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Press release

UNIBAIL-RODAMCO-WESTFIELD Q1-2022 TRADING UPDATE

- Turnover up +34.2% vs. Q1-2021, reflecting strong post COVID-19 recovery and asset deliveries
- Tenant sales at 93% of 2019 levels in Q1 and 95% in March
- Rent collection improved to 93% for Q1, with continued increase in the 2021 collection rate
- Sustained leasing activity with 521 deals signed in Q1, up +4% vs. 2019; proportion of long-term deals increased to 60%
- Group MGR uplift stood at +6%, reflecting continued retailer demand for URW's Flagship destinations
- Continued streamlining of US portfolio with sale of Promenade Mall land plot at a 60% premium to latest appraisal
- European disposal programme progressed with disposal of Solna Centrum, a 45% stake in Westfield Carré Sénart completed and agreement for sale of Gera Arcaden signed
- AREPS guidance of €8.20 to €8.40 confirmed for 2022

Commenting on the first quarter of 2022, Jean-Marie Tritant, **Chief Executive Officer** said:

"Our portfolio of Flagship destinations in the wealthiest cities and catchment areas performed well in Q1, demonstrating the continued strength of the recovery. Tenant sales have recovered further during the quarter and reached 93% of 2019 levels in Q1 and 95% in March. This has supported the continued improvement of rent collection to 93% for the Group as a whole.

The vital role our centres play in the omnichannel strategy of leading brands was also illustrated by strong leasing performance. We signed more deals than in Q1-2019, realising an MGR uplift of +6%.

We also laid the foundations for our strategy to grow media revenues by converting our footfall into qualified audiences. During the quarter, we signed a new media contract with Clear Channel France, built on an improved revenue share, and activated a programmatic digital out-of-home advertising campaign, that will allow us to better measure the effectiveness of in-mall advertising, audience behaviours and sales conversion.

During the quarter, we pursued our deleveraging effort with the streamlining of our US portfolio through the disposal of the former Promenade Mall land plot, while in Europe the Group signed an agreement for the disposal of Gera Arcaden, both at a premium to the last appraisal.

Based on Q1 performance, including the improved collection levels and sustained leasing activity, we confirm our 2022 AREPS guidance of €8.20 to €8.40 per share, while we are monitoring very closely the potential impact of the wider economic and geopolitical situation on our markets."

1. Turnover

The proportionate turnover¹ of URW for the first three months of 2022 amounted to €897.1 Mn, up by +34.2% year-on-year, reflecting the impact of the post COVID-19 recovery and asset deliveries, partly offset by the impact of disposals.

Turnover						
YTD in € Mn, excluding VAT	IFRS			Proportionate		
	Q1-2022	Q1-2021 restated ²	Change	Q1-2022	Q1-2021 restated ²	Change
Shopping Centres	572.9	442.8	29.4%	733.3	569.8	28.7%
<i>Gross Rental Income</i>	480.8	360.6	33.4%	622.4	472.8	31.7%
<i>Service charge income</i>	92.1	82.2	12.0%	110.9	97.0	14.3%
Offices & Others	22.0	21.1	4.2%	23.5	23.2	1.1%
<i>Gross Rental Income</i>	17.8	17.4	2.0%	19.0	19.5	-2.3%
<i>Service charge income</i>	4.3	3.7	14.4%	4.5	3.7	18.9%
Convention & Exhibition	61.2	12.8	n.m.	61.9	13.0	n.m.
<i>Gross Rental Income</i>	41.4	10.1	n.m.	42.1	10.2	n.m.
<i>Service charge income</i>	1.3	1.3	4.1%	1.3	1.3	4.1%
<i>Services</i>	18.5	1.5	n.m.	18.5	1.5	n.m.
Property services and other activities revenues	30.6	26.5	15.8%	30.7	26.5	15.9%
Property development and project management revenues	47.8	36.2	31.8%	47.8	36.2	31.8%
Total	734.5	539.4	36.2%	897.1	668.7	34.2%

Figures may not add up due to rounding

2. Gross Rental Income

From an accounting standpoint, Gross Rental Income (“GRI”) includes the COVID-19 rent discounts, indexation, vacancy impact, and variable revenues, while doubtful debtor provisions are part of the property operating expenses.

The GRI for the Shopping Centre division amounted on a proportionate basis to €622.4 Mn for Q1-2022, an increase of +31.7%. The GRI increase is primarily due to a base effect of rent relief provided in Q1-2021, when lockdowns were in place in all regions except in the US, while no rent relief has been accounted for shopping centres³ in the Q1-2022 P&L, as well as due to indexation.

¹ Proportionate reflects the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.

² Service charge income is included in the turnover in compliance with IFRS 15. The figures for Q1-2021 were restated accordingly for a total amount of €87.2 Mn under IFRS and €102.0 Mn under Proportionate.

³ Excluding airports.

Growth was strong in Austria and Poland (in the Central Europe region) where rents and service charges were not due during lockdown periods. In addition, the Group benefitted from an improvement in variable income (SBR, parking income and Commercial Partnerships), in particular in the UK and the US. The Netherlands benefitted from the delivery of Westfield Mall of the Netherlands in March 2021, while results for the Nordics were affected by the disposal of Solna Centrum in February 2022. In the US, the Group also benefitted from a positive FX impact, partly offset by the foreclosure of Sarasota, Broward and Palm Desert and remaining rental abatements for tenants in the airport business.

GRI for the Offices & Others division was down marginally compared to Q1-2021, driven by the disposal of SHiFT, Les Villages 3, 4 and 6, Le Blériot, and the Palisade residential building at Westfield UTC in 2021, partly offset by the successful leasing of Trinity and the delivery of Pullman Montparnasse. Convention & Exhibition GRI increased to €42.1 Mn from €10.2 Mn in Q1-2021, as the business has recovered strongly with 102 events in Q1-2022 compared to 13 events in Q1-2021.

Gross Rental Income

YTD in € Mn, excluding VAT	IFRS			Proportionate		
	Q1-2022	Q1-2021	Change	Q1-2022	Q1-2021	Change
Shopping Centres	480.8	360.6	33.4%	622.4	472.8	31.7%
<i>France</i>	139.4	111.3	25.3%	141.9	112.8	25.8%
<i>Spain</i>	43.0	33.9	26.9%	43.1	33.9	27.0%
Southern Europe	182.4	145.2	25.6%	185.0	146.8	26.1%
<i>Central Europe</i>	51.9	34.4	50.9%	57.6	36.1	59.4%
<i>Austria</i>	36.3	13.5	168.7%	36.3	13.5	168.7%
<i>Germany</i>	23.8	14.5	64.4%	34.5	20.4	68.9%
Central and Eastern Europe	111.9	62.3	79.5%	128.3	70.0	83.2%
<i>Nordics</i>	28.9	27.9	3.4%	28.9	27.9	3.4%
<i>The Netherlands</i>	22.6	13.9	63.1%	22.6	13.9	63.1%
Northern Europe	51.5	41.8	23.2%	51.5	41.8	23.2%
United Kingdom	25.7	9.5	169.9%	47.7	20.2	135.7%
United States	109.3	101.7	7.4%	209.9	193.9	8.2%
Offices & Others	17.8	17.4	2.0%	19.0	19.5	-2.3%
<i>France</i>	12.3	9.3	32.2%	12.9	9.3	37.8%
<i>Other countries</i>	5.4	8.1	-32.9%	6.2	10.2	-39.3%
Convention & Exhibition	41.4	10.1	n.m.	42.1	10.2	n.m.
Total	540.0	388.0	39.2%	683.5	502.5	36.0%

Figures may not add up due to rounding.

Major events Q1

1. Footfall⁴ & Sales⁵

Sales reached 93% of 2019 levels in Q1 and 95% in March; when excluding CBD assets⁶, which were still impacted by work from home, March sales came to 97%. Due to more productive visits, sales continue to outperform footfall, which came to 82% of 2019 levels in Q1 and 84% in March.

In Europe, sales remained affected by restrictions and came to 89% in Q1 as a whole, with figures improving to 91% in March. In Q1, the Omicron wave with a record high number of COVID-19 cases, led to a lockdown in The Netherlands as well as some restrictions in other countries, including guidance to work from home, capacity restrictions, reduced opening hours for F&B, restrictions for non-vaccinated persons and mask mandates, holding back the recovery. Sales in Germany and Austria, which had more stringent restrictions, remained more impacted, while Central Europe and the Nordics performed well at 96% and 93%. The UK showed an improvement from 84% in Q4-2021 to 89% in Q1-2022.

In the US, sales continue to be consistently above 2019 levels, reaching 102% in Q1 and 104% in March. This strong performance confirms the positive trend seen in 2021.

	Footfall		Tenant Sales	
	March 2022	Q1-2022	March 2022	Q1-2022
France	85%	84%	91%	89%
Spain	82%	83%	91%	86%
Central Europe	84%	78%	99%	96%
Austria	81%	74%	88%	84%
Germany	76%	74%	83%	83%
Nordics	85%	81%	95%	93%
The Netherlands	75%	68%	n.a.	n.a.
Continental Europe	82%	80%	91%	89%
UK	84%	81%	88%	89%
Europe	83%	80%	91%	89%
US	86%	86%	104%	102%
Total Group	84%	82%	95%	93%

In Europe, some of the best performing categories during the quarter compared to 2019 were Luxury (+6.3%), Health & Beauty (+4.1%) and Sport (-0.7%). F&B performed in line with the overall sales levels at -9.7%.

⁴ Footfall for all centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (Ursynow, Westfield La Part-Dieu, Les Ateliers Gaîté, CNIT, Gropius Passagen, Garbera, Westfield Mall of the Netherlands and Westfield Valley Fair). Excludes Carrousel du Louvre. Excludes Zlote Tarasy as this centre is not managed by URW. For the US, footfall only includes the 23 centres for which at least one year of comparable data is available.

⁵ Tenant sales for all centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (Ursynow, Westfield La Part-Dieu, Les Ateliers Gaîté, CNIT, Gropius Passagen, Garbera and Westfield Valley Fair). Excludes Zlote Tarasy as this centre is not managed by URW. Excludes Carrousel du Louvre. Excludes Auto branch for Europe and Auto and Department Stores for the US.

⁶ Westfield World Trade Center, Westfield San Francisco Centre, Westfield London, Westfield Mall of Scandinavia, Westfield Forum des Halles and Westfield Les 4 Temps.

Entertainment continues to improve, but remains more affected at -25.8%, due to the remaining COVID-19 restrictions experienced in Q1. Fashion sales came to -14.9% on a same store basis.

The strong recovery in the US continues to be broad-based with almost all categories performing above 2019 levels. In particular, Luxury (+66.3%), Home (+33.4%) and Sport (+20.6%) exhibited strong performance. Fashion at -4.4% and F&B at -2.5% are also nearing pre-COVID levels, while also, in the US, Entertainment remains the more affected category at -21.6%⁷.

2. Rent collection

Rent collection⁸ continued to improve reaching 93% for the Group in Q1-2022, and is expected to improve further as operating conditions normalise.

The European collection rate stood at 93%, driven by the UK, Central Europe, and the Nordics, partly offset by The Netherlands and France. In the US, the collection rate also reached 93%⁹.

Region	January	February	March	Q1
Continental Europe	93%	93%	93%	93%
UK	95%	95%	95%	95%
Total Europe	94%	93%	93%	93%
US	93%	93%	92%	93%
Total URW	93%	93%	93%	93%

Furthermore, the Group has collected €162 Mn¹⁰ in rents related to 2021, in 2022, and continues to improve its collection rate, which increased from 93% to 95% for Q3-2021 and from 90% to 94% for Q4-2021.

3. Leasing and vacancy

Leasing activity remained strong with 521 deals signed in Q1, up +4% vs. 2019 (501¹¹), for a total Minimum Guaranteed Rent of €85.2 Mn (vs. €80.8 Mn in Q1-2019) and a MGR uplift of +6%, illustrating continued retailer appetite for URW's Flagship destinations.

The Group pursued its pragmatic and proactive leasing strategy designed to protect asset values and select the right time to negotiate long-term leases under improved conditions, with the proportion of long-term deals (above 36 months) signed in Q1 improving compared to H2-2021, at 60% vs. 55%, mainly driven by the European portfolio.

The uplift continued to be positive on long-term deals for the Group, while in the US and the UK, short term deals had a negative MGR uplift, partly compensated by increased SBR.

⁷ Restated for the Westfield UTC & Westfield Montgomery Arclight (Chapter 7) cinema closures, relet to AMC and opening in February and March 2022, respectively.

⁸ Retail only, assets at 100%. MGR + CAM in the US. As at April 21, 2022.

⁹ Rents invoiced net of adjustments.

¹⁰ Rent, SBR and service charges at 100% including VAT.

¹¹ Restated for disposals.

SBR, which is mainly driven by the US, amounted to €32.5 Mn in Q1-2022, almost double the €16.8 Mn of SBR in Q1-2021.

The lettings included:

- A nearly 3,000 sqm H&M in Westfield Les 4 Temps;
- A 1,350 sqm food hall concept in Westfield Mall of Scandinavia;
- Gucci in Westfield London;
- Sephora in Bonaire;
- American Girl in Westfield Century City;
- Céline in Westfield Valley Fair;
- JD Sports in Westfield Euralille and Westfield Centro.

In addition, the Group saw several key store openings in Q1, notably the AMC theatres in Westfield UTC and Westfield Montgomery, Rihanna's Savage X Fenty lingerie store in Westfield Culver City, the SmileDirectClub in Westfield London and Westfield Stratford City, illustrating the growing health segment, Lego in Rennes Alma and Youseum, a social media experience, in Westfield Mall of Scandinavia.

EPRA vacancy increased by +50 bps in the quarter vs. December 2021 to 7.5% for the Group, in line with the seasonal pattern observed in previous years. The vacancy is expected to decrease below 2021 levels in 2022.

In Continental Europe, vacancy increased by +20 bps to 4.2%, mainly driven by Austria and Germany, partly offset by the Nordics and The Netherlands. In the UK, the vacancy increased from 10.6% to 11.6%, mainly driven by Westfield London. Plans to repurpose retail space in Westfield London to high-growth alternative uses are in place. In the US, the vacancy increase was +40 bps to 11.4% due to the CBD assets¹² which are still affected by work from home. Excluding the CBD assets, the vacancy in US Flagships fell with -40 bps to 8.9%.

4. Commercial Partnerships

Commercial Partnerships¹³ increased from €10.8 Mn in Q1-2021 to €25.5 Mn in Q1-2022.

At its Investor Day in March, the Group presented its plan to increase revenues from advertising, brand experience and data by turning URW's footfall into qualified audiences highly valued by brands. URW expects to generate €75 Mn in annual net revenues¹⁴ in Europe by 2024, a +€45 Mn increase compared to 2021, with strong growth potential beyond the plan horizon.

In line with this, the Group announced an 8-year new media contract with Clear Channel France, the operator of URW's over 600 digital out-of-home media screens throughout URW's 20 French shopping centres, which welcome more than 185 million customer visits each year. The agreement will increase URW's income through an improved revenue share and new innovative solutions, and is part of the €8.5 Mn¹⁴ of additional media advertising revenues that have already been secured, as announced at the Investor Day.

¹² Westfield World Trade Center and Westfield San Francisco Centre.

¹³ Group figure (Europe + US), including the new division, on a proportionate basis.

¹⁴ At 100%.

5. Disposals

On February 1, 2022, URW completed the sale of Solna Centrum to Alecta Fastigheter for an agreed Total Acquisition Cost of €272 Mn.

In addition, the Group completed on February 16, 2022, the disposal of a 45% stake in the Westfield Carré Sénart shopping centre to Société Générale Assurances and BNP Paribas Cardif, with an IFRS net debt reduction of €280 Mn.

Furthermore, the Group announced on April 4, 2022, an agreement with an institutional investor for the sale of Gera Arcaden, in Germany, for an agreed Total Acquisition Cost of €116 Mn (at 100%, URW share 51%), which represents a premium to the last appraised value. The transaction is expected to complete in Q2-2022, subject to standard closing conditions.

URW also continued to streamline its US regional portfolio with the sale of the 34-acre site of the former Promenade Mall, located in the San Fernando Valley of Los Angeles, to a group of private investors. This transaction demonstrates the significant potential for alternative investment in and around the company's assets, which URW can leverage to support its efforts to deleverage. The sale price of \$150 Mn (at 100%, URW share 55%) reflects a 60% premium to the latest appraisal.

6. Outlook

Based on Q1 performance, including the improved collection levels and sustained leasing activity, the Group confirms its 2022 AREPS guidance of €8.20 to €8.40 per share, while the Group continues to closely monitor the potential impact of the wider economic and geopolitical situation on its markets

7. Financial schedule

The next financial events in the Group's calendar will be:

May 11, 2022: AGM Unibail-Rodamco-Westfield SE

July 28, 2022: 2022 Half-Year Results (before market opening)

This announcement has been authorised by the Chief Executive Officer.



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About Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield is a dynamic, global developer and operator of Flagship Destinations, with a portfolio valued at €54.5 Bn as at December 31, 2021, of which 86% in retail, 6% in offices, 5% in convention & exhibition venues and 2% in services. Currently, the Group owns and operates 84 shopping centres, including 53 Flagships in the most dynamic cities in Europe and the United States. Present on two continents and in 12 countries, Unibail-Rodamco-Westfield provides a unique platform for retailers and brand events and offers an exceptional and constantly renewed experience for customers.

With the support of its 2,800 professionals and an unparalleled track-record and know-how, Unibail-Rodamco-Westfield is ideally positioned to generate superior value and develop world-class projects.

Unibail-Rodamco-Westfield distinguishes itself by its Better Places 2030 agenda, that sets its ambition to create better places that respect the highest environmental standards and contribute to better cities.

Unibail-Rodamco-Westfield stapled shares are listed on Euronext Amsterdam and Euronext Paris (Euronext ticker: URW), with a secondary listing in Australia through Chess Depositary Interests. The Group benefits from a BBB+ rating from Standard & Poor's and from a Baa2 rating from Moody's.

For more information, please visit www.urw.com

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