



Table 1. Key Company Data

	R\$			US\$		
	2022A	2023E	2024E	2022A	2023E	2024E
<b>P&amp;L Account</b>						
Revenues	800	1,162	1,510	155	232	295
EBITDA	93	178	274	18	36	54
EBITDA YoY Change (%)	39.3	91.9	54.5	45.5	98.3	50.7
EBITDA as % of Revenue	11.6	15.3	18.2	11.6	15.3	18.2
EBIT	88	171	265	17	34	52
Net Financial Result	40	16	(13)	8	3	(3)
Associates	0	0	0	0	0	0
Taxes	(22)	(35)	(39)	(4)	(7)	(8)
Minorities	(1)	(1)	(1)	(0)	(0)	(0)
Net Profit	106	152	212	21	30	41
Adj Net Profit	106	152	212	21	30	41
YoY Change (%)	27.7	43.1	39.9	33.4	47.8	36.5
as % of Revenues	13.2	13.1	14.0	13.2	13.1	14.0
<b>Cash Flow</b>						
EBITDA	93	178	274	18	36	54
Lease Payments	0	0	0	0	0	0
Changes in Wkg. Capital	(47)	(313)	(351)	(9)	(63)	(68)
Capital Expenditures	(26)	(31)	(30)	(5)	(6)	(6)
Cash Financials	40	16	(13)	8	3	(3)
Cash Taxes	(22)	(35)	(39)	(4)	(7)	(8)
Free Cash Flow to Equity	37	(184)	(157)	7	(37)	(31)
Other Invest./(Divest.)	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Capital Increases/Other	21	(196)	0	4	(39)	0
Change in Net Fin. Debt	(69)	172	162	(13)	34	32
<b>Balance Sheet</b>						
Cash and Equivalents	254	181	324	49	36	62
Current Assets	811	935	1,084	155	187	206
Goodwill	0	0	0	0	0	0
Non-Curr Assets (ex g'will)	1,413	1,769	1,996	271	354	380
Total Assets	2,477	2,886	3,403	475	577	648
Current Liabilities	383	486	566	73	97	108
Non-Current Liabilities	1,258	1,423	1,725	241	285	329
Minorities	(4)	(3)	(3)	(1)	(1)	(1)
Shareholders' Equity	1,182	1,336	1,495	226	267	285
Total Liabilities & Equity	2,819	3,242	3,783	540	648	721
Net Financial Debt	(129)	44	205	(25)	9	39
<b>Other Ratios</b>						
Dividend Payout (%)	0.0	0.0	25.0	0.0	0.0	25.0
ROCE (%)	18.8	32.2	31.3	19.3	32.6	31.0
EV/EBIT (x)	4.1	6.1	4.5	4.1	6.1	4.5
FCFF Yield (%)	56.7	(6.0)	(8.4)	56.7	(6.0)	(8.4)
P/BV (x)	0.4	0.7	0.7	0.4	0.7	0.7
Launches (Cia Stake)	1,865.7	1,611.2	2,100.0	361.2	322.2	409.6
Contracted Sales (Cia Stake)	1,345.7	1,479.5	1,834.5	260.5	295.9	357.8
Sales Speed (%)	47.9	45.5	46.9	47.9	45.5	46.9

Source: Company Data and Santander estimates.

## Investment Case

We are reiterating our Outperform rating on Moura Dubeux, based on its: (i) strong competitive position in minimally competitive markets located in the Northeast; (ii) attractive valuation, despite improving profitability with 2024E ROE of 15.0%; (iii) appealing 2022-25E EPS CAGR of ~31%; and (iv) solid balance sheet. Our YE2024 target price of R\$16.00 is based on a free cash flow to firm analysis, using a WACC of 17.5% in reais (vs. 17.7% previously) and nominal terminal growth of 4.0% (unchanged).

## Investment Risks

Risks to our investment thesis include: (i) new entrants in the Northeast market toughening competition and affecting sales volumes, prices, and land costs in the region; (ii) higher interest rates and rising production costs, potentially reducing sales-over-supply and margins; (iii) lower-than-expected demand for housing units in the Northeast region; (iv) execution risks associated with the significant increase in simultaneous construction sites under management; (v) the lack of housing data in the region; and (vi) liquidity risk.

## Company Description

Founded in Recife by brothers Aluísio, Gustavo, and Marcos José Moura Dubeux in 1983, Moura Dubeux is currently one of the largest homebuilders in Brazil's Northeastern region and a market leader in the middle- to high-income segment in the cities of Recife, Fortaleza, and Salvador. The company also has some exposure to Natal and Maceió, Aracajú and João Pessoa.

## Key Personnel

Diego Paixão Villar (CEO), Carlos Roberto Gentil Filho (Engineering Officer), Diego Freire Wanderley (CFO), and Diogo de Barral Araújo (IRO).