

Company Note

Abitare In

1H21 Results

In 1H21, Abitare In continued working on acquisition of areas, development of projects and handovers, with revenues up 88% yoy, despite a slowdown in the authorisation activity. It is working to add new areas to its large pipeline and planning to commercialise 3 new projects, leveraging on an increasing demand.

1H21: revenues growth and trans-listing to STAR

We appreciate that in 1H21 (October 2020-March 2021) Abitare In completed: 1) the acquisition of EUR 34M new building areas to strengthen its pipeline; 2) the handovers of the 'Maggiolina' project; and 3) the works of the first 117 'Olimpia Garden' apartments, whose delivery began in May. As a result, revenues grew to EUR 62.8M, EBT was EUR 4.4M (pro-forma EBT, excluding extraordinary items and applying IFRS 15 on the Olimpia Garden project, was EUR 9.7M), and net debt rose to EUR 54.3M. Moreover, we highlight that Abitare In's shares trade on MTA-STAR segment since 1 March 2021.

Further developments and outlook

Since April, the company has continued building activities of 'Milano City Village' and 'Palazzo Naviglio' and started construction of 'Trilogy Towers' project. As for the outlook, in order to respond to an increasing demand, management is planning to launch the marketing of three new projects (in the Lambrate, Portello and Navigli neighbourhoods), following the obtainment of the necessary authorisations, in addition to 'The Units', a small project whose commercialisation began on 18 June. Note that, despite an overall positive trend, some slowdowns in the implementation of projects could be likely, especially due to delays in the issuance of authorisations by the Public Administration. Abitare In is currently the owner or promissory buyer of 17 areas in Milan, corresponding to 251,000 saleable sqm of projects under development (equal to over 2,700 apartments). Abitare In will also continue to develop the new 'Homizy' project in the co-living Private Rented Sector.

Valuation

We update our DCF model following our parameters' revision and the recently-approved 1:10 stock split of the company's ordinary shares and we **derived a target price of EUR 6.7/share** (EUR 6.0/share previously, or EUR 60.5/share pre-split). Our target price is at a premium of around 11% on current prices, implying an **ADD rating (from Buy)**.

23 June 2021: 13:09 CET
Date and time of production

ADD
(from BUY)

Target Price: EUR 6.7
(from EUR 6.0)

Italy/Real Estate
Update

MTA-STAR

Price Performance
(RIC: ABIT.MI, BB: ABT IM)



Abitare In - Key Data

Price date (market close)	22/06/2021
Target price (EUR)	6.7
Target upside (%)	11.37
Market price (EUR)	6.02
Market cap (EUR M)	156.03
52Wk range (EUR)	6.14/3.90

Price performance %	1M	3M	12M
Absolute	18.0	22.0	50.8
Rel. to FTSE IT All Sh	15.9	16.0	15.2

Y/E Sep (EUR M)	19/20A	20/21E	21/22E
Revenues	73.08	124.2	183.1
EBITDA	8.85	28.01	59.75
EBIT	8.09	27.44	59.18
Net income	9.18	17.31	39.68
EPS (EUR)	0.35	0.67	1.53
Net debt/-cash	26.15	50.71	37.70
Adj P/E (x)	11.9	9.0	3.9
EV/EBITDA (x)	15.3	7.4	3.2
EV/EBIT (x)	16.7	7.5	3.3
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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1H21 Results

We appreciate that in 1H21 Abitare In was fully engaged in every activity of its business, despite a slower than expected production due to administrative issues. Indeed, in addition to the acquisition of EUR 34M new building areas, the company completed the handovers of the Maggiolina project and the works of the first 117 Olimpia Garden apartments, whose delivery began in May.

We summarise the key results in the following table.

Abitare In – 1H21A* results

EUR M	1H20A	1H21A	yoy %
Revenues from sales	0.5	25	NM
Change in inventories for new sites purchased	5	33.9	NM
Change in inventories for progress of works	28	3.4	-87.7
Other revenues	0.1	0.4	NM
Revenues	33.6	62.8	87.1
EBITDA	5.7	3.6	-36.7
EBITDA proforma**	6.6	11.1	68.0
EBIT	5.4	3.2	-40.7
EBIT proforma**	6.3	10.6	69.9
EBT	4.4	4.4	0.0
EBT proforma**	5.3	9.7	82.5
Net Income	3.1	3.7	19.4
EBITDA margin %	16.9	5.7	
EBITDA pro forma** margin %	19.6	17.6	
EBIT margin %	16.1	5.1	
EBIT pro forma** margin %	18.6	16.9	
EBT margin %	13.1	7.0	
EBT pro forma** margin %	15.8	15.4	
Net income margin %	9.2	5.9	19.4
Net debt	43.2	54.3	25.8

* Abitare In's FY ends in September; ** excluding extraordinary effects such as the 'Tecma Solutions' participation capital gain, EUR 0.5M costs related to the trans-listing to STAR and the application of IFRS 15 on the Olimpia Garden project; NM: not meaningful; Source: Company data

Revenues amounted to EUR 62.8M vs. EUR 33.6M in 1H20A (+88% yoy), including: 1) EUR 25M revenues from sales; 2) EUR 33.9M for the acquisition of new complexes (vs. EUR 5M in 1H20A); and 3) EUR 29.1M related to the change in inventories of real estate initiatives currently under construction (EUR 28M in 1H20A), lower than the company's expectations for EUR 8M (three months of activity), according to management, due to the shift in production, given the slow authorisation activities of the Public Administration. The effect, net of the outgoing inventory linked to handovers of the Maggiolina project, is EUR 3.4M.

Revenues at EUR 62.8M

EBT was EUR 4.4M, stable vs. 1H20A, because the company did not apply the IFRS 15 on the Olimpia Garden project. **Pro-forma EBT was EUR 9.7M**, obtained by 'virtually' applying the IFRS 15 on that project (EUR 7M EBT of which EUR 2.5M already accounted as of 3 June) and excluding extraordinary effects, such as the EUR 2M capital gain for the participation of Tecma Solutions and EUR 0.5M costs related to the trans-listing to STAR. **Net profit was EUR 3.7M vs. EUR 3.1M in 1H20A.**

EBT stable yoy

Net debt was EUR 54.3M vs. EUR 26.1M in FY20A, mainly due to: 1) EUR 28.3M cash out for the purchase of new sites; 2) EUR 30M of production in progress; and 3) a combined positive effect of the collections from the sales of in Maggiolina (net of deposits and advances collected in previous years) for EUR 16.8M and from deposits and advance payments related to the new projects commercialised for EUR 14.2M. We observe that

Higher net debt

the increase in net debt is equivalent to the expenditures for the acquisition of new areas; indeed, if excluding this cash-out, net debt was stable yoy (approx. EUR 26M).

In February, Abitare In announced a new payment method, implemented with MyBank and Axerve, which integrates its current platform for the online sale of homes under construction, launched in May 2020. The new payment service is already available to people who are looking to purchase homes of the latest residential project announced, Porta Naviglio Grande. Thanks to this new development, customers can select and choose their apartment and digitally sign the proposal, including the digital payment. In addition, the company continues to study and implement IT systems for the management of all the project phases.

New digital payment method

Outlook and Projects Development

As of 3 June, Abitare In can rely on an order backlog that includes 629 std units (i.e. 92 sqm apartments) for a total amount of EUR 246M, which have already been sold to customers on a preliminary basis, with formally agreed down payments of EUR 75M (of which we estimate approximately EUR 62.5M already cashed). The company has handed over 287 apartments for EUR 98M and 525 units are under construction.

Well-nourished order backlog

Abitare In has also concluded the acquisition of an area in the Lambrate area in Milan, for EUR 5.3M and is currently the owner or promissory buyer of 17 areas in Milan (see picture below), corresponding to 251,000 saleable sqm of projects under development at different stages (equal to 2,738 std. apartments).

Abitare In – Projects' pipeline at end-March 2021



Source: Company data

Olimpia Garden: delivery started

In May, the company started to deliver the first two buildings of the Olimpia Garden project (117 out of 160 apartments are currently completed and 50 were delivered). We recall that Olimpia Garden is the first project of the Prime Edition product line carried out by Abitare In, a new kind of product targeting the entry-level segment, focusing on the maximisation of the quality/price ratio, to satisfy an additional market segment.

Milano City Village and Trilogy Towers: work in progress

According to the company, they are executing structural works on the Milano City Village project. More specifically on the two buildings: 1) they have completed the 10th elevation of 15 on one of them and are now laying the mono-blocks of the windows and doors and soon start the perimeter closures; and 2) for the City Garden building, they are at the 3rd above ground elevation of 15. The company aims to finish works by end-2022. With reference to other projects, in the past months, building activities of Palazzo Naviglio continued and the construction of Trilogy Towers project started.

Porta Naviglio Grande: the launch of the commercial campaign

In April, the first commercial campaign of the Porta Naviglio Grande project (via Richard; Piazzale Ohm) was concluded. This project will consist in two buildings with 18 and 57 apartments, respectively. During the online commercial campaign, purchase proposals for 65 apartments, equivalent to EUR 28M, were collected. We highlight that the sale of the project, started last January, was carried out exclusively in digital format (e.g. through social and web channels) and finalised thanks to the innovative e-commerce platform. We included in our model this project, and estimated price/sqm considering the information communicated by the company (sold apartments, representing approx. 87% of total apartments, worth EUR 28M).

Abitare In – P.ta Naviglio Grande assumptions

Price/sqm (k)	4.6
average sqm	92
Housing units	78
Revenues	32.8
Total costs/sqm (k)	3.5
Gross margin (EUR M)	8.4
EBT (EUR M)	7.9
Net income (EUR M)	5.5

Source: Intesa Sanpaolo Research elaboration

We recall that our price/sqm estimates on the projects already included in our model are based on our elaboration of the residential prices (source: immobiliare.it) at the moment of the commercialisation of each project, in the areas where it is being developed.

Abitare In – Somalia key assumptions

Price/sqm (k)	4.1
average sqm	92
Housing units	130
Garage	130
Garage price (k)	26.5
Revenues	52.7
Total costs/sqm (k)	2.8
Gross margin (EUR M)	18.8
EBT (EUR M)	18.2
Net income (EUR M)	12.8

Source: Intesa Sanpaolo Research elaboration

Abitare In – Cadolini key assumptions

Price/sqm (k)	3.7
average sqm	92
Housing units	447
Garage	447
Garage price (k)	26.5
Revenues	176.8
Total costs/sqm (k)	2.7
Gross margin (EUR M)	64.3
EBT (EUR M)	62.2
Net income (EUR M)	43.6

* including EUR 13M for the disposal of 17% of area to Korian; Source: Intesa Sanpaolo Research elaboration

Abitare In – Pogliaghi key assumptions

Price/sqm (k)	4.4
average sqm	92
Housing units	75
Revenues	30
Total costs/sqm (k)	3.2
Gross margin (EUR M)	10.5
EBT (EUR M)	10.2
Net income (EUR M)	7.1

Source: Intesa Sanpaolo Research elaboration

Abitare In - Pecori key assumptions

Price/sqm (k)	3.0
average sqm	92
Housing units	141
Revenues	39
Total costs/sqm (k)	2.0
Gross margin (EUR M)	11.8
EBT (EUR M)	11.3
Net income (EUR M)	7.9

Source: Intesa Sanpaolo Research elaboration

Abitare In - Savona key assumptions

Price/sqm (k)	4.7
average sqm	92
Housing units	220
Revenues	92
Total costs/sqm (k)	4.1
Gross margin (EUR M)	20.9
EBT (EUR M)	19.5
Net income (EUR M)	13.7

Source: Intesa Sanpaolo Research elaboration

Abitare In - Tacito key assumptions

Price/sqm (k)	3.8
average sqm	92
Housing units	212
Garage	212
Garage price (k)	26.5
Revenues	79.7
Total costs/sqm (k)	3.1
Gross margin (EUR M)	19.6
EBT (EUR M)	18.5
Net income (EUR M)	12.9

Source: Intesa Sanpaolo Research elaboration

Next steps

As for the outlook, in order to respond to an increasing demand, according to management, Abitare In is planning to launch the marketing of three new projects within 2H21-1H22 (in the Lambrate, Portello and Navigli neighbourhoods), following the obtainment of the necessary authorisations, in addition to 'The Units', a small project whose commercialisation began on 18 June. In this regard, we point out that the sale of The Units represents first Abitare In's commercial campaign carried out completely online, without the presence of sales managers. We see this initiative as a test towards a further improvement in the company's business model, with the potential to improve the effectiveness of commercial campaigns and to reduce costs.

In 2H21, Abitare In should also continue its scouting, development and sales activities for the implementation of pipeline projects.

Although management confirmed its forecasts for FY21 (Business Plan revised on 10 December 2020, targeting EUR 126M revenues, EUR 25M EBT and 800 units backlog) to which our estimates are broadly aligned, we underline that the duration of the production cycle that characterises the reference sector of Abitare In is influenced by various factors, such as the authorisation process (in general, relations with the public administration), special requests for customisation of customers and the planning of works. Moreover, risks linked to the spread of the Covid-19 pandemic could slowdown projects development, especially due to delays in the issuance of authorisations by the Public Administration. In this regard, we recall that in our latest report (28 December 2020) we had included in our estimates an expected partial slowdown of activities.

Management however highlighted that the company could also benefit from this effect on the demand side. In fact, the potential reduction of new residential buildings, coupled with a constant increase in demand not only from households but also, particularly in recent months, from investors, should impact positively sales prices.

Although the company, since now, has not experienced a significant increase in raw material costs, we highlight that in case of a prolonged inflationary scenario, Abitare In operating margins could be eroded by an increase in production costs to support construction companies, not factored into our current estimates.

We broadly confirm our estimates on profit and loss, but we raise our net debt projections on FY21E by EUR 8.8M, due to higher cash absorption from net working capital (building activities and acquisition of areas).

New projects to be launched

Some slowdowns already incorporated in our estimates

Potential increase in production material costs

P&L estimates confirmed; FY21E net debt increased by 21%

Abitare In – Estimates Revision FY21E-22E

EUR M	FY21E Old	FY21E New	chg %	FY22E Old	FY22E New	yoy %
Revenues	124.2	124.2	0.0	183.1	183.1	0.0
EBITDA	28.0	28.0	0.0	60.3	59.8	-0.9
EBITDA margin (%)	22.5	22.6			32.6	
EBT	24.7	24.7	0.0	57.2	56.7	-0.9
EBT margin (%)	19.9	19.9			31.0	
Net income	17.3	17.3	0.0	40.0	39.7	-0.8
Net financial debt	41.9	50.7	21.0	40.6	37.7	-7.1

Source: Intesa Sanpaolo Research estimates

The company will also continue to develop the new Homizy project in the co-living Private Rented Sector.

Homizy development

On 31 May, the shareholders' meeting had approved: 1) the 1:10 split of the current 2,593,538 company's shares into 25,935,380 newly issued shares, which is effective as of 21 June; and 2) a stock grant plan dedicated to the executive directors and the executive with strategic responsibilities, together with a free capital increase serving the latter, for a maximum of EUR 5,100 (par value) and a maximum of 102,000 shares.

Approval of Shareholders' Meeting

Valuation

We update our DCF model, considering the flows (net of taxes) coming from the projects currently underway. We incorporate our periodical equity risk premium rate and risk free-rate revision, with a WACC of 7.2% (6.7% previously).

Abitare In - WACC calculation (%)

Gross debt rate	3.0
Tax rate	24.0
Net debt rate	2.3
Beta levered (x)	1.0
Gearing	30.9
Beta re-levered (x)	1.0
Risk-free rate	1.0
Equity risk premium	6.5
Cost of equity	7.8
WACC	7.2

Source: Intesa Sanpaolo Research estimates

We assume a LT flow from new projects at EUR 9.7M, which we consider as a 'standard' project, hypothetically equal to a project of approx. 13,000 sqm built area with 140 housing habits sold at EUR 3,800/sqm, vs. our previous EUR 8.2M. Note that we estimate an average flow of around EUR 27.2M in FY21-24E.

Abitare In – DCF Model

EUR M	2021E	2022E	2023E	2024E	LT
Maggiolina	5.1	0.0	0.0	0.0	0.0
Tacito	0.0	0.0	12.9	0.0	0.0
Somalia	0.0	12.8	0.0	0.0	0.0
Cadolini	0.0	7.8	35.7	0.0	0.0
Pogliaghi	0.0	4.3	2.8	0.0	0.0
Pecori	5.8	2.1	0.0	0.0	0.0
Savona	0.0	2.7	11.0	0.0	0.0
Porta Naviglio Grande	0.0	0.0	0.0	5.5	0.0
FCF	10.9	29.7	62.5	5.5	9.7
Discounted FCF	10.9	27.7	54.4	4.5	7.3
WACC (%)	7.2				
TV growth (%)	0.0				
Sum	97				
TV	102				
EV	199				
Net debt	26.1				
Equity	173				
Shares (M)	25.9				
Target price (EUR/share)	6.7				

Source: Intesa Sanpaolo Research estimates

After the recently-approved 1:10 stock split of 2,593,538 ordinary shares (no. par value) into 25,935,380 newly-issued ordinary shares, **we derive a target price of EUR 6.7/share** (from EUR 6.0/sh), at a premium of around 11% on current prices, implying an **ADD rating (from Buy)**. We ran a sensitivity analysis to consider possible scenarios in terms of flows contraction and projects deferral.

Abitare In – Sensitivity to flows contraction and projects deferral

EUR/share		Flows variation (%)						
		0	-2.5	-5.0	-7.5	-10.0	-12.5	-15.0
Projects deferral (years)	0	6.7	6.5	6.3	6.1	5.9	5.7	5.5
	1	6.4	6.2	6.1	5.9	5.7	5.5	5.3
	2	6.2	6.0	5.8	5.7	5.5	5.3	5.1

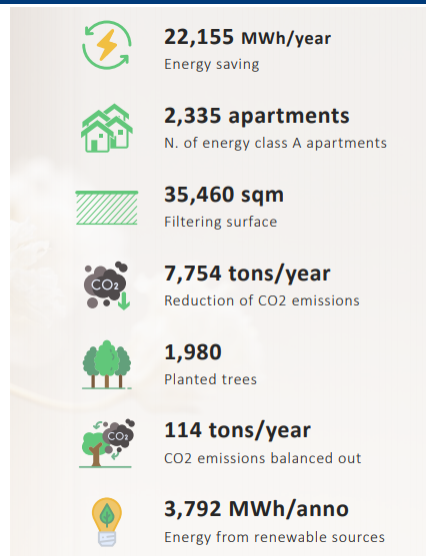
Source: Intesa Sanpaolo Research estimates

In case of a 5% contraction in flows from projects (due to an increase in building costs, reduction of selling prices, increase in financing costs, or a combination of these three items), it would imply a EUR 0.4/share erosion of our EUR 6.7/share TP (a 6% contraction). In case of a one-year delay in finalising the existing projects, we estimate a EUR 0.3/share erosion of our EUR 6.7/share TP (a 4.5% contraction).

ESG Corner

Abitare In carries out sustainable projects that involve the demolition of existing buildings, the conversion of the areas and the rebuilding of real estate complexes, with high social consensus and low environmental impact (e.g. high energy standards and green spaces), as outlined in the following picture.

Abitare In – Environmental bonus of the company's projects*



* based on current pipeline; Source: Company data

The Board of Directors is made up of six members. The Chairman and CEO is Luigi Francesco Gozzini, and the CEO is Marco Claudio Grillo. There are two female directors, while independent directors are three.

Abitare In adopted an organisational, management and control model pursuant to Legislative Decree no. 231/2001 (Model 231) and a Code of Ethics.

On 31 May, the shareholders' meeting had approved the 2021-2023 Stock Grant Plan. The shares will be granted in three annual tranches base on three components. In particular, under the terms of Component A (20% of the overall rights for assignment), the entitlement to stock grants is conditioned to: 1) the implementation and approval of ESG reporting for the 2021 financial year, and 2) improvements in the ESG performance in 2022 and 2023, with parameters to be chosen by the BoD following the preparation of the first Sustainability Report.

Sustainability of projects

Board of Directors

Model 231 and Code of Ethics

2021-2023 Stock Grant Plan

Abitare In – Key Data

Rating ADD	Target price (EUR/sh) Ord 6.7	Mkt price (EUR/sh) Ord 6.02	Sector Real Estate	
Values per share (EUR)	2018/19A	2019/20A	2020/21E	2021/22E
No. ordinary shares (M)	2.57	25.94	25.94	25.94
Total no. of shares (M)	2.57	25.94	25.94	25.94
Market cap (EUR M)	9.71	109.38	156.03	156.03
Adj. EPS	0.25	0.35	0.67	1.53
CFPS	2.7	0.38	0.69	1.6
BVPS	18.5	2.2	2.9	4.4
Dividend ord	0	0	0	0
Income statement (EUR M)	2018/19A	2019/20A	2020/21E	2021/22E
Revenues	44.57	73.08	124.2	183.1
EBITDA	11.38	8.85	28.01	59.75
EBIT	10.81	8.09	27.44	59.18
Pre-tax income	9.45	11.21	24.73	56.69
Net income	6.37	9.18	17.31	39.68
Adj. net income	6.37	9.18	17.31	39.68
Cash flow (EUR M)	2018/19A	2019/20A	2020/21E	2021/22E
Net income before minorities	6.4	9.2	17.3	39.7
Depreciation and provisions	0.6	0.8	0.6	0.6
Others/Uses of funds	0	0	0	0
Change in working capital	-28.4	-3.7	-42.0	-26.7
Operating cash flow	-21.5	6.2	-24.1	13.5
Capital expenditure	-1.0	-1.1	-0.5	-0.5
Financial investments	0	0	0	0
Acquisitions and disposals	0	0	0	0
Free cash flow	-22.5	5.2	-24.6	13.0
Dividends	0	0	0	0
Equity changes & Other non-operating items	-0.8	0.7	0	0
Net cash flow	-23.3	5.9	-24.6	13.0
Balance sheet (EUR M)	2018/19A	2019/20A	2020/21E	2021/22E
Net capital employed	79.4	84.5	126.4	153.0
of which associates	0	0	0	0
Net debt/-cash	32.0	26.1	50.7	37.7
Minorities	0	0	0	0
Net equity	47.5	58.3	75.7	115.3
Minorities value	0	0	0	0
Enterprise value	41.7	135.5	206.7	193.7
Stock market ratios (x)	2018/19A	2019/20A	2020/21E	2021/22E
Adj. P/E	15.4	11.9	9.0	3.9
P/CFPS	1.4	11.1	8.7	3.9
P/BVPS	0.20	1.9	2.1	1.4
Payout (%)	0	0	0	0
Dividend yield (% ord)	0	0	0	0
FCF yield (%)	-231.2	4.8	-15.8	8.3
EV/sales	0.94	1.9	1.7	1.1
EV/EBITDA	3.7	15.3	7.4	3.2
EV/EBIT	3.9	16.7	7.5	3.3
EV/CE	0.52	1.6	1.6	1.3
D/EBITDA	2.8	3.0	1.8	0.63
D/EBIT	3.0	3.2	1.8	0.64
Profitability & financial ratios (%)	2018/19A	2019/20A	2020/21E	2021/22E
EBITDA margin	25.5	12.1	22.6	32.6
EBIT margin	24.2	11.1	22.1	32.3
Tax rate	32.6	18.1	30.0	30.0
Net income margin	14.3	12.6	13.9	21.7
ROCE	13.6	9.6	21.7	38.7
ROE	14.4	17.4	25.8	41.6
Interest cover	-590.4	-1.6	38.9	121.1
Debt/equity ratio	67.4	44.8	67.0	32.7
Growth (%)		2019/20A	2020/21E	2021/22E
Sales		64.0	69.9	47.4
EBITDA		-22.2	NM	NM
EBIT		-25.1	NM	NM
Pre-tax income		18.6	NM	NM
Net income		44.0	88.5	NM
Adj. net income		44.0	88.5	NM

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

Abitare In S.p.A is an Italian real estate player which develops urban building projects in Milan reviving abandoned factories or industrial complexes. The company operates through SPV's, all of which are 100% owned by the holding Abitare In S.p.A. These vehicles are created with the precise objective of following a project from the planning stages to completion. Once the works are finished, the vehicles are closed and the dividends are distributed to the holding company.

Key data

Mkt price (EUR)	6.02	Free float (%)	NA
No. of shares	25.94	Major shr	GOZZINI L.
52Wk range (EUR)	6.14/3.90	(%)	NA
Reuters	ABIT.MI	Bloomberg	ABT IM
Performance (%)	Absolute	Rel. FTSE IT All Sh	
-1M	18.0	-1M	15.9
-3M	22.0	-3M	16.0
-12M	50.8	-12M	15.2

Key Risks

Company specific risks:

- Uncertainty of project success
- Medium-long term duration of the projects
- Setbacks during the construction phase
- Increase in production costs (e.g. raw materials)

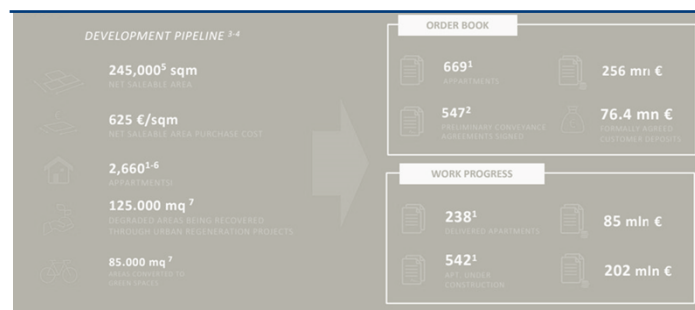
Sector generic risks:

- Increase in interest rate
- Weaker than expected demand
- Cyclicity

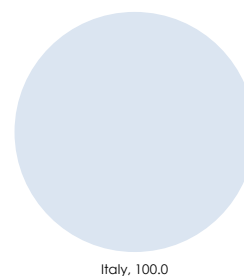
Estimates vs. consensus

EUR M (Y/E Sep)	2020A	2021E	2021C	2022E	2022C
Sales	73.08	124.2	NM	183.1	NM
EBITDA	8.85	28.01	NM	59.75	NM
EBIT	8.09	27.44	NM	59.18	NM
Pre-tax income	11.21	24.73	NA	56.69	NA
Net income	9.18	17.31	NM	39.68	NM
EPS	0.35	0.67	NM	1.53	NM

Pipeline as at 22 March 2021



Sales breakdown by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 22/06/2021)

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies have revenues ranging from EUR 50M-EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation below EUR 1Bn.

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<https://group.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

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Equity rating key: (long-term horizon: 12M)

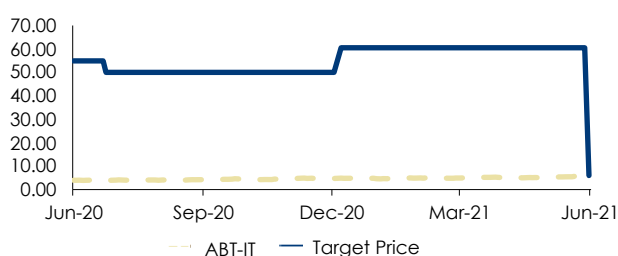
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
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NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
21-Jun-21	BUY	6.0	6.0
28-Dec-20	BUY	60.5	4.9
15-Jul-20	BUY	50.0	3.9

Note that the TP was revised on 21/6 following the stock split

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at 12 April 2021)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%) (*)	46	27	26	1	0
of which Intesa Sanpaolo's Clients (%) (**)	82	71	64	100	0

(*) Last rating refers to rating as at end of the previous quarter; (**) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

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Equity rating key (short-term horizon: 3M)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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- One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to Abitare In and its parent and group companies
- Intesa Sanpaolo acts as Corporate Broker relative to securities issued by Abitare In

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