

■ Price (Euro)	4.40			
52 weeks range	8.85 / 4.28			
■ Key Data				
ISIN	DE000A0KFKB3			
Bloomberg	E7S:GR			
Reporting standard	IFRS			
Market Cap (Euro million)	143			
Number of shares (million)	32.4			
Free Float	12.1%			
Free Float Market Cap (Euro million)	17			
CAGR EBIT ('21 -'24e)	9.6%			
■ Multiples				
	2021	2022e	2023e	2024e
Market Cap / Total revenues	3.0	3.2	2.8	2.5
PE-Ratio	12.0	7.2	5.9	4.9
Dividend Yield	0.0%	4.5%	6.8%	8.0%
Price-to-Book-Ratio	0.55	0.51	0.48	0.45
■ Key Data per share (Euro)				
	2021	2022e	2023e	2024e
Earnings per share (EPS)	0.37	0.61	0.75	0.89
Dividend per share (DPS)	0.00	0.20	0.30	0.35
Book Value per Share (BVPS)	8.03	8.65	9.20	9.79
■ Financial Data (Euro '000)				
	2021	2022e	2023e	2024e
Capital gains from property sales	47,791	44,757	51,068	58,213
Net rental income	7,018	8,693	10,877	12,867
Net service income	1,946	4,772	8,158	9,985
Operating profit (EBIT)	45,164	46,401	55,882	65,122
Net interest income	-20,515	-17,060	-19,933	-22,397
Pre-tax profit (EBT)	20,597	29,843	36,492	43,347
Income taxes	-7,470	-8,356	-10,218	-12,137
Net profit after Minorities	11,845	19,900	24,241	28,857
Shareholders' equity (Euro million)	862	929	1,022	1,074
Privatization Portfolio (Euro million)	360	420	465	522
RoE (after tax)	4.7%	7.4%	8.4%	9.4%
Equity ratio	28.0%	27.4%	27.8%	28.2%
■ Main Shareholders				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
■ Financial calendar				
1Q 2022 report			31 May 2022	
AGM			22 June 2022	
1H 2022 report			31 August 2022	
SRC Forum Financials & Real Estate			13 September 2022	
■ Analysts				
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ACCENTRO delivers satisfying 2021 operating numbers – Further growth expected for the current year – Target down to Euro 12.00 due to increased overall risk and interest rate levels, Buy affirmed

On 30 April, the company released the 2021 annual report and reported. While the 2021 numbers were below our expectations, the company reached its own guidance and was able to report a new record level for earnings. Revenues came in at Euro 193m, thus below our estimate of Euro 206m. However, the gross profit was at Euro 58m even above our estimate of more than Euro 51m, as the margins of the segments were better than expected. Capital gains from property sales were at Euro 48m (FY 2020: Euro 20m), net rental income came in at Euro 7m (FY 2020: Euro 4.8m) and net service income amounted to Euro 1.9m (FY 2020: Euro 0.9m). The revaluation result stood at Euro 19m, while our expectation was at more than Euro 25m. While personnel expenses were in line with our expectation, the company had to book impairments of inventories and accounts receivables of Euro 1.8m, which was due the possibility of lost rents. Furthermore, the other operating expenses were at Euro 18.4m. All in all, the firm's EBIT came in at Euro 45.2m, thus in line with the firm's guidance of a range between Euro 45m and Euro 50m, while our estimate was at Euro 53m. While the interest result amounted to Euro -20.5m and was better than our estimate, the firm had to book Euro -4.5m coming from impairments of at-equity investments due to valuation of properties at the holding company LHC Beteiligungs GmbH. The pre-tax profit was thus all in all at Euro 20.6m, while the net profit after minorities amounted to Euro 11.8m (FY 2020: Euro 24.3m and Euro 16.6m respectively). While we expected the firm to pay a dividend of 20 cents per share for 2021, the management decided to keep the money in the company. We see this as reasonable as we expect that this will drive the further growth and gives the business more flexibility. We however expect that a dividend will be proposed for 2022.

Looking at the balance sheet, the equity ratio remained almost unchanged and stood at 28.0% (FY 2020: 28.7%) at year-end, while the LTV ratio came in at 54.9% (FY 2020: 56.6%). The firm's NAV amounted to Euro 12.29 per share.

Due to the higher level of the overall uncertainties in the markets and a rising interest rate environment, that could also have an impact on the privatization business of the firm, we decided to somewhat reduce our 2022 estimates, however, still expect the numbers to continue to grow over the coming quarters and years as we see the business model and strategy intact and on a good path.

While the firm had record sales numbers in 2021 with a sales volume of Euro 246m, the privatization portfolio still offers a strong pipeline of about Euro 360m for the individual privatization and we expect the pipeline to be extended in the coming years. Thus, we believe that the firm can further grow the revenues from sales in the current year, however, expect the sales margin to decline compared to 2021. Furthermore, letting revenues should also continue to grow in our estimate following further rentals. Regarding revenues from services we expect these to about triple in the current year, mainly due to the partnership with ImmoScout24. All in all, we believe that revenues will grow to more than Euro 210m, translating into a slight increase in EBIT to more than Euro 46m. The firm itself expects the overall numbers in a similar dimension and guides revenues to be in a range between Euro 200m and Euro 220m, while EBIT is guided between Euro 45m and Euro 50m. **With a somewhat reduced P&L and a higher overall risk and interest rate level, we reduce our target price from Euro 14.00 to Euro 12.00 and confirm our Buy recommendation.**

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
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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 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 28.0% and a LTV of 54.9% at FY 2021.

For the current year 2022, the company guided another hike in revenues and EBIT, as revenues are expected to be in a range between Euro 200m and Euro 220m and EBIT is to grow to a range of Euro 45m to Euro 50m.

	FY 2018	FY 2019	FY 2020	FY 2021
Apartments sold (units)	440	463	420	761
thereof Berlin	68%	59%	65%	75%
thereof Rest of Germany	32%	41%	35%	25%
thereof Owner Occupiers	32%	41%	49%	40%
thereof Buy-to-Let	68%	59%	51%	60%
Transaction value (m €)	79.2	109.8	118.7	246.5

Source: Company Data, SRC Research

ACCENTRO Real Estate AG 31/12 IFRS ('000)	2019	2020	2021	2022e	2023e	2024e	CAGR '21 - '24e
Revenues from sales of inventory properties	129,503	112,397	172,847	183,569	203,762	226,175	
Expenses from sales of inventory properties	-99,661	-92,772	-125,056	-138,812	-152,693	-167,963	
Capital gains from property sales	29,842	19,625	47,791	44,757	51,068	58,213	5.1%
Letting revenues	10,261	10,351	17,069	20,653	24,991	29,239	
Letting expenses	-3,743	-5,496	-10,051	-11,961	-14,114	-16,372	
Net rental income	6,518	4,855	7,018	8,693	10,877	12,867	16.4%
Revenues from services	3,510	2,434	2,830	8,213	9,856	11,827	
Expenses from services	-1,147	-1,563	-884	-3,441	-1,698	-1,842	
Net service income	2,363	871	1,946	4,772	8,158	9,985	50.5%
Other operating income	1,207	1,699	1,269	2,587	3,189	3,577	
Gross profit or loss	39,930	27,050	58,025	60,809	73,292	84,642	9.9%
Net revaluation result	11,399	28,367	18,988	12,587	9,334	6,583	
Total payroll and benefit costs	-5,835	-9,048	-10,257	-12,344	-12,473	-13,057	
Depreciation and amortisation	-731	-863	-1,434	-1,588	-1,624	-1,774	
Impairments of inventories and accounts receivable	-123	-124	-1,799	-167	-200	-237	
Other operating expenses	-6,079	-10,717	-18,359	-12,896	-12,447	-11,035	
Earnings before interest and taxes (EBIT)	38,561	34,665	45,164	46,401	55,882	65,122	9.6%
Net income from associates	1,244	102	388	455	511	567	
Other income from investments	36	36	60	47	32	55	
Equity Investments and equity interest accounted for using the equity methc	0	0	-4,500	0	0	0	
Interest income	4,854	11,256	4,850	3,254	2,581	3,477	
Interest expenses	-12,207	-21,746	-25,365	-20,314	-22,514	-25,874	
Net interest income	-7,353	-10,490	-20,515	-17,060	-19,933	-22,397	
Profit/loss before taxes (EBT)	32,488	24,313	20,597	29,843	36,492	43,347	20.4%
Income taxes	-6,189	-6,258	-7,470	-8,356	-10,218	-12,137	
Consolidated income	26,299	18,055	13,127	21,487	26,274	31,211	24.2%
Minorities	168	-1,488	-1,282	-1,587	-2,033	-2,354	
Net profit/loss after minorities	26,467	16,567	11,845	19,900	24,241	28,857	24.9%
Number of shares ('000)	32,438	32,438	32,438	32,438	32,438	32,438	
Earnings per share (EPS)	0.81	0.51	0.37	0.61	0.75	0.89	
Dividend per share (DPS)	0.00	0.00	0.00	0.20	0.30	0.35	
Shareholders' Equity	220,811	247,101	260,637	280,537	298,290	317,416	5.1%
Balance Sheet sum	580,757	861,987	929,466	1,022,413	1,073,533	1,127,210	
Equity Ratio	38.0%	28.7%	28.0%	27.4%	27.8%	28.2%	
RoE (after tax)	12.6%	7.1%	4.7%	7.4%	8.4%	9.4%	19.1%
Privatisation Portfolio (Euro million)	389	418	360	420	465	522	
Book Value per share (Euro)	6.81	7.62	8.03	8.65	9.20	9.79	5.1%

SRC Research

- Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	6 Dezember 2021	Buy	6.70 €	14.00 €
ACCENTRO	30 November 2021	Buy	6.30 €	14.00 €
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 €

Please note:

The share price mentioned in this report is from 6 May 2022. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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