

Texaf

Q1 FY25: Solid Performance In RE; New Projects Boosting Growth

Diversified Financials | Belgium

During Q1 FY25, TEXAF's real estate segment delivered robust performance despite DRC's challenging geopolitical environment, achieving near 100% occupancy and €7.7m in rental income from Kinshasa's residential and office properties, up 29% YoY. Growth was driven by the new Promenade des Artistes (94 apartments) and 6,000 m² of additional coworking/private office space at Silikin Village Phase III, with private office occupancy exceeding 90% (75%/35% for fixed/flexible coworking spaces). Like-for-like rental income rose 6%. The sandstone quarry in Kinshasa (Carriges) saw sales drop 52% versus Q1 2024, to €0.8m. Management cites a 40% drop in market values, resulting in oversupply at competitors, leading to significant sandstone price reductions. We continue to believe that Texaf currently holds a dominant position within Kinshasa's high-end RE rental market. With new projects in the pipeline, TEXAF's position will solidify and help capture additional market share in an high risk high growth market. We maintain our BUY rating and €45.0 TP.

Key points:

- The RE segment had near-100% occupancy rates in Q1 FY25, with residential and office rental income rising 29% YoY to €7.7m, driven by the new Promenade des Artistes (94 apartments) and Silikin Village phase III (6,000 m² of co-working/private offices); like-for-like growth was 6%.
- Digital segment's Silikin Village phase III achieved over 90% occupancy for private offices and 75%/35% for fixed/flexible coworking spaces, while the "Grandir et Faire Grandir" program was prepared to support ten Cleantech, Healthtech, Fintech, Edtech, and Agritech start-ups starting in May 2025.
- Carriges segment reported a 52% YoY sales decline to €0.8m in Q1 FY25, with volumes down 40% due to a sluggish public sector market and pricing pressure from competitor stock availability.
- OADC TEXAF Digital, the joint venture with pan-African group WIOCC, secured three certifications (ISO27001, ISO22301, and PCI DSS) in Q1 FY25, reinforcing its role in secure, resilient digital services.
- TEXAF's core real estate segment (100+% of NAV), continues to perform strongly, demonstrating its ability to navigate volatile markets, and can capture significant growth if DRC's business environment ever improves.

Investment thesis: TEXAF's equity story currently hinges on the performance of its 'Real Estate' division (100+% 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. 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:	2021A	2022A	2023A	2024A
Sales & operating income	24.8	29.5	31.3	34.2
Profit/loss from operating activities	8.1	8.9	9.9	11.1
Net Profit (group share)	5.2	8.4	11.6	7.4
Diluted EPS	1.42	2.28	3.18	2.04
Dividend per share (€)	1.43	1.57	1.64	1.76
Dividend yield (%)	4.4	4.8	5.0	5.4
Net asset value per share (NAV)	62.82	61.23	59.01	60.92
P / NAV (%)	(48.42)	(45.13)	(44.08)	(45.83)
Cash & cash equivalents	5.9	5.5	8.6	10.3

Source: KBC Securities

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Share Price: €32.6
Target Price: €45.0
 Upside/Downside: 38.0%

Recommendation: Buy
 Previous Recommendation: Buy

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Key Data

Bloomberg: TEXTF.BB
 Reuters: TEXTB.BR
 URL: <https://www.texaf.be/>
 Market Cap. (m): €119.5
 Shares Out. (m): 3.7
 Volume (Daily): 441
 Free Float: 27.3%
 Price 12m Hi/Lo: 38.2 / 31.4

Performance	1m	3m	12m
Absolute (%)	-0.6	-7.9	-14.7
Rel. BEL20	3.6	-8.6	-25.1

Next Corporate Event

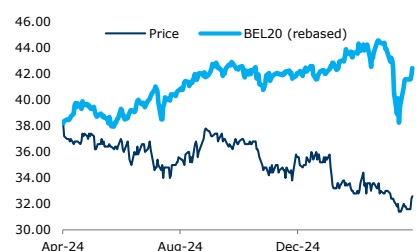
Results 1Q25: 25/04/2025

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Price Chart



Source: Refinitiv Datastream

FINANCIAL DATA

Income Statement (€)	2020A	2021A	2022A	2023A	2024A
Sales & operating income	23.3	24.8	29.5	31.3	34.2
Profit/loss from operating activities	8.0	8.1	8.9	9.9	11.1
Profit/loss before tax	6.1	7.9	8.6	15.5	8.4
Net Profit (group share)	4.6	5.2	8.4	11.6	7.4

Source: KBC Securities

Balance Sheet (€)	2020A	2021A	2022A	2023A	2024A
Cash & equivalents	7.0	5.9	5.5	8.6	10.3
Total assets	128.9	135.2	148.9	166.7	174.7
Equity attributable to holders of the parent	99.5	102.6	106.3	111.8	113.3
Financial debt	2.0	2.8	11.8	19.3	26.7
Total liabilities	128.9	135.2	148.9	166.7	174.7

Source: KBC Securities

Cash Flow Statement (€)	2020A	2021A	2022A	2023A	2024A
Cash flow from operating activities	8.6	9.6	13.2	9.7	13.8
Cash flow from investments	(5.8)	(8.9)	(17.4)	(8.6)	(12.8)
Cash flow from financing	(4.6)	(1.8)	3.7	2.2	0.5
Change in cash & equivalents	(1.8)	(1.0)	(0.5)	3.3	1.5

Source: KBC Securities

Per Share Data (€)	2020A	2021A	2022A	2023A	2024A
Outstanding shares	3.6	3.7	3.7	3.7	3.7
Outstanding shares - diluted	3.6	3.7	3.7	3.7	3.7
Basic EPS	1.27	1.42	2.28	3.18	2.04
Diluted EPS	1.27	1.42	2.28	3.18	2.04
Dividend per share	1.29	1.43	1.57	1.64	1.76

Source: KBC Securities

Valuation Data	2020A	2021A	2022A	2023A	2024A
Market capitalisation (€m)	136.9	118.8	123.2	121.0	121.0
Dividend yield (%)	4.0	4.4	4.8	5.0	5.4

Source: KBC Securities

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The company disclosures can also be consulted on our website

<https://research.kbcsecurities.com/portal/portal.html#!/disclosures>

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This publication has been finalised on Apr 24 2025 .

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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	47.5	35.7
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	36.4	16.3
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	16.1	21.1
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

Due to external factors and in exceptional cases, KBC Securities allows the use of ratings such as Accept the Offer, Black Out, No Recommendation or Suspended.

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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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- E. KBC Securities NV makes a market and/or is liquidity provider for this company

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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