

<b>Price (Euro)</b>	<b>6.05</b>
52 weeks range	9.50 / 6.00

#### Key Data

ISIN	DE000A0KFKB3
Bloomberg	E7S:GR
Reporting standard	IFRS
Market Cap (Euro million)	196
Number of shares (million)	32.4
Free Float	12.1%
Free Float Market Cap (Euro million)	24
CAGR EBIT ('19 -'23e)	12.1%

Multiples	2020	2021e	2022e	2023e
Market Cap / Total revenues	10.0	4.5	4.0	3.5
<b>PE-Ratio</b>	<b>11.8</b>	<b>8.9</b>	<b>8.2</b>	<b>6.9</b>
Dividend Yield	0.0%	3.3%	4.1%	5.0%
<b>Price-to-Book-Ratio</b>	<b>0.79</b>	<b>0.73</b>	<b>0.68</b>	<b>0.64</b>

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

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
<b>Operating profit (EBIT)</b>	<b>34,767</b>	<b>53,943</b>	<b>57,685</b>	<b>62,768</b>
Net interest income	-10,490	-21,155	-20,453	-19,838
<b>Pre-tax profit (EBT)</b>	<b>24,313</b>	<b>32,839</b>	<b>37,279</b>	<b>42,962</b>
Income taxes	-6,258	-10,432	-12,773	-14,019
<b>Net profit after Minorities</b>	<b>16,567</b>	<b>21,952</b>	<b>24,028</b>	<b>28,356</b>
Shareholders' equity (Euro million)	581	862	1,009	1,109
<b>Privatization Portfolio (Euro million)</b>	<b>418</b>	<b>443</b>	<b>504</b>	<b>585</b>
<b>RoE (after tax)</b>	<b>7.1%</b>	<b>8.5%</b>	<b>8.6%</b>	<b>9.6%</b>
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

9M 2021 report	9 November 2021
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#### Analysts

**Christopher Mehl, MBA, CFA**  
**Dipl.-Kfm. Stefan Scharff, CREA**

**E-Mail**  
mehl@src-research.de  
scharff@src-research.de

**Internet**  
www.src-research.de  
www.aktienmarkt-international.at  
www.aktienmarkt-international.de

**Very good 9M sales numbers confirm our 2021 full-year estimates – Guidance confirmed by the management, but too conservative in our opinion – Buy and Euro 12.00 affirmed**

Yesterday, the company released first very pleasing sales data for the first nine months of 2021, which ended on 30 September. In the first nine months, ACCENTRO sold 614 units, which is a significant hike of 133% compared to last year's 264 units. The sales volume of the first three quarters amounted to almost Euro 190m, up more than 155% to last year's volume of Euro 74m. Hence, the third quarter was able to pick up on the strong sales numbers of the first half and even delivered the fastest-selling month since 2013 with 123 units sold in September. In the third quarter alone, the numbers showed a hike of more than 156% in terms of sales volume and 149% in terms of units.

**While the full 9M numbers will only be released in about a month, on 9 November, the released sales figures are already a good indication that the numbers will be well on track. The management also reaffirmed the guidance for the full year again with yesterday's news. We continue to believe, that the guidance is still too conservative and expect the 2021 numbers to be on top of the given ranges of revenues between Euro 170m and Euro 200m and an EBIT between Euro 45m and Euro 50m. Thus, we stick to our estimates and continue to believe that the firm will lift its guidance for the full year at some point of time over the coming months, most likely with the 9M numbers. We also see further significant sales coming in the current fourth quarter and also would not rule out the possibility of a block sale before the end of the year. As already stated in our last update, we confirm our Euro 12.00 target price for the time being but see further upside if the news flow and the numbers continue to develop as expected. At the current share price level of about 6 Euros, we clearly stick to our Buy rating.**

## ACCENTRO Real Estate AG

<b>Industry:</b>	Real Estate	<b>Management Board of ACCENTRO:</b>
<b>Sub-segment:</b>	Residential	Lars Schriewer
<b>Region:</b>	Germany	
<b>Headquarter:</b>	Berlin	
<b>Foundation</b>	2006	
<b>Employees:</b>	101	<b>Supervisory Board of ACCENTRO:</b>
		Axel Harloff
<b>IR Contact:</b>		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	
<b>Capital gains from property sales</b>	<b>33,085</b>	<b>29,842</b>	<b>19,625</b>	<b>43,738</b>	<b>48,549</b>	<b>55,450</b>	<b>16.8%</b>
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	
<b>Net rental income</b>	<b>6,130</b>	<b>6,518</b>	<b>4,855</b>	<b>6,289</b>	<b>8,004</b>	<b>10,151</b>	<b>11.7%</b>
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	
<b>Net service income</b>	<b>2,283</b>	<b>2,363</b>	<b>871</b>	<b>1,370</b>	<b>1,785</b>	<b>1,835</b>	<b>-6.1%</b>
Other operating income	1,663	1,207	1,699	3,245	3,544	3,189	
<b>Gross profit or loss</b>	<b>43,161</b>	<b>39,930</b>	<b>27,050</b>	<b>54,642</b>	<b>61,883</b>	<b>70,625</b>	<b>15.3%</b>
<b>Net revaluation result</b>	<b>0</b>	<b>11,399</b>	<b>28,367</b>	<b>19,953</b>	<b>12,587</b>	<b>9,334</b>	
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	
<b>Earnings before interest and taxes (EBIT)</b>	<b>32,865</b>	<b>39,805</b>	<b>34,767</b>	<b>53,943</b>	<b>57,685</b>	<b>62,768</b>	<b>12.1%</b>
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	
<b>Net interest income</b>	<b>-8,925</b>	<b>-7,353</b>	<b>-10,490</b>	<b>-21,155</b>	<b>-20,453</b>	<b>-19,838</b>	
<b>Profit/loss before taxes (EBT)</b>	<b>23,976</b>	<b>32,488</b>	<b>24,313</b>	<b>32,839</b>	<b>37,279</b>	<b>42,962</b>	<b>7.2%</b>
Income taxes	-5,675	-6,189	-6,258	-10,432	-12,773	-14,019	
<b>Consolidated income</b>	<b>18,301</b>	<b>26,299</b>	<b>18,055</b>	<b>22,407</b>	<b>24,506</b>	<b>28,943</b>	<b>2.4%</b>
Minorities	-103	168	-1,488	-455	-478	-587	
<b>Net profit/loss after minorities</b>	<b>18,198</b>	<b>26,467</b>	<b>16,567</b>	<b>21,952</b>	<b>24,028</b>	<b>28,356</b>	<b>1.7%</b>
<b>Number of shares ('000)</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	
<b>Earnings per share (EPS)</b>	<b>0.56</b>	<b>0.81</b>	<b>0.51</b>	<b>0.68</b>	<b>0.74</b>	<b>0.87</b>	
<b>Dividend per share (DPS)</b>	<b>0.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.20</b>	<b>0.25</b>	<b>0.30</b>	
<b>Shareholders' Equity</b>	<b>199,104</b>	<b>220,811</b>	<b>247,101</b>	<b>269,053</b>	<b>286,594</b>	<b>306,840</b>	<b>8.6%</b>
<b>Balance Sheet sum</b>	<b>474,205</b>	<b>580,757</b>	<b>861,987</b>	<b>1,008,525</b>	<b>1,109,377</b>	<b>1,220,315</b>	
<b>Equity Ratio</b>	<b>42.0%</b>	<b>38.0%</b>	<b>28.7%</b>	<b>26.7%</b>	<b>25.8%</b>	<b>25.1%</b>	
<b>RoE (after tax)</b>	<b>10.3%</b>	<b>12.6%</b>	<b>7.1%</b>	<b>8.5%</b>	<b>8.6%</b>	<b>9.6%</b>	<b>-6.7%</b>
<b>Privatisation Portfolio (Euro million)</b>	<b>344</b>	<b>389</b>	<b>418</b>	<b>443</b>	<b>504</b>	<b>585</b>	
<b>Book Value per share (Euro)</b>	<b>6.14</b>	<b>6.81</b>	<b>7.62</b>	<b>8.29</b>	<b>8.84</b>	<b>9.46</b>	<b>8.6%</b>

## SRC Research

### - Der Spezialist für Finanz- und Immobilienaktien -

SRC - Scharff Research und Consulting GmbH

Klingerstr. 23

D-60313 Frankfurt am Main

Germany

Fon: +49 (0)69/ 400 313-80

Mail: scharff@src-research.de

Internet: www.src-research.de

#### Rating chronicle:

Company	Date	Rating	former share price	former target
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 €
ACCENTRO	4 June 2020	Accumulate	11.00 €	12.00 €

#### Please note:

The share price mentioned in this report is from 7 October. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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