

■ **Price (Euro)** **8.45**  
52 weeks range 11.00 / 7.25

■ **Key Data**

ISIN	DE000A0KFKB3
Bloomberg	E7S:GR
Reporting standard	IFRS
Market Cap (Euro million)	274
Number of shares (million)	32.4
Free Float	12.1%
Free Float Market Cap (Euro million)	33
CAGR EBIT ('19 -'23e)	13.2%

■ <b>Multiples</b>	2020	2021e	2022e	2023e
Market Cap / Total revenues	14.0	6.3	5.6	4.9
<b>PE-Ratio</b>	<b>16.5</b>	<b>9.3</b>	<b>8.0</b>	<b>7.5</b>
Dividend Yield	0.0%	2.4%	3.0%	3.6%
<b>Price-to-Book-Ratio</b>	<b>1.11</b>	<b>0.99</b>	<b>0.90</b>	<b>0.82</b>

■ <b>Key Data per share (Euro)</b>	2020	2021e	2022e	2023e
<b>Earnings per share (EPS)</b>	<b>0.51</b>	<b>0.91</b>	<b>1.06</b>	<b>1.12</b>
Dividend per share (DPS)	0.00	0.20	0.25	0.30
<b>Book Value per Share (BVPS)</b>	<b>7.62</b>	<b>8.52</b>	<b>9.38</b>	<b>10.25</b>

■ <b>Financial Data (Euro '000)</b>	2020	2021e	2022e	2023e
Capital gains from property sales	19,625	43,738	48,549	55,450
Net rental income	4,855	8,336	10,294	12,700
Net service income	871	1,370	1,785	1,835
<b>Operating profit (EBIT)</b>	<b>34,767</b>	<b>53,910</b>	<b>59,974</b>	<b>65,317</b>
Net interest income	-10,490	-13,704	-12,506	-14,296
<b>Pre-tax profit (EBT)</b>	<b>24,313</b>	<b>40,257</b>	<b>47,515</b>	<b>51,053</b>
Income taxes	-6,258	-10,432	-12,773	-14,019
<b>Net profit after Minorities</b>	<b>16,567</b>	<b>29,370</b>	<b>34,264</b>	<b>36,447</b>
Shareholders' equity (Euro million)	581	862	959	1,054
<b>Privatization Portfolio (Euro million)</b>	<b>418</b>	<b>512</b>	<b>584</b>	<b>585</b>
<b>RoE (after tax)</b>	<b>7.1%</b>	<b>11.2%</b>	<b>11.8%</b>	<b>11.4%</b>
Equity ratio	28.7%	28.8%	28.9%	28.7%

■ **Main Shareholders**

Brookline Real Estate S.a.r.l.	83.1%
Adler Real Estate AG	4.8%

■ **Financial calendar**

AGM	22 June 2021
1H 2021 report	10 August 2021
9M 2021 report	9 November 2021

■ **Analysts**

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**High sales volume in 1Q represents a very good start into the year and will drive the numbers of the coming quarters – 1Q earnings in line – Euro 11.50 target and Buy rating affirmed**

Yesterday, the company released the report for the first quarter of 2021. The numbers were in line with our estimates and reflected a steep increase in sales volume, of which, however, the closing has not taken place as of the reporting date and is to a large as expected not reflected in the 1Q numbers. Revenues of the first three months amounted to almost Euro 28m, up from last year's number of Euro 15m. The revenues were mainly driven by sales revenues of more than Euro 24m, which more than doubled from last year's number of almost Euro 12m and led to capital gains from sales of Euro 5m compared to Euro 2.1m last year, reflecting an increase in sales margin back towards the level of the former years. Letting revenues and service revenues were more or less unchanged at almost Euro 3m and Euro 400k respectively. All in all, the operating profit on EBIT basis amounted to Euro 2.3m, up from last year's number of Euro 423k. The financial result improved year over year from Euro -6.4m to now almost Euro -3.7m, leading to a pre-tax result of Euro -1.4m. Thus, the bottom line result after minorities came in at Euro -3.0m compared to last year's result of Euro -7.9m.

While the bottom line was again negative in the first quarter, this is not representative of the full-year results. As mentioned, a large part of the sales from the first quarter of more than Euro 51m, as well as a portion of the sales from 4Q 2020, which have not been closed at the reporting date are not yet included in the numbers, but will contribute in the coming quarters. We expect a larger part of these to be closed in the current second quarter. Furthermore, we expect the high dynamic on the sales side to continue (March was a new record level of the firm) and believe that the months April and Mai were successful in that regard as well. The pipeline remains high at almost Euro 500m. Thus we feel comfortable with our full-year estimates, which we leave on top of the firm's estimates, as we see the guidance as somewhat conservative considering the good sales numbers of the first quarter. ACCENTRO gave a Euro 170m to Euro 200m range for the group's full year revenues and a Euro 45m to Euro 50m guidance for the EBIT with the annual report. Our 2021 forecast is for revenues of slightly above Euro 200m and Euro 54m in EBIT.

**The first three months were very successful for ACCENTRO and we see the company on a good way to at least reach its 2021 targets. We stick to our full-year estimates and confirm our Euro 11.50 target price, which we lifted just about two weeks ago with our most recent update. We also confirm our Buy rating for the share, as the current upside is at almost 40%.**

## ACCENTRO Real Estate AG

<b>Industry:</b>	Real Estate	<b>Management Board of ACCENTRO:</b>
<b>Sub-segment:</b>	Residential	CEO Lars Schriewer
<b>Region:</b>	Germany	CFO Hans-Peter Kneip
<b>Headquarter:</b>	Berlin	
<b>Foundation</b>	2006	
<b>Employees:</b>	93	<b>Supervisory Board of ACCENTRO:</b>
		Axel Harloff
<b>IR Contact:</b>		Carsten Wolff
Thomas Eisenlohr		Natig Ganiyev
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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 that came down from 38% to 28.7% and the LTV was significantly up from 43.1% to 53.2% in 2020.

For the current year 2021, the company guided a significant hike in revenues and EBIT, as revenues are expected to be in a range between Euro 170m and Euro 200m and EBIT is to grow to a range of Euro 45m to Euro 50m. With a very good opening quarter and closings from transactions that were signed in 2020, the company is currently well on track to reach these goals in our opinion.

	FY 2018	FY 2019	FY 2020
Apartments sold (units)	440	463	420
thereof Berlin	68%	59%	65%
thereof Rest of Germany	32%	41%	35%
thereof Owner Occupiers	32%	41%	49%
thereof Buy-to-Let	68%	59%	51%
Transaction value (EUR m)	79.2	110.1	118.7

Source: Company Data, SRC Research

ACCENTRO Real Estate AG 31/12 IFRS ('000)	2018	2019	2020	2021e	2022e	2023e	CAGR '19 - '23e
Revenues from sales of inventory properties	194.009	129.503	112.397	184.321	204.596	227.102	
Expenses from sales of inventory properties	-160.924	-99.661	-92.772	-140.583	-156.047	-171.652	
<b>Capital gains from property sales</b>	<b>33.085</b>	<b>29.842</b>	<b>19.625</b>	<b>43.738</b>	<b>48.549</b>	<b>55.450</b>	<b>16,8%</b>
Letting revenues	8.806	10.261	10.351	15.247	18.449	22.323	
Letting expenses	-2.676	-3.743	-5.496	-6.911	-8.155	-9.623	
<b>Net rental income</b>	<b>6.130</b>	<b>6.518</b>	<b>4.855</b>	<b>8.336</b>	<b>10.294</b>	<b>12.700</b>	<b>18,1%</b>
Revenues from services	2.794	3.510	2.434	2.453	2.944	3.533	
Expenses from services	-511	-1.147	-1.563	-1.083	-1.159	-1.698	
<b>Net service income</b>	<b>2.283</b>	<b>2.363</b>	<b>871</b>	<b>1.370</b>	<b>1.785</b>	<b>1.835</b>	<b>-6,1%</b>
Other operating income	1.663	1.207	1.699	3.245	3.544	3.189	
<b>Gross profit or loss</b>	<b>43.161</b>	<b>39.930</b>	<b>27.050</b>	<b>56.689</b>	<b>64.172</b>	<b>73.174</b>	<b>16,3%</b>
<b>Net revaluation result</b>	<b>0</b>	<b>11.399</b>	<b>28.367</b>	<b>13.741</b>	<b>12.587</b>	<b>9.334</b>	
Total payroll and benefit costs	-4.613	-5.835	-9.048	-10.412	-10.947	-11.574	
Depreciation and amortisation	-349	-731	-863	-856	-902	-951	
Impairments of inventories and accounts receivable	-205	-123	-124	-153	-167	-200	
Other operating expenses	-5.131	-6.079	-10.717	-5.549	-5.224	-4.977	
Net income from associates	2	1.244	102	450	455	511	
<b>Earnings before interest and taxes (EBIT)</b>	<b>32.865</b>	<b>39.805</b>	<b>34.767</b>	<b>53.910</b>	<b>59.974</b>	<b>65.317</b>	<b>13,2%</b>
Other income from investments	36	36	36	51	47	32	
Interest income	944	4.854	11.256	1.741	1.514	2.581	
Interest expenses	-9.869	-12.207	-21.746	-15.445	-14.020	-16.877	
<b>Net interest income</b>	<b>-8.925</b>	<b>-7.353</b>	<b>-10.490</b>	<b>-13.704</b>	<b>-12.506</b>	<b>-14.296</b>	
<b>Profit/loss before taxes (EBT)</b>	<b>23.976</b>	<b>32.488</b>	<b>24.313</b>	<b>40.257</b>	<b>47.515</b>	<b>51.053</b>	<b>12,0%</b>
Income taxes	-5.675	-6.189	-6.258	-10.432	-12.773	-14.019	
<b>Consolidated income from Continuing Operation</b>	<b>18.301</b>	<b>26.299</b>	<b>18.055</b>	<b>29.825</b>	<b>34.742</b>	<b>37.034</b>	<b>8,9%</b>
Earnings after taxes of Discontinued Operation	0	0	0	0	0	0	
<b>Consolidated income</b>	<b>18.301</b>	<b>26.299</b>	<b>18.055</b>	<b>29.825</b>	<b>34.742</b>	<b>37.034</b>	<b>8,9%</b>
Minorities	-103	168	-1.488	-455	-478	-587	
<b>Net profit/loss after minorities</b>	<b>18.198</b>	<b>26.467</b>	<b>16.567</b>	<b>29.370</b>	<b>34.264</b>	<b>36.447</b>	<b>8,3%</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>32.439</b>	
<b>Earnings per share (EPS)</b>	<b>0,56</b>	<b>0,81</b>	<b>0,51</b>	<b>0,91</b>	<b>1,06</b>	<b>1,12</b>	
<b>Dividend per share (DPS)</b>	<b>0,16</b>	<b>0,00</b>	<b>0,00</b>	<b>0,20</b>	<b>0,25</b>	<b>0,30</b>	
<b>Shareholders' Equity</b>	<b>199.104</b>	<b>220.811</b>	<b>247.101</b>	<b>276.471</b>	<b>304.248</b>	<b>332.586</b>	<b>10,8%</b>
<b>Balance Sheet sum</b>	<b>474.205</b>	<b>580.757</b>	<b>861.987</b>	<b>958.530</b>	<b>1.054.382</b>	<b>1.159.821</b>	
<b>Equity Ratio</b>	<b>42,0%</b>	<b>38,0%</b>	<b>28,7%</b>	<b>28,8%</b>	<b>28,9%</b>	<b>28,7%</b>	
<b>RoE (after tax)</b>	<b>10,3%</b>	<b>12,6%</b>	<b>7,1%</b>	<b>11,2%</b>	<b>11,8%</b>	<b>11,4%</b>	<b>-2,4%</b>
<b>Privatisation Portfolio (Euro million)</b>	<b>344</b>	<b>389</b>	<b>418</b>	<b>512</b>	<b>584</b>	<b>585</b>	
<b>Book Value per share (Euro)</b>	<b>6,14</b>	<b>6,81</b>	<b>7,62</b>	<b>8,52</b>	<b>9,38</b>	<b>10,25</b>	<b>10,8%</b>

## SRC Research

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#### Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	17 May 2021	Buy	8.60 €	11.50 €
ACCENTRO	6 January 2021	Hold	8.30 €	8.50 €
ACCENTRO	13 August 2020	Buy	9.45 €	12.00 €
ACCENTRO	4 June 2020	Accumulate	11.00 €	12.00 €
ACCENTRO	30 March 2020	Buy	7.75 €	9.50 €
ACCENTRO	20 December 2019	Buy	7.70 €	10.00 €
ACCENTRO	7 November 2019	Buy	7.05 €	10.00 €

#### Please note:

The share price mentioned in this report is from 1 June. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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