

31 August 2022

**Accentro Real Estate AG**

**Rating** Buy  
**Share price (EUR)** 3.60  
**Target price (EUR)** 10.00

Bloomberg A4Y GY  
Sector Real Estate

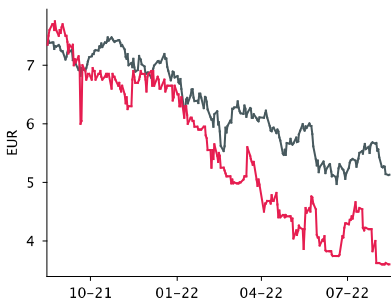
**Share data**

Shares out (m) 32.4  
Daily volume shs (m) 0.0  
Free float (%) 12.00  
Market cap (EUR m) 143  
EV (EUR m) 645  
DPS (EUR) 0.00  
Dividend yield (%) 0.0  
Payout ratio (%) 0.0

**Performance**

ytd (%) -45.5  
12 months (%) -50.3  
12 months rel. (%) -20.3  
Index SDAX

**Share price performance**



— Accentro Real Estate AG  
— Price rel. to SDAX – Price Index

Source: Bloomberg

**Next triggers**

30 Nov 2022 – Q3 report

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# Solid revenue growth in Q2

Mainly driven by a positive performance of its privatization business Accentro was able to increase Revenues by 32% yoy to EUR 59.8m in Q2 2022. In H1 2022 Accentro reached Revenues of EUR 93.5m and EBIT of EUR 9.0m. Accentro also confirmed its FY 2022 guidance and still expects to achieve Revenues of EUR 200-220m (qbe: EUR 214.0m) and EBIT of EUR 45-50m (qbe: EUR 47.0m). Main drivers should be the well-filled sales pipeline of c. EUR 370m, higher rental income from its rental portfolio as well as the positive impact from its partnership with Immoscout24. However, the privatization business could be impacted by a lower demand as a result of the higher interest rate and the increased inflation rate. We regard its Revenues guidance as achievable and the EBIT guidance remains challenging as it also depends on the development of valuation gains. We confirm our Buy rating with a TP of EUR 10.00.

**Q2 2022 results in detail**

In Q2 2022 Revenues were mainly driven by further growth of the privatization business as Revenues from sale of inventory properties improved by 51% yoy to EUR 55.5m while Rental revenues and Service revenues were lower yoy. Note that apartment sales impacted rental revenues. EBIT decreased from EUR 16.7m to EUR 5.4m as valuation gains amounted to EUR 16.3m in Q2 2021 compared to EUR 0m in Q2 2022. Accentro booked impairments of inventories and accounts receivables of EUR 4.1m in Q2 2022 which also burdened EBIT. The impairments of inventories and accounts receivables included an impairment of EUR 4.0m on receivables from SPA rescission and loan receivables from DIM Holding AG. EBIT margin reached 9.1% (vs. Q2 2021: 36.8%).

**Q2 2022 results and FY 2022 guidance vs. Quirin estimates**

EUR m	Q2 2022	Q2 2021	yoy	H1 2022	Guidance	Quirin est.	consensus
<b>Revenues</b>	<b>59.8</b>	<b>45.4</b>	<b>32%</b>	<b>93.5</b>	<b>200-220</b>	<b>214.0</b>	<b>209.7</b>
Revenues from sale of inventory properties	55.5	36.7	51%	84.8	n.a.	190.0	
Rental revenues	3.8	7.8	-52%	7.8	n.a.	20.0	n.a.
Service revenues	0.5	0.8	-42%	0.9	n.a.	4.0	n.a.
<b>EBIT</b>	<b>5.4</b>	<b>16.7</b>	<b>-68%</b>	<b>9.0</b>	<b>45-50</b>	<b>47.0</b>	<b>46.9</b>
<b>Net profit after minorities</b>	<b>-0.2</b>	<b>1.2</b>	<b>n.m.</b>	<b>0.1</b>	<b>n.a.</b>	<b>16.5</b>	<b>18.8</b>
EBIT margin	9.1%	36.8%	n.m.	9.7%	n.a.	22.0%	22.4%

Source: Accentro, Quirin Privatbank AG, Bloomberg

**Key figures**

		2020	2021	2022e	2023e	2024e
Sales	EUR m	125	193	214	236	247
EBITDA	EUR m	36	47	48	51	54
EBIT	EUR m	35	45	47	50	53
EPS	EUR	0.51	0.37	0.51	0.58	0.65
Sales growth	%	-12.6	54.0	11.0	10.2	4.6
EBIT growth	%	-12.7	29.9	4.1	6.9	5.3
EPS growth	%	-37.4	-28.5	39.1	13.8	11.8
EBITDA margin	%	28.5	24.2	22.4	21.7	21.8
EBIT margin	%	27.8	23.4	22.0	21.3	21.4
Net margin	%	13.2	6.1	7.7	7.9	8.5
EV/Sales	ratio	6.37	3.63	3.01	2.15	2.06
EV/EBITDA	ratio	22.4	15.0	13.5	9.9	9.4
EV/EBIT	ratio	22.9	15.5	13.7	10.1	9.6
P/E	ratio	8.6	12.1	8.7	7.6	6.8
P/BV	ratio	0.6	0.6	0.5	0.5	0.5
Dividend yield	%	0.0	0.0	0.0	0.0	0.0

Source: Bloomberg, Company data, Quirin Privatbank estimates

## Profit &amp; loss statement

Profit & loss statement (EUR m)	2020	YOY	2021	YOY	2022e	YOY	2023e	YOY	2024e	YOY
Sales	125.2	-12.6 %	192.7	54.0 %	214.0	11.0 %	235.9	10.2 %	246.8	4.6 %
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	1.7		1.3		1.6		1.6		1.6	
Cost of goods	n.a.		n.a.		n.a.		n.a.		n.a.	
Gross profit	126.9		194.0		215.6		237.5		248.4	
Personnel expenses	-9.0		-10.3		-11.0		-11.2		-11.4	
Depreciation	n.a.		n.a.		n.a.		n.a.		n.a.	
Other operating expenses	-10.7		-18.4		-13.0		-13.0		-13.0	
EBITDA	35.6	-12.1 %	46.6	30.8 %	47.9	2.8 %	51.2	6.8 %	53.8	5.2 %
EBITDA margin (%)	28.46		24.18		22.38		21.69		21.80	
EBIT	34.8	-12.7 %	45.2	29.9 %	47.0	4.1 %	50.3	6.9 %	52.9	5.3 %
EBIT margin (%)	27.77		23.43		21.96		21.31		21.44	
Net interest	-10.5		-20.5		-22.4		-22.5		-22.5	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	n.a.		n.a.		n.a.		n.a.		n.a.	
Exceptional items	0.0		0.0		0.0		0.0		0.0	
Pretax profit	24.3	-25.2 %	20.6	-15.3 %	24.7	19.7 %	27.8	12.8 %	30.5	9.5 %
Pretax margin (%)	19.42		10.69		11.52		11.80		12.35	
Taxes	-6.3		-7.5		-6.9		-7.8		-8.2	
Tax rate (%)	25.74		36.27		28.00		28.00		27.00	
Earnings after taxes	18.1		13.1		17.8		20.0		22.3	
Minorities	1.5		1.3		1.3		1.3		1.3	
Group attributable income	16.6	-37.4 %	11.8	-28.5 %	16.5	39.1 %	18.8	13.8 %	21.0	11.8 %
No. of shares (m)	32.4		32.4		32.4		32.4		32.4	
Earnings per share (EUR)	0.51	-37.4 %	0.37	-28.5 %	0.51	39.1 %	0.58	13.8 %	0.65	11.8 %

Source: Company data, Quirin Privatbank estimates

## Balance sheet

Balance sheet (EUR m)	2020	YOY	2021	YOY	2022e	YOY	2023e	YOY	2024e	YOY
<b>Assets</b>										
Cash and cash equivalents	56.5		121.5		103.1		96.4		94.9	
Accounts receivables	51.8		21.3		16.3		14.3		12.3	
Inventories	409.5		300.6		309.7		318.8		327.9	
Other current assets	31.1		56.9		56.9		56.9		56.9	
Tax claims	1.7		1.5		1.5		1.5		1.5	
<b>Total current assets</b>	<b>550.6</b>	<b>15.1 %</b>	<b>501.8</b>	<b>-8.9 %</b>	<b>487.5</b>	<b>-2.8 %</b>	<b>487.9</b>	<b>0.1 %</b>	<b>493.5</b>	<b>1.1 %</b>
Fixed assets	1.8		5.5		5.5		5.5		5.5	
Goodwill	17.8		17.8		17.8		17.8		17.8	
Other intangible assets	0.0		0.0		0.0		0.0		0.0	
Financial assets	215.0		330.7		350.7		368.7		383.7	
Deferred taxes	1.1		2.4		2.4		2.4		2.4	
Other fixed assets	75.6		71.4		71.7		72.1		72.5	
<b>Total fixed assets</b>	<b>311.3</b>	<b>203.7 %</b>	<b>427.7</b>	<b>37.4 %</b>	<b>448.1</b>	<b>4.8 %</b>	<b>466.4</b>	<b>4.1 %</b>	<b>481.8</b>	<b>3.3 %</b>
<b>Total assets</b>	<b>862.0</b>	<b>48.4 %</b>	<b>929.5</b>	<b>7.8 %</b>	<b>935.6</b>	<b>0.7 %</b>	<b>954.3</b>	<b>2.0 %</b>	<b>975.2</b>	<b>2.2 %</b>
<b>Equity &amp; Liabilities</b>										
Subscribed capital	32.4		32.4		32.4		32.4		32.4	
Reserves & other	79.7		79.8		79.8		79.8		79.8	
Revenue reserves	0.0		0.0		0.0		0.0		0.0	
Accumulated other comprehensive	124.1		135.1		151.6		170.4		191.3	
<b>Shareholder's equity</b>	<b>236.2</b>	<b>8.0 %</b>	<b>247.4</b>	<b>4.7 %</b>	<b>263.9</b>	<b>6.7 %</b>	<b>282.6</b>	<b>7.1 %</b>	<b>303.6</b>	<b>7.4 %</b>
Minorities	10.9		13.2		14.5		15.8		17.1	
<b>Shareholder's equity incl. minorities</b>	<b>247.1</b>	<b>11.9 %</b>	<b>260.6</b>	<b>5.5 %</b>	<b>278.4</b>	<b>6.8 %</b>	<b>298.4</b>	<b>7.2 %</b>	<b>320.7</b>	<b>7.5 %</b>
<b>Long-term liabilities</b>										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	393.3		494.9		494.2		493.5		492.8	
Tax liabilities	9.1		13.8		13.8		13.8		13.8	
Other liabilities	0.0		0.0		0.0		0.0		0.0	
<b>Total long-term debt</b>	<b>402.4</b>	<b>86.4 %</b>	<b>508.8</b>	<b>26.4 %</b>	<b>508.1</b>	<b>-0.1 %</b>	<b>507.4</b>	<b>-0.1 %</b>	<b>506.7</b>	<b>-0.1 %</b>
<b>Short-term debt</b>										
Other provisions	1.9		0.6		2.0		2.0		2.0	
Trade payables	7.1		5.3		5.3		5.3		5.3	
Financial debt	172.2		111.3		110.7		110.1		109.5	
Other liabilities	31.2		42.7		31.0		31.0		31.0	
<b>Total short-term debt</b>	<b>212.4</b>	<b>47.5 %</b>	<b>160.0</b>	<b>-24.7 %</b>	<b>149.1</b>	<b>-6.8 %</b>	<b>148.5</b>	<b>-0.4 %</b>	<b>147.9</b>	<b>-0.4 %</b>
<b>Total equity &amp; liabilities</b>	<b>862.0</b>	<b>48.4 %</b>	<b>929.5</b>	<b>7.8 %</b>	<b>935.6</b>	<b>0.7 %</b>	<b>954.3</b>	<b>2.0 %</b>	<b>975.2</b>	<b>2.2 %</b>

Source: Company data, Quirin Privatbank estimates

## Financial key ratios

Key ratios	2020	2021	2022e	2023e	2024e
<b>Per share data (EUR)</b>					
EPS	0.51	0.37	0.51	0.58	0.65
Book value per share	7.3	7.6	8.1	8.7	9.4
Free cash flow per share	-3.2	1.0	-0.5	-0.2	0.0
Dividend per share	0.00	0.00	0.00	0.00	0.00
<b>Valuation ratios</b>					
EV/Sales	6.37	3.63	3.01	2.15	2.06
EV/EBITDA	22.4	15.0	13.5	9.9	9.4
EV/EBIT	22.9	15.5	13.7	10.1	9.6
P/E	8.6	12.1	8.7	7.6	6.8
P/B	0.6	0.6	0.5	0.5	0.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
<b>Growth</b>					
Sales growth (%)	-12.6	54.0	11.0	10.2	4.6
EBITDA growth (%)	-12.1	30.8	2.8	6.8	5.2
EBIT growth (%)	-12.7	29.9	4.1	6.9	5.3
EPS growth (%)	-37.4	-28.5	39.1	13.8	11.8
<b>Profitability ratios</b>					
EBITDA margin (%)	28.5	24.2	22.4	21.7	21.8
EBIT margin (%)	27.8	23.4	22.0	21.3	21.4
Net margin (%)	13.2	6.1	7.7	7.9	8.5
ROCE (%)	5.4	5.9	6.0	6.2	6.4
<b>Financial ratios</b>					
Total equity (EUR m)	236.2	247.4	263.9	282.6	303.6
Equity ratio (%)	27.4	26.6	28.2	29.6	31.1
Net financial debt (EUR m)	509.0	484.8	501.8	507.3	507.5
Net debt/Equity	0.3	0.3	0.3	0.3	0.3
Interest cover	1.6	1.8	1.9	2.0	2.1
Net debt/EBITDA	14.3	10.4	10.5	9.9	9.4
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Working Capital (EUR m)	445.0	307.1	311.2	318.3	325.4
Working capital/Sales	3.55	1.59	1.45	1.35	1.32

Source: Company data, Quirin Privatbank estimates

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The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Katharina Schmenger, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

#### Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
31.08.2022	10.00	Buy	
31.05.2022	10.00	Buy	
06.05.2022	10.00	Buy	
07.12.2021	12.55	Buy	
01.12.2021	12.55	Buy	
19.11.2021	12.55	Buy	
13.10.2021	12.55	Buy	09.05.2018

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<https://research.quirinprivatbank.de/content/disclosures>

#### Competent supervisory authority

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