

# TTL Beteiligungs- und Grundbesitz-AG

Diamond shining through – Initiation of coverage

Date: 27/02/2019

Recommendation: Buy

Price target: 6.10 EUR



Bankhaus Lampe

# Contents

CONTENTS	2
TTL BETEILIGUNGS- UND GRUNDBESITZ-AG: DIAMOND SHINING THROUGH	3
COMPANY OVERVIEW	4
FIVE QUESTIONS TO THE ANALYST	5
INVESTMENT CASE	6
FINANCIAL ANALYSIS	12
COMPANY VALUATION	19
COMPANY BACKGROUND	22
KEY FIGURES	32
DISCLAIMER	36
CONTACTS	39

# TTL Beteiligungs- und Grundbesitz-AG

## Diamond shining through – Initiation of coverage

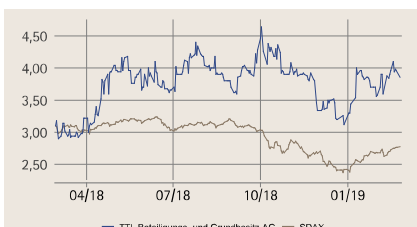
27/02/2019

**Buy** (n.a.)  
**6.10 EUR** (- EUR)

Close 25/02/2019 3.86 EUR  
Bloomberg: TTO GY WKN: 750100  
Sector Real Estate

### Share price performance

52 week high 4.64 EUR  
52 week low 2.90 EUR  
Compared to SDAX  
YTD 9.0%  
1 month 1.5%  
12 months 36.0%



### Share data

EV (m EUR; 2019) 133.2  
Market Cap (m EUR) 81.3  
No. of shares (m) 21.1  
Free float 26.6%

### Next event

AGM 10/05/2019

### Change in model

	Sales	EBIT	EPS
2019e	-	-	-
2020e	-	-	-
2021e	-	-	-

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See end of document for disclaimer.

We initiate coverage of the holding company TTL Beteiligungs- und Grundbesitz-AG (TTL AG) with a BUY rating. It benefits strongly from its indirect stake in GEG German Estate Group GmbH & Co. KG, one of the leading and fastest growing investment and asset management platforms for German commercial real estate. TTL is already paying a dividend and we expect the result attributable to the shareholders to more than double by 2021.

### INVESTMENT CASE

GEG was set up in 2015 as a JV of Deutsche Immobilien Chancen Group (75%) and KKR (25%). It was already profitable in its first year. What we believe is one of the most experienced real estate management teams in Germany has established a strong track record, built up AuM worth € 3 bn in just three years and we consider GEG to be well on track to reaching its target of € 5 bn by 2020. In H2 2018, GEG acquired two landmark buildings in Frankfurt, each worth € 275 m and won Singapore's GIC as a client. The sale of the "Global Tower" took place in Q4 2018, produced significant gains in 2018 and is set to also generate further substantial revenues until completion (expected in 2020). Completion of the "Riverpark Tower & Suites" is on the cards for 2021/22. TTL AG and its subsidiaries are benefiting from an extensive network in the real-estate and financing industry, which is also reflected in the supervisory boards. The 2018 net profit showed a fourfold increase and the company is starting to pay dividends. An increase of another 50% in net profit is on the cards for 2019 and we expect the net profit to double by 2021.

### CATALYSTS

- Expansion of the AuM at GEG (BHL € 500 m in H1 2018)
- Interim results with high double-digit earnings growth

### VALUATION

This fast-growing company is trading at a PER of ~12x (BHL<sub>2020e</sub>) and a dividend yield of about 5% (BHL<sub>2020e</sub>). Our DCF model indicates a price target of € 6.10.

in m EUR	2017	2018	2019e	2020e	2021e
Sales	0.0	0.6	0.6	0.6	0.6
EBIT	-0.4	-1.5	-1.1	-1.2	-1.4
EBIT margin	-3670.0%	-245.1%	-183.3%	-207.5%	-233.3%
Net financial debt	15.1	46.9	42.4	40.4	39.1
Free cash flow	-1.1	-0.6	7.9	7.6	7.4
EPS (in EUR)	0.05	0.19	0.28	0.33	0.38
DPS (in EUR)	0.00	0.12	0.20	0.23	0.26
Dividend yield	0.0%	3.8%	5.2%	6.0%	6.7%
EV/sales	5,908.7	200.4	221.9	220.1	219.9
EV/EBIT	-161.0	-81.7	-121.1	-106.1	-94.2
P/E	56.0	16.4	13.6	11.7	10.2

Source: Company information, Bankhaus Lampe Research estimates

# Company overview

## COMPANY BACKGROUND

TTL Beteiligungs- und Grundbesitz-AG is a holding company holding with stakes in the German property sector. It has a small stake in Deutsche Immobilien Chancen Group and is the leading shareholder in GEG German Estate. GEG is a fast-growing and highly profitable real estate asset management company with AuM worth more than € 3 bn.

## SWOT

### Strengths/Opportunities

- Established management and supervisory board, strong networking partners
- GEG strongly growing and highly profitable
- GEG with excellent track record in development
- AuM expansion associated with higher share of AM fee income
- KKR firepower still to be exploited

### Weaknesses/Threats (Risks)

- Complex corporate structure and dominating shareholder
- Low disclosure on subsidiary level
- Small cap and low free float
- High portfolio concentration on Frankfurt
- Development activities associated with higher risk

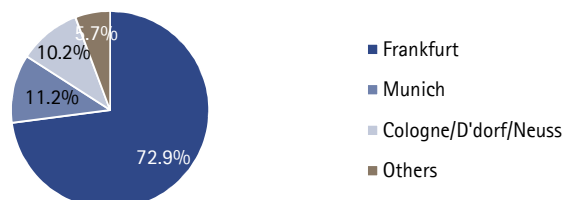
## SHORT-TERM GUIDANCE

- Net profit 2019 to exceed € 6 m
- GEG expecting AuM to grow by € 0.9-1 bn in 2019

## MEDIUM-TERM GUIDANCE

- Medium-term AuM target of € 6 bn for GEG

## ASSETS UNDER MANAGEMENT (FEB. 2019 IN %)



Source: Company information, BHL estimates

# Five questions to the analyst

## 1. Why do you like/dislike the stock?

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We like the strong growth of the AuM and the prudent exploitation of development opportunities at GEG. As it counts GIC and KKR among its clients, there are good chances that other larger foreign investors will choose GEG as their asset manager for German commercial properties.

## 2. Where do you differ from the market view?

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Initiation of coverage, there is virtually no market view on the company.

## 3. Why do you think you have an edge?

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More than 25 years' experience in the German property sector. Familiar with parts of the management and some of the projects due to coverage of DIC Asset, which is part of Deutsche Immobilien Chancen Group

## 4. What is your blue sky scenario?

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Stronger growth in AuM and more profitable development projects: € 500 m more growth in AuM without development needs would increase revenues at GEG by more than € 5 m and lead to an increase of the net profit attributable to shareholders at TTL by about € 1.5 m, which is 25% of our expectation for 2019. A larger project development (like "Global Tower") could easily add more than double that amount over a period of three years. No increase in interest rates would secure a good investment climate for commercial properties. Corporate structure could be simplified.

## 5. What could go wrong?

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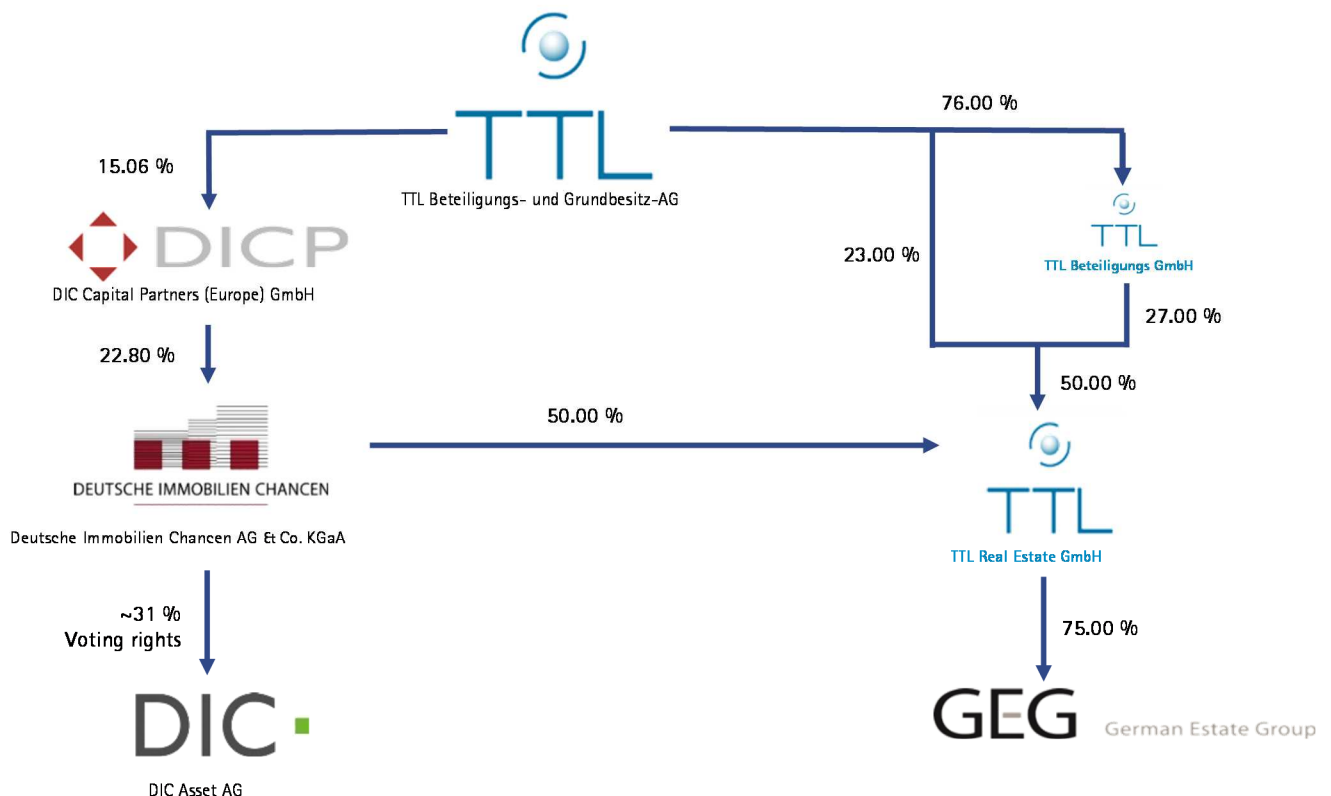
Delays and cost overruns in development projects could destroy value for its clients and in the longer run lead to a reduction in AuM. Strong increase in interest rates could reduce attractiveness of commercial real estate and thus growth in AuM and earnings projections would not be achieved. As there is currently a high exposure to Frankfurt a downturn in the Frankfurt office market could also have a negative impact on the company's prospects.

# Investment Case

TTL Beteiligungs- und Grundbesitz-AG is a holding company that operates in the German commercial property market. It holds direct and indirect stakes in operational investment and asset management companies.

- The most important holding is GEG German Estate Group GmbH & Co. KG, with currently AuM of € 3.2 bn. It is one of the leading and fastest growing investment and asset management platforms for German commercial real estate. TTL AG has the strategic leadership with regard to the business decisions of TTL Real Estate Group. The stake in GEG was responsible for a touch less than 90% of the net profit attributable to the shareholders in 2018. We even expect its importance to grow in future as the stake in GEG was increased in the course of 2018.
- In addition, it indirectly holds a 3.4% stake in Deutsche Immobilien Chancen Group.
- The company's growth path going forward also includes acquisitions with regional and strategic complementarity to the existing investment portfolio as well as participations in attractive real estate projects.
- The corporate structure looks complicated, but it should be borne in mind that the left part (stake in Deutsche Immobilien Chancen Group) is of significantly less importance and that the structure has historically grown and is associated with certain tax benefits.

## Corporate structure



Source: Company information

### Participating in the successful and fast-growing business of GEG

#### GEG: HIGHLY PROFITABLE AND GROWING FAST

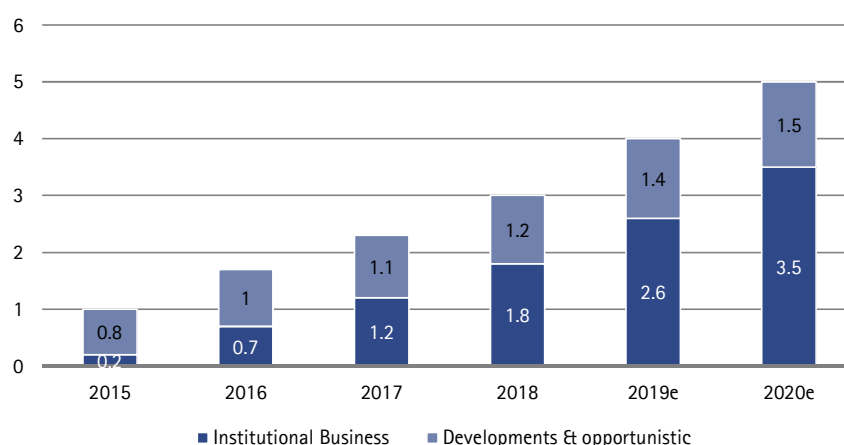
TTL AG's shareholders participate in one of the leading and fastest-growing investment and asset management platforms in the German commercial property market. Taking into account the minorities at TTL Beteiligungs GmbH and the indirect stake via Deutsche Immobilien Chancen Group, TTL economically participates in 33.9% of the success at GEG.

GEG, set up in 2015 as a JV with KKR (25%), was already profitable in its first year of operation. One of the most experienced real estate management teams in Germany has established a strong track record. An AuM of € 3 bn has been built up in just three years, and GEG believes it is well on track to reach the target of € 5 bn by 2020 and the recently issued mid-term target of € 6 bn. In mid-2018 it won Singapore's GIC as a client to build up a remarkable value-added portfolio. The forward sale of the "Global Tower" in Frankfurt has produced significant gains in 2018 and is also likely to generate additional substantial revenues by the time it is completed (expected in 2020). And just before the end of the year, the Eurotheum, another landmark building in the banking district of Frankfurt was acquired for a client.

GEG has already announced the first acquisitions for 2019 and we expect to see AuM additions amounting to about € 500 m early in H2. For the whole year, GEG is expecting to arrive at € 0.9 to € 1 bn.

GEG's business is divided into three segments: Institutional business, opportunistic investments and development. For further details, readers should refer to page 24 onwards.

#### AuM at GEG (€ bn)



Source: Company information, Bankhaus Lampe Research estimates

The graph above not only shows the strong growth of the GEG, it also illustrates that there is an ongoing shift in the business towards the institutional business, while there has been (and we are also forecasting) substantially less growth in the development business.

It is quite important to mention that risks for GEG remain limited, as a large part of the developments are already sold or undertaken for third parties and that GEG itself only takes larger equity stakes in an asset for a warehousing phase.

#### Reaping benefits ...

The GEG business is ever more reliant on its institutional business while it is reaping benefits from opportunistic investments and developments. The AuM graph shows that there is stronger growth in the institutional business. However, margins in the development business are higher and with warehousing activities and club deals significant additional income has been earned.

#### ... while mitigating risks

GEG only bears parts of the development risk. GEG only does project steering and is not involved in the construction work. A part of the development is done for third parties and partly for assets already transferred to the owners of a fund or equity investors. Construction is often only started once there are significant pre-lettings and/or forward sales. Equity stakes are already sold in the development phase. In the case of the "Global Tower", the sale of a first equity stake took place in Q4 2018 and a second tranche is scheduled to follow in 2020 with the completion of the project. At the "Riverpark Tower", the development has been brought into a JV with a German pension fund, cutting GEG's own stake to 10%, while a more favourable earnings distribution remains in place. Typically, in the case of initially warehousing a development asset the stake is sold down by completion to a maximum of 10%, and on average it is even less than 5%.

From the current assets the "WINX Tower" is developed on behalf of Deutsche Immobilien Chancen Group, "Triforum" for institutional clients, "Junges Quartier Obersendling" for the Infrastructure Fund and "Pasing Central" from Opportunistic Investments for KKR. More risk is being taken on board in the "Riverpark Tower" with a 10% equity stake, and the "Global Tower" even was fully owned by GEG until September 2018.

Prominent examples for the institutional business are "Business Campus am Park" in Düsseldorf, "IBC Campus", "Japan Center" and "Eurotheum" in Frankfurt as well as "Sapporobogen" in Munich.

We like GEG's business, which is characterised by the following five items:

##### 1. Diversified revenue mix

GEG's revenue stream is already quite diversified. It ranges from asset management and property management fees to development service fees, from dividend income from its co-investment stakes to transaction fees for the acquisition of properties and set-up fees for funds or club deals as well as gains on the sale of equity stakes and in the future also sales fees and promote fees. In the case of warehousing properties with tenants, rental income also could be part of the revenue mix.

As many assets were still in the development phase, revenues from asset and property management fees are comparatively low, but in our view there are very strong growth perspectives here. GEG has DIC Onsite as a service provider for property management services (it is currently the only property management provider, but GEG is free to choose on the market) and therefore keeps only a margin of the property management fee income.



Very important are fees from development services, which are based on the construction volume. Due to the set-up of the club deals for the "IBC Campus" and the "Global Tower" there were, comparatively strong earnings contributions from gains on equity stakes, set-up fees and the sale of equity stakes in developments for 2017 and 2018.

## **2. Unique advantage from development**

Exploiting the access to (re-)development assets and its development expertise, GEG is partly building up its own AuM. Many of its current assets under management were acquired when they needed refurbishment (e.g. "Global Tower", "Triforum", "Börsencenter"). The original acquisition price is therefore comparatively low. GEG then earns fees from delivering the development, where it can build on its track record. In the end, it has created a core product with a significantly higher value, as the basis for asset and property management fees. With equity stakes, in the warehousing phase with sales gains or via set-up fees GEG strongly participates also directly in the value creation.

## **3. Long-standing experience**

Six of the nine members of the senior management at GEG have already worked in the development department of Deutsche Immobilien Chancen Group. The team has built up a remarkable track record in the industry. GEG CEO Ulrich Höller was CEO of DIC Asset AG until 2015; he was also CEO of Deutsche Immobilien Chancen Group. The new CFO Dr Thomas Hartmann has about ten years of experience in the real estate industry (CFO GBW Group and Argoneo). The CFO of TTL AG, Thomas Grimm, has been the CFO at GEG previously and has also been a member of the management board at Deutsche Immobilien Chancen Group since 2013. Irrespective of the fact that currently only one project is realised together with KKR-funds, having such a partner on the supervisory board and in the investment committee is very useful to gain access to large institutional investors abroad, in our view.

## **4. Potential in partnership with KKR**

The "Pasing Central" (part of the opportunistic investments, investment volume approx. € 80 m) is the only asset bought with equity provided by KKR funds. In the current market conditions, it is difficult to find assets that fulfil the high return expectations of the private equity group. In a softer market environment, the business contribution from the exclusive partnership with KKR in the German commercial property market might increase substantially.

## **5. Very good track record**

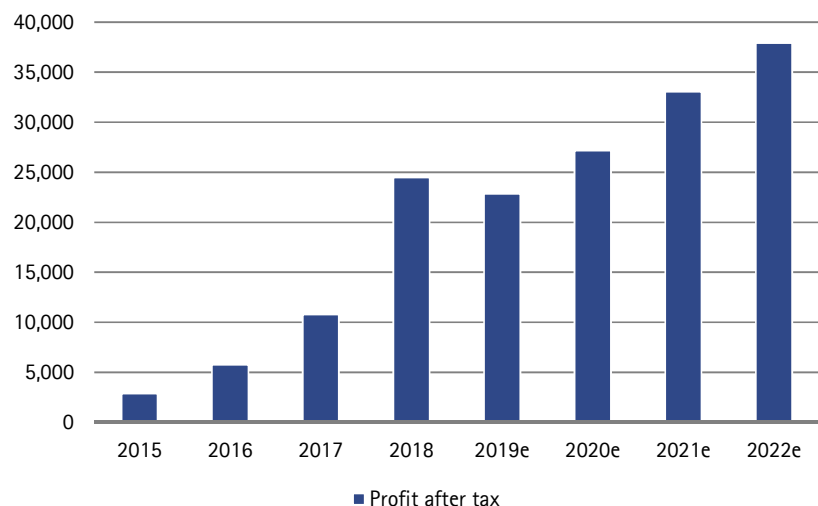
GEG sees its follow-through on transactions and their successful closings as a competitive advantage with its business partners: In a substantial number of cases GEG successfully acquired properties in off-market transactions. In the past there was only one case in which GEG abandoned a transaction after signing a letter of intent, due to a negative outcome of the due diligence. The fast execution and capability to handle more difficult transactions was probably the decisive factor that helped GEG to close the "Garden Tower" deal. GEG had been previously beaten in the sales process on price, but the winner was not able to deliver on time. The seller consequently returned to GEG for a fast closing.

### Strong earnings growth and high ROE at GEG

#### Leading to strong earnings growth and high ROE

GEG has virtually doubled its net profit both in 2016 and 2017. Thanks to the Global Tower deal there was even more than 125% growth in 2018. The AuM has now reached € 3 bn. The acquisition of two properties worth € 140 m was announced recently and the company is aiming to expand its AuM by € 0.9–1.0 bn this year. GEG is aiming to break the € 5 bn mark by 2020 and has issued a new medium-term target of € 6 bn. Due to this and the current development pipeline, we expect the net profit to more than triple between 2017 and 2021. While ROE has already increased by almost 50%, we expect GEG to reach more than 65% by 2021. This is because we expect equity at GEG will be more or less stable (increase in 2018 due to timing differences between IFRS and German GAAP, adjusted for this ROE 2021 should exceed 80%) and virtually the entire profit should be distributed to TTL Real Estate GmbH and KKR.

GEG: Expecting strong growth in net profit (€ '000)



Source: Company information, Bankhaus Lampe Research estimates

### Extensive network of leading experts

#### WELL CONNECTED

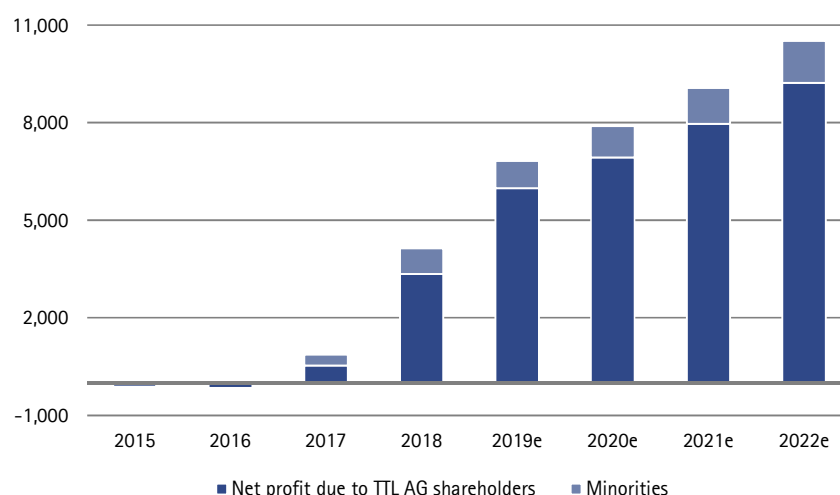
The core strength of TTL AG and its associated companies is an extensive network of leading experts. Prof Dr Gerhard Schmidt is the Chairman of the supervisory boards of TTL AG, GEG AG and DIC Asset AG. The network in the real estate market includes financing partners (esp. KKR and RAG-Stiftung, which has also a stake in DIC Asset). Deutsche Immobilien Chancen is strongly connected to a number of German mid-sized insurance companies and pension funds. The management team of TTL AG has an extensive background and CFO Thomas Grimm is also member of the management of Deutsche Immobilien Chancen Group and was previously the CFO at GEG. Ulrich Höller is a top class manager with a strong history in development at the helm of GEG. The members of the supervisory boards of TTL AG and GEG are well connected in the real estate or financing industry (pbb, Helaba) and include senior management from KKR and RAG Stiftung. Overall, we believe the company is well connected and can become aware of investment opportunities at an early stage.

A little bit more sourced from rental income

#### TTL AG: A LITTLE BIT MORE DIVERSIFICATION

At TTL AG, the income from GEG is diversified with the income from the stake in Deutsche Immobilien Chancen Group. This is participating from a stake in DIC Asset AG. For the most part, this is ultimately sourced from rental income from commercial properties. In addition, we think further diversification of the revenue stream is possible should the company find additional investment opportunities.

#### TTL AG: Expecting high growth in net profit (€ '000)



Source: Company information, Bankhaus Lampe Research estimates

Profit attributable to shareholders expected to multiply

TTL AG is benefiting from the dynamic development of its most important asset. In 2018, the profit attributable to the shareholders increased more than fivefold. As the stake in GEG increased in the course of last year, we expect to see an increase of nearly 80% in the current year. For 2022 we are forecast the profit attributable to the shareholders will exceed € 9 m, which would make it nearly three times larger than in 2018. The company is already paying a dividend of € 0.12 for 2018 and we expect the dividend to increase strongly and reach € 0.31 for 2022.

# Financial Analysis

TTL AG's most important asset is the indirect stake in GEG German Estate Group. We therefore start our financial analysis with the financials of this subsidiary, which we consider to be the diamond at the third level that is shining through to TTL AG.

## Spin-off from Deutsche Immobilien Chancen Group

### LEVEL 3: GEG GERMAN ESTATE GROUP AG

GEG German Estate Group was founded in 2015 as the spin-off of the development activities of Deutsche Immobilien Chancen Group and started with some projects ("MainTor", "Opera Offices") for Deutsche Immobilien Chancen Group. KKR took a 25% stake and chose GEG as exclusive partner for commercial real estate investments in Germany.

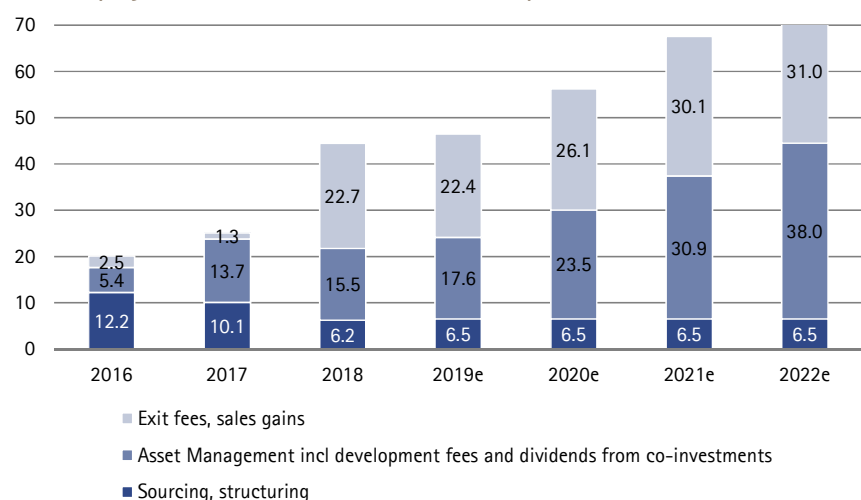
## Doubling revenues 2015-17

GEG achieved strong growth and nearly doubled its revenues from 2015 to 2017 by raising capital mainly from German institutional investors. As GEG was able to leverage the platform, costs increased to a lesser extent. The net profit therefore increased roughly fourfold to € 10.8 m.

## Global Tower boosting 2018 results

The net profit more than doubled again in 2018. The company recorded a significant gain from the sale of a first stake in the "Global Tower" development project. The growing AuM base had a positive impact on AM fees and the two landmark building deals on transaction fee income.

Revenue projection for GEG German Estate Group (€ m)



Source: Company information, Bankhaus Lampe Research estimates

For 2019, we are not anticipating a deal similar to the "Global Tower" transaction, but the progress in construction will be reflected in the P&L via percentage of completion. In total, we do not expect the lower revenue from the "Global Tower" to be fully offset by higher fees from the growing AuM base or higher activity in developments. However, the picture looks a little bit different if we refer to adjusted revenues: Part of the interest burden and other project related costs were charged

to the client and therefore there was a corresponding positive impact in the revenue line 2018.

#### Operational leverage

Although we expect GEG to react with higher personnel costs on the increasing development activities, there will be a certain operational leverage from the growing AuM. Development capacities will be freed up with the completion of the "WINX Tower" versus the end of 2019.

#### Final contribution from Global Tower in 2020

For 2020 we expect the "Global Tower" to kick in again. We expect the refurbishment to be completed and therefore another substantial part of the value creation from this project to add to the top line. All in all, we expect the profit after tax to increase by a touch less than 20%.

#### GEG German Estate Group: P&L projection (IFRS)

€ '000	2015	2016	2017	2018	2019e	2020e	2021e	2022e
Revenues	10,212	8,107	14,678	17,699	24,124	30,034	37,392	44,497
Other operating income	2,656	10,863	10,510	35,059	22,350	26,120	30,140	31,000
Personnel expenditure	-5,331	-6,516	-7,480	-9,881	-11,700	-14,200	-15,500	-17,000
Other operating expenses	-3,026	-3,843	-5,307	-12,531	-8,000	-8,500	-11,200	-11,200
EBITDA	4,511	8,611	12,401	30,346	26,774	33,454	40,832	47,297
Amortization and depreciation	-1,065	-1,180	-1,355	-583	-370	-440	-510	-580
Interest result	1	-72	-82	-3,278	-750	-850	-950	-1,050
Income taxes	-595	-1,608	-189	-2,009	-2,822	-5,021	-6,322	-7,758
Profit after tax	2,852	5,751	10,775	24,476	22,832	27,144	33,051	37,909

Source: Company information, Bankhaus Lampe Research estimates

#### "Riverpark" to come on line in 2021/22

For 2021/22 the completion of the "Riverpark Tower" is on the cards. We expect a slight increase in sales gains or promote fees compared to the prior year. Other operating expenses are likely to be impacted by the more expensive marketing for selling individual apartments and we also expect additional projects to start. The increase in fee income based on the AuM should continue to grow strongly and therefore we forecast a net profit increase by a touch more than 20% for 2021 and another increase of about 15% for 2022.

#### Equity stakes in co-investments and developments

##### Lean balance sheet

GEG runs a lean balance sheet. Its investment risk is limited to its own equity investments and some other assets. GEG only holds stakes of up to 5% (only in one case 10%) in some of the club deal investments it has done. In addition, it holds stakes in some development projects (often with disproportionate profit distribution agreements in GEG's favour). The goodwill in GEG stems from its foundation as the operating development business had been brought in by Deutsche Immobilien Chancen Group into the JV with KKR.

### Virtually full pay-out

We expect the equity base of GEG to remain more or less stable as we expect (as in the past) the profit to be paid out to its shareholders. In 2018, the equity increased due to timing differences between IFRS and German GAAP as only the German GAAP profit was distributed. GEG only pays trade taxes, while income tax is paid at the shareholder level (TTL Real Estate GmbH and KKR).

### GEG German Estate Group: Balance sheet projection (IFRS)

€ '000	2015	2016	2017	2018	2019e	2020e	2021e	2021e
Intangible assets incl. Goodwill	14,005	13,051	12,119	12,234	12,234	12,234	12,234	12,234
Properties, plant and equipment	500	1,360	1,600	1,363	1,800	1,900	1,950	2,000
Equity investments	9,855	28,210	37,436	14,177	30,000	34,000	38,000	42,000
Other assets	5,680	7,007	9,241	27,610	10,200	10,700	11,200	11,700
Cash and cash equivalents	16,684	4,441	5,585	37,048	41,210	27,933	17,414	11,753
<b>Total assets</b>	<b>46,724</b>	<b>54,069</b>	<b>65,981</b>	<b>92,432</b>	<b>95,444</b>	<b>86,767</b>	<b>80,798</b>	<b>79,687</b>
Shareholders equity	40,070	40,240	40,434	49,036	49,216	49,396	49,576	49,756
Minority interests	0	2	2	0	0	0	0	0
<b>Total equity</b>	<b>40,070</b>	<b>40,242</b>	<b>40,436</b>	<b>49,036</b>	<b>49,216</b>	<b>49,396</b>	<b>49,576</b>	<b>49,756</b>
Bank liabilities	0	2,000	8,100	8,550	8,550	8,550	8,550	8,550
Other liabilities and provisions	6,654	11,827	17,445	34,846	37,678	28,821	22,672	21,381
<b>Total liabilities</b>	<b>6,654</b>	<b>13,827</b>	<b>25,545</b>	<b>43,396</b>	<b>46,228</b>	<b>37,371</b>	<b>31,222</b>	<b>29,931</b>
<b>Total equity and liabilities</b>	<b>46,724</b>	<b>54,069</b>	<b>65,981</b>	<b>92,432</b>	<b>95,444</b>	<b>86,767</b>	<b>80,798</b>	<b>79,687</b>

Source: Company information, Bankhaus Lampe Research estimates

### Not much bank financing, but some mezzanine from the group

Liabilities are limited to a small amount of bank liabilities, but there is more mezzanine financing provided by TTL Real Estate GmbH or members of the Deutsche Immobilien Chancen Group.

### LEVEL 2: TTL REAL ESTATE GMBH

TTL Real Estate GmbH holds 75% in GEG German Estate Group and therefore receives 75% of its net profit booked at equity. In addition, TTL Real Estate GmbH had a positive interest result since it received preferred share equity from RAG Stiftung and Deutsche Bundesstiftung Umwelt worth € 60 m. Its profit after tax (but before preferred dividend) therefore even increased almost sixfold from € 1.6 m in 2015 to € 10.1 m in 2017. In 2018, the picture changed as the owners of TTL Real Estate GmbH provided a silent partnership, transforming a part of their profit participation into interest income. Consequently, the profit before tax fell back by about a third. We expect the profit before tax and preferred dividend distribution to increase more than threefold between 2018 and 2022.

The main contributor to the strong profit growth is the 75% share of profits from GEG. We are expecting TTL Real Estate GmbH to arrive also at a positive interest result (before participation of preferred shares) despite the interest burden from the silent partnership. From 2021 onwards, we have to factor in a higher dividend for the preference shares as the fixed dividend will increase by 200 bp to 8% from 01/01/2021 for contractual reasons.

## TTL Real Estate GmbH: P&amp;L projection (German GAAP)

€ '000	2015	2016	2017	2018	2019e	2020e	2021e	2022e
Other operating income and expenses	-14	-322	1,879	346	-800	-800	-800	-800
Profit from related companies	2,198	5,184	7,932	11,906	17,124	20,358	24,788	28,431
Interest result	-248	1,515	2,995	-4,084	400	400	400	400
Profit before tax	1,936	6,377	12,806	8,168	16,724	19,958	24,388	28,031
Taxes	-304	-1,313	-2,754	-2,229	-3,596	-4,081	-4,745	-5,292
Profit after tax	1,632	5,064	10,052	5,939	13,128	15,877	19,643	22,740
of which attributable to preference share:	0	1,800	3,600	3,600	3,600	3,600	4,800	4,800
of which attributable to ordinary shares	1,632	3,264	6,452	2,339	9,528	12,277	14,843	17,940

Source: Company information, Bankhaus Lampe Research estimates

## Balance sheet dominated by stake in GEG AG

TTL Real Estate GmbH's most important asset is the stake in GEG AG, booked as shares in related parties, which we expect to stay at about € 30 m. In 2016, this item also contained an equity stake in the "IBC Campus". We assume receivables from related parties (boosted in 2018 due to the silent partnership creating more receivables) will also remain at about the same level.

## TTL Real Estate GmbH: Balance sheet projection (German GAAP)

€ '000	2015	2016	2017	2018e	2019e	2020e	2021e	2021e
Shares in related parties	30,092	40,136	30,242	30,241	30,135	30,270	30,405	30,540
Receivables from related parties	2,224	45,695	72,003	110,026	111,627	113,769	118,477	116,281
Other assets	9	1,016	0	0	0	0	0	0
Cash and cash equivalents	11	10,434	3,277	2,738	2,738	2,738	2,738	2,738
Total assets	32,336	97,281	105,522	143,005	144,500	146,777	151,620	149,559
Ordinary share capital	1,000	2,000	2,450	2,475	2,475	2,475	2,475	2,475
Preference shares	0	1,000	2,000	2,000	2,000	2,000	2,000	2,000
Reserves and retained earnings	30,670	92,149	95,751	134,830	134,358	136,635	141,478	139,418
Total equity	31,670	95,149	100,201	139,305	138,833	141,110	145,953	143,892
Other liabilities and provisions	666	2,132	5,321	5,667	5,667	5,667	5,667	5,667
Total equity and liabilities	32,336	97,281	105,522	144,972	144,500	146,777	151,620	149,559

Source: Company information, Bankhaus Lampe Research estimates

## Preference shares with a fixed dividend

Equity at TTL Real Estate GmbH has been strengthened by preference share capital provided by the two foundations RAG Stiftung (2016) and Deutsche Bundesstiftung Umwelt (interest payment starting 2017). The capital injections (€ 30 m each) have a fixed preferred dividend of currently 6% and 8% as of 01/01/2021. In 2018, the reserves and retained earnings were boosted by the silent partnership.

## LEVEL 1: TTL BETEILIGUNGS- UND GRUNDBESITZ-AG

## Reanimation

TTL AG existed as a shell company until Prof Dr Schmidt breathed fresh life into the company by injecting new capital and stakes in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) and DIC Capital Partners (Europe) GmbH. The reported figures for 2015 and 2016 are therefore virtually meaningless for an analysis of the company. The stakes in the interim holding companies have been increased over the course of 2017 and 2018; TTL AG was assigned the strategic leadership for TTL Real Estate GmbH and Prof Dr Schmidt became chairman of the supervisory board.

## 2018: Not yet the full impact

As TTL AG did not have the 50% stake in TTL Real Estate GmbH (TTL Beteiligungs GmbH fully consolidated and minorities therefore reflected in minorities of TTL AG Group) for the full period, it arrived at a participation from this stake of only € 6.9 m. This was split into € 4.5 m of interest income from the silent partnership and € 2.4 m of at equity profit share. In the years thereafter, the full 50% share (after distribution of preferred dividends) is also split into interest income from the silent partnership and the profit booked at equity. We expect the interest income to remain stable at € 4.65 m. Increasing profitability of the indirect stake in GEG is therefore reflected in a rising at-equity profit share.

Revenues of € 0.6 m are due to service agreements within the TTL Real Estate GmbH and DIC Capital Partners (Europe) GmbH. Personnel costs and other operating expenses totalled € 2.1 m in 2018, but contained also a € 0.5 m charge from the attempt for a larger capital increase. The € 350,000 income from investments is the dividend received from the stake in Deutsche Immobilien Chancen Group. Interest and other expenses came to almost € 1 m. The taxes booked at TTL AG are due to the interest from the silent participation. Taxes for the remaining profit were paid at subordinated levels in the corporate structure. All in all, the net profit came to € 4.1 m, of which € 0.8 m was attributable to minority shareholders (TTL Beteiligungs GmbH). The company proposed a dividend of € 0.12, which reflects a dividend yield of about 3% and also has to be regarded in combination with the company's prospects for growth, in our view.

## TTL AG: P&L projection (IFRS)

€ '000	2015	2016	2017	2018	2019e	2020e	2021e	2022e
Revenues	0	0	10	605	600	600	600	600
Other operating income	5	28	62	67	0	0	0	0
Personell expenses	0	0	-124	-1,147	-1,200	-1,320	-1,450	-1,580
Depreciations	0	0	-1	-3	-1	-1	-1	-1
Other operating expenses	-133	-188	-315	-1,008	-500	-525	-550	-575
Result of operating activity	-128	-160	-368	-1,486	-1,101	-1,246	-1,401	-1,556
Income from investments	0	0	300	350	450	500	550	600
Profit share from companies accounted at equity	0	0	911	2,393	4,764	6,138	7,421	8,970
Other interest and similar income	0	1	266	4,479	4,650	4,650	4,650	4,650
Interest and other expenses	0	0	-250	-984	-1,300	-1,300	-1,300	-1,300
Financial result	0	1	1,227	6,238	8,564	9,988	11,321	12,920
EBT	-128	-159	859	4,752	7,463	8,742	9,920	11,364
Taxes	0	0	0	-617	-650	-850	-850	-850
Net income	-128	-159	860	4,135	6,813	7,892	9,070	10,514
Net profit due to TTL AG shareholders	-128	-159	525	3,340	5,986	6,931	7,963	9,225
Minorities	0	0	335	795	827	961	1,108	1,289
No. of shares EOP m	6.6	6.6	14.1	21.1	21.1	21.1	21.1	21.1
No. of shares average m	6.6	6.6	11.5	17.6	21.1	21.1	21.1	21.1
EPS	-0.02	-0.02	0.05	0.19	0.28	0.33	0.38	0.44
Dividend per share				0.12	0.2	0.23	0.26	0.31

Source: Company information, Bankhaus Lampe Research estimates

## 2019: Benefiting from the higher stake for the full period

For 2019, we expect a higher contribution from the stake in TTL Real Estate (split into € 4.65 m interest income and a slightly higher amount booked as profit from companies accounted at equity). We are expecting an increase in the total benefit due to the higher stake in the company delivering for the full year. In addition, we anticipate an increased profit distribution from the stake in Deutsche Immobilien Chancen Group (also benefiting from the higher dividend of DIC Asset).



More than € 6 m net profit  
expected for 2019

We forecast a slight reduction in operating costs as the extraordinary burden of about € 0.5 m should not reoccur. But we do anticipate slightly higher interest costs. Overall, we expect the net profit to increase by more than 60% to € 6.8 m. The company is guiding for the net profit to exceed the € 6 m mark. We expect the profit attributable to the shareholders to increase even by 80% to nearly € 6 m and we expect the DPS to be raised by two thirds to € 0.20.

DPS expected to be 2.5 times  
higher for 2022

We are expecting the increasing profits of GEG (finalisation of Global Tower, Riverpark Tower and there should also be other projects) only slightly mitigated by the increasing interest on the preferred capital in the year 2021 to lead to further strong increases in net profit, attributable profit and dividends. By 2022, we expect the attributable net profit to be almost three times higher than in 2018. The EPS should have more than doubled and the DPS should be more than two and a half times higher than in 2018.

#### Balance sheet dominated by stake in TTL Real Estate GmbH

Analysis of the balance sheets before 2017 is of limited value as the build-up of the current business only started in late-2016. The number of shares increased from € 6.55 m to € 17.6 m by H1 2018. Shareholders' equity increased virtually only due to the capital injections from € -0.128 m to € 36.7 m as of 30/06/2018. In the course of Q3, an additional 3.475 million shares emerged from the conversion of the convertible bond issued in 2017, adding another € 8.3 m to the equity and the total number of shares reached 21.1 m. Minorities represent the minority shareholders' stake of 24% in TTL Beteiligungs GmbH, which holds a 27.02% stake in TTL Real Estate GmbH.

The company's main asset is the equity stake in TTL Real Estate GmbH, which rose from about € 40 m in late-2017 to nearly € 80 m as of 31/12/2018. Most of this increase is due to increasing the stake in the company. The silent participation in TTL Real Estate GmbH is booked as loans to related parties. Other equity investments represent the stake in DIC Capital Partners (Europe) GmbH. Together with the bulk of other financial assets, which represents the interest from the silent participation not yet paid out more than 90% of the assets are related to the company's main asset.

Equity including minorities amounts to € 55 m and therefore the equity ratio is a touch above 50%. At TTL AG, there is currently no bank debt, virtually all debt liabilities are provided from members of the Deutsche Immobilien Chancen Group, the long-term loan from the TTL Real Estate Mezzanine GmbH.

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## TTL AG: Balance sheet projection (IFRS)

€ '000	2015	2016	2017	2018e	2019e	2020e	2021e	2021e
Property, plant and equipment	0	0	5	5	5	5	5	0
Financial assets accounted at equity	0	0	40,346	78,119	77,883	79,022	81,443	80,413
Other equity investments	0	4,879	5,850	5,971	6,420	6,919	7,468	8,067
Loans to related parties				15,350	15,350	15,350	15,350	15,350
Non-current assets	0	4,879	46,201	99,445	99,658	101,296	104,266	103,830
Other financial assets	0	1	248	4,532	4,532	4,532	4,532	4,532
Income tax claims	7	4	42	33	33	33	33	33
Other assets	1	0	32	10	10	10	10	10
Cash and cash equivalents	13	20	619	2,288	6,774	8,814	10,067	15,538
Current Assets	21	25	941	6,863	11,349	13,389	14,642	20,113
Total Assets	21	4,904	47,142	106,308	111,007	114,685	118,908	123,943
TTL AG shareholder equity	-128	4,719	23,255	46,831	50,703	53,420	56,535	60,281
Non-controlling interests	0	0	7,800	8,595	9,422	10,383	11,491	12,780
Equity	-128	4,719	31,055	55,426	60,125	63,803	68,026	73,061
Convertible bond	0	0	8,053	0	0	0	0	0
Long-term loans payable	0	0	343	43,195	43,195	43,195	43,195	43,195
Other	25	0	0	48	48	48	48	48
Non-current liabilities	25	0	8,396	43,243	43,243	43,243	43,243	43,243
Other provisions	70	85	267	617	617	617	617	617
Trade accounts payable	2	98	76	341	341	341	341	341
Short-term loans payable	0	0	7,330	5,973	5,973	5,973	5,973	5,973
Other liabilities	52	2	19	708	708	708	708	708
Current liabilities	124	185	7,691	7,639	7,639	7,639	7,639	7,639
Total equity and liabilities	21	4,904	47,142	106,308	111,007	114,685	118,908	123,943

Source: Company information, Bankhaus Lampe Research estimates

In our model we assume a slight expansion of the balance sheet, only driven by retained earnings. The increasing cash could be used for even higher dividends or lead to investments creating additional sources of revenues for the company.

## High equity ratios down to GEG

All in all for 2020, we anticipate a solid equity ratio of about 55% at TTL AG, of more than 90% at the level of TTL Real Estate GmbH (including the silent participation) and also a solid level of about 55% at GEG German Estate Group AG. Also at the latter most of the debt is from related parties and bank lending amounts to just 10% of its total equity and liabilities.

# Company valuation

## Target price determined by DCF

We determine our target price of € 6.10 with a DCF model as it reflects the growth potential of the company correctly, in our view. As the upside potential to our target clearly exceeds 10%, we assign TTL a BUY rating.

## DCF VALUATION

We have used the following assumptions for our DCF model:

- A market premium of 7% as currently predicted by our equity strategist
- A beta of 1.3. We believe this is a fair approximation of the additional risk as TTL AG is much smaller, has virtually no stock market history and a low liquidity in the share and is listed in the General Standard
- A growth rate of 5.7% for the years 2022 through 2026, consisting of our estimate for 2022 and 3.5% for the EBIT in the years 2022 through 2026
- A growth rate of 1% for the Terminal Value following 2025
- As TTL AG is a non-operating holding we have applied a 20% holding discount on the DCF fair value

TTL	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	Terminal Value
<b>DCF model (€ m)</b>									
EBIT reported	-1.1	-1.2	-1.4	-1.6	-1.6	-1.7	-1.7	-1.8	-1.8
EBIT holdings & others	9.9	11.3	12.6	14.2	14.7	15.2	15.8	16.3	16.5
EBIT	8.8	10.0	11.2	12.7	13.1	13.6	14.0	14.5	14.7
Taxes	-0.9	-1.0	-1.1	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5
<b>NOPAT</b>	<b>7.9</b>	<b>9.0</b>	<b>10.1</b>	<b>11.4</b>	<b>11.8</b>	<b>12.2</b>	<b>12.6</b>	<b>13.1</b>	<b>13.2</b>
+ Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+/- Change in working capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+/- Other cash items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cashflow</b>	<b>7.9</b>	<b>9.0</b>	<b>10.1</b>	<b>11.4</b>	<b>11.8</b>	<b>12.2</b>	<b>12.6</b>	<b>13.1</b>	<b>13.2</b>
Discounting period in years	0.8	1.8	2.8	3.8	4.8	5.9	6.9	7.9	8.9
<b>WACC</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>
<b>Present value</b>	<b>7.4</b>	<b>7.9</b>	<b>8.2</b>	<b>8.6</b>	<b>8.3</b>	<b>8.0</b>	<b>7.7</b>	<b>7.4</b>	<b>106.9</b>

## Calculation of fair value

Sum of all present values	170
thereof Terminal Value	63%
<b>+ Operating Segment Financial Assets</b>	<b>0.0</b>
- Minorities	-9.4
- Pension provisions	0.0
- Net financial debt (cash) of operations	1.6
<b>Fair operating value</b>	<b>162.6</b>
Bookvalue non-operating assets	0
<b>Equity Value</b>	<b>163</b>
Holding discount	20%
<b>Fair equity value</b>	<b>130</b>
No. of shares [in mio.]	21.1

## WACC model

Risk-free rate	1.0%
Equity risk premium	7.0%
<b>Beta</b>	<b>1.3</b>
Expected return on investment	10.1%
Cost of debt	3.0%
Tax rate	10.0%
Cost of debt after taxes	2.70%

Fair value per share [in €]

6.10

Source: Company information, Bankhaus Lampe Research estimates

## Sensitivity of fair value

	TV growth				
	0.0%	0.5%	1.0%	1.5%	2.0%
Beta 0.9	7.6	8.1	8.8	9.6	10.7
1.1	6.4	6.8	7.2	7.8	8.4
1.3	5.5	5.8	6.1	6.5	6.9
1.5	4.9	5.1	5.3	5.5	5.8
1.7	4.3	4.5	4.6	4.8	5.0

Source: Company information, Bankhaus Lampe Research estimates

## Model assumptions

Short-term CAGR (first 3 years)	19.7%
Medium-term CAGR (next 5 years)	5.3%
Terminal value growth (ad infinity)	1.0%
Terminal value EBIT margin	n.a.

## PEER-GROUP VALUATION

## International peers

We have chosen a peer group consisting of ten companies with asset management or development services in the real estate sector:

- Patrizia Immobilien AG
- Corestate Capital SA
- Tikehau Capital SCA
- Partners Group Holding AG
- Kenedix Inc.
- CBRE Group Inc.
- Jones Lang LaSalle Inc.
- Blackstone Group L.P.
- BlackRock Inc.
- Schroders PLC
- Instone Real Estate Group AG

We consider Germany's Patrizia Immobilien as well as Corestate Capital to be the closest peers, since they are both active in the same market as GEG. However, there remain large differences: Both Patrizia and Corestate are less focused on German commercial properties, and concentrate more on residential properties, other assets (esp. Corestate with its mezzanine funds). Moreover, assets abroad (especially at Patrizia) represent a large share of their AuM. In addition, their organic AuM growth is much lower and their balance sheets contain both a large amount of goodwill.

## Peer group analysis (prices as of close 25/02/2018)

TTL AG	Price [in €]	PER 2019e	PER 2020e	PBR 2019e	PBR 2020e
Peer group analysis					
Tikehau Capital SCA	20.40	13.1	10.7	0.9	0.9
PATRIZIA Immobilien AG	19.62	18.5	17.4	1.5	1.4
Partners Group Holding AG	631.76	23.1	21.0	7.8	7.0
Kenedix, Inc.	4.32	11.3	10.7	1.2	1.1
Instone Real Estate Group AG	19.00	9.2	6.2	3.1	2.3
Blackstone Group L.P.	29.87	12.7	10.7	3.5	2.7
BlackRock, Inc.	386.81	16.7	15.0	2.1	1.9
Schroders PLC	31.70	13.3	12.5	2.0	1.8
Jones Lang LaSalle Incorporated	145.94	14.5	13.4	1.8	1.7
CORESTATE Capital Holding SA	30.40	5.3	4.9	1.0	0.9
CBRE Group, Inc. Class A	44.48	14.7	13.7	2.9	2.6
Peer Group median		13.3	12.5	2.0	1.8
Value per share		3.8	4.1	4.7	4.7
Discount/Premium	0.0%				
Fair value per share					4.3

Source: Bankhaus Lampe Research estimates, FactSet (Peers)

## RISKS TO INVESTMENT CASE

### 1. Increase in interest rates

A significant increase in interest rates could endanger the current favourable business environment. First, a higher interest rate level could make investments in real estate less attractive and therefore could have a severe impact on transaction volumes. Second, there might also be an impact on the value of the properties in the investment products. This could have a knock-on effect for the value of the co-investments and consequently on possible gains and the promote fee income.

### 2. Insufficient yields

Rent yield decreases when real estate prices increase. This might lead to insufficient yields in investment products and therefore demand for these products might decline.

### 3. Development projects

GEG has exposure to development activities that carry a number of risks. Building costs could exceed the planned expenses at any time and the time schedule harbours risks of delays. This would also affect planned costs, especially with respect to the financing structure. Besides this, development projects bear purchasing risks, when no buyer or tenant can be found. This risk would also increase in a higher interest rate environment.

### 4. Lower asset turnover

Between 2016 and 2018, GEG had transaction volumes worth more than € 450 m p.a. Significantly lower transaction volumes would lead to a considerable part of our projected revenues not being realised.

### 5. High exposure to Frankfurt

A large part of the assets under management and especially the two important development projects ("Global Tower" and "Riverpark Tower & Suites") are located in Frankfurt (Germany's financial centre). A specific weakness in the Frankfurt market might consequently have a substantial impact on the performance of GEG.

### 6. Complex structure and dominating shareholder

The holding structure is complex and associated with an efficient tax structure. Changes in legislation or of the corporate structure could reduce the tax savings and disclosure is reduced on the subsidiaries levels. In addition it has to be borne in mind that the company and its holdings are controlled by Prof Dr Gerhard Schmidt and that an investment in TTL shares can therefore be regarded as a kind of co-investment.

# Company background

## ROLE OF TTL REAL ESTATE GMBH WITHIN GEG BUSINESS

TTL Real Estate has a stake of 75% (joint shareholder with KKR) in GEG Group. It supports GEG Group as a:

- Mezzanine creditor for acquisition financing (during pre-sale phase)
- Financing partner for opportunistic investments and project developments with preferred mezzanine financing achieving attractive yields (>15%).

In future it may also act as financing partner with an associated partner for development projects.

Currently, TTL Real Estate GmbH has available capital of approximately € 100 m. € 60 m is provided as preference shares from RAG Stiftung and Deutsche Bundesstiftung Umwelt with a preferred (fixed) dividend of currently 6% (8% as of 01/1/2021).

TTL Real Estate GmbH has invested:

- € 10 m as co-investor in the "IBC Campus", Frankfurt
- € 12.6 m shareholder loans in the "Global Tower", Frankfurt
- € 5 m mezzanine financing in the "Triforum", Cologne

## GEG GERMAN ESTATE GROUP

The GEG German Estate Group GmbH & Co. KG, based in Frankfurt am Main, is one of Germany's leading investment and asset management platforms in the commercial real estate sector. The shareholders are TTL Real Estate GmbH (75%) and KRR (25%), which also contribute by giving GEG access to a broad range of investors. Founded in 2015, GEG AG expanded its assets under management to € 3 bn in just three years, utilising its high expertise in real estate transactions as well as strong networking partnerships. Including the latest acquisitions announced, the AuM amounted to € 3.2 bn at the end of February 2019. It is worth noting that GEG has been profitable in every year since its foundation, benefiting from the fact that it started as a spin-off from Deutsche Immobilien Chancen Group and also earning fee income from the "MainTor" and "Opera Offices" developments from Deutsche Immobilien Chancen Group.

Young company with more than  
€ 3 bn in AuM

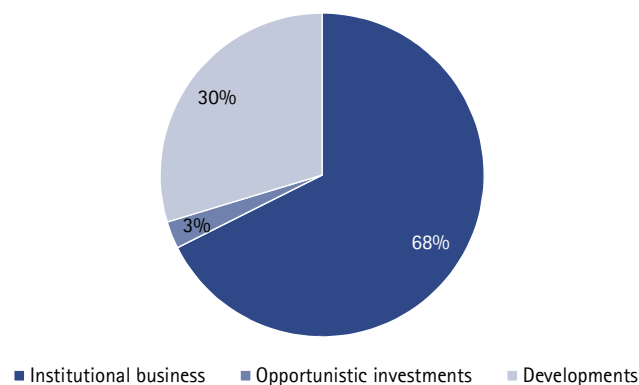
Support throughout full  
investment cycle

GEG's services include the sourcing, development, structuring and placement, asset management and disposition of commercial real estate investments. Highly diversified fee generations as well as dividend income from co-investments ensure a high return on equity (currently ~25%). We even expect the return on equity to improve to more than 80% by 2020, given the completion of current development projects as well as further increases in AuM.

Widely spread risk profile

Real estate investment activities can be split into three divisions: Institutional business, opportunistic investments, and development projects, with the institutional segment currently taking up over 60% of the total AuM volume.

AuM split by segment



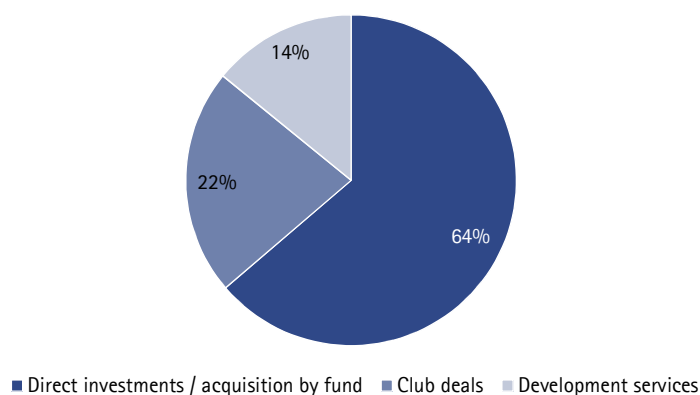
Source: Company information

These segments all have unique purchasing criteria that differ by location, type of use, project volume, and other characteristics like vacancy, time horizon, or upside potential/associated risk. In club deals, GEG AG also minimises its corporate risk by keeping holding periods as short as possible through fast project execution. The usual holding period is 6–9 months.

#### High leverage with bank financing up to 80% LTV during the holding period in club deals

To maximise ROE, GEG usually only covers about 20% of the purchasing costs with own equity whenever there is a pre-sale phase in an investment. The remaining 80% is financed through bank loans, 50% of which are long term (5+ years). After closing the transaction, the short-term loan is repaid by the investor's capital and GEG reduces its own equity share to about 5%. This leaves the financing structure at a 50/50 balance, the same way it would be in a direct acquisition. So while club deals carry a warehousing risk in the holding period, they also typically yield higher returns. In the past, GEG AG had about 26% of the transactions structured as club deals, further diversifying its risk profile.

AuM by transaction type (volume)



Source: Company information, Bankhaus Lampe Research estimates

## INSTITUTIONAL BUSINESS

Sophisticated investment structures  
to best align equity interests

### Core/Landmark

- Mainly office properties in the top-7 German cities and greater metropolitan areas
- Volume upwards of € 75 m per object
- Focus on long-term lease contracts, low vacancies, attractive tenant structure and good quality of objects
- Deals usually include co-investment stake up to 5%

### Current assets under management (development)

- IBC Campus, Frankfurt (€ 400 m, club deal)
- Japan Center, Frankfurt (€ 280 m)
- Garden Tower, Frankfurt (€ 275 m)
- Triforum, Cologne (€ 105 m, club deal)
- Sapporobogen, Munich (€ 90 m, club deal)
- Business Campus am Park, Dusseldorf (value not disclosed, club deal)
- Villa Kennedy, Frankfurt (value not disclosed)
- Eurotheum, Frankfurt (€ 275 m, individual mandate)

IBC Campus, Frankfurt



Japan Center, Frankfurt



Garden Tower, Frankfurt



Eurotheum, Frankfurt





Junges Quartier Obersendling,  
Munich



#### Infrastructure Fund

- Office, administration or other semi-public properties in cities with more than 100,000 inhabitants
- Volumes upwards of € 30 m per object
- Focus on ensuring consistent long-term cash flows, at least 90% communal tenants or other authorities
- Fund size target of € 500 m

#### Current fund assets

- Junges Quartier Obersendling, Munich (€ 170 m)
- Landespolizeischulungszentrum Neuss (€ 36 m)
- "Deutsche Bahn" property, Mainz (BHLe € 50 m)

Harenberg City Center, Dortmund



#### Manage-To-Core (Value I) Fund

- Office properties in the top-7 cities and German greater metropolitan areas
- Volumes upwards of € 50 m per object
- Focus on objects with potential for value creation, e.g. rather short remaining terms, partly vacant or refurbished
- Fund size target of € 400 m

#### Current fund assets

- Harenberg City Center, Dortmund (€ 70 m)
- KAP1, Düsseldorf (BHLe € 90 m)

Börsencenter, Frankfurt



#### Value-Add Portfolio

- Mainly office properties (>75%) in the top-7 German cities and greater metropolitan areas (excluding Berlin) and selected B-cities
- Focus on objects with potential for value creation, e.g. short remaining terms, partly vacant or refurbished
- GIC, state fund of Singapore
- Target size not disclosed

#### Current individual mandate assets

- Börsencenter, Frankfurt (€ 50 m, acc. to ImmobilienZeitung)

Pasing Central, Munich



#### Opportunistic Investments

- Office, retail, up-market residential and, from time to time, hotel properties in cities with more than 100,000 inhabitants all over Germany
- Volumes upwards of € 50 m per object and € 100 m for portfolio acquisitions
- Focus on lease contracts with short-to-medium terms, vacancies above 30% and sustainable value added/optimisation potential
- KRR as preferred partner

#### Current fund assets

- Pasing Central, Munich (€ 85 m)

### Developments

- Office, retail, hotel, residential and multi-purpose properties in the top 7 and German greater metropolitan areas
- Volumes upwards of € 50 m per project
- Focus on leases expiring in the short-to-medium term, vacant properties and pre-developed projects
- Also earning fee income as service provider for Dt. Immobilien Chancen Group: "WINX MainTor" (BHLe € 380 m) and "Opera Offices" (BHLe € 60 m)

### Recent transactions

- Global Tower, Frankfurt (€ 340 m)
- Riverpark Tower, Frankfurt (€ 220 m)

### STATUS OF DEVELOPMENT PROJECTS

#### Riverpark Tower, Frankfurt



- Acquisition by a pension fund as a 90/10 joint venture (where the remaining 10% are held by GEG)
- Signing of JV agreement and Share-Deal SPA in Q2 2017, closing in August 2017
- Start of construction in mid-2019
- Completion by 2021/22
- First German project from famous architect Ole Scheeren
- Total rental space about 21,000 m<sup>2</sup>
- Lower seven floors are planned to be boarding apartments and the upper 23 floors are to be converted into luxury suites
- Expected pricing for the luxury suites between 7,500 – 22,000 €/m<sup>2</sup>

#### Global Tower, Frankfurt



- Start of construction as planned in June 2018
- Signing of lease agreements in August 2018 for 9,170 m<sup>2</sup> with the co-working supplier Spaces in the lower floors
- Total rental space about 33,000 m<sup>2</sup>
- Loan agreement for construction progress completed with pbb
- Commence implementation phase with currently 60% LTC basis, step-up to 75% for either pre-letting or secured exit
- 12-month follow-up project phase secured
- Financial safeguarding against interest rate risk via near-term closure of interest rate swap
- Signing of sales contract of a 50% stake to HANSA INVEST in the autumn of 2018, including an agreement that the remaining 50% will be taken over after completion of construction (scheduled for 2020)

### STAKE IN DIC CAPITAL PARTNERS (EUROPE)

TTL Real Estate AG has a stake of 15.06% in DIC Capital Partners (Europe) GmbH which is the largest single shareholder of Deutsche Immobilien Chancen Group. Dividends are gained from this investment.

### Three activities

Deutsche Immobilien Chancen Group currently has three activities. Apart from its participation in GEG Group (via its 50% stake in TTL Real Estate GmbH), it is a shareholder (30%) in the "MainTor" project. However, this activity is going to be finished with the completion of its last construction part ("WINX Tower"), which has already been sold to Susanne Klatten. Deutsche Immobilien Chancen Group has more than 30% of the voting rights of DIC Asset AG. DIC Asset has a hybrid business model with direct property holdings, a fund business and other investments.

### DIC Asset AG

DIC Asset has a total AuM volume of about € 5.6 bn split over its own commercial portfolio (€ 1.7 bn), a fund business (€ 1.8 bn) and other investments (€ 2.1 bn), which includes the stakes in TLG Immobilien (of which DIC Asset already contractually agreed the sale) and "MainTor" as well as assets under property management (mostly from GEG).

After years of decline, the commercial portfolio is likely to generate rising rental revenues from 2019 onwards. In 2018, DIC Asset acquired office properties in Leverkusen, Kronberg and Karlsruhe and secured two office properties in forward deals: a larger office property in Dusseldorf (main tenant Bankhaus Lampe, expected completion spring 2020) and an office property in Berlin (expected completion early 2021).

The fund business focused on office and retail properties is strongly growing (AuM € 1.8 bn vs. € 1.5 bn at the end of 2017 and € 1.1 bn at the end of 2016) and benefiting from high transaction fees. In 2018, the FFO increased by 13% to € 68 m. The company guidance for 2019 indicates further growth (FFO € 70-72 m).

In 2019, rental income should, according to our assumptions, benefit from the continued portfolio growth and the significant reduction in vacancies achieved in 2018 (down 230 bp to 7.2%). Average interest cost should also go down, as an expensive bond (coupon 4.625%) matures in September 2019. In addition the net profit is going to benefit significantly (by > € 50 m) from the announced sale of the stake in TLG.

## GROUP HISTORY AND CORPORATE HIGHLIGHTS

1999

IPO as TTL Information Technology AG



2011

TTL Information Technology AG discontinues operational business.

2015

Foundation of GEG via spin-off of Deutsche Immobilien Chancen Group's project development and opportunistic activities and subscription to a 25% stake by KRR.



2016

Start of the build-up of a majority stake in TTL Information Technology AG by AR-Holding in the context of a reorganisation measure (first step 37%).

TTL Real Estate GmbH strengthens its capital base by € 60 m through funding from RAG Stiftung and Deutsche Bundesstiftung Umwelt.

GEG increases its transaction volume from € 180 m to € 600 m.

Since 2017

Build-up of a strategic shareholder position in GEG by TTL via TTL Real Estate GmbH.

2018

TTL Information Technology AG renames itself to TTL Beteiligungs- und Grundbesitz-AG.



Renamed TTL Real Estate GmbH

TTL increases its share in Deutsche Immobilien Chancen Real Estate GmbH to 50% and takes the strategic lead. TTL Beteiligungs- und Grundbesitz-AG now also strategically leading TTL Real Estate GmbH.

Chief Executive Officer TTL



Theo Reichert

## MANAGEMENT

Theo Reichert has been the Chief Executive Officer of TTL AG since October 2017.

Before this, he was the CEO of the Supreme Group and auratis AG, and has over 28 years of management experience in total across multiple different fields of business. Reichert holds an MBA in business administration from the University of Cologne.

Chief Financial Officer TTL



Thomas Grimm

Thomas Grimm has been the Chief Financial Officer of TTL AG since January 2018.

Grimm has been a Member of the Executive Board of the Deutsche Immobilien Chancen Group since June 2013, after being Head of Finance & Accounting at DIC Asset AG for over three years, and a Member of the Executive Board of TTL Real Estate GmbH since 2015. In 2015, he was also CFO of GEG AG for a period of nine months. Prior to that, Grimm worked as a certified public accountant and tax consultant at PwC. Grimm holds an MBA in business administration from the University of Gießen.

Chief Executive Officer GEG



Ulrich Höller

Ulrich Höller has been the Chief Executive Officer of GEG AG since 2015.

Prior to this, Höller served as Chairman of the Board of DIC Asset AG for fourteen years, leading some of the largest German real estate development projects, such as the MainTor Quarter in Frankfurt. He holds an MBA in business administration, a degree in real estate economics (ebs), as well as the right to use the designation "Fellow of the Royal Institution of Chartered Surveyors" (FRICS). Höller has received awards from several real estate magazines and institutes in the past, and is also both Member of the Board as well as Vice Chairman of the ZIA German Property Federation in Berlin.

Chief Financial Officer GEG



Dr Thomas Hartmann

Dr Thomas Hartmann is the Chief Financial Officer of GEG AG since August 2018.

In addition to the traditional tasks of a CFO, Dr Hartmann is also responsible for the transaction and risk management. Hartmann most recently worked as CFO and Managing Director of the southern German real estate group GBW Group. He started his career at Munich RE in 2001 after studying banking and business administration. After spending eight years at the Munich RE Group, earning a doctorate while working, and qualifying as a Chartered Financial Analyst (CFA), Hartmann held senior positions at the Morgan Stanley subsidiary Argoneo Real Estate GmbH and at KPMG AG before moving to the GBW Group in 2015.

Chairman Sup. Board TTL &amp; GEG



Prof Dr Gerhard Schmidt

Prof Dr Gerhard Schmidt is the Chairman of the Supervisory Board of TTL AG, GEG AG, as well as DIC Asset AG. He is also the majority shareholder of TTL AG, and currently holds about 67% of the shares outstanding.

Prof Dr Schmidt is the managing partner of the German offices in the law firm Weil, Gotshal & Manges LLP in Frankfurt. With over 20 years of experience in private equity and real estate deals, his far-reaching background also includes extensive expertise in real estate development and reconstruction. Schmidt is a graduate of the University of Erlangen-Nuremberg (law degree 1982, Dr jur 1984) and also attended the Universities of Lausanne and Strasbourg. He completed his business administration studies at INSEAD in France (MBA 1984) and was admitted to practice in Germany in 1986. In addition, Schmidt became licensed as a tax advisor in 1988.

#### SUPERVISORY BOARDS OF TTL AG AND GEG AG

Both TTL AG and GEG can rely on an extensive network in the German real estate industry and the financing industry. This is also reflected in the supervisory boards of these two companies.

Deputy Chairman for TTL AG is Klaus Kirchberger, CEO of OFB Projektentwicklung GmbH and GWH Immobilien Holding GmbH, both companies belonging to Helaba. Additional members are Dr Daniel Schütze (Partner at the law firm Böttcher Bruch Schütze), Michael Bock (Managing Partner at REALKAPITAL Vermögensmanagement GmbH, previously CFO of Provinzial Rheinland), and Jan Benedikt Rombach, Managing Partner at Steripower GmbH & Co. KG and of the Rombach Family Office.

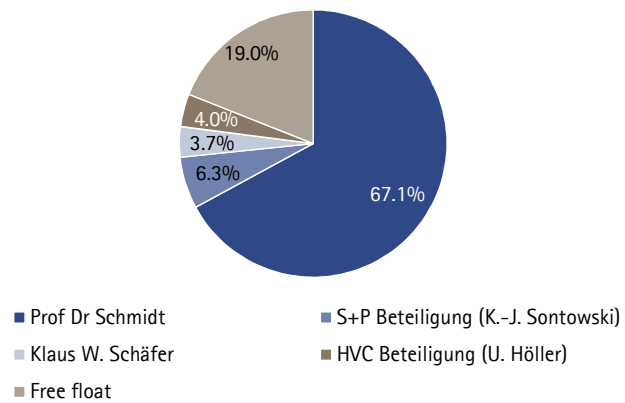
In GEG German Estate, the members of the supervisory board from the KKR side are Deputy Chairman Johannes Huth (KKR Head of EMEA), and Guillaume Cassou (KKR European Head of Real Estate). Klaus-Jürgen Sontowski, Managing Director and Founding Shareholder of Sontowski & Partner GmbH, is a long-term partner of Prof Dr Schmidt. Joachim Plessner, who is a Member of the Supervisory Board of pbb as well as an ex-member of the Board of Eurohypo, and Eberhard Vetter, Senior Vice President in the Asset Management division of RAG-Stiftung representing the financing partners of GEG and Deutsche Immobilien Chancen Group.



### SHAREHOLDER STRUCTURE

Prof Dr Gerhard Schmidt is the largest shareholder of TTL AG. His long-term partner Klaus Jürgen Sontowski is the second largest investor in the company and Ulrich Höller (CEO of GEG) has also a small stake in the company. Free float amounts close to 20%.

#### Current shareholder structure



Source: Company information

# Key figures

## TTL Beteiligungs- und Grundbesitz-AG – Income statement

in m EUR	2017	2018	2019e	2020e	2021e
Sales	0.0	0.6	0.6	0.6	0.6
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.6	0.6	0.6	0.6
Material expenses	0.0	0.0	0.0	0.0	0.0
Personnel expenses	-0.1	-1.1	-1.2	-1.3	-1.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-0.3	-0.9	-0.5	-0.5	-0.6
EBITDA	-0.4	-1.5	-1.1	-1.2	-1.4
Depreciation	0.0	0.0	0.0	0.0	0.0
EBITA	-0.4	-1.5	-1.1	-1.2	-1.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	-0.4	-1.5	-1.1	-1.2	-1.4
Financial result	1.2	6.2	8.6	10.0	11.3
Income on ordinary activities	0.9	4.8	7.5	8.7	9.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	0.9	4.8	7.5	8.7	9.9
Taxes	0.0	-0.6	-0.7	-0.9	-0.9
Net income from cont. operations	0.9	4.1	6.8	7.9	9.1
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	-0.3	-0.8	-0.8	-1.0	-1.1
Net income (adj.)	0.5	3.3	6.0	6.9	8.0
No. of shares	11.5	17.6	21.1	21.1	21.1
EPS	0.05	0.19	0.28	0.33	0.38

Source: Company information, Bankhaus Lampe Research estimates

	2017	2018	2019e	2020e	2021e
Gross margin	-	-	-	-	-
EBITDA margin	-3680.0%	-245.6%	-183.5%	-207.7%	-233.5%
EBITA margin	-3670.0%	-245.1%	-183.3%	-207.5%	-233.3%
EBIT margin	-3670.0%	-245.1%	-183.3%	-207.5%	-233.3%
EBT margin	8600.0%	786.0%	1244.0%	1457.2%	1653.6%
Net profit margin	5250.0%	552.6%	997.8%	1155.4%	1327.3%
Tax rate	0.0%	13.0%	8.7%	9.7%	8.6%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2017	2018	2019e	2020e	2021e
Sales	-	>100%	-0.8%	0.0%	0.0%
EBITDA	<-100%	<-100%	25.9%	-13.2%	-12.4%
EBIT	<-100%	<-100%	25.8%	-13.2%	-12.4%
EBT	-	>100%	57.0%	17.1%	13.5%
Net income (adj.)	-	>100%	79.1%	15.8%	14.9%
EPS	-	>100%	49.7%	15.8%	14.9%

Source: Company information, Bankhaus Lampe Research estimates



## TTL Beteiligungs- und Grundbesitz-AG – Balance sheet

Assets (in m EUR)	2017	2018	2019e	2020e	2021e
Fixed assets	46.2	99.4	99.7	101.3	104.3
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.0	0.0	0.0	0.0	0.0
Financial assets	46.2	99.4	99.7	101.3	104.3
Other long-term assets	0.0	0.0	0.0	0.0	0.0
Current assets	0.9	6.9	11.3	13.4	14.6
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0
Other current assets	0.3	4.6	4.6	4.6	4.6
Securities	0.0	0.0	0.0	0.0	0.0
Cash	0.6	2.3	6.8	8.8	10.1
Total assets	47.1	106.3	111.0	114.7	118.9
Equity and liabilities in m EUR					
Shareholders' equity	31.1	55.4	60.1	63.8	68.0
Shareholders' equity (before minority)	23.3	46.8	50.7	53.4	56.5
Minorities	7.8	8.6	9.4	10.4	11.5
Non-current liabilities	8.4	43.2	43.2	43.2	43.2
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	8.4	43.2	43.2	43.2	43.2
Other long-term debt	0.0	0.0	0.0	0.0	0.0
Current liabilities	7.7	7.6	7.6	7.6	7.6
Short-term debt	7.3	6.0	6.0	6.0	6.0
Other accruals short-term	0.3	0.6	0.6	0.6	0.6
Accounts payable	0.1	0.3	0.3	0.3	0.3
Other liabilities	0.0	0.7	0.7	0.7	0.7
Total equity and liabilities	47.1	106.3	111.0	114.7	118.9

Source: Company information, Bankhaus Lampe Research estimates

## TTL Beteiligungs- und Grundbesitz-AG – Balance sheet structure

Assets	2017	2018	2019e	2020e	2021e
Fixed assets	98.0%	93.5%	89.8%	88.3%	87.7%
Property, plant and equipment	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	-	-	-	-	-
Current assets	2.0%	6.5%	10.2%	11.7%	12.3%
Inventories	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Cash	1.3%	2.2%	6.1%	7.7%	8.5%
Equity and liabilities					
Shareholders' equity	65.9%	52.1%	54.2%	55.6%	57.2%
Non-current liabilities	17.8%	40.7%	39.0%	37.7%	36.4%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	17.8%	40.6%	38.9%	37.7%	36.3%
Current liabilities	16.3%	7.2%	6.9%	6.7%	6.4%
Short-term debt	15.5%	5.6%	5.4%	5.2%	5.0%
Accounts payable	0.2%	0.3%	0.3%	0.3%	0.3%

Source: Company information, Bankhaus Lampe Research estimates

## TTL Beteiligungs- und Grundbesitz-AG – Cash flow statement

in m EUR	2017	2018	2019e	2020e	2021e
Net income (adj.)	0.5	3.3	6.0	6.9	8.0
Depreciation	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0
Change of provisions	0.1	1.1	0.0	0.0	0.0
Other	-1.0	-5.7	-7.7	-9.0	-10.2
Operating cash flow before changes in w/c	-0.4	-1.2	-1.8	-2.1	-2.3
Change in inventory	0.0	0.0	0.0	0.0	0.0
Change in accounts receivable	0.0	0.3	0.0	0.0	0.0
Change in accounts payable	0.0	0.0	0.0	0.0	0.0
Change in other working capital positions	0.0	0.0	0.0	0.0	0.0
Operating cash flow	-0.4	-0.9	-1.8	-2.1	-2.3
Capex, incl. capitalized R&D	-1.1	-0.2	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0
Financial investments	0.4	0.5	9.7	9.7	9.7
Income from asset disposals	0.0	0.0	0.0	0.0	0.0
Income from financial investments	0.1	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.7	0.3	9.7	9.7	9.7
Free cash flow	-1.1	-0.6	7.9	7.6	7.4
Capital measures	1.5	2.5	0.0	0.0	0.0
Increase/decrease in debt position	0.1	-0.2	-1.3	-1.3	-1.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Other financing Cash-flow	0.0	0.0	0.0	0.0	0.0
Dividend paid	0.0	0.0	-2.1	-4.2	-4.8
Cash flow from financing activities	1.6	2.3	-3.4	-5.5	-6.1
Increase/ decrease in liquid assets	0.6	1.7	4.5	2.0	1.3
Effects of exchange rate changes	0.0	0.0	0.0	0.0	0.0
Cash at beginning of period	0.0	0.6	2.3	6.8	8.8
Change in total cash and cash equivalents	0.6	1.7	4.5	2.0	1.3
Cash at end of period	0.6	2.3	6.8	8.8	10.1

Source: Company information, Bankhaus Lampe Research estimates

## TTL Beteiligungs- und Grundbesitz-AG – Ratios

	2017	2018	2019e	2020e	2021e
<b>Per Share Data</b>					
EPS	0.05	0.19	0.28	0.33	0.38
Book value per share	2.70	2.66	2.41	2.53	2.68
Free Cash-flow per share	-0.09	-0.04	0.37	0.36	0.35
Dividend per share	0.00	0.12	0.20	0.23	0.26
<b>Valuation ratios</b>					
EV/Sales	5,908.7	200.4	221.9	220.1	219.9
EV/EBITDA	-160.6	-81.6	-120.9	-106.0	-94.2
EV/EBIT	-161.0	-81.7	-121.1	-106.1	-94.2
P/E	56.0	16.4	13.6	11.7	10.2
Price to book (total equity)	0.9	1.2	1.6	1.5	1.4
Dividend yield	0.0%	3.8%	5.2%	6.0%	6.7%
<b>Profitability ratios</b>					
EBITDA margin	-3680.0%	-245.6%	-183.5%	-207.7%	-233.5%
EBIT margin	-3670.0%	-245.1%	-183.3%	-207.5%	-233.3%
Net return on sales	5250.0%	552.6%	997.8%	1155.4%	1327.3%
Return on capital employed (ROCE)	-0.8%	-1.4%	-1.0%	-1.1%	-1.2%
<b>Productivity ratios</b>					
Capital turnover	461,251.7%	16,380.8%	16,552.9%	16,825.8%	17,320.8%
Operating leverage	-	-3.0	0.3	-0.1	-0.1
Sales per employee (in thousands)	5,000	302,500	300,000	300,000	300,000
EBIT per employee (in thousands)	0	0	0	0	0
Number of employees (in thousands)	0.0	0.0	0.0	0.0	0.0
<b>Financial ratios</b>					
Equity ratio	65.9%	52.1%	54.2%	55.6%	57.2%
Net financial debt (in m EUR)	15.1	46.9	42.4	40.4	39.1
Net debt / Equity	48.6%	84.6%	70.5%	63.2%	57.5%
Interest cover	-1.5	-1.5	-0.8	-1.0	-1.1
Net debt / EBITDA	-41.05	-31.55	-38.50	-32.39	-27.91
Working Capital (in m EUR)	-0.1	-0.3	-0.3	-0.3	-0.3
Change in working capital (in m EUR)	0.0	-0.3	0.0	0.0	0.0
WC /sales	-758.5%	-56.4%	-56.8%	-56.8%	-56.8%
Stocks in days of sales	0	0	0	0	0
Trade debtors in days of sales	0	0	0	0	0
Trade creditors in days of COGS/sales	2769	206	207	207	207
Cash conversion cycle	-2769	-206	-207	-207	-207
Invest. (property/plant/equity) / Depreciation	-112600.0%	-7400.0%	0.0%	0.0%	0.0%
<b>Others</b>					
Sales CAGR (last 3 years)	-	-	-	291.5%	-0.3%
EBIT CAGR (last 3 years)	-	126.3%	90.1%	50.3%	-1.9%
Net income CAGR (last 3 years)	-	-396.7%	-435.2%	136.4%	33.6%
Pay-out ratio	0.0%	63.2%	70.4%	69.9%	68.8%
Free cash flow (in m EUR)	-1.1	-0.6	7.9	7.6	7.4
Free cash flow yield	-2.9%	-1.0%	9.7%	9.3%	9.1%

Source: Company information, Bankhaus Lampe Research estimates

# Disclaimer

The creation of this recommendation was finalised on #ATTRIBUTE\_DOC\_RELEASED\_DATE# and first published on #ATTRIBUTE\_DOC\_DISTRIBUTION\_DATE#.

## Analyst declaration

The relevant research analysts, as named on the front cover of this research report, certify that (a) all of the views expressed in this research report accurately reflect their personal views about the securities and companies mentioned in this research report; and (b) that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views expressed by them in this research report.

## Rating system

Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

## Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Details on the concepts and methods as well as the valuation models employed are available on our [website](#).

Overview of changes in our recommendations/price targets in the previous twelve months for: TTL Beteiligungs- und Grundbesitz-AG (TTO GY), Close (25/02/2019): 3.86 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
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The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2019)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	58.3%	60.0%
Hold	38.1%	40.0%
Sell	3.1%	0.0%
Under Review	0.0%	0.0%

## Frequency of updates

The Bank intends to publish at least one research report per year for the aforementioned stock/stocks.

## Complete list of recommendations

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Company	Disclosure
TTL Beteiligungs- und Grundbesitz-AG	5, 6

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