

**Atenor (Buy): Increase of the FY19 guidance (EUR 69/TP EUR 77.0)****Facts**

- Net profit for 1H19 emerged at EUR 6.3m, compared to EUR 5.6m for 1H18 and EUR 35.2m for financial year 2018.
- Revenues for 1H19 reflect sales of appartments (City Dox, The One, Au Fil des Grands Prés, La Sucrierie, UP-Site), the revenue earned from the sale of Buzzcity as well as leases from the Hermes Business Campus (Bucharest), University Business Center (Warsaw) and Nysdam (La Hulpe). The other operating revenue included a.o. the residual capital gain on Naos.
- Net financial charges were higher at EUR -5.5m from EUR -4.0m (in 1H18) mainly because of the rise of net debt.
- The Stock (the real estate projects in portfolio and in the course of development) increased with EUR 63.2m to EUR 552.4m. This change is mainly due to (a) acquisition of the Parc des Nations (Lisbon), Fort 7 (Warsaw) and Becsi (Budapest) projects for a total of EUR 39.97m, (b) the continuation of works and studies of Vaci Greens, Arena Business Campus (Budapest), Com'Unity (Bezeons) and Realex (Brussels) projects representing in total EUR 24.98m, (c) the apartment sales of the City Dox, Au Fil des Grands Prés, La Sucrierie, The One and UP-site projects which have decreased the stock by EUR 9.91m.
- Net debt stands at EUR 416m, up from EUR 334m end 2018.
- Together with these results, Atenor announces the sale of the 5<sup>th</sup> Vaci Green building in Budapest. It is sold to the Hungarian private fund set up by MEFG Zrt. The delivery is scheduled for September 2020. The building has a floor space of 23.4k sqm. Only one building remains to be sold. The sale will have a positive impact on the 2019 and 2020 results.
- For financial year 2019, Atenor increases its guidance, it now expects a better result in 2019 than in 2018. Previously, management expected results in line with 2018.

**Our View**

- The 1H19 results were in line with expectations, as there was only a small increase yoy.
- We already foresaw a slight increase in the net profit yoy. We hope to get more information during the analyst meeting to have a better view whether this is enough.
- The company expects the trend to be confirmed in reports in the coming months as soon as factors have been confirmed.

**Investment Conclusion**

We updated our model to include all the new projects announced over 1H19 and the new financial situation. Our projects SOTP valuation now points out to an estimated fair value of EUR 77. This becomes our new target price. We stick to our Buy recommendation.