

Eyemaxx Real Estate

Buy (unchanged) **Target: Euro 17.00** (unchanged)

29 | August | 19



Price (Euro)	9.44			
52 weeks range	12.35 / 8.16			
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)	50.5			
Number of shares (million)	5.35			
Free Float	45.4%			
Free Float MCap (million)	22.9			
CAGR pre tax profit 2018-21e	14.5%			
Multiples	2017/ 2018	2018/19e	2019/20e	2020/21e
PE-Ratio	6.7	6.0	5.7	4.9
Dividend Yield	2.1%	2.1%	2.1%	2.6%
Key Data per Share (Euro)	2017/ 2018	2018/19e	2019/20e	2020/21e
Earnings per share (EPS)	1.41	1.57	1.66	1.91
Dividends per share (DPS)	0.20	0.20	0.20	0.25
Book value per share (BVPS)	11.86	15.09	18.43	22.01
Financial Data (Euro '000)	2017/ 2018	2018/19e	2019/20e	2020/21e
Revenues	5,459	6,814	8,955	10,424
Revenues + participations	21,283	23,148	27,952	29,982
Operating profit (EBITDA)	14,801	15,257	17,419	18,688
Operating profit (EBIT)	14,437	14,933	17,083	18,338
Pre-tax profit (EBT)	9,561	9,748	11,426	14,362
Net profit	7,292	8,390	8,752	10,051
Net profit after minorities	7,199	8,278	8,698	9,966
Adjusted shareholders' equity	63,381	80,702	98,519	117,656
Book value per share	11.86	15.09	18.43	22.01
RoE after tax	8.4%	10.4%	9.0%	8.7%
Financial Calendar				
SRC Forum Financials & Real Estate	3 September 2019			
Subscription 2019 / 2024 bond	5 - 19 September 2019			
First Listing 2019 / 2024 bond	24 September 2019			
(Quotation Board, open market Frankfurt)				
Annual report 2018 / 2019	February 2020			
Main Shareholders				
CEO Dr. Michael Müller	31.0%			
Johann Kowar	12.8%			
Lang & Schwarz AG	4.8%			
Dr. Peter Haueisen	3.0%			
Wilhelm K.T. Zours	3.0%			
Analysts	Dipl.-Kfm. Stefan Scharff, CREA			
	Christopher Mehl, MBA			
	☎ 49 (0)69 400 313-79 and -80			
	✉ scharff@src-research.de			
	✉ mehl@src-research.de			
Internet	www.src-research.de			
	www.aktienmarkt-deutschland.de			
	www.aktienmarkt-international.at			

Eyemaxx offers a new 5 years corporate bond with a 5.5% coupon to refinance the 2014/ 2020 bond and for further growth of pipeline and the standing assets portfolio

Yesterday, Eyemaxx informed with an ad hoc release about the issuance of a new 5 years corporate bond with a 5.5% coupon and a volume of up to Euro 50m. The bond is a public offering in Germany, Austria and Luxembourg with a subscription period from 5 to 19 September. In addition to that public offer, it is a private placement for international institutional investors (except for USA, Canada, Australia and Japan), for which Bankhaus Lampe is the Sole Bookrunner.

The bondholders of the 2014/ 2020 bond (Euro 21.3m volume and a 8.0% coupon), which is due 31 March 2020, have the right to switch into the new bond in a 1:1 ratio. Furthermore, the accrued interest of the 2014/ 2020 bond and an additional cash amount of Euro 22.50 per exchanged note are to be paid. The period for the exchange from the old into the now bond goes from 30 August to 13 September.

Eyemaxx already delivered end of July good half-year numbers for the period November 2018 to April 2019. The net profit after minorities surged 21% from Euro 2.2m to Euro 2.7m. The firm's business model is based on two strong pillars.

The first pillar is the very lucrative development of residential properties in their home markets Germany and Austria, mainly A and B cities and mainly MicroLiving, Serviced Apartments, city quarter developments and hotels. Eyemaxx has current projects or already completed and sold projects in Berlin Schönefeld, Hamburg, Leipzig, Potsdam and Offenbach. In addition to that Eyemaxx invests in some selected lucrative developments in the CEE / SEE markets in the asset classes retail and logistics, for a later sale or alternatively to bring them into their own investment portfolio, adding up a decent yield.

The second pillar is the expansion of the own investment portfolio (at present at c. 80,000 sqm rental space, 12 properties) by adding up new standing assets or develop interesting properties for their own books. For instance Eyemaxx bought a multifunctional commercial property in the Bavarian city of Bamberg in April 2018 with almost 18k sqm. It contains a cinema and a parking garage for 700 cars, but has also a revitalization part to add a 130 rooms hotel and 70 serviced apartments as well as some retail space and restaurants to round out the plot. Besides the expansion of the investment portfolio, Eyemaxx was also successful with some recent trading activities. After the forward sale of Berlin Schönefeld Sonnenhöfe in Dec. 2018 (51k sqm), Eyemaxx announced the sale of the residential Vivaldi-Höfe (73k sqm) in June and underlined with these lucrative deals the high quality of the pipeline.

The new bond will help to refinance the firm with significantly cheaper conditions and supports to drive the future growth. We maintain our Buy and Euro 17.00 target price.

FACTSHEET- Eyemaxx Real Estate AG
5,5% bond 2019/2024
ISIN: DE000A2YPEZ1



Issuer	Eyemaxx Real Estate AG, Aschaffenburg
Status	Unsecured, unconditional and non-subordinated bond
Term/Maturity	5 years / 23. September 2024
Coupon/ Interest payment	5,5 % p.a (coupon); (ICMA actual /actual); first interest payment on 24. September 2020
Volume (EUR)	Up to EUR 50 Mio.
Principal amount/Denomination	EUR 1.000,-
Offer	Public offer in Luxembourg, Germany and Austria Exchange offer for the holders of the 2014/2020 bond (ISIN: DE000A12T374)) Private placement for private and institutional investors
Listing	Open Market of the Frankfurt Stock Exchange / Quotation Board
ISIN/WKN	DE000A2YPEZ1/A2YPEZ
Early repayment (call-option)	Non-call 3y; first time on 24.09.2022 (102,50% of the principal amount), on 24.09.2023 (101,25% of the principal amount) and on 24.03.2024 (100,75% of the principal amount)
Covenants	Minimum equity ratio, dividend payout restriction, negative pledge
Use of funds	Refinancing of capital market liabilities, acquisition of properties and real estate companies for project development, extension and modernization of the portfolio property
Sole Lead Manager/Sole Bookrunner	Bankhaus Lampe KG
Documentation	Bond prospectus approved by the Luxembourg Financial Supervisory Authority CSSF (Commission de Surveillance du Secteur Financier) Global certificate (including bond conditions according German law)

Eyemaxx Real Estate AG

Industry: Real Estate
Sub-segment: Developer (multi-asset)
Region: Austria, Germany, CEE
Headquarter: Aschaffenburg
Foundation: 1996
Employees: 53

IR Contact:
 edicto GmbH
 Fon: +49 (0) 69 90550552
 eyemaxx@edicto.de

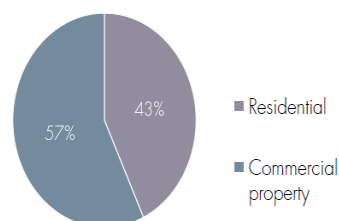
Company profile

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

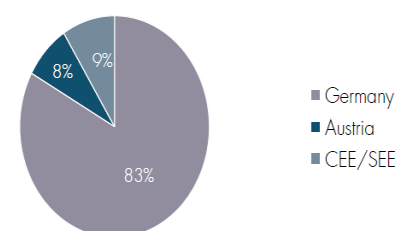
Supervisory Board of Eyemaxx Real Estate AG:
 Andreas Karl Autenrieth
 Richard Fluck
 Dr. Bertram Samonig

Eyemaxx Real Estate AG is an international project developer and investor for residential and commercial projects with a focus on the home markets Germany and Austria, as well as some promising markets in CEE / SEE countries like Poland, Czech Republic, Slovakia and Serbia. The company has a balanced business model between project development and an investment portfolio with a focus on commercial properties and thus can benefit from lucrative development margins as well as from stable cash flows from rental income. Over the recent years, Eyemaxx has developed and sold multiple high yielding developments. In 2018, the company very successfully sold the large-scale project Sonnenhöfe near Berlin Schönefeld, which represents the largest transaction in the firm's history with a sales price that exceeded the original expectations. In addition, Eyemaxx built up a core portfolio of currently 12 commercial properties in Germany and Austria with a volume of more than Euro 37m and annual rental income of almost Euro 3m. The total pipeline was at Euro 200m at the beginning of FY 2015 / 2016 and has since rapidly grown to currently around Euro 1bn. Included are some large scale projects such as the Mannheim Postquadrat, which is the largest project so far with a volume of about Euro 200m. Furthermore, Eyemaxx acquired two large projects near Berlin Schönefeld, with a total volume of Euro 342m.

Project volume per type of property



Project volume per region



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

Source: Company Data, SRC Research

2 pillars of business: Developments and a Hold portfolio for stable cash flows

The firm's business activities are based on two pillars, the development business and the investment portfolio. Thus the firm can benefit from high development returns while benefiting from regular cash flow from rental income of the investment portfolio.

Eyemaxx Real Estate AG	
	I. Projektentwicklung
Charakteristik	<ul style="list-style-type: none"> „Develop & Sell“ Ziel: Hohe Renditen
Fokus	<ul style="list-style-type: none"> Wohnen und Gewerbe Deutschland, Österreich
Strategie	<ul style="list-style-type: none"> Schlüsselfertige Entwicklungen Keine spekulativen Entwicklungen Projektstart nach Sicherung von langfr. Mietern und Finanzierung
Volumen/Ausblick	<ul style="list-style-type: none"> Umfangreiche Pipeline von rd. EUR 855 Mio. für Projekte im Bereich Wohnen und Gewerbe
	II. Immobilienbestandshaltung
	<ul style="list-style-type: none"> Opportunistischer Bestandsaufbau Stabile Miet-Cash-Flows
	<ul style="list-style-type: none"> Gewerbe Deutschland, Österreich
	<ul style="list-style-type: none"> Primär akquirierte, aber auch selbst entwickelte Objekte Langfristige Mietverträge
	<ul style="list-style-type: none"> Sukzessiver Ausbau des Bestands und Erhöhung der Mieterträge Wert Bestandsimmobilien rd. EUR 33,6 Mio., Mietertrag rd. 2,9 Mio. Euro p.a.

Die Finanzinformationen zum 30. April 2019 sind aus dem ungeprüften Konzernabschluss der Eyemaxx Real Estate AG nach IFRS zum 30. April 2019 entnommen.

Regarding the development business, the firm's pipeline has significantly grown over the recent years and currently amounts to almost Euro 1bn. About 80% of the firm's pipeline is located in Germany, about 10% are located in Austria and the remaining 10% are in the CEE/SEE region. It is almost a 50% / 50% split between commercial and residential at the current pipeline.

Projektpipeline

eyemaxx
REAL ESTATE GROUP

Projektvolumen in Mio. EUR	Deutschland	Österreich	CEE/SEE	Summe
Wohnen ¹	326,7	70,5		397,2
Gewerbe ²	427,2		30,3	457,5
Summe	753,9	70,5	30,3	854,7

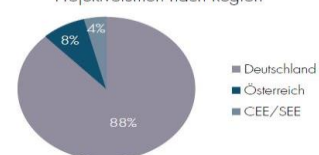
¹ Wohnimmobilien inkl. Mikroapartments

² Hotel, Logistik, Retail, Pflegeimmobilien und Serviced Apartments

Projektvolumen nach Immobilien-Typ



Projektvolumen nach Region



3 projects / trading activities to be highlighted:

- The largest project is the Postquadrat Mannheim with a volume of about Euro 200m. The start of construction was in 2Q 2017 and completion is expected for 4Q 2020. About 50% of the project was already sold.

- The Sonnenhöfe project in Berlin Schönefeld has a volume of approximately Euro 170m. The foundation stone ceremony was in spring 2018 and the expected completion is in the fall of 2021. The entire project was already sold in December 2018 as a forward sale at a price that even exceeded the firm's expectations. It represents the largest transaction of the company to date.
- The third project Vivaldi-Höfe is located in Berlin Schönefeld as well and also has a project volume of about Euro 170m. Here the project is scheduled to start in 2021 and aimed to be completed by 2024. It was sold in June 2019.

These three large-scale projects are complemented by multiple further projects, of which some are depicted below.

Ausgewählte Projekte-Pipeline



Lindenauer Hafen
Leipzig, Deutschland

- Projekttyp: Wohnen
- Vermietbare Fläche: 7.349 m²
- Fertigstellung: Q3/2018
- Projektvolumen: EUR 21,4 Mio.



Hotel Kaiserlei
Offenbach, Deutschland

- Projekttyp: Hotel
- Vermietbare Fläche: 6.325 m²
- Fertigstellung: Q3/2019
- Projektvolumen: EUR 21,4 Mio.



Atrium Bamberg
Bamberg, Deutschland

- Projekttyp: Mixed-Use
- Vermietbare Fläche: 18.700 m²
- Fertigstellung: Q2/2022
- Projektvolumen: rd. EUR 59,5 Mio.

2018

2019

2020

2021

2022



Waldalgesheim
Waldalgesheim, Deutschland

- Projekttyp: Pflegeheim und Wohnungen
- Vermietbare Fläche: 6.001 m²
- Fertigstellung: Q2/2019
- Projektvolumen: EUR 14,0 Mio.



Siemensstraße Apartments
Wien, Österreich

- Projekttyp: Wohnen
- Vermietbare Fläche: 5.603 m²
- Fertigstellung: Q3/2020
- Projektvolumen: EUR 21,8 Mio.



Grasbergergasse Apartments
Wien, Österreich

- Projekttyp: Wohnen
- Vermietbare Fläche: 11.600 m²
- Fertigstellung: Q3/2021
- Projektvolumen: EUR 48,7 Mio.

- Aktuelle Projektpipeline von rd. EUR 855 Mio. (alle Segmente)

Source: Company presentation, August 2019

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

Eyemaxx Real Estate AG 31/10 IFRS (Euro '000)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19e	2019/20e	2020/21e	CAGR '17/18 - '20/21e
Revenues	1,571	2,316	3,530	4,998	5,459	6,814	8,955	10,424	24.1%
Increase in finished and unfinished products	1,158	1,878	925	2,168	-352	844	254	-6,445	
Other operating income (including revaluation result)	3,917	9,281	3,882	3,167	5,584	2,546	1,103	2,312	
thereof revaluation result	3,683	8,815	2,212	1,183	4,539	2,159	988	1,847	
Total operating income	6,646	13,475	8,337	10,333	10,691	10,204	10,312	6,291	
Cost of material	-398	-192	-761	-402	-526	-482	-453	-510	
Personnel expenses	-1,920	-2,006	-2,326	-3,384	-4,504	-5,887	-6,425	-6,651	
Other operating expenses	-4,113	-4,535	-4,705	-5,238	-6,684	-4,912	-5,012		
Net income from investments accounted for using the equity method	7,396	3,094	9,908	13,249	15,824	16,334	18,997	19,558	
EBITDA	7,611	9,836	10,453	14,558	14,801	15,257	17,419	18,688	8.1%
<i>EBITDA-margin</i>	<i>484.5%</i>	<i>424.7%</i>	<i>296.1%</i>	<i>291.3%</i>	<i>271.1%</i>	<i>223.9%</i>	<i>194.5%</i>	<i>179.3%</i>	
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-209	-223	-213	-306	-364	-324	-336	-350	
Operating profit (EBIT)	7,402	9,613	10,240	14,252	14,437	14,933	17,083	18,338	8.3%
<i>EBIT-margin</i>	<i>471.2%</i>	<i>415.1%</i>	<i>290.1%</i>	<i>285.2%</i>	<i>264.5%</i>	<i>219.2%</i>	<i>190.8%</i>	<i>175.9%</i>	
Interest earnings	1,089	1,918	2,956	2,943	5,320	5,745	4,899	5,365	
Income from disposal of investments	0	0	0	0	0	0	0		
other financial earnings	0	0	0	0	0	0	0		
Interest expenses	-4,640	-5,601	-6,644	-8,993	-10,196	-10,930	-10,556	-9,341	
other financial costs	0	0	0	0	0	0	0		
Financial result	-3,551	-3,683	-3,688	-6,050	-4,876	-5,185	-5,657	-3,976	
Pre-tax Profit (EBT)	3,851	5,930	6,552	8,202	9,561	9,748	11,426	14,362	14.5%
<i>EBT-margin</i>	<i>245.1%</i>	<i>256.0%</i>	<i>185.6%</i>	<i>164.1%</i>	<i>175.1%</i>	<i>143.1%</i>	<i>127.6%</i>	<i>137.8%</i>	
Tax expenses	-1,521	-1,896	-699	-1,575	-2,269	-1,358	-2,674	-4,311	
<i>Tax rate</i>	<i>39.5%</i>	<i>32.0%</i>	<i>10.7%</i>	<i>19.2%</i>	<i>23.7%</i>	<i>13.9%</i>	<i>23.4%</i>	<i>30.0%</i>	
Net Profit	2,330	4,034	5,853	6,627	7,292	8,390	8,752	10,051	11.3%
Minorities	-20	1	-6	-7	-93	-112	-54	-85	
Net profit after minorities	2,310	4,035	5,847	6,620	7,199	8,278	8,698	9,966	11.5%
Other comprehensive income	-522	-169	-332	618	342	112	189	240	
Net Profit after minorities and other comp. Income	1,788	3,866	5,515	7,238	7,541	8,390	8,887	10,206	
<i>Return on sales</i>	<i>113.8%</i>	<i>166.9%</i>	<i>156.2%</i>	<i>144.8%</i>	<i>138.1%</i>	<i>123.1%</i>	<i>99.2%</i>	<i>97.9%</i>	
Number of shares ('000, at year-end)	3,191	3,510	4,290	4,706	5,346	5,346	5,346	5,346	
Earnings per share (Euro)	0.56	1.10	1.36	1.54	1.41	1.57	1.66	1.91	
Dividends per Share (DPS) in Euro	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.25	
Adjusted shareholder's equity	23,585.00	28,286.00	37,268.00	49,956.00	63,381.00	80,701.74	98,519.48	117,656.22	
BookValue per Share (BVPS) in Euro	7.39	8.06	8.69	10.62	11.86	15.09	18.43	22.01	

Key ratios & figures

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Growth rates in %								
Revenues	-34.5%	47.4%	52.4%	41.6%	9.2%	24.8%	31.4%	16.4%
EBITDA	10.1%	29.2%	6.3%	39.3%	1.7%	3.1%	14.2%	7.3%
EBIT	9.9%	29.9%	6.5%	39.2%	1.3%	3.4%	14.4%	7.3%
EBT	5.7%	54.0%	10.5%	25.2%	16.6%	2.0%	17.2%	25.7%
Net profit after minorities	432.7%	-67.6%	96.4%	-286.1%	-44.7%	-67.3%	68.8%	27.0%
Margins in %								
EBITDA (total operating income)	114.5%	73.0%	125.4%	140.9%	138.4%	149.5%	168.9%	297.1%
EBIT (total operating income)	111.4%	71.3%	122.8%	137.9%	135.0%	146.3%	165.7%	291.5%
EBT (total operating income)	57.9%	44.0%	78.6%	79.4%	89.4%	95.5%	110.8%	228.3%
Expense ratios in %								
Personnel costs quote (total operating income)	28.9%	14.9%	27.9%	32.7%	42.1%	57.7%	62.3%	105.7%
Depreciation to total operating income	3.1%	1.7%	2.6%	3.0%	3.4%	3.2%	3.3%	5.6%
Tax rate	39.5%	32.0%	10.7%	19.2%	23.7%	13.9%	23.4%	30.0%
Profitability in %								
Net profit to total operating income ratio	-7.9%	-1.3%	-4.0%	6.0%	3.2%	82.2%	86.2%	162.2%
Return on equity (RoE) after tax	13.5%	12.4%	11.5%	9.4%	8.4%	10.4%	9.0%	8.7%

SRC Research

- The Specialist for Financial and Real Estate Stocks -

SRC-Scharff Research und Consulting GmbH

Klingerstrasse 23

D-60313 Frankfurt

Germany

Fon: +49 (0)69 – 400 313-80

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle	Date	Rating	former share price	former target
Eyemaxx Real Estate	24 May 2019	Buy	9.92 €	17.00 €
Eyemaxx Real Estate	10 December 2018	Buy	9.46 €	19.00 €
Eyemaxx Real Estate	23 November 2018	Buy	9.40 €	19.00 €
Eyemaxx Real Estate	28 September 2018	Buy	11.50 €	19.00 €
Eyemaxx Real Estate	17 August 2018	Buy	10.90 €	19.00 €
Eyemaxx Real Estate	05 July 2018	Buy	10.40 €	19.00 €
Eyemaxx Real Estate	27 June 2018	Buy	10.20 €	19.00 €

Please note:

The Eyemaxx Real Estate AG share price mentioned in this report is from 28 August 2019. EYEMAXX Real Estate AG mandated SRC Research for monitoring the Eyemaxx Real Estate AG share.

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