

EYEMAXX Real Estate

Buy (unchanged) Target: Euro 14.00 (unchanged)

20 | Feb | 17



Der Spezialist für Finanzaktien

Price (Euro)	11.30
52 weeks range	11.53 / 4.00
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)	48.5
Number of shares (million)	4.29
Free Float	50%
Free Float MCap (million)	24.2
CAGR pre tax profit 2015-18e	19.5%

Multiples	2014/15	2015/16e	2016/17e	2017/18e
PE-Ratio	10.3	8.5	7.1	6.2
Dividend Yield	1.8%	2.7%	4.4%	5.3%

Key Data per Share (Euro)	2014/15	2015/16e	2016/17e	2017/18e
Earnings per share (EPS)	1.10	1.33	1.60	1.83
Dividends per share (DPS)	0.20	0.30	0.50	0.60
Book value per share (BVPS)	8.06	8.76	9.30	9.90

Financial Data (Euro '000)	2014/15	2015/16e	2016/17e	2017/18e
Revenues	2,316	3,531	3,925	4,250
Operating profit (EBITDA)	9,836	10,447	12,109	13,224
Operating profit (EBIT)	9,613	10,237	11,874	12,994
Pre-tax profit (EBT)	5,930	5,917	8,284	10,125
Net profit	4,034	5,852	7,654	9,475
Net profit after minorities	4,035	5,782	7,572	9,382
Adjusted shareholders' equity	28,286	37,599	43,700	50,502
Book value per share	8.06	8.76	9.30	9.90
RoE after tax	12.4%	11.4%	10.8%	10.1%

Financial Calendar	
Annual report 2015 / 2016	28 February 2017
1H 2016/2017 report	31 July 2017

Main Shareholder	
CEO Dr. Michael Müller	50%

Analyst	Dipl.-Kfm. Stefan Scharff, CREA
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EYEMAXX with good 2016 prelims slightly above our forecast – Well filled pipeline and enough firepower after placing the Euro 4.2m convertible – Buy and TP affirmed

On Friday, 17 February, the company released some prelims for FY 2015/2016 which ended on 31 October. The numbers were very satisfying and slightly exceeded our expectations.

The bottom line, namely the net profit before minorities, came in at Euro 5.85m, a Plus of 45% compared to Euro 4.03m in the year before. Our forecast was slightly below at Euro 5.74m. The rental revenues increased 52% from Euro 2.3m to more than Euro 3.5m as the company acquired 5 fully rented commercial properties in Germany in the last year. Our forecast was only slightly above Euro 3.1m. The operating profit (EBIT) was at Euro 10.24m, more or less in line with our forecast (Euro 10.57m).

The company was already successful in December on the financing side by placing a convertible bond to drive the steep growth, with a volume of Euro 4.2m for a three years duration and a semi-annual coupon of 4.5% with a strike price of Euro 9.80. Prior to the placement, we reported about the plan on 6 December at a share price of Euro 8.82. Now, the share price hiked by almost 30% to clearly above 11 Euros, clearly being in-the-money for the convertible, and coming much closer to our Euro 14.00 target price.

We maintain our future P & L forecast more or less unchanged as we wait for the annual report to be published soon, on 28 February. In our view, there are more forward deal transactions likely to come soon, after selling 3 retail centers, 2 residential projects, and 1 nursing home in the last FY 2015/2016. For instance for the big Mannheim Postquadrat residential landmark project we imagine Eyemaxx to sell at least some significant parts in a forward agreement.

After the good full year prelims we maintain our Buy recommendation and also confirm our Euro 14.00 target price. The company has a well filled Euro 400m development pipeline. The good full year prelim numbers as well as the decent news flow in trading activities and the new successful convertible bond placement in December allow to drive the growth of future profits.

EYEMAXX Real Estate AG

Company profile

Industry:	Real Estate	Management Board of EYEMAXX Real Estate AG:
Sub-segment:	Developer (multi-asset)	CEO Dr. Michael Müller
Region:	Austria, Germany, CEE	
Headquarter:	Aschaffenburg	
Foundation	1996	Supervisory Board of EYEMAXX Real Estate AG:
Employees:	40	Franz Gulz (Chairman)
		Richard Fluck Andreas Karl Autenrieth
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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 as well as Croatia. 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 six years, twenty developments with a transaction volume of more than Euro 250m were successfully built and sold. In addition to that, EYEMAXX built up a core portfolio of commercial properties in Germany with a balance sheet volume of Euro 37.2m at the end of FY 2014/2015.

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 (Euro 27m investments). Thus, the total pipeline recently almost doubled to c. Euro 390m.

Some more good news besides the acquisition side came from the trading, in particular some lucrative forward deal agreements. The company has several nursing homes in planning or under construction. The first one near the German metropole Mainz was already sold in the second half of last year before the construction started and the second one in Lower Saxony was sold in March 2016 and will be finished at the beginning of 2017.

After these favorable trading news from the nursing homes EYEMAXX delivered on a forward sale agreement for a residential project in the Saxon metropolis Leipzig which was acquired in September 2015 and started mid of 2016 and will deliver 135 flats for c. Euro 25m investment costs. This project was also sold only ten months later, as a lucrative forward deal.

And keep in mind that the year started with good trading news that came in January 2016, where EYEMAXX announced the forward sale of a retail park near Prague with a deal size of Euro 5m. Another retail park in the Polish city Olawa was also sold in January 2016 for about Euro 2.5m.

On 17 February 2017 EYEMAXX reported prelim full year numbers (Nov. 2015 - Oct. 2016), a 45% hike in net profit from Euro 4.03m to Euro 5.85m. Revenues almost doubled from Euro 2.3m to more than Euro 3.5m.

Source: Company Data, SRC Research

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

EYEMAXX Real Estate AG 31/10 IFRS (Euro '000)	2011	2011/12	2012/13	2013/14	2014/15	2015/16e	2016/17e	2017/18e	2018/19e	CAGR '15 - '18e
Revenues	4,232	1,534	2,397	1,571	2,316	3,531	3,925	4,250	5,310	22.4%
Increase in finished products	-1,616	905	449	1,158	1,878	2,145	200	850	200	
Other operating income (including revaluation result)	4,767	3,615	3,904	3,917	9,281	4,180	4,950	6,100	5,020	
thereof revaluation result	0	2,385	2,895	3,683	8,815	4,020	4,625	4,876	4,952	
Total operating income	7,383	6,054	6,750	6,646	13,475	9,856	9,075	11,200	10,530	
Cost of material	-1,150	-497	-89	-398	-192	-255	-285	-296	-205	
Personnel expenses	-1,203	-1,760	-1,597	-1,920	-2,006	-2,745	-2,874	-2,945	-2,825	
Other operating expenses	-3,301	-3,335	-2,988	-4,113	-4,535	-4,950	-5,007	-4,520	-4,210	
Net income from investments accounted for using the equity method	213	4,503	4,836	7,396	3,094	8,541	11,200	9,785	13,320	
EBITDA	1,942	4,965	6,912	7,611	9,836	10,447	12,109	13,224	16,610	10.4%
<i>EBITDA-margin</i>	<i>45.9%</i>	<i>323.7%</i>	<i>288.4%</i>	<i>484.5%</i>	<i>424.7%</i>	<i>295.9%</i>	<i>308.5%</i>	<i>311.2%</i>	<i>312.8%</i>	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-175	-136	-178	-209	-223	-210	-235	-230	-220	
Operating profit (EBIT)	1,768	4,829	6,734	7,402	9,613	10,237	11,874	12,994	16,390	10.6%
<i>EBIT-margin</i>	<i>41.8%</i>	<i>314.8%</i>	<i>280.9%</i>	<i>471.2%</i>	<i>415.1%</i>	<i>289.9%</i>	<i>302.5%</i>	<i>305.7%</i>	<i>308.7%</i>	
Interest earnings	383	1,061	1,154	1,089	1,918	2,021	2,085	2,256	1,850	
Income from disposal of investments	9	0	0	0	0	0	0	0	0	
other financial earnings	0	0	0	0	0	0	0	0	0	
Interest expenses	-1,026	-2,703	-4,246	-4,640	-5,601	-6,341	-5,675	-5,125	-5,348	
other financial costs	0	0	0	0	0	0	0	0	0	
Financial result	-635	-1,642	-3,092	-3,551	-3,683	-4,320	-3,590	-2,869	-3,498	
Pre-tax Profit (EBT)	1,134	3,187	3,642	3,851	5,930	5,917	8,284	10,125	12,892	19.5%
<i>EBT-margin</i>	<i>26.8%</i>	<i>207.8%</i>	<i>151.9%</i>	<i>245.1%</i>	<i>256.0%</i>	<i>167.6%</i>	<i>211.1%</i>	<i>238.2%</i>	<i>242.8%</i>	
Tax expenses	182	-614	-533	-1,521	-1,896	-65	-630	-650	-815	
<i>Tax rate</i>	<i>n.s.</i>	<i>19.3%</i>	<i>14.6%</i>	<i>39.5%</i>	<i>32.0%</i>	<i>1.1%</i>	<i>7.6%</i>	<i>6.4%</i>	<i>6.3%</i>	
Net Profit	1,316	2,573	3,109	2,330	4,034	5,852	7,654	9,475	12,077	32.9%
Minorities	36	38	-40	-20	1	-70	-82	-93	-98	
Other comprehensive income	n.a.	n.a.	-98	-522	-169	-81	-61	-30	-18	
Net Profit after minorities and other comp. Income	1,352	2,611	2,971	1,788	3,866	5,701	7,511	9,352	11,961	
<i>Return on sales</i>	<i>31.9%</i>	<i>170.2%</i>	<i>123.9%</i>	<i>113.8%</i>	<i>166.9%</i>	<i>161.5%</i>	<i>191.4%</i>	<i>220.0%</i>	<i>225.3%</i>	
Number of shares ('000, at year-end)	2,651	2,651	2,901	3,191	3,510	4,290	4,700	5,100	5,500	
Earnings per share (Euro)	0.50	0.98	1.02	0.56	1.10	1.33	1.60	1.83	2.17	
Dividends per Share (DPS) in Euro	0.00	0.30	0.00	0.20	0.20	0.30	0.50	0.60	0.70	
Adjusted shareholder's equity (after dividend payment)	14,877.00	16,601.00	20,079.00	23,585.00	28,286.00	37,599.01	43,700.01	50,502.01	59,163.01	
BookValue per Share (BVPS) in Euro	5.12	6.26	6.92	7.39	8.06	8.76	9.30	9.90	10.76	

Key ratios & figures

	2011	2011/12	2012/13	2013/14	2014/15	2015/16e	2016/17e	2017/18e	2018/19e
Growth rates in %									
Revenues	-70.1%	-63.8%	56.3%	-34.5%	47.4%	52.5%	11.2%	8.3%	24.9%
EBITDA	14.0%	155.7%	39.2%	10.1%	29.2%	6.2%	15.9%	9.2%	25.6%
EBIT	20.3%	173.1%	39.4%	9.9%	29.9%	6.5%	16.0%	9.4%	26.1%
EBT	38.8%	181.0%	14.3%	5.7%	54.0%	-0.2%	40.0%	22.2%	27.3%
Net profit after minorities	n.a.	n.a.	n.a.	432.7%	-67.6%	-52.1%	-24.7%	-50.8%	-40.0%
Margins in %									
EBITDA (total operating income)	26.3%	82.0%	102.4%	114.5%	73.0%	106.0%	133.4%	118.1%	157.7%
EBIT (total operating income)	23.9%	79.8%	99.8%	111.4%	71.3%	103.9%	130.8%	116.0%	155.7%
EBT (total operating income)	15.4%	52.6%	54.0%	57.9%	44.0%	60.0%	91.3%	90.4%	122.4%
Expense ratios in %									
Personnel costs quote (total operating income)	16.3%	29.1%	23.7%	28.9%	14.9%	27.9%	31.7%	26.3%	26.8%
Depreciation to total operating income	2.4%	2.2%	2.6%	3.1%	1.7%	2.1%	2.6%	2.1%	2.1%
Tax rate	n.a.	19.3%	14.6%	39.5%	32.0%	1.1%	7.6%	6.4%	6.3%
Profitability in %									
Net profit to total operating income ratio	n.a.	n.a.	-1.5%	-7.9%	-1.3%	-0.8%	-0.7%	-0.3%	113.6%
Return on equity (RoE) after tax	17.8%	16.0%	14.4%	13.5%	12.4%	11.4%	10.8%	10.1%	20.2%

SRC Research

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Rating Chronicle	Date	Rating	former share price	former target
EYEMAXX Real Estate	06 December 2016	Buy	8.82 €	14.00 €
EYEMAXX Real Estate	01 August 2016	Buy	6.55 €	14.00 €
EYEMAXX Real Estate	04 July 2016	Buy	5.68 €	14.00 €
EYEMAXX Real Estate	22 February 2016	Buy	5.50 €	12.00 €
EYEMAXX Real Estate	28 September 2015	Buy	5.24 €	12.00 €
EYEMAXX Real Estate	11 June 2015	Buy	5.57 €	12.00 €
EYEMAXX Real Estate	08 June 2015	Buy	5.85 €	12.00 €
EYEMAXX Real Estate	05 March 2015	Buy	5.85 €	11.50 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 17 February 2017. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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