



**Price (Euro)** **20,35**  
52 weeks range 22,55 / 12.40

**Key Data**

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) 1497,9  
Number of shares (million) 73,6  
Free Float (approx.) 54%  
Free Float MarketCap (Euro million) 807,4  
CAGR (EBITDA '20-23e) 13,3%

Multiples	2020	2021e	2022e	2023e
Market cap/ Revenues-Ratio	7,7	7,9	7,9	7,5
P/E-Ratio	25,8	8,4	12,7	11,8
Dividend Yield	1,7%	3,4%	3,4%	3,4%

Key Data per Share (Euro)	2020	2021e	2022e	2023e
<b>Earnings per Share (EpS)</b>	<b>0,79</b>	<b>2,42</b>	<b>1,60</b>	<b>1,72</b>
Dividends per Share (DpS)	0,35	0,70	0,70	0,70
Book Value per Share (BVpS)	18,45	20,14	21,01	21,99
EPRA NAV per share	24,32	28,33	29,78	31,12
FFO I per share	0,59	0,77	0,93	1,00

Financial Data (Euro '000)	2020	2021e	2022e	2023e
<b>Revenues</b>	<b>173.915</b>	<b>192.799</b>	<b>220.263</b>	<b>231.668</b>
Rental income	123.255	131.025	138.401	144.519
Net revaluation result	39.056	152.653	81.445	89.495
<b>Operating cash profit (EBITDA)</b>	<b>71.132</b>	<b>88.821</b>	<b>97.154</b>	<b>103.341</b>
<b>Operating Profit (EBIT)</b>	<b>100.956</b>	<b>231.797</b>	<b>168.477</b>	<b>182.382</b>
Pre-tax profit (EBT)	71.586	212.219	140.030	150.268
<b>Net profit after minorities</b>	<b>56.537</b>	<b>176.212</b>	<b>115.638</b>	<b>124.259</b>
Shareholders' Equity	1.294.259	1.358.415	1.482.600	1.546.211
RoE after tax	4,3%	12,4%	7,6%	7,9%

**Financial Calendar**

SRC Forum Financials & Real Estate	September 8, 2021
AGM	Autumn 2021
9M 2021 report	November 26, 2021
2021 annual report	April 2022

**Main Shareholders**

Immofinanz	26,5%
Aggregate Holdings S.A.	10,8%
EUROVEA Services s.r.o.	5,2%
Own shares	3,6%

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## Strong half-year results with a 47% hike in FFO, +5% in rental revenues, EBIT quadrupled with a strong hike in revaluation result, Buy and Euro 26.00 target price affirmed

Today S IMMO published the 1H 2021 report and invited for a conference call in the afternoon to give more details about numbers and strategy.

The results were convincing in a still challenging economic framework, which is at least still valid for the hotel business. The rental revenues were up more than 5%, from Euro 60.6m to Euro 63.9m, the net result from hotel business was positive despite the ongoing pandemic and even a bit better than last year with Euro 2.2m (1H 2020: Euro 0.1m), but still far away from pre-Corona levels as 1H 2019 hotel result was at Euro 8.4m. The total portfolio size climbed by more than Euro 230m (+9.4%) in the first six months to more than Euro 2.7bn with a more or less unchanged very high occupancy rate of 93.2% (2020: 93.9%). The good occupancy and the growing portfolio size translated into a steep hike in FFO I, by 47% from Euro 17.4m to Euro 25.6m. The operating profit in terms of EBIT even quadrupled from Euro 42m last year to more than Euro 166m, flattered by a very positive net revaluation result, that rocketed from Euro 10m to more than Euro 131m.

The balance sheet is very healthy, the equity ratio slightly up to almost 45%, the LTV down from 47% to 45%, the cash position doubled from Euro 64m at year-end 2020 to Euro 128m at the end of June and will further grow as the 6% stake in CA Immo was recently sold to Starwood in the takeover offer for Euro 37.00 per share. The pre-tax proceeds are Euro 230m here (probably more than Euro 220m after tax) and will further strongly boost the cash position and the financial scope to grow the portfolio by investments in the own German land plots (mostly near Berlin) or to buy some cash accretive and yielding offices in Europe, where in particular Eastern European hubs like Budapest and Bucharest are interesting targets. More news flow from the Budapest or Bucharest market seems to be likely for us for the second half of the year.

**The S IMMO share price strongly increased almost 20% year to date, and we expect the firm to remain on a positive share price development, also after Immofinanz has withdrawn the (much too low) takeover offer, after the extraordinary meeting of S IMMO decided on 24 June against removing the voting rights cap. The company has sufficient options to organically grow the portfolio and the future profits. We confirm our Buy recommendation and also stick to our Euro 26.00 target price, that we already lifted in April and May prior to the first quarter results. Our target price is supported by the inner value shown as EPRA NTA per share, which climbed +13% from Euro 24.06 at year-end 2020 to Euro 27.15 as per June. The EPRA NAV per share is even slightly higher, now at Euro 27.51. Another positive impetus for the future share price development might come from a new share buyback program that was announced today and will start from 2 September on probably until the year-end 2021. The buying volume is up to 1 million shares and the price cap is set at Euro 22.50. The company already holds almost 2.7 million own shares, which is 3.64% of the share capital.**

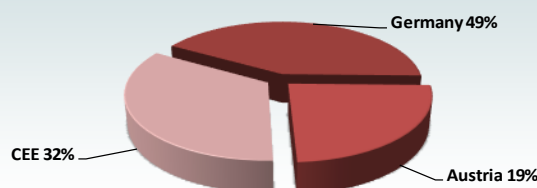
### S IMMO AG Company Profile

<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	COO Friedrich Wachernig, MBA	
<b>Headquarter:</b>	Vienna	CIO DI Herwig Teufelsdorfer, MRICS	
<b>Foundation:</b>	1986		
<b>Employees</b> (without Hotels):	115		
		<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
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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 more than 350 properties, a lettable space of more than 1,300k sqm amounting to a value of almost Euro 2.5bn at December 2020 (+4.5% compared to year-end 2019). In average, investments have a volume of a lower double digit million. The portfolio contains a widely diversified range of office, retail and hotel properties as well as residential properties selected for a sustainable value growth. All in all, office properties have a 43% weighting, retail 18%, hotels 9% and residential have 30% (thereof 93% in Germany). 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. The last years the acquisitions have been a bit higher than the disposals to strenghten the long term cash producing portfolio which had an overall yield of 5.1% in 2020 (5.4% in 2019). In terms of portfolio value a large share of 49% is located in Germany (more than Euro 1.2bn). Austria stands for almost 19% (approx. Euro 0.5bn) while CEE stands for the remaining 32% (Euro 0.8bn) of the total portfolio. In 2020, the high occupancy of 95.5% in 2019, was almost kept stable despite the Covid-19 pandemic, at 93.9%. S IMMO released the 2020 annual report on 8 April and presented a decent result for a very challenging year. The company has prosperous mid and long term growth options by about 2 million sqm undeveloped land (mainly around Berlin) which gives room to grow the residential portfolio or to realize mark-ups in value. 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 for FY 2019, despite the outbreak of COVID-19 pandemic in March 2020. A management proposal for the new dividend for the FY 2020 was not disclosed yet.

#### Value of portfolio by region

(Euro 2.5bn at FY 2020)



Source: Company data (FY 2020)

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 26.5% stake, striving for a takeover at the moment. The other way round S IMMO holds a 13.4% 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. After two years (2018 and 2019) with FFOs at record levels above Euro 60m, the 2020 came back more or less on the 2017 level, with no support from hotel GOP and almost Euro 11m missing from Immofinanz paying no dividend for FY 2019 in 2020. We like the improving numbers on the financing side. Cost of Funding (incl. hedging) came down from 2.67% in 2017 to 2.53% in 2018 and then very low 2.30% in 2019 and 2.29% in 2020. In 2020 LTV remained almost unchanged at 46.8%, after 46.9% in 2019. The 2020 equity ratio of 44.3% underlines the healthy balance sheet (2019: 42.9%).

Source: Company Data, SRC Research

## P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR '20 - '23e
<b>Revenues</b>	<b>191.421</b>	<b>192.441</b>	<b>210.427</b>	<b>173.915</b>	<b>192.799</b>	<b>220.263</b>	<b>231.668</b>	<b>10,0%</b>
L thereof rental income	112.020	104.313	119.373	123.255	131.025	138.401	144.519	
L thereof revenues from service charges	33.435	33.379	31.952	32.871	35.229	36.421	37.004	
L thereof revenues from hotel operations	45.966	54.749	59.102	17.789	26.545	45.441	50.145	
Other operating income	2.866	1.948	2.481	2.501	2.855	2.912	3.205	
Expenses directly attributable to properties	-59.877	-53.410	-60.952	-66.760	-62.658	-66.502	-69.125	
<i>Gross margin property segment</i>	<i>58,8%</i>	<i>61,2%</i>	<i>59,7%</i>	<i>57,2%</i>	<i>62,3%</i>	<i>62,0%</i>	<i>61,9%</i>	
Hotel operating expenses	-36.232	-38.023	-42.250	-18.126	-22.895	-37.402	-39.773	
<b>Gross operating profit hotels (GOP)</b>	<b>9.734</b>	<b>16.726</b>	<b>16.852</b>	<b>-337</b>	<b>3.650</b>	<b>8.039</b>	<b>10.372</b>	
<i>Gross margin within hotel segment</i>	<i>21,2%</i>	<i>30,6%</i>	<i>28,5%</i>	<i>-1,9%</i>	<i>13,8%</i>	<i>17,7%</i>	<i>20,7%</i>	
<b>Gross profit (revenues less directly attributable expenses)</b>	<b>98.178</b>	<b>102.956</b>	<b>109.706</b>	<b>91.530</b>	<b>110.101</b>	<b>119.271</b>	<b>125.975</b>	<b>11,2%</b>
<i>Total Gross margin</i>	<i>51,3%</i>	<i>53,5%</i>	<i>52,1%</i>	<i>52,6%</i>	<i>57,1%</i>	<i>54,1%</i>	<i>54,4%</i>	
<b>Net operating income (NOI)</b>	<b>95.312</b>	<b>101.008</b>	<b>107.225</b>	<b>89.029</b>	<b>107.246</b>	<b>116.359</b>	<b>122.770</b>	<b>11,3%</b>
<i>NOI-margin</i>	<i>49,8%</i>	<i>52,5%</i>	<i>51,0%</i>	<i>51,2%</i>	<i>55,6%</i>	<i>52,8%</i>	<i>53,0%</i>	
<b>Net Gains on property disposal</b>	<b>10.341</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Management expenses	-18.963	-19.863	-22.669	-20.398	-21.280	-22.117	-22.634	
L thereof personnel expenses	-8.796	-10.601	-11.513	-12.272	-13.291	-12.320	-12.877	
<b>EBITDA</b>	<b>89.556</b>	<b>83.093</b>	<b>87.037</b>	<b>71.132</b>	<b>88.821</b>	<b>97.154</b>	<b>103.341</b>	<b>13,3%</b>
<i>EBITDA-margin</i>	<i>46,8%</i>	<i>43,2%</i>	<i>41,4%</i>	<i>40,9%</i>	<i>46,1%</i>	<i>44,1%</i>	<i>44,6%</i>	
Depreciation	-8.999	-7.672	-8.264	-9.232	-9.677	-10.122	-10.454	
Property Revaluation	127.592	167.814	192.671	39.056	152.653	81.445	89.495	
<b>Operating profit (EBIT)</b>	<b>208.149</b>	<b>243.235</b>	<b>271.444</b>	<b>100.956</b>	<b>231.797</b>	<b>168.477</b>	<b>182.382</b>	<b>21,8%</b>
<i>EBIT-margin</i>	<i>108,7%</i>	<i>126,4%</i>	<i>129,0%</i>	<i>58,0%</i>	<i>120,2%</i>	<i>76,5%</i>	<i>78,7%</i>	
<b>EBIT-profit without revaluation result</b>	<b>80.557</b>	<b>75.421</b>	<b>78.773</b>	<b>61.900</b>	<b>79.144</b>	<b>87.032</b>	<b>92.887</b>	<b>14,5%</b>
Net financial result	-41.437	-7.263	-20.021	-29.370	-19.578	-28.447	-32.114	
Participating certificates expenses (hybrid capital)	-5.964	0	0	0	0	0	0	
<b>Earnings before tax (EBT)</b>	<b>160.748</b>	<b>235.972</b>	<b>251.423</b>	<b>71.586</b>	<b>212.219</b>	<b>140.030</b>	<b>150.268</b>	<b>28,0%</b>
<i>EBT margin</i>	<i>84,0%</i>	<i>122,6%</i>	<i>119,5%</i>	<i>41,2%</i>	<i>110,1%</i>	<i>63,6%</i>	<i>64,9%</i>	
Income tax expense	-27.278	-31.822	-38.116	-14.674	-34.887	-23.441	-24.955	
<i>Tax rate</i>	<i>17,0%</i>	<i>13,5%</i>	<i>15,2%</i>	<i>20,5%</i>	<i>16,4%</i>	<i>16,7%</i>	<i>16,6%</i>	
<b>Net profit</b>	<b>133.470</b>	<b>204.150</b>	<b>213.307</b>	<b>56.912</b>	<b>177.332</b>	<b>116.589</b>	<b>125.313</b>	
Minorities	-3.379	-460	-533	-375	-1.120	-951	-1.054	
<b>Net profit after minorities</b>	<b>130.091</b>	<b>203.690</b>	<b>212.774</b>	<b>56.537</b>	<b>176.212</b>	<b>115.638</b>	<b>124.259</b>	<b>30,0%</b>
<i>Return on sales</i>	<i>68,0%</i>	<i>105,8%</i>	<i>101,1%</i>	<i>32,5%</i>	<i>91,4%</i>	<i>52,5%</i>	<i>53,6%</i>	
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
<b>Earnings per Share (EPS) in Euro</b>	<b>1,97</b>	<b>3,08</b>	<b>3,21</b>	<b>0,79</b>	<b>2,42</b>	<b>1,60</b>	<b>1,72</b>	<b>29,7%</b>
Dividends per Share (DPS) in Euro	0,40	0,70	0,70	0,35	0,70	0,70	0,70	
Book Value per Share (BVPS) in Euro	13,66	15,88	19,34	18,45	20,14	21,01	21,99	
<b>Total assets</b>	<b>2.272.255</b>	<b>2.720.134</b>	<b>3.137.688</b>	<b>3.122.610</b>	<b>3.197.553</b>	<b>3.307.868</b>	<b>3.458.509</b>	<b>3,5%</b>
<b>Shareholders' equity (after dividend payment)</b>	<b>914.335</b>	<b>1.062.513</b>	<b>1.294.259</b>	<b>1.358.415</b>	<b>1.482.600</b>	<b>1.546.211</b>	<b>1.618.443</b>	<b>6,0%</b>
Shareholders' equity incl. participating certificates	971.052	1.062.513	1.294.259	1.358.415	1.482.600	1.546.211	1.618.443	
Equity ratio without minorities with hybrid capital	43%	39%	41%	44%	46%	47%	47%	
Return on Equity (RoE)	15,5%	20,6%	18,1%	4,3%	12,4%	7,6%	7,9%	
<b>Key ratios &amp; figures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	
<b>Growth rates in %</b>								
Revenues	-3,7%	0,5%	9,3%	-17,4%	10,9%	14,2%	5,2%	
EBITDA	-3,1%	-7,2%	4,7%	-18,3%	24,9%	9,4%	6,4%	
EBIT	-25,3%	16,9%	11,6%	-62,8%	129,6%	-27,3%	8,3%	
EBT	-25,7%	46,8%	6,5%	-71,5%	196,5%	-34,0%	7,3%	
Net profit after minorities	-34,7%	53,0%	4,5%	-73,3%	211,6%	-34,3%	7,5%	
<b>Margins in %</b>								
EBITDA	46,8%	43,2%	41,4%	40,9%	46,1%	44,1%	44,6%	
EBIT	108,7%	126,4%	129,0%	58,0%	120,2%	76,5%	78,7%	
EBT	84,0%	122,6%	119,5%	41,2%	110,1%	63,6%	64,9%	
<b>Expense ratios in %</b>								
Depreciation to sales	-4,7%	-4,0%	-3,9%	-5,3%	-5,0%	-4,6%	-4,5%	
Tax rate	17,0%	13,5%	15,2%	20,5%	16,4%	16,7%	16,6%	
<b>Profitability in %</b>								
Profit margin	69,7%	106,1%	101,4%	32,7%	92,0%	52,9%	54,1%	
Return on equity (RoE) after tax	15,5%	20,6%	18,1%	4,3%	12,4%	7,6%	7,9%	
Return on Assets (RoA)	5,9%	7,5%	6,8%	1,8%	5,5%	3,5%	3,6%	
Return on Investment (RoI)	5,9%	7,5%	6,8%	1,8%	5,5%	3,5%	3,6%	
<b>Valuation</b>								
P/E-ratio	10,31	6,60	6,34	25,82	8,40	12,71	11,84	
P/S-ratio	7,83	7,78	7,12	8,61	7,77	6,80	6,47	
Price/BVpS (PBV)	1,49	1,28	1,05	1,10	1,01	0,97	0,93	
Dividend yield in %	2,0%	3,4%	3,4%	1,7%	3,4%	3,4%	3,4%	
<b>Data per share</b>								
Number of shares (in million)	66,9	66,9	66,9	73,6	73,6	73,6	73,6	
EPS	1,97	3,08	3,21	0,79	2,42	1,60	1,72	
DPS	0,40	0,70	0,70	0,35	0,70	0,70	0,70	
BVPS	13,66	15,88	19,34	18,45	20,14	21,01	21,99	
FFO I per share	0,64	0,92	0,98	0,59	0,77	0,93	1,00	

## SRC Research

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### Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	28 May 2021	Buy	€ 21,60	€ 26,00
S IMMO	20 May 2021	Buy	€ 21,80	€ 26,00
S IMMO	08 April 2021	Buy	€ 21,55	€ 25,00
S IMMO	15 March 2021	Buy	€ 18,04	€ 23,00
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

### Please note:

The S IMMO AG share price mentioned in this report is the price of 27 August 2021 (16:00 Vienna time). S IMMO mandated SRC Research for covering the S IMMO share.

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