

IGD

Sector: Holdings & RE

OUTPERFORM

Price: Eu3.17 - Target: Eu3.70

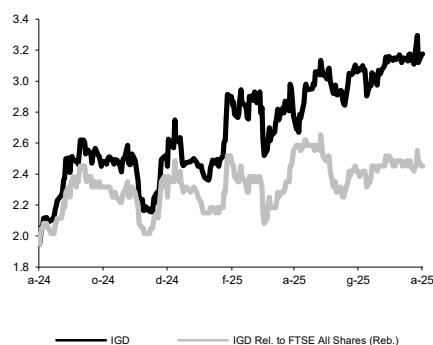
Solid 2Q25 Results and Constructive Outlook

Federico Pezzetti +39-02-77115.268

federico.pezzetti@intermonte.it

Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 3.40 to 3.70		
	2025E	2026E	2027E
Chg in Adj EPS	0.0%	0.0%	0.0%

IGD - 12M Performance



Stock Data			
Reuters code:	IGD.MI		
Bloomberg code:	IGD IM		
Performance	1M	3M	12M
Absolute	0.5%	4.8%	63.0%
Relative	-2.4%	-1.3%	33.3%
12M (H/L)	3.29/1.99		
3M Average Volume (th):	176.97		

Shareholder Data	
No. of Ord shares (mn):	110
Total no. of shares (mn):	110
Mkt Cap Ord (Eu mn):	350
Total Mkt Cap (Eu mn):	350
Mkt Float - Ord (Eu mn):	157
Mkt Float (in %):	44.7%
Main Shareholder:	
Coop Alleanza 3.0	40.9%

Balance Sheet Data	
Book Value (Eu mn):	998
BVPS (Eu):	9.05
P/BV:	0.4
Net Debt (Eu mn):	-773
NAV (Eu mn)	1,018

■ **2Q25 numbers in line with expectations.** Yesterday, IGD reported a solid set of 2Q25 results that was broadly in line with expectations at all levels. Specifically, total revenues closed at Eu35.0mn (-1% YoY, still impacted by the portfolio disposal; -1% vs our estimates), Net rents at Eu27.3mn (-1.9% YoY or +2.7% on a LFL basis), EBITDA at Eu24.1mn (-4% YoY; -1% vs estimates), and the bottom line ended in the black to the tune of Eu9.0mn (in line, also impacted by positive resilience of the portfolio fair value), while FFO closed at Eu9.6mn (+19% YoY; -2% vs exp.). On the balance sheet, the NFP came to Eu801mn (vs. Eu806mn), while NAVps closed at Eu8.92, in line with expectations and flat vs. the value as at YE24.

■ **Like-for-like portfolio valuation stabilising.** IGD's total portfolio has been valued at Eu1.69bn (excluding equity investments and leasehold properties): on a LFL basis, the core Italian portfolio (Eu1.55bn) was up 0.48% vs YE24 with the valuation of shopping malls up 0.5% YoY, while the valuation of hypermarkets was up 0.1% YoY, with the net initial yield of the overall Italian portfolio stable at 6.2%. The Romanian portfolio was down 0.3% on a LFL basis to a value of Eu105mn, with the net initial yield dropping to 7.1% from the previous 7.6%.

■ **2025 guidance improved slightly.** Management has improved 2025 guidance, which now foresees FFO of Eu39mn from the previous Eu38mn. This estimate includes the impact of the expected disposals in the Romanian portfolio as per the targets presented in the Business Plan (ca. Eu20mn in 2025).

■ **Key messages from the call.** Portfolio valuations: the marginal upward revision in the valuation of the core Italian portfolio depended solely on the ordinary operating performance, while evaluators have left the discount rate and exit yields unchanged. The transactions market is finally starting to move - which should help valuations - and management believes that some compression in the discounting and/or exit rate used by evaluators could be seen by the end of 2025. Porta a Mare: due to a restriction on projects situated less than 200m from the sea, the company's proposals for the 3 areas still to be developed must be submitted to the cultural heritage superintendency for evaluation; the goal is still to complete the process by end-2025/early 2026 and then go ahead with disposal. Cost of debt: in 1H25, cost of debt was 5.5% (estimated in August to have decreased further to 5.3%) vs the 6.0% average for FY24.

■ **Change in estimates and target price:** following results, we confirm our 2025 estimates and remain just a touch above guidance. Our target price moves from Eu3.40 to Eu3.70 (still based on a mix of NAV, FFO and DCF methodologies) thanks to the lower ERP used (-50bps to 5.5%) and the rolling of multiples to 2026.

■ **OUTPERFORM confirmed; target Eu3.7 (from Eu3.4).** 2Q25 results confirmed the group's solid operating momentum and the stock remains appealing, in our view (31% discount to GAV and 8.0x P/FFO for 2026E), especially considering stabilising real estate valuations and expectations of a soft landing for the European economy. In the next few quarters, we think that more confidence about valuations could have a positive impact on dividend growth, while in the meantime the direction of travel for interest rates will also remain a key driver for the stock.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
EBIT Adj (Eu mn)	106	98	96	99	97
Net Profit Adj (Eu mn)	55	36	40	44	47
EPS New Adj (Eu)	0.502	0.323	0.360	0.396	0.426
EPS Old Adj (Eu)	0.502	0.323	0.360	0.396	0.426
DPS (Eu)	0.000	0.100	0.150	0.165	0.174
NAVPS (Eu)	9.215	8.942	9.223	9.383	9.543
P/NAVPS	0.3	0.4	0.3	0.3	0.3
P/E Adj	6.3	9.8	8.8	8.0	7.4
Div. Yield	0.0%	3.1%	4.7%	5.2%	5.5%
Net Debt/EBITDA Adj	9.0	7.9	7.8	7.6	7.6

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newswell.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	32.09%
OUTPERFORM:	36.57%
NEUTRAL:	31.34%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	51.90%
OUTPERFORM:	29.11%
NEUTRAL:	18.99%
UNDERPERFORM:	00.00%
SELL:	00.00%

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