

Price (Euro)	7.00			
52 weeks range	9.85 / 6.60			
Key Data				
ISIN	DE000A0KFKB3			
Bloomberg	E7S:GR			
Reporting standard	IFRS			
Market Cap (Euro million)	227			
Number of shares (million)	32.4			
Free Float	12.1%			
Free Float Market Cap (Euro million)	27			
CAGR EBIT ('19 -'23e)	12.1%			
Multiples				
	2020	2021e	2022e	2023e
Market Cap / Total revenues	11.6	5.2	4.7	4.1
PE-Ratio	13.7	10.3	9.5	8.0
Dividend Yield	0.0%	2.9%	3.6%	4.3%
Price-to-Book-Ratio	0.92	0.84	0.79	0.74
Key Data per share (Euro)				
	2020	2021e	2022e	2023e
Earnings per share (EPS)	0.51	0.68	0.74	0.87
Dividend per share (DPS)	0.00	0.20	0.25	0.30
Book Value per Share (BVPS)	7.62	8.29	8.84	9.46
Financial Data (Euro '000)				
	2020	2021e	2022e	2023e
Capital gains from property sales	19,625	43,738	48,549	55,450
Net rental income	4,855	6,289	8,004	10,151
Net service income	871	1,370	1,785	1,835
Operating profit (EBIT)	34,767	53,943	57,685	62,768
Net interest income	-10,490	-21,155	-20,453	-19,838
Pre-tax profit (EBT)	24,313	32,839	37,279	42,962
Income taxes	-6,258	-10,432	-12,773	-14,019
Net profit after Minorities	16,567	21,952	24,028	28,356
Shareholders' equity (Euro million)	581	862	1,009	1,109
Privatization Portfolio (Euro million)	418	443	504	585
RoE (after tax)	7.1%	8.5%	8.6%	9.6%
Equity ratio	28.7%	26.7%	25.8%	25.1%
Main Shareholders				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
Financial calendar				
SRC Forum Financials & Real Estate		8 September 2021		
9M 2021 report		9 November 2021		
Analysts				
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Convincing half-year numbers, doubling the revenues, EBIT already close to Euro 20m and privatization business fully on track, more to come in 2H 2021, Buy and Euro 12.00 affirmed

Yesterday, ACCENTRO released the 1H 2021 report and reported convincing numbers. The revenues almost doubled from Euro 37m to Euro 73m. Revenues from sales contributed Euro 61m while letting revenues climbed to Euro 10.8m. Thus both numbers almost double compared to last year's number of Euro 31m and Euro 5.5m respectively. Revenues from services contributed an additional Euro 1.3m. The gross profit amounted to Euro 15.1m, up 74% to last year's Euro 8.7m. The revaluation result coming from the firm's build up investment portfolio with a superior quality was at high Euro 16.3m, after Zero in the previous year. With a somewhat increased cost side following an increased workforce and some one-offs related to the portfolio expansion and valuation, the operating profit on EBIT basis boosted from Euro 1.2m last year to now Euro 19.1m. The net financial result suffered from higher interest expenses due to the growth of the business and came in at Euro -11.2m compared to Euro -10m last year. The firm's EBT thus turned back to black and was at a profit of Euro 7.8m compared to a loss of more than Euro 8.7m in last year's period. The bottom line stood after minorities stood at Euro 3.4m and significantly improved to last year's loss of Euro -11.7m. Earnings per share came in at 14 cent (1H 2020: -36 cent).

A look at the two portfolios of the company makes us optimistic for the coming quarters as well. The investment portfolio increased by steep 35% in the first six months, from Euro 215m at year-end 2020 to Euro 290m. Thus the rental income of the investment portfolio will continue to grow and we see further upside on the valuation side. We are also optimistic, that the portfolio expansion will continue in the coming months, as already happened in July with the expansion of the portfolio in North Rhine-Westphalia. The privatization portfolio saw sales of 360 units in the first six months with a sales volume of more than Euro 116m. As some of these sales have not been closed as of the reporting date, another significant revenue contribution is already secured for the second half of 2021 and we believe that the sales figures should remain high in 2H as well. The current sales pipeline of more than Euro 400m surely offers the opportunities for a continuation of the strong sales numbers.

We are very satisfied with the results of the first six months and continue to believe that the firm's guidance of revenues between Euro 170m and Euro 200m and an EBIT between Euro 45m and Euro 50m might be too conservative, as a significant amount of the sales from the first half will hit the P&L only in the second half and we expect another significant amount of new sales to come as well. For the time being we confirm our 12.00 Euros target price, but see further upside if the news flow and the numbers continue to develop as expected. We stick to our Buy rating.

ACCENTRO Real Estate AG

Industry:	Real Estate	Management Board of ACCENTRO:
Sub-segment:	Residential	Lars Schriewer
Region:	Germany	
Headquarter:	Berlin	
Foundation	2006	
Employees:	101	Supervisory Board of ACCENTRO:
		Axel Harloff
IR Contact:		Carsten Wolff
Thomas Eisenlohr		Natig Ganiyev
Eisenlohr@accentro.de		

ACCENTRO Real Estate AG is a leading company for privatization of residential properties in economically strong regions in Germany, as well as for the marketing and sales for property investors and project developers. Furthermore, the company is currently building up an investment portfolio for the own book. The company's strongest focus is on the city of Berlin, but has recently expanded into growth markets such as the Leipzig area or Hamburg and North Rhine Westphalia.

Accentro GmbH was founded in 1999 and in 2011 became a subsidiary of Estavis AG, which was formed in 2006 and was renamed to ACCENTRO Real Estate AG in 2015. The firm has a focus on the German residential market since more than 15 years. Over the recent years ACCENTRO managed to build up a strong track record. Since 2009, more than 18,000 apartments with a volume of with a volume of more than Euro 1.8bn have been sold and the inventory portfolio has significantly been expanded from Euro 155m book value in 2015 to almost Euro 410m at FY 2020. At year-end 2020, about 5,200 units are on the firm's balance sheet after the firm made some significant acquisitions in the second half of last year. Furthermore, the strong sales cooperations with investors and developers offer the company further potential for a rise in revenues in the coming years. With regards to the 2020 results, the company had to record some one-off effects, due to which the company slightly missed the 2020 guidance. The financial position of the company shows an equity ratio of 26.1% and a LTV of 56.1% at 1H 2021.

For the current year 2021, the company guided a significant hike in revenues and EBIT, as revenues are expected to be in a range between Euro 170m and Euro 200m and EBIT is to grow to a range of Euro 45m to Euro 50m. With a very good first six months and the closings from transactions that were signed in 2020, the company is currently well on track to reach these goals in our opinion.

	FY 2018	FY 2019	FY 2020
Apartments sold (units)	440	463	420
thereof Berlin	68%	59%	65%
thereof Rest of Germany	32%	41%	35%
thereof Owner Occupiers	32%	41%	49%
thereof Buy-to-Let	68%	59%	51%
Transaction value (EUR m)	79.2	110.1	118.7

Source: Company Data, SRC Research

ACCENTRO Real Estate AG 31/12 IFRS ('000)	2018	2019	2020	2021e	2022e	2023e	CAGR '19 - '23e
Revenues from sales of inventory properties	194,009	129,503	112,397	184,321	204,596	227,102	
Expenses from sales of inventory properties	-160,924	-99,661	-92,772	-140,583	-156,047	-171,652	
Capital gains from property sales	33,085	29,842	19,625	43,738	48,549	55,450	16.8%
Letting revenues	8,806	10,261	10,351	19,447	23,531	28,472	
Letting expenses	-2,676	-3,743	-5,496	-13,158	-15,526	-18,321	
Net rental income	6,130	6,518	4,855	6,289	8,004	10,151	11.7%
Revenues from services	2,794	3,510	2,434	2,453	2,944	3,533	
Expenses from services	-511	-1,147	-1,563	-1,083	-1,159	-1,698	
Net service income	2,283	2,363	871	1,370	1,785	1,835	-6.1%
Other operating income	1,663	1,207	1,699	3,245	3,544	3,189	
Gross profit or loss	43,161	39,930	27,050	54,642	61,883	70,625	15.3%
Net revaluation result	0	11,399	28,367	19,953	12,587	9,334	
Total payroll and benefit costs	-4,613	-5,835	-9,048	-10,412	-10,947	-11,574	
Depreciation and amortisation	-349	-731	-863	-856	-902	-951	
Impairments of inventories and accounts receivable	-205	-123	-124	-153	-167	-200	
Other operating expenses	-5,131	-6,079	-10,717	-9,681	-5,224	-4,977	
Net income from associates	2	1,244	102	450	455	511	
Earnings before interest and taxes (EBIT)	32,865	39,805	34,767	53,943	57,685	62,768	12.1%
Other income from investments	36	36	36	51	47	32	
Interest income	944	4,854	11,256	1,741	1,514	2,581	
Interest expenses	-9,869	-12,207	-21,746	-22,896	-21,967	-22,419	
Net interest income	-8,925	-7,353	-10,490	-21,155	-20,453	-19,838	
Profit/loss before taxes (EBT)	23,976	32,488	24,313	32,839	37,279	42,962	7.2%
Income taxes	-5,675	-6,189	-6,258	-10,432	-12,773	-14,019	
Consolidated income	18,301	26,299	18,055	22,407	24,506	28,943	2.4%
Minorities	-103	168	-1,488	-455	-478	-587	
Net profit/loss after minorities	18,198	26,467	16,567	21,952	24,028	28,356	1.7%
Number of shares ('000)	32,438	32,438	32,438	32,438	32,438	32,438	
Earnings per share (EPS)	0.56	0.81	0.51	0.68	0.74	0.87	
Dividend per share (DPS)	0.16	0.00	0.00	0.20	0.25	0.30	
Shareholders' Equity	199,104	220,811	247,101	269,053	286,594	306,840	8.6%
Balance Sheet sum	474,205	580,757	861,987	1,008,525	1,109,377	1,220,315	
Equity Ratio	42.0%	38.0%	28.7%	26.7%	25.8%	25.1%	
RoE (after tax)	10.3%	12.6%	7.1%	8.5%	8.6%	9.6%	-6.7%
Privatisation Portfolio (Euro million)	344	389	418	443	504	585	
Book Value per share (Euro)	6.14	6.81	7.62	8.29	8.84	9.46	8.6%

SRC Research - Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	5 August 2021	Buy	7,40 €	12,00 €
ACCENTRO	2 June 2021	Buy	8,45 €	11,50 €
ACCENTRO	17 May 2021	Buy	8,60 €	11,50 €
ACCENTRO	6 January 2021	Hold	8,30 €	8,50 €
ACCENTRO	13 August 2020	Buy	9,45 €	12,00 €
ACCENTRO	4 June 2020	Accumulate	11,00 €	12,00 €
ACCENTRO	30 March 2020	Buy	7,75 €	9,50 €

Please note:

The share price mentioned in this report is from 31 August. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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