



Price (Euro)	23,30			
52 weeks range	23.45 / 18.90			
Key Data				
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)	1715,1			
Number of shares (million)	73,6			
Free Float (approx.)	52%			
Free Float MarketCap (Euro million)	895,3			
CAGR (EBITDA '21-24e)	17,2%			
Multiples	2021	2022e	2023e	2024e
Market cap/ Revenues-Ratio	8,9	9,1	9,0	8,6
P/E-Ratio	7,2	15,5	14,2	11,4
Dividend Yield	2,8%	2,8%	3,0%	3,0%
Key Data per Share (Euro)	2021	2022e	2023e	2024e
Earnings per Share (EpS)	3,24	1,50	1,64	2,05
Dividends per Share (DpS)	0,65	0,65	0,70	0,70
Book Value per Share (BVpS)	20,75	21,52	22,38	23,65
EPRA NAV per share	29,29	31,28	33,19	34,75
FFO I per share	0,86	0,75	0,87	1,01
Financial Data (Euro '000)	2021	2022e	2023e	2024e
Revenues	196.856	222.583	247.433	268.671
Rental income	131.294	144.721	157.885	169.124
Net revaluation result	198.686	48.505	60.443	86.943
Operating cash profit (EBITDA)	81.297	101.155	117.601	130.960
Operating Profit (EBIT)	270.337	139.076	166.705	205.454
Pre-tax profit (EBT)	271.042	119.691	137.187	172.277
Net profit after minorities	229.521	104.586	115.020	145.072
Shareholders' Equity	1.527.194	1.583.934	1.647.428	1.740.974
RoE after tax	16,0%	6,7%	7,1%	8,6%
Financial Calendar				
AGM		1 June 2022		
2Q 2022 report		29 August 2022		
SRC Forum Financials & Real Estate		13 September 2022		
3Q 2022 report		28 November 2022		
Main Shareholders				
CPI Property Group SA		42,3%		
(thereof 26.5% through Immofinanz)		11,6%		
EUROVEA Services s.r.o.		5,2%		
Own shares		4,2%		
Analyst	Dipl.-Kfm. Stefan Scharff, CREA			
	Fon: +49-(0)69 400 313-80			
	scharff@src-research.de			
Internet	www.src-research.de			
	www.aktienmarkt-international.at			
	www.aktienmarkt-international.de			

1Q EBITDA +30% and EBIT +12%, bottom line flattered by a positive financial and taxation result, revaluation close to Zero, but uncertainties grow and might impair future growth

Today, S IMMO delivered the 1Q 2022 quarterly report and invited to a conference call in the afternoon. The numbers were promising in terms of a hike in rental income, in profit from hotel operations and EBITDA and EBIT. The rental income was up 12%, from Euro 32m, to almost Euro 36m, as some acquisitions like Campus 6 offices in Bucharest from June last year and BudaPart Gate from November now contributed to the top line. The profit from the hotel operations also turned positive, from a Euro -1.3m last year coined by the Corona pandemic to now Euro +1.3m this year. The EBITDA followed the positive top line results and steeply increased almost 30% from Euro 18.1m to Euro 23.5m. With a very small net revaluation result of Euro -0.7m, after Euro 2.5m last year, the EBIT also showed a clear +12% upward trend, from Euro 18.2m to Euro 20.4m. The FFO I picture was a +54% jump from Euro 9.5m to Euro 14.6m, but keep in mind that a Euro 17.8m net inflow from Immofinanz and CA Immo dividend payments last year (in 2Q and 4Q) will miss this year after the sale of the shares and should be offset by the portfolio growth, not fully in 2022, but more in 2023. The financial result was flattered by a positive contribution from interest hedge derivatives of Euro 8.9m and a positive Euro 2.4m one off coming from the sale of the Immofinanz share package and came out at Euro +1.7m, after Euro -5.4m last year. On an adjusted basis, the financial expenses slightly went up regarding the portfolio growth, from Euro 8.5m to Euro 9.8m, with cost of funding unchanged to 2021, at only 2.1%.

With regards to taxation, there was a positive one-off effect coming from a change in Austrian corporate taxation from 2023, which positively influenced the status of deferred taxes with a Euro +6m one off. Together with the positive financial result, the net profit more than doubled from Euro 10m to more than Euro 24m. The portfolio size was at Euro 2.83bn unchanged to year-end 2021 and occupancy also remained stable at high 94%. The portfolio is not very aggressively yielding at 5.3% (2021: 5.0%) and the management steadily evaluates market opportunities to expand the portfolio by some more value accretive acquisitions in Germany and CEE markets. The company has a very strong cash position, which doubled after selling the 19.7 million Immofinanz shares to CPI Property Group in March from Euro 376m to Euro 778m, which is approx. 21% of the total Euro 3.7bn balance sheet sum. This cash position allows to quickly grow the portfolio if there are attractive market opportunities available. The FFO gap coming from the missing dividends is 17.5m on a net basis, we expect S IMMO to bring down this gap to about Euro 8m to Euro 10m until the end of the year. Despite the financial scope to grow, we have to state a bigger uncertainty coming from general market conditions and the overall change in interest environment, which might drive the interest expenses and bring down the valuation picture for the full year. **Despite a very stable EPRA NTA per share of € 29.11 (year-end 2021 € 29.09), we take up a more cautious stance on S IMMO and wait for the results of Wednesday's AGM with new major shareholder CPI Property Group that plans the removal of the maximum voting right and a takeover offer afterwards for Euro 23.50. We reduce our target price to € 26.00 and our rating from Buy to Accumulate.**

S IMMO AG Company Profile

Industry: Real Estate
Sub-segment: mixed (71% commercial)
Country: Austria
Headquarter: Vienna
Foundation: 1986
Employees (without Hotels): 133

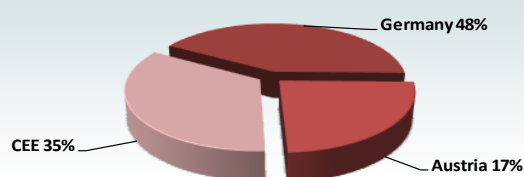
Management Board:
 CEO Dr. Bruno Ettenauer, MRICS
 COO Friedrich Wachernig, MBA
 CIO DI Herwig Teufelsdorfer, MRICS

Supervisory Board:
 Dr. Karin Rest, EMBA (Chairman)
 Christian Hager (Deputy Chairman) Andreas Feuerstein
 Mag. Hanna Bomba DI Manfred Rapf
 MMag. Holger Schmidtmayr, MRICS Mag. Elisabeth Wagerer
 Dipl.-Vw. Florian Beckermann, LL.M. John Nacos
 Dr. Ewald Aschauer Mag. Christian Böhm

IR Contact
 Andreas Feuerstein
 (Andreas.Feuerstein@simmoag.at)

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 millennium. 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 more than Euro 2.8bn at December 2021 (+14.3% compared to year-end 2020). 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 44% weighting, retail 14%, hotels 7% and residential have 32% (thereof 93% in Germany). The remaining 3% are land plots, mainly 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. In terms of the current portfolio value of Euro 2.8bn a large share of 48% is located in Germany (more than Euro 1.3bn). Austria stands for over 17% (approx. Euro 0.5bn) while CEE stands for the remaining 35% (approx. Euro 1.0bn) of the total portfolio. In 2021, the high occupancy of 93.9% in 2020, was kept stable despite the ongoing Covid-19 pandemic, at 94.0%. S IMMO released the 2021 annual report on 28 April and presented a record bottom line result for another 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. The pockets full of cash (probably more than Euro 700m at the end of 1Q 2022) opens some financial scope for a profitable portfolio expansion. 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. For 2021 the dividend proposal is 65 Cents, coming close to old pre-Corona levels.

Value of portfolio by region
 (Euro 2.8bn at FY 2021)



Source: Company data (FY 2021)

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 new core shareholder is CPI Property Group with a 42.3% stake, which might strive to hold a majority of over 50% in the future. 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. In 2021 the FFO strongly bounced back to Euro 60.8m, thereof Euro 19.5m coming from dividend payments of Immofinanz and CA Immo. Both big listed real estate participations, 6.4% in CA Immo, and 12.7% in Immofinanz, were sold in July 2021 and January 2022 respectively. 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 2021 it came down again, to only 2.09%. In 2021 LTV came down significantly, from 46.8% to only 40.4%. The 2021 equity ratio of 45.2% underlines the healthy balance sheet, as it improved to 2020 (44.3%).

Source: Company Data, SRC Research

P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR '21 - '24e
Revenues	191.421	192.441	210.427	173.915	196.856	222.583	247.433	268.671	10,9%
└ thereof rental income	112.020	104.313	119.373	123.255	131.294	144.721	157.885	169.124	
└ thereof revenues from service charges	33.435	33.379	31.952	32.871	34.359	36.421	39.403	43.027	
└ thereof revenues from hotel operations	45.966	54.749	59.102	17.789	31.203	41.441	50.145	56.520	
Other operating income	2.866	1.948	2.481	2.501	3.175	2.912	3.205	3.573	
Expenses directly attributable to properties	-59.877	-53.410	-60.952	-66.760	-66.795	-66.502	-69.125	-73.798	
<i>Gross margin property segment</i>	<i>58,8%</i>	<i>61,2%</i>	<i>59,7%</i>	<i>57,2%</i>	<i>59,7%</i>	<i>63,3%</i>	<i>65,0%</i>	<i>65,2%</i>	
Hotel operating expenses	-36.232	-38.023	-42.250	-18.126	-23.702	-34.501	-39.773	-42.608	
Gross operating profit hotels (GOP)	9.734	16.726	16.852	-337	7.501	6.940	10.372	13.912	
<i>Gross margin within hotel segment</i>	<i>21,2%</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>24,0%</i>	<i>16,7%</i>	<i>20,7%</i>	<i>24,6%</i>	
Gross profit (revenues less directly attributable expenses)	98.178	102.956	109.706	91.530	109.534	124.492	141.740	155.838	12,5%
<i>Total Gross margin</i>	<i>51,3%</i>	<i>53,5%</i>	<i>52,1%</i>	<i>52,6%</i>	<i>55,6%</i>	<i>55,9%</i>	<i>57,3%</i>	<i>58,0%</i>	
Net operating income (NOI)	95.312	101.008	107.225	89.029	106.359	121.580	138.535	152.265	12,7%
<i>NOI-margin</i>	<i>49,8%</i>	<i>52,5%</i>	<i>51,0%</i>	<i>51,2%</i>	<i>54,0%</i>	<i>54,6%</i>	<i>56,0%</i>	<i>56,7%</i>	
Net Gains on property disposal	10.341	0	0	0	0	0	0	0	
Management expenses	-18.963	-19.863	-22.669	-20.398	-28.237	-23.337	-24.139	-24.878	
└ thereof personnel expenses	-8.796	-10.601	-11.513	-12.272	-14.608	-15.230	-15.988	-16.744	
EBITDA	89.556	83.093	87.037	71.132	81.297	101.155	117.601	130.960	17,2%
<i>EBITDA-margin</i>	<i>46,8%</i>	<i>43,2%</i>	<i>41,4%</i>	<i>40,9%</i>	<i>41,3%</i>	<i>45,4%</i>	<i>47,5%</i>	<i>48,7%</i>	
Depreciation	-8.999	-7.672	-8.264	-9.232	-9.646	-10.584	-11.339	-12.449	
Property Revaluation	127.592	167.814	192.671	39.056	198.686	48.505	60.443	86.943	
Operating profit (EBIT)	208.149	243.235	271.444	100.956	270.337	139.076	166.705	205.454	-8,7%
<i>EBIT-margin</i>	<i>108,7%</i>	<i>126,4%</i>	<i>128,0%</i>	<i>58,0%</i>	<i>137,3%</i>	<i>62,5%</i>	<i>67,4%</i>	<i>76,5%</i>	
EBIT-profit without revaluation result	80.557	75.421	78.773	61.900	71.651	90.571	106.262	118.511	18,3%
Net financial result	-41.437	-7.263	-20.021	-29.370	705	-19.385	-29.518	-33.177	
Participating certificates expenses (hybrid capital)	-5.964	0	0	0	0	0	0	0	
Earnings before tax (EBT)	160.748	235.972	251.423	71.586	271.042	119.691	137.187	172.277	-14,0%
<i>EBT margin</i>	<i>84,0%</i>	<i>122,6%</i>	<i>119,5%</i>	<i>41,2%</i>	<i>137,7%</i>	<i>53,8%</i>	<i>55,4%</i>	<i>64,1%</i>	
Income tax expense	-27.278	-31.822	-38.116	-14.674	-40.484	-14.047	-20.921	-25.850	
<i>Tax rate</i>	<i>17,0%</i>	<i>13,5%</i>	<i>15,2%</i>	<i>20,5%</i>	<i>14,9%</i>	<i>11,7%</i>	<i>15,2%</i>	<i>15,0%</i>	
Net profit	133.470	204.150	213.307	56.912	230.558	105.644	116.266	146.427	
Minorities	-3.379	-460	-533	-375	-1.037	-1.058	-1.246	-1.355	
Net profit after minorities	130.091	203.690	212.774	56.537	229.521	104.586	115.020	145.072	-14,2%
<i>Return on sales</i>	<i>68,0%</i>	<i>105,8%</i>	<i>101,1%</i>	<i>32,5%</i>	<i>116,6%</i>	<i>47,0%</i>	<i>46,5%</i>	<i>54,0%</i>	
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	73,6	
Earnings per Share (EPS) in Euro	1,97	3,08	3,21	0,79	3,24	1,50	1,64	2,05	-14,1%
Dividends per Share (DPS) in Euro	0,40	0,70	0,70	0,50	0,65	0,65	0,70	0,70	
Book Value per Share (BVPS) in Euro	13,66	15,88	19,34	18,31	20,75	21,52	22,38	23,65	
Total assets	2.272.255	2.720.134	3.137.688	3.122.610	3.688.121	3.972.106	4.162.767	4.356.336	5,7%
Shareholders' equity (after dividend payment)	914.335	1.062.513	1.294.259	1.347.524	1.527.194	1.583.934	1.647.428	1.740.974	4,5%
Shareholders' equity incl. participating certificates	971.052	1.062.513	1.294.259	1.347.524	1.527.194	1.583.934	1.647.428	1.740.974	
Equity ratio without minorities with hybrid capital	43%	39%	41%	43%	41%	40%	40%	40%	
Return on Equity (RoE)	15,5%	20,6%	18,1%	4,3%	16,0%	6,7%	7,1%	8,6%	
Key ratios & figures	2017	2018	2019	2020	2021	2022e	2023e	2024e	
Growth rates in %									
Revenues	-3,7%	0,5%	9,3%	-17,4%	13,2%	13,1%	11,2%	8,6%	
EBITDA	-3,1%	-7,2%	4,7%	-18,3%	14,3%	24,4%	16,3%	11,4%	
EBIT	-25,3%	16,9%	11,6%	-62,8%	167,8%	-48,6%	19,9%	23,2%	
EBT	-25,7%	46,8%	6,5%	-71,5%	278,6%	-55,8%	14,6%	25,6%	
Net profit after minorities	-34,7%	53,0%	4,5%	-73,3%	305,1%	-54,2%	10,1%	25,9%	
Margins in %									
EBITDA	46,8%	43,2%	41,4%	40,9%	41,3%	45,4%	47,5%	48,7%	
EBIT	108,7%	126,4%	129,0%	58,0%	137,3%	62,5%	67,4%	76,5%	
EBT	84,0%	122,6%	119,5%	41,2%	137,7%	53,8%	55,4%	64,1%	
Expense ratios in %									
Depreciation to sales	-4,7%	-4,0%	-3,9%	-5,3%	-4,9%	-4,8%	-4,6%	-4,6%	
Tax rate	17,0%	13,5%	15,2%	20,5%	14,9%	11,7%	15,2%	15,0%	
Profitability in %									
Profit margin	69,7%	106,1%	101,4%	32,7%	117,1%	47,5%	47,0%	54,5%	
Return on equity (RoE) after tax	15,5%	20,6%	18,1%	4,3%	16,0%	6,7%	7,1%	8,6%	
Return on Assets (RoA)	5,9%	7,5%	6,8%	1,8%	6,3%	2,7%	2,8%	3,4%	
Return on Investment (RoI)	5,9%	7,5%	6,8%	1,8%	6,3%	2,7%	2,8%	3,4%	
Valuation									
P/E-ratio	11,80	7,56	7,26	29,57	7,20	15,52	14,18	11,36	
P/S-ratio	8,96	8,91	8,15	9,86	8,71	7,71	6,93	6,38	
Price/BVpS (PBV)	1,71	1,47	1,20	1,27	1,12	1,08	1,04	0,99	
Dividend yield in %	1,7%	3,0%	3,0%	2,1%	2,8%	2,8%	3,0%	3,0%	
Data per share									
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	73,6	
EPS	1,97	3,08	3,21	0,79	3,24	1,50	1,64	2,05	
DPS	0,40	0,70	0,70	0,50	0,65	0,65	0,70	0,70	
BVPS	13,66	15,88	19,34	18,31	20,75	21,52	22,38	23,65	
FFO I per share	0,64	0,92	0,98	0,59	0,86	0,75	0,87	1,01	

SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Klingerstrasse 23

D-60313 Frankfurt

Germany

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

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	28 April 2022	Buy	€ 22,55	€ 28,00
S IMMO	06 December 2021	Buy	€ 21,45	€ 26,00
S IMMO	29 November 2021	Buy	€ 19,50	€ 26,00
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 27 August 2022. S IMMO mandated SRC Research for covering the S IMMO share.

Disclaimer © 2022: 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 stem from carefully selected sources with a 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 that not necessarily is the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All in this report made opinions and judgements might be changed without a pre-announcement. Within the scope of German regulative framework author and SRC-Scharff Research und Consulting GmbH do not assume any liability for using this document or its content. This report is just for information purposes and not a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should search for personal advice at their bank or investment house and should keep in mind that prices and dividends of equities might 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 have no long- or short-positions in equities or derivatives related to equities mentioned in this report.

Reproduction, distribution and publishing of this report and its content as a whole or in parts is only allowed with an approval of SRC management board in 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.