

AEDAS
HOMES

Presentation

9M 2022 Results

15 February 2023

1 April — 31 December 2022

Zeta Valley (Málaga)

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01
Highlights



Overview

1

Resilient demand for AEDAS product

- **Absorption** rates at **healthy** levels
- High visibility on business performance backed by strong coverage ratios

2

Selective approach to land investment

- Selective approach targeting very resilient segment
- Focusing on **purchase options** and/or **deferred payments**

3

Sound solvency levels

- Majority of debt is long-term
- **Limited exposure to variable rates**

Executive Summary

9M 2022

1

Sales

- **Very high sales coverage level: 98%** of FY 2022, **70%** of FY 2023 and **25%** of FY 2024 deliveries guaranteed
- **Order book** with 4,929 units (3,856 BTS + 1,073 BTR) valued at **€1,565m**

2

Operations

- **10,115 units on the market** (up 30% vs 9M 2021)
- **c. 2,100 units with Final Construction Certificate** as of Dec 2022
- **4,437 units** under **construction**
- **1,332 units** with building permit granted, **pending construction start**

3

Investment

- **Land for 682 units optioned with deferred payment; land for 886 units acquired**
- Continued **focus on very resilient segment of market** (average ticket of ~€500k)
- **Land sales** of €14m, with **24% gross margin**

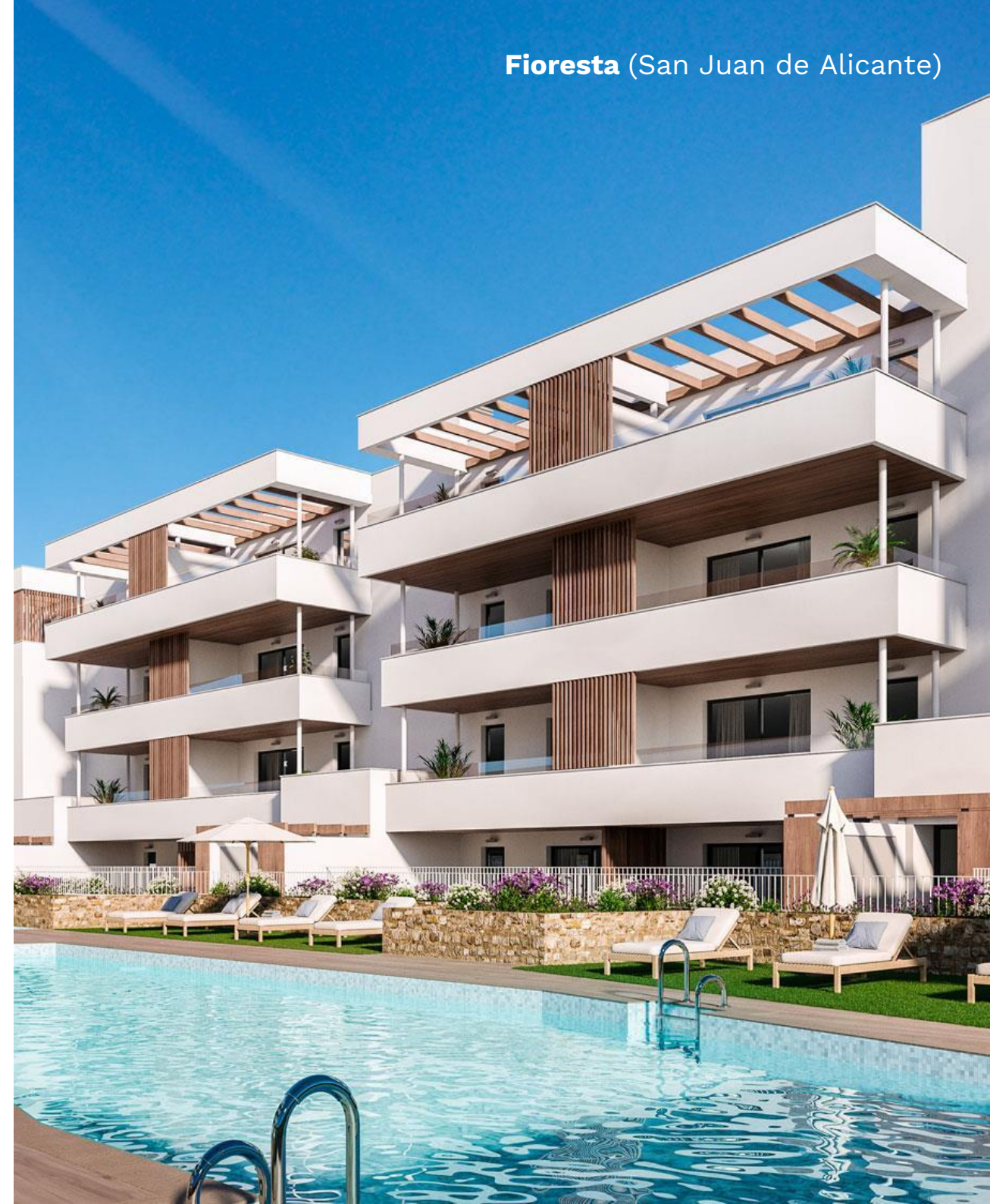
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Financials

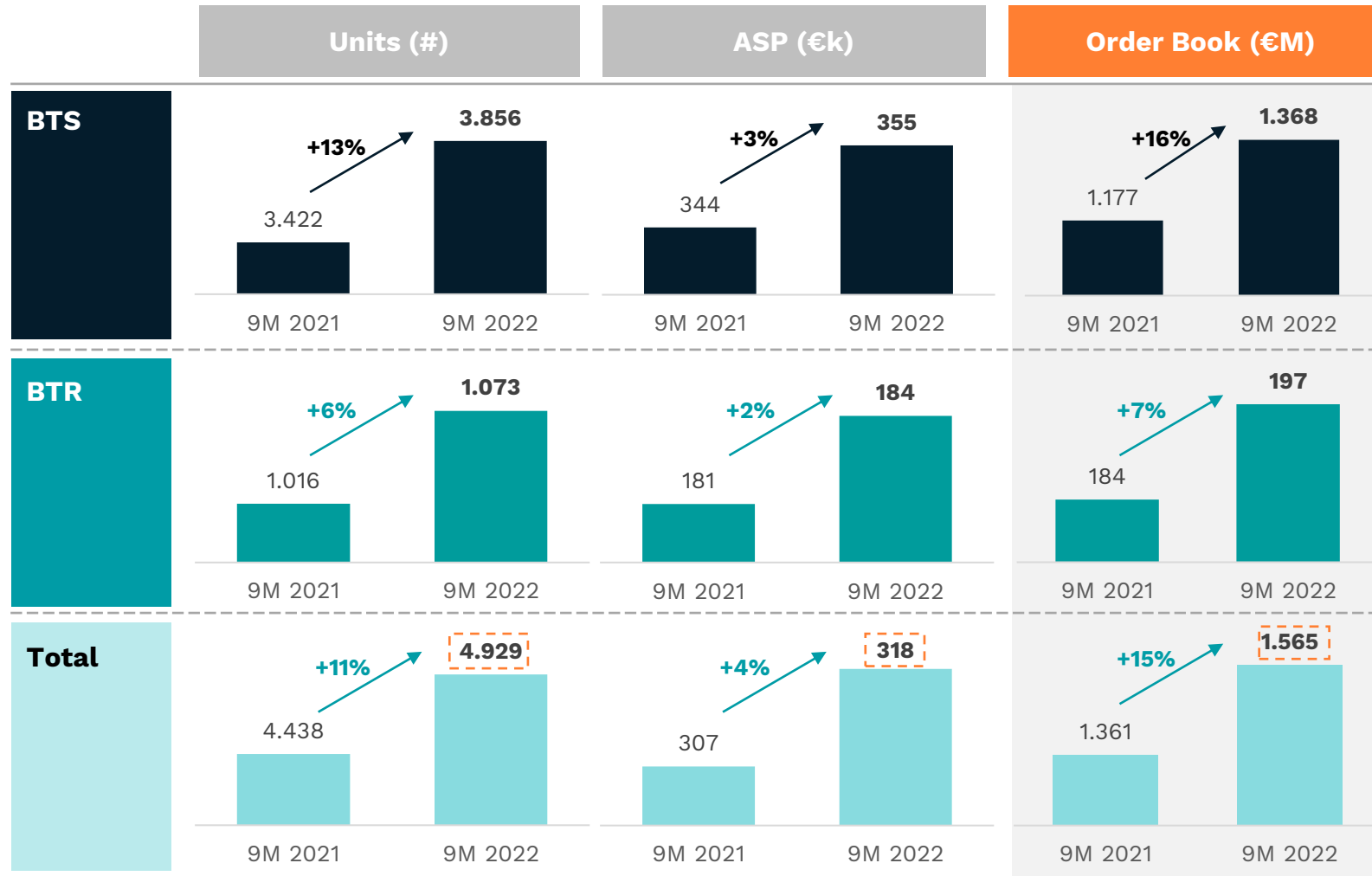
- €358m in revenues
- 26% gross margin
- €150m in cash and €30m RCF available



02
**Business
Update**



Healthy, resilient Order Book



SALES

Resilient demand for AEDAS Homes product

- BTS positioning in high tickets: 1,500+ units sold over the reporting period with **ASP of €390k, up 15%** vs. same period in 2021
- Focusing on **most resilient segment**
- Appetite for BTR projects holding: 184 BTR units sold at ASP of **€173k**
- **No change in number of cancelations (1%¹) vs. same period in 2021**
- **Limited stock** of completed units available: 144 units



CONSTRUCTION AND OPERATIONS

On track with business plan

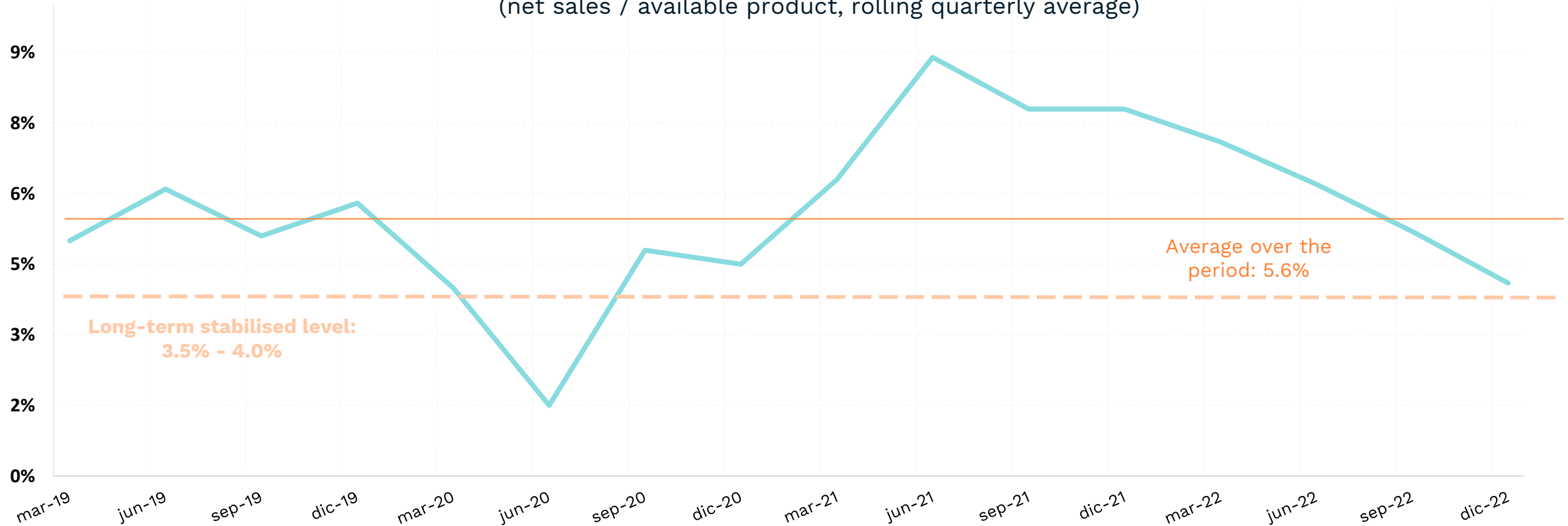
- 3,026 units put on the market
- **4,437 units under construction** and **2,098 completed units**
- **1,332 units** with permit granted, **pending construction start**
- Construction costs appear to be stabilising

(1) Calculated as % of private agreements cancelled over the total existing private agreements (pre-cancellations)

Sales absorption rate

Average quarterly sales absorption rate (BTS)

(net sales / available product, rolling quarterly average)

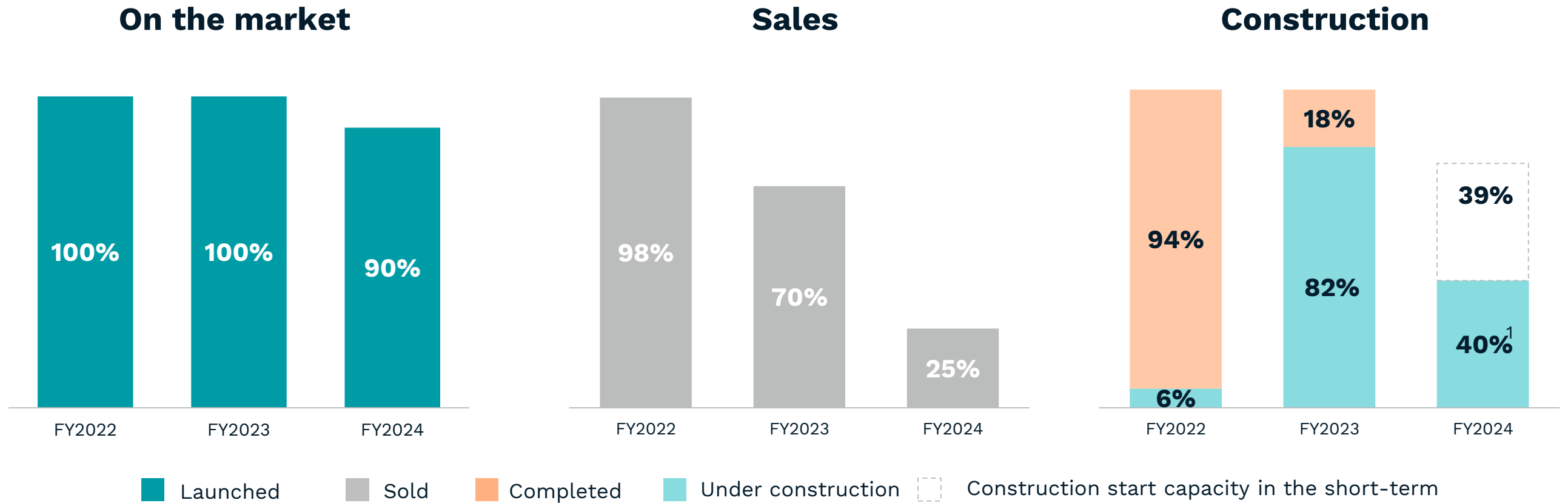


Sales absorption rate **trending towards stabilisation** (Q3 2022: 4.1%), implying a **healthy development sales horizon** of 25 months for a standard development

BTS + BTR as of 31 December 2022

Strong coverage levels on Business Plan goals:

targeting revenues of €900m-€925m in FY 2022 and €1 bn - €1.15bn in FY 2023



(1) 45 units correspond to assets with Purchase Option

Land investment: selective focus, prioritising optionality

Current land bank ensures deliveries through FY 2026

✓

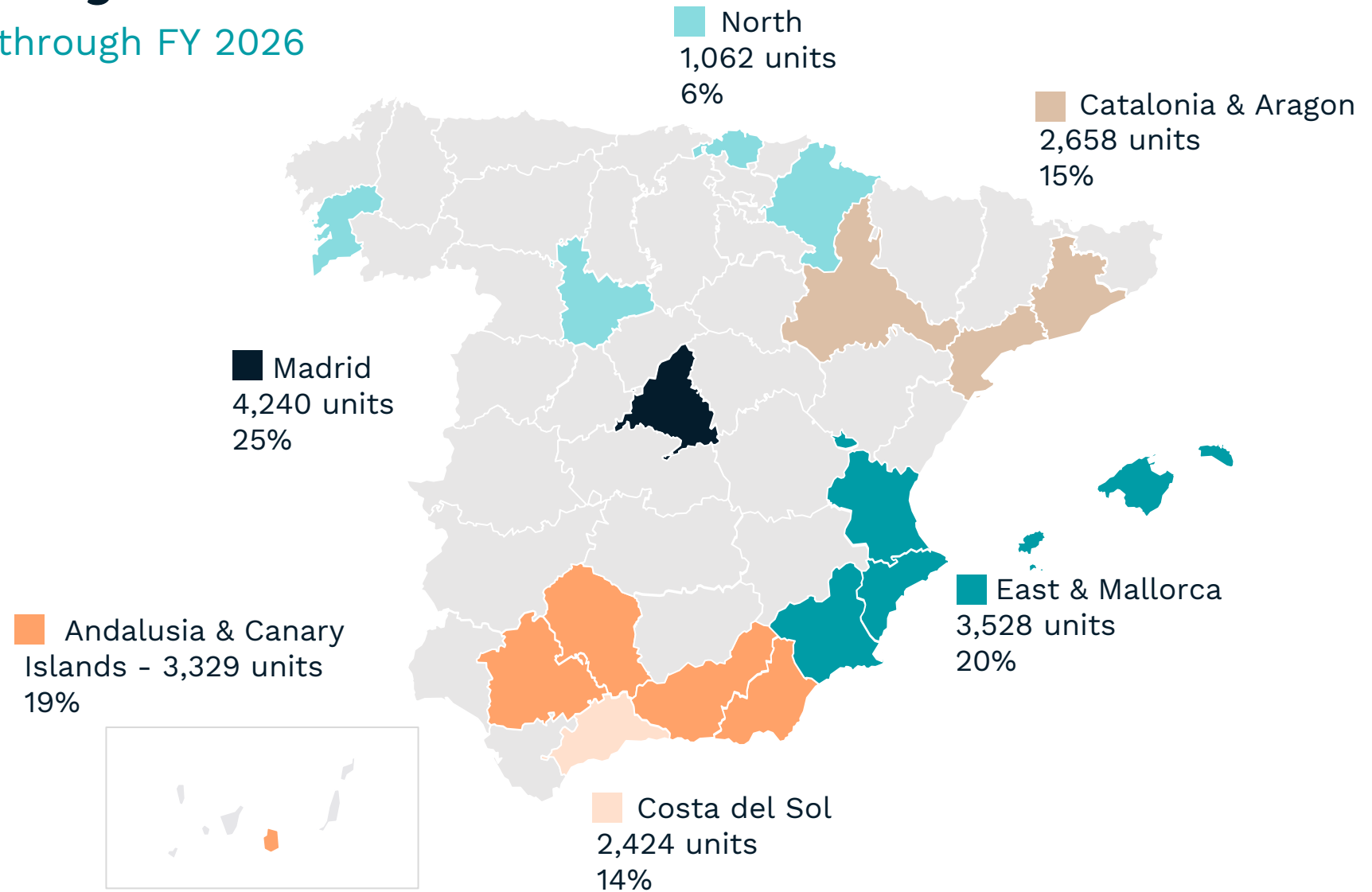
€80m
in purchase **options**
for **682 units**

€93m
invested in **886 units**
of RTB land

✓

Size: **17,241¹** units

Implicit net development margin: **>20%**



(1) Land bank as of March 2022 (17,000) + executed investments 9M 2022 (886) + committed investments 9M 2022 (682) – Deliveries 9M 2022 (1,029) – Land Sales (224) - adjustments (74) = 17,241 units

03
9M 2022
Financial Results



Odina (Godella, Valencia)

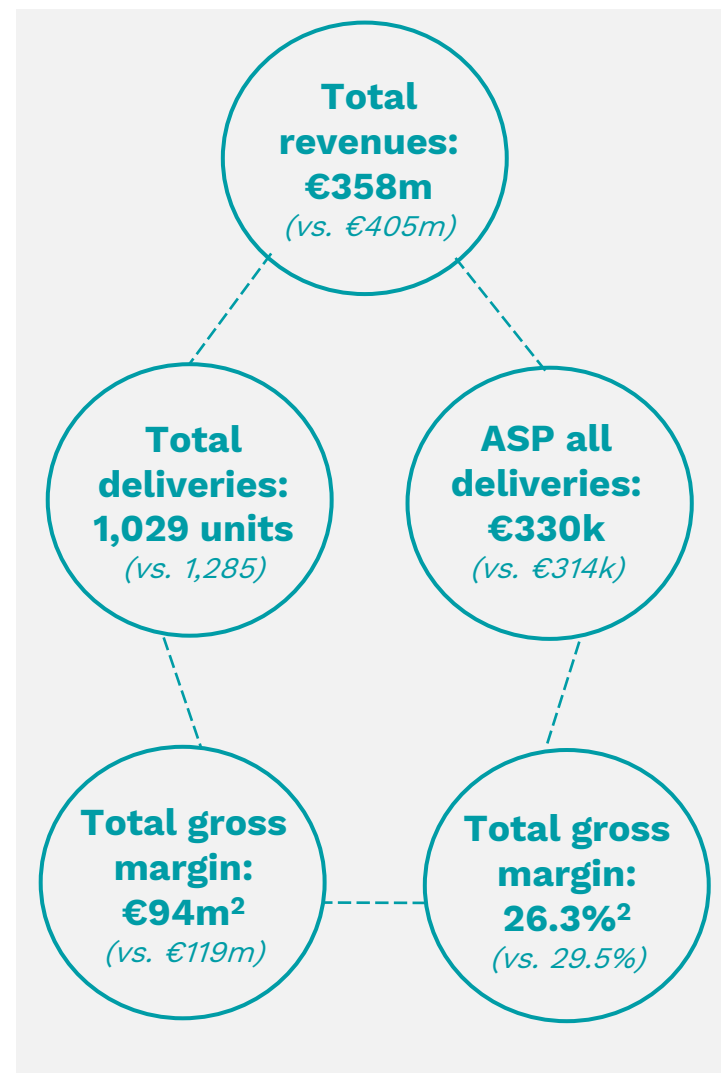
9M 2022 Results

Revenue and Gross Margin Breakdown by Product Type

BTS product: <i>operating margins in the high range; price increases</i>	Metric	9M 2022	9M 2021	Δ
	Revenues (€m)	301	387	(22.1%)
	Gross margin (€m)	87 ¹	115	(24.4%)
	margin (%)	28.8%	29.7%	(88) bp
	Units (#)	776	1,194	(35.0%)
	ASP (€)	388	324	19.8%

BTR product: <i>Two BTR projects delivered in 9M 2022 vs one delivered in 9M 2021</i>	Metric	9M 2022	9M 2021	Δ
	Revenues (€m)	39	16	140.6%
	Gross margin (€m)	7	4	64.1%
	margin (%)	16.8%	24.7%	(785) bp
	Units (#)	253	91	178.0%
	ASP (€)	154	179	(14.0%)

Other: <i>Land Sales & Real Estate Services</i>	Metric	9M 2022	9M 2021	Δ
	Revenues (€m)	18	1	16x
	Gross margin (€m)	6	0	15x
	margin (%)	33.1%	34.4%	(129) bp



- **Upward trend in ASP maintained:**
 - **+5% in deliveries** (blended BTS+BTR) (1,029 units)
- **Gross margin** partially impacted by BTR deliveries
- **Net margin of 18%** (-c.570 bps), primarily impacted by a higher number of units being sold (+30%)
- **Overhead costs** in line with the increase in H1 2022
- Temporary reduction in EBITDA to €36m, **maintaining EBITDA forecast of €160-170m for FY 2022**, once units slated for Q4 2022 have been delivered to customers

(1) Adjusted for excess costs attributed to developments completed in periods other than 9M 2022
 (2) Includes excess costs attributed to developments completed in periods other than 9M 2022

Balance sheet at 31 December 2022

	31 December 2022	31 March 2022	31 December 2021
Inventories⁴ <ul style="list-style-type: none"> Land Works in progress Completed product 	€1,831m €628m €1,011m €169m	€1,520m €644m €672m €183m	€1,622m €666m €747m €186m
Cash <ul style="list-style-type: none"> Available cash 	€150m €93m	€240m €186m	€148m €81m
Short-term debt	€56m	€43m	€55m
Long-term debt	€622m¹	€416m¹	€491m¹
Equity <ul style="list-style-type: none"> Treasury stock² 	€927m €60m	€977m €56m	€963m €53m

- Increase in inventories due to the **advanced levels of progress on construction sites**, with 4,400+ units under construction
- **Solid liquidity** bolstered by **€30m in additional available liquidity** through RCF
- Variation in shareholders' equity mainly due to payment of **extraordinary dividend** in July 2022³
- **FY 2022 dividend:** expecting to distribute a dividend in line with amount distributed in FY 2021, with a similar payment schedule

(1) (A) As of 31 Dec 2022: Long-term project loans (€304m) + long-term corporate debt (€319m); (B) As of 31 Mar 2022: Long-term project loans (€99m) + long-term corporate debt (€317m); and as of 31 Dec 2021: Long-term project loans (€174m) + long-term corporate debt (€317m);

(2) As of 31 Dec 2022, there were 2,998,610 shares in Treasury Stock, at a purchase value of €60m

(3) €59m complementary dividend paid out, corresponding to dividend from FY 2021

(4) The total amount listed in Inventories includes "Customer Advances Collection"

Evolution of net financial debt

(€m)	31 December 2022	31 March 2022	31 December 2021
(A) Project debt (secured)	271.3	106.3	175.5
(B) Project debt (unsecured)	36.2	-	-
(C) Corporate debt	381.2	363.1	381.1
Commercial paper programme (MARF)	31.2	38.1	56.1
High Yield bond (with guarantee)	325.0	325.0	325.0
Revolving credit facility	25.0	-	-
(D) Amortised cost-IFRS	(10.6)	(10.4)	(10.8)
(E) Gross Financial Debt (A+B+C+D)	678.0	459.0	545.8
(F) Available cash	93.0	185.7	81.2
Net Financial Debt (E-F)	585.1	273.3	464.6
(G) Cash tied to developments	57.1	54.3	66.8
TOTAL CASH (F+G)	150.1	240.0	148.0

- **Stability** in volume of **Working Capital**
- **Financing structure** with **long-term debt** (93%) and **fixed rates** c. 50%)
- **Net financial debt comes to €585m** (€121m more vs Dec 2021) due to **greater volume of developments** that are **under construction** or have been **activated** (€1,011m in Dec 2022 vs €747m in Dec 2021)

Financial leverage

AEDAS Homes	31 December 2022	31 March 2022	31 December 2021
LTC ¹	32.0%	18.0%	28.7%
LTV ²	25.4%	13.2%	23.2%
Net financial debt / EBITDA	5.2x	1.8x	2.9x
Interest coverage	5.8x	7.5x	8.4x
Average cost of debt	4.43%	3.61%	3.16%

Bond Covenants	31 December 2022	31 March 2022	31 December 2021
Net Total LTV	25.8%	13.8%	24.0%
Net Secured Total LTV	23.6%	11.5%	20.5%
Fixed charge coverage ratio	5.8x	7.5x	8.4x
Pari passu senior secured LTV	23.6%	11.5%	20.5%

Ratings	S&P	Moody's	Fitch
Corporate credit rating	B+	Ba2	BB-
Senior secured notes rating	BB-	Ba2	BB

- **Leverage in line** with **seasonality** of business (concentration of deliveries)
- **Average cost of debt** (c. 50% at fixed rate and long-term) closed under **optimal conditions**
- **Credit strength** confirmed by 3 agencies

(1) Calculated as Net Financial Debt divided by inventories

(2) Calculated as Net Financial Debt divided by total GAV

04 Takeaways



9M 2022 Takeaways

1

Despite the uncertainty of the current economic situation, operating activity is evolving favourably, with solid visibility goals through FY 2024

2

Good levels of progress on construction works, with virtually all FY 2022 deliveries sold

3

Demand in mid-high segment continues to show resilience

4

Investment discipline, underpinned by strategic market vision, contributing to optimised use of capital

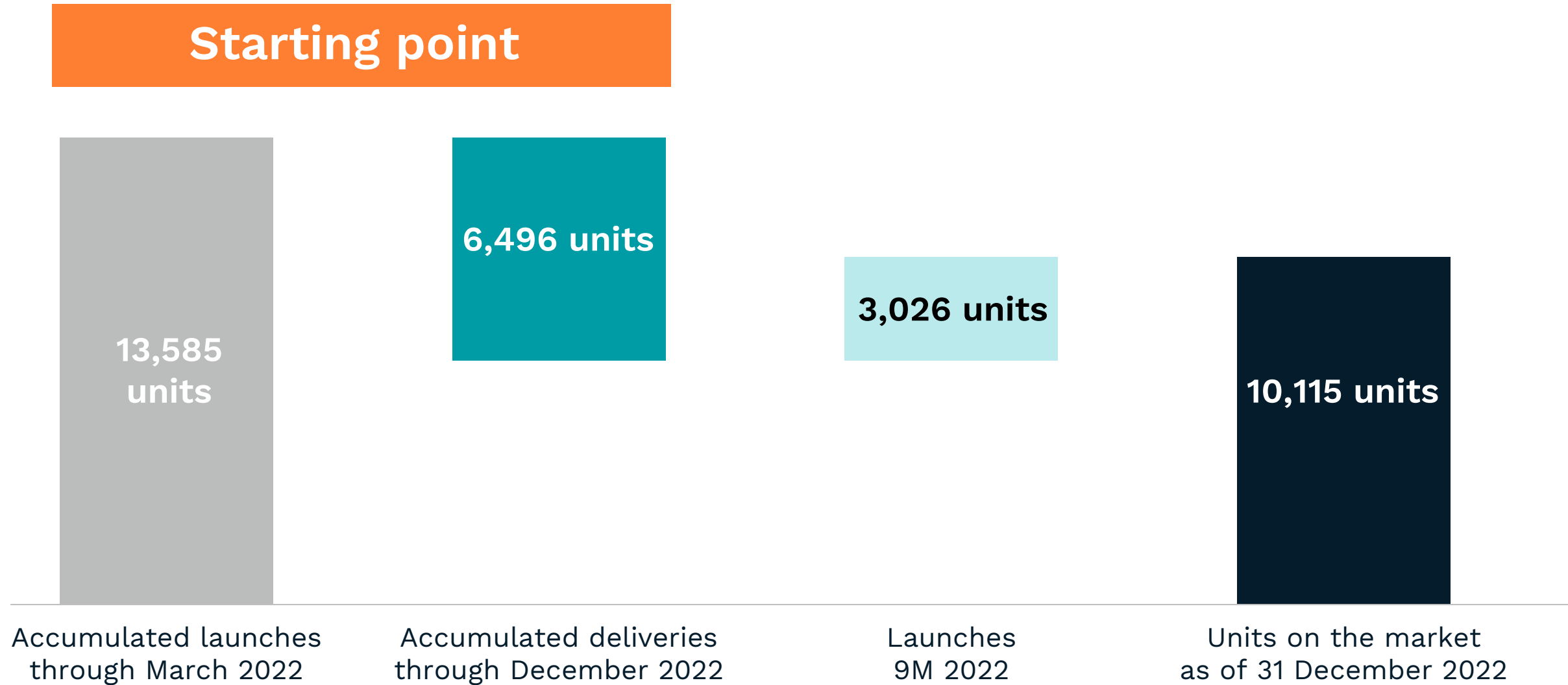
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Current landbank largely covers deliveries up to FY 2026, contributing to achieving delivery targets

05
Appendix



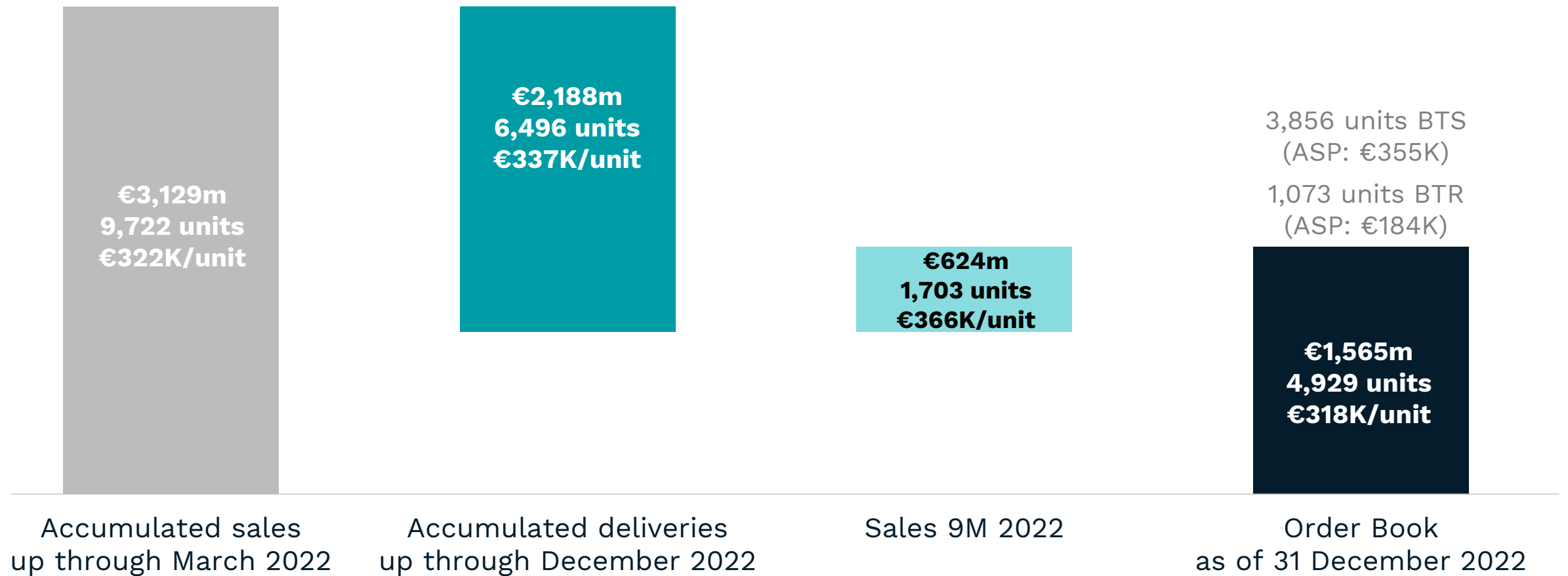
10,115 units on the market¹



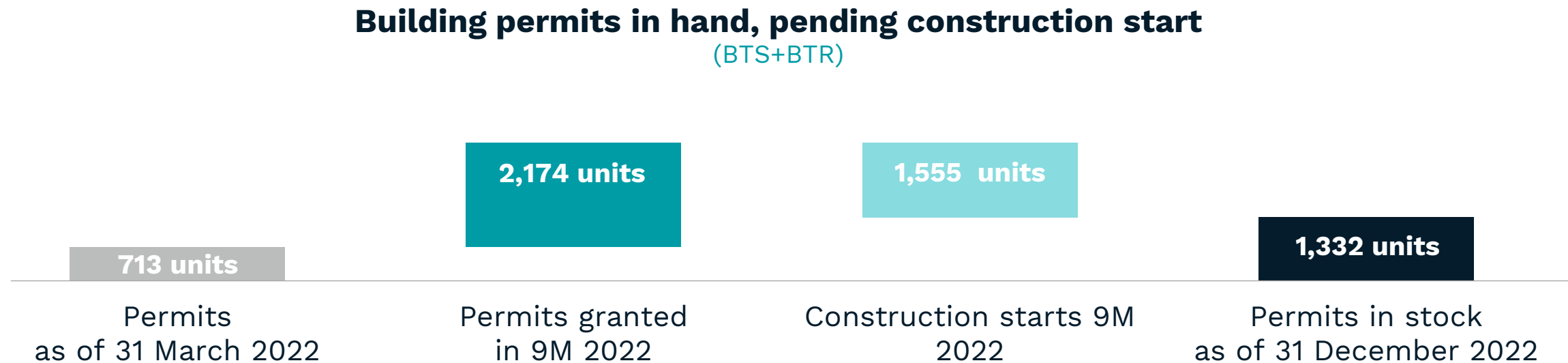
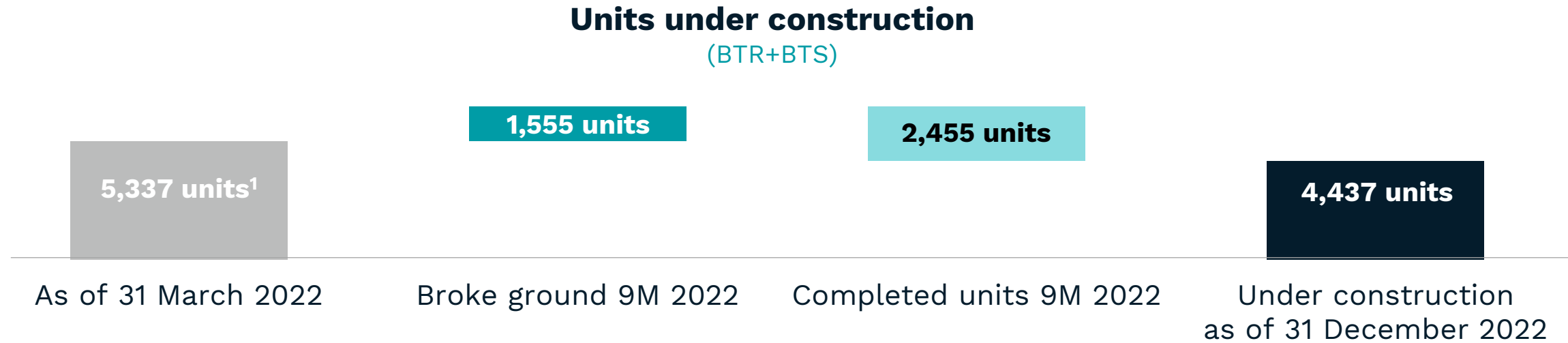
(1) "Units on the market" includes all units available for sale, including those that have already been sold but not yet delivered.

Order Book: 4,929 units (€1,565m)

Starting point



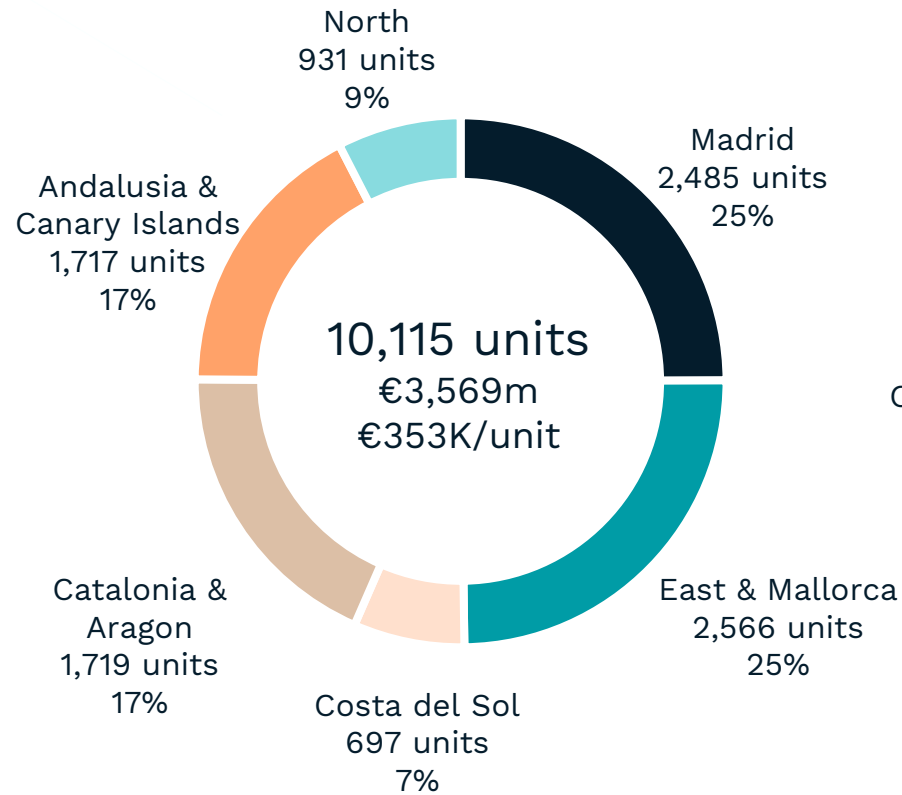
Construction and permitting



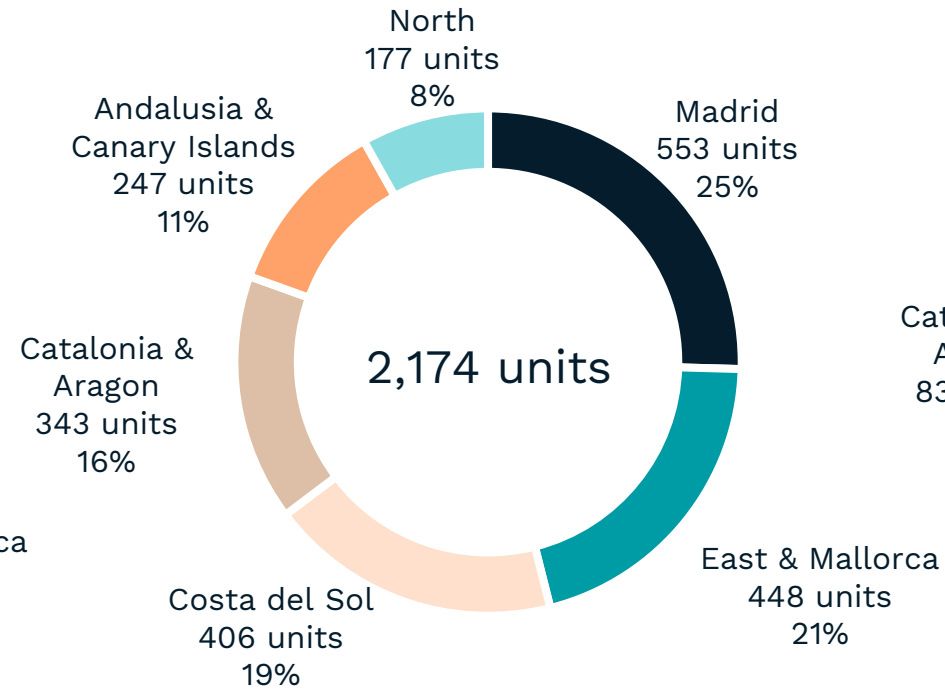
(1) Includes Rent-to-Buy units

Regional breakdown

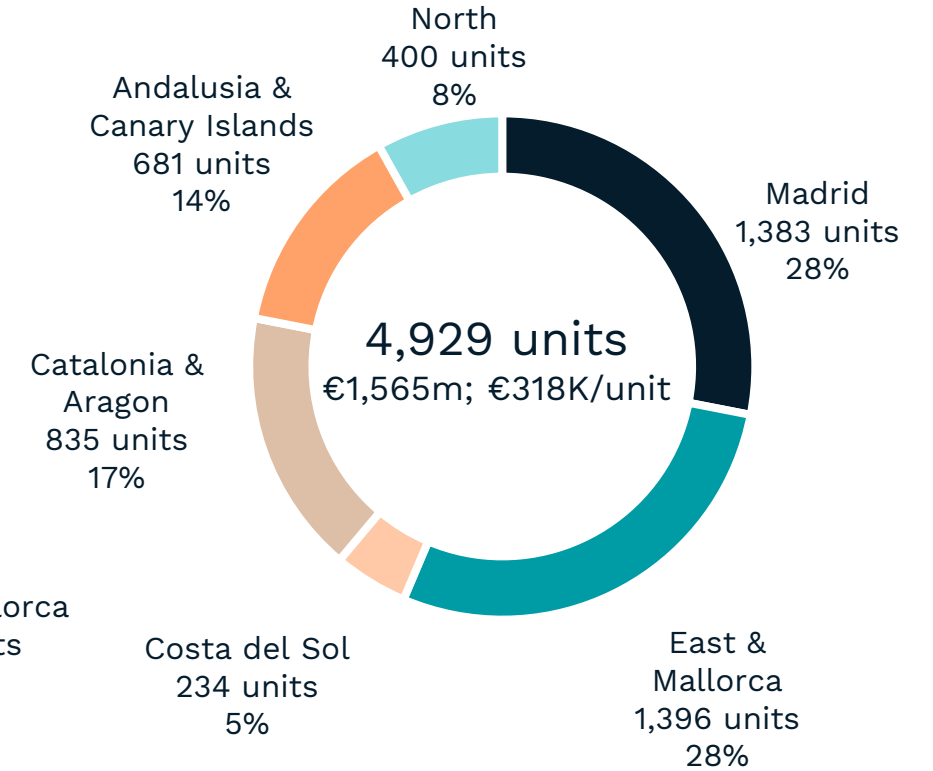
On the market¹



Permits granted in 9M 2022



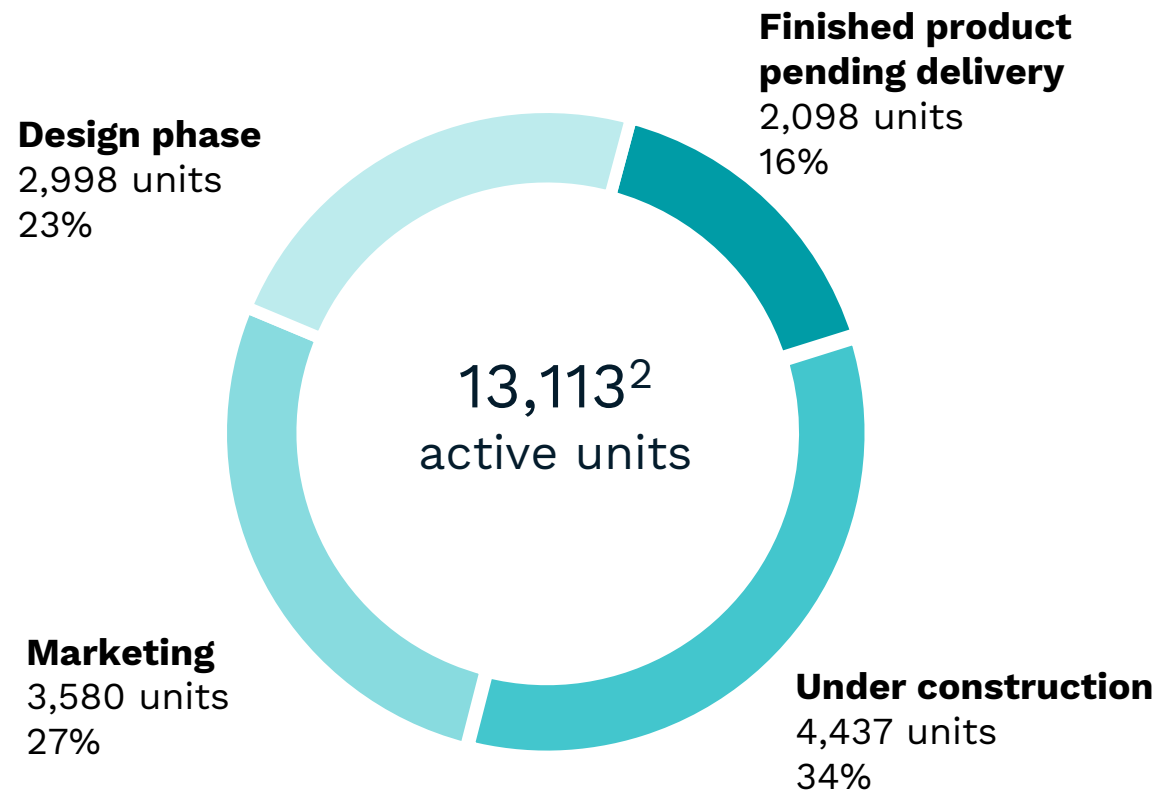
Order Book



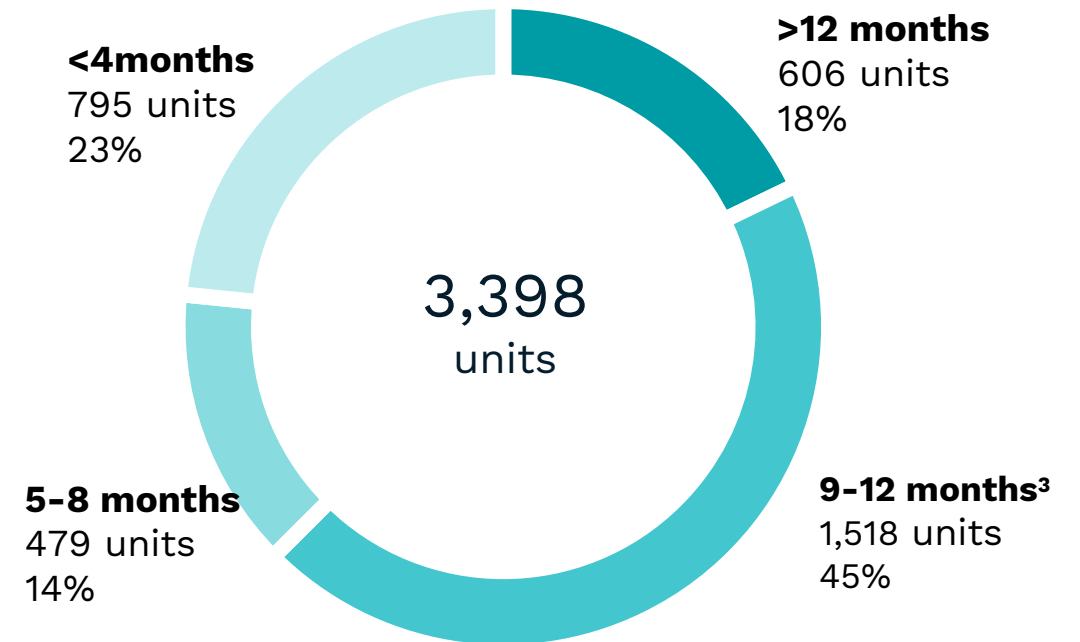
(1) "Units on the market" includes all units available for sale, including those that have already been sold but not yet delivered.

Active Units and Construction Permit Request Status

Active units¹



Permit request status



(1) Units are considered “active” from the moment they enter the Design Phase until they are delivered to the customer

(2) Of these active units, 682 units correspond to committed investments that are pending payment

(3) 616 units correspond to BTR

9M 2022 Results

	FY 2022E	9M 2022	9M 2021
<i>ASP Sales</i>		€366k	€337k
<i>ASP Deliveries</i>		€330k	€314k
<i>Units delivered</i>	2,600	1,029	1,285
Net revenues • Units delivered • Land sales • Services	€900m ~ €925m	€358m €340m €14m €4m	€405m €404m - €1m
Cost of goods sold	(€660m ~ €675m)	(€264m)	(€286m)
Gross margin • Margin %	€240m ~ €250m 27%	€94m 26.3%	€119m 29.5%
Sales and marketing costs ²	(€35m ~ €40m)	(€29m)	(€22m)
Net margin • Margin %	€205m ~ €215m 23%	€65m 18.3%	€97m 24.0%
Overheads LTIP Other expenses and revenues	(€40m ~ €50m)	(€28m) (€2m) €1m	(€25m) (€1m) €1m
EBITDA • Margin %	€160m ~ €170m 18%	€36m 10.1%	€72m¹ 17.8%

(1) Excludes €1.2m in revenue associated with the Aurea Homes consolidation

(2) Includes other operating costs

- **ASP is up: +9% (blended sales) and +5% (blended deliveries)**
- **Gross margin** partially impacted by BTR deliveries
- **Sales and marketing costs:** increase partially attributed to the **increase in units on the market** (+30%)
- **Overhead costs** in line with increase in H1 2022

As of 31 December 2022

Corporate Calendar

31 May 2023	FY 2022 Results	Confirmed
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20 July 2023	Annual General Meeting	TBC
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21 July 2023	Q1 2023 Results	TBC
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30 November 2023	H1 2023 Results	TBC
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