

EUR 24.09

ATENOR

Accumulate

ATEO.BR/ATEB.BB

Market capitalisation: EUR 121m

Real Estate

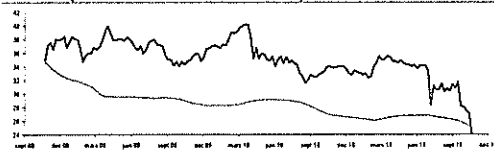
EUR	12/10	12/11e	12/12e	12/13e
Gross Rental Income (m)	0,2	1,5	0,3	0,0
EBITDA (m)	-9,4	5,8	3,6	8,8
EBITDA margin	-4.693%	398%	1.098%	nm
Portfolio Result (m)	12,9	7,5	23,7	42,0
Net Financial Result	-4,9	-3,2	-4,3	-4,3
Net Profit (reported)(m)	-1,6	6,1	23,1	46,5
Net Profit (adj.)(m)	-1,6	6,1	23,1	46,5
Funds From Operations	-1,6	6,1	23,1	46,5
Net Debt (m)	47,0	79,0	81,2	57,0
Portfolio Value (m)	29,1	24,2	22,6	21,1
Enterprise Value (m)	215	200	202	178
EPS (adj.)	-0,3	1,2	4,6	9,2
DPS	2,0	2,0	2,1	2,2
IFRS NAVPS	20,1	19,2	21,8	28,9
Premium/(discount)	67,2%	25,3%	10,6%	-16,6%
EPRA NAVPS	20,8	19,8	22,2	29,0
Earnings adj. yield	nm	5,0%	19,0%	38,3%
Dividend yield	8,3%	8,3%	8,7%	9,2%
EV/EBITDA	-22,8	34,6	55,7	20,3
P/E (adj.)	nm	20,0	5,3	2,6
Int. cover(EBITDA/Fin.int)	-2,1	1,8	0,8	2,0
Net debt/(cash) (m)	47,0	79,0	81,2	57,0
Net Debt/Total Assets	17,4%	27,3%	27,1%	17,2%
Abs. Performances(12m,6m,3m,1m):	-27,9%	-31,1%	-20,8%	-23,3%
12 month High/low: EUR.36 / :24				Avg. Daily nb traded shares:1634,280

Main shareholders: Free float 50%; Sofinim 12%; Tris 12%;

Luxempart 10%; Alva 10%; Management 05%;

All share prices at 18/11/11.

PRICE (SHORT & LONG AVERAGE)



FINANCIAL CALENDAR (Source: Precise)

01/03/12: FY 2011 Results

Profile: Atenor has been active in real estate development since more than 20 years and has decided with success under the direction of the current CEO to become a pure player in this field since 2005. The company has gradually focused on major projects, mainly offices but more and more residential in Belgium and Luxembourg, and over the last few years offices in Hungary (one project) and Romania (one project). Activities typically consist in investing in real estate projects, setting up the architectural design and the construction, selling the buildings at completion or as a work-in-progress via SPVs in view of realising capital gains. 10 projects currently for a total close to 500,000sqm. With its current workforce, the company has the capacity to manage the development of 10 projects.

SWOT Analysis

STRENGTHS

- Extensive know-how in property development particularly in large office complexes
- Major actor in the Belgian and Luxembourg market
- Modest taxation level thanks to tax losses carry forwards

WEAKNESSES

- Annual recurrence of results reflecting its development activity smoothed by the diversification & enlargement of the portfolio
- Timing of results

OPPORTUNITIES

- Anticyclical investment enhanced by weak economic environment
- Move towards sustainable investments in real estate
- Diversification in other geographic areas and in residential property

THREATS

- Lasting of weak economic environment
- Delays of permit delivery and construction

Recommendation: After the fantastic 2008 year, which showed a dramatic over-performance of the share price, 2010 and 2009 have been transitional years. Although 2011 will show positive figures, we expect the bulk of the improvements not to materialise before 2013. By the trading update for the first 9 months of 2011, the company confirmed its previous guidance of FY 2011 figures in line with the half year ones (EUR 8.5m). Indeed the closing of the Crowne Plaza hotel (part of the so-called Europa project) will offset the revenues linked to the closing of the B3 building (offices in the UP-site project= residential tower and offices) and the construction of the B4 (offices also in UP-Site). While our DCF points to a FV of EUR 42, we expect the uncertainties raised by the current market environment (which may lead to some postponements) and litigation in course (though we and Atenor perceive the risk as minimal) to weigh on the share price.

Target Price: EUR 34,00

Analyst(s)

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