

ALTAREA

Retail - Property / France

**ALPHAVALUE**
CORPORATE SERVICES

Gradual recovery starting in 2025?

Pros

- Altarea has swiftly adapted to the French residential development crisis since 2022, maintaining resilience in a now stabilising environment.
- The company's largely hedged debt offers time and flexibility to manage the balance sheet and FFO effectively, allowing Altarea to support a potentially gradual recovery in the residential market.
- Altarea, with its entrepreneurial management since inception, can capitalise on opportunities across the real estate market, both within and beyond its traditional operations.

Cons

- The outlook for Residential Development in 2025 largely depends on long-term interest rate trends. Since 2023, the dividend has surpassed the annual distribution capacity.
- Management anticipates FFO to triple from 2023 to 2028. However, due to the continued low activity in Tertiary Development, we believe it is premature to confirm this forecast.
- Limited public information hinders forming a precise opinion on the group's share of debt. Altarea operates as a partnership ("commandite") with a free float of just 20%.

Key Figures	12/23A	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	20.3	15.5	15.9	15.4	16.9
Dividend yield (%)	7.92	8.75	8.18	5.12	5.12
EV/EBITDA(R) (x)	31.1	18.6	18.1	19.4	18.2
Adjusted EPS (€)	4.97	5.91	6.14	6.34	5.80
Growth in EPS (%)	-63.7	18.8	4.03	3.22	-8.55
Dividend (€)	8.00	8.00	8.00	5.00	5.00
Sales (€M)	2,867	2,915	2,982	3,032	3,107
EBITDA/R margin (%)	8.79	9.15	10.2	10.4	9.65
Attributable net profit (€M)	-473	6.10	70.5	61.8	82.5
ROE (after tax) (%)	-22.9	0.35	4.17	3.70	5.02
Gearing (%)	113	121	123	128	136

Reduce

Upside : -1.69%

Price (€)	97.8
Target Price (€)	96.1
Momentum	— —
Market Cap (€M)	2,232
Enterprise Value (€M)	5,133
High/Low (12M)	€ 82.7/110
BBG : ALTA FP	RIC : IMAF.PA
Credit Risk & outlook	B →
Fundamental Strength	0 /10
Sustainability score	4.2 /10

Price relative to index & historical opinion



Performances (%)	1m	3m	12m
Absolute	8.30%	-7.08%	8.00%

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**Conflicts of interest**

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No