

HOMEBUILDERS

Moura Dubeux

A unique compounding story

We are revising our estimates for Moura Dubeux after the recent follow-on and a stronger ramp-up of its low-income brand (Ún1ca). In our view, the MCMV market in the Northeast offers a sizable growth opportunity, as its fragmented and underpenetrated nature leaves room for consolidation in an industry where scale is typically rewarded. Overall, MDNE remains a differentiated vehicle within the homebuilding universe as the region's undisputed leader with a diversified launch pipeline skewed toward less capital-intensive models, resulting in structurally higher ROEs. We are raising our YE26 TP to BRL 42/share (+45% upside) and placing the company among our preferred names in the segment. We forecast an 21% earnings CAGR for 2025–2028, with an average 25% ROE over the same period.

Untapped market with meaningful growth potential. The Northeast region accounts for 27% of the Brazilian housing deficit, while 90% of the population are eligible for the MCMV program. Conversely, the market is mostly composed of developers with limited scale, which opens room for consolidation. Execution risks should also be mitigated, as it will enter the MCMV market through the JV with Direcional (50/50), benefiting from the latter's know-how (construction, transfers with CEF, and credit analysis) and from its own relationship with landowners to scale the operations. We expect the JV to launch BRL 1bn in YE26 and BRL 3.0bn in YE27, which could grow even further given the size of the total addressable market (launches are currently targeted only on MCMV Tier 3).

Diversified exposure and stronger capital base to foster future growth.

The condominium division will remain the bulk of future launches, where it managed to significantly scale size (79% 2022–2025 launch CAGR), while supporting higher profitability (ROE of ~30%). The mid-income brand “Mood” has also been growing nicely despite the challenging macro backdrop, leaving it well positioned to benefit from the ongoing easing cycle (Central Bank already delivered a 25bps cut on March 18). The upcoming changes to the MCMV program should also benefit Mood, as the expected BRL 600k price ceiling should cover ~70% of the subsidiary future launches. With a stronger capital structure (~6% YE26 net debt/equity leverage), we believe that MDNE is well-positioned to target a ~BRL 5.0bn annual launch run rate, supported by diversified exposure that provides greater flexibility in prioritizing projects depending on macro conditions.

Despite a stellar LTM performance, valuation is still attractive.

While MDNE has been one of the sector's top performers over the LTM (+158% vs. homebuilders' and IBOV's 36% and 34% gains, respectively), we believe the good momentum should continue as the company delivers robust earnings growth while reaping the benefits of higher stock liquidity (BRL 42mn avg. ADTV post-offer vs. 2025 ~BRL 23mn). Despite the stock outperformance, we still forecast an appealing 5.1x YE26 P/E, implying a 0.4 PEG ratio when considering its projected 2026–2028 EPS CAGR (vs. peers' ~0.50 avg).

Mind the risks. We highlight: (i) execution risks tied to larger, more complex projects and the ramp-up of Ún1ca and Mood; (ii) higher-than-expected construction inflation stemming from the higher oil prices and potential end of the six-day work week; and (iii) higher for longer interest rates, pressuring homebuyers affordability

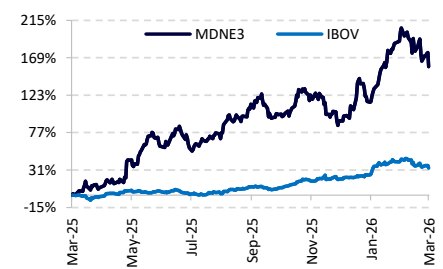
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MDNE3	
Rating	Outperform
Current price	BRL 28.93
Target price	BRL 42.00
Upside potential	45%

Multiples	26E	27E	28E
P/E	5.1x	4.7x	4.0x
P/BV	1.5x	1.1x	0.9x
ROE	28.5%	22.4%	22.8%

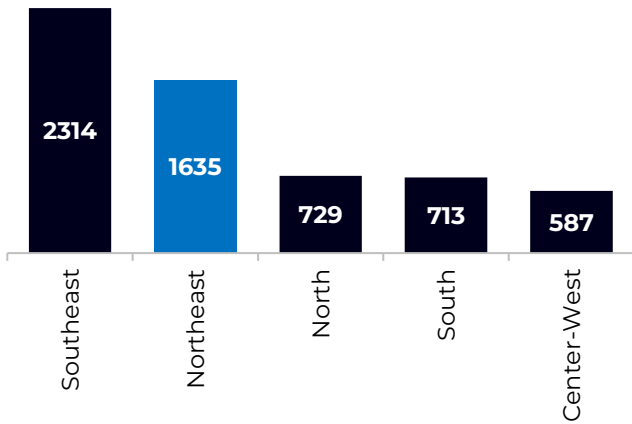
Market data	
Market cap.	BRL 3,015mn
52 week low-high	BRL 14 / 34
ADTV (3m)	BRL 42mn
Shares outstanding	104mn
Free float	70%
LTM performance	110.09%
YTD performance	5.39%

MDNE3 vs. Ibovespa


Source: Bloomberg and Safr.

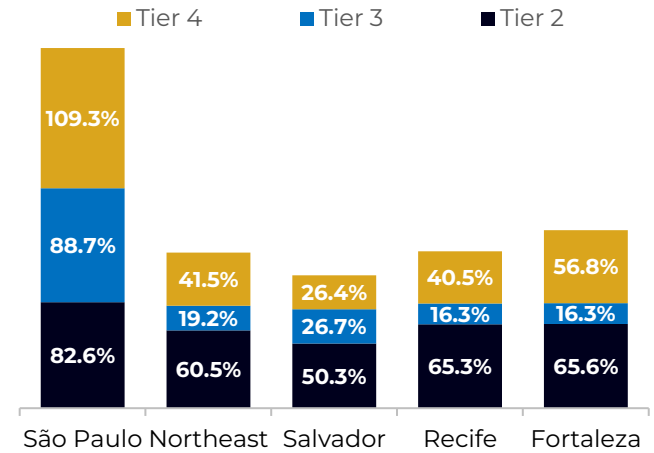
Investment summary

Figure 1. Elevated housing deficit (mn of households) in the Northeast to sustain strong demand...



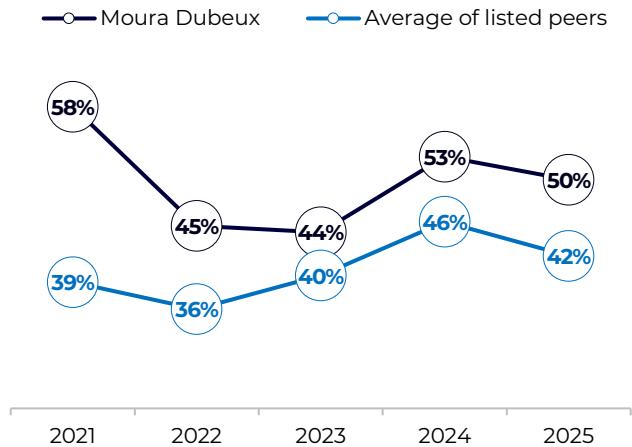
Source: IBGE and Safrá.

Figure 2. ... while Northeastern capitals show the largest unmet demand, mostly in tier 3, Unlca's target group (supply vs. demand).



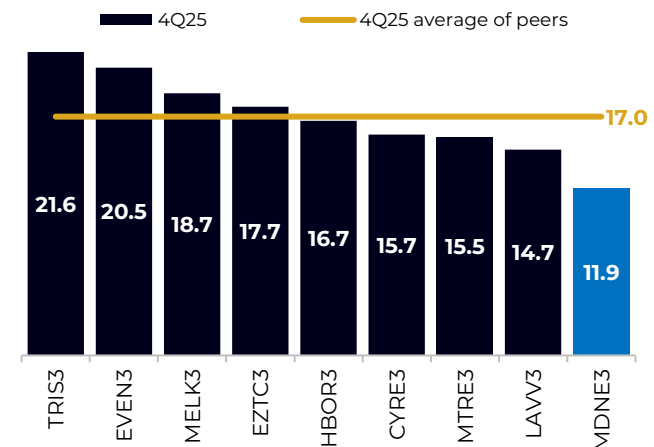
Source: Brain and Safrá.

Figure 3. Stellar sales speeds in recent quarters...



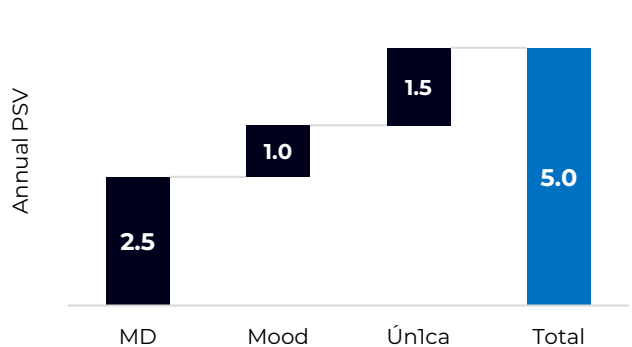
Source: Companies and Safrá.

Figure 4. ... has secured the lowest inventory levels among mid/high-income peers.



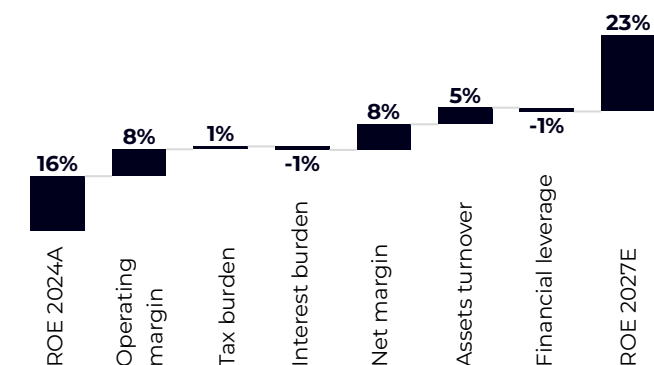
Source: Companies and Safrá.

Figure 5. A stabilized launch pipeline anchored on less-capital intensive models coupled with the company's entry in the low-income segment...



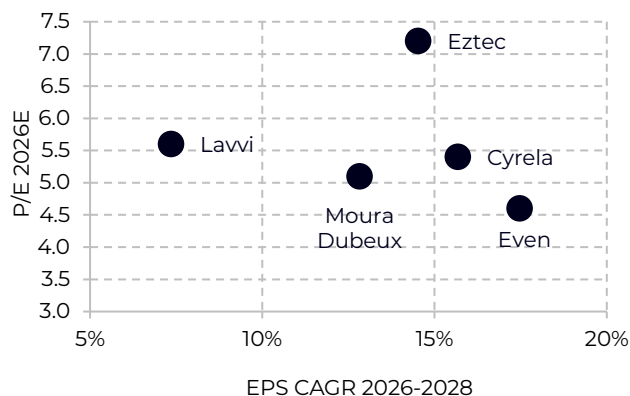
Source: Company and Safrá.

Figure 6. ... should lead to structurally higher ROEs.



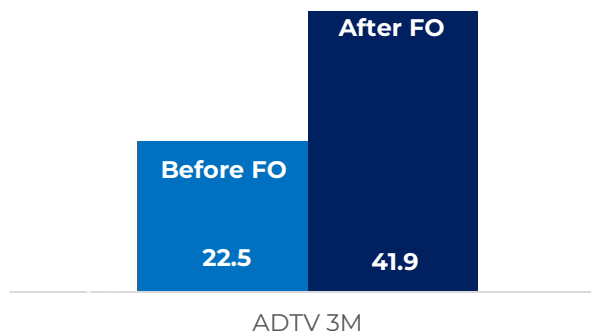
Source: Safrá.

Figure 7. We forecast an appealing 5.1x 2026 P/E valuation, which implies an 0.4 PEG ratio (assuming 13% 2026-2028 EPS CAGR)...



Source: Safta.

Figure 8. ... also supported by a higher ADTV post follow-on.



Source: Bloomberg and Safta.

Valuation and forecasts

We estimate a total equity value of BRL 4.4bn (R\$42.0/share) for Moura Dubeux. Our valuation is based on the sum of: (i) our estimate for the company's discounted NAV of BRL 1.4bn (R\$13.9/share); and (ii) our estimated NPV of its future cash flows, of BRL 2.9bn (R\$28.1/share), for which we assume an average NPV margin of 12.9% and a discount rate (WACC) of 16.3%. At our target price, we see Moura Dubeux trading at an implied 6.9x P/E 2027E.

Figure 9. Valuation breakdown

Valuation	Sum-Of-Parts	Equity (BRL mn)	BRL/share
(a)	NPV receivables	1369	13.2
(b)	NPV inventory	1993	19.2
(c)	Landbank and other	-1753	-16.9
(d)	Net cash (debt)	-166	-1.6
	Current NAV	1443	13.9
(e)	NPV new launches	4779	46.1
(f)	NPV holding (G&A + CAPE)	-1867	-18.0
	Future NPV	2912	28.1
Total	Equity value / target price	4355	42.0

Source: Safta.

Figure 10. Breakdown of weighted-average cost of capital

Weighted Average Cost of Capital (WACC)			
Cost of equity assumptions		Cost of debt assumptions	
10y US bond - US\$	4.10%	Cost of debt (BRL)	10.5%
Brazil risk	2.40%	Effective tax rate	15.0%
Brazil country risk - 10y	6.50%	Cost of debt after tax	9.0%
Forex (BRL/US\$)	2.00%	Capital structure	
10y Brazil risk - BRL	8.50%	Equity	80%
Equity risk premium	5.80%	Debt	20%
Beta	1.66	WACC	16.3%
Cost of equity (Ke)	18.1%	Perpetual growth (g)	3.0%

Figure 11. Valuation sensitivity analysis – stabilized launches vs. NPV margin

NPV margin of launches	Stabilized launches (100%) - 2026						
	4,500	5,000	5,500	6,000	6,500	7,000	7,500
9.9%	22.4	25.4	28.3	31.3	34.2	37.1	40.1
10.9%	25.1	28.4	31.6	34.8	38.1	41.3	44.6
11.9%	27.8	31.3	34.9	38.4	42.0	45.5	49.1
12.9%	30.5	34.3	38.2	42.0	45.9	49.7	53.5
13.9%	33.2	37.3	41.5	45.6	49.7	53.9	58.0
14.9%	35.9	40.3	44.7	49.2	53.6	58.1	62.5
15.9%	38.6	43.3	48.0	52.8	57.5	62.2	67.0

Source: Safta.

Figure 12. Valuation sensitivity analysis – WACC vs. perpetual growth

Perpetual Growth (g)	WACC						
	17.8%	17.3%	16.8%	16.3%	15.8%	15.3%	14.8%
1.5%	38.0	39.0	40.0	41.1	42.2	43.4	44.7
2.0%	38.2	39.2	40.3	41.4	42.5	43.8	45.1
2.5%	38.5	39.5	40.5	41.7	42.9	44.2	45.6
3.0%	38.7	39.7	40.8	42.0	43.3	44.6	46.0
3.5%	39.0	40.0	41.2	42.4	43.7	45.1	46.6
4.0%	39.2	40.3	41.5	42.8	44.1	45.6	47.1
4.5%	39.5	40.7	41.9	43.2	44.6	46.1	47.8

Model changes. We are factoring in the recent follow-on (BRL 483mn), with its use of proceeds used to (i) acquire aluminum forms (to ramp up Ún1ca); (ii) strengthen cash position to ramp-up its launches; and (iii) strengthen working capital and land plot acquisitions. Meanwhile, we are raising our 2026 and 2027 launch estimates, which should reach BRL 4.8bn (+11%) and BRL 4.9bn (+16%), respectively. As for net sales, we are slightly increasing our YE26 and YE27 estimates by 2% and 7%, respectively. Accordingly, we are increasing our YE26 net revenue estimate by 7%. Consequently, we are lifting our bottom-line forecasts by 19% and 11%, to R\$584mn in 2026 and R\$634mn in 2027, respectively, translating into a solid 25% average ROE. In 2027 we expect launches to converge to BRL2.5bn in condominiums (vs. BRL3.6bn in 2025); BRL 1.5bn in Ún1ca; BRL 1bn Mood.

Figure 13. Main changes in Moura Dubeux's estimates

(BRL mn)	2026			2027			2028		
	New	Previous	% change	New	Previous	% change	New	Previous	% change
Net revenues	2706	2529	7.0%	2829	2975	-4.9%	3,518	3697	-4.8%
Adj. gross profit	1032	951	8.6%	1120	1104	1.5%	1,351	1299	4.0%
<i>Adj. gross margin (%)</i>	38.1%	37.6%	54 bps	39.6%	37.1%	248 bps	38.4%	35.1%	328 bps
Net income	584	493	18.5%	634	572	10.8%	744	661	12.6%
<i>Net margin (%)</i>	21.6%	19.5%	208 bps	22.4%	19.2%	318 bps	21.1%	17.9%	327 bps
Launches (%MD)	4800	4319	11.1%	4943	4248	16.4%	5091	4375	16.4%
Net sales (%MD)	4135	4061	1.8%	4796	4464	7.4%	5157	4825	6.9%
ROE	28.5%	24.4%	409 bps	22.4%	24.2%	-7.5%	22.8%	24.2%	-5.8%
WACC	16.3%	16.6%	-35 bps	16.3%	16.6%	-35 bps	16.3%	16.6%	-35 bps

Source: Safrá.

Figure 14. Safrá vs. Bloomberg consensus

(BRL mn)	2026			2027			2028		
	Safrá	Consensus	Safrá vs Consensus	Safrá	Consensus	Safrá vs Consensus	Safrá	Consensus	Safrá vs Consensus
Net revenues	2706	2716	-0.4%	2829	2990	-5.4%	3518	3618	-2.8%
Gross profit	986	1030	-4.3%	1070	1148	-6.8%	1291	1272	1.4%
<i>Gross margin (%)</i>	36.4%	37.9%	-149 bps	37.8%	38.4%	-56 bps	36.7%	35.2%	151 bps
Net income	584	586	-0.3%	634	647	-2.0%	744	716	3.8%
<i>Net margin (%)</i>	21.6%	21.6%	1 bps	22.4%	21.6%	76 bps	21.1%	19.8%	133 bps

Source: Safrá.

Figure 15. Safran Valuation Scorecard (SAVS)

P&L	2025A	2026E	2027E	2028E
Launches (% MD)	4,594	4,800	4,943	5,091
Contracted sales (% MD)	3,514	4,135	4,796	5,157
SoS ratio	50.1%	49.8%	54.4%	55.6%
Net revenues	2,357	2,706	2,829	3,518
COGS	(1,534)	(1,720)	(1,759)	(2,227)
Gross profit	823	986	1,070	1,291
<i>Gross margin</i>	34.9%	36.4%	37.8%	36.7%
SG&A expenses	(336)	(392)	(410)	(501)
<i>SG&A expenses/net revenue</i>	14.3%	14.5%	14.5%	14.3%
EBITDA	458	573	639	763
<i>EBITDA margin</i>	19.5%	21.2%	22.6%	21.7%
EBIT	447	560	625	745
<i>EBIT margin</i>	18.9%	20.7%	22.1%	21.2%
NOPAT	385	490	553	656
<i>NOPAT Margin</i>	16.3%	18.1%	19.5%	18.6%
Pre tax profit	482	654	706	833
Taxes	(62)	(69)	(72)	(89)
Minorities and others	(0)	-	-	-
Reported net profit	420	584	634	744
Normalized net profit	420	584	634	744
<i>Normalized net margin</i>	17.8%	21.6%	22.4%	21.1%
Dividends	101	200	298	380

Balance Sheet (BS)	2025A	2026E	2027E	2028E
Cash and equivalents	552	570	394	191
Accounts receivables	2,109	2,729	2,898	3,223
Inventories	1,003	1,131	1,314	1,544
Other current assets	361	392	400	415
Total current assets	4,025	4,821	5,005	5,373
Long-term assets	1,285	1,285	1,285	1,285
Permanent assets	258	404	405	406
Total assets	5,568	6,511	6,695	7,064
Accounts payables	262	312	258	356
Short-term debt	161	184	166	139
Other current liabilities	2,545	2,510	2,404	2,436
Total current liabilities	2,968	3,006	2,828	2,931
Long-term debt	715	552	427	330
Other long-term liabilities	369	369	369	369
Total long-term liabilities	1,084	921	795	698
Minorities	-2	-2	-2	-2
Shareholders equity	1,518	2,585	3,073	3,436
Total liabilities	5,568	6,511	6,695	7,064

YoY Growth Rates	2025A	2026E	2027E	2028E
Launches (% MD)	80.7%	4.5%	3.0%	3.0%
Contracted sales	47.0%	17.6%	16.0%	7.5%
Net revenues	50.1%	14.8%	4.5%	24.3%
Gross profit	56.2%	19.8%	8.5%	20.6%
SG&A expenses	36.8%	16.7%	4.5%	22.2%
EBITDA	77.7%	25.1%	11.4%	19.5%
EBIT	80.1%	25.3%	11.6%	19.4%
NOPAT	84.1%	27.4%	12.7%	18.7%
Normalized net profit	68.9%	38.9%	8.5%	17.3%
Dividends	n.a.	98.0%	48.9%	27.7%

Leverage and BS Metrics	2025A	2026E	2027E	2028E
Inventory days	235	237	269	250
Accounts receivable days	322	363	369	330
Accounts payable days	61	65	53	58
Current liquidity	1.4	1.6	1.8	1.8
Invested capital	1,842	2,752	3,272	3,713
Net debt/EBITDA	0.71	0.29	0.31	0.36
Net debt/total assets	0.06	0.03	0.03	0.04
EBITDA/net financial result	12.95	6.11	7.87	8.72

Return and Others	2025A	2026E	2027E	2028E
Market Cap. (BRLmn)	3214	2999	2999	2999
EV (BRLmn)	3,488	3,116	3,149	3,226
EV/EBITDA	7.6	5.4	4.9	4.2
P/E	7.6	5.1	4.7	4.0
P/B	2.1	1.5	1.1	0.9
ROIC	20.9%	17.8%	16.9%	17.7%
ROE	27%	28%	22%	23%
Asset turnover	42.3%	41.6%	42.3%	49.8%
WACC	16.3%	16.3%	16.3%	16.3%
Cost of equity	18.1%	18.1%	18.1%	18.1%
Dividend yield	3%	7%	10%	13%
Net debt	324	166	199	277
Net debt/equity	21.4%	6.4%	6.5%	8.1%
Net debt/total capital	17.6%	6.0%	6.1%	7.5%

Source: Safran.

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Cooxupé, Copel Distribuição S.A., Copel Geração e Transmissão S.A., Copérnico Comercializadora de Energia Ltda., Copérnico Energias Renováveis S.A., Cordeiro Fios e Cabos Elétricos Ltda., Companhia Piratininga de Força e Luz S.A., CPV Energia FII Responsabilidade Limitada - 2ª Emissão, Cruzeiro do Sul Educacional S.A., Cury Construtora e Incorporadora S.A., Cyrela Brazil Realty S.A. , Cyrela Crédito Fundo de Investimento Imobiliário, Diagnósticos da América S.A., Direcional Engenharia S.A., EDP São Paulo Distribuição de Energia S.A., Eletronorte, Eletrozema S.A., Empresa Brasileira de Loteamentos Ltda. - EMBRALOT, Energisa S.A., Engie Brasil Energia S.A., Equatorial Pará Distribuidora de Energia S.A., Equatorial Participações e Investimentos IV S.A., ETF Buena Vista Neos Bitcoin High Income - 1ª Emissão, ETF II Buena Vista, ETF Investo Bitcoin, ETF Investo Renda Fixa, ETF QR CME CF Solana Dollar Reference Rate, Eucatex Indústria e Comércio Ltda., Exes FII - 4ª Emissão, Fazenda Pioneira Empreendimentos Agrícolas S.A., FII Capitânia Shoppings - 4ª Emissão, FII Invista Brazilian Business Park - 2ª Emissão, FII REC Fundo de CRI Cotas Amortizáveis - 1ª Emissão, Financeira Alfa S.A., Forma Certa Soluções Gráficas Ltda., Frigol S.A., GDM Genética S.A., Gestora de Inteligência de Crédito S.A., GLP Capital Partners Gestão de Recursos e Administração Imobiliária Ltda., Grupo Cereal S.A., Guardian Real Estate FII - 6ª Emissão, Hashdex Momentum ETF, Hedge Brasil Logístico Industrial - 5ª Emissão, Hedge Recebíveis - 6ª Emissão, HSI Malls FII - 4ª Emissão, Huma Capital Ltda., Icatu Vanguarda GRU Logístico FII - 1ª emissão, Iguatemi Empresa de Shopping Centers S.A., In-Haus Serviços Industriais e Logística S.A., Inter Amerra Fiagro Imobiliário - 2ª Emissão, Inter Infra FIC Renda Fixa - 3ª Emissão, Inter Oportunidade Imobiliária FII - 1ª Emissão, JBS S.A., JHSF Participações S.A., JiveMauá Bossanova FIC FI-Infra - 1ª Emissão, JS Crédito Estruturado, Kinea Agro Income USD FIAGRO - 1ª Emissão, Kinea Rendimentos Imobiliários - 11ª Emissão, Kinea Securities FII - 5ª Emissão, Lar Cooperativa Agroindustrial, Lavvi Empreendimentos Imobiliários S.A., Life Capital Partners FII - 6ª Emissão, Localiza Rent a Car S.A., Log Commercial Properties e Participações S.A., LOGCP Inter FII - 4ª Emissão, Lojas Belian Moda Ltda., Lucca Incorporações e Participações S.A., Maha Energy Finance SARL, Manati Capital Hedge Fund FII - 5ª Emissão, Marfrig Global Foods S.A., Maxi Renda FII - 10ª Emissão, Melnick Desenvolvimento Imobiliário S.A., Minas Mineração Ltda. , Moura Dubeux Engenharia e Empreendimentos Ltda., MRS Logística S.A., MRV Engenharia e Participações S.A., Multiplan Empreendimentos Imobiliários S.A., Navi Infra FIP IE - 1ª Emissão, Nex Crédito Fiagro Imobiliário - 2ª Emissão, Nortis Incorporadora e Construtora S.A., Open K Ativos e Recebíveis Imobiliários FII - 7ª Emissão, Oryx Bonds Conversíveis EUA ETF, Parsan S.A., Parshop Participações Ltda., Patria Crédito Infra Renda FIC FI- Infra - 1ª Emissão, Patria Recebíveis Imobiliários FII - 10ª Emissão, Patria Renda Urbana FII RL Unica - 5ª Emissão, Paulista Praia Hotel S.A., Petróleo Brasileiro S.A., Plano & Plano Desenvolvimento Imobiliário S.A., Prati, Donaduzzi & Cia Ltda., Quartzo Real Estate Development Mult FII - 1ª Emissão, RB Capital Infraestrutura FIC FI-Infra - 1ª Emissão, RB Investimentos Multiestratégia - 1ª Emissão, Rec Master CRI FII - 1ª Emissão, REC Multiestratégia Fundo de Investimento Imobiliário - 1ª Emissão, RIFF FIC FI - Infra - 1ª emissão, Rio Bravo ESG IS FIC FI Infra RF CP - 3ª Emissão, Rojemac Importação e Exportação Ltda., Santos Brasil Participações S.A., São Martinho S.A., Seara Alimentos LTDA, Sendas Distribuidora S.A., SLC Agrícola S.A., SLC Máquinas Ltda., Smart Real Estate FII - 2ª Emissão, Sociedade Beneficiária Israelita Brasileira Hospital Albert Einstein, Sparta FIAGRO - 3ª Emissão, Sparta Fiagro - 4ª Emissão, Sparta Infra CDI FI FIC Infra - 5ª Emissão, Suno Energias Limpas - 3ª Emissão, Transmissora Aliança de Energia Elétrica S.A. - TAESA, Tanac S.A., Tenax RFA Incentivado - 1ª Emissão, TG Renda Urbana FII - 1ª Emissão, Tigre S.A. Participações, TJK Renda Imobiliária FII - 2ª Emissão, TRX Hedge Fund FII - 1ª Emissão, TRX Real Estate FII - 11ª Emissão, Union Agro S.A., Usina Vale do Tijuco, V.Tal - Rede Neutra de Telecomunicacoes S.A., Vale S.A., Valora CRI CDI FII - 8ª Emissão, Valora CRI CDI FII - 9ª Emissão, Valora Debêntures INC FIC FI-Infra - 1ª Emissão, Vectis Gestão de Recursos Ltda., Vectis Securities FII - 1ª Emissão, Vera Cruz Agropecuária Ltda., Vera Cruz CRI Residencial High Grade - 1ª Emissão, Viação Piracicabana S.A., WHG Real Estate - 3ª Emissão, YVY Capital FIC Infra RF - 1ª Emissão, Zagros Multiestratégia FII - 2ª Emissão.

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