



PROPIEDADES  
COMERCIALES

# IIIQ FY 2019 Conference Call

May 10, 2019

Hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain, COO

Matías Gaivronsky, CFO



**Zetta Building**  
Northern BA City

# Main Events for 9M FY2019

## Consolidated Basis



## Financial Statements Adjusted for Inflation

**ARS 3.6 billion**  
Adjusted EBITDA  
-12.1% vs. 9M18

ARS 3.2 billion  
Shopping Malls  
-13.9% vs. 9M18

ARS 0.8 billion  
Offices  
+72.5% vs. 9M18

-ARS 0.4 billion  
S&D and Others  
Mainly due to Tarshop sale and  
"La Arena" Goodwill loss

**- ARS 4.5 billion**  
Net Loss  
vs. Gain ARS 12.4 bn in 9M18

**- ARS 4.6 billion**  
Net Loss attributable to  
Controlling Company  
vs. Gain ARS 12.1 bn in 9M18

Mainly explained by a  
**Loss** from changes in  
**FV of Investment  
properties**

The 3Q19 registered  
**ARS 198 million Net Gain**  
vs. ARS 2,480 million loss in 3Q18

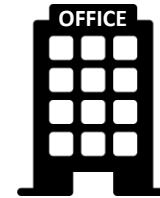


**-12.8%**

Same Shopping malls sales  
in real terms vs. 9M18  
(+26.1% in nominal terms)

**94.5%**

Shopping malls  
occupancy



**26.3**

Offices Portfolio  
Avg. rent (USD/sqm)  
In line with previous quarters

**91.4%**

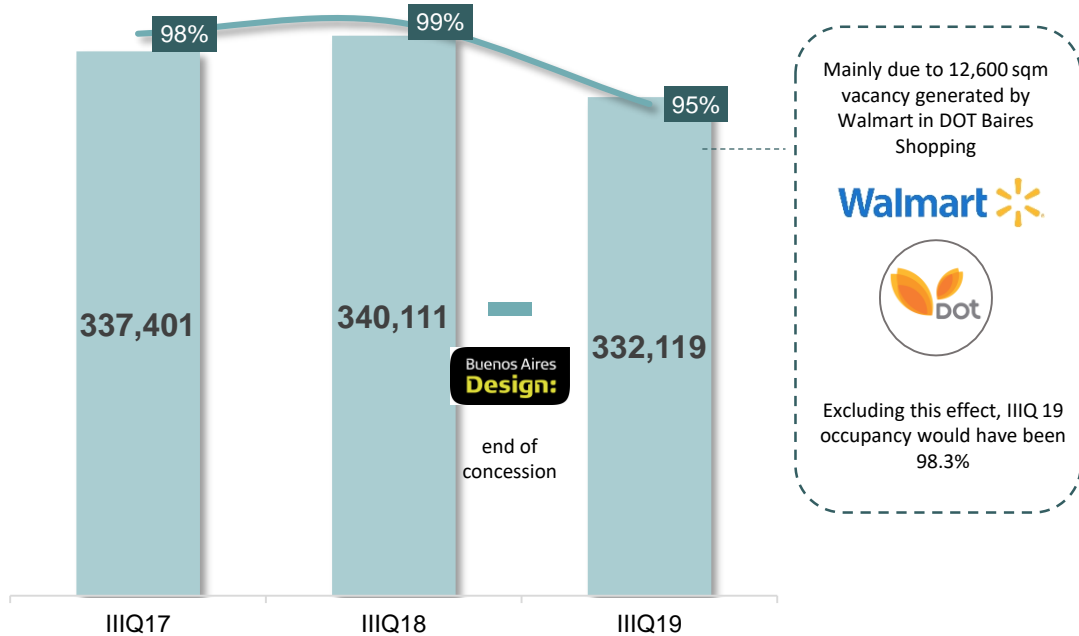
Office Portfolio  
Occupancy

### Subsequent event

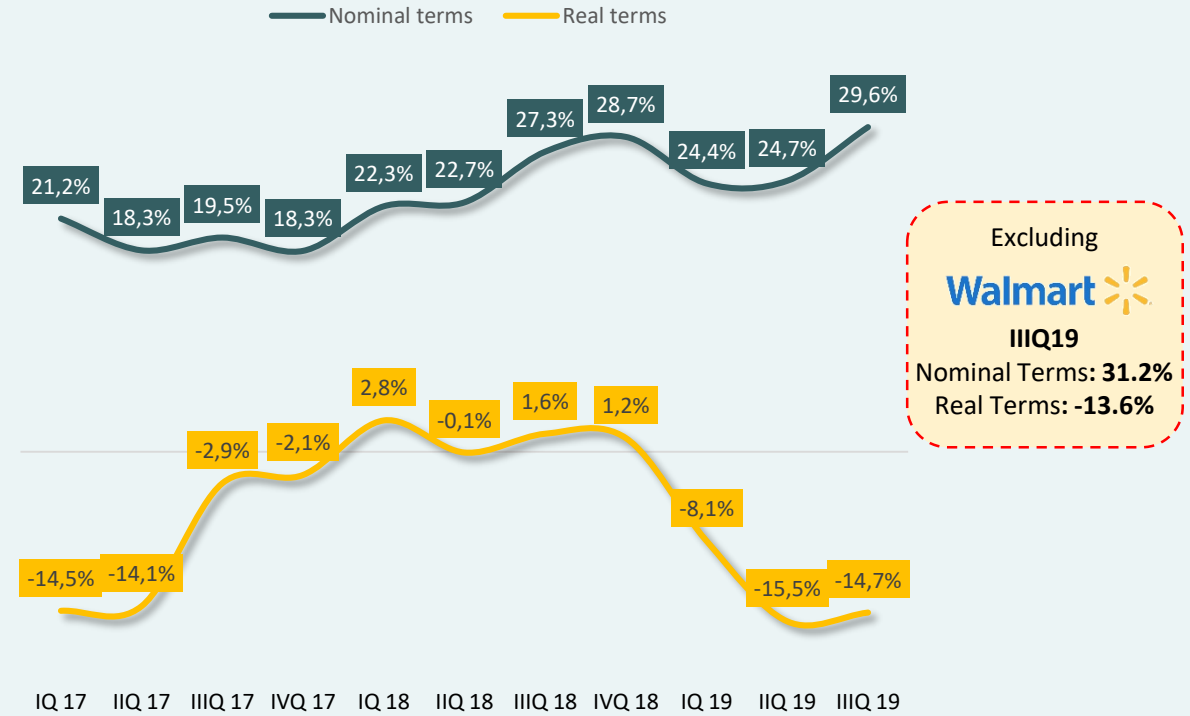
- On May 6, 2019, we opened "Zetta" office building, **fully leased**, in the "Polo Dot" commercial complex located in the North Area of Buenos Aires City.



## Shopping Malls – Sqm GLA (Th.) & Occupancy (%)

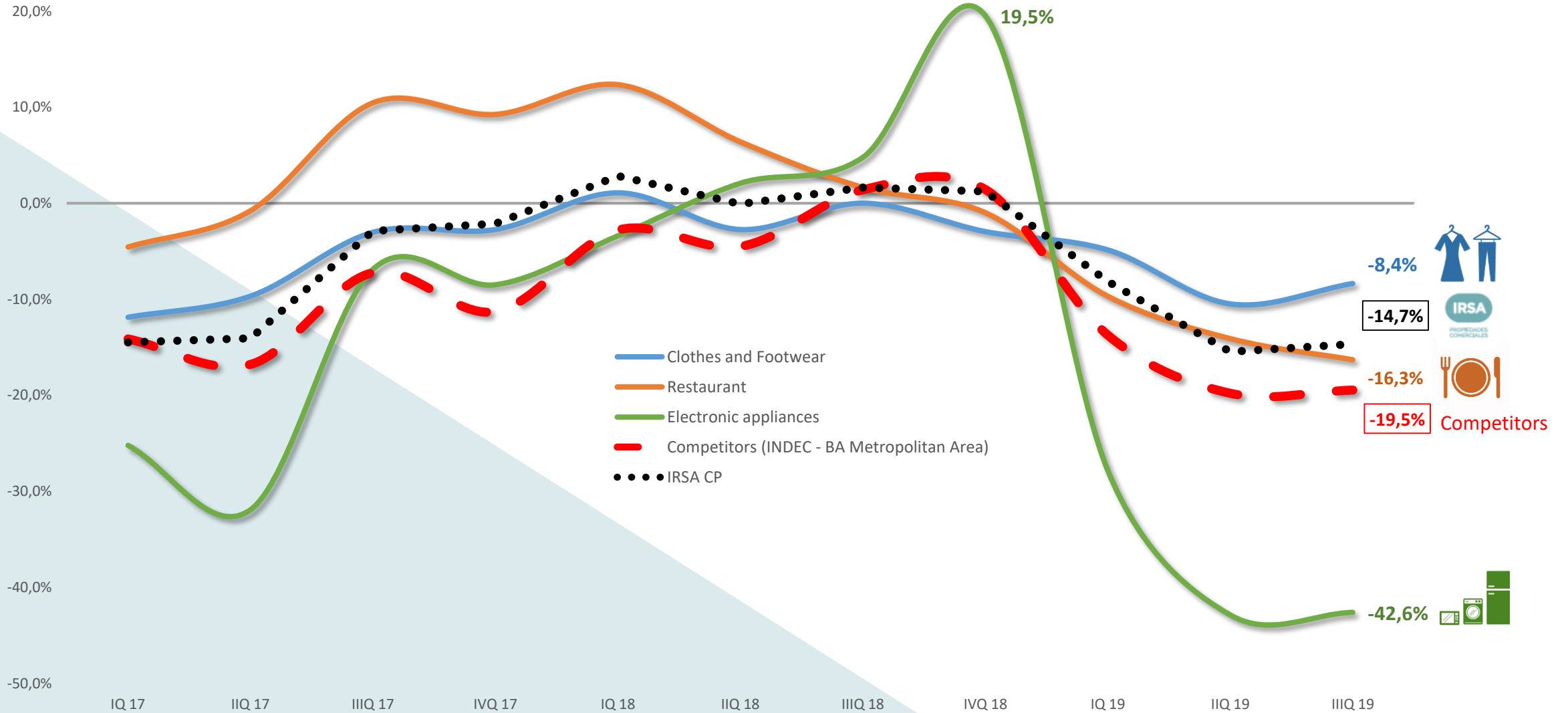


## Same Shopping Malls' Sales (% Var i.a.)

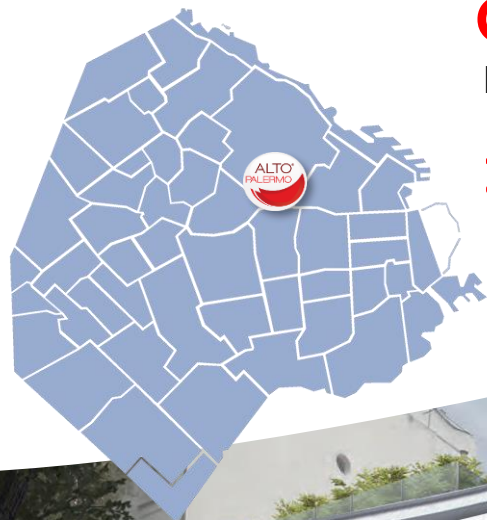


# Same Shopping Malls' Sales – Quarterly Real Term Growth

## Consumption trends by Type of Business (% Var i.a.)



# Shopping malls' Expansions Alto Palermo



**City of Buenos Aires**  
Highest sales/sqm shopping mall

**10.5% Work Progress\***  
\*As of March 31, 2019



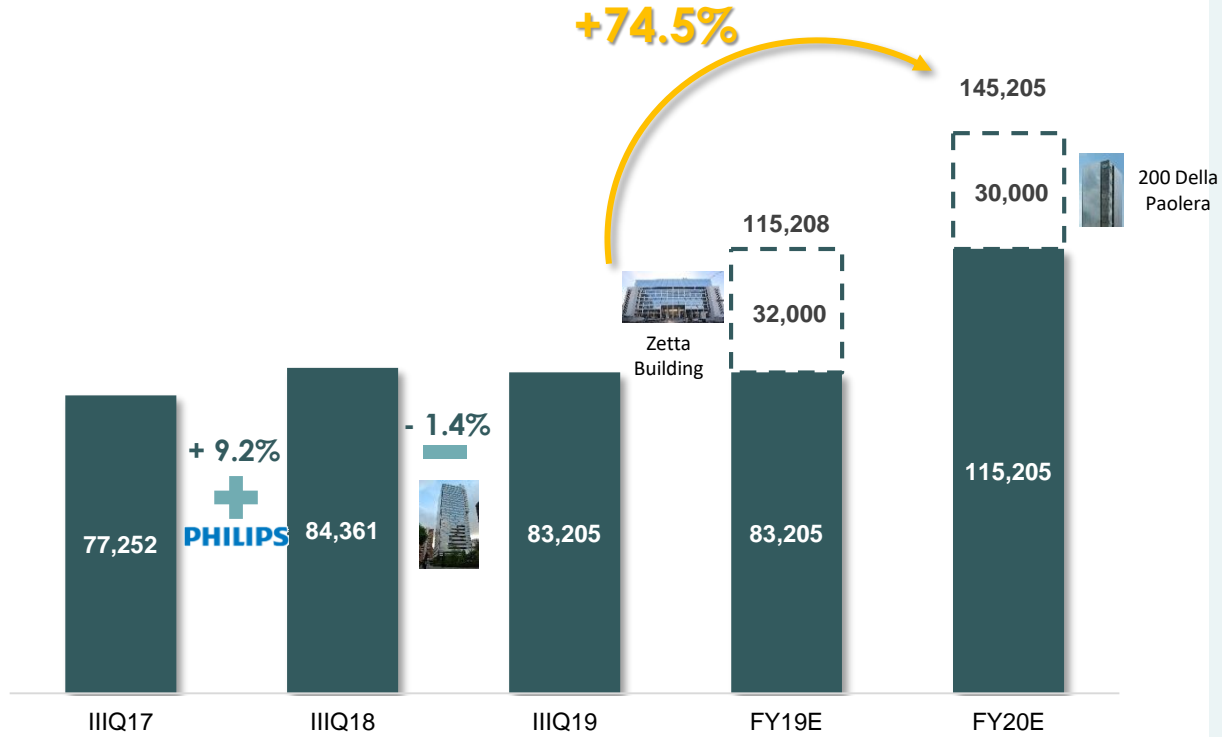
**3,900**  
sqm GLA

**US\$28.5mm**  
estimated investment

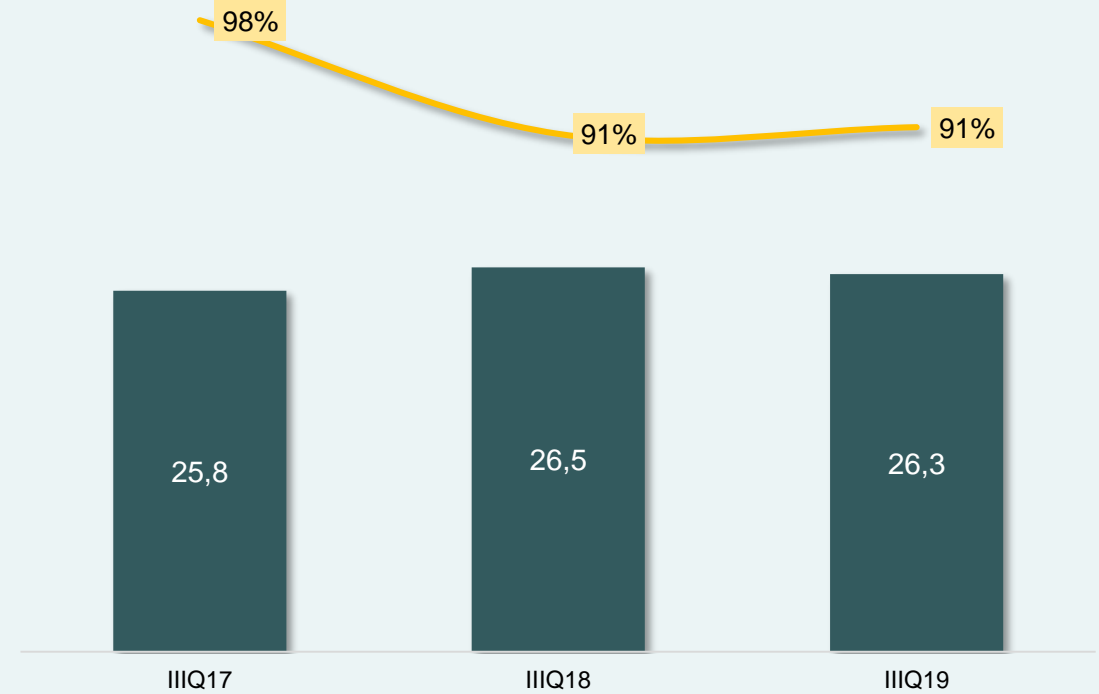
**FY2020**  
opening date



## Offices - Stock (sqm GLA)



## Offices - Leases USD/sqm/month & Occupancy





# Subsequent event Zetta building Opening May 6, 2019

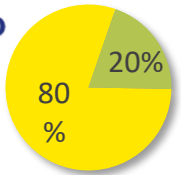
The first building of the Office Park developed in the north area of BA City

**32,000** GLA sqm

**Fully** Leased



mercado libre



*falabella*

**USD 60 mm**

Est. investment

**~ USD 9mm**

Est. EBITDA

**15%** Cap Rate



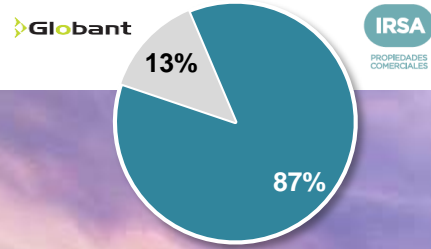
# Polo Dot Project





# “200 Della Paolera” Office building (under development in Catalinas)

## Current Ownership



## Total Project

**35,000** GLA sqm

**USD 10-12mm**  
Est. EBITDA

**FY 2020** Est. opening

**51.6%** Work Progress\*  
\*As of March 31, 2019





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Financial  
Results



Zetta Building  
Northern BA City

# Consolidated Financial Statements IIIQ FY 2019

(ARS millions)

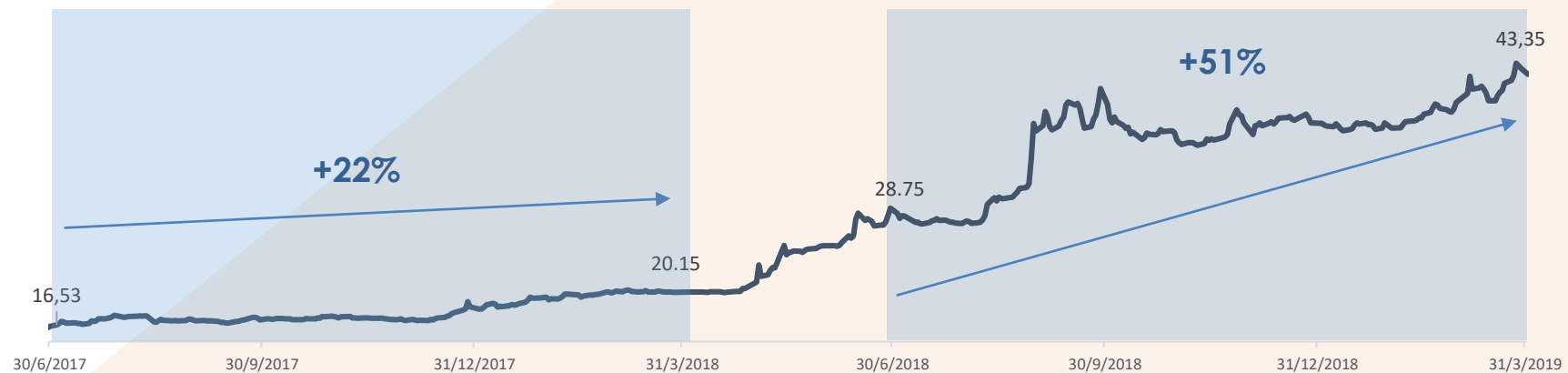
<b>P&amp;L</b>		<b>IIIQ 2019</b>	<b>IIIQ 2018</b>	<b>Var %</b>	<b>9M 2019</b>	<b>9M 2018</b>	<b>Var %</b>
1	Revenues	2,148	2,365	-9.2%	7,104	7,566	-6.1%
2	Costs	-694	-857	-19.0%	-2,345	-2,713	-13.6%
<b>3</b>	<b>Gross Profit</b>	<b>1,454</b>	<b>1,508</b>	<b>-3.6%</b>	<b>4,759</b>	<b>4,853</b>	<b>-1.9%</b>
4	Change in Fair Value	63	-3,789	-	-7,067	5,652	-225.0%
5	S,G&A Expenses	-315	-316	-0.1%	-997	-840	18.7%
<b>6</b>	<b>Operating Income/(Loss)</b>	<b>942</b>	<b>-2,620</b>	<b>-</b>	<b>-3,608</b>	<b>9,617</b>	<b>-137.5%</b>
7	Net Financial Results	-760	-715	6.3%	-2,412	-1,209	99.6%
8	Income Tax	-41	817	-105.0%	1,386	3,754	-63.1%
9	<i>Current Tax</i>	19	-	-	-44	-347	-87.3%
10	<i>Deferred Tax</i>	-60	817	-107.3%	1,430	4,101	-65.1%
<b>11</b>	<b>Net Income/(Loss)</b>	<b>198</b>	<b>-2,480</b>	<b>-</b>	<b>-4,474</b>	<b>12,403</b>	<b>-136.1%</b>
<b>Attributable to:</b>							
<b>12</b>	<b>Controlling Interest</b>	<b>256</b>	<b>-2,369</b>	<b>-</b>	<b>-4,611</b>	<b>12,105</b>	<b>-138.1%</b>
<b>13</b>	<b>Non-controlling Interest</b>	<b>-58</b>	<b>-111</b>	<b>-47.7%</b>	<b>137</b>	<b>298</b>	<b>-54.0%</b>
<b>2+5</b>	<b>Total Costs + Expenses</b>	<b>-1,010</b>	<b>-1,173</b>	<b>-13.9%</b>	<b>-3,342</b>	<b>-3,553</b>	<b>-5.9%</b>

# Consolidated Financial Statements IIIQ FY 2019

(ARS millions)

Net Financial Results		9M 2019	9M 2018	Var %
1	Net Interest, loss	-1,415	-761	86.0%
2	Foreign Exchange differences, net	-1,999	-247	708.2%
3	Fair value gains of financial assets and derivative Financial Instruments	1,271	186	583.6%
4	Inflation Adjustment	-147	-293	-49.7%
5	Other Net Financial Costs	-122	-93	30.4%
6	<b>Net Financial Results</b>	<b>-2,412</b>	<b>-1,209</b>	<b>99.6%</b>

Nominal Exchange Rate evolution (ARS/USD)  
9M19 vs 9M18



# Financial Overview by segment IIIQ FY 2019

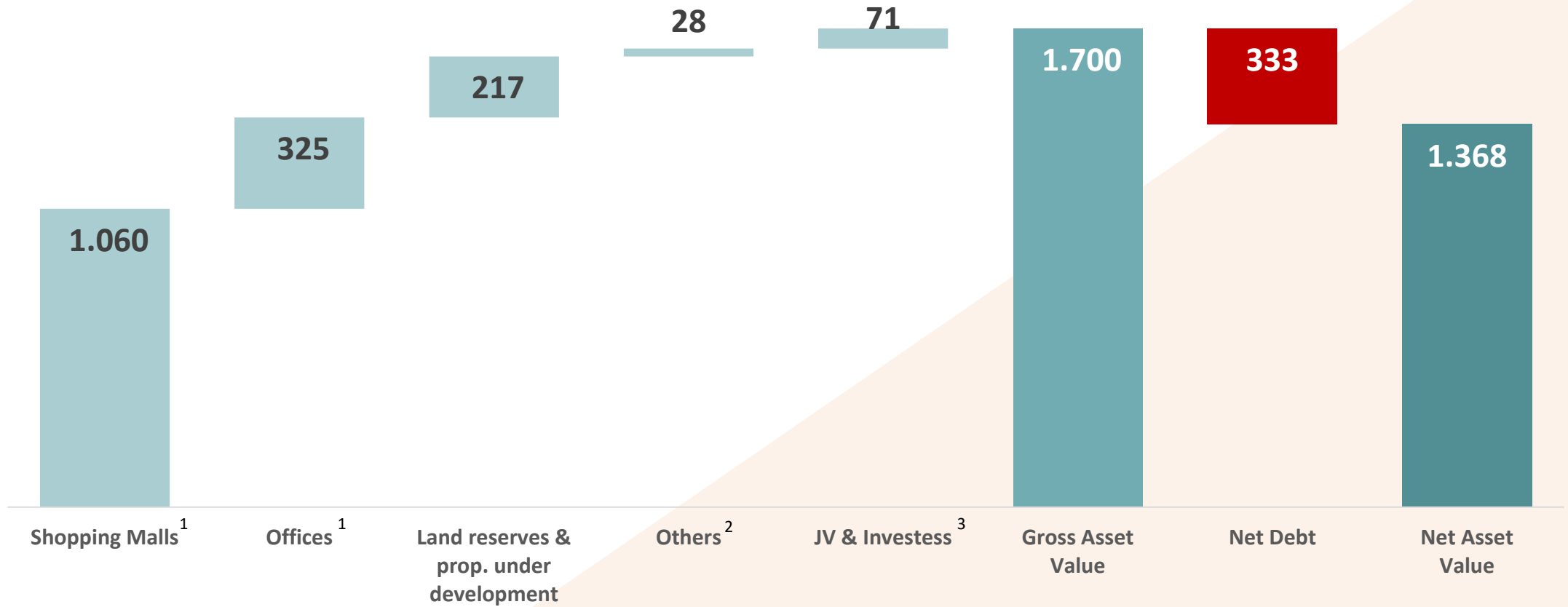
(ARS millions)

<b>Shopping Malls</b>		IIIQ 2019	IIIQ 2018	Var %	9M 2019	9M 2018	Var %
1	Revenues	1,197	1,480	-19.1%	4,256	4,761	-10.6%
2	Adjusted EBITDA	853	1,114	-23.4%	3,155	3,665	-13.9%
3	EBITDA Margin %	71.3%	75.3%	-4.0pp	74.1%	77.0%	-2.9pp
4	Net Operating Income (NOI)	1,006	1,290	-22.0%	3,684	4,123	-10.7%

<b>Offices</b>		IIIQ 2019	IIIQ 2018	Var %	9M 2019	9M 2018	Var %
5	Revenues	410	195	110.0%	992	591	67.7%
6	Adjusted EBITDA	351	151	133.1%	813	471	72.5%
7	EBITDA Margin %	85.6%	77.2%	8.4pp	82.0%	79.8%	2.2pp
8	Net Operating Income (NOI)	394	172	128.9%	919	521	76.5%

# Book Net Asset Value IIIQ FY 2019

(USD millions)



Notes

1. Balance sheet shopping malls and office fair values adjusted by IRCP ownership
2. Includes floors of the Intercontinental building used by IRCP, registered under PP&E, and trading properties and barbers registered under intangible assets. These 3 items are recorded at historical cost in the financial statements
3. Includes Qualityi and Nuevo Puerto Santa Fe as JV and La Rural, La Arena, Convention Center, TGLT & Avenida as Investees.

<b>Financial Metrics</b>		<b>Mar 31, 2019</b>
<b>1</b>	<b>LTM Adjusted EBITDA (USD MM)</b>	<b>119.6</b>
<b>2</b>	<b>LTM NOI (USD MM)</b>	<b>144.3</b>
<b>3</b>	<b>LTM Adjusted FFO (USD MM)</b>	<b>89.3</b>
<b>Valuation Ratios</b>		
<b>4</b>	<b>Cap Rate (LTM NOI / Market Cap)</b>	<b>14.6%</b>
<b>5</b>	<b>EV / EBITDA LTM</b>	<b>8.3x</b>
<b>6</b>	<b>P / FFO LTM</b>	<b>7.3x</b>
<b>7</b>	<b>P / NAV</b>	<b>0.5x</b>

LTM Mar 31, 2019 Adjusted Avg. FX: \$41.7

# Consolidated Debt as of March 31, 2019

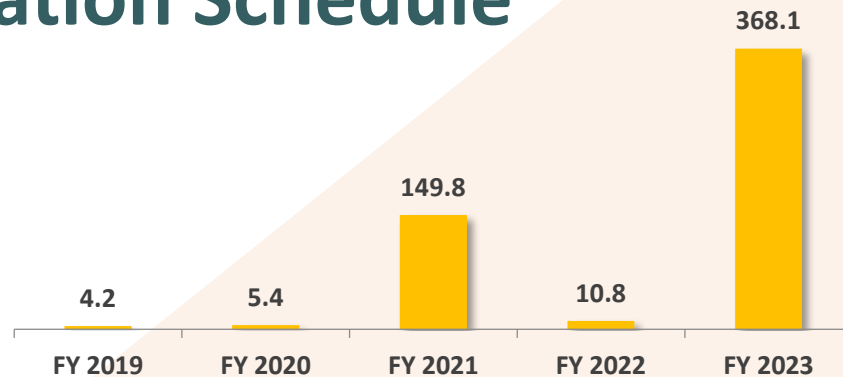
(USD millions)

Description	Issue Currency	Outstanding Amount	Rate	Maturity
Series II Notes due 2023 (int.)	US\$	360.0	8.75%	Mar-23
Series IV Note due 2020 (local) <sup>1</sup>	US\$	139.0	5.00%	Sep-20
PAMSA loan	US\$	35.0	fixed	Feb-23
Short-term debt	ARS	4.2	-	< 360 days
<b>Total IRCP's Debt</b>		<b>538.2</b>		
<b>IRCP's Net Debt</b>		<b>332.9<sup>2</sup></b>		

### Subsequent event (April 2019):

Credit line with IRSA for up to **USD 180 mm**, for up to 3 years, at an interest rate equal to IRSA 2020 or future issuances.

## Amortization Schedule



### Debt Ratios

Net Debt/EBITDA LTM	2.9x
Loan to Value <sup>3</sup>	20%
Local Rating (Fitch)	AA+
International Rating	B+

#### Notes

1. Net of repurchases
2. Gross Financial Debt less cash & equivalents & short-term financial current investments
3. Net Financial Debt over Gross Assets Value





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## Cautionary Statement

Investing in all equities, including natural resources and real estate-related equities, carries risks which should be taken into consideration when making an investment.

This institutional presentation contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this presentation. We undertake no obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the companies' Forms 20-F for Fiscal Year 2018 ended June 30, 2018, which are available for you in our web sites.