



Price (Euro) 12,74
52 weeks range 16.96 / 11.04

Key Data

Country Austria
Industry Real Estate
Market Segment Prime Market
ISIN AT0000652250
WKN 902388
Symbol TIL
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) 937,8
Number of shares (million) 73,6
Free Float (approx.) 11,6%
Free Float MarketCap (Euro million) 108,8
CAGR (EBITDA '21-24e) 25,8%

Multiples	2022	2023e	2024e	2025e
Market cap/ Revenues-Ratio	4,8	5,0	4,9	4,7
P/E-Ratio	28,3	-31,4	10,3	6,6
Dividend Yield	5,1%	0,0%	0,0%	3,9%

Key Data per Share (Euro)	2022	2023e	2024e	2025e
Earnings per Share (EpS)	0,45	-0,41	1,23	1,94
Dividends per Share (DpS)	0,65	0,00	0,00	0,50
Book Value per Share (BVpS)	20,75	23,06	22,57	23,23
EPRA NTA per share	26,09	26,40	27,09	27,96
FFO I per share	0,92	1,01	1,09	1,21

Financial Data (Euro '000)	2022	2023e	2024e	2025e
Revenues	260.493	321.848	324.824	332.486
Rental income	155.705	189.223	195.631	198.290
Net revaluation result	-78.397	-121.020	12.002	21.230
Operating cash profit (EBITDA)	106.058	152.506	161.775	197.109
Operating Profit (EBIT)	17.979	20.356	161.467	205.494
Pre-tax profit (EBT)	34.834	-17.203	121.736	170.644
Net profit after minorities	27.204	-35.732	84.927	137.009
Shareholders' Equity	1.697.228	1.661.496	1.709.619	1.795.101
RoE after tax	1,7%	-2,1%	5,0%	7,8%

Financial Calendar

2023 annual report 25 March 2024
AGM 15 April 2024
1Q 2024 27 May 2024
1H 2024 28 August 2024

Main Shareholders

CPI Property Group SA 88,4%

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Steep hike in 9M rental income and profit from hotel operations – clear progress in capital rotation away from Germany to CEE – down-valuations to impair the EBIT and bottom line

Today, S IMMO released the 9M 2023 report and unveiled a steep hike in group's revenues, coming from a higher yielding portfolio which was more and more shifted into CEE assets over the last twelve months. Another impetus came from the hotel operations, which strongly recovered after some difficult years coined by Corona. **Group's revenues were up 31% from Euro 185m to more than Euro 242m, the rental revenues were up very similar +27% from Euro 113m to now Euro 143m.** The revenues from hotel assets in the S IMMO portfolio were also up 30%, from Euro 38m to now almost Euro 50m. The gross profit from hotel operations showed a much more massive jump, as revenues climbed overproportional to the expenses. Gross profit from hotel operations surged +63%, from Euro 8.3m to Euro 13.5m.

The FFO I rocketed +56%, from Euro 48m to Euro 75m. The cash driven operating profit in terms of EBITDA also strongly increased +38%, from Euro 76m to Euro 106m. The occupancy rate in the portfolio was quite stable despite the aforementioned shifts away from German residential and more into commercial assets in CEE, just little bit down from 92.6% to 90.8%.

The general rough market environment and overall hike in yields led to a down-valuation of the portfolio of Euro -88.2m (thereof Euro -83m from Germany), after it was a positive Euro 27.3m in the year before. The EBIT number came in still in the black area, a small Euro 10.4m, after Euro 96.4m in 9M 2022. With higher financing expenses which also contain some non-cash items from interest derivatives, the pre-tax profit slipped into red, from Euro 112m to Euro -15m, but improving from a Euro -40m half-year level. EPRA net tangible assets per share (NTA) remained more or less unchanged to half-year levels, Euro 25.16 after Euro 25.20.

The balance sheet is comfortable with a low EPRA LTV of 38.1%, after 39.4% at year-end 2022, cash position after the remarkable sales up to Euro 597m (Euro 279m at year-end 2022 and Euro 551m at half-year).

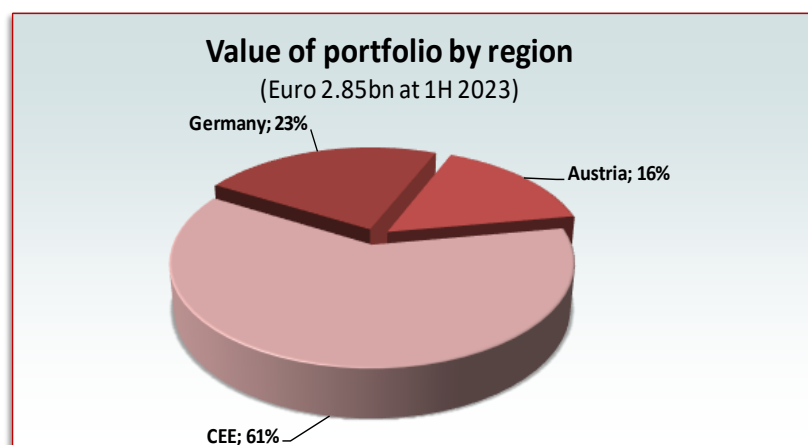
The financing highlight of the third quarter was the issue of the third green bond of the company, after doing the first two green bonds in the previous years 2021 and 2022 with Euro 95m outstanding. The third Euro 75m green bond now came in July with a 5 years duration and a moderate 5.5% coupon, which came half a year before the maturity of the Euro 100m bond 2018 – 2024, which has the maturity soon, on 6 Feb 2024 with a low 1.75% coupon from the good old interest rate levels.

According to the new strategy implemented last year, S IMMO strongly reduced the low yielding German stake in the portfolio, by selling residential and also commercial assets. Germany stood for 38% of the portfolio at the end of 2022 and this share is now reduced to only 20%. In the first 9 months 170 sales contracts were signed for Euro 621m and for the coming months another Euro 400m property volume in Germany, Austria and also CEE is in the sales pipeline to streamline the portfolio and bring up efficiency. The CEE stake was up from 47% at year-end 2022 to now more than 58% in just 9 months and will further grow, as S IMMO acquired 10 commercial properties and 1 land plot in Czech from CPI in November for Euro 481m, containing a yearly rental income of Euro 29m (6% yield). **With the high cash generation, we stick to our Buy despite the 9M bottom line loss.**

S IMMO AG Company Profile

Industry:	Real Estate	Management Board:
Sub-segment:	mixed (67% commercial)	Herwig Teufelsdorfer, MRICS
Country:	Austria	Radka Doehring
Headquarter:	Vienna	
Foundation:	1986	
Employees (without Hotels):	138	
		Supervisory Board:
		Dr. Karin Rest, EMBA (Chairwoman)
		Martin Nemecek (First Deputy Chairman)
		Ulrich Steffen Ritter (Second Deputy Chairman)
IR Contact		Andreas Feuerstein
Andreas Feuerstein		John Verpeleti
(Andreas.Feuerstein@simmoag.at)		Elisabeth Wagerer

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 360 properties, a lettable space of about 1,400k sqm amounting to a value of almost Euro 3.3bn at December 2022 (+15.6% compared to year-end 2021). In average, investments have a volume of a low or mid 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. With CPI taking the steering wheel, the company will shift away from low yielding German resi (and also some German commercial assets) and more to office in CEE and Austria, with a focus on ESG and high standards. All in all, at the moment, office properties have a 55% weighting, retail 12%, hotels 6% and residential have approx. 25% (thereof over 90% in Germany). The remaining 3% are land plots, mainly in Germany. In terms of the current portfolio value of almost Euro 3.3bn a large share of 38% is located in Germany (more than Euro 1.2bn, yielding 4.6%). Austria stands for about 15% (approx. Euro 0.5bn, yielding 4.6%) while CEE stands for the remaining 47% (over Euro 1.5bn, yielding 7.1%) of the total portfolio. In 2022, the high occupancy remained high at 92.6% despite a deteriorating economic environment (2021: 94.0%). S IMMO released the 2022 annual report on 30 March 2023 and presented a record EBITDA result of clearly over Euro 100m in a challenging year. Balance sheet is very solid with an equity ratio, that was slightly up from 45.2% in 2021 to 47.2% in 2022 and an LTV of 41.3%, more or less unchanged to 2021 (40.4%). Cost of funding incl. hedging was always at 2.3% or even below in the last years. After a low 2.09% in 2021, it was slightly up to 2.16% in 2022. The debt maturity profile is undemanding for 2023. In February 2024 there is a Euro 100m bond due with a low 1% coupon. This is offset by the recent issue of a Euro 75m Green Bond in July for 5 years with a 5.5% coupon.



Source: Company Data, SRC Research

P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2019	2020	2021	2022	2023e	2024e	2025e
Revenues	210.427	173.915	196.856	260.493	321.848	324.824	332.486
└ thereof rental income	119.373	123.255	131.294	155.705	189.223	195.631	198.290
└ thereof revenues from service charges	31.952	32.871	34.359	48.405	68.441	70.743	75.242
└ thereof revenues from hotel operations	59.102	17.789	31.203	56.383	64.184	58.450	58.954
Other operating income	2.481	2.501	3.175	2.227	2.874	3.120	3.200
Expenses directly attributable to properties	-60.952	-66.760	-66.795	-79.511	-94.881	-91.441	-92.451
<i>Gross margin property segment</i>	59,7%	57,2%	59,7%	61,0%	63,2%	65,7%	66,2%
Hotel operating expenses	-42.250	-18.126	-23.702	-43.010	-46.185	-42.608	-43.001
Gross operating profit hotels (GOP)	16.852	-337	7.501	13.373	17.999	15.842	15.953
<i>Gross margin within hotel segment</i>	28,5%	-1,9%	24,0%	23,7%	28,0%	27,1%	27,1%
Gross profit (revenues less directly attributable expenses)	109.706	91.530	109.534	140.199	183.656	193.895	200.234
<i>Total Gross margin</i>	52,1%	52,6%	55,6%	53,8%	57,1%	59,7%	60,2%
Net operating income (NOI)	107.225	89.029	106.359	137.972	180.782	190.775	197.034
<i>NOI-margin</i>	51,0%	51,2%	54,0%	53,0%	56,2%	58,7%	59,3%
Net Gains on property disposal	0	0	0	0	0	0	0
Management expenses	-22.669	-20.398	-28.237	-34.141	-31.150	-32.120	-3.125
└ thereof personnel expenses	-11.513	-12.272	-14.608	-19.009	-15.988	-16.744	-17.788
EBITDA	87.037	71.132	81.297	106.058	152.506	161.775	197.109
<i>EBITDA-margin</i>	41,4%	40,9%	41,3%	40,7%	47,4%	49,8%	59,3%
Depreciation	-8.264	-9.232	-9.646	-9.682	-11.130	-12.310	-12.845
Property Revaluation	192.671	39.056	198.686	-78.397	-121.020	12.002	21.230
Operating profit (EBIT)	271.444	100.956	270.337	17.979	20.356	161.467	205.494
<i>EBIT-margin</i>	129,0%	58,0%	137,3%	6,9%	6,3%	49,7%	61,8%
EBIT-profit without revaluation result	78.773	61.900	71.651	96.376	141.376	149.465	184.264
Net financial result	-20.021	-29.370	705	16.855	-37.559	-39.731	-34.850
Participating certificates expenses (hybrid capital)	0	0	0	0	0	0	0
Earnings before tax (EBT)	251.423	71.586	271.042	34.834	-17.203	121.736	170.644
<i>EBT margin</i>	119,5%	41,2%	137,7%	13,4%	-5,3%	37,5%	51,3%
Income tax expense	-38.116	-14.674	-40.484	-15.907	-16.987	-35.454	-32.185
<i>Tax rate</i>	15,2%	20,5%	14,9%	45,7%	-98,7%	29,1%	18,9%
Net profit	213.307	56.912	230.558	18.927	-34.190	86.282	138.459
Minorities	-533	-375	-1.037	8.277	-1.542	-1.355	-1.450
Net profit after minorities	212.774	56.537	229.521	27.204	-35.732	84.927	137.009
<i>Return on sales</i>	101,1%	32,5%	116,6%	10,4%	-11,1%	26,1%	41,2%
Number of shares (in million)	66,9	73,6	73,6	73,6	73,6	73,6	73,6
Earnings per Share (EPS) in Euro	3,21	0,79	3,24	0,45	-0,41	1,23	1,94
Dividends per Share (DPS) in Euro	0,70	0,50	0,65	0,00	0,00	0,50	0,70
Book Value per Share (BVPS) in Euro	19,34	18,31	20,75	23,06	22,57	23,23	24,39
Total assets	3.137.688	3.122.610	3.688.121	3.774.361	3.717.746	3.725.181	3.818.311
Shareholders' equity (after dividend payment)	1.294.259	1.347.524	1.527.194	1.697.228	1.661.496	1.709.619	1.795.101
Shareholders' equity incl. participating certificates	1.294.259	1.347.524	1.527.194	1.697.228	1.661.496	1.709.619	1.795.101
Equity ratio without minorities with hybrid capital	41%	43%	41%	45%	45%	46%	47%
Return on Equity (RoE)	18,1%	4,3%	16,0%	1,7%	-2,1%	5,0%	7,8%
Key ratios & figures	2019	2020	2021	2022	2023e	2024e	2025e
Growth rates in %							
Revenues	9,3%	-17,4%	13,2%	32,3%	23,6%	0,9%	2,4%
EBITDA	4,7%	-18,3%	14,3%	30,5%	43,8%	6,1%	21,8%
EBIT	11,6%	-62,8%	167,8%	-93,3%	13,2%	693,2%	27,3%
EBT	6,5%	-71,5%	278,6%	-87,1%	-149,4%	-807,6%	40,2%
Net profit after minorities	4,5%	-73,3%	305,1%	-91,8%	-280,6%	-352,4%	60,5%
Margins in %							
EBITDA	41,4%	40,9%	41,3%	40,7%	47,4%	49,8%	59,3%
EBIT	129,0%	58,0%	137,3%	6,9%	6,3%	49,7%	61,8%
EBT	119,5%	41,2%	137,7%	13,4%	-5,3%	37,5%	51,3%
Expense ratios in %							
Depreciation to sales	-3,9%	-5,3%	-4,9%	-3,7%	-3,5%	-3,8%	-3,9%
Tax rate	15,2%	20,5%	14,9%	45,7%	-98,7%	29,1%	18,9%
Profitability in %							
Profit margin	101,4%	32,7%	117,1%	7,3%	-10,6%	26,6%	41,6%
Return on equity (RoE) after tax	18,1%	4,3%	16,0%	1,7%	-2,1%	5,0%	7,8%
Return on Assets (RoA)	6,8%	1,8%	6,3%	0,5%	-0,9%	2,3%	3,6%
Return on Investment (RoI)	6,8%	1,8%	6,3%	0,5%	-0,9%	2,3%	3,6%
Valuation							
P/E-ratio	3,74	15,23	3,71	26,69	-29,60	9,73	6,18
P/S-ratio	4,20	5,08	4,49	3,39	2,74	2,72	2,66
Price/BVpS (PBV)	0,62	0,66	0,58	0,52	0,53	0,52	0,49
Dividend yield in %	5,8%	4,2%	5,4%	0,0%	0,0%	4,2%	5,8%
Data per share							
Number of shares (in million)	66,9	73,6	73,6	73,6	73,6	73,6	73,6
EPS	3,21	0,79	3,24	0,45	-0,41	1,23	1,94
DPS	0,70	0,50	0,65	0,00	0,00	0,50	0,70
BVPS	19,34	18,31	20,75	23,06	22,57	23,23	24,39
FFO I per share	0,98	0,59	0,86	0,92	1,01	1,09	1,21

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Rating Chronicle

Company	Date	Rating	Former Price	Former Target
S IMMO	30 August 2023	Buy	€ 12,00	€ 18,00
S IMMO	31 May 2023	Buy	€ 11,18	€ 18,00
S IMMO	04 April 2023	Buy	€ 12,82	€ 18,00
S IMMO	30 November 2022	Accumulate	€ 14,78	€ 18,00
S IMMO	29 August 2022	Accumulate	€ 22,85	€ 23,00
S IMMO	30 May 2022	Accumulate	€ 23,30	€ 26,00
S IMMO	28 April 2022	Buy	€ 22,55	€ 28,00
S IMMO	06 December 2021	Buy	€ 21,45	€ 26,00
S IMMO	29 November 2021	Buy	€ 19,50	€ 26,00

Please note:

The S IMMO AG share price mentioned in this report is the price of 28 November 2023. S IMMO mandated SRC Research for covering the S IMMO share.

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