



Q1 2020-21 Results Presentation

1 April – 30 June 2020

29 July 2020



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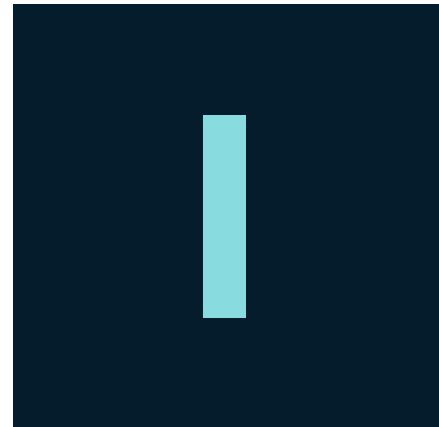
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Overview



Solid sales recovery

Significant upturn in customer interest and sales over the course of the quarter



High visibility on revenues

Strong sales coverage ratios and steady construction progress give excellent visibility on expected revenues in 2020-21 and 2021-22



Strengthened financial situation

€150m Term Loan extended, MARF commercial paper programme renewed and €38m in bilateral unsecured loans signed

Executive Summary Q1 2020-21

Sales

- 127 total sales, with 106 in June
- 2,976 units in Order Book, totalling €984m (79% under private contract)
- 81% of 2020-21 deliveries sold and 3% already delivered
- 49% of 2021-22 deliveries sold

Operations

- 62 units delivered; 286 completed units pending delivery
- 192 units launched; 5,755 units on the market
- 211 construction starts; 4,640 units under construction
- 420 building permits granted in Q1 2020-21; 5,809 total permits in hand
- Land for 40 units acquired in Valladolid for €1.5m; 15,595 units in landbank

Financing

- €135m in cash at end of June (€92m in unrestricted cash)
- €338m of net financial debt at end of June
- Loan-To-Value: 17%



01 Business Update

Sales and operating activity

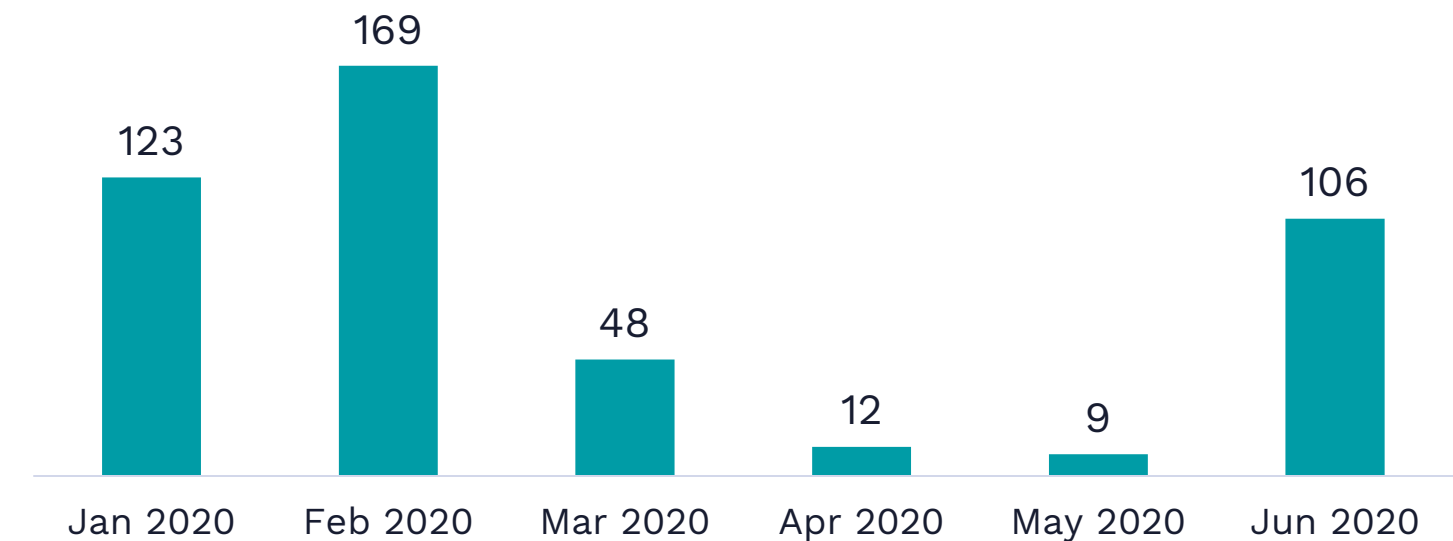
1) Sales activity:

- Significant rebound in customer interest after sales offices reopened on 6 May
- Strong sales recovery in June
- 167 reservations converted to private contract during quarter
- Cancellation levels similar to 2019

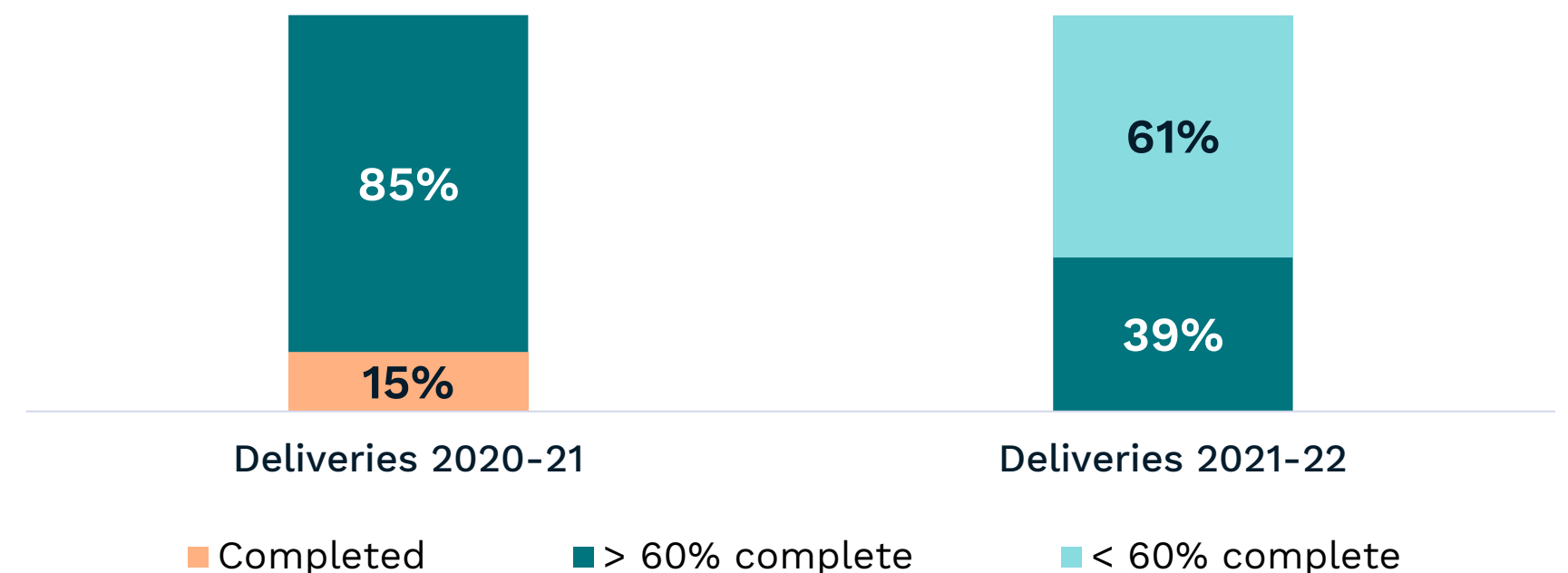
2) Construction and operations:

- Building permits for 420 housing units secured during Q1
- 69 developments under construction

Monthly Sales in 2020
(Units)

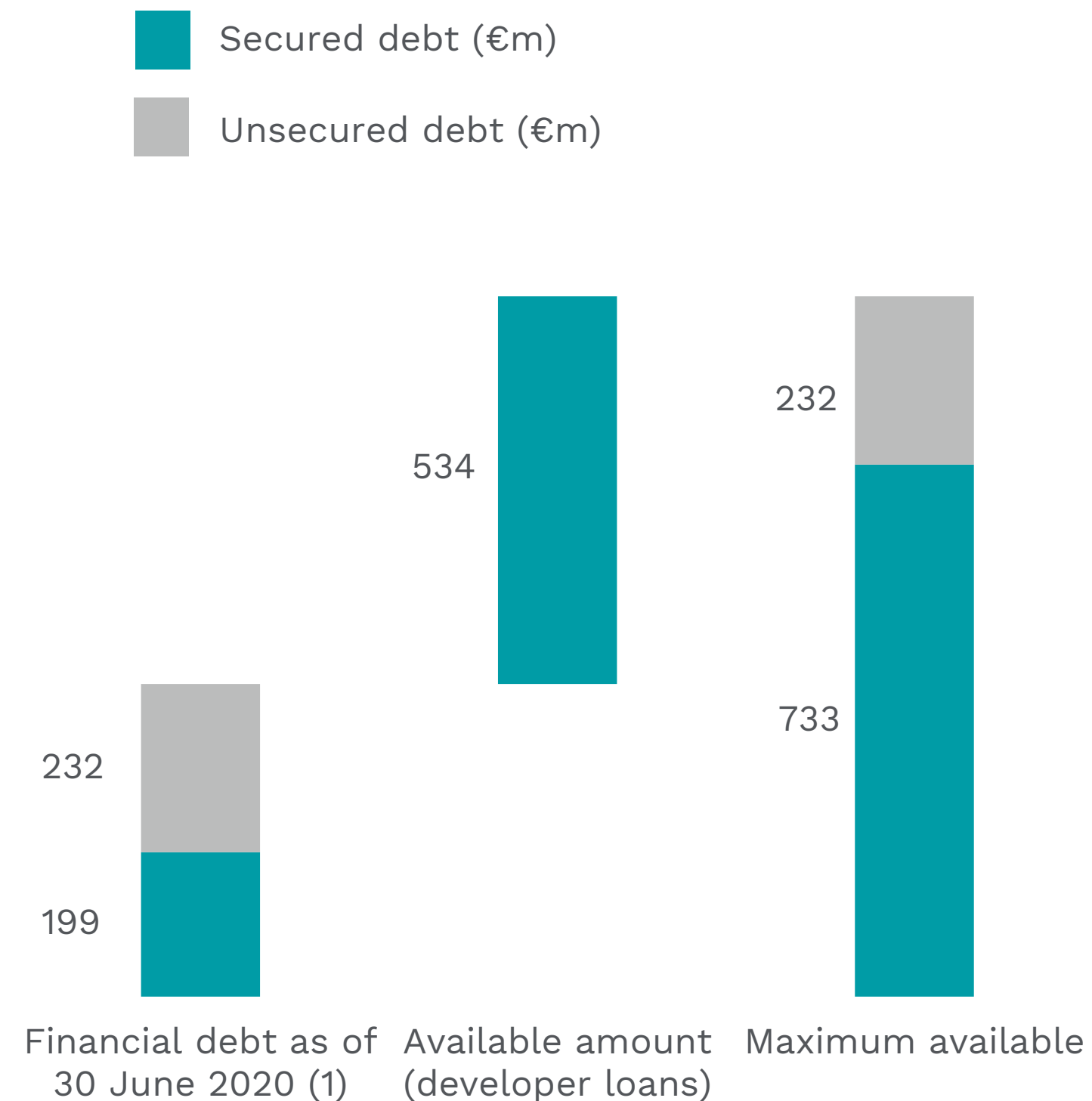


Construction Progress



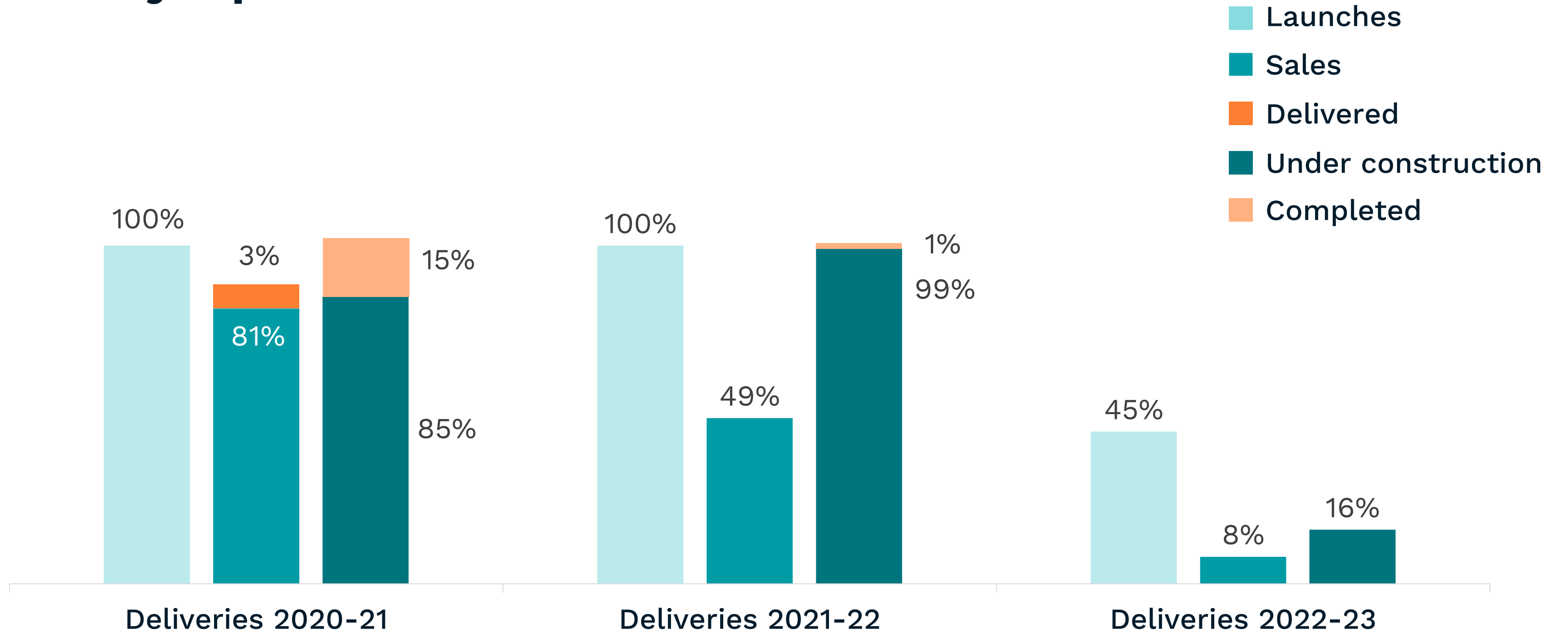
Financial situation

- €150m Commercial Paper Programme (MARF) renewed on 12 June
- Extension of the €150m syndicated loan formalized on 1 July. Term of 1 + 1 year, extendable at company's discretion. Conditions similar to those agreed in 2018
- The reactivation observed in MARF resulted in issuing €15m in commercial paper (16-month term) in July
- €38m in unsecured bilateral loans formalized
- €534m available for drawdown from additional lines of financing



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

Activity Update¹



(1) Ratios calculated over expected number of deliveries

Actions since State of Emergency was declared

	March	April	May	June	July
Sales	<p>Offices closed, teleworking since 14 March</p> <p>120 reservations converted to private contract</p>	<p>Deferment of April and May payments offered to customers; 18% requested deferment.</p>	<p>Sales office reopen on 6 May</p> <p>Significant increase in customer interest registered</p>	<p>Sales recovery takes hold, with 106 units sold</p> <p>167 reservations converted to private contract in Q1 2020-21</p>	<p>Approximately 100 sales expected in July</p>
Operations	<p>Construction temporarily stopped on 4 projects (out of 71)</p>	<p>Construction halted for a total of 8 workdays</p> <p>Construction completed on 2 developments</p>	<p>Permits granted for 420 units</p> <p>Broke ground on 2 developments (161 units)</p> <p>Construction completed on 1 development</p>	<p>Broke ground on 1 development (50 units)</p> <p>Construction completed on 2 developments</p> <p>69 active construction sites</p>	<p>Construction completed on 2 developments</p>
Financial	<p>Capital preservation action plan put in place</p> <p>2 developer loans signed totalling €21m</p>	<p>4 bilateral loans totalling €38m signed</p> <p>€23.5m in developer loans signed</p>	<p>€12.7m developer loan signed</p>	<p>MARF commercial paper programme renewed (€150m).</p> <p>€10.5m developer loan signed</p>	<p>Term Loan extension signed</p> <p>€15m issued in MARF (16-month term)</p> <p>€29.6m developer loan signed</p>



02 Financial Results Q1 2020-21

Results Summary Q1 2020-21

	Q1 2020-21 (Apr-Jun 2020)	Q2 2019 (Apr-Jun 2019)	Change (%)	Comments
Revenues	€27.2m	€8.8m	+208%	<ul style="list-style-type: none"> 62 units delivered No land sales
Gross Margin	€6.9m	€2.4m	+191%	<ul style="list-style-type: none"> Gross margin of quarter not representative of FY 2020-21
Margin (%)	25.3%	26.7%	-148 bp	
EBITDA	€-1.6m	€-7.1m	-	<ul style="list-style-type: none"> Penalized for reduced number of deliveries
Net income	€-4.1m	€-8.1m	-	<ul style="list-style-type: none"> Greater financial costs due to an increase in gross debt

Balance Sheet summary as of 30 June 2020

	30 June 2020	31 March 2020	Change (%)	Comments
Inventories Land Works in progress Completed product	€1.44bn €619m €727m €70m	€1.34bn €617m €627m €80m	€94m €2m €100m €-10m	<ul style="list-style-type: none"> Significant increase in Works in Progress
Cash	€135m	€136m	€-1m	<ul style="list-style-type: none"> Solid cash position maintained
Short-term debt	€296m	€349m	€-54m	<ul style="list-style-type: none"> Increased use of developer loans
Long-term debt	€141m	€4m	€137m	<ul style="list-style-type: none"> Increase in long-term debt due to extension of Term Loan
Equity Share buyback ¹	€931m €38m	€936m €37m	€-5m €1m	<ul style="list-style-type: none"> 50,668 additional shares via share buyback programme

Evolution of net financial debt

(€m)	30 June 2020	31 March 2020	Change (€m)
(A) Developer loans	199.0	135.3	63.7
(B) Corporate debt	231.9	211.1	20.7
Syndicated loan	149.7	149.1	0.7
Commercial paper (MARF programme)	44.3	62.1	(17.8)
Other corporate debt	37.8	-	37.8
Gross Financial Debt¹ (A+B)	430.8	346.5	84.4
(C) Unrestricted cash	92.3	86.1	6.2
Net Financial Debt (A+B-C)	338.5	260.4	78.1
(D) Cash tied to developments	42.4	50.1	(7.7)
Total Cash (C+D)	134.7	136.1	(1.4)

- Increasing use of developer loans to finance construction activity
- €38m in unsecured bilateral loans with two-year tenure signed
- Debt associated with completed projects totals €38m.
- €0.8m invested share buyback in Q1 for an accumulated total of €42.8m.

Financial leverage

	30 June 2020	31 March 2020
LTC ¹	24.4%	19.9%
LTV ²	17.0%	13.3%
LTV ³ including restricted cash	14.9%	13.1%
Net financial debt / EBITDA (LTM)	5.5x	4.0x
Average cost of debt	2.85%	2.87%
Interest coverage	5.5x	5.4x

- Increase in debt in line with increased levels of construction works progress.
- Financial deleveraging expected in the second half of the year according to scheduled deliveries.



03 Market Outlook

Market Outlook

1

Steady growth in sales over the past two months confirms that underlying structural demand remains, especially in the mid to mid-high segment of the market.

2

The residential development sector will continue to provide a refuge for investment, as well as offer protection from inflation – this should be attractive to institutional investors in the short to mid-term.

3

Growing appetite for rental housing will bring new opportunities for the residential development sector.

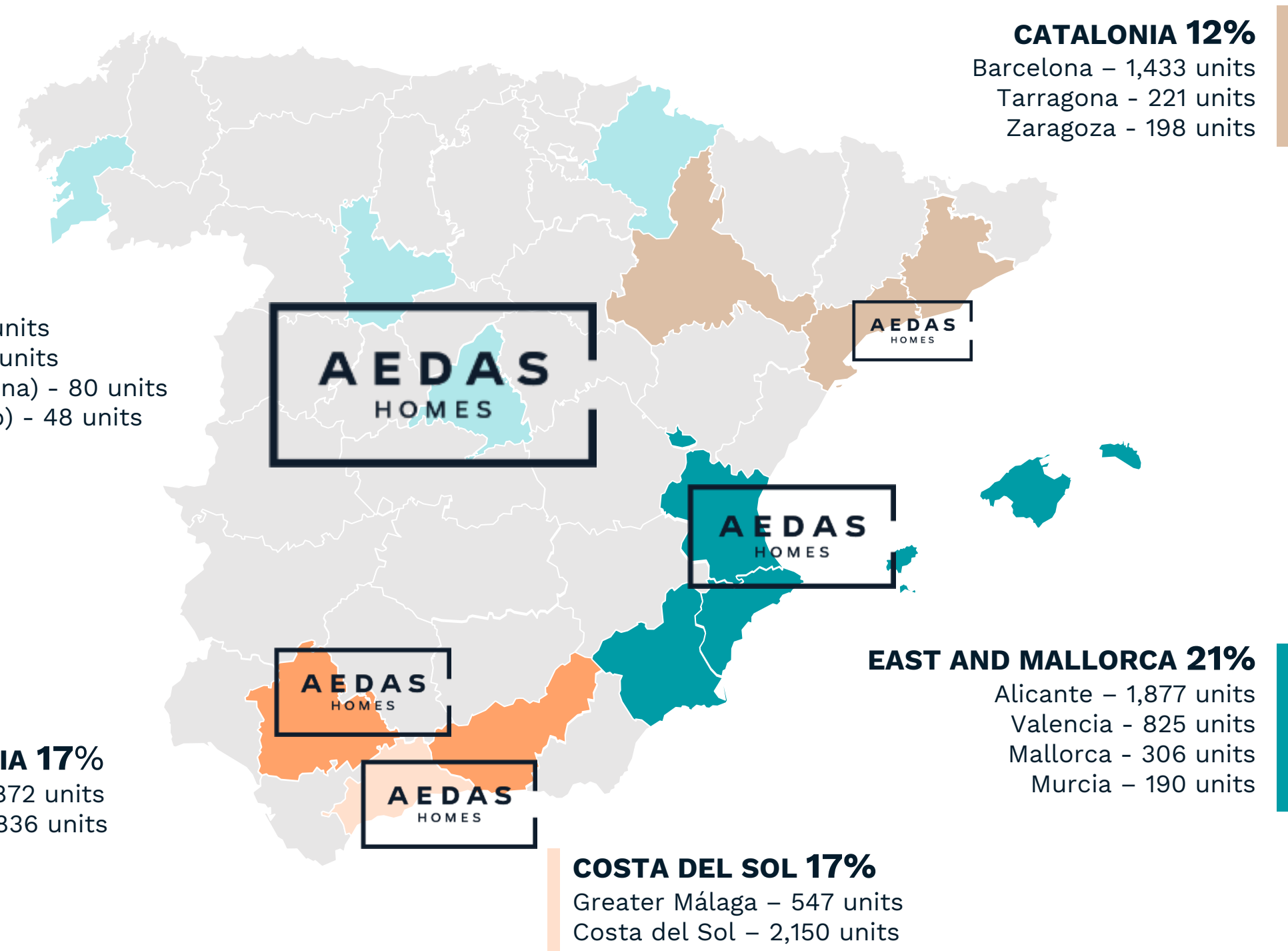
4

Potential government stimulus measures and low household debt levels compared to previous cycle should fuel demand for housing in the coming years.



04 Appendix

Landbank: 15,595 units



Units launched = 5,755
 + Future developments = 9,840

Landbank^{1,2} = 15,595 units

Land investment in Q1 2020-21

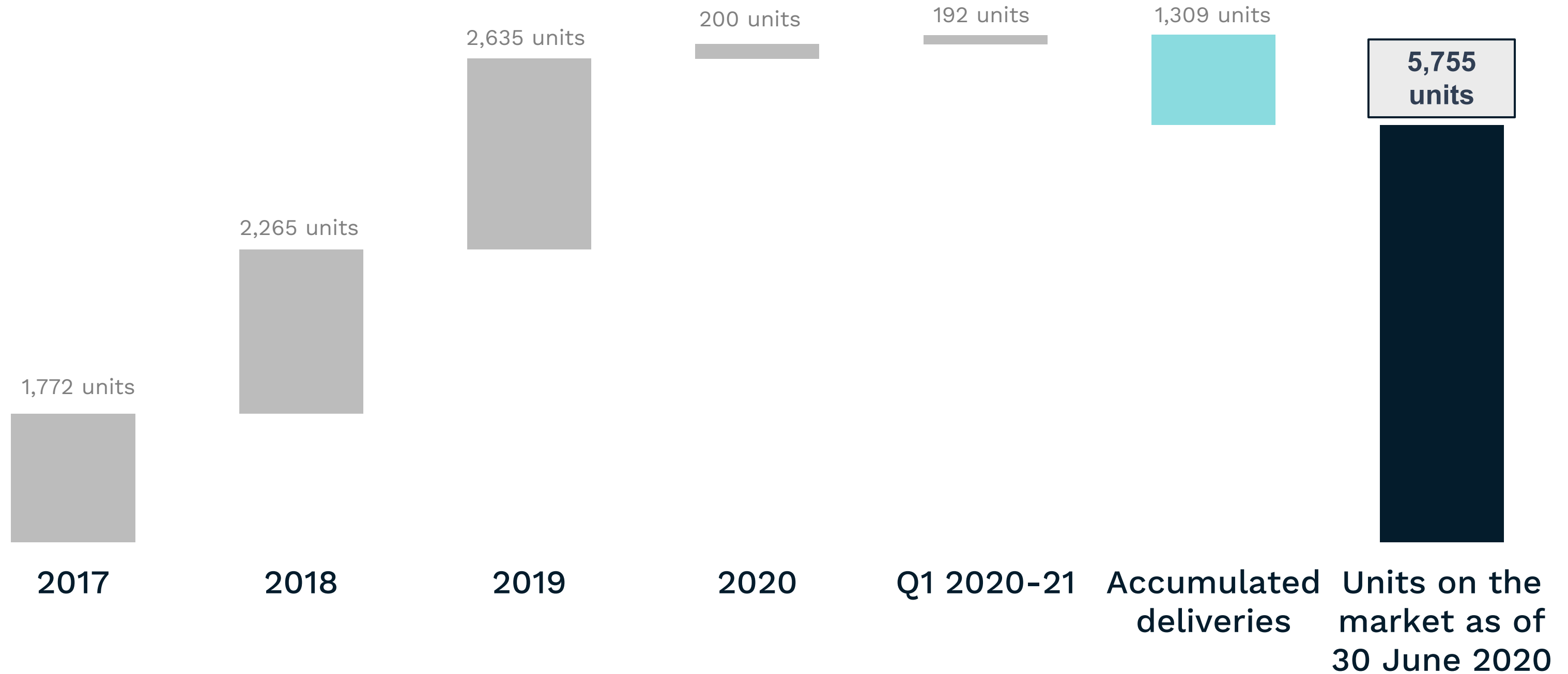
Ready-to-build land

Completed purchases: 40 units (€1.4m)



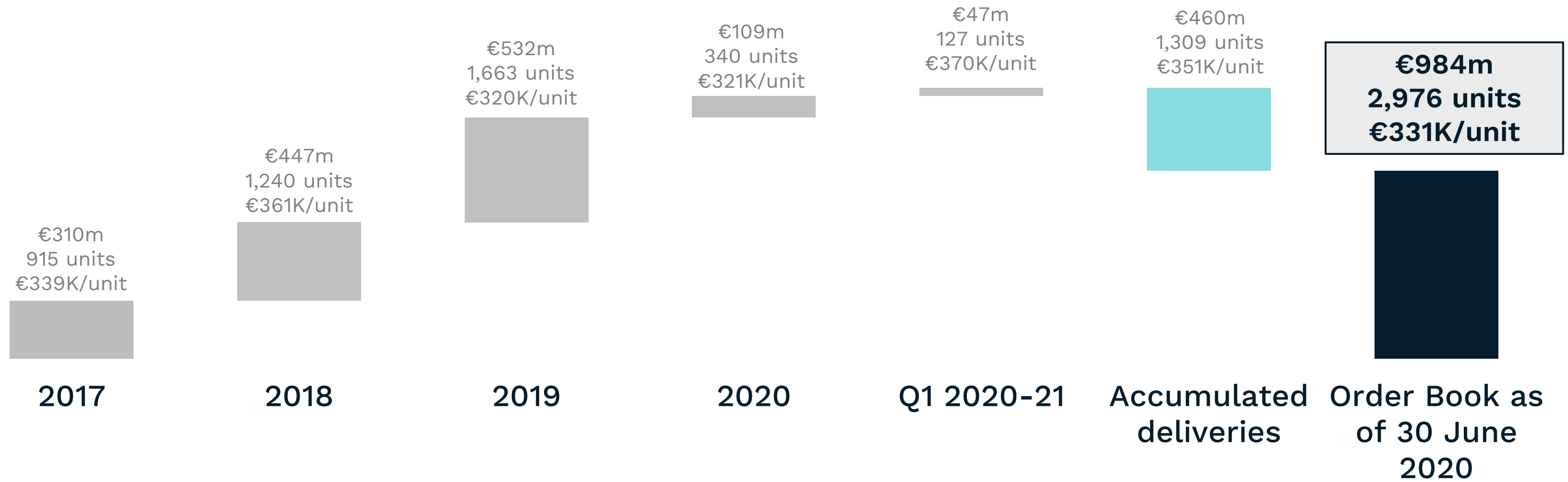
(1) Landbank 2020 (15,542) + Acquisitions (+40) – Divestitures (0) – Deliveries (-62) + Savills adjustment (+75) = Landbank Q1 2020-21 (15,595)
 (2) Landbank total includes 491 units in vehicles in which AEDAS Homes has a minority stake

| 5,755 units on the market as of 30 June 2020^{1,2}



Order Book^{1,2} : 2,976 units (€984m)

84% of 2020-21 deliveries and **44%** of 2021-22 deliveries sold



(1) Sales = Reservations + contracts + deliveries
 (2) 4,285 units sold since beginning

Construction and permits

Units under construction

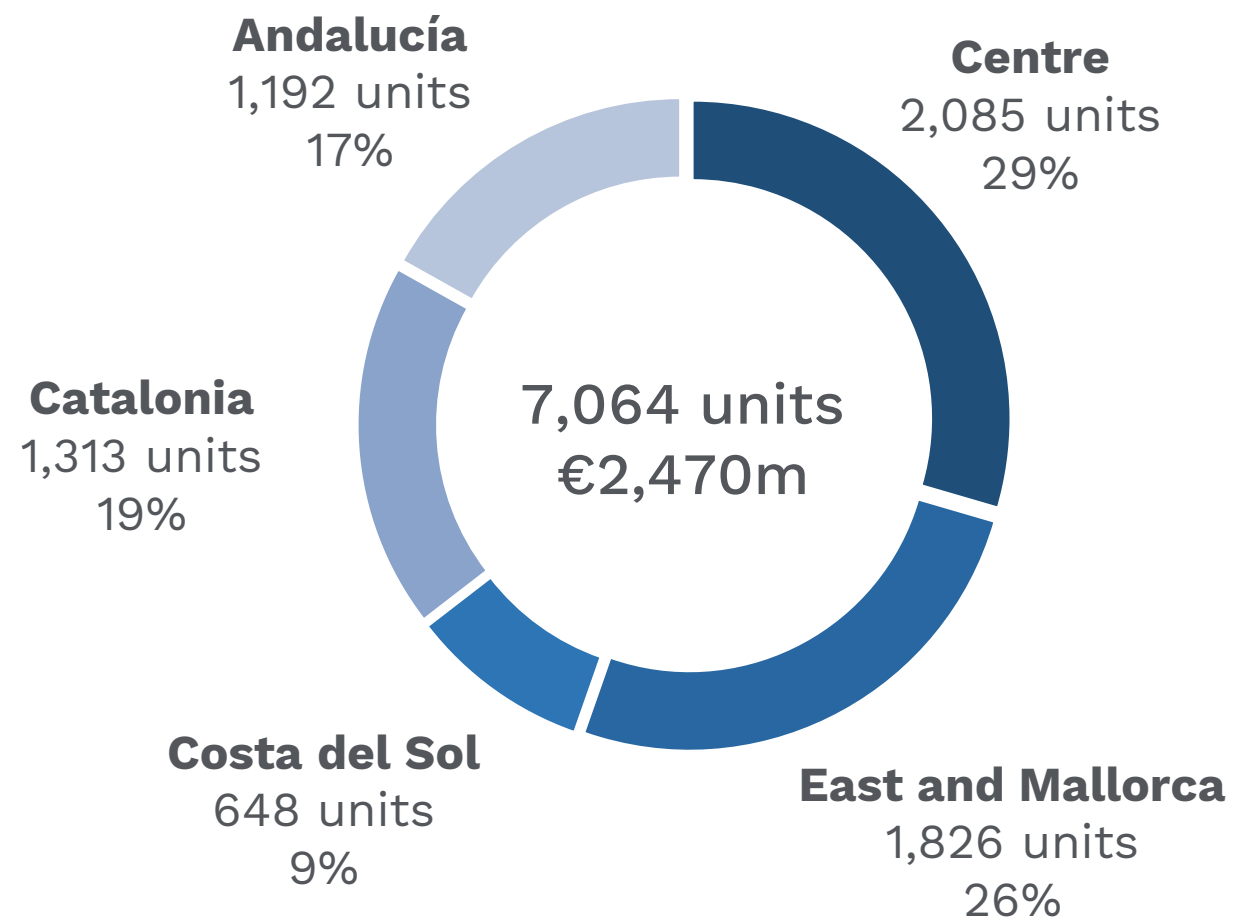


Building permits

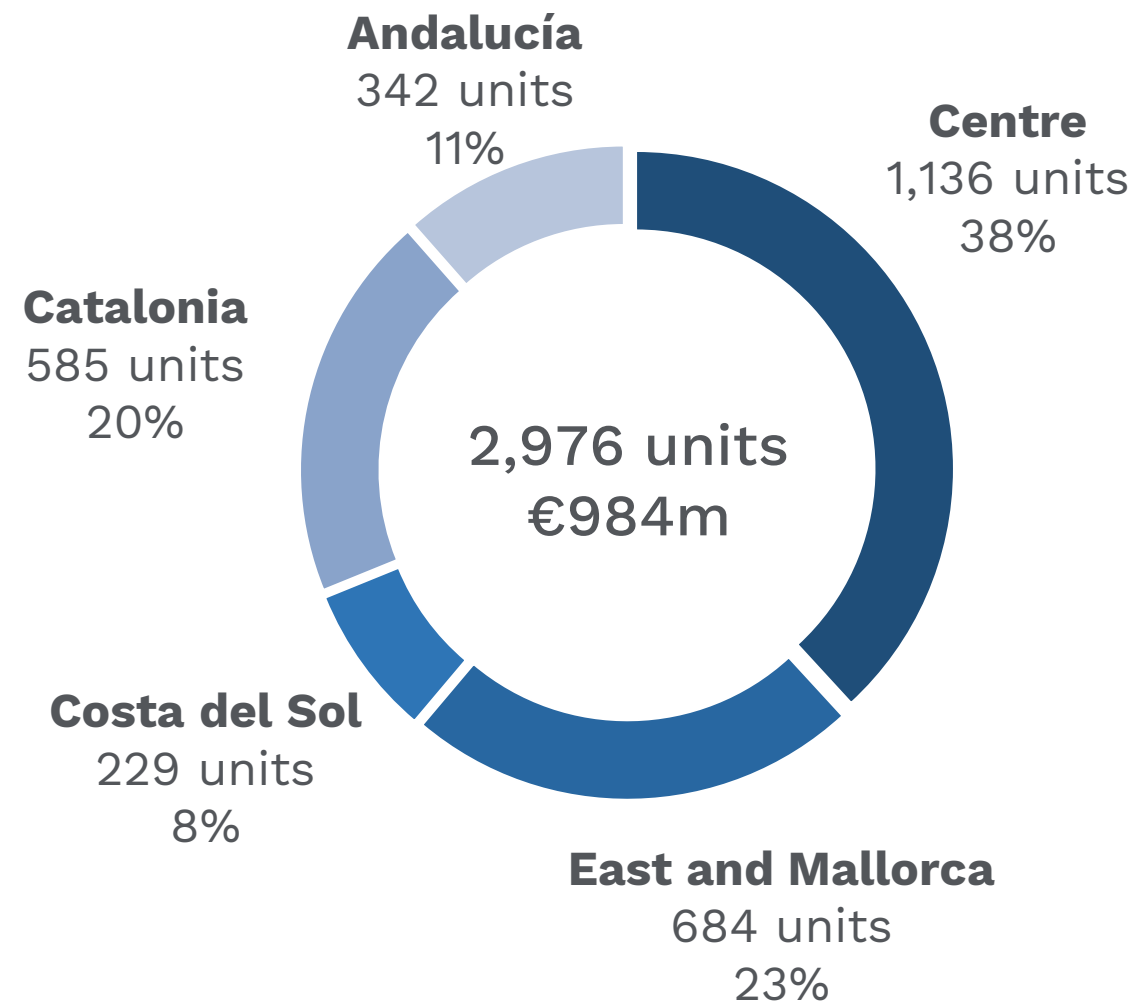


Regional Breakdown

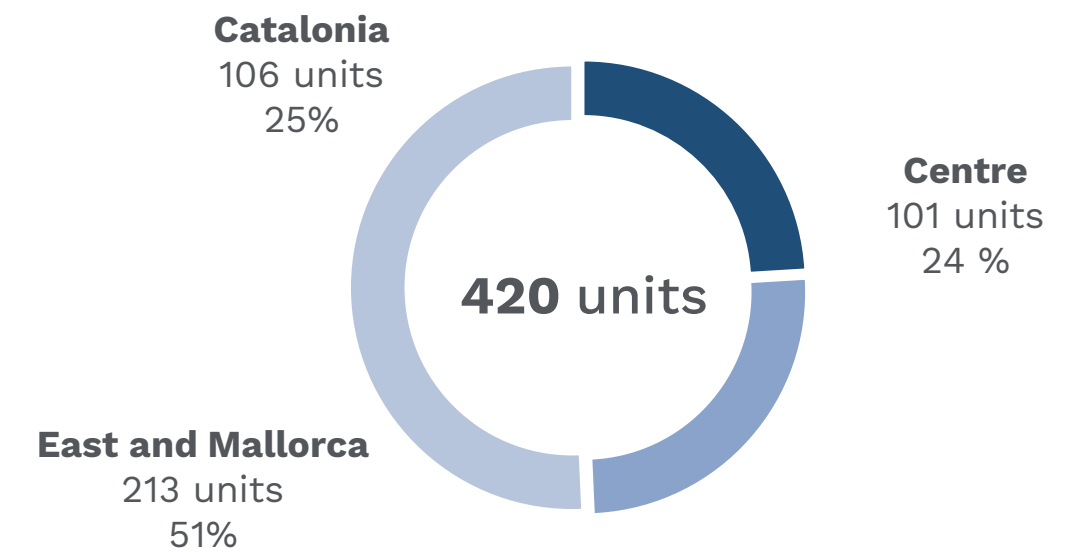
Aggregated Launches



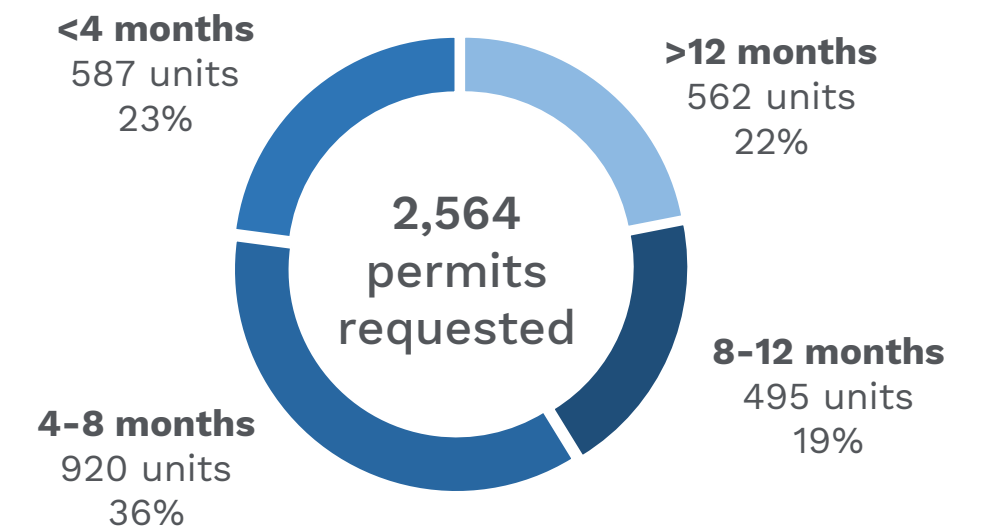
Order Book



Permits granted



Permit application outlook





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