



ISSUER RATING
LongTerm

OUTLOOK
Positive



ISSUER RATING
ShortTerm

Initiation date 29/11/2022
Rating Date 14/04/2026

Contacts

Lead analyst

Anne Guy
anne.guy@ethifinance.com

Secondary analyst

Siraj Adila
siraj.adila@ethifinance.com

Committee chair

Marc Pierron
marc.pierron@ethifinance.com

Rating Action and Rationale

- EthiFinance Ratings affirms Nexity SA's long-term rating at B+, but changes the outlook from Stable to Positive. EthiFinance Ratings also affirms Nexity SA's short-term rating at EF4.
- Nexity is a French real estate group that operates in almost all areas of real estate development and services in France.
- In FY25, Nexity's revenues amounted to €2.8bn, down -15.4% yoy. This decrease was due to lower backlog. Profitability, however, recovered sharply. EBIT returned to positive territory at €15m (vs -€140m in FY24), driven by the Residential segment where current operating profit rose to €13m (vs -€119m in FY24), a recovery linked to the cancellation of non-profitable programs in FY24. Working capital fell to €606m (vs €832m in FY24, -27%), supporting a positive Fund from Operation of €61m. The group continued to deleverage, with its covenant leverage ratio improving to 4.9x at year-end 2025, well within the 8.5x banking covenant limit, calculated as net debt excluding IFRS 16 lease liabilities over adjusted EBITDA.
- However, the rating remains constrained by weak credit metrics relative to pre-downturn levels. The backlog remains below historical levels at €3.9bn (vs €4.4bn in FY24 and €5.4bn in FY23), limiting near-term revenue visibility. Following the disposal of its international operations, Nexity is now fully focused on the French residential market, increasing exposure to local cycle volatility and limiting diversification. French market remained weak in 2025, despite showing signs of stabilization but at low level. A structural shift in demand has occurred following the end of the Pinel tax incentive at the end of 2024, which reduced private investor demand. In 2025, demand was supported by first-time buyers, institutional investors and social housing providers. Going forward, the local elections in March 2026 are expected to weigh on the delivery of permits in the first semester. However, the French government announced a new plan to relaunch the construction in January 2026, with targets of c. 400k homes built/year, and a private landlord status, which is expected to encourage demand from individual investors.
- Over our forecast period (FY26-28), we expect a gradual recovery in Nexity's credit profile. Revenue is expected to decline modestly in FY26 before returning to growth in FY27, as we expect the backlog progressively replenishes with higher-margin projects. Adjusted EBITDA margin is expected to expand gradually from 9.1% in FY25 towards c.11.5% in FY27, driven by the increasing contribution of projects launched at target margins and the full effect of cost savings. The working capital tailwind observed in FY25 is expected to start partially reversing from FY27 onwards as Nexity is expected to re-accelerate its development pipeline, tempering the pace of deleveraging. On this basis, EthiFinance Ratings projects adjusted net leverage (including IFRS 16) improving from 5.8x in 2025 towards 4.9x in 2026 and 4.2x in 2027, with FFO/adjusted net debt recovering to c.17.4% by 2026.
- Under our methodology, real estate developers have medium ESG risks (sector heatmap score between 3 and 3.5), given their impact on the environment. This results in a sectoral assessment that does not affect the rating. Regarding environmental factors, real estate developers have a medium impact on climate as they are not heavy producers of GHG. However, the GHG emissions from the production of cement, wood, bricks, and other materials used by the industry are extremely high. The industry is a heavy user of raw materials and land, which creates dependencies and impacts, in particular as usage can be at the expense of agriculture. The financial materiality is relatively limited as regulation is low. Regarding supply chain, the industry is competitive, limiting dependence. The industry can also have a positive impact on consumers, particularly in emerging countries where home access remains key, and on communities, being a large provider of jobs.
- Our assessment of the company's ESG policy is neutral (company ESG score of between 1.5 and 3.5), which has no impact on our financial assessment. Our assessment is based on the 2024 data, as the data for 2025 has not yet been published. Nexity has good governance practices, with a high independence of its board, and a good analysis of ESG issues. However, the chairman of board is also the CEO, from January 2023. Regarding social factors, Nexity benefits from a good assessment, with a decrease of absenteeism rate as well as staff turnover, relative to 2023. In terms of environmental factors, our assessment of Nexity has improved due to reduction on energy consumption (up to -41% vs FY22 levels) mainly driven by revenue decline, and despite the slight increase of direct emissions (+2% scope 1 & 2 GHG vs FY23). Nexity remains committed to reducing its scope 1 and 2 emissions by 47% by 2030 (vs 2019), and its scope 3 development emissions by 42% per sqm delivered over the same period. According to the latest 2024 sustainability disclosure, scope 1 and 2 emissions were still above the 2019 baseline, while scope 3 development carbon intensity was 6.3% below 2019 levels.

Issuer Description

Nexity, headquartered in Paris, France, is a prominent real estate group. The company operates in almost all areas of French real estate development and services, but it doesn't own real estate assets to rent. By end-2024, Nexity has announced its completion of its France- refocus and repositioned as 'New Nexity' starting early 2025, operating as a regional multi-product urban player. Nexity is listed on the Euronext Paris stock exchange, with a market capitalization

of €474m, as of 13 April 2026. As of December 31, 2024, the main shareholders were Crédit Mutuel Arkéa and Suravenir (6.69%), CAA Predica and Spirica (6.62%), La Mondiale (5.00%), and ACM Vie (5.05%). Nexity managers and employees collectively held 2.25%. The free float represented 71.54% of share capital.

In FY25, Nexity generated revenues of €2.8bn, down 15.4% vs FY24, and adjusted EBITDA of €257m (EBITDA margin of 9.1%). The adjusted net leverage ratio (NFD/EBITDA) improved to 5.8x, compared to 11.7x at YE24.

Liquidity

We assess the liquidity profile of Nexity as “Adequate”, reflecting a weak refinancing profile due to expected higher interest costs, linked to deterioration of the group’s credit profile over the last years. The company’s liquidity is considered as high, as the company can repay its debt maturing in the next 2 years, with an undrawn revolving credit facility of €475m (out of a €625m facility maturing in February 2028).

Credit Metrics Evolution Expectation (CMEE)

Our CMEE is Positive, reflecting our view that credit metrics will improve over the next 12 months. In particular, we expect the adjusted net leverage to be around 4.2x by YE27.

Main Financial Figures

Main financial figures. millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	3 333	2 821	2 731	2 899	2 969	-15,4%
Adj EBITDA ⁽¹⁾	134	257	280	332	343	91,1%
Adj EBITDA Margin	4,0%	9,1%	10,2%	11,5%	11,5%	5,1pp
EBIT	(140)	15	57	109	119	110,7%
EBIT Margin	-4,2%	0,5%	2,1%	3,8%	4,0%	4,7pp
EBT	(133)	(241)	(15)	47	56	-80,9%
Total Assets	6 498	5 454	5 173	5 238	5 368	-16,1%
Equity	1 871	1 619	1 603	1 632	1 669	-13,4%
Adj Total Financial Debt ⁽²⁾	2 242	1 919	1 706	1 641	1 734	-14,4%
Adj Net Financial Debt ⁽²⁾	1 574	1 498	1 357	1 388	1 498	-4,9%
Equity/TFD ⁽²⁾	83,4%	84,4%	94,0%	99,5%	96,3%	0,9pp
Adj NFD/Adj EBITDA ⁽¹⁾⁽²⁾	11,7x	5,8x	4,9x	4,2x	4,4x	-5,9x
Adj Funds From Operations	(146)	61	237	277	285	142,0%
Adj FFO/Adj NFD ⁽²⁾	-9,3%	4,1%	17,4%	20,0%	19,0%	13,3pp
Adj EBITDA/Adj Interest ⁽¹⁾	1,1x	3,2x	4,5x	6,4x	6,5x	2,2x

⁽¹⁾ Adjusted for restructuring costs.

⁽²⁾ Adjusted for employee benefits and bond adjustments.

Credit Rating

Credit Rating	
Business Risk Profile	BB
<i>Industry risk assessment</i>	<i>BB</i>
<i>Industry's ESG</i>	<i>Neutral</i>
<i>Competitive Positioning</i>	<i>BB+</i>
<i>Governance</i>	<i>BB-</i>
Financial Risk Profile	B
<i>Cash flow and leverage</i>	<i>B-</i>
<i>Solvency</i>	<i>BBB-</i>
<i>Company's ESG</i>	<i>Neutral</i>
Anchor Rating	B+
<i>Modifiers</i>	-
Rating	B+

Rating Sensitivity

- LT Rating: B+
- ST Rating: EF4

Factors that may (individually or collectively) impact the ratings:

- **Rating positive factors (↑)**

A long-term rating upgrade to BB- could be entailed by an improvement of Nexity's credit metrics, in particular if deleveraging progresses in line with expectations, with an adjusted net leverage around 5.0x for a sustained period of time. This considers the partial reconstitution of the backlog from 2027, which is expected to generate higher profitability (c. an adjusted EBITDA margin of c. 11.5%) and moderate debt recourse.

An upgrade of the short-term rating to EF3 would require an upgrade of the long-term rating to BB-, all things being equal. A liquidity improvement to superior with a stable CMEE and B+ long-term rating, would also entail a short-term rating upgrade to EF3.

- **Rating negative factors (↓)**

A long-term rating downgrade to B could result from a deterioration in Nexity's operations, which would imply a worsening financial profile. In particular, a net adjusted leverage of above 8.0x for a sustained period of time would trigger a downgrade.

A downgrade of the short-term rating to EF5 would imply a significant deterioration of the long-term rating to CCC+. This seems currently improbable, despite the challenging market.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

Conditions of Use for this document and its content:

For all types of Ratings that ETHIFINANCE RATINGS, S.L. (the "AGENCY") issues, the User may not, either by themselves or via third parties, transfer, sublease, sublicense, sell, extract, reuse, or dispose of in any other way the content of this Document to a third party, either for free or for consideration.

For the purpose of these Conditions of Use, any client who might have subscribed for a product and/or a service that allows him to be provided with the content of this Document as well as any privileged person who might access the content of this Document via www.ethifinance.com shall be considered as a User.

Nor may they alter, transform or distort the information provided in any way. In addition, the User will also not be permitted to copy and/or duplicate the information, nor create files which contain the information of the Document, either in its entirety or partially. The Document and its source code, regardless of the type, will be considered as the elaboration, creation, or work of the AGENCY and subject to the protection of intellectual property right regulation. For those uses of this Document which are permitted, the User is obliged to not allow the removal of the copyright of the AGENCY, the date of the Document's issuance, the business name as established by the AGENCY, as well as the logo, brands and any other distinctive symbol which is representative of the AGENCY and its rights over the Document. The User agrees to the conditions of Use of this Document and is subject to these provisions since the first time they are provided with this Document no matter how they are provided with the document. The Document and its content may not be used for any illicit purpose or any purpose other than those authorised by the AGENCY. The User will inform the AGENCY about any unauthorised use of the Document and/or its content that may become apparent. The User will be answerable to the AGENCY for itself and its employees and/or any other third party which has been given or has had access to the Document and/or its content in the case of damages which arise from the breach of obligations which the User declared to have read, accepted and understood upon receiving the Document, without prejudice to any other legal actions that the AGENCY may exercise in defence of its lawful rights and interests. The Document is provided on the acceptance that the AGENCY is not responsible for the interpretation that the User may make of the information contained. Credit analyses included in the Document, as well as the ratings and statements, are to be deemed as opinions valid on the date of issuance of the reports and not as statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The credit ratings and

credit rating prospects issued by the AGENCY are considered to be its own opinion, so it is recommended that the User take it as a limited basis for any purpose that it intends to use the information for. The analyses do not address the suitability of any value. The AGENCY does not act as a fiduciary or an investment advisor, so the content of the Document should not be used as a substitute for knowledge, criteria, judgement or experience of the User, its Management, employees, advisors and/or clients in order to make investment decisions. The AGENCY will devote every effort to ensure that the information delivered is both accurate and reliable. Nonetheless, as the information is elaborated based on data supplied by sources which may be beyond the control of the AGENCY, and whose verification and comparison is not always possible, the AGENCY, its subsidiaries, and its directors, shareholders, employees, analysts and agents will not bear any responsibility whatsoever (including, without any limitations, loss of revenue or income and opportunity costs, loss of business or reputational damage or any other costs) for any inaccuracies, mistakes, noncorresponding information, incompleteness or omission of data and information used in the elaboration of the Document or in relation to any use of its content even should it have been warned of potential damages. The AGENCY does not make audits nor assume the obligation of verifying independent sources of information upon which the ratings are elaborated. Information on natural persons that may appear in this document is solely and exclusively relevant to their business or business activities without reference to the sphere of their private life and should thus be considered. We would like to inform that the personal data that may appear in this document is treated in accordance with Regulation (EU) 679/2016, on the protection of natural persons with regard to the processing of personal data and the free movement of such data and other applicable legislation. Those interested parties who wish to exercise the rights that assist them can find more information in the link: <https://www.ethifinance.com/> in the Privacy Policy page or contact our Data Protection Officer in the mail dpo@ethifinance.com. Therefore the User agrees that information provided by the AGENCY may be another element to consider when making business decisions, but decisions will not be made based solely on it; that being the case the AGENCY will not be held responsible for the lack of suitability. In addition, the use of the information before courts and/or tribunals, public administrations, or any other public body or private third party for any reason shall be solely the User's responsibility and the AGENCY shall not be held responsible for any liabilities on the grounds of inappropriateness of the information's contents. Copyright © 2023 ETHIFINANCE RATINGS, S.L. All Rights Reserved. C/ Benjamín Franklin S/N, Edificio Camt, 1º Izquierda, 18100, Granada, España C/ Velázquez nº18, 3º derecha, 28001 - Madrid