

REAL ESTATE

Tales of the expected

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Befimmo: results on 20th February (post-market)
Underperform, TP EUR48

We expect Befimmo to report diluted FFO/share of EUR4.33, up 2% year-on-year and well ahead of guidance of EUR4.03 – partly thanks to the accretive impact of some major acquisitions during the year (the Blue Tower and the AMCA Building). Despite this earnings outperformance versus initial expectations, we expect the dividend to be held flat at EUR3.45/share in light of the negative earnings growth outlook for the coming years.

We forecast diluted NAV/share of EUR54.6 and diluted NNAV/share of EUR53.9 – both up 1% year-on-year – after 2013 showed signs of valuation stabilisation for Befimmo's relatively high quality office portfolio.

Figure 13: Befimmo – FY 2013 results preview

EURm	FY 2013e	FY 2012a	Year-on-year growth (%)
Rental income	136.4	129.3	5
Operating expenses	(9.3)	(9.0)	(4)
Net Operating Income	127.1	120.3	6
Other income	3.5	1.6	n/a
G&A expenses	(14.9)	(14.3)	(4)
EBITDA	115.7	107.6	8
Associates	-	-	n/a
Non-real estate depreciation	-	-	n/a
Net financial expenses	(29.8)	(29.6)	(1)
Pre-tax recurring profit	85.9	78.0	10
Current taxation	(0.8)	(0.8)	(12)
Minorities	-	(2.3)	100
FFO	85.1	74.9	14
Diluted FFO per share (EUR)	4.33	4.24	2
Dividend per share (EUR)	3.45	3.45	-
			Growth over H2 13 (%)
EUR per share	FY 2013e	H1 2013a	
Diluted NAV	54.6	55.4	(2)
Diluted NNAV	53.9	55.5	(4)

Source: Company, Exane BNP Paribas estimates