



Price (Euro) 21,80
52 weeks range 22,35 / 12,40

Key Data

Country Austria
Industry Real Estate
Market Segment Prime Market
ISIN AT0000652250
WKN 902388
Symbol T1L
Reuters SIAG.VI
Bloomberg SPI AV
Internet www.simmoag.at
Reporting Standard IFRS
Fiscal Year 31/12
Founded 1986
IPO 1987
Market Cap (EUR million) 1604,7
Number of shares (million) 73,6
Free Float (approx.) 54%
Free Float MarketCap (Euro million) 864,9
CAGR (EBITDA '20-23e) 13,3%

Multiples	2020	2021e	2022e	2023e
Market cap/ Revenues-Ratio	8,3	8,5	8,4	8,1
P/E-Ratio	27,7	11,4	14,0	12,8
Dividend Yield	1,6%	2,1%	2,8%	3,2%

Key Data per Share (Euro)

	2020	2021e	2022e	2023e
Earnings per Share (Eps)	0,79	1,92	1,55	1,70
Dividends per Share (Dps)	0,35	0,45	0,60	0,70
Book Value per Share (BVpS)	18,45	19,89	20,81	21,77
EPRA NAV per share	24,32	26,85	27,68	28,62
FFO I per share	0,59	0,77	0,93	1,00

Financial Data (Euro '000)

	2020	2021e	2022e	2023e
Revenues	173.915	201.758	220.263	231.668
Rental income	123.255	131.025	138.401	144.519
Net revaluation result	39.056	124.345	81.445	89.495
Operating cash profit (EBITDA)	71.132	89.288	97.154	103.341
Operating Profit (EBIT)	100.956	203.956	168.477	182.382
Pre-tax profit (EBT)	71.586	172.446	136.030	148.371
Net profit after minorities	56.537	139.149	112.132	122.921
Shareholders' Equity	1.294.259	1.358.415	1.464.118	1.531.655
RoE after tax	4,3%	9,9%	7,5%	7,8%

Financial Calendar

1Q 2021 report	May 28, 2021
1H 2021 report	August 27, 2021
SRC Forum Financials & Real Estate	September 8, 2021
9M 2021 report	November 26, 2021

Main Shareholders

Immofinanz	26,5%
Aggregate Holdings S.A.	10,8%
EUROVEA Services s.r.o.	5,2%
Own shares	3,6%

Analyst

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External valuation of the property portfolio delivers another Euro 85m uplift, IMMOFINANZ offer document published yesterday, but bidding price of Euro 22.25 much too low – target up to € 26.00, as we expect a good 1Q picture next week

Some days ago, on 10 May, S IMMO released news about an external valuation of their German and Austrian property portfolio as per 30 April 2021. The result was an up-valuation of about Euro 85m, that will come to the firm's P & L in half-year report (subject to some more changes in May and June), which is published on 27 August. The majority of uplifts came from the German portfolio with an improved legal framework and an ongoing dynamic market. If we calculate the Euro 85m valuation from April, that would translate into additional Euro 1.15 per S IMMO share. **For the first quarter results, which are to be published next week Friday, on 28 May, we expect a good operating picture of the commercial and the residential portfolio.** We also expect a much better bottom line result than last year's 1Q, which was dampened by a negative valuation result translating into a negative overall bottom line, as the firm and some market experts assumed rising prime yields in some CEE markets, which did not materialize in this magnitude in the course of last year and were more than offset by up-valuations in Germany and Austria. As the full year 2020 was a positive Euro 39m, we expect a range of Euro 90m to Euro 110m realistic for the first half of the year and about Euro 110 to Euro 130m for the full year 2021 result. Thus, we need to lift our probably too cautious revaluation expectation for 2021, which we set at Euro 50m with our last update from 8 April.

Another news is that the offer document from Immofinanz for the voluntary public takeover offer to the S IMMO shareholders is public since yesterday. The bidding price is still at the low level of Euro 22.25 (and that only on a cum dividend basis), 9% below the EPRA NAV level of Euro 24.32 at year-end 2020 and even almost 16% below the EPRA Reinstatement Value, which was at Euro 26.40. The important thing is, that the EPRA Fair values will further grow with the good operating performance in the first half of the year and the valuation uplifts that are around the corner. Furthermore, in the second quarter S IMMO will receive the CA Immo dividend, as tomorrow is the payment date and S IMMO has about 6.3 million CA Immo shares (a 6.4% stake in CAI and they pay Euro 1.00 per share). It is also worth to mention, that the CA Immo share gained 15% in the first quarter 2021 to about 36 Euros, which should also help for a higher NAV at the S IMMO side (about +Euro 30m), as well a hike of almost 6% at Immofinanz shares in the first quarter to about 18 Euros, where S IMMO holds a 13.4% stake, worth a value mark-up at S IMMO NAV of about Euro 16m.

To sum up: the bidding price offered by Immofinanz is too low, at current EPRA NAV levels (-9% / -16%) and even more in the light of the upvaluations to follow now in the first half of this year and the extra mark ups given by the higher share prices of Immofinanz and CAI as well as the dividend payment coming from CAI. **If we go back 3 years, Immofinanz bought the 29% package in April 2018 for Euro 20.00 per share from Pecik and Benko firms, which was a 13% premium to the former Euro 17.63 EPRA NAV. The current offer is a quite lousy 9% discount. We lift the target prior to 1Q from Euro 25.00 to Euro 26.00. Buy confirmed.**

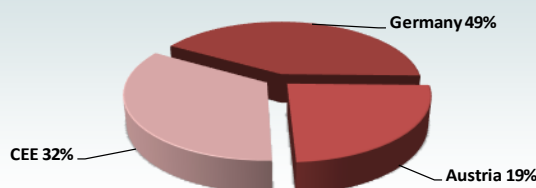
S IMMO AG Company Profile

Industry:	Real Estate	Management Board:	
Sub-segment:	mixed (71% commercial)	CEO Dr. Bruno Ettenauer, MRICS	
Country:	Austria	COO Friedrich Wachernig, MBA	
Headquarter:	Vienna	CIO DI Herwig Teufelsdorfer, MRICS	
Foundation:	1986		
Employees (without Hotels):	115		
		Supervisory Board:	
		Dr. Karin Rest, EMBA (Chairman)	
		Christian Hager (Deputy Chairman)	
		Mag. Hanna Bomba	DI Manfred Rapf
		MMag. Holger Schmidtmayr, MRICS	Mag. Elisabeth Wagerer
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S IMMO is a Vienna-based real estate holding company founded in 1986. Since 1987 the company is listed on the Vienna stock exchange and therefore Austria's longest existing property investment company. The share is member of ATX blue chip index since September 2017. Expansion activities to foreign countries were started close to the millenium. Within recent years the company acquired, according to its Buy and Develop and Hold strategy, a real estate portfolio that comprises more than 350 properties, a lettable space of more than 1,300k sqm amounting to a value of almost Euro 2.5bn at December 2020 (+4.5% compared to year-end 2019). In average, investments have a volume of a lower double digit million. The portfolio contains a widely diversified range of office, retail and hotel properties as well as residential properties selected for a sustainable value growth. All in all, office properties have a 43% weighting, retail 18%, hotels 9% and residential have 30% (thereof 93% in Germany). S IMMO aims on a long investment horizon but also strongly exploits opportunities for trading in these low yielding times - as done in a bigger magnitude in 2016 and 2017, in particular in Germany and Austria. The last years the acquisitions have been a bit higher than the disposals to strenghten the long term cash producing portfolio which had an overall yield of 5.1% in 2020 (5.4% in 2019). In terms of portfolio value a large share of 49% is located in Germany (more than Euro 1.2bn). Austria stands for almost 19% (approx. Euro 0.5bn) while CEE stands for the remaining 32% (Euro 0.8bn) of the total portfolio. In 2020, the high occupancy of 95.5% in 2019, was almost kept stable despite the Covid-19 pandemic, at 93.9%. S IMMO released the 2020 annual report on 8 April and presented a decent result for a very challenging year. The company has prosperous mid and long term growth options by about 2 million sqm undeveloped land (mainly around Berlin) which gives room to grow the residential portfolio or to realize mark-ups in value. For 2018 the dividend was strongly lifted from 40 Cents to 70 Cents, meaning a payout ratio of clearly more than 70% of FFO cash earnings. The firm decided for a stable dividend of 70 Cents for FY 2019, despite the outbreak of COVID-19 pandemic in March 2020. A management proposal for the new dividend for the FY 2020 was not disclosed yet.

Value of portfolio by region

(Euro 2.5bn at FY 2020)



Source: Company data (FY 2020)

The lion's share of the company's historical development activity was done in Austria and CEE. Hence, a significant share of already finished properties (like Sun shopping mall in Bucharest), held within the CEE portfolio, results from own developments. The core shareholder is Immofinanz with a 26.5% stake, striving for a takeover at the moment. The other way round S IMMO holds a 13.4% stake in Immofinanz.

The company aimed to lift FFO I to more than Euro 40m until 2018 and already managed to reach this target already in 2016, as FFO I increased by 15% from Euro 35.0m to Euro 40.1m. The FY 2017 FFO I then was at almost Euro 43m. After two years (2018 and 2019) with FFOs at record levels above Euro 60m, the 2020 came back more or less on the 2017 level, with no support from hotel GOP and almost Euro 11m missing from Immofinanz paying no dividend for FY 2019 in 2020. We like the improving numbers on the financing side. Cost of Funding (incl. hedging) came down from 2.67% in 2017 to 2.53% in 2018 and then very low 2.30% in 2019 and 2.29% in 2020. In 2020 LTV remained almost unchanged at 46.8%, after 46.9% in 2019. The 2020 equity ratio of 44.3% underlines the healthy balance sheet (2019: 42.9%).

Source: Company Data, SRC Research

P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR '20 - '23e
Revenues	191.421	192.441	210.427	173.915	201.758	220.263	231.668	10,0%
┆ thereof rental income	112.020	104.313	119.373	123.255	131.025	138.401	144.519	
┆ thereof revenues from service charges	33.435	33.379	31.952	32.871	35.229	36.421	37.004	
┆ thereof revenues from hotel operations	45.966	54.749	59.102	17.789	35.504	45.441	50.145	
Other operating income	2.866	1.948	2.481	2.501	2.855	2.912	3.205	
Expenses directly attributable to properties	-59.877	-53.410	-60.952	-66.760	-62.658	-66.502	-69.125	
<i>Gross margin property segment</i>	<i>58,8%</i>	<i>61,2%</i>	<i>59,7%</i>	<i>57,2%</i>	<i>62,3%</i>	<i>62,0%</i>	<i>61,9%</i>	
Hotel operating expenses	-36.232	-38.023	-42.250	-18.126	-31.387	-37.402	-39.773	
Gross operating profit hotels (GOP)	9.734	16.726	16.852	-337	4.117	8.039	10.372	
<i>Gross margin within hotel segment</i>	<i>21,2%</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>11,6%</i>	<i>17,7%</i>	<i>20,7%</i>	
Gross profit (revenues less directly attributable expenses)	98.178	102.956	109.706	91.530	110.568	119.271	125.975	11,2%
<i>Total Gross margin</i>	<i>51,3%</i>	<i>53,5%</i>	<i>52,1%</i>	<i>52,6%</i>	<i>54,8%</i>	<i>54,1%</i>	<i>54,4%</i>	
Net operating income (NOI)	95.312	101.008	107.225	89.029	107.713	116.359	122.770	11,3%
<i>NOI-margin</i>	<i>49,8%</i>	<i>52,5%</i>	<i>51,0%</i>	<i>51,2%</i>	<i>53,4%</i>	<i>52,8%</i>	<i>53,0%</i>	
Net Gains on property disposal	10.341	0	0	0	0	0	0	
Management expenses	-18.963	-19.863	-22.669	-20.398	-21.280	-22.117	-22.634	
┆ thereof personnel expenses	-8.796	-10.601	-11.513	-12.272	-13.291	-12.320	-12.877	
EBITDA	89.556	83.093	87.037	71.132	89.288	97.154	103.341	13,3%
<i>EBITDA-margin</i>	<i>46,8%</i>	<i>43,2%</i>	<i>41,4%</i>	<i>40,9%</i>	<i>44,3%</i>	<i>44,1%</i>	<i>44,6%</i>	
Depreciation	-8.999	-7.672	-8.264	-9.232	-9.677	-10.122	-10.454	
Property Revaluation	127.592	167.814	192.671	39.056	124.345	81.445	89.495	
Operating profit (EBIT)	208.149	243.235	271.444	100.956	203.956	168.477	182.382	21,8%
<i>EBIT-margin</i>	<i>108,7%</i>	<i>126,4%</i>	<i>129,0%</i>	<i>58,0%</i>	<i>101,1%</i>	<i>76,5%</i>	<i>78,7%</i>	
EBIT-profit without revaluation result	80.557	75.421	78.773	61.900	79.611	87.032	92.887	14,5%
Net financial result	-41.437	-7.263	-20.021	-29.370	-31.510	-32.447	-34.011	
Participating certificates expenses (hybrid capital)	-5.964	0	0	0	0	0	0	
Earnings before tax (EBT)	160.748	235.972	251.423	71.586	172.446	136.030	148.371	27,5%
<i>EBT margin</i>	<i>84,0%</i>	<i>122,6%</i>	<i>119,5%</i>	<i>41,2%</i>	<i>85,5%</i>	<i>61,8%</i>	<i>64,0%</i>	
Income tax expense	-27.278	-31.822	-38.116	-14.674	-32.887	-23.441	-24.955	
<i>Tax rate</i>	<i>17,0%</i>	<i>13,5%</i>	<i>15,2%</i>	<i>20,5%</i>	<i>19,1%</i>	<i>17,2%</i>	<i>16,8%</i>	
Net profit	133.470	204.150	213.307	56.912	139.559	112.589	123.416	
Minorities	-3.379	-460	-533	-375	-410	-457	-495	
Net profit after minorities	130.091	203.690	212.774	56.537	139.149	112.132	122.921	29,5%
<i>Return on sales</i>	<i>68,0%</i>	<i>105,8%</i>	<i>101,1%</i>	<i>32,5%</i>	<i>69,0%</i>	<i>50,9%</i>	<i>53,1%</i>	
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
Earnings per Share (EPS) in Euro	1,97	3,08	3,21	0,79	1,92	1,55	1,70	29,2%
Dividends per Share (DPS) in Euro	0,40	0,70	0,70	0,35	0,45	0,60	0,70	
Book Value per Share (BVPS) in Euro	13,66	15,88	19,34	18,45	19,89	20,81	21,77	
Total assets	2.272.255	2.720.134	3.137.688	3.122.610	3.197.553	3.307.868	3.458.509	3,5%
Shareholders' equity (after dividend payment)	914.335	1.062.513	1.294.259	1.358.415	1.464.118	1.531.655	1.602.549	5,7%
Shareholders' equity incl. participating certificates	971.052	1.062.513	1.294.259	1.358.415	1.464.118	1.531.655	1.602.549	
Equity ratio without minorities with hybrid capital	43%	39%	41%	44%	46%	46%	46%	
Return on Equity (RoE)	15,5%	20,6%	18,1%	4,3%	9,9%	7,5%	7,8%	
Key ratios & figures	2017	2018	2019	2020	2021e	2022e	2023e	
Growth rates in %								
Revenues	-3,7%	0,5%	9,3%	-17,4%	16,0%	9,2%	5,2%	
EBITDA	-3,1%	-7,2%	4,7%	-18,3%	25,5%	8,8%	6,4%	
EBIT	-25,3%	16,9%	11,6%	-62,8%	102,0%	-17,4%	8,3%	
EBT	-25,7%	46,8%	6,5%	-71,5%	140,9%	-21,1%	9,1%	
Net profit after minorities	-34,7%	53,0%	4,5%	-73,3%	145,2%	-19,3%	9,6%	
Margins in %								
EBITDA	46,8%	43,2%	41,4%	40,9%	44,3%	44,1%	44,6%	
EBIT	108,7%	126,4%	129,0%	58,0%	101,1%	76,5%	78,7%	
EBT	84,0%	122,6%	119,5%	41,2%	85,5%	61,8%	64,0%	
Expense ratios in %								
Depreciation to sales	-4,7%	-4,0%	-3,9%	-5,3%	-4,8%	-4,6%	-4,5%	
Tax rate	17,0%	13,5%	15,2%	20,5%	19,1%	17,2%	16,8%	
Profitability in %								
Profit margin	69,7%	106,1%	101,4%	32,7%	69,2%	51,1%	53,3%	
Return on equity (RoE) after tax	15,5%	20,6%	18,1%	4,3%	9,9%	7,5%	7,8%	
Return on Assets (RoA)	5,9%	7,5%	6,8%	1,8%	4,4%	3,4%	3,6%	
Return on Investment (RoI)	5,9%	7,5%	6,8%	1,8%	4,4%	3,4%	3,6%	
Valuation								
P/E-ratio	11,04	7,07	6,79	27,66	11,35	14,03	12,82	
P/S-ratio	8,38	8,34	7,63	9,23	7,95	7,29	6,93	
Price/BVpS (PBV)	1,60	1,37	1,13	1,18	1,10	1,05	1,00	
Dividend yield in %	1,8%	3,2%	3,2%	1,6%	2,1%	2,8%	3,2%	
Data per share								
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
EPS	1,97	3,08	3,21	0,79	1,92	1,55	1,70	
DPS	0,40	0,70	0,70	0,35	0,45	0,60	0,70	
BVPS	13,66	15,88	19,34	18,45	19,89	20,81	21,77	
FFO I per share	0,64	0,92	0,98	0,59	0,77	0,93	1,00	

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Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	08 April 2021	Buy	€ 21,55	€ 25,00
S IMMO	15 March 2021	Buy	€ 18,04	€ 23,00
S IMMO	24 November 2020	Buy	€ 15,78	€ 21,00
S IMMO	26 August 2020	Buy	€ 14,52	€ 21,00
S IMMO	26 May 2020	Buy	€ 16,72	€ 20,00
S IMMO	12 May 2020	Buy	€ 16,50	€ 20,00
S IMMO	23 March 2020	Buy	€ 14,44	€ 20,00
S IMMO	27 November 2019	Accumulate	€ 22,20	€ 25,00
S IMMO	27 August 2019	Buy	€ 19,46	€ 24,00
S IMMO	27 May 2019	Accumulate	€ 19,98	€ 22,50
S IMMO	04 April 2019	Buy	€ 18,48	€ 21,50
S IMMO	18 March 2019	Buy	€ 17,98	€ 21,00
S IMMO	01 February 2019	Buy	€ 16,84	€ 20,50
S IMMO	27 November 2018	Buy	€ 15,20	€ 20,00

Please note:

The S IMMO AG share price mentioned in this report is the price of 19 May 2021. S IMMO mandated SRC Research for covering the S IMMO share.

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