

Q1 2021/22 Results Presentation

1 April – 30 June 2021

21 July 2021



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01 Highlights

Overview

I

816 net retail sales in Q1 2021/22 - breaking company records

II

€102m in new investments for a total of 1,340 units¹

III

New Dividend Policy: 50% of net income + potential extraordinary dividends up to 20% net LTV limit

IV

5-year Business Plan approved

Executive Summary Q1 2021/22

Sales

- Monthly sales reaching historic highs four months in a row
- 3,976 units in Order Book, valued at €1.2 bn, 65% under private contract
- Strong levels of customer interest across all regions

Operations

- 268 retail units delivered to customers; ASP: €400K
- Strong momentum in construction starts; 4,845 units under construction; 1,220 completed units (of which 793 already sold)

Land Investment

- On track to achieve €200-300m investment goal in 2021/22
- €20m (494 units) completed and €82m (846 units) at closing stage

Financials

- Robust balance sheet underpinned by a solid liquidity position
- €325m high-yield bond successfully issued¹ (5Y, 4% coupon)
- €100m syndicated loan and €31m bilateral loans cancelled
- €350m in cash (€276m unrestricted) at 30 June 2021
- Net debt / EBITDA of 1.8x; Net LTV of 14.5%



02 Business Update

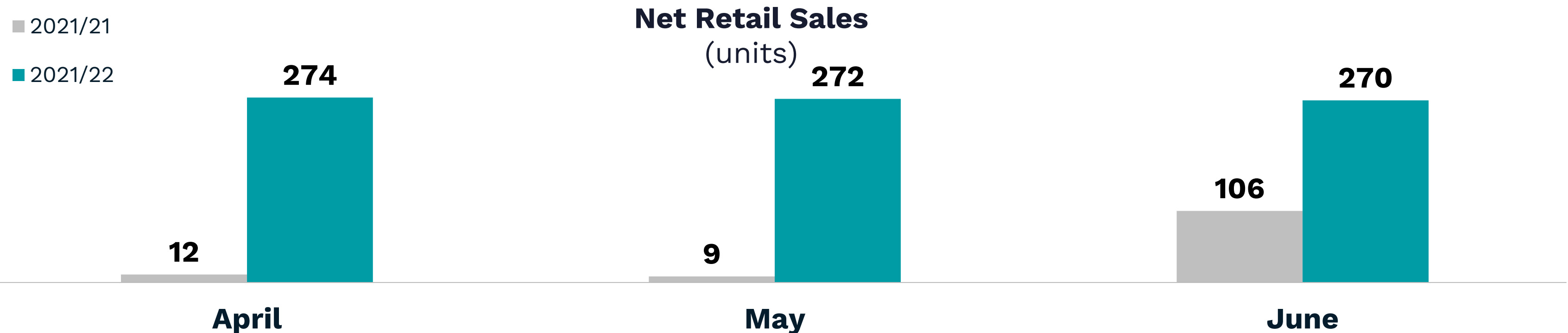
Sales and Operating Activity

Sales Activity

- Monthly sales record hit in Q1 2021/22
- 816 net retail sales in Q1 2021/22, above quarterly threshold to achieve 3,000 units per year goal

Construction and Operations

- Building permits granted for 632 units, permit applications filed for 703 units
- Broke ground on 920 units
- During the quarter, 661 FCCs and 309 FOPs were obtained



Retail sales absorption rate



Sales absorption rate steadily improving since November 2020

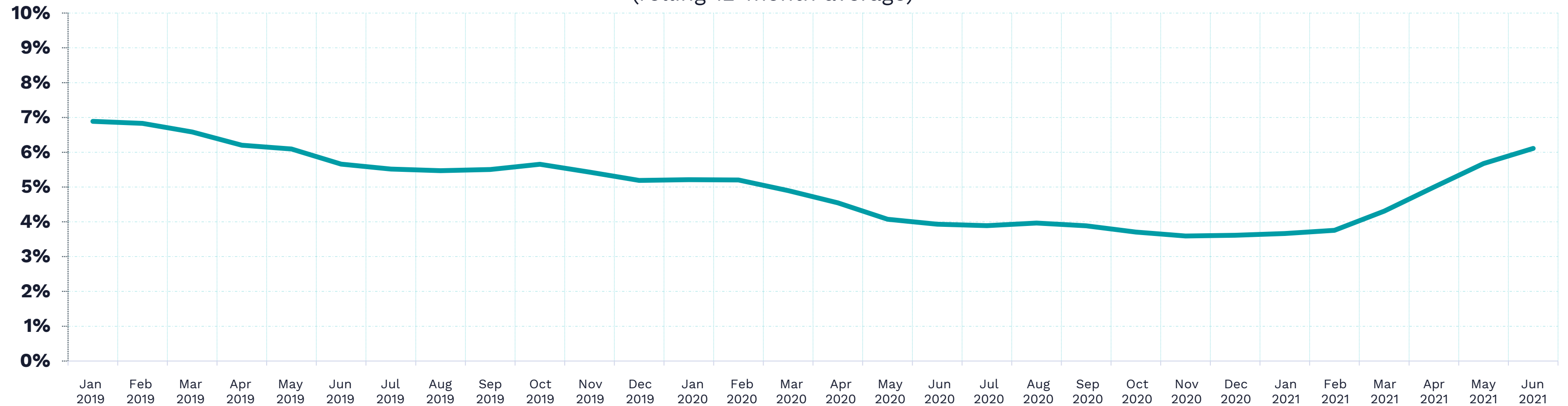


Improvement in absorption happening across all AEDAS regions



Costa del Sol experiencing an improvement close to 80% compared to last quarter

Average monthly absorption rate
(rolling 12-month average)

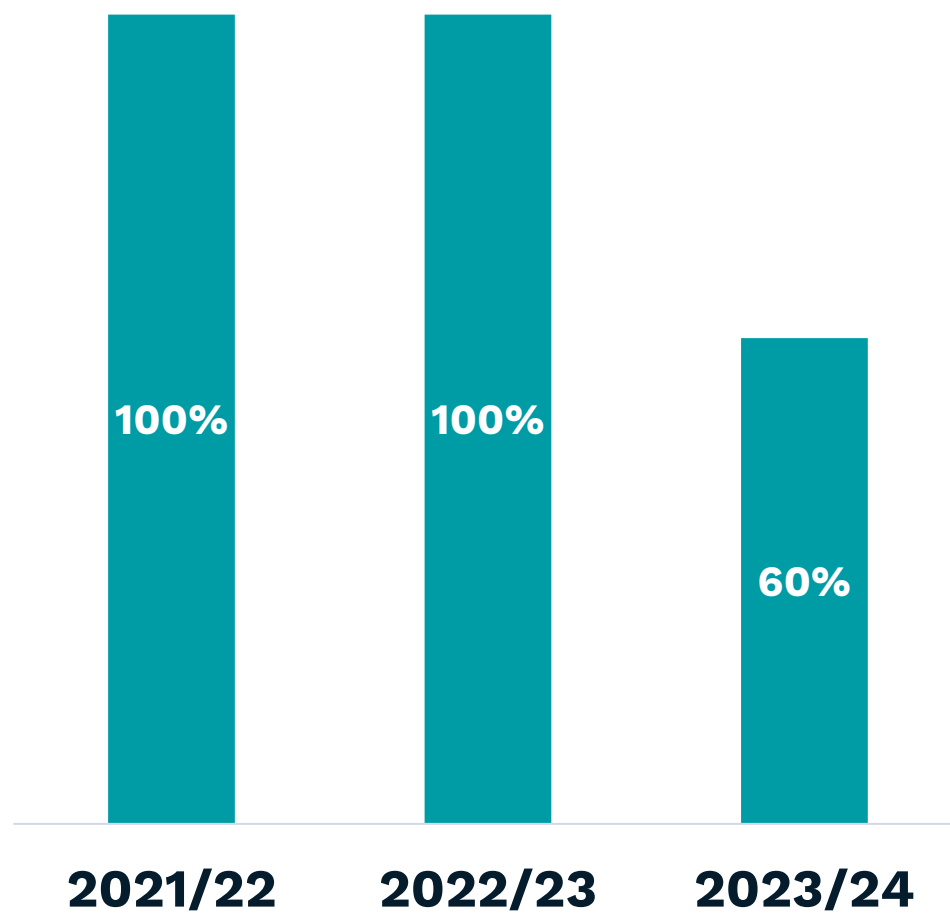


On track to meet business plan goals

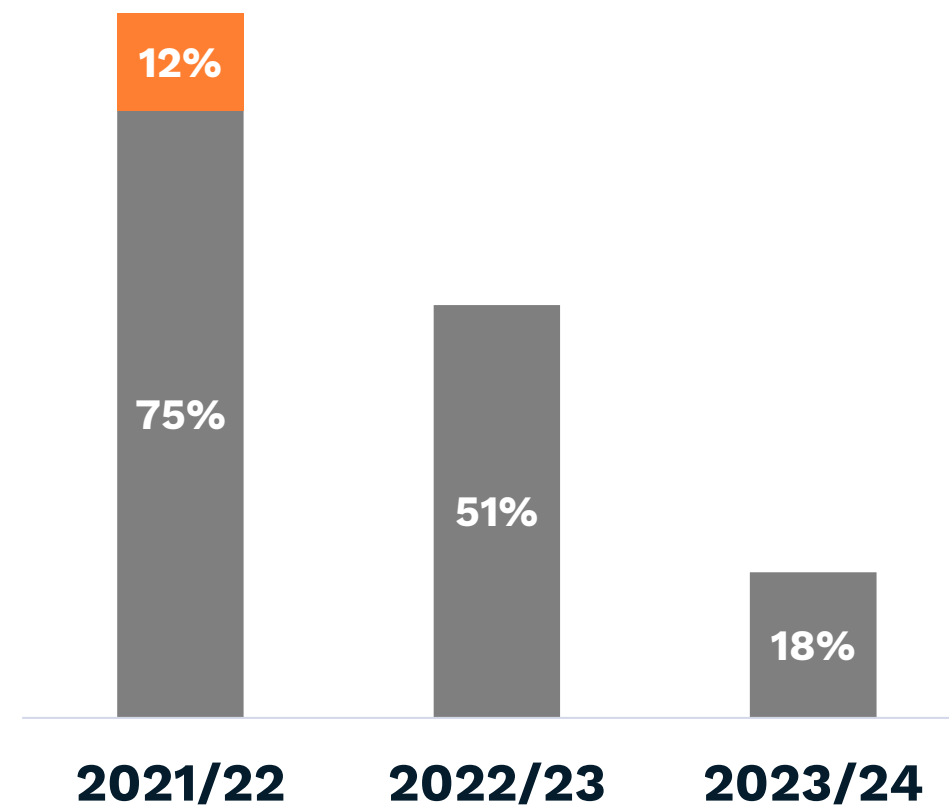
BTS + BTR activity update as of 30 June 2021

- Delivered
- Launched
- Sold
- Under construction
- Completed

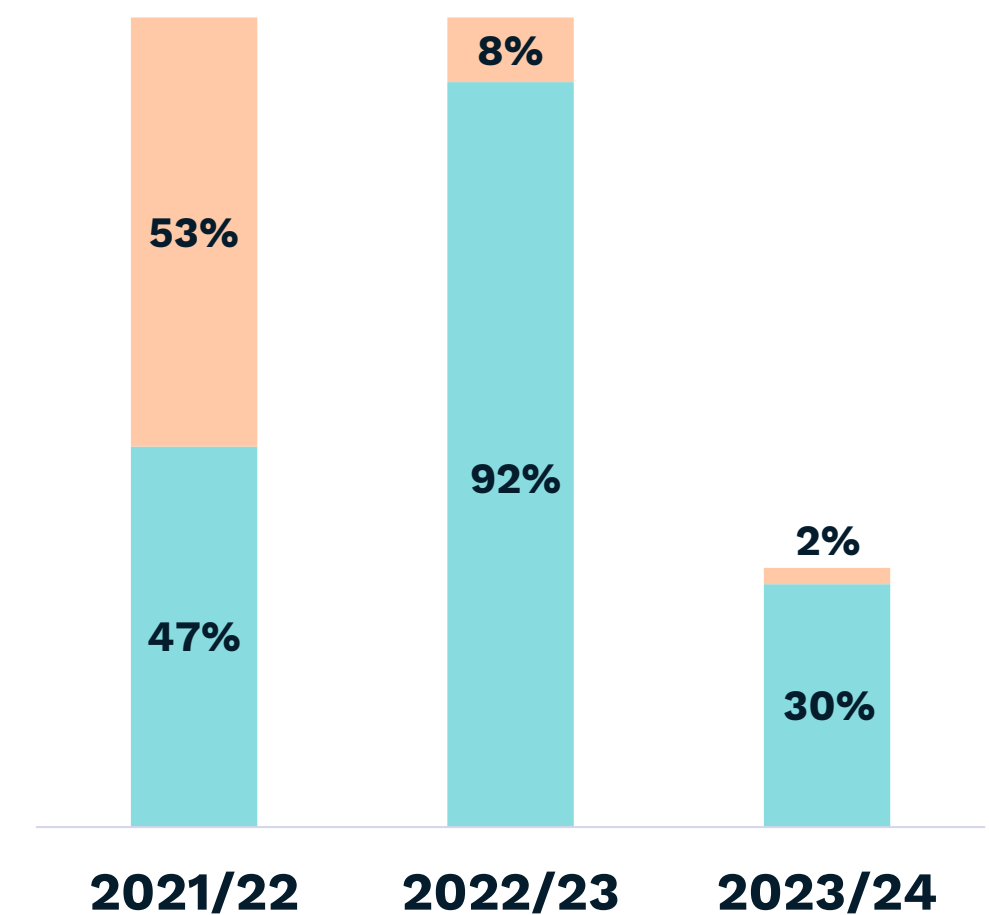
Launches¹



Sales¹



Construction¹



(1) Coverage ratios calculated over expected target of deliveries.
 (2) Annual delivery targets: 2,200-2,300 in FY 2021/22; 2,900-3,000 in FY 2022/23; and 3,000 in FY 2023/24.

Good pace of investment – seizing the opportunity



Excellent investment opportunity in the market materializing for AEDAS since July 2020

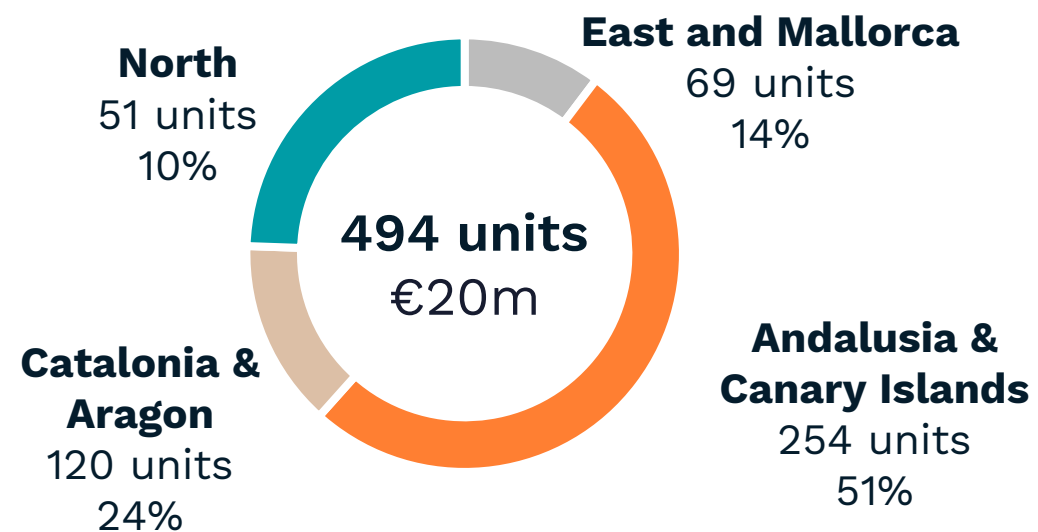


In Q1 2021/22 AEDAS invested €20m in high-quality land (494 units) and has 7 transactions valued at €82m (846 units) at closing stage

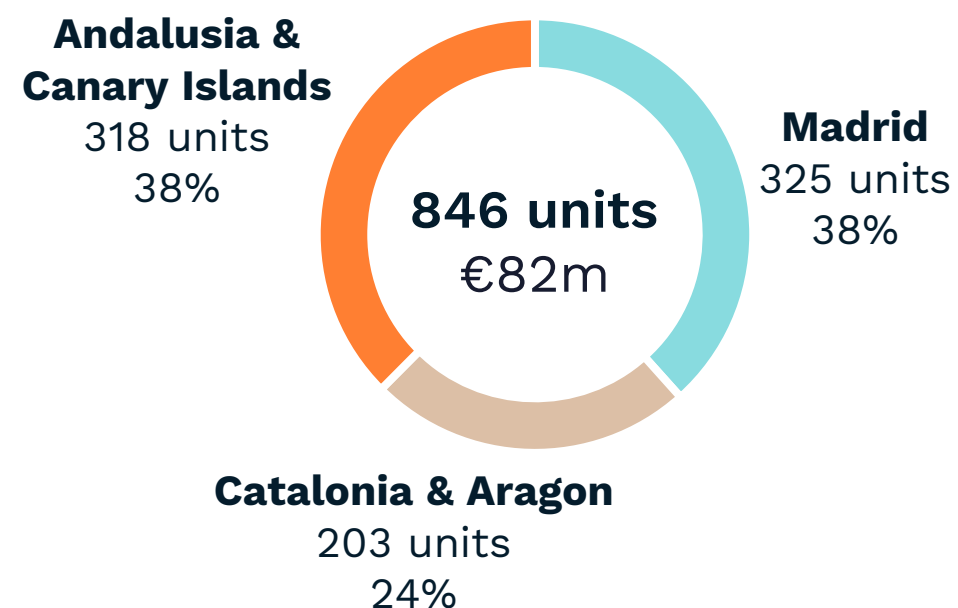


Location and implied net development margin continues to drive AEDAS investment policy

Completed transactions



Pending transactions



€102m

invested in **1,340 total units** (completed and pending transactions)

On track to invest **€200-300m** during FY 2021/22



03 Q1 2021/22 Financial Results

P&L Q1 2021/22 (1 April – 30 June 2021)

(€m)	Q1 2021/22	Q1 2020/21	Change (€m)	Change (%)
REVENUE	107.5	27.2	80.3	295%
Cost of goods sold	(73.1)	(20.3)	(52.8)	260%
GROSS MARGIN	34.4	6.9	27.5	399%
<i>% Gross Margin</i>	<i>32.0%</i>	<i>25.3%</i>	-	<i>660 bps</i>
Direct costs	(7.1)	(2.7)	(4.4)	163%
NET DEVELOPMENT MARGIN	27.3	4.2	23.1	550%
Overheads	(8.2)	(6.5)	(1.7)	26%
Other income and expenses	0.5	0.6	(0.1)	-17%
EBITDA	19.6	(1.7)	21.3	-
<i>% EBITDA margin</i>	<i>18.2%</i>	<i>-6.4%</i>	-	-
Depreciation and amortisation	(0.7)	(0.6)	(0.1)	20%
Net finance cost	(4.4)	(3.4)	(1.0)	26%
EBT	14.5	(5.7)	20.2	-
Corporate tax	(3.7)	1.4	(5.1)	-
NET INCOME	10.8	(4.2)	15.0	-
Minority interests	0.3	0.0	0.3	-
NET ATTRIBUTABLE INCOME	10.5	(4.2)	14.7	-

- Delivery of 268 units to retail customers at an ASP of €400K.
- Gross Margin: 32%. Above average due to deliveries product mix.

- Positive EBITDA for the period. EBITDA margin: 18.2% - below annual guidance due to lower number of deliveries in Q1

- Attributable net income: €10.5m

Balance Sheet Summary as of 30 June 2021

	30 June 2021	31 March 2021	Change	Comments
Inventories <ul style="list-style-type: none"> • Land • Works in progress • Completed product 	€1,439m €550m €716m €162m	€1,395m €582m €581m €214m	€44m €-32m €135m €-52m	Significant increase in works in progress, in line with increase in construction and investment activities
Total cash	€350m	€186m	€164m	Strong cash position
Short-term debt	€19m	€99m	€-80m	Increase in long-term debt due to 5-year bond issuance
Long-term debt	€537m¹	€253m²	€284m	Reduction of short-term debt due to the amortization of the syndicated facility and bilateral ICO loans
Equity <ul style="list-style-type: none"> • Treasury stock³ 	€937m €69m	€994m €65m	€-57m €4m	Reduction in equity due to €4m invested in treasury shares and reclassification of €63m as dividend

Evolution of Net Financial Debt

(€m)	30 June 2021	31 March 2021	Change
(A) Project debt (Secured)	189.6	169.4	20.2
(B) Corporate debt	378.4	182.9	190.2
Syndicated facility	-	100.0	(100.0)
Commercial paper programme (MARF)	53.4	56.7	(3.3)
Other corporate debt	-	31.5	(31.5)
HY Bond (Secured)	325.0	-	325.0
<i>Amortised cost-IFRS</i>	<i>(11.4)</i>	<i>(5.3)</i>	<i>(6.2)</i>
(C) Gross Financial Debt (A+B)	556.6	352.4	204.2
(D) Available cash	275.7	123.6	152.2
Net Financial Debt (C-D)	280.8	228.8	52.0
(E) Cash tied to development pre-payments	73.8	62.6	11.2
Total Cash (D+E)	349.5	186.2	163.3

- Balanced and broad diversification of financing sources. As of 30 June 2021, Net Financial Debt totalled €281m, €52m more than at 31 March 2021, due to advances on development works and the greater volume of land investment.
- On 12 May 2021, the Company issued a €325m high-yield¹ bond at 5.25 years with a coupon of 4%.

Financial Leverage

	30 June 2021	31 March 2021
LTC ¹	19.5%	16.4%
LTV ²	14.5%	12.0%
Net financial debt / EBITDA (LTM)	1.8x	1.7x
Average cost of debt	3.20%	2.83%
Interest coverage	11.3x	9.4x

- Slight increase in financial leverage, from 1.7x to 1.8x Net Debt/EBITDA, due to advances in construction works and greater land investment volume.
- Improved capital structure and maturity profile at the expense of a moderate increase in the nominal cost of debt to 3.20% due to the greater weight of corporate debt over total company debt.
- Net LTV of 20% as a maximum limit for the distribution of extraordinary dividends.



04 Key Takeaways

Key Takeaways

1

AEDAS has delivered a robust Q1 2021/22 on all fronts: sales, EBITDA and margins

2

Leveraging on its strong balance sheet, AEDAS has continued to invest in land over the quarter in top-quality locations at the right economic terms

3

The newly approved Dividend Policy underscores total shareholder remuneration as the governing principle of our strategy

4

AEDAS' overall business is performing to meet its 5-year Business Plan goals



05 Appendix

P&L: 1 April – 30 June 2021

(€m)	Q1 2021/22 (April-June)	Q1 2020/21 (April-June)	Change (€m)	Change (%)
Revenue from the sale of housing units	107.5	27.2	80.3	295%
Revenue from land sales	-	-	-	-
REVENUE	107.5	27.2	80.3	295%
Cost of goods sold	(73.1)	(20.3)	(52.8)	260%
GROSS MARGIN	34.4	6.8	27.6	406%
% gross margin	32.0%	25.3%	-	670 bps
Sales and marketing costs	(5.6)	(1.9)	(3.7)	195%
Other operating expenses	(1.5)	(0.7)	(0.8)	114%
NET DEVELOPMENT MARGIN	27.3	4.2	23.1	550%
% net development margin	25.4%	15.5%	-	990 bps
Overheads	(8.2)	(6.6)	(1.6)	24%
Other income and expenses	0.4	0.6	(0.2)	-22%
EBITDA	19.5	(1.7)	21.2	-
% EBITDA margin	18.2%	-6.4%	-	-
Depreciation and amortisation	(0.6)	(0.5)	(0.1)	20%
Net financial income	(4.4)	(3.4)	(1.0)	29%
Share of profit/(loss) of associates	(0.0)	(0.1)	0.1	-
Impairment losses	-	-	-	-
EBT	14.5	(5.7)	20.2	-
Corporate tax	(3.7)	1.5	(5.2)	-
NET INCOME	10.8	(4.2)	15.0	-
% net margin	10.1%	-15.6%	-	-
Minority interests	0.3	(0.0)	0.3	-
NET INCOME ATTRIBUTABLE TO PARENT COMPANY	10.5	(4.2)	14.7	-

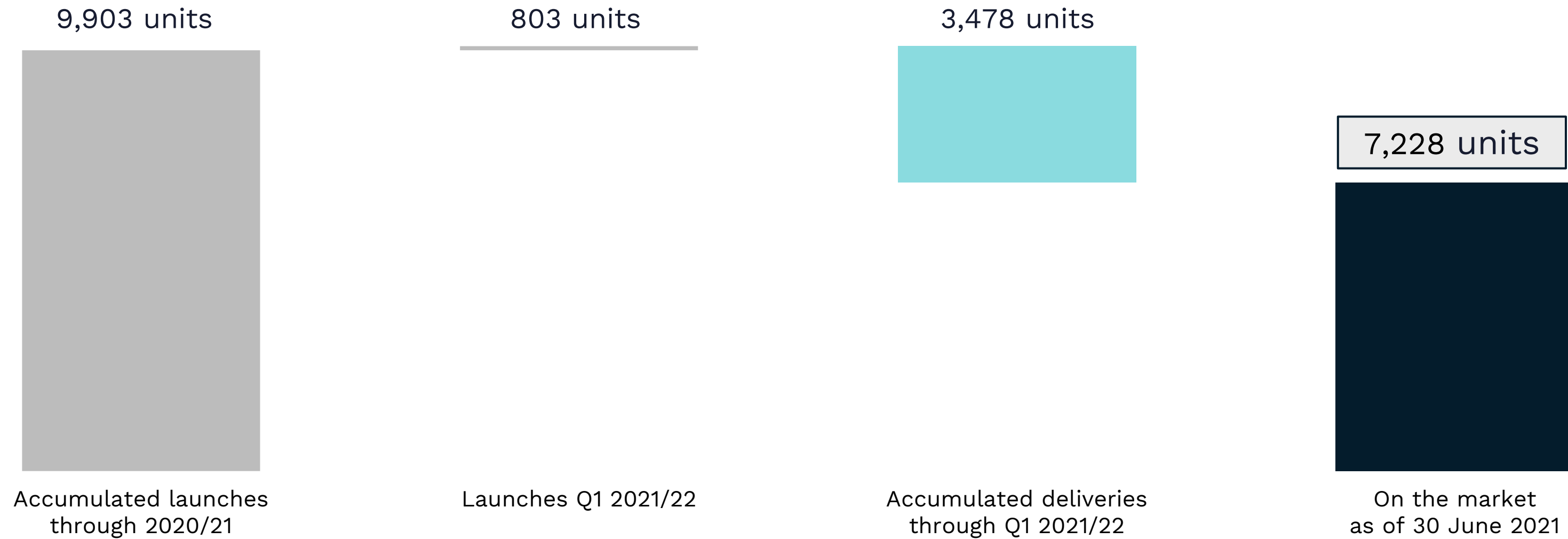
Balance Sheet

(€m)	June 2021	March 2021	Change (€m)	Change (%)
Other assets	20.7	19.0	1.7	9%
Deferred tax assets	12.8	13.8	(1.0)	-7%
NON-CURRENT ASSETS	33.5	32.8	0.8	2%
Inventories	1,439.6	1,394.5	45.1	3%
Trade and Other Receivables	41.1	46.0	(4.9)	-11%
Other Current Assets	47.1	27.6	19.5	71%
Available cash	156.7	123.5	33.2	27%
Restricted cash	73.8	62.6	11.1	18%
Other equivalent liquid assets	119.0	-	119.0	-
CURRENT ASSETS	1,877.3	1,654.2	223.1	13%
TOTAL ASSETS	1,910.9	1,687.0	223.9	13%
EQUITY	936.9	994.3	(57.4)	-6%
<i>of which Treasury Stock¹</i>	(69.1)	(65.1)	(4.0)	6%
Long-Term Financial Borrowings	349.4	88.4	261.0	295%
Other Long-Term Borrowings	0.8	1.1	(0.2)	-27%
NON-CURRENT LIABILITIES	350.2	89.5	260.7	291%
Financial debt. Developer loans (long term)	188.1	165.0	23.0	14%
Short-Term Financial Borrowings	19.1	98.9	(79.7)	-81%
Suppliers and creditors	146.2	160.2	(14.0)	-9%
Customer pre-payments	167.0	131.8	35.2	27%
Other short-term liabilities	103.4	47.3	56.1	119%
CURRENT LIABILITIES	623.8	603.2	20.6	3%
TOTAL EQUITY AND LIABILITIES	1,910.9	1,687.0	223.9	13%

(1) As of 30 June 2021, the company held 3,510,731 own shares as Treasury Stock, representing 7.32% of shareholder capital, of which 1,160,050 will be amortized in July 2021.

On the market¹: 7,228 units

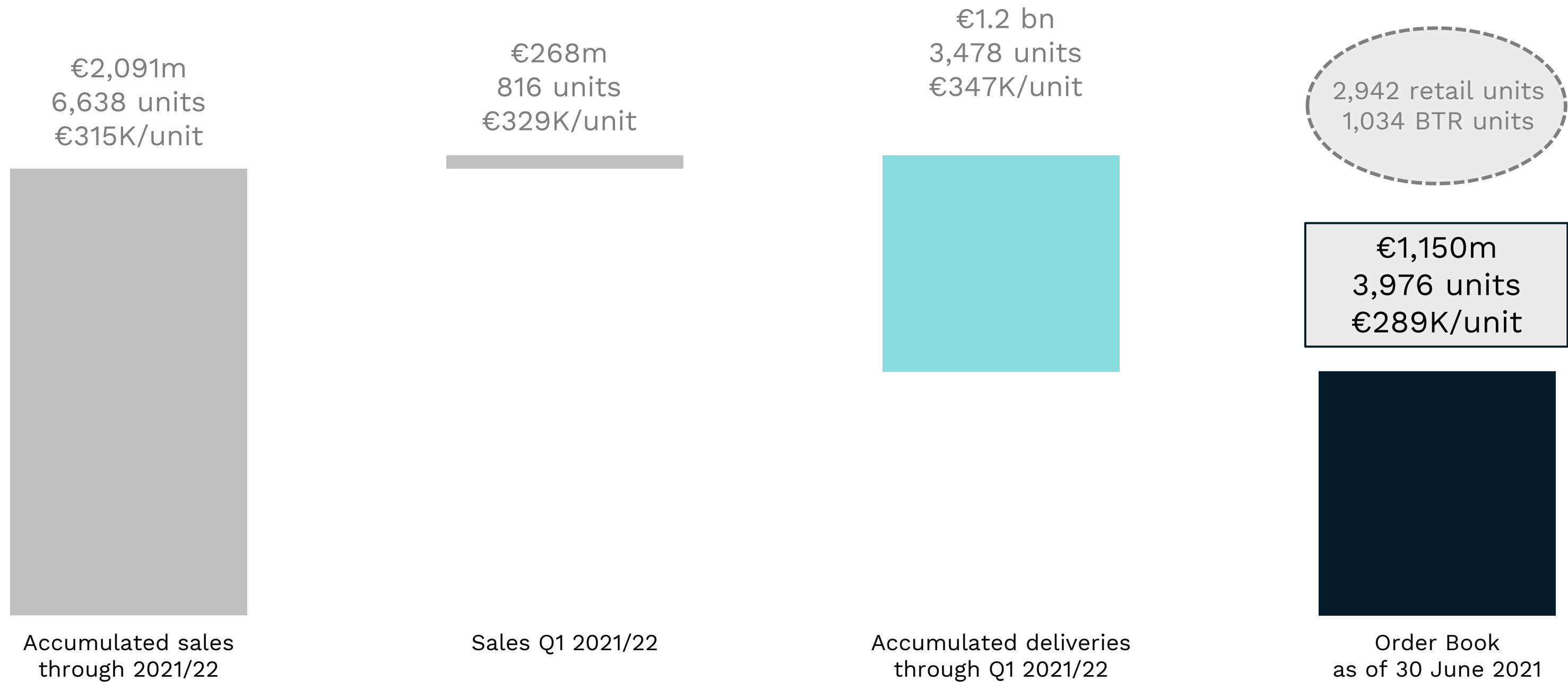
As of 30 June 2021



(1) Units on the market figure includes total product available (launches) and includes all units sold but not delivered

Order Book: 3,976 units (€1,150m)

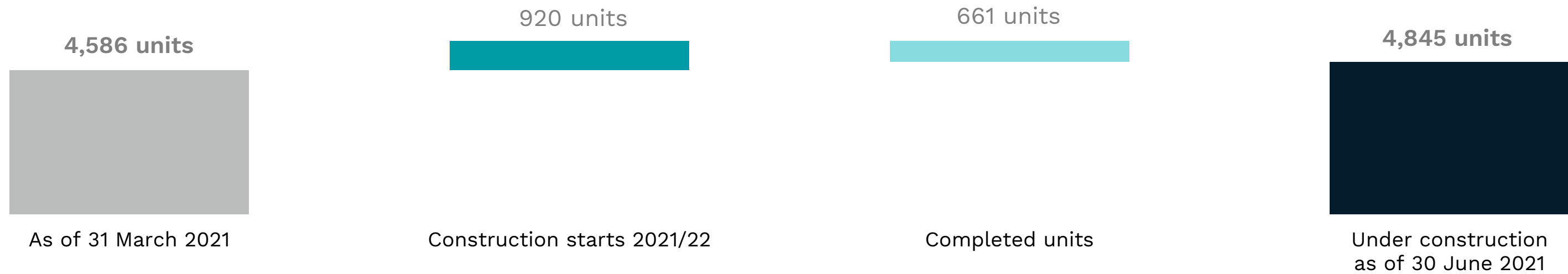
As of 30 June 2021



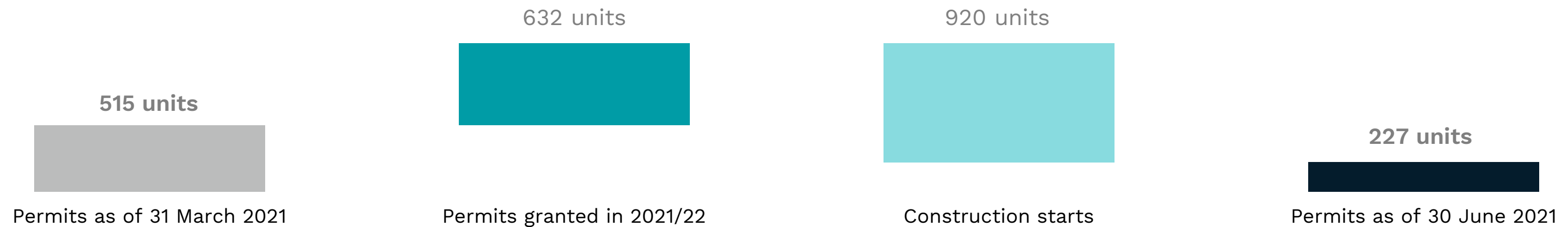
Construction Starts and Building Permits

As of 30 June 2021

Units under construction (BTS+BTR)



Building permits in hand, pending construction start (BTS)



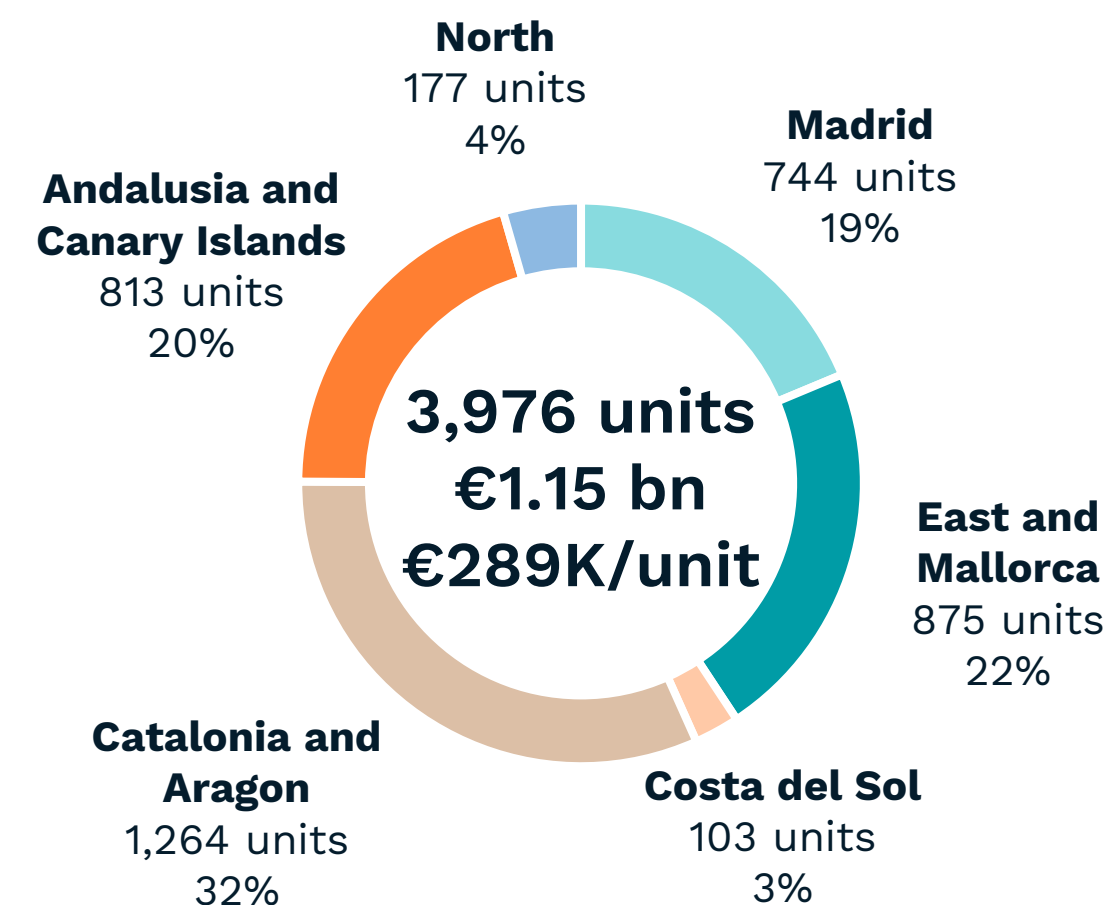
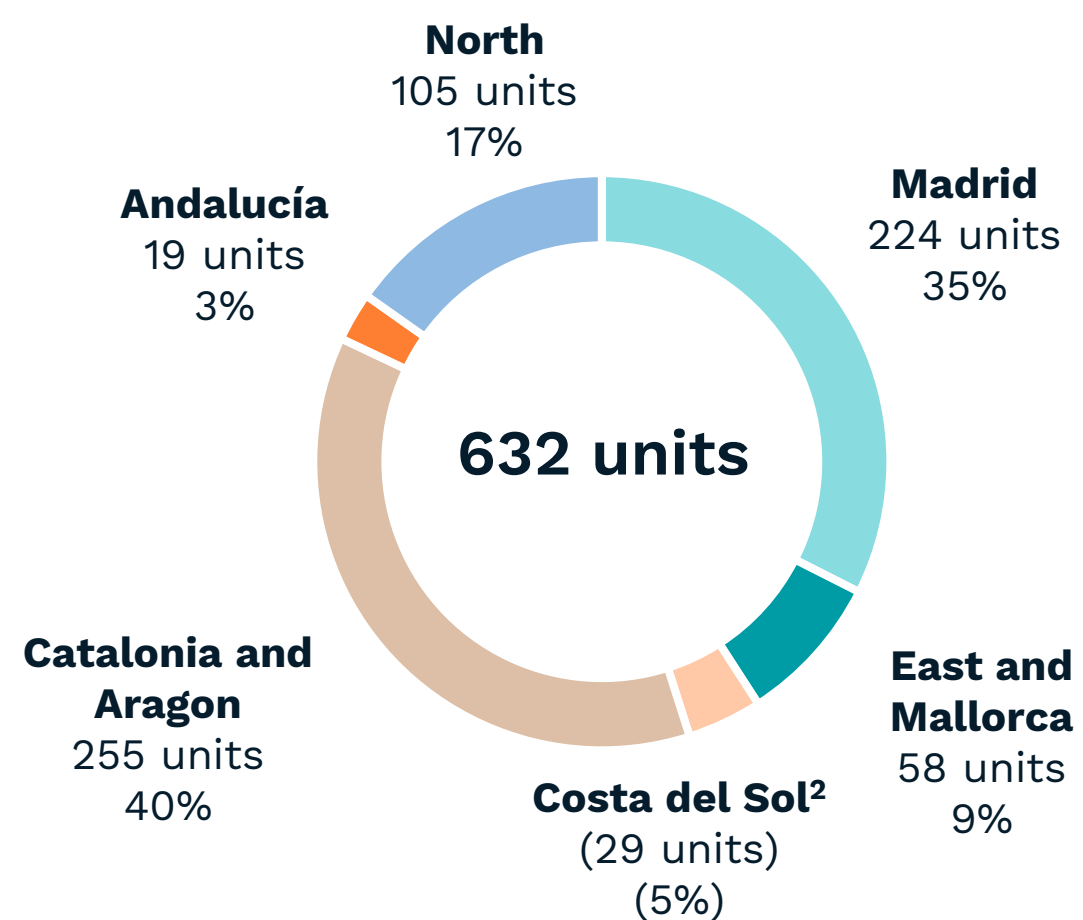
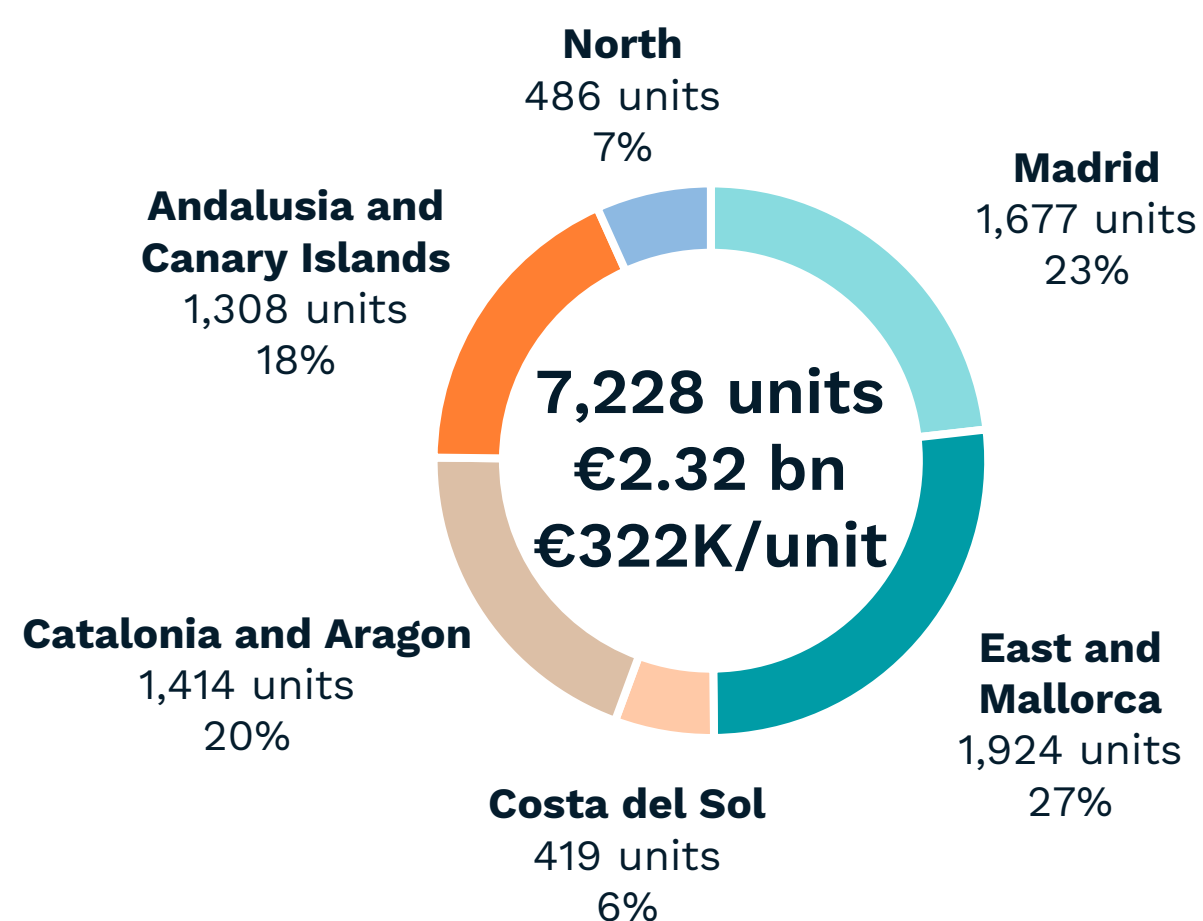
Regional Breakdown

As of 30 June 2021

Units on the Market¹

Permits granted in Q1 2021/22

Order Book

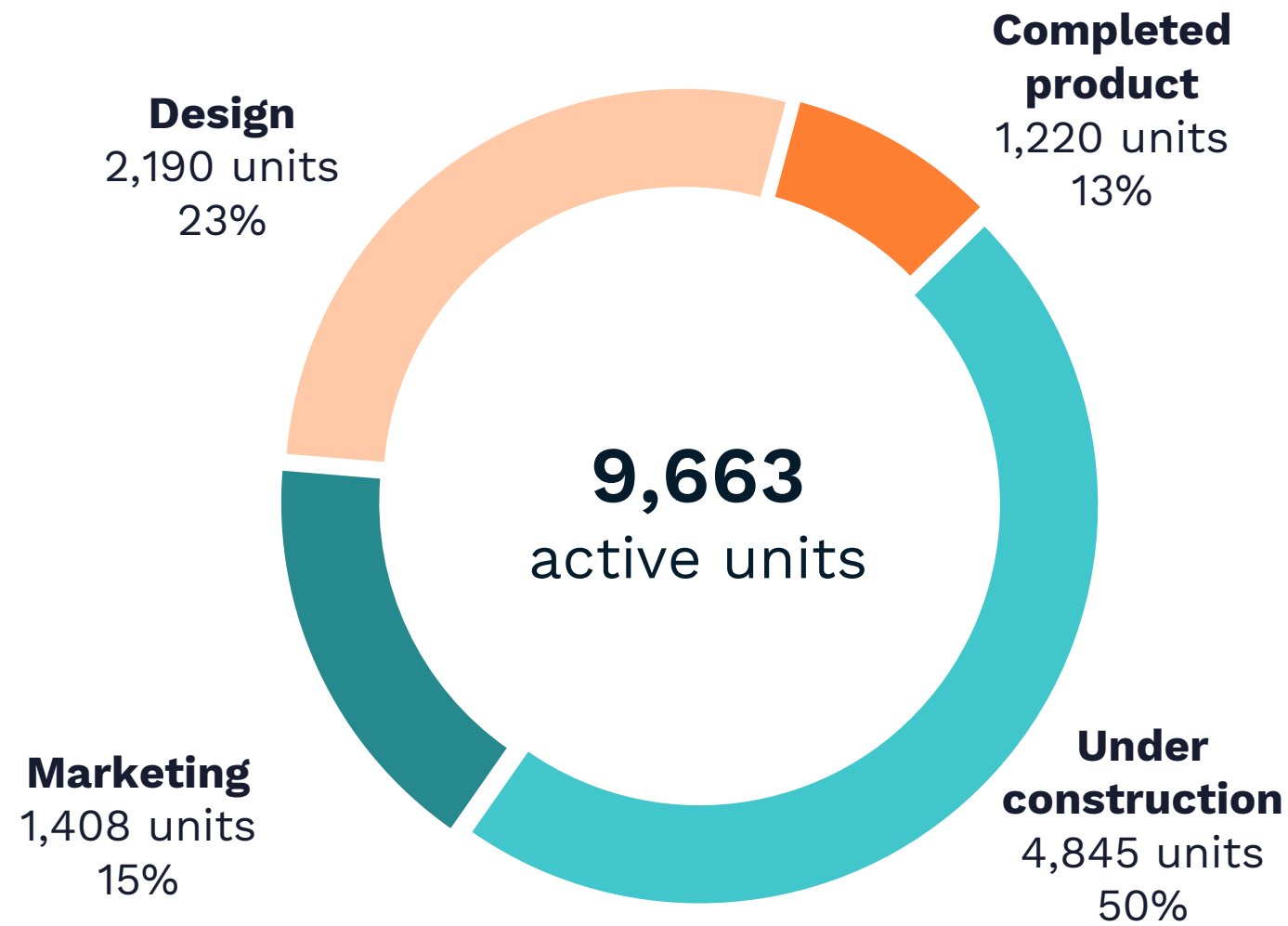


(1) Units on the market figure includes total product available (launches) and includes all units sold but not delivered.
 (2) Due to modification of the initial construction works project

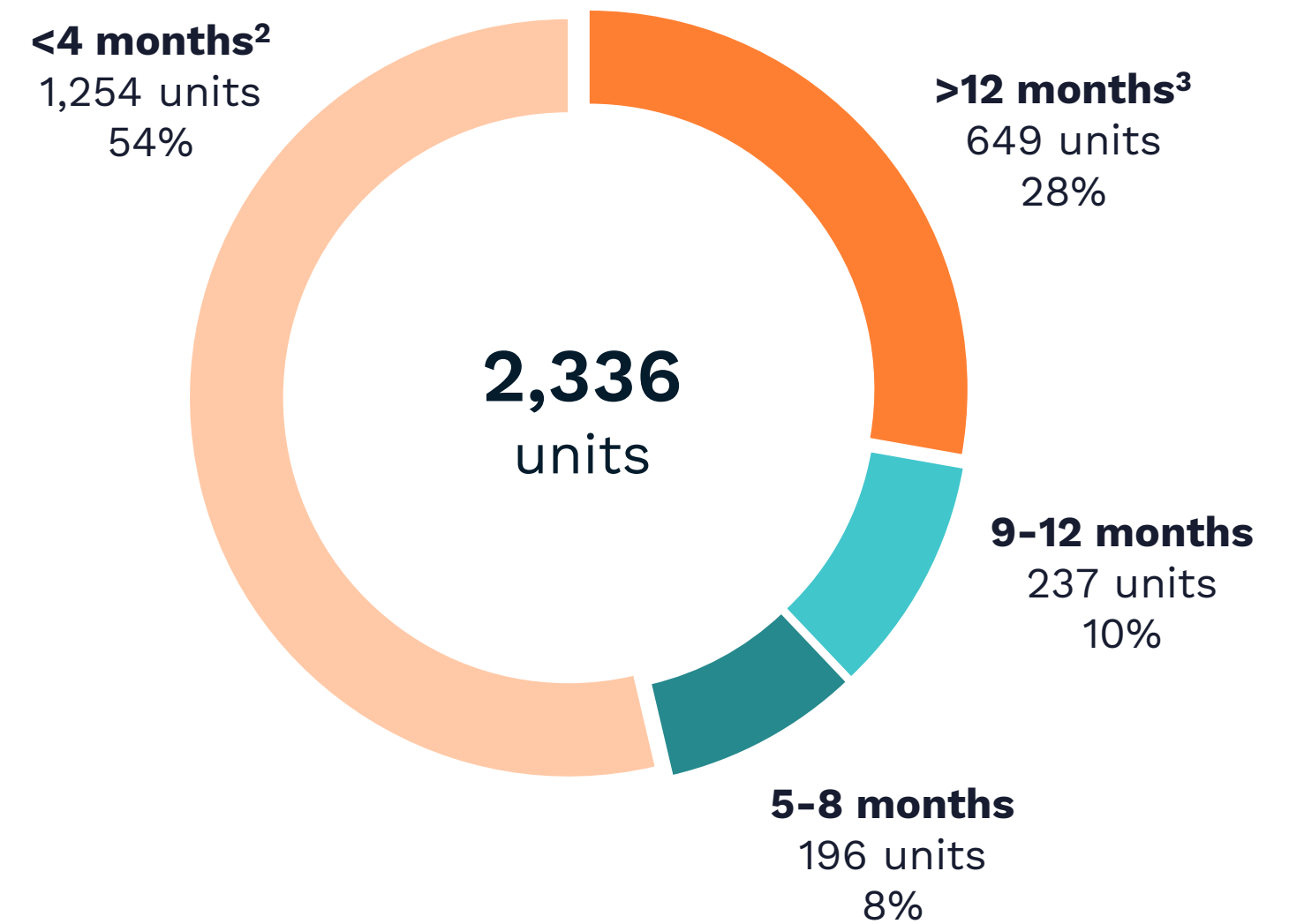
Active Units and Permit Request Status

As of 30 June 2021

Active Units¹



Permit Request Status



(1) Units are considered active from the moment they enter the design phase until they are handed over to the customer.
(2) 325 units correspond to BTR.
(3) 144 units correspond to BTR.

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