

Price (Euro)	4.20			
52 weeks range	8.60 / 4.04			
Key Data				
ISIN	DE000A0KFKB3			
Bloomberg	E7S:GR			
Reporting standard	IFRS			
Market Cap (Euro million)	136			
Number of shares (million)	32.4			
Free Float	12.1%			
Free Float Market Cap (Euro million)	16			
CAGR EBIT ('21 -'24e)	9.6%			
Multiples				
Market Cap / Total revenues	2.9	3.0	2.7	2.3
PE-Ratio	11.5	6.8	5.6	4.7
Dividend Yield	0.0%	4.8%	7.1%	8.3%
Price-to-Book-Ratio	0.52	0.49	0.46	0.43
Key Data per share (Euro)				
Earnings per share (EPS)	0.37	0.61	0.75	0.89
Dividend per share (DPS)	0.00	0.20	0.30	0.35
Book Value per Share (BVPS)	8.03	8.65	9.20	9.79
Financial Data (Euro '000)				
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
Operating profit (EBIT)	45,164	46,401	55,882	65,122
Net interest income	-20,515	-17,060	-19,933	-22,397
Pre-tax profit (EBT)	20,597	29,843	36,492	43,347
Income taxes	-7,470	-8,356	-10,218	-12,137
Net profit after Minorities	11,845	19,900	24,241	28,857
Shareholders' equity (Euro million)	862	929	1,022	1,074
Privatization Portfolio (Euro million)	360	420	465	522
RoE (after tax)	4.7%	7.4%	8.4%	9.4%
Equity ratio	28.0%	27.4%	27.8%	28.2%
Main Shareholders				
Brookline Real Estate S.a.r.l.	83.1%			
Adler Real Estate AG	4.8%			
Financial calendar				
AGM			22 June 2022	
1H 2022 report			31 August 2022	
SRC Forum Financials & Real Estate			13 September 2022	
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ACCENTRO delivers good opening quarter with an increase in revenues of more than 22% and a 59% hike in EBIT – Further good performance expected – Euro 12.00 target and Buy rating affirmed

Today, the company released the report for the first quarter of 2022 and reported good numbers. Total revenues amounted to Euro 33.7m after Euro 27.6m last year, a plus of more than 22%. This was mainly driven by the privatization business and lettings, where the sales of the first three months amounted to a volume of Euro 27.3m and 86 sold units respectively. Revenues from sales amounted to Euro 29.3m, leading to capital gains from property sales of Euro 6.4m compared to last year's number of Euro 5.1m. Letting revenues hiked from Euro 2.9m to Euro 4.0m and resulted in a net rental income of Euro 2.5m, up from last year's number of Euro 1.8m. This was driven by the expansion of the investment portfolio over the last year. Net service income for the period was at Euro 149k almost unchanged to last year's number of Euro 173k. The interim result came in at Euro 9.2m, up 28% from last year's result of Euro 7.1m. Personnel expenses and other operating expenses each increased slightly from Euro 2.3m to Euro 2.5m, leading to an operating profit on EBIT basis of Euro 3.6m, significantly up by 59% from last year's number of Euro 2.3m. The financial result stood at Euro -4.4m compared to Euro -3.7m in last year's period. While interest expenses increased from Euro 4.3m to Euro 5.8m, mainly due to the placement of the 2021/2026 bond, while interest income was up from Euro 0.6m to Euro 1.4m. The firm's EBT thus came in at Euro -833k compared to Euro -1.4m last year while the bottom line after minorities improved from Euro -3m to Euro -1.7m. Earnings per share amounted to Euro -0.05 (1Q 2021: Euro -0.09).

Looking at the balance sheet, the equity ratio remained almost unchanged and stood at 27.8% (FY 2021: 28.0%), while the LTV ratio came down from 54.9% at year-end to now 52.8%. Cash and cash equivalents increased from Euro 122m to Euro 159m.

Despite the higher level of the overall uncertainties in the markets and a rising interest rate environment, the firm delivered a good first quarter and we believe that the firm can also deliver good results for the remainder of the year. The firm has also once again reaffirmed its guidance for the full-year. The privatization portfolio still offers about Euro 330m of prospective sales for the individual privatization alone and allows for a high level of sales in the coming quarters. We also believe that the firm can manage to realize price increases in a range of 5% to 10% in 2022 to account for the high level of inflation in the market. Furthermore, in our opinion, the sales and marketing will become more and more relevant again in the current market environment in order to successfully sell the objects and we see ACCENTRO in a good position in that regard compared to other firms on the market. We confirm our Euro 12.00 target price and stick to our Buy recommendation, as we see the share as clearly undervalued at the current low share price level.

ACCENTRO Real Estate AG

Industry:	Real Estate	Management Board of ACCENTRO:
Sub-segment:	Residential	Lars Schriewer
Region:	Germany	
Headquarter:	Berlin	
Foundation	2006	
Employees:	101	Supervisory Board of ACCENTRO:
		Axel Harloff
IR Contact:		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 27.8% and a LTV of 52.8% at 1Q 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
Apartments sold (units)	440	463	420	761
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%
Transaction value (m €)	79.2	109.8	118.7	246.5

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

SRC Research

- Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
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 €
ACCENTRO	2 June 2021	Buy	8.45 €	11.50 €
ACCENTRO	17 May 2021	Buy	8.60 €	11.50 €

Please note:

The share price mentioned in this report is from 30 May 2022. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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