

# **Carmila H1 2022**

## **Results Presentation**





## 1 Key Highlights

**MARIE CHEVAL**  
Chair and Chief Executive Officer

## 2 Activity Overview

**SEBASTIEN VANHOOVE**  
Deputy Chief Executive Officer  
**SEBASTIAN PALACIOS VILCHEZ**  
Director of Carmila Spain and Italy

## 3 Financial Performance

**PIERRE-YVES THIRION**  
Chief Financial Officer

## 4 Conclusion

**MARIE CHEVAL**  
Chair and Chief Executive Officer

# Key takeaways from H1 2022

## Q2 retailer sales above 2019 level:

105% of Q2 2019 level in Q2 2022, 100% of H1 2019 level in H1 2022, as Q1 still impacted by COVID restrictions

## Strong leasing momentum:

Good momentum in H1 2022 (517 leases signed, +17% in annual rent vs. H1 2019, -16% vs. record H1 2021), 96.2% financial occupancy rate

## Increase in appraisal value of assets:

+1.1% like-for-like vs. end-2021, € 6.16bn at end-June 2022

## Normalisation of financial performance, organic growth, solid balance sheet:

H1 2022 recurring earnings per share up +59% vs. H1 2021 at €0.83, LTV at 36.9% -50bps vs. end-2021





# Recent events and outlook

## Execution of the asset rotation strategy:

Sale of € 150M portfolio of 6 assets in France, in line with appraisal values, through a joint venture with Batipart and ATLAND Voisin

Acquisition of Rosaleda shopping center in Malaga, Spain, for € 24.3M

## Share buyback of € 30M completed in H1 2022

## Carmila joined the SBF 120 on 20 June 2022

## Successful refinancing:

New € 550M sustainability linked term loan signed on 21 July 2022

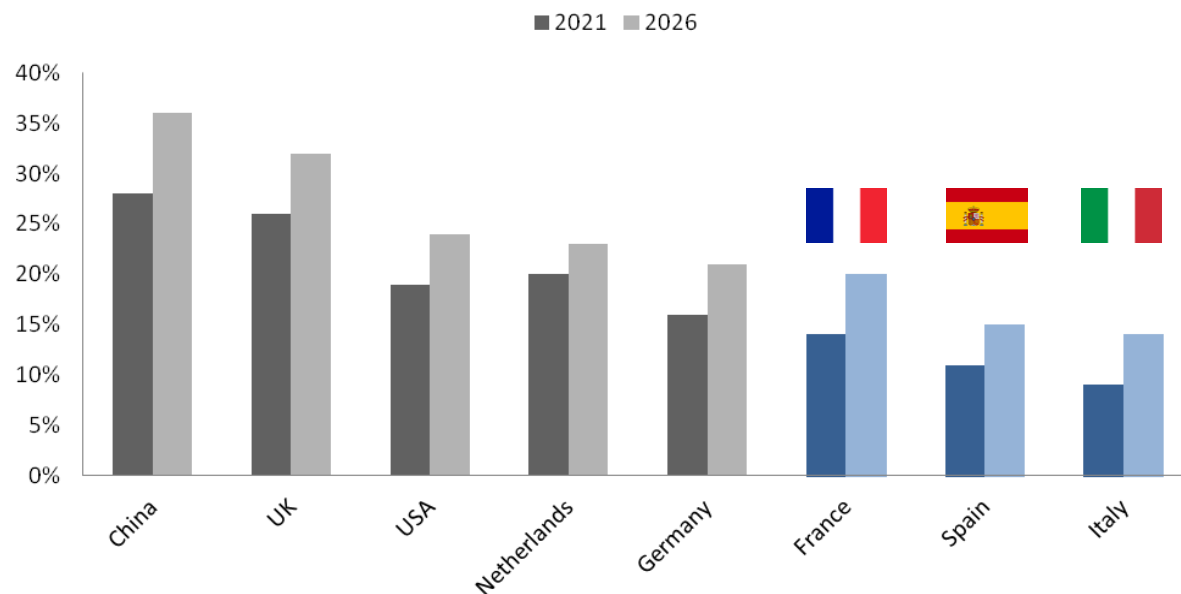
## Upward revision to recurring EPS growth outlook:

Expected 2022 recurring EPS growth of +20% vs. 2021



# Post-COVID normalisation of the outlook for e-commerce growth

## E-commerce sales



**Structurally lower e-commerce penetration in France, Spain and Italy**

**Economically and environmentally, home delivery is less cost-effective outside of large urban areas**

## Normalisation post-COVID:

**France e-commerce consumer product sales in Q1-22 -15% vs Q1-21\***

\*Source FEVAD, sales of consumer products in iCE 100 (100 website) Panel



# Explaining the strong performance of Carmila shopping centres



## Local leaders in mid sized cities

- The right assets for their catchment areas
- 90% of sites are local leaders or co/leaders
- Positioned to benefit from renaissance of mid-sized cities



## Carrefour hypermarket anchor

- Gaining market share in France and Spain
- High quality food offering
- Leading omnichannel ecosystem



## Adapting the mix-merch

- Affordable rents facilitate the pivot to services and new concepts
- Focus on healthcare (310 tenants as of end-June 22)
- The right mix of anchor tenants (fashion, pharmacies, discount...)



## Ability to transform assets

- Strong track record of restructuring and development projects
- Fully renovated assets
- Making centres more attractive to retailers and customers

# Carmila is more focused than ever on energy efficiency & transition

## Electric car charging stations

100% of Carmila centres will have electric charging stations in the car park by end-2023

Full range of power options up to 300kW, free for 22kW\*

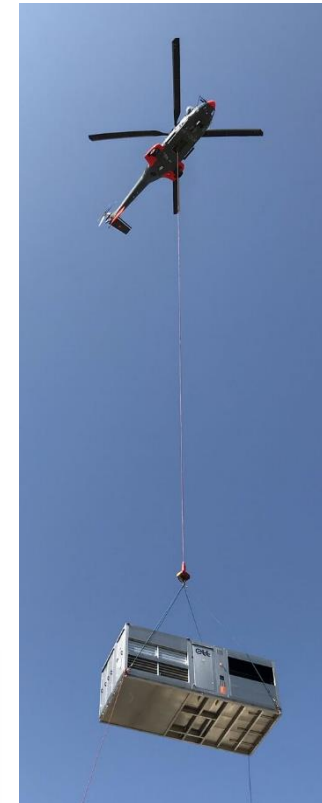


## EcoWatt Charter



Carmila will reduce electricity use when needed to preserve grid capacity, under the EcoWatt Charter, signed par Carrefour

## Committed to lower carbon emissions



Central management of heating and cooling infrastructure to reduce energy consumption

Test project at Orléans Place d'Arc of indirect evaporative (adiabatic) system, to reduce water use and energy consumption

Compensating up to 10% of emissions with:

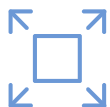


Adiabatic cooling system being installed on roof of the OPA centre



# On track to deliver a successful first year with growth initiatives

## Omnichannel incubator



€ 2M

Recurring earnings  
expected in 2022

THE  
SANDBOX



flotte.



Glovo?



Ca. € 2M  
Annualised rent  
secured by end 2022



CARMILA

RETAIL  
DEVELOPMENT

Ca. € 2M

Contribution to  
EBITDA\* in 2022

CIGUSTO  
LES VAPOTEURS QUI ONT DU GÔÛT

meilleuraudio



Vertuo  
On prend soin de vous

BOHEBON®  
TASTY BOWL FOOD

DENTALSTAR

MON  
PETIT  
HERBIER

LA BARBE DE PAPA  
COIFFEUR & BARBIER FRANÇAIS

\*Carmila's share of EBITDA of equity accounted partners





1

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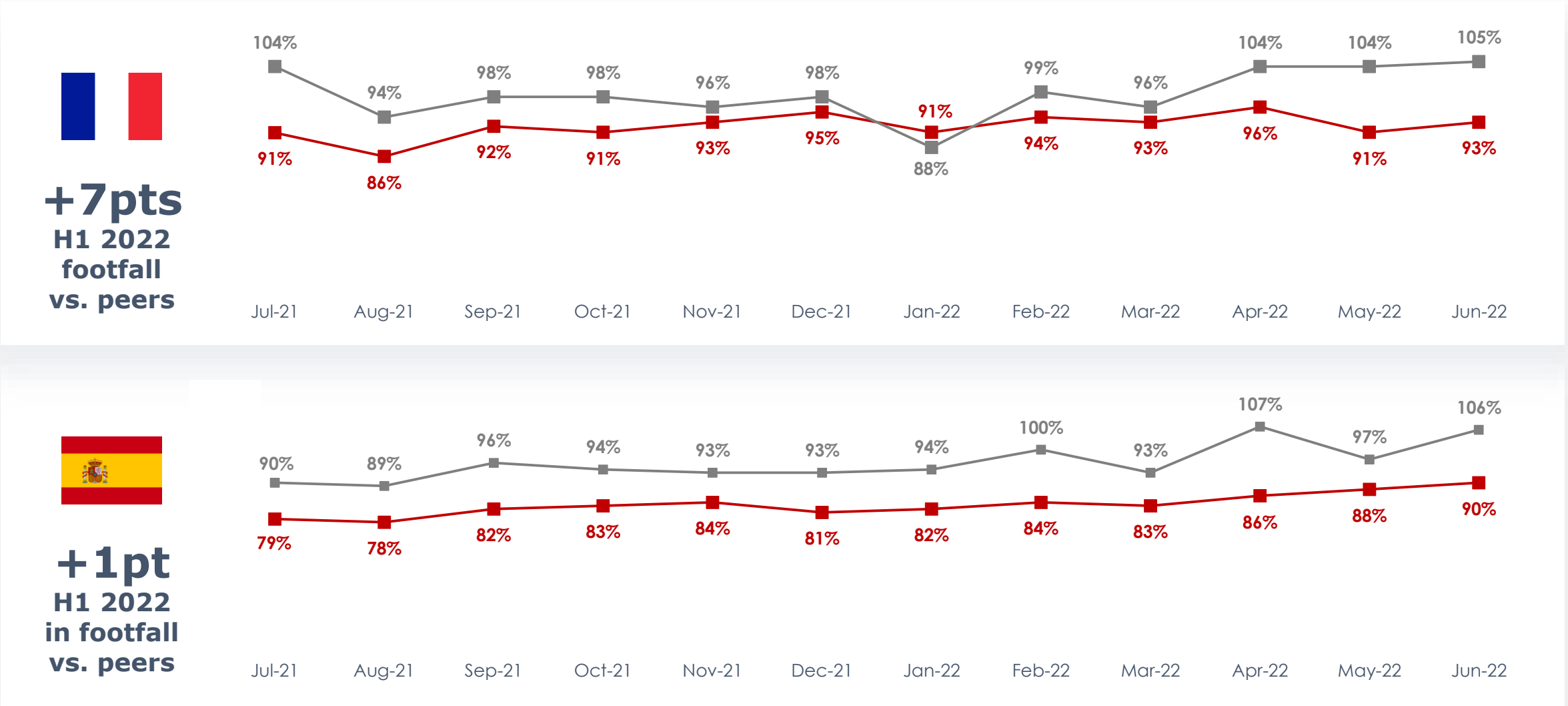
4

## Conclusion

**MARIE CHEVAL**

Chair and Chief Executive Officer

# Full recovery of retailer sales but still lower footfall



Footfall as a % of 2019

Retailer sales as a % of 2019



## Strong commercial momentum in H1 2022

**Good level of new  
business signed in  
H1 2022**

**517**

**Long-term leases signed  
in H1 2022  
(+17% in annual rent vs.  
H1 2019,  
-16% vs. record H1 2021)**

**No change in policy on lease  
terms, incentives, or fit out costs**

**Positive reversion**

**+2.8%**

**above previous  
passing rents**

**High level of  
occupancy**

**96.2%**

**Financial occupancy rate  
(+50 bps vs. end-June  
2021)**



# The right mix of retailers with new leases across all major sectors

## HEALTHCARE

Weaudition

Krys

Vertuo  
On prend soin de vous

ALAIN AFFLELOU

pharmacy

vision plus  
OPTICIENS

Optic 2000

## RESTAURANTS

SUSHISHOP

KFC

CRÊPE Touch  
RESTAURANTS

SUBWAY

BUFFALO GRILL

FACTORY & CO  
NEW YORK FOOD LOVERS  
SINCE 1981

La Tapa de Sabores

## CLOTHING, SPORTSWEAR

JD

SPORTS  
DIRECT

JOTT

PROJECT X PARIS

eVen  
mode

Jennyfer

## SERVICES, LEISURE, BEAUTY

FITNESS PARK

YELMO  
CINES

body  
minute  
INSTITUT

Qipao  
BEAUTY

BEAUTY  
SUCCESS

adopt  
PARFUMS FRANÇAIS

## HOME, DISCOUNT, GIFTS

JYSK

ACTION

Normal

Leonidas  
The Professional Belgian Chocolatier

Le REPAIR  
des SORCIERS  
Collagen

LE COMPTOIR DE  
MATHILDE

NATURE  
DECOUVERTES



# New omnichannel tools, partnerships and shopping events

## New tools to enhance omnichannel marketing

**Kairos fire**

Measuring the number of visits generated by Facebook ads

**notify**

Marketing emails sent when clients are looking at email

## Nationwide events in partnership with retailers and Deezer

Summer 2022  
Deezer partnership



## 57 sales events in H1, ~100 planned for 2022



# Adapting the pipeline to a changing economic environment



## 5 MAJOR EXTENSION PLANS

### €550M CAPEX

- No building work currently underway
- First project in pipeline to begin end-2023 at the earliest
- Redesigning projects to adapt to the new macroeconomic and cost environment

## MIXED-USE DEVELOPMENT

- In planning phase
- Ongoing discussions with Carrefour and Altarea Cogedim



## SMALLER RESTRUCTURING PROJECTS

- Continuing as planned

# Transforming assets in France with various types of project

## RESTRUCTURING



**■ ■ Laval**

- Transformation of centre and 10+ new retailers

## RESTAURANTS



**■ ■ Puget sur Argens (delivery in 2023) and 8 projects in 2022**

- New food courts, mainly on car parks

## MID-SIZED STORES



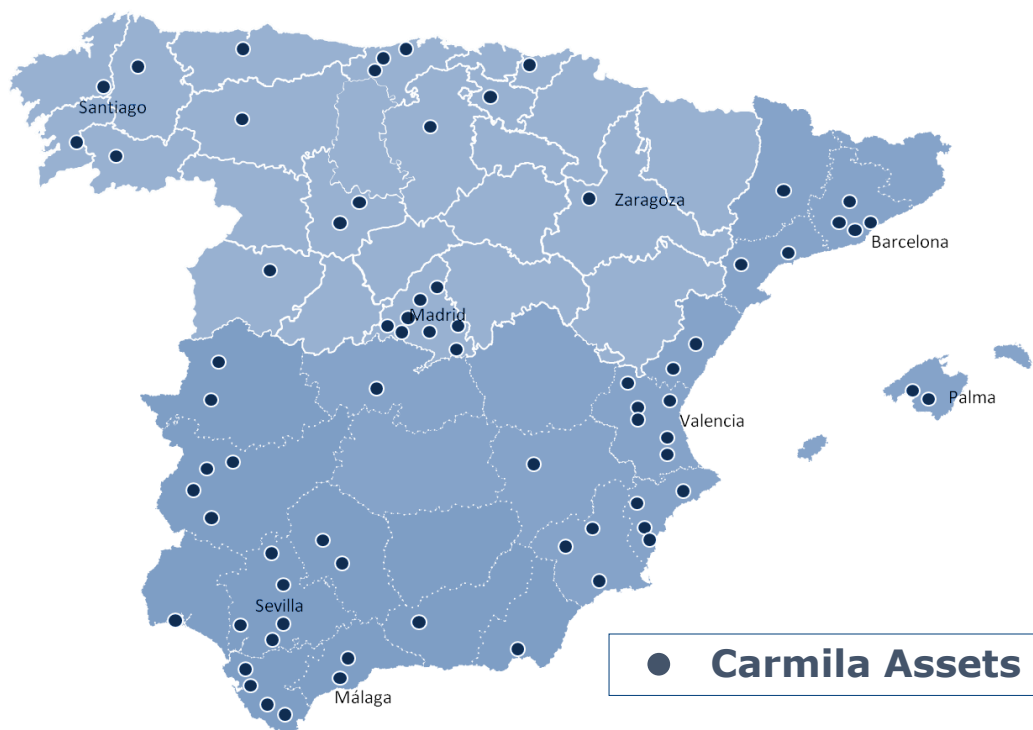
**■ ■ Normal in Vannes, Action in Sannois and Toulouse Purpan (10 projects in 2022)**

- New mid-sized stores

**Objective: 33 projects to be delivered in France in 2022, € 1.7M NRI uplift**

## Focus on Carmila España: Overview of the portfolio

**National coverage, with strong presence in coastal areas**



**9.7% market share in Spain, +0.8pt vs. May 2021**



**79  
Centres**



**506 000  
M<sup>2</sup> of GLA**



**€ 1418M  
Gross asset  
value**

**23% of **CARMILA** total GAV**

**#1 in Spain by number of sites**

**Financial occupancy:  
95.4%**

**Net Initial Yield:  
6.9%**

**Occupancy cost ratio\*:  
11%**

**Avg. lease length:  
5.1 years**

**Retailer sales vs. H1 19:  
103%**

**Organic rent growth:  
+5.1% vs. H1 21**

\*Last 12 months



# Carmila España: Flagship assets, leading Carrefour hypermarkets



## HOLEA



GLA: 33,509 m<sup>2</sup>  
Lots: 103

**Local leader** with 7 million visitors/year

**Merchandising mix** : Inditex, H&M, Primark, Cortefiel, Mango, Levis, Toys'R Us, Artesiete, Burger King

**Occupancy rate** at 100%



## FAN



GLA: 50,262m<sup>2</sup>  
Lots: 121

**Local leader** with 7 million visitors/year

**Merchandising mix** : Primark (CoPro), H&M, Cortefiel, Mango, C&A, MediaMarkt, Decathlon, Kiabi, Artesiete, Burger King

**Occupancy rate** at 100%



## AS CANCELAS\*



GLA: 38,141 m<sup>2</sup>  
Lots: 106

**Local leader** with 8 million visitors/year, renovated in 2020

**Merchandising mix** : Carrefour, Primark, Inditex, H&M, Sfera, Kiabi, Cortefiel, Cinesa, Burger King

**Occupancy rate** at 98%



\*Joint venture with Realia (50% Carmila)

# Value creating projects in Spain and Italy



Rosaleda (Malaga)

May 2022

Acquisition  
€ 24.3M



Gran Sur



Alicante



Albacete



Gran Via (Madrid)



Paderno



**Objective: 7 major projects to be delivered in 2022, € 1.3M NRI uplift\***



\*Transformation projects only – not including Rosaleda acquisition





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## Increase in the like-for-like valuation of assets

➔ Valuation of portfolio as of 30 June 2022

Market value

€6,165m



€ 4,393m



€ 1,418m



€ 354m

30 Jun 2022

(vs 31 Dec. 2021)

**-0.8%**

Total (reported)

Like-for-like  
change

(vs 31 Dec. 2021)

**+1.1%**

Total (like-for-like)

**-2.1%**

**+1.3%**

**+3.2%**

**+0.9%**

**+0.4%**

**+0.1%**

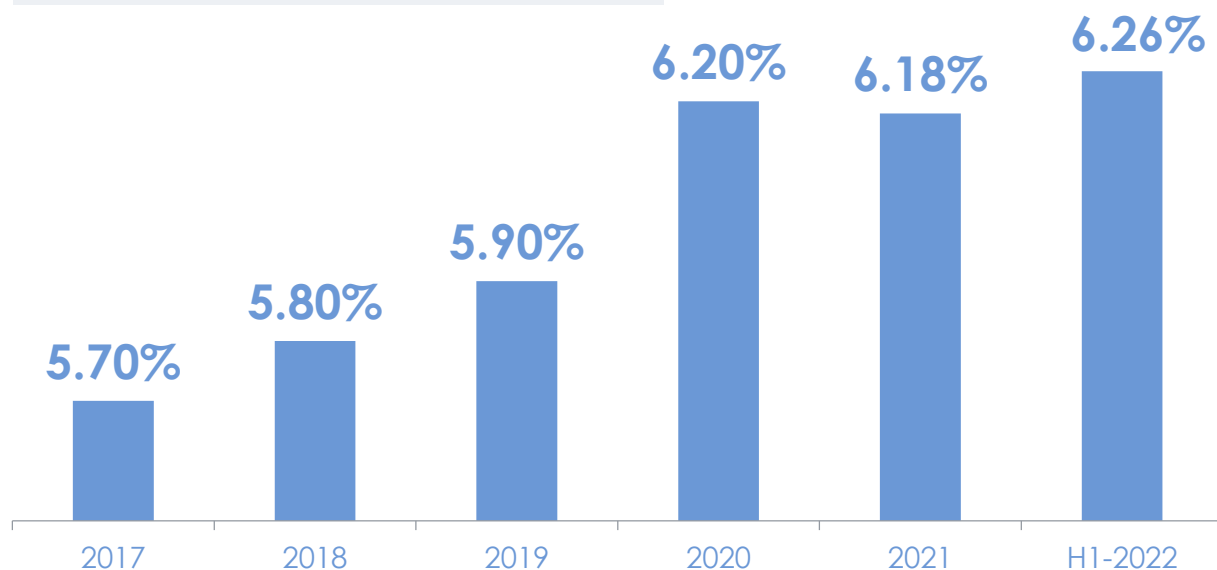


# Confidence in the valuation of the portfolio

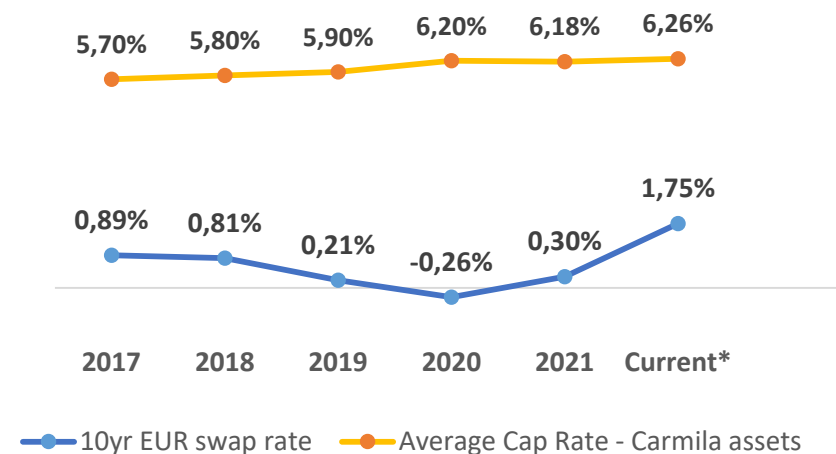
➔ Net Potential Yield of portfolio as of 30 June 2022

## 6.26%

Average capitalisation rate



Average cap rate on the portfolio ca. +450bps above the current 10-year swap rate



**Affordable rents:** 11% Occupancy Cost Ratio\*\*

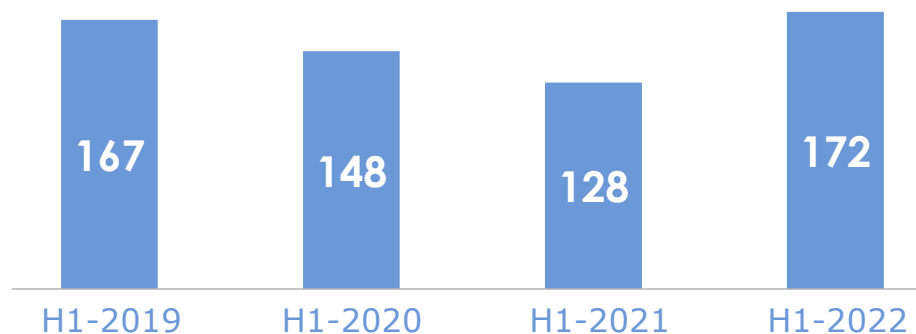


\*as of 26 July 2022

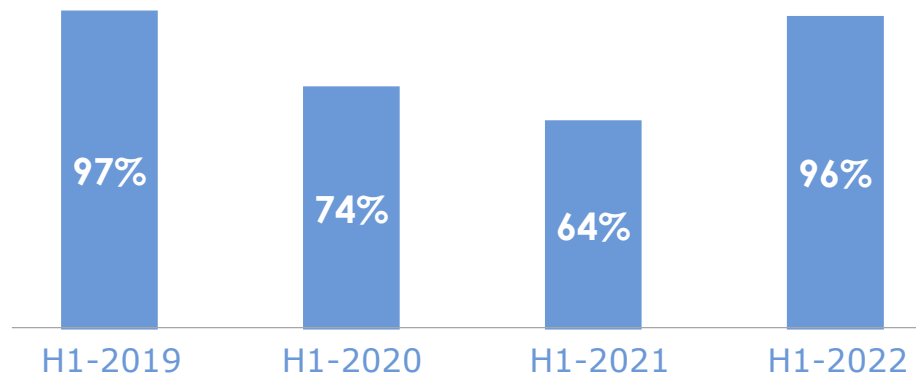
\*\*12 months ending June 2022

# Complete recovery in net rental income after the health crisis

## Net Rental Income (€ M)



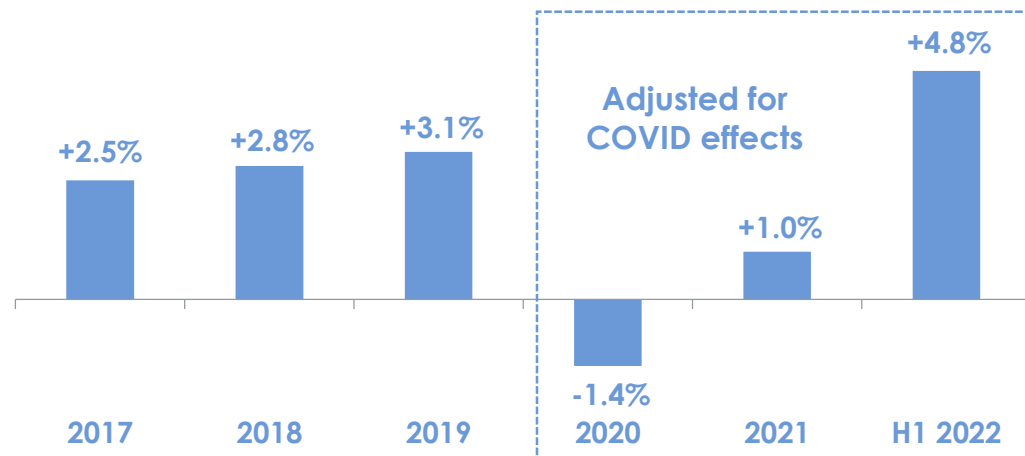
## Rent collection (in % of total billed)\*



## Net rental income up +34.6% vs. H1 2021

- Organic rental growth +4.8%, of which indexation +3.0%
- Change directly related to COVID effects (+29.9%): Non-payment of rent during closure period in H1 2021 and € 5M of non-recurring additional net rental income in H1 2022 (recovery of rent from prior years)

## Organic growth in net rental income (YoY)



\*Data for prior years at end-June, except for 2020, which is as of 31/12/2020

# Recurring earnings +62% vs. H1 2021

€m	H1-2021	H1-2022
<b>Net rental income</b>	<b>127.9</b>	<b>172.2</b>
Overhead costs	-24.4	-23.9
Equity-accounted companies	1.1	1.2
<b>EBITDA</b>	<b>104.7</b>	<b>149.5</b>
Net financial expense (cash items)	-29.5	-29.1
Income taxes	-0.5	-0.3
Other	-0.6	
<b>Recurring earnings<sup>(1)</sup></b>	<b>74.1</b>	<b>120.1</b>

**Net rental income +35% vs. H1 2021**

**Reduction in cost base vs. H1 2021**

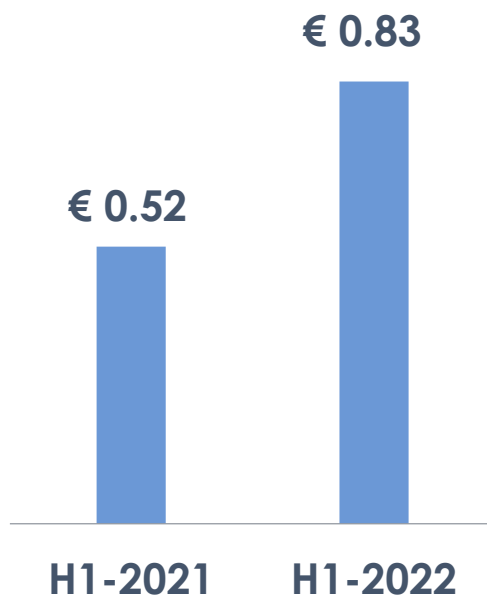
**Stable financial expenses**

**Recurring earnings +62% vs. H1 2021**

(1) EPRA earnings restated for non-recurring and non-cash items (adjustments are also reflected in other lines of table shown above)

# Recurring Earnings Per Share : normalisation faster than expected

## Recurring Earnings Per Share



## H1 2022

**Recurring EPS +59% vs. H1 2021 at €0.83**

**Faster normalisation of rent collection than expected**

**Positive indexation effect on rents**

**Organic growth on top of indexation**

**Non-recurring additional net rental income in H1 2022 (recovery of rent from prior years)**

## Outlook

**Faster normalisation and stronger growth:**

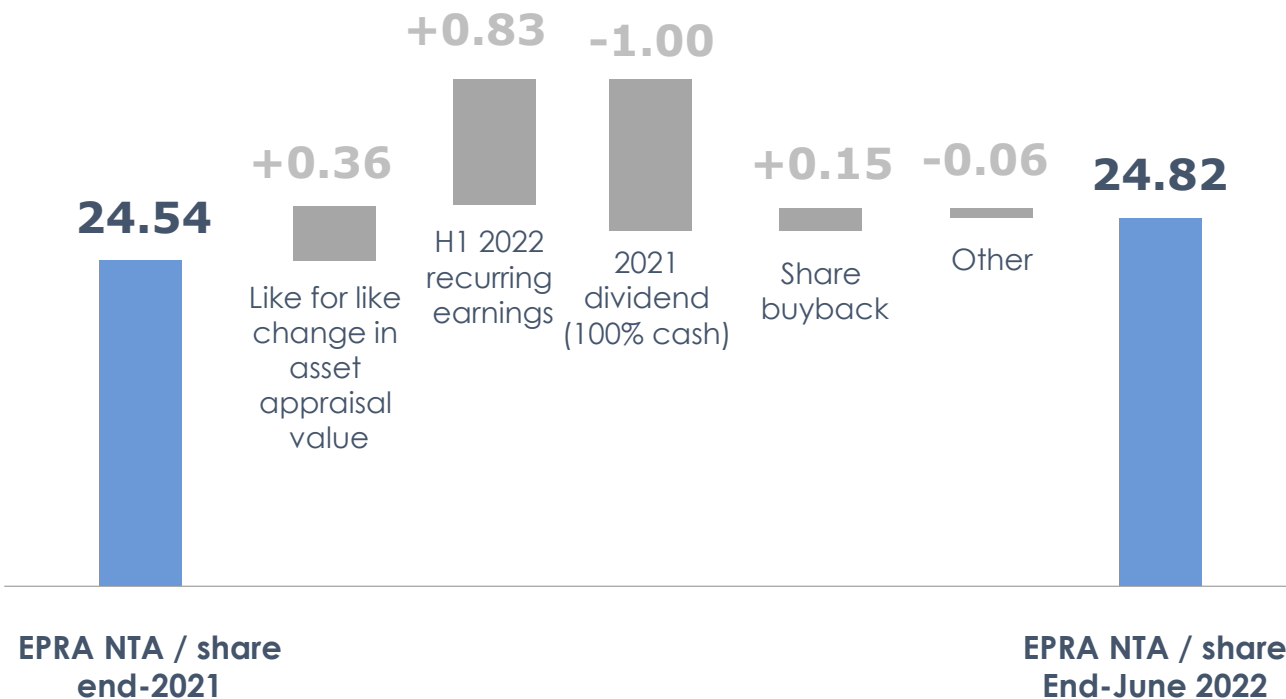
**+20% recurring EPS growth expected in 2022 (meeting 2023 growth objective one year earlier than anticipated)**

**Organic growth to continue in 2023, new growth target will be given with full-year 2022 results**



# Increase in EPRA Net Tangible Assets per share

## H1 2022 Change in EPRA Net Tangible Assets per share



### EPRA NTA

at 30 June 2022 – fully diluted

**€ 24.82 / share**

**+1,2%**  
vs. end  
2021

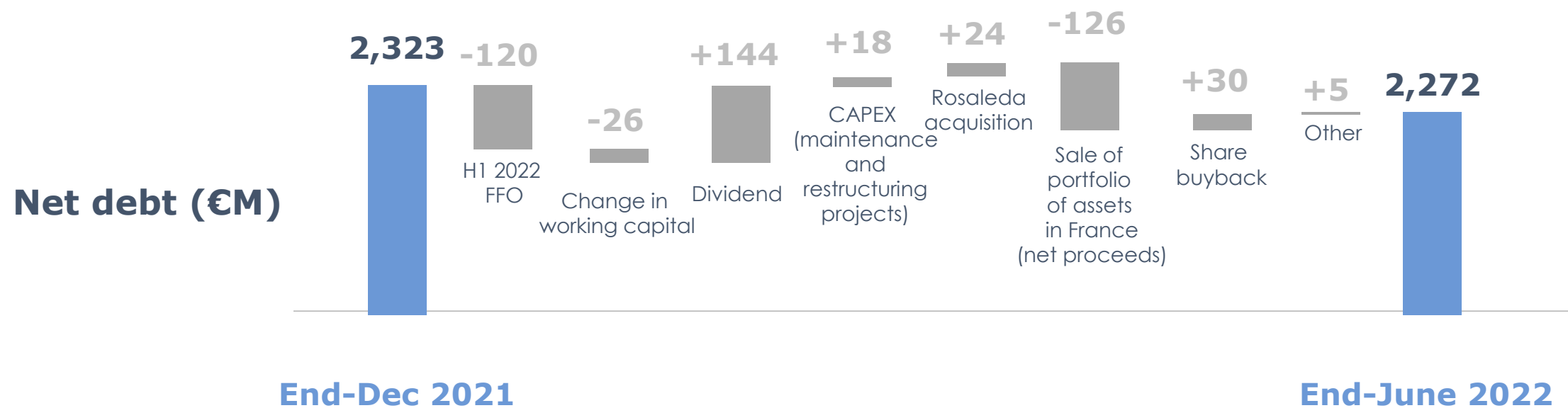
### EPRA NDV

at 30 June 2022 – fully diluted

**€ 24.59/ share**

**+7,0%**  
vs. end  
2021

## Strong Balance Sheet: LTV Ratio 36.9%



**GAV\* (€M)**

**6,214**

**-0.8%**

**6,165**

**LTV\***

**37.4%**

**-0.5 pts**

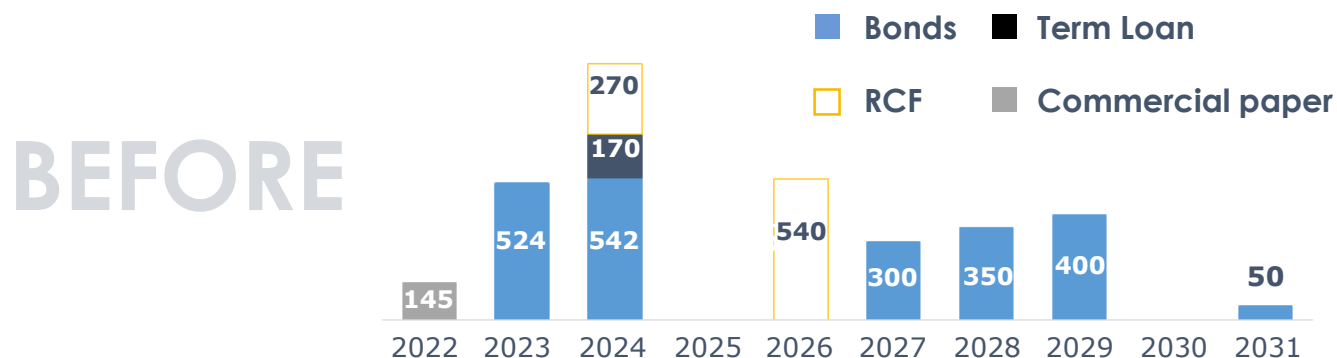
**36,9%**



\*Including transfer taxes

# Strengthened liquidity position and funding structure

## Carmila Maturity Profile: End-June 2022



### New term loan signed in July 2022:

New € 550M sustainability linked term loan (5 year maturity, 2 year extension option), E3M+180bps

**BBB rating** with a stable outlook from S&P

### Liquidity pro forma new term loan:

€1154M (including € 614M in cash and cash equivalents)

**Average cost of debt:** 2.3% pro forma new term loan

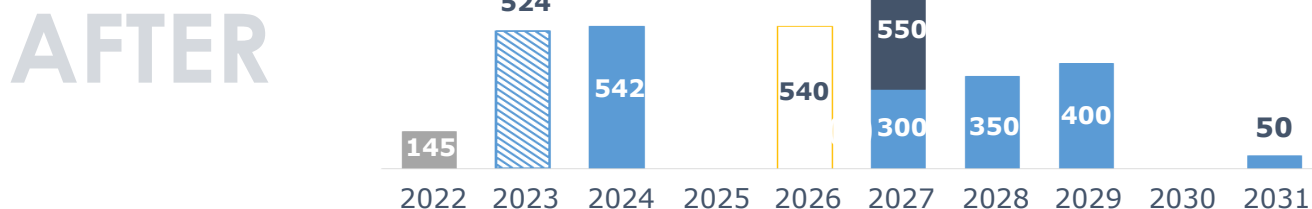
**Average remaining maturity:** 4.2 years pro forma new term loan

**ICR 4.6x** (vs. 3.9 at end-2021), **Net debt/EBITDA 8.0x** (vs. 9.7x at end-2021)

**Interest rate risk:** interest rate hedging position of €585 million, additional fixed rate hedging after drawdown of term loan

## Carmila Maturity Profile: Pro Forma New Term Loan

Cash position sufficient to repay 2023 bond



# Successfully implementing the asset rotation strategy

## ASSET ROTATION

### Portfolio of six assets

**Buyer** : Batipart and ATLANT Voisin

**Location** : France

**Price** : € 150M\* in line with appraisal value

**Target 2023** : € 200M disposals



75% of target reached

## USE OF PROCEEDS OF DISPOSALS

**May 2022** : Acquisition of Rosaleda Shopping centre in Malaga (Spain) for €24.3 million\*



### Share buyback program

**February-April 2022** : completion of a €30 million program

**Progress on the rotation program,  
demonstrating the liquidity and attractiveness of Carmila assets**



\*Including transfer taxes



## Financial wrap-up

**€ 6.16bn**

**Gross Asset Value\***  
**(+1.1% like-for-like  
vs. end-2021)**

**36.9%**

**LTV\***

**+59%**

**H1 2022 recurring EPS  
growth vs. H1 2021**

**+20%**

**recurring EPS growth  
expected in 2022**

**Dividend policy**

**Cash dividend, 75%  
payout**

**A strong start to the 2022-2026 financial plan**



\*Including transfer taxes

\*\* Carmila joined the SBF 120 on 20 June 2022

Grand prix hors SBF 120\*\* 2022





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## A strong start to the 2022-26 plan: “Building Sustainable Growth”



### **Confirmation of the quality of Carmila’s portfolio**

Sale of a portfolio of assets in line with appraisal values, Carrefour-anchor driving higher footfall than peers, local leaders with the right merchandising-mix

### **Organic growth in the core business**

Proven ability to transform assets, benefiting from projects launched during the health crisis, commercial performance supported by quality of assets and eco-system of services

### **Confident on the first financial milestones of the plan**

Faster than expected normalisation, organic growth on top of indexation, contribution of growth initiatives in 2022

**Outperforming in an uncertain environment**





# Q&A session

