



# MRM Newsletter

Shareholders, investors, analysts



## First half 2023 key figures

Annualised net rents

**€15.0m**

Net operating cash flow

**€2.3m**

Portfolio value  
(excl. transfer taxes)

**€245.4m**

EPRA NDV

**€41.9** per share

*Find the full press release and first half 2023 results presentation in the Finance section of MRM's website: [www.mrminvest.com](http://www.mrminvest.com)*

## Dear shareholders, dear readers,



Since the start of the year, MRM has made the most of the change of dimension relating to the acquisition of the Flins and Ollioules shopping centres in November 2022. Thanks to the sharp rise in rental income coupled with improved operating profitability, we were able to achieve a 61% increase in net operating cash flow in the first half of the year despite the higher net cost of debt. Our financial expenses increased due to the rise in interest rates and an increase in debt, with 46% of the Flins and Ollioules acquisitions financed by a new bank loan.

At the end of September, our retailers' sales were up 5% despite the slowdown observed in the third quarter. We have also maintained dynamic letting activity since the start of the year, with 18 leases signed or renewed under favourable terms, representing in total around 8% of our gross rental base. In particular, we signed a new lease concerning the extension of the food anchor at Les Halles du Beffroi in Amiens, increased the occupancy rate at Passage du Palais in Tours to 93% and started reletting the Flins shopping centre.

Over the full year in 2023, MRM's results will benefit from 12 full months of activity for the Flins and Ollioules shopping centres, new effective leases and positive indexation. However, growth in our rental income will be affected in part by some vacated retail space, primarily as a result of the difficulties facing retailers across France and the departure of office tenants from the Carré Vélizy mixed use complex, as well as the strategic vacancy of three premises at the Flins shopping centre as part of a programme of works currently being considered, heralding the start of a new set of ambitions for the centre.

In addition, our commitment to the environment is one of our operational priorities. We are continuing to implement our ESG plans, paying particular attention to our targets for reducing our energy consumption and cutting our carbon footprint by 2030, as detailed in our first Extra-Financial Performance Statement published on a voluntary basis this year.

Finally, we confirm our ambition of annualised net rents of €16 million by 2025 like-for-like. We will continue to look into any acquisition opportunities and potential asset sales with the aim of dynamically managing our asset portfolio to combine yield generation and value creation potential. In doing so, we intend to remain flexible against the backdrop of a consumer market subject to changing conditions depending on the sector and contrasting retail performances.

Thank you for your confidence,

**François Matray**  
Chief Executive Officer

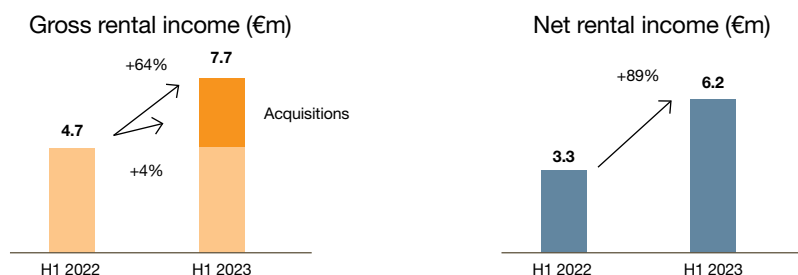
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## Full effect of acquisitions carried out in late 2022

The larger portfolio is reflected by a very significant increase in both rental income and net operating cash flow, despite the higher net cost of debt relating to the rise in interest rates and the bank loan taken out to partly finance the acquisitions.

### Strong growth in rental income



Gross rental income grew by 64%. Like for like, i.e. excluding the acquisition of the Flins and Ollioules shopping centres, it was up 4% thanks to the letting of available space within the historic portfolio and a positive indexation effect.

### MRM in the press

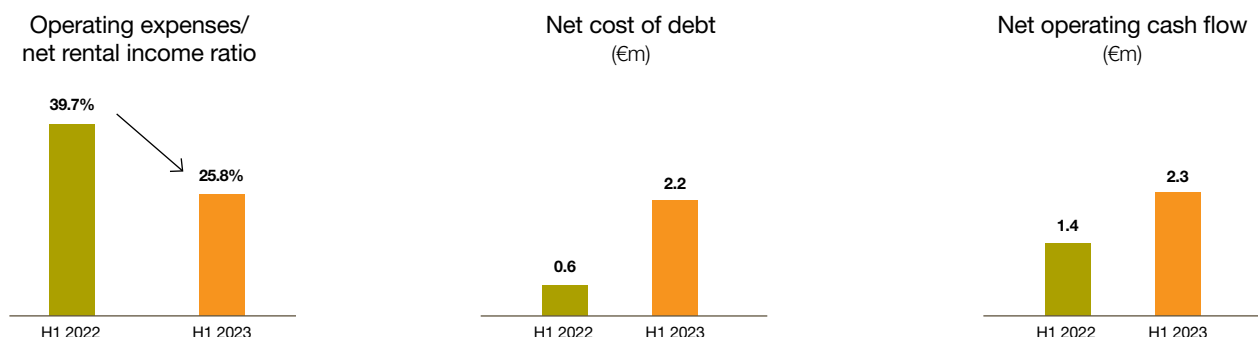


#### MRM rides the wave of its latest acquisitions in the first half of 2023

27/07/2023

It had been expected: during the first half of 2023, MRM benefited from the full effect of the integration of the Flins and Ollioules shopping centres, including (...)

### Improvement in operational leverage and solid growth in cash flow generation



Thanks to better absorption of operating expenses, the ratio of operating expenses to net rental income improved by 14 points in the first half of 2023.

The change in cost of debt reflects the rise in interest rates and the new bank loan taken out in late 2022 to partly finance the acquisitions.

Net operating cash flow grew by 61%, equal to an increase of 9.7% relative to the number of shares (up due to the acquisition being financed partly in shares).

### Favourable management indicators in the first half of 2023

**92%**

**+2 pts**

Physical occupancy rate<sup>1,2</sup>

**90%**

**+2 pts**

Financial occupancy rate<sup>1,2</sup>

**€245.4m**

**+0.2%**

Portfolio value (excl. transfer taxes)

**€15.0m**

**+0.7%**

Annualised net rents<sup>1</sup>

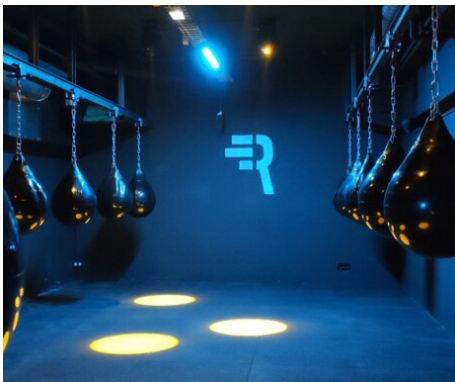
<sup>1</sup> Including known departures and leases signed but not yet in effect as at 30 June 2023  
<sup>2</sup> Excluding strategic vacancies



## Three questions for Damien Chiaffi, *Head of Asset Management and CSR*

### How do you manage a shopping centre's retailer mix?

By listening closely to the changing expectations of consumers and retailers, we define the priorities that then set the course of our choices in terms of regular tenant rotation: reconfiguring our range of products and services, ensuring a balanced sector mix and bringing in new stores. Larger-scale changes can be made by strategically vacating retail space with a view to redevelopment, giving retailers the opportunity to move into units that are better suited to their concept. This is what we have done at the Valentin shopping centre in Besançon in particular to increase the pharmacy's retail space. We have already taken the opportunity to do the same at the new Flins shopping centre, where a programme of works is being considered.



Record Fitness at Passage du Palais, Tours

### What are the fastest-growing sectors?

In the current climate, while aiming for a variety of choices justifying the appeal of a diversified sector mix, consumers are focusing in particular on affordable prices and wellbeing. We are therefore strengthening the two areas of discount retail and health and beauty. The most recent examples of this are Record Fitness and Qipao, which have just moved into Passage du Palais in Tours, where they have enjoyed an enthusiastic start of trading. At the same time, food service remains a safe bet for responding to shoppers' expectations in terms of quality food, giving them a chance to relax and unwind.

### How do you incorporate CSR into asset management?

One of our central priorities is the rollout of our Climate Plan, entailing various types of programmes of works on a case-by-case basis. Within the Carré Vélizy mixed use development, the overhaul of the office heating system in 2022 will enable us to reduce the site's energy consumption and emissions. We also took the opportunity to instal a thermal insulation solution while carrying out waterproofing works at Passage du Palais. As for the Valentin shopping centre, we are preparing to change the entire heating system from gas to electricity. To take account of desire for more sustainable forms of consumption in our sector mix, we are at an advanced stage of discussions with a second-hand clothing specialist. We take a pragmatic approach: CSR has to be expressed through concrete and effective actions.



Qipao beauty institute at Passage du Palais, Tours

### MRM in the press

**IMMO HEBDO**  
La Lettre d'Information sur le marché de l'Immobilier

**MRM confirms its target of  
annualised net rents of over  
€16 million by 2025 (...)**

15/11/2023

### Activity for the first nine months of 2023

#### Retailer's sales

**+5%**

#### Letting activity

**18 leases**

New leases  
or renewals

**€1.0m**

Total annual rent

#### Gross rental income

**€12m**

**+62%**  
**+3%** like-for-like

Find the 9 months 2023  
Financial information press release  
in the Finance section of MRM's  
website:  
[www.mrrminvest.com](http://www.mrrminvest.com)

## Shopping centre in the heart of the Tours retail district

In close proximity to the town hall and a 5-minute walk from the train station, Passage du Palais has been refurbished and restructured in 2019: the customer path has been revisited and services have been strengthened to create a downtown living space, focused on city dwellers and their needs.

With the lease for the Auchan supermarket recently renewed as food anchor, the centre is home to a variety of retailers such as restaurant NewLita, which has moved into a unit at the front with a terrace, wine merchant V&B, as well as Wall Street English and La Grande Récré.

By seizing opportunities created by tenant departures, MRM has enhanced its offering in the popular areas of beauty and fitness with Qipao and Record Fitness, as well as services with a clothing alterations and repairs service. The physical occupancy rate rose from 85% at the end of 2022 to 93% at the end of June 2023, and discussions are at an advanced stage concerning remaining available retail space.



### Three new leases signed in H1 2023

Fitness Record, Qipao and La Retoucherie



85% → 93%

at end-2022 June 2023

### Physical occupancy rate

## Passage du Palais, Tours

17 stores,  
1 supermarket

6,800 sqm of retail space

370 parking spaces



### 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 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<sup>st</sup> January 2008.

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### Next publications:

7 March 2024 after market close  
2023 annual results

16 May 2024 before market open  
1<sup>st</sup> quarter 2024 financial information

### MRM share information

Ticker: MRM / ISIN code FR00140085W6  
Market: EURONEXT PARIS - Compartment C  
Included in the IEIF SIIC France index  
Type: Ordinary shares – Daily double fixing

Press releases can be downloaded from the Finance section of the website.

For more information, visit the website: [www.mrminvest.com](http://www.mrminvest.com)

If you would like to receive MRM publications directly, please send a request with your email address to the contacts mentioned above.

