



Altarea

Retail - Property / France

Confirmed resilience, but no real momentum yet

Earnings/sales releases - 07/11/2025

The communication maintains a positive tone. Management will update on two business segments—photovoltaics and data centres—on 24 February 2026, during the presentation of 2025 results after market close.

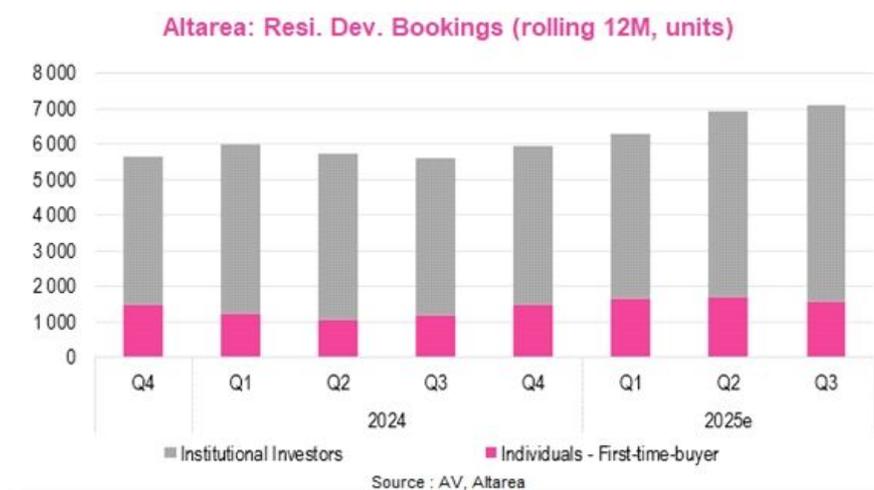
Fact

- Residential development bookings increased by 12% in 9M 25, compared to a 16% rise in H1 25. Demand from first-time buyers grew by 30% in H1 25 and 21% over 9M 25.
- Retail asset rental growth stands at 1.7% on a current basis, compared to 3.5% organic growth in H1 25. The contribution of indexation and organic growth for Q3 25 alone has not been disclosed.
- The FY 25 guidance is confirmed, indicating a slight increase in FFO. The dividend payable in 2026 will remain stable compared to 2025.

Analysis

Residential development: step by step

Nexity's Q3 25 report revealed that the positive trend for first-time buyers seen in Q2 25 did not continue at the start of H2 25. It was similar to Altarea : Q3 25 bookings are slightly below Q2 in absolute terms. While there is support, no further acceleration occurred this quarter. It is reasonable to assume that demand in this segment has stabilised and will gradually recover without causing a bubble effect on bookings, as illustrated in the chart below.



Altarea experienced a 48% increase in institutional demand in Q3 25 (YoY), aligning with trends from previous quarters. Q4 remains critical for annual orders, but no significant underlying factors are currently evident, as far as end-market is concerned. Altarea appears to be outperforming the market, attributed to the swift and comprehensive adjustment of its offerings in apartment size and affordability.

This factor remains a clear differentiator, supporting potential outperformance vs. end market. However, a robust growth engine is not yet evident. The end market operates amidst stable interest rates, an unstable political climate, and a fiscal



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Reduce	Upside: -2.42%
Target Price (6 months)	€ 95.7
Share Price	€ 98.1
Market Cap. €M	2,240
Price Momentum	UNFAVORABLE
Extremes 12 Months	84.1 ▶ 112
Sustainability score	4.2 /10
Credit Risk	B →
Bloomberg	ALTA FP Equity
Reuters	IMAF.PA

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PERF	1w	1m	3m	12m
Altarea	-1.70%	-1.21%	-10.5%	7.81
Real Estate	-0.99%	1.31%	-2.61%	4.50
STOXX 600	-1.21%	-0.24%	4.96%	12.1

Last updated: 05/05/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	15.5	16.0	15.5	16.9
Dividend yield (%)	8.75	8.15	5.10	5.10
EV/EBITDA(R) (x)	18.6	18.2	19.5	18.3
Adjusted EPS (€)	5.91	6.14	6.34	5.80
Growth in EPS (%)	18.8	4.03	3.22	-8.55
Dividend (€)	8.00	8.00	5.00	5.00
Sales (€M)	2,915	2,982	3,032	3,107
EBITDA/R margin (%)	9.15	10.2	10.4	9.65
Attributable net profit (€M)	6.10	70.5	61.8	82.5
ROE (after tax) (%)	0.35	4.17	3.70	5.02
Gearing (%)	121	123	128	136

[Company Valuation](#) - [Company Financials](#)

environment likely to affect multi-property owners. These improvements are vulnerable to external factors, particularly mortgage interest rates in France. Currently, these rates are stable compared to previous quarters, hindering a genuine fresh start.

Our conclusion is that Altarea is performing well in a recovering end market that has almost stabilised. This is evident in the Q3 25 revenue, which indicates slight topline growth YoY. The market is operating at low capacity and may be poised for a stronger recovery, contingent on more favourable macroeconomic or political conditions.

Landing retail

The landing observed among Altarea's peers is also evident for Altarea on several fronts. In H1 25, tenant revenue growth was 1.7%, with footfall increasing by 4.2%. For 9M 25, these figures were 1.2% and 2.8%, respectively, indicating a normalisation in overall performance, marking the end of the recent recovery phase. This trend is reflected in rent evolution, with organic growth likely landing too. However, it is important to note the strong resilience of Altarea's revenue and occupancy ratios, which remain high at around 97%, with no significant sequential change this quarter. The group's profitability base is thus maintained, enabling management to reaffirm both the 2025 guidance and the 2026 dividend payment outlook.

Overall message remains positive

The confirmation of guidance indicates no potential for a strongly positive surprise from Residential Development in 2025. Altarea remains active in other sectors, exemplified by a partnership with Crédit Agricole (25/75) involving 76MWp of operating solar assets and 50MWp of projects.

In 2024, Altarea acquired Préjeance, which managed 42MWp and had a pipeline of 41MWp under construction, alongside projects at various development stages. The terms of the Crédit Agricole JV, particularly asset valuation, are undisclosed. However, it seems the majority of operating solar assets are transferred to the JV, while Altarea retains most of the development pipeline. This pipeline, and the business overall, does not affect our valuation due to its size relative to the consolidated scope or growth prospects. The joint venture with Crédit Agricole is neutral regarding our recommendation or target price.

This applies to the data centre business, where Altarea continues to expand with small and medium-sized units. The February 2026 update, during the annual results presentation, will outline management's plans to scale in this sector following the commissioning of the Noyal data centre (3MW) and the building permits obtained for Vélizy (7MW). Opportunities exist in France concerning government data, but this will likely be a more competitive process than with smaller units.

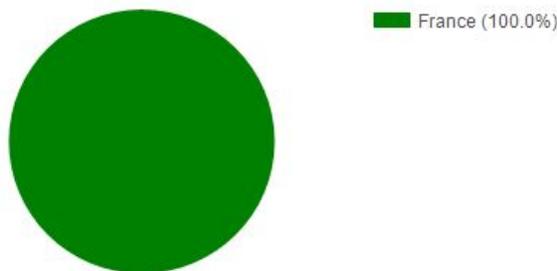
■ Impact

S&P recently reaffirmed Altarea's BBB- credit rating, upgrading the outlook from "negative" to "stable." While a credit rating agency recently downgraded an office landlord, no negative signals have emerged for retail assets. Altarea's assets remain robust, and a recovery is beginning in its residential development business. However, the recovery pace is insufficient and remains vulnerable to external factors.

Political momentum anticipated a few months ago is currently stalled by parliamentary debates in France, which focus on resource optimisation. Consequently, there is no current support for promoting buy-to-let investment. The

stock price has approached our target, but our Q3 25 analysis does not justify raising this target or adopting a more positive outlook at this time. We will reassess in early 2026 to determine if the pace of improvement in residential development in France is accelerating.

Sales by Geography



Consolidated P&L Accounts

		12/24A	12/25E	12/26E
Sales	€M	2,915	2,982	3,032
Change in sales	%	1.69	2.28	1.67
Change in staff costs	%	-1.78	4.00	4.00
EBITDA	€M	263	283	272
EBITDA(R) margin	%	9.01	9.49	8.99
Depreciation	€M	-23.7	-50.0	-50.0
Underlying operating profit	€M	239	233	222
Operating profit (EBIT)	€M	200	233	222
Net financial expense	€M	-134	-55.0	-60.0
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M			
Corporate tax	€M	10.9	-44.5	-40.6
Equity associates	€M	9.20	7.00	10.0
Minority interests	€M	-80.0	-70.0	-70.0
Adjusted attributable net profit	€M	127	140	150
NOPAT	€M	156	182	177

Cashflow Statement

		12/24A	12/25E	12/26E
EBITDA	€M	263	283	272
Change in WCR	€M	114	0.00	0.00
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-10.9	-44.5	-40.6
Exceptional items	€M	83.5	0.00	0.00
Other operating cash flows	€M			
Total operating cash flows	€M	449	238	232
Capital expenditure	€M	-163	-50.0	-70.0
Total investment flows	€M	-163	-50.0	-70.0
Net interest expense	€M	-134	-55.0	-60.0
Dividends (parent company)	€M	-166	-175	-183
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	92.5	93.3	97.3
Total financial flows	€M	-144	-157	-165
Change in cash position	€M	141	-38.4	-73.5
Free cash flow (pre div.)	€M	152	133	102

Per Share Data

		12/24A	12/25E	12/26E
No. of shares net of treas. stock (year...	Mio	21.9	22.6	23.5
Number of diluted shares (average)	Mio	21.5	22.8	23.7
Benchmark EPS	€	5.91	6.14	6.34
Restated NAV per share	€	107	108	108
Net dividend per share	€	8.00	8.00	5.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 95.1	75%	● Klépierre
DCF	€ 97.6	25%	● Icade
TARGET PRICE	€ 95.7	100%	● Nexity ● Mercialis

NAV/SOTP Calculation

Balance Sheet

		12/24A	12/25E	12/26E
Goodwill	€M	359	359	359
Total intangible	€M	359	359	359
Tangible fixed assets	€M	4,295	4,315	4,355
Financial fixed assets	€M	400	407	417
WCR	€M	2,461	2,461	2,461
Other assets	€M	55.3	55.3	55.3
Total assets (net of short term liab.)	€M	7,570	7,597	7,647
Ordinary shareholders' equity	€M	1,694	1,683	1,659
Quasi Equity & Preferred	€M			
Minority interests	€M	1,245	1,245	1,245
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M			
Total provisions for risks and liabilities	€M	0.00	0.00	0.00
Tax liabilities	€M	-41.8	-41.8	-41.8
Other liabilities	€M	2,623	2,623	2,623
Net debt (cash)	€M	2,050	2,088	2,162
Total liab. and shareholders' equity	€M	7,570	7,597	7,647

Capital Employed

		12/24A	12/25E	12/26E
Capital employed after depreciation	€M	7,515	7,542	7,592

Profits & Risks Ratios

		12/24A	12/25E	12/26E
ROE (after tax)	%	0.35	4.17	3.70
ROCE	%	2.08	2.41	2.33
Gearing (at book value)	%	121	123	128
Adj. Net debt/EBITDA(R)	x	7.81	7.38	7.93
Interest cover (x)	x	1.78	4.24	3.71

Valuation Ratios

		12/24A	12/25E	12/26E
Reference P/E (benchmark)	x	15.5	16.0	15.5
Free cash flow yield	%	7.57	6.03	4.41
P/Book	x	1.18	1.32	1.39
Dividend yield	%	8.75	8.15	5.10

EV Calculation

		12/24A	12/25E	12/26E
Market cap	€M	2,001	2,214	2,310
+ Provisions	€M	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	2,050	2,088	2,162
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	400	407	417
+ Minority interests (fair value)	€M	1,245	1,245	1,245
= EV	€M	4,896	5,141	5,300
EV/EBITDA(R)	x	18.6	18.2	19.5
EV/Sales	x	1.68	1.72	1.75

Analyst : Christian Auzanneau, Changes to Forecasts : 05/05/2025.