

Price (Euro) **7.00**
52 weeks range 9.85 / 6.60

Key Data

ISIN DE000A0KFKB3
Bloomberg E7S:GR
Reporting standard IFRS
Market Cap (Euro million) 227
Number of shares (million) 32.4
Free Float 12.1%
Free Float Market Cap (Euro million) 27
CAGR EBIT ('19 -'23e) 12.1%

| Multiples | 2020 | 2021e | 2022e | 2023e |
|-----------------------------|-------------|-------------|-------------|-------------|
| Market Cap / Total revenues | 11.6 | 5.2 | 4.7 | 4.1 |
| PE-Ratio | 13.7 | 10.3 | 9.5 | 8.0 |
| Dividend Yield | 0.0% | 2.9% | 3.6% | 4.3% |
| Price-to-Book-Ratio | 0.92 | 0.84 | 0.79 | 0.74 |

| Key Data per share (Euro) | 2020 | 2021e | 2022e | 2023e |
|------------------------------------|-------------|-------------|-------------|-------------|
| Earnings per share (EPS) | 0.51 | 0.68 | 0.74 | 0.87 |
| Dividend per share (DPS) | 0.00 | 0.20 | 0.25 | 0.30 |
| Book Value per Share (BVPS) | 7.62 | 8.29 | 8.84 | 9.46 |

| Financial Data (Euro '000) | 2020 | 2021e | 2022e | 2023e |
|---|---------------|---------------|---------------|---------------|
| Capital gains from property sales | 19,625 | 43,738 | 48,549 | 55,450 |
| Net rental income | 4,855 | 6,289 | 8,004 | 10,151 |
| Net service income | 871 | 1,370 | 1,785 | 1,835 |
| Operating profit (EBIT) | 34,767 | 53,943 | 57,685 | 62,768 |
| Net interest income | -10,490 | -21,155 | -20,453 | -19,838 |
| Pre-tax profit (EBT) | 24,313 | 32,839 | 37,279 | 42,962 |
| Income taxes | -6,258 | -10,432 | -12,773 | -14,019 |
| Net profit after Minorities | 16,567 | 21,952 | 24,028 | 28,356 |
| Shareholders' equity (Euro million) | 581 | 862 | 1,009 | 1,109 |
| Privatization Portfolio (Euro million) | 418 | 443 | 504 | 585 |
| RoE (after tax) | 7.1% | 8.5% | 8.6% | 9.6% |
| Equity ratio | 28.7% | 26.7% | 25.8% | 25.1% |

Main Shareholders

Brookline Real Estate S.a.r.l. 83.1%
Adler Real Estate AG 4.8%

Financial calendar

SRC Forum Financials & Real Estate 8 September 2021
9M 2021 report 9 November 2021

Analysts

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Convincing half-year numbers, doubling the revenues, EBIT already close to Euro 20m and privatization business fully on track, more to come in 2H 2021, Buy and Euro 12.00 affirmed

Yesterday, ACCENTRO released the 1H 2021 report and reported convincing numbers. The revenues almost doubled from Euro 37m to Euro 73m. Revenues from sales contributed Euro 61m while letting revenues climbed to Euro 10.8m. Thus both numbers almost double compared to last year's number of Euro 31m and Euro 5.5m respectively. Revenues from services contributed an additional Euro 1.3m. The gross profit amounted to Euro 15.1m, up 74% to last year's Euro 8.7m. The revaluation result coming from the firm's build up investment portfolio with a superior quality was at high Euro 16.3m, after Zero in the previous year. With a somewhat increased cost side following an increased workforce and some one-offs related to the portfolio expansion and valuation, the operating profit on EBIT basis boosted from Euro 1.2m last year to now Euro 19.1m. The net financial result suffered from higher interest expenses due to the growth of the business and came in at Euro -11.2m compared to Euro -10m last year. The firm's EBT thus turned back to black and was at a profit of Euro 7.8m compared to a loss of more than Euro 8.7m in last year's period. The bottom line stood after minorities stood at Euro 3.4m and significantly improved to last year's loss of Euro -11.7m. Earnings per share came in at 14 cent (1H 2020: -36 cent).

A look at the two portfolios of the company makes us optimistic for the coming quarters as well. The investment portfolio increased by steep 35% in the first six months, from Euro 215m at year-end 2020 to Euro 290m. Thus the rental income of the investment portfolio will continue to grow and we see further upside on the valuation side. We are also optimistic, that the portfolio expansion will continue in the coming months, as already happened in July with the expansion of the portfolio in North Rhine-Westphalia. The privatization portfolio saw sales of 360 units in the first six months with a sales volume of more than Euro 116m. As some of these sales have not been closed as of the reporting date, another significant revenue contribution is already secured for the second half of 2021 and we believe that the sales figures should remain high in 2H as well. The current sales pipeline of more than Euro 400m surely offers the opportunities for a continuation of the strong sales numbers.

We are very satisfied with the results of the first six months and continue to believe that the firm's guidance of revenues between Euro 170m and Euro 200m and an EBIT between Euro 45m and Euro 50m might be too conservative, as a significant amount of the sales from the first half will hit the P&L only in the second half and we expect another significant amount of new sales to come as well. For the time being we confirm our 12.00 Euros target price, but see further upside if the news flow and the numbers continue to develop as expected. We stick to our Buy rating.

ACCENTRO Real Estate AG

| | | |
|-----------------------|-------------|---------------------------------------|
| Industry: | Real Estate | Management Board of ACCENTRO: |
| Sub-segment: | Residential | Lars Schriewer |
| Region: | Germany | |
| Headquarter: | Berlin | |
| Foundation | 2006 | |
| Employees: | 101 | Supervisory Board of ACCENTRO: |
| | | Axel Harloff |
| IR Contact: | | Carsten Wolff |
| Thomas Eisenlohr | | Natig Ganiyev |
| Eisenlohr@accentro.de | | |

ACCENTRO Real Estate AG is a leading company for privatization of residential properties in economically strong regions in Germany, as well as for the marketing and sales for property investors and project developers. Furthermore, the company is currently building up an investment portfolio for the own book. The company's strongest focus is on the city of Berlin, but has recently expanded into growth markets such as the Leipzig area or Hamburg and North Rhine Westphalia.

Accentro GmbH was founded in 1999 and in 2011 became a subsidiary of Estavis AG, which was formed in 2006 and was renamed to ACCENTRO Real Estate AG in 2015. The firm has a focus on the German residential market since more than 15 years. Over the recent years ACCENTRO managed to build up a strong track record. Since 2009, more than 18,000 apartments with a volume of with a volume of more than Euro 1.8bn have been sold and the inventory portfolio has significantly been expanded from Euro 155m book value in 2015 to almost Euro 410m at FY 2020. At year-end 2020, about 5,200 units are on the firm's balance sheet after the firm made some significant acquisitions in the second half of last year. Furthermore, the strong sales cooperations with investors and developers offer the company further potential for a rise in revenues in the coming years. With regards to the 2020 results, the company had to record some one-off effects, due to which the company slightly missed the 2020 guidance. The financial position of the company shows an equity ratio of 26.1% and a LTV of 56.1% at 1H 2021.

For the current year 2021, the company guided a significant hike in revenues and EBIT, as revenues are expected to be in a range between Euro 170m and Euro 200m and EBIT is to grow to a range of Euro 45m to Euro 50m. With a very good first six months and the closings from transactions that were signed in 2020, the company is currently well on track to reach these goals in our opinion.

| | FY 2018 | FY 2019 | FY 2020 |
|---------------------------|---------|---------|---------|
| Apartments sold (units) | 440 | 463 | 420 |
| thereof Berlin | 68% | 59% | 65% |
| thereof Rest of Germany | 32% | 41% | 35% |
| thereof Owner Occupiers | 32% | 41% | 49% |
| thereof Buy-to-Let | 68% | 59% | 51% |
| Transaction value (EUR m) | 79.2 | 110.1 | 118.7 |

Source: Company Data, SRC Research

| ACCENTRO Real Estate AG 31/12 IFRS ('000) | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e | CAGR '19 - '23e |
|--|----------------|----------------|----------------|------------------|------------------|------------------|--------------------|
| Revenues from sales of inventory properties | 194,009 | 129,503 | 112,397 | 184,321 | 204,596 | 227,102 | |
| Expenses from sales of inventory properties | -160,924 | -99,661 | -92,772 | -140,583 | -156,047 | -171,652 | |
| Capital gains from property sales | 33,085 | 29,842 | 19,625 | 43,738 | 48,549 | 55,450 | 16.8% |
| Letting revenues | 8,806 | 10,261 | 10,351 | 19,447 | 23,531 | 28,472 | |
| Letting expenses | -2,676 | -3,743 | -5,496 | -13,158 | -15,526 | -18,321 | |
| Net rental income | 6,130 | 6,518 | 4,855 | 6,289 | 8,004 | 10,151 | 11.7% |
| Revenues from services | 2,794 | 3,510 | 2,434 | 2,453 | 2,944 | 3,533 | |
| Expenses from services | -511 | -1,147 | -1,563 | -1,083 | -1,159 | -1,698 | |
| Net service income | 2,283 | 2,363 | 871 | 1,370 | 1,785 | 1,835 | -6.1% |
| Other operating income | 1,663 | 1,207 | 1,699 | 3,245 | 3,544 | 3,189 | |
| Gross profit or loss | 43,161 | 39,930 | 27,050 | 54,642 | 61,883 | 70,625 | 15.3% |
| Net revaluation result | 0 | 11,399 | 28,367 | 19,953 | 12,587 | 9,334 | |
| Total payroll and benefit costs | -4,613 | -5,835 | -9,048 | -10,412 | -10,947 | -11,574 | |
| Depreciation and amortisation | -349 | -731 | -863 | -856 | -902 | -951 | |
| Impairments of inventories and accounts receivable | -205 | -123 | -124 | -153 | -167 | -200 | |
| Other operating expenses | -5,131 | -6,079 | -10,717 | -9,681 | -5,224 | -4,977 | |
| Net income from associates | 2 | 1,244 | 102 | 450 | 455 | 511 | |
| Earnings before interest and taxes (EBIT) | 32,865 | 39,805 | 34,767 | 53,943 | 57,685 | 62,768 | 12.1% |
| Other income from investments | 36 | 36 | 36 | 51 | 47 | 32 | |
| Interest income | 944 | 4,854 | 11,256 | 1,741 | 1,514 | 2,581 | |
| Interest expenses | -9,869 | -12,207 | -21,746 | -22,896 | -21,967 | -22,419 | |
| Net interest income | -8,925 | -7,353 | -10,490 | -21,155 | -20,453 | -19,838 | |
| Profit/loss before taxes (EBT) | 23,976 | 32,488 | 24,313 | 32,839 | 37,279 | 42,962 | 7.2% |
| Income taxes | -5,675 | -6,189 | -6,258 | -10,432 | -12,773 | -14,019 | |
| Consolidated income | 18,301 | 26,299 | 18,055 | 22,407 | 24,506 | 28,943 | 2.4% |
| Minorities | -103 | 168 | -1,488 | -455 | -478 | -587 | |
| Net profit/loss after minorities | 18,198 | 26,467 | 16,567 | 21,952 | 24,028 | 28,356 | 1.7% |
| Number of shares ('000) | 32,438 | 32,438 | 32,438 | 32,438 | 32,438 | 32,438 | |
| Earnings per share (EPS) | 0.56 | 0.81 | 0.51 | 0.68 | 0.74 | 0.87 | |
| Dividend per share (DPS) | 0.16 | 0.00 | 0.00 | 0.20 | 0.25 | 0.30 | |
| Shareholders' Equity | 199,104 | 220,811 | 247,101 | 269,053 | 286,594 | 306,840 | 8.6% |
| Balance Sheet sum | 474,205 | 580,757 | 861,987 | 1,008,525 | 1,109,377 | 1,220,315 | |
| Equity Ratio | 42.0% | 38.0% | 28.7% | 26.7% | 25.8% | 25.1% | |
| RoE (after tax) | 10.3% | 12.6% | 7.1% | 8.5% | 8.6% | 9.6% | -6.7% |
| Privatisation Portfolio (Euro million) | 344 | 389 | 418 | 443 | 504 | 585 | |
| Book Value per share (Euro) | 6.14 | 6.81 | 7.62 | 8.29 | 8.84 | 9.46 | 8.6% |

SRC Research **- Der Spezialist für Finanz- und Immobilienaktien -**

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Rating chronicle:

| Company | Date | Rating | former share price | former target |
|----------------|----------------|---------------|---------------------------|----------------------|
| ACCENTRO | 5 August 2021 | Buy | 7,40 € | 12,00 € |
| ACCENTRO | 2 June 2021 | Buy | 8,45 € | 11,50 € |
| ACCENTRO | 17 May 2021 | Buy | 8,60 € | 11,50 € |
| ACCENTRO | 6 January 2021 | Hold | 8,30 € | 8,50 € |
| ACCENTRO | 13 August 2020 | Buy | 9,45 € | 12,00 € |
| ACCENTRO | 4 June 2020 | Accumulate | 11,00 € | 12,00 € |
| ACCENTRO | 30 March 2020 | Buy | 7,75 € | 9,50 € |

Please note:

The share price mentioned in this report is from 31 August. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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