



# Altarea

Retail - Property / France

## On the road to improving margins

Earnings/sales releases - 30/04/2026

In Q1 26, Altarea did not experience any material impact from geopolitical tensions. The quarter was generally positive, with an increase in bookings in the Residential Development segment.

### Fact

- Organic revenue growth in retail property was 1.2%.
- Residential development revenue decreased by 11%.
- Bookings remained stable with a 5% year-over-year increase in euros.
- Guidance for a substantial improvement in FFO is maintained.

### Analysis

#### Retail Property

In the French retail property sector, performance is stabilising with a reduced impact from indexation. The occupancy ratio remains high at 97.1%, and Altarea's assets continue to attract interest. Footfall has increased by 5%, and tenant revenues have risen by 1.3%. These figures, on a current basis, align with an organic growth rate of 1.2% at the consolidated level. Altarea's assets have outperformed inflation in France, and the disparity between tenant revenue growth and rent growth highlights the group's pricing power. While there is no significant underlying momentum, shopping centres are performing well and continue to attract consumers.

#### Residential Development

The revenue decline in this segment is due to the phasing out of the "old" offering, which now accounts for only 30% of revenue in Q1 26. Currently, 70% of revenue is derived from apartments sold under optimised margin conditions. Altarea is demonstrating its capability to replace the majority of its revenue with higher-profitability products. This shift should be evident in the published margins for H1 26, despite an anticipated overall revenue decline for the year.

The transition aligns with Altarea's strategy to prioritise profitability over volume. In this sector, including companies like Icade and Nexity, Q1 is typically not indicative of the annual performance. Q4 remains crucial, especially concerning institutional orders.

In 2026, Altarea and its peers may encounter a challenging period, as the year-end could coincide with rising material costs and stable interest rates. These factors may reduce demand (volume effect) and slow operating margin growth. This scenario, previously discussed regarding Nexity, is mitigated for Altarea by its stronger balance sheet.

Currently, Altarea reports no significant impact from geopolitical events, including in April. However, Q1 2026 was notably influenced by a mix effect, with a higher proportion of smaller apartments, such as student residences, being marketed at lower transaction prices. This shift towards higher-margin products will require a significant mix adjustment by the fiscal year's end. In summary, reliance on institutional investor demand will make the end of 2026 particularly critical, more so than in previous years.



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<b>Sell</b>	<b>Upside: -14.1%</b>
Target Price (6 months)	€ 96.4
Share Price	€ 112
Market Cap. €M	2,671
Price Momentum	<b>UNFAVORABLE</b>
Extremes 12 Months	91.0 ▶ 129
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	-2.43%	1.08%	-1.92%	19.3
Real Estate	-1.78%	9.43%	0.84%	5.92
STOXX 600	-1.53%	5.44%	-0.32%	15.9

Last updated: 05/05/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	15.5	16.7	17.7	19.3
Dividend yield (%)	8.75	7.80	4.46	4.46
EV/EBITDA(R) (x)	18.6	18.5	20.7	19.4
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](#)

Our assessment indicates that despite the market downturn in Q4 2025, Altarea is performing well and demonstrating agility. However, questions remain about the pace and sustainability of the EBIT rebound, whether measured in euros per million or as a margin. While we share Altarea's ambition to improve FFO by 2026, we question the speed of this improvement for 2027-2028, considering various inertia factors.

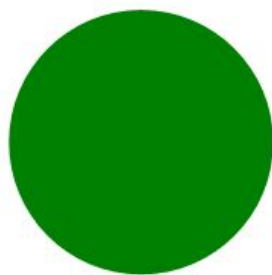
As the market approaches the cycle's bottom, mix effects and operational indicator volatility become more significant, complicating analysis. For instance, fluctuations in apartment reservations or their types, such as student residences, can significantly impact results. Thus, the 15% increase in reservations, in units, is not particularly meaningful, reducing the ability to understand the cycle. Our analysis suggests these factors are typical of a market lacking a consistent positive trajectory. Nonetheless, Altarea is clearly outperforming a market that continues to adjust and remains vulnerable.

### ■ Impact

This Q1 26 remains decent, but the overall risk level remains high enough to maintain a cautious rating. In 2026, Altarea will offer shareholders the opportunity to receive the dividend partly in shares, as in previous years.

The reference shareholders, representing 69% of the share capital, have announced their choice of the "in kind" option, meaning 25% in cash and 75% in shares. This is expected to further dilute the NAV per share, which will exacerbate the growing disconnect between the stock price and the NAV published by Altarea itself.

## Sales by Geography



France (100.0%)

## 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
<b>EBITDA(R) margin</b>	<b>%</b>	<b>9.01</b>	<b>9.49</b>	<b>8.99</b>
Depreciation	€M	-23.7	-50.0	-50.0
Underlying operating profit	€M	239	233	222
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>200</b>	<b>233</b>	<b>222</b>
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
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>127</b>	<b>140</b>	<b>150</b>
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
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>152</b>	<b>133</b>	<b>102</b>

## 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
<b>Benchmark EPS</b>	<b>€</b>	<b>5.91</b>	<b>6.14</b>	<b>6.34</b>
Restated NAV per share	€	107	108	108
<b>Net dividend per share</b>	<b>€</b>	<b>8.00</b>	<b>8.00</b>	<b>5.00</b>

## 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
			● Mercalys

[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
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>1,694</b>	<b>1,683</b>	<b>1,659</b>
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
<b>Net debt (cash)</b>	<b>€M</b>	<b>2,050</b>	<b>2,088</b>	<b>2,162</b>
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
<b>ROE (after tax)</b>	<b>%</b>	<b>0.35</b>	<b>4.17</b>	<b>3.70</b>
ROCE	%	2.08	2.41	2.33
<b>Gearing (at book value)</b>	<b>%</b>	<b>121</b>	<b>123</b>	<b>128</b>
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
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>15.5</b>	<b>16.7</b>	<b>17.7</b>
Free cash flow yield	%	7.57	5.77	3.86
P/Book	x	1.18	1.38	1.59
<b>Dividend yield</b>	<b>%</b>	<b>8.75</b>	<b>7.80</b>	<b>4.46</b>

## EV Calculation

		12/24A	12/25E	12/26E
Market cap	€M	2,001	2,315	2,642
+ 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	5,632
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>18.6</b>	<b>18.5</b>	<b>20.7</b>
EV/Sales	x	1.68	1.76	1.86

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