

# Texaf

## Kinshasa's premium real estate gem with a strong growth runway

Holdings and Investment Companies | Belgium

**Texaf has successfully repositioned from textiles into a leading premium real estate owner and developer in Kinshasa. The group benefits from a resilient EUR/USD-denominated rental model, near-full occupancy, high-quality international tenants, and a substantial land bank that supports both rental growth and for-sale development. In this deep-dive analysis, we highlight sustained double-digit rental expansion, the upcoming contribution from new projects like Quartier des Parcs and Kinsuka Gardens, and a conservative balance sheet that limits downside in a high-risk environment. We forecast meaningful earnings growth over the next decade driven by pipeline deliveries and housing sales. We value Texaf at €51 per share based on the fair value of its landbank, discounted accordingly for limited market insights and country risk. Due to moderate upside, we downgrade to Accumulate. While fairly priced near-term on FY26 earnings, the longer-term growth story remains attractive for patient investors.**

Share Price: €44.0  
Target Price: €51.0  
Upside/Downside: 15.9%

Recommendation: **Accumulate**  
Previous Recommendation: Buy

### Analyst Details

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### Key Data

Bloomberg: TEXTF BB  
Reuters: TEXTB.BR  
URL: <https://www.texaf.be/>  
Market Cap. (m): €161.3  
Shares Out. (m): 3.7  
Volume (Daily): 410  
Price 12m Hi/Lo: 44.8 / 33.2

Performance	1m	3m	12m
Absolute (%)	-0.5	12.8	31.7
Rel. BEL20	-4.7	8.9	7.9

### Next Corporate Event

Results 1H26: 07/09/2026

### Sponsored Research

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### Summary of the report:

- FY25 Results:** Rental income rose to €30.8m, up from €19.7m in 2021, with +11% growth in FY25 supported by new deliveries and high occupancy. Like-for-like rental growth was a solid +2.7%. Recurring operating result reached €11.4m (+3%), tempered by higher staff costs and taxes. Overall metrics stayed strong with group occupancy near 99% (residential effectively full). Silikin Village had its first year of positive cash flow. The quarry remains under pressure.
- Sites:** The core UTEXAFRICA concession (50 hectares) houses 426 residential units (apartments and villas) plus 26,300 m<sup>2</sup> offices/commercial, delivering most of current rental income. Key upcoming projects include Quartier des Parcs (19 villas + 14 apartments, delivery from 1Q27) and a larger 120-apartment project in phases starting 2027. Silikin Village (digital campus) offers over 8,000 m<sup>2</sup> with >95% occupancy. Kinsuka Gardens (87 hectares) launches for-sale villas in 2H26 (first phase: 42 units), targeting Congolese executives and diaspora.
- Business Model:** Texaf focuses on developing, owning, and managing premium residential, office, and mixed-use assets with strong emphasis on security, amenities, and green spaces... a scarce offering in Kinshasa. Rents are euro-denominated with long-term corporate, diplomatic, and institutional tenants. The model combines steady rental income from the UTEXAFRICA compound with incremental densification and a new for-sale residential line at Kinsuka. Conservative leverage (1.4x net debt/EBITDA) provides room for expansion.
- KBCS' projections:** Rental income should continue growing via new UTEXAFRICA deliveries (€2.4m from Quartier des Parcs in FY27, further phased contributions later). Kinsuka sales start in FY27 with 42 villas initially, scaling toward hundreds of units by FY35 at attractive margins. We expect combined net results to more than double over 10 years. Additional land potential on UTEXAFRICA and Cotex sites supports upside beyond the base case.
- Valuation:** We use a NAV approach incorporating the revalued real estate portfolio (with a 50% DRC discount on land), pipeline earnings, and conservative multiples. This yields a target NAV of around €234m and supports our €51 target price (20% discount to target NAV). Currently Texaf trades at 15x P/E. This is fair near-term, with more attractive forward multiples as new projects contribute.

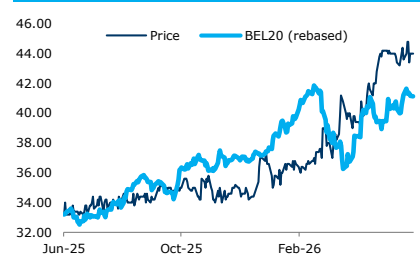
Year To:	2022A	2023A	2024A	2025A
Sales & operating income	29.5	31.3	34.2	37.6
Profit/loss from operating activities	8.9	9.9	11.1	11.4
Net Profit (group share)	8.4	11.6	7.4	9.0
Diluted EPS	2.28	3.18	2.04	2.48
Dividend per share (€)	1.57	1.64	1.76	1.89
Dividend yield (%)	3.6	3.7	4.0	4.3
Net asset value per share (NAV)	61.23	59.61	62.66	64.04
P / NAV (%)	(45.13)	(44.64)	(47.34)	(48.47)
Cash & cash equivalents	5.5	8.6	10.3	4.8

Source: KBC Securities

<https://research.kbcsecurities.com>

KBC Securities NV is regulated by FSMA

### Price Chart



Source: Refinitiv Datastream

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## INTRODUCTION

Following the closure of its textile operations in 2007, Texaf deliberately repositioned itself around real estate, transforming what had long been a secondary activity into its core business. This strategic shift allowed the Group to extract long-term value from its unique land holdings. Rather than pursuing speculative development, Texaf has followed a disciplined, incremental investment approach, reinvesting steadily irrespective of cyclical or macroeconomic conditions.

*Texaf pivoted from textiles to premium real estate in Kinshasa, creating a ~138,500 sqm portfolio that generated €30.8 million rental income in 2025 at 99% occupancy. A standout long-term growth story despite operating in a complex environment.*

The real estate segment today focuses on the development, ownership and management of premium residential, office and light commercial assets. The emphasis is on security, quality of life and long-term tenant stability. This approach has enabled Texaf to position itself as a reference player in a city which as of now has a limited formal real estate supply. Typical for Texaf is the combination of selective densification with the preservation of green spaces and heritage buildings, which is a rare expertise in the Kinshasa housing market.

The Group's total rental surface reached c.82,200 sqm for residential units, 26,300 sqm for offices and commercial spaces, and 30,000 sqm of warehousing. Operating metrics remain exceptionally strong: occupancy stood close to 99% at end-2025, with residential occupancy effectively at full capacity. This reflects both sustained demand for high-quality housing and the stability of Texaf's tenant base. In 2025, Texaf's properties generated a total of €30.8 million in rental income.

In this paper, we will examine Texaf's real estate portfolio in detail, starting with the flagship UTEXAFRICA concession, followed by the ambitious Kinsuka Gardens project and the digital-focused Silikin Village campus. We will then review the business model, tenant quality, financial performance, debt profile, and the substantial land bank that underpins future growth. The analysis concludes with forward-looking projections for rental income, development sales, and overall profitability through 2035. Overall, we see Texaf an example of ambition and courage, and see their real-estate business as a unique growth story, despite the country risk.

**The UTEXAFRICA complex, situated in the far West of Kinshasa, is a unique residential compound alongside the Congo river**



Source: UTEXAFRICA Website

## SITES

### UTEXAFRICA

Texaf’s current real estate portfolio is almost entirely concentrated on the UTEXAFRICA site, a 50-hectare fully enclosed concession along the Congo River in downtown Kinshasa. The site hosts a diversified mix of residential units, offices, commercial spaces and warehouses, organised across multiple districts developed in phases over more than two decades. At year-end 2025, the residential complex comprised 426 units (373 apartments and 53 villas), housing roughly 1,200 residents from over 40 nationalities, mostly corporates, organisations and diplomatic tenants.

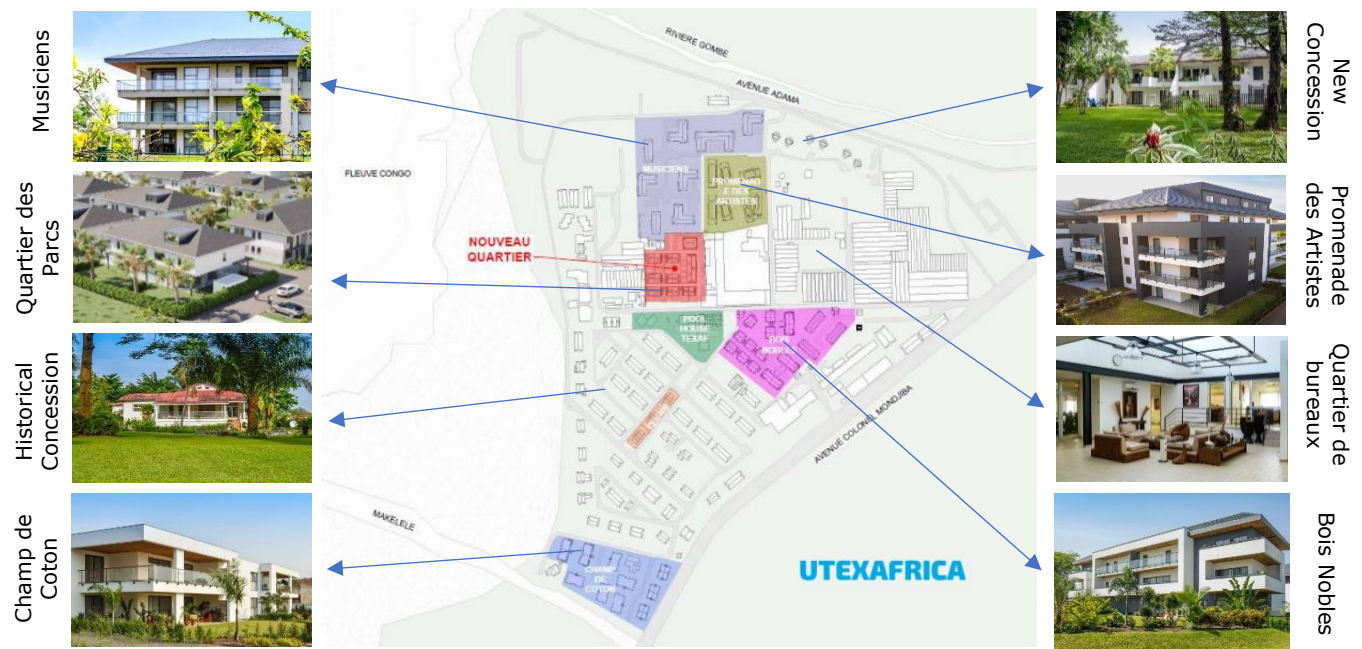
*Texaf’s portfolio is concentrated on the prime 50-hectare UTEXAFRICA riverside concession in downtown Kinshasa, featuring 426 premium residential units, housing ~1,200 multinational residents.*

The UTEXAFRICA compound is organised into several distinct districts, each contributing to a diversified residential and commercial offering. The Historical Concession, with its early 20th-century architecture, comprises 26 villas and 80 apartments, many of which have been carefully renovated while preserving the original “cité-jardins” character. This district is the heart of the site and continues to have strong demand thanks to its mature greenery and prestigious heritage appeal.

Other residential districts include Promenade des Artistes (94 appartements delivered in 2024), Champ de Coton (52 apartments developed between 2013 and 2015), Bois Nobles (18 villas and 57 apartments delivered since 2018), Les Musiciens (81 apartments), and the New Concession (9 villas and 9 loft-style duplex apartments). These developments offer a wide range of unit sizes, from one to four bedrooms, and have been progressively brought to market over the past two decades, forming the backbone of the concession’s high-quality rental portfolio.

Complementing the residential offer, the compound also features substantial commercial infrastructure. The Quartier de Bureaux and the Cotex site together provide around 26,300 m<sup>2</sup> of office and commercial space, including loft offices developed between 2011 and 2015. Shared facilities available to all residents include extensive leisure areas with a swimming pool, tennis courts, fitness centres, sports fields, a restaurant and bar, as well as green spaces and walking paths.

**The UTEXAFRICA complex accommodates 432 families of nearly 40 nationalities in a secure residential ecosystem**



Source: UTEXAFRICA Website

The UTEXAFRICA compound continues to evolve through a strategy of controlled densification aimed at maximising the value this riverside location, while preserving the site’s spacious, green and secure character. In late 2025, Texaf launched the construction of the “Quartier des Parcs”, a new high-quality residential project comprising 19 villas and 14 apartments (33 units in total) on a 1.05-hectare plot, and will benefit from the existing amenities and services of the concession. Delivery is scheduled progressively from the first quarter of 2027. This development will add approximately 7,235 m<sup>2</sup> of modern rental space. The total investment is €13.5 million and is expected to generate an annual rental income of €2.4 million at full occupancy. This presents an attractive ~18% gross ROI. Note that a quick calculation results in gives a monthly rental price of €~6100 per unit.

*Texaf is expanding UTEXAFRICA with “Quartier des Parcs”, adding 33 premium unit and targeting €2.4 million annual rental income.*

**3D render of the Quartier des Parcs project**



Source: Texaf AGM 2025

**Quartier des Parcs project has started construction**



Source: Texaf AGM 2025

In addition, Texaf is advancing plans for a larger residential development of approximately 120 apartments, to be rolled out in three phases. This project will include underground parking to maximise surface-level green areas and pedestrian zones, along with contemporary architecture that seamlessly integrates with the existing compound. The first phase is currently in the detailed study phase and is expected to launch in 2027. The total investment is estimated at €16 million, and is targeted to bring in €3 million per year in rental income. This presents another attractive ~18% gross ROI. As with the Quartier the Parc project, note that a back of hand calculation gives a ~€6250 monthly rent per unit. This seems very expensive, but surprisingly, this is a normal price to pay for a secure and fully-equipped home in Kinshasa’s tight rental market.

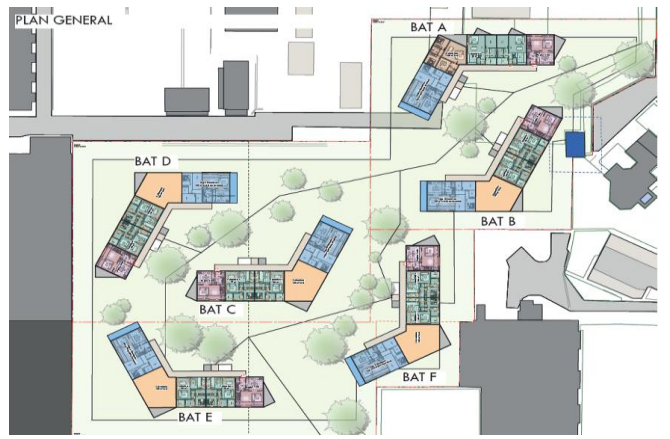
*Texaf is planning a €16m, phased 120-unit residential development from 2027, targeting ~€3 million annual rental income.*

**3D render of the New Residential project**



Source: Texaf AGM 2025

**General plan of the New Residential project site**



Source: Texaf Annual Report 2025

Together, these projects reflect Texaf's long-term vision of transforming UTEXAFRICA into a fully integrated, mixed-use urban ecosystem. They will significantly expand the Group's rental surface area, reinforce its market leadership in premium Kinshasa residential real estate, and deliver attractive returns while maintaining the high service standards, security, and environmental quality that distinguish the concession. Note that this compound concept where all amenities are included is unique in a fragmented and informal rental market like Kinshasa's.

*Management targets a steady delivery pace of 20–40 units per year.*

**TEXAF targets 20 to 40 units delivered per year for the next 10 years.**

**Target of 20 to 40**

*Units delivered per year*

Target production rate for 2026–2036 at the UTEXAFRICA concession

**UNDER CONSTRUCTION**

**Quartier des Parcs**

**33 Units**

*Delivery 2027*

**IN STUDY FOR START IN 2027**

**Phase 1 of new project (name to be defined)**

**40 Units**

*Delivery 2029*

= "New Residential Project"

**IN STUDY FOR 2028**

**Phase 2 of new project (name to be defined)**

**40 Units**

*Start planned for 2029*

= "New Residential Project"

Source: TEXAF AGM 2026

Lastly, there is still plenty of potential left in the UTEXAFRICA concession. Around 90k m2 in residential space, 70k m2 of commercial space and 12k m2 of leisure space is still to be developed. There are already some additional plans for mixed-used (office, retail and residential) developments on a former industrial area as seen in orange below. As per TEXAF's 2026 AGM, a target of 20 to 40 units delivered per year is their target production rate for 2026-2026 at the UTEXAFRICA concession.

**Plenty of residential development potential left in the center of the UTEXAFRICA site, both residential as well as commercial**

Plot	Land area	Est. project area	Nb of units	Nb of phases
1	10.000 m <sup>2</sup>	7.300 m <sup>2</sup>	33	1
2	15.000 m <sup>2</sup>	15.750 m <sup>2</sup>	120	3
3	12.500 m <sup>2</sup>	11.250 m <sup>2</sup>	69	2
4	6.000 m <sup>2</sup>	6.300 m <sup>2</sup>	48	1
5	13.000 m <sup>2</sup>	13.000 m <sup>2</sup>	98	2
6	13.000 m <sup>2</sup>	12.350 m <sup>2</sup>	91	2
7	9.000 m <sup>2</sup>	7.200 m <sup>2</sup>	41	1
8	12.000 m <sup>2</sup>	12.000 m <sup>2</sup>	90	2
	<b>90.500 m<sup>2</sup></b>	<b>85.150 m<sup>2</sup></b>	<b>590</b>	<b>14</b>



**POTENTIAL OF THE CONCESSION**

Buildable area (gross above ground)

**85 000 m<sup>2</sup>**

*Residential potential in former industrial area*

Number of units

**590**

*Additional*

Time of development

**15 years**

*Until completion of the final phase*

Source: TEXAF AGM 2026

## PETIT-PONT

Texaf is pioneering the launch of a more active and institutional property market in Kinshasa. The Group developed the Petit-Pont, a modern three-storey office building offering 3,229 m<sup>2</sup> of leasable space. Inaugurated as one of Kinshasa's first environmentally friendly office buildings, it has maintained 100% occupancy since completion with high-quality international corporate tenants. In 2024, Texaf executed a landmark transaction by selling a 49% stake in the building to institutional investors, including the Congolese insurer SFA Congo and African Rivers Fund IV LP.

*Texaf sold a stake of Petit-Pont for a €2.7m capital gain. The transaction provides a rare, credible benchmark for property valuation in Kinshasa.*

This partial divestment is particularly significant as it represents one of the first institutional real estate transactions of its kind in Kinshasa's largely undeveloped formal property market. In a city where capital flows are often opaque and dominated by private individuals and families, the deal helps lay the foundations for a professional investment market. It is especially relevant for recently liberalised insurance companies that previously lacked suitable local investment outlets for their reserves. The transaction served as a clear market test for institutional appetite and validates the quality and bankability of Texaf's assets.

The deal was executed at an implied full building valuation of approximately €11 million (€5.39 million for the 49% stake), generating a €2.7 million capital gain for Texaf and delivering an attractive yield. Given the extreme difficulty of assessing property values in Kinshasa due to the lack of a transparent market and comparable transactions, this deal has become an important benchmark for Texaf. The Group retains 51% ownership and continues to manage the building on behalf of the consortium, using the transaction as a reference point for future valuations and potential institutional partnerships across its broader real estate pipeline.

**Brussels Airlines is one of Petit-Pont's tenants**



Source: Texaf Website

**3D render of the Petit-Pont site**



Source: Texaf website

**JARDINS DE KINSUKA**

Texaf has launched its first major real estate promotion project with “Les Jardins de Kinsuka”, one of the Group’s most ambitious residential initiatives. It is situated on an enormous 87-hectare site in the western suburbs of Kinshasa. The location is exceptional with a panoramic view over the Congo River. The project aims to meet the rising demand for quality housing by creating a fully planned residential district that combines comfort, security, and modern infrastructure. It target local executives and dispora. Particular attention has been paid to the quality of life, with high-standard amenities including roads, efficient stormwater drainage, modern electricity networks, and fibre optic connectivity. The development will ultimately comprise more than 1,500 homes and sustain a harmonious community with schools, a medical clinic, shops, sports facilities, and recreational areas.

*“Les Jardins de Kinsuka” marks Texaf’s strategic move into large-scale residential promotion, with a phased 1,500-unit development targeting strong ~29% gross returns.*

The project is organised in several phases. The first phase of the first phase, launched in 2025 with infrastructure works already underway, includes 42 fully connected plots and the construction of 42 single-family villas (6,555 m<sup>2</sup> gross floor area), offering three to five bedrooms with contemporary architecture adapted to Kinshasa’s climate. This phase is a \$10 million investment, but only \$4 million is needed for financing as the promotion-for-sale model and phased construction aims to continuously balance supply and demand and optimise cash flows. Homes will be priced between \$250,000 and \$450,000 and sold off-plan, with sales expected to start in the second half of 2026. The project is targeted at the Congolese middle and upper-middle class and denominated in US dollars. The expected gross ROI is 29%! This project represents a strategic evolution in the Group’s real estate activities.

The first phase of the first phase represent only a tiny fraction of the huge amount of land of the Kinsuka Gardens



Source: Texaf AGM 2025

3D render of homes in the Kinsuka gardens



Source: Texaf AGM 2026

Construction has started on the Kinsuka site



Source: Texaf AGM 2026

**SILIKIN VILLAGE**

Adjacent to the main UTEXAFRICA concession lies the Cotex site, which Texaf has successfully repositioned as Silikin Village, its digital and innovation hub. This 3.2-hectare site was originally part of the former industrial facilities and has been transformed into a modern mixed-use campus dedicated to the technology and entrepreneurship ecosystem. The development forms an important component of Texaf’s commercial real estate portfolio. It provides flexible offices, coworking spaces, meeting rooms, and event areas that complement the Group’s traditional residential offering.

*Silikin Village is Texaf’s expansion into commercial and digital real estate, combining high-occupancy office space with exposure to Kinshasa’s growing tech ecosystem.*

Silikin Village currently offers over 8,000 m<sup>2</sup> of office and collaborative space across multiple buildings, including the recently developed Silikin Village III which added 6,000 m<sup>2</sup> in recent years. The site benefits from the same high service standards as the residential concession, including security, maintenance, and amenities. In 2025, it achieved occupancy rates above 95% (for closed offices). This was supported by 879 active members (+155), 215 startups/SMEs hosted, and 23 events attracting ~3,000 participants. The campus also houses the first Tier III certified data centre in the DRC, operated in joint venture with a panafrikan partner OADC.

In addition to direct real estate activities, Texaf has made strategic minority investments in venture capital funds focused on African technology. The Group has committed around €1 million each to Partech Africa I and Partech Africa II. By the end of 2025, €1.3 million was invested. Another smaller investment was made for a minority stake in Afriwise, an African legaltech. These investments allow Texaf to gain exposure to the broader digital ecosystem, support potential deal flow for Silikin Village, and build valuable knowledge in the fast-growing African tech sector.



Source: Texaf Annual Report 2025



Source: Texaf Annual Report 2025

**Silikin Village aims to help build a prosperous digital ecosystem in Kinshasa**

<p><b>PILLAR 1</b></p> <p><b>TEXAF DIGITAL</b></p> <p><i>Co-working space management &amp; innovation hub</i></p> <hr/> <p>215 startups · 879 members · 1,15 M €</p>	<p><b>PILLAR 2</b></p> <p><b>SILIKIN VILLAGE ASBL</b></p> <p><i>Support programmes</i></p> <hr/> <p>2 M € in funding for 450 entrepreneurs supported*</p> <p><small>* Since SKV inception</small></p>	<p><b>PILLAR 3</b></p> <p><b>JOINT VENTURES</b></p> <p><i>Partnerships that add value to our ecosystem</i></p> <hr/> <p>OADC TEXAF DIGITAL – DATA CENTRE</p> <p>Close The Gap – Circular economy</p>	<p><b>PILLAR 4</b></p> <p><b>VENTURE CAPITAL HOLDINGS</b></p> <p><i>Venture Investments</i></p> <hr/> <p>Partech I &amp; II</p> <p>Afriwise</p>
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Source: Texaf AGM 2026

The business model of Silikin Village is hybrid. Rental income from offices and coworking spaces is fully consolidated within Texaf’s real estate segment. The operational management of the campus is handled by the Texaf Digital entity, which receives intercompany management fees from the real estate division. This structure allows the real estate portfolio to bear the operating costs while the Digital entity captures the ecosystem development activities. The management fees are related to activity of SILIKIN VILLAGE.

*Silikin Village operates under a hybrid model combining real estate income with ecosystem development, recently turning cash flow positive as revenues scale toward a ~\$3m run-rate.*

In 2025, Silikin Village turned cash flow positive for the first time, delivering a positive recurring operating result of +€48k. Revenues generated by Silikin Village reached €2.3 million, on track toward the \$3 million annualised run-rate. The data center recorded continued revenue growth and pipeline maturation across banks, ISPs, public sector, institutional, and international clients. Notably, the ramp-up is slower than expected, as it takes time for the targeted client base to transfer its systems and adapt to the new infrastructure. Note that the Data center is consolidated according the Equity method and is thus not part of the recurring operating result.

The venture capital investments (Partech Africa I & II at €1M each, Afriwise at €350k) add diversification. The overall contribution to Group results remains relatively small and is therefore not discussed separately in the financials below. However, this activity diversifies Texaf’s revenue base and supports the long-term development of Kinshasa’s innovation ecosystem.

The COTEX’s site master plan envisions the transformation of the site into a professional community, with significant expansion potential up to 43,700 m<sup>2</sup>. This includes 37,500 m<sup>2</sup> dedicated to commercial uses, 1,200 m<sup>2</sup> for the data center, and 5,000 m<sup>2</sup> for other functions. This will reinforce Texaf’s long-term positioning in Kinshasa’s technology ecosystem. For now, we believe this site will be more of a long-term project, as its core business is still very depended on economic progress.

**Silikin village site has room for commercial expansion down the line**



Source: Texaf Annual Report 2025

## BUSINESS MODEL

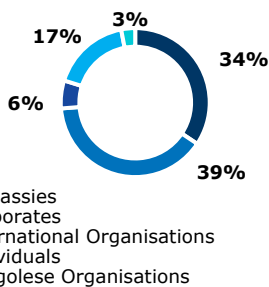
The key strength of Texaf’s real estate business lies in the exceptional stickiness of its tenant base and revenue streams. At year-end 2025, rental income remained highly diversified yet concentrated on stable, high-quality clients. Embassies and international organisations accounted for more than two third of the total. This tenant profile provides significant resilience, as diplomatic representations and major international bodies maintain a permanent presence in Kinshasa regardless of short-term political or economic fluctuations. Texaf’s high-end residential units and offices are particularly well-suited to these clients’ requirements for security, comfort, and reliable services. As a result, occupancy rates have consistently exceeded 94% over the past five years, frequently reaching near 100% in the residential segment.

*Texaf benefits from highly sticky, hard-currency rental income driven by a resilient tenant base of embassies and international organisations, supporting consistently high occupancy and pricing power.*

The business model is further strengthened by its hard-currency orientation and structural defensiveness. All rents are paid in euros or US dollars, eliminating the exposure to local currency volatility. The customer pool is inherently linked to the international community, so it remains sensitive to shifts in diplomatic relations or aid policies, such as USAID budget cuts. Yet, the demand for Texaf’s secure, premium-quality offering has proven robust. In addition, the new Kinsuka project aims to cater to local executives, expanding the target customer base. Management maintains constructive relations across political lines, positioning the Group as a neutral and reliable partner. Notably, in times of heightened political tension, Texaf often benefits as the preferred “safest haven” in Kinshasa.

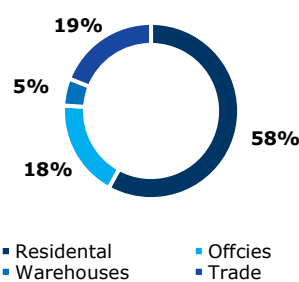
Lastly, Texaf’s portfolio quality is further illustrated by the strong condition of its assets. As of the latest reporting, approximately 76% of rental income is generated by completely renovated properties, while only 17% comes from assets requiring renovation or in poorer state. This favorable mix enables the Group to command premium rents and maintain exceptionally high occupancy rates. At the same time, the remaining older stock located on prime land offers significant value creation potential through future renovation or redevelopment, providing another clear pipeline for organic rental growth in the coming years. Overall, we estimate monthly rents range from €3,000 to €10,000 per unit based on our market analysis.

**Rental income split by client type**



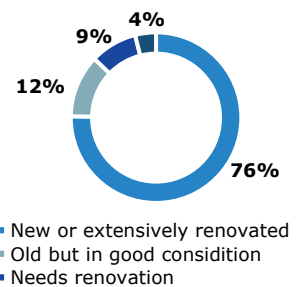
Source: Texaf Annual Report 2025

**Rental income split by property type**



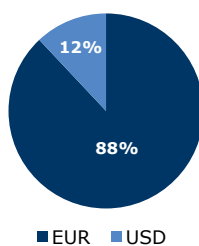
Source: Texaf Annual Report 2025

**Rental split by property condition**



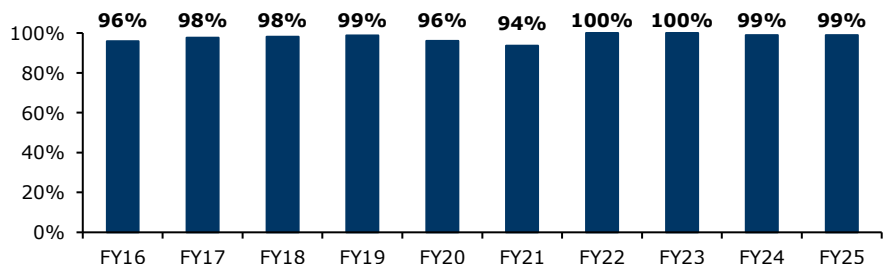
Source: Texaf Annual Report 2025

**Rental income by currency**



Source: Texaf Annual Report 2025

**Texaf reported a near perfect occupancy rate for over a decade**



Source: Texaf Annual Report 2025

## FINANCIALS

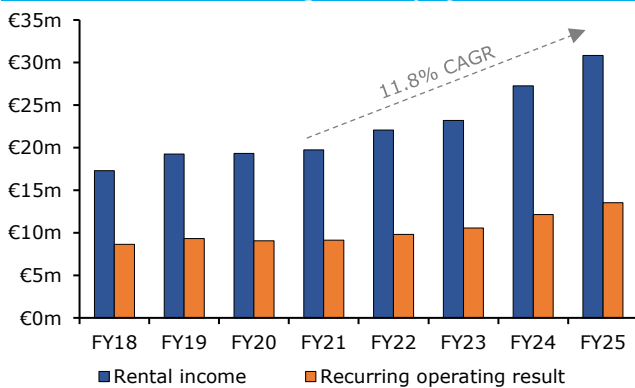
### BOTTOM LINE AND FORECASTS

Texaf's real estate segment has delivered strong top-line growth. Rental rose from €19.7 million in 2021 to €30.8 million in 2025 (+11% in FY25). This expansion was mainly driven by the progressive delivery of major new projects, including the Promenade des Artistes, Silikin Village III, and the full-year contribution of earlier developments, combined with high occupancy rates and modest like-for-like rental increases. Like-for-like rental growth stood at a solid +2.7% in 2025, supported by indexation and selective rent optimisation. Recurring operating result also rose over the period, reaching €11.4 million in 2025, although the pace of growth slowed to +3% due to higher staff costs following minimum wage increases, operational restructuring, and elevated taxation on rental income.

*Texaf's real estate business has delivered strong rental and recurring profit growth, driven by new developments and high occupancy, though margin expansion is partially offset by rising costs.*

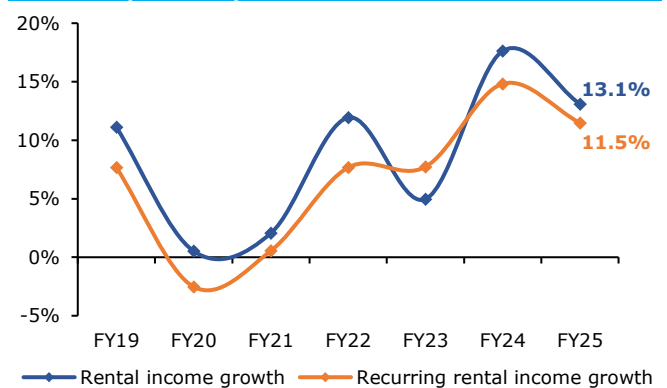
Looking at the broader bottom-line figures, operating result, profit before tax, and net result show much higher volatility from year to year. These swings are largely caused by non-recurring items, including capital gains on asset sales, one-off compensations, catch-up depreciations, and especially significant movements in deferred tax provisions. The latter arise from the gap between IFRS fair values and local fiscal values, which are heavily affected by the depreciation of the Congolese franc. For these reasons, we focus primarily on the recurring operating result as the measure of the Group's underlying performance and cash-generating capacity.

#### Rental income is accelerating as more projects come online



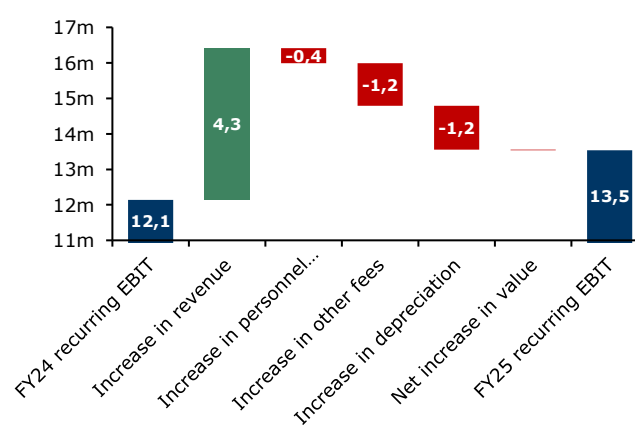
Source: Texaf Annual Report 2025

#### Growth in (recurring) rental income remains substantial



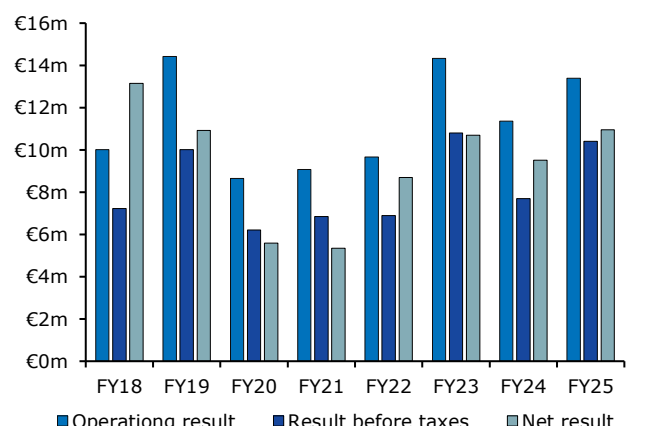
Source: Texaf Annual Report 2025

#### EBIT was impacted by an increase in personnel costs



Source: Texaf Annual Report 2025

#### Bottom line is volatile due to one-offs and tax irregularities



Source: Texaf Annual Report 2025

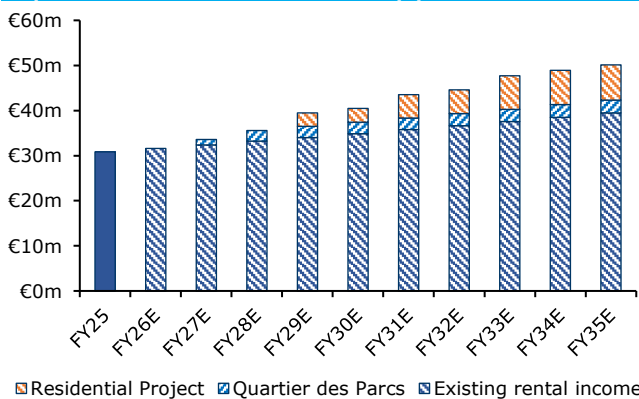
Looking ahead, Texaf's real estate segment is expected to sustain strong momentum in rental income, supported by the delivery of several new projects and continued high occupancy rates. The "Quartier des Parcs" (33 units) is scheduled for progressive delivery from 1Q27 and should contribute €2.4 million in annual rental income at full occupancy. We forecast that half, €1.2 million, will contribute to the rental result in FY27E. The New Residential project of around 120 apartments on the UTEXAFRICA site, to be developed in three phases, is also expected to start in 2027 and reach full contribution of roughly €7.0 million once all phases are completed. A first €3.0 million will contribute in FY29E, then we aim for €2.0 million in starting FY31E and FY33E.

*Texaf's rental income is set to grow strongly on the back of a visible development pipeline and the launch of the Kinsuka residential sales business. Together, these drivers could more than double net profit over the next decade.*

In addition to the rental business, a new business line of housing sales from the Kinsuka Gardens project will come online starting FY27E. We start with the sale of the 42 units of the first phase. In an ideal scenario, we estimate around 600 units build by FY35. The first phase of the Kinsuka Gardens project is anticipated to generate its first revenues in FY27 following the sale of the initial 42 villas. Note that this projection results in 16 units added per year, while the company targets 20 to 40. We assume a net return of investment of 20% (gross is guided at 29%) and an average selling prices starting from €300k and rising to €366k at 2.5% inflation.

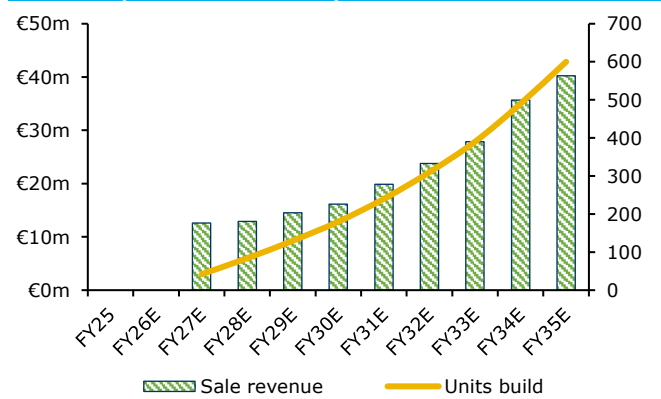
As a result, we expect the combined net result to more than double over the next 10 years. Beyond the current pipeline, Texaf retains substantial additional development potential on the UTEXAFRICA and Cotex sites, while the long-term master plan for Kinsuka Gardens foresees more than 1,200 residential units plus a commercial zone. Our projection can turn out to be conservative, depending on Texaf's execution and the demand for premium housing. This projection will be the base for our valuation, and continuously used for a measure of progress and execution.

**Expected rental income with current pipeline**



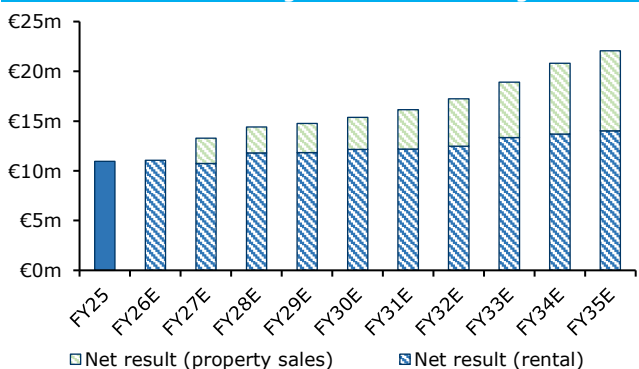
Source: KBC Securities

**Kinsuka's potential if demand persists**



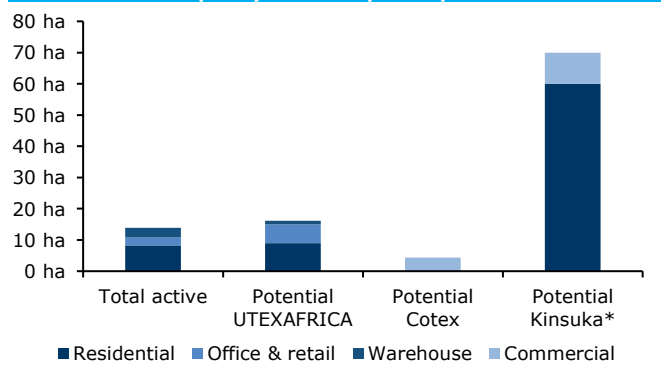
Source: KBC Securities

**We see Kinsuka as a strong driver for net result growth**



Source: KBC Securities

**UTEXAFRICA has plenty of development potential left**



Source: Texaf Annual Report 2025, \*KBCS estimate

## DEBT PROFILE

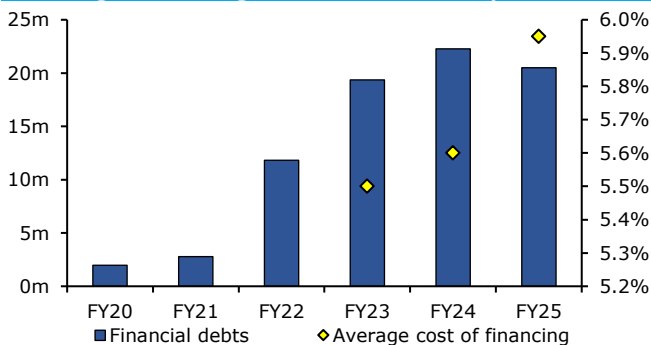
Texaf has remained conservative with its leverage despite strong tenant demand and near-full occupancy. At the end of 2025, bank loans totalled €20.5 million, roughly double the level of a few years ago, yet they still represent only 10% of the balance sheet. Net debt/EBITDA has gradually risen to 1.4x, up from near zero, but remains very prudent. This cautious approach is driven by the country risk in the DRC and the desire to protect the balance sheet against potential political or macroeconomic shocks. Compared with traditional real estate companies that typically run at 4x to 6x EBITDA, Texaf's leverage is low.

*Texaf maintains a conservatively leveraged balance sheet, providing resilience and financial flexibility. Improving funding access will be key to accelerating its development pipeline and unlocking further value.*

The average cost of financing remained relatively low (within the DRC market), fluctuating between 5.5% and 6.0%. The interest rate in the DRC is 13.5%, but Texaf lends in USD that is then hedged through forward contracts. Texaf's current funding sources mostly local Congolese banks, that as of late have increased in size and capacity, and one undisclosed Belgian bank. Debt maturities are manageable, with principal and interest repayments totalling around €12 million over the coming years, peaking in FY26 and FY27. It is also during this time that €4 million will be set aside for the first phase of the Kinsuka gardens. We thus expect existing debt to be rolled.

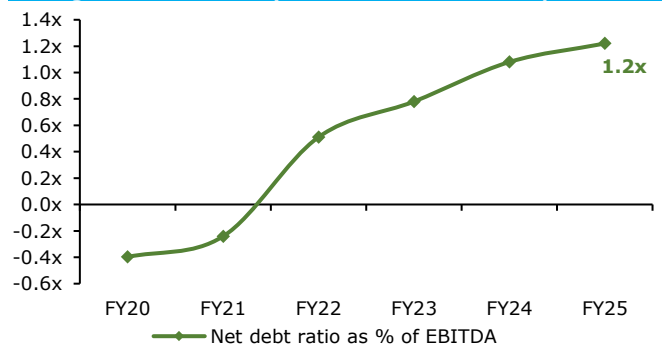
Overall, Texaf's conservative capital structure gives the Group flexibility to fund growth on the UTEXAFRICA concession and Kinsuka Gardens while maintaining a solid financial position. However, we assume it is not trivial for Texaf to find lenders, especially in Belgium, due to the (perceived) risk of a DRC business. This limits the company's growth story. We believe that getting access to more capital is a catalyst that is necessary to drive the growth story and crucial for the investment case. We will take note how the combination of maturing debt and capital requirements for projects in the next two years will impact financing costs.

### Financing costs are higher in DRC versus Europe



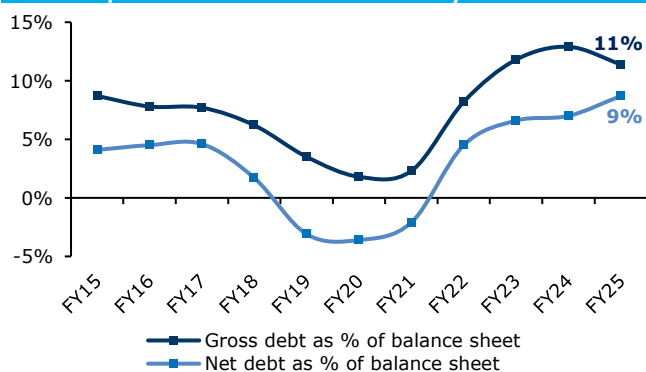
Source: Texaf Annual Report 2025

### Strong debt serviceability offers more room for expansion



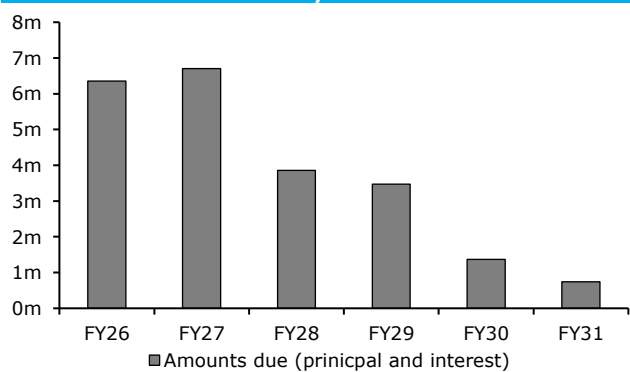
Source: Texaf Annual Report 2025

### Debt compared to the balance sheet is very conservative



Source: Texaf Annual Report 2025

### Most of the debt is due next year



Source: Texaf Annual Report 2025

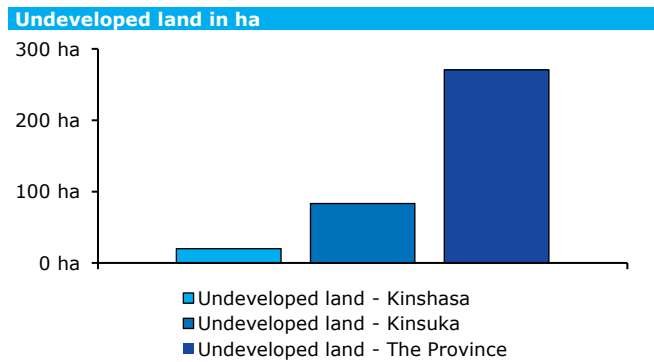
## LAND BANK

Texaf holds a large land bank of about 417 hectares. Its fair value reached €484 million at the end of 2025. Most of this land sits in Kinshasa, mainly on the central 60-hectare UTEXAFRICA concession and the 87-hectare Kinsuka site along the Congo River. The other 270 hectares are land across the provinces. Another 1,130 hectares of former farmland lie in several other provinces, but these are not being exploited. Because Kinshasa lacks a transparent real estate market, Texaf performs its own annual valuations. It uses a 9.12% yield on rental income for developed assets and land residual values for undeveloped plots. This is based on Knight Frank (London-based real estate firm) reports and local transaction data.

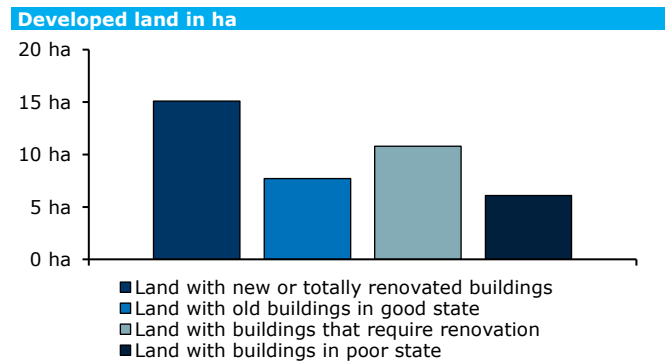
*Texaf's substantial land bank underpins long-term growth potential. Prime Kinshasa assets drive current income and large undeveloped plots offer high-upside redevelopment opportunities.*

Undeveloped land totals roughly 374 hectares and is valued at about €88 million. This includes buildable plots and obsolete industrial sites in UTEXAFRICA, plus the Kinsuka land. Texaf values these parcels using a residual land approach at €650 per square metre for prime central plots and €35 per square metre for Kinsuka. Historical book values remain much lower. These sites offer strong redevelopment potential. The Utexaf master plan alone could support 90,000 square metres of new residential space and 60,000 square metres of commercial space. Provincial farmland is carried at a nominal €1 million. Overall, this undeveloped inventory gives Texaf major option value for future growth.

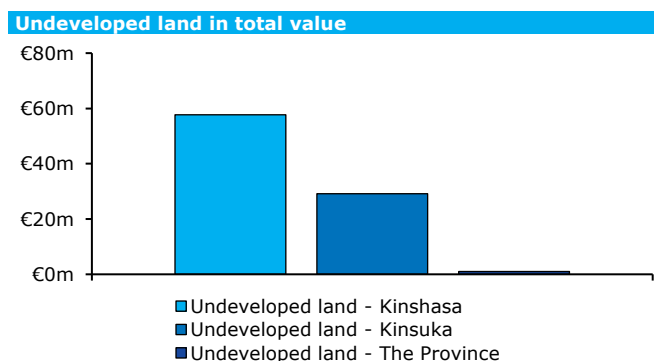
Developed land covers about 40 hectares and is valued at around €396 million. These areas generate most of the group's €32.7 million annual rental income. Modern or renovated buildings on just 57% of the built land produce 87% of revenues. Texaf capitalises these at a 9.12% yield, in line with Knight Frank benchmarks for prime Kinshasa properties. High occupancy near 99% and strong location advantages support premium rents. Older structures provide clear upside through renovation. With a much lower net book value, the developed portfolio delivers attractive yields and forms a solid base for steady rental growth in a market short of quality supply.



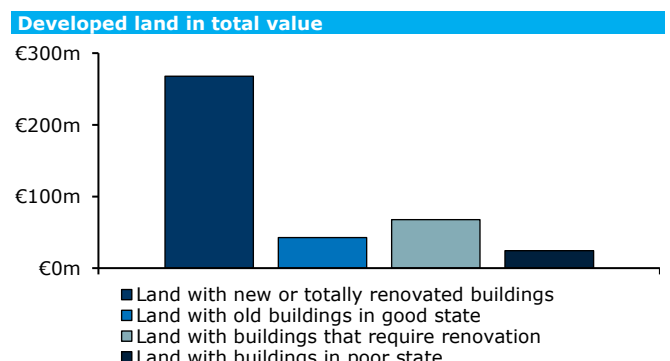
Source: Texaf Annual Report 2025



Source: Texaf Annual Report 2025



Source: Texaf Annual Report 2025



Source: Texaf Annual Report 2025

## RENTAL MARKET

Analysing the rental market in Kinshasa presents significant challenges due to its underdeveloped and largely informal nature. Reliable online platforms are scarce and most listings suffer from poor-quality photographs, incomplete descriptions, and an overall lack of professionalism that makes it difficult to assess properties accurately. It is clear that this market is still dominated by private networks, word-of-mouth deals, and individual landlords rather than institutional or structured offerings. We attempt to benchmark Texaf's premium residential UTEXAFRICA site against what is publicly visible online, while acknowledging the limitations of available data.

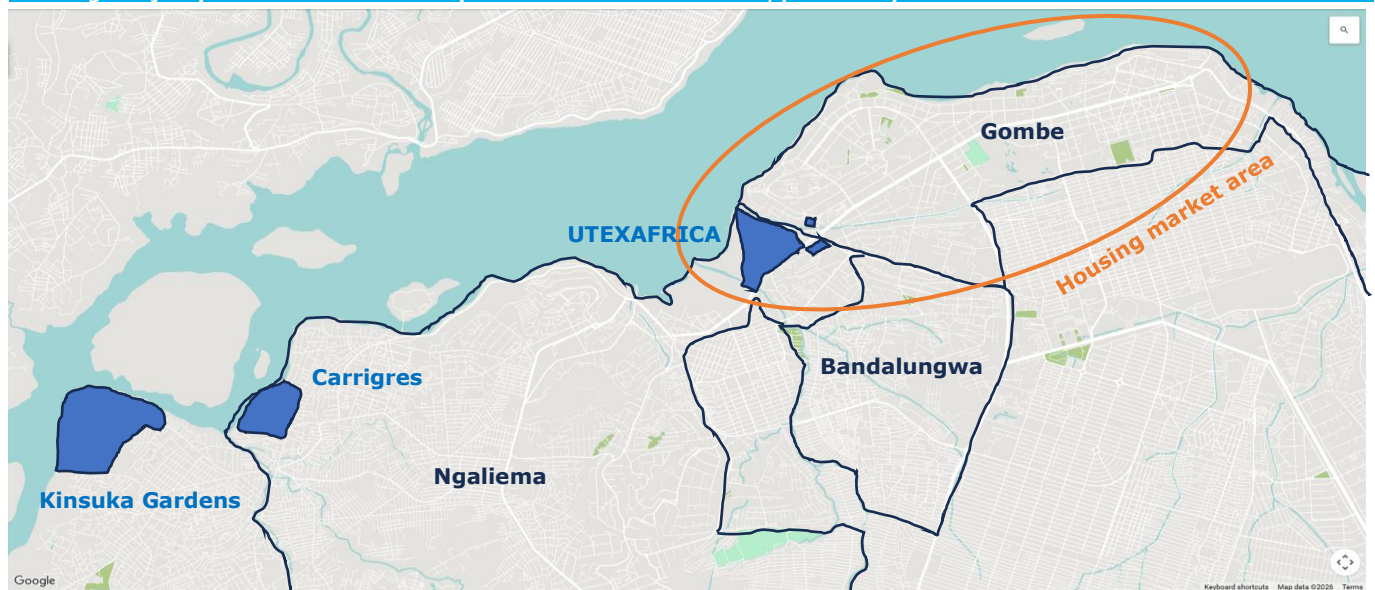
*Kinshasa's high-end rental market is structurally undersupplied and opaque, supporting very high pricing levels despite limited transparency. Texaf differentiates itself with a premium, fully serviced and safety-first offering.*

We focused our comparison on three key communes: Gombe, the affluent business and diplomatic heart of Kinshasa; Bandalungwa, a more accessible and mixed residential area; and Ngaliema, a prestigious hillside commune popular with expatriates and wealthy locals. These neighbourhoods effectively bracket the UTEXAFRICA location, allowing for a relevant comparison. Gombe represents the absolute top end of demand, Ngaliema offers a strong expat-oriented alternative, while Bandalungwa provides insight into slightly more affordable but still formal options. Together, they capture the spectrum of high-end rental supply in the capital.

The Kinshasa rental market is exceptionally expensive, particularly in premium segments. Kinshasa is the most populous city outside of China, and although the overall population is considered poor, even the relatively small wealthy proportion greatly outweighs the limited supply of quality housing. Also, there is high demand from expatriates, diplomats, and international organizations. High-end houses in Gombe can easily reach \$8,500 to \$15,000 per month, while quality apartments often range from \$2,000 to over \$10,000 monthly depending on location and condition. However, the formal supply remains extremely limited, with very few well-maintained, modern properties available at any given time.

What truly sets Texaf's UTEXAFRICA apart are the unique value-added elements that do not fully translate into visible pricing on the open market. Beyond competitive monthly rents, residents benefit from extensive shared amenities including swimming pools, a gym, restaurants, vast green spaces, and a secure, gated community environment. Perhaps most importantly, Texaf offers best-in-class security and management standards that are difficult to replicate elsewhere in Kinshasa.

**The large majority of rental market activity is across the northern coast, particularly in the wealthier Gombe commune**



Source: KBC Securities

To illustrate, a first source we used is online real estate platform Carre Immo. This is the only reasonably professional and transparent online real estate platform we could find. We focused on the communes of Gombe (the prime business and diplomatic district), Bandalungwa and Ngaliema, which together box in the UTEXAFRICA site. In Gombe, only eight houses were listed, all in poor condition and priced between \$8,500 and \$15,000 per month. Apartment supply was broader, all in the "housing market area", with rents ranging from \$1,200 to \$17,000 per month. However, when matching on quality, size, and overall standard, only apartments priced above \$5,000 per month come close to Texaf's offering. Even then, Texaf's residences stand out thanks to superior amenities including pools, gym, restaurant, green spaces, and, most importantly, high-level security. In addition, there is significantly better maintenance and a community environment for families and professionals.

Even in the limited formal market, comparable high-end rentals command very high prices, with only the top segment approaching Texaf's offering.

**This relatively new home (build in 2022) at 465 m2 and a pool in Ngaliema goes for \$10k a month**



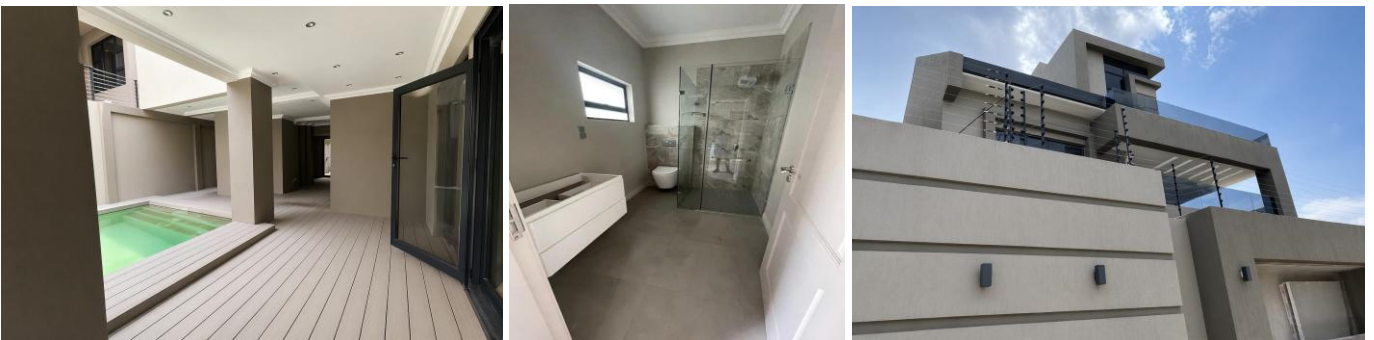
Source: CARRE IMMO

**This 142 m2 apartment is one of the cheaper options for Gombe at \$3.5k per month**



Source: CARRE IMMO

**This kind of luxurious 300 m2 villa in Gombe goes for \$11k per month (and was not even the most expensive option)**



Source: CARRE IMMO

A second source we looked at was Airbnb, which provides a broader (though short-term oriented) view of the Kinshasa rental market. We focused on the most populated and relevant zones around Texaf’s UTEXAFRICA site. The search criteria were apartments with 2+ bedrooms, 2+ bathrooms, suitable for four people, and including Wi-Fi, a kitchen and a washing machine. We analysed available listings for a monthly stay available throughout the coming year. Out of 137 appartements found, we estimate the average price to be €4,000 per month. However, when visually comparing property quality, finishes, space, and overall standard to Texaf’s residences, only the higher-end listings (effectively €6,000 to €8,000 per month equivalent) came close in terms of look and feel.

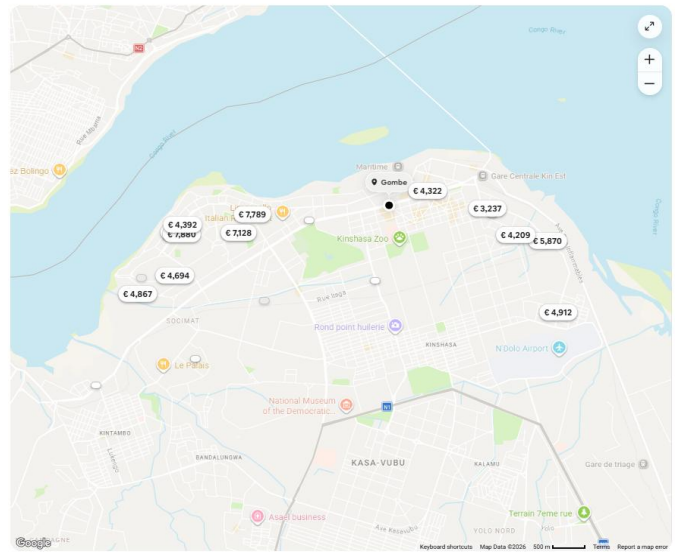
Airbnb’s rental data confirms that high-quality housing in Kinshasa commands premium pricing in a structurally undersupplied market.

Importantly, these figures include a typical short-term premium and longer-term rentals would likely adjust downward. But still, the conclusion remains the same. The Kinshasa rental market for quality properties is extremely tight. Professional platforms remain limited, listings are often unprofessional, and genuine high-standard supply is scarce. Texaf’s UTEXAFRICA stands out by offering institutional-grade professionalism, a fully gated and secure community, extensive amenities, and long-term stability. These advantages that are not fully reflected in headline pricing but deliver significant added value to its target tenant base of international corporates, diplomats, and local executives.

**Results on Airbnb show quality apartments are found mostly in Gombe and priced between €4,000 and €8,000 per month**

137 homes within map area

<p><b>Superhost</b></p> <p><b>Apartment in Kinshasa</b> ★ New Stunning River View 2 BDR Apartment in Gombe Individual host Jul 1 – 29 €6,654 <del>€7,128</del> monthly Free cancellation</p>	<p><b>Superhost</b></p> <p><b>Apartment in Kinshasa</b> ★ New Gombe Spacious 2 bdr Apart with Balcony... Individual host Jul 1 – 29 €10,048 <del>€7,789</del> monthly Free cancellation</p>	<p><b>Guest favorite</b></p> <p><b>Apartment in Kinshasa</b> ★ 4.96 (27) Brown apartment-Gombe Individual host Oct 15 – Nov 12 €3,237 monthly Free cancellation</p>
<p><b>Guest favorite</b></p> <p><b>Apartment in Kinshasa</b> ★ 5.0 (12) Kinshasa - 2 bedrooms in Gombe near the... Individual host Sep 1 – 29 €5,059 <del>€4,392</del> monthly Free cancellation</p>	<p><b>Guest favorite</b></p> <p><b>Condo in Kinshasa</b> ★ 4.8 (5) Luxury Apartment 3 Suites Pool – Kinshasa... Individual host Aug 11 – Sep 8 €4,059 <del>€4,209</del> monthly</p>	<p><b>Guest favorite</b></p> <p><b>Condo in Kinshasa</b> ★ 4.81 (77) 2 bedroom/2 bathroom apartment 2 minutes... Individual host Jul 28 – Aug 25 €4,867 monthly Free cancellation</p>



Source: Airbnb

**This apartment, very close to the UTEXAFRICA site, is priced at €4,500 per month (77 reviews and 4.8 out of 5 rating)**



Source: Airbnb

## VALUATION

Valuing Texaf is far from straightforward. No directly comparable listed peers exist with a similar high-quality real estate focus in a developing economy, let alone in the specific DRC context. External valuation is further complicated by the inherent challenges of operating in the Democratic Republic of Congo, including political and country risk, currency volatility, and an opaque property market. Despite these risks, we believe a 15x P/E ratio is a fair target valuation for Texaf. To note, European REITs currently trade in a broad 10x to 20x+ P/E range. Our argument is twofold:

First, Texaf holds a dominant market position. The Group is the clear leading provider of secure, high-quality residential and commercial space in Kinshasa, catering to a stable base of international corporates, diplomats, and mining-related professionals. Ironically, this demand is driven by the DRC's "shaky" climate. Its near-monopoly in the premium segment, near-100% occupancy, and hard-currency (EUR/USD) leases further support a premium thanks to resilience and scarcity value in the local market.

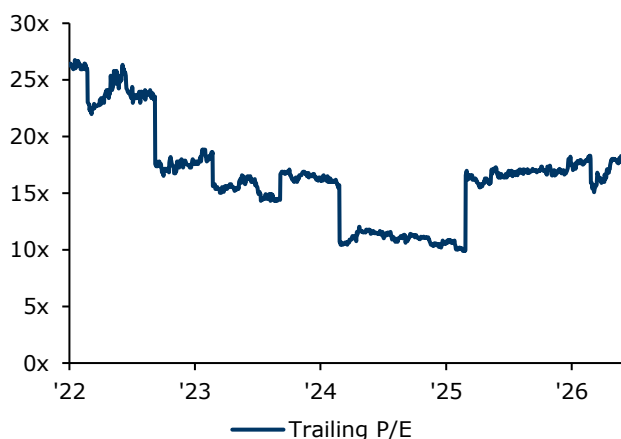
Second, Texaf has over a century of continuous presence in the country backed by a local network and an excellent reputation. The company has delivered approximately 12% CAGR in rental income over the past four years while maintaining outstanding operating metrics. This proven track record, combined with a robust development pipeline, highlights Texaf's deep operational expertise and intimate knowledge of the local market. Furthermore, its initiatives in data centers, office space, and venture capital investments are contributing to Kinshasa's overall development, further strengthening relationships with local entrepreneurs and political stakeholders.

Notably, another element in Texaf's valuation is its large land bank. Internal fair value estimates show a gross fair value of the real estate portfolio of approximately €484 million at end-FY25. Even after applying a conservative 50% discount to reflect DRC risk and market illiquidity, the net fair value remains significantly above Texaf's overall market cap. However, as far as valuation goes, we prefer to focus on pipeline projects and expected earnings, as we have limited information of these lands and their marketability. For the NAV calculation however, this book value is still used.

As of now, Texaf trades around 15x P/E, right at our target. The forward FY26E multiple is slightly higher due to our conservative margin assumptions, but also because there aren't any deliveries expected for this year. At these levels, and given our 6-to-12-month investment horizon, we view the stock as fairly priced in the near term. While the earnings inflection from new projects in FY27E and beyond should lower the prospective P/E to around 12.4x, which certainly is attractive, these projects remain in early construction. In our opinion, it is too early to label Texaf's valuation as cheap based on an earnings expectation two years from now.

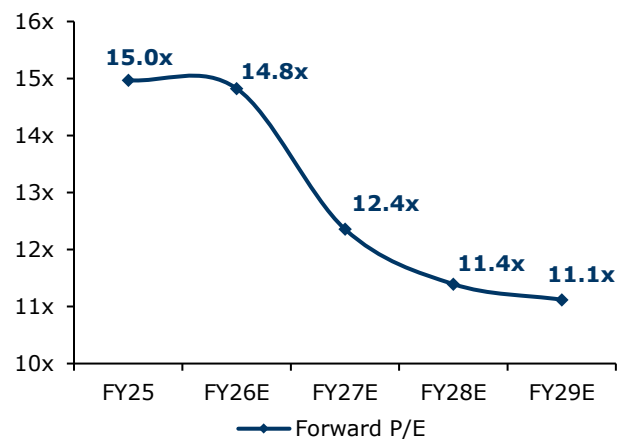
Given the scarcity of comparable assets and market opacity, Texaf's valuation is best anchored on earnings. At ~15x P/E, the stock appears fairly valued short term, with upside dependent on successful execution of its development pipeline.

**Texaf historically traded at higher P/E ratio's**



Source: KBC Securities

**It is only based on FY27E earnings that Texaf looks cheap**



Source: KBC Securities

## POLITICAL SITUATION

This chapter provides an overview of the broader operating environment for Texaf in the Democratic Republic of Congo. We are not experts on the complex political and economic dynamics of the DRC, and this represents our general understanding and opinion only. It should not be considered exhaustive assessment of the situation.

### DRC'S ECONOMIC ENVIRONMENT

The Democratic Republic of Congo maintains a resource-driven economy with solid growth prospects despite structural challenges. According to Credendo's May 2026 analysis, real GDP growth is projected at nearly 6% in 2025 and around 5.4% in subsequent years. This is primarily fueled by strong global demand for critical minerals such as cobalt (70% of world production), copper, coltan, and lithium. The country benefits from renewed international interest from the US, Europe, and Gulf states seeking to diversify supply chains away from dominant Chinese holdings.

Inflation has eased significantly to 2.3% in 2025 following monetary tightening, allowing the Central Bank to cut its policy rate from 25% to 13.5%, while the Congolese franc has shown some stability. However, the economy remains highly vulnerable to commodity price swings. Texaf also noted that high oil prices have caused increase in costs throughout the country, and although it isn't significant in their book, such shocks can greatly affect developing economies like the DRC's.

Public finances and external balances present a relatively favourable picture in the medium term. External debt is low at around 15% of GDP thanks to past HIPC relief, and public debt stands at approximately 20% of GDP. The IMF's new Extended Credit Facility (2025–2028) supports fiscal discipline and reserve accumulation. Despite widening fiscal deficits driven by energy imports and security-related spending, the low debt burden provides a buffer. Dollarisation of the economy and reliance on aid (12% of current account expenditures) add exposure, but rising mining revenues and foreign investment inflows help mitigate liquidity pressures in the near term.

### KIVU CONFLICT

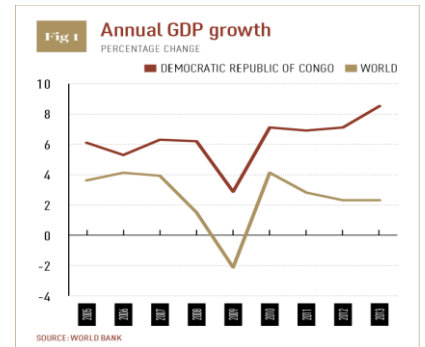
The ongoing conflict in eastern Democratic Republic of Congo remains concentrated in North and South Kivu provinces, where Rwanda-backed M23 rebels continue sporadic clashes with Congolese forces (FARDC) and various local militias despite intermittent ceasefires and diplomatic initiatives. As of mid-2026, fighting persists around strategic areas near Goma, Bukavu, and Uvira, involving artillery, drones, and shifting frontlines.

The epicenter lies more than 1,500 km east of Kinshasa, separated by vast distances and extremely poor infrastructure, which largely prevents direct spillover into the capital and western regions. While the conflict creates national instability, its effects on Kinshasa-based businesses remain primarily indirect through elevated country risk perception, occasional supply chain disruptions, and diverted government resources. For Texaf specifically, we do not expect any impact.

### EBOLA OUTBREAK

A new Ebola outbreak (Bundibugyo strain) was declared in May 2026 in Ituri Province in northeastern DRC, with cases also reported in parts of North and South Kivu and cross-border transmission into Uganda. The outbreak is declared a Public Health Emergency of International Concern by the WHO and has generated hundreds of suspected cases in conflict-affected eastern regions.

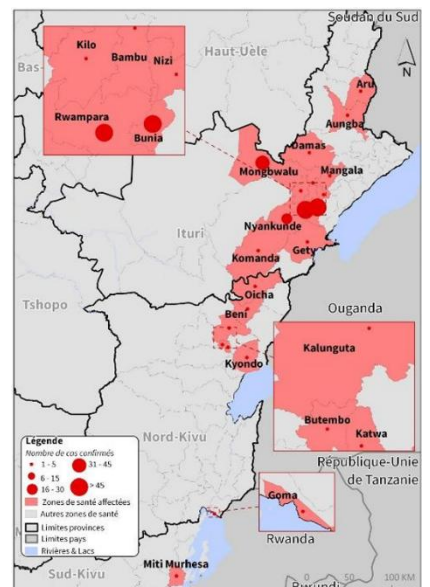
While the epicenter is again located far from Kinshasa in the east, such health crises can trigger international caution. For Texaf, the main risk would be potential repatriation of diplomats, and expatriates, should the outbreak spread or fuel broader travel restrictions. Although the rental income is protected by long-term leases and contracts, a prolonged crisis will affect international presence in the DRC. Up to now, there have been no Ebola cases in Kinshasa.



"DRC becomes Africa's unexpected success story" (World Finance)



The Kivu conflict is situated on the east side of the map.



As of Jun '26, the affected provinces are Ituri and Kivu, situated in the far east.

## SWOT ANALYSIS

Below a SWOT analysis plus catalysts and risks for the investment case.

Strengths	Weaknesses
<p>1) Dominant player in the luxury and premium residential rental segment in Kinshasa with strong sustained demand from international corporates, diplomats, and professionals.</p> <p>2) High-quality tenant mix focused on stable, hard-currency (EUR/USD) clients, delivering resilient rental income and pricing power.</p> <p>3) Significant and well-located land bank in Kinshasa and Kinsuka with substantial embedded value, capable of supporting long-term growth through selective development.</p> <p>4) Conservative and solid financial structure, with low leverage and a disciplined approach to capital allocation, providing resilience and flexibility for development projects.</p>	<p>1) Weak overall infrastructure and continued economic turbulence (energy shocks) in the DRC can affect operating costs and project timelines.</p> <p>2) A large portion of the land bank remains undeveloped, generates no cash flow and even costs money to maintain and protect.</p> <p>3) Exposure to an opaque and illiquid local real estate market makes external valuation and capital recycling more challenging.</p> <p>4) Difficult access to capital from the high perceived country risk of the DRC and the limited depth of local financial institutions can constrain faster expansion.</p>
Opportunities	Threats
<p>1) Development of the remaining land bank in central Kinshasa and Kinsuka (e.g., Kinsuka Gardens) to unlock significant value and drive future rental growth.</p> <p>3) Continued expansion of the Silikin Village digital ecosystem and partnerships (Partech Africa) to diversify revenue and strengthen Kinshasa's innovation hub status.</p> <p>3) Further institutionalisation of the Kinshasa property market (Petit-Pont like transactions) can facilitate capital recycling and revaluation gains.</p> <p>4) Sustained mining sector investment and Western company inflows, boosting the economy and the demand for premium housing and commercial space.</p>	<p>1) Potential regime or regulatory changes that could affect land concessions or business conditions in the DRC.</p> <p>2) Land grabbing attempts by local elites or prolonged litigation risks around the land bank.</p> <p>3) Broader country risks, including eastern conflicts (Kivu), health outbreaks (e.g., Ebola), or currency volatility can impact expatriate sentiment and investor confidence.</p> <p>4) Security incidents at rental properties that could damage reputation in the premium segment.</p>

Catalysts
<p>1) First handovers at Kinsuka Gardens (expected FY27), marking the start of large-scale monetisation of the land bank.</p> <p>2) Successful completion and leasing of new phases at Silikin Village, including a first uptick in data center revenues.</p> <p>3) Further institutional transactions in the real estate market, improving liquidity and providing valuation benchmarks.</p> <p>4) Accelerated Western foreign investments and related expatriate inflows, boosting demand for Texaf's premium units.</p> <p>5) Resolution of the eastern Kivu conflict would improve overall country risk perception and investor sentiment the DRC.</p>

Risks
<p>1) Delays or cost overruns in key projects such as Kinsuka Gardens could push back the expected earnings inflection.</p> <p>2) Adverse shifts in land and business regulations could hinder development plans and reduce operational efficiency.</p> <p>3) Escalation of the Kivu conflict, a worsening Ebola outbreak, or other could trigger repatriations of Texaf's tenant base.</p> <p>4) Kinshasa's opaque and illiquid property market may limit Texaf's ability to sell or partially divest assets at fair prices.</p> <p>5) Congolese franc depreciation could raise costs and dampen demand from both local and international tenants.</p>

Source: KBC Securities

## CONCLUSION

Texaf stands out as a unique Belgian-listed company with a remarkable 100-year track record of value creation and consistent shareholder returns. The Group has built a strong reputation in the DRC as a reliable partner that delivers quality housing, supports the local digital ecosystem, and provides safe, high-standard living conditions for international tenants and the local community. Despite the well-known country risks, Texaf has repeatedly shown its ability to navigate challenges successfully and deliver steady growth.

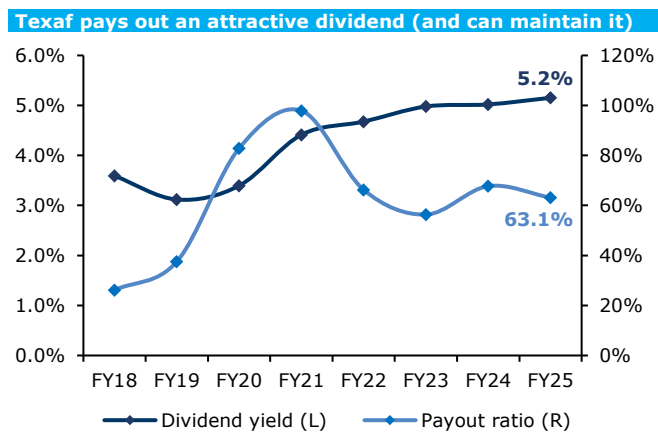
Texaf offers a unique long-term investment opportunity, but near-term valuation appears fair at current levels as upside depends on execution of major projects a year from now.

Texaf is fairly priced in the near-term based on this year's expected earnings. The current P/E of 15x reflects the solid execution and double digit growth. Arguably, the major upcoming growth from Kinsuka Gardens is not fully priced in, but we prefer to stay conservative. We value the large land bank after applying a conservative 50% discount for risks such as land grabbing and market opacity. The quarry and digital activities (including Partech and Afriwise) are kept at book value.

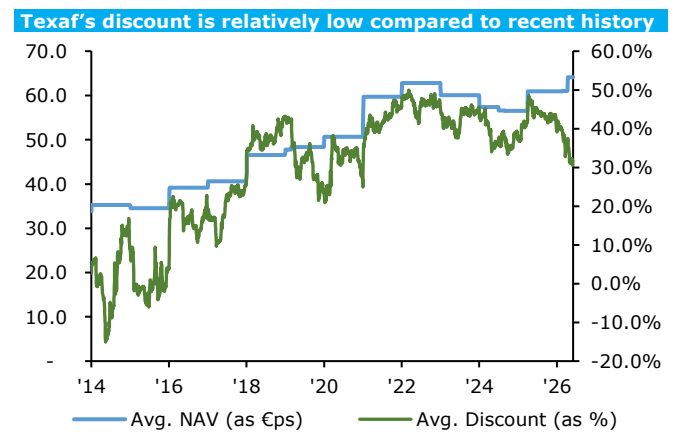
This results in a current NAV of €235.1 million, and target NAV (indexed via various African real estate indices) of €234.1 million. We apply a 20% target discount, more lucrative than the 5-year average of 42.2%. This leads to a target price of €51 per share. Given the solid fundamentals but the need for patience until major projects deliver visible earnings, we lower our rating from Buy to Accumulate. We prefer a more cautious stance while waiting for clear catalysts such as Kinsuka handovers and further institutional deals. Texaf remains an attractive long-term story.

Calculation - Net Asset Value (NAV) & Target Equity Value (TEV)	Description	Stake (%)	NAV (as €m)	% of NAV	TEV (as €m) <sup>(1)</sup>	% of TEV
<b>Real Estate</b>	<b>Residential RE rental</b>	<b>100.0%</b>	<b>241.9</b>	<b>102.9%</b>	<b>241.0</b>	<b>102.9%</b>
<b>Industry (Sandtone Quarry)</b>	<b>Sandstone quarry</b>	<b>100.0%</b>	<b>6.2</b>	<b>2.7%</b>	<b>6.2</b>	<b>2.7%</b>
<b>Digital</b>	<b>IT Hub rental</b>	<b>0.0%</b>	<b>8.5</b>	<b>3.6%</b>	<b>8.5</b>	<b>3.6%</b>
<b>Gross Asset Value (GAV)</b>			<b>256.6</b>	<b>109.2%</b>	<b>255.7</b>	<b>109.2%</b>
Net cash/(net debt) at holding level			(21.6)	-9.2%	(21.6)	-9.2%
<b>Net Asset Value (NAV) &amp; Target Equity Value (TEV)</b>			<b>235.1</b>	<b>100.0%</b>	<b>234.1</b>	<b>100.0%</b>
No. of shares outstanding (net of treasury shares; as m)			3.7		3.7	
<b>Net Asset Value (NAV) &amp; Target Equity Value (TEV) - Per Share</b>			<b>64.1</b>		<b>63.9</b>	
Last close price (as €ps)			44.0		44.0	
<b>Implied discount or (premium) - NAVps or TEVps (vs) last close price</b>			<b>31.4%</b>		<b>31.1%</b>	
2-year average discount or (premium)			39.7%		39.7%	
5-year average discount or (premium)			42.2%		42.2%	
<b>Target Price</b>					<b>51.0</b>	
<b>Recommendation</b>					<b>Accumulate</b>	
Implied premium or (discount) - target price (vs) NAVps & TEVps			(25.7%)		(25.2%)	
Implied upside or (downside) potential - last close price (vs) target price			15.9%		15.9%	
Listed portion of total portfolio (as %)			-		-	

Source: Texaf, KBC Securities  
Data updated as of 01 Jun 2026



Source: KBC Securities



Source: KBC Securities

## ANNEX

KBCS' forecast of the rental income and net result based on project pipeline and estimates. Will be assessed and updated on a continuous basis.

Real estate financials (in Cm)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Existing rental income	30.8	31.6	32.4	33.2	34.0	34.9	35.8	36.7	37.6	38.5	39.5
Organic growth %		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Utexafrica</b>											
Quartier des Parcs			1.2	2.4	2.5	2.5	2.6	2.6	2.7	2.8	2.9
Organic growth %					2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Residential Project					3.0	3.1	5.2	5.3	7.4	7.6	7.8
Phase 1 (40 units)					3.0	3.1	3.2	3.2	3.3	3.4	3.5
Phase 2 (40 units)							2.0	2.1	2.1	2.2	2.2
Phase 3 (40 units)									2.0	2.1	2.1
Organic growth %						2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Rental income</b>		<b>31.6</b>	<b>33.6</b>	<b>35.6</b>	<b>39.5</b>	<b>40.5</b>	<b>43.5</b>	<b>44.6</b>	<b>47.7</b>	<b>48.9</b>	<b>50.1</b>
Rental income growth %		2.5%	6%	6%	11%	2%	7%	2%	7%	2%	2%
<b>Recurring operating result (EBIT)</b>		<b>13.7</b>	<b>14.5</b>	<b>15.4</b>	<b>17.1</b>	<b>17.5</b>	<b>18.8</b>	<b>19.3</b>	<b>20.6</b>	<b>21.1</b>	<b>21.7</b>
EBIT margin %		43%	43%	43%	43%	43%	43%	43%	43%	43%	43%
<b>Net result (rental)</b>		<b>11.0</b>	<b>11.1</b>	<b>10.8</b>	<b>11.8</b>	<b>12.1</b>	<b>12.2</b>	<b>12.5</b>	<b>13.4</b>	<b>13.7</b>	<b>14.0</b>
NET RESULT margin %		36%	35%	32%	33%	30%	30%	28%	28%	28%	28%
<b>Kinsuka Gardens</b>											
Units build			42	84	130	180	240	310	390	490	600
Average price per unit (in Cm)			0.300	0.308	0.315	0.323	0.331	0.339	0.348	0.357	0.366
Unit price growth				2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Sale revenue			12.6	12.9	14.5	16.2	19.9	23.8	27.8	35.7	40.2
Return on investment (margin in %)			20%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
<b>Net result (property sales)</b>		-	-	2.5	2.6	2.9	3.2	4.0	4.8	5.6	7.1
Net result margin %				20%	20%	20%	20%	20%	20%	20%	20%
<b>Net result (total)</b>		<b>11.0</b>	<b>11.1</b>	<b>13.3</b>	<b>14.4</b>	<b>14.7</b>	<b>15.4</b>	<b>17.2</b>	<b>18.9</b>	<b>20.8</b>	<b>22.1</b>
Net result growth %			1.0%	20.0%	8.5%	2.5%	4.3%	5.1%	6.7%	9.8%	10.0%

Historical evolution of the land bank in hectares.

Land Bank (in hectares)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Kinshasa		22.8	21.4	21.6	21.2	21.2	21.2	21.1	20.2	20.2
Kinsuka		100.1	100.1	83.4	83.4	83.4	83.4	83.4	83.4	83.4
The Province		301.7	305.9	305.9	305.9	305.9	305.9	305.9	305.9	270.6
<b>Undeveloped Land - Total</b>		<b>424.6</b>	<b>427.4</b>	<b>410.9</b>	<b>410.5</b>	<b>410.5</b>	<b>410.5</b>	<b>410.4</b>	<b>409.5</b>	<b>374.2</b>
<b>Roads - Total</b>		<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>
Land with new or totally renovated buildings		16.7	16.8	16.9	17.4	17.7	9.6	13.8	15.1	15.1
Land with old buildings in good state		4.2	4.1	4.1	4.1	4.3	12.4	7.5	7.7	7.7
Land with buildings that require renovation		10.5	10.6	10.6	10.7	10.4	11.4	10.5	10.8	10.8
Land with buildings in poor state		7.3	7.1	6.1	5.9	5.7	4.8	6.1	6.1	6.1
<b>Developed Land - Total</b>		<b>38.7</b>	<b>38.6</b>	<b>37.7</b>	<b>38.1</b>	<b>38.1</b>	<b>38.2</b>	<b>37.9</b>	<b>39.7</b>	<b>39.7</b>
<b>Total Land Bank</b>		<b>467.6</b>	<b>470.3</b>	<b>452.9</b>	<b>452.9</b>	<b>452.9</b>	<b>453.0</b>	<b>452.6</b>	<b>453.5</b>	<b>418.4</b>

Historical book value of the land bank in Euro.

Fair value (in Cm)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
<b>Undeveloped Land</b>										
Kinshasa	17.3	68.7	65.7	66.7	64.3	64.3	64.3	63.3	57.8	57.7
Undeveloped land in the center of Kinshasa	16.8	67.1	64.1	65.1	62.7	62.7	62.7	61.7	56.2	56.1
Undevelopable land in downtown Kinshasa	0.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Kinsuka	35.3	35.0	35.0	29.2	29.2	29.2	29.2	29.2	29.2	29.2
The Province	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0
Gross FV of Undeveloped Land	53.8	104.9	101.9	97.1	94.7	94.7	94.7	93.7	88.1	87.9
Discount on Undeveloped Land (as %)	10.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Net Fair Value of Undeveloped Land	48.4	52.5	51.0	48.6	47.4	47.4	47.4	46.9	44.1	44.0
<b>Developed Land</b>										
<b>Land with new or totally renovated buildings</b>	<b>82.9</b>	<b>97.1</b>	<b>111.0</b>	<b>118.0</b>	<b>166.1</b>	<b>187.0</b>	<b>140.7</b>	<b>170.3</b>	<b>262.7</b>	<b>262.7</b>
Annual Rent	11.7	13.3	14.2	15.3	17.1	12.9	15.5	23.9	24.4	24.4
Yield	12.0%	12.0%	12.0%	9.2%	9.1%	9.2%	9.1%	9.1%	9.1%	9.1%
<b>Land with old buildings in good state</b>	<b>11.4</b>	<b>17.3</b>	<b>17.3</b>	<b>19.2</b>	<b>25.0</b>	<b>25.9</b>	<b>75.8</b>	<b>41.2</b>	<b>41.5</b>	<b>41.5</b>
Annual Rent	2.1	2.1	2.3	2.3	2.4	6.9	3.8	3.8	3.9	3.9
Yield	12.1%	12.1%	12.0%	9.2%	9.3%	9.1%	9.1%	9.1%	9.1%	9.1%
Gross Yield-Based Value of Properties	94.3	114.4	128.3	137.2	191.1	212.9	216.5	211.5	304.2	304.2
Discount on Rental Activity	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	50.0%	50.0%
Net Yield Value of Properties	61.3	74.4	83.4	89.2	124.2	138.4	140.7	137.5	152.1	152.1
<b>Land with buildings that require renovation</b>	<b>24.0</b>	<b>67.2</b>	<b>68.1</b>	<b>68.4</b>	<b>68.8</b>	<b>67.1</b>	<b>73.6</b>	<b>67.6</b>	<b>69.6</b>	<b>67.6</b>
Annual Rent	2.0	2.0	2.3	2.3	2.3	2.8	2.8	2.8	2.8	2.9
Land Value	67.2	68.1	68.4	68.8	67.1	73.6	67.6	69.6	67.6	67.6
<b>Land with buildings in poor state</b>	<b>14.5</b>	<b>26.6</b>	<b>26.2</b>	<b>24.0</b>	<b>23.0</b>	<b>21.6</b>	<b>15.8</b>	<b>24.0</b>	<b>24.1</b>	<b>24.1</b>
Annual Rent	1.0	1.0	1.0	1.0	0.9	0.9	1.2	1.2	1.2	1.2
Land Value	26.6	26.2	24.0	23.0	21.6	15.8	24.0	24.1	24.1	24.1
Gross Land Value Of Properties	38.5	93.8	94.3	92.4	91.8	88.7	89.4	91.6	93.7	91.7
Discount on Land Value of Properties (as %)	10.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Net Land Value Of Properties</b>	<b>34.7</b>	<b>46.9</b>	<b>47.2</b>	<b>46.2</b>	<b>45.9</b>	<b>44.4</b>	<b>44.7</b>	<b>45.8</b>	<b>46.9</b>	<b>45.9</b>
Reported FV of RE portfolio			324.5	326.7	377.6	396.3	400.6	396.8	486.0	483.8
Discounted FV of RE portfolio	144.4	173.7	181.5	183.9	217.5	230.1	232.8	230.1	243.0	241.9
Cumulative Discount (as %)	22.6%	44.5%	44.1%	43.7%	42.4%	41.9%	41.9%	42.0%	50.0%	50.0%

Fair value breakdown of the Quarry and the Digital segment.

Fair Value - Limestone Quarry	FY21	FY22	FY23	FY24	FY25	FY26E
Amounts as Cm	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025	31 Dec 2026
Book Value - Limestone Quarry (Net Of Depreciation)	4.4	4.3	6.5	6.3	6.2	6.2
Growth (as %)	-1.9%	-2.8%	50.8%	-2.5%	45.1%	-
<b>Fair Value - Digital Activity</b>						
Amounts as Cm	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025	31 Dec 2026
Market value (Note 10 in AR)	1.3	2.4	4.1	8.0	8.2	8.2
Growth - Market value (as %)	202.5%	85.3%	68.1%	95.7%	3.3%	-
Called Down Capital - Partech Africa Fund I & II	0.7	0.8	1.0	0.9	0.4	0.4
Commitment - Partech Africa Fund I & II	1.0	2.0	2.0	0.9	0.7	0.7
Growth (as %)	99.7%	26.8%	17.9%	(7.7%)	(52.2%)	-
Afriwise					0.3	0.3
<b>Total - Digital</b>	<b>1.3</b>	<b>2.4</b>	<b>4.1</b>	<b>8.0</b>	<b>8.5</b>	<b>8.5</b>

Consolidated financial statements.

Income Statement Amounts as €m	FY21 31 Dec 2021	FY22 31 Dec 2022	FY23 31 Dec 2023	FY24 31 Dec 2024	FY25 31 Dec 2025
<b>Sales (Revenue)</b>	<b>24.8</b>	<b>29.5</b>	<b>31.3</b>	<b>34.2</b>	<b>37.6</b>
Revenue from ordinary activities	22.7	27.4	29.3	32.3	35.0
Other recurring operating income	2.1	2.0	2.0	1.9	2.6
<b>Operating Expenses</b>	<b>(16.6)</b>	<b>(20.6)</b>	<b>(21.4)</b>	<b>(23.1)</b>	<b>(26.2)</b>
Recurring operating expenses	(13.0)	(16.4)	(17.1)	(18.1)	(20.0)
Depreciation & amortisation	(3.6)	(4.2)	(4.3)	(5.1)	(6.2)
<b>Operating result - EBIT</b>	<b>8.1</b>	<b>8.9</b>	<b>9.9</b>	<b>11.1</b>	<b>11.4</b>
<i>EBIT Margin (%)</i>	<i>32.9%</i>	<i>30.1%</i>	<i>31.7%</i>	<i>32.4%</i>	<i>30.3%</i>
<b>Operating result - EBITDA</b>	<b>11.8</b>	<b>13.1</b>	<b>14.2</b>	<b>16.2</b>	<b>17.6</b>
<i>EBITDA Margin (%)</i>	<i>47.6%</i>	<i>44.4%</i>	<i>45.3%</i>	<i>47.3%</i>	<i>46.9%</i>
Non-recurring operating items	(0.0)	(0.2)	6.1	(0.8)	(0.1)
Financial income/(expenses)	(0.0)	(0.0)	(0.0)	(1.0)	(0.8)
Share of Profits From Associates, Gifts & Donations	(0.1)	(0.1)	(0.4)	(0.8)	0.2
<b>Profit before tax (PBT)</b>	<b>7.9</b>	<b>8.6</b>	<b>15.5</b>	<b>8.4</b>	<b>10.6</b>
Corporate tax	(1.5)	(2.3)	(3.4)	(3.0)	(2.4)
<b>Profit after tax (PAT)</b>	<b>6.5</b>	<b>6.2</b>	<b>12.2</b>	<b>5.5</b>	<b>8.2</b>
Deferred taxes	(1.2)	2.1	(0.5)	2.0	0.9
<b>Profit after tax (PAT) - including deferred taxes</b>	<b>5.2</b>	<b>8.4</b>	<b>11.7</b>	<b>7.5</b>	<b>9.1</b>
Profit after tax - share of group	5.2	8.4	11.6	7.4	9.0
Profit after tax - minority interests	0.0	0.0	0.0	0.0	0.1
Shares outstanding (excl. treasury shares; as m)	3.7	3.7	3.7	3.7	3.7
EPS - basic & diluted	1.4	2.3	3.2	2.0	2.5

Balance Sheet Amounts as €m	FY21 31 Dec 2021	FY22 31 Dec 2022	FY23 31 Dec 2023	FY24 31 Dec 2024	FY25 31 Dec 2025
<b>Total Assets</b>	<b>135.2</b>	<b>148.9</b>	<b>166.7</b>	<b>174.7</b>	<b>180.2</b>
<b>Non-Current Assets</b>	<b>116.6</b>	<b>130.6</b>	<b>141.3</b>	<b>153.6</b>	<b>156.1</b>
Property, plant and equipment	8.6	8.4	10.9	11.6	12.3
Investment property	106.6	119.6	126.2	133.9	135.5
Intangibles	0.0	0.0	0.1	0.1	0.1
Other financial assets (incl. right of use)	1.3	2.6	4.2	8.0	8.2
<b>Current Assets</b>	<b>18.6</b>	<b>18.4</b>	<b>25.4</b>	<b>21.1</b>	<b>24.0</b>
Assets available for sale	5.2	5.2	5.4	-	-
Inventory	4.6	4.6	4.9	6.0	6.2
Receivables	1.0	0.7	3.7	1.5	10.1
Tax assets	1.6	2.1	2.3	2.7	2.6
Cash and cash equivalents and short term investments	5.9	5.5	8.6	10.3	4.8
Other current assets	0.3	0.4	0.5	0.6	0.4
<b>Total Equity &amp; Liabilities</b>	<b>135.2</b>	<b>148.9</b>	<b>166.7</b>	<b>174.7</b>	<b>180.2</b>
<b>Total Equity</b>	<b>103.0</b>	<b>106.7</b>	<b>112.5</b>	<b>114.8</b>	<b>117.4</b>
Share capital	25.5	25.5	25.5	25.5	25.5
Group reserves	77.1	80.8	86.3	87.8	90.4
Minority interests	0.4	0.4	0.7	1.6	1.5
<b>Non-Current Liabilities</b>	<b>21.7</b>	<b>28.2</b>	<b>35.5</b>	<b>43.1</b>	<b>39.0</b>
Bank loans	1.8	9.7	15.4	23.6	-
Post-employment benefit liabilities	1.2	1.3	1.3	1.4	-
Deferred tax liabilities	14.2	12.3	13.0	11.2	10.2
Other non-current liabilities	4.5	5.0	5.8	7.0	28.8
<b>Current Liabilities</b>	<b>10.5</b>	<b>14.0</b>	<b>18.7</b>	<b>16.7</b>	<b>23.7</b>
Bank loans	1.0	2.2	3.9	3.1	-
Suppliers & other current creditors	5.4	8.2	9.3	9.3	-
Other current liabilities	4.1	3.7	5.5	4.3	23.7

Cashflow Statement Amounts as €m	FY21 31 Dec 2021	FY22 31 Dec 2022	FY23 31 Dec 2023	FY24 31 Dec 2024	FY25 31 Dec 2025
<b>Cash &amp; cash equivalents - beginning of the year</b>	<b>7.0</b>	<b>5.9</b>	<b>5.5</b>	<b>8.5</b>	<b>10.2</b>
<b>Cash Flow From Operations (CFO)</b>	<b>9.6</b>	<b>13.2</b>	<b>9.7</b>	<b>13.8</b>	<b>10.8</b>
Cash from operations	11.1	15.5	13.1	17.2	14.2
Changes in net working capital	-	-	-	-	-
Interest paid	(0.1)	(0.0)	(0.0)	(0.9)	(1.6)
Interest received	0.0	-	-	0.4	0.5
Income tax	(1.5)	(2.3)	(3.4)	(3.0)	(2.4)
<b>Cash Flow From Investments (CFI)</b>	<b>(8.9)</b>	<b>(17.4)</b>	<b>(8.6)</b>	<b>(12.8)</b>	<b>(9.7)</b>
Acquisition of intangible assets	-	(0.0)	(0.5)	(0.0)	-
Acquisition of PPE and investment property	(8.6)	(17.0)	(11.5)	(8.8)	(8.5)
Income from disposal of PPE, investment property, long-term assets	0.0	0.0	5.1	0.9	0.0
Reduction (increase) in other financial assets	(0.3)	(0.5)	(1.7)	(4.9)	(1.2)
<b>Cash Flow From Financial Activities (CFF)</b>	<b>(1.8)</b>	<b>3.7</b>	<b>2.2</b>	<b>0.5</b>	<b>(6.5)</b>
Increase in capital of parent company	-	-	-	-	-
Dividends to shareholders of the parent company	(2.5)	(5.2)	(5.8)	(6.0)	(6.4)
Increase in loans	1.5	10.0	8.5	8.2	3.4
Repayment of loans	(0.7)	(1.0)	(0.5)	(1.6)	(3.4)
Repayment of rental contracts	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1.0)</b>	<b>(0.5)</b>	<b>3.3</b>	<b>1.5</b>	<b>(5.4)</b>
Other changes (FX, consolidation scope, etc.)	-	-	(0.2)	0.2	(0.0)
<b>Cash and cash equivalents - ending balance</b>	<b>5.9</b>	<b>5.5</b>	<b>8.5</b>	<b>10.2</b>	<b>4.8</b>

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This publication has been finalised on Jun 3 2026 .

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Stock Rating	Definition	% Of Cov Universe	% IB Client in Last Year
Buy	Expected total return (including dividends) of 10% or more over a 6-month period	33.1	46.2
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	41.5	24.5
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	23.7	14.3
Reduce	Expected total return (including dividends) between -15% and 0% over a 6-month period	0.8	0.0
Sell	Expected total return (including dividends) of -10% or worse over a 6-month period	0.8	0.0

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### Business Description for: Texaf

Texaf is holding company headquartered in Brussels, Belgium - however, all of the company's businesses operate in Congo. Texaf has 3 business divisions namely 'Real Estate', 'Industry', and 'Digital'. The 'Real Estate' division is mainly engaged in developing and renting out residential units and business spaces, the 'Industry' division comprises a sandstone quarry, and the 'Digital' division is currently comprised of investments in Partech Africa Fund I and II.

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**Subject Company**

Texaf

**Relevant disclosure(s) if any**

D,E

**The price target for Texaf is based on the following parameters:**

Texaf's equity story currently hinges on the performance of its 'Real Estate' division (95.0%+ of total portfolio) which currently is engaged in renting residential/office spaces in DRC. Texaf's high-quality residential/office space rental offering in Kinshasa is among only a hand-few and will continue to be in high demand with the expat community, government institutions and corporates, and international organisations looking for secure, modern, and high-quality accommodations/offices with access to several amenities. Also, Texaf's rental income is highly stable (80.0%+ coming from local/international organisations and corporates) and occupancy has averaged 97.0%+ over the last 5-year period. The sandstone quarry should benefit from the steady development of the DRC and opportunistic exploitation of fluctuations in prices. Added to this, the 'Digital' division has immense growth potential over the LT as Texaf has partnered with Partech (PE and VC firm) by committing capital - this opens up opportunities to co-invest in potential future African unicorns.

**The risks which may impede the achievement of our price target for Texaf are:**

- 1) Texaf's land bank has become the target of land grabbers (local politicians & elites) who might try to prevent development on the land.
- 2) Texaf might not be able to develop on its land bank due to not being able to find a suitable partner.
- 3) Downward revision of Texaf's real estate portfolio.
- 4) Texaf not being able to sell its undevelopable land or having to sell the land at a steep discount.

Below is an overview of the stock ratings and target price history in the last 12 months for the stock(s) described in this report. Rating and price history is delayed by 1 month.

Company	Date	Rating	Target Price
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