

<b>Price (Euro)</b>	<b>3.60</b>			
52 weeks range	7.90 / 3.52			
<b>Key Data</b>				
ISIN	DE000A0KFKB3			
Bloomberg	E7S:GR			
Reporting standard	IFRS			
Market Cap (Euro million)	117			
Number of shares (million)	32.4			
Free Float	12.1%			
Free Float Market Cap (Euro million)	14			
CAGR EBIT ('21 -'24e)	9.8%			
<b>Multiples</b>				
	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Market Cap / Total revenues	2.4	2.3	2.0	1.8
<b>PE-Ratio</b>	<b>9.9</b>	<b>7.0</b>	<b>4.7</b>	<b>4.0</b>
Dividend Yield	0.0%	5.6%	8.3%	9.7%
<b>Price-to-Book-Ratio</b>	<b>0.45</b>	<b>0.42</b>	<b>0.39</b>	<b>0.37</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>0.51</b>	<b>0.77</b>	<b>0.90</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>8.55</b>	<b>9.12</b>	<b>9.72</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	51,010	57,946	65,779
Net rental income	7,018	7,066	8,926	10,592
Net service income	1,946	1,423	4,274	5,325
<b>Operating profit (EBIT)</b>	<b>45,164</b>	<b>45,870</b>	<b>56,926</b>	<b>65,752</b>
Net interest income	-20,515	-21,110	-19,933	-22,397
<b>Pre-tax profit (EBT)</b>	<b>20,597</b>	<b>25,262</b>	<b>37,536</b>	<b>43,977</b>
Income taxes	-7,470	-7,073	-10,510	-12,314
<b>Net profit after Minorities</b>	<b>11,845</b>	<b>16,602</b>	<b>24,993</b>	<b>29,311</b>
Shareholders' equity (Euro million)	862	929	1,022	1,074
<b>Privatization Portfolio (Euro million)</b>	<b>360</b>	<b>355</b>	<b>420</b>	<b>457</b>
<b>RoE (after tax)</b>	<b>4.7%</b>	<b>6.2%</b>	<b>8.7%</b>	<b>9.6%</b>
Equity ratio	28.0%	27.1%	27.5%	28.0%
<b>Main Shareholders</b>				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
<b>Financial calendar</b>				
<b>SRC Forum Financials &amp; Real Estate</b>		<b>13 September 2022</b>		
9M 2022 report		30 November 2022		
<b>Analysts</b>				
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### ACCENTRO 1H operating numbers all in all on track, but P&L burdened by impairment – refinancing issue still present, but management expects solution soon – Buy rating and Euro 10.00 affirmed

Yesterday, the company released the report for the first half of 2022. While the numbers of the first six months are mainly in line with our estimates, there are also some points of concern that weigh on the company and the share.

Total revenues of the first six months were up 28% from Euro 73.1m to Euro 93.5m. This hike is mainly driven by the revenues from sales of inventory properties, which increased by 39% from Euro 61m to Euro 85m, leading to capital gains from property sales of Euro 24.6m compared to Euro 9.9m last year, which was even slightly above our expectation. Net rental income on the other hand was at Euro 1.4m significantly below last year's number of Euro 3.5m and our expectations. This was on the one hand caused by lower letting revenues due to sales from the privatization portfolio, but also due to increased letting expenses resulting from higher maintenance costs. Net service income was at Euro 287k also significantly below our expectation. All in all, the interim result of the first half came in at Euro 26.5m and was thus 76% on top of last year's number of Euro 15.1m. While the firm's personnel expenses and other operating expenses only slightly increased to last year, the firm had to book impairment losses of Euro 4.1m. These are in connection with the purchase price reclamation and a shareholder loan to DIM Holding AG, which was due in May but has not yet been settled. While the firm still sees a possibility of a settlement within the current third quarter and also has a collateral of Euro 20m in the form of four properties in Berlin, the firm considered it necessary and appropriate to assume an impairment of about Euro 4m, as the realization of the collateral would result in increased expenses. The firm's EBIT for the period stood at Euro 9m (1H 2021: Euro 19m). Keep in mind that last year's number benefited from a revaluation result of Euro 16.3m, while this year's number saw no valuation gain. With an interest result of Euro -9.6m (1H 2021: -11.2m), the firm recorded a pre-tax loss for the first six months of Euro -366k and a bottom line after minorities of Euro -2.4m, both of which we expect to turn clearly positive by year-end however.

Looking at the balance sheet we see a comfortable position for the moment. The firm's equity ratio remained more or less unchanged at about 28%, while the LTV came down from 54.9% at year-end 2021 to 52.6%. The firm's cash position as of 1H 2022 stands at more than Euro 150m. The main topic here is surely the upcoming maturity of the Euro 250m 2020/23 bond in February 2023 and the subject of a respective refinancing in a currently tough market. The management stated today that it is currently in the process of reviewing different options and that it expects to report a successful signing of a refinancing arrangement in the coming months. **This uncertainty is currently heavily burdening the share in our opinion and we were also expecting more details by now. Nevertheless, there is still about six months until maturity and we expect news in that regard by November. Until then, as the operational development is intact, we confirm our Euro 10.00 target price, which we already reduced with our last update on 5 July and also our Buy rating.**

## 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>	118	<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 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 27.9% and a LTV of 52.6% at 1H 2022.

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	-132,559	-145,815	-160,397	
<b>Capital gains from property sales</b>	<b>29,842</b>	<b>19,625</b>	<b>47,791</b>	<b>51,010</b>	<b>57,946</b>	<b>65,779</b>	<b>8.3%</b>
Letting revenues	10,261	10,351	17,069	19,629	23,752	27,789	
Letting expenses	-3,743	-5,496	-10,051	-12,564	-14,825	-17,197	
<b>Net rental income</b>	<b>6,518</b>	<b>4,855</b>	<b>7,018</b>	<b>7,066</b>	<b>8,926</b>	<b>10,592</b>	<b>10.8%</b>
Revenues from services	3,510	2,434	2,830	4,266	5,972	7,167	
Expenses from services	-1,147	-1,563	-884	-2,843	-1,698	-1,842	
<b>Net service income</b>	<b>2,363</b>	<b>871</b>	<b>1,946</b>	<b>1,423</b>	<b>4,274</b>	<b>5,325</b>	<b>28.6%</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>62,085</b>	<b>74,336</b>	<b>85,272</b>	<b>10.1%</b>
<b>Net revaluation result</b>	<b>11,399</b>	<b>28,367</b>	<b>18,988</b>	<b>14,238</b>	<b>9,334</b>	<b>6,583</b>	
Total payroll and benefit costs	-5,835	-9,048	-10,257	-10,967	-12,473	-13,057	
Depreciation and amortisation	-731	-863	-1,434	-2,234	-1,624	-1,774	
Impairments of inventories and accounts receivable	-123	-124	-1,799	-4,356	-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>45,870</b>	<b>56,926</b>	<b>65,752</b>	<b>9.8%</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	-24,364	-22,514	-25,874	
<b>Net interest income</b>	<b>-7,353</b>	<b>-10,490</b>	<b>-20,515</b>	<b>-21,110</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>25,262</b>	<b>37,536</b>	<b>43,977</b>	<b>20.9%</b>
Income taxes	-6,189	-6,258	-7,470	-7,073	-10,510	-12,314	
<b>Consolidated income</b>	<b>26,299</b>	<b>18,055</b>	<b>13,127</b>	<b>18,189</b>	<b>27,026</b>	<b>31,665</b>	<b>24.6%</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>16,602</b>	<b>24,993</b>	<b>29,311</b>	<b>25.4%</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>0.51</b>	<b>0.77</b>	<b>0.90</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>277,239</b>	<b>295,744</b>	<b>315,324</b>	<b>4.9%</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>27.1%</b>	<b>27.5%</b>	<b>28.0%</b>	
<b>RoE (after tax)</b>	<b>12.6%</b>	<b>7.1%</b>	<b>4.7%</b>	<b>6.2%</b>	<b>8.7%</b>	<b>9.6%</b>	<b>19.7%</b>
<b>Privatisation Portfolio (Euro million)</b>	<b>389</b>	<b>418</b>	<b>360</b>	<b>355</b>	<b>420</b>	<b>457</b>	
<b>Book Value per share (Euro)</b>	<b>6.81</b>	<b>7.62</b>	<b>8.03</b>	<b>8.55</b>	<b>9.12</b>	<b>9.72</b>	<b>4.9%</b>

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### Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	5 July 2022	Buy	3.74 €	10.00 €
ACCENTRO	31 May 2022	Buy	4.20 €	12.00 €
ACCENTRO	9 May 2022	Buy	4.40 €	12.00 €
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 €

### Please note:

The share price mentioned in this report is from 31 August 2022. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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