

EYEMAXX Real Estate

Buy (unchanged) Target: Euro 19.00 (unchanged)

23 | October | 17



Price (Euro)	11.24
52 weeks range	16.46 / 7.71
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)	52.9
Number of shares (million)	4.71
Free Float	54.35%
Free Float MCap (million)	28.8
CAGR pre tax profit 2015-18e	25.1%

Multiples	2015/16	2016/17e	2017/18e	2018/19e
PE-Ratio	8.3	7.0	5.8	4.9
Dividend Yield	1.8%	1.8%	2.7%	3.6%

Key Data per Share (Euro)	2015/16	2016/17e	2017/18e	2018/19e
Earnings per share (EPS)	1.36	1.61	1.93	2.31
Dividends per share (DPS)	0.20	0.20	0.30	0.40
Book value per share (BVPS)	8.69	9.33	11.46	12.75

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	63,467	75,364
Book value per share	8.69	9.33	11.46	12.75
RoE after tax	11.5%	10.7%	8.7%	18.1%

Financial Calendar	
2016 / 2017 annual report	February 2018

Main Shareholder	
CEO Dr. Michael Müller	45.65%

Analyst	Dipl.-Kfm. Stefan Scharff, CREA
	☎ 49 (0)69 400 313-80
	✉ scharff@src-research.de

Internet	www.src-research.de
	www.aktienmarkt-deutschland.de
	www.aktienmarkt-international.at

EYEMAXX calls for extraordinary general meeting to raise up to 10% of new share capital to further push the pipeline with new projects

Last week, on 18 October, the company announced an extraordinary general meeting to take place on 28 November in Munich and invited all shareholders. The purpose of that EGM is to pass a resolution on a capital increase. The goal is to raise up to 10% of share capital in a cash capital increase excluding subscription rights in the form of a private placement to interested investors. The subscription price is yet to be defined, however, should be closely aligned to the market price, as it may not be substantially lower than the market value of the company's shares.

Even though the announced capital hike seems to come at an unusual timing, as the company just recently, about a month ago, resolved a capital hike of Euro 5m at a subscription price of 12 Euros, we believe it is a favorable undertaking that will create shareholder value. After our talks with the company's management we are under the impression that the company is currently in advanced stages of negotiations in regards to new projects to further push the firm's strong pipeline, which is currently at more than Euro 740m.

In regards to these new projects, the company announced today the planned increased involvement in hotel developments as well as the entrance in the high-growth segment of micro-apartments and student residences. Eyemaxx is also in negotiations to acquire a participating interest in an experienced German development company that is specialized in these segments in order to gain relevance quickly. We see these sectors as attractive as they gain more and more significance in the cities and to investors and offers attractive housing for commuters and students. In order to comfortably close these lucrative deals and to gain a good position and footing in the market, the company is, however, in need of some further equity capital to finance the newly targeted projects in Germany and Austria, which it plans to do with the proceeds of the capital hike. In our opinion, shareholders should therefore approve the company's plan of action.

As we see the planned capital hike as valuable in order to add promising and value accretive development projects to the pipeline and thereby further driving earnings for the coming years, we clearly confirm our target price of Euro 19.00 and also maintain 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	
Headquarter:	Aschaffenburg	
Foundation	1996	
Employees:	40	Supervisory Board of EYEMAXX Real Estate AG: Franz Gulz (Chairman) Richard Fluck Andreas Karl Autenrieth
IR Contact:		
	edicto GmbH	
	Fon: +49 (0) 69 90550552	
	eyemaxx@edicto.de	

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	5,539	5,910	
Earnings per share (Euro)	0.50	0.98	1.02	0.56	1.10	1.36	1.61	1.93	2.31	
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	43,910.80	63,467.00	75,364.00	
BookValue per Share (BVPS) in Euro	5.12	6.26	6.92	7.39	8.06	8.69	9.33	11.46	12.75	
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%	8.7%	18.1%	

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

Rating	Chronicle	Date	Rating	former share price	former target
	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 €
	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 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 20 October 2017. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

Disclaimer © 2017: This equity research report is published by: SRC-Scharff Research und Consulting GmbH, Klingerstr. 23, D-60313 Frankfurt, Germany (short name: SRC Research). All rights reserved.

Although we feel sure that all information in this SRC report originates from carefully selected sources with high credibility, we cannot give any guarantee for accuracy, trueness and completeness. All opinions quoted in this report give the current judgement of the author which is not necessarily the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All the opinions and assessment made in this report may be changed without prior notice. Within the scope of German regulative framework the author and SRC-Scharff Research und Consulting GmbH do not assume any liability for this document or its content being used. This report is solely for information purposes and does not constitute a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should obtain personal advice at their bank or investment house and should keep in mind that prices and dividends of equities can rise and fall and that nobody can give a guarantee of the future development of equities. The author of this report and the SRC-Scharff Research und Consulting GmbH commit themselves on a unsolicited basis to having no long or short-positions in equities or derivatives related to equities mentioned in this report. Reproduction, distribution or publishing this report and its content as a whole or in parts is only allowed with approval of SRC management written form. With acceptance of this document you agree with all regulations mentioned here and all general terms and conditions you will find at anytime at our website www.src-research.de.