



# FY2020 Results

Conference call 25th February 2021

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# Key points

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## SHOPPING CENTER FORMAT PROVEN STILL TO BE VALID

As restrictions began to be eased visitors continued to appreciate the shopping center format with **increasing** footfalls and **average ticket**

## PECULIARITIES OF IGD'S PORTFOLIO

**Urban** shopping centers, **dominant** in their catchment areas with **food anchors**:  
always open, despite the restrictions

## 2020 COVID IMPACT RECORDED DURING THE YEAR

Lockdown/restrictions managed by means of  
**temporary reductions in rents** equal to approx. 1.7 months  
**Total rents collected\* >91%**

## LIQUIDITY POSITION

**Cash** at year-end equal to **117mn€**

**Financial needs are covered for 2021 and the first few months of 2022**

The procedure for the **disposal of a hyper/super portfolio worth approx. €185mn** was started

## Highlights (1/2)

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Rental Income

**€150.0 mn**

-3.4%

Net Rental Income

**€109.5 mn**

-19.8%

Core Business Ebitda

**€99.4 mn**

-20.6%

Funds From Operation (FFO)

**€59.3 mn**

-28.8% (0.54€ p.s.)

Include Covid-19 one-off net impact on 2020  
with no further effects on the subsequent years

## Highlights (2/2)

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### Real Estate Portfolio

Market Value (excluding leasehold)

**€2,265.7 mn**

-4.9%

### EPRA NAV/NRV

**10.38€ p.s.**

-8.9%

### Financial Occupancy Italy\*

**94.3%**

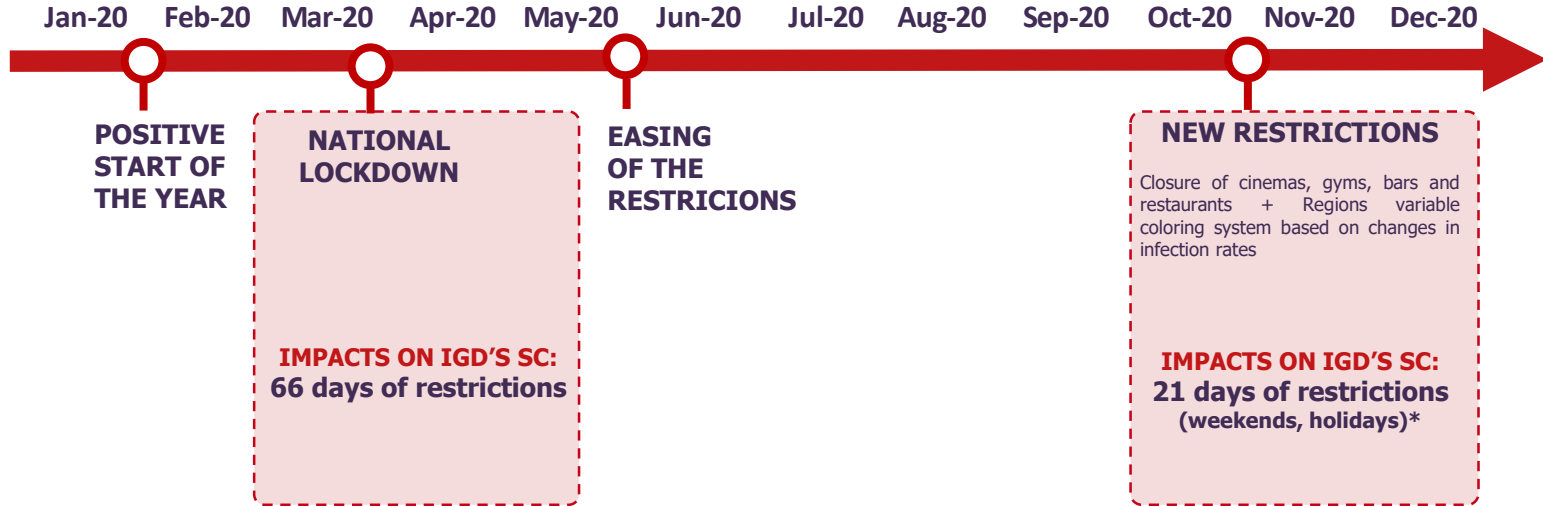
### Financial Occupancy Romania

**93.6%**



# 1 Operating performances

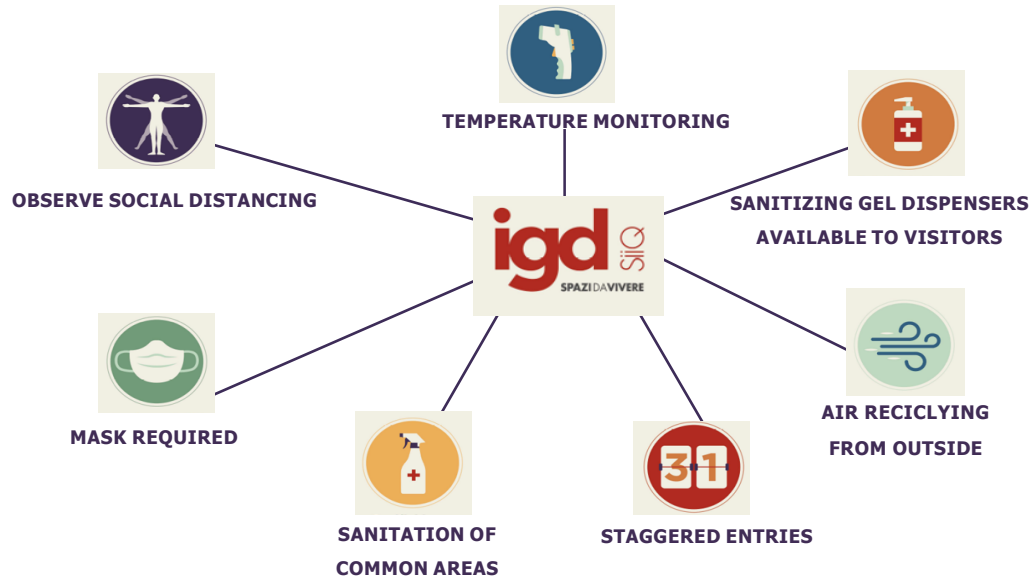
# Covid-19 emergency in Italy



**IGD'S shopping centers always open  
but with «non-essential» stores closed for 87 days throughout 2020**

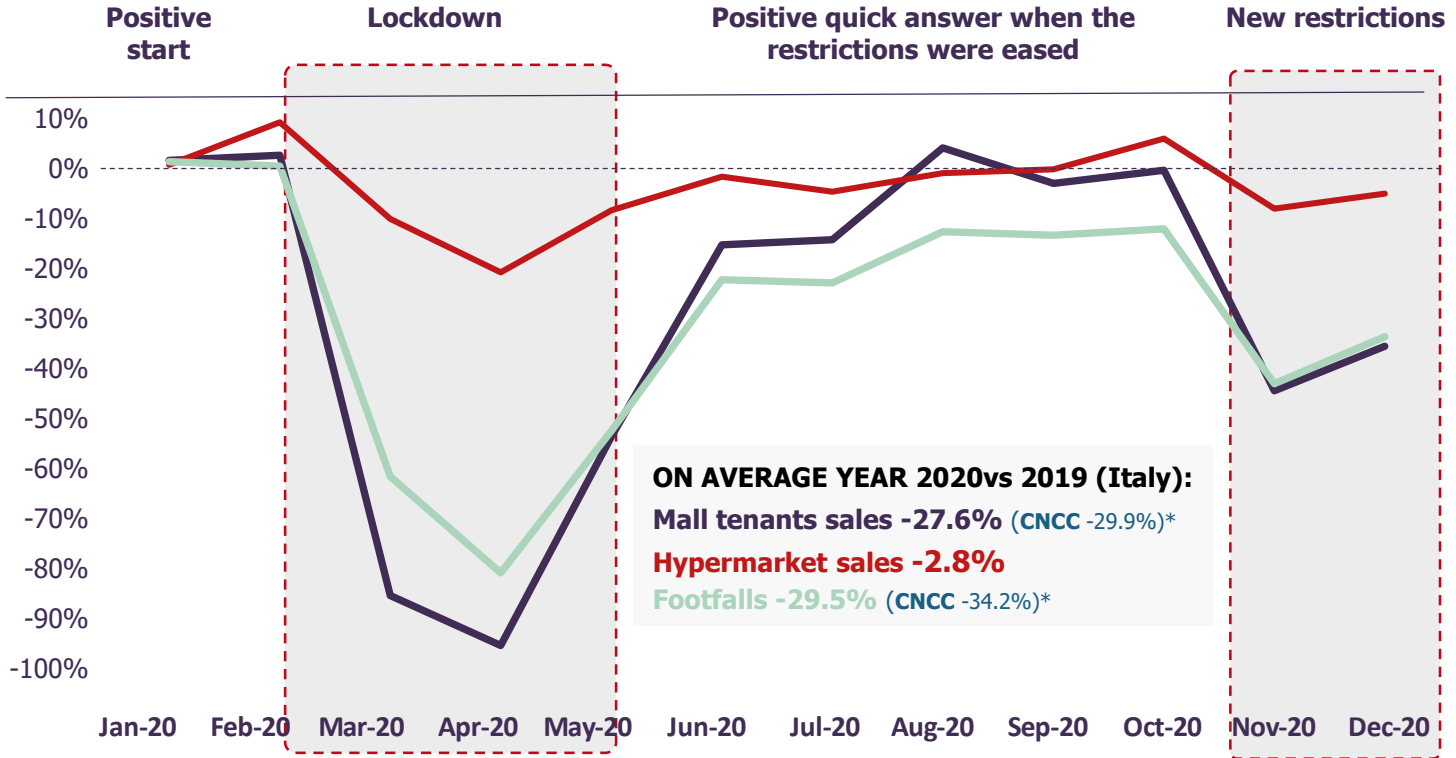
# IGD's response to Covid-19

IGD immediately implemented precautions and measures to ensure the safety of the shopping centre visitors





# Negative trends due to restrictions...



# ...but no rushed conclusions

Evidence emerged after restrictions were eased\*...



Fewer but more targeted visits...



Approx. **87%** of footfalls recovered



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



€ 26.0, **+17% (+€3.8)**



...resulting in a slight increase in overall purchases



Tenant sales **+0.3%**

**Quick answer from visitors; shopping centers still attractive despite limitations on organized events and leisure activities**

# Performances considerably diversified depending on the merchandise category

## MERCHANDISE CATEGORIES WITH BETTER PERFORMANCES THAN IGD'S PORTFOLIO AVERAGE\*

- ✓ Household goods
- ✓ Consumer electronics
- ✓ Personal and health care
- ✓ Culture, leisure, gift items
- ✓ Sports equipments

## MERCHANDISE CATEGORIES MORE PENALIZED BY RESTRICTIONS

- ✓ Restaurants
- ✓ Entertainment
- ✓ Clothing
- ✓ Footwear
- ✓ Services

# Maintained a controlled risk profile



## MALLS

73.4%  
of rental  
income



## HYPER

26.3%  
of rental  
income



### ITALY



#### CONTRACTS:

Renewals **55** turnover **46**  
(downside -0.38%)

#### FINANCIAL OCCUPANCY\*

**94.3%**



### ROMANIA



#### CONTRACTS:

Renewals **290**  
(downside -0.47%)

#### FINANCIAL OCCUPANCY

**93.6%**

### LEASING MANAGEMENT



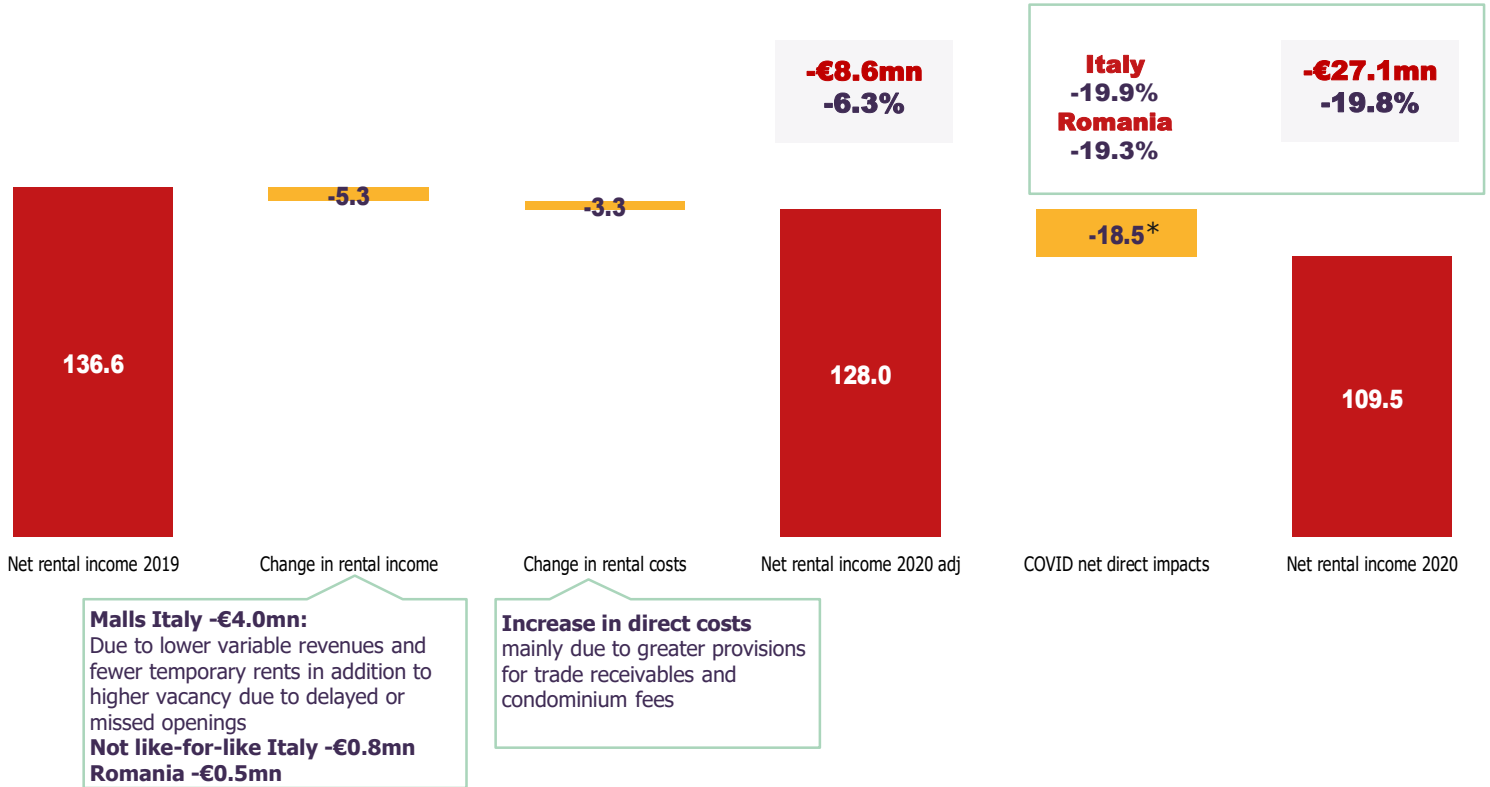
- No changes on existing contracts
- Deferred payments and temporary reductions granted

- Always open
- The shopping centres' civil role became even stronger in their catchment areas
- Small size on average with sales area <6,000 m<sup>2</sup>
- 16 hypermarkets located in sole-owned property

**Covid-19 net direct impacts on 2020:**  
approx. €18.5mn\*\* (approx. 1.7 months granted)

**No impact on existing contracts**

# Net Rental Income (€mn)

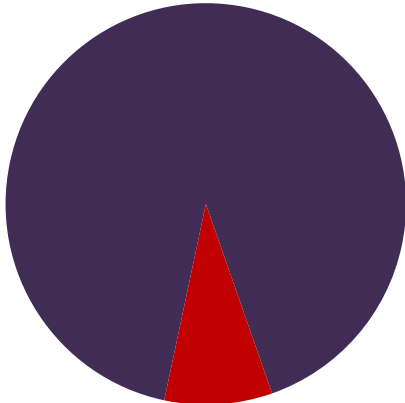


# 2020 Rent collection rate\*

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## Italian Porfolio

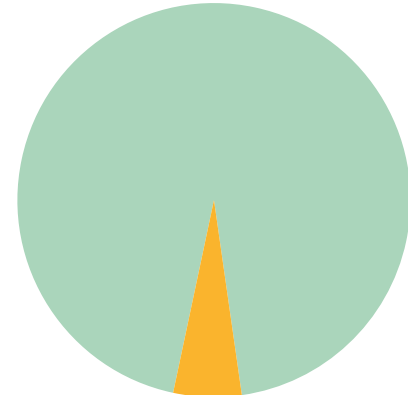
Collected > **91%**



To be collected in  
2021 < **9%**

## Romanian Porfolio

Collected > **94%**



To be collected in  
2021 < **6%**

# Leasing and commercial activities did not stop

The evolution in consumption styles, accelerated by Covid, has led us to **innovate** by means of **digital communication** and the introduction of **new brands and services** in the malls

## NEW MERCHANDISE CATEGORIES INTRODUCED



Introduction of pharmacies and diagnostic clinics

In Italy, project for diagnostic clinics developed in partnership with a primary insurance group

## DIGITAL COMMUNICATION AND TENANT INITIATIVES

30 led walls for digital communication installed in the malls



Apps and touch screens made available by tenants to order safely



Home Delivery organized by tenants



# Retailers continued to open in Italy...



FrwrD - Le Porte di Napoli (NA)



Chicco - La Torre (PA) – Tiburtino (RM)



Wycon cosmetics - Katanè (CT)



JD Store - Centro Nova (BO)



Pepco - Centro Borgo (BO)



Mondo Convenienza - ESP (RA)



Little Italy Barber Shop - Centro Leonardo (BO)



Kasanova - Centro d'Abruzzo (CH)



# ...and in Romania



KIK (clothing) - Cluj



KIK (clothing) - Slatina



Bijuteria Stil (jewellery) - Braila



Bijuteria Stil (jewellery) - Tulcea



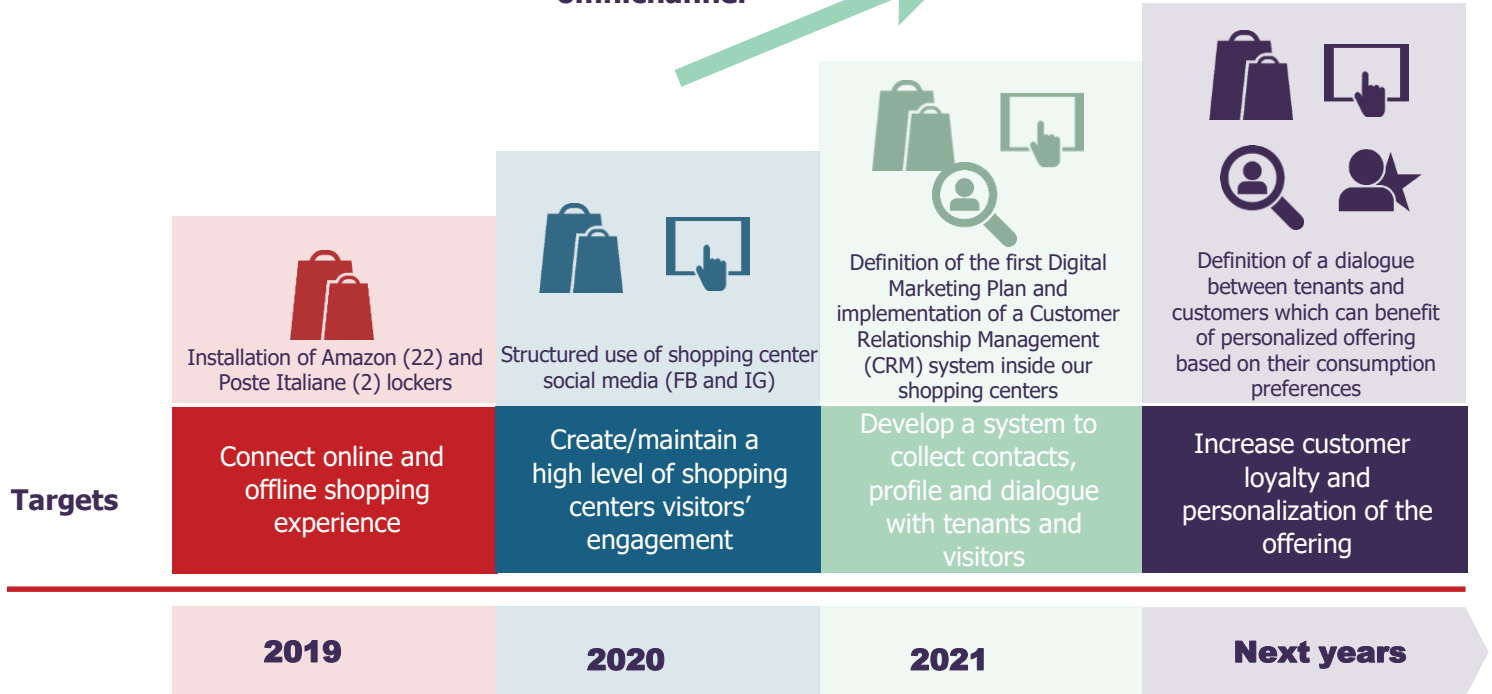
Cofetaria Oli (restaurant) - Ploiesti Big



Mageda Crafts (gift items) - Ploiesti GC

# True omnichannel passes through the shopping center

IGD's path toward omnichannel

# Sustainability: commitment continues despite the pandemic

Most short-term goals achieved, work in progress on the medium/long-term targets.



## GREEN

- €1.2mn invested in energy efficiency measures
- 19 EV charging stations installed
- ISO14001 certification for 4 more shopping centers and Breeam in Use certification for 3 more shopping centers

## RESPONSIBLE

- Stable level of employment and Corporate Welfare Plan confirmed
- Training activity for all the employees and a new activity of «Virtual Team» tested
- Implemented measures for the safety of employees and visitors both in the headquarters and in the shopping centers

## ETHICAL

- UNIISO37001 «Anti bribery management system» certification obtained in Italy
- Second renewal of three stars Legality Rating obtained (maximum score awarded)
- Code of Conduct and Organizational Management and Control Model updated
- Adhesion to United Nations Global Compact

## ATTRACTIVE

- Digital Plan defined and existing shopping centers web instruments (websites and social networks) updated to increase contacts with visitors
- Communication Campaign realized to reassure visitors about the safety and the offering of the shopping centers post lockdown

## TOGETHER

- Dialogue with the stakeholders strengthened for a more unitary emergency management: for ex. Post lockdown surveys had been carried out to better understand the visitors' needs

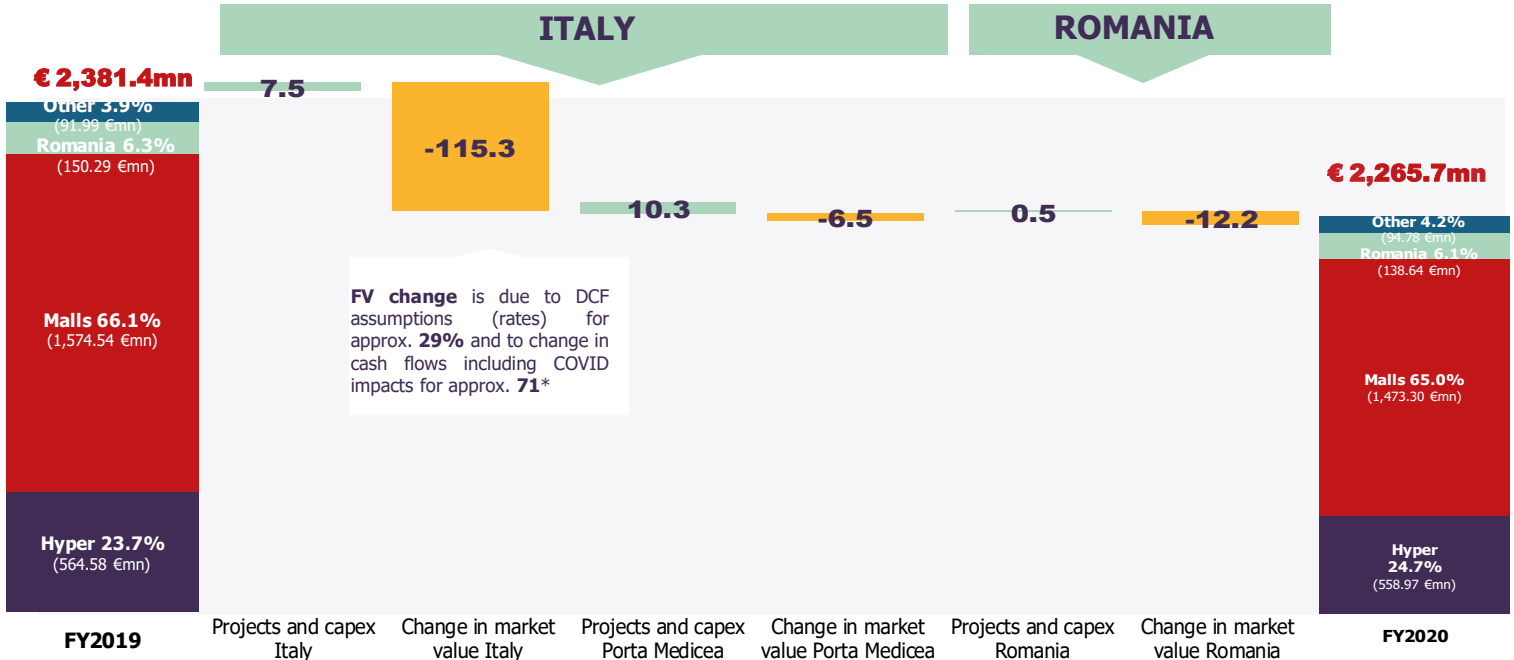


# 3 Portfolio

# IGD's portfolio market value (1/2)

	FY 2019 *	FY 2020	Δ %	Gross Initial Yield	EPRA Net Initial Yield	EPRA Net Initial Yield topped up
Malls Italy	1,574.54	1,473.30	(-6.43%)	6.53%	5.3%	5.4%
Hypermarkets Italy	564.58	558.97	(-0.99%)	6.02%		
Romania	150.29	138.64	(-7.75%)	7.35%	6.0%	6.2%
Porta a Mare + development + other	91.99	94.78				
<b>Total IGD's portfolio</b>	<b>2,381.41</b>	<b>2,265.69</b>	<b>(-4.86%)</b>			
Leasehold properties (IFRS16)	54.80	43.32				
<b>Total IGD's portfolio including leasehold</b>	<b>2,436.21</b>	<b>2,309.01</b>	<b>(-5.22%)</b>			

# IGD's portfolio market value (2/2)



# Flexible and sustainable asset management

2020

- ✓ In order to strengthen the Group's financial solidity **some projects and capex were postponed as early March 2020.**
- ✓ **Lower cash-out** for approx. **€40mn** compared to what expected for the year

2020 Total Investments





€18.3mn

2021/2022

- ✓ **Priorities: non deferrable activities, extraordinary maintenance, update of systems** as well as **fit out adaptations** in order to continuously attract tenants and visitors.
- ✓ Our asset type enables us to be **flexible in offering spaces for different uses** like **flagships for physical and/or online sales, logistics hubs...**

**No major transformations/reconversions are necessary, just few adjustments in the merchandising mix**

# 2021-2022 Projects

	CASILINO	PORTO GRANDE	LA FAVORITA	PORTA A MARE <i>(Officine Storiche – retail/residential)</i>
<b>Asset</b>				
<b>Description</b>	Restyling and hypermarket/mall remodeling	Restyling	Restyling	Creation of more than 15,000 m <sup>2</sup> devoted to retail + 42 seafront flats
<b>End of work</b>	H1 2022	End of 2022	End of 2022	H1 2022

The projects slowdown will be used for fine tuning on merchandising and tenant mix



# Disposals to rebalance the financial structure

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- ✓ Consistent with 2019-2021 Strategic Plan, the procedure for the **disposal of a portfolio of stand-alone hypermarkets/supermarkets** was started
- ✓ Mandate granted to CBRE, a premiere international advisor
- ✓ Value approx. €185mn

Asset class with a good appeal on the market

Attractive Net Initial yield

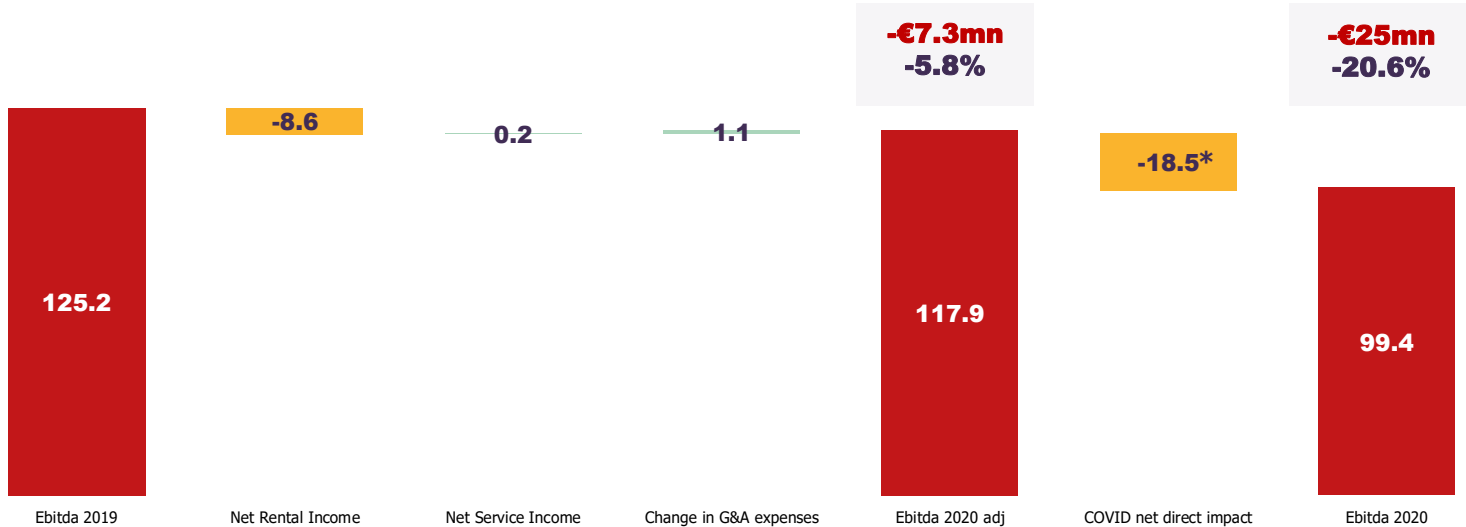
Stable cash-flow with long-term leases

The proceeds from the transaction will be used to reduce the Loan-To-Value and strenghten the financial structure



# 4 Financial results

# Core business Ebitda (€mn)



**Decrease in G&A expenses  
(-8.8%)**  
Thanks to the Group's cost cutting activities

**EBITDA MARGIN  
Core business**

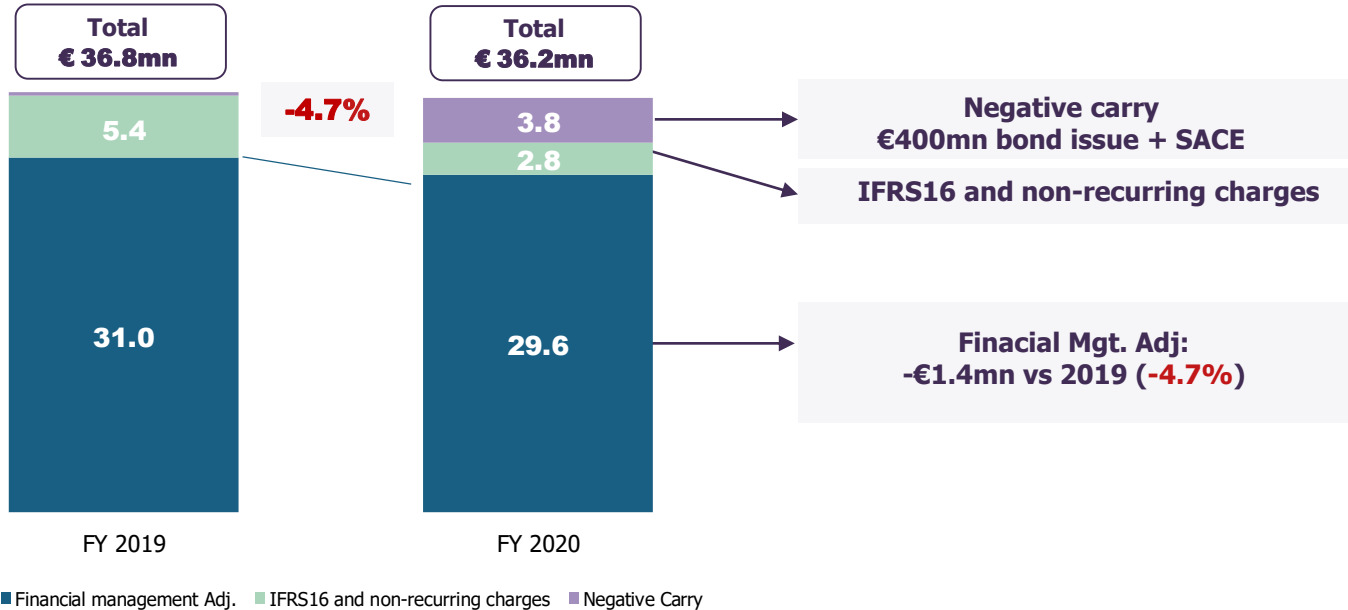
**65.4%**

**EBITDA MARGIN  
freehold**

**65.3%**

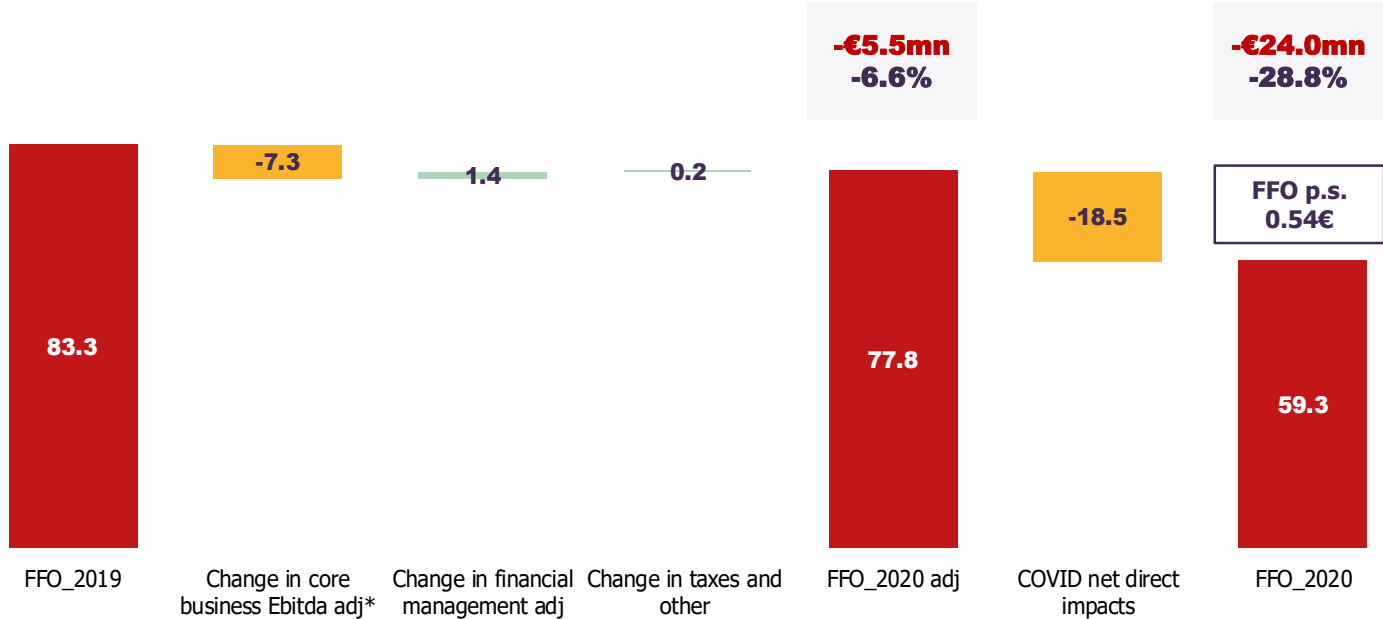
# Financial management (€mn)

Figure, net of accounting items and negative carry, is further decreasing  
**(-4.7% vs FY2019)**



Some figures may not add up due to rounding

# Funds From Operations (FFO)



**-€5.5mn**  
**-6.6%**

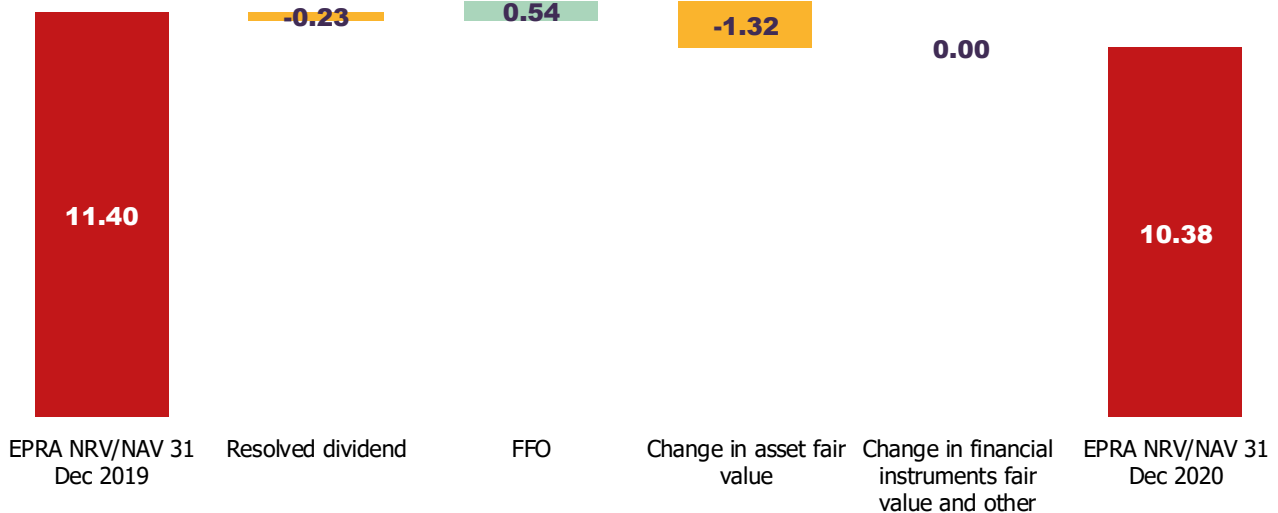
**-€24.0mn**  
**-28.8%**

**The result is substantially in line with the guidance provided (-25%/-28%)**

# EPRA Metrics



	€ per share	FY 2020	FY 2019	Δ %
<b>NRV and NAV</b>		10.38	11.40	-8.9%
<b>NTA</b>		10.31	11.29	-8.7%
<b>NDV</b>		10.42	10.81	-3.6%



# Financial activities during the year



**Committed credit lines renewed** by 2 leading credit institutions (€40mn + €20mn) and **maturity extended to 2023**



**€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 )



**Ratings:**

**Fitch**  
BBB- negative

**Standard&Poor's**  
BB+ negative

***NO bond step up clause has been triggered***



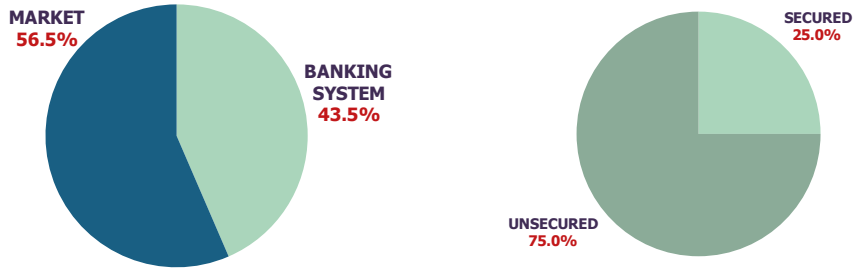
**Early repayment of the Notes**

»300,000,000 2.500 per cent. Notes due 31 May 2021»

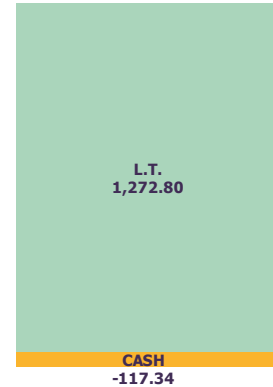
Outstanding €70.7mn  
Repayment date 1/3/21

# Financial structure

## Debt breakdown\*



## Net debt €1.155.5 mn\*\*

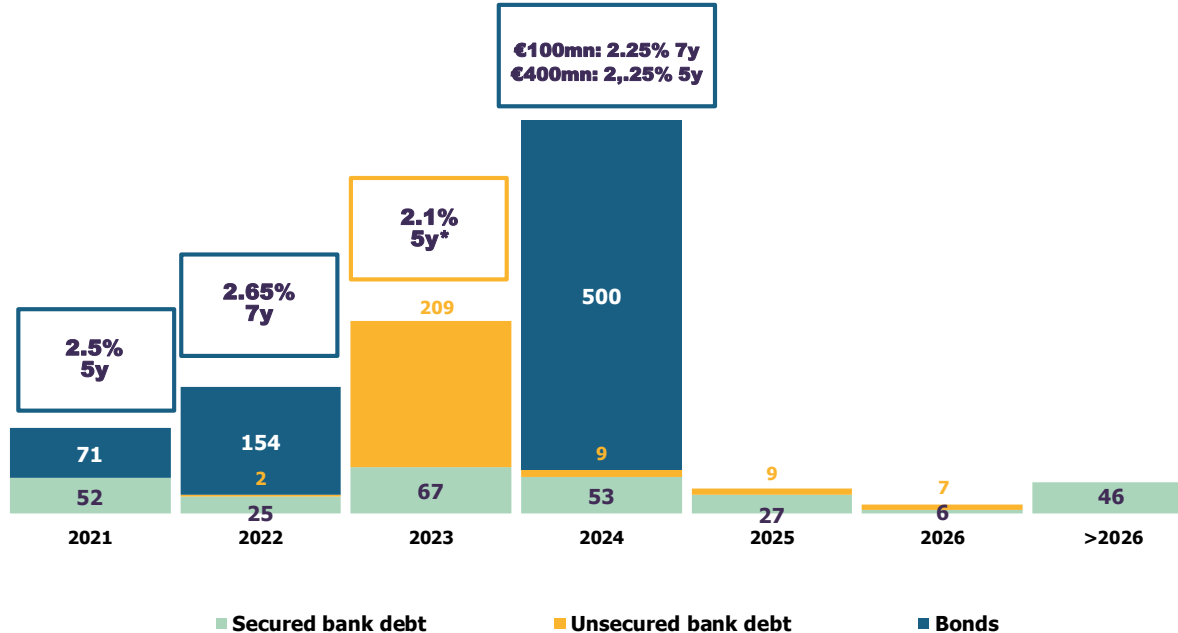


	31/12/2019	31/12/2020
<b>LTV</b>	47.6% (adj. IFRS16 c. 46.4%)	49.9% (adj. IFRS16 c. 47.8%)
<b>ICR</b>	3.8x	3.2x
<b>Average cost of debt</b>	2.35%	2.30%

- Net Debt remained nearly stable during the year (€1,162mn in 2019)
- Increasing LTV due to fair value decrease



# Debt maturity



Taking into account the cash-on-hands equal to €117mn and the committed and uncommitted credit lines, the Group has already enough resources to cover the financial maturities of 2021 and first months of 2022



# 4 Dividend and Outlook

# Dividend

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**2020**

- ✓ Loss of the Parent company IGD SIIQ SPA
- ✓ Safeguard of the financial stability and the investment grade profile



**NO DIVIDEND  
DISTRIBUTION**

**Decision triggered by  
exceptional circumstances**

**Next few years**

- ✓ As soon as external conditions allow, IGD intends to resume paying dividends and providing its shareholders with attractive remuneration



**IGD share remains  
a «dividend play»**

# Outlook

The **first few months of 2021 will undoubtedly still be difficult for shopping center operations** due to the restrictions that are still in place, and it is therefore plausible that **the Company will again be impacted directly and indirectly by the pandemic**

### *Basic assumptions*

- Effective implementation of the vaccination plan
- Strengthening of the economic recovery starting from 2<sup>o</sup> half 2021 (without further significant restrictions)
- Not taking into account the disposal impact



**+3/4%**  
**vs FY2020**

# Agenda

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## CORPORATE

**15° April** Annual General Meeting (first call)

**6° May** Results as at 31/03/2021

**5° August** Results as at 30/06/2021

**4° November** Results as at 30/09/2021

## IR (confirmed as of today)

**25° March** Virtual Star conference

**10° May** Italian equity conference  
Asia & Australia

**28° June** Italian sustainability conference

**21° September** EPRA Annual conference



# 5 Attachments

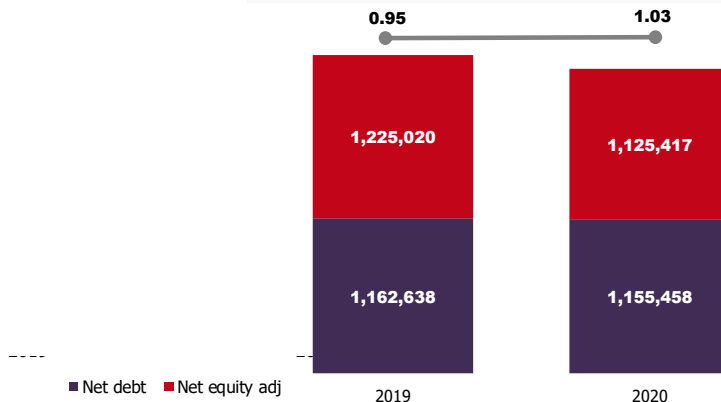
# Consolidated Income Statement

GROUP CONSOLIDATED	(a)	(b)	Δ
	FY_CONS_2019	FY_CONS_2020	(b)/(a)
Revenues from freehold rental activities	142.7	133.8	-6.3%
Revenues from leasehold rental activities	12.6	11.9	-5.6%
<b>Total income from rental activities</b>	<b>155.3</b>	<b>145.6</b>	<b>-6.2%</b>
Rents and payable leases	0.0	0.0	-27.1%
Direct costs from rental activities	-18.7	-36.1	93.3%
<b>Net rental income</b>	<b>136.6</b>	<b>109.5</b>	<b>-19.8%</b>
Revenues from services	6.4	6.3	-0.8%
Direct costs from services	-5.5	-5.2	-5.0%
<b>Net services income</b>	<b>0.9</b>	<b>1.1</b>	<b>25.4%</b>
HQ Personnel expenses	-6.8	-6.3	-7.8%
G&A Expenses	-5.5	-4.9	-10.0%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>125.2</b>	<b>99.4</b>	<b>-20.6%</b>
<i>Core business Ebitda Margin</i>	<i>77.5%</i>	<i>65.4%</i>	
Revenues from trading	0.4	0.7	74.4%
Cost of sale and other costs from trading	-1.0	-1.4	38.1%
<b>Operating result from trading</b>	<b>-0.6</b>	<b>-0.7</b>	<b>15.1%</b>
<b>EBITDA</b>	<b>124.6</b>	<b>98.7</b>	<b>-20.8%</b>
<i>Ebitda Margin</i>	<i>76.9%</i>	<i>64.7%</i>	
Impairment and Fair Value adjustments	-72.8	-146.0	n.a.
Depreciation and provisions	-1.4	-5.0	n.a.
<b>EBIT</b>	<b>50.3</b>	<b>-52.3</b>	<b>n.a.</b>
FINANCIAL MANAGEMENT	-36.8	-36.2	-1.5%
ENTRAORDINARY MANAGEMENT	0.0	-0.1	n.a.
<b>PRE-TAX RESULT</b>	<b>13.6</b>	<b>-88.6</b>	<b>n.a.</b>
Taxes	-1.0	14.2	n.a.
<b>NET RESULT OF THE PERIOD</b>	<b>12.6</b>	<b>-74.3</b>	<b>n.a.</b>
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
<b>GROUP NET RESULT</b>	<b>12.6</b>	<b>-74.3</b>	<b>n.a.</b>

# Reclassified balance sheet

Sources - Uses of funds (€/000)	31/12/2020	31/12/2019	Δ	Δ%
Fixed assets	2,234,484	2,365,214	130,730	5.9%
Assets under construction	42,673	40,827	-1,846	-4.3%
Other non-current assets	17,374	21,845	4,472	25.7%
Other non-current liabilities	-29,130	-28,998	132	-0.5%
NWC	29,181	18,441	-10,740	-36.8%
Net deferred tax (assets)/liabilities	-10,286	-26,313	-16,027	155.8%
<b>TOTAL USE OF FUNDS</b>	<b>2,284,296</b>	<b>2,391,018</b>	<b>106,721</b>	<b>4.7%</b>
Net equity	1,114,441	1,211,014	96,572	8.7%
Net (assets)/liabilities for derivative instruments	14,396	17,365	2,969	20.6%
Net debt	1,155,458	1,162,638	7,181	0.6%
<b>TOTAL SOURCES</b>	<b>2,284,296</b>	<b>2,391,018</b>	<b>106,722</b>	<b>4.7%</b>

## GEARING RATIO (€000)





# Funds From Operations (FFO)

Funds from Operations	CONS_2019	CONS_2020	Δ 2019	Δ%
<b>Core business Ebitda</b>	<b>125.194</b>	<b>99.446</b>	<b>-25.7</b>	<b>-20.6%</b>
IFRS16 Adjustment (Payable leases)	<b>-10.302</b>	<b>-10.31</b>	0.0	0.1%
Financial management adj	-31.384	-33.405	-2.0	6.4%
Extraordinary management adj	0.000	0.000	0.0	n.a.
Current taxes for the period adj	-1.148	-0.946	0.2	-17.6%
<b>FFO</b>	<b>82.361</b>	<b>54.782</b>	<b>-27.6</b>	<b>-33.5%</b>
Una tantum Marketing	0.575	0.659	0.1	14.6%
<b>FFO</b>	<b>82.936</b>	<b>55.441</b>	<b>-27.5</b>	<b>-33.2%</b>
Negative Carry	0.349	3.843	3.5	n.a.
<b>FFO ADJ</b>	<b>83.284</b>	<b>59.284</b>	<b>-24.0</b>	<b>-28.8%</b>

# Other Epra metrics











EPRA Performance Measure	31/12/2020	31/12/2019
EPRA NRV/NAV (€'000)	1,145,827	1,258,008
EPRA NRV/NAV per share	€ 10.38	€ 11.40
EPRA NTA	1,137,258	1,245,473
EPRA NTA per share	€ 10.31	€ 11.29
EPRA NDV	1,149,534	1,192,894
EPRA NDV per share	€ 10.42	€ 10.81
EPRA Net Initial Yield (NIY)	5.8%	5.9%
EPRA 'topped-up' NIY	5.9%	6.0%
EPRA Vacancy Rate Malls Italy	7.6%	4.5%
EPRA Vacancy Rate Hypermarkets Italy	0.0%	0.0%
EPRA Vacancy Rate Total Italy	5.7%	3.2%
EPRA Vacancy Rate Romania	6.5%	2.4%

EPRA Performance Measure	31/12/2020	31/12/2019
EPRA Cost Ratios (including direct vacancy costs)	17.9%	18.5%
EPRA Cost Ratios (excluding direct vacancy costs)	15.3%	16.1%
EPRA Earnings (€'000)	€ 62,941	€ 87,335
EPRA Earnings per share	€ 0.57	€ 0.79

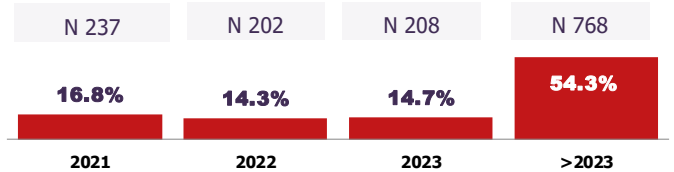
# More financial highlights

	31/12/2019	31/12/2020
<b>Gearing ratio</b>	0.95X	1.03X
<b>Average length of long-term debt</b>	4.1 years	3.2 years
<b>Hedging on long term debt+ bond</b>	94.8%	93.0%
<b>Share of M/L debt</b>	95.4%	98.3%
<b>Uncommitted credit lines granted</b>	€161 mn*	€151 mn*
<b>Uncommitted credit lines available</b>	€161 mn	€151 mn
<b>Committed credit lines granted and available</b>	€60 mn	€60 mn
<b>Unencumbered assets</b>	€1,480.0 mn	€1,434.9 mn

# Contracts and key tenants Italy

TOP 10 Tenant	Product category	Turnover impact	Contracts
	clothing	3.0%	14
	clothing	2.5%	9
	clothing	2.1%	10
	electronics	2.1%	8
	personal care	1.8%	17
	clothing	1.8%	25
	clothing	1.7%	28
	shoes	1.6%	6
	jewellery	1.4%	25
	jewellery	1.3%	19
<b>Total</b>		<b>19.3%</b>	<b>161</b>

## Malls

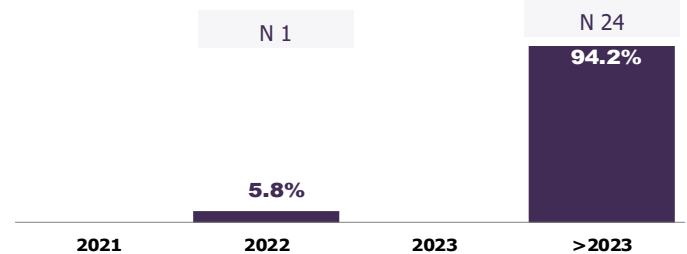


Average residual maturity: **4.2 years**

Total contracts: **1,415** of which **55 renewals** with the same tenant and **46** signed with a **new tenant**  
**Downside -0.38%**

**Rotation Rate 3.3%** (% new tenant on tot. contracts)

## Hypermarkets

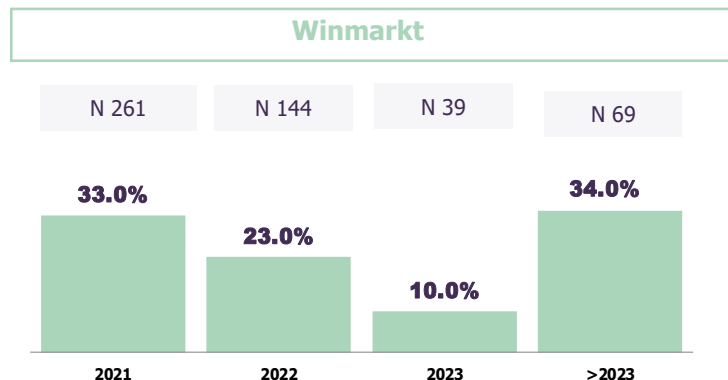


Average residual maturity: **14.1 years**

Total contracts: **25**

# Contracts and key tenants Romania

TOP 10 Tenant	Product category	Turnover impact	Contracts
 Carrefour market	supermarket	11.1%	11
 H&M	clothing	7.2%	6
 kik	clothing	5.2%	10
 PEPCO	clothing	4.6%	11
 dm	drugstore	2.8%	5
 B & B collection	jewellery	2.2%	5
 SENSI	personal care	2.2%	4
 OCPL	offices	1.7%	1
 KFC	restaurants	1.3%	1
 InterGame	entertainment	1.2%	1
<b>Total</b>		<b>39.5%</b>	<b>55</b>



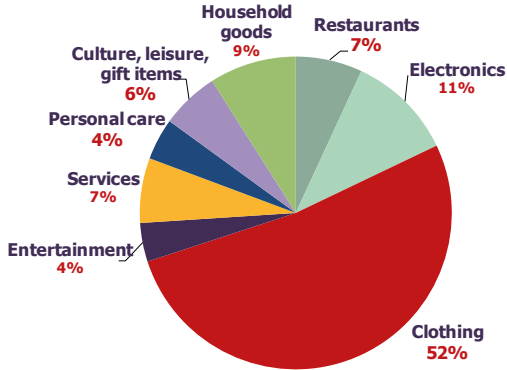
Average residual maturity: **4.3 years**

Total contracts: **547** of which **290 renewals** with the same tenant and **80** signed with a **new tenant**  
**Downside -0.47%**

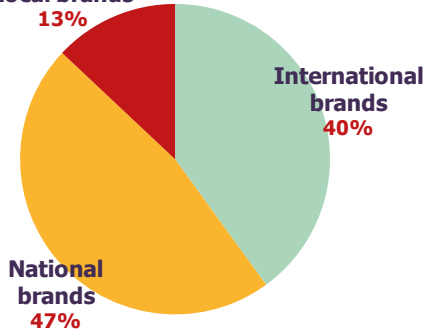
**Rotation Rate 14.6%** (% new tenants on tot. contracts)

# Merchandising & Tenants Mix

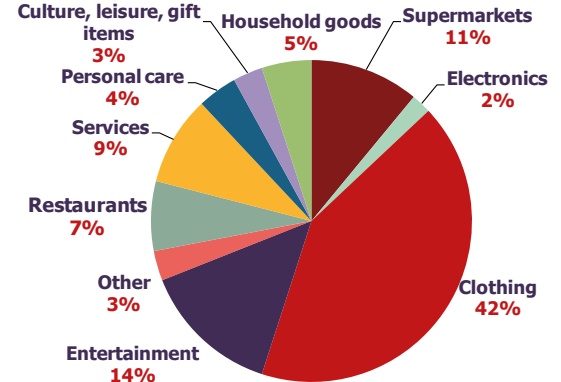
## Italy



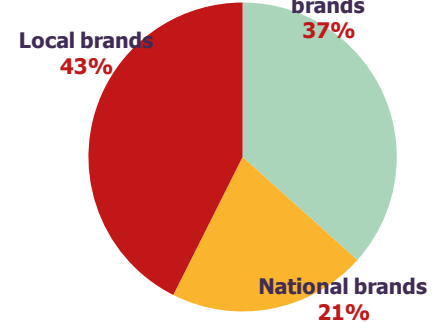
## Local brands



## Romania



## Local brands



**Merchandising Mix\***

**Tenant Mix\***

\*elaborazione interna su montecanoni

**Raffaele Nardi**, Director of Planning,  
Control and investor relations

T. +39. 051 509231

[Raffaele.nardi@gruppoigd.it](mailto:Raffaele.nardi@gruppoigd.it)

**Claudia Contarini**, IR

T. +39. 051 509213

[claudia.contarini@gruppoigd.it](mailto:claudia.contarini@gruppoigd.it)

**Elisa Zanicheli**, IR Team

T. +39. 051 509242

[elisa.zanicheli@gruppoigd.it](mailto:elisa.zanicheli@gruppoigd.it)

**Federica Pivetti**, IR Team

T. +39. 051 509260

[federica.pivetti@gruppoigd.it](mailto:federica.pivetti@gruppoigd.it)

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