

VOLPALLERES HOMES – BARCELONA  
DELIVERED Q4 2019



**Neinor**  
HOMES

**Q1 2020**

**RESULTS PRESENTATION**

> 7<sup>th</sup> MAY 2020



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**Borja García**  
**Egotxeaga**  
*Chief Executive Officer*



**Jordi Argemí**  
**García**  
*Deputy CEO / CFO*



**Juan Gómez Vega**  
*Chief Investor*  
*Relations Officer*

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Business &  
Financial Review

2

Q&A

A

Appendix

# SOLID START IN Q1 2020



A profitable first quarter:

- > **€7.9m EBITDA and 28% gross development margin**



Strong Order Book:

- > **353 pre-sales in Q1 for a cumulative total of 2,834 units (c.€930m)**
- > **2,120 contracted (714 reservations) – 16% of price paid up-front**
- > **60% of order book with Family Homes Protection insurance\***

*\*Insurance company CNP to cover remaining installments in case of involuntary unemployment or health issues*



**Neinor Rental Platform**

- > **Progressing in the seed portfolio – Construction started in 2 sites**
- > **Setting up the operating structure**

# END OF APRIL UPDATE

## Financial Strength:



- > **Signed €40m corporate loan in April to further strengthen cash position. Pro-forma cash end of April €130m+(1)**
- > **No need to refinance corporate loans for 12+ months**
- > **c.€850m of developer loans committed**

## COVID-19 Situation and Status:



- > **Construction: all sites open except March 30<sup>th</sup>-April 13<sup>th</sup>**
- > **We launched “Stay at home” and “Vamos” campaigns and virtual visits, resulting in 64 pre-sales in April**
- > **Working on various public-private initiatives to leverage our existing capacity**

<sup>(1)</sup> Including €33.5m restricted cash

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# Business & Financial Review



**CAN MATES II – BARCELONA**  
*Delivered Q4 2019*

# Q1 2020 OPERATING HIGHLIGHTS

## MARCH 2020 SNAPSHOT

## Q1 2020 PROGRESS



**Development Activity**

**c. 11,000 units**  
LandBank

**c. 5,000 units**  
WIP & FP

Licenses  
**400+ obtained**  
**800+ acc. submitted<sup>(1)</sup>**

**500+**  
WIP Starts

**126**  
Deliveries



**Pre-Sales Activity**

**2,834 (c. €930m)**  
Orderbook units

**353 units**  
Pre-sold in Q1

**64 units**  
Pre-sold in April



**Order Book Quality**

**74.8%**  
Contracts

**25.2%**  
Reservations

**16%**  
Avg. paid up-front (of 20% deposit)

**1,622 (c.60%)**  
Units with Family Home Protection



**Revenue Visibility**

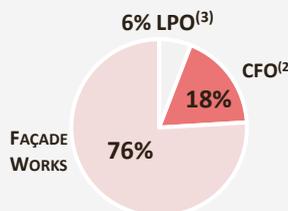
**2020**

7% DELIVERED



**1,700+ UNITS**

CURRENT PRE-SALES  
**75%**



OF WHICH IN CONTRACTS  
**94%**

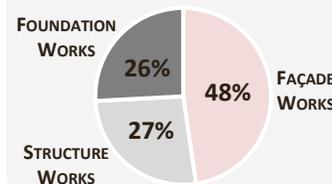
**2021**

100% WIP  
100% LICENSES



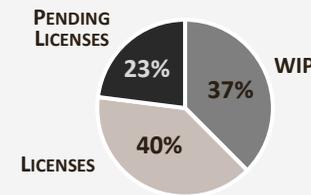
**2,400+ UNITS**

CURRENT PRE-SALES  
**45%**



OF WHICH IN CONTRACTS  
**70%**

**2022**



**2,500+ UNITS**

CURRENT PRE-SALES  
**25%**

100% FOUNDATION WORKS



**Note:** Pre-sales rate as of March 2020. <sup>(1)</sup> Average accumulated time since submission of licenses is 18 months. These 800+ units for which license have been requested, are in addition to the c.5,500 units that already had licenses as at March 2020 <sup>(2)</sup> CFO: Certificado Final de Obra, last milestone before requesting the first occupancy license or LPO <sup>(3)</sup> LPO stands for "Licencia de Primera Ocupación"

# Q1 2020 FINANCIAL HIGHLIGHTS

> EBITDA of €7.9m and Net Income of €4m

## Financial KPIs



P&L

**€51m**  
Revenues

**€7.9m**  
EBITDA

**€4m**  
Net Income



Balance Sheet

**€1.3bn**  
Development  
Stock

**81%**  
Of Development  
Stock is Active

**€91m**  
Cash<sup>(1)</sup>



Leverage

**€226m**  
Net Debt

**€297m**  
Adjusted Net Debt

**18%**  
LTV



Servicing

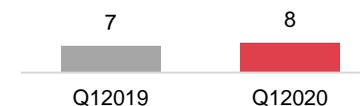
**€1.4bn**  
AuM

**€5.8m**  
Revenues

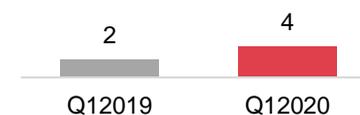
**69%**  
EBITDA Margin

## Year on Year Progress

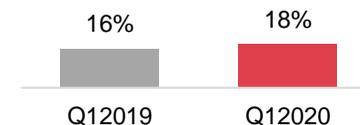
+10% EBITDA



+74% Net Income



+2% LTV



<sup>(1)</sup> Includes €33.5m of restricted cash

# CLOSING REMARKS

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There is no fundamental change in housing needs

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Exploring **public-private collaboration** projects

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Looking at **angles to grow our residential platform**

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Q&A



**VOLPALLERES II HOMES –BARCELONA**  
*Delivered Q4 2019*



**A**

# Appendix



**RIVERSIDE HOMES – MADRID**  
*Delivered Q4 2019*

# EBITDA OF €7.9M, 10% OVER Q1 2019

> 28% development gross margin

## Summary P&L (in €M)

€M	Q1 2020	Q1 2019	Q1'20 vs Q1'19	
<b>Revenues</b>	<b>50.5</b>	<b>60.6</b>	<b>-10.1</b>	<b>-17%</b>
Gross Margin	17.9	21.4	(3.5)	-16%
Gross Margin (%)	35.5%	35.3%	0.2%	1%
OpEx & Other	(8.6)	(12.3)	3.7	-30%
Gains (Losses) on disposals <sup>(1)</sup>	-	(0.0)	0.0	-100%
<b>Operating EBITDA</b>	<b>9.4</b>	<b>9.1</b>	<b>0.3</b>	<b>3%</b>
Property Tax Provision	(1.4)	(1.9)	0.4	-23%
<b>EBITDA</b>	<b>7.9</b>	<b>7.2</b>	<b>0.7</b>	<b>10%</b>
Amortization	(0.9)	(1.0)	0.0	-4%
<b>Operating Profit (Loss)</b>	<b>7.0</b>	<b>6.2</b>	<b>0.8</b>	<b>12%</b>
Operating Margin	13.8%	10.3%	3.6%	35%
Finance Costs	(1.7)	(2.4)	0.7	-29%
<b>Profit (Loss) before Tax</b>	<b>5.3</b>	<b>3.8</b>	<b>1.5</b>	<b>38%</b>
Tax charge	(1.4)	(1.6)	0.2	-14%
<b>Profit (Loss) for the period</b>	<b>3.9</b>	<b>2.3</b>	<b>1.7</b>	<b>74%</b>

**€51M** REVENUES

Development  
**€43.6m**

Legacy  
**€1.1m**

Servicing  
**€5.8m**

DEVELOPMENT GROSS MARGIN **28%**

SERVICING EBITDA MARGIN **69%**

**126<sup>(2)</sup>** DEVELOPMENT UNITS DELIVERED IN 2020

**€8M** EBITDA

**€4M** NET INCOME

<sup>(1)</sup> It relates to sales of Non-Current assets. <sup>(2)</sup> Almijara 22#, Riverside 19#, Port Forum III 16#, Leioandi 15#, Abra 12#, Cañada 8#, Sant Just II 6#, Medina 4#, Vollpalleres 3#, Can Mates II 3#, Iturribarri 3# and 15# other.

# CF | ACCELERATING CAPEX

## > Repayment and extension of corporate debt resulted in negative net cash flow

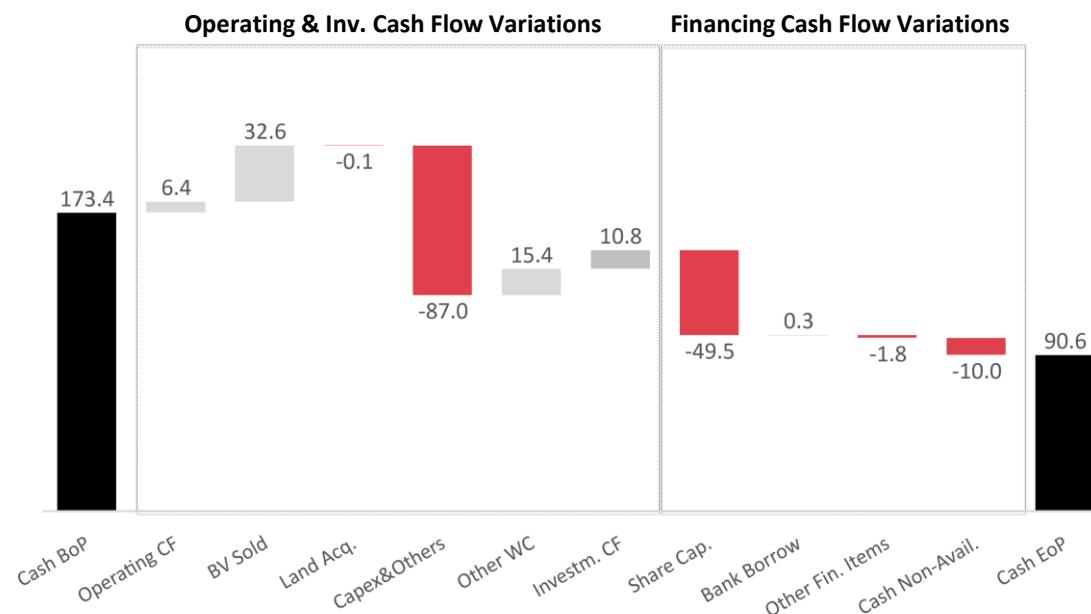
### Summary Cash Flow (in €M)

€M	Q1 2020	Q1 2019	Q1'20 vs Q1'19	
Profit (Loss) before Tax	5.3	3.8	1.4	37.4%
Adjustments	1.1	5.3	(4.2)	-78.6%
Amortization	0.9	1.0	(0.0)	-3.5%
Finance Costs/Revenues	1.7	2.4	(0.7)	-29.1%
Change in provisions	0.5	0.7	(0.3)	-36.9%
Incentive plans	(1.9)	1.3	(3.2)	n.m.
Gains (Losses) on disposals	-	0.0	(0.0)	-100.0%
<b>CF from Operating Activities</b>	<b>6.4</b>	<b>9.2</b>	<b>(2.8)</b>	<b>-30.1%</b>
<b>Working Capital Variation</b>	<b>(39.0)</b>	<b>(18.5)</b>	<b>(20.5)</b>	<b>111.1%</b>
Change in Inventories	(54.4)	(33.0)	(21.5)	65.1%
Book Value Sold <sup>(1)</sup>	32.6	39.3	(6.7)	-17.0%
Land Acquisition	(0.1)	(0.2)	0.1	-72.8%
Capex&Others	(87.0)	(72.0)	(14.9)	20.7%
Other WC Variations	15.4	14.5	0.9	6.3%
<b>Net Operating Cash Flow</b>	<b>(32.6)</b>	<b>(9.3)</b>	<b>(23.3)</b>	<b>n.m.</b>
<b>CF from Investments Activities</b>	<b>10.8</b>	<b>(0.9)</b>	11.8	n.m.
<b>Free Cash Flow</b>	<b>(21.8)</b>	<b>(10.2)</b>	<b>(11.5)</b>	<b>112.7%</b>
<b>CF from Financing Activities</b>	<b>(51.0)</b>	<b>(30.3)</b>	<b>(20.7)</b>	68.5%
Change in Share Capital/Premium	(50)	(4.9)	(44.6)	n.m.
Change in Bank Borrowing	0.3	(23.2)	23.5	n.m.
Change in Deferred Land Debt	0.2	0.2	0.0	2.4%
Finance Costs/Revenues	(1.7)	(2.4)	0.7	-29.7%
Proceeds from leasing	(0.3)	-	(0.3)	0.0%
<b>Net Cash Flow</b>	<b>(72.8)</b>	<b>(40.5)</b>	<b>(32.3)</b>	<b>79.6%</b>
Change in Cash Not-Available	(10.0)	(2.6)	(7.4)	n.m.
<b>Cash BoP</b>	<b>173.4</b>	<b>113.8</b>	<b>59.7</b>	<b>52.4%</b>
<b>Cash EoP</b>	<b>90.6</b>	<b>70.7</b>	<b>20.0</b>	<b>28.3%</b>

**+€6M OPERATING CASH FLOW**

CAPEX GROWTH: **€87M€** VS **€72M** IN Q12019

### Cash Flow Bridge (in €M)



<sup>(1)</sup> Book value sold includes €31,5m of Development Book Value and €1,1m of Legacy Book.

# BS | €1.42BN ASSET BASE

> **Focus on development** (99% of total inventories)

## Summary Balance Sheet (in € m)

€M	Q1 2020	FY 2019	Q1'20 vs FY'19	
PPE	6.9	7.2	(0.4)	-4.9%
Right of use assets	3.0	3.3	(0.3)	100.0%
Investment Property	0.2	0.2	(0.0)	-1.4%
Other Non-Current Assets	2.1	2.3	(0.2)	-10.8%
Deferred Tax assets	25.5	25.5	-	0.0%
<b>Non-Current Assets</b>	<b>37.6</b>	<b>38.5</b>	<b>(0.9)</b>	<b>-2.3%</b>
Inventories	1,265.1	1,210.7	54.4	4.5%
<i>ow Liquidation</i>	9.9	11.1	(1.1)	-10.2%
<i>ow Development</i>	1,255.2	1,199.6	55.5	4.6%
Other Current Assets	1.9	12.8	(10.8)	<i>n.m.</i>
Debtors	28.7	33.6	(4.9)	-14.5%
Cash & Equivalents	90.6	173.4	(82.8)	-47.7%
<i>ow Not Available</i>	33.5	43.5	(10.0)	-23.0%
<b>Current Assets</b>	<b>1,386.4</b>	<b>1,430.5</b>	<b>(44.1)</b>	<b>-3.1%</b>
<b>Total Assets</b>	<b>1,424.0</b>	<b>1,469.0</b>	<b>(45.0)</b>	<b>-3.1%</b>
<b>Equity</b>	<b>791.2</b>	<b>789.4</b>	<b>1.8</b>	<b>0.2%</b>
Bank Borrowings	50.0	50.0	-	0.0%
Lease Liabilities	2.2	2.2	0.0	100.0%
Other Non-Current Liabilities	0.0	0.0	0.0	2.6%
<b>Non-Current Liabilities</b>	<b>52.2</b>	<b>52.2</b>	<b>0.0</b>	<b>0.0%</b>
Bank Borrowings	266.6	315.7	(49.1)	-15.5%
Lease Liabilities	1.0	1.3	(0.3)	100.0%
Creditors	188.6	196.8	(8.2)	-4.2%
<i>ow Def. Land Payment</i>	37.9	37.7	0.2	0.6%
Other Current Liabilities	124.4	113.6	10.8	9.5%
<b>Current Liabilities</b>	<b>580.6</b>	<b>627.4</b>	<b>(46.8)</b>	<b>-7.5%</b>
<b>Total Liabilities</b>	<b>1,424.0</b>	<b>1,469.0</b>	<b>(45.0)</b>	<b>-3.1%</b>

€M	Q1 2020	FY 2019	Change	
<b>WC Adjusted</b>	<b>1,054.8</b>	<b>1,015.9</b>	<b>38.9</b>	<b>3.8%</b>

**€1.42BN** BALANCE SHEET

**€1.3BN** DEVELOPMENT STOCK

**€1.0BN** ACTIVE DEV STOCK

€26M Finished Product, €809M WIP, €82M under pre-commercialization and €94M already launched

**€1.1BN** WORKING CAPITAL

**MEDINA HOMES – CÓRDOBA**  
**Delivered Q1 2019**

# CONSERVATIVE LEVERAGE: LTV AT 18%

- > Pay-down of DB debt (€25m) and refinancing until 2022 of final maturity
- > Cancellation of GS swap in Q1 – No corporate finance maturity in over 12 months

Net debt (in € m)

€M	Q1 2020	FY 2019	Q1'20 vs FY'19	
<b>Gross Debt</b>	<b>316.6</b>	<b>365.7</b>	<b>(49.1)</b>	<b>-13.4%</b>
<b>Non-Current Bank Borrowing</b>	<b>50.0</b>	<b>50.0</b>	<b>-</b>	<b>0.0%</b>
Corporate Financing	50.0	50.0	-	0.0%
<b>Current Bank Borrowing</b>	<b>266.6</b>	<b>315.7</b>	<b>(49.1)</b>	<b>-15.5%</b>
Developer loan	205.5	169.6	35.9	21.1%
Land	110.3	110.9	(0.5)	-0.5%
Capex	95.2	58.8	36.4	61.9%
Land Financing	60.6	70.5	(10.0)	-14.1%
Corporate Financing	-	74.3	(74.3)	-100.0%
VAT Financing	0.0	0.0	-	0.0%
Interests	0.6	1.2	(0.6)	-50.2%
<b>Current financial Assets</b>	<b>-</b>	<b>12.8</b>	<b>(12.8)</b>	<b>n.m.</b>
<b>Cash &amp; Equivalents<sup>(1)</sup></b>	<b>90.6</b>	<b>173.4</b>	<b>(82.8)</b>	<b>-47.7%</b>
<b>Net Debt</b>	<b>226.0</b>	<b>179.5</b>	<b>46.5</b>	<b>25.9%</b>

<b>Net Debt</b>	<b>226.0</b>	<b>179.5</b>	<b>46.5</b>	<b>25.9%</b>
Adjustments	71.4	81.1	(9.8)	-12.0%
Deferred Land Payment	37.9	37.7	0.2	0.6%
Restricted Cash	33.5	43.5	(10.0)	-23.0%
<b>Net Debt Adjusted</b>	<b>297.4</b>	<b>260.7</b>	<b>36.7</b>	<b>14.1%</b>

CONSERVATIVE DEBT RATIOS

LTV AT **18%**

NET DEBT OF **€226M**

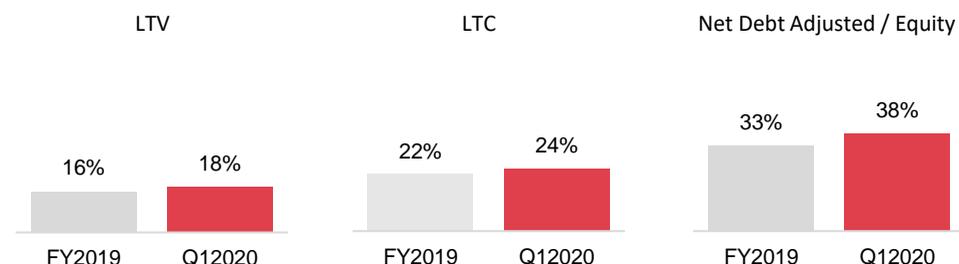
NET DEBT ADJUSTED **€297M**

COMMITTED DEVELOPER LOANS OF  
**c.€850M (~30% DRAWN DOWN)**



RIVERSIDE HOMES – CENTER REGION

Key Ratios (%)



<sup>(1)</sup> After the end of the quarter, the Company signed a €40 million loan with a Spanish bank with a 3-year maturity to further strengthen its cash position. Pro-forma cash at the end of April of €130+ million



**Neinor**

H O M E S

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