

# IQ FY 2019 Conference Call

November 9, 2018



Hosted by: **Alejandro G. Elsztain**, IIVP  
**Daniel R. Elsztain**, COO  
**Matías I. Gaivronsky**, CFO

**Llao Llao Resort**  
(Bariloche – Argentina)

## Consolidated Financial Statements

- **Net Income IQ19: ARS 11.1 bn** (+14,878% vs. IQ18)  
**Attributable to IRSA: ARS 9.4 bn** (vs ARS 0.5 bn in IQ18)
- **Adjusted EBITDA** reached **ARS 3.0 bn** (+31% vs. IQ18).
- **Argentina Business Center: Gain of ARS 7.6 billion** due to higher rental results and higher results from changes in **Fair value of Investment Properties** partially offset by higher financial losses and lower results due to depreciation in Argentina.
- **Israel Business Center: Gain of ARS 3.5 billion** mainly explained by higher results from an **increase in the share price of Clal**, valued at market price.

**Dividend Announcement:** On October 29, our Shareholders' meeting approved a dividend in kind for the sum of **ARS 1,412 million** payable in IRCP shares. ( **~0.01109 IRCP shares/ IRSA share** and **~0.1109 IRCP shares / IRSA ADR**). **Dividend yield 5%**.

**Payment Date:** November 12, 2018.

### Argentina Business Center



- Rental Segment grew by **31.3%** in IQ19 vs IQ18.
- Occupancy reached **98.7%** in shopping malls, **93.4%** in office buildings and **64.5%** in the hotels' portfolio.

### Israel Business Center



- During IQ19, IDB has sold a additional 5% of CLAL through a new swap transaction.  
**Stake reduced to 29.8%**.
- During the quarter, CLAL share price increase by 34%

## Rental Operating Figures

- Shopping malls' sales grew by **24.1%** in IQ19 vs. IQ18 and occupancy remained at **98.7%**
- The average rent of the office portfolio remained stable at **USD/sqm 25.7**
- Office Portfolio occupancy reached **93.4%**.
  - ✓ Lower than IQ18 (96.7%) due to the addition of Philips Building leasable area occupied at 69.8%.
  - ✓ Higher than IVQ18 (92.3%) due to the occupancy of a floor of Boston Tower.



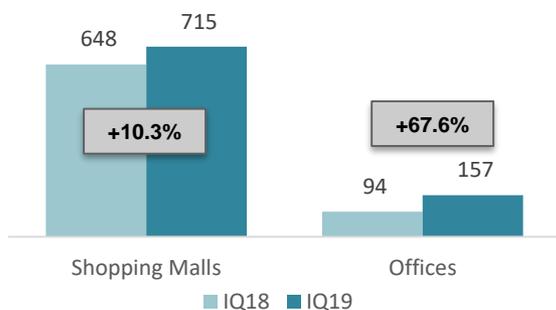
## CAPEX: Acquisitions & Developments

- Acquisition of **Maltería Hudson property** with a construction capacity of **177,000 sqm** in Hudson (BA Province) at **USD 7 million** to develop a mixed-uses project (July 2018)
- Acquisition of **14,000 sqm** of Catalinas building under development from controller IRSA for USD 60.3 million (November 2018).
- We started Alto Palermo Shopping expansion for **3,900 sqm** to be finished in FY2020.
- We plan to develop **15,000 sqm** of malls' expansions during FY2019.

## Consolidated Financial Statements

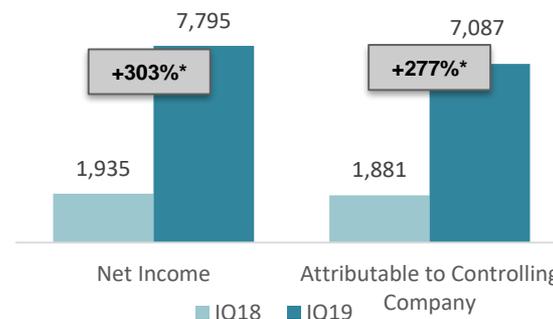
### Adjusted EBITDA by Segment

ARS million



### Net Income

ARS million



\* Mainly explained by higher operating results & higher results from changes in the fair value of investment properties that compensated net financial losses due to the devaluation effect

**Dividend Announcement:** On October 29, our Shareholders' meeting approved a cash dividend for the sum of **ARS 545 million** (**ARS/share 4.3249** and **ARS/ADR 17.2997**). **Dividend yield 1.9%**. Payment Date: November 9, 2018.

# Recent approval, after 20 years, of a Mixed-Use Project in Caballito plot of land

**Land Plot of 23,000 sqm**  
**Capacity to develop**  
Residential: ~ 76,000 sqm  
Retail: ~ 11,000 sqm



## IRSA sold 14,213 sqm of Catalinas building to IRCP



Est. opening FY2020

**Price** (including remaining development): **USD 60 million**

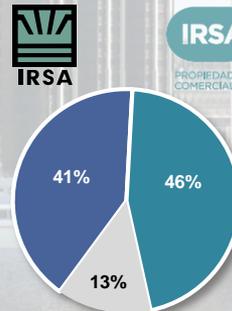
**Price/sqm** : **USD 4,200**

**14,213 sqm** under development

**12 Office floors** (1<sup>st</sup> to 12)

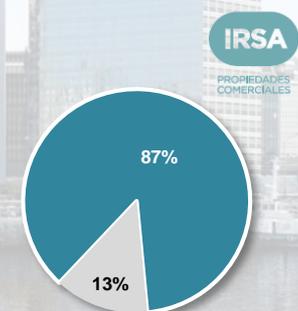
Including 131 parking lots

### Previous Ownership



Globant

### Current Ownership

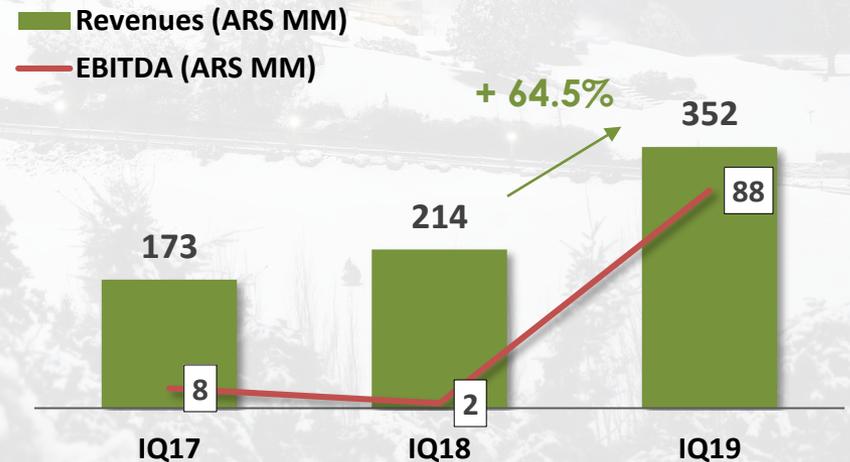
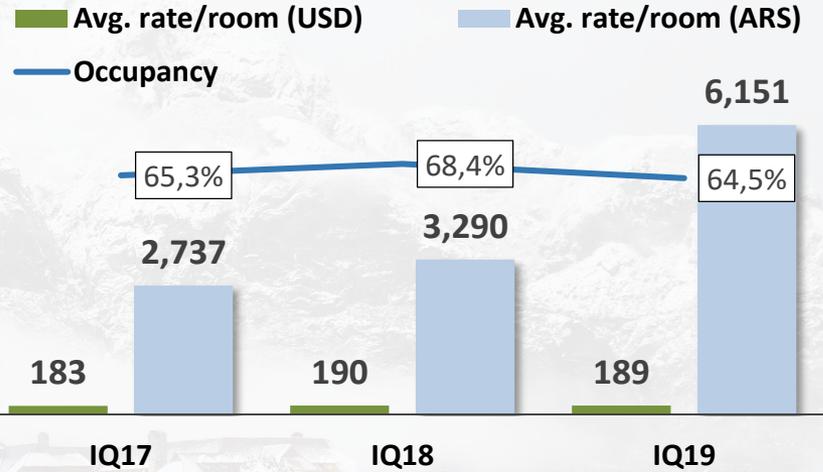


Globant

\*As of September 30, 2018

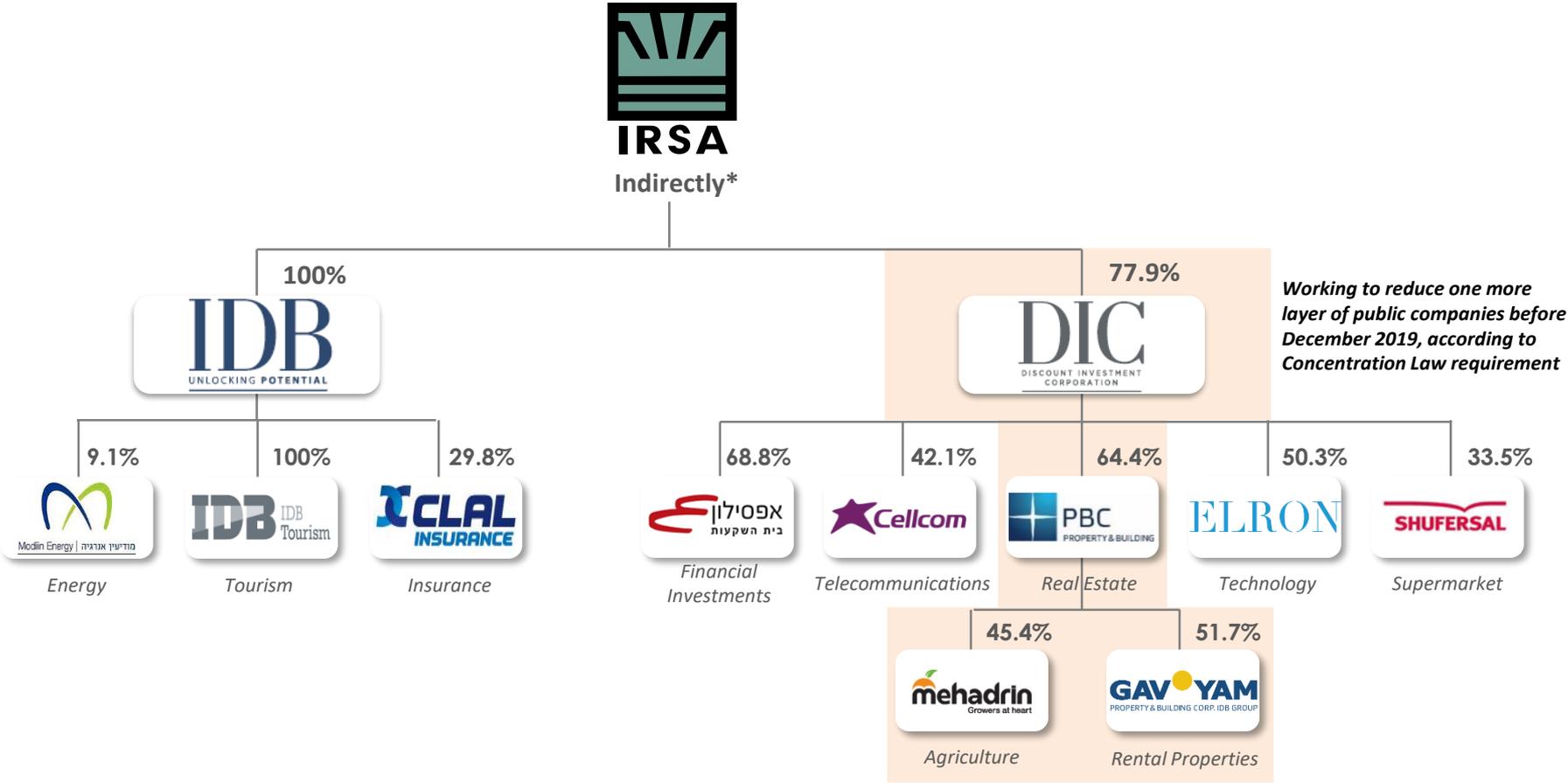


## Price & Occupancy evolution





## Current Corporate Structure



• There is a non recourse intercompany loan between Dolphin (borrower) and IDB (lender) due to the transference of DIC shares. This loan is guaranteed with DIC shares sold.

# Real Estate projects under development in Israel



8 Projects - 194,000 sqm



## Main events – IQ19



- During IQ19, IDB has sold an additional 5% of CLAL through a new swap transaction. Stake reduced to **29.8%**.
- **Gain of ARS 4.6 bn** from market valuation due to 34% increase in share price.



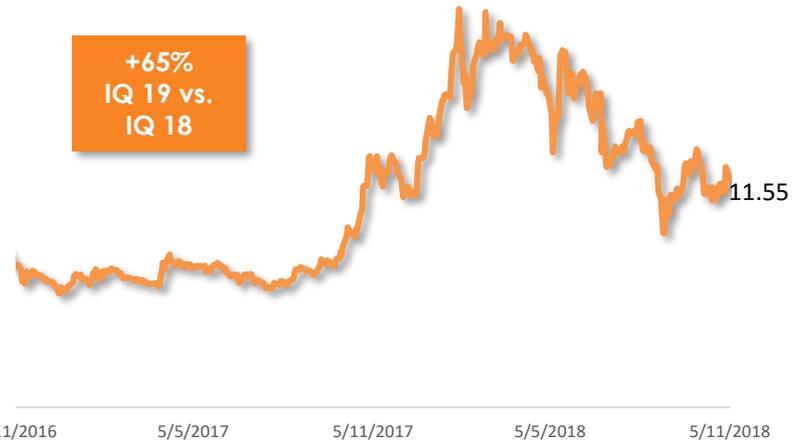
## Main events – IQ19



Ownership



### Share Price evolution



### Results to IRSA

- The bank has generated a gain of **ARS 160 million** during IQ19 compared to a gain of ARS 371 million during IQ18 mainly explained by the Implementation of IFRS 9 and the effect of depreciation.

### Market Value to IRSA

(USD million)



# Financial Results



# Consolidated Financial Results IQ FY 2019 – ARS million



	Argentina Business Center			Israel Business Center			TOTAL		
	IQ19	IQ18	Var %	IQ19	IQ18	Var %	IQ19	IQ18	Var %
<b>Revenues</b>	<b>2,099</b>	<b>1,617</b>	<b>30%</b>	<b>8,728</b>	<b>5,412</b>	<b>61%</b>	<b>10,827</b>	<b>7,029</b>	<b>54%</b>
Costs	-801	-661	21%	-5,718	-3,251	76%	-6,519	-3,912	67%
<b>Gross Profit</b>	<b>1,298</b>	<b>956</b>	<b>36%</b>	<b>3,010</b>	<b>2,161</b>	<b>39%</b>	<b>4,308</b>	<b>3,117</b>	<b>38%</b>
Change in Fair Value	16,019	2,482	545%	-7	878	-	16,012	3,360	377%
S.G&A	-447	-267	67%	-2,278	-1,513	51%	-2,725	-1,780	53%
Other net operating results	-15	-12	25%	336	115	192%	321	103	212%
<b>Operating income</b>	<b>16,855</b>	<b>3,159</b>	<b>434%</b>	<b>1,061</b>	<b>1,641</b>	<b>-35%</b>	<b>17,916</b>	<b>4,800</b>	<b>273%</b>
Results from associates and JV	654	499	31%	-218	-106	106%	436	393	11%
Net Financial Results	-8,003	-486	1,547%	2,613	-3,832	-168%	-5,390	-4,318	25%
Income tax	-1,907	-884	116%	75	-268	-	-1,832	-1,152	59%
<i>Current</i>	-35	-92	-62%	-180	-83	117%	-215	-175	23%
<i>Deferred</i>	-1,872	-792	136%	255	-185	-	-1,617	-977	66%
<b>Net Income from continuing operations</b>	<b>7,599</b>	<b>2,288</b>	<b>232%</b>	<b>3,531</b>	<b>-2,565</b>	<b>-</b>	<b>11,130</b>	<b>-277</b>	<b>-</b>
Net Income from discontinuing operations	-	-	-	-46	351	-	-46	351	-
<b>Net Income</b>	<b>7,599</b>	<b>2,288</b>	<b>232%</b>	<b>3,485</b>	<b>-2,214</b>	<b>-</b>	<b>11,084</b>	<b>74</b>	<b>14,878%</b>

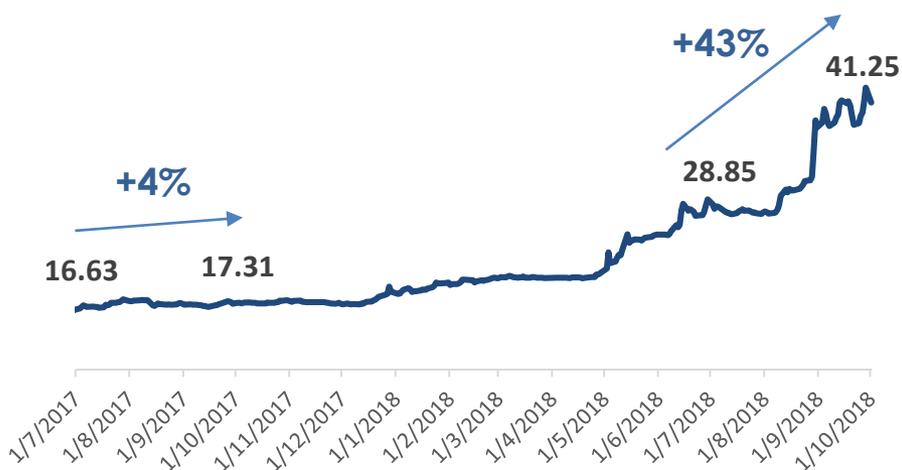
Attributable to:			
IRSA	9,401	553	1,600%
Non controlling interest	1,683	-479	-

# Net Financial Results IQ FY 2019 – ARS million

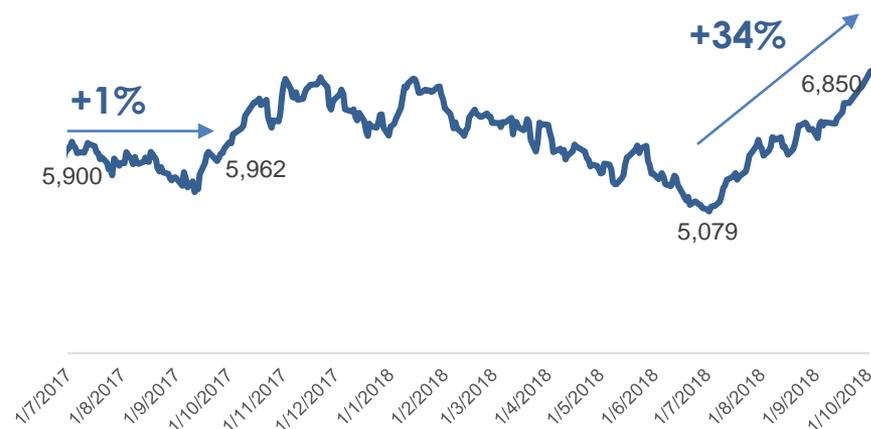


	Argentina Business Center		Israel Business Center		TOTAL		
	IQ19	IQ18	IQ19	IQ18	IQ19	IQ18	Var %
Net Interest expense	-921	-251	-2,101	-1,495	-3,022	-1,746	73%
Net Foreign Exchange loss	-9,504	-412	158	-119	-9,346	-531	1,660%
DIC Debt Exchange	-	-	-	-2,228	-	-2,228	-
FV gain from financial assets and liabilities	2,239	229	4,574	70	6,813	299	2,179%
Other Financial Costs	183	-52	-18	-60	165	-112	-247%
<b>Net Financial Results</b>	<b>-8,003</b>	<b>-486</b>	<b>2,613</b>	<b>-3,832</b>	<b>-5,390</b>	<b>-4,318</b>	<b>25%</b>

Exchange Rate evolution (ARS/USD)  
IQ19 vs IQ18



CLAL Insurance share evolution (NIS)  
IQ19 vs IQ18



# Adjusted EBITDA by Segment IQ FY 2019 – ARS million

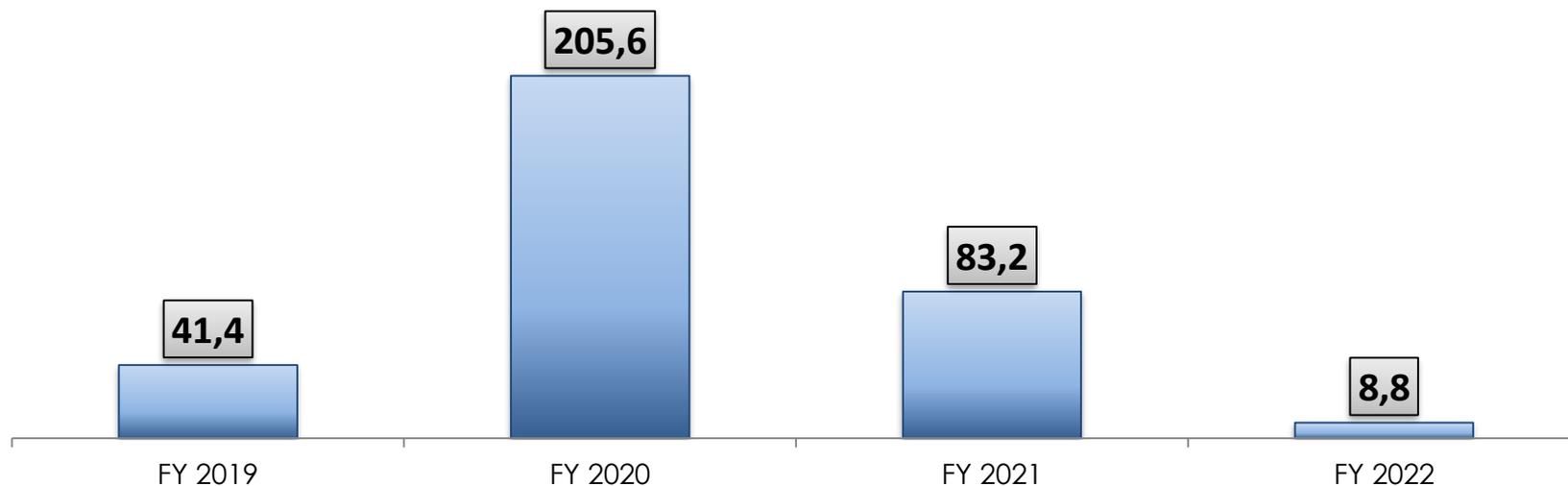


	Urban Segment: Argentina Business Center		
	IQ19	IQ18	Var %
Shopping Malls	715	647	11%
Offices	158	83	90%
Hotels	88	2	4,300%
Sales & Development	-38	241	-

	Israel Business Center		
	IQ19	IQ18	Var %
Real Estate	1,139	669	70%
Telecommunications	976	1,002	-3%
Others	196	2	9,700%

**IRSA Net Debt**  
(USD MM) **337.3**

### Debt Amortization Schedule (IRSA- USD million)



\*Does not include IRCP & IDB/DIC debt

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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.

