

Results 1Q2021

May 6th, 2021

metrovacesa

Residencial Hespérides (Sevilla)



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Agenda

Table of Contents

1. Highlights
 2. Business Update
 3. Financial Overview
 4. Closing Remarks
- Appendices



Today's Presenters



Jorge Pérez de Leza
CEO



Borja Tejada
CFO



Juan Carlos Calvo
Strategy & IR

1. Highlights

An aerial photograph of a modern residential development in Estepona, Málaga. The image shows a cluster of white, multi-story apartment buildings with balconies, surrounded by lush greenery and palm trees. In the background, a large green field and a blue ocean are visible under a clear blue sky. The overall scene is bright and sunny, highlighting the architectural details and the surrounding environment.

Highlights

The housing market is improving

Acceleration in sales demand with stable prices

On track to meet our full year 2021 targets

Improved visibility on deliveries, land sales and cashflow

Dividend of €0.40 p.s. on May 20th

5.1% yield at current prices

metrovesesa

Inspira (Lleida)

2. Business Update

Key operational data as of March 2021

Active projects	Construction	Deliveries / Sales	Land portfolio	Financials
 <p>Sales Backlog ⁽¹⁾</p> <p>2,678 Sold units €798m €298 k/unit ASP ⁽²⁾</p> <p>5,100 units and 91 developments under commercialization</p> <p>€306 k/unit ASP ⁽²⁾</p> <p>7.276 active units 130 active developments</p>	 <p>3,481 units in construction or completed</p> <p>64 developments in construction or completed</p>	 <p>296 units delivered</p> <p>€229 k/unit ASP ⁽²⁾</p> <p>407 units pre-sold ⁽³⁾</p> <p>€300 k/unit ASP ⁽²⁾</p>	 <p>€10.1m Land Sales</p> <p>c.34,400 buildable units ⁽⁴⁾</p> <p>83% ⁽⁵⁾ Fully permitted</p>	 <p>€311m Total cash</p> <p>€217m Net debt</p> <p>8% LTV ratio</p> <p>€0.4/sh dividend</p>

Notes:

(1) Defined as cumulative pre-sales (reservations + contracts) minus deliveries

(2) Average Selling Price

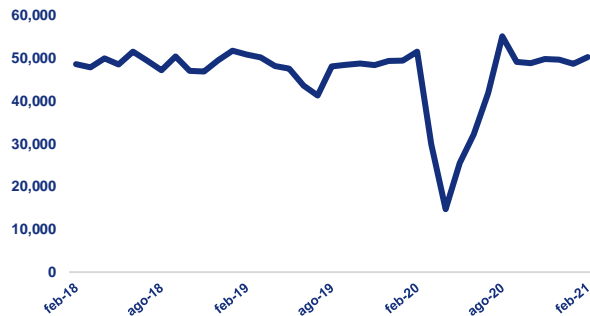
(3) Pre-sales in the period, net of cancellations

(4) Estimated number of units may vary in time depending on the type of projects and maximum buildability

(5) Calculated on Dec 2020 appraisal values

Market Dynamics in Spanish residential

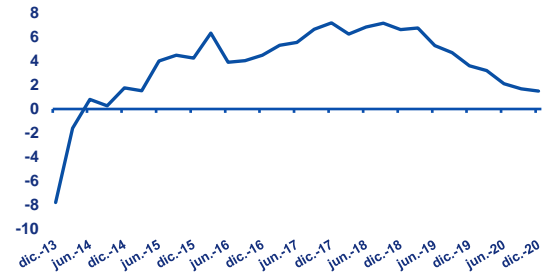
Total housing transactions in Spain (# units monthly)



- Healthy recovery in housing transactions
- More evident in new housing, which still well below historical volumes
- Buyers have a preference for new, larger homes, with amenities and located in the periphery of large cities.

Source: Notaries

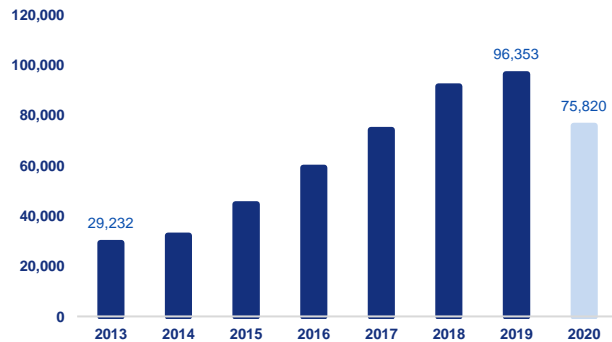
House prices: change yoy %



- House prices stabilising post pandemic
- Better performance in new housing than used
- A balanced supply-demand situation which suggests stable prices

Source: INE

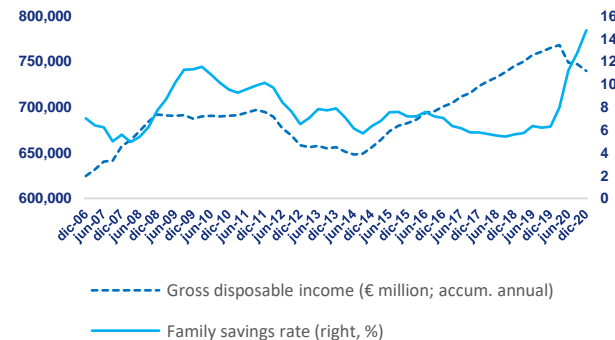
New construction starts (# units)



- 21% decline in new construction starts last year
- Less pressure on construction costs
- Limited supply volumes in comparison with annual demand

Source: MITMA

Household savings rate and gross disposable income



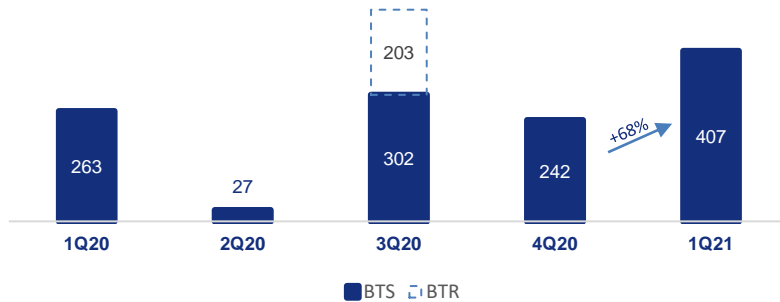
- Spanish families have more savings now
- Mortgage terms remains attractive for buyers

Source: INE

Residential pre-sales: acceleration in sales activity

Pre-sales in the period

units



407 units

net pre-sales in
1Q2021

- Acceleration in sales activity: 407 units in 1Q21 is record high ex BTR
- Absorption ratio improved to 2.5% monthly vs 1.5% in 4Q20

Project highlights



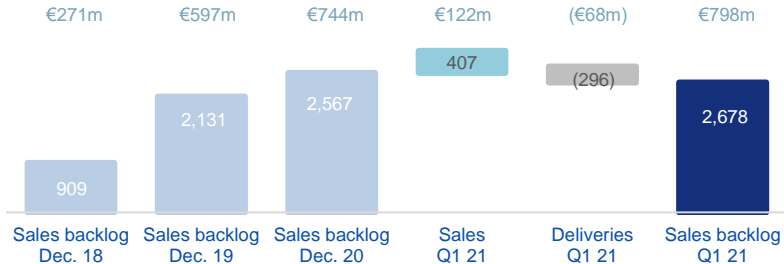
Palmas Altas / Isla Natura (Sevilla)

- Project Isla Natura, with >2,000 units
- 3 projects launched in commercialisation in February (207 units)
- 28% presold in 2 months
- In parallel with urbanisation capex

Sales backlog

units

• sales value



2,678 units

backlog at March
2021

>85%

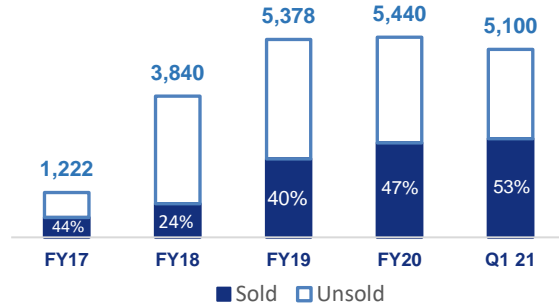
of 2021 deliveries
are pre-sold

- Backlog increases 4% in units and 7% in euros to €798m, vs Dec 2020
- ASP of €298k/unit
- 84% is formalized in a contract, vs 16% in reservations

Operational activity: units in commercialization and in construction

Units under commercialization:

5,100 units (ASP of €306k), 53% is already pre-sold

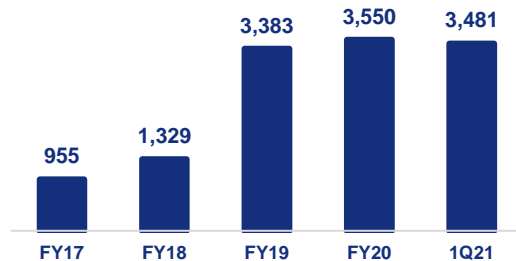


5,100 units
in commercialisation

- 91 projects in commercialization
- 53% of the units are already pre-sold
- New commercial launches: 404 units in 1Q

Units in construction (work in progress)

3,481 units, including 852 already finished



3,481 units
in construction

- 64 projects under construction
- 2021 deliveries: 55% of units are finished in March and 100% will be finished by August
- New construction starts: 226 units in 1Q
- New building permits: 634 units in 1Q
- Construction completions: 469 units in 1Q

Project highlights



Malaga Towers (Málaga)

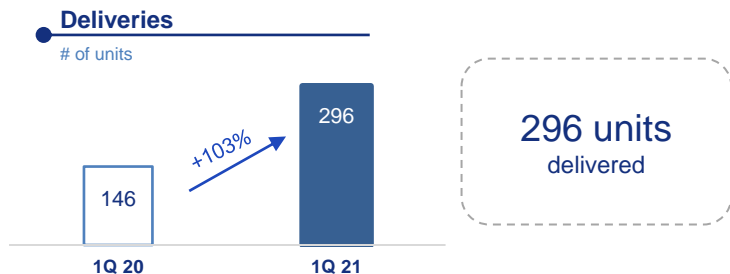
- Construction started in 1Q: the first tower of this iconic project in Malaga city (74 units)
- ASP > Eur1m per unit; >50% is presold



Nieremberg 14 (Madrid)

- Construction started in 1Q: a project in central Madrid (68 units)
- ASP > Eur700k per unit; >60% is presold

Deliveries: on track to reach full-year guidance



1Q 2021 deliveries:

- 296 units delivered: +103% vs 1Q last year and 23% of the full-year 2021 target range ⁽¹⁾
- Delivery revenues of Eur 67.8m, with an ASP ⁽²⁾ of Eur229k/unit.
- Main locations: Madrid (72 units), Málaga (63), Cádiz (68), Sevilla (53)

On track to meet our 1,300-1,700 delivery range in 2021

- Limited risk commercially (>85% pre-sold by March) or in construction timing
- In coming quarters, ASP is expected to rise gradually, as well as the gross margin, towards c.20% for the full year

Delivery highlights



Balcón de Europa (Arganda, Madrid)

- First Build-to-Rent project fully delivered
- 120 units between 4Q20 and 1Q21



Pórtico Simón Verde (Sevilla)

- 53 units delivered in 1Q21

Notes:

- (1) Using the low range
- (2) ASP = Average Selling Price per unit

Land activity and commercial segment

Land activity

€10.1m
land sales in 1Q

+

plus €6m
in private contracts

=

32%
of FY target

- **Land sales of €10.1m recorded in 1Q21**
 - Positive capital gain of 4% vs book values
 - Several small-size plots of land, all of them with residential use, equivalent to 186 housing units
 - Locations: Isla Cristina (Huelva), San Juan (Alicante), Tarrassa (Barcelona), Jerez (Cádiz) and Málaga city
- **Plus: €6m agreed in private contract**, with partial prepayments made, to be formalised before year-end
- **On track to meet the full-year target of >€50m**, with a stronger second semester

115 units
converted to fully permitted

- Transformation to fully permitted of two land plots in Sabadell (Barcelona) and Mijas (Malaga) with 115 residential units

Commercial segment

- Gradual recovery in investors' interest in the commercial segment, particularly on alternative uses.
- Also, increased interest from prospective tenants for our Puerto Somport office development, to be completed in June 2021



*Puerto Somport
office development (Madrid)*



3. Financial Overview

Financial accounts: 1Q21 highlights



Profit & Loss

€m	1Q 2020 ⁽¹⁾	1Q 2021
Total revenues	33.7	77.9
Residential deliveries	32.6	67.8
Land sales	1.1	10.1
Gross Profit	5.1	9.5
Residential deliveries	5.1	9.2
Land sales	(0.1)	0.3
EBITDA	(2.5)	0.4
Net Profit	(6.0)	(2.2)



Financials

as of March 2021

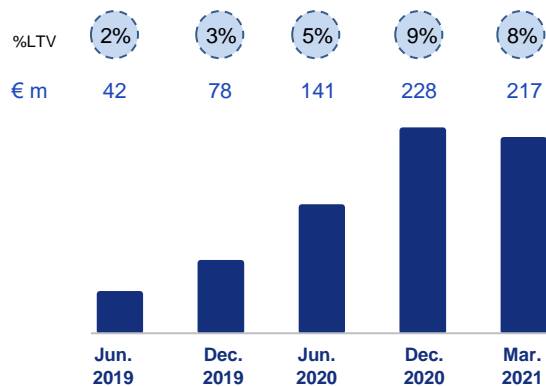
LTV ratio	8.1%
Net debt	€217m
Total cash	€311m
Shareholder funds	€2,178m

Notes

(1) Proforma in 1Q 2020, excluding the sale of one plot of land as explained in the 4Q 2020 presentation

Net Debt in March 2021

Net debt evolution



Citrea (Málaga)

Net debt details

<i>Eur m</i>	Dec. 2020	Mar. 2021
Developer loans	178.8	149.9
Corporate debt	257.1	261.2
Gross Financial Debt	435.9	411.1
Unrestricted cash	203.9	192.5
S/T investments	3.5	1.1
Net Financial Debt	228.4	217.5
Restricted cash ⁽¹⁾	130.1	118.4
% LTV	8.5%	8.1%

LTV ratio
8.1%

Total cash
€311m

Good access to finance

- €127m new bank loans signed YTD: project loans €121m and corporate loans €6m
- Registered Commercial paper program: Open balance of €35m as of March
- Over €217m pre-agreed loans for new construction starts

Notes

(1) Restricted cash includes advances from clients, which is not used for the calculation of the net debt of LTV ratio

4. Closing Remarks

Closing remarks



On track to meet our FY 2021 targets

Residential deliveries:
1,300 – 1,700 units

- 23% delivered in 1Q
- >85% pre-sold at March
- 100% construction completed by August

Land sales:
>€50m

- 32% achieved, including private contracts

Free cashflow:
>€100m

- >25% achieved in 1Q



Shareholder remuneration update

€0.40/sh dividend
on May 20th

- €60.7m or 85% of FCF in 2019+2020
- 5.1% yield at current market price ⁽¹⁾
- Payment date: May 20th
- Ex-date: May 18th

+80% FCF
distribution

- Expectation of an increase in dividend next year
- Based on FCF target for 2021 and +80% distribution policy

Share buyback
update ^{(1) (2)}

- €18.6m invested to date
- 1.98% of shares at an avg price of €6.2/sh
- Equity swap term extended to June 2023

Notes

(1) Data as of 04/05/2021

(2) Purchases made via an equity swap agreement

A modern, multi-story white apartment building with balconies and large windows, situated in a tropical environment with palm trees and a swimming pool. The building is reflected in the water of the pool. The sky is clear blue.

Appendices

Profit and Loss Account

(€m)	1Q 2020 ⁽¹⁾	1Q 2021
A Revenues	33.7	77.9
Residential Development	32.6	67.8
Land Sales	1.1	10.1
COGS	(28.7)	(68.4)
COGs Developments	(27.5)	(58.6)
COGs Land Sales	(1.2)	(9.7)
Others	(0.1)	(0.1)
B Gross Profit	5.1	9.5
% Gross Margin	6%	11%
Commercial Cost	(1.8)	(3.3)
C Wages & Salaries	(4.0)	(4.4)
Overheads	(1.7)	(1.4)
D EBITDA	(2.5)	0.4
(Impairment)/revaluation/ depreciation	(0.0)	(0.2)
EBIT	(2.5)	0.2
Net financial results	(3.1)	(2.3)
Others	(0.3)	(0.1)
Pre-tax profit	(5.9)	(2.2)
Income Tax	(0.1)	(0.0)
Net Income	(6.0)	(2.2)

Notes

(1) Proforma P&L excluding the sale of one plot of land as explained in the 4Q20 presentation



Key considerations

A - Total revenues of €77.9m (up 131% YoY)

- Residential revenues of €67.8m
- Land sales of €10.1m

B - Gross margin of €9.5m

- 14% margin in residential development
- 4% margin in land sales

C - Overhead plus personnel expenses of €5.8m

D - Positive EBITDA of €0.4m

Balance Sheet

(€m)	Dec. 2020	Mar. 2021
Investment Property	321.3	321.0
Other non-current assets	154.0	154.3
Total non-current assets	475.3	475.3
Inventory	1,982.6	1,993.4
<i>Land</i>	<i>1,097.7</i>	<i>1,084.1</i>
<i>WIP & finished product</i>	<i>884.9</i>	<i>909.3</i>
A Cash	334.0	310.9
Other current assets	133.7	117.4
Total current assets	2,450.3	2,438.8
Total assets	2,925.6	2,914.1
Provisions	14.6	13.9
B Bank debt	217.4	204.0
Other non-current liabilities	30.4	32.4
Total non-current liabilities	262.4	250.3
Provisions	26.6	29.1
B Bank debt	215.9	205.3
Other current liabilities	241.0	251.8
Total current liabilities	483.5	486.2
C Shareholders' funds	2,179.8	2,177.5
Total equity + liabilities	2,925.6	2,914.1



Key considerations

A - Cash balance of €311m

- Includes €118m restricted cash (advances from clients) and €192m unrestricted

B - Financial debt

- Reduction in gross debt figure

C - Shareholders' funds of €2,177.5m

MVC project examples I

Illa Natura (Tarrasa, Barcelona)

[Link to project website](#)



Jardins de Llevant (Palma de Mallorca) [Link to project website](#)



Villas de la Vega (Villaviciosa Odón, Madrid) [Link to project website](#)



Terrazas Poniente Sur (Córdoba) [Link to project website](#)



MVC project examples II

Nereidas (Torremolinos, Málaga)

[Link to project website](#)



Tamabada (Canarias)

[Link to project website](#)



Halia (Málaga)

[Link to project website](#)



Mozart (Sagunto, Valencia)

[Link to project website](#)



Q & A