Intermonte

ABITARE IN

Sector: Consumers
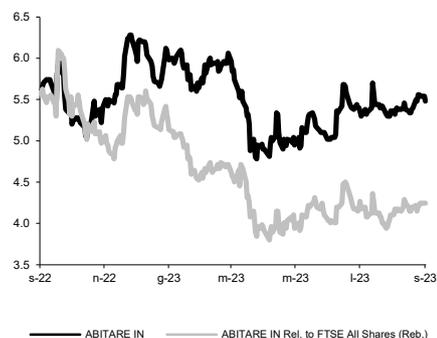
OUTPERFORM

Price: Eu5.48 - **Target: Eu8.60**

9M Results on Track to Meet FY Consensus Numbers

Carlo Maritano +39-02-77115.358
carlo.maritano@intermonte.it

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

— ABITARE IN	— ABITARE IN Rel. to FTSE All Shares (Reb.)

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^2 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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