Befimmo

Gross Rental Income (m)

EBITDA (m)

EBITDA margin

Belgium/Real Estate

Analyser



Hold

- a gett mee aman anget			
Reuters/Bloomberg		BEFB.	BRVBEFB BB
Market capitalisation (EURm)			919
Current N° of shares (m)			19
Free float			80%
Daily avg. no. trad. sh. 12 mth			155,170
Daily avg. trad. vol. 12 mth (m)			750
Price high 12 mth (EUR)			54.11
Price low 12 mth (EUR)			44.06
Abs. perf. 1 mth			-10.89%
Abs. perf. 3 mth			0.04%
Abs. perf. 12 mth			5.66%
Key financials (FUID)	12/12	12/134	12/146

129

87

64.5%

127

105

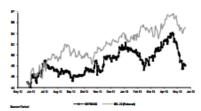
79.9%

127

105

79.6%

Net Profit (adj.)(m) 75 74 Funds From Operations 75 74 EPS (adj.) 4.24 4.02 3 DPS 3.45 3.48 3.48 3.48 3.48 3.48 3.57 53 EPRANAVPS 52.21 53.57 53 EPRA NAVPS 51.71 53.57 53 FPREMINIOUS (0.3%) (10.4%) (10.4%) (10.4%) (10.3%) (10.4%) (10.4%) 8.4% 8.4 8.4% 8.4 8.4% 8.4 9.4% 8.4% 8.4 9.4% 8.4% 9.4% 8.4 9.4% 8.4 9.4%				
Net Profit (adj.)(m) 75 74 Funds From Operations 75 74 EPS (adj.) 4.24 4.02 3 DPS 3.45 3.48 3. IFRS NAVPS 52.21 53.57 53 EPRA NAVPS 51.71 53.57 53 Premium/(Discount) (6.5%) (10.3%) (10.4 Earnings adj. yield 8.8% 8.4% 8.4 Dividend yield 7.2% 7.4 7.4 EVEBITDA 21.7 17.9 10. PE (adj.) 11.5 12.0 1. Int. cover(EBITDA/Fin.int) 2.1 3.0 3.0	Portfolio Result (m)	(35)	(7)	(5)
Funds From Operations 75 74 EPS (adj.) 4.24 4.02 3 DPS 3.45 3.48 3. IFRS NAVPS 52.21 53.57 53 EPRA NAVPS 51.71 53.57 53 Premium/(Discount) (6.5%) (10.3%) (10.4 Earnings adj. yield 8.8% 8.4% 8.6 Dividend yield 7.2% 7.2% 7.1 EVERITION 21.7 17.9 11 Int. cover(EBITDA/Fin.int) 2.1 3.0	Net Financial Result	(41)	(35)	(33)
EPS (adj.) 4.24 4.02 3 DPS 3.45 3.48 3 IFRS NAVPS 52.21 53.57 53 EPRA NAVPS 51.71 53.57 53 Premium/Discount) (6.5%) (10.3%) (10.4%) Earnings adj. yield 8.8% 8.4% 8.0 Dividend yield 7.2% 7.2% 7.4 EV/EB/ITDA 21.7 17.9 11 PRE [adj.) 11.5 12.0 11 Int. cover(EBITDA/Fin.int) 2.1 3.0 3.0	Net Profit (adj.)(m)	75	74	71
DPS 3.45 3.48 3. IFRS NAVPS 52.21 53.57 53 EPRA NAVPS 51.71 53.57 53 Premium(Discount) (6.5%) (10.3%) (10.4 Earnings adj. yield 8.8% 8.4% 8.0 Dividend yield 7.2% 7.2% 7. EVEBITDA 21.7 7.79 1 P/E (adj.) 11.5 12.0 1. Int. cover(EBITDA/Fin.int) 2.1 3.0 3.0	Funds From Operations	75	74	71
FRS NAVPS 52.21 53.57 53 53 53 53 54 54 54 54	EPS (adj.)	4.24	4.02	3.86
EPRA NAVPS 51.71 53.57 53 Premium/(Discount) (6.5%) (10.3%) (10.4 Earnings adj. yield 8.8% 8.4% 8.4 Dividend yield 7.2% 7.3 7.4 EVEBITDA 21.7 17.9 11 PRE (adj.) 11.5 12.0 11 Int. cover(EBITDA/Fin.int) 2.1 3.0 3.0	DPS	3.45	3.48	3.36
Premium/(Discount) (8.5%) (10.3%) (10.4 Earnings adj. yield 8.8% 8.4% 8.0 Dividend yield 7.2% 7.2% 7.4 EV/EBITDA 21.7 17.9 11.5 P/E [adj.] 11.5 12.0 11.5 Int. cover(EBITDA/Fin.int) 2.1 3.0 11.5	IFRS NAVPS	52.21	53.57	53.65
Earnings adj. yield 8.8% 8.4% 8.1 Dividend yield 7.2% 7.2% 7.1 EVIEBITDA 21.7 17.9 11 PIE (adj.) 11.5 12.0 1. Int. cover(EBITDA/Fin.int) 2.1 3.0	EPRA NAVPS	51.71	53.57	53.65
Dividend yield 7.2% 7.2% 7.2 EVIEBITDA 21.7 17.9 11. PIE (adj.) 11.5 12.0 11. Int. cover(EBITDA/Fin.int) 2.1 3.0	Premium/(Discount)	(6.5%)	(10.3%)	(10.4%)
EV/EBITDA 21.7 17.9 11 P/E (adj.) 11.5 12.0 11 Int. cover(EBITDA/Fin.int) 2.1 3.0	Earnings adj. yield	8.8%	8.4%	8.0%
P/E (adj.) 11.5 12.0 1/ Int. cover(EBITDA/Fin.int) 2.1 3.0	Dividend yield	7.2%	7.2%	7.0%
Int. cover(EBITDA/Fin.int) 2.1 3.0	EVÆBITDA	21.7	17.9	18.3
,	P/E (adj.)	11.5	12.0	12.4
Net debt/(cash) (m) 948 965 9	Int. cover(EBITDA/Fin.int)	2.1	3.0	3.1
	Net debt/(cash) (m)	948	965	997
Net Debt/Total Assets 46.8% 46.2% 47.0	Net Debt/Total Assets	46.8%	46.2%	47.0%



Shareholders: AG Insurance 17%; SFPI 3%;

Analyst(s):

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Axa for 9.6% in Befimmo with new building

The facts: Axa will bring the AMCA building in Antwerp in Befimmo portfolio in exchange of 2,037,037 new Befimmo shares so that the insurance company will enter in the capital of Befimmo for 9.6%.

The issue price of the new shares is EUR 54.00 per share, well above the current share price and close to the last published NAV (IFRS) of EUR 55.36 (31 March 2013).

With annual rents of EUR 7.1m, the gross yield emerges at 6.4%.

The building is well located in Antwerp (close to "Het Eilandje"). It was erected in 1992 and includes 58,000sqm of office space, 1,500sqm of archives and 500 parking spaces.

As a result of the transaction, the remaining weighted average length of leases is up from 9.08 years to 9.21 years, considering that the building is rented for 16.5 years to a public body.

Conclusion & Action: This major transaction follows another important one (the acquisition of the so-called Blue Tower for EUR 78.5m in April) and enables to reduce the LTV ratio by 2.5%, which could open the door for some additional investments considering some signs of revival of the Brussels office market, according to Befimmo. After the correction that has affected most Belgian REITs, reflecting probably the rise in interest rate, Befimmo had been the most- and too largely- affected, although the hedging rate had been sizeably increased (fixed rate debts inclusive IRS of 58.4% at the end of December). We welcome this transaction and stick to our TP and recommendation.