

EQUITY - SPAIN
 Sector: Real Estate

 Closing price: EUR 16.40 (26 Feb 2026)
 Report date: 27 Feb 2026 (12:40h)

12m Results 2025
 Independent Equity Research

12m Results 2025

 Opinion ⁽¹⁾: Below expectations

 Impact ⁽¹⁾: We will maintain our estimates

Daniel Gandoy López – lighthouse@institutodeanalistas.com

Alfredo Echevarría Otegui – alfredo.echevarria@institutodeanalistas.com

+34 915 631 972

Business description

Inmobiliaria del Sur (ISUR), is a property company with headquarters in Seville and a presence in Andalusia and Madrid, whose business model combines a development activity (residential and tertiary) with a property management business, that has a portfolio of rental assets (mainly offices), both activities having a significant weighting in terms of GAV. The board directly and indirectly controls c. 71,5% of capital.

Market Data

Market Cap (Mn EUR and USD)	306.2	361.2
EV (Mn EUR and USD) ⁽²⁾	513.9	606.3
Shares Outstanding (Mn)	18.7	
-12m (Max/Med/Min EUR)	18.80 / 13.27 / 9.95	
Daily Avg volume (-12m Mn EUR)	0.04	
Rotation ⁽³⁾	3.4	
Refinitiv / Bloomberg	ISUR.MC / ISUR SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Board of Directors	71.5
Treasury stock	1.5
Free Float	27.0

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	10.1	16.3	64.8	138.6
vs Ibex 35	5.2	2.9	18.8	6.1
vs Ibex Small Cap Index	10.3	11.2	42.8	88.3
vs Eurostoxx 50	6.4	6.8	47.9	40.8
vs Sector benchmark ⁽⁴⁾	2.0	5.5	54.7	176.7

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 2.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs Stoxx Europe 600 Real State.

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse.

FY25 Results. Positive momentum continues on strong commercial activity

2025 FY EBITDA GROWS +47% AND NET INCOME +59%; DIVIDEND INCREASES +34% TO EUR 0.74/SHARE. ISUR closed the year with 670 units delivered (+47% vs. 455 in 2024) at an Average Selling Price (ASP) of EUR 301k (vs. EUR 352k in 2024). The decline in ASP is attributed to the 2024 delivery of specific developments in Madrid with higher average unit prices. This resulted in revenue of EUR 143 Mn (+9% vs. 2024), though this was -17% below our estimate due to deliveries coming in -5% below expectations and pricing -10% lower. EBITDA (EUR 48 Mn) grew 47%, driven by the strong performance of the development business and 10% growth in the rental (yielding) EBITDA. However, this was -18% lower than our estimate, primarily due to the revenue deviation and lower land sales.

BACKLOG OF 842 UNITS (EUR 313 MN) PROVIDES HIGH VISIBILITY FOR 2026-2027.

Sales coverage stands at 57% and 36% for 2026 and 2027, respectively. Presales for 2025 reached 606 units, a -5.3% decrease vs. 2024 (reflecting a reduction in units being marketed following the delivery peak in 2025). The active residential portfolio includes 2,856 units: 6% completed, 27% under construction, 24% pending construction start, and the remaining 43% in the design phase. Currently, 57.4% of the active portfolio is in the commercialization phase (of which 51.4%—842 units—is sold). Furthermore, ISUR holds a potential pipeline of 2,170 units, 15% of which are held via options. This robust backlog is a key driver of ISUR's earnings visibility.

RENTAL PORTFOLIO OCCUPANCY INCREASES 1.7 P.P. VS. 9M25.

The portfolio reached an all-time high occupancy of 96.2% (vs. 93.5% in 2024). Revenue increased +6.1% to EUR 19.4 Mn, and EBITDA grew +10.3%, with an EBITDA margin of 80.7% (vs. 77.6% in 2024). On renewed contracts, ISUR successfully raised rents by +9.9%. The Gross Asset Value (GAV) of the rental portfolio stands at EUR 376 Mn, a c. +4% increase compared to 2024.

LEVERAGE: THE POSITIVE SURPRISE OF THE 2025 RESULTS.

Leverage stands at 27.0% of GAV (vs. 33.3% in 2024 and 35.5% in 9M25). The concentration of unit deliveries in Q4 (435 units vs. 235 units as of 9M25) explains the significant debt reduction during the quarter. Net Debt as of December 2025 was EUR 157.4 Mn, a reduction of EUR 42.6 Mn for the year and -17% better than our estimate. With net investment cash flow impacting debt by EUR 17.8 Mn, the remaining EUR 24.9 Mn in debt reduction is attributable to the strong performance of the development business.

CONCLUSION: ISUR TRADES AT A 23% DISCOUNT TO NAV (EUR 22.8/SHARE) WITH STRONG MOMENTUM.

Commercial activity in 2025 confirms ISUR's strong momentum, with deliveries in the coming quarters remaining the primary catalyst. ISUR closed 2025 with a NAV of EUR 425 Mn (+6.4% vs. 2024), resulting in a NAV per share of EUR 22.8. Solid fundamentals in the presales backlog, paired with improved occupancy in the rental portfolio, support a gradual reduction in the company's execution risk premium. Despite the stock's excellent performance over the last 12 months (+64.8%; +54.7% vs. the sector), the momentum in the development business and the 23% discount to NAV suggest that this outperformance could continue. This same combination of factors drove the rally in 2025. ISUR remains a member of the Lighthouse Model Portfolio.

Appendix 1. Results table

EUR Mn	12m25	12m25 Real		12m25 Real	
	Real	12m24	vs 12m24	2025e	vs 2025e
Total Revenues	238.6	185.8	28.4%	301.3	-20.8%
Property development business	177.7	131.5	35.1%	218.7	-18.8%
Rental Revenue	19.4	18.3	6.0%	19.1	1.4%
Construction	36.9	30.7	20.1%	54.7	-32.6%
Administration and marketing	4.7	5.2	-10.3%	8.7	-46.4%
Recurrent EBITDA	48.1	32.7	47.1%	58.7	-18.0%
Rec. EBITDA/Revenues	20.2%	17.6%	2.6 p.p.	19.5%	0.0 p.p.
EBITDA	48.2	32.3	49.2%	58.7	-17.8%
EBITDA/Revenues	20.2%	17.4%	2.8 p.p.	19.5%	0.0 p.p.
EBIT	59.6	40.7	46.4%	38.4	55.3%
PBT	52.0	32.6	59.5%	30.3	71.4%
NP	39.3	24.8	58.5%	23.2	69.4%
GAV	582.8	600.1	-2.9%		
Rental business GAV	375.5	323.8	16.0%		
GAV Property development busines:	207.3	276.3	-25.0%		
NAV	425.4	400.1	6.3%		
Net Debt	157.4	200.0	-21.3%	189.6	-17.0%
LTV	27.0%	33.3%	-6.3 p.p.		

(1) 2024 figures have been restated following a change in accounting policy to the fair value method for valuing investment properties.

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	306.2	
+ Minority Interests	3.7	12m Results 2025
+ Provisions & Other L/T Liabilities	46.7	12m Results 2025
+ Net financial debt	157.4	12m Results 2025
- Financial Investments	-	12m Results 2025
+/- Others		
Enterprise Value (EV)	513.9	

Appendix 3. Main peers (2026e)

	EUR Mn	Real estate				REITs			
		Metrovacesa	Aedas Homes	Neinor Homes	Average	Merlin Properties	Colonial	Cevasa	Average
Market data	Ticker (Factset)	MVC.MC	AEDAS.MC	HOME.MC		MRL.MC	COL.MC	CEV.MC	
	Country	Spain	Spain	Spain		Spain	Spain	Spain	
	Market cap	2,011.8	1,043.3	1,908.0		8,063.8	3,463.3	183.7	
	Enterprise value (EV)	2,280.0	1,381.3	1,612.7		11,873.7	9,042.4	354.7	
Basic financial information	Total Revenues	745.0	1,163.5	1,515.0		583.3	429.6	27.9	
	Total Revenues growth	5.2%	3.9%	115.0%	41.4%	7.6%	6.5%	8.7%	7.6%
	2y CAGR (2026e - 2028e)	0.8%	-41.4%	4.6%	-12.0%	18.3%	5.5%	-95.9%	-24.0%
	EBITDA	108.5	181.6	218.7		448.4	353.1	19.9	
	EBITDA growth	n.a.	3.0%	180.8%	91.9%	11.4%	6.7%	10.4%	9.5%
	2y CAGR (2026e - 2028e)	-1.9%	-41.4%	17.9%	-8.5%	16.3%	7.5%	-92.3%	-22.8%
	EBITDA/Revenues	14.6%	15.6%	14.4%	14.9%	76.9%	82.2%	71.4%	76.8%
	EBIT	109.0	177.4	210.5		592.6	409.8	19.6	
	EBIT growth	n.a.	3.0%	n.a.	3.0%	n.a.	18.0%	10.5%	14.3%
	2y CAGR (2026e - 2028e)	-2.1%	-41.4%	18.1%	-8.5%	-0.1%	16.9%	-87.7%	-23.6%
	EBIT/Revenues	14.6%	15.2%	13.9%	14.6%	n.a.	95.4%	70.5%	82.9%
	Net Profit	69.5	118.3	116.0		481.3	237.6	12.5	
	Net Profit growth	22.2%	2.1%	-4.8%	6.5%	-38.8%	5.8%	12.0%	-7.0%
	2y CAGR (2026e - 2028e)	-2.6%	-41.4%	18.4%	-8.5%	17.0%	-2.5%	-85.0%	-23.5%
	CAPEX/Sales %	3.3%	14.1%	9.5%	9.0%	151.2%	34.4%	5.0%	63.5%
Free Cash Flow	183.0	117.0	258.3		(172.1)	334.8	1.6		
Net financial debt	296.1	266.8	312.1		4,683.1	4,830.4	79.7		
ND/EBITDA (x)	2.7	1.5	1.4	1.9	10.4	13.7	4.1	9.4	
Pay-out	274.1%	92.4%	147.9%	171.5%	50.9%	77.8%	49.6%	59.4%	
Multiples and Ratios	P/E (x)	30.5	8.7	16.5	18.6	20.1	15.7	14.7	16.8
	P/BV (x)	1.4	1.1	1.7	1.4	0.9	0.6	0.4	0.7
	EV/Revenues (x)	3.1	1.2	1.1	1.8	n.a.	n.a.	12.7	12.7
	EV/EBITDA (x)	21.0	7.6	7.4	12.0	26.5	25.6	17.8	23.3
	EV/EBIT (x)	20.9	7.8	7.7	12.1	20.0	22.1	18.1	20.1
	ROE	5.0	10.7	11.6	9.1	5.6	4.0	3.0	4.2
	FCF Yield (%)	9.1	11.2	13.5	11.3	n.a.	9.7	5.1	7.4
	DPS	1.26	2.50	2.04	1.93	0.43	0.32	0.27	0.34
	Dvd Yield	9.5%	10.5%	10.6%	10.2%	3.0%	5.8%	3.4%	4.1%

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 91 563 19 72
institutodeanalistas.com/lighthouse

Head of research

Alfredo Echevarría Otegui

alfredo.echevarria@institutodeanalistas.com

Analysts who contributed to this report:

Pablo Victoria Rivera, CESGA

Equity research

pablo.victoria@institutodeanalistas.com

Daniel Gandoy López

Equity research

lighthouse@institutodeanalistas.com

Miguel Medina Sivilotti

Equity research

lighthouse@institutodeanalistas.com

Jesús López Gómez, CESGA

ESG Analyst & Data analytics

jesus.lopez@institutodeanalistas.com

All Lighthouse research documents are available simultaneously on the Lighthouse website (institutodeanalistas.com/lighthouse) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv.

IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

1º) To provide information and financial analysis regarding securities issued by any class of legal person traded or not on official secondary markets, and especially (but not exclusively) those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.

2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.

3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros, a professional, not for profit association.

DISCLAIMER

The Instituto Español de Analistas Financieros hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report related to the financial analysis, financial projections, valuation, investment summary and opinion of the analyst have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at <https://institutodeanalistas.com>.

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or

publication for any purpose without the written authorisation of IEAF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros and/or its subsidiary IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEAF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

United States. IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US Institutional Investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
27-Feb-2026	n.a.	16.40	n.a.	n.a.	12m Results 2025	Alfredo Echevarría Otegui
31-Oct-2025	n.a.	13.90	n.a.	n.a.	9m Results 2025	Alfredo Echevarría Otegui
31-Jul-2025	n.a.	13.50	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	11.90	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
30-Apr-2025	n.a.	10.90	n.a.	n.a.	3m Results 2025	Alfredo Echevarría Otegui
27-Feb-2025	n.a.	9.95	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
31-Oct-2024	n.a.	8.40	n.a.	n.a.	9m Results 2024	José Miguel Cabrera van Grieken
31-Jul-2024	n.a.	8.30	n.a.	n.a.	6m Results 2024	José Miguel Cabrera van Grieken
27-May-2024	n.a.	8.50	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
06-May-2024	n.a.	7.60	n.a.	n.a.	3m Results 2024	José Miguel Cabrera van Grieken
04-Mar-2024	n.a.	7.15	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
30-Oct-2023	n.a.	6.80	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
31-Jul-2023	n.a.	7.10	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	7.45	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
08-May-2023	n.a.	7.10	n.a.	n.a.	3m Results 2023	David López Sánchez
19-Apr-2023	n.a.	7.10	n.a.	n.a.	Estimates upgrade	David López Sánchez
01-Mar-2023	n.a.	7.30	n.a.	n.a.	12m Results 2022	David López Sánchez
22-Dec-2022	n.a.	7.30	n.a.	n.a.	Initiation of Coverage	David López Sánchez

