

Eyemaxx Real Estate

Buy (unchanged) **Target: Euro 8.00** (old: Euro 12.00)

5 | August | 20



Der Spezialist für Finanzaktien

Price (Euro)	6.36
52 weeks range	11.91 / 5.80
Key Data	
Country	Germany
Industry	Real Estate
Segment	General Standard
ISIN	DE000A0V9L94
Sec. ID-No.	A0V9L9
Symbol	BNT1
Bloomberg	BNT1:GR
Internet	www.eyemaxx.com
Reporting Standard	IFRS
Fiscal Year	31/10
IPO	2011
Market Cap (EUR million)	39.6
Number of shares (million)	6.23
Free Float	41.1%
Free Float MCap (million)	16.3
CAGR pre tax profit 2019-22e	35.8%

Multiples	2018/19	2019/20e	2020/21e	2021/22e
PE-Ratio	5.5	-2.3	6.1	4.6
Dividend Yield	0.0%	0.0%	4.7%	4.7%
Price-to-Book	0.53	0.72	0.62	0.56

Key Data per Share (Euro)	2018/19	2019/20e	2020/21e	2021/22e
Earnings per share (EPS)	1.16	-2.78	1.04	1.39
Dividends per share (DPS)	0.00	0.00	0.30	0.30
Book value per share (BVPS)	12.06	8.85	10.18	11.27

Financial Data (Euro '000)	2018/19	2019/20e	2020/21e	2021/22e
Revenues	8,546	8,384	9,684	10,224
Revenues + participations	34,038	1,052	33,815	30,002
Operating profit (EBITDA)	10,117	-9,948	16,230	18,189
Operating profit (EBIT)	9,698	-10,937	15,187	17,003
Pre-tax profit (EBT)	4,723	-16,440	9,268	11,835
Net profit	6,589	-17,271	7,095	9,550
Net profit after minorities	6,225	-17,325	7,010	9,483
Adjusted shareholders' equity	64,534	55,153	69,752	77,223
Book value per share	12.06	8.85	10.18	11.27
RoE after tax	9.6%	-31.4%	10.2%	12.3%

Financial Calendar	
SRC Forum Financials & Real Estate	10 September 2020

Main Shareholders	
CEO Dr. Michael Müller	27.0%
Johann Kowar	14.0%
Ethenea Independent Investors	7.1%
Global Opportunities SICAV	6.7%
Lang & Schwarz AG	4.1%

Analysts	Dipl.-Kfm. Stefan Scharff, CREA Christopher Mehl, MBA
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Eyemaxx with loss in first half of 2019/20 due to some impacts mainly caused by the Covid-19 pandemic – we again bring down our P & L forecast and also reduce our target price to Euro 8.00

Last Friday, on 31 July, the company published the report for the first half of 2019/20, which was significantly impacted by the Covid-19 pandemic, as to some extent already disclosed with the adhoc from 2 April. With a bottom line of almost Euro -20m at 1H, however, these impacts were more significant than expected and we in turn significantly cut our P&L estimates for the full-year. Revenues were at Euro 2.6m below last year's number of Euro 3.8m, which was coined by one-offs in the previous period however. The firm's earnings were significantly impacted by at least Euro -21m of effects mainly caused due to Corona. Thus, the EBIT stood at more than Euro -18m (1H 2018/19: Euro 8m). Examples for these impacts are regarding the sale of the logistics objects in Serbia, where e.g. an earn-out for a fully let property could not be achieved due to the corona environment, which together with other effects resulted in a total P&L impact of Euro -5.7m. Other negative impacts come due to delays and increased costs caused by Corona at some projects, such as the Postquadrat Mannheim, which led to an impact of Euro -4.6m. The bottom line came in at almost Euro -20m. Following the loss at half-year, the firm's equity ratio declined from 25.12% at 31 October to now 21.56%, despite the equity capital hike in March.

On a positive note, on 13 July the company announced a new office project in Berlin Schönefeld with a total volume of about Euro 135m. Together with a joint-venture partner, the 28k sqm project is to be constructed within two years with a start in the second quarter of 2021. Thus, the total pipeline until 2023 of Eyemaxx returns back to more than Euro 1bn.

On the financing side, the company completed the placement of the first tranche of the new 2020/2025 bond with a coupon of 5.5% and a quarterly payment. The bond is collateralized by real estate liens and a volume of Euro 18m was placed, of which about Euro 8m was placed with institutional investors, while about Euro 10m was exchanged from the 2016/2021 bond.

The company stated that after the losses in the first half it expects a profitable second half. We believe the same, however, we estimate that profit to be relatively minor. For the full-year, we significantly reduced our P&L numbers and now expect a negative bottom line of Euro -17.3m instead of a profit of Euro 4.5m. Furthermore, we cut our dividend estimate for FY 2019/20 and also reduced our dividend estimates for the following years from 50 cents to now 30 cents per share. These cuts in our P&L numbers also translate into our target price, which we reduce from Euro 12.00 to now Euro 8.00. With an upside of more than 25%, we maintain our Buy recommendation.

Eyemaxx Real Estate AG

Company profile

Industry: Real Estate
Sub-segment: Developer (multi-asset)
Region: Austria, Germany, CEE
Headquarter: Aschaffenburg
Foundation: 1996
Employees: 60

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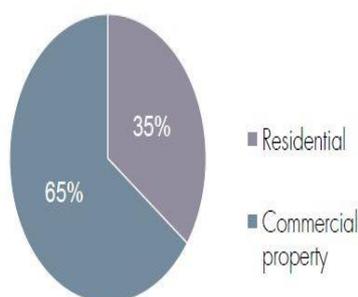
Management Board of Eyemaxx Real Estate AG:
 CEO Dr. Michael Müller

Supervisory Board of Eyemaxx Real Estate AG:
 Andreas Karl Autenrieth
 Richard Fluck
 Dr. Bertram Samonig

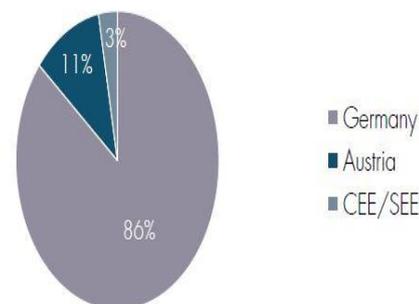
Eyemaxx Real Estate AG is an international project developer and investor for residential and commercial projects with a focus on the home markets Germany and Austria, and has some remaining assets in Poland, Czech Republic, Slovakia and Serbia. The company has a balanced business model between project development and an investment portfolio with a focus on commercial properties and thus can benefit from lucrative development margins as well as from stable cash flows from rental income. Over the recent years, Eyemaxx has developed and sold multiple high yielding developments. In 2018, the company very successfully sold the large-scale project Sonnenhöfe near Berlin Schönefeld, which represents the largest transaction in the firm's history with a sales price that exceeded the original expectations. In addition, Eyemaxx built up a core portfolio of currently 12 commercial properties in Germany and Austria with a volume of more than Euro 34m and annual rental income of almost Euro 3m.

The total pipeline was at Euro 200m at the beginning of FY 2015 / 2016 and has since rapidly grown to currently more than Euro 1bn. Included are some large scale projects such as the Mannheim Postquadrat, which is the largest project so far with a volume of about Euro 200m. Furthermore, Eyemaxx acquired two large projects near Berlin Schönefeld, with a total volume of Euro 342m.

Project volume per type of property



Project volume per region



The firm's shares are listed in the General Standard of the Frankfurt Stock Exchange as well as since January 2019 in the new market segment direct market plus of the Vienna Stock Exchange.

Source: Company Data, SRC Research

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

Eyemaxx Real Estate AG 31/10 IFRS (Euro '000)	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e	CAGR '18/19 - '21/22e
Revenues	3,530	4,998	5,459	8,546	8,384	9,684	10,224	6.2%
Increase in finished and unfinished products	925	2,168	-352	418	301	-6,445	-2,344	
Other operating income (including revaluation result)	3,882	3,167	5,584	-8,228	652	3,120	5,781	
thereof revaluation result	2,212	1,183	4,539	-13,029	557	3,224	4,877	
Total operating income	8,337	10,333	10,691	736	9,337	6,359	13,661	
Cost of material	-761	-402	-526	-183	-322	-457	-644	
Personnel expenses	-2,326	-3,384	-4,504	-5,397	-5,863	-6,358	-6,554	
Other operating expenses	-4,705	-5,238	-6,684	-10,531	-5,768	-7,445	-8,052	
Net income from investments accounted for using the equity method	9,908	13,249	15,824	25,492	-7,332	24,131	19,778	
EBITDA	10,453	14,558	14,801	10,117	-9,948	16,230	18,189	21.6%
<i>EBITDA-margin</i>	<i>296.1%</i>	<i>291.3%</i>	<i>271.1%</i>	<i>118.4%</i>	<i>-118.7%</i>	<i>167.6%</i>	<i>177.9%</i>	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-213	-306	-364	-419	-989	-1,043	-1,186	
Operating profit (EBIT)	10,240	14,252	14,437	9,698	-10,937	15,187	17,003	20.6%
<i>EBIT-margin</i>	<i>290.1%</i>	<i>285.2%</i>	<i>264.5%</i>	<i>113.5%</i>	<i>-130.5%</i>	<i>156.8%</i>	<i>166.3%</i>	
Interest earnings	2,956	2,943	5,320	7,226	6,551	5,644	5,265	
Income from disposal of investments	0	0	0	0	0	0	0	
other financial earnings	0	0	0	0	0	0	0	
Interest expenses	-6,644	-8,993	-10,196	-12,201	-12,054	-11,563	-10,433	
other financial costs	0	0	0	0	0	0	0	
Financial result	-3,688	-6,050	-4,876	-4,975	-5,503	-5,919	-5,168	
Pre-tax Profit (EBT)	6,552	8,202	9,561	4,723	-16,440	9,268	11,835	35.8%
<i>EBT-margin</i>	<i>185.6%</i>	<i>164.1%</i>	<i>175.1%</i>	<i>55.3%</i>	<i>-196.1%</i>	<i>95.7%</i>	<i>115.8%</i>	
Tax expenses	-699	-1,575	-2,269	1,866	-831	-2,173	-2,285	
<i>Tax rate</i>	<i>10.7%</i>	<i>19.2%</i>	<i>23.7%</i>	<i>-39.5%</i>	<i>-5.1%</i>	<i>23.4%</i>	<i>19.3%</i>	
Net Profit	5,853	6,627	7,292	6,589	-17,271	7,095	9,550	13.2%
Minorities	-6	-7	-93	-364	-54	-85	-67	
Net profit after minorities	5,847	6,620	7,199	6,225	-17,325	7,010	9,483	15.1%
Other comprehensive income	-332	618	342	-25	24	113	44	
Net Profit after minorities and other comp. Income	5,515	7,238	7,541	6,200	-17,301	7,123	9,527	
<i>Return on sales</i>	<i>156.2%</i>	<i>144.8%</i>	<i>138.1%</i>	<i>72.5%</i>	<i>-206.4%</i>	<i>73.6%</i>	<i>93.2%</i>	
Number of shares ('000, at year-end)	4,290	4,706	5,346	5,351	6,231	6,854	6,854	
Earnings per share (Euro)	1.36	1.54	1.41	1.16	-2.78	1.04	1.39	
Dividends per Share (DPS) in Euro	0.20	0.20	0.20	0.00	0.00	0.30	0.30	
Adjusted shareholder's equity	37,268.00	49,956.00	63,381.00	64,534.00	55,153.00	69,752.00	77,222.93	
Book Value per Share (BVPS) in Euro	8.69	10.62	11.86	12.06	8.85	10.18	11.27	

Key ratios & figures

	2015/16	2016/17	2017/18	2018/19	2019/20e	2020/21e	2021/22e
Growth rates in %							
Revenues	52.4%	41.6%	9.2%	56.5%	-1.9%	15.5%	5.6%
EBITDA	6.3%	39.3%	1.7%	-31.6%	-198.3%	-263.1%	12.1%
EBIT	6.5%	39.2%	1.3%	-32.8%	-212.8%	-238.9%	12.0%
EBT	10.5%	25.2%	16.6%	-50.6%	-448.1%	-156.4%	27.7%
Net profit after minorities	96.4%	-286.1%	-44.7%	-107.3%	-196.0%	370.8%	-61.1%
Margins in %							
EBITDA (total operating income)	125.4%	140.9%	138.4%	1374.6%	-106.5%	255.2%	133.1%
EBIT (total operating income)	122.8%	137.9%	135.0%	1317.7%	-117.1%	238.8%	124.5%
EBT (total operating income)	78.6%	79.4%	89.4%	641.7%	-176.1%	145.7%	86.6%
Expense ratios in %							
Personnel costs quote (total operating income)	27.9%	32.7%	42.1%	733.3%	62.8%	100.0%	48.0%
Depreciation to total operating income	2.6%	3.0%	3.4%	56.9%	10.6%	16.4%	8.7%
Tax rate	10.7%	19.2%	23.7%	-39.5%	-5.1%	23.4%	19.3%
Profitability in %							
Net profit to total operating income ratio	-4.0%	6.0%	3.2%	842.4%	-185.3%	112.0%	69.7%
Return on equity (RoE) after tax	11.5%	9.4%	8.4%	9.6%	-31.4%	10.2%	12.3%

SRC Research

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Rating Chronicle	Date	Rating	former share price	former target
Eyemaxx Real Estate	14 April 2020	Buy	7.14 €	12.00 €
Eyemaxx Real Estate	18 February 2020	Buy	14.00 €	15.00 €
Eyemaxx Real Estate	29 August 2019	Buy	9.44 €	17.00 €
Eyemaxx Real Estate	24 May 2019	Buy	9.92 €	17.00 €
Eyemaxx Real Estate	10 December 2018	Buy	9.46 €	19.00 €
Eyemaxx Real Estate	23 November 2018	Buy	9.40 €	19.00 €
Eyemaxx Real Estate	28 September 2018	Buy	11.50 €	19.00 €
Eyemaxx Real Estate	17 August 2018	Buy	10.90 €	19.00 €
Eyemaxx Real Estate	05 July 2018	Buy	10.40 €	19.00 €

Please note:

The Eyemaxx Real Estate AG share price mentioned in this report is from 4 August 2020. EYEMAXX Real Estate AG mandated SRC Research for monitoring the Eyemaxx Real Estate AG share.

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