

Shares Information

Price (BGN)	2.269
52 weeks Price Change	27.47%
52 weeks Price Range	1.780 – 2.277
Market Cap (BGN)	45 720 350
Market Cap (EUR)	23 376 444
Shares Outstanding	20 150 000
Free Float	86.88%
P/E	10.00
P/S	6.77
P/BV	0.65
EV/EBITDA	21.76
Net Profit Margin (ttm)	48.70%
ROA	5.62%
ROE	6.61%

Source: BSE, SIS calculations



Source: BSE

Shareholder structure

NN Universal Pension Fund	6.76%
DSK Rodina UPF	6.36%
Free float	86.88%

Source: Company report Q1 2017

Income statement (BGN '000)	Q1'15	Q1'16	Q1'17
Sales	1 253	1016	1509
Other revenues	13	17	13
Operating expenses	893	560	613
Depreciation	1	1	0
EBIT	372	472	909
Financial income	40	20	1
Financial expenses	52	39	85
EBT	360	453	825
Taxes	0	0	0
Net income	360	453	825

Ratios	Q1'15	Q1'16	Q1'17
Current ratio	3.92	1.30	2.52
Debt to Assets	0.07	0.12	0.18
Debt to Equity	0.07	0.13	0.22
Interest coverage	7.75	13.49	11.22
Operating margin	29.38%	45.69%	59.72%
Net margin	28.44%	43.85%	54.20%

New investments give profit a significant push

➔ BREF reported significant increase in revenues in Q1 2017 as the fund's latest investment project – the office building in Kambanite district, Sofia, became fully operational. The company expects revenue generated by this property alone to reach BGN 1.79m in 2017. In the first quarter of the year rental income soared by 48.5% on annual basis and by 36.2% over the first three months of the year to BGN 1.5m in total.

➔ Total expenses grew to BGN 0.7m, up by 16.3% YoY, whereby interest costs and personnel expenses posted the most notable gains. Remuneration paid to the management company remained almost unchanged from last quarter, while direct property-related expenses increased to BGN 0.26m largely on the expenses arising from increased operations. The company's management already announced that higher expenses (in absolute terms) are to be expected throughout the year as the new building starts to generate additional costs (tax, maintenance, etc.).

➔ As a result, BREF's net income for the first three months of 2017 jumped significantly to BGN 0.83m or BGN 0.014 per share, up by 82% on annual basis.

➔ As statutory required, BREF is expected to distribute an annual dividend for 2016 in the amount of BGN 0.0738 (EUR 0.0377) per share. The proposal is subject to shareholders' vote on the Annual GMS scheduled on 29 May 2017.

➔ The Fund's total assets grew by 1.5% YTD to BGN 86.1m. The growth is almost entirely in cash and deposits as the additional inflows generated by the new building and advance payments received in relation to asset sales occurred in late-2016 pushed this category up to BGN 8.69m.

➔ BREF reported bank loan liabilities in total amount of BGN 9.97m. Given the cash amounts held, net debt was cut by nearly half in Q1 to BGN 1.28m.

Balance sheet (BGN '000)	Q1'15	Q1'16	Q1'17
Cash	8 346	4 897	8 690
Inventory	1 577	1 522	8 076
Receivables	158	583	181
Prepaid expenses	29	30	26
Financial assets	0	0	0
Current assets	10 110	7 032	16 973
PP&E and Intangibles	422	7 755	8
Investment properties	60 594	61 154	69 135
Non-current assets	61 016	68 909	69 143
Total assets	71 126	75 941	86 116
Short term liabilities to banks	8	8	10
Payables to suppliers	441	820	486
Provisions	0	1 608	1 487
Other	2 132	2 953	4 742
Current liabilities	2 581	5 389	6 725
Bank loans	1 418	3 609	8 647
Other non-current liabilities	679	0	11
Non-current liabilities	2 097	3 609	8 658
Share capital	60 450	60 450	60 450
Total equity	67 155	67 649	70 733

Source: Company report Q1 2017

ANNUAL RESULTS

Balance sheet (BGN '000)	2014	2015	2016
Cash	8 272	3 510	7 634
Inventory	1 618	1 521	8 074
Receivables	93	217	139
Prepaid expenses	22	20	21
Current assets	10 005	5 268	15 868
PP&E	1	0	4
Investment properties	61 026	66 635	68 965
Blocked cash	704	704	-
Intangible assets	4	2	-
Non-current assets	61 735	67 341	68 969
Total assets	71 740	72 609	84 837
Short term liabilities to banks	1 790	1 886	1 056
Payables to suppliers	566	1 874	3 315
Provisions	-	1 608	1 487
Other	-	45	-
Current liabilities	2 356	5 413	5 858
Bank loans	1 877	-	8 917
Other non-current liabilities	712	-	154
Non-current liabilities	2 589	0	9 071
Share capital	60 450	60 450	60 450
Total equity	66 795	67 196	69 908

Income statement (BGN '000)	2014	2015	2016
Sales	3 113	4 243	6 262
Other revenues	90	508	2 636
COGS	7 152	2 664	4 542
Depreciation	2	3	2
EBIT	-3 951	2 084	4 354
Financial income	532	127	53
Financial expenses	283	202	208
EBT	-3 702	2 009	4 199
Taxes	0	0	0
Net income	-3 702	2 009	4 199

Source: BREF audited annual financial statements

DIVIDEND HISTORY

Dividend payment	2011	2012	2013	2014	2015	2016*
Gross dividend per share (BGN)	0.212917	0.06481	0.02396	0.00	0.0798	0.0738
Yield	29.21%	10.75%	4.36%	0.00%	4.48%	3.25%

* Annual dividend distribution proposed by the Board of Directors. The proposal is subject to vote on the General Meeting of Shareholders to be held on 29 May 2017.

Disclaimers and Required Disclosures

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