

IGD

Sector: Holdings & RE

OUTPERFORM

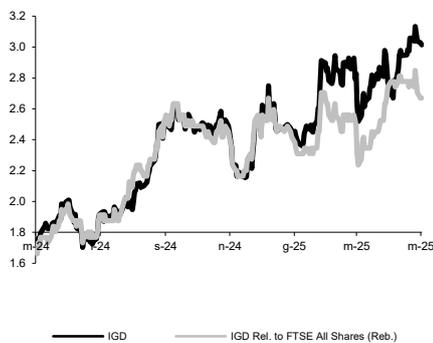
Price: Eu3.02 - Target: Eu3.40

1Q25 Results Confirm Solid Operating Momentum

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 3.20 to 3.40		
	2025E	2026E	2027E
Chg in Adj EPS	1.5%	1.2%	1.1%

IGD - 12M Performance



Stock Data			
Reuters code:	IGD.MI		
Bloomberg code:	IGD IM		
Performance	1M	3M	12M
Absolute	8.6%	5.2%	77.8%
Relative	-2.8%	1.3%	64.7%
12M (H/L)	3.13/1.69		
3M Average Volume (th):	235.72		

Shareholder Data	
No. of Ord shares (mn):	110
Total no. of shares (mn):	110
Mkt Cap Ord (Eu mn):	333
Total Mkt Cap (Eu mn):	333
Mkt Float - Ord (Eu mn):	149
Mkt Float (in %):	44.7%
Main Shareholder:	
Coop Alleanza 3.0	40.9%

Balance Sheet Data	
Book Value (Eu mn):	994
BVPS (Eu):	9.01
P/BV:	0.3
Net Debt (Eu mn):	-784
NAV (Eu mn)	1,013

- 1Q25 results in line with expectations.** Yesterday IGD reported 1Q25 results that were very much in line with our expectations at all levels. Specifically, total revenues closed at Eu34.4mn (-9% YoY or c.+2% when adjusted for the change in scope), EBITDA at Eu24.6mn, including Eu-0.4mn from trading (-14% YoY or c.+2% when adjusted for the change in scope), the bottom line ended at Eu1.6mn and FFO closed at Eu10.2mn (-1% YoY or +71% adj. and 2% above exp.). On the balance sheet, the NFP came to Eu797mn vs. Eu795mn expected.
- Solid operating performance with improved occupancy.** The quarter was characterised by several important openings which contributed to an increase in the mall occupancy rate to 95.5%, continuing the trend underway for the last few quarters (+82bp vs. YE24; +133bp vs. 1Q24); the average occupancy rate for malls plus hypermarkets was 95.95%, also up +74bp compared to YE24. During the quarter, 48 contracts were renegotiated, delivering an average rent increase of +0.7%, a continuation of the positive trend that began in 2024. In Romania, 57 contracts were signed, with a significant +13.5% increase in net rents on renewals in connection with actions to reduce the costs incurred by the owner. At 31 March 2025, the occupancy rate was 95.73%, a slight decrease (-10bp) vs. YE24.
- 2025 guidance confirmed (but cautious):** management confirmed its 2025 guidance which foresees an FFO of Eu38mn, up 6.5% YoY. This guidance includes the impact of the expected disposals in the Romanian portfolio as per the targets presented in the business plan (c.Eu20mn in 2025).
- Portfolio valuations:** looking at 1H25, management's feeling is that retail transaction volumes in the real estate market (up 6x in 1Q25 vs. 1Q24) may provide the boost needed for valuations at the end of June to reverse the negative trends of recent years. Operating performance is improving, and interest rates are trending down, which should allow cap rates to be lowered. Overall, valuations should certainly be at least in line with the end of 2024, if not a touch better, but without any striking improvements, as market transactions still do not support a reduction in the net exit yield.
- Change in estimates and target price:** following results, we are only tweaking our 2025 estimates (+1.5% for 2025 FFO to Eu39.7mn) positioning ourselves ca 4% above guidance. We are also increasing our target price slightly from Eu3.20 to Eu3.40 (still based on a mix of NAV, FFO and DCF methodologies) thanks in part to slightly lower discounts applied to our target multiples.
- OUTPERFORM confirmed; target Eu3.4 (from Eu3.2).** 1Q25 results confirmed the group's solid operating momentum and the stock remains very appealing, in our view, (39% discount to GAV and 8.0x P/FFO for 2025-26E) especially considering stabilising real estate valuations and expectations of a soft landing for the European economy. Clearly, the direction of travel for interest rates will also remain a key driver for the stock, which will go ex-dividend (Eu0.10) on 12 May.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
EBIT Adj (Eu mn)	106	98	97	100	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	0.354	0.392	0.422
DPS (Eu)	0.000	0.100	0.150	0.165	0.174
NAVPS (Eu)	9.215	8.942	9.177	9.331	9.484
P/NAVPS	0.3	0.3	0.3	0.3	0.3
P/E Adj	6.0	9.3	8.4	7.6	7.1
Div. Yield	0.0%	3.3%	5.0%	5.5%	5.8%
Net Debt/EBITDA Adj	9.0	7.9	7.9	7.7	7.7

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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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 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 newsflow.

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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As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM:	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM:	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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