

CA Immo Accumulate

(old: Buy) Target: Euro 33.00 (unchanged)



Der Spezialist für Finanzaktien

25 | March | 2024

■ **Price (Euro)** **31,70**
52 weeks range 33.05 / 23.20

■ Key Data

ISIN AT0000641352
Reuters CAIV.VI
Bloomberg CAI AV
Reporting standard IFRS
Market Cap (Euro million) 3.098
Number of shares (million) 97,7
Free Float 32%
Free Float Market Cap (Euro million) 991
CAGR EBITDA cash profit ('23 - '26e) -18,0%

Multiples	2023	2024e	2025e	2026e
Market Cap/ Total revenues	6,6	8,7	9,4	9,6
PE-Ratio	-13,2	37,8	34,7	39,1
Dividend Yield	10,6%	2,5%	2,5%	2,5%
Price-to-Book-Ratio	1,14	1,12	1,09	1,05
P/ NAV-ratio	0,94	0,90	0,86	0,83

Key Data per share (Euro)	2023	2024e	2025e	2026e
Earnings per share (EPS)	-2,40	0,84	0,91	0,81
Dividend per share (DPS)	3,36	0,80	0,80	0,80
Book Value per Share (BVPS)	27,72	28,30	29,01	30,20
EPRA NTA per share	33,78	35,35	36,85	38,10

Financial Data (Euro '000)	2023	2024e	2025e	2026e
Total revenues incl net disposal gains	468.116	356.563	331.137	321.039
Rental income	231.442	226.813	230.215	244.028
Admin expenses	-53.155	-48.452	-48.772	-49.302
EBITDA profit (cash-driven)	322.111	218.760	192.308	177.814
Net result from revaluations	-532.004	-16.949	29.249	33.247
Operating profit (EBIT)	-217.608	199.870	219.317	208.561
Net financial result	-81.051	-85.454	-95.012	-100.354
Pre-tax profit (EBT)	-298.659	114.416	124.305	108.207
Taxation	62.774	-32.550	-34.958	-29.020
Net profit after minorities	-235.868	81.851	89.329	79.167
Shareholders' equity (Euro million)	2.725	2.765	2.835	2.951
Property assets let (Euro million)	4.754	4.806	4.926	5.237
Property assets under development	344	344	344	154
RoE (pre-tax)	-11,0%	4,1%	4,4%	3,7%
RoE (after tax)	-7,8%	3,0%	3,2%	2,7%
Equity ratio	43,8%	43,2%	43,9%	43,8%

■ Main Shareholders

Starwood 60%
Own shares 8%

■ Financial calendar

AGM 2 May 2024
1Q 2024 21 May 2024
1H 2024 28 August 2024
9M 2024 27 November 2024

■ Analyst

Dipl.-Kfm. Stefan Scharff, CREA

E-Mail scharff@src-research.de
Internet www.src-research.de
www.aktienmarkt-international.at
www.aktienmarkt-international.de

The cash flow picture much better than revaluation picture, thanks to capital rotation and superior asset quality, 8% hike in rentals, EBITDA more than doubled, still Euro 33.00 target

On 20 March, CA Immo published the 2023 annual report. After releasing the negative Euro 532m net revaluation result on 30 January, the full year numbers unveiled a much better picture in terms of cash generation. The gross rental income steeply increased 8.3% to Euro 231.4m, the letting performance was at high 158k sqm and remained on the high level of 2022 (157k sqm) despite the adverse overall economic situation with a -0.3% recession in Germany. The signed rents were 8% above the expected sqm price and that there are some more rental contracts to start soon and stand for almost 30% of CA Immo's small vacancy. The occupancy level remained unchanged to last year, at about 89%. The weighted average lease term even improved from 4.4 years in 2022 to now 4.7 years in 2023, giving additional stability. After the revaluation and the hike in rental level, the portfolio's gross initial yield is up from 4.6% to 5.2%. The cash-driven EBITDA operating profit more than doubled, from Euro 150m to Euro 322m in 2023. With regards to the capital rotation program, CA Immo continued the strategy to sell non-core assets, which do not have the "right" standard or age or the "right" location and thus do not fully fit in the firm's long-term portfolio. After selling the c. Euro 400m Romanian portfolio in November 2022, **in 2023 the firm sold 5 non-strategic properties and 5 plots in Germany that are not primarily suitable for office use, for a total amount of Euro 580m and on average above the book value. On the other hand, the steady long-term cash inflow was strengthened with the completion of Berlin-highrise "Hochhaus am Europaplatz" with 22 floors and 23k sqm office space, that is close to Berlin main station and was finished and handed over to tenant KPMG in 3Q 2023, 6 months earlier and c. 10% under budget. It is a nearly Zero Energy Building with a very modern sustainable technology, that will not only qualify for DGNB Gold Standard but also stands for an additional Euro 9m rental income per annum. After the completions of Frankfurt's ONE highrise and Grasblau Berlin in 2022, the Europaplatz was the third big German milestone of completion in the last 24 months that helps the firm to bring the total portfolio from a high level to an even higher standard and a higher level of resilience and sustainability.** The risks in terms of remaining developments and debt maturity profile are small. The development portfolio is down from Euro 600m to Euro 344m, which is mainly the very modern Upbeat Highrise in Berlin, with 35k sqm fully rented to DKB Bank and to be completed in 1Q 2026. On the debt maturity, from the Euro 350m in 2024 the Euro 175m bond is already repaid. In 2025 there is only one big maturity, in October 2025 the Euro 350m Green Bond, which might be partly repaid and partly prolonged, as financial markets environment should improve the next 18 months. Even after the revaluation, the balance sheet is rock solid with a net LTV of 36.6% (2022: 32.5%) and an equity ratio of 44% (2022: 47%). After a good FFO I Euro 114m result (above > Euro 105m target), the firm will give a new FFO guidance later the year after 1H to see how general market and trading activities for non-core markets Hungary and Serbia (Euro 420m size) develop. **We keep our € 33.00 target, supported by new EPRA NTA of € 33.78. After the hike in share price, we reduce our rating from Buy to Accumulate.**

CA Immobilien Anlagen AG		
Industry:	Real Estate	Management Board of CA Immo Keegan Viscius (CEO) Dr. Andreas Schillhofer (CFO)
Sub-segment:	Office/ Commercial	
Country:	Austria	
Headquarter:	Vienna	
Foundation:	1990	
Employees (year-end 2023)	348	
IR Contact	Supervisory Board of CA Immo	
Christoph Thurnberger / Julian Wöhrle (Mail: ir@caimmoag.com)	Torsten Hollstein (Chairman) David Smith (First Deputy Chairman) Jeffrey G. Dishner (Second Deputy Chairman) Sarah Broughton Georg Edinger Sebastian Obermair	

Founded in 1987 CA Immo is one of the major property owners in Europe. The Vienna-based company is a specialist in property management and the development of premium large-scale office properties as well as mixed city quarters and had on year-end 2023 a gross asset value of approx. Euro 5.2bn allocated in Germany (66%, mainly Berlin, Frankfurt, Munich and Dusseldorf), Austria (7%, mainly Vienna) and CEE (27% , mainly Warsaw, Budapest and Prague). Serbia is almost fully sold now, in the course of the capital rotation program, the Hungary assets (approx. Euro 400m) might be fully or partly sold during 2024, as Hungary is no longer a core market since June 2023.

In the last years CA Immo further sharpened its specialist profile for superior, green and very modern office properties in top locations, especially by disposing some non-strategic assets like logistics assets or assets which do not belong to the core regions of activity or are aged and contain a higher capex demand for the future years. By doing this, CA Immo rebalanced the group's portfolio picture towards office and towards the more stable economies of Germany and Austria. CA Immo strives to bring the share of Germany and Austria to over 80%. In the course of capital rotation the company already exited the markets in Croatia in October 2020 with the sale of Zagrebtower, and Slovakia, in March 2021, with the sale of two office properties. The exit from Romania (an approx. Euro 400m portfolio with Euro 30m annual rent) was signed in November 2022 and most properties of Serbia followed in 2023, and the rest might follow in 2024. As Hungary is no longer a core market, these assets might also be sold quite soon, -de-risking CA Immo's overall portfolio, but also bringing down the short term FFO numbers. On the other hand, the 2024 P & L will profit from the full year contribution of recently completed Berlin Hochhaus am Europaplatz with an annual rent of about Euro 12m.

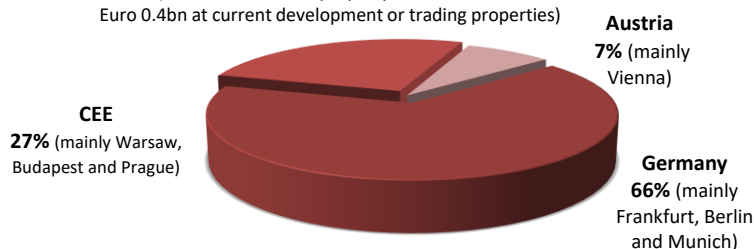
The company is strongly geared to a Net Zero vision, that means sustainable office space for the generations to come. CA Immo stands for a remarkable reduction of energy intensity in property operations by about 15% until 2025. Between 2019 and 2022 there was already a reduction of carbon emissions of about 18%. CA Immo is geared to steadily improve their ESG ratings and give highest priority in top level management to ESG criteria. The company improved the ISS ESG rating from C- in 2020 and 2021 to now C (Prime) in 2022 and also in 2023.

Another highlight of the last years was the significant reduction of the financing costs or at least keeping them stable at very low levels. The average cost of debt remarkably came down, from an initial 2.3% at year-end 2016 to 1.9% at year-end 2017 and to only 1.7% at year-end 2018. It remained on this very low level in 2019. In 2020 the cost of debt even declined to 1.5% and remained there in 2021. The 2002 cost of debt was only little higher at 1.71%. A big step of optimisation of the financing structure was completed by an inaugural Euro 500m Benchmark Bond issued in January 2020, with a 7 years duration and a coupon of only 0.875% (final yield 0.998%). That was in a retrospective view a very good timing. A second Euro 350m green bond also came in 2020 with a 5 years duration until October 2025 and a low 1.0% coupon. This both landmark issues helped a lot in challenging COVID-19 pandemic years and in the aftermath of strongly rising inflation and shaky economic times after the outbreak of the Russian aggression against Ukraine. The cost of debt of 2.02% for 2023 was also very moderate, given the new interest rate environment. After the repayment of the Euro 175m bon in Feb. 2024, there is no big maturity before the Euro 350m Green Bond in Oct. 2025.

Besides the quite comfortable debt maturity profile until October 2025 the rock solid balance with an equity ratio of almost 44% at year-end 2022 (47% in 2022), a net LTV of still very low 36.6% (after 32.5% in 2022) and liquid funds of over Euro 580m presumably at the end of February 2024 after the Euro 175m bond repayment are good arguments for the stock. CAI is listed on Vienna Stock Exchange since 1988 and member of ATX Blue Chip index and clearly bet the ATX performance in most previous years. The high RoE generation is an important argument, as it was +10% per year in average of the last five years (2017 - 2022). With a good 2023 FFO I result of approx. 114m clearly above the guided Euro 105m, the management will make a 80 Cents proposal for the AGM on 2 May 2024.

Euro 5.2bn property portfolio at the year-end 2023

(thereof Euro 4.8bn property assets let and
Euro 0.4bn at current development or trading properties)



Source: Company Data, SRC Research

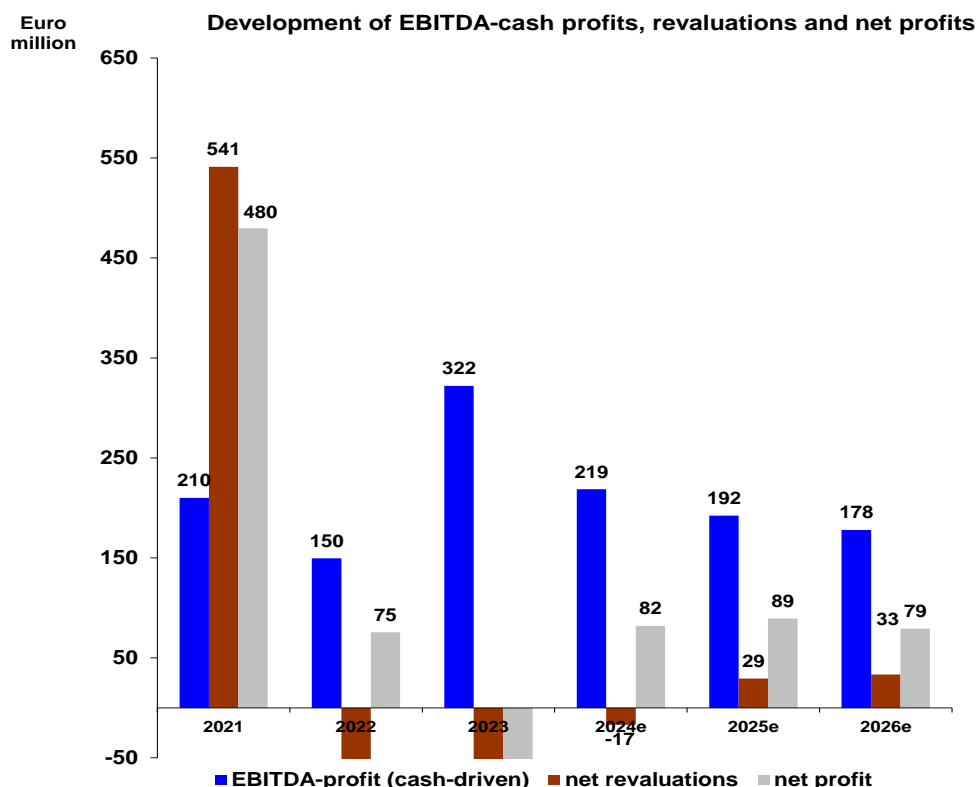
CA Immobilien Anlagen AG

31/12 IFRS ('000)

	2020	2021	2022	2023	2024e	2025e	2026e	CAGR '23 - '26e
Rental income	235.609,0	229.111,0	213.753,0	231.442,0	226.813,2	230.215,4	244.028,3	1,8%
Proceeds from property sale (Trading Portfolio)	43.335,0	8.233,0	9.337,0	131.202,0	254.004,0	15.449,0	8.500,0	
Expenses from property disposal (Trading Portfolio)	-35.387,0	-1.558,0	-1.666,0	-20.465,0	-211.452,0	-11.454,0	-7.450,0	
Subtotal Trading Portfolio sale margin (Trading Portfolio)	7.948,0	6.675,0	7.671,0	110.737,0	42.552,0	3.995,0	1.050,0	
Proceeds from property sale (Hold Portfolio)	200.076,0	168.302,0	133.229,0	377.351,0	80.778,0	81.620,0	95.454,0	
Expenses from property disposal (Hold Portfolio)	-156.146,0	-115.642,0	-129.153,0	-308.856,0	-51.905,0	-45.721,0	-85.447,0	
Result from property sales (Hold Portfolio) sale margin (Hold Portfolio)	43.930,0	52.660,0	4.076,0	68.495,0	28.873,0	35.899,0	10.007,0	
Operating costs passed on to tenants	53.260,0	51.053,0	50.436,0	54.648,0	55.120,0	56.774,0	61.442,0	
Revenues from construction	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Income from services	8.166,0	8.137,0	5.228,0	2.794,0	3.205,0	4.254,0	4.512,0	
Total revenues including the net gains from disposals	348.913,0	347.636,0	281.164,0	468.116,0	356.563,2	331.137,4	321.039,3	-11,8%
Operating expenses	-57.738,0	-57.600,0	-58.982,0	-65.391,0	-61.511,0	-63.142,0	-65.110,0	
Other expenses directly related to Hold-Portfolio	-21.466,0	-23.102,0	-24.459,0	-27.939,0	-28.441,0	-27.585,0	-29.553,0	
Expenses for construction	-2.154,0	-1.854,0	-1.885,0	-1.155,0	-1.500,0	-1.530,0	-1.560,0	
Admin expenses	-73.176,0	-58.222,0	-47.451,0	-53.155,0	-48.452,0	-48.772,0	-49.302,0	
Own works capitalised	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Other operating income	1.204,0	3.235,0	1.152,0	1.635,0	2.101,0	2.200,0	2.300,0	
EBITDA-profit (cash-driven operating profit)	195.584,0	210.093,0	149.539,0	322.111,0	218.760,2	192.308,4	177.814,3	-18,0%
Gains from Fair Value Adjustments (IAS 40)	352.110,0	602.360,0	183.119,0	13.351,0	34.501,0	55.450,0	65.487,0	
Losses from Fair Value Adjustments (IAS 40)	-168.611,0	-61.213,0	-277.189,0	-545.355,0	-51.450,0	-26.201,0	-32.240,0	
Net result from Revaluations (IAS 40)	183.499,0	541.147,0	-94.070,0	-532.004,0	-16.949,0	29.249,0	33.247,0	
Depreciation and amortisation of long-term assets	-4.662,0	-4.939,0	-5.588,0	-5.831,0	-5.512,0	-5.785,0	-6.120,0	
Depreciation of properties of Trading-Portfolio	-871,0	-354,0	-1.975,0	-1.112,0	-411,0	-450,0	-480,0	
Result from investments in joint ventures	1.898,0	3.618,0	26.475,0	-772,0	3.982,0	3.995,0	4.100,0	
Operating Profit (EBIT)	375.448,0	749.565,0	74.381,0	-217.608,0	199.870,2	219.317,4	208.561,3	
Net financial result	-27.154,0	-74.389,0	43.454,0	-81.051,0	-85.454,0	-95.012,0	-100.354,0	
Pre-tax profit (EBT)	348.295,0	675.176,0	117.835,0	-298.659,0	114.416,2	124.305,4	108.207,3	
taxes on income	-94.341,0	-195.375,0	-36.911,0	62.774,0	-32.550,0	-34.958,0	-29.020,0	
tax-rate	27,1%	28,9%	31,3%	21,0%	28,4%	28,1%	26,8%	
minorities	-5,0	-26,0	2,0	17,0	-15,0	-18,0	-20,0	
result from discontinued operations	0,0	0,0	-5.449,0	-11.404,0	0,0	0,0	0,0	
Net Profit after minorities	253.948,0	479.775,0	75.477,0	-235.868,0	81.851,2	89.329,4	79.167,3	
number of shares without own shares ('000)	93.028,3	99.636,0	99.636,0	98.270,8	97.716,4	97.716,4	97.716,4	
Earnings per share (Euro)	2,73	4,82	0,76	-2,40	0,84	0,91	0,81	
Dividends per share (Euro)	1,00	3,50	3,50	3,36	0,80	0,80	0,80	
Book Value per share (Euro)	33,63	33,03	33,71	27,72	28,30	29,01	30,20	2,9%
EPRA NTA per share (Euro)	40,09	40,05	40,31	33,78	35,35	36,85	38,10	4,1%

Key Data

Shareholders' Equity	3.128.218,0	3.291.038,0	3.358.523,0	2.724.556,0	2.765.424,3	2.834.559,9	2.950.776,9	2,7%
Property assets let (only fully owned from 2014 on)	4.736.000	4.995.500	4.978.700	4.753.900	4.806.193	4.926.348	5.236.708	
thereof Germany ('000)	2.271,4	2.503,4	3.086,2	3.137,6	3.460,5	3.694,8	4.084,6	
thereof Austria ('000)	524,7	496,5	377,1	332,8	336,4	344,8	366,6	
thereof CEE and SEE ('000)	1.939,9	1.995,6	1.515,4	1.283,6	1.009,3	886,7	785,5	
Gross yield property assets let	5,2%	4,6%	4,6%	5,2%	5,4%	5,5%	5,4%	
Vacancy rate property assets let	5,2%	11,1%	10,1%	11,2%	11,5%	12,0%	10,1%	
Property assets under current construction	701.600	1.097.100	596.632	344.100	344.100	344.100	154.452	-23,4%
RoE (pre-tax)	11,1%	20,5%	3,5%	-11,0%	4,1%	4,4%	3,7%	
RoE (after tax)	8,3%	14,9%	2,3%	-7,8%	3,0%	3,2%	2,7%	
Total balance sheet sum	6.820.289,0	7.114.445,0	7.170.568,0	6.221.820,0	6.396.031,0	6.459.991,3	6.744.230,9	2,7%
Equity ratio	45,9%	46,3%	46,8%	43,8%	43,2%	43,9%	43,8%	



SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Klingerstr. 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
CA Immo		February 13, 2024	Buy	29,85 €	33,00 €
CA Immo		November 30, 2023	Buy	29,80 €	36,00 €
CA Immo		August 24, 2023	Buy	29,95 €	36,00 €
CA Immo		May 25, 2023	Buy	24,60 €	36,00 €
CA Immo		March 24, 2023	Buy	24,55 €	36,00 €
CA Immo		November 24, 2022	Buy	32,40 €	40,00 €
CA Immo		August 25, 2022	Buy	31,95 €	42,00 €
CA Immo		May 25, 2022	Buy	29,25 €	42,00 €
CA Immo		March 25, 2022	Buy	28,15 €	42,00 €
CA Immo		February 7, 2022	Buy	31,65 €	42,00 €
CA Immo		November 25, 2021	Buy	37,50 €	42,00 €
CA Immo		November 4, 2021	Buy	38,30 €	42,00 €
CA Immo		August 26, 2021	Buy	36,55 €	42,00 €
CA Immo		May 27, 2021	Buy	35,60 €	41,00 €
CA Immo		March 25, 2021	Buy	35,90 €	41,00 €
CA Immo		January 29, 2021	Accumulate	35,70 €	39,00 €

Please note:

The CA Immo share price mentioned in this report is from 22 March 2024. CA Immo mandated SRC Research for covering the CA Immo share.

Disclaimer © 2024: 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.