



**ATRIA HOMES – ALCOBENDAS (CENTER REGION)**  
Actual picture (March 2019)



## **Kempen 17th European Property Seminar**

**Amsterdam, Netherlands**

**> 23<sup>rd</sup> May 2019**

# DISCLAIMER

This Presentation has been prepared by Neinor Homes, S.A. ("Neinor") for information purposes only and it is not regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. "Presentation" means this document, its contents or any part of it, as well as any oral presentation, any question or answer session and any written or oral material discussed or distributed during meetings carried out in connection with this document. This Presentation may not be reproduced in any form, used or further distributed to any other person or published, in whole or in part, for any purpose without the express and prior written consent of Neinor. Failure to comply with this obligation may constitute a violation of applicable securities laws and/or may result in civil, administrative or criminal penalties.

Neither Neinor nor any of its employees, officers, directors, advisers, representatives, agents or affiliates shall have any liability whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

Neither this Presentation nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This Presentation may include forward-looking statements about revenue and earnings of Neinor and about matters such as its industry, business strategy, goals and expectations concerning its market position, future operations, margins, profitability, capital expenditures, capital resources and other financial and operating information. The words "believe", "expect", "anticipate", "intends", "estimate", "forecast", "project", "will", "may", "should" and similar expressions may identify forward-looking statements. Other forward looking statements can be identified from the context in which they are made. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Neinor and the environment in which Neinor expects to operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Neinor, or industry results, to be materially different from those expressed or implied by these forward-looking statements. Forward-looking statements should not be taken as forecasts or promises and they should not be taken as implying any indication, assurance or guarantee that the assumptions on which such forward-looking statements have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Presentation. As a result, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

The information in this Presentation, which does not purport to be comprehensive, has not been independently verified and will not be updated. The information in this Presentation, including but not limited to forward-looking statements, applies only as of the date of this Presentation and is not intended to give any assurances as to future results. Neinor expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the information, including any financial data and any forward-looking statements contained in this Presentation, and will not publicly release any revisions that may affect the information contained in this Presentation and that may result from any change in its expectations, or any change in events, conditions or circumstances on which these forward-looking statements are based or any change in whichever other events or circumstances arising on or after the date of this Presentation.

Market data and competitive position used in this Presentation not attributed to a specific source are estimates of Neinor and have not been independently verified. In addition this Presentation may contain certain information in relation to other companies operating in the same sector and industry. This information has been derived from publicly-available sources and Neinor accepts no responsibility whatsoever and makes no representation or warranty expressed or implied for the fairness, accuracy, completeness or verification of such information.

Certain financial and statistical information contained in this Presentation is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain management financial and operating measures included in this Presentation have not been subject to a financial audit or have been independently verified by a third party. In addition, certain figures contained in this Presentation, which have also not been subject to financial audit, may be combined and pro forma figures.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be "alternative performance measures". Other companies may calculate such financial information differently or may use such measures for different purposes, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

**IMPORTANT INFORMATION:** This Presentation does not constitute or form part of any purchase, sales or exchange offer, nor is it an invitation to draw up a purchase, sales or exchange offer, or advice on any stock issued by Neinor. In particular, this Presentation and the information contained herein do not form part of or constitute (i) an offer to acquire or subscribe shares, in accordance with the Spanish Securities Market Act and its implementing regulation or (ii) an offer to purchase, sell or exchange securities, a solicitation of any offer to purchase, sell or exchange securities or a solicitation of any kind of voting rights in the United States or any other jurisdiction.

The securities of Neinor have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state or other jurisdictions of the United States. Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the US Securities Act, as amended) in reliance on an exemption from, or transaction not subject to, the registration requirements of the US Securities Act. The securities of Neinor have not been and will not be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada, Japan or Switzerland and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or Switzerland or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan or Switzerland.

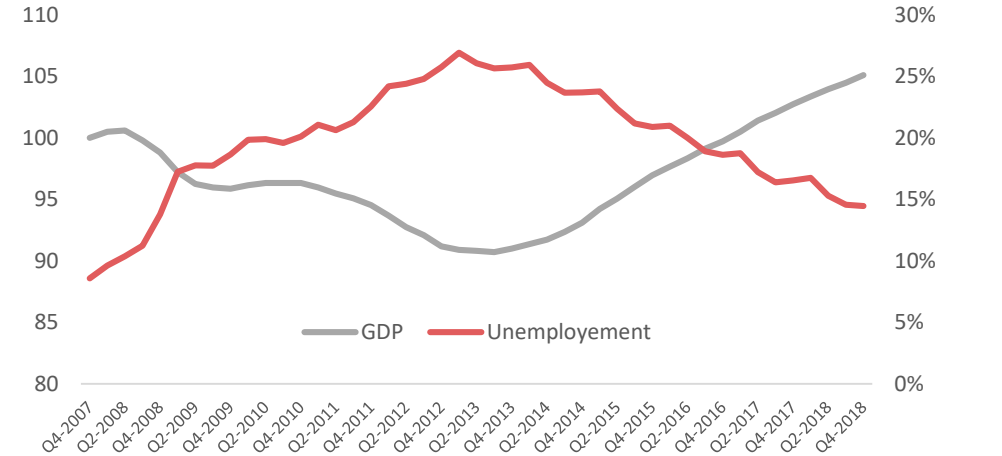
The information contained in this Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinion and conclusions on such matters and the market and for making your own independent assessment of the information included in this Presentation. You are solely responsible for seeking independent professional advice in relation to the information contained herein and any action taken on the basis of the information contained herein. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of the information included in this Presentation.

# A CONTINUED AND ROBUST RECOVERY

## Spain is one of the fastest growing economies in Europe

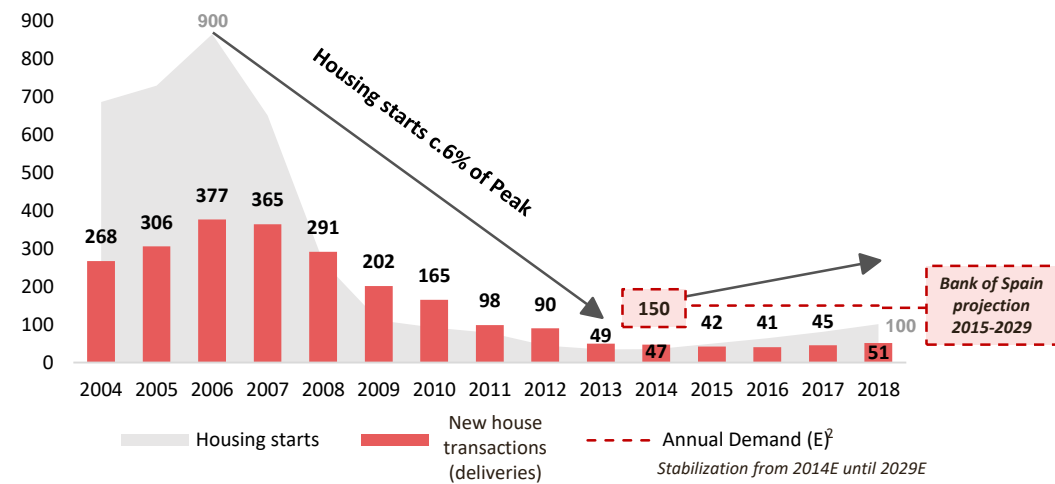
GDP growth vs Unemployment rate (QoQ)

GDP 100 bps base Q4-2017



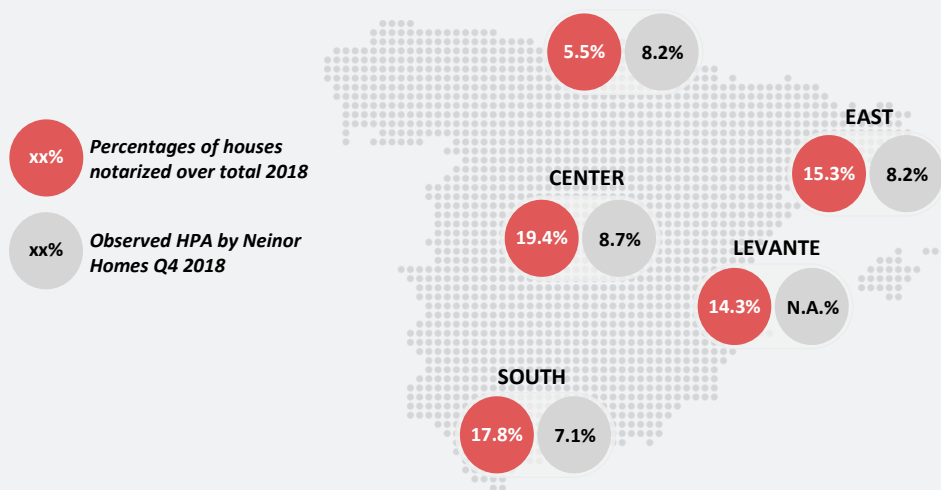
## Supply of new houses still 50% below stabilized demand

Home Sales in Spain ('000)



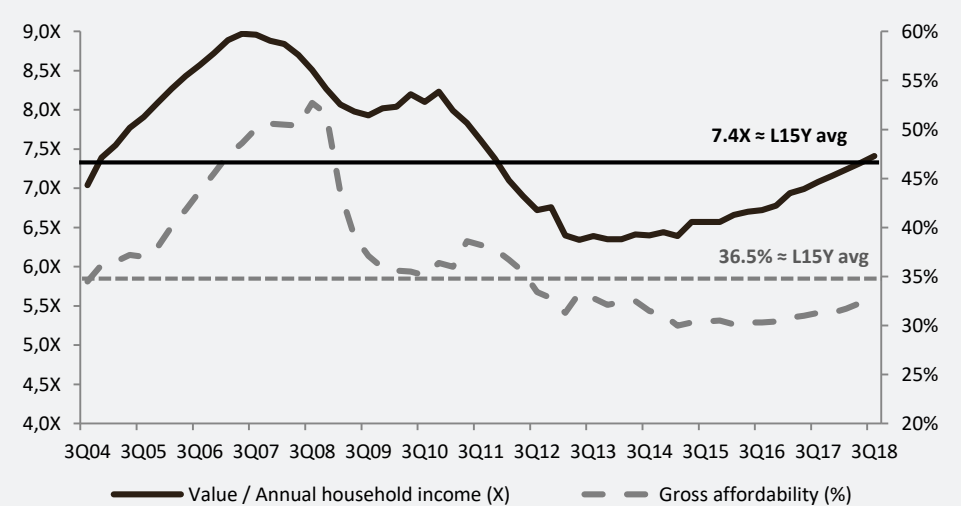
## Strong evolution of the most representative regions of the Spanish Market

Distribution of houses notarized & HPA Observed



## Affordability levels are still below 2004 and L15Y average levels

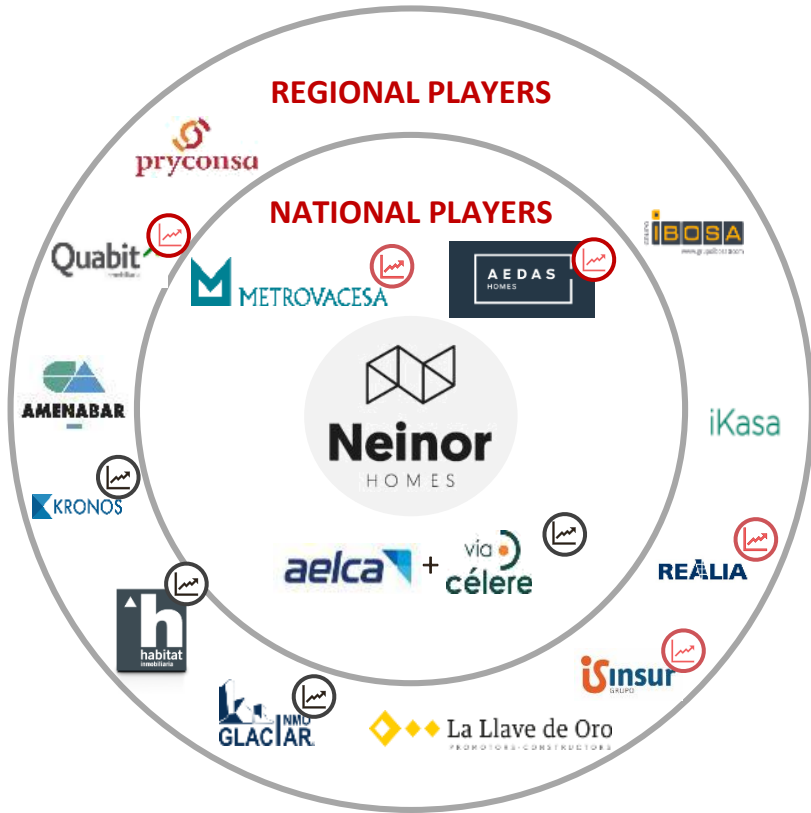
Mortgage affordability



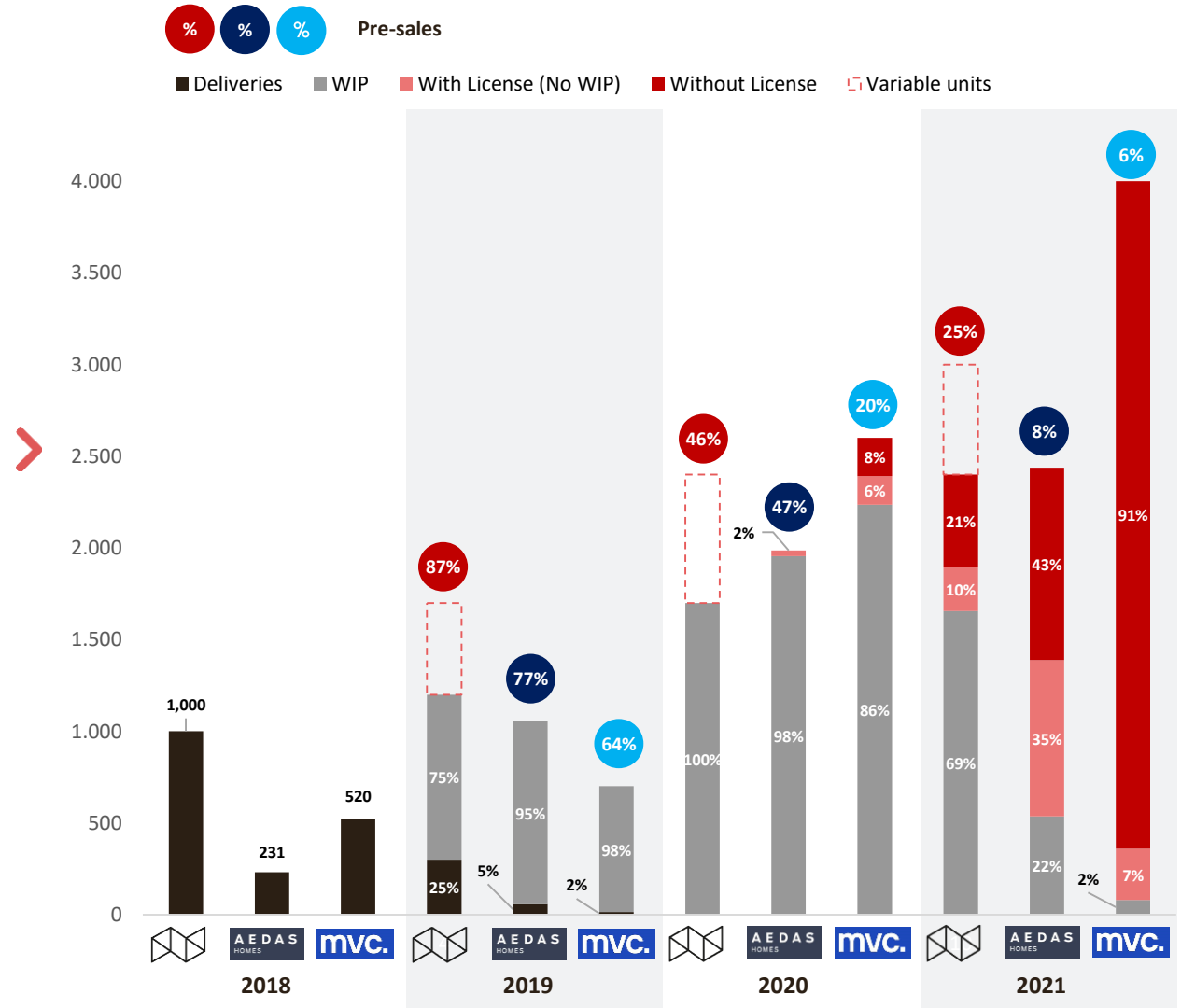
<sup>1</sup> Source: Ministerio de Fomento, INE, Bank of Spain, Fotocasa. <sup>2</sup> Source: The potential demand of housing report from "Banco de España" in 2015

# A FRAGMENTED AND VERY ATTRACTIVE MARKET

> Demand-supply imbalance creating tensions and opportunities



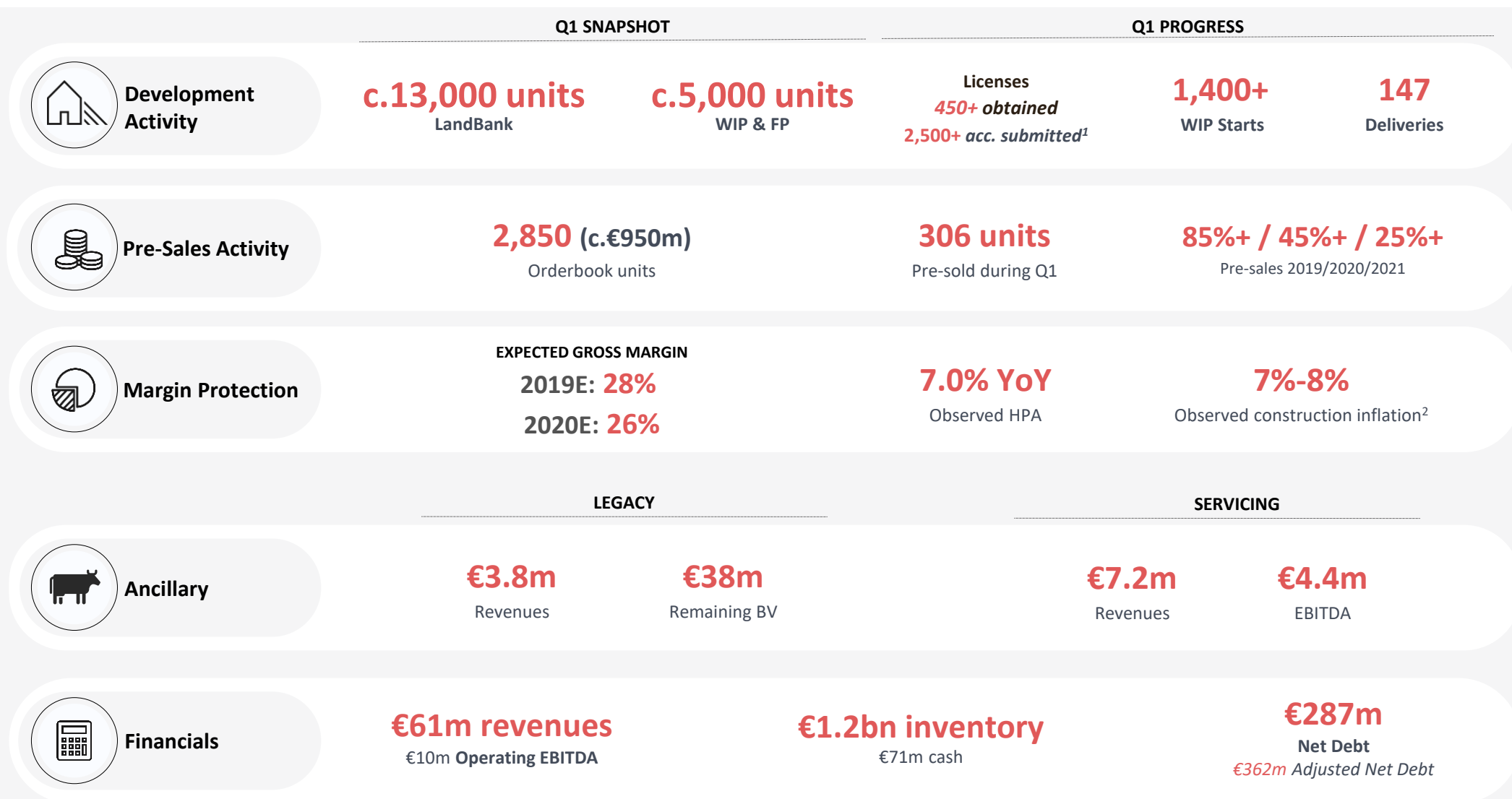
 Competitors controlled by PE funds  Listed competitors



\*Data as per Q1 2019 for Neinor and AEDAS, for Metrovacesa the data is halfway Q2

# Q1 2019 RESULTS KEY HIGHLIGHTS

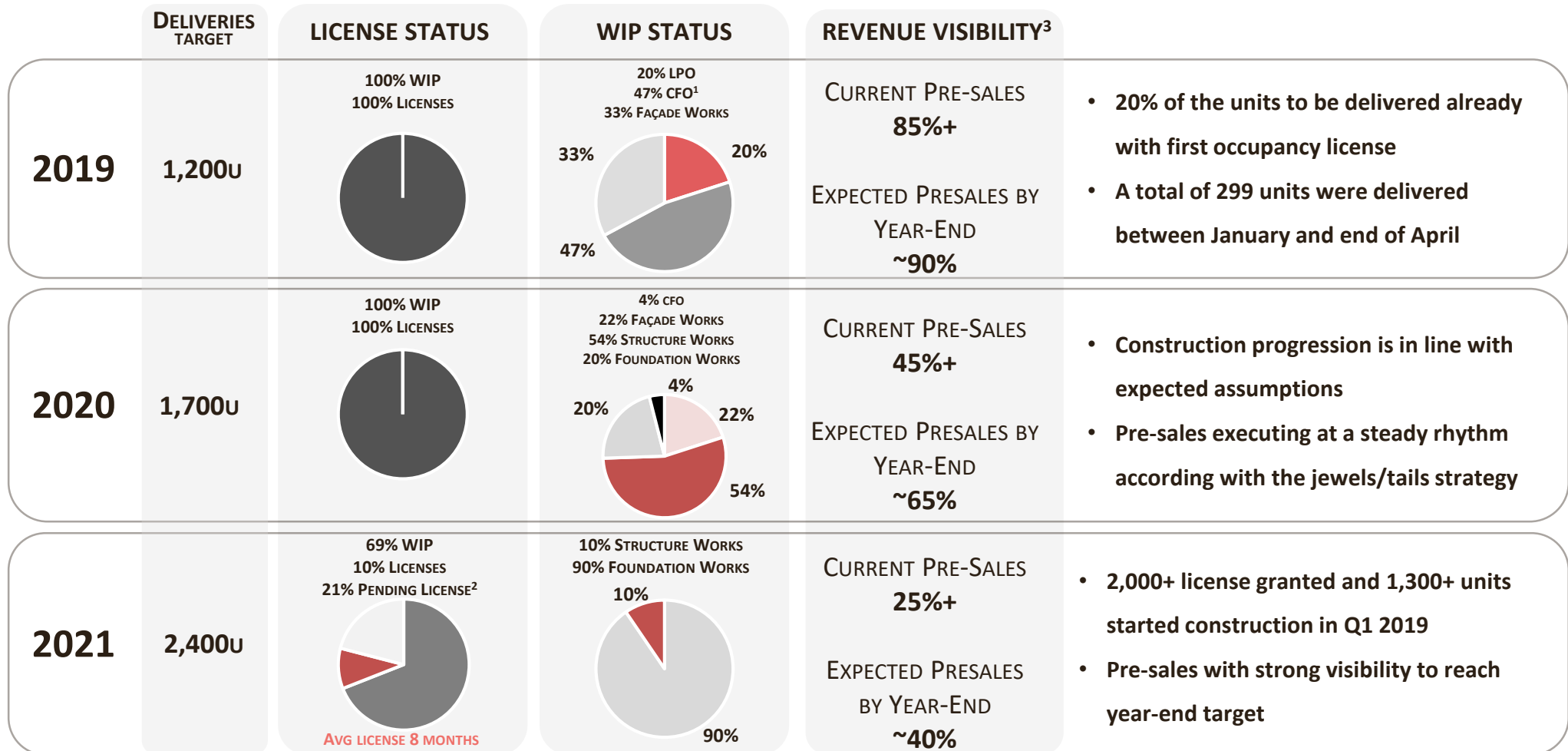
> €10m Operating EBITDA – Steady pre-sales, progress in licenses and WIP starts



**Note:** Pre-sales rate as of March 2019. <sup>1</sup> Average accumulated time since submission of licenses is 8 months. These 2,500 units for which license have been requested, are in addition to the 6,000+ units that already had licenses at the time of presenting FY2018 results <sup>2</sup> Inflation on per sqm construction ratios used by the Operations team, reflecting the construction prices received on all construction tenders in all regions.

# BUSINESS PLAN 2019-2021

## PROGRESS IN PRE-SALES AND DELIVERIES, WIP STARTS AND LICENSES



<sup>1</sup> This units are in different stages after finishing the façade works and before getting the CFO. CFO stands for Certificado Final de Obra, last milestone before requesting the First Occupancy License from the Municipality <sup>2</sup> 100% Submitted

# SHAREHOLDERS' VALUE AND REMUNERATION

- Value creation and shareholder remuneration via dividends a top priority for the new management

## EXPECTED DIVIDEND FLOWS STARTING IN 2020

**FIRST TIME DIVIDEND IN 2020<sup>1</sup>**



**c.€200M OF DIVIDEND FLOWS  
EXPECTED IN 2020-2022**



**STABILIZATION AT 70% OF NET  
INCOME ON RUN RATE**

## SHARE BUY-BACK 2019

**FACILITY AGREED TO FUND UP TO  
€100M SHARE BUY-BACK<sup>2</sup>**



**TARGET 2019: €50M TO €100M**



**EXPECTING ENHANCED EPS GIVEN THE  
CURRENT GAP BETWEEN APPRAISAL VALUE  
AND MARKET VALUE**

**Up to €300m<sup>2</sup> devoted to shareholder remuneration / value creation in 2019-2022, reflecting the lower capital needs of the new business plan**



# A APPENDIX

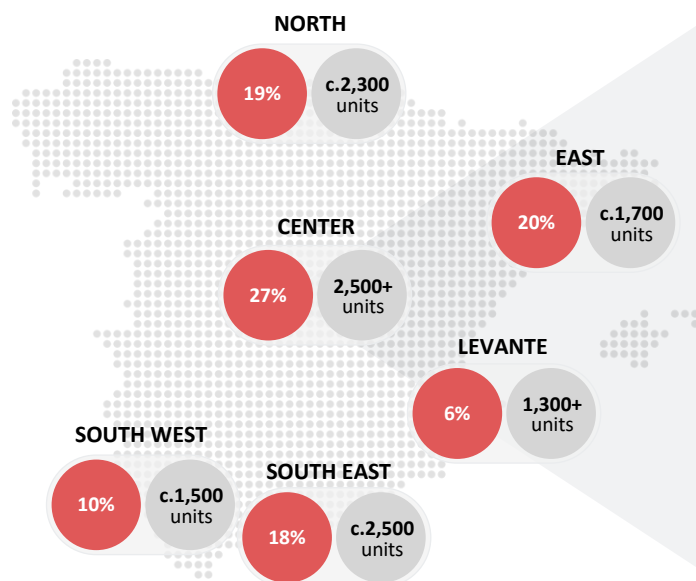


# CURRENT LAND BANK

> Neinor has a diversified Land Bank (c.13K units) in some of the strongest markets of Spain, such as Madrid or Barcelona.

## Neinor's Land Bank – National Footprint

% over GAV value of Land Bank Assets

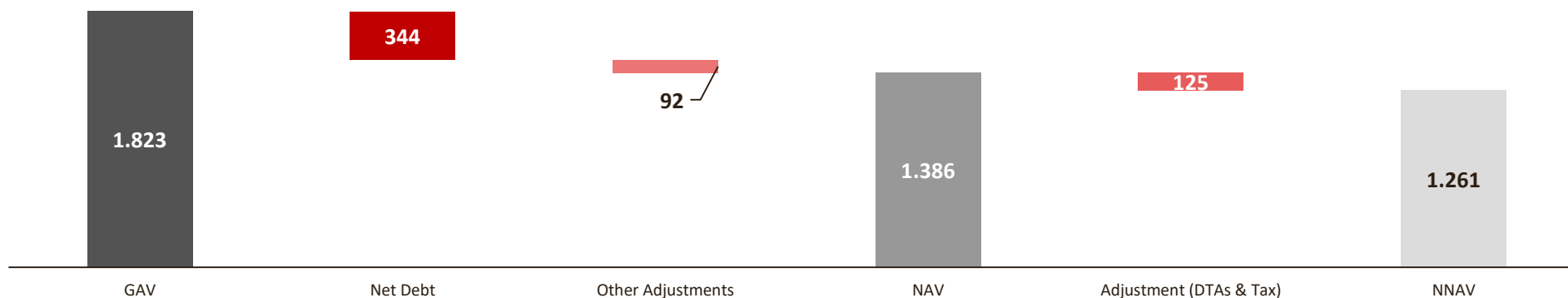


## Savills GAV Split by Regional Delegation – Fully-permitted land bank<sup>1</sup>

	North	Center	East	Levante	South East	South West	Total FY2018
<b>Number of units</b>	2,268	2,510	1,687	1,317	2,500	1,456	11,738
<i>Buildability Area (sqm)</i>	284,173	317,599	239,461	141,224	326,841	204,886	1,514,184
<b>GDV (EURm)</b>	709	965	612	346	878	418	3,928
<i>ASP (EUR)</i>	313	385	363	263	351	287	335
<i>Average Price per sqm (EUR)</i>	2,496	3,039	2,557	2,450	2,686	2,039	2,594
<b>Costs pending to complete (EURm)</b>	299	367	206	175	439	194	1,680
<i>Costs pending per unit (EUR)</i>	132	146	122	133	176	133	143
<i>Costs pending per sqm (EUR)</i>	1,052	1,155	861	1,239	1,344	945	1,109
<b>Valuation (EURm)</b>	324	463	344	110	307	168	1,717
<i>Valuation per sqm (EUR)</i>	1,140	1,459	1,438	780	940	821	1,134
Strategic Land on Balance Sheet GAV (EURm)							51
Remaining Legacy GAV (EURm)							54
<b>GAV reported 31st of December 2018 (EURm)</b>							1,823

## Bridge from GAV to NNAV

EUR millions



<sup>1</sup> Strategic (non fully-permitted) land amounts to 1,400+ units, thus taking the total land bank to 13,000+

# 147 UNITS DELIVERED IN Q1 2019<sup>1</sup>

- > Good performance in the first quarter, as Atria Homes (Madrid) and Medina Homes (Cordoba) started delivery and remaining units from 2018 were notarized as well, with **development gross margin of 30%**.

## Atria Homes

Region	Center
Location	Alcobendas, Madrid
Units (#)	148
Units Delivered Q1-19' (#)	43
Sqm	18,317
Construction Company	Sodelor
Construction Started	Q4 2016
Construction Finished	Q4 2018
Delivery	Q1 2019



## Medina Homes

Region	South West
Location	Córdoba, Córdoba
Units (#)	107
Units Delivered Q1-19' (#)	39
Sqm	13,500
Construction Company	Construalia
Construction Started	Q2 2017
Construction Finished	Q4 2018
Delivery	Q1 2019



<sup>(1)</sup> As of closing of April, a total of 299 units have been notarized. Of these, 127 corresponded to Atria Homes and 66 corresponded to Medina Homes.

**PAGE INTENTIONALLY LEFT BLANK**

HOMES

**Neinor**

