January 27, 2026

Raghsa S.A.

Raghsa develops, constructs, leases, and sells premium office and residential properties. It is the leading player in Argentina's AAA corporate lease market and holds office and residential assets in New York. The company reported its 3Q26 results, covering September–November 2025. Fiscal year end is February 28, 2026.

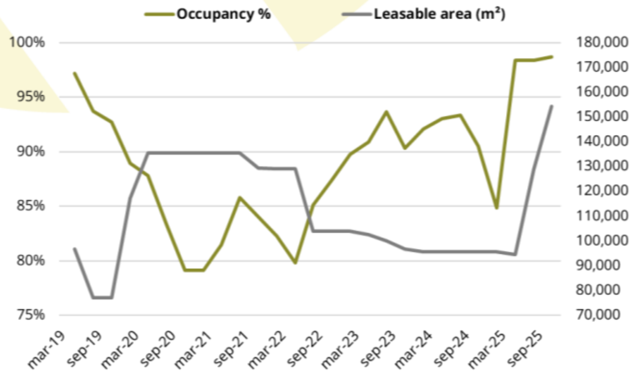
Local Portfolio

In Buenos Aires, Raghsa owns four office buildings: Madero Office (MO), 955 Belgrano Office (BO), Centro Empresarial Libertador (CEL), and Centro Empresarial Núñez (CEN). Both BO and CEL hold LEED Gold certification from the USGBC, and CEN is expected to achieve the same.

In 3Q26, CEN began recognizing lease revenue under its JPMorgan lease. As noted previously (see here), JPMorgan had occupied the building since April but benefited from a rent-free period in exchange for property refurbishment.

Total leasable area in Argentina reached 119,973 m² in 3Q26. The addition of CEN (25,561 m²) increased available area by 25% versus 3Q25. Occupancy was near full, with a weighted average of 98.7%, up 800 basis points year-on-year.

Occupancy % and Leasable area in Argentina



Source: Sekoia Research based on FFSS.

Aligned with its expansion strategy in Buenos Aires' northern corridor, after 3Q26 Raghsa acquired a 5,800 m² plot at Av. del Libertador 7055 for USD 73 million. USD 30 million has been paid upfront, with the remainder settled via two MO units and USD 31 million in 15 equal quarterly installments starting in October. The site has an estimated buildable area of 75,500 m², offering significant development potential.

Regarding the 5,500 m² plot acquired in March 2024 at Av. del Libertador 7172, Raghsa is finalizing plans to obtain approvals and tender the construction of a AAA corporate building (~25,500 m² leasable). The plot is fully paid. Construction is expected in 2H26, with a total projected investment of USD 75 million; material stockpiled to date amounts to USD 5 million.

The weighted-average premium office rent in Buenos Aires at 3Q26 was USD 27.8/m². Based on available area and projections, the local portfolio can generate USD 36.6 million in office lease revenue over the next 12 months (NTM).

International Portfolio

As part of its strategy to diversify Argentine risk, Raghsa expanded its presence in New York's real estate market. In August 2025, it acquired a Class A office building at 512 West 22nd Street for USD 205 million, with USD 130 million remaining financed via a 10-year U.S. bank mortgage.

The building offers ~16,030 m² leasable, located in West Chelsea adjacent to the High Line, with LEED Silver, ENERGY STAR, and BOMA certifications. Lease recognition began in 3Q26; occupancy was 100%, with projected lease revenue of USD 20.1 million (NTM).

Regarding assets already reported in the portfolio, the fully renovated One Union Square South (OUSS) residential building maintained 100% occupancy at 3Q26, projecting USD 17.1 million in revenue (NTM). Similarly, two contiguous West Side Manhattan plots, planned for a last-mile logistics hub, have approved plans but no construction start date. One 2,322 m² lot is leased, projecting USD 1.8 million in revenue (NTM).

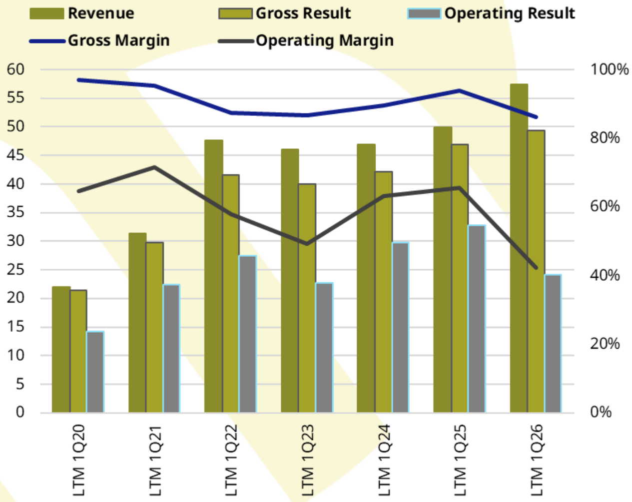
Results

In 9M26, Raghsa reported lease revenue of USD 44.8 million across its local and international portfolios, up 21% year-on-year, driven primarily by 3Q26 as revenue recognition began for CEN and 512W22. Excluding these additions, revenues remain stable, supported by long-term leases.

The increase in leasable area led to CEL contributing ~36% of 9M26 revenue, followed by OUSS at 25%. 512W22 accounted for 13%, and CEN 7%, with upside potential in future periods.

On a trailing 12-month basis, revenue has shown steady growth aligned with the expansion of the premium asset portfolio. Operating margins contracted to 42%, mainly due to extraordinary third-party service costs recorded in 2Q26.

Revenue, Results, and Margins (USD million)



Source: Sekoia Research based on FFSS.

Debt Profile

As of 3Q26, Raghsa reported total financial debt of USD 357.2 million, fully USD-denominated, up 46% YoY, primarily due to the new mortgage for the 512W22 acquisition.

Of total debt, 34% comprised corporate bonds (three under NY law, maturing in 2027, 2030, and 2034, and one local bond maturing April 2026), while 66% were mortgages linked to OUSS and 512W22.

Cash and financial assets totaled USD 53.7 million, mostly to cover operating expenses, with only 34% in foreign currency. Liquidity declined 51% YoY. Net debt stood at USD 303.6 million, more than double last year.

The projected lease revenue for the entire current portfolio at the close of 3Q26 is approximately USD 75.6 million for the next 12 months (NTM). Based on this, Net Debt / Revenues (NTM) stood at 4x. Given that most debt is mortgage-secured, excluding it reduces net debt to USD 64.6 million. Excluding both mortgage debt and projected revenue from the NY portfolio, Net Debt / Revenues (NTM) falls to 1.8x, a very manageable level; short-term financing needs are minimal, with only 2% of debt current and the bulk maturing from 2030 onward.

From another perspective, the local portfolio was valued at USD 583.1 million (USD 4,860/m^2), nearly 5x the corporate bond debt. This excludes Av. Libertador plots under development. Buenos Aires office assets provide strong coverage for Raghsa's obligations; partial sales, as done at MO, can reduce market debt.

USD million	3Q26	3Q25	Var (%)
Financial Debt	357.2	245.5	46%
Cash & Equivalent	6.5	1.9	251%
Financial Assets	47.2	108.3	-56%
Net Debt	303.6	135.4	124%
Net Debt/Revenues (NTM)	4.0	2.5	1.5
Interest (NTM)	19.7	13.2	49%
Revenues/Interest (NTM)	3.8	4.1	-0.3
Net Debt (excl. NY)	64.6	21.6	199%
Net Debt/Revenues (excl. NY)	1.8	0.6	1.2
Interest (excl. NY)	9.7	10.2	0.0
Revenues/Interest (excl. NY)	3.8	3.7	0.1

Source: Sekoia Research based on FFSS.

RAGHSA 8.50% 2027: Bullet maturity in 2027, semiannual coupon 8.5%. Post-exchange outstanding amount USD 9.6 million. Trades clean at USD 101.25, YTM 7.4%, duration 1.2.

RAGHSA 8.25% 2030: Issued for USD 56.8 million, bullet maturity 2030, semiannual coupon 8.25%. Trades at USD 101.5, YTM 7.8%, duration 3.6.

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RAGHSA 8.50% 2032: Issued for USD 48.7 million, bullet maturity 2032, semiannual coupon 8.5%. Trades clean at USD 102.25, YTM 8.1%, duration 5.3.

ISIN	Description	Ticker	Clean	YTM	Dur.	Min.	O/S
USP79849AD07	RAGHSA 8 ½ 05/04/27	RAC4O	101.25	7.4	1.2	1,000	9.6M
USP79849AE89	RAGHSA 8 ¼ 04/24/30	RAC5O	101.50	7.8	3.6	1,000	56.8M
USP79849AF54	RAGHSA 8 ½ 12/11/32	RAC7O	102.25	8.1	5.3	1,000	48.7M

Source: Sekoia Research based on Bloomberg.

Outlook

With a more balanced projected revenue mix (48% Argentina, 52% U.S., driven by the new NY building), Raghsa maintains a robust credit profile supported by premium real estate, near-full occupancy, and long-term leases with top-tier tenants, ensuring stable and predictable cash flows. This geographic diversification significantly reduces exposure to local macro risks. Debt growth reflects the acquisition of high-quality assets. While leverage increased, the maturity profile remains comfortable, with low current debt and no short- or medium-term refinancing pressures. Mortgage debt matures in 2035 (512W22) and 2050 (OUSS), mitigating liquidity risk.

Raghsa's corporate bonds represent an attractive, defensive opportunity within the Argentine hard-dollar corporate bond segment, which remains heavily concentrated in Oil & Gas issuers. In August 2025, Raghsa completed its first IPO via new Class A shares, placing ~6.5% of its current capital and raising USD 27.3 million. This milestone diversifies funding sources and could gradually enable additional equity financing, potentially improving leverage.

We maintain a positive view on Raghsa corporate debt. Given low secondary-market liquidity, each primary issuance represents a key entry point.

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