

KWG Kommunale Wohnen AG

Profit and loss account

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Sales			19.8	19.8	21.7	27.0	34.7	35.0
YoY growth			44.2%	0.0%	9.6%	36.6%	60.0%	29.8%
Revaluation result from investment properties			4.0	9.6	8.8	14.8	5.5	5.6
Other operating income			0.2	0.3	3.6	16.2	0.3	0.3
Total revenues			23.9	29.6	34.0	58.0	40.5	41.0
COGS			-7.3	-6.2	-7.0	-9.0	-11.1	-11.2
in % of total revenues			-30.6%	-21.0%	-20.6%	-15.6%	-27.4%	-27.4%
Gross income			16.6	23.4	27.0	48.9	29.4	29.8
in % of total revenues			69.4%	79.0%	79.4%	84.4%	72.6%	72.6%
Personnel expenses			-1.5	-1.8	-2.3	-2.6	-3.3	-3.3
in % of total revenues			-6.2%	-6.0%	-6.8%	-4.5%	-8.1%	-8.1%
Expenditure on investment properties			-3.7	-3.0	-3.4	-4.0	-5.2	-4.9
in % of total revenues			-15.3%	-10.1%	-9.8%	-6.9%	-12.8%	-12.0%
Other operating expenses			-2.3	-1.9	-2.8	-2.9	-3.8	-3.9
in % of total revenues			-9.7%	-6.3%	-8.1%	-4.9%	-9.4%	-9.4%
EBITDA			9.1	16.8	18.6	39.4	17.1	17.7
in % of total revenues			38.1%	56.5%	54.6%	68.0%	42.2%	43.1%
Depreciation and amortisation			-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
EBIT			9.0	16.6	18.4	39.2	16.9	17.5
in % of total revenues			37.7%	56.0%	54.0%	67.6%	41.7%	42.6%
Financial result			-5.8	-5.8	-6.4	-8.5	-11.3	-11.1
EBT			3.2	10.7	11.9	30.7	5.6	6.3
in % of total revenues			13.5%	36.3%	35.1%	53.0%	13.8%	15.4%
Taxes			0.1	-2.2	-2.1	-4.4	-1.7	-1.7
as % of EBT			2.7%	-20.1%	-17.7%	-14.4%	-29.7%	-26.8%
Net income including minorities			3.3	8.6	9.8	26.3	3.9	4.6
Minority interests			0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders			3.3	8.6	9.8	26.3	3.9	4.6
in % of total revenues			13.9%	29.0%	28.9%	45.4%	9.7%	11.3%
Shares outstanding (in millions)			8.6	9.9	10.8	14.4	15.9	15.9
Earnings per share (EUR)			0.38	0.87	0.91	1.83	0.25	0.29

Source: CBS Research AG, KWG Kommunale Wohnen AG

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Balance Sheet

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Assets								
Noncurrent assets			177.4	193.2	230.8	375.7	374.0	379.3
as % of total assets			94.7%	94.1%	96.6%	97.2%	96.8%	96.4%
Intangible assets			0.2	0.2	0.1	0.1	0.1	0.1
Fixed assets			0.2	0.3	0.3	0.3	0.3	0.0
Investment properties			173.6	188.6	226.4	371.4	369.6	375.2
Other long-term assets			0.0	0.0	0.0	0.0	0.0	0.0
Financial assets			0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets			3.5	4.0	3.9	3.9	3.9	3.9
Current assets			10.0	12.1	8.1	10.8	12.5	14.2
as % of total assets			5.3%	5.9%	3.4%	2.8%	3.2%	3.6%
Inventories			0.0	0.1	0.1	0.1	0.1	0.1
Accounts receivables			0.4	0.8	1.2	1.4	1.5	1.6
Other receivables and other assets			2.3	2.5	3.1	3.2	3.3	3.4
Securities			0.0	0.0	0.0	0.0	0.0	0.0
Cash			7.3	8.7	3.6	6.1	7.5	9.1
Total Assets			187.5	205.2	238.8	386.5	386.4	393.5
Shareholders' equity and liabilities								
Total equity			64.7	78.1	87.8	143.2	147.1	151.8
as % of total equity and liabilities			34.5%	38.1%	36.8%	37.0%	38.1%	38.6%
Capital stock			9.8	10.8	10.8	15.9	15.9	15.9
Reserves			40.1	42.4	40.3	64.3	64.3	64.3
Retained earnings			14.8	24.9	36.7	63.0	66.9	71.5
Minorities			0.0	0.0	0.0	0.0	0.0	0.0
Special items			0.0	0.0	2.3	0.0	0.0	0.0
Contributions to implement the capital increase resolved			0.0	0.0	0.3	0.0	0.0	0.0
Premiums to implement the capital increase resolved			0.0	0.0	2.0	0.0	0.0	0.0
Noncurrent liabilities			116.8	118.6	112.8	196.2	193.1	195.2
as % of total equity and liabilities			62.3%	57.8%	47.2%	50.8%	50.0%	49.6%
Financial liabilities			114.4	114.2	104.7	184.7	179.9	180.3
Deferred income			0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities			2.3	4.3	7.0	11.4	13.1	14.8
Other liabilities			0.1	0.1	0.1	0.1	0.1	0.1
Current liabilities			6.0	8.6	36.0	47.1	46.2	46.5
as % of total equity and liabilities			3.2%	4.2%	15.1%	12.2%	12.0%	11.8%
Financial liabilities			2.4	5.0	31.0	42.1	41.0	41.1
Deferred income			0.0	0.0	0.0	0.0	0.0	0.0
Trade accounts payables			1.2	1.0	2.1	2.1	2.2	2.3
Short-term tax liabilities			0.0	0.0	0.1	0.1	0.1	0.1
Other liabilities			2.3	2.6	2.8	2.8	2.9	3.0
Total equity and liabilities			187.5	205.2	238.8	386.5	386.4	393.5

Source: CBS Research AG, KWG Kommunale Wohnen AG

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Cash flow statement

	IFRS	EURm	2009	2010	2011	2012E	2013E	2014E
Group result before deduction of income tax			2.7	10.2	11.3	30.7	5.6	6.3
Depreciation and amortisation			0.1	0.2	0.2	0.2	0.2	0.2
Other non-cash items			0.0	-0.1	-1.9	-13.2	0.0	0.0
Gains/losses from disposal of long term assets			0.2	0.0	-1.2	0.0	0.0	0.0
Result from interest income and interest expense			5.8	5.8	6.4	8.5	11.3	11.1
Revaluation result from investment properties			-4.0	-9.6	-8.8	-14.8	-5.5	-5.6
Change in other assets and liabilities			-9.9	-6.4	-6.2	-8.6	-11.3	-11.1
Cash flow from operating activities			-5.1	0.1	0.0	2.8	0.3	0.9
Net cash flow from investment properties			0.0	0.0	1.1	-109.0	7.3	0.0
Net cash flow from long term assets			-2.1	0.0	-22.7	-0.2	-0.2	0.1
Cash flow from investing activities			-2.1	-5.8	-21.6	-109.2	7.1	0.1
Cash inflow from capital increases			5.3	4.8	0.0	17.8	0.0	0.0
Net borrowings/retirements of financial debt			1.4	2.4	16.5	91.1	-5.9	0.6
Cash flow from financing activities			6.7	7.2	16.5	108.9	-5.9	0.6
Total change in cash and cash equivalents			-0.5	1.5	-5.2	2.5	1.4	1.6
Cash and cash equivalents at the start of the period			7.8	7.3	8.7	3.6	6.1	7.5
Cash and cash equivalents at the end of the period			7.3	8.7	3.6	6.1	7.5	9.1

Source: CBS Research AG, KWG Kommunale Wohnen AG

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Date	Recommendation	Price at change date	Price target
7 November 2012	BUY	EUR 5.09	EUR 7.90
17 August 2012	BUY	EUR 5.07	EUR 7.90
03 August 2012	BUY	EUR 5.11	EUR 7.90
26 July 2012	BUY	EUR 5.03	EUR 7.10
28 June 2012	BUY	EUR 4.92	EUR 7.00

08 March 2012	BUY	EUR 5.10	EUR 7.00
09 November 2011	BUY	EUR 4.93	EUR 7.00

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