

<b>Price (Euro)</b>	<b>18,04</b>			
52 weeks range	19,20 / 12,40			
<b>Key Data</b>				
Country	Austria			
Industry	Real Estate			
Market Segment	Prime Market			
ISIN	AT0000652250			
WKN	902388			
Symbol	T1L			
Reuters	SIAG.VI			
Bloomberg	SPI AV			
Internet	www.simmoag.at			
Reporting Standard	IFRS			
Fiscal Year	31/12			
Founded	1986			
IPO	1987			
Market Cap (EUR million)	1327,9			
Number of shares (million)	73,6			
Free Float (approx.)	54%			
Free Float MarketCap (Euro million)	715,7			
CAGR (EBITDA '19-22e)	-1,3%			
<b>Multiples</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Market cap/ Revenues-Ratio	6,9	7,0	7,0	6,7
P/E-Ratio	5,6	42,6	18,0	12,5
Dividend Yield	3,9%	1,9%	3,9%	3,9%
<b>Key Data per Share (Euro)</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Earnings per Share (EpS)</b>	<b>3,21</b>	<b>0,42</b>	<b>1,00</b>	<b>1,44</b>
Dividends per Share (DpS)	0,70	0,35	0,70	0,70
Book Value per Share (BVpS)	19,34	19,65	19,91	20,62
EPRA NAV per share	26,45	24,55	25,24	26,22
FFO I per share	0,98	0,64	0,84	1,00
<b>Financial Data (Euro '000)</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Revenues</b>	<b>210.427</b>	<b>166.016</b>	<b>188.805</b>	<b>205.166</b>
Rental income	119.373	112.447	120.023	123.844
Net revaluation result	192.671	12.144	48.887	81.445
<b>Operating cash profit (EBITDA)</b>	<b>87.037</b>	<b>72.854</b>	<b>77.181</b>	<b>83.628</b>
<b>Operating Profit (EBIT)</b>	<b>271.444</b>	<b>74.551</b>	<b>117.289</b>	<b>155.991</b>
Pre-tax profit (EBT)	251.423	35.569	86.844	124.544
<b>Net profit after minorities</b>	<b>212.774</b>	<b>28.978</b>	<b>71.381</b>	<b>103.690</b>
Shareholders' Equity	1.294.259	1.446.438	1.465.792	1.517.455
RoE after tax	18,1%	2,1%	4,9%	7,0%
<b>Financial Calendar</b>				
2020 annual result			April 8, 2021	
AGM			April 30, 2021	
1Q 2021 report			May 28, 2021	
1H 2021 report			August 27, 2021	
<b>Main Shareholders</b>				
Immofinanz		26,5%		
Aggregate Holdings S.A.		10,8%		
EUROVEA Services s.r.o.		5,2%		
Own shares		3,6%		

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## Immofinanz takeover offer of Euro 18.04 much too low – Expanded management with new CEO Bruno Ettenauer and CIO Herwig Teufelsdorfer to continue the profitable growth – Buy rating confirmed – target price up to Euro 23.00

Yesterday evening, Immofinanz published an adhoc that the management and supervisory board of the firm have decided to launch a voluntary public offer to take the majority in S IMMO AG, by making a purchase offer for all outstanding S IMMO shares, excluding the 2.63m treasury shares, and on a cum dividend basis (which means to deduct a dividend payment announcement from the offer price). This offer would mean up to 51.47 million S IMMO shares to buy, as Immofinanz already holds approx. 26.5% in S IMMO. **The offer price is a low Euro 18.04, corresponding to Friday's Vienna closing price. The EPRA NAV per share at 9M 2020 was at Euro 23.17 and our last target price was given with Euro 21.00 after 9M that unveiled a decent FFO picture in a challenging year, a hike in rentals by almost 4% and a healthy balance sheet situation with a 44% equity ratio and a 47.7% LTV.** Just some weeks ago, S IMMO issued a Euro 150m 7 years green bond with a low 1.75% coupon to underline the excellent refinancing capabilities. The share price development was good in last three months, gaining over 10%, and we expect this to continue with the publication of decent 2020 annual results in about three weeks on 8 April.

Another very important news came on 3 March, that Dr. Bruno Ettenauer will follow as new CEO from 15 March on for Ernst Vejdovszky, who is founder and CEO at S IMMO for more than 20 years. In his era the company was on a steep and very profitable growth path. He will leave the company for retirement on 30 June. With Bruno Ettenauer the former CA Immo CEO enters the company. He was with CA Immo for a long time from 2006 to 2015 and drove the successful international expansion there, for instance the Vivico takeover in Germany, that helped a lot to drive the future profits. Another good new entry for the board was announced with Herwig Teufelsdorfer, who was COO from 2015 to 2019 at Austrian BUWOG residential investor and developer before the Vonovia takeover. He will come in April as Chief Investment Officer. Together with these two prominent nominations the contract of COO Friedrich Wacherning was extended by 3 years until 30 June 2024 to secure continuity.

**The Immofinanz 18 Euros offer price is very low and the stock market reacted today to this very unsatisfying bid with another boost in the S IMMO share price to levels above 19 Euros (+6%). We expect good operating full year numbers to come soon on 8 April and see the prosperous development to continue with the expanded management team in the coming years. We maintain our Buy recommendation and lift our target price from Euro 21.00 to Euro 23.00.**

### S IMMO AG Company Profile

<b>Industry:</b>	Real Estate	<b>Management Board:</b>	
<b>Sub-segment:</b>	mixed (71% commercial)	CEO Dr. Bruno Ettenauer, MRICS	
<b>Country:</b>	Austria	Mag. Ernst Vejtdovszky (until 30 June)	
<b>Headquarter:</b>	Vienna	COO Friedrich Wachernig, MBA	
<b>Foundation:</b>	1986	CIO DI Herwig Teufelsdorfer, MRICS (from April on)	
<b>Employees (without Hotels):</b>	113		
		<b>Supervisory Board:</b>	
		Dr. Karin Rest, EMBA (Chairman)	
		Christian Hager (Deputy Chairman)	
		Mag. Hanna Bomba	DI Manfred Rapf
		MMag. Holger Schmidtmayr, MRICS	Mag. Elisabeth Wagerer
<b>IR Contact</b>			
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S IMMO is a Vienna-based real estate holding company founded in 1986. Since 1987 the company is listed on the Vienna stock exchange and therefore Austria's longest existing property investment company. The share is member of ATX blue chip index since September 2017. Expansion activities to foreign countries were started close to the millenium. Within recent years the company acquired, according to its Buy and Develop and Hold strategy, a real estate portfolio that comprises about 300 properties, a lettable space of more than 1,200k sqm amounting to a value of almost Euro 2.4bn at December 2019 (+11.8% compared to year-end 2018). In average, investments have a volume of a lower double digit million. The portfolio contains a widely diversified range of office, business and hotel properties as well as residential properties selected for a sustainable value growth. All in all, commercial properties have a high 71% weighting and residential have 29%. S IMMO aims on a long investment horizon but also strongly exploits opportunities for trading in these low yielding times - as done in a bigger magnitude in 2016 and 2017, in particular in Germany and Austria. In terms of portfolio value a large share of 48% is located in Germany (more than Euro 1.1bn). Austria stands for 19% (approx. Euro 0.5bn) while CEE stands for the remaining 33% (Euro 0.8bn) of the total portfolio value of approx. Euro 2.4bn in 2019. The current rental yield is still at high 5.4% in 2019 (5.7% at year-end 2018), even after the significant property mark-ups this is not too aggressive, in our view. In 2018, the high occupancy of 94.8% in 2017 increased to 95.8% and was more or less unchanged at 95.5% in 2019. S IMMO released the 2019 annual report on 2 April and presented the best year in history with a net profit after minorities of Euro 213m, after a very high Euro 204m in 2018, and an FFO I increasing from Euro 61m in 2018 to almost Euro 65m in 2019. For 2018 the dividend was strongly lifted from 40 Cents to 70 Cents, meaning a payout ratio of clearly more than 70% of FFO cash earnings. The firm decided for a stable dividend of 70 Cents also for FY 2019, despite the COVID-19 pandemic.

**Value of portfolio by region**  
(Euro 2.4bn at FY 2019)



Source: Company data (FY 2019)

In addition to a stable Hold portfolio, the company has recently finished some promising development activities in Berlin (Leuchtenfabrik) as well as in Vienna (Quartier Belvedere Central) and Bucharest (The Mark office was recently completed in 1Q 2019) as well as Bratislava (Einsteinova completed in 4Q 2018). The lion's share of the company's historical development activity was done in Austria and CEE. Hence, a significant share of already finished properties (like Sun shopping mall in Bucharest), held within the CEE portfolio, results from own developments. The core shareholder is Immofinanz with a 29% stake. The other way round S IMMO holds a 12% stake in Immofinanz.

The company aimed to lift FFO I to more than Euro 40m until 2018 and already managed to reach this target already in 2016, as FFO I increased by 15% from Euro 35.0m to Euro 40.1m. The FY 2017 FFO I then was at almost Euro 43m, and for 2018 S IMMO managed another very steep +43% hike to Euro 61m, followed by another Euro 65m record in 2019. We also like the improving numbers on the financing side. Cost of Funding came down to 3.12% in 2016 and even down to 2.67% in 2017 and now to only 2.28% in 2018, almost the same in 2019 (2.26%). The LTV improved to 55.9% at year-end 2016 and came down after the big sale transactions in Vienna Viertel Zwei and Sofia Serdika Shopping Center to 49.3% at FY 2017. In 2018 LTV remained almost unchanged at 50.4% and slightly down to 46.9% in 2019.

Source: Company Data, SRC Research

## P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR '19 - '22e
<b>Revenues</b>	<b>190.697</b>	<b>198.754</b>	<b>191.421</b>	<b>192.441</b>	<b>210.427</b>	<b>166.016</b>	<b>188.805</b>	<b>205.166</b>	<b>-0,8%</b>
└ thereof rental income	111.686	118.174	112.020	104.313	119.373	112.447	120.023	123.844	
└ thereof revenues from service charges	33.465	37.657	33.435	33.379	31.952	33.114	34.778	35.881	
└ thereof revenues from hotel operations	45.546	42.923	45.966	54.749	59.102	20.455	34.004	45.441	
Other operating income	3.534	3.405	2.866	1.948	2.481	2.531	2.855	2.677	
Expenses directly attributable to properties	-55.841	-64.152	-59.877	-53.410	-60.952	-55.401	-60.987	-62.651	
<i>Gross margin property segment</i>	<i>61,5%</i>	<i>58,8%</i>	<i>58,8%</i>	<i>61,2%</i>	<i>59,7%</i>	<i>61,9%</i>	<i>60,6%</i>	<i>60,8%</i>	
Hotel operating expenses	-33.164	-32.037	-36.232	-38.023	-42.250	-28.845	-33.447	-39.447	
<b>Gross operating profit hotels (GOP)</b>	<b>12.382</b>	<b>10.886</b>	<b>9.734</b>	<b>16.726</b>	<b>16.852</b>	<b>-390</b>	<b>557</b>	<b>5.994</b>	
<i>Gross margin within hotel segment</i>	<i>27,2%</i>	<i>25,4%</i>	<i>21,2%</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>1,6%</i>	<i>13,2%</i>	
<b>Revenues less directly attributable expenses</b>	<b>105.226</b>	<b>105.970</b>	<b>98.178</b>	<b>102.956</b>	<b>109.706</b>	<b>92.301</b>	<b>97.226</b>	<b>105.745</b>	<b>-1,2%</b>
<i>Total Gross margin</i>	<i>55,2%</i>	<i>53,3%</i>	<i>51,3%</i>	<i>53,5%</i>	<i>52,1%</i>	<i>55,6%</i>	<i>51,5%</i>	<i>51,5%</i>	
<b>Net operating income (NOI)</b>	<b>101.692</b>	<b>102.565</b>	<b>95.312</b>	<b>101.008</b>	<b>107.225</b>	<b>89.770</b>	<b>94.371</b>	<b>103.068</b>	<b>-1,3%</b>
<i>NOI-margin</i>	<i>53,3%</i>	<i>51,6%</i>	<i>49,8%</i>	<i>52,5%</i>	<i>51,0%</i>	<i>54,1%</i>	<i>50,0%</i>	<i>50,2%</i>	
<b>Net Gains on property disposal</b>	<b>5</b>	<b>5.133</b>	<b>10.341</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Management expenses	-16.483	-18.635	-18.963	-19.863	-22.669	-19.447	-20.045	-22.117	
└ thereof personnel expenses	-7.665	-8.916	-8.796	-10.601	-11.513	-10.958	-11.744	-12.320	
<b>EBITDA</b>	<b>88.748</b>	<b>92.468</b>	<b>89.556</b>	<b>83.093</b>	<b>87.037</b>	<b>72.854</b>	<b>77.181</b>	<b>83.628</b>	<b>-1,3%</b>
<i>EBITDA-margin</i>	<i>46,5%</i>	<i>46,5%</i>	<i>46,8%</i>	<i>43,2%</i>	<i>41,4%</i>	<i>43,9%</i>	<i>40,9%</i>	<i>40,8%</i>	
Depreciation	-7.695	-7.823	-8.999	-7.672	-8.264	-10.447	-8.779	-9.082	
Property Revaluation	84.645	194.035	127.592	167.814	192.671	12.144	48.887	81.445	
<b>Operating profit (EBIT)</b>	<b>165.698</b>	<b>278.680</b>	<b>208.149</b>	<b>243.235</b>	<b>271.444</b>	<b>74.551</b>	<b>117.289</b>	<b>155.991</b>	<b>-16,9%</b>
<i>EBIT-margin</i>	<i>86,9%</i>	<i>140,2%</i>	<i>108,7%</i>	<i>126,4%</i>	<i>129,0%</i>	<i>44,9%</i>	<i>62,1%</i>	<i>76,0%</i>	
<b>EBIT-profit without revaluation result</b>	<b>81.053</b>	<b>84.645</b>	<b>80.557</b>	<b>75.421</b>	<b>78.773</b>	<b>62.407</b>	<b>68.402</b>	<b>74.546</b>	<b>-1,8%</b>
Net financial result	-48.892	-55.297	-41.437	-7.263	-20.021	-38.982	-30.445	-31.447	
Participating certificates expenses (hybrid capital)	-4.553	-6.912	-5.964	0	0	0	0	0	
<b>Earnings before tax (EBT)</b>	<b>112.253</b>	<b>216.471</b>	<b>160.748</b>	<b>235.972</b>	<b>251.423</b>	<b>35.569</b>	<b>86.844</b>	<b>124.544</b>	<b>-20,9%</b>
<i>EBT margin</i>	<i>58,9%</i>	<i>108,9%</i>	<i>84,0%</i>	<i>122,6%</i>	<i>119,5%</i>	<i>21,4%</i>	<i>46,0%</i>	<i>60,7%</i>	
Income tax expense	-35.004	-12.148	-27.278	-31.822	-38.116	-6.305	-15.141	-20.374	
<i>Tax rate</i>	<i>31,2%</i>	<i>5,6%</i>	<i>17,0%</i>	<i>13,5%</i>	<i>15,2%</i>	<i>17,7%</i>	<i>17,4%</i>	<i>16,4%</i>	
<b>Net profit</b>	<b>77.249</b>	<b>204.323</b>	<b>133.470</b>	<b>204.150</b>	<b>213.307</b>	<b>29.264</b>	<b>71.703</b>	<b>104.170</b>	
Minorities	960	-5.864	-3.379	-460	-533	-286	-322	-480	
<b>Net profit after minorities</b>	<b>78.209</b>	<b>198.459</b>	<b>130.091</b>	<b>203.690</b>	<b>212.774</b>	<b>28.978</b>	<b>71.381</b>	<b>103.690</b>	<b>-21,3%</b>
<i>Return on sales</i>	<i>41,0%</i>	<i>99,9%</i>	<i>68,0%</i>	<i>105,8%</i>	<i>101,1%</i>	<i>17,5%</i>	<i>37,8%</i>	<i>50,5%</i>	
Number of shares (in million)	66,9	66,9	66,9	66,9	66,9	73,6	73,6	73,6	
<b>Earnings per Share (EPS) in Euro</b>	<b>1,17</b>	<b>2,98</b>	<b>1,97</b>	<b>3,08</b>	<b>3,21</b>	<b>0,42</b>	<b>1,00</b>	<b>1,44</b>	<b>-23,5%</b>
Dividends per Share (DPS) in Euro	0,30	0,40	0,40	0,70	0,70	0,35	0,70	0,70	
Book Value per Share (BVPS) in Euro	9,01	11,49	13,66	15,88	19,34	19,65	19,91	20,62	
<b>Total assets</b>	<b>2.067.356</b>	<b>2.278.900</b>	<b>2.272.255</b>	<b>2.720.134</b>	<b>3.137.688</b>	<b>3.096.898</b>	<b>3.171.224</b>	<b>3.272.703</b>	<b>1,4%</b>
<b>Shareholders' equity (after dividend payment)</b>	<b>603.189</b>	<b>769.120</b>	<b>914.335</b>	<b>1.062.513</b>	<b>1.294.259</b>	<b>1.446.438</b>	<b>1.465.792</b>	<b>1.517.455</b>	<b>5,4%</b>
Shareholders' equity incl. participating certificates	659.148	819.120	971.052	1.062.513	1.294.259	1.446.438	1.465.792	1.517.455	
Equity ratio without minorities with hybrid capital	32%	36%	43%	39%	41%	47%	46%	46%	
Return on Equity (RoE)	13,7%	28,9%	15,5%	20,6%	18,1%	2,1%	4,9%	7,0%	
<b>Key ratios &amp; figures</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	
<b>Growth rates in %</b>									
Revenues	1,2%	4,2%	-3,7%	0,5%	9,3%	-21,1%	13,7%	8,7%	
EBITDA	-1,5%	4,2%	-3,1%	-7,2%	4,7%	-16,3%	5,9%	8,4%	
EBIT	19,2%	68,2%	-25,3%	16,9%	11,6%	-72,5%	57,3%	33,0%	
EBT	87,6%	92,8%	-25,7%	46,8%	6,5%	-85,9%	144,2%	43,4%	
Net profit after minorities	126,2%	164,5%	-34,7%	53,0%	4,5%	-86,3%	145,0%	45,3%	
<b>Margins in %</b>									
EBITDA	46,5%	46,5%	46,8%	43,2%	41,4%	43,9%	40,9%	40,8%	
EBIT	86,9%	140,2%	108,7%	126,4%	129,0%	44,9%	62,1%	76,0%	
EBT	58,9%	108,9%	84,0%	122,6%	119,5%	21,4%	46,0%	60,7%	
<b>Expense ratios in %</b>									
Depreciation to sales	-4,0%	-3,9%	-4,7%	-4,0%	-3,9%	-6,3%	-4,6%	-4,4%	
Tax rate	31,2%	5,6%	17,0%	13,5%	15,2%	17,7%	17,4%	16,4%	
<b>Profitability in %</b>									
Profit margin	40,5%	102,8%	69,7%	106,1%	101,4%	17,6%	38,0%	50,8%	
Return on equity (RoE) after tax	13,7%	28,9%	15,5%	20,6%	18,1%	2,1%	4,9%	7,0%	
Return on Assets (RoA)	3,7%	9,0%	5,9%	7,5%	6,8%	0,9%	2,3%	3,2%	
Return on Investment (RoI)	3,7%	9,0%	5,9%	7,5%	6,8%	0,9%	2,3%	3,2%	
<b>Valuation</b>									
P/E-ratio	13,50	5,30	7,99	5,12	4,92	37,25	15,78	10,97	
P/S-ratio	6,09	5,84	6,07	6,04	5,52	7,00	6,15	5,66	
Price/BVpS (PBV)	1,75	1,37	1,15	0,99	0,82	0,80	0,79	0,77	
Dividend yield in %	1,9%	2,5%	2,5%	4,4%	4,4%	2,2%	4,4%	4,4%	
<b>Data per share</b>									
Number of shares (in million)	66,9	66,9	66,9	66,9	66,9	73,6	73,6	73,6	
EPS	1,17	2,98	1,97	3,08	3,21	0,42	1,00	1,44	
DPS	0,30	0,40	0,40	0,70	0,70	0,35	0,70	0,70	
BVPS	9,01	11,49	13,66	15,88	19,34	19,65	19,91	20,62	
FFO I per share	0,52	0,60	0,64	0,92	0,98	0,64	0,84	1,00	

## SRC Research

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### Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	24 November 2020	Buy	€ 15,78	€ 21,00
S IMMO	26 August 2020	Buy	€ 14,52	€ 21,00
S IMMO	26 May 2020	Buy	€ 16,72	€ 20,00
S IMMO	12 May 2020	Buy	€ 16,50	€ 20,00
S IMMO	23 March 2020	Buy	€ 14,44	€ 20,00
S IMMO	27 November 2019	Accumulate	€ 22,20	€ 25,00
S IMMO	27 August 2019	Buy	€ 19,46	€ 24,00
S IMMO	27 May 2019	Accumulate	€ 19,98	€ 22,50
S IMMO	04 April 2019	Buy	€ 18,48	€ 21,50
S IMMO	18 March 2019	Buy	€ 17,98	€ 21,00
S IMMO	01 February 2019	Buy	€ 16,84	€ 20,50

### Please note:

The S IMMO AG share price mentioned in this report is the price of 12 March 2021. S IMMO mandated SRC Research for covering the S IMMO share.

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