

Price (Euro) **6,85**
52 weeks range 9.20 / 6.00

Key Data

ISIN DE000A0KFKB3
Bloomberg E7S:GR
Reporting standard IFRS
Market Cap (Euro million) 222
Number of shares (million) 32,4
Free Float 12,1%
Free Float Market Cap (Euro million) 27
CAGR EBIT ('19 -'23e) 12,1%

Multiples	2020	2021e	2022e	2023e
Market Cap / Total revenues	11,3	5,1	4,6	4,0
PE-Ratio	13,4	10,1	9,2	7,8
Dividend Yield	0,0%	2,9%	3,6%	4,4%
Price-to-Book-Ratio	0,90	0,83	0,78	0,72

Key Data per share (Euro)	2020	2021e	2022e	2023e
Earnings per share (EPS)	0,51	0,68	0,74	0,87
Dividend per share (DPS)	0,00	0,20	0,25	0,30
Book Value per Share (BVPS)	7,62	8,29	8,84	9,46

Financial Data (Euro '000)	2020	2021e	2022e	2023e
Capital gains from property sales	19.625	43.738	48.549	55.450
Net rental income	4.855	6.289	8.004	10.151
Net service income	871	1.370	1.785	1.835
Operating profit (EBIT)	34.767	53.943	57.685	62.768
Net interest income	-10.490	-21.155	-20.453	-19.838
Pre-tax profit (EBT)	24.313	32.839	37.279	42.962
Income taxes	-6.258	-10.432	-12.773	-14.019
Net profit after Minorities	16.567	21.952	24.028	28.356
Shareholders' equity (Euro million)	581	862	1.009	1.109
Privatization Portfolio (Euro million)	418	443	504	585
RoE (after tax)	7,1%	8,5%	8,6%	9,6%
Equity ratio	28,7%	26,7%	25,8%	25,1%

Main Shareholders

Brookline Real Estate S.a.r.l. 83,1%
Adler Real Estate AG 4,8%

Financial calendar

9M 2021 report 30 November 2021
2021 annual report 28 April 2022

Analysts

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ACCENTRO and ImmoScout24 launch a long-term strategic co-operation to accelerate the future growth giving market access to over 20 million digital users each month and driving new business volume – Target up to 14 Euros

This morning the company announced a very interesting and very lucrative new strategic co-operation with the by far leading internet portal for the search of residential properties in Germany, the **ImmoScout24** portal, which provides access to more than 20 million digital users each month.

In future, both Berlin-based partners, ACCENTRO and Immobilien Scout GmbH are pooling their forces in the marketing and selling of residential real estate in Germany. The partnership is long-term oriented and exclusive. That might give ACCENTRO a much bigger momentum for driving future sales and profits. With this new partnership ACCENTRO has a bigger footprint at institutional investors and property developers, which seek to bring apartments, in particular new-build apartments, to the market and have a high level of planning safety at an early stage in the construction phase. In our view, a new business volume between Euro 600m to Euro 900m for the next 18 to 24 months might be quite realistic.

In the framework of this strategic co-operation ACCENTRO and ImmoScout24 will identify residential real estate assets for joint marketing programs in the future. The digital marketing of these projects will be fully and exclusively handled by ImmoScout24, including the production of micro sites and sell sheets as well as social media activities. There are more than 20 million digital users via the company website or the ImmoScout24 App. In return, ACCENTRO guarantees to take over apartments into its own property portfolio at a fixed price, if it was not possible to market these objects to third parties within a certain period of time.

This concept is a lucrative full service concept for property developers and investors and should attract additional business potential for ACCENTRO. The split of future revenues between both partners was not mentioned and there was not given a more detailed guidance what they expect for a business volume to come in the next years, from their point of view.

In our view, the connection between the strong sales network and profound expertise of ACCENTRO and the leading provider in the digital world for residential real estate in Germany, ImmoScout24, makes great sense. For this reason, combined with prosperous 9M numbers (and maybe a hike of the company's full year projections) to come in 3 weeks, on 30 November, we lift our target price from Euro 12.00 to Euro 14.00. At current low levels of Euro 7.00, the company offers a 100% share price upside and should receive a re-rating from capital markets as housing Germany is and will remain a boom topic and ACCENTRO will play a very decent role here.

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
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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 of 26.1% and a LTV of 56.1% at 1H 2021.

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 first six months and the 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	
Capital gains from property sales	33,085	29,842	19,625	43,738	48,549	55,450	16.8%
Letting revenues	8,806	10,261	10,351	19,447	23,531	28,472	
Letting expenses	-2,676	-3,743	-5,496	-13,158	-15,526	-18,321	
Net rental income	6,130	6,518	4,855	6,289	8,004	10,151	11.7%
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	
Net service income	2,283	2,363	871	1,370	1,785	1,835	-6.1%
Other operating income	1,663	1,207	1,699	3,245	3,544	3,189	
Gross profit or loss	43,161	39,930	27,050	54,642	61,883	70,625	15.3%
Net revaluation result	0	11,399	28,367	19,953	12,587	9,334	
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	-9,681	-5,224	-4,977	
Net income from associates	2	1,244	102	450	455	511	
Earnings before interest and taxes (EBIT)	32,865	39,805	34,767	53,943	57,685	62,768	12.1%
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	-22,896	-21,967	-22,419	
Net interest income	-8,925	-7,353	-10,490	-21,155	-20,453	-19,838	
Profit/loss before taxes (EBT)	23,976	32,488	24,313	32,839	37,279	42,962	7.2%
Income taxes	-5,675	-6,189	-6,258	-10,432	-12,773	-14,019	
Consolidated income	18,301	26,299	18,055	22,407	24,506	28,943	2.4%
Minorities	-103	168	-1,488	-455	-478	-587	
Net profit/loss after minorities	18,198	26,467	16,567	21,952	24,028	28,356	1.7%
Number of shares ('000)	32,438	32,438	32,438	32,438	32,438	32,438	
Earnings per share (EPS)	0.56	0.81	0.51	0.68	0.74	0.87	
Dividend per share (DPS)	0.16	0.00	0.00	0.20	0.25	0.30	
Shareholders' Equity	199,104	220,811	247,101	269,053	286,594	306,840	8.6%
Balance Sheet sum	474,205	580,757	861,987	1,008,525	1,109,377	1,220,315	
Equity Ratio	42.0%	38.0%	28.7%	26.7%	25.8%	25.1%	
RoE (after tax)	10.3%	12.6%	7.1%	8.5%	8.6%	9.6%	-6.7%
Privatisation Portfolio (Euro million)	344	389	418	443	504	585	
Book Value per share (Euro)	6.14	6.81	7.62	8.29	8.84	9.46	8.6%

SRC Research - Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
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 €
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 €

Please note:

The share price mentioned in this report is from 9 November. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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