

IGD

2025-27 Business Plan

2025-27 BP targets are based on the previously provided strategic guidelines and include: 1) liabilities' management aimed at reshaping the maturities profile, in a more favourable interest rates scenario; 2) operational initiatives to increase net operating income; and 3) a more attractive portfolio through targeted investments. The end goal is to return to a stable dividend distribution.

2025-27 BP strategic guidelines and 2027 financial targets

IGD is aiming to reach best-in-class performance and to ultimately return to pay stable and sustainable dividends. The main levers are: i) optimising the financial structure, working on refinancing, in order to reshape the maturities profile and lower the cost of debt. With the same goal, IGD is also working on asset disposals (EUR 100M over the plan horizon); ii) maximising value creation from core business activities, including the contribution of the new 'Services' BU (EUR 2M margin expected). IGD plans to offer an 'IGD shopping centre ecosystem' to expand relationships with tenants and engage with further traffic generating brands and adjust its merchandising mix, including services. The target is to improve the operating performance (occupancy target at 98% and 99%, increase in WALB and WALT); iii) investing to enhance the portfolio attractiveness (EUR 50M capex). 2027 targets include the impact of non-core asset disposals and the ending of two master leases and are: i) +16% NRI lfl vs. 2024 (in the company's indications); ii) core business EBITDA at EUR 98M (+16% vs. 2024); FFO at EUR 48M (+41% vs. 2024); LTV at around 40% at YE27 (vs. around 44.8% at end-September 2024).

FY24E-26E update and our FY27E estimates

Our estimates do not factor in any disposals over the plan period, which could thus represent an upside in terms of profitability (net income), FFO and LTV. We broadly confirm our top line and EBITDA assumptions, while we improve our FY25-26E net income mainly thanks to a lower average cost of debt considering the refinancing in 1Q25. We expect EUR 50M capex in 2025E-27E. We assume DPS at EUR 0.05 FY24E, to be paid in 2025, and increasing to EUR 0.14 in 2025E, EUR 0.16 in 2026E, EUR 0.18 in 2027E. LTV is set to improve to 42.2% (from around 45% expected in 2024E), vs. IGD target in 2027E (40%).

Valuation

The stock is trading at a 73% discount to 2025E NAV vs. an avg. 37% of retail real estate stocks. We continue to appreciate IGD's solid portfolio operating performance and believe that going forward improving visibility on the planned disposals and refinancing, in a context of declining interest rates, could support the stock's re-rating path. Following our estimates' revision and periodical WACC update, we set a **new target price of EUR 3.0** (from EUR 2.6), and we confirm our BUY rating on IGD.

IGD – Key data

Y/E Dec (EUR M)	2022A	2023A	2024E	2025E	2026E
Revenues	152.0	156.3	144.2	143.3	142.6
EBITDA	103.2	107.7	101.7	98.93	102.6
EBIT	7.69	-33.10	76.63	96.43	100.1
Net income	-22.34	-81.70	-22.17	34.63	45.71
EPRA EPS (EUR)	0.58	0.52	0.27	0.31	0.41
Net debt/-cash	976.9	968.4	815.0	810.5	797.9
Adj. P/E (x)	6.3	4.9	9.2	8.0	6.0
EV/EBITDA (x)	13.4	11.6	10.7	11.0	10.5
EV/EBIT (x)	NM	Neg.	14.2	11.3	10.7
Div ord yield (%)	8.2	0	2.0	5.6	6.5

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 03/12/2024

6 December 2024: 10:47 CET
Date and time of production

BUY

Target Price: EUR 3.0
(from EUR 2.6)

Italy/Real Estate
Company Update

EXM-STAR

IGD - Key Data	
Price date (market close)	03/12/2024
Target price (€)	3.0
Target upside (%)	20.00
Market price (€)	2.50
Market cap (EUR M)	275.86
52Wk range (€)	2.62/1.41

EPS – DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▼	EPS ▲	chg%	chg%
Curr.	0.271	0.314	-1.29	3.94
Prev.	0.275	0.302	-	-
	DPS =	DPS ▲	chg%	chg%
Curr.	0.050	0.141	0	88.28
Prev.	0.050	0.075	-	-

Price Perf. (RIC: IGD.MI BB: IGD IM)



Source: FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

Arianna Terazzi - Research Analyst
+39 02 4127 9026
arianna.terazzi@intesasanpaolo.com

Corporate Broking Research

A. Francese, G. Bertl, G. Cabrino
D. Rimini, A. Terazzi

Commitment to Return to a Sustainable Dividend

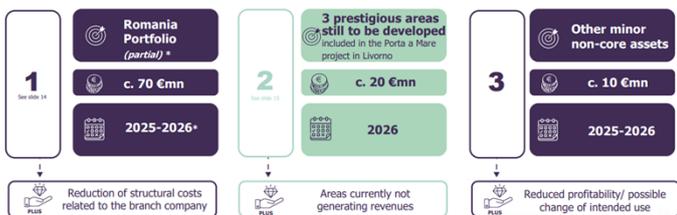
After navigating through inflation, the refinancing needs during the 2022-23 rise in interest rates, resulting in FFO erosion, the portfolio value negative fair value changes booked and lower dividends, the company recently outlined its new 2025-27 Business Plan targets, drawn up by the new governance, after Roberto Zoia was named CEO and GM for 2024-26. The end goal is to drive IGD's performance to best-in-class levels and to return to a sustainable, stable shareholders' remuneration. A dividend on FY24 results should be proposed and paid in 2025.

Strategic guidelines

IGD will leverage on the resilience of its business model, based on a balanced portfolio of activities, with a strategy shaped on three main pillars:

- Optimise the financial profile and reduce financing costs.** The company is working on refinancing transactions with a pool of banks (but also monitoring debt capital markets) to potentially refinance the costly bonds (currently around EUR 368M bond at nearly 8% overall cost) with the aim to avoid financial maturities' concentration (currently over 70% of debt expires in 2027) and extend debt duration. IGD could also lever on EUR 1.1Bn unencumbered assets (at end-September 2024). Negotiations with banks are at an advanced stage, and management shared that they are confident on an agreement by 1Q25. EUR 100M of non-core asset disposals targeted in 2025-26 are also part of the plan (around EUR 70M assets in Romania, 3 development areas included in the Porta a Mare project for around EUR 20M, and EUR 10M related to other minor non-core assets);

IGD – EUR 100M disposal of non-core assets



* the remaining part of Romanian portfolio could be disposed over BP horizon;
Source: Company data

IGD- Targeted disposal of Romanian assets

	% Romania Market Value	HYPHOTETICAL TARGETS		
		Institutional investors	Domestic institutional investors	Family office/ private investors
1 Premium asset (Ploiesti MV* - 40€ mn)	32.9%	✓	✓	
6 Medium size assets (Unitary MV: 7-12€ mn)	42.3%	✓	✓	
7 Minor assets (Unitary MV: 2-7€ mn)	22.4%		✓	✓
1 Office building (Unitary MV: 2,9€ mn)	2.4%		✓	✓

Source: Company data

- Maximise value creation from core business activities, including the contribution of the new 'Services' BU.** IGD plans to offer an 'IGD shopping center ecosystem' (high value-added property services, digital and communication tools) to expand the relationship with its tenants, try to engage with further traffic generating brands and adjust its merchandising mix, including services. The target is to improve the operating performance (occupancy target at 98% and 99% in Italy and Romanian malls, net of disposals, and weighted average lease break and term). The company expects to generate an annual margin of around EUR 2M from the 'Service' business (management of third-party assets);

IGD – 2027 Operating targets

		at 30/09/24	2027 Targets
Malls Occupancy %	ITA	94.5	~98
	ROM	95.2	~99
Malls WALB*, years	ITA	1.9	~2.5**
	ROM	2.2	~3
Malls WALT***, years	ITA	4.2	~4.2
	ROM	3.7	~5.4

* Weighted Average Lease Break; o/w new contracts 3.5 years, existing contracts 1.5 years; ***Weighted Average Lease Term; Source: Company data

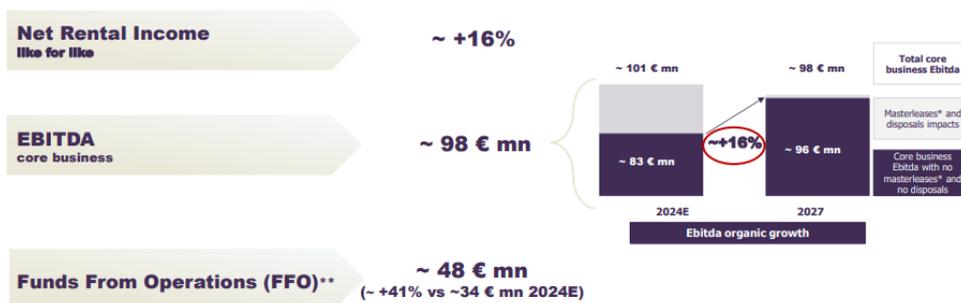
- **Invest in ESG to enhance the attractiveness of IGD's portfolio.** The 2025-27 pipeline envisages around EUR 50M capex (1% of Gross Asset Value per year), o/w: i) EUR 16M mainly linked to technology and digitalization, re-sizing, re-modelling and re-shaping; ii) EUR 11M of ESG-specific investments with the aim for 2027 to reduce Scope 1-2 emissions by 40% (baseline 2018) and Scope 3 by 20% (baseline 2021); iii) EUR 23M in extraordinary maintenance to increase the assets' life cycle and resilience (0.5% of GAV per year).

Financial targets

2027 targets include the impact of non-core asset disposals and the conclusion of 2 master leases and are:

- +16% net rental income lfl vs. 2024 in the company's indications, or around 5% CAGR (o/w approx. 1% from indexation and the remainder from the increase in occupancy, upside from lease renewals, and costs efficiencies). The target considers the contribution of 2 master leases until the expiry date (EUR 9M overall lower top line; one contract will end in 2026, the other in 2027) and includes the negative impact from disposals (Food portfolio and the Romanian assets still in IGD's portfolio as of now, although the company expects to sell them within 2026);
- Core business EBITDA at EUR 98M (+16% vs. 2024 lfl). It should reach EUR 96M excluding the master leases and impact from disposed assets;
- FFO at EUR 48M (+41% vs. EUR 34M 2024, as per the company's guidance);
- LTV at around 40% at YE27 (vs. around 44.8% at end-September 2024, FY26 Factset consensus at 42.3%). Valuations are expected to be overall broadly stable within the time horizon of the plan.

IGD – 2025-27 economic targets



Source: Company data

FY24-27E Estimates

We revise our 2024E-26E estimates and introduce our 2027E forecasts. Our estimates do not factor in any disposal to be carried out over the plan's period, which could thus represent an upside in terms of profitability (net income), FFO and LTV.

We broadly confirm our top line and EBITDA assumptions, while our FY25E-26E net income forecasts improve mainly thanks to the lower financial costs, as we embed a lower average cost of debt considering a refinancing in 1Q25.

We expect EUR 50M capex in 2025E-27E (in line with the level planned by IGD). We also confirm our DPS forecast of EUR 0.05 for FY24E, to be proposed and paid in 2025, increasing to EUR 0.14 in 2025E (+76.5% vs. our previous estimates), EUR 0.16 in 2026E (+61.5% vs. our old estimates), EUR 0.18 in 2027E. LTV is set to improve to 42.2% (from around 45% expected in 2024E), vs. the range targeted by IGD in 2027E (40%).

IGD – 2023A-27E P&L (New vs. old estimates)

EUR M	2023A	2024E New	2025E New	2026E New	2027E New	2024E Old	2025E Old	2026E Old
Net rental income	119.6	111.0	109.6	112.6	110.7	111.5	109.5	111.4
Total gross rental incomes	142.4	134.0	131.1	133.6	132.1	134.5	131	134.4
Service revenues	142.4	7.8	7.9	9.0	9.5	7.8	8	8.1
Non-operating income	6.2	2.4	4.3	0.0	0.0	4	2	0
Total revenues	156.3	144.2	143.3	142.6	141.5	146.3	141	142.5
Cost of sold	-6.7	-2.2	-4.2	0.0	0.0	-4	-1.9	-1.9
Personnel	-7.8	-7.9	-7.9	-8.0	-8.2	-7.9	-6.8	-6
Direct cost	-28.5	-23.0	-21.5	-21.0	-21.4	-27.5	-27.5	-27
G&A expenses	-5.6	-5.7	-4.8	-4.8	-4.8	-5.7	-5.8	-5.9
Total costs	-48.6	-38.5	-22.9	-19.0	-19.3	-45.1	-42	-40.8
EBITDA	107.7	101.7	98.9	102.6	100.8	101.2	99	101.8
EBITDA margin (%)	68.9	70.5	69.0	71.9	71.2	69.2	70.2	71.5
Provisions	0	-0.1	-0.5	-0.5	-0.5	-0.1	-0.1	-0.1
D&A	-2	-1.9	-2.0	-2.0	-1.7	-1	-1	-1
Write downs and FV	-138.8	-23.0	0.0	0.0	0.0	-19	0	0
EBIT	-33.1	76.6	96.4	100.1	98.6	81	93.7	94.7
NFC	-48.7	-68.5	-61.2	-53.8	-52.0	-68.5	-59	-57
Other operations/equity stakes	-0.1	-29.1	0.0	0.0	0.0	-29.1	0	0
EBT	-81.8	-21.0	35.2	46.3	46.6	-16.6	34	35
Taxes	0	-1.2	-0.6	-0.6	-1.1	-1.2	-1.2	-1.2
Net income	-81.7	-22.2	34.6	45.7	45.5	-17.8	33.3	34.3
Minorities	0	0.0	0.0	0.0	0.0	0	0	0
Group net income	-81.7	29.9	34.6	45.7	45.5	-17.8	33.3	34.3

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

IGD – 2023A-27E main KPIs (New vs. old estimates)

EUR M - EUR/share	2023A	2024E New	2025E New	2026E New	2027E New	2024E Old	2025E Old	2026E Old
EPS adj.	0.52	0.27	0.31	0.41	0.41	0.27	0.3	0.31
DPS	0	0.05	0.14	0.16	0.18	0.05	0.08	0.10
FFO recurring	55.4	33.6	34.7	42.8	42.8	34	36.5	38.5
FFO recurring per share	0.5	0.30	0.31	0.39	0.39	0.31	0.33	0.35
FFO recurring change yoy %		-0.4	0.0	0.2	0.0	-38.5	7.3	5.5
EPRA NAV	1026.1	988.0	1017.3	1047.3	1075.1	992.4	1020.4	1046.3
EPRA NAV per share	9.3	9.0	9.2	9.5	9.7	8.99	9.25	9.48
Net debt	968.4	815.0	810.5	797.9	784.7	810.5	794.5	780.9
LTV %	48.1	45.1	44.3	43.2	42.2	45	43.9	42.9

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

IGD – 2024E-26E % revisions new vs. old estimates

%	2024E	2025E	2026E
	New/Old	New/Old	New/Old
Revenues	-1.5	1.6	0.1
EBITDA	0.5	-0.1	0.8
Net income	NM	4.0	33.3
FFO recurring	-1.1	-4.8	11.2
DPS	0.0	76.5	61.5
Net debt/-cash	0.6	2.0	2.2
LTV (bps)	6	37	31
EPRA NAV	-0.4	-0.3	0.1

Source: Intesa Sanpaolo Research estimates

Valuation

We value IGD based on the average equity value derived from DCF, DDM and multiples-based methodologies. Our model returns a higher **target price of EUR 3.0** (from EUR 2.6), following our estimates and WACC parameters revision.

BUY rating;
new TP EUR 3.0 from EUR 2.6

IGD – Target price calculation

EUR/Share	TP	Prem./Disc. To NAV 2025E %
IGD DCF model	4.2	-54%
IGD DDM model	0.4	-96%
IGD average peers' multiple	4.3	-53%
Average TP	3.0	-68%
Mkt price discount to NAV		-73%
2024E EPRA NAV/share		9.22

Source: Intesa Sanpaolo Research estimates

IGD – WACC calculation (%)

Risk free rate	3.50
Equity Risk Premium	6.50
Beta (x)*	1.06
Cost of Equity	10.4
Net cost of debt	3.75
D/D+E	50
E/D+E	50
WACC	7.1

Note: *LSEG; Source: Intesa Sanpaolo Research estimates

DCF methodology

IGD - DCF valuation (2025E-27E)

EUR M	2025E	2026E	2027E	Beyond
EBIT	96.4	100.1	98.6	
Taxes	-0.6	-0.6	-1.1	
NOPAT	95.8	99.5	97.5	99.5
D&A and other non-cash items	2.5	2.5	2.2	
Total capex	-15	-20	-15	
Working capital	-3.2	-2.0	-3.0	
Operating FCF	80.1	80.0	81.7	99.5
NPV FCF	74.8	69.8	66.6	
SUM DCF (2025E-27E)	211			
TV	1,407			
NPV TV	1,070			
SUM TV+DCF	1,282			
Net debt 2024E/Sever. & other funds	815			
Equity Value	467			
Equity Value (EUR/share)	4.2			

Source: Intesa Sanpaolo Research estimates

DDM methodology

IGD - DDM valuation (2025E-27E)

EUR M	2025E	2026E	2027E	Beyond
FCFE	5.5	15.6	17.8	20.0
COE (%)	10.4			
NPV FCFE	5.0	12.8	13.2	
SUM FCFE 2024E-27E	31			
Terminal Value (net of funds)	20			
NPV Terminal value	13			
Total FCFE	44			
FCFE per share (EUR)	0.4			

Source: Intesa Sanpaolo Research estimates

Multiples' approach**IGD – Peers P/NAV multiples (2024A-26E)**

(x)	2024	2025	2026
Eurocommercial Properties NV	0.61	0.60	0.59
Unibail-Rodamco-Westfield SE Stapled	0.69	0.67	0.62
Klepierre SA	0.89	0.85	0.81
Mercialys SA	0.60	0.58	0.57
Wereldhave N.V.	0.62	0.58	0.56
MERLIN Properties SOCIMI, S.A.	0.76	0.72	0.67
Covivio SA	0.64	0.62	0.60
Gecina SA	0.64	0.62	0.60
Icade SA	0.37	0.40	0.41
Average	0.65	0.63	0.60

Priced at market close on 03/12/2024; Source: FactSet

IGD – Peers' multiples valuation

Multiple P/NAV	P/NAV 2025E (x)	2024E EPRA NAV (EUR M)	NAV/sh. NAV/sh.
Peers' avg. P/NAV 2024E (FactSet) & ISP 2025E NAV	0.63	1017	5.8
Holding cost/discount per share (25%)			-1.4
Implied TP (EUR)			4.3

Source: Intesa Sanpaolo Research estimates

Valuation and Key Risks

Valuation basis

Our EUR 3.0/sh. TP is obtained based on the average equity value derived from DCF, DDM (with a 10.4% cost of equity and a 7.1% WACC) and multiples-based methodologies based on P/NAV.

Key Risks

Company specific risks:

- The company's high domestic exposure, with a strong correlation to Italian country risk;
- The exposure to the retail business potentially affecting rents in a slowdown of GDP
- High cost of debt eroding FFO

Sector generic risks:

- Interest rates' dynamic
- Vacancies
- Tenants' credit risk

Company Snapshot

Company Description

Immobiliare Grande Distribuzione SIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €2,140.5 million at 31 December 2021, comprised of, in Italy, 19 hypermarkets and supermarkets, 27 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and 6 other real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, leadership in the retail real estate sector: these qualities summarize IGD's strong points.

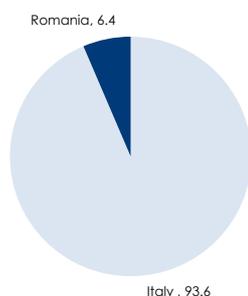
Key data

Mkt price (€)	2.50	Free float (%)	45.5
No. of shares	110.3	Major shr	Coop Alleanza 3.0
52Wk range (€)	2.62/1.41	(%)	40.9
Reuters	IGD.MI	Bloomberg	IGD IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-1.2	-1M	0.9
-3M	3.7	-3M	3.8
-12M	14.2	-12M	1.2

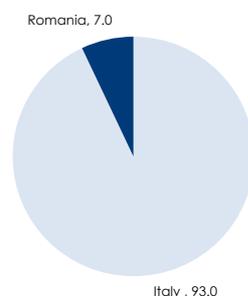
Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Sales	156.3	144.2	143.0	143.3	140.0	142.6	141.8
EBITDA	107.7	101.7	101.4	98.93	99.17	102.6	101.4
EBIT	-33.10	76.63	99.00	96.43	98.00	100.1	99.00
Pre-tax income	-81.80	-20.97	-16.79	35.23	35.00	46.31	39.50
EPRA Earnings	57.10	29.93	34.00	34.63	36.50	45.71	40.00
EPRA EPS (€)	0.52	0.27	0.29	0.31	0.32	0.41	0.36

Sales breakdown by asset (%)



GAV breakdown by asset (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 03/12/2024)

IGD – Key Data

Rating BUY	Target price (€/sh) Ord 3.0		Mkt price (€/sh) Ord 2.50			Sector Real Estate
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E	2026E
No. ordinary shares (M)	110.3	110.3	110.3	110.3	110.3	110.3
Market cap (EUR M)	429.30	404.64	278.87	275.86	275.86	275.86
Adj. EPS	0.571	0.581	0.517	0.271	0.314	0.414
CFPS	0.33	-1.07	-2.02	-0.43	0.29	0.39
BVPS	10.70	10.16	9.10	8.90	9.22	9.63
NAVPS	10.62	10.17	9.13	8.92	9.19	9.46
Dividend ord	0.350	0.300	0	0.050	0.141	0.162
Average Price	3.9	3.7	2.5	2.5	2.5	2.5
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	152.0	152.0	156.3	144.2	143.3	142.6
EBITDA	106.8	103.2	107.7	101.7	98.93	102.6
EBIT	89.88	7.69	-33.10	76.63	96.43	100.1
Pre-tax income	55.78	-22.34	-81.80	-20.97	35.23	46.31
Net income	52.78	-22.34	-81.70	-22.17	34.63	45.71
EPRA earnings	63.02	64.16	57.10	29.93	34.63	45.71
Cash flow (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Net income before minorities	52.8	-22.3	-81.7	-22.2	34.6	45.7
Depreciation and provisions	16.9	95.5	140.8	25.1	2.5	2.5
Others/Uses of funds	-0.5	0.1	0	4.4	-0.5	0.5
Change in working capital	5.3	12.4	0	-29.1	-3.2	-2.0
Operating cash flow	77.5	85.6	59.0	-20.6	34.0	47.3
Capital expenditure	-35.0	-35.0	-25.0	-20.0	-15.0	-20.0
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	115.0	0	0	155.0	0	0
Free cash flow	157.5	50.6	34.0	114.4	19.0	27.3
Dividends	0	-38.6	-33.1	0	-5.5	-15.6
Equity changes & other non op item	-11.6	-92.7	-6.8	-125.4	-3.0	-6.0
Net cash flow	168.4	10.1	8.5	153.5	4.5	12.6
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Total fixed assets	2,186.4	2,117.5	1,970.5	1,696.1	1,718.1	1,734.1
Net working capital	25.1	12.8	-31.1	-2.0	1.2	3.2
Other items	-44.3	-31.7	33.7	109.7	109.2	108.7
Net capital employed	2,167.2	2,098.5	1,973.1	1,803.8	1,828.5	1,846.0
Net debt/-cash	987.0	976.9	968.4	815.0	810.5	797.9
Minorities	0	0	0	0	0	0
Net equity	1,180.2	1,121.6	1,004.7	982.4	1,017.1	1,062.7
Stock market ratios (x)	2021A	2022A	2023A	2024E	2025E	2026E
Adj. P/E	6.8	6.3	4.9	9.2	8.0	6.0
P/CFPS	12.0	-3.4	-1.3	-5.8	8.6	6.4
P/BVPS	0.36	0.36	0.28	0.28	0.27	0.26
P/NAVPS	0.24	0.25	0.28	0.28	0.27	0.27
Payout (%)	73	-148	0	-25	45	39
Dividend yield (% ord)	9.0	8.2	0	2.0	5.6	6.5
FCF yield (%)	36.7	12.5	12.2	41.5	6.9	9.9
LTV (%)	44.8	45.7	48.1	45.1	44.3	43.2
D/EBIT	11.0	127.0	Neg.	10.6	8.4	8.0
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA margin	70.3	67.9	68.9	70.5	69.0	71.9
EBIT margin	59.1	5.1	-21.2	53.2	67.3	70.2
Tax rate	NM	NM	NM	5.7	NM	NM
Net income margin	34.7	-14.7	-52.3	-15.4	24.2	32.1
ROCE	4.1	0.4	-1.7	4.2	5.3	5.4
ROE	4.6	-1.9	-7.7	-2.2	3.5	4.4
Interest cover	-2.6	-0.3	0.7	-0.8	-1.6	-1.9
Debt/equity ratio	83.6	87.1	96.4	83.0	79.7	75.1
Growth (%)		2022A	2023A	2024E	2025E	2026E
Sales		-0.0	2.8	-7.8	-0.6	-0.5
EBITDA		-3.4	4.4	-5.6	-2.7	3.7
EBIT		-91.4	NM	NM	25.8	3.8
Pre-tax income		NM	NM	74.4	NM	31.4
EPRA earnings		64.2	57.1	29.9	34.6	45.7
NAV data	2021A	2022A	2023A	2024E	2025E	2026E
Properties and other assets MV	2,186.4	2,117.5	1,970.5	1,696.1	1,718.1	1,734.1
NAV	1,171.8	1,121.8	1,007.0	984.8	1,013.9	1,044.1

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Disclaimer

Analyst certification

The financial analyst who prepared this report, and whose name and role appear on the first page, certifies that:

1. The views expressed on the company mentioned herein accurately reflect independent, fair and balanced personal views; 2. No direct or indirect compensation has been or will be received in exchange for any views expressed.

Specific disclosures

- Neither the analyst nor any person closely associated with the analyst has a financial interest in the securities of the company.
- Neither the analyst nor any person closely associated with the analyst serves as an officer, director or advisory board member of the company.
- The analyst named in this document is not registered with or qualified by FINRA, the U.S. regulatory body with oversight over Intesa Sanpaolo IMI Securities Corp. Accordingly, the analyst may not be subject to FINRA Rule 2241 or FINRA Rule 2242 as applicable with respect to communications with a subject company, public appearances and trading securities in a personal account. For additional information, please contact the Compliance Department of Intesa Sanpaolo IMI Securities Corp. at 212-326-1133.
- The analyst of this report does not receive bonuses, salaries, or any other form of compensation that is based upon specific investment banking transactions.
- The research department supervisors do not have a financial interest in the securities of the company.

This research has been prepared by Intesa Sanpaolo SpA, and is distributed by Intesa Sanpaolo SpA, Intesa Sanpaolo-London Branch (a member of the London Stock Exchange) and Intesa Sanpaolo IMI Securities Corp. (a member of the NYSE and FINRA). Intesa Sanpaolo SpA accepts full responsibility for the contents of this report and also reserves the right to issue this document to its own clients. Intesa Sanpaolo SpA, is authorised by the Banca d'Italia and is regulated by the Financial Services Authority in the conduct of designated investment business in the UK and by the SEC for the conduct of US business.

Opinions and estimates in this research are as at the date of this material and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this research may not be suitable for all investors. If you are in any doubt you should consult your investment advisor.

This report has been prepared solely for information purposes and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. No Intesa Sanpaolo SpA entity accepts any liability whatsoever for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published with the name of Intesa Sanpaolo SpA.

Member companies of the Intesa Sanpaolo Group, or their directors and/or representatives and/or employees and/or persons closely associated with them, may have a long or short position in any securities mentioned at any time, and may make a purchase and/or sale, or offer to make a purchase and/or sale, of any of the securities from time to time in the open market or otherwise.

This document has been prepared and issued for, and thereof is intended for use by, MiFID II eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

Persons and residents in the UK: this document is not for distribution in the United Kingdom to persons who would be defined as private customers under rules of the Financial Conduct Authority.

CH: This information is an advertisement in relation to the financial instruments discussed herein and is not a prospectus pursuant to the Swiss Financial Services Act ("FinSA") and no such prospectus has been or will be prepared for or in connection with such financial instruments. This information does not constitute an offer to sell nor a solicitation to buy such financial instruments.

The financial instruments may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and no application has or will be made to admit the financial instruments to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this information nor any other offering or marketing material relating to the financial instruments may be publicly distributed or otherwise made publicly available in Switzerland.

US persons: This document is intended for distribution in the United States only to Major US Institutional Investors as defined in SEC Rule 15a-6. US Customers wishing to effect a transaction should do so only by contacting a representative at Intesa Sanpaolo IMI Securities Corp. in the US (see contact details below).

Intesa Sanpaolo SpA issues and circulates research to Major Institutional Investors in the USA only through Intesa Sanpaolo IMI Securities Corp., 1 William Street, New York, NY 10004, USA, Tel: (1) 212 326 1150.

Inducements in relation to research

This document has been prepared and issued for, and thereof is intended for use by, MiFID 2 eligible counterparties/professional clients (other than elective professional clients) or otherwise by market professionals or institutional investors only, who are financially sophisticated and capable of evaluating investment risks independently, both in general and with regard to specific transactions and investment strategies.

Therefore, such materials may not be suitable for all investors and recipients are urged to seek the advice of their independent financial advisor for any necessary explanation of the contents thereof.

Pursuant to the provisions of Delegated Directive (EU) 2017/593, this document can be qualified as an acceptable minor non-monetary benefit as it is:

- Written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis (Specialist/Corporate Broker/Listing Agent contract), provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public - Delegated Directive (EU) 2017/593 - art. 12 paragraph 3.

Distribution Method

This document is for the exclusive use of the person to whom it is delivered by Intesa Sanpaolo and may not be reproduced, redistributed, directly or indirectly, to third parties or published, in whole or in part, for any reason, without prior consent expressed by Intesa Sanpaolo. The copyright and all other intellectual property rights on the data, information, opinions and assessments referred to in this information document are the exclusive domain of the Intesa Sanpaolo banking group, unless otherwise indicated. Such data, information, opinions and assessments cannot be the subject of further distribution or reproduction in any form and using any technique, even partially, except with express written consent by Intesa Sanpaolo.

Persons who receive this document are obliged to comply with the above indications.

Coverage policy and frequency of research reports

The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as listing agent or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site (www.imi.intesasanpaolo.com); all other research is available by contacting your sales representative.

Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	BUY stocks are expected to have a total return of at least 10% and are considered the most attractive stocks in the analyst's/analyst's team cluster in a 12M period
HOLD	HOLD stocks are expected to have a total return of at least 0% and are less attractive stocks than BUY rated stocks in the analyst's/analyst's team cluster in a 12M period
SELL	SELL stocks are the least attractive in a coverage cluster in a 12M period.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.

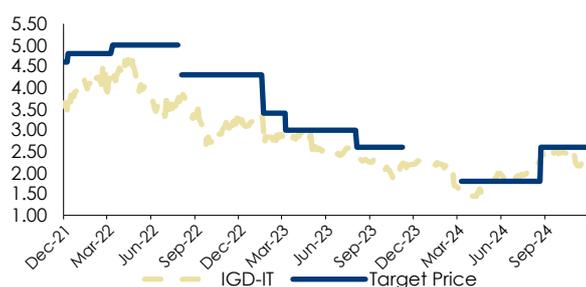
Equity Rating Key (long-term horizon: 12M)

TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on day prior to issue date of the report, as indicated on the first page, except where otherwise indicated.
Note	Intesa Sanpaolo assigns ratings to stocks as outlined above on a 12M horizon based on a number of fundamental drivers including among others, updates to earnings and valuation models. Exceptions to the bands above may occur during specific periods of market, sector or stock volatility or in special situations. Short-term price movements alone do not imply a reassessment of the rating by the analyst.

Important Note: The current rating system has been in place since 22 November 2024. Please refer to the ISP Equity Rating informative note for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity---credit-research>. Previously Intesa Sanpaolo used an absolute rating system based on the following ratings: BUY (if the target price is 10% higher than the market price), HOLD (if the target price is in the range 10% below or 10% above the market price), SELL (if the target price is 10% lower than the market price). After the 22 November 2024, analysts will review and assign ratings on their coverage according to the rating system presented above. For additional details about the old ratings system, please access research reports dated before 22 November at <https://cardea.intesasanpaolo.com/homepage/#/public> or contact the research department.

Historical recommendations and target price trends (long-term horizon: 3Y)

The 3Y rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->.

IGD:**Target price and market price trend (-3Y)****Historical recommendations and target price trend (-3Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
28-Aug-24	BUY	2.6	2.4
15-Mar-24	HOLD	1.80	1.46
15-Nov-23	HOLD	Under Review	2.2
10-Aug-23	HOLD	2.6	2.4
14-Mar-23	HOLD	3.0	2.8
27-Jan-23	HOLD	3.4	3.0
09-Aug-22	ADD	4.3	3.8
05-Aug-22	ADD	Under Review	3.7
18-Mar-22	ADD	5.0	4.3
15-Dec-21	BUY	4.8	3.8

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at October 2024)**

Number of companies considered: 158	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	69	31	0
of which Intesa Sanpaolo's Clients (%)**	64	41	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Company-specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001

no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations. The conflicts of interest published on the internet site are updated to at least the day before the publishing date of this report.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from IGD in the next three months
- One or more of the companies of the Intesa Sanpaolo Banking Group have granted significant financing to IGD and its parent and group companies
- Intesa Sanpaolo acts as Specialist relative to securities issued by IGD

Intesa Sanpaolo Research Dept.

Gregorio De Felice - Head of Research	+39 02 8796 2012	gregorio.defelice@intesasnpaolo.com
--	------------------	-------------------------------------

Equity&Credit Research

Alberto Cordara	+39 02 4127 8647	alberto.cordara@intesasnpaolo.com
------------------------	------------------	-----------------------------------

Giampaolo Trasi	+39 02 8794 9803	giampaolo.trasi@intesasnpaolo.com
------------------------	------------------	-----------------------------------

Equity Research

Monica Bosio (Head)	+39 02 4127 9010	monica.bosio@intesasnpaolo.com
----------------------------	------------------	--------------------------------

Alberto Artoni	+39 02 4127 9011	alberto.artoni@intesasnpaolo.com
----------------	------------------	----------------------------------

Luca Bacoccoli	+39 02 4127 9012	luca.bacoccoli@intesasnpaolo.com
----------------	------------------	----------------------------------

Davide Candela	+39 02 4127 9013	davide.candela@intesasnpaolo.com
----------------	------------------	----------------------------------

Oriana Cardani	+39 02 4127 9014	oriana.cardani@intesasnpaolo.com
----------------	------------------	----------------------------------

Marco Cristofori	+39 02 4127 9015	marco.cristofori@intesasnpaolo.com
------------------	------------------	------------------------------------

Andrea Devita	+39 02 4127 9016	andrea.devita@intesasnpaolo.com
---------------	------------------	---------------------------------

Antonella Frongillo	+39 02 4127 9017	antonella.frongillo@intesasnpaolo.com
---------------------	------------------	---------------------------------------

Renato Gargiulo	+39 02 4127 9018	renato.gargiulo@intesasnpaolo.com
-----------------	------------------	-----------------------------------

Fernando Gil De Santivaner d'Ornellas	+39 02 4127 9694	fernando.gildesantivaner@intesasnpaolo.com
---------------------------------------	------------------	--

Marina Hagoort	+39 02 4127 9161	marina.hagoort@intesasnpaolo.com
----------------	------------------	----------------------------------

Manuela Meroni	+39 02 4127 9019	manuela.meroni@intesasnpaolo.com
----------------	------------------	----------------------------------

Elena Perini	+39 02 4127 9020	elena.perini@intesasnpaolo.com
--------------	------------------	--------------------------------

Bruno Permutti	+39 02 4127 9021	bruno.permutti@intesasnpaolo.com
----------------	------------------	----------------------------------

Corporate Broking Research

Alberto Francese (Head)	+39 02 4127 9022	alberto.francese@intesasnpaolo.com
--------------------------------	------------------	------------------------------------

Gabriele Berti	+39 02 4127 9023	gabriele.berti@intesasnpaolo.com
----------------	------------------	----------------------------------

Giada Cabrino	+39 02 4127 9024	giada.cabrino@intesasnpaolo.com
---------------	------------------	---------------------------------

Davide Rimini	+39 02 4127 9025	davide.rimini@intesasnpaolo.com
---------------	------------------	---------------------------------

Arianna Terazzi	+39 02 4127 9026	arianna.terazzi@intesasnpaolo.com
-----------------	------------------	-----------------------------------

Credit Research

Maria Grazia Antola (Head)	+39 02 4127 5319	maria.antola@intesasnpaolo.com
-----------------------------------	------------------	--------------------------------

Alessandro Chiodini	+39 02 4127 9027	alessandro.chiodini@intesasnpaolo.com
---------------------	------------------	---------------------------------------

Dario Fasani	+39 02 4127 9028	dario.fasani@intesasnpaolo.com
--------------	------------------	--------------------------------

Melanie Gavin	+39 02 4127 9029	melanie.gavin@intesasnpaolo.com
---------------	------------------	---------------------------------

Maria Gabriella Tronconi	+39 02 4127 9030	maria.tronconi@intesasnpaolo.com
--------------------------	------------------	----------------------------------

Barbara Pizzarelli (Research Support)		barbara.pizzarelli@intesasnpaolo.com
---------------------------------------	--	--------------------------------------

Technical Analysis

Corrado Binda		corrado.binda@intesasnpaolo.com
---------------	--	---------------------------------

Sergio Mingolla		antonio.mingolla@intesasnpaolo.com
-----------------	--	------------------------------------

Clearing & Data Processing

Anna Whatley (Head)	+39 02 4127 9031	anna.whatley@intesasnpaolo.com
----------------------------	------------------	--------------------------------

Stefano Breviglieri		stefano.breviglieri@intesasnpaolo.com
---------------------	--	---------------------------------------

Maria Ermakova		maria.ermakova@intesasnpaolo.com
----------------	--	----------------------------------

Annita Ricci		annita.ricci@intesasnpaolo.com
--------------	--	--------------------------------

Wendy Ruggeri		wendy.ruggeri@intesasnpaolo.com
---------------	--	---------------------------------

Elisabetta Bugliesi (IT support)		elisabetta.bugliesi@intesasnpaolo.com
----------------------------------	--	---------------------------------------

Intesa Sanpaolo – IMI Corporate & Investment Banking Division

Bernardo Bailo - Head of Global Markets Sales	+39 02 7261 2308	bernardo.bailo@intesasnpaolo.com
--	------------------	----------------------------------

Emanuele Pozzi - Head of Global Markets Flow Sales	+39 02 7261 7175	emanuele.pozzi@intesasnpaolo.com
---	------------------	----------------------------------

Equity Sales

Giorgio Pozzobon	+39 02 7261 5616	giorgio.pozzobon@intesasnpaolo.com
-------------------------	------------------	------------------------------------

Institutional Sales

Catherine d'Aragon	+39 02 7261 5929	catherine.daragon@intesasnpaolo.com
---------------------------	------------------	-------------------------------------

Francesca Bonacina		fancesca.bonacina1@intesasnpaolo.com
--------------------	--	--------------------------------------

Carlo Cavalieri	+39 02 7261 2722	carlo.cavalieri@intesasnpaolo.com
-----------------	------------------	-----------------------------------

Laurent Kieffer	+44 20 7651 3653	laurent.kieffer@intesasnpaolo.com
-----------------	------------------	-----------------------------------

Roberta Papeschi	+39 02 7261 6363	roberta.papeschi@intesasnpaolo.com
------------------	------------------	------------------------------------

Federica Repetto	+39 02 7261 5517	federica.repetto@intesasnpaolo.com
------------------	------------------	------------------------------------

Fabrizio Tito	+39 02 7261 7152	fabrizio.tito@intesasnpaolo.com
---------------	------------------	---------------------------------

Mark Wilson	+39 02 7261 2758	mark.wilson@intesasnpaolo.com
-------------	------------------	-------------------------------

Paola Parenti (Corporate Broking)	+39 02 7265 6530	paola.parenti@intesasnpaolo.com
-----------------------------------	------------------	---------------------------------

Francesco Riccardi (Corporate Broking)	+39 02 7261 5966	francesco.riccardi@intesasnpaolo.com
--	------------------	--------------------------------------

Laura Spinella (Corporate Broking)	+39 02 7261 5782	laura.spinella@intesasnpaolo.com
------------------------------------	------------------	----------------------------------

Lorenzo Pennati (Sales Trading)	+39 02 7261 5647	lorenzo.pennati@intesasnpaolo.com
---------------------------------	------------------	-----------------------------------

Equity Derivatives Institutional Sales

Emanuele Manini	+39 02 7261 5936	emanuele.manini@intesasnpaolo.com
------------------------	------------------	-----------------------------------

Enrico Ferrari	+39 02 7261 2806	enrico.ferrari@intesasnpaolo.com
----------------	------------------	----------------------------------

Stefan Gess	+39 02 7261 5927	stefan.gess@intesasnpaolo.com
-------------	------------------	-------------------------------

Edward Lythe	+44 20 7894 2456	edward.lythe@intesasnpaolo.com
--------------	------------------	--------------------------------

Enrico Spotti	+39 02 7261 7183	enrico.spotti@intesasnpaolo.com
---------------	------------------	---------------------------------

Ferdinando Zamprota	+39 02 7261 5577	ferdinando.zamprota@intesasnpaolo.com
---------------------	------------------	---------------------------------------

Gherardo Lenti Capoduri – Head of Market Hub	+39 02 7261 2051	gherardo.lenticapoduri@intesasnpaolo.com
---	------------------	--

Intesa Sanpaolo IMI Securities Corp.

Fabio Martirani (Equity Institutional Sales)	+1 212 326 1230	fabio.martirani@intesasnpaolo.com
---	-----------------	-----------------------------------

Greg Principe (Equity Institutional Sales)	+1 212 326 1233	greg.principe@intesasnpaolo.com
---	-----------------	---------------------------------