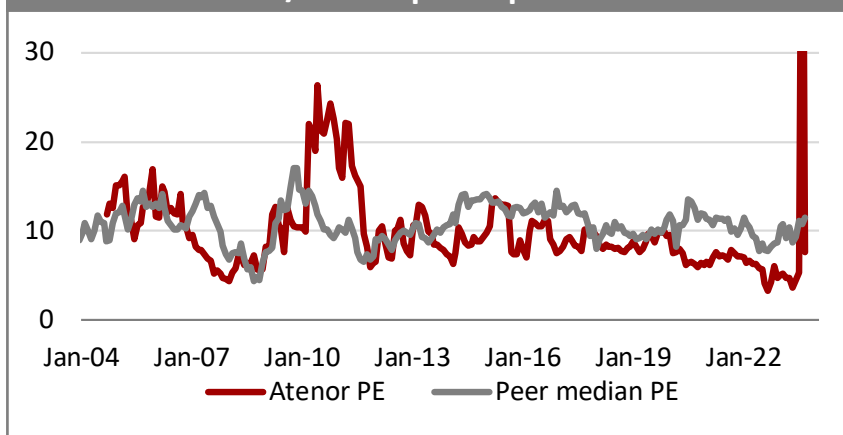




BRUSSELS - THE HAGUE - LUXEMBOURG - PARIS - LISBON  
DÜSSELDORF - WARSAW - BUDAPEST - BUCHAREST - LONDON

P/E multiple vs peers



EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	145.1	151.3	178.6	54.1	83.3	263.3	311.7
EBIT	52.9	40.2	64.2	19.5	-61.4	86.4	99.9
Net profit	37.8	24.1	38.1	-0.8	-93.8	38.9	51.5
EPS (EUR )	6.71	3.43	5.41	-0.12	-12.64	5.23	6.93
DPS (EUR )	2.31	2.42	2.54	2.67	0.00	2.80	2.95
P/E (x)	9.7	17.9	10.7	-434.6	-1.0	2.3	1.7
Yield (%)	3.6	4.0	4.4	5.1	0.0	23.2	24.5
Adj. EV/EBIT (x)	15.4	25.1	16.9	59.5	-14.8	12.7	11.0

Source: Merodis, Factset  
Pricing date: 30/09/2023

# Market review and peer benchmarking

23 October 2023

## Key quarterly insights: 3Q23

### 2023 in the red, rebound in 2024, major capital increase

1H23 results released in August (earlier than usual) showed a negative bottom line, and Atenor confirmed that the market environment in offices remained very weak. As a result, the rebound expected for 2H23 is likely to be pushed back and FY23 should remain in the red with a deepening of the loss during 2H23, as warned by the management. Atenor is, however, going ahead with a EUR 160.8m capital increase which should be finalised before the end of the year (EUR 133.5m has already been committed by reference shareholders and new investors). The company's financial leverage has increased considerably, from a gearing ratio of 2.5x in FY21 to 3.2x in FY22 and 4x at the end of 1H23, driven by the quasi-standstill of portfolio rotation despite a still promising future for development of durable assets. As a result of the change in working habits due to the Covid, Atenor will now focus more on renovation of existing buildings than on developments from scratch. Besides, Atenor will change its dividend policy, from a rather stable regular increase of 5% per year to a distribution policy evolving more in line with its results. We have cut or EPS forecasts to EUR -13.20 in FY23e followed by a return to profit in FY24e. Considering the expected loss for FY23 and the change of the dividend policy, we have not included any dividend for current financial year.

### Still confident in the business model with persisting short term issues

Atenor's portfolio consists of 34 projects totalling 1.2m sqm in 16 large cities of 10 European countries. After impressive growth over the past years that also allowed for risk diversification, Atenor aims to consolidate its presence in these geographical areas. The company's minimal gross margin target is EUR 270/sqm (down by 10% in 2023) for residential projects and EUR 450/sqm (down by 25% in 2023) for offices, which translates to an overall gross margin target of EUR 378/sqm after taking into account a 60-40 split between office and residential (close to the current situation).

### Share price reflects ST balance sheet concerns and market weakness

Atenor trades at a 12M forward P/E of 7.6x based on consensus estimates, implying a 33% 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 19.8% vs peer average of 5.8%) and (3) a strong EPS rebound that we expect going forward. Clearly, the planned capital increase is having a strong impact on the share price while the company's leverage and the market environment are not providing short term support. Our fair value estimate of EUR 19 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 9.6%.

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# Quarterly market review dashboard

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## 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, 16 August 2023: 1H2023 results
- ➔ Monday, 2 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](#)
- ➔ ["2Q23 market review" \(quarterly dashboard\), 18 July 2023](#)

European real estate developer forced to slow its acceleration phase due to interest rate hiking cycle

### Company description

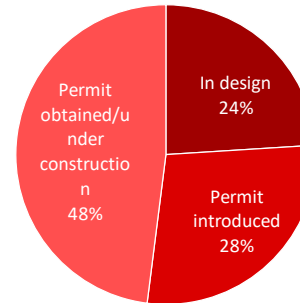
Atenor is a European real estate development company active in the sector's entire value chain, from identifying and acquiring locations to developing and selling them, albeit with no direct involvement in construction.

The company's portfolio includes 34 projects for 1.2m sqm, up from 9 projects in 2009. Atenor's core focus is offices (54%) and, to a lesser extent, residential (40%). 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.

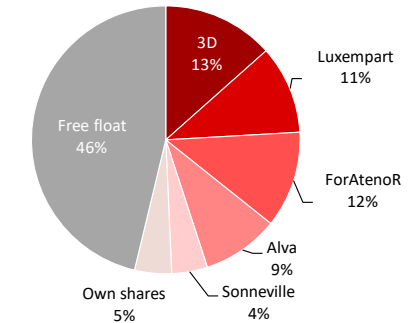
Expansion is moulded on the success in Belgium and focused on capital cities offering attractive growth prospects as well as quicker investment procedures.

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.

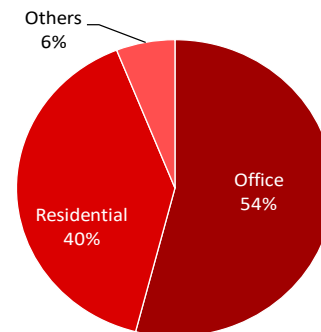
### Portfolio development stage (sqm), 2022



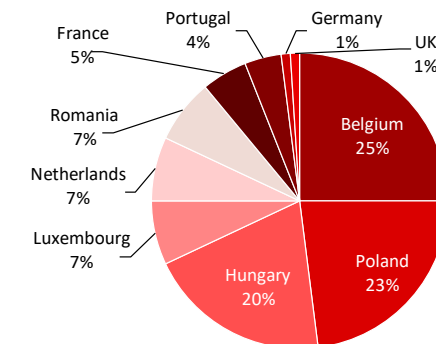
### Shareholders, July-2023



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



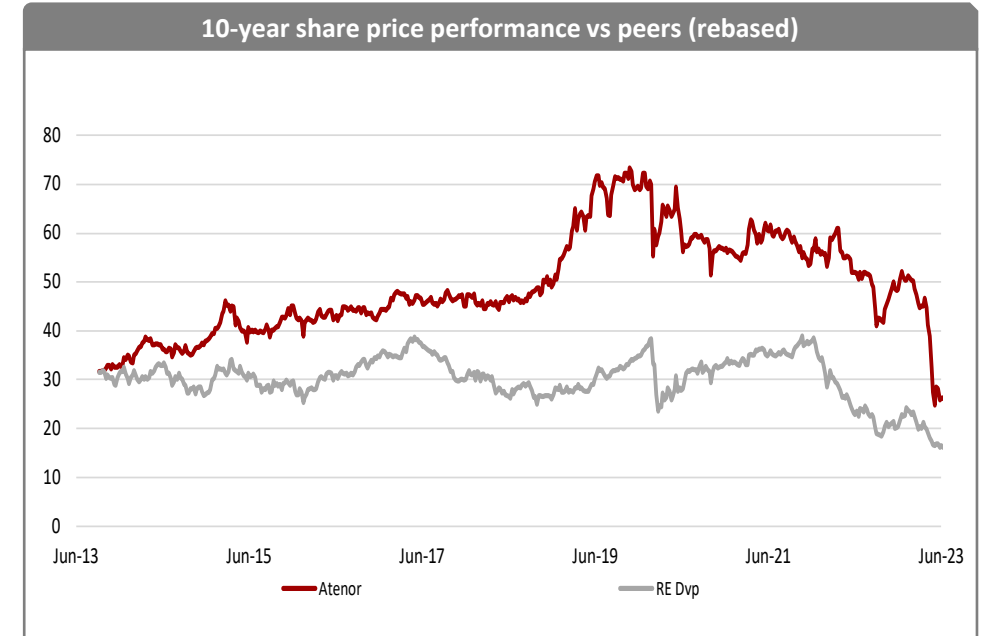
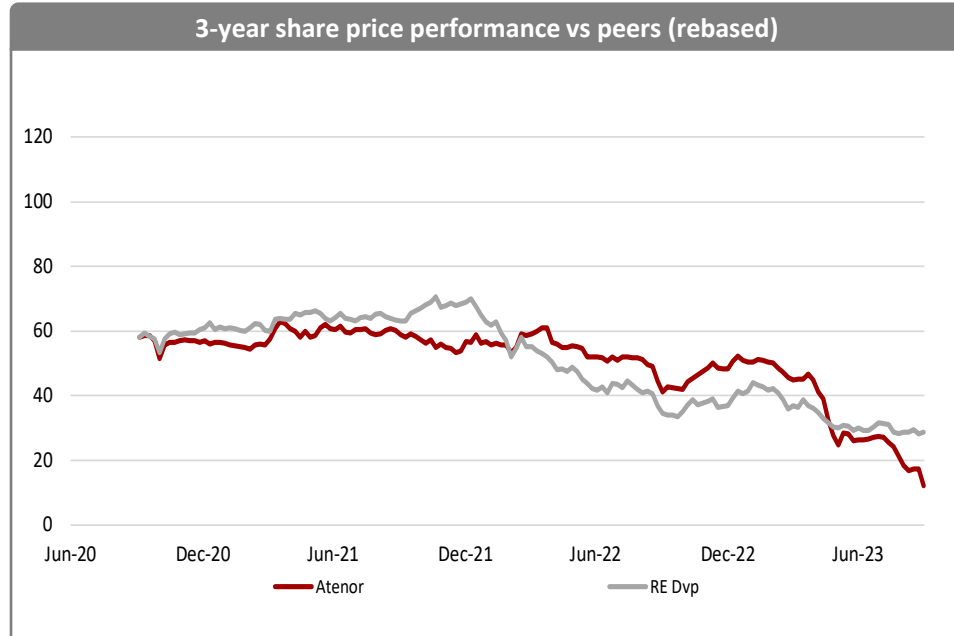
### Portfolio location (sqm), 2022



Source: Merodis, Factset

# Share price performance

Performing below sector peers in a weak market



Source: Merodis, Factset

# Analyst Recommendations, Earnings Expectations

Macro headwinds lead to EPS consensus volatility

## Consensus view

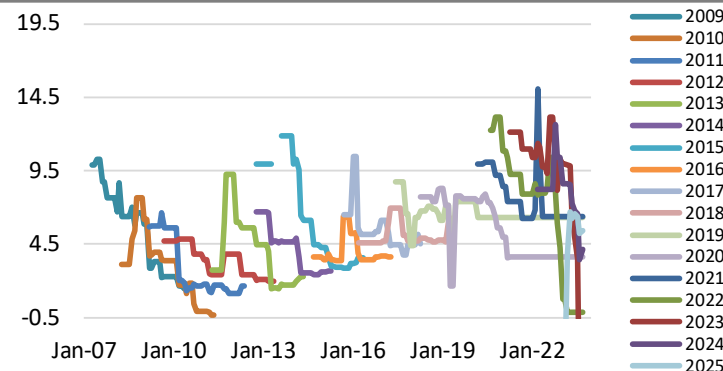
Consensus 2023e EPS estimates have been cut sharply since the interim results were reported in August to EUR -5.99 from EUR 4.94 at the end of 2Q23 and well below their peak in September 2022 (EUR 13.17). Management guidance and the higher-than expected impact of the previously mentioned delay and/or postponement of various projects due to the weak market environment coupled with the increasing cost of debt is responsible for this sharp revision. We are below consensus with an estimated EPS of EUR -12.64 for 2023e. It is worth noting that we have not yet factored in the dilution effect of the planned capital increase.

Consensus currently expects a 2024e EPS of EUR 4.16 6.76, reflecting a 49% decrease y-o-y, while implying a sharp increase y-o-y (vs. a negative EPS of EUR -0.1 in 2022). Our EPS estimate of EUR 5.23 for 2024e is slightly above consensus and is backed by expectations of a rebound in Atenor's deal flow and in market conditions. The expected growth going forward is driven by the large project development pipeline totalling 1.2m m<sup>2</sup> with 34 projects.

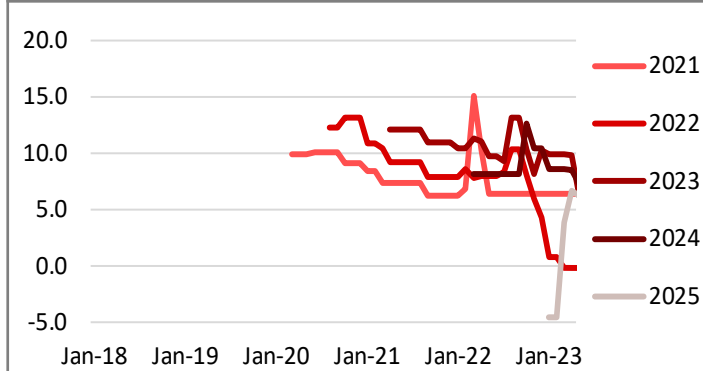
Atenor's share price fell by 54% during 3Q23, underperforming versus its sector peers (-4.3%) as well as versus local mid caps (+1.3%) and the general market (Euro STOXX 600: -2.5%).

According to Factset, three brokers cover the stock: KBC Securities (Overweight, TP EUR 18.00), Degroof Petercam (TP n.a.) and ING (Hold, TP 20.00).

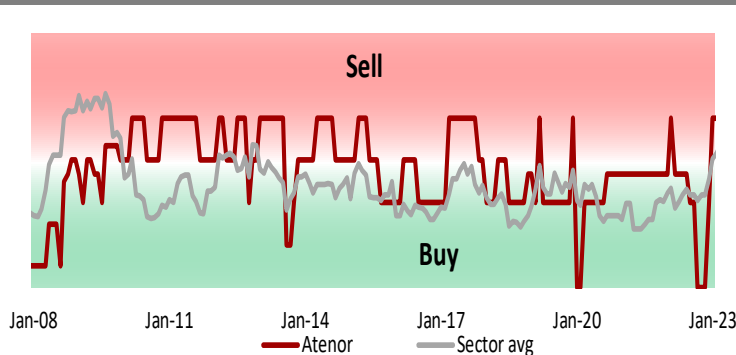
## EPS Worms (EUR/share)



## Consensus EPS (EUR/share)



## Analyst recommendations vs. peer average



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

	2023e	2024e	2025e
Sales	-30.5	33.9	50.2
EBIT	-1139.0	25.4	39.8
EPS (€)	111.1	25.1	27.7
DPS (€)	-100.0	94.4	39.2
Net debt	15.5	50.8	41.8

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>																					
Immobil	41	8%	2%	51.7	51.7	51.7	8.8	15.6	17.3	8.0	14.8	16.3	1.4	7.9	9.6	0.8	5.7	7.9	239.9	84.9	31.7
YIT	50	36%	0%	27.5	27.5	27.5	3.8	4.8	5.7	2.4	3.4	4.4	-0.3	0.7	2.1	1.2	2.8	5.8	117.1	23.0	0.3
JM	91	5%	0%	38.5	38.5	38.5	9.4	9.1	10.0	9.6	9.5	9.9	7.2	7.1	7.2	11.8	8.8	10.3	-2.9	-2.2	-5.1
<b>PEER AVERAGE</b>	<b>60</b>	<b>16%</b>	<b>1%</b>	<b>39.3</b>	<b>39.3</b>	<b>39.3</b>	<b>7.3</b>	<b>9.8</b>	<b>11.0</b>	<b>6.6</b>	<b>9.3</b>	<b>10.2</b>	<b>2.8</b>	<b>5.2</b>	<b>6.3</b>	<b>4.6</b>	<b>5.8</b>	<b>8.0</b>	<b>118.0</b>	<b>35.2</b>	<b>9.0</b>
<b>PEER MEDIAN</b>	<b>50</b>	<b>8%</b>	<b>0%</b>	<b>38.5</b>	<b>38.5</b>	<b>38.5</b>	<b>8.8</b>	<b>9.1</b>	<b>10.0</b>	<b>8.0</b>	<b>9.5</b>	<b>9.9</b>	<b>1.4</b>	<b>7.1</b>	<b>7.2</b>	<b>1.2</b>	<b>5.7</b>	<b>7.9</b>	<b>117.1</b>	<b>23.0</b>	<b>0.3</b>
<b>Atenor (MERE)</b>	<b>49</b>	<b>1%</b>	<b>0%</b>	<b>70.0</b>	<b>71.9</b>	<b>70.3</b>	<b>-20.0</b>	<b>33.0</b>	<b>32.3</b>	<b>-73.7</b>	<b>32.8</b>	<b>32.1</b>	<b>-112.6</b>	<b>14.8</b>	<b>16.5</b>	<b>-59.3</b>	<b>19.8</b>	<b>22.7</b>	<b>na</b>	<b>na</b>	<b>93.4</b>
% Premium/(discount) vs average	-19	-92.7	-57.8	78.4	83.1	79.2	-373.2	236.3	194.1	-1,209.2	254.5	214.8	-4,178.7	182.1	161.9	-1,393.2	242.8	184.5			
% Premium/(discount) vs median	-1	-84.3	19.6	81.7	86.6	82.5	-328.2	264.6	223.8	-1,026.8	244.1	224.7	-8190.3	108.6	128.7	-4,977.8	246.0	187.2			
<b>CEE exposure</b>																					
CA Immobilien	33	1%	1%				99.8	86.8	83.6	29.1	54.5	101.8	-10.2	10.1	69.8	2.1	4.0	4.4	42.3	-6.8	1.8
Immo Finanz	33		1%				54.1	57.6	49.1	-22.3	30.4	59.1	-24.3	17.9	43.8	1.1	5.4	6.7			
Atrium Real Estate	#VALUE!	3%	0%																		
Echo Polska																					
Nepi Rockcastle	100	0%	0%	35.5	35.5	35.5	89.1	88.2	88.8	90.7	82.0	81.5	72.1	67.9	68.1				3.2	7.3	7.4
Globalworth	15	0%	0%							89.4			51.5								
<b>PEER AVERAGE</b>	<b>#VALUE!</b>	<b>1%</b>	<b>0%</b>	<b>35.5</b>	<b>35.5</b>	<b>35.5</b>	<b>81.0</b>	<b>77.5</b>	<b>73.8</b>	<b>46.7</b>	<b>55.6</b>	<b>80.8</b>	<b>22.2</b>	<b>32.0</b>	<b>60.6</b>	<b>1.6</b>	<b>4.7</b>	<b>5.6</b>	<b>22.7</b>	<b>0.2</b>	<b>4.6</b>
<b>PEER MEDIAN</b>	<b>#VALUE!</b>	<b>1%</b>	<b>0%</b>	<b>35.5</b>	<b>35.5</b>	<b>35.5</b>	<b>89.1</b>	<b>86.8</b>	<b>83.6</b>	<b>59.3</b>	<b>54.5</b>	<b>81.5</b>	<b>20.6</b>	<b>17.9</b>	<b>68.1</b>	<b>1.6</b>	<b>4.7</b>	<b>5.6</b>	<b>22.7</b>	<b>0.2</b>	<b>4.6</b>
<b>Others</b>																					
Nexity	92	25%	1%	16.8	16.8	16.8	10.1	10.4	11.1	5.8	5.8	6.4	2.2	2.1	2.6	5.5	5.1	5.4	-1.0	1.6	-2.9
Kaufman & Broad	62		1%	-0.8	-0.8	-0.8	8.8	9.1	9.1	8.0	8.2	8.4	4.1	4.3	4.5	23.3	21.1	22.1	1.5	-0.2	-2.0
SRV Yhtiot	47		0%	11.1	11.1	11.1	1.3	3.0	3.8	0.7	2.2	3.0	-0.8	0.8	1.6	-4.0	3.9	9.1		89.2	13.1
Helical	85	1%	0%	20.5	20.5	20.5	66.3	63.0	67.2	83.2	88.0		50.8	55.5	20.7				-25.6	4.5	3.8
<b>PEER AVERAGE</b>	<b>72</b>	<b>13%</b>	<b>1%</b>	<b>11.9</b>	<b>11.9</b>	<b>11.9</b>	<b>21.6</b>	<b>21.4</b>	<b>22.8</b>	<b>24.4</b>	<b>26.1</b>	<b>5.9</b>	<b>14.1</b>	<b>15.7</b>	<b>7.3</b>	<b>8.3</b>	<b>10.0</b>	<b>12.2</b>	<b>-8.4</b>	<b>23.8</b>	<b>3.0</b>
<b>PEER MEDIAN</b>	<b>74</b>	<b>13%</b>	<b>1%</b>	<b>13.9</b>	<b>13.9</b>	<b>13.9</b>	<b>9.5</b>	<b>9.7</b>	<b>10.1</b>	<b>6.9</b>	<b>7.0</b>	<b>6.4</b>	<b>3.2</b>	<b>3.2</b>	<b>3.5</b>	<b>5.5</b>	<b>5.1</b>	<b>9.1</b>	<b>-1.0</b>	<b>3.1</b>	<b>0.9</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	29.15	291	71.1	8.9	6.2	3.8	2.7	2.0	43.3	17.1	11.6	47.7	18.0	12.3	0.5	0.5	0.5	7.0	7.7	8.3
YIT	FINLAND	2.17	456	46.6	21.0	9.9	0.5	0.5	0.5	14.2	10.9	8.1	22.5	15.4	10.5	0.6	0.6	0.6	2.1	3.3	6.1
JM	SWEDEN	148.30	9,566	9.8	12.4	10.4	1.2	1.3	1.3	12.8	14.4	13.2	12.5	13.6	13.3	1.1	1.1	1.0	6.2	6.2	6.9
<b>PEER AVERAGE</b>				<b>42.5</b>	<b>14.1</b>	<b>8.8</b>	<b>1.8</b>	<b>1.5</b>	<b>1.3</b>	<b>23.4</b>	<b>14.1</b>	<b>11.0</b>	<b>27.6</b>	<b>15.7</b>	<b>12.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>5.1</b>	<b>5.8</b>	<b>7.1</b>
<b>PEER MEDIAN</b>				<b>46.6</b>	<b>12.4</b>	<b>9.9</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>14.2</b>	<b>14.4</b>	<b>11.6</b>	<b>22.5</b>	<b>15.4</b>	<b>12.3</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>6.2</b>	<b>6.2</b>	<b>6.9</b>
<b>Atenor (MERE)</b>	<b>BELGIUM</b>	<b>12.05</b>	<b>86</b>	<b>-1.0</b>	<b>2.3</b>	<b>1.7</b>	<b>10.9</b>	<b>4.2</b>	<b>3.5</b>	<b>-54.5</b>	<b>12.6</b>	<b>10.9</b>	<b>-14.8</b>	<b>12.7</b>	<b>11.0</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.0</b>	<b>23.2</b>	<b>24.5</b>
% Premium/(discount) vs average				-102.2	-83.7	-80.2	490.4	178.8	179.8	-332.6	-10.5	-0.4	-153.6	-18.8	-8.7	-25.4	-36.9	-43.0	-100.0	303.7	244.3
% Premium/(discount) vs median				-102.0	-81.5	-82.4	805.9	220.9	168.4	-484.9	-12.0	-6.0	-165.8	-17.2	-10.7	-6.3	-21.6	-29.3	-100.0	272.5	254.2
<b>CEE exposure</b>																					
CA Immobilien	AUSTRIA	31.40	3,076	44.3	24.6	21.9	21.5	20.0	20.2	21.5	23.1	24.2	73.7	36.8	19.9	1.0	1.0	0.9	2.2	2.8	2.8
Immo Finanz	AUSTRIA	18.38	2,536	63.9	13.2	10.1	9.7	8.8	6.6	17.9	15.2	13.5		28.8	11.2	0.7	0.7	0.6	0.0	0.0	0.0
Atrium Real Estate	AUSTRIA																				
Echo Polska	SOUTH AFRICA	12.36																			
Nepi Rockcastle	SOUTH AFRICA	104.10	66,190	9.6	9.3	9.0	11.0	10.3	9.9	12.4	11.6	11.1	12.2	12.5	12.1				9.8	10.1	10.5
Globalworth	UNITED KINGDOM	2.30	542																		
<b>PEER AVERAGE</b>				<b>39.3</b>	<b>15.7</b>	<b>13.6</b>	<b>14.0</b>	<b>13.0</b>	<b>12.3</b>	<b>17.2</b>	<b>16.7</b>	<b>16.3</b>	<b>42.9</b>	<b>26.0</b>	<b>14.4</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>4.0</b>	<b>4.3</b>	<b>4.4</b>
<b>PEER MEDIAN</b>				<b>44.3</b>	<b>13.2</b>	<b>10.1</b>	<b>11.0</b>	<b>10.3</b>	<b>9.9</b>	<b>17.9</b>	<b>15.2</b>	<b>13.5</b>	<b>42.9</b>	<b>28.8</b>	<b>12.1</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>2.2</b>	<b>2.8</b>	<b>2.8</b>
<b>Others</b>																					
Nexity	FRANCE	13.97	777	7.2	7.8	7.3	0.5	0.5	0.5	4.7	4.5	4.1	8.1	8.2	7.2	0.4	0.4	0.4	12.9	12.4	13.3
Kaufman & Broad	FRANCE	27.60	583	9.8	10.5	9.5	0.4	0.4	0.4	4.2	4.6	4.5	4.6	5.1	4.9	2.2	2.2	2.0	8.3	8.2	8.6
SRV Yhtiot	FINLAND	3.56	60		12.5	5.0	0.2	0.2	0.2	16.4	7.0	5.0	34.0	9.3	6.4	0.5	0.5	0.4	0.0	2.9	5.8
Helical	UNITED KINGDOM	2.12	260	19.8	21.6	35.7	15.0	17.5	18.1	22.5	27.8	27.0	18.0	19.8					5.8	6.1	6.4
<b>PEER AVERAGE</b>				<b>12.2</b>	<b>13.1</b>	<b>14.4</b>	<b>4.0</b>	<b>4.6</b>	<b>4.8</b>	<b>11.9</b>	<b>11.0</b>	<b>10.2</b>	<b>16.2</b>	<b>10.6</b>	<b>6.2</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>6.7</b>	<b>7.4</b>	<b>8.5</b>
<b>PEER MEDIAN</b>				<b>9.8</b>	<b>11.5</b>	<b>8.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>10.5</b>	<b>5.8</b>	<b>4.8</b>	<b>13.0</b>	<b>8.7</b>	<b>6.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>7.1</b>	<b>7.1</b>	<b>7.5</b>

Source: Merodis, Factset

# Valuation relative to the sector

At a valuation discount to peers on P/E and a premium on DY due to earnings/share price volatility

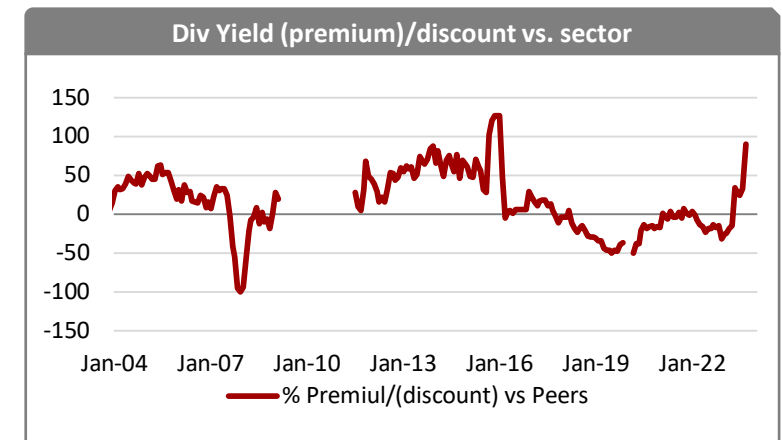
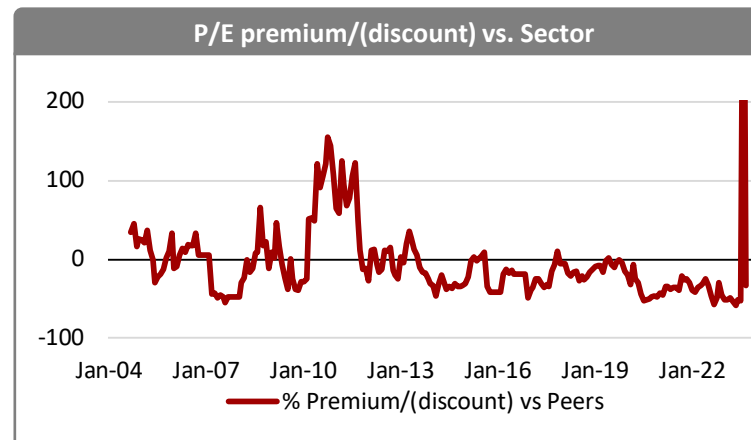
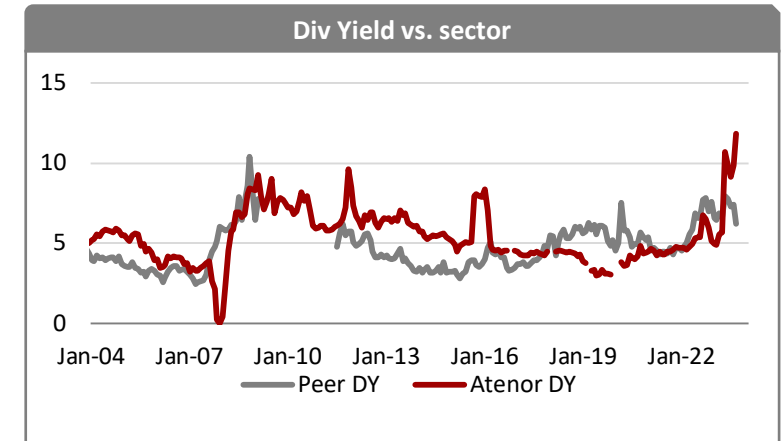
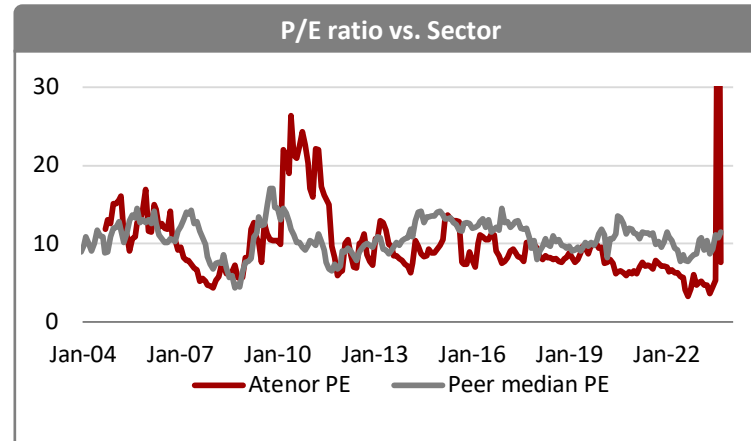
## Valuation

At 7.6x 12M forward P/E, Atenor is trading 33% below the sector peers median. Over the long term, the stock has traded on average 8.2% below the sector median, while it traded on average at a 48% discount over the past 12 months.

Atenor has traded at a (wide) historical 12M forward P/E range of between 3.3x and 67.9x, 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 (1.2m sqm) which is well above historical levels (0.6m sqm back in 2017). Nevertheless, the market conditions (supply/demand, pricing, etc.) have changed with the interest rate cycle, putting downward pressure on the share price and valuation multiples.

Although consensus still expects a dividend of EUR 1.37 to be paid out on 2023 results, we have cut our DPS forecast to zero. For 2024e and 2025e, we expect, however, a return to the previous levels (albeit on a pre-dilution basis).

Our fair value estimate (EUR 19.0 from EUR 39.9) 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 9.6% (was 9.1%). 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 18.9 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 2.5% (was 2.0%).



Source: Merodis, Factset



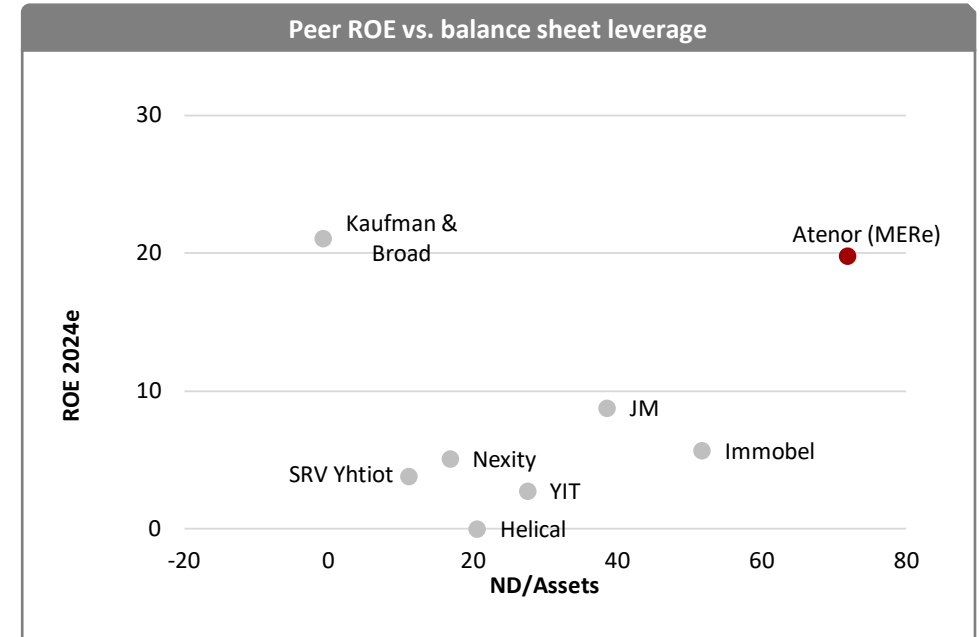
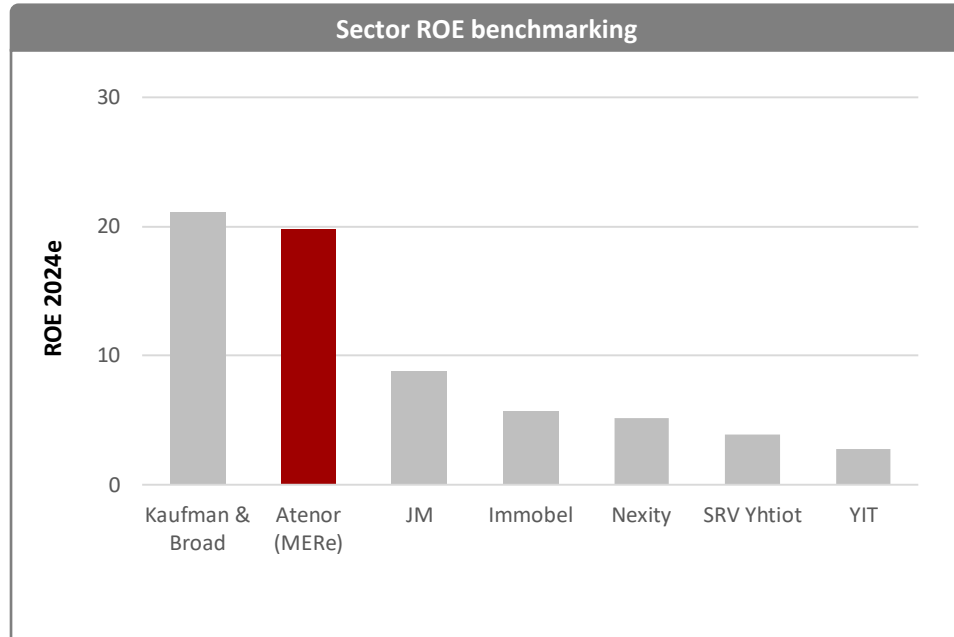
## Atenor updated Sum-of-the-parts

<b>Sum Of The Parts</b>	<b>(EUR m)</b>
NPV of capital gains	393.7
NPV of goodwill for new projects	702.6
NPV of corporate costs	-88.1
Net debt	-867.2
Total	141.0
<b>per share (EUR)</b>	<b>19.0</b>

Source: Merodis, Factset

# Valuation drivers

High returns combined with high leverage



Source: Merodis, Factset

# Consensus payout expectations

Payout below peers driven by investment cycle

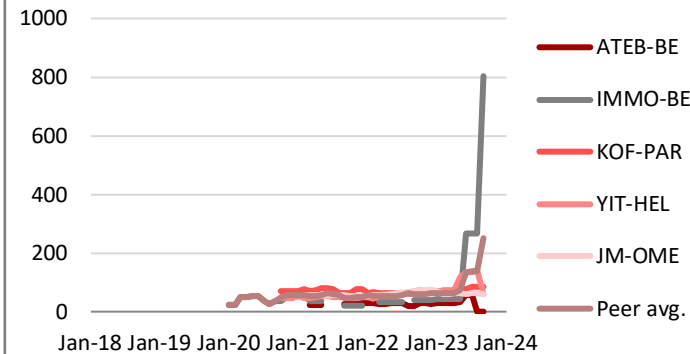
## Dividend payout

In 2023, Atenor paid out 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%.

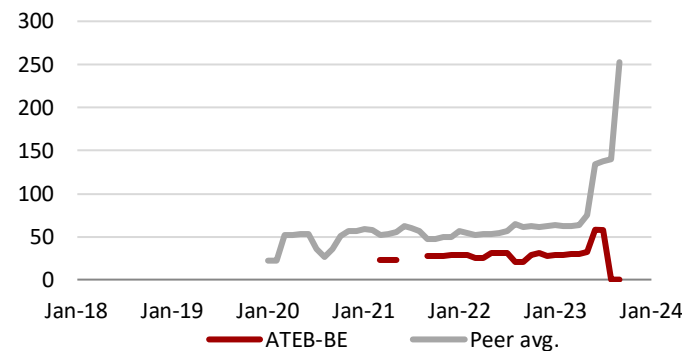
Atenor's dividend policy until recently (stable growing dividend with a variable payout) allowed the company to provide shareholders with a growing and, at worst, a stable dividend, while improving its financing capacity (and balance sheet leverage) to grow organically and to reach its target ROE in 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 this to change from 2023 onwards with no dividend paid out on this year's loss and a more conservative strategy going forward (zero payout in case of loss).

We used to expect 3.4% 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 34 currently with 1.2m 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 (34 projects in the portfolio at various stages of the real-estate development cycle and in different European countries).

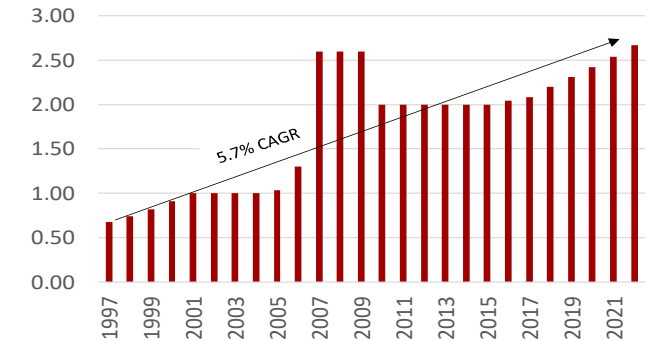
## 2023 expected payout, Sector



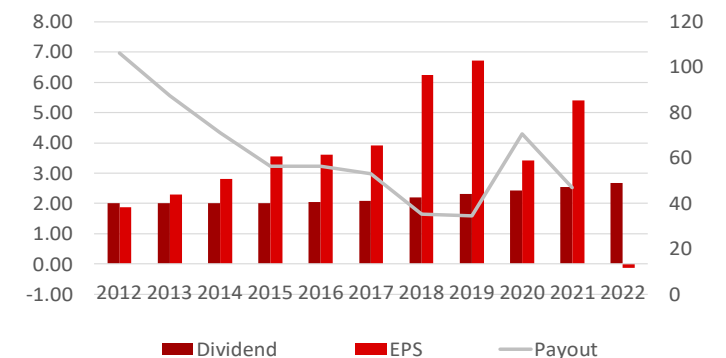
## 2023 expected payout vs. Peers



## DPS growth



## Payout ratio



Source: Merodis, Factset

# Leverage expectations

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

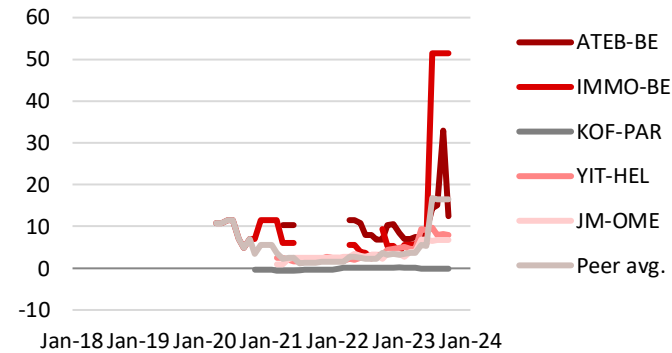
## Balance sheet

Atenor's balance sheet may appear leveraged, with net debt of EUR 890m in 1H23, which compares to its equity of EUR 223m, but less so compared to the value of assets on its balance sheet: EUR 933m (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 914m and cash of EUR 24m.

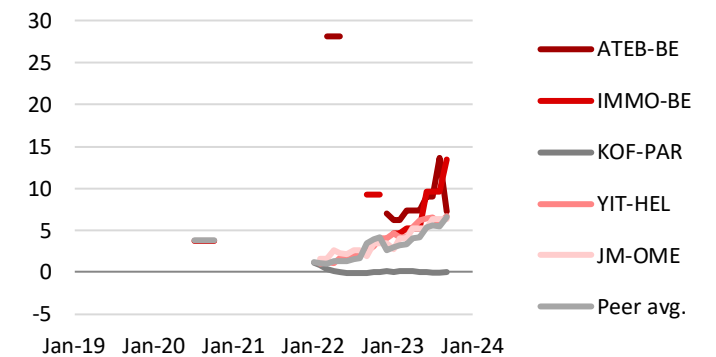
Although projects in the construction phase are financed by debt, the acquisition of land is typically financed by equity (and/or long-term debt) while acquisition values are lower than the invested capital. For 2022, invested capital reached EUR 733m (of which EUR 274m in equity) compared to acquisition 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: (1) with 4 years duration for EUR 35m and (2) 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 7.25m 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).

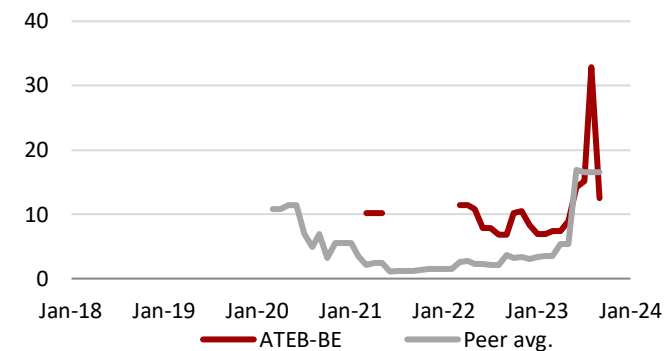
## 2023 NFD/EBITDA, sector



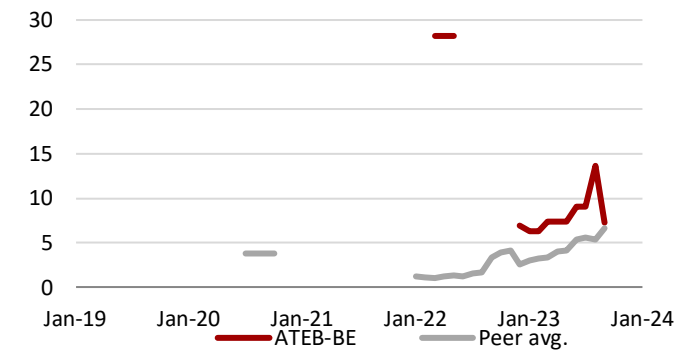
## 2024 NFD/EBITDA, sector



## 2023 NFD/EBITDA vs. Peers

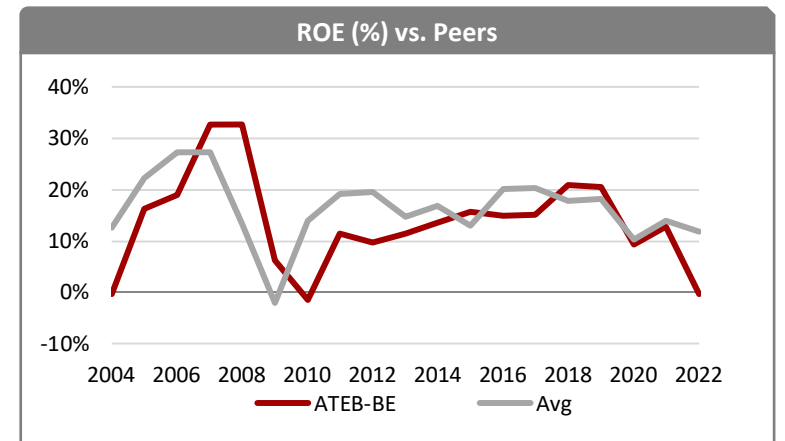
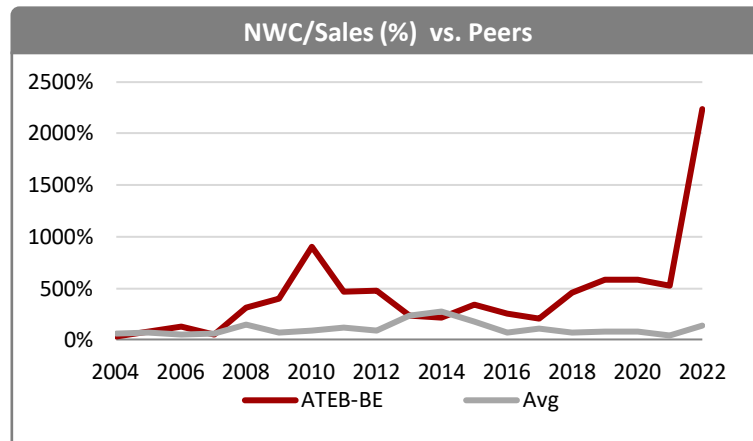
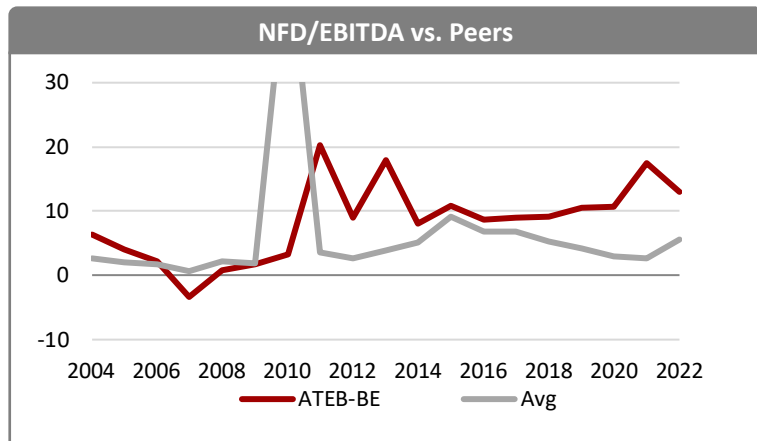
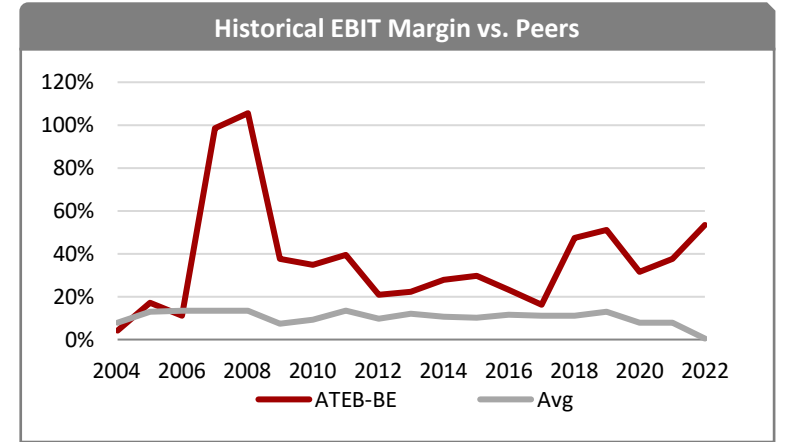
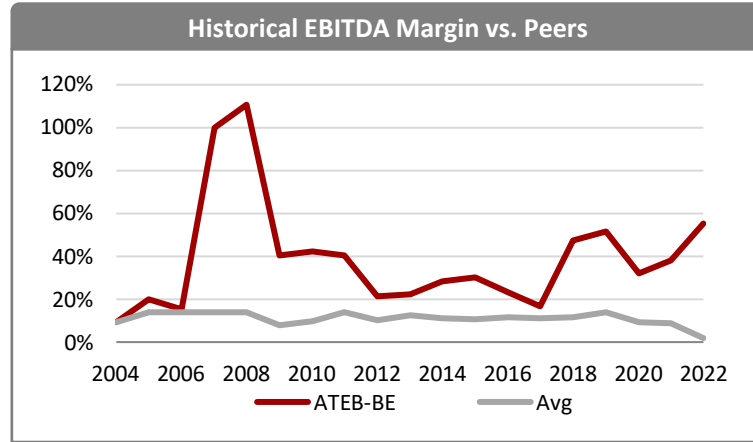
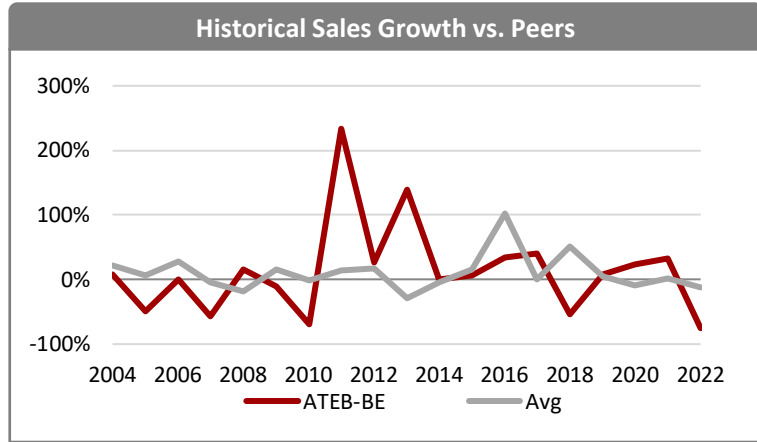


## 2024 NFD/EBITDA vs. Peers



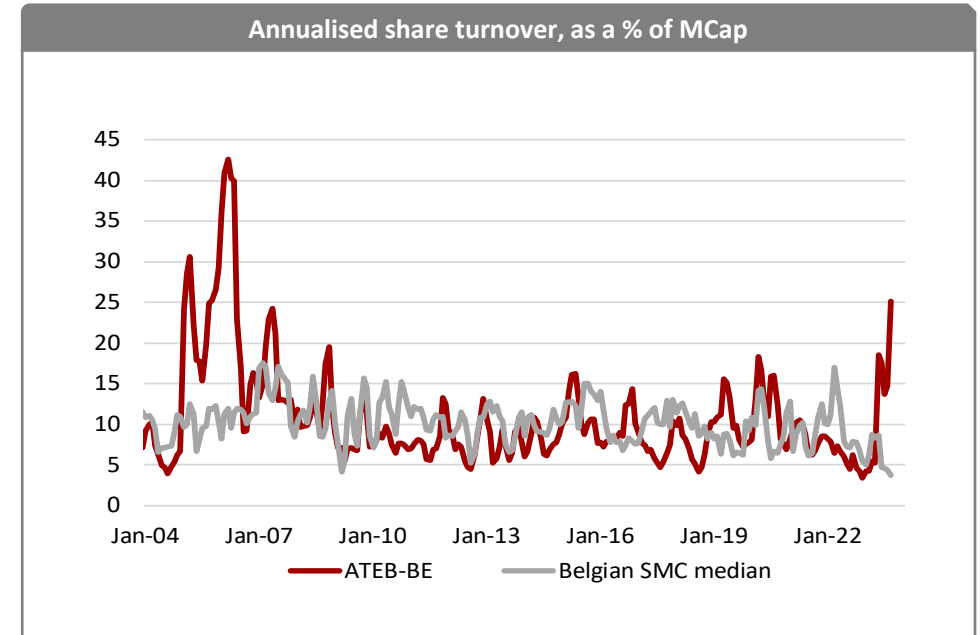
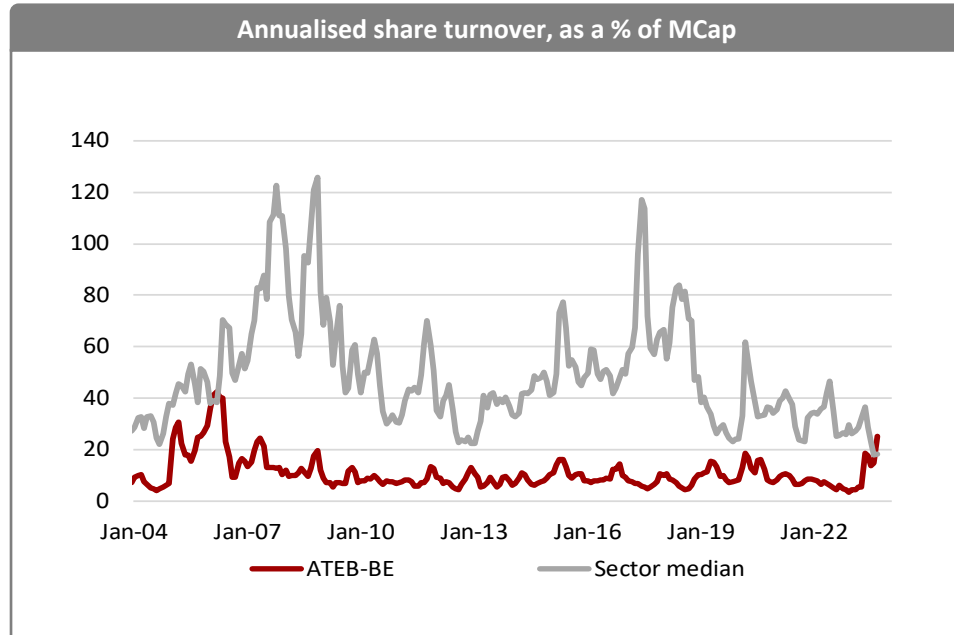
Source: Merodis, Factset

# Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

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



Source: Merodis, Factset

## Financial summary

Enterprise Value (€m): 907  
Market Cap. (€m): 89  
Free-float MCap (€m): 41

	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	83	263	312	1.0	93.4	na	na															
EBITDA	14	5	14	8	24	32	36	36	34	45	53	41	65	15	-17	87	101	0.7	na	na	na															
EBIT	13	3	14	9	24	30	34	35	35	46	53	40	64	19	-61	86	100	3.7	na	na	na															
Pretax profit	11	-1	10	5	18	23	28	26	25	37	43	29	50	0	-92	49	62	-26.4	na	na	na															
Net profit	7	-2	11	9	12	15	20	22	22	35	38	24	38	-1	-94	39	51	na	na	na	na															
<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	-82	-72	-70	na	-7.1	na	na															
WCR	13	7	0	1	-2	-1	0	35	-31	-2	-2	1	-5	2	-4	-9	-8	-14.1	33.6	na	na															
Gross Op CF	8	2	5	4	15	27	28	68	7	4	18	29	60	8	-86	-81	-78	-0.2	-4.5	na	na															
Capex	-14	-10	-30	-1	-2	-16	-17	-9	-1	-1	-17	-43	-56	-13	-21	-21	-21	-0.3	0.0	na	na															
FCF	-6	-8	-24	2	13	11	11	59	6	3	1	-14	4	-6	-107	-102	-99	-0.5	-3.6	na	na															
Net disp./acq.)	7	60	6	1	0	1	14	20	1	58	22	0	72	17	28	167	178	8.1	152.0	na	na															
Dividends paid	-13	-13	-10	-10	-11	-7	-2	-20	-21	-11	-12	-12	-16	-17	-19	0	-21	2.4	5.2	na	na															
Equity issue																																				
Others	22	67	14	91	-62	52	0	69	-143	14	-72	49	-35	-62	8	0	0	na	na	na	na															
Net Debt (incr./decr.)	10	106	-13	85	-60	58	23	128	-156	63	-61	22	24	-67	-90	64	58	na	na	na	na															
<b>Balance Sheet (€m)</b>																		09-22	23-25e																	
WC	145	101	173	221	258	289	431	421	455	476	656	778	936	946	995	1043	1087	16.9	4.5	na	na															
Capital Employed	189	139	187	236	274	356	481	467	481	515	757	852	1039	1083	1123	1198	1267	15.7	6.2	na	na															
Cash & Equivalent	2	3	3	2	2	6	6	103	23	42	44	31	91	25	25	25	25	21.3	0.0	na	na															
Gross Debt	87	123	125	231	214	267	363	450	377	440	540	657	835	893	920	1112	1112	21.4	10.0	na	na															
Equity	118	101	98	99	105	113	127	137	147	167	184	259	299	271	158	197	227	7.2	19.7	na	na															
Balance sheet total	240	270	278	395	377	449	552	686	593	671	838	1058	1230	1275	1277	1512	1546	15.0	10.0	na	na															
<b>Growth (%)</b>																		09-22	2023e																	
Sales	-49	-48	75	7	135	6	6	29	39	-39	8	4	18	-70	54	216	18	na	na	na	na															
EBITDA	-68	-66	202	-41	189	34	13	-2	4	31	15	-23	59	-77	na	na	16	na	na	na	na															
EBIT	-68	-72	288	-35	172	27	12	4	0	30	19	-24	60	-70	na	na	16	na	na	na	na															
Net profit	-82	na	na	-16	27	27	30	2	8	59	7	-36	58	na	na	na	32	na	na	na	na															
FCF	na	na	na	na	485	-18	-3	445	-89	-56	-80	na	na	na	na	na	na	na	na	na	na															
NWC	16	-30	71	28	17	12	49	-2	8	5	38	19	20	1	5	5	4	na	na	na	na															
Shareholder Equity	0	13	3	42	-5	19	23	24	-14	13	25	26	16	4	0	18	2	na	na	na	na															
<b>Financial Ratios</b>																		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	09-22	23-25e
Gross margin (%)	61	38	-21	-11	15	41	9	36	31	-8	-22	-56	-102	-187	-87	-3	-1	na	na	na	na															
EBITDA margin (%)	29	19	32	18	22	28	22	15	33	27	36	28	-20	33	32	32	32	na	na	na	na															
EBIT margin (%)	26	14	31	19	22	26	28	22	16	34	36	27	36	36	-74	33	32	na	na	na	na															
Net margin (%)	15	-6	26	20	11	13	16	13	10	26	26	16	21	-2	-113	15	17	na	na	na	na															
Opex/Sales (%)	71	81	68	82	78	72	71	78	85	67	63	73	64	72	120	67	68	na	na	na	na															
Depreciation/Sales (%)	3	5	2	-1	0	2	2	0	0	-1	0	1	1	-8	54	0	0	na	na	na	na															
Depreciation/EBITDA (%)	9	26	5	-5	1	6	6	1	-3	-3	0	2	2	-30	-269	1	1	na	na	na	na															
Tax rate (%)	-33	14	17	87	-34	-28	-21	-10	-5	-12	-17	-24	-403	2	-20	-17	na	na	na	na	na															
Capex/Sales (%)	29	40	67	3	2	13	14	6	0	1	12	28	31	24	25	8	7	na	na	na	na															
FCF/Sales (%)	-12	-31	-55	5	12	10	9	37	3	2	0	-9	2	-10	-129	-39	-32	na	na	na	na															
WCR/Sales (%)	27	28	0	2	-1	-1	0	22	-14	-1	-2	0	-3	4	-5	-3	-3	na	na	na	na															
WC/Sales (%)	303	403	395	470	234	248	349	264	205	354	453	514	524	1749	1195	396	349	na	na	na	na															
LTV (%)	61	52	50	66	67	75	91	72	73	74	79	72	75	80	85	87	87	na	na	na	na															
Gearing (%)	72	119	124	232	203	231	280	254	241	238	269	242	249	320	565	553	479	na	na	na	na															
Net Debt/Total assets (%)	35	44	44	58	56	58	64	51	60	59	59	59	60	68	70	72	70	na	na	na	na															
ROCE post-tax (%)	4	3	8	7	6	6	6	6	7	8	6	4	5	-5	-6	6	7	na	na	na	na															
ROE (%)	6	-2	11	10	11	14	16	15	15	21	21	9	13	0	-59	20	23	na	na	na	na															
Dividend payout (%)	179	-630	89	106	87	71	56	56	53	35	34	71	47	-2229	0	54	43	na	na	na	na															
<b>Valuation</b>																		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	09-22	23-25e
Market Capitalisation (€m)	185	179	159	150	172	206	243	254	272	275	365	431	409	366	89	89	89	5.9	0.0	na	na															
+ Net Financial Debt (€)	85	120	122	229	212	261	355	347	354	398	496	627	744	868	894	1087	1087	21.4	10.2	na	na															
+ Restated Min. + others (€m)	-1	-1	-1	1	0	2	2	7	12	5	10	15	13	8	6	6	6	na	-4.1	na	na															
- Associates & Inv. (€m)	15	9	8	10	10	15	15	21	20	15	60	64	79	83	83	83	83	15.6	0.0	na	na															
<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>907</b>	<b>1099</b>	<b>1099</b>	<b>13.5</b>	<b>10.1</b>	na	na															
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	10.9	4.2	3.5	na	na	na	na															
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	-54.5	12.6	10.9	na	na	na	na															
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	-14.8	12.7	11.0	na	na	na	na															
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	-8.5	-10.7	-11.0	na	na	na	na															
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	0.8	0.9	0.9	na	na	na	na															
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	-494.6	-1.0	2.3	1.7	na	na	na	na															
P/BVPS (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	0.6	0.5	0.4	na	na	na	na															
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	-119.7	-114.5	-111.2	na	na	na	na															
<b>Per share data</b>																		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	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	5.63	7.04	7.04	7.43	7.43	2.8	0.0	na	na														
# 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	7.23	7.43	7.43	2.8	1.3	na	na															
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	12.05	12.05	12.05	3.0	0.0	na	na															
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	-12.64	5.23	6.93	na	na	na	na															
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	-12.64	5.23	6.93	na	na	na	na															
BVPS	23.4	20.1	19.5	19.6	20.4	21.1	22.9	24.3	26.1	29.7	32.7	40																								

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