	**0,39**
P/ NAV-ratio	**0,43**	**0,40**	**0,39**	**0,38**

Key Data per share (Euro)	**2024**	**2025e**	**2026e**	**2027e**
Earnings per share (EPS)	**0,05**	**0,67**	**0,43**	**0,57**
FFO I per share	**0,29**	**0,28**	**0,31**	**0,32**
Dividend per share (DPS)	**0,00**	**0,20**	**0,32**	**0,43**
EPRA NTA per share	**7,45**	**7,92**	**8,16**	**8,41**

Financial Data (Euro Millions)	**2024**	**2025e**	**2026e**	**2027e**
Revenues (rental income)	**1.542,3**	**1.526,9**	**1.560,5**	**1.594,8**
Capital gains, Prop. Revaluations	-125,4	655,0	345,0	587,0
EBITDA profit	778,7	1.610,3	1.321,5	1.619,7
Adj. EBITDA profit (cash driven)	**1.014,4**	**990,8**	**1.002,5**	**1.025,7**
Operating profit (EBIT)	**758,5**	**1.589,2**	**1.299,4**	**1.596,8**
Net financial result	-266,2	-283,8	-325,9	-319,2
Pre-tax profit (EBT)	**446,3**	**1.305,4**	**973,5**	**1.277,6**
Taxation	-137,0	-85,0	-185,0	-242,8
Net profit after minorities	**52,9**	**732,2**	**473,1**	**620,9**
FFO I	**315,5**	**307,2**	**338,2**	**347,9**
Shareholders' equity (Euro billion)	7,6	8,4	8,6	8,9
Property portfolio (Euro billion)	**24,4**	**23,4**	**24,1**	**24,8**
RoE (after tax)	**0,4%**	**4,7%**	**2,8%**	**3,6%**
Equity ratio (incl. equity minorities)	44,6%	43,8%	43,4%	43,1%

Main Shareholders

Treasury shares	29%
Avisco Group Plc.	15%
Stumpf Capital GmbH	10%

Financial calendar

2025 annual report	25 March 2026
1Q 2026 report	27 May 2026
2Q 2026 report	26 August 2026
3Q 2026 report	25 November 2026

Analyst Dipl.-Kfm. Stefan Scharff, *CREA*

E-Mail scharff@src-research.de

Internet www.src-research.de
www.aktienmarkt-international.at
www.aktienmarkt-international.de

Good 9M with decreasing financing expenses, strong balance sheet, good FFO result, net rental income up despite asset sales – Buy recommendation confirmed and target price up to € 4.50

Today, Aroundtown published the 9M 2025 report. The company delivered a good result with a similar FFO performance as in the first two quarters. FFO I came in at Euro 221m, only 6% below the last year's result of Euro 236m, despite the firm continued the prudent capital rotation and sold non-core or mature assets for attractive prices. About Euro 460m in disposals were closed until 30 September and another Euro 155m are signed but not closed yet.

Despite this great amount of property sales, the net rental income still slightly increased from Euro 883m to Euro 886m, as the overall portfolio delivered a hike in like-for-like rents of 3.1%. Even the commercial portfolio with no tailwind from a still sluggish economy and office demand had a +2.6% in like-for-like rents by indexations and repositioning initiatives. The resi market has strong fundamentals and delivered a 3.9% hike in the like-for-like-rents.

With lower property operating expenses of Euro 394 (-4.3%) and a fundamental change in the valuation picture (Euro 384m after Euro -591m in 9M 2024) the operating profit was up from a little Euro 98m to now more than Euro 1.1bn.

With regards to debt metrics and balance sheet, we state that the LTV improved to 41% in the first nine months (42% in Dec. 2024) and equity ratio was up from 45% to 47%. The financing expenses came slightly down from Euro 179m to Euro 173m and the Interest Cover ratio further improved from 4.0x to 4.1x. The important point is that this trend for lower interest expenses will prevail and become stronger, as AT successfully issued new perpetual notes of Euro 700m with a lower coupon (5.25%) than the old ones (7%) which were partially bought back, in the amount of Euro 1.2bn. This step is not only a value accretive balance sheet reduction by bringing down debt, but also supportive for the FFO in the future in the magnitude of Euro 50m per year by lower financing costs. More headroom for a balance sheet improvement comes from the assets held for sale stock of Euro 605m, that was reduced from Euro 704m at year-end 2024. S&P gives a stable BBB investment grade rating for AT and with lower interest expenses and an improved balance sheet there might come an uplift in rating next year, even more likely with an overall economic upswing for Germany.

AT sticks to 2025 FFO guidance of Euro 280m to Euro 310m which is very realistic, in particular the upper end. The firm was successful with the capital rotation and will continue this strategy of selling mature assets and buying assets with value-add potential at attractive prices in the next years. With a stronger balance sheet and declining financing costs, we lift our target price from Euro 4.00 to Euro 4.50 and clearly confirm our Buy rating. Keep in mind EPRA net tangible assets were up Euro 300m, from Euro 8.2bn in 2024 to now Euro 8.5bn which means NTA of Euro 7.80 per share, still 75% above our new target price and 150% above the current share price.

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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:	1668
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

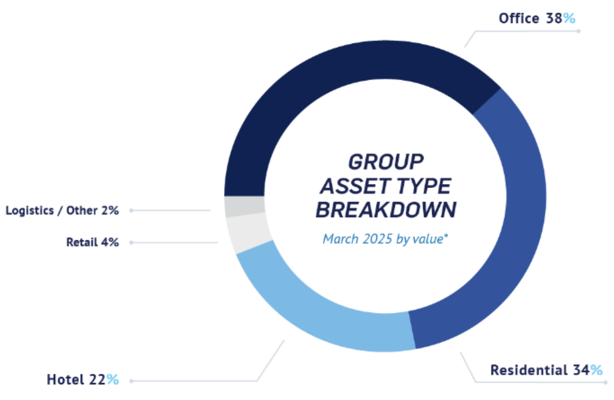
David Maimon

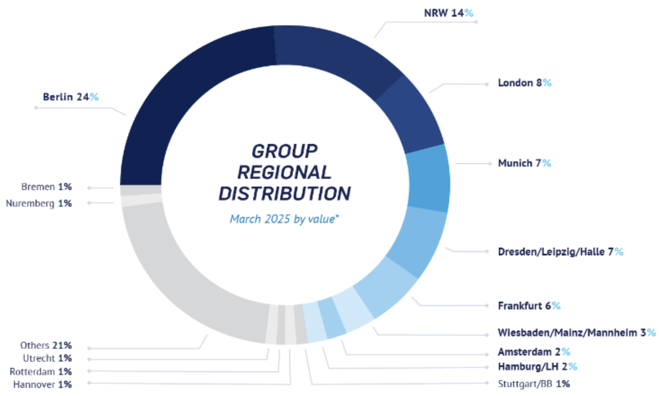
Founded in 2004, AROUNDTOWN SA ("AT1") is a real estate investment company specializing in identifying and investing in value-add and income generating properties. Aroundtown SA is listed in the German Prime Standard since June 2017 and member of German MDax index.

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 62% as of FY 2024, which is being fully consolidated since 1 July 2021. The firm's total portfolio currently amounts to approx. Euro 25bn. Office properties have a share of 38% relatively to the total portfolio of investment properties based on appraisal values and residential properties stand for 34%. The hotel share stands at 22%. The rest is retail, logistics and others.

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 undervalued or under-managed or in an under-rent situation. With a high cash balance of Euro 3.4bn and a solid balance sheet with a 46% equity ratio, 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 75% of FFO I result.

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.





Source: Company Data, SRC Research

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AROUNDTOWN SA *31/12 IFRS (Euro Millions)*	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**	**CAGR '24 - '27e**
Revenues	**1.609,9**	**1.602,8**	**1.542,3**	**1.526,9**	**1.560,5**	**1.594,8**	**1,1%**
Capital gains, property revaluations and others	**-497,3**	**-3.217,5**	**-125,4**	**655,0**	**345,0**	**587,0**	
Share in profit from investment in equity-accounted investees	5,9	-149,8	-42,5	12,4	25,9	59,9	
Property-related operating expenses	-694,9	-638,4	-550,2	-542,0	-569,6	-582,1	
thereof depreciation and amortization	-21,1	-17,9	-20,2	-21,1	-22,1	-22,9	
Administrative and other expenses	-62,5	-64,7	-65,7	-63,1	-62,4	-63,8	
Operating profit (EBITDA)	**382,2**	**-2.449,7**	**778,7**	**1.610,3**	**1.321,5**	**1.619,7**	**27,7%**
Operating Profit (EBIT)	**361,1**	**-2.467,6**	**758,5**	**1.589,2**	**1.299,4**	**1.596,8**	**28,2%**
Impairement of goodwill	-404,3	-137,0	-46,0	0,0	0,0	0,0	
Finance expenses	-184,8	-230,1	-235,2	-231,9	-243,5	-255,7	
Other financial results	-194,1	-14,4	-31,0	-51,9	-82,4	-63,5	
Net financial result	**-378,9**	**-244,5**	**-266,2**	**-283,8**	**-325,9**	**-319,2**	
Pre-tax profit (EBT)	**-422,1**	**-2.849,1**	**446,3**	**1.305,4**	**973,5**	**1.277,6**	**42,0%**
Tax (cash and deferred)	-35,0	422,7	-137,0	-85,0	-185,0	-242,8	
Net profit before minorities	**-457,1**	**-2.426,4**	**309,3**	**1.220,4**	**788,5**	**1.034,9**	**49,6%**
Minorities and perpetual notes investors	-188,0	438,8	-256,4	-488,2	-315,4	-414,0	
Net profit after minorities	**-645,1**	**-1.987,6**	**52,9**	**732,2**	**473,1**	**620,9**	**127,3%**
Number of shares (weighted average, excl. treasury shares)	**1.109,9**	**1.093,0**	**1.093,5**	**1.093,5**	**1.093,5**	**1.093,5**	
Earnings per share (EPS, basic)	**-0,58**	**-1,82**	**0,05**	**0,67**	**0,43**	**0,57**	
Earnings per share (EPS, diluted)	**-0,58**	**-1,82**	**0,05**	**0,67**	**0,43**	**0,57**	
Dividend per share (DPS)	0,00	0,00	0,00	0,20	0,32	0,43	
EBITDA	**382,2**	**-2.449,7**	**778,7**	**1.610,3**	**1.321,5**	**1.619,7**	**27,7%**
Adjusted EBITDA	**878,8**	**1.002,9**	**1.014,4**	**990,8**	**1.002,5**	**1.025,7**	**0,4%**
FFO I	**362,7**	**332,0**	**315,5**	**307,2**	**338,2**	**347,9**	**3,3%**
FFO I per share	**0,33**	**0,30**	**0,29**	**0,28**	**0,31**	**0,32**	**3,3%**
Shareholders' Equity (without minorities)	**9.585,3**	**7.643,3**	**7.630,2**	**8.362,4**	**8.616,8**	**8.882,9**	**5,2%**
Shareholders' Equity (including minorities)	**17.823,4**	**15.149,7**	**15.009,7**	**16.417,2**	**16.882,8**	**17.369,4**	
EPRA NTA	**10.775,3**	**8.058,7**	**8.165,4**	**8.680,5**	**8.944,6**	**9.220,8**	**4,1%**
Balance Sheet sum	37.347,1	33.559,3	33.619,9	37.491,5	38.860,2	40.300,3	
Equity Ratio	47,7%	45,1%	44,6%	43,8%	43,4%	43,1%	
RoE (after tax)	-3,5%	-12,1%	0,4%	4,7%	2,8%	3,6%	
Property portfolio (including equity-accounted investees)	**27.981,0**	**24.632,4**	**24.375,3**	**23.400,3**	**24.102,3**	**24.825,4**	
Book Value per share (Euro) - undiluted	**8,76**	**6,99**	**6,96**	**7,63**	**7,86**	**8,10**	**5,2%**
EPRA NTA per share (Euro) - undiluted	**9,85**	**7,36**	**7,45**	**7,92**	**8,16**	**8,41**	**4,1%**

SRC Research
- Der Spezialist für Finanz- und Immobilienaktien -

SRC - Scharff Research und Consulting GmbH
Visiting address:
Dahmestr. 5
D-12527 Berlin
Germany
Fon: +49 (0)170/ 316 12 08
Mail: scharff@src-research.de
Internet: www.src-research.de

Rating chronicle:

Company	Date	Rating	former share price	former target
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 €
Aroundtown	November 29, 2023	Buy	2,30 €	3,50 €
Aroundtown	September 4, 2023	Buy	1,52 €	3,50 €
Aroundtown	May 31, 2023	Buy	0,93 €	4,50 €
Aroundtown	March 29, 2023	Buy	1,36 €	4,50 €
Aroundtown	November 29, 2022	Buy	2,53 €	4,50 €

Please note:
The share price mentioned in this report is from 25 November 2025. AROUNDTOWN SA mandated SRC Research for covering the share.