



1Q 2018 Results
Conference call 9 May 2018

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Highlights

↗ **€ 37.2 mn**

Total revenues
+4.9%

↗ **€ 35.6 mn**

Rental Income
+5.2%

Net rental income € 29 mn
+6%

↗ **€ 26.5 mn**

Core business Ebitda
+6.0%

Margin 71.4% + 70bps

Margin from Freehold 80.4% (+ 50bps)

↗ **€ 16.7 mn**

Group Net Profit
+16.7%

↗ **€ 18.3 mn**

Funds From Operations (FFO)
+17.5%





Operating performance

The macroeconomic context: 2018 outlook



↗ **GDP +1.5%**
(2017 Official data: +1.5%)

↗ **Consumption +1.2%**
(2017 Official data : +1.4%)

Situation at 1Q 2018:

- GDP: +0.3% (total change for 2018 +0.8%)
- Inflation rate: +0.7%
- Total retail real estate investments: €600mn, +35% vs 1Q 2017 (of which 62% invested in the shopping center segment)



↗ **GDP +4.8%**
(2017 Official data : +6.9%)

↗ **Consumption +4.9%**
(2017 Official data: +10.1%)

• Investments are expected to grow thanks to the implementation of projects financed by EU funds

• Consumption is expected to slow down due to the increase of consumer prices, but will remain the main driver of growth

Sources: Istat, European Commission, International Monetary Fund, CBRE. Forecast: IGD internal processing on research institutes panel.

Good operating performances

Italy

93.3%

Of total rental revenues



96.8% Occupancy

stable vs FY17



+2.9% Tenant sales

incl. extensions



+0.9% Footfalls

incl. extensions



+ 3% Average upside

42 signed contracts

of which 13 turnover and 29 renewals



1% Rotation rate

% of new tenants on tot. contracts

Romania

6.7%

Of total rental revenues



97.1% Occupancy

Increasing vs FY17



+1.5% Average upside on renewals

135 signed contracts

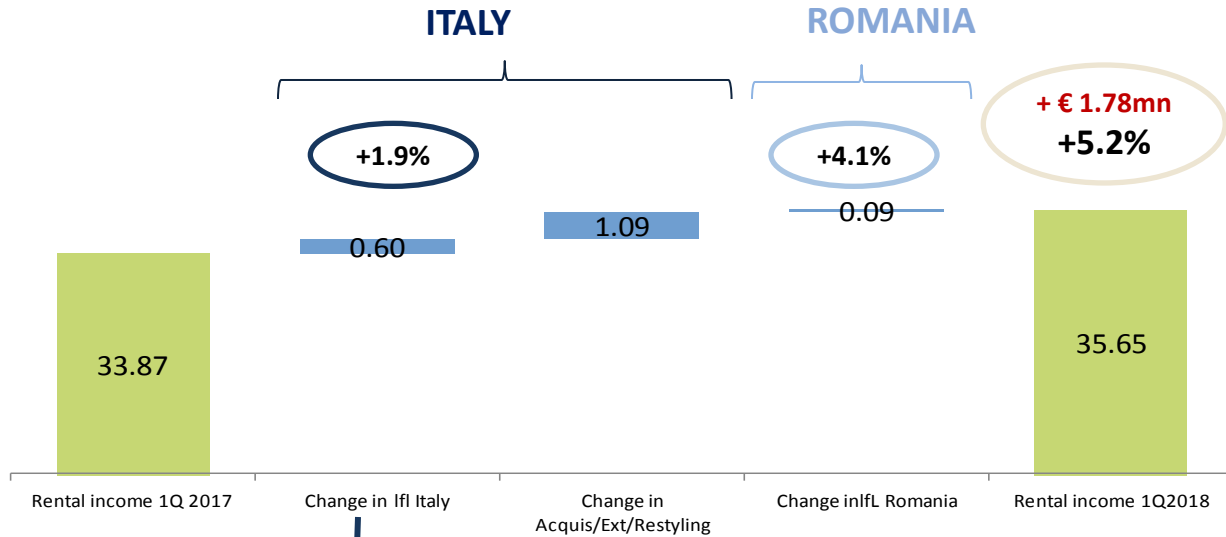
of which 72 turnover and 63 renewals



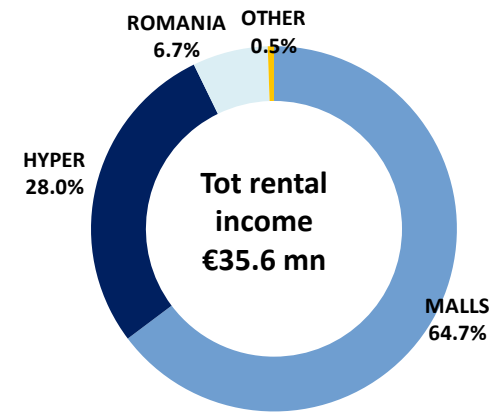
11.6% Rotation rate

% of new tenants on tot. contracts

Revenues and net rental income (€mn)



Breakdown of rental income

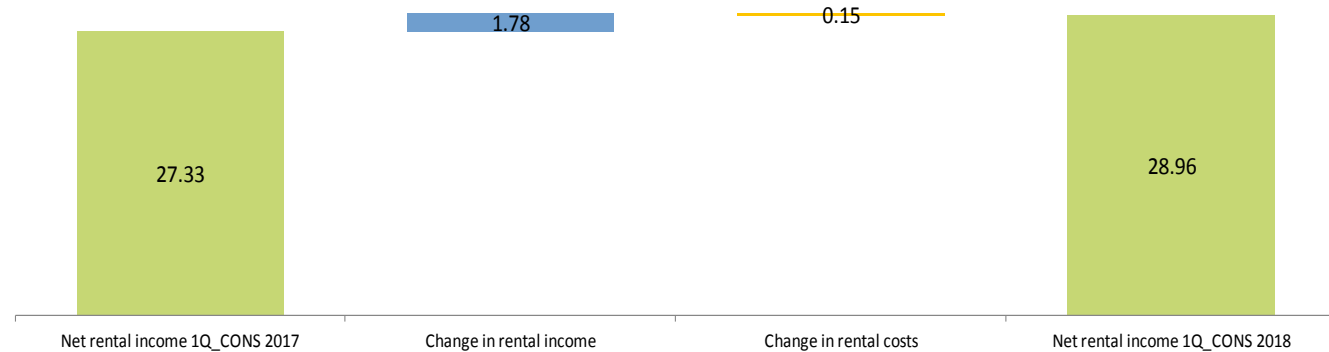


- ✓ malls are growing (+2.5%)
- ✓ hypermarkets are stable
- ✓ inflation effect ≈ +80bps

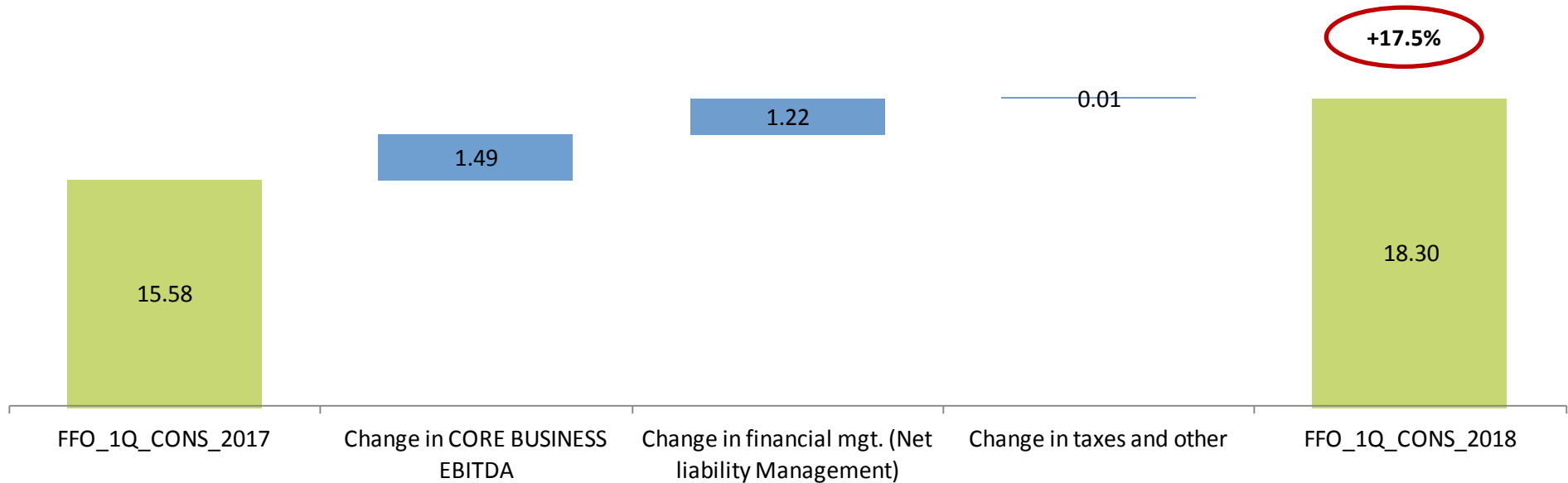
+€1.63mn
+6.0%

Italy +6.4%
Romania +2.2%

Net rental Income



Fund From Operations (FFO) continued to grow



Excellent results despite acquisition effects were not included (closing 18 aprile)

**The guidance disclosed in Febraury for the full year (+18/20%),
which included the acquisition effects,
will be updated upon approval of 1H 2018**



Update on our activities

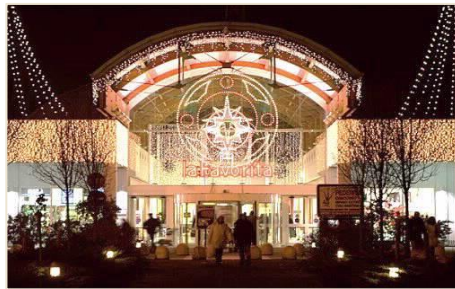
18 April 2018: the acquisition of 4 shopping malls and 1 retail park from Eurocommercial Properties was finalized



*Shopping mall
CENTRO LEONARDO*



*Shopping mall
CENTRO LAME*



*Shopping mall + Retail Park
CENTRO LA FAVORITA*



*Shopping mall
CENTRO LUNA*

GLA (acquired)	Approx. 37,500 sqm	Gross annual revenues⁽⁴⁾	€13.3M
No. of units	190	Net operating income (NOI)⁽⁴⁾	€12.5M
Footfalls (31/12/2016)	14.4M	Total value⁽⁵⁾	€187M
Occupancy rate	99%	Gross / Net yield⁽⁶⁾	6.8%/6.4%

Sources : C&W, CBRE and counterpart for the data related to the GLA

MAIN EVENTS RELATING TO THE ACQUISITION AND THE CAPITAL INCREASE

15/12/2017 Extraordinary BoD:

- approved the acquisition of 4 shopping malls and 1 retail park from ECP
- announced share capital increase for an amount of €150mn

19/02/2018 Reverse stock split of ordinary shares

22/03/2018 Green light from Consob

26/03/2018-13/04/2018 Option period
(subscribed 97.99%)

18/04/2018 Launch and early ending of the offer of the unexercised option rights
(subscribed 100%)

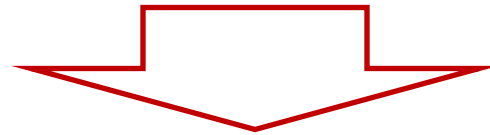
18/04/2018 Completion of the portfolio acquisition
(total investment €195.5 mn*)

23/04/2018 Share capital increase successfully completed and fully subscribed (151mn€ cash in, including the unexercised option rights)

*Such amount refers to the total value of the portfolio (€187 mn) as well as transfer taxes and ancillary costs equal to approximately €8.5 mn

And now...

- Consolidated position for IGD as leader in the management of Shopping centers dominant in their catchement area and located in medium size cities with high purchase power
- **Total portfolio approching around € 2.5 billion** in June 2018 (o.w. Malls around 63% and hypermarkets around 27%)
- **Improvement in the financial data** (LTV e ICR)
- **Improvement in terms of profitability** (Noi , Ebitda and FFO)



A new phase of IGD's life is starting

News from the Pipeline...



OFFICINE STORICHE: heart of the retail initiative

03/04/2018 Approvata variante dal Consiglio Comunale; Proseguono i lavori con previsione di apertura per il 2H2019

Sqm devoted to retail: > 15,000 sqm; 43 flats waterfront

PIAZZA MAZZINI

Almost completed the sale of the residential area

69 flats sold/reserved out of 73; total sold/reserved: **90.7%** **15 preliminary agreements already subscribed; deeds will be signed in 2018**

GRAN RONDO' (Crema)

03/05/2018 Opening of the new medium surface (+ 2,850 m² GLA), completed the restyling of the shopping mall external and the multi-storey car park (2017)

Total investment approx. € 7 mn

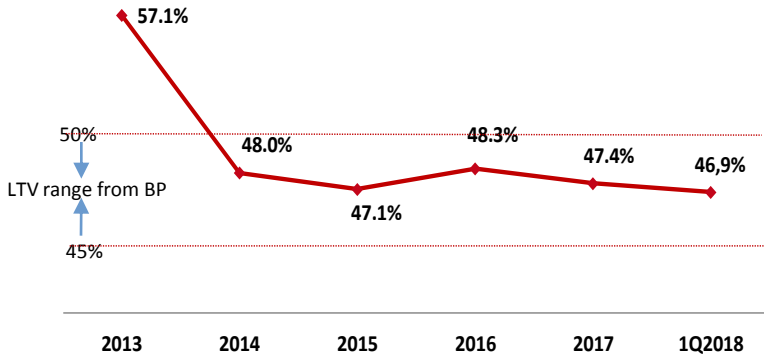




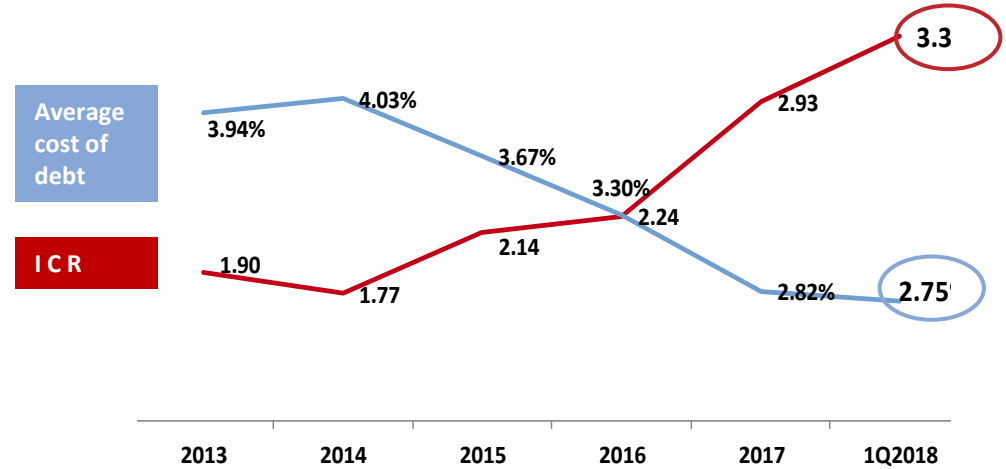
Financial results

Financial structure

Loan to Value

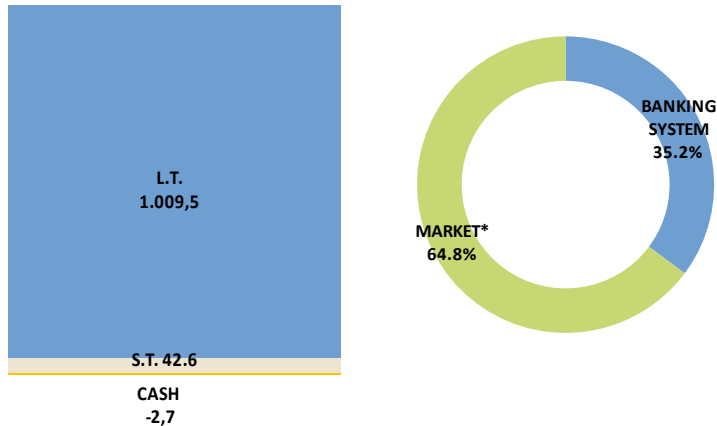


ICR and cost of debt



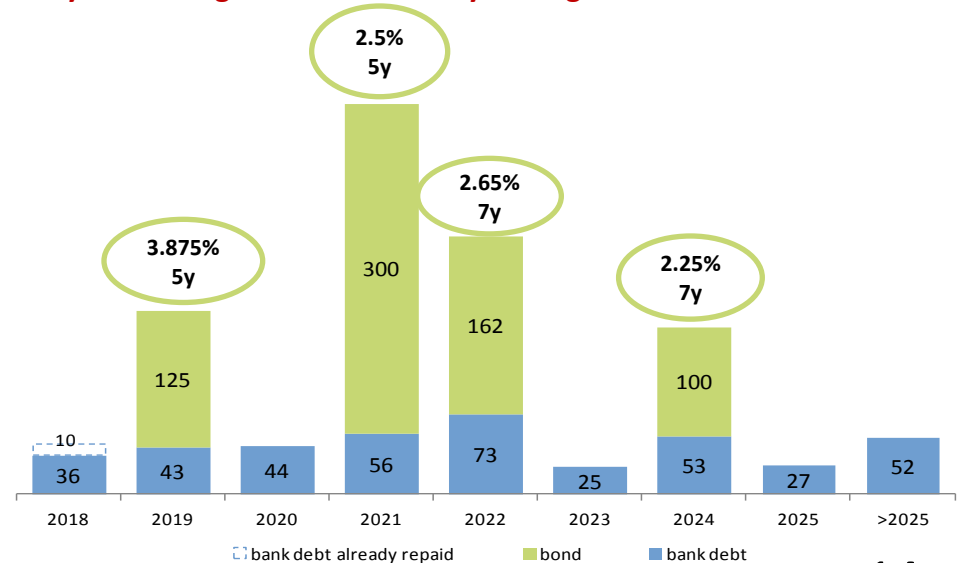
Debt break down

Net debt at 31/03/2018
1,049.4 mn



Debt maturity

4.4 years average residual maturity of long term debt

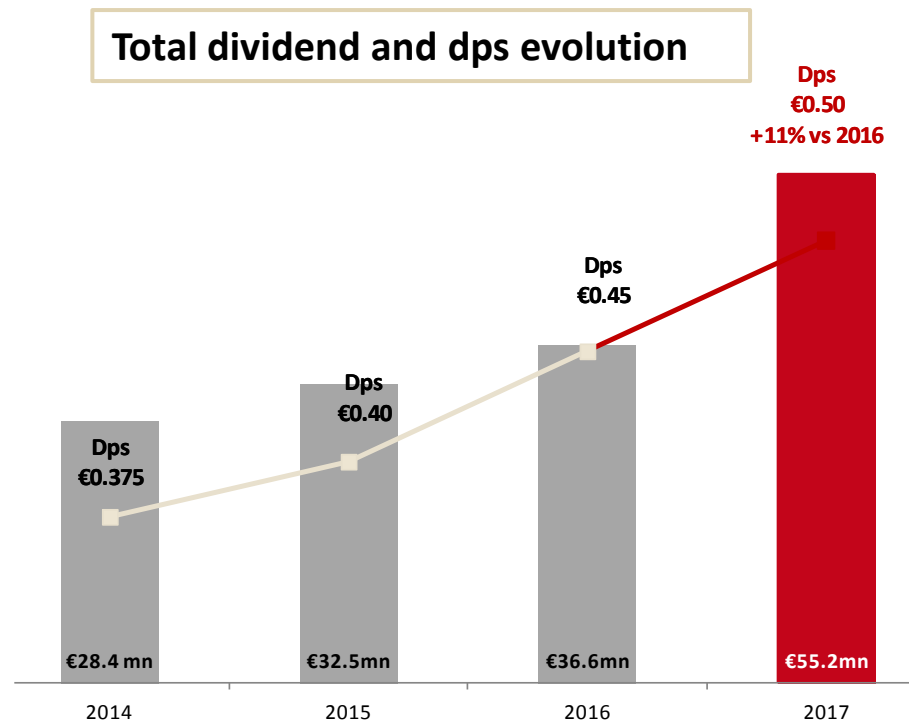


Next steps

***The Annual General Meeting held on 1 June 2018*
will be called to approve the proposal of a dividend per share equal
to €0.50***

Record date: 11 June 2018

Payment date: 13 June 2018



*in first call and on 4 June in second call

1Q2018 Results presentation



Attachments

Consolidated income statements

GROUP CONSOLIDATED	(a) 1Q2017	(b) 1Q2018	Δ (b)/(a)
Revenues from freehold rental activities	30.74	32.44	5.5%
Revenues from leasehold rental activities	3.13	3.20	2.3%
Total income from rental activities	33.87	35.65	5.2%
Rents and payable leases	-2.55	-2.56	0.5%
Direct costs from rental activities	-3.99	-4.13	3.3%
Net rental income	27.33	28.96	6.0%
Revenues from service	1.54	1.51	-1.7%
Direct costs from services	-1.30	-1.36	5.1%
Net services income	0.24	0.15	-37.7%
Personnel expenese	-1.61	-1.69	4.9%
G&A expenses	-0.91	-0.89	-3.1%
CORE BUSINESS EBITDA (Operating income)	25.05	26.54	6.0%
<i>Core business Ebitda Margin</i>	<i>0.71</i>	<i>0.71</i>	
Reveneus from trading	0.00	0.00	n.a.
Cost of sale and trading costs	-0.15	-0.13	-8.7%
Operating result from trading	-0.15	-0.13	-8.7%
EBITDA	24.90	26.40	6.0%
<i>Ebitda Margin</i>	<i>0.70</i>	<i>0.71</i>	
Impairment and Fair Value adjustments	-0.23	-0.72	n.a.
Depreciation and provisions	-0.35	-0.25	-30.6%
EBIT	24.31	25.44	4.7%
FINANCIAL MANAGEMENT	-9.15	-7.93	-13.3%
EXTRAORDINARY MANAGEMENT	-0.04	0.00	n.a.
PRE-TAX PROFIT/LOSS	15.12	17.51	15.8%
Taxes	-0.83	-0.81	-2.1%
PROFIT FOR THE PERIOD	14.29	16.70	16.8%
(Profit/Loss) for the period related to third parties	0.02	0.00	-99.9%
GROUP NET PROFIT	14.31	16.70	16.7%

Fund from Operations (FFO) €18.3 mn (+17.9%)

Funds from Operations	1Q2017	1Q2018	Δ vs 1Q 2017	Δ%
Core Business EBITDA	25,049	26,540	1,491	6.0%
Adj. Financial Management	-9,153	-7,931	1,222	-13.3%
Adj. Extraordinary Management	0	0	0	n.a.
Adj. current taxes for the period	-312	-304	8	-2.3%
FFO	15,585	18,305	2,720	17.5%

Contracts in Italy and Romania

Italy

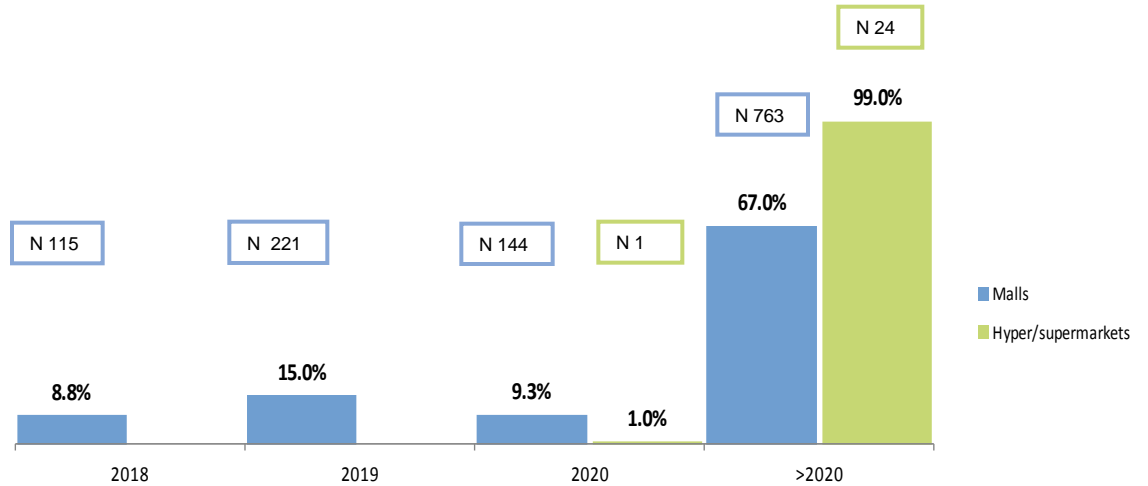
No. of contracts: 1,243

Average residual maturity

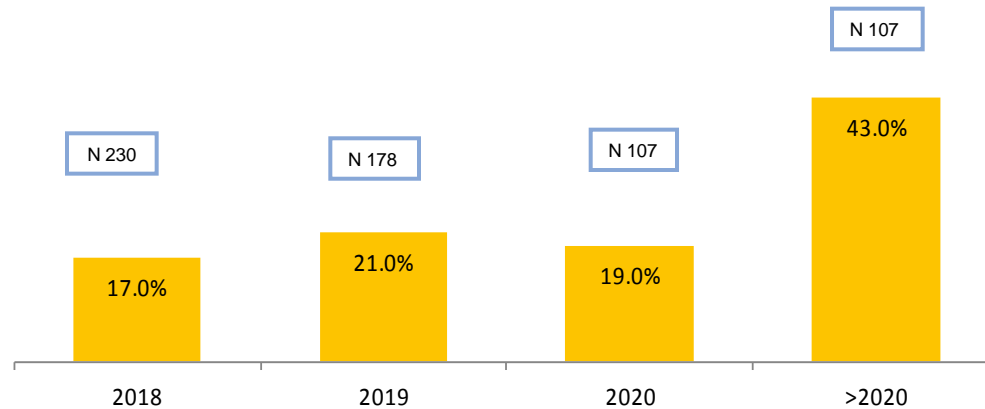
Hypermarkets 7.5 years

Malls 4.6 years

Expiry date of hypermarket and mall contracts (% of value)



Expiry date of mall contracts (% of value)



Romania

No. of contracts: 622

Average residual maturity

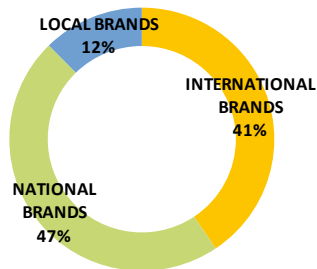
5.5 years

Key tenants

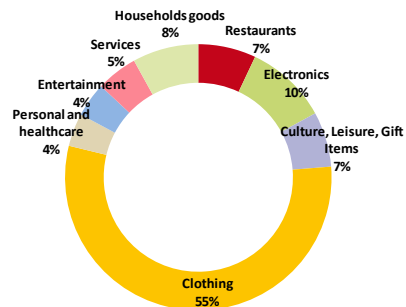
Top 10 Tenants Malls Italy			
TOP 10 Tenant	Product category	Turnover impact	No. of contracts
PIAZZA ITALIA	clothing	3.2%	12
H.M	clothing	2.8%	11
FORELLA RUBINO mōtivi oltre	clothing	2.4%	28
OVS	clothing	2.4%	8
unieuro	electronics	2.1%	7
SHARPS CALZEDONIA	shoes	2.1%	7
CALZEDONIA	clothing	1.7%	25
DECATHLON	clothing	1.4%	4
ALCOTT	clothing	1.4%	10
KASANOVA® l'amante della casa	household goods	1.3%	16
Total		20.9%*	128

Top 10 Tenants Malls Romania			
TOP 10 Tenant	Product category	Turnover impact	No. of contracts
Carrefour market	food	10.2%	11
H.M	clothing	7.9%	6
PEPCO	clothing	4.1%	11
dm	grocery	2.6%	5
B.B BOUTIQUE	jewellery	2.4%	6
ALTEX	electronics	2.3%	3
SENSI	pharmacy	2.0%	4
OCPL OFFICE CENTRE	offices	1.7%	1
BANCA BT TRANSILVANIA®	banks	1.2%	2
KFC	restaurant	1.2%	1
Total		35.6%	50

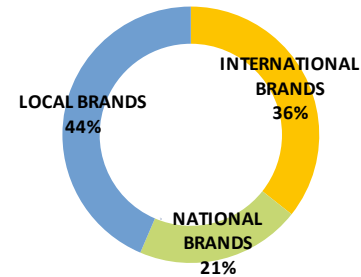
MALLS MERCHANDISING MIX



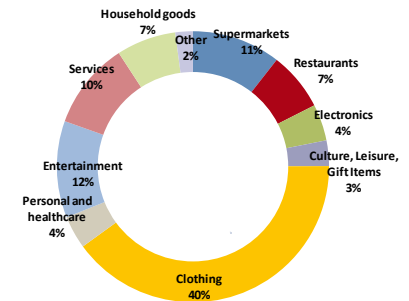
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALL TENANT MIX

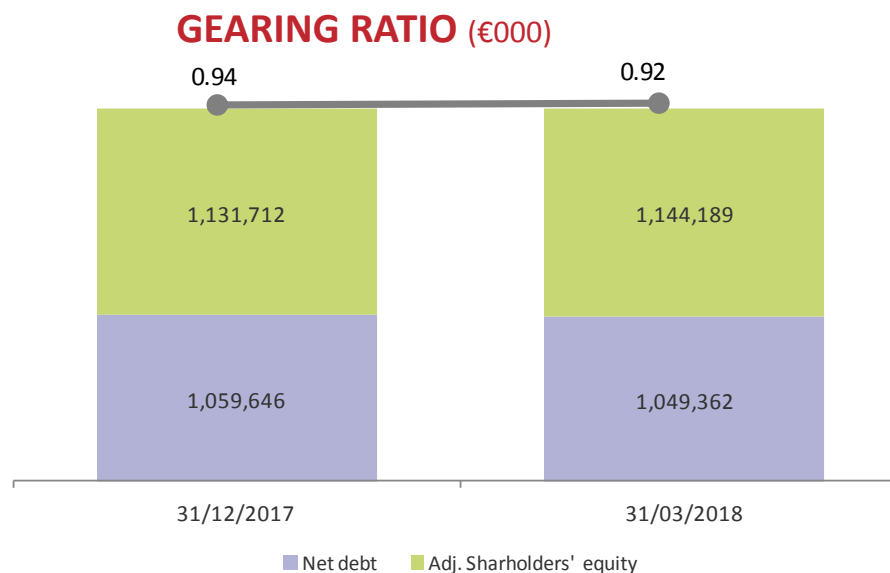


More financial highlights

	FY2017	31/03/2018
SHARE OF M/L TERM DEBT	91.1%	91.7%
HEDGING ON LONG TERM DEBT + BOND	94.7%	94.8%
UNCOMMITTED CREDIT LINES GRANED	€276 mn	€276 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€225.6 mn	€ 243.4 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€ 60 mn	€60 mn
UNENCUMBERED ASSETS	€1,475.4 mn	€1,475.4 mln

Reclassified balance sheet


Sources - Uses of funds	31/12/2017	31/03/2018	Δ	Δ%
Fixed assets	2,157,176	2,157,176	0	0.0%
Assets under construction	40,466	42,659	2,193	5.4%
Other non-current assets	23,245	23,067	-178	-0.8%
Other non-current liabilities	-29,082	-29,416	-334	1.1%
NWC	28,768	29,937	1,169	4.1%
Net deferred tax (assets)/liabilities	-24,777	-25,755	-978	3.9%
TOTAL USE OF FUNDS	2,195,796	2,197,668	1,872	0.1%
Net debt	1,059,646	1,049,362	-10,284	-1.0%
Shareholders' equity	1,115,753	1,129,941	14,188	1.3%
Net (assets)/liabilities for derivative instruments	20,397	18,365	-2,032	-10.0%
TOTAL SOURCES	2,195,796	2,197,668	1,872	0.1%



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