



Full Year 2019 Results Presentation

26 February 2020



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Key highlights



Operational ramp-up

833 units delivered (80% of annual target) in 2019. Remaining built and sold units now have First Occupancy Permit and are currently being delivered.



Landbank of 15,426 units

Successful ongoing replenishment with new locations where demand and pricing dynamics are attractive



Strong financials

32.7% gross margin
Above expectations, reflecting strong cash generation



Strategy & Outlook

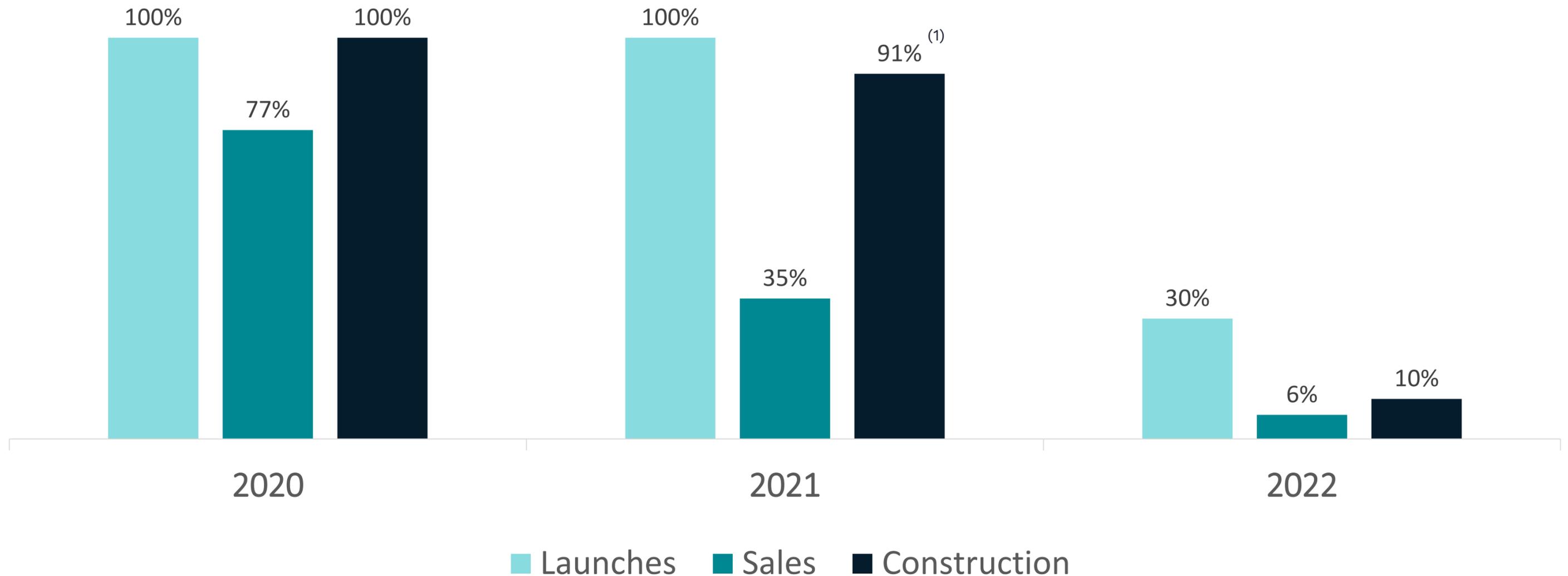
Business Plan is on track
Attractive shareholder Remuneration and Financial Policy approved by the BOD

01

Business update

Business as usual, strong operational profile

Business plan on track: Coverage ratios provide strong visibility



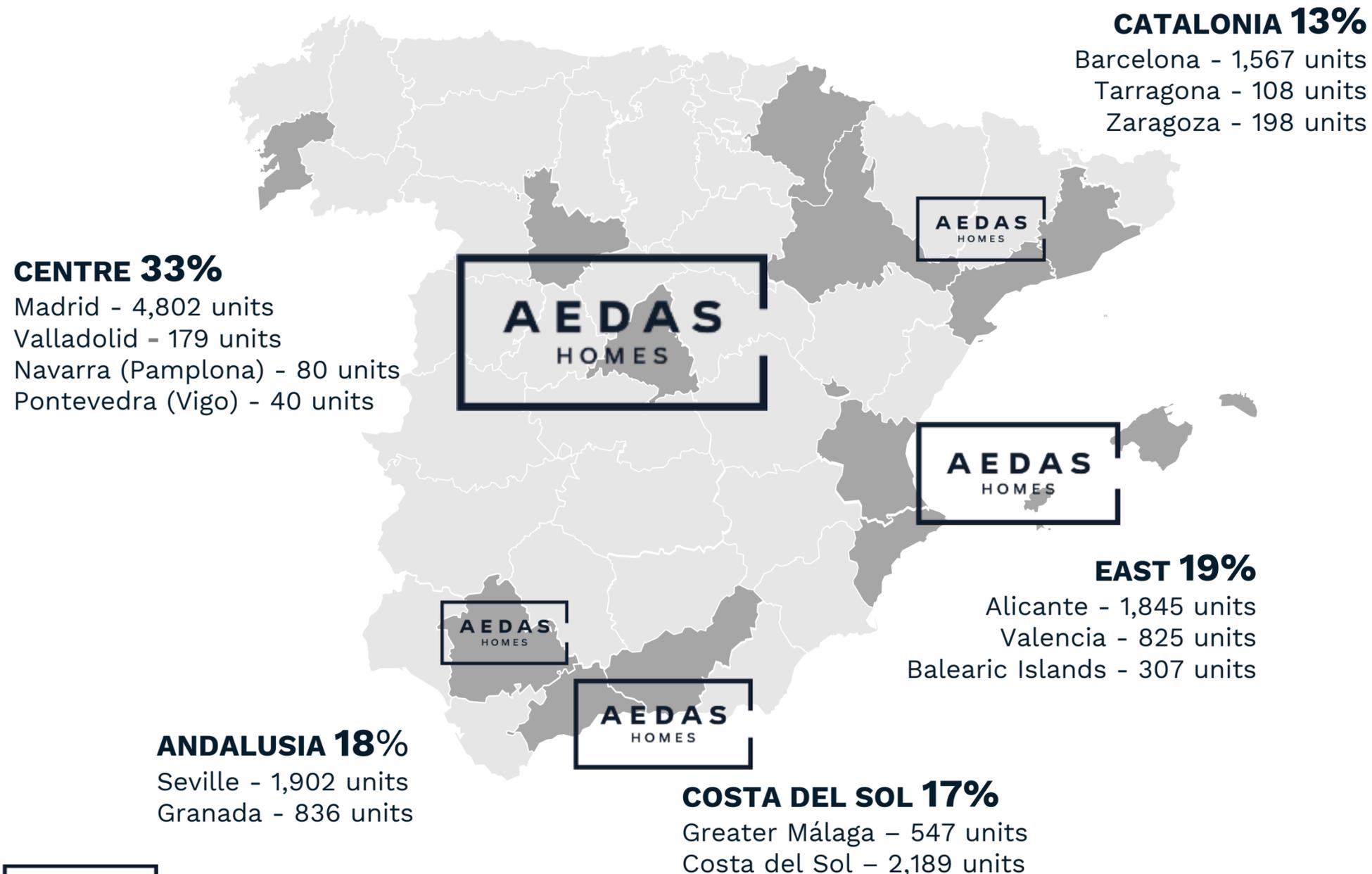
(1) As of February 2020, 78% by 2019 year-end

100% of 2019 target deliveries have First Occupancy Permits, all final units sold and currently being delivered

PROJECTS			CONSTRUCTION		DELIVERY			
Development	Municipality	Total Project Units	FCC ¹	# FCC	FOP ¹	2019 Target Delivery	Delivered 31 Dec 2019	Forecast 29 Feb 2020
Nou Eixample Mar	Vilanova i la Geltrú	59	✓	59	✓	59	58	58
Galera Sun Bay	Estepona	5	✓	5	✓	5	5	5
Brisas del Arenal	Jávea	11	✓	11	✓	11	11	11
Hacienda del Mar 2	Alicante	4	✓	4	✓	4	4	4
Villas de Arco Norte	Dos Hermanas	50	✓	50	✓	50	49	50
Jardines Hacienda Rosario	Sevilla	78	✓	78	✓	78	77	77
Ramón y Cajal	Sevilla	54	✓	54	✓	36	34	35
Villas de Arco Norte II	Dos Hermanas	62	✓	62	✓	62	59	61
Jardines Hacienda Rosario	Sevilla	63	✓	63	✓	60	55	57
Terrazas de Los Fresnos I	Boadilla del Monte	30	✓	30	✓	30	30	30
Marina Real	Denia	80	✓	80	✓	80	80	80
Merian	Torrejón de Ardoz	10	✓	10	✓	10	9	9
Tasman	Sant Just Desvern	30	✓	30	✓	30	29	30
Dampier	Masnou	26	✓	26	✓	21	15	15
Humboldt	Vilanova i la Geltrú	93	✓	93	✓	90	79	88
New Folies	Andratx	41	✓	41	✓	35	34	35
Villas de Arco Norte III	Dos Hermanas	27	✓	27	✓	24	12	20
Altos del Pilar	Madrid	100	✓	100	✓	99	91	97
Ulloa	Alcorcón	54	✓	54	✓	54	50	53
Torre Estronci 99	Hospitalet de Llobregat	55	✓	55	✓	54	45	51
Altos de La Reserva	Boadilla del Monte	11	✓	11	✓	10	5	9
South Bay Las Mesas	Estepona	47	✓	20	✓	12	0	11
Vanian Gardens	Estepona	72	✓	38	✓	22	2	16
Cabot	Madrid	28	✓	28	✓	28	0	4
Altos de Los Fresnos	Boadilla del Monte	35	✓	35	✓	31	0	21
Escalonia I	Las Rozas	60	✓	60	✓	60	0	43
TOTAL		1,185		1,124		1,055	833	970

Landbank & land acquisitions: 1,767 units acquired and access up to 1,465 units

Landbank¹ = **15,426 units** (5,592 units launched + 9,834 units in future developments)



LAND INVESTMENT IN 2019

(1) FULLY PERMITTED LAND

Closed deals | 1,259 units (€90m)

Call Options | 611 units

(2) PROJECT LAND

Closed deals | 508 units (€22.7m)

RoFO | 854 units

TOTAL 2019 = 3,232 units



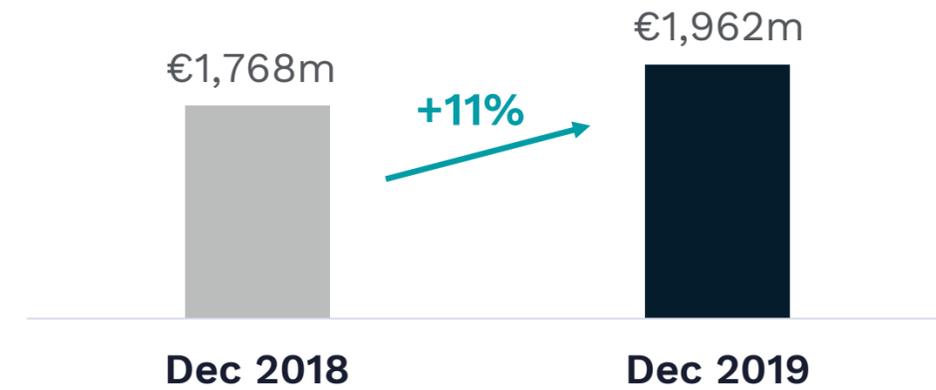
(1) Landbank 9M 2019 (15,545) + Acquisitions Q4 2019 (362) – Divestitures Q4 2019 (182) – Deliveries Q4 2019 (572) + Savills adjustment (273) = Landbank FY 2019 (15,426)

NAV per share¹: 3.3% increase in 2019

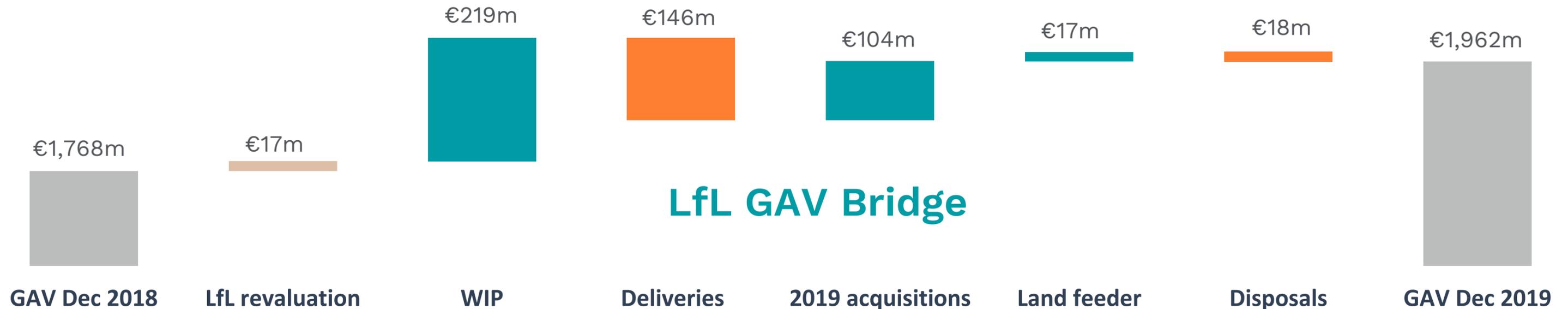
NAV per share



GAV



LfL GAV Bridge

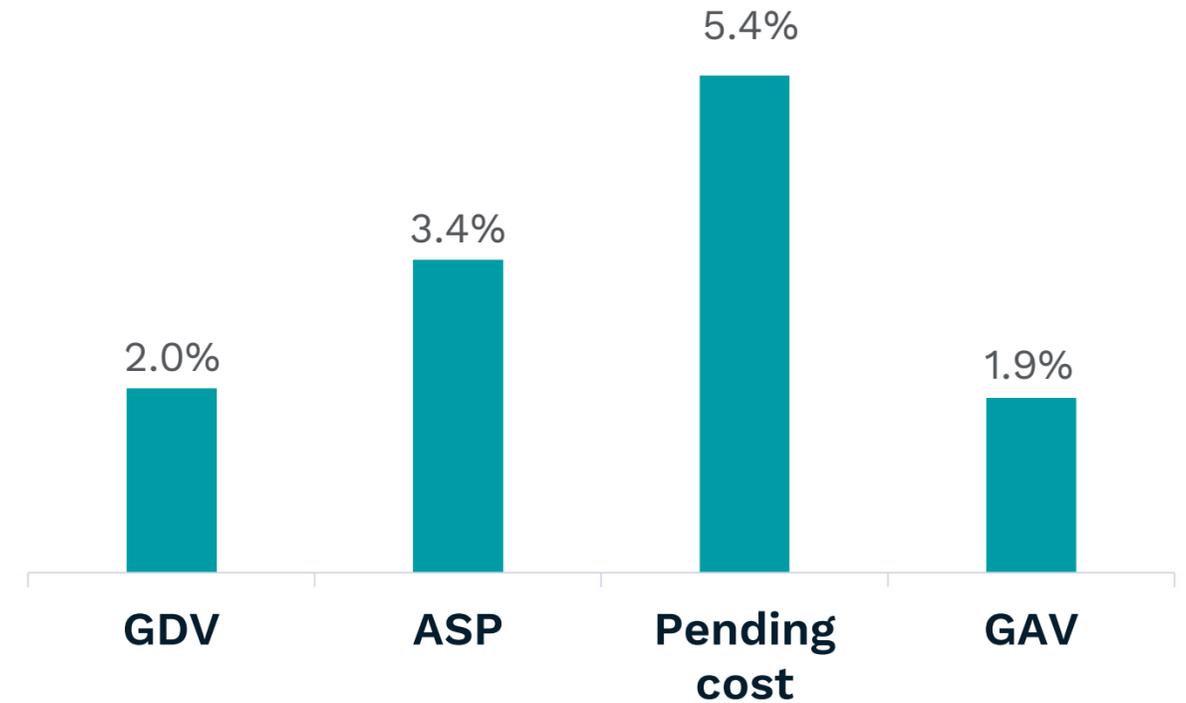


Gross Development Value Savills appraisal

Valuation drivers	Dec 2018	Dec 2019	Variation	%
GDV €/sqm	2,816	2,888	65	2.3%
ASP € thousands/unit	342	345	3	0.9%
GAV €/sqm	978	1,035	54	5.5%
IRR weighted by GDV	11.85%	11.39%	(46 bps)	-

Aggregate LfL growth, since Dec 2018

according to Savills



The two plots of land divested of by AEDAS Homes in 2019 were sold at 101% of Savills GAV

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Full Year 2019 Financial Results

Robust results highlighting profitability and cash generation capacity

Consolidated P&L: sound EBITDA margin driven by tight cost control and high-end product mix

(€m)	2019	2018	Variation (€ m ¹)	Variation (%)
Home development revenues	295.6	65.6	230.0	351%
Land sales	15.9	14.2	1.7	-
REVENUES	311.5	79.8	231.7	290%
Cost of Goods Sold	(209.7)	(56.0)	153.7	274%
GROSS MARGIN	101.8	23.8	78.0	328%
<i>% Gross margin</i>	<i>32.7%</i>	<i>29.8%</i>	-	+290 bps
Marketing and Sales commissions	(18.3)	(7.9)	(10.4)	132%
Other expenses related to developments & Taxes	(3.0)	(2.5)	(0.5)	20%
NET MARGIN	80.5	13.4	67.1	500%
<i>% Net margin</i>	<i>25.8%</i>	<i>16.8%</i>	-	+900 bps
Overheads	(25.2)	(19.5)	(5.7)	29%
Other operating income & expenses	0.4	1.6	(1.2)	75%
Inventory Impairment losses /Gains	0.0	0.1	(0.1)	100%
EBITDA	55.7	(4.4)	60.2	-
<i>% EBITDA margin</i>	<i>17.9%</i>	<i>-5.5%</i>	-	+2,340 bps
Depreciation and Amortization	(1.5)	(0.4)	(1.1)	275%
Financial Results	(9.6)	(3.3)	(6.3)	190%
EBT	44.6	(8.1)	52.7	651%
Corporate tax	(10.5)	12.0	(22.5)	188%
NET INCOME	34.1	3.9	30.2	774%
<i>% Net Income</i>	<i>14.5%</i>	<i>4.8%</i>	-	+970 bps
Minority interests	2.5	1.4	1.1	78.6%
NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	31.6	2.5	29.1	1,164%

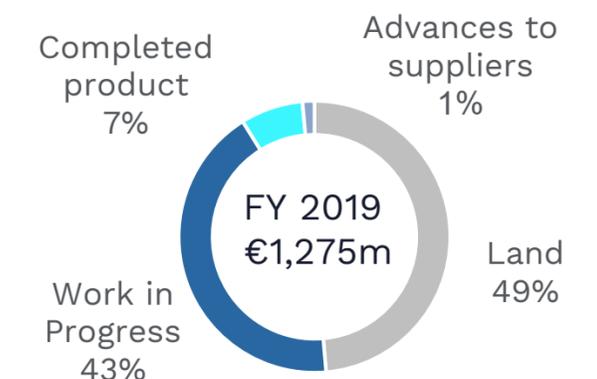
Consolidated pro-forma P&L (January to December 2019 with 1,055 deliveries)

(€m)	2019 Pro-Forma ¹	2019 ²
REVENUES	406.5	311.5
Cost of Goods Sold	(278.6)	(209.7)
GROSS MARGIN	127.9	101.8
<i>% Gross margin</i>	<i>31.5%</i>	<i>32.7%</i>
Marketing and Sales commissions	(20.6)	(18.3)
Other expenses related to developments & Taxes	(3.7)	(3.0)
NET MARGIN	103.6	80.5
<i>% Net margin</i>	<i>25.5%</i>	<i>25.8%</i>
Overheads	(25.2)	(25.2)
Other operating income & expenses	0.4	0.4
Inventory Impairment losses /Gains	(0.1)	(0.1)
EBITDA	78.9	55.8
<i>% EBITDA margin</i>	<i>19.4%</i>	<i>17.9%</i>

Balance sheet

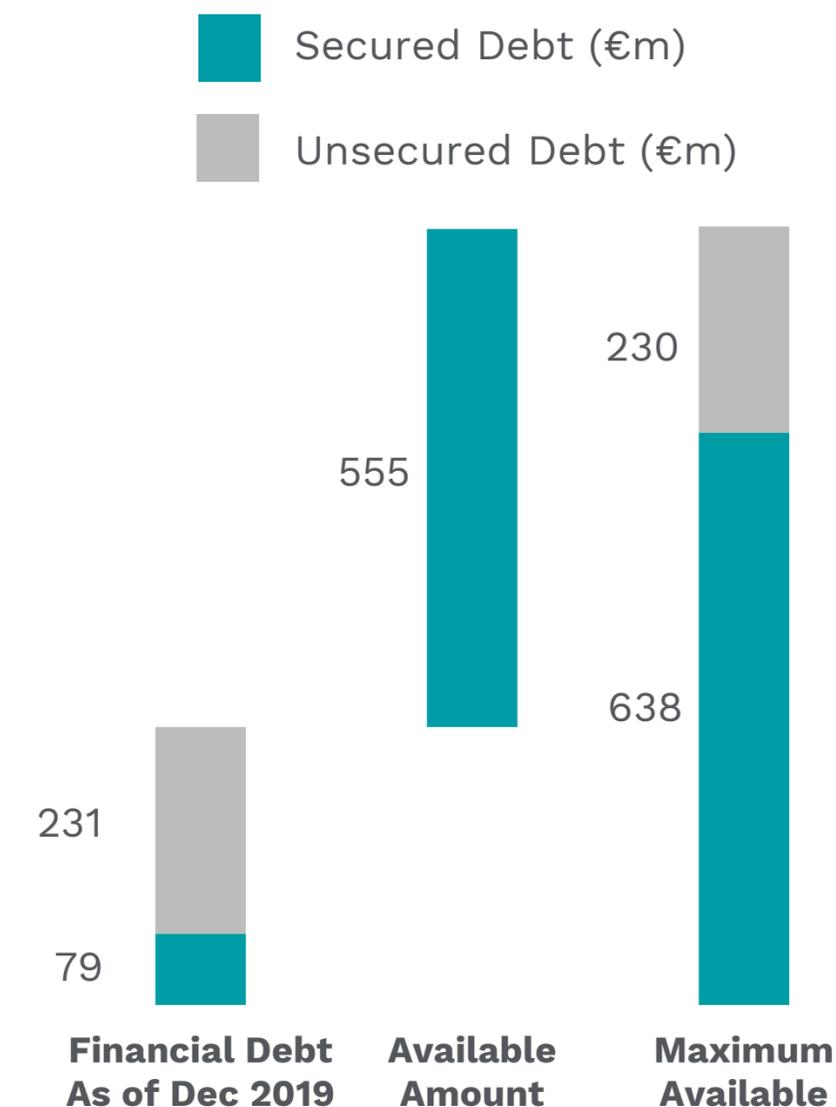
(€m)	31/12/2019	31/12/2018	Variation (€m)	Variation (%)
NON- CURRENT ASSETS	37	27	10	37%
Inventories	1,276	1,076	200	19%
Trade and Other Receivables	49	42	7	17%
Short Term Accruals	18	14	4	29%
Cash and Equivalents	149	103	48	44%
CURRENT ASSETS	1,492	1,235	257	21%
TOTAL ASSETS	1,529	1,262	272	22%
EQUITY	939	935	4	1%
<i>of which Treasury stock</i>	<i>(31)</i>	<i>(1)</i>	<i>(30)</i>	-
Long-Term Financial Borrowings	0	58	(58)	-
Other Long-Term Borrowings	2	1	1	100%
NON-CURRENT LIABILITIES	2	59	(57)	97%
Provisions	9	1	8	800%
Short-Term Financial Borrowings	309	92	217	236%
Other Short-Term Borrowings	2	3	(1)	33%
Trade and other payables	268	172	96	56%
CURRENT LIABILITIES	588	268	320	119%
TOTAL EQUITY AND LIABILITIES	1,529	1,262	272	22%

19% increase in **inventories** due to increase in construction activity and completed housing units soon to be delivered.



Net financial debt amounted to €214.5m by 2019 year-end

(€m)	December 2019	December 2018
(A) Developer secured loans	79.3	57.1
(B) Unsecured debt	230.6	97.3
Corporate facility term loan	150.0	61.6
Commercial paper	78.0	34.0
Other financial debt	2.6	1.7
Gross Financial Debt (A+B)	309.9	156.2
(C) Unrestricted Cash	95.4	60.5
Net Financial Debt (A+B-C)	214.5	95.7
(D) Restricted Cash	53.3	42.5
Total Cash (C+D)	148.7	103.0
Deferred Land Payments (€m)	3.9	9.3
LTC ¹	17%	9%
LTV ²	11%	5%
LTC ¹ including restricted cash	13%	4%
NFD/EBITDA	3.9x	-
Average cost of debt	2.90%	2.44%



2019 Pro-Forma¹ cash-flow generation

(€m)	2019 Pro-Forma ¹
EBITDA	78.9
(+) Cash recovered from land bank	86.2
(-) Land investments paid	(109.2)
(-) Financials costs paid	(6.0)
(-) Cash tax	(2.0)
FUNDS FROM OPERATIONS	47.8
(-) Net WIP investments and developer loans disposals	(91.5)
(-) Shares repurchase & dividends paid	(30.6)
(-) Other company expenses	0.0
CHANGE IN NET DEBT	(74.3)

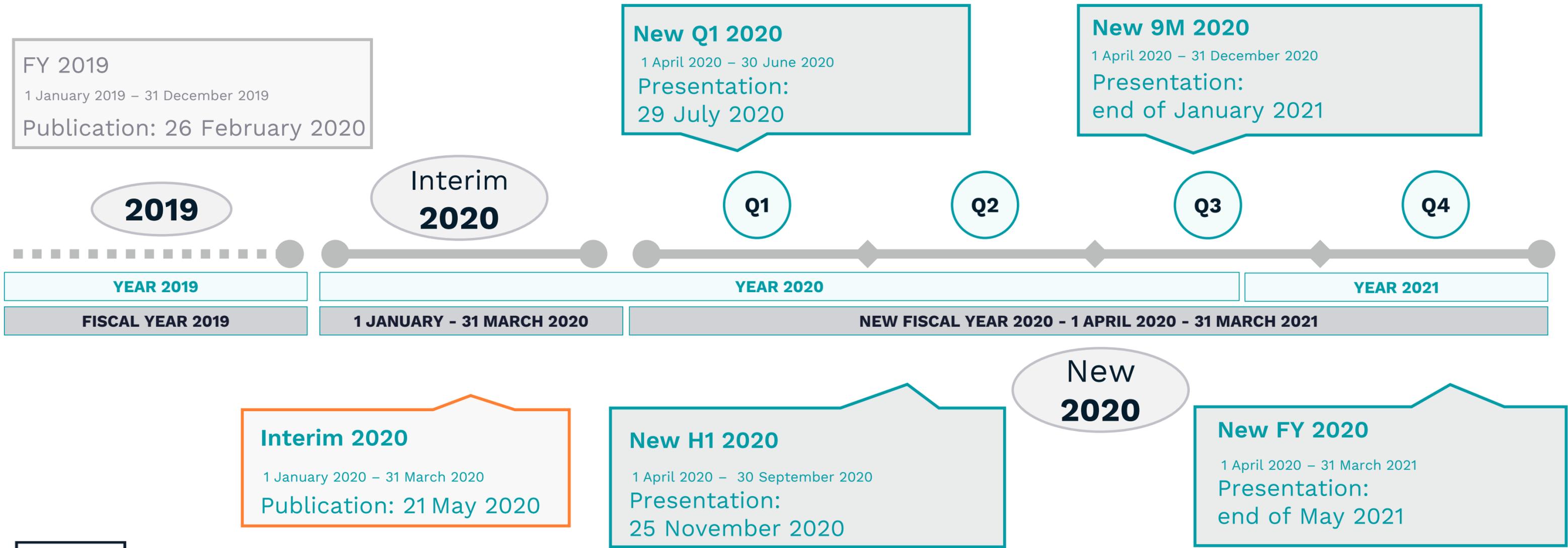
(1) Pro-Forma figures on the basis of 1,055 deliveries in 2019

03

Relevant corporate announcements

Changing fiscal year: Now running from 1st April to 31st March

Adapting fiscal year to business plan seasonality to maximize customer satisfaction



Shareholder Remuneration Policy

- ✓ The Company's current share buy-back program is being **scaled up from €50m to €150m**.
- ✓ The Company will pay a **dividend of €1.00/per share** out of 2020 results.
- ✓ **Dividends are to be paid semi-annually** following the market presentations of first-half and full-year results (50% in each period).
- ✓ **Dividends will grow in line with the cash-flow generated** by the Company during the 2020-2023 period.
- ✓ The **first interim dividend of €0.50/per share** will take place in **November 2020**.
- ✓ Ordinary dividend distribution could be complemented by **extraordinary dividends and additional share buy-back programs**.



Expected 2020-23 Total Shareholder Remuneration of up to €1bn¹

Disciplined Financial and Investment Policy

Forecasted Net Financial Debt to EBITDA \leq 3x



Financial leverage is estimated to stand **below 3x Net Financial Debt to EBITDA ratio.**



The company plans to invest **more than €700m** in land acquisitions **between 2020 and 2023.**

04

Closing remarks

2020 Prospects



Solid progress on sales and coverage ratios provide us with **excellent visibility** on the future performance of AEDAS Homes.

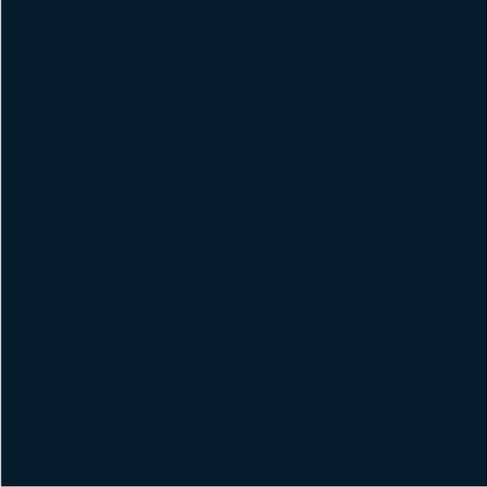


Competitive Shareholder Remuneration Policy, fully compatible with future business plans and corporate development.

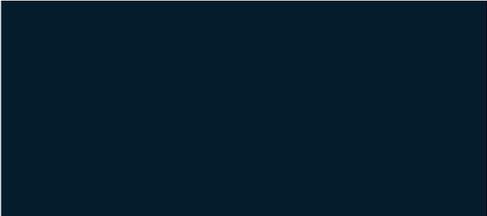


Drivers of our business:

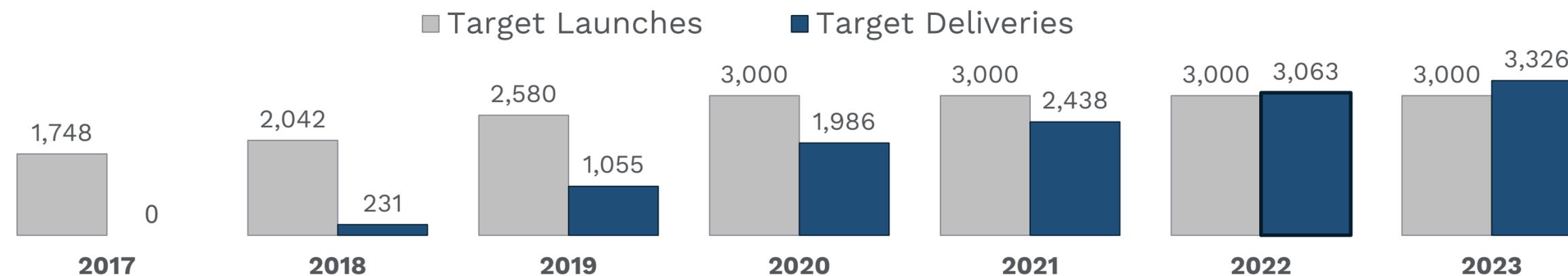
- **Demand:** strong operational performance indicates sustainability of demand for AEDAS Homes projects.
- **Construction Costs:** Moderate inflation of costs, expected to be partially offset by HPA.
- **Execution Risk:** Hands-on approach and long-term relationships with major regional contractors in Spain allows us to minimize construction risks.



Appendix



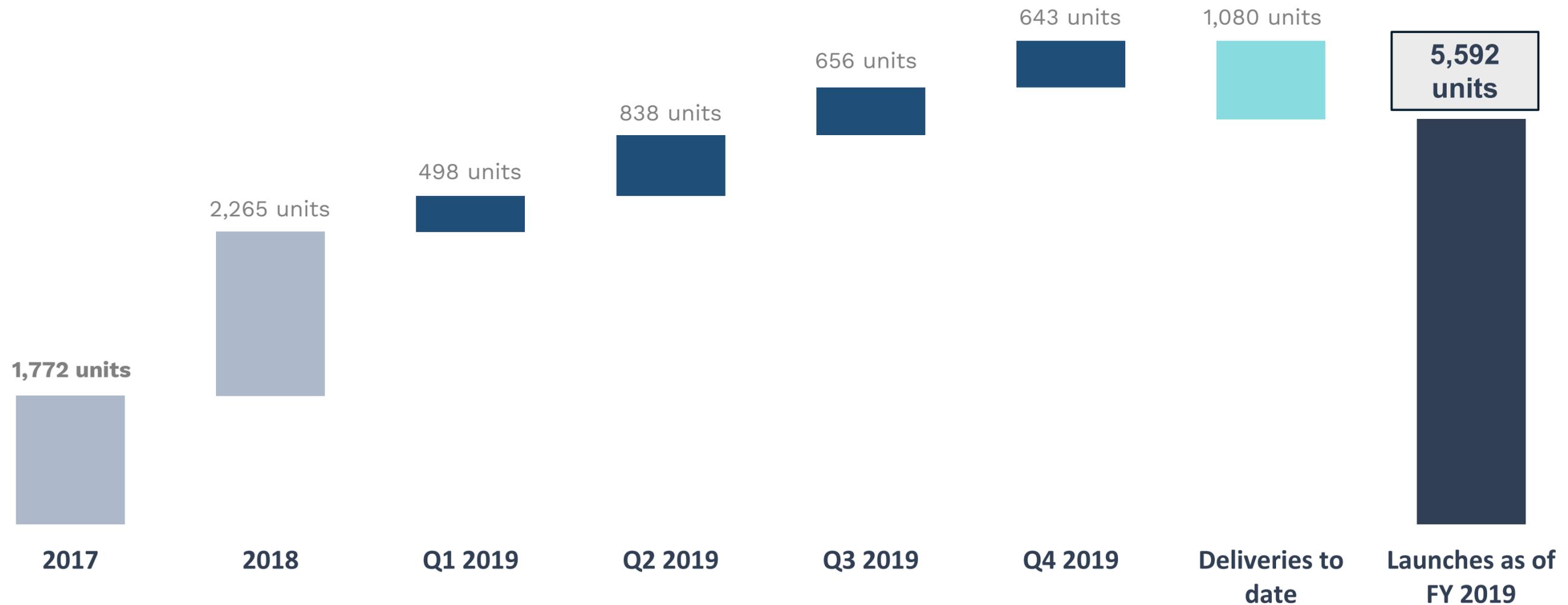
On track to deliver 2017-2023 Business Plan



Active¹	Annual	4,057	2,998	1,710				
	Aggregated	4,057	7,055	8,765				
Launches	Annual	1,772	2,265	2,635				
	Aggregated	1,772	4,037	6,672				
Construction²	Annual	763	2,286	1,149				
	Aggregated	763	3,049	4,198				
Completed³	Annual	33	14	246				
	Aggregated	33	47	293				
Deliveries	Annual	12	231	833				
	Aggregated	16	247	1,080				

5,592 units on market at 2019 year end ^{1,2}

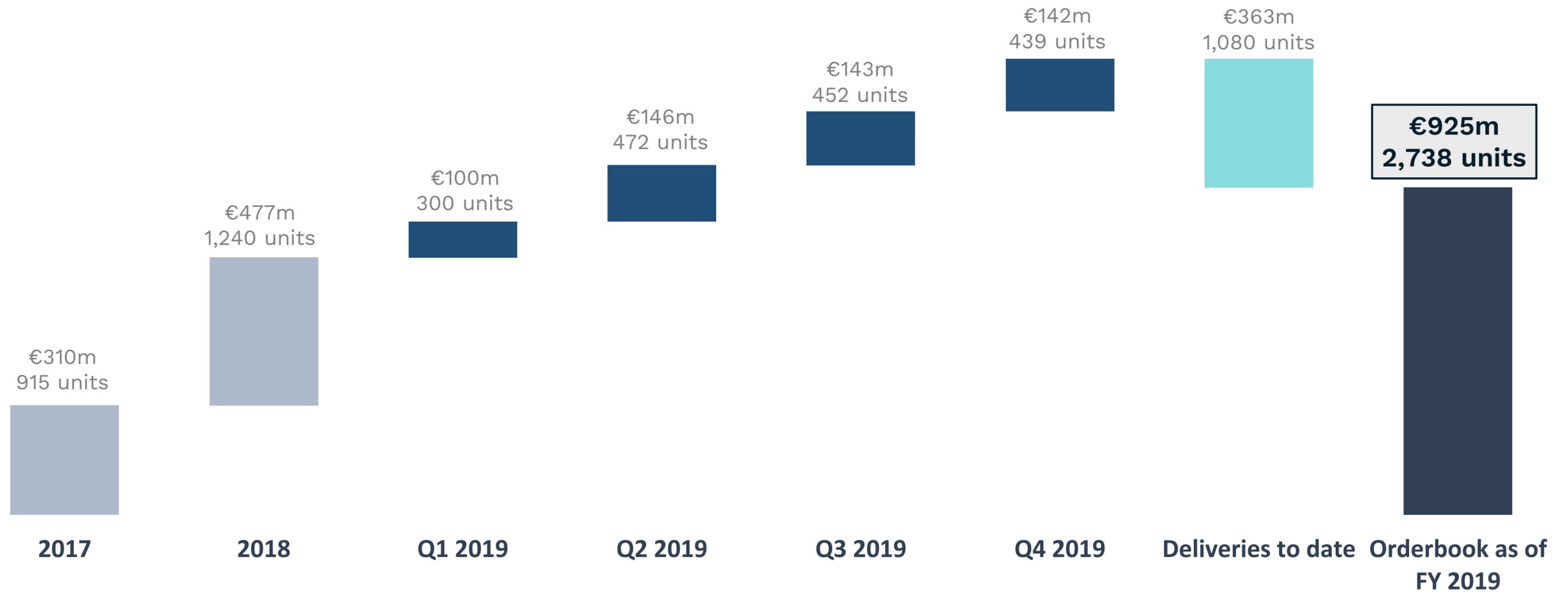
100% coverage of 2020 and 2021 deliveries, and **30%** coverage of 2022 deliveries



(1) A Project is launched when marketing kicks off
 (2) Accumulated launches

Strong evolution of sales; 2,738 units in orderbook (€925m)

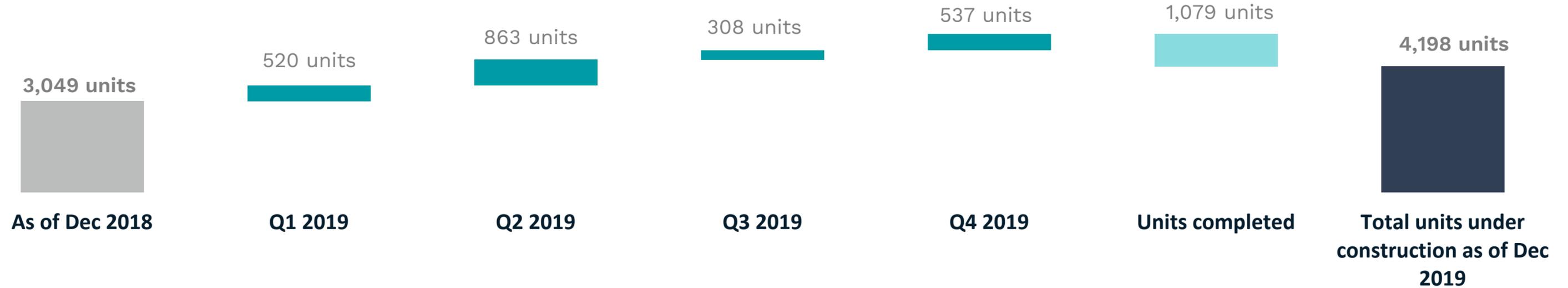
77% coverage of 2020 deliveries and **35%** coverage of 2021 deliveries



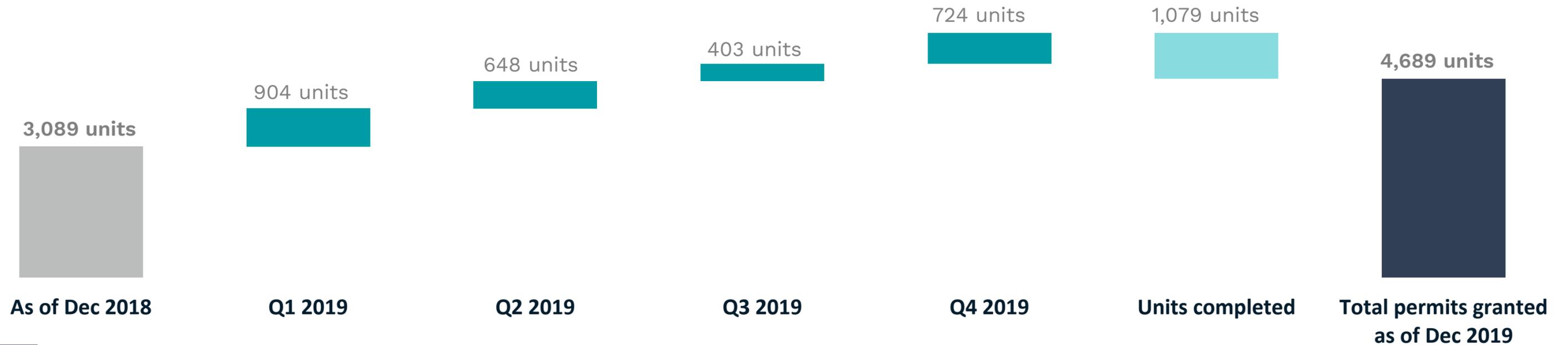
(1) Sales = Reservations + Contracts + Deliveries

High visibility, with 91% of 2021 deliveries under construction¹

Units under construction



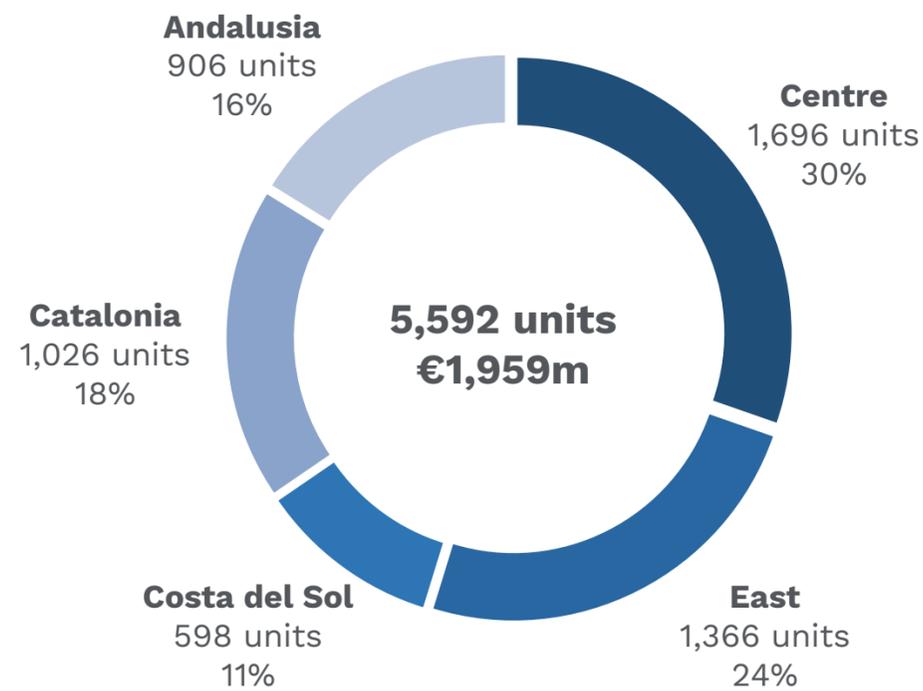
Construction permits



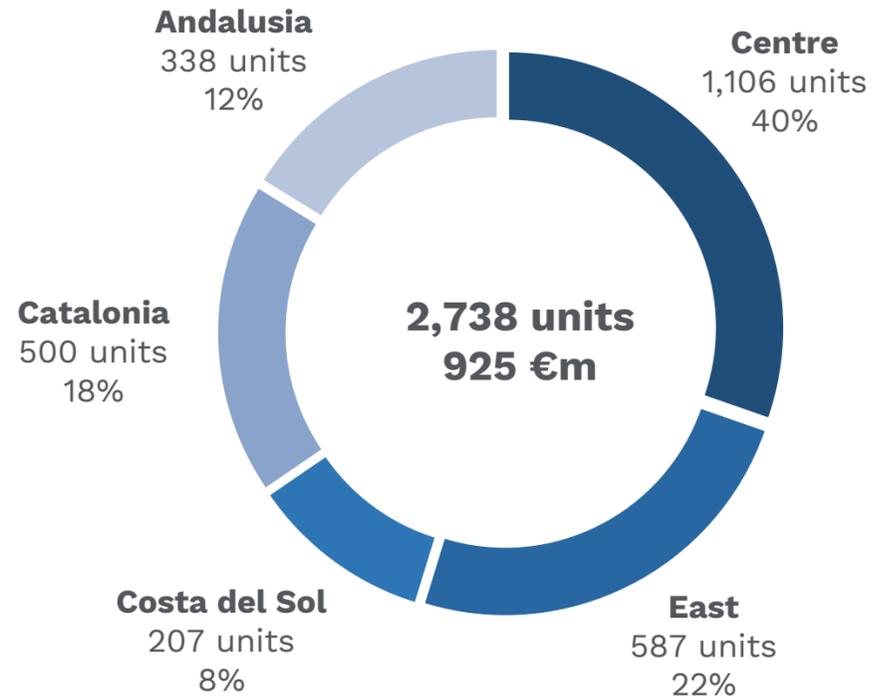
(1) As of February 2020, 78% by 2019 year-end

Regional breakdown

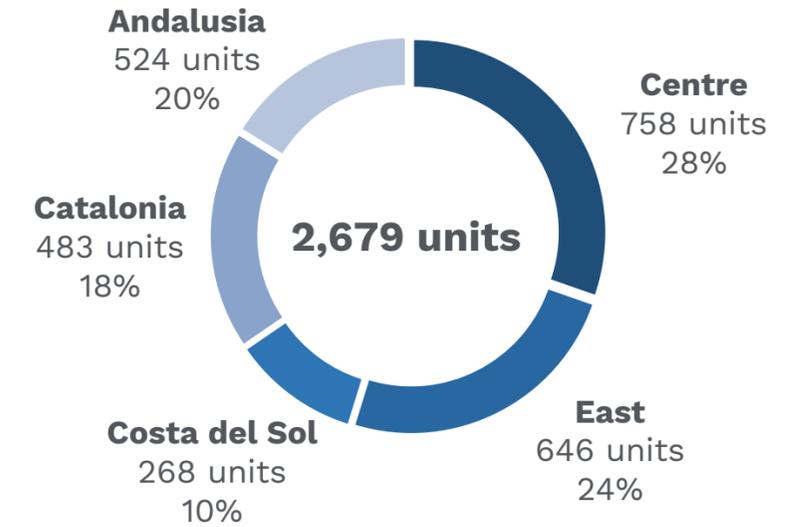
Launches



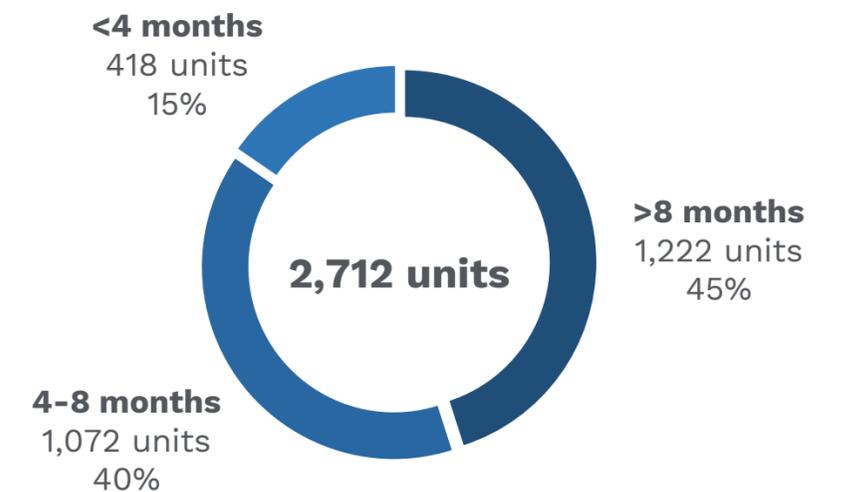
Orderbook



Permits granted



Permit request maturity



Cash-Flow Statement

(€m)	31/12/2019	31/12/2018
(A) Earnings Before Taxes	44.5	-8.1
(B) Adjustment to Profit/Losses	5.8	-6.2
(B1) Change in Trade Provisions	1.1	3.0
(B2) Change in Investment properties	1.6	-0.5
(B3) Financial cost / (income)	9.4	3.2
(B4) Other Income / (expense)	-6.2	-11.9
(C) Change in Working Capital	-164.3	-143.0
(C1) Inventories	-169.9	-185.3
(C2) Trade and other receivables	-8.6	10.1
(C3) Trade and other payables	14.2	33.1
(C4) Other operating cash flows	0.0	-0.9
(D) Net cash-flow from operating activities (A+B+C)	-114.0	-157.3
(E) Net cash-flow from investment activities	-12.7	-5.9
(F) Net cash-flow from financing activities	172.4	93.7
Net cash increase / (decrease) (D+E+F)	45.8	-69.5
Cash Beginning-of-Period	103.0	172.4
Cash End-of-Period	148.7	103.0
<i>Of which unrestricted Cash</i>	<i>95.4</i>	<i>60.5</i>

New Folies
Andratx, Mallorca

AEDASHOMES