

Disciplined **CAPITAL** **ALLOCATION**

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UNIBAIL-RODAMCO-WESTFIELD



A new capital allocation framework for URW



DEVELOPMENT PIPELINE

down from **€4.4 Bn** in 2020 to **c. €1.0 Bn** by **end of 2025**



WELL-INVESTED PORTFOLIO

c.70%⁽¹⁾ of assets built / refurbished / renovated in past 15 years



ORGANIC GROWTH

as **primary driver** of value creation



PROVEN ABILITY

to dispose assets at book value / prime yields



ATTRACTIVE LAND PORTFOLIO

with potential for **non-AREPS dilutive monetization** and **strong development optionality**

Organic growth as primary driver of value creation

Illustrative impact of Lfl growth on standing retail portfolio vs. pipeline deliveries

€37 Bn

retail portfolio at share

5.3%

Net initial yield⁽¹⁾

+5% Lfl growth

+€0 Bn

additional net debt

c. +€100 Mn AREPS

€1.25 Bn

pipeline deliveries

8% yield on cost

+€1.25 Bn

additional net debt⁽²⁾

c. +€60 Mn AREPS

+ €100 Mn
Net Rental Income

1. Shopping Centres, Group share as of 31/12/2024
2. At 3% interest rate

Our leading retail portfolio generated the highest Lfl NRI growth

SHOPPING CENTRE AVERAGE SIZE IN SQM⁽¹⁾

URW
(Continental Europe)

2008

32,000

2024

92,000

+188%

Peer 1
(Europe)

18,000

30,000

+66%

Peer 2
(Europe)

25,000

58,000

+131%

Peer 3
(Europe)

58,000

84,000

+45%

US Peer 1
(US)

84,000⁽²⁾

84,000⁽²⁾

+0%

US Peer 2
(US)

81,000⁽²⁾

83,000⁽²⁾

+2%

NRI LFL⁽¹⁾ CAGR FROM 2008 TO 2024

3.6%

c.+100 bps

2.7%

2.7%

0.2%

1.5%

2.5%

1. Source: Green Street Advisors and annual reports for URW and peers when available. Based on reported Lfl growth
2. Source: Green Street Advisors. Data as of 01/01/2010 instead of 2008

New capital allocation framework drives long-term prosperity

DISCIPLINED

- Target **annual capex of c. €600 Mn** from 2026 onwards
- Paramount focus on risk management

FINANCIALLY SUSTAINABLE

- Capex funded through **organic cash-flow generation** and capital recycling
- Priority focus on **non-yielding assets** recycling to enhance Group AREPS' trajectory

VALUE ENHANCING

- Above **8% yield on cost** target for new **retail** developments⁽¹⁾
- Above **9% unlevered return** target on investments in standing assets

TARGETED

- Focus on **densification of URW's existing footprints** and enhancing overall portfolio quality
- **Flexible investment approach** on a project-by-project to maximise returns

1. For non-retail uses, target yield on costs to reflect 10%+ unlevered IRRs return profile. Yield on cost on an unlevered basis

Highly disciplined capital allocation

2026-2028

Maintenance, Leasing
and Westfield Rise

c. €300 Mn p.a.

Enhancement and
Development

c. €300 Mn p.a.

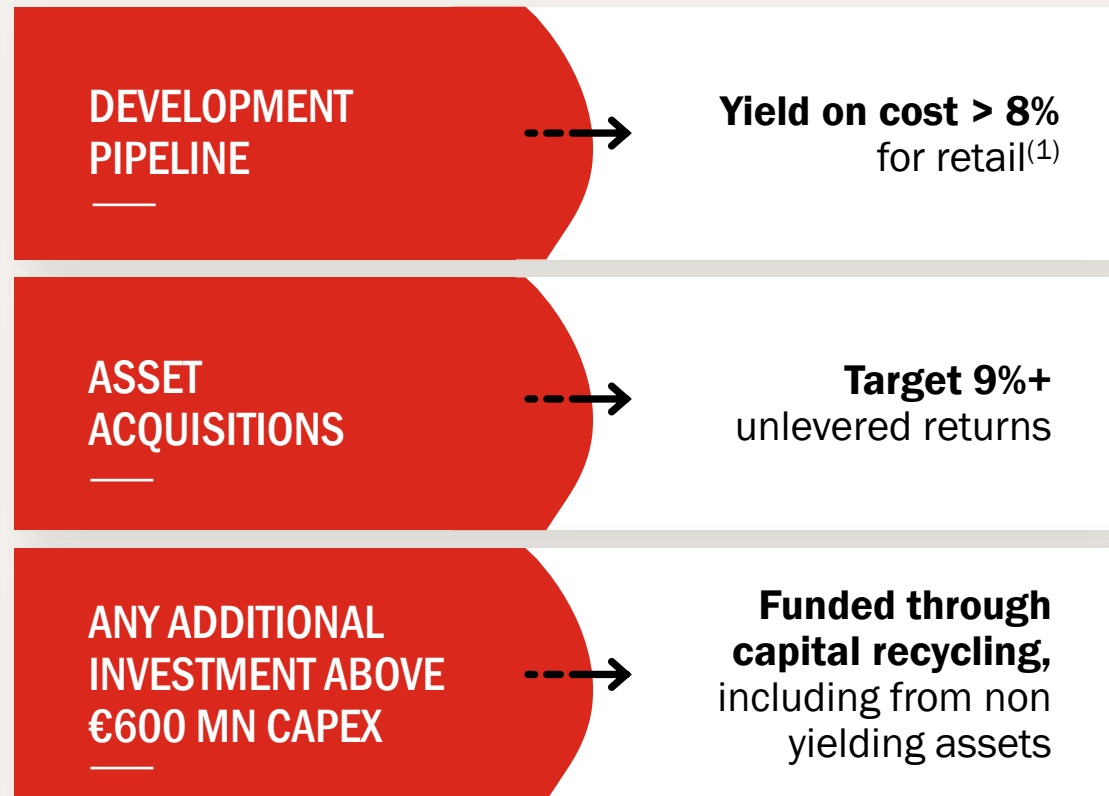
Total Capex⁽¹⁾

c. €600 Mn p.a.



1. Excluding capital recycling

Golden rule of capital allocation: profitability and discipline



Additive to URW's unparalleled portfolio



Upside to Group **earnings' growth**



Strong oversight to ensure delivery of targeted return



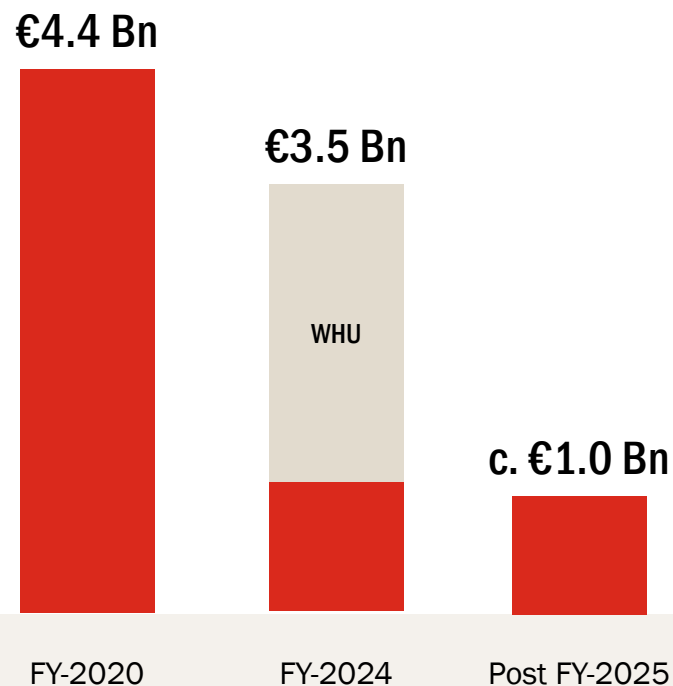
No direct construction risk for URW on large scale development projects

STRATEGIC FLEXIBILITY TO LAUNCH ANY DEVELOPMENT PROJECT

1. For non-retail uses, target yield on costs to reflect 10%+ unlevered IRRs return profile. Yield on cost on an unlevered basis

Flexible development strategy

FROM A PIPELINE FINANCED ON BALANCE SHEET⁽¹⁾...



... TO A FLEXIBLE APPROACH

c. €300 Mn enhancement and development capex
funded from recurring earnings



Additional disposals
(o/w non-yielding assets)



**Third-party
capital co-investments**

- **Land entitlement and project** future-proofing
- **Crystallization** of URW landbank
- **Case by case** funding approach

Disposals
of entitled
projects / land

**JV
partnerships**
including land
contributions

**Forward
sales** of
development
projects

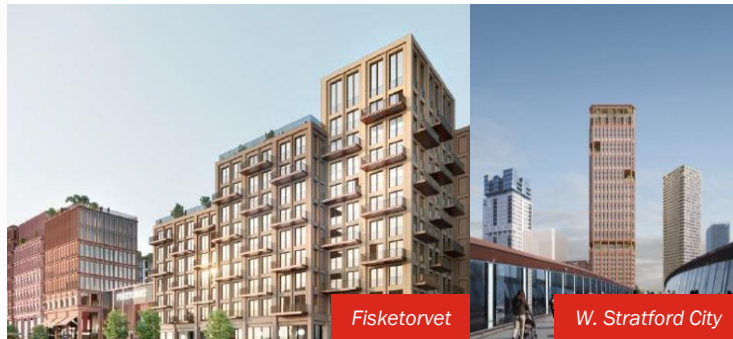
- **Launch of projects**
if/when all conditions are
met
- **Identify new projects** on
URW assets
- **Opportunistic approach**
on entitled projects

1. URW Total Investment Cost (TIC) including all capital expenditures and opening marketing expenses. It excludes step rents and rent-free periods; capitalised financial interests; overhead costs; early or lost Net Rental Income; and IFRS adjustments.

Unlocking value from URW's landbank

OVER €200 MN PROCEEDS FROM EXISTING BUILDING RIGHTS

- **Promenade** site fully entitled for a 300,000 sqm mixed-use district
- **Building rights** for residential and student-housing developments at Fisketorvet Copenhagen and Stratford City
- **Land plots and low-yielding assets** in France to residential developers



VALUE CREATED ON ON NEW LAND ENTITLEMENTS

- **Residential zoning processes:** successful at Westfield London, La Maquinista, Garden State Plaza, Montgomery, UTC, Aquaboulevard Paris, on-going in Rosny, Nacka and Skokie (Old Orchard)
- **Moderate pre-development costs**
- **Full optionality on timeline** and execution strategy
- JV partner selection (GSP, Old Orchard)



CROYDON / MILAN REVISITED AND RIGHT-SIZED

- **Flexible masterplanning with limited interdependence** between programs
- **Land developer approach** on large scale mixed-use developments
- **Asset-light strategy** through JV partnership or straight disposal



Substantial value creation opportunity in Milan

FUTURE-PROOF FUNDAMENTALS

- Located in **Italy's economic powerhouse**, Europe's **5th most visited city**
- One of the **highest disposable income** per capita
- Strong **retail DNA**
- Natural market opportunity for a new Westfield-branded destination

PROJECT EVOLUTION

- **Right-sized** the phase 1 core retail component
- **New transportation hub** with **funding voted** by Italian state
- Phase 1 retail will act as an essential anchor for a broader mixed-use district

FULL FLEXIBILITY AND OPTIONALITY

- **Phased development** approach
- **Flexibility** to deliver through an asset-right approach
- **Transportation hub works'** start date remains to be confirmed
- **Pre-letting and debt financing options** to be considered ahead of phase 1



Capital recycling opportunities support AREPS growth

€0.5 BN OF VALUE
FROM LAND BANK

15+ land parcels
or assets
identified across
URW portfolio

No impact on
AREPS

€1.5 BN OF NON-
CORE & NON-
RETAIL REMAINING
ASSETS⁽¹⁾

10+ assets
identified in EU
and in the US

6% average yield⁽¹⁾



LONG-TERM
OPPORTUNITIES
FROM LANDBANK

ACQUISITIONS OF
STANDING
ASSETS

Opportunistic launch
of development
projects when **all
conditions are met**

Additive to URW
portfolio quality and /
or enriching **URW city-
player footprint**

Leverage URW's
unique **operational
expertise** to secure
stakes in flagship JVs

1. Includes a mix of retail, hotel and office assets

Track-record of disposing assets at book values

DISPOSALS ACHIEVED SINCE JANUARY 2024

€1.0 Bn
CORE RETAIL

€0.5 Bn
NON-CORE RETAIL

€0.5 Bn
OFFICES

€0.1 Bn
OTHERS

€2.0 Bn

ACTIVE DISCUSSIONS

-

€0.7 Bn
NON-CORE RETAIL

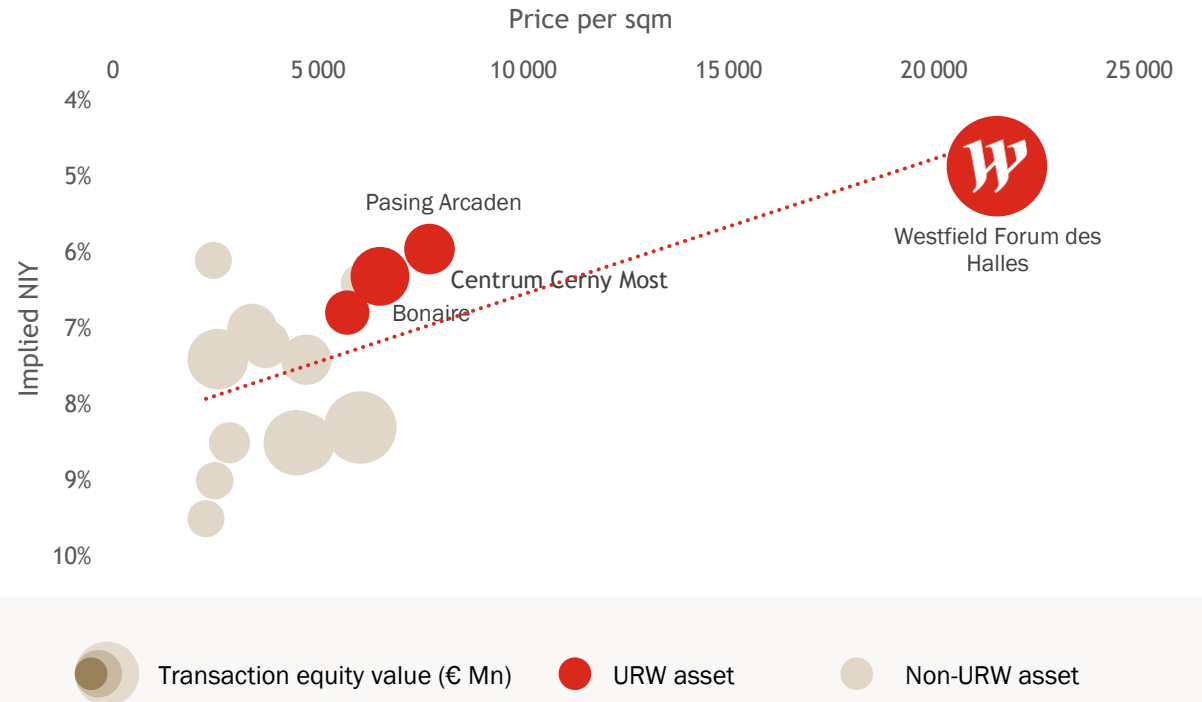
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€0.5 Bn
OTHERS

€1.2 Bn

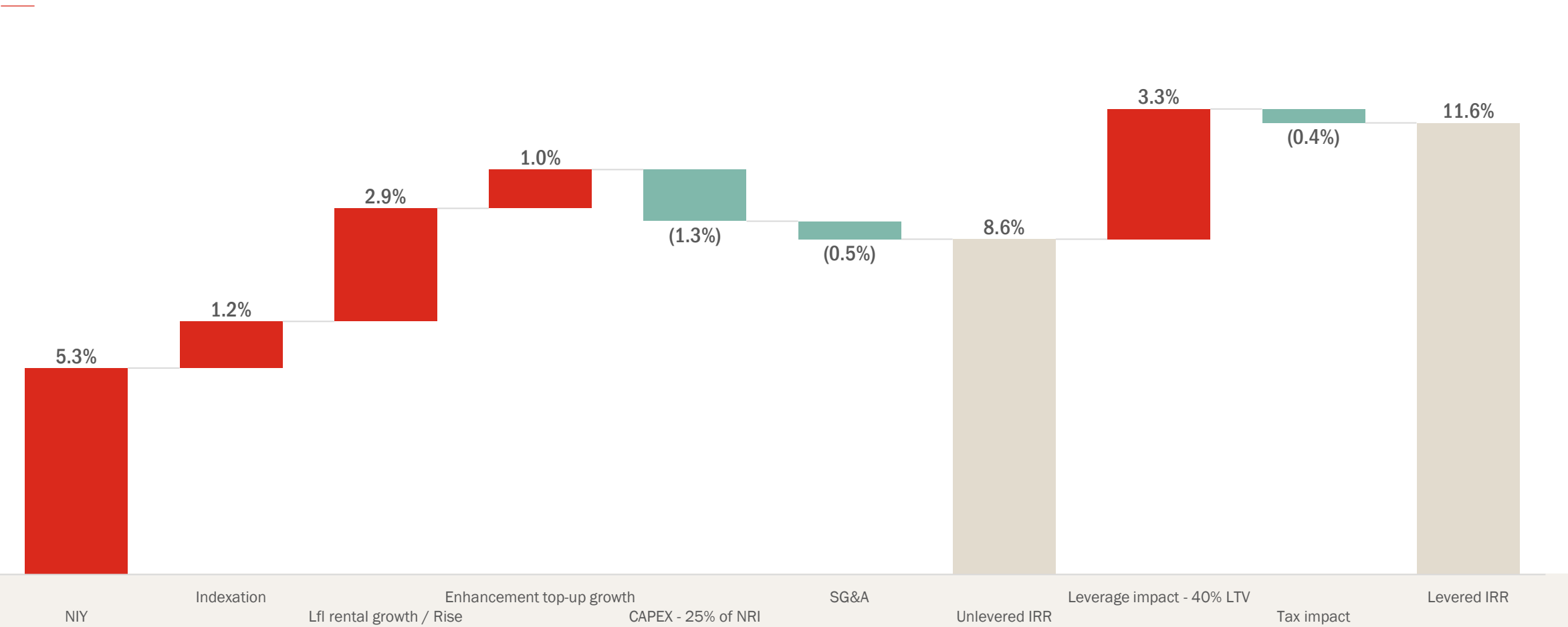
URW DISPOSALS IN A LEAGUE OF THEIR OWN

OVERVIEW OF RETAIL TRANSACTIONS >€200 Mn SINCE JANUARY 2024



NIY + growth + disciplined capital allocation = strong returns

ILLUSTRATIVE BRIDGE FROM APPRAISALS' NET INITIAL YIELD TO ANNUAL RETURNS – NO YIELD COMPRESSION⁽¹⁾



1. Theoretical returns computed on URW's retail portfolio assuming (i) Capex intensity of 25%, (ii) SG&A at 0.4% of GMV p.a., (iii) LTV of 40% at 3% all-in cost of debt over a 4-year period. No yield compression assumed.

Capital allocation: key takeaways



**CLEAR &
ACTIONABLE**
capital allocation
framework



**ORGANIC
GROWTH**
and high cash
conversion driving
URW's future
outperformance



**DISCIPLINED
AND
PROFITABLE**
add-on growth
through capital
recycling



**OPPORTUNITY
TO INVEST**
in best real-estate
portfolio at highly
attractive
pricing





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www.urw.com