

A strong 9 months result – allowing for a special dividend and for a higher full year FFO guidance - still Buy and € 36

Price (Euro)	29,80			
52 weeks range	33.05 / 23.20			
Key Data				
ISIN	AT0000641352			
Reuters	CAIV.VI			
Bloomberg	CAI AV			
Reporting standard	IFRS			
Market Cap (Euro million)	2.954			
Number of shares (million)	99,1			
Free Float	32%			
Free Float Market Cap (Euro million)	945			
CAGR EBITDA cash profit ('22 - '25e)	18,0%			
Multiples	2022	2023e	2024e	2025e
Market Cap/ Total revenues	10,5	6,5	7,4	7,7
PE-Ratio	39,3	28,0	18,0	19,9
Dividend Yield	11,7%	8,6%	2,7%	2,7%
Price-to-Book-Ratio	0,88	0,93	0,92	0,89
P/ NAV-ratio	0,74	0,81	0,80	0,78
Key Data per share (Euro)	2022	2023e	2024e	2025e
Earnings per share (EPS)	0,76	1,07	1,65	1,49
Dividend per share (DPS)	3,50	2,56	0,80	0,80
Book Value per Share (BVPS)	33,71	32,02	32,50	33,32
EPRA NTA per share	40,31	36,80	37,25	38,45
Financial Data (Euro '000)	2022	2023e	2024e	2025e
Total revenues incl net disposal gains	281.164	453.909	401.369	383.003
Rental income	213.753	230.853	238.933	250.402
Admin expenses	-47.451	-50.650	-48.452	-48.772
EBITDA profit (cash-driven)	149.539	319.069	264.070	245.784
Net result from revaluations	-94.070	-180.440	2.051	20.249
Operating profit (EBIT)	74.381	136.417	264.180	263.793
Net financial result	43.454	-26.157	-46.762	-53.492
Pre-tax profit (EBT)	117.835	110.260	217.418	210.301
Taxation	-36.911	-4.085	-52.874	-61.441
Net profit after minorities	75.477	106.146	164.529	148.842
Shareholders' equity (Euro million)	3.359	3.191	3.238	3.319
Property assets let (Euro million)	4.979	4.924	4.727	4.684
Property assets under development	597	572	412	446
RoE (pre-tax)	3,5%	3,5%	6,7%	6,3%
RoE (after tax)	2,3%	3,2%	5,1%	4,5%
Equity ratio	46,8%	45,4%	44,8%	45,5%

Main Shareholders	
Starwood	60%
Own shares	8%

Financial calendar	
2023 annual report	20 March 2024
AGM	2 May 2024
1Q 2024	21 May 2024
1H 2024	28 August 2024

Analyst	Dipl.-Kfm. Stefan Scharff, CREA
E-Mail	scharff@src-research.de
Internet	www.src-research.de www.aktienmarkt-international.at www.aktienmarkt-international.de

Yesterday evening, CA Immo published the 9M 2023 report and invited for a conference call today. CAI profited from some project completions, indexation of rents and a very good letting performance which all helped to lift the gross rental income by more than 9% to Euro 173m. On a like-for-like basis the growth was also strong, despite the sluggish economic framework, bringing a growth of 6.2%. The good portfolio quality allowed for new rentals and prolongations of more than 92k sqm, which was split 50 / 50 between new rents and prolongations and signed rental contracts were made 10% above the expected rental value. Furthermore, 27 rent agreements were signed with a later starting date, that stand for 23% of the current vacancy. Even with headwind from an economic downturn the occupancy level of the total portfolio remained unchanged to year-end 2022, at 90%. The FFO I result was quite strong at Euro 83m (2022: Euro 103m), even after selling the Romanian platform and other non-core assets and land plots in the value of Euro 540m for prices 50% above book value at average. The FFO II result which includes the trading activities almost doubled from Euro 84m to Euro 159m. With this decent FFO picture the company lifted the FFO guidance of over Euro 100m to now over Euro 105m. According to the decent FFO development the cash-driven EBITDA operating profit even more than doubled, from Euro 117m to Euro 268m. The EBIT result was impaired by a significant swing in the net revaluation result. With regards to a sluggish economic situation in Europe that also might impair future economic growth and bring down multiples at investment markets in general, the net revaluation result swung from a high Euro +180m last year to now Euro -156m. In addition to that, the net financial result, which was flattered last year by a high positive amount of interest rate derivatives, came down from Euro +54m to a negative Euro -36m. The pre-tax profit still clearly remained in black, but down from Euro 374m to Euro 74m.

We judge the good cash flow picture and the superior asset quality resulting in a resilient portfolio structure higher than the P & L, mainly driven by non-cash items. The balance sheet situation is very comfortable with an equity ratio of 48%, even higher than the 47% at year-end 2022. This adds to the healthy net LTV of only 30.4%, also below the 32.5% at year-end 2022. That all allowed to pay out a Euro 2.56 special dividend to CAI shareholders last week, on 24 November. The company will continue to sell some more non-core assets like the properties in Hungary and one left in Serbia, but also in Germany like in Berlin and Mainz, even if the transaction speed might decline as buyers have to handle with more restrictive banks. The risk profile of the firm is low in terms of an undemanding debt maturity profile, a Euro 175m bond due in February 2024 will be paid from the very high Euro 788m cash amount end of 3Q. Even if you deduct the Euro 250m special dividend payment, there is a big cushion. The CA Immo portfolio is resilient and highly cash generating and the special dividend meant a high 8.5% dividend yield for the shareholders. **The development pipeline is very small after finishing Berlin Hochhaus am Europaplatz in 3Q 2023, half a year earlier. The remaining Upbeat Tower is to be finished for 1Q 2026 and fully rented in advance. With the EPRA NTA per share slightly up from € 38.65 at 1H to now € 39.53 at 9M, we keep our Buy and € 36.00 target.**



CA Immobilien Anlagen AG

Industry: Real Estate
Sub-segment: Office/ Commercial
Country: Austria
Headquarter: Vienna
Foundation: 1990
Employees (year-end 2022): 392

IR Contact
 Christoph Thurnberger / Julian Wöhrle
 (Mail: ir@caimmoag.com)

Management Board of CA Immo
 Keegan Viscius (CEO)
 Dr. Andreas Schillhofer (CFO)

Supervisory Board of CA Immo
 Torsten Hollstein (Chairman)
 David Smith (First Deputy Chairman)
 Jeffrey G. Dishner (Second Deputy Chairman)
 Sarah Broughton
 Georg Edinger
 Sebastian Obermair

Founded in 1987 CA Immo is one of the major property owners in Europe. The Vienna-based company is a specialist in property management and the development of premium large-scale office properties as well as mixed city quarters and had on year-end 2021 a gross asset value of Euro 5.9bn allocated in Germany (66%, mainly Berlin, Frankfurt, Munich and Dusseldorf), Austria (8%, mainly Vienna) and CEE (26%, mainly Warsaw, Budapest and Prague). Bucharest properties were recently sold in November 2022, the Serbia assets might be fully sold during 2023.

In the last years CA Immo further sharpened its specialist profile for superior, green and very modern office properties in top locations, especially by disposing some non-strategic assets like logistics assets or assets which do not belong to the core regions of activity or are aged and contain a higher capex demand for the future years. By doing this, CA Immo rebalanced the group's portfolio picture towards office and towards the more stable economies of Germany and Austria. CA Immo strives to bring the share of Germany and Austria to over 80%. If you deduct the Serbia assets from balance (Euro 82m) and include the Berlin-based and 100% pre-let developments Hochhaus am Europaplatz and Upbeat (to be finished in 1Q 2024 and 1Q 2026 for their own portfolio), then it is already above 80%, as these two big developments stand for almost Euro 500m in investment volume. In the course of capital rotation the company already exited the markets in Croatia in October 2020 with the sale of Zagrebtower, and Slovakia, in March 2021, with the sale of two office properties. The exit from Romania (an approx. Euro 400m portfolio with Euro 30m annual rent) was recently signed in November 2022 and Serbia is very likely to follow in 2023, as the sale of Zagrebtower was already announced in the management's conference call on 23 March 2023.

The company is strongly geared to a Net Zero vision, that means sustainable office space for the generations to come. CA Immo stands for a remarkable reduction of energy intensity in property operations by about 15% until 2025. Between 2019 and 2022 there was already a reduction of carbonemissions of about 18%. CA Immo is geared to steadily improve their ESG ratings and give highest priority in top level management to ESG criteria. CA Immo improved the MSCI ESG rating from A in 2020 to AA in 2021 and AAA in 2022. The company also improved the ISS ESG rating from C- in 2020 and 2021 to now C (Prime) in 2022.

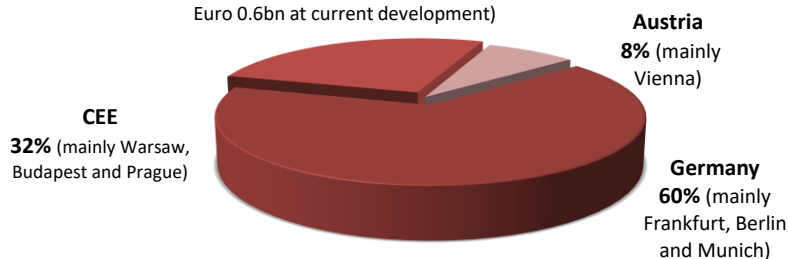
Another highlight of the last years was the significant reduction of the financing costs or at least keeping them stable at very low levels. The average cost of debt remarkably came down, from an initial 2.3% at year-end 2016 to 1.9% at year-end 2017 and to only 1.7% at year-end 2018. It remained on this very low level in 2019. In 2020 the cost of debt even declined to 1.5% and remained there in 2021. The 2002 cost of debt was only little higher at 1.71%. A big step of optimisation of the financing structure was completed by an inaugural Euro 500m Benchmark Bond issued in January 2020, with a 7 years duration and a coupon of only 0.875% (final yield 0.998%). That was in a retrospective view a very good timing. A second Euro 350m green bond also came in 2020 with a 5 years duration until October 2025 and a low 1.0% coupon. This both landmark issues helped a lot in challenging COVID-19 pandemic years and in the aftermath of strongly rising inflation and shaky economic times after the outbreak of the Russian aggression against Ukraine.

Besides the quite comfortable debt maturity profile until October 2025 the rock solid balance with an equity ratio of 46.8% at year-end 2022 (46.3% at half-year 2023), a net LTV of only 32.5% (even down to 29.6% at half-year 2023) and liquid funds of over Euro 950m at half-year 2023 speak a clear language of financial strength, even after paying a Euro 2.50 special dividend in March 2022. The dividend proposal for AGM on 4 May 2023 was Euro 1.00 per share for the successful FY 2022, meaning a pay-out of almost Euro 100m. Another evidence for the financial strength. With a high cash generation and the sale of Euro 540m non-core assets in the first nine months, there was a special Euro 2.56 dividend paid out on 24 November 2023.

CAI is listed on Vienna Stock Exchange since 1988 and member of ATX Blue Chip index and clearly bet the ATX performance in most previous years. The high RoE generation is an important argument, as it was +10% per year in average of the last five years (2017 - 2022).

Euro 5.9bn property portfolio at the year-end 2022

(thereof Euro 5.0bn property assets let and Euro 0.6bn at current development)



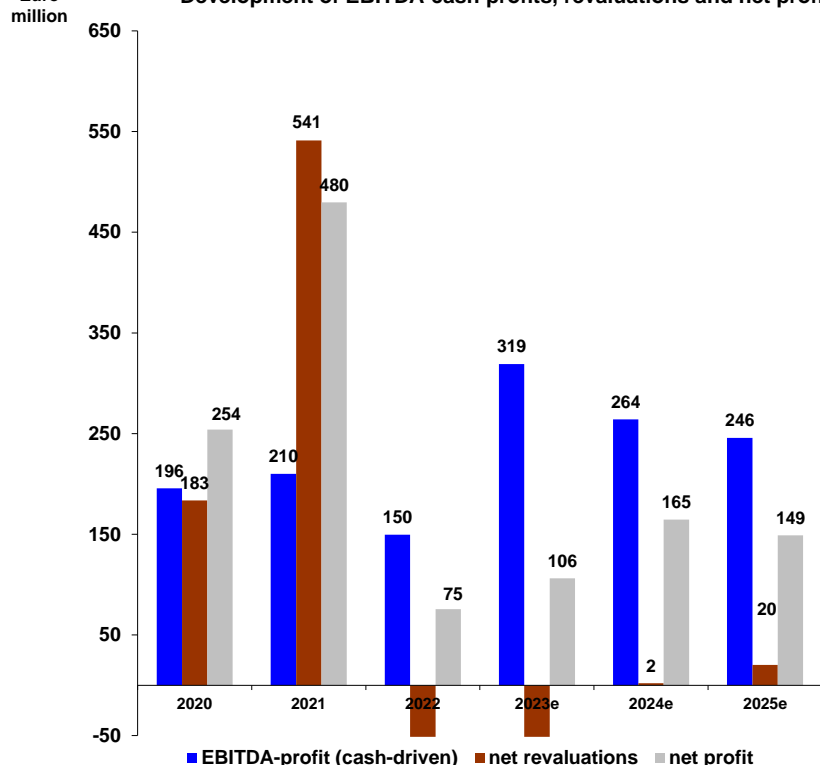
Source: Company Data, SRC Research

CA Immobilien Anlagen AG

31/12 IFRS ('000)

	2019	2020	2021	2022	2023e	2024e	2025e	CAGR '22 - '25e
Rental income	220.730,0	235.609,0	229.111,0	213.753,0	230.853,2	238.933,1	250.401,9	5,4%
Proceeds from property sale (Trading Portfolio)	12.344,0	43.335,0	8.233,0	9.337,0	135.840,0	254.004,0	15.449,0	
Expenses from property disposal (Trading Portfolio)	-13.617,0	-35.387,0	-1.558,0	-1.666,0	-25.259,0	-211.452,0	-11.454,0	
Subtotal Trading Portfolio	-1.273,0	7.948,0	6.675,0	7.671,0	110.581,0	42.552,0	3.995,0	
sale margin (Trading Portfolio)	-10,3%	18,3%	81,1%	82,2%	81,4%	16,8%	25,9%	
Proceeds from property sale (Hold Portfolio)	45.312,0	200.076,0	168.302,0	133.229,0	141.821,0	98.778,0	86.540,0	
Expenses from property disposal (Hold Portfolio)	-29.662,0	-156.146,0	-115.642,0	-129.153,0	-100.915,0	-48.998,0	-31.567,0	
Result from property sales (Hold Portfolio)	15.650,0	43.930,0	52.660,0	4.076,0	40.906,0	49.780,0	54.973,0	
sale margin (Hold Portfolio)	34,5%	22,0%	31,3%	3,1%	28,8%	50,4%	63,5%	
Operating costs passed on to tenants	51.757,0	53.260,0	51.053,0	50.436,0	65.449,0	63.550,0	67.313,0	
Revenues from construction	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Income from services	8.500,0	8.166,0	8.137,0	5.228,0	6.120,0	6.554,0	6.320,0	
Total revenues including the net gains from disposals	295.364,0	348.913,0	347.636,0	281.164,0	453.909,2	401.369,1	383.002,9	10,9%
Operating expenses	-55.326,0	-57.738,0	-57.600,0	-58.982,0	-52.711,0	-61.007,0	-63.142,0	
Other expenses directly related to Hold-Portfolio	-22.410,0	-21.466,0	-23.102,0	-24.459,0	-31.190,0	-28.441,0	-26.005,0	
Expenses for construction	-3.157,0	-2.154,0	-1.854,0	-1.885,0	-1.500,0	-1.500,0	-1.500,0	
Admin expenses	-43.464,0	-73.176,0	-58.222,0	-47.451,0	-50.650,0	-48.452,0	-48.772,0	
Own works capitalised	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Other operating income	721,0	1.204,0	3.235,0	1.152,0	1.211,0	2.101,0	2.200,0	
EBITDA-profit (cash-driven operating profit)	171.728,0	195.584,0	210.093,0	149.539,0	319.069,2	264.070,1	245.783,9	18,0%
Gains from Fair Value Adjustments (IAS 40)	491.752,0	352.110,0	602.360,0	183.119,0	71.002,0	34.501,0	51.450,0	
Losses from Fair Value Adjustments (IAS 40)	-28.985,0	-168.611,0	-61.213,0	-277.189,0	-251.442,0	-32.450,0	-31.201,0	
Net result from Revaluations (IAS 40)	462.767,0	183.499,0	541.147,0	-94.070,0	-180.440,0	2.051,0	20.249,0	
Depreciation and amortisation of long-term assets	-4.626,0	-4.662,0	-4.939,0	-5.588,0	-5.478,0	-5.512,0	-5.785,0	
Depreciation of properties of Trading-Portfolio	95,0	-871,0	-354,0	-1.975,0	-384,0	-411,0	-450,0	
Result from investments in joint ventures	3.729,0	1.898,0	3.618,0	26.475,0	3.650,0	3.982,0	3.995,0	
Operating Profit (EBIT)	633.693,0	375.448,0	749.565,0	74.381,0	136.417,2	264.180,1	263.792,9	52,5%
Net financial result	-94.363,0	-27.154,0	-74.389,0	43.454,0	-26.157,0	-46.762,0	-53.492,0	
Pre-tax profit (EBT)	539.330,0	348.295,0	675.176,0	117.835,0	110.260,2	217.418,1	210.300,9	21,3%
taxes on income	-146.026,0	-94.341,0	-195.375,0	-36.911,0	-4.085,0	-52.874,0	-61.441,0	
tax-rate	27,1%	27,1%	28,9%	31,3%	3,7%	24,3%	29,2%	
minorities	-21,0	-5,0	-26,0	2,0	-29,0	-15,0	-18,0	
result from discontinued operations	0,0	0,0	0,0	-5.449,0	0,0	0,0	0,0	
Net Profit after minorities	393.283,0	253.948,0	479.775,0	75.477,0	106.146,2	164.529,1	148.841,9	25,4%
number of shares without own shares ('000)	93.028,3	93.028,3	99.636,0	99.636,0	99.636,0	99.636,0	99.636,0	
Earnings per share (Euro)	4,23	2,73	4,82	0,76	1,07	1,65	1,49	25,4%
Dividends per share (Euro)	1,00	1,00	3,50	3,50	2,56	0,80	0,80	
Book Value per share (Euro)	31,90	33,63	33,03	33,71	32,02	32,50	33,32	-0,4%
EPRA NTA per share (Euro)	38,33	40,09	40,05	40,31	36,80	37,25	38,45	-1,6%
Key Data								
Shareholders' Equity	2.967.884,0	3.128.218,0	3.291.038,0	3.358.523,0	3.190.596,9	3.238.455,8	3.319.417,2	-0,5%
Property assets let (only fully owned from 2014 on)	4.023.700	4.736.000	4.995.500	4.978.700	4.923.569	4.726.626	4.684.087	
thereof Germany ('000)	1.576,7	2.271,4	2.503,4	3.086,2	3.348,0	3.403,2	3.513,1	
thereof Austria ('000)	517,2	524,7	496,5	377,1	344,6	330,9	327,9	
thereof CEE and SEE ('000)	1.929,8	1.939,9	1.995,6	1.515,4	1.230,9	992,6	843,1	
Gross yield property assets let	5,5%	5,2%	4,6%	4,6%	4,5%	4,7%	4,7%	
Vacancy rate property assets let	3,9%	5,2%	11,1%	10,1%	10,5%	11,5%	12,0%	
Property assets under current construction	597.400	701.600	1.097.100	596.632	572.008	412.001	445.982	-27,9%
RoE (pre-tax)	18,2%	11,1%	20,5%	3,5%	3,5%	6,7%	6,3%	
RoE (after tax)	14,0%	8,3%	14,9%	2,3%	3,2%	5,1%	4,5%	
Total balance sheet sum	5.888.690,0	6.820.289,0	7.114.445,0	7.170.568,0	7.027.156,6	7.223.917,0	7.296.156,2	0,5%
Equity ratio	50,4%	45,9%	46,3%	46,8%	45,4%	44,8%	45,5%	

Euro million Development of EBITDA-cash profits, revaluations and net profits



SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Klingerstr. 23

D-60313 Frankfurt

Germany

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

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle	Date	Rating	former share price	former target
CA Immo	August 24, 2023	Buy	29,95 €	36,00 €
CA Immo	May 25, 2023	Buy	24,60 €	36,00 €
CA Immo	March 24, 2023	Buy	24,55 €	36,00 €
CA Immo	November 24, 2022	Buy	32,40 €	40,00 €
CA Immo	August 25, 2022	Buy	31,95 €	42,00 €
CA Immo	May 25, 2022	Buy	29,25 €	42,00 €
CA Immo	March 25, 2022	Buy	28,15 €	42,00 €
CA Immo	February 7, 2022	Buy	31,65 €	42,00 €
CA Immo	November 25, 2021	Buy	37,50 €	42,00 €
CA Immo	November 4, 2021	Buy	38,30 €	42,00 €

Please note:

The CA Immo share price mentioned in this report is from 29 November 2023. CA Immo mandated SRC Research for covering the CA Immo share.

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