



Lamda Development: 3Q24 Earnings Review

Lamda released 3Q24/9M24 results yesterday November 13. The results were broadly in line with our expectations, highlighting good progress in Ellinikon and healthy KPIs for Malls and Marinas.

In 9M24:

Malls retail EBITDA increased by 7% y-o-y to EUR 65.7m driven primarily by a 6% y-o-y increase in base rents as well as a 12% y-o-y increase in parking revenue. Ellinikon Malls delivered a higher loss than last year at EUR -5.0m (vs. EUR -2.8m in 9M23) as costs continue increasing with the progress of works ahead of the launch. Reported revaluation gain was EUR 7.2m versus EUR 43.7m last year, resulting in a total EBITDA (before revaluation gains) for the Malls Group of EUR 59.6m versus EUR 57.7m last year. Ellinikon Malls signed Head of Terms as % of GLA are at 63% for the Ellinikon Mall and 69% for Riviera Galleria, effectively flat compared to the end of 1H24.

Ellinikon is seeing solid progress with total cash proceeds since the start of projects and until the end of Sep'24 at EUR 914m, already exceeding the (EUR 900m) target for the full year of 2024. Cumulative capex since the start of project stands at EUR 486m. By the end of October 2024, cash proceeds had increased further to EUR 967m. Between Jul'24-Oct'24, three transactions related to land plot sales of a total consideration of c. EUR 258m were completed, of which EUR 194m has been collected until end-Oct'24, with EUR 16m expected by end of the year and the remaining EUR 43m to be collected within 2025. From these transactions, Lamda will recognize EUR 173m of pre-tax profits, of which EUR 39m in 9M24. Demand for residential units in the Little Athens neighbourhood remains strong with customer reservations for 383 units, representing c. 85% of the total units of the development placed in the market, and cash proceeds to date amounting to EUR 56m (c. 10% of the total).

Marinas posted a strong performance, with revenue at EUR 24.7m, increased by 13% y-o-y, while EBITDA amounted to 15.8m, increased by 14% y-o-y, on the back of full occupancy in permanent berths and annual contractual increases in berthing fees.

Total group consolidated EBITDA amounted to EUR 94.0m (+22% y-o-y), with group consolidated EBITDA before revaluations at EUR 85.7m (+143% y-o-y), while net results settled lower, posting losses of EUR 14.1m.

In the analyst call, management indicated that construction progress is due to accelerate into 2025 both in residential and infrastructure development reaching a run rate capex of EUR 270m per year. Demand for the two new Ellinikon Malls retail space far exceeds supply and Lamda's management are trying to maximise pricing in the head of terms. Lamda is planning to sell additional residential land plots amounting to 40k sqm in 1H25.

We have a BUY recommendation on Lamda with a Target Price of EUR 11.50 per share.

EUR m	3Q23	3Q24	9M23	9M24
Ellinikon	(11.3)	23.9	(19.7)	30.8
Malls	20.3	20.4	57.7	59.6
Marinas	4.9	6.0	13.9	15.8
EBITDA before Asset Valuations	8.3	43.3	35.3	85.7
Asset Valuations	(2.7)	(2.9)	41.7	8.3
EBITDA after Asset Valuations	5.4	40.6	77.0	94.0
Net Income after minorities	(24.5)	4.7	(6.1)	(14.1)

Source: The Company, AXIA Research

Rating BUY

Target Price 11.5

Current Share Price* (EUR) 7.25

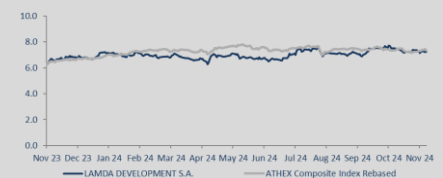
*13/11/2024

Stock Data

Market Cap (EUR m)	1,265.9
Free Float	39.2%
EV (EUR m)	2,104.8
Num. of Shares (m)	174.6

Performance	1m	3m	12m
Absolute (%)	-3.2	2.1	15.8
ASE (%)	0.0	0.9	17.5

ADV – 12m (k)	150.13
Price high-12 m (EUR)	7.73
Price low-12m (EUR)	6.15



Lamda Development S.A., together with its subsidiaries, engages in investment, development, and project management in commercial real estate market in Greece and internationally. Its development portfolio includes shopping and leisure centers, office complexes, parking areas, airport areas, residencies, hotels, cultural and training centers, information and health centers, and other infrastructure projects. Lamda is also the developer of the Ellinikon Project, Europe's biggest urban regeneration project in an area of 6.2m sqm in the coastal front of Athens.

Shareholding structure: Consolidated Lamda Holdings (43.8%), Voxcove Holdings (10.0%), Brevan Howard Capital Management Ltd (6.4%), Prokopiou Family (2%), EBRD (1.8%), Aegean Airlines (1.7%)

Stathis Kaparis
stathis.kaparis@axiavg.com
+30 210 741 4459

Alexis Chaidopoulos
alexis.chaidopoulos@axiavg.com
+30 210 741 4481

Constantinos Zouzoulas
constantinos.zouzoulas@axiavg.com
+30 210 741 4460

Produced and distributed: Athens, November 14, 2024, 19:30pm GMT+2.

Disclosures

General information

This research report was prepared by AXIA Ventures Group Limited, a company incorporated under the laws of Cyprus (referred to herein, together with its subsidiary companies and affiliates, collectively, as “AXIA”) which is authorised and regulated by the Cyprus Securities and Exchange Commission (authorisation number 086/07). AXIA is authorized to provide investment services inside or outside of the European Union, subject to the applicable provisions and pursuant to its permissions under the Markets in Financial Instruments Directive. AXIA Ventures Group Limited is not a registered broker-dealer in the United States (U.S.), and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. In the U.S., this research report is intended solely for persons who meet the definition of “major U.S. institutional investors” in Rule 15a-6 under the U.S. Securities and Exchange Act, as amended, or persons listed under Rule 15a-6(4) and is meant to be disseminated only through “AXIA Capital Markets LLC”, a wholly owned subsidiary of AXIA Ventures Group Limited and associated US registered broker-dealer in accordance with Rule 15a-6 of the US Securities and Exchange Act.

Content of the report

The persons in charge of the preparation of this report, the names of whom are disclosed below, certify that the views and opinions expressed on the subject security, issuer, companies or businesses covered by this research report (each a “Subject Company” and, collectively, the “Subject Companies”) are their personal opinions and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Whilst all substantial sources of information for the research are indicated in this report, including, without limitation, bases of valuation applied to any security or derivative security, such information has not been disclosed to the Subject Companies for their comments and no such information is hereby certified.

All information contained herein is subject to change at any time without notice. No member of AXIA has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the Subject Company is withdrawn. Further, past performance is not indicative of future results.

Persons responsible for this report: Constantinos Zouzoulas (Analyst - Head of Research) of AXIA Ventures Group Ltd which is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under CySEC license No 086/07.

Key Definitions

AXIA Research 12-month rating*	
Buy	The stock to generate total return** of and above 10% within the next 12-months
Neutral	The stock to generate total return** between -10% and 10% within the next 12-months
Sell	The stock to generate total return** of and below -10% within the next 12 months
Under Review	Stock’s target price or rating is subject to possible change
Restricted	Applicable Laws / Regulation and AXIA Ventures Group Limited policies might restrict certain types of communication and investment recommendations
Not Rated	There is no rating for the company by AXIA Ventures Group Limited

* Exceptions to the bands may be granted by the Investment Review Committee of AXIA taking into account specific characteristics of the Subject Company

**Total return: % price appreciation equals percentage change in share price from current price to projected target price plus projected dividend yield

Rating history for Lamda Development S.A.

Date	Rating	Share Price (EUR)	Target Price (EUR)
04/10/2017	Buy	6.85	7.8
25/02/2019	Buy	6.49	7.9
12/11/2019	U/R	7.1	U/R
23/12/2019	Buy	7.97	14.2
15/03/2021	Buy	7.02	14.2
28/07/2021	Buy	8.35	14.2
11/07/2024	Buy	6.98*	11.5

Close Price of 10/07/24

AXIA Ventures Group Limited Rating Distribution as of today

Coverage Universe	Count	Percent	Of which Investment Banking Relationships	Count	Percent
Buy	16	52%	5	5	20%
Neutral					
Sell					
Restricted					
Not Rated	3	10%			
Under Review	12	39%	1	1	3%

Independence and objectivity, conflicts of interest management

None of the analysts in charge of this report are involved in activities within AXIA where such involvement is inconsistent with the maintenance of that analyst’s independence or objectivity. None of them has received or purchased shares in any Subject Company prior to any private or public offering of those shares. However, the analysts responsible for the preparation of this report may interact with trading desks or sales personnel for the purpose of gathering and interpreting market information with regard to the Subject Companies.

As an investment services provider engaging in a wide range of businesses, AXIA is active in the field of activities which may include the provision of services to issuers of securities, with respect to underwriting or placing of financial instruments or with respect to advice on capital structure, industrial strategy and related matters (“investment banking services”). The nature of such activities, in conjunction with the activity of production and issuance of research reports, may be considered as leading to situations of conflict of interests when the research reports cover an issuer with whom AXIA has an ongoing or has recently had a business relationship for the provision of investment banking services.

AXIA has all the necessary internal structures and arrangements in order to identify and avoid or, should avoidance be impossible, to manage such situations in a manner consistent with the highest standards, in accordance with its internal conflicts of interest policy. In compliance with such arrangements, analysts and other staff who are involved in the preparation and dissemination of research (including, without limitation, this report) operate independently of management and the reporting line is separate from AXIA’s investment banking business. “Chinese Wall” procedures (procedures separating the availability of information of any Subject Company) are in place between the investment banking and research businesses to ensure that any confidential and/or price sensitive information is handled appropriately.

In all cases when, at the time of preparation or issuance of a report, an issuer covered by such report is in a business relationship with AXIA for the provision of investment banking services, AXIA includes a note in the report, drawing the attention of the recipients to such fact. The same note is included when such business relationship has been terminated less than 12 months before the issuance of the report. However, it cannot be fully precluded that issuers covered by a report may be in discussions with AXIA’s investment banking department for a potential future cooperation in investment banking matters, even though a business relationship does not already exist. In such cases AXIA may not be able to announce the fact of such discussions in the reports even if such reports cover the specific issuer. Therefore, even if this research report does not mention any existing or recent business relationship with an issuer whose securities are covered by the report, such issuer may be a potential future customer of AXIA in the field of investment banking services. It is noted that, even in such case, the persons in charge of this report do not participate in any such discussion and their remuneration is not determined based on the proceeds of the department providing investment banking services and that such situation is not reasonably expected to impair the independence or objectivity of AXIA’s reports. Any information contained in the report in this respect is provided as valid solely at the time of issuance of the report. When the report remains available for viewing or download on a subscriber service, website or other electronic media for a continuous period, no further update will take place after the date indicated as “issuance date”.

Investment decisions

Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. Investments involve risks and recipients should exercise prudence and their own independent judgment in making their investment decisions. Therefore, this research report should not be regarded by recipients as a substitute for the exercise of their own judgment. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. It is published solely for information purposes. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of AXIA. This research report may not be relied upon by any retail customers or persons to whom this research report may not be provided by law. It does not constitute a factual representation, a financial promotion or other advertisement, is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction and may not be relied on in any manner by any recipient. Unauthorized use or disclosure of this research report is strictly prohibited.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

No liability

Neither AXIA nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report. AXIA does not represent or warrant that any investments will increase in value or generate profits. Any responsibility or liability for any information contained herein is expressly disclaimed. Any opinions or information contained herein is subject to change at any time without notice and may differ from other opinions expressed professionally by persons within AXIA. This material should not be construed as a solicitation or recommendation to use AXIA to effect transactions in any security mentioned herein or as an attempt to induce securities transactions by such recipients in any manner whatsoever. AXIA is not providing this research report pursuant to any express or implied understanding that the recipients will direct commission income to AXIA.

Recipients

In the countries of the European Union, this report is communicated by AXIA to persons who are classified as eligible counterparties or professional clients and is only available to such persons. In any other country outside the European Union, this report is addressed exclusively to persons entitled to receive research reports from foreign Investment Firms according to the applicable legal and regulatory provisions. The information contained in this research report is not addressed to and does not apply to any other categories of investors than those specified above. AXIA in relation to its research complies with the applicable requirements and laws concerning disclosures and these are indicated on this legend or in the research report where applicable. By accepting this research report, you agree to be bound by the foregoing limitations. This material is not intended for the use of private investors.

No update

Any information provided in the report regarding the existence or the non-existence of any such relationships with issuers is provided as known at the time of issuance of the report and will not be updated, even when the report remains available for display or download on a website, subscriber service or other electronic media for a continuous period. Therefore, in the event that AXIA enters into a business relationship with a covered issuer after the issuance of the relevant report, such relationship will not be reflected thereto.

AXIA Ventures Group

10 G. Kranidioti Street,
Suite 102
1065 Nicosia, Cyprus
Tel: +357 2274 2000

4, Vas. Sofias Avenue,
3rd Floor
10674 Athens, Greece
Tel: +30 210 741 4400

555 Madison Avenue,
Suite 11A
NY 10022, New York, USA
Tel: +1 212 792 0253

26 Corso Venezia,
1st floor
20121 Milan, Italy
Tel: +39 348 080 1411

www.axiavg.com

Research Division

Constantinos Zouzoulas	constantinos.zouzoulas@axiavg.com	+30 210 741 4460
Stathis Kaparis	stathis.kaparis@axiavg.com	+30 210 741 4459
Eleni Ismailou	eleni.ismailou@axiavg.com	+30 210 741 4462
Christiana Tsoukala	christiana.tsoukala@axiavg.com	+30 210 741 4467
Alexis Chaidopoulos	alexis.chaidopoulos@axiavg.com	+30 210 741 4481

Capital Markets Division

Thanos Adamantopoulos	thanos.adamantopoulos@axiavg.com	+44 207 987 6033
Maria Mitsouli	maria.mitsouli@axiavg.com	+30 210 741 4424
Vaia Dotsia	vaia.dotsia@axiavg.com	+30 210 741 4430