# Peel Hunt cuts Derwent London target but maintains bullish outlook amid financial headwinds



Peel Hunt has downgraded the price target for Derwent London, the largest London office-focused real estate investment trust (REIT), from GBX 2,385 to GBX 2,290. Despite the cut, Peel Hunt maintains a "buy" rating on the stock, indicating a potential upside of around 38% from its recent closing price. This pricing adjustment reflects cautious optimism based on the company's current financial performance and market conditions. Other notable analysts echo this positive sentiment; JPMorgan Chase & Co. has reaffirmed an "overweight" rating, and Shore Capital continues to hold a "buy" stance, underscoring a general consensus of confidence in Derwent London's prospects.

Derwent London reported earnings per share (EPS) of GBX 52.20 for the latest quarter. However, the firm is facing financial headwinds, including a negative net margin of 129.56% and a return on equity (ROE) of -10.41%. These figures indicate challenges in profitability and equity returns, which have likely influenced recent stock performance. With a market capitalisation standing around £1.86 billion to £2.14 billion, the company holds a property portfolio of 66 commercial buildings predominantly in central London, valued at approximately £4.9 billion as of the end of 2023. This significant real estate footprint positions Derwent London as a key player in the central London commercial property market.

The share price has reflected some volatility amid these mixed signals. The stock has recently hit a 52-week low of GBX 1,604, highlighting investor concerns about the company’s current financial health. Despite this decline, the stock's 50-day and 200-day moving averages sit above the recent trading levels, at around GBX 1,799 and GBX 1,877 respectively. The price-to-earnings ratio remains notably high at 784.48, with an associated price-to-earnings-growth ratio around 23.10, suggesting that the market may be pricing in considerable uncertainty or expecting significant future growth that is yet to be realised.

Financially, Derwent London's balance sheet shows a relatively high debt-to-equity ratio of 40.68 combined with liquidity metrics such as a quick ratio of 0.38 and a current ratio of 0.51, which flag potential strains on short-term financial resilience. Nonetheless, analysts from Shore Capital and JPMorgan have kept their positive outlook, highlighting the company’s long-term strategy of driving value through active asset management, including redevelopment and refurbishment of its properties.

In summary, while Derwent London confronts some current financial challenges as reflected in its negative profitability metrics and recent share price lows, analyst consensus remains bullish. The support from Peel Hunt, Shore Capital, and JPMorgan Chase suggests that there is belief in the company’s ability to rebound and capitalise on its valuable asset base in a prime London market. Investors should weigh these contrasting signals carefully, noting both the risks seen in the recent financial results and the potential upside implied by these broker ratings.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[2]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[3]](https://www.marketbeat.com/instant-alerts/derwent-londons-dln-overweight-rating-reiterated-at-jpmorgan-chase-co-2025-08-13/), [[4]](https://www.marketbeat.com/instant-alerts/shore-capital-reiterates-buy-rating-for-derwent-london-londln-2025-08-11/)
* Paragraph 2 – [[1]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[2]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[7]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-announces-earnings-results-2025-08-12/)
* Paragraph 3 – [[1]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[5]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-sets-new-1-year-low-time-to-sell-2025-09-15/), [[6]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-reaches-new-12-month-low-heres-what-happened-2025-03-14/)
* Paragraph 4 – [[1]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[4]](https://www.marketbeat.com/instant-alerts/shore-capital-reiterates-buy-rating-for-derwent-london-londln-2025-08-11/), [[7]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-announces-earnings-results-2025-08-12/)
* Paragraph 5 – [[1]](https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/), [[3]](https://www.marketbeat.com/instant-alerts/derwent-londons-dln-overweight-rating-reiterated-at-jpmorgan-chase-co-2025-08-13/), [[4]](https://www.marketbeat.com/instant-alerts/shore-capital-reiterates-buy-rating-for-derwent-london-londln-2025-08-11/), [[5]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-sets-new-1-year-low-time-to-sell-2025-09-15/), [[7]](https://www.marketbeat.com/instant-alerts/derwent-london-londln-announces-earnings-results-2025-08-12/)

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## Bibliography

1. <https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/> - Please view link - unable to able to access data
2. <https://www.marketbeat.com/instant-alerts/peel-hunt-cuts-derwent-london-londln-price-target-to-gbx-2290-2025-09-18/> - Peel Hunt has reduced its price target for Derwent London (LON:DLN) from GBX 2,385 to GBX 2,290, maintaining a 'buy' rating. This suggests a potential upside of 38.20% from the stock's previous close. Other analysts have also weighed in, with JPMorgan Chase & Co. reaffirming an 'overweight' rating and Shore Capital reiterating a 'buy' rating. The company reported a quarterly earnings per share of GBX 52.20, with a market capitalization of £1.86 billion. Derwent London owns 66 commercial properties in central London, valued at £4.9 billion as of 31 December 2023, making it the largest London office-focused real estate investment trust (REIT).
3. <https://www.marketbeat.com/instant-alerts/derwent-londons-dln-overweight-rating-reiterated-at-jpmorgan-chase-co-2025-08-13/> - JPMorgan Chase & Co. has reaffirmed its 'overweight' rating on Derwent London (LON:DLN), indicating confidence in the company's stock performance. This follows a report from Shore Capital, which reiterated a 'buy' rating on the shares. The company's stock performance shows a 12-month high of GBX 2,530 and a low of GBX 1,665, with the current trading price at GBX 1,914. Derwent London has a market capitalization of £2.14 billion and owns a portfolio of 66 commercial buildings valued at £4.9 billion, primarily in central London.
4. <https://www.marketbeat.com/instant-alerts/shore-capital-reiterates-buy-rating-for-derwent-london-londln-2025-08-11/> - Shore Capital has reaffirmed its 'buy' rating for Derwent London (LON:DLN) in a recent research note to investors. The company's stock performance shows a 12-month high of GBX 2,530 and a low of GBX 1,665, with the current trading price at GBX 1,914. Derwent London has a market capitalization of £2.14 billion and owns a portfolio of 66 commercial buildings valued at £4.9 billion, primarily in central London. The company's stock has a price-to-earnings ratio of -5.36 and a beta of 1.03.
5. <https://www.marketbeat.com/instant-alerts/derwent-london-londln-sets-new-1-year-low-time-to-sell-2025-09-15/> - Derwent London shares reached a new 52-week low of GBX 1,604 during trading, raising concerns about its performance. Despite recent declines, analysts maintain a consensus rating of 'Buy' for Derwent London, with notable endorsements from Shore Capital and JPMorgan Chase & Co. The company currently holds a market cap of £1.82 billion and reported negative financial metrics, including a return on equity of -10.41% and a net margin of -129.56%.
6. <https://www.marketbeat.com/instant-alerts/derwent-london-londln-reaches-new-12-month-low-heres-what-happened-2025-03-14/> - Derwent London Plc hit a new 52-week low during mid-day trading, reaching GBX 1,714. The company has a market capitalization of £2.07 billion, a price-to-earnings ratio of -5.73, a price-to-earnings-growth ratio of 23.10, and a beta of 1.03. The company has a debt-to-equity ratio of 40.68, a quick ratio of 0.38, and a current ratio of 0.51. The stock's 50-day moving average is GBX 1,887.41, and its 200-day moving average is GBX 2,093.40.
7. <https://www.marketbeat.com/instant-alerts/derwent-london-londln-announces-earnings-results-2025-08-12/> - Derwent London (LON:DLN) released its quarterly earnings results, reporting GBX 52.20 earnings per share for the quarter. The company had a negative net margin of 129.56% and a negative return on equity of 10.41%. The stock opened at GBX 1,830 and has a market capitalization of £2.05 billion, with a price-to-earnings ratio of -5.68. Despite the earnings report, Shore Capital reiterated a 'buy' rating on Derwent London's shares, indicating ongoing confidence in the company’s performance.