



# **PRELIOS**

## **Interim Financial Report at March 31<sup>st</sup>, 2017**

11<sup>st</sup> May 2017

# AGENDA

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- ❑ *Overview Prelios Group*
- ❑ *Interim Financial Report at March 31<sup>st</sup>, 2017 Results Presentation*
- ❑ *Shareholders Structure*

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## Overview Prelios Group

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# Overview Prelios Group

## From a real estate company to a pure services management company

Listed on the Italian Stock Exchange since 2002, Prelios is a **leading asset management group providing a full range of real estate and financial services**. Prelios became a “**pure management**” independent company after the execution of the spin-off of the investment activity. The Group is active through different operating companies, which together form a well-known network rewarded for its quality and reliability confirmed by certifications as well as positive ratings by the international agencies.

**Prelios, having already transformed its business model from captive to open market**, aims to become the reference “asset manager and service provider” in Italy leveraging on **synergy and cross – fertilization** among the business units to finalize the relaunch and **strategic repositioning process**.



# Overview Prelios Group

## Prelios Group Profile

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Prelios Group comprises an extremely well-qualified team which includes approximately 400 employees in Italy and abroad, with significant professional skills and a track record of excellence in the international arena with focus into:

### Alternative Asset Management

- Prelios SGR (“SGR”): management of real estate funds and asset management
- Prelios Credit Servicing (“PRECS; Credit Servicing”): non and sub performing loans management – credit servicing

### Real Estate Services

- Prelios Integra (“Integra”) integrated asset services, including property and project management, Prelios Valuations (“Valuations”) real estate appraisals and data quality and Prelios Agency (“Agency”) real estate agency services
- The Group is also active in Germany through highly specialized divisions in the commercial real estate segment. In Poland is mainly active in the management and improvement of areas under development



# Overview Prelios Group

## Activities and services

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### Alternative Asset Management

#### Prelios Credit Servicing

- **Gross Book Value under management is ca. €7.5bn** as of March 2017
- **Independent and regulated by Bank of Italy** (registered in April 2016 in the Single Register of Financial Intermediaries envisaged in Article 106 of the Consolidated Banking Act.)
- Active in:
  - **Special Servicing** (credit management and recovery)
  - **Master Servicing** (cash management, payments and reports)
  - **Corporate Servicing** (structuring and administration of SPV)
  - **Due Diligence and advisory** during acquisitions/disposals of portfolio
- **High ranking by rating agencies** confirms the reliability and solidity of PRECS:
  - **Standard & Poor's** ABOVE AVERAGE (February 2017) rating as Special and Master Servicer
  - **Fitch** Special Servicer (June 2016) rating of RSS2+/CSS2+
- Acted as global Servicer for Banca Popolare di Bari transaction, the first public securitization backed by the Italian Government "GACS": this transaction involved a portfolio of approx. € 480m (GBV)

#### Prelios SGR

- **AuM approx. 4.0 € bln** as at March 2017 with **33 funds**, one of the leading players in Italy
- Active in structuring and managing investment funds with a consistent pipeline
- Actually expanding, in a competitive market, advisory and structuring services for leading institutional investors, both domestic and international, acting as partners to define their real estate investment strategies.

# Overview Prelios Group

## Activities and services

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### Real Estate Services

#### Prelios Integra

- One of Italian leading operators in integrated property management and project development services, with **approximately 6 € bln of assets under management**
- It provides a wide range of services covering the entire lifecycle of real estate asset (e.g. property, project, building management, HSE - Health & Safety, Environment / Energy, due diligence, urban planning and engineering advisory)

#### Prelios Valuations

- One of Italian foremost independent providers of appraisals for individual properties and real estate portfolios
- RICS compliant, recently widened the service offer with advanced risk management solutions

#### Prelios Agency

- Provides brokerage and advisory services to public and private investors as well as real estate funds and institutional investors

#### Prelios Real Estate Advisory/Immobilien Management

- The Group, with headquarters in Hamburg and Frankfurt, offers fund management and real estate services focused on commercial segment and in particular on the management of shopping centers and retail or mixed use properties for non-captive clients. Prelios Real Estate Advisory is specialized in advisory services in Poland, providing professional support in the full life cycle of an investment project, from market analysis, to identifying and selecting projects, audits, due diligence, loan management and asset management services.

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## Interim Financial Report at March 31<sup>st</sup>, 2017 Results Presentation

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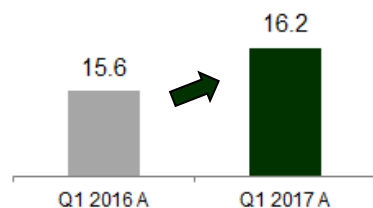
# Interim Financial Report at March 31<sup>st</sup>, 2017

## Highlights

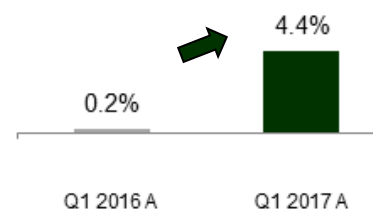
(€/mln)

|  | ACTUAL MARCH 2017 | ACTUAL MARCH 2016 | Δ ACTUAL 2017 vs ACTUAL 2016 | Δ % ACTUAL 2017 vs ACTUAL 2016 |
|--|-------------------|-------------------|------------------------------|--------------------------------|
| <b>Revenues</b>                            | 16.2              | 15.6              | 0.6                          | 4%                             |
| <b>EBIT</b>                                | (0.7)             | (2.0)             | 1.4                          | 67%                            |
| <b>Investments 1)</b>                      | (0.0)             | (0.0)             | (0.0)                        | n.m.                           |
| <i>of which extraordinary items</i>        |                   |                   |                              |                                |
| Financial charges                          | (0.5)             | (4.3)             | 3.8                          |                                |
| Restructuring costs                        | 3.8               | (2.6)             | 6.4                          |                                |
| Income taxes                               | (0.6)             | (0.7)             | 0.1                          |                                |
| Minority interests                         | 0.0               | 0.0               | 0.0                          |                                |
| <b>Net income after minority interests</b> | 2.0               | (9.6)             | 11.6                         | 121%                           |

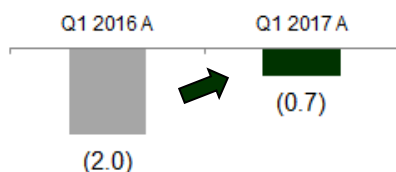
### Revenues



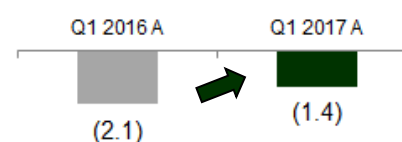
### Ros



### Ebit



### G&A



# Interim Financial Report at March 31<sup>st</sup>, 2017

## Management Platform

(€/mln)

|                                       |   | ACTUAL MARCH<br>2017 | ACTUAL MARCH<br>2016 | Δ ACTUAL 2017 vs<br>ACTUAL 2016 |              |
|---------------------------------------|---|----------------------|----------------------|---------------------------------|--------------|
| <u>ITALY</u>                          |   |                      |                      |                                 |              |
| SGR                                   | Revenues  | 4.3                  | 4.0                  | 0.3                             | 8%           |
|                                       | <b>Ebit</b>                                       | <b>1.6</b>           | <b>1.0</b>           | <b>0.6</b>                      | <b>59%</b>   |
|                                       | ROS   | 35.8%                | 24.3%                |                                 |              |
| NPL - Credit Servicing                | Revenues  | 1.8                  | 1.6                  | 0.1                             | 9%           |
|                                       | <b>Ebit</b>                                       | <b>(0.6)</b>         | <b>(0.8)</b>         | <b>0.2</b>                      | <b>28%</b>   |
|                                       | ROS   | -32.4%               | -48.8%               |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| Alternative Asset Management          | Revenues  | 6.1                  | 5.6                  | 0.5                             | 8%           |
|                                       | <b>Ebit</b>                                       | <b>1.0</b>           | <b>0.2</b>           | <b>0.8</b>                      | <b>437%</b>  |
|                                       | ROS   | 16.0%                | 3.2%                 |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| Integra                               | Revenues  | 4.6                  | 4.2                  | 0.4                             | 10%          |
|                                       | <b>Ebit</b>                                       | <b>0.2</b>           | <b>0.3</b>           | <b>(0.0)</b>                    | <b>-7%</b>   |
|                                       | ROS   | 5.2%                 | 6.1%                 |                                 |              |
| Agency                                | Revenues  | 0.8                  | 0.7                  | 0.1                             | 10%          |
|                                       | <b>Ebit</b>                                       | <b>0.0</b>           | <b>(0.1)</b>         | <b>0.2</b>                      | <b>111%</b>  |
|                                       | ROS   | 2.0%                 | -20%                 |                                 |              |
| Valuation                             | Revenues  | 2.2                  | 2.3                  | (0.0)                           | -1%          |
|                                       | <b>Ebit</b>                                       | <b>0.3</b>           | <b>0.3</b>           | <b>(0.1)</b>                    | <b>-17%</b>  |
|                                       | ROS   | 11.5%                | 13.7%                |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| Services Italy                        | Revenues  | 7.6                  | 7.1                  | 0.5                             | 6%           |
|                                       | <b>Ebit</b>                                       | <b>0.5</b>           | <b>0.4</b>           | <b>0.1</b>                      | <b>20%</b>   |
|                                       | ROS   | 7%                   | 6%                   |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| Management Platform ITALY             | Revenues  | 13.7                 | 12.8                 | 0.9                             | 7%           |
|                                       | <b>Ebit</b>                                       | <b>1.5</b>           | <b>0.6</b>           | <b>0.9</b>                      | <b>144%</b>  |
|                                       | ROS   | 10.9%                | 4.8%                 |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| <u>Foreign Countries</u>              |   |                      |                      |                                 |              |
| Management Platform Foreign Countries | Revenues  | 2.5                  | 2.7                  | (0.1)                           | -5%          |
|                                       | <b>Ebit</b>                                       | <b>(0.8)</b>         | <b>(0.6)</b>         | <b>(0.2)</b>                    | <b>-34%</b>  |
|                                       | ROS   | -30.6%               | -21.7%               |                                 |              |
| <hr/>                                 |   |                      |                      |                                 |              |
| <u>G&amp;A (Holding)</u>              |   |                      |                      |                                 |              |
| G&A (Holding)                         | Revenues  | (0.1)                | 0.2                  | (0.2)                           | -138%        |
|                                       | <b>Ebit</b>                                       | <b>(1.4)</b>         | <b>(2.1)</b>         | <b>0.7</b>                      | <b>33%</b>   |
| <hr/>                                 |   |                      |                      |                                 |              |
| <u>TOTAL MANAGEMENT PLATFORM</u>      |   |                      |                      |                                 |              |
|                                       | Revenues  | 16.2                 | 15.6                 | 0.6                             | 4%           |
|                                       | <b>Ebit Management Platform</b>                   | <b>(0.7)</b>         | <b>(2.0)</b>         | <b>1.4</b>                      | <b>67%</b>   |
|                                       | ROS   | -4.2%                | -13.1%               |                                 |              |
|                                       | Revenues excluding G&A                            | 16.2                 | 15.4                 | 0.8                             | 5%           |
|                                       | <b>Ebit Management Platform excluding G&amp;A</b> | <b>0.7</b>           | <b>0.0</b>           | <b>0.7</b>                      | <b>2213%</b> |
|                                       | ROS   | 4.4%                 | 0.2%                 |                                 |              |

# Interim Financial Report at March 31<sup>st</sup>, 2017

## Consolidated Balance Sheet

(€/mln)

|   | ACTUAL<br>Mar 2017 | ACTUAL<br>Dec 2016 |
|---|--------------------|--------------------|
| <b>1 Fixed assets</b>                                 | <b>131.9</b>       | <b>132.1</b>       |
| <i>of which participations and shareholders' loan</i> | 70.8               | 70.9               |
| <i>of which goodwill</i>                              | 56.4               | 56.4               |
| <i>of which other fixed assets</i>                    | 4.7                | 4.8                |
| <b>2 Net working capital</b>                          | <b>(5.6)</b>       | <b>(3.6)</b>       |
| Trade receivables                                     | 37.8               | 40.2               |
| Trade payables  | (39.6)             | (42.7)             |
| Other payables/receivable                             | (3.8)              | (1.1)              |
| <b>3 Net invested capital</b>                         | <b>126.3</b>       | <b>128.5</b>       |
| 4 Net equity  | 92.9               | 91.0               |
| 5 Funds   | 29.9               | 31.0               |
| 6 Net financial position                              | 3.5                | 6.5                |
| <b>7 Total sources</b>                                | <b>126.3</b>       | <b>128.5</b>       |

# Interim Financial Report at March 31<sup>st</sup>, 2017

## Net Financial Position

(€/mln)



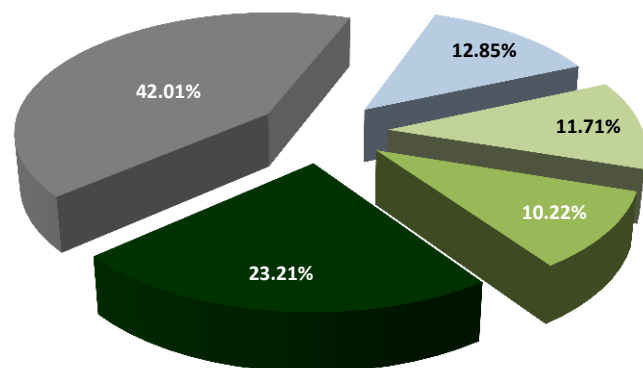
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## Shareholders Structure

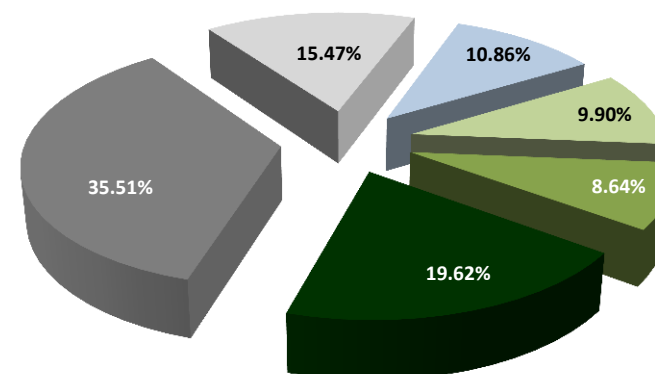
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# Shareholders Structure

Voting share capital (excluding class B shares)



Economic share capital (including class B shares)



- Pirelli S.p.A.
- Unicredit S.p.A.
- Intesa Sanpaolo S.p.A.
- Prelios Shareholders' Agreement<sup>(1)</sup>
- Market
- Fenice Srl<sup>(2)</sup>

(1) Prelios Shareholders agreement includes Deb Holding Srl, Negentropy Capital Partners Llp, Feidos S.p.A., Fondazione Renato Corti, Alexis De Dietrich, Energia Di Famiglia Srl, York European Distressed Credit Holdings II Llc, Lunelli S.p.A., Porto Allegro Srl, Fulvio Conti, Matteo Bruno Lunelli.

(2) Fenice Srl includes Pirelli & C. S.p.A., Uicredit S.p.A.. e Intesa Sanpaolo S.p.A.

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Sergio Cavallino, Prelios's Financial Reporting Officer declares -pursuant to Legislative Decree No. 58 of 24 February 1998 "Consolidated Law on Finance" - the conformity of the accounting information contained in this presentation against document results, books and accounts records.

This document, includes forecast statements. Such forecasts are based on the current estimates and projections of the Group, relatively to future events and, due to their nature, are subject to an inherent component of risk and uncertainty. The actual results may significantly differ from those contained in said forecast statements due to several factors, including a continuous volatility and a further deterioration of stock and capital markets, changes in macroeconomic conditions and in economic growth and other variations of the business conditions, in addition to other factors, the majority of which is not under the Group control.