

EYEMAXX Real Estate

Buy (unchanged) Target: Euro 19.00 (old: Euro 18.00)

22 | Sept | 17



Price (Euro)	14.95
52 weeks range	16.43 / 6.14
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)	70.4
Number of shares (million)	4.71
Free Float	54.35%
Free Float MCap (million)	38.3
CAGR pre tax profit 2015-18e	25.1%

Multiples	2015/16	2016/17e	2017/18e	2018/19e
PE-Ratio	11.0	9.3	7.2	6.0
Dividend Yield	1.3%	1.3%	2.0%	2.7%

Key Data per Share (Euro)	2015/16	2016/17e	2017/18e	2018/19e
Earnings per share (EPS)	1.36	1.61	2.07	2.49
Dividends per share (DPS)	0.20	0.20	0.30	0.40
Book value per share (BVPS)	8.69	9.33	10.42	11.92

Financial Data (Euro '000)	2015/16	2016/17e	2017/18e	2018/19e
Revenues	3,530	4,212	4,986	5,310
Operating profit (EBITDA)	10,453	13,119	15,548	17,032
Operating profit (EBIT)	10,240	12,899	15,323	16,801
Pre-tax profit (EBT)	6,552	8,357	11,599	14,389
Net profit	5,853	7,727	10,787	13,786
Net profit after minorities	5,847	7,645	10,694	13,688
Adjusted shareholders' equity	37,268	43,911	53,547	65,567
Book value per share	8.69	9.33	10.42	11.92
RoE after tax	11.5%	10.7%	9.6%	20.8%

Financial Calendar	
2016 / 2017 annual report	February 2018

Main Shareholder	
CEO Dr. Michael Müller	45.65%

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EYEMAXX successfully concludes a capital hike of Euro 5m – the development pipeline in Germany grows and the financing structure improves – target up to €19.00

Yesterday, EYEMAXX Real Estate announced the completion of a capital hike with gross proceeds of Euro 5.0m by the issue of almost 417k new Eyemaxx shares, at a subscription price of Euro 12.00. The capital hike was more than twice oversubscribed, which clearly indicates the high demand and good reputation after the firm delivered a good track record and a steadily rising development pipeline in the last 2 years, in particular for the German residential market.

With this transaction the Eyemaxx' share capital hikes by 9%, from Euro 4.29m to almost Euro 4.71m. The new shares already carry dividend rights for the current fiscal year, which still runs until 31 October. The free float of the Eyemaxx share increases after the successful capital hike and surpasses the 50% threshold. It stands now at 54.35%, after 49.92% before. Thus, founder and CEO Dr. Michael Müller is no longer the majority shareholder.

With the proceeds of this capital hike EYEMAXX is able to accelerate the future growth by speeding up the existing pipeline by a second Berlin Schönefeld project, which was announced together with the intention for the capital hike on 30 August. Again like at Schönefeld I, together with joint venture partner DIE Deutsche Immobilien Entwicklungs AG (Eyemaxx 50.1% and DIE 49.9%), EYEMAXX plans 18 buildings with 559 apartments and approx. 38k residential space at Schönefeld II. Furthermore, more than 12k office space is in planning and about 700 car parks. The purchase of this development site was already signed in August and building permit is expected for spring 2018. The completion is planned in several steps from autumn 2010 until spring 2021. The Schönefeld II project has the name "Sternenviertel" with a total investment volume of Euro 168m, similar to Schönefeld I with Euro 170m.

The total project pipeline, which was at Euro 570m in July, jumps again to more than Euro 740m, now. We welcome the capital hike, as it improves the financial strength of Eyemaxx and gives a better mix to the group's overall financing structure after the issue of a convertible bond in December 2016 (Euro 4.2m, Euro 9.80 strike price) and another convertible in April 2017 with a Euro 20m volume and a Euro 11.89 strike price. We also like the higher free float, as CEO Dr. Müller is now clearly below 50%.

The company has now three promising German landmark projects with Mannheim Postquadrat and Schönefeld I and II, which stand together for about Euro 500m volume. We keep our Buy recommendation and lift our target from Euro 18.00 to Euro 19.00.

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:	Franz Gulz (Chairman)
Headquarter:	Aschaffenburg		Richard Fluck Andreas Karl Autenrieth
Foundation	1996		
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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 approx. Euro 39m at the end of FY 2015/2016.

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. Thus, the total pipeline recently almost quadrupled to more than Euro 740m.

Some more good news besides the acquisition side came from the trading, in particular some lucrative forward deal agreements. The 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	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17e	2017/18e	2018/19e	CAGR '15/16 - '18/19e
Revenues	4,232	1,534	2,397	1,571	2,316	3,530	4,212	4,986	5,310	29.1%
Increase in finished and unfinished products	-1,616	905	449	1,158	1,878	925	4,852	200	-4,568	
Other operating income (including revaluation result)	4,767	3,615	3,904	3,917	9,281	3,882	4,012	3,925	3,269	
thereof revaluation result	0	2,385	2,895	3,683	8,815	2,212	3,317	3,795	2,855	
Total operating income	7,383	6,054	6,750	6,646	13,475	8,337	13,076	9,111	4,011	
Cost of material	-1,150	-497	-89	-398	-192	-761	-925	-826	-853	
Personnel expenses	-1,203	-1,760	-1,597	-1,920	-2,006	-2,326	-2,874	-2,912	-3,046	
Other operating expenses	-3,301	-3,335	-2,988	-4,113	-4,535	-4,705	-4,879	-4,812	-4,563	
Net income from investments accounted for using the equity method	213	4,503	4,836	7,396	3,094	9,908	8,721	14,987	21,483	
EBITDA	1,942	4,965	6,912	7,611	9,836	10,453	13,119	15,548	17,032	16.5%
<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>296.1%</i>	<i>311.5%</i>	<i>311.8%</i>	<i>320.8%</i>	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-175	-136	-178	-209	-223	-213	-220	-225	-231	
Operating profit (EBIT)	1,768	4,829	6,734	7,402	9,613	10,240	12,899	15,323	16,801	16.8%
<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>290.1%</i>	<i>306.2%</i>	<i>307.3%</i>	<i>316.4%</i>	
Interest earnings	383	1,061	1,154	1,089	1,918	2,956	2,783	3,486	3,712	
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	-6,644	-7,325	-7,210	-6,124	
other financial costs	0	0	0	0	0	0	0	0	0	
Financial result	-635	-1,642	-3,092	-3,551	-3,683	-3,688	-4,542	-3,724	-2,412	
Pre-tax Profit (EBT)	1,134	3,187	3,642	3,851	5,930	6,552	8,357	11,599	14,389	25.1%
<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>185.6%</i>	<i>198.4%</i>	<i>232.6%</i>	<i>271.0%</i>	
Tax expenses	182	-614	-533	-1,521	-1,896	-699	-630	-812	-603	
<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>10.7%</i>	<i>7.5%</i>	<i>7.0%</i>	<i>4.2%</i>	
Net Profit	1,316	2,573	3,109	2,330	4,034	5,853	7,727	10,787	13,786	38.8%
Minorities	36	38	-40	-20	1	-6	-82	-93	-98	
Net profit after minorities	1,352	2,611	3,069	2,310	4,035	5,847	7,645	10,694	13,688	
Other comprehensive income	n.a.	n.a.	-98	-522	-169	-332	-61	-30	-18	
Net Profit after minorities and other comp. Income	1,352	2,611	2,971	1,788	3,866	5,515	7,584	10,664	13,670	
<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>156.2%</i>	<i>180.1%</i>	<i>213.9%</i>	<i>257.4%</i>	
Number of shares ('000, at year-end)	2,651	2,651	2,901	3,191	3,510	4,290	4,706	5,140	5,500	
Earnings per share (Euro)	0.50	0.98	1.02	0.56	1.10	1.36	1.61	2.07	2.49	
Dividends per Share (DPS) in Euro	0.00	0.30	0.00	0.20	0.20	0.20	0.20	0.30	0.40	
Adjusted shareholder's equity	14,877.00	16,601.00	20,079.00	23,585.00	28,286.00	37,268.00	43,910.72	53,546.72	65,566.72	
Book Value per Share (BVPS) in Euro	5.12	6.26	6.92	7.39	8.06	8.69	9.33	10.42	11.92	

Key ratios & figures

	2011	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17e	2017/18e	2018/19e
Growth rates in %									
Revenues	-70.1%	-63.8%	56.3%	-34.5%	47.4%	52.4%	19.3%	18.4%	6.5%
EBITDA	14.0%	155.7%	39.2%	10.1%	29.2%	6.3%	25.5%	18.5%	9.5%
EBIT	20.3%	173.1%	39.4%	9.9%	29.9%	6.5%	26.0%	18.8%	9.6%
EBT	38.8%	181.0%	14.3%	5.7%	54.0%	10.5%	27.5%	38.8%	24.1%
Net profit after minorities	n.a.	n.a.	n.a.	432.7%	-67.6%	96.4%	-81.6%	-50.8%	-40.0%
Margins in %									
EBITDA (total operating income)	26.3%	82.0%	102.4%	114.5%	73.0%	125.4%	100.3%	170.7%	424.6%
EBIT (total operating income)	23.9%	79.8%	99.8%	111.4%	71.3%	122.8%	98.6%	168.2%	418.9%
EBT (total operating income)	15.4%	52.6%	54.0%	57.9%	44.0%	78.6%	63.9%	127.3%	358.7%
Expense ratios in %									
Personnel costs quote (total operating income)	16.3%	29.1%	23.7%	28.9%	14.9%	27.9%	22.0%	32.0%	75.9%
Depreciation to total operating income	2.4%	2.2%	2.6%	3.1%	1.7%	2.6%	1.7%	2.5%	5.8%
Tax rate	n.a.	19.3%	14.6%	39.5%	32.0%	10.7%	7.5%	7.0%	4.2%
Profitability in %									
Net profit to total operating income ratio	n.a.	n.a.	-1.5%	-7.9%	-1.3%	-4.0%	-0.5%	-0.3%	340.8%
Return on equity (RoE) after tax	17.8%	16.0%	14.4%	13.5%	12.4%	11.5%	10.7%	9.6%	20.8%

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Rating Chronicle	Date	Rating	former share price	former target
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 €
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 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 21 September 2017. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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