EYEMAXX Real Estate

Buy (unchanged) **Target: Euro 19.00** (unchanged)

20 | February | 18

THOMSON REUTERS ANALYST AWARDS 2017 WINNER

SRC Der Spezialist für Finanzaktien

Price (Euro)	**10.90**
52 weeks range	16.46 / 10.10

Key Data

Country	Germany
Industry	Real Estate
Segment	General Standard
ISIN	DE000A0V9L94
Sec. ID-No.	A0V9L9
Symbol	BNT1
Bloomberg	BNT1:GR
Internet	www.eyemaxx.com
Reporting Standard	IFRS
Fiscal Year	31/10
IPO	2011
Ø Daily Turnover in € (1M)	1,567
Market Cap (EUR million)	56.5
Number of shares (million)	5.18
Free Float	59.22%
Free Float MCap (million)	33.4
CAGR pre tax profit 2015-18e	19.1%

Multiples	**2015/16**	**2016/17e**	**2017/18e**	**2018/19e**
PE-Ratio	**8.0**	**7.3**	**6.7**	**5.4**
Dividend Yield	1.8%	1.8%	1.8%	1.8%

Key Data per Share (Euro)	**2015/16**	**2016/17e**	**2017/18e**	**2018/19e**
Earnings per share (EPS)	**1.36**	**1.49**	**1.63**	**2.02**
Dividends per share (DPS)	0.20	0.20	0.20	0.20
Book value per share (BVPS)	8.69	10.57	12.21	13.26

Financial Data (Euro '000)	**2015/16**	**2016/17e**	**2017/18e**	**2018/19e**
Revenues	**3,530**	**4,525**	**4,986**	**5,310**
Operating profit (EBITDA)	10,453	14,518	15,548	18,265
Operating profit (EBIT)	**10,240**	**14,298**	**15,323**	**18,034**
Pre-tax profit (EBT)	6,552	8,180	10,023	12,366
Net profit	**5,853**	**6,648**	**9,003**	**11,763**
Net profit after minorities	**5,847**	**6,592**	**8,908**	**11,665**
Adjusted shareholders' equity	37,268	49,732	67,652	78,380
Book value per share	8.69	10.57	12.21	13.26
RoE after tax	**11.5%**	**9.5%**	**8.2%**	**15.2%**

Financial Calendar

2016 / 2017 annual report	28 February 2018
1H report 2017/18	31 July 2018
SRC Forum Financials & Real Estate	**6 September 2018**

Main Shareholder

CEO Dr. Michael Müller	35.34%
Johann Kowar	5.44%

Analysts **Dipl.-Kfm. Stefan Scharff, CREA**
Christopher Mehl, MBA

☎ 49 (0)69 400 313-79 and -80
✉ scharff@src-research.de
✉ mehl@src-research.de

Internet
www.src-research.de
www.aktienmarkt-deutschland.de
www.aktienmarkt-international.at

EYEMAXX FY 2016/17 EBIT up 39%, above our forecast – more than Euro 60m trading volume in the last year - pipeline up to Euro 760m – Buy and € 19 target affirmed

Last week Friday, on 16 February, the company released some key data for their 2016/2017 fiscal year. The results showed some good growth and the operating progress during the last fiscal year was sound and focused on the coming years. Operating profit on EBIT basis steeply increased by about 39%, from more than Euro 10m last year to now more than Euro 14m this year, and ended up above our estimates of about Euro 13m. At the same time, the firm's bottom line grew by 13% from almost Euro 6m to almost Euro 7m, slightly below estimates. The comparatively smaller growth was most likely due to increased interest costs compared to last year, as the total debt also increased.

Over the course of the year the company managed to sell projects worth more than Euro 60m, such as the partial sale of the Postquadrat project in Mannheim. Furthermore, new projects with a volume of more than Euro 360m were started. Amongst those projects is the residential- and office project in Berlin Schönefeld, which is to be completed in several steps between 2020 and 2022 and represents the second largest project of the firm. As reported in our last update on 23 October, EYEMAXX plans to increase the involvement in hotel developments as well as the entrance in the high-growth segment of micro-apartments and student residences. Therefore, as announced, the company agreed after the end of the fiscal year to acquire a 10% stake in G&S Planwerk GmbH, a real estate developer specialized in serviced- and micro-apartments, in order to gain relevance quickly.

In terms of financing the company resolved an equity capital hike, completed a voluntary exchange offer to swap 2013/2019 bond for 2014/2020 bond, and placed two convertibles over the course of the last fiscal year. Furthermore, already in the current year, the company resolved another equity capital hike for another Euro 5.6m. With these capital increases the company managed to collect a substantial amount of money to finance new projects and to further grow in the coming years. Furthermore, all of the issues were fully subscribed or even oversubscribed. This proves the trust and demand investors put in EYEMAXX. The firm's equity position has increased by about 32% compared to last year, from Euro 38m to more than Euro 50m. In total, the current pipeline has significantly increased and now amounts to more than Euro 760m. This makes us optimistic for further hikes in earnings also in the coming years.

EYEMAXX releases its full annual report soon, on 28 February. For the time being, we confirm our target price of Euro 19.00 and also our Buy recommendation.

EYEMAXX Real Estate AG

Industry:	Real Estate
Sub-segment:	Developer (multi-asset)
Region:	Austria, Germany, CEE
Headquarter:	Aschaffenburg
Foundation	1996
Employees:	55

IR Contact:
edicto GmbH
Fon: +49 (0) 69 90550552
eyemaxx@edicto.de

Company profile

Management Board of EYEMAXX Real Estate AG:
CEO Dr. Michael Müller

Supervisory Board of EYEMAXX Real Estate AG:
Andreas Karl Autenrieth
Richard Fluck
Dr. Bertram Samonig

EYEMAXX Real Estate AG is an international project developer and investor for commercial, logistics and residential real estate (including nursing homes) with a focus on the home markets Austria and Germany as well as some promising markets in CEE / SEE countries like Poland, Czech Republic, Slovakia and Serbia as well as Croatia. The company started to develop first and foremost retail parks and strip malls and works together with well-known western retail brands participating from their expansion to Central and South Eastern European countries.
In terms of retail parks the company became one of the market leaders in CEE. A pre-let quota of at least 50% is the pre-condition to start construction activities at a certain location. Furthermore, popular and well-known trade chains like Hofer, DM, Takko, New Yorker, Bauhaus, Deichmann, Rossmann or C&A, to mention only a few, are among tenants. The retail parks themselves are being distributed under a brand like "BIG BOX" "MyBOX" or "STOP.SHOP" (a trade-mark of Immofinanz). Finally developments within the portfolio are mostly sold after completion to an investor. In the past seven years, more than twenty developments with a transaction volume of more than Euro 300m were succesfully built and sold. In addition, EYEMAXX built up a core portfolio of commercial properties in Germany with a balance sheet volume of approx. Euro 39m at the end of FY 2015/ 2016. Coming from retail parks and logistics / commercial properties, Eyemaxx announced in 2014 to enter new fields of business by developing German and Austrian residential properties in the German Top 7 cities and surrounding areas and in Vienna as well as nursing homes in Germany. The total pipeline was at Euro 200m at the beginning of FY 2015 / 2016, thereof c. Euro 100m in retail parks (Fachmarktzentren) and c. Euro 100m in residential and nursing homes (Wohnimmobilien und Pflegeheime). Then, EYEMAXX acquired in a 50% / 50% JV together with former conwert founder and CEO Johann Kowar the German Mannheim Postquadrat city quarter development with 57,000 sqm of gross floor area to build residential and commercial units as well as two hotels (euro 160m investments). Besides the Mannheim Postquadrat EYEMAXX recently acquired another residential project in Vienna and two large projects near Berlin in Schönefeld, with a total volume of Euro 338m. Thus, the total pipeline recently almost quadrupled to more than Euro 760m.
Some more good news besides the acquisition side came from the trading, in particular some lucrative forward deal agreements. Last year started with the announcement of the sale of a retail center in Czech Republic in January. Later on, in March, about one quarter of the Postquadrat project in Mannheim was sold for about Euro 45m. Furthermore, two projects, namely the Thomasium project in Leipzig and the Pflegeheim Klein Lengden project were sucessfully completed and handed over.

Source: Company Data, SRC Research

P&L Account for EYEMAXX (year ending 31 October)

EYEMAXX Real Estate AG 31/10 IFRS (Euro '000)	2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17e	2017/18e	2018/19e	CAGR '15/16 - '18/19e
Revenues	**4,232**	**1,534**	**2,397**	**1,571**	**2,316**	**3,530**	**4,525**	**4,986**	**5,310**	**29.1%**
Increase in finished and unfinished products	-1,616	905	449	1,158	1,878	925	4,852	200	-4,568	
Other operating income (including revaluation result)	4,767	3,615	3,904	3,917	9,281	3,882	4,798	3,925	4,502	
thereof revaluation result	0	2,385	2,895	3,683	8,815	2,212	4,352	3,795	3,785	
Total operating income	**7,383**	**6,054**	**6,750**	**6,646**	**13,475**	**8,337**	**14,175**	**9,111**	**5,244**	
Cost of material	-1,150	-497	-89	-398	-192	-761	-852	-826	-853	
Personnel expenses	-1,203	-1,760	-1,597	-1,920	-2,006	-2,326	-2,874	-2,912	-3,046	
Other operating expenses	-3,301	-3,335	-2,988	-4,113	-4,535	-4,705	-4,652	-4,812	-4,563	
Net income from investments accounted for using the equity method	213	4,503	4,836	7,396	3,094	9,908	8,721	14,987	21,483	
EBITDA	**1,942**	**4,965**	**6,912**	**7,611**	**9,836**	**10,453**	**14,518**	**15,548**	**18,265**	**16.5%**
EBITDA-margin	*45.9%*	*323.7%*	*288.4%*	*484.5%*	*424.7%*	*296.1%*	*320.8%*	*311.8%*	*344.0%*	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-175	-136	-178	-209	-223	-213	-220	-225	-231	
Operating profit (EBIT)	**1,768**	**4,829**	**6,734**	**7,402**	**9,613**	**10,240**	**14,298**	**15,323**	**18,034**	**16.8%**
EBIT-margin	*41.8%*	*314.8%*	*280.9%*	*471.2%*	*415.1%*	*290.1%*	*316.0%*	*307.3%*	*339.6%*	
Interest earnings	383	1,061	1,154	1,089	1,918	2,956	2,802	3,250	3,452	
Income from disposal of investments	9	0	0	0	0	0	0	0	0	
other financial earnings	0	0	0	0	0	0	0	0	0	
Interest expenses	-1,026	-2,703	-4,246	-4,640	-5,601	-6,644	-8,920	-8,550	-9,120	
other financial costs	0	0	0	0	0	0	0	0	0	
Financial result	**-635**	**-1,642**	**-3,092**	**-3,551**	**-3,683**	**-3,688**	**-6,118**	**-5,300**	**-5,668**	
Pre-tax Profit (EBT)	**1,134**	**3,187**	**3,642**	**3,851**	**5,930**	**6,552**	**8,180**	**10,023**	**12,366**	**19.1%**
EBT-margin	*26.8%*	*207.8%*	*151.9%*	*245.1%*	*256.0%*	*185.6%*	*180.8%*	*201.0%*	*232.9%*	
Tax expenses	182	-614	-533	-1,521	-1,896	-699	-1,532	-1,020	-603	
Tax rate	*n.s.*	*19.3%*	*14.6%*	*39.5%*	*32.0%*	*10.7%*	*18.7%*	*10.2%*	*4.9%*	
Net Profit	**1,316**	**2,573**	**3,109**	**2,330**	**4,034**	**5,853**	**6,648**	**9,003**	**11,763**	**30.7%**
Minorities	36	38	-40	-20	1	-6	-56	-95	-98	
Net profit after minorities	1,352	2,611	3,069	2,310	4,035	5,847	6,592	8,908	11,665	
Other comprehensive income	n.a.	n.a.	-98	-522	-169	-332	398	120	245	
Net Profit after minorities and other comp. Income	**1,352**	**2,611**	**2,971**	**1,788**	**3,866**	**5,515**	**6,990**	**9,028**	**11,910**	
Return on sales	*31.9%*	*170.2%*	*123.9%*	*113.8%*	*166.9%*	*156.2%*	*154.5%*	*181.1%*	*224.3%*	
Number of shares ('000, at year-end)	2,651	2,651	2,901	3,191	3,510	4,290	4,706	5,539	5,910	
Earnings per share (Euro)	**0.50**	**0.98**	**1.02**	**0.56**	**1.10**	**1.36**	**1.49**	**1.63**	**2.02**	
Dividends per Share (DPS) in Euro	0.00	0.30	0.00	0.20	0.20	0.20	0.20	0.20	0.20	
Adjusted shareholder's equity	14,877.00	16,601.00	20,079.00	23,585.00	28,286.00	37,268.00	49,732.00	67,652.20	78,380.20	
BookValue per Share (BVPS) in Euro	5.12	6.26	6.92	7.39	8.06	8.69	10.57	12.21	13.26	

Key ratios & figures

	2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17e	2017/18e	2018/19e
Growth rates in %									
Revenues	-70.1%	-63.8%	56.3%	-34.5%	47.4%	52.4%	28.2%	10.2%	6.5%
EBITDA	14.0%	155.7%	39.2%	10.1%	29.2%	6.3%	38.9%	7.1%	17.5%
EBIT	20.3%	173.1%	39.4%	9.9%	29.9%	6.5%	39.6%	7.2%	17.7%
EBT	38.8%	181.0%	14.3%	5.7%	54.0%	10.5%	24.8%	22.5%	23.4%
Net profit after minorities	n.a.	n.a.	n.a.	432.7%	-67.6%	96.4%	-219.9%	-69.8%	104.2%
Margins in %									
EBITDA (total operating income)	26.3%	82.0%	102.4%	114.5%	73.0%	125.4%	102.4%	170.7%	348.3%
EBIT (total operating income)	23.9%	79.8%	99.8%	111.4%	71.3%	122.8%	100.9%	168.2%	343.9%
EBT (total operating income)	15.4%	52.6%	54.0%	57.9%	44.0%	78.6%	57.7%	110.0%	235.8%
Expense ratios in %									
Personnel costs quote (total operating income)	16.3%	29.1%	23.7%	28.9%	14.9%	27.9%	20.3%	32.0%	58.1%
Depreciation to total operating income	2.4%	2.2%	2.6%	3.1%	1.7%	2.6%	1.6%	2.5%	4.4%
Tax rate	n.a.	19.3%	14.6%	39.5%	32.0%	10.7%	18.7%	10.2%	4.9%
Profitability in %									
Net profit to total operating income ratio	n.a.	n.a.	-1.5%	-7.9%	-1.3%	-4.0%	2.8%	1.3%	227.1%
Return on equity (RoE) after tax	17.8%	16.0%	14.4%	13.5%	12.4%	11.5%	9.5%	8.2%	15.2%

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	Date	Rating	former share price	former target
EYEMAXX Real Estate	23 October 2017	Buy	11.24 €	19.00 €
EYEMAXX Real Estate	22 September 2017	Buy	14.95 €	19.00 €
EYEMAXX Real Estate	24 July 2017	Buy	14.26 €	18.00 €
EYEMAXX Real Estate	03 July 2017	Buy	13.00 €	18.00 €
EYEMAXX Real Estate	20 February 2017	Buy	11.30 €	14.00 €
EYEMAXX Real Estate	06 December 2016	Buy	8.82 €	14.00 €
EYEMAXX Real Estate	01 August 2016	Buy	6.55 €	14.00 €
EYEMAXX Real Estate	04 July 2016	Buy	5.68 €	14.00 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 19 February 2018. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

Disclaimer © 2018: 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.