

CA Immo Accumulate

(unchanged) Target: Euro 33.00 (unchanged)



03 | Sept | 2024

Price (Euro)	30,70			
52 weeks range	33.58 / 27.10			
Key Data				
ISIN	AT0000641352			
Reuters	CAIV.VI			
Bloomberg	CAI AV			
Reporting standard	IFRS			
Market Cap (Euro million)	3.000			
Number of shares (million)	97,7			
Free Float	32%			
Free Float Market Cap (Euro million)	960			
CAGR EBITDA cash profit ('23 - '26e)	-15,7%			
Multiples				
	2023	2024e	2025e	2026e
Market Cap/ Total revenues	6,4	10,2	8,7	8,9
PE-Ratio	-12,8	-32,6	29,0	31,9
Dividend Yield	10,9%	2,6%	2,6%	2,6%
Price-to-Book-Ratio	1,11	1,08	1,06	1,02
P/ NAV-ratio	0,91	0,96	0,90	0,84
Key Data per share (Euro)				
	2023	2024e	2025e	2026e
Earnings per share (EPS)	-2,40	-0,94	1,06	0,96
Dividend per share (DPS)	3,36	0,80	0,80	0,80
Book Value per Share (BVPS)	27,72	28,30	29,01	30,20
EPRA NTA per share	33,78	32,05	34,01	36,57
Financial Data (Euro '000)				
	2023	2024e	2025e	2026e
Total revenues incl net disposal gains	468.116	292.965	345.232	335.980
Rental income	231.442	240.700	244.310	258.969
Admin expenses	-53.155	-48.452	-48.772	-49.302
EBITDA profit (cash-driven)	322.111	155.162	206.403	192.755
Net result from revaluations	-532.004	-127.096	29.249	33.247
Operating profit (EBIT)	-217.608	26.125	233.412	223.502
Net financial result	-81.051	-85.454	-95.012	-100.354
Pre-tax profit (EBT)	-298.659	-59.329	138.400	123.148
Taxation	62.774	-32.550	-34.958	-29.020
Net profit after minorities	-235.868	-91.894	103.424	94.108
Shareholders' equity (Euro million)	2.725	2.765	2.835	2.951
Property assets let (Euro million)	4.754	4.806	4.926	5.237
Property assets under development	344	344	344	154
RoE (pre-tax)	-11,0%	-2,1%	4,9%	4,2%
RoE (after tax)	-7,8%	-3,3%	3,7%	3,3%
Equity ratio	43,8%	43,2%	43,9%	43,8%
Main Shareholders				
Starwood	60%			
Own shares	8%			
Financial calendar				
EPRA Conference Berlin 9M 2024		17 - 19 September 2024 27 November 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			

A resilient portfolio delivers +3% rental income and +4% FFO in challenging times, some good sale transactions done as today's news about ViE sale, balance very stable, still Euro 33.00

Last week, on 28 August, CA Immo published the 1H 2024 report. The numbers underlined the superior asset quality and the resilience of business model in a still challenging economic framework.

The rental income was up 3%, from Euro 118.2m to Euro 121.4m and profited from completions in the last year as well as from indexations bringing up the like-for-like rents by about 2%. The FFO I cash result even climbed 4%, from Euro 53m to Euro 55m and the full year guidance of more than Euro 105m is just slightly below the Euro 113.8m from 2023.

The cash-driven EBITDA result was flattered last year by the result from some successful trading activities, clearly above book values. Thus, with just relatively smaller transactions this year so far, the EBITDA result halved from Euro 185m to Euro 78m. Today's news of selling the 10 storey ViE office building in Vienna with 14k sqm and DGNB certification that was completed in 2018 and is fully rented shows that CA Immo is able to sell in a difficult office market and sluggish economy that offers much more headwind than support. CAI reported that there were some more assets and plots sales done or in preparation during the third quarter that will finalize until the end of the year and will contribute to the financial strength in preparation for some new developments like Berlin's Baufeld 2 and Humboldthafen as well as the revitalization of Karlsbad 11. For the moment, the occupancy level in the portfolio remained very stable and high at 88.1% (Dec. 2023: 88.8%).

The superior asset quality is not only reflected in transactions, but was also underlined by a good letting performance again, which was at 88k sqm, more than 50% higher than the 51k sqm in the last 1H 2023. It is worth to mention, that all signed rental contracts (new contracts and prolongations) were about 7% above the expected rental value (ERV) and 31 rental contracts were signed with a start date in the coming months, that tackle about 21% of the current vacancy. These are good news for coming cash flow results and also underline the portfolio resilience in challenging times.

Coming to the revaluation result, with an overall market trend of rising yields it remained negative at Euro -119m, but improved from the last year's Euro -147m. The lion's part of almost 80% came from investment properties (and here Germany was more than 60%), the rest was development properties, held for sale assets and land reserves. We have to state that the CA Immo portfolio devaluations were quite moderate compared to many peers and we also assume that the bulk of the movement is over.

The company sticks to its strategic priorities of a 1) prudent capital rotation to improve the overall quality with a steady sale of non-core assets or non-core markets and 2) streamlining of business model and an ongoing cost discipline (indirect expenses -7% in the first six months) and 3) continued disciplined investments in value accretive and sustainable developments. Berlin and Munich play a big role here. These targets are connected with the target of securing a stable balance sheet as equity ratio of 45% almost unchanged to 44% at year-end 2023 and net LTV still very low below 40%. With the solid picture of the first six months, we maintain our positive view on CA Immo and confirm our Accumulate rating and also our target price of Euro 33.00, which is supported by EPRA NTA per share of Euro 32.14.

CA Immobilien Anlagen AG

Industry: Real Estate
Sub-segment: Office/ Commercial
Country: Austria
Headquarter: Vienna
Foundation: 1990
Employees (year-end 2023): 348

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 2023 a gross asset value of approx. Euro 5.2bn allocated in Germany (66%, mainly Berlin, Frankfurt, Munich and Dusseldorf), Austria (7%, mainly Vienna) and CEE (27%, mainly Warsaw, Budapest and Prague). Serbia is almost fully sold now, in the course of the capital rotation program, the Hungary assets (approx. Euro 400m) might be fully or partly sold during 2024, as Hungary is no longer a core market since June 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%. 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 signed in November 2022 and most properties of Serbia followed in 2023, and the rest might follow in 2024. As Hungary is no longer a core market, these assets might also be sold quite soon, -de-risking CA Immo's overall portfolio, but also bringing down the short term FFO numbers. On the other hand, the 2024 P & L will profit from the full year contribution of recently completed Berlin Hochhaus am Europaplatz with an annual rent of about Euro 12m.

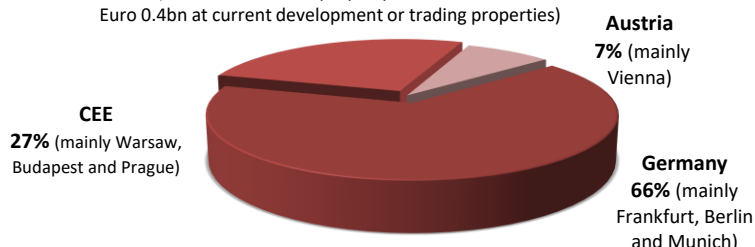
The company is strongly geared to a Net Zero vision, that means sustainable office space for the generations to come. CA Immo stands for a remarkable reduction of energy intensity in property operations by about 15% until 2025. Between 2019 and 2022 there was already a reduction of carbon emissions of about 18%. CA Immo is geared to steadily improve their ESG ratings and give highest priority in top level management to ESG criteria. The company improved the ISS ESG rating from C- in 2020 and 2021 to now C (Prime) in 2022 and also in 2023.

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. The cost of debt of 2.02% for 2023 was also very moderate, given the new interest rate environment. After the repayment of the Euro 175m bond in Feb. 2024, there is no big maturity before the Euro 350m Green Bond in Oct. 2025.

Besides the quite comfortable debt maturity profile until October 2025 the rock solid balance with an equity ratio of almost 44% at year-end 2023 (47% in 2022), a net LTV of still very low 36.6% (after 32.5% in 2022) and liquid funds of still Euro 739m after the Euro 175m bond repayment in February 2024 are good arguments for the stock. 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). With a good 2023 FFO I result of approx. 114m clearly above the guided Euro 105m, the AGM on 2 May 2024 decided for a 80 Cents payment for each dividend on 13 May.

Euro 5.2bn property portfolio at the year-end 2023

(thereof Euro 4.8bn property assets let and
Euro 0.4bn at current development or trading properties)



Source: Company Data, SRC Research

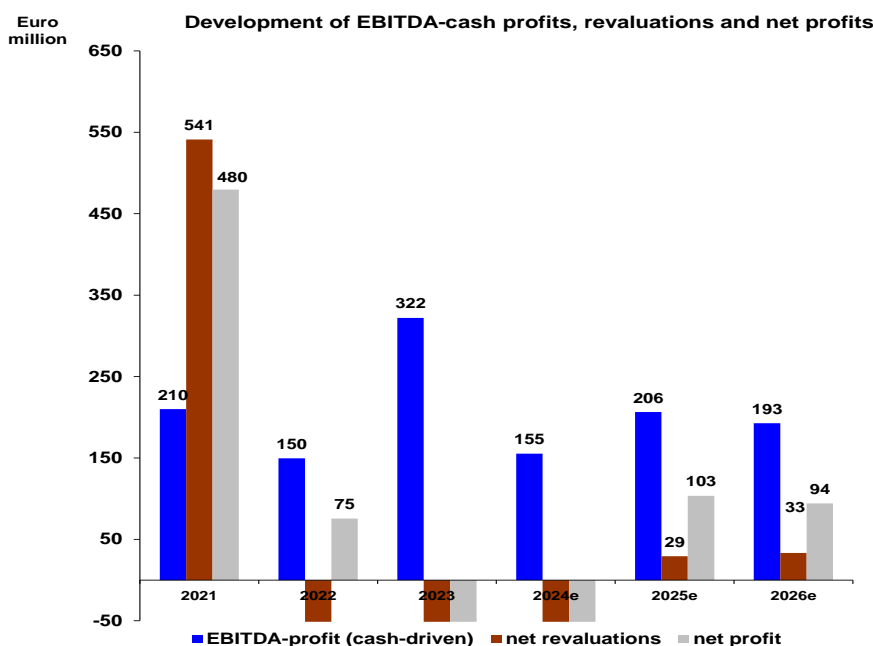
CA Immobilien Anlagen AG

31/12 IFRS ('000)

	2020	2021	2022	2023	2024e	2025e	2026e	CAGR '23 - '26e
Rental income	235.609,0	229.111,0	213.753,0	231.442,0	240.699,7	244.310,2	258.968,8	3,8%
Proceeds from property sale (Trading Portfolio)	43.335,0	8.233,0	9.337,0	131.202,0	211.450,0	15.449,0	8.500,0	
Expenses from property disposal (Trading Portfolio)	-35.387,0	-1.558,0	-1.666,0	-20.465,0	-211.452,0	-11.454,0	-7.450,0	
Subtotal Trading Portfolio	7.948,0	6.675,0	7.671,0	110.737,0	-2,0	3.995,0	1.050,0	
sale margin (Trading Portfolio)	18,3%	81,1%	82,2%	84,4%	0,0%	25,9%	12,4%	
Proceeds from property sale (Hold Portfolio)	200.076,0	168.302,0	133.229,0	377.351,0	45.847,0	81.620,0	95.454,0	
Expenses from property disposal (Hold Portfolio)	-156.146,0	-115.642,0	-129.153,0	-308.856,0	-51.905,0	-45.721,0	-85.447,0	
Result from property sales (Hold Portfolio)	43.930,0	52.660,0	4.076,0	68.495,0	-6.058,0	35.899,0	10.007,0	
sale margin (Hold Portfolio)	22,0%	31,3%	3,1%	18,2%	-13,2%	44,0%	10,5%	
Operating costs passed on to tenants	53.260,0	51.053,0	50.436,0	54.648,0	55.120,0	56.774,0	61.442,0	
Revenues from construction	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Income from services	8.166,0	8.137,0	5.228,0	2.794,0	3.205,0	4.254,0	4.512,0	
Total revenues including the net gains from disposals	348.913,0	347.636,0	281.164,0	468.116,0	292.964,7	345.232,2	335.979,8	-10,5%
Operating expenses	-57.738,0	-57.600,0	-58.982,0	-65.391,0	-61.511,0	-63.142,0	-65.110,0	
Other expenses directly related to Hold-Portfolio	-21.466,0	-23.102,0	-24.459,0	-27.939,0	-28.441,0	-27.585,0	-29.553,0	
Expenses for construction	-2.154,0	-1.854,0	-1.885,0	-1.155,0	-1.500,0	-1.530,0	-1.560,0	
Admin expenses	-73.176,0	-58.222,0	-47.451,0	-53.155,0	-48.452,0	-48.772,0	-49.302,0	
Own works capitalised	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Other operating income	1.204,0	3.235,0	1.152,0	1.635,0	2.101,0	2.200,0	2.300,0	
EBITDA-profit (cash-driven operating profit)	195.584,0	210.093,0	149.539,0	322.111,0	155.161,7	206.403,2	192.754,8	-15,7%
Gains from Fair Value Adjustments (IAS 40)	352.110,0	602.360,0	183.119,0	13.351,0	28.447,0	55.450,0	65.487,0	
Losses from Fair Value Adjustments (IAS 40)	-168.611,0	-61.213,0	-277.189,0	-545.355,0	-155.543,0	-26.201,0	-32.240,0	
Net result from Revaluations (IAS 40)	183.499,0	541.147,0	-94.070,0	-532.004,0	-127.096,0	29.249,0	33.247,0	
Depreciation and amortisation of long-term assets	-4.662,0	-4.939,0	-5.588,0	-5.831,0	-5.512,0	-5.785,0	-6.120,0	
Depreciation of properties of Trading-Portfolio	-871,0	-354,0	-1.975,0	-1.112,0	-411,0	-450,0	-480,0	
Result from investments in joint ventures	1.898,0	3.618,0	26.475,0	-772,0	3.982,0	3.995,0	4.100,0	
Operating Profit (EBIT)	375.448,0	749.565,0	74.381,0	-217.608,0	26.124,7	233.412,2	223.501,8	
Net financial result	-27.154,0	-74.389,0	43.454,0	-81.051,0	-85.454,0	-95.012,0	-100.354,0	
Pre-tax profit (EBT)	348.295,0	675.176,0	117.835,0	-298.659,0	-59.329,3	138.400,2	123.147,8	
taxes on income	-94.341,0	-195.375,0	-36.911,0	62.774,0	-32.550,0	-34.958,0	-29.020,0	
tax-rate	27,1%	28,9%	31,3%	21,0%	-54,9%	25,3%	23,6%	
minorities	-5,0	-26,0	2,0	17,0	-15,0	-18,0	-20,0	
result from discontinued operations	0,0	0,0	-5.449,0	-11.404,0	0,0	0,0	0,0	
Net Profit after minorities	253.948,0	479.775,0	75.477,0	-235.868,0	-91.894,3	103.424,2	94.107,8	
number of shares without own shares ('000)	93.028,3	99.636,0	99.636,0	98.270,8	97.716,4	97.716,4	97.716,4	
Earnings per share (Euro)	2,73	4,82	0,76	-2,40	-0,94	1,06	0,96	
Dividends per share (Euro)	1,00	3,50	3,50	3,36	0,80	0,80	0,80	
Book Value per share (Euro)	33,63	33,03	33,71	27,72	28,30	29,01	30,20	2,9%
EPRA NTA per share (Euro)	40,09	40,05	40,31	33,78	32,05	34,01	36,57	2,7%

Key Data

Shareholders' Equity	3.128.218,0	3.291.038,0	3.358.523,0	2.724.556,0	2.765.424,3	2.834.559,9	2.950.776,9	2,7%
Property assets let (only fully owned from 2014 on)	4.736.000	4.995.500	4.978.700	4.753.900	4.806.193	4.926.348	5.236.708	
thereof Germany ('000)	2.271,4	2.503,4	3.086,2	3.137,6	3.460,5	3.694,8	4.084,6	
thereof Austria ('000)	524,7	496,5	377,1	332,8	336,4	344,8	366,6	
thereof CEE and SEE ('000)	1.939,9	1.995,6	1.515,4	1.283,6	1.009,3	886,7	785,5	
Gross yield property assets let	5,2%	4,6%	4,6%	5,2%	5,4%	5,5%	5,4%	
Vacancy rate property assets let	5,2%	11,1%	10,1%	11,2%	11,5%	12,0%	10,1%	
Property assets under current construction	701.600	1.097.100	596.632	344.100	344.100	344.100	154.452	-23,4%
RoE (pre-tax)	11,1%	20,5%	3,5%	-11,0%	-2,1%	4,9%	4,2%	
RoE (after tax)	8,3%	14,9%	2,3%	-7,8%	-3,3%	3,7%	3,3%	
Total balance sheet sum	6.820.289,0	7.114.445,0	7.170.568,0	6.221.820,0	6.396.031,0	6.459.991,3	6.744.230,9	2,7%
Equity ratio	45,9%	46,3%	46,8%	43,8%	43,2%	43,9%	43,8%	



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	May 22, 2024	Accumulate	29,00 €	33,00 €
CA Immo	March 25, 2024	Accumulate	31,70 €	33,00 €
CA Immo	February 13, 2024	Buy	29,85 €	33,00 €
CA Immo	November 30, 2023	Buy	29,80 €	36,00 €
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 €

Please note:

The CA Immo share price mentioned in this report is from 2 September 2024. CA Immo mandated SRC Research for covering the CA Immo share.

Disclaimer © 2024: This equity research report is published by: SRC-Scharff Research und Consulting GmbH, Klingerstr. 23, D-60313 Frankfurt, Germany (short name: SRC Research). All rights reserved.

Although we feel sure that all information in this SRC report originates from carefully selected sources with high credibility, we cannot give any guarantee for accuracy, trueness and completeness. All opinions quoted in this report give the current judgement of the author which is not necessarily the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All the opinions and assessment made in this report may be changed without prior notice. Within the scope of German regulative framework the author and SRC-Scharff Research und Consulting GmbH do not assume any liability for this document or its content being used. This report is solely for information purposes and does not constitute a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should obtain personal advice at their bank or investment house and should keep in mind that prices and dividends of equities can rise and fall and that nobody can give a guarantee of the future development of equities. The author of this report and the SRC-Scharff Research und Consulting GmbH commit themselves on a unsolicited basis to having no long or short-positions in equities or derivatives related to equities mentioned in this report.

Reproduction, distribution or publishing this report and its content as a whole or in parts is only allowed with approval of SRC management written form. With acceptance of this document you agree with all regulations mentioned here and all general terms and conditions you will find at anytime at our website www.src-research.de.