

<b>Price (Euro)</b>	<b>19,50</b>
52 weeks range	22,55 / 15,44
<b>Key Data</b>	
Country	Austria
Industry	Real Estate
Market Segment	Prime Market
ISIN	AT0000652250
WKN	902388
Symbol	T1L
Reuters	SIAG.VI
Bloomberg	SPI AV
Internet	www.simmoag.at
Reporting Standard	IFRS
Fiscal Year	31/12
Founded	1986
IPO	1987
Market Cap (EUR million)	1435,4
Number of shares (million)	73,6
Free Float (approx.)	54%
Free Float MarketCap (Euro million)	775,1
CAGR (EBITDA '20-23e)	16,3%

<b>Multiples</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Market cap/ Revenues-Ratio	7,4	7,6	7,5	7,2
P/E-Ratio	24,7	7,5	11,4	10,5
Dividend Yield	2,6%	3,6%	3,6%	3,6%

<b>Key Data per Share (Euro)</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Earnings per Share (EpS)</b>	<b>0,79</b>	<b>2,60</b>	<b>1,72</b>	<b>1,86</b>
Dividends per Share (DpS)	0,50	0,70	0,70	0,70
Book Value per Share (BVpS)	18,31	20,17	21,15	22,27
EPRA NAV per share	24,32	28,33	29,78	31,12
FFO I per share	0,59	0,77	0,93	1,00

<b>Financial Data (Euro '000)</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Revenues</b>	<b>173.915</b>	<b>193.999</b>	<b>220.384</b>	<b>240.278</b>
Rental income	123.255	131.025	142.522	153.129
Net revaluation result	39.056	165.004	86.943	91.495
<b>Operating cash profit (EBITDA)</b>	<b>71.132</b>	<b>91.411</b>	<b>100.176</b>	<b>111.951</b>
<b>Operating Profit (EBIT)</b>	<b>100.956</b>	<b>246.738</b>	<b>176.997</b>	<b>192.992</b>
Pre-tax profit (EBT)	71.586	230.890	148.550	160.878
<b>Net profit after minorities</b>	<b>56.537</b>	<b>188.843</b>	<b>124.158</b>	<b>134.869</b>
Shareholders' Equity	1.294.259	1.347.524	1.484.340	1.556.471
RoE after tax	4,3%	13,3%	8,2%	8,4%

<b>Financial Calendar</b>	
2021 annual report	28 April 2022
1Q 2022 report	30 May 2022
AGM	10 June 2022
2Q 2022 report	29 August 2022
SRC Forum Financials & Real Estate	13 September 2022

<b>Main Shareholders</b>	
Immofinanz	26,5%
Aggregate Holdings S.A.	10,8%
EUROVEA Services s.r.o.	5,2%
Own shares	4,1%

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## Strong 9M results with a 18% hike in FFO, +6% in rental revenues, almost Euro 5m in hotel GOP, EBIT quadrupled with a strong hike in revaluation result, still Buy and € 26.00 target

On Friday, 26 November, S IMMO published the 9M 2021 report and invited for a conference call to give more details about numbers and strategy. The results were convincing in a still challenging economic framework, keep in mind that Austria returned to a lockdown mode mid of November and a similar step cannot be excluded for other markets like Germany.

The rental income was up by almost Euro 6m (+ 6.3%), from Euro 91.5m to Euro 97.3m. Even the revenues from hotel business steeply increased from Euro 15m to Euro 20m, allowing for a clearly positive GOP from hotel operations of Euro 4.7m, after a Euro -0.1m zero result in the previous year.

**Thus, the total revenues jumped 10%, from Euro 130m in 9M 2020 to now Euro 143m, with a still very high occupancy level of 93.0%, almost unchanged to the end of last year (93.9%). With property expenses just up under-proportionately 7.5%, from Euro 46m to Euro 49m, the cash driven operating EBITDA profit was up 7.3%, from Euro 57.3m to Euro 61.5m. In terms of FFO I, the hike is even more impressive, +18% from Euro 33.3m in 9M 2020 to Euro 39.2m now.**

The net revaluation result, which was already at high Euro 131m at half-year numbers, increased again, to Euro 145m at the end of the third quarter (9M 2020: Euro 3m). The lion's share came from Germany with 75%, then 20% from Austria and 5% from CEE. Keep in mind that Austria and in particular CEE revaluations were slightly negative in 2020, whereas Germany was positive also last year, but only Euro 33m compared to Euro 108m now.

The good operating performance with increasing rental income and the benign revaluation picture translated into a jump in EBIT, quadrupling from Euro 54m to almost Euro 200m. The net profit after minorities was up from Euro 22m to Euro 160m and already quite close to our full year Euro 176m forecast, which we now lift after decent 9M results to Euro 189m.

The balance sheet is rock solid with a low LTV ratio of 32.8% (2020: 31.3%) and pockets full of cash, as the cash position rose from Euro 65m at year-end 2020 to now Euro 443m, supported by the sale of the 6% stake in CA IMMO, meaning 6.3 million CA Immo shares, into the Starwood offer in July, delivering a pre-tax cash inflow of almost Euro 235m. With the financial power to expand the portfolio with new yielding assets the firm already acquired new LEED Gold Campus 6.2 and 6.3 offices in Bucharest with 38k sqm for about Euro 97m and a 6.8% yield, bringing a yearly Euro 6.7m rental income. Closing was mid of June and Microsoft and Societe Generale belong to the prominent tenants. Another prominent news regarding the portfolio expansion came on 9 November with the acquisition of LEED Gold 20k sqm BudaPart Gate class A office building in Budapest, bringing up yearly rental income by Euro 4m. Closing is expected until year-end. **S IMMO stated that there are more attractive assets, in particular in CEE like Hungary and Romania, in a due diligence process and we might expect more acquisition news to follow in the next months. We keep our Buy and € 26.00 target, supported by the EPRA NTA per share which was up from € 24.06 to € 27.98 in the first nine months (+16%).**

### S IMMO AG Company Profile

<b>Industry:</b>	Real Estate	<b>Management Board:</b>	
<b>Sub-segment:</b>	mixed (71% commercial)	CEO Dr. Bruno Ettenauer, MRICS	
<b>Country:</b>	Austria	COO Friedrich Wachernig, MBA	
<b>Headquarter:</b>	Vienna	CIO DI Herwig Teufelsdorfer, MRICS	
<b>Foundation:</b>	1986		
<b>Employees (without Hotels):</b>	115		
		<b>Supervisory Board:</b>	
		Dr. Karin Rest, EMBA (Chairman)	
		Christian Hager (Deputy Chairman)	
		Mag. Hanna Bomba	DI Manfred Rapf
<b>IR Contact</b>		MMag. Holger Schmidtmayr, MRICS	Mag. Elisabeth Wagerer
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S IMMO is a Vienna-based real estate holding company founded in 1986. Since 1987 the company is listed on the Vienna stock exchange and therefore Austria's longest existing property investment company. The share is member of ATX blue chip index since September 2017. Expansion activities to foreign countries were started close to the millenium. Within recent years the company acquired, according to its Buy and Develop and Hold strategy, a real estate portfolio that comprises more than 350 properties, a lettable space of more than 1,300k sqm amounting to a value of almost Euro 2.5bn at December 2020 (+4.5% compared to year-end 2019). In average, investments have a volume of a lower double digit million. The portfolio contains a widely diversified range of office, retail and hotel properties as well as residential properties selected for a sustainable value growth. All in all, office properties have a 43% weighting, retail 18%, hotels 9% and residential have 30% (thereof 93% in Germany). S IMMO aims on a long investment horizon but also strongly exploits opportunities for trading in these low yielding times - as done in a bigger magnitude in 2016 and 2017, in particular in Germany and Austria. The last years the acquisitions have been a bit higher than the disposals to strenghten the long term cash producing portfolio which had an overall yield of 5.1% in 2020 (5.4% in 2019). In terms of portfolio value a large share of 49% is located in Germany (more than Euro 1.2bn). Austria stands for almost 19% (approx. Euro 0.5bn) while CEE stands for the remaining 32% (Euro 0.8bn) of the total portfolio. In 2020, the high occupancy of 95.5% in 2019, was almost kept stable despite the Covid-19 pandemic, at 93.9%. S IMMO released the 2020 annual report on 8 April and presented a decent result for a very challenging year. The company has prosperous mid and long term growth options by about 2 million sqm undeveloped land (mainly around Berlin) which gives room to grow the residential portfolio or to realize mark-ups in value. For 2018 the dividend was strongly lifted from 40 Cents to 70 Cents, meaning a payout ratio of clearly more than 70% of FFO cash earnings. The firm decided for a stable dividend of 70 Cents for FY 2019, despite the outbreak of COVID-19 pandemic in March 2020. In October 2021 the firm paid 50 Cents dividend for fiscal year 2020.

**Value of portfolio by region**  
(Euro 2.5bn at FY 2020)



Source: Company data (FY 2020)

The lion's share of the company's historical development activity was done in Austria and CEE. Hence, a significant share of already finished properties (like Sun shopping mall in Bucharest), held within the CEE portfolio, results from own developments. The core shareholder is Immofinanz with a 26.5% stake, striving for a takeover at the moment. The other way round S IMMO holds a 13.4% stake in Immofinanz.

The company aimed to lift FFO I to more than Euro 40m until 2018 and already managed to reach this target already in 2016, as FFO I increased by 15% from Euro 35.0m to Euro 40.1m. The FY 2017 FFO I then was at almost Euro 43m. After two years (2018 and 2019) with FFOs at record levels above Euro 60m, the 2020 came back more or less on the 2017 level, with no support from hotel GOP and almost Euro 11m missing from Immofinanz paying no dividend for FY 2019 in 2020. We like the improving numbers on the financing side. Cost of Funding (incl. hedging) came down from 2.67% in 2017 to 2.53% in 2018 and then very low 2.30% in 2019 and 2.29% in 2020. In 2020 LTV remained almost unchanged at 46.8%, after 46.9% in 2019. The 2020 equity ratio of 44.3% underlines the healthy balance sheet (2019: 42.9%).

Source: Company Data, SRC Research

## P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR '20 - '23e
<b>Revenues</b>	<b>191.421</b>	<b>192.441</b>	<b>210.427</b>	<b>173.915</b>	<b>193.999</b>	<b>220.384</b>	<b>240.278</b>	<b>11,4%</b>
└ thereof rental income	112.020	104.313	119.373	123.255	131.025	142.522	153.129	
└ thereof revenues from service charges	33.435	33.379	31.952	32.871	35.229	36.421	37.004	
└ thereof revenues from hotel operations	45.966	54.749	59.102	17.789	27.745	41.441	50.145	
Other operating income	2.866	1.948	2.481	2.501	2.855	2.912	3.205	
Expenses directly attributable to properties	-59.877	-53.410	-60.952	-66.760	-62.658	-66.502	-69.125	
<i>Gross margin property segment</i>	<i>58,8%</i>	<i>61,2%</i>	<i>59,7%</i>	<i>57,2%</i>	<i>62,3%</i>	<i>62,8%</i>	<i>63,6%</i>	
Hotel operating expenses	-36.232	-38.023	-42.250	-18.126	-21.505	-34.501	-39.773	
<b>Gross operating profit hotels (GOP)</b>	<b>9.734</b>	<b>16.726</b>	<b>16.852</b>	<b>-337</b>	<b>6.240</b>	<b>6.940</b>	<b>10.372</b>	
<i>Gross margin within hotel segment</i>	<i>21,2%</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>22,5%</i>	<i>16,7%</i>	<i>20,7%</i>	
<b>Gross profit (revenues less directly attributable expenses)</b>	<b>98.178</b>	<b>102.956</b>	<b>109.706</b>	<b>91.530</b>	<b>112.691</b>	<b>122.293</b>	<b>134.585</b>	<b>13,7%</b>
<i>Total Gross margin</i>	<i>51,3%</i>	<i>53,5%</i>	<i>52,1%</i>	<i>52,6%</i>	<i>58,1%</i>	<i>55,5%</i>	<i>56,0%</i>	
<b>Net operating income (NOI)</b>	<b>95.312</b>	<b>101.008</b>	<b>107.225</b>	<b>89.029</b>	<b>109.836</b>	<b>119.381</b>	<b>131.380</b>	<b>13,8%</b>
<i>NOI-margin</i>	<i>49,8%</i>	<i>52,5%</i>	<i>51,0%</i>	<i>51,2%</i>	<i>56,6%</i>	<i>54,2%</i>	<i>54,7%</i>	
<b>Net Gains on property disposal</b>	<b>10.341</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Management expenses	-18.963	-19.863	-22.669	-20.398	-21.280	-22.117	-22.634	
└ thereof personnel expenses	-8.796	-10.601	-11.513	-12.272	-13.291	-12.320	-12.877	
<b>EBITDA</b>	<b>89.556</b>	<b>83.093</b>	<b>87.037</b>	<b>71.132</b>	<b>91.411</b>	<b>100.176</b>	<b>111.951</b>	<b>16,3%</b>
<i>EBITDA-margin</i>	<i>46,8%</i>	<i>43,2%</i>	<i>41,4%</i>	<i>40,9%</i>	<i>47,1%</i>	<i>45,5%</i>	<i>46,6%</i>	
Depreciation	-8.999	-7.672	-8.264	-9.232	-9.677	-10.122	-10.454	
Property Revaluation	127.592	167.814	192.671	39.056	165.004	86.943	91.495	
<b>Operating profit (EBIT)</b>	<b>208.149</b>	<b>243.235</b>	<b>271.444</b>	<b>100.956</b>	<b>246.738</b>	<b>176.997</b>	<b>192.992</b>	<b>24,1%</b>
<i>EBIT-margin</i>	<i>108,7%</i>	<i>126,4%</i>	<i>129,0%</i>	<i>58,0%</i>	<i>127,2%</i>	<i>80,3%</i>	<i>80,3%</i>	
<b>EBIT-profit without revaluation result</b>	<b>80.557</b>	<b>75.421</b>	<b>78.773</b>	<b>61.900</b>	<b>81.734</b>	<b>90.054</b>	<b>101.497</b>	<b>17,9%</b>
Net financial result	-41.437	-7.263	-20.021	-29.370	-15.848	-28.447	-32.114	
Participating certificates expenses (hybrid capital)	-5.964	0	0	0	0	0	0	
<b>Earnings before tax (EBT)</b>	<b>160.748</b>	<b>235.972</b>	<b>251.423</b>	<b>71.586</b>	<b>230.890</b>	<b>148.550</b>	<b>160.878</b>	<b>31,0%</b>
<i>EBT margin</i>	<i>84,0%</i>	<i>122,6%</i>	<i>119,5%</i>	<i>41,2%</i>	<i>119,0%</i>	<i>67,4%</i>	<i>67,0%</i>	
Income tax expense	-27.278	-31.822	-38.116	-14.674	-41.033	-23.441	-24.955	
<i>Tax rate</i>	<i>17,0%</i>	<i>13,5%</i>	<i>15,2%</i>	<i>20,5%</i>	<i>17,8%</i>	<i>15,8%</i>	<i>15,5%</i>	
<b>Net profit</b>	<b>133.470</b>	<b>204.150</b>	<b>213.307</b>	<b>56.912</b>	<b>189.857</b>	<b>125.109</b>	<b>135.923</b>	
Minorities	-3.379	-460	-533	-375	-1.014	-951	-1.054	
<b>Net profit after minorities</b>	<b>130.091</b>	<b>203.690</b>	<b>212.774</b>	<b>56.537</b>	<b>188.843</b>	<b>124.158</b>	<b>134.869</b>	<b>33,6%</b>
<i>Return on sales</i>	<i>68,0%</i>	<i>105,8%</i>	<i>101,1%</i>	<i>32,5%</i>	<i>97,3%</i>	<i>56,3%</i>	<i>56,1%</i>	
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
<b>Earnings per Share (EPS) in Euro</b>	<b>1,97</b>	<b>3,08</b>	<b>3,21</b>	<b>0,79</b>	<b>2,60</b>	<b>1,72</b>	<b>1,86</b>	<b>33,2%</b>
Dividends per Share (DPS) in Euro	0,40	0,70	0,70	0,50	0,70	0,70	0,70	
Book Value per Share (BVPS) in Euro	13,66	15,88	19,34	18,31	20,17	21,15	22,27	
<b>Total assets</b>	<b>2.272.255</b>	<b>2.720.134</b>	<b>3.137.688</b>	<b>3.122.610</b>	<b>3.197.553</b>	<b>3.307.868</b>	<b>3.458.509</b>	<b>3,5%</b>
<b>Shareholders' equity (after dividend payment)</b>	<b>914.335</b>	<b>1.062.513</b>	<b>1.294.259</b>	<b>1.347.524</b>	<b>1.484.340</b>	<b>1.556.471</b>	<b>1.639.312</b>	<b>6,8%</b>
Shareholders' equity incl. participating certificates	971.052	1.062.513	1.294.259	1.347.524	1.484.340	1.556.471	1.639.312	
Equity ratio without minorities with hybrid capital	43%	39%	41%	43%	46%	47%	47%	
Return on Equity (RoE)	15,5%	20,6%	18,1%	4,3%	13,3%	8,2%	8,4%	
<b>Key ratios &amp; figures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	
<b>Growth rates in %</b>								
Revenues	-3,7%	0,5%	9,3%	-17,4%	11,5%	13,6%	9,0%	
EBITDA	-3,1%	-7,2%	4,7%	-18,3%	28,5%	9,6%	11,8%	
EBIT	-25,3%	16,9%	11,6%	-62,8%	144,4%	-28,3%	9,0%	
EBT	-25,7%	46,8%	6,5%	-71,5%	222,5%	-35,7%	8,3%	
Net profit after minorities	-34,7%	53,0%	4,5%	-73,3%	233,6%	-34,1%	8,6%	
<b>Margins in %</b>								
EBITDA	46,8%	43,2%	41,4%	40,9%	47,1%	45,5%	46,6%	
EBIT	108,7%	126,4%	129,0%	58,0%	127,2%	80,3%	80,3%	
EBT	84,0%	122,6%	119,5%	41,2%	119,0%	67,4%	67,0%	
<b>Expense ratios in %</b>								
Depreciation to sales	-4,7%	-4,0%	-3,9%	-5,3%	-5,0%	-4,6%	-4,4%	
Tax rate	17,0%	13,5%	15,2%	20,5%	17,8%	15,8%	15,5%	
<b>Profitability in %</b>								
Profit margin	69,7%	106,1%	101,4%	32,7%	97,9%	56,8%	56,6%	
Return on equity (RoE) after tax	15,5%	20,6%	18,1%	4,3%	13,3%	8,2%	8,4%	
Return on Assets (RoA)	5,9%	7,5%	6,8%	1,8%	5,9%	3,8%	3,9%	
Return on Investment (RoI)	5,9%	7,5%	6,8%	1,8%	5,9%	3,8%	3,9%	
<b>Valuation</b>								
P/E-ratio	9,88	6,32	6,08	24,74	7,51	11,36	10,47	
P/S-ratio	7,50	7,46	6,82	8,25	7,40	6,51	5,97	
Price/BVpS (PBV)	1,43	1,23	1,01	1,07	0,97	0,92	0,88	
Dividend yield in %	2,1%	3,6%	3,6%	2,6%	3,6%	3,6%	3,6%	
<b>Data per share</b>								
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
EPS	1,97	3,08	3,21	0,79	2,60	1,72	1,86	
DPS	0,40	0,70	0,70	0,50	0,70	0,70	0,70	
BVPS	13,66	15,88	19,34	18,31	20,17	21,15	22,27	
FFO I per share	0,64	0,92	0,98	0,59	0,77	0,93	1,00	

## SRC Research

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### Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	27 August 2021	Buy	€ 20,35	€ 26,00
S IMMO	28 May 2021	Buy	€ 21,60	€ 26,00
S IMMO	20 May 2021	Buy	€ 21,80	€ 26,00
S IMMO	08 April 2021	Buy	€ 21,55	€ 25,00
S IMMO	15 March 2021	Buy	€ 18,04	€ 23,00
S IMMO	24 November 2020	Buy	€ 15,78	€ 21,00
S IMMO	26 August 2020	Buy	€ 14,52	€ 21,00
S IMMO	26 May 2020	Buy	€ 16,72	€ 20,00
S IMMO	12 May 2020	Buy	€ 16,50	€ 20,00
S IMMO	23 March 2020	Buy	€ 14,44	€ 20,00

### Please note:

The S IMMO AG share price mentioned in this report is the price of 26 November 2021.  
S IMMO mandated SRC Research for covering the S IMMO share.

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