



SANT JUST HOMES – SANT JUST (EAST REGION)
Actual picture (Delivery Q3 2019)



Q3 2019

RESULTS PRESENTATION

> **30th OCTOBER 2019**

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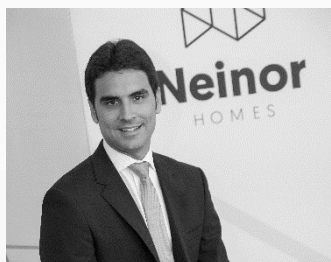
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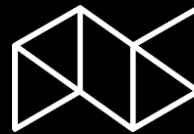
Business & Financial Review

2

Q&A

A

Appendix



1

Business & Financial Review

Q3 2019 RESULTS KEY HIGHLIGHTS

Q3 SNAPSHOT

YTD PROGRESS



Development Activity

12,500 units
LandBank

5,600 units
WIP & FP

Licenses
c. 1,500 obtained
1,800+ acc. submitted¹

2,300+
WIP Starts

572
Deliveries



Pre-Sales Activity

3,072 (€1bn +)
Orderbook units

1,041 units
Pre-sold YTD

95% / 60%+ / c.35%
Pre-sales 2019/2020/2021



Margin Protection

DEVELOPMENT GROSS MARGIN

Q3-2019: **31%**

FYE- 2019: **28%**

4.9% YoY²

Observed HPA in Q3

5%-6%

Expected construction inflation³



Land Strategy

LAND ACQUISITIONS

Secured **2 land plots (174 units)** in Basque Country for **€10m**
 Accretive deal with convenient payment structure

ASSET ROTATION

1 land plot (126 units) sold for €10.6m
1.8x book value in a sector where Neinor has land for 300+ units

LEGACY

SERVICING



Ancillary

€12.9m
Revenues

€22.9m
Remaining BV

€22.1m
Revenues

€14.3m
EBITDA (65% margin)



Financials

€44.3m EBITDA Adjusted
€242m Revenues

€1.3bn inventory
€77m cash⁴

€305m Net Debt
€379m Adjusted Net Debt
 21% LTV

Note: Pre-sales rate as of September 2019. ¹ Average accumulated time since submission of licenses is 10-12 months. These 1,800+ units for which license have been requested, are in addition to the 6,100+ units that already had licenses at the time of presenting Q3 2019 results ² See Appendix for more detail on observed HPA. ³ Inflation on per sqm construction ratios used by the Operations team – Forecast for cost inflation in 2019. ⁴ Includes €36m of restricted cash

572 UNITS DELIVERED BY THE END OF Q3¹

> Delivery of 100+ units (Sant Just and Via Homes) in Q3

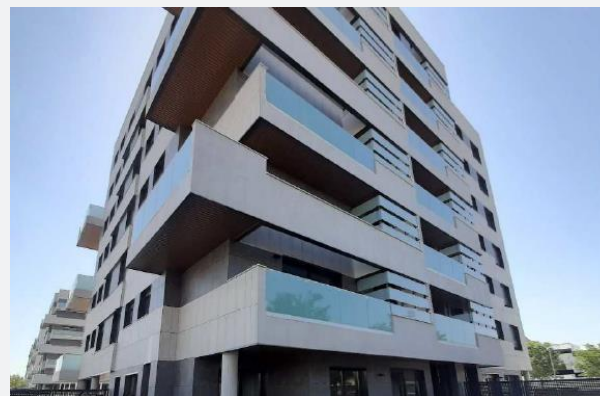
Sant Just Homes

Region	East
Location	Sant Just, Barcelona
Units (#)	119
Units Delivered Q3-19' (#)	110
Sqm	13,617
Construction Company	Bertolín
Construction Started	H2 2016
Construction Finished	Q2 2019
Delivery	Q3 2019
Gross Margin	30%+



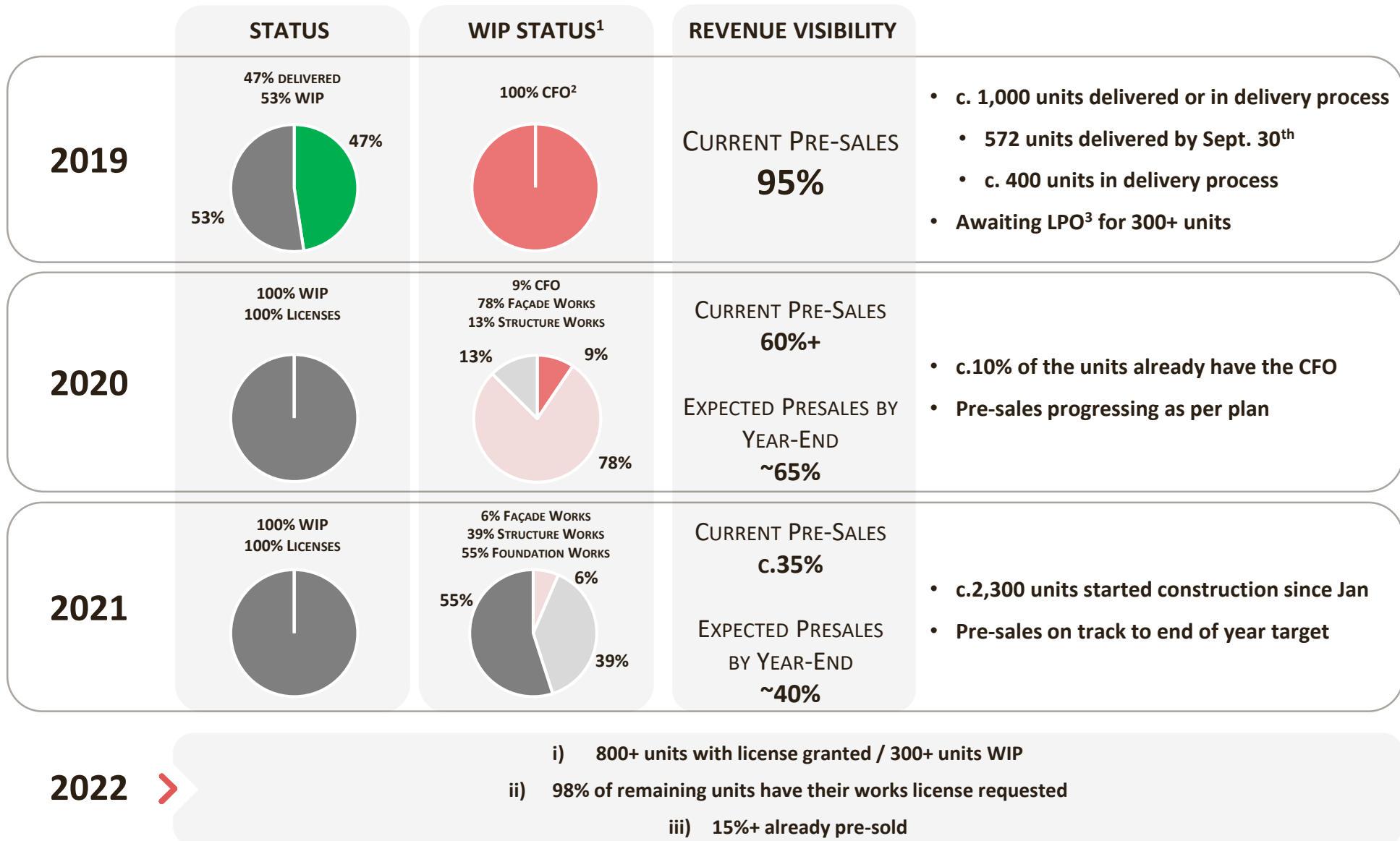
Via Homes

Region	Center
Location	Móstoles, Madrid
Units (#)	70
Units Delivered Q3-19' (#)	7
Sqm	7,690
Construction Company	Cotolma
Construction Started	Q4 2017
Construction Finished	Q1 2019
Delivery	Q3 2019
Gross Margin	20%+



⁽¹⁾ The actual split is: Atria Homes 148#, Sant Just 110#, Medina Homes 98#, Aiguadolç 44#, Goiegi 36#, Urban 35#, Plaza Homes 31#, Marina Badalona 20#, Sitges 13#, Via 7# and others 30# .

BUSINESS PLAN 2019-2021: IMPROVED VISIBILITY



¹ Status as of end of October ²CFO stands for Certificado Final de Obra, last milestone before requesting the first occupancy license (LPO, see next footnote). ³ LPO stands for Licencia de Primera Ocupación, the municipal certificate that allows developers to notarize and deliver the units to the buyers.

EBITDA ON TRACK TO MEET OR EXCEED 2019 TARGET

> Revenues and profit reflecting the **572 units** notarized

Financial KPIs



P&L

€242m
Revenues¹

€44m
EBITDA Adjusted

€25m
Net Income



Balance Sheet

€1.3bn
Development
Stock

80%+
Of Development
Stock is Active

€77m
Cash



Leverage

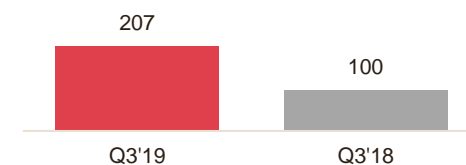
€305m
Net Debt

€379m
Adjusted Net Debt

21%
LTV

Year on Year Progress

c.2x Development Revenues



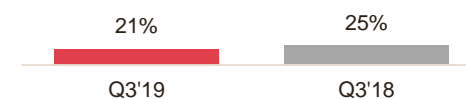
5x EBITDA adjusted



Net Income from (minus 6m) to 25m



Leverage Ratio

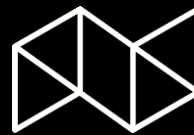


¹Includes €10.6m corresponding to a land plot sale as described in the Land Strategy page in the Appendix



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Q&A

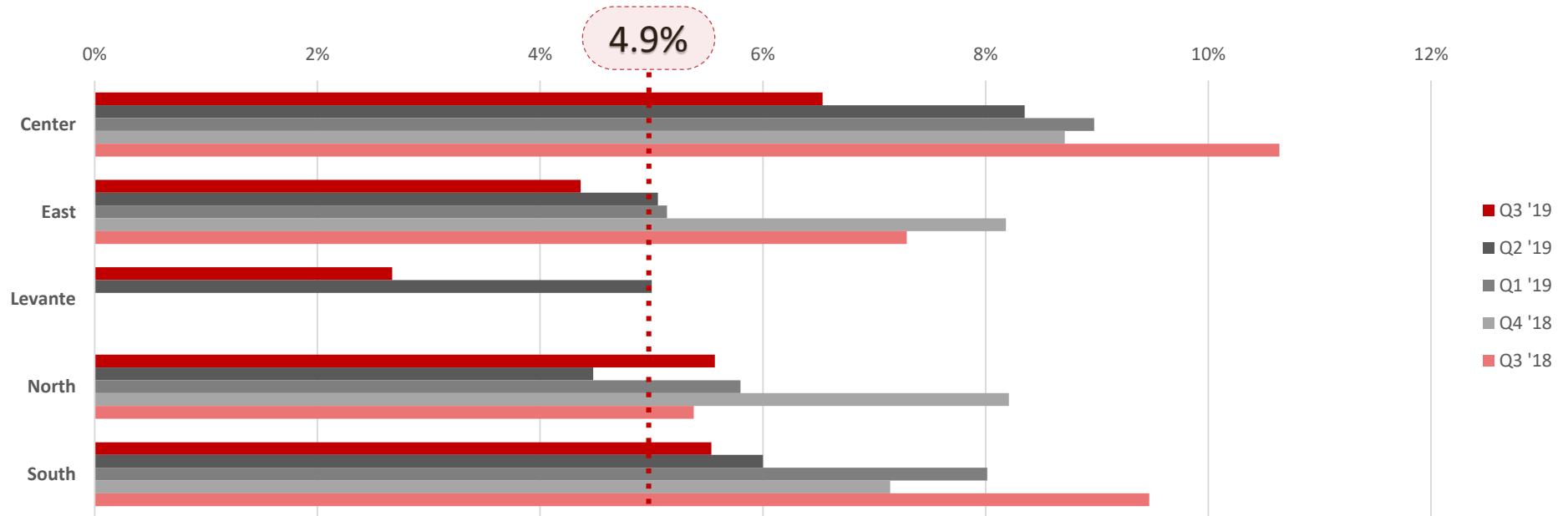


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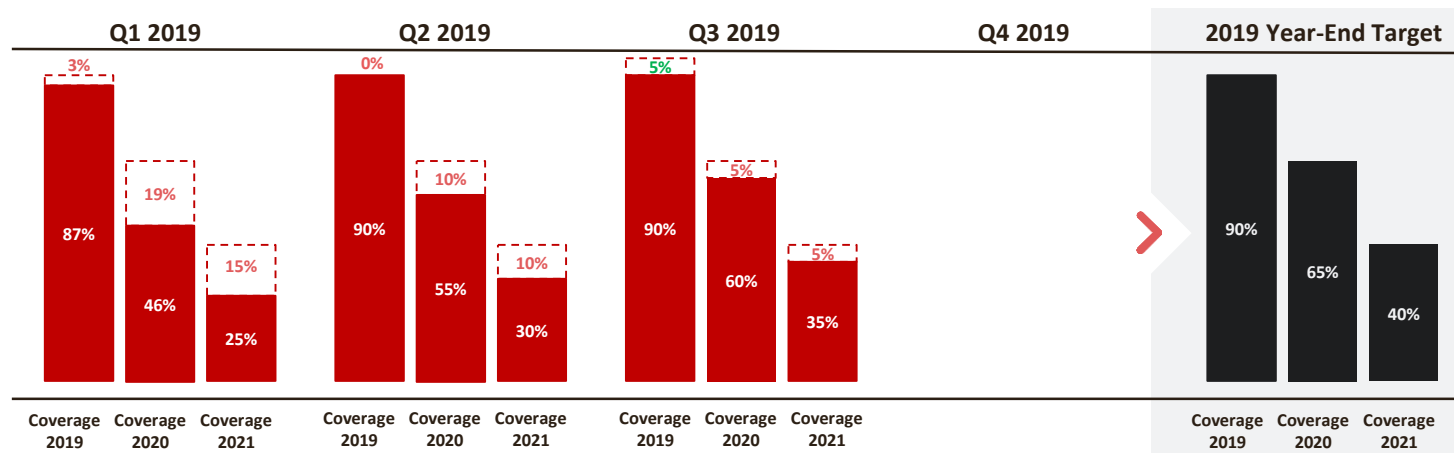
APPENDIX

1,041 UNITS SOLD YTD – PRE-SALES GOAL FOR 2019 DELIVERIES ALREADY SURPASSED

> 354 units pre-sold in Q3 with 4.9% Observed HPA¹ in last 12 months



> PRE-SALES RHYTHM IN LINE TO SECURE YEAR-END COVERAGE TARGETS



⁽¹⁾ Measured by 1) developments that have been on the market for most of the year and 2) that had pre-sales in comparable units in Q3 2018 and Q3 2019. Sample of 13 units in 11 developments

LAND STRATEGY: RIGOROUS AND PROFITABLE EXECUTION

- Acquisition of 2 land plots for 174 units in the Basque Country for c. €10m
- Sale of a €10.6m plot (1.8x book value) in Madrid

LAND ACQUISITIONS

Company has **growing fire-power on a buyers' market**

Acquisition in the Basque Country¹

- 2 sites secured in Guipuzcoa and Vizcaya, in the Basque Country to build **174 units**
 - One fully-permitted, pending urbanization
 - One strategic with ~2 years of planning ahead
- Accretive deal in line with margin requirement
- **Total consideration of €10m**, including c. €200 psm (€4.5m) of pending urbanization
- **Attractive payment structure with a 10% down-payment**
 - Neinor takes over urbanization works
 - Remaining payment when construction can be started

ASSET ROTATION

Opportunistic asset sales at a multiple to cost, **bringing forward cash flows and margin**

Asset sale in Madrid

- **€10.6m** exit price
- **1.8x** to book value
- Land plot for **126 units** located in a sector where Neinor has land for an additional 300 units
- Sold land plot was **scheduled for delivery in 2021**

¹Signing after the end of Q3

EBITDA ADJUSTED OF €44M – c.5X VS 9M 2018

> 31% development gross margin up to Q3 - €25M Net Income

Summary P&L (in €M)

€M	Q3 2019	Q3 2018	Change Q3'19 vs Q3'18	
Revenues	242.0	156.0	86.0	55%
Gross Margin	80.6	48.6	32.0	66%
Gross Margin (%)	33.3%	31.1%	2.1%	7%
OpEx & Other ¹	(34.6)	(39.1)	4.5	-11%
Gains (Losses) on disposals ²	0.0	(0.0)	0.1	n.s.
Operating EBITDA	46.0	9.5	36.5	383%
Property Tax Provision	(0.6)	(0.9)	0.3	-30%
TIP& LTIP	(1.1)		(1.1)	0%
EBITDA Adjusted	44.3	8.6	35.7	414%
Change in Trade Provision	(1.7)	(0.9)	(0.8)	88%
Amortization	(3.1)	(0.8)	(2.3)	268%
Operating Profit (Loss)	39.5	6.9	32.6	476%
Operating Margin	16.3%	4.4%	11.9%	271%
Finance Costs	(6.9)	(8.0)	1.1	-14%
Profit (Loss) before Tax	32.6	(1.2)	33.8	n.s
Tax charge	(7.4)	(4.5)	(2.8)	63%
Profit (Loss) for the period	25.2	(5.7)	30.9	n.s

€242M REVENUES

Development
€207.0m

Legacy
€12.9m

Servicing
€22.1m



€10.6m corresponding to land plot sale-as-is

572³ DEVELOPMENT UNITS DELIVERED
FROM JANUARY TO Q3 2019

€44M
EBITDA ADJUSTED

VS

€9M
IN Q3 2018

€25M NET INCOME

CF | ACCELERATING CAPEX

> Increase due to the 2,300+ new units in progress

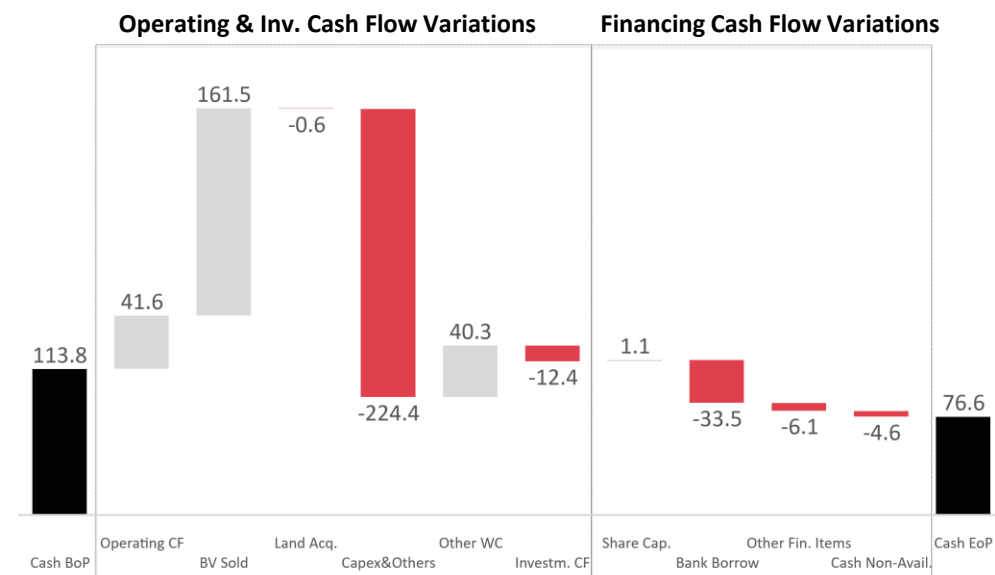
Summary Cash Flow (in €M)

€M	Q3 2019	Q3 2018	Change Q3'19 vs Q3'18	
Profit (Loss) before Tax ¹	32.6	(1.2)	33.7	n.s.
Adjustments	9.0	13.5	(4.5)	-33.3%
Amortization	3.1	0.8	2.3	n.s.
Finance Costs/Revenues	6.9	8.0	(1.1)	-14.1%
Change in provisions	(2.1)	4.0	(6.0)	-151.6%
Incentive plans	1.1	0.6	0.4	64.9%
Gains (Losses) on disposals	(0.0)	(0.0)	-	0.0%
CF from Operating Activities	41.6	12.3	29.2	237.6%
Working Capital Variation	(23.2)	(80.5)	57.3	-71.1%
Change in Inventories	(63.5)	(167.0)	103.5	-62.0%
Book Value Sold ²	161.5	107.5	54.0	50.3%
Land Acquisition ³	(0.6)	(77.7)	77.1	-99.3%
Capex	(214.4)	(184.1)	(30.2)	16.4%
Other	(10.1)	(12.6)	2.5	-20.2%
Other WC Variations	40.3	86.5	(46.3)	-53.5%
Net Operating Cash Flow	18.3	(68.2)	86.5	n.s.
CF from Investments Activities	(12.4)	(5.5)	(7.0)	126.9%
Free Cash Flow	5.9	(73.7)	79.5	n.s.
CF from Financing Activities	(38.5)	66.5	(105.1)	n.s.
Change in Share Capital/Premium	1.1	(0.1)	1.1	n.s.
Change in Bank Borrowing	(33.5)	38.1	(71.6)	n.s.
Change in Deferred Land Debt	0.7	36.5	(35.8)	-98.1%
Finance Costs/Revenues	(6.8)	(8.0)	1.2	-14.8%
Net Cash Flow	(32.7)	(7.1)	(25.5)	n.s.
Change in Cash Not-Available	(4.6)	(1.1)	(3.4)	n.s.
Cash BoP	113.8	76.8	36.9	48.1%
Cash EoP	76.6	68.6	8.0	11.7%

+€18M OPERATING CASH FLOW VS -€68 M IN Q3'18

CAPEX GROWTH: **€224M€ VS €197M** IN Q3'18

Cash Flow Bridge (in €M)



¹ It excludes MIP accrual paid by LS (€3M). ² Book value sold includes €144m of Development Book Value, €10.6m for the sale of an asset in Madrid and €18m of Legacy Book.

BS | €1.45BN ASSET BASE

> **Focus on development** (98% of total inventories)

Summary Balance Sheet (in € m)

€M	Q3 2019	FY 2018	Change Q3 '19 vs FY'18	
PPE	7.4	7.7	(0.3)	-3.4%
Right of use assets	3.5	-	3.5	100.0%
Investment Property	0.3	1.0	(0.7)	-69.2%
Other Non-Current Assets	13.1	2.7	10.4	377.5%
Deferred Tax assets	22.4	22.3	0.2	0.8%
Non-Current Assets	46.8	33.7	13.1	38.9%
Inventories	1,291.5	1,229.7	61.8	5.0%
<i>ow Liquidation</i>	22.6	41.8	(19.2)	-45.9%
<i>ow Development</i>	1,268.9	1,187.9	81.0	6.8%
Other Current Assets	2.0	0.0	2.0	n.s
Debtors	33.0	40.5	(7.5)	-18.6%
Cash & Equivalents	76.6	113.8	(37.2)	-32.7%
Current Assets	1,403.0	1,384.0	19.1	1.4%
Total Assets	1,449.8	1,417.6	32.2	2.3%
Equity	753.7	772.7	(19.0)	-2.5%
Bank Borrowings	46.3	-	46.3	0.0%
Lease Liabilites	3.2	-	3.2	100.0%
Other Non-Current Liabilities	0.0	0.1	(0.1)	-74.3%
Non-Current Liabilities	49.5	0.1	49.4	n.s
Bank Borrowings	347.1	380.5	(33.5)	-8.8%
Lease Liabilites	0.5	-	0.5	100.0%
Creditors	165.0	160.3	4.7	2.9%
Other Current Liabilities	134.0	104.0	30.0	28.8%
Current Liabilities	646.6	644.9	1.7	0.3%
Total Liabilities	1,449.8	1,417.6	32.2	2.3%

€M	Q3 2019	FY 2018	Change	
WC Adjusted	1,101.2	1,084.2	17.0	1.6%

€1.45BN BALANCE SHEET

€1.3BN DEVELOPMENT STOCK

€1,056M ACTIVE DEV STOCK

€25M Finished Product, €765M WIP, €193M under pre-commercialization and €73M already launched

€1.1BN WORKING CAPITAL

CONTINUING WITH CONSERVATIVE DEBT RATIOS

> Slightly higher debt ratios (LTV 21%) due to the new construction starts

Net debt (in € m)

€M	Q3 2019	FY 2018	Change Q3 '19 vs FY'18	
Gross Debt	393.4	380.5	12.9	3.4%
Non-Current Bank Borrowing	46.3	-	46.3	0.0%
Corporate Financing	46.3	-	46.3	0.0%
Current Bank Borrowing	347.1	380.5	(33.5)	-8.8%
Land Financing	210.9	224.6	(13.7)	-6.1%
WIP	122.2	109.4	12.8	11.7%
No WIP	88.6	115.1	(26.5)	-23.0%
Capex Financing	60.0	24.1	36.0	149.5%
Corporate Financing	75.0	124.0	(49.0)	-39.5%
VAT Financing	-	7.3	(7.3)	-100.0%
Interests	1.2	0.5	0.6	109.9%
Non-current financial Assets	11.6	1.1	10.5	993.0%
Cash & Equivalent	76.6	113.8	(37.2)	-32.7%
Net Debt	305.2	265.7	39.5	14.9%

Net Debt	305.2	265.7	39.5	14.9%
Adjustments	73.6	77.5	(3.9)	-5.0%
Deferred Land Payment	37.5	36.8	0.7	1.9%
Restricted Cash	36.1	40.7	(4.6)	-11.2%
Net Debt Adjusted	378.8	343.2	35.7	10.4%

CONSERVATIVE DEBT RATIOS

LTV AT **21%**

NET DEBT OF **€305M**

NET DEBT ADJUSTED **€379M**

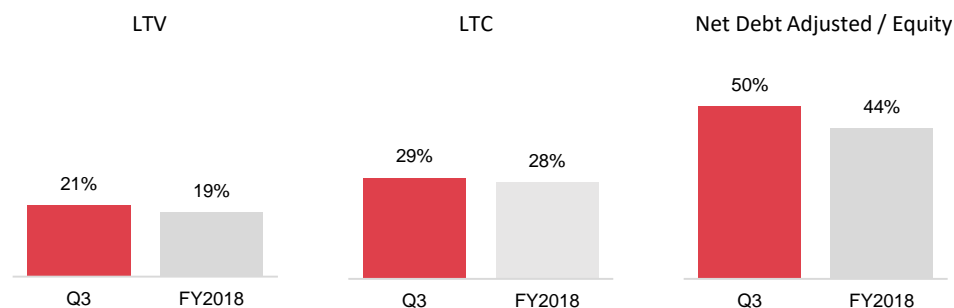
CAPEX FINANCING OF **€60M** VS
€24M IN Q3'18



RIVERSIDE HOMES – CENTER REGION

> Buy Back Program: 4.2M shares, €46.3M deployed and pro-forma NAV per share up to €17.73¹

Key Ratios (%)



¹ Assuming cancellation of the Treasury shares held, Up from €16.77 per current outstanding shares (79,005,034).