

14 February 2014

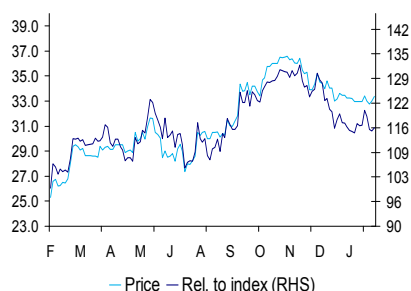
## TEXAF

### Blockbuster 2013: REBIT rises by 33%

FINANCIAL SERVICES  
BELGIUM

CURRENT PRICE €33.39  
TARGET PRICE €38.40

**HOLD**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg TEXF BB  
Reuters TEXB.BR

www.texaf.be

Market Cap € 106.5m  
Shares outst. 3.5m  
Volume (daily) € 27,049  
Free float 22.1%

Next corporate event

General Assembly : 13 May 2014

(€ th)	2013E	2014E	2015E
Sales	18,800	19,500	21,500
REBITDA	9,251	10,350	12,050
Net earnings	6,573	5,050	5,434
Adj. EPS (€)	1.43	1.44	1.55
P/E (x)	23.3	23.2	21.6
EV/REBITDA	15.2	15.2	13.2
FCF Yield	1.7%	-4.0%	-0.2%
Dividend yield	1.2%	1.4%	1.7%

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#### Blockbuster year

REBIT rose by 33% to € 6.46m (KBCS € 6.00m) in 2013. Pretax profits increased by 98% to € 9.01m (KBCS € 8.97m) thanks to the strong rise in REBIT and a € 1.8m net disposal gain. Reported net profits (group share) fell by 1% to € 6.48m (KBCS € 6.57m). Note that the 2012 results were embellished by a reduction in deferred taxes (€ 2.41m). The board proposes a gross DPS of € 0.40 (+20%).

#### Real estate: well filled pipeline

Revenues rose by 18.8% to € 12.36m (KBCS € 12.20m) and REBIT rose from € 3.14m to € 4.64m (KBCS € 4.60m). In January 2013 18 new apartments (Phase IV) came up for rent and in July three buildings with 24 apartments (Champ de Coton) were ready to let. Office space increased by 2,400 sq.m. The construction pipeline includes 7 new buildings with 28 apartments on Champ de Coton of which 2 will become available in July 2014 and 5 in 1H15. Office space at Immotex will expand by 5,500 sq.m. of which 1,000 sq.m. in September and the remainder at the beginning of 2015.

#### Carrigrès: higher EBIT despite lower top line

Revenues fell by 8.5% to € 6.26m (KBCS € 6.60m) but the EBIT margin increased from 22.8% to 28.3%. EBIT improved from € 1.56m in 2012 to € 1.77m (KBCS € 1.60m) in 2013. Demand for sandstone remains strong thanks to a major infrastructure project ("la route des Poids Lourds") which will be finalized in April 2014.

#### Other developments

An EGM and AGM will be held on 13 May to vote on the spin-off of Imbakin and the contribution of Group Cha's stake in Immotex. The Congolese state owes Imbakin € 63m excluding interest, following the nationalization of land in 1965. The net receivable amounts to € 51m because the first € 12m will go to Cobepa for its financial support in 2001.

The operation with Cha should be EPS accretive (5-6%) in 2015.

Texaf contributed \$ 1m to the establishment of a new microfinance company (i-FINANCE) in DRC. Texaf's stake in i-FINANCE equals 10%.

At the beginning of this year Texaf increased the capital of its subsidiary La Cottonnière by € 2.1m hereby bringing its stake to 94%. La Cottonnière owns land in Kasai Oriental and Maniema. La Cottonnière will be fully consolidated as from 2014.

#### Outlook for 2014

Management banks on € 13m rental income this year. This is in line with our estimates. Carrigrès revenues and operating results should be more or less stable. Given the above, REBIT of the group should be up "significantly" according to the press release. We count on an 11% rise.

#### Conclusion

The 2013 results and 2014 guidance are largely in line with our estimates. We stick to our € 38.4 target and Hold rating.