

**Buy** (old: Buy)

30.11.2023

**EUR 17.00** (old: EUR 17.00)

### Strong Q3 and another acquisition; chg.

Yesterday, S IMMO released a strong set of Q3 results, showing continued top-line growth as well as significantly improved operating profitability. Moreover, the company announced the acquisition of another portfolio in the CEE region.

**Q3 total revenues increased 24% yoy to € 81.1m** (eNuW: € 79.8m) which was mainly driven by last year's acquisitions in the CEE region, resulting in a **rental income increase of 24% yoy to € 49.0m** (eNuW: € 47.5m). Notably, Q3 revenues from hotel operations continued to recover post Covid, as **segment sales increased 26% yoy to € 18.5m** (eNuW: € 19.0m) while the **segment's operating margin significantly improved by 8.9pp yoy to 29.9%**.

Against this backdrop, **FFO was up 34% yoy to € 25.1m**, which was however below our estimate of € 28.3m. The gap is mainly explained by negative FX effects to the tune of € 2.9m. The still overproportionate FFO increase is based on reduced property operating as well as SG&A expenses.

While the operating business remains on a strong level, the company provided further positive newsflow with another major CEE acquisition. As flagged in our recent preview note, the company signed an LOI for a Czech portfolio. Meanwhile, the **deal for the 11 properties, which comprise a lettable area of 138k sqm, has been signed**. The portfolio is currently valued at € 481m and generated a rental income of c. € 29m. With this, **S IMMO acquired properties with a total annual rental income of c. € 50m YTD**.

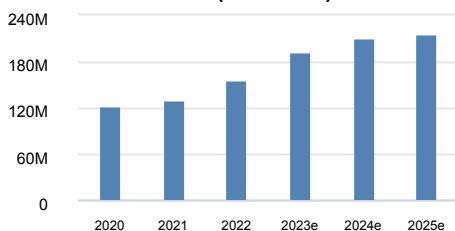
The new acquisitions are seen to be mainly financed with the proceeds from the current disposal program in Germany. While properties worth € 621m have already been sold, € 400m are still in the disposal pipeline (eNuW: € 250m of which in Germany). As a quick reminder, **yields in CEE are on average 3-4pp higher compared to German residential**. Hence, the rebalancing of the portfolio (e.g. selling German properties & buying CEE properties) should **substantially increase annual rental income, thus creating significant shareholder value**.

We confirm our **BUY recommendation** with an unchanged **PT of € 17.00** based on NTA and DDM.

| Y/E 31.12 (EUR)        | 2020   | 2021   | 2022   | 2023e  | 2024e  | 2025e  |
|------------------------|--------|--------|--------|--------|--------|--------|
| Net rental income      | 123.3  | 131.3  | 155.7  | 193.3  | 212.2  | 217.7  |
| Rental income growth   | -3.3%  | 14.2%  | 18.1%  | 19.5%  | 25.8%  | 4.5%   |
| FFO                    | 42.9   | 60.8   | 64.7   | 101.0  | 117.1  | 122.3  |
| Net profit             | 56.9   | 230.7  | 18.9   | -51.1  | 40.3   | 84.8   |
| EPS                    | 0.77   | 3.12   | 0.37   | -0.71  | 0.53   | 1.14   |
| FFO yield              | 4.6%   | 6.9%   | 7.0%   | 10.9%  | 12.6%  | 13.1%  |
| FFO margin             | 34.8%  | 46.3%  | 41.6%  | 52.3%  | 55.2%  | 56.2%  |
| NTA per share          | 23.8   | 29.1   | 26.1   | 23.9   | 24.9   | 25.9   |
| Dividend yield         | 4.0%   | 5.1%   | 0.0%   | 0.0%   | 4.4%   | 6.6%   |
| P/NTA premium/discount | -39.1% | -50.2% | -44.4% | -39.3% | -41.8% | -44.0% |
| P/FFO                  | 21.7   | 14.6   | 14.4   | 9.2    | 7.9    | 7.6    |
| Loan-to-value (LTV)    | 47.7%  | 40.7%  | 45.0%  | 55.9%  | 50.7%  | 48.7%  |
| Implied yield          | 4.6%   | 4.7%   | 7.0%   | 7.6%   | 8.3%   | 8.5%   |

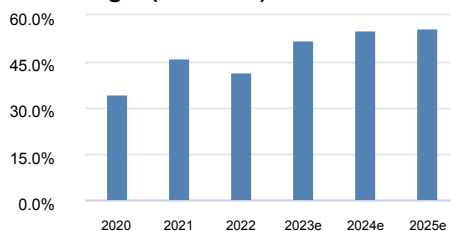
Source: Company data, NuWays, Close price as of 29.11.2023

#### Net rental income (2020-25e)



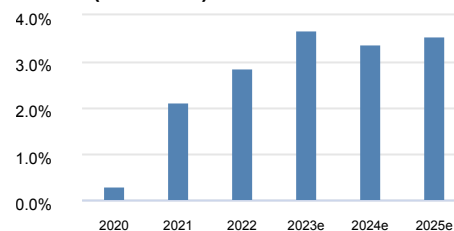
Source: NuWays Research

#### FFO margin (2020-25e)



Source: NuWays Research

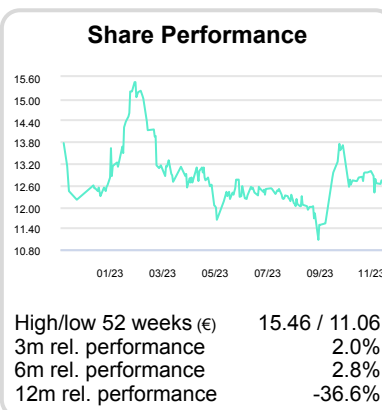
#### ROCE (2020-25e)



Source: NuWays Research

#### Company description

S IMMO Group is an international real estate group that engages in buying, selling and developing real estate projects, asset management, operating hotels and shopping centers. In addition, the company revitalizes and renovates properties.



#### Market data

|                             |        |
|-----------------------------|--------|
| Share price (in €)          | 12.72  |
| Market cap (in € m)         | 930.4  |
| Number of shares (in m pcs) | 73.6   |
| Enterprise value (in € m)   | 2548.2 |
| Ø trading volume (6 months) | 48,895 |

#### Identifier

|           |              |
|-----------|--------------|
| Bloomberg | SPI AV       |
| Reuters   | SIAG         |
| WKN       | 902388       |
| ISIN      | AT0000652250 |

#### Key shareholders

|                       |       |
|-----------------------|-------|
| CPI Property Group SA | 88.4% |
| Free Float            | 11.6% |

#### Estimates changes

|           | 2023e | 2024e | 2025e |
|-----------|-------|-------|-------|
| Net rents | 2%    | 3%    | 3%    |
| FFO       | -17%  | 2%    | 7%    |
| EPS       | -17%  | 2%    | 7%    |

#### Comment on changes

- Forecast adjusted according to yesterday's release.

## Financials

| Profit and loss (EUR m)   | 2020         | 2021         | 2022         | 2023e        | 2024e        | 2025e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net rental income</b>  | <b>123.3</b> | <b>131.3</b> | <b>155.7</b> | <b>193.3</b> | <b>212.2</b> | <b>217.7</b> |
| Direct property expenses  | 66.8         | 66.8         | 79.5         | 102.2        | 97.6         | 97.9         |
| <b>Net operating income</b>                                       | <b>56.5</b>  | <b>64.5</b>  | <b>76.2</b>  | <b>91.0</b>  | <b>114.6</b> | <b>119.7</b> |
| Earnings from property disposals                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Earnings from project developments                                | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Earnings from other property activities                           | 50.7         | 65.7         | 104.8        | 127.3        | 104.1        | 105.0        |
| Other operating income  | 2.5          | 3.2          | 2.2          | 2.8          | 3.2          | 3.2          |
| <b>Total revenues</b>   | <b>176.4</b> | <b>200.2</b> | <b>262.7</b> | <b>323.3</b> | <b>319.4</b> | <b>325.8</b> |
| Revaluation result from investment properties (net)               | 39.1         | 198.7        | -78.4        | -147.8       | -47.9        | 0.0          |
| <b>Total income</b>   | <b>215.5</b> | <b>398.9</b> | <b>184.3</b> | <b>175.5</b> | <b>271.5</b> | <b>325.8</b> |
| Administrative expenses   | 8.1          | 13.6         | 13.4         | 14.0         | 14.5         | 14.5         |
| Personnel expenses  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Other operating expenses  | 18.1         | 23.7         | 43.0         | 47.6         | 47.6         | 44.2         |
| <b>Total operating expenses</b>                                   | <b>38.5</b>  | <b>51.9</b>  | <b>77.2</b>  | <b>79.9</b>  | <b>85.5</b>  | <b>81.3</b>  |
| <b>EBITDA</b>   | <b>110.2</b> | <b>280.2</b> | <b>27.7</b>  | <b>-6.6</b>  | <b>88.3</b>  | <b>146.6</b> |
| <b>EBITDA excl revaluation result (net)</b>                       | <b>71.1</b>  | <b>81.5</b>  | <b>106.1</b> | <b>141.2</b> | <b>136.3</b> | <b>146.6</b> |
| Depreciation  | 9.2          | 9.6          | 9.7          | 9.8          | 12.0         | 12.0         |
| <b>EBITA</b>  | <b>101.0</b> | <b>270.5</b> | <b>18.0</b>  | <b>-16.4</b> | <b>76.3</b>  | <b>134.6</b> |
| <b>EBITA excl revaluation result (net)</b>                        | <b>61.9</b>  | <b>71.8</b>  | <b>96.4</b>  | <b>131.4</b> | <b>124.3</b> | <b>134.6</b> |
| Amortisation of goodwill  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Amortisation of intangible assets                                 | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Impairment charges  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>EBIT (incl revaluation net)</b>                                | <b>101.0</b> | <b>270.5</b> | <b>18.0</b>  | <b>-16.4</b> | <b>76.3</b>  | <b>134.6</b> |
| <b>EBIT (excl revaluation net)</b>                                | <b>8.8</b>   | <b>71.8</b>  | <b>96.4</b>  | <b>131.4</b> | <b>124.3</b> | <b>134.6</b> |
| Interest income   | 8.8          | 25.3         | 59.2         | 27.2         | 28.0         | 28.0         |
| Interest expenses   | 43.2         | 30.7         | 42.7         | 57.4         | 58.6         | 64.5         |
| Depreciation of financial investment                              | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Investment income   | 5.0          | 6.2          | 0.3          | 0.4          | 2.0          | 2.0          |
| <b>Financial result</b>   | <b>-29.4</b> | <b>0.7</b>   | <b>16.9</b>  | <b>-29.9</b> | <b>-28.6</b> | <b>-34.5</b> |
| <b>Earnings before taxes</b>                                      | <b>71.6</b>  | <b>271.2</b> | <b>34.8</b>  | <b>-46.2</b> | <b>47.7</b>  | <b>100.1</b> |
| <b>Earnings before taxes (excl revaluation result)</b>            | <b>n.a.</b>  | <b>n.a.</b>  | <b>n.a.</b>  | <b>n.a.</b>  | <b>n.a.</b>  | <b>n.a.</b>  |
| Taxes   | 14.7         | 40.5         | 15.9         | 4.9          | 7.4          | 15.3         |
| <b>Net income from continuing operations (incl reval. result)</b> | <b>56.9</b>  | <b>230.7</b> | <b>18.9</b>  | <b>-51.1</b> | <b>40.3</b>  | <b>84.8</b>  |
| <b>Net income from continuing operations (excl reval. result)</b> | <b>-35.2</b> | <b>32.0</b>  | <b>97.3</b>  | <b>96.7</b>  | <b>88.2</b>  | <b>84.8</b>  |
| Income from discontinued operations (net of tax)                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Extraordinary items (net of tax)                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Cumulative effect of accounting changes (net of tax)              | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net income (incl revaluation result net)</b>                   | <b>56.9</b>  | <b>230.7</b> | <b>18.9</b>  | <b>-51.1</b> | <b>40.3</b>  | <b>84.8</b>  |
| <b>Net income (excl revaluation result net)</b>                   | <b>-35.2</b> | <b>32.0</b>  | <b>97.3</b>  | <b>96.7</b>  | <b>88.2</b>  | <b>84.8</b>  |
| Minority interest   | 0.4          | 1.0          | -8.3         | 1.0          | 1.0          | 1.0          |
| <b>Net income (net of minority interest, incl reval. result)</b>  | <b>56.5</b>  | <b>229.7</b> | <b>27.2</b>  | <b>-52.1</b> | <b>39.3</b>  | <b>83.8</b>  |
| <b>Net income (net of minority interest, excl reval. result)</b>  | <b>-35.6</b> | <b>31.0</b>  | <b>105.6</b> | <b>95.7</b>  | <b>87.2</b>  | <b>83.8</b>  |
| Funds from operations (FFO)                                       | 42.9         | 60.8         | 64.7         | 101.0        | 117.1        | 122.3        |

| Profit and loss (common size)                       | 2020          | 2021          | 2022          | 2023e         | 2024e         | 2025e         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net rental income</b>                            | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Direct property expenses                            | 54.2%         | 50.9%         | 51.1%         | 52.9%         | 46.0%         | 45.0%         |
| <b>Net operating income</b>                         | <b>45.8%</b>  | <b>49.1%</b>  | <b>48.9%</b>  | <b>47.1%</b>  | <b>54.0%</b>  | <b>55.0%</b>  |
| Earnings from property disposals                    | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Earnings from projects developments                 | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Earnings from other property activities             | 41.1%         | 50.1%         | 67.3%         | 65.9%         | 49.1%         | 48.2%         |
| Other operating income                              | 2.0%          | 2.4%          | 1.4%          | 1.4%          | 1.5%          | 1.5%          |
| <b>Total revenues</b>                               | <b>143.1%</b> | <b>152.5%</b> | <b>168.7%</b> | <b>167.3%</b> | <b>150.5%</b> | <b>149.7%</b> |
| Revaluation result from investment properties (net) | 31.7%         | 151.3%        | neg.          | neg.          | neg.          | 0.0%          |
| <b>Total income</b>                                 | <b>174.8%</b> | <b>303.8%</b> | <b>118.4%</b> | <b>90.8%</b>  | <b>128.0%</b> | <b>149.7%</b> |
| Administrative expenses                             | 6.6%          | 10.4%         | 8.6%          | 7.2%          | 6.8%          | 6.7%          |
| Personnel expenses                                  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Other operating income                              | 2.0%          | 2.4%          | 1.4%          | 1.4%          | 1.5%          | 1.5%          |
| <b>Total operating expenses</b>                     | <b>31.3%</b>  | <b>39.6%</b>  | <b>49.5%</b>  | <b>41.3%</b>  | <b>40.3%</b>  | <b>37.4%</b>  |
| <b>EBITDA</b>                                       | <b>89.4%</b>  | <b>213.4%</b> | <b>17.8%</b>  | <b>neg.</b>   | <b>41.6%</b>  | <b>67.3%</b>  |
| <b>EBITDA excl revaluation result (net)</b>         | <b>57.7%</b>  | <b>62.1%</b>  | <b>68.1%</b>  | <b>73.1%</b>  | <b>64.2%</b>  | <b>67.3%</b>  |
| Depreciation  | 7.5%          | 7.3%          | 6.2%          | 5.1%          | 5.7%          | 5.5%          |
| <b>EBITA</b>  | <b>81.9%</b>  | <b>206.0%</b> | <b>11.5%</b>  | <b>neg.</b>   | <b>36.0%</b>  | <b>61.8%</b>  |
| <b>EBITA excl revaluation (net)</b>                 | <b>50.2%</b>  | <b>54.7%</b>  | <b>61.9%</b>  | <b>68.0%</b>  | <b>58.6%</b>  | <b>61.8%</b>  |

| Profit and loss (common size)                                     | 2020         | 2021          | 2022         | 2023e        | 2024e        | 2025e        |
|---|--------------|---------------|--------------|--------------|--------------|--------------|
| Amortisation of goodwill  | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Amortisation of intangible assets                                 | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Impairment charges  | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| <b>EBIT (incl revaluation net)</b>                                | <b>81.9%</b> | <b>206.0%</b> | <b>11.5%</b> | <b>neg.</b>  | <b>36.0%</b> | <b>61.8%</b> |
| <b>EBIT (excl revaluation net)</b>                                | <b>7.2%</b>  | <b>54.7%</b>  | <b>61.9%</b> | <b>68.0%</b> | <b>58.6%</b> | <b>61.8%</b> |
| Interest income   | 7.2%         | 19.2%         | 38.0%        | 14.1%        | 13.2%        | 12.9%        |
| Interest expenses   | 35.1%        | 23.4%         | 27.4%        | 29.7%        | 27.6%        | 29.6%        |
| Depreciation of financial investment                              | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Investment income   | 4.1%         | 4.7%          | 0.2%         | 0.2%         | 0.9%         | 0.9%         |
| <b>Financial result</b>   | <b>neg.</b>  | <b>0.5%</b>   | <b>10.8%</b> | <b>neg.</b>  | <b>neg.</b>  | <b>neg.</b>  |
| <b>Earnings before taxes (incl revaluation result)</b>            | <b>58.1%</b> | <b>206.6%</b> | <b>22.4%</b> | <b>neg.</b>  | <b>22.5%</b> | <b>46.0%</b> |
| <b>Earnings before taxes (excl revaluation result)</b>            | <b>neg.</b>  | <b>55.2%</b>  | <b>72.7%</b> | <b>52.6%</b> | <b>45.1%</b> | <b>46.0%</b> |
| Taxes   | 11.9%        | 30.8%         | 10.2%        | 2.5%         | 3.5%         | 7.0%         |
| <b>Net income from continuing operations (incl reval. result)</b> | <b>46.2%</b> | <b>175.7%</b> | <b>12.2%</b> | <b>neg.</b>  | <b>19.0%</b> | <b>39.0%</b> |
| <b>Net income from continuing operations (excl reval. result)</b> | <b>neg.</b>  | <b>24.4%</b>  | <b>62.5%</b> | <b>50.0%</b> | <b>41.6%</b> | <b>39.0%</b> |
| Income from discontinued operations (net of tax)                  | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Extraordinary items (net of tax)                                  | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Cumulative effect of accounting changes                           | 0.0%         | 0.0%          | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| <b>Net income (incl revaluation result net)</b>                   | <b>46.2%</b> | <b>175.7%</b> | <b>12.2%</b> | <b>neg.</b>  | <b>19.0%</b> | <b>39.0%</b> |
| <b>Net income (excl revaluation result net)</b>                   | <b>neg.</b>  | <b>24.4%</b>  | <b>62.5%</b> | <b>50.0%</b> | <b>41.6%</b> | <b>39.0%</b> |
| Minority interest   | 0.3%         | 0.8%          | neg.         | 0.5%         | 0.5%         | 0.5%         |
| <b>Net income (net of minority interest, incl reval. result)</b>  | <b>45.9%</b> | <b>174.9%</b> | <b>17.5%</b> | <b>neg.</b>  | <b>18.5%</b> | <b>38.5%</b> |
| <b>Net income (net of minority interest, excl reval. result)</b>  | <b>neg.</b>  | <b>24.4%</b>  | <b>62.5%</b> | <b>50.0%</b> | <b>41.6%</b> | <b>39.0%</b> |
| Funds from operations (FFO)                                       | 34.8%        | 46.3%         | 41.6%        | 52.3%        | 55.2%        | 56.2%        |

Source: Company data, NuWays

| Balance sheet (EUR m)                             | 2020           | 2021           | 2022           | 2023e          | 2024e          | 2025e          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets                                 | 0.3            | 0.4            | 0.8            | 0.8            | 0.8            | 0.8            |
| Investment properties                             | 2,316.7        | 2,642.9        | 2,580.8        | 2,894.0        | 3,198.2        | 3,348.2        |
| Property, plant and equipment                     | 124.0          | 116.4          | 110.5          | 110.5          | 110.5          | 110.5          |
| Financial assets                                  | 526.7          | 430.7          | 124.4          | 124.4          | 124.4          | 124.4          |
| Other non-current assets                          | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Deferred taxes                                    | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>FIXED ASSETS</b>                               | <b>3,007.0</b> | <b>3,268.0</b> | <b>2,903.9</b> | <b>3,217.1</b> | <b>3,521.3</b> | <b>3,671.3</b> |
| Properties held for sale                          | 4.3            | 0.0            | 539.1          | 300.0          | 50.0           | 0.0            |
| Accounts receivable                               | 4.3            | 6.9            | 17.5           | 17.5           | 17.5           | 17.5           |
| Other current assets                              | 42.3           | 37.2           | 66.7           | 66.7           | 66.7           | 66.7           |
| Liquid assets                                     | 64.5           | 376.0          | 246.9          | 219.0          | 289.0          | 399.9          |
| <b>CURRENT ASSETS</b>                             | <b>115.6</b>   | <b>420.3</b>   | <b>870.4</b>   | <b>603.4</b>   | <b>423.4</b>   | <b>484.3</b>   |
| <b>TOTAL ASSETS</b>                               | <b>3,122.6</b> | <b>3,688.3</b> | <b>3,774.4</b> | <b>3,820.5</b> | <b>3,944.8</b> | <b>4,155.6</b> |
| Subscribed capital                                | 259.4          | 256.2          | 256.2          | 256.2          | 256.2          | 256.2          |
| Surplus capital                                   | 173.9          | 160.6          | 160.6          | 160.6          | 160.6          | 160.6          |
| Additional paid-in capital                        | 890.8          | 1,015.9        | 1,253.2        | 1,280.4        | 1,187.3        | 1,165.4        |
| Net profit/loss                                   | 56.5           | 229.7          | 27.2           | -52.1          | 39.3           | 83.8           |
| <b>SHAREHOLDER'S EQUITY</b>                       | <b>1,380.6</b> | <b>1,662.4</b> | <b>1,697.2</b> | <b>1,645.1</b> | <b>1,643.4</b> | <b>1,666.1</b> |
| <b>MINORITY INTEREST</b>                          | <b>3.3</b>     | <b>4.1</b>     | <b>83.0</b>    | <b>83.0</b>    | <b>83.0</b>    | <b>83.0</b>    |
| <b>PROVISIONS AND ACCRUED LIABILITIES</b>         | <b>1.3</b>     | <b>1.3</b>     | <b>9.9</b>     | <b>9.9</b>     | <b>9.9</b>     | <b>9.9</b>     |
| short-term liabilities to banks                   | 99.3           | 138.6          | 82.1           | 150.0          | 40.0           | 60.0           |
| Bonds (long-term)                                 | 525.7          | 646.8          | 544.2          | 608.1          | 608.1          | 692.2          |
| long-term liabilities to banks                    | 873.8          | 920.2          | 927.6          | 1,077.6        | 1,262.6        | 1,277.6        |
| other interest-bearing liabilities                | n.a.           | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Interest-bearing liabilities</b>               | <b>1,498.8</b> | <b>1,705.6</b> | <b>1,553.9</b> | <b>1,835.7</b> | <b>1,910.7</b> | <b>2,029.8</b> |
| Accounts payable                                  | 3.6            | 5.7            | 12.7           | 12.7           | 12.7           | 12.7           |
| <b>Current liabilities</b>                        | <b>42.7</b>    | <b>61.9</b>    | <b>225.2</b>   | <b>12.7</b>    | <b>12.7</b>    | <b>12.7</b>    |
| Deferred income                                   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Deferred taxes                                    | 195.9          | 253.0          | 205.1          | 234.1          | 285.0          | 354.1          |
| <b>LIABILITIES</b>                                | <b>1,737.4</b> | <b>2,020.6</b> | <b>1,984.1</b> | <b>2,082.5</b> | <b>2,208.3</b> | <b>2,396.5</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b> | <b>3,122.6</b> | <b>3,688.3</b> | <b>3,774.4</b> | <b>3,820.5</b> | <b>3,944.8</b> | <b>4,155.6</b> |

| Balance sheet (common size)                             | 2020          | 2021          | 2022          | 2023e         | 2024e         | 2025e         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Intangible assets                                       | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Investment properties                                   | 74.2%         | 71.7%         | 68.4%         | 75.7%         | 81.1%         | 80.6%         |
| Property, plant and equipment                           | 4.0%          | 3.2%          | 2.9%          | 2.9%          | 2.8%          | 2.7%          |
| Financial assets  | 16.9%         | 11.7%         | 3.3%          | 3.3%          | 3.2%          | 3.0%          |
| Other non-current assets                                | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Deferred taxes  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>FIXED ASSETS</b>                                     | <b>96.3%</b>  | <b>88.6%</b>  | <b>76.9%</b>  | <b>84.2%</b>  | <b>89.3%</b>  | <b>88.3%</b>  |
| Properties held for sale                                | 0.1%          | 0.0%          | 14.3%         | 7.9%          | 1.3%          | 0.0%          |
| Accounts receivable                                     | 0.1%          | 0.2%          | 0.5%          | 0.5%          | 0.4%          | 0.4%          |
| Other current assets                                    | 1.4%          | 1.0%          | 1.8%          | 1.7%          | 1.7%          | 1.6%          |
| Liquid assets   | 2.1%          | 10.2%         | 6.5%          | 5.7%          | 7.3%          | 9.6%          |
| <b>CURRENT ASSETS</b>                                   | <b>3.7%</b>   | <b>11.4%</b>  | <b>23.1%</b>  | <b>15.8%</b>  | <b>10.7%</b>  | <b>11.7%</b>  |
| <b>TOTAL ASSETS</b>                                     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Subscribed capital                                      | 8.3%          | 6.9%          | 6.8%          | 6.7%          | 6.5%          | 6.2%          |
| Surplus capital   | 5.6%          | 4.4%          | 4.3%          | 4.2%          | 4.1%          | 3.9%          |
| Additional paid-in capital                              | 28.5%         | 27.5%         | 33.2%         | 33.5%         | 30.1%         | 28.0%         |
| Net profit/loss   | 1.8%          | 6.2%          | 0.7%          | -1.4%         | 1.0%          | 2.0%          |
| <b>SHAREHOLDERS EQUITY</b>                              | <b>44.2%</b>  | <b>45.1%</b>  | <b>45.0%</b>  | <b>43.1%</b>  | <b>41.7%</b>  | <b>40.1%</b>  |
| <b>MINORITY INTEREST</b>                                | <b>0.1%</b>   | <b>0.1%</b>   | <b>2.2%</b>   | <b>2.2%</b>   | <b>2.1%</b>   | <b>2.0%</b>   |
| <b>PROVISIONS FOR PENSIONS AND SIMILIAR OBLIGATIONS</b> | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>   |
| short-term liabilities to banks                         | 3.2%          | 3.8%          | 2.2%          | 3.9%          | 1.0%          | 1.4%          |
| Bonds (long-term)                                       | 16.8%         | 17.5%         | 14.4%         | 15.9%         | 15.4%         | 16.7%         |
| long-term liabilities to banks                          | 28.0%         | 24.9%         | 24.6%         | 28.2%         | 32.0%         | 30.7%         |
| other interest-bearing liability                        | n.a.          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Interest-bearing liabilities</b>                     | <b>48.0%</b>  | <b>46.2%</b>  | <b>41.2%</b>  | <b>48.0%</b>  | <b>48.4%</b>  | <b>48.8%</b>  |
| Accounts payable  | 0.1%          | 0.2%          | 0.3%          | 0.3%          | 0.3%          | 0.3%          |
| <b>Current liabilities</b>                              | <b>1.4%</b>   | <b>1.7%</b>   | <b>6.0%</b>   | <b>0.3%</b>   | <b>0.3%</b>   | <b>0.3%</b>   |
| Deferred income   | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Deferred taxes  | 6.3%          | 6.9%          | 5.4%          | 6.1%          | 7.2%          | 8.5%          |
| <b>LIABILITIES</b>                                      | <b>55.6%</b>  | <b>54.8%</b>  | <b>52.6%</b>  | <b>54.5%</b>  | <b>56.0%</b>  | <b>57.7%</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>        | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

Source: Company data, NuWays

| Cash flow statement (EUR m)                  | 2020          | 2021          | 2022          | 2023e         | 2024e         | 2025e         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net profit</b>                            | <b>71.6</b>   | <b>271.2</b>  | <b>34.8</b>   | <b>-46.2</b>  | <b>47.7</b>   | <b>122.3</b>  |
| <b>Other recurrent / non-recurrent items</b> | <b>-7.2</b>   | <b>-205.2</b> | <b>47.9</b>   | <b>157.6</b>  | <b>59.9</b>   | <b>12.0</b>   |
| Increase/decrease in working capital         | -9.0          | 3.1           | -18.9         | 0.0           | 0.0           | 0.0           |
| <b>Cash flow from operating activities</b>   | <b>55.4</b>   | <b>69.1</b>   | <b>63.9</b>   | <b>111.4</b>  | <b>107.7</b>  | <b>134.3</b>  |
| CAPEX  | 0.1           | 0.0           | 1.5           | 28.9          | 32.0          | 33.5          |
| Payment for acquisitions                     | -76.6         | -35.6         | 14.8          | -855.0        | -450.0        | 150.0         |
| Financial investments                        | -73.6         | 105.0         | -89.3         | 205.0         | 5.4           | 0.0           |
| Income from asset disposals                  | 36.1          | 39.6          | 76.6          | 200.0         | 300.0         | 0.0           |
| <b>Cash flow from investing activities</b>   | <b>-114.2</b> | <b>109.0</b>  | <b>0.5</b>    | <b>-421.1</b> | <b>-112.6</b> | <b>-183.5</b> |
| Increase/decrease in debt position           | -26.9         | 314.5         | -161.6        | 281.8         | 75.0          | 119.1         |
| Dividends paid                               | -50.2         | -35.3         | -45.8         | 0.0           | 0.0           | -41.0         |
| Purchase of own shares                       | -22.4         | -16.4         | 0.0           | 0.0           | 0.0           | 0.0           |
| Capital measures                             | 146.5         | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Others                                       | -35.3         | -129.4        | 46.1          | 0.0           | 0.0           | 0.0           |
| <b>Cash flow from financing activities</b>   | <b>11.7</b>   | <b>133.3</b>  | <b>-161.4</b> | <b>281.8</b>  | <b>75.0</b>   | <b>160.1</b>  |
| <b>Cash flow from operating activities</b>   | <b>55.4</b>   | <b>69.1</b>   | <b>63.9</b>   | <b>111.4</b>  | <b>107.7</b>  | <b>134.3</b>  |
| <b>Cash flow after maintenance capex</b>     | <b>71.6</b>   | <b>271.2</b>  | <b>34.8</b>   | <b>-46.2</b>  | <b>47.7</b>   | <b>122.3</b>  |
| <b>Cash flow before financing</b>            | <b>291.8</b>  | <b>74.7</b>   | <b>259.3</b>  | <b>932.4</b>  | <b>820.3</b>  | <b>-8.2</b>   |
| <b>Increase/decrease in liquid assets</b>    | <b>-47.1</b>  | <b>311.5</b>  | <b>212.1</b>  | <b>-28.0</b>  | <b>554.5</b>  | <b>110.9</b>  |
| Key ratios (EUR m)                           | 2020          | 2021          | 2022          | 2023e         | 2024e         | 2025e         |
| <b>Return on Equity</b>                      |               |               |               |               |               |               |
| Net profit / Y/E equity                      | -2.6%         | 1.9%          | 6.2%          | 5.8%          | 5.3%          | 5.0%          |
| Recurring net profit / Y/E equity            | 3.1%          | 3.7%          | 3.8%          | 6.1%          | 7.1%          | 7.3%          |
| Net profit / avg. equity                     | -2.6%         | 1.9%          | 6.2%          | 5.8%          | 5.3%          | 5.0%          |
| Recurring net profit / avg. equity           | 3.1%          | 3.7%          | 3.8%          | 6.1%          | 7.1%          | 7.3%          |
| <b>Security</b>                              |               |               |               |               |               |               |
| Net debt                                     | 1,434.4       | 1,329.6       | 1,307.0       | 1,616.7       | 1,621.7       | 1,629.9       |
| Debt / equity                                | 108.6%        | 102.6%        | 91.6%         | 111.6%        | 116.3%        | 121.8%        |
| Net gearing                                  | 103.9%        | 80.0%         | 77.0%         | 98.3%         | 98.7%         | n.a.          |
| Interest cover                               | 0.2           | 2.3           | 2.3           | 2.3           | 2.1           | 2.1           |
| EBIDTA / interest paid                       | 2.5           | 9.1           | 0.6           | -0.1          | 1.5           | 2.3           |
| Dividend payout ratio                        | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          |
| Dividend cover                               | 1.2           | 1.3           | n.a.          | n.a.          | 2.9           | 2.0           |
| Loan-to-value (LTV)                          | 47.7%         | 40.7%         | 45.0%         | 55.9%         | 50.7%         | 48.7%         |
| Return on Net Asset Value                    | 2.4%          | 3.0%          | 4.0%          | 6.6%          | n.a.          | n.a.          |
| <b>Liquidity</b>                             |               |               |               |               |               |               |
| Current ratio                                | 0.3           | 0.9           | 1.7           | 1.5           | 1.3           | 1.1           |
| Acid test ratio                              | 0.3           | 0.9           | 1.7           | 1.5           | 1.3           | 1.1           |
| <b>Valuation metrics</b>                     |               |               |               |               |               |               |
| FFO  | 42.9          | 60.8          | 64.7          | 101.0         | 117.1         | 122.3         |
| FFO per share                                | 0.58          | 0.87          | 0.88          | 1.37          | 1.59          | 1.66          |
| NTA per share                                | 23.8          | 29.1          | 26.1          | 23.9          | 24.9          | 25.9          |

Source: Company data, NuWays

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| Company   | Disclosures |
|-----------|-------------|
| S Immo AG | 2           |

### Historical target price and rating changes for S Immo AG

| Company   | Date       | Analyst            | Rating | Target Price | Close     |
|-----------|------------|--------------------|--------|--------------|-----------|
| S Immo AG | 30.03.2023 | Sennewald, Philipp | Buy    | EUR 17.00    | EUR 13.10 |
|           | 01.03.2023 | Sennewald, Philipp | Hold   | EUR 16.00    | EUR 15.22 |
|           | 19.12.2022 | Sennewald, Philipp | Buy    | EUR 16.00    | EUR 12.18 |
|           | 02.12.2022 | Sennewald, Philipp | Hold   | EUR 16.00    | EUR 13.76 |

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjust-

ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

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