



# FY19 Financial Results

April 2018 – March 2019



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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 <sup>(1)</sup> **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 <sup>(2)</sup> of 2.24% and an average maturity of 6 years
- Normalized **dividend of €0.39 per share**, representing 87% of the FFO

<sup>(1)</sup> GAV Growth LFL, excluding acquisitions in FY19

<sup>(2)</sup> 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** <sup>(1)</sup> **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%**

<sup>(1)</sup> Transaction costs included.



# 2

## Financial Results

# Financial Results

## Main KPI's

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

<sup>(1)</sup> WAULT at expiry date.

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

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

## 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 31<sup>st</sup> 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**.

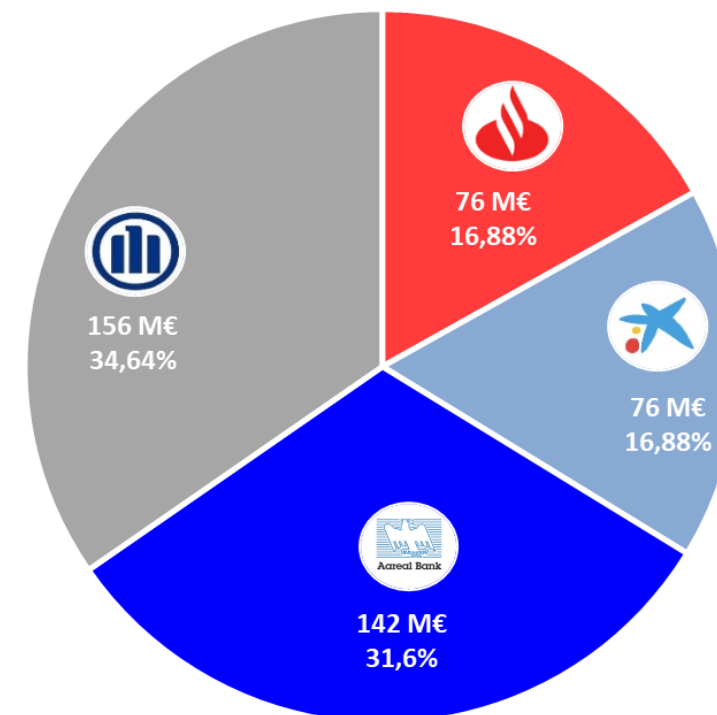
<sup>(1)</sup> Average number of shares in FY19: 46,344,166 shares; Average number of shares in FY18: 25,737,885 shares.

# Financial Results

Castellana's key debt indicators

## Greater diversification of sources of finance

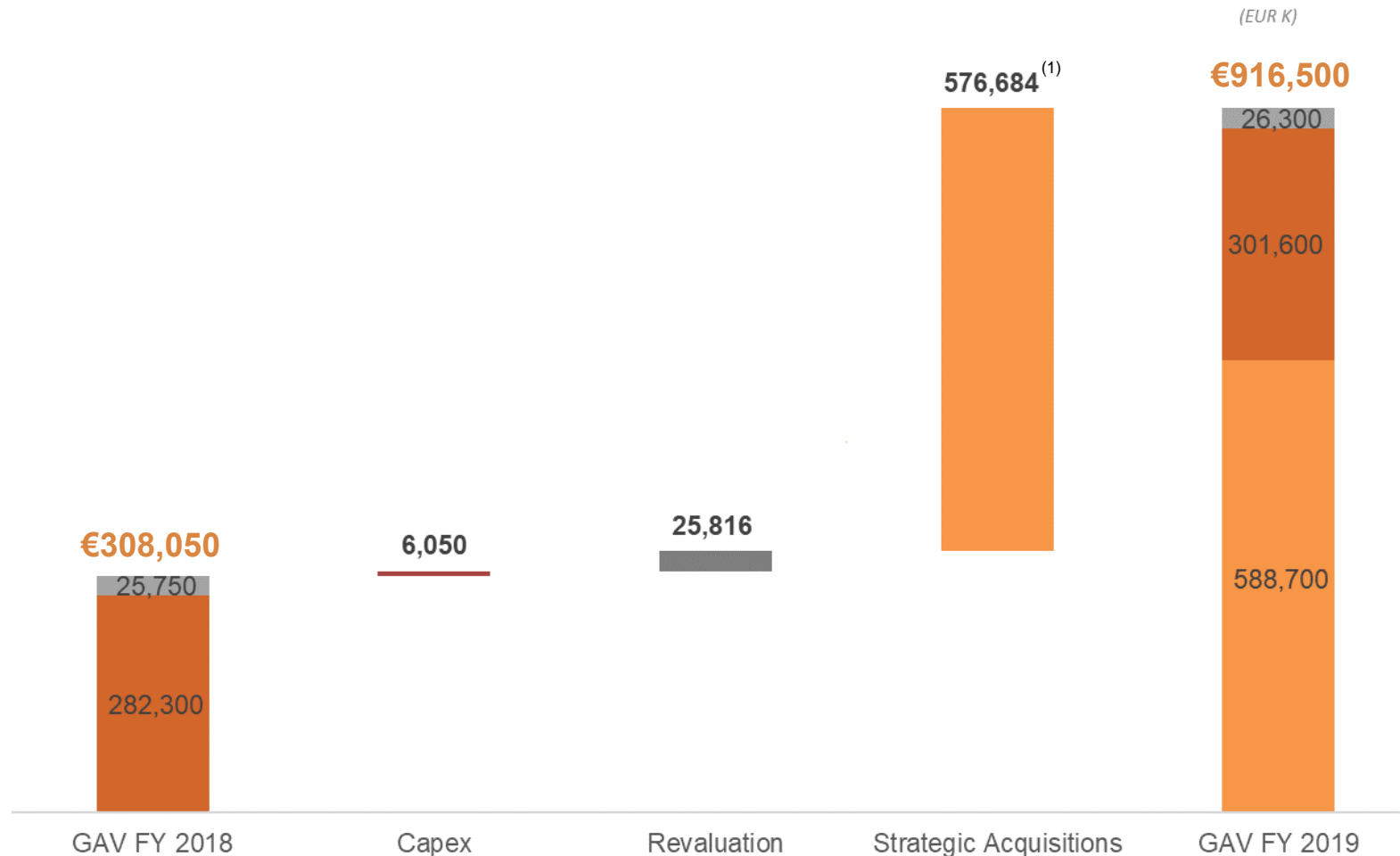
EUR m.	31/03/2018	31/03/2019
<b>GAV</b>	<b>308.05</b>	<b>916.50</b>
<b>Gross Debt</b>	<b>146.21</b>	<b>452.70</b>
<b>Cash</b>	<b>16.00</b>	<b>29.40</b>
<b>Net Debt</b>	<b>130.18</b>	<b>423.30</b>
<b>Net LTV</b>	<b>42.26%</b>	<b>46.19%</b>
<b>All-in cost</b>	<b>2.37%</b>	<b>2.24%</b>
<b>Weighted avg.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



# Financial Results

Strong portfolio revaluation

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

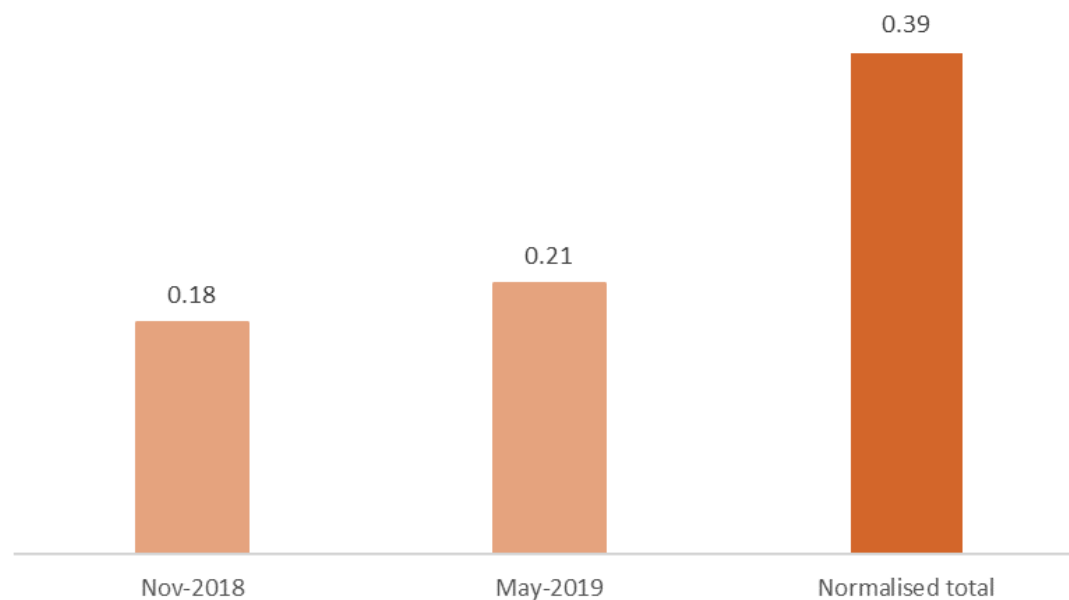


<sup>(1)</sup> Acquisitions: asset purchase price includes transaction costs.  
Source: Colliers Valuation Report 31<sup>st</sup> March 2019.

# Financial Results

## Dividends

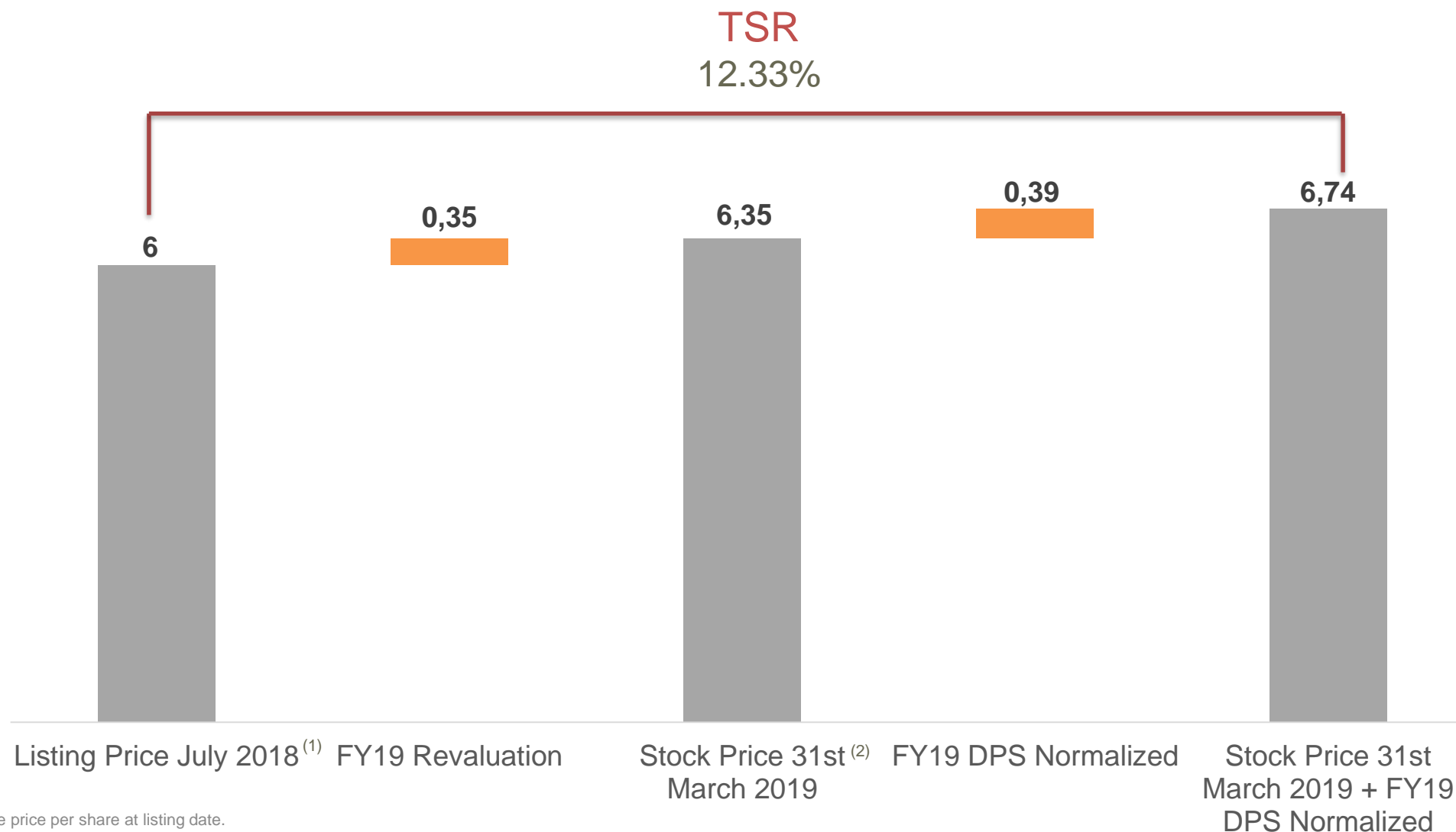
Normalized dividend of €0.39 per share, 87% of the FFO



- 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%



<sup>(1)</sup> Listing Price is the price per share at listing date.

<sup>(2)</sup> Closing share price of €6.55 per share as of 31<sup>st</sup> 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 <sup>(1)</sup>:** €80.6m
- **GLA:** 24,158 sqm



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



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



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



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

<sup>(1)</sup> Acquisition price. Transaction costs not included.

# 4

## Asset Management

# Active Asset Management

Unlocking value through experienced team



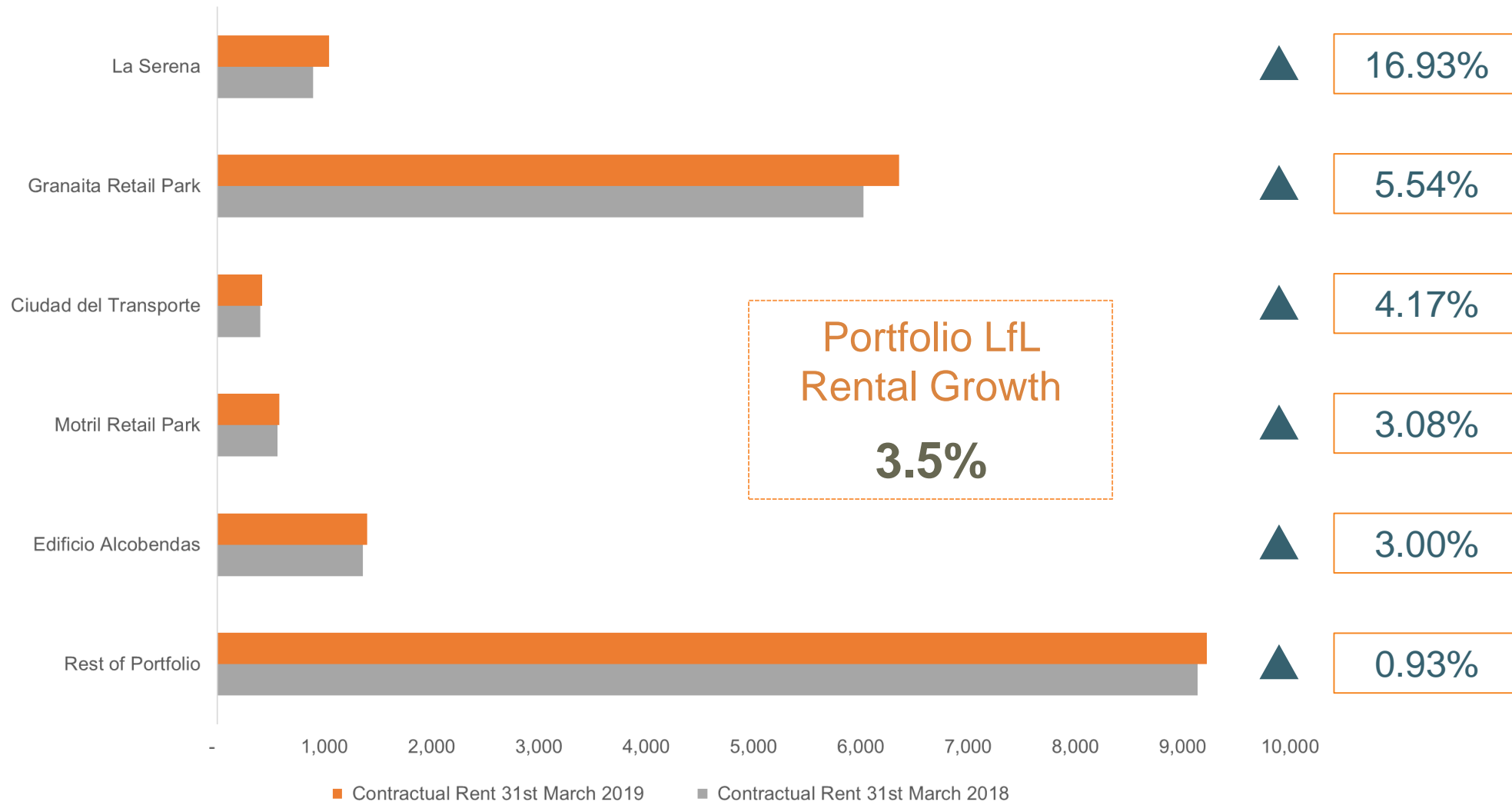
- ✓ **Additional NOI of €1.6m**
- ✓ Portfolio **vacancy kept low at 2.1%. 61 new leases** <sup>(1)</sup> signed in FY19. Excluding Storage Areas, vacant units stand at 1.6% of GLA.
- ✓ Total **arrears** comprise **only 0.71%** of total rent invoiced.
- ✓ Accretive redevelopment projects. **Granaita: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

<sup>(1)</sup> 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)



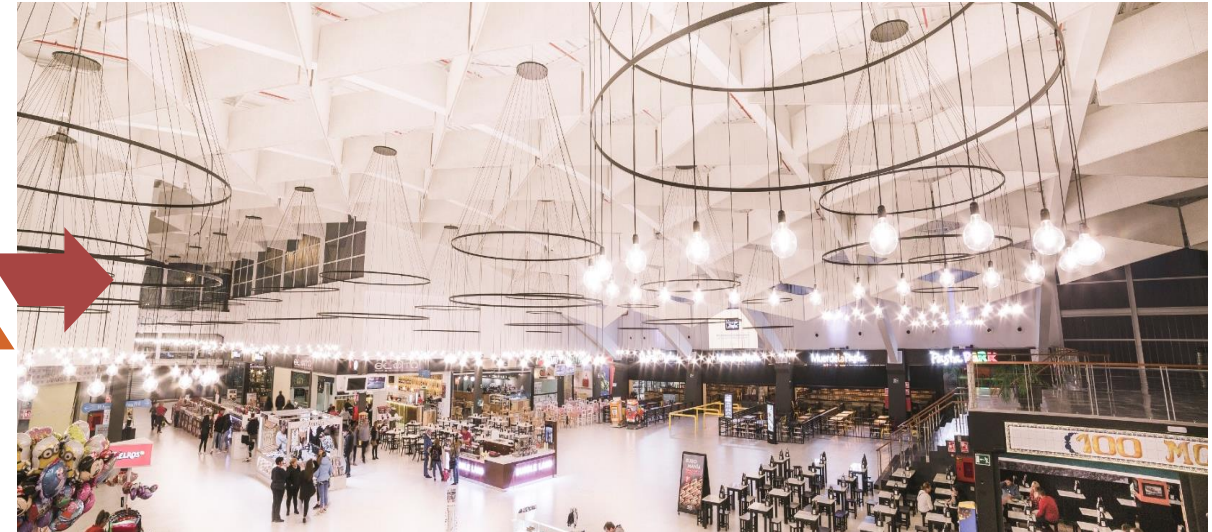
▷ **CPI in 2018: 1.2%\***  
(c. 2.3% above inflation)

# 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



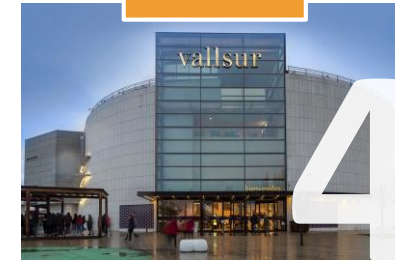
BAHÍA SUR



LOS ARCOS



VALLSUR



HABANERAS



GAV > €162.3M<sup>(1)</sup>

€120.2M

€118.2M<sup>(2)</sup>

€92.8M

€88.8M

PROVINCE > Badajoz

Cadiz

Seville

Valladolid

Alicante

GLA > 43 423m<sup>2</sup>

24 789m<sup>2</sup>

17 906m<sup>2</sup>

35 211m<sup>2</sup>

24 165m<sup>2</sup>

MONTHLY RENTAL > €17/m<sup>2</sup>

€25/m<sup>2</sup>

€33/m<sup>2</sup>

€15/m<sup>2</sup>

€18/m<sup>2</sup>

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%



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

<sup>(2)</sup> 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 376m<sup>2</sup>

13 604m<sup>2</sup>

16 246m<sup>2</sup>

18 079m<sup>2</sup>

13 447m<sup>2</sup>

MONTHLY RENTAL > €10/m<sup>2</sup>

€16/m<sup>2</sup>

€10/m<sup>2</sup>

€8/m<sup>2</sup>

€8/m<sup>2</sup>

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 405m<sup>2</sup>

MONTHLY RENTAL > €7/m<sup>2</sup>

SECTOR > Retail Park

WALE > 3.5 years

VACANCY > Fully Let

€11.8M

Murcia

10 637m<sup>2</sup>

€6/m<sup>2</sup>

Retail Park

3.2 years

Fully Let

€8.9M

Caceres

7 281m<sup>2</sup>

€7/m<sup>2</sup>

Retail Park

9.7 years

Fully Let

€8.9M

Granada

5 559 m<sup>2</sup>

€9/m<sup>2</sup>

Retail Park

2.2 years

Fully Let

€7.4M

Castellon

3 250m<sup>2</sup>

€11/m<sup>2</sup>

Retail Park

2.3 years

Fully Let



# Castellana's Portfolio

## Offices



ED. ALCOBENDAS



ED. BOLLULLOS



<b>GAV</b> >	<b>€20.6M</b>	<b>€5.7M</b>
PROVINCE >	Madrid	Sevilla
GLA >	11 406m <sup>2</sup>	5 698m <sup>2</sup>
MONTHLY RENTAL >	€10.6/m <sup>2</sup>	€6.9/m <sup>2</sup>
SECTOR >	Offices	Offices
WALE >	12.2 years	12.2 years
VACANCY >	Fully Let	Fully Let



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MANGO