

EYEMAXX Real Estate

Buy (unchanged) **Target: Euro 19.00** (unchanged)

05 | July | 18



Price (Euro)	10.40
52 weeks range	15.48 / 9.18
Key Data	
Country	Germany
Industry	Real Estate
Segment	General Standard
ISIN	DE000A0V9L94
Sec. ID-No.	A0V9L9
Symbol	BNT1
Bloomberg	BNT1:GR
Internet	www.eyemaxx.com
Reporting Standard	IFRS
Fiscal Year	31/10
IPO	2011
Ø Daily Turnover in € (1M)	1,567
Market Cap (EUR million)	53.9
Number of shares (million)	5.18
Free Float	57.70%
Free Float MCap (million)	31.1
CAGR pre tax profit 2016-19e	28.4%

Multiples	2016/17	2017/18e	2018/19e	2019/20e
PE-Ratio	6.8	6.3	6.0	5.1
Dividend Yield	1.9%	1.9%	1.9%	1.9%

Key Data per Share (Euro)	2016/17	2017/18e	2018/19e	2019/20e
Earnings per share (EPS)	1.54	1.66	1.74	2.02
Dividends per share (DPS)	0.20	0.20	0.20	0.20
Book value per share (BVPS)	10.62	12.29	13.04	14.69

Financial Data (Euro '000)	2016/17	2017/18e	2018/19e	2019/20e
Revenues	4,998	7,512	7,959	8,053
Operating profit (EBITDA)	14,558	16,503	17,107	20,176
Operating profit (EBIT)	14,252	16,197	16,783	19,840
Pre-tax profit (EBT)	8,202	11,008	13,508	17,352
Net profit	6,627	9,103	11,811	13,781
Net profit after minorities	6,620	9,094	11,799	13,772
Adjusted shareholders' equity	49,956	68,062	90,124	101,478
Book value per share	10.62	12.29	13.04	14.69
RoE after tax	9.4%	8.1%	13.4%	6.8%

Financial Calendar	
1H report 2017/18	31 July 2018
SRC Forum Financials & Real Estate	6 September 2018

Main Shareholder	
CEO Dr. Michael Müller	35.50%
Johann Kowar	6.80%

Analysts	Dipl.-Kfm. Stefan Scharff, CREA Christopher Mehl, MBA
	☎ 49 (0)69 400 313-79 and -80
	✉ scharff@src-research.de
	✉ mehl@src-research.de

Internet	www.src-research.de www.aktienmarkt-deutschland.de www.aktienmarkt-international.at
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EYEMAXX secures plot for hotel project in Berlin – very satisfying 1H numbers as EBIT is up 37% and bottom line up by 63% – Buy and Euro 19.00 affirmed

After the good news flow of the recent weeks, on which we reported with our last update on 27 June, the company followed up with some further pleasant news. Yesterday, EYEMAXX announced that the company has secured an almost 4,000 sqm plot in Berlin-Treptow on which a new hotel is to be developed. The hotel will offer around 260 rooms with a net usable area of more than 5,600 sqm. Furthermore, an underground parking with 59 spaces is included in the plot. The project has a volume of about Euro 33m and a return on equity in the upper double-digit percentage range is expected. Construction is set to begin in 2Q 2019 and should be finished by the end of 2020. A letter of intent was already signed with a hotel operator. With this project at hand, the firm's project pipeline increased to Euro 910m.

On Monday, 2 July, EYEMAXX released some key data for the first six months of the 2017/18 fiscal year (Nov. 2017 – April 2018). These numbers are very satisfying and fully in line with our estimates. Revenues are up about 30%, from Euro 2.1m in the previous year to Euro 2.7m now. The firm's operating profit on EBIT basis hiked by about 37%, from almost Euro 4.5m in last year's period to Euro 6.1m. The bottom line jumped significantly from Euro 1.32m to Euro 2.1m, up by 63%. The firm's equity ratio also improved over the first half of the year and is at 34.0%, up from 33.4% at FY 2016/17. The hike in numbers reflects the good work of the company in terms of their project developments as well as the lucrative expansion of the investment portfolio.

With the recent news flow, the significant increase in the firm's project pipeline from Euro 760m at the end of FY 2016/17 to now more than Euro 910m and the strong numbers of the first six months, the company is on a very solid path. The management furthermore confirmed its forecast for a further substantial increase in earnings in the current full year numbers. We are confident that this will be the case as well. As for the following years, about two thirds of the pipeline is to be completed between 2020 and 2022, securing revenues for the mid to long-term future. We confirm our target price of Euro 19.00 and also our Buy recommendation. The company will release the full 1H financial report on 31 July.

EYEMAXX Real Estate AG

Company profile

Industry: Real Estate
Sub-segment: Developer (multi-asset)
Region: Austria, Germany, CEE
Headquarter: Aschaffenburg
Foundation 1996
Employees: 60

IR Contact:
 edicto GmbH
 Fon: +49 (0) 69 90550552
 eyemaxx@edicto.de

Management Board of EYEMAXX Real Estate AG:
 CEO Dr. Michael Müller

Supervisory Board of EYEMAXX Real Estate AG:
 Andreas Karl Autenrieth
 Richard Fluck
 Dr. Bertram Samonig

EYEMAXX Real Estate AG is an international project developer and investor for commercial, logistics and residential real estate (including nursing homes) with a focus on the home markets Austria and Germany as well as some promising markets in CEE / SEE countries like Poland, Czech Republic, Slovakia and Serbia. The company started to develop first and foremost retail parks and strip malls and works together with well-known western retail brands participating from their expansion to Central and South Eastern European countries.

In terms of retail parks the company became one of the market leaders in CEE. A pre-let quota of at least 50% is the pre-condition to start construction activities at a certain location. Furthermore, popular and well-known trade chains like Hofer, DM, Takko, New Yorker, Bauhaus, Deichmann, Rossmann or C&A, to mention only a few, are among tenants. The retail parks themselves are being distributed under a brand like "BIG BOX" "MyBOX" or "STOP.SHOP" (a trade-mark of Immofinanz). Finally developments within the portfolio are mostly sold after completion to an investor. In the past seven years, more than twenty developments with a transaction volume of more than Euro 300m were successfully built and sold. In addition, EYEMAXX built up a core portfolio of commercial properties in Germany with a balance sheet volume of approx. Euro 37m at the end of FY 2016/2017. Coming from retail parks and logistics / commercial properties, Eyemaxx announced in 2014 to enter new fields of business by developing German and Austrian residential properties in the German Top 7 cities and surrounding areas and in Vienna as well as nursing homes in Germany. The total pipeline was at Euro 200m at the beginning of FY 2015 / 2016, thereof c. Euro 100m in retail parks (Fachmarktzentren) and c. Euro 100m in residential and nursing homes (Wohnimmobilien und Pflegeheime). Then, EYEMAXX acquired in a 50% / 50% JV together with former conwert founder and CEO Johann Kowar the German Mannheim Postquadrat city quarter development with 57,000 sqm of gross floor area to build residential and commercial units as well as two hotels (euro 160m investments). Besides the Mannheim Postquadrat EYEMAXX recently acquired another residential project in Vienna and two large projects near Berlin in Schönefeld, with a total volume of Euro 338m. With the addition of further projects in 2017/18 the total pipeline increased to more than Euro 910m.

Some more good news besides the acquisition side came from the trading, in particular some lucrative forward deal agreements. Last year started with the announcement of the sale of a retail center in Czech Republic in January. Later on, in March, about one quarter of the Postquadrat project in Mannheim was sold for about Euro 45m. Furthermore, two projects, namely the Thomasium project in Leipzig and the Pflegeheim Klein Lengden project were successfully completed and handed over.

Source: Company Data, SRC Research

P&L Account for EYEMAXX (year ending 31 October)

EYEMAXX Real Estate AG 31/10 IFRS (Euro '000)	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e	CAGR '16/17 - '19/20e
Revenues	1,534	2,397	1,571	2,316	3,530	4,998	7,512	7,959	8,053	17.2%
Increase in finished and unfinished products	905	449	1,158	1,878	925	2,168	1,207	-3,513	-5,213	
Other operating income (including revaluation result)	3,615	3,904	3,917	9,281	3,882	3,167	2,059	3,314	3,015	
thereof revaluation result	2,385	2,895	3,683	8,815	2,212	1,183	1,359	2,159	2,143	
Total operating income	6,054	6,750	6,646	13,475	8,337	10,333	10,778	7,760	5,855	
Cost of material	-497	-89	-398	-192	-761	-402	-463	-482	-453	
Personnel expenses	-1,760	-1,597	-1,920	-2,006	-2,326	-3,384	-3,987	-4,294	-4,387	
Other operating expenses	-3,335	-2,988	-4,113	-4,535	-4,705	-5,238	-4,812	-4,912	-5,012	
Net income from investments accounted for using the equity method	4,503	4,836	7,396	3,094	9,908	13,249	14,987	19,035	24,173	
EBITDA	4,965	6,912	7,611	9,836	10,453	14,558	16,503	17,107	20,176	11.5%
<i>EBITDA-margin</i>	<i>323.7%</i>	<i>288.4%</i>	<i>484.5%</i>	<i>424.7%</i>	<i>296.1%</i>	<i>291.3%</i>	<i>219.7%</i>	<i>214.9%</i>	<i>250.5%</i>	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-136	-178	-209	-223	-213	-306	-306	-324	-336	
Operating profit (EBIT)	4,829	6,734	7,402	9,613	10,240	14,252	16,197	16,783	19,840	11.7%
<i>EBIT-margin</i>	<i>314.8%</i>	<i>280.9%</i>	<i>471.2%</i>	<i>415.1%</i>	<i>290.1%</i>	<i>285.2%</i>	<i>215.6%</i>	<i>210.9%</i>	<i>246.4%</i>	
Interest earnings	1,061	1,154	1,089	1,918	2,956	2,943	3,821	4,921	4,638	
Income from disposal of investments	0	0	0	0	0	0	0	0	0	
other financial earnings	0	0	0	0	0	0	0	0	0	
Interest expenses	-2,703	-4,246	-4,640	-5,601	-6,644	-8,993	-9,010	-8,196	-7,126	
other financial costs	0	0	0	0	0	0	0	0	0	
Financial result	-1,642	-3,092	-3,551	-3,683	-3,688	-6,050	-5,189	-3,275	-2,488	
Pre-tax Profit (EBT)	3,187	3,642	3,851	5,930	6,552	8,202	11,008	13,508	17,352	28.4%
<i>EBT-margin</i>	<i>207.8%</i>	<i>151.9%</i>	<i>245.1%</i>	<i>256.0%</i>	<i>185.6%</i>	<i>164.1%</i>	<i>146.5%</i>	<i>169.7%</i>	<i>215.5%</i>	
Tax expenses	-614	-533	-1,521	-1,896	-699	-1,575	-1,905	-1,697	-3,571	
<i>Tax rate</i>	<i>19.3%</i>	<i>14.6%</i>	<i>39.5%</i>	<i>32.0%</i>	<i>10.7%</i>	<i>19.2%</i>	<i>17.3%</i>	<i>12.6%</i>	<i>20.6%</i>	
Net Profit	2,573	3,109	2,330	4,034	5,853	6,627	9,103	11,811	13,781	27.6%
Minorities	38	-40	-20	1	-6	-7	-9	-12	-9	
Net profit after minorities	2,611	3,069	2,310	4,035	5,847	6,620	9,094	11,799	13,772	
Other comprehensive income	n.a.	-98	-522	-169	-332	618	120	245	189	
Net Profit after minorities and other comp. Income	2,611	2,971	1,788	3,866	5,515	7,238	9,214	12,044	13,961	
<i>Return on sales</i>	<i>170.2%</i>	<i>123.9%</i>	<i>113.8%</i>	<i>166.9%</i>	<i>156.2%</i>	<i>144.8%</i>	<i>122.7%</i>	<i>151.3%</i>	<i>173.4%</i>	
Number of shares ('000, at year-end)	2,651	2,901	3,191	3,510	4,290	4,706	5,539	6,910	6,910	
Earnings per share (Euro)	0.98	1.02	0.56	1.10	1.36	1.54	1.66	1.74	2.02	
Dividends per Share (DPS) in Euro	0.30	0.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
Adjusted shareholder's equity	16,601.00	20,079.00	23,585.00	28,286.00	37,268.00	49,956.00	68,062.20	90,124.00	101,478.00	
Book Value per Share (BVPS) in Euro	6.26	6.92	7.39	8.06	8.69	10.62	12.29	13.04	14.69	
Key ratios & figures	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e	
Growth rates in %										
Revenues	-63.8%	56.3%	-34.5%	47.4%	52.4%	41.6%	50.3%	6.0%	1.2%	
EBITDA	155.7%	39.2%	10.1%	29.2%	6.3%	39.3%	13.4%	3.7%	17.9%	
EBIT	173.1%	39.4%	9.9%	29.9%	6.5%	39.2%	13.6%	3.6%	18.2%	
EBT	181.0%	14.3%	5.7%	54.0%	10.5%	25.2%	34.2%	22.7%	28.5%	
Net profit after minorities	n.a.	n.a.	432.7%	-67.6%	96.4%	-286.1%	-80.6%	104.2%	-22.9%	
Margins in %										
EBITDA (total operating income)	82.0%	102.4%	114.5%	73.0%	125.4%	140.9%	153.1%	220.5%	344.6%	
EBIT (total operating income)	79.8%	99.8%	111.4%	71.3%	122.8%	137.9%	150.3%	216.3%	338.9%	
EBT (total operating income)	52.6%	54.0%	57.9%	44.0%	78.6%	79.4%	102.1%	174.1%	296.4%	
Expense ratios in %										
Personnel costs quote (total operating income)	29.1%	23.7%	28.9%	14.9%	27.9%	32.7%	37.0%	55.3%	74.9%	
Depreciation to total operating income	2.2%	2.6%	3.1%	1.7%	2.6%	3.0%	2.8%	4.2%	5.7%	
Tax rate	19.3%	14.6%	39.5%	32.0%	10.7%	19.2%	17.3%	12.6%	20.6%	
Profitability in %										
Net profit to total operating income ratio	n.a.	-1.5%	-7.9%	-1.3%	-4.0%	6.0%	1.1%	155.2%	3.2%	
Return on equity (RoE) after tax	16.0%	14.4%	13.5%	12.4%	11.5%	9.4%	8.1%	13.4%	6.8%	

SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC-Scharff Research und Consulting GmbH

Klingerstrasse 23

D-60313 Frankfurt

Germany

Fon: +49 (0)69 – 400 313-80

Mail: scharff@src-research.de

Internet: www.src-research.de

EYEMAXX Real Estate	27 June 2018	Buy	10.20 €	19.00 €
EYEMAXX Real Estate	20 February 2018	Buy	10.90 €	19.00 €
EYEMAXX Real Estate	23 October 2017	Buy	11.24 €	19.00 €
EYEMAXX Real Estate	22 September 2017	Buy	14.95 €	19.00 €
EYEMAXX Real Estate	24 July 2017	Buy	14.26 €	18.00 €
EYEMAXX Real Estate	03 July 2017	Buy	13.00 €	18.00 €
EYEMAXX Real Estate	20 February 2017	Buy	11.30 €	14.00 €
EYEMAXX Real Estate	06 December 2016	Buy	8.82 €	14.00 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 4 July 2018. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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