



## HALF YEAR 2018 RESULTS

8 August 2018





# HIGHLIGHTS H1 2018

## OPERATIONAL PERFORMANCE

- 3.0% LFL NRI growth with increases across all markets<sup>1</sup>
- ↑1.1% EBITDA to €80.9m

## DIVESTMENTS

- Portfolio repositioning progress from 46 assets (1/1/18) to 34 assets today
  - 12 assets divested for a total consideration of €175m @ 9% premium to book value
- Completed operational exit from Hungary and Romania

## REDEVELOPMENTS

- €300m redevelopment programme in Warsaw creating > 60,000 sqm GLA, 26,000 sqm planned for completion in Q4 2018

## CAPITAL STRUCTURE, LIQUIDITY AND OTHERS

- €75m increase in the revolving credit facility to €300m, maturity extended to 2023
- €8m standing investments valuation result in H1 2018
- €10m annual cost saving programme on track to be completed this year
  - H1 2018 admin cost at €10m, €4m lower than in H1 2017
- Legacy legal arrangement – c. €4m left to pay out, fully provisioned

<sup>1</sup> Excluding 4 residual assets in Hungary for which sale agreements were signed in July 2018



## KPIs PERFORMANCE H1 2018

	6M 2018 €M	6M 2017 €M	CHANGE %
<b>NET RENTAL INCOME</b>			
NRI excl. disposed of assets/redevelopments	64.5	62.2	3.7%
NRI from disposed of assets/redevelopments	<u>27.3</u>	<u>33.3</u>	
Net rental income	91.8	95.5	(3.8%)
EPRA Like-for-Like net rental income	64.5	62.6	3.0%
<b>OPERATIONAL KPIs</b>			
Occupancy rate <sup>1</sup> (in %)	97.0	96.2	0.8%
Operating margin (in %)	97.3	96.6	0.7%
EBITDA	80.9	80.0	1.1%
EBITDA margin (in %)	88.1	83.8	4.3%
<b>EPRA PERFORMANCE</b>			
Company adj. EPRA earnings per share (in €cents)	15.6	16.4	(4.9%)
EPRA cost ratio (incl. direct vacancy cost) (in %)	15.7	16.3	0.6%

<sup>1</sup> The occupancy rate is defined as 100% less EPRA vacancy

## FOCUS: DOMINANT ASSETS IN POLAND AND CZECH

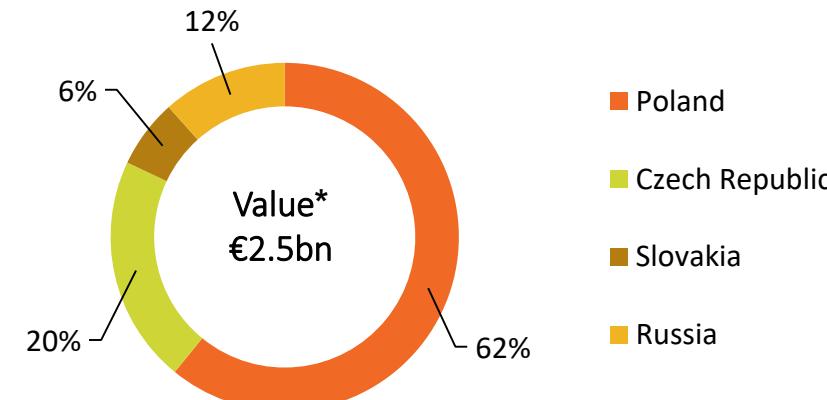
### STANDING INVESTMENT PORTFOLIO SPREAD\*



- Atrium owns 34\* properties, over 900,000 sqm GLA with a market value of €2.5bn\*
- **82%\* of the portfolio is located in Poland and the Czech Republic, 37% in Warsaw and Prague**
- Focus on high quality assets in strong urban locations at the heart of their communities
- The top 10 assets are 68% of total portfolio value and 48% of the GLA
- High quality and convenient locations coupled with healthy retail, leisure and necessity anchor tenants provides resilience to evolving retail climate
- Further growth from redevelopment programme of €300m, creating 60,000 sqm GLA in Warsaw
- 33.5% net LTV supports further growth

### GEOGRAPHIC MIX OF THE PORTFOLIO\*

46 (1/1/18) → 34\* assets as of today

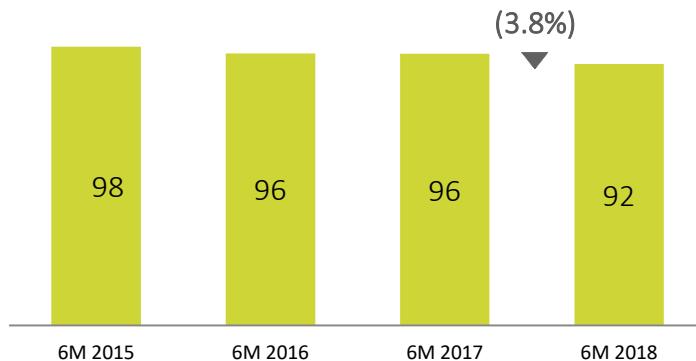


\* Excl. a €95m asset in Romania (sold in July 2018) and 4 assets in Hungary with a total value of €12m (for which sale agreements were signed in July 2018)

# REVENUE OVERVIEW

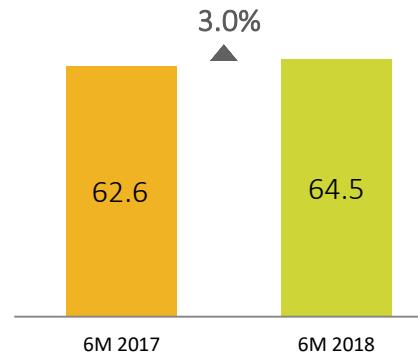
Net rental income  
(in million €)

3.7% increase in NRI excluding disposals and redevelopments



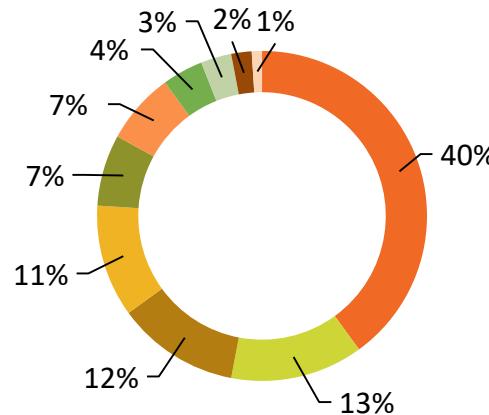
EPRA like-for-like NRI  
(in million €)

2.4% LFL growth excl. Russia



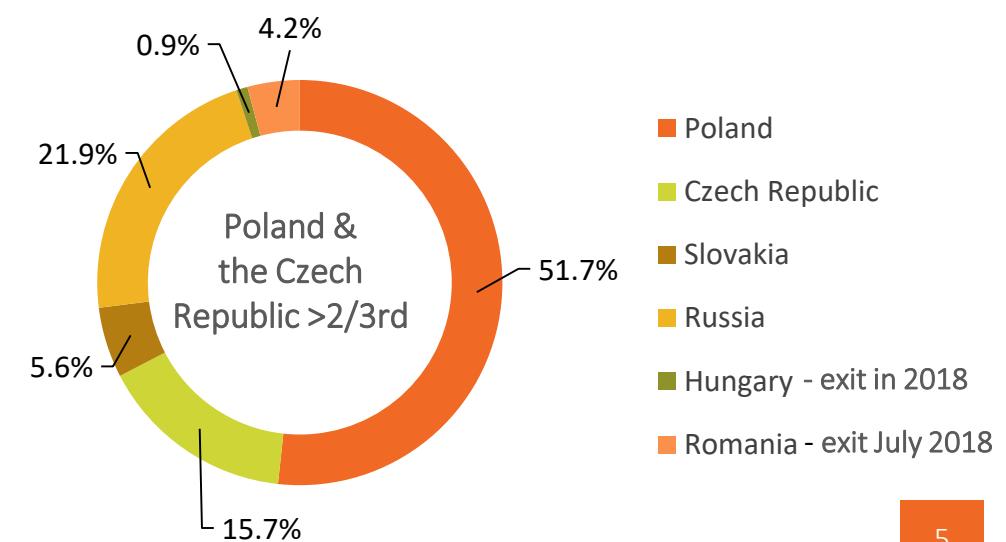
Tenant mix by annualized rental income

Adding 7,400 sqm of leisure and entertainment over the next 9 months

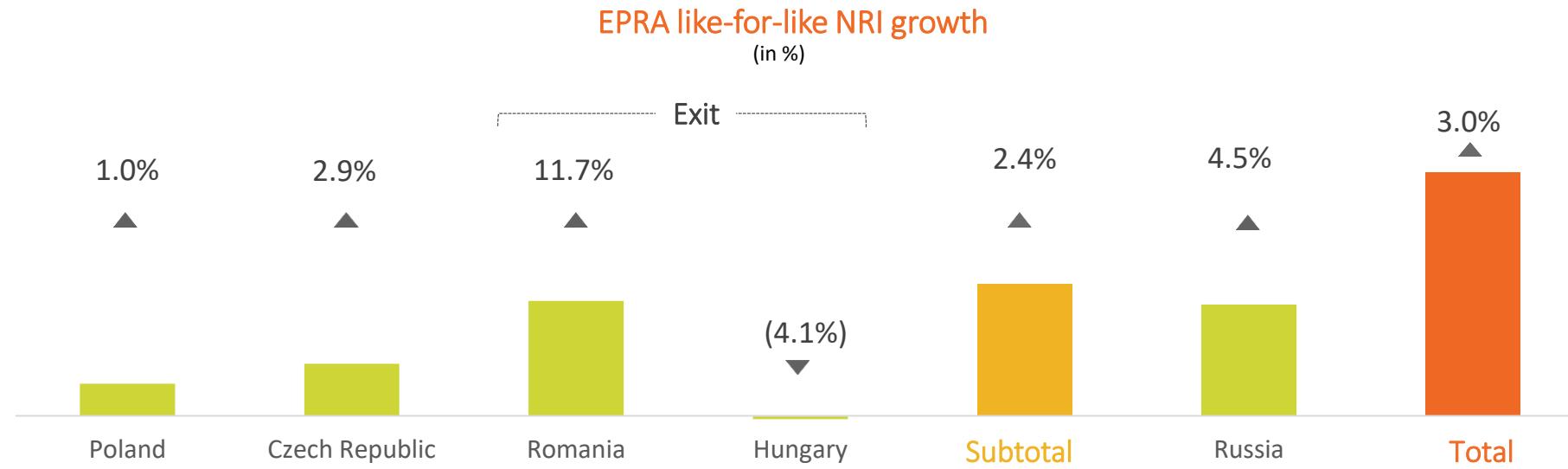


- Fashion Apparel (40%)
- Speciality goods (13%)
- Home (12%)
- Health and Beauty (11%)
- Hyper/Supermarket (7%)
- Restaurants (7%)
- Entertainment (4%)
- Services (3%)
- Non Retail (2%)
- Specialty Food (1%)

NRI H1 2018 per country



# DOMINANT, HIGH QUALITY URBAN ASSETS DRIVE GROWTH



## Poland

- Future growth from redevelopment completions of 26,000 sqm GLA in Q4 2018, adding 5% of GLA to the Polish portfolio
- Continuation of portfolio rotation into Tier 1 and Tier 2 cities
- Poland's Sunday trading ban started in March 2018, gradual implementation over 3 years. Minimal impact to date on footfall from the implementation of the Sunday trading ban

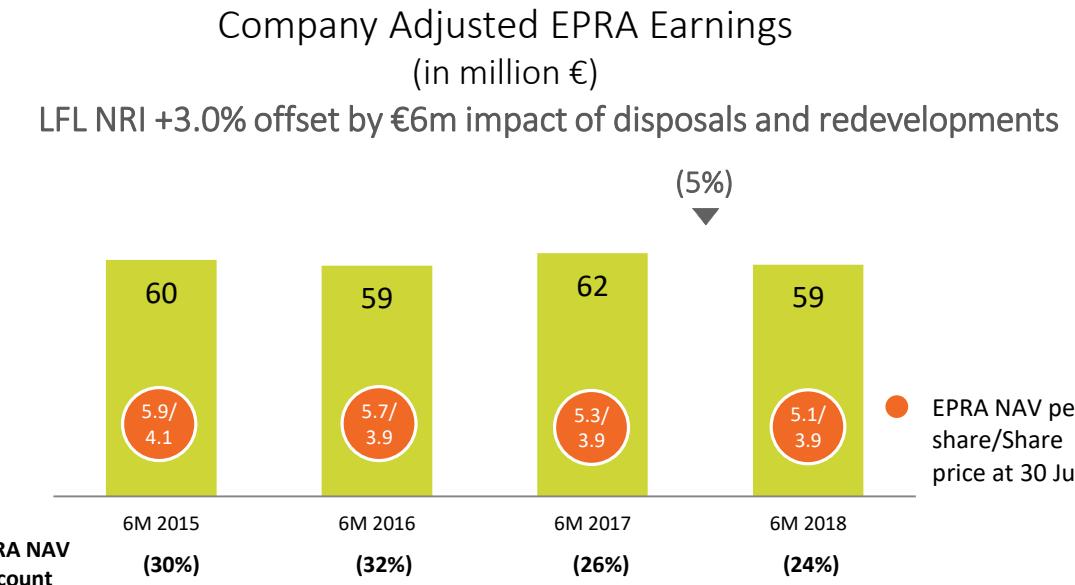
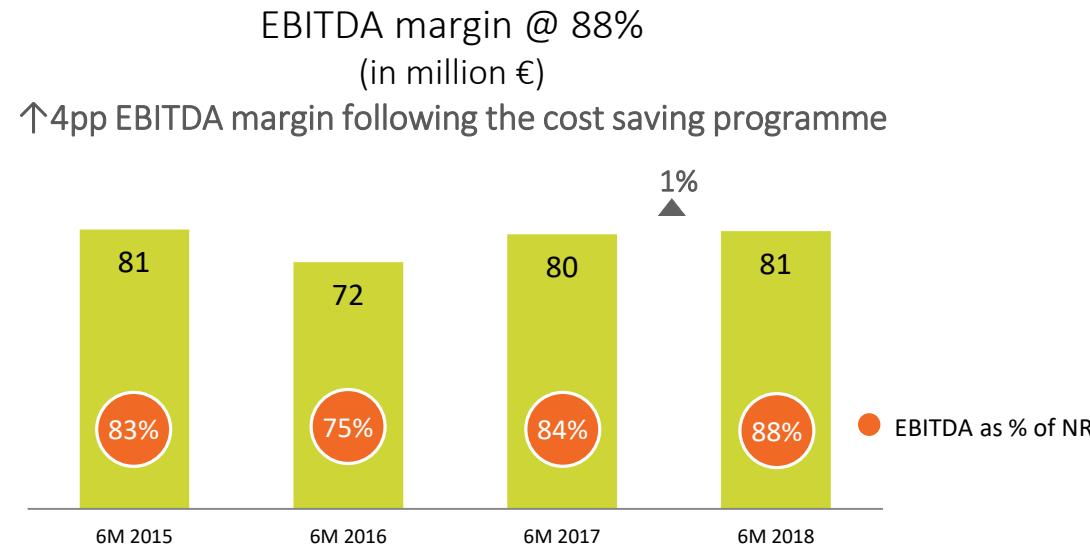
## The Czech Republic +2.9%

- Repositioning plan effectively completed, 80% of the Czech portfolio now in Prague

## Russia

- Stable operational results in 2018 following the recovery in 2017
- Market outlook remains uncertain
- 14.6% devaluation of average Rouble in H1 2018

# EBITDA MARGIN IMPROVES 4pp



Company Adjusted EPRA Earnings per share and regular Dividend per share  
(in € cents)





## STRATEGY EXECUTION SNAPSHOT

31.12.2014

30.06.2018\*

€2.6bn	PORTFOLIO MARKET VALUE	€2.5bn
153	NUMBER OF ASSETS	34
7	NUMBER OF COUNTRIES	4
8,900 sqm	AVERAGE ASSET SIZE IN GLA	27,600 sqm
€17m	AVERAGE ASSET VALUE	€73m
97.4%	OCCUPANCY RATE	97.0%
95.1%	OPERATING MARGIN	97.3%
8.0%	NET EQUIVALENT YIELD	6.8%
€36m	REDEVELOPMENT PROJECTS	€143m
€329m	LAND PORFOLIO	€229m

Portfolio repositioning strategy executed through 120 assets sales with an average value of €3.4m since 2015 and the acquisition of Arkady Pankrac shopping centre in Prague now valued at €173m

\* Excl. a €95m asset in Romania (sold in July 2018) and 4 assets in Hungary with a total value of €12m (for which sale agreements were signed in July 2018)

# €300M REDEVELOPMENT AND EXTENSION PROGRAMME IN WARSAW

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- Further growth and improvement in quality to come from the ongoing €300m redevelopment and extension programme
- Creating over 60,000 sqm GLA to our 3 centres in Warsaw
- €115m invested by the end of June 2018
- Creating dominant and convenient centres with focus on place making and a wider offer of leisure, dining and other entertainment experiences, tailored to the centres' local communities and catchment areas
- High levels of tenant demand for extensions with key tenant leases secured prior to and during construction
- Current phases of the redevelopments are virtually fully leased

# CREATING 26,000 sqm in 2018

## INCREMENTAL GLA



### Atrium Promenada

47,600 sqm

- A large scale extension that creates a unique, modern, interactive shopping centre
- 13,200 sqm are scheduled to open in Q4 2018, including double shop fronts, a refurbished fountain alley and new food court units
- The total project is expected to complete in 2021



### Atrium Targowek

8,600 sqm

- Increase the number and size of dominant fashion anchor tenants
- Refurbish the mall area within the existing scheme
- Expected completion at the end of 2018



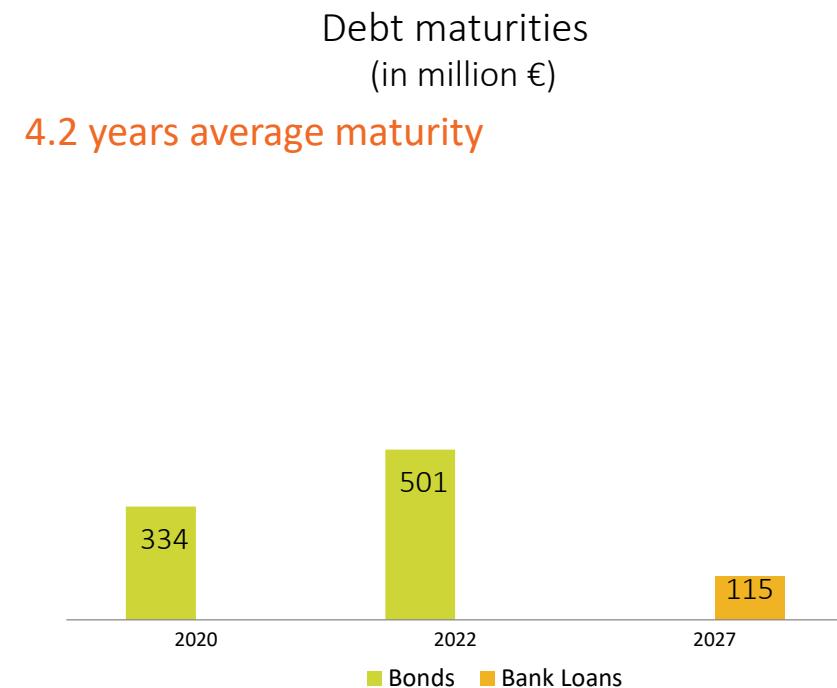
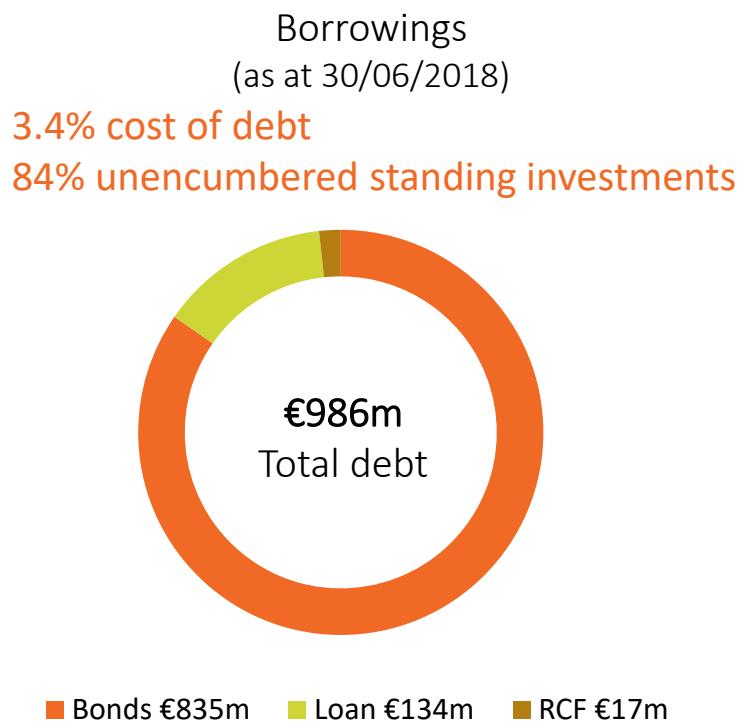
### Atrium Reduta

5,700 sqm

- 2,700 sqm cinema, being the first CINEMA3D in Warsaw and a modern 1,500 sqm fitness centre will open in Q4 2018
- The overall refurbishment of the centre and new food court units will be completed in 2019

# ADEQUATE LIQUIDITY WITH A €300 MILLION REVOLVER CREDIT FACILITY AND A 33.5% NET LTV

- Cash and marketable securities of €45m as at the end of June 2018, €95m from the disposal of Militari was received in July
- €75m increase in revolving credit facility to €300m with an expiry in 2023
- ↓€2m in financial expenses compared to H1 2017- bank refinancing in 2017 and impact of foreign currency differences





## SUMMARY

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### PERFORMANCE

- ↑3.0% LFL NRI growth, LFL growth in all continuing businesses
- Strong operating margin and occupancy > 95%
- ↓€4m admin. in H1 2018, ↓30% than in H1 2017
- Strong EBITDA of €81m, 88% EBITDA margin
- €59m stable adj. EPRA earnings despite disposals and redevelopments

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### PORTFOLIO

- Portfolio repositioned with 34\* large high quality assets valued at €2.5bn
- Exit operations in Hungary and Romania
- Redevelopments – 3 openings in Warsaw by the end of 2018, creating 26,000 sqm additional GLA

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### CAPITAL MANAGEMENT

- €75m increase in revolving credit facility to €300m, undrawn as of 7/8/2018
- €cents 14 per share special dividend paid in March 2018

\* Excl. a €95m asset in Romania (sold in July 2018) and 4 assets in Hungary with a total value of €12m (for which sale agreements were signed in July 2018)



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