



# ATRIUM

2016 RESULTS  
ANALYST AND INVESTOR CALL

22 March 2017



Visualisation of Atrium Promenada

# KEY EVENTS IN 2016



## OPERATIONAL PERFORMANCE

- LFL NRI increased **↑1.8%** (excluding Russia)
- Strong occupancy at **96.6%** and operating margin at **96.4%**
- Russia's performance is **bottoming out**, Q4 LFL -3%
- **€44m revaluation** – mainly Poland/the Czech Republic



## OTHER

- Major milestone reached on legacy legal claims
- €54m legacy legal provision at 31/12/2016
- €40m expected net payment, €38m P&L impact
- In February 2017, Liad Barzilai appointed as Group CEO
- €10m cost efficiency programme planned for 2017/2018



## PORTFOLIO REPOSITIONING

- Further progression of portfolio improvement strategy in 2017
- Focus on redevelopments/extensions
- **+8,000 sqm GLA** in Warsaw in 2016 with 70,000 sqm GLA in pipeline
- 17 non-core assets sold in 2016 for **€134m**, 7% above fair value



## DEBT / LIQUIDITY

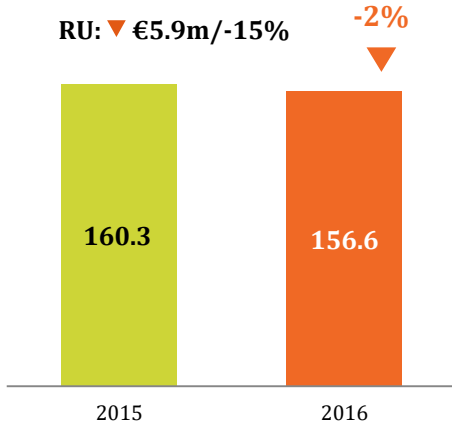
- Strong liquidity profile **providing firepower for growth** - €104m cash, 28.7% net LTV
- €25m revolving credit facility increase **to €175m**
- €67m early debt repayments → lower cost of finance
- **€cents 14** per share **special dividend** paid in Sep. 2016, reflecting the Board's confidence in the Group's prospects
- **€cents 27** per share annual dividend



# LFL NRI EXCL. RUSSIA ↑1.8%, EBITDA @ 85% OF NRI

## EPRA like-for-like NRI

Exc. RU: ▲ €2.2m/1.8%  
 RU: ▼ €5.9m/-15%



### COMPANY ADJUSTED EPRA EARNINGS

#### 12M 2016

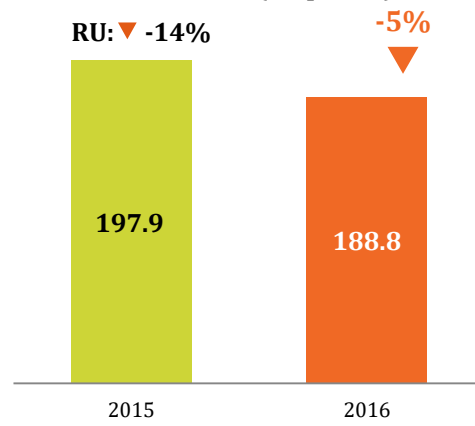
€118.3m

#### 12M 2015

€125.2m

## Net rental income

Exc. RU: ▼ -2% (Disposals)  
 RU: ▼ -14%



### COMPANY ADJUSTED EPRA EPS

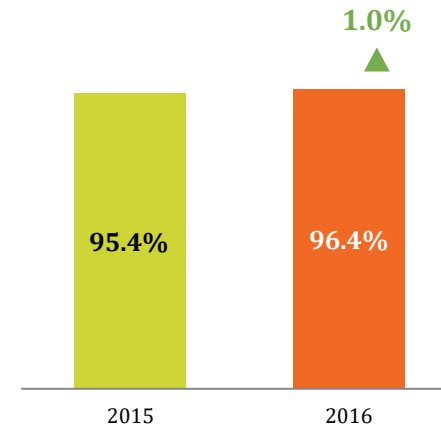
#### 12M 2016

31.4 €cents

#### 12M 2015

33.3 €cents

## Operating margin (%)



### EBITDA<sup>1</sup>

#### 12M 2016

€162.2m

#### 12M 2015

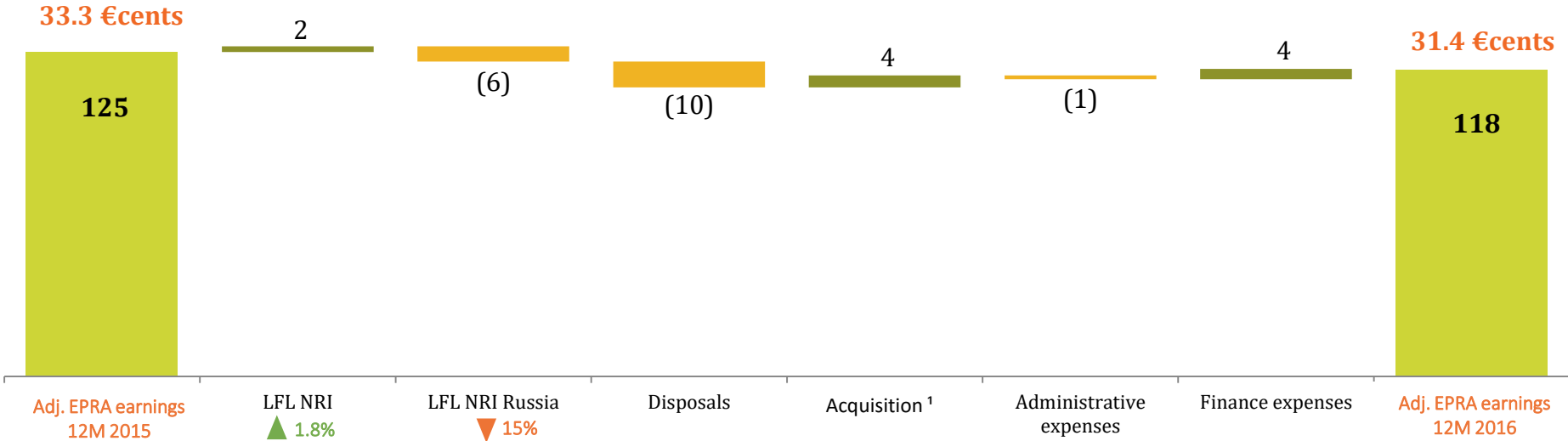
€174.0m

<sup>1</sup> Excluding revaluation, disposals, impairments and legacy legal matters



# COMPANY ADJUSTED EPRA EARNINGS €118m

Company adjusted EPRA earnings (€M)



- A special dividend of €52.7m was paid on 30 September 2016 (€cents 14 per share)
- 86% dividend pay-out ratio (excl. the special dividend)
- The company is conservatively leveraged to support future growth
- Cost savings initiative target €10m improvement in EBITDA from 2018

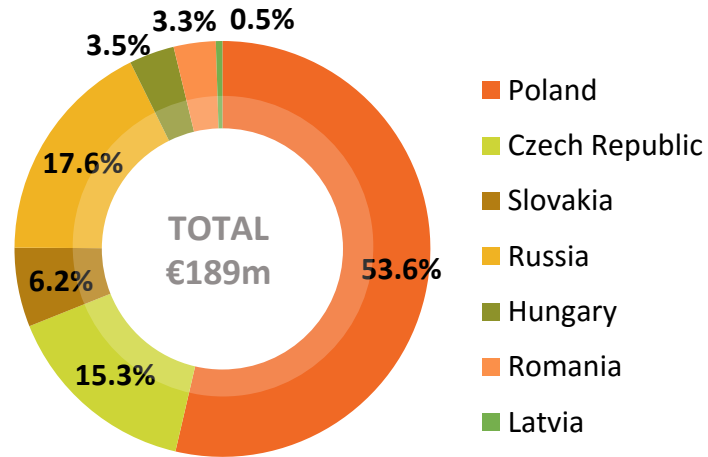


<sup>1</sup> Arkady Pankrac (Joint Venture) purchased in June 2015

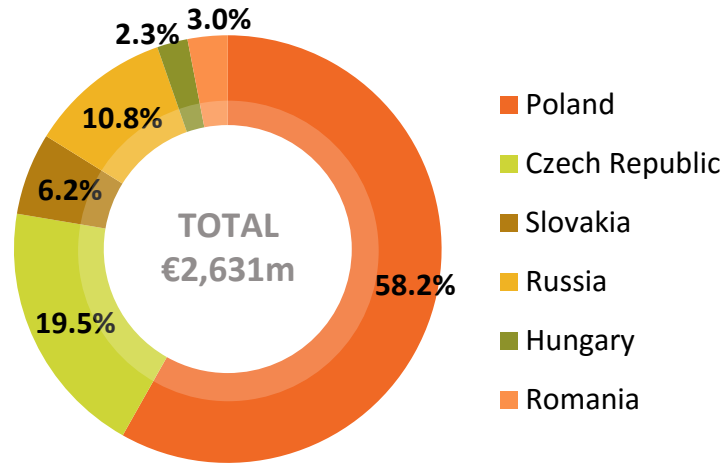
# THE STRATEGY IS PAYING OFF

## FOCUS ON HIGH QUALITY OF RETAIL ASSETS

2016 NRI per country



Market value of SI per country



- Almost 90% of portfolio value and 82% of total NRI is in EU countries
- Poland and the Czech Republic = 78% of portfolio value and 69% of total NRI in 2016
- 60 assets at the end of 2016, 153 at the end of 2014. Total value of standing investments maintained at around €2.6 bn
- 93 non-core assets sold in the past 24 months for €220m, out of which 17 sold in 2016 for €134m, 7% above fair value



# QUALITY BOOST THROUGH REDEVELOPMENTS AND EXTENSIONS

## Atrium Promenada (visualisation)



- 7,600 sqm GLA extension **completed in Oct. 16**
- A further 13,400 sqm **to complete in Q1 18**
- Overall redevelopment will add 44,000 sqm

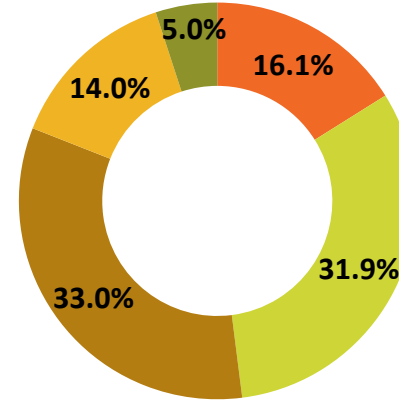
## Atrium Targowek (visualisation)



- 380 parking spaces added in Nov. 2016
- Extension of 8,600 sqm GLA extension
- Refurbishment of the existing scheme
- Expected completion **end of 2018**

## Market value per country

TOTAL  
€304m



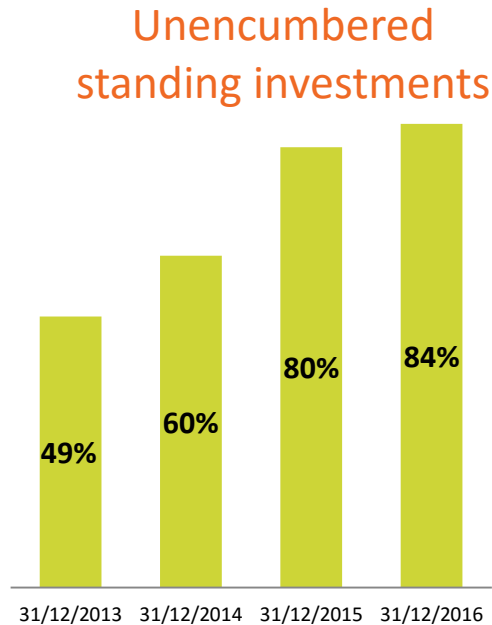
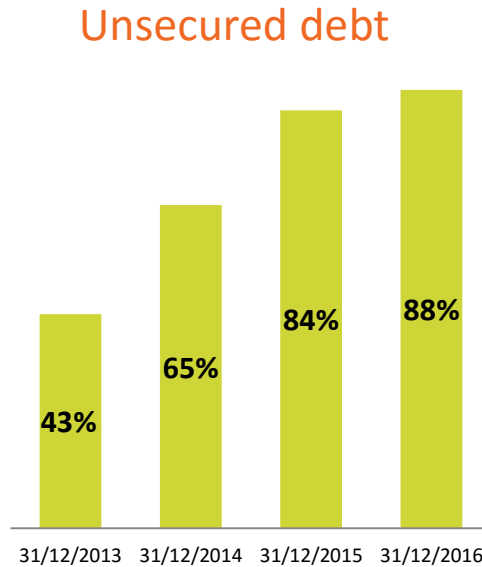
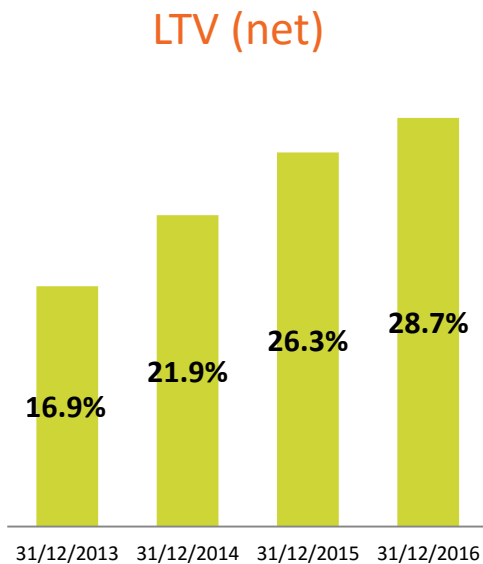
- Poland - Redevelopments 16.1%
- Poland - Land 31.9%
- Turkey 33.0%
- Russia 14.0%
- Other 5.0%

- **48% of redevelopments and land portfolio is in Poland**
  - Of which €49m is ongoing projects
- **Developments and land now just 10% of total portfolio**
  - €26m devaluation in 2016 mainly Turkey / Russia

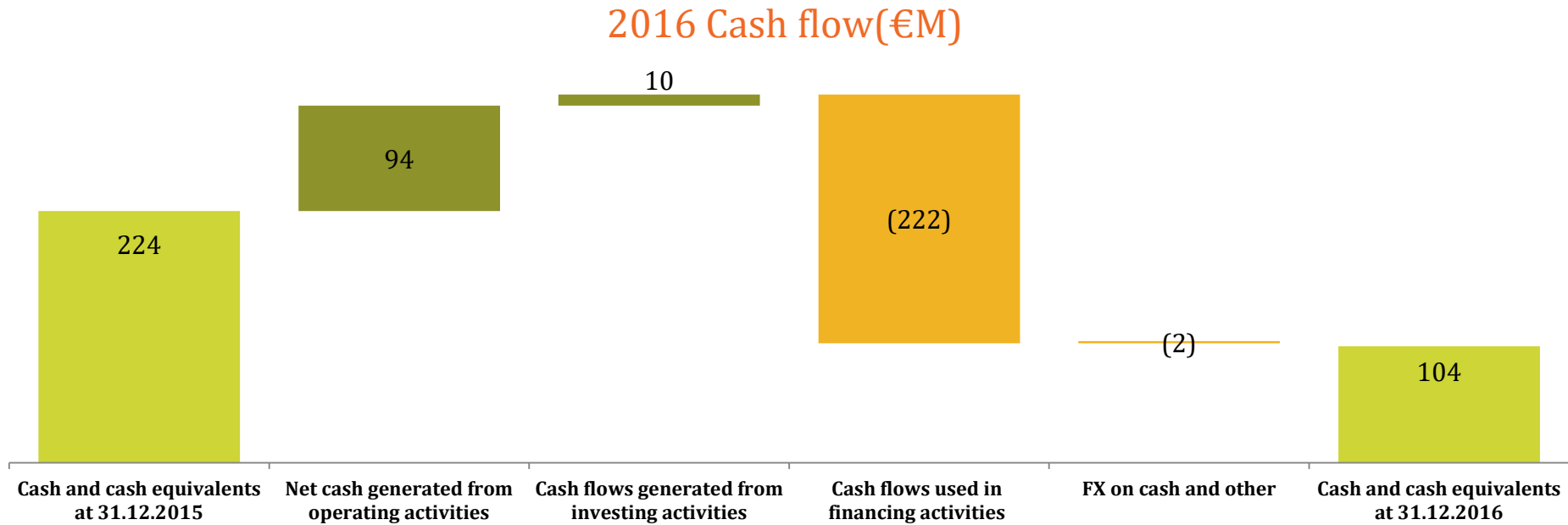


# CONSERVATIVE BALANCE SHEET WITH ROOM FOR GROWTH

- **Cash €104m** (31/12/2015: €224m)
- **EPRA NAV per share €5.39** (31/12/2015: €5.64)
- **Borrowings €947m** (31/12/2015: €1,013m), long maturity
- €25m revolving credit facility **increase to €175m**
- ↓€12m in finance expenses to €50m
- €67m early debt repayments
- €16.5m bond buy backs



# NON CORE DISPOSALS PROCEEDS RECYCLED INTO REDEVELOPMENTS



## NET CASH FROM INVESTING ACTIVITIES

- €134m Disposals, 7% above fair value
- (€62m) Standing investments and extensions capex
- (€43m) Available for Sale securities

## NET CASH USED IN FINANCING ACTIVITIES

- (€154m) Dividends (incl. €52.7m special dividend)
- (€67m) Debt reduction





# TANGIBLE STRIDES FORWARD IN 2016 SUPPORTING GROWTH MOMENTUM FOR 2017 AND BEYOND

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- The strong progress with the **portfolio repositioning strategy** is reflected in the **positive performance of the core assets**
- Increased focus on the **upgrading and extending** assets in Group's existing portfolio in Poland
- Quality acquisitions of €1.1bn in the last five years with €230m disposals at 5% above fair value
- Continually assessing **investment opportunities** that will improve the portfolio
- Conservative Group's capital structure and **efficient balance sheet with room to grow**
- The Board's confidence in the Group's prospects was reflected in the **special dividend of €cents 14 per share** paid in Sep. 2016. This was on top of the €cents 27 annual dividend per share
- Major positive milestone reached in March 2017 with an arrangement agreed to **resolve vast majority of the Austrian legacy litigation**
- Optimizing our cost structure including legal legacy costs and operational effectiveness, **adding €10m of EBITDA from 2018**



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