

# EYEMAXX Real Estate

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

17 | August | 18



<b>Price (Euro)</b>	<b>10.90</b>
52 weeks range	15.47 / 9.18
<b>Key Data</b>	
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)	56.5
Number of shares (million)	5.18
Free Float	57.70%
Free Float MCap (million)	32.6
CAGR pre tax profit 2016-19e	28.4%

<b>Multiples</b>	<b>2016/17</b>	<b>2017/18e</b>	<b>2018/19e</b>	<b>2019/20e</b>
<b>PE-Ratio</b>	<b>7.1</b>	<b>6.6</b>	<b>6.3</b>	<b>5.4</b>
Dividend Yield	1.8%	1.8%	1.8%	1.8%

<b>Key Data per Share (Euro)</b>	<b>2016/17</b>	<b>2017/18e</b>	<b>2018/19e</b>	<b>2019/20e</b>
<b>Earnings per share (EPS)</b>	<b>1.54</b>	<b>1.66</b>	<b>1.74</b>	<b>2.02</b>
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

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

## Financial Calendar

**SRC Forum Financials & Real Estate** **6 September 2018**  
Annual report 2017/ 2018 February 2019

## Main Shareholder

CEO Dr. Michael Müller 35.50%  
Johann Kowar 6.80%

## Analysts

**Dipl.-Kfm. Stefan Scharff, CREA**  
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**Bond 2018/2023 is now fully placed – the strategic partnership with ViennaEstate is fixed by the participation of 14% - confirmation of the guidance – still Buy and Euro 19.00 target**

After the pleasant news recently reported on our latest updates on 27 June and 5 July, there was further positive news flow in recent days.

On 6 August, it was announced that the full placement of the new 5 years 2018/2023 bond was achieved. Initially, only just over Euro 20m of the Euro 30m maximum issue volume was realized, but now another Euro 10m have been subscribed by institutional investors. This will provide additional funding for further business growth from EYEMAXX. These additional funding are used to accelerate new and existing real estate projects and to expand the real estate portfolio by the implementation of new projects. We are confident that the financial resources of this bond will have a positive impact on EYEMAXX Real Estate AG and will be repaid reliably as the last two. We are also optimistic about the goal of expanding the EYEMAXX pipeline to one billion Euros in the coming quarters. Additionally, the management's profit expectations for the current FY 2017/18, ending 31 October, were confirmed.

Another good news was on 17 July. It was announced that the negotiations for the acquisition of 14 percent of ViennaEstate Immobilien AG have been successfully completed. In addition, the strategic partnership between EYEMAXX and ViennaEstate was fixed. This investment is made by property developers in Vienna and environment, which are not part of the core project pipeline of EYEMAXX and which make up a low one-digit million amount in the balance sheet. This leads to a non-cash capital increase at ViennaEstate. ViennaEstate is a company with many years of experience. The total value of the real estate in own portfolio and under management amounts to approximately Euro 352m. ViennaEstate's equity capital is in the mid-double-digit million Euro range. Also, in the future ViennaEstate plans to pay significant dividends, from which will also benefit the new anchor shareholder EYEMAXX.

**The recent news flow sounds promising for the coming years. The firm's project pipeline has significantly increased from Euro 760m at the end of FY 2016/17 to now more than Euro 910m. Two thirds of the pipeline are to be completed between 2020 and 2022, securing revenues for the mid to long-term future. The management furthermore confirmed its forecast for a further substantial increase in earnings in the current full year numbers. Due to the excellent economic situation of EYEMAXX, whose EBIT has been steadily rising for seven years, we are confident that this will be the case as well. We confirm our target price of Euro 19.00 and also our Buy recommendation.**

## EYEMAXX Real Estate AG

## Company profile

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

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**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&amp;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
<b>Revenues</b>	<b>1,534</b>	<b>2,397</b>	<b>1,571</b>	<b>2,316</b>	<b>3,530</b>	<b>4,998</b>	<b>7,512</b>	<b>7,959</b>	<b>8,053</b>	<b>17.2%</b>
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	
<b>Total operating income</b>	<b>6,054</b>	<b>6,750</b>	<b>6,646</b>	<b>13,475</b>	<b>8,337</b>	<b>10,333</b>	<b>10,778</b>	<b>7,760</b>	<b>5,855</b>	
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	
<b>EBITDA</b>	<b>4,965</b>	<b>6,912</b>	<b>7,611</b>	<b>9,836</b>	<b>10,453</b>	<b>14,558</b>	<b>16,503</b>	<b>17,107</b>	<b>20,176</b>	<b>11.5%</b>
<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	
<b>Operating profit (EBIT)</b>	<b>4,829</b>	<b>6,734</b>	<b>7,402</b>	<b>9,613</b>	<b>10,240</b>	<b>14,252</b>	<b>16,197</b>	<b>16,783</b>	<b>19,840</b>	<b>11.7%</b>
<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	
<b>Financial result</b>	<b>-1,642</b>	<b>-3,092</b>	<b>-3,551</b>	<b>-3,683</b>	<b>-3,688</b>	<b>-6,050</b>	<b>-5,189</b>	<b>-3,275</b>	<b>-2,488</b>	
<b>Pre-tax Profit (EBT)</b>	<b>3,187</b>	<b>3,642</b>	<b>3,851</b>	<b>5,930</b>	<b>6,552</b>	<b>8,202</b>	<b>11,008</b>	<b>13,508</b>	<b>17,352</b>	<b>28.4%</b>
<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>	
<b>Net Profit</b>	<b>2,573</b>	<b>3,109</b>	<b>2,330</b>	<b>4,034</b>	<b>5,853</b>	<b>6,627</b>	<b>9,103</b>	<b>11,811</b>	<b>13,781</b>	<b>27.6%</b>
Minorities	38	-40	-20	1	-6	-7	-9	-12	-9	
<b>Net profit after minorities</b>	<b>2,611</b>	<b>3,069</b>	<b>2,310</b>	<b>4,035</b>	<b>5,847</b>	<b>6,620</b>	<b>9,094</b>	<b>11,799</b>	<b>13,772</b>	
Other comprehensive income	n.a.	-98	-522	-169	-332	618	120	245	189	
<b>Net Profit after minorities and other comp. Income</b>	<b>2,611</b>	<b>2,971</b>	<b>1,788</b>	<b>3,866</b>	<b>5,515</b>	<b>7,238</b>	<b>9,214</b>	<b>12,044</b>	<b>13,961</b>	
<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	
<b>Earnings per share (Euro)</b>	<b>0.98</b>	<b>1.02</b>	<b>0.56</b>	<b>1.10</b>	<b>1.36</b>	<b>1.54</b>	<b>1.66</b>	<b>1.74</b>	<b>2.02</b>	
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	
<b>Key ratios &amp; figures</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18e</b>	<b>2018/19e</b>	<b>2019/20e</b>	
<b>Growth rates in %</b>										
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%	
<b>Margins in %</b>										
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%	
<b>Expense ratios in %</b>										
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%	
<b>Profitability in %</b>										
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

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Rating Chronicle	Date	Rating	former share price	former target
EYEMAXX Real Estate	05 July 2018	Buy	10.40 €	19.00 €
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 €

#### Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 16 August 2018. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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