



Neinor
HOMES

Q1 2020

RESULTS PRESENTATION

> 7th MAY 2020



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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 30th-April 13th**
- > **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**

⁽¹⁾ 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⁽¹⁾

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

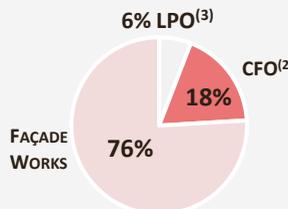
2020

7% DELIVERED



1,700+ UNITS

CURRENT
PRE-SALES
75%



OF WHICH IN
CONTRACTS
94%

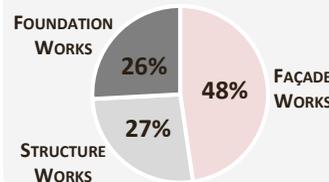
2021

100% WIP
100% LICENSES



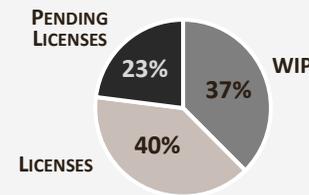
2,400+ UNITS

CURRENT
PRE-SALES
45%



OF WHICH IN
CONTRACTS
70%

2022



2,500+ UNITS

CURRENT
PRE-SALES
25%

100% FOUNDATION WORKS



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⁽¹⁾



Leverage

€226m
Net Debt

€297m
Adjusted Net Debt

18%
LTV



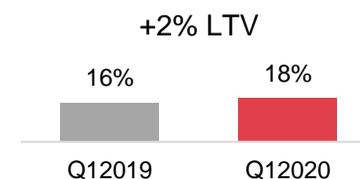
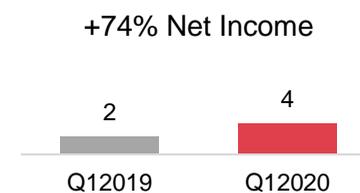
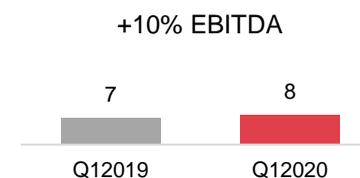
Servicing

€1.4bn
AuM

€5.8m
Revenues

69%
EBITDA Margin

Year on Year Progress



⁽¹⁾ Includes €33.5m of restricted cash

CLOSING REMARKS

There is no fundamental change in housing needs

Exploring **public-private collaboration** projects

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	
Revenues	50.5	60.6	-10.1	-17%
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 ⁽¹⁾	-	(0.0)	0.0	-100%
Operating EBITDA	9.4	9.1	0.3	3%
Property Tax Provision	(1.4)	(1.9)	0.4	-23%
EBITDA	7.9	7.2	0.7	10%
Amortization	(0.9)	(1.0)	0.0	-4%
Operating Profit (Loss)	7.0	6.2	0.8	12%
Operating Margin	13.8%	10.3%	3.6%	35%
Finance Costs	(1.7)	(2.4)	0.7	-29%
Profit (Loss) before Tax	5.3	3.8	1.5	38%
Tax charge	(1.4)	(1.6)	0.2	-14%
Profit (Loss) for the period	3.9	2.3	1.7	74%

€51M REVENUES

Development
€43.6m

Legacy
 €1.1m

Servicing
 €5.8m

DEVELOPMENT GROSS MARGIN **28%**

SERVICING EBITDA MARGIN **69%**

126⁽²⁾ DEVELOPMENT UNITS DELIVERED IN 2020

€8M EBITDA

€4M NET INCOME

⁽¹⁾ It relates to sales of Non-Current assets. ⁽²⁾ 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

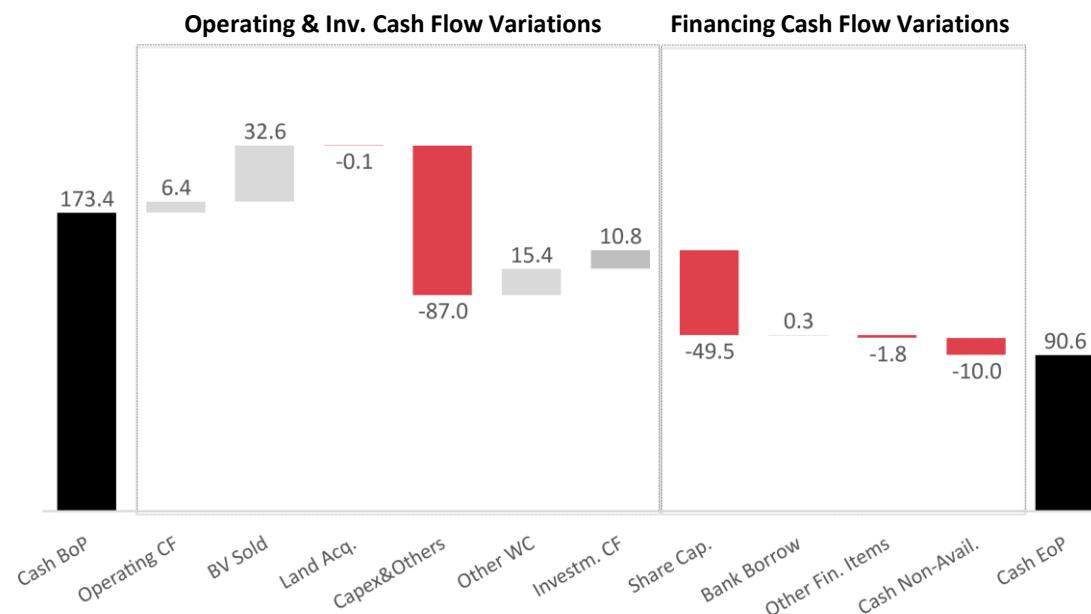
Summary Cash Flow (in €M)

€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%
CF from Operating Activities	6.4	9.2	(2.8)	-30.1%
Working Capital Variation	(39.0)	(18.5)	(20.5)	111.1%
Change in Inventories	(54.4)	(33.0)	(21.5)	65.1%
Book Value Sold ⁽¹⁾	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%
Net Operating Cash Flow	(32.6)	(9.3)	(23.3)	n.m.
CF from Investments Activities	10.8	(0.9)	11.8	n.m.
Free Cash Flow	(21.8)	(10.2)	(11.5)	112.7%
CF from Financing Activities	(51.0)	(30.3)	(20.7)	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%
Net Cash Flow	(72.8)	(40.5)	(32.3)	79.6%
Change in Cash Not-Available	(10.0)	(2.6)	(7.4)	n.m.
Cash BoP	173.4	113.8	59.7	52.4%
Cash EoP	90.6	70.7	20.0	28.3%

+€6M OPERATING CASH FLOW

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

Cash Flow Bridge (in €M)



⁽¹⁾ 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%
Non-Current Assets	37.6	38.5	(0.9)	-2.3%
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)	n.m.
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%
Current Assets	1,386.4	1,430.5	(44.1)	-3.1%
Total Assets	1,424.0	1,469.0	(45.0)	-3.1%
Equity	791.2	789.4	1.8	0.2%
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%
Non-Current Liabilities	52.2	52.2	0.0	0.0%
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%
Current Liabilities	580.6	627.4	(46.8)	-7.5%
Total Liabilities	1,424.0	1,469.0	(45.0)	-3.1%

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

€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	
Gross Debt	316.6	365.7	(49.1)	-13.4%
Non-Current Bank Borrowing	50.0	50.0	-	0.0%
Corporate Financing	50.0	50.0	-	0.0%
Current Bank Borrowing	266.6	315.7	(49.1)	-15.5%
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%
Current financial Assets	-	12.8	(12.8)	n.m.
Cash & Equivalents⁽¹⁾	90.6	173.4	(82.8)	-47.7%
Net Debt	226.0	179.5	46.5	25.9%

Net Debt	226.0	179.5	46.5	25.9%
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%
Net Debt Adjusted	297.4	260.7	36.7	14.1%

CONSERVATIVE DEBT RATIOS

LTV AT **18%**

NET DEBT OF **€226M**

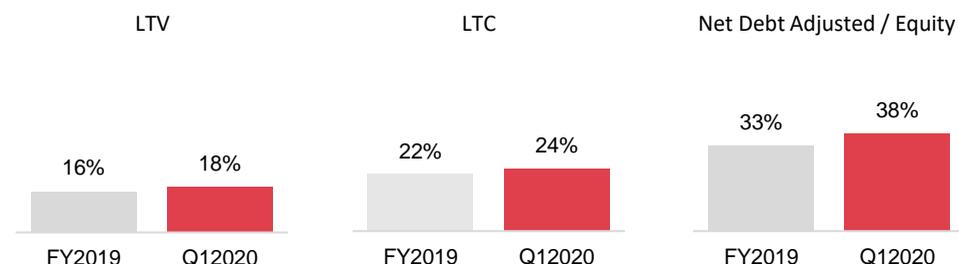
NET DEBT ADJUSTED **€297M**

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

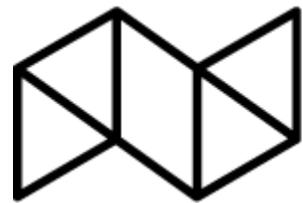


RIVERSIDE HOMES – CENTER REGION

Key Ratios (%)



⁽¹⁾ 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

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