



# 2020 Results Presentation

1 January – 31 March 2020

20 May 2020



# Disclaimer

By attending this presentation and/or by accepting this presentation you will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this disclaimer. This presentation (the "Presentation") has been prepared by AEDAS Homes, S.A. (the "Company") and comprises slides for a corporate presentation to the market of the Company and its subsidiaries (the "Group").

For the purposes of this disclaimer, "Presentation" means this document, its contents or any part of it. This Presentation may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient to any other person, for any purpose other than the aforementioned. This Presentation has not been independently verified and will not be updated.

No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein and nothing in this Presentation is, or shall be relied upon as, a promise or representation.

None of the Company nor any of its employees, officers, directors, advisers, representatives, agents or affiliates shall have any liability whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation is for informational purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the Company's publicly available information and, if applicable, the oral briefing provided by the Company. The information and opinions contained in this Presentation are provided as at the date of the Presentation and are subject to verification, correction, completion and change without notice. In giving this Presentation, no obligation is undertaken to amend, correct or update this Presentation or to provide access to any additional information that may arise in connection with it is undertaken.

Likewise, it is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.

This Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Company and the Group. You are solely responsible for seeking independent professional advice in relation to the Company and the Group. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of such information.

This Presentation contains financial information regarding the businesses and assets of the Company and the Group. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this Presentation or any related presentation should not be regarded as a representation or warranty by the Company, its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations by the Company and the Group and should not be relied upon when making an investment decision. Certain financial and statistical information in this document has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Certain statements in this Presentation may be forward-looking. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing economic, business or other market conditions, changing political conditions and the prospects for growth anticipated by the Company's management. Also, the COVID-19 (Coronavirus) pandemic is an ongoing, rapidly developing situation. The company is following the state and local health and safety guidance and government mandates, but, as there is yet much to learn about COVID-19, please be advised that the consequences of said pandemic could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Any forward-looking statements contained in this Presentation and based upon past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No undue reliance should be placed in such forward-looking statements. The market and industry data and forecasts that may be included in this Presentation were obtained from internal surveys, estimates, experts and studies, where appropriate as well as external market research, publicly available information and industry publications. The Company, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for informational purposes only. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this Presentation.

The distribution of this Presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions.

Neither this document nor any of the information contained herein constitutes or forms part of, and should not be construed as, an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities of the Company in any jurisdiction, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Any purchase of or subscription for securities of the Company should be based solely on each investor's own analysis of all public information, the assessment of risk involved and its own determination of the suitability of any such investment. No reliance should be placed, and no decision should be based on this Presentation.

# Overview



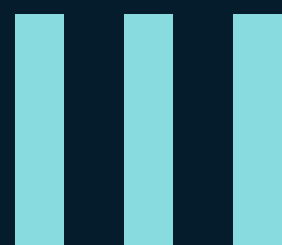
## High visibility on revenues

81% of new fiscal year 2020-21 deliveries and 42% of 2021-22 are sold, giving the company strong visibility on future revenues.



## Strong solvency and liquidity

€136m total cash as of the end of March, including €50m in customer down payments for developments under construction.



## Backed by highest-quality land

The 15,542-unit landbank in Spain's most dynamic residential markets guarantees the company's value.



## Solid fundamentals

The company's order book secures €1bn in revenue. Share price does not reflect solid fundamentals, given more than 20% discount to book value and 60% to NAV.

# Executive summary

Jan-Mar  
**2020**

- 167 units delivered, €70m in revenue
- 28.4% gross margin, €7.9m in EBITDA
- €22.7m in gross operating cashflow

**CASH**

- €136m in cash (€86m in unrestricted cash) at end of March
- €267m of net financial debt at end of March
- Loan-to-Value: 13%

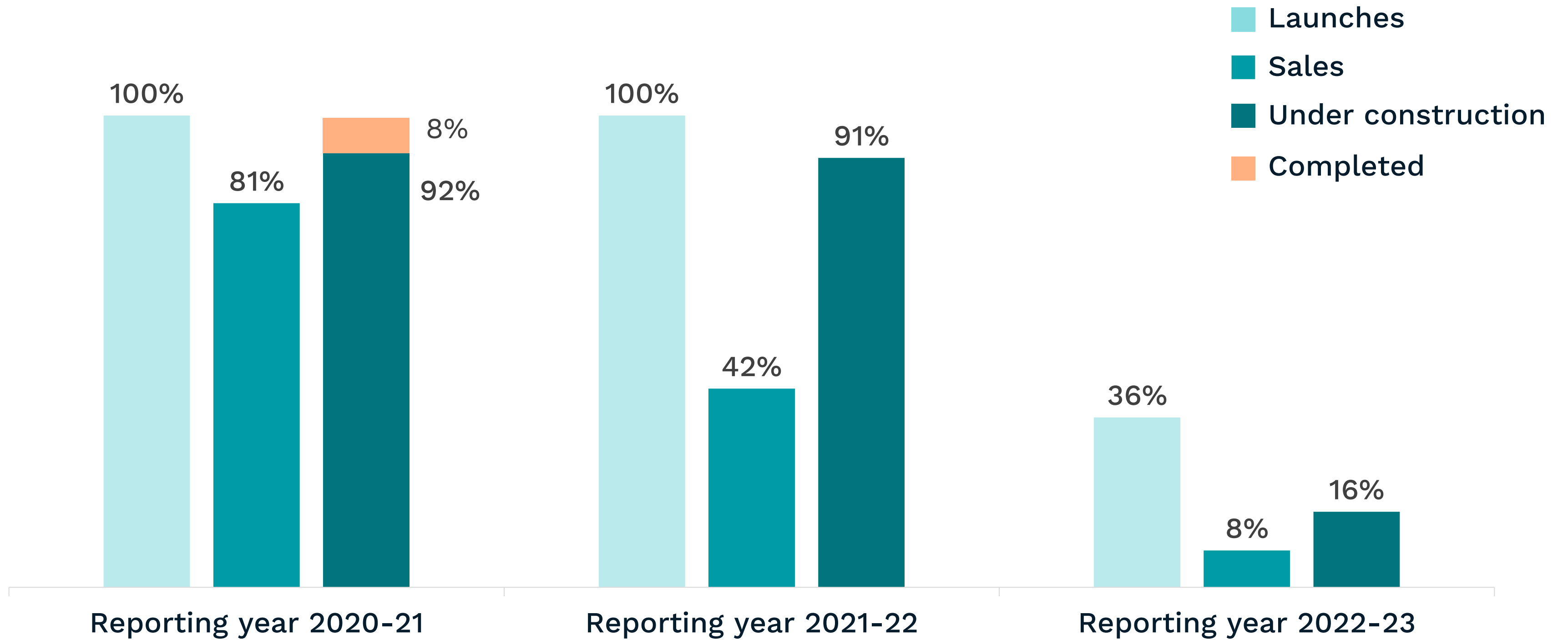
**OPERATIONS**

- 5,625 units on the market
- 4,627 units under construction

**SALES**

- 2,911 units in Order Book, totalling €964m (79% under private contract)
- 81% of 2020-21 deliveries sold (94% under private contract)
- 42% of 2021-22 deliveries sold (73% under private contract)

# Activity update<sup>1</sup>



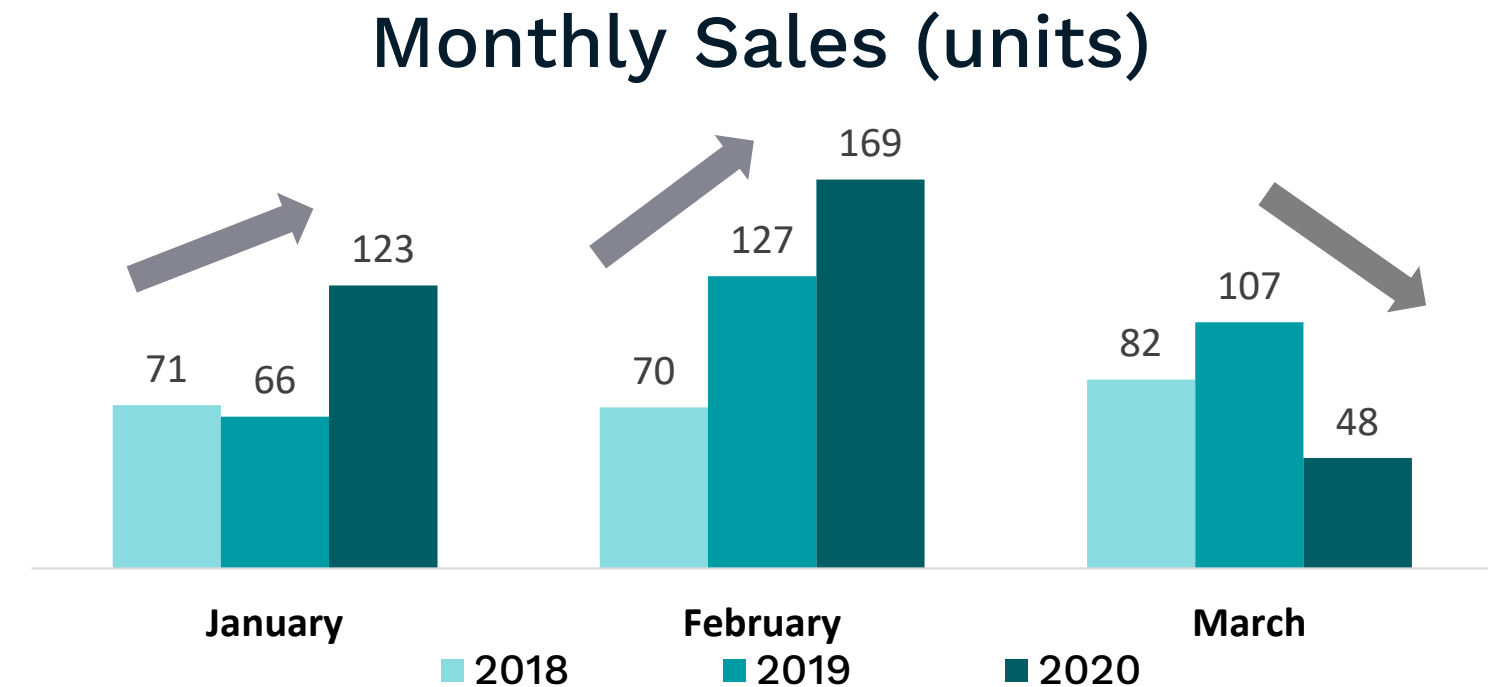


# 01 Operations Update

# Operating activity prior to 14<sup>th</sup> March lockdown order (i)

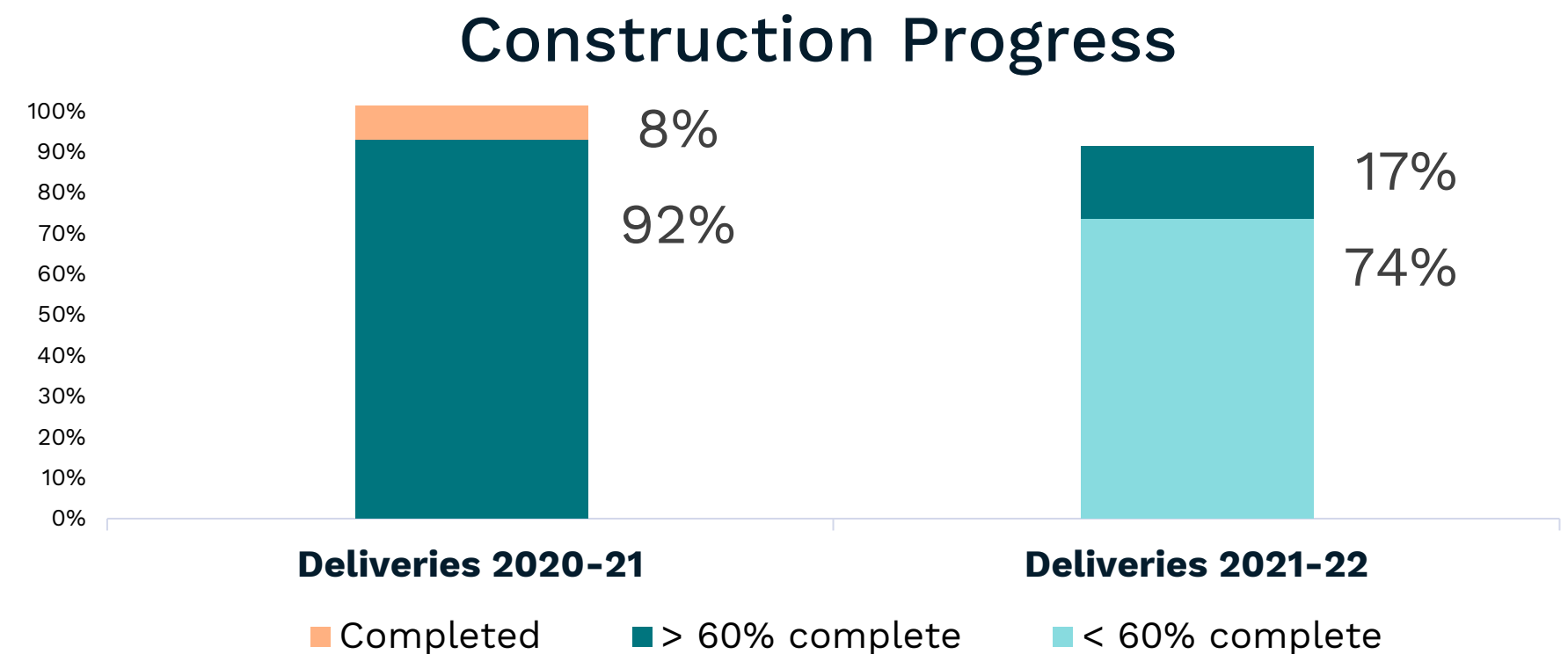
## 1) Sales activity:

- **51% increase in pre-sales** in January-February 2020 vs same period in 2019.



## 2) Construction and operations:

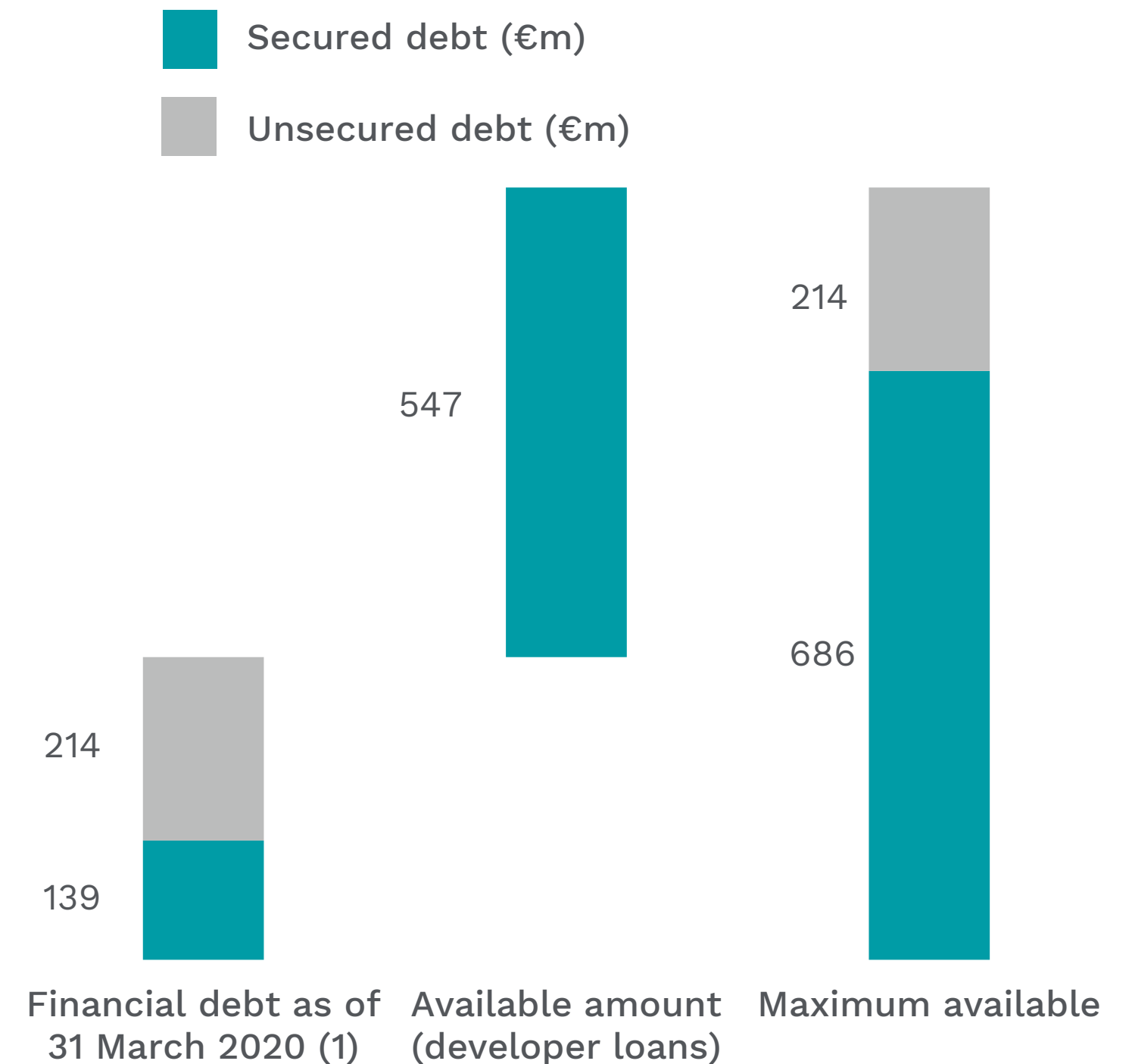
- **922 building permits secured** during the period
- **72 sites under construction.**



# Operating activity prior to 14<sup>th</sup> March lockdown order (ii)

## 3) Plans to **diversify financing of the 2020-23 Business Plan:**

- Significant advances towards **renewing €150m Term Loan.**
- Reviewing and renewing the **€150m Commercial Paper Programme (MARF).**
- Speeding up the signing of **Developer Loans** to break ground on construction sites.
- **€547m available in additional developer loan financing.**



(1) Differences with debt figures due to different accounting treatment



# Operating activity after 14<sup>th</sup> March lockdown order (i)

## I. Sales and marketing

- The **closing of sales offices (as of 14 March)** resulted in a 55% drop in the units sold in March.
- **Deferment of April and May monthly payments** requested by 18% of customers.
- **From 14 March-30 April**, 32 units delivered, 120 reservations converted to private contracts and 30 new reservations made. Number of cancellations in line with previous quarters.

## II. Construction and operations

- **Construction**
  - In anticipation of the potential effects of Covid-19, 4 projects with low levels of sales (out of 72 active sites) were halted shortly after the State of Emergency was declared.
  - 65 out of the 68 active sites were progressing satisfactorily as of mid-May.
- **Building permits**
  - Despite lockdown, 4 additional building permits for 418 units have been granted during the period.

# Operating activity after 14<sup>th</sup> March lockdown order (ii)

## III. Financial area

- **Strong liquidity.** €136m in available cash, of which €50m comes from customer down payments for developments currently under construction.
- **Developer loans.** 4 new contracts signed totalling €46m, in line with previous conditions.
- **Term Loan.** Negotiations for extension at a very advanced stage. Term sheet proposal already sent to all lenders. Main terms for the extension approved by Board on 20 May.
- **Additional financing**
  - 4 lines of financing recently signed for a total amount of €48m, all undrawn as of end of April.
  - As an entity registered in the MARF commercial paper programme, AEDAS Homes is an eligible company potentially benefiting from the ICO governmental financing programme.



## 02 Financial Results 2020

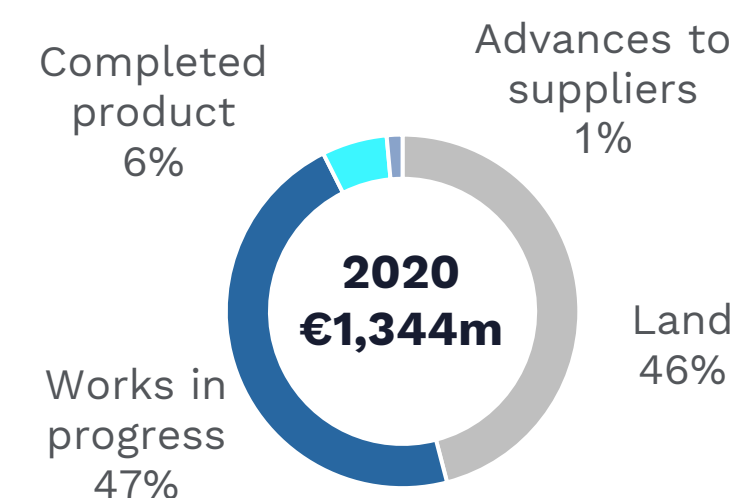
# Consolidated P&L: 1 January – 31 March 2020

(€m)	2020	Q1 2019	Change (€m)	Change (%)
Revenue from the sale of homes	70.0	14.0	56.0	399%
Revenue from the sale of land	-	-	-	
<b>REVENUE</b>	<b>70.0</b>	<b>14.0</b>	<b>56.0</b>	<b>399%</b>
Cost of goods sold	(50.1)	(10.1)	(40.0)	394%
<b>GROSS MARGIN</b>	<b>19.9</b>	<b>3.9</b>	<b>16.0</b>	<b>411%</b>
<i>% Gross margin</i>	<i>28.4%</i>	<i>27.7%</i>		<i>68 bps</i>
Sales and marketing costs	(4.5)	(1.5)	(3.0)	195%
Other operating expenses	(0.9)	(0.3)	(0.6)	207%
<b>NET MARGIN</b>	<b>14.5</b>	<b>2.1</b>	<b>12.4</b>	<b>597%</b>
<i>% Net margin</i>	<i>20.7%</i>	<i>14.9%</i>		<i>589 bps</i>
Overheads	(6.8)	(5.3)	(1.5)	29%
Other income and expenses	0.3	0.1	0.1	90%
Impairment losses and other gains/losses	-	-	-	
<b>EBITDA</b>	<b>7.9</b>	<b>(3.1)</b>	<b>11.0</b>	
<i>% EBITDA margin</i>	<i>11.3%</i>	<i>-22.0%</i>		<i>3,331 bps</i>
Depreciation and amortization	(0.5)	(0.3)	(0.1)	41%
Net financial income	(4.4)	(1.2)	(3.2)	275%
Share of profit/(loss) of associates	(0.1)	-	(0.1)	
<b>PROFIT/LOSSES BEFORE TAX</b>	<b>3.0</b>	<b>(4.6)</b>	<b>7.6</b>	
Income tax	0.3	1.1	(0.9)	(75%)
<b>PROFIT/(LOSS) OF THE PERIOD</b>	<b>3.3</b>	<b>(3.4)</b>	<b>6.8</b>	
<i>% Net margin</i>	<i>4.7%</i>	<i>-24.5%</i>		<i>2,925 bps</i>
Non-controlling interests	0.2	-	0.1	
<b>PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>	<b>3.2</b>	<b>(3.5)</b>	<b>6.6</b>	

# Balance sheet

(€m)	31 Mar 2020	31 Dec 2019	Change (€m)	Change (%)
Intangible assets	1.2	1.3	(0.1)	-3.9%
Property, plant & equipment	3.4	3.6	(0.2)	-6.6%
Other non-current assets	33.6	32.4	1.3	4.0%
<b>NON- CURRENT ASSETS</b>	<b>38.3</b>	<b>37.3</b>	<b>1.0</b>	<b>2.7%</b>
Inventories	1,343.9	1,275.4	68.5	5.4%
Trade and other receivables	43.5	49.1	(5.6)	-11.5%
Short-term investments	23.3	18.1	5.2	28.7%
Cash and cash equivalents	136.1	148.7	(12.6)	-8.5%
<b>CURRENT ASSETS</b>	<b>1,546.8</b>	<b>1,491.3</b>	<b>55.5</b>	<b>3.7%</b>
<b>TOTAL ASSETS</b>	<b>1,585.0</b>	<b>1,528.6</b>	<b>56.4</b>	<b>3.7%</b>
<b>EQUITY</b>	<b>936.0</b>	<b>938.9</b>	<b>(2.9)</b>	<b>-0.3%</b>
<i>of which Own shares</i>	<i>(36.9)</i>	<i>(30.6)</i>	<i>(6.3)</i>	<i>20.7%</i>
Long-Term borrowings	-	-	-	
Other Long-Term borrowings	4.0	1.7	2.3	136.7%
<b>NON-CURRENT LIABILITIES</b>	<b>4.0</b>	<b>1.7</b>	<b>2.3</b>	<b>136.7%</b>
Provisions	4.5	8.9	(4.4)	-49.1%
Short-term borrowings	349.2	309.3	39.9	12.9%
Other current liabilities	1.7	1.7	0.0	0.2%
Trade and other payables	289.7	268.2	21.5	8.0%
<b>CURRENT LIABILITIES</b>	<b>645.1</b>	<b>588.1</b>	<b>57.0</b>	<b>9.7%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,585.0</b>	<b>1,528.6</b>	<b>56.4</b>	<b>3.7%</b>

**5.4% increase in inventories**  
due to increase in  
construction activity.



# Net financial debt

(€m)	31 March 2020	31 December 2019	Change (€m)
<b>(A) Developer loans</b>	<b>135.3</b>	<b>79.3</b>	<b>56.0</b>
<b>(B) Corporate debt</b>	<b>218.2</b>	<b>233.4</b>	<b>(15.2)</b>
Syndicated loan	149.1	148.4	0.7
Commercial paper (MARF programme)	62.1	78.0	(15.9)
Other corporate debt	7.0	6.9	0.1
<b>Gross Financial Debt (A+B)</b>	<b>353.5</b>	<b>312.7</b>	<b>40.8</b>
(C) Unrestricted Cash	86.1	95.4	(9.4)
<b>Net Financial Debt (A+B-C)</b>	<b>267.4</b>	<b>217.2</b>	<b>50.2</b>
(D) Cash tied to developments	50.1	53.3	(3.3)
<b>Total Cash (C+D)</b>	<b>136.1</b>	<b>148.7</b>	<b>(12.6)</b>

- Development activity fully backed by developer loans, of which the drawdown volume increased by €56m during the period.
- At the end of the period, €547m in developer loans remained undrawn.

# Financial leverage

	2020	2019
LTC <sup>1</sup>	19.9%	17.3%
LTV <sup>2</sup>	13.3%	11.1%
LTV <sup>1</sup> including restricted cash	13.1%	12.7%
Net financial debt / EBITDA (LTM)	4.0x	3.9x
Average cost of debt	2.87%	2.90%
Interest coverage	5.4x	6.9x

- Comfortably meeting all financial covenants:
  - Net financial debt / EBITDA LTM < 5x
  - Loan-To-Cost < 35%
  - Loan-To-Value < 40%
  - Interest coverage > 4x

# Cashflow during the period

(€m)	2020
<b>EBITDA</b>	<b>7.9</b>
Cash recovered from landbank (delivered units)	16.7
Payment for financial costs	(2.2)
Payment of tax	0.3
<b>GROSS OPERATING CASHFLOW</b>	<b>22.7</b>
Payment for land investments	(15.2)
<b>FREE FUNDS FROM OPERATIONS</b>	<b>7.5</b>
Net investment in WIPs and developer loan drawdowns	(51.4)
Treasury shares repurchase	(6.3)
Dividend distribution	0.0
<b>(INCREASE) / REDUCTION IN NET FINANCIAL DEBT</b>	<b>(50.2)</b>

- Net financial debt increased mainly due to investment in new projects in a period with low volume of deliveries.
- Excluding the purchase of land and the repurchase of treasury stock, net debt would have increased by €28.7m instead of €50.2m.
- Developer loans have financed the entirety of Working Capital.





## 03 Market Outlook

# Market Outlook (i)

1

The Spanish homebuilding sector today is much better positioned to weather a challenging scenario than ten years ago.

2

Thanks to its superior geographical footprint, quality landbank and target market of mid and mid-high income clients, AEDAS Homes is well positioned to face this new scenario.

3

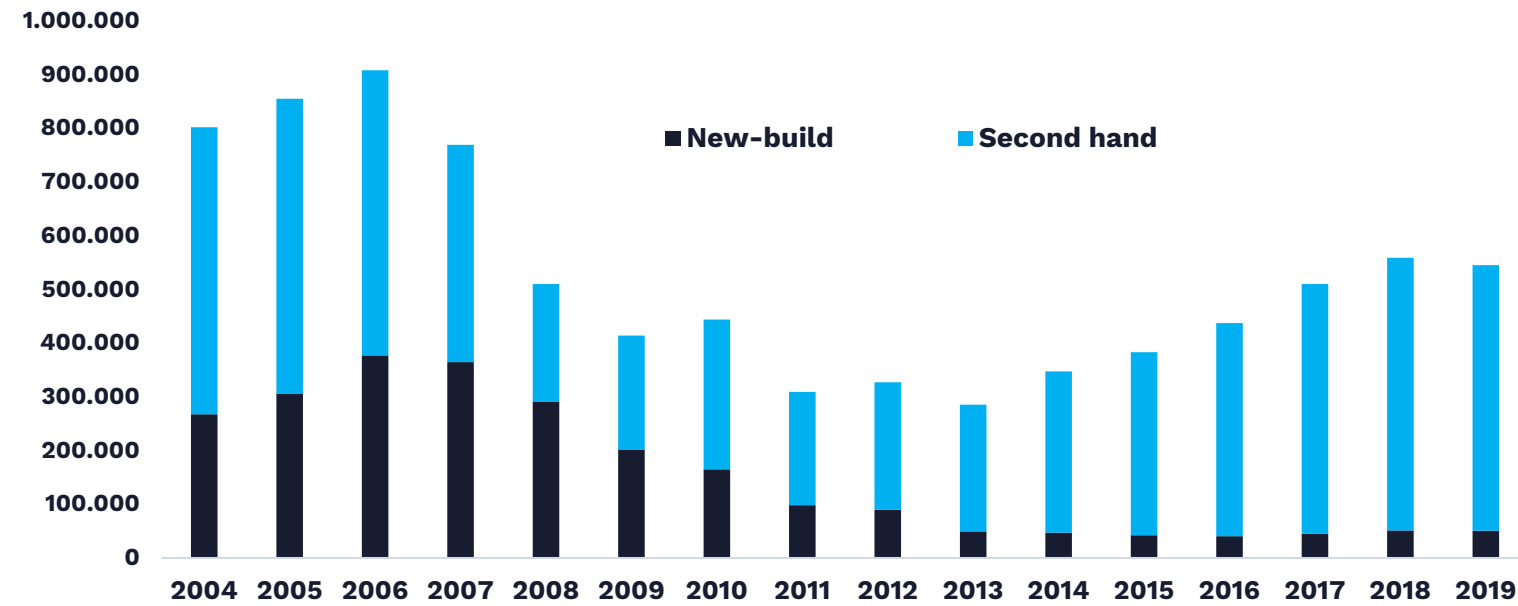
Strong sales coverage and steady construction progress should largely shield financial results in 2020-21 and 2021-22.

4

Homes will remain “a safe haven” for families and investors, but the “new normal” will bring changes in demand trends.

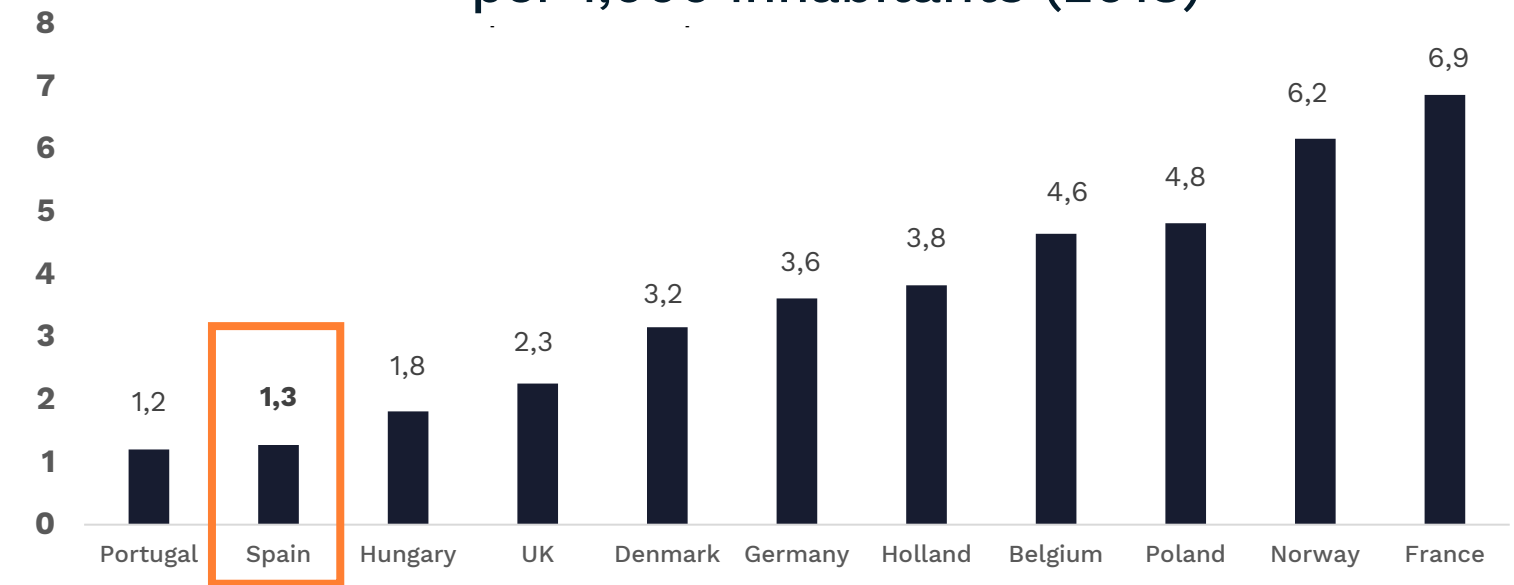
# Market Outlook (ii)

## Housing Transactions



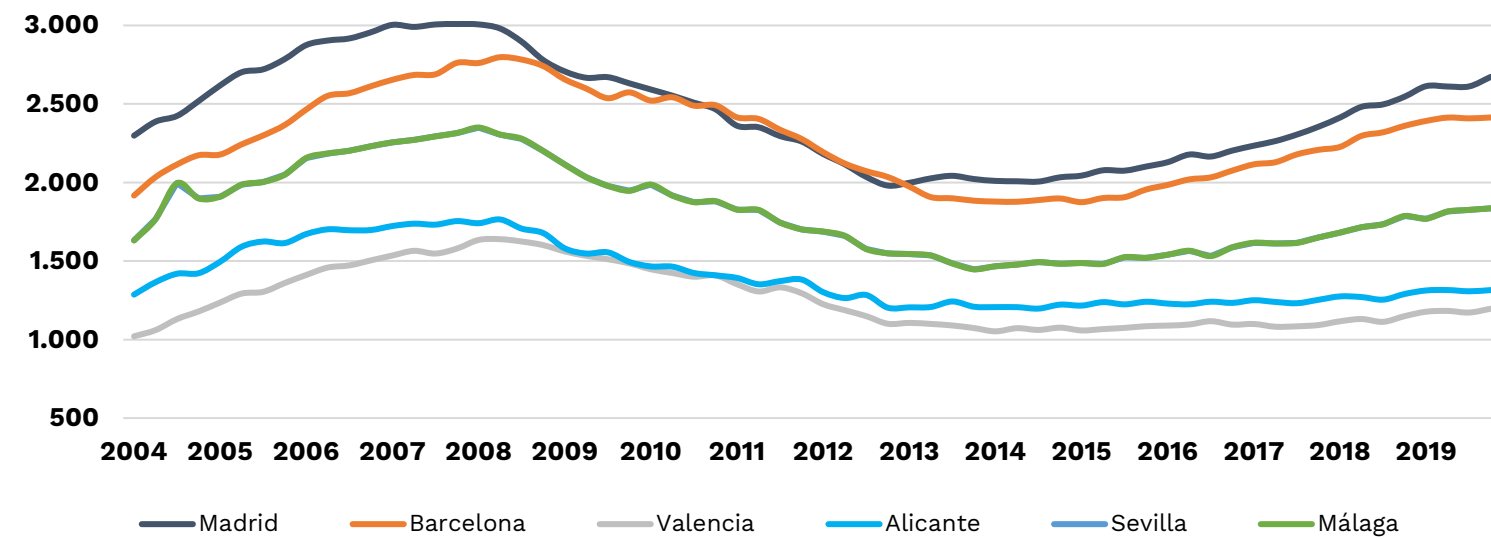
Source: Spanish Ministry of Public Works; INE

## Completed new-build homes per 1,000 inhabitants (2018)



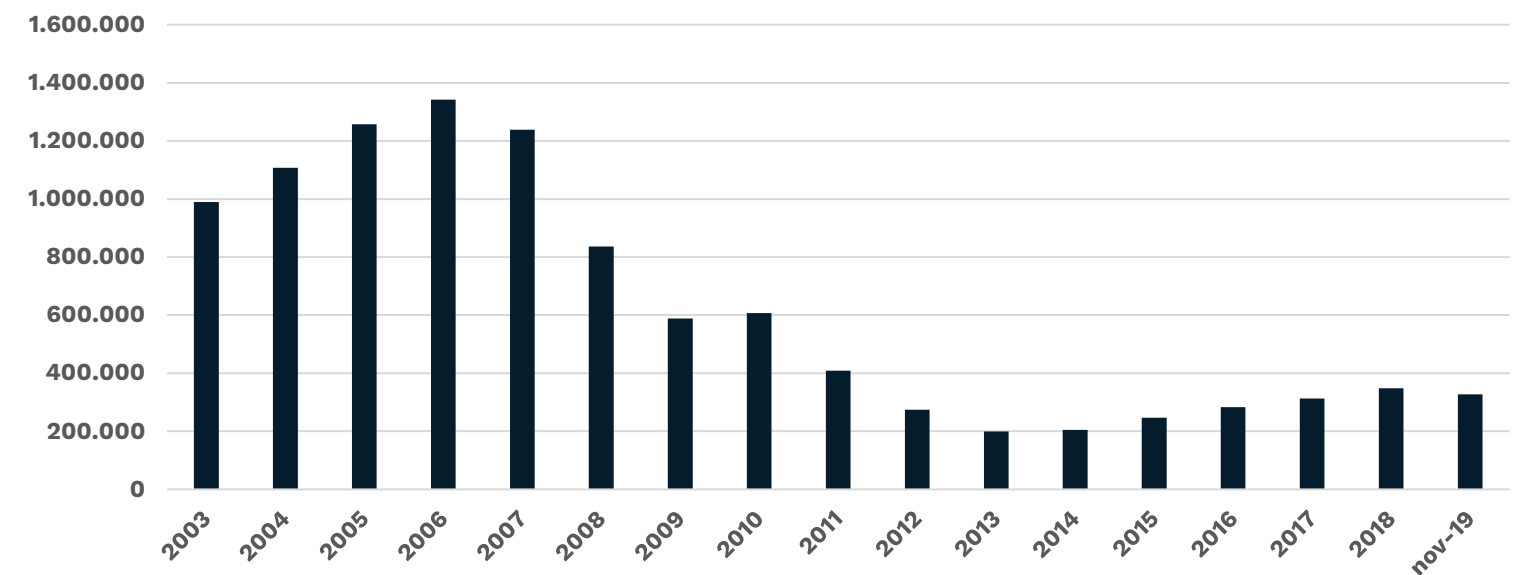
Source: Eurostat

## Housing Prices in Spain (€/m<sup>2</sup>)



Source: Spanish Ministry of Public Works; INE

## Residential Mortgages

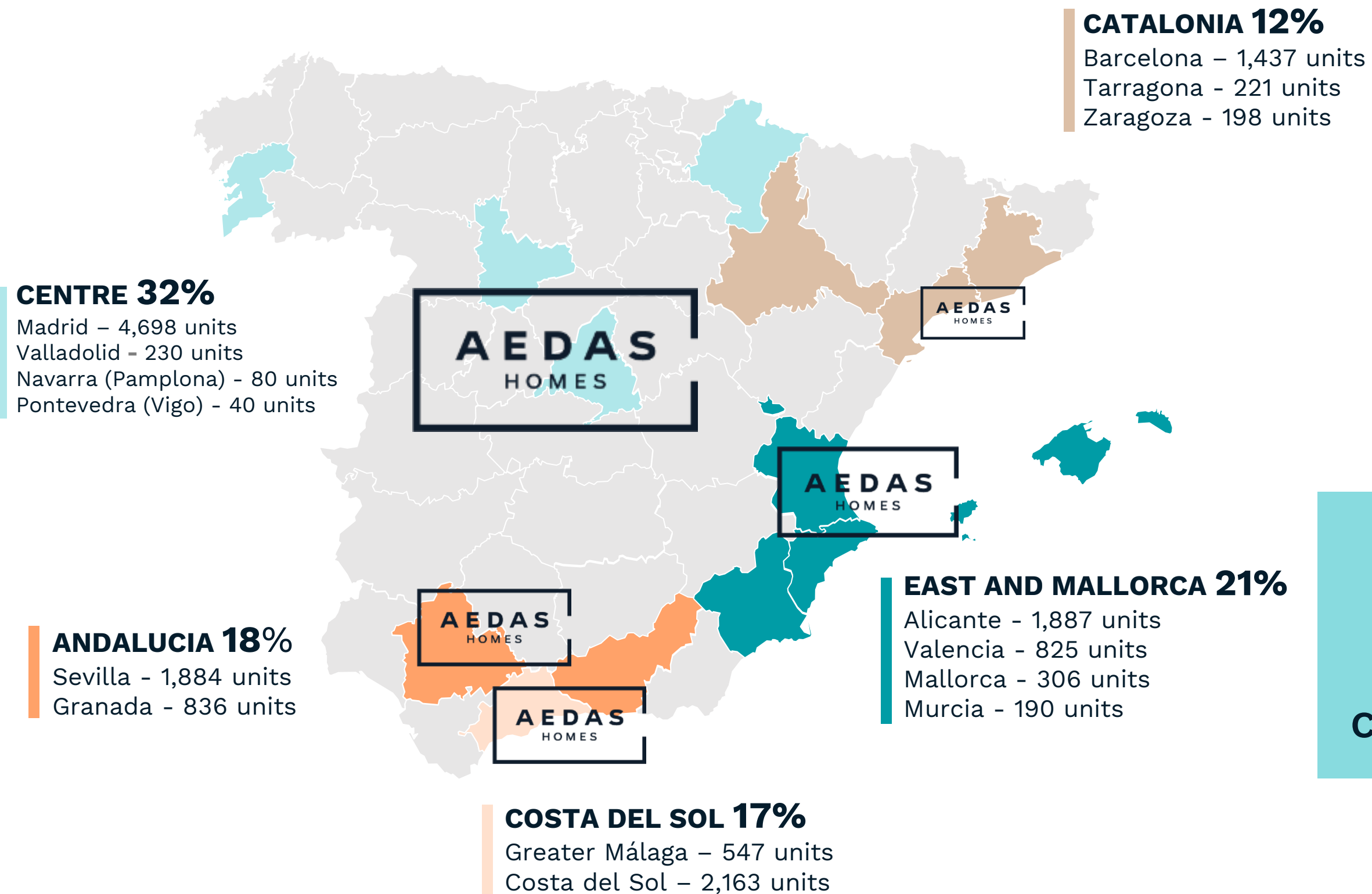


Source: Spanish Ministry of Public Works; INE



## 04 Appendix

# Landbank: 15,542 units



Units launched = 5,625  
 + Future developments = 9,917

**Landbank<sup>1,2</sup> = 15,542 units**

## Land investment in 2020

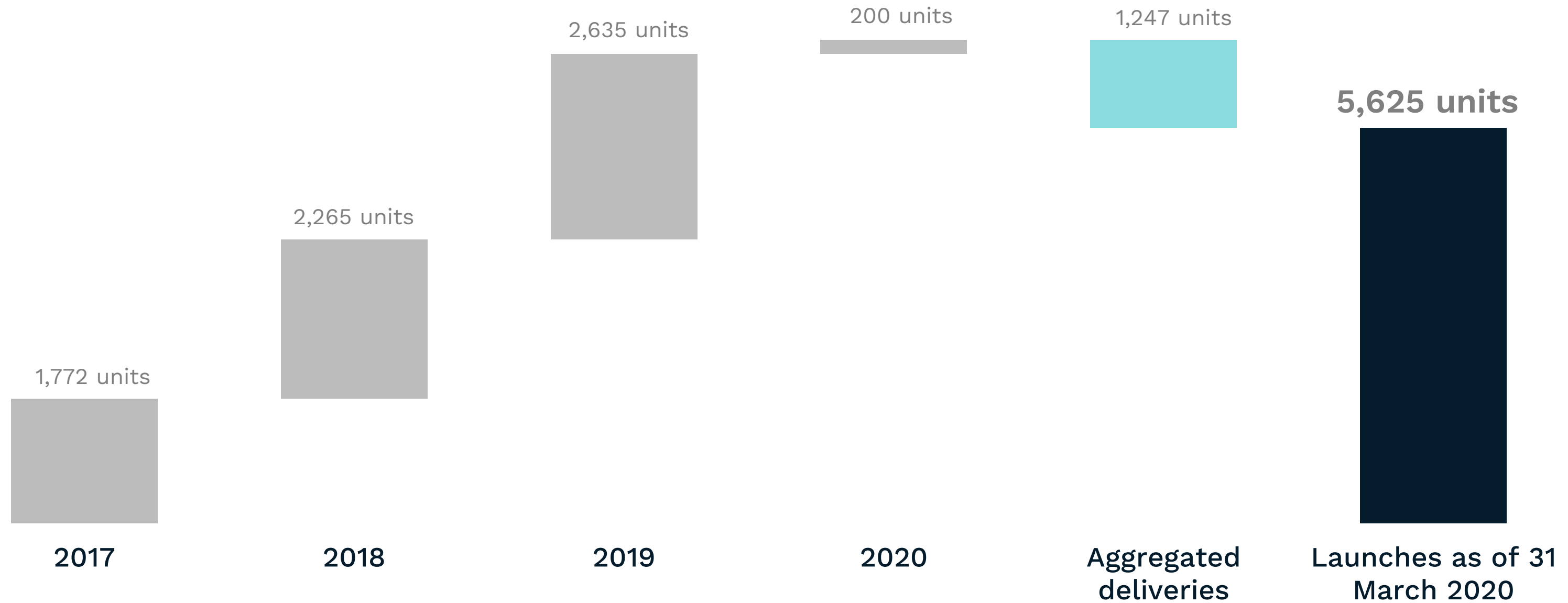
**Ready-to-build land**

**Completed purchases: 283 units (€15.2m)**



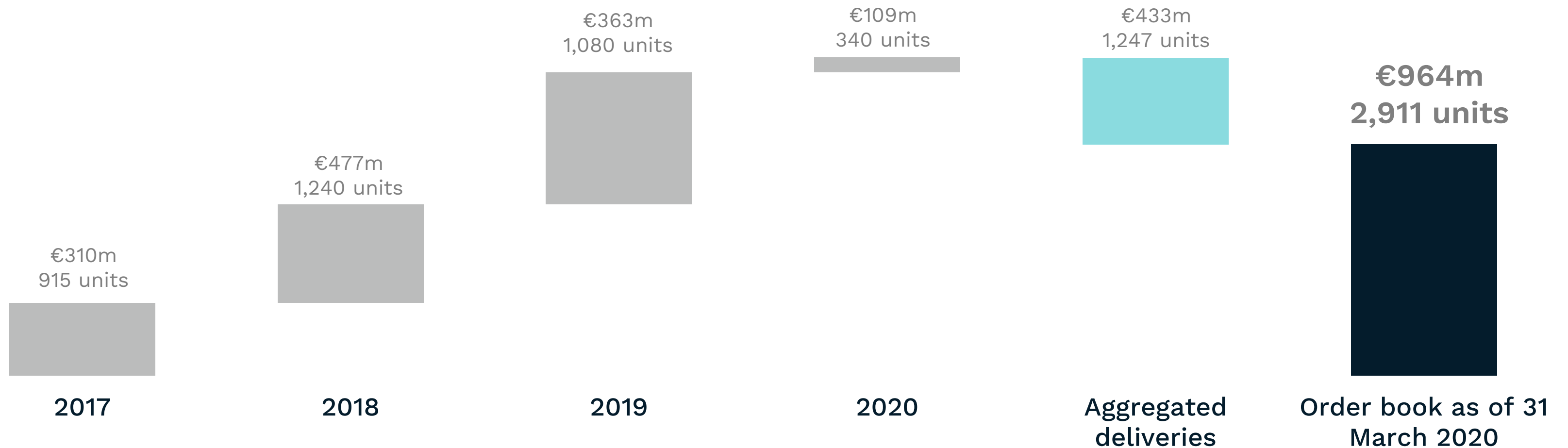
(1) Landbank 2019 (15,426) + Acquisitions (283) – Divestitures (0) – Deliveries 2020 (167) + Savills adjustment (0) = Landbank 2020 (15,542)  
 (2) Landbank total includes 491 units in vehicles in which AEDAS Homes has a minority stake

# 5,625 units on the market as of end of March 2020 <sup>1,2</sup>



# Sales<sup>1</sup> evolution: 2,911 units in Order Book (€964m)

**81%** of 2020 and **42%** of 2021 deliveries sold

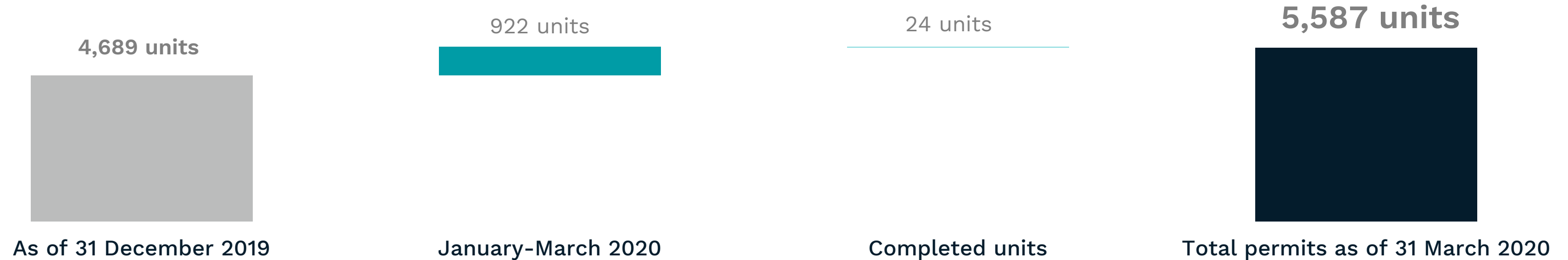


# Construction and permits

## Units under construction



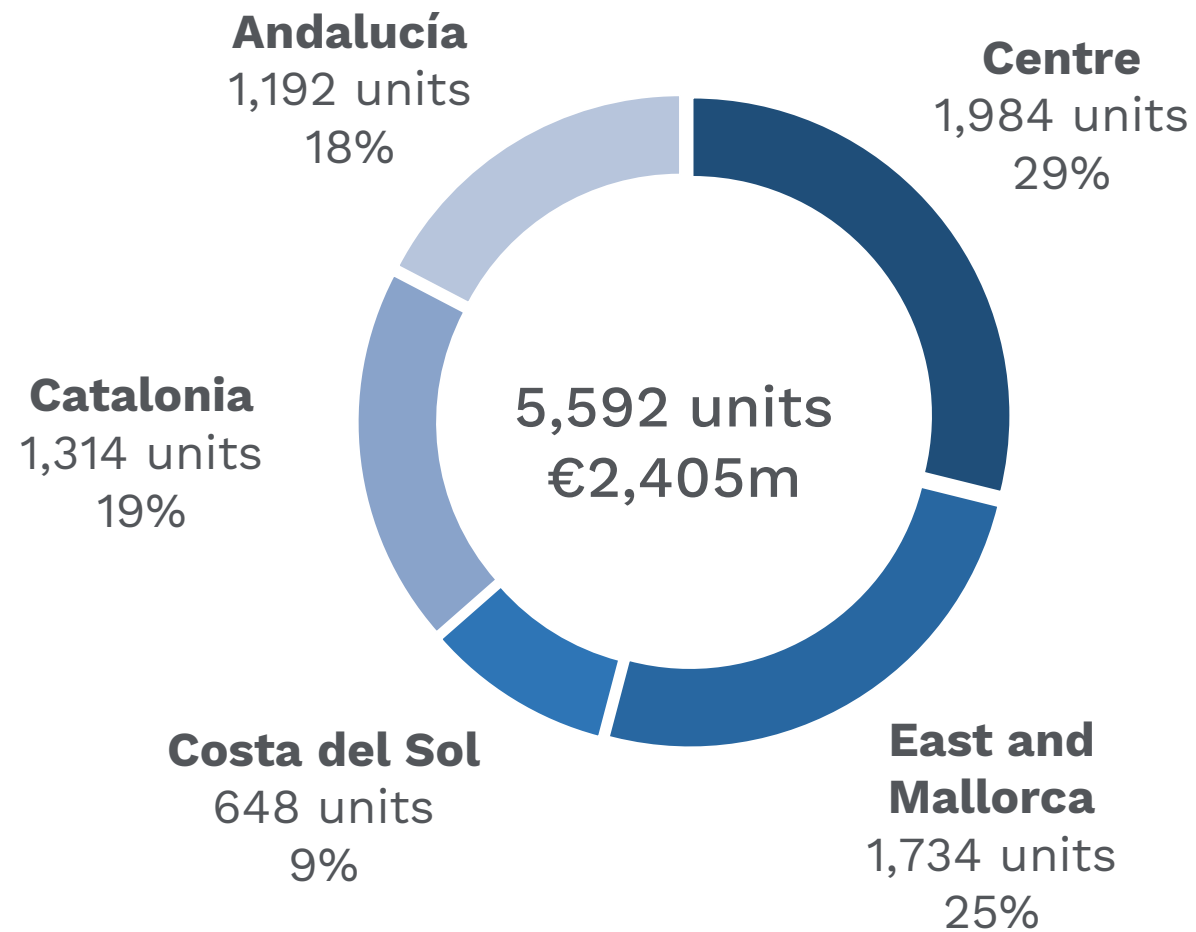
## Building permits



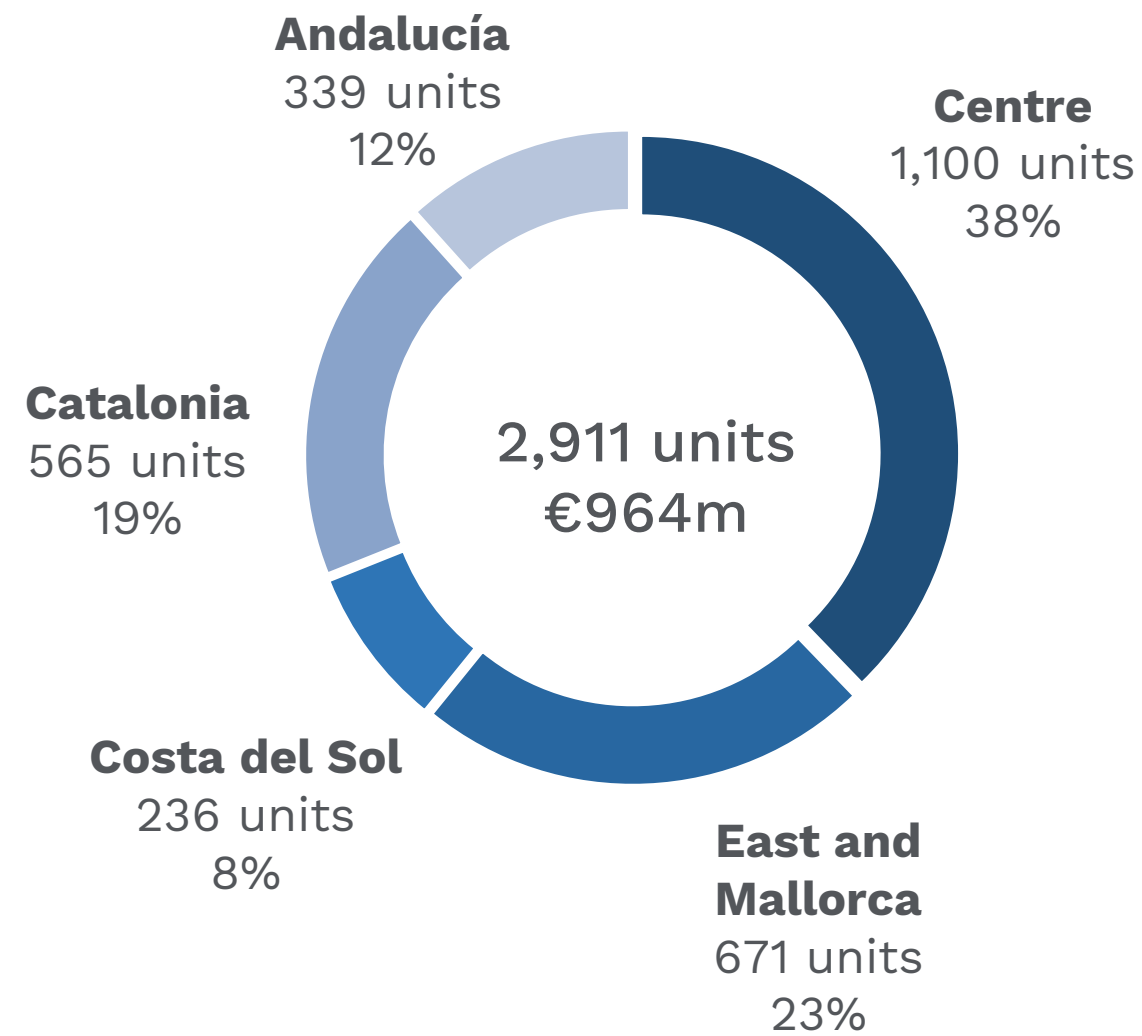


# Regional breakdown

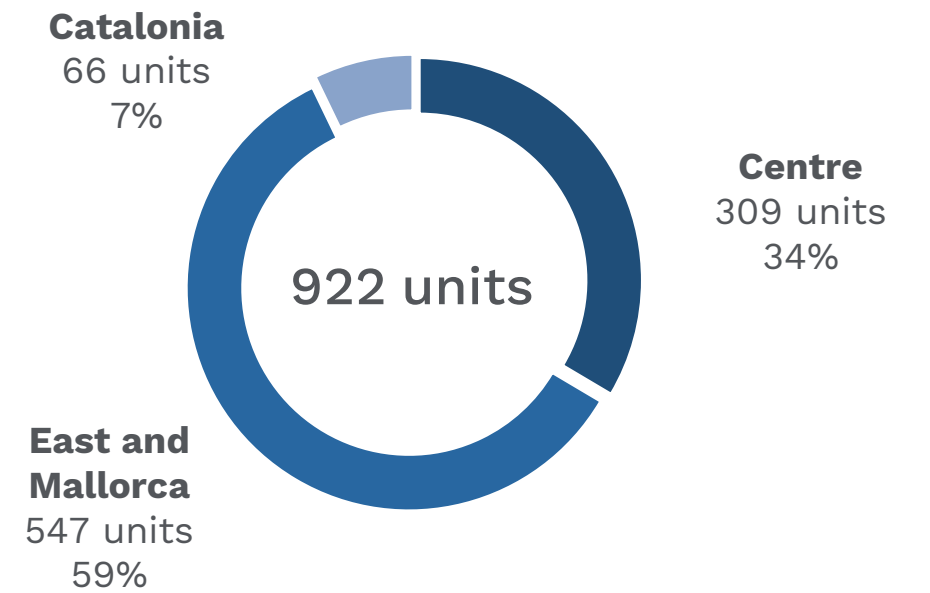
## Launches



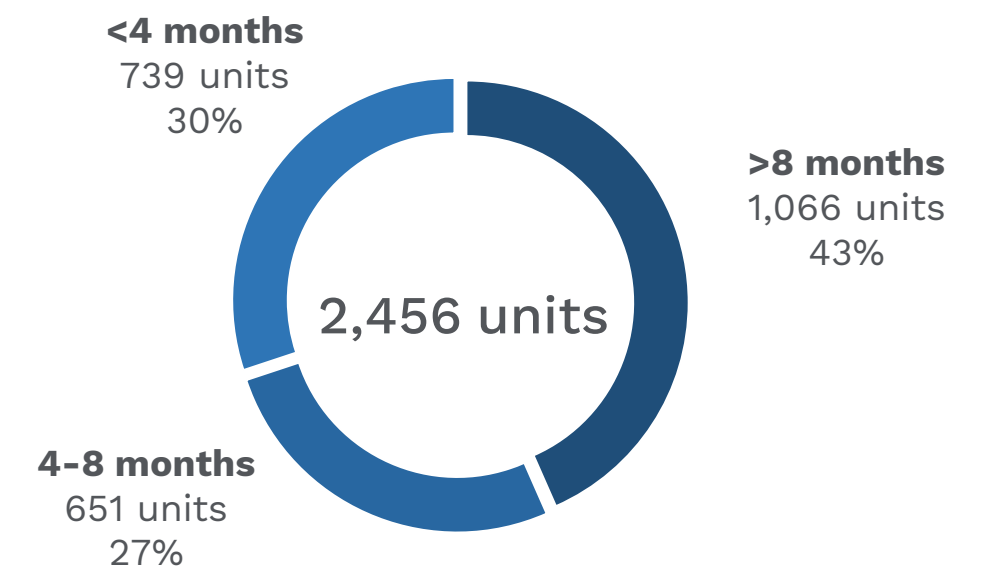
## Order Book



## Permits granted



## Permit application outlook



# Cash Flow Statement

(€m)	2020	2019	Change (€m)
<b>Profit before taxes</b>	<b>3.0</b>	<b>44.5</b>	<b>(41.5)</b>
<b>Adjustments for finance income/costs</b>	<b>4.4</b>	<b>9.5</b>	<b>(5.1)</b>
Net finance results	4.5	20.3	(15.8)
Borrowing costs capitalized in inventories	(1.6)	(11.0)	9.4
Change in fair value of financial instruments and exchange differences	1.4	0.2	1.3
Share in profit/(loss) of associates	<b>0.1</b>	<b>0.2</b>	<b>(0.1)</b>
<b>Net Operating Profit (EBIT)</b>	<b>7.5</b>	<b>54.1</b>	<b>(46.7)</b>
Depreciation, amortization and impairment changes	0.5	1.6	(1.1)
<b>Gross Operating Profit (EBITDA)</b>	<b>7.9</b>	<b>55.7</b>	<b>(47.8)</b>
Other adjustments to profit	0.3	0.8	(0.5)
Other cash flows used in operating activities	(2.2)	(6.2)	4.0
Change in working capital excluding land purchases/sales	(49.4)	(81.4)	32.0
Change in working capital derived from land purchases/sales	(15.3)	(82.9)	67.6
<b>(A) Net cashflow from operating activities</b>	<b>(58.6)</b>	<b>(114.0)</b>	<b>55.4</b>
Investment in group companies and associates	0.0	(11.1)	11.1
Investment in other assets	(0.1)	(1.5)	1.4
<b>(B) Net cashflow from investment activities</b>	<b>(0.2)</b>	<b>(12.7)</b>	<b>12.5</b>
Sale/(repurchase) of own shares	(6.3)	(9.7)	23.4
Proceeds/(repayment) of financial liabilities	52.5	202.1	(149.6)
<b>(C) Net cashflow from financing activities</b>	<b>46.1</b>	<b>172.4</b>	<b>(126.3)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(12.6)</b>	<b>45.8</b>	<b>(58.4)</b>

*Dampier  
El Masnou, Barcelona*

**AEDASHOMES**