

Company Flash Note

Reason: Company newsflow

24 October 2018

Buy

Recommendation unchanged

Share price: EUR 9.94

closing price as of 23/10/2018

Target price: EUR 18.00

Target Price unchanged

Upside/Downside Potential 81.1%

Reuters/Bloomberg

BTCGK.DE/BNT1 GR

Market capitalisation (EURm) 51

Current N° of shares (m) 5

Free float 46%

Daily avg. no. trad. sh. 12 mth 7

Daily avg. trad. vol. 12 mth (m) 48.18

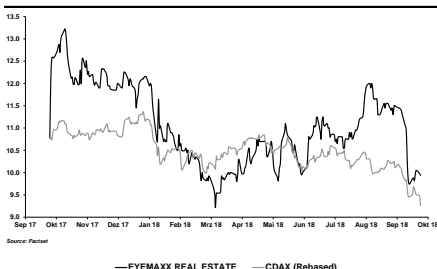
Price high/low 12 months 9.22 / 13.23

Abs Perfs 1/3/12 mths (%) -13.94/-10.45/-7.75

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	18.9	21.4
EV/EBITDA	9.9	6.9	7.0
EV/EBITDA (adj.)	7.9	5.7	5.7
EV/EBIT	10.1	7.0	7.1
P/E (adj.)	9.8	7.7	6.3
P/BV	1.4	1.1	1.0
OpFCF yield	-31.7%	25.1%	-3.7%
Dividend yield	2.0%	2.0%	3.0%
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 30%; Johann Kowar 13%; Lang & Schwarz AG 5%; Dr. Peter Hauelsen 3%; Wilhelm K.T. Zours 3%;



Analyst(s)

Katharina Mayer

katharina.mayer@equinet-ag.de

+49 69 58997-432

Philipp Häßler, CFA

philipp.haessler@equinet-ag.de

+49 69 58997 414

Hotel and serviced apartment project in Hamburg secured

EYEMAXX announced that it has won a hotel and serviced apartment project in Hamburg with a volume of EUR 22m which should be completed in Q3 2021. According to EYEMAXX the return on equity is estimated in the middle double-digit percentage range. This is positive news as it will further increase EYEMAXX's project pipeline by EUR 22m to around EUR 910m which should have a positive earnings impact. The recently announced probable sale of its large-scale project "Sonnenhöfe" above the budgeted price and the buy-back of EUR 1.3m of its 13/19 corporate bond also confirm our positive view. On the back of the supply demand gap of residential units in Germany the market for project developments should remain attractive. We see EYEMAXX well positioned to further increase its transaction pipeline and its commercial portfolio which should lead to higher earnings.

- ✓ **Further project secured:** Together with Blue Ocean RE GmbH, a real estate developer located in Hamburg, EYEMAXX will realise a hotel with 125 rooms, 30 serviced apartments and 60 underground parking spaces which should be completed in Q3 2021. The purchase agreement for a plot of 2,600 sqm has already been signed. The negotiations with a hotel operator for a 20-year lease term with an extension option of five years are well proceeding and a LOI has already been signed. According to EYEMAXX the return on equity is estimated in the middle double digit percentage range.
- ✓ **Sale of its large-scale project "Sonnenhöfe" ahead and above budgeted price:** At the end of September 2018, EYEMAXX published that it is in advanced negotiations for the sale of its large-scale project "Sonnenhöfe" in Berlin. The transaction should take place by way of a forward sale and should be sold to an institutional investor. It is likely that the initially expected sales price will be exceeded which we regard as positive. Note that the initial project volume was EUR 168m. Letting and marketing will be conducted by the buyer.
- ✓ **Partly buy-back of its 13/19 corporate bond:** EYEMAXX recently announced that it has bought back EUR 1.3m of its 13/19 corporate bond (coupon: 7.875%, maturity: March 2019) which was financed by available funds. Consequently, the outstanding volume decreases to EUR 6.2m. Although the net profit impact is negligible the buy-back will have a positive effect on its interest expenses.
- ✓ **Second largest shareholder Kowar increased its stake to c. 13%:** Johann Kowar increased its stake in EYEMAXX to c. 13% and thus bought 235,700 shares from CEO and major shareholder Dr. Michael Müller (stake of 30% post the transfer). According to the company Kowar should be a long-term strategic shareholder and EYEMAXX is implementing its largest projects in Germany with Kowar as a financial partner.

Exhibit 1: Investment Case in Charts

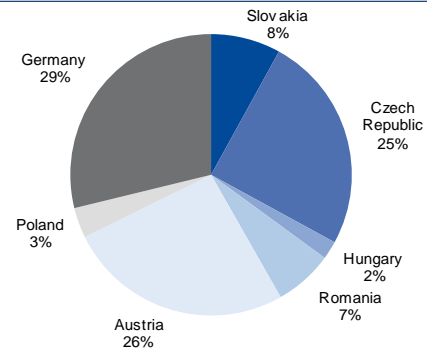
Value chain



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

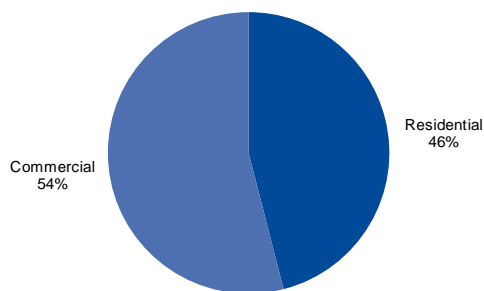
Track record (as of March 2018)



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



46% of its project pipeline of c. EUR 910m relates to residential assets with a geographic focus on Germany.

Source: EYEMAXX, equinet Research

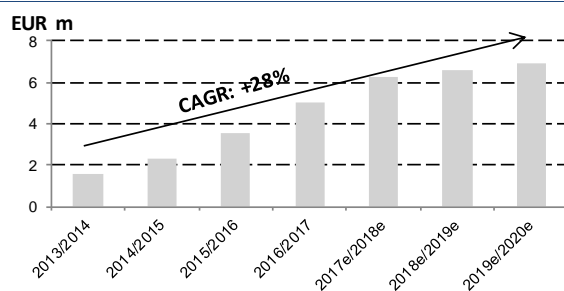
Portfolio properties

	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

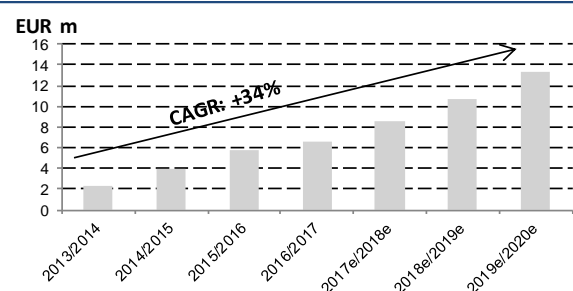
Development of Revenues



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


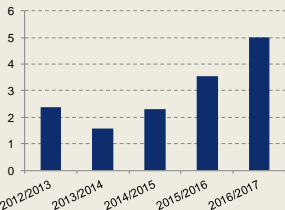
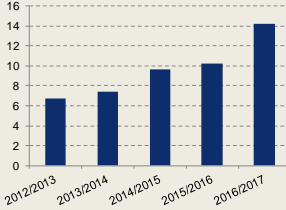
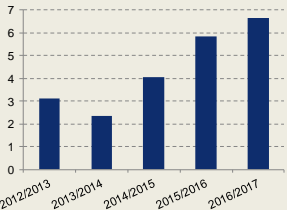



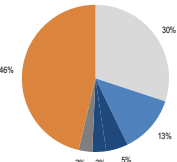


We expect Net Profit to increase by 27% (CAGR 2016/17-2019/20e) with upside potential in case of external growth.

Source: EYEMAXX, equinet Research

Source: EYEMAXX, equinet Research

Exhibit 2: 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 Oct. 2018) of which 46% of the project volume stems from residential properties and 54% from commercial assets. Geographically, the projects are dominantly located in Germany.															
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>Strategy: (I) Increase of transaction pipeline by profitable new development projects (II) Portfolio expansion (III) Optimization of financing structure</div><div>Guidance 2017/2018e (in EUR): n.a.</div><div><table><tr><th></th><th>equinet Estimates</th><th>Consensus</th></tr><tr><td>Revenues</td><td>6.3m</td><td>6.8m</td></tr><tr><td>Net Profit</td><td>8.6m</td><td>9.0m</td></tr></table></div></div>								equinet Estimates	Consensus	Revenues	6.3m	6.8m	Net Profit	8.6m	9.0m
	equinet Estimates	Consensus														
Revenues	6.3m	6.8m														
Net Profit	8.6m	9.0m														
2016/2017	Revenues (EUR bn)	5.0	EBIT (EUR m)	14.252	Net Profit (EUR m)	6.6	ROI since 2007	16.0%								
	y/y	41.6%		39.2%		13.2%										
Business development	<div><div>Development of Revenues (in EUR m)</div><div>Development of EBIT (in EUR m)</div><div>Development of Net Profit</div></div>															
Shareholder structure & management	<div><div><div>Dr. Michael Müller CEO of EYEMAXX Real Estate AG & founder and major shareholder</div><ul style="list-style-type: none">Founded EYEMAXX in 1996Studied Social and Business sciences in Vienna and received his doctor's degree in 1995Many years of experience in the real estate market</div><div><div>Mag. Maximilian Pasquali Deputy CEO of EYEMAXX Group</div><ul style="list-style-type: none">Joined EYEMAXX in 2006Studied lawMany years of experience in the real estate, M&A and corporate law</div><div><div>Kristian Radosavljevic CFO of EYEMAXX Group</div><ul style="list-style-type: none">Working for EYEMAXX since 2011Studied business management and financeMany years of experience in controlling</div><div><div>Shareholder structure</div><div><ul style="list-style-type: none">Dr. Michael MüllerJohann KowarLang & Schwarz AGDr. Peter HauelsenWilhelm K. T. ZoutsFree float</div></div></div>															
# of employees 2016/2017	42															

Source: EYEMAXX, equinet Research

EYEMAXX Real Estate : Summary tables

PROFIT & LOSS (EURm)	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Sales	2.3	3.5	5.0	6.3	6.6	6.9
Cost of Sales & Operating Costs	11.7	10.0	13.3	14.6	18.3	19.0
Non Recurrent Expenses/Income	-4.1	-3.0	-3.7	-3.8	-4.7	-4.3
EBITDA	9.8	10.5	14.6	17.1	20.2	21.6
EBITDA (adj.)*	14.0	13.5	18.3	20.9	24.9	25.9
Depreciation	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3
EBITA	9.6	10.2	14.3	16.8	19.9	21.3
EBITA (adj)*	13.7	13.3	18.0	20.6	24.6	25.6
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	9.6	10.2	14.3	16.8	19.9	21.3
EBIT (adj.)*	13.7	13.3	18.0	20.6	24.6	25.6
Net Financial Interest	-3.7	-3.7	-6.1	-6.2	-6.6	-4.8
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)	5.9	6.6	8.2	10.6	13.2	16.6
Tax	-1.9	-0.7	-1.6	-2.0	-2.5	-3.1
<i>Tax rate</i>	<i>32.0%</i>	<i>n.m.</i>	<i>19.2%</i>	<i>19.0%</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)	4.0	5.8	6.6	8.6	10.7	13.4
Net Profit (adj.)	4.0	5.8	6.6	8.6	10.7	13.4
CASH FLOW (EURm)	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Cash Flow from Operations before change in NWC	-1.0	-5.1	-7.1	-3.4	-10.7	-13.9
Change in Net Working Capital	0.2	-0.7	0.3	0.4	0.0	0.0
Cash Flow from Operations	-0.8	-5.8	-6.8	-3.1	-10.7	-13.9
Capex	-0.3	-3.8	-12.2	16.0	8.0	33.0
Net Financial Investments	4.0	6.7	21.7	-6.6	1.1	-26.8
Free Cash Flow	3.0	-2.9	2.7	6.4	-1.6	-7.7
Dividends	-0.7	-0.9	-0.9	-0.9	-1.0	-2.2
Other (incl. Capital Increase & share buy backs)	1.8	4.4	4.9	6.0	2.1	0.0
Change in Net Debt	4.0	0.6	6.7	11.4	-0.5	-9.9
NOPLAT	9.4	14.7	14.5	16.7	19.9	20.8
BALANCE SHEET & OTHER ITEMS (EURm)	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Net Tangible Assets	71.4	88.5	110	112	126	122
Net Intangible Assets (incl. Goodwill)	0.1	0.1	0.1	-0.2	-0.5	-0.8
Net Financial Assets & Other	0.1	0.3	0.4	0.4	0.4	0.4
Total Fixed Assets	71.6	88.8	110	112	126	122
Inventories	14.3	7.5	8.9	8.9	8.9	8.9
Trade receivables	1.0	1.0	1.5	1.5	1.5	1.5
Other current assets	7.2	21.7	29.2	28.2	27.2	26.2
Cash (-)	-3.9	-3.3	-15.8	-22.1	-20.6	-12.9
Total Current Assets	26.3	33.6	55.5	60.9	58.3	49.6
Total Assets	97.9	122	166	173	184	171
Shareholders Equity	28.3	37.3	50.0	63.6	75.4	86.6
Minority	0.2	0.7	0.1	0.1	0.1	0.1
Total Equity	28.5	38.0	50.1	63.7	75.6	86.8
Long term interest bearing debt	46.8	66.4	83.4	71.8	71.8	47.2
Provisions	0.6	1.0	0.9	2.0	2.0	2.0
Other long term liabilities	4.8	5.0	6.9	6.9	6.9	6.9
Total Long Term Liabilities	52.2	72.4	91.2	80.7	80.7	56.1
Short term interest bearing debt	15.7	3.1	17.4	17.4	17.4	17.4
Trade payables	0.6	0.8	0.8	0.8	0.8	0.8
Other current liabilities	0.9	8.0	6.4	10.0	10.0	10.0
Total Current Liabilities	17.2	11.9	24.7	28.2	28.2	28.2
Total Liabilities and Shareholders' Equity	97.9	122	166	173	184	171
Net Capital Employed	92.5	110	143	140	153	147
Net Working Capital	0.0	0.0	0.0	0.0	0.0	0.0
GROWTH & MARGINS	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
<i>Sales growth</i>	<i>47.4%</i>	<i>52.4%</i>	<i>41.6%</i>	<i>25.2%</i>	<i>5.1%</i>	<i>5.2%</i>
EBITDA (adj.)* growth	21.3%	-3.4%	35.5%	14.0%	19.4%	4.2%
<i>EBITA (adj.)* growth</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>14.3%</i>	<i>19.6%</i>	<i>4.3%</i>
<i>EBIT (adj.)* growth</i>	<i>21.9%</i>	<i>-3.3%</i>	<i>35.4%</i>	<i>14.3%</i>	<i>19.6%</i>	<i>4.3%</i>

EYEMAXX Real Estate : Summary tables

GROWTH & MARGINS	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Net Profit growth	74.7%	44.9%	13.2%	29.3%	25.4%	25.1%
EPS adj. growth	105.3%	16.2%	-4.4%	-0.1%	22.3%	15.4%
DPS adj. growth	0.0%	0.0%	0.0%	0.0%	50.0%	16.7%
EBITDA (adj)* margin	603.2%	382.5%	366.0%	333.2%	378.4%	374.9%
EBITA (adj)* margin	593.6%	376.4%	359.9%	328.4%	373.8%	370.6%
EBIT (adj)* margin	593.6%	376.4%	359.9%	328.4%	373.8%	370.6%
RATIOS	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Net Debt/Equity	2.1	1.7	1.7	1.1	0.9	0.6
Net Debt/EBITDA	6.0	6.3	5.8	3.9	3.4	2.4
Interest cover (EBITDA/Fin.interest)	2.7	2.8	2.4	2.8	3.0	4.5
Capex/D&A	143.0%	1779.8%	3974.5%	-5333.3%	-2666.7%	-11000.0%
Capex/Sales	13.8%	107.4%	243.3%	-255.6%	-121.6%	-476.8%
NWC/Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE (average)	16.7%	17.8%	15.2%	15.1%	15.4%	16.6%
ROCE (adj.)	13.1%	16.6%	13.2%	14.9%	15.8%	17.1%
WACC	0.0%	0.0%	0.0%			
ROCE (adj.)/WACC	n.m.	n.m.	n.m.			
PER SHARE DATA (EUR)***	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Average diluted number of shares	3.3	4.3	5.6	7.3	7.3	7.3
EPS (reported)	1.17	1.36	1.53	1.67	2.00	1.83
EPS (adj.)	1.17	1.36	1.30	1.30	1.59	1.83
BVPS	8.54	8.66	8.94	8.73	10.31	11.84
DPS	0.20	0.20	0.20	0.20	0.30	0.35
VALUATION	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
EV/Sales	33.1	29.5	28.9	18.9	21.4	17.9
EV/EBITDA	7.8	10.0	9.9	6.9	7.0	5.7
EV/EBITDA (adj.)*	5.5	7.7	7.9	5.7	5.7	4.8
EV/EBITA	8.0	10.2	10.1	7.0	7.1	5.8
EV/EBITA (adj.)*	5.6	7.8	8.0	5.7	5.7	4.8
EV/EBIT	8.0	10.2	10.1	7.0	7.1	5.8
EV/EBIT (adj.)*	5.6	7.8	8.0	5.7	5.7	4.8
P/E (adj.)	4.4	6.6	9.8	7.7	6.3	5.4
P/BV	0.6	1.0	1.4	1.1	1.0	0.8
Total Yield Ratio	4.7%	2.2%	2.0%	2.0%	3.0%	
EV/CE	1.1	1.2	1.3	1.1	1.1	1.0
OpFCF yield	-5.9%	-25.2%	-31.7%	25.1%	-3.7%	26.2%
OpFCF/EV	-1.4%	-9.2%	-13.1%	10.9%	-1.9%	15.4%
Payout ratio	17.1%	14.7%	13.1%	12.0%	15.0%	19.1%
Dividend yield (gross)	3.8%	2.2%	2.0%	2.0%	3.0%	3.5%
EV AND MKT CAP (EURm)	10/2015	10/2016	10/2017	10/2018e	10/2019e	10/2020e
Price** (EUR)	5.20	8.91	12.71	9.94	9.94	9.94
Outstanding number of shares for main stock	3.5	4.3	4.7	5.2	7.3	7.3
Total Market Cap	18	38	60	51	73	73
Net Debt	59	66	85	67	69	52
<i>o/w Cash & Marketable Securities (-)</i>	<i>-4</i>	<i>-3</i>	<i>-16</i>	<i>-22</i>	<i>-21</i>	<i>-13</i>
<i>o/w Gross Debt (+)</i>	<i>62</i>	<i>70</i>	<i>101</i>	<i>89</i>	<i>89</i>	<i>65</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	77	104	144	118	141	124

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&1DRILLISCHAG	Sen	66.00	Buy		Logwin	Mildner	165.00	Accumulate	2/3
2GEnergy	Rüzgar	23.50	Accumulate	2/3/5	Manz AG	Rüzgar	37.00	Neutral	2/3
Aareal Bank	Häßler	41.00	Buy		MAXAutomation SE	Becker	6.70	Buy	2/3
adidas	Josefson	228.00	Accumulate		Merck	Berzhanin	112.00	Buy	
Adler Modemaerkte	Josefson	6.35	Buy	7	Merkur Bank	Häßler	10.00	Buy	2/7
ADLER Real Estate	Mayer	20.00	Buy		Metro AG	Bruns	17.00	Buy	
Aixtron	Sen	14.00	Buy	2/3	MLP	Häßler	7.50	Buy	2/3
Allianz	Häßler	220.00	Buy		MTU Aero Engines	Rüzgar	155.00	Reduce	2
Axel Springer	Josefson	67.00	Accumulate		Munich Re	Häßler	210.00	Accumulate	
Bayer	Berzhanin	96.00	Buy		Nemetschek SE	Mildner	47.00	Reduce	5
Baywa	Bruns	33.00	Buy	2/7	Norma Group	Schuldt	54.00	Neutral	
BB Biotech	Berzhanin	73.00	Buy	7	OHB SE	Rüzgar	40.00	Buy	7
Biotest	Berzhanin	24.10	Neutral	2/3	OVH Holding AG	Häßler	20.00	Buy	2/5/7
BMW	Schuldt	91.00	Buy		Patrizia	Mayer	20.00	Accumulate	
Brenntag	Hinkel	59.80	Buy	2	Pfeiffer Vacuum	Sen	162.00	Buy	5
Ceconomy AG	Bruns	5.00	Neutral		Procredit Holding	Häßler	15.00	Buy	2/3/5
comdirect	Häßler	13.50	Buy	7	PSISOFTWAREAG	Mildner	20.00	Buy	2/3
Commerzbank	Häßler	9.20	Neutral		Puma	Josefson	565.00	Buy	
Continental	Schuldt	230.00	Buy		PWO	Schuldt	50.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	66.00	Buy	2/5	Rheinmetall	Rüzgar	80.00	Neutral	
CTS Eventim	Heilmann	37.50	Reduce		RIB Software	Mildner	25.00	Buy	2/3
Daimler AG	Schuldt	64.00	Buy		RTL Group	Josefson	72.00	Accumulate	
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	S&TAG	Sen	27.00	Buy	2/3
Demire	Mayer	4.80	Accumulate	2/5	SAF-Holland	Schuldt	13.80	Accumulate	
Deutsche Bank	Häßler	14.00	Buy		Schaeffler	Tanzer	14.30	Buy	
Deutsche EuroShop	Mayer	30.00	Neutral		Schaltbau Holding AG	Becker	32.90	Buy	2/7
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		SCOUT24	Heilmann	44.00	Neutral	2
Deutsche Telekom	Sen	13.30	Neutral		Siegfried Holding AG	Berzhanin	399.00	Neutral	7
Duerr	Augustin	30.00	Neutral		Siemens Healthineers AG	Rüzgar	39.00	Neutral	2
DWS	Häßler	34.00	Buy		SLM Solutions	Sen	15.00	Sell	
ErlingKlinger	Schuldt	7.00	Sell		SMT Scharf AG	Rüzgar	18.00	Neutral	2/3
elumeo SE	Josefson	10.90	Accumulate		Software AG	Mildner	30.00	Sell	
Epigenomics AG	Berzhanin	3.70	Buy	2/3	Stabilus	Tanzer	91.00	Buy	
Euromicron AG	Becker	11.40	Buy	2/3/5	Suedzucker	Bruns	11.70	Reduce	
Evonik	Hinkel	41.00	Buy		SuessMicroTec	Sen	13.80	Accumulate	
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Surteco Group	Mildner	26.50	Buy	2/3
Ferratum	Häßler	23.00	Buy		Symrise AG	Hinkel	67.00	Neutral	
Fielmann	Heilmann	55.00	Neutral		Syzygy AG	Heilmann	11.50	Accumulate	2/3
First Sensor AG	Becker	27.40	Buy	7	TAKKT AG	Bruns	18.50	Neutral	2
Freenet	Sen	36.00	Buy	2	Talanx Group	Häßler	39.00	Buy	
FuchsPetrolub	Hinkel	48.00	Neutral		Technotrans	Becker	43.00	Accumulate	2/3
Gea Group	Augustin	33.00	Neutral		TELECOLUMBUS	Sen	4.80	Buy	
Gerrresheimer AG	Rüzgar	69.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerry Weber	Josefson	3.80	Reduce		United Internet	Sen	63.00	Buy	
Gesco	Becker	35.60	Buy	2/3	Vapiano	Bruns	20.00	Buy	2/7
GFT Technologies	Mildner	15.50	Buy	2/3	va-Q-tec	Sen	12.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Grenke	Häßler	90.00	Neutral		Volkswagen	Schuldt	154.00	Neutral	
Hannover Re	Häßler	110.00	Neutral		Wacker Neuson SE	Becker	24.10	Neutral	
Heidelberg Pharma	Berzhanin	3.50	Accumulate	2/3	windeln.de	Josefson	3.10	Buy	2
Heidelberger Druck	Augustin	2.90	Buy		XING SE	Heilmann	305.00	Accumulate	
HELLA GmbH & Co. KGaA	Tanzer	51.00	Accumulate		Zalando	Josefson	44.50	Neutral	
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	80.00	Buy						
Hypoport AG	Häßler	190.00	Neutral	2/7					
INDUS Holding AG	Becker	55.70	Neutral						
Intershop Communications AG	Mildner	1.85	Accumulate	2/7					
K+S AG	Hinkel	24.00	Buy						
Koenig & Bauer	Augustin	48.00	Neutral						
Krones AG	Augustin	118.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
LEG Immobilien AG	Mayer	104.00	Accumulate						
Leoni	Schuldt	34.00	Accumulate						
Linde	Hinkel	176.00	Neutral						

* = Coverage suspended

Source: equinet Recommendations

Notice according to § 34 b (German) Securities Trading Act ("Wertpapierhandelsgesetz")

This document is issued by Equinet Bank AG ("Equinet Bank"). It has been prepared by its authors independently of the Company, and none of Equinet Bank, the Company or its shareholders has independently verified any of the information given in this document.

Equinet Bank possesses relations to the covered companies as detailed in the table on the previous page. Additional information and disclosures will be made available upon request and/or can be looked up on our website <http://www.Equinet-Bank-ag.de>

1 - Equinet Bank and/or its affiliate(s) hold(s) more than 5% of the share capital of this company calculated under computational methods required by German law.

2 - Equinet Bank acts as a designated sponsor for this company, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Equinet Bank receives a commission from the company for the provision of the designated sponsor services.

3 – The designated sponsor services include a contractually agreed provision of research services.

4 – Within the last twelve months, Equinet Bank was involved as a lead or co-lead manager in the public offering of securities which are/whose issuer is the subject of this report.

5 – Within the last twelve months, Equinet Bank and/or its affiliate(s) provided investment banking- and/or other consultancy services for this company and/or its shareholders.

6 - Equinet Bank and/or its affiliate(s) has/have other substantial financial interests in relation to this issuer.

7 – Equinet Bank has entered into an agreement with this company about the preparation of research reports and – in return – receives a compensation.

Companies of the Equinet Bank group and/or its directors, officers and employees or clients may take positions in, and may make purchases and/or sales as principal or agent in the securities or related financial instruments discussed in our reports. The Equinet Bank group may provide investment banking and other services to and/or serve as directors of the companies referred to in our reports.

In compliance with Para 5 Sec. 4 of the Ordinance on the Analysis of Financial Instruments (FinAnV) Equinet Bank has realized additional internal and organizational measures, such as specific research guidelines, to prevent or manage conflicts of interest.

Neither the company nor its employees are allowed to receive donations from third parties with a special interest in the content of the analysis.

The salary of the research analysts of Equinet Bank AG does not depend on the investment banking transactions of the company. Nevertheless, this does not rule out the payment of a bonus which depends on the overall financial performance of the bank.

Particular care is taken that the individual performance of each research analyst of Equinet Bank AG is not being assessed by a manager of another business division with similar or same interests.

To assure a highest degree of transparency Equinet Bank AG regularly provides - on a quarterly basis – a summary according to Para 5 Sec. 4 No. 3 of the Ordinance on the Analysis of Financial Instruments (FinAnV). It informs about the overall analysts recommendations and sets them in a relationship to those companies, for which Equinet Bank provided investment banking services within the last twelve months. This summary is published via our website <http://www.Equinet-Bank-ag.de>.

Furthermore, we refer to our conflict of interest policy as well as the German Securities Trading Act (WpHG) and the Ordinance on the Analysis of Financial Instruments (FinAnV) provided in the download area of our website <http://www.Equinet-Bank-ag.de>.

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

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.

DISCLAIMER

THE PREPARATION OF THIS DOCUMENT IS SUBJECT TO REGULATION BY GERMAN LAW. THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY IN YOUR CAPACITY AS A PROFESSIONAL INSTITUTIONAL INVESTOR FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN OR TO ANY RESIDENT THEREOF.

THE DELIVERY OF THIS RESEARCH REPORT TO U.S. PERSONS IN THE UNITED STATES OF AMERICA IS MADE BY AND UNDER THE RESPONSIBILITY OF GSN NA, INC. (REGISTERED WITH THE SEC). THIS RESEARCH REPORT IS ONLY INTENDED FOR PERSONS WHO QUALIFY AS MAJOR U.S. INSTITUTIONAL INVESTORS, AS DEFINED IN SECURITIES EXCHANGE ACT RULE 15A-6, AND DEAL WITH GSN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF GSN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. GSN NA, INC. MAY FURNISH UPON REQUEST ALL INVESTMENT INFORMATION AVAILABLE TO IT SUPPORTING ANY RECOMMENDATIONS MADE IN THIS RESEARCH REPORT. ALL TRADES WITH U.S. RECIPIENTS OF THIS RESEARCH SHALL BE EXECUTED THROUGH GSN NA, INC.

THIS DOCUMENT IS FOR DISTRIBUTION IN THE U.K. ONLY TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, NAMELY HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS OR TO RESIDENTS OF OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. YOU SHALL INDEMNIFY EQUINET BANK AGAINST ANY DAMAGES, CLAIMS, LOSSES, AND DETRIMENTS RESULTING FROM OR IN CONNECTION WITH THE UNAUTHORIZED USE OF THIS DOCUMENT.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: readers must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information herein is believed by Equinet Bank to be reliable and has been obtained from sources believed to be reliable, but Equinet Bank makes no representation as to the accuracy or completeness of such information. The information given in this report is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the Company. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas of the Equinet Bank group as a result of using different assumptions and criteria. Equinet Bank is under no obligation to update or keep the information current. Equinet Bank provides data concerning the future development of securities in the context of its usual research activity. However, if a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Neither the author nor Equinet Bank accepts any liability whatsoever for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection herewith, except as provided for under applicable regulations.

Equinet Bank shall only be liable for any damages intentionally caused or which result from any gross negligence of Equinet Bank. Further Equinet Bank shall be liable for the breach of a material obligation of Equinet Bank, however, limited to the amount of the typical foreseeable which shall in no event exceed the amount of EUR 10,000. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt/Main (Germany).

Competent Supervisory Authority:

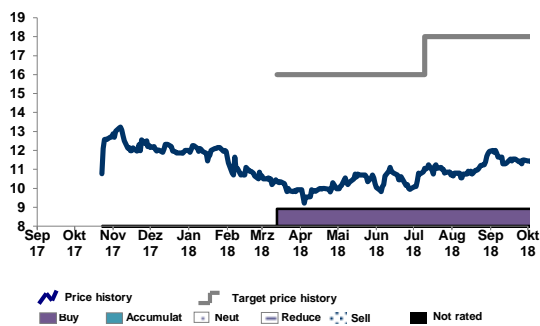
Bundesanstalt für Finanzdienstleistungsaufsicht
-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

Recommendation history for EYEMAXX REAL ESTATE

Date	Recommendation	Target price	Price at change date
10. Jul 18	Buy	18.00	11.05
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)**.

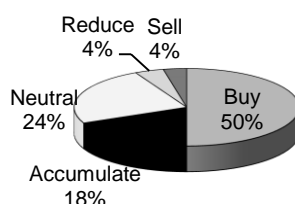
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

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
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

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](#)

Date and time of production: 24 October 2018: 17:39 CET

First date and time of dissemination: 24 October 2018: 17:44 CET

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ("ESN"). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc. (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website (http://www.esnpartnership.eu/research_and_database_access/insite), or refer to the local disclaimer of the Members, or contact directly the Members:

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cmcioms.com regulated by the AMF - Autorité des marchés financiers

www.equinet-ag.de regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

www.ibg.gr regulated by the HCMC - Hellenic Capital Market Commission

www.nibc.com regulated by the AFM - Autoriteit Financiële Markten

www.op.fi regulated by the Financial Supervision Authority

www.valores.gvcgaesco.es regulated by the CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)



Banca Akros S.p.A.
Viale Eginardo, 29
20149 MILANO
Italy
Phone: +39 02 43 444 389
Fax: +39 02 43 444 302



Caixa-Banco de Investimento
Avenida João XXI, 63
1000-300 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



CM - CIC Market Solutions
6, avenue de Provence
75441 Paris
Cedex 09
France
Phone: +33 1 53 48 81 93



equinet Bank AG
Gräfrstraße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 – 58997 – 212
Fax: +49 69 – 58997 – 299



GVC Gaesco Beka, SV, SA
C/ Marques de Villamagna 3
28001 Madrid
Spain
Phone: +34 91 436 7813



Investment Bank of Greece
32 Aigialeias Str & Paradissou,
151 25 Maroussi,
Greece
Phone: +30 210 81 73 383



NIBC Bank N.V.
Gustav Mahlerlaan 348
P.O.Box 235
1082 ME Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064



OP Corporate Bank plc
P.O.Box 308
Teollisuuskatu 1, 00013 Helsinki
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703

