



# Carmila 2023 Annual Results Presentation





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## Key Highlights and Strategy Update

**MARIE CHEVAL**

Chair and Chief Executive Officer

2

## Activity Overview

**SEBASTIEN VANHOOVE**

Deputy Chief Executive Officer

3

## Financial Performance

**PIERRE-YVES THIRION**

Chief Financial Officer

4

## Conclusion

**MARIE CHEVAL**

Chair and Chief Executive Officer



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# Beating Strategic Plan Targets

## Strategic Plan Targets

Building sustainable growth

Dividend at least €1 per share, in cash, 75% payout of recurring earnings

Optimized capital allocation

40% Loan to Value ratio

€30M from growth initiatives by 2026



## As of today

Organic growth in recurring EPS of +8%<sup>1</sup> € 1.60, +2% vs. guidance

Cash dividend of €1.20 per share<sup>2</sup> +3% vs. prior year

Close to €300M of disposals since 2021  
Agreement to acquire Galimmo SCA

LTV<sup>3</sup> 36.6% at end 2023, net debt/EBITDA 7.3x

€8.3M<sup>4</sup> at end 2023 **ON TRACK**



**Successful second year of “Building sustainable growth” plan**

1. At constant scope and adjusted for rent collection from COVID period
2. Subject to shareholder approval at annual meeting
3. EPRA LTV ratio, including RETTS
4. See slide 12 for details



# Excellent operating performance

## Good leasing activity, record occupancy:

**826** leases signed, reversion +2.4%, **96.6%** occupancy

## Strong organic growth in net rental income:

**+4.7%** vs. 2022 : Indexation effect and growth from record occupancy and agile development projects

## Higher footfall and retailer sales

Footfall up 2% and retailer sales up 5% vs. 2022

## Appraisal value of portfolio **-2.3% like-for-like\***:

Rental income growth partially offsetting higher discount rates

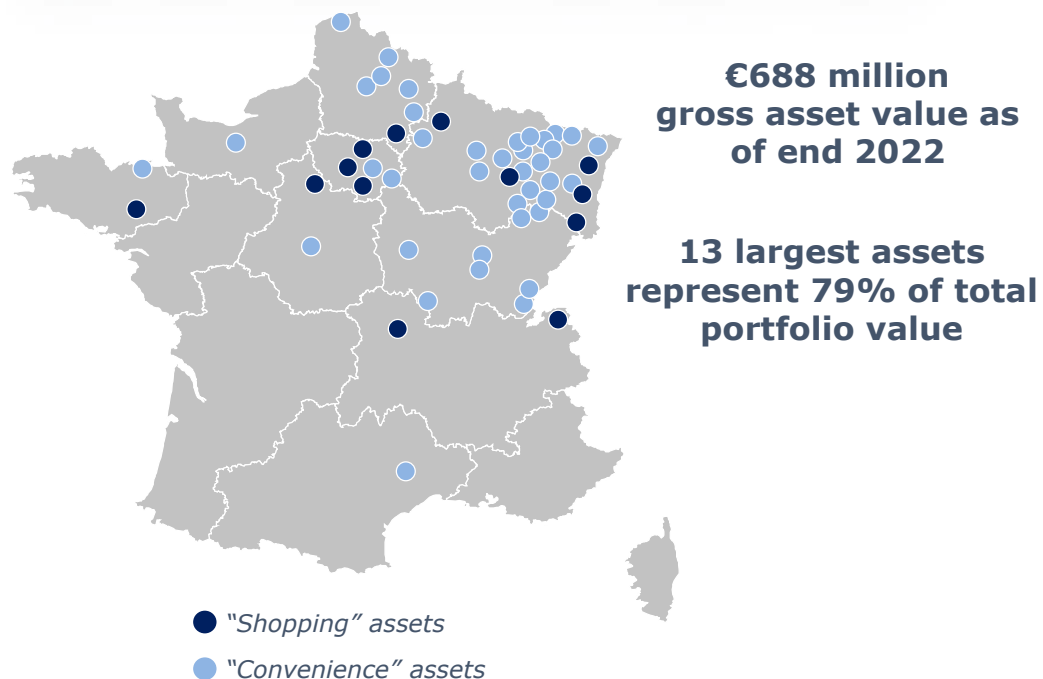
\*versus end-2022



# Galimmo acquisition: A perfect opportunity for Carmila

## Complementary Footprint

52 centres, mainly in the North-East of France



Acquisition price represents **35% discount** to Galimmo Gross Asset Value at end-December 2022

**+5%**  
NAV accretion\*

**+5%**  
recurring EPS accretion\*\*

Carmila LTV impact:  
**ca. +160bps**



\*EPRA Net Disposal Value

\*\*Including EUR 5 million of estimated synergies

# Galimmo acquisition: A perfect opportunity for Carmila

## Assets that Carmila knows how to manage and transform



Food anchor

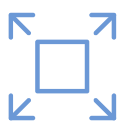


Convenience



Mid-Sized  
cities

## Rolling out Carmila strategy in Galimmo centres



Mix-merch pivot



Sustainable  
projects



New business lines

## Closing on track for summer 2024

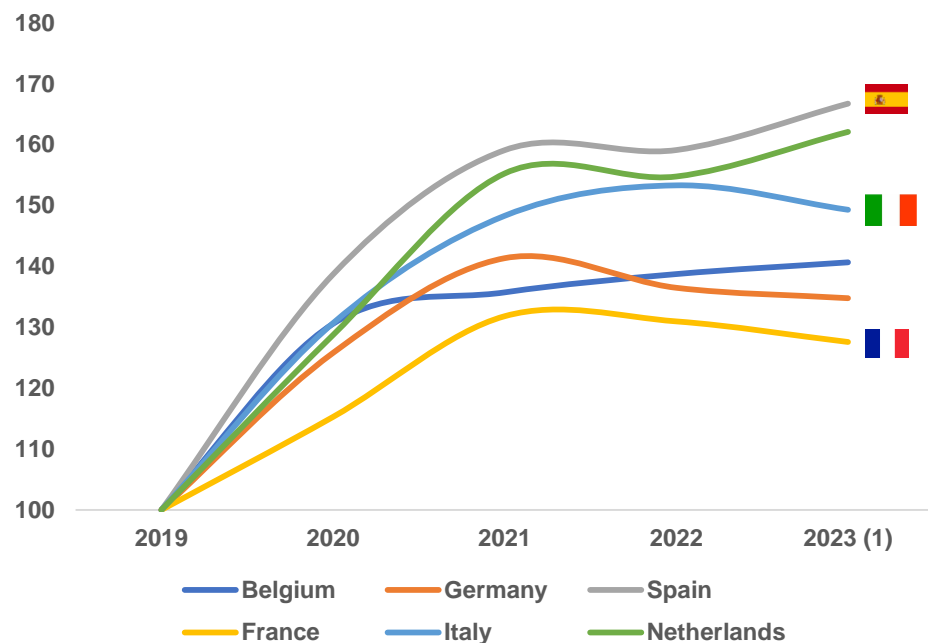
- Signing July 2023
- Financing secured in October 2023
- Antitrust process ongoing (Carrefour/Cora) in H1 2024
- Acquisition of the 93% block of shares in summer 2024
- Mandatory offer expected in Q3 2024

**A strategic acquisition that strengthens the Carmila platform**



# Finding a new balance in retail: Omnichannel and discount

## Omnichannel is the winning model

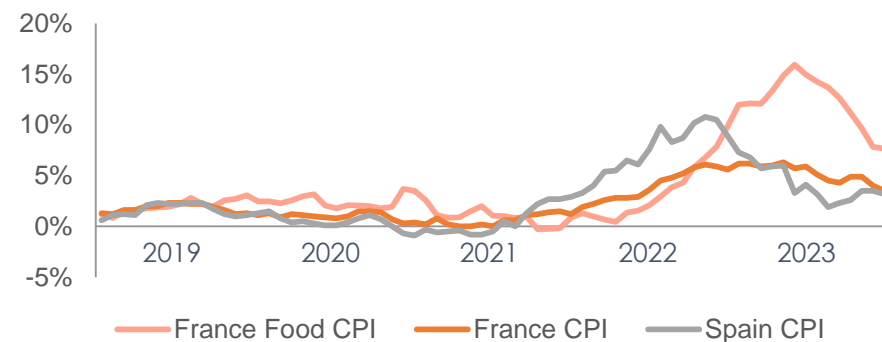


Declining e-commerce sales in France and Italy post-COVID

Slower growth in Spain, from low base

E-commerce product sales by country 2019 = 100. Source Eurostat and SAD Marketing. 2023 figures growth as of November

## Defending purchasing power



Carrefour



**Hypermarkets** are a lower price format

**ACTION**

**Normal**

**adopt**  
PARFUMS FRANÇAIS

**PRIMARK**

Successful **discount and low-cost** retailers

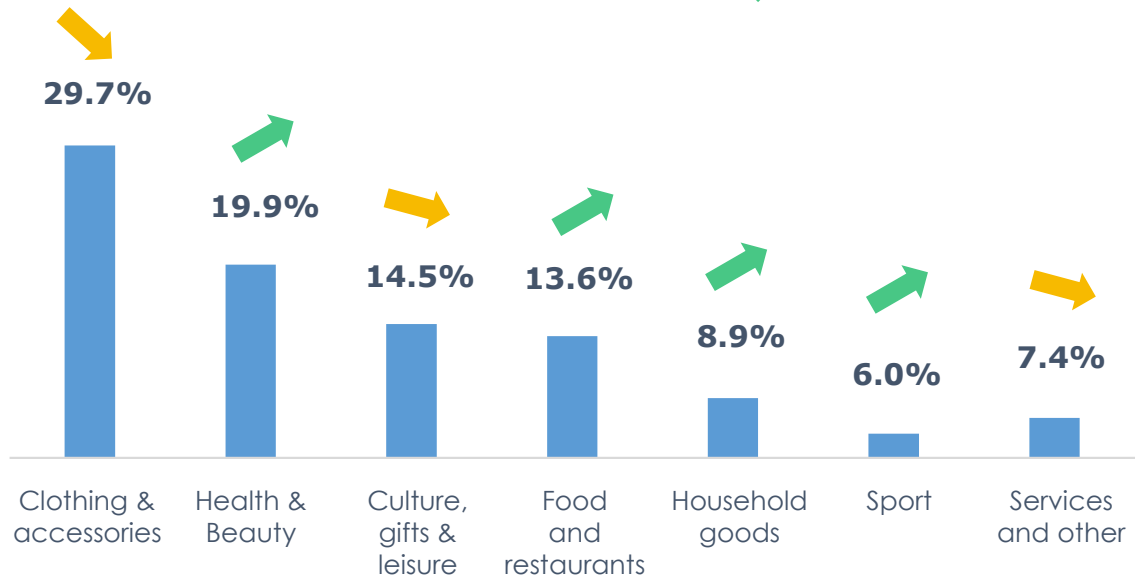


# Actively pivoting the mix-merch with new retailers

## Pivoting the mix-merch to new concepts

% of rental income (end-2023)

37% at end-2017  
31% at end-2022



## 80 new brands for Carmila in 2023

More dynamic food and beverage concepts



Healthcare, beauty, well-being



Discount



# A complete and ambitious CSR strategy

## Acting for climate



**46% reduction in greenhouse gases emissions (GHG) scopes 1 and 2**



**A-List on climate**



**95,8% of assets certified**

**93% of French centres have charging stations**

## Acting for territories



**40% local tenants**

**99% of shopping centres hosted an event in favour of local communities**

**400 local jobs on average by centre**

## Acting for employees



**GEI : 95 / 100**

**1 CSR criterion in the performance appraisals of 100% of our employees**

**HappyIndex@Work 2023**

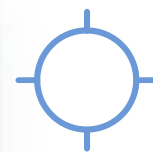
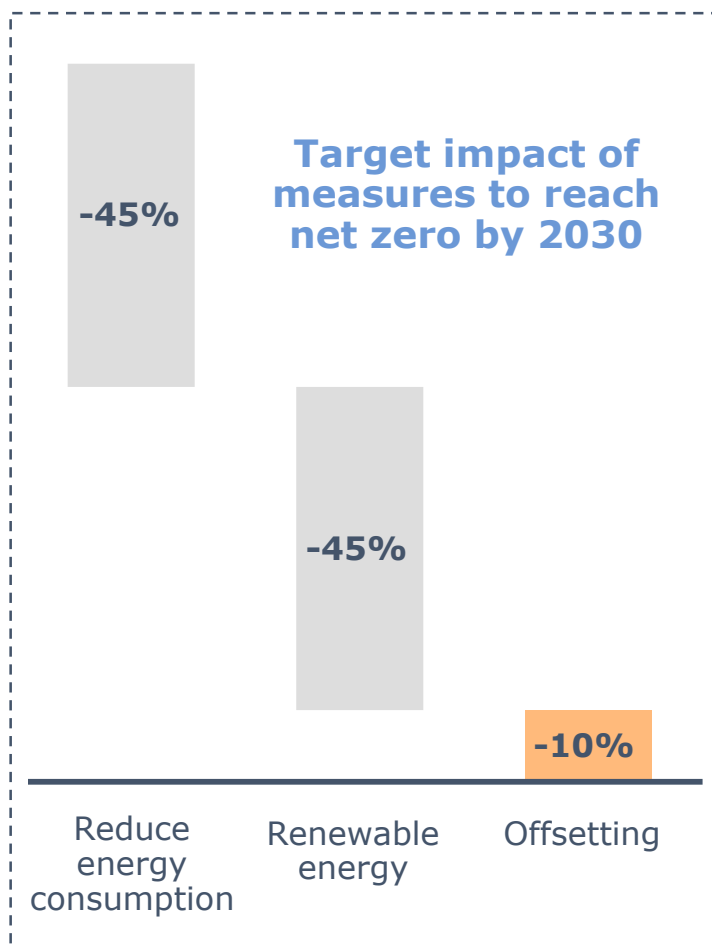
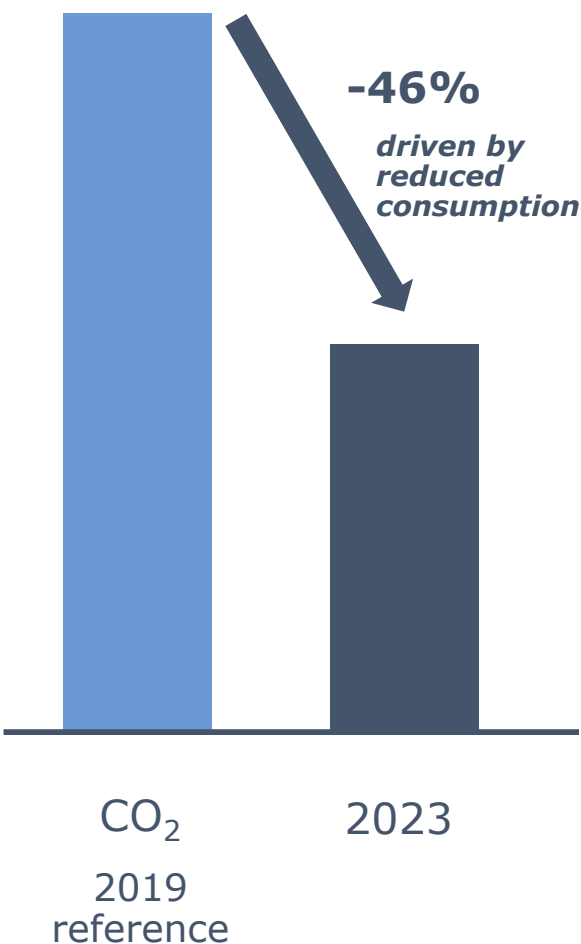
CERTIFIED



HappyIndex® AtWork  
FRANCE 2023

# On track to neutralize carbon emissions on scope 1 and 2 by 2030

## 2023 CO<sub>2</sub> Emissions



## Energy consumption reduction

- 100% LED relamping
- AI driven Building Management
- 10M€ of Green Capex in 2023



## Renewable energy

- First solar autogeneration projects in Spain in 2024
- Benefitting from the renewables strategy of Carrefour



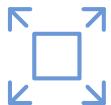
## Offsetting

AGOTERRA



# A successful year for Carmila's three growth initiatives

Omnichannel  
incubator



€4.3M

Contribution to recurring  
earnings in 2023



Merçi  
Handy



€2.0M

Rent secured at end-2023



CARMILA  
RETAIL  
DEVELOPMENT

€2.0M

EBITDA<sup>1</sup> in 2023

CIGUSTO



MARQUETTE  
CONCEPT STORE

Vertuo  
On prend soin de vous

**€30M** incremental annual contribution to recurring earnings from new growth initiatives by 2026



1. EBITDA of equity accounted partners x Carmila % stake

# Carmila is a fast-moving platform with long-term potential

**A unique strategy well executed with a specific know how**



Pivoting the mix merch  
Incubator strategy  
Agile restructuring projects

**Capacity to optimize capital in a moving environment**



Close to 300 million euros of asset sales since 2021  
Galimmo acquisition

**Long term vision**



Mixed use  
Carbon neutrality  
Carrefour



**Putting Carmila in a position of strength for value creation**

# Outlook 2024

**Lower long term interest rates**

**Tourism supporting retail in Spain and Olympics in France**

**Expected 2024 Recurring EPS :  
At least €1.63, +2% vs. 2023**





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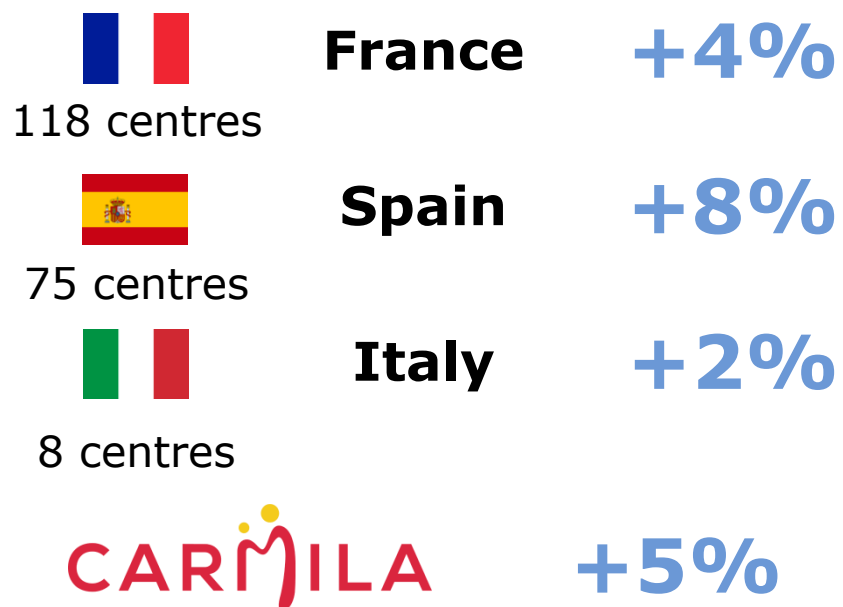
**MARIE CHEVAL**  
Chair and Chief Executive Officer

# Higher footfall and growth in retailer sales

## Sales growth



% change in the sales of Carmila tenants vs. 2022



## Higher footfall



% change in footfall of Carmila centres vs. 2022





## Operational excellence: strong leasing activity, record occupancy

### Strong leasing activity



**826 new long-term leases signed in 2023**

### Affordable rents



**Positive reversion :  
+2.4% in 2023  
Occupancy Cost Ratio of  
10.6%**

### Record occupancy



**96.6% Financial  
occupancy rate  
(+10bps vs. end-2022)**

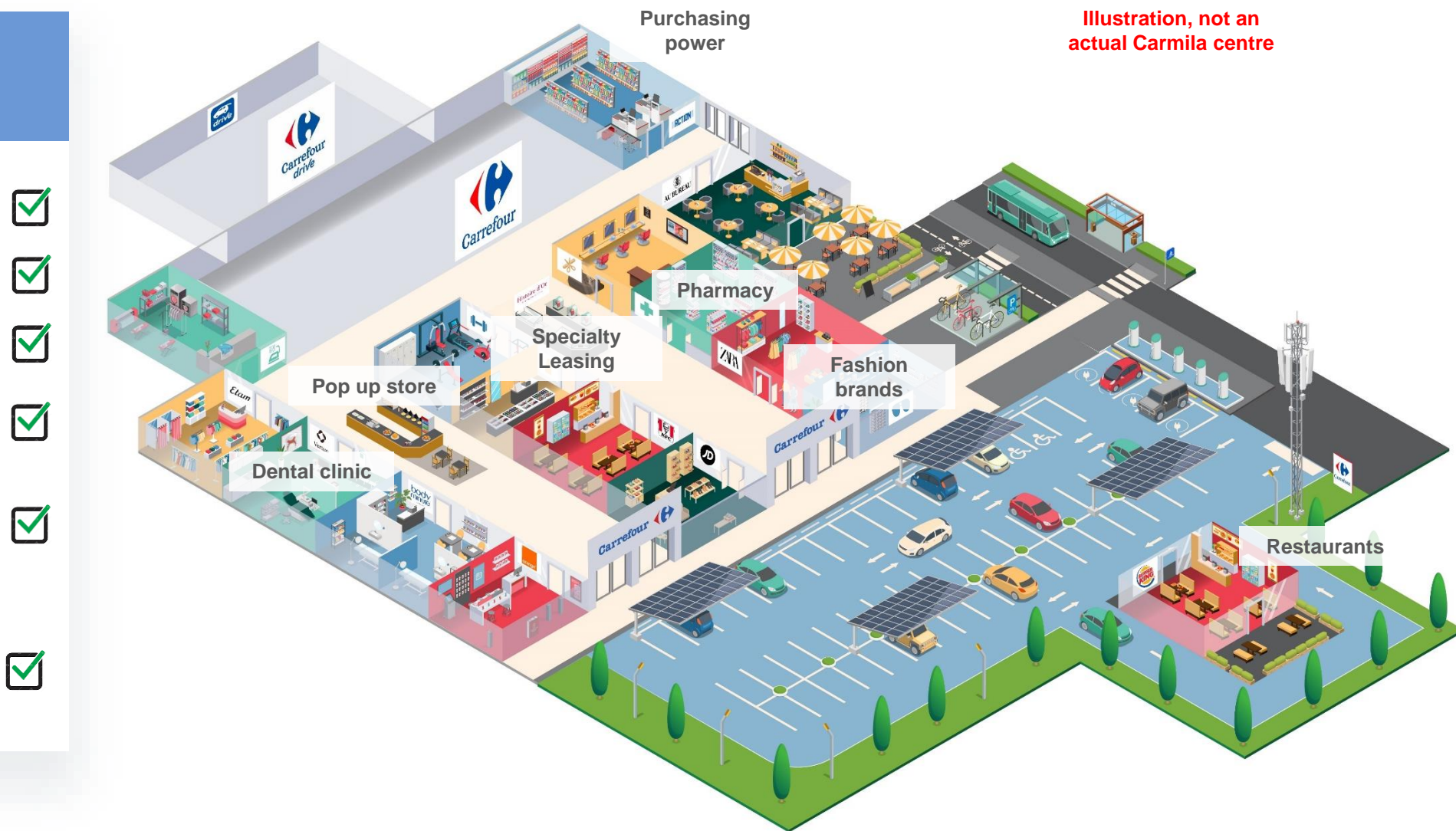
**All of Carmila's operational indicators were strong in 2023**



# Successful commercial strategy to drive pivot to new retailers

## Carmila Mix-Merch Checklist

- Essential services, gifts, healthcare
- Purchasing power
- Innovative food & beverage concepts
- New concepts and pop-up stores
- Sector leaders and exclusive names in fashion, accessories and beauty
- A mix of international, national and local retailers



# Omnichannel incubator: Supporting footfall and earnings growth

## Pop-up stores and events

Testing new concepts and supporting footfall



## Specialty Leasing

+9% revenue growth:  
EUR 13.2 million



## Marketing and innovation

Media campaigns



Over 7 million store visits generated in total

Data on more than 5 million end customers



More than 100 new influencers in 2023

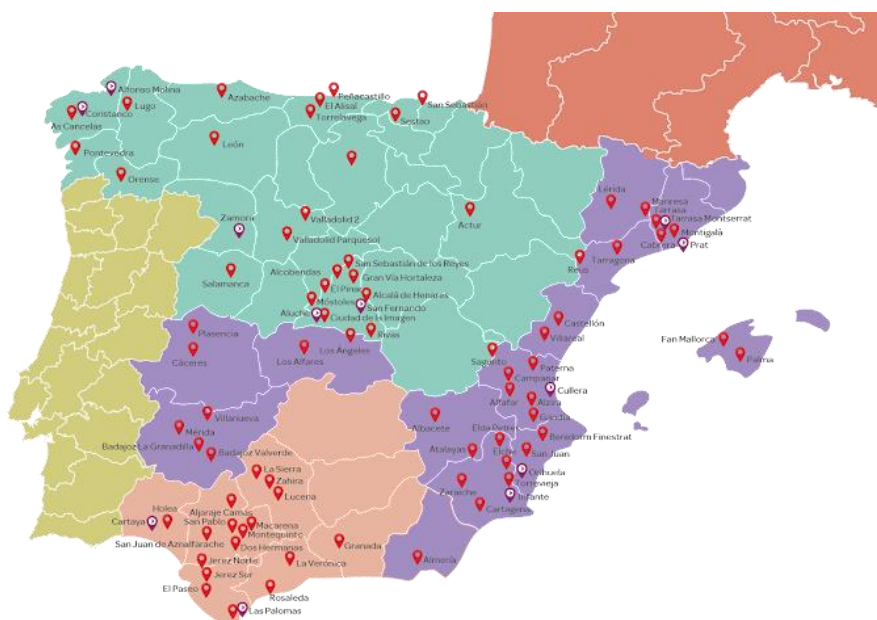


14 million views on Google My Business



# Carmila España: An attractive portfolio in a dynamic market

National coverage with flagship assets in tourist destinations



**9.7% market share in Spain, October 2023**



**75  
Centres**



**Ca. 500 000  
m<sup>2</sup> of GLA**



**€ 1 356M  
Portfolio value**

**Financial  
occupancy  
95.7%**

**Occupancy  
cost ratio  
11.0%**

**Net Initial  
Yield  
7.32%**

**23% of CARMILA portfolio  
#1 in Spain by number of sites**



**2023 tourism spending\*  
+24% vs. 2022**



**2023 GDP Growth\*\* : 2.4%**

\*Spanish Ministry of Industry and Tourism data

\*\*European Commission forecast

# Investing and transforming with agile restructuring projects

## Major Projects



No building work currently underway on 5 major projects, to include more mixed use

€ 200M CAPEX  
(€50M a year from 2025)

## Agile Projects



€44M of CAPEX in 2023  
(34 projects)

€40M of investment in agile projects planned for 2024

## Mixed-Use



Transformation projects in  
Nantes and Sartrouville  
13 Carmila sites in the scope of the  
Carrefour/Nexity partnership





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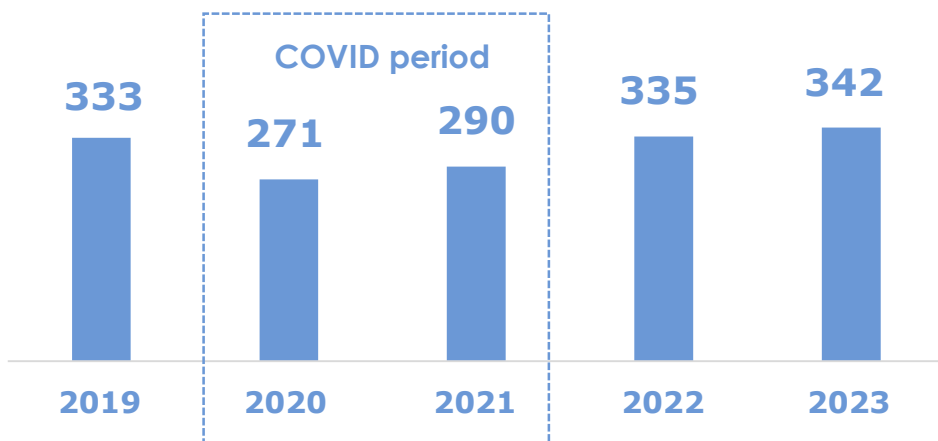
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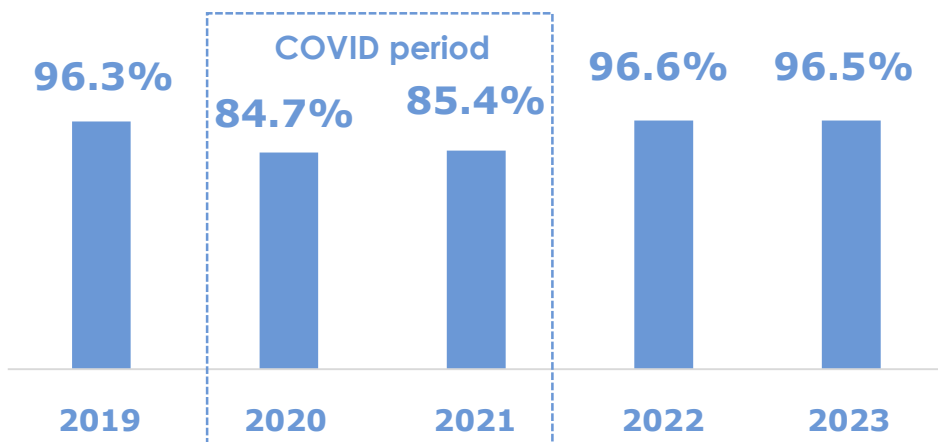
**MARIE CHEVAL**  
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# Record level of net rental income

## Net Rental Income (€M)



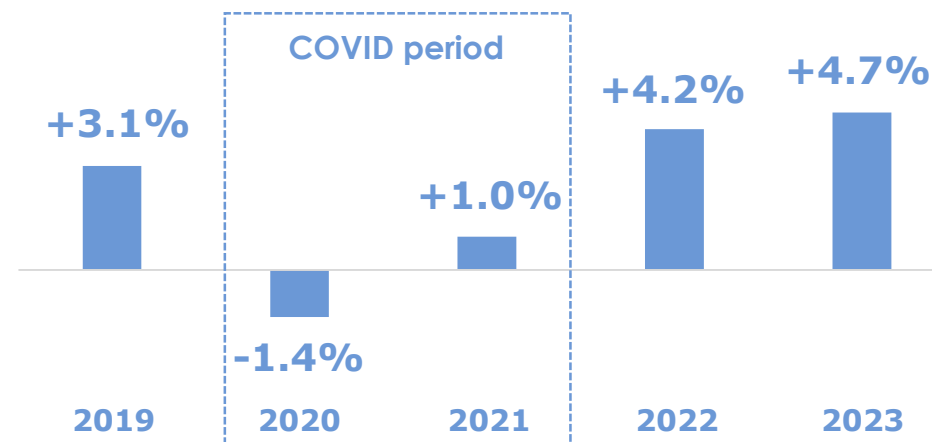
## Rent collection (in % of total billed)<sup>1</sup>



## Net rental income up +2.2% vs. 2022

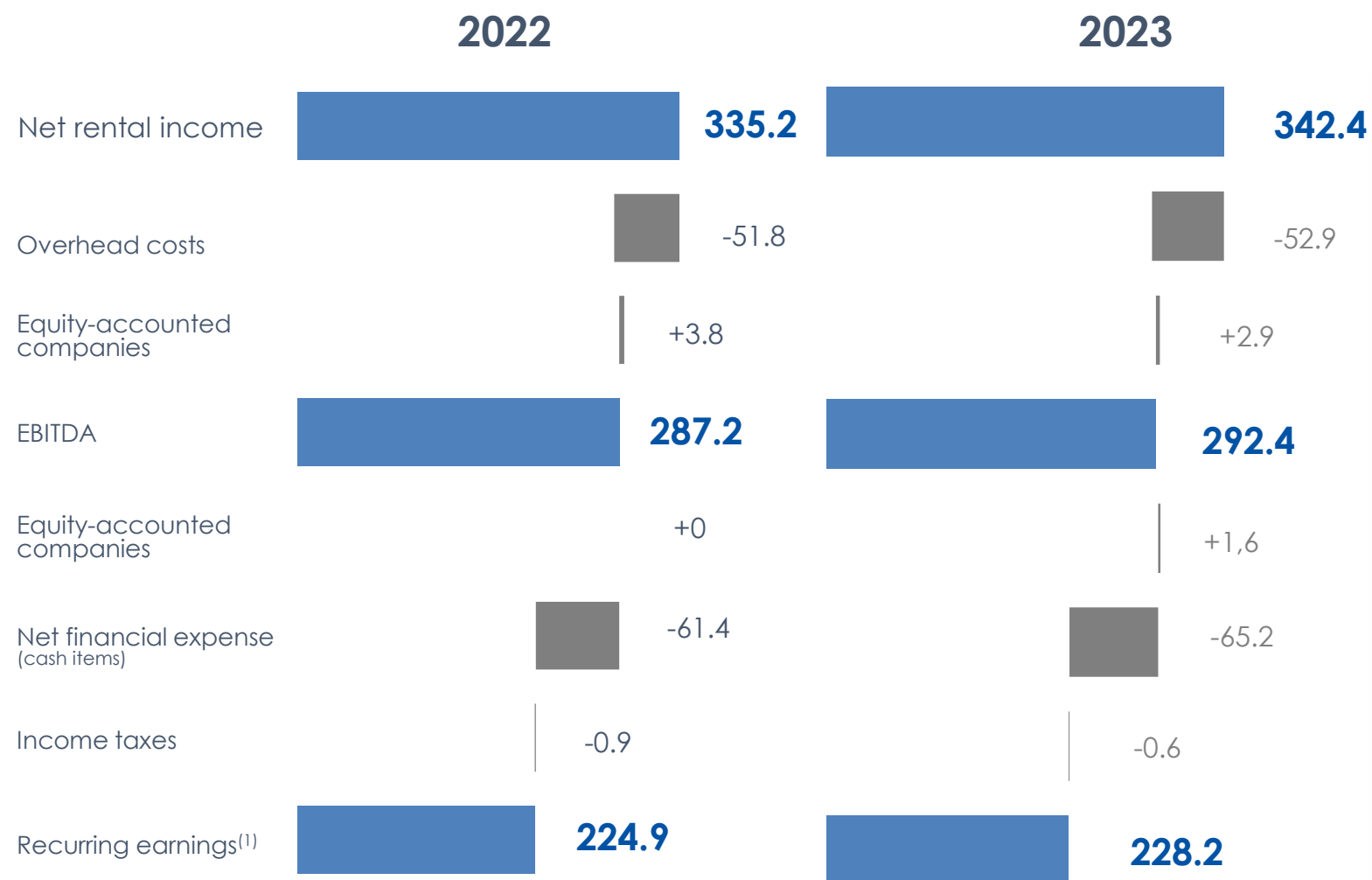
- Organic rental growth +4.7%, driven by indexation (+4.1%)
- Net impact of acquisitions and disposals of EUR -8.6 million, -2.6%

## Organic growth in net rental income



1. As published

# Cost discipline and limited increase in financing costs



**Net rental income +2% vs. 2022**

**Strict management of the cost base**

**EBITDA+2% vs. 2022**

**Increase in financial expenses due to refinancing**

**Recurring earnings +1.5% vs. 2022  
(+7% at constant scope)**

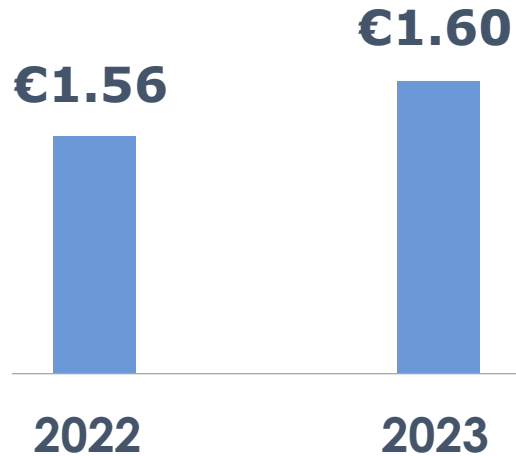


(1) EPRA earnings restated for non-recurring and non-cash items (adjustments are also reflected in other lines of table shown above)



# Organic growth of +8% in recurring earnings per share

## Recurring Earnings Per Share



**+8% organic growth**

Adjusted for 0.05€ per share scope effect following asset sales and a net 0.02€ per share effect due to rent collection from prior periods

## 2023 Performance

**+8% growth in recurring EPS vs. 2022 at constant scope and adjusting for rent collection from COVID period**

**+2% vs. guidance**

Positive indexation effect on rents

Organic growth on top of indexation from projects and strong commercial performance

Limited increase in operating expenses and financing costs

Effect of asset sales since beginning of 2022

**On track with financial objectives of the strategic plan**



# 2023 Dividend and Outlook for 2024

## DIVIDEND

**€1.20** per share in cash\*

(+2.6% vs. previous dividend)

Dividend Policy: **75% payout** of recurring earnings, at last €1 per share, in cash

## 2024 FINANCIAL OUTLOOK

**Expected 2024 Recurring EPS :  
At least €1.63, +2% vs. 2023**

Positive indexation effect on rents  
Positive operating dynamics  
Impact of disposals

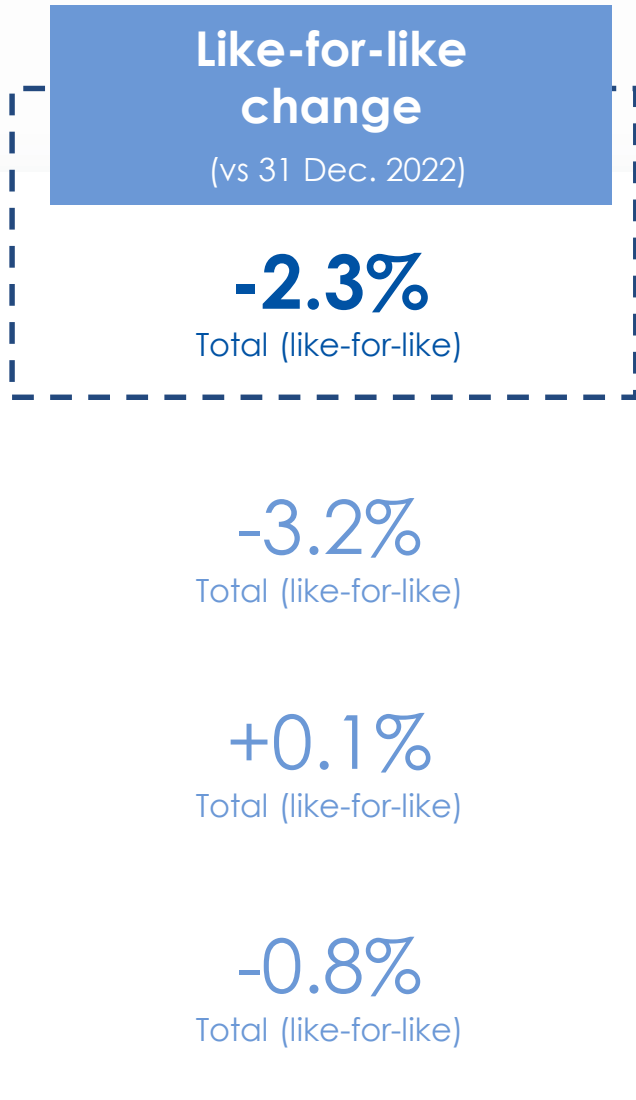
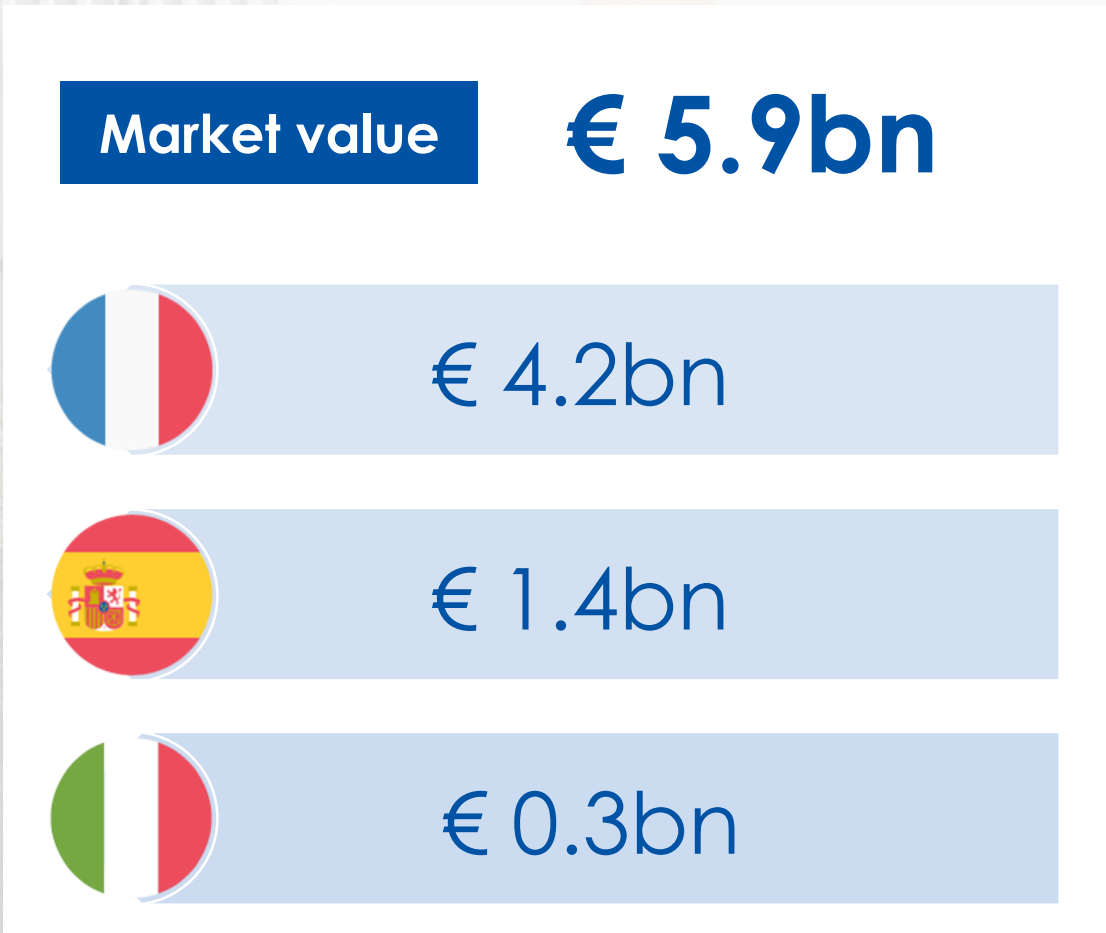
**Earnings accretion from  
Galimmo acquisition expected  
from H2 2024**

**Organic growth in 2023, growth from Galimmo acquisition from H2 2024**



\*To be proposed to annual meeting of shareholders in April 2024

# Change in like-for-like valuation of assets: -2.3% in 2023

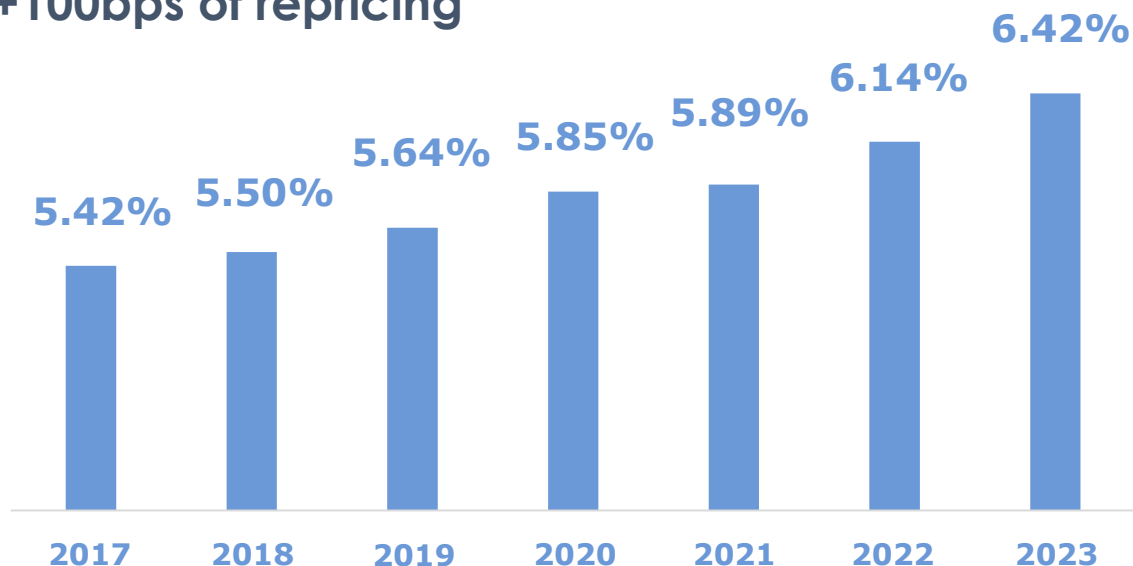


# Retail yield expansion since 2017 largely offset by rental growth

## 6.42%

Net Initial Yield

+100bps of repricing



### Increase in cap rates since 2017

- NIY +100bps over the period
- Spread vs. 10 year swap rate +370bps

### Reasonable appraisal assumptions

- Net Rental Income CAGR : 2.1%
- Exit cap rate : 6.9%
- Discount rate : 8.1%

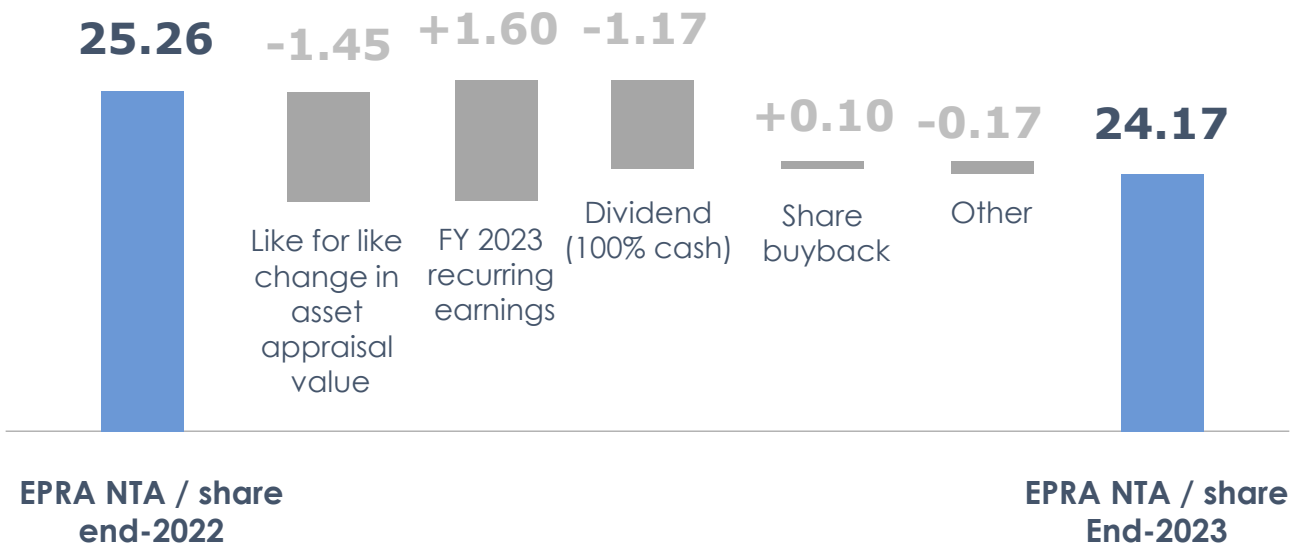
### Positive appraiser feedback

- Renovated assets
- Reasonable estimated rental values (positive reversion vs. ERV)
- Strong asset management track record (leasing, restructuring)



# EPRA Net Tangible Assets per share

## 2023 Change in EPRA Net Tangible Assets per share



EPRA NTA down -4.3% vs. end 2022

Mainly due to like for like change in appraisal values of assets

Positive effect of retained earnings and share buyback



# Strong balance sheet

	End-2022	End-2023	
<b>Net debt (€M)</b>	2,204	2,130	<p>BBB rating with a stable outlook from S&amp;P</p> <p>Significant headroom vs. bank covenants and rating constraints</p> <p>Leverage metrics that compare favourably to peers</p> <p>Capacity to absorb Galimmo acquisition (LTV impact estimated at ca. +160bps)</p>
<b>Gross Asset Value<sup>1</sup> (€M)</b>	6,166	5,885	
<b>EPRA LTV<sup>1</sup></b> (Including RETTS)	35.8%	36.6%	
<b>Net debt/EBITDA</b>	7.7x	7.3x	
<b>Interest Coverage</b>	4.5x	4.7x	

**LTV<sup>1</sup>: 36.6% at end-December 2023**

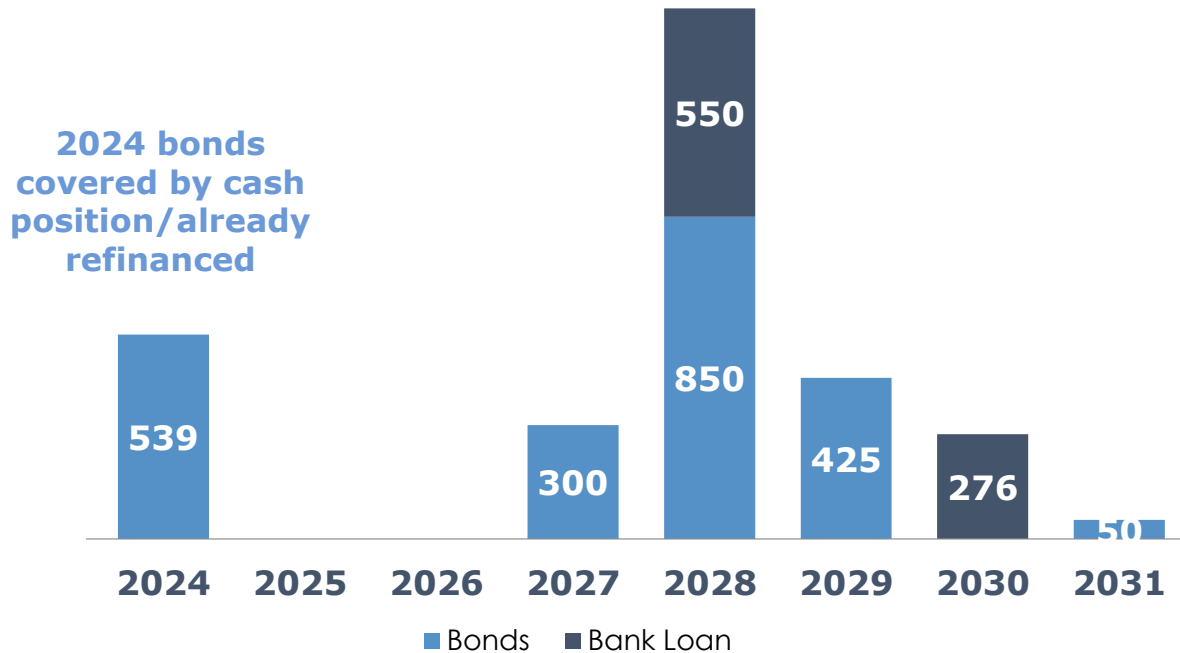
1. Including transfer taxes



# Strengthened liquidity position and funding structure

## Carmila Debt Maturity Profile<sup>1</sup>

€M



**New secured loan:** € 276 million euros, secured by 4 assets, maturing in 2030

**New bond issue:** € 500 million, maturing in 2028

**Liquidity:**

€860M of cash and cash equivalents and an undrawn RCF of €540M

**Average cost of net debt in 2023:** 2.7% (vs. 2.4% in 2022)

**Average remaining maturity:** 4.8 years<sup>2</sup>

**Interest rate hedging:** Cost of net debt fully hedged in 2024 and 2025

1. Not including €540M undrawn RCF  
 2. Not including 2024 bonds, covered by Carmila cash position



# Carmila capex and investment outlook

## Green Capex

**€10 million /year, including investment in solar energy**

(as well as €15 million a year of maintenance Capex)

## Agile restructuring projects

**€40 million capex on agile restructuring projects in 2024**

## Major projects

**€50 million / year from 2025 to be financed through asset rotation**

**Projects redesigned to include more mixed-use**

## Next Tower

**€13M a year on average 2022-2026**

**Acceleration in 2024**





# Financial wrap-up

**€5.9bn**

**Gross Asset Value**  
(-2.3% like-for-like vs. end-2022)

**36.6%**

**LTV<sup>1</sup>**

**€1.60**

**recurring EPS in 2023**

**€1.20**

**Dividend per share in cash proposed<sup>2</sup> in 2024**

**Dividend policy**

**Cash dividend, 75% payout**

**At least €1.63**

**recurring EPS expected in 2024 (+2% vs. 2023)**

**Another year of successfully meeting financial objectives**

1. EPRA LTV including RETTS

2. To be proposed to shareholders at the annual meeting in April 2024





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## Successful execution in 2023 and positive outlook for 2024

### Delivering on the priorities of the strategic plan

- ⇒ Strong operating performance, pivot strategy and agile projects
- ⇒ Successful growth initiatives, asset sales in line with appraisal values

### Going beyond the plan with Galimmo in 2024

- ⇒ Closing of the Galimmo acquisition expected in summer 2024
- ⇒ Confident on the outlook for the coming year



# Q&A session



# Next Tower ramp-up: on track to meet 2026 targets

**€2.0M**  
Annualised rent  
secured\* as of end  
2023

On average  
ca. **€13M** of  
Capex a year

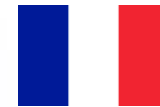
**143**  
antennas in operation  
in France  
and Spain



Infrastructure and  
5G are two powerful  
investment trends



Carmila's capacity to  
develop a regional  
network of sites



Track record in France

**115** antennas in  
operation at end 2023



Launching Next Tower in  
Spain

**28** antennas at end 2023

**Building a mobile tower company with €180M of assets and 470 towers by 2026**



\*total rent for leases and agreements signed with mobile operators