



BriQ Properties R.E.I.C.

20 May 2024

Initiation Report

A favorable macroeconomic environment... Factors such as GDP growth, increased investment in construction, robust Foreign Direct Investment (FDI) trends in real estate, burgeoning tourism, and heightened savings accumulation during the pandemic collectively contribute to the positive trajectory of the domestic residential real estate market.

...along with the merger by absorption with ICI... In a buoyant move, BriQ announced the forthcoming absorption of ICI on February 23rd, 2023. In Q1 2024 BriQ acquired 17 properties from ICI for a total consideration of €60.6mn financed through debt. By the end of 2024, we expect that BriQ will absorb ICI, with ICI transferring its remaining 18 properties. The absorption will take place through the issue of new BriQ shares to ICI shareholders. The likely swap rate will be 1.30 newly issued shares of BriQ for every ICI share, resulting in the issue of c10.4mn shares. BriQ's price will be adjusted after the absorption and will be equal to **€2.52** using last closing prices and our estimated number of shares (c48.5mn) post the absorption.

...boosts BriQ's performance, with net profits expected to reach €19mn in 2025. BriQ's investment portfolio is expected to reach €293.1mn in 2025, on the back of the new acquired properties, the revaluation gains on the existing ones, and an investment pipeline of c€14mn. Investment pipeline includes the Second Logistics Building in Aspropyrgos, which will generate an annual rental revenue of around €1.2mn; the LEED-Gold Office Building in Kallithea, which will be financed by the Recovery and Resilience Facility (RRF) and is expected to yield an annual income of €0.5mn; and the development of a new wing comprising 12 luxury suites in an existing hotel in Paros. We expect rental income to reach €19.6mn (+115% y/y) in 2024 and €21.0mn in 2025, while adj. EBITDA margins are expected to increase on the back of cost synergies yielded from the M&A.

BriQ trades at a 44% discount to our estimated 2025 NAV per share of €3.523, implying a potential upside of 91%. In addition, assuming a payout of 63%, the stock offers a dividend yield of 5.3% in 2024, and 6.6% in 2025. We value BriQ via NAV method using a forecasted weighted average cap rate equal to 6.5%. We forecast a NAV/share equal to €3.523 in 2025. Furthermore, we perform a scenario analysis for +/- 0.5% cap rates and +/- €0.5mn NOI.

BriQ is an attractive investment choice for investors seeking to capitalize on the growth prospects of the Greek economy and the real estate market while simultaneously enjoying attractive dividend yields.

(in € 'm)	2022a	2023a	2024e	2025e	2026e	2027e	2028e
Rental Income	8.0	9.1	19.6	21.0	21.9	22.3	22.8
EBITDA	13.2	15.0	25.0	25.8	26.7	27.1	27.4
Adj. EBITDA	5.7	6.9	16.0	17.3	18.2	18.6	19.1
Net Profit	12.1	14.6	18.7	19.0	21.0	21.6	22.1
FFOs	4.1	3.9	9.5	10.2	12.3	12.9	13.5
Dividend Yield	5.3%	5.3%	5.3%	6.6%	6.8%	7.5%	7.7%
GAV	135.0	147.5	278.3	293.1	301.6	310.0	318.4
NAV	98.2	108.6	156.3	168.8	182.7	196.8	211.1
EV/EBITDA	12.2	10.2	4.4	4.0	3.8	3.7	3.7
P/NAV	0.71	0.64	0.45	0.41	0.38	0.35	0.33
P/FFO	17.0	18.0	7.3	6.8	5.7	5.4	5.2
LTV	26%	25%	43%	41%	38%	36%	33%
No of Shares	35.3	35.3	45.8	45.8	45.8	45.8	45.8

Source: Company, Piraeus Securities

Rating:	Outperform
Target Price	€3.523
Last Closing Price:	€1.970
Adjusted Price¹	€2.520
Expected Total Return of which	+91%
Price Appreciation	+80%
Cumulative Dividend Yield (2024-2025)	+12%

Company data	
Bloomberg	BRIQ GA
Market Cap. (€ m)	69.6
Adjusted Market Cap (€ m) ¹	115.0
Shares Outstanding (m)	35.4
Adj. Shares Outstanding (m) ¹	45.8
Free float	46%
Average daily volume	28,811

1. Post Absorption

Stock Price Performance			
1M	6M	1Y	YTD
0.77%	2.88%	2.08%	3.97%

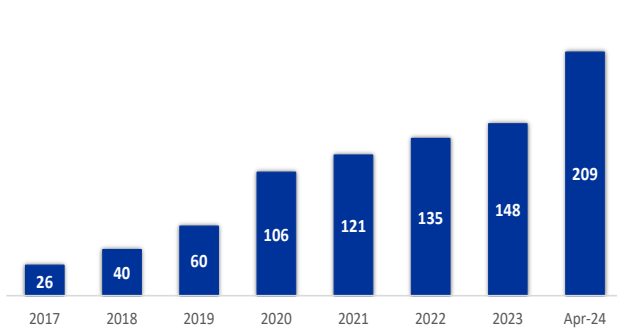


Natasha Roumantzi | Research Analyst
+30 210 3354065
nroumantzi@piraeus-sec.gr

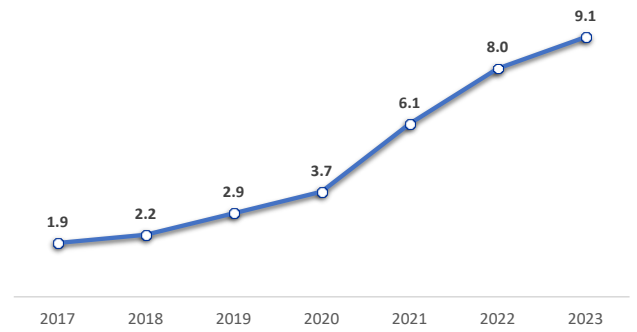
George Vrekos | Research Analyst
+30 210 3354067
gvrekos@piraeus-sec.gr

Key Historical Charts

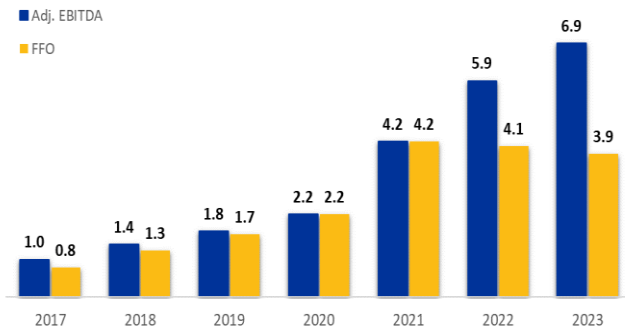
Gross Asset Value (€'m)



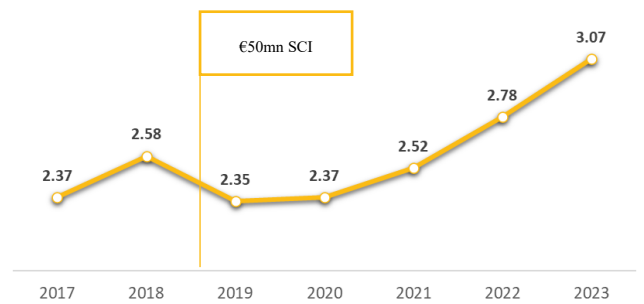
Rental Income (€'m)



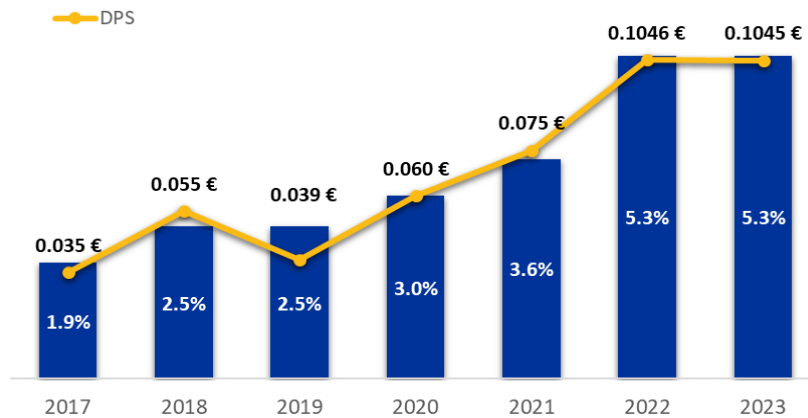
Adjusted EBITDA – FFO (€'m)



NAV per share (€)



Dividend Yield



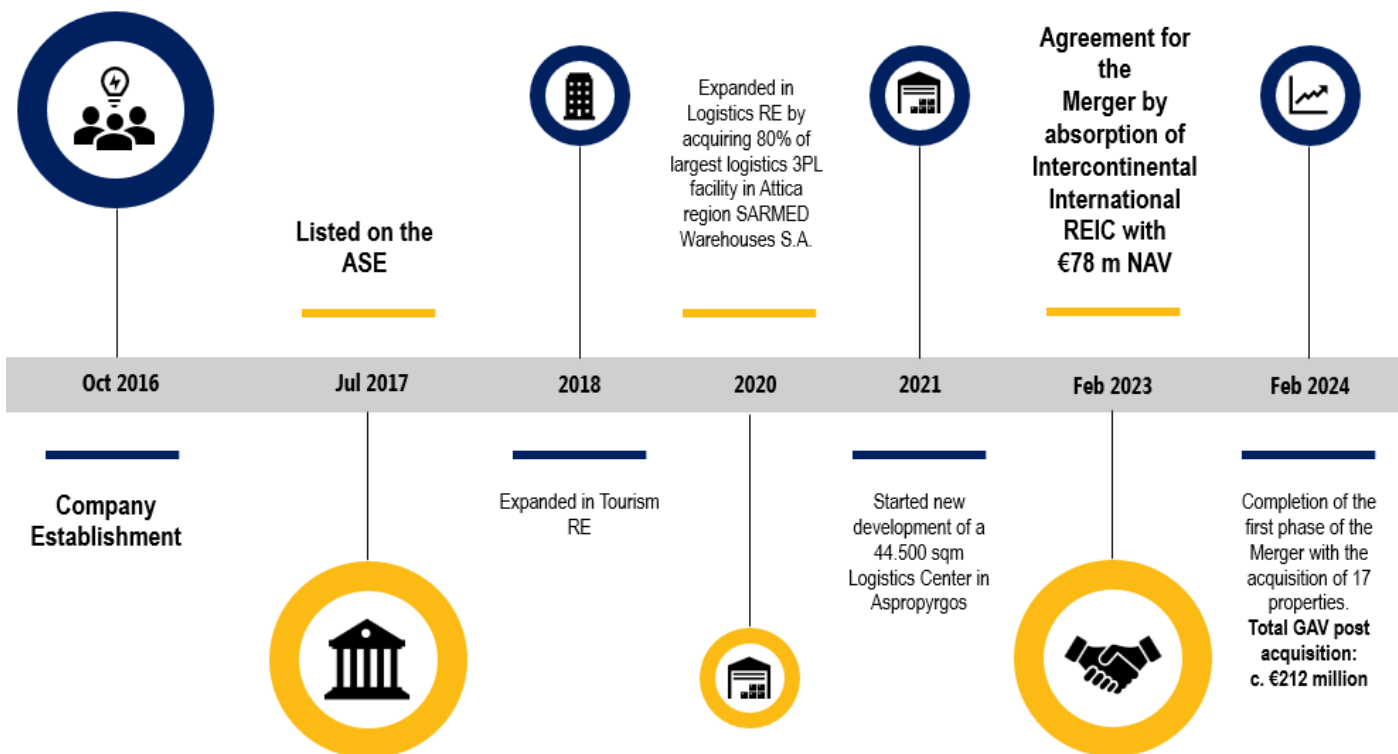
Source: Company Data



Company Description

BriQ Properties is a dynamically evolving commercial real estate company, founded in October 2016 and exclusively operational within Greece. Following its listing on the Athens Stock Exchange in July 2016, the company initially ventured into the tourism sector. By the conclusion of 2019, BriQ Properties executed a share capital increase, raising c€50mn. Within one year, the company strategically allocated the raised funds to acquire an 80% stake in "Sarmed Warehouses S.A.," proprietor of one of Greece's largest operational logistics complexes, thereby establishing a significant presence in the Greek real estate logistics domain.

As of December 31, 2023, BriQ Properties boasted a portfolio comprising 25 properties spanning a total area of 147,706 square meters, with a combined fair value of €148.9mn, inclusive of €1.4mn in owner-occupied assets. Subsequently, on January 31, 2024, the company announced the successful culmination of the initial phase of a merger by absorption with Intercontinental International R.E.I.C. (ICI). Notably, ICI conveyed 16 properties valued at €56.6mn, exhibiting a gross rental yield of 10.6% on acquisition cost. Furthermore, a preliminary agreement was reached for the acquisition of an additional property at an agreed price of €4.0mn. As a result, BriQ Properties now boasts a diversified and resilient portfolio, encompassing 41 properties with a Gross Asset Value of c€209mn, poised for a projected rental income surge exceeding 100% y/y in 2024. The subsequent graphical representation delineates key milestones achieved by BriQ Properties from its inception to the present.



Source: Company

Since its listing in ATHEX, the company has distributed a total amount c€11mn as dividends to its shareholders (€0.37 per share) and has seen a €0.74 increase in its NAV / share while Its dividend yield is the highest in the Greek REIC market.



Real Estate Portfolio

Following the initial phase of the merger with ICI, BriQ's asset portfolio expanded to encompass 41 real estate assets, with a total Gross Leasable Area (GLA) of 168,406 square meters, predominantly situated within the Attica region in terms of Gross Asset Value (GAV). According to the company's presentation, the newly acquired properties exhibit a notable gross rental yield of 10.6%, culminating in a total gross yield (annualized) of 8%. This array of 17 properties includes retail units, three office and mixed-use properties, and two specialized-use properties, anticipated to generate approximately €6mn in revenues. The completion of the three stages of the merger by absorption is anticipated by the end of 2024, with an additional transfer of 18 properties by ICI.

The following graph illustrates BriQ's portfolio distribution by geographical location and asset class, including the 17th property from ICI.

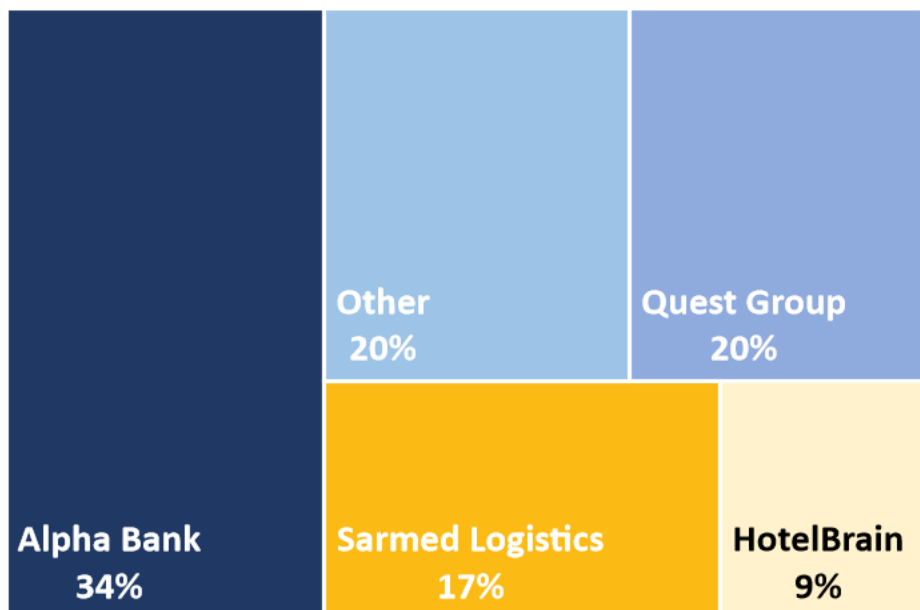


Source: Company Data, Piraeus Securities

High occupancy rates and strong tenant mix; Creditworthy tenants, long contract periods and inflation adjusted (CPI/CPI+) rents.

The company benefits from enduring, inflation-hedged agreements with a diversified tenant roster, ensuring stable and inflation-protected revenue streams. Currently, its properties maintain an exceptional occupancy rate of 99.2%, with a Weighted Average Unexpired Lease Term (WAULT) of 6.7 years across the portfolio.

Specifically, 14 out of the 17 newly acquired properties are leased to Alpha Bank, a prominent financial institution, accounting for 34.4% of BriQ's tenant composition. Following Alpha Bank, Quest Group, a leading conglomerate in the Information Technology sector, occupies 20% of the tenancy, while Sarmed Logistics, a major 3PL (Third Party Logistics) provider in Greece, occupies 16.6%. Other notable lessees include Sklavenitis, Mesogeios S.A., The Greek Foundation-Modernist Athens, and Leroy Merlin.



Source: Company Data, Piraeus Securities

Logistics

In the logistics sector the company owns 5 properties, with a total GBA of 97,974 m², all located in Attica district. The rental revenue for 2023 was c€4.8mn, of which c€2.5mn from Sarmed Warehouses Complex and c€1.5mn from the 1st building in Aspropyrgos. The domestic logistics market faces, and will continue to face, a strong under-supply alongside increased demand. Consequently, we expect the rental yields to increase in the next years. Also, the second warehouse building (KAD 2) in Aspropyrgos will be delivered in September 2024 and will add a rental income of c1.2mn annually.

Offices

In the office spaces market the company owned 10 properties (1 is owner-occupied) on December 31, 2023, with a total GBA of 30,127 m², and a rental income of c€2.4mn. Furthermore, 3 out of 17 ICI's properties that were transferred to BriQ, were office buildings, with an estimated annual revenue of c. 0.5mn. According to our estimates, the rental yield in the office spaces portfolio will see an increase from 6.3% to 6.9% in 2024. Furthermore, a LEED-Gold Office Building at 42 Poseidonos Avenue will be completed by 2025 and has an expected annual revenue equal to c. € 0.5mn and a gross yield of 8%.

Retail

On October 23, 2023, the company sold its one commercial property with a total area of 281.35 m², located at 1 25th Martiou St. in Rhodes, for a price of €1mn. However, 12 out of 17 ICI's transferred properties include 12 retail unit, most of which leased to Alpha Bank. These properties have a gross rental yield of 10.6% and are expected to add c€4.8mn to BriQ's rental income in 2024.

Hotels

Regarding the tourism sector, there was a double digit increase in tourist arrivals and revenues, creating optimism for 2024. This rise in tourism also positively affected the hotels in BriQ's portfolio, which saw an increase in occupancy and average daily rates for the year. At this moment, the company's hotel portfolio consists of 5 properties, with a total GBA of c9,600 m², and a c€1.7mn annual rental income in 2023. Also, in March 2023, the company entered into a construction contract for the expansion of the hotel complex in Paros, on an adjacent plot, involving the construction of 12 suites, resulting in an increase in the hotel's capacity to 61 rooms. The total capex for the Mr. & Mrs. White complex in Paros amounts to c€1.7mn and is estimated to be ready for operation for the summer tourist season in 2024.

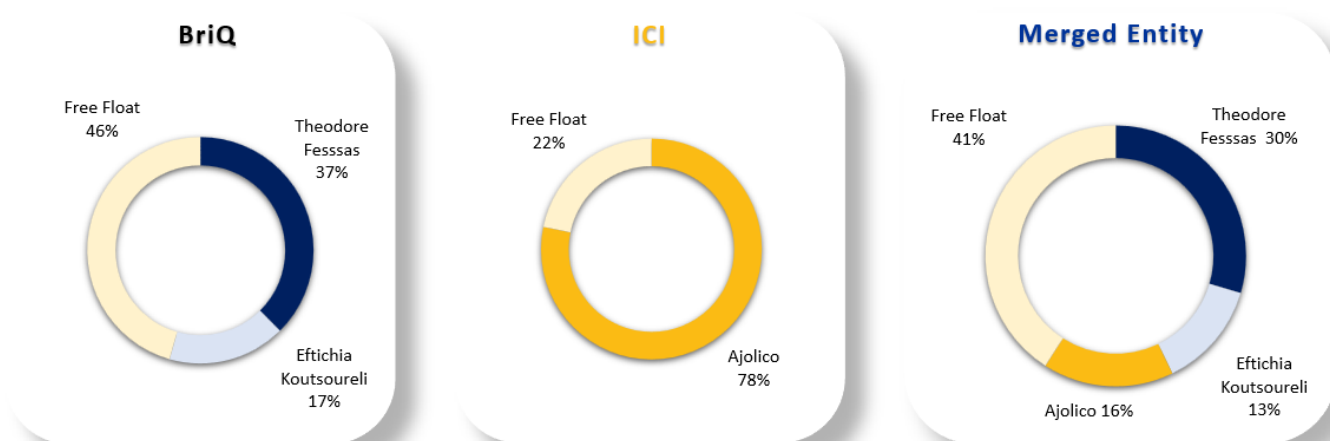
	2023	2024	2025		2023	2024	2025
SEGMENTAL							
OFFICES				HOTELS			
GAV	37.6	43.8	51.2	GAV	30.2	33.9	35.9
Rental Income	2.4	3.0	3.1	Rental Income	1.7	1.7	1.8
Acquisitions/ (Sale) & Transfers	-	5.2	-	Acquisitions/ (Sale) & Transfers	0.3	-	-
CAPEX	-	-	6.3	CAPEX	0.6	1.7	-
Revaluation Gains	1.4	1.1	1.0	Revaluation Gains	2.2	2.0	2.0
FV Adjustments	1.4	6.2	7.4	FV Adjustments	3.1	3.7	2.0
LOGISTICS				RETAIL			
GAV	76.0	85.2	88.5	GAV	-	48.3	49.3
Rental Income	4.8	5.2	6.1	Rental Income	-	5.1	5.2
Acquisitions/ (Sale) & Transfers	0.2	-	-	Acquisitions/ (Sale) & Transfers	-	47.4	-
CAPEX	4.7	6.0	-	CAPEX	-	-	-
Revaluation Gains	4.7	3.2	3.2	Revaluation Gains	-	0.9	1.0
FV Adjustments	9.5	9.2	3.2	FV Adjustments	-	48.3	1.0
SPECIAL USE, LAND AND OTHER				ICI'S 18 PROPERTIES			
GAV	1.5	9.7	9.9	GAV	55.0	56.1	
Rental Income	0.1	1.0	1.0	Rental Income	3.7	3.7	
Acquisitions/ (Sale) & Transfers	(0.8)	8.0	-	Acquisitions/ (Sale) & Transfers	53.5	-	
CAPEX	-	-	-	CAPEX	-	-	
Revaluation Gains	-	0.2	0.2	Revaluation Gains	1.5	1.1	
FV Adjustments	(0.8)	8.2	0.2	FV Adjustments	55.0	1.1	

Source: Company, ICI, Piraeus Securities

Merger by Absorption with ICI

On February 23rd, 2023, BriQ announced the execution of contractual agreements between the company and Ajolico, a Cypriot entity holding a majority stake of approximately 79% in ICI. These agreements delineate the foundational terms governing the forthcoming merger by absorption of ICI into BriQ.

During the first quarter of 2024 BriQ acquired 17 properties from ICI for a total consideration of c€60.6mn. Financing for this acquisition was secured through loans. By the end of 2024, BriQ will proceed with the absorption of ICI increasing its portfolio by 18 ICI’s properties. The absorption will take place through the issue of new BriQ shares to ICI shareholders. The company in one of its presentations had communicated that the exchange ratio stipulates that for every ICI share, shareholders will receive c1.42 newly issued shares of BriQ, while existing BriQ shareholders will maintain their current shareholdings. However, we expect that the exchange ratio for ICI shareholders will be lower at 1:1.30 due to the appreciation of BriQ’s portfolio after the initial agreement in 2022. We expect that the merged entity’s shares will total c.45.8mn, with 41% free float.



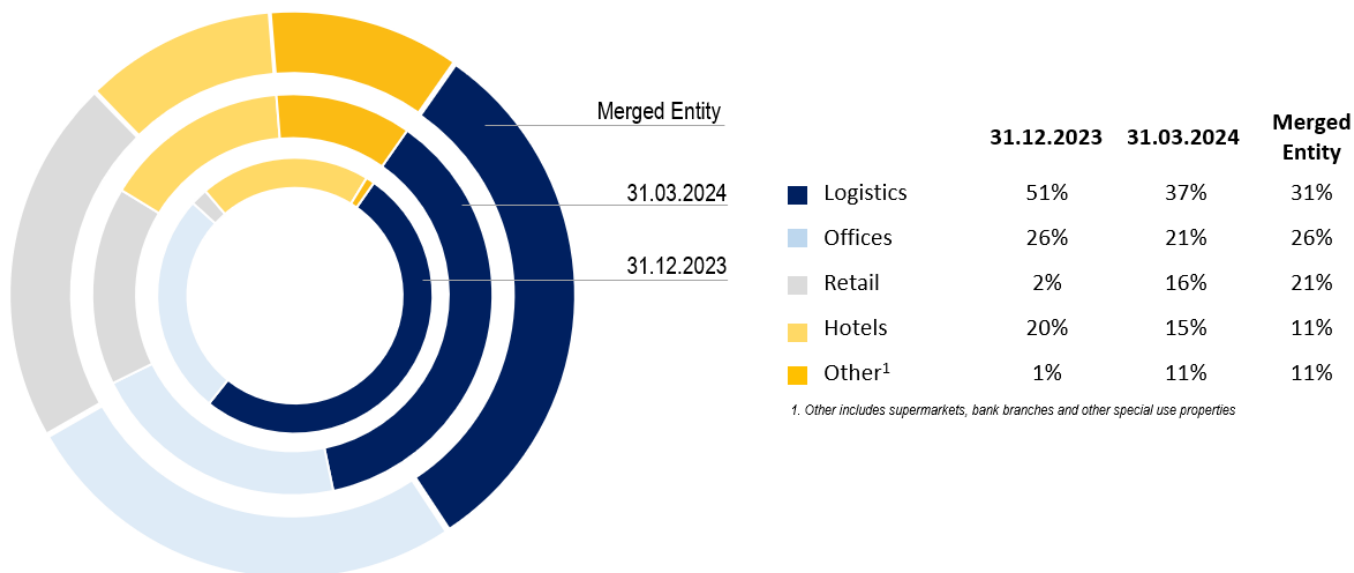
Source: Company, ICI, Piraeus Securities

According to ATHEX resolution #26, in case of a merger by absorption of a listed company by another listed company, the adjusted price of the share of the absorber, is equal to, the sum of market values of the two companies under merged and the total value is divided by the number of total number of shares. Using the companies’ most recent stock prices and number of outstanding shares, the adjusted price will be as follows:

	BriQ	ICI
Last price	€1.97	€4.34
Number of shares (mn)	35.4	10.5
Market Cap (mn)	69.7	45.6
Merged Entity's Price	€2.52	

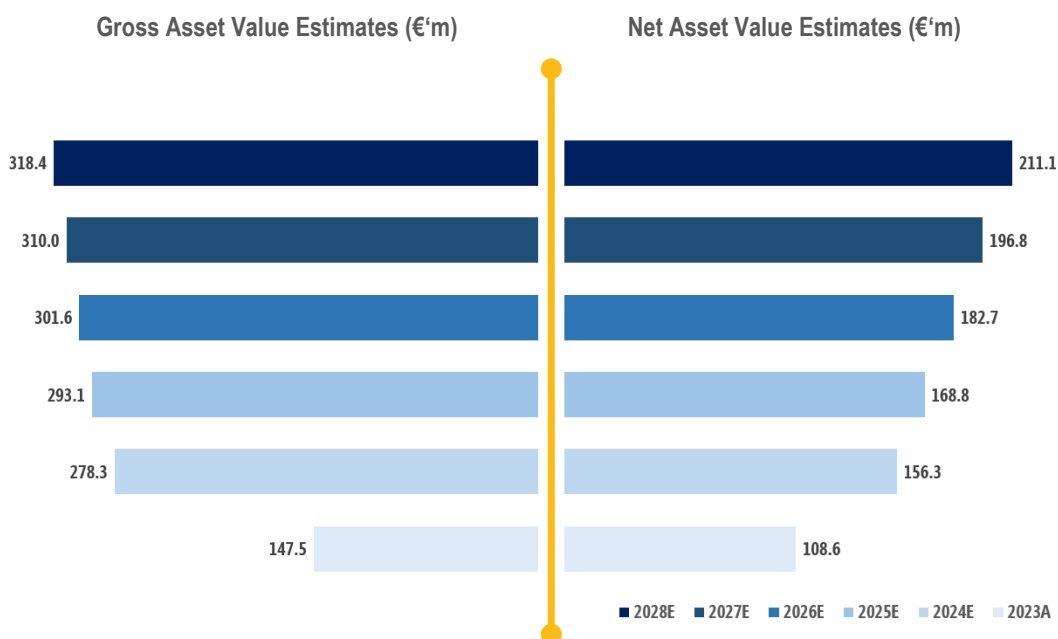
Upon the incorporation of ICI's remaining 18 properties, the merged entity's portfolio will encompass a total of 60 properties, significantly enhancing its diversification and overall portfolio strength. The subsequent graphical representation delineates the composition of the portfolio as of December 31, 2023, as of March 31, 2024, and after the completion of all merger stages.





Source: Company, ICI, Piraeus Securities

The Gross Asset Value (GAV) of the merged entity's 60 properties, including the €7.7mn expenditures (attributed to Mr. and Mrs. White Hotel in Paros - €1.7mn, and the €6mn investment in the Logistics Building in Aspropyrgos), along with our estimated revaluation gains, is projected to reach c€278mn in 2024. Our projection for the company's debt by the end of 2024 is c€121mn, taking into account additions and repayments. These additions include €60.6mn for the acquisition of 17 properties, €7.7mn for the aforementioned capital expenditures, c€9.3mn for the purchase of a 27% stake in ICI, and €15.1mn of ICI's debt. Repayments are expected to be approximately 5% of the loan principal annually over a six-year period, with a balloon payment scheduled for the seventh year for each debt, excluding ICI's debt which has a bullet payment in 2026. We also anticipate the company to refinance its loans in 2026 and 2028 through bond issues of €15mn and €25mn, respectively. The following graphs provide a clear overview of our estimates on GAV and NAV, as well as for the Gross Debt and loan to value ratio.

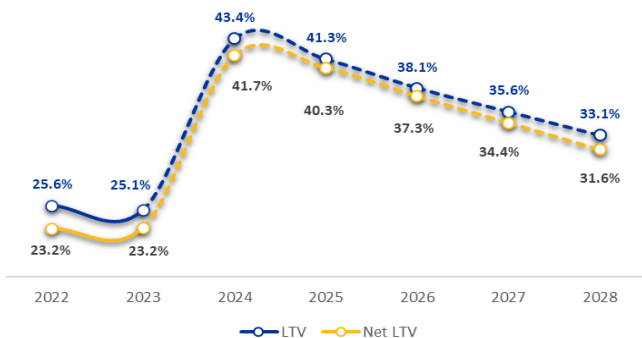


Source: Company, Piraeus Securities



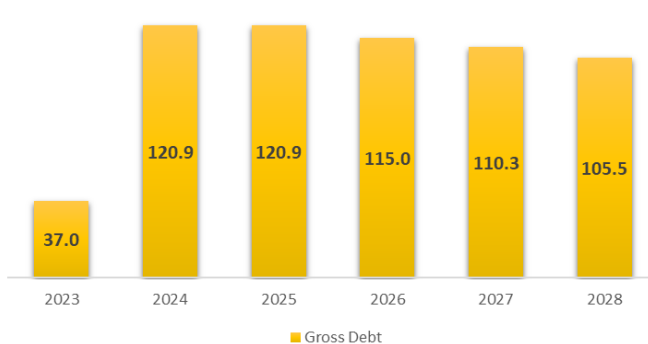
Per our projections, the Loan-To-Value ratio is anticipated to reach 43.4% in FY-2024 and is expected to exhibit a gradual decline in subsequent years. This reduction is attributed to the repayment of debt and the appreciation of investment property values. Furthermore, it is observed that the LTV and Net LTV ratios maintain close proximity, indicative of the company's endeavor to minimize cash holdings. This strategic approach is motivated by the taxation framework governing REIT entities, wherein tax expenses are determined by factors such as the ECB rate and the aggregate value of investment property and liquid assets.

LTV – Net LTV Estimates



Source: Company, Piraeus Securities

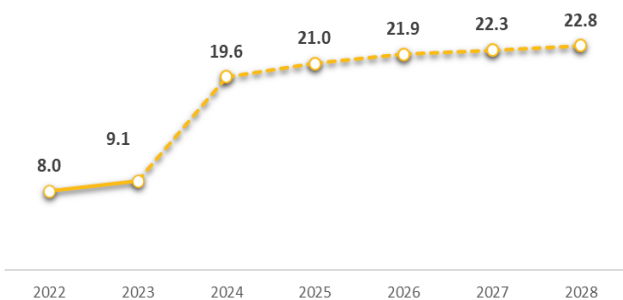
Gross Debt Estimates (€ 'm)



Source: Company, Piraeus Securities

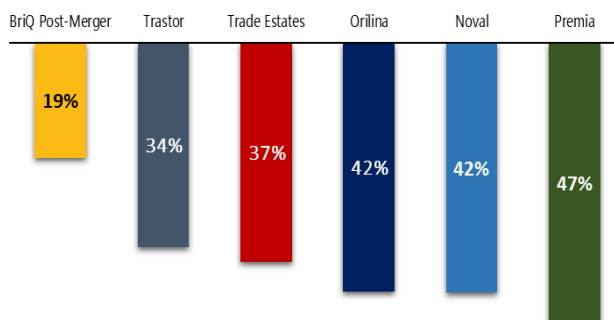
In the income statement, BriQ's post-consolidation rental income is expected to reach €19.6mn. For the years subsequent to 2024, we anticipate a return to normal inflation levels of 2%. However, in 2025 and 2026, we forecast a higher increase in rental income primarily attributed to KAD 2 in Aspropyrgos and the LEED Gold Office Building in Poseidonos Avenue. Furthermore, the merger by absorption is anticipated to yield cost synergies, thereby reducing the cost-to-income ratio to 19% (based on 2023 figures), which stands as the lowest among comparable Greek REIT companies. Therefore, adj. EBITDA and adj. gross margins are expected to be sustained or even increased in the coming years.

Rental Income Estimates (€ 'm)



Source: Company, Piraeus Securities

Cost to Income (based on FY-23 financials)

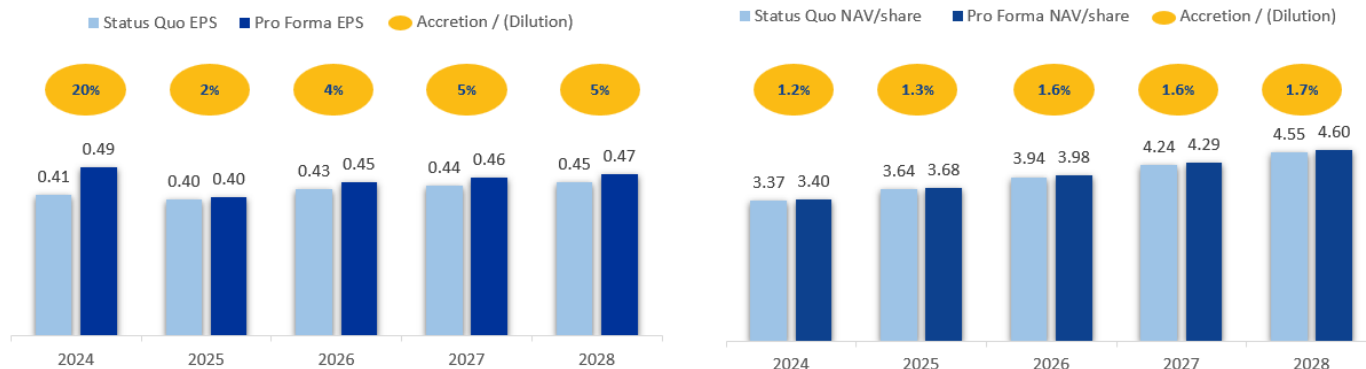


Source: Company, Piraeus Securities



Accretion / Dilution Analysis

Below we provide an accretion/ dilution analysis of BriQ’s current shareholders supposing that the ICI shareholders’ exchange ratio is 1:1.30. It’s noted that the FY-24 pro forma EPS is high because the total number of shares used is a weighted average between the old number of shares and the new ones.



Source: Piraeus Securities

Source: Piraeus Securities

The accretion of the absorption depends on the ICI’s exchange ratio. As a result, we provide a scenario analysis for the exchange ratio and the accretion / (dilution) of BriQ’s existing shareholders.

ICI's exchange ratio	Year			
	2025	2026	2027	2028
1:1.40	(0.1%)	2.7%	3.6%	3.3%
1:1.35	0.7%	3.6%	4.5%	4.2%
1:1.30	1.5%	4.5%	5.3%	5.1%
1:1.25	2.4%	5.3%	6.2%	6.0%
1:1.20	3.3%	6.3%	7.2%	6.9%

Valuation

For the company's valuation, we will utilize the 2025 financial data subsequent to the absorption of ICI and the consolidation of its financial records. Presently, the real estate market in Greece is experiencing an upward trajectory following a period of negative trends during crises. This resurgence is attributed to the growth in GDP, which has spurred heightened demand for high-quality properties across all segments. Consequently, there has been a gradual escalation in the average rent per square meter and an overall revaluation of properties. Concurrently, capitalization rates have exhibited a downward trajectory over the past five years. This trend is anticipated to persist, due to the expected drop in policy rates, sustained GDP growth, and the attainment of the investment-grade status. Additionally, the company's asset portfolio diversification and expansion into sectors with lower exit yields, such as retail and offices, further contribute to this positive outlook.

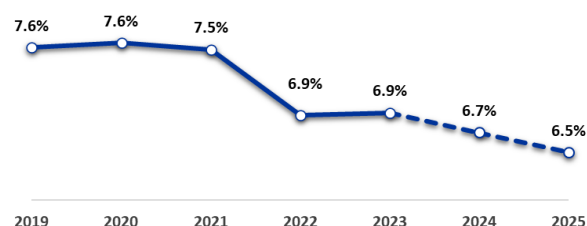
For 2025, we project an operating income from the company's investment properties amounting to approximately €18.7mn. Assuming an average capitalization rate of 6.5%, the market value of the investment properties is estimated to be €288.7mn. Under these assumptions, the company's NAV in 2025 is anticipated to increase to €161.5mn (€3.523 per share). This suggests that the company is trading at an approximate 44% discount.



	2019	2020	2021	2022	2023
CAP RATE (%)					
Offices and Mixed Use	6.5-8	6.25-7.5	6.1-7.75	6-7.65	6-8
Logistics	8.5	8-8.25	7.5-8.25	7.15 - 8.25	7.15 - 8.25
Hotel	7-8.5	7-8.5	7-8.5	7-8.5	6.85-8.1
Retail	6.5-7	6.75-7	6.5-6.75	6.25-6.75	5.75
Special Use	7.5	6.5-7.25	7.25-7.5	7.3	8.0
Land Plots	8-8.25	8-8.25	8.25	7-7.75	
Weighted Average Cap Rate	7.6%	7.6%	7.5%	6.9%	6.9%

Source: Company, Piraeus Securities

Weighted Average Cap Rate Estimates



2025

Property Operating Income (NOI)	18,739
(-) Assumed Cap Rate	6.5%
Market Value of Gross Real Estate Assets	288,691
Cash & Cash-Equivalents	2,784
Accounts Receivable	3,115
Other Assets	25
Total Market Value of Assets	294,615
Market Value of Debt & Other Borrowings	(120,947)
Accounts Payable	(4,152)
Other Liabilities	(1,214)
Noncontrolling Interests (NCI)	(6,829)
Net Asset Value (NAV)	161,473
NAV per Share	3.523 €
Current Share Price	1.97 €
Price discount to NAV	44%

Furthermore, we provide a scenario analysis table for +/- €0.5mn operating income and for +/- 0.5% capitalization rate. Our base scenario, in which net operating income is c. 18.7mn and cap rates are around 6.5%, suggests an intrinsic value of 3.523 per share. In most of the cases the fair price suggested by the below table is higher than the merged entity's adjusted share price using the last observed prices by ICI and BriQ.

		Assumed Cap Rate						
		5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%
2025 NOI	20,739	6.291 €	5.465 €	4.777 €	4.196 €	3.697 €	3.265 €	2.887 €
	20,239	6.072 €	5.266 €	4.595 €	4.027 €	3.541 €	3.119 €	2.750 €
	19,739	5.853 €	5.068 €	4.413 €	3.859 €	3.385 €	2.974 €	2.614 €
	19,239	5.635 €	4.869 €	4.231 €	3.691 €	3.229 €	2.828 €	2.477 €
	18,739	5.416 €	4.670 €	4.049 €	3.523 €	3.073 €	2.682 €	2.341 €
	18,239	5.198 €	4.472 €	3.867 €	3.355 €	2.917 €	2.537 €	2.204 €
	17,739	4.979 €	4.273 €	3.685 €	3.187 €	2.761 €	2.391 €	2.068 €
	17,239	4.761 €	4.074 €	3.503 €	3.019 €	2.605 €	2.245 €	1.931 €
	16,739	4.542 €	3.876 €	3.321 €	2.851 €	2.449 €	2.100 €	1.795 €

Financial Statements: 2022-2028e

	2022a	2023a	2024e	2025e	2026e	2027e	2028e
INCOME STATEMENT (€ 'm)							
Rental Income	8.0	9.1	19.6	21.0	21.9	22.3	22.8
Fair value adjustments of Investment Property	7.5	8.1	9.0	8.5	8.5	8.4	8.4
Direct property related expenses	(0.3)	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Property tax expense (ENFIA)	(0.7)	(0.7)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
Gross Margin	14.5	16.3	26.4	27.3	28.1	28.5	28.9
Adj. Gross Margin	7.0	8.2	17.4	18.7	19.7	20.1	20.5
Employee benefit expense	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Other	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
EBITDA	13.2	15.0	25.0	25.8	26.7	27.1	27.4
Adj. EBITDA	5.7	6.9	16.0	17.3	18.2	18.6	19.1
Depreciation and Amortization	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Interest Expense	(1.0)	(1.4)	(4.8)	(5.6)	(4.5)	(4.2)	(4.1)
EBT	12.3	15.3	20.0	20.1	22.0	22.6	23.2
Corporate Tax	(0.2)	(0.7)	(1.3)	(1.1)	(1.1)	(1.1)	(1.1)
Net Profit	12.1	14.6	18.7	19.0	21.0	21.6	22.1
Attributable to Shareholders	11.1	14.1	18.2	18.5	20.5	21.0	21.6
Minorities	0.9	0.5	0.5	0.5	0.5	0.5	0.5
BALANCE SHEET (€ 'm)							
Investment Property	135.0	147.5	278.3	293.1	301.6	310.0	318.4
Investment in subsidiaries	-	-	-	-	-	-	-
Property Plant and equipment	1.5	1.5	3.1	2.9	2.7	2.5	2.3
Rights of Use	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	-	0.0	0.0	0.0	0.0	0.0	0.0
Trade and other receivables	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Current Assets	137.8	150.4	282.7	297.4	305.7	313.9	322.1
Trade and other receivables	1.0	1.2	1.7	1.8	1.8	1.8	1.9
Derivative financial instruments	-	1.7	-	-	-	-	-
Cash and cash equivalents	3.3	2.8	4.9	2.8	2.5	3.6	5.0
Non Current Assets	4.4	5.7	6.6	4.6	4.3	5.5	6.9
Total Assets	142.2	156.1	289.3	301.9	309.9	319.4	329.0
Borrowings:	32.2	35.2	117.5	117.6	111.6	105.0	102.1
Retirement benefit obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Government grants	-	0.0	0.6	0.6	0.6	0.6	0.6
Lease liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade and other payables	0.9	1.7	1.7	1.7	1.7	1.7	1.7
Non Current Liabilities	33.1	37.0	119.9	120.0	114.0	107.4	104.5
Trade and other payables	1.4	1.4	2.4	2.4	2.5	2.5	2.6
Current tax liabilities	0.1	0.4	0.6	0.6	0.6	0.6	0.6
Lease liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings	2.4	1.8	3.3	3.3	3.3	5.3	3.3
Current Liabilities	3.9	3.7	6.3	6.3	6.4	8.4	6.5
Total Shareholders' Equity	98.2	108.6	156.3	168.8	182.7	196.8	211.1
Non-controlling Interests	6.9	6.8	6.8	6.8	6.8	6.8	6.8

Source: Company, Piraeus Securities



	2022a	2023a	2024e	2025e	2026e	2027e	2028e
CASH FLOW STATEMENT (€ 'm)							
EBT	12.3	15.3	20.0	20.1	22.0	22.6	23.2
Depreciation	0.1	0.1	0.2	0.2	0.2	0.2	0.2
(Increase)/ Decrease of fair value of investment properties	(7.5)	(8.1)	(9.0)	(8.5)	(8.5)	(8.4)	(8.4)
Financial (Income)/ Expense	1.0	1.4	4.8	5.6	4.5	4.2	4.1
Other	0.1	(1.7)	-	-	-	-	-
Change in Working Capital	(1.3)	(1.7)	(6.1)	(6.7)	(5.5)	(5.3)	(5.2)
Cash Flows from Operations	4.7	5.3	9.9	10.6	12.7	13.3	13.9
Purchase of investment property	(1.4)	-	(60.6)	-	-	-	-
Subsequent capital expenditure on investment property	(3.6)	(0.7)	(7.7)	(6.3)	-	-	-
Investment in Subsidiary	-	-	(6.3)	-	-	-	-
Other	(1.9)	(3.5)	-	-	-	-	-
Cash Flows from Investing Activities	(6.9)	(4.2)	(74.6)	(6.3)	-	-	-
Repayment of borrowings	(5.8)	(15.5)	(5.6)	(6.2)	(21.0)	(6.6)	(29.9)
Proceeds short term borrowings	4.9	2.5	-	-	-	2.0	-
Proceeds from bond loan	5.3	15.8	76.6	-	15.0	-	25.0
Proceeds from government loan - grant	-	-	-	6.3	-	-	-
Dividends to shareholders of the company	(2.7)	(3.7)	(3.7)	(6.0)	(6.5)	(7.0)	(7.2)
Dividends to minority shareholders	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Other	(0.0)	(0.3)	-	-	-	-	-
Cash Flows from Financing Activities	1.3	(1.6)	66.8	(6.4)	(13.0)	(12.2)	(12.6)
Change in Cash	(1.0)	(0.5)	2.1	(2.1)	(0.3)	1.2	1.3
Cash Balance	3.3	2.8	4.9	2.8	2.5	3.6	5.0

RATIOS

LTV	25.6%	25.1%	43.4%	41.3%	38.1%	35.6%	33.1%
Net LTV	23.2%	23.2%	41.7%	40.3%	37.3%	34.4%	31.6%
Net Debt / EBITDA	2.35	2.27	4.65	4.57	4.22	3.94	3.66
Net Debt / Equity	0.30	0.30	0.71	0.67	0.59	0.52	0.46
RoA	8.5%	9.4%	6.5%	6.3%	6.8%	6.7%	6.7%
RoE	11.5%	12.7%	11.5%	10.8%	11.1%	10.6%	10.1%
Interest Coverage Ratio	13.7x	8.0x	5.2x	4.6x	5.9x	6.3x	6.7x
DPS (€)	0.08	0.10	0.10	0.13	0.13	0.15	0.15
Dividend Payout (Dividend / FFO)	0.63	0.91	0.95	0.63	0.60	0.55	0.54
Dividend Yield	5.3%	5.3%	5.3%	6.6%	6.8%	7.5%	7.7%
EV/EBITDA	10.3x	9.9x	11.2x	11.4x	11.3x	11.5x	11.6x
EV/Adj. EBITDA	23.7x	21.9x	17.5x	17.0x	16.6x	16.7x	16.7x

Source: Piraeus Securities

Risks

Oversupply of office, retail, and logistics properties in the market could lead to increased competition and downward pressure on rental rates, potentially impacting company revenue and profitability.

Risk of fluctuations in the value of properties, which are reflected in the income statement and balance sheet according to their fair value. A rise in yields would affect the company’s value.


High interest rates make the relatively high dividend yields generated by REITs less attractive when compared with lower-risk, fixed income securities, which reduces their appeal to income-seeking investors.

The timeframe during which the ECB will maintain its policy interest rates at current levels, which are the highest in the last twenty years, exerting upward pressure on the borrowing costs.

Taxation poses a notable risk for the company, where the corporate tax on earnings is tied to market fluctuations, particularly influenced by movements in the EURIBOR rate. This dynamic nature of taxation adds a layer of uncertainty to the company's profitability.

Macro Assumptions

In projecting BriQ’s future performance, we rely on macroeconomic forecasts sourced from Eurostat, ELSTAT, Bank of Greece and Piraeus Bank. Our forecasts indicate a GDP growth rate of c2% for 2024 and 2025, with inflation hovering around 2% for the same period. Moreover, given the impressive growth rates observed in 2023, with residential RE expanding by 13% and commercial RE by 7%, our projections reflect a continuation of this positive trend, albeit at a slightly moderated pace. This adjustment underscores a cautious yet optimistic outlook, acknowledging the sector's recent robust growth while considering potential market dynamics that may influence future performance. It's worth noting that Greece's GDP growth outpaces the EU average twofold, supported by strong foundations for sustainable expansion, including thriving tourism, foreign direct investments, and its investment-grade status. These factors underpin our optimistic outlook for the company's future prospects.

	2023 actual	2024 estimate	2025 estimate
GDP	2%	~2%	~2%
Unemployment	11%	~11%	~10%
Inflation	3%	~2%	~2%
Residential RE	13%	~10%	~8%
Commercial RE	~7%	~6%	~5%

Source: Eurostat, ELSTAT, Bank of Greece, Piraeus Bank



IMPORTANT DISCLOSURES

Piraeus Securities S.A. ("The Firm") is the brokerage division of Piraeus Bank S.A., which does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Piraeus Securities S.A. certifies that the current organizational and administrative structure identifies and prevents conflicts of interest and the dissemination of any kind of information between the departments. The Firm also certifies that it does not relate to any kind of interest or conflict of interest with a) any other legal entity or person that might participate in the preparation of this research report and b) with any other legal entity or person that might not participate in the preparation of this research report but had access to the research report before its publication.

Piraeus Securities seeks to update covered companies on a quarterly basis or else on any material upcoming events.

Piraeus Securities acts as a market maker on the following companies: Alpha Bank, Jumbo, Coca Cola, NBG, Eurobank, Athens Exchanges, Fourlis, OTE, Motor Oil, Mytilineos, OPAP, PPC, Thrace Plastics, Titan, Piraeus Bank, Lamda Development, ADMIE, Helleniq Energy, Ideal, Avax, Terna Energy, Gek-Terna, Ellaktor, Sarantis, Kri-Kri, Interlif, Briq, Alumil.

Piraeus Securities acts as a market maker on the stock futures of the following companies: ADMIE, Aegean, Alpha Bank, Avax, Jumbo, Coca Cola, Ellaktor, Helleniq Energy, NBG, Eurobank, Athens Exchanges, Fourlis, Gek-Terna, OTE, Intrakat, Lamda Development, Motor Oil, Mytilineos, OPAP, Autohellas, PPC, Quest, Terna Energy, Titan, Piraeus Bank, MXGRR

Piraeus Securities acts as a market maker on the following Bonds: CMPB1, GEKTERNAB2, GEKTERNAB3, MOHB1, MYTILB2, PRODEAB1, SBB1, CPTPB1, CPLPB2, INTEKB1, LAMDAB2.

Piraeus Securities acts as a market maker on the following Index Futures: FTSE Large Cap, FDTR, MSCI

ANALYST CERTIFICATION: The analyst identified in this report certifies that his/her views about the company/ies and securities analysed in this report a) accurately reflect his/her personal views and b) do not directly or indirectly relate to any kind of compensation in exchange for specific recommendations or views, and c) did not perform any kind of personal transaction, or any transaction on behalf of the Firm, on the securities analysed prior to the issue of this report.

Piraeus Securities Research Stock Ratings	Coverage Universe		Rating Definitions
	Weighted On Mcap	Un-weighted	
Outperform:	75.5%	79.2%	Total return (*) expected to be greater than 10% compared to the market's return (**) over a 12-month period
Neutral:	14.2%	4.2%	Total return (*) expected to be between -10%/+10% compared to the market's return (**) over a 12-month period
Underperform:	0.0%	0.0%	Total return (*) expected to be below -10% compared to the market's return (**) over a 12-month period
Restricted:	5.7%	4.2%	In certain circumstances that Piraeus Bank S.A. policy or applicable law / regulations preclude certain types of communication and investment recommendations
Under Review:	4.1%	12.5%	Rating/TP may be subject to future revision

(*) Total return = Price appreciation + Dividend
 (**) Market return = Risk free rate + 5% (an approximation of equity risk premium)

Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in rating, or a change in target price. At other times, the expected total returns may fall outside of these ranges because of price movement and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management.

RESEARCH	research@piraeus-sec.gr	
Natasha Roumantzi	nroumantzi@piraeus-sec.gr	+30 210 3354065
Iakovos Kourtesis	kourtesis@piraeus-sec.gr	+30 210 3354083
Vassilis Roumantzis	vroumantzis@piraeus-sec.gr	+30 210 3354057
George Vrekos	vrekosg@piraeus-sec.gr	+30 210 3354067
SALES/ TRADING		
Yorgi Papazisis	PapazisisG@piraeus-sec.gr	+30 210 3354063
Alexandros Malamas	malamasa@piraeus-sec.gr	+30 210 3354041
Konstantinos Nikolaidis	knikolaidis@piraeus-sec.gr	+30 210 3354141
Thanos Ipirotis	ipirotisA@piraeus-sec.gr	+30 210 3354040
Ilias Dionysopoulos	idionysopoulos@piraeus-sec.gr	+30 210 3354042

CAUTION – DISCLAIMER

- This document has been issued by Piraeus Securities S.A. ("The Firm"), a member of the Athens Exchange supervised by the Hellenic Capital Market Commission.
- Piraeus Securities has based this document on information obtained from sources it believes to be reliable, but it has not independently verified all the information presented in this document. Accordingly, no representation or warranty, express or otherwise implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained in this document, or otherwise arising in connection therewith. Expressions of opinion herein are those of the Research Department only, reflect our judgement at this date and are subject to change without notice.
- This document does not constitute or form part of any offer for sale or subscription, or solicitation to buy or subscribe to any securities, nor shall it or any part of it form the basis of, in part or in whole, any contract or commitment whatsoever.
- This document was produced by the Research Department of Piraeus Securities and is for distribution only to persons who (i) have professional experience in matters relating to investments or (ii) are persons falling within Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or to whom it may otherwise lawfully be passed on (all such persons being referred to as "relevant persons"). This report is directed only to relevant persons and must not be acted on or relied on by persons who are no relevant persons. Any investment or investment activity to which this report relates is available to relevant persons and will be engaged in only with relevant persons. This notice will not affect your rights under the Financial Services and Markets Act 2000 or the regulatory system. The opinions and recommendations herein do not take into account individual client circumstances, objectives or needs. This report is addressed to professional investors only and is being supplied to you solely for your information, and may not be reproduced, redistributed or passed on to any other person, or published, in whole or in part, for any purpose without prior written permission of Piraeus Securities S.A. and Piraeus Securities S.A. accepts no liability whatsoever for the actions of third parties in this respect.
- Additional note to our U.S. readers: This document may be distributed in the United States solely to "major US institutional investors" as defined in Rule 15a-6 under the US Securities Exchange Act of 1934. Each person that receives a copy, by acceptance thereof, represents and agrees that he/she will not distribute or otherwise make available this document to any other person.
- The distribution of this document in other jurisdictions may be restricted by law, and persons who come into possession of this document should inform themselves about and observe any such restrictions.