

1H23 RESULTS PRESENTATION

FINANCIAL RESULTS | JULY 2023

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Son Parc, Menorca





01_

BUSINESS PLAN 4-MONTH UPDATE



WHAT DID WE SAY BACK IN MARCH?

01_

FLAWLESS 5Y BP
EXECUTION
ACCOMPLISHING EVERY
TARGET

02_

SPAIN IS ONE OF THE
SAFEST RESIDENTIAL
MARKETS WORLDWIDE

03_

VALUATION DISCOUNTS
ARE HINDERING
HISTORICAL GROWTH
OPPORTUNITIES

04_

**NEINOR HOMES
STRATEGIC UPDATE
(2023-27)**

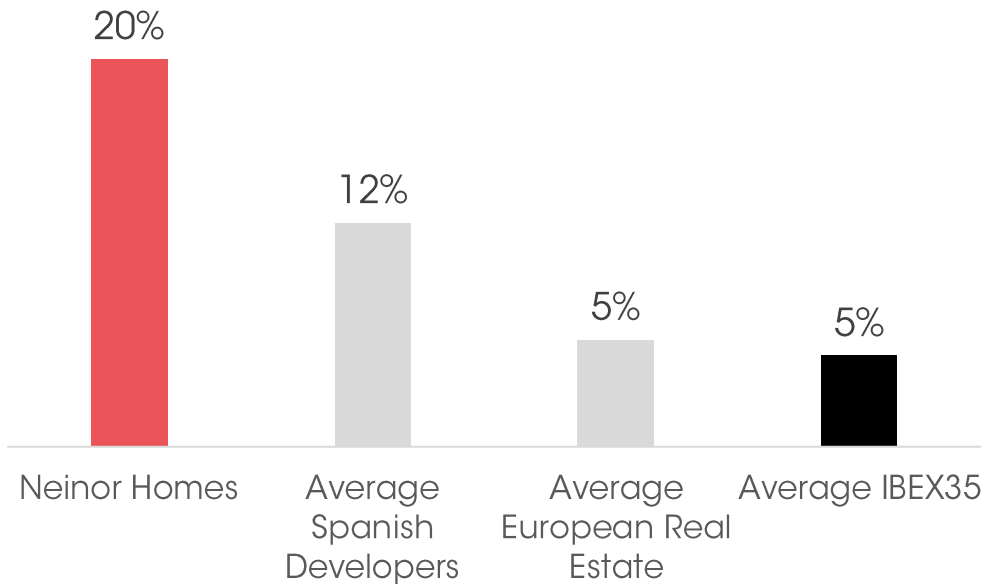


NEINOR HOMES STRATEGIC UPDATE (2023-27)

SHAREHOLDER REMUNERATION

- ▶ €600mn¹ shareholder remuneration package to reduce valuation discounts - €450mn until 2025 (c.60% of market cap²)

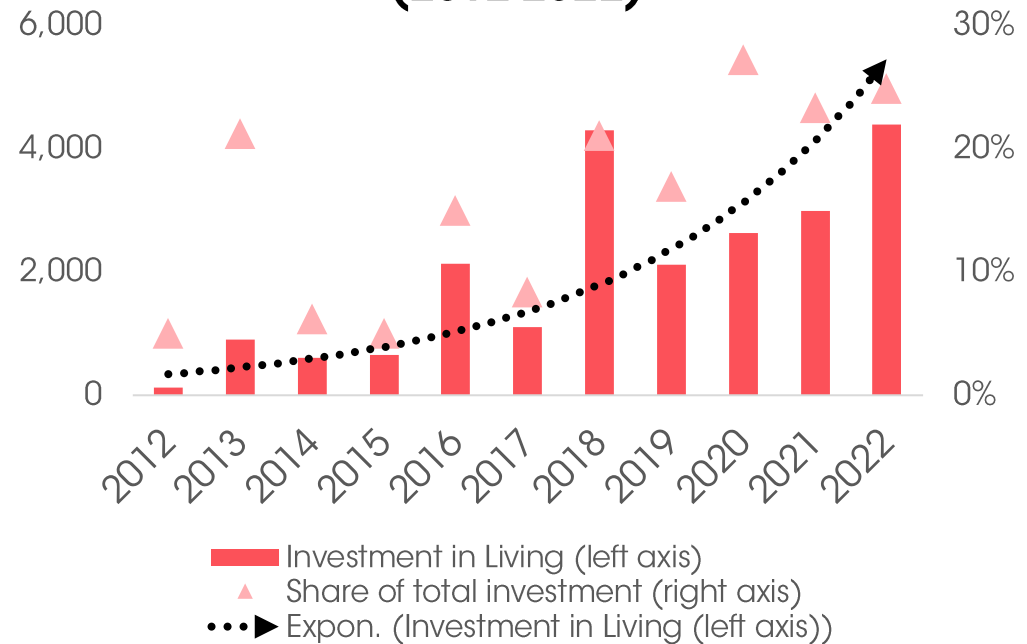
2023-25 AVG. DIVIDEND YIELD (%)



EQUITY-EFFICIENT GROWTH

- ▶ €1bn investment plan for 2023-27, of which 50% structured through JVs improving shareholder returns and targeting >20% IRR

SPANISH LIVING INVESTMENT VOLUMES (2012-2022)



1. Includes €51 mn treasury share cancellation. 2. As of 24/07/2023. Source: Bloomberg consensus, Neinor Homes and CBRE Research.



WHAT DID WE DO IN THE LAST 12 WEEKS?

SHAREHOLDER REMUNERATION



BOND REFINANCE

- ▶ New Green Loan of €140mn and fully redeemed bond allowing for €600mn shareholder remuneration plan
- ▶ Reduced cost of debt to c.4% vs 4.5% previously

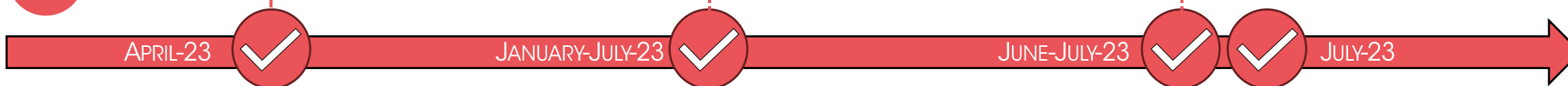
BTR VALUE CRYSTALLIZATION

- ▶ €186mn BTR sales¹ (693#) at 4.5% discount to Dec22 GAV
- ▶ 34% of 5Y target achieved in 7-months



REITERATE FY23 GUIDANCE + INTERIM DIVIDEND

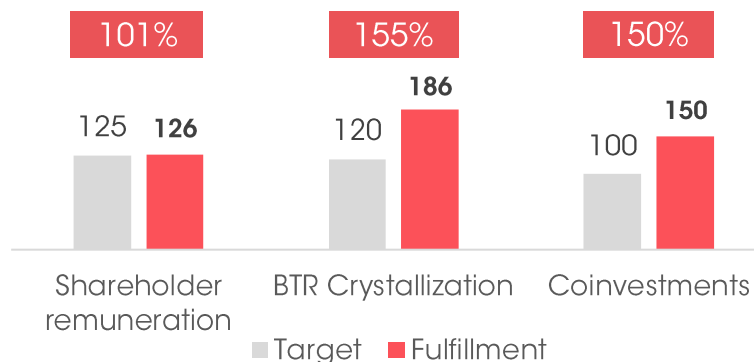
- ▶ Improved visibility over FY23 guidance: €140mn EBITDA and €90mn Net Income
- ▶ Announce €126mn distribution, representing 100% of FY23 shareholder remuneration target



EQUITY EFFICIENT GROWTH



BUSINESS PLAN TRACKER 2023

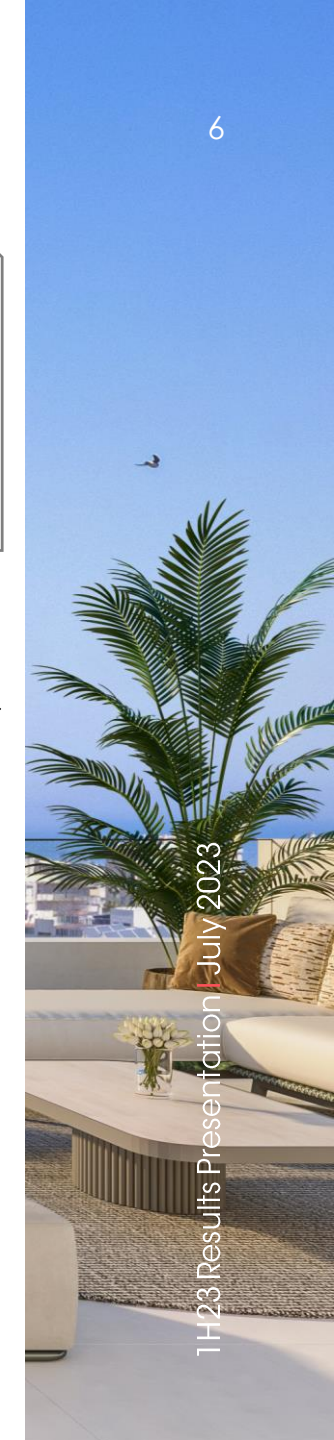


BTS COINVESTMENT AGREEMENTS

- ▶ €100mn JV agreement with AXA o.w. 50% have already been deployed
- ▶ €50mn JV agreement with Orion o.w. 40% have pre-agreed deals
- ▶ 30% of 5Y target achieved in 4-months



1. Includes the sale of Dual Homes announced post-closing. Source: Neinor Homes.



1H23 RESULTS: HIGH VISIBILITY OVER 2023-25 FINANCIALS



DEVELOPMENT ACTIVITY

c14,600#

LAND BANK

1,125#

JV LAND BANK

7,745#

ACTIVE

5,158#

WIP & FP

2,217#

(€714mn)

ORDERBOOK

637#

DELIVERIES

3%

HPA¹

1,004#

GROSS PRE SALES²



FINANCIALS

€277mn

TOTAL REVENUES PF⁵

€52mn

TOTAL EBITDA PF⁵

€30mn

NET INCOME PF^{3,5}

(€0.39/sh)

EPS PF^{3,4,5}

€345mn

ADJ. NET DEBT

20.0%

LTV

€1,719mn

GAV

€1,230mn

(€16.51/sh)

NAV⁴



1. Applied over units pending commercialization. 2. Net pre-sales stood at 943#. 3. Adjusted for non-recurrent expenses. 4. Adjusted for treasury share position. 5. Pro-forma figures include asset divestments agreed in 1H23 that will be registered in 2H23.

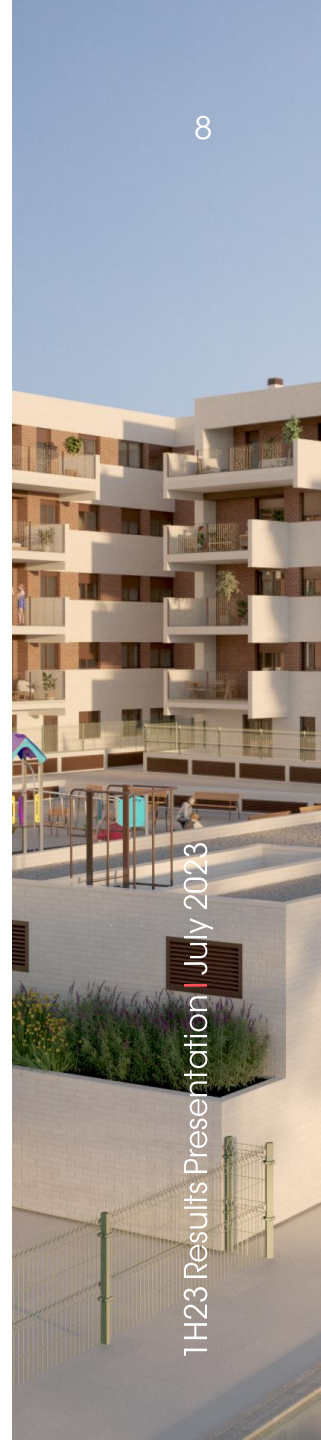
1H23 PRO-FORMA RESULTS INCLUDING ASSET DISPOSALS

FY23 RESULTS VISIBILITY INCLUDING RECENT ASSET DISPOSALS

(€mn)	Audited 1H23	Asset Disposals ¹	1H23 Pro-Forma	FY23 Target	Fulfillment (%)
Total Revenues	181	96 ³	277	600	46%
Total EBITDA	22	30	52	140	37%
Net Income²	6	24	30	90	33%



1. BTR sales not registered in the consolidated accounts from Sky Homes, Europa Homes, Joaquin Lorenzo to be registered during 2H23.
 2. Adjusted for non-recurrent expenses. 3. It does not include Sky Homes due to accounting standards. Source: Neinor Homes.



02_ SPANISH RESI FUNDAMENTALS

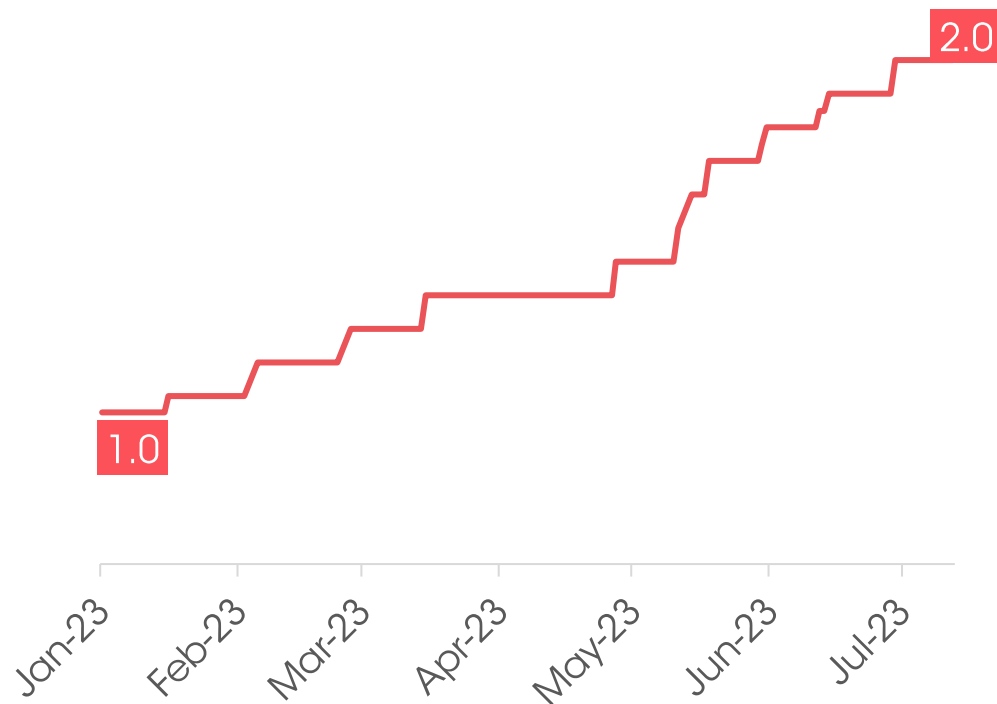


Boluetta Homes II, Bilbao



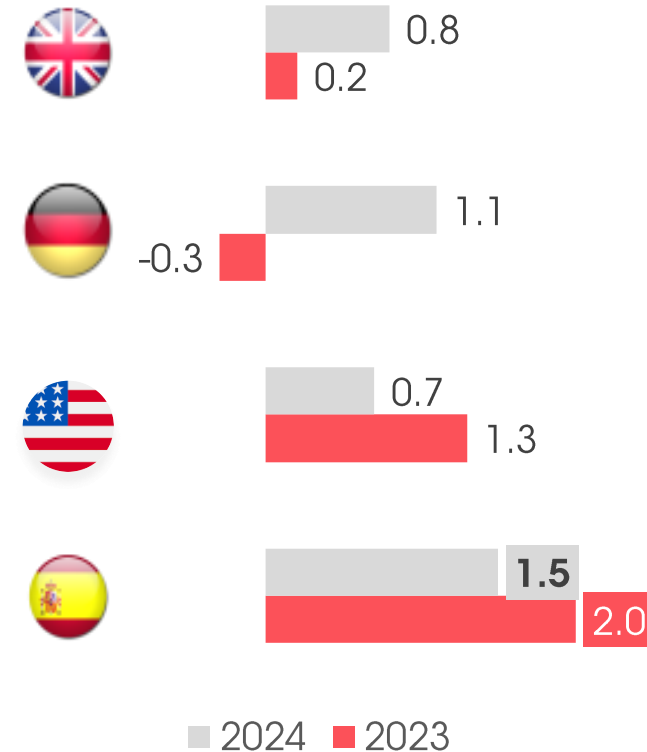
SPANISH GDP GROWTH EXPECTATIONS DOUBLED YTD. GROWTH WILL OUTPACE PEERS IN 2023 AND 2024

SPAIN'S 2023 CONSENSUS GDP GROWTH (%)



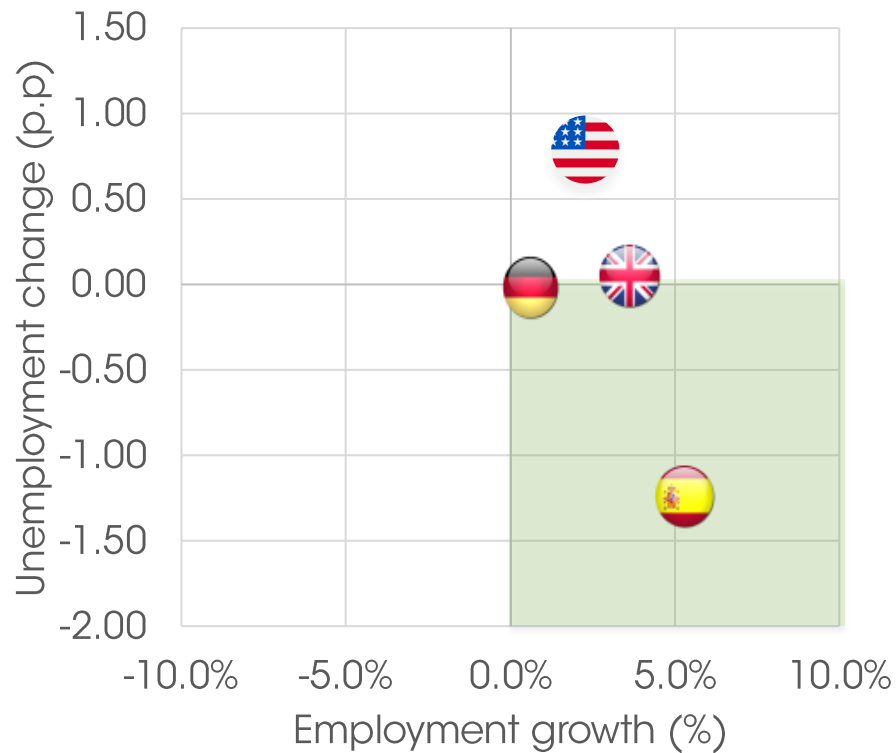
Source: Bloomberg.

REAL GDP GROWTH EXPECTATIONS (%)

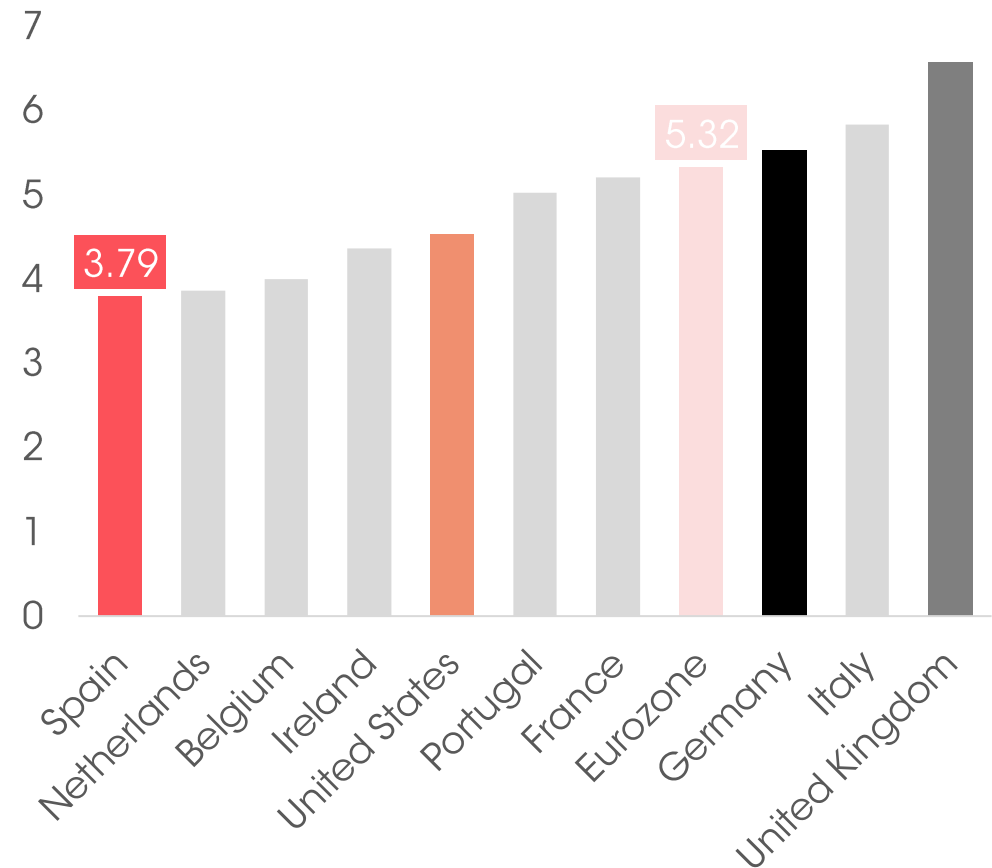


...WITH A GROWING JOB MARKET THAT IS FAR FROM FULL EMPLOYMENT EASING INFLATION EXPECTATIONS

UNEMPLOYMENT FORECASTS (2023-27)



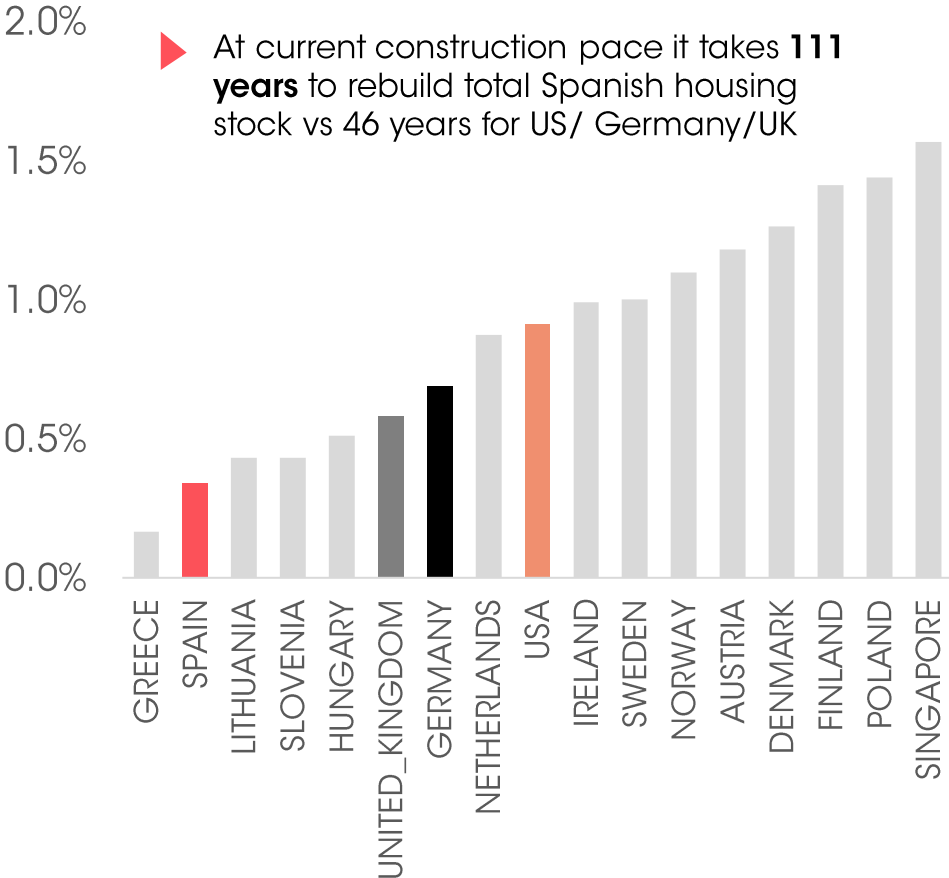
2023 INFLATION FORECASTS (%)



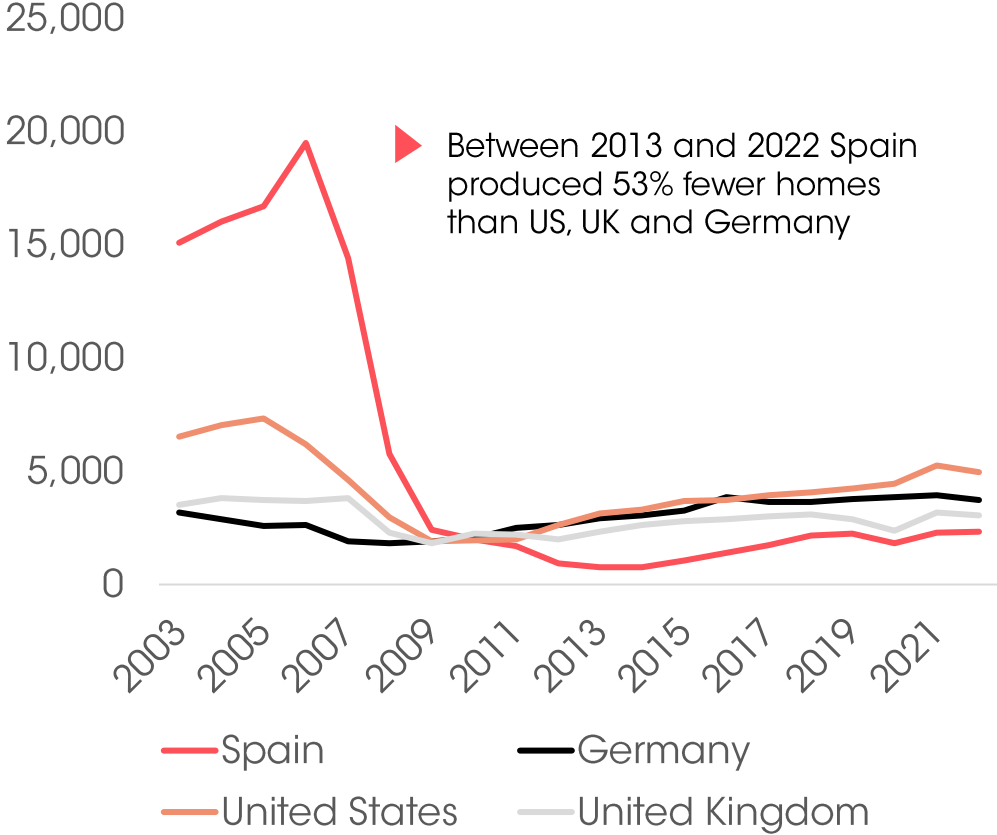
Source: CBRE Data Science from Oxford Economics.

SPAIN PRODUCES 50% LESS NEW HOMES PER CAPITA THAN GERMANY, UK AND US

HOUSING PERMITS (2019-21) RELATIVE TO 2021 STOCK



HOUSING PERMITS PER CAPITA (1MN INHABITANTS)

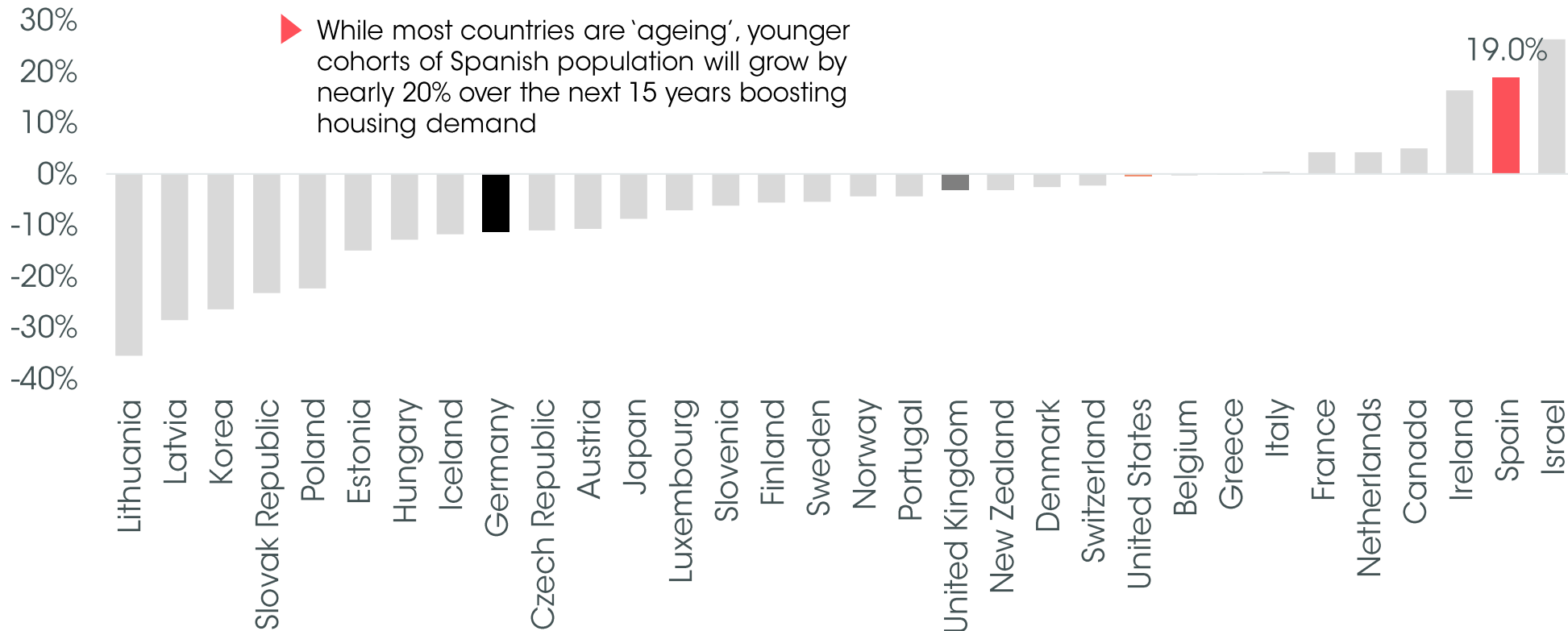


Source: CBRE Data Science from European Mortgage Federation. Spanish Central Bank, Federal Reserve and Bank of England.

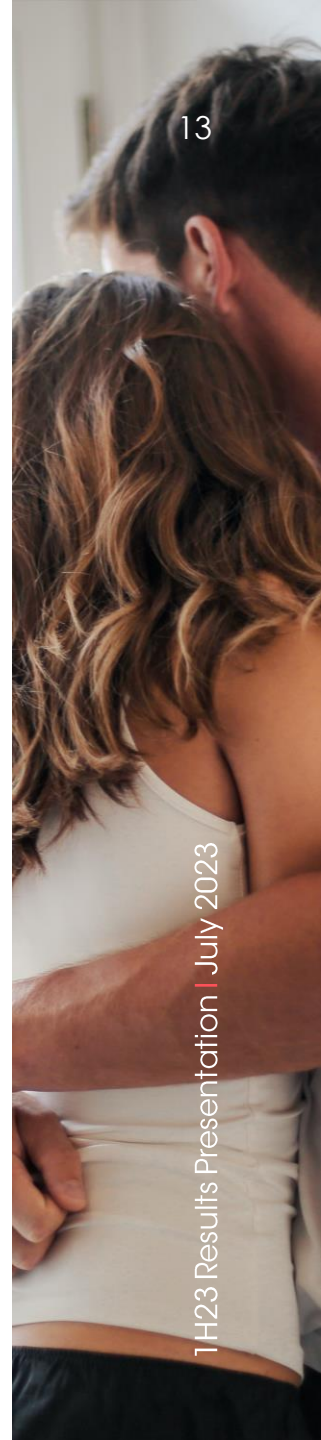


DEMAND IS WELL SUPPORTED AS MILLENNIALS APPROACH PRIME BUYING AGE OVER THE NEXT DECADES...

YOUNG POPULATION (25-34 y.o.) GROWTH (2022-35)

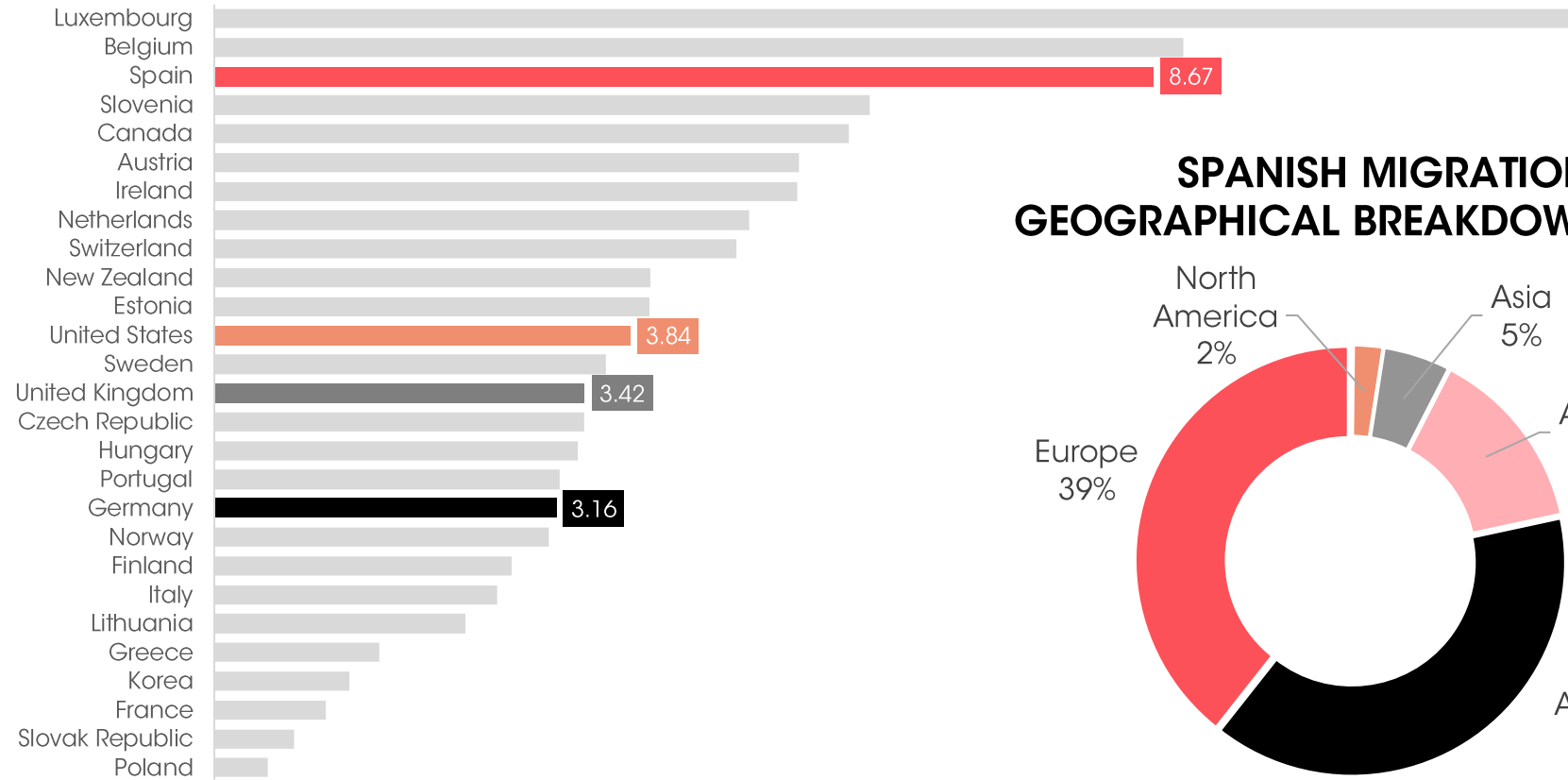


Source: CBRE Data Science from OECD.

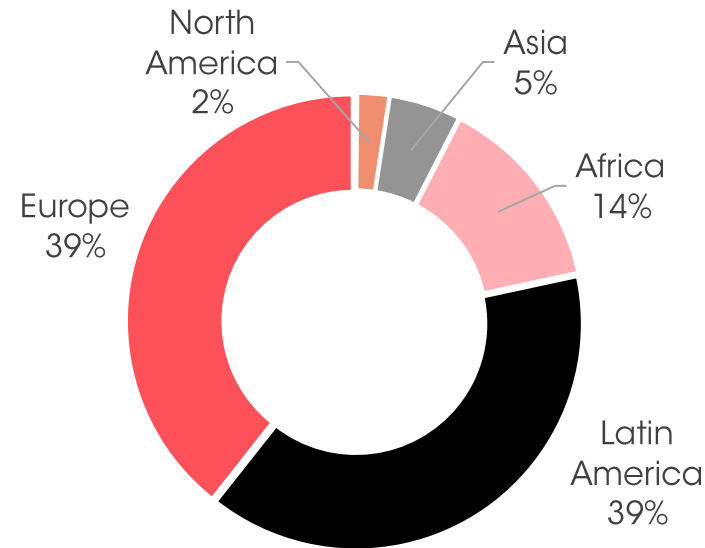


...AND NET MIGRATION PROVIDES A FURTHER BOOST TO HOUSEHOLD CREATION AND HOUSING DEMAND

AVERAGE NET MIGRATION RATE (2022-35) ARRIVALS PER 1K INHABITANS



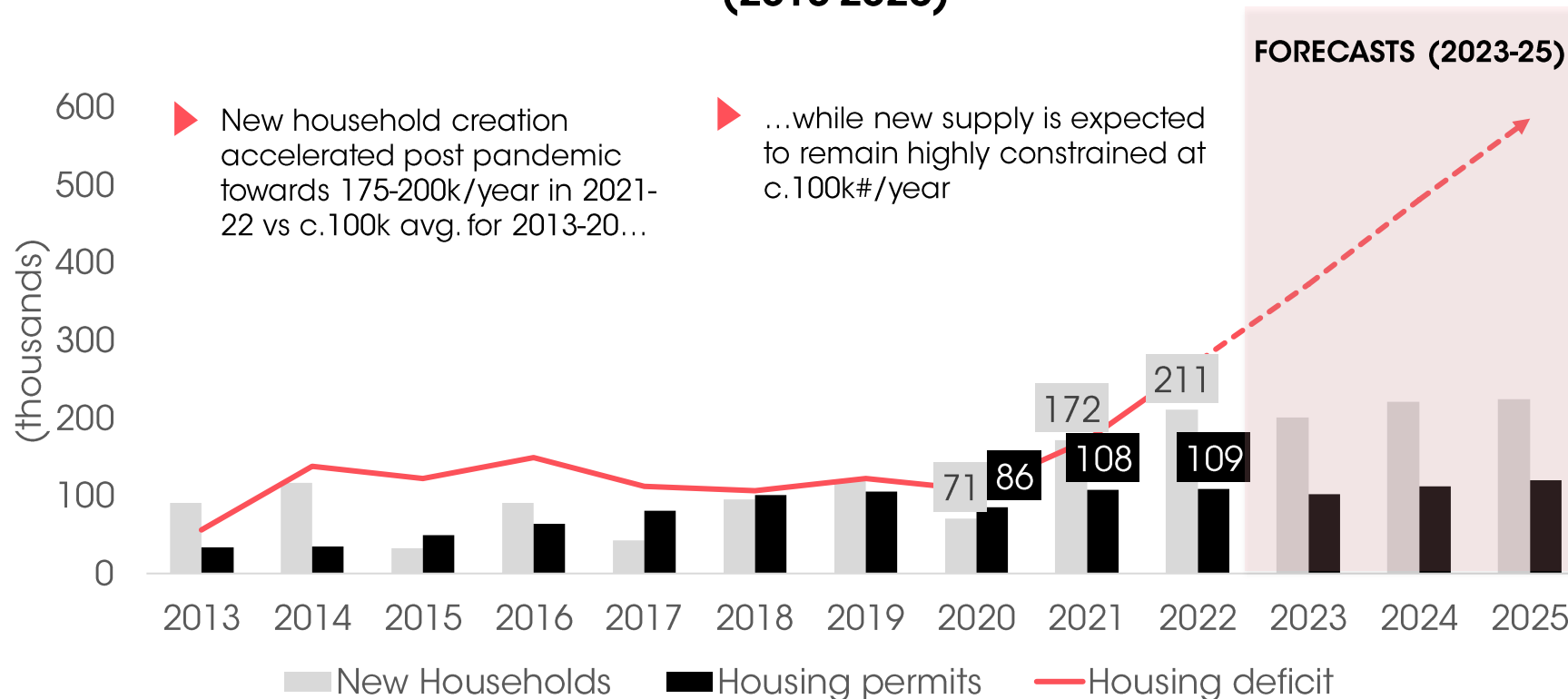
SPANISH MIGRATION GEOGRAPHICAL BREAKDOWN (2022)



Source: CBRE Data Science from OECD and National Statistics Institute (INE).

HOUSING SHORTAGE CONTINUES TO COMPOUND AND IS SET TO ACCELERATE TO REACH c600,000# DEFICIT BY 2025

HOUSEHOLD CREATION VS BUILDING PERMITS (2013-2025)



Source: CBRE Data Science from National Statistics Institute (INE) and Neinor Homes.





03_
**A UNIQUE
VALUE
PROPOSITION**



STRATEGIC PLAN WITH POTENTIAL €1.3-1.4BN VALUATION VS €0.75BN MARKET CAP TODAY

PLATFORM VALUATION BRIDGE



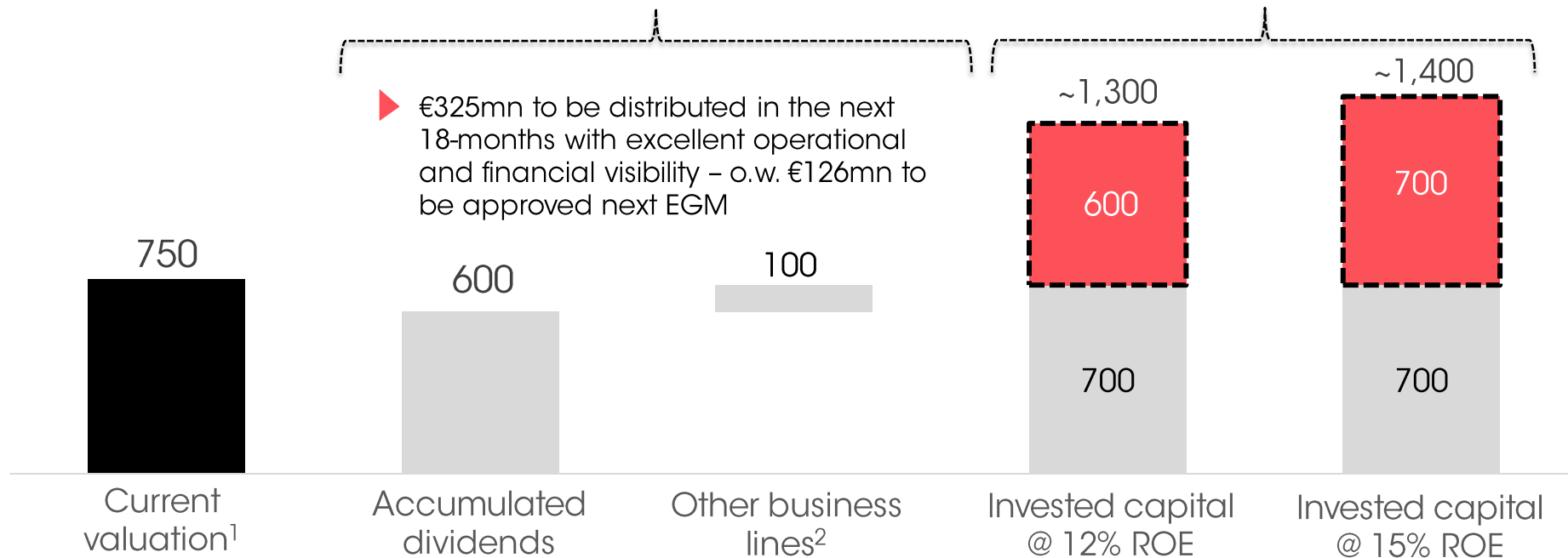
SHAREHOLDER REMUNERATION

▶ Shareholder remuneration and other business lines represent +90% of current valuation



EQUITY EFFICIENT GROWTH

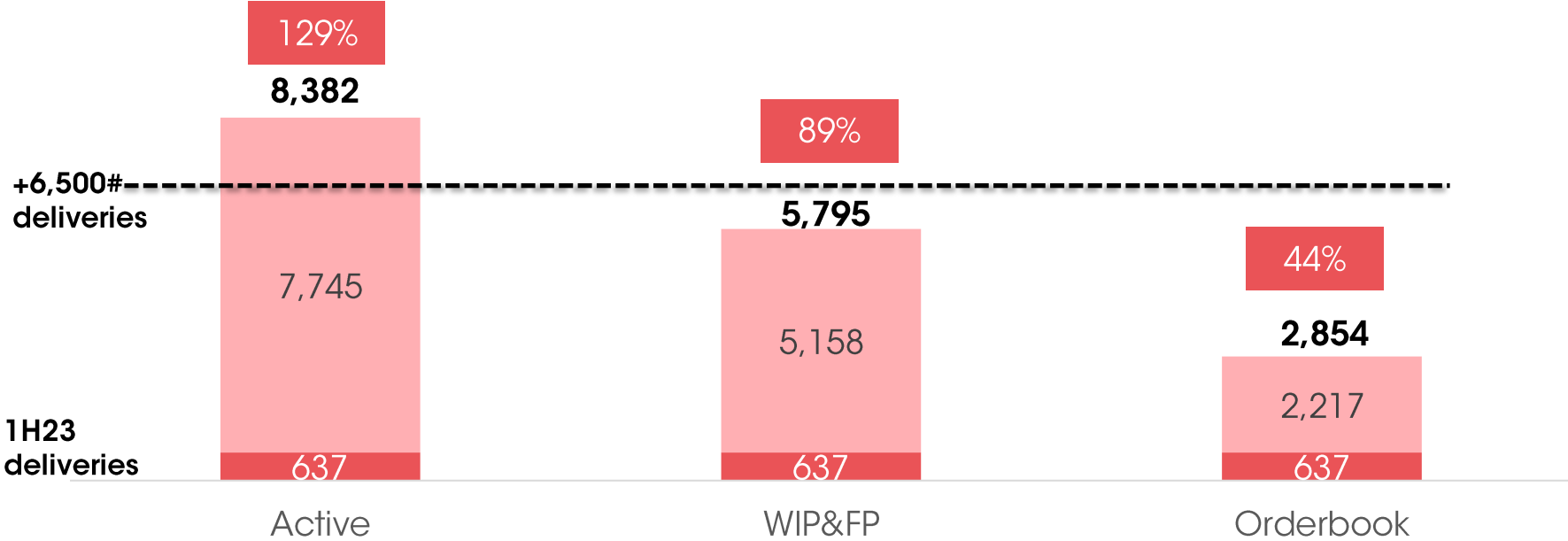
▶ c9,000# land bank with +€500mn invested capital plus co-investments



1. Market capitalization as of 24/07/2023. 2. Includes Renta Garantizada, own construction business, excess cash and deferred tax credits. Source: Neinor Homes.

EXCELLENT FINANCIAL RESULTS VISIBILITY WITH +100% OF 2023-25 TARGET DELIVERIES (+6,500#) ALREADY UNDERWAY...

2023-25 TARGET DELIVERIES SNAPSHOT



▶ Target ~2k deliveries per year

▶ Received building permits for c900# pending construction start

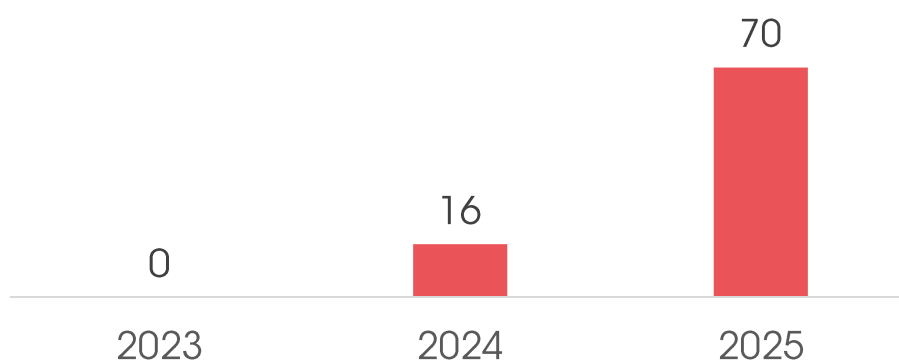
▶ FY23-24 with 91% and 35% pre-sales coverage

Source: Neinor Homes.

...WITH A HEALTHY BALANCE SHEET WITHOUT REFINANCING OR INTEREST RATE RISKS UNTIL 2025

DEBT MATURITY CALENDAR (2023-25; €mn)

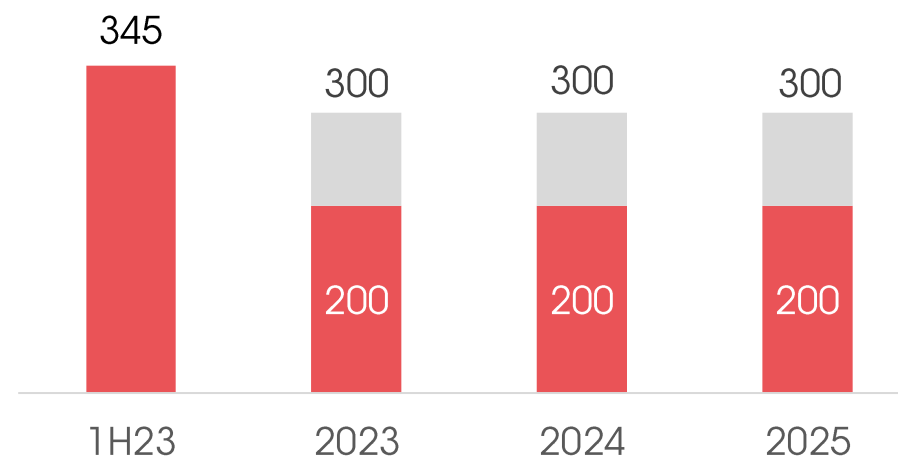
▶ No refinancing risks ahead...



▶ 100% of variable rate risk hedged through interest rate swap protecting scenarios where Euribor is above 2% until 2026

ADJ. NET DEBT EVOLUTION (1H23-25; €mn)

▶ ...while Net Debt is expected to gradually decrease despite €600mn shareholder remuneration plan and to stay between €200-300mn



▶ For the period 2023-25, LTV is expected to stay at 20-25% and ND/EBITDA at 2-3x

Source: Neinor Homes.

c.€240MN ASSET DISPOSAL PROGRAM AT GAV TO UNLOCK AND CRYSTALLIZE SHAREHOLDERS' VALUE

▶ Neinor keeps selling assets close to GAV, while trading at a significant discount to appraisals...

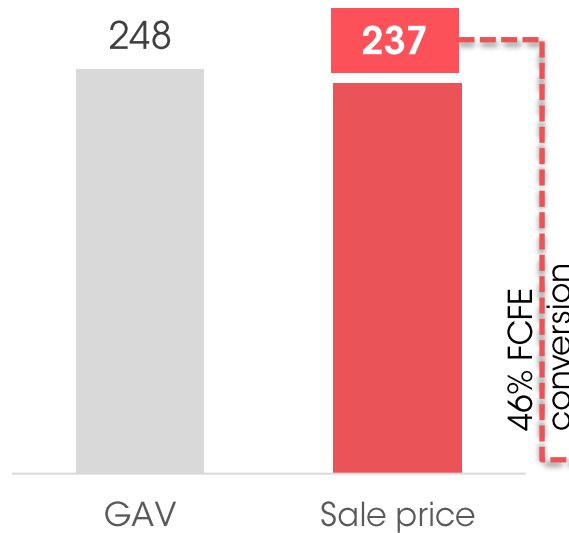
▶ ...and generated €110mn FCFE equivalent to 16%³ of current market with only 969# vs c.14,600# land bank



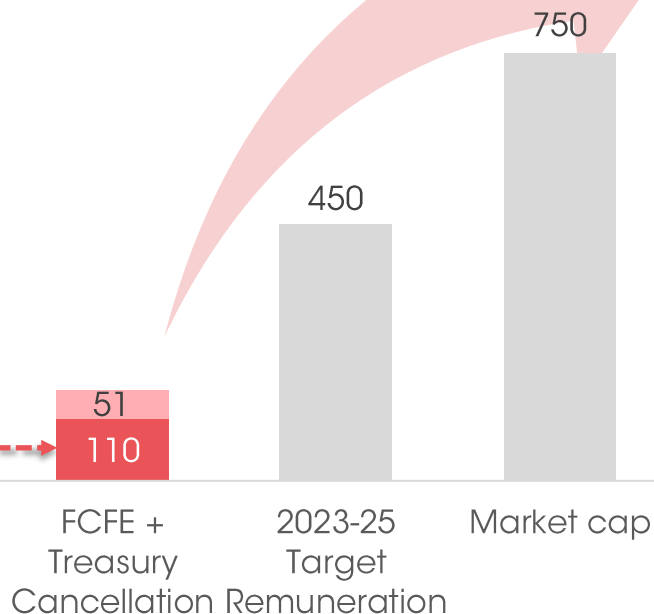
EQUITY EFFICIENT GROWTH

▶ Partially reinvest cash flows into equity efficient JV deals targeting >20% IRR

ASSET DISPOSALS¹ VS GAV (€mn)



DISPOSALS FCFE VS MARKET CAP



SHAREHOLDER REMUNERATION

▶ 35% of distributions to shareholders for 2023-25 are already secured by asset disposal program² and treasury share cancellation - excluding BTS business

1. Includes the sale of Hacienda, Lyra, Europa, Sky Homes, Dual, Joaquin Lorenzo and Eugenio Gross. 2. Includes deferred payments to be collected during 2023 and 2024. 3. Market capitalization as of 24/07/23 and adjusted by treasury shares.

FIRST STEP TOWARDS SHAREHOLDER REMUNERATION TAKEN WITH €126MN DISTRIBUTION²

EGM PROPOSALS

€75mn
DIVIDEND
+
€51mn
TREASURY SHARE
CANCELLATION

- ▶ EGM to take place on 1 September 2023
- ▶ Authorization for €75mn distribution in two payments
- ▶ **First distribution:** Gross DPS⁴ of €0.471/sh equivalent to 5%¹ yield to take place in mid-October
- ▶ **Treasury shares:** 5,019,891 shares representing 6.28% of Neinor's share capital to be cancelled in mid-October
- ▶ **Second distribution:** €40mn pre-approved and payment date to be decided by BoD³



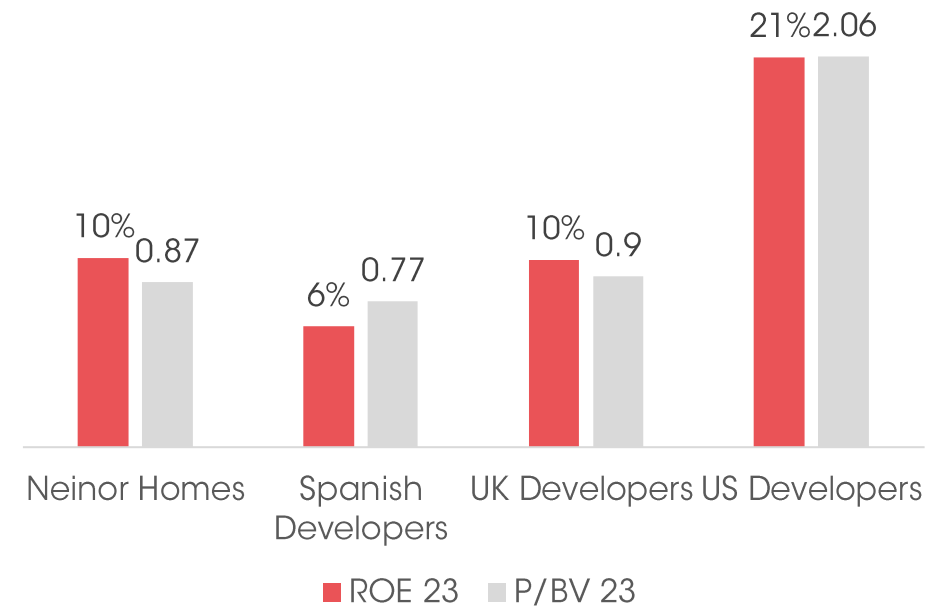
1. Market cap as of 24/07/2023. 2. Subject to EGM approval. 3. Contingent on business plan execution. 4. Net DPS of €0.466/sh.

AT THE BRINK OF SHOWING THE TREMENDOUS POTENTIAL OF THE COINVESTMENT GROWTH MODEL

TARGET €1BN NEW INVESTMENTS O.W. 50% THROUGH COINVESTMENTS

- ▶ Target €1bn investment between 2023-27 of which 50% using third-party equity in build-to-sell and alternative living asset classes at >20% IRR for Neinor
- ▶ Announced two JVs for €150mn implying 30% of the 5Y objective and seeing more appetite than we initially anticipated
- ▶ Ultimate goal is to transform Neinor's profitability while improving capital efficiency to reach 15% stabilized ROE vs 11% in 2022 (+35% improvement)

2023 HOUSEBUILDER ROE'S FORECASTS



Source: Neinor Homes and Bloomberg.





04
**KEY
TAKEAWAYS**



EARLY AND STRONG EXECUTION IN EVERY FRONT

24

Spanish residential market remains steady despite prevailing macroeconomic uncertainty

Strong build-to-sell business with resilient pre-sales and house price growth (+3% HPA) while cost inflation has flattened out

Successful asset disposals programme with €240mn sales driving €110mn FCFE equivalent to 16% of current market cap

Advanced execution in equity efficient growth with €150mn JVs signed ready to deliver >20% IRR and seeing further appetite

Reiterate FY23 guidance of €140mn EBITDA and €90mn Net Income on increased visibility

EGM to approve €126mn shareholder remuneration fulfilling 101% of the target committed in March-23



05
APPENDIX



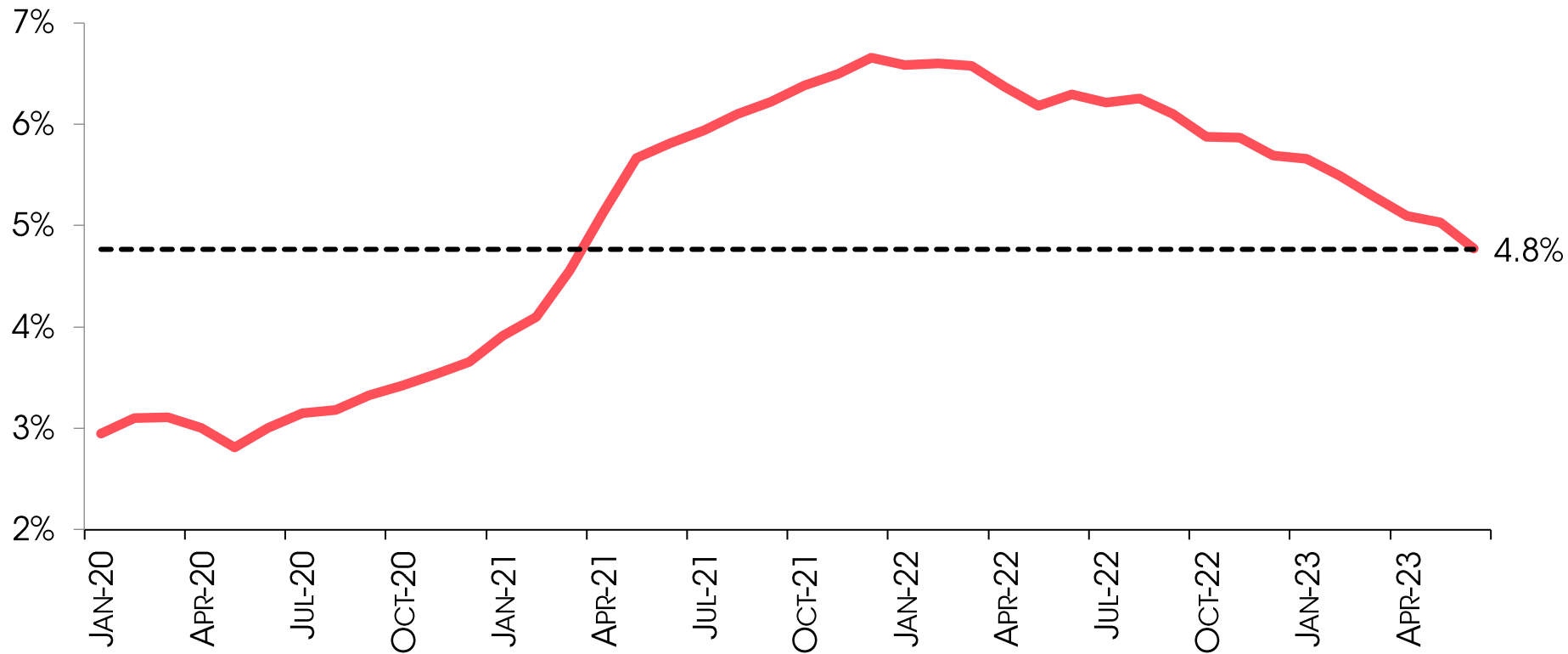
Gran Capitan, Cordoba

H23 Results Presentation July 2023



APPENDIX: BTS SALES REMAIN RESILIENT DESPITE HIGHER INTEREST RATE ENVIRONMENT

MONTHLY NET ABSORPTION RATE¹ (%)

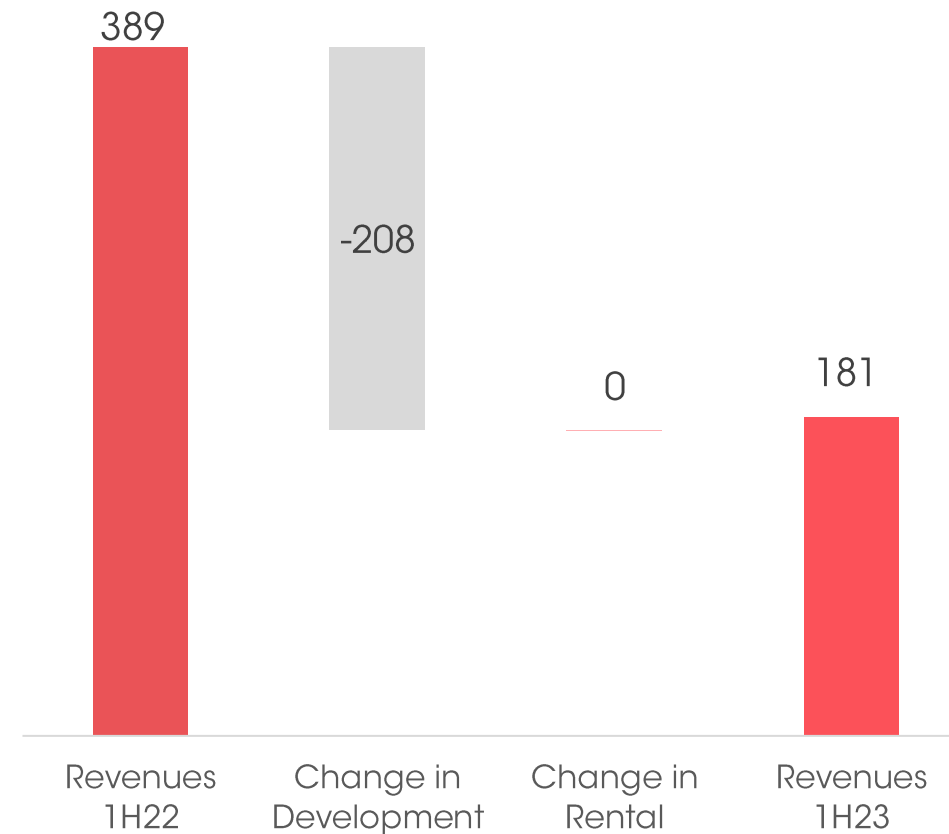


1. Calculated with LTM net monthly pre-sales and units pending commercialization – BTR sales excluded.
Source: Neinor Homes.

APPENDIX: INCOME STATEMENT

(€mn)	1H22	1H23	Change (%)
Revenues	389.4	180.5	-54%
Gross profit	98.6	53.3	-46%
Margin (%)	25.3%	29.5%	+4.2 pp
Operating expenses	-22.4	-11.6	-48%
Overheads	-15.9	-16.0	1%
Adj. EBITDA	60.3	25.8	-57%
Margin (%)	15%	14%	-1.2 pp
Developer BTR margin	0.0	-3.9	N.M.
EBITDA	60.3	21.9	-64%
Margin (%)	15.5%	12.1%	-3.3 pp
One-offs	-2.7	-1.9	-29%
EBITDA w/ one-offs	57.6	20.0	-65%
D&A and other	1.4	-1.6	N.M.
EBIT	59.0	18.4	-69%
Net financial costs	-11.2	-12.2	9%
EBT	47.7	6.2	-87%
Corporate income tax	-10.5	-1.5	-85%
Net income	37.3	4.7	-87%
Adj. net income	39.3	5.9	-85%
Adj. EPS	0.53	0.08	-85%

1H23 REVENUE BRIDGE¹

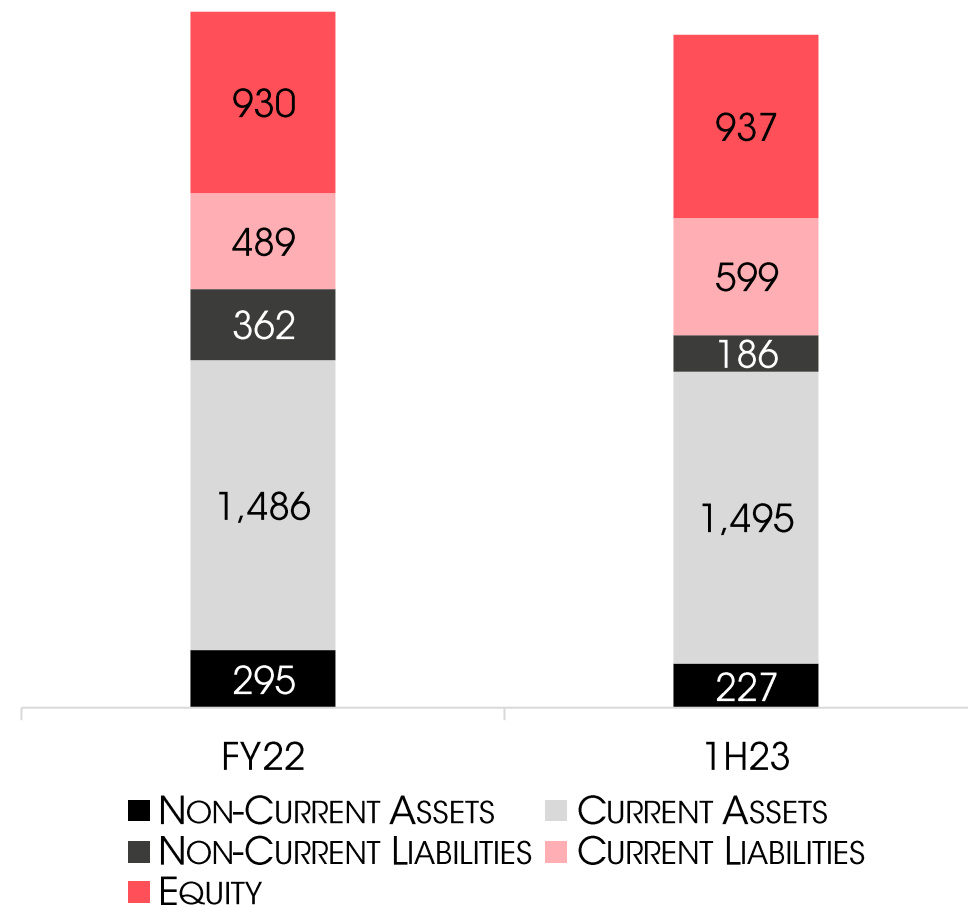


1. Rental assumes only the revenue change in operating assets.
Source: Neinor Homes.

APPENDIX: BALANCE SHEET

(€mn)	FY22	1H23	Change (%)
Investment property	143.7	73.7	-49%
Other non-current assets	56.8	60.8	7%
Deferred tax assets	94.8	92.6	-2%
Non-current assets	295.2	227.0	-23%
Inventories	1,161.7	1,265.9	9%
Other current assets	96.6	98.2	2%
Cash & equivalents	227.5	130.9	-42%
Current assets	1,485.8	1,495.0	1%
Total assets	1,781.0	1,722.0	-3%
Equity	930.0	936.8	1%
Bank borrowings	68.4	164.5	141%
Other non-current liabilities	293.3	21.4	-93%
Non-current liabilities	361.6	185.9	-49%
Bank borrowings	128.7	252.9	97%
Creditors	286.7	270.9	-6%
Other current liabilities	74.0	75.5	2%
Current liabilities	489.4	599.3	22%
Total liabilities	851.0	785.2	-8%
Shares outstanding (mn)	80.0	80.0	0%
Treasury shares (mn)	5.7	5.5	-3%

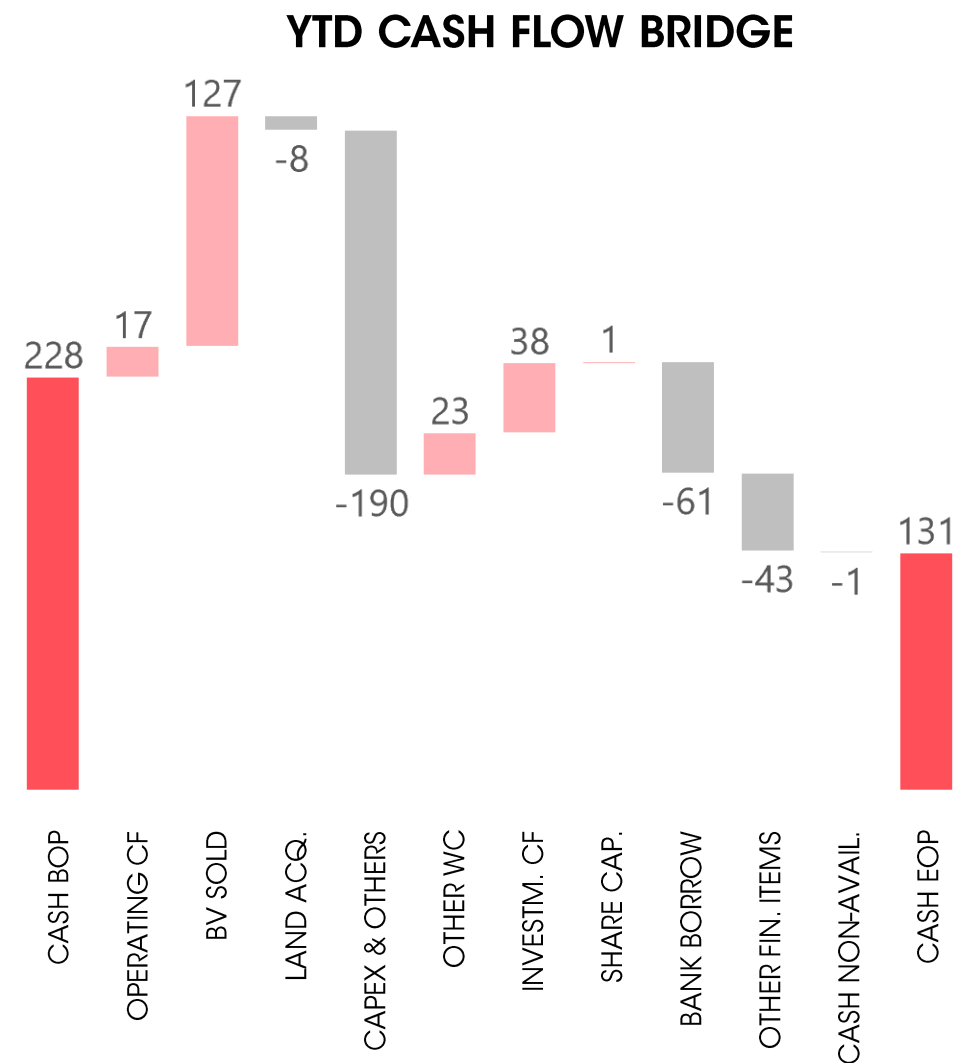
CHANGES IN BALANCE SHEET



Source: Neinor Homes.

APPENDIX: CASH FLOW STATEMENT

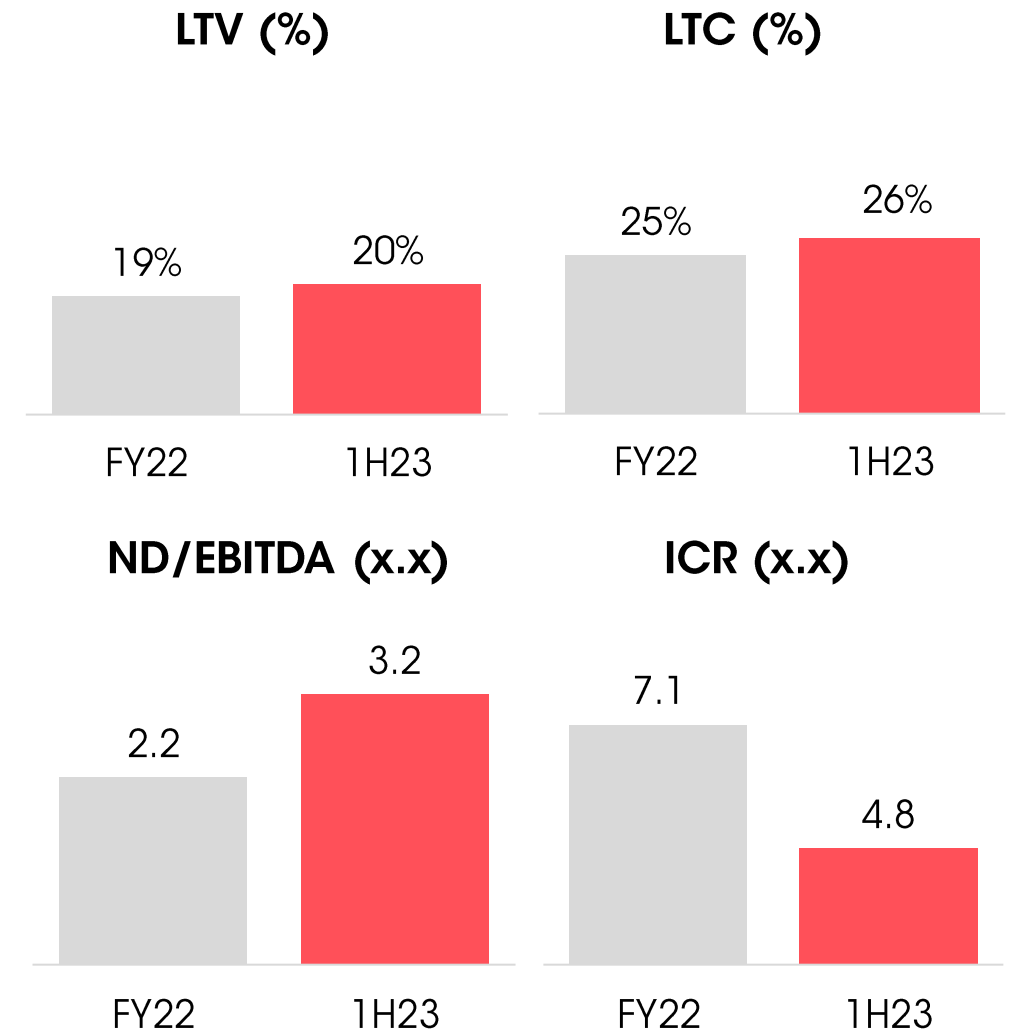
(€mn)	FY22	1H23	Change (%)
EBT	119.5	6.2	-95%
Adjustments	14.8	10.8	-27%
CF from operating activities	134.3	17.1	-87%
Working capital change	57.1	-47.4	N.M.
Change in inventories	147.9	-70.7	N.M.
Book value sold	569.6	127.2	-78%
Land acquisition	-30.1	-8.2	-73%
Capex & others	-391.7	-189.7	-52%
Other WC change	-90.8	23.3	N.M.
Net operating cash flow	191.4	-30.3	N.M.
CF from investing activities	-7.8	38.3	N.M.
CF from financing activities	-251.7	-103.3	-59%
Change in share capital/premium	-117.0	0.8	N.M.
Change in bank borrowing & other	-85.5	-61.3	-28%
Change in deferred land debt	-5.3	-31.1	483%
Net financial costs	-19.6	-12.7	-35%
Proceeds from leasing & other	-0.9	-0.2	-75%
Net cash flow	-68.1	-95.3	40%



Source: Neinor Homes.

APPENDIX: NET DEBT POSITION

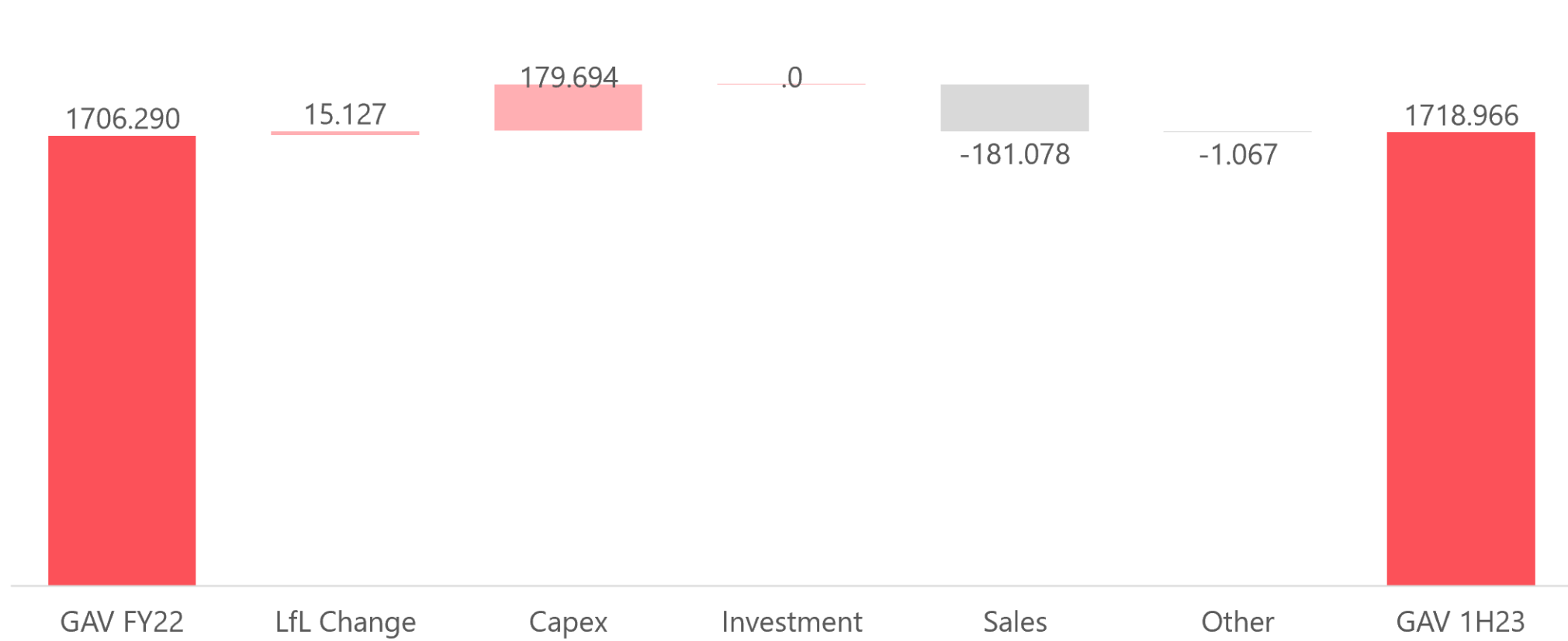
(€mn)	1H22	1H23	Change (%)
Gross debt	443.2	399.1	-10%
Non-current liabilities	327.5	164.5	-50%
Bank borrowing	68.4	164.5	141%
Corporate financing	20.0	138.7	593%
Real Estate financing	48.3	25.8	-47%
Financial liabilities	259.1	0.0	-100%
Current liabilities	115.7	234.6	103%
Developer loan	73.0	167.2	129%
Land	11.2	15.1	35%
Capex	61.8	152.1	146%
Land financing	37.3	43.4	16%
Corporate financing & other	5.5	24.0	336%
Cash & equivalents	227.5	130.9	-42%
Net debt	215.7	268.3	24%
Adjustments	108.7	76.4	-30%
Deferred land payment	82.7	51.7	-38%
Restricted cash	25.9	24.7	-5%
Adj. net debt	324.3	344.6	6%



Source: Neinor Homes.

APPENDIX: 1H23 GAV BRIDGE

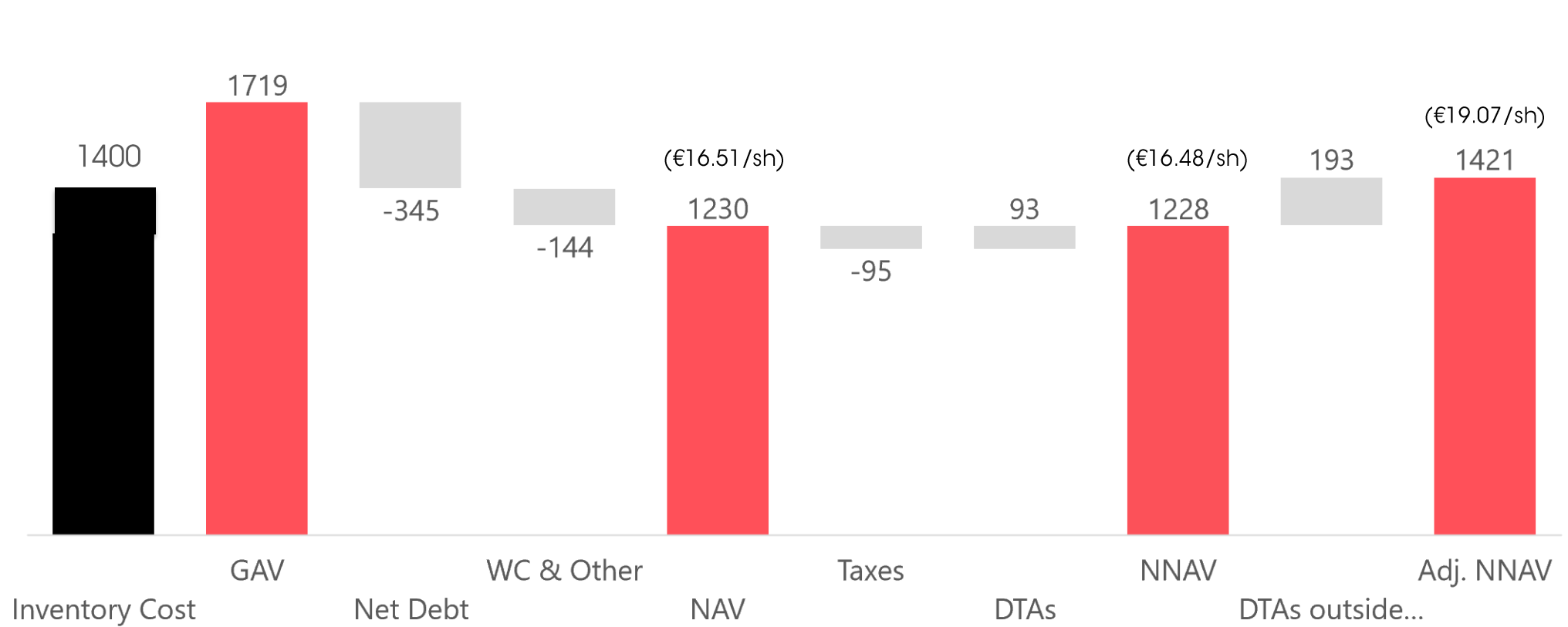
1H23 GAV BRIDGE



Source: Neinor Homes.

APPENDIX: 1H23 GAV TO NNAV BRIDGE

1H23 GAV TO NNAV BRIDGE



Source: Neinor Homes.

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