# URBI

Urbi Desarrollos Urbanos, S.A.B. de C.V.

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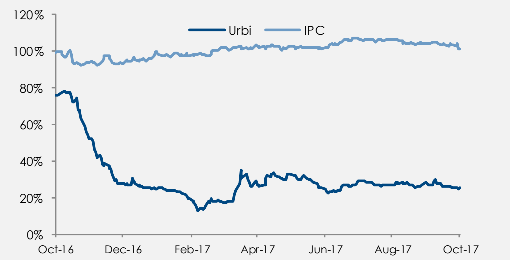
## 3Q17 Results: Stepping forward

- During 3Q17, Urbi reported positive results compared to the same quarter of the previous year and compared to 2Q17. As of 3Q17, Urbi posted total income for MXN 229.2 mm (MXN 175.3 mm from operations MXN 53.8 mm from other income), reaching a YTD accrued income of MXN 545.0 mm
- The revenues generated through Line A were MXN 133.6 mm, equivalent to 2.4x YoY. Housing revenue accounted for 55% of total revenue, which is consistent with the Company's strategy of generating greater sales with products with more attractive margins
- Income generated by Line B during 3Q17 was MXN 95.6 mm. This was driven by MXN 53.9 mm from the collection of the sale of non-strategic subsidiaries, made last July
- This allowed Urbi to take advantage of the surplus cash to invest in three new housing projects with a high degree of progress. With these, combined with its other housing projects, Urbi expects to generate MXN 109.3 mm during 4Q17
- Urbi continues to strengthen its relationship with banking institutions, using its approved lines of credit and complying with its obligations. We highlight Urbi's two new lines of credit, for a total sum of + MXN 65 mm. This means that in 3Q17, Urbi obtained total authorization of new credits for + MXN 160 mm (the 2017 Company's objective was MXN 120 mm)
- Recently, Urbi presented the business plan 2018-2022, which is in the process of receiving the final authorizations. The Company has announced a 2018 revenue estimate of MXN 1,600 (+ 60% YoY)
- We maintain our TP in MXN 9.60. We will wait to analyze the 4Q17 report to review our Company's estimates and TP

| | |
|---|---|
| **Stock price** | **7.06** |
| **Target price** | **9.60** |
| Potential expected return | 36.0% |
| 52 week range | 3.55-9.74 |

| Market summary (mm) | |
|---|---|
| Stock price | 7.06 |
| *Shares outstanding* | 154 |
| *Free float* | *100%* |
| Market cap | 1,089 |
| Enterprise value | 1,319 |
| 3 month ADTV (000's) | 49 |




| Price performance | Urbi | IPC |
|---|---|---|
| 1 month | -8.0% | -2.4% |
| 3 months | -11.9% | -4.4% |
| 6 months | -1.4% | -0.9% |
| 12 months | -66.4% | 1.8% |

**3Q17 results (MXN 000)**

| | 3Q17A | 3Q16A | YoY% | 2Q17A | QoQ% |
|---|---|---|---|---|---|
| Revenue from operations | 175,322 | 103,097 | *70%* | 176,535 | *-1%* |
| COGS | (102,559) | (51,628) | *99%* | (86,038) | *19%* |
| Gross profit | 72,763 | 51,469 | *41%* | 90,497 | *-20%* |
| SG&A | (250,819) | (451,131) | *-44%* | (117,507) | *113%* |
| D&A | - | (2,374) | *-100%* | (685) | *-100%* |
| Other income, net | 210,075 | 1,380,498 | *-85%* | 101,547 | *107%* |
| Operating profit | 32,019 | 978,462 | *-97%* | 73,852 | *-57%* |
| *Operating profit margin* | *0%* | *949%* | *-949bps* | *42%* | *-42bps* |
| EBITDA | (76,100) | 980,836 | *-108%* | 74,537 | *-202%* |
| *EBITDA Margin* | *-43%* | *1906%* | *-1949bps* | *42%* | *-86bps* |
| Net profit | 28,427 | 988,350 | *-97%* | 86,153 | *-67%* |
| *Margin* | *16%* | *959%* | *-942bps* | *49%* | *-33bps* |
| EPS (MXN) | 0.2 | 6.4 | *-97%* | 0.6 | *-67%* |

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