

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

28 | September | 18

■ Price (Euro)	11.50			
52 weeks range	14.50 / 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)	59.6			
Number of shares (million)	5.18			
Free Float	57.2%			
Free Float MCap (million)	34.1			
CAGR pre tax profit 2016-19e	28.4%			
■ Multiples	2016/17	2017/18e	2018/19e	2019/20e
PE-Ratio	7.5	6.9	6.6	5.7
Dividend Yield	1.7%	1.7%	1.7%	1.7%
■ 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				
Annual report 2017/ 2018	February 2019			
■ Main Shareholder				
CEO Dr. Michael Müller	30.0%			
Johann Kowar	12.8%			
■ Analysts	Dipl.-Kfm. Stefan Scharff, CREA			
	Christopher Mehl, MBA			
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Sonnenhöfe project about to be forward sold - Repurchase offer completed for the 2013/2019 bond in a volume of Euro 1.3m at 103% - Johann Kowar increases his share to 12.8%

Yesterday, the company announced that it is in advanced negotiations regarding a forward sale of the Sonnenhöfe project in Schönefeld near Berlin, which is one of the largest projects in company history. The firm expects to exceed the expected sales price. The price, which will not be disclosed, will be paid after completion, which is scheduled for the third quarter 2021.

Already on Wednesday, EYEMAXX published the result of their repurchase offer for one bond, which was announced earlier this month, on 10 September. The offer was for up to 50% of the bond with a volume of up to Euro 3.8m. The amount of the early redemption was at 103% of the nominal amount of Euro 1,000 each, including a 102% repayment rate and a 1% bonus payment. Additionally, the interest accrued from 26 March 2018 to 21 September 2018 is being paid as well. The public repurchase offer was available from 12 September 2018 to 21 September 2018. The EYEMAXX bond, which was placed in March 2013 with an interest coupon of 7.875% per year had originally an issue volume of Euro 15m, divided in 15,000 shares of which nominally Euro 7.5m are still outstanding. With the repurchase offer EYEMAXX was able to reduce the amount of the bond by Euro 1.3m to Euro 6.2m. Due to that fact, EYEMAXX reduces its future interest expenses and liabilities.

Along with the news of the successful partial repurchase of the 2013/2019 bond, investors were reminded that the next exercise period for the EYEMAXX convertible bonds 2016/2019 and 2017/2019 lies ahead. Holders of these bonds have from 1 October 2018 the possibility to convert their bonds into new bearer shares of EYEMAXX.

On 11 September, the firm published that the second largest shareholder of the company increased his stake in EYEMAXX to 12.8%. Johann Kowar, the founder and former CEO of the ATX real estate company conwert has already been a shareholder of the EYEMAXX Real Estate AG for a longer time. Due to the fact that he wants to continue his involvement with EYEMAXX in the long term with a strategic interest, he bought 235,700 shares from CEO and EYEMAXX founder Dr. Michael Müller. To make this transaction possible, Michael Müller reduced his stake from 34.5% to 30.0%. This as positive sign for the company and the share and could also help for the further expansion of the pipeline through new attractive projects.

The early redemption of the Bond will reduce the interest expenses of EYEMAXX. The increased exposure in EYEMAXX by the very experienced private investor Johann Kowar is another great sign of confidence in the firm. The share price has increased from Euro 10.90 since our last update to Euro 11.50, a remarkable Plus of 6% in the last six weeks. Following the good news of the forward sale and the high pipeline we are confident that the positive corporate development will continue. We confirm our target of € 19.00 which is not too demanding and also renew our Buy recommendation.

EYEMAXX Real Estate AG		Company profile
Industry:	Real Estate	Management Board of EYEMAXX Real Estate AG: CEO Dr. Michael Müller
Sub-segment:	Developer (multi-asset)	
Region:	Austria, Germany, CEE	Supervisory Board of EYEMAXX Real Estate AG: Andreas Karl Autenrieth Richard Fluck Dr. Bertram Samonig
Headquarter:	Aschaffenburg	
Foundation	1996	
Employees:	60	
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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%

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Rating Chronicle	Date	Rating	former share price	former target
EYEMAXX Real Estate	17 August 2018	Buy	10.90 €	19.00 €
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 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 27 September 2018. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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