

Price (Euro)	12,82			
52 weeks range	23.45 / 11.82			
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)	943,7			
Number of shares (million)	73,6			
Free Float (approx.)	11,6%			
Free Float MarketCap (Euro million)	109,5			
CAGR (EBITDA '21-24e)	19,8%			
Multiples	2022	2023e	2024e	2025e
Market cap/ Revenues-Ratio	4,9	5,0	4,9	4,7
P/E-Ratio	28,5	31,3	11,4	8,2
Dividend Yield	5,1%	0,0%	3,1%	3,9%
Key Data per Share (Euro)	2022	2023e	2024e	2025e
Earnings per Share (EpS)	0,45	0,41	1,12	1,57
Dividends per Share (DpS)	0,65	0,00	0,40	0,50
Book Value per Share (BVpS)	20,75	23,06	22,99	23,53
EPRA NTA per share	26,09	27,86	29,37	30,31
FFO I per share	0,92	1,01	1,09	1,21
Financial Data (Euro '000)	2022	2023e	2024e	2025e
Revenues	260.493	286.699	302.828	311.441
Rental income	155.705	173.178	185.635	191.245
Net revaluation result	-78.397	-62.040	12.002	21.230
Operating cash profit (EBITDA)	106.058	129.534	139.779	176.064
Operating Profit (EBIT)	17.979	56.364	139.471	184.449
Pre-tax profit (EBT)	34.834	36.954	109.740	151.994
Net profit after minorities	27.204	24.253	76.841	109.419
Shareholders' Equity	1.697.228	1.692.037	1.732.074	1.789.967
RoE after tax	1,7%	1,4%	4,5%	6,2%
Financial Calendar				
AGM		2 May 2023		
1Q 2023 report		26 May 2023		
1H 2023 report		30 August 2023		
9M 2023 report		29 November 2023		
Main Shareholders				
CPI Property Group SA		88,4%		
Analyst	Dipl.-Kfm. Stefan Scharff, CREA			
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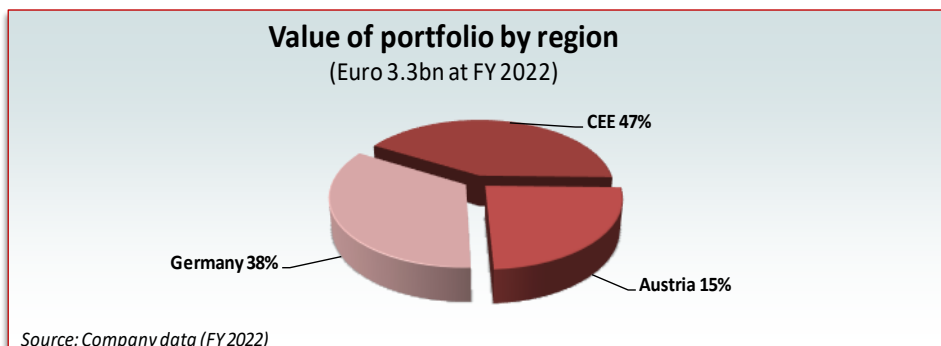
S IMMO with steep hike in rentals and hotel operations result, the hike in overall market yields brings down the revaluation to red, the stronger CEE orientation will boost 2023 rentals

On 30 March, S IMMO released the 2022 annual report and delivered a steep 19% hike in rents to Euro 156m. Our forecast lower at Euro 145m. The same good picture was at hotel operations, close to pre Corona levels, with a net result of Euro 13.4m, +78%, after Euro 7.5m in 2021. Our forecast was again lower at only Euro 11.1m. **With regards to cash driven operating EBITDA result, S IMMO came up with a record of Euro 106m, +30% after Euro 81m in 2021. We projected an increase to only Euro 97m.** With the improved EBITDA the FFO picture also improved, FFO I was up from Euro 61m to Euro 65m. **The bottom line result was impaired by the overall hike in yields in a deteriorating market environment. The net revaluation result, which was positive at 9M at Euro 27m, turned negative Euro -78m.** It was mainly Germany (Euro -73.5m), a bit Austria (Euro -6.6m), whereas CEE was stable (+1.5m). In contrast to the negative valuation, the financial result was helpful, there was a positive net financial result of Euro 17m, as positive interest derivatives exceeded financing expenses. All in all, the net profit after minorities was down to Euro 27m, after Euro 230m in 2021. **For 2023 and coming years S IMMO with the new majority shareholder CPI Property Group S.A. (88.4%, thereof 50% plus 1 share via Immofinanz) is strongly geared to change portfolio structure away from low yielding Germany (in particular resi) to higher yielding office in CEE markets and Austria.** The company already signed in Germany until 31 December 92 properties sales with a volume of Euro 219m. The company was also very busy in the first quarter, selling another more than 150 properties with a volume of Euro 570m. All in all, S IMMO strives to sell a bigger number of German properties (resi, but also some commercial) in the next quarters, as for instance resi properties from Kiel, Leipzig, Erfurt and Magdeburg are on the agenda to sell. All in all, the volume to sell is about Euro 500m. At year-end 2022 resi stood at Euro 800m, 25% of total Euro 3.3bn portfolio. We assume that resi is at only Euro 400m at year-end 2023. On the buying side already did some steps last year to bring up the CEE office portfolio. The Bucharest Expo Business Park was bought one year ago, 42k sqm for a yearly rent of almost Euro 8m. In November S IMMO bought 8 properties from CPI, that stand for 109k sqm and an annualized rent of Euro 16m. In December the firm bought another 6 Budapest properties from Immofinanz with 124k sqm and Euro 19m yearly rent, with a transaction price based on an external valuation. **With CPI in driver seat, S IMMO strives to quickly become much more office and CEE focused than ever in the past. Along the above-mentioned acquisitions stand for almost Euro 40m additional CEE rent entering the top-line this year. That means in short words more yield, but also more volatility.** For short term the question is, for what multiples the German sales will fly as there might be several sellers. For mid-term the question is the potential of synergies of CPI, Immofinanz and S IMMO. **Today's news not to pay a dividend is good, in our view, to bolster own cash position (Euro 247m, after Euro 376m) in more shaky times. With the low free float the share lost momentum, but from a valuation point our Euro 18.00 TP is still good, as EPRA NTA per share remained high at Euro 26.09 (2021: Euro 29.09). Rating up to Buy.**

S IMMO AG Company Profile

Industry:	Real Estate	Management Board:
Sub-segment:	mixed (67% commercial)	Holger Schmidtmayr, MRICS
Country:	Austria	Herwig Teufelsdorfer, MRICS
Headquarter:	Vienna	
Foundation:	1986	
Employees (without Hotels):	138	
		Supervisory Board:
		Dr. Karin Rest, EMBA (Chairwoman)
		Martin Nemecek (First Deputy Chairman)
		Ulrich Steffen Ritter (Second Deputy Chairman)
		Andreas Feuerstein
IR Contact		John Verpeleti
Andreas Feuerstein		Elisabeth Wagerer
(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 millenium. Within recent years the company acquired, according to its Buy and Develop and Hold strategy, a real estate portfolio that comprises more than 360 properties, a lettable space of about 1,400k sqm amounting to a value of almost Euro 3.3bn at December 2022 (+15.6% compared to year-end 2021). In average, investments have a volume of a low or mid 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. With CPI taking the steering wheel, the company will shift away from low yielding German resi (and also some German commercial assets) and more to office in CEE and Austria, with a focus on ESG and high standards. All in all, at the moment, office properties have a 55% weighting, retail 12%, hotels 6% and residential have approx. 25% (thereof over 90% in Germany). The remaining 3% are land plots, mainly in Germany. In terms of the current portfolio value of almost Euro 3.3bn a large share of 38% is located in Germany (more than Euro 1.2bn, yielding 4.6%). Austria stands for about 15% (approx. Euro 0.5bn, yielding 4.6%) while CEE stands for the remaining 47% (over Euro 1.5bn, yielding 7.1%) of the total portfolio. In 2022, the high occupancy remained high at 92.6% despite a deteriorating economic environment (2021: 94.0%). S IMMO released the 2022 annual report on 30 March 2023 and presented a record EBITDA result of clearly over Euro 100m in a challenging year. Balance sheet is very solid with an equity ratio, that was slightly up from 45.2% in 2021 to 47.2% in 2022 and an LTV of 41.3%, more or less unchanged to 2021 (40.4%). Cost of funding incl. hedging was always at 2.3% or even below in the last years. After a low 2.09% in 2021, it was slightly up to 2.16% in 2022. The debt maturity profile is undemanding for 2023. In February 2024 there is a Euro 100m bond due with a low 1% coupon.



Source: Company Data, SRC Research

P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR '21 - '24e
Revenues	192.441	210.427	173.915	196.856	260.493	286.699	302.828	311.441	15,4%
└ thereof rental income	104.313	119.373	123.255	131.294	155.705	173.178	185.635	191.245	
└ thereof revenues from service charges	33.379	31.952	32.871	34.359	48.405	55.401	58.743	61.242	
└ thereof revenues from hotel operations	54.749	59.102	17.789	31.203	56.383	58.120	58.450	58.954	
Other operating income	1.948	2.481	2.501	3.175	2.227	2.874	3.120	3.200	
Expenses directly attributable to properties	-53.410	-60.952	-66.760	-66.795	-79.511	-86.785	-91.441	-92.451	
<i>Gross margin property segment</i>	<i>61,2%</i>	<i>59,7%</i>	<i>57,2%</i>	<i>59,7%</i>	<i>61,0%</i>	<i>62,0%</i>	<i>62,6%</i>	<i>63,4%</i>	
Hotel operating expenses	-38.023	-42.250	-18.126	-23.702	-43.010	-42.104	-42.608	-43.001	
Gross operating profit hotels (GOP)	16.726	16.852	-337	7.501	13.373	16.016	15.842	15.953	
<i>Gross margin within hotel segment</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>24,0%</i>	<i>23,7%</i>	<i>27,6%</i>	<i>27,1%</i>	<i>27,1%</i>	
Gross profit (revenues less directly attributable expenses)	102.956	109.706	91.530	109.534	140.199	160.684	171.899	179.189	16,2%
<i>Total Gross margin</i>	<i>53,5%</i>	<i>52,1%</i>	<i>52,6%</i>	<i>55,6%</i>	<i>53,8%</i>	<i>56,0%</i>	<i>56,8%</i>	<i>57,5%</i>	
Net operating income (NOI)	101.008	107.225	89.029	106.359	137.972	157.810	168.779	175.989	16,6%
<i>NOI-margin</i>	<i>52,5%</i>	<i>51,0%</i>	<i>51,2%</i>	<i>54,0%</i>	<i>53,0%</i>	<i>55,0%</i>	<i>55,7%</i>	<i>56,5%</i>	
Net Gains on property disposal	0	0	0	0	0	0	0	0	
Management expenses	-19.863	-22.669	-20.398	-28.237	-34.141	-31.150	-32.120	-3.125	
└ thereof personnel expenses	-10.601	-11.513	-12.272	-14.608	-19.009	-15.988	-16.744	-17.788	
EBITDA	83.093	87.037	71.132	81.297	106.058	129.534	139.779	176.064	19,8%
<i>EBITDA-margin</i>	<i>43,2%</i>	<i>41,4%</i>	<i>40,9%</i>	<i>41,3%</i>	<i>40,7%</i>	<i>45,2%</i>	<i>46,2%</i>	<i>56,5%</i>	
Depreciation	-7.672	-8.264	-9.232	-9.646	-9.682	-11.130	-12.310	-12.845	
Property Revaluation	167.814	192.671	39.056	198.686	-78.397	-62.040	-12.002	-21.230	
Operating profit (EBIT)	243.235	271.444	100.956	270.337	17.979	56.364	139.471	184.449	-19,8%
<i>EBIT-margin</i>	<i>126,4%</i>	<i>129,0%</i>	<i>58,0%</i>	<i>137,3%</i>	<i>6,9%</i>	<i>19,7%</i>	<i>46,1%</i>	<i>59,2%</i>	
EBIT-profit without revaluation result	75.421	78.773	61.900	71.651	96.376	118.404	127.469	163.219	21,2%
Net financial result	-7.263	-20.021	-29.370	705	16.855	-19.410	-29.731	-32.455	
Participating certificates expenses (hybrid capital)	0	0	0	0	0	0	0	0	
Earnings before tax (EBT)	235.972	251.423	71.586	271.042	34.834	36.954	109.740	151.994	-26,0%
<i>EBT margin</i>	<i>122,6%</i>	<i>119,5%</i>	<i>41,2%</i>	<i>137,7%</i>	<i>13,4%</i>	<i>12,9%</i>	<i>36,2%</i>	<i>48,8%</i>	
Income tax expense	-31.822	-38.116	-14.674	-40.484	-15.907	-11.455	-31.544	-41.125	
<i>Tax rate</i>	<i>13,5%</i>	<i>15,2%</i>	<i>20,5%</i>	<i>14,9%</i>	<i>45,7%</i>	<i>31,0%</i>	<i>28,7%</i>	<i>27,1%</i>	
Net profit	204.150	213.307	56.912	230.558	18.927	25.499	78.196	110.869	
Minorities	-460	-533	-375	-1.037	8.277	-1.246	-1.355	-1.450	
Net profit after minorities	203.690	212.774	56.537	229.521	27.204	24.253	76.841	109.419	-30,6%
<i>Return on sales</i>	<i>105,8%</i>	<i>101,1%</i>	<i>32,5%</i>	<i>116,6%</i>	<i>10,4%</i>	<i>8,5%</i>	<i>25,4%</i>	<i>35,1%</i>	
Number of shares (in million)	66,9	66,9	73,6	73,6	73,6	73,6	73,6	73,6	
Earnings per Share (EPS) in Euro	3,08	3,21	0,79	3,24	0,45	0,41	1,12	1,57	-29,7%
Dividends per Share (DPS) in Euro	0,70	0,70	0,50	0,65	0,00	0,40	0,50	0,70	
Book Value per Share (BVPS) in Euro	15,88	19,34	18,31	20,75	23,06	22,99	23,53	24,32	
Total assets	2.720.134	3.137.688	3.122.610	3.688.121	3.774.361	3.955.530	4.139.462	4.294.278	3,9%
Shareholders' equity (after dividend payment)	1.062.513	1.294.259	1.347.524	1.527.194	1.697.228	1.692.037	1.732.074	1.789.967	4,3%
Shareholders' equity incl. participating certificates	1.062.513	1.294.259	1.347.524	1.527.194	1.697.228	1.692.037	1.732.074	1.789.967	
Equity ratio without minorities with hybrid capital	39%	41%	43%	41%	45%	43%	42%	42%	
Return on Equity (RoE)	20,6%	18,1%	4,3%	16,0%	1,7%	1,4%	4,5%	6,2%	
Key ratios & figures	2018	2019	2020	2021	2022	2023e	2024e	2025e	
Growth rates in %									
Revenues	0,5%	9,3%	-17,4%	13,2%	32,3%	10,1%	5,6%	2,8%	
EBITDA	-7,2%	4,7%	-18,3%	14,3%	30,5%	22,1%	7,9%	26,0%	
EBIT	16,9%	11,6%	-62,8%	167,8%	-93,3%	213,5%	147,4%	32,2%	
EBT	46,8%	6,5%	-71,5%	278,6%	-87,1%	6,1%	197,0%	38,5%	
Net profit after minorities	53,0%	4,5%	-73,3%	305,1%	-91,8%	34,7%	206,7%	41,8%	
Margins in %									
EBITDA	43,2%	41,4%	40,9%	41,3%	40,7%	45,2%	46,2%	56,5%	
EBIT	126,4%	129,0%	58,0%	137,3%	6,9%	19,7%	46,1%	59,2%	
EBT	122,6%	119,5%	41,2%	137,7%	13,4%	12,9%	36,2%	48,8%	
Expense ratios in %									
Depreciation to sales	-4,0%	-3,9%	-5,3%	-4,9%	-3,7%	-3,9%	-4,1%	-4,1%	
Tax rate	13,5%	15,2%	20,5%	14,9%	45,7%	31,0%	28,7%	27,1%	
Profitability in %									
Profit margin	106,1%	101,4%	32,7%	117,1%	7,3%	8,9%	25,8%	35,6%	
Return on equity (RoE) after tax	20,6%	18,1%	4,3%	16,0%	1,7%	1,4%	4,5%	6,2%	
Return on Assets (RoA)	7,5%	6,8%	1,8%	6,3%	0,5%	0,6%	1,9%	2,6%	
Return on Investment (Rol)	7,5%	6,8%	1,8%	6,3%	0,5%	0,6%	1,9%	2,6%	
Valuation									
P/E-ratio	4,16	3,99	16,27	3,96	28,52	31,31	11,41	8,18	
P/S-ratio	4,90	4,48	5,43	4,79	3,62	3,29	3,12	3,03	
Price/BVpS (PBV)	0,81	0,66	0,70	0,62	0,56	0,56	0,54	0,53	
Dividend yield in %	5,5%	5,5%	3,9%	5,1%	0,0%	3,1%	3,9%	5,5%	
Data per share									
Number of shares (in million)	66,9	66,9	73,6	73,6	73,6	73,6	73,6	73,6	
EPS	3,08	3,21	0,79	3,24	0,45	0,41	1,12	1,57	
DPS	0,70	0,70	0,50	0,65	0,00	0,40	0,50	0,70	
BVPS	15,88	19,34	18,31	20,75	23,06	22,99	23,53	24,32	
FFO I per share	0,92	0,98	0,59	0,86	0,92	1,01	1,09	1,21	

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Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	30 November 2022	Accumulate	€ 14,78	€ 18,00
S IMMO	29 August 2022	Accumulate	€ 22,85	€ 23,00
S IMMO	30 May 2022	Accumulate	€ 23,30	€ 26,00
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

Please note:

The S IMMO AG share price mentioned in this report is the price of 3 April 2023. S IMMO mandated SRC Research for covering the S IMMO share.

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