

# CASA SOLD

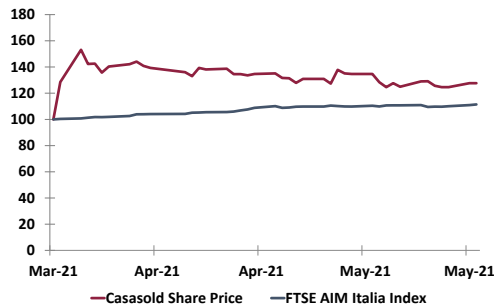
## Taking over hard-to-sell properties and value creation by a win-win proposition to owners and brokers

### OUTPERFORM

Current Share Price (€): 4.25

Target Price (€): 5.31

#### Casasold - Performance since IPO



Source: S&P Capital IQ - Note: 18/03/2021 (IPO offer price)=100

#### Company data

ISIN number	IT0005437113
Bloomberg code	CASA IM
Reuters code	CASA.IM
Industry	Real estate
Stock market	AIM Italia
Share Price (€)	4.25
Date of Price	19/05/2021
Shares Outstanding (m)	2.3
Market Cap (€m)	9.8
Market Float (%)	28.7%
Daily Volume	0
Avg Daily Volume YTD	31,022
Target Price (€)	5.31
Upside (%)	25%
Recommendation	OUTPERFORM

#### Share price performance

	1M	3M	1Y
Casasold - Absolute (%)	-6%	n.a.	n.a.
FTSE AIM Italia (%)	1%	15%	39%
1Y Range H/L (€)		5.10	3.96
YTD Change (€) / %		n.a.	n.a.

Source: S&P Capital IQ

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We initiate coverage of Casasold: **OUTPERFORM** rating, Target Price €5.31 per share.

Casasold provides management of the sale process of dated and "hard-to-sell" apartments, enhancing value through full renovation services without acquiring the ownership. The key value of Casasold's proposition is the market-gap filling of inefficiencies along the supply chain through a mutual collaboration with real estate brokers. The Company takes over the entire property refurbishment, which for the homeowner can be stressful, time-consuming and may demand specific expertise. Founded in 2019, Casasold to date operates in Verona, Vicenza and Trento and plans to reach a substantial coverage in Northern Italy.

**Ready to catch the potential of idle and dated apartments on sale.** A large part of Italian residential real estate properties was built more than 50 years ago and many require to be adapted to the current market needs. Besides, the Company's offer also targets bequeathed second homes which are frequently dated, unused and require refurbishment works.

**Maximization of property value and quick monetization for homeowners.** Property owners face time and knowledge constraints in renovating a poor condition apartment, increasing time to market. Casasold renovation projects lead value appreciation, increasing market appeal.

**"Win win" collaboration with real estate brokers.** Casasold value proposal is especially appealing for brokers, since through this collaboration they enhance chances to sell some of the most dated and unmarketable properties on their listings. They also earn higher fees from higher values. A "win-win" situation for real estate brokers and the Company.

**Easy break-even, limited investments.** Differently from *instant buyers* and most *real estate developers*, which operate with high capital requirements, the acquisition of the property is not embodied in Casasold's business model, which requires limited investments and is expected to be debt-free thanks to the lower break-even point compared to other real estate businesses.

#### Target Price €5.31 per share, OUTPERFORM recommendation

Casasold is an early-stage company whose value expectations depend on the ability to continue expansion across Italy through the success of its captivating offer.

The application of our DCF valuation model yields a share price of €5.31, 25% upside on the current price of €4.25 and +59% on the IPO price of €3.33. As a consequence, we assign an OUTPERFORM recommendation on the stock.

#### Key financials and estimates

€m	2020A	2021E	2022E	2023E	2024E
Revenues	1.4	3.0	4.2	5.5	7.6
YoY %	n.a.	122.0%	38.2%	31.4%	37.5%
EBITDA	0.3	0.9	1.2	1.5	2.0
Margin	23.6%	29.5%	27.5%	26.4%	26.4%
EBIT	0.3	0.9	1.1	1.4	1.9
Margin	21.7%	28.5%	26.7%	25.8%	25.6%
Net Income (Loss)	0.2	0.6	0.8	1.0	1.4
Net (Debt) Cash	(0.1)	2.9	3.7	4.4	5.5
Equity	0.5	3.8	4.6	5.6	7.0

Source: Company data 2020A, EnVent Research 2021-24E

## 1. INVESTMENT CASE

Helping homeowners to avoid stressful commitments, save time and make money, by renovating and selling their dated properties in their behalf

### Company

Casasold S.p.A. (Casasold), established in 2019, brings in the Italian residential real estate market a renovation and sale service which adds value to the property and facilitates the sale process. The selling proposition is to enhance the property value by increasing its placement on the market through redesign and renovation. The Company leverages on the burden that potential acquirers may face in refurbishing old apartments, directly managing the renovation and the consequent sale on behalf of the customers, without acquiring the property. The Company offer is aimed at homeowners who desire to sell their property, but encounter difficulties because of the poor conditions making it hardly marketable.

#### Key figures (2020)

- Revenues €1.4m
- Employees 5
- 17 transactions completed

Casasold is qualified as innovative SME, a status which may allow tax incentives for investors and is also eligible as a target for investments under the PIR scheme.

### Revenue drivers

The key value of Casasold's service for its customers is the takeover of the property renovation and sale process quickly, which needs time and industry-specific knowledge that the homeowner might lack.

Revenues are driven by the selection of dated and hard to sell properties which require homeowners to invest in renovation and time to present a more appealing property. Also, the Company to seek non-performing property on sale operates through agreements with local RE brokerage agencies and through a proprietary software platform which relies on database and analytic tools.

### Drivers

#### Industry drivers

**Italian RE market needs refurbishment.** According to the Italian National Institute of Statistics (ISTAT), in Italy more than 50% of the residential buildings were built before 1970 and 12% before 1918, so the market potential development is huge.

**Tax credits and incentives.** For buildings renovation, especially for the adaptation to environmental-friendly regulations, homeowners may be entitled to certain tax benefits.

**Dynamic second home market in Italy.** The Italian second home market is among the largest in Europe. Figures in 2019 show 5.5 million of second homes, which represent 17.2% of the total stock (Source: Real Estate Report, 2020, The residential sector. OMI.).

**Italian's preference is to buy rather than rent.** As of 2018 in Italy, according to ISTAT, around 80% of real estate is occupied by the homeowners, while only 20% prefer living on rent.

### Company drivers

**Service capability, outsourcing of a strenuous time-consuming activity.** It is well-known that selling real estate properties for private homeowners can be extremely hard and long-lasting. It requires the involvement and coordination of several actors (such as brokerage agencies, notaries, many possible buyers, plus renovation and maintenance service providers) and it can be tiresome if the property needs to be renovated.

Casasold provides a full-service capability, handling the most of these activities and helping homeowners to save time and money.

**Commitment-free renovation process for homeowners.** The renovation of their properties by homeowners is an activity which requires, in addition to capital, knowledge and time to follow up the whole process. Casasold provides the entire property renovation process (which includes suppliers selection, project planning and control, etc.) by its own expense, delivering the new apartment directly to the market, without commitment by the homeowners.

**"Win-win" teaming with real estate brokers.** A hard and long-lasting sale of real estate properties is an issue also for RE brokers. The value-added by the Casasold's full-service capability benefits also brokers activity, since they enhance the chances to sell some of the most dated and unmarketable properties on their listings and they also earn a fee as much higher as frequency of deals signaling. A "win-win" situation for RE brokers and the Company.

**Seeking price maximization for the property.** The property is renovated and eventually parceled out in order to optimize its value in the target market that otherwise would never be obtained by the homeowner.

**Balance-sheet light business model compared to Instant Buyers and other real estate renovating companies.** Instant Buyers (IBuyers) or traditional real estate developers operate with high capital requirements since they usually acquire the properties and subsequently make refurbishment works. Therefore, most of the times, the main outflow is represented by the acquisition price. The acquisition of the property is not embodied in Casasold's business model, hence, considering an equal number of deals, Casasold's model requires less capital.

**Ride the wave of PropTech real estate trend.** The Company has developed a software platform capable of giving to customers a quick and preliminary valuation of their apartments thanks to the use of real estate database and analytics. Besides, the platform allows to obtain economies of scale, costs and personnel efficiency through the centralization of many activities, such as the management of the work-in-progress construction sites.

**Home staging cuts short sale time.** The Company's marketing activity reaches its peak through home staging. It means arranging furniture and decor with the intent to showcase a home for sale, making it appealing to the highest number of potential buyers. According to the National Association of Home Staging professionals, through home staging the property average sale time drops to 48 days, while the percentage of properties sold following a home staging intervention is 90% (Source: Italian Association Home Staging Lovers and Italian Association Home Staging Professional).

## Challenges

**Real estate market conditions are cyclical.** The industry is heavily affected by macroeconomic variables and general economic conditions, such as changes in interest rates, inflation trends, tax legislation and market liquidity. Following the outbreak of Covid-19 pandemic, high uncertainty has impacted the market, consumer spending has decreased and lockdown restrictions jeopardize the economy. The real estate industry is highly exposed to these fast-changing market dynamics.

**Picking the right deal.** Maintaining the deal flow so that the current ROI is achieved can become increasingly tough due to typical economic forces which bring profitability back to the mean, especially when hunting deals in new cities.

**Apartment gain after refurbishment works may lower.** The Company's business model relies on the price increase the property will gain after the renovation. In order to make profit, the price increase should stay above the renovation cost. According to Scenari Immobiliari, an Italian independent real estate research firm, the average Italian surplus value is 38% (Source: Second report on building renovation, 2018. Scenari Immobiliari). In the future, the spread between the surplus value and the renovation cost may become thinner.

**Low/medium barriers to entry.** As testified by the many individuals which operate as "house flippers" (house flipping is a term used to describe purchasing a property and quickly reselling or "flipping") barriers to entry are low and the competitive playground is quite fragmented and heterogeneous. Casasold's aim is to differentiate compared to other players offering a full-proposition service.

**Tax incentive plans might expire or become less effective.** In Italy, house renovation and energy efficiency expenses have been entitled for several years to tax incentives applied to work carried out by apartment owners and tenants. The Italian government has been consistently incentivizing property owners to spend money on home improvements such as thermal insulation and solar power, with the aim of supporting the construction and renovation industry activity. The so called superbbonuses - up to 110% tax rebates - were introduced in 2020 to help recovery from economy slowdowns. However, criticism has arisen for the excess cost of these incentives in the long term for the internal revenue balance. The incentives are foreseen to last up to 2022, afterwards they could be reduced or expire.




## 2. PROFILE

### Quick monetization of dated apartments

Casasold, founded in 2019 by former management of Comprocase24, a real estate re-seller, operates in the real estate industry providing full-service management of the renovation and sale process of dated and “hard to sell” apartments, without acquiring the ownership. The Company operates through agreements with local real estate brokerage agencies to seek non-performing property on sale and through a proprietary software platform which relies on database and analytic tool to spot new business opportunities, make efficient and centralized internal processes, performing property valuation. Casasold provides also marketing activity to speed up the sale, such as home staging and professional photos.

Currently operations are mainly in the cities of Verona, Vicenza and Trento.

#### Key milestones

<b>2015</b>	<ul style="list-style-type: none"> <li>Comprocase24, a real estate re-seller, was founded</li> <li>Operations started in the Verona area</li> </ul>	
<b>Q3 2019</b>	<ul style="list-style-type: none"> <li>Incorporation of Casasold</li> <li>Development of the software platform</li> </ul>	
<b>4Q 2019</b>	<ul style="list-style-type: none"> <li>Start of operations in Trento and Vicenza</li> </ul>	
<b>March 2021</b>	<ul style="list-style-type: none"> <li>Listing on AIM Italia, €2.7m IPO proceeds</li> </ul>	

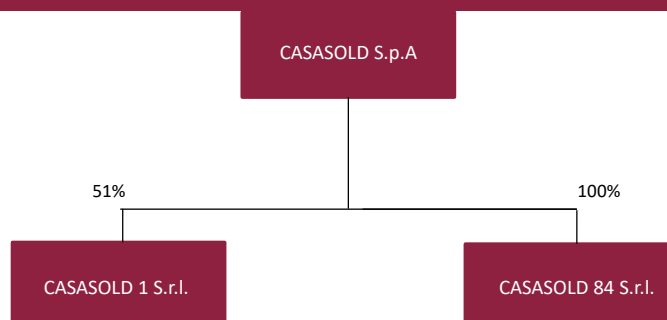
Source: Company data

#### Key people

Name and Role	Background
<b>Omero Narducci</b> <b>Co-founder and Chairman</b>	<ul style="list-style-type: none"> <li>2013 – 2017: CEO and CFO of Mobyt</li> <li>2013 – to date: Chairman and CEO of AMM</li> <li>2019 – to date: Co-founder and Chairman of Casasold</li> </ul>
<b>Stefano Dallago</b> <b>Co-founder and CEO</b>	<ul style="list-style-type: none"> <li>2014 – 2016: Head of marketing of Mobyt</li> <li>2015 – to date: Founder and CEO of Comprocase24</li> <li>2019 – to date: Co-founder and CEO of Casasold</li> </ul>

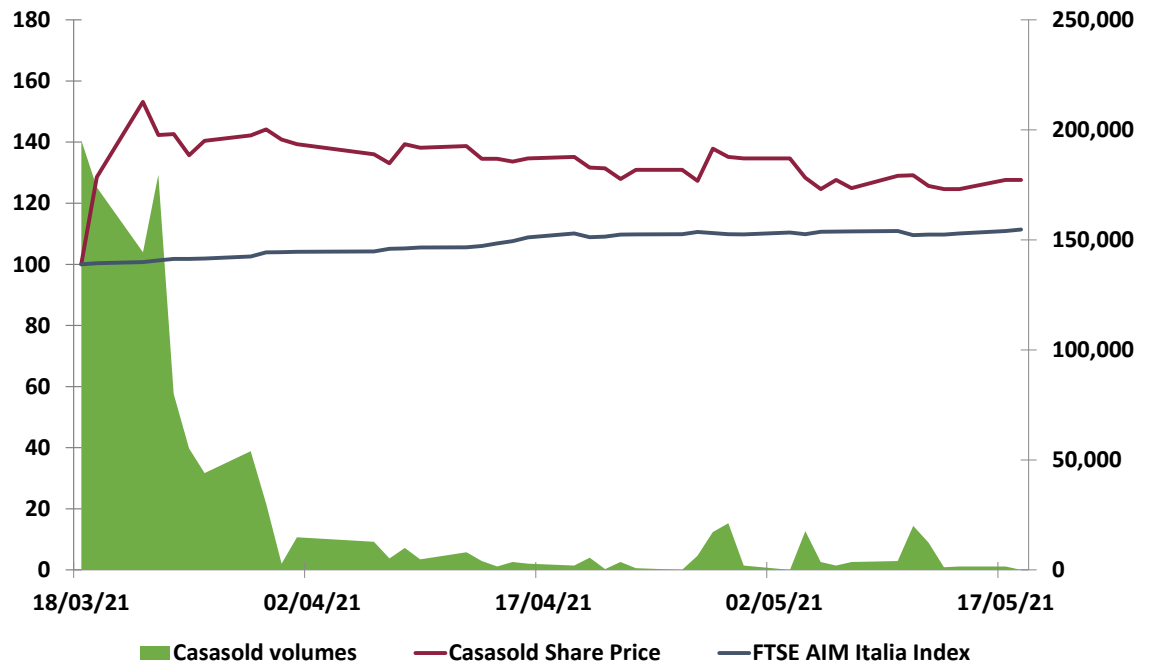
Source: Company data

#### Group structure



Source: Company data

**Share price performance (base 100, left) and volumes (right) since IPO**



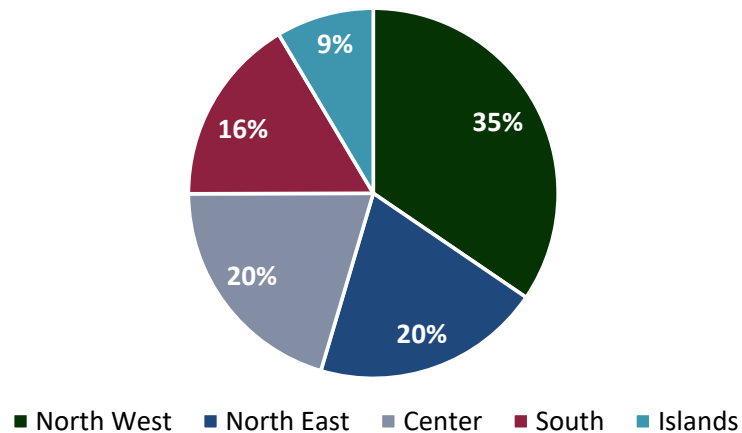
Source: S&P Capital IQ, update 19/05/21

### 3. MARKET TRENDS AND OUTLOOK

#### The Italian real estate market

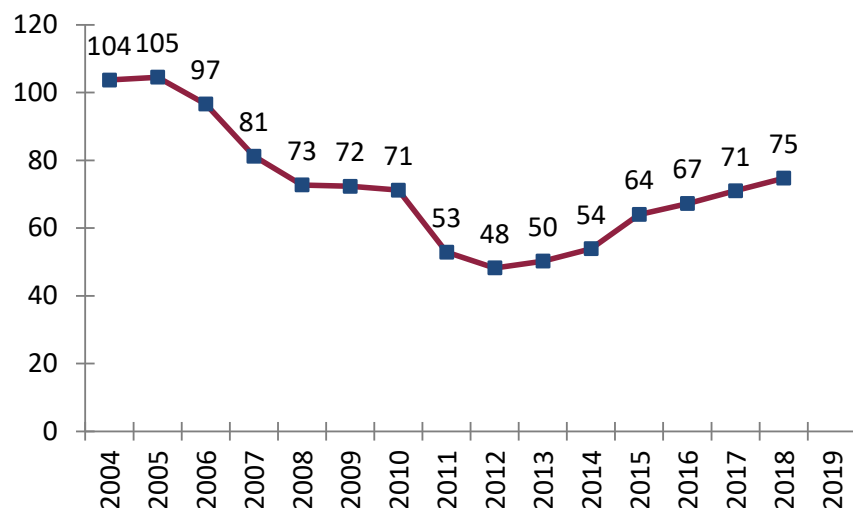
According to a report from the Italian revenue agency, in 2019 the number of transactions in the Italian residential real estate market totaled 603k, up by 4.3% compared to 2018. The number of transactions is experiencing an upward trend from 2014, with a peak in 2016 and then growing steadily at around 5% CAGR. The northern areas, which represent more than half of the national market, see the highest growth rate of NTN YoY (North East +5.4%, North West +5.1%).

#### Number of transactions in Italy by geography, 2019



Source: Real Estate Report, 2020, The residential sector. OMI.

#### Index of the number of transactions in Italy, 2004-2019 (base 100)



Source: Real Estate Report, 2020, The residential sector. OMI.

In 2019, the turnover generated by residential real estate transactions increased by 3.5% compared to previous year, reaching €97.5bn. North West and North East represent respectively 37.0% and 19.6% of the total amount.

**Estimated turnover of real estate transactions, 2019**

Area	Estimated Turnover (€bn)	Share of turnover by area	Change in turnover 2018/19 (%)
Nort West	36.1	37.0%	5.0%
North East	19.6	20.1%	5.4%
Center	23.9	24.5%	0.9%
South	12	12.3%	2.2%
Islands	5.9	6.1%	1.9%
<b>Italy</b>	<b>97.5</b>	<b>100.00%</b>	<b>3.50%</b>

Source: Real Estate Report, 2020, The residential sector. OMI.

**Building renovation and maintenance sector**

According to the National Association of building constructors, the Italian building maintenance and renovation sector has seen a sharp increase with the number of investments in extraordinary maintenance doubling from 2007 to 2016. Investments in the construction sector have been estimated at €130bn. The investment in the residential segment totals €64.9bn, of which €47.4bn in extraordinary maintenance.

**Investments into real estate buildings, 2017-2020**

	FY2019 (€m)	2017 Variation (%)	2018 number of investments	2019*	2020*
<b>Constructions</b>	<b>129,853 €</b>	<b>1.0%</b>	<b>1.7%</b>	<b>2.3%</b>	<b>1.7%</b>
Dwellings	64,940 €	1.8%	1.5%	1.9%	1.8%
- new ones	17,545 €	7.7%	4.5%	5.4%	2.5%
- Extraordinary maintenance	47,395 €	0.0%	0.5%	0.7%	1.5%
- non residential	64,914 €	0.1%	1.9%	2.6%	1.7%
- private	41,831 €	4.2%	4.9%	2.5%	0.4%
- public	23,083 €	-6.0%	-3.2%	2.9%	4.0%

Source: Real Estate Observatory, 2020. ANCE

**Renovation and maintenance costs**

According to a study from Scenari Immobiliari, in 2018 the average price of a house to be renovated stood at €109k, up by 9% YoY, whereas the purchase price for a standard house was €144k. The average cost of maintenance to renovate an apartment of 60sqm is estimated to be around €30k. The net gain obtained by the acquisition, renovation and sale of an average apartment of 60sqm fluctuates between 1.6% and 10.4% depending on the city.

**Top 10 Italian cities by average renovation costs, 2018**

City	Cost of an apartment in standard condition	Cost of dated apartment (€)	Change (%)	Average renovation	Cost of dated apartment + renovation expenses	Surplus Value (%)
1 ROME	419,000	342,000	-18.4%	37,500	379,500 €	10.4
4 MILAN	308,000	246,000	-20.1%	36,500	282,500 €	9.0
6 VENICE	302,000	248,000	-17.9%	33,000	281,000 €	7.5
3 FLORENCE	276,000	219,000	-20.7%	33,000	252,000 €	9.5
5 BOLOGNA	233,000	184,000	-21.0%	31,500	215,500 €	8.1
9 TURIN	203,000	160,000	-21.2%	32,000	192,000 €	5.7
2 NAPLES	202,000	155,000	-23.3%	29,000	184,000 €	9.8
8 BRESCIA	191,000	149,000	-22.0%	31,500	180,500 €	5.8
7 BERGAMO	171,000	131,000	-23.4%	30,500	161,500 €	5.9
10 MANTOVA	111,000	74,000	-33.3%	31,000	105,000 €	5.7

Source: Second report on building renovation, 2018. Scenari Immobiliari

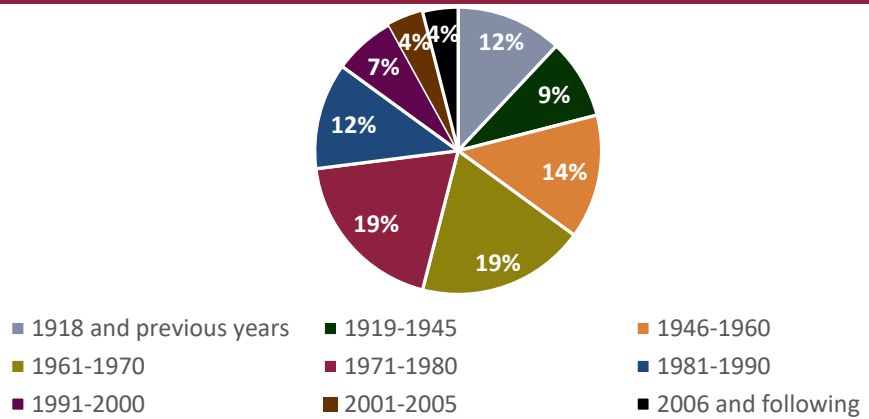


### Market drivers

The residential real estate market is considered highly cyclical. Factors, such as employment growth, per capita income, demographics, regulation, interest rate and market turmoil affect real estate market. Considering the Italian market, the upward trend in the building maintenance and renovation sector is mainly attributable to the high percentage of old buildings compared to the residential real estate existing stock. According to ISTAT, in Italy more than 50% of the residential buildings were built before 1970 and 12% before 1918.

One of the direct market drivers is the tax credit and fiscal stimulus for buildings renovation (especially related to adaptation to anti-seismic and environment-friendly regulations).

**Year of construction of Italian residential buildings (% on total real estate)**



Source: ISTAT

### Covid-19 outbreak impact

The Covid-19 pandemic has caused a significant disruption in the overall economy. During the first quarter of 2020, the number of transactions experienced a sharp decline, down by 15.5% YoY. The declining trend pursued in the second quarter of 2020 with a more severe decrease of 27.2%. One of the major effects of the lockdown were the restrictions on the construction activities in March and April imposed by the Italian Government. Indeed, during the first quarter of 2020, according to ISTAT Production Index, building constructions recorded a decrease of 10.5%, compared to the same quarter in 2019.

## 4. BUSINESS MODEL AND STRATEGY

### **Hassle-free service to maximize profit from non-performing properties on sale**

Casasold's selling proposition for dated, hard to sell and overpriced apartments is to provide full-service management of the renovation and sale property, without acquiring the ownership. Compared to other real estate players such as instant buyers or real estate developers, Casasold does not acquire the real estate, but provides renovation and sales services to the owner. The Company offers a faster alternative way to sell targeted properties by improving the apartment desirability through renovation and redesign of spaces leading to sell the apartment at a defined price with the seller. The homeowner can benefit from Casasold by a faster deal execution and not incurring into renovation costs. The underlying assumption is that the sale of outdated properties by homeowners who would sell by the do-it-yourself approach through real estate brokers fails in most cases to signing the deal at the desired price, which is most of the time overpriced.

### **Value Chain**

#### **Scouting for potential deal through Casasold software**

The Company policy is to do business in cities populated by a moderate number of residents, in which profitability margins and transaction activity are potentially high. The approach to a new city begins from their proprietary software which tracks potential non-performing apartments on sale, through collection of data (such as website ads) providing a shortlist of properties. Once a targeted deal has been identified, Casasold sales team approaches the local brokerage firm proposing a joint deal. Meanwhile, local real estate renovation companies are hired to speed up the property upgrade.

#### **Property valuation and offer**

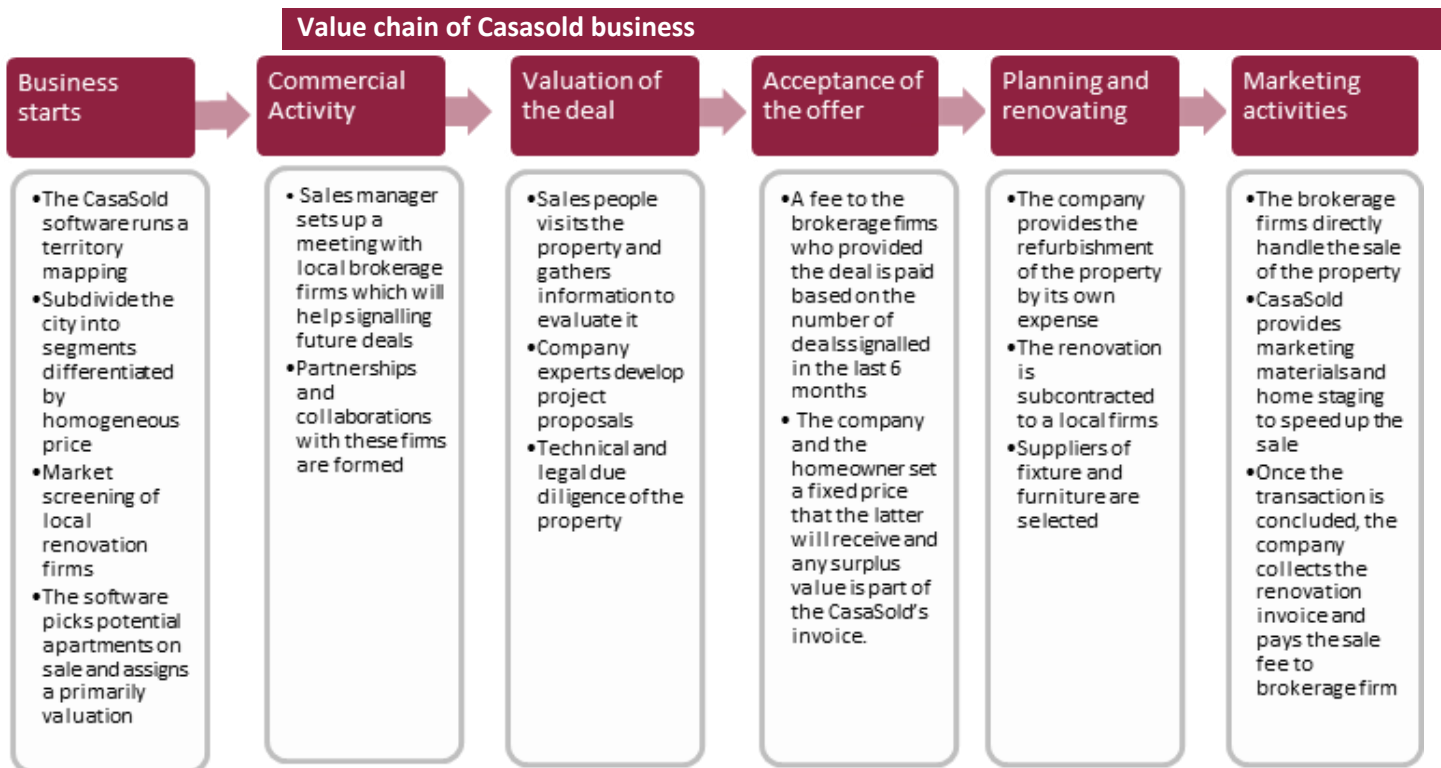
The software works as apartments screening and shortlists the most valuable deals by assessing a preliminary valuation. The sales team makes inspection of the properties and gathers further information (such as neighboring area) to come with a more complete assessment and valuation. Technical and legal due diligences are carried forward and once the property is selected, an internal team of experts develops project proposals. At the time of signing the contract, Casasold pays a fee to the brokerage firm (i.e. deal provider) based on the number of deals signaled in the last 6 months.

#### **Renovation**

The ownership of the property is not acquired by Casasold. Instead, the Company provides the refurbishment of the property by its own expense. Fixtures are directly purchased to get economies of scale and maintaining the control on the renovation project cost and on the quality of materials.

## Marketing

The brokerage firms directly handle the sale of the property. Casasold also provides marketing materials and home staging to speed up the sale.



Source: EnVent Research on Company data

### PropTech as one of the main operating drivers

The Company operations rely on a proprietary software platform which collects raw data from various sources (ads, recent transactions, websites etc.) feeding an internal database. After processing data of a targeted city and area, the software platform provides a shortlist of potential target properties delivering a preliminary valuation of their apartments through market data analysis.

Besides, the platform is also used for internal management reporting and allows to obtain economies of scale, cost and personnel efficiency through the centralization and digitalization of administrative activities.

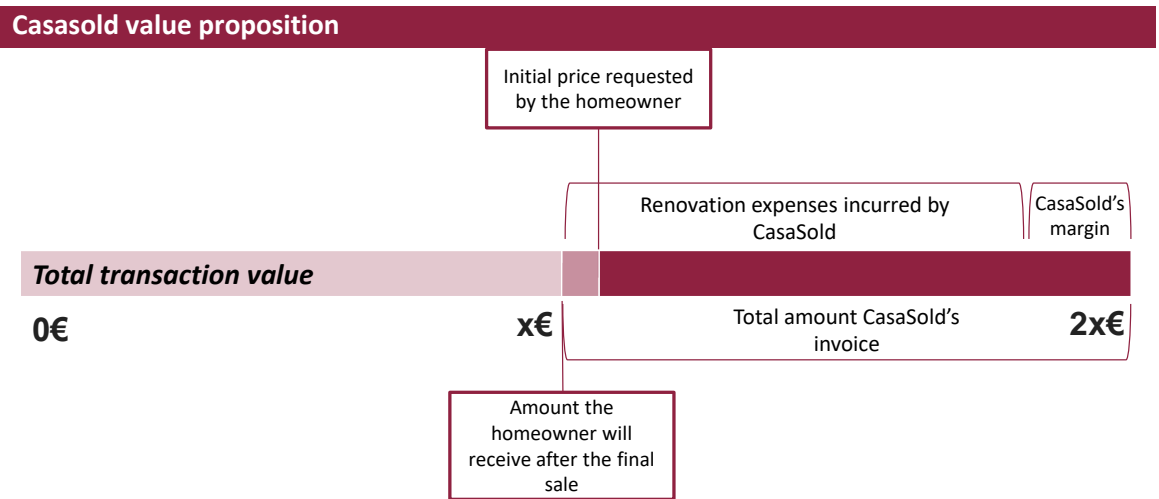
### Customers (homeowners) and contractual obligations

The typical target customer is a homeowner who inherited an apartment which is dated or in a poor repair status. In such cases, these apartments can hardly be sold, while homeowners are overwhelmed by ongoing expenses (e.g. condominium fees, various taxes). Both the homeowner and the potential acquirer may lack the experience and knowledge to renovate the property, which is often seen as a tedious time-commitment activity.

At the time of signing the contract, Casasold and the homeowner set a fixed price that the latter will receive after the final sale and any surplus value is part of the Casasold's invoice. If for any reason the apartment remains unsold for more than one year, the final sale price is lowered

and the Company's margin gets eroded, while the price the homeowner will receive stays fixed. On top of that, the customer has the right to obtain a tax credit that comes from the renovation, given that certain conditions are met.

The homeowner may accept a fair discount to increase its selling chances



Source: EnVent Research on Company data

### Vertical integration

Preceding the signing of the contract between Casasold and the homeowner, an assessment of the renovation in terms of time and money required is carried on by local renovation firms who will subsequently be also subcontracted to deliver the renovation works. Therefore, Casasold does not provide renovation services directly, but mostly completes the development of the projects internally and operates merely as a management service provider. Casasold directly purchases fixtures (such as doors, coverings, floors, windows) alternatively online or by local suppliers, to gain economies of scale maintaining high quality standards.

### Collaboration with local brokerage firms

Casasold aims to build a commercial network with local brokerage firms, which are expected to signal future deals thanks to their listing, available data and knowledge of the area. These local firms provide specific details regarding the territory and the properties that the software platform cannot process, e.g. if the apartment is close to a noisy area. The brokerage firms are incentivized by a 2-layer fee structure paid by Casasold: the firm which suggested the property receives a fee ("Initial fee") when Casasold signs the contract based on the number of deals provided in 6 months; after the final sale, Casasold pays another fee ("Sale fee") which is based on Casasold's renovation invoice.

### Strategy and action plan for business expansion: focus on mid-market residential areas

Casasold's strategy plan is to expand its activity in Northern Italy. The target cities are populated by a significant number of dwellers and a bustling residential real estate market. However, the Company avoids big city centers (such as Milan or Rome) because there is an excessively feverish market and aims to enter into mid-size cities with non-performing properties on sale

and high potential. According to management, every expert hired would be capable of handling 40 transactions per year.

**Investment for the PropTech features – Software as deal generator**

In line with PropTech features of Casasold's business model, management plans to invest into IT and software development, which is considered as their true core deal generator. The objective is to enhance software platform capabilities which are expected to play an increasingly prominent role in the day-to-day activities.

## 5. COMPETITION

### Highly fragmented industry

The residential real estate industry has changed in the last decade adapting to the needs of new urban customers who need less room and more responsiveness from RE agencies to finalize the negotiations. This has seen the entrance of new players within the sector which used to be populated mainly by real estate brokers.

#### Instant Buyers

In the last years, companies such as IBuyers RE operators, whose proposition is to purchase at discount unsold apartments quickly and to resell it afterwards, made their success. The IBuyer selling proposition is buying a property at a discount price, renovate it and selling it for a guaranteed price. Often, IBuyer business model embodies a PropTech component (Property Technology) which uses online data and digital technology to simplify and speed up the management of the property and the transaction.

IBuyers' key features are: short time to market and quickness to conclude the deal, high capital requirements, liquid target market. Among IBuyers, business models may differentiate, some of them include a refurbishment component, large purchase discount price or property management characteristics which gain increasing popularity. As confirmed by the "instant" companies' business models, fast-paced transactions have become the rule.

According to their selling proposition, Instant Buyers may represent a competitor to Casasold.

Other players within the residential real estate industry are:

**Local players (individuals and firms)** – The Italian real estate market is populated by many local, family-run real estate firms and private individuals who operate as "house flippers". These operators may represent a direct local competition for Casasold.

**Real Estate Brokers** – Firms which negotiate sales agreements and manage the documentation required for closing real estate transactions. Among a plethora of small local firms and other local networks, there are large domestic and international networks in the Italian playground such as: Tecnocasa, Toscano, Professionecasa, ReMax, etc. RE brokers represent potential partners for Casasold.

In this environment Casasold's, which has a hybrid profile, does not suffer the presence of direct pure players.

### Competitors' profile

**Casavo** - Italian real estate firm founded in 2016 which operates as Instant Buyer in residential real estate. It provides an online platform and technology-driven processes which shorten the transaction time.

The company received 3 rounds of funding totaling €41m and issued debt for ca. €5m.

Locations: Milan, Rome, Turin, Florence, Bologna and Verona.

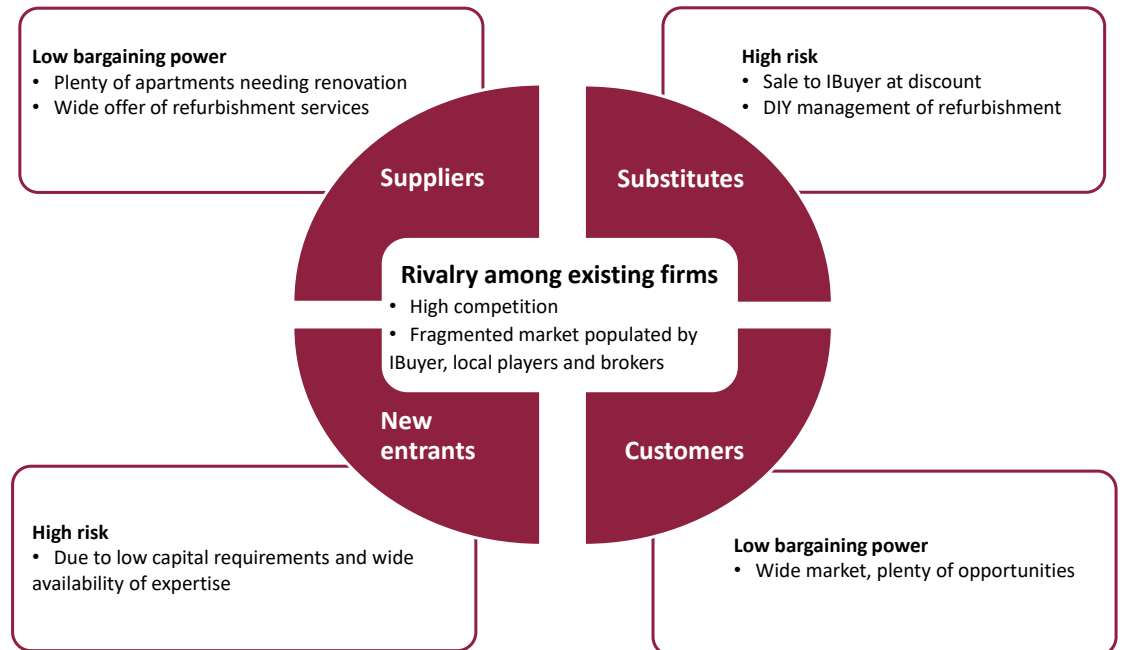
Number of Employees: 33 – Revenues: €13.9m (2019).

#### Major IBuyer in Italy

**Renovation service provider**

**Facile Ristrutturare** – Italian real estate renovation service company headquartered in Rome with a nationwide network with 128 employees and €54.8m revenues (2018). They provide full renovation services to commercial and residential properties with custom-made solutions. Its services may be considered an alternative to Casasold proposal.

**Competition drivers and forces**



Source: EnVent Research

## 6. MARKET METRICS

### Selection of comparable listed companies

#### Selection criteria

The key factors for the selection of comparable industry players would be:

- real estate renovation and selling services providers
- business model service provider-based
- consistency of business model and financial performance

#### No listed pure players

Issues to consider:

- Industry players whose characteristics match the business mix and business model key factors are not public companies
- Casasold is at an early stage and has not recorded an historical financial performance

### Real estate developers and property management as a suitable benchmark

In view of the lack of listed comparable companies, we have included as a wider scope, real estate developers and property management companies, to build a panel which helps to understand the key market metrics for the industry (2019 pre-Covid available data).

#### Heterogeneous companies with same industry logics

The panel is composed by real estate developers of non-prime areas such as Abitare In. We also added property managers for their service provider-based business model in the real estate sector.

Apart from significant differences among the selected listed companies, as per size, stage of maturity, core business and business model, we believe that they share certain characteristics:

- subject to the same industry logics
- renovation-driven businesses
- service provider-based business models for property management companies

### Profiles

#### Real Estate residential developers

**Traumhaus:** Real estate residential developer based in Germany.

Revenues: €86m

HQ: Germany

**Abbey (Delisting 2021):** Engaged in the building and property development, plant hire, and property rental activities in the Republic of Ireland, the United Kingdom, and the Czech Republic.

Revenues: €182m

HQ: Ireland

**Cairn Homes:** Operates as a homebuilder in Ireland. The company develops and sells residential properties. It is also involved in the rental of properties.

Revenues: €323m

HQ: Ireland



**Glenveagh Properties:** A homebuilder, builds and sells houses and apartments for the private buyers and local authorities in the Greater Dublin Area, Ireland. It also designs, develops, and delivers residential solutions to institutional investors, social and affordable landlords, government entities, and strategic landowners, and provides property rental services.

Revenues: €276m

HQ: Ireland

**Abitare In:** Developer of residential buildings and apartments in Milan.

Revenues: €45m

HQ: Italy

**Renta Corporación Real Estate:** Engaged in the acquisition, refurbishment, and sale of real estate properties in the cities of Barcelona and Madrid. The company's property portfolio comprises residential buildings, offices, and parking spaces, as well as commercial premises and hotels.

Revenues: €85m

HQ: Spain

**Neinor Homes:** Developer of real estate properties in Spain. The company operates through Legacy, Development, and Assets Management-Servicing segments.

Revenues: €443m

HQ: Spain

**Aedas Homes:** Engaged in the residential property development business in Spain.

Revenues: €368m

HQ: Spain

**Springfield Properties:** Engaged in the house building business in the United Kingdom. The company operates through two markets, Private Housing and Affordable. It is also involved in hiring plants and machineries, property development, buys and sells real estate and residential property, and management services.

Revenues: €213m

HQ: UK

**Taylor Wimpey:** Residential developer in the United Kingdom and Spain. The company builds various homes, such as one- and two-bedroom apartments to six-bedroom detached houses.

Revenues: €4.8bn

HQ: UK

**The Berkeley Group:** Engaged in the residential-led and mixed-use property development activities in the United Kingdom.

Revenues: €3.2bn

HQ: UK

**Vistry Group:** The company offers two-bed to four and five-bed family homes. It owns a land bank of 40,135 plots.

Revenues: €1.2bn

HQ: UK

**Crest Nicholson Holdings:** It develops and sells apartments, houses, regeneration schemes, and garden villages, as well as commercial properties. The company serves first-time buyers, families, and investors.

Revenues: €1.2bn

HQ: UK

### Property Managers

**CleanBnB:** Italian full-service property manager which offers services to property owners who want to rent them for short periods. The company's services include online management of the property profile, management of guest requests, management of rates and collections.

Revenues: €3.2m

HQ: Italy

**Mears Group:** Provider of a range of outsourced services to the public and private sectors in the United Kingdom. The company offers rapid maintenance services to local authorities and registered social landlords, including responsive repairs; gas services and repair solutions; maintenance and repairs, capital works, energy investment, and regeneration solutions for public buildings; grounds maintenance services; and asset management services. It also provides housing management services, which include supply of affordable homes to public and private sectors

Revenues: €1bn

HQ: UK

### Market multiples

Company	EV/Revenues				EV/EBITDA				EV/EBIT				P/E			
	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E	2019	2020	2021E	2022E
<b>Real estate residential developers</b>																
Traumhaus	1.4x	1.4x	1.1x	1.0x	16.3x	14.3x	10.0x	8.3x	18.6x	17.0x	11.3x	9.2x	22.9x	16.9x	12.4x	10.2x
Cairn Homes	2.5x	3.7x	2.7x	1.8x	15.7x	39.4x	22.8x	12.7x	15.7x	39.7x	23.1x	12.7x	19.0x	63.1x	28.1x	13.6x
Glenveagh Properties	2.5x	n.m.	1.8x	1.3x	22.3x	n.m.	23.3x	11.2x	23.2x	n.m.	23.6x	11.4x	33.3x	n.m.	32.3x	14.5x
Abitare In	3.2x	3.7x	1.3x	n.a.	12.7x	18.9x	5.7x	n.a.	13.4x	19.8x	5.9x	n.a.	17.6x	14.5x	8.1x	n.a.
Renta Corporación Real Estate	2.1x	3.0x	1.3x	1.2x	9.7x	-24.2x	21.9x	8.2x	9.8x	-23.0x	26.3x	8.2x	5.9x	-7.6x	4.2x	2.7x
Neinor Homes	2.1x	1.6x	1.4x	1.3x	10.2x	8.9x	7.9x	7.1x	10.4x	9.1x	7.9x	7.2x	13.3x	11.8x	8.8x	9.2x
Aedas Homes	3.8x	4.1x	1.8x	1.5x	22.1x	39.2x	9.9x	8.6x	22.2x	39.6x	10.3x	8.8x	32.6x	78.5x	14.7x	11.9x
Springfield Properties	0.9x	1.4x	1.0x	0.8x	9.2x	19.4x	9.7x	7.7x	10.1x	n.a.	11.0x	8.6x	11.1x	n.a.	12.0x	9.3x
Taylor Wimpey	1.3x	2.2x	1.4x	1.3x	6.9x	16.2x	7.6x	6.7x	6.9x	16.4x	7.6x	6.8x	9.4x	30.9x	10.6x	9.5x
The Berkeley Group Holdings	1.8x	2.5x	2.4x	2.3x	6.8x	10.3x	9.7x	9.8x	6.8x	10.4x	9.8x	9.8x	9.9x	14.1x	13.8x	13.2x
Vistry Group	1.5x	1.6x	1.2x	1.1x	9.0x	21.6x	8.3x	7.2x	9.1x	24.3x	8.8x	7.6x	14.5x	38.8x	11.1x	9.6x
Crest Nicholson Holdings	1.0x	1.5x	1.2x	1.1x	7.9x	16.5x	9.7x	7.5x	8.0x	17.8x	10.1x	7.7x	13.7x	-107.2x	16.0x	11.8x
<b>Average</b>	<b>2.0x</b>	<b>2.4x</b>	<b>1.5x</b>	<b>1.3x</b>	<b>12.4x</b>	<b>16.4x</b>	<b>12.2x</b>	<b>8.6x</b>	<b>12.9x</b>	<b>17.1x</b>	<b>13.0x</b>	<b>8.9x</b>	<b>16.9x</b>	<b>15.4x</b>	<b>14.3x</b>	<b>10.5x</b>
<b>Median</b>	<b>1.9x</b>	<b>2.2x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>10.0x</b>	<b>16.5x</b>	<b>9.7x</b>	<b>8.2x</b>	<b>10.2x</b>	<b>17.4x</b>	<b>10.2x</b>	<b>8.6x</b>	<b>14.1x</b>	<b>15.7x</b>	<b>12.2x</b>	<b>10.2x</b>
<b>Property managers</b>																
CleanBnB	3.0x	1.2x	0.6x	0.4x	neg.	neg.	neg.	3.7x	neg.	neg.	neg.	5.1x	neg.	neg.	neg.	9.1x
Mears Group	0.7x	0.6x	0.5x	0.5x	12.5x	6.6x	4.5x	4.3x	18.0x	39.1x	12.1x	11.4x	n.a.	77.0x	5.2x	4.8x

Source: S&P Capital IQ, May 2021

## 7. FINANCIAL PROJECTIONS

### Easy break-even, small and flexible investments, cash generation

Relevant factors:

- Casasold is an early-stage company in a nearly unexplored market which shows a huge potential
- Revenues are driven by the selection of dated and hard to sell properties which require capital to invest in renovation and time to present a more appealing property
- Households and RE brokers' experience, based on the return achieved in a short period of time, will contribute to organic expansion
- Organization, cost structure and financial profile are typical of a startup/early-stage company with a just beginning operating history. The initial investment would be limited, as proven by actual running operations, and costs are easily adjustable to revenues trend
- Break-even is foreseen in the short/mid-term according to our model
- 22 apartments sold as of December 2020
- 30 apartments pipeline as of February 16, 2021

### Sizing the market opportunity

We recall that, transactions in the Italian Residential Real Estate market are estimated over 600k. On top of that, trend for building maintenance and renovation sector is on a rise given that, according to ISTAT, 50% of the residential buildings were built before 1970 and 12% before 1918. This combined effect results in sustained demand of construction and renovation services for houses that are held for sale.

### 2020 results

FY20 revenues were €1.4m, with EBITDA of €0.3m. Net income of €0.2m. Net debt as of December 2020 was €0.1m, with Equity of €0.5m. Number of apartments sold in 2020 was 22.

### Consolidated Profit and Loss

€m	H1 2020	2020
Revenues	0.6	1.3
Other revenue	0.0	0.1
<b>Total revenue</b>	<b>0.6</b>	<b>1.4</b>
YoY %	-	-
Raw materials	(0.4)	(0.2)
Services	0.0	(0.8)
Personnel	(0.0)	(0.1)
Other costs	(0.0)	(0.0)
Change in Inventory	(0.0)	0.1
<b>Operating costs</b>	<b>(0.5)</b>	<b>(1.0)</b>
<b>EBITDA</b>	<b>0.2</b>	<b>0.3</b>
Margin	28%	25%
D&A	(0.0)	(0.0)
<b>EBIT</b>	<b>0.2</b>	<b>0.3</b>
Margin	25%	23%
Interest	(0.0)	(0.0)
<b>EBT</b>	<b>0.2</b>	<b>0.3</b>
Margin	25%	23%
Income taxes	(0.0)	(0.1)
<b>Net Income (Loss)</b>	<b>0.1</b>	<b>0.2</b>
Margin	18%	17%

Source: Company data, 2020

### Consolidated Balance Sheet

€m	H1 2020	2020
Receivables	0.3	0.2
Inventory	0.3	0.4
Payables and advances from customers	(0.2)	(0.3)
Trade Working Capital	0.3	0.2
Other assets (liabilities)	0.0	0.1
<b>Net Working Capital</b>	<b>0.4</b>	<b>0.3</b>
Intangible assets	0.1	0.3
Fixed assets	0.0	0.0
Financial assets	0.0	0.0
<b>Non-current assets</b>	<b>0.2</b>	<b>0.3</b>
<b>Provisions</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Net Invested Capital</b>	<b>0.5</b>	<b>0.6</b>
Bank Debt	0.0	0.1
Other financial debt	0.6	0.1
Cash and cash equivalents	(0.2)	(0.1)
<b>Net Debt (Cash)</b>	<b>0.4</b>	<b>0.1</b>
<b>Equity</b>	<b>0.1</b>	<b>0.5</b>
<b>Sources</b>	<b>0.5</b>	<b>0.6</b>

Source: Company data, 2020

### Our estimates

We have run our 2021-24E projections considering the Company's early stage, recent performance and high market potential.

**Growth trend based on current positioning**

**Market metrics for revenues construction**

Our revenue model construction is based on a top-down approach considering historic revenue generation based on portfolio value creation as of December 2020 (number of contracts successfully signed). According to Company’s data, we projected deals generation based on a market penetration rate calculated as average of number of Casasold deals per city as of December 2020 over number of total real estate market transactions in the same cities in 2019 (source: OMI – Agenzia delle entrate). Then, based on the historical number of transactions per both present and additional cities, we have made projections consistent with the Casasold track record to date. Since the current penetration in the active cities is related to an already established presence, we considered a start-up effect for each additional city, a maturity period to generate deals at capacity.

**Detailed metrics and assumptions**

**Metrics**

Metric	Assumptions	Source
Target penetration rate per new city	0.1% to 0.2% average on market total	Analysis of Casasold’s average deals in portfolio over total number of transactions per city according to OMI – “Agenzia delle entrate”
Time to target per city	3.5 years	In line with historical Casasold’s management presence in the current active cities

Source: EnVent Research

**Assumptions**

Revenues	CAGR 2020-24E: 53%
Operating costs	<ul style="list-style-type: none"> <li>Direct cost on revenues: 2021-24E 62% of revenues according to historical data</li> <li>Sales &amp; Marketing: 2021E 3% of revenues; 2022E 4%; 2023-24E 5%</li> <li>Personnel: 2021E €0.1m; 2022-24E €0.2m</li> <li>G&amp;A: 2021-22E €0.1m; 2023E: €0.2m; 2024E: €0.3m</li> </ul>
Income taxes	<ul style="list-style-type: none"> <li>Corporate tax (IRES): 24%</li> <li>Regional tax (IRAP): 3.90%</li> </ul>
Working Capital	<ul style="list-style-type: none"> <li>DPO: 30</li> <li>DIO: 2021E 134; 2022E 106; 2023E 115; 2024E 114.</li> <li>Other A/L: 3% of revenues</li> </ul>
Capex	<ul style="list-style-type: none"> <li>2021-22E €0.02m per year mainly for R&amp;D and IT platform development; 2023-24E €0.1m</li> </ul>
Equity	<ul style="list-style-type: none"> <li>No assumptions on dividend distribution</li> </ul>

Source: EnVent Research

## Consolidated projections

### Consolidated Profit and Loss

€m	2020	2021E	2022E	2023E	2024E
<b>Revenues</b>	<b>1.4</b>	<b>3.0</b>	<b>4.2</b>	<b>5.5</b>	<b>7.6</b>
YoY %	112%	122%	38%	31%	38%
Direct costs	(0.9)	(1.9)	(2.6)	(3.4)	(4.7)
<b>Gross Margin</b>	<b>0.4</b>	<b>1.2</b>	<b>1.6</b>	<b>2.1</b>	<b>2.9</b>
Margin	32%	38%	38%	38%	38%
Personnel	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Sales and Marketing	(0.0)	(0.1)	(0.2)	(0.3)	(0.3)
G&A	(0.0)	(0.1)	(0.1)	(0.2)	(0.3)
<b>Operating costs</b>	<b>(1.0)</b>	<b>(2.1)</b>	<b>(3.0)</b>	<b>(4.0)</b>	<b>(5.6)</b>
<b>EBITDA</b>	<b>0.3</b>	<b>0.9</b>	<b>1.2</b>	<b>1.5</b>	<b>2.0</b>
Margin	24%	29%	28%	26%	26%
D&A	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
<b>EBIT</b>	<b>0.3</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>1.9</b>
Margin	22%	29%	27%	26%	26%
<b>EBT</b>	<b>0.3</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>1.9</b>
Margin	22%	29%	27%	26%	26%
Income taxes	(0.1)	(0.2)	(0.3)	(0.4)	(0.5)
<b>Net Income (Loss)</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.4</b>
Margin	16%	21%	19%	19%	18%

Source: Company data 2020, EnVent Research 2021-24E

### Consolidated Balance Sheet

€m	2020	2021E	2022E	2023E	2024E
Receivables	0.2	0.0	0.0	0.0	0.0
Inventory	0.4	0.7	0.8	1.1	1.5
Payables and advances from customers	(0.3)	(0.2)	(0.3)	(0.3)	(0.5)
Trade Working Capital	0.2	0.5	0.5	0.7	1.0
Other assets (liabilities)	0.1	0.1	0.1	0.2	0.2
<b>Net Working Capital</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>0.9</b>	<b>1.2</b>
Intangible assets	0.3	0.3	0.3	0.3	0.4
Fixed assets	0.0	0.0	0.0	0.0	0.0
<b>Non-current assets</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>
<b>Provisions</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Net Invested Capital</b>	<b>0.6</b>	<b>0.9</b>	<b>0.9</b>	<b>1.2</b>	<b>1.6</b>
<b>Net Debt (Cash)</b>	<b>0.1</b>	<b>(2.9)</b>	<b>(3.7)</b>	<b>(4.4)</b>	<b>(5.5)</b>
<b>Equity</b>	<b>0.5</b>	<b>3.8</b>	<b>4.6</b>	<b>5.6</b>	<b>7.0</b>
<b>Sources</b>	<b>0.6</b>	<b>0.9</b>	<b>0.9</b>	<b>1.2</b>	<b>1.6</b>

Source: Company data 2020, EnVent Research 2021-24E

### Consolidated Cash Flow

€m	2021E	2022E	2023E	2024E
<b>EBIT</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>1.9</b>
Current taxes	(0.2)	(0.3)	(0.4)	(0.5)
D&A	0.0	0.0	0.0	0.1
Provisions	0.0	0.0	0.0	0.0
<b>Cash flow from P&amp;L operations</b>	<b>0.7</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>
Trade Working Capital	(0.3)	0.0	(0.2)	(0.3)
Capex	(0.0)	(0.0)	(0.1)	(0.1)
Other assets and liabilities	0.0	(0.0)	(0.0)	(0.1)
<b>Cash flow after capex and working capital</b>	<b>0.4</b>	<b>0.8</b>	<b>0.7</b>	<b>1.1</b>
Paid-in capital	2.7	0.0	0.0	0.0
<b>Net cash flow</b>	<b>3.0</b>	<b>0.8</b>	<b>0.7</b>	<b>1.1</b>
Net (Debt) Cash - Beginning	(0.1)	2.9	3.7	4.4
Net (Debt) Cash - End	2.9	3.7	4.4	5.5
<b>Change in Net (Debt) Cash</b>	<b>3.0</b>	<b>0.8</b>	<b>0.7</b>	<b>1.1</b>

Source: EnVent Research 2021-24E

### Ratio analysis

KPIs	2020	2021E	2022E	2023E	2024E
ROE	41%	16%	17%	18%	20%
ROS (EBIT/Revenues)	22%	29%	27%	26%	26%
ROIC (NOPAT/Invested Capital)	36%	71%	91%	84%	90%
DIO	134	106	115	114	110
DPO	115	30	30	30	30
TWC/Revenues	13%	17%	12%	13%	13%
NWC/Revenues	23%	20%	15%	16%	16%
Net Debt / EBITDA	0.4x	-4.7x	-4.6x	-4.3x	-3.9x
Net Debt / Equity	0.2x	-0.8x	-0.8x	-0.8x	-0.8x
Net Debt / (Net Debt+Equity)	0.1x	-3.4x	-4.2x	-3.7x	-3.5x
Cash flow from operations / EBITDA	75%	74%	73%	73%	73%
FCF / EBITDA	37%	40%	69%	48%	53%

Source: Company data 2020, EnVent Research 2021-24E

## 8. VALUATION

### Key valuation topics, value drivers and metrics

Key valuation topics:

- Early-stage company in a nearly unexplored market with huge potential
- Continuity of RE brokers relationships base that gives visibility to potential revenues
- Organization, cost structure and financial profile typical of the early-stage status

The competitive profile of Casasold is that of an early-stage company bringing in the Italian residential real estate market a renovation and sale service, which adds value to the property and facilitates the sale process.

The value expectations of Casasold rely on its capability to select non-performing properties on sale with a potential market value and sell it on behalf of the property owner once is renovated. Even if the competitive area is highly populated by small to medium RE brokers, the number of dated properties on sale in Italy and the lack of dedicated services leave wide room for growth.

Summary value drivers:

- A market gap to fill
- Revenue model made of variable costs, with no working capital investment
- Room for fast geographical coverage

### Valuation metrics

#### Discounted Cash Flows

We have applied the DCF model to our projections with the following assumptions:

- Risk free rate: 1.5% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, May 2021)
- Market return: 12.6% (3Y average. Source: Bloomberg, May 2021)
- Market risk premium: 11.1%
- Beta: 1.0 (judgmentally given the low Company capital requirements for its business)
- Cost of equity: 12.6%
- Cost of debt: 4%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 10.7%, according to above data
- Perpetual growth rate after explicit projections: 2.5% based on Company growth stage
- Terminal Value assumes an EBIT margin of 25%



### DCF Valuation

€m	2020	2021E	2022E	2023E	2024E	Perpetuity
<b>Revenues</b>	<b>1.4</b>	<b>3.0</b>	<b>4.2</b>	<b>5.5</b>	<b>7.6</b>	<b>7.8</b>
<b>EBITDA</b>	<b>0.3</b>	<b>0.9</b>	<b>1.2</b>	<b>1.5</b>	<b>2.0</b>	<b>1.9</b>
<i>Margin</i>	24%	29%	28%	26%	26%	25%
<b>EBIT</b>	<b>0.3</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>1.9</b>	<b>1.8</b>
<i>Margin</i>	22%	29%	27%	26%	26%	24%
Taxes	(0.1)	(0.2)	(0.3)	(0.4)	(0.5)	(0.5)
<b>NOPAT</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.4</b>	<b>1.3</b>
D&A	0.0	0.0	0.0	0.0	0.1	0.1
Provisions	(0.0)	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from operations</b>	<b>0.2</b>	<b>0.7</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>	<b>1.4</b>
Trade Working Capital	0.2	(0.3)	0.0	(0.2)	(0.3)	(0.4)
Capex	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)
Other assets and liabilities	(0.1)	0.0	(0.0)	(0.0)	(0.1)	(0.1)
<b>Unlevered free cash flow</b>	<b>0.1</b>	<b>0.4</b>	<b>0.8</b>	<b>0.7</b>	<b>1.1</b>	<b>0.9</b>
WACC	10.7%					
Long-term growth (G)	2.5%					
<b>Discounted Cash Flows</b>		<b>0.3</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	
Sum of Discounted Cash Flows	<b>2.2</b>					
<b>Terminal Value</b>						<b>11.2</b>
Discounted TV	<b>7.5</b>					
<b>Enterprise Value</b>	<b>9.6</b>					
Net debt as of 31/12/20	<b>(0.1)</b>					
IPO Proceeds	2.7					
<b>Equity Value</b>	<b>12.2</b>					
<b>DCF - Implied multiples</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>	
EV/Revenues	7.1x	3.2x	2.3x	1.8x	1.3x	
EV/EBITDA	29.9x	10.8x	8.4x	6.6x	4.8x	
EV/EBIT	32.5x	11.1x	8.6x	6.8x	5.0x	
P/E	44.6x	15.5x	11.9x	9.4x	6.9x	

Source: EnVent Research

We have not relied on market multiples for the excess of subjectivity that would have been involved, given the low comparability with companies investing in properties, with erratic performances and multiples typical of the industry traditional players.

### Target Price

The application of our DCF valuation model yields a share price of €5.31, 25% upside on the current price of €4.25 and +59% on the IPO price of €3.33. As a consequence, we assign an OUTPERFORM recommendation on the stock.

Please refer to important disclosures at the end of this report.

<b>Casasold Price per Share</b>	<b>€</b>
<b>Target Price</b>	5.31
Current Share Price (19/05/2021)	4.25
<b>Premium (Discount)</b>	<b>25%</b>

Source: EnVent Research

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#### **DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE**

##### **Casasold**

Date	Recommendation	Target Price (€)	Share Price (€)
19/05/2021	OUTPERFORM	5.31	4.25

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