

IGD

Sector: Holdings & RE

OUTPERFORM

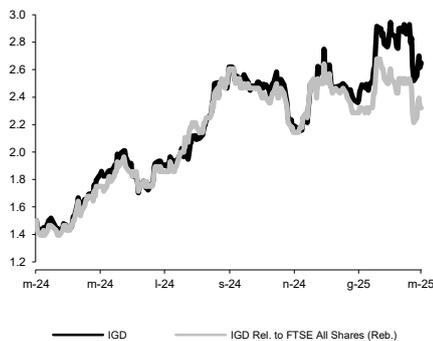
Price: Eu2.65 - Target: Eu3.20

Return to Dividend Payment and Solid FY25 Guidance

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 2.90 to 3.20		
	2025E	2026E	2027E
Chg in Adj EPS	9.7%	4.4%	

IGD - 12M Performance



Stock Data			
Reuters code:	IGD.MI		
Bloomberg code:	IGD IM		
Performance	1M	3M	12M
Absolute	-7.3%	0.8%	76.7%
Relative	-9.0%	-9.5%	62.8%
12M (H/L)	2.94/1.41		
3M Average Volume (th):	196.08		

Shareholder Data	
No. of Ord shares (mn):	110
Total no. of shares (mn):	110
Mkt Cap Ord (Eu mn):	292
Total Mkt Cap (Eu mn):	292
Mkt Float - Ord (Eu mn):	131
Mkt Float (in %):	44.7%
Main Shareholder:	
Coop Alleanza 3.0	40.9%

Balance Sheet Data	
Book Value (Eu mn):	993
BVPS (Eu):	9.00
P/BV:	0.3
Net Debt (Eu mn):	-784
NAV (Eu mn)	1,013

■ **4Q24 FFO and dividend above expectations.** Last Thursday, IGD reported a set of 4Q24 results that were slightly better than expected at most levels. Specifically, total revenues closed at Eu37.6mn (-4.6% YoY, impacted by the portfolio disposal; +2.7% vs our estimates), EBITDA at Eu24.2mn (-10% YoY; 2% above estimates), and the bottom line ended in the black to the tune of Eu1.4mn (vs our expectation of Eu13.8mn, also due to a Eu5.6mn negative adjustment of the portfolio fair value), while FFO closed at Eu8.8mn (-20% YoY but 6% above exp.). On the balance sheet, the NFP came to Eu806mn (vs. Eu803mn), while NAVps closed at Eu8.94, in line with expectations and down 3% vs. the value as at YE23. Thanks to the recent securing of a credit facility enabling the reimbursement of outstanding bonds in their entirety, the board has proposed a DPS of Eu0.10, about double our expectation.

■ **Like-for-like portfolio valuation stabilising.** IGD's total portfolio has been valued at Eu1.69bn (excluding equity investments and leasehold properties), substantially stable vs FY23 values (-0.46% YoY). The valuation of shopping malls was up 0.5% YoY, while the valuation of hypermarkets was down 3.7% YoY, with the net initial yield of the overall Italian portfolio increasing slightly to 6.2% from 6.0% as at the end of FY23. The Romanian portfolio dropped 4% YoY in value to Eu117mn (including Eu8.5mn recently sold), with the net initial yield rising to 7.6% from the previous 6.7%.

■ **Solid 2025 guidance.** Management has provided 2025 FFO guidance of Eu38mn, up 6.5% YoY. 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 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 in 2025. Consumer spending: this remains one of the key elements to be monitored (also as far as portfolio valuations are concerned); the situation is still unclear, but some products, especially those for personal care as well as jewellery and fragrances, are delivering very attractive results (restaurants are also doing quite well).

■ **Update to estimates and target price.** We are increasing our 2025-26 FFO by 7% on average, mostly thanks to lower financial charges, and it now stands a touch above guidance (our numbers do not incorporate potential further disposals). We have left 2025 DPS estimates unchanged (Eu0.15) and also confirmed NAVps (please note that we assume just a 0.25% increase in portfolio valuation). Our target price moves to Eu3.20 (from Eu2.90) on the back of higher estimates and the rolling of the DCF, and is still based on a mix of NAV, FFO and DCF methodologies.

■ **OUTPERFORM confirmed, target Eu3.2 (from Eu2.90).** The Eu615mn refinancing signed recently is highly positive, as it enables the rescheduling of maturities, a reduction of the cost of debt, and the cancellation of the constraints on payment of a voluntary dividend. The stock remains very appealing, in our view, (41% discount to GAV and 7.1x 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.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
EBIT Adj (Eu mn)	106	98	97	100	97
Net Profit Adj (Eu mn)	55	36	39	43	47
EPS New Adj (Eu)	0.502	0.323	0.354	0.392	0.422
EPS Old Adj (Eu)	0.502	0.314	0.323	0.375	
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	5.3	8.2	7.5	6.8	6.3
Div. Yield	0.0%	3.8%	5.7%	6.2%	6.6%
Net Debt/EBITDA Adj	9.0	7.9	7.9	7.7	7.7

