

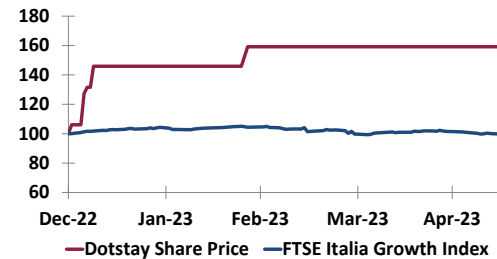


**NEUTRAL**

**Current Share Price (€): 6.00**

**Target Price (€): 5.85**

**Dotstay - Performance since IPO**



Source: S&P Capital IQ - Note: 29/12/2022 (IPO offer price)=100

**Company data**

ISIN number	IT0005523839
Bloomberg code	DOT IM
Reuters code	DOT.MI
Industry	Real Estate
Stock market	Euronext Growth Milan-PRO
Share Price (€)	6.00
Date of Price	15/05/2023
Shares Outstanding (m)	2.5
Market Cap (€m)	15.1
Market Float (%)	20.2%
Daily Volume	0
Avg Daily Volume since IPO	111
Target Price (€)	5.85
Upside (%)	-3%
Recommendation	NEUTRAL

**Share price performance**

	1M	3M	IPO
Dotstay - Absolute (%)	0%	9%	59%
FTSE Italia Growth Index (%)	-2%	-6%	-1%
IPO Range H/L (€)	6.00	3.77	
IPO Change (€) / %	2.23	59%	

Source: S&P Capital IQ

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**Working on property portfolio expansion, targeting new locations**

**Trading update: a good start after IPO**

Since IPO, Dotstay share price recorded a remarkable performance, +59% on the IPO offer price of €3.77, while the Italia Growth index was flat (-1%).

**FY22 trading in line, operations development goes on**

Dotstay reported FY22 revenues of €375k, +75% YoY, of which €206k from rents, €89k for services and €79k from real estate brokerage services; including capitalization of R&D and other income, revenues were €413k, up by 48%. Dotstay is running 40 properties. EBITDA was €(145)k, vs €(17)k in FY21, according to management due to higher marketing, lease and personnel cost to develop operations and to cope with the increase in properties under management. EBIT and net loss respectively €(223)k and €(252)k. Capex of the year of €664k, mainly for IPO cost capitalization. Net cash was €1.8m, after €2.2m IPO proceeds.

**Outlook: continuous relocation trend, Milan most demanded location in Italy**

Relocation value and budget increased in 2022 and are again rising for most companies in 2023, despite economic instability, mainly driven by mandating in-office attendance workplace policies (Source: Atlas, *Atlas Corporate Relocation Survey, 2023*). *Great Resignation* and government initiatives are also fostering relocations. Milan is booming among foreign workers after Brexit and thanks to tax breaks and cost of living.

**Target Price €5.85 per share and NEUTRAL rating confirmed**

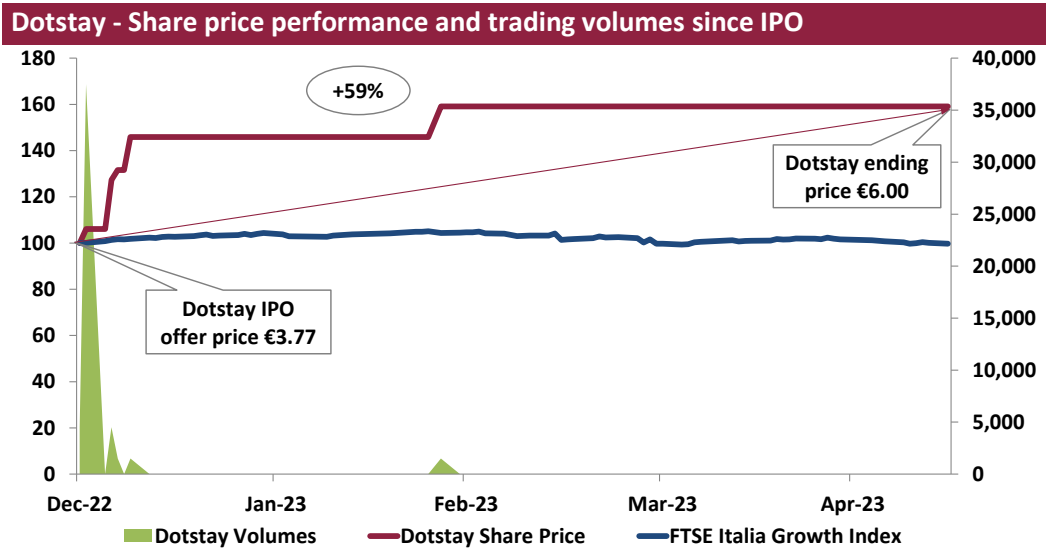
Dotstay is in the early stage of its investment cycle: business expansion with major Italian cities coverage is the target for the next years, representing the ground on which our projections are built. FY22 actual financial performance was overall in line with our estimates. On the assumption that the following grow path would be overall accomplished, we confirm our last expectations for next years, valuation and NEUTRAL rating, with a target price of €5.85 per share.

**KEY FINANCIALS AND ESTIMATES**

€k	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>Revenues</b>	<b>215</b>	<b>279</b>	<b>413</b>	<b>1,133</b>	<b>1,812</b>	<b>3,260</b>	<b>4,838</b>	<b>5,404</b>
<b>EBITDA</b>	<b>(259)</b>	<b>(17)</b>	<b>(145)</b>	<b>(27)</b>	<b>139</b>	<b>640</b>	<b>1,031</b>	<b>1,385</b>
<i>Margin</i>	<i>neg</i>	<i>neg</i>	<i>neg</i>	-2%	8%	20%	21%	26%
<b>EBIT</b>	<b>(272)</b>	<b>(18)</b>	<b>(223)</b>	<b>(117)</b>	<b>23</b>	<b>494</b>	<b>851</b>	<b>1,168</b>
<i>Margin</i>	<i>neg</i>	<i>neg</i>	<i>neg</i>	-10%	1%	15%	18%	22%
<b>Net Income (Loss)</b>	<b>(276)</b>	<b>(23)</b>	<b>(252)</b>	<b>(118)</b>	<b>12</b>	<b>352</b>	<b>609</b>	<b>838</b>
<b>Net (Debt) Cash</b>	<b>(192)</b>	<b>33</b>	<b>1,876</b>	<b>1,275</b>	<b>1,129</b>	<b>1,369</b>	<b>1,879</b>	<b>2,613</b>
<b>Equity</b>	<b>(226)</b>	<b>25</b>	<b>2,260</b>	<b>2,142</b>	<b>2,154</b>	<b>2,505</b>	<b>3,114</b>	<b>3,952</b>

Source: Company data 2020-22A, EnVent Research 2023-27E

## Market update



Source: EnVent Research on S&P Capital IQ - Note: 29/12/2022 (IPO offer price)=100

## Investment case

**Digital relocation and property management service with a proprietary platform to serve both landlords and tenants**

**Mission and value proposition**

**Strategy: property portfolio and geographical expansion, technology update**

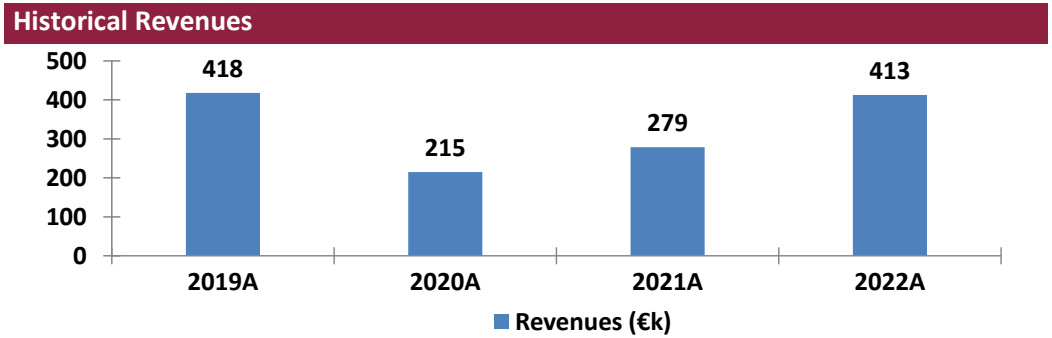
Dotstay SpA, listed on Euronext Growth Milan - PRO since December 2022, is a digital relocation specialist offering people temporarily moving to a new town an array of services to promptly find their right mid-term housing. The first step is the help of a local personally dedicated assistant, named *Angel*, who, based on its knowledge of the local market and housing opportunities, will accompany the customer and guide the search. Dotstay acts also as a property manager, matching demand with offer and providing homeowners a package of administrative and management services.

Dotstay aspires to be a reference point for professionals, executives, visitors, academics and students who, in an increasingly dynamic and fluid job/study market, need to find a matching accommodation in a new city in a quick and safe way. Dotstay wants to take advantage of this mobility pattern in place, matching the gap between users and local real estate agencies through its platform for online booking, adding the value of a local expert person.

The goal of Dotstay is to become the first digital relocation network, evolving its platform into a global online marketplace for individual relocators and relocation companies. Key pillars of Dotstay strategy are:

- Properties under management portfolio development in Italy, targeting locations such as Florence, Rome, Turin, Venice, Bologna, Naples, Bari and Palermo
- Development of a management software (to handle lease deadlines and payments, reporting and contracts terms) and of a research software (to collaborate with real estate agencies)

Revenues recovery to pre-pandemic level



Source: Company data

## Drivers

### Industry drivers

**Growing potential market.** Overall, the number of workers and students relocating globally each year is estimated in over 200 million, of which 45 million in Europe. Global mobility trends of most organizations and international exchanges for students and academics (i.e. the iconic EU program Erasmus which counts almost 1 million participants each year) are expected to drive growth in this market segment (Sources: UN Population division report 2010; European migration network report 2013; EU Erasmus annual report 2020).

**Anti-cyclical real estate market niche.** As opposed to the non-essential short-term vacation rental segment, which can be materially impacted by general economic conditions and other variables or events, as happened during the outbreak of Covid-19 pandemic causing low occupancy, the niche demand for mid/long-term rentals coming from international mobility and relocations, being for essential purposes (work or study) does not fluctuate with seasonal trends and should be more resilient to downturns than travel and tourism.

**Dynamic second home market in Italy.** The Italian second home market is among the largest in Europe. Figures show 5.5 million of available second homes in 2019, representing 17% of the total stock (Source: Agenzia delle Entrate, *Gli immobili in Italia - 2019, 2020*).

**Home rental from DIY to professionalization.** The home rental market is more and more becoming professionally managed. As long as homeowners discover short/mid/long-term rents as business opportunity, the demand for professional property management is likely to grow in the years to come.

**Switching from short-term to mid-term rental.** Covid-19 pandemic has disrupted the global travel and tourism industry and turned the vacation rental industry upside down, inducing property managers to reshape their business model from short-term to mid-term rental. Among reasons: people looking for mid-term rentals are more likely to be traveling or moving for essential purposes; reduced frequency of check-

ins and cleaning, thus less property management; more respect of rules and neighbors.

### Company drivers

**Full-service proposition for relocation: a time-consuming and stressful task.** Dotstay core service is the *Angel* tour, a visit of the town guided by the personal assistant across up to 5 apartments preselected according to customer requirements indicated at booking on the online platform. Additional services such as a local SIM card, an airport pickup service and support in administrative procedures (i.e. residence permit) turn Dotstay service into a comprehensive and turnkey offer for relocating people.

**Hassle-free outsourcing service for homeowners.** The key value of Dotstay service to homeowners is the takeover of the property management process on their behalf: search and selection of referenced tenants, home visits, administrative duties, check-in/out, maintenance and cleaning.

**Riding the wave of PropTech real estate trend through the proprietary platform.** Dotstay has developed inhouse a digital platform for the management of its activities, working as interface with users and homeowners. The platform technology and network are made of several modules and scalable and will be extended to become a marketplace for users, *Angels*, homeowners, real estate agencies and other relocation specialists. A database of registered users and records of services provided is also included in the platform.

**B2B partnerships.** Dotstay has been securing affiliations with universities and corporates to promote its services to relocating academics, students and professionals. Partnerships are crucial to spread awareness and increase the number of registered users.

**Easily extendable operations.** Operations have been designed in an efficient and versatile way, enabling rapid activation of a new location with the combination of local resources and supervision at a central level.

### Challenges

**Short operating history.** Dotstay is still an early-stage company, with few years of running operations. Until now, it has set up operations, built its platform and invested in efforts to grow the homeowner base and the user community, incurring net losses since inception. Being still in an investment phase, Dotstay plans to continue making investments in business, personnel, platform and marketing.

**Drive traffic to the digital platform.** The increasing awareness of Dotstay among potential users and homeowners is a key factor to increase traffic on its platform and grow revenue. As such, effective sales and marketing efforts to drive user and

homeowner acquisition, including performance and brand marketing, PR and communications, and especially spontaneous word of mouth, are fundamental for the growth strategy. The payback of the investment in marketing is however uncertain and also dependent on its size.

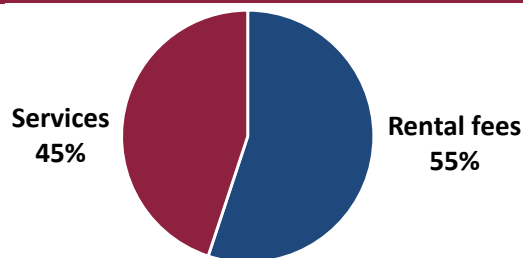
**Growth of property portfolio under management.** Dotstay business also depends on the ability to attract new rental homeowners to its platform and maintain relationships with the existing homeowner base. The expansion of the portfolio of properties available for mid/long-term rental in Italy, and abroad in the next future, could be slower than planned, due to the need of selecting high quality assets satisfying requirements of demanding customers, enabling occupancy maximization and thus the desired profitability.

**Low/medium barriers to entry, high rivalry.** The competitive playground of the market for relocation services and in general the property management market is quite fragmented and heterogeneous, populated by both multinational companies or domestic businesses. Barriers to entry are generally low/medium, however, scale and network may represent obstacles to new entrants. A full-proposition service is a differentiating factor compared to competition.

**Occupancy risk.** Occupancy management and optimization is a key task, given that Dotstay directly rents properties from landlords with long-term agreements for mid-term subrental to tenants, thus being exposed to real estate market fluctuations.

**Picking the right locations.** During the development, it will be crucial to identify as target locations the cities with a high supply rate of properties coming into the mid-term rental market and matching the needs of relocating people, thus expected to enjoy sound growth rates.

**Revenue breakdown, 2022**



Source: Company data

**High-skilled workers shortage in the EU**

**Industry outlook**

To face high-skilled workers shortage in the EU, national authorities reviewed national foreigners working and residence visa laws to make relocation easier for foreign workers (Source: Schengenvisa News, *Working in EU: recent changes you must be aware of if you are planning to get a job in any of the member States*, 2023). Through the 2023 Decreto Flussi (DPCM n. 21, January 26<sup>th</sup>, 2023), the Italian Government settled extra EU workers admitted quota up to 82,705 in 2023 (+9.2% YoY) and extended permanent work purposes residency visas up to 3 years.

**Switching from short-term to medium/long-term rental**

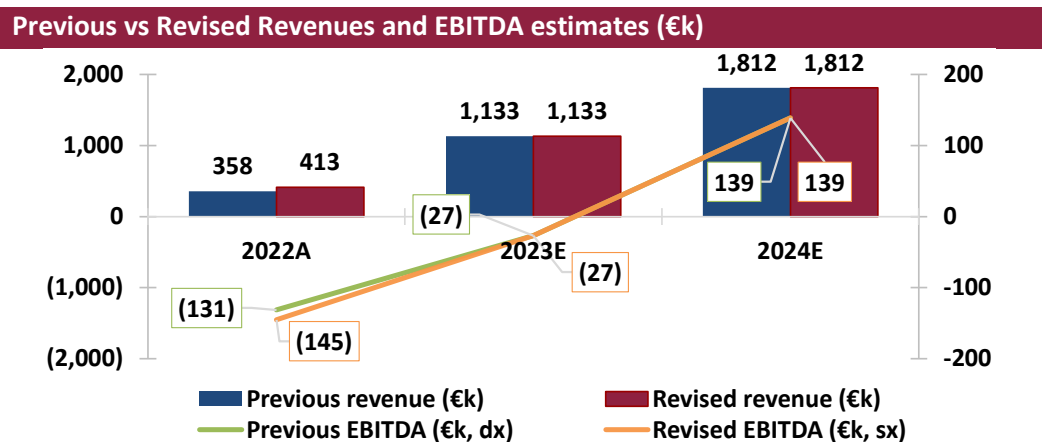
The out-of-scale outbreak of short-term rentals in Italy after the end of pandemic restrictions is leading to a shortage of rental solutions for students and workers. City Mayors are asking government to regulate the phenomenon, putting a day cap for tourist rental contracts, as done by Venice in 2022, potentially forcing landlords to switch second homes destination from short-term tourism to mid/long-term rentals (Source: La Nazione, *Affitti brevi, Firenze verso la legge Venezia. Contro caro-casa e spopolamento*, 2023).

Besides this possible rental properties increase, average rent prices are also expected to increase in 2023: according to Italian advisory and research firm Nomisma, rents growth will be driven by student accommodations demand recovery and by higher demand following increased mortgage cost (Source: Nomisma, *Osservatorio sul Mercato Immobiliare, Marzo 2023*, 2023).

**Estimates revision**

FY22 financial performance was overall in line with our estimates. We maintain our revenue estimates for the coming years, relying on the assumption of a development plan which envisages the penetration in three locations in Italy in 2023 and additional five in 2025. We factor in FY22 results, with finetuning of our estimates as to operating costs, capex and working capital dynamics.

**Change in estimates**



Source: EnVent Research

€k	Revised			Previous			Change %		
	2022A	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
<b>Revenues</b>	413	1,133	1,812	358	1,133	1,812	15%	0%	0%
<b>EBITDA</b>	(145)	(27)	139	(131)	(27)	139	-11%	0%	0%
<i>Margin</i>	(0)	(0)	0	(0)	(0)	0			
<b>EBIT</b>	(223)	(117)	23	(214)	(148)	(9)	-4%	21%	364%
<i>Margin</i>	(1)	(0)	0	(1)	(0)	(0)			
<b>Net Income (Loss)</b>	(252)	(118)	12	(222)	(156)	(16)	-13%	24%	171%
<b>Net (Debt) Cash</b>	1,876.2	1,274.8	1,128.6	1,510.6	1,209.4	1,077.5			
<i>Net Debt / EBITDA</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>			

Source: EnVent Research

## Financial projections

### Consolidated Profit and Loss

€k	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenues	197	214	375	1,100	1,760	3,165	4,697	5,247
Capitalization of R&D costs	11	9	27	33	53	95	141	157
Other income	6	56	11	0	0	0	0	0
<b>Total Revenues</b>	<b>215</b>	<b>279</b>	<b>413</b>	<b>1,133</b>	<b>1,812</b>	<b>3,260</b>	<b>4,838</b>	<b>5,404</b>
<i>YoY %</i>	-49%	30%	48%	175%	60%	80%	48%	12%
Services	(204)	(133)	(207)	(383)	(531)	(902)	(1,263)	(1,437)
Leases	(177)	(116)	(202)	(372)	(634)	(982)	(1,617)	(1,550)
Personnel	(66)	(20)	(50)	(350)	(420)	(578)	(693)	(770)
Other operating costs	(27)	(27)	(99)	(55)	(88)	(158)	(235)	(262)
<b>Operating costs</b>	<b>(474)</b>	<b>(296)</b>	<b>(558)</b>	<b>(1,160)</b>	<b>(1,674)</b>	<b>(2,620)</b>	<b>(3,808)</b>	<b>(4,020)</b>
<b>EBITDA</b>	<b>(259)</b>	<b>(17)</b>	<b>(145)</b>	<b>(27)</b>	<b>139</b>	<b>640</b>	<b>1,031</b>	<b>1,385</b>
<i>Margin</i>	-121%	-6%	-35%	-2%	8%	20%	21%	26%
D&A	(12)	(1)	(77)	(90)	(116)	(146)	(179)	(216)
<b>EBIT</b>	<b>(272)</b>	<b>(18)</b>	<b>(223)</b>	<b>(117)</b>	<b>23</b>	<b>494</b>	<b>851</b>	<b>1,168</b>
<i>Margin</i>	-126%	-7%	-54%	-10%	1%	15%	18%	22%
Interest	(4)	(5)	(8)	(1)	(6)	(6)	(6)	(6)
<b>EBT</b>	<b>(276)</b>	<b>(23)</b>	<b>(231)</b>	<b>(118)</b>	<b>16</b>	<b>488</b>	<b>845</b>	<b>1,162</b>
<i>Margin</i>	-128%	-8%	-56%	-10%	1%	15%	17%	22%
Income taxes	0	0	(21)	0	(5)	(136)	(236)	(324)
<b>Net Income (Loss)</b>	<b>(276)</b>	<b>(23)</b>	<b>(252)</b>	<b>(118)</b>	<b>12</b>	<b>352</b>	<b>609</b>	<b>838</b>
<i>Margin</i>	-128%	-8%	-61%	-10%	1%	11%	13%	15%

Source: Company data 2020-22A, EnVent Research 2023-27E - Note: 2020 and 2021 separate financial statements of Dotstay SpA; since 2022 consolidated financial statements of Dotstay SpA and DS Real Estate Srl, wholly owned subsidiary

**Consolidated Balance Sheet**

€k	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Account receivables	12	5	4	37	59	106	157	175
Account payables	(15)	(17)	(510)	(54)	(84)	(137)	(208)	(217)
Trade Working Capital	(2)	(12)	(506)	(17)	(25)	(31)	(51)	(42)
Other assets (liabilities)	(185)	(190)	37	(100)	(50)	(50)	(50)	(50)
<b>Net Working Capital</b>	<b>(187)</b>	<b>(202)</b>	<b>(470)</b>	<b>(117)</b>	<b>(75)</b>	<b>(81)</b>	<b>(101)</b>	<b>(92)</b>
Intangible assets	179	187	772	919	1,062	1,220	1,393	1,546
Fixed assets	16	15	18	23	27	28	27	25
Financial assets	0	22	72	72	72	72	72	72
<b>Non-current assets</b>	<b>194</b>	<b>225</b>	<b>861</b>	<b>1,014</b>	<b>1,161</b>	<b>1,320</b>	<b>1,491</b>	<b>1,643</b>
<b>Provisions</b>	<b>(41)</b>	<b>(31)</b>	<b>(8)</b>	<b>(30)</b>	<b>(61)</b>	<b>(104)</b>	<b>(155)</b>	<b>(212)</b>
<b>Net Invested Capital</b>	<b>(34)</b>	<b>(8)</b>	<b>383</b>	<b>867</b>	<b>1,025</b>	<b>1,136</b>	<b>1,235</b>	<b>1,339</b>
<b>Net Debt (Cash)</b>	<b>192</b>	<b>(33)</b>	<b>(1,876)</b>	<b>(1,275)</b>	<b>(1,129)</b>	<b>(1,369)</b>	<b>(1,879)</b>	<b>(2,613)</b>
<b>Equity</b>	<b>(226)</b>	<b>25</b>	<b>2,260</b>	<b>2,142</b>	<b>2,154</b>	<b>2,505</b>	<b>3,114</b>	<b>3,952</b>
<b>Sources</b>	<b>(34)</b>	<b>(8)</b>	<b>383</b>	<b>867</b>	<b>1,025</b>	<b>1,136</b>	<b>1,235</b>	<b>1,339</b>

Source: Company data 2020-22A, EnVent Research 2023-27E - Note: 2020 and 2021 separate financial statements of Dotstay SpA; since 2022 consolidated financial statements of Dotstay SpA and DS Real Estate Srl, wholly owned subsidiary

**Consolidated Cash Flow**

€k	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>EBIT</b>	<b>(18)</b>	<b>(223)</b>	<b>(117)</b>	<b>23</b>	<b>494</b>	<b>851</b>	<b>1,168</b>
Current taxes	0	(21)	0	(5)	(136)	(236)	(324)
D&A	1	77	90	116	146	179	216
Provisions	(10)	(23)	21	31	43	51	57
<b>Cash flow from P&amp;L operations</b>	<b>(27)</b>	<b>(189)</b>	<b>(5)</b>	<b>165</b>	<b>546</b>	<b>846</b>	<b>1,117</b>
Working Capital	9	494	(489)	8	6	20	(9)
Capex	(9)	(204)	(243)	(263)	(305)	(351)	(367)
Other assets and liabilities	5	(227)	137	(50)	0	0	0
<b>Operating cash flow after WC and capex</b>	<b>(22)</b>	<b>(126)</b>	<b>(601)</b>	<b>(140)</b>	<b>247</b>	<b>515</b>	<b>740</b>
Interest	(5)	(8)	(1)	(6)	(6)	(6)	(6)
Financial assets	(22)	(50)	0	0	0	0	0
Capex - IPO cost	0	(460)	0	0	0	0	0
IPO proceeds	0	2,160	0	0	0	0	0
Paid-in capital	274	326	0	0	0	0	0
<b>Net cash flow</b>	<b>225</b>	<b>1,843</b>	<b>(601)</b>	<b>(146)</b>	<b>241</b>	<b>509</b>	<b>734</b>
Net (Debt) Cash - Beginning	(192)	33	1,876	1,275	1,129	1,369	1,879
Net (Debt) Cash - End	33	1,876	1,275	1,129	1,369	1,879	2,613
<b>Change in Net (Debt) Cash</b>	<b>225</b>	<b>1,843</b>	<b>(601)</b>	<b>(146)</b>	<b>241</b>	<b>509</b>	<b>734</b>

Source: Company data 2021-22A, EnVent Research 2023-27E

**Ratio analysis**

KPIs	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
ROE	122%	-92%	-11%	-5%	1%	14%	20%	21%
ROS	-138%	-9%	-59%	-11%	1%	16%	18%	22%
DSO	18	7	3	10	10	10	10	10
DPO	11	19	300	20	20	20	20	20
TWC/Revenues	-1%	-6%	-135%	-2%	-1%	-1%	-1%	-1%
NWC/Revenues	-95%	-94%	-125%	-11%	-4%	-3%	-2%	-2%
Net Debt/EBITDA	nm	nm	nm	nm	nm	nm	nm	nm
Net Debt/Equity	nm	nm	nm	nm	nm	nm	nm	nm
Net Debt/(Net Debt+Equity)	nm	nm	nm	nm	nm	nm	nm	nm
Cash flow from operations/EBITDA	na	157%	130%	20%	119%	85%	82%	81%
FCF/EBITDA	na	128%	86%	2237%	-101%	39%	50%	53%

Source: Company data 2021-22A, EnVent Research 2023-27E



## Valuation

For the valuation of Dotstay we use DCF method applied to our current financial projections and market multiples analysis. The tech property management and temporary rental segment is populated by a diversity of cases with different target customers and business models, their performance measures and resulting market multiple are suitable as a general source of valuable indications, but not as direct value metrics.

We consider that the DCF properly factors the Company's expected growth over the next five years, however we stress a strong emphasis on terminal value.

### Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.7% (Italian 10-year government bonds interest rate – last 30 days average. Source: Bloomberg, May 2023)
- Market return: 11.7% (last 30 days average. Source: Bloomberg, May 2023)
- Market risk premium: 8.0%
- Beta: 1.0 (judgmental)
- Cost of equity: 11.7%
- Cost of debt: 4.0%
- Tax rate: 24% (IRES)
- 40% debt/(debt + equity) as target capital structure
- WACC calculated at 8.2%, according to above data
- Perpetual growth rate after explicit projections (G): 3%
- Terminal Value assumes EBITDA margin at 25% and EBIT margin at 22%

**DCF Valuation**

€k	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	Perpetuity
<b>Revenues</b>	<b>215</b>	<b>279</b>	<b>413</b>	<b>1,133</b>	<b>1,812</b>	<b>3,260</b>	<b>4,838</b>	<b>5,404</b>	<b>5,549</b>
<b>EBITDA</b>	<b>(259)</b>	<b>(17)</b>	<b>(145)</b>	<b>(27)</b>	<b>139</b>	<b>640</b>	<b>1,031</b>	<b>1,385</b>	<b>1,387</b>
<i>Margin</i>	-121%	-6%	-35%	-2%	8%	20%	21%	26%	25%
<b>EBIT</b>	<b>(272)</b>	<b>(18)</b>	<b>(223)</b>	<b>(117)</b>	<b>23</b>	<b>494</b>	<b>851</b>	<b>1,168</b>	<b>1,237</b>
<i>Margin</i>	-126%	-7%	-54%	-10%	1%	15%	18%	22%	22%
Taxes	0	0	(21)	0	(5)	(136)	(236)	(324)	(345)
<b>NOPAT</b>	<b>(272)</b>	<b>(18)</b>	<b>(243)</b>	<b>(117)</b>	<b>18</b>	<b>358</b>	<b>615</b>	<b>844</b>	<b>892</b>
D&A	12	1	77	90	116	146	179	216	150
Provisions	0	(10)	(23)	21	31	43	51	57	21
<b>Cash flow from P&amp;L operations</b>	<b>(259)</b>	<b>(27)</b>	<b>(189)</b>	<b>(5)</b>	<b>165</b>	<b>546</b>	<b>846</b>	<b>1,117</b>	<b>1,064</b>
Trade Working Capital	0	9	494	(489)	8	6	20	(9)	55
Capex	0	(9)	(664)	(243)	(263)	(305)	(351)	(367)	(150)
Other assets and liabilities	0	5	(227)	137	(50)	0	0	0	0
<b>Yearly Unlevered Free Cash Flows</b>	<b>(259)</b>	<b>(22)</b>	<b>(586)</b>	<b>(601)</b>	<b>(140)</b>	<b>247</b>	<b>515</b>	<b>740</b>	<b>969</b>
<b>Free Cash Flows to be discounted</b>				<b>(601)</b>	<b>(140)</b>	<b>247</b>	<b>515</b>	<b>740</b>	<b>969</b>
WACC	8.2%								
Long-term growth (G)	3.0%								
<b>Discounted Cash Flows</b>				<b>(555)</b>	<b>(120)</b>	<b>195</b>	<b>375</b>	<b>498</b>	
Sum of Discounted Cash Flows	<b>394</b>								
<b>Terminal Value</b>									<b>18,477</b>
Discounted TV	<b>12,434</b>								
<b>Enterprise Value</b>	<b>12,828</b>								
Net cash as of 31/12/2022	1,876								
<b>Equity Value</b>	<b>14,704</b>								

<b>DCF - Implied multiples</b>	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
EV/Revenues	59.7x	46.0x	31.1x	11.3x	7.1x	3.9x	2.7x	2.4x
EV/EBITDA	neg	neg	neg	neg	92.4x	20.0x	12.4x	9.3x
EV/EBIT	neg	neg	neg	neg	569.1x	26.0x	15.1x	11.0x
P/E	neg	neg	neg	neg	1,273.9x	41.8x	24.1x	17.6x
<b>Discount of current market price vs DCF</b>	<b>3%</b>							
<b>Current Price - Implied multiples</b>	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
EV/Revenues	61.7x	47.6x	32.2x	11.7x	7.3x	4.1x	2.7x	2.5x
EV/EBITDA	neg	neg	neg	neg	95.6x	20.7x	12.9x	9.6x
EV/EBIT	neg	neg	neg	neg	588.7x	26.8x	15.6x	11.4x
P/E	neg	neg	neg	neg	1,312.2x	43.1x	24.9x	18.1x

Source: EnVent Research

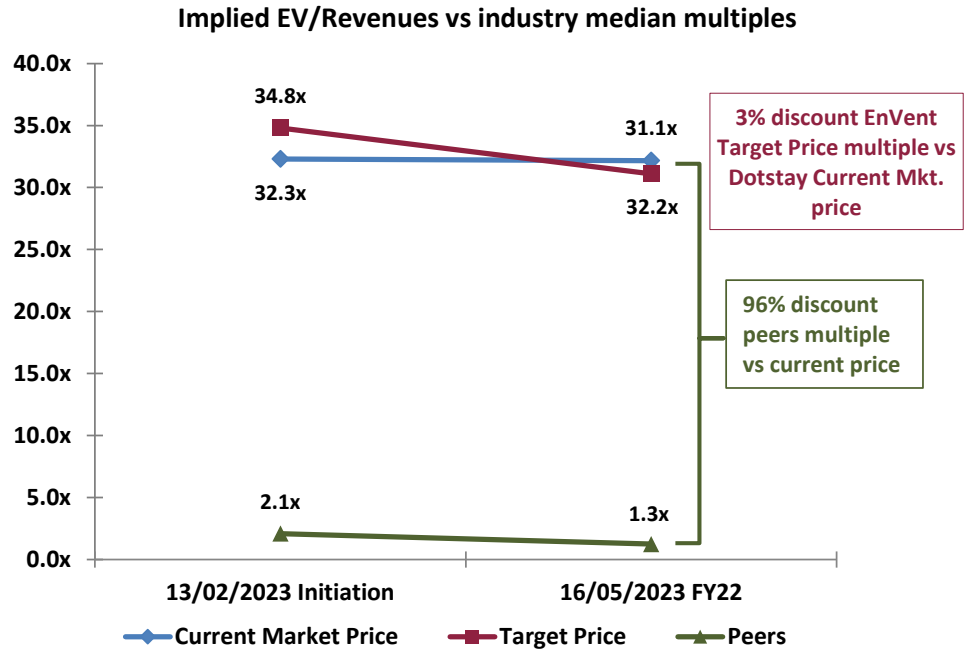
**Market multiples perspective**

Dotstay is currently trading far above market peers.

	EV/REVENUES				EV/EBITDA			
	2022	2023E	2024E	2025E	2022	2023E	2024E	2025E
CleanBnB	0.5x	0.4x	0.3x	0.3x	13.5x	5.8x	3.7x	2.6x
G Rent	8.8x	2.1x	0.9x	0.5x	neg	neg	nm	8.4x
Vacasa	0.4x	0.2x	0.2x	0.2x	neg	25.2x	7.6x	3.7x
Sonder	3.3x	2.3x	1.7x	1.4x	neg	neg	neg	nm
Home To Go	1.0x	1.3x	1.0x	0.9x	neg	nm	19.5x	5.3x
<b>Mean</b>	<b>2.8x</b>	<b>1.3x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>
<b>Dotstay</b>	<b>19.9x</b>	<b>11.7x</b>	<b>7.3x</b>	<b>4.1x</b>	<b>neg</b>	<b>neg</b>	<b>95.6x</b>	<b>20.7x</b>

Source: EnVent Research on S&amp;P Capital IQ, 15/05/2023

## Target Price



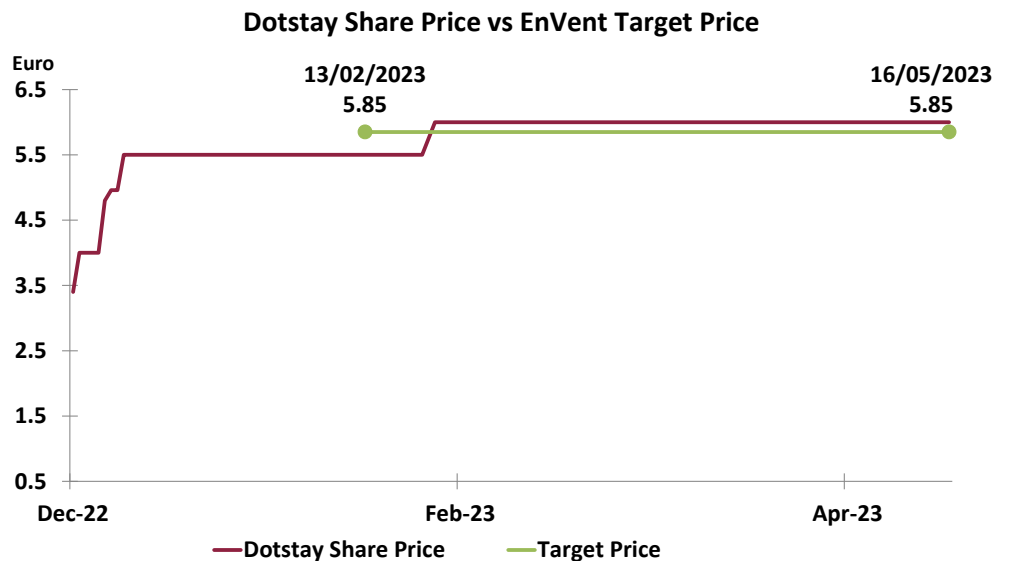
Source: EnVent Research, 16/05/2023

Our updated valuation yields a target price of €5.82 per share, nearly equivalent to our previous target price of €5.85, that we confirm, as our NEUTRAL rating on the stock.

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

<b>Dotstay Price per share</b>	€
<b>Target Price</b>	<b>5.85</b>
Current Share Price (15/05/2023)	6.00
Premium (Discount)	-3%

Source: EnVent Research



Source: EnVent Research, 16/05/2023

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Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

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Date and time of Production: 15/05/2023 h. 7.00pm

Date and time of Distribution: 16/05/2023 h. 7.00pm

## DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
13/02/2023	NEUTRAL	5.85	5.50
16/05/2023	NEUTRAL	5.85	6.00

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