

Neinor Homes, S.A. (“**Neinor**” or the “**Company**”), pursuant to article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, hereby informs of the following:

### **MATERIAL FACT**

Neinor Homes has just released results for the 6-month report for the period ended on June 30<sup>th</sup>, 2017, with revenues of EUR 127.5 million, net cash flow of EUR 31.8 million and cumulative pre-sales of EUR 596 million.

A press release is attached.

Madrid, 26<sup>th</sup> July 2017.

**Neinor Homes, S.A.**

## **Neinor Homes releases robust H1 results: 79% of acquisitions for the year completed; 3 sites delivered and 64 sites (4,800 units) in production; revenues of EUR 127.5 million, 9% ahead of expectations**

- Acquisitions totaled EUR 157.5 million, completing 79% of the yearly target and expanding the land bank to ca. 10,700 units
- Pre-sales accelerated during Q2, with the order book reaching ca. EUR 600 million or ca. 1,800 units pre-sold. Heightened visibility for revenues in '17 (>90%), '18 (>70%) and '19 (>15%)
- 4.8% HPA captured during the period, +3.9% ahead of Company's expectations
- Two sites (113 units) delivered on time and in line with target margins in Q2, taking to three sites and 153 units the total delivered in H1
- Increased development activity with 64 developments (4,800 units) in production at the end of H1, of which 28 sites (1,913 units) are in construction
- P&L statement starting to reflect increasing weight of the core business: revenues of EUR 127.5 million, (+9% ahead of Company expectations), gross margin up to 21% in H1 from 14.9% in Q1, and profit measured by the Operating EBITDA turning positive to EUR 1.6 million. Net income in Q2 amounted to EUR 4 million, taking the net income in H1 to minus EUR 4.2 million
- Savills valued the land bank as of June 30<sup>th</sup> at EUR 1.34 billion. The valuation includes a 6% like-for-like increase, based on real achieved sales and market improvement, as well as a 12% increase for land plots acquired during H1, highlighting the attractiveness of such acquisitions
- The Company will submit the full set of H1 accounts alongside the limited audit by Deloitte (with an unqualified opinion) within the next hours

Madrid, July 26<sup>th</sup>, 2017.- Neinor Homes has just submitted to the CNMV (the Spanish stock regulator) a relevant fact, to communicate the results for the six months ended June 30<sup>th</sup>. Highlights below:

- Thirteen fully-permitted land plots acquired between January and June for EUR 157.5 million, representing ca. 1,750 buildable units. Of these, 6 assets were acquired in Q2 for EUR 105.9 million, and are located in Valencia, Las Rozas de Madrid, Estepona (Malaga) and Sopelana (Basque Country).
- The company pre-sold 402 units during Q2, taking the total sold during H1 to 721 units and EUR 251 million; the cumulative pre-sales to the end of June stands at EUR 596 million / 1,797 units
- The Company managed to capture an HPA of 4.8% during the first half of 2017, 3.9% above Company's expectations, led by developments in the East and Center regions
- Port Forum Homes and Las Salinas Homes were delivered in Barcelona and Malaga, respectively, on time and in line with target margins. A total of 3 sites

were delivered during the semester, yielding revenues of EUR 25.6 million and a gross margin of ca. 27%

- Site-launching and commercialization-starts intensified during Q2, taking to 64 the number of active sites, or 4,800 units. The Company has increased to 44% (up from 40% in Q1) the proportion of the land bank in production
- Savills updated their RICS valuation of the Company's land bank. Total GAV is now EUR 1.34 billion, up from EUR 1.12 billion in December 2016. The valuation is broken down as follows:
  - Existing land plots had an appreciation of 6%, reaching a total of EUR 1.17 billion (net of EUR 22 million of deliveries). The increase is based on real achieved pre-sales by Neinor Homes as well as comparable sales
  - Acquisitions during the semester were valued at EUR 177 million, with a 12% appreciation given the price evolution in the areas and highlighting the attractiveness of the transactions
- Ancillary businesses have kept producing cash to re-invest in the development business, with almost 40% of the legacy assets in the balance sheet at the beginning of the year already sold.
- Full financial statements to be released within the next hours, as approved by the Board. Alongside the statements, the Company will publish an audit report following a limited revision. The report includes an unqualified opinion.
- The Company became the first Spanish developer to join the voluntary Code of Best Practices with the Spanish Tax Authority.

Juan Velayos, CEO of Neinor Homes, highlighted that “the Company had a clear-cut outperformance during the first half of the year. We have completed 80% of the accretive acquisitions projected for the whole year; we have increased our order book to EUR 600 million increasing revenue visibility; we have launched, started construction and delivered sites, on time and on budget, at an increased pace; and the ancillary businesses keep providing the cash to fuel the ramp-up. We are quite satisfied with the first semester results, and deeply motivated for H2 to perform at least as strongly as in the first half of the year”.

### **About Neinor Homes**

Neinor Homes is the leading residential developer in Spain with one of the largest and best quality land bank in the country, valued at over 1.3 billion euros in June 2017. It has a buildable area of more than 1.25 million square meters and presence in Madrid, Catalonia, Balearic Islands, Basque country, Andalusia and Valencia.

Its 30-year track record as a residential developer took a new dimension on March 29th 2017, when Neinor Homes shares were listed on the Spanish continuous market and became the largest ever European residential developer IPO. Neinor Homes continues to drive the change in the sector basing its daily activity on three pillars: institutionalisation, product and customer.



**For further information**

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