

# STRONG OPERATING PERFORMANCE DRIVING TO VALUATION INCREASE AND GUIDANCE UPGRADE

Paris — July 31, 2024

Klépierre delivered strong operating growth in the first half of 2024<sup>(1)</sup>, while property valuations increased by 2%:

- Net current cash flow per share at €1.25, up 3.3% vs. first-half 2023
- EBITDA<sup>(2)</sup> up 5.4% year on year
- Net rental income up 6.0% like-for-like<sup>(3)</sup> (4.9% year on year)
- Upward trend in operations:
  - o Collection rate at 97.7%, up 120 basis points year on year
  - o Occupancy at 96.2%, up 50 basis points year on year
  - o Rental uplift +3% and occupancy cost ratio at 12.6%, down 20 basis points year on year, reflecting an upward trend in retailer sales with a 3.9% increase<sup>(4)</sup>
- Further improvement in credit metrics:
  - o Historic low net debt to EBITDA at 7.3x, LTV at 37.6% and ICR at 8.2x
  - o In May, S&P confirmed the BBB+ credit rating and increased its outlook from stable to positive
  - o Fitch confirmed the 'A-' rating with a stable outlook on Klépierre's senior unsecured debt
- €775 million in long-term financing closed year-to-date
- €625 million of existing bilateral credit facilities renewed for five-years
- Property valuation turned positive, being up 2.0% like-for-like over six months
- EPRA NTA per share at €31.4, up 4.3% over six months
- Active capital rotation with investment in best-in-class destinations: highly accretive acquisitions of O'Parinor and RomaEst and €106 million of disposals closed or secured since January 1<sup>st</sup>
- IFRS consolidated net income: €602.4 million (attributable to owners of the parent: €535.7 million)
- Upgraded full-year 2024 guidance: EBITDA<sup>(2)</sup> growth of 5% and NCCF of €2.50-€2.55 per share



## HIGHLIGHTS OF THE PERIOD

Klépierre, the premier shopping malls specialist with exclusive focus on continental Europe delivered a strong set of results in the first half of 2024.

### Operating momentum continues

Klépierre's proactive asset management and development initiatives designed to constantly adapt the offering have been driving significant leasing tension for assets identified as key destinations for expanding banners. This translated into growth of 11% in the volume of leases signed (896) and a 3.0% rental uplift on renewals and relettings, while the occupancy rate was up 50 basis points compared to June 30, 2023, at 96.2%. The occupancy cost ratio decreased to 12.6% (down 20 basis points over 12 months), showcasing the affordable level of rents amid a 3.9%<sup>(4)</sup> year on year increase in retailer sales and 2% growth in footfall.

Against this backdrop, net rental income amounted to €520.1 million, up 4.9% year on year or 6.0% on a like-for-like basis<sup>(3)</sup>, representing a spread of 320 basis points over indexation driven by higher collection and occupancy rates and an 8% like-for-like increase in additional revenues (turnover rents, car park revenues and mall income).

### Growing earnings and property values

Fueled by strong net rental income growth, strict control over payroll and G&A expenses and higher management fees, EBITDA<sup>(2)</sup> grew by 5.4% year on year. At the same time, net current cash flow increased by 3.3% year on year to €1.25 per share.

Portfolio valuations upturned, increasing 2% on a like-for-like basis over six months<sup>(5)</sup>, to €19,874 million (total share)<sup>(6)</sup>. The EPRA NIY<sup>(7)</sup> for the portfolio remained stable at 5.9%. EPRA NTA per share amounted to €31.4 as of June 30, 2024, up 4.3% over six months.

### Strong balance sheet capacities enabled to invest into high-return opportunities

Klépierre continues to operate sector-leading credit metrics. The net debt to EBITDA reached a historically low level of 7.3x, the Loan-to-Value ratio was down 40 basis points over six months at 37.6% and the interest coverage ratio stood at 8.2x. Eventually, the average debt maturity was 6.2 years and the cost of debt 1.6%. Taken together, this has created significant balance sheet capacity to act as a net investor in accretive opportunities.

Since January 1, the Group closed the acquisitions of O'Parinor and RomaEst, two super-regional shopping malls for a total amount of €238 million. Pursuing its active capital rotation approach, the Group disposed non-core assets for a total amount of €106 million (€65 million closed and €41 million<sup>(8)</sup> under promissory agreements), above appraised values (+16.4%) for a blended EPRA Net Initial Yield of 5.5%. In parallel, Klépierre continued to invest in its assets and delivered the Maremagnum extension (Barcelona, Spain) in July, while the extension work of Odysseum (Montpellier, France) is ongoing. Yield on costs of these projects reach 13.5% and 9%, respectively.

Capitalizing on its investment grade credit ratings – BBB+ with positive outlook at S&P (upgraded on May 27, 2024) and A- with stable outlook at Fitch (confirmed on May 24, 2024) – the Group raised €775 million in long-term financing (including a €600-million bond with a maturity of 9.6 years and a coupon of 3.875%, a 130-basis-point spread over the reference rate). Since January 1, the Group has renewed €625 million of existing revolving credit facilities on a five-year basis (including €125 million in July 2024).

As of June 30, 2024, consolidated net debt stood at €7,479 million.

### Outlook revised upwards

Based on the first-half performance and taking into account the positive contribution of acquisitions closed year-to-date, Klépierre is revising its full-year guidance upwards and now expects to generate a 5% increase in EBITDA and net current cash flow to reach €2.50–€2.55 per share in 2024.

(1) The Supervisory Board met on July 29, 2024, to examine the interim financial statements, as approved by the Executive Board on July 26, 2024. Limited review procedures on the interim condensed consolidated financial statements have been completed. The Statutory Auditors are in the process of issuing their report.

(2) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.

(3) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, and disposals completed since January 2023.

(4) Excluding the impact of asset sales and acquisitions and excluding Turkey.

(5) Change is on a constant currency basis.

(6) As of June 30, 2024, the appraisers assumed on average a discount rate of 7.9% and exit rate of 6.1% while the compound annual growth rate stood at 2.8% over the next 10 years.

(7) EPRA Net Initial Yield is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the market value of the property (including transfer taxes).

(8) Total asset value excluding transfer taxes and including the portion attributable to joint owners.

## NET CURRENT CASH FLOW

As common practice in the real estate industry, Klépierre sees net current cash flow as a relevant alternative performance measure. It is obtained by deducting from aggregates of the IFRS income statement certain non-cash and/or non-recurring effects.

	06/30/2023 (as published)	06/30/2023 (H1 2024 format)	06/30/2024	Change
<b>Total share, in €m</b>				
Gross rental income	566.5	569.7	597.4	
Rental and building expenses	(82.4)	(73.7)	(77.3)	
<b>Net rental income</b>	<b>484.1</b>	<b>495.9</b>	<b>520.1</b>	<b>+6.0%</b> <i>(like-for-like)</i>
Management, administrative, related income and other income	36.3	36.3	36.8	
Payroll expenses and other general expenses	(68.5)	(79.5)	(79.6)	
<b>EBITDA<sup>(a)</sup></b>	<b>451.9</b>	<b>452.7</b>	<b>477.3</b>	<b>+5.4%</b>
Cost of net debt	(59.4)	(59.4)	(77.8)	
<b>Cash flow before share in equity investees and taxes</b>	<b>392.5</b>	<b>393.3</b>	<b>399.5</b>	
Share in equity investees	27.5	27.5	30.2	
Current tax expenses	(23.7)	(23.7)	(19.0)	
Adjustments to calculate net current cash flow	(2.3)	–	–	
Adjustment from the non-cash impact of Covid-19 rent concessions amortization	3.2	–	–	
<b>Net current cash flow</b>	<b>397.3</b>	<b>397.3</b>	<b>410.6</b>	
<b>Group share, in €m</b>				
<b>NET CURRENT CASH FLOW</b>	<b>348.3</b>	<b>348.3</b>	<b>359.7</b>	
Average number of shares <sup>(b)</sup>	286,363,431	286,363,431	286,757,193	
<b>Per share, in €</b>				
<b>NET CURRENT CASH FLOW</b>	<b>1.21</b>	<b>1.21</b>	<b>1.25</b>	<b>+3.3%</b>

(a) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.

(b) Excluding treasury shares.

In the first half of 2023 and 2024, these adjustments mainly concerned the depreciation charge for right-of-use assets, share-based compensation payments, an exceptional profit accounted in general expenses, non-current operating expenses/income and the annualization of property tax under IFRIC 21.

In the first half 2023 release, the adjustments were presented below EBITDA ("Adjustments to calculate net current cash flow"). As of June 30, 2024, these adjustments are reallocated to each relevant line item (H1 2024 format), with no impact on net current cash flow.

## 2024 FIRST-HALF EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

Klépierre's Executive Board will present the Company's first-half 2024 earnings on **Wednesday July 31, 2024 at 10:00 a.m. CET (9:00 a.m. London time)**. Please visit Klépierre's website [www.klepierre.com](http://www.klepierre.com) to listen to the webcast, or click [here](#). A replay will also be available after the event.

### AGENDA

**October 23, 2024** Trading update for the first nine months of 2024 (before market opening)

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### ABOUT KLÉPIERRE

Klépierre is the premier shopping malls specialist with an exclusive focus on continental Europe, combining property development and asset management skills. The Company's portfolio is valued at €19.9 billion at June 30, 2024, and comprises large shopping centers in more than 10 countries in Continental Europe which together host hundreds of millions of visitors per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), one of the leading operators of shopping centers in Scandinavia. Klépierre is a French REIT (SIIC) listed on Euronext Paris and is included in the CAC Next 20 and EPRA Euro Zone Indexes. It is also included in ethical indexes, such as CAC SBT 1.5, MSCI Europe ESG Leaders, FTSE4Good, Euronext Vigeo Europe 120, and features in CDP's "A-list". These distinctions underscore the Group's commitment to a proactive sustainable development policy and its global leadership in the fight against climate change.

For more information, please visit the newsroom on our website: [www.klepierre.com](http://www.klepierre.com)    

This press release and its appendices together with the earnings presentation slideshow are available in the "Publications section" of Klépierre's Finance page:

[www.klepierre.com/en/finance/publications](http://www.klepierre.com/en/finance/publications)

