



Quabit<sup>↑</sup>  
Inmobiliaria

# Results Presentation 2017

FEBRUARY 2018

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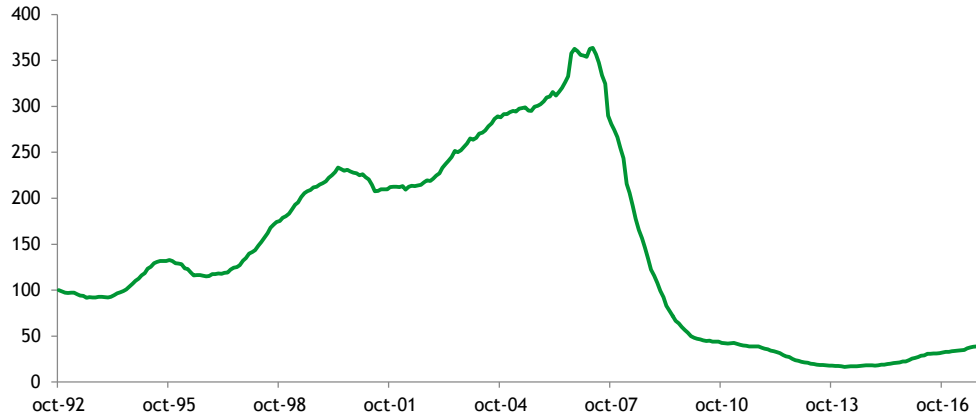
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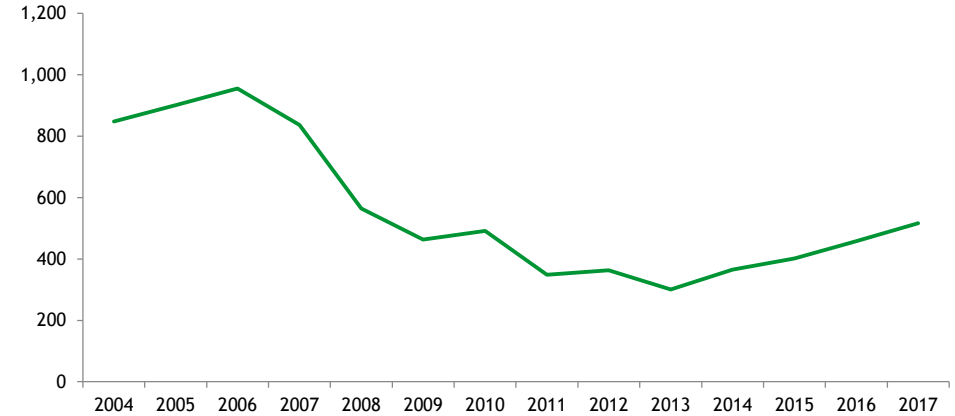
- ✓ The residential sector has experienced a growth acceleration in the last 12 months...
- ✓ ...that has allowed Quabit to start the construction of 302 new homes, to begin commercialization for 919 homes, launch the pre-commercialization of 424 homes and have another 906 homes in the design phase...
- ✓ ... helping to acquire land plots for €160M (812 homes already commercialized) increasing the land portfolio up to 60% of the overall target which is set for the next 5 years
- ✓ ... at the same time it has strengthen its financial structure with the benchmark investors and allowed to receive new funding ...
- ✓ ... helping to set fundamentals for the future growth ...
- ✓ ... and allowed to revise upwards the objectives of the business plan by 20%.
- ✓ The net profit of 2017 grew by 86% thanks to the greater activation of tax credits and haircuts linked to the cancellation of Sareb debt...
- ✓ ... impact will be recurrent in the coming years thanks to the €137M of tax credits pending activation and the €44M in agreed haircuts.

## Evolution of new housing starts (m2)



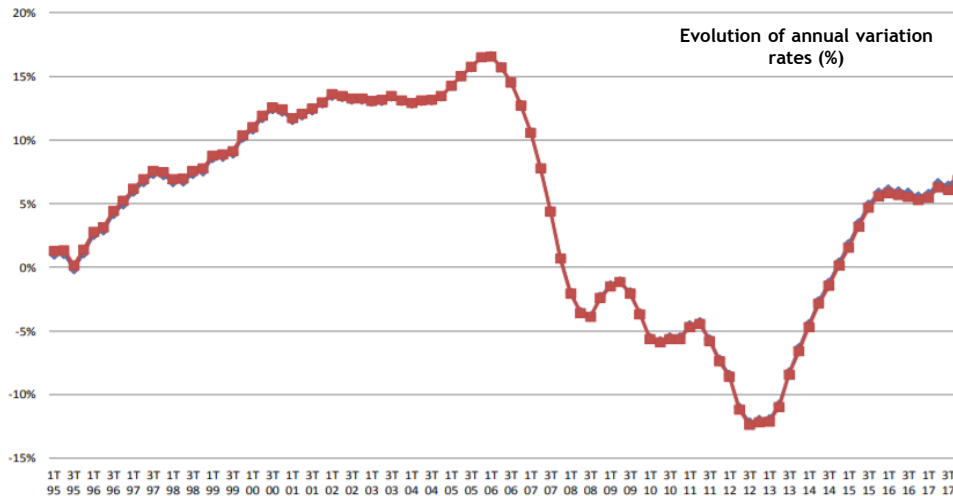
Source: Banco de España

## Home transactions ('000)



Source: Ministerio de Fomento

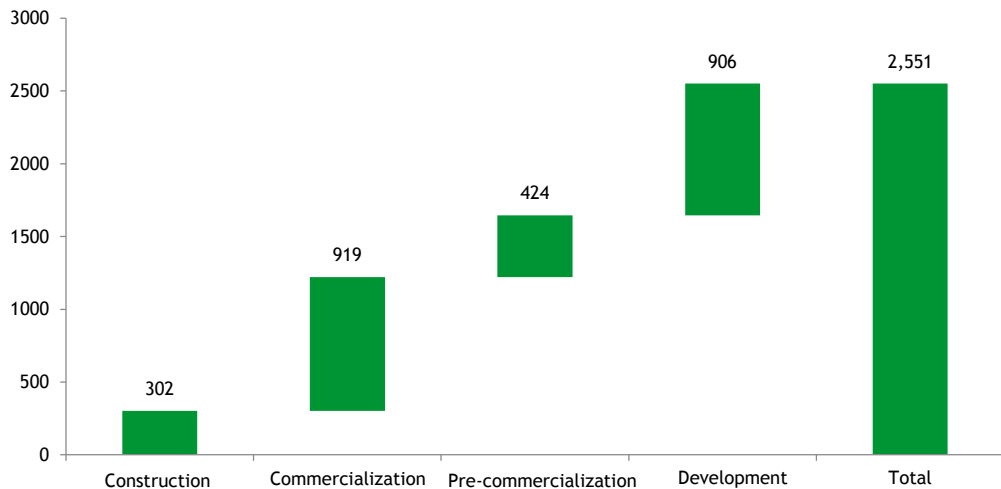
## Evolution of the price of repeated home sales



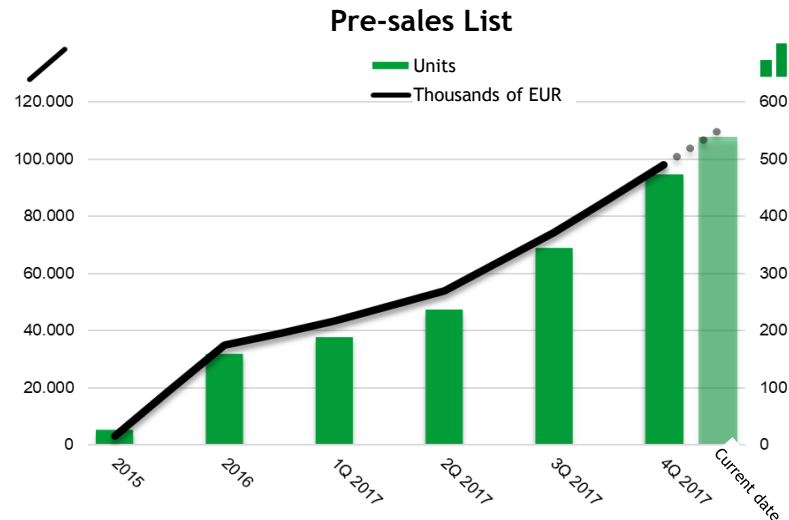
Source: Colegio de Registradores

- ✓ New housing starts demonstrate growth of more than 20% during the year
- ✓ The volume of transactions maintains growth above 10%, in line with previous years
- ✓ The increases in the price of homes accelerates, standing at 7.6% per annum at the end of 2017

## More than 2,500 homes are in development...

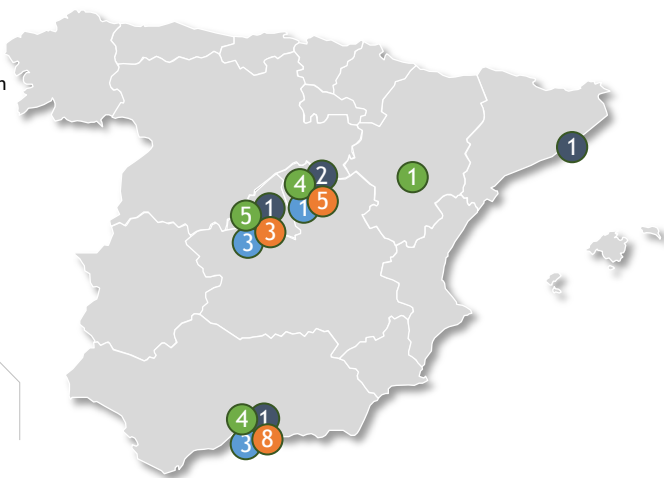


## ... with pre-sales accelerating in 2H17



## Geographical location of the projects (number of projects)

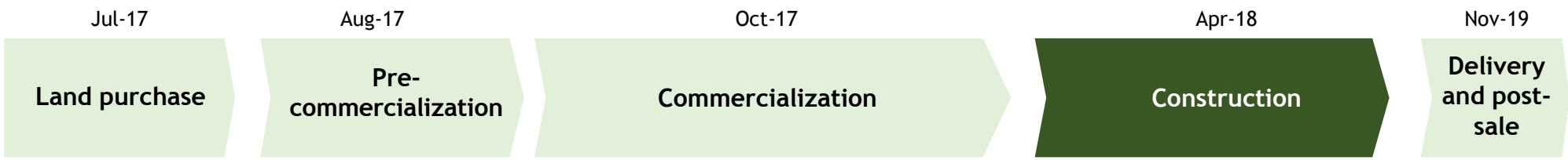
- In construction
- In commercialization
- In pre-commercialization
- In development



- **Quabit has launched during 2017...**
  - The construction of 5 projects (302 homes)
  - The commercialization of 14 projects (919 homes)
  - The pre-commercialization of 7 projects (424 homes)
  - The design of 16 projects (906 homes)
- **... this all will generate an estimated turnover of €536M**
- The projects are concentrated in the southeast of Madrid, “Corredor del Henares” and Malaga
- The growth of the pre-sales has accelerated with the launch of new commercialisations, **reaching €110M by the end of February 2018 (538 homes)**
- **Works have been awarded for the construction of further 473 homes (beginning in March 2018)**



... which construction will start in the coming months (eg. Quabit-Los Pedregales)...



- Project of 63 homes of 2, 3 and 4 bedrooms with garage and storage

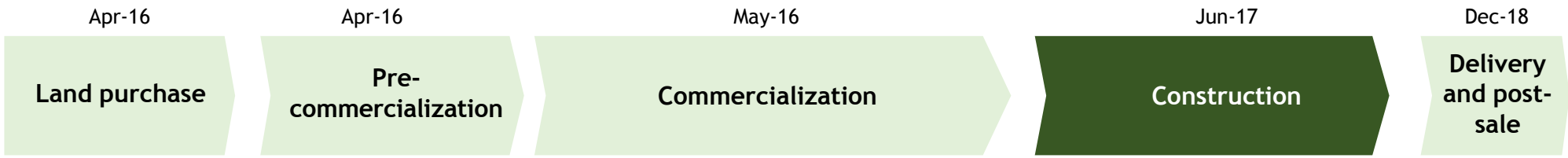
Location	Estepona
Homes (#)	63
Buildable area, homes (m2)	6,495
Buildable area, garages (m2)	1,575
Buildable area, storage (m2)	630

Expected turnover (€M)	10,652
Land value contribution (%)	16.6%
Target Gross Margin (%) <sup>(1)</sup>	16.3%
IRR (%) <sup>(1)</sup>	31.0%



(1) Includes the cost of the development loans

...meanwhile we begin the delivery of new homes (eg. Quabit-Las Lomas)...



- 12 exclusive chalets homes. Plots from 1.000 square meters. 6 bedrooms. Private swimming pool. Private compound with paddel court.

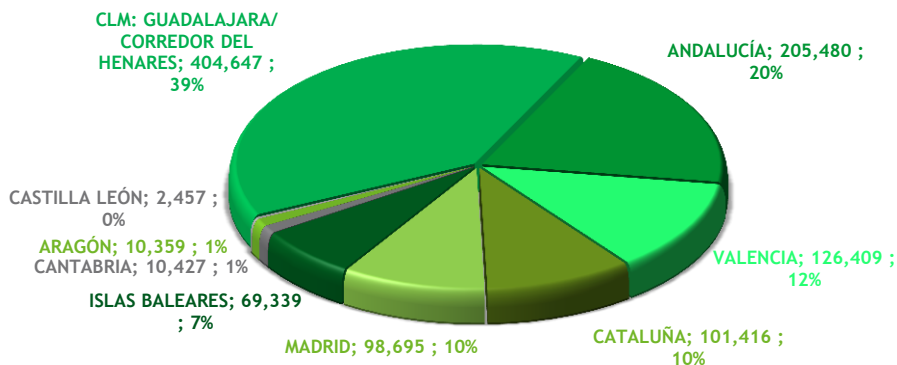
Location	Boadilla del Monte
Homes (#)	12
Buildable area, homes (m2)	5,705

Expected turnover (€M)	14,749
Land value contribution (%)	20.2%
Target Gross Margin (%) <sup>(1)</sup>	23.5%
IRR (%) <sup>(1)</sup>	40.4%



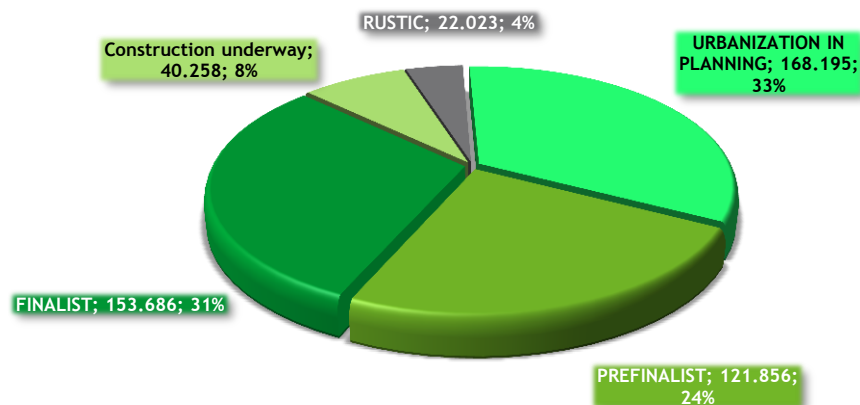
(1) Includes the cost of the development loans

### Land portfolio distribution Total 1,029,228m<sup>2</sup> buildable



(\*) Includes 232,900 m<sup>2</sup> corresponding to optioned land to be incorporated soon

### Degree of urban progress by valuation Total 506,018 ('000 euros)



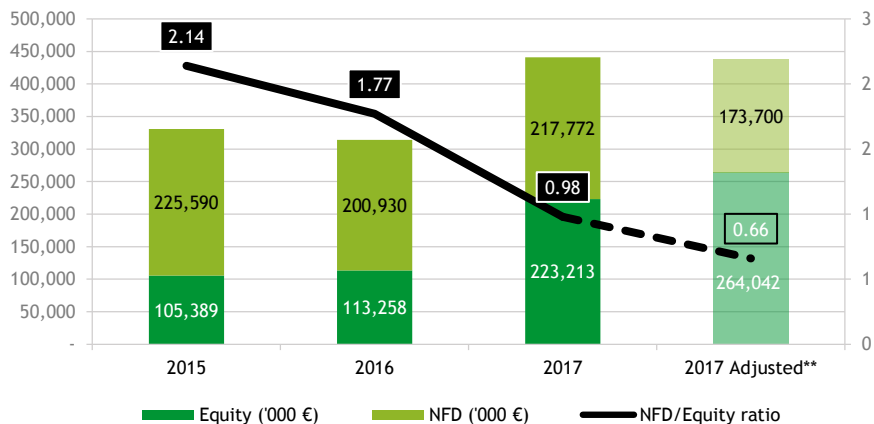
- Land purchases have been signed for a total of **€160.8 million** and **526,017m<sup>2</sup>** of buildability this year
- ...concentrated around Madrid, Corredor del Henares, Costa del Sol and Baleares
- ... 812 homes out of which have already begun to commercialize.
- With these purchases the portfolio adds up to more than **1,000,000 m<sup>2</sup> of buildability**
- ... and covers **60%** of the required plot target for home sales from 2018 to 2022.
- The company's objective is to acquire another **€130M between 2018 and 2020.**



... at the same time it has helped to reinforce Quabit's financial structure with benchmark investors ...

## Reduction of leverage on equity...

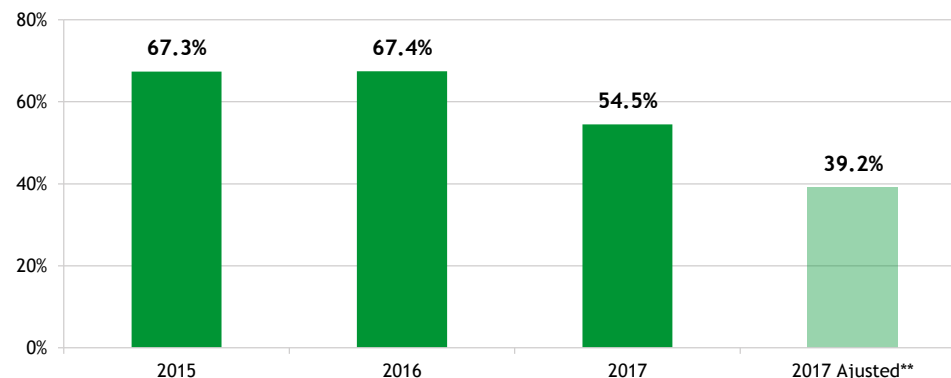
Evolution of the Net Financial Debt / Equity ratio



(\*\*) includes haircuts for €44M

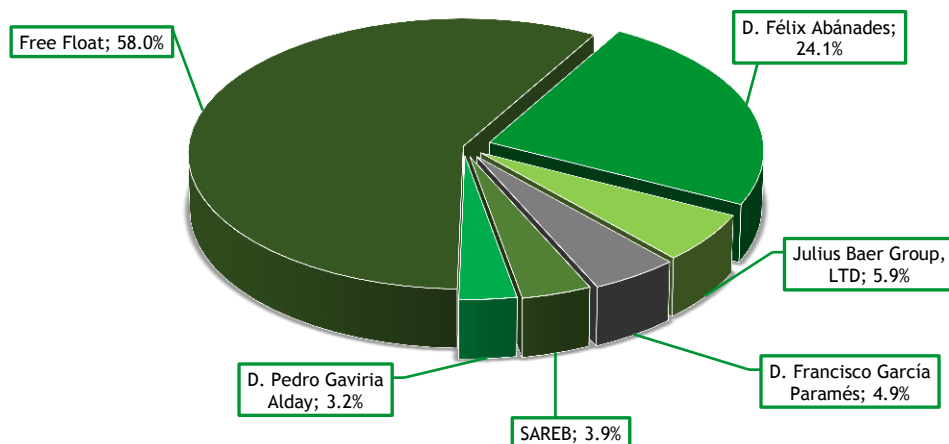
## ... and LTV

Evolution of the LTV (%)

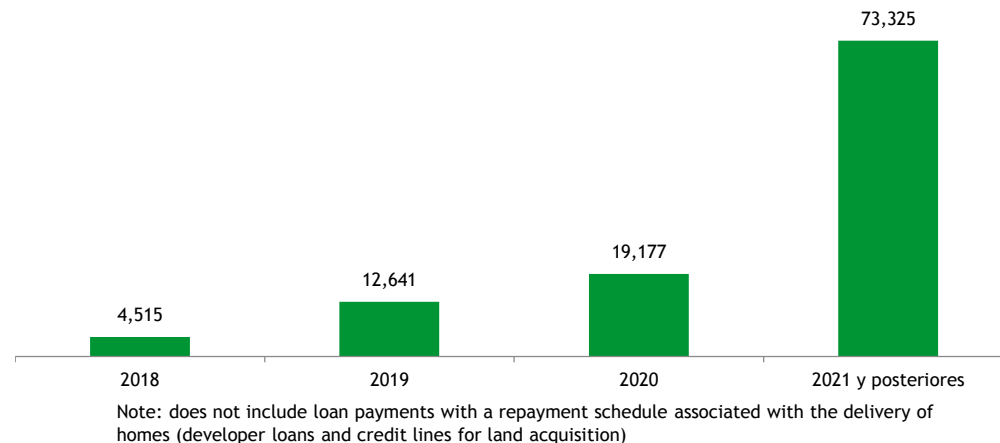


(\*\*) includes haircuts for €44M

## A reinforced shareholding structure

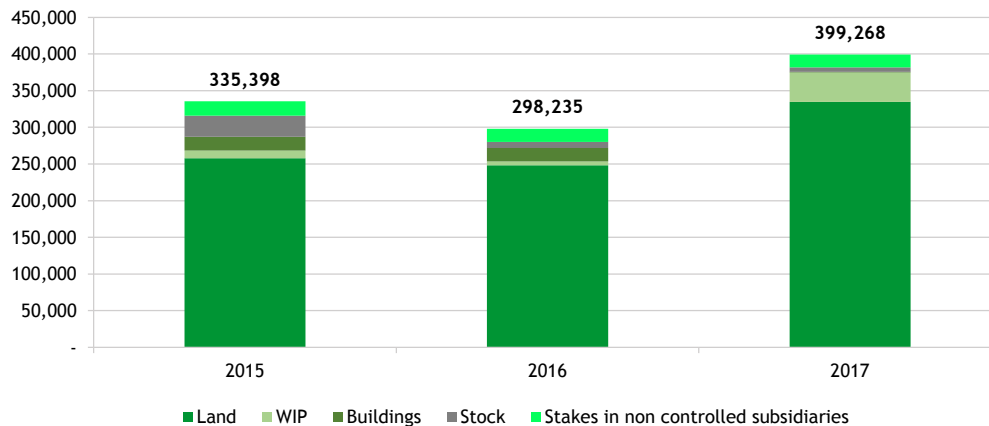


## Debt maturities aligned with the future cash generation



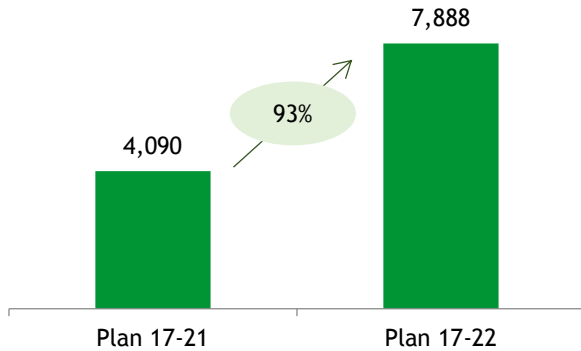
(in thousands euros)	31/12/2017	31/12/2016	Change
Net Turnover	5,701	32,773	(82.6%)
EBITDA	(7,301)	(19,605)	62.8%
Financial results	(4,593)	7,472	(161.5%)
Earnings Before Tax	(11,992)	(12,245)	2.1%
Net Income	14,389	7,755	85.5%
- Attributable Parent Company	14,333	8,001	79.1%
- Attributable to Minority Interests	56	(246)	122.8%
NAV	266,933	139,672	91%

GAV evolution (thousands of euros)

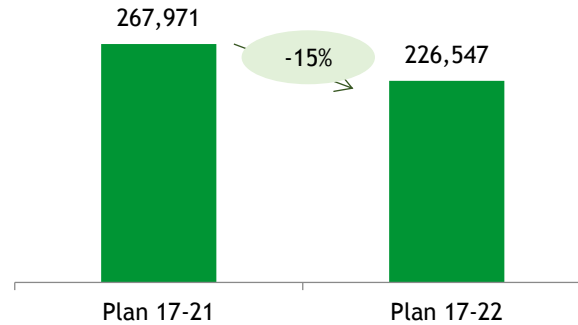


- Sales fell by 83% due to:
  - Reduction of stock during 2016
  - Delivery of new projects starting from 2018 onwards
- The improvements of the operations have allowed to accelerate the speed of recognition of tax credits (€26M in 2017 vs €20M in 2016)
- The net profit doubled thanks to the higher tax credit recognition and the haircuts related to Sareb debt cancellation
- The GAV increased by 34% for the purchase of land and development of projects
- The NAV demonstrates a strong growth this year:
  - 91% at the end of 2017
  - 123% if we were to include the haircuts agreed with Sareb for €44M
  - 222% if we were to include the tax credits pending recognition

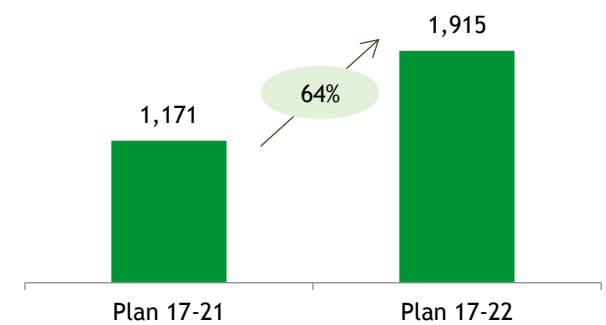
### N° homes



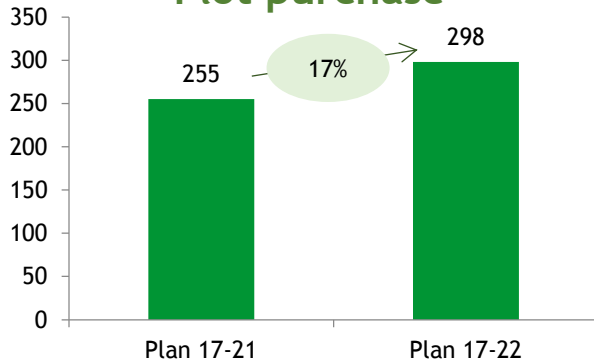
### Average price



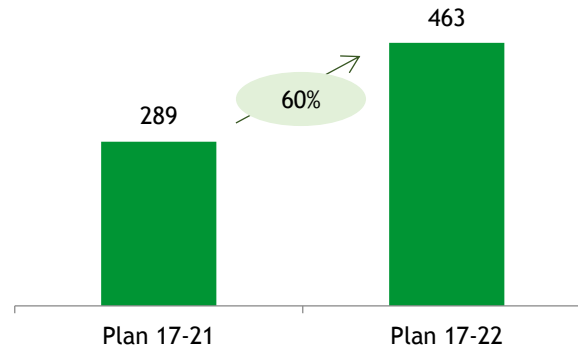
### Turnover



### Plot purchase



### Operating Cash-Flow



Target 2022

- ✓ 3,000 homes a year
- ✓ €600M turnover
- ✓ €100M EBITDA

- The fast acquisition of land in 2017, will allow the company to increase the rate of development in the next years
- The captured land will have a lower impact on sales prices, which allows it:
  - Reduce the impact of third party financing costs for land acquisition
  - Increase the IRR of projects by reducing the required investment

- ✓ The strength of the sector is maintained with expected increases in home prices above 5% in the coming year<sup>(1)</sup>.
- ✓ The advancements in 2017 demonstrated the management capacity of Quabit and give visibility to the execution of the strategic plan with a higher profitability than initially estimated ...
- ✓ ... and place Quabit in line with its goal of reaching a recurring sales level of 3,000 homes from 2022, which will place it among the leaders of the sector
- ✓ By 2018, Quabit estimates to hold a commercial portfolio made of 3,000 homes
- ✓ ... as well as the launch of building works for 2,000 homes
- ✓ ... deliver 215 homes
- ✓ ... and acquire land in order to cover more than 80% of the needs for the strategic plan

(1) Source: Moody's



c/ Capitán Haya, 1 - pl. 16  
Madrid 28020. Spain  
Tel. +34 91 436 48 98

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