

Full year 2018 results

Conference call
February 26, 2019



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2018 key events

...

APRIL

Acquisition of 4 shopping malls
from ECP
(c.200 € mn)

Share capital increase
(150 € mn)

JUNE

Appointment of the new
Board of Directors

SEPTEMBER

Epra Annual Conference



OCTOBER

Signed a senior unsecured
facility €200 mn
5y maturity
cost < 2018 average cost

NOVEMBER

2019-2021 Strategic Plan

Strategic Agreement with
Coop Alleanza 3.0

DECEMBER

Achieved the 2016-2018
Business Plan targets:
Accumulated FFO c. €200mn
(cagr +21.6%)
LTV 45.8%

Highlights 1/2

↗ **€151.8 mn**
Rental Income
+9.2%

↗ **€124.0 mn**
Net Rental Income
+ 10.9%

↗ **€113.7 mn**
Core business Ebitda
+12.4%
Margin 71.9% +220bps
Margin from Freehold 80.3% (+ 110bps)

↗ **€46.4 mn**
Group Net Profit
- 46.3%

↗ **€2,412.2 mn**
Portfolio Market Value
+8.3%

↗ **€11.45 per share**
Epra NNAV
+0.4% vs € FY2017*

igd SIG
SPAZI DA VIVERE

Highlights 2/2

↗ **€79.7 mn**

Funds From Operations (FFO)

+21.4%

↗ **€0.72**

FFO per share

igd SPAZI DA VIVERE
SiQ

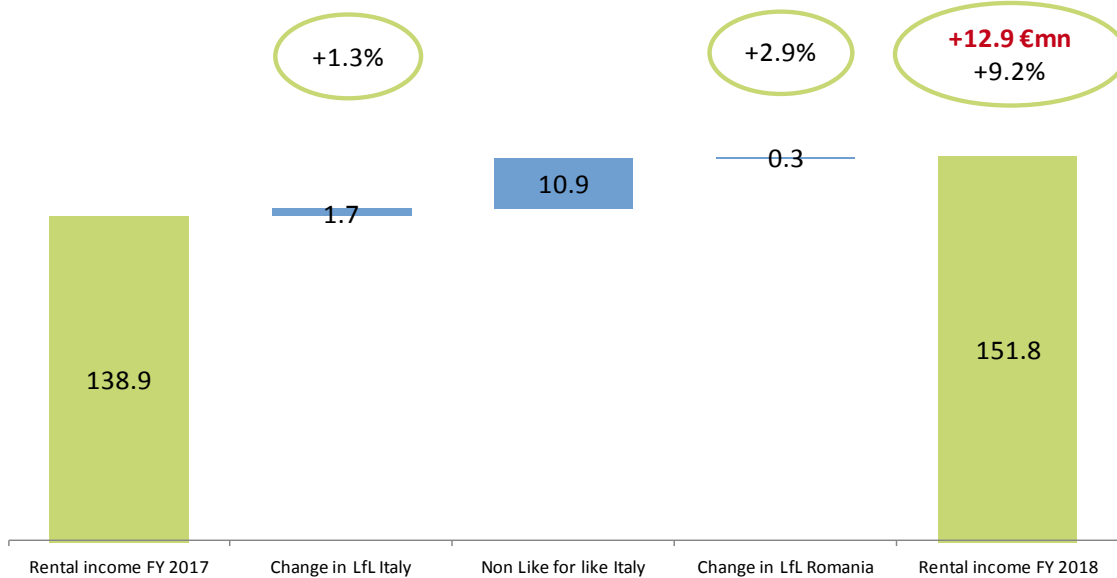
€0.50 per share

Proposed dividend

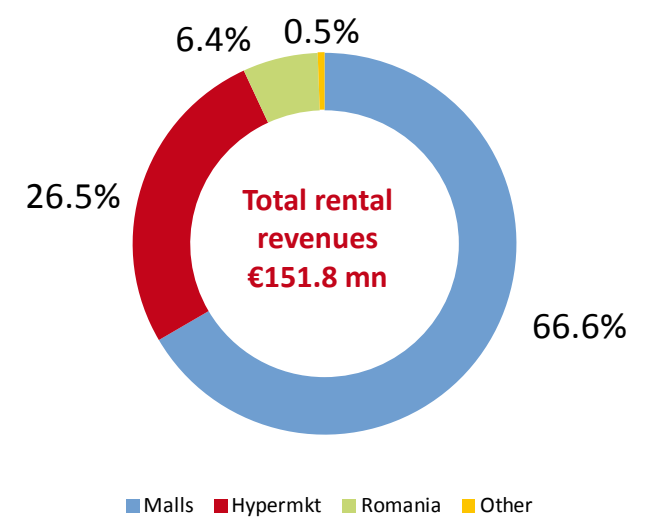


Operating performances

Revenues and net rental income (€mn)

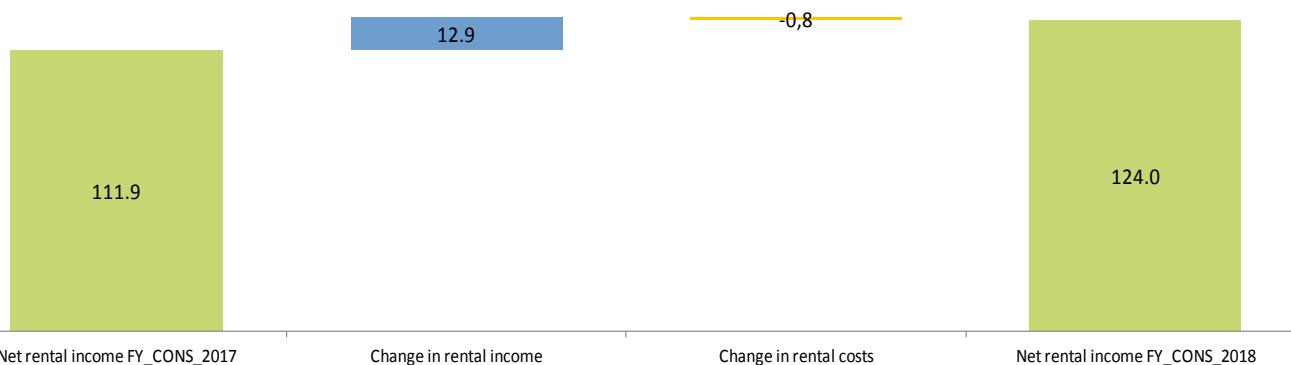


Rental revenues breakdown



- ✓ Growth of malls (+1.5%)
- ✓ Growth of hypermarkets (+0.9%)
- ✓ Indexation effect ≈ +90bps

Net rental Income



+12.1€k
+10.9%
 } Italy +11.8%
 } Romania +1.6%

A well-structured portfolio...

Italy

93.6%

of total rental
income



1,467 contracts



97.2% occupancy

Growing vs 96.8% FY17



4.4 years for the malls
17.7 years for the hyper

Average residual maturity



19.9% annualized rents

Impact of the first 10 mall tenants

Romania

6.4%

of total rental
income



571 contracts



97.1% occupancy

Growing vs 96.4% FY17



4.8 years for malls

Average residual maturity



29.3% annualized rents

Impact of the first 10 mall tenants

... and good operating performances confirmed

Italy

93.6%
of total rental
income



+2.2% tenant sales

incl. extensions

+0.7% excl. extension



Stable average rents*

184 signed contracts

of which 75 turnover and 109 renewals



5.1% Rotation rate

% new tenants on tot. contracts

Romania

6.4%
of total rental
income



3.9% average upside on renewals

423 signed contracts

of which 174 turnover and 249 renewals



30.5% Rotation rate

% new tenants on tot. contracts

A positive years in IGD's malls

A dynamic merchandising mix

	Weight of the total	Change
Increased weight of the services turnover	4.1%	+ 0.6 p.p.
Increased weight of the food court turnover	8.2%	+ 0.4 p.p.
Decreased weight of clothing/accessorize/sheos turnover on the total	47.2%	- 0.6 p.p.

No substitution effect from e-commerce

1. Increasing importance of Black Friday	November turnover	+ 6.8%	
	Footfalls in the Black Friday week	+ 3.1%	
	November impact on tot turnover	9.5%	+ 0.6
2. December increase	Turnover	+ 1.6%	
3. Electronics increase	Full year turnover	+ 1.3%*	

*like for like

Innovative elements-1/2

MORELLATO
SECCIA 1950

Giorgia & Johns

talco®

NEW BRANDS

- 27 new tenants inserted (of which 10 are restaurants)
- Scouting: 38 new international tenants (+14 compared to 2017)

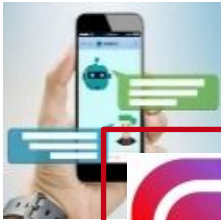
unica
CLINICA DENTALE

careDENT
il tuo dentista

@identicoop
dentista cura sorriso

MORE SERVICES

21 Dental clinics (turnover up +9.7%)



CUSTOMER JOURNEY

- **Chatbot** (virtual assistant) installed in 3 Shopping Centers (Casilino, Città delle Stelle, Puntadiferro)
- **Instagram**: integrated management of the Instagram channel in 16 Shopping Centers.

+ attractiveness + brand awareness + Facebook interaction

Innovative elements-2/2

EXPERIENCE



Place where it is possible to enjoy **experiences that cannot be repeated** in any other location: shopping, entertainment and aggregation.

In 2018 **two pilot projects** have been carried out in Città delle Stelle and Puntadiferro: all the events are meant to be experiential, also thanks to the tenant cooperation



NEXT STEPS: experience to be lived as the driver of the 2019 Marketing Plan

Romania - Marketing activities

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

4 stores

(Piatra Neamt,
Braila, Vaslui,
Ramnicu Valcea)



German brand

Happy Cinema

(Alexandria)

and

Max Gym

(Ploiesti)



Member of CISQ Federation



CERTIFIED MANAGEMENT SYSTEM

ISO 37001

**Win Magazin Sa first Romanian society to obtain the UNI ISO 37001
Certification (Anti-Bribery)**

Transparency and Reliability

International standards implemented + assurance



2018 News

3 In-depth analysis carried out:

Impacts assessment

3 «**impact forms**» have been introduced in the Report in order to evaluate the quali-quantitative changes caused by 3 sustainability projects (Corporate Welfare, ANT and ISO 14001)

2016-2018 Sustainability Plan

Reporting of the **achievement level** of the sustainability targets included in the Plan.







Total level: **90%**

IGD and SDGs

Specific reference to **10 (out of 17) UN Millennium Development Goals** and reporting of the IGD contribution to their achievement



Becoming g.r.e.a.t.

 GREEN	 RESPONSIBLE	 ETHICAL	 ATTRACTIVE	 TOGETHER
<ul style="list-style-type: none">▪ Decrease in electricity consumption: -1.1%▪ 3 Shopping Centers BREEAM certified 	<ul style="list-style-type: none">▪ 99% employees that have benefitted from the Corporate Welfare System▪ 13 Shopping Centers with anti-incurion measures	<ul style="list-style-type: none">▪ 3 stars score confirmed in the Legality Ratingt▪ The project about Whistleblowing with focus on privacy ended	<ul style="list-style-type: none">▪ 530 events carried out▪ 19 Shopping Centers involved in the second editon of «Happy Hand in Tour»	<ul style="list-style-type: none">▪ 255 local organizations hosted in the Shopping Centers▪ Definition and first results from the «listening project», addressed to visitors



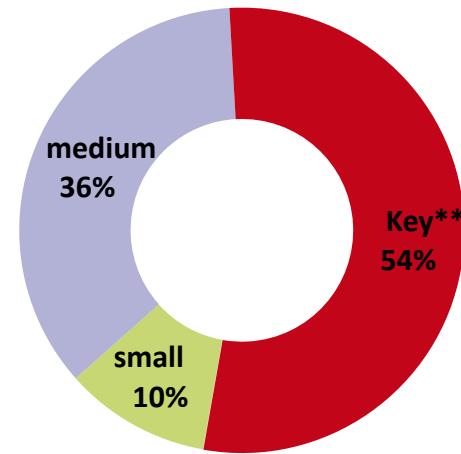
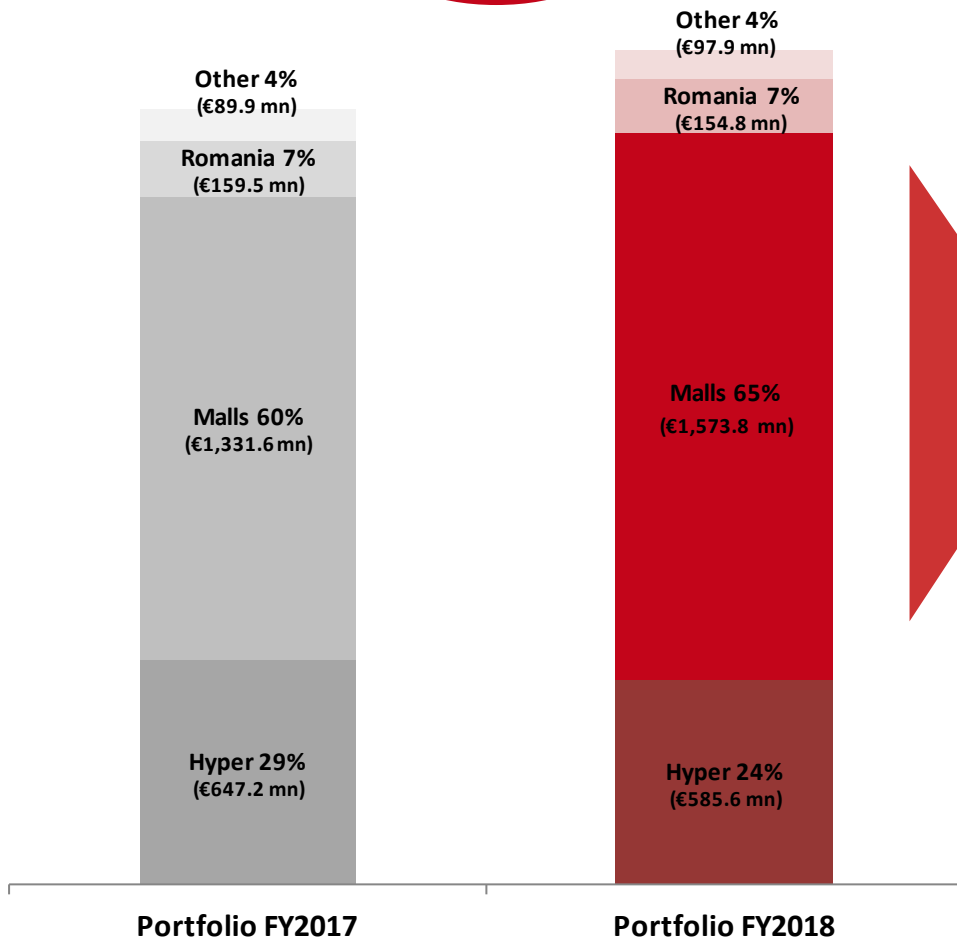
Portfolio

A further evolution of the Portfolio...

€ 2,228.2mn

+8.3%

€ 2,412.2mn *



Full ownership
of 16 Shopping Centers
in Italy
(63.5% of the Italy
core market value)

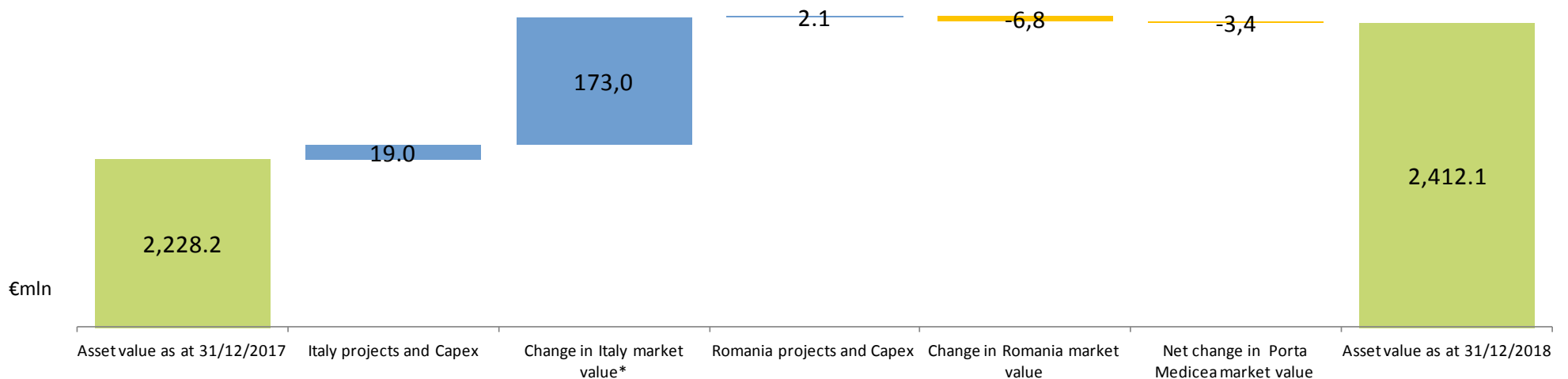
- Katanè
- Porte di Napoli
- Tiburtino
- ESP
- puntadiferro
- Conè
- C. Sarca
- C. Leonardo



IGD Mkt value



	FV 2017	FV 2018	? %	? % <i>Like for Like</i>	Gross Initial Yield	Net Initial Yield	Net Initial Yield topped up	Financial occupancy	
Malls Italy	1,331.60	1,573.79	+ 18.2%	+ 0.4%	6.41%	5.30%	5.40%	96.24%	} Tot. Italy 97.2%
Hyper Italia	647.20	585.63	(-9.5%)	+ 1.3%	6.08%			100.0%	
Romania	159.53	154.79	-3.0%	-3.0%	6.80%			97.06%	
Porta a Mare + development + other	89.90	97.94							
Total IGD portfolio	2,228.23	2,412.15	+ 8.3%						



*Substantially due to the increase related to the portfolio acquisition for a total investment of €195.5 mn

2018 Asset Management

18th April - 4 malls acquired*

- Dominant centers in their catchment area
- Excellent operating performances
- Attractive initial yield (gross/net yield 6.8% /6.4%)
- Re-constitution of full ownership (2 shopping centers)
- Potential further value creation



Mall
CENTRO LEONARDO - Imola



Mall
CENTRO LUNA – Sarzana



Mall + Retail Park
LA FAVORITA - Mantova



Mall
CENTRO LAME - Bologna

3rd May - Opening of a new medium surface in Gran Rondò Shopping Center (Crema)

- + 2,850 m² GLA rented to an electronics brand



*Footfalls (31/12/2018) >14 million; total price €187 mn

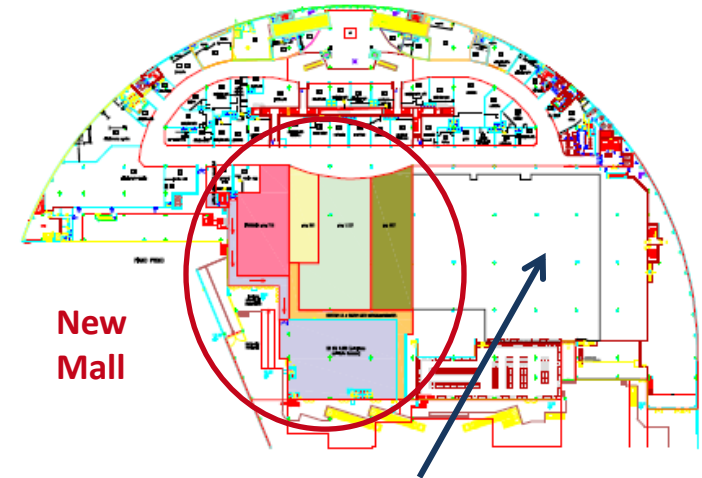
Ongoing projects: Fonti del Corallo remodeling and restyling



Facade



Mall



New
Mall

Remodeled hypermarket

Internal and external restyling

Hypermarket reduction (new GLA 9,300 sqm) and **creation of new units** in the Mall (new GLA approx. 5,400 sqm) in which services will be inserted
Unicoop Tirreno signed an integration to the lease contract with maturity 2037

Project of a mall internal and external restyling (co-financed by BNP Paribas current owner of the mall)

End of works by the end of 2019



Ongoing projects: Casilino restyling and remodeling

Internal and external restyling

Architectural restyling of the external facades and the internal areas coordinated with **(voluntary) improvement of the anti-seismic measures** at the Ground Floor and the First Floor.

Remodeling

Reduction of the hypermarket (new GLA 10,100 sqm) located on the first floor of the Shopping Center and creation of new units in the mall (new GLA approx. 3,200 sqm)

End of work by the end of 2019



Internal and external restyling



Ongoing projects: Porta a Mare

21/12/2018 – Building permit obtained in accordance with the agreement signed on 15 November

Officine Storiche - Porta A Mare



>15,000
M² dedicated
to retail

43
Sea front flats

c. €53mn
investment
(€22mn at the
end)

2020
End of works

Piazza Mazzini



69
Flats sold/pre-sold out of
a total of 73

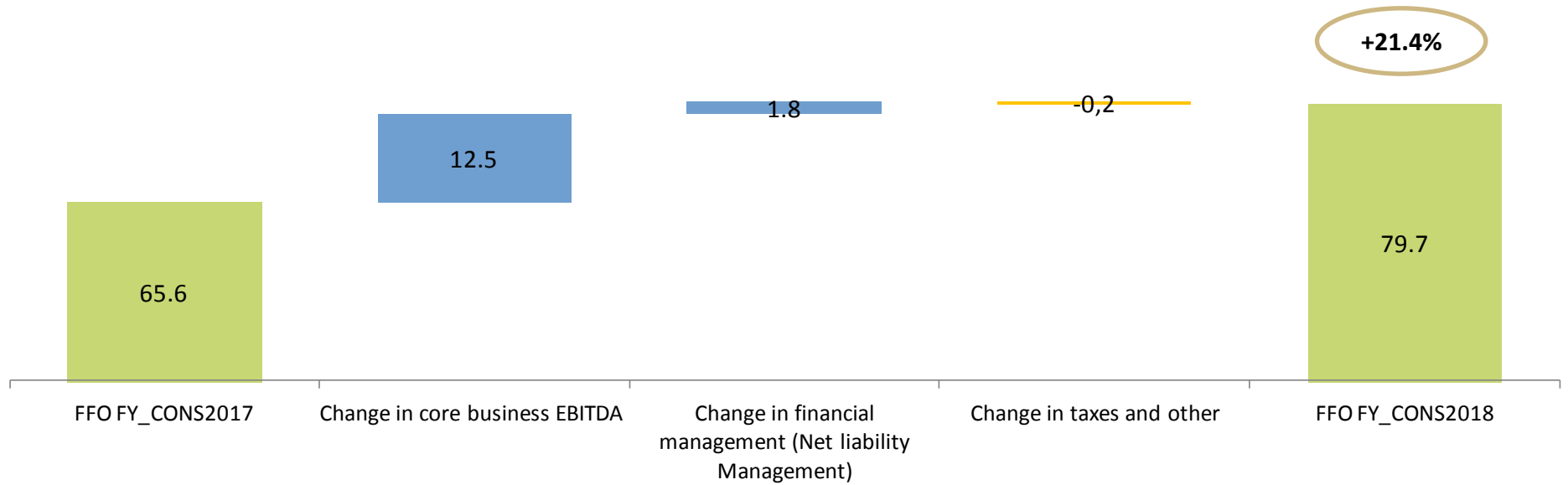
90.7%
Total m² sold/pre-
sold

Sale of residential
almost completed





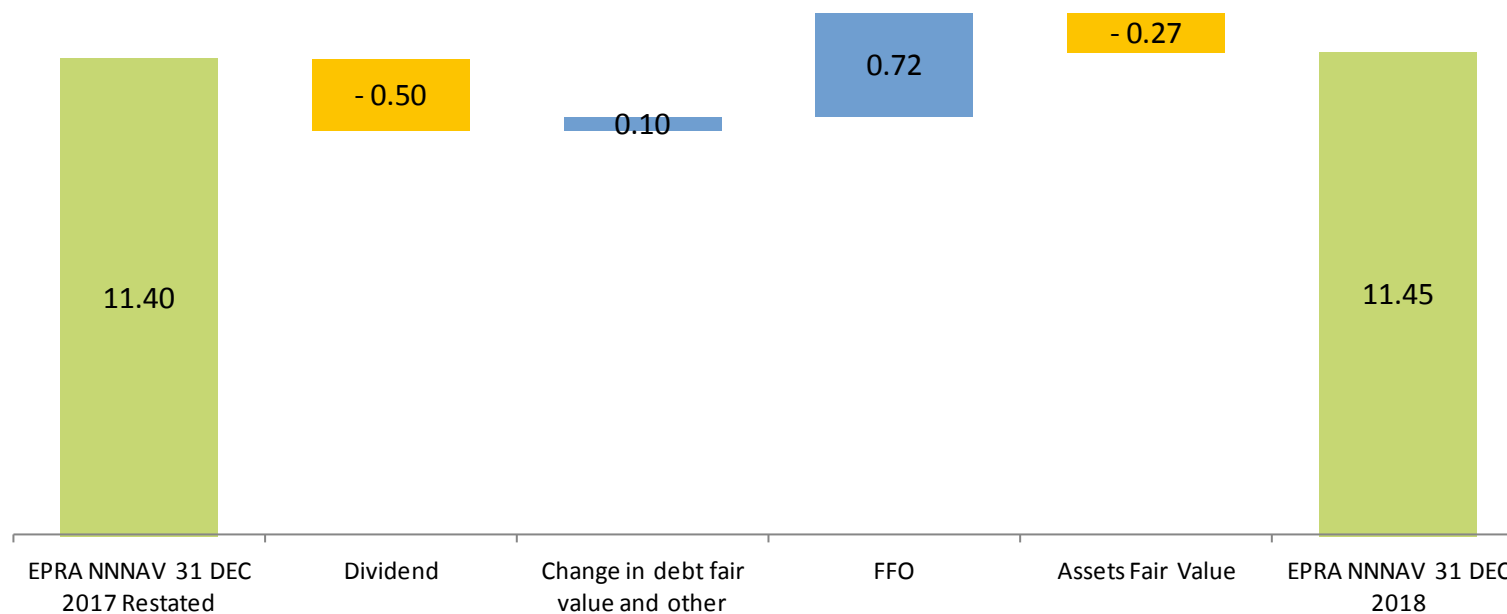
Financial results

Funds From Operations (FFO)



**Higher than the announced
guidance (+20%)**

€ per share	31/12/2017* Restated	31/12/2018	Δ%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION NAV	11.87	11.77	-0.9%
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION NNNAV	11.40	11.45	0.4%



* Values at 31 December 2017 have been adjusted in order to include the share capital increase impact (cash in and new number of shares)

Proactive liability management continues...

October

Signed a senior unsecured facility €200 mn
maturity 5 years
Cost < 2018 average cost
1° tranche for bond repayment
(125€mn - January '19)

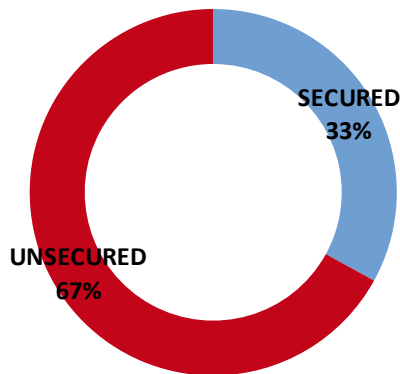
October

Rating Baa3
(Negative Outlook)
Confirmed by Moody's

... until 2021

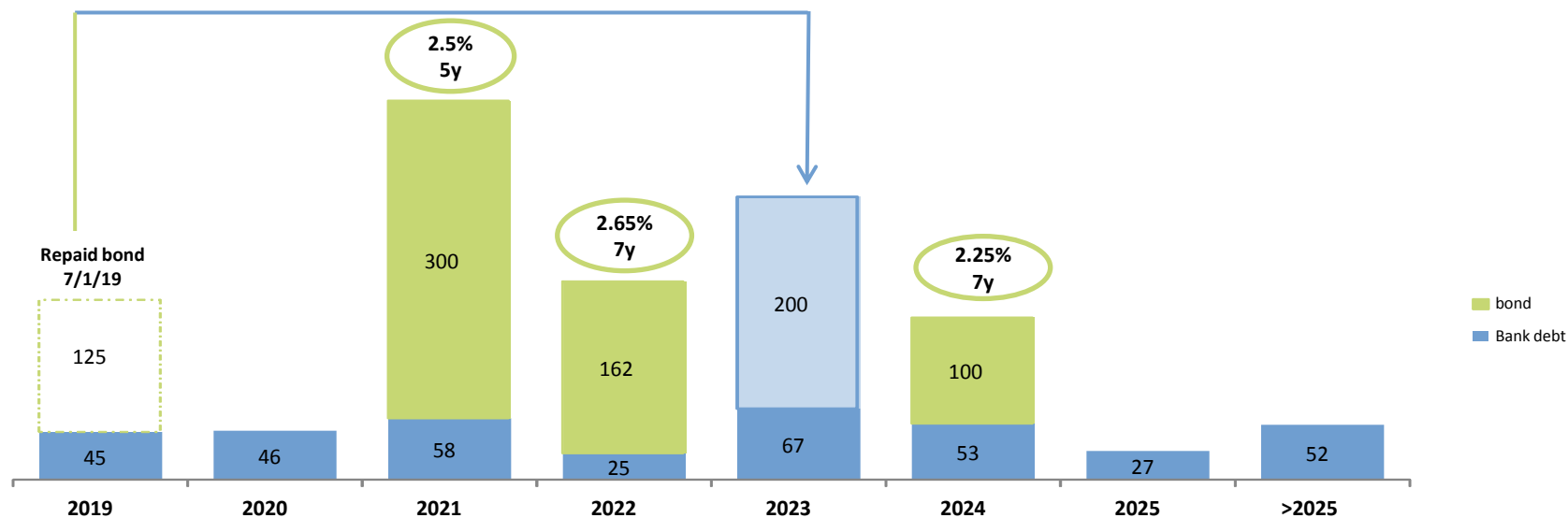
No significant maturity

Breakdown of secured and unsecured debt

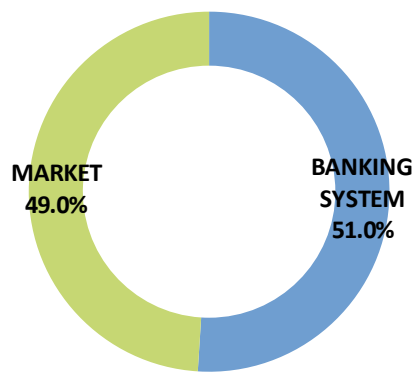
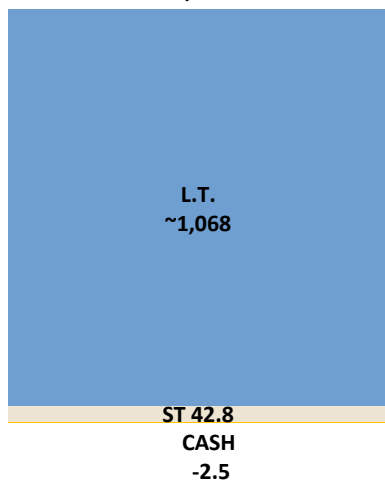


	31/12/2017	31/12/2018
LTV	47.4%	45.8%
ICR	2.9X	3.5X
AVERAGE COST OF DEBT	2.8%	2.7%

Financial structure



NET DEBT as at 31/12/2018
~€1,108 mn



	31/12/2017	31/12/2018*
GEARING RATIO	c. 0.94X	c. 0.88x
AVERAGE MATURITY OF LONG TERM DEBT	c. 4.7 years	c. 4.3 years**
HEDGING ON LONG-TERM DEBT + BOND	94.7%	c. 92.9%**

*These numbers does not take into account any adj. made in order to comply with the new IFRS16 from 2019

**Pro forma data which already include the new €200 mn loan signed in October (con tiraggio nel 2019)



Dividend and outlook

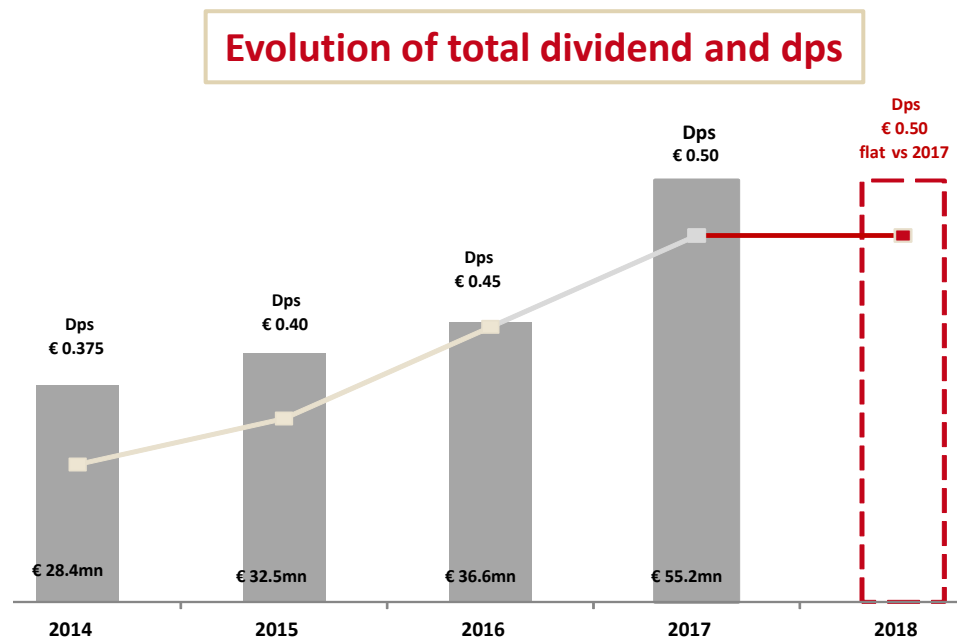
Proposed dividend

The Board of Directors resolved to propose to Shareholders' Meeting:*

€0.50 per share

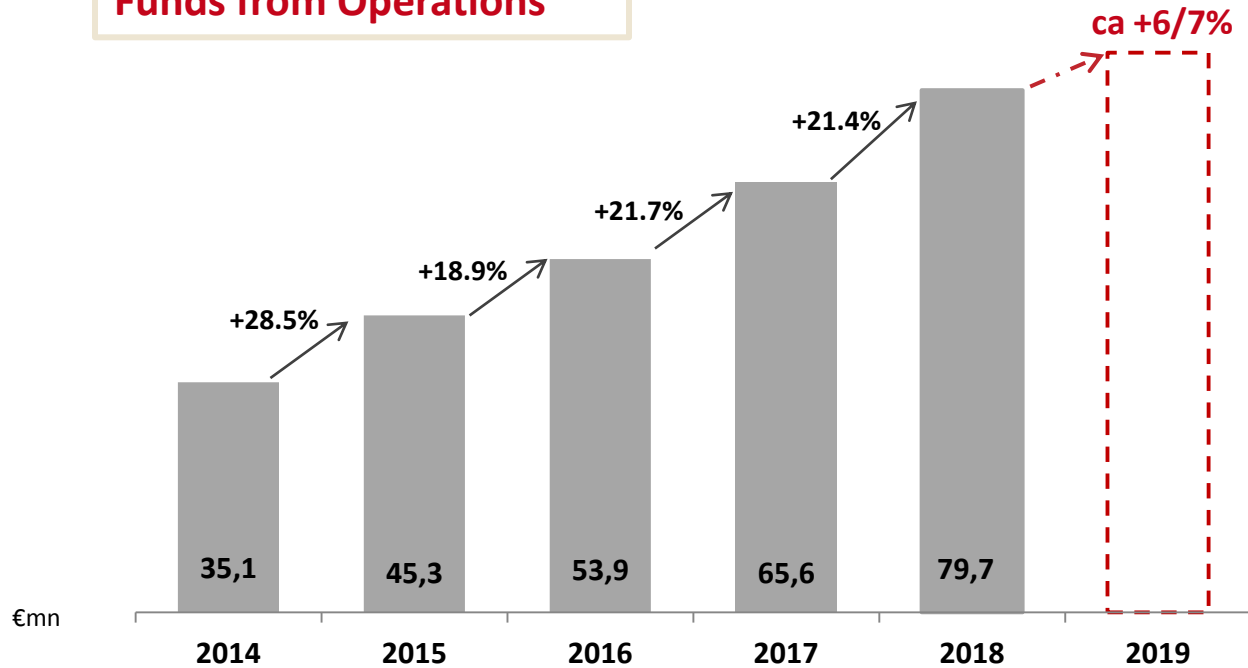
Dividend yield (c.8% based on the price at 25 February)

Dividend payment date May 15, 2019



FFO FY2019 Outlook c. +6/7% vs 2018

Funds from Operations



April 10, 2019

Annual General Meeting (first call)

May 7, 2019

Results at 31/03/2019

August 2, 2019

Results at 30/06/2019

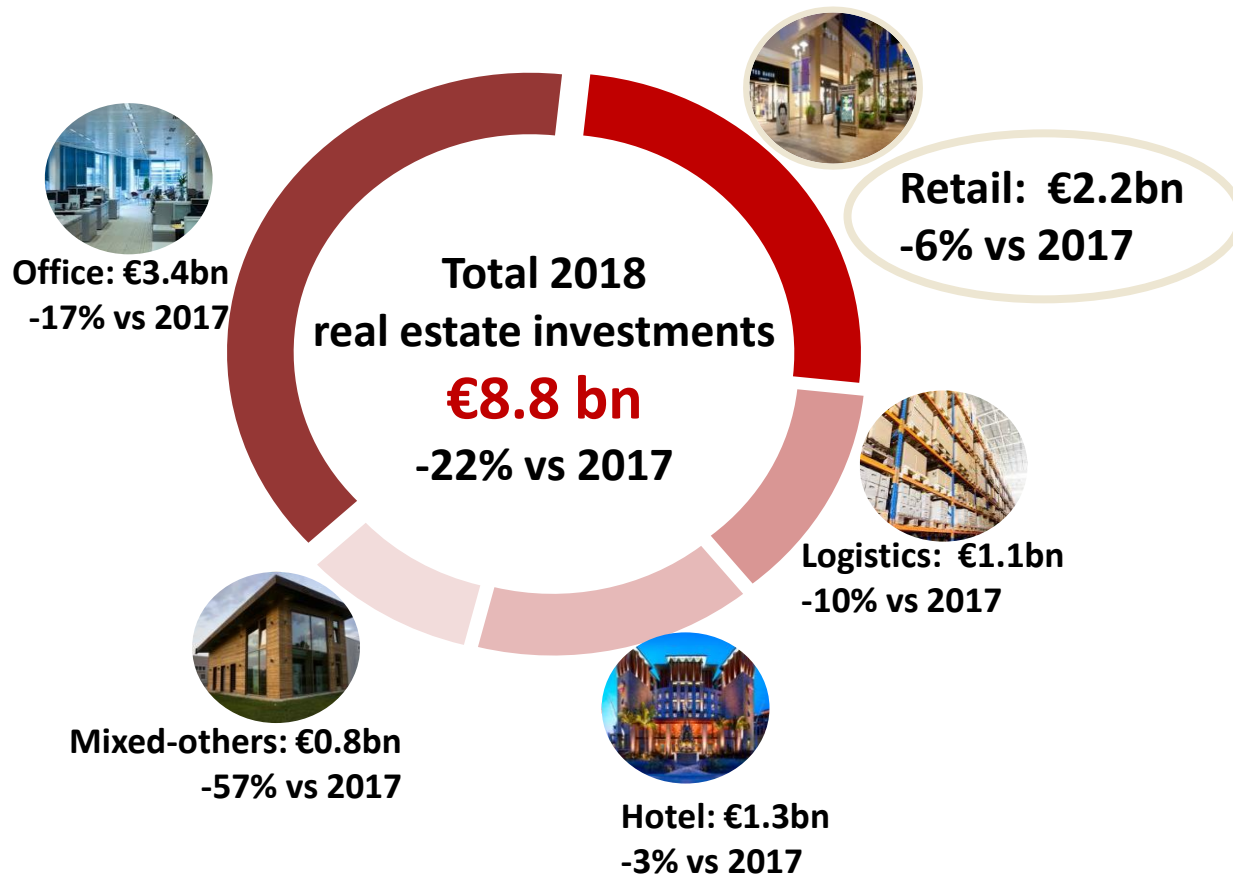
November 7, 2019

Results at 30/11/2019



Attachements

The Italian real estate in 2018



✓ Asset class that performed better considering the contraction in the real estate market.

✓ **Strong demand from international retailers:** many brands entered in the Italian market the first time over the year.

✓ International investors confirmed their interest in this asset class: **80% of the invested capital came from foreign investors**

✓ The decrease in investments is linked to the political uncertainty which has characterised Italy during the year

✓ Overall real estate market is expected to be substantially stable in 2019


Consolidated income statement

GROUP CONSOLIDATED	(a) CONS_2017	(b) CONS_2018	Δ (b)/(a)
Revenues from freehold activities	126.3	139.3	10.3%
Revenues from leasehold activities	12.6	12.5	-1.3%
Total income from rental activities	138.9	151.8	9.2%
Rents and payable leases	-10.2	-10.3	0.5%
Direct costs from rental activities	-16.8	-17.5	3.9%
Net rental income	111.9	124.0	10.9%
Revenues from services	6.2	6.3	2.2%
Direct costs from services	-5.8	-5.2	-11.2%
Net services income	0.4	1.1	n.a.
Headquarters personnel	-6.6	-6.7	1.9%
G&A expenses	-4.4	-4.7	6.1%
CORE BUSINESS EBITDA (Operating income)	101.2	113.7	12.4%
<i>Core business Ebitda Margin</i>	<i>69.7%</i>	<i>71.9%</i>	
Revenues from trading	5.1	4.4	-13.1%
Cost of sale and other trading costs	-5.8	-5.5	-5.2%
Operating results from trading	-0.7	-1.1	50.4%
EBITDA	100.5	112.6	12.1%
<i>Ebitda Margin</i>	<i>66.9%</i>	<i>69.3%</i>	
Impairment and Fair Value adjustments	23.9	-30.3	n.a.
Depreciations and provisions	-1.2	-1.1	-6.5%
EBIT	123.2	81.2	-34.0%
FINANCIAL MANAGEMENT	-34.3	-32.5	-5.4%
EXTRAORDINARY MANAGEMENT	-0.1	-0.1	-10.3%
PRE-TAX PROFIT	88.7	48.7	-45.2%
Taxes	-2.3	-2.3	0.0%
PROFIT FOR THE PERIOD	86.5	46.4	-46.3%
Profit/Loss for the period related to third parties	0.0	0.0	n.a.
GROUP NET PROFIT	86.5	46.4	-46.3%

Funds from Operations (FFO) €79.7 mln (+21.4%)

Funds from Operations	FY_CONS_2017	FY_CONS_2018	Δ vs cons 2017	Δ%
Core business EBITDA	101,187.3	113,723	12,535	12.4%
Adj. Financial Management	-34,350	-32,504	1,846	-5.4%
Adj. Extraordinary Management	0	0	0	n.a.
Adj. Current Taxes for the period	-1,204	-1,524	-320	26.6%
FFO	65,633	79,695	14,062	21.4%

EPRA NNAV per share

 EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	31/12/2017		31/12/2017 Restated (a)		31/12/2018 (b)		Δ% (b vs a)
	€'000	€ p.s.	€'000	€ p.s.	€'000	€ p.s.	
Total shares	81,304,563		110,341,903		110,341,903		
1) Group shareholders' equity	1,115,753	13.72	1,263,014	11.45	1,252,338	11.35	-0.8%
<i>Excludes</i>							
Fair value of Financial instruments	20,397		20,397		17,364		-14.9%
Deferred taxes	26,517		26,517		28,480		7.4%
Goodwill as a result of deferred taxes							
2) EPRA NAV	1,162,667	14.30	1,309,928	11.87	1,298,182	11.77	-0.9%
<i>Includes</i>							
Fair value of Financial instruments	(20,397)		(20,397)		(17,364)		-14.9%
Fair value of debt	(4,713)		(4,713)		11,116		n.a.
Deferred taxes	(26,517)		(26,517)		(28,480)		7.4%
3) EPRA NNAV	1,111,040	13.67	1,258,301	11.40	1,263,454	11.45	0.4%

Contracts in Italy and Romania

Expiry date of mall and supermarket contracts (% value and n. of contracts)

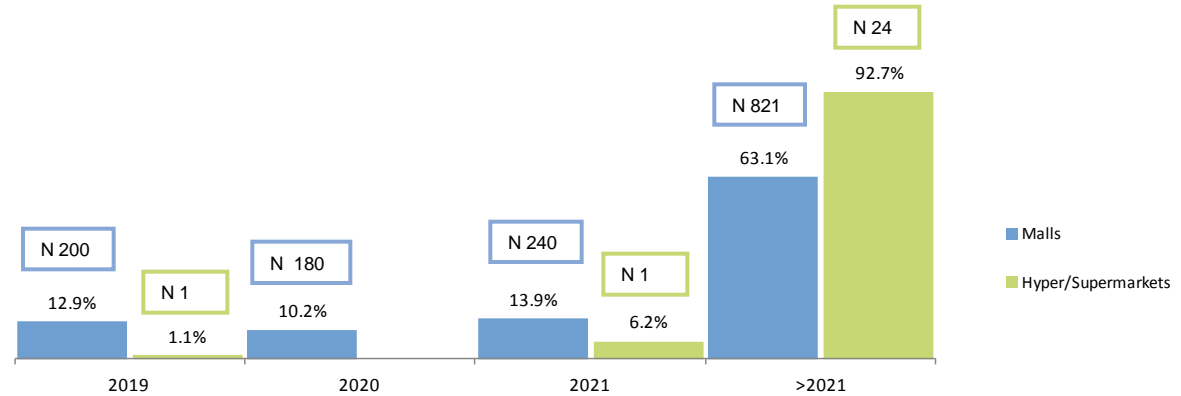
Italy

N. 1,467 contracts:

Average residual maturity

Hypermarkets 17.7 years

Malls 4.4 years



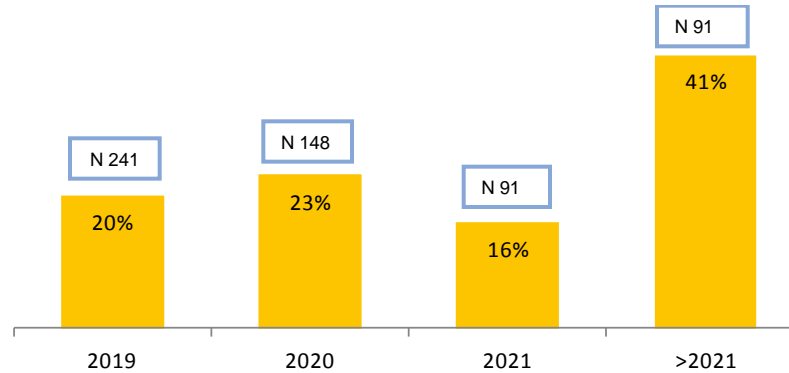
Romania

N. 571 contracts:

Average residual maturity

4.8 years

Expiry date of mall contracts (% value and n. of contracts)



Key tenants

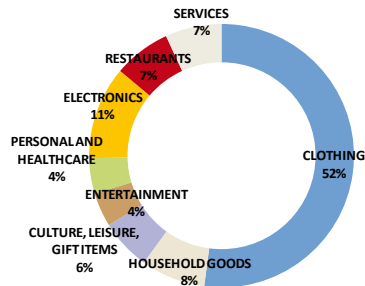
Top 10 Tenants Malls Italy

TOP 10 Tenant	Product category	Turnover impact*	Contracts
PIAZZA ITALIA	clothing	3.1%	14
OVS	clothing	2.8%	11
H.M	clothing	2.4%	11
FIORELLA RUBINO mötivi oltre	clothing	2.2%	30
SAATCHI & SAATCHI	shoes	2.2%	9
unieuro	electronics	1.7%	7
CALZEDONIA	clothing	1.6%	27
Stroili Oro	jewellery	1.3%	19
GameStop power to the players	free time	1.3%	25
DECATHLON	clothing	1.3%	4
Total		19.9%*	157

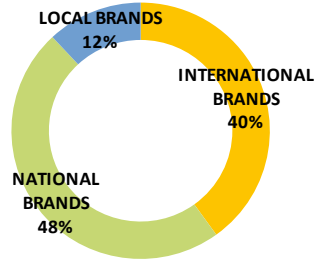
Top 10 Tenants Malls Romania

TOP 10 Tenant	Product category	Turnover impact	Contracts
Carrefour market	food	7.6%	9
H.M	clothing	4.7%	6
PEPCO	clothing	3.3%	11
dm	grocery	2.1%	5
ALTEX	electronics	2.3%	3
B.B	jewellery	2.2%	6
SENZA	pharmacy	1.6%	4
FLANCO	electronics	2.8%	1
OCPI	offices	1.3%	1
kik	clothing	1.4%	4
Total		29.3%	50

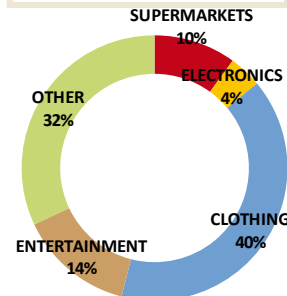
MALL MERCHANDISING MIX



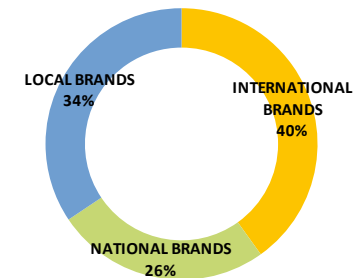
MALL TENANT MIX



MALL MERCHANDISING MIX



MALL TENANT MIX



More Financial Highlights

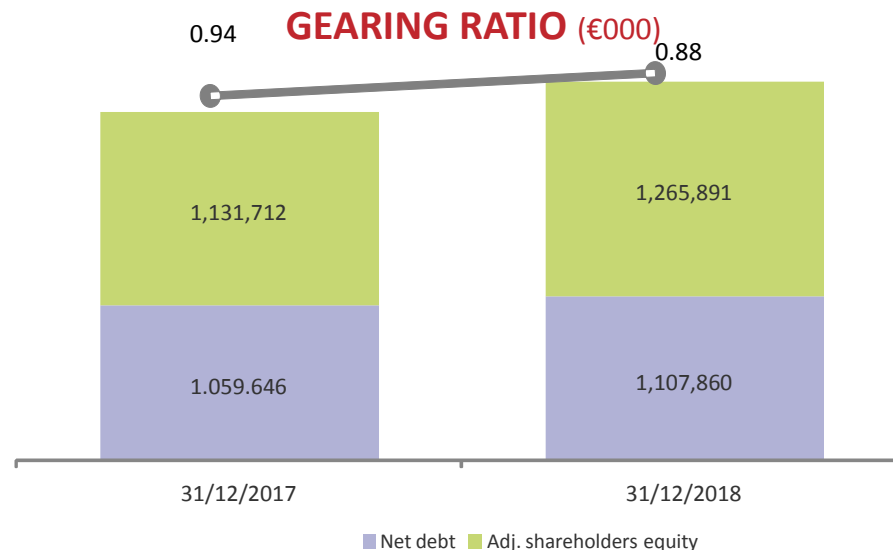
	FY2017	FY 2018
SHARE OF MEDIUM/LONG-TERM DEBT	91.1%	79.8%*
UNCOMMITTED CREDIT LINES GRANTED	€276 mn	€191 mn
UNCOMMITTED CREDIT LINES AVAILABLE	€225.6 mn	€148.2 mn**
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,475.4 mn	€1,462.6 mn

* With the disbursement of the already signed BNP loan the quota is still up 90%

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

Reclassified Balance Sheet

Surces - Use of funds	31/12/2017	31/12/2018	Δ	Δ%
Fixed assets	2,157,176	2,346,527	189,351	8.8%
Assets under construction	40,466	36,563	-3,903	-9.6%
Other non-current assets	23,245	22,699	-546	-2.3%
Other non-current liabilities	-29,082	-27,906	1,176	-4.0%
NWC	28,768	26,020	-2,748	-9.6%
Net deferred tax (assets)/liabilities	-24,777	-26,340	-1,563	6.3%
TOTAL USE OF FUNDS	2,195,796	2,377,563	181,767	8.3%
Net debt	1,059,646	1,107,861	48,215	4.6%
Shareholders' equity	1,115,753	1,252,338	136,585	12.2%
Net (assets)/liabilities for derivative instruments	20,397	17,364	-3,033	-14.9%
TOTAL SOURCE	2,195,796	2,377,563	181,767	8.3%



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