

# Texaf

## FY24: RE Business Shines; New Growth Accretive Projects Being Studied

Diversified Financials | Belgium

During FY24, the RE business achieved a record top line of €27.3m, up 18% YoY and up 3% YoY on a like-for-like basis. The top line growth was mainly driven by the letting of 94 apartments (Promenade des Artistes) and the letting of office space (Siliikin Village). Occupancy rate of residential business stands at 99%. During Oct'24, Texaf sold 49% of the building 'Petit Pont' for €5.5m, generating a capital gain of €2.7m which is not reflected in the financials since the building continues to remain under the scope of consolidation. Due to softer demand and lower prices for sandstone in 2024, Carrigres' revenue came in €5.1m, down 19% YoY. The Digital business' revenues rose 63% to 0.5m, mainly driven by the commercialisation of Siliikin Village. We continue to believe that Texaf currently holds an unmatched dominant position within Kinshasa's high-end RE market rental. The new projects being evaluated will only solidify this dominant position and help capture additional market share. We maintain our BUY rating and €45.0 TP.

### FY24 Highlights:

- Rental income rose 18% YoY and came in at €27.3m, driven by the commercialisation of Promenade des Artistes and Siliikin Village.
- Occupancy rate of the residential rental business stood at 99%.
- New projects including 19 villas, 14 apartments and 117 plots (Kinsuka Gardens) are currently under evaluation.
- Due to a €1.9m reversal for deferred tax, RE net income came in at €9.5m, down 6% YoY.
- Carrigres revenues saw a 19% YoY decline due to softer demand and lower prices. Both operating and net result have reverted back to FY22 levels.
- The data centre business saw a take up 152 racks out of 580. FY25 financials will include co-location income from OADC Texaf Digital.
- Management have proposed a dividend of €1.757ps (€1.23 net) for FY24, implying a YoY increase of 7%. Dividend will be paid on 30<sup>th</sup> May 2025.

**Investment Case:** 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

Year To:	2020A	2021A	2022A	2023A
Sales & operating income	23.3	24.8	29.5	31.3
Profit/loss from operating activities	8.0	8.1	8.9	9.9
Net Profit (group share)	4.6	5.2	8.4	11.6
Diluted EPS	1.27	1.42	2.28	3.18
Dividend per share (€)	1.29	1.43	1.57	1.64
Dividend yield (%)	3.9	4.3	4.8	5.0
Net asset value per share (NAV)	60.77	62.82	61.23	59.01
P / NAV (%)	(37.47)	(48.42)	(45.13)	(44.08)
Cash & cash equivalents	7.0	5.9	5.5	8.6

Source: KBC Securities

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Share Price: €33.0  
**Target Price:** €45.0  
 Upside/Downside: 36.4%

**Recommendation:** Buy  
 Previous Recommendation: Buy

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### Key Data

Bloomberg: TEXTF BB  
 Reuters: TEXTF.BR  
 URL: <https://www.texaf.be/>

Market Cap. (m): €121.0  
 Shares Out. (m): 3.7  
 Volume (Daily): 461  
 Free Float: 27.3%  
 Price 12m Hi/Lo: 38.2 / 32.8

Performance	1m	3m	12m
Absolute (%)	-5.2	-5.7	-2.4
Rel. BEL20	-8.6	-11.2	-22.6

### Next Corporate Event

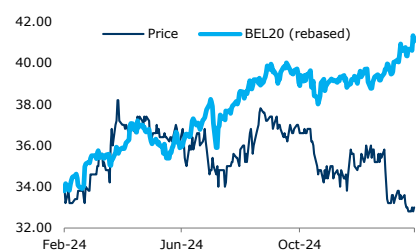
Results FY24 (PM): 28/02/2025

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### Price Chart



Source: Refinitiv Datastream

## FINANCIAL DATA

Income Statement (€)	2019A	2020A	2021A	2022A	2023A
Sales & operating income	23.2	23.3	24.8	29.5	31.3
Profit/loss from operating activities	7.9	8.0	8.1	8.9	9.9
Profit/loss before tax	12.8	6.1	7.9	8.6	15.5
Net Profit (group share)	10.8	4.6	5.2	8.4	11.6

Source: KBC Securities

Balance Sheet (€)	2019A	2020A	2021A	2022A	2023A
Cash & equivalents	8.8	7.0	5.9	5.5	8.6
Total assets	131.2	128.9	135.2	148.9	166.7
Equity attributable to holders of the parent	97.2	99.5	102.6	106.3	111.8
Financial debt	4.3	2.0	2.8	11.8	19.3
Total liabilities	131.2	128.9	135.2	148.9	166.7

Source: KBC Securities

Cash Flow Statement (€)	2019A	2020A	2021A	2022A	2023A
Cash flow from operating activities	10.7	8.6	9.6	13.2	9.7
Cash flow from investments	(1.0)	(5.8)	(8.9)	(17.4)	(8.6)
Cash flow from financing	(6.5)	(4.6)	(1.8)	3.7	2.2
Change in cash & equivalents	3.2	(1.8)	(1.0)	(0.5)	3.3

Source: KBC Securities

Per Share Data (€)	2019A	2020A	2021A	2022A	2023A
Outstanding shares	3.5	3.6	3.7	3.7	3.7
Outstanding shares - diluted	3.5	3.6	3.7	3.7	3.7
Basic EPS	3.05	1.27	1.42	2.28	3.18
Diluted EPS	3.05	1.27	1.42	2.28	3.18
Dividend per share	1.16	1.29	1.43	1.57	1.64

Source: KBC Securities

Valuation Data	2019A	2020A	2021A	2022A	2023A
Market capitalisation (€m)	131.8	136.9	118.8	123.2	121.0
Dividend yield (%)	3.5	3.9	4.3	4.8	5.0

Source: KBC Securities

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This publication has been finalised on Feb 28 2025 .

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Buy	Expected total return (including dividends) of 10% or more over a 6-month period	48.3	37.9
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	37.5	15.6
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	14.2	23.5
Reduce	Expected total return (including dividends) between -15% and 0% over a 6-month period	0.0	0.0
Sell	Expected total return (including dividends) of -10% or worse over a 6-month period	0.0	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	Relevant disclosure(s) if any
Texaf	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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