

■ **Price (Euro)** **6.70**
52 weeks range 9.20 / 6.00

■ **Key Data**

ISIN	DE000A0KFKB3
Bloomberg	E7S:GR
Reporting standard	IFRS
Market Cap (Euro million)	217
Number of shares (million)	32.4
Free Float	12.1%
Free Float Market Cap (Euro million)	26
CAGR EBIT ('19 -'23e)	10.7%

■ Multiples	2020	2021e	2022e	2023e
Market Cap / Total revenues	11.1	5.0	4.5	3.9
PE-Ratio	13.1	11.8	10.8	9.1
Dividend Yield	0.0%	3.0%	3.7%	4.5%
Price-to-Book-Ratio	0.88	0.82	0.78	0.74

■ Key Data per share (Euro)	2020	2021e	2022e	2023e
Earnings per share (EPS)	0.51	0.57	0.62	0.74
Dividend per share (DPS)	0.00	0.20	0.25	0.30
Book Value per Share (BVPS)	7.62	8.19	8.60	9.09

■ 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	4,184	5,521	7,220
Net service income	871	1,370	1,785	1,835
Operating profit (EBIT)	34,767	52,943	55,201	59,837
Net interest income	-10,490	-22,275	-21,964	-21,303
Pre-tax profit (EBT)	24,313	30,719	33,284	38,566
Income taxes	-6,258	-10,432	-12,773	-14,019
Net profit after Minorities	16,567	18,421	20,033	23,960
Shareholders' equity (Euro million)	581	862	1,009	1,109
Privatization Portfolio (Euro million)	418	443	504	585
RoE (after tax)	7.1%	7.2%	7.4%	8.3%
Equity ratio	28.7%	26.3%	25.2%	24.2%

■ **Main Shareholders**

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

■ **Financial calendar**

2021 annual report	28 April 2022
1Q 2022 report	31 May 2022
AGM	22 June 2022

■ **Analysts**

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ACCENTRO acquires portfolio with 73 lawfully partitioned units in attractive districts of Berlin for the privatization portfolio – Buy rating and Euro 14.00 target price affirmed

Today, the company reported the acquisition of a portfolio for the firm's privatization business. The acquired portfolio includes 73 units with a space of almost 6,000 sqm, located in the districts of Charlottenburg, Wedding and Friedrichshain in Berlin. The units are already lawfully partitioned and are to be sold individually. While the firm has not disclosed any details regarding the purchase price, we expect the acquisitions volume to be somewhere between Euro 20m and Euro 25m. As the properties are in attractive locations, we expect the sales margin for the units to still be at or above 20% despite the fact that the units are already partitioned. We expect the transfer of the objects for the first quarter of 2022.

With the announced transaction the firm lifts its sales pipeline for the coming years by more than Euro 25m in our estimate and shows, that lucrative assets can still be found in attractive locations. The acquisition further confirms our expectations regarding the development of ACCENTRO for the coming years and we expect further significant transactions to be reported in the coming months. We confirm our Euro 14.00 target price and 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
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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 27.2% and a LTV of 56.5% at 9M 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.

	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	-15,263	-18,010	-21,252	
Net rental income	6,130	6,518	4,855	4,184	5,521	7,220	2.6%
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	2,144	3,544	3,189	
Gross profit or loss	43,161	39,930	27,050	51,436	59,399	67,694	14.1%
Net revaluation result	0	11,399	28,367	25,341	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	-12,863	-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	52,943	55,201	59,837	10.7%
Other income from investments	36	36	36	51	47	32	
Interest income	944	4,854	11,256	2,647	1,514	2,581	
Interest expenses	-9,869	-12,207	-21,746	-24,922	-23,478	-23,884	
Net interest income	-8,925	-7,353	-10,490	-22,275	-21,964	-21,303	
Profit/loss before taxes (EBT)	23,976	32,488	24,313	30,719	33,284	38,566	4.4%
Income taxes	-5,675	-6,189	-6,258	-10,432	-12,773	-14,019	
Consolidated income	18,301	26,299	18,055	20,287	20,511	24,547	-1.7%
Minorities	-103	168	-1,488	-1,866	-478	-587	
Net profit/loss after minorities	18,198	26,467	16,567	18,421	20,033	23,960	-2.5%
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	0.57	0.62	0.74	
Dividend per share (DPS)	0.16	0.00	0.00	0.20	0.25	0.30	
Shareholders' Equity	199,104	220,811	247,101	265,522	279,068	294,918	7.5%
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%	26.3%	25.2%	24.2%	
RoE (after tax)	10.3%	12.6%	7.1%	7.2%	7.4%	8.3%	-9.8%
Privatisation Portfolio (Euro million)	344	389	418	443	504	585	
Book Value per share (Euro)	6.14	6.81	7.62	8.19	8.60	9.09	7.5%

SRC Research - Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	30 November 2021	Buy	6.30 €	14.00 €
ACCENTRO	10 November 2021	Buy	6.85 €	14.00 €
ACCENTRO	8 October 2021	Buy	6.05 €	12.00 €
ACCENTRO	1 September 2021	Buy	7.00 €	12.00 €
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 €

Please note:

The share price mentioned in this report is from 3 December. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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