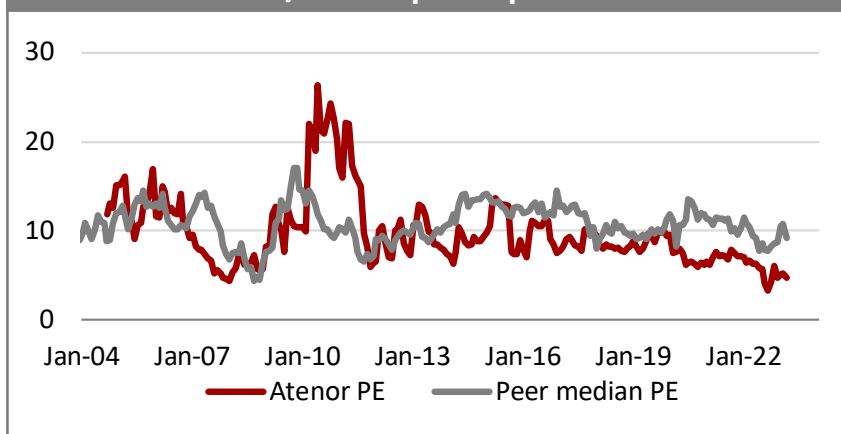




P/E multiple vs peers



EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	145.1	151.3	178.6	54.1	235.8	343.4	371.2
EBIT	52.9	40.2	64.2	19.5	97.1	110.8	122.9
Net profit	37.8	24.1	38.1	-0.8	63.3	74.3	87.4
EPS (EUR )	6.71	3.43	5.41	-0.12	9.00	10.55	12.41
DPS (EUR )	2.31	2.42	2.54	2.67	2.80	2.94	3.08
P/E (x)	9.7	17.9	10.7	-434.6	5.0	4.2	3.6
Yield (%)	3.6	4.0	4.4	5.1	6.3	6.6	6.9
Adj. EV/EBIT (x)	15.4	25.1	16.9	59.5	11.4	9.7	8.7

Source: Merodis, Factset  
Pricing date: 31/03/2023

## Key quarterly insights: 1Q23

### Break-even 2022 results, anticipating rebound in 2023 and further acceleration in 2024

In March, Atenor reported break-even 2022 bottom line results, consistent with the company's guidance in November 2022. Unsurprisingly, Atenor was unable to report any major sale in 2022 while pre-commercialisation activities, mainly in offices, faced a slow down. The company had already disclosed several times that the market environment was particularly uncertain, with rising interest rates, the ongoing war in Ukraine, higher costs and materials shortage (on the back, however, of fixed contracts), which altogether led many players to postpone their investments in residential and office segments. Atenor remains, nevertheless, confident in its business model, with a well-diversified European portfolio, to confirm its previously announced 2022 dividend policy of a 5% increase (combined with a stock dividend based on an issue price of EUR 39.25). Atenor sticks to its target, set in place since the release of its 2020 results, of reaching a gross margin of EUR 160m in 2026. While we expect only a modest advance towards this target during the first half of 2023, we continue to expect an acceleration going forward, particularly from 2024 onwards.

### The ambitious growth plan for the coming years is still on track

Atenor's portfolio consists of 35 projects totalling 1.3m sqm in 16 large cities of 10 European countries. After impressive growth over the past years that also allowed for risk diversification, Atenor now aims to consolidate its presence in these geographical areas. In 2021, Atenor revealed its new strategy of targeting a project portfolio of 1.8m sqm by the end of 2026 on the back of a development period of 4.5 years (down from 6 years previously) to reach this target. The company's minimal gross margin target is currently EUR 300/sqm for residential projects and EUR 600/sqm for offices, which translates to an overall gross margin target of EUR 480/sqm after taking into account a 60%/40% split between office and residential (close to the current situation). Although this guidance may appear optimistic in the current environment, Atenor's strong track record does provide comfort in this regard.

### Strong fundamentals not yet reflected in valuation

Atenor trades at a 12M forward P/E of 4.7x based on consensus estimates, implying a 49% discount relative to its peers and at the low end of the historical range of 3.3x to 26.4x (since 2003), which is unjustified in our view given (1) Atenor's track record, (2) its high returns (ROE expected in 2023e of 20.1% vs peer average of 9.7%) and (3) double-digit expected EPS growth (17% EPS CAGR 2023-25e outperforming the peer average of 14% and also with superior expected EBITDA growth of 13% vs peer average of 9%). Our fair value estimate of EUR 53.3 (was EUR 58.7) is based on a sum-of-the-parts valuation of the discounted cash flows expected to be delivered from the projects in portfolio and an estimate of the additional value from new projects (terminal value) using a discount rate of 8.6%.

## Dashboard objectives

- ➔ Follow-up to our coverage of Atenor which was launched in November 2019 (see below)
- ➔ Tool to keep investors up to date with Atenor's equity story as well as its valuation in a sector context
- ➔ Update investors on recent company and sector news flow

## Corporate calendar of Atenor's upcoming announcements and events

- ➔ Friday, 28 April 2023: General Assembly 2022
- ➔ Wednesday, 17 May 2023: 1Q2023 results
- ➔ Friday, 1 September 2023: 1H2023 results
- ➔ Monday, 20 November 2023: 3Q2023 results

## Access our recent research reports on Atenor:

- ➔ ["Portfolio scale-up enhances profit generation and eases risk profile" \(initiation\), 12 November 2019](#)
- ➔ ["4Q22 market review" \(quarterly dashboard\), 17 January 2023](#)

European real estate developer in an acceleration phase since 2016-17 with recent ST headwinds

### Company description

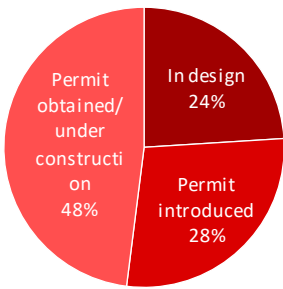
Atenor is a European real estate development company active in the sector's entire value chain, from identifying and acquiring locations to developing and selling them, albeit with no direct involvement in construction.

The company's portfolio includes 35 projects for 1.3m sqm, up from 9 projects in 2009. Atenor's core focus is offices (53%) and, to a lesser extent, residential (41%). Thanks to international business development, Atenor has successfully diversified the exposure to its domestic market, Belgium (23% of portfolio operating income in 2021). The group moved initially towards Central Europe, and, more recently to neighbouring countries, such as France and Germany, but also Portugal and the UK.

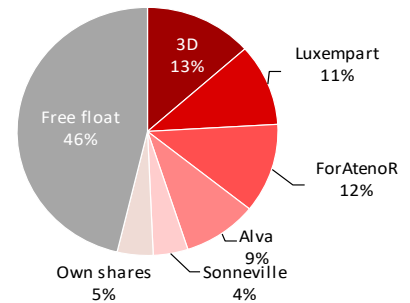
Expansion is moulded on the success in Belgium and focused on capital cities offering attractive growth prospects as well as quicker investment procedures.

We believe Atenor is well-positioned in European office real-estate development to take advantage of the underlying trend, with market demand increasingly shifting to assets requiring much higher technical and quality standards. In addition to higher portfolio rotation and profitability, we believe Atenor's risk profile has improved through its internationalisation strategy thanks to diversification, with synergies from an experienced and stable workforce and management team as well as exposure to countries offering stronger growth prospects and shorter pre-building phases.

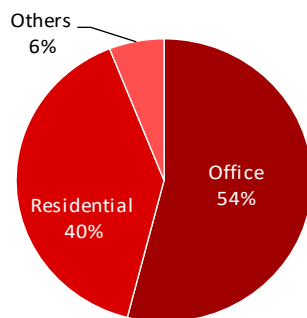
### Portfolio development stage (sqm), 2022



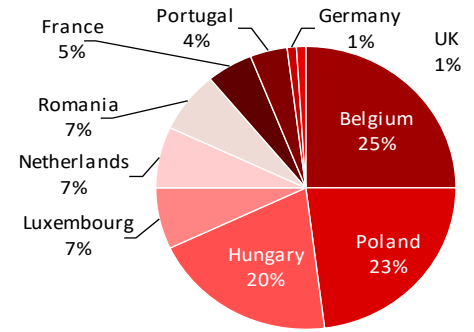
### Shareholders, April-2023



### Portfolio breakdown (sqm), December-2022



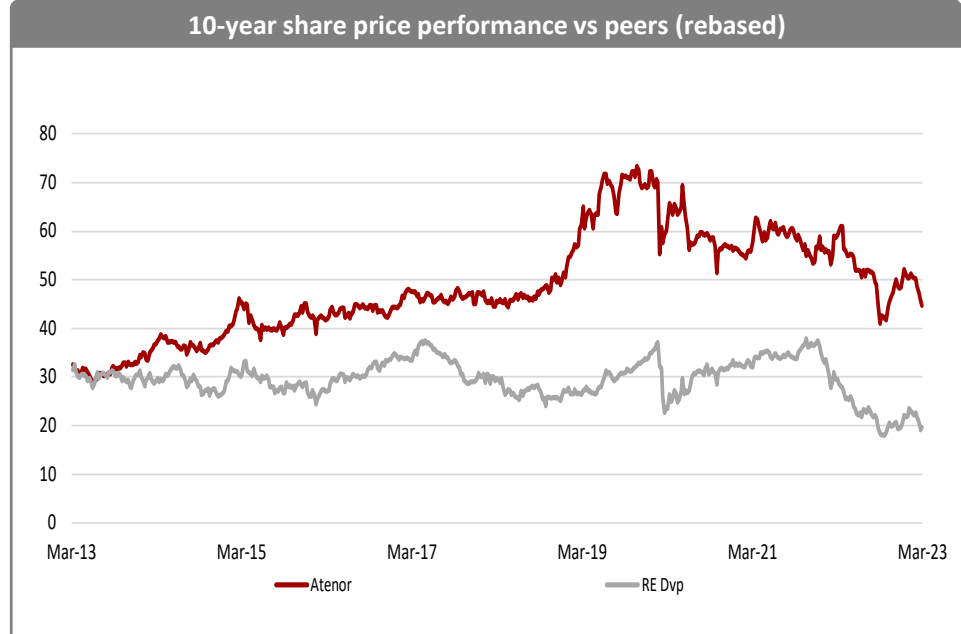
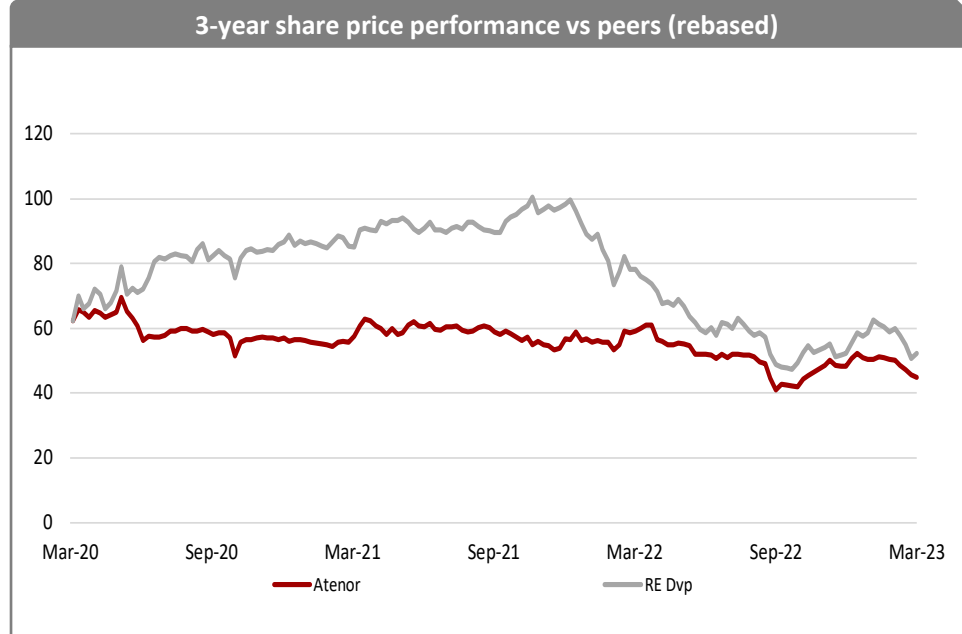
### Portfolio location (sqm), 2022



Source: Merodis, Factset

# Share price performance

Performing in line with sector peers albeit in a weak market



Source: Merodis, Factset

# Analyst Recommendations, Earnings Expectations

Macro headwinds lead to EPS consensus volatility

## Consensus view

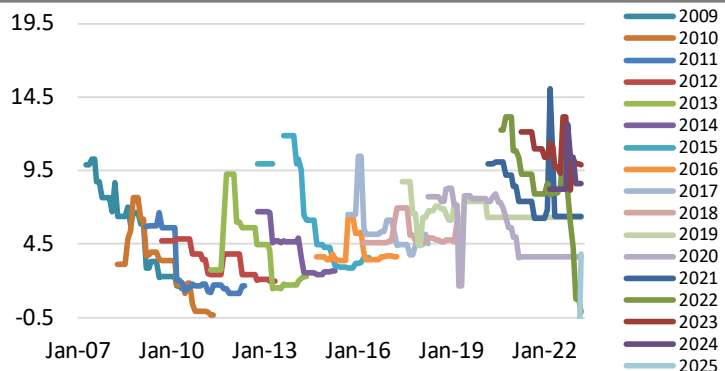
Consensus 2023e EPS estimates have decreased by 3% q-o-q to EUR 9.92 and have dropped by 25% compared to their peak in September 2022 (EUR 13.17), driven by the previously mentioned delay and/or postponement of various projects due to the current market environment.

Consensus currently expects a 2024e EPS of EUR 8.59, reflecting a 13.4% decrease y-o-y, while 2023e earnings estimates are at EUR 9.92 as discussed above, implying an increase y-o-y (vs. a negative EPS of EUR -0.1 in 2022). Our EPS estimate of EUR 10.55 for 2024e, implies 17.3% growth y-o-y. The expected growth is driven by the large project development pipeline totalling 1.3m m<sup>2</sup> with 35 projects.

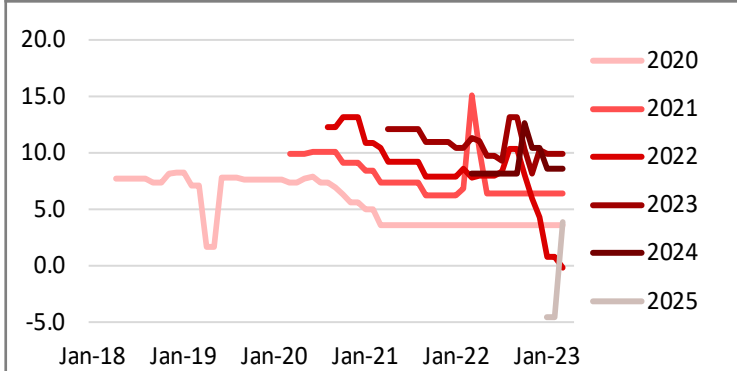
Atenor's share price decreased by 7.4% during 1Q23, underperforming versus its sector peers (-0.4%) as well as versus local mid caps (-1.2%) and the general market (Euro STOXX 600: +7.8%).

According to Factset, three brokers cover the stock: KBC Securities (Hold, TP EUR 57.00), Degroof Petercam (TP n.a.) and ING (Hold, TP n.a.). The latter however has not published since September 2021.

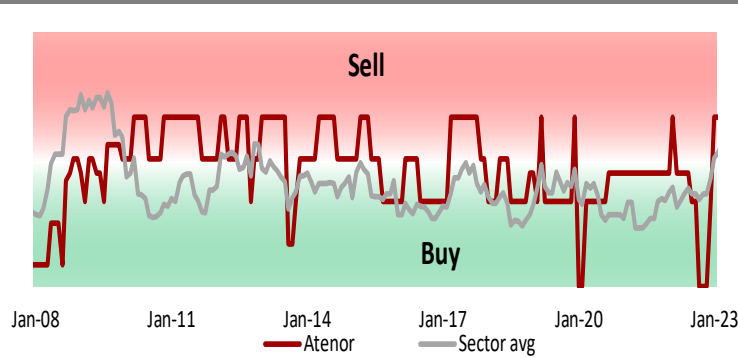
## EPS Worms (EUR/share)



## Consensus EPS (EUR/share)



## Analyst recommendations vs. peer average



## Merodis Equity Research estimates vs. consensus (%)

	2023e	2024e	2025e
Sales	-5.5	21.1	88.7
EBIT	-9.9	10.8	109.4
EPS (€)	-9.3	22.9	222.8
DPS (€)	13.7	13.8	20.5
Net debt	51.5	53.6	3.8

Source: Merodis, Factset

# Sector benchmarking analysis

Benchmarking against peers

Company	Freefloat (%)	Depr/	Capex/	ND/Assets (%)			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2023-25e CAGR (%)		
	2023e	EBITDA	Sales	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	EPS	EBITDA	Sales
<b>Peers</b>																					
Immobel	41	8%	2%	40.2	40.2	40.2	18.3	18.6	17.9	17.8	18.1	17.3	11.1	11.6	11.1	11.0	11.0	10.8	10.9	9.7	11.1
YIT	55	36%	0%	19.5	19.5	19.5	5.2	6.0	6.6	3.9	4.7	5.3	1.4	2.4	3.1	5.0	7.3	8.3	30.4	14.6	1.8
JM	66	5%	0%	22.1	22.1	22.1	10.3	10.6	11.0	10.9	11.8	11.1	8.3	9.1	8.4	13.1	13.1	12.2	0.8	4.0	0.7
<b>PEER AVERAGE</b>	<b>54</b>	<b>16%</b>	<b>1%</b>	<b>27.3</b>	<b>27.3</b>	<b>27.3</b>	<b>11.3</b>	<b>11.7</b>	<b>11.8</b>	<b>10.8</b>	<b>11.5</b>	<b>11.2</b>	<b>6.9</b>	<b>7.7</b>	<b>7.5</b>	<b>9.7</b>	<b>10.5</b>	<b>10.4</b>	<b>14.0</b>	<b>9.4</b>	<b>4.5</b>
<b>PEER MEDIAN</b>	<b>55</b>	<b>8%</b>	<b>0%</b>	<b>22.1</b>	<b>22.1</b>	<b>22.1</b>	<b>10.3</b>	<b>10.6</b>	<b>11.0</b>	<b>10.9</b>	<b>11.8</b>	<b>11.1</b>	<b>8.3</b>	<b>9.1</b>	<b>8.4</b>	<b>11.0</b>	<b>11.0</b>	<b>10.8</b>	<b>10.9</b>	<b>9.7</b>	<b>1.8</b>
<b>Atenor (MERE)</b>	<b>47</b>	<b>1%</b>	<b>0%</b>	<b>61.4</b>	<b>58.1</b>	<b>55.4</b>	<b>39.1</b>	<b>30.9</b>	<b>31.8</b>	<b>41.2</b>	<b>32.3</b>	<b>33.1</b>	<b>26.9</b>	<b>21.6</b>	<b>23.5</b>	<b>20.1</b>	<b>20.1</b>	<b>20.0</b>	<b>17.4</b>	<b>13.2</b>	<b>25.4</b>
% Premium/(discount) vs average	-13	-92.7	-57.8	124.9	112.8	103.0	246.5	163.2	169.1	279.6	180.5	194.9	287.7	181.1	213.1	106.5	91.8	92.7			
% Premium/(discount) vs median	-15	-84.3	19.6	177.4	162.5	150.4	278.5	190.7	188.4	278.5	174.5	198.0	225.3	138.7	181.4	82.7	82.1	86.3			
<b>CEE exposure</b>																					
CA Immobilien	36	1%	1%	27.4	27.4	27.4	77.3	79.8	87.7	52.6	55.9	92.1	-3.3	15.2	67.3	4.2	4.5	4.3	1.5	11.2	4.4
Immo Finanz	23		1%	37.0	37.0	37.0	54.9	53.3		-14.9	41.0		-8.3	34.4		5.5	4.9				
Atrium Real Estate	25	3%	0%																		
Echo Polska																					
Nepi Rockcastle	100	0%	0%	35.7	35.7	35.7	97.3	97.8	95.5	101.2	93.8	92.9	78.3	73.7	71.6				4.4	6.8	7.8
Globalworth	10	0%	0%							89.4			51.5								
<b>PEER AVERAGE</b>	<b>39</b>	<b>1%</b>	<b>0%</b>	<b>33.4</b>	<b>33.4</b>	<b>33.4</b>	<b>76.5</b>	<b>77.0</b>	<b>91.6</b>	<b>57.1</b>	<b>63.6</b>	<b>92.5</b>	<b>29.5</b>	<b>41.1</b>	<b>69.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.3</b>	<b>3.0</b>	<b>9.0</b>	<b>6.1</b>
<b>PEER MEDIAN</b>	<b>25</b>	<b>1%</b>	<b>0%</b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>77.3</b>	<b>79.8</b>	<b>91.6</b>	<b>71.0</b>	<b>55.9</b>	<b>92.5</b>	<b>24.1</b>	<b>34.4</b>	<b>69.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.3</b>	<b>3.0</b>	<b>9.0</b>	<b>6.1</b>
<b>Others</b>																					
Nexity	95	25%	1%	16.9	16.9	16.9	10.9	11.4	11.4	7.0	7.6	7.6	3.5	3.9	3.9	8.0	9.0	9.1	9.0	5.3	3.1
Kaufman & Broad	60		1%	0.0	0.0	0.0	9.0	8.8	9.1	8.2	8.0	8.2	4.5	4.2	4.6	26.9	22.7	25.6	4.5	3.0	2.5
SRV Yhtiot	79		0%	9.8	9.8	9.8	2.9	3.7	4.1	2.2	3.1	3.4	1.2	1.9	2.3	6.4	10.1	11.2	42.4	23.3	3.7
Helical	86	1%	0%	19.5	19.5	19.5	61.4	67.8	69.0	76.5	77.1	69.0	26.3	62.1	20.0				-17.6	17.5	10.8
<b>PEER AVERAGE</b>	<b>80</b>	<b>13%</b>	<b>1%</b>	<b>11.6</b>	<b>11.6</b>	<b>11.6</b>	<b>21.1</b>	<b>22.9</b>	<b>23.4</b>	<b>23.5</b>	<b>23.9</b>	<b>22.1</b>	<b>8.9</b>	<b>18.0</b>	<b>7.7</b>	<b>13.8</b>	<b>13.9</b>	<b>15.3</b>	<b>9.6</b>	<b>12.3</b>	<b>5.0</b>
<b>PEER MEDIAN</b>	<b>82</b>	<b>13%</b>	<b>1%</b>	<b>13.4</b>	<b>13.4</b>	<b>13.4</b>	<b>10.0</b>	<b>10.1</b>	<b>10.2</b>	<b>7.6</b>	<b>7.8</b>	<b>7.9</b>	<b>4.0</b>	<b>4.1</b>	<b>4.3</b>	<b>8.0</b>	<b>10.1</b>	<b>11.2</b>	<b>6.8</b>	<b>11.4</b>	<b>3.4</b>

Source: Merodis, Factset

# Sector valuation summary

## Multiple-based valuation

	Company	Listing country	Price (local)	MCap (local m)	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield		
					2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
<b>Peers</b>	Immobil	BELGIUM	48.00	479	7.8	6.7	6.4	2.2	2.0	1.7	12.2	10.8	9.8	12.5	11.1	10.1	0.8	0.7	0.7	6.7	7.0	7.4
	YIT	FINLAND	2.46	515	12.3	8.4	7.2	0.5	0.5	0.4	9.7	7.8	6.8	13.1	9.9	8.4	0.6	0.6	0.6	6.8	7.2	7.5
	JM	SWEDEN	171.80	11,082	9.9	9.5	9.7	1.2	1.3	1.2	11.8	12.2	11.2	11.2	11.0	11.2	1.3	1.2	1.2	6.3	6.4	7.0
	<b>PEER AVERAGE</b>				<b>10.0</b>	<b>8.2</b>	<b>7.8</b>	<b>1.3</b>	<b>1.3</b>	<b>1.1</b>	<b>11.2</b>	<b>10.2</b>	<b>9.3</b>	<b>12.3</b>	<b>10.7</b>	<b>9.9</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>6.6</b>	<b>6.9</b>	<b>7.3</b>
	<b>PEER MEDIAN</b>				<b>9.9</b>	<b>8.4</b>	<b>7.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>11.8</b>	<b>10.8</b>	<b>9.8</b>	<b>12.5</b>	<b>11.0</b>	<b>10.1</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>6.7</b>	<b>7.0</b>	<b>7.4</b>
	<b>Atenor (MERe)</b>	<b>BELGIUM</b>	<b>44.80</b>	<b>301</b>	<b>5.0</b>	<b>4.2</b>	<b>3.6</b>	<b>4.7</b>	<b>3.1</b>	<b>2.9</b>	<b>12.0</b>	<b>10.1</b>	<b>9.1</b>	<b>11.4</b>	<b>9.7</b>	<b>8.7</b>	<b>1.0</b>	<b>0.9</b>	<b>0.7</b>	<b>6.3</b>	<b>6.6</b>	<b>6.9</b>
	% Premium/(discount) vs average				-50.2	-48.2	-53.6	256.0	149.5	152.9	6.8	-1.1	-1.9	-7.1	-9.2	-11.7	12.5	1.2	-9.9	-5.5	-4.5	-5.8
	% Premium/(discount) vs median				-49.6	-49.3	-50.0	284.7	142.5	133.2	1.6	-6.0	-6.9	-9.0	-11.7	-13.5	29.7	19.6	9.4	-7.0	-6.5	-7.3
<b>CEE exposure</b>	CA Immobilien	AUSTRIA	24.80	2,471	18.2	17.5	17.6	20.2	19.7	21.2	26.2	24.6	24.1	38.5	35.1	23.0	0.8	0.8	0.7	3.9	4.0	4.2
	Immo Finanz	AUSTRIA	12.93	1,784	14.2	10.2		9.6	9.1		17.4	17.1			22.3		0.5	0.5		4.1	4.3	
	Atrium Real Estate	AUSTRIA																				
	Echo Polska	SOUTH AFRICA	12.36																			
	Nepi Rockcastle	SOUTH AFRICA	103.31	62,709	9.8	9.4	9.0	12.2	11.7		12.6	12.0		12.1	12.5		0.9			9.7	10.2	10.7
	Globalworth	UNITED KINGDOM	3.12	690																		
	<b>PEER AVERAGE</b>				<b>14.1</b>	<b>12.4</b>	<b>13.3</b>	<b>14.0</b>	<b>13.5</b>	<b>21.2</b>	<b>18.7</b>	<b>17.9</b>	<b>24.1</b>	<b>25.3</b>	<b>23.3</b>	<b>23.0</b>	<b>0.7</b>	<b>0.6</b>	<b>0.7</b>	<b>5.9</b>	<b>6.2</b>	<b>7.5</b>
	<b>PEER MEDIAN</b>				<b>14.2</b>	<b>10.2</b>	<b>13.3</b>	<b>12.2</b>	<b>11.7</b>	<b>21.2</b>	<b>17.4</b>	<b>17.1</b>	<b>24.1</b>	<b>25.3</b>	<b>22.3</b>	<b>23.0</b>	<b>0.8</b>	<b>0.6</b>	<b>0.7</b>	<b>4.1</b>	<b>4.3</b>	<b>7.5</b>
<b>Others</b>	Nexity	FRANCE	23.14	1,280	8.2	7.2	6.9	0.6	0.5	0.5	5.3	4.8	4.3	8.2	7.2	6.4	0.7	0.6	0.6	10.8	10.4	9.7
	Kaufman & Broad	FRANCE	27.40	560	8.4	9.2	7.7	0.4	0.4	0.4	4.2	4.6	4.0	4.5	5.0	4.5	2.1	2.1	1.9	8.9	8.6	9.0
	SRV Yhtiot	FINLAND	3.73	63	7.5	4.5	3.7	0.2	0.2	0.1	6.2	4.4	3.4	8.0	5.3	4.1	0.5	0.4	0.4	2.4	5.4	7.8
	Helical	UNITED KINGDOM	3.00	370	29.2	28.5	43.0	18.2	19.5	17.8	29.6	28.7	25.8	23.8	25.2	25.8				4.0	4.1	4.3
	<b>PEER AVERAGE</b>				<b>13.3</b>	<b>12.4</b>	<b>15.3</b>	<b>4.8</b>	<b>5.1</b>	<b>4.7</b>	<b>11.3</b>	<b>10.6</b>	<b>9.4</b>	<b>11.1</b>	<b>10.7</b>	<b>10.2</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>6.5</b>	<b>7.1</b>	<b>7.7</b>
<b>PEER MEDIAN</b>				<b>8.3</b>	<b>8.2</b>	<b>7.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>5.7</b>	<b>4.7</b>	<b>4.2</b>	<b>8.1</b>	<b>6.3</b>	<b>5.4</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>6.4</b>	<b>7.0</b>	<b>8.4</b>	

Source: Merodis, Factset

# Valuation relative to the sector

At a valuation discount to peers on P/E and slightly below on DY

## Valuation

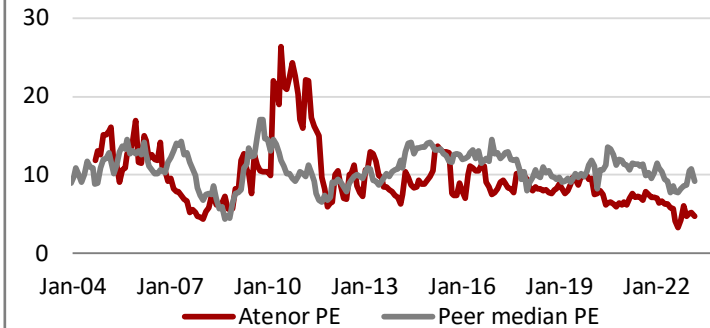
At 4.7x 12M forward P/E, Atenor is trading 49% below the sector peers median. Over the long term, the stock has traded on average 7.3% below the sector median, while it traded on average at a 42.1% discount over the past 12 months.

Atenor has traded at a (wide) historical 12M forward P/E range of between 3.3x and 26.4x, which compares to the sector's range of 4.4x to 17.1x. At its current level, the stock is thus trading at the low end of its historical range, despite the strong expected growth to be delivered by the large portfolio (1.3m sqm) which is well above historical levels (0.6m sqm back in 2017).

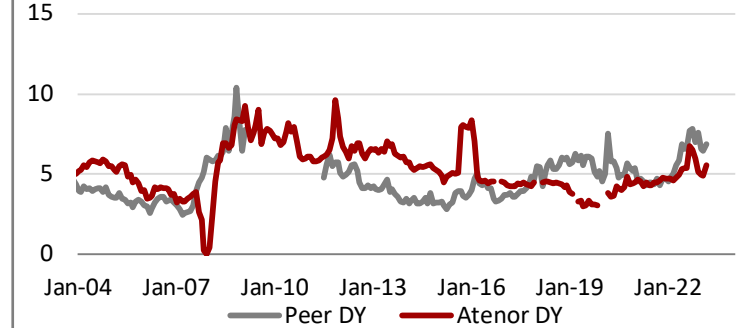
The dividend yield offered by an investment in Atenor is 5.6%, which is slightly below the sector median (6.8%) but around Atenor's LT average of 5.3%. The company's payout ratio has been reined in due to the company's portfolio expansion, as explained further.

Our fair value estimate (EUR 53.3 from EUR 58.7) is based on a forecast of the cashflows delivered by the projects in Atenor's portfolio, which we discount at our estimated cost of equity of 8.6%. In addition we calculate a terminal value corresponding to a normalised number of additional sqm of potential new projects. This leads to a fair value estimate of EUR 53.3 per share. The cost of equity is based on a normalised risk premium of 7.5%, using a beta of 0.95 and a long-term risk-free rate of 1.5%.

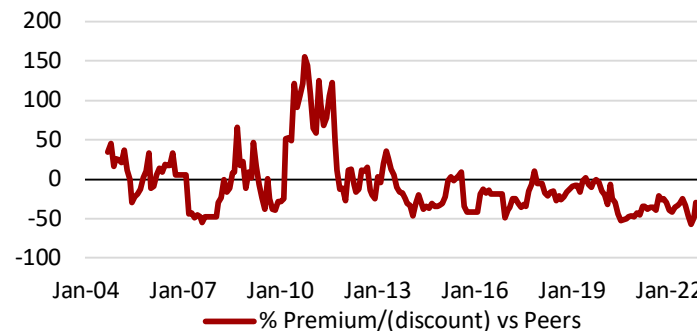
## P/E ratio vs. Sector



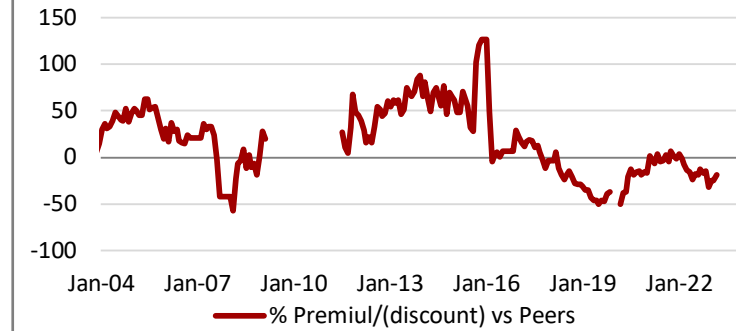
## Div Yield vs. sector



## P/E premium/(discount) vs. Sector



## Div Yield (premium)/discount vs. sector



Source: Merodis, Factset



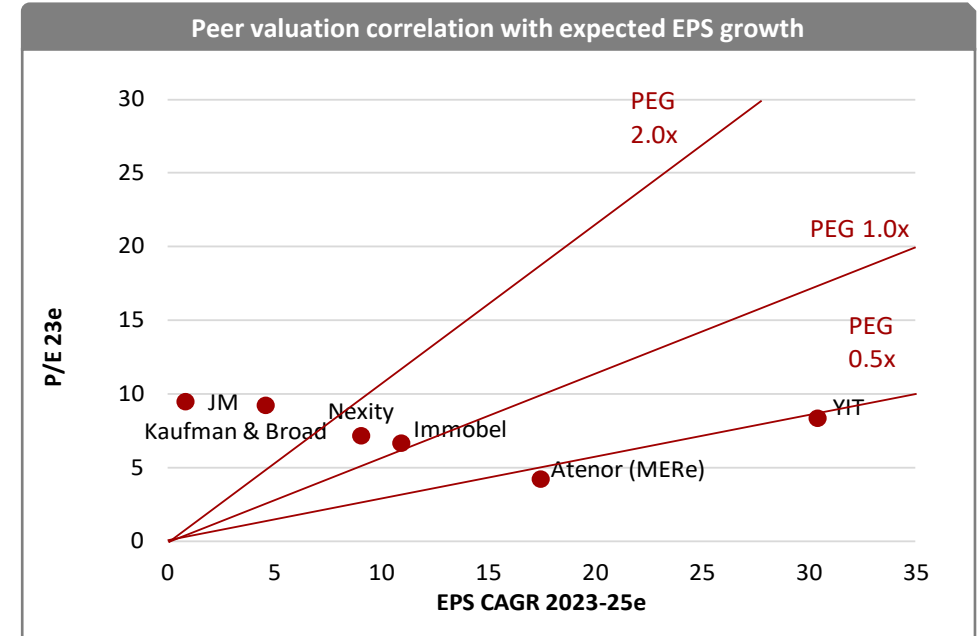
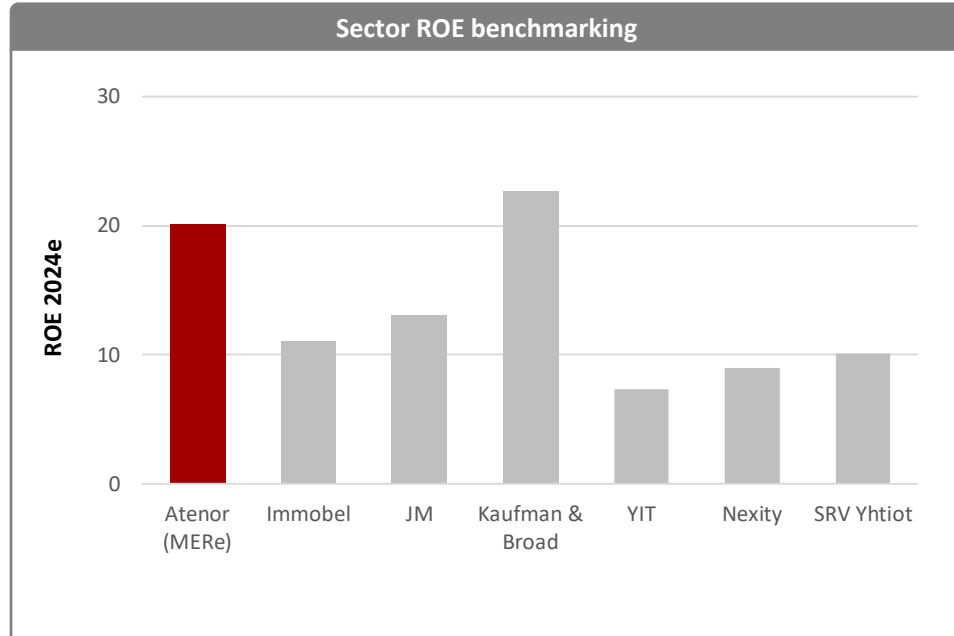
## Atenor updated Sum-of-the-parts

<b>Sum Of The Parts</b>	<b>(EUR m)</b>
NPV of capital gains	475.3
NPV of goodwill for new projects	855.0
NPV of corporate costs	-87.9
Net debt	-867.2
Total	375.2
<b>per share (EUR)</b>	<b>53.3</b>

Source: Merodis, Factset

# Valuation drivers

Valuation in line based on EPS growth



Source: Merodis, Factset

# Consensus payout expectations

Payout below peers driven by investment cycle

## Dividend payout

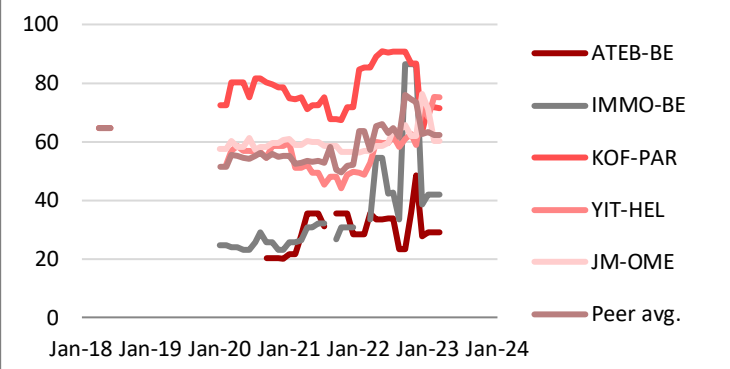
In 2023, Atenor will propose a dividend of EUR 2.67 per share on 2022 results, which represents 5% growth y-o-y. Given the narrowly negative EPS in 2022, this also implies a negative payout ratio. For 2021, the company paid a dividend of EUR 2.54, up 5% y-o-y, implying a payout ratio of 47%.

For 2023, Atenor's payout ratio is estimated to be 29.0%, compared to an expected payout ratio of 62.2% for its sector peers.

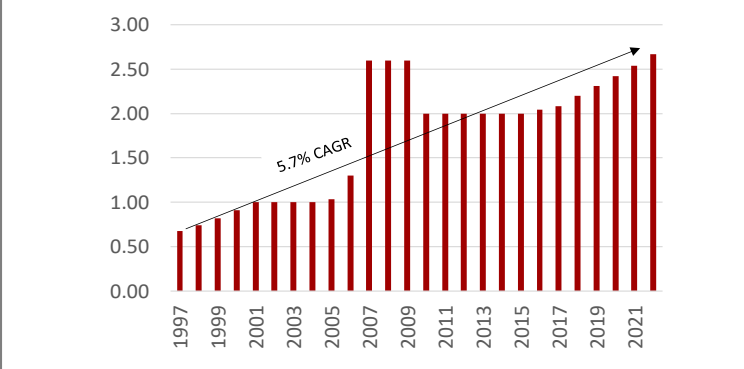
The dividend policy (stable growing dividend with a variable payout) allows the company to provide shareholders with a growing and, at worst, a stable dividend, while improving its financing capacity (and balance sheet leverage) to grow organically and to reach its target ROE in excess of 15%. The company has paid a dividend every single year without interruption since at least 1997, offering 5.7% compound growth since.

We expect 4.9% DPS CAGR (2022-25e CAGR), with a lower expected payout ratio. The company's payout ratio has been reined in due to investments into portfolio expansion, with an acceleration since 2016, moving from 18 projects under development in 2017 to 35 currently with 1.3m sqm. This large ramp up was financed by own funds, debt and new equity. The impact of this expansion is also an easing the company's risk profile through higher portfolio rotation and profitability as well as diversification (35 projects in the portfolio at various stages of the real-estate development cycle and in different European countries).

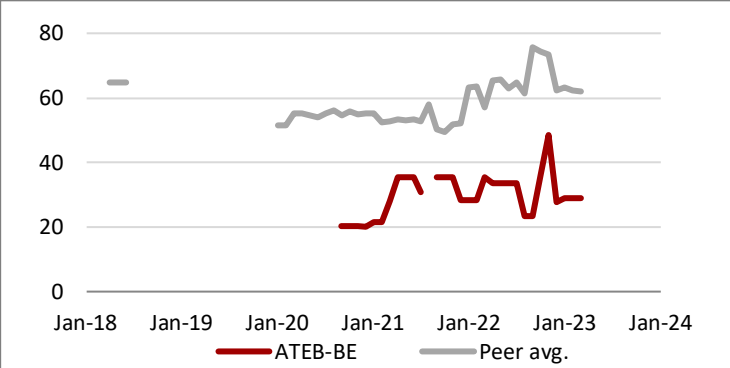
## 2023 expected payout, Sector



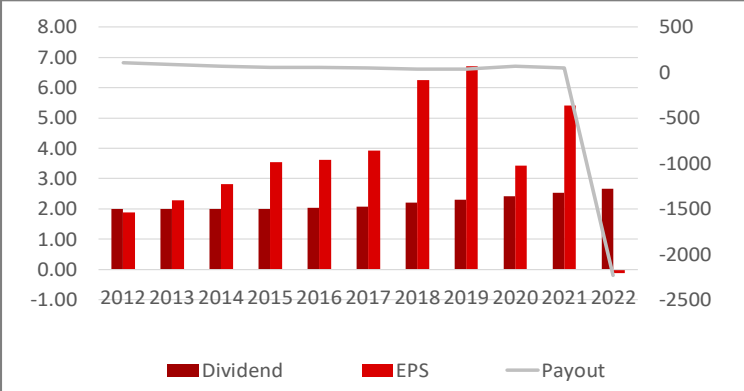
## DPS growth



## 2023 expected payout vs. Peers



## Payout ratio



Source: Merodis, Factset

# Leverage expectations

Leverage is higher than peers, also due to the investment cycle

### Balance sheet

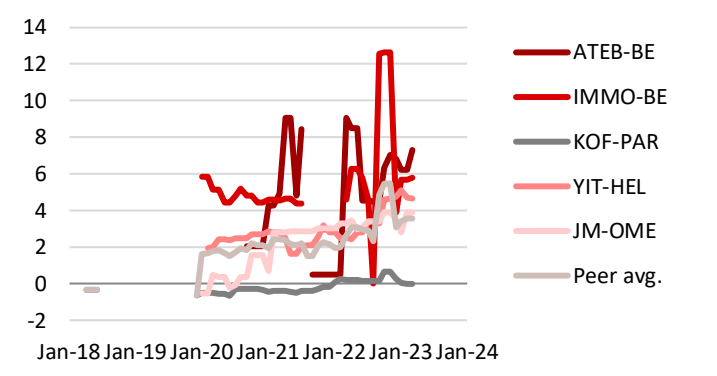
Atenor's balance sheet may appear leveraged, with net debt of EUR 868m in 2022, which compares to its equity of EUR 271m, but less so compared to the value of assets on its balance sheet: EUR 962m (this includes the acquisition value of land and property as well as the development value linked to construction). The net debt includes gross debt of EUR 893m and cash of EUR 25m.

Although projects, more precisely in the construction phase, are financed by debt, the acquisition of land is typically financed by equity (and/or long-term debt) while acquisition values are lower than the invested capital. For 2022, invested capital reached EUR 733m (of which EUR 274m in equity) compared to acquisition values of EUR 669m.

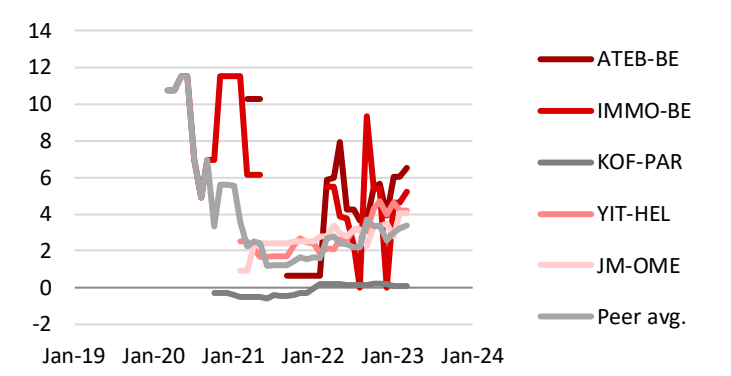
Atenor's financial debt originates from multiple sources and consists of long- and short-term instruments. At the long end, Atenor has EMTNs (up until 2027) totalling EUR 68m, including two green EMTNs of EUR 12.5m in total. In October 2020, Atenor issued two retail bonds with 4 years duration for EUR 35m and 6 years for EUR 65m. These retail bonds come on top of previous issues (2019-23 EUR 20m, 1.709%; 2019-25 EUR 40m, 2.114%; 2018-24 EUR 30m, 3.152%). In addition, Atenor has a EUR 21m MTN program and a commercial paper program of which c. EUR 150m has been drawn. On top of that, Atenor has bank financing of close to EUR 303m. In April 2022, the company issued a 4-year green bond of EUR 55m (on top of two previous issues in March 2021: a EUR 25m 4-year bond and a EUR 75m 6-year bond).

Source: Merodis, Factset

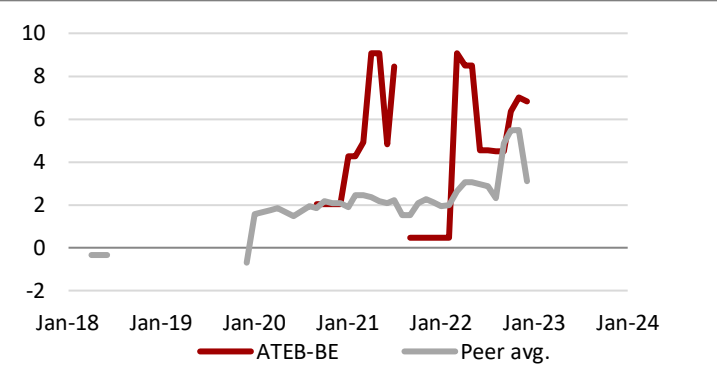
2023 NFD/EBITDA, sector



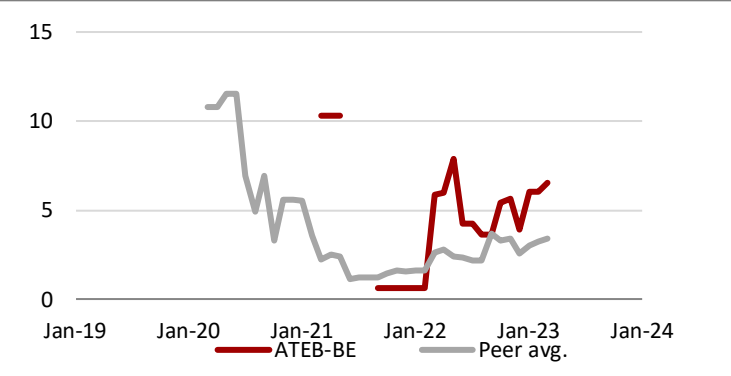
2024 NFD/EBITDA, sector



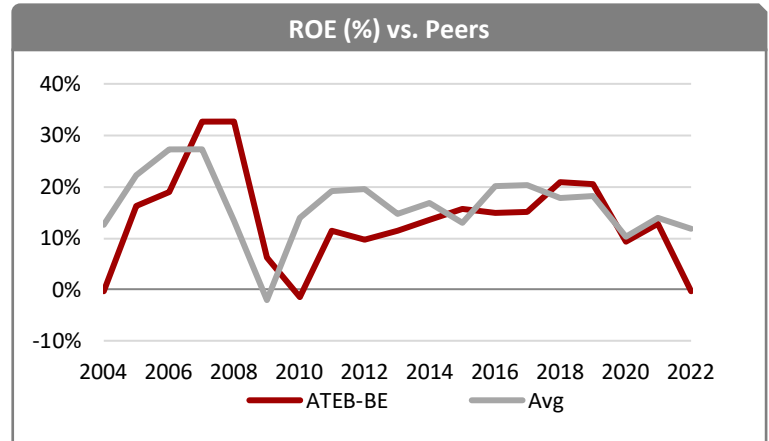
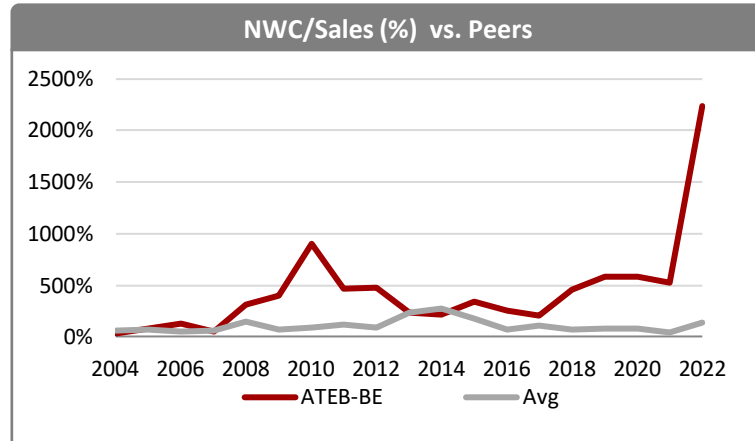
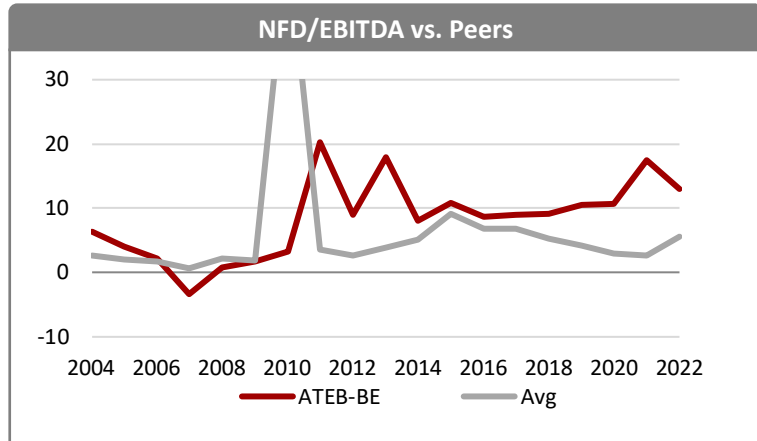
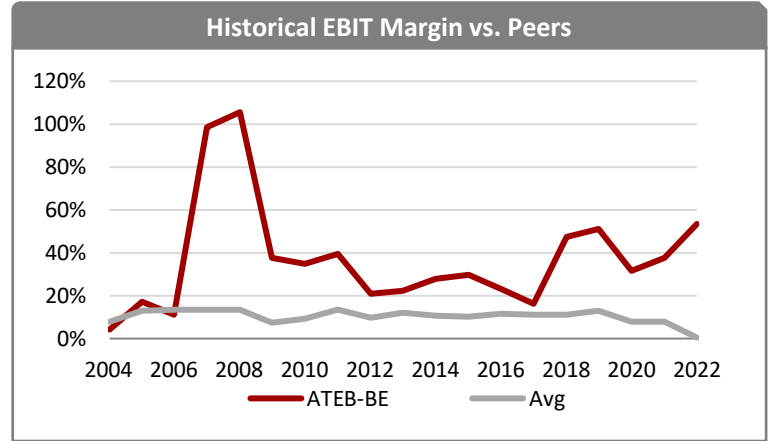
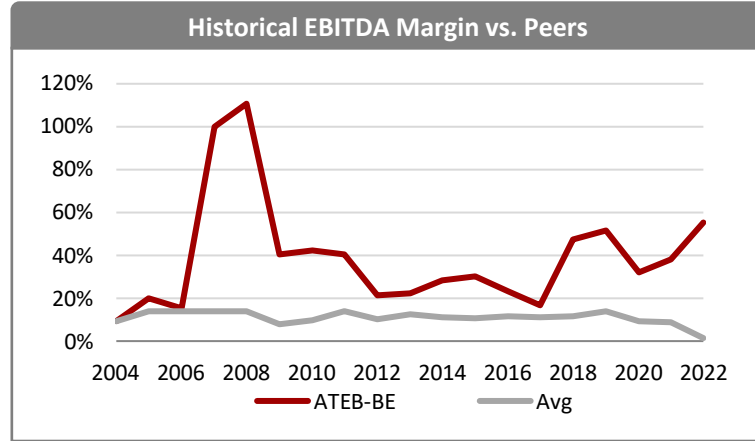
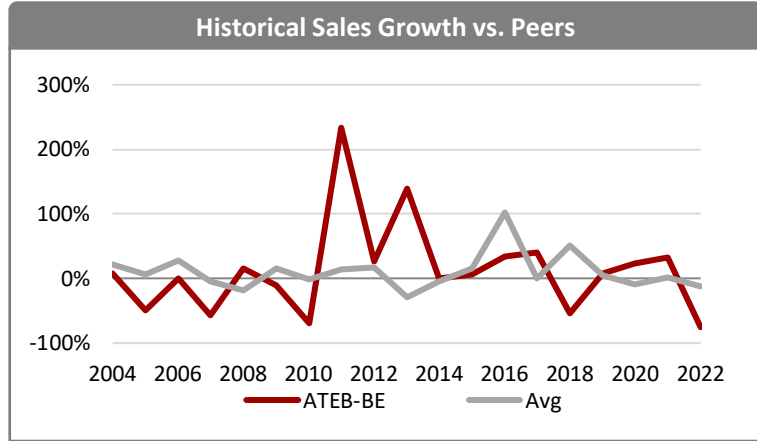
2023 NFD/EBITDA vs. Peers



2024 NFD/EBITDA vs. Peers

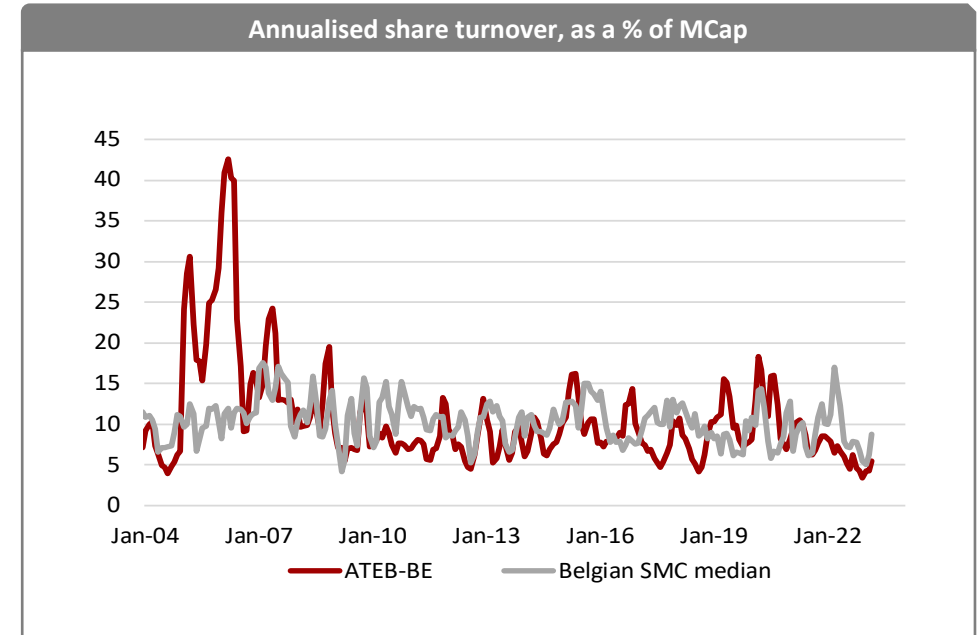
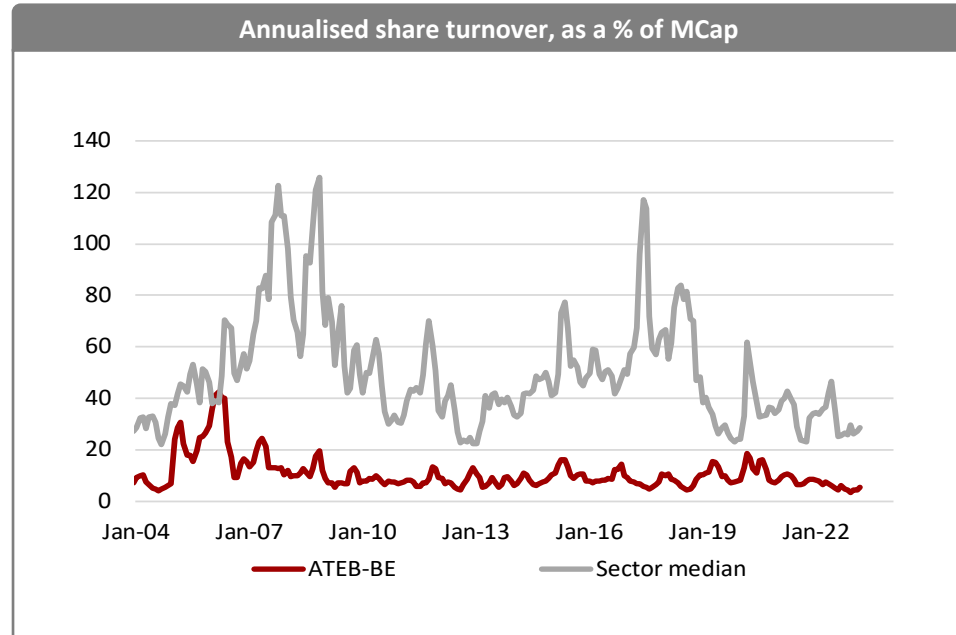


# Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

Still quite weak relative to sector peers and almost in line versus Belgian SMCs



Source: Merodis, Factset

## Financial summary

Enterprise Value (€m): 1,159  
Market Cap. (€m): 366  
Free-float M/Cap (€m): 169

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	CAGR	
<b>Consolidated P&amp;L (€m)</b>																		09-22	23-25e	
Sales	48	25	44	47	110	116	124	160	222	135	145	151	179	54	236	343	371	1.0	25.4	
EBITDA	14	5	14	8	24	32	36	36	34	45	53	41	65	15	92	106	118	0.7	13.2	
EBIT	13	3	14	9	24	30	34	35	35	46	53	40	64	19	97	111	123	3.7	12.5	
Pretax profit	11	-1	10	5	18	23	28	26	25	37	43	29	50	0	71	85	98	-26.4	17.4	
Net profit	7	-2	11	9	12	15	20	20	22	35	38	24	38	-1	63	74	87	na	17.4	
<b>Cash Flow (€m)</b>																		09-22	23-25e	
Op. results	-5	-5	5	3	17	27	28	33	39	5	20	29	65	6	-17	-68	-45	na	65.7	
WCR	13	7	0	1	-2	-1	0	35	-31	-2	2	1	-5	2	-17	-9	-8	-14.1	-31.2	
Gros Op CF	8	2	5	4	15	27	28	68	7	4	18	29	60	8	-34	-77	-54	-0.2	25.9	
Capex	-14	-10	-30	-1	-2	-16	-17	-9	-1	-1	-17	-43	-56	-13	-21	-21	-21	-0.3	0.0	
FCF	-6	-8	-24	2	13	11	11	59	6	3	1	-14	4	-6	-55	-98	-75	-0.5	16.6	
Net disp./acq.)	7	60	6	1	0	1	14	20	1	58	22	0	72	17	122	187	176	8.1	20.5	
Dividends paid	-13	-13	-10	-10	-11	-7	-2	-20	-21	-11	-12	-12	-16	-17	-19	-20	-21	2.4	4.9	
Equity issue																				
Others	22	67	14	91	-62	52	0	69	-143	14	-72	49	-35	-62	0	0	0	na	5.0	
Net Debt (incr./decr.)	10	106	-13	85	-60	58	23	128	-156	63	-61	22	24	-67	47	68	81	na	30.3	
<b>Balance Sheet (€m)</b>																		09-22	23-25e	
WC	145	101	173	221	258	289	431	421	455	476	656	778	936	946	1047	1096	1141	16.9	4.4	
Capital Employed	189	139	187	236	274	356	481	467	481	515	757	852	1039	1083	1213	1290	1360	15.7	5.9	
Cash & Equivalent	2	3	3	2	2	6	8	103	23	42	44	31	91	25	25	25	25	21.3	0.0	
Gross Debt	87	123	125	231	214	267	363	450	377	440	540	657	835	893	862	862	862	21.4	-1.8	
Equity	118	101	98	99	105	113	127	137	147	167	184	259	299	271	315	370	436	7.2	17.5	
Balance sheet total	240	270	278	395	377	449	552	686	593	671	838	1058	1230	1275	1414	1441	1510	15.0	3.4	
<b>Growth (%)</b>																		09-22	23-25e	
Sales	-49	-48	75	7	135	6	6	29	39	39	8	4	18	-70	336	46	8			
EBITDA	-68	-66	202	-41	189	34	13	-2	4	31	19	-23	59	-77	515	15	11			
EBIT	-68	-72	288	-35	172	27	12	4	0	30	15	-24	60	-70	399	14	11			
Net profit	-82	na	na	-16	27	27	30	2	8	59	7	-36	58	na	na	17	18			
FCF	na	na	na	na	485	-18	-3	445	-89	-56	-80	na	na	na	na	na	na			
NWC	16	-30	71	28	17	12	49	-2	8	5	38	19	20	1	11	5	4			
Capital Employed	22	-26	34	26	16	30	35	-3	3	7	47	12	22	4	12	6	5			
Shareholder Equity	0	13	3	42	-5	19	23	24	-14	13	25	26	16	4	11	2	5			
<b>Financial Ratios</b>																		09-22	23-25e	
Gross margin (%)	61	38	-21	-11	15	41	9	36	31	-8	-22	-56	-102	-187	-8	-2	-1			
EBITDA margin (%)	29	19	32	18	22	28	29	22	15	33	37	27	36	28	39	31	32			
EBIT margin (%)	26	14	31	19	22	26	28	22	16	34	36	27	36	26	36	41	32			
Net margin (%)	15	-6	26	20	11	13	16	13	10	26	26	16	21	-2	27	22	24			
Opex/Sales (%)	71	81	68	82	78	72	71	78	85	67	63	73	64	72	61	69	68			
Depreciation/Sales (%)	3	5	2	-1	0	2	2	0	0	-1	0	1	1	-8	-2	-1	-1			
Depreciation/EBITDA (%)	9	26	5	-5	1	6	6	1	-3	-3	0	2	2	-30	-5	-5	-4			
Tax rate (%)	-33	14	17	87	-34	-34	-28	-21	-10	-5	-12	-17	-24	-403	-11	-13	-10			
Capex/Sales (%)	29	40	67	3	2	13	14	6	0	1	12	28	31	24	9	6	6			
FCF/Sales (%)	-12	-31	-55	5	12	10	9	37	3	2	0	-9	2	-10	-23	-29	-20			
WCR/Sales (%)	27	28	0	2	-1	-1	0	22	-14	-1	-2	0	-3	4	-7	-3	-2			
WCR/Sales (%)	303	403	395	470	234	248	349	264	205	354	453	514	524	1749	444	319	307			
LTV (%)	61	52	50	66	67	75	91	72	73	74	79	72	75	80	77	75	73			
Gearing (%)	72	119	124	232	203	231	280	254	241	238	269	242	249	320	275	226	192			
Net Debt/Total assets (%)	35	44	44	58	56	58	64	51	60	59	59	59	60	68	61	58	55			
ROCE post-tax (%)	4	3	8	7	6	6	5	6	6	8	6	6	4	5	-5	7	8			
ROE (%)	6	-2	11	10	11	14	16	15	15	21	21	9	13	0	20	20	20			
Dividend Payout (%)	179	-630	89	106	87	71	56	56	53	35	34	71	47	-2229	31	28	25			
<b>Valuation</b>																		09-22	23-25e	
Market Capitalisation (€m)	185	179	159	150	172	206	243	254	272	275	365	431	409	366	315	315	315	5.9	0.0	
+ Net Financial Debt (€)	85	120	122	229	212	261	355	347	354	398	496	627	744	868	868	836	836	21.4	-1.8	
+ Restated Min. + others (€m)	-1	-1	-1	1	0	2	2	2	7	12	5	10	15	13	8	7	7	6	na	-6.5
- Associates & Inv. (€m)	15	9	8	10	10	15	15	21	20	15	60	64	79	83	83	83	83	15.6	0.0	
<b>= Enterprise Value (€m)</b>	<b>254</b>	<b>288</b>	<b>271</b>	<b>369</b>	<b>375</b>	<b>453</b>	<b>585</b>	<b>588</b>	<b>618</b>	<b>664</b>	<b>812</b>	<b>1009</b>	<b>1087</b>	<b>1159</b>	<b>1107</b>	<b>1075</b>	<b>1075</b>	<b>13.5</b>	<b>-1.5</b>	
Assoc. NFD (gr. share) (€m)																				
EV/Sales (x)	5.3	11.5	6.2	7.9	3.4	0.9	4.7	3.7	2.8	4.9	5.6	6.7	6.1	21.4	4.7	3.1	2.9			
EV/EBITDA (x)	18.4	61.3	19.1	44.4	15.6	14.0	16.1	16.4	18.0	14.8	15.3	24.6	16.7	77.3	12.0	10.1	9.1			
EV/EBIT (x)	20.3	82.8	20.1	42.2	15.7	14.9	17.2	16.6	17.5	14.4	15.4	25.1	16.9	59.5	11.4	9.7	8.7			
EV/FCF (x)	-42.9	-37.5	-11.3	160.7	27.9	40.9	na	10.0	97.6	236.5	145.7	-72.8	269.1	-208.0	-20.1	-10.9	-14.4			
EV/Capital Employed (x)	1.3	2.1	1.5	1.6	1.4	1.3	1.2	1.3	1.3	1.3	1.1	1.2	1.0	1.1	0.9	0.8	0.8			
P/E (x)	25.3	-111.7	14.1	15.8	14.3	13.4	12.2	12.5	12.3	7.8	10	17.9	10.7	434.6	5.0	4.2	3.6			
P/BWPS (x)	1.6	1.8	1.6	1.5	1.6	1.8	1.9	1.9	1.9	1.6	2.0	1.5	1.4	1.4	1.0	0.9	0.7			
FCF/yield (%)	-3.2	-4.3	-15.2	1.5	7.8	5.4	4.4	23.2	2.3	1.0	0.2	-3.2	1.0	-1.5	-17.4	-31.1	-23.7			
<b>Per share data</b>																		09-22	23-25e	
# of shares	5.04	5.04	5.04	5.04	5.25	5.46	5.63	5.63	5.63	5.63	5.63	5.63	5.63	7.04	7.04	7.04	7.04	2.8	0.0	
# of avg sh. (FD, ex-treas.)	5.04	5.04	5.04	5.04	5.15	5.35	5.54	5.63	5.63	5.63	5.63	6.33	7.04	7.04	7.04	7.04	7.04	2.8	0.0	
Share price	36.70	35.44	31.47	29.80	32.79	37.69	43.10	45.08	48.30	48.80	64.89	61.25	58.10	52.05	44.80	44.80	44.80	3.0	0.0	
EPS	1.45	-0.32	2.24	1.88	2.29	2.81	3.54	3.62	3.92	6.25	6.71	3.43	5.41	-0.12	9.00	10.55	12.41	na	17.4	
EPS FD	1.45	-0.32	2.24	1.88	2.29	2.81	3.54	3.62	3.92	6.25	6.71	3.43	5.41	-0.12	9.00	10.55	12.41	na	17.4	
BVPS	23.4	20.1	19.5	19.6	20.4	21.1	22.9	24.3	26.1	29.7	32.7	40.8	42.4	38.6	44.8	52.5	61.9	4.3	17.5	
DPS	2.60	2.00	2.00	2.00	2.00	2.00	2.00	2.04	2.08	2.20	2.31	2.42	2.54	2.67	2.80	2.94	3.08	0.2	4.9	

Source: Company data, Merodis Equity Research

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