



The REIT  
for the new retail world!

# 9M 2022 BUSINESS UPDATE

21<sup>st</sup> November 2022



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## Presenting Team



**Jon Armentia**  
Corporate Director and  
CFO of Lar España

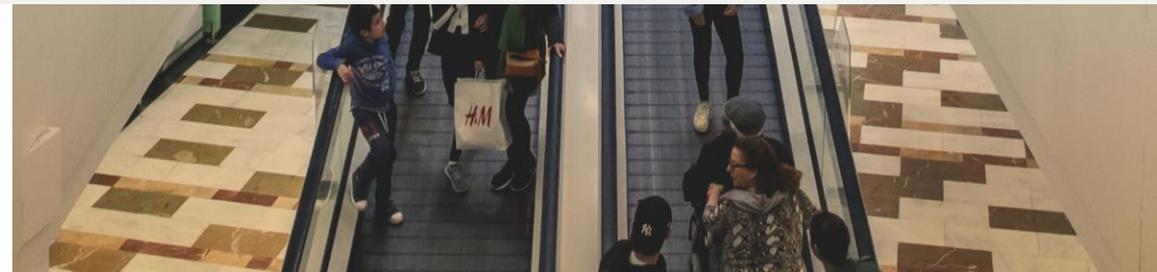


**Hernán San Pedro**  
Investor Relations and  
Corporate Communication  
Director of Lar España



## Highlights

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## Despite the macro environment, we have achieved major milestones so far this year

### PRESENTATION OF OUR NEW BUSINESS PLAN

- **>€ 500 Mn investment** to consolidate our leadership in retail
- **Rotation of up to c.a.30%** of current assets to optimize the portfolio
- We expect **c.a.7% average growth** per annum during the BP Period (2022-2025)

### FITCH AFFIRMS LAR ESPAÑA'S RATINGS AT "BBB"

- Fitch Ratings affirmed **Long-Term Issuer Default Rating (IDR)** and **senior unsecured rating** at 'BBB'
- The **Outlook on the IDR is Stable**
- Lar España maintains the **highest rating in its segment**

**Fitch**Ratings

### DISTRIBUTION OF A € MN 30 DIVIDEND

- A **dividend of 0.36 euros** per share for a total of 30 million euros.
- It represents a **yield per share of 7%**, 30 bps higher than that paid the previous year.

### LAST VALUATIONS REMAIN STABLE<sup>1</sup>

- **+53.6% revaluation** since the acquisition
- **+4.1% revaluation** since June 2021
- **+3.2% revaluation** since December 2021

<sup>1</sup> Excluding CAPEX the figures would be +20.5%, +3.3% and 2.9% respectively

## The company continues to be well prepared for major uncertainties



### Rents

Strong results.  
GRI +7.2%<sup>1</sup> vs 9M 2021  
Effort rate including all  
the expenses: 9.3%



### Occupancy

Increase of occupancy levels  
with ca. 100% agreements with  
retailers already signed and no  
relevant losses in the tenant mix.



### Portfolio

100% refurbished.  
Solid valuation of the assets.  
Stable occupancy 95% in  
2018-2022



### Essential activities

Higher exposure to food and  
other essential activities:  
about 25%.



### Retailers

We strengthened our  
commitment and relationship  
with retailers.



### Inflation

100% of tenant contracts are  
indexed to the CPI.  
The average ticket of our centers  
is medium/low.



### Interest rates

All our financial debt is at a  
fixed rate (1.8%) and with  
maturities beyond 2026.



### Debt structure

Improved capital structure  
through issuance of 2 green  
bonds, extending maturity and  
improving cost of debt.



### Energy

All energy costs are passed on to  
tenants.  
See ESG slide for further  
information.



### Business Plan

We reinforced our business plan,  
its implementation and  
communication.  
We expect ca. 7% average  
growth per annum in GRI and  
GAV.

<sup>1</sup> Like for Like (excluding 22 supermarkets portfolio)

## And Lar España has proven to be a resilient company

### Footfall 9M 2022: 58.6 Mn of visits



**-6.7%**<sup>1</sup>  
vs 9M 2019 LfL

**+4.3%**  
vs 9M 2019

**+9.9%**  
vs 9M 2021 LfL

### Sales 9M 2022: €730.2<sup>2</sup> Mn



**+10.1%**<sup>1</sup>  
vs 9M 2019 LfL

**+16.0%**  
vs 9M 2021 LfL



**-0.9%**<sup>3</sup>  
vs 9M 2019

**+1.6%**<sup>3</sup>  
vs 9M 2021

<sup>1</sup> Like for Like excluding Lagoh  
<sup>2</sup> Declared sales  
<sup>3</sup> Big Retail Surfaces Index

## As these operating indicators show



## Having a great leasing performance



## In short, a quarter of strength

### GRI

€ 64.1 Mn

**+7.2%<sup>1</sup> vs 9M 2021**

### NOI

€ 55.4 Mn

**+10.4%<sup>1</sup> vs 9M 2021**

### NET PROFIT

€ 68.4 Mn

**5x vs 9M 2021**

### NET LTV

38.9%

**-5.8% vs 9M 2021**

<sup>1</sup> Like for Like (excluding 22 supermarkets portfolio)



## Financial information & ESG

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## 9M 2022 Financial Results

**GRI**  
 €64.1Mn  
**+7.2%<sup>1</sup> vs 9M 2021**

**NOI**  
 €55.4Mn  
**+10.4%<sup>1</sup> vs 9M 2021**

**NET PROFIT**  
 €68.4 Mn  
**5x vs 9M 2021**

**EPRA EARNINGS p.s.**  
 €0.33  
**+42% vs 9M 2021**

**EPRA NTA p.s.**  
 €10.88<sup>2</sup>  
**+5% vs Dec 2021**

**GAV**  
**€1,474 Mn**

**WAULT**  
**2.6 years**

**EPRA  
 “TOPPED-UP”  
 NIY**  
**6.0%**

**OCCUPANCY**  
**95.4%**

**COLLECTED  
 RENTS**  
**97%**

<sup>1</sup> Like for Like (excluding 22 supermarkets portfolio)

<sup>2</sup> When analyzing the evolution of this measure it is important to take into account the dividend paid Q2 2022 (0.36€ p.s.)

## 9M 2022 Corporate Results

### DIVIDEND

**€30.0 Mn**

€0.36 p.s. paid dividend

### DIVIDEND YIELD OVER MARKET CAP

**7.0%**

### LIQUIDITY

ca. **€200<sup>1</sup> Mn**

### NET LTV

**38.9%**

### AVERAGE COST OF DEBT

**1.8%**

100% debt at fixed rate.  
Maturities beyond 2026

### GREEN BOND ISSUANCES

July 2021

**€400 Mn**

**1.75%** Interest rate

Nov. 2021

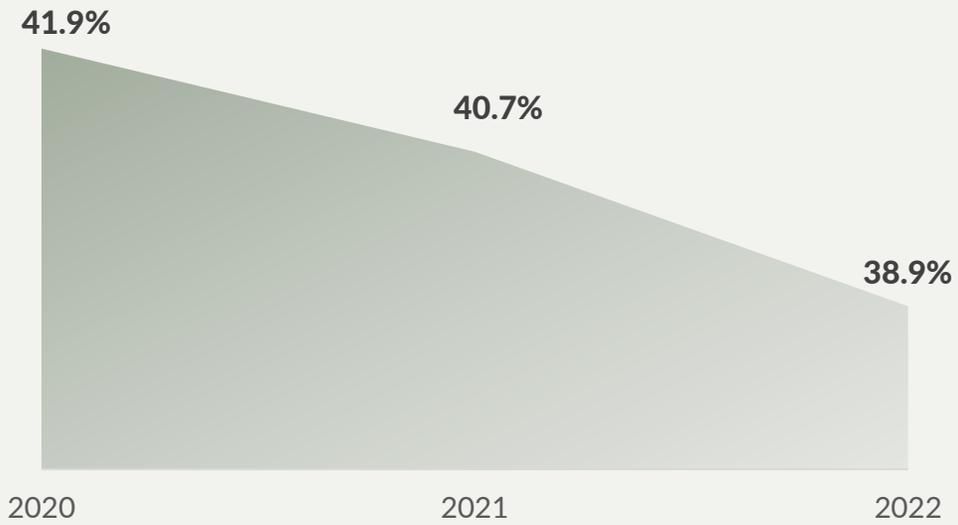
**€300 Mn**

**1.84%** Interest rate

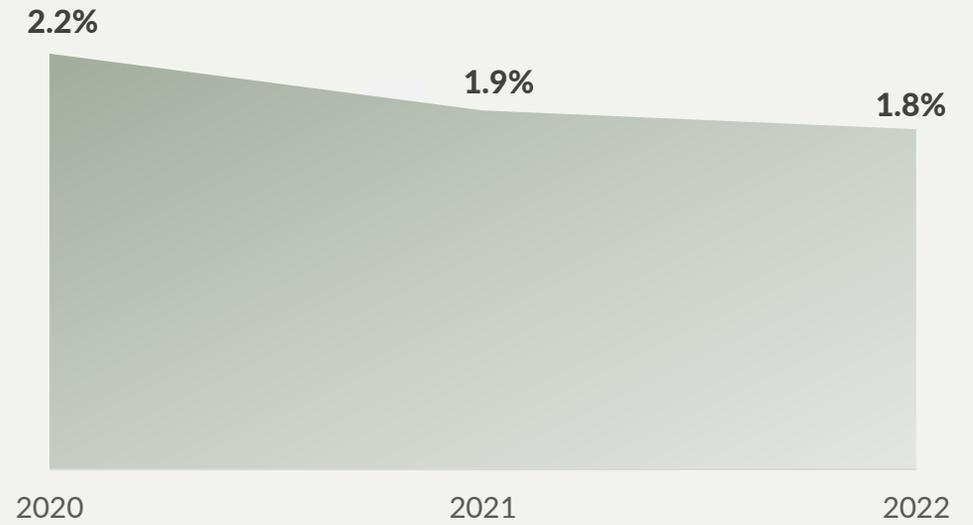
<sup>1</sup> Not included the credit facility of €30 Mn

## Debt evolution

### Net LTV (%) Evolution



### Average cost of debt (%) Evolution



## With the best in class practices in ESG

### EMISSIONS PER VISITOR

Scope 1 + 2 + 3

**-67.0% vs H1 21**

### ENERGY INTENSITY PER VISITOR

**-9.2% vs H1 21**

**WASTE RECYCLED**  
**+16.5% vs H1 21**



G R E S B

For the fifth year running, Lar España has taken part in the 2021 **GRESB assessment**. Achieving a score of **85** meaning a **+8%** vs Peer Average and obtaining the maximum score for the **Management part**, on which Lar España has full control.



### Carbon Footprint Registration

2018, 2019, 2020 & 2021

Lar España **registered its carbon footprint**, of 2021 with MITERD, completing 4 years to being eligible for 'Reduzco' label. The company also submitted its **Emissions Reduction Plan** to the Ministry as another step towards carbon neutrality.



### ISO 14001 & 45001 Environmental certifications.

Since achieving ISO 14001 & 45001 status for the As Termas and Megapark in 2020, the company has been working to extend this certification to the rest of the portfolio in 2022.



MSCI has **ratified and confirmed** their **BBB** ESG Rating for Lar España Real Estate.

**BBB** MSCI ESG Rating



In September 2022 and for the **8th** consecutive year, Lar España has been awarded the **EPRA Gold Award** for the quality of financial information. We have also been awarded the **EPRA Gold Award** for the quality of our ESG information for the **5th** consecutive year.



Achieved in 2022, **100%** of the company's assets are currently **BREEAM-certified**, **93%** of them with an 'Excellent' or 'Very Good' rating.

**3** Excellent

**10** Very Good

**1** Good

Renewal of the Commitment to the **UN Global Compact and SDG goals**.

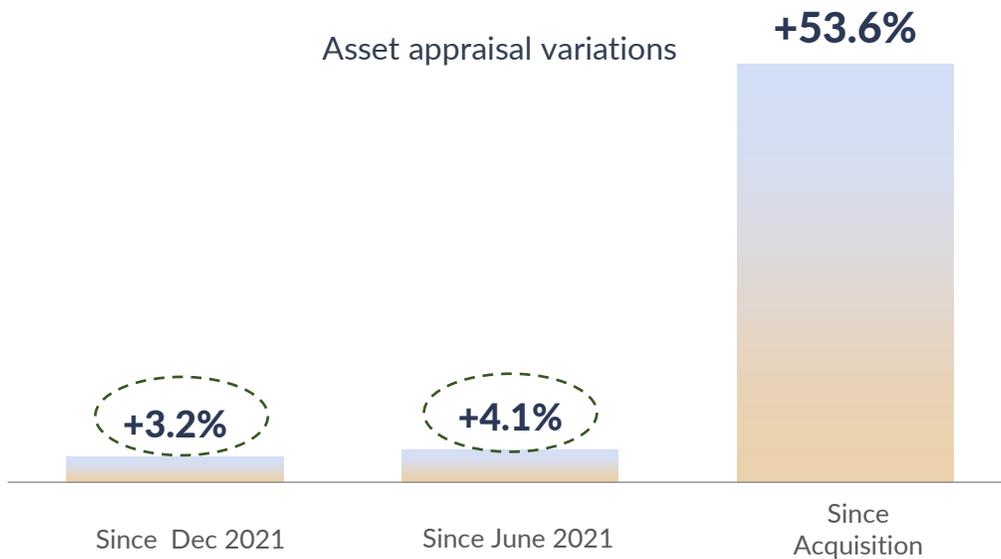
- Lar España has entered in the **SDG Ambition Programme**, an accelerator initiative that aims to challenge and support participating companies of the UN Global.
- Furthermore, the company is currently working to develop an overarching **Action Plan**, this shows our commitment to align the company's sustainability strategy with UN Agenda 2030.



## Stable valuations

**30<sup>th</sup> June 2022 Valuation**  
**€1,470 Mn**

*Including Capex Invested*



A **resilient** portfolio of **dominant** shopping centers and retail parks in attractive catchment areas

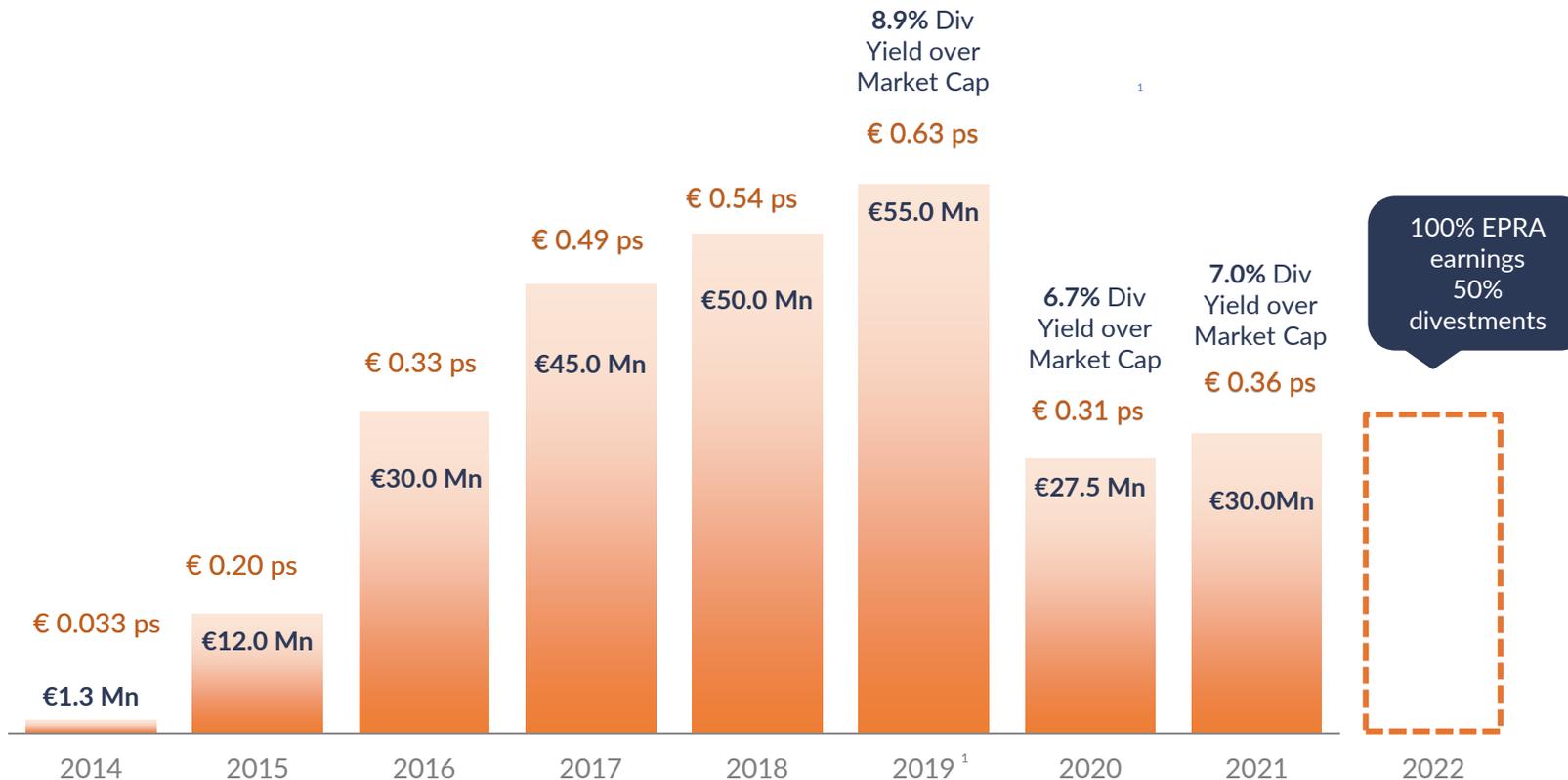
**Cherry picked assets** carefully selected without acquiring portfolios

Assets c.**100% owned**, delivering flexibility, control and full decision capacity

Solvent and **diversified tenant base** with a WAULT of 2.6 years and close medium-and long-term relationships

**Active management** with last trends in technology, omnichannel strategy and customer knowledge experience

## Attractive dividend: Maintained despite Covid-19 and macro environment



CAGR (Compound Average Growth Rate) 2014-2021  
**41%**

**7.0% dividend yield** on market cap Dec 2021  
(Among the leading Spanish in terms of shareholder remuneration)

**Dividend is slightly recovering** from COVID-19 pandemic impact (+16.1% vs 2020)

<sup>1</sup> Dividend: +€25 Mn in extraordinary dividend  
Market Cap at December 31st

## P&L 9M 2022

Consolidated Income Statement 9M 2022 (€ Thousands)	9M 2022	9M 2021	
	Total		Var %
Revenues	61,830	58,354	
Other Income	2,263	2,053	
<b>Total Income</b>	<b>64,093</b>	<b>60,407</b>	<b>+6%</b>
Personnel expenses	(690)	(416)	
Other expenses	(19,854)	(24,409)	
Changes in the Fair Value of investment properties	41,055	(7,564)	
Results from Divestment	-	9	
<b>EBIT</b>	<b>84,604</b>	<b>28,027</b>	<b>3x</b>
Financial Result	(11,910)	(16,197)	
Changes in the Fair Value of financial instruments	(4,336)	865	
<b>EBT</b>	<b>68,359</b>	<b>12,695</b>	<b>5x</b>
Income Tax	-	1,623	
<b>Profit/(Loss) for the Period</b>	<b>68,359</b>	<b>14,318</b>	<b>5x</b>



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Closing remarks

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## Lar España strengths: Operating results, corporate performance and healthy balance sheet

### Resilient through cycles

#### Sales

+16.0% vs 9M 2021  
+10.1%<sup>1</sup> vs 9M 2019

### Strong operating results

GRI +7.2% vs 9M 2021  
NOI +10.4% vs 9M 2021  
Net profit 5x vs 9M 2021

### Sound balance, moderate debt & strong cash position

Net LTV 38.9%  
ca. €200<sup>2</sup> Mn of liquidity

### Innovative, with focus on omnichannel

Click&Shop strategy and project implemented

### Truly committed to value creation & shareholder profitability

€30 Mn dividend paid in May

### Business Plan in accordance with the current situation

Total Annual Return Target of >10%<sup>3</sup>

<sup>1</sup> Like for Like excluding Lagoh.

<sup>2</sup> Not included the credit facility of €30 Mn

<sup>3</sup> EPRA NAV/NTA growth + Dividend



[www.larespana.com](http://www.larespana.com)