



Altarea

Retail - Property / France

Data centers: strategic partnership with Vantage

Earnings/sales releases - 25/02/2026

Altarea, in conjunction with its FY 25 financial results, announced a partnership with Vantage Data Centers (9GW) to develop hyperscale data centers dedicated to AI /cloud in France. This includes an initial 400MW unit in Bordeaux, for which Altarea has already secured the electrical connection. This will be Vantage's first facility in France. This initiative aligns with Altarea's strategy in the data computing and hosting sector, where it already operates smaller units. This therefore potentially represents a radical change of scale for Altarea.

Fact

- Bookings in the residential segment increased by 8% in FY 25 vs. +14% in 9M 25.
- Altarea incurred €44m in exceptional cash charges related to one of its real estate businesses. Consequently, net profit in 2025 was €8m, compared to €6m in 2024.
- Not including the exceptional charge of €44m, FFO attributable to the Group rose by 14% to €145m, exceeding our initial estimate of €140m.
- The proposed dividend is €8 per share, unchanged, offering a yield of 6.6%. A 25% cash/75% share payment option is available, which the reference shareholders (holding 69% in total) have already chosen.
- NAV, according to Altarea standards, is €101 per share, down from €107 in 2024. The number of shares increased by 5% in 2025 due to the dividend payment in kind. Net debt rose by €0.2bn to €1.9 bn.
- No specific guidance for 2026 is available at this time. However, FFO is anticipated to experience "significant growth", and the dividend payable in 2027 is expected to remain stable. The group's ambition remains to reach €300m of FFO "in the medium term" (including capital gains e.g).
- ESG: An employee share ownership plan is being implemented, aiming for employees to hold 10% of the share capital in the long term, up from the current 5%.

Analysis

Data centers: one big step forward

Altarea will operate in two segments, each with a distinct profile: managing projects up to the building permit stage and subsequently selling the projects. This process is standard, involving low risk and cash costs. Additionally, a joint venture component addresses long-term projects, exemplified by the new partnership with Vantage Data Centers. A significant 400MW hyperscale project near Bordeaux is underway, alongside a 120MW project in the Île-de-France region, the latter signed with a "lookalike GAFAM" entity (specific name undisclosed). Several smaller "retail" projects (4/7MW) are also in development.

Following the development phase, Altarea aims to manage a portfolio of data centers for long-term returns. This strategy does not exclude disposals with potential capital gains, which will be included in the FFO. Such disposals could contribute to achieving the €300m FFO target in the medium term.



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Sell	Upside: -20.5%
Target Price (6 months)	€ 96.4
Share Price	€ 121
Market Cap. €M	2,885
Price Momentum	STRONG
Extremes 12 Months	84.1 ▶ 128
Sustainability score	4.5 /10
Credit Risk	B →
Bloomberg	ALTA FP Equity
Reuters	IMAF.PA

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PERF	1w	1m	3m	12m
Altarea	-5.31%	11.4%	17.7%	20.5
Real Estate	1.29%	10.8%	10.9%	13.3
STOXX 600	1.26%	3.42%	11.8%	13.7

Last updated: 05/05/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	15.5	16.7	19.1	20.9
Dividend yield (%)	8.75	7.80	4.13	4.13
EV/EBITDA(R) (x)	18.6	18.5	21.4	20.1
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](#)

Altarea is advancing its long-term projects, highlighted by its new partnership with Vantage. These initiatives are of international calibre and could elevate Altarea's status among leading players in France. However, Altarea has indicated that profits are unlikely before 2026 or 2027. Despite this, the group views this as a crucial medium-term development area. Altarea plans to maintain ownership and operational roles, potentially through additional joint ventures, leveraging its expertise in real estate, technical, and land matters.

Aside from Segro (covered, Sell, €20bn of asset), which focuses on logistics and is credibly developing some data centers projects, no other property company in our portfolio matches Altarea's ambition. These projects are complex, particularly concerning electrical connections and grid integration, presenting high entry barriers that may ensure long-term returns.

Altarea has a significant opportunity in this segment, albeit with a gradual risk deployment and medium-term profit outlook. Altarea has committed €28m to the data center segment by 2025. The extent of commitment to joint ventures or shell projects, particularly those in development or divestiture, makes it challenging to evaluate their recurring contribution to long-term recurring value creation at this stage. Currently, this contribution to NAV is almost nil, thus representing a free option.

Residential development: EBITDA from €27m to €55m

EBITDA is on an upward trajectory, with operations re-designed in 2024-25 contributing more significantly. This trend is expected to continue into 2026. Housing is anticipated to be a major driver of consolidated profits in 2026-27, with data centers contributing beyond 2027.

Based on the group's metrics, notably an 8% margin for housing segment, it is reasonable to infer that management anticipates above €50m in additional profits for the full year 2028, effectively doubling the 2025 EBITDA of Residential Development segment. This increase should be compared to the €147m consolidated FFO in 2025. Our current expectation is €180m for 2028, which seems very reasonable at the moment.

In Q4 25, bookings were low as management redistributed institutional orders into 2025. Several sources reported a continued slowdown in the end market throughout 2025, including Q4, with end-market reaching historical low point (for decades) around 100,000 units in 2025. Altarea's scale supports potential market share gains, maintaining its own sales volumes: this was demonstrated in 2025.

Retail property: 1m sqm, €326m in gross rents, €5bn of GAV (at 100%).

Tenant sales grew modestly by 1% in 2025, which is below the growth observed in some other peers within our coverage. With inflation slowing, we do not foresee significant organic growth potential for outyears (2.2% in 2025, including 1.9% indexation). The LFL portfolio value remained nearly stable in 2025, with a low vacancy ratio (below 3%). In this context, the 10% EBITDA growth (at 100% in 2025) was notable, driven more by a reduction in operating expenses (-€19m) than by revenue increases (+€7m). The recurring nature of these lower operating expenses is not fully documented (below 6% of FY 25 revenue, which is very low for this sector).

The completion of the Austerlitz project is expected to drive growth in scope, revenue, and profits starting in 2027. This will be accompanied by the development of 136 stations of the Grand Paris Express and 17,000 sqm of retail space in 83 metro stations in Milan. This expansion partly explains the €220m increase in consolidated debt in 2025. Overall, the retail portfolio in railway

stations represents up to €100m p.a. in revenue (at 100%, before deduction of royalties payable to landlords), marking it as a differentiating asset.

Major commercial projects

The rapid completion of major commercial projects in 2025 led to a 25% consolidated revenue decline that year. This contribution is often very volatile, and this was particularly the case last year. This segment's EBITDA contribution decreased from €48m in 2024 to €18m in 2025. Altarea maintains a substantial portfolio for future delivery, though its contribution may not be linear. It is possible that a low point could be reached somewhere in 2025-26, with major commercial projects potentially contributing more significantly later. A favourable combination of factors in both the residential sector and these projects in 2026-27 would leverage FFO growth significantly. However, without significant improvement in the logistics or office market (refer to our research), we do not currently view such major commercial projects as a sustainable profit growth driver at the moment.

New activities and FFO

Recent developments in solar farms and real estate asset management are nearing operational breakeven, contributing €8m to the group's FFO improvement (+€17m yoy). We anticipate that growth in data centers or residential development will soon surpass the initiatives launched in recent years for new activities.

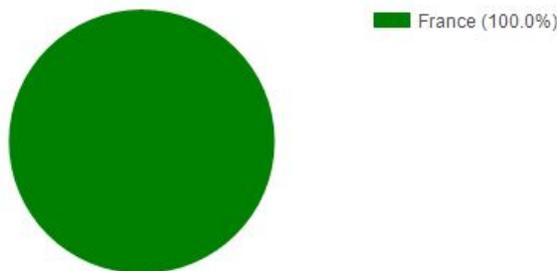
■ Impact

Altarea faces no significant debt maturities until 2028 and maintains a stable BBB- credit rating. The LTV ratio is slightly increasing but remains manageable at 31% (at Altarea's standards). The cost of debt is favourable: 2.01% in 2025 (+9bp yoy), with an average debt maturity of 3.1 years (4.5y in 2024). Operational leverage should play in full in 2026-27 therefore: its revenue containment strategy in Residential development — targeting 8,000-9,000 deliveries annually compared to 8,000 bookings in 2025 — is effectively maximising margins and profits.

In the context of a still declining residential development market, we maintain a cautious stance and uphold our prudent recommendation. The NAV of €101 per share already accounts for potential positive shifts in residential development, while the current stock price is €121.

We will make slight upwards revision to our 2026 estimates at FFO level (group share). We will also incorporate the dilution of the new shares to be issued to pay part of the dividend. We don't include company's medium-term target of €300m, as it partially relies on non-recurring profits (capital gains) beyond 2027, which remains too distant or imprecise.

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

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

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	€ 100	25%	● Icade
TARGET PRICE	€ 96.4	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

Capital employed after depreciation	€M	7,515	7,542	7,592
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Profits & Risks Ratios

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

Reference P/E (benchmark)	x	15.5	16.7	19.1
Free cash flow yield	%	7.57	5.77	3.57
P/Book	x	1.18	1.38	1.72
Dividend yield	%	8.75	7.80	4.13

EV Calculation

Market cap	€M	2,001	2,315	2,853
+ 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	5,242	5,844
EV/EBITDA(R)	x	18.6	18.5	21.4
EV/Sales	x	1.68	1.76	1.93

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