

A LA COMISIÓN NACIONAL DEL MERCADO DE VALORES

MERLIN Properties, SOCIMI, S.A. (“MERLIN”), en cumplimiento de lo dispuesto por la normativa de aplicación, comunica la siguiente

INFORMACIÓN RELEVANTE

MERLIN celebrará una presentación con analistas e inversores institucionales, mañana miércoles 31 de julio de 2019, a las 15 horas de Madrid/CET, que podrá seguirse en tiempo real, vía audio-conferencia, a través del siguiente *link* y con los siguientes códigos de acceso:

Webex Link:

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Adjunto se remite la nota de prensa y la documentación soporte a la presentación, que están igualmente disponible a través de la página web corporativa de MERLIN (www.merlinproperties.com)

Madrid, 30 de julio de 2019.

MERLIN Properties SOCIMI, S.A.

Fuerte crecimiento del beneficio operativo en el primer semestre

- Ingresos por rentas: € 262,7 millones (+8,0% vs 6M 2018)
- Beneficio operativo (“FFO”): € 157,2 millones (+11,6% vs 6M 2018)
- Valor neto de activos por acción: €15,11 (+7,5% vs 6M 2018)
- Reconfirma la indicación de distribución de dividendo para 2019: € 0,52 por acción

- El beneficio operativo supera los € 157 millones (equivalentes a 33 céntimos de euro por acción), lo que representa un fuerte crecimiento del 11,6% con respecto al primer semestre de 2018.
- Excelente evolución del negocio, con crecimientos en ocupación, rentas en términos comparables y alzas en renovaciones (“*release spread*”) en todas las categorías de activos.
- MERLIN anuncia la adquisición de suelo para la ampliación en 93.000 m² del exitoso MERLIN Cabanillas Park I, que con 320.000 m² se convertirá en el mayor parque logístico de Madrid.

Madrid, 30 de julio.- MERLIN Properties ha cerrado el primer semestre con una facturación de € 265,2 millones, un EBITDA de € 210,4 millones y un beneficio operativo (FFO) de € 157,2 millones. El beneficio neto consolidado conforme a IFRS asciende a € 262,0 millones de euros, no comparable con el ejercicio anterior por los atípicos (beneficio extraordinario por la venta de Testa Residencial, revalorización de activos y variación de valor de instrumentos financieros). Excluyendo los atípicos, el beneficio neto asciende a € 124,3 millones, un 22% superior al primer semestre de 2018 (€ 101,9 millones). La ocupación de la cartera se sitúa en el 92,9%.

La cartera de activos alcanza un valor bruto (GAV) de € 12.375 millones, lo que representa un crecimiento del 5,3% en el último año. El valor neto de los activos asciende a € 7.097 millones (15,11 euros por acción), un incremento del 7,5% en el último año.

En abril, MERLIN completó la refinanciación tanto de su crédito corporativo sindicado como de su línea de crédito (RCF) mediante la obtención de una financiación sostenible de € 1.550m, convirtiéndose en la mayor de esta tipología entre los REITs europeos. También se ha firmado un préstamo hipotecario de € 67,9 millones sobre 7 activos logísticos. Como resultado, el coste medio de la deuda se ha reducido (2,04%) y el vencimiento medio de la deuda se ha extendido (6 años), habiendo cerrado el semestre con un nivel de endeudamiento (“LTV”) del 41%.

Oficinas

- Evolución del negocio

Gran comportamiento con una subida en rentas like-for-like del 8,3%, lo que refleja tanto el incremento de ocupación como las consistentes subidas de rentas obtenidas en las renovaciones de los últimos doce meses. El *release spread* se ha situado en el 5,0% en Madrid, el 14,9% en Barcelona y el 10,5% en Lisboa. La ocupación se encuentra en el 90,3% lo que representa un incremento frente a diciembre de 2018 (+27 pbs) y un salto muy notable con respecto a hace un año (+ 243 pbs).

- Plan Landmark I

Torre Chamartin ha tenido un gran semestre en comercialización. MERLIN ha firmado 8.487m² en la torre, incluyendo la extensión con Deloitte de 6.365 m² (más la opción de extender 2.121 m² adicionales), llevando la tasa de ocupación al 83% (94% si se ejerce la extensión).

Torre Glories también ha tenido un semestre excelente, en el que se han alquilado 11.807 m², con lo que se ha alcanzado la plena ocupación de la torre. También se ha lanzado el proyecto del observatorio en las dos plantas superiores, una experiencia única que contará con el contenido desarrollado por Mediapro.

Centros comerciales

- Evolución del negocio

La cartera de centros comerciales continúa dando buenos rendimientos en un semestre en que tanto las ventas como las afluencias a la cartera de centros ha tenido una tendencia al alza. En cuanto a las rentas, el crecimiento en rentas like-for-like se ha situado en el 3,9% y las subidas en rentas en las renovaciones (*release spread*) en el 2,9% en los últimos 12 meses. La ocupación ha crecido notablemente, para acabar el semestre en el 92,6%, 163 puntos básicos por encima de diciembre y 449 puntos básicos por encima de hace solo un año.

- Plan Flagship

La reforma de Larios está dando sus frutos. Todo el espacio reformado ya está alquilado, habiendo firmado contratos con Primark, que va a abrir su mayor tienda en un centro comercial en España (8.282 m²), o Zara, que ha ampliado su tienda para llegar a los 4.273 m². X-Madrid sigue sumando inquilinos a este revolucionario concepto, llegando ya al 92% de precomercialización. Ambos proyectos se inauguran en octubre.

Logística

- Evolución del negocio

Sólido crecimiento en rentas, tanto en términos comparables *like-for-like* (+6,2%) como en las renovaciones (*release spread*) de los últimos doce meses (+5,0%). La ocupación se ha mantenido al mismo nivel que el primer trimestre del ejercicio, en el 95,7%.

- Plan Best II & III

Gran semestre en pre-comercialización de activos en desarrollo comprendidos en los planes Best II & III. En el segundo trimestre y hasta la fecha se han firmado 164.286 m² en nuevos contratos. Destaca la firma del contrato de arrendamiento más grande firmado en España, 98.757 m² con Carrefour en Guadalajara-Azuqueca II. El proyecto llave en mano será entregado a principios de 2021, ofreciendo especificaciones de última generación. Carrefour cubrirá la distribución nacional de productos no consumibles desde este hub central. También se ha firmado el alquiler de la totalidad de Valencia-Ribarroja (parte de Best III) a Dachser, en un proyecto llave en mano de 34.992m², así como 21.879 m² con Logisfashion en Guadalajara-Cabanillas III.

Creación de valor para el accionista

El valor de los activos ha alcanzado los € 12.375 millones, tras las valoraciones realizadas por CBRE, Savills y JLL. Lo anterior representa un crecimiento del 5,3% en un año. De acuerdo con las recomendaciones EPRA, el valor neto de los activos alcanza los € 7.097 millones, equivalentes a 15,11 euros por acción, lo que supone un crecimiento del 7,8% en un año.

A través de una combinación de reparto de dividendos e incremento de valor, la Compañía ha generado un retorno total para el accionista de € 707 millones en los últimos doce meses, lo que implica una rentabilidad implícita del 11,0% en el período interanual.

La Compañía ha reconfirmado su estimación de dividendo para 2019 en los 52 céntimos de euro (+4% vs 2018).

Acerca de MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) es la mayor compañía inmobiliaria cotizada en la Bolsa española, con una capitalización de más de 5.800 millones de euros. Está especializada en la adquisición y gestión de activos terciarios en la península ibérica, invirtiendo principalmente en oficinas, centros comerciales y plataformas logísticas en los segmentos Core y Core Plus. MERLIN Properties forma parte de los índices de referencia IBEX 35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate Index, GPR Global Index, GPR-250 Index y MSCI Small Caps.

Visite www.merlinproperties.com para obtener más información sobre la compañía.

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6M2019
RESULTS
PRESENTATION

31 July 2019



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BRUSH**
CIO

Contents

6M19 Financial results

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Financial performance

- **+8.0% Rents** YoY
- **+11.6% FFO per share** YoY
- **EPRA NAV** per share **up 7.5%** YoY to **reach € 15.11**
- **DPS guidance** of **€ 0.52 per share** reconfirmed
- **TSR of 4.1%** in the period (**11.0% LTM**)

Operating performance

- **Rental growth very robust** across the board
- **Offices showing strength** with 8.3% LfL rental growth
- **Slight increase in occupancy of +37 bps (92.9%)**, being **shopping centers** the **top performer** in the quarter (+184 bps)

Value creation

- **8,487 sqm signed in Torre Chamartin** (+2,121 sqm option to extend) reaching 83% occupancy (**94% if option executed**)
- **Two large pre-lets achieved for Best II & III**, including the **largest logistics lease ever** signed in Spain (98,757 sqm with Carrefour)
- **Cabanillas Park I extension signed** (92,994 sqm) to become the **largest logistics park in Madrid** (314,867 sqm) and the landmark area for national e-commerce distribution





6M19 Financial results



Strong cash flow generation (+11.6% in FFO per share YoY)

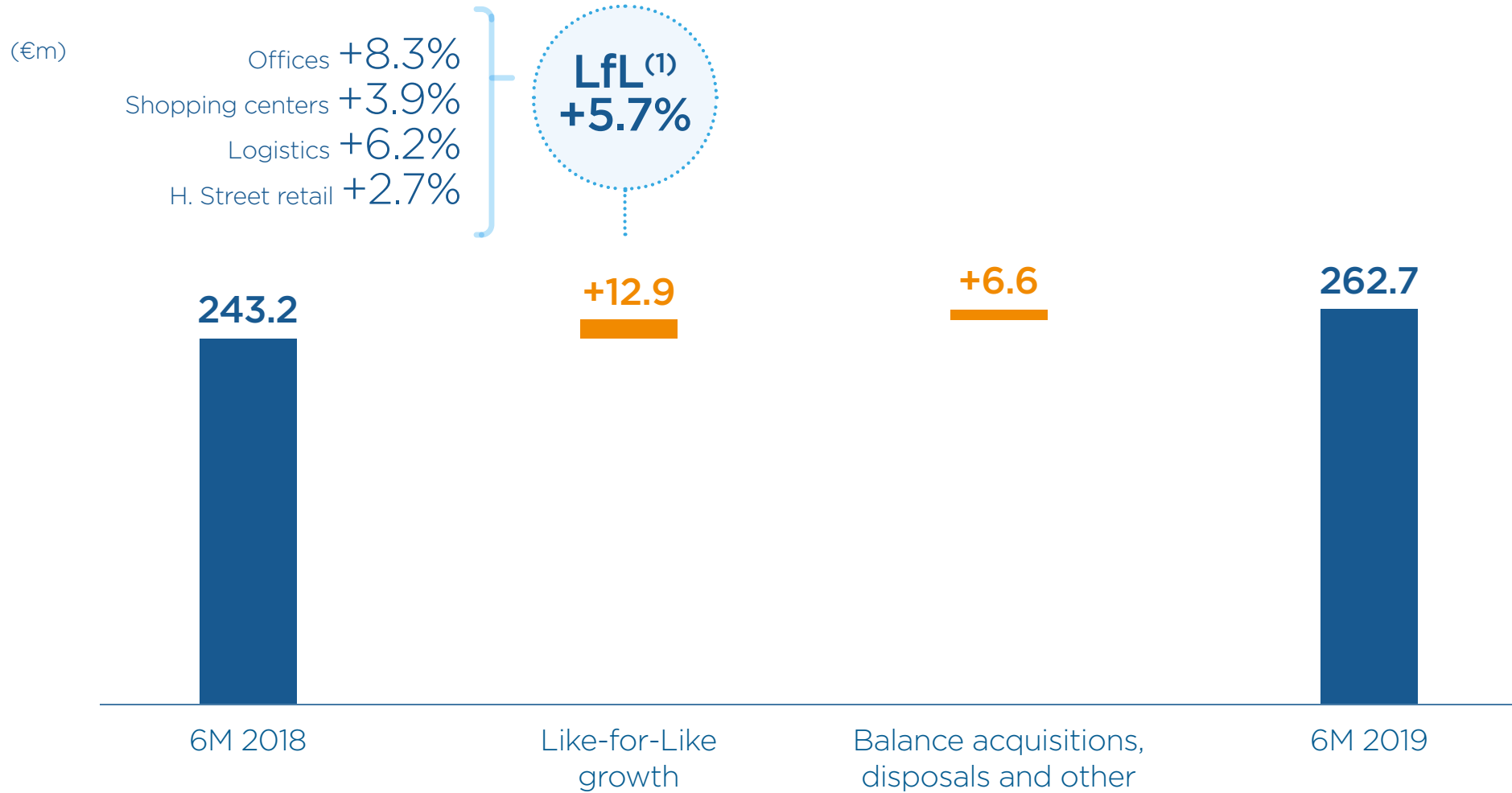
€ million	6M19	6M18	YoY
Gross rents	262.7	243.2	+8.0%
Gross rents after incentives	253.0	232.2	+9.0%
Net rents	228.2	210.7	+8.3%
EBITDA⁽¹⁾	210.4	195.9	+7.4%
FFO	157.2	140.9	+11.6%
AFFO	151.6	136.1	+11.4%
IFRS net profit	262.0	479.7	(45.4%)
EPRA NAV	7,096.9	6,603.8	+7.5%
(€ per share)			
FFO	0.33	0.30	+11.6%
AFFO	0.32	0.29	+11.4%
EPS	0.56	1.02	(45.4%)
EPRA NAV	15.11	14.06	+7.5%

Includes Testa Residencial extraordinary sale

⁽¹⁾ Excludes non-overhead costs items (€ 1.6m) plus LTIP accrual (€ 22.1m)



Robust LfL growth in all asset categories with offices standing out at 8.3%



⁽¹⁾ Portfolio in operation for 6M19 (€ 241.5m GRI) vs 6M18 (€ 228.6m GRI)

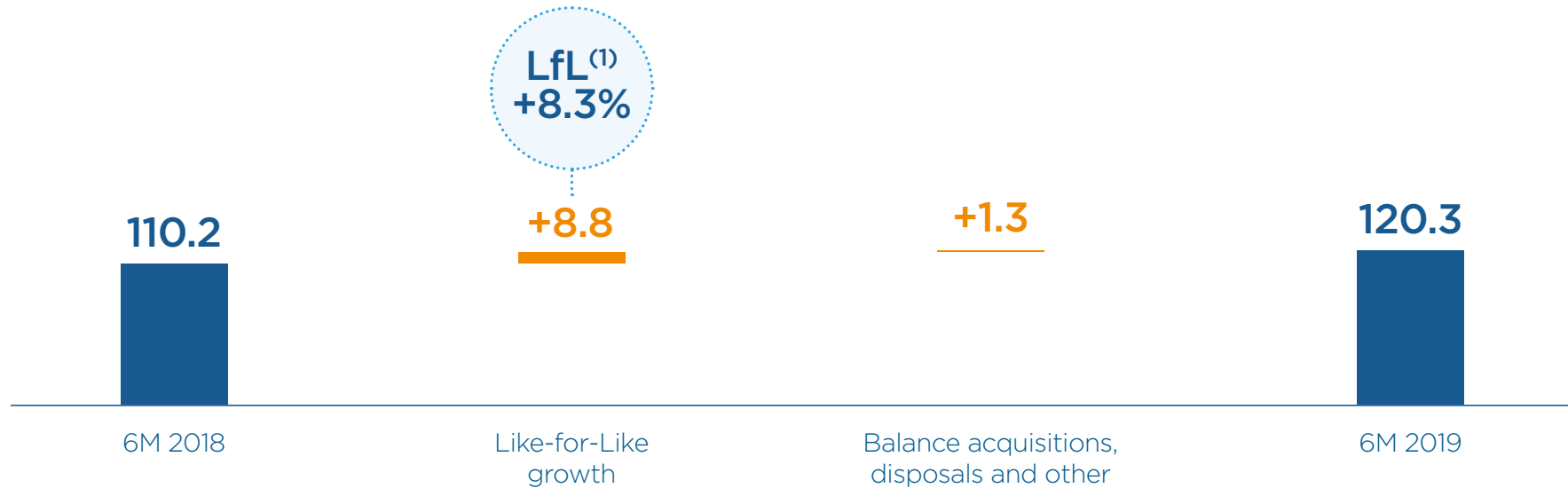


Offices



Offices performing strongly in our 3 markets

(€m)



LfL⁽¹⁾
+8.3%

+8.8

+1.3

120.3

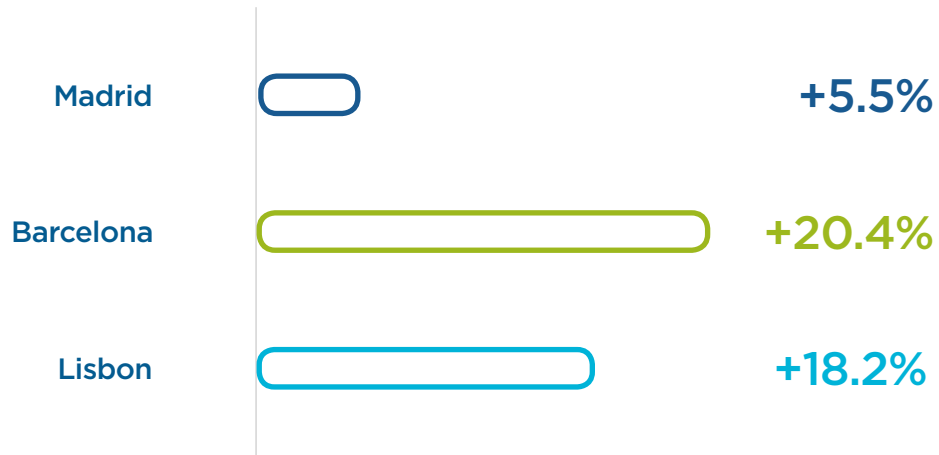
6M 2018

Like-for-Like growth

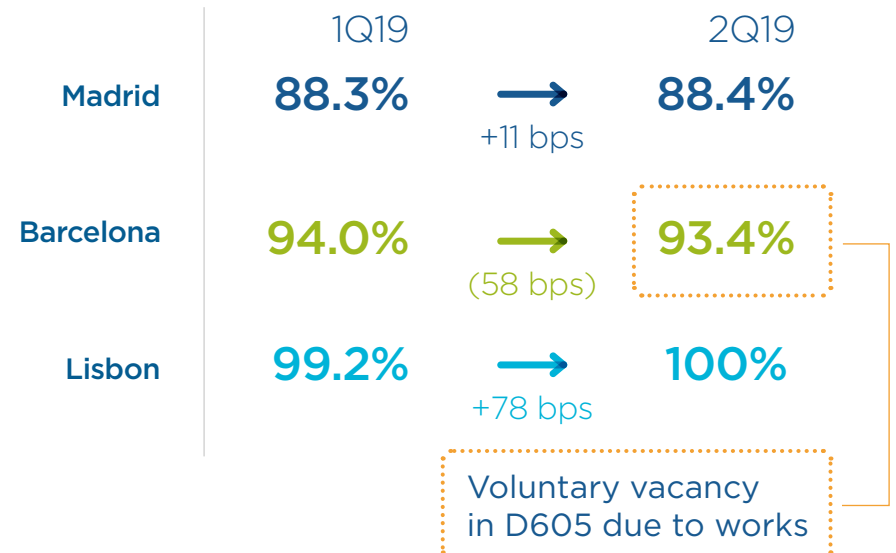
Balance acquisitions, disposals and other

6M 2019

Lfl growth by area



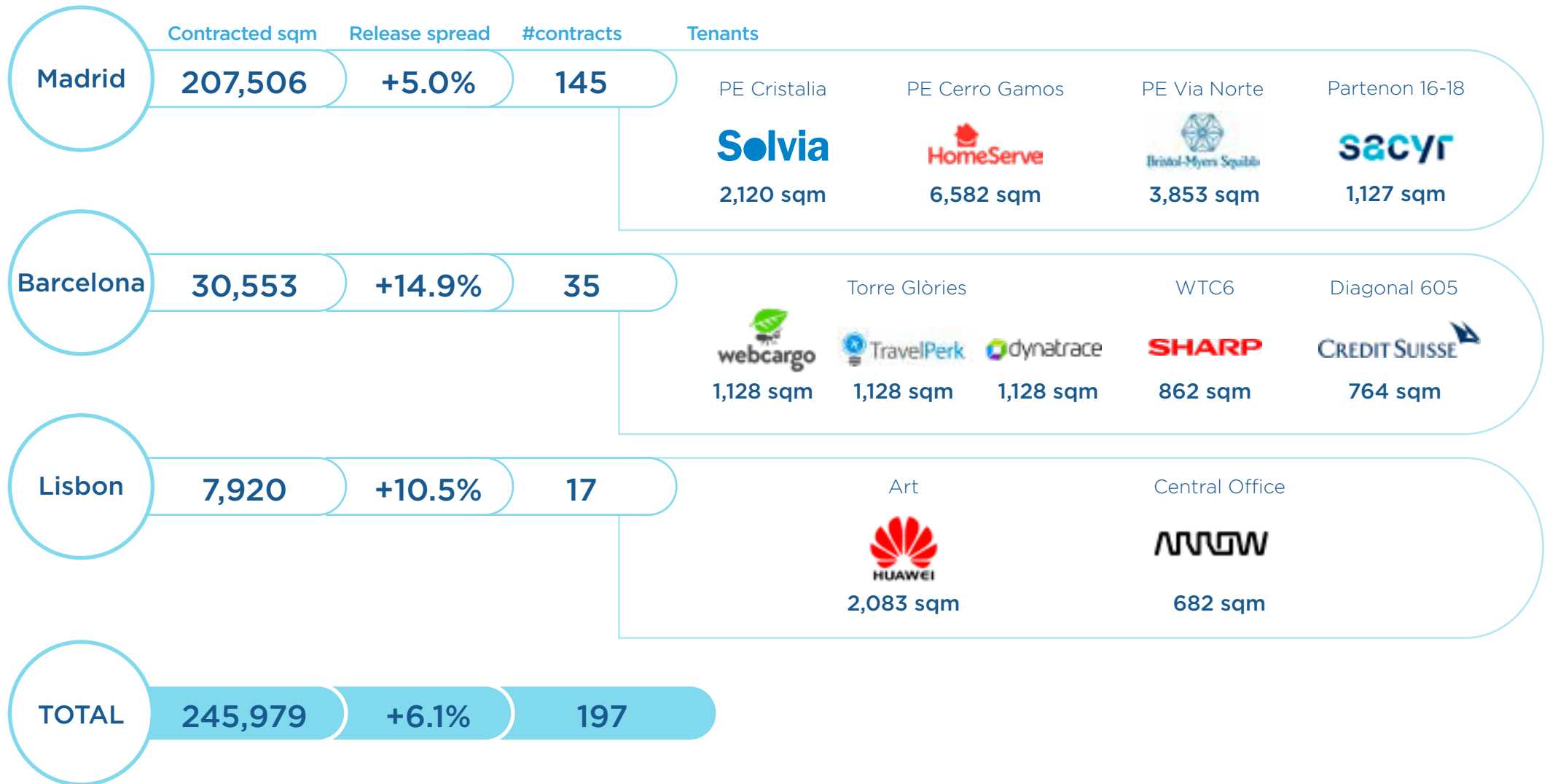
Occupancy by area



⁽¹⁾ Offices portfolio in operation for the 6M19 (€ 115.3m GRI) and for the 6M18 (€ 106.5m GRI)



Rental growth continues robust (+6.1% release spread)

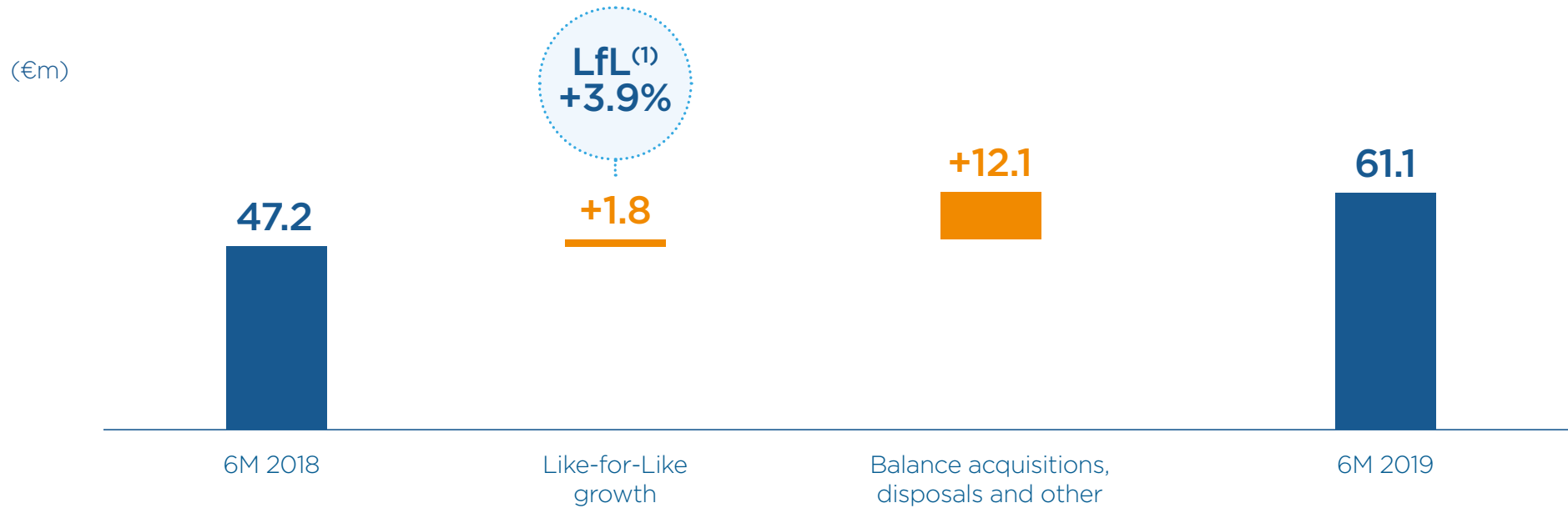




Shopping centers

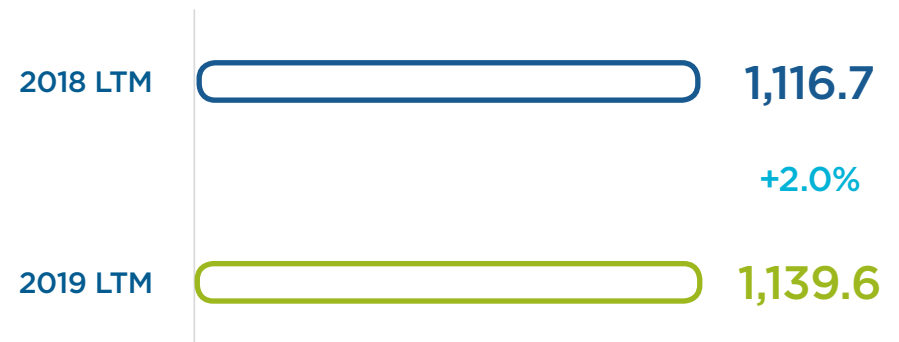
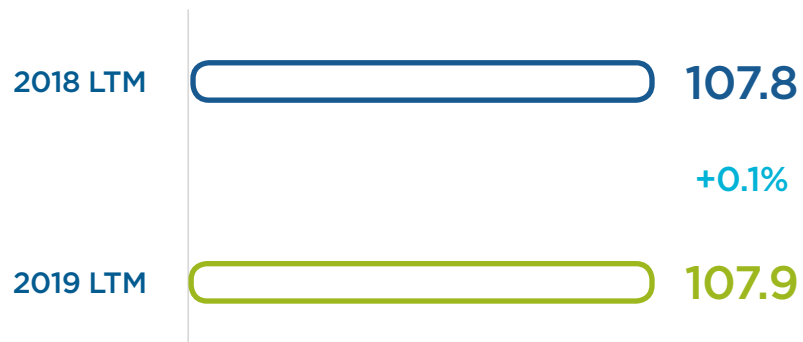


Steady LfL rental growth in the portfolio. Footfall and sales rising in the period



Footfall (million)

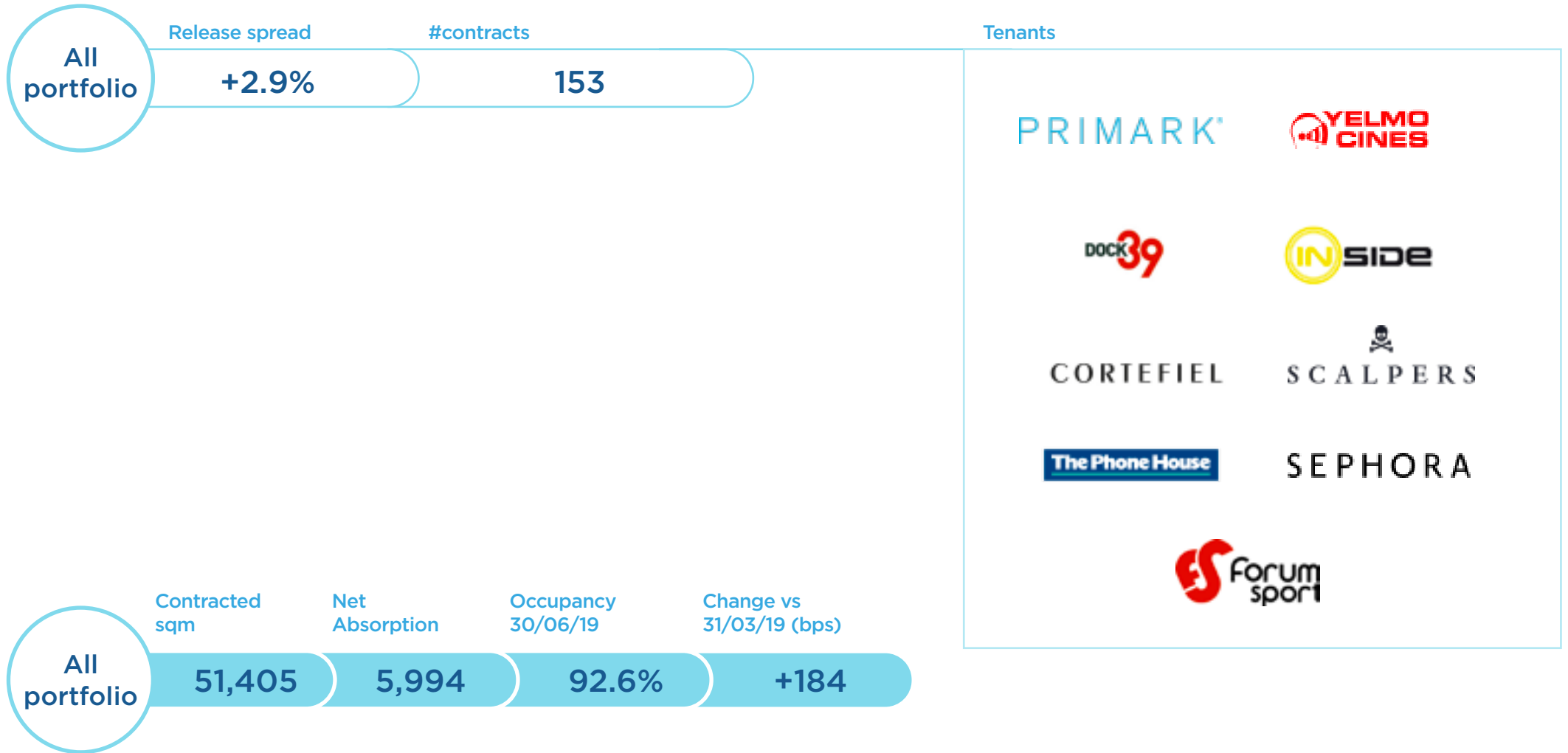
Tenant sales (million)



⁽¹⁾ Shopping centers portfolio in operation for the 6M19 (€ 47.7m GRI) and for the 6M18 (€ 45.9m GRI)



Meaningful increase in occupancy (+184 bps vs 3M19)

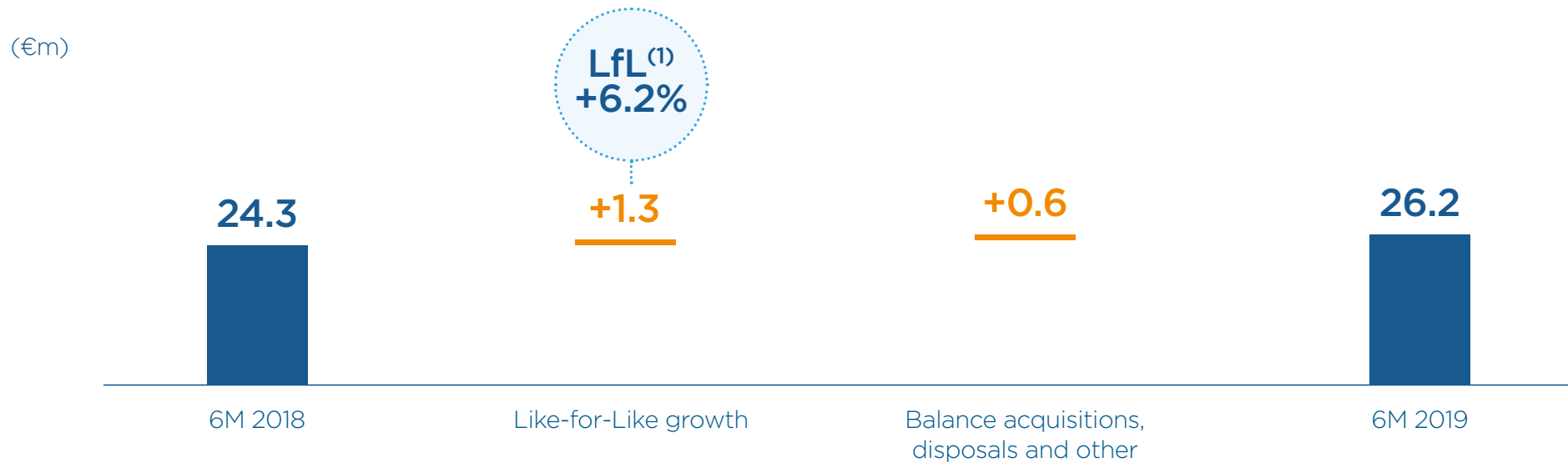




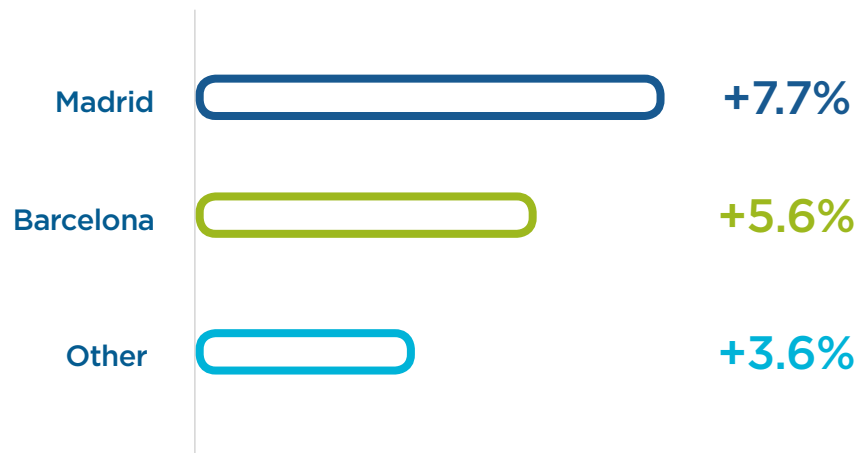
Logistics



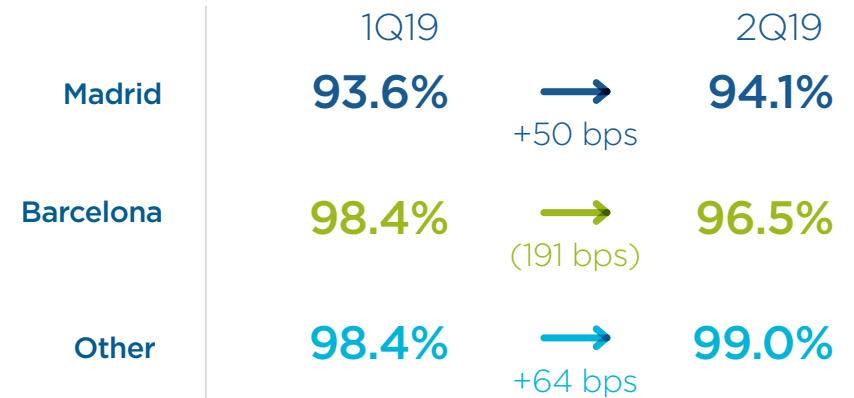
Solid LfL growth driven by increase in rents



LfL growth by location



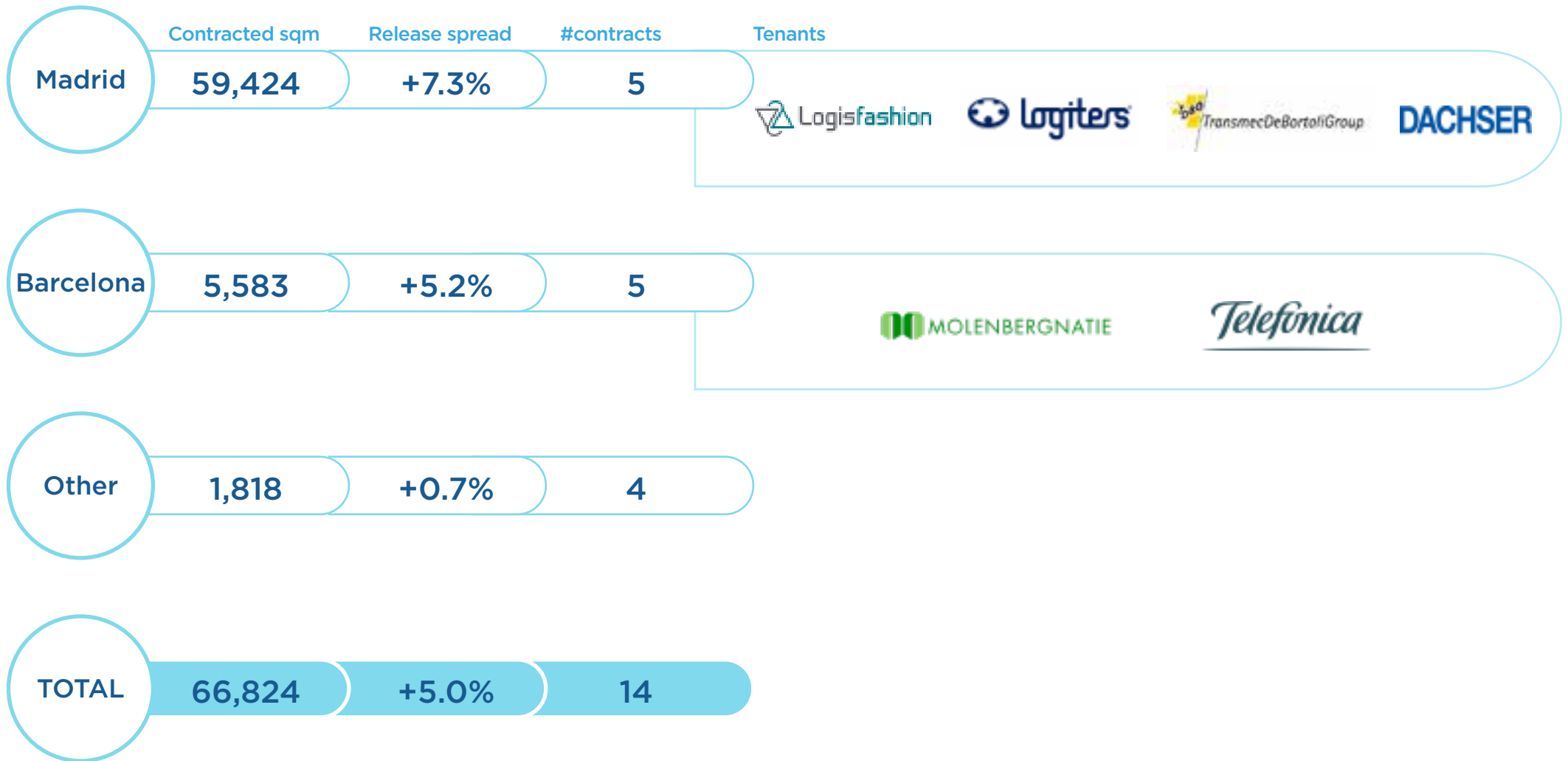
Occupancy by area



⁽¹⁾ Logistics portfolio in operation for 6M19 (€ 23.3m GRI) and for the 6M18 (€ 21.9m GRI)



Rents continue growing in all markets (+5.0% release spread in the portfolio)





Stock
468,745

WIP
257,981

Stock incl. WIP
726,726

Third parties stock
178,433

Stock under management
905,159

Investment
€ 136m

ERV
€ 22m

Contracted sqm Release spread #contracts Tenants

135,007

+3.1%

22

ZAL Port

Occupancy by area

1Q19 **98.2%** — +177 bps → 2Q19 **100%**



€m	6M19	6M18	YoY
Gross rents	22.8	21.8	+4.3%
Net rents	22.5	21.5	+4.7%
EBITDA	21.5	20.3	+6.2%
FFO⁽¹⁾	12.6	12.0	+4.6%
Net earnings	4.5	4.2	+9.2%
MERLIN attributed	2.2	2.0	+9.2%

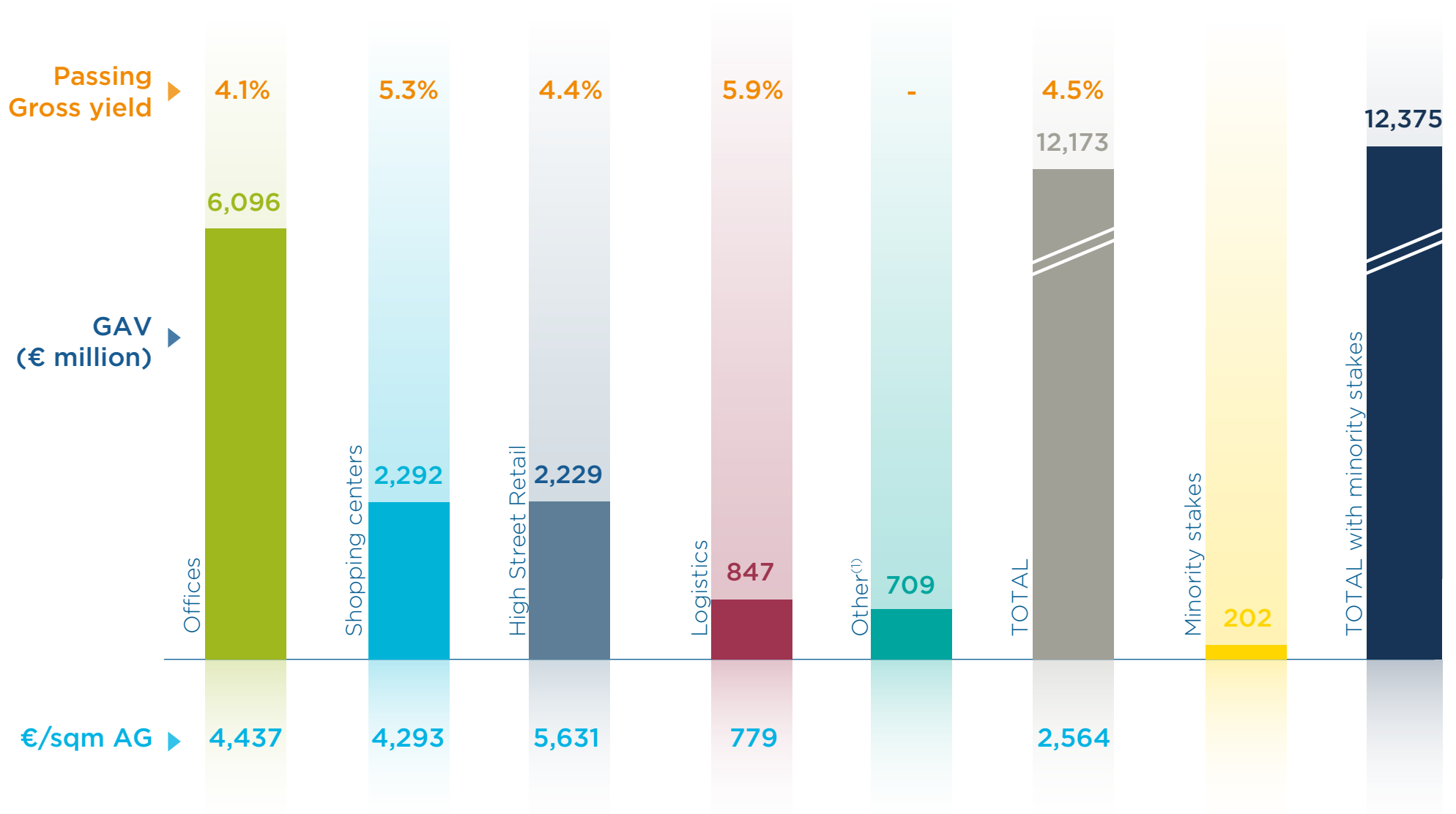
⁽¹⁾ After deducting leasehold concession charge



Valuation and debt position



Gross asset value approaching € 12.4bn

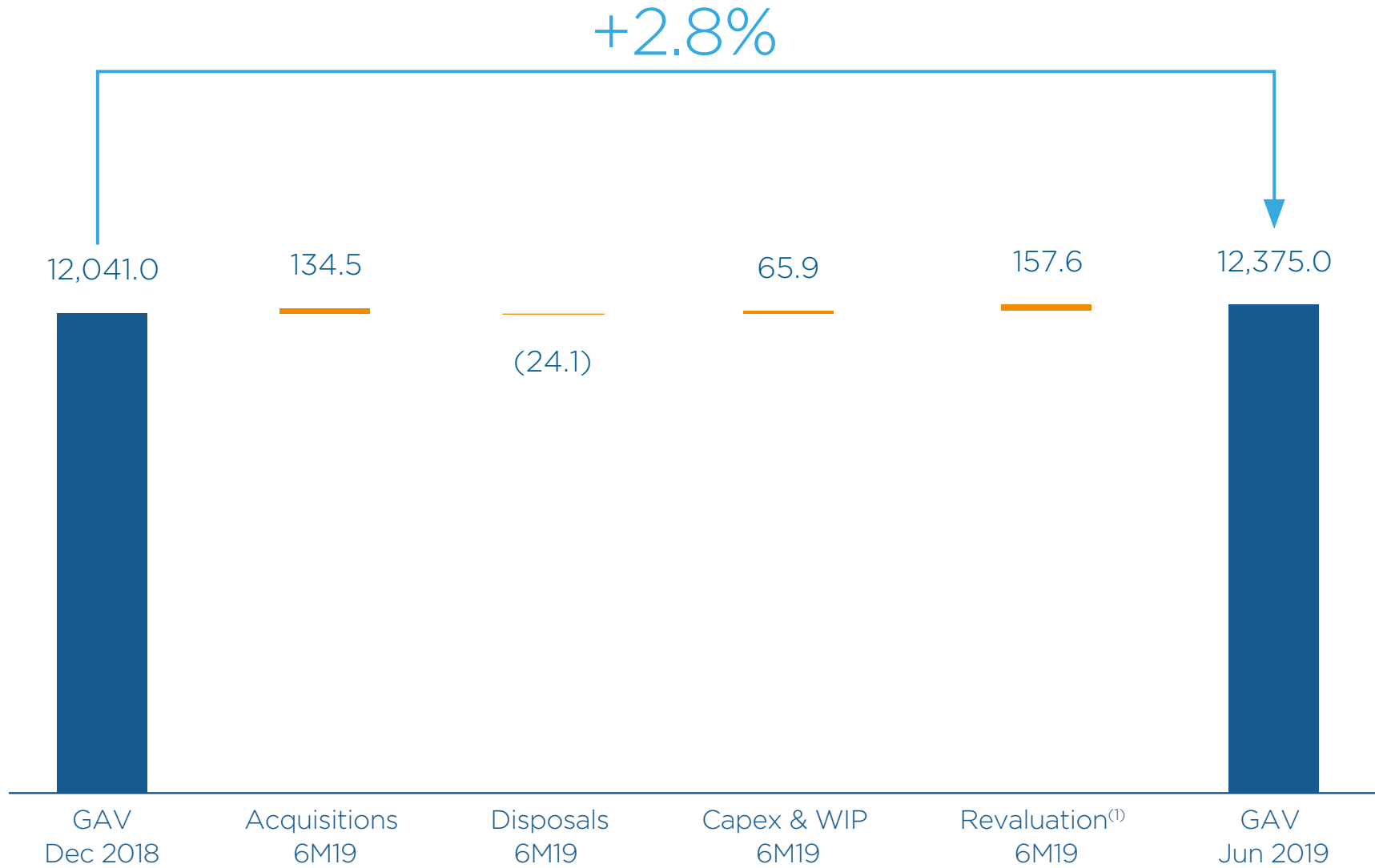


Source: Company

⁽¹⁾ Other includes WIP, hotels, non-core land and miscellaneous



(€m)

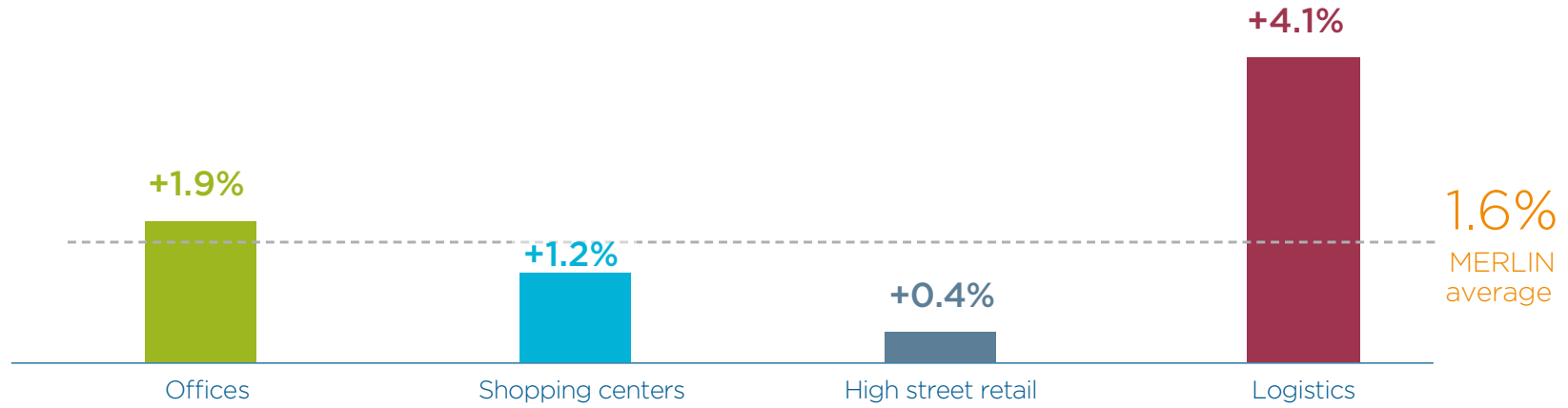


Source: Company

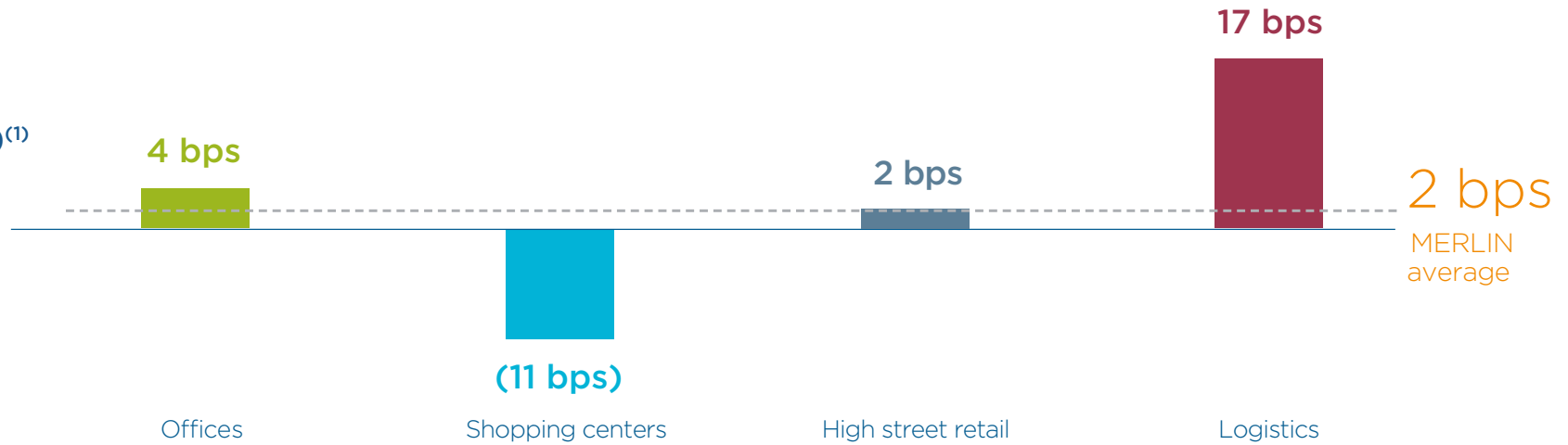
⁽¹⁾ Including off-balance sheet revaluations



GAV
Like-for-Like
evolution⁽¹⁾



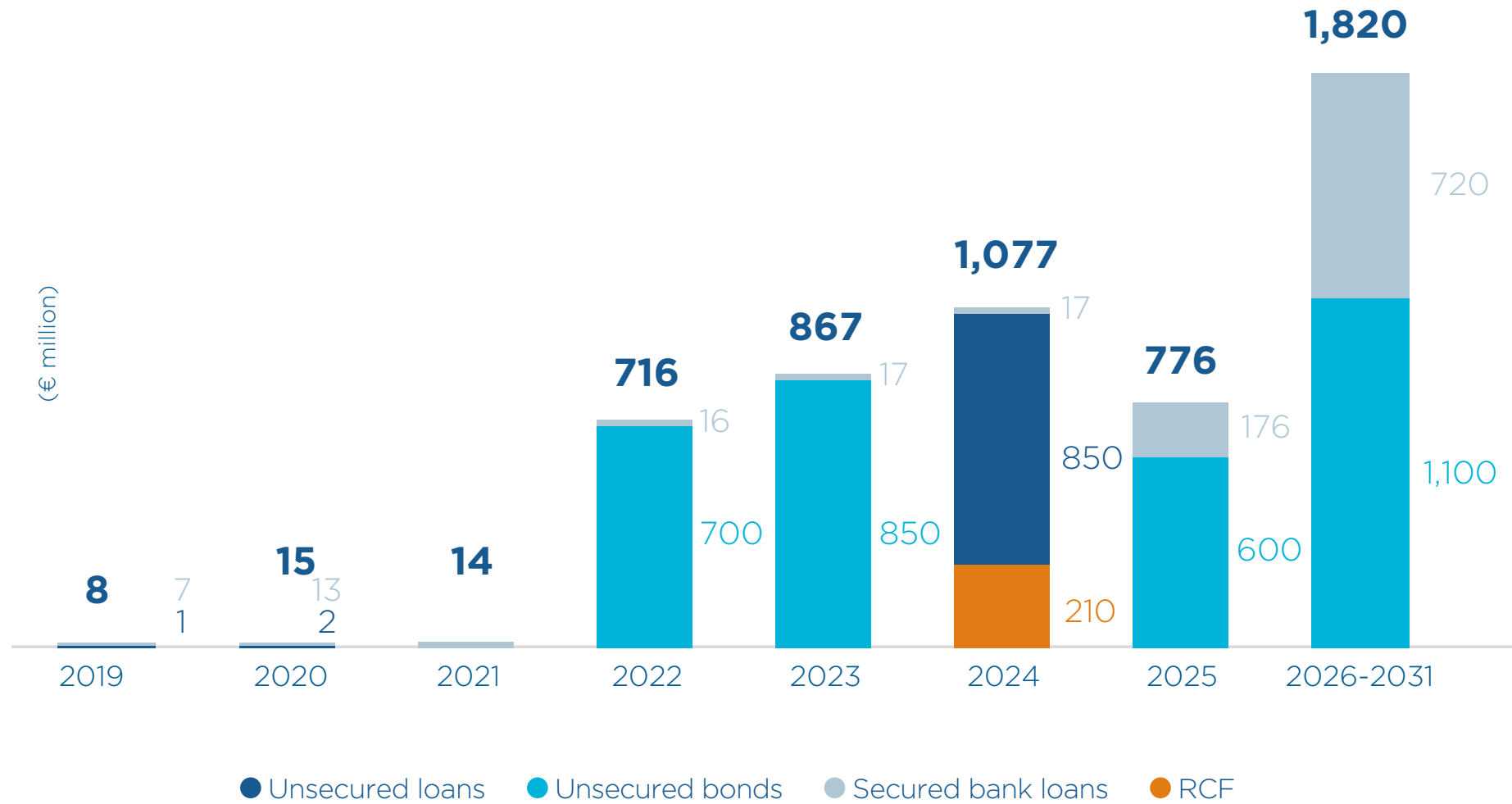
Yield
compression
/ (expansion)⁽¹⁾



⁽¹⁾ Vs FY18



€ 1,550m ESG indexed financing has **extended maturities...**





... and further reduced the cost of debt

(€ million)	30/06/2019	31/12/2018
Gross financial debt	5,292	5,413
Cash⁽¹⁾	(216)	(509)
Net financial debt	5,076	4,904

(Metrics)		
LTV	41.0%	40.7%
Average cost (spot)	2.04% (1.74%)	2.13% (1.84%)
Fixed interest rate	95.4%	96.3%
Average maturity (years)	6.0	5.9
Liquidity⁽²⁾ (€ million)	706	634

S&P Global
MOODY'S

Rating
BBB
Baa2

Outlook
Positive
Stable

Source: Company

⁽¹⁾ Including cash, pending receivable of Testa Residencial and treasury stock

⁽²⁾ Including cash, pending receivable of Testa Residencial and treasury stock, and unused credit facilities



Value creation



Cabanillas Park I extension

Cabanillas Park I

The project

- Development of **4 logistics modules**, adjacent to Cabanillas Park I, with a total **GLA of 92,994 sqm**
- MERLIN Cabanillas Park I + extension (**314,867 sqm GLA**) will become the **largest logistics park in Madrid**
- Delivery in **two phases**: 2020 and 2021

The market

- **A-2 corridor is the main logistics hub in Spain**, with a stock of ca. 5m sqm
- **Most dynamic market in Spain**, with a take-up of ca. 0.5m sqm per annum in the last two years. Vacancy stands at 6% (obsolete product for 3PLs)
- **MERLIN is the predominant leader in the area**, with a footprint upon full development of **1.2m sqm** and **€ 24m of annual rents**

KPIs

GLA **92,994 sqm**
 Total investment **€ 56.0m**
 ERV **€ 3.9m**
 Yield on cost **6.9%**

Clients in A-2





Torre Glòries

- **Full occupancy of office** space after having signed 5,118 sqm in 2Q19
- **World class observatory** development **signed with Mediapro.** To open by end-2020
- LOOM flex space construction underway



GLA **37,614 sqm**
 Total investment **€ 169.2m**
 Yield on cost **7.0%**



Torre Chamartin

- **9,067 sqm signed in the year** (+ 2,121 sqm optioned) to reach 83% occupancy (94% if option executed). Deloitte will occupy 70% of the space
- LOOM in the top floor and rooftop terrace to enjoy 360° stunning views of Madrid, providing flex space solution to corporates of MERLIN Hub
- Direct access from A-1 progressing



GLA **18,295 sqm**
 Total investment **€ 69.2m**
 Yield on cost **6.7%**



Larios

- Compelling **achievements in leasing-up** the refurbished additional space
- **Primark** will open its **largest shop** in a mall in Spain (8,282 sqm)
- **Upsizing Zara** shop to 4,273 sqm
- Opening in October



GLA **41,460 sqm**
 Cost **€ 48.0m (incl. units acquired)**
 Yield on cost **6.4%**



X-Madrid

- **Preleasing** activity has reached **92%** and main anchors secured
- Opening in October

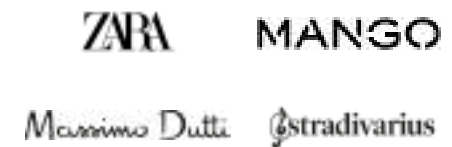


GLA **47,424 sqm**
 Cost **€ 45.7m (incl. land)**
 Yield on cost **11.8%**



Tres Aguas

- **Anchor tenants upsizing** and upscaling units
- Entertainment offer reinforced adding a **new leisure area**



GLA **67,690 sqm**
 Cost **€ 20.2m**
 Yield on cost **15.1%**



Guadalajara-Azuqueca II (Best II)

- **Largest logistics lease ever signed in Spain**, with Carrefour, for the entire lease-up (98,757 sqm)
- The turn-key project, currently under construction, will be **delivered by the beginning of 2021**
- **Carrefour will cover national distribution** of non-consumable goods from this core hub

GLA **98,757 sqm**

GRI **€ 4.4m**

YoC **8.1%**



Valencia Ribarroja (Best III)

- Turn key project let to Dachser upon delivery in the **most dynamic logistics hub of Valencia**
- Dachser will serve **Leroy Merlin e-commerce distribution** in the Mediterranean corridor
- Tailor made solution to clients of MERLIN, proving the **“top-of-mind” role of MERLIN** in the Iberian logistics arena

GLA **34,992 sqm**

GRI **€ 1.9m**

YoC **7.4%**





Closing
remarks



→ Financial performance

- **Significant growth in cash flow generation**, to reach €0.33 of FFO per share (+11.6% YoY)
- **Steady growth in EPRA NAV per share** (€ 15.11, +7.5% YoY)
- **DPS guidance** of € 0.52 per share **reconfirmed**
- LTV maintained at **41% LTV**, with **lower cost (2.0%)** and **extended maturities (6yr)**

→ Business performance

- **Offices. Excellent** growth in **LfL rents and release spreads**. Slight increase in occupancy and +91% guidance for year end reconfirmed
- **Shopping centers**. Footfall and tenant sales rising as compared to previous quarter. **Meaningful increase in occupancy** and steady growth in rents
- **Logistics**. Continues performing well, with **compelling pre-leases signed**

→ Value creation

- **Landmark I.**
 - **Torre Chamartin** has shown a **strong** leasing activity YTD
 - **Torre Glòries** office space at **full occupancy**
- **Flagship**
 - **Anchor tenants upsizing** Larios and Tres Aguas shops on the back of the refurb. Larios Primark will be the largest in a Spanish mall
 - **X-Madrid** poised to open at full occupancy (**92% pre-let**)
- **Best II & III**
 - **Cabanillas Park I extension** signed to become the **largest logistics park** in Madrid
 - **Largest lease ever** signed in Spain with **Carrefour** (98,757 sqm) plus **Dachser** in Valencia-Ribarroja (34,992 sqm)



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