

Full Company Report

Reason: Initiation of coverage

13 March 2018

Buy

from

Share price: EUR 10.45

closing price as of 12/03/2018

Target price: EUR 16.00

Upside/Downside Potential 53.1%

Reuters/Bloomberg BTCGK.DE/BNT1 GR

Market capitalisation (EURm) 54

Current N° of shares (m) 5

Free float 59%

Daily avg. no. trad. sh. 12 mth 9

Daily avg. trad. vol. 12 mth (m) 234.60

Price high/low 12 months 10.20 / 15.64

Abs Perfs 1/3/12 mths (%) -2.34/-13.42/-8.61

Key financials (EUR) 10/17 10/18e 10/19e

Sales (m) 5 6 6

EBITDA (m) 15 15 16

EBITDA margin 291.3% 247.7% 257.2%

EBIT (m) 14 15 16

EBIT margin 285.2% 242.8% 252.5%

Net Profit (adj.)(m) 7 8 9

ROCE 13.2% 14.1% 14.0%

Net debt/(cash) (m) 85 67 66

Net Debt Equity 1.7 1.1 0.9

Net Debt/EBITDA 5.8 4.4 4.0

Int. cover(EBITDA/Fin.int) 2.4 2.8 3.3

EV/Sales 28.9 19.6 22.3

EV/EBITDA 9.9 7.9 8.7

EV/EBITDA (adj.) 7.9 6.2 6.7

EV/EBIT 10.1 8.1 8.8

P/E (adj.) 9.8 8.9 7.7

P/BV 1.4 1.2 1.1

OpFCF yield -31.7% 24.6% -0.9%

Dividend yield 1.9% 2.4% 2.9%

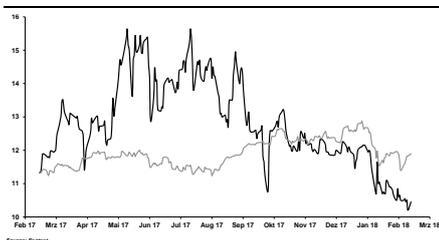
EPS (adj.) 1.30 1.18 1.35

BVPS 8.94 8.61 9.92

DPS 0.20 0.25 0.30

Shareholders

Dr. Michael Müller 35%; Johann Kowar 5%;



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Solving the supply crunch for real estate properties

EYEMAXX Real Estate is a real estate development company and holds a small portfolio of real estate properties. The company develops and sells residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. We initiate coverage with a Buy recommendation and a target price of EUR 16.00 as 1) the market environment for project developments should remain attractive, 2) EYEMAXX has experience over different asset classes, 3) its transaction pipeline is expected to further grow, 4) the expansion of its portfolio should ensure stable cash flows and 5) the valuation is attractive (PER 2019e: 7.7x vs. peer group 9.9x).

- ✓ **Market for project developments should remain attractive:** Due to demographic developments such as the refugee crisis there is a need for more residential construction especially in larger cities. During 2015 and 2030 230,000 apartments p.a. are needed in Germany. As there should still be a lack of supply as construction does not cover the high demand we see EYEMAXX well positioned to satisfy the high demand for housing.
- ✓ **Experience over different asset classes:** EYEMAXX acts as a developer for various asset classes in different regions, i.e. the focus is on residential, nursing homes and commercial properties with a geographical focus on Germany, Austria and selected countries in central Europe. Its business combines the pure project development from which revenues are rather volatile with stable cash flows from holding commercial properties in its portfolio.
- ✓ **Further growth of project pipeline:** Since 2007 EYEMAXX has successfully developed and sold 30 projects with an investment volume of around EUR 278m. Its current transaction pipeline amounts to c. EUR 760m and thus offers substantial growth potential for the company's earnings. The increase of its transaction pipeline by profitable new development projects should lead to higher cash flows.
- ✓ **Expansion of portfolio should ensure stable cash flows:** Since 2012 EYEMAXX holds selected commercial properties in its portfolio which enables the company to generate stable cash flows to cover overhead costs. We see additional rent upside for EYEMAXX's own real estate properties from a more active management.
- ✓ **Financials:** On the back of the company's current project pipeline of c. EUR 760m which should further increase and the continued expansion of its portfolio properties EYEMAXX's revenues should grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 16%. EYEMAXX targets to pay a stable dividend of EUR 0.20 per share for 2016/2017 and for 2017/2018e we forecast a dividend of EUR 0.25 per share (2018/2019e: EUR 0.30 per share).
- ✓ **Valuation and Recommendation:** We have derived a target price of EUR 16.00 from a peer group analysis and a Dividend Discount Model. Given an upside of around 50% we initiate coverage with a Buy rating.



CONTENTS

Investment Case in Charts	3
At a glance	4
Valuation	5
Peer Group Analysis	5
Dividend Discount Model	6
Swot Analysis	8
Company Profile	10
Company overview	10
Business Model	11
Funding	18
Strategy	20
Market environment	21
Financials	29
P&L Development	29
Appendix I: Overview peer group	32
Appendix II: Holding structure	33
Appendix III: Management	34
Appendix IV: Project pipeline	35

Investment Case in Charts

Exhibit 1: Investment Case in Charts

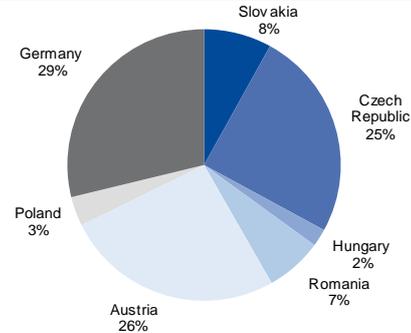
Value chain



EYEMAXX covers a broad value chain of a project development: conception, planning, regulatory implementation, construction, rental and finally the sale of the properties.

Source: EYEMAXX, equinet Research

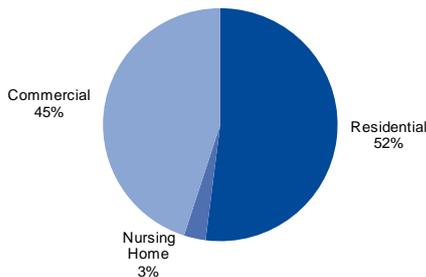
Track record



Since 2007 EYEMAXX has successfully developed and sold 30 projects in Germany (29%), Austria (26%) and in the Czech Republic (25%) with an ROI of around 16%.

Source: EYEMAXX, equinet Research

Project pipeline by asset class



52% of its project pipeline of c. EUR 760m relates to residential assets with a geographic focus on Germany (81%).

Source: EYEMAXX, equinet Research

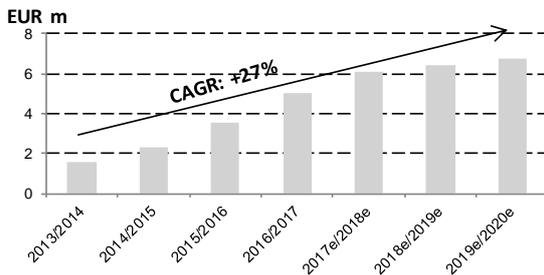
Portfolio properties

	Germany	Austria	Total
Number of objects	7	6	13
Vacancy	0%	0%	0%
Value	EUR 21.2m	EUR 15.9m	EUR 37.1m
Rental Income p.a.	EUR 2.2m	EUR 1.5m	EUR 3.7m

With its portfolio properties the company generates stable cash flows. Asset management activities offer additional upside for rents.

Source: EYEMAXX, equinet Research

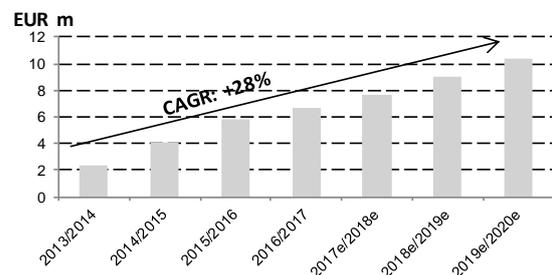
Development of Revenues



The further increase of the number of its portfolio properties as well as the project pipeline should lead to revenue growth.

Source: EYEMAXX, equinet Research

Development of Net Profit



We expect Net Profit to increase by 16% (CAGR 2016/17-2019/20e) with upside potential in case of external growth.

Source: EYEMAXX, equinet Research

Source: EYEMAXX, equinet Research

At a glance

Exhibit 2: At a glance

Company Name		EYEMAXX Real Estate AG							
Company Profile		EYEMAXX Real Estate is a real estate development company with a geographical focus on Germany and Austria. Besides the pure project development certain commercial properties remain in the portfolio to generate a steady rental income. The company has its headquarter in Aschaffenburg (Germany) and its operative business is based in Leopoldsdorf near Vienna (Austria). Since 2007 EYEMAXX has successfully developed and sold 30 projects with a transaction volume of around EUR 278m.							
Business Focus	The company's business includes the conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Additionally the company has developed projects in central Europe (Czech Republic, Poland, Serbia and Slovakia). The strategy is to sell the developed properties for profit which means that the disposal price should be higher than the total investment costs. Besides the pure project development certain commercial properties are not sold after completion and thus remain in EYEMAXX's portfolio to generate stable cash flows. Its current transaction pipeline amounts to c. EUR 760m with a major focus on residential and commercial assets in Germany.								
Portfolio properties	Since 2012 EYEMAXX holds selected commercial properties in its portfolio which were either developed by the company or acquired. Currently, the portfolio comprises of 13 properties which were dominantly acquired.								
Value chain	EYEMAXX covers the entire value chain of a project development. EYEMEXX is responsible for the conception, planning and regulatory implementation, construction, rental and finally the sale of the properties to institutional investors. Note that the company acts as a project manager and thus assigns service companies for the construction and the sale of the company.								
Project Pipeline	The transaction pipeline amounts to c. EUR 760m of which 52% of the project volume stems from residential properties and 45% from commercial assets. Geographically, the projects are dominantly located in Germany (81%), CEE (13%) and Austria (6%).								
Track Record	Since 2007 EYEMAXX has realized 30 project developments with an ROI of around 16%.								
Dividend policy	Depending on the generated net profit EYEMAXX targets to pay stable and attractive dividends. It has paid EUR 0.20 for 2015/2016 and intends to pay the same amount for 2016/2017.								
Drivers	The increase of transaction pipeline by profitable new development projects should lead to higher cash flows. EYEMAXX plans to further expand its real estate portfolio which should be positive due to the fact that rental income is expected to increase. Stable cash flows are necessary to cover overhead costs.								
Strategy & Guidance	Strategy: (I) Increase of transaction pipeline by profitable new development projects (II) Portfolio expansion (III) Optimization of financing structure	Guidance 2017/2018e (in EUR): n.a.			equinet Estimates Revenues 6.1m Net Profit 7.7m		Consensus 4.6m 7.8m		
2016/2017	Revenues (EUR bn) 5.0 y/y 41.6%	EBIT (EUR m) 14,252 39.2%	Net Profit (EUR m) 6.6 13.2%	ROI since 2007 16.0%					
Business development									
Shareholder structure & management	 Dr. Michael Müller CEO of EYEMAXX Real Estate AG & founder and major shareholder <ul style="list-style-type: none"> • Founded EYEMAXX in 1996 • Studied Social and Business sciences in Vienna and received his doctor's degree in 1995 • Many years of experience in the real estate market 	 Mag. Maximilian Pasquali Deputy CEO of EYEMAXX Group <ul style="list-style-type: none"> • Joined EYEMAXX in 2006 • Studied law • Many years of experience in the real estate, M&A and corporate law 	 Kristian Radosavljevic CFO of EYEMAXX Group <ul style="list-style-type: none"> • Working for EYEMAXX since 2011 • Studied business management and finance • Many years of experience in controlling 	Shareholder structure 					
# of employees 2016/2017	42								

Source: EYEMAXX, equinet Research

Valuation

Our valuation is based upon a peer group analysis and a Dividend Discount Model. While we have derived a fair value of EUR 13.45 from the peer group analysis we have calculated a fair value of EUR 18.60 from the Dividend Discount Model. Our target price of EUR 16.00 is derived from the average of the calculated two fair values. Given an upside of around 50% we recommend buying the shares.

Peer Group Analysis

Our Peer Group Analysis is based upon a multiples comparison of EYEMAXX with other companies with a similar business focus, only taking into account PER multiples as EPS is the only valuation relevant KPI which all companies are publishing. As most of the real estate development companies are private companies our peer group consists of Consus Real Estate, UBM Development and Helma Eigenheimbau. All peer group companies are also active as project development companies.

Consus Real Estate (Market Cap: EUR 0.6bn) develops residential and commercial properties in the Top 9 cities in Germany and holds a commercial portfolio with a value of EUR 508m. Its pipeline ranges between EUR 2.1bn and 2.5bn. The company has completed more than 85 projects with a value of more than EUR 1.3bn.

UBM Development (Market Cap: EUR 0.3bn) is focused on project developments of hotel, office and residential properties in Germany, Austria and Poland. Its project pipeline (based on current and forecasted sales proceeds for acquired projects) amounts to EUR 1.8bn.

Helma Eigenheimbau (Market Cap: EUR 0.2bn) is a building services-provider with a specialization on the development, planning, sale and construction management of turnkey or partially completed detached and semi-detached houses.

Among the selected peers Consus Real Estate is clearly the closest peer as both EYEMAXX and Consus Real Estate are both property developer and hold a commercial portfolio. Note that **Instone Real Estate** (Market Cap: EUR 0.6bn), a residential real estate developer with a focus on metropolitan regions of Germany, is also a peer to EYEMAXX. As the company is trading on the regulated market (Prime Standard) only since February 2018 we have no estimates for the company and thus did not include the company as a peer of EYEMAXX in our peer group analysis.

See Appendix I for more details on the peers.

Taking into account all peers we have derived a target price of EUR 13.45 for EYEMAXX.

Exhibit 3: Peer Group Valuation

Company	Share Price (lc)	MC (l.c. m)	PER 2018e	PER 2019e	Div Yield 2017e	Div Yield 2018e
Consus Real Estate	7.54	602	75.4	12.6	0.0%	0.0%
UBM Development	41.00	306	8.7	8.4	3.9%	4.6%
Helma Eigenheimbau	37.50	139	10.1	8.9	2.8%	3.2%
Average			31.4x	9.9x	2.2%	2.6%
EYEMAXX	10.45	54	8.9x	7.7x	1.9%	2.4%
vs average			-71.8%	-22.3%	-14.9%	-7.0%
Fair Value based upon 2019e PER	13.45					

Source: Factset, equinet Research

Dividend Discount Model

We have derived a target price of EUR 18.60 from a dividend discount model valuation. The key parameters of the model are as follows:

- Our model is based upon three phases; in phase I (which stands for 8% of the calculated fair value) we have made detailed earnings estimates, in phase II (23%) we have only made estimates for selected P&L lines which are of key importance for the DDM and in phase III (69%) we have calculated the terminal value.
- Average annual EBT-growth of 14% between 2022 and 2025.
- Tax rate of 19%.
- Payout-ratio of 17% (in 2017/2018) which increased gradually to 34% in 2026/2027 starting from 2022 onwards.
- Cost of equity of 9.0%; given EYEMAXX's more volatile business model and its small size we see cost of equity of 9.0% as realistic.

Exhibit 4: Dividend Discount Model

EUR m	2016/17	2017/18	Phase I			Phase II						Phase III
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
EBT	8	10	11	13	15	18	20	23	26	30	34	
growth rate	25.2%	15.9%	17.1%	14.5%	20.5%	15.0%	14.7%	14.4%	14.1%	13.8%	13.6%	
Tax	-2	-2	-2	-2	-2.9	-3	-4	-4	-5	-6	-6	
Tax rate	-19.2%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	
Minorities	0	0	0	0	0	0	0	0	0	0	0	
growth rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Net Profit	6.6	7.7	9.0	10.3	12.4	14	16	19	21	24	28	
growth rate	-35.3%	16.2%	17.1%	14.5%	20.5%	15.0%	14.7%	14.4%	14.1%	13.8%	13.6%	
Total dividend	0.94	1.29	2.20	2.56	3.15	3.72	4.43	5.26	6.43	7.80	9.42	137
payout ratio	14.2%	16.8%	24.4%	24.8%	25.3%	26.0%	27.0%	28.0%	30.0%	32.0%	34.0%	
ROE	15.2%	13.7%	13.3%	13.5%	14.5%	14.9%	15.2%	15.4%	15.7%	15.8%	16.0%	
Present Value Div	1	1	2	2	2	3	3	3	4	4	5	67
PV Phase I		8										
PV Phase II		22										
PV Phase III		67										
Total Fair Value		96										
# shares		5.18										
Fair value per share		18.60										
						Risk premium	5.0%		Beta			1.1
						Risk free rate	3.5%		Cost of equity			9.0%
						Sensitivity		Growth in phase III				
							1.0%	1.5%	2.0%	2.5%	3.0%	
							8.1%	19	21	22	23	25
							8.6%	18	19	20	21	23
							9.0%	17	18	19	20	21
							9.5%	16	17	17	18	19
							9.9%	15	15	16	17	18

Source: Company data, equinet Research

Being a project developer EYEMAXX's fair value depends to a large extent on its project pipeline and the ROIs it is able to achieve. Therefore we have tried to calculate the value per share of the project pipeline under different scenarios. As EYEMAXX will win additional projects in the future and as EYEMAXX also holds a real estate portfolio the value of the existing pipeline can only give an idea about EYEMAXX's fair value. To determine a target price we have therefore only taken into account the peer group analysis and the Dividend Discount Model.

Based on the current project pipeline of c. EUR 760m we have calculated four scenarios with different assumptions for ROI. As EYEMAXX is financing larger projects with partners we assume that 60% of the project pipeline relates to EYEMAXX.

In our first scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 12% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 32.05m (EUR 6.19 per share) by using a discount rate of 9%.

In our second scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 14% (before taxes). We applied a tax rate of 19% and calculate and

assume that the project pipeline is realized within the next four years we calculate fair value of EUR 36.74m (EUR 7.10 per share) by using a discount rate of 9%.

In our third scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 16% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 41.26m (EUR 7.97 per share) by using a discount rate of 9%.

In our fourth scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 18% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 45.63m (EUR 8.81 per share) by using a discount rate of 9%.

Exhibit 5: Value of the project pipeline under different scenarios

Scenario		Total in EUR m	Value per share
	1	32.05	6.19
<i>ROI: 12%</i>			
	2	36.74	7.10
<i>ROI: 14%</i>			
	3	41.26	7.97
<i>ROI: 16%</i>			
	4	45.63	8.81
<i>ROI: 18%</i>			

Source: equinet Research

Swot Analysis

Strengths

- **Good track record:** Since 2007 EYEMAXX has successfully developed and sold 30 properties with an investment volume of around EUR 278m and a ROI of 16% (before taxes) showing that the company is well experienced. Standardized processes ensure fast project realization.
- **Experience over different asset classes:** EYEMAXX acts as a developer for various asset classes in different regions, i.e. the focus is on residential, nursing homes and commercial properties with a geographical focus on Germany, Austria and selected countries in central Europe. Its business combines the pure project development from which revenues are rather volatile with stable cash flows from holding commercial properties in its portfolio.
- **Capital efficient approach:** EYEMAXX develops its real estate projects in SPV's which it accounts for at-equity participations. It provides only around 20% of the funding and the rest comes from external partners. Thus, EYEMAXX is able to leverage its equity and to maximize its profitability.
- **Forward sale:** Through forward sales, i.e. disposal of the development project prior completion at a fixed price, the liquidation risk is limited and thus the cash flow from the sale of the property is realized. Forward Sales also provide better financing conditions.

Weaknesses

- **Volatile earnings base:** The main focus of EYEMAXX lies on the development of properties. It is not easy to foresee the profit of the developed projects as it depends on the market environment, location and the availability of potential buyers. If no forward sale can be realized the disposal time is also hard to predict. Thus, earnings are volatile in terms of timing and amount.
- **Dependence on partners to realize large-scale projects:** As higher project volumes are generally realized in cooperation with a partner like a joint venture partner or a co-funder who also provide equity those projects can only be conducted if a partner is found.

Opportunities

- **Higher project volumes:** The increase of the transaction pipeline by profitable new development projects should lead to higher cash flows. For development projects EYEMAXX targets a ROI of at least 10%. As the biggest project in history EYEMAXX started the development of city quarters in Mannheim ("Postquadrat Mannheim") in 2016 with a volume of around EUR 170m. Through the purchase of a 10% stake in the project development company G&S Planwerk EYEMAXX has the chance to further expand its sector focus by micro- and serviced apartments and student residences which should also have a positive effect on its project pipeline and thus on its earnings.
- **Higher proportion of stable revenues:** The expansion of its portfolio of real estate properties should be positive due to the fact that rental income is expected to increase. Stable cash flows are necessary to cover overhead costs.

Threats

- **Rising interest rates:** In case of a strong increase in interest rates prices for project developments may come under pressure due to lower demand for real estate assets which would have a negative impact on the company's profitability.



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- **Availability of suitable projects:** It is possible that EYEMAXX does not find suitable projects to develop. In case of large project development companies entering the market, the market environment should become more competitive as more players start looking for attractive project developments. Consequently, achievable returns would get under pressure.
 - **Lack of construction companies:** As demand for newly built properties is still high it is not easy to find construction companies. In case of higher construction costs than calculated it is possible that the expected profit could not be realized as investors are not willing to pay higher prices.



Company Profile

EYEMAXX Real Estate is a real estate development company, i.e. conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Besides the pure project development certain commercial properties remain in the portfolio to generate a steady rental income. The company intends to further expand its segment focus by micro-apartments, student residences and hotels. Since 2007 EYEMAXX has successfully developed and sold 30 projects with a transaction volume of around EUR 278m. Its current transaction pipeline comprises 20 projects and amounts to c. EUR 760m with a major focus on residential and commercial assets in Germany.

Company overview

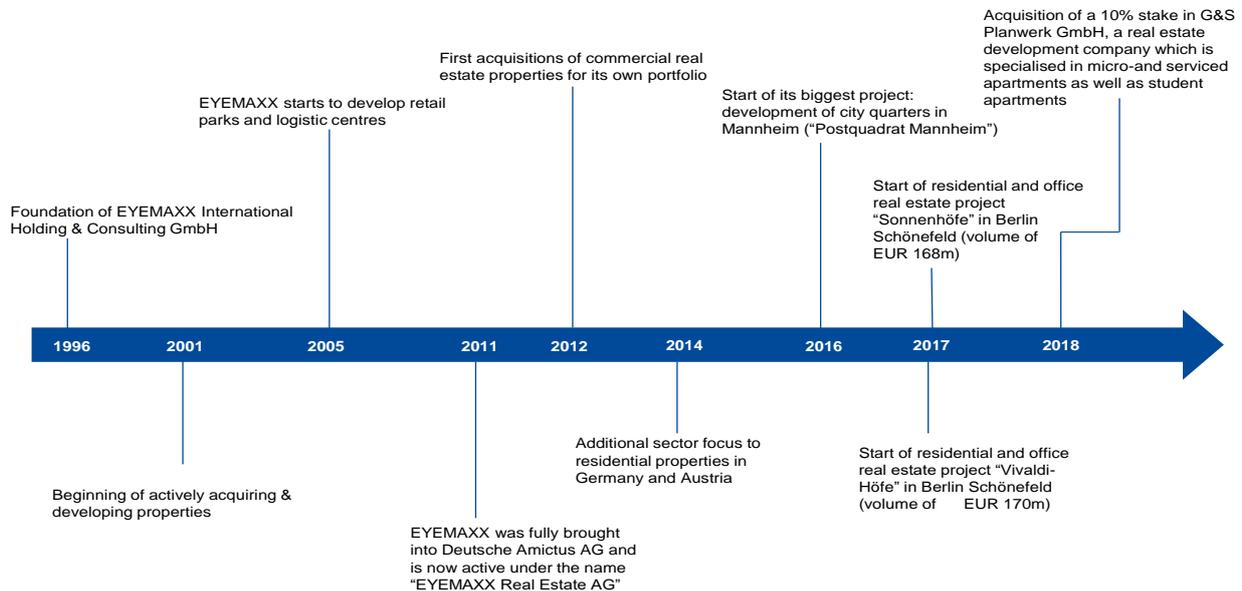
EYEMAXX Real Estate (EYEMAXX) is a real estate development company and a property holder. The company has its headquarter in Aschaffenburg (Germany) and its operative business is based in Leopoldsdorf near Vienna (Austria). In addition, the company has branch offices in every country in which it has active projects, e.g. Poland, Serbia, Slovakia and the Czech Republic. EYEMAXX has a holding company structure (see Appendix II) which is typical for a project development company. EYEMAXX Real Estate AG takes care of all the management and control tasks and is responsible for the funding of the Special Purpose Vehicles (SPV's). Note that each project is structured in a SPV which is not fully consolidated. While EYEMAXX holds 50% of the voting rights the participation rate is higher. Thus, EYEMAXX generates the main part of the profits in case of a successful sale of developed projects. In general, SPV's are responsible for the project management.

In 2016/2017 EYEMAXX employed on average 42 people. Since 2011 the company is listed at the German stock exchange and the shares are trading in the General Standard of the Frankfurt Stock Exchange.

Recent History

The company was founded in 1996 by Dr. Michael Müller (CEO) under the name "EYEMAXX International Holding & Consulting GmbH". Properties were actively acquired and developed from 2001 onwards. In 2005 EYEMAXX started to develop retail parks and logistic centres in Central and Southeast Europe (CEE/SEE). Note that the first retail parks have been constructed in Slovakia. EYEMAXX International was fully brought into Deutsche Amictus AG in 2011 which is now active under the name "EYEMAXX Real Estate AG". In the same year EYEMAXX became a public listed company. The shares were listed at the German stock exchange and the shares are trading in the General Standard of the Frankfurt Stock Exchange. The company started first acquisitions of commercial real estate properties for its own portfolio in 2012. Its sector focus has been further expanded to residential properties in Germany and Austria and care homes in Germany in 2014. As the biggest project in history EYEMAXX started the development of city quarters in Mannheim ("Postquadrat Mannheim") in 2016 with a volume of around EUR 170m. Residential and commercial units as well as two hotels with a size of 57,000 sqm are planned to be built and realized with a co-investor. Further two large-scale projects in Berlin Schönefeld (project "Vivaldi-Höfe") with a project volume of EUR 170m and project "Sonnenhöfe" with a project volume of EUR 168m) started in 2017. In January 2018 EYEMAXX acquired a stake of 10% in G&S Planwerk GmbH, a real estate development company which is specialised in micro- and serviced apartments as well as student residences.

Exhibit 6: Corporate development



Source: EYEMAXX, equinet Research

Management

The board of management consists of three members, Dr. Michael Müller (CEO of EYEMAXX Real Estate AG and EYEMAXX Group, founder and major shareholder), Mag. Maximilian Pasquali, LL.M. (Deputy CEO of EYEMAXX Group) and Kristian Radosavljevic, MA (CFO of EYEMAXX Group).

See Appendix III for detailed information to the management of EYEMAXX.

Shareholder Structure

With a stake of c. 35% the company's founder and CEO Dr. Michael Müller is the major shareholder. In December 2017 Johann Kowar (Co-founder and former CEO of conwert) increased its shareholding in EYEMAXX to c. 5% and plans to increase its stake further in the medium term.

Business Model

The company's business includes the conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Additionally the company has developed projects in central Europe (Czech Republic, Poland, Serbia, Romania and Slovakia). The strategy is to sell the developed properties for profit which means that the disposal price should be higher than the total investment costs.

Besides the pure project development certain commercial properties are not sold after completion and thus remain in EYEMAXX's portfolio to generate stable cash flows.

Thus, the business model can be divided into the two pillars "development & sell" and "portfolio properties".

Development & sell

The company develops residential, nursing home and commercial properties in Germany, Austria as well as in CEE/SEE. The focus is on turnkey developments and not on speculative developments.

EYEMAXX covers a broad value chain of a project development:

Through its wide network EYEMAXX has access to a vast range of development projects. Following intensive due diligence processes EYEMAXX acquires attractive projects. In general, the company prefers projects which are in an advanced project stage, which means that the building permission is available for example. These projects are less risky. For each project a SPV is created. As a project developer EYEMAXX is responsible for the conception, planning, regulatory implementation, construction, rental and finally the sale of the properties to mainly institutional investors. Note that the company acts as a project manager which controls and monitors the development phase and thus assigns service companies for the construction and the sale of the assets. In general, the construction starts after long-term tenants and the financing is secured. The financing of its projects takes place at SPV level from a combination of own funds from EYEMAXX Holding (15%-30% of total investment volume), debt (bank loans, i.e. non-recourse loans) and mezzanine loans. The financing by bank loans is non-recourse which means that EYEMAXX Holding is not liable. These loans are granted based on the creditworthiness and the availability of lease contracts. If EYEMAXX is not able to realize a project successfully it should negatively affect its reputation. EYEMAXX's good reputation is a key precondition for its project developments.

Exhibit 7: Value chain of project developments



Source: equinet Research

EYEMAXX also offers tailor-made solutions for clients, i.e. project developments for its clients from the acquisition of the land plots to the handover of the keys. The development phase takes between 15 and 18 months (since acquisition of the plot).

Portfolio properties

To generate stable cash flows from rental income EYEMAXX holds selected commercial properties in its portfolio since 2012 which were either developed by the company or acquired. Currently, the portfolio comprises of 13 properties such as logistic and office properties in Nuremberg, Aschaffenburg, Vienna, Innsbruck and Graz which were dominantly acquired. The properties are fully let and generate an annual rental income of c. EUR 3.7m. The current market value is at EUR 37.1m. Note that rents are indexed, i.e. depend on the development of the consumer price index. While EYEMAXX is managing its real estate properties in-house its facility management activities are conducted through external service providers.

Exhibit 8: Portfolio properties

	Germany	Austria	Total
Number of objects	7	6	13
Vacancy	0%	0%	0%
Value	EUR 21.2m	EUR 15.9m	EUR 37.1m
Rental Income p.a.	EUR 2.2m	EUR 1.5m	EUR 3.7m

Source: EYEMAXX, equinet Research

Sector focus

Residential properties

EYEMAXX develops residential properties with a focus on metropolitan areas in Germany (such as Rhine-Main-Neckar area, Berlin, Potsdam and Leipzig) and Vienna (Austria) incl. its suburbs. The company acquires non developed plots, invests in projects with project development partners (joint venture partners or co-funders) who also provide equity and is also responsible for projects which are in an advanced project stage. To realize these projects EYEMAXX employs experienced project developers and construction managers. Note that the company prefers projects which are in an advanced project stage as these projects are less risky.

Depending on size and location of the projects the single project volume is at least c. EUR 20m. In special cases EYEMAXX realizes bigger projects such as "Postquadrat Mannheim" with a project volume of EUR 170m. Larger project volumes are normally developed with a joint venture partner or a co-funder. EYEMAXX is focusing on the middle segment with an apartment size of between 45 and 100 sqm. Since the acquisition of the plot the development phase takes between 18 and 24 months. For development projects EYEMAXX targets an ROI of 10% to 15%.

After the construction phase the properties are either sold after construction as asset by asset or the residential complex as a whole or remain part of EYEMAXX's portfolio to generate steady cash flows. Long-term lease agreements are also required to secure stable cash flows. For properties which are part of the portfolio EYEMAXX expects yields of between 8% to 10%.

Nursing and Retirement Homes

Nursing and Retirement Home projects are implemented in cooperation with a provider and local decision makers. Project sizes differ due to local circumstances and specific regulations. Stationary facilities offer 80 to 120 nursing places mainly in single rooms. Depending on the number of nursing places EYEMAXX invests between EUR 10m and EUR 15m for each project. The project period post the acquisition of the plot takes between 15 and 18 months. The properties are sold after construction and the ROI should be 8-12%. Note that projects are only realized in case of the successful closure of lease agreements with high-credit tenants for a term of at least 20 years.

Commercial properties

EYEMAXX develops commercial properties in Germany and Austria as well as in CEE/SEE with a specialisation on project developments of turnkey retail parks and logistic properties.

Project developments of turnkey retail parks comprise 1) the development of turnkey retail parks for tenants coming from the non-food area but hypermarkets and discounters should be close to the property and 2) the development of turnkey retail parks with mixed tenants while anchor tenants should come from the food area.

Investments in retail park projects only take place in small to medium sized cities with a population of between 20,000 inhabitants up to 50,000 inhabitants. Overall, the tenant mix is diversified and consists of c. 8 to 15 tenants with a leasing area of c. 3,000 sqm to 12,000 sqm. Tenants are Hofer (Aldi), EUROSPAR, KIK and DEICHMANN for example. For those projects ROI of 15%-20% is expected.

The development of retail parks takes place in the following steps:

As a first step the SPV identifies and acquires plots before the start of the development planning. Note that the acquisition takes only place in case of a building permission. Next steps include the commission of a general contractor if 50-60% of the planned rental income can be secured. After a short to medium term holding period the project is sold to long-term oriented investors (mainly institutional investors or family offices). Since acquisition of the plot the development phase takes between 15 and 18 months.

In general, retail parks are sold as portfolio transactions which offer higher sales proceeds.

Investment volumes lie in the range of between EUR 5m and EUR 20m. Note that the company has long-term cooperation partnerships with international food, drug, fashion chains and logistic companies.

During the last 10 years EYEMAXX has successfully developed four logistics centres in Romania, Slovakia and Serbia with a total space of around 85,000 sqm. Three of those were already sold, one logistic centre in Belgrad (Serbia) is finished but not sold (international tenants like DP Schenker and Iron Mountain), and the second logistic centre in Belgrad (Serbia), Logcenter Beta, is still in the construction process.

Nine properties from the logistic sector which are located in Germany and Austria are part of the company's real estate portfolio. Its clients consist of international logistic providers. Note that rents of those properties are indexed.

In the case of tailor-made solutions for clients EYEMAXX sets its focus on the development of discount markets, DIY stores, student apartments and hotels. Development returns are lower due to the lack of rental risk as well as liquidation risk. As tenants already exist financing is also cheaper. In addition, long-term lease agreements of at least 15 years are required. Note that ROI is comparably lower as the disposal risk is lower.

Entering new segments

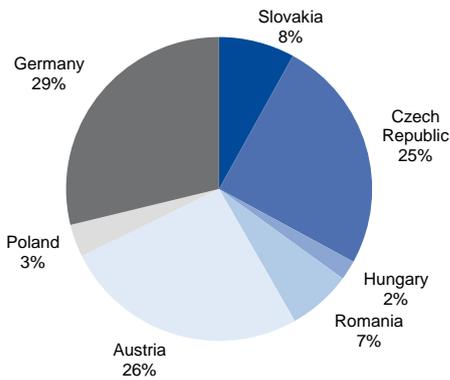
In October 2017 EYEMAXX announced to further expand its sector focus and thus plans to enter the hotel and micro-apartments segment. More precisely, the company intends to develop hotels and seeks to plan, develop and create micro-apartments and student residences. To realize this target EYEMAXX acquired a stake of 10% in G&S Planwerk GmbH, a real estate development company which is specialised in micro-and serviced apartments as well as student residences. The acquired company was founded in 1991 as "Planungsbüro GOCAD" which acted as a shopfitting service provider. With the expansion of its field of business G&S Planwerk GmbH was founded in 2001. The company has planned and realized many building projects for clients such as Weko, Möbel Rück, Poco and IKEA.

Through the participation in the company EYEMAXX has the option to enter in attractive development projects in Germany and Austria which should further boost its project pipeline. The stake was financed by a part of the EYEMAXX capital increase which has been concluded on 30 November 2017. 470,637 shares were placed and the gross proceeds amounted to EUR 5.6m.

Track record

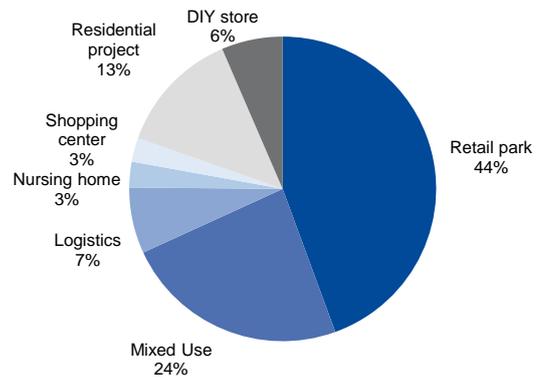
Since 2007 EYEMAXX has realized 30 project developments with an average ROI (before taxes) of 16%. Most of the developed projects (measured by its profit) were located in Germany (29%), Austria (26%) and in the Czech Republic (25%) with retail parks as the dominant asset class.

Exhibit 9: Profit of realized projects by location



Source: EYEMAXX, equinet Research

Exhibit 10: Profit of realized projects by asset class

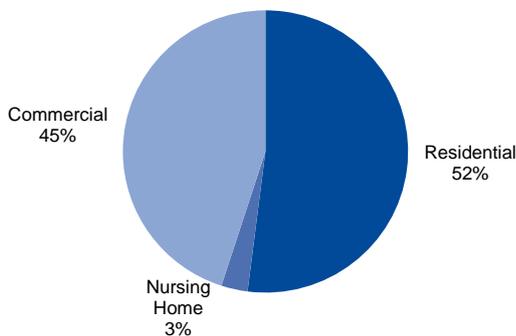


Source: EYEMAXX, equinet Research

Project Pipeline

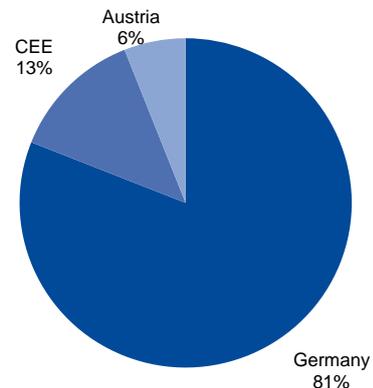
Currently, the transaction pipeline amounts to c. EUR 760m of which 52% of the project volume stems from residential properties and 45% from commercial assets. Geographically, the projects are dominantly located in Germany (81%), CEE (13%) and Austria (6%). Note that c. 60% of the project pipeline relates to EYEMAXX and the remaining part refers to the partners. On the back of the calculated investment volume total ROI (before taxes) of the current project pipeline should be c. 20% which is above the company's ROI targets. See Appendix IV for detailed information about the project pipeline of EYEMAXX. The company expects the project pipeline to increase to EUR 1bn in the mid-term.

Exhibit 11: Project pipeline by property type



Source: EYEMAXX, equinet Research

Exhibit 12: Project pipeline by region



Source: EYEMAXX, equinet Research

Current projects

In 2016 EYEMAXX started the development of residential and commercial units as well as two hotels in Mannheim ("Postquadrat Mannheim"). With a project volume of c. EUR 170m

it is the biggest project in the company's history. The project includes the development of c. 245 residential units, commercial units with a gross space of 57,000 sqm as well as two hotels are planned to be realized with a non-operating joint venture partner. The completion is expected in 2019. Depending on the financing structure EYEMAXX estimates Return on Equity (ROE) to be in the mid double-digit range. The project is set up in a SPV which is financed via bank and mezzanine loans. EYEMAXX invested a single digit million Euro amount as investment costs and the project return will be paid to EYEMAXX as well as to the co-investor of the project. Note that Johann Kowar, who holds a stake of c. 5% in EYEMAXX, acts as a co-investor.

A forward sale was realized as the hotel project was sold to Accorinvest Germany GmbH in July 2017. While EYEMAXX is responsible for the construction of the hotels on a property of 3,700 sqm the buyer acts as an operator for an ibis hotel (170 rooms), an ibis budget hotel (155 rooms) and an ADAGIO Access Aparthotel (130 apartments and 80 underground parking spaces). The construction started in autumn 2017 and is expected to be completed until spring 2019.

In November 2017 EYEMAXX announced a further forward sale of two properties with residential and commercial units with 10,600 sqm and 110 underground parking spaces which should be sold to an institutional investor. The price was in the mid double-digit million Euro range which equals around 25% of the total project volume.

Exhibit 13: Project "Postquadrat Mannheim"



Source: EYEMAXX

A further current large-scale project ("Vivaldi-Höfe") with a volume of c. EUR 170m includes the creation of residential and office properties in Berlin Schönefeld (Germany). For the realization of this project a joint venture company was founded. 17 buildings with 450 residential units and a living space of more than 29,300 sqm as well as office units with a space of 23,400 sqm and 690 parking spaces should be built until 2022. EYEMAXX expects ROE in the mid double-digit range.

Exhibit 14: Project “Vivaldi-Höfe”

Source: EYEMAXX

In August 2017, EYEMAXX announced the realisation of a second project in Berlin Schönefeld (“Sonnenhöfe”) with a volume of EUR 168m. In cooperation with DIE Deutsche Immobilien Entwicklungs AG (DIE AG) 559 residential units (living space of 39,000 sqm) and an office space with 12,000 sqm, 475 underground parking spaces and 231 outdoor parking spaces will be created. The construction should start in Q3 2018 and the completion of the project is expected in Q2 2021.

Exhibit 15: Project “Sonnenhöfe”

Source: EYEMAXX

Funding

On 13 April 2017, EYEMAXX issued a 20.4m convertible bond with a coupon of 4.5% and a term until 2019. The conversion price was set at EUR 11.89. The proceeds should be used to fund real estate projects as well as the further growth and modernisation of its own portfolio.

EYEMAXX increased its share capital from EUR 4.3m to EUR 4.7m on 21 September 2017. The shares were placed at EUR 12.00 and the gross proceeds of around EUR 5m should be used to realize the project in Berlin Schönefeld.

In November 2017 the company repaid its 2012/2017 corporate bond (coupon: 7.75%) on schedule with an outstanding volume of EUR 11.6m. The relatively high funding costs of the past were related to the fact that the company was very small when it issued the bonds.

On 30 November 2017 EYEMAXX increased its share capital to EUR 5.2m by placing EUR 470,637 new shares at EUR 12.00. The placement generated proceeds of EUR 5.6m which are intended to be used to finance new real estate project developments as well as the acquisition of a 10% stake in G&S Planwerk which is focused on micro-apartments and student residences. Following the capital increase EYEMAXX's equity ratio will further improve. We forecast an equity ratio of 37% for 2017/2018e and 40% for 2018/2019e.

Exhibit 16: Overview of corporate bonds and convertible bonds

	Corporate Bonds			Convertibles	
	Bond 13/19	Bond 14/20	Bond 16/21	Convertible 16	Convertible 17
Current volume	EUR 8.7m	EUR 21.3m	EUR 30.0m	EUR 4.2m	EUR 20.4m
Coupon	7.875%	8.0%	7.0%	4.5%	4.5%
Duration	6 years	5.5 years	5 years	2 years	2.5 years
Interest payment date	March 26th	Sep 30th	March 18th & Sep 18th	Jun 16th & Dec 16th	Jun 16th & Dec 16th
Collateral	no	no	yes	no	no
Rating/ conversion price	BB	BB	BBB-	EUR 9.80	EUR 11.89

Source: EYEMAXX, equinet Research

As mentioned before projects are financed at SPV level from a combination of own funds from EYEMAXX Holding (15%-30% of total investment volume), debt (bank loans, i.e. non-recourse loans) and mezzanine loans. The financing by bank loans is non-recourse which means that EYEMAXX Holding is not liable.

Equity Ratio

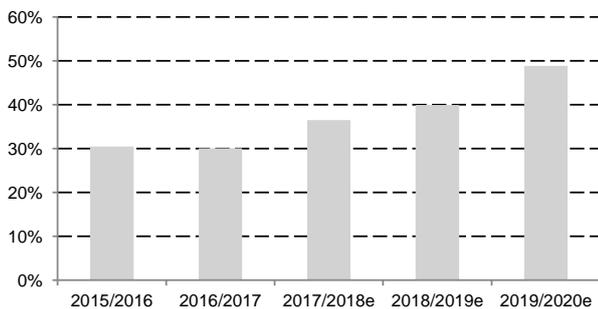
EYEMAXX ended the FY 2016/17 with an equity ratio of 30% (Equity excl. minorities/total assets) which we deem as solid. Note that its peer UBM Development had an equity ratio of 30% at the end of FY 2016 compared to EYEMAXX's equity ratio of 30% at the end of FY 2015/16. We expect the equity ratio to increase to 37% in the current year as a result of the capital increase in November 2017. For 2019/20e we forecast a strong increase in the equity ratio to 49% as we expect earnings to increase significantly due to the finalization

(and sale) of some key projects and as we assume the conversion of the convertible bonds (due in December 2019).

Gearing

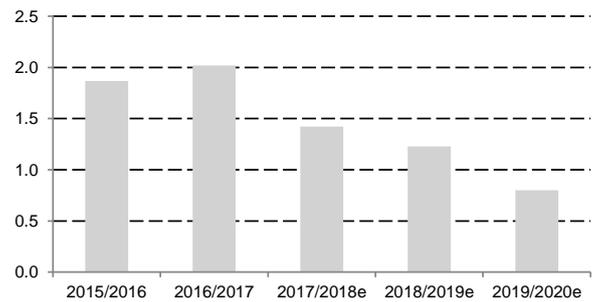
With a gearing (debt/equity) of 2.0x by the end of October 2017, EYEMAXX is relatively highly leveraged. We forecast however this ratio to come down significantly to 1.4x in the current year due to the capital increase in November 2017 as well as the repayment of the 12/17 bond. As of 2016 UBM Development had a gearing of 2.2x (vs. EYEMAXX: 1.87x as of 2015/2016).

Exhibit 17: Equity ratio development



Source: EYEMAXX, equinet Research

Exhibit 18: Gearing development



Source: EYEMAXX, equinet Research

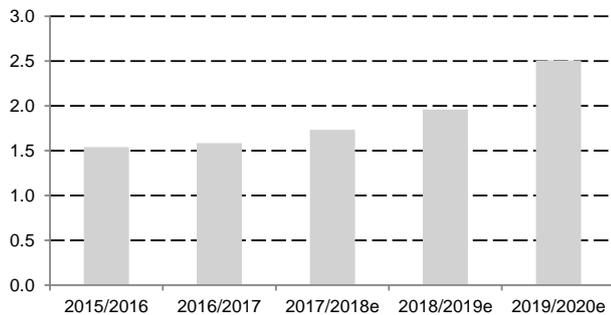
Interest Coverage Ratio

Interest coverage ratio amounted to 1.6x in 2016/'17 which looks relatively low but which should improve with increasing profitability in the next years as EYEMAXX finalizes additional projects. Additionally the ratio should improve as we expect EYEMAXX to be able to place new bonds at lower coupons. Note that the interest coverage ratio of UBM Development was with 2.4x in 2016 comparably higher than at EYEMAXX with 1.5x in 2015/16.

Net debt to EBITDA

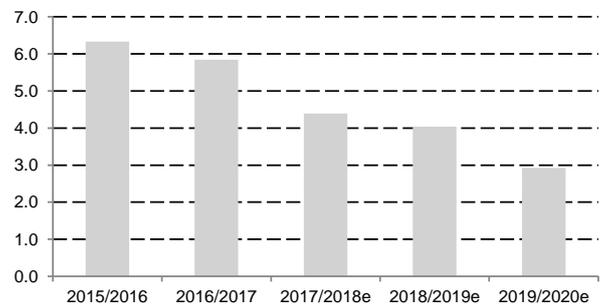
Net debt to EBITDA of 5.8x is also rather high but we expect a significant improvement in the next years as well with increasing profitability. Currently this ratio is negatively impacted by the fact that EYEMAXX had first to raise funds to invest into the projects but the returns are realized with some time delay. In 2016 net debt to EBITDA of UBM Development amounted to 13.9x (vs. EYEMAXX: 6.3x as of 2015/2016).

Exhibit 19: Interest coverage ratio development



Source: EYEMAXX, equinet Research

Exhibit 20: Net debt to EBITDA development



Source: EYEMAXX, equinet Research

Strategy

- Increase of transaction pipeline by profitable new development projects

EYEMAXX screens for various development project in different sectors with a focus on new large-scale projects, especially developments of residential units in Germany and Austria. The company also seeks to enter new European markets such as Sweden and the Netherlands. The company also targets to develop hotels and seeks to plan, develop and create micro-apartments and student residences which should be realized through the purchase of a minority interest in G&S Planwerk which is specialised in micro-apartments and student residences.

- Portfolio expansion

As the business of EYEMAXX also includes the holding of certain properties which are either self-developed or acquired the company targets to further expand its portfolio from currently c. EUR 37m to EUR 100m within the next two years. Especially self-developed properties should remain in its portfolio as prices for real estate properties have increased considerably. Note that those properties should be disposed after a certain holding time for profit. In addition, the company plans to increase the value of its portfolio through renovation and modernization measures of selected units. Construction extensions are also likely to ensure long-term leases. The portfolio could also be extended by further acquisitions. These measures should lead to a higher rental income which enables the company to generate stable cash flows to cover overhead costs.

- Optimization of financing structure

The funding structure of EYEMAXX is mainly based upon corporate and convertible bonds with relatively high funding costs of around 6% (EYEMAXX calculation). EYEMAXX targets to improve its financing structure through refinancing measures to reduce its funding costs. The company also plans to improve its Corporate Rating in the direction of investment grade until 2020 (current rating: "BB" from Creditreform).

According to the company the equity ratio should be at least 30%. As mentioned before we forecast an equity ratio (Equity excl. minorities/total assets) of 37% for 2017/2018e and 40% for 2018/2019e.

Market environment

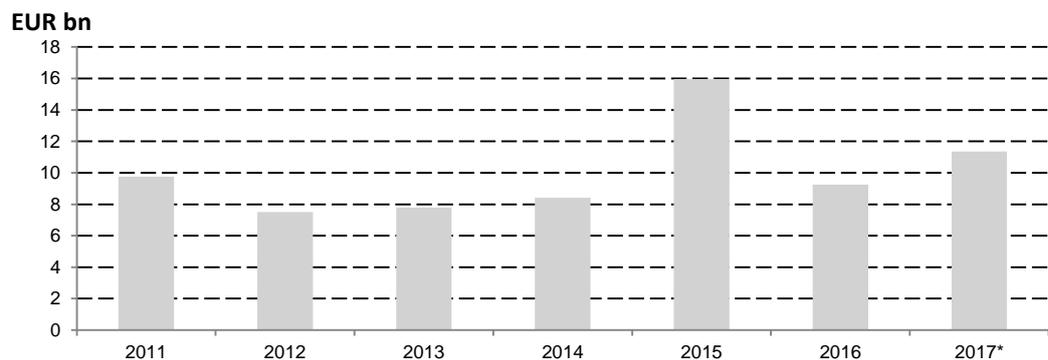
The market environment in EYEMAXX's key market, the residential real estate market, should remain positive. Demand for residential real estate in metropolitan areas should remain high due to immigration, a continuous migration towards larger cities and an intact trend of a growing number of households. At the same time construction of new apartments has in recent years not met the high demand. Although the positive price development has been also fuelled by the low interest rate environment, we do not expect prices to decline if rates slowly rise but rather to consolidate.

EYEMAXX is active in various real estate sectors in different countries. We focus in this section on the most important market segments in Germany, which is the most important country for EYEMAXX. We look at the retail market, the residential and the home care market as these are the most important real estate markets for EYEMAXX.

Retail

Retail real estate transaction volume has likewise shown hefty growth since 2008, but has proved to be not as consistent as the general commercial market. While there was a dip in growth in 2012-13, the transaction volume in 2015 was almost double the previous year's volume, with foreign investors heavily involved and being responsible for half of the transactions. 2017 showed a normalization with a transaction volume of slightly above EUR 11bn.

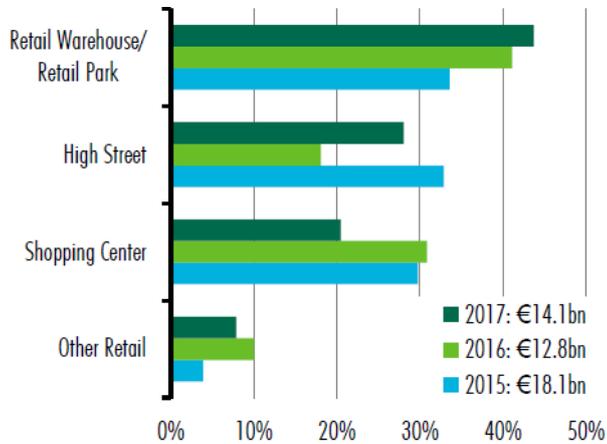
Exhibit 21: Retail transaction volume in Germany



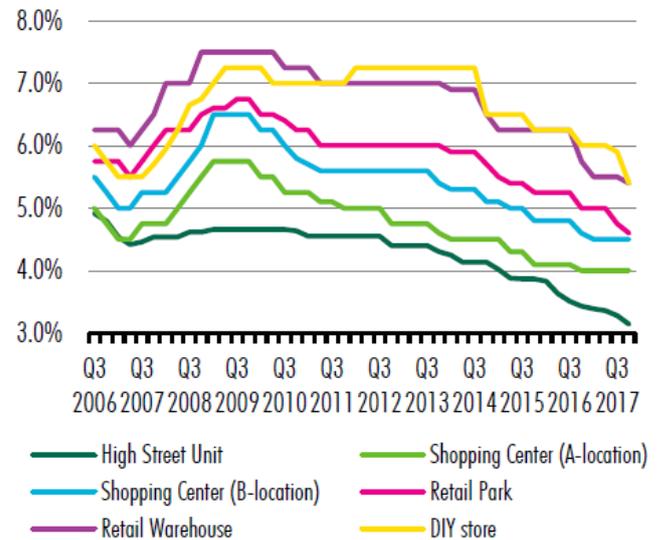
*Source for retail transaction volume in 2017: JLL

Source: Colliers, JLL, equinet Research

Looking at the sub-segments it can be seen that retail warehouse/retail parks were the sub-segment with the highest transaction volume in 2017 followed by high street and shopping centres. Interestingly the transaction volume of shopping centres has lost relatively in importance in recent years.

Exhibit 22: Retail investments according to type of property


Source: CBRE

Exhibit 23: Prime retail yields


Source: CBRE

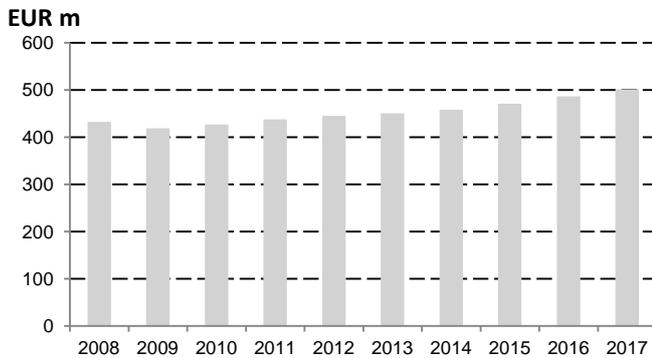
Yields in the TOP-7 locations have further declined during Q4 2017 and now range between 2.96% for high street retail and 5.3% for warehousing units. Like in the office segment yields in the secondary locations are higher by around 120 bp's on average (sources: Colliers / BulwienGesa).

Generally demand for retail properties should remain high because of the positive market environment in Germany, i.e. low unemployment rates and high consumer confidence which led to a continuous rise in retail sales in recent years and should continue to do so.

The retail market in general is going through consolidation, with chain operators and online retailers growing. Considering the continuous innovations and increasing efforts to retain customers by the big online retailers, the e-commerce growth trend should continue. It remains to be seen whether online retailers can successfully break into the groceries industry and challenge the supermarkets; on all other retail fronts, especially apparel and electronics, conventional retailers should continue to experience strong competition and might decide to scale back stores and shops in favour of a stronger online presence.

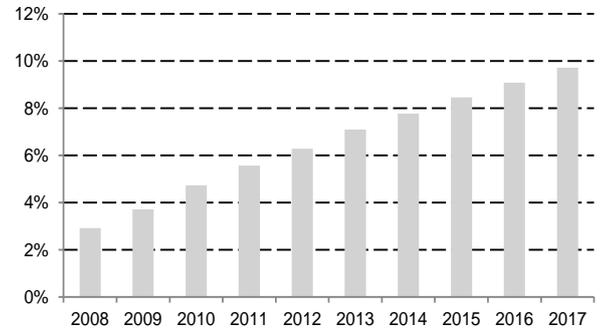
As EYEMAXX has set its focus on logistic centres and retail parks we expect that those assets should remain attractive for investors as spreads between real estate yields and German government bond yields are still on a high level (as of Q4 2017: retail parks: 4.6%, logistic properties: 4.5% vs. German 10Y government bond as of January 2018: c. 0.5%). Thus, demand for those asset class is expected to remain high, i.e. EYEMAXX should find potential buyers.

Exhibit 24: Retail Sales Development in Germany



Source: Statista, equinet Research

Exhibit 25: Market Share Development E-Commerce in Germany



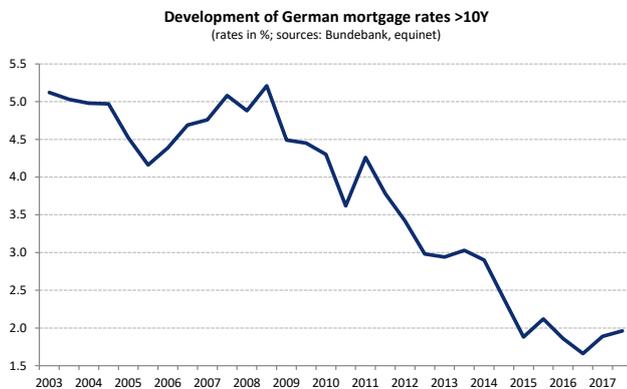
Source: HDE, Statista, equinet Research

Residential

Overall we expect the positive market environment for residential real estate to continue for the following reasons:

- Low mortgage rates make investments into residential real estate attractive for many investors

Exhibit 26: Development of German mortgage rates > 10Y



Source: Bundesbank, equinet Research

Exhibit 27: Sum of missing apartments until 2030



Source: Prognos, equinet Research

- Migration leading to continued high demand for residential real estate property i.e. the number of missing apartments in large cities should remain high
- Construction activity remains low, i.e. demand should remain above the supply

According to Germany’s DIW Institute for Economic Research increased land prices should slow down residential construction. While 278,000 apartments were built in 2016 it might have been around 300,000 in 2017. The number could rise to 320,000 in 2018. Residential construction is expected to further increase but to a lower extent. Main reasons are scarce of land, rising construction prices and the lack of craftsmen. Construction prices should have been increased by more than 3% in 2017 and are expected to further increase by more than 3% in 2018 and 2019 due to the high demand and higher prices for energy and raw materials. In addition building permissions are decreasing. Note that at least 350,000

apartments should have been built in 2017 to cover the high demand for housing. During 2015 and 2030 230,000 apartments p.a. are needed.

Despite a forecasted shrinking overall population the number of households should continue to increase. We will see a trend towards smaller households with more space as the living space per person is expected to increase from 46 sqm in 2016 to above 50 sqm until 2030.

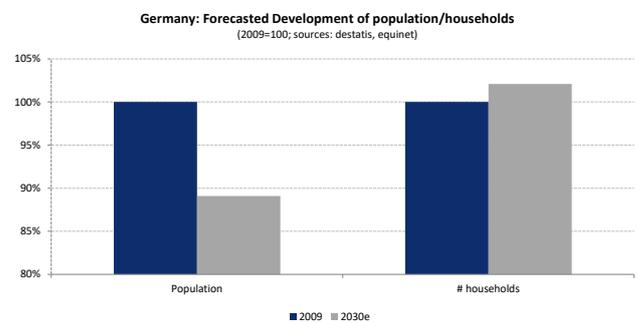
Since 2015 total apartment prices exceed construction costs in EUR per sqm for residential real estate properties in Germany which make construction more attractive than the purchase of existing assets. To satisfy the high demand for housing closing of vacant lots and the building up of buildings could be a solution.

Exhibit 28: Construction of new apartments



Source: Destatis, equinet Research

Exhibit 29: Forecasted Development of population/households



Source: Destatis, equinet Research

- Prices for real estate properties should further increase

The housing market in Germany is characterized by a strong demand. Thus, the vacancy rate in the German TOP-7 locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart) has fallen below 2% in 2017. The transaction volume in the German residential real estate market reached EUR 15.6bn (vs. EUR 13.2bn in 2016). For 2018 the transaction volume should be at a level that is comparable to the last two years.

Due to the ongoing high demand for residential real estate assets we expect prices and rents to further increase in Germany. In 2017 prices for newly built apartments showed the strongest increase in Berlin and Frankfurt (+7.4% yoy each). In 2017 prices for German housing have increased by 6% yoy on average. Compared to 2012 prices for residential real estate properties in the Top 7 locations have increased on average by 37%.

Exhibit 30: Rents and purchase prices in the Top 7 locations of Germany

	Berlin	Cologne	Düsseldorf	Frankfurt	Hamburg	Munich	Stuttgart	Germany
Asking rents 2017* (compared with 2012)	9.80 (+31%)	10.55 (+17%)	10.00 (+11%)	12.90 (+12%)	10.95 (+9%)	16.10 (+24%)	11.90 (+19%)	7.00 (+11%)
Purchase prices condo 2017** (compared with 2012)	3,710 (+60%)	3,240 (+58%)	3,430 (+56%)	4,500 (+47%)	4,130 (+37%)	6,750 (+54%)	3,850 (+72%)	2,470 (+37%)***

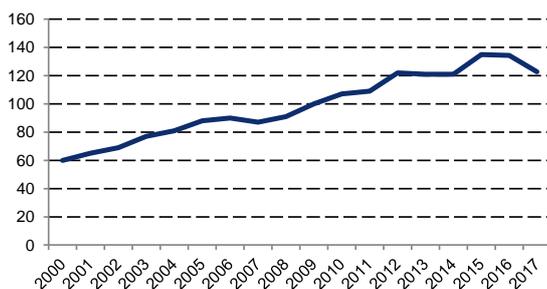
* Median in €/sq m/month; ** Median in €/sq m; *** compared with 2013

Source: CBRE

- Housing still affordable

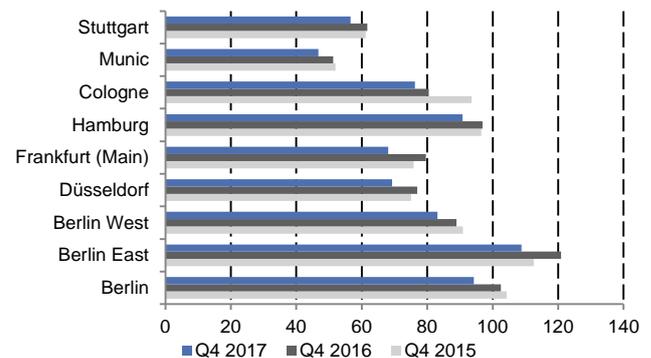
Although real estate prices have increased in recent years home ownership is still affordable in Germany. Housing has in fact become more affordable for a normal family until the financial crisis as can be seen from the graph below. The affordability index which summarizes factors such as real estate prices, salaries and interest rates informs about the possibility to purchase a property for an average household. A high level indicates a good affordability. The current index is with a value of 122.63 roughly on the same level as it was in 2012 (121.92) A peak was reached in the second quarter of 2015 as the affordability index amounted to 134.84. However, in recent years house prices were going up and net income could not keep with the boost. On the scale back to 2000, the ratio stands still on low ground. If we look at the Top-7 locations of Germany Berlin is the most affordable city (94.2) followed by Hamburg (90.8) and Cologne (76.2). Munich stays the most expensive city in Germany. The affordability index was with 46.7 for the first time below the level 50.

Exhibit 31: Housing affordability in Germany



Source: IVD, equinet Research

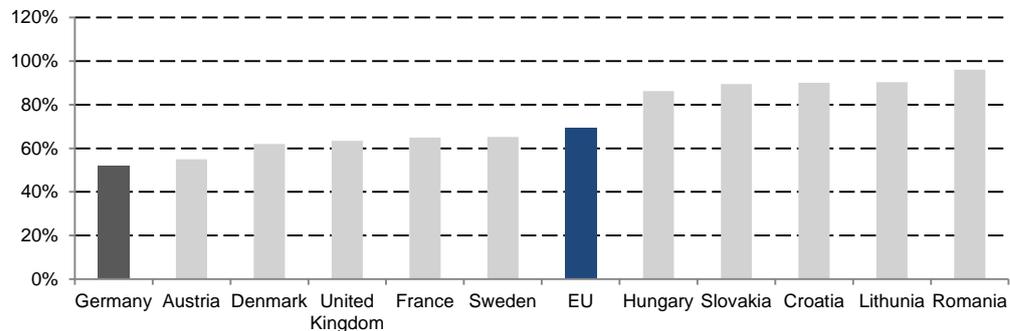
Exhibit 32: Housing affordability in Germanies Top- 7 locations



Source: IVD, equinet Research

- Low home ownership ratio

Compared to other European countries home ownership in Germany is still relatively low with 52% in 2016 compared to almost 69% in the European Union which can be explained by high transaction costs for real estate purchases and stringent requirements. We do not think that the home ownership ratio will increase significantly in the coming years but it may gradually move upwards.

Exhibit 33: Home ownership ratios in selected European countries


Source: Eurostat

As EYEMAXX's current transaction pipeline mainly includes residential properties in Germany we are confident that EYEMAXX is able to sell its projects for profit as prices should further increase even if construction costs are also getting more expensive. As there should still be a lack of supply as construction does not cover the high demand we see EYEMAXX well positioned to satisfy the high demand for housing. We also regard it as positive that the company prefers projects which are in an advanced project stage, as these projects are less risky.

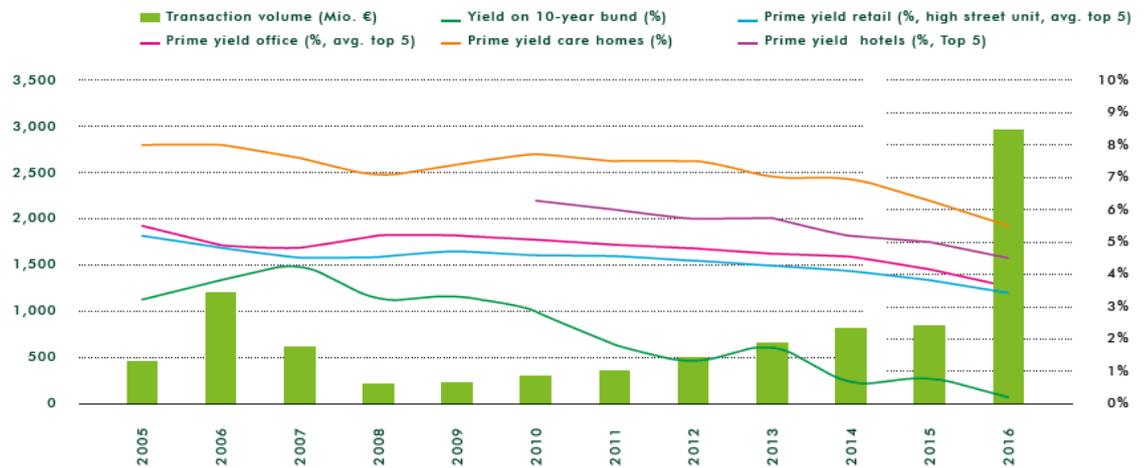
Care homes

In recent years the number of people requiring nursing cares has increased by 50% yoy between 1999 and 2015 and is forecasted to increase to by around another 50% by 2050 (the 2050 estimate is defined somewhat narrower than the 2015 figure as it does not include those people who need only basic nursing care; source: Barmer Pflegereport 2017).

This trend is clearly driven by a growing number of older people in Germany. While in 2016 the proportion of the people being older than 65 years is at 18%, this ratio is forecasted to increase to 34% by 2050. Taking into account that the number of children per woman has constantly declined in recent years and that the German society has changed, i.e. children do not automatically nurse their parents once they are old, the demand for nursing homes should further increase in the future.

The German market for care homes is characterized by a relatively low concentration level compared to other countries like France or UK, the TOP 10 care home operators have a market share of only 15%. While at the end of the 90s the market share of private care home operators has been still relatively low with 26%, it has increased since then to 38% by 2013 (source: CBRE).

Transaction volumes in the nursing homes sector have been around EUR 500m in recent years but reached a record high with almost EUR 3bn in 2016. In 2017 the transaction volume amounted to around EUR 1bn. Around 1.8% of the total transaction volume for commercial real estate properties was related to the nursing home sector in 2017. With a proportion of 64% foreign investors were mainly active in the German care home market in 2017. As the yields are still relatively attractive (2017: % vs. 5.5% in 2016) and as the underlying trend (a growing demand for care home places) remains intact we expect interest among investors for this niche segment to remain high. For 2018 CBRE estimates a transaction volume of c. EUR 750m.

Exhibit 34: Transaction volume in the German care property market


Source: CBRE

Business Apartments

Business Apartments are mainly used by business people, who either have to temporarily work in different cities (e.g. consultants) or are week-end commuters. In recent years job growth has been particularly strong in large cities. As these jobs have either been only temporary or workers did not want to move their home immediately, demand for business apartments has risen. These so-called “smartments” (as they include all kinds of amenities/services like cleaning, internet use, gym etc.) have also become interesting for project workers as firms have either become more cost efficient and thus prefer these “smartments” which tend to cost less than hotels or as the service level of these smartments is so high that they offer sometimes even a better deal than hotels and have therefore become the preferred choice of the temporary workers.

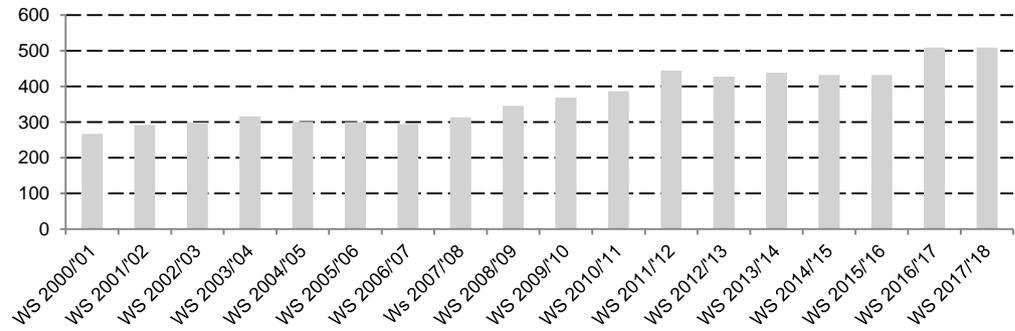
Student Apartments

The number of university entrants in Germany has increased quite significantly in Germany during the last ten years from 313k to 509k in 2017.

This was driven by the abolition of the mandatory military service and the shortening of the secondary school attendance from nine to eight years which led to a sharp rise in the number of new students. Additionally the number of foreign university entrants has also risen during that time, although the proportion of foreign students is with around 10% still on a relatively low level compared to other countries. Although the number of university entrants is not forecasted to grow further, it should remain more or less on that relatively high level as the proportion of young people graduating from secondary school (and thus being able to attend university) should further increase. Therefore demand for student housing should further increase, particularly as the urbanization (i.e. people moving from rural areas into cities) and the trend towards smaller households (i.e. increasing demand for smaller apartments) should continue. This means that students are competing with a growing number of people for a limited number of suitable apartments.

Students in Germany predominantly (70%) live in rented accommodation, c. 17% live in student halls and around 12% live in their parents' homes. If competition for smaller apartments in larger cities will further increase in the coming years, student apartments should be in high demand as they offer students affordable living. Hence, we see good growth prospects for this subsector, driven both by a high number of students and a growing competition for small apartments in large cities.

Exhibit 35: Development of Student Freshman in Germany (# students in '000 enrolling in the winter semester)



Source: DeStatis, equinet Research

Financials

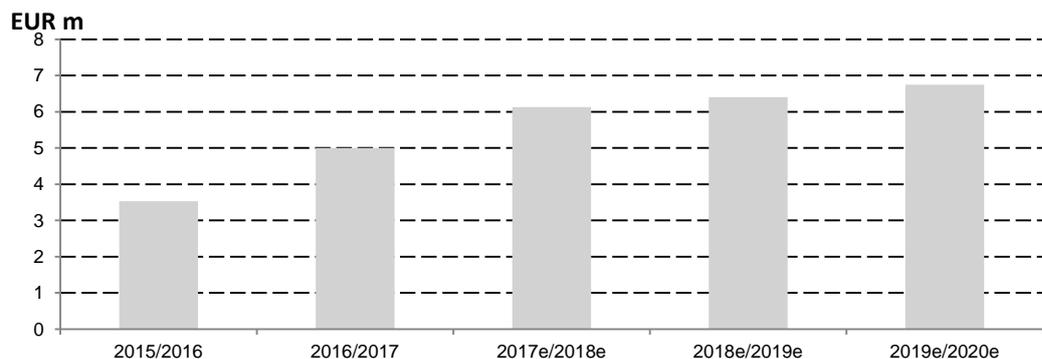
On the back of the company's current project pipeline of c. EUR 760m which should further increase and the continued expansion of its portfolio properties EYEMAXX's revenues should grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 16%. EYEMAXX targets to pay a stable dividend of EUR 0.20 per share for 2016/2017 and for 2017/2018e we forecast a dividend of EUR 0.25 per share (2018/2019e: EUR 0.30 per share).

P&L Development

Revenues

EYEMAXX generates revenues mainly from rental income of its portfolio properties as well as revenues from services for which the company is tasked for from its SPVs for project services such as construction management, marketing and tenant acquisition. Note that EYEMAXX's fiscal year starts on 1 November and ends on 31 October.

Exhibit 36: Development of Revenues

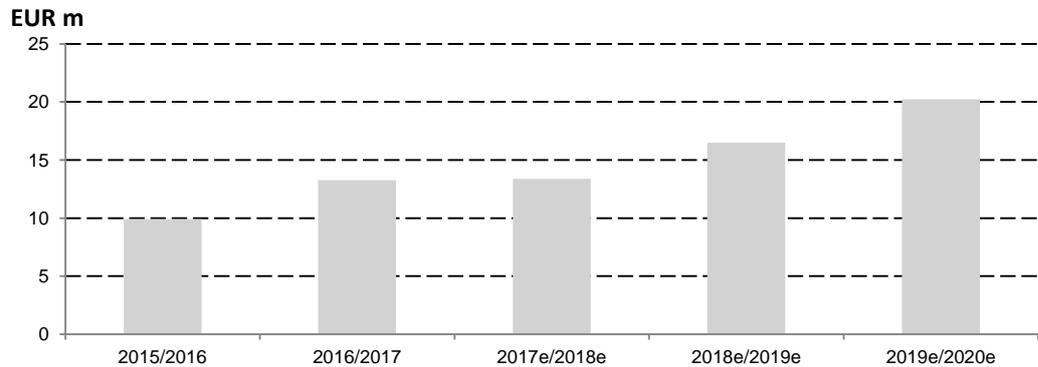


Source: EYEMAXX, equinet Research

We forecast revenues to increase by 23% yoy to EUR 6.1m in 2017/2018e and for 2018/2019e we expect those revenues to amount to EUR 6.4m. Main drivers should be the realization of its transaction pipeline as it should lead to higher cash flows as well as the expansion of its portfolio to generate rental income as stable cash flows.

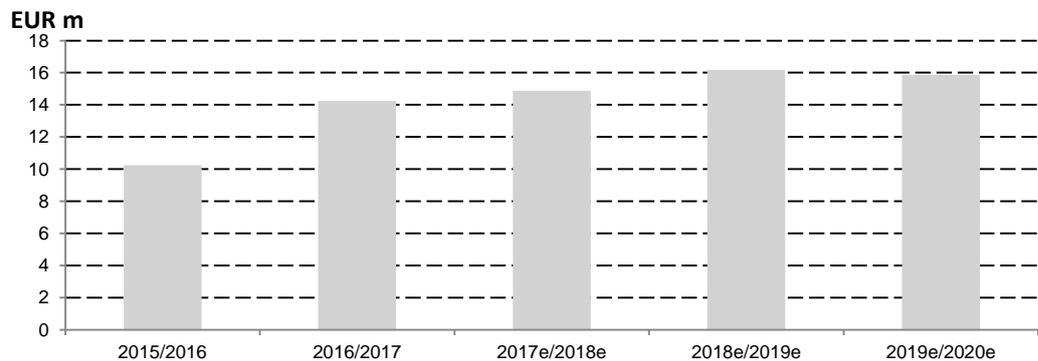
EBIT

A major part of the company's earnings is realized when projects are sold for profit which can be found under the P&L line "net income from at equity" as projects are clustered in SPVs. Based on EYEMAXX's current pipeline of c. EUR 760m we have calculated net income from at equity. Note that the last projects are expected to be completed until 2022. In the year of completion we expect that EYEMAXX receives around 40% of the project return and the remaining amount should be realized in the previous years. We forecast net income from at equity of EUR 13.4m for 2017/2018e and EUR 16.5m for 2018/2019e.

Exhibit 37: Development of net income from at equity


Source: EYEMAXX, equinet Research

EYEMAXX's business is a scalable business. The cost base consists mainly of personnel and other costs of the holding. Note that most of the project costs are booked at the SPVs. With higher revenues and higher net income from at equity EBIT margins should increase more than proportionally. For 2017/2018e we estimate an EBIT of EUR 14.9m (+4% yoy) and for 2018/2019e we forecast an increase by 9% yoy to EUR 16.2m.

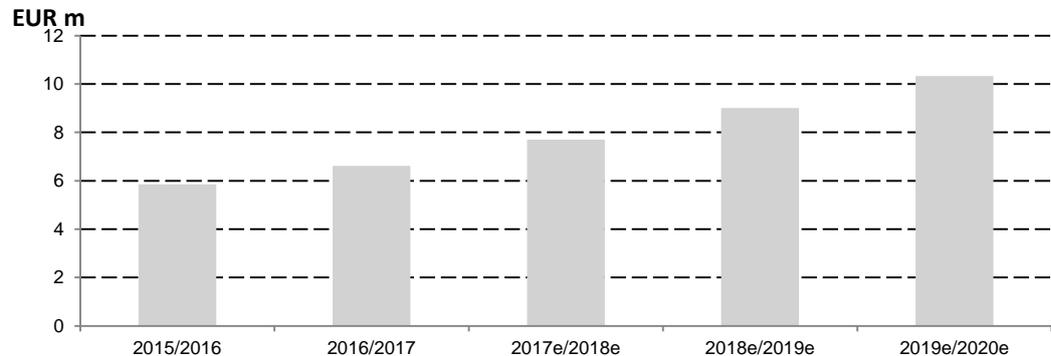
Exhibit 38: Development of EBIT


Source: EYEMAXX, equinet Research

Net profit

Based upon a tax rate of 19% for 2017/2018e and for the coming years we forecast net profit (after minority interests) to go up by 16% yoy to EUR 7.7m in 2017/2018e and by 17% yoy to EUR 9.0m in 2018/2019e.

Exhibit 39: Development of net profit



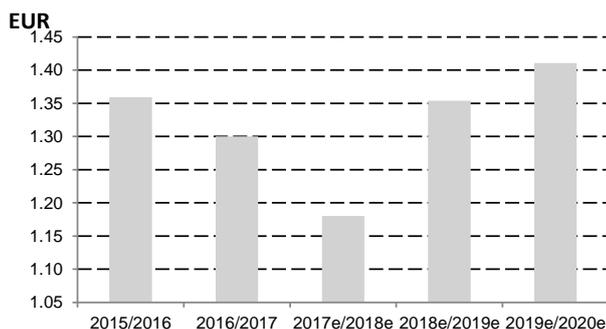
Source: EYEMAXX, equinet Research

EPS & DPS

For 2017/2018e EPS (diluted) should decline from EUR 1.30 in 2016/2017 to EUR 1.18, which can be explained by the higher number of shares as EYEMAXX issued two convertible bonds and increased its capital in FY 2016/2017. For 2018/2019e we forecast EPS (diluted) of EUR 1.35.

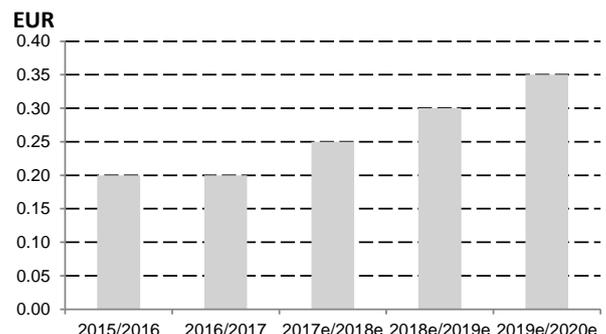
Depending on the generated net profit EYEMAXX targets to pay stable and attractive dividends. It has paid EUR 0.20 for 2015/2016 and intends to pay the same amount for 2016/2017. We assume a DPS of EUR 0.25 per share for 2017/2018e (payout ratio: c. 17%) and for 2018/2019e we expect the company to increase its DPS to EUR 0.30 for 2018/2019e (payout ratio: c. 24%).

Exhibit 40: Development of EPS



Source: EYEMAXX, equinet Research

Exhibit 41: Development of DPS



Source: EYEMAXX, equinet Research

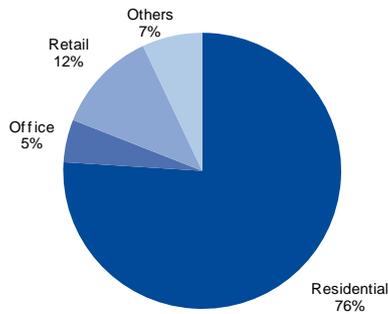
Equity ratio & Funding

With an equity ratio of 30% (Equity excl. minorities/total assets) and cash of EUR 16m (as of October 2017) EYEMAXX is well capitalized and has sufficient liquidity. We expect EYEMAXX's equity ratio to increase to 37% in 2017/2018e due to the last capital hike. We forecast an equity ratio of 40% for 2018/2019e.

Appendix I: Overview peer group

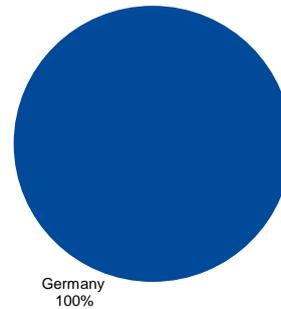
Exhibit 42: Overview peer group

Consus - Split of Gross Development Value by asset class



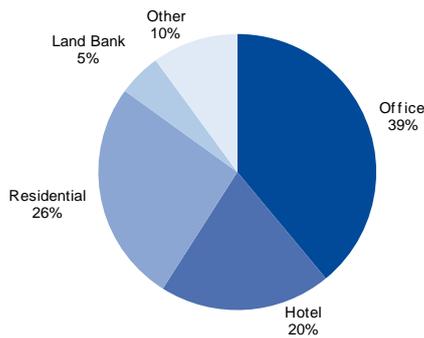
Source: Consus Real Estate, equinet Research

Consus - Split of Gross Development Value by region



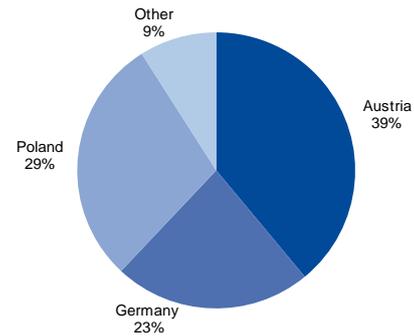
Source: Consus Real Estate, equinet Research

UBM Development - Portfolio split by asset class



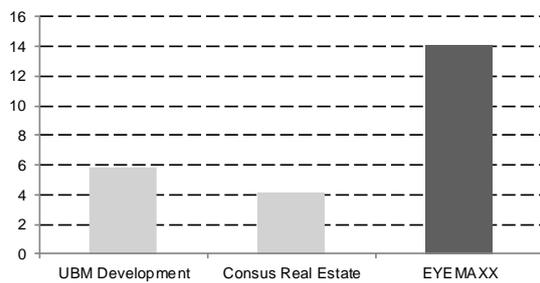
Source: EYEMAXX, equinet Research

UBM Development - Portfolio split by region



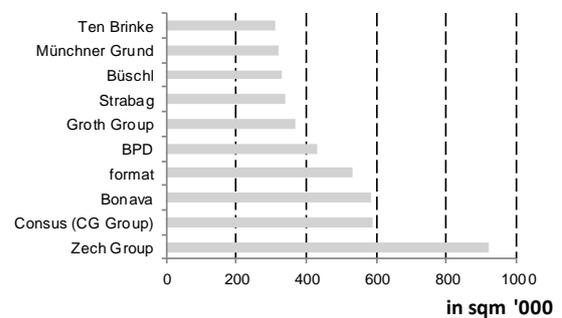
Source: EYEMAXX, equinet Research

Project pipeline as a % of Market Cap



Source: company data, equinet Research

Top 10 Residential Developer in German A cities



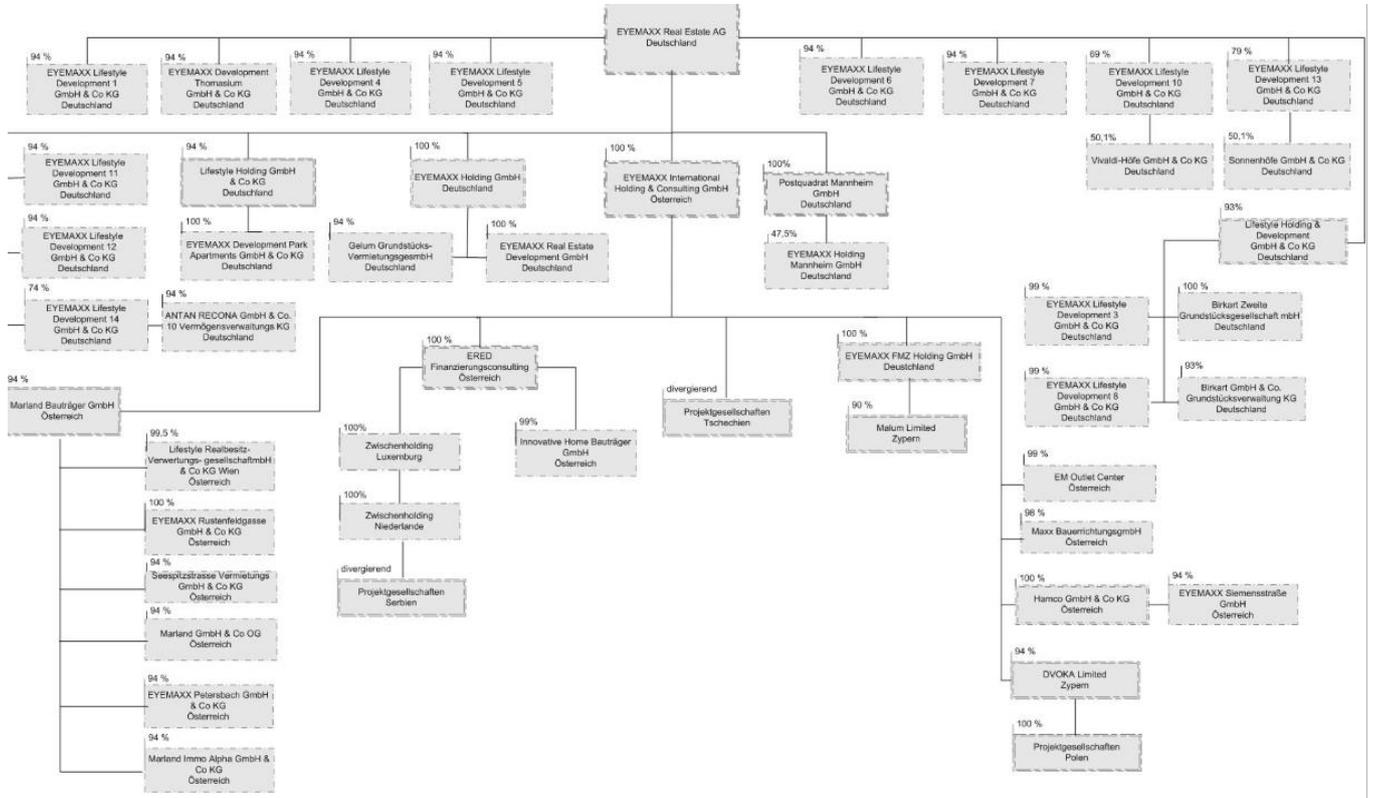
Source: bulwiengesa, equinet Research

Source: company data, equinet Research



Appendix II: Holding structure

Exhibit 43: Holding structure



Source: EYEMAXX

Appendix III: Management

Dr. Michael Müller (CEO of EYEMAXX Real Estate AG and EYEMAXX Group)

Dr. Michael Müller is CEO, founder and major shareholder of EYEMAXX. He studied economics in Vienna and finished his studies in 1983 as magister. He became certified management consultant and beside his profession he passed his doctors degree with distinction. Since 1994 Michael Müller has gained a lot of experience especially in the real estate segments residential properties and logistics. In 1996 he became CEO of "CARRERA-OPTYL" and founded "EYEMAXX International Holding & Consulting GmbH" in 1996.

Maximilian Pasquali, LL.M (Deputy CEO of EYEMAXX Group)

Maximilian Pasquali is deputy CEO of EYEMAXX. He studied law in Vienna and Belgium before he finished his studies at the Duke University in North Carolina where he gained the Master of Laws. Before he joined EYEMAXX in 2006 and became Deputy CEO of EYEMAXX he gained experience in several international law firms.

Kristian Radosavljevic, MA (CFO of EYEMAXX Group)

Kristian Radosavljevic is CFO of EYEMAXX. After his bachelor in business management he gained a master degree in finance. Before he joined EYEMAXX in October 2011 he worked for several companies in the area of controlling.

Appendix IV: Project pipeline

Exhibit 44: Project pipeline

Project / Location*	Type of use	Status of sale	Project volume/ expected sales price in EUR k
Schönefeld, Komponistenviertel (Germany)	Residential, Commercial	-	170,000
Schönefeld, Sternenviertel (Germany)	Residential, Commercial	-	168,000
Offenbach (Germany)	Commercial		18,400
Wien, Lainzer Straße (Austria)	Residential	Marketing has not started yet	10,100
Bonn (Germany)	Commercial		18,800
Mixed Use Mannheim (Germany)	Residential, Commercial	Forward Sales for approximately 50%	177,000
Wien, Siemensstraße (Austria)	Residential	Marketing has not started yet	23,400
Wien-Vösendorf (Austria)	Residential	Marketing since 1 November 2017	9,200
Wien, Rustenfeldgasse (Austria)	Residential	Marketing since 1 November 2017	7,300
Logistikzentrum Belgrad Phase I (Serbia)	Commercial	Sales negotiations	11,500
FMZ Křnov (Czech Republic)	Commercial	Marketing has not started yet	4,300
FMZ Louny (Czech Republic)	Commercial	Marketing has not started yet	7,400
FMZ Malbork (Poland)	Commercial	Marketing has not started yet	6,200
Logistikzentrum Belgrad Phase II (Serbia)	Commercial	Marketing has not started yet	21,600
FMZ Elk (Poland)	Commercial	Marketing has not started yet	9,300
Retail Park Belgrad (Serbia)	Commercial	Marketing has not started yet	18,100
Factory Outlet Belgrad Phase I (Serbia)	Commercial	Marketing has not started yet	20,500
Pflegeheim Waldalgesheim (Germany)	Nursing Home	Forward Sale	13,500
Wohnbau Potsdam (Germany)	Residential	Forward Sale	18,100
Lindenauer Hafen (Germany)	Residential	Forward Sale	25,000
			757,700

Source: EYEMAXX

Upcoming Corporate Events Calendar

Exhibit 45: Financial calendar

28/02/2018	Publication of annual report 2016/2017
19/03/2018	Interest payment of corporate bond 16/21
26/03/2018	Interest payment of corporate bond 13/19
18/06/2018	Interest payment of convertible bond 16/19 and 17/19
31/07/2018	Publication of half-yearly financial report 2017/2018
18/09/2018	Interest payment of corporate bond 16/21
01/10/2018	Interest payment of corporate bond 14/20
17/12/2018	Interest payment of convertible bond 16/19 and 17/19

Source: EYEMAXX, equinet Research

EYEMAXX Real Estate : Summary tables

PROFIT & LOSS (EURm)	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Sales	1.6	2.3	3.5	5.0	6.1	6.4
Cost of Sales & Operating Costs	9.9	11.7	10.0	13.3	13.4	14.8
Non Recurrent Expenses/Income	-3.9	-4.1	-3.0	-3.7	-4.3	-4.7
EBITDA	7.6	9.8	10.5	14.6	15.2	16.5
EBITDA (adj.)*	11.5	14.0	13.5	18.3	19.5	21.2
Depreciation	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
EBITA	7.4	9.6	10.2	14.3	14.9	16.2
EBITA (adj)*	11.3	13.7	13.3	18.0	19.2	20.9
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.4	9.6	10.2	14.3	14.9	16.2
EBIT (adj.)*	11.3	13.7	13.3	18.0	19.2	20.9
Net Financial Interest	-3.6	-3.7	-3.7	-6.1	-5.4	-5.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	3.9	5.9	6.6	8.2	9.5	11.1
Tax	-1.5	-1.9	-0.7	-1.6	-1.8	-2.1
<i>Tax rate</i>	<i>39.5%</i>	<i>32.0%</i>	<i>n.m.</i>	<i>19.2%</i>	<i>19.0%</i>	<i>19.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	2.3	4.0	5.8	6.6	7.7	9.0
Net Profit (adj.)	2.3	4.0	5.8	6.6	7.7	9.0
CASH FLOW (EURm)	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Cash Flow from Operations before change in NWC	-3.1	-1.0	-5.1	-7.1	-3.1	-8.7
Change in Net Working Capital	0.1	0.2	-0.7	0.3	0.4	0.0
Cash Flow from Operations	-3.0	-0.8	-5.8	-6.8	-2.7	-8.7
Capex	-4.3	-0.3	-3.8	-12.2	16.0	8.0
Net Financial Investments	3.6	4.0	6.7	21.7	-6.6	0.8
Free Cash Flow	-3.7	3.0	-2.9	2.7	6.8	0.2
Dividends	0.0	-0.7	-0.9	-0.9	-0.9	-1.3
Other (incl. Capital Increase & share buy backs)	1.6	1.8	4.4	4.9	6.0	2.1
Change in Net Debt	-2.1	4.0	0.6	6.7	11.8	1.0
NOPLAT	6.8	9.4	14.7	14.5	15.5	16.9
BALANCE SHEET & OTHER ITEMS (EURm)	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Net Tangible Assets	59.9	71.4	88.5	110	110	121
Net Intangible Assets (incl. Goodwill)	0.0	0.1	0.1	0.1	-0.2	-0.5
Net Financial Assets & Other	0.0	0.1	0.3	0.4	0.4	0.4
Total Fixed Assets	60.0	71.6	88.8	110	111	121
Inventories	1.6	14.3	7.5	8.9	8.9	8.9
Trade receivables	0.4	1.0	1.0	1.5	1.5	1.5
Other current assets	4.2	7.2	21.7	29.2	28.2	27.2
Cash (-)	-4.4	-3.9	-3.3	-15.8	-22.5	-22.7
Total Current Assets	10.6	26.3	33.6	55.5	61.2	60.4
Total Assets	70.6	97.9	122	166	172	182
Shareholders Equity	20.1	28.3	37.3	50.0	62.7	72.6
Minority	0.0	0.2	0.7	0.1	0.1	0.1
Total Equity	20.1	28.5	38.0	50.1	62.9	72.7
Long term interest bearing debt	45.6	46.8	66.4	83.4	71.8	71.8
Provisions	0.4	0.6	1.0	0.9	2.0	2.0
Other long term liabilities	1.7	4.8	5.0	6.9	6.9	6.9
Total Long Term Liabilities	47.7	52.2	72.4	91.2	80.7	80.7
Short term interest bearing debt	1.8	15.7	3.1	17.4	17.4	17.4
Trade payables	0.2	0.6	0.8	0.8	0.8	0.8
Other current liabilities	0.7	0.9	8.0	6.4	10.0	10.0
Total Current Liabilities	2.8	17.2	11.9	24.7	28.2	28.2
Total Liabilities and Shareholders' Equity	70.6	97.9	122	166	172	182
Net Capital Employed	65.3	92.5	110	143	138	148
Net Working Capital		0.0	0.0	0.0	0.0	0.0
GROWTH & MARGINS	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
<i>Sales growth</i>	<i>n.m.</i>	<i>47.4%</i>	<i>52.4%</i>	<i>41.6%</i>	<i>22.7%</i>	<i>4.4%</i>
EBITDA (adj.)* growth	n.m.	21.3%	-3.4%	35.5%	6.5%	8.6%
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>6.7%</i>	<i>8.8%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>6.7%</i>	<i>8.8%</i>

EYEMAXX Real Estate : Summary tables

GROWTH & MARGINS	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Net Profit growth	n.m.	74.7%	44.9%	13.2%	16.3%	17.1%
EPS adj. growth		105.3%	16.2%	-4.4%	-9.2%	14.7%
DPS adj. growth		0.0%	0.0%	0.0%	25.0%	20.0%
EBITDA (adj)* margin	733.0%	603.2%	382.5%	366.0%	317.8%	330.6%
EBITA (adj)* margin	718.1%	593.6%	376.4%	359.9%	312.9%	325.9%
EBIT (adj)* margin	718.1%	593.6%	376.4%	359.9%	312.9%	325.9%
RATIOS	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Net Debt/Equity	2.1	2.1	1.7	1.7	1.1	0.9
Net Debt/EBITDA	5.6	6.0	6.3	5.8	4.4	4.0
Interest cover (EBITDA/Fin.interest)	2.2	2.7	2.8	2.4	2.8	3.3
Capex/D&A	1855.6%	143.0%	1779.8%	3974.5%	-5333.3%	-2666.7%
Capex/Sales	276.4%	13.8%	107.4%	243.3%	-261.0%	-124.9%
NWC/Sales		0.0%	0.0%	0.0%	0.0%	0.0%
ROE (average)	23.0%	16.7%	17.8%	15.2%	13.7%	13.3%
ROCE (adj.)		13.1%	16.6%	13.2%	14.1%	14.0%
WACC	0.0%	0.0%	0.0%	0.0%		
ROCE (adj.)/WACC		n.m.	n.m.	n.m.		
PER SHARE DATA (EUR)***	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Average diluted number of shares	2.9	3.3	4.3	5.6	7.3	7.3
EPS (reported)	0.57	1.17	1.36	1.53	1.50	1.68
EPS (adj.)	0.57	1.17	1.36	1.30	1.18	1.35
BVPS	6.92	8.54	8.66	8.94	8.61	9.92
DPS	0.20	0.20	0.20	0.20	0.25	0.30
VALUATION	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
EV/Sales	37.1	33.1	29.5	28.9	19.6	22.3
EV/EBITDA	7.6	7.8	10.0	9.9	7.9	8.7
EV/EBITDA (adj.)*	5.1	5.5	7.7	7.9	6.2	6.7
EV/EBITA	7.9	8.0	10.2	10.1	8.1	8.8
EV/EBITA (adj.)*	5.2	5.6	7.8	8.0	6.3	6.8
EV/EBIT	7.9	8.0	10.2	10.1	8.1	8.8
EV/EBIT (adj.)*	5.2	5.6	7.8	8.0	6.3	6.8
P/E (adj.)	8.3	4.4	6.6	9.8	8.9	7.7
P/BV	0.7	0.6	1.0	1.4	1.2	1.1
Total Yield Ratio	4.6%	4.7%	2.2%	1.9%	2.4%	2.9%
EV/CE		1.1	1.2	1.3	1.1	1.2
OpFCF yield	-48.3%	-5.9%	-25.2%	-31.7%	24.6%	-0.9%
OpFCF/EV	-12.6%	-1.4%	-9.2%	-13.1%	11.1%	-0.5%
Payout ratio	35.1%	17.1%	14.7%	13.1%	16.7%	17.8%
Dividend yield (gross)	4.2%	3.8%	2.2%	1.9%	2.4%	2.9%
EV AND MKT CAP (EURm)	10/2014	10/2015	10/2016	10/2017	10/2018e	10/2019e
Price** (EUR)	4.76	5.20	8.91	12.71	10.45	10.45
Outstanding number of shares for main stock	3.2	3.5	4.3	4.7	5.2	7.3
Total Market Cap	15	18	38	60	54	76
Net Debt	43	59	66	85	67	66
<i>o/w Cash & Marketable Securities (-)</i>	<i>-4</i>	<i>-4</i>	<i>-3</i>	<i>-16</i>	<i>-23</i>	<i>-23</i>
<i>o/w Gross Debt (+)</i>	<i>47</i>	<i>62</i>	<i>70</i>	<i>101</i>	<i>89</i>	<i>89</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	58	77	104	144	120	143

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Financial Services Industrials/FinSvcs Industrials

Company Description: EYEMAXX Real Estate is a real estate development company and holds a small portfolio of real estate properties. The company develops and sells residential, nursing homes and commercial properties with a geographical focus on Germany and Austria.

European Coverage of the Members of ESN

Aerospace & Defense		Mem(*)						
			Banco Sabadell	GVC	Air Liquide	CIC	Wendel	CIC
Airbus Se	CIC		Banco Santander	GVC	Avantium	NIBC	Food & Beverage	Mem(*)
Dassault Aviation	CIC		Bankia	GVC	Brenntag	EQB	Acomo	NIBC
Latecoere	CIC		Bankinter	GVC	Fuchs Petrolub	EQB	Atria	OPG
Leonardo	BAK		Bbva	GVC	Holland Colours	NIBC	Bonduelle	CIC
Lisi	CIC		Bcp	CBI	K+S Ag	EQB	Campari	BAK
Mtu Aero Engines	EQB		Bnp Paribas	CIC	Kemira	OPG	Coca Cola Hbc Ag	IBG
Ohb Se	EQB		Bper	BAK	Kws Saat	EQB	Corbion	NIBC
Rheinmetall	EQB		Bpi	CBI	Linde	EQB	Danone	CIC
Safran	CIC		Caixabank	GVC	Siegfried Holding Ag	EQB	Ebro Foods	GVC
Thales	CIC		Commerzbank	EQB	Symrise Ag	EQB	Enervit	BAK
Zodiac Aerospace	CIC		Credem	BAK	Tikkurila	OPG	Fleury Michon	CIC
Alternative Energy		Mem(*)			Electronic & Electrical Equipment	Mem(*)		
			Credit Agricole Sa	CIC			Forfarmers	NIBC
Daldrup & Soehne	EQB		Creval	BAK	Euro micron Ag	EQB	Heineken	NIBC
Siemens Gamesa Re	GVC		Deutsche Bank	EQB	Neways Electronics	NIBC	Hks can	OPG
Sif Group	NIBC		Deutsche Pfandbriefbank	EQB	Pkc Group	OPG	La Doría	BAK
Solaria	GVC		Eurobank	IBG	Rexel	CIC	Lanson-Bcc	CIC
Automobiles & Parts		Mem(*)						
			Intesa Sanpaolo	BAK	Vaisala	OPG	Laurent Perrier	CIC
Bittium Corporation	OPG		Liberbank	GVC	Viscom	EQB	Ldc	CIC
Bmw	EQB		Mediobanca	BAK	Financial Services		Mem(*)	Lucas Bols
Brembo	BAK		Merkur Bank	EQB	Amundi	CIC	Massimo Zanetti	BAK
Continental	EQB		National Bank Of Greece	IBG	Anima	BAK	Naturex	CIC
Daimler Ag	EQB		Natixis	CIC	Athex Group	IBG	Olvi	OPG
Erlingklinger	EQB		Nordea	OPG	Azimut	BAK	Orsero	BAK
Faurecia	CIC		Piraeus Bank	IBG	Banca Farmafactoring	BAK	Pernod Ricard	CIC
Ferrari	BAK		Poste Italiane	BAK	Banca Generali	BAK	Raisio	OPG
Fiat Chrysler Automobiles	BAK		Procredit Holding	EQB	Banca Ifis	BAK	Refresco Group	NIBC
Groupe Psa	CIC		Rothschild & Co	CIC	Banca Sistema	BAK	Remy Cointreau	CIC
Hella Gmbh & Co. Kgaa	EQB		Societe Generale	CIC	Bb Biotech	EQB	Suedzucker	EQB
Indelb	BAK		Ubi Banca	BAK	Bolsas Y Mercados Espanoles Sa	GVC	Telepizza	GVC
Kamux	OPG		Unicredit	BAK	Capman	OPG	Vidrala	GVC
Landi Renzo	BAK		Basic Resources		Mem(*)	Cir	Vilmorin	CIC
Leoni	EQB		Acerinox	GVC	Comdirect	EQB	Viscofan	GVC
Michelin	CIC		Altri	CBI	Corestate Capital Holding S.A.	EQB	Vranken Pommery Monopole	CIC
Nokian Tyres	OPG		Arcelormittal	GVC	Corp. Financiera Alba	GVC	Wessanen	NIBC
Norma Group	EQB		Corticeira Amorim	CBI	Digital Magics	BAK	Food & Drug Retailers	
Piaggio	BAK		Ence	GVC	Dobank	BAK	Ahold Delhaize	NIBC
Plastic Omnium	CIC		Europac	GVC	Eq	OPG	Carrefour	CIC
Pwo	EQB		Metka	IBG	Eurazeo	CIC	Casino Guichard-Perrachon	CIC
Sogefi	BAK		Metsä Board	OPG	Ferratum	EQB	Ceconomy Ag	EQB
Stabilus	EQB		Mylinteo s	IBG	Ffp	CIC	Dia	GVC
Stern Groep	NIBC		Outokumpu	OPG	Finecobank	BAK	Jeronimo Martins	CBI
Valeo	CIC		Semapa	CBI	Grenke	EQB	Kesko	OPG
Volkswagen	EQB		Ssab	OPG	Hypoport Ag	EQB	Marr	BAK
Banks		Mem(*)						
			Stora Enso	OPG	Mlp	EQB	Metro Ag	EQB
Aareal Bank	EQB		Surteco	EQB	Ovb Holding Ag	EQB	Sligro	NIBC
Aktia	OPG		The Navigator Company	CBI	Patrizia	EQB	Sonae	CBI
Alpha Bank	IBG		Tubacex	GVC	Rallye	CIC		
Banca Carige	BAK		Upm-Kymmene	OPG	Tip Tamburi Investment Partners	BAK		
Banca Mps	BAK		Chemicals		Mem(*)	Unipol Gruppo Finanziario	BAK	

General Industrials	Mem(*)		OPG	Industrial Transportation	Mem(*)		
2G Energy	EQB	Pihlajalinna	OPG	Industrial Transportation	Mem(*)	Thermador Groupe	CIC
Aalberts	NIBC	Recordati	BAK	Bollore	CIC	Titan Cement	IBG
Accell Group	NIBC	Silmaasema	OPG	Ctt	CBI	Trevi	BAK
Ahlstrom	OPG	Wilex	EQB	Logwin	EQB	Uponor	OPG
Arcadis	NIBC	Household Goods	Mem(*)	Insurance	Mem(*)	Vicat	CIC
Aspo	OPG	De Longhi	BAK	Allianz	EQB	Vinci	CIC
Cembre	BAK	Elica	BAK	Axa	CIC	Yit	OPG
Huhtamäki	OPG	Fila	BAK	Banca Mediolanum	BAK	Media	Mem(*)
Kendrion	NIBC	Maisons Du Monde	CIC	Cattolica Assicurazioni	BAK	Alma Media	OPG
Nedap	NIBC	Philips Lighting	NIBC	Generali	BAK	Arnoldo Mondadori Editore	BAK
Pöyry	OPG	Industrial Engineering	Mem(*)	Hannover Re	EQB	Atresmedia	GVC
Prelios	BAK	Accsys Technologies	NIBC	Mapfre Sa	GVC	Axel Springer	EQB
Saf-Holland	EQB	Aixtron	EQB	Munich Re	EQB	Brill	NIBC
Serge Ferrari Group	CIC	Alstom	CIC	Sampo	OPG	Cairo Communication	BAK
Tkh Group	NIBC	Ansaldo Sts	BAK	Talanx Group	EQB	Cofina	CBI
General Retailers	Mem(*)	Biesse	BAK	Unipolsai	BAK	Cts Eventim	EQB
Beter Bed Holding	NIBC	Caf	GVC	Materials, Construction & Infrastructure	Mem(*)	Digital Bros	BAK
Elumeo Se	EQB	Cargotec Corp	OPG	Abertis	GVC	Gedi Gruppo Editoriale	BAK
Fielmann	EQB	Carraro	BAK	Acs	GVC	GI Events	CIC
Fnac Darty	CIC	Cnh Industrial	BAK	Aena	GVC	Havas	CIC
Folli Follie Group	IBG	Danieli	BAK	Aeroports De Paris	CIC	Impresa	CBI
Fourlis Holdings	IBG	Datalogic	BAK	Astaldi	BAK	IoI	BAK
Hornbach Holding	EQB	Deutz Ag	EQB	Atlantia	BAK	Ipsos	CIC
Inditex	GVC	Duro Felguera	GVC	Boskalis Westminster	NIBC	Jcdecoux	CIC
Jumbo	IBG	Emak	BAK	Buzzi Unicem	BAK	Lagardere	CIC
Ovs	BAK	Envipco	NIBC	Caverion	OPG	M6-Metropole Television	CIC
Rapala	OPG	Exel Composites	OPG	Cramo	OPG	Mediaset	BAK
Stockmann	OPG	Fincantieri	BAK	Eiffage	CIC	Mediaset Espana	GVC
Takkt Ag	EQB	Gesco	EQB	Ellaktor	IBG	Notorious Pictures	BAK
Tokmanni	OPG	Heidelberger Druck	EQB	Eitel	OPG	Nrj Group	CIC
Unieuro	BAK	Ima	BAK	Ezentis	GVC	Publicis	CIC
Windeln.De	EQB	Indus Holding Ag	EQB	Fcc	GVC	Rcs Mediagroup	BAK
YooxNet-A-Porter	BAK	Interpump	BAK	Ferrovial	GVC	Relx	NIBC
Zalando	EQB	Kone	OPG	Heidelberg Cement Ag	CIC	Rtl Group	EQB
Healthcare	Mem(*)	Konecranes	OPG	Heijmans	NIBC	Sanoma	OPG
4Sc	EQB	Manitou	CIC	Imerys	CIC	Solocal Group	CIC
Amplifon	BAK	Manz Ag	EQB	Lafargeholcim	CIC	Spir Communication	CIC
Bayer	EQB	Max Automation Ag	EQB	Lehto	OPG	Szygy Ag	EQB
Biotest	EQB	Metso Corporation	OPG	Lemminkäinen	OPG	Telegraaf Media Groep	NIBC
Diasorin	BAK	Outotec	OPG	Maire Tecnimont	BAK	Teleperformance	CIC
El.En.	BAK	Pfeiffer Vacuum	EQB	Mota Engil	CBI	Tf1	CIC
Epigenomics Ag	EQB	Ponsse	OPG	Obrascon Huarte Lain	GVC	Ubisoft	CIC
Genfit	CIC	Prima Industrie	BAK	Ramirent	OPG	Vivendi	CIC
Guerbet	CIC	Prysmian	BAK	Royal Bam Group	NIBC	Wolters Kluwer	NIBC
Korian	CIC	Smt Scharf Ag	EQB	Sacyr	GVC	Xing Ag	EQB
Merck	EQB	Talgo	GVC	Saint Gobain	CIC		
Oriola-Kd	OPG	Technotrans	EQB	Salini Impregilo	BAK		
Orion	OPG	Valmet	OPG	Sias	BAK		
Orpea	CIC	Wärtsilä	OPG	Srv	OPG		
		Zardoya Otis	GVC	Tarkett	CIC		

Oil & Gas Producers	Mem(*)	Realia	GVC	Asml	NIBC	Kotipizza	OPG
Eni	BAK	Sponda	OPG	Besi	NIBC	Melia Hotels International	GVC
Galp Energia	CBI	Technopolis	OPG	Ericsson	OPG	Nh Hotel Group	GVC
Gas Plus	BAK	Wcm Ag	EQB	Gigaset	EQB	Opap	IBG
Hellenic Petroleum	IBG	Software & Computer Services	Mem(*)	Nokia	OPG	Snaitech	BAK
Maurel Et Prom	CIC	Affecto	OPG	Roodmicrotec	NIBC	Snowworld	NIBC
Motor Oil	IBG	Akka Technologies	CIC	Slm Solutions	EQB	Sodexo	CIC
Neste Corporation	OPG	Alten	CIC	Stmicroelectronics	BAK	Sonae Capital	CBI
Qgep	CBI	Altran	CIC	Suess Microtec	EQB	Trigano	CIC
Repsol	GVC	Assystem	CIC	Teleste	OPG	Utilities	Mem(*)
Total	CIC	Atos	CIC	Va-Q-Tec	EQB	A2A	BAK
Oil Services	Mem(*)	Basware	OPG	Telecommunications	Mem(*)	Acciona	GVC
Bourbon	CIC	Comptel	OPG	Acotel	BAK	Acea	BAK
Cgg	CIC	Ctac	NIBC	Bouygues	CIC	Albioma	CIC
Fugro	NIBC	Digia Plc	OPG	Deutsche Telekom	EQB	Direct Energie	CIC
Rubis	CIC	Econocom	CIC	Dna	OPG	Edp	CBI
Saipem	BAK	Esi Group	CIC	Drillisch	EQB	Edp Renováveis	CBI
Sbm Offshore	NIBC	Exprivia	BAK	Elisa	OPG	Enagas	GVC
Technipfmc Plc	CIC	F-Secure	OPG	Euskaltel	GVC	Endesa	GVC
Tecnicas Reunidas	GVC	Gft Technologies	EQB	Freenet	EQB	Enel	BAK
Tenaris	BAK	Ict Group	NIBC	Iliad	CIC	Erg	BAK
Vallourec	CIC	Indra Sistemas	GVC	Kpn Telecom	NIBC	Eydap	IBG
Vopak	NIBC	Nemetschek Se	EQB	Masmovil	GVC	Falck Renewables	BAK
Personal Goods	Mem(*)	Neurones	CIC	Nos	CBI	Fortum	OPG
Adidas	EQB	Nexus Ag	EQB	Oi	CBI	Gas Natural Fenosa	GVC
Adler Modemaerkte	EQB	Novabase	CBI	Orange	CIC	Hera	BAK
Amer Sports	OPG	Ordina	NIBC	Ote	IBG	Iberdrola	GVC
Basic Net	BAK	Psi Software Ag	EQB	Retelit	BAK	Iren	BAK
Geox	BAK	Reply	BAK	Tele Columbus	EQB	Italgas	BAK
Gerry Weber	EQB	Rib Software	EQB	Telecom Italia	BAK	Public Power Corp	IBG
Hugo Boss	EQB	Seven Principles Ag	EQB	Telefonica	GVC	Red Electrica De Espana	GVC
Luxtistica	BAK	Software Ag	EQB	Telefonica Deutschland	EQB	Ren	CBI
Marimekko	OPG	Sopra Steria Group	CIC	Telia	OPG	Snam	BAK
Moncler	BAK	Tie Kinetix	NIBC	Tiscali	BAK	Terna	BAK
Puma	EQB	Tieto	OPG	United Internet	EQB		
Safilo	BAK	Tomtom	NIBC	Vodafone	BAK		
Salvatore Ferragamo	BAK	Visiativ	CIC	Travel & Leisure	Mem(*)		
Sarantis	IBG	Support Services	Mem(*)	Accor	CIC		
Technogym	BAK	Amadeus	GVC	Aegean Airlines	IBG		
Tod'S	BAK	Asiakastieto Group	OPG	Air France Klm	CIC		
Real Estate	Mem(*)	Batenburg	NIBC	Autogrill	BAK		
Adler Real Estate	EQB	Cellnex Telecom	GVC	Beneteau	CIC		
Beni Stabili	BAK	Dpa	NIBC	Compagnie Des Alpes	CIC		
Citycon	OPG	Ei Towers	BAK	Elior	CIC		
Demire	EQB	Enav	BAK	Europcar	CIC		
Deutsche Euroshop	EQB	Fiera Milano	BAK	Finnair	OPG		
Hispania Activos Inmobiliarios	GVC	Lassila & Tikanoja	OPG	I Grandi Viaggi	BAK		
Igd	BAK	Openjobmetis	BAK	Ibersol	CBI		
Lar España	GVC	Technology Hardware & Equipment	Mem(*)	Int. Airlines Group	GVC		
Merlin Properties	GVC	Asm International	NIBC	Intralot	IBG		

LEGEND: BAK: Banca Akros; CIC: CM CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Beksa, SV, SA; EQB: equinet bank; IBG: Investment Bank of Greece, NIBC: NIBC Bank N.V.; OPG: OP Corporate Bank; as of 1st November 2017

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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Rüzgar	19.50	Neutral	2/3/5	Metro AG	Bruns	29.00	Buy	2
Aareal Bank	Häßler	42.00	Accumulate		MLP	Häßler	7.50	Buy	2/3
adidas	Josefson	211.00	Accumulate		MTU Aero Engines	Rüzgar	130.00	Reduce	2
Adler Modemaerkte	Josefson	6.00	Neutral	7	Munich Re	Häßler	210.00	Accumulate	
ADLER Real Estate	Mayer	15.70	Buy		Nemetschek SE	Mildner	47.00	Reduce	5
Aixtron	Sen	11.60	Accumulate	2/3	Nexus AG	Droste	28.00	Buy	
Allianz	Häßler	200.00	Neutral		Norma Group	Schuldt	61.00	Neutral	
Axel Springer	Josefson	66.50	Reduce		OHB SE	Rüzgar	40.00	Neutral	7
Bayer	Miemietz	118.00	Buy		OVH Holding AG	Häßler	20.00	Accumulate	2/5/7
BB Biotech	Miemietz	73.00	Buy	7	Patrizia	Mayer	21.50	Accumulate	
Biotest	Miemietz	18.00	Neutral	2/3	Pfeiffer Vacuum	Sen	162.00	Accumulate	5
BMW	Schuldt	100.00	Accumulate		Procredit Holding	Häßler	15.60	Buy	2/3/5
Brenntag	Hinkel	59.80	Buy	2	PSI SOFTWARE AG	Mildner	20.00	Accumulate	2/3
Ceconomy AG	Bruns	10.70	Reduce		Puma	Josefson	430.00	Buy	
Cenit	Droste	22.50	Buy		PWO	Schuldt	51.00	Buy	2/3
comdirect	Häßler	11.20	Neutral		Rheinmetall	Rüzgar	110.00	Accumulate	
Commerzbank	Häßler	13.00	Neutral		RIB Software	Mildner	16.50	Buy	2/3
Continental	Schuldt	270.00	Buy		RTL Group	Josefson	72.00	Accumulate	
CORESTATE Capital Holding S.A.	Mayer	69.00	Buy	2/5	S&TAG	Sen	21.00	Buy	2/3
CTS Eventim	Heilmann	41.00	Neutral		SAF-Holland	Schuldt	17.00	Accumulate	7
Daimler AG	Schuldt	80.00	Accumulate		SCOUT24	Heilmann	31.00	Reduce	2
Daldrup & Soehne	Becker	14.50	Buy	2/3/5	Siegfried Holding AG	Miemietz	295.00	Accumulate	
Demire	Mayer	4.55	Buy	2/5	SLM Solutions	Sen	24.00	Sell	
Deutsche Bank	Häßler	18.00	Buy		SMT Scharf AG	Rüzgar	16.70	Buy	2/3
Deutsche EuroShop	Mayer	33.00	Neutral		Software AG	Mildner	30.00	Sell	
Deutsche Pfandbriefbank	Häßler	13.50	Neutral		Stabilus	Tanzer	89.00	Buy	
Deutsche Telekom	Sen	15.50	Neutral		Suedzucker	Bruns	15.50	Reduce	
Drillisch	Sen	66.00	Buy		SuessMicroTec	Sen	14.30	Reduce	2/3
Duerr	Augustin	120.00	Buy		Surteco	Mildner	30.00	Buy	2/3
EringKlinger	Schuldt	12.40	Reduce		Symrise AG	Hinkel	67.00	Neutral	
elumeo SE	Josefson	10.90	Accumulate		Syzygy AG	Heilmann	12.00	Accumulate	2/3
Epigenomics AG	Miemietz	4.72	Accumulate	2/3	TAKKTAG	Bruns	22.30	Neutral	2
Euromicron AG	Droste	13.00	Buy	2/3/5	Talanx Group	Häßler	40.00	Accumulate	
EYEMAXX	Mayer	16.00	Buy	2/7	Technotrans	Becker	45.70	Neutral	2/3
Ferratum	Häßler	30.00	Buy		TELECOLUMBUS	Sen	11.00	Buy	
Fielmann	Heilmann	79.00	Accumulate		Telefonica Deutschland	Sen	3.70	Sell	
Freenet	Sen	36.00	Buy	2	United Internet	Sen	63.00	Buy	
FuchsPetrolub	Hinkel	47.00	Neutral		Vapiano	Bruns	26.50	Buy	2/7
Gea Group	Augustin	39.00	Neutral		va-Q-tec	Sen	17.00	Neutral	2/3/5
Gerresheimer AG	Rüzgar	75.00	Neutral		Viscom	Rüzgar	29.50	Accumulate	2/3
Gerry Weber	Josefson	8.00	Neutral		Volkswagen	Schuldt	170.00	Neutral	
Gesco	Becker	36.00	Accumulate	2/3/5	Wacker Neuson SE	Becker	27.20	Neutral	
GFT Technologies	Mildner	15.50	Buy	2/3	windeln.de	Josefson	3.10	Buy	2
Gigaset	Sen	0.85	Accumulate	2/3	XINGAG	Heilmann	315.00	Buy	
Grenke	Häßler	90.00	Neutral		Zalando	Josefson	44.50	Neutral	
Hannover Re	Häßler	110.00	Neutral						
Heidelberg Pharma	Miemietz	3.50	Buy	2/3					
Heidelberger Druck	Augustin	3.60	Buy						
HELLA GmbH & Co. KGaA	Tanzer	57.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	80.00	Buy						
Hypoport AG	Häßler	164.00	Buy	7					
INDUS Holding AG	Becker	64.50	Neutral						
K+S AG	Hinkel	24.40	Accumulate						
Koenig & Bauer	Augustin	67.00	Accumulate						
Krones AG	Augustin	121.00	Accumulate						
KWS SAAT	Hinkel	348.00	Neutral						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	175.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3/5					
Manz AG	Rüzgar	35.00	Neutral	2/3					
MAX Automation AG	Becker	9.40	Buy	2/3/5					
Merck	Miemietz	112.00	Buy						
Merkur Bank	Häßler	9.30	Buy	2/7					

* = Coverage suspended

Source: equinet Recommendations

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Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

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Sources

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Marie-Curie-Str. 24-28, 60439 Frankfurt am Main



Recommendation history for EYEMAXX REAL ESTATE

Date	Recommendation	Target price	Price at change date
13. Mrz 18	Buy	16.00	10.45

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Katharina Mayer (since 13/03/2018)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

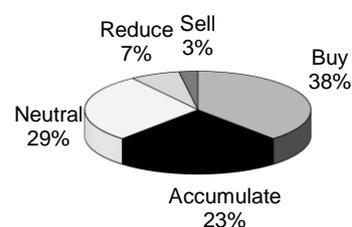
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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