

Branicks Group AG

Buy (unchanged) **Target: Euro 8.00** (unchanged)

6 | November | 2025



■ **Price (Euro)** **2,00**
52 weeks range 2.58 / 1.55

■ **Key Data**

ISIN DE000A1X3XX4
Bloomberg BRNK:GR
Reporting standard IFRS
Market Cap (Euro million) 167
Number of shares (million) 83,6
Free Float 51,8%
Free Float Market Cap (Euro million) 87
CAGR FFO ('24 -'27e) 5,4%

■ **Multiples**

	2024	2025e	2026e	2027e
Market Cap / Total revenues	1,0	1,2	1,4	1,3
PE-Ratio	-0,6	-1,1	-23,3	14,2
Dividend Yield	0,0%	0,0%	0,0%	5,0%

■ **Key Data per share (Euro)**

	2024	2025e	2026e	2027e
Earnings per share (EPS)	-3,36	-1,75	-0,09	0,14
FFO per share	0,63	0,59	0,65	0,73
Dividend per share (DPS)	0,00	0,00	0,00	0,10

■ **Financial Data (Euro '000)**

	2024	2025e	2026e	2027e
Gross rental income	168.915	135.301	121.906	126.539
Net rental income	150.217	124.757	103.920	108.996
Administrative expenses	-31.298	-27.452	-24.884	-25.120
Personnel expenses	-35.591	-33.880	-32.389	-33.150
Real estate management fees	48.172	49.128	65.588	81.590
Profit on disposal of investment property	4.333	16.330	13.011	6.883
EBIT	-294.626	-143.042	42.630	65.737
Net financial result	-104.502	-56.054	-60.597	-56.639
EBT	-393.241	-189.547	-5.546	22.585
Taxation	27.705	37.909	832	-6.744
Net profit after minorities	-281.113	-146.300	-7.188	11.734
FFO	52.200	48.900	54.400	61.100

■ **Main Shareholders**

Deutsche Immobilien Chancen-Gruppe 25,0%
Yannick Patrick Heller 10,1%
RAG-Stiftung 10,0%
FMR LLC 3,1%

■ **Financial calendar**

2025 annual report 29 April 2026
1Q 2026 report 20 May 2026
AGM 12 August 2026
2Q 2026 report 26 August 2026
3Q 2026 report 5 November 2026

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

E-Mail **scharff@src-research.de**

Internet **www.src-research.de**
www.aktienmarkt-international.at
www.aktienmarkt-international.de
www.aktienmarkt-deutschland.de

Some more important steps forward in the consolidation process, many transactions, strong lettings, - 44% in net interest expenses and OPEX down -6%, FFO guidance affirmed, still a Buy

Today Branicks published the 9M 2025 report. As stated with our updates in July and August, the firm was very busy and successful to drive the consolidation process to bring down the debt and strengthen the balance sheet in a demanding market. **All promissory notes due in 2025 were repaid between January and July, namely Euro 293m, bringing the total debt repayments to over Euro 550m so far. The financial liabilities decreased -19% in 9 months, from Euro 2.3bn at year-end 2024 to just around Euro 1.8bn at the end of September. The equity ratio was up from 30.2% in Dec. 2024 to 31.1% at 9M, the LTV slightly improved from 61.0% in Dec. 2024 to 60.1% in 9M and adjusted LTV is even lower at 56.1%. It is also worth to mention that the bond covenants have a wider headroom now and in particular further improved during the third quarter, as Bond ICR stepped up in 9 months from 2.0x to 2.6x. The better balance sheet came along with a stable cash flow picture despite selling 14 properties from Commercial Portfolio for Euro 386m. The FFO I of Euro 33.4m was not too far away from Euro 36.1m last year, making the unchanged FFO I full year guidance of Euro 40m to Euro 55m very realistic. The hike in FFO was supported by a 0.3% hike in Like-for-Like rents and a remarkable +18% increase in letting performance, from 218k sqm to over 256k sqm. A high portion of 44% even came from new rentals, much more than the 17% portion of new rentals in the last year, which speaks for the superior quality of Branicks assets and a first sign of a pick-up in momentum.**

Besides the good rental growth and letting performance the decreasing operating expenses, -6% to Euro 45.7m (9M 2024: Euro 48.5m) also helped to improve the cash generation. Even more important was the -44% slump in net interest expenses, from Euro 84m to Euro 47m in connection with the lower debt. In the ongoing streamlining process of the entire group the company announced another milestone last week on 30 October. After the consolidation of Business with Institutional Investors at VIB Vermögen, that was announced earlier this year in July, Branicks plans now to prepare all measures for a control and profit transfer agreement with VIB Vermögen. This control and profit transfer agreement would mean to guarantee the VIB outside shareholders (c. 31.25%) an annual compensation payment or the right to swap the VIB shares into newly issued Branicks shares. The compensation payment as well as a future exchange offer will be determined by both sides in accordance with legal requirements. **We judge the step to be right to further drive the VIB integration into Branicks, bringing down operating expenses and making financing issues easier for the entire group. With the good 9M performance and the right strategic measures we keep our Buy and € 8.00 target price.**

Branicks Group AG

Industry:	Real Estate	Management Board of Branicks
Sub-segment:	Commercial property investor	Sonja Wärrtges (CEO)
Own book / Institutional Business / Managed Accounts (transaction, asset and property management)		Johannes von Mutius (CIO)
		Christian Fritzsche (CIBO)
Region:	Germany	Supervisory Board of Branicks:
Headquarter:	Frankfurt	Prof. Dr. Gerhard Schmidt (Chairman)
Foundation:	1998	Michael Zahn
Employees:	266	Eberhard Vetter
		Rene Zahnd
IR Contact:		Jürgen Overath
Dipl.-Bw. Jasmin Dentz, CIO		
ir@branicks.com		

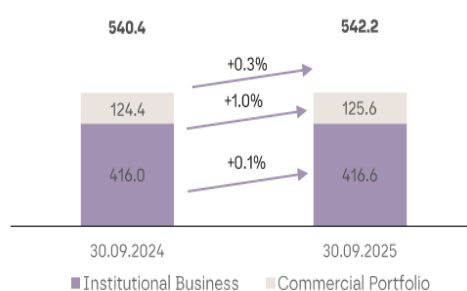
Branicks (formerly DIC Asset) is a strong commercial properties player in the German market with two strong and in general more or less equally weighted pillars or businesses, which help for a very complementary income and investment structure.

In the Commercial Portfolio Branicks does on balance sheet investmenst for their own books , in particular office and logistics properties that offer a stable cash income as well as some value add properties which need more attention to reduce vacancy and increase the intrinsic cash flow in mid-term, in particular by repositioning or revitalization of some assets. This strategy is complemented by an intelligent cycle management to sell some properties at the right time for portfolio optimization and generating additional trading profits. The commercial portfolio has a size of about Euro 2.8bn at present.

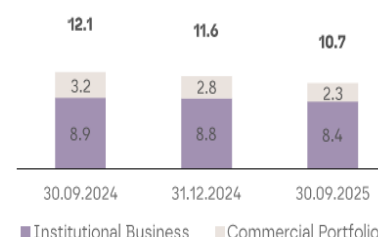
In the second pillar, the Institutional Business, the company launches diversified real estate funds for many years, as the DIC Office Balance I was initiated in 2010 and DIC Office Balance II in 2014 and DIC Office Balance III in 2015, all with targeted AuM between Euro 300m and Euro 450m. Branicks also initiated funds outside the office topic, for instance with the DIC Retail Balance I fund, which came in September 2017 with a size of about Euro 250m or the new RLI-GEG Logistics & Light Industrial III fund with a volume of Euro 400m. The institutional business offers a great range of fees for set-up, transactions, asset and property management services for the funds, club deals and and individual mandatess. In addition to a broad income stream from servicing fees there are lucrative equity returns from the co-investment stakes. The assets under management in the Institutional Business steeply increased by almost 50% in 2019, from Euro 3.9bn to Euro 5.7bn, to Euro 7.6bn in 2020 and again steeply to Euro almost Euro 9.3bn in 2021 and Euro 10.2bn in 2022. At the end of 2023, the AuM in the segment amounted to Euro 9.6bn. With no acquisitions in 2024 and some down-valuations of the portfolio the size of IB went down to Euro 8.8bn. All activities in the field of fund business (third party mandates) have been bundled under the GEG roof. Both pillars, the Commercial Portfolio and the Institutional Business , are serviced from the group's own asset and property management platform, with branches in Frankfurt, Mannheim, Dusseldorf, Cologne, Hamburg, Munich, Berlin, Stuttgart and Neuburg. The institutional business offers a lucrative income stream of management fees as well as transaction-related fees and performance fees. As of April 2024, the firm announced a stronger strategic focus on ESG and Renewables and launched its first Renewable Fund with a target volume of Euro 300m in May 2024.

The FFO I result of 2023 stood at a level of Euro 51.9m and was a bit improved to Euro 52.2m in 2024 despite the still sluggish market conditions and the still quite low transaction volumes in the institutional business segment. The Euro 52.2m FFO result was within Branicks' target range of Euro 40m to Euro 55m. For 2025 Branicks keeps the FFO target range unchanged. With Euro 36m after the first nine months this is very realistic. The focus remains on a reduction of debt, as financial liabilities could be remarkably reduced in 2024, by 22% from Euro 3.0bn to Euro 2.3bn. In 9M 2025 the financial liabilities even fell to Euro 1.8bn.

Like-for-like rental income
annualised in EUR million



Assets under Management
in EUR billion



Source: Company Data, SRC Research



Branicks Group AG 31/12 IFRS ('000)								CAGR
	2021	2022	2023	2024	2025e	2026e	2027e	'24 - '27e
Gross rental income	108.390	175.956	188.273	168.915	135.301	121.906	126.539	-9,2%
Ground rents	-523	-339	-169	-170	-170	-170	-170	
Service charge income on principal basis	23.211	31.269	32.886	34.544	29.332	20.540	21.610	
Service charge expenses on principal basis	-26.415	-36.572	-38.997	-35.780	-28.391	-26.473	-26.840	
Other property-related expenses	-13.447	-17.774	-17.359	-17.292	-11.315	-11.883	-12.143	
Net rental income	91.216	152.540	164.634	150.217	124.757	103.920	108.996	-10,1%
Administrative expenses	-21.518	-37.863	-27.210	-31.298	-27.452	-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	-265.445	-84.545	-77.850	
Real estate management fees	101.225	88.375	50.853	48.172	49.128	65.588	81.590	19,2%
Other operating income	3.815	5.699	2.495	7.611	4.545	5.831	8.540	
Other operating expenses	-1.802	-3.409	-796	-2.152	-11.025	-3.902	-4.152	
Net proceeds from disposal of investment property	139.337	51.494	558.611	543.449	428.285	354.839	145.884	
Carrying amount of investment property disposed	-115.572	-38.797	-550.427	-539.116	-411.955	-341.828	-139.001	
Profit on disposal of investment property	23.765	12.697	8.184	4.333	16.330	13.011	6.883	
Net operating profit before financing activities (EBIT)	115.619	101.575	2.035	-294.626	-143.042	42.630	65.737	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	13.456	4.725	5.803	
Interest expenses	-59.257	-71.217	-110.694	-122.975	-69.510	-65.322	-62.442	
Profit/loss before tax (EBT)	72.436	59.911	-84.333	-393.241	-189.547	-5.546	22.585	n.a.
Tax	-14.051	-17.053	13.634	27.705	37.909	832	-6.744	
Net profit	58.385	42.858	-70.699	-365.536	-151.638	-4.714	15.841	
Minorities	590	11.834	-4.739	-84.423	-5.338	2.474	4.107	
Net profit after minorities	57.795	31.024	-65.960	-281.113	-146.300	-7.188	11.734	
FFO	107,2	114,2	51,9	52,2	48,9	54,4	61,1	5,4%
Number of shares ('000)	81.504	82.689	83.427	83.566	83.566	83.566	83.566	
Earnings per share	0,71	0,38	-0,79	-3,36	-1,75	-0,09	0,14	
FFO per share	1,32	1,38	0,62	0,63	0,59	0,65	0,73	
Dividend per share	0,75	0,75	0,00	0,00	0,00	0,00	0,10	
Shareholders' Equity	1.133.969	1.664.101	1.527.139	1.128.482	982.182	989.994	1.043.454	-2,6%
Balance Sheet sum	3.493.650	5.180.270	4.846.174	3.741.591	3.348.724	3.365.468	3.446.239	
Equity Ratio	32,5%	32,1%	31,5%	30,2%	29,3%	29,4%	30,3%	

**SRC Research****- Der Spezialist für Finanz- und Immobilienaktien -**

SRC - Scharff Research und Consulting GmbH

Visiting address:

Dahmestr. 5

D-12527 Berlin

Germany

Fon: +49 (0)170 – 316 12 08

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle

Company	Date	Rating	former share price	former target
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 €
Branicks Group AG	08.11.2023	Buy	4,10 €	9,00 €
DIC Asset AG	04.08.2023	Buy	4,21 €	11,00 €
DIC Asset AG	10.07.2023	Buy	5,31 €	11,00 €

Please note: The share price mentioned in this report is from 5 November 2025. Branicks Group AG mandated SRC Research for covering the share.

Disclaimer © 2025: This equity research report is published by: SRC-Scharff Research und Consulting GmbH, District Court of Darmstadt (HRB 107365), visiting address: Dahmestr. 5, D-12527 Berlin, Germany (short name: SRC Research). All rights reserved.

Although we feel sure that all information in this SRC report originates from carefully selected sources with high credibility, we cannot give any guarantee for accuracy, trueness and completeness. All opinions quoted in this report give the current judgement of the author which is not necessarily the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All the opinions and assessment made in this report may be changed without prior notice. Within the scope of German regulative framework the author and SRC-Scharff Research und Consulting GmbH do not assume any liability for this document or its content being used. This report is solely for information purposes and does not constitute a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should obtain personal advice at their bank or investment house and should keep in mind that prices and dividends of equities can rise and fall and that nobody can give a guarantee of the future development of equities. The author of this report and the SRC-Scharff Research und Consulting GmbH commit themselves on a unsolicited basis to having no long or short-positions in equities or derivatives related to equities mentioned in this report.

Reproduction, distribution or publishing this report and its content as a whole or in parts is only allowed with approval of SRC management written form. With acceptance of this document you agree with all regulations mentioned here and all general terms and conditions you will find at any time at our website www.src-research.de.