

metrovacesa

Sol de Llevant (Palma de Mallorca)

# Trading update 3Q2023

October 25<sup>th</sup>, 2023

mvo





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# Agenda

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1. Highlights
2. Business Update
3. Closing remarks



Today's Presenters



Jorge Pérez de Leza  
CEO



Borja Tejada  
CFO



Juan Carlos Calvo  
Strategy & IR



# 1. Highlights

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# Highlights

## Market context

### Housing demand is holding up

- **Good tone in residential demand**, despite higher mortgage rates and a volatile macro context

## MVC operations

### Solid operational performance

- **3Q is our strongest quarter in pre-sales** so far this year (+37% YoY), despite the usual seasonality
- Backlog continues to increase: +13% vs Dec22, with a 2.9% higher avg. selling price
- **Push on new construction starts** in 3Q: 949 units started in the quarter and 1,527 in 9M
- Land sales: binding contracts are gradually transforming into notarial sales, as expected

## Financials

### New dividend in December, based on good cashflow visibility

- **Confirmation of cashflow targets** for the full year: €100m to €150m
- **Proposed dividend of €0.33 p.s.** in December, represents a 10% total yield for the year 2023<sup>(1)</sup>
- 4Q will be the strongest quarter of the year in both residential deliveries and land sales
- **Gross development margins holding up** (22.4% in 9M23), guidance remains at low-20s%

Notes:

(1) Calculated over share price at the beginning of the year 2023 (€6.37/sh)





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## 2. Business Update



# Key operational data

as of September 30<sup>th</sup>, 2023

## Active projects



### Sales Backlog <sup>(1)</sup>

**3,591** €1,148m

Sold units €320 k/unit ASP <sup>(2)</sup>

### Under commercialization

**6,728** €347 k/unit ASP <sup>(2)</sup>

units 121 projects

### Active units

**7,754** 141 active projects

units

## Construction



**4,650** units under construction <sup>(3)</sup>

**89** developments under construction <sup>(3)</sup>

## Deliveries / Sales



**982** units delivered in the period

€294 k/unit ASP <sup>(2)</sup>

**1,402** units pre-sold <sup>(4)</sup> in the period

€317 k/unit ASP <sup>(2)</sup>

## Land portfolio



### Land Sales

€13.1m in P&L revenues

€41.3m Total binding contracts

### Land Purchases

€26m in 9M23

**~28.2k**

Residential units in land bank

## Financials



**€315m**

Net debt

**€183m**

Total cash

**€101m**

Unrestricted cash

**12.5%**

LTV ratio

#### Notes:

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

(2) ASP = Average Selling Price

(3) Includes units with construction works completed

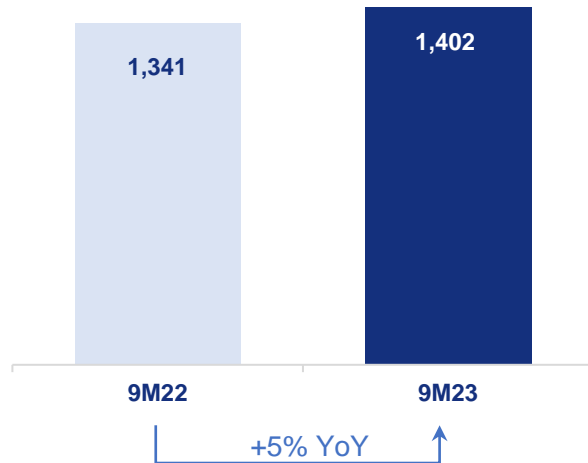
(4) Pre-sales in the period, net of cancellations

# Pre-sales

Continued positive demand dynamics in 3Q

## Net pre-sales: increase in volumes in 9M

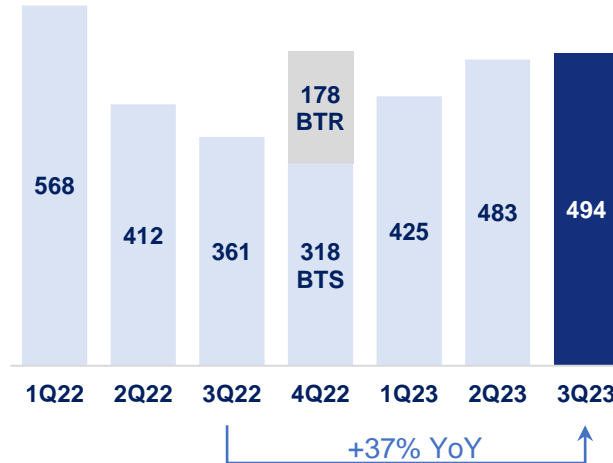
# units



**ASP of €317k/unit**

In 9M23 pre-sales

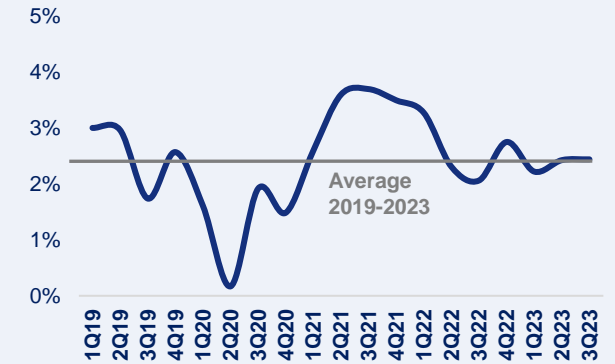
Pre-sales per quarter (# units)



**Positive demand dynamics**

3Q, the strongest quarter in pre-sales so far in 2023, despite usual seasonality

Monthly absorption rate <sup>(1)</sup>



**2.4%**  
in 3Q23

Notes:

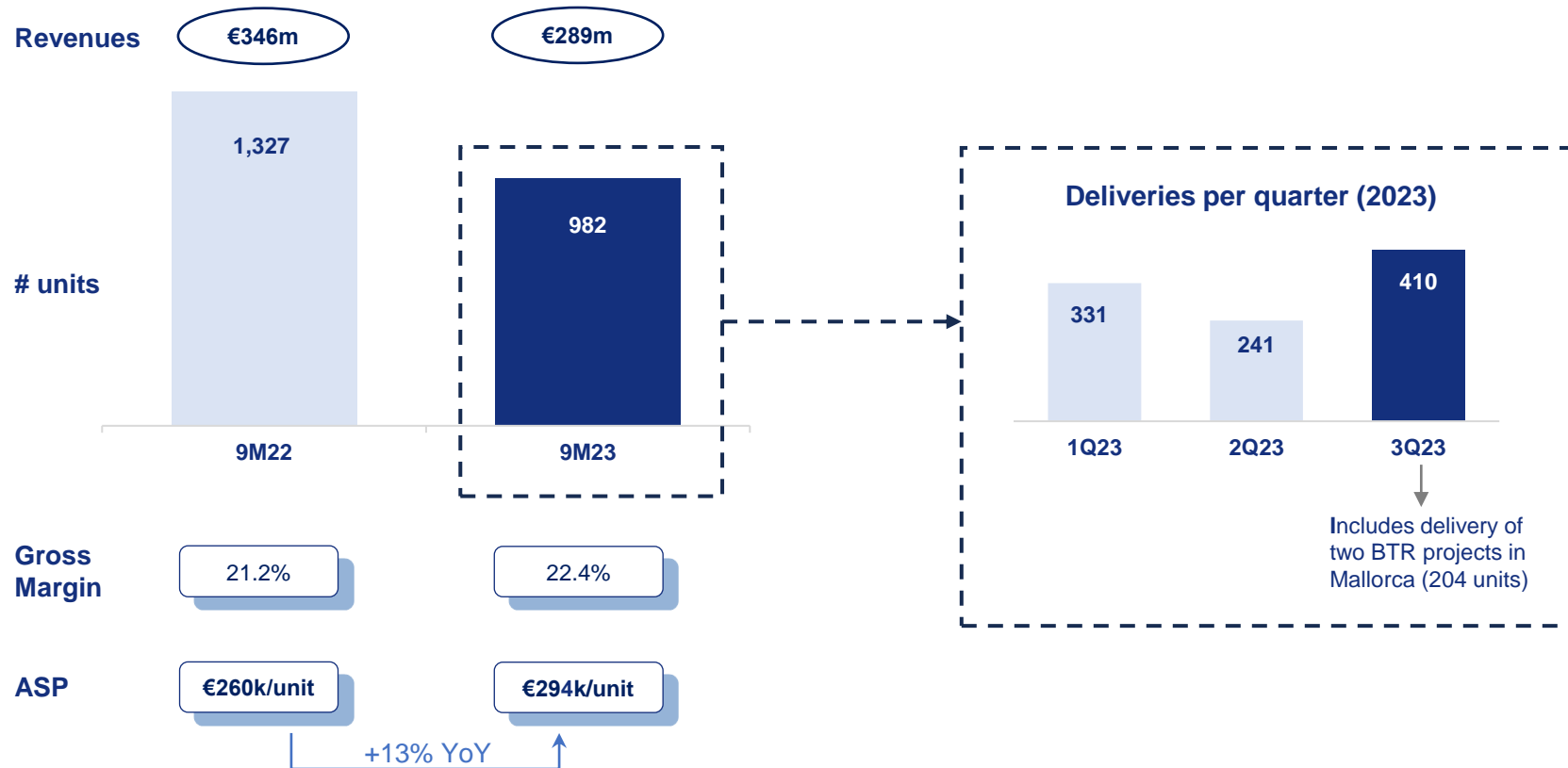
(1) Calculated as monthly net presales divided by average number of units in commercialisation, including both sold and unsold units



# Residential deliveries

On track to meet FY23 targets

**9M23 deliveries:** increase in ASP and gross margin



## Confirmation of FY targets

- High concentration of deliveries in 4Q this year due to the calendar of project completions
- As of September, >800 units are already sold and built, pending delivery

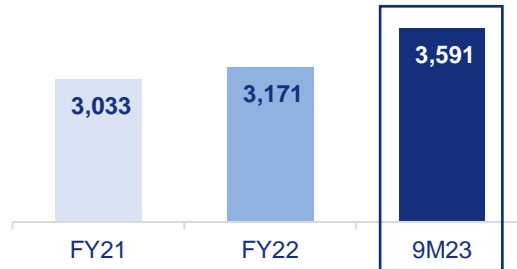
# Operational activity

Mid-term objective of >2,000 units p.a.

## Improved operational metrics

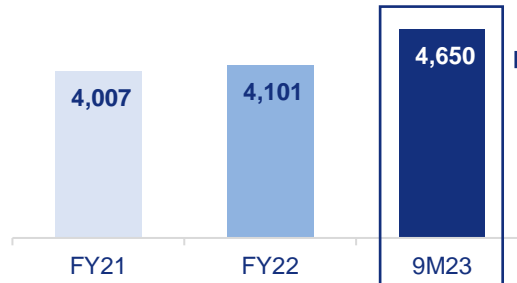
Operational KPIs are a good indication of revenues for the next ~3 years

### Pre-sales backlog (units)



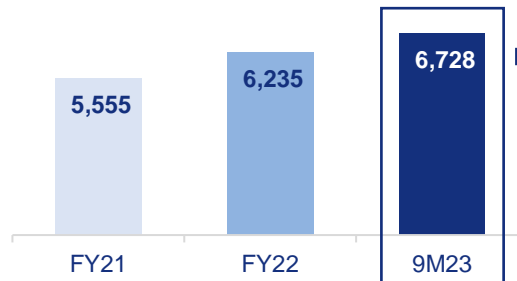
- ✓ Future revenue of **€1.1bn**, with ASP of €320k per unit (+2.9% vs Dec22)
- ✓ Includes **4 BTR projects** (386 units) in Valencia and Seville

### Units under construction



- ✓ Indicates potential deliveries within the following 24 months
- ✓ 1,527 units started construction in 9M23 (949 in 3Q)

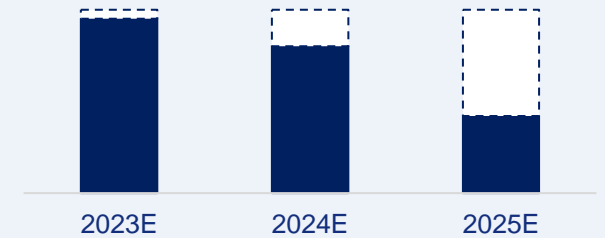
### Units in commercialisation



- ✓ 1,471 commercialization starts in 9M23
- ✓ Potential revenues of **>€2.3bn**, over the next 36 months

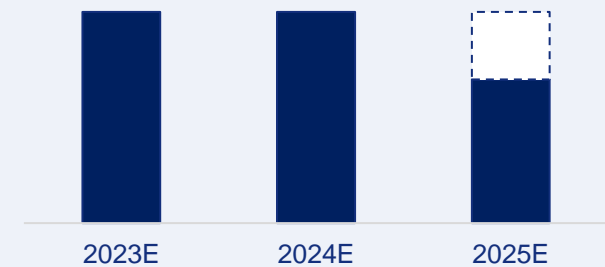
### Presales coverage

(% of target deliveries already pre-sold)



### Construction coverage

(% of target deliveries already under construction)

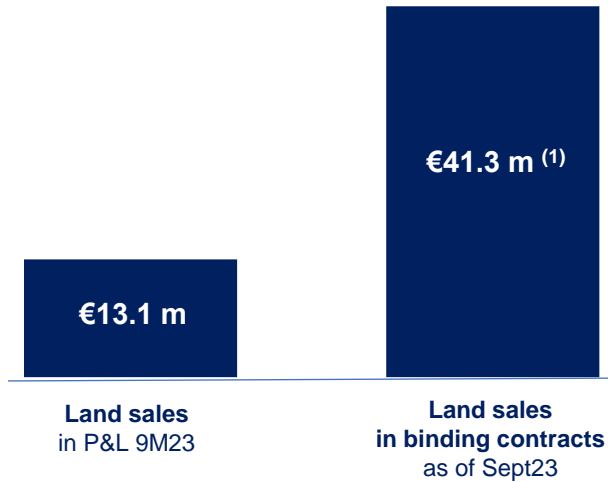




# Land activity

Progress on land sales and acquisitions 9M23

Land sales in 9M23: €54.4m including sales backlog



- **P&L sales of €13.1m**, prices slightly below book value (-1.6%)
  - Sales recorded in 3Q: one commercial land (Monteburgos 3 in Las Tablas, Madrid), and several residential land assets (total of 259 units, notably in Seville and in Jerez de la Frontera)
- **Binding contracts of €41.3m as of Sept**, most of them to be completed by the end of 2023
  - 72% is land for commercial use, reflecting a pick-up in demand for commercial land

Land purchases in 9M23: €26m investment, +500 units

## Selective new land purchases:

- As a top-up to complement our land portfolio
- On commercially attractive locations

Main recent purchases: several new projects already launched

### Granada (Cuarteles Mondragón)



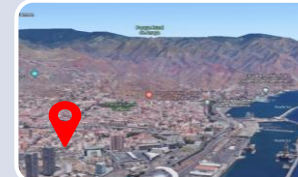
- FP land situated in downtown Granada (~200 units)
- Acquired in 2023. Phase 1 is already launched under design

### Vinival (Valencia)



- Land under management for 329 units, acquired in 2023
- Complements MVC's existing exposure in the area, now controlling a majority

### Res. Agama (Santa Cruz Tenerife)



- FP land acquired in 4Q 2022 for 62 units
- Project already launched and in commercialization

Notes:

(1) Backlog of sales signed in binding contracts as of September 2023, with partial cash payment already collected. Does not include land in turnkey project agreements

# Operating results

## Summary



€ m

9M 2022

9M 2023

	9M 2022	9M 2023
<b>Revenues</b>	<b>351.8</b>	<b>302.1</b>
Development	345.8	289.0
Land sales	6.0	13.1
<b>Gross Profit</b>	<b>73.6</b>	<b>64.7</b>
Development	73.5	64.9
% gross margin dev't	21.2%	22.4%
Land sales	0.1	-0.2
<b>EBITDA</b>	<b>34.1</b>	<b>29.0</b>

Total revenues  
€302.1 m

Gross development  
margin  
22.4%

EBITDA  
€29.0 m



### 3. Closing Remarks

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# Dividend proposal and shareholders' meeting

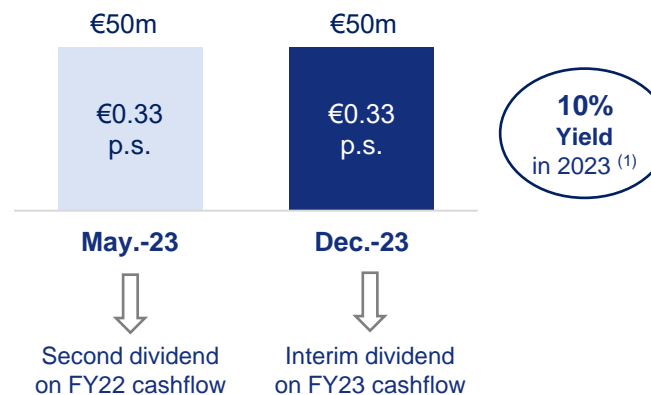
New €50m payment in December

Next dividend  
**€0.33**  
per share

- Dividend proposal, **subject to approval** in the next shareholders' meeting
- **Payment by December 21<sup>st</sup>, 2023**, against paid-in reserves (0% withholding tax)

Accum. dividends:  
**€522m**  
or 3.44/sh  
since 2019

## €100m dividend payments in 2023:



## Shareholders' Meeting Call:

- Extraordinary meeting called for **November 28<sup>th</sup>, 2023** in Madrid
- Main points in the **agenda**:
  - **Dividend proposal:** €0.33 p.s. to be paid in December
  - **Changes in the Board of Directors:** increase from 12 to 13 seats, and appointment of a new member, proposed by FCC

Notes:

(1) Calculated over share price at the beginning of the year 2023 (€6.37/sh)



## Closing remarks

**Market trends: positive trend holding up**  
Context still uncertain, need to adapt if trends change

**Strong visibility for our 2023-2025 deliveries**  
Keeping up with our strategy and operational targets

**Reiterating our full-year guidance**  
€100m to €150m cashflow in 2023



Q & A

WOW