



# 1Q 2017 Results

## Conference call 9 May 2017

# DISCLAIMER

This presentation does not constitute an offer or an invitation to subscribe for or purchase any securities.

The securities referred to herein have not been registered and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would require the approval of local authorities or otherwise be unlawful. The securities may not be offered or sold in the United States or to U.S. persons unless such securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. Copies of this presentation are not being made and may not be distributed or sent into the United States, Canada, Australia or Japan.

This presentation contains forwards-looking information and statements about IGD SIIQ SPA and its Group.

Forward-looking statements are statements that are not historical facts.

These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding plans, performance.

Although the management of IGD SIIQ SPA believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of IGD SIIQ are cautioned that forward-looking information and statements are subject to various risk and uncertainties, many of which are difficult to predict and generally beyond the control of IGD SIIQ; that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking statements.

These risks and uncertainties include, but are not limited to, those contained in this presentation.

Except as required by applicable law, IGD SIIQ does not undertake any obligation to update any forward-looking information or statements

# Highlights 1Q 2017

↗ **€35.4 mn**  
Core business revenues  
+ 4,6%

↗ **€25.0 mn**  
Core business Ebitda  
+ 5.8%  
margin 70.7% + 80 bps

↗ **€14.3 mn**  
Group Net Profit  
+ 13%

↗ **79.9%**  
Ebitda margin from Freehold  
+ 70bps

↗ **€15.6 mn**  
Funds From Operations (FFO)  
+ 10.2%  
(+18/19% guidance fy2017)

↗ **€1.29** per share  
Epra NNAV 31/12/2016



The image shows a wide-angle view of a modern shopping mall. The ceiling is a prominent feature, with a large, curved, white structure that has several rectangular light fixtures. A red banner with white text is stretched across the middle of the image. Below the banner, the mall floor is visible, with many people walking and shopping. The walls are white and have a geometric, hexagonal pattern. The overall atmosphere is bright and modern.

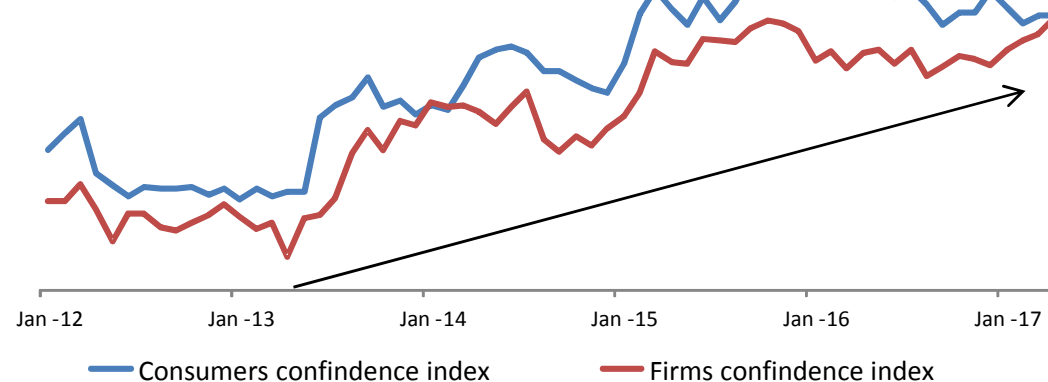
# Operating performance

# The macroeconomic context: outlook 2017

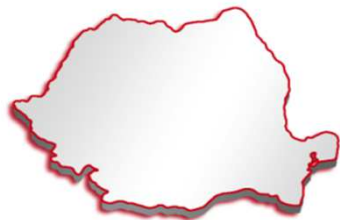


↗ **GDP +1.0%**  
(2016 Official data: +1.0%)

↗ **Consumption +1.0%**  
(2016 Official data: +1.3%)



- April 2017: firms confidence index has reached the highest level since 2007
- GDP 1Q 2017: growth at the pace of the previous quarter (approx. +0.2%)
- Inflation 1Q 2017: +1.3%, highest value since 2013



↗ **GDP +4.0%**  
(2016 Official data: +4.8%)

↗ **Consumption +5.9%**  
(2016 Official data: +8.9%)

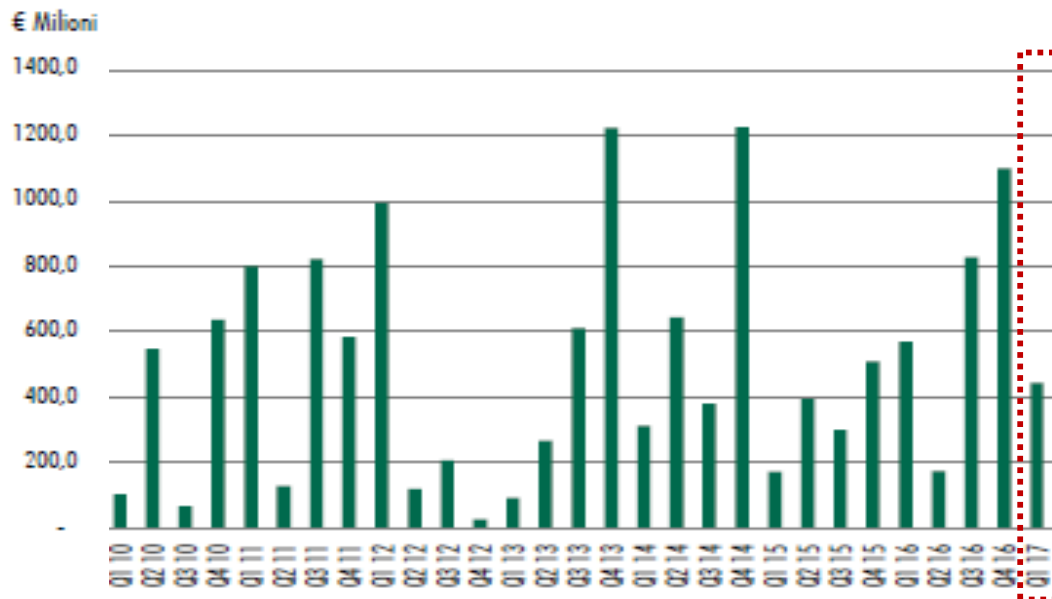
- New set of fiscal measures to sustain growth is expected in 2017
- Growth will be driven by strong domestic demand that will remain sustained despite an expected acceleration in consumer prices.

Sources: Istat, Banca d'Italia, European Commission, International Monetary Fund. Forecast: IGD internal processing on research institutes panel

# Real Estate evolution in Italy 1Q 2017

- Real Estate investments: €1.9 bn (+12% vs 1Q 2016).
- 67% of the total investments of the period (approx. €1.3 bn) came from **foreign investors**.

## Retail investments evolution

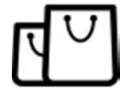


Fonte: CBRE Research, Q1 2017.

- Retail investments: **approx. €445 mn, -12% vs 1Q 2016** (but the most relevant transaction on a prime asset - Le befane shopping center in Rimini - was closed in April for approx. €300mn).

Source: CBRE, "Italia Retail Q1 2017", April 2017

# Operating performance



**+1.1%**

**Tenant sales shopping malls**



**-2.7%**

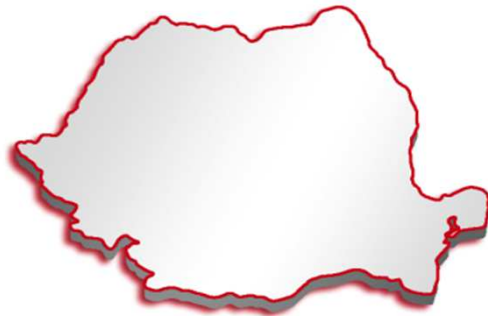
**Footfalls**

Particularly negative in January.

**Different reasons:**

- **calendar:** 1 less weekend and 1 less Sunday in January, 1 less working day in February.

- **climatic:** strong snowfall in January in the central regions.



**+0.6%**

**Footfalls**

Incremento dell'offerta commerciale e riduzione dell'attività cantieristica.



# Commercial performances: Italy



**36 signed contracts**  
of which 13 turnover and 23 renewals



**+3.8% upside**



**1.1% rotation rate**  
new brands



**97.2% occupancy**  
stable



Puntadiferro (FO)



# Commercial performances: Romania



**134 signed contracts**  
of which 59 turnover and 75 renewals



**+2.8% upside**



**10% rotation rate**

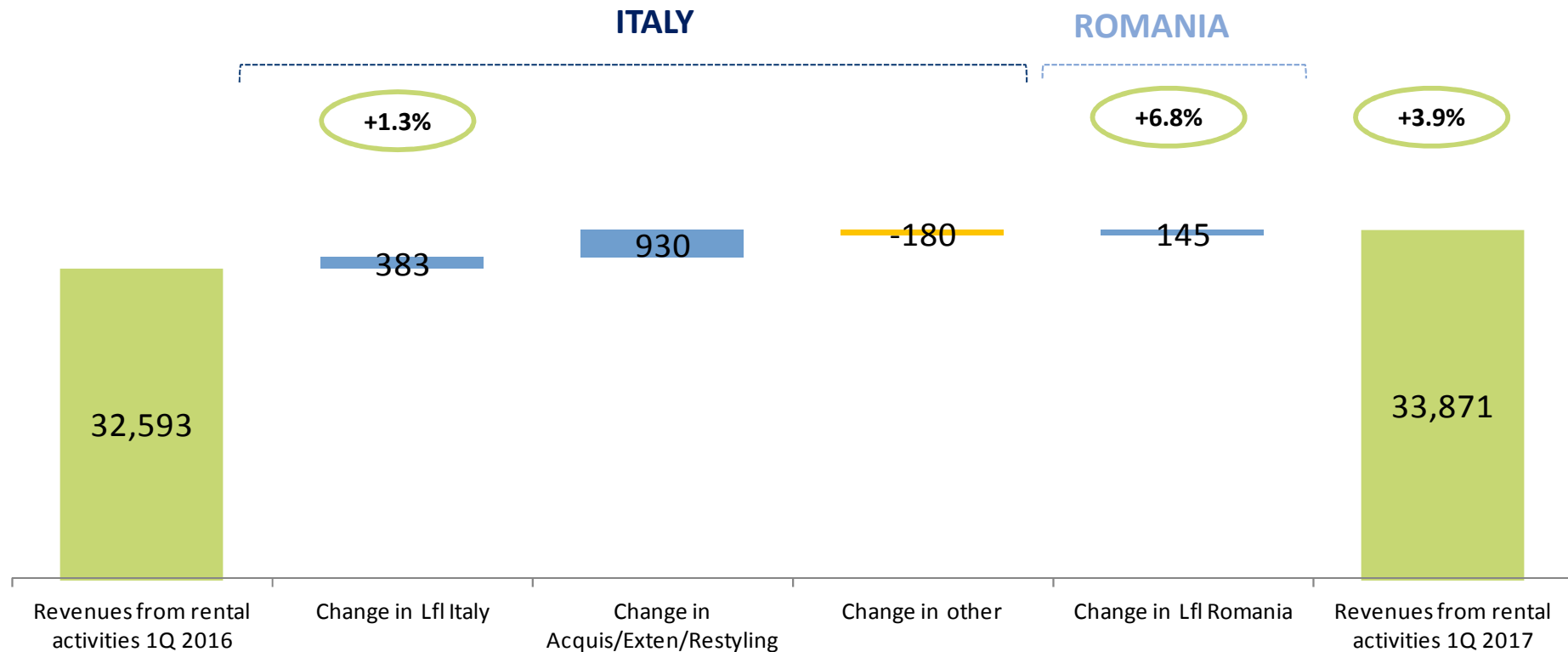


**96% occupancy**  
stable



Piatra Neamt

# The results: rental revenues + 3.9%



↗ **Like for like Italy +1.3%:** shopping malls are growing (+2.0%) and hypermarkets are stable; still marginal contribution from inflation over the period

↗ **Like for like Romania +6.8%**

# Fund from Operations (FFO) €15.6 mn

Funds from Operations	1Q 2016	1Q 2017	Δ vs 1Q 2016	Δ%
Core Business EBITDA	23,674	25,049	1,375	5.8%
Adj financial management	-9,272	-9,153	120	-1.3%
Adj current taxes of the period	-255	-312	-57	22.2%
FFO	14,146	15,585	1,438	10.2%

- + €1.4 mn increase in Ebitda
- + €0.1 mn financial management (net of liability management)

***Target stated for the full year: +18/19%***

***Target confirmed, considering the opening of the ESP extension (1 June 2017) and the financial management improvement that will accelerate in 2H 2017***



# 1 June 2017 Opening of the ESP extension (Ravenna)



  
**MAISONS**  
DU MONDE

Bershka

**JACK & JONES**

**PULL&BEAR**

**H&M**

OVS

**KIABI**

**PIAZZA ITALIA**

**O bag**  
STORE

  
**SCARPE & SCARPE**

  
Premium Reseller

  
**Timberland**





# Financial results

# Financial highlights

↗ **47.9%**

**Loan to Value**

**Fy 2016: 48.3%**

↗ **0.95**

**Gearing ratio**

**Fy2016: 0.97**

↗ **3.10%**

**Cost of debt**

**Fy2016: 3.30%**

↗ **2.72x**

**Interest Cover Ratio**

**Fy2016: 2.24X**

↗ **5.4 years**

**Long-term debt average  
residual maturity**

**Fy 2016: 5.5 years**

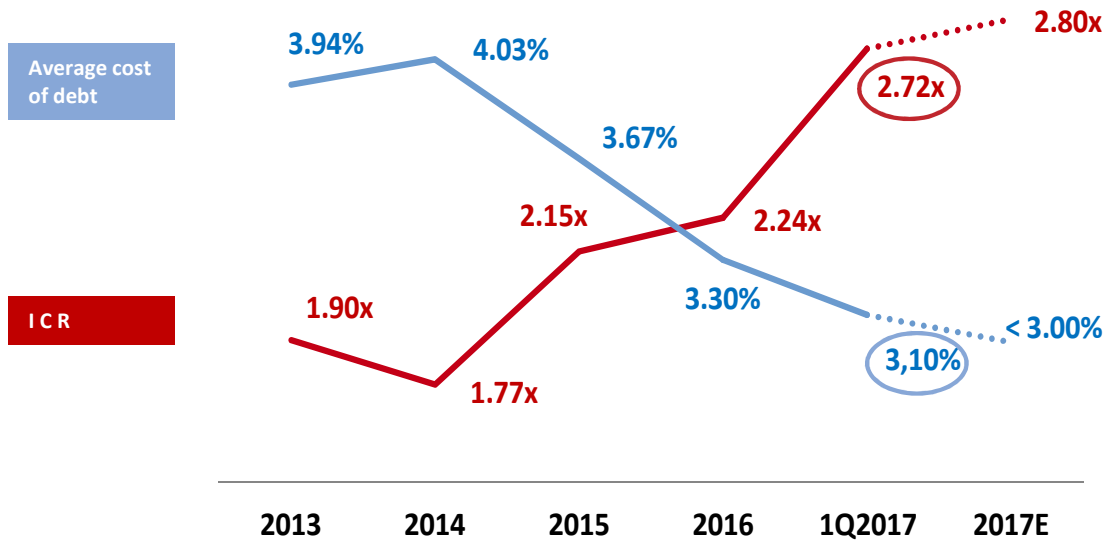
↗ **94.4%**

**Hedging on long-term debt +  
bond**

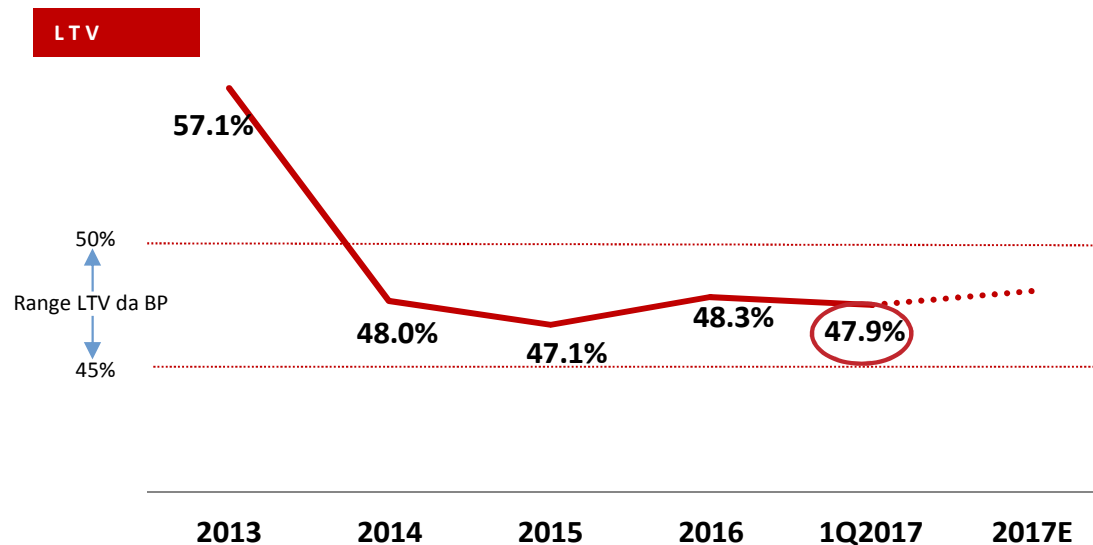
**Fy2016: +93.8%**



# Financial indicators



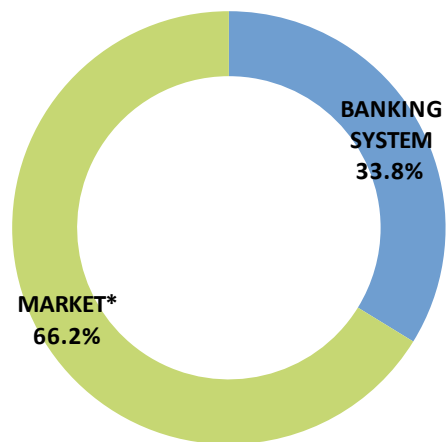
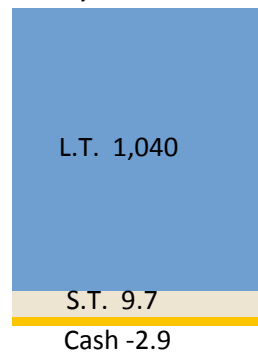
- Constant decrease in average cost of debt
- Increase in interests coverage



- Strict financial discipline respected

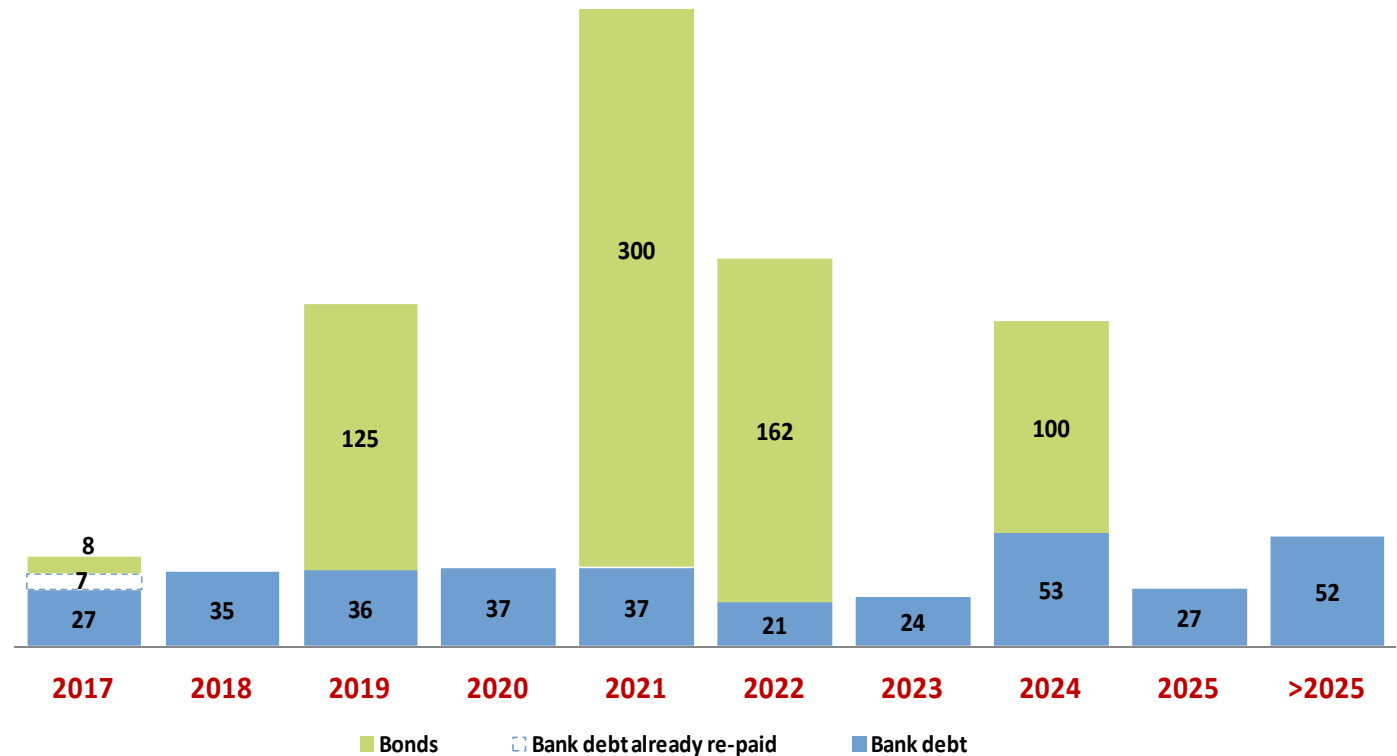
# The debt structure

Net Debt  
1Q2017  
€1,046.8 mn



\* USPP included

- Bank financing reduced... and “committed”



- Extended debt maturity profile



# Attachments



# Consolidated income statement

	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%
Revenues from freehold real estate and rental act.	29,507	30,741	4.2%	29,507	30,741	4.2%	0	0	n.a.
Revenues from leasehold real estate and rental act.	3,086	3,130	1.4%	3,086	3,130	1.4%	0	0	n.a.
<b>Total revenues from real estate and rental act.</b>	<b>32,593</b>	<b>33,871</b>	<b>3.9%</b>	<b>32,593</b>	<b>33,871</b>	<b>3.9%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>
Revenues from services	1,269	1,540	21.4%	1,269	1,540	21.4%	0	0	n.a.
Revenues from trading	0	0	n.a.	0	0	n.a.	0	0	n.a.
<b>OPERATING REVENUES</b>	<b>33,862</b>	<b>35,411</b>	<b>4.6%</b>	<b>33,862</b>	<b>35,411</b>	<b>4.6%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>
<b>COST OF SALE AND OTHER COST</b>	<b>(6)</b>	<b>(5)</b>	<b>(16.0)%</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>(6)</b>	<b>(5)</b>	<b>(16.0)%</b>
Rents and payable leases	(2,524)	(2,546)	0.9%	(2,524)	(2,546)	0.9%	0	0	n.a.
Personnel expenses	(951)	(1,072)	12.7%	(951)	(1,072)	12.7%	0	0	n.a.
Direct costs	(4,314)	(4,283)	(0.7)%	(4,249)	(4,221)	(0.7)%	(65)	(62)	(3.7)%
<b>DIRECT COSTS</b>	<b>(7,789)</b>	<b>(7,901)</b>	<b>1.4%</b>	<b>(7,724)</b>	<b>(7,839)</b>	<b>1.5%</b>	<b>(65)</b>	<b>(62)</b>	<b>(3.7)%</b>
<b>GROSS MARGIN</b>	<b>26,067</b>	<b>27,505</b>	<b>5.5%</b>	<b>26,137</b>	<b>27,572</b>	<b>5.5%</b>	<b>(70)</b>	<b>(67)</b>	<b>(4.7)%</b>
Headquarters personnel	(1,566)	(1,626)	3.9%	(1,549)	(1,608)	3.8%	(17)	(18)	9.0%
G&A expenses	(999)	(978)	(2.2)%	(915)	(915)	0.0%	(85)	(63)	(26.0)%
<b>G&amp;A EXPENSES</b>	<b>(2,565)</b>	<b>(2,604)</b>	<b>1.5%</b>	<b>(2,464)</b>	<b>(2,523)</b>	<b>2.4%</b>	<b>(101)</b>	<b>(81)</b>	<b>(20.2)%</b>
<b>EBITDA</b>	<b>23,502</b>	<b>24,901</b>	<b>6.0%</b>	<b>23,674</b>	<b>25,049</b>	<b>5.8%</b>	<b>(171)</b>	<b>(148)</b>	<b>(13.8)%</b>
<i>Ebitda Margin</i>	<i>69.4%</i>	<i>70.3%</i>		<i>69.9%</i>	<i>70.7%</i>				
Other provisions	(49)	(99)	n.a.						
Impairment and Fair Value adjustments	(577)	(235)	(59.3)%						
Depreciations	(280)	(255)	(8.9)%						
<b>DEPRECIATIONS AND IMPAIRMENTS</b>	<b>(906)</b>	<b>(589)</b>	<b>(35.0)%</b>						
<b>EBIT</b>	<b>22,596</b>	<b>24,312</b>	<b>7.6%</b>						
<b>FINANCIAL MANAGEMENT</b>	<b>(9,363)</b>	<b>(9,151)</b>	<b>(2.3)%</b>						
<b>EXTRAORDINARY MANAGEMENT</b>	<b>(20)</b>	<b>(38)</b>	<b>89.2%</b>						
<b>PRE-TAX PROFIT</b>	<b>13,213</b>	<b>15,123</b>	<b>14.5%</b>						
Taxes	(587)	(829)	41.1%						
<b>PROFIT FOR THE PERIOD</b>	<b>12,626</b>	<b>14,294</b>	<b>13.2%</b>						
(Profit)/Loss for the period related to Third Parties	33	13	(60.6)%						
<b>GROUP NET PROFIT</b>	<b>12,659</b>	<b>14,307</b>	<b>13.0%</b>						

## Total revenues from rental activities:

**€33.9 mn**

*From Shopping Malls: €23.5 mn of which:*

*Italians malls €21.2 mn*

*Winmarkt Malls €2.2 mn*

*From Hypermarkets : €10.0 mn*

*From City Center Project – P.za Mazzini: €0.2 mn*

*From Other and Porta a Mare: €0.2 mn*

# Margins from activities

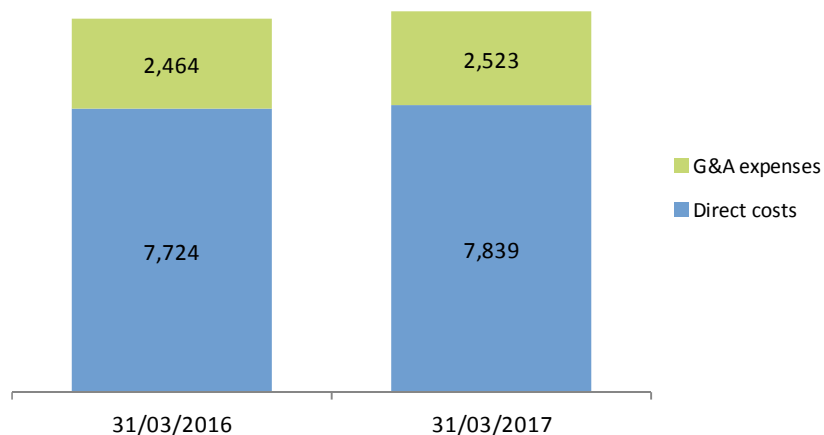
	CONSOLIDATED			CORE BUSINESS			PORTA A MARE PROJECT		
	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%	31/03/2016	31/03/2017	Δ%
€/000									
Margin from freehold properties	25,487	26,755	5.0%	25,487	26,755	5.0%	0	0	n.a.
Margin from leasehold properties	518	574	10.9%	518	574	10.9%	0	0	n.a.
Margin from services	132	242	83.5%	132	242	83.5%	0	0	n.a.
Margin from trading	(70)	(67)	(4.3)%	0	0	n.a.	(70)	(67)	(4.3)%
<b>Gross margin</b>	<b>26,067</b>	<b>27,505</b>	<b>5.5%</b>	<b>26,137</b>	<b>27,572</b>	<b>5.5%</b>	<b>(70)</b>	<b>(67)</b>	<b>(4.3)%</b>

**Margin from freehold properties:**  
**87%, increased compared to te previous year (86.4%)**

**Margin from leasehold properties:**  
**18.4% increased compared to the previous year (10.9%), mainly thanks to higher revenues and decrease of the related costs.**

# Operating cost and financial management

## CORE BUSINESS G&A EXPENSES and DIRECT COSTS (€ 000)

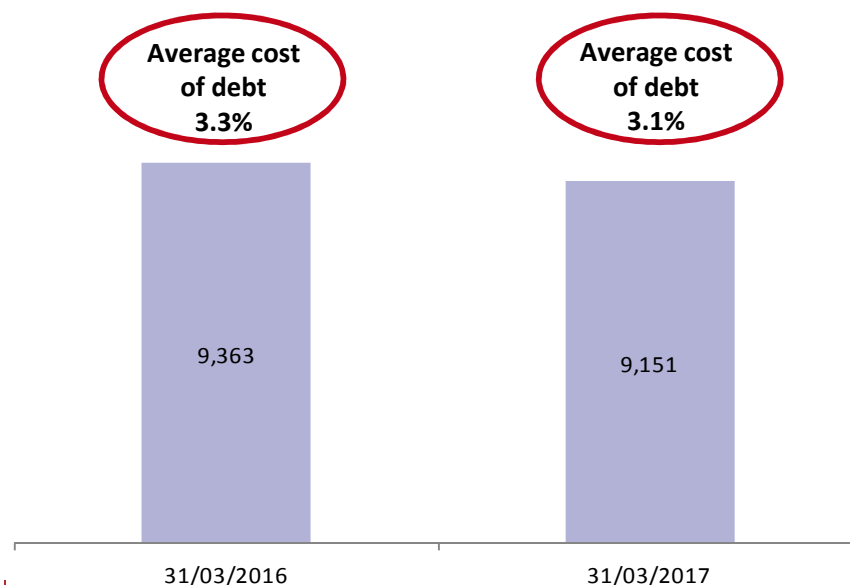


Lower impact of operating costs on revenues

**Ebitda margin core business is growing (70.7%): + 80bps**

*Ebitda margin Freehold: 79.9%*

## FINANCIAL MANAGEMENT (€ 000)



The decrease of the cost of debt continues

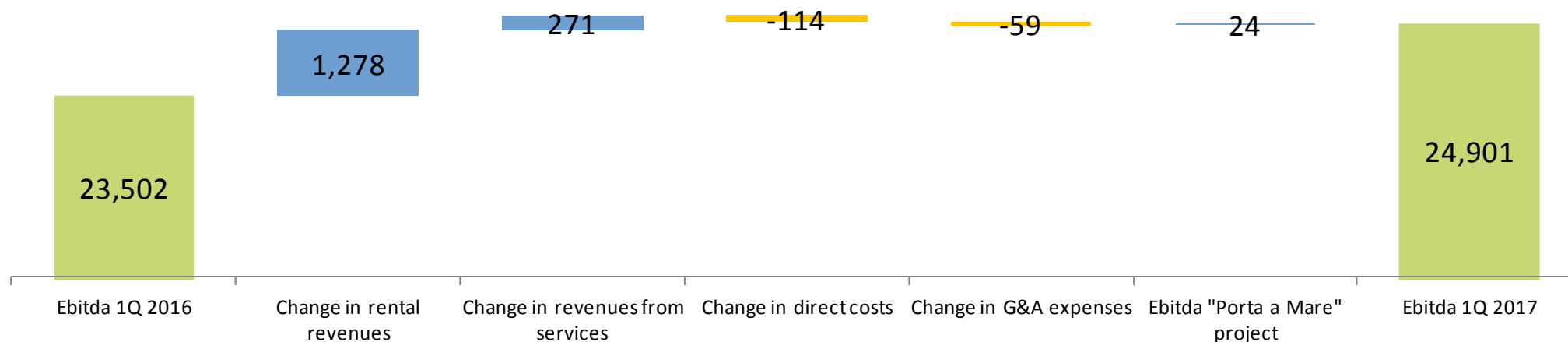
Slight decrease of Financial Management despite the increasing Net Debt:

- loans substituted with other less expensive;
- IRS notional decrease

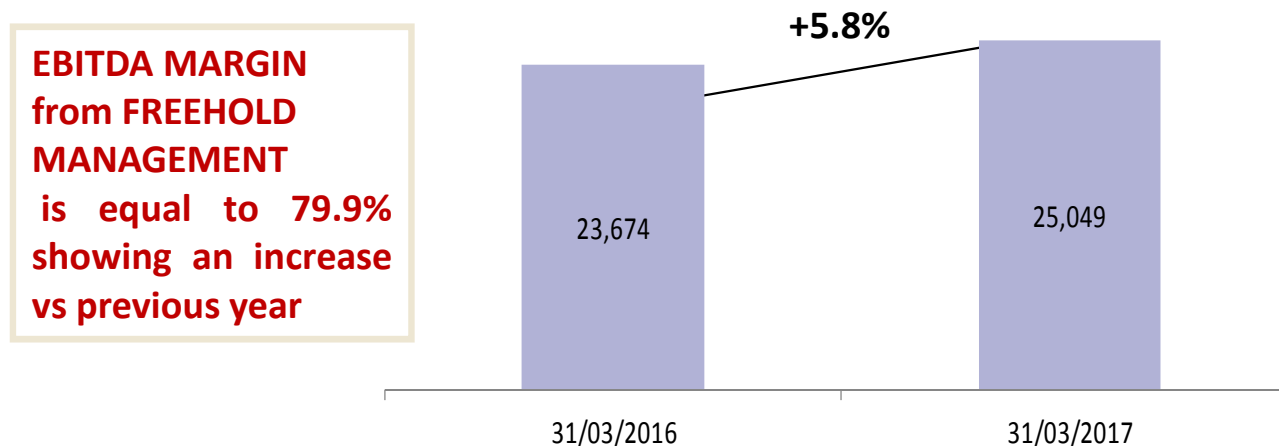
# Total consolidated Ebitda: €24.9 mn

## Ebitda (core business): €25.0 mn (+5.8%)

### TOTAL EBITDA (€ 000)



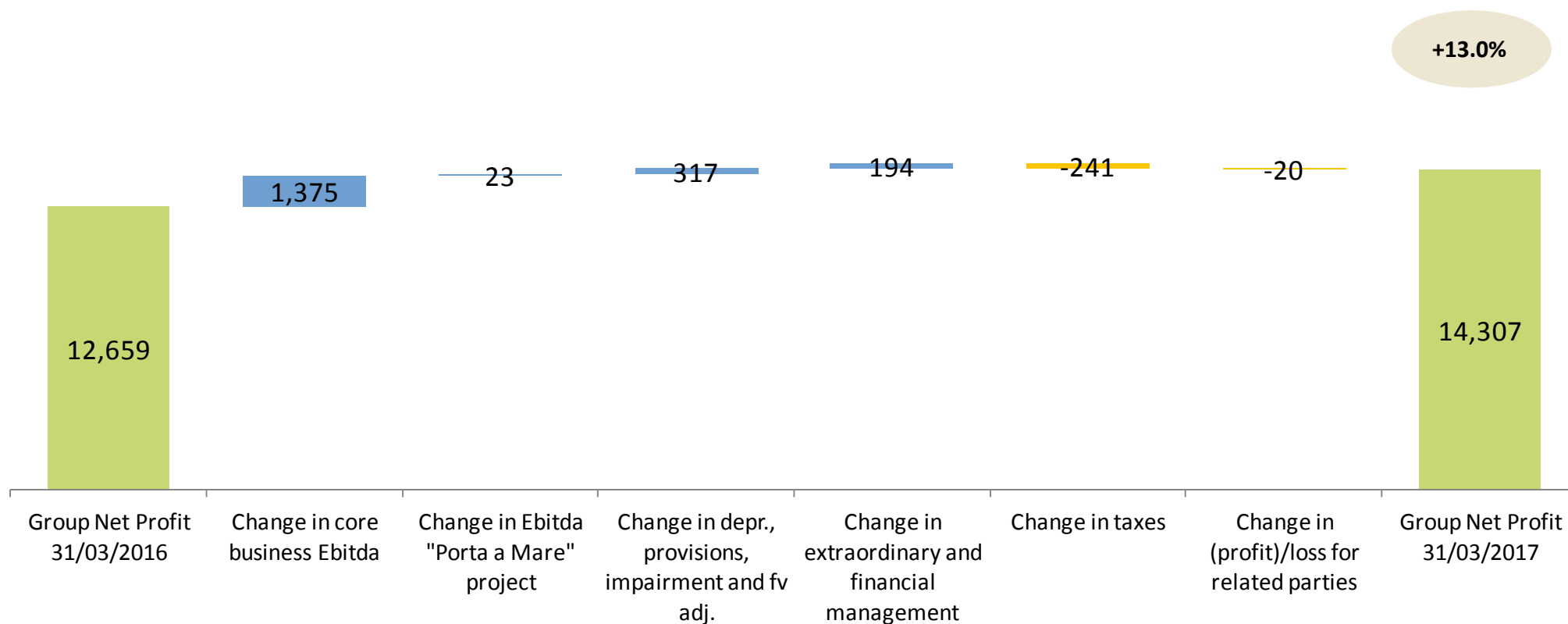
### CORE BUSINESS EBITDA and EBITDA MARGIN (€ 000)





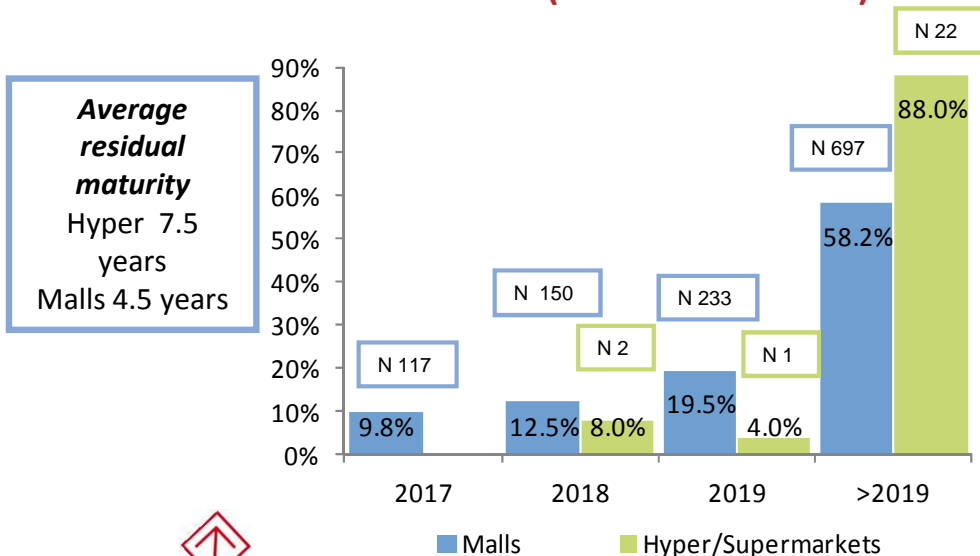
# Group Net Profit: €14.3 mn

## NET PROFIT EVOLUTION (€ 000)

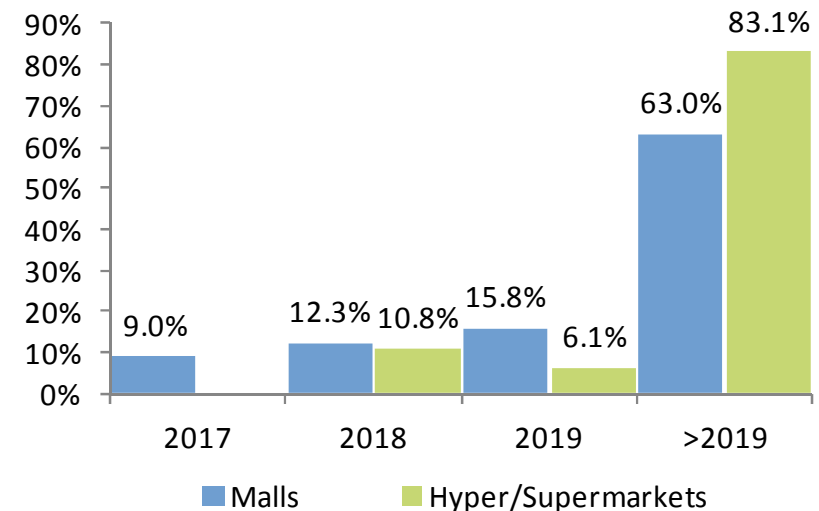


# Contracts in Italy and Romania

**EXPIRY DATE OF HYPERMARKETS AND MALLS CONTRACTS ITALY (% no. of contracts)**



**EXPIRY DATE OF HYPERMARKETS AND MALLS CONTRACT ITALY (% value)**



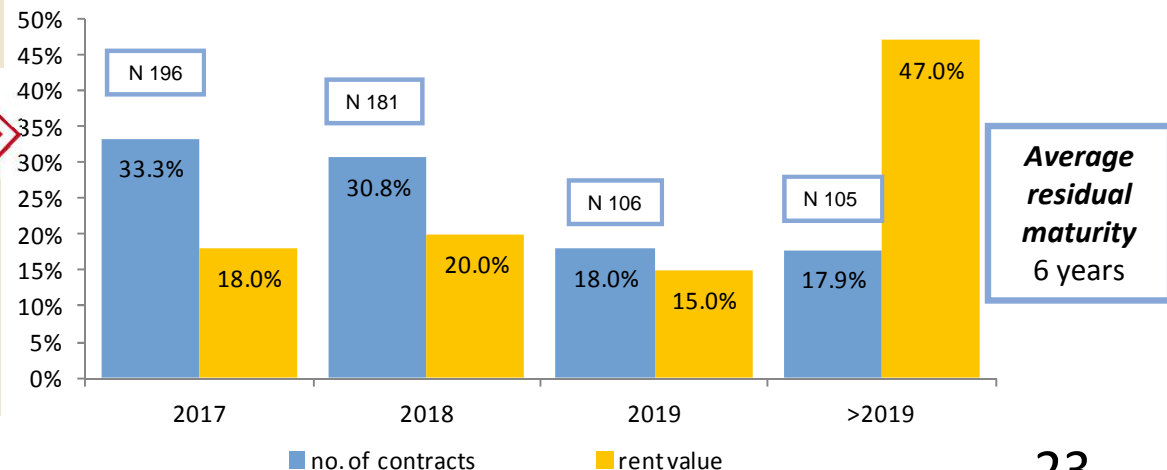
## ITALY (Total mall contracts 1,197)

In 1Q 2017 **36 contracts** were signed, of which **13 turnover** and **23 renewals**. Renewals with upside **+3.8%**

## ROMANIA (total contracts 588)

In 1Q 2017 **75 contracts** were renewed (upside **+2.8%**) and **59 new contracts** were signed.  
(Renewals and new contracts of 1Q 2017 represent 7.1% and 3.8% of Winmarkt total revenues)

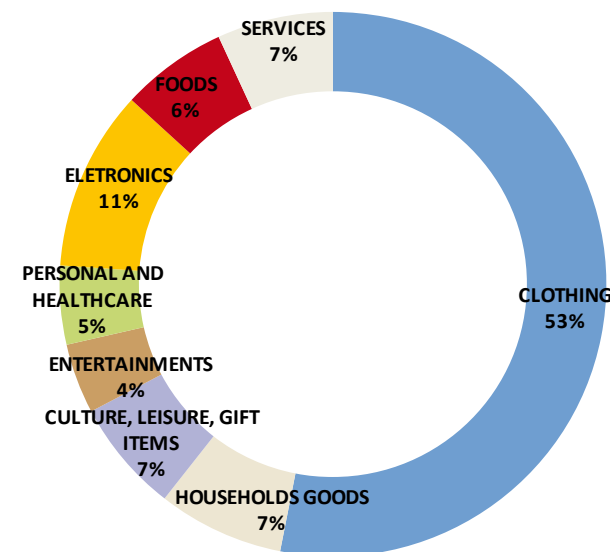
**EXPIRY DATE OF MALL CONTRACTS ROMANIA (no. and % of contracts and % value)**



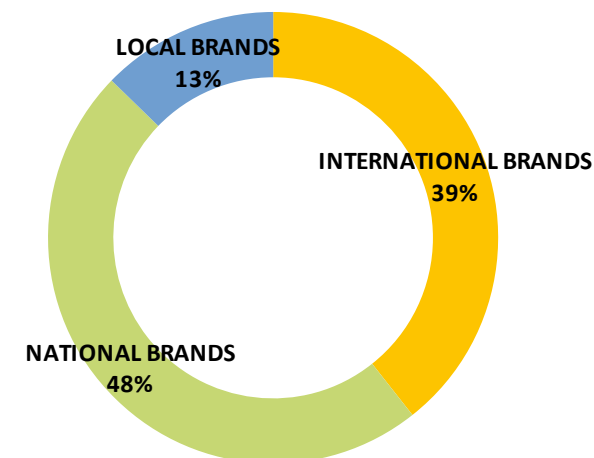
# Tenants Italy

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.3%	12
H&M	clothing	2.8%	10
Gruppo Miroglio mötivi FIORELLA RUBINO oltre	clothing	2.6%	28
OVS	clothing	2.3%	7
unieuro	elettronica	2.0%	5
SCARPE & SCARPE	shoes	1.9%	6
CALZEDONIA	clothing	1.8%	24
ALCOTT	clothing	1.5%	11
DECATHLON	clothing	1.5%	4
KASANOVA® l'amante della casa	households goods	1.4%	16
<b>Total</b>		<b>21.1%</b>	<b>123</b>

## MALLS MERCHANDISING MIX



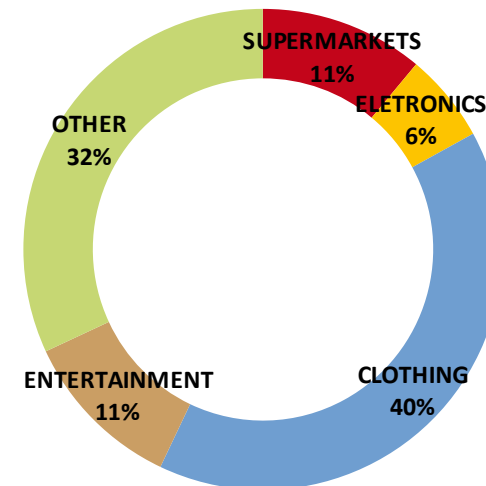
## MALLS TENANT MIX



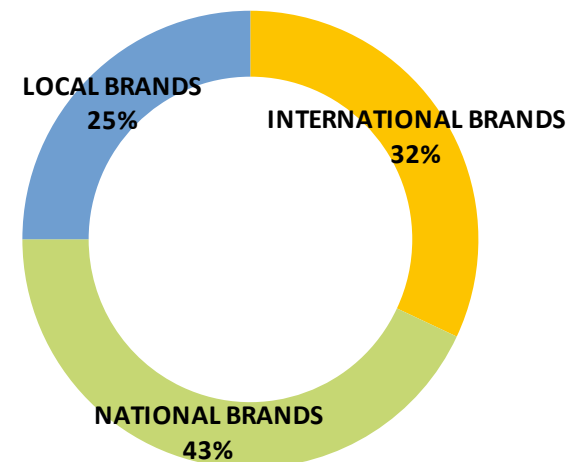
# Tenants Romania

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
	food	9.2%	9
	clothing	8.1%	6
	clothing	3.2%	10
	electronics	2.9%	4
	jewellery	2.7%	7
	grocery	2.6%	5
	pharmacy	1.9%	4
Oficiul de Cadastru 	offices	1.8%	1
	food	1.3%	2
	clothing	1.3%	5
<b>Total</b>		<b>35.0%</b>	<b>53</b>

## MALLS MERCHANDISING MIX



## MALLS TENANT MIX



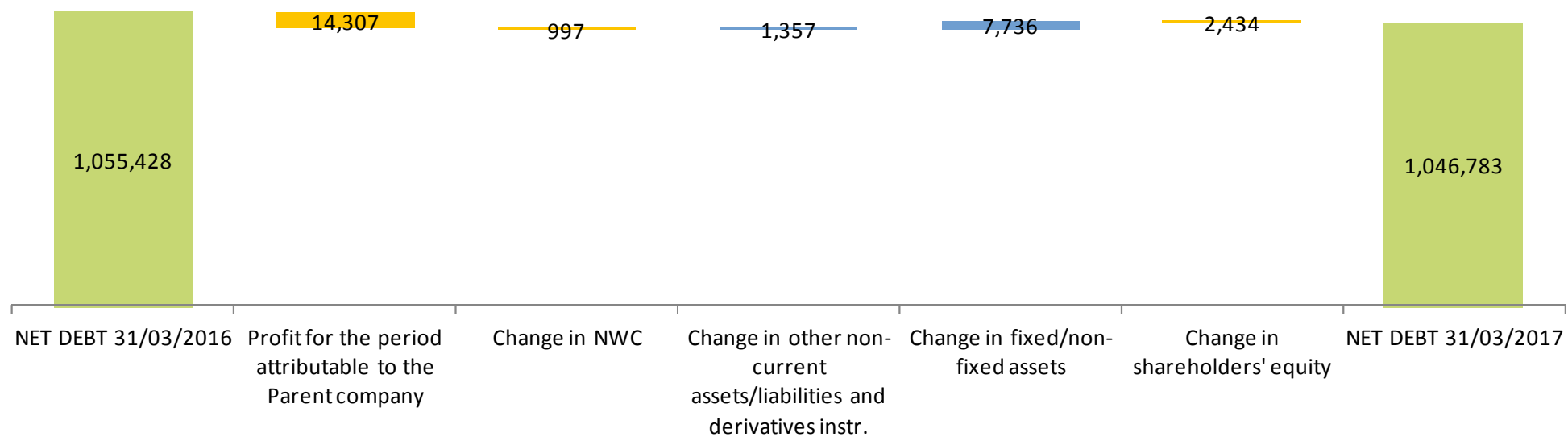


# Further financial highlights

	2016	31/03/2017
SHARE OF MEDIUM/LONG-TERM DEBT	84.6%	94.1%
UNCOMMITTED CREDIT LINES GRANTED	€276 mn	€291 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€164 mn	€280 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,406.9 mn	€1,406.9 mn

# Net Debt

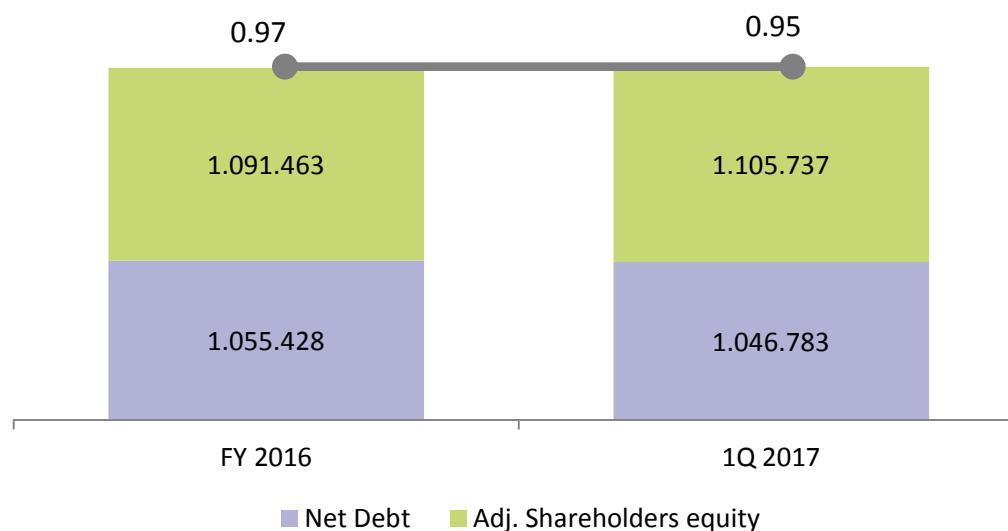
## NET DEBT EVOLUTION (€ 000)



# Re-classified Balance Sheet

Sources - Uses of funds	31/12/2016	31/03/2017	Δ	Δ%
Fixed assets	2,050,728	2,050,728	0	0.0%
Assets under construction	75,004	83,003	7,999	10.7%
Other non-current assets	25,543	25,322	-221	-0.9%
Other non-current liabilities	-32,150	-32,613	-463	1.4%
NWC	56,378	55,381	-997	-1.8%
Net deferred tax (assets)/liabilities	-21,901	-23,153	-1,252	5.7%
<b>TOTAL USE OF FUNDS</b>	<b>2,153,602</b>	<b>2,158,668</b>	<b>5,066</b>	<b>0.2%</b>
Net debt	1,055,428	1,046,783	-8,645	-0.8%
Shareholders' equity	1,069,426	1,086,167	16,741	1.6%
Net (assets)/liabilities for derivative instruments	28,748	25,718	-3,030	-10.5%
<b>TOTAL SOURCES</b>	<b>2,153,602</b>	<b>2,158,668</b>	<b>5,066</b>	<b>0.2%</b>

## GEARING RATIO (€ 000)





➤ **Claudia Contarini, IR**  
T. +39. 051 509213  
[claudia.contarini@gruppoigd.it](mailto:claudia.contarini@gruppoigd.it)

➤ **Elisa Zanicheli, IR Team**  
T. +39. 051 509242  
[elisa.zanicheli@gruppoigd.it](mailto:elisa.zanicheli@gruppoigd.it)

➤ **Federica Pivetti, IR Team**  
T. +39. 051 509260  
[federica.pivetti@gruppoigd.it](mailto:federica.pivetti@gruppoigd.it)

➤  **Tweet** to [@igdSIIQ](https://twitter.com/igdSIIQ)

