

Texaf

1H25 Results: Real estate thrives in DRC's though climate

Holdings and Investment Companies | Belgium

In 1H25, TEXAF demonstrated resilience in Kinshasa's challenging market. Real estate, the core business, had a robust performance. Rental income surged 24.4% to €15.6m, driven by new projects like Promenade des Artistes and Silikin Village Phase III. The occupancy rate remained close to 100%. On a like-for-like basis, rental income rose by 2.3%. The quarry segment faced headwinds, with sales dropping 45% to €1.6m due to lower volumes and prices. However, net income remained positive. The digital segment turned profitable due to a non-recurring gain and contributed €0.3m in net income. TEXAF's business model is anchored in euro-denominated rents to ambassadors, politicians and international organizations. This shields it from DRC currency volatility and ensures reliable tenants. With new real estate projects set to launch, TEXAF is set to strengthen its dominant position in Kinshasa's high-end rental market. That said, the DRC's challenging environment continues to pose a significant, hard-to-quantify risk. We maintain our BUY rating and €45.0 target price.

Enter Intro Here

- **Financial Performance:** TEXAF's 1H25 group sales rose 12% to €17.7m, driven by real estate growth. EBITDA increased 16% to €8.6m, but recurring operating income grew 8% to €5.7m due to higher depreciation. Net income edged up 1% to €4.5m, supported by lower tax provisions.
- **Real Estate:** The real estate segment excelled, with rental income up 24.4% to €15.6m, driven by Promenade des Artistes (94 apartments) and Silikin Village Phase III (6,000 m²). Occupancy remained near 100%, with like-for-like growth at 2.3%. Recurring operating income rose 25.6% to €6.6m. New projects, Quartier des Parcs (€2m annual rental from 2027) and Kinsuka (€13m sales from 2026), signal strong growth potential.
- **Quarry:** Carrigrès saw a 45% sales decline to €1.6m in 1H25, with volumes down 23% (122,019 tonnes) and prices falling 19% due to product mix changes. Operating income dropped to -€0.2m, but a strong cash position limited net income decline to €29k.
- **Digital:** The digital segment turned profitable with €0.3m net income, including a €0.6m non-recurring gain. Silikin Village supports Kinshasa's digital ecosystem via incubation programs. OADC TEXAF DIGITAL's data center, operational since August 2024, attracts local and international clients, contributing €0.2m via equity accounting.
- **Business Model:** TEXAF's real estate business rents primarily in euros to embassies and international organizations, minimizing exposure to DRC currency fluctuations. This strategy ensures stable cash flows, with 95% of rents in euros, shielding the group from local economic volatility and supporting consistent financial performance.
- **Outlook:** TEXAF's real estate pipeline, including Quartier des Parcs and Kinsuka, positions it for sustained growth. Quarry performance hinges on market recovery, while digital initiatives gain traction. Despite DRC risks, TEXAF's euro-based model and high occupancy underpin resilience. We expect a continuation of the growth of the real estate division in 2H25.

Share Price: €34.2
Target Price: €45.0
Upside/Downside: 31.6%

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): €125.4
Shares Out. (m): 3.7
Volume (Daily): 452
Free Float: 27.1%
Price 12m Hi/Lo: 37.8 / 31.4

Performance	1m	3m	12m
Absolute (%)	0.6	3.0	-2.8
Rel. BEL20	-0.1	-2.2	-17.1

Next Corporate Event

Results 1H25: 08/09/2025

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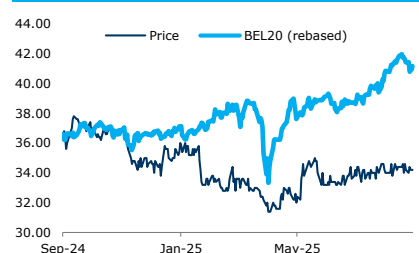
Year To:	2021A	2022A	2023A	2024A
Sales & operating income	24.8	29.5	31.3	34.2
Profit/loss from operating activities	8.1	8.9	9.9	11.1
Net Profit (group share)	5.2	8.4	11.6	7.4
Diluted EPS	1.42	2.28	3.18	2.04
Dividend per share (€)	1.43	1.57	1.64	1.76
Dividend yield (%)	4.2	4.6	4.8	5.1
Net asset value 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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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

Performance Criteria	2020A	2021A	2022A	2023A	2024A
Sales growth (%)	--	--	--	--	--
EBIT growth (%)	--	--	--	--	--
Net earnings growth (%)	--	--	--	--	--
EBIT margin (%)	--	--	--	--	--
Net earnings / Sales (%)	--	--	--	--	--
Pay-out ratio (%)	--	--	--	--	--
Return on equity (%)	--	--	--	--	--

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 (%)	3.8	4.2	4.6	4.8	5.1

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 Sep 8 2025 .

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Buy	Expected total return (including dividends) of 10% or more over a 6-month period	40.3	39.6
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	40.3	16.7
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	19.3	21.7
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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