

Buy (unchanged) **Target: Euro 19.00** (unchanged)

23 | November | 18

Price (Euro)	9.40
52 weeks range	12.74 / 9.18
Key Data	
Country	Germany
Industry	Real Estate
Segment	General Standard
ISIN	DE000A0V9L94
Sec. ID-No.	A0V9L9
Symbol	BNT1
Bloomberg	BNT1:GR
Internet	www.eyemaxx.com
Reporting Standard	IFRS
Fiscal Year	31/10
IPO	2011
Ø Daily Turnover in € (1M)	1,567
Market Cap (EUR million)	48.7
Number of shares (million)	5.18
Free Float	57.2%
Free Float MCap (million)	27.9
CAGR pre tax profit 2016-19e	28.4%

Multiples	2016/17	2017/18e	2018/19e	2019/20e
PE-Ratio	6.1	5.7	5.4	4.7
Dividend Yield	2.1%	2.1%	2.1%	2.1%

Key Data per Share (Euro)	2016/17	2017/18e	2018/19e	2019/20e
Earnings per share (EPS)	1.54	1.66	1.74	2.02
Dividends per share (DPS)	0.20	0.20	0.20	0.20
Book value per share (BVPS)	10.62	12.29	13.04	14.69

Financial Data (Euro '000)	2016/17	2017/18e	2018/19e	2019/20e
Revenues	4,998	7,512	7,959	8,053
Operating profit (EBITDA)	14,558	16,503	17,107	20,176
Operating profit (EBIT)	14,252	16,197	16,783	19,840
Pre-tax profit (EBT)	8,202	11,008	13,508	17,352
Net profit	6,627	9,103	11,811	13,781
Net profit after minorities	6,620	9,094	11,799	13,772
Adjusted shareholders' equity	49,956	68,062	90,124	101,478
Book value per share	10.62	12.29	13.04	14.69
RoE after tax	9.4%	8.1%	13.4%	6.8%

Financial Calendar	
Annual report 2017/ 2018	February 2019

Main Shareholder	
CEO Dr. Michael Müller	30.0%
Johann Kowar	12.8%

Analysts	Dipl.-Kfm. Stefan Scharff, CREA Christopher Mehl, MBA
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EYEMAXX brings pipeline close to Euro 1bn with the addition of an office project in Offenbach and a hotel and serviced apartment project in Hamburg – Buy and Euro 19.00 affirmed

Last week, on 14 November, the company announced a new addition to the project pipeline. EYEMAXX plans to build a high-rise office property in Offenbach Harbour, very close to Frankfurt, and has therefore acquired more than 90% of a project development company from 6B47 Germany GmbH. An about 20 story high office, retail and restaurant building is to be constructed, with a gross floor space of about 13,600 sqm. The plot where the "MAIN GATE EAST" building is to be created has already been purchased by the company and construction is to start mid 2020 and to be completed at the end of 2022. The project has a total volume of about Euro 65m and the company plans to sell the property after completion.

On 24 October, the firm also announced the launch of a Euro 22m hotel and serviced apartment project in the city of Hamburg. The project is to be realized together with Blue Ocean RE GmbH, a Hamburg based developer. A respective purchase agreement for the 2,600 sqm plot in Hamburg-Harburg has been signed. Starting in the first quarter of 2020, a hotel with 125 rooms, a serviced apartment unit with 30 rooms, as well as an underground parking with 60 spots is to be constructed and completed by 3Q 2021. A letter of intent with a hotel operator regarding a 20-year lease with an option to extend on two occasions for five years has already been signed. The management expects a return on equity in the middle double-digit percentage range for the project.

Including these two projects, the firm's project pipeline is approaching the Euro 1bn mark and currently sits at around Euro 975m. The share has plunged by about 18% since our last update on 28 September. This should be caused by the overall market pressure, however, as we see no reason in the company's fundamentals to justify that drop. We therefore confirm our Euro 19.00 target price as well as our Buy recommendation for the EYEMAXX share.

EYEMAXX Real Estate AG

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

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Company profile

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 commercial, logistics and residential real estate (including nursing homes) with a focus on the home markets Austria and Germany as well as some promising markets in CEE / SEE countries like Poland, Czech Republic, Slovakia and Serbia. The company started to develop first and foremost retail parks and strip malls and works together with well-known western retail brands participating from their expansion to Central and South Eastern European countries.

In terms of retail parks the company became one of the market leaders in CEE. A pre-let quota of at least 50% is the pre-condition to start construction activities at a certain location. Furthermore, popular and well-known trade chains like Hofer, DM, Takko, New Yorker, Bauhaus, Deichmann, Rossmann or C&A, to mention only a few, are among tenants. The retail parks themselves are being distributed under a brand like "BIG BOX" "MyBOX" or "STOP.SHOP" (a trade-mark of Immofinanz). Finally developments within the portfolio are mostly sold after completion to an investor. In the past seven years, more than twenty developments with a transaction volume of more than Euro 300m were successfully built and sold. In addition, EYEMAXX built up a core portfolio of commercial properties in Germany with a balance sheet volume of approx. Euro 37m at the end of FY 2016/ 2017. Coming from retail parks and logistics / commercial properties, Eyemaxx announced in 2014 to enter new fields of business by developing German and Austrian residential properties in the German Top 7 cities and surrounding areas and in Vienna as well as nursing homes in Germany. The total pipeline was at Euro 200m at the beginning of FY 2015 / 2016, thereof c. Euro 100m in retail parks (Fachmarktzentren) and c. Euro 100m in residential and nursing homes (Wohnimmobilien und Pflegeheime). Then, EYEMAXX acquired in a 50% / 50% JV together with former conwert founder and CEO Johann Kowar the German Mannheim Postquadrat city quarter development with 57,000 sqm of gross floor area to build residential and commercial units as well as two hotels (euro 160m investments). Besides the Mannheim Postquadrat EYEMAXX recently acquired another residential project in Vienna and two large projects near Berlin in Schönefeld, with a total volume of Euro 338m. With the addition of further projects in 2017/18 the total pipeline increased to more than Euro 910m.

Some more good news besides the acquisition side came from the trading, in particular some lucrative forward deal agreements. Last year started with the announcement of the sale of a retail center in Czech Republic in January. Later on, in March, about one quarter of the Postquadrat project in Mannheim was sold for about Euro 45m. Furthermore, two projects, namely the Thomasium project in Leipzig and the Pflegeheim Klein Lengden project were successfully completed and handed over.

Source: Company Data, SRC Research

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

EYEMAXX Real Estate AG 31/10 IFRS (Euro '000)	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e	CAGR '16/17 - '19/20e
Revenues	1,534	2,397	1,571	2,316	3,530	4,998	7,512	7,959	8,053	17.2%
Increase in finished and unfinished products	905	449	1,158	1,878	925	2,168	1,207	-3,513	-5,213	
Other operating income (including revaluation result)	3,615	3,904	3,917	9,281	3,882	3,167	2,059	3,314	3,015	
thereof revaluation result	2,385	2,895	3,683	8,815	2,212	1,183	1,359	2,159	2,143	
Total operating income	6,054	6,750	6,646	13,475	8,337	10,333	10,778	7,760	5,855	
Cost of material	-497	-89	-398	-192	-761	-402	-463	-482	-453	
Personnel expenses	-1,760	-1,597	-1,920	-2,006	-2,326	-3,384	-3,987	-4,294	-4,387	
Other operating expenses	-3,335	-2,988	-4,113	-4,535	-4,705	-5,238	-4,812	-4,912	-5,012	
Net income from investments accounted for using the equity method	4,503	4,836	7,396	3,094	9,908	13,249	14,987	19,035	24,173	
EBITDA	4,965	6,912	7,611	9,836	10,453	14,558	16,503	17,107	20,176	11.5%
<i>EBITDA-margin</i>	323.7%	288.4%	484.5%	424.7%	296.1%	291.3%	219.7%	214.9%	250.5%	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-136	-178	-209	-223	-213	-306	-306	-324	-336	
Operating profit (EBIT)	4,829	6,734	7,402	9,613	10,240	14,252	16,197	16,783	19,840	11.7%
<i>EBIT-margin</i>	314.8%	280.9%	471.2%	415.1%	290.1%	285.2%	215.6%	210.9%	246.4%	
Interest earnings	1,061	1,154	1,089	1,918	2,956	2,943	3,821	4,921	4,638	
Income from disposal of investments	0	0	0	0	0	0	0	0	0	
other financial earnings	0	0	0	0	0	0	0	0	0	
Interest expenses	-2,703	-4,246	-4,640	-5,601	-6,644	-8,993	-9,010	-8,196	-7,126	
other financial costs	0	0	0	0	0	0	0	0	0	
Financial result	-1,642	-3,092	-3,551	-3,683	-3,688	-6,050	-5,189	-3,275	-2,488	
Pre-tax Profit (EBT)	3,187	3,642	3,851	5,930	6,552	8,202	11,008	13,508	17,352	28.4%
<i>EBT-margin</i>	207.8%	151.9%	245.1%	256.0%	185.6%	164.1%	146.5%	169.7%	215.5%	
Tax expenses	-614	-533	-1,521	-1,896	-699	-1,575	-1,905	-1,697	-3,571	
<i>Tax rate</i>	19.3%	14.6%	39.5%	32.0%	10.7%	19.2%	17.3%	12.6%	20.6%	
Net Profit	2,573	3,109	2,330	4,034	5,853	6,627	9,103	11,811	13,781	27.6%
Minorities	38	-40	-20	1	-6	-7	-9	-12	-9	
Net profit after minorities	2,611	3,069	2,310	4,035	5,847	6,620	9,094	11,799	13,772	
Other comprehensive income	n.a.	-98	-522	-169	-332	618	120	245	189	
Net Profit after minorities and other comp. Income	2,611	2,971	1,788	3,866	5,515	7,238	9,214	12,044	13,961	
<i>Return on sales</i>	170.2%	123.9%	113.8%	166.9%	156.2%	144.8%	122.7%	151.3%	173.4%	
Number of shares ('000, at year-end)	2,651	2,901	3,191	3,510	4,290	4,706	5,539	6,910	6,910	
Earnings per share (Euro)	0.98	1.02	0.56	1.10	1.36	1.54	1.66	1.74	2.02	
Dividends per Share (DPS) in Euro	0.30	0.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
Adjusted shareholder's equity	16,601.00	20,079.00	23,585.00	28,286.00	37,268.00	49,956.00	68,062.20	90,124.00	101,478.00	
BookValue per Share (BVPS) in Euro	6.26	6.92	7.39	8.06	8.69	10.62	12.29	13.04	14.69	

Key ratios & figures

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Growth rates in %									
Revenues	-63.8%	56.3%	-34.5%	47.4%	52.4%	41.6%	50.3%	6.0%	1.2%
EBITDA	155.7%	39.2%	10.1%	29.2%	6.3%	39.3%	13.4%	3.7%	17.9%
EBIT	173.1%	39.4%	9.9%	29.9%	6.5%	39.2%	13.6%	3.6%	18.2%
EBT	181.0%	14.3%	5.7%	54.0%	10.5%	25.2%	34.2%	22.7%	28.5%
Net profit after minorities	n.a.	n.a.	432.7%	-67.6%	96.4%	-286.1%	-80.6%	104.2%	-22.9%
Margins in %									
EBITDA (total operating income)	82.0%	102.4%	114.5%	73.0%	125.4%	140.9%	153.1%	220.5%	344.6%
EBIT (total operating income)	79.8%	99.8%	111.4%	71.3%	122.8%	137.9%	150.3%	216.3%	338.9%
EBT (total operating income)	52.6%	54.0%	57.9%	44.0%	78.6%	79.4%	102.1%	174.1%	296.4%
Expense ratios in %									
Personnel costs quote (total operating income)	29.1%	23.7%	28.9%	14.9%	27.9%	32.7%	37.0%	55.3%	74.9%
Depreciation to total operating income	2.2%	2.6%	3.1%	1.7%	2.6%	3.0%	2.8%	4.2%	5.7%
Tax rate	19.3%	14.6%	39.5%	32.0%	10.7%	19.2%	17.3%	12.6%	20.6%
Profitability in %									
Net profit to total operating income ratio	n.a.	-1.5%	-7.9%	-1.3%	-4.0%	6.0%	1.1%	155.2%	3.2%
Return on equity (RoE) after tax	16.0%	14.4%	13.5%	12.4%	11.5%	9.4%	8.1%	13.4%	6.8%

SRC Research

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Rating Chronicle	Date	Rating	former share price	former target
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 €
EYEMAXX Real Estate	27 June 2018	Buy	10.20 €	19.00 €
EYEMAXX Real Estate	20 February 2018	Buy	10.90 €	19.00 €
EYEMAXX Real Estate	23 October 2017	Buy	11.24 €	19.00 €
EYEMAXX Real Estate	22 September 2017	Buy	14.95 €	19.00 €
EYEMAXX Real Estate	24 July 2017	Buy	14.26 €	18.00 €

Please note:

The EYEMAXX Real Estate AG share price mentioned in this report is from 22 November 2018. EYEMAXX Real Estate AG mandated SRC Research for monitoring the EYEMAXX Real Estate AG share.

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