

ABITARE IN

Sector: Consumers

OUTPERFORM

Price: Eu5.84 - Target: Eu8.60

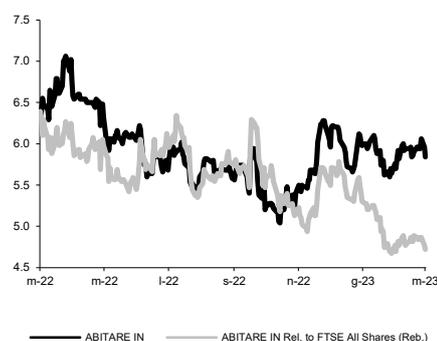
Off to a Solid Start in 2023

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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	2.5%	-2.0%	-8.6%
Relative	0.2%	-16.3%	-32.7%
12M (H/L)	7.06/5.04		
3M Average Volume (th):	7.25		

Shareholder Data

No. of Ord shares (mn):	27
Total no. of shares (mn):	27
Mkt Cap Ord (Eu mn):	155
Total Mkt Cap (Eu mn):	155
Mkt Float - Ord (Eu mn):	64
Mkt Float (in %):	41.5%
Main Shareholder:	
Gozzini Luigi Francesco	22.3%

Balance Sheet Data

Book Value (Eu mn):	124
BVPS (Eu):	4.84
P/BV:	1.2
Net Financial Position (Eu mn):	-2
Enterprise Value (Eu mn):	157

■ **1Q results in line with expected annual trajectory:** the company closed 1Q with YoY growth in line with the trajectory we expect for the full year. In detail:

- Consolidated revenues came to Eu44.4mn (Eu35.5mn in 1Q22/23), broken down as follows: Eu16.4mn of revenues from sales deriving from final contracts signed on property units at Milano City Village and Palazzo Naviglio, Eu11.4mn works in progress net of the reduction in inventories due to the delivery of apartments to clients, Eu2.5mn for the purchase of property areas, and Eu14.0mn of other revenues.
- EBITDA of Eu4.8mn vs. Eu1.6mn in 1Q last year
- EBIT of Eu4.5mn vs. Eu1.3mn in 1Q last year
- Net debt of Eu143.7mn, up from Eu116.2mn at the end of September, but the current figure is already lower and expected to fall considerably during the year thanks to i) the disposal of the via Cadolini area and ii) deliveries to clients.
- Pipeline: as at today's date, the group's development pipeline, net of projects already completed and delivered, consists of 20 areas, for c.247,000m² of space for sale, or c.2,680 apartments;
- of the apartments in the pipeline, to date 608 have been sold on a preliminary basis, for a total value of Eu276.3mn, with advance payments as per contracts (covered by insurance guarantees) coming to Eu74.2mn; there are currently 458 apartments under construction.

■ **Estimates confirmed:** 1Q results were in line with the expected trajectory for the year in course, and this is the reason for the confirmation of our estimates. We note that we expect 2023 to show a significant improvement on the previous year, both in terms of P&L numbers and above all cash generation, benefitting significantly from deliveries at the Milano City Village, Trilogy Towers and Palazzo Naviglio projects, as well as the completion of the disposal of the ex-Plasmon area (Eu72mn disposal value), allowing consolidated net debt to go down to practically zero.

■ **OUTPERFORM confirmed; target kept at 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	2020A	2021A	2022A	2023E	2024E
Sales (Eu mn)	73	125	122	207	226
EBITDA Adj (Eu mn)	10	21	23	52	56
Net Profit Adj (Eu mn)	10	14	13	33	36
EPS New Adj (Eu)	0.392	0.550	0.494	1.233	1.354
EPS Old Adj (Eu)	0.392	0.550	0.494	1.233	1.354
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	13.5	10.9	12.1	3.0	3.4
EV/EBIT Adj	14.6	11.7	13.0	3.1	3.5
P/E Adj	14.9	10.6	11.8	4.7	4.3
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	2.6	3.5	5.0	0.0	0.6