WEALTH PRESERVATION

EQUITY RESEARCH

Gecina SA

EPA: GFC | ISIN: FR0010040865

RECOMMENDATION	BUY	WP SCORE	78 / 100

Metric	Value	Metric	Value
Current Price	€75.90	EPRA NTA/Share	€144.10
Discount to NAV	47.3%	Dividend Yield	7.25%
Dividend/Share (2025)	€5.50	LTV (incl. duties)	36.0%
Recurrent EPS (2025)	€6.69	ICR	6.3x
Credit Rating	A- / A3	Portfolio Value	€17.6bn
52-Week Range	€72.90 - €98.65	Market Cap	€5.6bn

One-Line Thesis: Gecina offers best-in-class Parisian real estate at a 47% discount to net asset value, with a 7.25% dividend yield fully covering our hurdle rate, an investment-grade balance sheet (A-/A3), and visible earnings growth — making it an exceptional wealth preservation candidate.

Report Date March 9, 2026

Analyst	Moschovakis Capital Research
Sector	Real Estate — Office REIT (SIIC)
Exchange	Euronext Paris
Currency	EUR

EXECUTIVE SUMMARY

Gecina SA is the largest listed office REIT in France and one of Europe's premier real estate companies, with a €17.6 billion portfolio of prime office and residential assets concentrated in the most central areas of Paris and the Paris Region. The company trades at a remarkable 47% discount to its EPRA Net Tangible Asset value of €144.10 per share, offering investors a rare opportunity to acquire trophy Parisian real estate at a fraction of replacement cost.

From a wealth preservation standpoint, Gecina checks virtually every box in our framework. The 7.25% dividend yield alone exceeds our 7% hurdle rate before any price appreciation, providing a substantial income floor. The company has increased its dividend for two consecutive years (€5.30 to €5.50) and management has signaled gradual dividend growth through 2030. The balance sheet is fortress-grade: an LTV of 36%, an interest coverage ratio of 6.3x, a best-in-class A-/A3 credit rating maintained for eight consecutive years, and 92% of near-term debt hedged against rate increases. Average cost of drawn debt is an exceptionally low 1.3%, with €2.9 billion of liquidity covering all bond maturities through 2029.

The downside is well-protected: the massive NAV discount means that even in a severe recession scenario where property values declined 15-20%, the stock would still trade below intrinsic value. Recurrent earnings per share have grown 26% since 2021, and 2026 guidance of €6.70-€6.75 implies continued growth. The Paris office market is benefiting from a structural return-to-office trend (3.7 days/week vs. 2.9 in 2021) and chronic supply constraints in central locations, providing durable organic growth tailwinds. At the current price, the probability-weighted total return significantly exceeds our hurdle rate, making Gecina a high-conviction BUY.

Return Profile

Metric	Value
Dividend Yield (Current)	7.25%
Expected Dividend Growth	2-3% p.a.
Expected Price Appreciation (Base Case)	5-7% CAGR
Total Expected Return (Base Case)	12.3% CAGR
Bear Case Total Return	+3.8% CAGR
Bull Case Total Return	+19.5% CAGR
Probability-Weighted Return	+11.3% CAGR

Risk Assessment

Metric	Value
Wealth Preservation Score	78 / 100
Downside Protection Score	80 / 100
Quality Score	76 / 100
Risk Level	LOW-MODERATE
Probability of >50% Permanent Loss	<3%
Recession Profile	RESILIENT

1. BUSINESS QUALITY ASSESSMENT

Business Model: Gecina is a French SIIC (Societe d'Investissements Immobiliers Cotee — equivalent to a REIT) that owns, manages, and develops prime office and residential properties in the Paris Region. Revenue is derived primarily from rental income (offices ~85%, residential ~15%), with the SIIC status requiring distribution of 85% of net rental income as dividends. The company also creates value through development projects and active asset rotation (buying undervalued assets, developing them, and selling mature ones at lower yields).

Portfolio: As of December 31, 2025, Gecina's portfolio was valued at €17.6 billion, comprising 1.2 million square meters of office space and nearly 5,300 residential units. The portfolio is strategically concentrated in the most central and supply-constrained areas of Paris — the CBD (Central Business District), Neuilly, and key transport hubs. This geographic focus is a deliberate strategic choice, capitalizing on the structural undersupply of modern, energy-efficient office space in central Paris.

Competitive Moat Assessment

Moat Type	Evidence	Durability (1-10)	Preservation Value
Location Monopoly	Irreplaceable prime Paris CBD assets	9	Excellent
Barriers to Entry	Strict Paris zoning / planning restrictions	9	Excellent
Scale Advantage	Largest French office REIT by portfolio value	7	Good
Switching Costs	High tenant relocation costs in CBD	7	Good
Brand / Reputation	YouFirst brand, GRESB #1 ranked	6	Good

Market Position: Gecina is the largest listed office REIT in France and a constituent of the SBF 120, CAC Next 20, and CAC Large 60 indices. The company's focus on prime, central Paris locations positions it on the right side of market polarization — demand for high-quality, well-located, energy-efficient office space continues to strengthen, while peripheral and lower-quality stock faces structural vacancy. Paris workers now average 3.7 days per week in-office (up from 2.9 in 2021), further supporting prime office demand.

Pricing Power: STRONG. Like-for-like rental growth of 3.8% in 2025, driven by 2.6% indexation plus genuine rental reversion of ~1.2% from re-letting at higher rents. Paris/Neuilly like-for-like growth reached 6.5%, reflecting strong tenant demand and pricing power in prime locations.

2. FINANCIAL FORTRESS ANALYSIS

Note on REIT Balance Sheet Metrics: For REITs, Loan-to-Value (LTV) replaces Debt-to-Equity as the primary leverage indicator. The standard WP Framework D/E threshold of 1.0x does not apply to leveraged real estate vehicles; instead, we assess LTV relative to sector norms (45-55% typical; <40% is conservative) and covenant headroom.

Balance Sheet Strength

Metric	Value	REIT Threshold	Assessment
LTV (incl. duties)	36.0%	<45% conservative	✓ STRONG
LTV (pro forma disposals)	35.2%	<40% best-in-class	✓ STRONG
Interest Coverage Ratio	6.3x	>4.0x minimum	✓ STRONG
Credit Rating (S&P / Moody's)	A- / A3	Investment grade	✓ BEST-IN-CLASS
Avg. Cost of Drawn Debt	1.3%	N/A	✓ EXCELLENT
Debt Maturity	6.2 years	>4 years	✓ STRONG
Hedging (next 2 years)	92%	>70%	✓ EXCELLENT
Liquidity (excl. NEU CP)	€2.9bn	>€2.0bn target	✓ STRONG
Net Debt	€6.1bn	N/A	Monitored
Covenant Headroom (LTV <55%)	19 pts buffer	>10 pts	✓ AMPLE

Solvency Verdict: FORTRESS. Gecina's balance sheet is among the strongest in European real estate. The A-/A3 credit rating has been maintained for eight consecutive years — a testament to the company's consistent financial discipline. The 36% LTV sits well below the 55% covenant threshold, providing 19 percentage points of buffer. Liquidity of €2.9 billion covers all bond maturities through 2029 without needing to access capital markets. The average cost of drawn debt at 1.3% is exceptionally low, and 92% hedging over the next two years provides near-complete insulation from rate movements.

Profitability & Cash Flow Metrics

Metric	2025	2024	2023	Trend
Gross Rental Income	€712.6m	€694.5m	€667m	↑ Growing
Like-for-Like Rental Growth	+3.8%	+6.3%	+6.0%	→ Normalizing
Rental Margin	92.7%	92.0%	~91%	↑ Improving
EBITDA	~€595m	€565.7m	€535m	↑ Growing
Recurrent Net Income/Share	€6.69	€6.42	€6.01	↑ Growing
Financial Occupancy Rate	94.1%	93.4%	~93%	↑ Improving

Recurrent net income per share has increased 26% since 2021 (from €5.31 to €6.69), reflecting consistent execution across all performance levers: organic rental growth, development contributions, disciplined cost management, and optimized financing. The rental margin has improved by 310 basis points since 2021, and the cost ratio has fallen by 270 basis points — evidence of strong operational efficiency.

3. DIVIDEND ANALYSIS

Metric	Value	Assessment
Current Yield	7.25%	Top 25% in French market
Annual Dividend (2025)	€5.50 per share	+0.9% YoY increase
Payout Ratio (vs. Recurrent EPS)	82%	Sustainable for SIIC
Dividend Growth (5Y CAGR)	+0.8%	Modest; improving trajectory
Consecutive Years Paid	25+ years	Long-standing commitment
Maintained Through 2020?	Yes (€5.30)	Resilient
SIIC Distribution Requirement	85% of rental income	Regulatory floor
2026 Guidance (RNI/share)	€6.70-€6.75	Supports dividend growth

Dividend Sustainability: ROCK SOLID. As a SIIC, Gecina is legally required to distribute at least 85% of net rental income, making the dividend structurally embedded in the business model rather than a discretionary management decision. The 82% payout ratio against recurrent earnings is sustainable, and with RNI/share guided to €6.70-€6.75 for 2026, there is adequate coverage. Management has explicitly signaled gradual dividend growth through 2030, supported by the pipeline of development projects delivering incremental rental income.

Dividend History

Year	2020	2021	2022	2023	2024	2025
Dividend/Share	€5.30	€5.30	€5.30	€5.30	€5.45	€5.50
RNI/Share	€5.30	€5.31	€5.34	€6.01	€6.42	€6.69
Payout Ratio	100%	100%	99%	88%	85%	82%

Stress Test: If recurrent earnings dropped 30% (severe recession), RNI/share would fall to ~€4.70. A maintained €5.50 dividend would require a temporary payout ratio of 117%, which is feasible in the short term given the SIIC structure and Gecina's ample liquidity. In a sustained downturn, dividend could be modestly reduced to €4.50-€5.00, still delivering a 6.0-6.6% yield at current prices — still above our hurdle.

4. VALUATION ANALYSIS

Note on REIT Valuation: For REITs, the primary valuation metric is the discount/premium to Net Asset Value (NAV). Price-to-Earnings is secondary but useful when calculated against recurrent (FFO-equivalent) earnings. Dividend yield is also a key relative valuation metric.

Metric	Current	5Y Average	10Y Average	vs. History
Price/EPRA NTA	0.53x	0.65x	0.72x	Deeply Discounted
P/Recurrent EPS	11.3x	16.0x	17.5x	Below Average
Dividend Yield	7.25%	4.8%	4.1%	Well Above Average
EV/Portfolio Value	~0.65x	~0.80x	~0.85x	Below Average

Fair Value Calculation

Method 1 — NAV-Based: EPRA NTA is €144.10 per share. Applying a conservative 25% discount to account for REIT structural discount and current market conditions yields a fair value of €108. Current price of €75.90 represents a 30% margin of safety to this conservative fair value.

Method 2 — Recurrent Earnings-Based: 2026E recurrent EPS of €6.72. Applying the 5-year average P/Recurrent EPS of 16x yields a fair value of €107. At the 10-year average of 17.5x, fair value is €117.

Method 3 — Dividend Discount: Using a 7.5% required return and 2.5% dividend growth rate, the DDM fair value is €5.50 / (0.075 - 0.025) = €110.

Fair Value Range: €107 — €117. Current price of €75.90 represents a 30-35% margin of safety. Analyst consensus target of €99.30 implies 31% upside, broadly consistent with our assessment.

Valuation Verdict: ATTRACTIVE. The stock trades at multi-year lows relative to NAV, earnings, and dividend yield. This represents one of the widest discounts to NAV in the company's history, driven by macroeconomic uncertainty and the broader derating of European real estate. For a wealth preservation investor, this creates an asymmetric entry point with significant margin of safety.

5. SCENARIO ANALYSIS

Scenario	Revenue CAGR	RNI/Share CAGR	Terminal P/RNI	10Y Price Target	Div Yield (Avg)	Total CAGR	Weight
Bear	0%	+1%	12x	€88	6.5%	+3.8%	25%
Base	+2.5%	+3.5%	15x	€137	7.0%	+12.3%	50%
Bull	+4%	+5%	17x	€185	7.5%	+19.5%	25%

	Calculation	Result
Bear (25%)	25% x 3.8%	0.95%
Base (50%)	50% x 12.3%	6.15%
Bull (25%)	25% x 19.5%	4.88%
Probability-Weighted Return		**11.3% CAGR**

Scenario Assumptions

Bear Case (25% probability): European recession, ECB raises rates, Paris office market weakens. Rental income flat, occupancy drops to 90%, property values decline 10-15%. Dividend maintained at €5.00-5.30 (modest cut). Multiple compresses to trough levels. Even in this scenario, the current 47% NAV discount provides a massive cushion — total return is still positive at +3.8% CAGR, with the dividend contributing the bulk of returns.

Base Case (50% probability): Paris office market continues to benefit from return-to-office trends and supply constraints. Rental income grows at 2-3% organically, pipeline projects contribute incremental income, dividend grows gradually to ~€6.00 by 2035. NAV discount narrows from 47% toward 30%, driving substantial capital appreciation alongside strong dividend income.

Bull Case (25% probability): ECB rate cuts compress cap rates, driving property value re-rating. Paris prime office market tightens further, enabling above-inflation rental growth. NAV discount narrows to 15-20% (historical norm). Development projects deliver ahead of plan. Multiple re-rates to historical norms.

Critical Downside Check

Metric	Value	Pass/Fail
Bear Case Total Return	+3.8% CAGR	✓ PASS (>0%)
Capital Preserved in Downside?	Yes — positive total return	✓ PASS
Max Estimated Drawdown	-25% (from current)	Acceptable
Probability of >50% Permanent Loss	<3%	✓ PASS (<10%)

6. RISK ASSESSMENT

Risk Category	Score (1-10)	Key Concern	Mitigation
Balance Sheet Risk	2	High leverage typical of REITs	LTV 36%, A-/A3 rating, €2.9bn liquidity
Earnings Volatility	3	Rental indexation decelerating	Long leases, diversified tenant base
Competitive Threat	3	Remote work / flexible offices	Prime CBD locations; return-to-office trend
Regulatory Risk	3	French tax / SIIC rule changes	Established SIIC framework since 2003
Management Risk	3	CEO relatively new (since 2022)	Strong prior track record at Klepierre
Valuation Risk	2	Already at deep discount	NAV floor provides downside protection
Interest Rate Risk	3	Higher-for-longer rates	92% hedged; avg cost of debt 1.3%
Aggregate Risk	2.7		LOW-MODERATE

Recession Stress Test

Metric	2008-2009 (GFC)	2020 (COVID)
Revenue Impact	Moderate decline (~10-15%)	Modest decline (~5%)
Dividend Action	Maintained (€5.30 equivalent)	Maintained (€5.30)
Stock Price Decline (Peak-Trough)	~65%	~40%
Recovery Time (to Prior Peak)	~36 months	~18 months
Capital Raise Required?	No	No

Recession Profile: RESILIENT. Gecina demonstrated resilience through both major crises. While the stock price experienced significant drawdowns (typical for all REITs), the operational business remained stable — rental income held up, the dividend was maintained, and no capital raise was required. The current 47% NAV discount already prices in a significant recession scenario, providing additional downside protection that was not present in prior cycles when the stock traded near or at NAV.

7. MANAGEMENT & GOVERNANCE

CEO: Benat Ortega — Appointed April 2022, tenure of approximately 4 years. Ecole Centrale Paris alumnus. Previously served as COO and Executive Board member at Klepierre (€22bn portfolio), where he led the operational transformation and portfolio refocusing around 120 leading shopping malls. His deep European REIT experience and track record of value creation and cost discipline make him well-suited for Gecina's strategy.

Compensation: Total compensation of €2.53 million — approximately average for French companies of similar size. Compensation is 72% variable (bonuses, stock, options), aligning management with shareholder outcomes. Insider ownership is minimal (0.001%), which is a mild negative but typical for large French corporate structures where institutional shareholders (led by Ivanhoe Cambridge / CDPQ) dominate.

Capital Allocation (5Y Track Record)

Dimension	Assessment	Detail
Dividend Policy	✓ Consistent	Maintained through COVID; two consecutive increases
Asset Rotation	✓ Value-Accretive	€3.0bn disposals at 2.9% yield; €0.6bn acquisitions at 6.1%
Development Pipeline	✓ Disciplined	Deliveries on time, on budget, at record rents
Debt Management	✓ Prudent	A-/A3 rating maintained 8 years; proactive hedging
Acquisitions	✓ Selective	€0.6bn in 2025 at double-digit IRR; 67% pre-let

Management Quality: GOOD. Under Ortega's leadership, recurrent EPS has grown 26% since 2021, the rental margin has improved 310 bps, and the cost ratio has declined 270 bps. Capital allocation has been disciplined — disposing of mature assets at low yields (2.1-3.9%) and reinvesting at significantly higher returns (6.1%+ yields, double-digit IRRs). No governance red flags.

8. PEER COMPARISON

Metric	Gecina	Covivio	Klepierre	Best for Preservation
Sector Focus	Office/Resi	Office/Hotels	Retail	Gecina
LTV	36.0%	~40%	~38%	Gecina
Credit Rating	A-/A3	BBB+	A-	Gecina/Klepierre
Dividend Yield	7.25%	~6.5%	~7.0%	Gecina
Discount to NAV	~47%	~40%	~30%	Gecina (deepest)
RNI Growth (2025)	+4.2%	~3%	~5%	Klepierre
Occupancy	94.1%	~95%	~96%	Klepierre
Avg Cost of Debt	1.3%	~1.8%	~1.5%	Gecina

Why Gecina: Among French listed REITs, Gecina stands out for wealth preservation due to its combination of the deepest NAV discount (providing maximum downside protection), the strongest credit profile (A-/A3 rating with the lowest cost of debt in the peer group), the highest current dividend yield, and exposure to the most structurally undersupplied market segment (prime Paris offices). While Klepierre offers slightly higher occupancy and growth, its retail exposure carries greater structural risk from e-commerce. Covivio's hotel exposure introduces cyclical earnings volatility.

9. WEALTH PRESERVATION SCORING

Downside Protection Score: 80 / 100

Factor	Points	Rationale
Base Score	50	Starting neutral
Bear case total return positive	+15	+3.8% CAGR in bear case
LTV <40% (REIT-adjusted)	+10	LTV 36%, well below sector average
Dividend maintained through 2020	+10	Paid €5.30 throughout COVID
Max historical drawdown acceptable	+5	47% NAV discount already discounts severe scenario
Current yield >3%	+5	7.25% provides substantial income cushion
Slight cyclicality (office exposure)	-10	Paris office can soften in recession
High gross debt quantum	-5	€6.9bn gross debt (mitigated by asset quality)
TOTAL	80	

Return Adequacy Score: 85 / 100

Base case total return CAGR of 12.3% scores 85 points (10-12% range). The 7.25% dividend yield alone exceeds our hurdle rate, and any NAV discount narrowing provides significant bonus appreciation.

Quality Score: 76 / 100

Component	Points Earned	Max Points
Balance Sheet Fortress	33	40
Income Reliability	27	30
Capital Efficiency	9	15
Valuation	15	15
TOTAL	76	100

Composite Wealth Preservation Score

Component	Score	Weight	Contribution
Downside Protection	80	45%	36.0
Return Adequacy	85	30%	25.5
Quality	76	25%	19.0
COMPOSITE WP SCORE			**78 / 100**

Interpretation: A WP Score of 78/100 places Gecina firmly in the "Excellent wealth preservation candidate" category (75+), warranting a high-conviction position. The score is driven by exceptional downside protection

(47% NAV discount, fortress balance sheet, strong dividend), strong return adequacy (7.25% yield + appreciation), and high quality fundamentals.

10. ABSOLUTE REQUIREMENTS & MONITORING

Absolute Requirements Checklist

Requirement	Status	Detail
Bear case total return >= 0%	✓ PASS	+3.8% CAGR in bear case
Base case total return >= 7%	✓ PASS	+12.3% CAGR in base case
Solvency: FORTRESS or ADEQUATE	✓ PASS	FORTRESS — A-/A3, LTV 36%
Dividend sustainability: ROCK SOLID or SUSTAINABLE	✓ PASS	ROCK SOLID — SIIC mandate, 82% payout
Probability of >50% permanent loss <10%	✓ PASS	<3% — massive NAV discount cushion

All five absolute requirements are met. Gecina qualifies for a BUY recommendation under the Wealth Preservation Framework.

Monitoring Checklist & Exit Triggers

Condition	Action
Dividend cut	Reassess immediately; likely sell
LTV rises above 45%	Reassess; sell if >50%
Credit rating downgraded below BBB+	Sell
Occupancy falls below 88% sustained	Reassess
Bear case return turns significantly negative	Reduce/Sell
NAV discount narrows to <15% (target achieved)	Take profits; reassess forward return
Better opportunity with 10+ point higher WP Score	Consider replacement

FINAL RECOMMENDATION

BUY

Ticker	GFC (EPA: Euronext Paris)
Current Price	€75.90
Fair Value Range	€107 — €117
Margin of Safety	30 — 35%
Position Size	Full Position (€100)
Entry Strategy	Market Order — current price offers sufficient margin of safety
WP Score	78 / 100 (Excellent)

Expected Total Return (Base, 10Y)	12.3% CAGR
Cumulative Return (10Y Base)	~220%
€100 Becomes (Base Case)	€320

vs. HYSA (4%)	€100 → €148 (+48%)
vs. This Position (Base)	€100 → €320 (+220%)
Outperformance vs. HYSA	€172 (+172%)

Bear Case Preserves Capital	✓ Yes (+3.8% CAGR)
Dividend Provides Income Floor	✓ Yes (7.25% current yield)
Balance Sheet Provides Safety	✓ Yes (A-/A3, LTV 36%)

Analyst Notes

Key Assumptions: (1) Paris office market remains structurally undersupplied in central locations — sensitivity: if occupancy drops to 90%, base case return falls to ~9% CAGR (still above hurdle). (2) ECB rate trajectory supports gradual cap rate compression — sensitivity: if rates stay elevated, NAV discount narrowing is delayed but dividend income alone covers the hurdle rate. (3) SIIC distribution regime remains in force — low risk of change given established framework.

Limitations: (1) REIT financial structures differ from standard corporates, requiring adaptation of certain WP Framework metrics. (2) French GAAP/IFRS reporting makes direct comparisons with US REITs less precise. (3) The stock is listed in EUR on Euronext Paris; EUR-based investor avoids currency risk.

Confidence Level: HIGH. The combination of a deep NAV discount (47%), fortress balance sheet, investment-grade credit rating, 7.25% dividend yield exceeding our hurdle rate, and visible earnings growth creates a rare convergence of quality and value. The margin of safety is substantial.

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