

■ **Price (Euro)** **2,55**
52 weeks range 3.52 / 2.16

■ **Key Data**

ISIN LU1673108939
Ticker AT1
Bloomberg AT1 GR
Reporting standard IFRS
Market Cap (Euro million) 3.919
Number of shares (million) 1.537,0
Free Float 49,0%
Free Float Market Cap (Euro million) 1.921
CAGR Adj. EBITDA profit ('25-'28e) 16,2%

Multiples	2025	2026e	2027e	2028e
Market Cap/ Total revenues	2,5	2,5	2,4	2,4
PE-Ratio	4,2	6,1	4,4	3,8
Dividend Yield	3,1%	4,7%	5,9%	7,1%
Price-to-Book-Ratio	0,37	0,35	0,33	0,32
P / NAV-ratio	0,33	0,32	0,30	0,28

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 26%
Avisco Group Plc. / Vergepoint 15%
Stumpf Capital GmbH 10%

■ **Financial calendar**

AGM 24 June 2026
2Q 2026 report 26 August 2026
3Q 2026 report 25 November 2026

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

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Rising 1Q like-for-like rents, FFO per share unchanged, stake in Grandcity up to 81.5% strengthening the cash generation and the residential exposure, continued capital recycling – still Buy

Today, German residential and commercial real estate investor Aroundtown published the 1Q 2026 quarterly report. **The like-for-like rents were convincing with an overall 3.0% hike in a still challenging economic framework in Germany. The residential hike was even +3.7% and hotel +4.0%, while even the sluggish office markets offered a relatively good +1.5% in l-f-l rents.** The good news besides the good rental business is the much higher exposure in residential. That is important, as the general investment activity and also tenant demand remains sluggish for office and that might continue for the next 12 months. After Aroundtown made a tender offer for Grandcity shareholders in March, this offer was accepted by many GCP investors to tender in the bigger and more liquid MDax share and thus, AT lifted strongly the GCP stake from 62.5% to 81.5%, coming much closer to a targeted 89.5% maximum.

With the higher GCP stake which translates into a higher FFO contribution of about Euro 35m on an annualized basis, Aroundtown lifted the FFO 2026 guidance from the old range of Euro 250m to Euro 280m to the new range of Euro 275m to Euro 305m. There is no dilution of FFO per share from day 1 by this transaction and more important, the strategy is right to increase the residential stake in the portfolio and to reduce of office on a selective basis. In general, the company continues the 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. In the first quarter, in February, a Euro 250m share buyback was launched and as of 22 May already 93% of the volume was bought back, with a high 67% NAV discount, giving an excellent value accretion for shareholders.

The balance sheet is rock solid with an unchanged 45% equity ratio end of March and LTV also stable at 42%. The cash position surged +3% in the first three months, from Euro 4.03bn to Euro 4.15bn. The debt side is also stable with cost of debt unchanged at 2.3%. Furthermore, the refinancing risk was mitigated by a very proactive perpetual note management. In January AT issued a Euro 750m pep note for a 5.125% with a first call in 5.5 years, giving the firm now the option to pay back other and more expensive pep notes on the first possibility and draw some redemption options. Furthermore, the three low yielding bonds issued in CHF (150m)/ GBP (400m)/ EUR (500m) in November and December 2025 are very much supportive to bring down financing expenses in 2026. **In our view, the 1Q was a good start into the year to reach the lifted guidance. The strategy to go for more residential and to continue capital recycling and conversion projects is right. We keep our € 5.00 target price that we lifted in March. It is supported by a higher EPRA NTA per share of now € 8.00 (Dec. € 7.80).**

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
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Frank Roseen Director	Jelena Afxentiou Director	Markus Kreuter Indep. Director
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Markus Leininger Indep. Director	Simone Runge- Indep. Director	Ran Laufer Non-Exec. Director
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Daniel Malkin Indep. Director
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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 economically 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 disclosed. 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 interesting opportunities in commercial and residential properties, 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 MARCH 2026

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)
Office	8,428	2,897	13.2%	427
Residential	8,158	3,412	3.1%	399
Hotel	4,988	1,475	2.2%	247
Logistics/Other	441	397	8.5%	25
Retail	1,162	489	13.1%	54
Development rights & Invest ²⁾	1,880			
Total	25,057	8,670	7.5%	1,152

Source: Company Data, SRC Research

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%
Impairment 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	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 €
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 €

Please note:

The share price mentioned in this report is from 26 May 2026. AROUNDTOWN SA mandated SRC Research for covering the share.

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