



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



## **Morgan Stanley EMEA Property Conference London, UK**

**> 20<sup>th</sup> June 2019**

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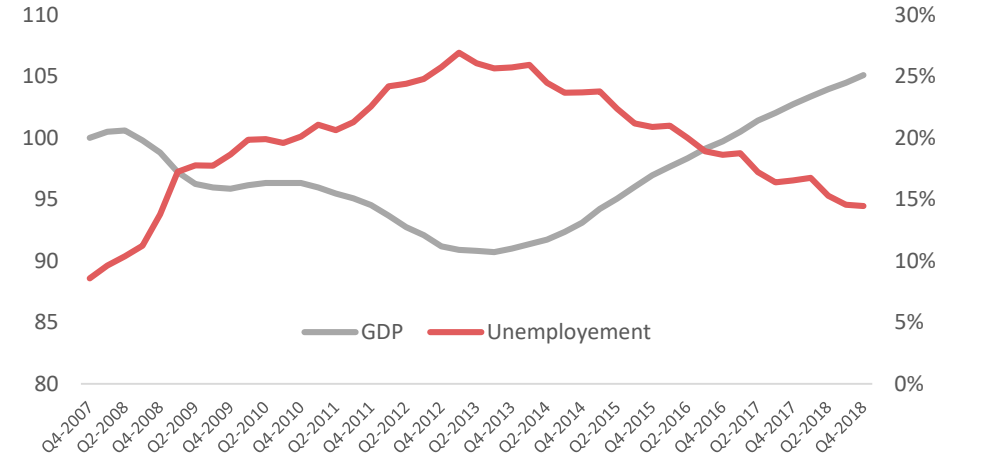
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# A CONTINUED AND ROBUST RECOVERY

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

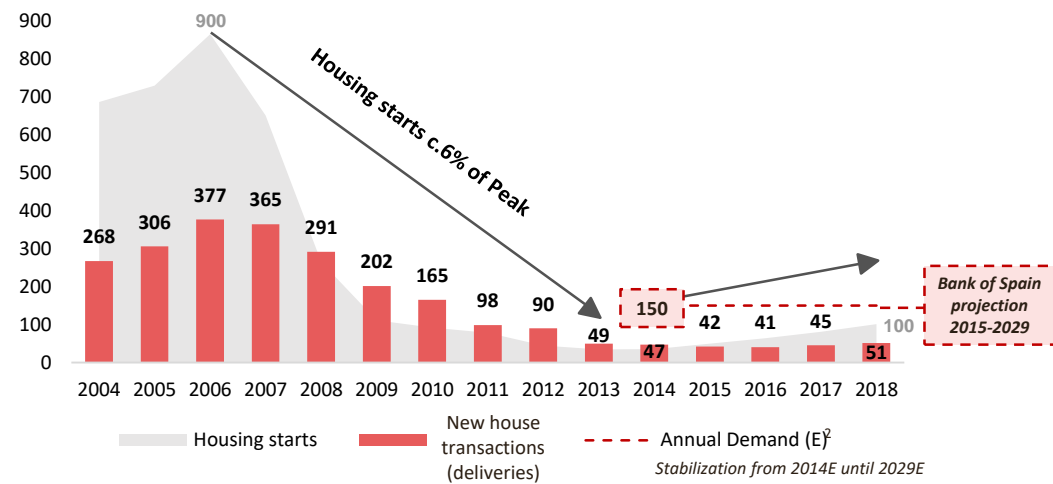
GDP growth vs Unemployment rate (QoQ)

GDP 100 bps base Q4-2017



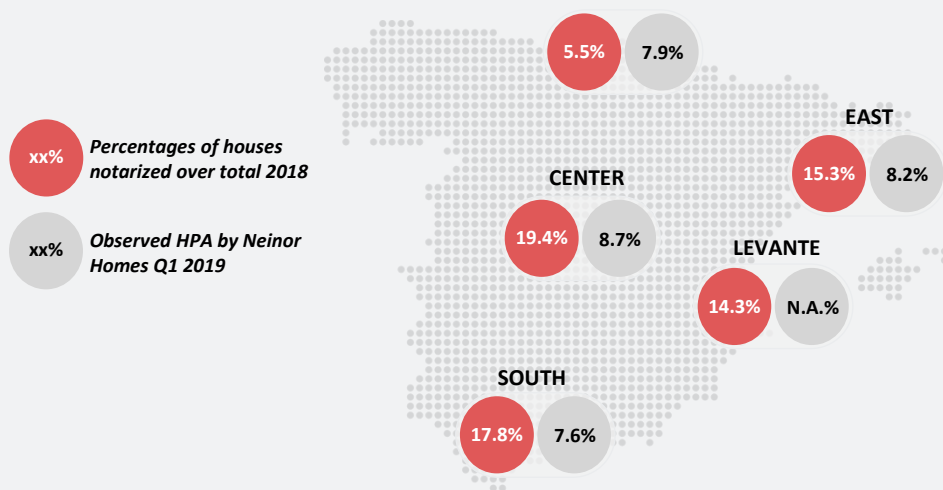
## Supply of new houses still 50% below stabilized demand

Home Sales in Spain ('000)



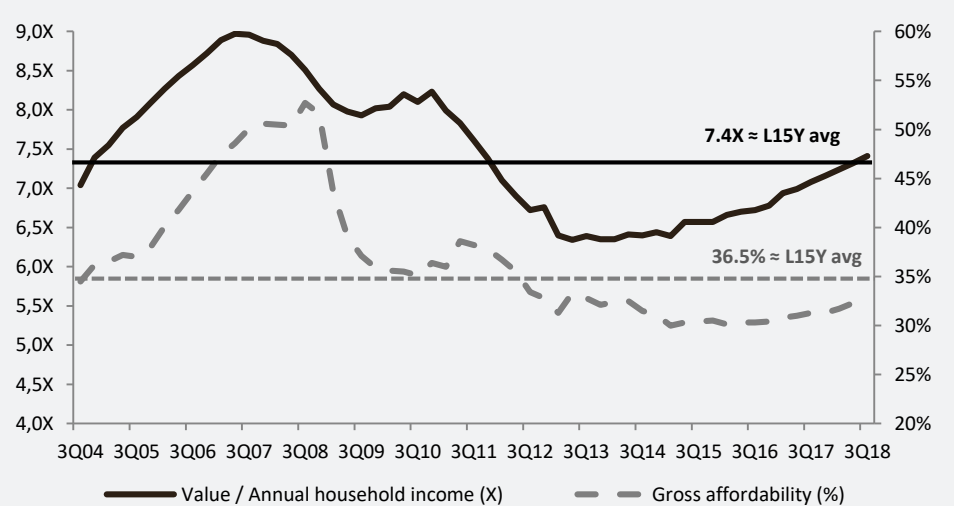
## Strong evolution of the most representative regions of the Spanish Market

Distribution of houses notarized & HPA Observed



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

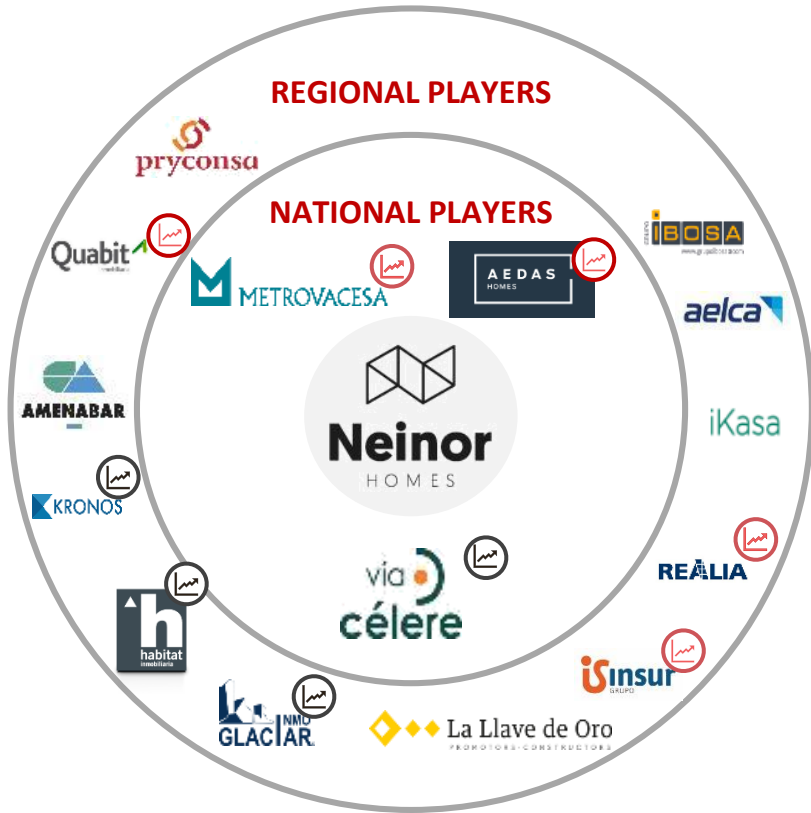
Mortgage affordability



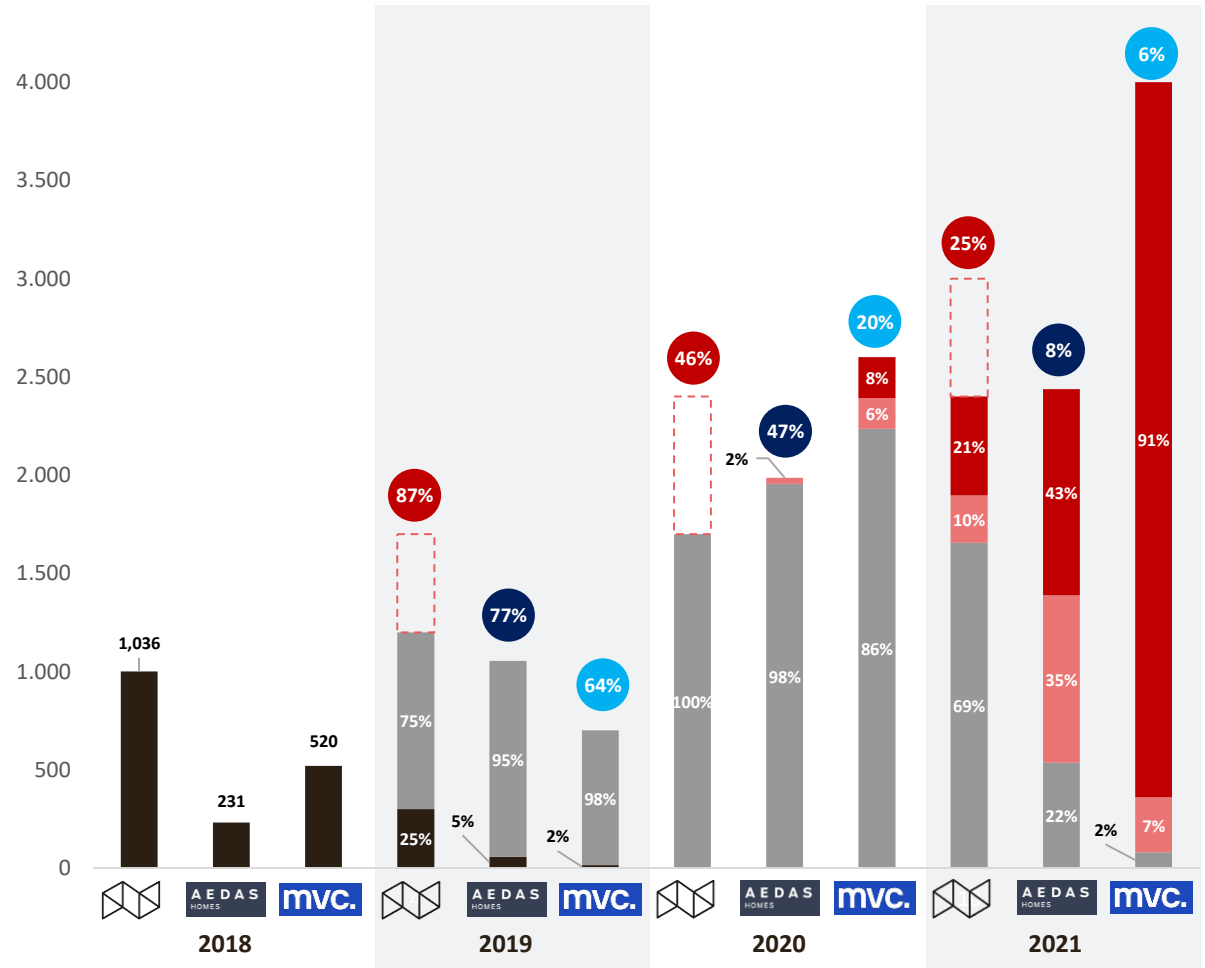
<sup>1</sup> Source: Ministerio de Fomento, INE, Bank of Spain, Fotocasa. <sup>2</sup> Source: The potential demand of housing report from "Banco de España" in 2015

# A FRAGMENTED AND VERY ATTRACTIVE MARKET

> Demand-supply imbalance creating tensions and opportunities



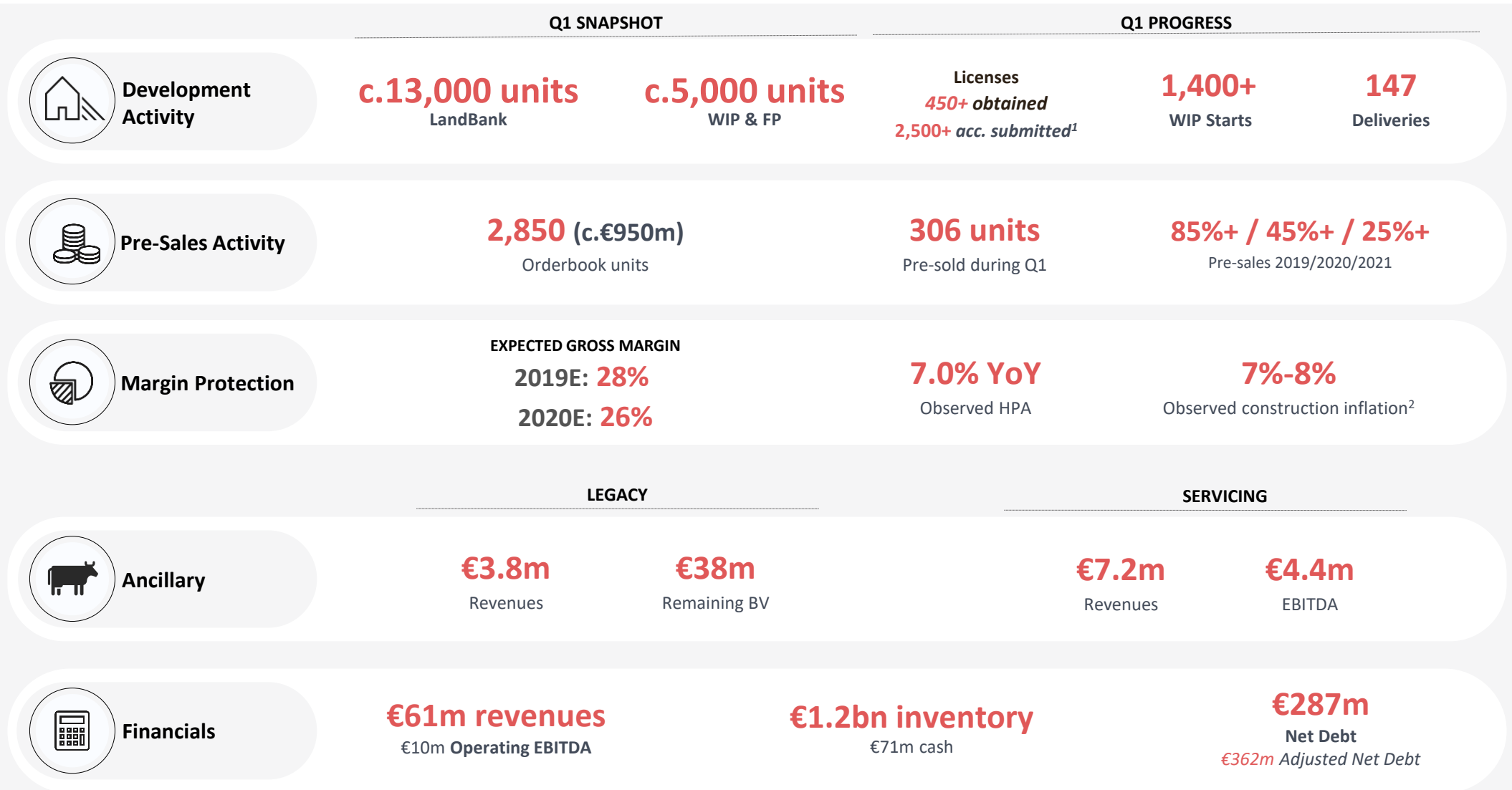
% % % Pre-sales  
■ Deliveries ■ WIP ■ With License (No WIP) ■ Without License ■ Variable units



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

# Q1 2019 RESULTS KEY HIGHLIGHTS




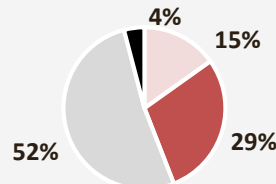
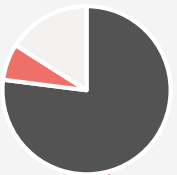
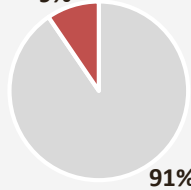
> €10m Operating EBITDA – Steady pre-sales, progress in licenses and WIP starts



**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

	DELIVERIES TARGET	LICENSE STATUS	WIP STATUS	REVENUE VISIBILITY <sup>3</sup>	
<b>2019</b>	1,200u	<p>100% WIP 100% LICENSES</p> 	<p>38% LPO 32% CFO<sup>1</sup> 30% FAÇADE WORKS</p> 	<p>CURRENT PRE-SALES <b>85%+</b></p> <p>EXPECTED PRESALES BY YEAR-END <b>~90%</b></p>	<ul style="list-style-type: none"> <li>• 20% of the units to be delivered already with first occupancy license</li> <li>• A total of 319 units were delivered between January and end of May</li> </ul>
<b>2020</b>	1,700u	<p>100% WIP 100% LICENSES</p> 	<p>4% CFO 29% FAÇADE WORKS 52% STRUCTURE WORKS 15% FOUNDATION WORKS</p> 	<p>CURRENT PRE-SALES <b>50%+</b></p> <p>EXPECTED PRESALES BY YEAR-END <b>~65%</b></p>	<ul style="list-style-type: none"> <li>• Construction progression is in line with expected assumptions</li> <li>• Pre-sales executing at a steady rhythm according with the jewels/tails strategy</li> </ul>
<b>2021</b>	2,400u	<p>77% WIP 7% LICENSES 16% PENDING LICENSE<sup>2</sup></p>  <p>AVG LICENSE 8 MONTHS</p>	<p>9% STRUCTURE WORKS 91% FOUNDATION WORKS</p> 	<p>CURRENT PRE-SALES <b>25%+</b></p> <p>EXPECTED PRESALES BY YEAR-END <b>~40%</b></p>	<ul style="list-style-type: none"> <li>• 2,150+ license granted and c.2,000 units started construction up to June 2019</li> <li>• Pre-sales with strong visibility to reach year-end target</li> </ul>

\*Numbers are updated as 31st of May 2019

<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

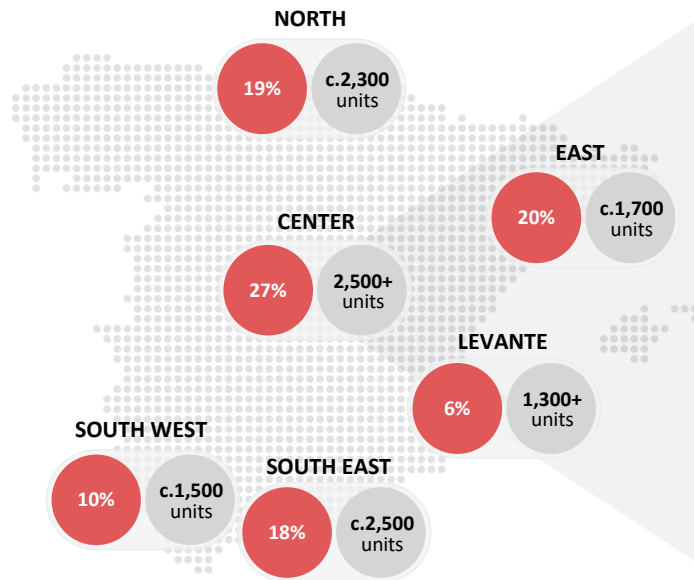


# CURRENT LAND BANK

> 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

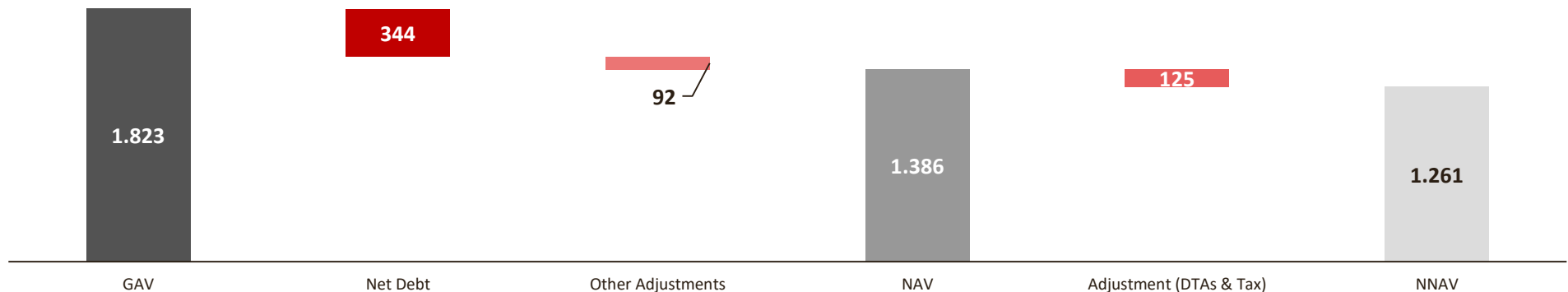


## Savills GAV Split by Regional Delegation – Fully-permitted land bank<sup>1</sup>

	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 end of May, a total of 319 units have been notarized. Of these, 127 corresponded to Atria Homes and 66 corresponded to Medina Homes.

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HOMES

**Neinor**

