

# ABITARE IN

Sector: Consumers

# OUTPERFORM

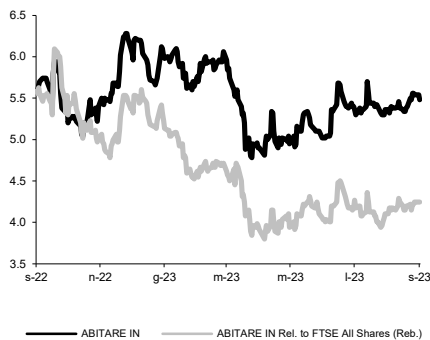
Price: Eu5.48 - Target: Eu8.60

## 9M Results on Track to Meet FY Consensus Numbers

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	0.0%	0.0%	0.0%

### ABITARE IN - 12M Performance



Stock Data			
Reuters code:	ABIT.MI		
Bloomberg code:	ABT IM		
Performance	1M	3M	12M
Absolute	2.2%	9.2%	-1.8%
Relative	3.6%	5.5%	-30.6%
12M (H/L)	6.28/4.78		
3M Average Volume (th):	16.60		

Shareholder Data	
No. of Ord shares (mn):	27
Total no. of shares (mn):	27
Mkt Cap Ord (Eu mn):	145
Total Mkt Cap (Eu mn):	145
Mkt Float - Ord (Eu mn):	60
Mkt Float (in %):	41.5%
Main Shareholder:	
Gozzini Luigi Francesco	22.3%

Balance Sheet Data	
Book Value (Eu mn):	115
BVPS (Eu):	4.48
P/BV:	1.2
Net Financial Position (Eu mn):	-18
Enterprise Value (Eu mn):	164

■ **Results on track to meet FY consensus numbers:** the company reported 3Q results on track to meet FY consensus numbers. Specifically:

- consolidated revenues, net of inventory reductions for apartments handed over, came to Eu22.9mn. Revenues for apartment sales came to Eu69.6mn, a substantial increase YoY thanks to the handover of apartments at the Milano City Village, Palazzo Naviglio and Trilogy Towers projects.
- EBIT of Eu5.5mn (cumulative 9M figure Eu32.7mn), on course to hit our annual estimate of Eu36.6mn
- Net debt Eu44.9mn, down further from Eu75mn as at end-March thanks to the aforementioned handover of apartments.
- As things stand, ABT owns 18 areas in Milan containing c.247,000m<sup>2</sup> of sellable space for projects under development (2,675 standard apartments). 6 projects are currently being marketed for a total of c.540 standard apartments. Marketing is also taking place for the Corte dei Principi project, an initiative realised by Techbau Group in partnership with AbitareIn. The order book currently includes over 410 apartments sold on a preliminary basis for Eu199mn, with contractualised down payments (guaranteed by insurance policies) of Eu64.3mn.

■ **Delivery of 420 apartments by end of September confirmed.** In the remainder of the year, project marketing activities will continue, using the "micro-campaigns" strategy, while the company will continue with land development and pipeline enhancement efforts. Additionally, the delivery of 420 apartments (total value Eu180mn) across the Milano City Village, Palazzo Naviglio, and Trilogy Towers projects will be completed, with the exception of five apartments in one of the three buildings of the Trilogy Towers project. The delivery of these apartments may be postponed to the following quarter.

■ **Estimates unchanged:** we are broadly confirming our estimates, only lowering the 2023 top line to account for a larger negative contribution from the change in inventories due to the handover of the 420 apartments expected by year end. In the last quarter of the year we expect a further reduction in consolidated debt, expected to reach ~Eu20mn at the end of September.

■ **OUTPERFORM confirmed; target still Eu8.60.** We appreciate AbitareIn, as the company stands out from the crowd thanks to its unique offering and propensity for technological innovation in a sector that typically clings to tradition. We believe the company's solid pipeline puts it in a good position to take advantage of the development of the residential market in the city of Milan, a market that is suffering a structural lack of new apartments for a growing population. We confirm our positive recommendation and our Eu8.6 target price.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	125	122	156	220	238
EBITDA Adj (Eu mn)	21	23	38	54	58
Net Profit Adj (Eu mn)	14	13	24	35	37
EPS New Adj (Eu)	0.550	0.494	0.908	1.308	1.393
EPS Old Adj (Eu)	0.550	0.494	0.908	1.308	1.393
DPS (Eu)	0.000	0.000	0.397	0.388	0.414
EV/EBITDA Adj	10.9	12.1	4.3	3.7	3.3
EV/EBIT Adj	11.7	13.0	4.5	3.8	3.5
P/E Adj	10.0	11.1	6.0	4.2	3.9
Div. Yield	0.0%	0.0%	7.2%	7.1%	7.5%
Net Debt/EBITDA Adj	3.5	5.0	0.5	1.0	0.8

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 30 June 2023 Intermonte's Research Department covered 118 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	23.08 %
OUTPERFORM:	52.99 %
NEUTRAL:	22.22 %
UNDERPERFORM	01.71 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (48 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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