
Renta Corporación achieves revenue of €25.6 million in the first half-year

- There was a net loss for the period of €1.3 million thanks to the effects of the crisis caused by COVID-19
- Renta Corporación expects the trend to change in the second half of the year as the pandemic is controlled and the economy restarts, allowing it to end 2020 in profit
- The company is keeping to the medium and long-term objectives under its strategic plan

Barcelona, 22 July 2020.- Renta Corporación's results for the first six months of the year confirm the downturn in business anticipated during the first quarter as a consequence of the public health and economic crises brought about by COVID-19. The unprecedented slowdown in real estate activity was at its worst in the second quarter and that was translated into delays in transactions coming to fruition.

Investment activity has also been disrupted by these exceptional circumstances. Renta Corporación sees the disruption wholly as the result of the crisis, given that real estate continues to be regarded as a safe haven asset class with figures that make it relatively attractive compared to other possible investments.

Everything that has been happening has impacted the company's results for the first six months, during which it achieved a revenue of €25.6 million and an operating margin of €4 million. As a result of the slump in economic activity in general and in the real estate sector in particular, Renta Corporación recorded a loss of €1.3 million.

All in all, the company expects the second half of 2020 to see the beginnings of a change of direction for the sector as the pandemic is controlled and the economy restarts. That should enable Renta Corporación to close the year in the black, particularly thanks to the rebound in transactional business.

A solid portfolio and a good liquidity position

Renta Corporación has a healthy asset portfolio with a value of €129.3 million, made up of highly liquid and well-situated assets. That will allow it to reverse the situation and start to bring transactions to fruition as market activity returns to normality. Additionally, the company closed the first half with good liquidity and a sustainable level of gearing at 40%.

To optimise that liquidity in a climate of contraction in the lending market, Renta Corporación is adding new means of financing to the ones it already uses. The business has a diversified financial structure, with medium and long-term maturities and low rates of interest, from both bank and non-bank sources – principally bonds and promissory notes. The company's solid financial position will enable it to take advantage of market opportunities over the coming months.

About Renta Corporación

Renta Corporación is a listed real-estate company with a unique business model based on value creation through the acquisition of property assets for conversion and adaptation to market needs and their subsequent sale to third parties. The company focuses its business on Madrid and Barcelona, Spain's most active and most liquid markets. The company complements its business model through property operations; it manages a range of property assets, both its own and those belonging to affiliated companies, primarily Vivenio, and these operations generate recurring revenue for the company.

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