

■ <b>Price (Euro)</b>	<b>4.40</b>			
52 weeks range	8.85 / 4.28			
■ <b>Key Data</b>				
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%			
■ <b>Multiples</b>				
	<b>2021</b> <b>2022e</b> <b>2023e</b> <b>2024e</b>			
Market Cap / Total revenues	3.0	3.2	2.8	2.5
<b>PE-Ratio</b>	<b>12.0</b>	<b>7.2</b>	<b>5.9</b>	<b>4.9</b>
Dividend Yield	0.0%	4.5%	6.8%	8.0%
<b>Price-to-Book-Ratio</b>	<b>0.55</b>	<b>0.51</b>	<b>0.48</b>	<b>0.45</b>
■ <b>Key Data per share (Euro)</b>				
	<b>2021</b> <b>2022e</b> <b>2023e</b> <b>2024e</b>			
<b>Earnings per share (EPS)</b>	<b>0.37</b>	<b>0.61</b>	<b>0.75</b>	<b>0.89</b>
Dividend per share (DPS)	0.00	0.20	0.30	0.35
<b>Book Value per Share (BVPS)</b>	<b>8.03</b>	<b>8.65</b>	<b>9.20</b>	<b>9.79</b>
■ <b>Financial Data (Euro '000)</b>				
	<b>2021</b> <b>2022e</b> <b>2023e</b> <b>2024e</b>			
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
<b>Operating profit (EBIT)</b>	<b>45,164</b>	<b>46,401</b>	<b>55,882</b>	<b>65,122</b>
Net interest income	-20,515	-17,060	-19,933	-22,397
<b>Pre-tax profit (EBT)</b>	<b>20,597</b>	<b>29,843</b>	<b>36,492</b>	<b>43,347</b>
Income taxes	-7,470	-8,356	-10,218	-12,137
<b>Net profit after Minorities</b>	<b>11,845</b>	<b>19,900</b>	<b>24,241</b>	<b>28,857</b>
Shareholders' equity (Euro million)	862	929	1,022	1,074
<b>Privatization Portfolio (Euro million)</b>	<b>360</b>	<b>420</b>	<b>465</b>	<b>522</b>
<b>RoE (after tax)</b>	<b>4.7%</b>	<b>7.4%</b>	<b>8.4%</b>	<b>9.4%</b>
Equity ratio	28.0%	27.4%	27.8%	28.2%
■ <b>Main Shareholders</b>				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
■ <b>Financial calendar</b>				
1Q 2022 report	31 May 2022			
AGM	22 June 2022			
1H 2022 report	31 August 2022			
<b>SRC Forum Financials &amp; Real Estate</b>	<b>13 September 2022</b>			
■ <b>Analysts</b>				
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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

<b>Industry:</b>	Real Estate	<b>Management Board of ACCENTRO:</b>
<b>Sub-segment:</b>	Residential	Lars Schriewer
<b>Region:</b>	Germany	
<b>Headquarter:</b>	Berlin	
<b>Foundation</b>	2006	
<b>Employees:</b>	101	<b>Supervisory Board of ACCENTRO:</b>
		Axel Harloff
<b>IR Contact:</b>		Carsten Wolff
Thomas Eisenlohr		Natig Ganiyev
Eisenlohr@accentro.de		

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 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
<b>Apartments sold (units)</b>	<b>440</b>	<b>463</b>	<b>420</b>	<b>761</b>
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%
<b>Transaction value (m €)</b>	<b>79.2</b>	<b>109.8</b>	<b>118.7</b>	<b>246.5</b>

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	
<b>Capital gains from property sales</b>	<b>29,842</b>	<b>19,625</b>	<b>47,791</b>	<b>44,757</b>	<b>51,068</b>	<b>58,213</b>	<b>5.1%</b>
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	
<b>Net rental income</b>	<b>6,518</b>	<b>4,855</b>	<b>7,018</b>	<b>8,693</b>	<b>10,877</b>	<b>12,867</b>	<b>16.4%</b>
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	
<b>Net service income</b>	<b>2,363</b>	<b>871</b>	<b>1,946</b>	<b>4,772</b>	<b>8,158</b>	<b>9,985</b>	<b>50.5%</b>
Other operating income	1,207	1,699	1,269	2,587	3,189	3,577	
<b>Gross profit or loss</b>	<b>39,930</b>	<b>27,050</b>	<b>58,025</b>	<b>60,809</b>	<b>73,292</b>	<b>84,642</b>	<b>9.9%</b>
<b>Net revaluation result</b>	<b>11,399</b>	<b>28,367</b>	<b>18,988</b>	<b>12,587</b>	<b>9,334</b>	<b>6,583</b>	
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	
<b>Earnings before interest and taxes (EBIT)</b>	<b>38,561</b>	<b>34,665</b>	<b>45,164</b>	<b>46,401</b>	<b>55,882</b>	<b>65,122</b>	<b>9.6%</b>
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	
<b>Net interest income</b>	<b>-7,353</b>	<b>-10,490</b>	<b>-20,515</b>	<b>-17,060</b>	<b>-19,933</b>	<b>-22,397</b>	
<b>Profit/loss before taxes (EBT)</b>	<b>32,488</b>	<b>24,313</b>	<b>20,597</b>	<b>29,843</b>	<b>36,492</b>	<b>43,347</b>	<b>20.4%</b>
Income taxes	-6,189	-6,258	-7,470	-8,356	-10,218	-12,137	
<b>Consolidated income</b>	<b>26,299</b>	<b>18,055</b>	<b>13,127</b>	<b>21,487</b>	<b>26,274</b>	<b>31,211</b>	<b>24.2%</b>
Minorities	168	-1,488	-1,282	-1,587	-2,033	-2,354	
<b>Net profit/loss after minorities</b>	<b>26,467</b>	<b>16,567</b>	<b>11,845</b>	<b>19,900</b>	<b>24,241</b>	<b>28,857</b>	<b>24.9%</b>
<b>Number of shares ('000)</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	<b>32,438</b>	
<b>Earnings per share (EPS)</b>	<b>0.81</b>	<b>0.51</b>	<b>0.37</b>	<b>0.61</b>	<b>0.75</b>	<b>0.89</b>	
<b>Dividend per share (DPS)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.20</b>	<b>0.30</b>	<b>0.35</b>	
<b>Shareholders' Equity</b>	<b>220,811</b>	<b>247,101</b>	<b>260,637</b>	<b>280,537</b>	<b>298,290</b>	<b>317,416</b>	<b>5.1%</b>
<b>Balance Sheet sum</b>	<b>580,757</b>	<b>861,987</b>	<b>929,466</b>	<b>1,022,413</b>	<b>1,073,533</b>	<b>1,127,210</b>	
<b>Equity Ratio</b>	<b>38.0%</b>	<b>28.7%</b>	<b>28.0%</b>	<b>27.4%</b>	<b>27.8%</b>	<b>28.2%</b>	
<b>RoE (after tax)</b>	<b>12.6%</b>	<b>7.1%</b>	<b>4.7%</b>	<b>7.4%</b>	<b>8.4%</b>	<b>9.4%</b>	<b>19.1%</b>
<b>Privatisation Portfolio (Euro million)</b>	<b>389</b>	<b>418</b>	<b>360</b>	<b>420</b>	<b>465</b>	<b>522</b>	
<b>Book Value per share (Euro)</b>	<b>6.81</b>	<b>7.62</b>	<b>8.03</b>	<b>8.65</b>	<b>9.20</b>	<b>9.79</b>	<b>5.1%</b>

## SRC Research

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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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