Branicks Group AG

Hold (old: Buy) **Target: Euro 1.00** (old: Euro 2.00)

4 | August | 2026

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Price (Euro)	**0,90**
52 weeks range	2.15 / 0.76

Key Data

ISIN	DE000A1X3XX4
Bloomberg	BRNK:GR
Reporting standard	IFRS
Market Cap (Euro million)	75
Number of shares (million)	83,6
Free Float	53,4%
Free Float Market Cap (Euro million)	40
CAGR FFO ('24 -'27e)	-9,8%

Multiples	**2024**	**2025e**	**2026e**	**2027e**
Market Cap / Total revenues	0,4	0,5	0,6	0,6
PE-Ratio	**-0,3**	**-0,3**	**-2,2**	**-8,7**
Dividend Yield	0,0%	0,0%	0,0%	0,0%

Key Data per share (Euro)	**2024**	**2025e**	**2026e**	**2027e**
Earnings per share (EPS)	**-3,36**	**-2,78**	**-0,41**	**-0,10**
FFO per share	**0,63**	**0,78**	**0,51**	**0,30**
Dividend per share (DPS)	0,00	0,00	0,00	0,00

Financial Data (Euro '000)	**2024**	**2025e**	**2026e**	**2027e**
Gross rental income	168.915	137.497	126.497	116.377
Net rental income	**150.217**	**124.145**	**104.092**	**98.834**
Administrative expenses	-31.298	-41.201	-24.884	-25.120
Personnel expenses	-35.591	-33.880	-32.389	-33.150
Real estate management fees	**48.172**	**43.058**	**50.588**	**75.590**
Profit on disposal of investment property	4.333	23.330	6.002	6.883
EBIT	**-294.626**	**-254.076**	**17.290**	**49.575**
Net financial result	-104.502	-55.251	-81.697	-72.190
EBT	**-393.241**	**-299.778**	**-51.986**	**-9.128**
Taxation	27.705	62.354	7.798	-1.577
Net profit after minorities	**-281.113**	**-232.086**	**-46.252**	**-13.253**
FFO	**52.200**	**65.500**	**58.100**	**38.300**

Main Shareholders

Deutsche Immobilien Chancen-Gruppe	24,9%
Yannick Patrick Heller	10,1%
RAG-Stiftung	10,0%
FMR LLC	1,6%

Financial calendar

2025 annual report	to be disclosed
AGM	to be disclosed
1H 2026 report	to be disclosed
9M 2026 report	to be disclosed

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Restructuring agreement signed – new Euro 35m money for Branicks and Euro 60m for VIB Vermögen to secure liquidity – significant changes in the corporate governance – future secured but a long stony way back – our new target price is Euro 1.00

Last week on Thursday evening and Friday evening, Branicks announced important news about a holistic and entire restructuring agreement of the corporate debt side with the creditors, that secure the future of the company, but also mean a long and stony way back to profitability. One item was the Euro 400m bond due 22 Sept 2026 to be tackled and in addition several promissory and registered notes with maturities between 2026 and 2031 in the amount of Euro 179.5m.

To give the big picture, Branicks splits the debt into Euro 375m senior secured principal instruments with a 7.5% coupon and a new maturity until 30 Sept 2030, **and Euro 205m subordinated principal instruments (plus Euro 15m subordination fee) with a long duration until 30 Sept 2038 and a 15% coupon which is payable in cash or as payment-in-kind. This part of the new financing comes quite close to an equity character.** Branicks has to maintain a good speed of selling properties (in particular offices) to bring down the senior secured debt earlier than 2030, as there is a one-time 200 bps fee on the outstanding senior debt outstanding at the 31 Dec 2028. There is also an exit fee of 100 bps to be paid on redemption or on refinancing of the senior secured principal instruments on an earlier date.

Another important part of the restructuring package was the new money given to Branicks (Euro 35m) and VIB (Euro 60m) by Branicks lenders with maturity until 30 Sept 2029 and a 10% cash coupon. The Euro 60m bridge financing on the VIB level will be used for the Euro 58m repayments of VIB's promissory notes due in Sept 2026 and March 2027. The fresh money is another big milestone in the full restructuring package to give financial scope to sail through rough seas in the commercial real estate market. The new money will rank super senior to the senior secured principal instruments. **The third part of the package is a new Corporate Governance.** Josef Schultheis was appointed as Chief Risk Officer with immediate effect and Prof. Gerhard Schmidt resigned as chairman of the supervisory board. CEO Sonja Wärntges will stay with Branicks for the next months, but leave the firm no later than at year-end 2026. And as part of the restructuring plan Branicks commits to prepare and install a new plan for asset disposals. **The above-mentioned steps are big milestones to bring Branicks back on track, but it will need years** as only above mentioned interest payments would sum up to over Euro 70m per year, eating up the lion's share of the operating cash flow in the next years. Thus, the equity value will melt down the coming years and the value of the share is the hope for a (quick?) recovery. **More information with the release of 2025 annual and 1H 2026 report to be disclosed in the coming weeks. We give € 1.00 as new target. Our new rating is Hold.**

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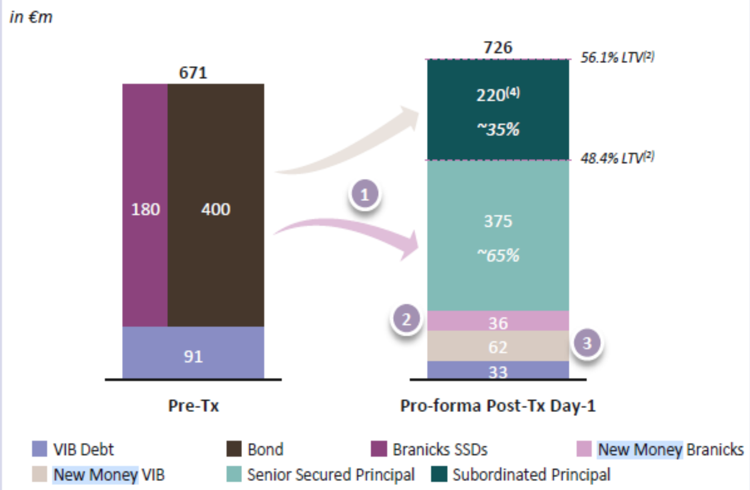
The transaction overview showing the split between Euro 375m senior debt and the Euro 220m subordinated debt until 2038, coming close to an equity character and with payment-in-kind interest payment as an option for Branicks

General remarks and further assumptions

- Any financial information not specifically identified as actual financial information is not guidance or forecast by Branicks
- Business plan has been sensitized together with an expert consulting firm – figures are shown on a preliminary basis / subject to change
- Figures shown incorporate the proposed Transaction as per heads of terms
- Transaction effective date illustratively assumed as per Sep-26
- FY25 based on preliminary actuals
- Continuation of asset disposal program at both Branicks and VIB level for deleveraging of the business and repayment of reinstated debt

Transaction overview

Capital structure amendment[1]



Commentary

1. Bifurcation of the €580m pre-transaction Branicks unsecured debt into c.65% / €375m reinstated Senior Secured Principal and c.35% / €220m reinstated Subordinated Principal
2. €36m New Money[3] on Branicks level
3. €62m New Money[3] on VIB level to repay €58m VIB SSDs

(1) Excluding PropCo debt.
(2) On a net debt basis, incl. Branicks and VIB PropCo debt as per current bond definition.
(3) Includes 3.00% backstop fee capitalised as OID
(4) €220m Subordinated Principal includes €15m subordination fee; 35% figure excludes subordination fee

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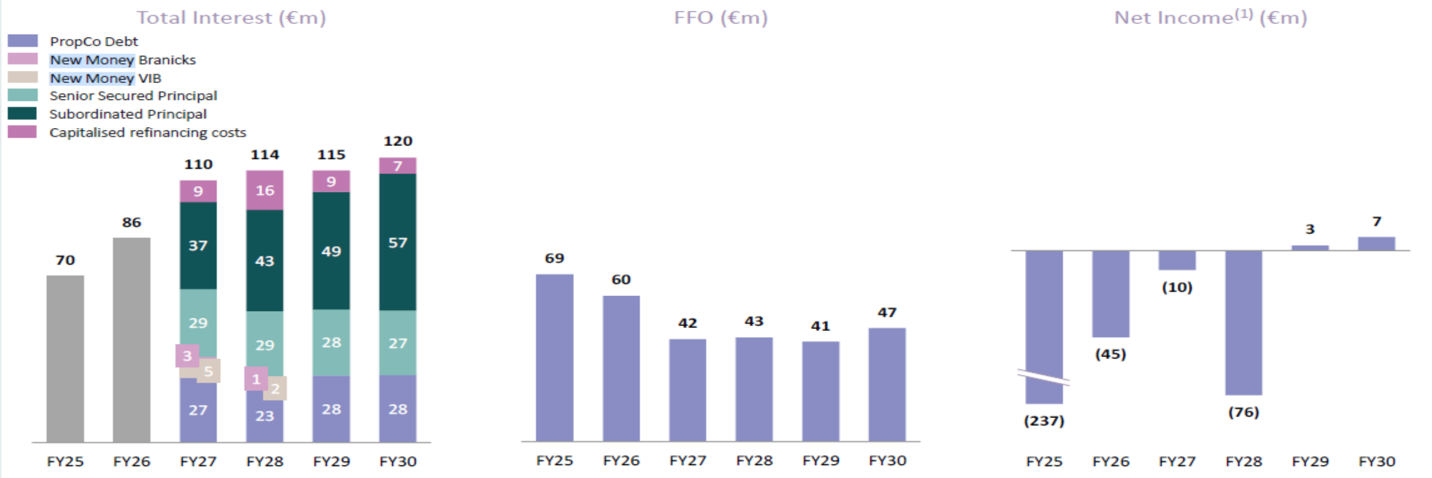
Branicks expects a total Euro 110m to Euro 120m interest payment per year post-transaction and an FFO per year of a bit above Euro 40m for the next years.



- c.€110-120m total interest p.a. post transaction
- Thereof c.€55-60m in cash interest (excluding Subordinated Principal and capitalised refinancing costs)

- FFO declining until FY29 based on asset disposal program
- Stabilising at c.€50m by FY30

- Positive adjusted net income achieved at the end of the business plan period
- Negative net income driven by effects of property disposals

(1) Profit adjusted for PIK interest and advisor fees.

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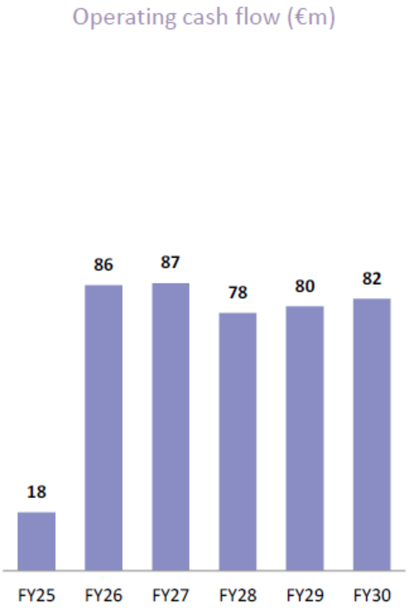
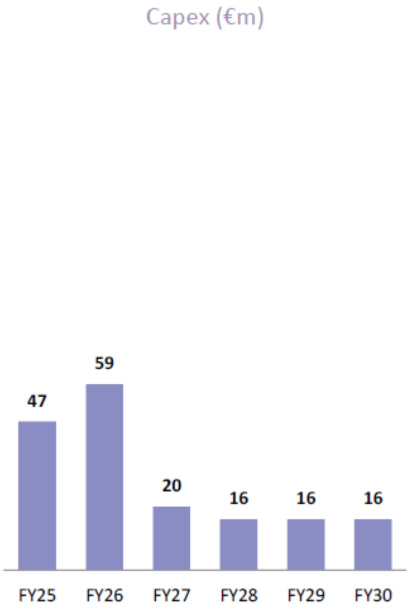
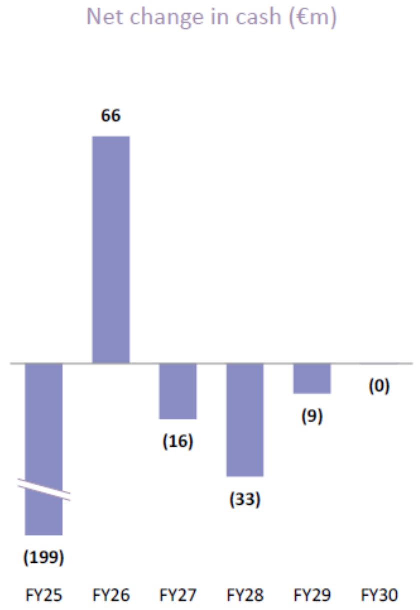
Source: both slides from company presentation on 30 July 2026

The company predicts an operating cash flow of Euro 75m to Euro 90m for the next years and the cash drain to be stopped in 2030





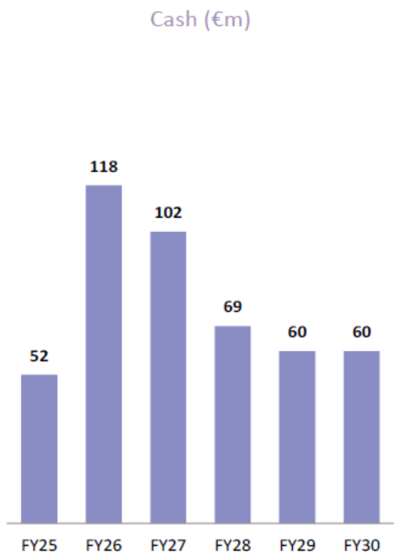


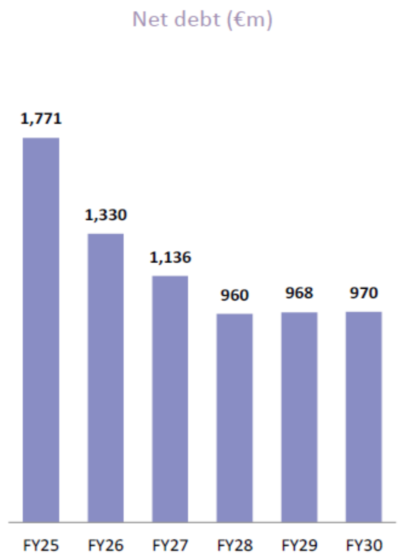
- Cash flow from operations in the range of c.€75-90m in FY26-FY30 (defined differently for FY25)

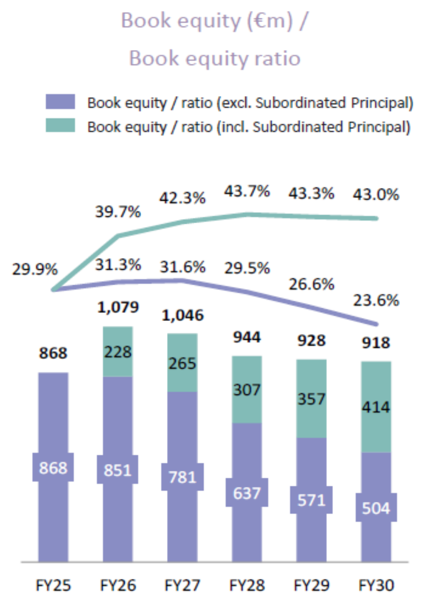
- Capex requirements heightened in FY26 due to project developments
- Stable capex investment planned for FY27-FY30

- Change in cash 2025 driven by repayment of financial liabilities
- Cash build-up through asset disposals with subsequent cash-sweep based on excess cash mechanism

The book value without subordinated debt might heavily shrink down from Euro 868m in 2025 to only Euro 500m in 2030







- Cash build-up through asset disposals with subsequent cash-sweep based on excess cash mechanism
- Includes restricted cash (c.€40m per end of FY26 / declining to c.€25m until FY30)

- Decrease in net debt FY26 due to transaction effects
- Net debt excludes Subordinated Principal

- Decrease of book equity excluding Subordinated Principal as function of asset disposals and depreciation of current portfolio (book value accounting)

Source: both slides from company presentation on 30 July 2026

Branicks Group AG *31/12 IFRS ('000)*	**2021**	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**	**CAGR '24 - '27e**
Gross rental income	108.390	175.956	188.273	168.915	137.497	126.497	116.377	-11,7%
Ground rents	-523	-339	-169	-170	-170	-170	-170	
Service charge income on principal basis	23.211	31.269	32.886	34.544	30.134	20.140	21.610	
Service charge expenses on principal basis	-26.415	-36.572	-38.997	-35.780	-32.001	-30.073	-26.840	
Other property-related expenses	-13.447	-17.774	-17.359	-17.292	-11.315	-12.302	-12.143	
Net rental income	**91.216**	**152.540**	**164.634**	**150.217**	**124.145**	**104.092**	**98.834**	-13,0%
Administrative expenses	-21.518	-37.863	-27.210	-31.298	-41.201	-24.884	-25.120	
Personnel expenses	-38.096	-42.581	-40.101	-35.591	-33.880	-32.389	-33.150	
Depreciation and amortization	-42.986	-73.883	-156.024	-435.918	-365.445	-84.545	-77.850	
Real estate management fees	**101.225**	**88.375**	**50.853**	**48.172**	**43.058**	**50.588**	**75.590**	**16,2%**
Other operating income	3.815	5.699	2.495	7.611	6.942	5.831	8.540	
Other operating expenses	-1.802	-3.409	-796	-2.152	-11.025	-7.405	-4.152	
Net proceeds from disposal of investment property	139.337	51.494	558.611	543.449	435.285	350.830	145.884	
Carrying amount of investment property disposed	-115.572	-38.797	-550.427	-539.116	-411.955	-344.828	-139.001	
Profit on disposal of investment property	23.765	12.697	8.184	4.333	23.330	6.002	6.883	
Net operating profit before financing activities (EBIT)	**115.619**	**101.575**	**2.035**	**-294.626**	**-254.076**	**17.290**	**49.575**	n.a.
Share of the profit or loss of associates	6.524	18.918	6.448	5.887	9.549	12.421	13.487	
Interest income	9.550	10.635	17.878	18.473	15.159	4.725	5.803	
Interest expenses	-59.257	-71.217	-110.694	-122.975	-70.410	-86.422	-77.993	
Profit/los before tax (EBT)	**72.436**	**59.911**	**-84.333**	**-393.241**	**-299.778**	**-51.986**	**-9.128**	n.a.
Tax	-14.051	-17.053	13.634	27.705	62.354	7.798	-1.577	
Net profit	**58.385**	**42.858**	**-70.699**	**-365.536**	**-237.424**	**-44.188**	**-10.705**	
Minorities	590	11.834	-4.739	-84.423	-5.338	2.064	2.548	
Net profit after minorities	**57.795**	**31.024**	**-65.960**	**-281.113**	**-232.086**	**-46.252**	**-13.253**	
FFO	**107,2**	**114,2**	**51,9**	**52,2**	**65,5**	**58,1**	**38,3**	**-9,8%**
Number of shares ('000)	81.504	82.689	83.427	83.566	83.566	113.566	128.566	
Earnings per share	**0,71**	**0,38**	**-0,79**	**-3,36**	**-2,78**	**-0,41**	**-0,10**	
FFO per share	**1,32**	**1,38**	**0,62**	**0,63**	**0,78**	**0,51**	**0,30**	
Dividend per share	**0,75**	**0,75**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	
Shareholders' Equity	**1.133.969**	**1.664.101**	**1.527.139**	**1.128.482**	**873.896**	**852.644**	**777.611**	**-11,7%**
Balance Sheet sum	**3.493.650**	**5.180.270**	**4.846.174**	**3.741.591**	**2.955.857**	**2.763.726**	**2.465.244**	
Equity Ratio	**32,5%**	**32,1%**	**31,5%**	**30,2%**	**29,6%**	**30,9%**	**31,5%**	

SRC Research

- Der Spezialist für Finanz- und Immobilienaktien -

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Rating Chronicle

Company	Date	Rating	former share price	former target
Branicks Group AG	05.05.2027	Buy	1,33 €	2,00 €
Branicks Group AG	06.11.2026	Buy	2,00 €	8,00 €
Branicks Group AG	28.08.2025	Buy	1,96 €	8,00 €
Branicks Group AG	21.07.2025	Buy	1,95 €	7,00 €
Branicks Group AG	08.05.2025	Buy	1,91 €	7,00 €
Branicks Group AG	17.03.2025	Buy	2,15 €	7,00 €
Branicks Group AG	08.11.2024	Buy	2,50 €	7,00 €
Branicks Group AG	27.08.2024	Buy	2,23 €	7,00 €
Branicks Group AG	19.08.2024	Buy	1,83 €	7,00 €
Branicks Group AG	21.05.2024	Buy	1,98 €	5,00 €
Branicks Group AG	02.05.2024	Buy	1,62 €	5,00 €
Branicks Group AG	04.04.2024	Buy	1,35 €	5,00 €
Branicks Group AG	06.03.2024	Buy	1,24 €	3,00 €

Please note: The share price mentioned in this report is from 4 August 2026 (09:00 am). Branicks Group AG mandated SRC Research for covering the share.