



Madrid, 16 May 2019

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SIGNIFICANT INFORMATION ANNOUNCEMENT

Castellana releases the FY19 Results Presentation. This presentation document is also available to the market on the Company website via the following link:

[Castellana Properties Socimi Website](#)

We remain at your complete disposal for any further clarification you may require.

Castellana Properties SOCIMI, S.A.

Mr. Alfonso Brunet

Chief Executive Officer



FY19 Financial Results

April 2018 – March 2019



Disclaimer

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Headlines



- ✓ Very positive results: Net Profit €46.5 million
- ✓ Building strong growth: investments of €582 million
- ✓ Consolidation of Castellana Properties as a reference player in the Spanish market



Overview

01 Key Highlights

02 Financial Results

03 Investments

04 Active Asset Management

1

Key Highlights

Key Highlights

Financial performance

- Listed on **MAB** in **July 2018**
- **GAV of €916.5 million** as of 31 March 2019
 - 12 months LfL ⁽¹⁾ **valuation growth of +6.45%**
- **GRI of €34.3 million** and **NOI €32.7 million** (NOI margin of 95.3%)
 - +405bps vs FY18, driven primarily by operational improvements
- **Share price of €6.55, +9.16%** share price appreciation since listing
- **EPRA NAV of €499.8 million or €6.68 per share**
- **Net LTV of 46%** at an all-in cost ⁽²⁾ of 2.24% and an average maturity of 6 years
- Normalized **dividend of €0.39 per share**, representing 87% of the FFO

⁽¹⁾ GAV Growth LFL, excluding acquisitions in FY19

⁽²⁾ All in costs include spread, swaps and up-front costs (including professional fees)



Key Highlights

Operational performance

- **5 high quality dominant shopping centres** acquired for **€576** ⁽¹⁾ **million**
- **Occupancy rate 97.9%** by year-end, +3.43% increase on a LfL basis
- **61 new leases** generating additional annualized NOI of c. €1.6 million
- **Granaita reopened in March 2019** at 98.2% occupancy (+6.9% since acquisition)
- Inflation-beating **Like for Like contractual rental growth of 3.5%**

⁽¹⁾ Transaction costs included.



2

Financial Results

Financial Results

Main KPI's

GENERAL	Assets 17	GLA 317,106 sqm	WAULT 14.2 years ⁽¹⁾	Occupancy 97.9%
OPERATIONAL	GRI €34m	EBITDA €28m	Net Profit €47m ⁽²⁾	Av. Base Rentals €14.14/sqm/month
FINANCIAL	Net Debt €423m	Hedging 99%	Net LTV 46%	All-in cost 2.24%
CORPORATE	GAV €916m	EPRA NAV €499m	DPS €0.39 per share	Dividend Yield 6.5% ⁽³⁾

⁽¹⁾ WAULT at expiry date.

⁽²⁾ Net Profit includes €25.8m of changes in Fair Value based on IFRS accounting principles.

⁽³⁾ Dividend yield based on normalized DPS (€0.39 per share) and stock price at listing date.

Financial Results

Consolidated P&L

€ k	FY2019	FY2018 (3-months)
Gross rental income (GRI)	34,279	4,726
Property operating expenses	(1,607)	(413)
Net operating Income (NOI)	32,672	4,313
Overheads	(4,646)	(443)
Wages & salaries	(2,695)	(216)
Other selling & administrative expenses	(1,951)	(227)
Operating income (EBITDA)	28,026	3,870
Amortization & provisions	(8)	-
EBIT	28,018	3,870
Net financial charges	(7,389)	(1,129)
Tax	-	-
Underlying net profit	20,629	2,741
Change in fair value of assets	25,816	3,910
Other income and expenses	44	-
Reported net profit	46,489	6,651
EPRA Earnings	20,673	2,741
FFO	20,681	2,741
Reported EPS (€)	1.00	0.26
Recurring EPS (€) ⁽¹⁾	0.45	0.11

Financial performance

- Total recorded group **GRI**, excluding income related to the portfolio operating expenses recoverable from tenants, was **€34.3 million**.
- **NOI margin improved by 405 bps to an average of 95.3% for the year**, driven primarily by **operational improvements** during the period. After deducting non-recoverable portfolio operating expenses, **NOI** amounted to **€32.7 million** for the year.
- Total **overheads** for the 12-months period amounted to **€4.6 million**. During FY19, the **team grew from 8 to 24 people**. Total overheads represents **0.5% of GAV**.
- Net financial charges were €7.4 million. During FY19, the group raised **€304 million of additional debt financing**. Overall, total group debt amounts to €423 million with a **Net LTV of 46%**.
- Recurring net profit was €20.6 million, and **recurring EPS was €0.45**.
- **Changes in fair value** of group assets was **€25.8 million**.
- Overall, the group **consolidated net profit** for the 12-months period ended 31st March 2019 reached **€46.5 million** and **EPS of €1.00**.
- Adjusted for non-recurring income and expenses items, EPRA earnings were €20.7 million and the Group's Funds from Operations (FFO) was €20.7 million. Both **EPRA Earnings and FFO per share were €0.45**.

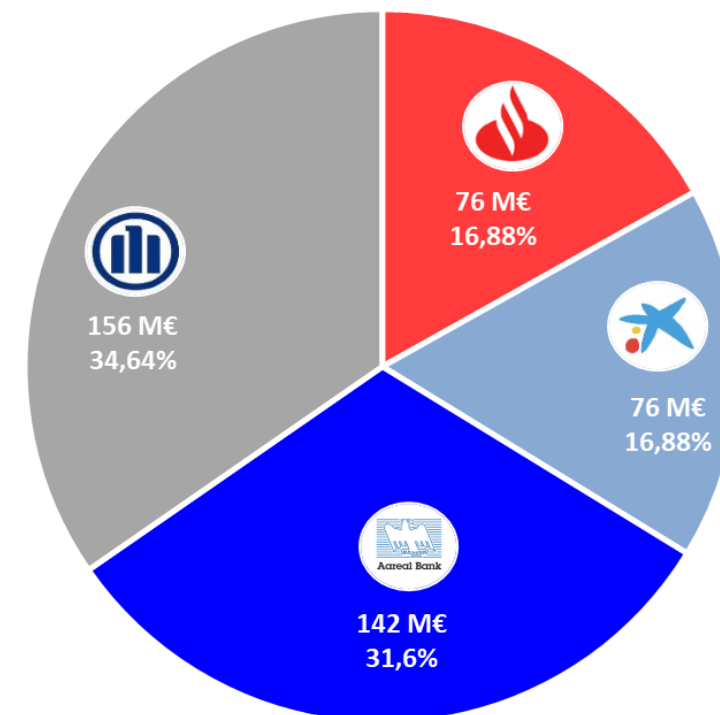
⁽¹⁾ Average number of shares in FY19: 46,344,166 shares; Average number of shares in FY18: 25,737,885 shares.

Financial Results

Castellana's key debt indicators

Greater diversification of sources of finance

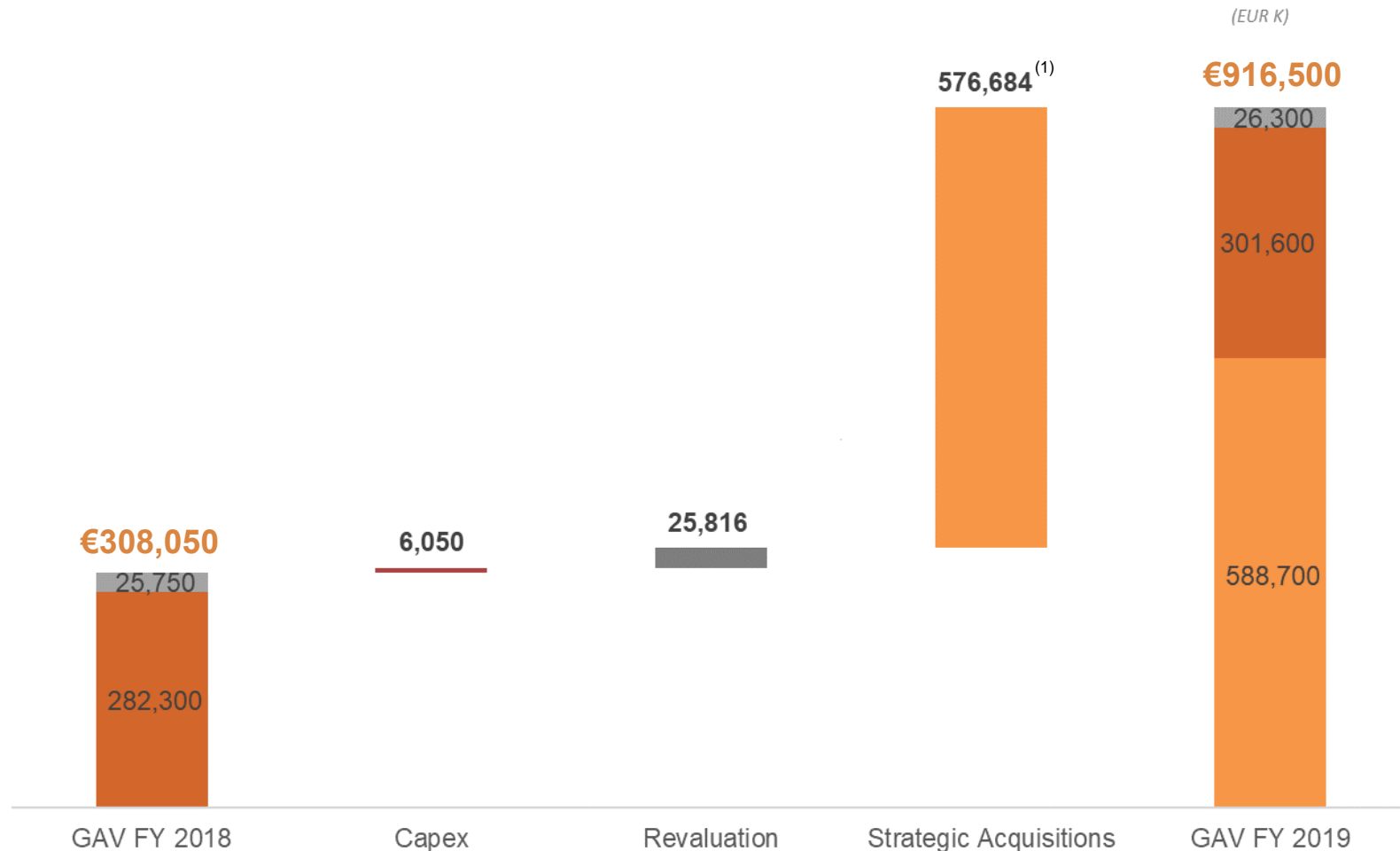
EUR m.	31/03/2018	31/03/2019
GAV	308.05	916.50
Gross Debt	146.21	452.70
Cash	16.00	29.40
Net Debt	130.18	423.30
Net LTV	42.26%	46.19%
All-in cost	2.37%	2.24%
Weighted avg. Maturity	5 years	6 years



Financial Results

Strong portfolio revaluation

GAV has grown by €608.5 million in the last 12 months

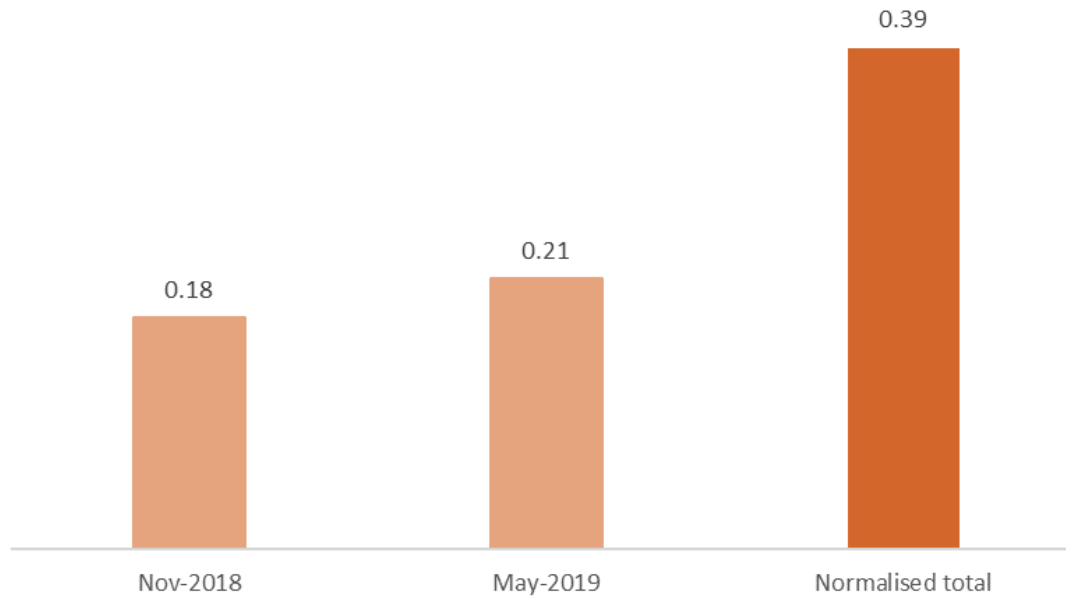


⁽¹⁾ Acquisitions: asset purchase price includes transaction costs.
Source: Colliers Valuation Report 31st March 2019.

Financial Results

Dividends

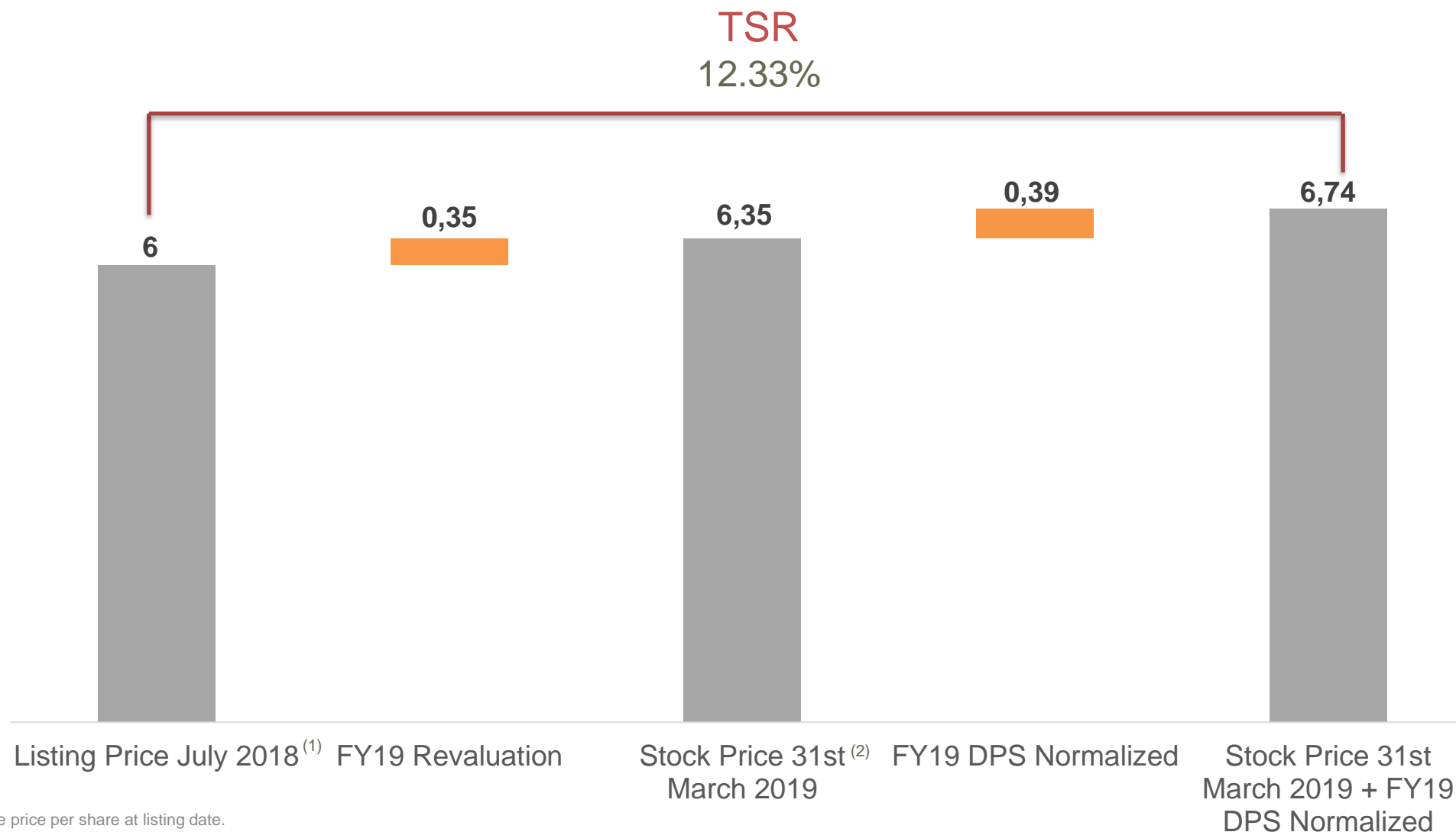
Normalized dividend of €0.39 per share, 87% of the FFO



- FY19 **normalised dividend for the Group amounts €0.39** and represents 87% of the FFO generated by the Group.
- Castellana Properties has approved a **final dividend for FY19 of €0.21 to be paid in May 2019**, resulting in a total **FY19 normalized dividend of €0.39 per share**.

Financial Results

Positive stock price revaluation in addition to a dividend yield of 6.5%



⁽¹⁾ Listing Price is the price per share at listing date.

⁽²⁾ Closing share price of €6.55 per share as of 31st March 2019 adjusted by expected €0.21 DPS still to be paid in May 2019.

3

Investments

Investments

5 high quality dominant shopping centers have become part of Castellana's portfolio



- **Acquisition Date:** 09/05/2018
- **Price ⁽¹⁾:** €80.6m
- **GLA:** 24,158 sqm



- **Acquisition Date:** 31/07/2018
- **Price ⁽¹⁾:** €88.9m
- **GLA:** 35,211 sqm



- **Acquisition Date:** 31/07/2018
- **Price ⁽¹⁾:** €112.9m
- **GLA:** 24,789 sqm



- **Acquisition Date:** 31/07/2018
- **Price ⁽¹⁾:** €150.8m
- **GLA:** 43,423 sqm



- **Acquisition Date:** 31/07/2018
- **Price ⁽¹⁾:** €107m
- **GLA:** 17,906 sqm

⁽¹⁾ Acquisition price. Transaction costs not included.

4

Asset Management

Active Asset Management

Unlocking value through experienced team



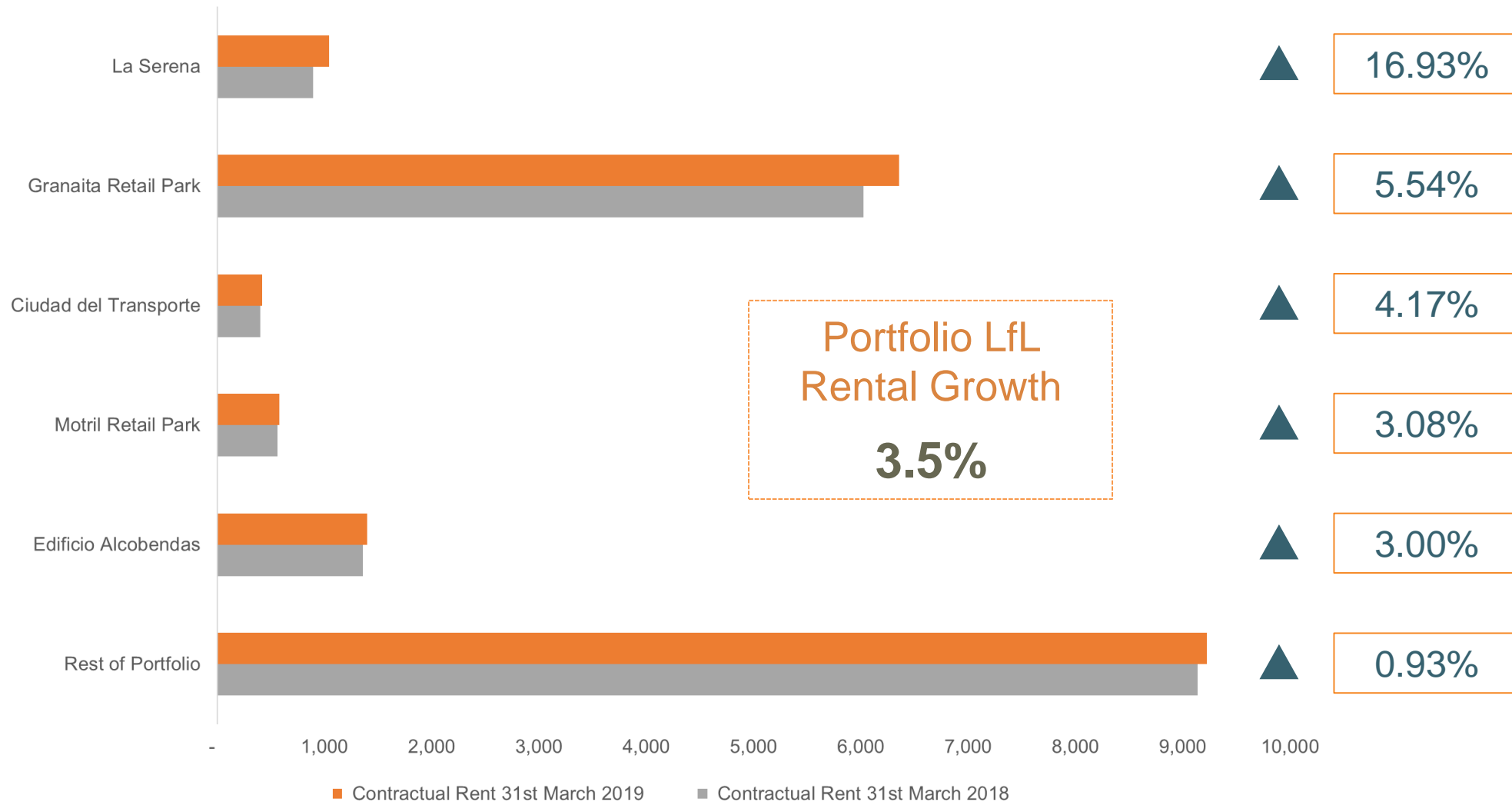
- ✓ **Additional NOI of €1.6m**
- ✓ Portfolio **vacancy kept low at 2.1%. 61 new leases** ⁽¹⁾ signed in FY19. Excluding Storage Areas, vacant units stand at 1.6% of GLA.
- ✓ Total **arrears** comprise **only 0.71%** of total rent invoiced.
- ✓ Accretive redevelopment projects. **Granaita: NOI increased by €598k**. Successful completion of the project with a big opening event in March'19.

⁽¹⁾ Additional contractual rent in FY19 includes 40 new leases, 13 renewals and 8 resizings.

Active Asset Management

Inflation-beating Like for Like contractual rental growth of 3.5%

Annual Contractual Rent (€'000)



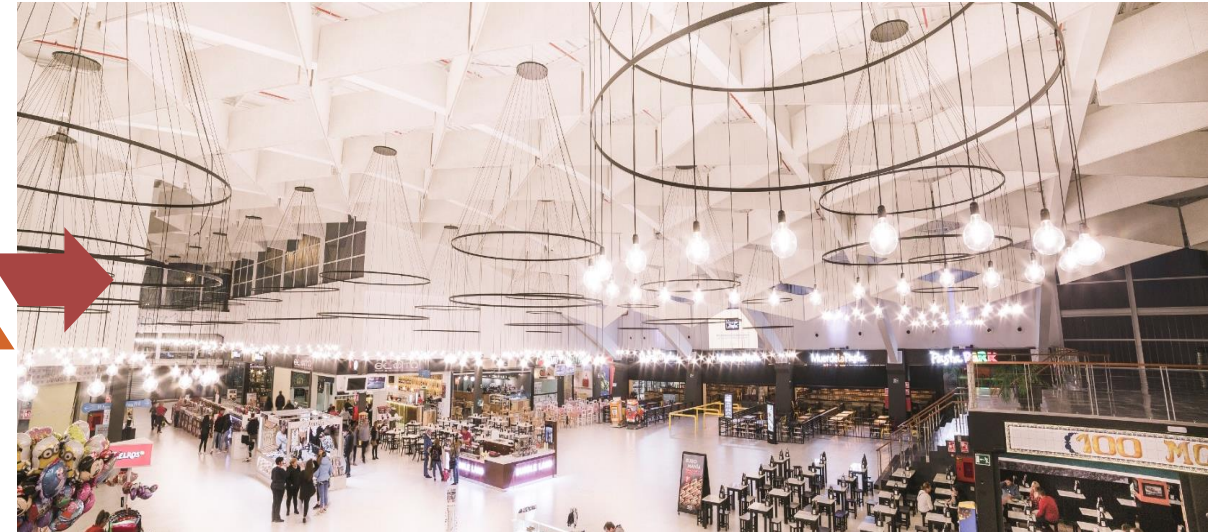
▷ **CPI in 2018: 1.2%***
(c. 2.3% above inflation)

Repositioning Case Study

Granaita Retail Park reconfiguration: transforming assets into more social spaces



Before



After (1)

Granaita, the largest retail and leisure park in Granada, has opened its doors.

The new park is the result of a merger between Kinépolis and Alameda SC. Now, Granaita offers a wide range of leisure, fashion and F&B to the region of Granada. Key achievements:

- Interior upgrades – providing the complex with better lighting and a more modern look and feel
- A unique and powerful brand to improve the offer and customer experience
- New outside units aimed at enjoying the outdoor terraces
- Customized high visibility indoor & outdoor children's playground
- New green areas



€5.5m of investment



Occupation rate
From 48.4% to 98.2%



+598k increase
in NOI



New Key Retailers
to boost traffic



ROI
10.8%



Inauguration
March 2019

(1) Data related to former Kinépolis LC

Q&A

Thank you!

Appendix

Castellana's Portfolio

Shopping Centres

EL FARO



BAHÍA SUR



LOS ARCOS



VALLSUR



HABANERAS



GAV > €162.3M⁽¹⁾

€120.2M

€118.2M⁽²⁾

€92.8M

€88.8M

PROVINCE > Badajoz

Cadiz

Seville

Valladolid

Alicante

GLA > 43 423m²

24 789m²

17 906m²

35 211m²

24 165m²

MONTHLY RENTAL > €17/m²

€25/m²

€33/m²

€15/m²

€18/m²

SECTOR > Shopping Centre

Shopping Centre

Shopping Centre

Shopping Centre

Shopping Centre

WALE > 3.6 years

1.5 years

2.2 years

4.9 years

4.3 years

VACANCY > 2.4%

1.9%

6.8%

2.4%

7.1%

ZARA MediaMarkt

Stradivarius ZARA

ToysRUs DEICHMANN

Carrefour YELMO CINES PREMIUM

Massimo Dutti C&A

BriCor PRIMARK

Massimo Dutti La Tagliatella

C&A ZARA

Forum sport PRIMOR

H&M Forum sport

PRIMOR HIPERCOR

Carrefour El Corte Inglés

KIABI HIPERCOR

ZARA PULL&BEAR

FOSTER'S HOLLYWOOD AKI

⁽¹⁾ El Faro's Fair Value excludes three adjacent land plots worth €3.8m.

⁽²⁾ Los Arcos's Fair Value excludes a purchase option to buy an adjacent land plot worth €2m.

Castellana's Portfolio

Retail Parks (1/2)

GRANAITA



PARQUE OESTE



PARQUE PRINCIPADO



MARISMAS DEL POLVORIN



LA HEREDAD



GAV > €113.7M

€51.6M

€34.6M

€28.4M

€20.0M

PROVINCE > Granada

Madrid

Oviedo

Huelva

Merida

GLA > 54 376m²

13 604m²

16 246m²

18 079m²

13 447m²

MONTHLY RENTAL > €10/m²

€16/m²

€10/m²

€8/m²

€8/m²

SECTOR > Retail Park

Retail Park

Retail Park

Retail Park

Retail Park

WALE > 4.1 years

4.0 years

4.4 years

3.1 years

1.9 years

VACANCY > 2.8%

Fully Let

Fully Let

Fully Let

Fully Let



Castellana's Portfolio

Retail Parks (2/2)

LA SERENA



PINATAR PARK



MEJOSTILLA



MOTRIL RETAIL PARK



CIUDAD DEL TRANSPORTE



GAV > €16.1M

PROVINCE > Badajoz

GLA > 12 405m²

MONTHLY RENTAL > €7/m²

SECTOR > Retail Park

WALE > 3.5 years

VACANCY > Fully Let

€11.8M

Murcia

10 637m²

€6/m²

Retail Park

3.2 years

Fully Let

€8.9M

Caceres

7 281m²

€7/m²

Retail Park

9.7 years

Fully Let

€8.9M

Granada

5 559 m²

€9/m²

Retail Park

2.2 years

Fully Let

€7.4M

Castellon

3 250m²

€11/m²

Retail Park

2.3 years

Fully Let



Castellana's Portfolio

Offices



ED. ALCOBENDAS



€20.6M

ED. BOLLULLOS



€5.7M

GAV >	€20.6M
PROVINCE >	Madrid
GLA >	11 406m ²
MONTHLY RENTAL >	€10.6/m ²
SECTOR >	Offices
WALE >	12.2 years
VACANCY >	Fully Let

€5.7M
Sevilla
5 698m ²
€6.9/m ²
Offices
12.2 years
Fully Let



www.castellanasocimi.es

Glorieta de Rubén Darío N.º 3 – 1 Dcha.
Madrid 28010, Spain
T: 91 426 86 86

MANGO