

# IQ FY 2019 Conference Call

November 13, 2018



**Hosted by:**

**Alejandro Elsztain, CEO**

**Carlos Blousson, General Manager of Argentina & Bolivia**

**Matías Gaivironsky, CFO**

## Consolidated Financial Statements

- **Adjusted EBITDA** reached **ARS 4.5 bn** (vs. ARS 2.5bn in IQ18).
  - **Agribusiness: ARS 1.7 bn** (vs. ARS 0,2 bn in IQ18) due to higher operating results from crop and sugarcane production and farmland sales.
  - **Urban & Investments (through IRSA): ARS 2.6 bn** mainly explained by higher operating results in Argentina and Israel.
- **Net Income IQ19: ARS 7.4 bn** (vs. ARS 28mn in IQ18).
  - **Attributable to CRESUD: ARS 2.1 bn** (vs ARS 221mn in IQ18).
    - Mainly explained by higher results from **FV of Investment Properties** in Argentina Business Center and higher results from our investment in CLAL valued at market price in Israel Business Center

### Agribusiness



#### Farmland Sales and Development

- During IQ19, **Brasilagro** sold a fraction of “**Jatobá Farm**” for **BRL 177.8 million**.
- We **expect to develop 8,500 ha** in the region during the campaign.

#### Farming activity

- We expect to plant approximately **257 th. ha** in the region.

**Own Shares Distribution:** On October 29, our Shareholders’ meeting approved a distribution to its shareholders of **~20.7mn treasury shares** equivalent to 4.1% of the capital stock (**~0.04295 shares/common share** and **~0.4295 shares/ADR**).

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

**Dividends collection:** On November 6, CRESUD received from BRASILAGRO a cash dividend of **~USD 5mn** and on November 12, CRESUD received from IRSA a dividend in kind of **3% of IRCP shares (~USD 24mn)**.

### Urban & Investments

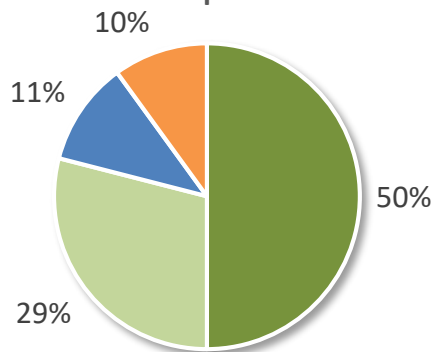


#### Argentina Business Center:

- **EBITDA** from rental segment grew by **31.3%** in IQ19 vs IQ18. Occupancy reached 98.7% in Malls, 93.4% in offices and 64.5% in the hotels’ portfolio.

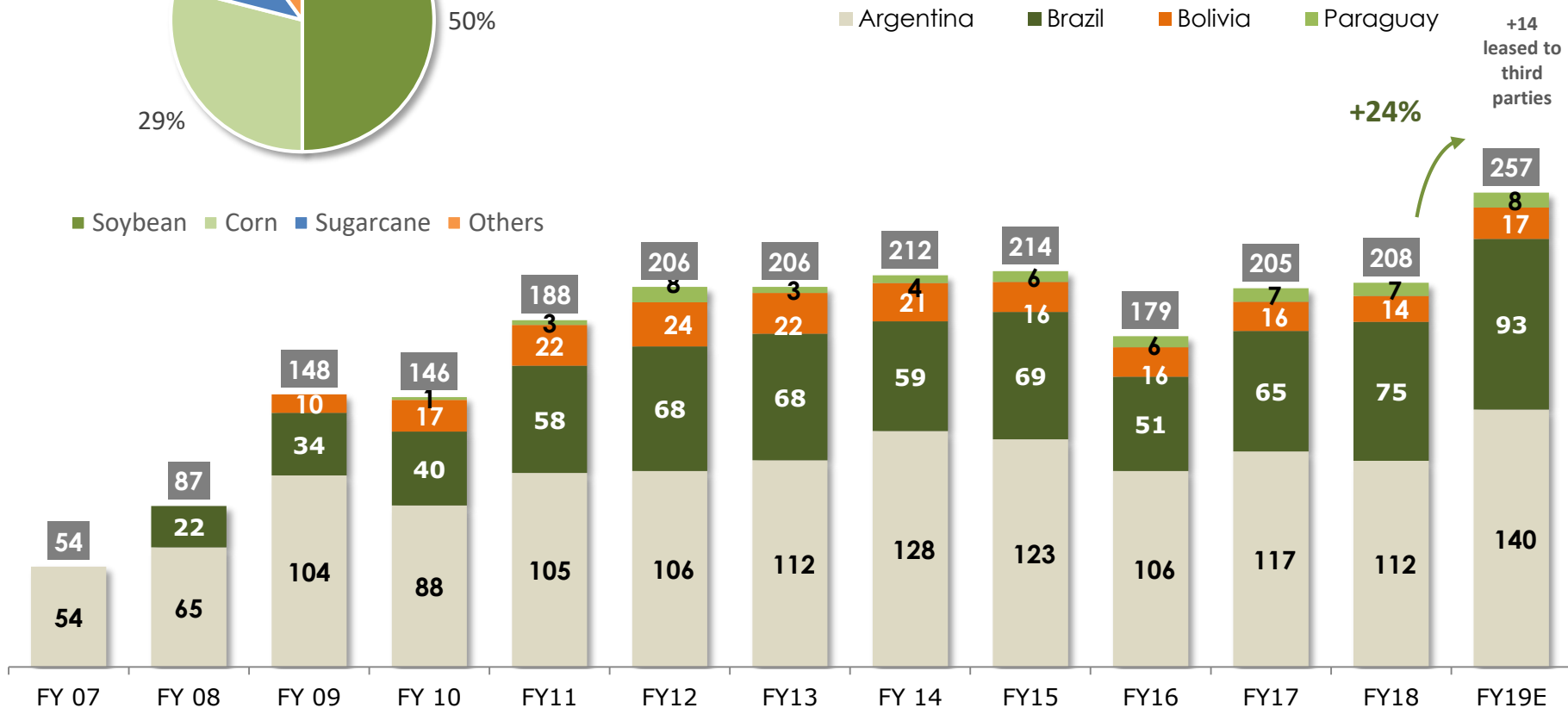
# Planted Area Evolution (in thousand Hectares)

FY 2019E Crop Breakdown

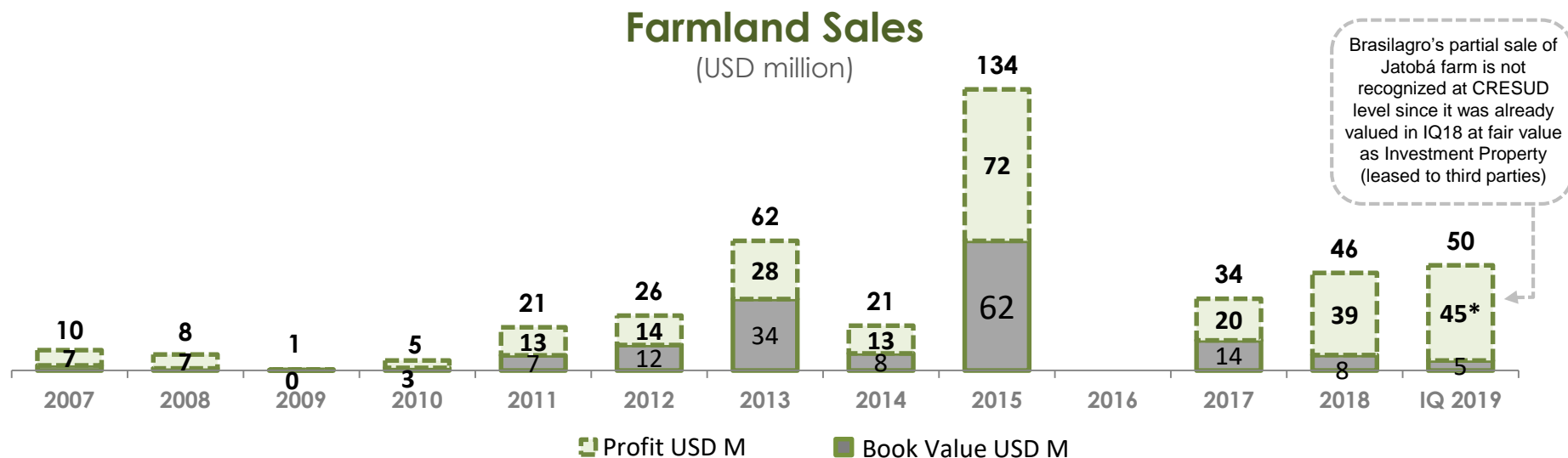


Argentina Brazil Bolivia Paraguay

Soybean Corn Sugarcane Others



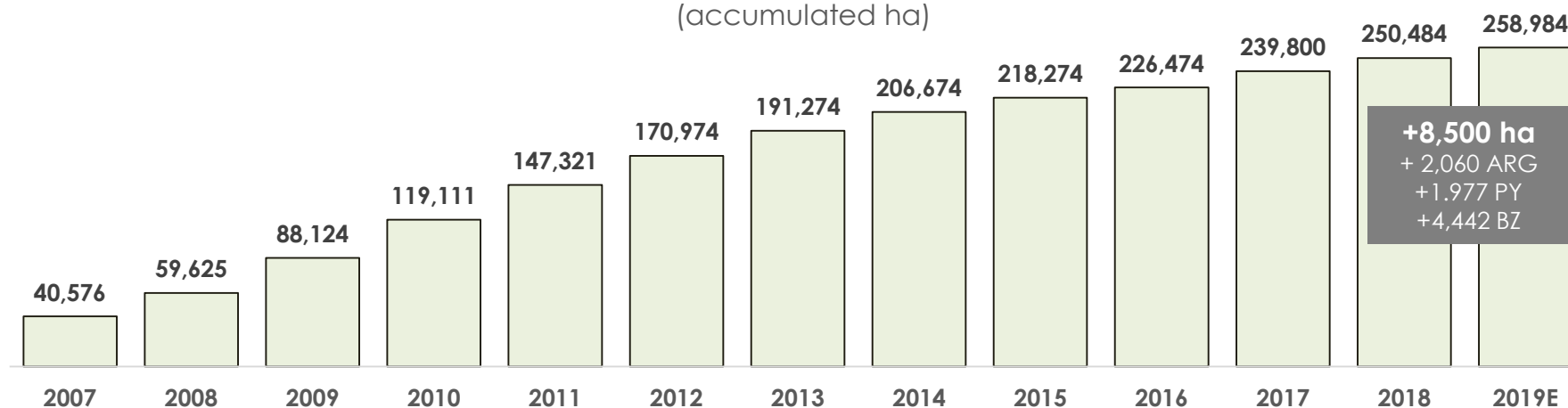
# Regional Farmland Sales & Development



\*USD 45mm considers the full price transaction of Jatobá financed partial sale (Present Value USD 34 mm).

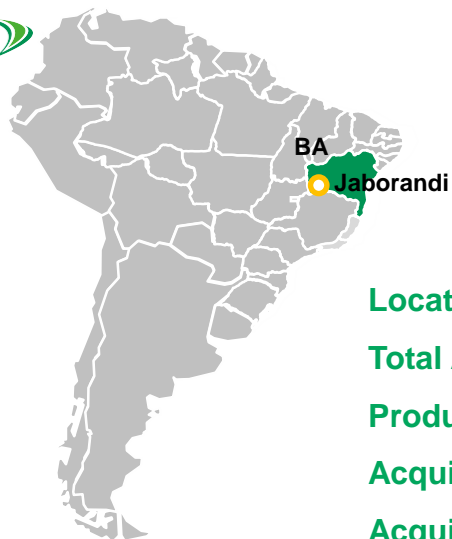
## Farmland Development

(accumulated ha)





# Brasilagro's Partial Sale of Jatobá Farm – July 2018



**Location:** Jaborandi / BA

**Total Area:** 31,106 ha

**Productive Area:** 24,725 ha

**Acquisition date:** 2007

**Acquisition Price:** R\$ 34.6 MM

**CAPEX:** R\$ 45.0 MM

## Acquisition



## Current picture



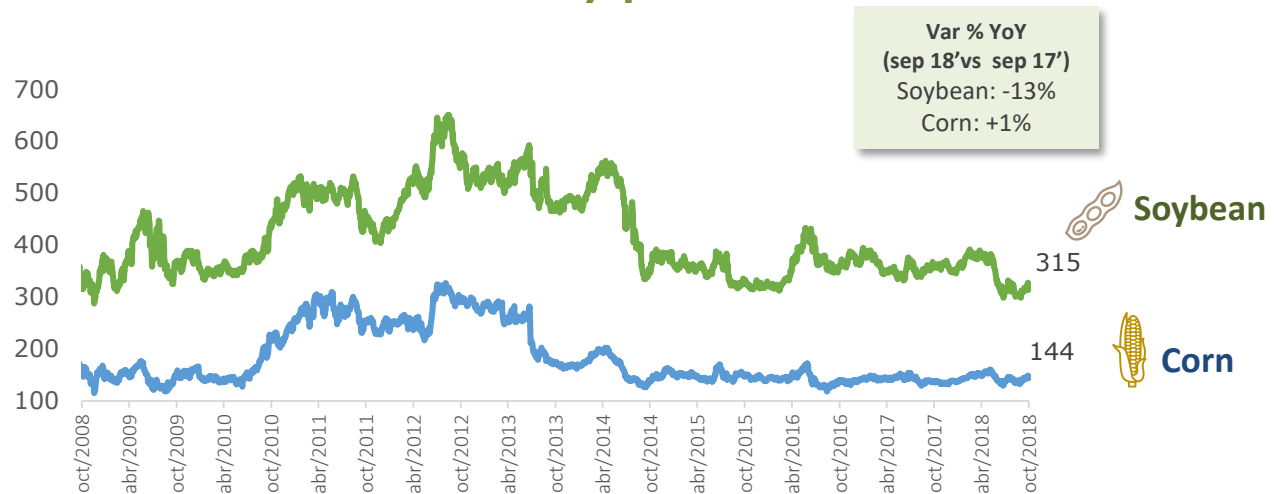
- 100% grains
- 182 km of roads
- 220 – 280 direct employment

Remaining area  
**21,822 ha**

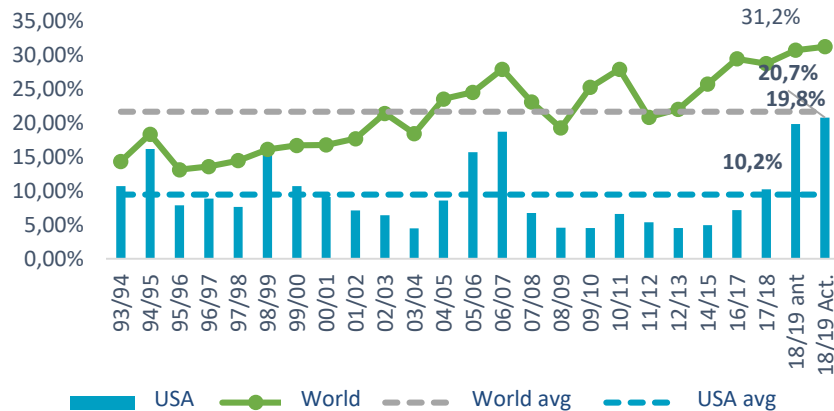
Partial Sales	July 2017	July 2018
Area (hectares)	Total: 625 ha Productive: 500 ha	Total: 9,784 ha Productive: 7,485 ha
Acquisition Price	R\$1.1 MM	R\$10.1 MM
CAPEX	R\$0.1 MM	R\$7.9 MM
Sale Price	300 bags/ha Nominal Value: R\$10.1 MM	285 bags/ha Nominal VALUE: R\$177.8 MM
IRR <sup>(1)</sup> (R\$/US\$)	16.70% / 9.2%	14.00% / 7.1%

(1) IRR (real estate + productive) from the first disbursement to the expected receipt of the last installment according to the future soybean curves (CBOT) and exchange rate.

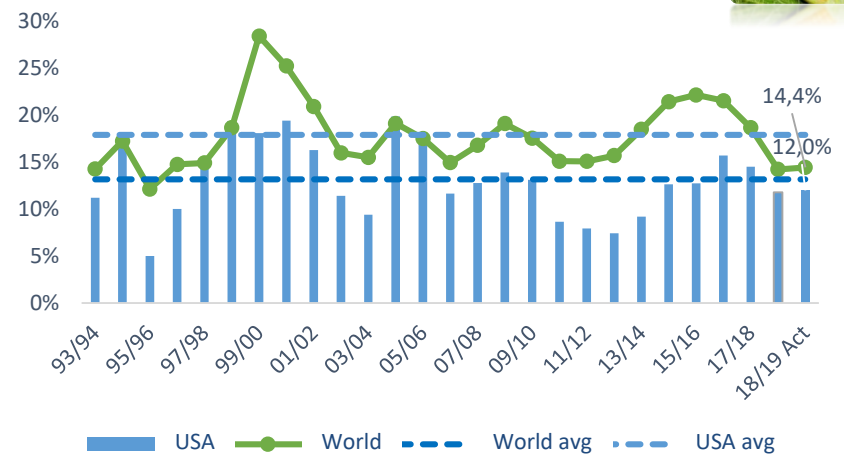
## Commodity prices



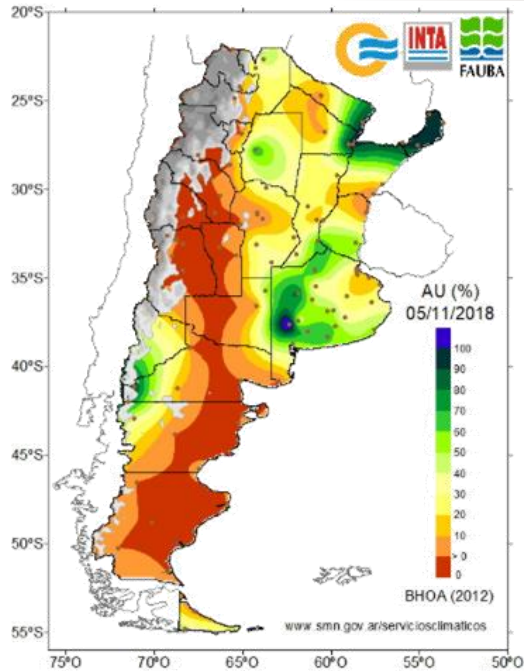
## Soybean :Stock / Consumption



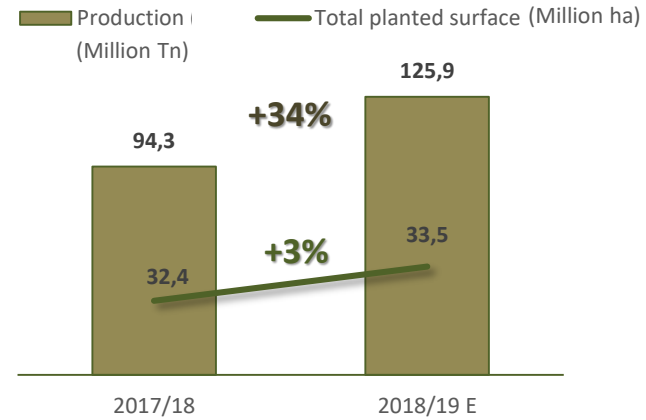
## Corn: Stock / Consumption



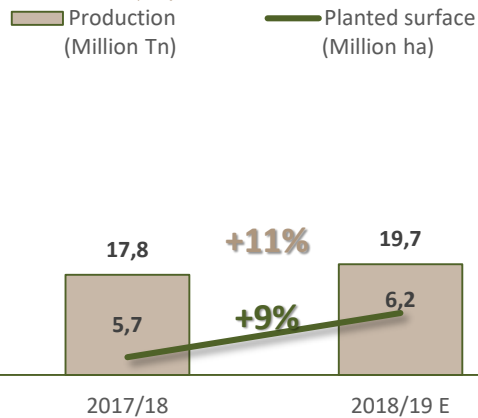
# Good prospects for 2019 campaign in Argentina...



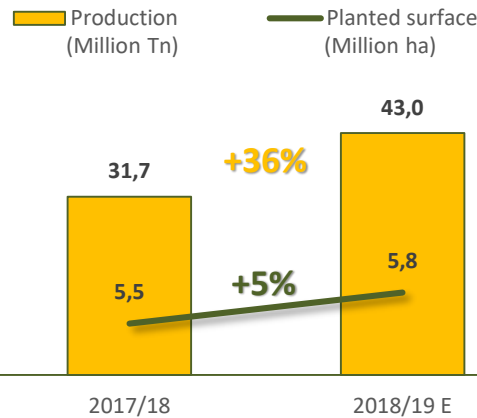
## Record Planted surface in Argentina



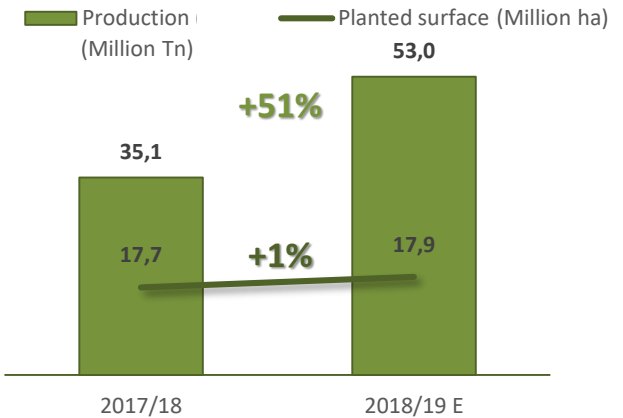
## Wheat



## Corn



## Soybean



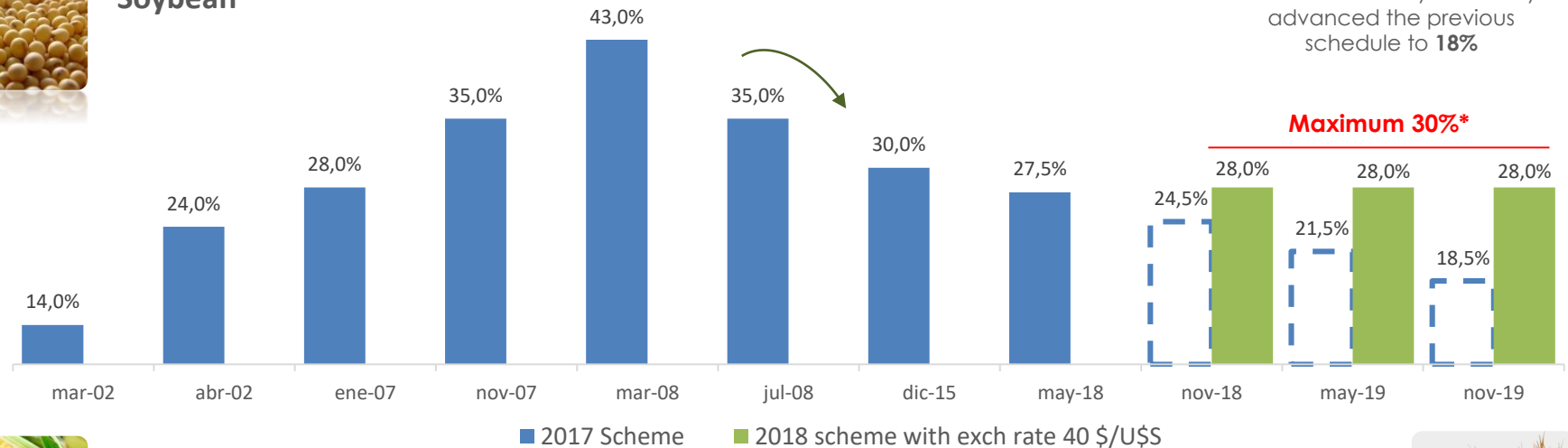
# ...despite recent increase in tax exports

## Crop Export Taxes: Previous scheme + minimum between 12% or \$ 4 per dollar until December 2020

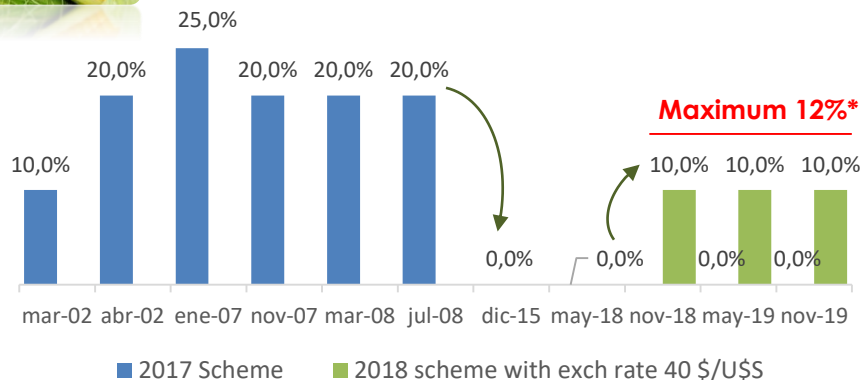
Actual export tax % depends on exch. rate (i.e. 4 \$/USD / 40 \$/USD = 10%)



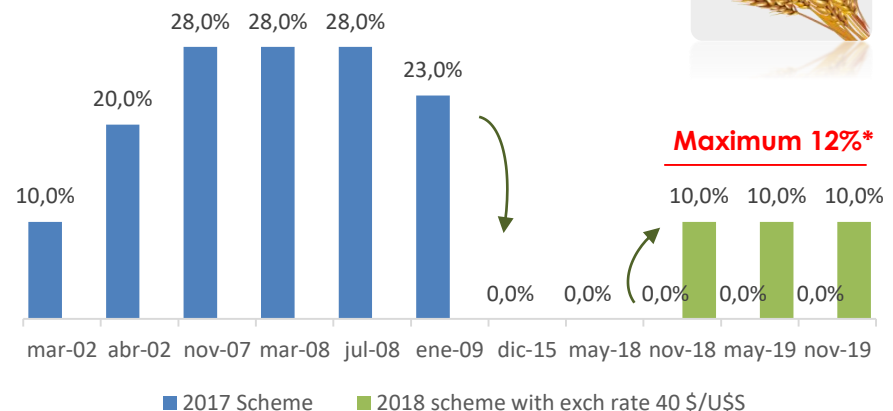
### Soybean



### Corn



### Wheat



\*Scenario at ~ 33 \$/USD



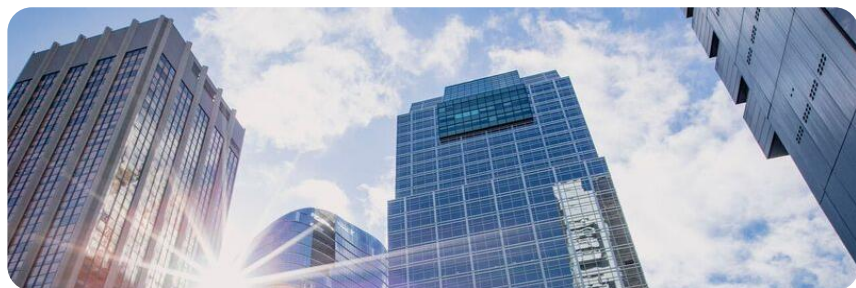
## Consolidated Financial Statements

- **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%




A photograph of a center pivot irrigation system, specifically a Valley V50 model, spanning a vast green agricultural field under a clear blue sky. The system's long metal arm and multiple vertical support poles are visible, with one end showing a large black wheel. A semi-transparent grey rectangle is overlaid in the center of the image, containing the text and a logo.

# Financial Results






# Consolidated Financial Results IQ FY 2019 (in ARS MM)

	Agribusiness			Urban Argentina Business Center			Urban Israel Business Center			TOTAL		
	IQ 2019	IQ 2018	Var %	IQ 2019	IQ 2018	Var %	IQ 2019	IQ 2018	Var %	IQ 2019	IQ 2018	Var %
Revenues	2,328	1,463	59%	2,099	1,617	30%	8,728	5,412	61%	13,155	8,492	55%
Costs	-1,903	-1,185	61%	-801	-661	21%	-5,718	-3,251	76%	-8,422	-5,097	65%
Gross Profit	1,060	405	162%	1,298	956	36%	3,010	2,161	39%	5,368	3,522	52%
Change in Fair Value	2	53	-96%	15,772	2,478	536%	-7	878	-	15,767	3,409	363%
Farmland Sales	1	-	-	-	-	-	-	-	-	1	-	-
S,G&A Expenses*	-359	-262	37%	-447	-267	67%	-2,278	-1,513	51%	-3,084	-2,042	51%
Other operating results, net	135	7	1,829%	-15	-12	25%	336	115	192%	456	110	315%
Management Fee										-228	-30	660%
Operating Income	839	203	313%	16,608	3,155	426%	1,061	1,641	-35%	18,280	4,969	268%
Share of result of associates and JV										445	384	16%
Net Financial Results										-10,384	-4,539	129%
Income Tax										-856	-1,137	-25%
Net Income from continuing operations										7,485	-323	-
Net Income from discontinued operations										-46	351	-
Net Income										7,439	28	28,468%

\*Includes corporate expenses (ARS 30 MM in Cresud, ARS 40 MM in IRSA and ARS 117 MM in Israel)

Attributable to:			
Shareholders	2,057	221	831%
Non-controlling Interest	5,382	-193	-

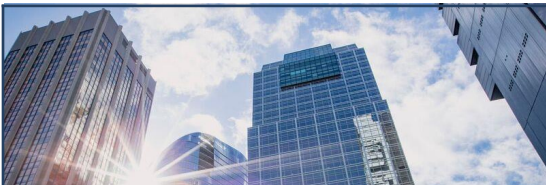
# Adjusted EBITDA\* by Segment IQ FY 2019 (in ARS MM)


	Agribusiness		
	IQ 2019	IQ 2018	Var %
<b>Farmland Sales</b>	<b>748</b>	<b>-3</b>	<b>-</b>
<b>Farming</b>	<b>771</b>	<b>212</b>	<b>264%</b>
Grains	463	50	826%
Sugarcane	268	159	69%
Cattle & Milk*	42	-14	-
Agriculture Rent & Services	-2	17	-
<b>Others (inc. Agro-Industrial &amp; FYO)</b>	<b>177</b>	<b>12</b>	<b>1,375%</b>
<b>Total</b>	<b>1,696</b>	<b>221</b>	<b>667%</b>

\*Milk was discontinued on IIQ 2018

- Adjusted EBITDA = EBITDA – Changes in Fair Value of investment properties + Realized gains from sales of farmlands classified as investment properties

# Adjusted EBITDA\* by Segment IQ FY 2019 (in ARS MM)

	Urban Segment: Argentina Business Center		
	IQ 2019	IQ 2018	Var %
Shopping Malls	715	647	11%
Offices	158	83	90%
Hotels	88	2	4,300%
Sales & Development	-38	241	-


	Israel Business Center		
	IQ 2019	IQ 2018	Var %
Real Estate	1,139	669	70%
Telecommunications	976	1,002	-3%
Others	196	2	9,700%

Devaluation (ARS/NIS)			49%
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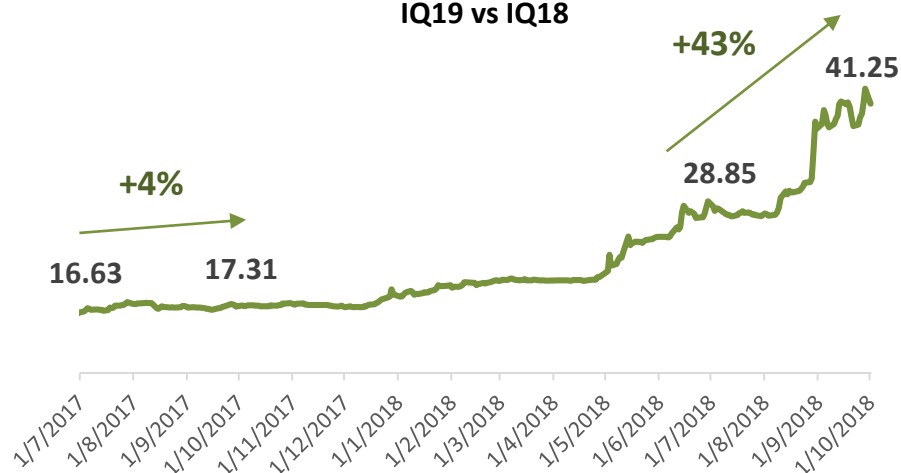
- Adjusted EBITDA = EBITDA – Changes in Fair Value of investment properties + Realized gains from sales of investment properties



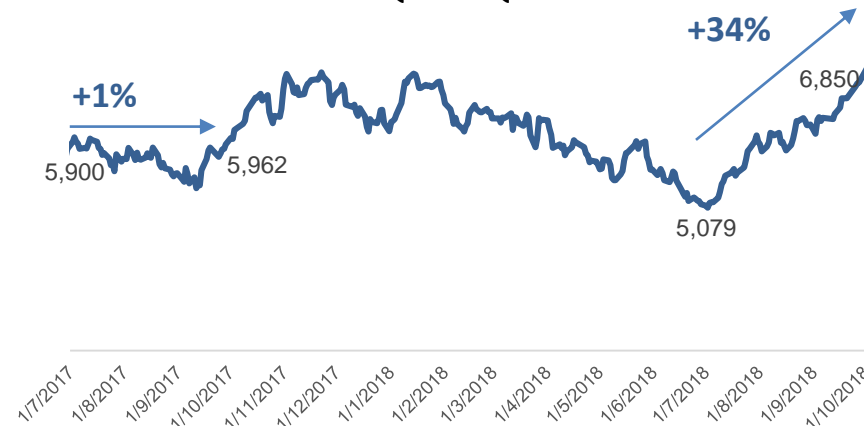
# Net Financial Results IQ FY 2019 (in ARS MM)

		CRESUD+BRASILAGRO		IRSA		IDBD+DIC		TOTAL		
		IQ 2019	IQ 2018	IQ 2019	IQ 2018	IQ 2019	IQ 2018	IQ 2019	IQ 2018	Var %
1	Net lost interest	-245	-3	-922	-251	-2,101	-1,495	-3,268	-1,750	87%
2	Net exchange difference	-4,576	-221	-9,595	-412	158	-119	-14,013	-752	1,763
3	Earned dividends and other net financial costs	141	-11	-36	-43	-44	-78	61	-132	-
4	DIC debt exchange					-	-2,228	-	-2,228	-
5	Profit / (loss) from FV of financial assets and derivate instruments	-221	27	2,457	209	4,600	88	6,836	323	2,014%
6	Net Financial Results	-4,901	-209	-8,096	-498	2,613	-3,832	-10,384	-4,539	129%

Exchange Rate evolution (ARS/USD)  
IQ19 vs IQ18



CLAL Insurance share evolution (NIS)  
IQ19 vs IQ18



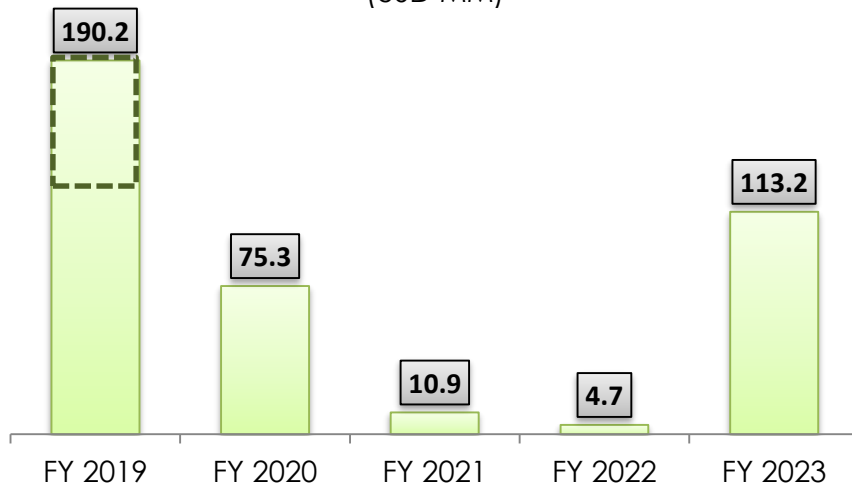
## Debt Description

CRESUD Stand Alone	Amount (USD MM)
Net Debt	393.3

In November 2018, we issued a local Bond for **USD 73.6 mm** at a fixed annual interest rate of 9.0% due November 2020 to refinance short-term debt

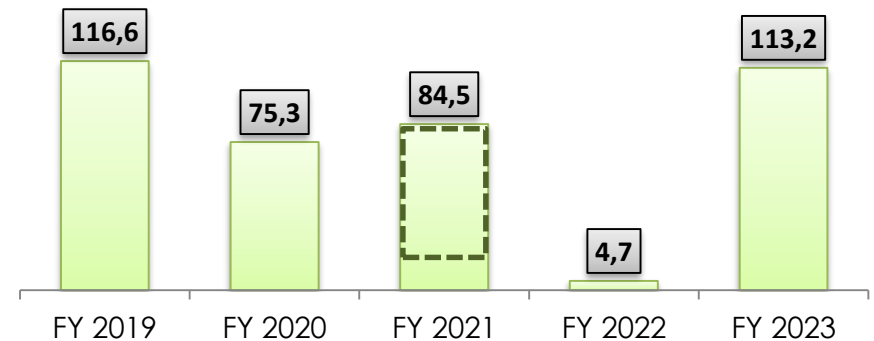
### Current Debt Amortization Schedule

(USD MM)



### Proforma Debt Amortization Schedule

(USD MM)





# Contact Information

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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 websites.