

COMISIÓN NACIONAL DEL MERCADO DE VALORES

C/ Edison, nº 4
28006 – Madrid

Madrid, November 15, 2018

QUABIT INMOBILIARIA, S.A. (“**Quabit**” or the “**Company**”), in compliance with what is established in article 228 of the restated text of the Spanish Stock Market Law (*Ley del Mercado de Valores*) enacted by Royal Legislative Decree 4/2015, of October 23, makes public the following:


RELEVANT EVENT

Quabit communicates that the company results corresponding to the period of nine months ending on 30 September 2018 have been published.

A presentation of the company results is attached.

Sincerely,

Miguel Ángel Melero Bowen
Secretary of the Board of Directors



**9M 2018
RESULTS**

Quabit 
Inmobiliaria

November 15th 2018

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- 1 Highlights
- 2 Residential Development
- 3 Land Bank
- 4 Financial Statements & Debt
- 5 GAV & NAV Valuation
- 6 Closing Remarks
- 7 Appendix: residential development projects

SPEAKERS



Félix Abánades
CHAIRMAN & CEO



Rubén Bernat
CFO

Setting the grounds for Growth

- Financial Strength (Equity+29%, LTV -10pp)
 - 63 €M monetary Capital Increase (overdemand of 1.8x, valuation of 1.8€/share)
 - 6.3 €M non monetary Capital Increase (in exchange of land, valuation of 2€/share)
 - Financial market confidence, business partners and high status institutional investors
- Land Bank strong investments (~180 €M⁽¹⁾ disciplined acquisitions since 01/01/2017, 32 €M in 9M 2018, ~20% cost of land as % of sale price in high demand areas, deliveries until 2021 coverage >90%)
- Launch of Residential Rental Business

Delivering Business Plan Targets

- 3,724 home units under development (46% 2018-22 Business Plan)
- 1,061 home units under construction & delivery (13% 2018-22 Business Plan)
- Launching new developments (1,173 home units in 9M 2018, 15% 2018-22 Business Plan)
- Commercial strength (673 home units in 9M 2018, +258% vs. 9M 2017)

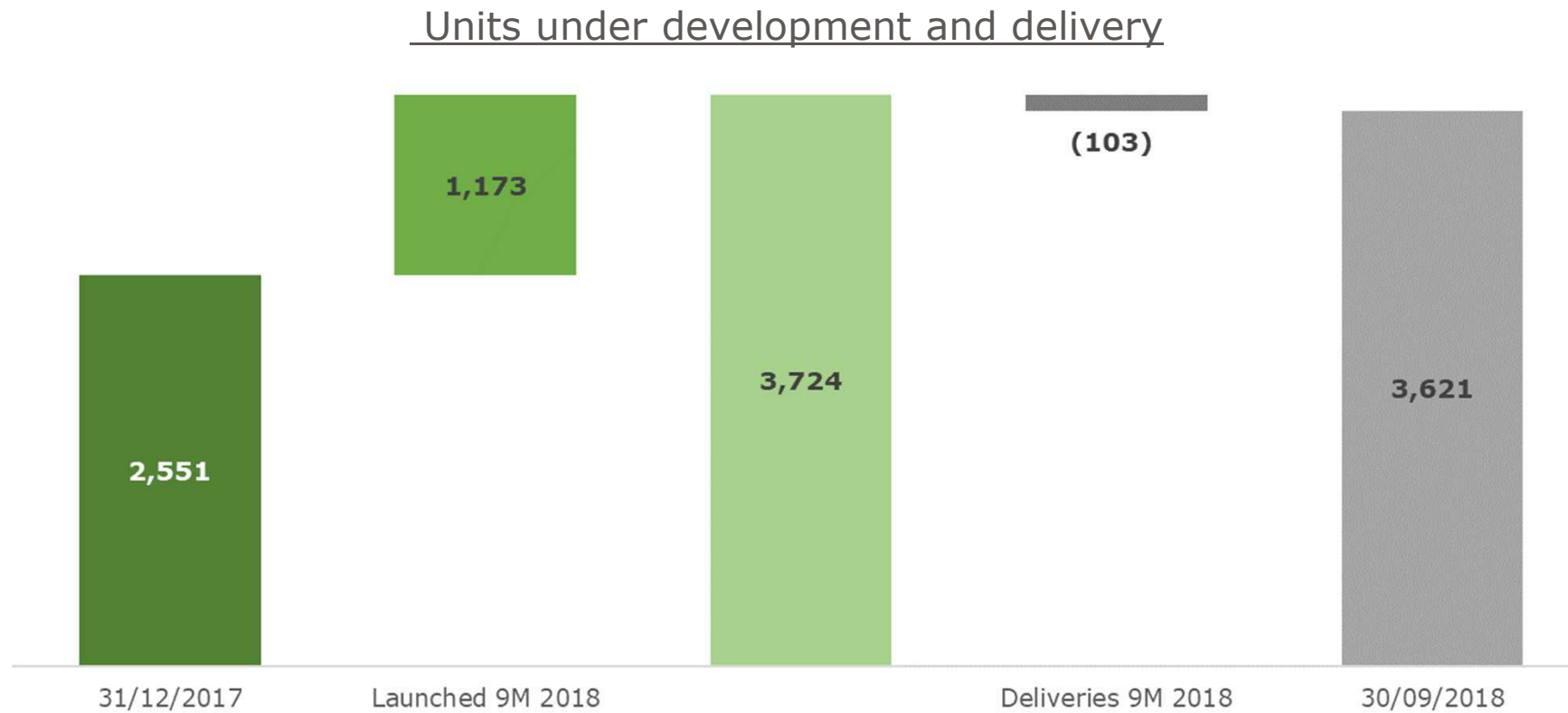
Management Commitment

- Management Incentive Plan approved (2.8% current share capital, conditioned to EBITDA & Total Shareholder Return targets fulfillment)

(1) Includes private contracts (pending notarized public deed)

2 RESIDENTIAL DEVELOPMENT

3,724 homes under development (46% Business Plan 2018-2022)

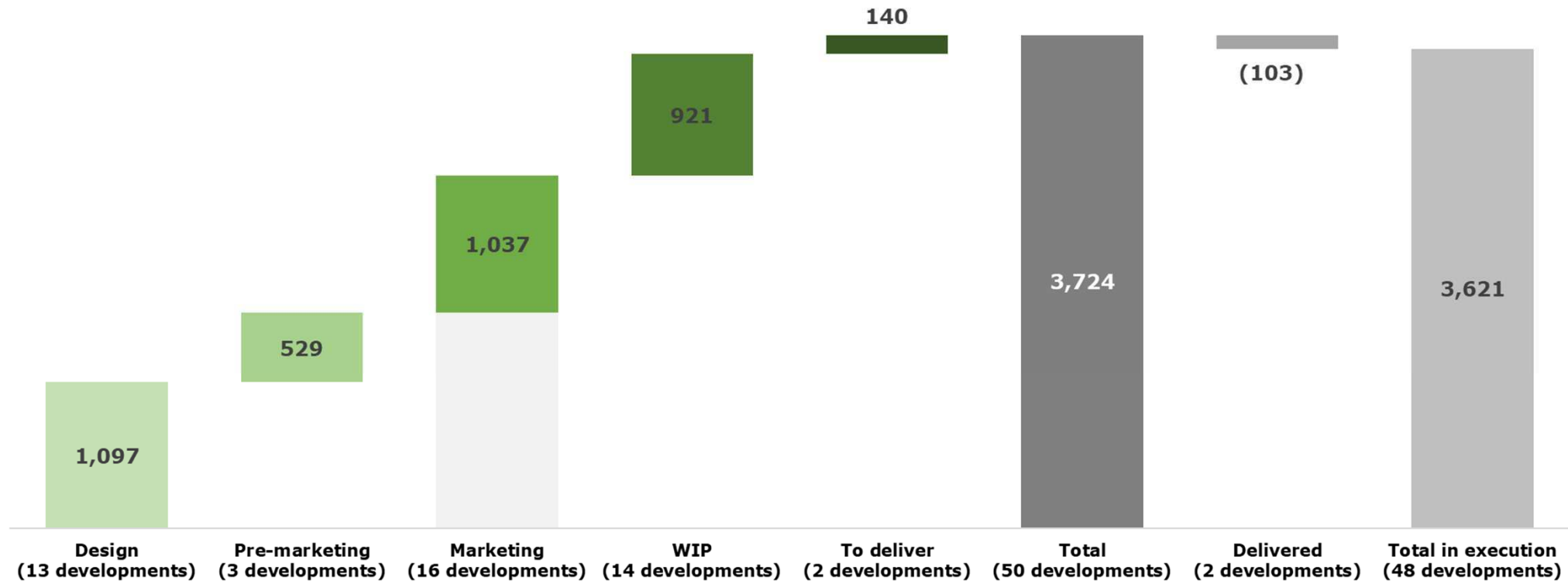


- Turnover 774 €M est. (43% 2018-22 Business Plan)
- ~1,200 new developments launched in 9M 2018

2 RESIDENTIAL DEVELOPMENT

> 1,000 home units WIP or delivery⁽¹⁾

Homes units under development⁽¹⁾ by stage



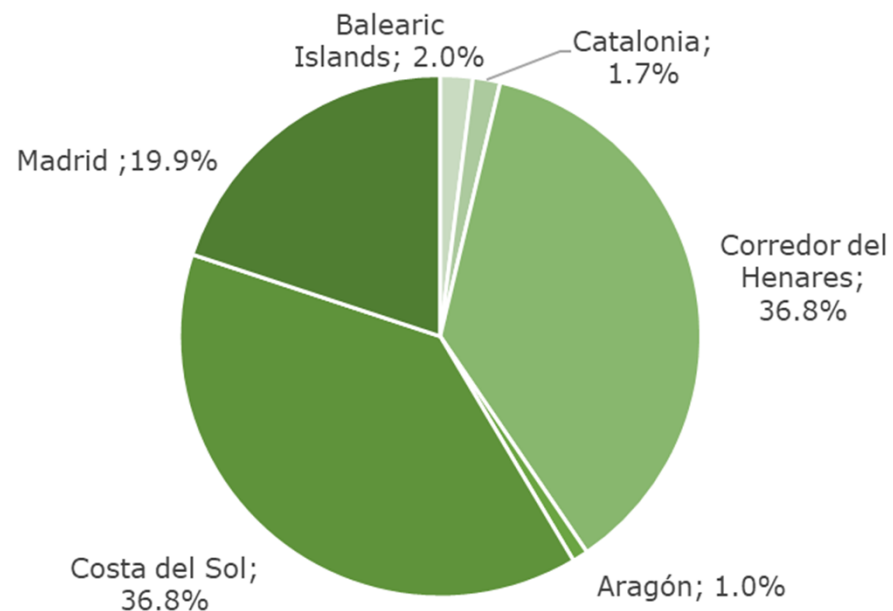
- Turnover 230 €M est. (13% 2018-22 Business Plan)
- Start of deliveries in line with Business Plan targets

(1) Does not include the old finished stock (13 units at 31/12/2017 of which 9 have been presold and 6 already delivered)

2 RESIDENTIAL DEVELOPMENT

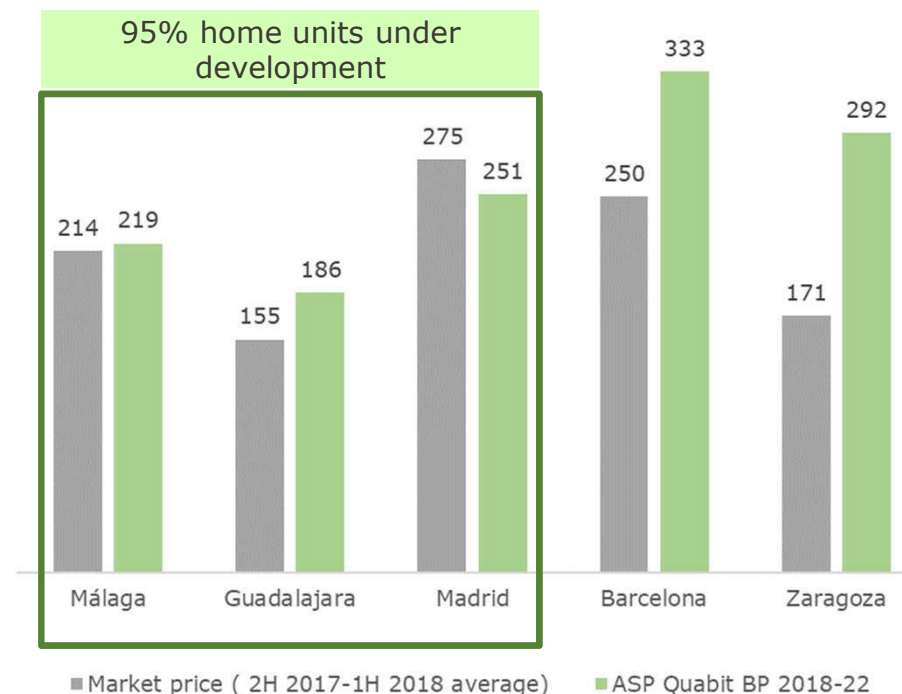
Diversified portfolio in high demand areas

Geographic Breakdown
(3,724 home units under development)



Homes for middle class
(high population %)

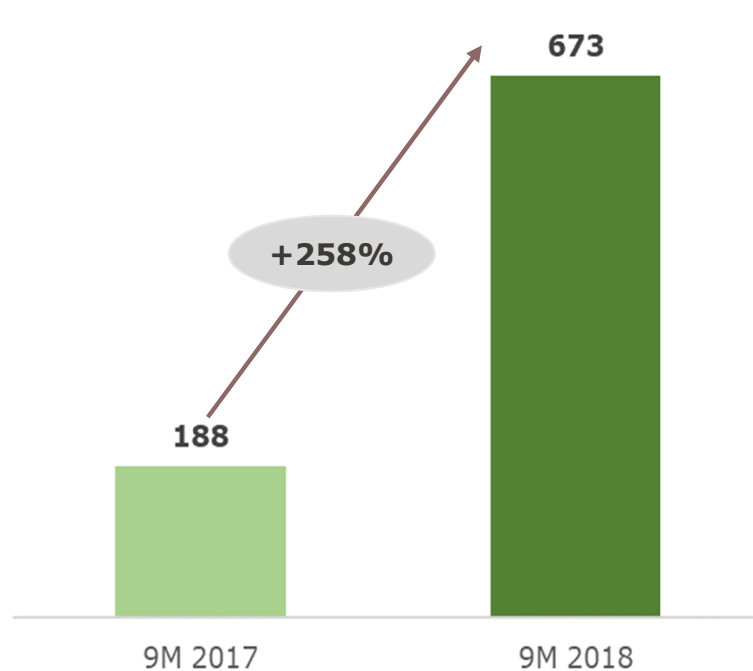
Average Sale Price in line with the reference markets (€ thousands)



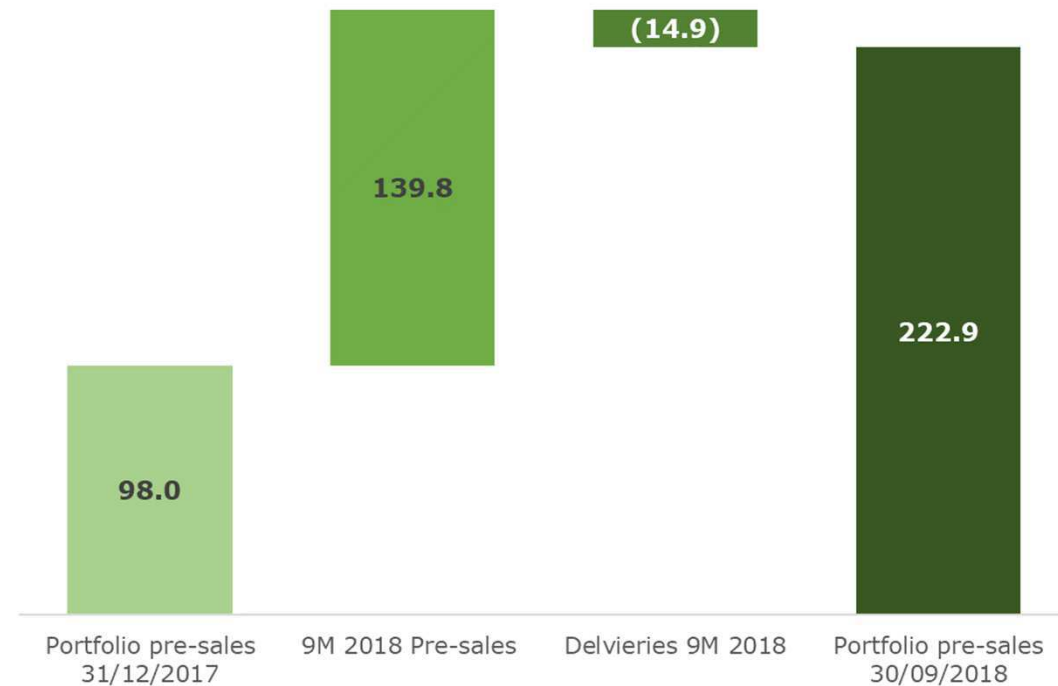
Source: Ministry of Development. Average new home transactions.

Commercial Strength⁽¹⁾: 9M 2018 pre-sales +258% vs. 9M 2017

Strong growth in pre-sales units⁽¹⁾



2018 Pre-sales Book⁽¹⁾ (€M)

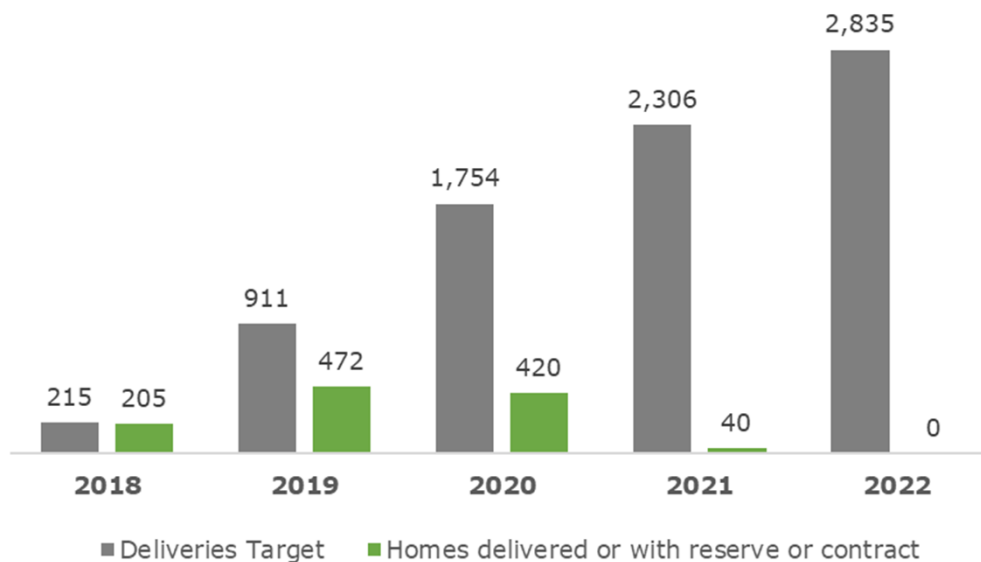


- Pre-sales: 673 units in 9M 2018 with an estimated turnover of 140 €M
- Pre-sales book at 30/09/2018 (1,037 units) with an estimated turnover of 223 €M

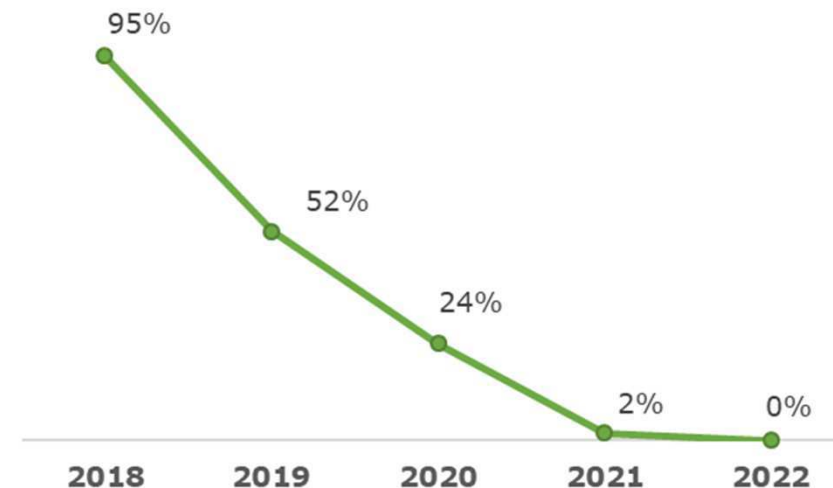
(1) Includes pre-sales of 9 house units from old finished stock (13 house units at 31/12/2017, of which 6 are already delivered). Old finished stock is not included in 2018-22 Business Plan

Meeting deliveries targets

Deliveries Coverage



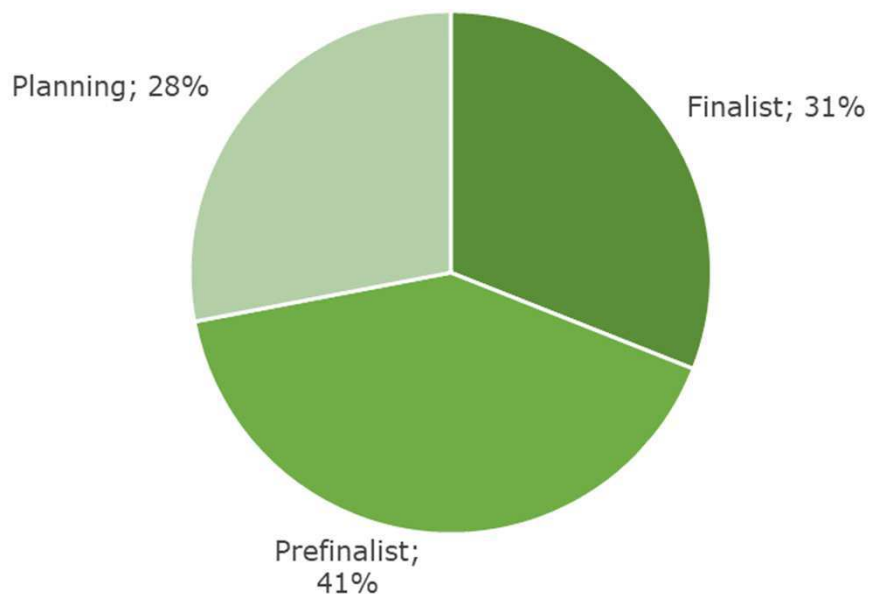
% Deliveries Coverage



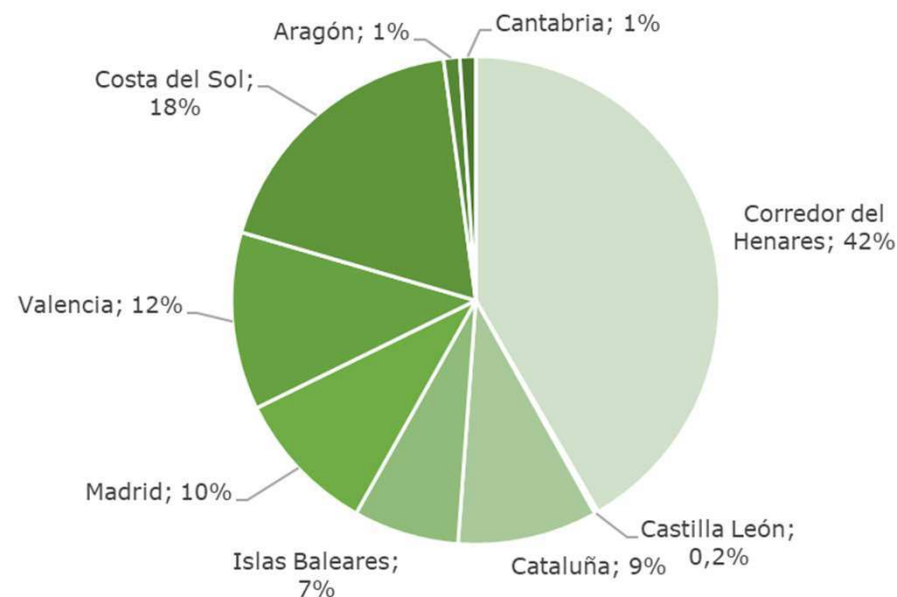
- 103 units already delivered: Aguas Vivas I (97 units) & Las Cañas (6 units). Pending deliveries (>100) will be delivered during 4Q
- Pre-sales Book covers 95% 2018 target, 52% 2019 target and 24% 2020 target
- 3Q 2018 Strong Growth in 2020 pre-sales (+8pp)
- 2019 sales pace attached to deliveries schedule (90% to be delivered during 4Q)

Diversified Land Bank⁽¹⁾

Land Bank Status
Total 981,068 sqmb



Land Bank Geographic Breakdown
Total 981,068 sqmb



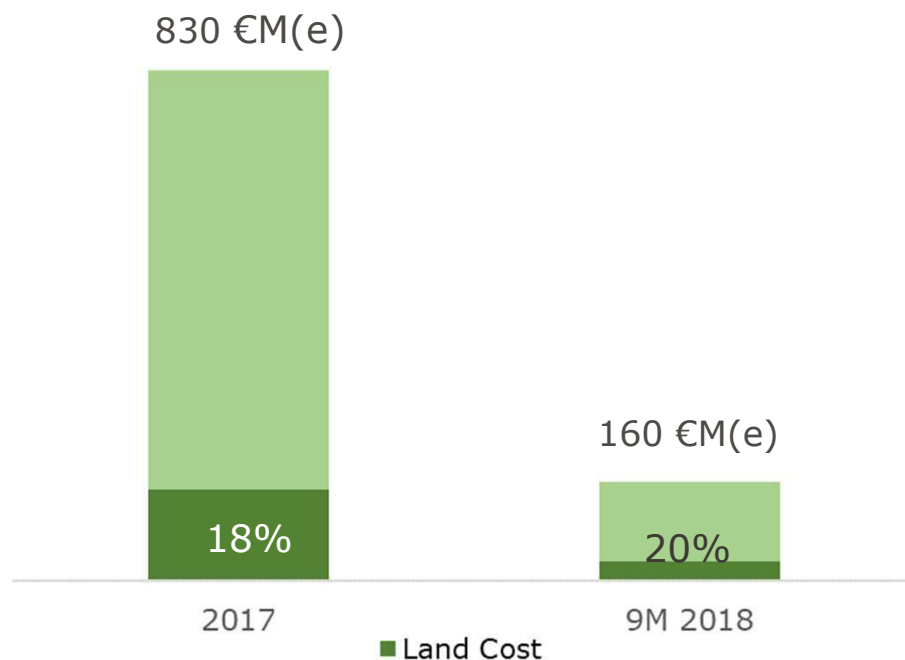
- Land Bank for 8,800 home units
- >70% Land Bank Finalist & Prefinalist

- Quabit owns 5.4 millions sqm of strategic land in high interest locations for its future development
- Total buildability under management 1,105 miles de m²t:
 - Land Bank: 981,068 m²t
 - WIP and deliveries: 124,912 m²t

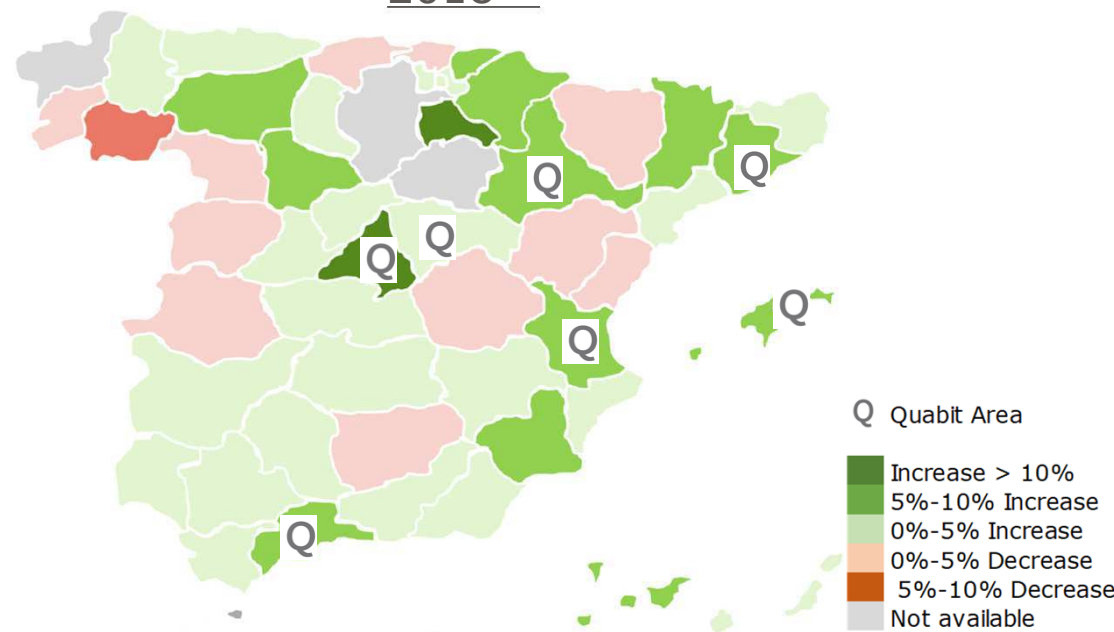
(1) Includes 62,934 sqmb of land mortgaged as security for Quabit & 55,671 sqmb of sale private contracts pending notarized public deed

~20% Cost of Land (as % of sale price) in high demand & upward price areas

Cost of Land as % of sale Price (est)⁽¹⁾



3Q 2018 Average transaction per house 2018⁽²⁾

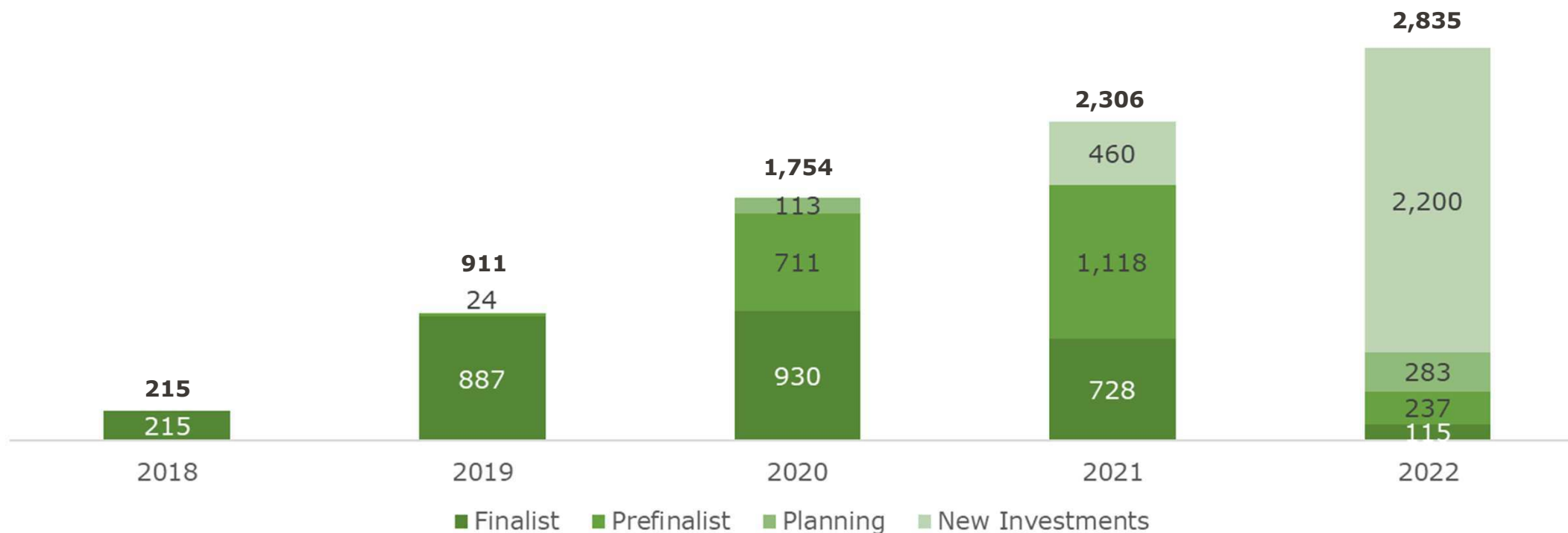


- Minimize Capital Invested and increase Capital Turnover
- Reduce financial risk
- Minimize margin reduction of Land financing costs

(1) Includes closed transactions with notarized public deed and private contracts pending notarized public deed
 (2) Source: TINSIA. 3Q 2018 Interannual Average Price Evolution new & second hand homes

Expected deliveries until 2021 Land Coverage >90%

Home units delivery forecast according to current land status



- Land investments needs for 2021 y 2022 on track

P&L in line with expectations

€ thousands	9M 2018	9M 2017	Change
Turnover	15,227	2,992	409%
EBITDA	229	(3,742)	106%
Financial Results	(4,067)	(2,573)	(58%)
Profit before Tax	(3,988)	(7,647)	48%
Net Profit	1,057	(7,647)	114%
Attributable to the Parent Company	1,108	(7,644)	114%
Attributable to Minority Interests	(51)	(3)	(1,600%)

- Turnover increase due to deliveries (109⁽¹⁾ home units in 9M 2018)
- Positive EBITDA due to debt release (16.5 €M)
- Positive Net Profit due to tax credit recognition (5 €M)

(1) Includes 6 home units from the old finished stock

Equity strength to boost growth

€ thousands	30/09/2018	31/12/2017	Change
Non-Current Assets	86,277	81,139	6%
Current Assets	525,715	447,160	18%
Inventories	432,461	349,063	24%
Others	93,254	98,097	(5%)
Total Assets	611,992	528,299	16%
Total Equity	291,683	226,456	29%
Attributable to the Parent Company	287,673	223,213	29%
Attributable to Minority Interests	4,010	3,243	24%
Non-Current Liabilities	25,103	27,497	(9%)
Bank debt	11,593	15,472	(25%)
Others	13,510	12,025	12%
Current Liabilities	295,206	274,346	8%
Bank debt	244,370	239,456	2%
Others	50,836	34,890	46%
Total Liabilities & Equity	611,992	528,299	16%

Inventories:

- Increase due to Land investment effort & WIP

Equity:

- Grows mainly due to capital increases

Non-Current Bank debt:

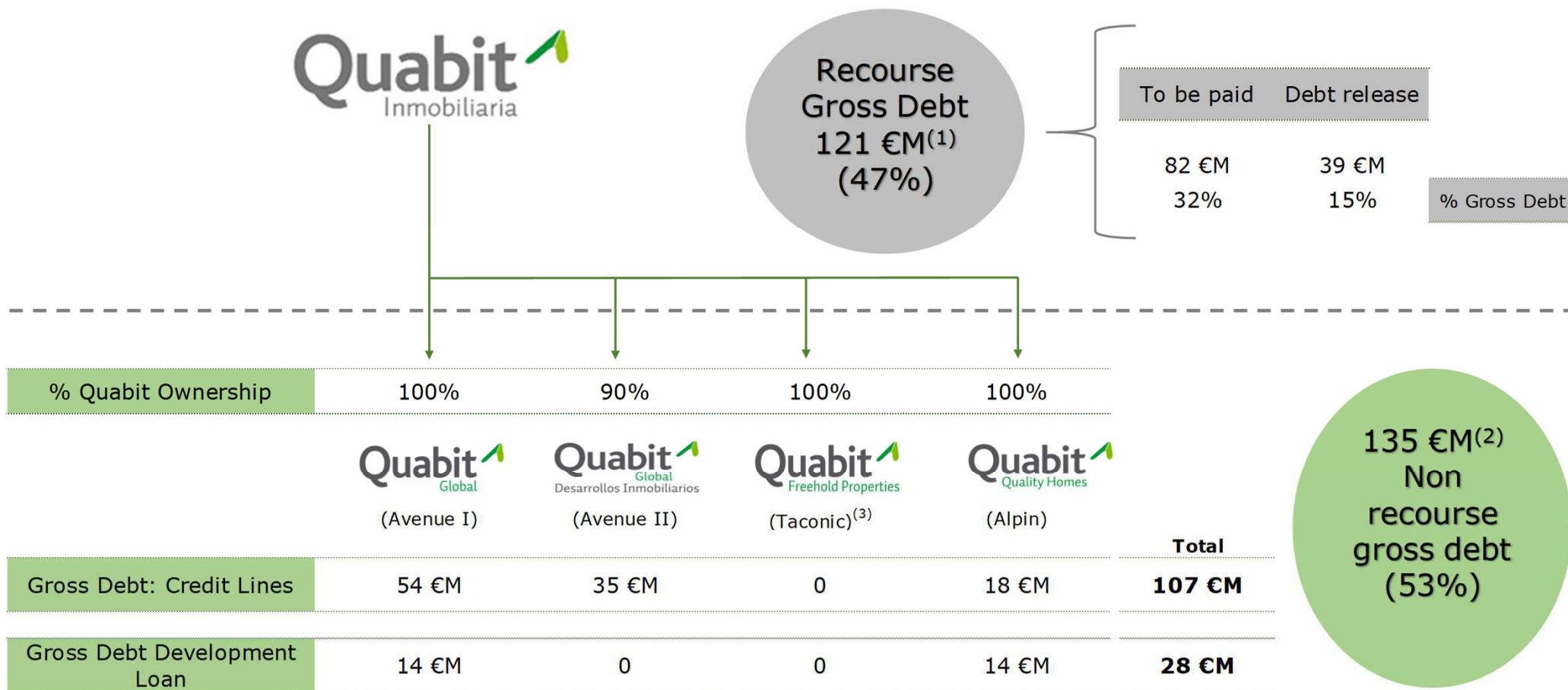
- Decrease due to early repayment of corporate debt and the application of debt discounts related to these payments

Land Bank and WIP Investment Effort

€ millions	30/09/2018	30/09/2017	Change
Net Cash Flow from operating activities	(64.3)	(55.2)	(17%)
Inventories	(94.7)	(46.0)	(106%)
Other cash flow	30.4	(9.2)	430%
Net Cash Flow from investing activities	(9.6)	(0.2)	(4,700%)
Net Cash Flow from financing activities	69.2	55.1	26%
Increase/Decrease Cash & Equivalents	(4.7)	(0.3)	(1,467%)

- Negative net cash flow from operating activities due to investment effort (land purchases & WIP)
- Net cash flow from investment activities correspond to liquid assets investments
- Positive net cash flow from financing activities mainly due to capital increases

Recourse debt pending payments: just 32% of total gross debt

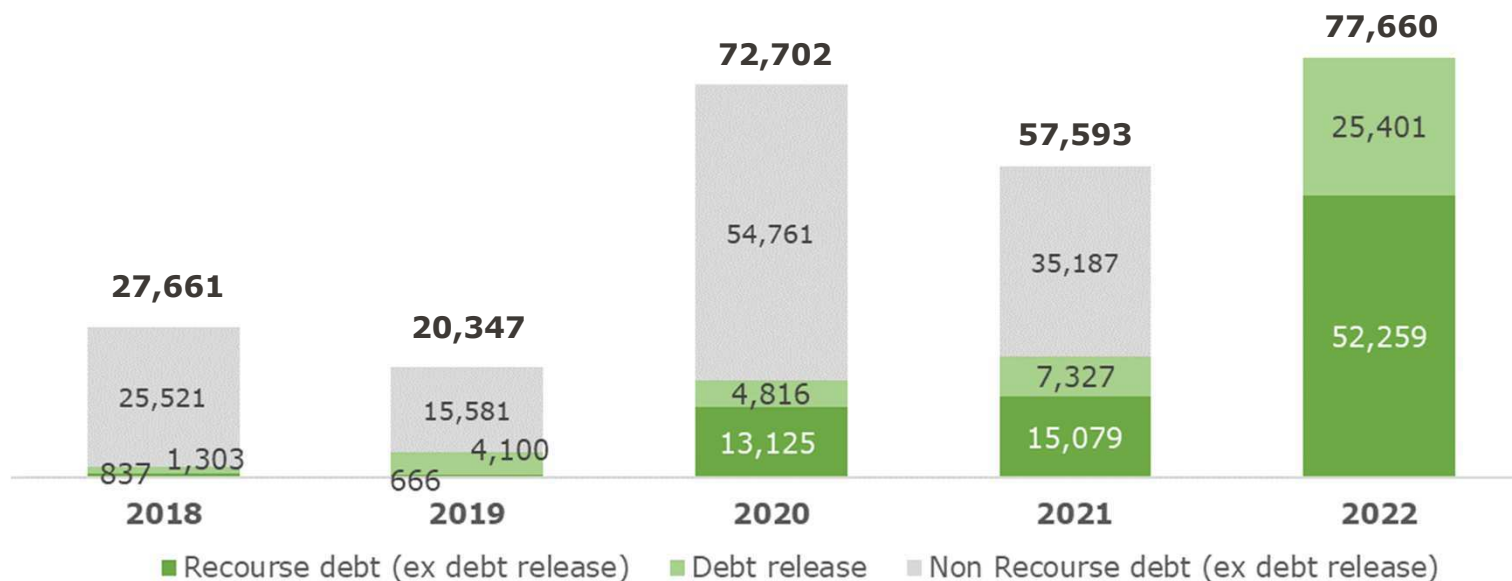


- Excluding debt release, recourse debt stands at 82 €M (32% total gross debt)

(1) 0% interest rate if payment calendar is fulfilled SAREB (115 €M) and Bankia & Cajamar (2 M€) (2) Includes 4 €M debt release (3) Taconic credit line disposals started last October (8 €M)

Debt maturities in line with Business Plan Cash Flows

Gross debt maturities (€ thousands)



- 47% consolidated gross debt (256 €M) is non-recourse debt & just 32% implies a payment obligation
- No relevant maturities until 2020
- 43 €M debt release to be applied with very high visibility in amount and timing

(1) Includes 39 €M recourse debt release y 4 €M non-recourse debt release

Quabit debt cost for a standard⁽¹⁾ real estate development is 7-8%

<u>Real estate development project Investment</u>	<u>Financial Structure</u>	<u>Interest rate</u>	<u>Average life of debt</u>
Land Investment (20-25%)	Equity 30-40%		
	Debt 60-70%	12-16%	25-35 months
Development, commercialization and construction Investment (75-80%)	Equity 15-25%		
	Debt (development loan) 65-70%	2.25%-3.5%	5-10 months
	Guarantees 10-15%	1.5-2.0%	18-24 months

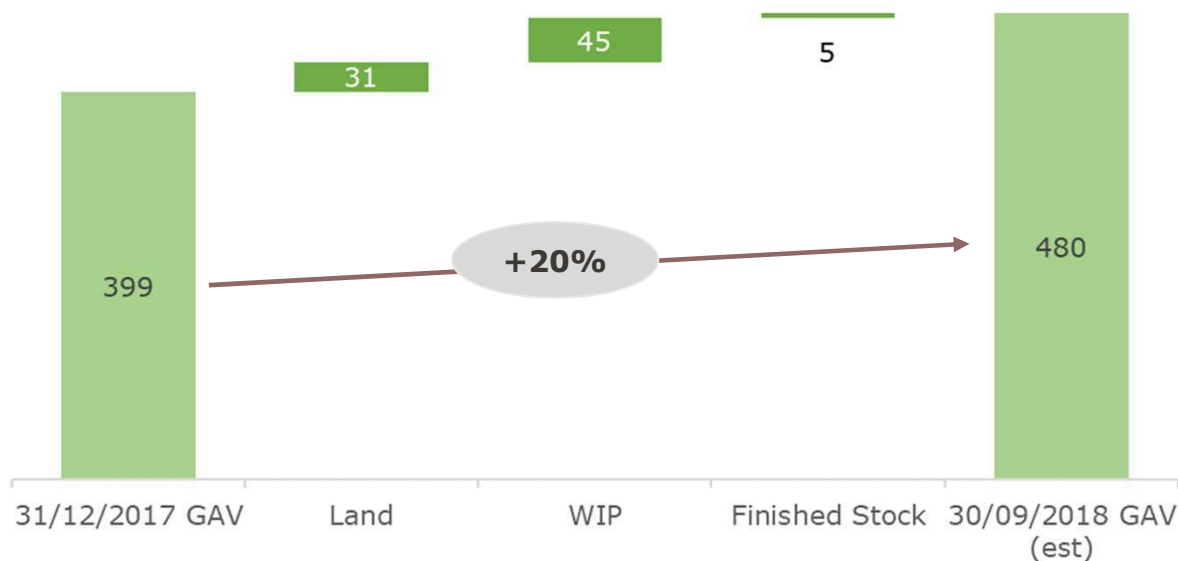
External Financing Cost
7-8%

(1) Includes real estate development projects which land has been financed with the current credit lines ("Avenue I y II" & Taconic)

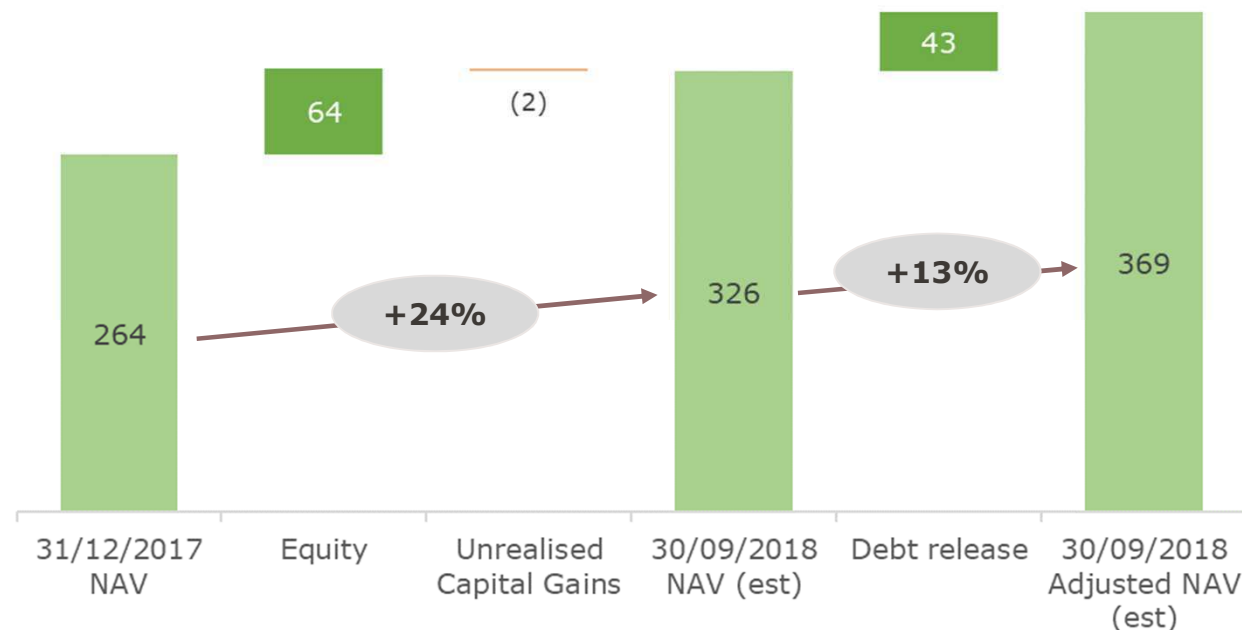
5 VALUATION (GAV & NAV estimates at 30/09/2018)

20% GAV & 24% NAV growth

GAV (est.) evolution (€M)



NAV (est.) evolution (€M)

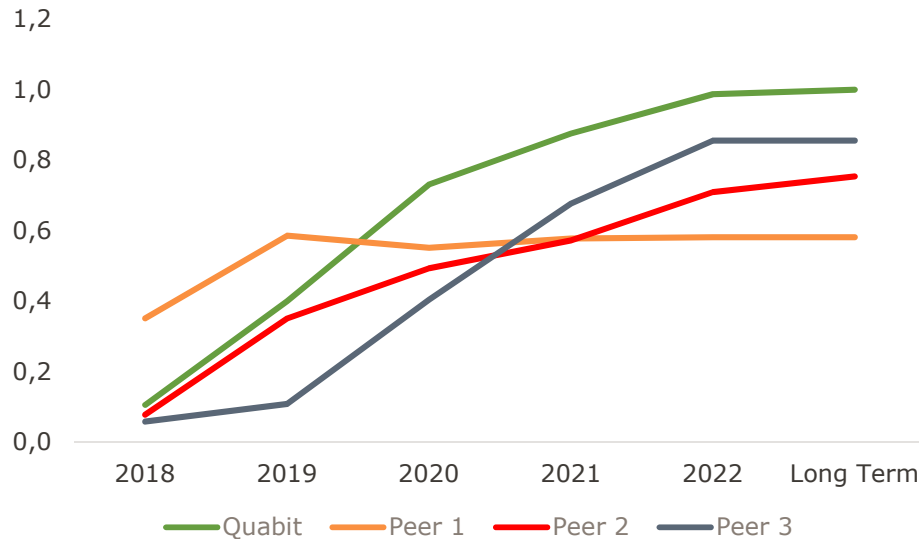


- GAV growth mainly due to land new investments and WIP
- NAV growth mainly due to capital increase
- Quabit stock is trading at material discount vs. NAV (0.79x) & Adjusted NAV (0.70x)

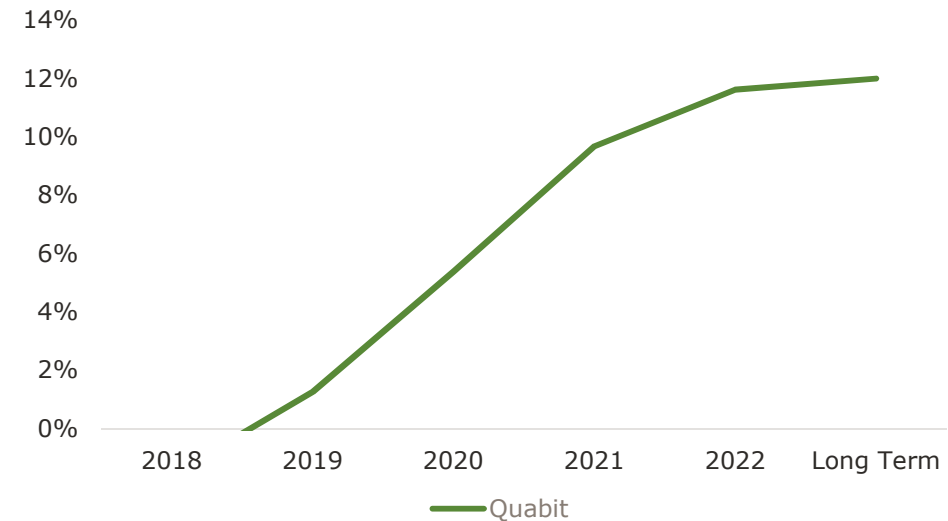
(1) Discount considering stock Price of 1.73€/share (14/11/2018 market close)

High capital turnover & attractive post-tax ROCE

Capital Turnover



ROCE (Pre-Tax)



- Quabit`s Business Plan fulfillment leads to achieve the best capital turnover among stock-listed peers due to middle class housing (~220 thousand €/house) and disciplined land purchases (repercussion around 20%) strategy
- Accumulated withholding tax (195 €M) should allow to maintain a post-tax ROCE around 12%

- Financial strength to boost growth (43 €M pending debt release):
 - Institutional and retail investors confidence
 - Business partners confidence
 - Financial resources to fulfill Business Plan growth
- Delivering 2018-22 Business Plan targets:
 - 46% 2018-22 Business Plan home units under development
 - 13% 2018-22 Business Plan home units under construction & delivery
 - Land bank strong investments (deliveries until 2021 coverage >90%)
- Launch of Residential Rental Business
- Committed Management and side with shareholders: CEO is the largest shareholder & Incentive Plan conditioned to EBITDA and total shareholder return targets fulfillment

(1) Incluye contratos privados pendientes de escritura pública

APPENDIX

Residential Development Projects



ON DELIVERY
Quabit Aguas Vivas 1. Guadalajara
116 Home units



ON DELIVERY
Quabit Las Cañas. Guadalajara
24 Home units



WIP
Quabit Las Lomas. Madrid
12 Home units



WIP
Quabit Casares Golf 1 y 2. Málaga
87 Home units



WIP
Quabit Sant Feliu. Barcelona
63 Home units



WIP
Quabit Style 1. Guadalajara
64 Home units



WIP
Quabit Aguas Vivas 2. Guadalajara
196 Home units



WIP
Quabit Parque Residencial. Guadalajara
76 Home units



WIP
Quabit Torrejón V.P. 1. Madrid
51 Home units



WIP
Quabit La Peñuela 1. Madrid
11 Home units



WIP
Quabit Riverside. Málaga
75 Home units



WIP
Quabit Torrejón V.P. 2. Madrid
45 Home units



WIP
Quabit Altair. Málaga
32 Home units



WIP
Quabit Hacienda de la Torre. Málaga
110 Home units



WIP
Quabit Los Pedregales 1. Málaga
63 Home units



WIP
Quabit Collection. Zaragoza
36 Home units



ON COMMERCIALIZATION
Quabit El Cañaveral 1 y 2. Madrid
102 Home units



ON COMMERCIALIZATION
Quabit Las Quintas 1 y 2. Madrid
34 Home units



ON COMMERCIALIZATION
Quabit Los Caprichos. Guadalajara
24 Home units



ON COMMERCIALIZATION
Quabit XXI. Guadalajara
86 Home units



ON COMMERCIALIZATION
El Lagar de Quabit. Málaga
79 Home units



ON COMMERCIALIZATION
Quabit Hadar. Málaga
62 Home units



ON COMMERCIALIZATION
Quabit Alcor. Málaga
30 Home units



ON COMMERCIALIZATION
Quabit Torres del Mayorazgo. Madrid
135 Home units



ON COMMERCIALIZATION
Quabit Style 2. Guadalajara
38 Home units



ON COMMERCIALIZATION
Quabit San Agustín. Madrid
98 Home units



ON COMMERCIALIZATION
Quabit Los Pedregales. 2. Málaga
58 Home units



ON COMMERCIALIZATION
Quabit Eugenio Gross. Málaga
35 Home units



ON COMMERCIALIZATION
Quabit Tavira. Guadalajara
88 Home units



ON COMMERCIALIZATION
Quabit La Peñuela 2. Madrid
24 Home units



ON COMMERCIALIZATION
Quabit San Agustín Chalets. Madrid
15 Home units



ON DESIGN
Quabit Royal Casares, Málaga
49 Home units



ON DESIGN
Quabit Bonaire, Guadalajara
157 Home units



ON DESIGN
Quabit Nova. Málaga
68 Home units



ON DESIGN
Vista by Quabit. Málaga
248 Home units



ON DESIGN
Nature Son Parc by Quabit. Menorca
75 Home units



THANK YOU



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