
Renta Corporación earnings reach €33.6M at end of third quarter

- The period's net income stands at €-3.7M due to the unprecedented slowdown of real estate operations caused by the pandemic
- The company is ready to face the present situation with a liquid asset portfolio, a healthy balance and a solid financial position

Barcelona, 28 October 2020.- The results reported by Renta Corporación at the close of the third quarter are in line with the unfavourable development experienced by the sector as a result of the health and financial crisis brought about by the pandemic. The unprecedented slowdown of real estate operations that characterised the first half of 2020 has been further exacerbated during the third quarter due to the second wave of the pandemic. This has led to delays in the execution of operations, negatively affecting the company's operating margin and results during said period.

Investment activity has also come to a halt because of these exceptional circumstances and this is expected to continue for some months. Yet Renta Corporación believe this to be a temporary situation, as the real-estate sector is still considered to be a safe haven and the distinctive variables that make it so attractive compared to other investment proposals remain untouched.

These extraordinary circumstances have affected the company's results during the first nine months of 2020, resulting in earnings of 33.6 million euros, an operating margin of 4 million and a net income of -3.7 million.

For all these reasons, Renta Corporación expects 2020 to be a transition year for the economy and the real-estate sector. At this juncture, the company is re-evaluating its business plan for the upcoming fiscal years. The company will focus on balancing the results accumulated until September with a better fourth quarter, and on prioritising policies that help maintain the liquidity levels, which are essential now the pandemic is expected to last longer than initially anticipated.

A liquid asset portfolio and healthy liquidity

Renta Corporación has a healthy asset portfolio worth 121.7 million euros made up of well-positioned highly liquid assets, especially in Madrid and Barcelona squares. This will make it easier for the company to reverse the situation and start to execute operations the moment market activity stabilises.

The company has closed the third quarter with a healthy liquidity position, a sustainable level of leverage (40%) and liquid assets of 10 million euros. Renta Corporación is carrying out the necessary actions to face the liquidity constraints that the current crisis is creating for the economy and the shrinkage of the credit market. The company is adding new sources of funding to the current ones and has a diversified financial structure.

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 real estate company concentrates its business focus on the Madrid and Barcelona markets, the two most liquid and busiest arenas in Spain. The company complements its business model through its property activity, managing various types of real estate assets owned by both the company and participating companies, mainly the housing REIT Vivenio, which currently owns more than 3,000 residential properties.

For more information:

www.rentacorporacion.com

93 217 22 17

Ramon Torné rtorne@llorenteycuenca.com
