

## Company Flash Note

## Reason: Company newsflow

10 July 2018

### Buy

Recommendation unchanged

**Share price: EUR 10.88**

closing price as of 09/07/2018

**Target price: EUR 18.00**

from Target Price: EUR 16.00

**Upside/Downside Potential 65.5%**

Reuters/Bloomberg

BTCGK.DE/BNT1 GR

**Market capitalisation (EURm) 56**

Current N° of shares (m) 5

**Free float 58%**

Daily avg. no. trad. sh. 12 mth 8

Daily avg. trad. vol. 12 mth (m) 24.85

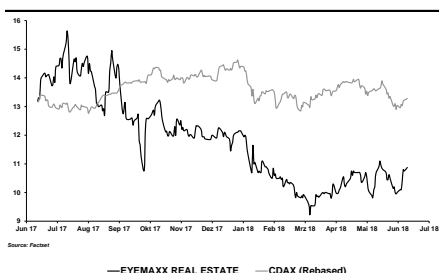
Price high/low 12 months 9.22 / 15.64

Abs Perfs 1/3/12 mths (%) 2.11/13.76/-17.78

Key financials (EUR)	10/17	10/18e	10/19e
Sales (m)	5	6	7
EBITDA (m)	15	17	20
EBITDA margin	291.3%	272.5%	307.0%
EBIT (m)	14	17	20
EBIT margin	285.2%	267.7%	302.4%
Net Profit (adj.)(m)	7	9	11
ROCE	13.2%	14.9%	15.8%
Net debt/(cash) (m)	85	67	69
Net Debt Equity	1.7	1.1	0.9
Net Debt/EBITDA	5.8	3.9	3.4
Int. cover(EBITDA/Fin.int)	2.4	2.8	3.0
EV/Sales	28.9	19.6	22.5
EV/EBITDA	9.9	7.2	7.3
EV/EBITDA (adj.)	7.9	5.9	5.9
EV/EBIT	10.1	7.3	7.4
P/E (adj.)	9.8	8.4	6.8
P/BV	1.4	1.2	1.1
OpFCF yield	-31.7%	23.0%	-3.4%
Dividend yield	1.8%	1.8%	2.8%
EPS (adj.)	1.30	1.30	1.59
BVPS	8.94	8.73	10.31
DPS	0.20	0.20	0.30

### Shareholders

Dr. Michael Müller 36%; Johann Kowar 7%;



### Analyst(s)

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## Well on track – Buy with new TP

With the publication of its preliminary figures for H1 2017/2018 EYEMAXX has shown that its business is well performing. The company managed to increase its project pipeline from c. EUR 760m (as of March 2018) to c. EUR 910m which should positively contribute to its earnings in the next years. Its commercial portfolio further expanded by the acquisition of a commercial property in Bamberg which enables the company to generate stable cash flows. As we have updated our estimates and included the increase of its transaction pipeline and the issuance of its corporate bond in our model we now estimate net profit to increase by 27% (CAGR 2016/17-2019/20e). With a 2019 PER of 6.8x (vs. peer group 11.3x) the shares are significantly undervalued. Based on our new estimates we raised our TP from EUR 16.00 to EUR 18.00 and confirm our Buy rating. Overall, we see EYEMAXX well positioned to further increase its transaction pipeline and its commercial portfolio which should lead to higher earnings.

- ✓ **Preliminary figures for H1 2017/2018:** Last week EYEMAXX published preliminary figures for H1 2017/2018 which were in-line with our estimates. As a result of successful project developments and the expansion of its commercial portfolio Revenues increased from EUR 2.1m to EUR 2.7m, EBIT improved by c. 37% yoy to EUR 6.1m and Earnings after taxes were up by around 63% yoy to EUR 2.1m. The company will publish its H1 financial report on 31 July 2018. As EYEMAXX was able to increase its project pipeline from c. EUR 760m (as of March 2018) to c. EUR 910m EYEMAXX is well on track to reach its target of EUR 1bn which was set as target for the short/medium term. EYEMAXX's management expects a substantial increase of its earnings in 2017/2018.
- ✓ **Further increase of its project pipeline:** Due to new project developments EYEMAXX was able to increase its transaction pipeline to c. EUR 910m which should lead to higher cash flows in the next years. More detailed new project developments since our initiation of coverage include the construction of 157 serviced apartments in Essen (project volume: c. EUR 20m, completion: spring 2020) and the redesign and the extension of a commercial property in Bamberg (project volume: c. EUR 50m, completion: 2020). Note that the property has been acquired to further expand its commercial portfolio which should be positive to increase its stable cash flows as rental income should increase by c. EUR 3m post the completion. Before the transaction its portfolio comprised of 13 properties which were fully let with an annual rental income of c. EUR 3.7m (market value: EUR 37.1m). Recently EYEMAXX announced that it has won a residential construction project of more than 200 apartments in Vienna with a project volume of c. EUR 50m which should be completed in the middle of 2021 and has also secured a construction site for a hotel project in Berlin-Treptow (project volume: c. EUR 33m, completion: end of 2020).
- ✓ **Financials:** We included the increase of its transaction pipeline to c. EUR 910m and the issuance of its corporate bond in our model and now estimate EYEMAXX's revenues to grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 27%.
- ✓ **Valuation:** Based on our new estimates we have derived a target price of EUR 18.00 (previous: EUR 16.00) from a peer group analysis and a Dividend Discount Model. Given an upside of more than 60% we confirm our Buy rating.

## Financials

We have updated our estimates and included the increase of its transaction pipeline to EUR 910m and the issuance of its corporate bond in our model. We forecast EYEMAXX's revenues to grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 27%.

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. We have increased our revenues forecast from EUR 6.1m in 2017/2018e to EUR 6.3m and for 2018/2019e we expect those revenues to amount to EUR 6.6m (previous: 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.

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. As EYEMAXX was able to increase its transaction pipeline to EUR 910m we have increased our expectation for net income from at equity. As a reminder 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 years before. Thus, we forecast net income from at equity of EUR 14.6m (previous: EUR 13.4m) for 2017/2018e and EUR 20.2m (previous: EUR 16.5m) for 2018/2019e. Note that more than EUR 0.6bn of its transaction pipeline will be completed from 2020 onwards.

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 16.8m (previous: EUR 14.9m) and for 2018/2019e we increased our forecast from EUR 16.2m to EUR 19.9m.

Based upon our unchanged tax rate of 19% for 2017/2018e and for the coming years we estimate net profit (after minority interests) to go up by 29% yoy to EUR 8.6m in 2017/2018e (previous: EUR 7.7m) and by 25% yoy to EUR 10.7m (previous: EUR 9.0m) in 2018/2019e. Note that we included the issuance of its corporate bond with a volume of slightly above EUR 20m and a coupon of 5.5% (maturity: April 2023) into our model. Note that c. EUR 1.2m from its 2013/2019 corporate bond (coupon: 7.875%) were exchanged into the new bond. The proceeds from the new bond should be used to fund new and existing projects as well as for the expansion of EYEMAXX's commercial portfolio.

### Exhibit 1: Equinet estimates for 2017/2018e and 2018/2019e

EUR m	2017/2018e		2018/2019e	
	New	Old	New	Old
Revenues	6.3	6.1	6.6	6.4
EBIT	16.8	14.9	19.9	16.2
Net Profit	8.6	7.7	10.7	9.0

Source: equinet Research

Despite the net income increase for 2017/2018e EPS (diluted) should remain stable at EUR 1.30 (previous: EUR 1.18) in 2017/2018, 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 1.59 (previous: EUR 1.35).

Depending on the generated net profit EYEMAXX targets to pay stable and attractive dividends. It has paid EUR 0.20 for 2016/2017. We assume DPS to remain stable at EUR 0.20 per share for 2017/2018e (payout ratio: c. 21%) and for 2018/2019e we expect the company to increase its DPS to EUR 0.30 for 2018/2019e (payout ratio: c. 19%).

## Valuation

Our valuation is based upon a peer group analysis and a Dividend Discount Model. While we have derived a fair value of EUR 17.90 from the peer group analysis we have calculated a fair value of EUR 17.77 from the Dividend Discount Model. Our target price of EUR 18.00 is derived from the average of the calculated two fair values. Given an upside of more than 60% we recommend buying the shares with a new TP of EUR 18.00 (previous: EUR 16.00).

### Exhibit 2: Peer Group Valuation

Company	Share Price (lc)	MC (l.c. m)	PER 2018e	PER 2019e	Div Yield 2018e	Div Yield 2019e
Consus Real Estate	7.32	864	73.2	12.2	0.0%	0.0%
UBM Development	41.40	309	8.7	8.2	4.9%	5.3%
Helma Eigenheimbau	36.70	136	9.9	8.7	4.1%	4.5%
Instone Real Estate	21.37	790	45.7	16.0	0.0%	0.0%
<b>Average</b>			<b>34.4x</b>	<b>11.3x</b>	<b>2.2%</b>	<b>2.4%</b>
EYEMAXX	10.88	56	8.4x	6.8x	1.8%	2.8%
vs average			-75.6%	-39.3%	-18.1%	13.2%
Fair Value based upon 2019e PER	17.90					

Source: Factset, equinet Research

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 we have extended our peer group by Instone Real Estate (Market Cap: EUR 0.8bn), a residential real estate developer with a focus on metropolitan regions of Germany, which is also a peer to EYEMAXX. As the company is trading on the regulated market (Prime Standard) only since February 2018 we did not include the company in our peer group analysis in March 2018 as we did not have any estimates for the company at that time.

## Exhibit 3: Dividend Discount Model

EUR m	Phase I					Phase II						Phase III
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
<b>EBT</b>	<b>11</b>	<b>13</b>	<b>17</b>	<b>16</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>27</b>	<b>30</b>	<b>33</b>	
grow th rate	28.8%	25.4%	25.1%	-3.9%	10.0%	12.0%	11.8%	11.5%	11.3%	11.1%	10.8%	
<b>Tax</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-4</b>	<b>-4</b>	<b>-5</b>	<b>-5</b>	<b>-6</b>	<b>-6</b>	
Tax rate	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	-19.0%	
<b>Minorities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
grow th rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Net Profit</b>	<b>8.6</b>	<b>10.7</b>	<b>13.4</b>	<b>12.9</b>	<b>14.2</b>	<b>16</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>27</b>	
grow th rate	29.2%	25.4%	25.1%	-3.9%	10.0%	12.0%	11.8%	11.5%	11.3%	11.1%	10.8%	
<b>Total dividend</b>	<b>1.04</b>	<b>2.20</b>	<b>2.56</b>	<b>3.15</b>	<b>3.55</b>	<b>4.13</b>	<b>4.79</b>	<b>5.54</b>	<b>6.61</b>	<b>7.83</b>	<b>9.22</b>	<b>134</b>
payout ratio	12.1%	20.5%	19.1%	24.4%	25.0%	26.0%	27.0%	28.0%	30.0%	32.0%	34.0%	
ROE	15.1%	15.4%	16.6%	14.0%	13.8%	13.9%	14.0%	14.0%	14.0%	14.0%	14.1%	
<b>Present Value Div</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>62</b>
<b>PV Phase I</b>		<b>9</b>										
<b>PV Phase II</b>		<b>21</b>										
<b>PV Phase III</b>		<b>62</b>										
<b>Total Fair Value</b>		<b>92</b>										
# shares		5.18										
<b>Fair value per share</b>		<b>17.77</b>										
						<b>Risk premium</b>	<b>5.0%</b>		<b>Beta</b>		<b>1.1</b>	
						<b>Risk free rate</b>	<b>3.5%</b>		<b>Cost of equity</b>		<b>9.0%</b>	
						<b>Sensitivity</b>		<b>Growth in phase III</b>				
							<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>	
						<b>8.1%</b>	19	20	21	22	24	
						<b>8.6%</b>	17	18	19	20	22	
						<b>9.0%</b>	16	17	18	19	20	
						<b>9.5%</b>	15	16	17	17	18	
						<b>9.9%</b>	14	15	15	16	17	

Source: company data, equinet Research

## Exhibit 4: Investment Case in Charts

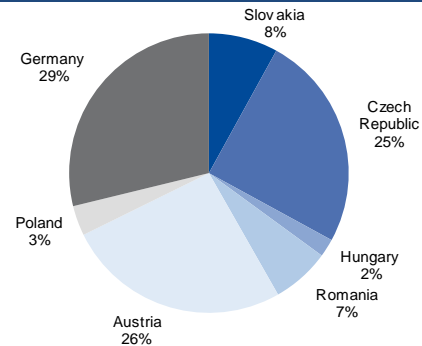
### Value chain



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

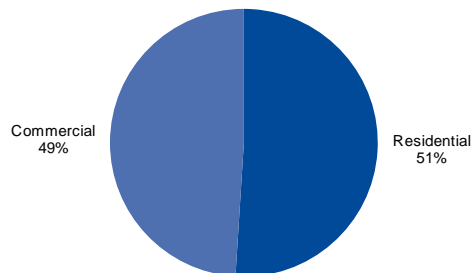
### Track record



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



51% of its project pipeline of c. EUR 910m relates to residential assets with a geographic focus on Germany (78%).

Source: EYEMAXX, equinet Research

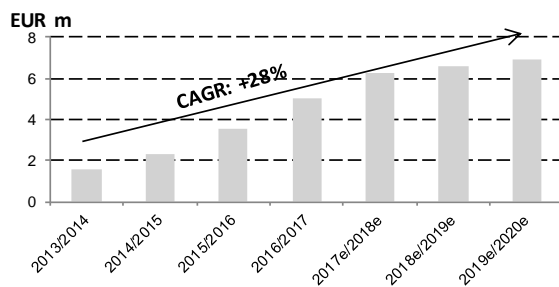
### Portfolio properties

	Germany	Austria	Total
Number of objects	7	6	13
Vacancy	0%	0%	0%
Value	EUR 21.0m	EUR 16.0m	EUR 37.0m
Rental Income p.a.	EUR 2.2m	EUR 1.6m	EUR 3.8m

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

Source: EYEMAXX, equinet Research

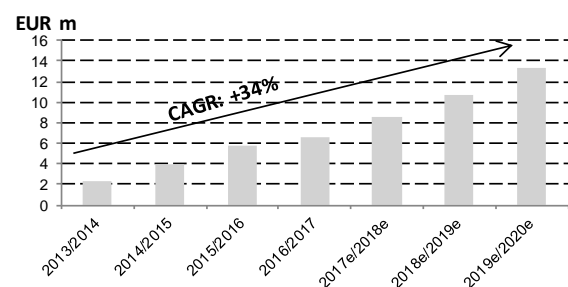
### Development of Revenues



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


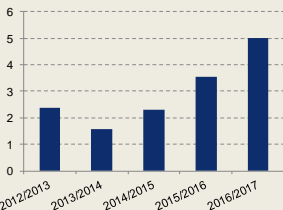
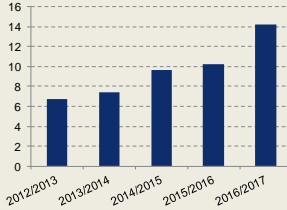
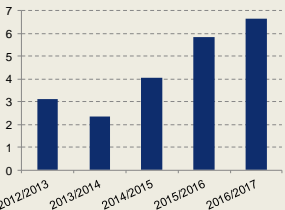



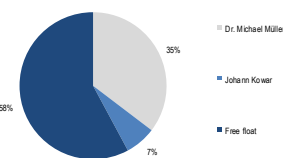


We expect Net Profit to increase by 27% (CAGR 2016/17-2019/20e) with upside potential in case of external growth.

Source: EYEMAXX, equinet Research

Source: EYEMAXX, equinet Research

## Exhibit 5: At a glance

Company Name	EYEMAXX Real Estate AG																		
Company Profile	<div><div></div><div>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.</div></div>																		
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 910m 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 910m (as of July 2018) of which 51% of the project volume stems from residential properties and 49% from commercial assets. Geographically, the projects are dominantly located in Germany (78%), CEE (11%) and Austria (11%).																		
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 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	<div><div><b>Strategy:</b> (I) Increase of transaction pipeline by profitable new development projects (II) Portfolio expansion (III) Optimization of financing structure</div><div><b>Guidance 2017/2018e (in EUR):</b> n.a.</div><div><table><tr><td><b>equinet Estimates</b></td><td></td><td></td><td><b>Consensus</b></td></tr><tr><td>Revenues</td><td>6.3m</td><td></td><td>6.8m</td></tr><tr><td>Net Profit</td><td>8.6m</td><td></td><td>9.0m</td></tr></table></div></div>							<b>equinet Estimates</b>			<b>Consensus</b>	Revenues	6.3m		6.8m	Net Profit	8.6m		9.0m
<b>equinet Estimates</b>			<b>Consensus</b>																
Revenues	6.3m		6.8m																
Net Profit	8.6m		9.0m																
2016/2017	<b>Revenues (EUR bn)</b> y/y 5.0 41.6%	<b>EBIT (EUR m)</b> 14,252 39.2%	<b>Net Profit (EUR m)</b> 6.6 13.2%	<b>ROI since 2007</b> 16.0%															
Business development	<div><div><b>Development of Revenues (in EUR m)</b> </div><div><b>Development of EBIT (in EUR m)</b> </div><div><b>Development of Net Profit</b> </div></div>																		
Shareholder structure & management	<div><div><p><b>Dr. Michael Müller</b> CEO of EYEMAXX Real Estate AG &amp; founder and major shareholder</p><ul style="list-style-type: none"><li>Founded EYEMAXX in 1996</li><li>Studied Social and Business sciences in Vienna and received his doctor's degree in 1995</li><li>Many years of experience in the real estate market</li></ul></div><div><p><b>Mag. Maximilian Pasquali</b> Deputy CEO of EYEMAXX Group</p><ul style="list-style-type: none"><li>Joined EYEMAXX in 2006</li><li>Studied law</li><li>Many years of experience in the real estate, M&amp;A and corporate law</li></ul></div><div><p><b>Kristian Radosavljevic</b> CFO of EYEMAXX Group</p><ul style="list-style-type: none"><li>Working for EYEMAXX since 2011</li><li>Studied business management and finance</li><li>Many years of experience in controlling</li></ul></div><div><b>Shareholder structure</b> </div></div>																		
# of employees 2016/2017	42																		

Source: EYEMAXX, equinet Research

**EYEMAXX Real Estate : Summary tables**

<b>PROFIT &amp; LOSS (EURm)</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
<b>Sales</b>	<b>1.6</b>	<b>2.3</b>	<b>3.5</b>	<b>5.0</b>	<b>6.3</b>	<b>6.6</b>
Cost of Sales & Operating Costs	9.9	11.7	10.0	13.3	14.6	18.3
Non Recurrent Expenses/Income	-3.9	-4.1	-3.0	-3.7	-3.8	-4.7
<b>EBITDA</b>	<b>7.6</b>	<b>9.8</b>	<b>10.5</b>	<b>14.6</b>	<b>17.1</b>	<b>20.2</b>
<b>EBITDA (adj.)*</b>	<b>11.5</b>	<b>14.0</b>	<b>13.5</b>	<b>18.3</b>	<b>20.9</b>	<b>24.9</b>
Depreciation	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3
<b>EBITA</b>	<b>7.4</b>	<b>9.6</b>	<b>10.2</b>	<b>14.3</b>	<b>16.8</b>	<b>19.9</b>
<b>EBITA (adj)*</b>	<b>11.3</b>	<b>13.7</b>	<b>13.3</b>	<b>18.0</b>	<b>20.6</b>	<b>24.6</b>
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>7.4</b>	<b>9.6</b>	<b>10.2</b>	<b>14.3</b>	<b>16.8</b>	<b>19.9</b>
<b>EBIT (adj.)*</b>	<b>11.3</b>	<b>13.7</b>	<b>13.3</b>	<b>18.0</b>	<b>20.6</b>	<b>24.6</b>
Net Financial Interest	-3.6	-3.7	-3.7	-6.1	-6.2	-6.6
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
<b>Earnings Before Tax (EBT)</b>	<b>3.9</b>	<b>5.9</b>	<b>6.6</b>	<b>8.2</b>	<b>10.6</b>	<b>13.2</b>
Tax	-1.5	-1.9	-0.7	-1.6	-2.0	-2.5
<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
<b>Net Profit (reported)</b>	<b>2.3</b>	<b>4.0</b>	<b>5.8</b>	<b>6.6</b>	<b>8.6</b>	<b>10.7</b>
<b>Net Profit (adj.)</b>	<b>2.3</b>	<b>4.0</b>	<b>5.8</b>	<b>6.6</b>	<b>8.6</b>	<b>10.7</b>
<b>CASH FLOW (EURm)</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
Cash Flow from Operations before change in NWC	-3.1	-1.0	-5.1	-7.1	-3.4	-10.7
Change in Net Working Capital	0.1	0.2	-0.7	0.3	0.4	0.0
<b>Cash Flow from Operations</b>	<b>-3.0</b>	<b>-0.8</b>	<b>-5.8</b>	<b>-6.8</b>	<b>-3.1</b>	<b>-10.7</b>
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	1.1
<b>Free Cash Flow</b>	<b>-3.7</b>	<b>3.0</b>	<b>-2.9</b>	<b>2.7</b>	<b>6.4</b>	<b>-1.6</b>
Dividends	0.0	-0.7	-0.9	-0.9	-0.9	-1.0
Other (incl. Capital Increase & share buy backs)	1.6	1.8	4.4	4.9	6.0	2.1
<b>Change in Net Debt</b>	<b>-2.1</b>	<b>4.0</b>	<b>0.6</b>	<b>6.7</b>	<b>11.4</b>	<b>-0.5</b>
NOPLAT	6.8	9.4	14.7	14.5	16.7	19.9
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
Net Tangible Assets	59.9	71.4	88.5	110	112	126
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
<b>Total Fixed Assets</b>	<b>60.0</b>	<b>71.6</b>	<b>88.8</b>	<b>110</b>	<b>112</b>	<b>126</b>
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	-22.1	-20.6
<b>Total Current Assets</b>	<b>10.6</b>	<b>26.3</b>	<b>33.6</b>	<b>55.5</b>	<b>60.9</b>	<b>58.3</b>
<b>Total Assets</b>	<b>70.6</b>	<b>97.9</b>	<b>122</b>	<b>166</b>	<b>173</b>	<b>184</b>
Shareholders Equity	20.1	28.3	37.3	50.0	63.6	75.4
Minority	0.0	0.2	0.7	0.1	0.1	0.1
Total Equity	20.1	28.5	38.0	50.1	63.7	75.6
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
<b>Total Long Term Liabilities</b>	<b>47.7</b>	<b>52.2</b>	<b>72.4</b>	<b>91.2</b>	<b>80.7</b>	<b>80.7</b>
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
<b>Total Current Liabilities</b>	<b>2.8</b>	<b>17.2</b>	<b>11.9</b>	<b>24.7</b>	<b>28.2</b>	<b>28.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>70.6</b>	<b>97.9</b>	<b>122</b>	<b>166</b>	<b>173</b>	<b>184</b>
<b>Net Capital Employed</b>	<b>65.3</b>	<b>92.5</b>	<b>110</b>	<b>143</b>	<b>140</b>	<b>153</b>
<b>Net Working Capital</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>GROWTH &amp; MARGINS</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
<i>Sales growth</i>	<i>n.m.</i>	<i>47.4%</i>	<i>52.4%</i>	<i>41.6%</i>	<i>25.2%</i>	<i>5.1%</i>
<b>EBITDA (adj.)* growth</b>	<b>n.m.</b>	<b>21.3%</b>	<b>-3.4%</b>	<b>35.5%</b>	<b>14.0%</b>	<b>19.4%</b>
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>14.3%</i>	<i>19.6%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>14.3%</i>	<i>19.6%</i>



**EYEMAXX Real Estate : Summary tables**

<b>GROWTH &amp; MARGINS</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
Net Profit growth	n.m.	74.7%	44.9%	13.2%	29.3%	25.4%
EPS adj. growth		105.3%	16.2%	-4.4%	-0.1%	22.3%
DPS adj. growth		0.0%	0.0%	0.0%	0.0%	50.0%
EBITDA (adj)* margin	733.0%	603.2%	382.5%	366.0%	333.2%	378.4%
EBITA (adj)* margin	718.1%	593.6%	376.4%	359.9%	328.4%	373.8%
EBIT (adj)* margin	718.1%	593.6%	376.4%	359.9%	328.4%	373.8%
<b>RATIOS</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
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	3.9	3.4
Interest cover (EBITDA/Fin.interest)	2.2	2.7	2.8	2.4	2.8	3.0
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%	-255.6%	-121.6%
NWC/Sales		0.0%	0.0%	0.0%	0.0%	0.0%
ROE (average)	23.0%	16.7%	17.8%	15.2%	15.1%	15.4%
ROCE (adj.)		13.1%	16.6%	13.2%	14.9%	15.8%
WACC	0.0%	0.0%	0.0%	0.0%		
ROCE (adj.)/WACC		n.m.	n.m.	n.m.		
<b>PER SHARE DATA (EUR)***</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
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	1.67	2.00
EPS (adj.)	0.57	1.17	1.36	1.30	1.30	1.59
BVPS	6.92	8.54	8.66	8.94	8.73	10.31
DPS	0.20	0.20	0.20	0.20	0.20	0.30
<b>VALUATION</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
EV/Sales	37.1	33.1	29.5	28.9	19.6	22.5
EV/EBITDA	7.6	7.8	10.0	9.9	7.2	7.3
<b>EV/EBITDA (adj.)*</b>	<b>5.1</b>	<b>5.5</b>	<b>7.7</b>	<b>7.9</b>	<b>5.9</b>	<b>5.9</b>
EV/EBITA	7.9	8.0	10.2	10.1	7.3	7.4
<b>EV/EBITA (adj.)*</b>	<b>5.2</b>	<b>5.6</b>	<b>7.8</b>	<b>8.0</b>	<b>6.0</b>	<b>6.0</b>
EV/EBIT	7.9	8.0	10.2	10.1	7.3	7.4
<b>EV/EBIT (adj.)*</b>	<b>5.2</b>	<b>5.6</b>	<b>7.8</b>	<b>8.0</b>	<b>6.0</b>	<b>6.0</b>
<b>P/E (adj.)</b>	<b>8.3</b>	<b>4.4</b>	<b>6.6</b>	<b>9.8</b>	<b>8.4</b>	<b>6.8</b>
P/BV	0.7	0.6	1.0	1.4	1.2	1.1
Total Yield Ratio	4.6%	4.7%	2.2%	1.8%	1.8%	2.8%
EV/CE		1.1	1.2	1.3	1.1	1.2
OpFCF yield	-48.3%	-5.9%	-25.2%	-31.7%	23.0%	-3.4%
OpFCF/EV	-12.6%	-1.4%	-9.2%	-13.1%	10.5%	-1.8%
Payout ratio	35.1%	17.1%	14.7%	13.1%	12.0%	15.0%
Dividend yield (gross)	4.2%	3.8%	2.2%	1.8%	1.8%	2.8%
<b>EV AND MKT CAP (EURm)</b>	<b>10/2014</b>	<b>10/2015</b>	<b>10/2016</b>	<b>10/2017</b>	<b>10/2018e</b>	<b>10/2019e</b>
Price** (EUR)	4.76	5.20	8.91	12.71	10.88	10.88
Outstanding number of shares for main stock	3.2	3.5	4.3	4.7	5.2	7.3
<b>Total Market Cap</b>	<b>15</b>	<b>18</b>	<b>38</b>	<b>60</b>	<b>56</b>	<b>80</b>
<b>Net Debt</b>	<b>43</b>	<b>59</b>	<b>66</b>	<b>85</b>	<b>67</b>	<b>69</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	<i>-4</i>	<i>-4</i>	<i>-3</i>	<i>-16</i>	<i>-22</i>	<i>-21</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>
<b>Other EV components</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Enterprise Value (EV adj.)</b>	<b>58</b>	<b>77</b>	<b>104</b>	<b>144</b>	<b>123</b>	<b>148</b>

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.



## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLSCHAG	Sen	66.00	Buy		Manz AG	Rüzgar	37.00	Neutral	2/3
2G Energy	Rüzgar	23.50	Accumulate	2/3/5	MAX Automation SE	Becker	6.70	Buy	2/3
Aareal Bank	Häßler	42.00	Neutral		Merck	Miemietz	112.00	Buy	
adidas	Josefson	228.00	Accumulate		Merkur Bank	Häßler	10.00	Buy	2/7
Adler Modemaerkte	Josefson	6.35	Buy	7	Metro AG	Bruns	17.00	Buy	2
ADLER Real Estate	Mayer	18.00	Buy		MLP	Häßler	7.50	Buy	2/3
Aixtron	Sen	14.00	Buy	2/3	MTU Aero Engines	Rüzgar	130.00	Reduce	2
Allianz	Häßler	200.00	Neutral		Munich Re	Häßler	210.00	Accumulate	
Axel Springer	Josefson	67.00	Accumulate		Nemet schek SE	Mildner	47.00	Reduce	5
Bayer	Miemietz	118.00	Buy		Norma Group	Schuldt	62.00	Neutral	
Baywa	Bruns	33.00	Buy	2/7	OHB SE	Rüzgar	40.00	Neutral	7
BB Biotech	Miemietz	73.00	Buy	7	OVH Holding AG	Häßler	20.00	Neutral	2/5/7
Biotest	Miemietz	25.00	Neutral	2/3	Patrizia	Mayer	18.00	Neutral	
BMW	Schuldt	95.00	Buy		Pfeiffer Vacuum	Sen	162.00	Buy	5
Brenntag	Hinkel	59.80	Buy	2	Procredit Holding	Häßler	15.00	Buy	2/3/5
Ceconomy AG	Bruns	8.00	Neutral		PSI SOFTWARE AG	Mildner	20.00	Buy	2/3
comdirect	Häßler	11.20	Neutral		Puma	Josefson	565.00	Buy	
Commerzbank	Häßler	13.00	Neutral		PWO	Schuldt	52.00	Buy	2/3
Continental	Schuldt	270.00	Buy		Rheinmetall	Rüzgar	118.00	Neutral	
CORESTATE Capital Holding S.A.	Mayer	72.00	Buy	2/5	RIB Software	Mildner	25.00	Buy	2/3
CTS Eventim	Heilmann	37.50	Reduce		RTL Group	Josefson	72.00	Accumulate	
Daimler AG	Schuldt	71.00	Buy		S&TAG	Sen	27.00	Buy	2/3
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	SAF-Holland	Schuldt	17.00	Neutral	
Demire	Mayer	4.55	Buy	2/5	Schaeffler	Tanzer	14.30	Buy	
Deutsche Bank	Häßler	14.00	Buy		Schaltbau Holding AG	Becker	32.70	Buy	2/7
Deutsche EuroShop	Mayer	30.00	Neutral		SCOUT24	Heilmann	31.00	Reduce	2
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		Siegfried Holding AG	Miemietz	338.00	Neutral	7
Deutsche Telekom	Sen	13.30	Neutral		Siemens Healthineers AG	Rüzgar	39.00	Accumulate	2
Duerr	Augustin	114.00	Buy		SLM Solutions	Sen	24.00	Sell	
DWS	Häßler	34.00	Buy		SMT Scharf AG	Rüzgar	17.50	Neutral	2/3
EringKlinger	Schuldt	7.00	Sell		Software AG	Mildner	30.00	Sell	
elumeo SE	Josefson	10.90	Accumulate		Stabilus	Tanzer	91.00	Buy	
Epigenomics AG	Miemietz	3.70	Buy	2/3	Suedzucker	Bruns	12.00	Sell	
Euromicron AG	Becker	11.40	Buy	2/3/5	SuessMicroTec	Sen	13.80	Accumulate	2/3
Evonik	Hinkel	39.00	Buy		Surteco	Mildner	30.50	Buy	2/3
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Symrise AG	Hinkel	67.00	Neutral	
Ferratum	Häßler	23.00	Buy		Szygy AG	Heilmann	11.50	Accumulate	2/3
Fielmann	Heilmann	55.00	Reduce		TAKKT AG	Bruns	18.50	Neutral	2
First Sensor AG	Becker	27.00	Accumulate	7	Talanx Group	Häßler	39.00	Buy	
Freenet	Sen	36.00	Buy	2	Technotrans	Becker	45.70	Neutral	2/3
Fuchs Petrolub	Hinkel	48.00	Neutral		TELECOLUMBUS	Sen	9.70	Buy	
Gea Group	Augustin	33.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerresheimer AG	Rüzgar	69.00	Neutral		United Internet	Sen	63.00	Buy	
Gerry Weber	Josefson	5.75	Reduce		Vapiano	Bruns	26.50	Buy	2/7
Gesco	Becker	34.20	Accumulate	2/3	va-Q-tec	Sen	17.00	Neutral	2/3
GFT Technologies	Mildner	15.50	Buy	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Volkswagen	Schuldt	162.00	Neutral	
Grenke	Häßler	90.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Hannover Re	Häßler	110.00	Neutral		windeln.de	Josefson	3.10	Buy	2
Heidelberg Pharma	Miemietz	3.50	Accumulate	2/3	XING SE	Heilmann	305.00	Buy	
Heidelberger Druck	Augustin	3.60	Buy		Zalando	Josefson	44.50	Neutral	
HELLA GmbH & Co. KGaA	Tanzer	55.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	81.00	Buy						
Hypoport AG	Häßler	176.00	Accumulate	2/7					
INDUS Holding AG	Becker	64.50	Neutral						
Intershop Communications AG	Mildner	1.85	Accumulate	2/7					
K+S AG	Hinkel	24.40	Neutral						
Koenig & Bauer	Augustin	72.00	Neutral						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3					

\* = Coverage suspended

Source: equinet Recommendations

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## Remarks

### Recommendation System

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

Share prices in this analysis are the German closing prices of the last trading day before the publication.

### Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

### Actualizations

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Graurheindorfer Straße 108, 53117 Bonn and  
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

### Recommendation history for EYEMAXX REAL ESTATE

Date	Recommendation	Target price	Price at change date
10. Jul 18	Buy	18.00	10.88
13. Mrz 18	Buy	16.00	10.35

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)**.

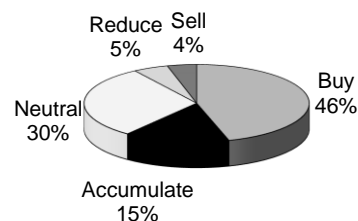
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### 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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