



Altarea

Retail - Property / France

Still ready to face risk

Earnings/sales releases - 21/10/2026

There is a growing risk within the French residential development end-market for 2027—a view shared by management. In recent years, the company has positioned itself to address this emerging risk.

Fact

- Q3 26 bookings are down 32% in euros, compared to being flat in H1 26. Bookings from individual customers remain very weak.
- Retail Property—the core component of the valuation—shows like-for-like rental growth of 1%, consistent with the trend seen in H1 26.
- The guidance for FY 26 is reiterated, pointing to a “substantial increase” in FFO, though no specific figure is provided. There is no forward guidance for FY 27. The “medium-term” FFO target of €300m was reiterated during the call.
- The dividend payable in 2027 is confirmed at €8.00 per share, with an option for payment in shares.

Analysis

Residential development: a tough year (or years) ahead?

Management shares our view that a specific risk is emerging for FY 27. We also believe this could potentially spill over into FY 28. In either scenario, it is likely that news flow—both for the sector as a whole—may be negative over the coming quarters, at least regarding trends in sales volumes and revenue.

A key element of the investment case for Altarea hinges on the speed at which the profitability of its Residential Development division recovers—not only in terms of margins, but also in absolute euro terms at the EBITDA and bottom-line levels. Should the sector-wide crisis worsen, even a decent margin might not prevent a slowdown in the pace of profit growth, and by extension, the growth of consolidated FFO. While this challenge is shared by all its peers, Altarea benefits from greater agility, thanks to both its size and its entrepreneurial culture. In our view, it remains well-equipped to face the challenges of 2027–2028.

The performance for the first nine months of 2026 does not yet fully reflect the impact of rising yields on French sovereign debt, nor the fragility of France’s sovereign credit rating. When one also considers construction costs—and the fact that the revenues of both Altarea and the broader sector are heavily dependent on orders from institutional investors—it raises concerns about the vulnerability of a core revenue stream. While a focus on preserving margins is entirely understandable, should external constraints become sufficiently severe, the priority must be to safeguard the company’s operational foundation—specifically its core expertise and the associated fixed cost base. For these reasons, market consensus may need to temper its expectations regarding the recovery of FFO for 2027 and beyond.

Furthermore, management has consistently remained committed to maintaining a high nominal dividend. It has long been our view that this dividend is excessive when weighed against the overall risk profile—for instance, risks linked to the end-market. Depending on how the situation in France evolves, we cannot rule out a



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Buy		Upside: 28.9%
Target Price (6 months)	€ 97.1	
Share Price	€ 75.3	
Market Cap. €M	1,847	
Price Momentum	NEGATIVE	
Extremes 12 Months	72.2 ▶ 119	
Sustainability score	4.3 /10	
Credit Risk	BB →	
Bloomberg	ALTA FP Equity	
Reuters	IMAF.PA	

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PERF	1w	1m	3m	12m
Altarea	2.03%	-11.7%	-22.5%	-20.9
Real Estate	0.64%	-3.92%	-11.4%	-7.26
STOXX 600	0.57%	0.50%	-0.15%	11.6

Last updated: 30/07/2026				
	12/25A	12/26E	12/27E	12/28E
Adjusted P/E (x)	16.2	9.88	10.3	10.2
Dividend yield (%)	7.80	10.6	6.64	7.97
EV/EBITDA(R) (x)	19.6	14.3	13.8	13.2
Adjusted EPS (€)	6.31	7.62	7.28	7.40
Growth in EPS (%)	6.88	20.8	-4.57	1.74
Dividend (€)	8.00	8.00	5.00	6.00
Sales (€M)	2,229	2,260	2,307	2,365
EBITDA/R margin (%)	13.2	14.6	15.0	15.6
Attributable net profit (€M)	8.40	137	151	153
ROE (after tax) (%)	0.50	8.18	9.00	9.16
Gearing (%)	132	135	143	146

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

potential recalibration of the dividend payable in 2028 to better align it with the recurring FFO that can reasonably be expected on an annual basis over the medium term (excluding capital gains).

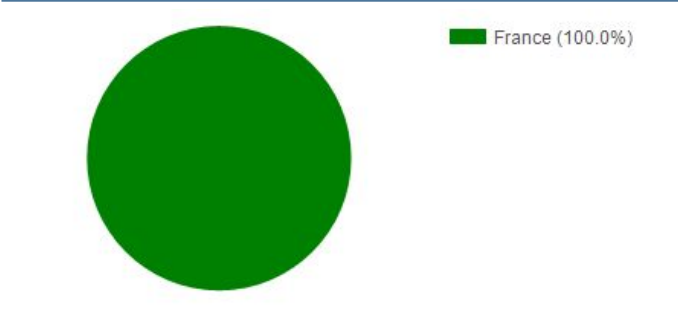
Retail Property

Rental growth remains strongly correlated with tenant sales in Altarea's shopping centers—hovering around 1%. At present, we have no indication as to how book values for the French retail sector might evolve nationwide; however, in Altarea's case, organic rental growth is insufficient to protect book values against, for instance, a shift in capitalization rates. Yield compression could be a primary driver for a revision of our NAV per share sometime in 2027.

■ Impact

The current share price appears low enough to justify our positive rating, even when accounting for a potential dividend recalibration in 2028 and a contained erosion of the NAV stemming from potential pressure on retail assets. To address this, we believe Altarea holds several highly monetizable assets, notably in Spain. Although the optimal window of opportunity may have closed for the time being—due to shifts in interest rates—Altarea is not lacking in resources. The company still faces what could be a challenging period over the coming quarters; this is true for the entire sector, yet Altarea possesses distinct advantages compared to other, more vulnerable players. Nexity will release its Q3 26 results tomorrow, October 22, after the market closes.

Sales by Geography



Consolidated P&L Accounts

		12/25A	12/26E	12/27E
Sales	€M	2,229	2,260	2,307
Change in sales	%	-23.5	1.39	2.08
Change in staff costs	%	-2.91	-5.00	4.00
EBITDA	€M	279	347	367
EBITDA(R) margin	%	12.5	15.4	15.9
Depreciation	€M	-15.1	-25.0	-20.0
Underlying operating profit	€M	264	322	347
Operating profit (EBIT)	€M	156	322	347
Net financial expense	€M	-91.9	-60.0	-65.0
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M			
Corporate tax	€M	11.7	-65.6	-70.4
Equity associates	€M	-4.70	10.0	12.0
Minority interests	€M	-63.1	-70.0	-72.0
Adjusted attributable net profit	€M	145	184	180
NOPAT	€M	110	252	272

Cashflow Statement

EBITDA	€M	279	347	367
Change in WCR	€M	246	0.00	0.00
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-11.7	-65.6	-70.4
Exceptional items	€M	27.2	0.00	0.00
Other operating cash flows	€M			
Total operating cash flows	€M	541	282	296
Capital expenditure	€M	-216	-70.0	-80.0
Total investment flows	€M	-216	-70.0	-80.0
Net interest expense	€M	-91.9	-60.0	-65.0
Dividends (parent company)	€M	-175	-186	-196
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	103	110	0.00
Total financial flows	€M	-344	-156	-273
Change in cash position	€M	-116	-14.7	-129
Free cash flow (pre div.)	€M	232	152	151

Per Share Data

No. of shares net of treas. stock (year...	Mio	23.0	24.3	24.3
Number of diluted shares (average)	Mio	23.0	24.1	24.7
Benchmark EPS	€	6.31	7.62	7.28
Restated NAV per share	€	101	102	106
Net dividend per share	€	8.00	8.00	5.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 95.5	75%	● Klépierre
DCF	€ 102	25%	● Icade
TARGET PRICE	€ 97.1	100%	● Nexity
			● Mercialis

[NAV/SOTP Calculation](#)

Balance Sheet

		12/25A	12/26E	12/27E
Goodwill	€M	346	346	346
Total intangible	€M	346	346	346
Tangible fixed assets	€M	4,315	4,380	4,452
Financial fixed assets	€M	391	401	413
WCR	€M	2,207	2,207	2,207
Other assets	€M	250	250	250
Total assets (net of short term liab.)	€M	7,508	7,583	7,667
Ordinary shareholders' equity	€M	1,642	1,702	1,657
Quasi Equity & Preferred	€M			
Minority interests	€M	1,213	1,213	1,213
Provisions for pensions	€M		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	-54.6	-54.6	-54.6
Other liabilities	€M	2,410	2,410	2,410
Net debt (cash)	€M	2,297	2,312	2,441
Total liab. and shareholders' equity	€M	7,508	7,583	7,667

Capital Employed

Capital employed after depreciation	€M	7,258	7,333	7,417
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Profits & Risks Ratios

ROE (after tax)	%	0.50	8.18	9.00
ROCE	%	1.52	3.43	3.67
Gearing (at book value)	%	132	135	143
Adj. Net debt/EBITDA(R)	x	8.22	6.66	6.66
Interest cover (x)	x	2.87	5.37	5.33

Valuation Ratios

Reference P/E (benchmark)	x	16.2	9.88	10.3
Free cash flow yield	%	9.83	8.30	8.27
P/Book	x	1.44	1.07	1.10
Dividend yield	%	7.80	10.6	6.64

EV Calculation

Market cap	€M	2,364	1,828	1,828
+ 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	2,297	2,312	2,441
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	391	401	413
+ Minority interests (fair value)	€M	1,213	1,213	1,213
= EV	€M	5,483	4,953	5,070
EV/EBITDA(R)	x	19.6	14.3	13.8
EV/Sales	x	2.46	2.19	2.20

Analyst : Christian Auzanneau, Changes to Forecasts : 30/07/2026.