



CEE Equity Research | Hungary | Real Estate  
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# Duna House

Recommendation: Buy

Target price (12M): Under revision

Equity Note

## Extension of stock option program

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- Duna House will hold an extraordinary meeting in the middle of December to extend the current stock option program and initiate a new one.
  1. As an implicit wage increase, every employee will receive some DH shares in a value of their one month wage. Roughly in total of HUF 25 million.
  2. Management starts another round of management stock option program, this time from 2019-2021, in the tune of HUF 120 million.
- **Opinion:** We see this a positive news, management deems the shares undervalued at current market price thus it is worthwhile to purchase. This step, will definitely create additional demand for the shares as the program encompasses ca. 38,000 shares roughly 30-40 times the daily turnover. On the other hand, the implicit wage increase will slightly put a downward pressure on margin, but only in a negligible extent.

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Accumulate	Total return is expected to be in the range of 10-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10-(-20%)
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