

1H2019 Results presentation

Market call August 2, 2019 h. 12.30pm CET

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Highlights

↗ **€77.3 mn**
Rental Income
+4.4%

↗ **€62.9 mn**
Core Business Ebitda
+13.1%
(+4.0% adj ex IFRS16)*
Margin 78.2%
Margin from Freehold 80.0 %

↗ **€2,388.3 mn**
Real Estate Portfolio
Market Value
-0.99% vs FY2018

↗ **€68.6 mn**
Net Rental Income
+13.0%
(+4.6% adj ex IFRS16)*

↗ **€41.8 mn**
Recurring Net Result (FFO)
+7.6%

↗ **€10.78** per share
Epra NNAV
-5.8% vs FY 2018

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* 2019 adj ex IFRS16 does not consider the application of the IFRS16 accounting principle

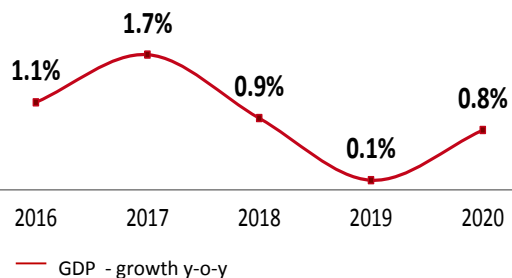


Operating Performances

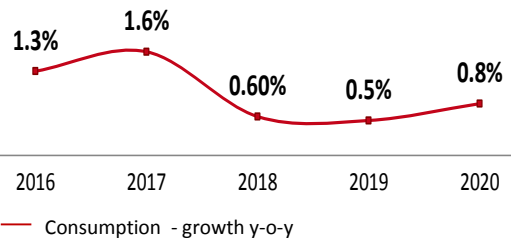
Macro-economic context - an update



Almost flat GDP affected by the weakness of exports and investments

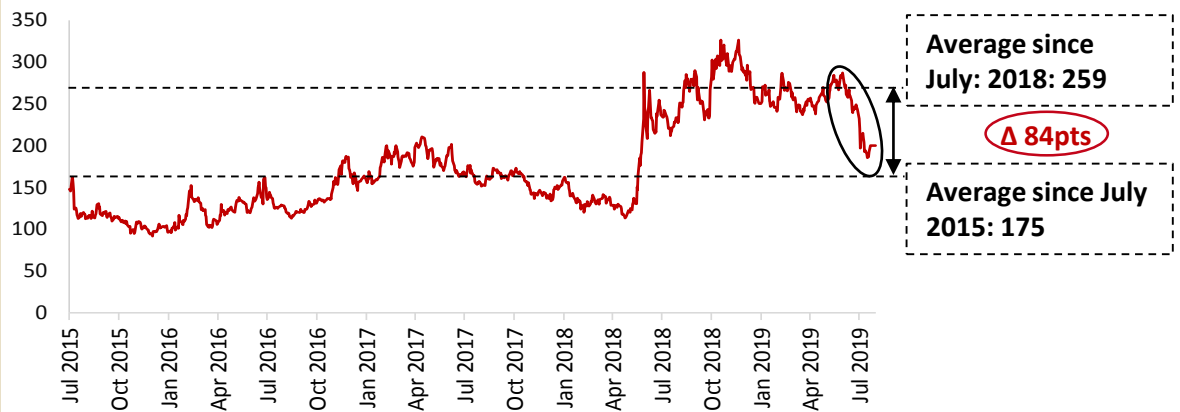


Consumption remains positive, but families savings in increase



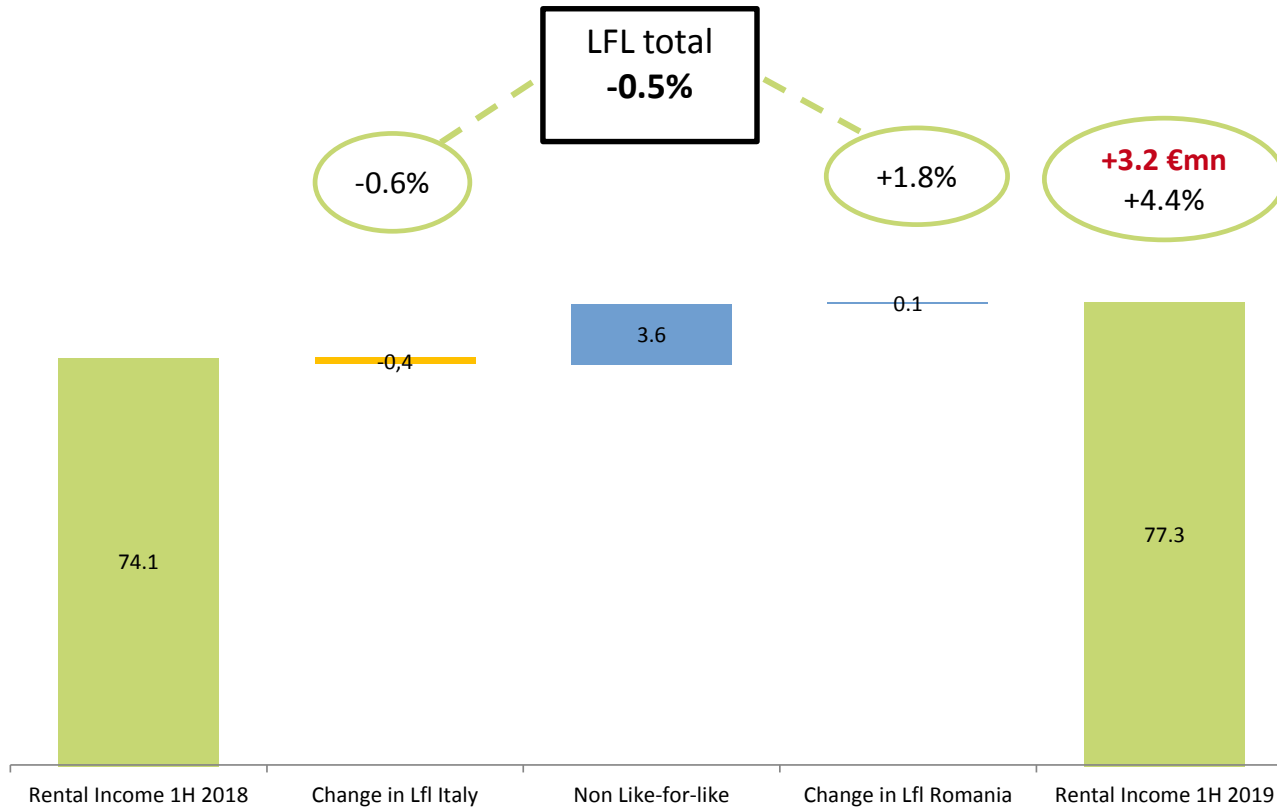
- Expected GDP growth for 2019 is almost zero due to exogenous (global trade tensions and uncertainty concerning Brexit) and endogenous (strong slowdown in investments and exports) factors
- Consumption trend is slowing, but still positive (+0.1% retail sales Jan-May 2019 vs Jan- May 2018)

Spread Btp-Bund 10y

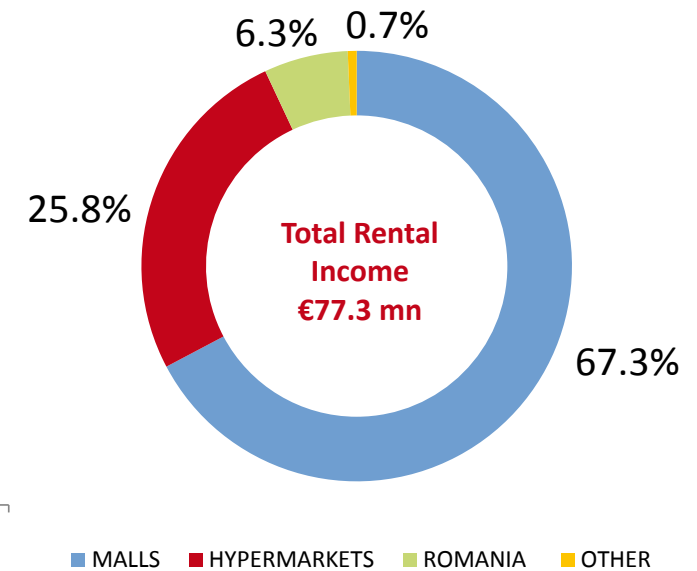


- The scenario has changed since April: spread increased up to over 300
- Over the last 3 months the spread decreased: ECB policy; no risk of «Italexit»; improving perspectives, in 2020 growth is expected to be more solid

Rental Income (€mn)

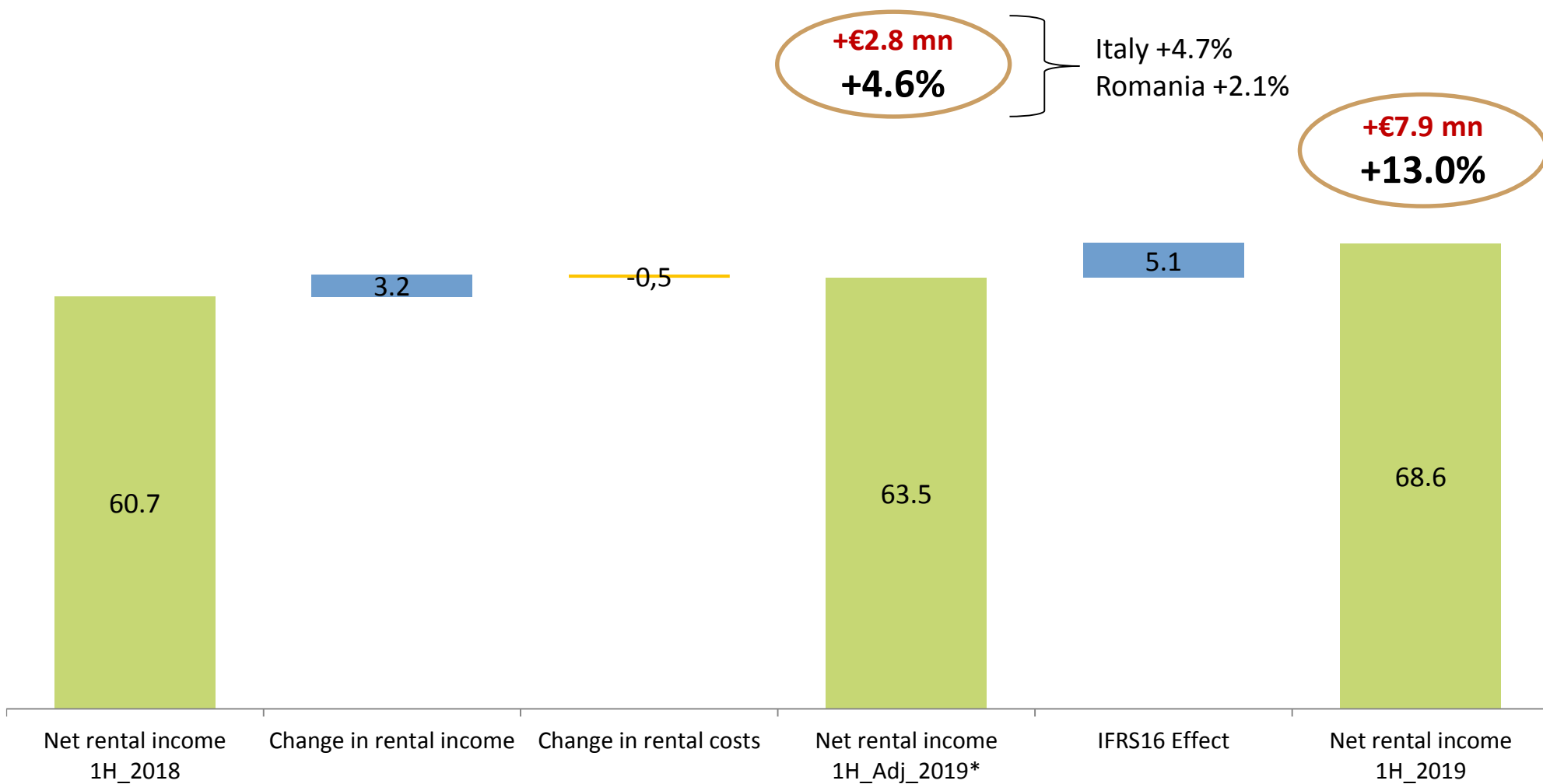


Rental Income breakdown



- ✓ **Decrease in malls (-0.9%)** due to an increase in temporary discounts and strategic/temporary vacancy
- ✓ **Hypermarkets substantially flat**
- ✓ **Inflation impact ≈ +70bps**

Net rental income (€mn)



* 2019 adj ex IFRS16 does not consider the application of the IFRS16 accounting principle. Figures may not add up due to rounding

Operating performance Italy

93.7 % of total rental income



96.3% occupancy
(96,6%* current)

vs 97.2% FY18

Decrease mainly due to strategic and temporary vacancy on some medium surfaces; IGD is working on the re-commercialization (1,300 sqm already rented) also through remodeling



Flat tenant sales



See next slide



-2.9% Footfalls



+1.1% Average upside**

162 signed contracts

of which 64 turnover and 98 renewals

The positive trend of recent quarters continues (from 2016 onwards)

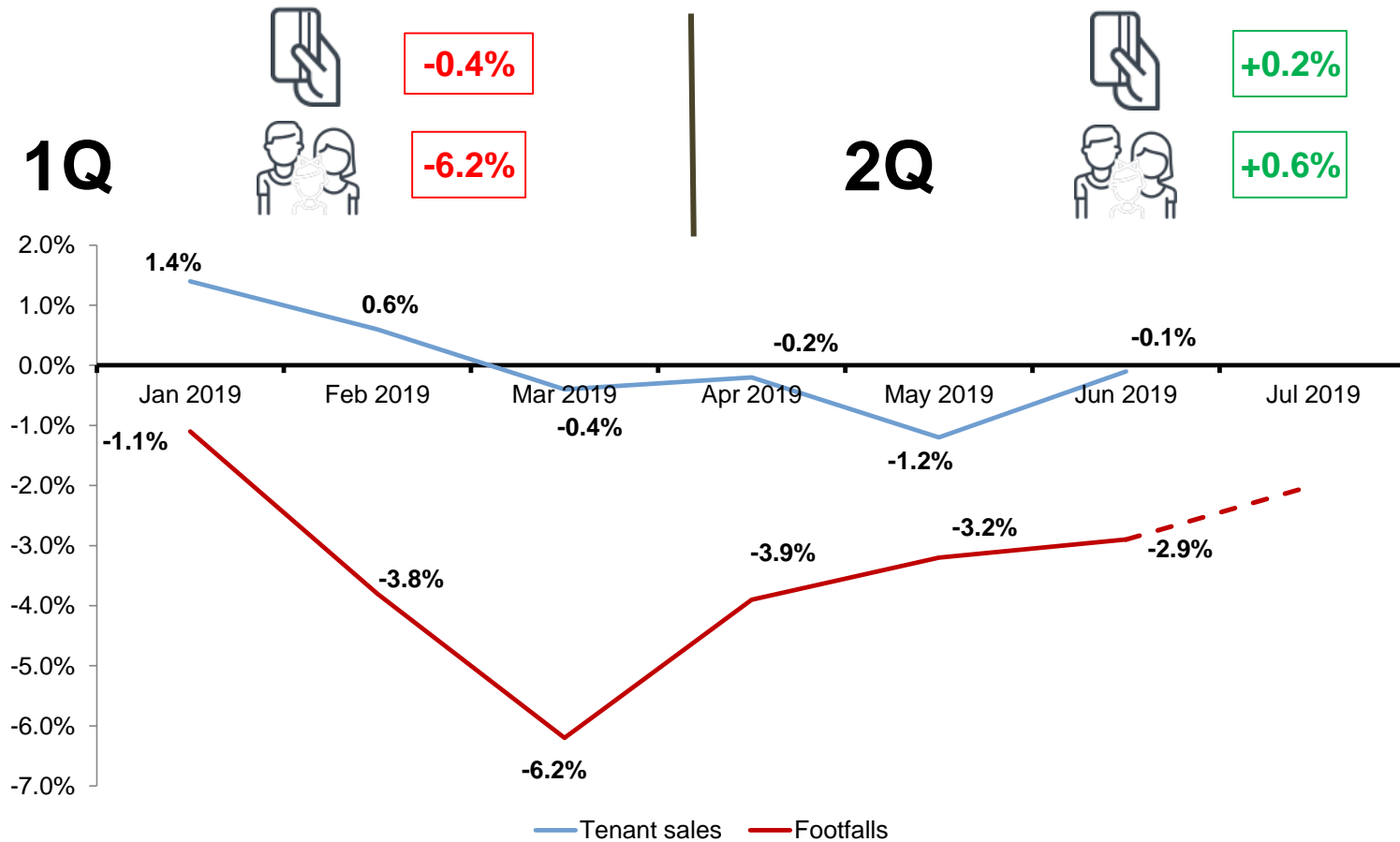


4.4% Rotation rate

% new tenant on tot. contracts

Focus on trends

Tenant sales and footfall trends 2019 vs 2018



A difficult first quarter with calendar effect (Easter) plus adverse weather conditions in February and May

- **2Q2019** good signs of recovery of footfalls and sales
- **July 2019** good perspectives with an increase in footfalls

On-going projects: our idea of shopping



A tailor-made offer to satisfy our visitors

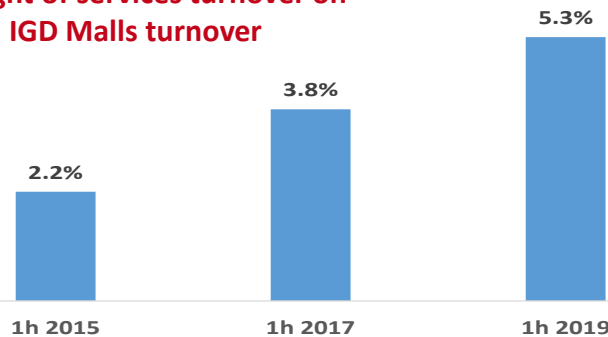
New brands added:

LLOA BE NATURAL (restaurant) in Centro Sarca,

DROGERIE MARKT (grocery) in Centro Piave and Gran Rondò

BABY STAR (beauty salon and entertainment area for children) in Fonti del Corallo

Weight of services turnover on total IGD Malls turnover



More space dedicated to services

- + 1 new **dental clinic** (Conè) in addition to the 20 already in operation
- Merchandising mix constantly evolving thanks to the addition of new brands and **services**



We believe in the social role of the Shopping Center

«SOCIAL BORGHO Project »

c/o Centro Borgo Bologna

Shopping Center as a space at the service of the local community that actively involves those who live near-by.

To be completed by the end of the year

On-going projects: environmental sustainability



Theme

Our commitment

Actions carried out March/August 2019

Environmental certifications



- ISO 14001 for 95% of the portfolio
- BREEAM IN USE for 5 more Shopping Centers



+3 Centers ISO 14001 certified



+2 Centers BREEAM IN USE certified



Intervention to reduce electricity consumption



- New photovoltaic systems



+2 Photovoltaic systems



Sustainable mobility



- Foster electric mobility



Kick off of the agreement with **Enerhub**:
+ 5 shopping centers with
EV charging stations

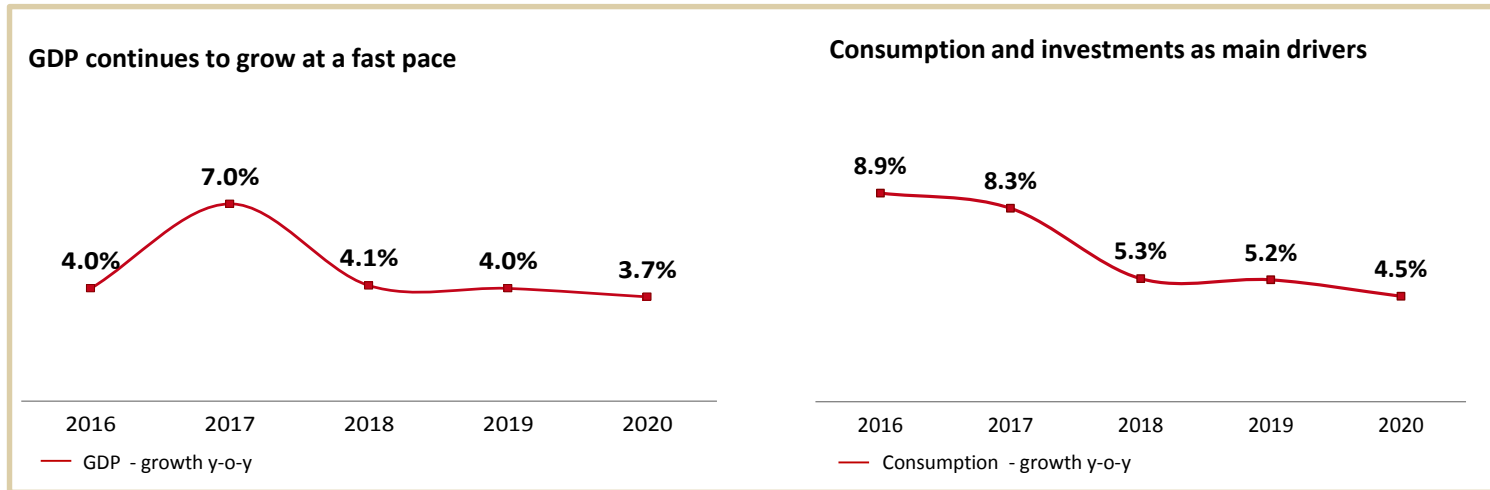


+1 Charging system for e-bike batteries



Romania – context and operating performances

6.3% of total rental income



**Very positive
macro
context
and
Consistent
operating
performances**



+96.5% occupancy
vs 97.1% FY18



**+1.8% Rental
Income LFL**

Vs 1H 2018



+8.1% Average Upside*
196 signed contracts

of which 93 turnover and 103 renewals



15.9% Rotation rate

% new tenant on tot. contracts

Romania - Commercial activities

2 new shops
(Ploiesti Grand Center
& Ploiesti Big)
Total network: 6 shops



German clothing
brand



**New entry in
Winmarkt portfolio:
more and more international
and attractive merchandising
mix**

1 shop
(Cluj)



Romanian brand
Children
equipment and
clothing



**New
opening in
2H 2019**



Hungarian
clothing brand





Portfolio

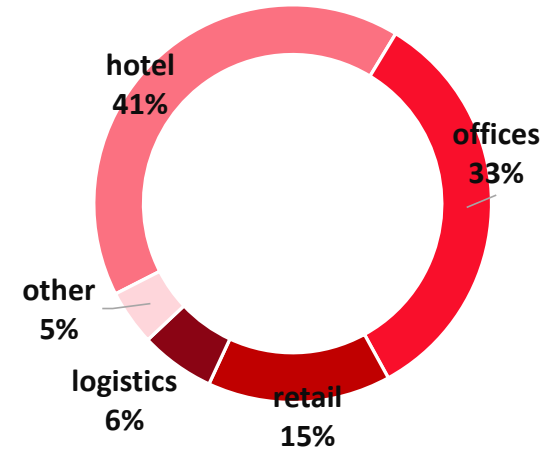
Italian real estate market: an update

RECORD 1H2019:
investments €5.1 bn
(best 1H ever)

- **80%** of investors are **foreigners**
- Hotel is the best sector followed by Offices
- **Retail** investment volumes are lower compared to 1H2018 (**-40%**)



1H2019 Real estate investment by type



Retail real estate:

- No significant deals in 1H 2019 on shopping centers
- Strong investment growth in 2Q2019 (+25% vs 2Q2018)

Property portfolio

€ 2,412.1 mn*



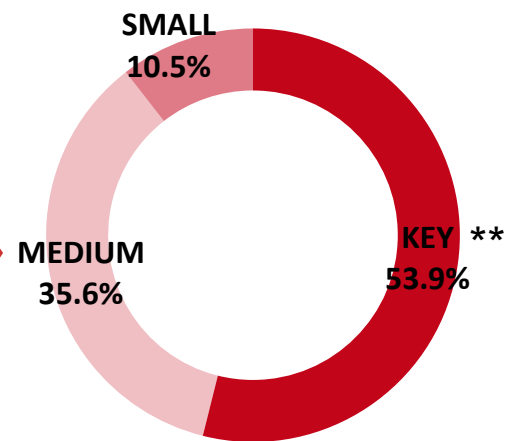
Portfolio FY2018

-0.99%

€ 2,388.3 mn*



Portfolio 1H2019



Full ownership
of 16 Shopping Centers
in Italy
(62% of core market value Italy)

- Katanè
- Porte di Napoli
- Tiburtino
- ESP
- Puntadiferro
- Conè
- C. Sarca
- C. Leonardo

* Values take into account the impacts of the hyper/malls remodeling provided for in the Strategic Agreement with COOP

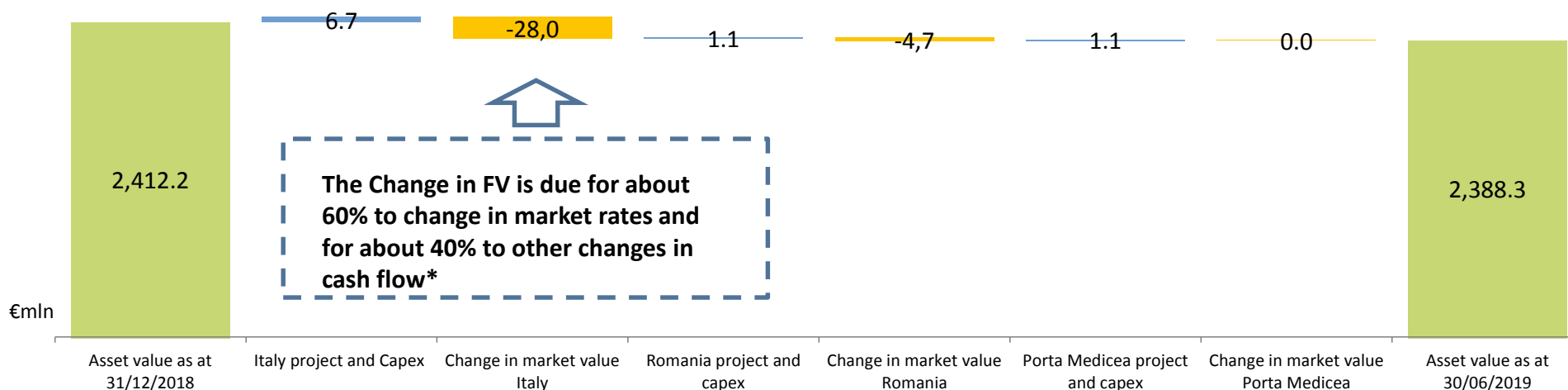
** Mkt value >70€mn

Property investments



	FY 2018	1H 2019	Δ%	Gross Initial Yield	Net Initial Yield	Net Initial Yield topped up	Financial occupancy
Italy Malls	1,573.79	1,553.06	(-1.32%)	6.43%	5.40%	5.40%	95.05%
Italy Hypermarkets	585.63	583.38	(-0.38%)	6.07%			100.0%
Romania	154.79	151.17	(-2.34%)	6.94%	5.80%	6.20%	96.45%
Porta a Mare + development + other	97.94	100.72					
Total IGD Portfolio	2,412.15	2,388.33	(-0.99%)				
Leasehold properties (IFRS16)	N.A.	61.21					
Total IGD Portfolio with leasehold	2,412.15	2,449.54	+ 1.55%				

Tot. Italy
96.3%



Asset management - spaces remodeling

Hypermarkets remodeling works have started in line with 2019-2021 Strategic Plan



Goal: reduction of the hypermarket area and creation of new retail units in the mall

- **Hypermarket:** work in progress – end of work Sept 2019
- **Mall:** start of work Sept 2019 – end of work Feb 2020



Goal: reduction of the hypermarket area and creation of new retail units in the mall + **center restyling** (project by Lombardini 22) and **seismic improvement measures**

- **Hypermarket:** work in progress – end of work Nov 2019
- **Mall:** start of work Sept 2019 - end of work Set 2020



Asset rotation

28 June 2019: sale and purchase agreements*

Sale of Palazzo Orlando (office building) part of the Porta a Mare development project in Livorno

Total GLA: 5,270 sqm

Sale price: € 12.8 mn (in addition to taxes)

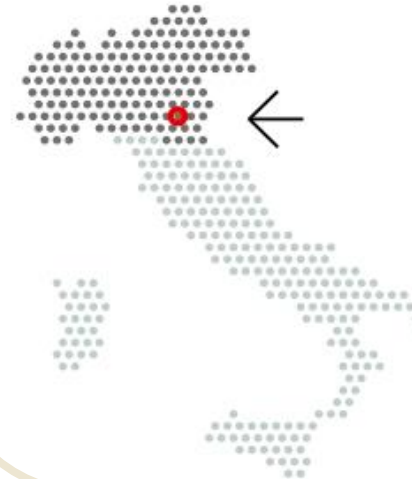


Purchase of the 50% interest in the Darsena City Shopping Mall in Ferrara (of which IGD is currently joint-owner)

Total GLA: 16,250 sqm

N. of shops: 19

Sale price: € 13.9 mn (in addition to taxes)



THESE AGREEMENTS WILL ALLOW IGD TO FOCUS ON ITS CORE BUSINESS (REAL ESTATE RETAIL)

* Binding Agreements with a premiere international real estate player, definitive agreements will be executed by 30 September 2019

Porta a Mare Project (1/3): overview

Focus: see next slides



MOLO MEDICEO, LIPS, ARSENALE
Hotel, residential, services for the port

OFFICINE STORICHE

Work in progress

Retail: >15,000 sqm

Residential: 43 units



Focus next slide



PIAZZA MAZZINI

Completed

Retail: already operational since 2016, owned by IGD

Residential: 73 units of which 72 sold/pre-sold

PALAZZO ORLANDO

Completed in 2009

Offices – Sales agreement signed on 28/06/2019



Porta a Mare Project (2/3): Officine Storiche



Work restarted*: March 2019 **End of work:** 2H 2020
Total expected investment: € 53 mn (remaining ca.€ 20 mn)
Total surface: 20k sqm, of which 15k sqm devoted to retail
Stores: 30 + 10 restaurants + 1 fitness center

The area will connect the city's downtown with the sea and transform the old-style spaces based on a totally new concept with a unique design and a rich retail offering.

* Following the new building permits, based on the changes to the original project, which also includes 43 apartments and 500 parking places



Porta a Mare Project (3/3): Other areas



LIPS: hypothesis of a 4-star business hotel and residence with apartments designed for ship crews or student housing

ARSENALE: possibility of one or more residences

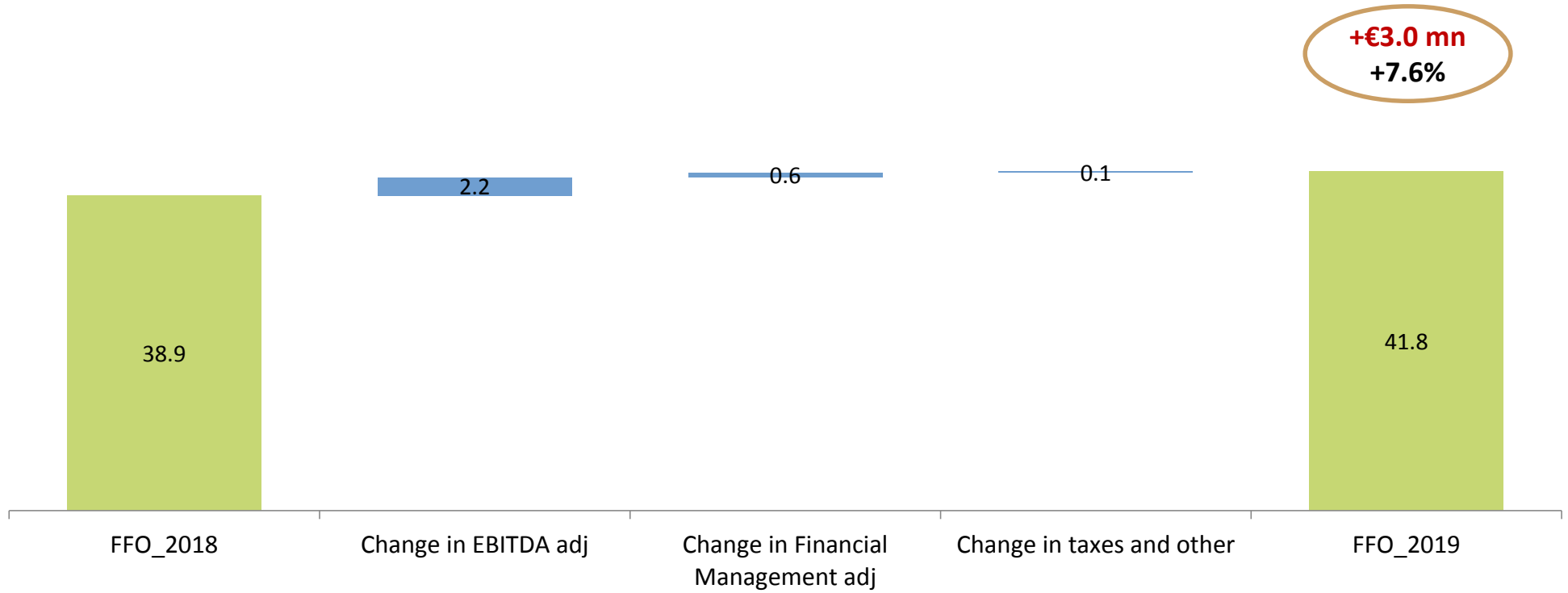
MOLO MEDICEO: services for the touristic port

The enhancement and pre-marketing of the 3 areas are being studied for future disposals





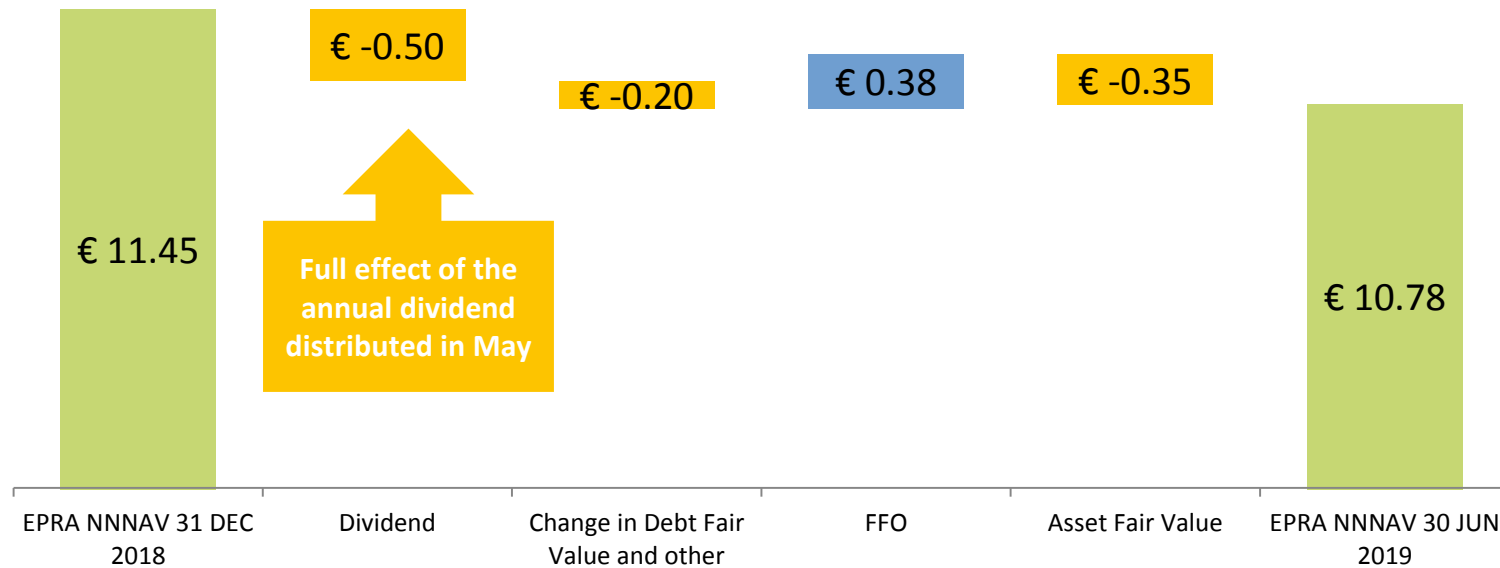
Financial results

Funds From Operations (FFO)



EPRA NNAV per share

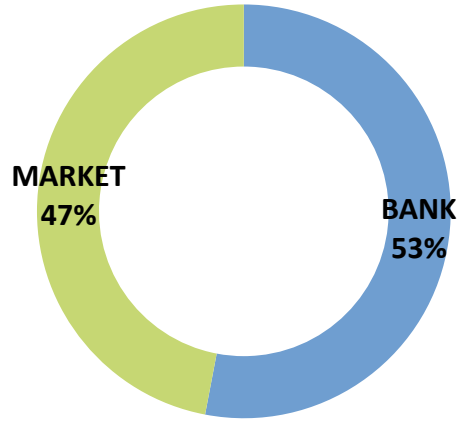
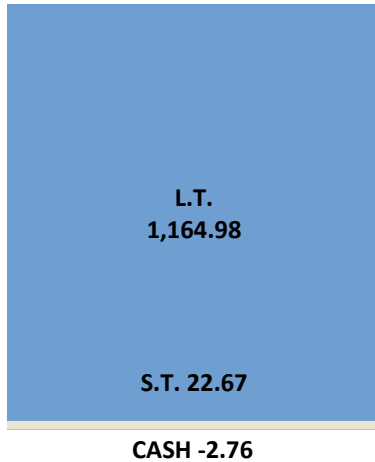
€ per share		31/12/2018	30/06/2019	Δ
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NAV	11.77	11.34	-3.6%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	NNNAV	11.45	10.78	-5.8%



Financial structure (1/2)

Debt Breakdown*

Net Debt €1,184.9 mn**



	31/12/2018	30/06/2019
LTV	45.8%	48.2% (excluding IFRS16 c. 47%)
ICR	3.5X	3.8X (excluding IFRS16 c. 3.7x)
AVERAGE COST OF DEBT	2.7%	2.4%

RATING

S&P GLOBAL RATINGS

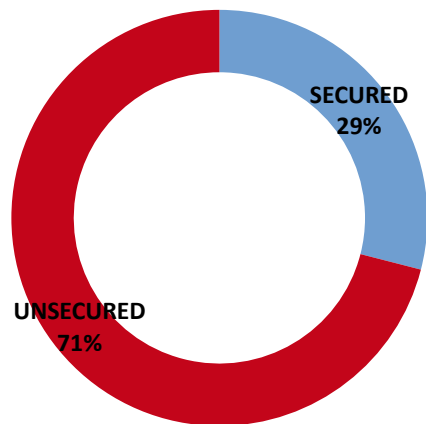
BBB-
outlook stable
(23 April 2019)

MOODY'S

Ba1
outlook stable
(9 April 2019)

Financial Structure (2/2)

Secured and unsecured debt break down



GEARING RATIO

31/12/2018

c. 0.88 x

30/06/2019

c. 0.97 x
(excluding IFRS16 c. 0.93x)

AVERAGE LENGTH OF LONG TERM DEBT

c. 4.3 years

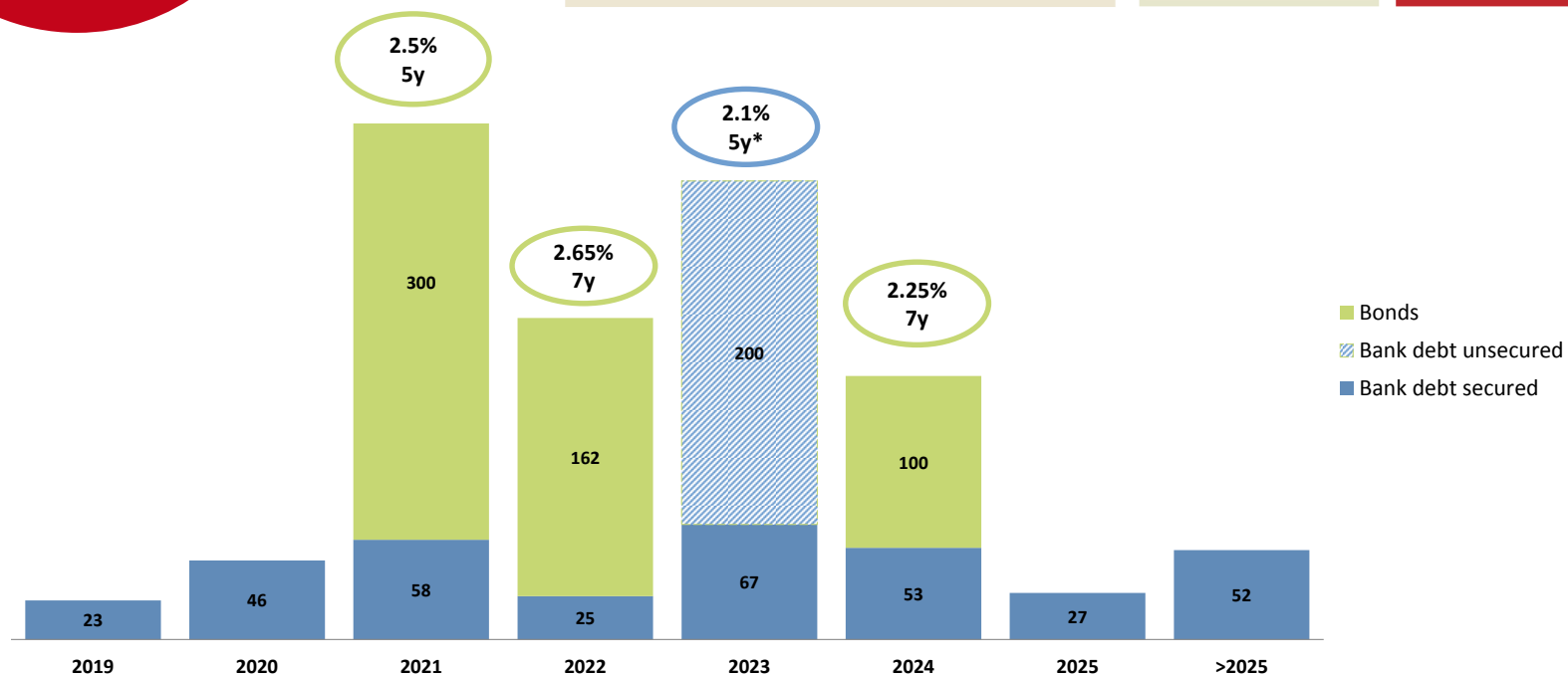
c. 3.77 years

HEDGING ON LONG TERM DEBT + BOND

c. 92.9%

c. 93.3%

Debt maturity



FFO FY2019 REVISED OUTLOOK:

+4/5%

Review to the previous guidance (+6/7%) considering:

- Weak consumption dynamics
- Slight increase in temporary and strategic vacancy (with a consequent increase in non re-chargeable costs)
- Temporary effects due to remodeling activities of medium surfaces and hypermarkets



Attachments


Consolidated Income Statement

GROUP CONSOLIDATED	(a)	(b)	(c)	Δ	Δ
	1H_CONS_2018	1H_CONS_2019	1H_CONS_Adj_2019	(b)/(a)	(c)/(a)
Revenues from freehold rental activities	67.8	71.1	71.1	4.9%	4.9%
Revenues from leasehold rental activities	6.3	6.3	6.3	-0.8%	-0.8%
Total revenues from rental activities	74.1	77.3	77.3	4.4%	4.4%
Rents and payable leases	-5.1	-0.1	-5.1	-99.0%	0.4%
Direct costs from rental activities	-8.3	-8.7	-8.7	5.5%	5.5%
Net rental income	60.7	68.6	63.5	13.0%	4.6%
Revenues from services	3.1	3.2	3.2	2.2%	2.2%
Direct costs from services	-2.6	-2.7	-2.7	4.7%	4.7%
Net services income	0.5	0.5	0.5	-10.6%	-10.6%
Personnel expenses	-3.4	-3.5	-3.5	3.5%	3.5%
G&A expenses	-2.2	-2.6	-2.6	17.2%	17.2%
CORE BUSINESS EBITDA (Operating income)	55.6	62.9	57.9	13.1%	4.0%
<i>Ebitda Margin core business</i>	<i>72.1%</i>	<i>78.2%</i>	<i>71.8%</i>		
Revenues from trading	2.7	0.0	0.0	n.a.	n.a.
Cost of sale and other trading costs	-3.2	-0.3	-0.3	-91.0%	-91.0%
Operating result from trading	-0.5	-0.3	-0.3	-40.6%	-40.6%
EBITDA	55.2	62.7	57.6	13.6%	4.4%
<i>Ebitda Margin</i>	<i>69.0%</i>	<i>77.8%</i>	<i>71.5%</i>		
Impairments and Fair Value adjustments	-2.6	-38.8	-34.2	n.a.	n.a.
Depreciations and Provisions	-0.5	-0.5	-0.7	3.3%	34.8%
EBIT	52.1	23.3	22.7	-55.2%	-56.3%
FINANCIAL MANAGEMENT	-16.0	-16.4	-15.4	2.3%	-3.7%
EXTRAORDINARY MANAGEMENT	0.0	0.0	0.0	n.a.	n.a.
PRE-TAX PROFIT	36.0	6.9	7.3	-80.8%	-79.7%
Taxes	-1.2	0.2	-0.1	n.a.	-93.9%
PROFIT FOR THE PERIOD	34.8	7.1	7.2	-79.6%	-79.2%
(Profit/Loss) for the period related to third parties	0.0	0.0	0.0	n.a.	n.a.
GROUP NET PROFIT	34.8	7.1	7.2	-79.6%	-79.2%

*2019 adj ex IFRS16 does not consider the application of the IFRS16 accounting principle. See IFRS16 effects slide 24-25.
 Figures may not add up due to rounding

Funds from Operations (FFO) € 41.8 mn (+7.6%)

Funds from Operations	CONS_2019	CONS_2018	Δ vs cons 2018	Δ%
Core Business EBITDA	62,946	55,637	7,309	13.1%
IFRS16 ADJUSTMENTS (payable leases)	-5,096	0	-5,096	n.a.
Adj Financial management	-15,451	-16,046	595	-3.7%
Adj Extraordinary management	0	0	0	n.a.
Gross Margin from trading activities	0	0	0	n.a.
Adj current taxes for the period	-557	-700	143	-20.4%
FFO	41,842	38,891	2,951	7.6%

 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	NNNAV Calculation		31/12/2018 (a)		30/06/2019 (b)		Δ% (b vs a)
	€'000	€ p.s.	€'000	€ p.s.	€'000	€ p.s.	
Total shares	110,341,903		110,341,903				
1) Group shareholders' equity	1,252,338	11.35	1,202,438	10.90			-4.0%
<i>Excludes</i>							
Fair value of financial instruments	17,364		21,204				n.a
Deferred taxes	28,480		27,274				n.a
Goodwill as a result of deferred taxes							
2) EPRA NAV	1,298,182	11.77	1,250,916	11.34			-3.6%
<i>Includes</i>							
Fair value of Financial instruments	(17,364)		(21,204)				n.a
Fair value of debt	11,116		(12,569)				-213.1%
Deferred taxes	(28,480)		(27,274)				n.a
3) EPRA NNNAV	1,263,454	11.45	1,189,869	10.78			-5.8%

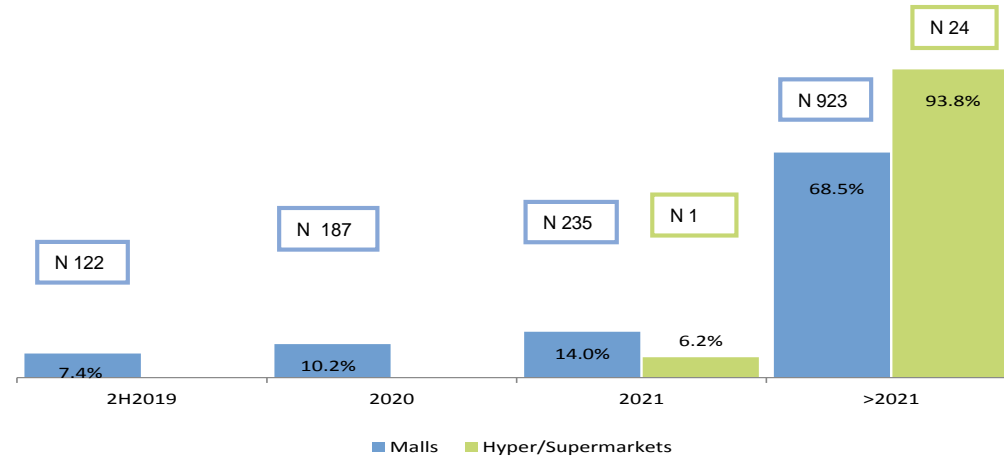
Contracts in Italy and in Romania

Expiry date of mall and hypermarkets contracts (%value and no. of contracts)

Italy N. 1,467 malls contracts:

Average residual maturity

Hypermarkets 14.24 years
Malls 4.57 years

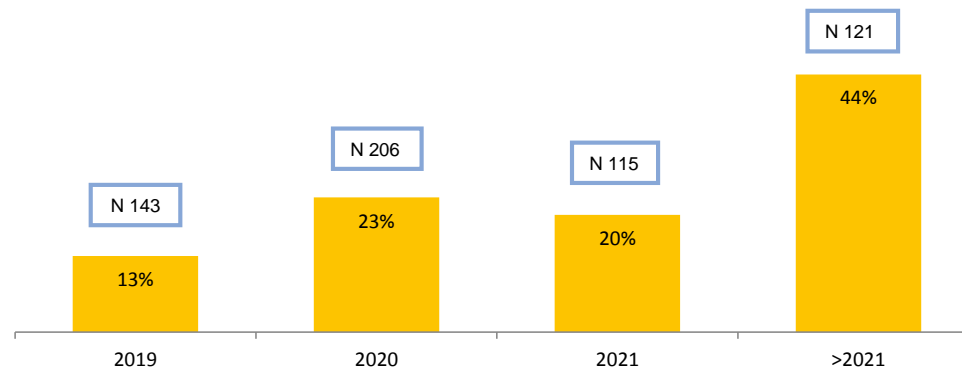


Romania N. 585 contracts:

Average residual maturity

4.75 years

Expiry date of mall contracts (%value and no. of contracts)



Key tenants

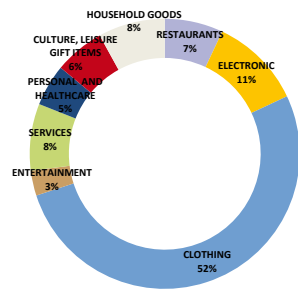
Top 10 Tenants Italian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
PIAZZA ITALIA	clothing	3.0%	13
OVS	clothing	2.9%	12
H.M	shoes	2.2%	9
FIORELLA RUBINO mötivi oltre	clothing	2.2%	29
SALPA SARRE	clothing	2.0%	10
unieuro	electronics	1.9%	8
CALZEDONIA	clothing	1.7%	27
Stroili Oro	jewelley	1.3%	19
DOUGLAS	perfumery	1.3%	12
GameStop power to the players	leisure	1.3%	25
Total		19.6%	164

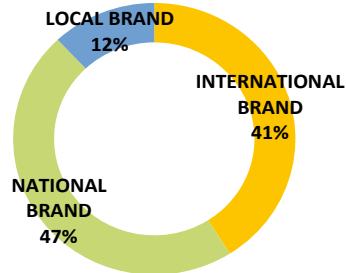
Top 10 Tenants Romanian Malls

TOP 10 Tenant	Product category	Turnover impact	Contracts
Carrefour market	supermarket	10.0%	11
H.M	clothing	7.5%	6
PEPCO	clothing	4.1%	11
kik	clothing	2.3%	6
dm	drugstore	2.5%	5
B.B	jewellery	2.2%	6
SENSO	pharmacy	2.1%	4
ALTEX	electronics	1.5%	2
OCPI	office	1.6%	1
FLANCO	electronics	1.5%	1
Total		35.3%	53

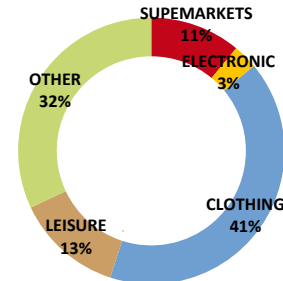
MALLS MERCHANDISING MIX



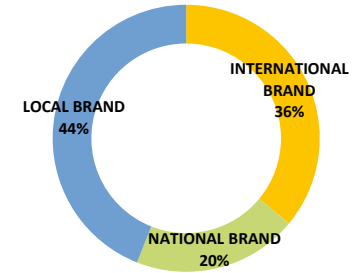
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALLS TENANT MIX



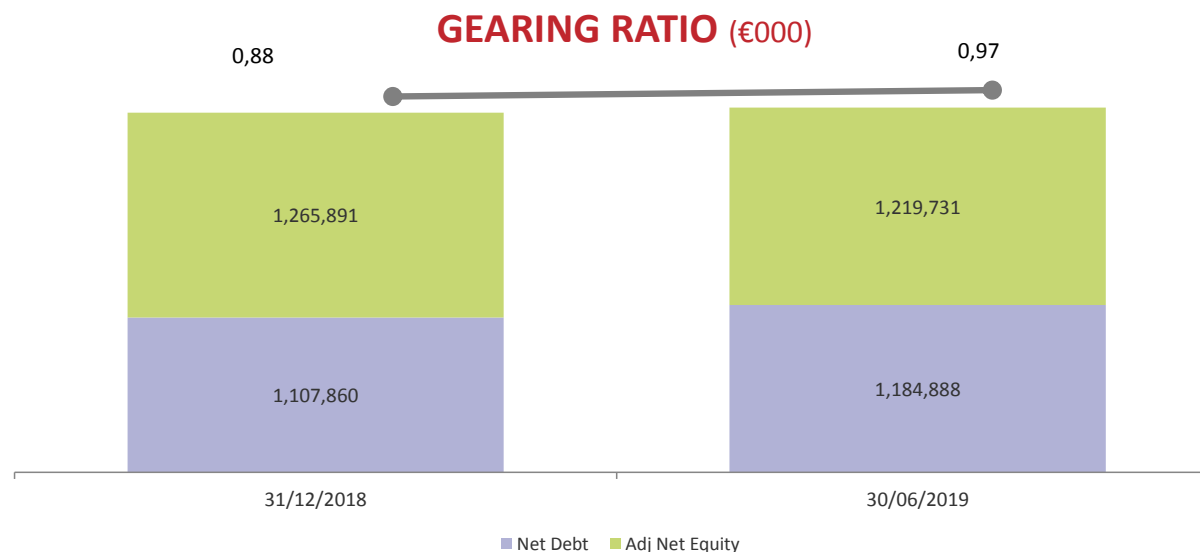
More Financial Highlights

	FY2018	1H 2019
SHARE OF M/L DEBT	79.8%	93.5%
UNCOMMITTED CREDIT LINES GRANTED	€191 mn*	€181 mn*
UNCOMMITTED CREDIT LINES AVAILABLE	€148.2 mn	€158.3 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,462.6 mn	€1,447.4 mn

*Some banks allowed us to transform them in medium/long-term not granted credit lines .

Reclassified Balance Sheet

Sources - Uses of funds (€/000)	30/06/2019	31/12/2018	Δ	Δ%
Fixed assets	2,370,089	2,346,527	23,562	0.99%
Assets under construction and advances	36,619	36,563	56	0.15%
Intangibles assets	12,401	12,696	(295)	(2.38%)
Other tangible assets	9,039	9,615	(576)	(6.37%)
Non-current assets held for sale	12,770	0	12,770	100.00%
Sundry receivables and other non current assets	113	111	2	1.59%
Equity investments	280	277	3	1.07%
NWC	22,920	26,019	(3,099)	(13.52%)
Funds	(8,898)	(8,164)	(734)	8.25%
Payables and other non current liabilities	(21,796)	(19,742)	(2,054)	9.42%
Net deferred tax (assets) / liabilities	(25,008)	(26,340)	1,332	(5.33%)
TOTAL USE OF FUNDS	2,408,529	2,377,562	30,967	1.29%
Total shareholders' equity	1,202,437	1,252,338	(49,901)	(4.15%)
Net (assets) and liabilities for derivative instruments	21,204	17,364	3,840	18.11%
Net debt	1,184,888	1,107,860	77,028	6.50%
TOTAL SOURCES	2,408,529	2,377,562	30,967	1.29%



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