

Result presentation as at 30/09/2019

Market call November 7th, 2019 h. 2.30pm CET

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Highlights



➤ **€116.0 mn**
Rental Income
+2.7%

➤ **€102.2 mn**
Net Rental Income
+10.7%
(+ 2.5% adj ex IFRS16)*

➤ **€94.4 mn**
Core business Ebitda
+11.0%
(+2.0% adj ex IFRS16)*
Margin 78.1%
Margin from Freehold 80.0%

➤ **€62.9 mn**
Funds From Operations (FFO)
+5.6%

Conbipel UOMO

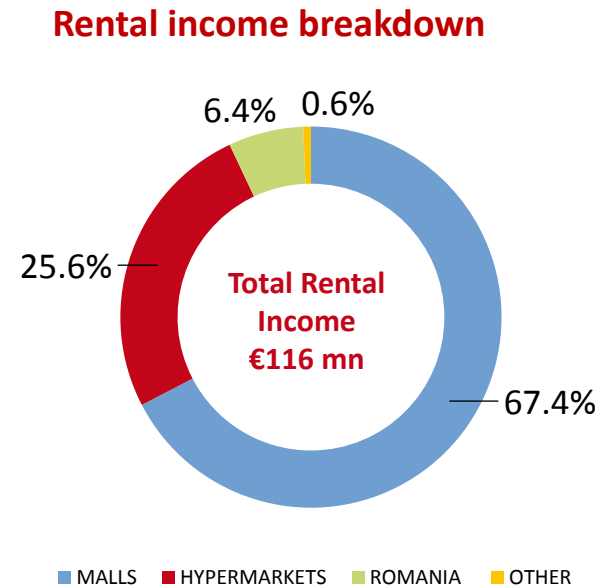
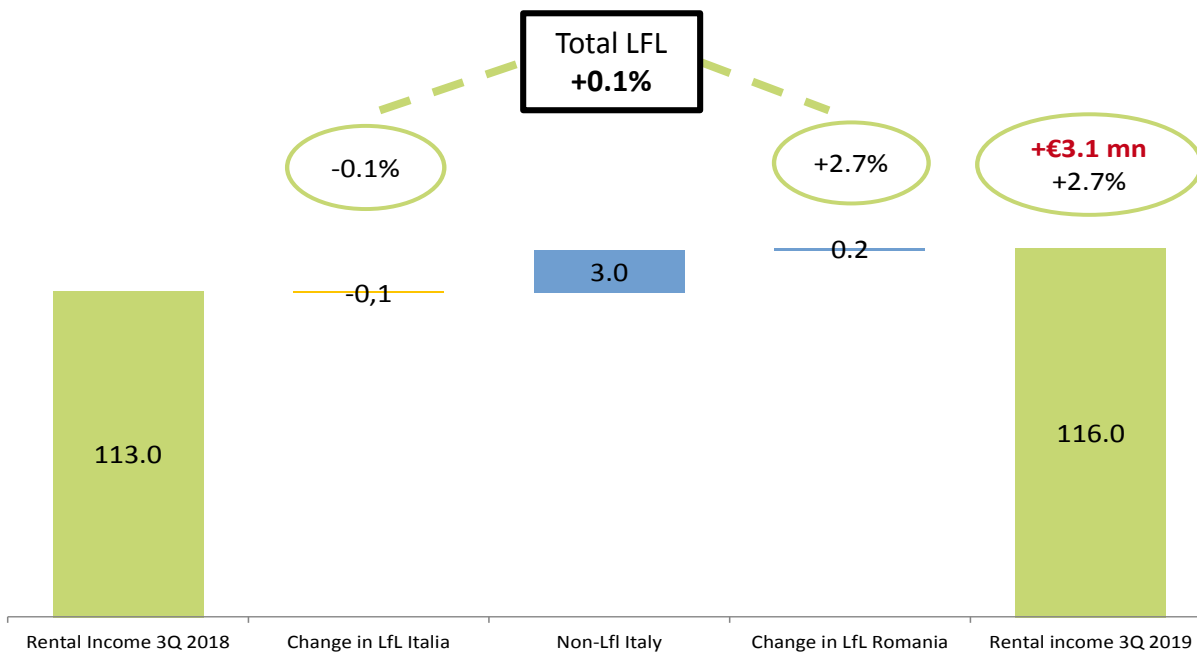
PULL&BEAR

ZARA

Operating Performances

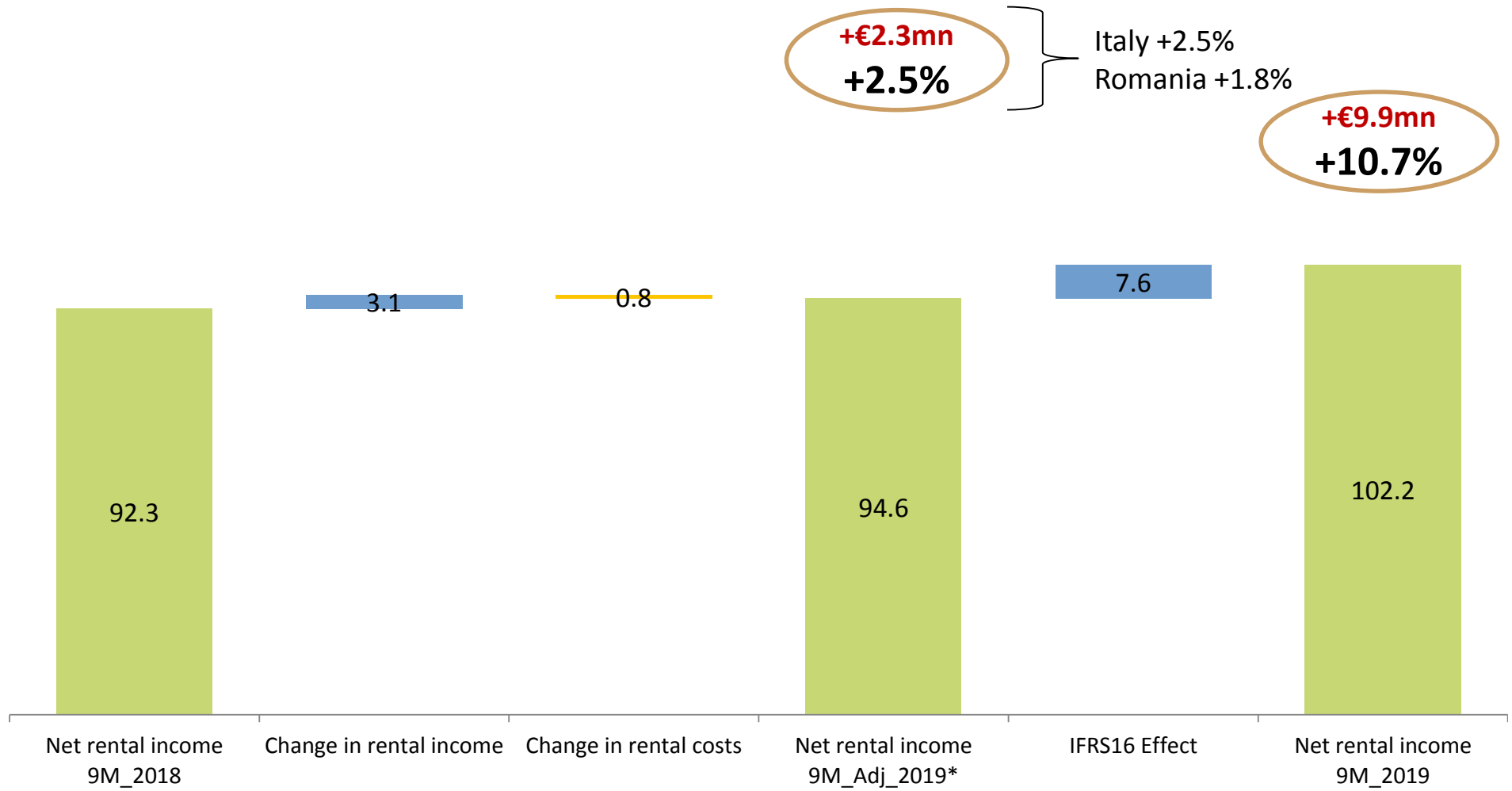


Rental Income (€mn)



- ✓ **Slight decrease in malls (-0.4%)** due to a minor increase in vacancy and temporary discounts and a decrease in variable revenues partially offset by an increase in rent of temporary spaces
- ✓ **Increase in hypermarkets (+0.5%)**
- ✓ **Inflation rate impact ≈ 60 bps**

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

Italy - Operating performances



Flat tenant sales



- 2.3% Footfalls



See next slide



+1.5% Average upside*

180 signed contracts

of which 77 turnover and 103 renewals

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



96.4% occupancy

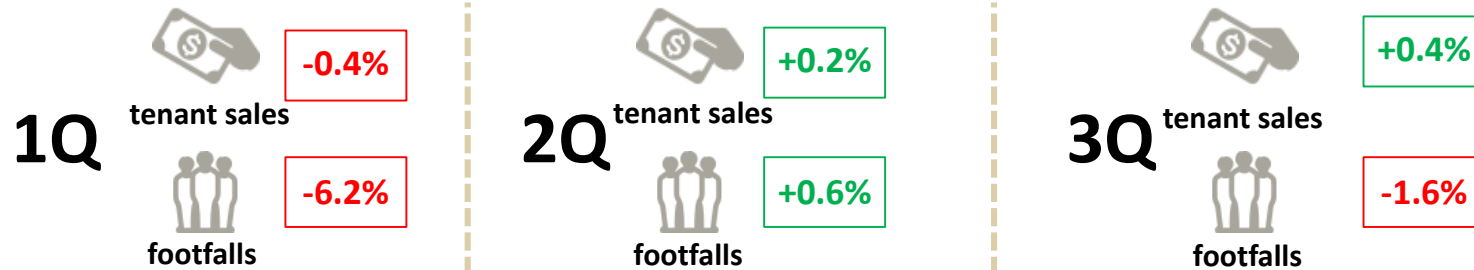
vs 96.3% 30/06/2019



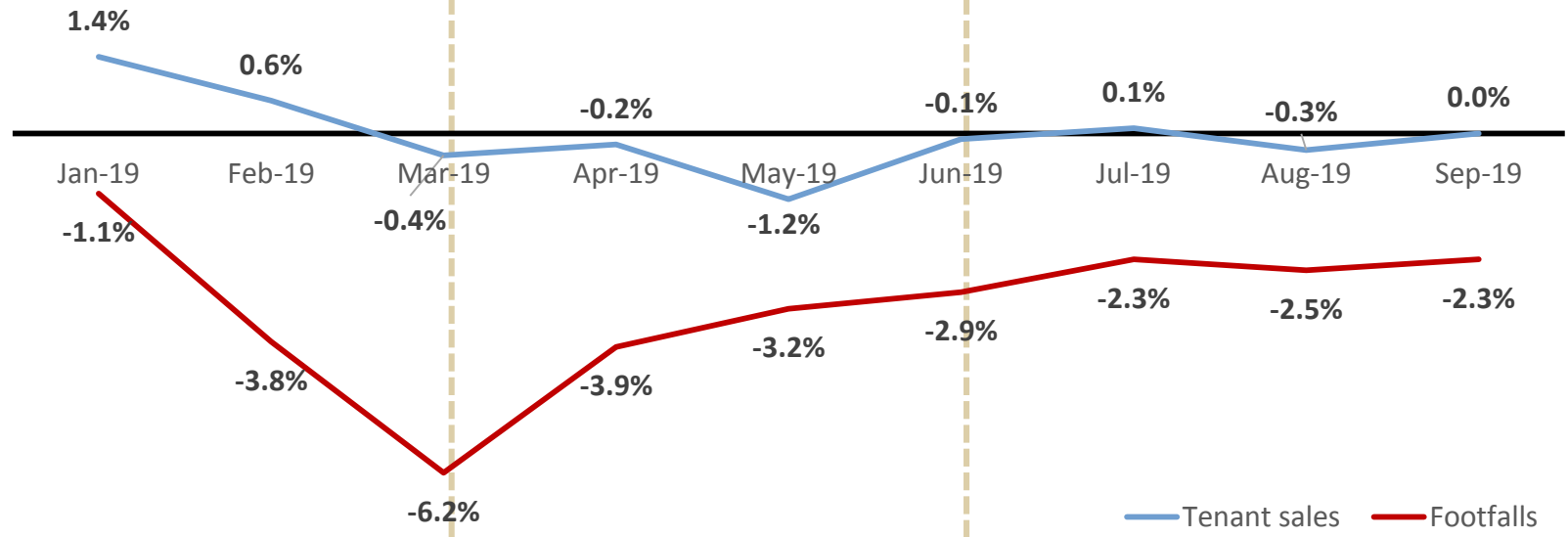
5.2% Rotation rate

% new tenants on tot. contracts

Italy - Focus on trends



Tenant sales and footfalls cumulative trends (2019 vs 2018)



Difficult 1Q also due to adverse weather conditions

Tenant sales/footfalls trends improvement

3Q further improvements in tenant sales

Entertainment as a factor of attractiveness

September – Refurbishment of the Cinema in Centro Sarca (Milan)

More than 5,500m², 10 theaters (of which one equipped with IMAX technology) and relax areas.

New entertainment model based on the highest audio and technical standards, best in class comfort, computerisation and automation of the ticketing area.



High tech



Best in class comfort



10 theaters



Food court/relax area

Asset management activities



October - Restyling Casilino Shopping Center

Internal and external restyling with great attention placed on sustainability

The retail offering has been renewed with an appealing merchandising mix of local and national tenants - OVS, Yamamay, Game Stop, Satur, Hoara Cosmetic, Cliniche Bellerio (dental clinic)

The logo was renewed with the help of the students of a graphic design institute of Rome

Investment €3.7 mn



Opening week-end

+11.4% footfalls

(vs same period 2018)

Asset management activities 2/2

ASSET ROTATION

Sale and purchase agreement
Palazzo Orlando/ Darsena City



Palazzo Orlando



Darsena City

30 September

Signed definitive sale and purchase agreements with a premiere international real estate player:

- Sale of Palazzo Orlando
- Purchase of the 50% interest in the Darsena City shopping mall (of which IGD was joint-owner)

HYPERMARKET REDUCTION AND CREATION OF NEW RETAIL UNITS IN THE MALLS

LE MAIOLICHE



✓ Hyper reduction:
Set 2019

Work in progress

*Creation of new retail units
in the mall:*

Feb 2020

CONE'



Work in progress

Hyper reduction:

end of 2019

*Creation of new retail units
in the mall:*

Feb 2020

PORTO GRANDE



Work in progress

Hyper reduction:

end of 2019

*Creation of new retail units
in the mall + restyling:*

Set 2020

Pipeline

PORTA A MARE PROJECT

OFFICINE STORICHE: RETAIL



More than 15,000 m²
devoted to retail
(30 + 10 restaurants + 1 fitness center)

End of work:
2H 2020

Let/prelet
>60%

OFFICINE STORICHE: RESIDENTIAL



43
Sea-front flats

End of work :
2H 2020

OTHER AREAS



MOLO MEDICEO
Services for the touristic port



ARSENALE
Possibility of one or more residences



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

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

A new communication campaign

New image positioning for 7 of IGD's quintessential shopping centers (Centro Sarca, Le Maioliche, ESP, Centro D'abruzzo, Tiburtino, Katanè, Le Porte di Napoli).

Strong focus on emotional engagement. Evocative graphic design.

Claim: "I'm possible, the place where everything is possible": shopping centers become a parallel dimension where people can spend special time and where dreams become reality.



Institutional campaign

Internal and external signs/flag



Distinctive features of the territory for each center



The commitment to sustainability continues



ACTIVITIES CARRIED OUT IN 2019...

- 2 New photovoltaic systems (Gran Rondò and Katanè)
- 4 LED lighting systems (Gran Rondò, Fonti del Corallo, Casilino and La Torre)
- 1 Detailed consumption monitoring system
- 1 Charging station powered by photovoltaic system for 24 e-bikes (Clodi)

... AND THE RESULTS ACHIEVED

Total electricity consumption decrease in the first 9 months

-3.7%

New photovoltaic system in Katanè



New charging station for e-bikes in Clodi



Romania – Operating performances



97.5% occupancy

vs 96.5% 30/06/19



+3.3% Average upside*

265 signed contracts

of which 113 turnover and 152 renewals



**+2.7% Rental
income LFL**

Vs 30/9/2018



19.3% Rotation rate

% new tenants on tot. contracts

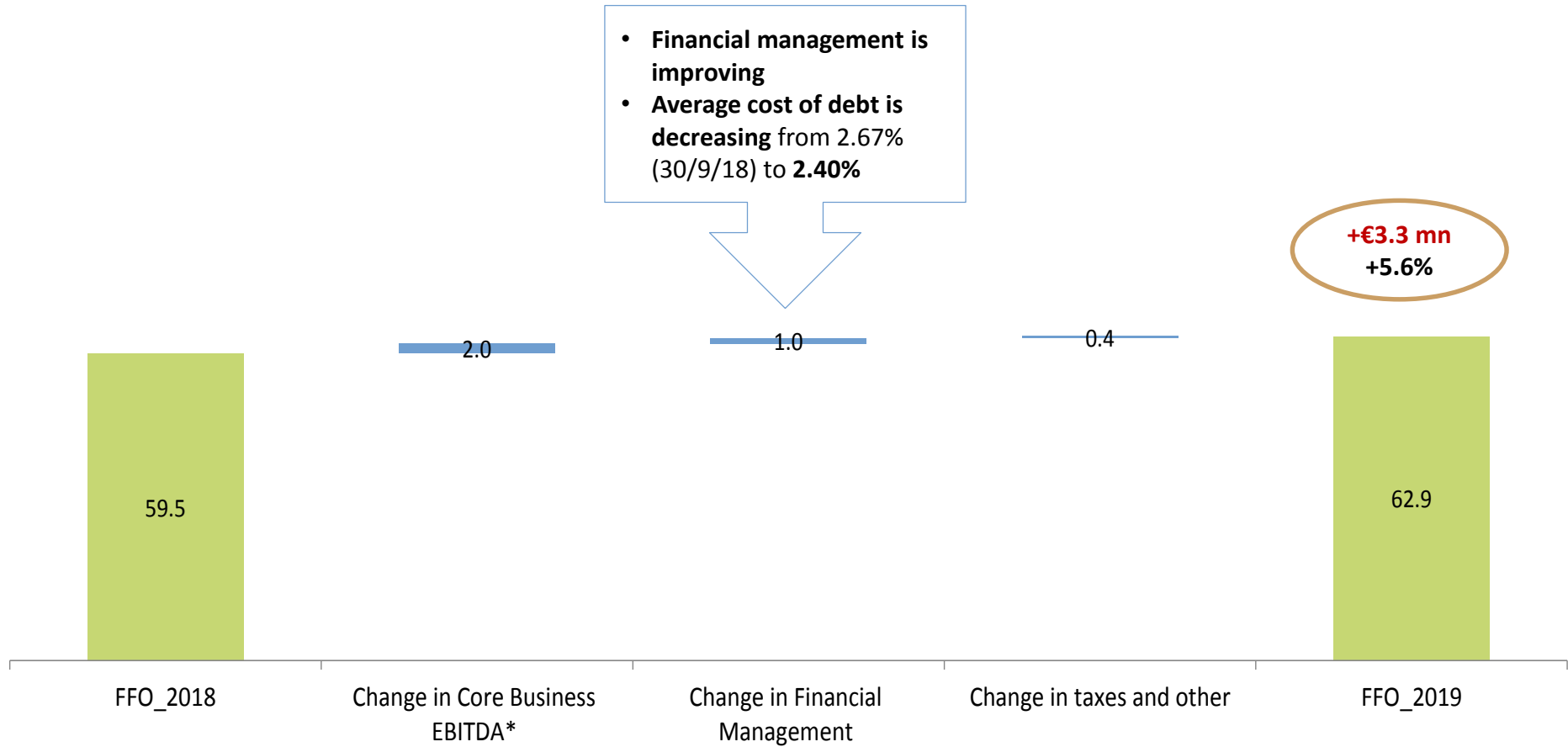


**HADA - New hungarian brand
7 locations
More than 2,500 m²**



Financial results

Funds From Operations (FFO)



Financial structure (1/2)

NEW RATING OBTAINED

FITCH RATINGS

BBB-

outlook stable

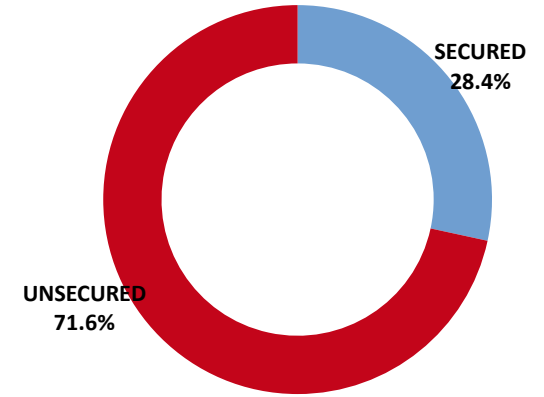
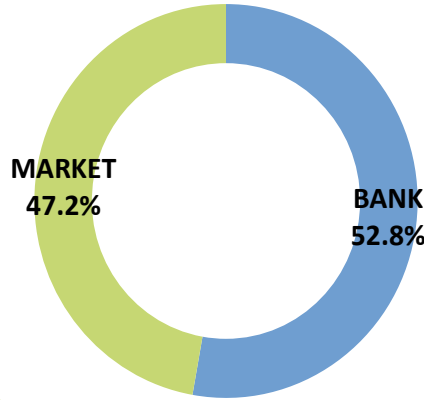
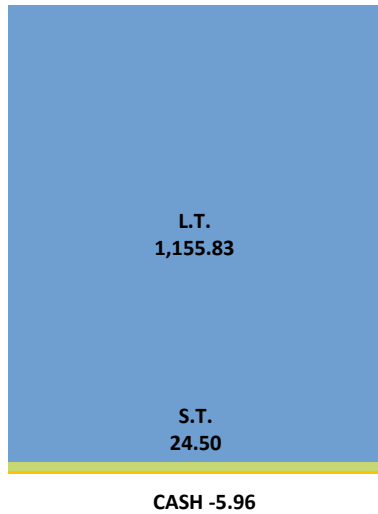
(22 October 2019)

	30/06/2019	30/09/2019		30/06/2019	30/09/2019
LTV	48.2% (excluding IFRS16 c. 47%)	47.8% (excluding IFRS16 ca. 46.7%)	GEARING RATIO	c. 0.97x (excluding IFRS16 ca. 0,93x)	c. 0.95x (excluding IFRS16 c.0,91x)
ICR	3.8X (excluding IFRS16 c. 3.7x)	3.8X (excluding IFRS16 ca. 3.7x)	AVERAGE LENGHT OF LONG-TERM DEBT	c. 3.8 years	c. 3.5 years
AVERAGE COST OF DEBT	2.4%	2.4%	HEDGING ON LONG-TERM DEBT + BOND	c. 93.3%	c. 93.4%

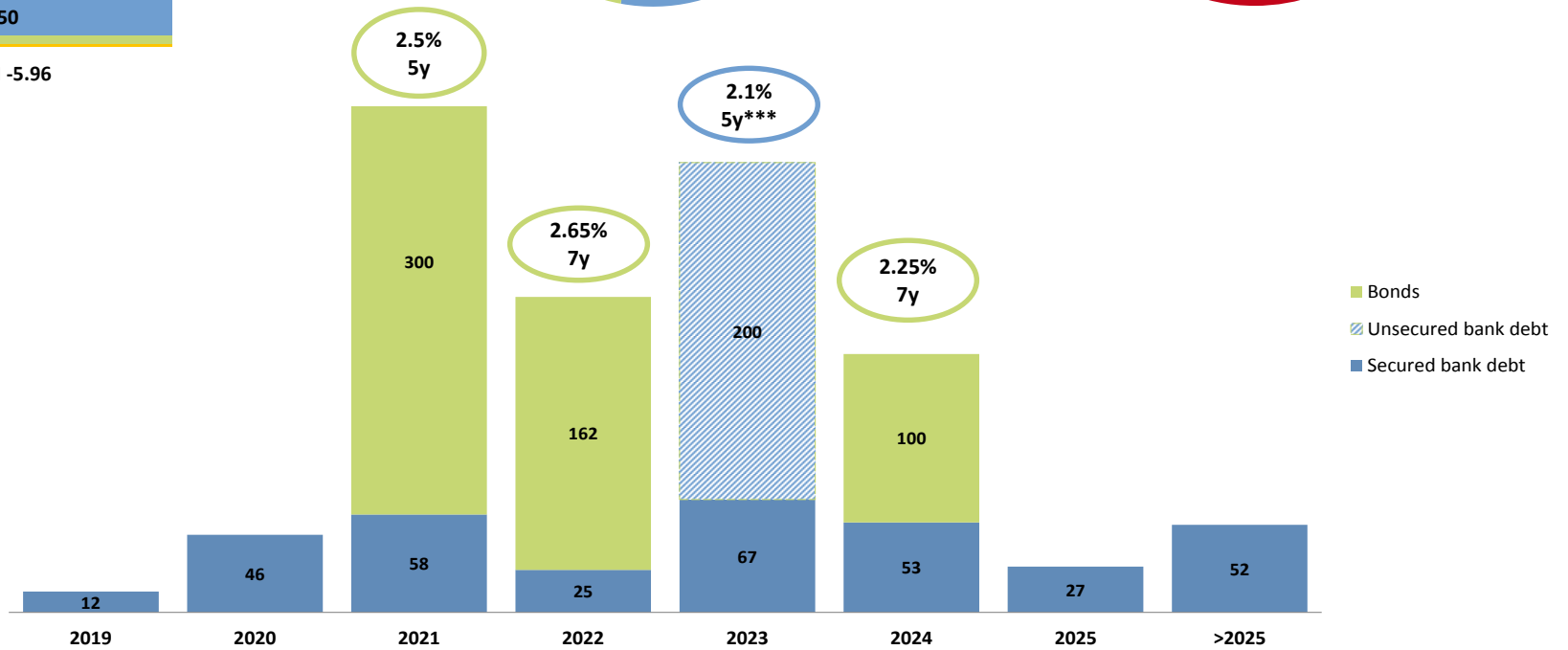
Financial structure (2/2)

Debt break down*

Net Debt 1,174.4 €mn**



Debt maturity



- Bonds
- Unsecured bank debt
- Secured bank debt

* Debt calculated excluding the IFRS16 effect

*** actual cost with 3 years hedging + estimates for the following years

** Net debt including IFRS16 (excluding it c. €1,118.2mn)



Attachments

Consolidated Income Statement

GROUP CONSOLIDATED	(a)	(b)	(c)	Δ	Δ
	9M_CONS_2018	9M_CONS_2019	9M_CONS_Adj_2019*	(b)/(a)	(c)/(a)
Revenues from freehold rental activities	103.6	106.7	106.7	3.0%	3.0%
Revenues from leasehold rental activities	9.4	9.4	9.4	-0.3%	-0.3%
Total income from rental activities	113.0	116.0	116.0	2.7%	2.7%
Rents and payable leases	-7.7	-0.1	-7.7	-98.8%	0.4%
Direct costs from rental activities	-13.0	-13.8	-13.8	6.1%	6.1%
Net rental income	92.3	102.2	94.6	10.7%	2.5%
Revenues from services	4.6	4.8	4.8	2.5%	2.5%
Direct costs from services	-3.8	-4.0	-4.0	4.1%	4.1%
Net services income	0.8	0.8	0.8	-5.4%	-5.3%
HQ Personnel expenses	-4.9	-5.0	-5.0	0.9%	0.9%
G&A expenses	-3.1	-3.6	-3.6	15.7%	15.7%
CORE BUSINESS EBITDA (Operating income)	85.1	94.4	86.7	11.0%	2.0%
<i>Core business Ebitda Margin</i>	<i>72.3%</i>	<i>78.1%</i>	<i>71.8%</i>		
Revenues from trading	4.1	0.4	0.4	-90.7%	-90.7%
Cost of sale and other costs from trading	-5.0	-0.8	-0.8	-84.4%	-84.5%
Operating result from trading	-0.9	-0.4	-0.4	-56.8%	-56.8%
EBITDA	84.1	94.0	86.3	11.7%	2.6%
<i>Ebitda Margin</i>	<i>69.2%</i>	<i>77.6%</i>	<i>71.3%</i>		
Impairment and Fair Value adjustments	-4.8	-46.3	-38.6	n.a.	n.a.
Depreciations and provisions	-0.7	-0.8	-1.0	5.4%	37.0%
EBIT	78.6	46.9	46.8	-40.4%	-40.5%
FINANCIAL MANAGEMENT	-24.3	-24.7	-23.3	1.9%	-4.1%
EXTRAORDINARY MANAGEMENT	0.0	0.0	0.0	n.a.	n.a.
PRE-TAX PROFIT	54.4	22.2	23.5	-59.2%	-56.8%
PRE-TAX PROFIT	-2.0	0.2	-0.3	n.a.	-83.4%
PROFIT FOR THE PERIOD	52.4	22.4	23.2	-57.3%	-55.7%
(Profit/Loss) for the period related to third parties	0.0	0.0	0.0	n.a.	n.a.
GROUP NET PROFIT	52.4	22.4	23.2	-57.3%	-55.7%

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

Funds from Operations (FFO) €62.9 mn (+5.6%)

Funds from Operations	CONS_2019	CONS_2018	Δ vs cons 2018	Δ%
Core business EBITDA*	94.7	85.1	9.6	11.3%
IFRS16 Adjustments (Payable leases)	(7.6)	0.0	(7.6)	n.a.
Adj financial management	(23.3)	-24.3	1.0	-4.1%
Adj extraordinary management	-	0.0	-	n.a.
Adj current taxes for the period	(0.9)	-1.2	0.4	-30.2%
			-	
FFO	62.9	59.5	3.3	5.6%

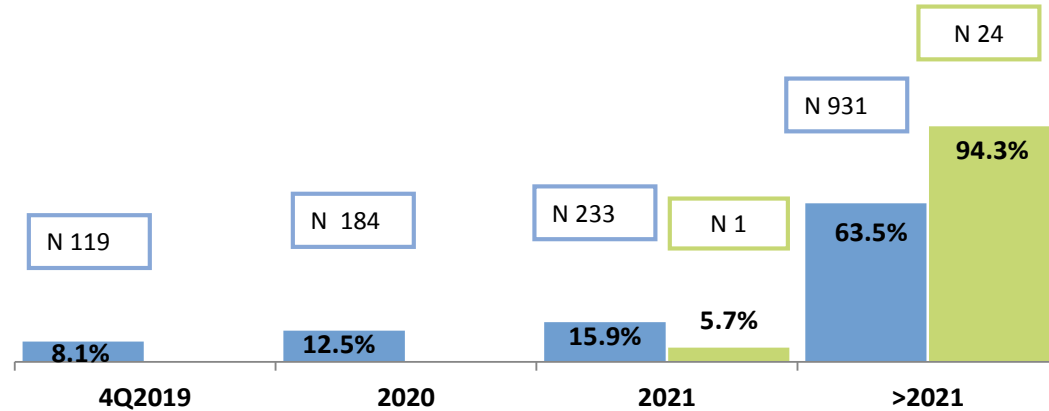
* Net of non-recurring expenses

Contracts in Italy and Romania

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

Italy 1,467 No. of malls contracts

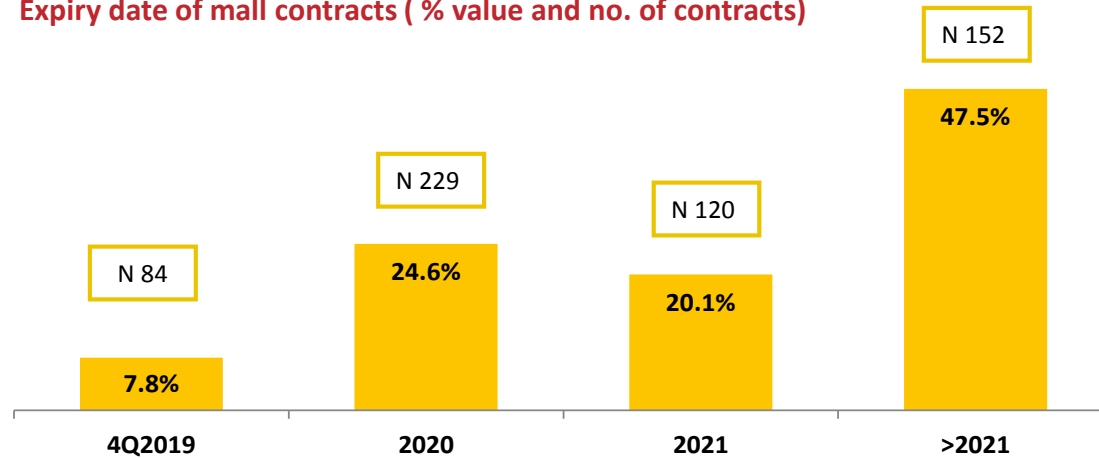
Average residual maturity
Hypermarkets 14.53 years
Malls 4.88 years



Romania 585 No. of contracts

Average residual maturity
4.79 years

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



Key tenants

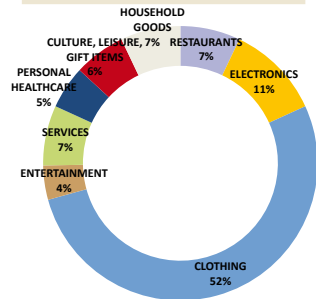
Top 10 Tenants Italian malls

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
OVS	clothing	2.9%	12
PIAZZA ITALIA	clothing	2.8%	13
SCARPUCCI	shoes	2.2%	9
FIORELLA RUBINO mötivi oltre	clothing	2.1%	28
H.M.	clothing	2.0%	10
unieuro	electronics	1.7%	7
CALZEDONIA	clothing	1.7%	27
Stroili Oro	jewellery	1.3%	19
GameStop power to the players	leisure	1.3%	25
DOUGLAS	perfumery	1.3%	12
Total		19.3%	162

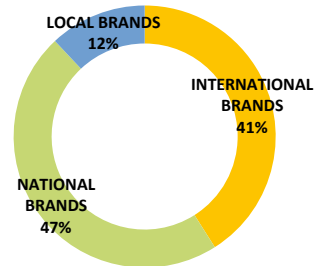
Top 10 Tenants Romanian malls

TOP 10 Tenant	Product category	Turnover impact	No. of contracts
Carrefour market	supermarket	10.0%	11
H.M.	clothing	7.5%	6
kik	clothing	4.1%	8
PEPCO	clothing	4.1%	11
dm	drugstore	2.5%	5
B.B. BRĂDULEŢI	jewellery	2.0%	5
SENSA	pharmacy	2.0%	4
ALTEX	electronics	1.8%	1
OCPI	offices	1.6%	1
Hăda	clothing	1.0%	5
Total		36.6%	57

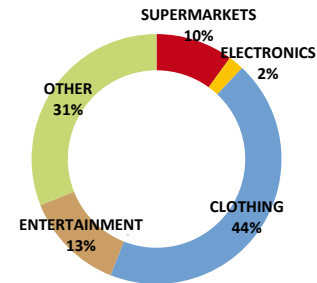
MALLS MERCHANDISING MIX



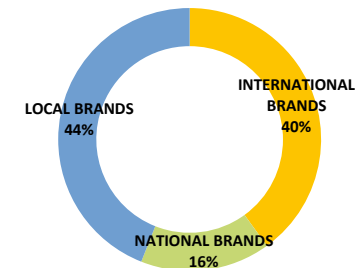
MALLS TENANT MIX



MALLS MERCHANDISING MIX



MALLS TENANT MIX



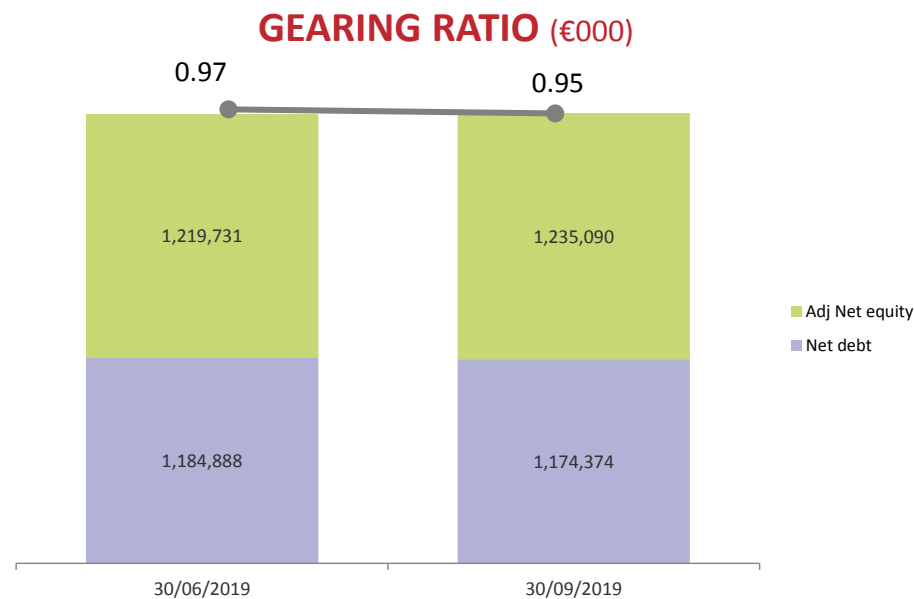
Further Financial Highlights

	30/06/2019	30/9/2019
SHARE OF M/L DEBT	93.5%	93.3%
UNCOMMITTED CREDIT LINES GRANTED	€181 mn*	€181 mn*
UNCOMMITTED CREDIT LINES AVAILABLE	€158.3 mn	€156.5 mn
COMMITTED CREDIT LINES GRANTED AND AVAILABLE	€60 mn	€60 mn
UNENCUMBERED ASSETS	€1,447.4 mn	€1,447.4 mn

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

Re-classified balance sheet

Sources - Uses of funds (€/000)	30/09/2019	36/06/2019	Δ	Δ%
Fixed assets	2,381,122	2,370,089	11,033	0.47%
Assets under construction and advances	40,846	36,619	4,227	11.54%
Intangible assets	12,524	12,401	123	0.99%
Other tangible assets	9,030	9,039	(9)	(0.10%)
Non-current assets held for sale	0	12,770	(12,770)	(100.00%)
Sundry receivables and other non-current assets	121	113	8	7.08%
Equity investments	223	280	(57)	(20.36%)
NWC	21,739	22,920	(1,181)	(5.15%)
Funds	(5,650)	(8,898)	3,248	(36.50%)
Payables and other non-current liabilities	(21,804)	(21,796)	(8)	0.04%
Mey deferred tax (assets)/liabilities	(24,376)	(25,008)	632	(2.53%)
TOTAL USE OF FUNDS	2,413,775	2,408,529	5,246	0.22%
Total shareholders' equity	1,217,460	1,202,437	15,023	1.25%
Net (assets) and liabilities for derivative instruments	21,941	21,204	737	3.48%
Net debt	1,174,374	1,184,888	(10,514)	(0.89%)
TOTAL SOURCES	2,413,775	2,408,529	5,246	0.22%



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