



# Press release

## First-half 2024 results

- **1.6% increase in retailer revenues**
- **Sustained letting activities with 17 leases signed**
  - Signature of 9 new leases and 8 renewals
  - Cumulative annual rents of €0.7 million with a 1.5% reversion rate
- **Disposal of eight operational garden centres post-closing**
  - Six sold in July 2024 and two under agreement
  - Demonstration of the portfolio liquidity
- **Repositioning of some assets underway:**
  - Re-letting of space vacated in Carré Vélizy and Reims
  - Partial redevelopment plan of the Flins regional shopping centre, with strategic vacancy of some units
- **Impact on key indicators**
  - Gross rental income almost stable, down 0.4%
  - Annualised net rent down 11.9%
  - Net operating cash flow down 30.4%
  - 5 point-decrease in physical and financial occupancy rate<sup>1,2</sup>
- **Portfolio value almost stable**
  - End-June 2024 EPRA NDV per share down 0.7% compared with the end-2023 figure adjusted for the shareholder payout<sup>3</sup>

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<sup>1</sup> Including known departures and leases signed but not yet in effect at 30 June 2024

<sup>2</sup> Excluding strategic vacancy

<sup>3</sup> Total of €4.2 million paid out in 2024 with respect to 2023

**Paris, 25 July 2024:** MRM (Euronext code ISIN FR00140085W6), a real estate investment company specialising in retail property, today announces its interim results for the six months ended 30 June 2024. This press release follows on from the review and approval of the financial statements by the Board of Directors at today's meeting.

Damien Chiaffi, Chief Executive Officer of MRM, said: « ***Our properties are well positioned in their markets, enabling us to achieve a further increase in retailer revenues and to continue signing a significant number of new leases. Accordingly, we are confident of reletting the space vacated by Habitat in Carré Vélizy and the space that will soon be vacated in Reims city centre. We have also started pre-letting space resulting from the redevelopment project of the Flins shopping centre, and we will be able to start the works programme soon. Finally, we are continuing to manage our asset portfolio dynamically having sold or signed contracts to sell some of our non-strategic properties, specifically the freeholds of eight garden centres operated by Gamm Vert. Although currently vacant space will have a temporary negative impact on our operational and financial indicators, once that space has been relet we will be able to hit our target of €15 million for net annualised rental income, adjusted for the sale of the garden centres by 2025.*** »

## Business update

In the first half of 2024, **the retailers** in MRM's portfolio achieved year-on-year **revenue** growth<sup>4</sup> of 1.6%, in line with the national average for shopping centres. The increase was driven by a 2.0% increase in revenues from retailers with stores of less than 500 sqm and a 0.3% increase in revenues for units of more than 500 sqm.

MRM signed 17 **leases** during the first-half period, representing annual rent of €0.7 million and total floor space of 2,481 sqm. The average reversion rate was +1.5%.

Among the new leases signed, one involved total floor space of 400 sqm with discount retailer Normal, which will give the Ollioules regional shopping centre its second retail anchor, alongside the Carrefour hypermarket, from June 2025.

At the end of June 2024, **negotiations were underway** regarding 8,100 sqm of floor space, relating to:

- The 2,400 sqm of retail space vacated by Habitat (judicial administration) in the Carré Vélizy shopping centre: MRM confirms that it has received firm offers for this space.
- The high street store in Reims (2,800 sqm) following the expected departure of Maxibazar in September 2024: firm offers have been received for this unit.
- Strategic vacancies as part of the plan to refurbish and make structural changes to the Flins regional shopping centre: in the first half, new units kept vacant for strategic reasons amounted to 600 sqm, taking the total amount of floor space involved to 2,400 sqm. MRM has previously stated that the amount of floor space kept vacant for strategic reasons would rise to 2,900 sqm, equal to 29% of the centre's total floor space, which is in the pre-letting phase.

These specific situations adversely affected **annualised net rents**, which totalled €12.9 million at 1<sup>st</sup> July 2024 as opposed to €14.5 million six months previously. Although indexation had a positive effect on rents (+€0.3 million), the decrease resulted from a €1.3 million negative effect from departures<sup>5</sup> net

<sup>4</sup> Based on revenue figures available for tenants already in place during the comparison period

<sup>5</sup> Departures during the first half of the year and units whose tenants are known to be departing in the next six months (Carré Vélizy and Reims)

of new leases and renewals<sup>6</sup>, along with a €0.5 million negative impact from units kept vacant in Flins for strategic reasons.

Excluding strategic vacancy, the **physical and financial occupancy rates** both fell by five points to 85%, taking into account known departures and leases signed but not yet in effect at 30 June 2024.

## Portfolio value almost stable

The value of MRM's portfolio was €234.9 million at 30 June 2024 down 0.3% relative to end-December 2023. Taking into account capex of €0.9 million in the first half of 2024, fair value fell by €1.6 million.

€ m	30 June 2024	31 Dec. 2023	Change
<b>Portfolio value excl. transfer taxes</b>	<b>234.9</b>	235.5	-0.3%

## Financial results

### Rental income

Gross rental income for the first half of 2024 amounted to €7.7 million. That represents a decrease of 0.4% compared to the first half of 2023. The positive effect of indexation and new leases taking effect since 1 January 2023 did not fully offset the impact of units becoming vacant.

After taking into account non-recovered property expenses, which increased because of tenant departures and strategic vacancy, net rental income was €5.8 million versus €6.2 million in the first half of 2023, a decrease of 6.0%.

Rental income € m	H1 2024	H1 2023	Change
<b>Gross rental income</b>	<b>7.7</b>	7.7	-0.4%
Recurring non-recovered property expenses	(1.9)	(1.5)	
<b>Net rental income</b>	<b>5.8</b>	6.2	-6.0%

### Net operating cash flow<sup>7</sup>

Given the decline in net rental income, EBITDA fell 8.4% to €4.0 million.

The net cost of debt rose from €2.2 million in the first half of 2023 to €2.5 million in the first half of 2024. The increase was due to higher interest rates.

Net operating cash flow was €1.6 million as opposed to €2.3 million in the first half of 2023, a decrease of 30.4%. Net operating cash flow per share was €0.50.

<sup>6</sup>New leases and renewals, including those not yet in effect at 30 June 2024, net of non-recovered operating expenses and excluding strategic vacancy

<sup>7</sup> Net income before tax adjusted for non-cash items.

€ m	H1 2024	H1 2023	Change
<b>Net rental income</b>	<b>5.8</b>	6.2	-6.0%
Operating expenses	<b>(1.5)</b>	(1.6)	-3.5%
Other operating income and expenses	<b>(0.2)</b>	(0.2)	
<b>EBITDA</b>	<b>4.0</b>	4.4	-8.4%
Net cost of debt	<b>(2.5)</b>	(2.2)	+14.8%
<b>Net operating cash flow</b>	<b>1.6</b>	2.3	-30.4%

### Financial position

Outstanding bank debt totalled €118.3 million at 30 June 2024 compared with €118.7 million at the end of 2023.

The average cost of debt was 411 basis points in the first half of 2024 compared with 358 basis points in the year-earlier period. All of this debt is subject to interest at a variable rate and 75% is covered by caps.

MRM does not have any significant debt repayments falling due before the end of 2028 and benefits from an available credit facility of €2.8 million for development and CSR-related works.

MRM also has a revolving credit facility arranged in January 2024 of up to €5 million to finance its corporate expenditure.

At the end of June 2024, MRM had cash and cash equivalents of €2.6 million as opposed to €6.0 million at the end of December 2023. The net LTV remained at a controlled level of 49.3% at end-June 2024 compared with 47.8% six months earlier.

### NAV at end-June 2024

EPRA NDV amounted to €118.2 million at the end of June 2024. This compares with €123.2 million six months earlier, or €119.0 million after the €4.2 million payout to shareholders with respect to 2023. Adjusted for the payout, EPRA NDV per share fell 0.7% from €37.2 at end-2023 to €36.9 at the end of June 2024.

### **Post-closing event**

On 12 July 2024, MRM completed the sale of six of its nine garden centres operated by Gamm Vert. Contracts have been signed to sell another two garden centres, and those sales are expected to complete in September 2024.

These transactions form part of MRM's dynamic management of its asset portfolio. The company has previously stated that it is looking at potential selective acquisitions and disposals.

### **Outlook**

After 2023 figures were boosted by the full impact of acquiring the Flins and Ollioules shopping centres, MRM is clearly prioritising the letting of the vacant floor space at Carré-Vélizy and units of the high street store in Reims, along with the pre-letting of units following structural changes to the Flins

shopping centre, with total floor space of 8,100 sqm. MRM also intends to continue its dynamic asset management policy, including:

- Actively managing the regular tenant rotation, seizing opportunities to reposition assets and their retailer mixes;
- Assessing and implementing value enhancement projects;
- Making CSR issues an integral part of its asset management, paying particular attention to efforts to continue reducing energy consumption and greenhouse gas emissions and to protect biodiversity;
- Managing the property portfolio dynamically, looking at potential acquisitions and disposals.

MRM maintains its target for annualised net rental income excluding garden centres operated by Gamm Vert already sold or under agreement to over €15 million<sup>8</sup>. This target is based on the portfolio excluding acquisitions and further disposals.

Finally, MRM intends to maintain its policy of making regular payouts to shareholders.

## Calendar

Financial information for the third quarter of 2024 will be published after the market opens on 14 November 2024.

## About MRM

MRM is a listed real estate investment company that owns and manages a portfolio of retail properties across several regions of France. Its majority shareholder is SCOR SE, which currently owns 56.6% of share capital. MRM is listed in Compartment C of Euronext Paris (ISIN: FR00140085W6 - Bloomberg code: MRM:FP – Reuters code: MRM.PA). MRM opted for SIIC status on 1 January 2008.

## For more information:

### MRM

5, avenue Kléber  
75795 Paris Cedex 16  
France  
T +33 1 58 44 70 00

[relation\\_finances@mrminvest.com](mailto:relation_finances@mrminvest.com)

Isabelle Laurent, **OPRG Financial**

T +33 6 42 37 54 17

[isabelle.laurent@oprgfinancial.fr](mailto:isabelle.laurent@oprgfinancial.fr)

Website: [www.mrminvest.com](http://www.mrminvest.com)

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<sup>8</sup> As a reminder, this target was to exceed 16 million euros by 2025 before disposals of the garden centres operated by Gamm Vert.

## **Appendix 1: Income statement**

<b>Simplified IFRS income statement</b> € m	<b>H1 2024</b>	<b>H1 2023</b>
<b>Net rental income</b>	<b>5.8</b>	<b>6.2</b>
Operating expenses	(1.5)	(1.6)
Provisions net of reversals	(0.5)	(0.0)
Other operating income and expenses	(0.3)	(0.4)
<b>Operating income before disposals and change in fair value</b>	<b>3.5</b>	<b>4.1</b>
Change in fair value of properties	(1.8)	(0.6)
<b>Operating income</b>	<b>1.7</b>	<b>3.5</b>
Net cost of debt	(2.5)	(2.2)
Other financial income and expenses	(0.2)	(0.4)
<b>Net income before tax</b>	<b>(0.9)</b>	<b>1.0</b>
Tax	-	-
<b>Consolidated net income</b>	<b>(0.9)</b>	<b>1.0</b>

## **Appendix 2: Balance sheet**

<b>Simplified IFRS balance sheet</b> € m	<b>30 June 2024</b>	<b>31 Dec. 2023</b>
Investment properties	227.8	235.5
Assets held for sale	7.0	-
Current receivables and other assets	13.3	9.3
Cash and cash equivalents	2.6	6.0
<b>Total assets</b>	<b>250.7</b>	<b>250.8</b>
Equity	118.2	123.2
Bank debt	118.3	118.7
Other debt and liabilities	14.3	8.9
<b>Total equity and liabilities</b>	<b>250.7</b>	<b>250.8</b>

### **Appendix 3: Net Asset Value**

<b>Net Asset Value</b>	<b>30 June 2024</b>		<b>31 Dec. 2023</b>	
	<b>Total € m</b>	<b>Per share €</b>	<b>Total € m</b>	<b>Per share €</b>
<b>EPRA NDV</b>	118.2	36.9	123.2	38.5
<b>EPRA NRV</b>	130.3	40.7	138.1	43.1

*Number of shares  
(adjusted for treasury stock)*

*3,201,285*

*3,200,263*