

Madrid, 11 de marzo de 2019

CASTELLANA PROPERTIES SOCIMI, S.A. (la "Sociedad" o "**Castellana**"), en virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley de Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil ("**MAB**") pone en conocimiento lo siguiente:

### **HECHO RELEVANTE**

Castellana publica una presentación que será utilizada en reuniones con accionistas/inversores en los próximos días. Dicha presentación, la cuál se adjunta, está disponible en la página web de la Compañía.

Quedamos a su disposición para cualquier aclaración que pueda ser necesaria.

**Castellana Properties SOCIMI, S.A.** Don Alfonso Brunet Consejero Delegado



SPAIN. REAL ESTATE. REAL GROWTH.

SPANISH MARKET QUICK OVERVIEW March 2019

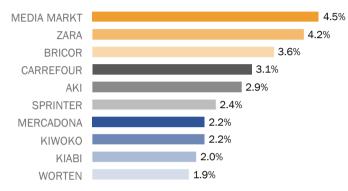




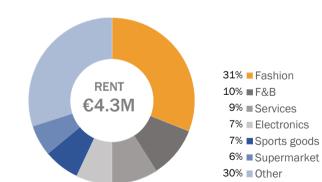
#### **KEY PORTFOLIO METRICS**

GAV (€M)	898M
ASSETS	19
GLA (m <sup>2</sup> )	318k
AVE. ASSET VALUE (€M)	47M
VACANCY	1.80%
NATIONAL TENANTS	93%
WAULT <sup>(1)</sup>	14.8 yrs
AVE RENT (m <sup>2</sup> /month)	€13.96

#### **TOP 10 TENANTS BY CONTRACTUAL RENT**



**TENANT MIX BY CONTRACTUAL RENT** 



## Media Markt Sprinter ZARA MERCADONA BriCor



mundo animal

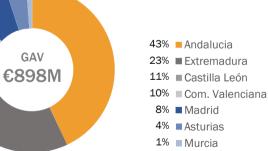
**KIABI** 

## worten

**GEOGRAPHICAL SPLIT BY GAV** 

Carrefour

AKÍ



(1) To expiry of lease (4.5 years to break) Note: All data as at 30 September 2018

SECTOR SPLIT BY GAV

GAV

€898M

66% Shopping Centre

31% ■ Retail Park

3% ■ Offices

## RETAIL MARKET OVERVIEW JANUARY 2019 SPAIN PORTFOLIO PROFILE



## RETAIL MARKET OVERVIEW JANUARY 2019 TOP 10 ASSETS 1/3



Badajoz

43 423m<sup>2</sup>

€16.70/m<sup>2</sup>

## GAV →

PROVINCE >

- GROSS LETTABLE AREA >
  - MONTHLY RENTAL >
    - SECTOR >
    - WALE >
    - VACANCY >





Bershka



€119.5M

Cadiz 24 760m² €24.72/m² Shopping Centre 1.3 years 1.9%

**Östradivarius** ZARA

Massimo Dutti HeM

Bershka Gecone Ingless



€114.3M

Seville 17 906m<sup>2</sup> €32.28/m<sup>2</sup> Shopping Centre

> 3 years 5.7%



C&A







Note: All data as at 30 September 2018

## **RETAIL MARKET OVERVIEW JANUARY 2019** TOP 10 ASSETS 2/3



#### €85.2M GAV → Valladolid PROVINCE > 35 211m<sup>2</sup> GROSS LETTABLE AREA > €14.71/m<sup>2</sup> MONTHLY RENTAL > **Shopping Centre** SECTOR > WALE > 10.1 years 2.9% VACANCY > Bershka



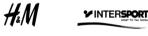
PULL&BEAR



€85.2M

Alicante 24 158m<sup>2</sup> €17.80/m<sup>2</sup> Shopping Centre 4.6 years 4.2%





AKI FOSTER'S HOLLYWOOD



# €59.8M

Granada 27 913m<sup>2</sup> €10.70/m<sup>2</sup> Retail Park 2 years

2.2%



Tiendanimal 🍟 **DECATHLON** 



Note: All data as at 30 September 2018





#### €52.7M GAV → Madrid PROVINCE > 13 604m<sup>2</sup> GROSS LETTABLE AREA > €15.69/m<sup>2</sup> MONTHLY RENTAL > SECTOR > **Retail Park** 4.2 years WALE > Fully Let VACANCY > KIABI Media Markt

Conforama

KIWOKO mundo animal



€34.1M

Granada 18 508m² €9.24/m² Retail Park 7 years Fully Let

KIWOKO

mundo animal

KIABI

(300) MONTADITOS



PARQUE PRINCIPADO



€32.8M

Asturias 16 396m<sup>2</sup> €9.52/m<sup>2</sup> Retail Park 4.9 years Fully Let

Media Markt

Conforama

KIWOKO

mundo animal

VINTERSPORT

BRICOMART



€29.1M

Huelva
20 000m <sup>2</sup>
€7.37/m <sup>2</sup>
Retail Park
3.3 years
Fully Let



MERCADONA





merkal

calzados

**Dı**Q 🔀

(1) Parque Oeste comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes Note: All data as at 30 September 2018

merkal calzados

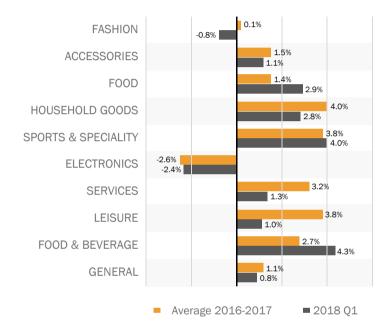
worten

HOLLYWOOD

Muerde la**Pasta**:"

## RETAIL MARKET OVERVIEW JANUARY 2019 SALES & E-COMMERCE

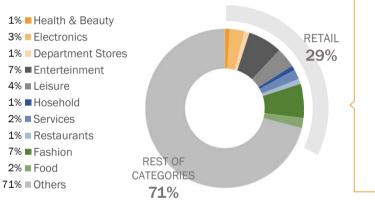
#### \*SPANISH SALES PER ACTIVITY IN SCs (1)



#### \*\*SPANISH E-COMMERCE / RETAIL CATEGORIES (2)

Only 4.8% of total sales transactions are done online in Spain (vs 9% average across EU)

Pure retail (excluding event tickets, transport etc) comprises c. 29% of total online sales



#### THE SPANISH DIFFERENCE

Spain unlikely to experience similar negative impact as in the UK & US

Spanish culture keenly geared towards socialising, eating out – Spanish consumers spend the highest proportion of their budgets on eating out in Europe

Favourable weather conditions and tourism also encourage increased F&B and Leisure offerings





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RETAILERS LANDSCAPE SPANISH MARKET March 2019



## RETAIL MARKET OVERVIEW JANUARY 2019 FOOD CATEGORY

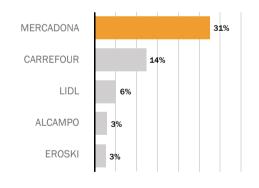
Discount supermarkets (Mercadona, Aldi, Lidl) growing faster than rest of market as consumers are more cost sensitive

Discount retailers save consumers around €900 per annum on average in Spain

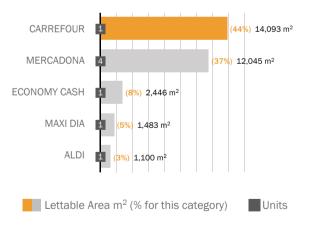
Consumers are visiting supermarkets less frequently but are spending more per visit

Consumers placing most emphasis on health benefits when shopping at supermarkets – key brands offering more "bio" products in store

#### **\*MARKET SHARE IN SPAIN**



#### **\*\*TOP RETAILERS BY GLA FOR CPS**



\* Source: GFK Consumer Wallet from Jan – Dec 2018 (sample of 70,000 buyers. Purchases done by credit card in the stores) \*\* Source: Castellana Property Portfolio Sept'2018



MERCADONA HAS UPGRADED THEIR STORES IN HUELVA, VILLANUEVA AND MERIDA – CURRENTLY UPGRADING STORE AT GRANADA

AM TEAM IN DISCUSSIONS WITH KEY RETAILERS TO IMPROVE FLOOR SPACE ACROSS THE PORTFOLIO

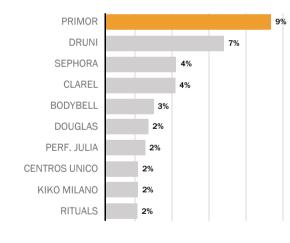
ALL MAJOR BRANDS ARE PERFORMING VERY WELL ACROSS CASTELLANA'S PORTFOLIO



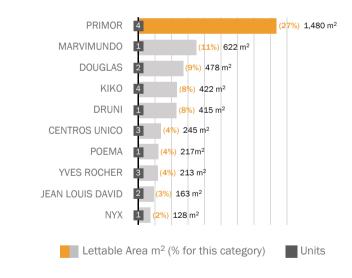
## RETAIL MARKET OVERVIEW JANUARY 2019 BEAUTY & HEALTH CATEGORY

Although hard hit by the crisis, health & beauty sector is showing strong signs of recovery Rising incomes of female and adult consumers have led to sales growth for H&B retailers Many new brands have entered the market with in-shop prices equivalent to online prices Health & Beauty retailers are creating in-store customer experiences

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STRONG RELATIONSHIPS HAVE RESULTED IN TOP BRANDS LETTING LARGER BOXES AND INCREASING IN-STORE PRODUCT OFFERINGS

INCREASING HEALTH & BEAUTY OFFERINGS RESULTS IN INCREASED FOOTFALL IN PREVIOUSLY LOW TRAFFIC AREAS

35 DIFFERENT BRANDS OCCUPY 56 UNITS ACROSS CASTELLANA PORTFOLIO

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\*\* Source: Castellana Property Portfolio Sept'2018

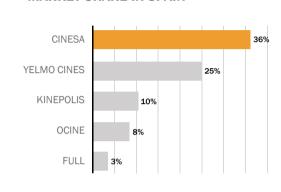
## RETAIL MARKET OVERVIEW JANUARY 2019 CINEMA CATEGORY

Strong and resilient cinema-going culture in Spain

12.1 million visits to the cinema in December (highest single month figures in 9 years)

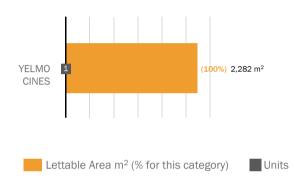
Cinema operators are trending towards opening premium, luxury cinemas with a higher number of screens per cinema complex

High quality cinemas positively impact footfall, dwell time and cross selling in shopping centres



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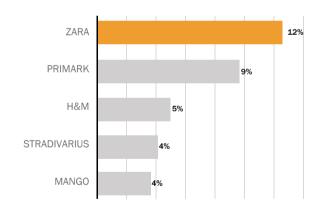
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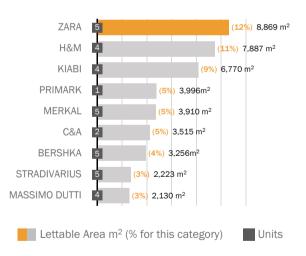
## RETAIL MARKET OVERVIEW JANUARY 2019 FASHION & ACCESSORIES CATEGORY

Fast fashion enable consumers to purchase the same amount of clothing at the same or lower price Climate change is affecting retailers ability to manage inventory levels Spanish consumers are following global trends by dressing less formally at work and home Large flagship stores, click & collect and pure-play retailers are a large focus of retailers in the sector

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\*\* Source: Castellana Property Portfolio Sept'2018



AM TEAM CONSISTENTLY FOCUSED ON ADDING NEW, UNIQUE FASHION OFFERINGS TO ITS PORTFOLIO



12

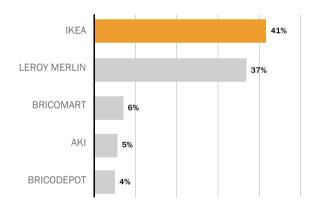
## RETAIL MARKET OVERVIEW JANUARY 2019 DIY CATEGORY

Iberian DIY sector continues to grow apace. Forecasted to reach 4.68 billion in sales in 2018 (+5.8% from 2017)

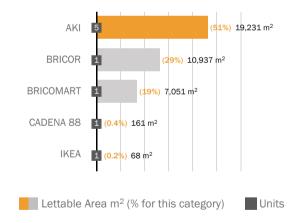
Leroy Merlin/AKI merger will consolidate into a large player

Bricodepot has announced that they are exiting the Spanish market

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\*\* Source: Castellana Property Portfolio Sept'2018



STRONG RELATIONSHIPS WITH ADEO GROUP DUE TO LARGE PRESENCE IN CASTELLANA PORTFOLIO

CURRENTLY IN NEGOTIATIONS TO TRANSFORM ALL AKI UNITS INTO LEROY MERLIN ACROSS THE PORTFOLIO

THE FIRST POP-UP IKEA STORE IN SPAIN HAS OPENED IN HABANERAS – IKEA TRADING WELL SO HAS EXTENDED THEIR LEASE AND LOOKING TO ROLL OUT IN MORE LOCATIONS



## RETAIL MARKET OVERVIEW JANUARY 2019 FOOD & BEVERAGE

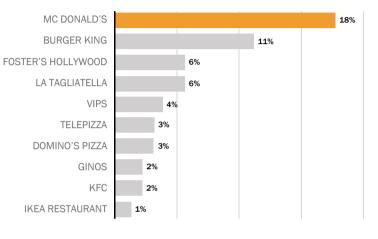
Spaniards expend the highest portion of their budget on eating out in Europe.

Spanish culture, tourism, favourable weather contributes to strong performance of F&B

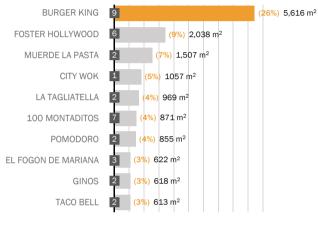
High consumer demand has resulted in attractive rental levels

Fast - casual restaurant concepts have seen the most number of openings in Spain in 2017





**\*\*TOP RETAILERS BY GLA FOR CPS** 



Lettable Area m<sup>2</sup> (% for this category) Units

F&B HAS BECOME ARE LARGE FOCUS AREA FOR THE AM TEAM

F&B OFFERING WILL BE EXPANDED AND IMPROVED IN LOS ARCOS, EL FARO, VALLSUR AND BAHIA SUR

F&B OFFERINGS HAVE INCREASED DWELL TIME FOOTFALL AND CROSS-SELLING SYNERGIES ACROSS THE CASTELLANA PORTFOLIO



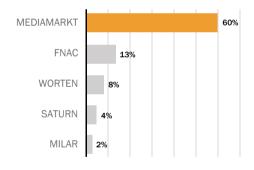
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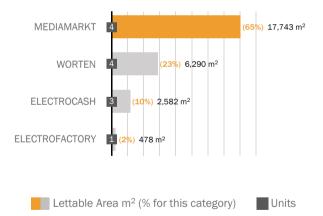
## RETAIL MARKET OVERVIEW JANUARY 2019 ELECTRONICS CATEGORY

Top electronics retailers highly focused on omnichannel strategies (online & physical stores) Physical premises act as a point of sale, showroom and click and collect Retailers are reducing GLA per store by 30% on average Electrodepot looking to increase their store network in Spain

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\* Source: GFK Consumer Wallet from Jan – Dec 2018 (sample of 70,000 buyers. Purchases done by credit card in the stores) \*\* Source: Castellana Property Portfolio Sept'2018 AM TEAM HAS SUCCESSFULLY RESIZED ELECTRONICS STORES AND RE-LET TO ADDITIONAL RETAILERS TO IMPROVE TENANT MIX AND INCREASE RENTALS

STRONG RELATIONSHIPS HAVE RESULTED IN PORTFOLIO EXPOSURE TO BEST-OF-BREED IN SECTOR WITH FAVOURABLE LEASE TERMS



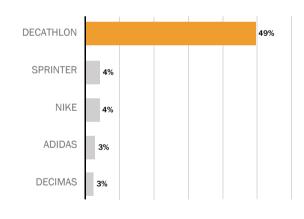
## RETAIL MARKET OVERVIEW JANUARY 2019 SPORTING GOODS CATEGORY

Sportswear trend is gaining strength driven by trends towards healthy living and less formal attire.

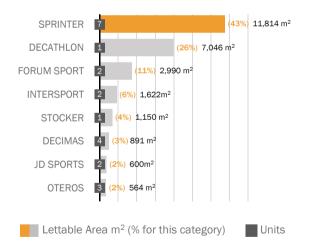
Sports goods grew by 5% in 2018, up to 5.1 billion

Sector has benefitted from changing fashion trends towards more comfortable and casual attire and a desire for a more healthier lifestyle

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\*\* Source: Castellana Property Portfolio Sept'2018



RETAILERS ARE REQUESTING INCREASED GLA TO SECURE THEIR MARKET SHARE BECAUSE OF HIGH COMPETITION IN THE SECTOR

SPORTING GOODS OFFERING WILL BE EXPANDED IN BAHIA SUR, LOS ARCOS AND VALLSUR



## RETAIL MARKET OVERVIEW JANUARY 2019 KEY STRATEGIC OBJECTIVES OF REPOSITIONING PROJECTS AND ASSET MANAGEMENT INITIATIVES



- Improvement of leisure offering at Granaita Leisure centre
- Enhancing leisure and F&B offering on top floor of Habaneras
- Improving F&B and leisure activities in Bahia Sur, Los Arcos and El Faro by introducing more fast and highend dining experiences



 Creation of single shopping node in Granaita through integration of three adjacent retail centres (Retail park, shopping centre and leisure centre) to offer our customers unparalleled choice to increase dwell time and enhance cross selling

synergies

- QUALITY ENHANCEMENT
  - Each capex project will improve quality of external and internal finishes
- Projects will improve natural light and overall look and feel for the customer
- Should lead to increased rentals and higher valuations



- Asset management team are constantly analysing the portfolio for opportunities to improve the tenant mix and create additional income and value though
- Splitting low rent boxes to re-tenant at higher rentals
- Introduction of new and better
  retailers into the centres
- Lease up of vacant units



- Investment team are constantly analysing new opportunities to:
- Increase exposure to key tenants to improve relationships and performance of portfolio
- Secure high quality assets to enhance income and improve portfolio quality
- Find opportunities where Castellana asset management can add additional value and income
- Organic growth through increasing ownership of existing high performance assets





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