



Price (Euro)	12,00			
52 weeks range	23.00 / 11.04			
Key Data				
Country	Austria			
Industry	Real Estate			
Market Segment	Prime Market			
ISIN	AT0000652250			
WKN	902388			
Symbol	T1L			
Reuters	SIAG.VI			
Bloomberg	SPI AV			
Internet	www.simmoag.at			
Reporting Standard	IFRS			
Fiscal Year	31/12			
Founded	1986			
IPO	1987			
Market Cap (EUR million)	883,3			
Number of shares (million)	73,6			
Free Float (approx.)	11,6%			
Free Float MarketCap (Euro million)	102,5			
CAGR (EBITDA '21-24e)	25,8%			
Multiples	2022	2023e	2024e	2025e
Market cap/ Revenues-Ratio	4,6	4,7	4,6	4,4
P/E-Ratio	26,7	-29,6	9,7	6,2
Dividend Yield	5,4%	0,0%	0,0%	4,2%
Key Data per Share (Euro)	2022	2023e	2024e	2025e
Earnings per Share (EpS)	0,45	-0,41	1,23	1,94
Dividends per Share (DpS)	0,65	0,00	0,00	0,50
Book Value per Share (BVpS)	20,75	23,06	22,57	23,23
EPRA NTA per share	26,09	27,86	29,37	30,31
FFO I per share	0,92	1,01	1,09	1,21
Financial Data (Euro '000)	2022	2023e	2024e	2025e
Revenues	260.493	321.848	324.824	332.486
Rental income	155.705	189.223	195.631	198.290
Net revaluation result	-78.397	-121.020	12.002	21.230
Operating cash profit (EBITDA)	106.058	152.506	161.775	197.109
Operating Profit (EBIT)	17.979	20.356	161.467	205.494
Pre-tax profit (EBT)	34.834	-17.203	121.736	170.644
Net profit after minorities	27.204	-35.732	84.927	137.009
Shareholders' Equity	1.697.228	1.661.496	1.709.619	1.795.101
RoE after tax	1,7%	-2,1%	5,0%	7,8%
Financial Calendar				
9M 2023 report		29 November 2023		
Main Shareholders				
CPI Property Group SA		88,4%		
Analyst	Dipl.-Kfm. Stefan Scharff, CREA			
	Fon: +49-(0)69 400 313-80			
	scharff@src-research.de			
Internet	www.src-research.de			
	www.aktienmarkt-international.at			
	www.aktienmarkt-international.de			

S IMMO delivers a steep hike in rental income, hotel revenues and +39% in EBITDA after the start of capital rotation – bottom line impaired by the revaluation swing – target still € 18.00

Today, S IMMO released the 1H 2023 report and invited for conference call in the afternoon. The numbers underlined a good first half of the year, with regards to the cash revenues coming from the rental revenues and from the hotel operations. The rental revenues surged almost 29%, from Euro 73m to approx. Euro 94m, fostered by the capital rotation program which is ongoing since September 2022 to sell bigger parts of the German portfolio and switch the capital to some higher yielding markets in Austria and CEE. From September 2022 to June 2023 the company already signed sale transactions for 167 German properties for more than Euro 600m. A pipeline of another Euro 340m German assets might be sold in the second half of the year or in 2024. Alongside with the ongoing reduction of the Germany stake in the total portfolio, 38.3% at year-end 2022 and now down to 22.8% at the end of June, the company already acquired some more cash accretive properties in CEE and Austria, for instance 3 offices and 1 hotel in Czech Republic in April for Euro 168m and an annualized rent of Euro 8.4m. Another example was the acquisition of the Vienna Twin Towers in July with a yearly rental income of Euro 12.6m. Despite some remarkable acquisitions, the total portfolio size came back after the significant sale transactions from Euro 3.27bn at year-end 2022, by 13% to now Euro 2.85bn at June 2023. The occupancy level remained almost unchanged, at a high 91.3%, after 92.6% at year-end 2022.

With regards to the hotel operations, revenues were up 32% from Euro 23.7m to Euro 31.4m, quite close to pre-Covid levels. The gross profit from hotel operations even rocketed 54%, from Euro 5.2m to Euro 8.0m.

With the steep hike in rentals, partly already coming from some new higher yielding properties, and in addition the recovery in hotel business, the company made a steep hike in cash-driven EBITDA result. After Euro 49m in 1H 2022, it jumped +39% to more than Euro 68m. The picture was even better at the FFO I, which jumped 70% from Euro 29m to Euro 50m.

The good cash picture could not translate into the bottom line results, as the much more challenging economic framework and the rise in overall yields took their toll. The net revaluation result made a swing of more than Euro 100m, from Euro +21m last year to now almost Euro -81m in the first six months, mostly coming from the German assets, whereas Austria and CEE remained more or less stable. With this burden from valuation, the pre-tax profit turned red, from Euro 65m last year to Euro -39m, the net profit after minorities quite similar from Euro 62m to Euro -34m.

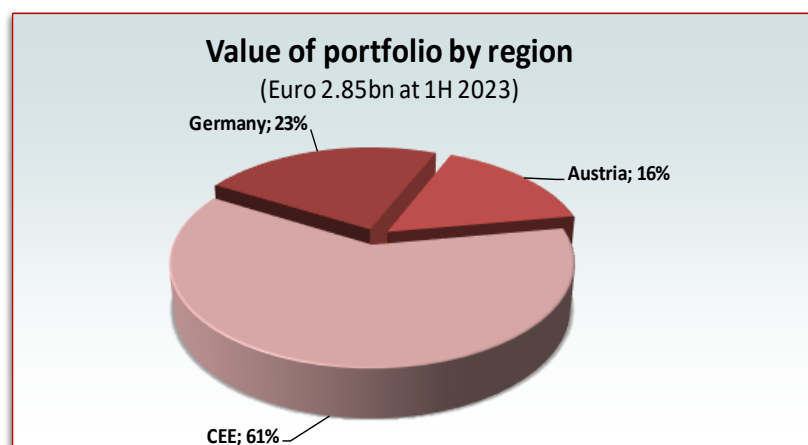
The balance sheet remains rock solid with an LTV ratio improving from 39.4% at year-end 2022 to only 35.4% now. The equity ratio also slightly improved to 47.6% (47.2%) and the debt maturity profile for the coming years is quite granulated and not too demanding. Keep in mind that S IMMO could successfully tap the capital markets in July, by the issue of a 5 years Euro 75m Green Bond with a 5.5% coupon.

The picture looks good from a cash point of view after the first 6 months, even with the yield expansion, bringing down the valuation. The firm sticks to the capital rotation, which might bear a further hike in future cash earnings. The EPRA NTA per share is almost stable at Euro 25.20 (Euro 26.09), thus we keep our € 18.00 target price and our Buy rating.

S IMMO AG Company Profile

Industry:	Real Estate	Management Board:
Sub-segment:	mixed (67% commercial)	Herwig Teufelsdorfer, MRICS
Country:	Austria	Radka Doehring
Headquarter:	Vienna	
Foundation:	1986	
Employees (without Hotels):	138	
		Supervisory Board:
		Dr. Karin Rest, EMBA (Chairwoman)
		Martin Nemecek (First Deputy Chairman)
		Ulrich Steffen Ritter (Second Deputy Chairman)
IR Contact		Andreas Feuerstein
Andreas Feuerstein		John Verpeleti
(Andreas.Feuerstein@simmoag.at)		Elisabeth Wagerer

S IMMO is a Vienna-based real estate holding company founded in 1986. Since 1987 the company is listed on the Vienna stock exchange and therefore Austria’s longest existing property investment company. The share is member of ATX blue chip index since September 2017. Expansion activities to foreign countries were started close to the millenium. Within recent years the company acquired, according to its Buy and Develop and Hold strategy, a real estate portfolio that comprises more than 360 properties, a lettable space of about 1,400k sqm amounting to a value of almost Euro 3.3bn at December 2022 (+15.6% compared to year-end 2021). In average, investments have a volume of a low or mid double digit million. The portfolio contains a widely diversified range of office, retail and hotel properties as well as residential properties selected for a sustainable value growth. With CPI taking the steering wheel, the company will shift away from low yielding German resi (and also some German commercial assets) and more to office in CEE and Austria, with a focus on ESG and high standards. All in all, at the moment, office properties have a 55% weighting, retail 12%, hotels 6% and residential have approx. 25% (thereof over 90% in Germany). The remaining 3% are land plots, mainly in Germany. In terms of the current portfolio value of almost Euro 3.3bn a large share of 38% is located in Germany (more than Euro 1.2bn, yielding 4.6%). Austria stands for about 15% (approx. Euro 0.5bn, yielding 4.6%) while CEE stands for the remaining 47% (over Euro 1.5bn, yielding 7.1%) of the total portfolio. In 2022, the high occupancy remained high at 92.6% despite a deteriorating economic environment (2021: 94.0%). S IMMO released the 2022 annual report on 30 March 2023 and presented a record EBITDA result of clearly over Euro 100m in a challenging year. Balance sheet is very solid with an equity ratio, that was slightly up from 45.2% in 2021 to 47.2% in 2022 and an LTV of 41.3%, more or less unchanged to 2021 (40.4%). Cost of funding incl. hedging was always at 2.3% or even below in the last years. After a low 2.09% in 2021, it was slightly up to 2.16% in 2022. The debt maturity profile is undemanding for 2023. In February 2024 there is a Euro 100m bond due with a low 1% coupon. This is offset by the recent issue of a Euro 75m Green Bond in July for 5 years with a 5.5% coupon.



Source: Company Data, SRC Research

P&L Account for S IMMO AG

31/12 IFRS (Euro '000)	2019	2020	2021	2022	2023e	2024e	2025e
Revenues	210.427	173.915	196.856	260.493	321.848	324.824	332.486
└ thereof rental income	119.373	123.255	131.294	155.705	189.223	195.631	198.290
└ thereof revenues from service charges	31.952	32.871	34.359	48.405	68.441	70.743	75.242
└ thereof revenues from hotel operations	59.102	17.789	31.203	56.383	64.184	58.450	58.954
Other operating income	2.481	2.501	3.175	2.227	2.874	3.120	3.200
Expenses directly attributable to properties	-60.952	-66.760	-66.795	-79.511	-94.881	-91.441	-92.451
<i>Gross margin property segment</i>	59,7%	57,2%	59,7%	61,0%	63,2%	65,7%	66,2%
Hotel operating expenses	-42.250	-18.126	-23.702	-43.010	-46.185	-42.608	-43.001
Gross operating profit hotels (GOP)	16.852	-337	7.501	13.373	17.999	15.842	15.953
<i>Gross margin within hotel segment</i>	28,5%	-1,9%	24,0%	23,7%	28,0%	27,1%	27,1%
Gross profit (revenues less directly attributable expenses)	109.706	91.530	109.534	140.199	183.656	193.895	200.234
<i>Total Gross margin</i>	52,1%	52,6%	55,6%	53,8%	57,1%	59,7%	60,2%
Net operating income (NOI)	107.225	89.029	106.359	137.972	180.782	190.775	197.034
<i>NOI-margin</i>	51,0%	51,2%	54,0%	53,0%	56,2%	58,7%	59,3%
Net Gains on property disposal	0	0	0	0	0	0	0
Management expenses	-22.669	-20.398	-28.237	-34.141	-31.150	-32.120	-3.125
└ thereof personnel expenses	-11.513	-12.272	-14.608	-19.009	-15.988	-16.744	-17.788
EBITDA	87.037	71.132	81.297	106.058	152.506	161.775	197.109
<i>EBITDA-margin</i>	41,4%	40,9%	41,3%	40,7%	47,4%	49,8%	59,3%
Depreciation	-8.264	-9.232	-9.646	-9.682	-11.130	-12.310	-12.845
Property Revaluation	192.671	39.056	198.686	-78.397	-121.020	12.002	21.230
Operating profit (EBIT)	271.444	100.956	270.337	17.979	20.356	161.467	205.494
<i>EBIT-margin</i>	129,0%	58,0%	137,3%	6,9%	6,3%	49,7%	61,8%
EBIT-profit without revaluation result	78.773	61.900	71.651	96.376	141.376	149.465	184.264
Net financial result	-20.021	-29.370	705	16.855	-37.559	-39.731	-34.850
Participating certificates expenses (hybrid capital)	0	0	0	0	0	0	0
Earnings before tax (EBT)	251.423	71.586	271.042	34.834	-17.203	121.736	170.644
<i>EBT margin</i>	119,5%	41,2%	137,7%	13,4%	-5,3%	37,5%	51,3%
Income tax expense	-38.116	-14.674	-40.484	-15.907	-16.987	-35.454	-32.185
<i>Tax rate</i>	15,2%	20,5%	14,9%	45,7%	-98,7%	29,1%	18,9%
Net profit	213.307	56.912	230.558	18.927	-34.190	86.282	138.459
Minorities	-533	-375	-1.037	8.277	-1.542	-1.355	-1.450
Net profit after minorities	212.774	56.537	229.521	27.204	-35.732	84.927	137.009
<i>Return on sales</i>	101,1%	32,5%	116,6%	10,4%	-11,1%	26,1%	41,2%
Number of shares (in million)	66,9	73,6	73,6	73,6	73,6	73,6	73,6
Earnings per Share (EPS) in Euro	3,21	0,79	3,24	0,45	-0,41	1,23	1,94
Dividends per Share (DPS) in Euro	0,70	0,50	0,65	0,00	0,00	0,50	0,70
Book Value per Share (BVPS) in Euro	19,34	18,31	20,75	23,06	22,57	23,23	24,39
Total assets	3.137.688	3.122.610	3.688.121	3.774.361	3.717.746	3.725.181	3.818.311
Shareholders' equity (after dividend payment)	1.294.259	1.347.524	1.527.194	1.697.228	1.661.496	1.709.619	1.795.101
Shareholders' equity incl. participating certificates	1.294.259	1.347.524	1.527.194	1.697.228	1.661.496	1.709.619	1.795.101
Equity ratio without minorities with hybrid capital	41%	43%	41%	45%	45%	46%	47%
Return on Equity (RoE)	18,1%	4,3%	16,0%	1,7%	-2,1%	5,0%	7,8%
Key ratios & figures	2019	2020	2021	2022	2023e	2024e	2025e
Growth rates in %							
Revenues	9,3%	-17,4%	13,2%	32,3%	23,6%	0,9%	2,4%
EBITDA	4,7%	-18,3%	14,3%	30,5%	43,8%	6,1%	21,8%
EBIT	11,6%	-62,8%	167,8%	-93,3%	13,2%	693,2%	27,3%
EBT	6,5%	-71,5%	278,6%	-87,1%	-149,4%	-807,6%	40,2%
Net profit after minorities	4,5%	-73,3%	305,1%	-91,8%	-280,6%	-352,4%	60,5%
Margins in %							
EBITDA	41,4%	40,9%	41,3%	40,7%	47,4%	49,8%	59,3%
EBIT	129,0%	58,0%	137,3%	6,9%	6,3%	49,7%	61,8%
EBT	119,5%	41,2%	137,7%	13,4%	-5,3%	37,5%	51,3%
Expense ratios in %							
Depreciation to sales	-3,9%	-5,3%	-4,9%	-3,7%	-3,5%	-3,8%	-3,9%
Tax rate	15,2%	20,5%	14,9%	45,7%	-98,7%	29,1%	18,9%
Profitability in %							
Profit margin	101,4%	32,7%	117,1%	7,3%	-10,6%	26,6%	41,6%
Return on equity (RoE) after tax	18,1%	4,3%	16,0%	1,7%	-2,1%	5,0%	7,8%
Return on Assets (RoA)	6,8%	1,8%	6,3%	0,5%	-0,9%	2,3%	3,6%
Return on Investment (RoI)	6,8%	1,8%	6,3%	0,5%	-0,9%	2,3%	3,6%
Valuation							
P/E-ratio	3,74	15,23	3,71	26,69	-29,60	9,73	6,18
P/S-ratio	4,20	5,08	4,49	3,39	2,74	2,72	2,66
Price/BVpS (PBV)	0,62	0,66	0,58	0,52	0,53	0,52	0,49
Dividend yield in %	5,8%	4,2%	5,4%	0,0%	0,0%	4,2%	5,8%
Data per share							
Number of shares (in million)	66,9	73,6	73,6	73,6	73,6	73,6	73,6
EPS	3,21	0,79	3,24	0,45	-0,41	1,23	1,94
DPS	0,70	0,50	0,65	0,00	0,00	0,50	0,70
BVPS	19,34	18,31	20,75	23,06	22,57	23,23	24,39
FFO I per share	0,98	0,59	0,86	0,92	1,01	1,09	1,21

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

Company	Date	Rating	Former Price	Former Target
S IMMO	31 May 2023	Buy	€ 11,18	€ 18,00
S IMMO	04 April 2023	Buy	€ 12,82	€ 18,00
S IMMO	30 November 2022	Accumulate	€ 14,78	€ 18,00
S IMMO	29 August 2022	Accumulate	€ 22,85	€ 23,00
S IMMO	30 May 2022	Accumulate	€ 23,30	€ 26,00
S IMMO	28 April 2022	Buy	€ 22,55	€ 28,00
S IMMO	06 December 2021	Buy	€ 21,45	€ 26,00
S IMMO	29 November 2021	Buy	€ 19,50	€ 26,00
S IMMO	27 August 2021	Buy	€ 20,35	€ 26,00
S IMMO	28 May 2021	Buy	€ 21,60	€ 26,00
S IMMO	20 May 2021	Buy	€ 21,80	€ 26,00
S IMMO	08 April 2021	Buy	€ 21,55	€ 25,00
S IMMO	15 March 2021	Buy	€ 18,04	€ 23,00
S IMMO	24 November 2020	Buy	€ 15,78	€ 21,00
S IMMO	26 August 2020	Buy	€ 14,52	€ 21,00
S IMMO	26 May 2020	Buy	€ 16,72	€ 20,00
S IMMO	12 May 2020	Buy	€ 16,50	€ 20,00
S IMMO	23 March 2020	Buy	€ 14,44	€ 20,00

Please note:

The S IMMO AG share price mentioned in this report is the price of 29 August 2023. S IMMO mandated SRC Research for covering the S IMMO share.

Disclaimer © 2023: This equity research report is published by: SRC-Scharff Research und Consulting GmbH, Klingerstr. 23, D-60313 Frankfurt, Germany (short name: SRC Research). All rights reserved.

Although we feel sure that all information in this SRC report stem from carefully selected sources with a high credibility, we cannot give any guarantee for accuracy, trueness and completeness. All opinions quoted in this report give the current judgement of the author that not necessarily is the same opinion as SRC-Scharff Research und Consulting GmbH or another staff member. All in this report made opinions and judgements might be changed without a pre-announcement. Within the scope of German regulative framework author and SRC-Scharff Research und Consulting GmbH do not assume any liability for using this document or its content. This report is just for information purposes and not a request or an invitation or a recommendation to buy or sell any stock that is mentioned here. Private clients should search for personal advice at their bank or investment house and should keep in mind that prices and dividends of equities might rise and fall and that nobody can give a guarantee of the future development of equities. The author of this report and the SRC-Scharff Research und Consulting GmbH commit themselves on a unsolicited basis to have no long- or short-positions in equities or derivatives related to equities mentioned in this report.

Reproduction, distribution and publishing of this report and its content as a whole or in parts is only allowed with an approval of SRC management board in written form. With acceptance of this document you agree with all regulations mentioned here and all general terms and conditions you will find at anytime at our website www.src-research.de.