



# 9M 2020 Result presentation

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# Economic Highlights

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Rental Income

**€109.0 mn**

-6.1%

Net Rental Income

**€89.7 mn**

-12.2%

Core business Ebitda

**€82.8 mn**

-12.3%

Funds From Operation (FFO)

**€53.4 mn**

-15.0%

**Include Covid-19 one-off effects  
(no further impacts on subsequent years)**

# Assets' resilience proved by main indicators...

## Italian portfolio figures

**m<sup>2</sup>**

Financial occupancy

**95.7%**



Footfalls

3Q20 vs 3Q19  
Sept20 vs Sept19

**-16.4%**  
**-13,3%**



Tenant sales

3Q20 vs 3Q19  
Sept20 vs Sept19

**-4.9%**  
**-2.9%**



Negotiations with tenants  
already closed\*

**>90%**

c. 1.7 months of  
temporary reductions  
granted



Collection rate\*  
(hyper and malls net of reduction)

**87%**

## **...but we keep high attention to the evolution of the scenario...**

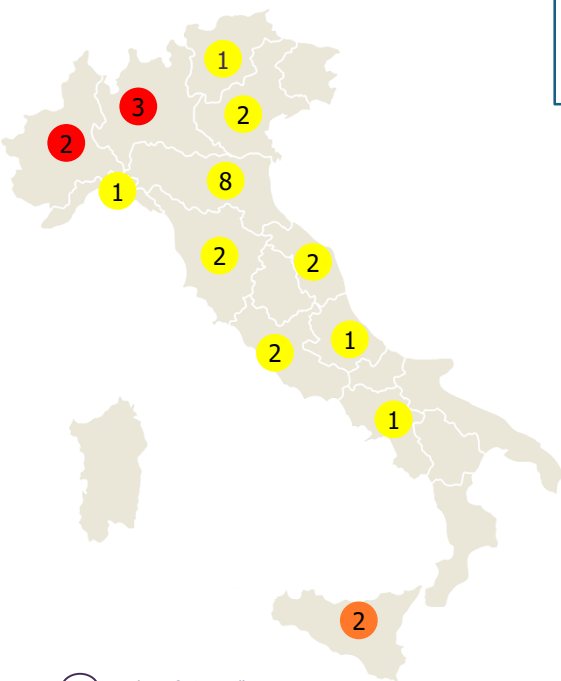
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Due to the surge in the pandemic also in Italy over the past few weeks, some **regions** (Lombardy, Piedmont, Sicily...) decided to close shopping centers during the weekends starting from 23/10.

On 25/10 the Italian Government issued a **first provision (DPCM)** which provided for **restrictions on the entire national territory** in some economic sectors. In particular cinemas and gyms closed, bars and **restaurants closed at 6pm** (delivery and take away allowed until 12am) from 26/10 to 24/11.




# ...including in light of the latest Decree

New measures effective from 6/11 to 3/12



# Number of IGD malls

Situation to date: risk rate revised weekly

| MAIN NATIONAL RESTRICTIONS  | DEGREE OF RISK   | MAIN REGIONAL RESTRICTIONS   |
|---|--|--|
| <ul style="list-style-type: none"> <li>• <b>«CURFEW» FROM 10:00 PM THROUGH 5:00 AM</b></li> <li>• <b>SHOPPING CENTERS CLOSED ON WEEKENDS AND HOLIDAYS</b><br/>(with the exception of food shops, pharmacies, newsagents, tobacconists and stand alone large and medium surfaces)</li> <li>• <b>RESTAURANTS, BARS CLOSED AT 6:00 PM</b><br/>(takeout allowed until 10:00 p.m., home deliveries always allowed)</li> <li>• <b>CINEMAS, THEATERS, GYMS AND MUSEUMS CLOSED</b></li> </ul> |  | <ul style="list-style-type: none"> <li>• <b>All retail businesses closed</b> (with the exception of categories deemed essential*)</li> <li>• <b>All restaurants closed</b> (with the exception of takeout allowed until 10:00 p.m. and home deliveries always allowed)</li> <li>• <b>All movements in or out of the region and between single municipalities prohibited</b></li> </ul> |
|   |  | <ul style="list-style-type: none"> <li>• <b>All restaurants closed</b> (with the exception of takeout allowed until 10:00 p.m. and home deliveries always allowed)</li> <li>• <b>All movements in or out of the region and between single municipalities prohibited</b></li> </ul>   |
|   |  | <ul style="list-style-type: none"> <li>• <b>National measures apply</b></li> </ul>   |



# 1 Operating performances

# Operating performances Italy



Negotiations with tenants to manage  
March-May 2020 lockdown period being finalized



## MALLS

67.8%  
of rental  
income

### Negotiations



Tenants **711**



Contracts **1,443**

Closed negotiations\* **c.90%**

In general, no changes to existing contracts but extensions and temporary reduction offered

### Leasing Mgt



Contracts expiring in 2020 **223**

Renewed **58%** (downside -1.3%\*\*)

12mts. extended maturity **4%**

Still to expire **38%**

Covid one-off impacts at 30/09 equal to approx. 7 mn€  
(reductions+provisions)

There will be an update in the FY when negotiations will be concluded



## HYPER

26.4%  
of rental  
income

- Always operating
- Enhance the shopping centers service role in their catchment areas
- Quarterly early invoicing



Collected **100%**

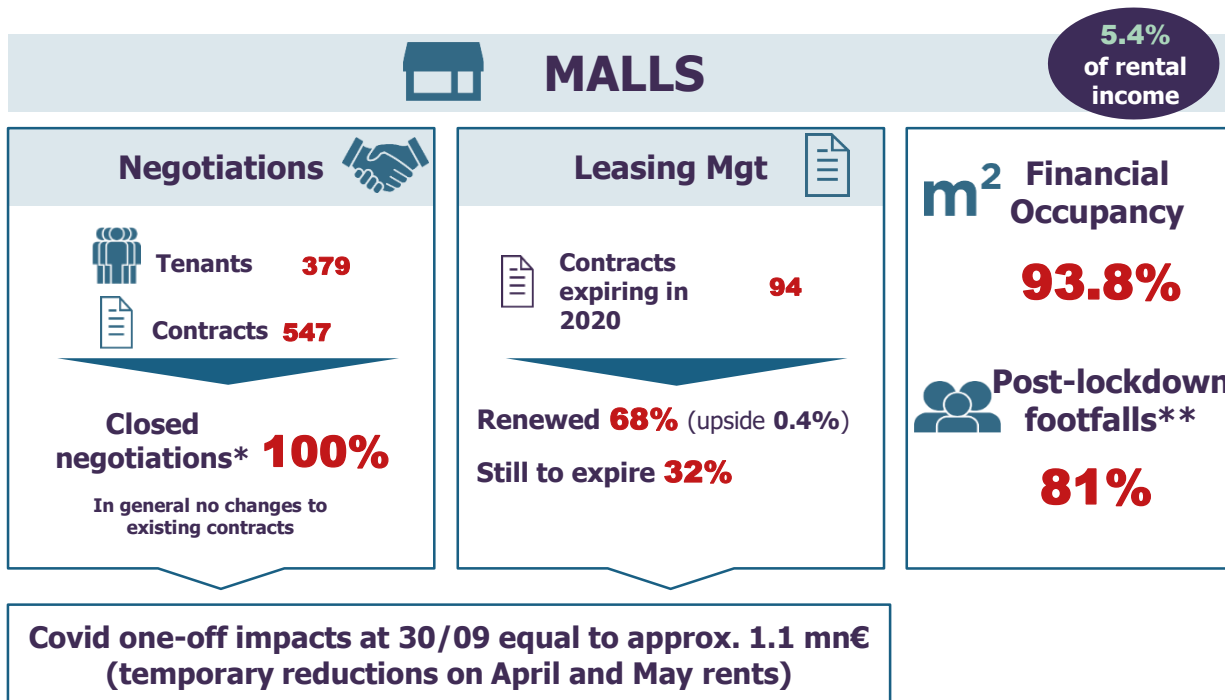
No effects on existing contracts



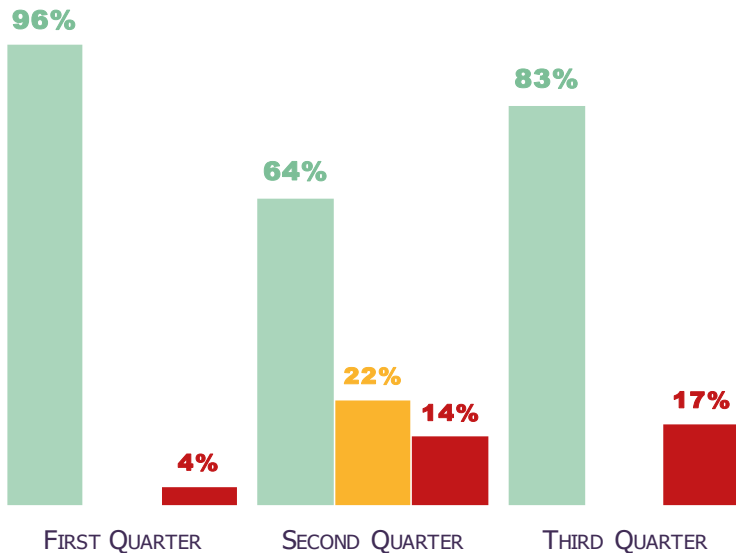
# Operating performances Romania



## Negotiations with tenants to manage March-May 2020 lockdown period concluded



# Rent collection Italy&Romania

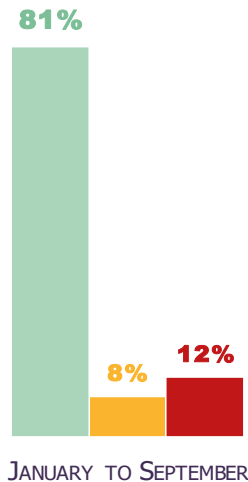


## ITALY

June payment due date 10/11

Collected turnover, net of deferrals, is equal to: **85%**

■ Collected ■ Deferred ■ Non-paid/Written-off



## ITALY

Tenant **default** in the 9months: **8 tenants**

## ROMANIA

No default

Collected turnover, net of deferrals, is equal to: **88%**

# New ways of living shopping centers

Consumers are adapting their habits:



More aimed visits...

▶ September footfalls **-13.3%**



...with an increase in the average ticket...

▶ **€26 (+€3.2; +14.1%** Sept '20 vs Sept '19)



...ending in a very slight reduction of purchases

▶ September tenant sales **-2.9%**

# Tenants' sales Italy

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## Tenants' sales:

**-2.9%** (Sept '20 vs Sept '19)

**-4.9%** (3Q20 vs 3Q19)

## Product categories: main trends (Sept 20 vs Sept 19)

### PARTICULARLY IMPROVING CATEGORIES



Electronics **+6.9%**



Household goods **+14.1%**

### STRUGGLING CATEGORIES



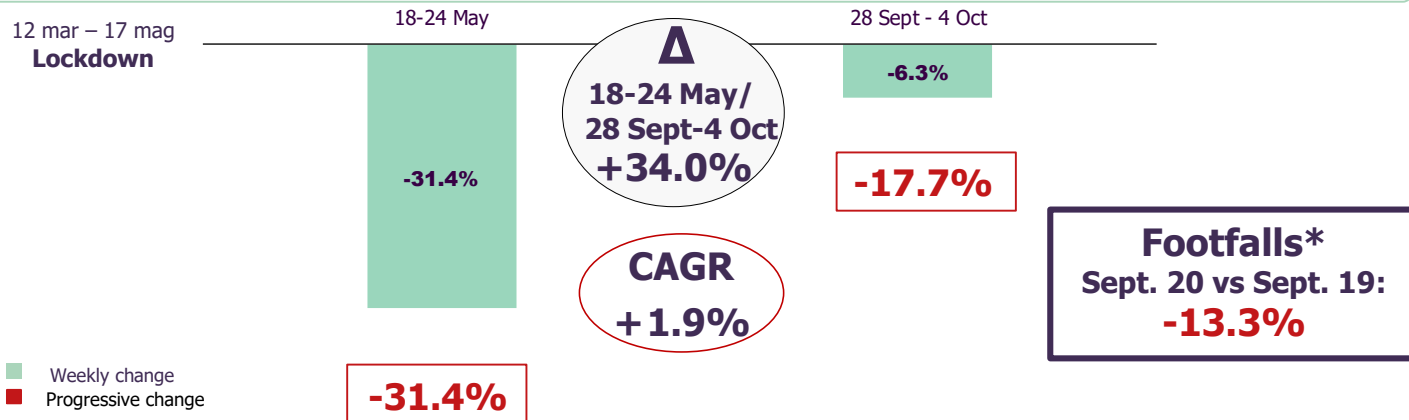
Restaurants with  
table service **-28.4%**



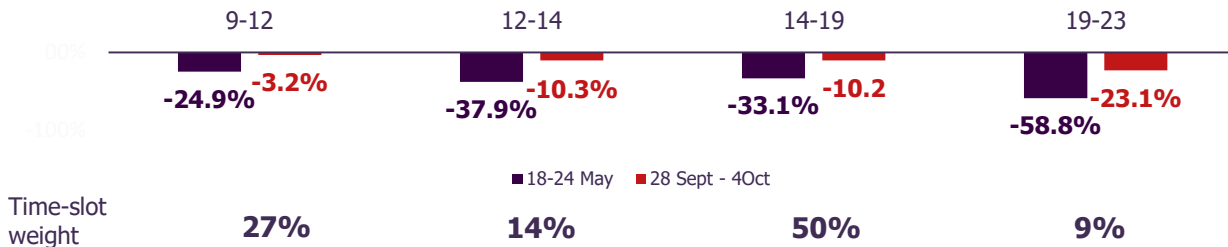
Shoes **-8.6%\***

# Footfalls

## Weekly footfalls 2020/2019



## Footfalls per time-slot 2020/2019



# Retailers continue to open new shops in our assets



## ITALY



21/7 – FrwrD (clothing)  
Le Porte di Napoli (Na)



24/7 – Chicco (baby clothes)  
La Torre (Pa)



2/8 – Wycon cosmetics  
Centro Nova (Bo)



28/8 – JD Store (sportswear)  
Centro Nova (Bo)



17/9 – Il mio barbiere  
Centro Nova (Bo)



25/9 – Pepco (clothing,  
Household goods and toys)  
Centro Borgo (Bo)  
La Favorita (Mn)



26/9 – Piazza Italia  
(clothing)  
Fonti del Corallo (Li)



15/10 – Happy Casa  
(household goods)  
Fonti del Corallo (Li)



23/10 – Alviero Rodriguez  
(leather goods, accessories)  
Le Porte di Napoli (Na)



## ROMANIA



30/06 – KIK  
(clothing) Cluj



2/07 – KIK (clothing)  
Slatina



10/07 – Styl  
(jewellery)  
Tulcea



10/07 – Styl  
(jewellery)  
Braila



17/07 – Cofetaria Oli  
(restaurants)  
Ploiesti Big



1/10 – Mageda  
Crafts (gift items)  
Ploiesti GC

# New promotional activities

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**New contest «Voglia di vincere» in 27 shopping centers**

**Jackpot >€630k**

**with numerous immediate prizes (15 winners per hour in each center)**

**Final drawing**

**With prizes in line with IGD mission concerning green and sustainability (e-cars, e-bike,...)**

**Great result**

**880,000 games and 97,000 players involved**

# New Code of Conduct

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## IGD's Code of Conduct



**2006** – Code of Conduct's first version

**2010** – first review

**2020** – second review, considering the **update of the Organizational, Management and Control Model**, the new **Code of Conduct of Coop Alleanza 3.0** and new **internal procedures/policies** (anti-bribery, privacy, corporate welfare, Whistleblowing, etc.)

## Main news



- A **new version of the Charter of Values**, which shapes corporate conduct;
- A **revision of the rules of conduct**, in order to clarify the «pact» that connects IGD with its stakeholders.
- A **new structure** to highlight the different parts comprising the Code



# Sustainability breaking news

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- Adhesion to **United Nations Global Compact**, the most important international standard concerning human rights, labor, environmental sustainability as well as the fight against corruption



- For the sixth year in a row, IGD received the "**EPRA sBPR Gold Award**" (sustainability Best Practice Recommendations) for the 2019 Sustainability Report and, for the third year in a row, the "**EPRA BPR Gold Award**" (Best Practice Recommendations) for the 2019 Consolidated Financial Statements

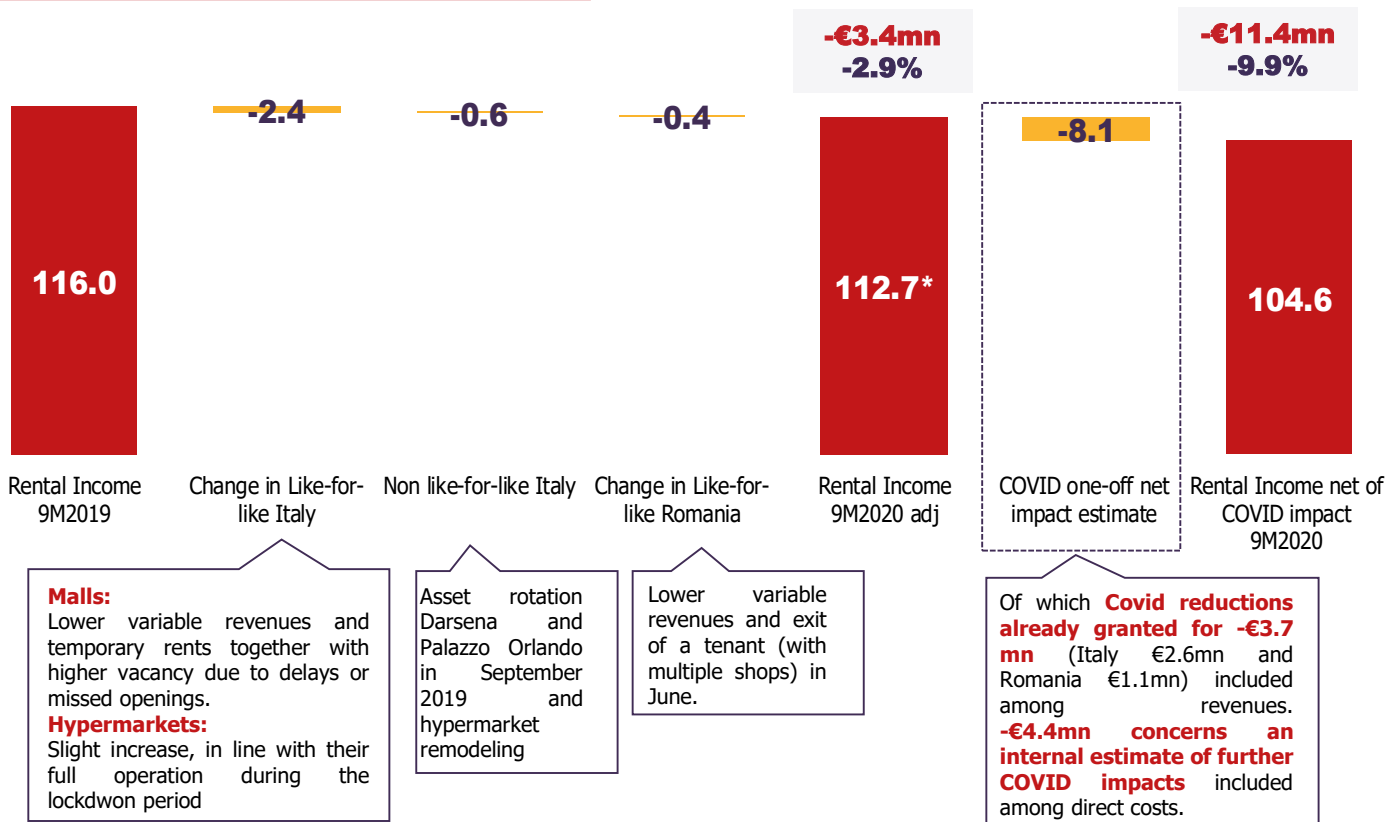


- Two Tesla **Charging Stations** opened between July and September in Puntadiferro shopping center in Forlì and Maremà shopping center in Grosseto in line with IGD plan for a **sustainable mobility**

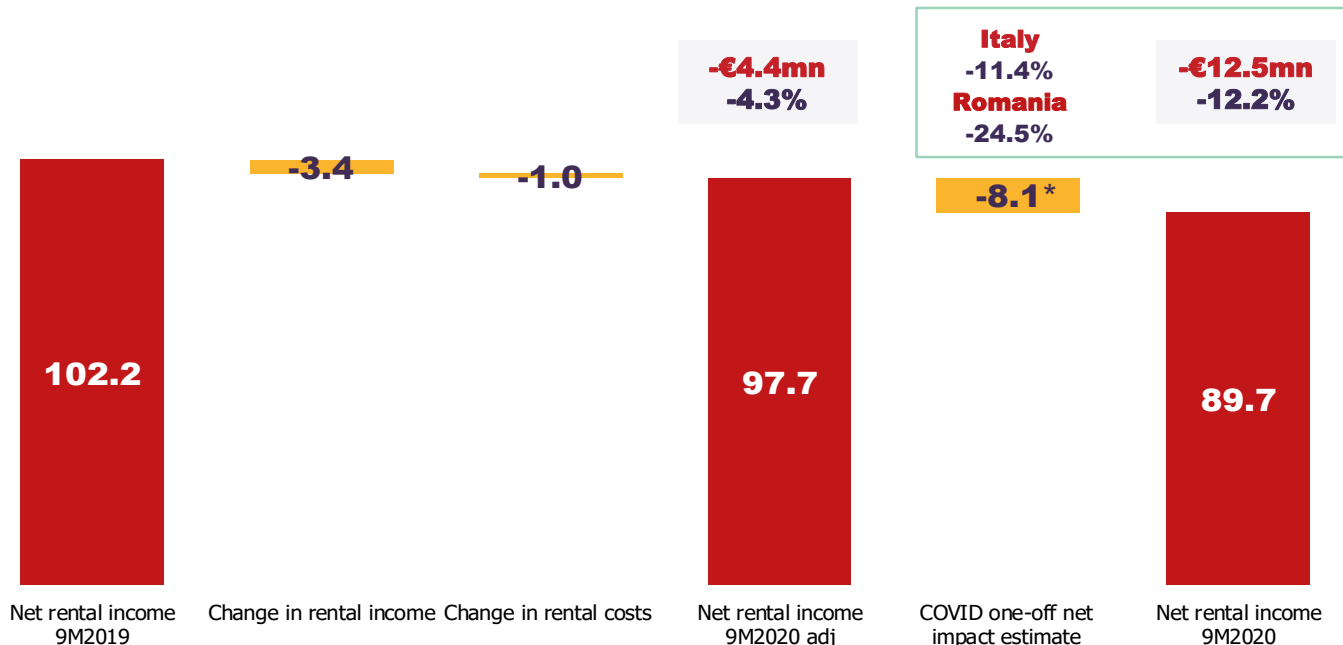


# 2 Financial Results at 30 September 2020

# Rental Income (€mn)

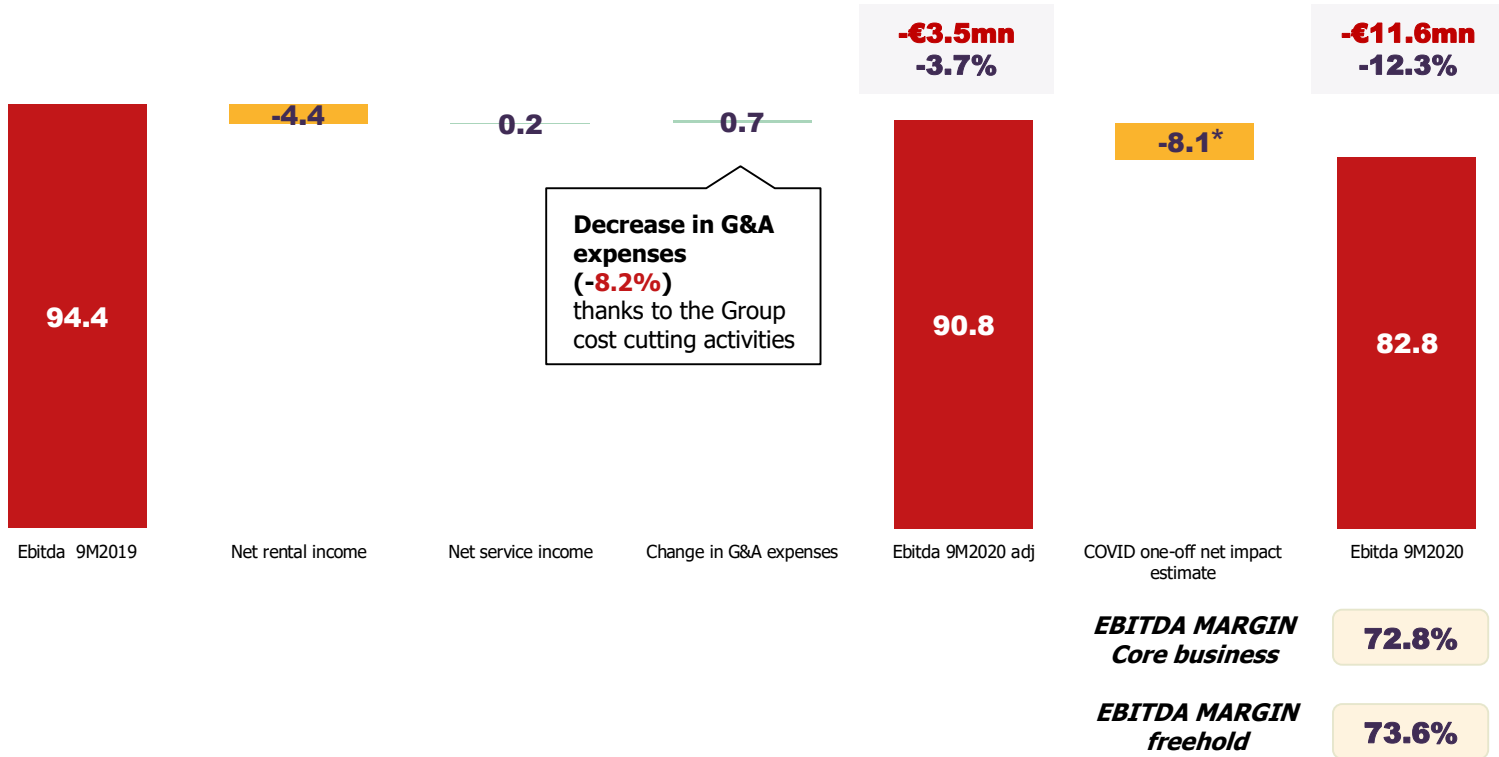


# Net rental Income (€mn)



**It is a one-off impact on 2020 with no further effects on the subsequent years**

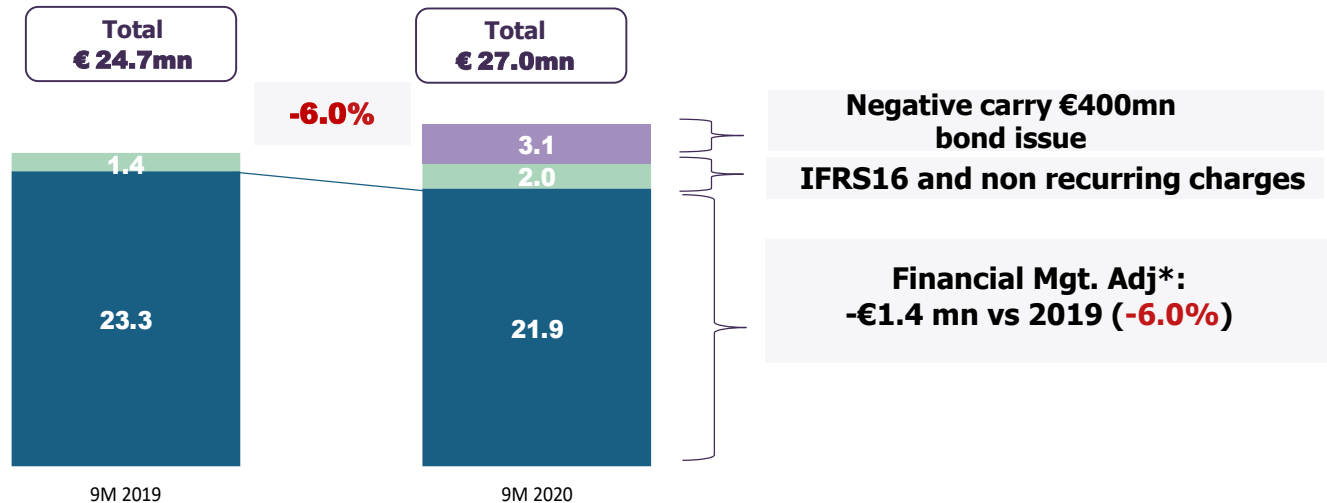
# Core business EBITDA (€mn)



**Decrease in G&A expenses (-8.2%)**  
thanks to the Group cost cutting activities

# Financial management (€mn)

Figures, net of accounting items and negative carry related to the last bond issued (financial management ADJ\*) are improving (-6.0% vs 30 September 2019)



■ Financial management ADJ FFO\* ■ IFRS16 and non recurring charges ■ Negative Carry

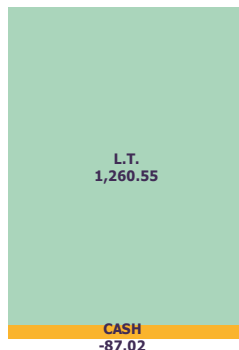
\*Financial management adj: net of IFRS16 (€1.2mn) and IFRS9, non recurring charges and negative carry of the €400mn bond issue for a value of approx. €3.9mn

Some figures may not add up due to rounding

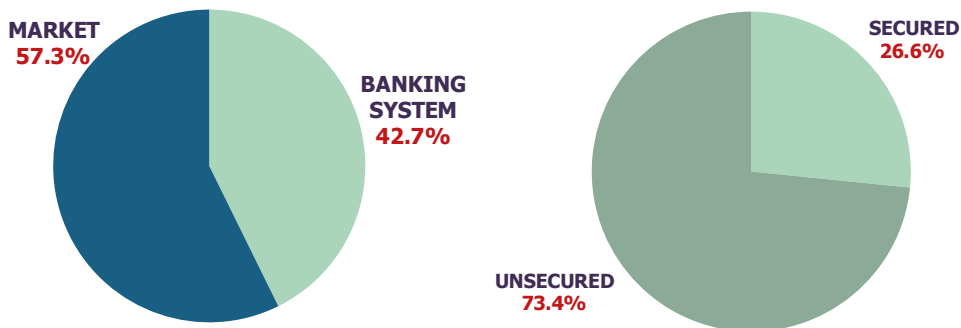
# Financial structure

|                             | 30/09/2020                      |   | 30/09/2020  |
|-----------------------------|---------------------------------|---|-------------|
| <b>LTV</b>                  | 49.3%<br>(adj. IFRS16 c. 48.3%) | <b>Uncommitted credit lines available</b>           | 151€ mn     |
| <b>ICR</b>                  | 3.6X*                           | <b>Committed credit lines granted and available</b> | 60€ mn      |
| <b>Average cost of debt</b> | 2.30%                           | <b>Unencumbered assets</b>                          | 1,471.9€ mn |

**NET DEBT**  
€1,173.5 mn\*\*

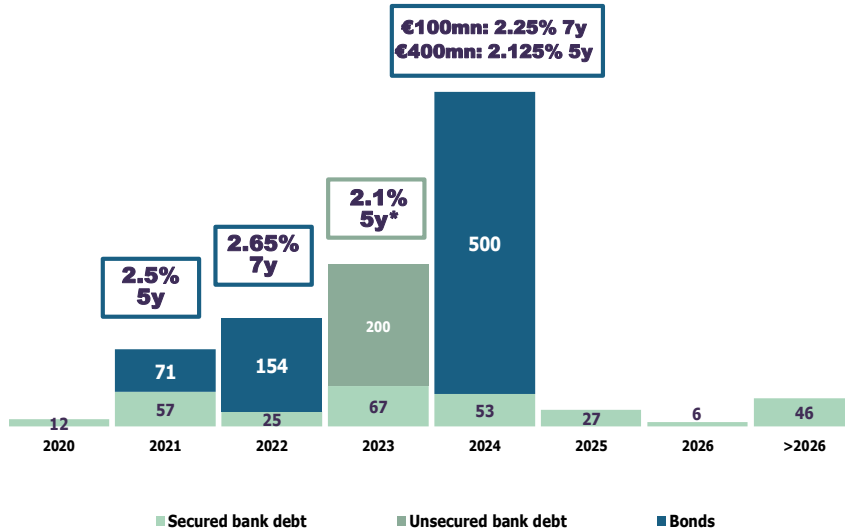


**DEBT BREAKDOWN\*\*\***



# Update on financial management

## Debt maturity



## Latest news



**Liquidity** at 30/09  
**€87mn**

**16/10 (post 3Q)**  
**€36,3mn loan**



granted by Banca Monte dei Paschi di Siena guaranteed by SACE Spa (6 years, cost including government guarantee in line with the Group's average cost of debt)



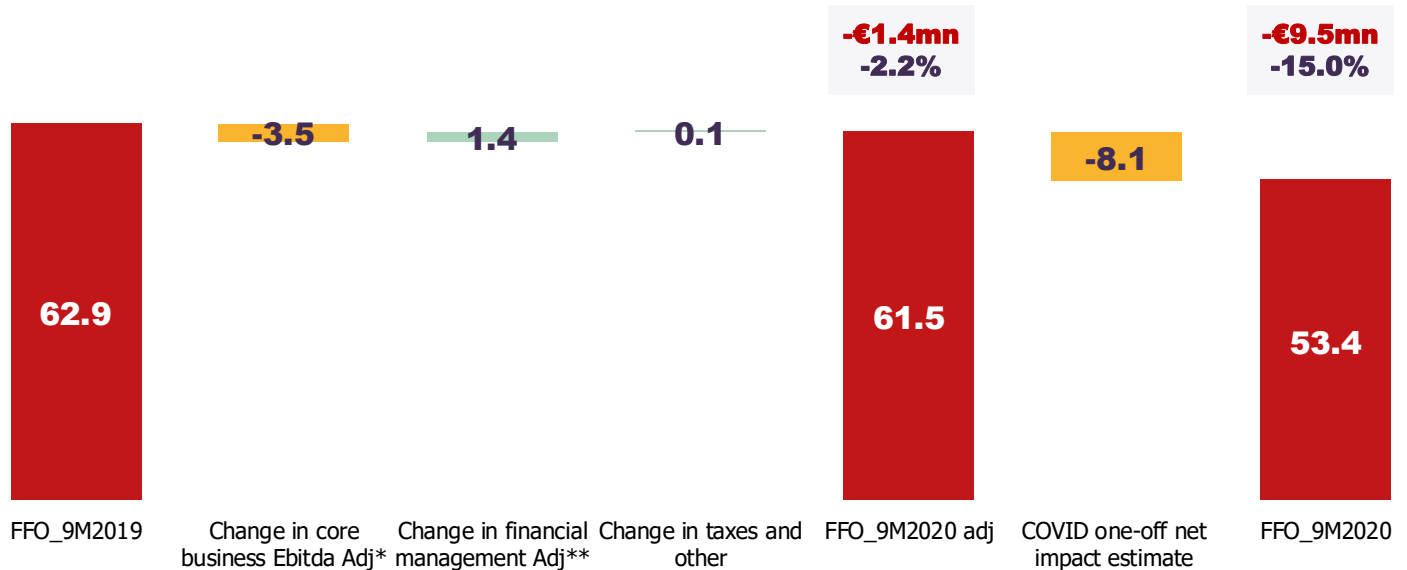
**Rating Fitch**

BBB- Outlook negative  
**confirmed** on 1/10/2020

**Considering liquidity at 30/09, loan obtained by Mps, committed and uncommitted credit lines available, we have more than enough cash to cover whole 2021**



# Funds From Operations (FFO)





# 3 Outlook

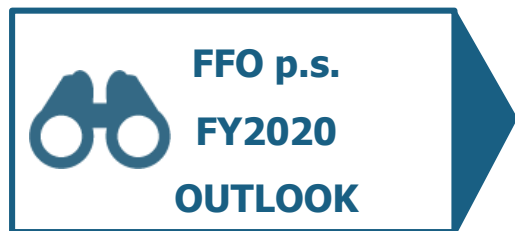
## Final remarks and Outlook 2020

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The FFO guidance, revised and disclosed last 6 August, was based on the estimated impact of the health crisis at that moment and did not take into account the repercussions that worsening health and economic conditions could have for the business.

The positive operating performances recorded to date, in line with the Italian economic trend in the third quarter which exceeded the government's expectations (+16.1% vs 2Q2020), were encouraging and hinted at a sector recovery with the possibility of an improved outlook.

In light, however, of the recent surge in the pandemic and the restrictive measures adopted by a few regions, we are confirming the previous guidance, predicated on the same reservations expressed at that time, namely barring any significant deterioration in the business or global market conditions.



**-25%/-28% vs FY2019**  
**(c. €0.54/€0.57)**

(Includes current estimate of Covid-19 one-off impact for the entire year; no effects on the subsequent years are expected)



# 4 Attachments

# Consolidated Income Statement

| GROUP CONSOLIDATED                                    | (a)          | (b)          | Δ             |
|---|--------------|--------------|---------------|
|   | 9M_CONS_2019 | 9M_CONS_2020 | (b)/(a)       |
| Revenues from freehold rental activities              | 106.7        | 100.2        | -6.0%         |
| Revenues from leasehold rental activities             | 9.4          | 8.7          | -6.7%         |
| <b>Total revenues from rental activities</b>          | <b>116.0</b> | <b>109.0</b> | <b>-6.1%</b>  |
| Rents and payable leases                              | -0.1         | 0.0          | -98.8%        |
| Direct costs from rental activities                   | -13.8        | -19.3        | 40.3%         |
| <b>Net rental income</b>                              | <b>102.2</b> | <b>89.7</b>  | <b>-12.2%</b> |
| Revenues from services                                | 4.8          | 4.8          | 0.5%          |
| Direct costs from services                            | -4.0         | -3.8         | -5.1%         |
| <b>Net services income</b>                            | <b>0.8</b>   | <b>1.0</b>   | <b>29.4%</b>  |
| HQ Personnel expenses                                 | -5.0         | -4.6         | -7.7%         |
| G&A Expenses  | -3.6         | -3.3         | -8.9%         |
| <b>CORE BUSINESS EBITDA (Operating income)</b>        | <b>94.4</b>  | <b>82.8</b>  | <b>-12.3%</b> |
| <i>Core business Ebitda Margin</i>                    | <i>78.1%</i> | <i>72.8%</i> |               |
| Revenues from trading                                 | 0.4          | 0.7          | 86.8%         |
| Cost of sale and other cost from trading              | -0.8         | -1.3         | 67.5%         |
| <b>Operating result from trading</b>                  | <b>-0.4</b>  | <b>-0.6</b>  | <b>49.3%</b>  |
| <b>EBITDA</b>   | <b>94.0</b>  | <b>82.2</b>  | <b>-12.5%</b> |
| <i>Ebitda Margin</i>                                  | <i>77.6%</i> | <i>71.8%</i> |               |
| Impairment and Fair Value adjustments                 | -46.3        | -77.5        | 67.4%         |
| Depreciations and Provisions                          | -0.8         | -0.8         | -1.5%         |
| <b>EBIT</b>   | <b>46.9</b>  | <b>3.9</b>   | <b>-91.6%</b> |
| FINANCIAL MANAGEMENT                                  | -24.7        | -27.0        | 9.2%          |
| EXTRAORDINARY MANAGEMENT                              | 0.0          | -0.1         | n.a.          |
| <b>PRE-TAX RESULT</b>                                 | <b>22.2</b>  | <b>-23.2</b> | <b>n.a.</b>   |
| Taxes   | 0.2          | 1.8          | n.a.          |
| <b>NET RESULT FOR THE PERIOD</b>                      | <b>22.4</b>  | <b>-21.3</b> | <b>n.a.</b>   |
| (Profit/Loss) for the period related to third parties | 0.0          | 0.0          | n.a.          |
| <b>GROU NET RESULT</b>                                | <b>22.4</b>  | <b>-21.3</b> | <b>n.a.</b>   |

Figures may not add up due to rounding.

# Contracts in Italy and Romania at 30/09/2020

## Malls Italy

Average residual maturity: **4.1years**

Total contracts: 1,443 of which 76 renewals with the same tenant 54 signed with a new tenant

Rotation Rate 3.7%  
(% new contracts on tot. contracts)

## Hypermarkets Italy

Average residual maturity: **13.8years**

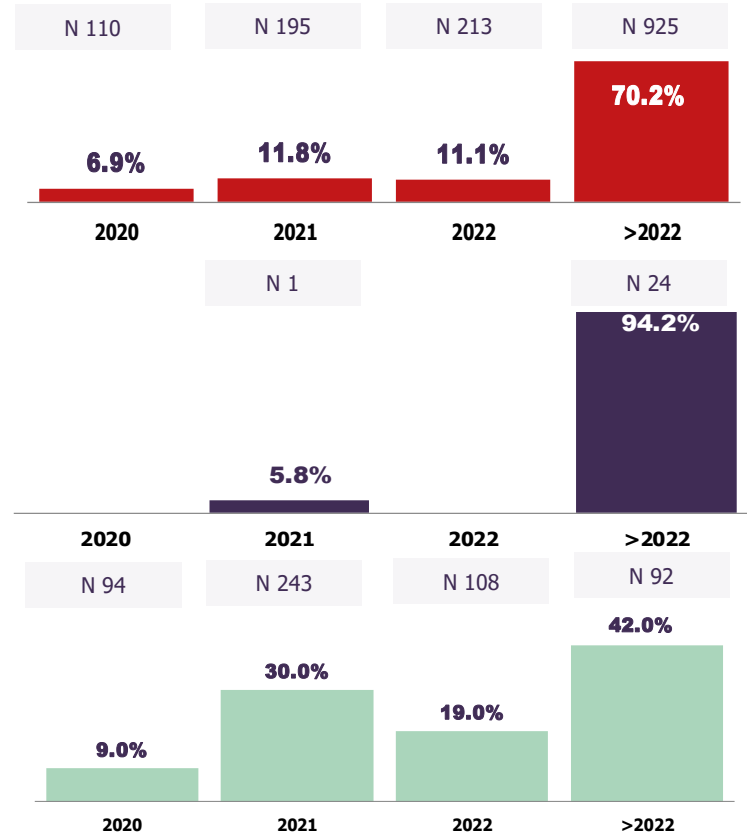
Total contracts: 25

## Malls Romania

Average residual maturity: **4.7years**

Total contracts: 537 of which 191 renewals with the same tenant and 66 signed with a new tenant

Rotation Rate 12.3%  
(% new contracts on tot. contracts)



# Key tenants

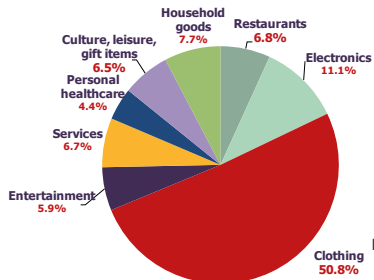
## Top 10 Tenants Italian Malls

| TOP 10 Tenant | Product category    | Turnover impact | Contracts  |
|---------------|---------------------|-----------------|------------|
| OVS           | clothing            | 3.0%            | 14         |
| PIAZZA ITALIA | clothing            | 2.5%            | 10         |
| H&M           | clothing            | 2.1%            | 10         |
| unieuro       | electronics         | 2.0%            | 8          |
| ALDO          | shoes               | 2.0%            | 8          |
| DOUGLAS       | personal healthcare | 1.8%            | 17         |
| MRBIO oltre   | clothing            | 1.8%            | 25         |
| CALZEDONIA    | clothing            | 1.6%            | 28         |
| ALDI          | jewellery           | 1.4%            | 25         |
| Stroili Oro   | jewellery           | 1.3%            | 19         |
| <b>Total</b>  |                     | <b>19.5%</b>    | <b>164</b> |

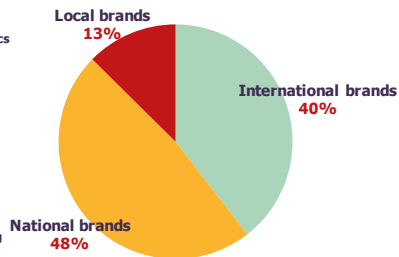
## Top 10 Tenants Romanian Malls

| TOP 10 Tenant    | Product category    | Turnover impact | Contracts |
|------------------|---------------------|-----------------|-----------|
| Carrefour market | supermarket         | 10.6%           | 11        |
| H&M              | clothing            | 7.2%            | 6         |
| kik              | clothing            | 5.0%            | 10        |
| PEPCO            | clothing            | 4.4%            | 11        |
| dm               | drugstore           | 2.7%            | 5         |
| B&B              | jewellery           | 2.2%            | 5         |
| SENZA            | personal healthcare | 2.1%            | 4         |
| OCPI             | offices             | 1.7%            | 1         |
| KFC              | restaurants         | 1.2%            | 1         |
| InterGame        | entertainment       | 1.2%            | 1         |
| <b>Total</b>     |                     | <b>38.3%</b>    | <b>55</b> |

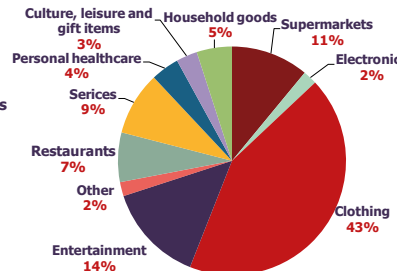
Malls Merchandising Mix



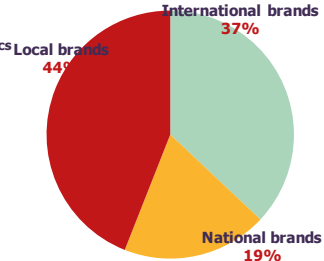
Malls Tenant Mix



Malls Merchandising Mix



Malls Tenant Mix



# Funds From Operations (FFO)

| Funds from Operations               | 9M_CONS_2019 | 9M_CONS_2020 | Δ            | Δ%            |
|-------------------------------------|--------------|--------------|--------------|---------------|
| <b>Core business EBITDA</b>         | <b>94.4</b>  | <b>82.8</b>  | <b>-11.6</b> | <b>-12.3%</b> |
| IFRS16 Adjustments (payable leases) | -7.6         | -6.9         | 0.7          | -9.6%         |
| Financial management adj.           | -23.3        | -25.0        | -1.7         | 7.5%          |
| Extraordinary management adj.       | 0.0          | 0.0          | 0.0          | n.a.          |
| Current taxes for the period adj.   | -0.9         | -0.8         | 0.1          | -12.0%        |
| <b>FFO</b>                          | <b>62.6</b>  | <b>50.1</b>  | <b>-12.5</b> | <b>-19.9%</b> |
| Una tantum Marketing                | 0.3          | 0.2          | -0.1         | -42.2%        |
| <b>FFO</b>                          | <b>62.9</b>  | <b>50.3</b>  | <b>-12.6</b> | <b>-20.0%</b> |
| Negative Carry                      | 0.0          | 3.1          | 3.1          | n.a.          |
| <b>FFO ADJ</b>                      | <b>62.9</b>  | <b>53.4</b>  | <b>-9.5</b>  | <b>-15.0%</b> |

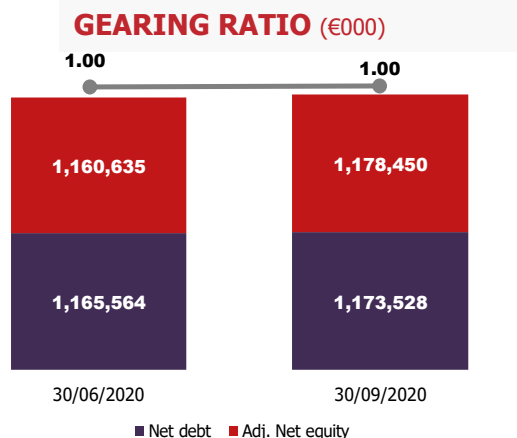


# Further financial highlights

|   | 30/06/2020                     | 30/09/2020 |
|---|--------------------------------|------------|
| <b>Gearing ratio</b>                    | 1.0X<br>(adj. IFRS16 c. 0.96X) | 1.0X       |
| <b>Average lenght of long-term debt</b> | 3.6 years                      | 3.4 years  |
| <b>Hedging on long-term debt + bond</b> | 95.1%                          | 95.3%      |
| <b>Share of M/L debt</b>                | 89.3%                          | 88.9%      |
| <b>Uncommitted credit lines granted</b> | 161€ mn**                      | 151€ mn**  |

# Reclassified balance sheet

| Sources - Uses of funds (€/000)                     | 30/09/2020       | 30/06/2020       | Δ              | Δ%           |
|---|------------------|------------------|----------------|--------------|
| Fixed assets  | 2,297,973        | 2,300,570        | 2,597          | 0.1%         |
| Assets under construction                           | 42,714           | 40,610           | -2,105         | -4.9%        |
| Other non-current assets                            | 21,422           | 21,551           | 129            | 0.6%         |
| Other non-current liabilities                       | -28,092          | -28,251          | -159           | 0.6%         |
| NWC   | 45,940           | 19,094           | -26,846        | -58.4%       |
| Net deferred tax (assets)/liabilities               | -24,575          | -24,097          | 478            | -1.9%        |
| <b>TOTAL USE OF FUNDS</b>                           | <b>2,355,383</b> | <b>2,329,478</b> | <b>-25,906</b> | <b>-1.1%</b> |
| Net equity  | 1,166,911        | 1,148,084        | -18,828        | -1.6%        |
| Net (assets)/liabilities for derivative instruments | 14,944           | 15,830           | 886            | 5.9%         |
| Net debt  | 1,173,528        | 1,165,564        | -7,964         | -0.7%        |
| <b>TOTAL SOURCES</b>                                | <b>2,355,383</b> | <b>2,329,478</b> | <b>-25,906</b> | <b>-1.1%</b> |



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