



**RESULTS PRESENTATION 3Q 2018**  
**26<sup>th</sup> October 2018**

**i**nsur  
GRUPO

This presentation is the exclusive property of INMOBILIARIA DEL SUR. S.A. (INSUR). Its total or partial reproduction is strictly prohibited and it is covered by current law. Offenders will be legally prosecuted both in Spain and abroad. The use, copy, reproduction or sale of this publication may only be undertaken with the explicit authorization in writing by INSUR. This document has been drawn-up by INSUR, exclusively for use in the presentation of results of the Grupo Consolidado Inmobiliaria del Sur S.A. corresponding to the 3Q 2018 Results.

This document is purely informative and does not constitute an acquisition, exchange or sales offer, nor an invitation to form a purchase offer on securities issued by the Company. Except for financial information included in this document (which has been taken from the 3Q 2018 Consolidated Accounts of Inmobiliaria del Sur S.A. the document contains statements on intentions, expectations and future prospects. All declarations, except those based on past data, are future declarations, including those regarding our financial position, business strategy, management plans and objectives for future operations. These intentions, prospects or forecasts are subject, as such, to risks and uncertainties, which may determine that what actually occurs does not correspond to them. These risks include the evolution and competition of the real estate sector, preferences and expenditure and investment trends of consumers and their access to credit, economic, financing and legal conditions, plus others. The risks and uncertainties that could possibly affect information provided, are difficult to predict. The information included in this document has not been checked or revised by INSUR auditors. The Company assumes no obligation to revise or publicly update these declarations, in the event of changes or unforeseen events, that may affect them. The Company provides information on them and other factors that may affect future declarations, the business and financial results of INSUR Group, in the documents presented before the Spanish National Stock Exchange Commission. Anyone interested is invited to consult these documents.

INSUR, its subsidiaries or other companies of the group or companies in which INSUR has an interest, will not be held responsible, regardless of whether negligence of any other circumstance is involved, for damage or loss that may arise from the improper use of this document or its contents.

I. EXECUTIVE SUMMARY

II. REAL ESTATE DEVELOPMENT ACTIVITY

III. RIO 55 MADRID BUSINESS PARK







IV. RENTAL ACTIVITY

V. CONSTRUCTION AND PROJECT MANAGEMENT

VI. DEBT, GAV, NAV & LTV

VII. SHARE PRICE EVOLUTION

VIII. MACRO ENVIRONMENT

	85.0 M€ <b>REVENUES</b>	<b>+42.5%</b>
	13.3 M€ <b>EBITDA</b>	<b>+18.7%</b>
	11.3 M€ <b>OPERATING PROFIT</b>	<b>+21.6%</b>
	5.1 M€ <b>NET PROFIT</b>	<b>+38.0%</b>
	<b>REAL ESTATE DEVELOPMENT ACTIVITY BOOST</b>	<b>+71.8%</b> <b>Pre-sales increase +35.8%</b> <b>Revenues increase</b>
	<b>RENTAL ACTIVITY REVENUES ACCELERATION</b>	<b>+17.9%</b>
	29.6 M€ <b>CONSTRUCTION ACTIVITY REVENUES</b>	<b>+62.1%</b>
	2.5 M€ <b>PROJECT MANAGEMENT ACTIVITY REVENUES</b>	<b>+70.5%</b>
	175.9 M€ <b>NET FINANCIAL DEBT</b>	<b>-1.0% vs Dec 17</b>

- Remarkable increase of the Real Estate Development segment revenue figure (+35.8%). Presales keep increasing reflecting the recovery of the industry
- The efforts made in the Rental segment start to bear fruit as shown in the revenues line
- Construction and Project Management show excellent results
- New debt issue on July 18 with a maximum outstanding balance of 35 M€
- The Group entered into the Ibex Small Cap index on June 2018

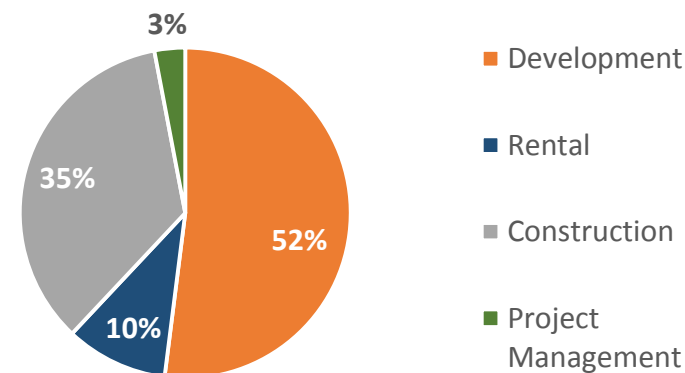
# Executive Summary. 3Q 2018 Results

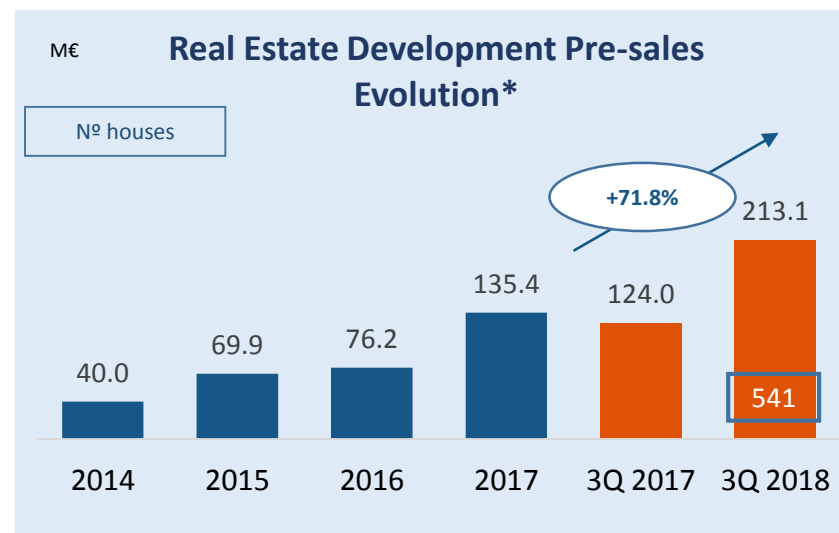
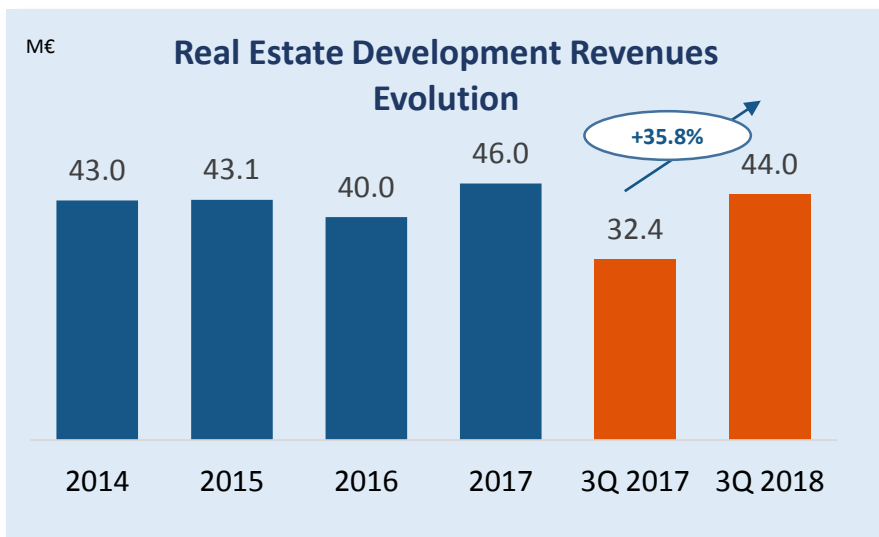
M€	3Q 2018	3Q 2017	Variation
<b>Revenues</b>	85.0	59.7	42.5%
<i>Real Estate Development</i>	44.0	32.4	35.8%
<i>Rental</i>	8.9	7.5	17.9%
<i>Construction</i>	29.6	18.3	62.1%
<i>Project Management</i>	2.5	1.5	70.5%
<b>EBITDA</b>	13.3	11.2	18.7%
<b>ADJUSTED EBITDA</b>	11.3	9.8	15.2%
<b>OPERATING PROFIT</b>	11.3	9.3	21.6%
<b>PBT</b>	6.9	5.1	35.7%
<b>NET PROFIT</b>	5.1	3.7	38.0%
<b>PRE-SALES (Real Estate Development)</b>	213.1	124.0	71.8%
<b>OCCUPANCY RATE (Rental)</b>	82%	77%	-



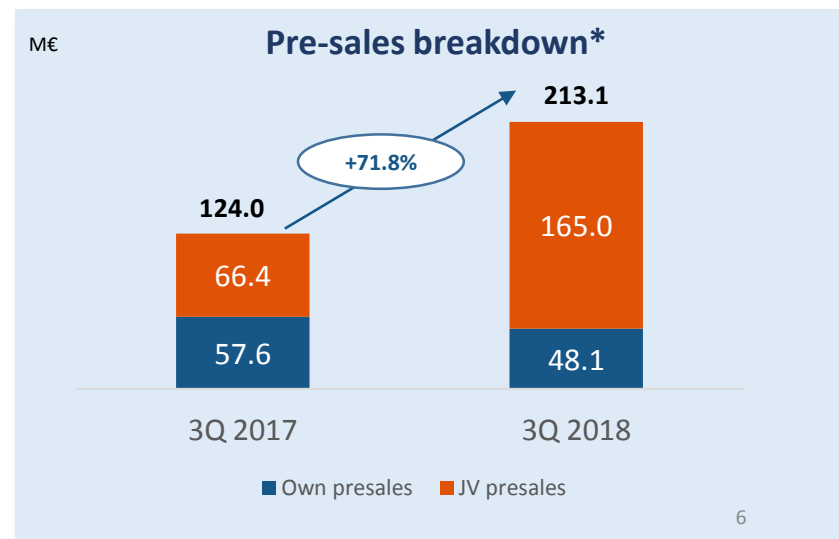
- Total revenues figure has increased by 42.5% as a consequence of the delivery of developments. This growth trend will continue in the 4Q due to the deliveries planned in the last months of the year (19.5 M€)
- The rest of the segments are performing really well
- Excellent evolution of presales figure with a 71.8% increase

Revenues by business line





- **Real Estate development keeps growing** at a faster pace
- Total **accumulated presales** in 3Q 2018 amount to **213.1M€**, a 71.8% higher than in 3Q 2017
- From the total presales figure, the following will be delivered in the 4Q 2018: 19.5 M€ of own developments and 41.4M€ corresponding to JVs
- The Group currently has **2,303 houses under development** of which **6233** are under construction and **541** are already sold
- **223 housing units** have been delivered in the nine first months of the year



\*It includes JVs development pre-sales as they are managed by Grupo Insur

A

### Ongoing Developments

**2,303 ongoing units**

- **294 housing units completed** of which **223 are being delivered** and **71 pending to be sold.**
- **27 ongoing developments** (13 in West Andalucía, 8 in Málaga and Costa del Sol, 4 in Madrid, 1 in Cáceres and 1 in Granada) **totaling 1,848 units:**
  - **256** housing units **underway directly by Insur** with a development potential of 33,933 sqm.
  - **1,087** housing units underway **through JVs** (with Insur holding a 50% share), with a development potential of 159,935 sqm.
  - **505** housing units corresponding to new committed land plots, pending to be executed as public deed, with a buildable area of 68,199 sqm
- **161** housing units **under management and construction** (delegated development) for Altamira Real Estate that have started to be delivered in July 2018
- **Development of Río 55 Business Park** in Madrid covering 28,000 sqm above ground level (2 office buildings each covering approximately 14,000 sqm).

B

### Land Portfolio

**2,652 units**

- 95,000 sqm of buildable plots for residential use, 880 units
- 30,000 sqm of buildable plots for hotel use.
- 8,238 sqm of buildable plots for tertiary use.
- Long-term purchase options on 12 plots with a building potential of 208,148 sqm (1,772 housing units).

Ongoing Developments



Land Portfolio

**TOTAL OF 4,955 UNITS**

# Real Estate Development

## Own projects

Figures as of 3Q 2018

### PROJECTS UNDER CONSTRUCTION

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery	Units sold
Plaza del Teatro*	Málaga	7,032	57	28.6	2019	37
Jardines de Santa Ana III*	Dos Hermanas (Sevilla)	4,862	35	8.2	2019	23
Conde de Zamora*	Córdoba	10,296	81	20.6	2019	34
Altos del Retiro 2ª Fase*	Málaga	4,391	35	7.0	2019	2
		<b>26,581</b>	<b>208</b>	<b>64.4</b>		<b>96 (46.2%)</b>

### PROJECTS STARTING CONSTRUCTION IN 4Q 2018 AND 2019

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Edificio Ramón Carande	Sevilla	7,352	48	27.2	2020
Valdemoro Development	Madrid	7,440	53	12.3	2020
		<b>14,792</b>	<b>101</b>	<b>39.5</b>	

<b>TOTAL</b>		<b>41,373</b>	<b>309</b>	<b>103.9</b>		<b>96 (46.2%)</b>
--------------	--	---------------	------------	--------------	--	-------------------

\* On marketing stage

¥ Additionally there are 52 houses sold which correspond to developments already finished, so the total amount of houses sold is 148



# Real Estate Development Projects in JV

\* On marketing stage Figures as of 3Q 2018

## JVS PROJECTS UNDER CONSTRUCTION

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery	Units sold
Pineda Parque 1ª fase*	Sevilla	17,767	102	36.3	2019	54
Boadilla Garden*	Boadilla del Monte (Madrid)	13,868	74	36.1	2019/2020	67
Selecta Atenas*	Dos Hermanas (Sevilla)	8,560	61	14.8	2019	31
Boadilla Essences I*	Boadilla del Monte (Madrid)	6,480	32	17.6	2019/20	4
Elements Fase I*	Marbella (Málaga)	6,656	53	18.0	2019/20	18
Selecta Conil*	Conil de la Frontera (Cádiz)	8,131	73	17.0	2019/20	43
Selecta Olimpia*	Dos Hermanas (Sevilla)	3,934	20	6.1	2020	5
		<b>65,396</b>	<b>415</b>	<b>145.9</b>		<b>222 (53.5%)</b>

## PROJECTS STARTING CONSTRUCTION IN 4Q 2018 AND 2019

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Selecta Hermes	Dos Hermanas (Sevilla)	13,761	116	21.4	2021/22
Pineda Parque 2ª fase	Sevilla	8,249	80	24.7	2020
Elements Fase II	Marbella (Málaga)	8,118	66	21.1	2019/20
QuintEssence I	Marbella (Málaga)	10,282	45	13.6	2019/20
Selecta Ares	Dos Hermanas (Sevilla)	10,102	76	-	2021
Cáceres Development	Cáceres	13,056	77	16,6	2021
Salobreña Development	Granada	15,831	112	20,0	2021/2022
		<b>79,399</b>	<b>572</b>	<b>117.4</b>	

## PROJECTS UNDER DEVELOPMENT

Development	Location	Building potential	No. of homes	Volume of sales (M€)	Planned delivery
Boadilla Essences II	Boadilla del Monte (Madrid)	3,240	16	8.9	2021
BA-3	Dos Hermanas (Sevilla)	10,499	93	16.5	2022/23
BA-2	Dos Hermanas (Sevilla)	12,032	108	19.7	-
Elements Fase III	Marbella (Málaga)	4,324	34	9.4	2022
QuintEssence II	Marbella (Málaga)	11,791	53	14.7	2022
QuintEssence III	Marbella (Málaga)	12,243	61	15.7	2023
UE1 Peri SR-12 Virgen de las Angustias	Córdoba	21,770	187	40.6	2022
		<b>75,899</b>	<b>552</b>	<b>125.5</b>	

<b>TOTAL JVS PROJECTS</b>	<b>220,694</b>	<b>1,539</b>	<b>388.8</b>	<b>222 (53.5%)</b>
---------------------------	----------------	--------------	--------------	--------------------

¥ Additionally there are 171 houses sold which correspond to developments already finished, so the total amount of houses sold is 393

# Real Estate Development

## Projects to be delivered in 2H 2018

### FULLY OWNED PROJECTS



Development	Jardines Arco Norte III
Location	Dos Hermanas (Sevilla)
Sales Volume	5.1 M€
Units sold	27/27
Status	IN DELIVERY



Development	La Reserva El Rompido
Location	Cartaya (Huelva)
Sales Volume	14.8 M€
Units sold	56/66
Status	IN DELIVERY



Development	Edificio Galileo
Location	Mairena del Aljarafe (Sevilla)
Sales Volume	8.1 M€
Units sold	37/42
Status	IN DELIVERY



Development	Moscatelares
Location	S. Sebastián de los Reyes (Madrid)
Sales Volume	15.9 M€
Units sold	38/38
Status	CCC

### JV PROJECTS



Development	Selecta Rodas
Location	Dos Hermanas (Sevilla)
Sales Volume	12.3 M€
Units sold	53/54
Status	CCC



Development	Alminar II
Location	Marbella (Málaga)
Sales Volume	21.5 M€
Units sold	26/44
Status	CCC



Development	Selecta Arquímedes
Location	Dos Hermanas (Sevilla)
Sales Volume	20.8 M€
Units sold	92/116
Status	CCC

**In addition, 161 housing units (delegated development) for Altamira Real Estate will be delivered**

# Río 55 Madrid Business Park



2 buildings. 28,000 sqm offices



400 parking spaces, of which 40 have recharge points installed and 80, preinstalled



1,900 sqm floors which allow great versatility



Excellent location, within M 30, and surrounded by services and good connections



More than 8,600 sqm of Green areas, of which 5,000 are private



Breeam provisional certificate regarding the design of the project already awarded. In the process of obtaining the final Breeam Very Good certificate



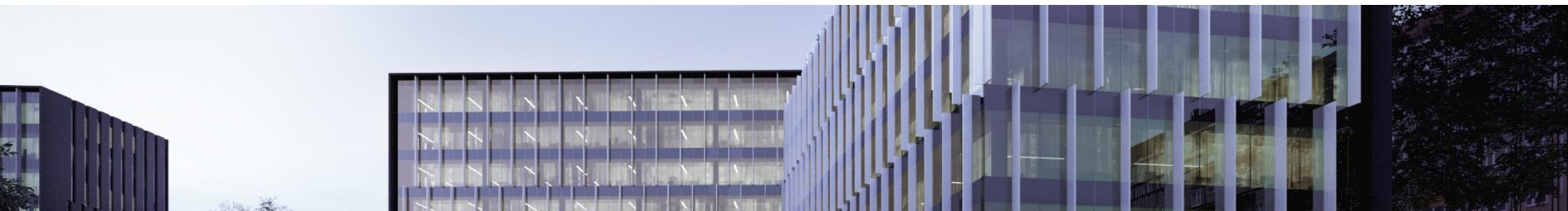
Estimated completion date 4Q 2019

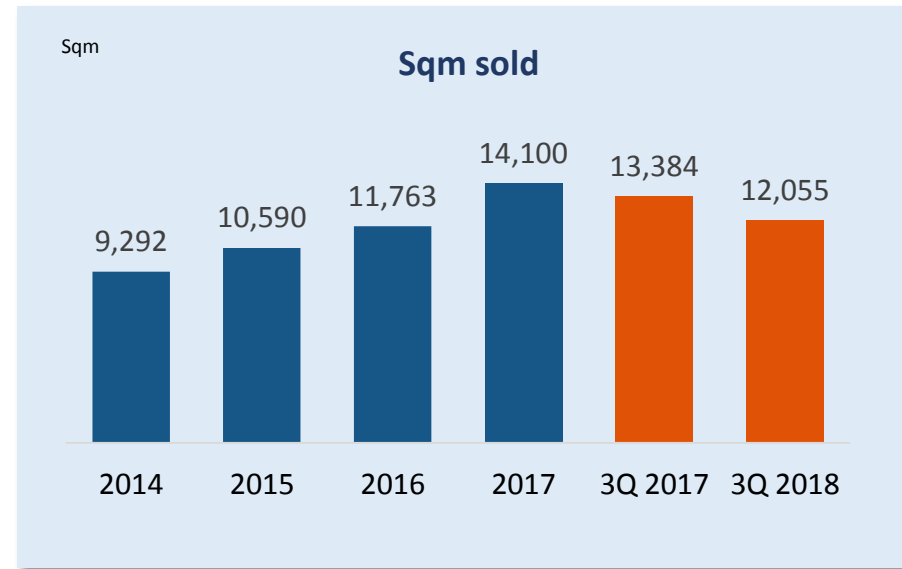
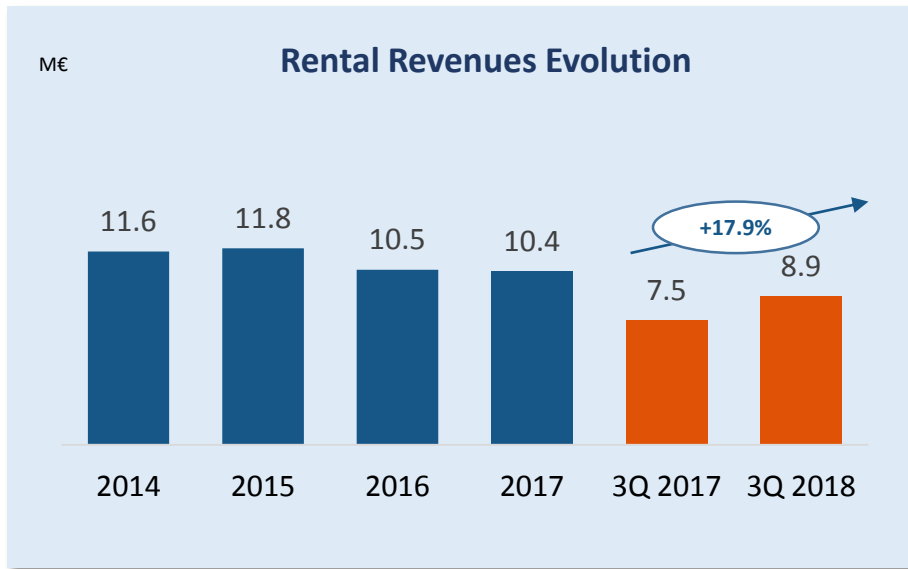


Funding of the Project signed in June 2018 of more than 45 Million € with Unicaja and Banco Sabadell



The South Building was turn-key sold in March 2018 to a fund managed by AEW





GAV of the assets aimed both at rental and own use amounts to 301.5M€ (valuation at 30/09/18 estimated from CBRE valuation at 31/12/17 and revised with additions at cost value)

**118,657 sqm office and commercial premises portfolio and more than 2,500 parking spots**

- As of the first nine months of the year the **surface sold amounts to 12,055 sqm**
- **Occupancy rate rises to 81.8%** in line with the strategic plan which foresees a 90% occupancy rate at the end of 2020
- The **annualized rental income** of the contracts in force at September 30<sup>th</sup> (including incomes derived from the parking activity) amounts to **13.8 M€**

**29.6 M€ CONSTRUCTION REVENUES**

Increase of 62.1%

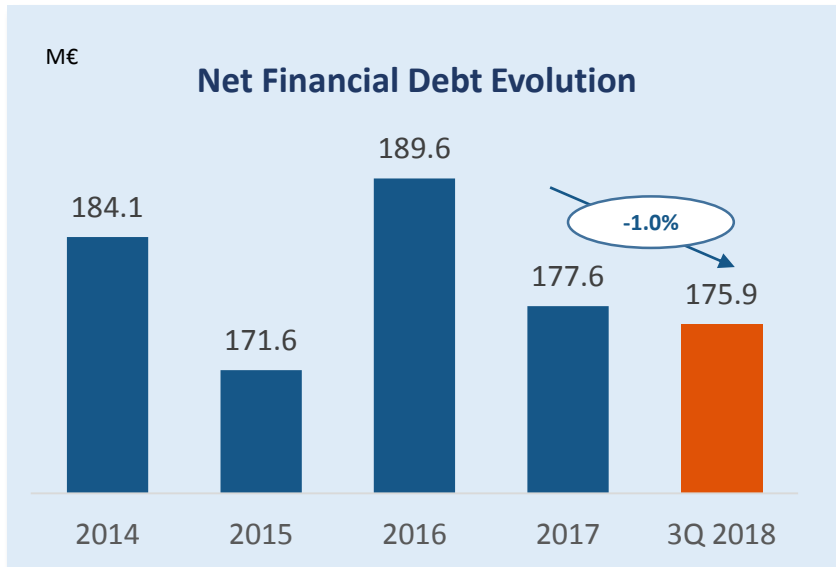
**2.5 M€ PROJECT MANAGEMENT REVENUES**

Increase of 70.5%

## Main projects managed currently

<b>IDS MADRID MANZANARES S.A.</b> <b>Partners: Private investors (50%)</b>	<ul style="list-style-type: none"> <li>▪ Insur Madrid Río – Business Park (28,000 sqm divided between 2 buildings)</li> </ul>	<b>UNDER CONSTRUCTION. SOUTH BUILDING SOLD</b>
<b>DESARROLLOS METROPOLITANOS DEL SUR S.L.</b>  <b>Partner: ANIDA (Grupo BBVA): 50%</b>	<ul style="list-style-type: none"> <li>▪ Selecta Entrenúcleos (Sevilla), 2,337 homes</li> <li>▪ Alminar II (Marbella), 44 homes</li> <li>▪ Selecta Conil (Conil de la Frontera), 73 homes</li> </ul>	<b>CCC (214 HOMES):</b> <ul style="list-style-type: none"> <li>▪ Alminar II: 44 homes</li> <li>▪ Selecta Rodas: 54 homes</li> <li>▪ Selecta Arquímedes: 116 homes</li> </ul> <b>UNDER CONSTRUCTION (151 HOMES):</b> <ul style="list-style-type: none"> <li>▪ Selecta Atenas: 58 homes</li> <li>▪ Selecta Conil: 73 homes</li> <li>▪ Selecta Olimpia: 20 homes</li> </ul>
<b>IDS RESIDENCIAL LOS MONTEROS S.A.</b> <b>Partners: Private investors (50%)</b>	<ul style="list-style-type: none"> <li>▪ Los Monteros (Marbella)</li> <li>▪ 312 homes</li> </ul>	<b>UNDER CONSTRUCTION :</b> <ul style="list-style-type: none"> <li>▪ Elements I: 53 homes</li> </ul>
<b>IDS PALMERA RESIDENCIAL S.A.</b> <b>Partners: Private investors (50%)</b>	<ul style="list-style-type: none"> <li>▪ Pineda Parque (Sevilla)</li> <li>▪ 182 homes</li> </ul>	<b>UNDER CONSTRUCTION:</b> <ul style="list-style-type: none"> <li>▪ 1st phase: 102 homes</li> </ul>
<b>IDS BOADILLA GARDEN RESIDENCIAL S.A.</b>  <b>Partners: Private investors (50%)</b>	<ul style="list-style-type: none"> <li>▪ Boadilla Garden (Boadilla del Monte, Madrid), 74 homes</li> <li>▪ Boadilla Essences (Boadilla del Monte, Madrid), 48 homes</li> </ul>	<b>UNDER CONSTRUCTION (106 HOMES)</b> <ul style="list-style-type: none"> <li>▪ Boadilla Garden: 74 homes</li> <li>▪ Boadilla Essences I: 32 homes</li> </ul>
<b>Delegated Development from Altamira Real Estate</b>	<ul style="list-style-type: none"> <li>▪ Residencial Santa Bárbara (Sevilla)</li> <li>▪ 161 homes</li> </ul>	<b>DELIVERY STARTED IN JULY 2018</b>

# Net Financial Debt



LTV 42.7%  
LTV 39.6%\*

Assets unencumbered and without associated funding with market value of 67.1 M€

All of these allow the Group to obtain the required financing needed to develop the real estate developments and to do new investments

The 73.3% of the GAV is composed of real estate investments with embedded capital gains of 159.0 M€

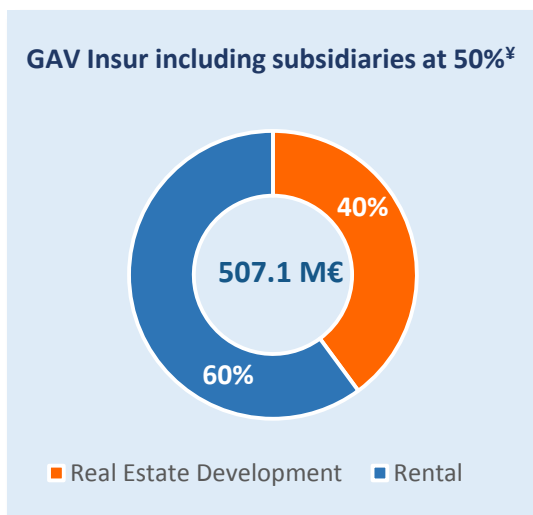
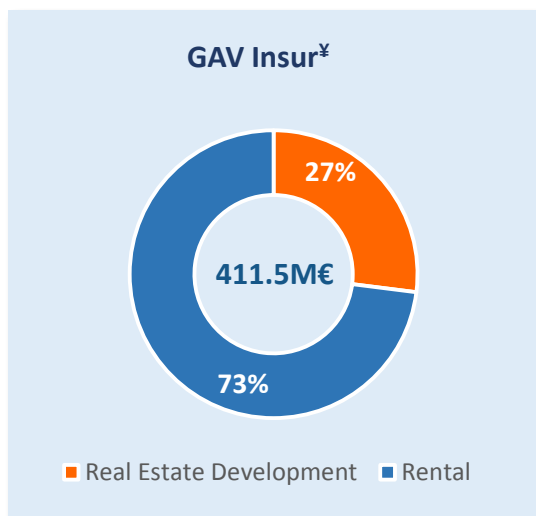


In order to diversify its financial sources, the **Group issued a new debt program (MARF)** on July 2018 with a maximum outstanding balance of 35 M€ and in force until July 2019

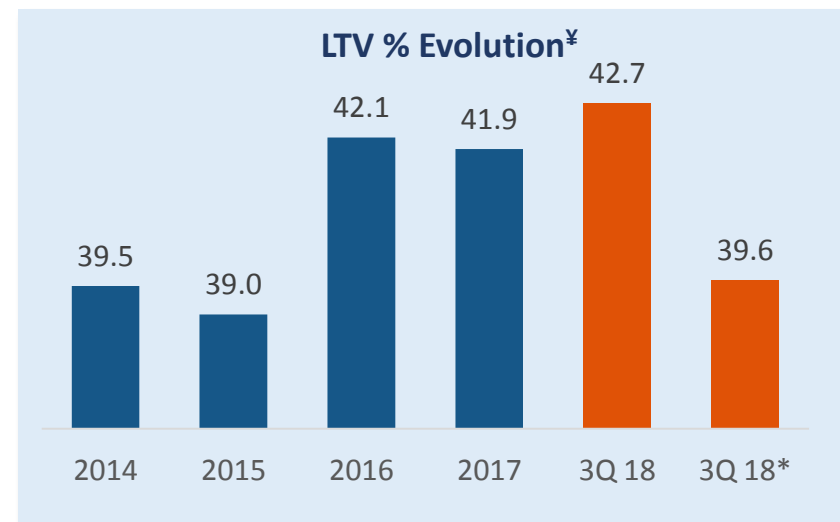
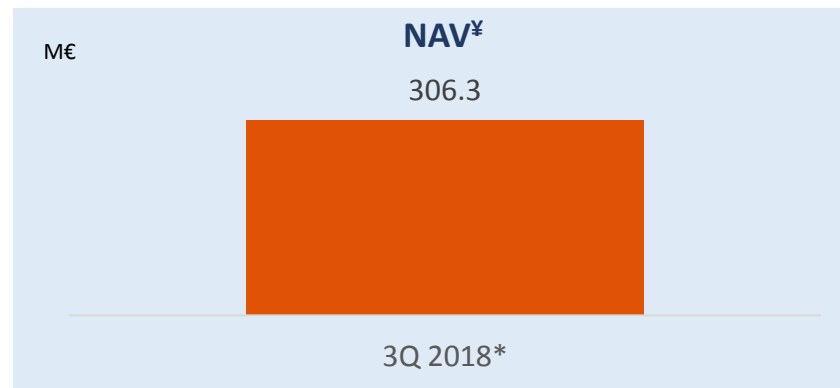
At the closing of the 3Q, new debt has been issued with an outstanding balance of 21.4 M€

\* Including GAV and Net Financial Debt of the real estate companies which consolidate by equity method

¥ valuation at 30/09/18 estimated from CBRE valuation at 31/12/17 and revised with additions at cost value and disposals due to deliveries



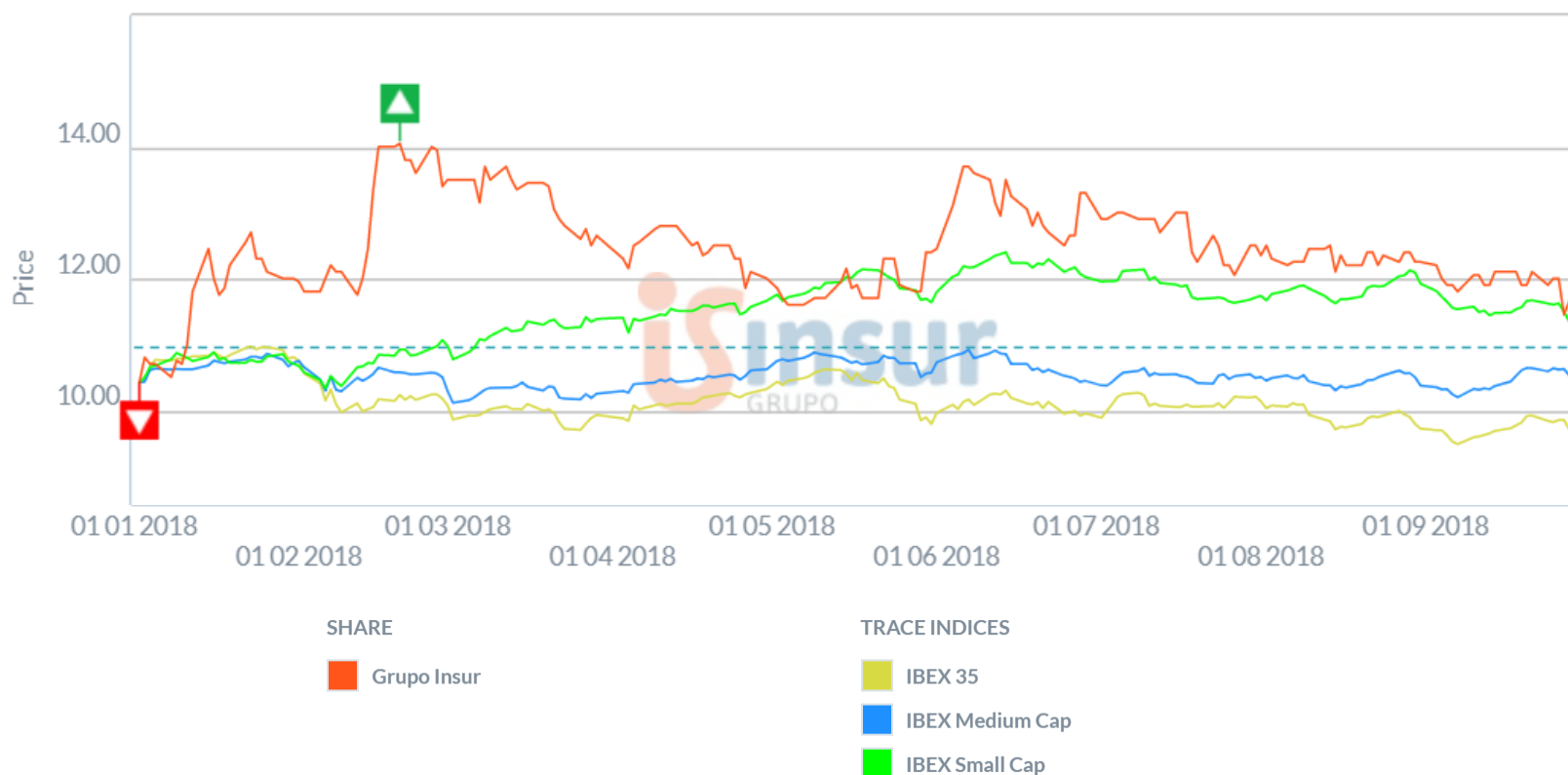
Total GAV JVs 191.1 M€ → correspondingly 95.6 M€ (50%)  
 Total NFD JVs 49.7 M€ → correspondingly 24.9 M€ (50%)



\*Adding 95.6 M€ to the GAV from subsidiaries which consolidate by equity method and 24.9 M€ of their associated net financial debt

## Share Price evolution 01/01/18 to 30/09/18

At September 30<sup>th</sup> 2018 the share price (ISUR) grew by 11.8%, surpassing the Ibex Small Cap, in which Insur is included since June, which rised by 8.9%. The share closed at 11.65 €, which implies a market capitalization of 197,722,018 € at September 30<sup>th</sup> 2018



Market Cap September 18	NAV September 18	Discount vs NAV
197.7 M€	306.3 M€	35.5%



Experts argue that in 2018 the industry will consolidate its recovery, with sustained growth rates, but behaving irregularly depending on the geographic areas



**Housing prices keep increasing.** In the 1H 2018, they grew 6.8% year on year



**Mortgage volumes in the first seven months of the year already account for the 65.2% of the total volume in 2017 (203,850 mortgages executed in 2018)**



In Spain, 295,725 **houses were sold within the 1H 2018**, which implies a 10.1% year on year rise



**Development activity is recovering.** The number of approvals of new construction grew by 26.1% during the first seven months of 2018 vs the same period in 2017



The **consumer confidence** index still high



**Financing costs** keep at relatively low levels. The average mortgage rate seems to have stabilized below 2.5%

READY TO GROW WITH PROFITABILITY

**i**nsur  
GRUPO



[grupoinsur.com](http://grupoinsur.com)