

<b>Price (Euro)</b>	<b>6.30</b>			
52 weeks range	9.20 / 6.00			
<b>Key Data</b>				
ISIN	DE000A0KFKB3			
Bloomberg	E7S:GR			
Reporting standard	IFRS			
Market Cap (Euro million)	204			
Number of shares (million)	32.4			
Free Float	12.1%			
Free Float Market Cap (Euro million)	25			
CAGR EBIT ('19 -'23e)	10.7%			
<b>Multiples</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Market Cap / Total revenues	10.4	4.7	4.2	3.7
<b>PE-Ratio</b>	<b>12.3</b>	<b>11.1</b>	<b>10.2</b>	<b>8.5</b>
Dividend Yield	0.0%	3.2%	4.0%	4.8%
<b>Price-to-Book-Ratio</b>	<b>0.83</b>	<b>0.77</b>	<b>0.73</b>	<b>0.69</b>
<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>0.51</b>	<b>0.57</b>	<b>0.62</b>	<b>0.74</b>
Dividend per share (DPS)	0.00	0.20	0.25	0.30
<b>Book Value per Share (BVPS)</b>	<b>7.62</b>	<b>8.19</b>	<b>8.60</b>	<b>9.09</b>
<b>Financial Data (Euro '000)</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Capital gains from property sales	19,625	43,738	48,549	55,450
Net rental income	4,855	4,184	5,521	7,220
Net service income	871	1,370	1,785	1,835
<b>Operating profit (EBIT)</b>	<b>34,767</b>	<b>52,943</b>	<b>55,201</b>	<b>59,837</b>
Net interest income	-10,490	-22,275	-21,964	-21,303
<b>Pre-tax profit (EBT)</b>	<b>24,313</b>	<b>30,719</b>	<b>33,284</b>	<b>38,566</b>
Income taxes	-6,258	-10,432	-12,773	-14,019
<b>Net profit after Minorities</b>	<b>16,567</b>	<b>18,421</b>	<b>20,033</b>	<b>23,960</b>
Shareholders' equity (Euro million)	581	862	1,009	1,109
<b>Privatization Portfolio (Euro million)</b>	<b>418</b>	<b>443</b>	<b>504</b>	<b>585</b>
<b>RoE (after tax)</b>	<b>7.1%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>8.3%</b>
Equity ratio	28.7%	26.3%	25.2%	24.2%
<b>Main Shareholders</b>				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
<b>Financial calendar</b>				
2021 annual report				28 April 2022
1Q 2022 report				31 May 2022
AGM				22 June 2022
<b>Analysts</b>	<b>Christopher Mehl, MBA, CFA</b>			
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### ACCENTRO 9M numbers show significant hike as revenues almost doubled – large transaction with a volume of Euro 100m announced – Buy and Euro 14.00 target price affirmed

Today, the company released the report for the first three quarters of 2021. The numbers were as expected significantly above the previous year and the firm's full-year guidance, which was again confirmed today, is in reach. Revenues almost doubled from Euro 65m to Euro 125m. This growth is mainly driven by the increased privatization business. The number of sold units grew by more than 130% to 614 units and the notarized sales volume rose by 155% to almost Euro 190m. Revenues from sales for the first nine months stood at Euro 108m and the sales margin showed a clear improvement compared to last year. While letting revenues significantly hiked from Euro 8.2m to Euro 15.3m following the build-up of the investment portfolio, the letting expenses almost tripled leading to a slight decrease in net rental income to Euro 3.1m. Net service income slightly increased from Euro 623k to Euro 875k, leading to an overall interim result of Euro 33.4m compared to last year's number of Euro 14.9m. The revaluation result of the first three quarters amounted to more than Euro 16m (9M 2020: Euro 2m) and we see another hike in that number for the full-year. While the personnel expenses grew following the higher staff level, other operating expenses more than doubled to Euro 10.4m, leading to an EBIT of Euro 31.0m, up more than five-fold to last year's number of Euro 5.6m. The firm's EBT and bottom line after minorities both turned back to black at 9M, from Euro -8m to more than Euro 14m and from about Euro -12m to more than Euro 8m respectively.

In order to reach our above guidance estimates as well as the guided ranges of Euro 170m to Euro 200m in terms of revenues and Euro 45m to Euro 50m regarding EBIT, ACCENTRO will need a strong fourth quarter and we believe that the firm will deliver that. One good indication for that is the transaction reported on 19 November, where several residential portfolios were acquired and sold with a total volume of about Euro 100m. Of the total reported 730 units involved in the transaction, the firm went into a little more details on 470 units, which were acquired for the investment portfolio. These units are located in East Germany in the state of Saxony and we expect these units to be comparable to the "East" portfolio acquired last year. According to the management, the portfolio offers significant upside for the coming years. For the remaining 260 units no details were given, however, we expect these units to be on the sales side. As the transaction is expected to close within the year, it will already contribute to the numbers of the fourth quarter.

In accordance to the released 9M numbers, we somewhat adjusted our P&L, but still expect the company to end up somewhat on top of the guidance. We see this now however slightly more dependent on the revaluation or possibly another larger sale before the end of the year. The announced transaction from about two weeks ago is already a good step also for the coming years, as the portfolio offers further potential to lift the numbers. We confirm our Buy recommendation and our Euro 14.00 target price.

## ACCENTRO Real Estate AG

<b>Industry:</b>	Real Estate	<b>Management Board of ACCENTRO:</b>
<b>Sub-segment:</b>	Residential	Lars Schriewer
<b>Region:</b>	Germany	
<b>Headquarter:</b>	Berlin	
<b>Foundation</b>	2006	
<b>Employees:</b>	101	<b>Supervisory Board of ACCENTRO:</b>
		Axel Harloff
<b>IR Contact:</b>		Carsten Wolff
Thomas Eisenlohr		Natig Ganiyev
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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 27.2% and a LTV of 56.5% at 9M 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.

	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	
<b>Capital gains from property sales</b>	<b>33,085</b>	<b>29,842</b>	<b>19,625</b>	<b>43,738</b>	<b>48,549</b>	<b>55,450</b>	<b>16.8%</b>
Letting revenues	8,806	10,261	10,351	19,447	23,531	28,472	
Letting expenses	-2,676	-3,743	-5,496	-15,263	-18,010	-21,252	
<b>Net rental income</b>	<b>6,130</b>	<b>6,518</b>	<b>4,855</b>	<b>4,184</b>	<b>5,521</b>	<b>7,220</b>	<b>2.6%</b>
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	
<b>Net service income</b>	<b>2,283</b>	<b>2,363</b>	<b>871</b>	<b>1,370</b>	<b>1,785</b>	<b>1,835</b>	<b>-6.1%</b>
Other operating income	1,663	1,207	1,699	2,144	3,544	3,189	
<b>Gross profit or loss</b>	<b>43,161</b>	<b>39,930</b>	<b>27,050</b>	<b>51,436</b>	<b>59,399</b>	<b>67,694</b>	<b>14.1%</b>
<b>Net revaluation result</b>	<b>0</b>	<b>11,399</b>	<b>28,367</b>	<b>25,341</b>	<b>12,587</b>	<b>9,334</b>	
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	-12,863	-5,224	-4,977	
Net income from associates	2	1,244	102	450	455	511	
<b>Earnings before interest and taxes (EBIT)</b>	<b>32,865</b>	<b>39,805</b>	<b>34,767</b>	<b>52,943</b>	<b>55,201</b>	<b>59,837</b>	<b>10.7%</b>
Other income from investments	36	36	36	51	47	32	
Interest income	944	4,854	11,256	2,647	1,514	2,581	
Interest expenses	-9,869	-12,207	-21,746	-24,922	-23,478	-23,884	
<b>Net interest income</b>	<b>-8,925</b>	<b>-7,353</b>	<b>-10,490</b>	<b>-22,275</b>	<b>-21,964</b>	<b>-21,303</b>	
<b>Profit/loss before taxes (EBT)</b>	<b>23,976</b>	<b>32,488</b>	<b>24,313</b>	<b>30,719</b>	<b>33,284</b>	<b>38,566</b>	<b>4.4%</b>
Income taxes	-5,675	-6,189	-6,258	-10,432	-12,773	-14,019	
<b>Consolidated income</b>	<b>18,301</b>	<b>26,299</b>	<b>18,055</b>	<b>20,287</b>	<b>20,511</b>	<b>24,547</b>	<b>-1.7%</b>
Minorities	-103	168	-1,488	-1,866	-478	-587	
<b>Net profit/loss after minorities</b>	<b>18,198</b>	<b>26,467</b>	<b>16,567</b>	<b>18,421</b>	<b>20,033</b>	<b>23,960</b>	<b>-2.5%</b>
<b>Number of shares ('000)</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	
<b>Earnings per share (EPS)</b>	<b>0.56</b>	<b>0.81</b>	<b>0.51</b>	<b>0.57</b>	<b>0.62</b>	<b>0.74</b>	
<b>Dividend per share (DPS)</b>	<b>0.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.20</b>	<b>0.25</b>	<b>0.30</b>	
<b>Shareholders' Equity</b>	<b>199,104</b>	<b>220,811</b>	<b>247,101</b>	<b>265,522</b>	<b>279,068</b>	<b>294,918</b>	<b>7.5%</b>
<b>Balance Sheet sum</b>	<b>474,205</b>	<b>580,757</b>	<b>861,987</b>	<b>1,008,525</b>	<b>1,109,377</b>	<b>1,220,315</b>	
<b>Equity Ratio</b>	<b>42.0%</b>	<b>38.0%</b>	<b>28.7%</b>	<b>26.3%</b>	<b>25.2%</b>	<b>24.2%</b>	
<b>RoE (after tax)</b>	<b>10.3%</b>	<b>12.6%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>8.3%</b>	<b>-9.8%</b>
<b>Privatisation Portfolio (Euro million)</b>	<b>344</b>	<b>389</b>	<b>418</b>	<b>443</b>	<b>504</b>	<b>585</b>	
<b>Book Value per share (Euro)</b>	<b>6.14</b>	<b>6.81</b>	<b>7.62</b>	<b>8.19</b>	<b>8.60</b>	<b>9.09</b>	<b>7.5%</b>

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### Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	10 November 2021	Buy	6.85 €	14.00 €
ACCENTRO	8 October 2021	Buy	6.05 €	12.00 €
ACCENTRO	1 September 2021	Buy	7.00 €	12.00 €
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 €

### Please note:

The share price mentioned in this report is from 29 November. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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