



H1 2020-21 Results

1 April – 30 September 2020

25 November 2020



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Overview

I

Strong rebound in sales and return to normal operations, reinforcing the Company's visibility

II

Stability in sales prices and asset valuation

- Sales prices unchanged; supply of new-build housing available in the market decreasing
- Updated NAV of €1.54bn (€33.7 per share)

III

Business plan reiterated, with more than 1,900 deliveries expected in 2020-21 fiscal year

IV

Dividend of €1.00 per share confirmed, to be distributed after close of 2020-21 fiscal year

Executive Summary H1 2020-21

As of 30 September 2020

Sales

- Healthy Order Book: 3,263 units, totalling €1.09bn
- 523 net units sold (€187m), with 396 units sold in Q2
- 95% of 2020-21 deliveries sold; 56% of 2021-22 deliveries sold

Operations

- 6,106 units on the market; 652 units launched in period
- 4,164 under construction; 615 construction starts in period
- 1,057 units completed and pending delivery; 171 units already delivered
- 15,722 units in landbank; land acquired in period: 567 units (€57m)

Financing

- €141m in cash (€90m in unrestricted cash)
- €438m of net financial debt
- 10 developer loans signed for a total of €111m
- Loan-To-Value: 21.8%



01 Business update

Sales and Operating Activity update

As of 30 September 2020

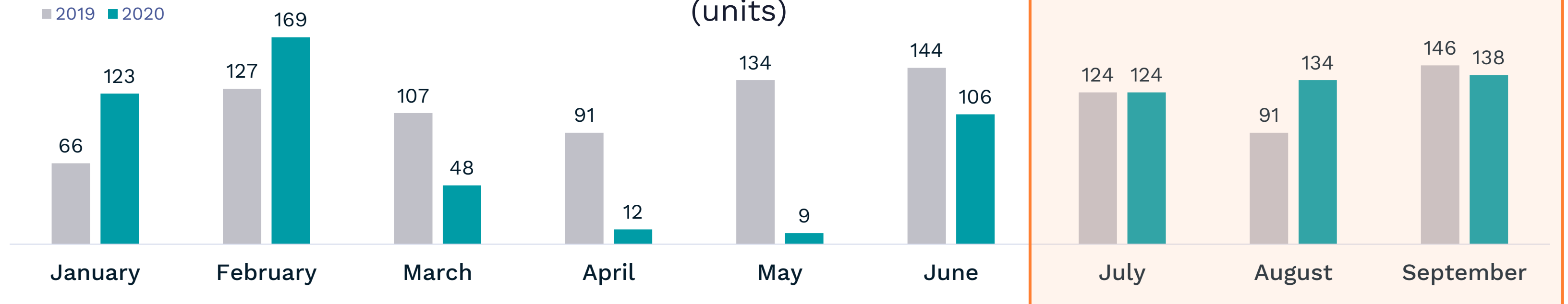
Sales Activity H1 2020-21

- 396 sales in Q2, 10% more than in the same period in 2019 (523 total in H1 2020-21)
- 33% increase in sales visits between June-November 2020 vs same period in 2019
- 637 reservations converted to private sales contract
- 16 contract cancellations

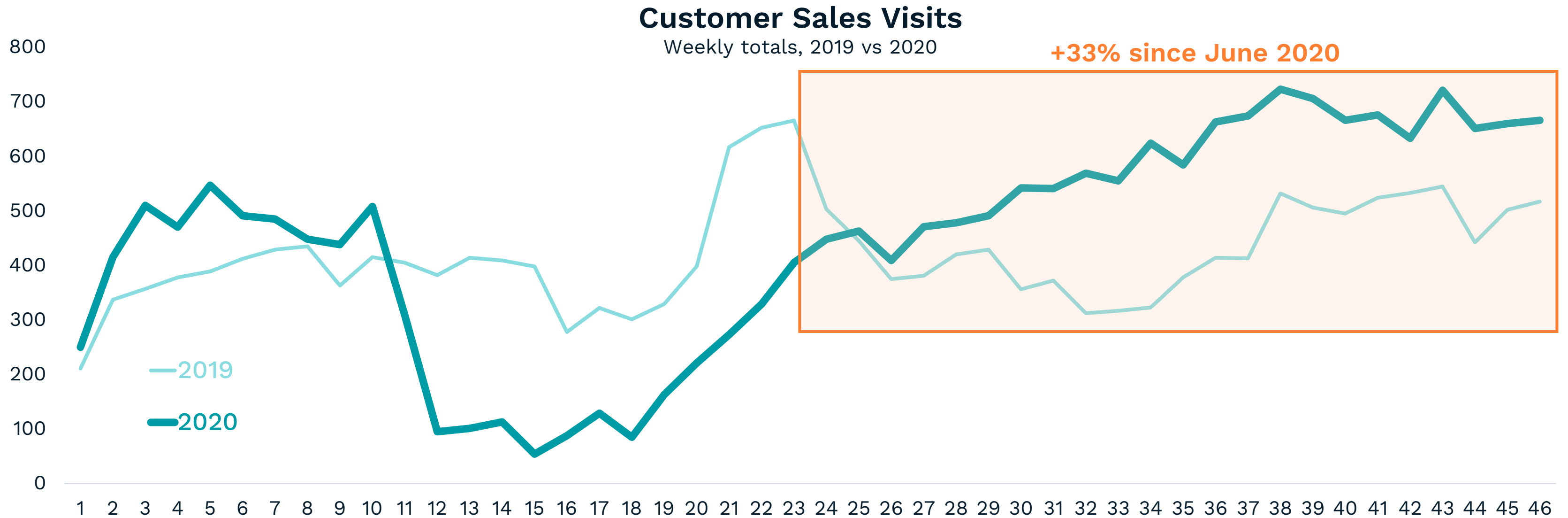
Construction and Operations H1 2020-21

- Building permits for 678 units secured
- 59 developments under construction

Net Monthly Sales (units)



Strong customer interest driving increase in sales visits

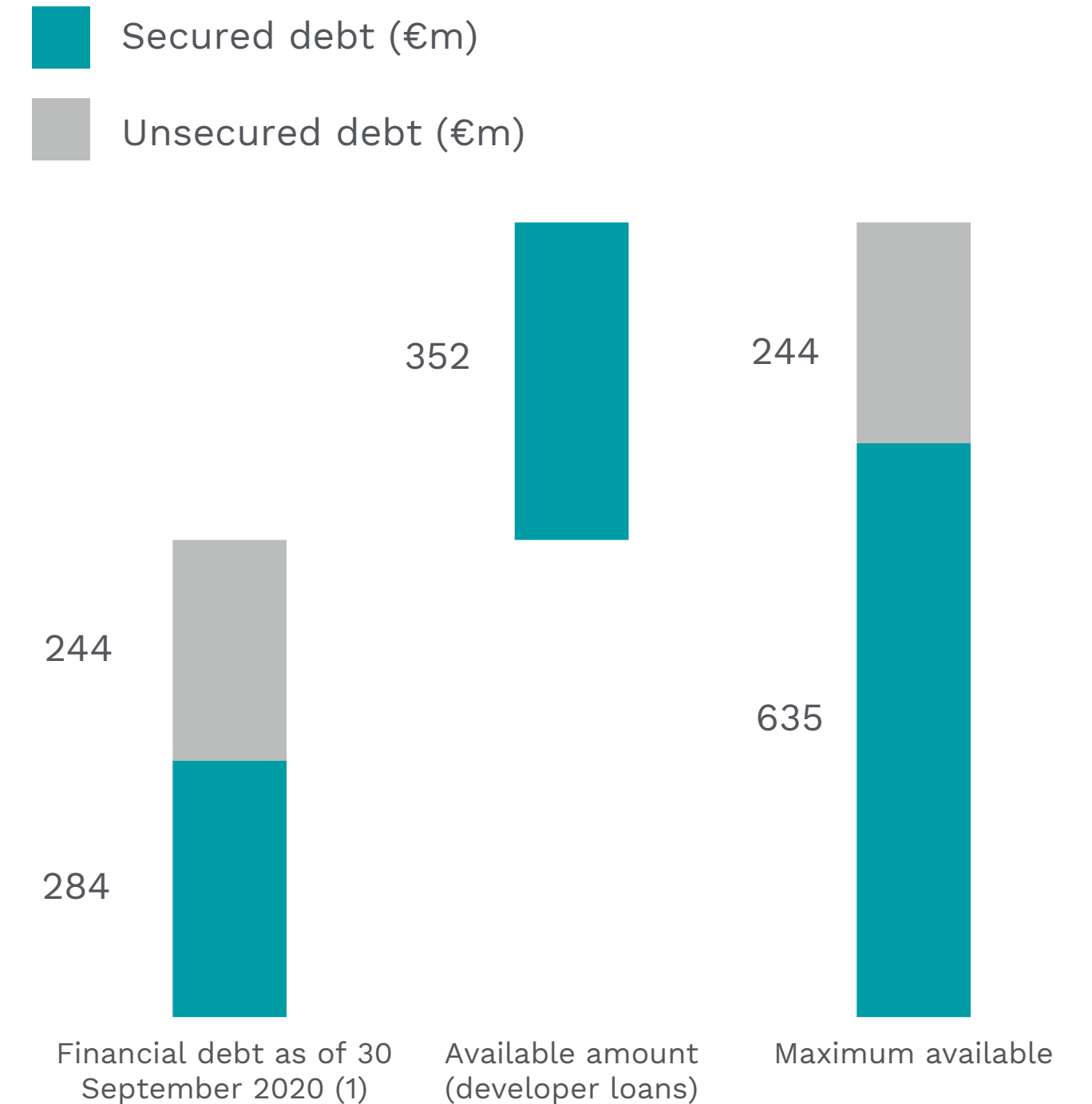


- Since 1st June, the number of visits per week is on average 33% higher than during the same period in 2019
- Overall, accumulated sales visits YTD are 8.2% higher in 2020 than in 2019

Financial Position

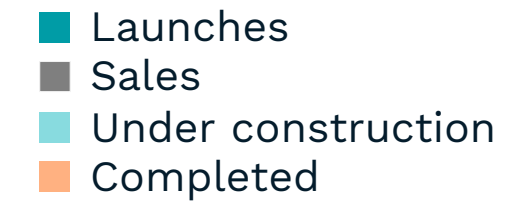
As of 30 September 2020

- 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
- Financing through MARF open for AEDAS Homes: the Company issued €15m in 16-month commercial paper in July and €34m in 24-month commercial paper (back by a state guarantee) in September
- 10 developer loans totalling €111m signed
- €352m available from additional lines of financing at end of September

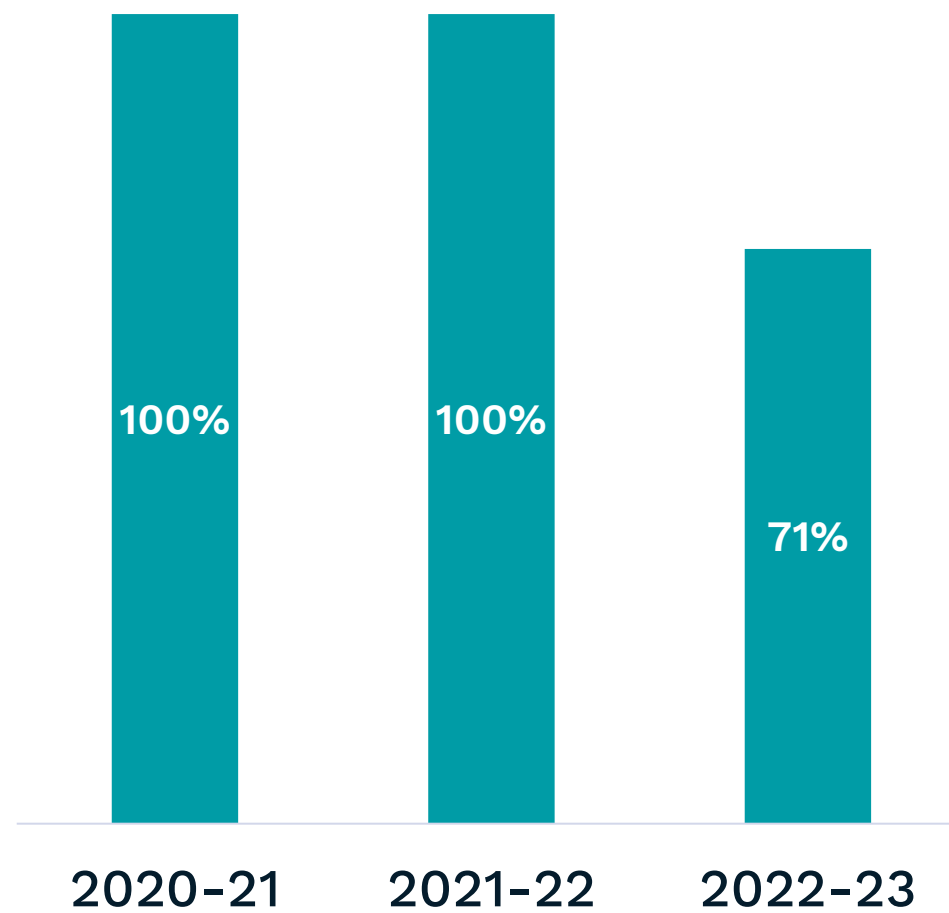


Activity update¹

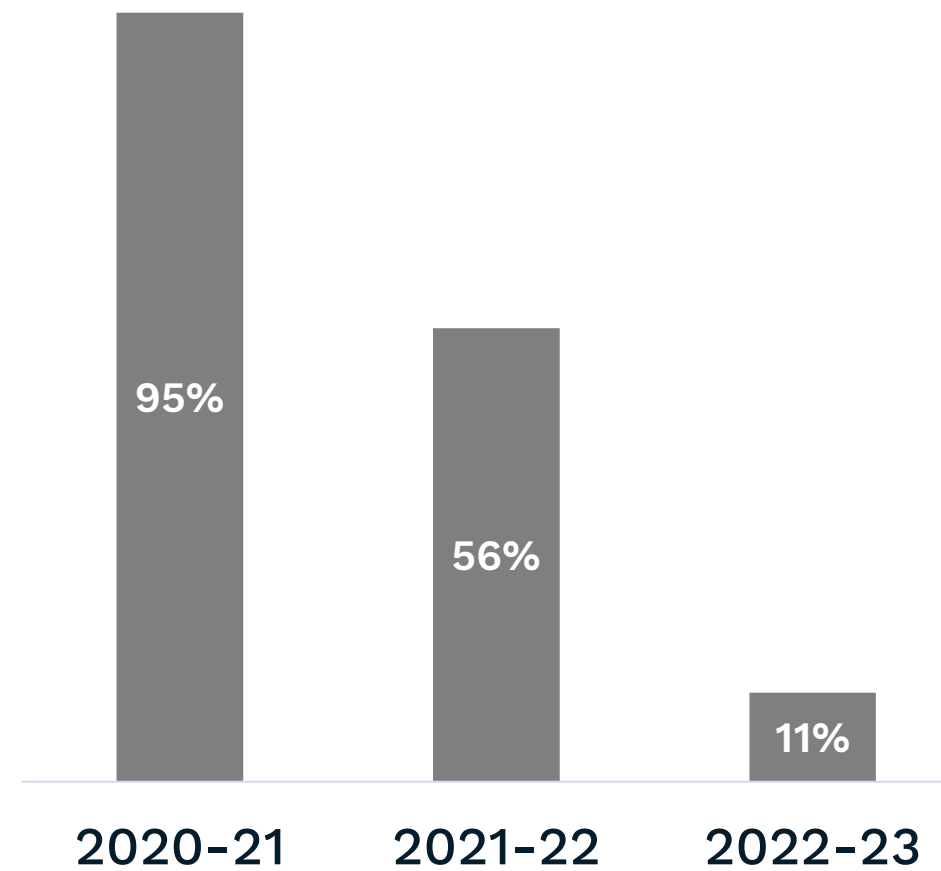
As of 30 September 2020



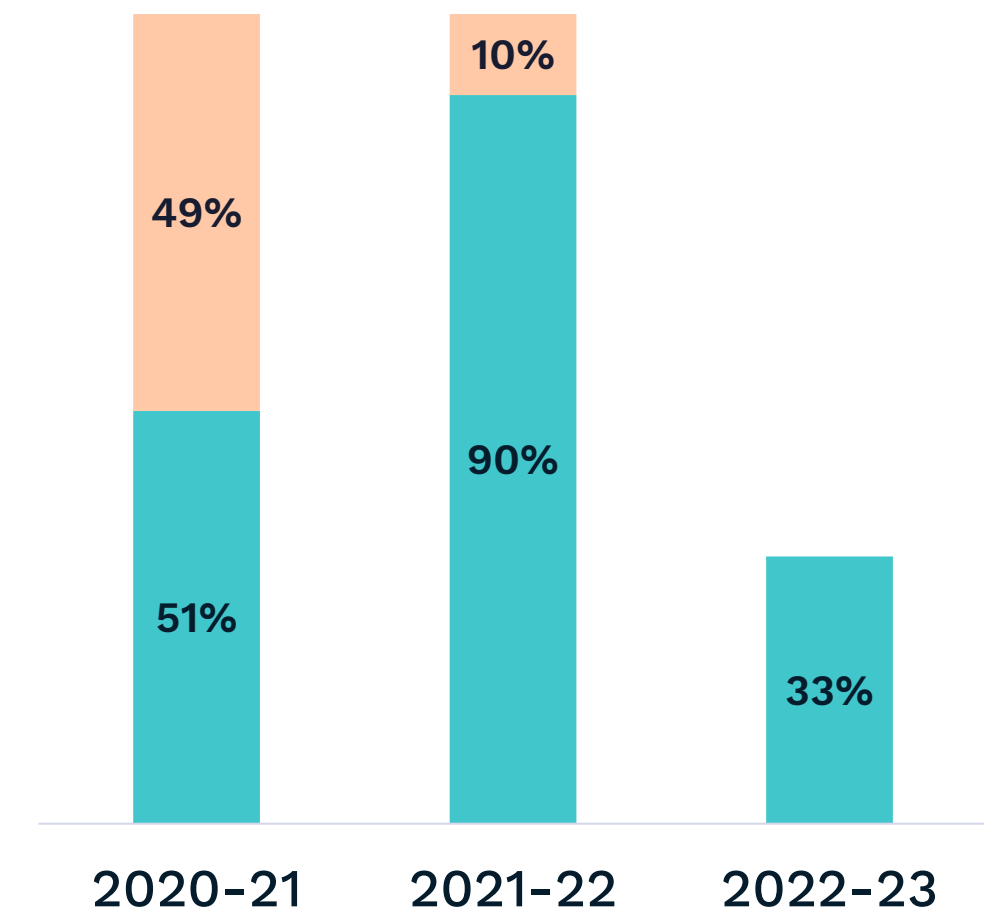
Launches



Sales²



Under construction



(1) Coverage ratios calculated over expected number of deliveries
(2) 95% sales coverage includes 171 units already delivered.

Actions taken since State of Emergency was declared (1/2)

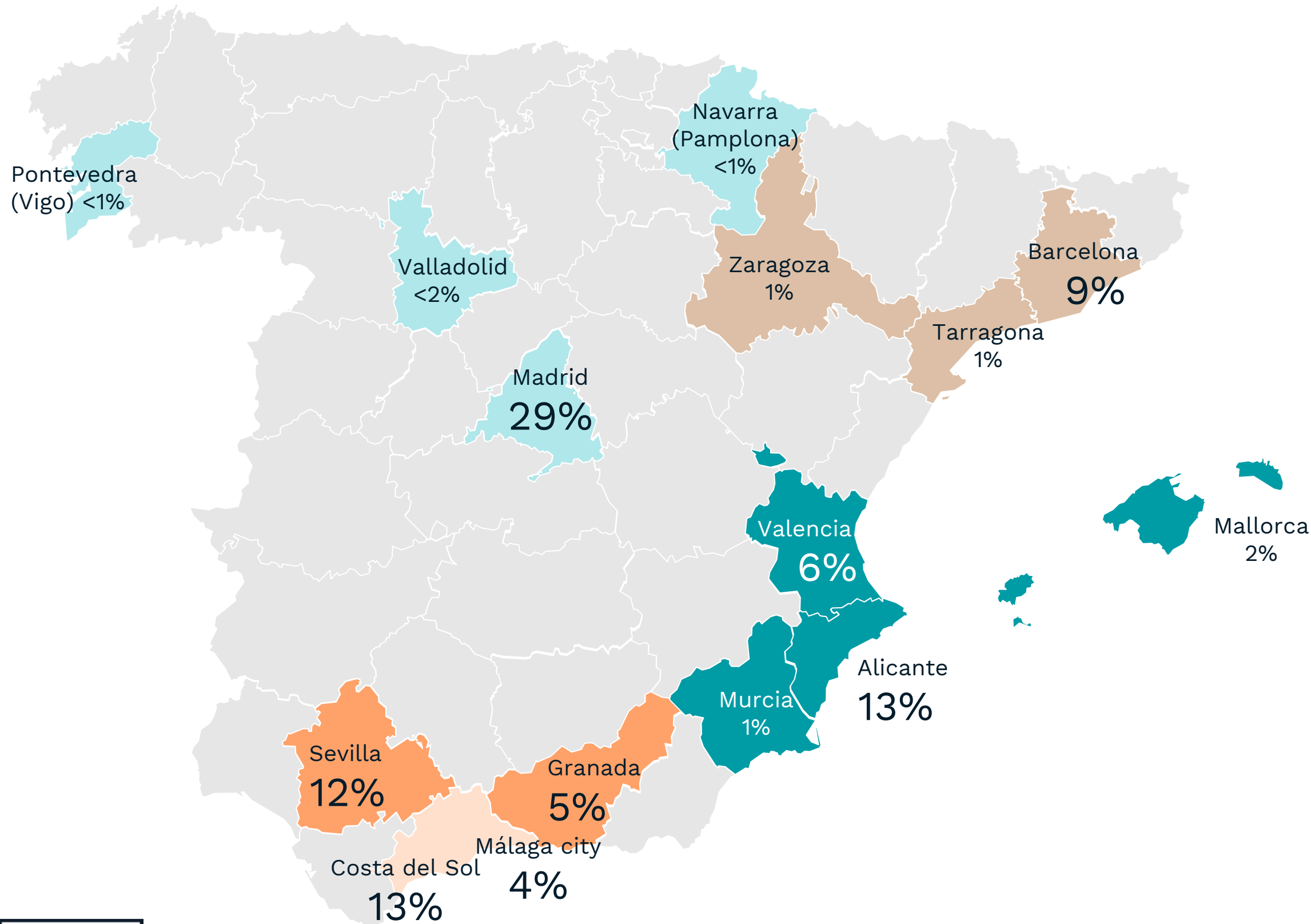
	March 2020	Q1 2020-21 (April – June 2020)
Sales	<ul style="list-style-type: none"> Offices closed as of 14 March 120 reservations converted to private contract 	<ul style="list-style-type: none"> 18% of customers requested deferment of monthly payments Sales offices reopened on 6 May; strong levels of customer interest Sales rebound, with 106 net sales in June 167 reservations converted to private contract in Q1 2020-21
Operations	<ul style="list-style-type: none"> Construction temporarily halted on 4 out of 71 construction sites 	<ul style="list-style-type: none"> Construction halted for a total of 8 scheduled workdays Building permits for 420 units granted Broke ground on 3 developments (211 units) 69 active construction sites as of end of June 2020
Financial	<ul style="list-style-type: none"> Capital preservation action plan put in place 2 developer loans for €21m signed 	<ul style="list-style-type: none"> 4 bilateral loans totalling €38m signed 4 developer loans totalling €47m signed MARF commercial paper programme renewed (€150m).

Actions taken since State of Emergency was declared (2/2)

	Q2 2020-21 (July-September 2020)	October 2020
Sales	<ul style="list-style-type: none"> • Net sales of 396 units (€187m) • Since 1st June, 33% increase in the number of sales visits vs same period in 2019 	<ul style="list-style-type: none"> • 129 net sales
Operations	<ul style="list-style-type: none"> • Final Construction Certificates (FCC) in hand for 1,057 units for delivery in 2020-21 • 109 units delivered (€61.9m) • €15.9m invested in land for 332 units; divested land for 135 units (€4.3m) • 59 developments under construction at the end of September 	<ul style="list-style-type: none"> • At end of October, 1,273 Final Construction Certificates in hand for 2020-21 deliveries
Financial	<ul style="list-style-type: none"> • €150m Syndicated Facility extended • Signed contract with MARF-ICO to issue state-guaranteed commercial paper. • Obtained BBB rating for state-guaranteed commercial paper issuances • MARF: issued €15m in commercial paper at 16 months and €34m in state-guaranteed commercial paper at 24 months • Signed 6 developer loans totalling €64m 	<ul style="list-style-type: none"> • Signed 2 developer loans for €83.6m • Confirmed dividend distribution of €1.00/share

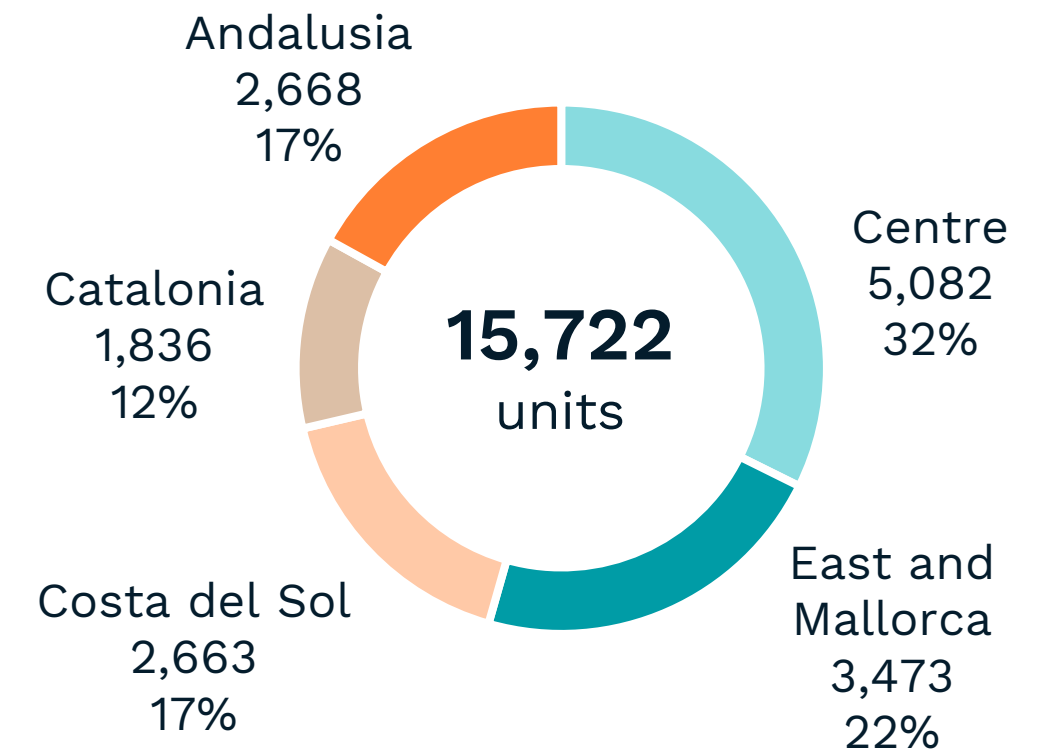
Landbank: 15,722 units¹

As of 30 September 2020



Land transactions in H1 2020-21

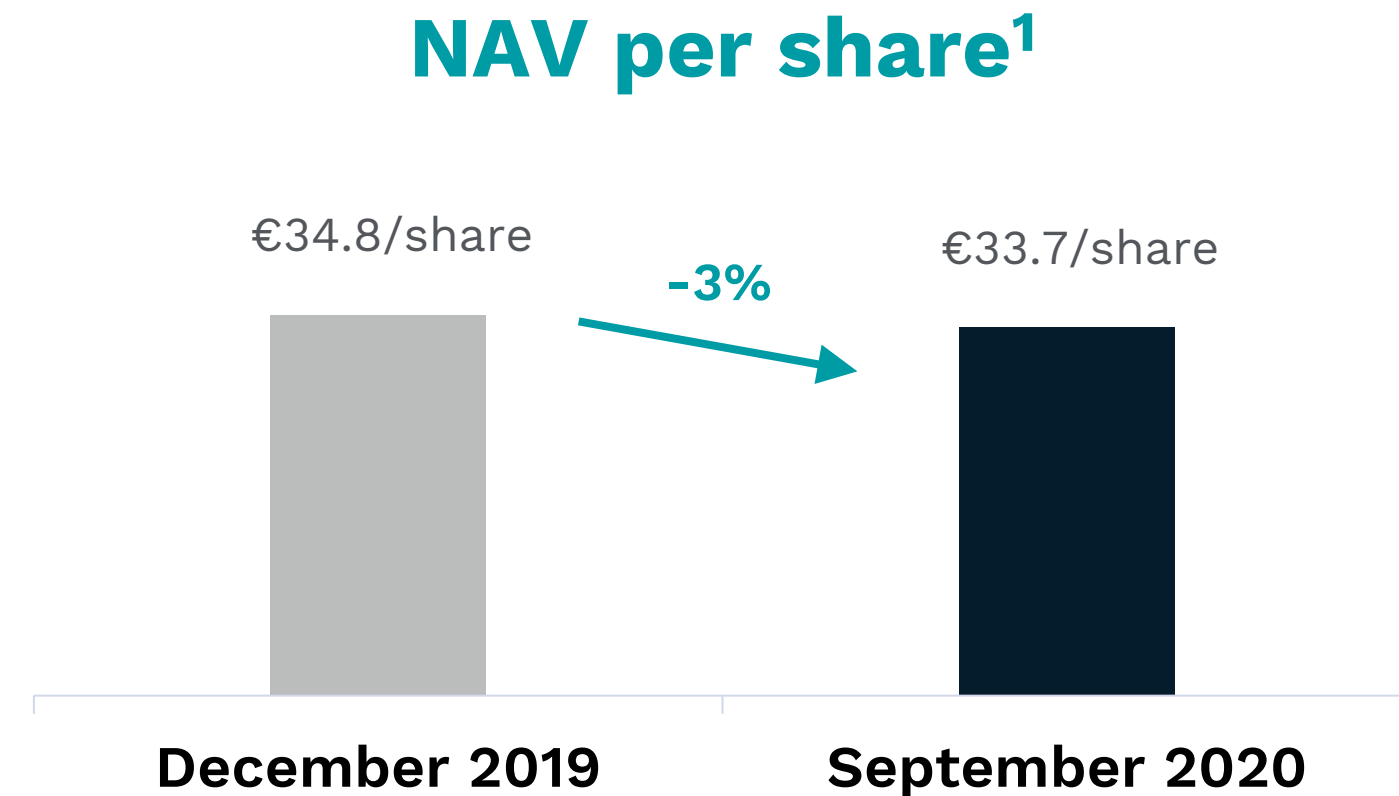
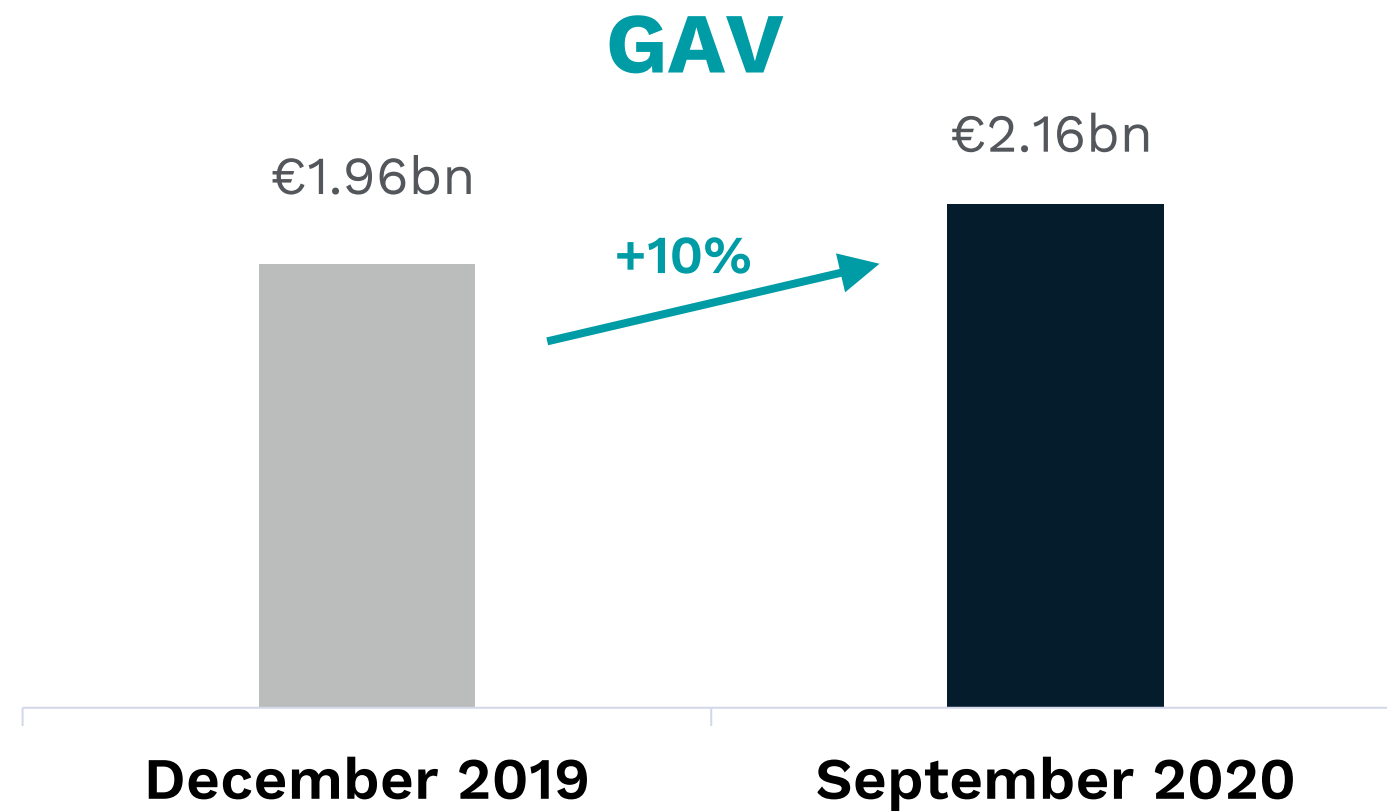
- Acquired **land** for **567 units (€56.6m)**
- Acquired land for **52 units (€2.4m)** through Project LAND²
- Land disposals: **135 units (€4.3m)**



(1) Landbank FY 2020 (15,542) + Acquisitions (+422) – Divestitures (-135) – Deliveries (-171) + Savills adjustment (+64) = Landbank H1 2020-21 (15,722)
 (2) Project LAND comprises a number of vehicles which own strategic land. In addition to having a minority stake in these vehicles, AEDAS manages the vehicle and oversees the land transformation process until plots are deemed *ready-to-build*.

NAV at €33.7 per share¹

As of 30 September 2020



- NAV reached €1.54bn at the end of September, compared to €1.62bn in December 2019.
- At the end of September, AEDAS Homes shares were trading at a 46% discount to NAV.



02 Financial Results H1 2020-21

P&L: H1 2020-21 (1 April – 30 September 2020)

(€m)	H1 2020-21	Apr-Sep 2019	Change (€m)	Change (%)
Revenue from the sale of housing units	61.9	46.8	15.1	32.3%
Revenue from land sales	4.3	-	4.3	-
REVENUE	66.2	46.8	19.4	41.6%
Cost of goods sold	(50.1)	(35.6)	(14.4)	40.4%
GROSS MARGIN	16.2	11.1	5.0	45.1%
% Gross margin	24.4%	23.8%		60 bp
Sales and marketing costs	(5.1)	(6.0)	0.9	-14.6%
Other operating expenses	(1.3)	(1.4)	0.0	-0.2%
NET DEVELOPMENT MARGIN	9.7	3.8	5.9	155.4%
% Net development margin	14.6%	8.1%		653 bp
Overheads	(13.5)	(12.4)	(1.1)	8.7%
Other income and expenses	1.5	0.2	1.2	-
EBITDA	(2.3)	(8.4)	6.1	72.4%
% EBITDA margin	-3.5%	-17.8%		1,428 bp
Depreciation and amortisation	(1.0)	(0.8)	(0.2)	28.5%
Net financial income	(5.9)	(4.8)	(1.1)	22.0%
Share of profit/(loss) of associates	(0.2)	(0.1)	(0.1)	-
Impairment losses	(1.6)	0.1	(1.7)	-
EBT	(11.0)	(14.0)	2.9	21.1%
Corporate tax	2.8	4.0	(1.3)	-31.5%
NET INCOME	(8.3)	(10.0)	1.7	16.9%
% Net margin	-12.5%	-21.3%	0.1	879 bp
Minority interests	(0.0)	(0.1)	0.0	-71.2%
NET INCOME ATTRIBUTABLE TO PARENT COMPANY	(8.3)	(10.0)	1.7	17.2%

Balance sheet

(€m)	30 September 2020	31 March 2020	Change (€m)	Change (%)
Intangible assets	1.2	1.2	(0.0)	-2.6%
Property, plant and equipment	2.8	3.4	(0.5)	-16.0%
Other non-current fixed assets	38.0	33.6	4.3	12.9%
NON-CURRENT ASSETS	42.0	38.2	3.8	9.9%
Inventories	1,535.7	1,343.9	191.7	14.3%
Trade receivables	38.9	43.5	(4.5)	-10.4%
Short-term investments	22.6	23.3	(0.7)	-3.1%
Cash and cash equivalents	141.2	136.1	5.1	3.7%
CURRENT ASSETS	1,738.4	1,546.8	191.6	12.4%
TOTAL ASSETS	1,780.4	1,585.0	195.4	12.3%
CAPITAL AND RESERVES	920.5	936.0	(15.5)	-1.7%
<i>Of which: Treasury stock¹</i>	<i>(44.5)</i>	<i>(36.9)</i>	<i>(7.6)</i>	<i>20.5%</i>
Non-current borrowings	137.0	2.5	134.5	
Other non-current liabilities	0.9	1.4	(0.5)	-35.0%
NON-CURRENT LIABILITIES	137.9	4.0	134.0	-
Provisions	2.7	4.5	(1.8)	-39.8%
Current borrowings due in the long term	269.4	134.9	134.5	
Current borrowings	118.1	214.3	(96.2)	-44.9%
Other current liabilities	-	1.7	(1.7)	-
Trade and other accounts payable	331.8	289.7	42.1	14.5%
CURRENT LIABILITIES	721.9	645.1	76.9	11.9%
TOTAL EQUITY AND LIABILITIES	1,780.4	1,585.0	195.3	12.3%

14.3% increase in inventories due to advanced level of development activity

77% of debt is long-term debt

Evolution of Net Financial Debt¹

(€m)	30 September 2020	31 March 2020	Change
(A) Secured debt	283.9	135.3	148.6
(B) Corporate debt	244.2	211.1	33.1
Syndicated facility	150.0	149.1	0.9
Commercial paper programme (MARF-listed)	56.2	62.1	(5.9)
Other corporate debt	38.0	-	38.0
Gross debt (A+B)	528.1	346.5	181.7
(C) Total cash	141.2	136.1	4.9
Net debt before pre-payments (A+B-C)	387.0	210.4	176.6
(D) Cash tied to developed pre-payments	51.1	50.1	1.0
NET FINANCIAL DEBT (A+B-C+D)	438.1	260.4	177.7

- 10 developer loans signed in H1 2020-21 for a total of €111m (including €64m signed in Q2).
- Debt associated with developments with units scheduled for delivery this fiscal year amounts to €230m.

Financial Leverage

	30 September 2020	30 June 2020	31 March 2020
LTC ¹	29.3%	24.4%	19.9%
LTV ²	21.8%	17.0%	13.3%
Net financial debt / EBITDA (LTM)	6.2x	5.5x	4.0x
Average cost of debt	2.85%	2.85%	2.87%
Interest coverage	6.1x	5.5x	5.4x

- Increase in debt in line with increased levels of construction works progress.
- Natural deleveraging expected in second half due to scheduled deliveries.



03 Outlook

| Outlook

1

AEDAS Homes continues to operate at full-speed in the Covid environment

2

Land bank: active management with selective investments

3

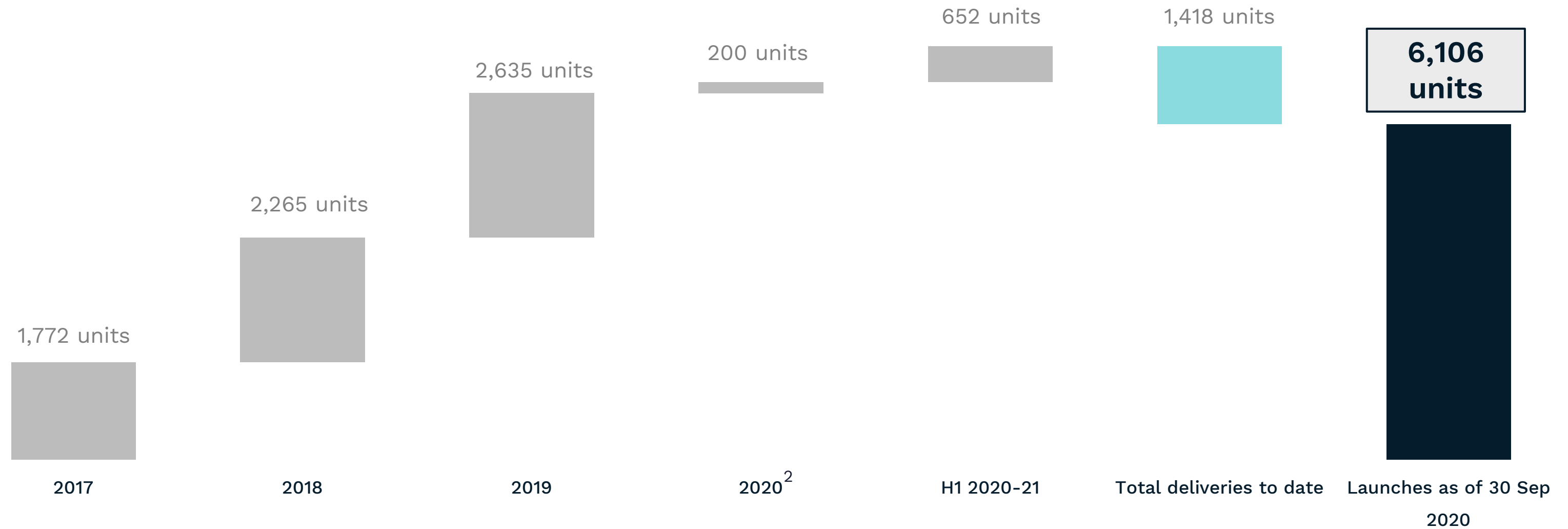
Ramp-up schedule continues to be on track



04 Appendix

On the market¹: 6,106 units

As of 30 September 2020



(1) A project is considered launched once marketing has kicked off.
(2) 2020 refers to the three-month period of January-March 2020.

Order book: 3,263 units (€1.09bn)

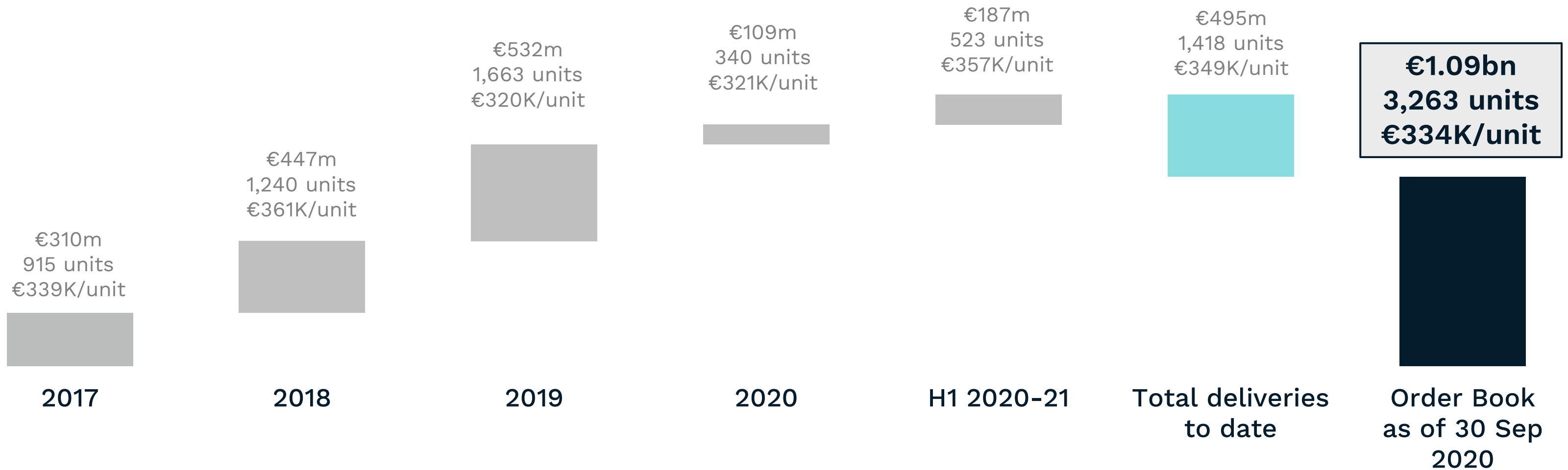
As of 30 September 2020

95%

of 2020-21 deliveries and

56%

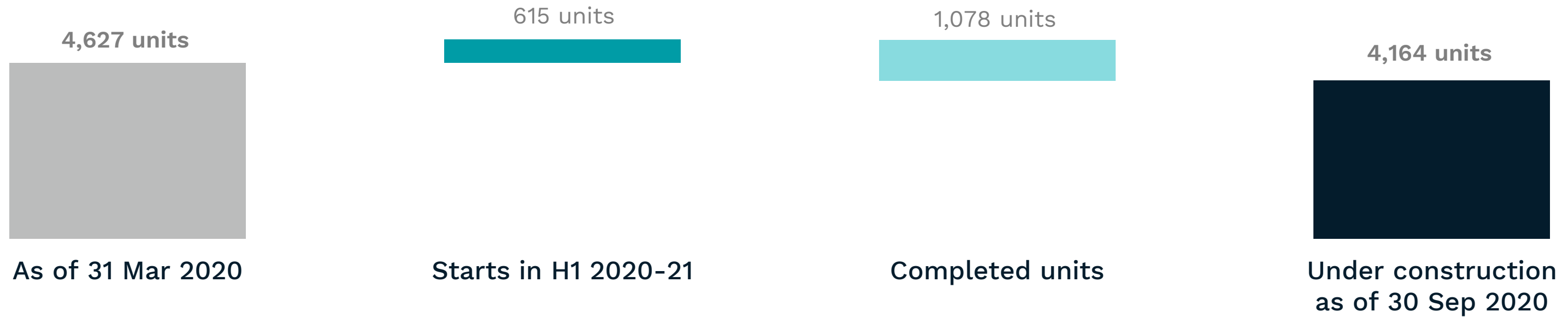
of 2021-22 deliveries sold



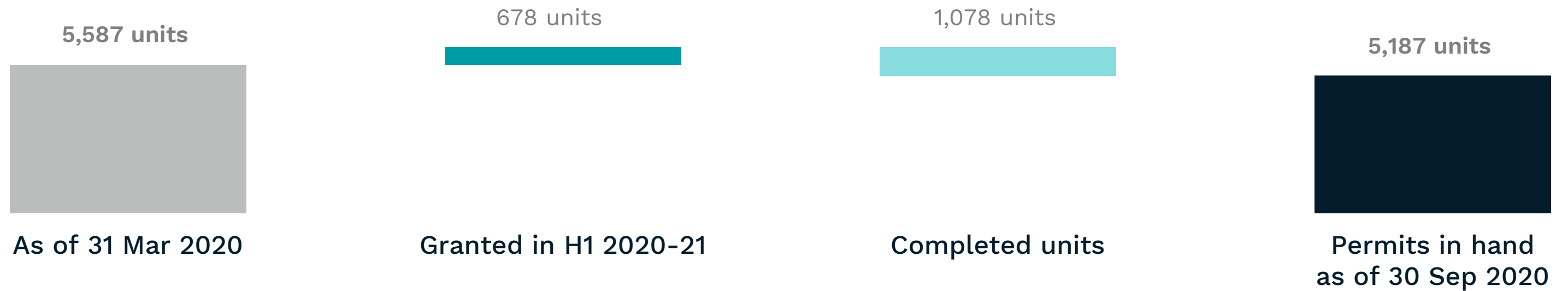
Construction and Building Permits

As of 30 September 2020

Units under construction



Building permits



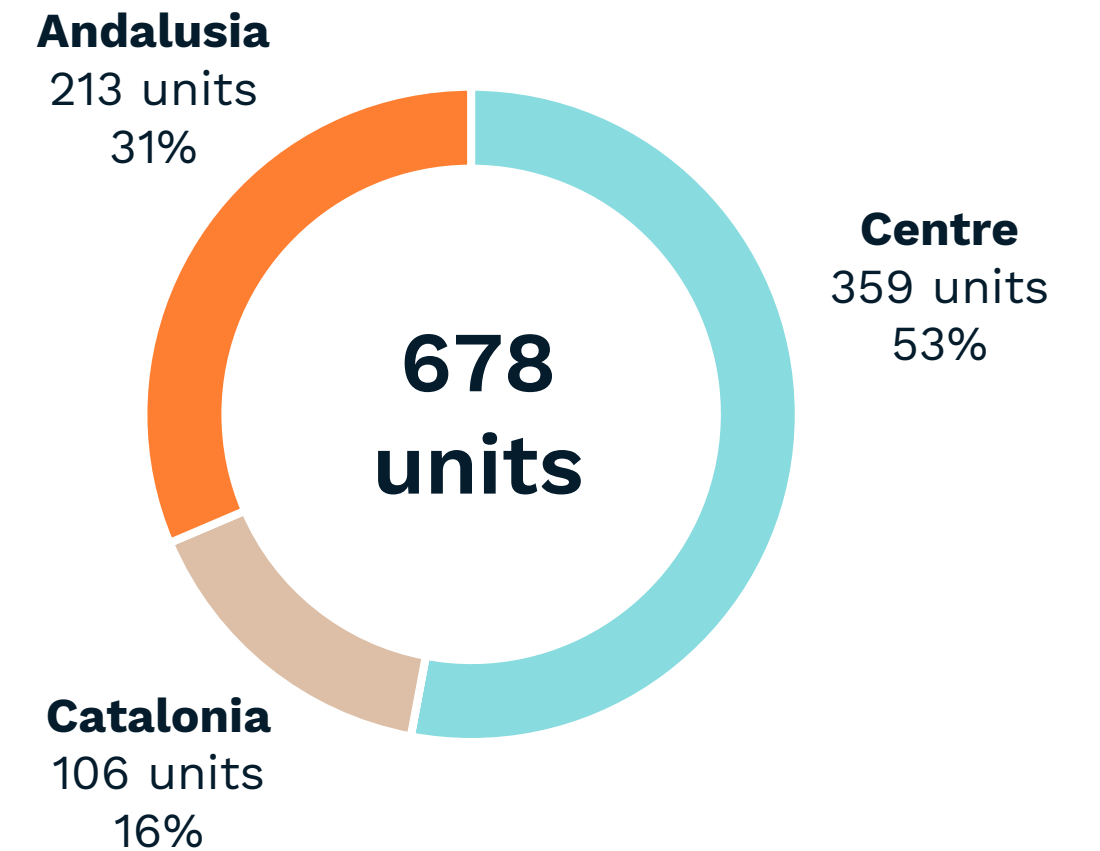
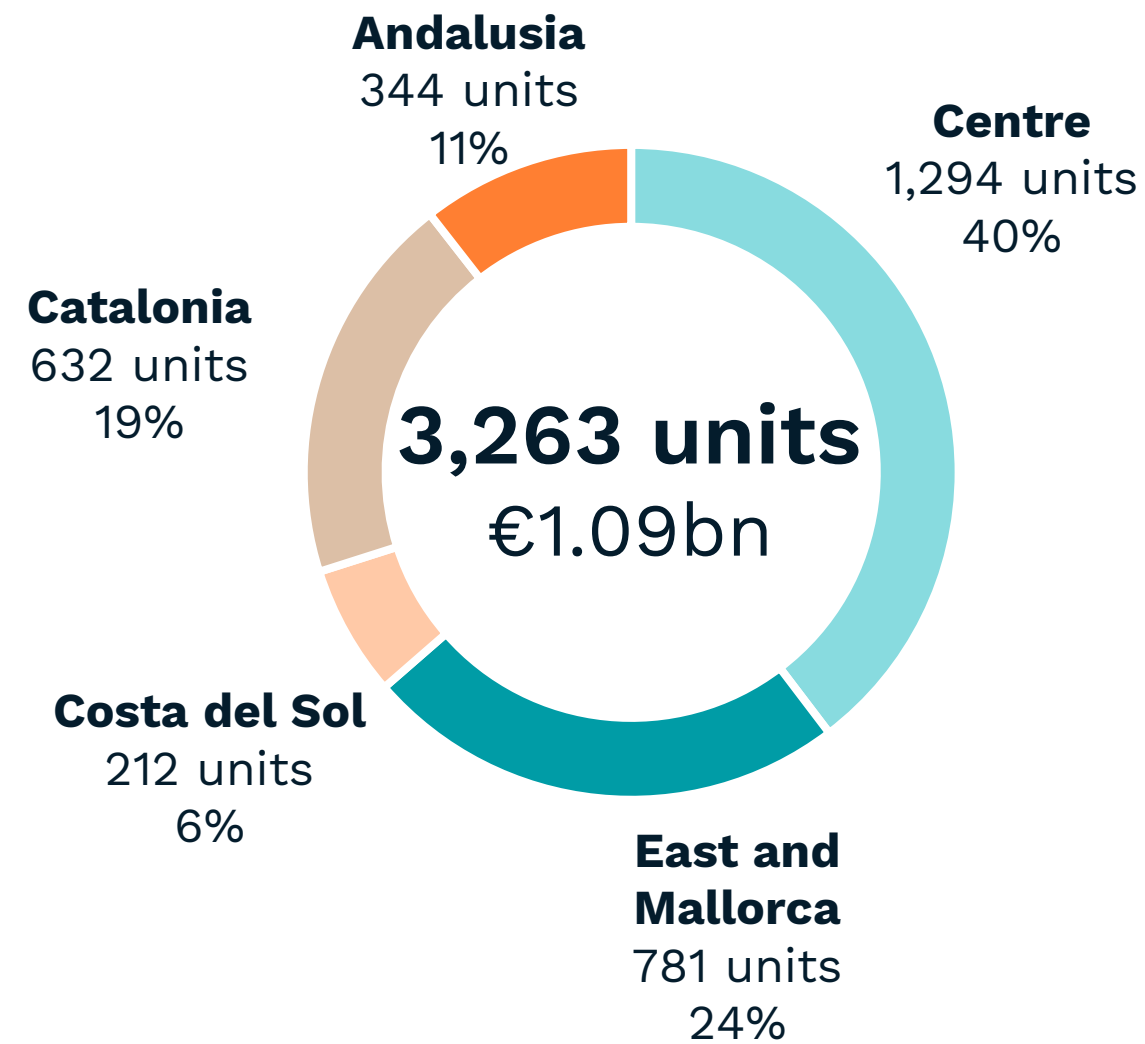
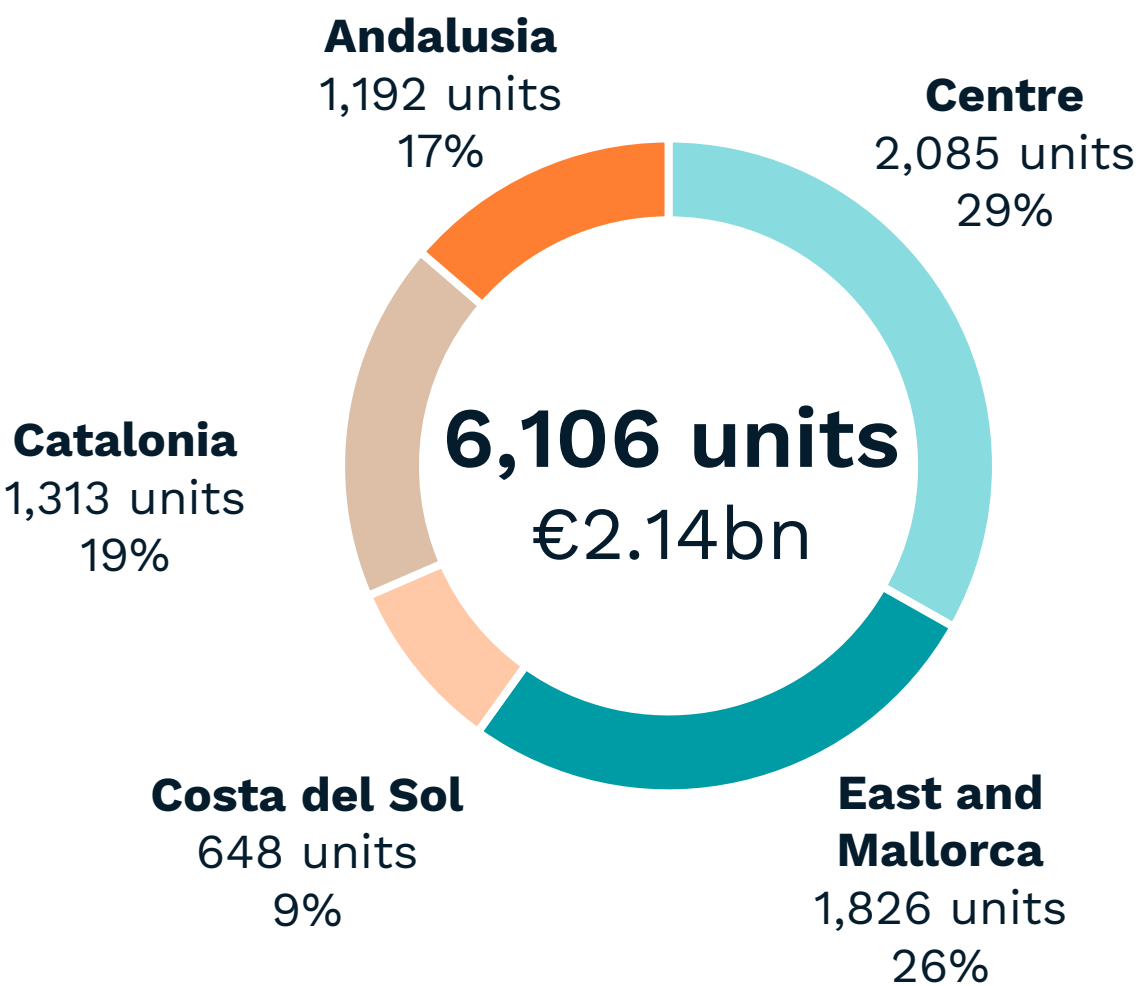
Regional breakdown

As of 30 September 2020

Launches

Order Book

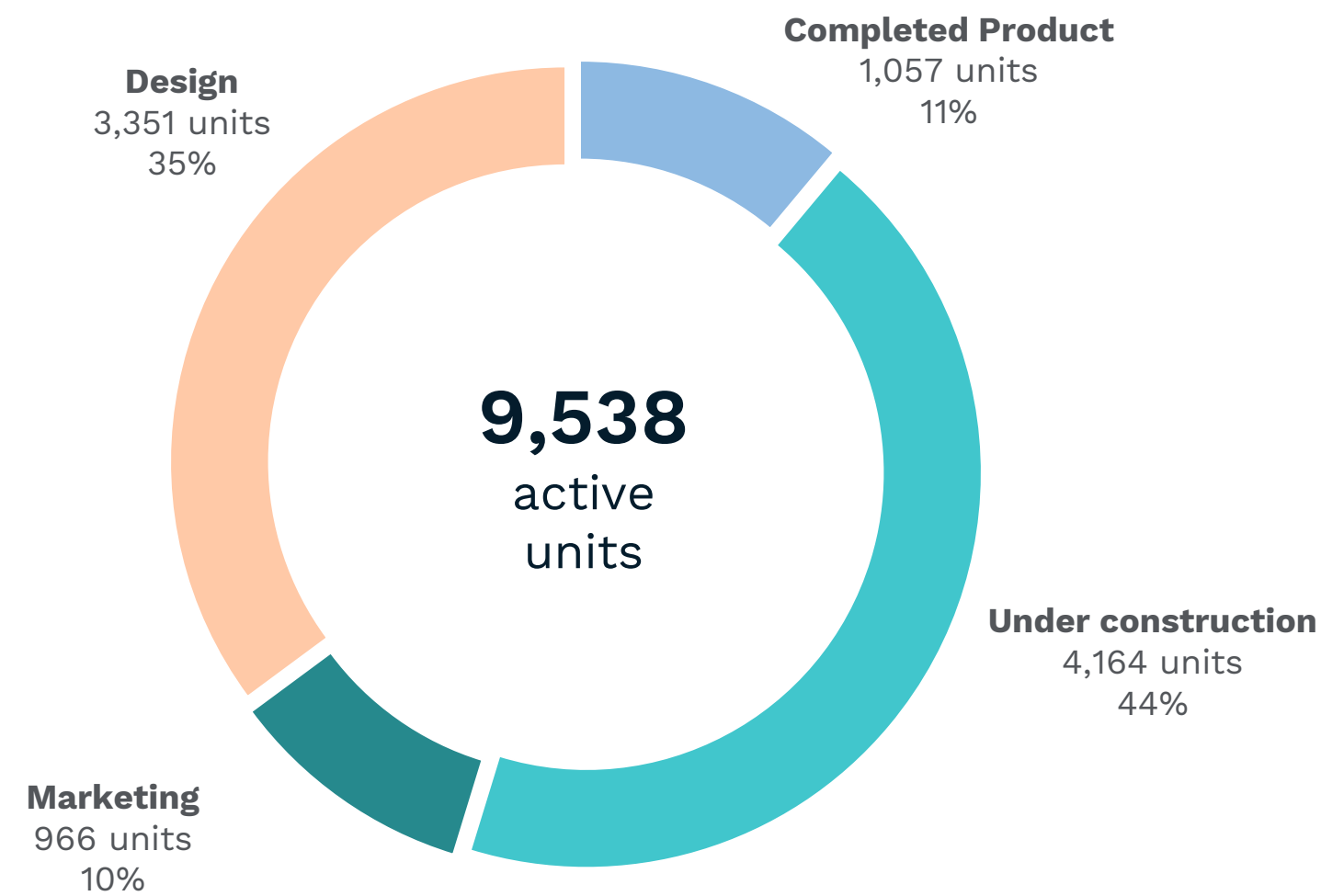
Permits granted



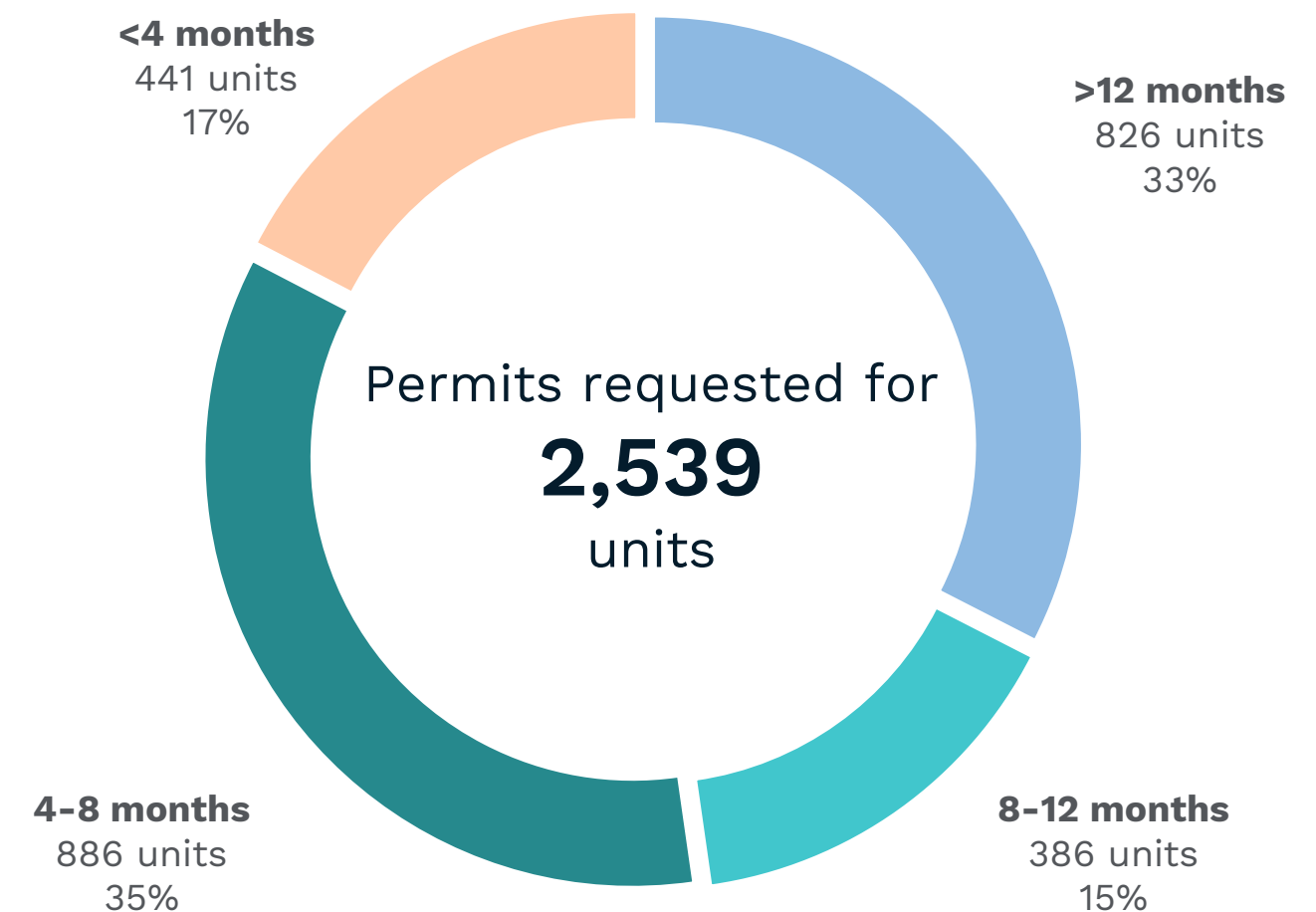
Active Units breakdown and Permit Request status

As of 30 September 2020

Active Units¹



Permit Request Maturity



(1) Units are considered active from the moment they enter the design phase until they are delivered.

Change in net financial debt

(€m)	H1 2020-21
EBITDA	-2.3
Cash recovered from landbank (delivered units)	11.1
Payment for net financial costs	-8.8
Payment of income tax	-8.6
GROSS OPERATING CASHFLOW	-8.7
Net payments for land investments	2.7
FREE FUNDS FROM OPERATIONS	-6.0
Net investment in Working Capital	-164.2
Treasury shares repurchase	-7.6
Dividend distribution	0.0
(INCREASE) / REDUCTION IN NET FINANCIAL DEBT	-177.7

- Net financial debt increased mainly due to investment in new projects in a period with low volume of deliveries.
- Developer loans have financed the entirety of Working Capital.

Cash Flow statement

(€m)	H1 2020-21	Apr-Sep 2019	Change (€m)
Group profit before tax	(11.0)	(14.0)	2.9
Adjustments for finance income/costs	5.9	4.8	1.1
Net finance cost	12.4	10.0	2.4
Borrowing costs capitalized in inventories	(6.2)	(5.4)	-0.8
Change in fair value of financial instruments and exchange differences	(0.3)	0.2	-0.6
Share of profit/(loss) of associates	0.2	0.1	0.1
EBIT	(4.9)	(9.1)	4.1
Depreciation/amortisation and impairment charges	2.6	0.7	1.9
EBITDA	(2.3)	(8.4)	6.0
Other adjustments to profit	(24.3)	12.7	(37.0)
Other cash flows from/used in operating activities	(6.2)	0.4	(6.6)
Change in working capital excluding land purchases/sales	(135.7)	(90.4)	(45.4)
Change in working capital derived from land purchases/sales	2.7	(61.3)	64.0
(A) Net cash used in operating activities	(165.9)	(146.9)	(19.0)
Investment in group companies and associates	(2.0)	(3.3)	1.3
Investment in other PPE and intangible assets	(0.3)	(0.7)	0.4
(B) Net cash used in investing activities	(2.3)	(4.0)	1.7
Repurchase/(sale) of own shares	(7.6)	(8.2)	0.6
Issuance and repayment of borrowings	180.9	147.7	33.2
(C) Net cash from financing activities	173.3	139.5	33.8
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5.1	(11.5)	16.5

P&L: Q2 2020-21 (1 July – 30 September 2020)

(€m)	Q2 2020-21	Jul-Sep 2019	Change (€m)	Change (%)
Revenue from the sale of housing units	34.7	37.9	(3.2)	-8.6%
Revenue from land sales	4.3	-	4.3	
REVENUE	39.0	37.9	1.1	2.9%
Cost of goods sold	(29.7)	(29.2)	(0.6)	2.0%
GROSS MARGIN	9.3	8.8	0.5	5.9%
% Gross margin	23.8%	23.1%		69 bp
Sales and marketing costs	(3.3)	(3.0)	(0.3)	10.4%
Other operating expenses	(0.6)	(0.6)	(0.0)	3.2%
NET MARGIN	5.4	5.2	0.2	3.7%
% net margin	13.8%	13.7%		11 bp
Overheads	(6.9)	(6.4)	(0.5)	8.3%
Other income and expenses	0.8	0.0	0.8	-
EBITDA	(0.7)	(1.2)	0.5	-39.8%
% EBITDA margin	-1.8%	-3.1%		127 bp
Depreciation and amortisation	(0.5)	(0.4)	(0.1)	25.8%
Net financial income	(2.5)	(2.6)	0.1	-3.9%
Share of profit/(loss) of associates	(0.1)	(0.1)	(0.1)	-
Impairment losses	(1.6)	-	(1.6)	
EBT	(5.5)	(4.2)	(1.2)	28.9%
Corporate tax	1.3	2.4	(1.1)	-45.5%
NET INCOME	(4.1)	(1.8)	(2.3)	
% Net margin	-10.6%	-4.8%		-580 bp
Minority interests	0.0	(0.1)	0.1	-109.8%
NET INCOME ATTRIBUTABLE TO PARENT COMPANY	(4.1)	(1.9)	(2.3)	120.1%



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