

Vastned Retail Belgium

Belgium/Real Estate

Analysier



Hold

Recommendation unchanged

Share price: EUR 52.54

closing price as of 10/02/2014

Target price: EUR 52.50

Target Price unchanged

Reuters/Bloomberg

VASTB BRVASTB BB

Market capitalisation (EURm)	267
Current N° of shares (m)	5
Free float	35%
Daily avg. no. trad. sh. 12 mth	123
Daily avg. trad. vol. 12 mth (m)	6
Price high 12 mth (EUR)	57.69
Price low 12 mth (EUR)	49.06
Abs. perf. 1 mth	1.62%
Abs. perf. 3 mth	0.48%
Abs. perf. 12 mth	5.61%

Key financials (EUR)	12/12	12/13e	12/14e
Gross Rental Income (m)	22	22	23
EBITDA (m)	19	19	19
EBITDA margin	83.8%	84.1%	84.1%
Portfolio Result (m)	7	5	5
Net Financial Result	(7)	(6)	(6)
Net Profit (adj.) (m)	13	14	14
Funds From Operations	13	14	14
EPS (adj.)	2.64	2.66	2.66
DPS	2.62	2.66	2.66
IFRS NAVPS	46.29	47.42	48.40
EPRA NAVPS	47.61	0.00	0.00
Premium/Discount	2.8%	10.5%	8.5%
Earnings adj. yield	5.0%	5.1%	5.1%
Dividend yield	5.0%	5.1%	5.1%
EV/EBITDA	19.3	20.9	20.4
P/E (adj.)	18.0	19.7	19.8
Int. cover(EBITDA/Fin.int)	3.6	3.6	3.4
Net debt/(cash) (m)	117	126	127
Net Debt/Total Assets	32.2%	33.5%	33.3%

4Q13 net current deteriorates slightly – no surprises

The facts: Vastned Retail Belgium released its 4Q13 and FY13 results.

Our analysis: The FY13 net current profit remained virtually flat at EUR 13.4m but deteriorated (-2.3%) slightly YoY in 4Q13. FY13 net rental income slipped by 2.0% to EUR 21.7m. The decline in rental income is driven by the divestment of c. 3% of the portfolio in December 2012 partly offset by indexation of existing rental contracts and by renewals. Vastned Retail Belgium will pay a gross dividend of EUR 2.65 per share.

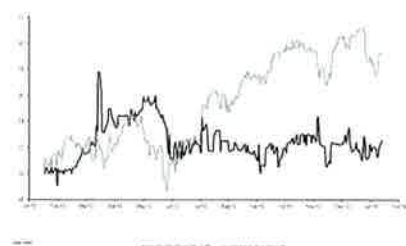
The fair value of the portfolio stood at EUR 361.7m (vs EUR 359.2m at the end of 2012) with a total lettable space of 146,962sqm. The occupancy rate of the total portfolio stood at 95.4% vs 97.3% at the end of 2012.

The EPRA NAV slipped slightly from EUR 47.61 at year-end 2012 to EUR 47.08 per share at the year-end 2013. The debt ratio remained virtually flat at 34%.

Key figures (in EUR k)	4Q12	4Q13	% Δ yoy	FY12	FY13	% Δ yoy
Net rental result	5,523	5,446	-1.4%	22,112	21,671	-2.0%
Operating property result	4,857	4,912	1.1%	19,526	19,432	-0.5%
Financial result (excl. IAS 39)	-1,283	-1,148	-10.5%	-5,166	-4,891	-5.3%
Other income & charges	-153	-420	174.5%	-930	-1,176	26.5%
Net current profit	3,421	3,344	-2.3%	13,430	13,365	-0.5%
Result on the portfolio	1,181	-1,131	-195.8%	7,324	-2,757	-137.6%
IAS39	-311	25	-108.0%	-2,090	1,586	-175.9%
Net profit	4,291	2,238	-47.8%	18,664	12,194	-34.7%
Weighted avg. no. of shares			n.a.	5,078,525	5,078,525	0.0%
Net current profit per share	0.68	0.67	-1.9%	2.64	2.63	-0.5%
NAVPS adj. (excl. IAS39)				47.61	47.08	-1.1%

Source: Vastned Retail Belgium, Bank Degroof (ESN) research

Conclusion & Action: The 4Q13 net current result did not present material surprises although it was somewhat weaker than the full year result. We maintain our Hold recommendation and EUR 52.5 target price.



Shareholders: VastNed Retail 66%;

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