

IGD

Sector: Holdings & RE

OUTPERFORM

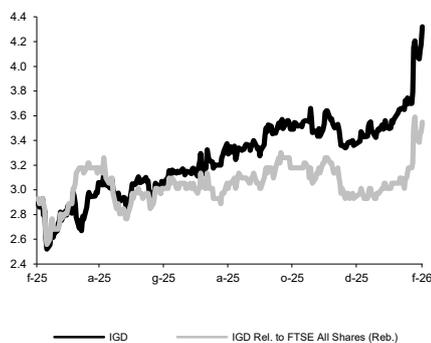
Price: Eu4.32 - Target: Eu5.00

Another Quarter of Improving KPIs

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 4.10 to 5.00		
	2026E	2027E	2028E
Chg in Adj EPS	-0.4%	-0.6%	-0.8%

IGD - 12M Performance



Stock Data			
Reuters code:	IGD.MI		
Bloomberg code:	IGD IM		
Performance	1M	3M	12M
Absolute	23.6%	19.2%	47.4%
Relative	18.7%	9.6%	26.7%
12M (H/L)	4.32/2.52		
3M Average Volume (th):	154.22		

Shareholder Data	
No. of Ord shares (mn):	110
Total no. of shares (mn):	110
Mkt Cap Ord (Eu mn):	477
Total Mkt Cap (Eu mn):	477
Mkt Float - Ord (Eu mn):	213
Mkt Float (in %):	44.7%
Main Shareholder:	
Coop Alleanza 3.0	40.9%

Balance Sheet Data	
Book Value (Eu mn):	1,012
BVPS (Eu):	9.17
P/BV:	0.5
Net Debt (Eu mn):	-782
NAV (Eu mn)	1,022

- 4Q25 results: P&L below estimates but FFO better than expected.** Yesterday IGD reported 4Q25 results that were slightly below expectations at the P&L level but better in terms of FFO. Specifically, total revenues closed at Eu35.5mn (-3.9% vs our estimates); EBITDA at Eu24mn, including Eu-0.2mn from trading (-1% YoY and 6% below expectations); the bottom line at Eu14.4mn, negatively impacted by some one-offs; and FFO at Eu10.1mn (+8% YoY and 17% above exp.). On the balance sheet, the NFP came to Eu790mn and the NAVps closed at Eu9.1 (Eu9.2 exp.) or +1.8% YoY.
- Solid operating performance.** The quarter saw the mall occupancy rate up slightly to 95.63%, (+96bp vs. YE24; +8bp vs. 1H25), while the occupancy rate for malls plus hypermarkets improved to 96.6%, also up +7bp compared to 1H25. For full-year 2025, renewals + re-lettings in Italy (10.8% of total mall rents) saw upside of 1.4%.
- Core portfolio value increases.** IGD's entire portfolio has been valued at Eu1.70bn (excluding equity investments and leasehold properties) an improvement of 0.6% YoY. The core Italian portfolio (Eu1.56bn) was up 1.8% vs YE24, with the valuation of shopping malls up as much as 2.1% YoY (after the +0.5% registered in 1H25), while the valuation of hypermarkets (12% of the Italian portfolio) was down 1% YoY. Importantly, the increase in the portfolio valuation was achieved only thanks to the operating performance of the assets, as both the WACC and the cap rates were left unchanged.
- 2026 FFO guidance looks conservative.** Management also provided guidance for FY26, which foresees FFO of Eu45mn, up 9.4% YoY. This guidance looks conservative and includes the impact of some Eu50mn of further disposals on the Romanian portfolio with an impact on FFO that can be estimated at ca Eu1.0-1.5mn.
- Messages from the confcall.** Sales by tenants: January was positive, with sales performing very well. Food & beverage is growing strongly, and apparel, despite having been reduced, remains one of the most attractive categories, along with personal care, etc.; Dividend: starting from the Eu0.15 dividend for 2025 (paid out of tax-exempt earnings without affecting reserves), the growth trend will continue in a sustainable way and linked to results. Management added that the DPS is expected to grow faster than FFO and will also depend on the share price performance.
- Change in estimates and TP.** We have broadly confirmed 2026-2028 FFO estimates which do not yet include the impact from potential disposal. Our TP moves from Eu4.10 to Eu5.00 (still based on a mix of NAV, FFO and DCF methodologies) thanks to rolling over the DCF and an increase in P/NAV and P/FFO multiples to a level 5% above the historical average. Please note that we have also removed the 10% liquidity discount, as the market cap has now reached Eu0.5bn.
- OUTPERFORM confirmed; target Eu5.00 (from Eu4.10).** 4Q25 results confirmed the group's solid operating momentum and the stock remains appealing in our view (30% discount to GAV and 9.5x P/FFO 1Y FWD), especially considering stabilising/improving real estate valuations and the work done (and still not finished) to lower the cost of debt. In the next few quarters, we think that greater confidence on valuations could have a positive impact not just on NAV but also on dividend distribution; in the meantime, the direction of travel for interest rates will also remain a key driver for the stock.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
EBIT Adj (Eu mn)	98	88	95	96	98
Net Profit Adj (Eu mn)	36	41	48	52	54
EPS New Adj (Eu)	0.323	0.373	0.438	0.470	0.488
EPS Old Adj (Eu)	0.323	0.360	0.440	0.473	0.492
DPS (Eu)	0.100	0.150	0.180	0.194	0.204
NAVPS (Eu)	8.942	9.088	9.261	9.415	9.578
P/NAVPS	0.5	0.5	0.5	0.5	0.5
P/E Adj	13.4	11.6	9.9	9.2	8.9
Div. Yield	2.3%	3.5%	4.2%	4.5%	4.7%
Net Debt/EBITDA Adj	7.9	8.0	7.8	7.9	7.7

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: the prices reported in the research refer to the price at the close of the previous day of trading

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As at 27 February 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.58%
OUTPERFORM:	38.35%
NEUTRAL:	29.32%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (72 in total) is as follows:

BUY:	54.17%
OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

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