

19 November 2021

Accentro Real Estate AG

Rating Buy
Share price (EUR) 6.55
Target price (EUR) 12.55

Bloomberg A4Y GY
 Sector Real Estate

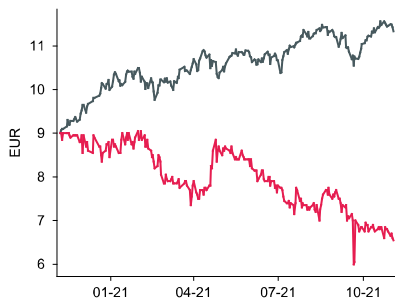
Share data

Shares out (m) 32.4
 Daily volume shs (m) 0.0
 Free float (%) 12.00
 Market cap (EUR m) 196
 EV (EUR m) 780
 DPS (EUR) 0.00
 Dividend yield (%) 0.0
 Payout ratio (%) 0.0

Performance

ytd (%) -26.4
 12 months (%) -25.6
 12 months rel. (%) -53.1
 Index SDAX

Share price performance



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

Source: Bloomberg

Next triggers

30 November - Q3 results

Analysts

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Transaction of ca EUR 100m signed

Accentro announced that it has successfully signed a transaction of around EUR 100m which included the purchase and sale of several residential real estate portfolios comprising of around 730 units. Around 470 units were acquired for its property portfolio. The announced transaction is positive news as Accentro was able to further increase its property portfolio which will positively contribute to rental revenues and the sale of residential portfolios will further increase revenues from sale of inventory properties. Note that Accentro already announced a strong notarised sales volume as of 9M 2021 (+155% yoy). The company will publish its 9M 2021 results on 30 November 2021. Accentro also sticks to its FY 2021 targets. The published transaction also confirms our view that the company will reach its FY 2021 targets. We stick to our Buy rating with a TP of EUR 12.55.

Transaction of 730 units successfully signed

Accentro announced that it has successfully signed a transaction of around EUR 100m with a private investor which included the purchase and sale of several residential real estate portfolios comprising of around 730 units. The transfer of benefits and burdens is expected to take place until the end of 2021. Around 470 units with a lettable space of ca 27,000 sqm in eastern Germany were acquired for its property portfolio which offers value potential in future. Note that Accentro has expanded its property portfolio to c. 3,600 units during the last 12 months. The announced transaction is also in line with its strategy to further expand the property portfolio with a focus on B-and C-locations in densely populated metropolitan areas with attractive rental yields. Further growing rental income should ensure stable cash flows.

FY 2021 guidance confirmed

Accentro sticks to its FY 2021 targets of revenues in the range of between EUR 170m and EUR 200m (vs. FY 2020: EUR 125.2m) and EBIT between EUR 45m and EUR 50m (vs. FY 2020: EUR 34.8m). For 2021e we estimate revenues of EUR 198m and EBIT of EUR 48.6m. Main drivers in H2 2021 should be valuation gains, positive contributions from the privatization business as well as from rental revenues. The company has set its target to further expand the privatization as well as the property portfolio.

Key figures		2019	2020	2021e	2022e	2023e
Sales	EUR m	143	125	198	225	245
EBITDA	EUR m	41	36	50	55	59
EBIT	EUR m	40	35	49	54	58
EPS	EUR	0.82	0.51	0.56	0.67	0.76
Sales growth	%	n.a.	-12.6	58.2	13.6	8.7
EBIT growth	%	n.a.	-12.7	39.9	11.1	7.9
EPS growth	%	n.a.	-37.4	10.2	19.5	13.2
EBITDA margin	%	28.3	28.5	25.0	24.4	24.2
EBIT margin	%	27.8	27.8	24.6	24.0	23.8
Net margin	%	18.5	13.2	9.2	9.7	10.1
EV/Sales	ratio	3.77	6.37	3.94	3.49	2.43
EV/EBITDA	ratio	13.3	22.4	15.7	14.3	10.0
EV/EBIT	ratio	13.6	22.9	16.0	14.5	10.2
P/E	ratio	7.4	11.8	10.8	9.0	8.0
P/BV	ratio	0.9	0.8	0.8	0.7	0.7
Dividend yield	%	0.0	0.0	0.0	0.0	0.0

Source: Bloomberg, Company data, Quirin Privatbank estimates

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Profit & loss statement

Profit & loss statement (EUR m)	2019	YOY	2020	YOY	2021e	YOY	2022e	YOY	2023e	YOY
Sales	143.3	n.a.	125.2	-12.6 %	198.0	58.2 %	225.0	13.6 %	244.5	8.7 %
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	1.2		1.7		1.6		1.6		1.6	
Gross profit	144.5		126.9		199.6		226.6		246.1	
Personnel expenses	-5.8		-9.0		-10.0		-10.3		-10.5	
Other operating expenses	-6.1		-10.7		-12.0		-12.0		-12.0	
EBITDA	40.5	n.a.	35.6	-12.1 %	49.5	39.0 %	54.9	10.9 %	59.2	7.8 %
EBITDA margin (%)	28.29		28.46		25.02		24.42		24.22	
EBIT	39.8	n.a.	34.8	-12.7 %	48.6	39.9 %	54.0	11.1 %	58.3	7.9 %
EBIT margin (%)	27.78		27.77		24.56		24.02		23.85	
Net interest	-7.4		-10.5		-22.0		-22.6		-23.0	
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	32.5	n.a.	24.3	-25.2 %	26.7	9.7 %	31.5	18.0 %	35.3	12.3 %
Pretax margin (%)	22.68		19.42		13.47		13.99		14.46	
Taxes	-6.2		-6.3		-6.9		-8.2		-9.2	
Tax rate (%)	19.05		25.74		26.00		26.00		26.00	
Earnings after taxes	26.3		18.1		19.7		23.3		26.2	
Minorities	-0.2		1.5		1.5		1.5		1.5	
Group attributable income	26.5	n.a.	16.6	-37.4 %	18.3	10.2 %	21.8	19.5 %	24.7	13.2 %
No. of shares (m)	32.4		32.4		32.4		32.4		32.4	
Earnings per share (EUR)	0.82	n.a.	0.51	-37.4 %	0.56	10.2 %	0.67	19.5 %	0.76	13.2 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2019	YOY	2020	YOY	2021e	YOY	2022e	YOY	2023e	YOY
Assets										
Cash and cash equivalents	24.2		56.5		77.1		69.9		64.6	
Accounts receivables	10.6		51.8		26.8		21.8		19.8	
Inventories	416.6		409.5		418.6		427.7		436.8	
Other current assets	26.1		31.1		65.1		65.1		65.1	
Tax claims	0.9		1.7		1.7		1.7		1.7	
Total current assets	478.3	n.a.	550.6	15.1 %	589.3	7.0 %	586.2	-0.5 %	588.0	0.3 %
Fixed assets	0.9		1.8		2.6		2.6		2.6	
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	34.5		215.0		305.0		330.0		353.0	
Deferred taxes	1.3		1.1		1.1		1.1		1.1	
Other fixed assets	48.1		75.6		71.6		71.8		71.9	
Total fixed assets	102.5	n.a.	311.3	203.7 %	398.2	27.9 %	423.3	6.3 %	446.4	5.5 %
Total assets	580.8	n.a.	862.0	48.4 %	987.5	14.6 %	1,009.5	2.2 %	1,034.4	2.5 %
Equity & Liabilities										
Subscribed capital	32.4		32.4		32.4		32.4		32.4	
Reserves & other	78.7		79.7		79.7		79.7		79.7	
Revenue reserves	0.0		0.0		0.0		0.0		0.0	
Accumulated other comprehensive	107.6		124.1		142.3		164.1		188.8	
Shareholder's equity	218.7	n.a.	236.2	8.0 %	254.4	7.7 %	276.2	8.6 %	300.9	8.9 %
Minorities	2.1		10.9		12.4		13.9		15.4	
Shareholder's equity incl. minorities	220.8	n.a.	247.1	11.9 %	266.8	8.0 %	290.1	8.7 %	316.3	9.0 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	213.7		393.3		488.3		487.6		486.9	
Tax liabilities	2.2		9.1		9.1		9.1		9.1	
Other liabilities	0.0		0.0		0.0		0.0		0.0	
Total long-term debt	215.9	n.a.	402.4	86.4 %	497.4	23.6 %	496.7	-0.1 %	496.0	-0.1 %
Short-term debt										
Other provisions	0.9		1.9		1.9		2.0		2.0	
Trade payables	6.2		7.1		7.1		7.1		7.1	
Financial debt	103.9		172.2		172.2		171.6		171.0	
Other liabilities	33.0		31.2		42.0		42.0		42.0	
Total short-term debt	144.0	n.a.	212.4	47.5 %	223.3	5.1 %	222.7	-0.2 %	222.1	-0.3 %
Total equity & liabilities	580.8	n.a.	862.0	48.4 %	987.5	14.6 %	1,009.6	2.2 %	1,034.5	2.5 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2019	2020	2021e	2022e	2023e
Per share data (EUR)					
EPS	0.82	0.51	0.56	0.67	0.76
Book value per share	6.7	7.3	7.8	8.5	9.3
Free cash flow per share	-2.4	-3.2	-2.3	-0.2	-0.1
Dividend per share	0.00	0.00	0.00	0.00	0.00
Valuation ratios					
EV/Sales	3.77	6.37	3.94	3.49	2.43
EV/EBITDA	13.3	22.4	15.7	14.3	10.0
EV/EBIT	13.6	22.9	16.0	14.5	10.2
P/E	7.4	11.8	10.8	9.0	8.0
P/B	0.9	0.8	0.8	0.7	0.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Growth					
Sales growth (%)	n.a.	-12.6	58.2	13.6	8.7
EBITDA growth (%)	n.a.	-12.1	39.0	10.9	7.8
EBIT growth (%)	n.a.	-12.7	39.9	11.1	7.9
EPS growth (%)	n.a.	-37.4	10.2	19.5	13.2
Profitability ratios					
EBITDA margin (%)	28.3	28.5	25.0	24.4	24.2
EBIT margin (%)	27.8	27.8	24.6	24.0	23.8
Net margin (%)	18.5	13.2	9.2	9.7	10.1
ROCE (%)	9.1	5.4	6.4	6.9	7.2
Financial ratios					
Total equity (EUR m)	218.7	236.2	254.4	276.2	300.9
Equity ratio (%)	37.7	27.4	25.8	27.4	29.1
Net financial debt (EUR m)	293.5	509.0	583.4	589.3	593.4
Net debt/Equity	0.4	0.3	0.3	0.3	0.3
Interest cover	3.3	1.6	1.9	2.1	2.2
Net debt/EBITDA	7.2	14.3	11.8	10.7	10.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Working Capital (EUR m)	414.0	445.0	418.2	422.3	429.4
Working capital/Sales	2.89	3.55	2.11	1.88	1.76

Source: Company data, Quirin Privatbank estimates

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BUY > +10%

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

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
19.11.2021	12.55	Buy	
13.10.2021	12.55	Buy	09.05.2018

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