



9M 2020 Result presentation

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Economic Highlights

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



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...

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.



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%**



HYPER

26.4%
of rental
income

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



Collected **100%**

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

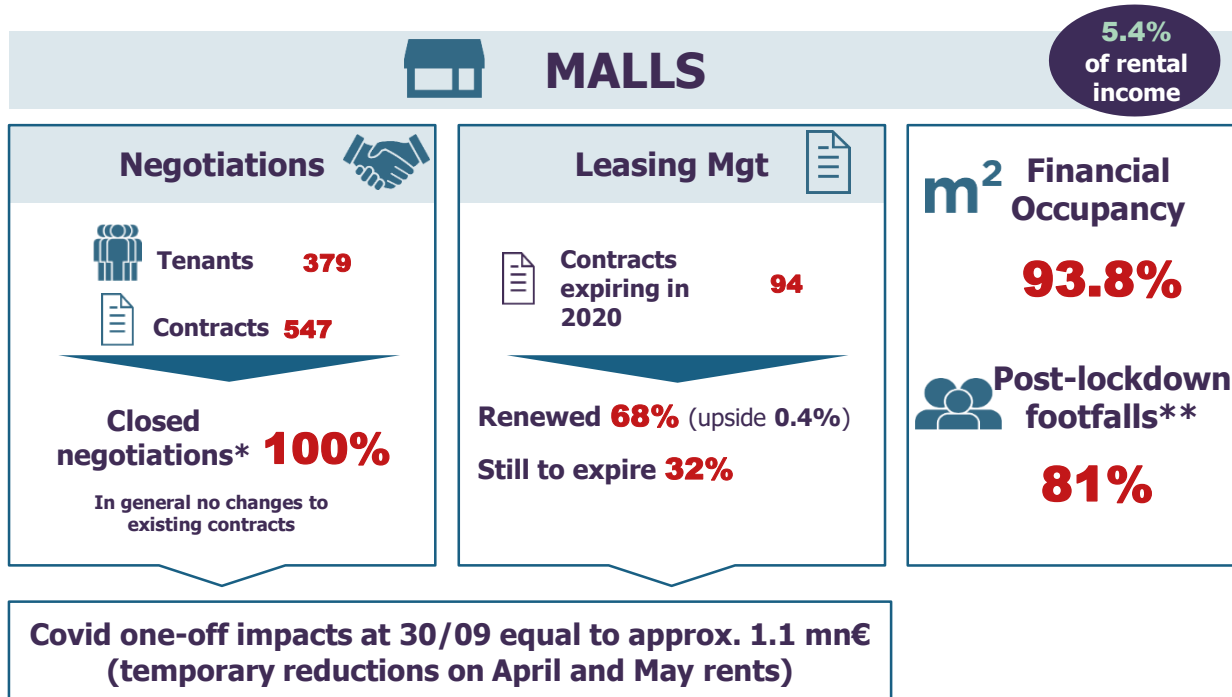
There will be an update in the FY when negotiations will be concluded

No effects on existing contracts

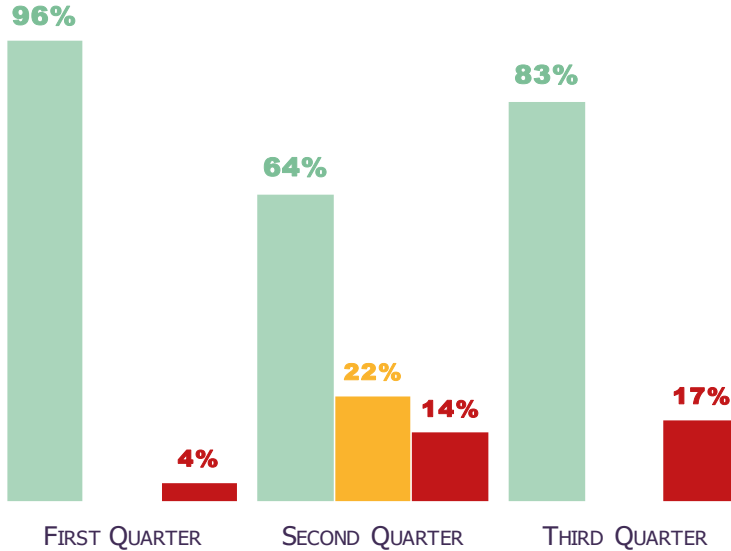
Operating performances Romania



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



Rent collection Italy & Romania

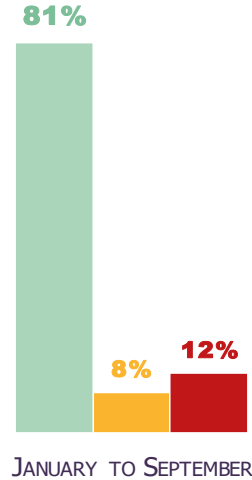


ITALY

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



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



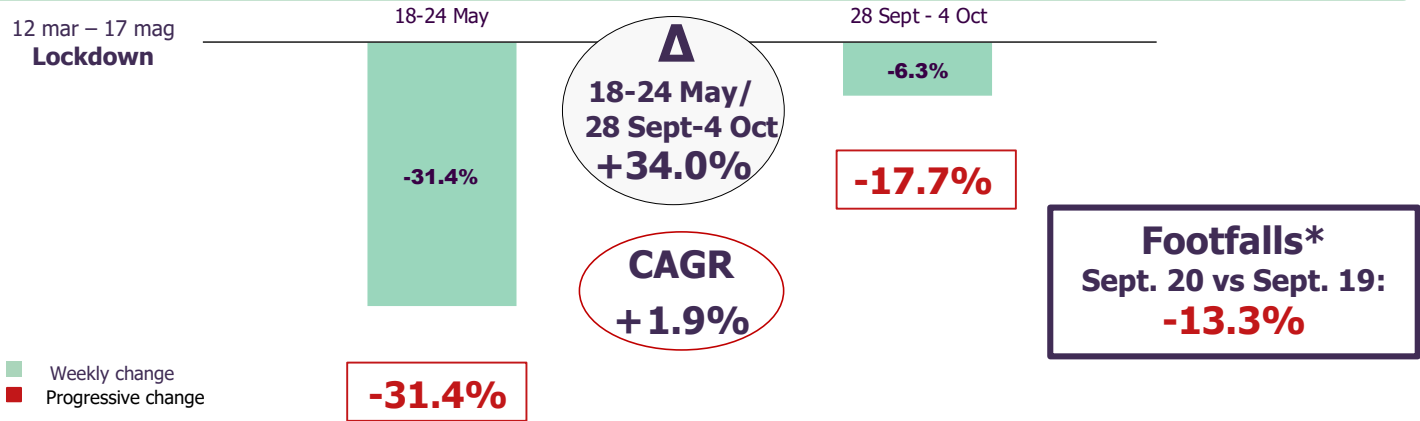
Restaurants with
table service **-28.4%**



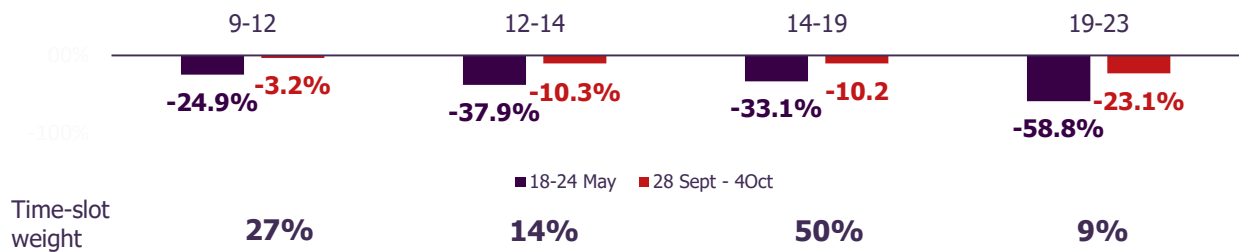
Shoes **-8.6%***

Footfalls

Weekly footfalls 2020/2019



Footfalls per time-slot 2020/2019



*From 23 October new restrictive measures first in some regions and then throughout Italy

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



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

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



- 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

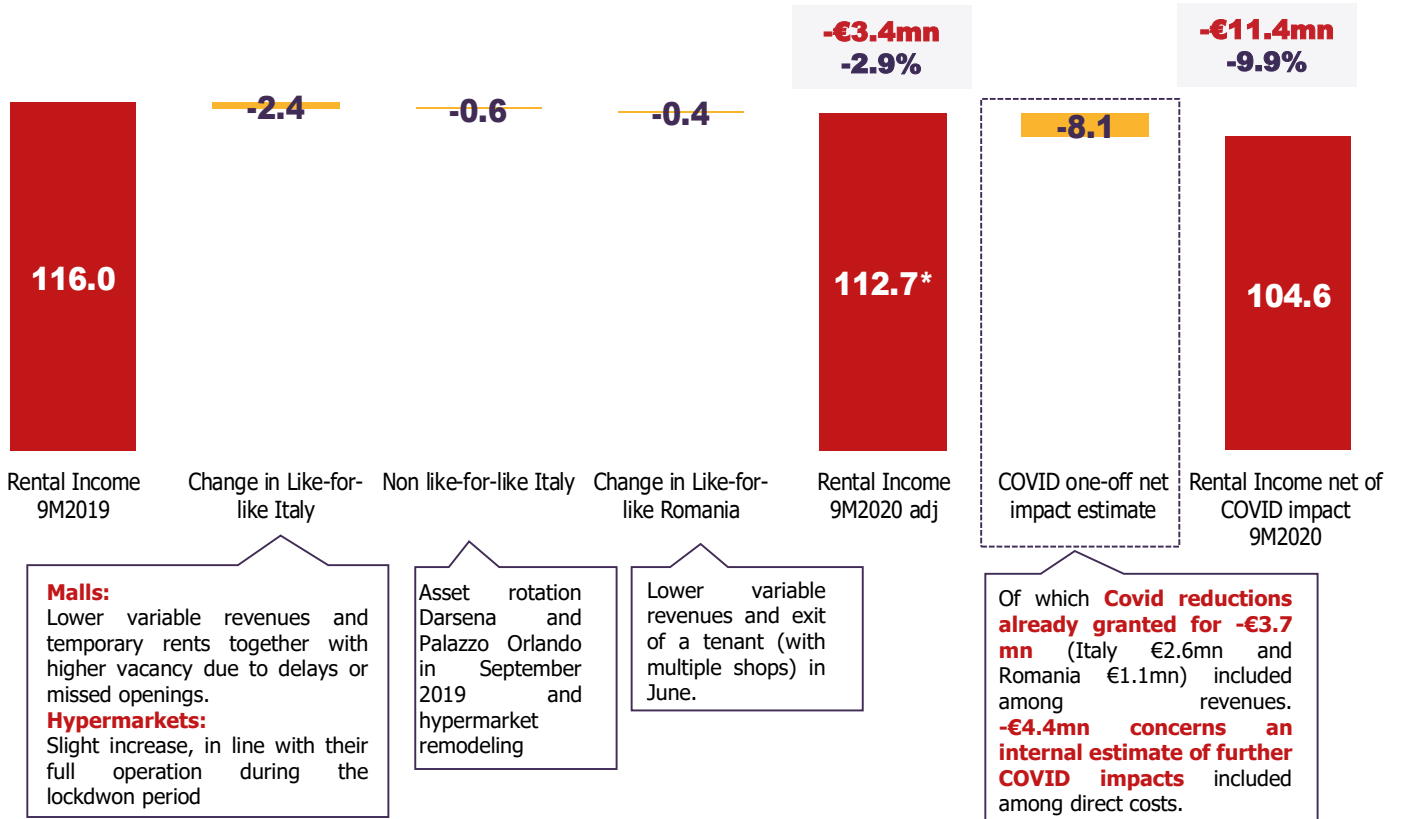


- Two Tesla **Charging Stations** opened between July and September in Puntadiferro shopping center in Forlì and Maremà shopping center in Grosseto in line with IGD plan for a **sustainable mobility**

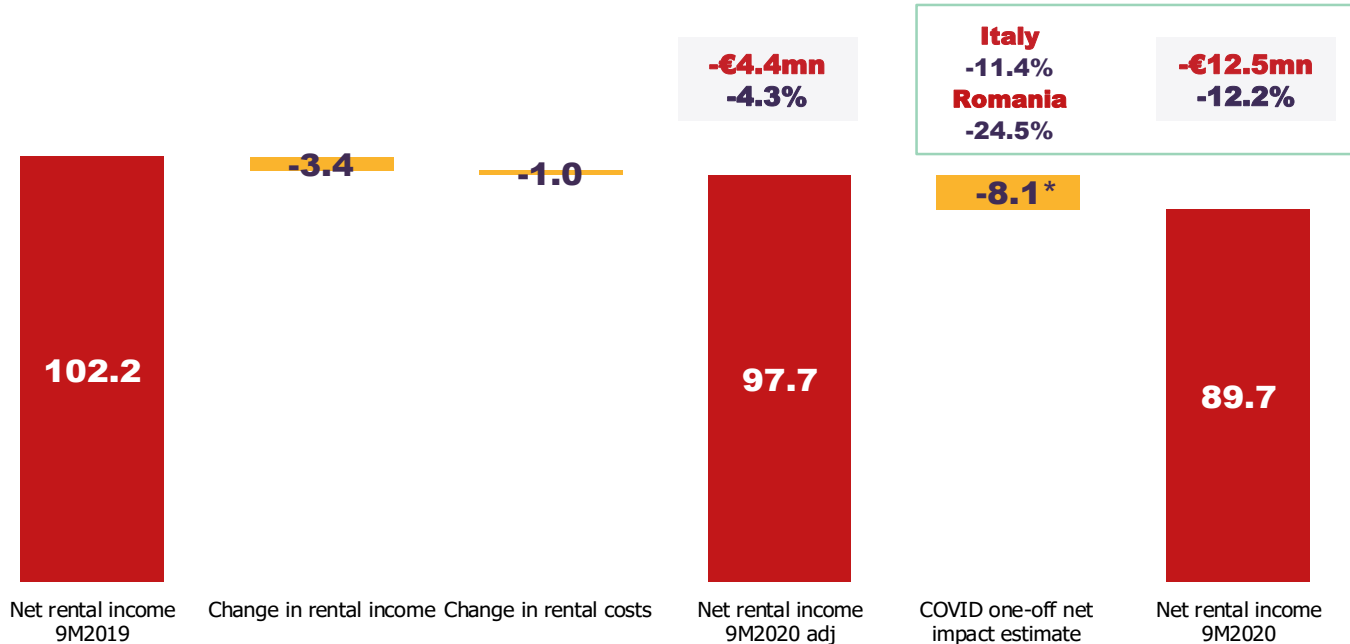


2 Financial Results at 30 September 2020

Rental Income (€mn)

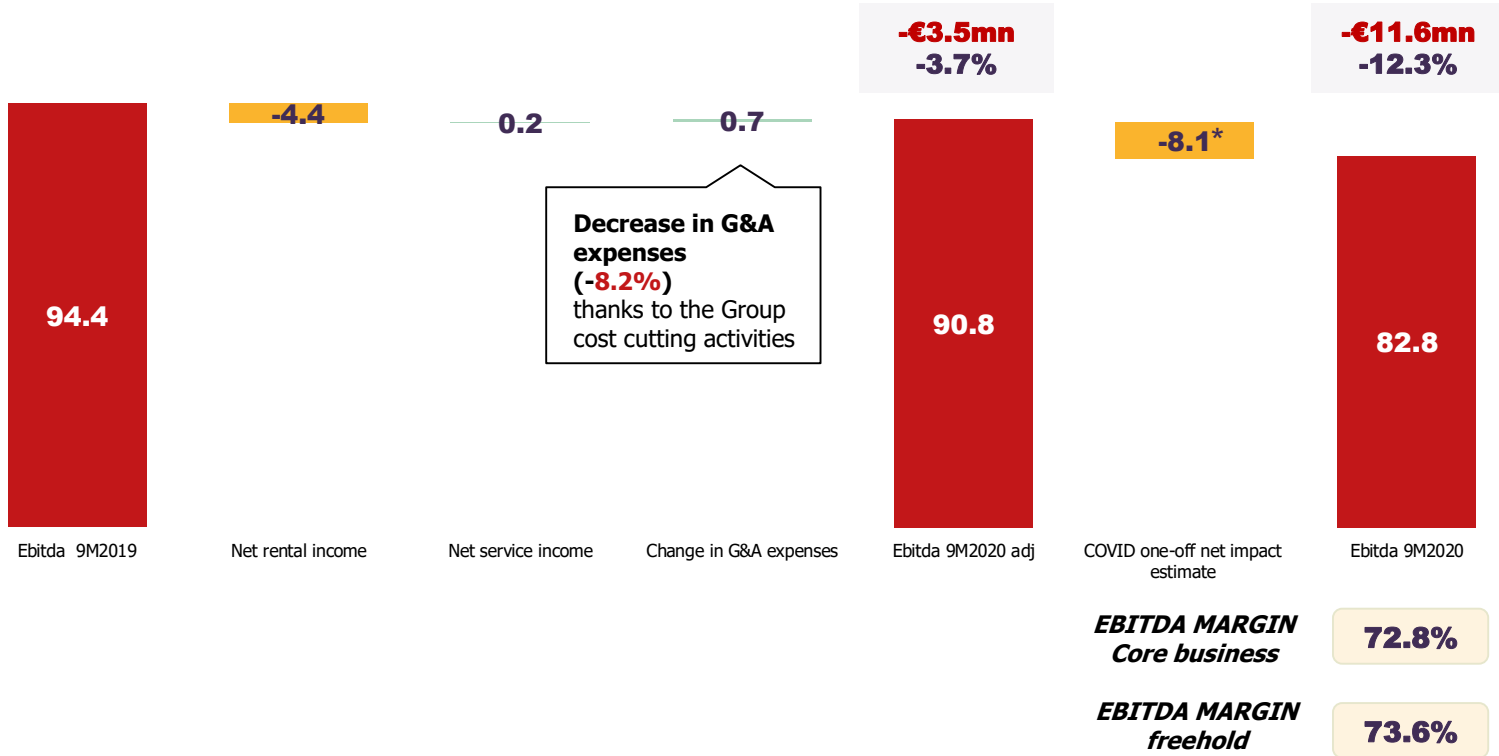


Net rental Income (€mn)



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

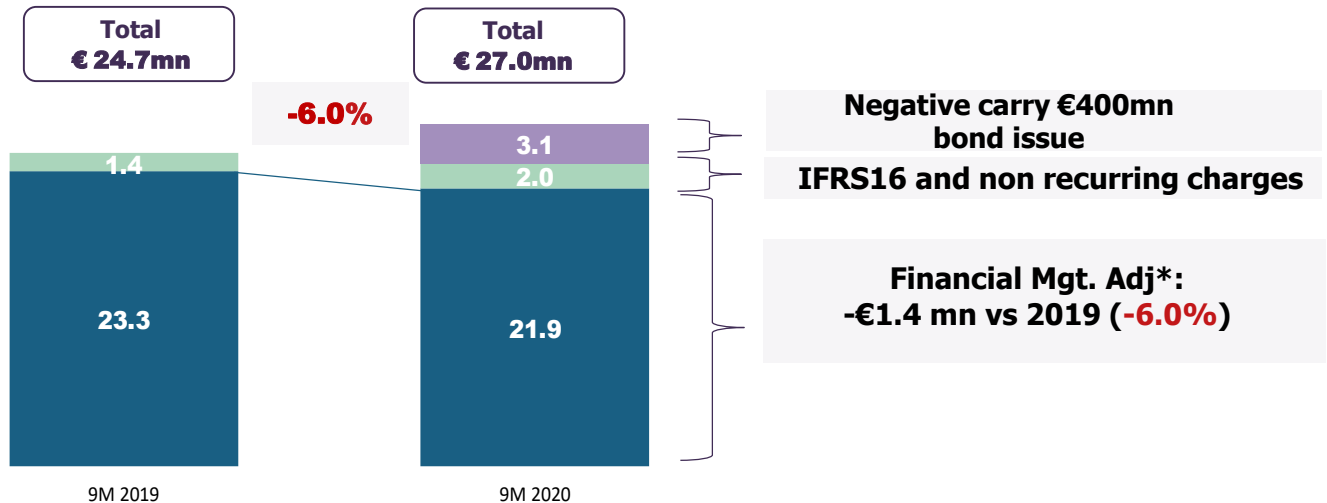
Core business EBITDA (€mn)



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

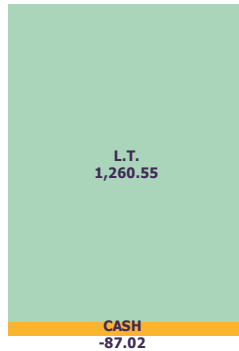
*Financial management adj: net of IFRS16 (€1.2mn) and IFRS9, non recurring charges and negative carry of the €400mn bond issue for a value of approx. €3.9mn

Some figures may not add up due to rounding

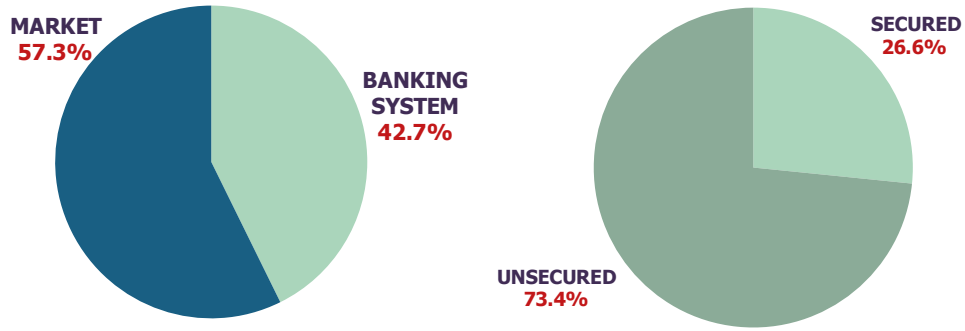
Financial structure

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

NET DEBT
€1,173.5 mn**



DEBT BREAKDOWN***



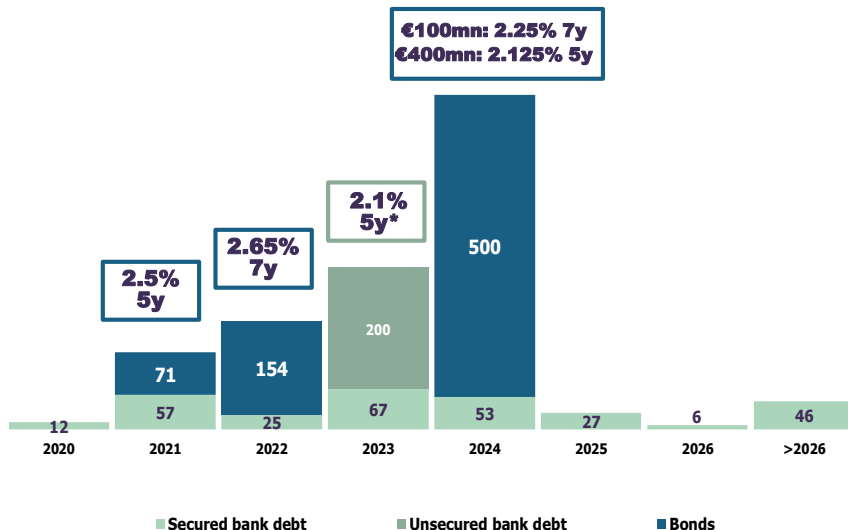
* Excluding the effect of the last bond issue; at 30/09/2020 including those effects is 2.9X

**Net debt including IFRS16 effect (if excluded €1.125,5mn)

***Debt calculated excluding the IFRS16 effect

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)

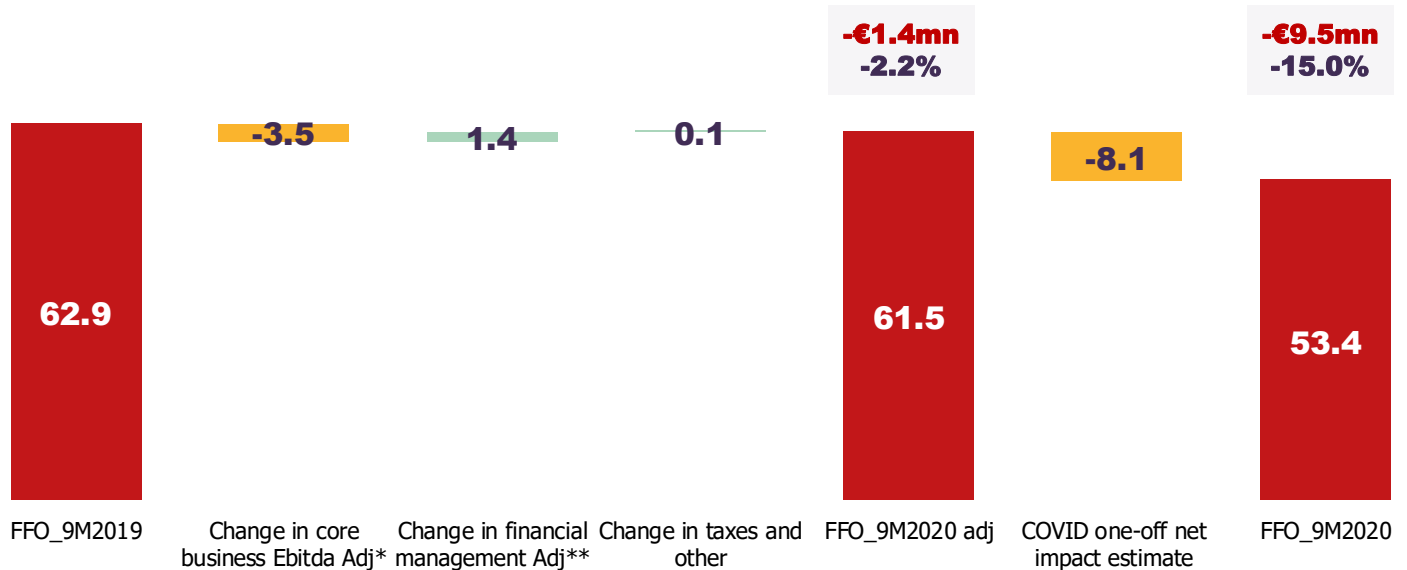


Rating Fitch

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)





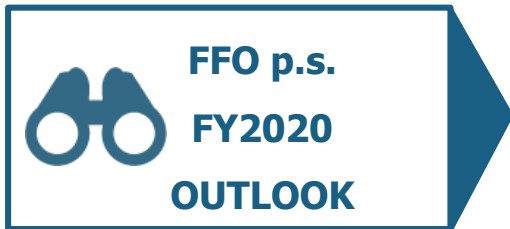
3 Outlook

Final remarks and Outlook 2020

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%
Total revenues from rental activities	116.0	109.0	-6.1%
Rents and payable leases	-0.1	0.0	-98.8%
Direct costs from rental activities	-13.8	-19.3	40.3%
Net rental income	102.2	89.7	-12.2%
Revenues from services	4.8	4.8	0.5%
Direct costs from services	-4.0	-3.8	-5.1%
Net services income	0.8	1.0	29.4%
HQ Personnel expenses	-5.0	-4.6	-7.7%
G&A Expenses	-3.6	-3.3	-8.9%
CORE BUSINESS EBITDA (Operating income)	94.4	82.8	-12.3%
<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%
Operating result from trading	-0.4	-0.6	49.3%
EBITDA	94.0	82.2	-12.5%
<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%
EBIT	46.9	3.9	-91.6%
FINANCIAL MANAGEMENT	-24.7	-27.0	9.2%
EXTRAORDINARY MANAGEMENT	0.0	-0.1	n.a.
PRE-TAX RESULT	22.2	-23.2	n.a.
Taxes	0.2	1.8	n.a.
NET RESULT FOR THE PERIOD	22.4	-21.3	n.a.
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROU NET RESULT	22.4	-21.3	n.a.

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**

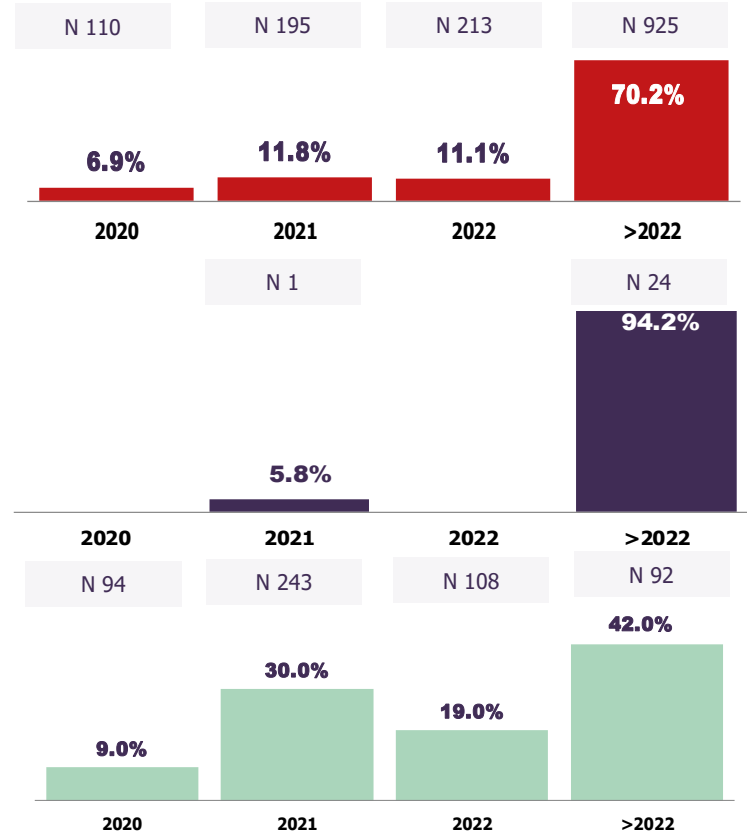
Total contracts: 25

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

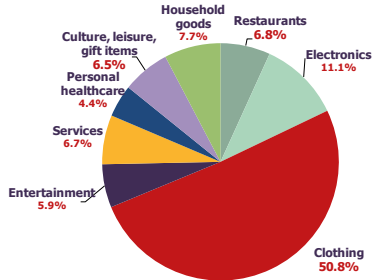
Top 10 Tenants Italian Malls

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
Total		19.5%	164

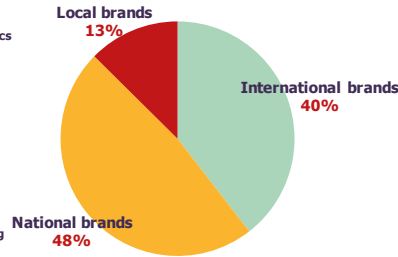
Top 10 Tenants Romanian Malls

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
Total		38.3%	55

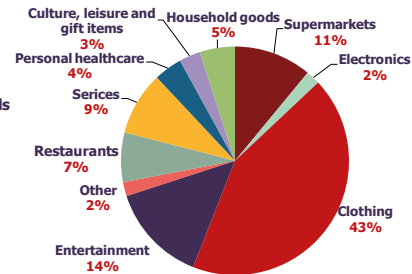
Malls Merchandising Mix



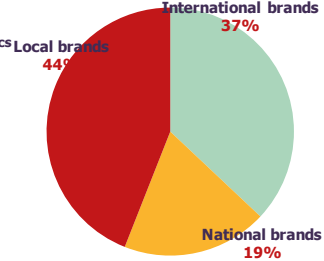
Malls Tenant Mix



Malls Merchandising Mix



Malls Tenant Mix



Funds From Operations (FFO)

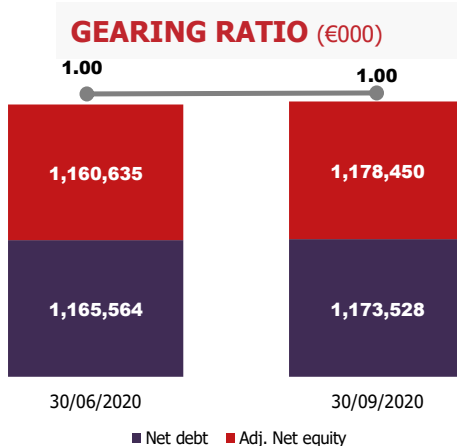
Funds from Operations	9M_CONS_2019	9M_CONS_2020	Δ	Δ%
Core business EBITDA	94.4	82.8	-11.6	-12.3%
IFRS16 Adjustments (payable leases)	-7.6	-6.9	0.7	-9.6%
Financial management adj.	-23.3	-25.0	-1.7	7.5%
Extraordinary management adj.	0.0	0.0	0.0	n.a.
Current taxes for the period adj.	-0.9	-0.8	0.1	-12.0%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

Further financial highlights

	30/06/2020	30/09/2020
Gearing ratio	1.0X (adj. IFRS16 c. 0.96X)	1.0X
Average lenght of long-term debt	3.6 years	3.4 years
Hedging on long-term debt + bond	95.1%	95.3%
Share of M/L debt	89.3%	88.9%
Uncommitted credit lines granted	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%
TOTAL USE OF FUNDS	2,355,383	2,329,478	-25,906	-1.1%
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%
TOTAL SOURCES	2,355,383	2,329,478	-25,906	-1.1%



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