
Renta Corporación achieves revenue of €46.1 million in 2020

- The real estate company has closed a year that has inevitably been marked by the public health and economic crisis, which has paralyzed the investment market and delayed planned transactions
- The net outcome is a loss of €8.8 million due to the effects of an unprecedented slowdown in real estate activity
- Renta Corporación embarks on 2021 with a highly liquid asset portfolio and a solid financial situation

Barcelona, 24 February 2021.- Renta Corporación has closed 2020 with results that reflect the unfavourable economic and real estate climate brought about by the Covid-19 crisis, achieving a turnover of €46.1 million.

The explosive eruption of the health crisis and its global nature have paralyzed the investment market and delayed the completion of transactions that Renta Corporación had planned and led to a lower level of investment by the company in new projects. All these extraordinary circumstances, the result of an unprecedented slowdown in real estate activity, have directly impacted the company's business, its operating margin and hence the outcome for the year, which is a loss of €8.8 million.

The figures depict the reality of the wider economy and the real estate market, something that Renta Corporación believes will prove to be transitory. The company considers that real estate continues to be an attractive investment that still has favourable numbers compared to other possible investments, bolstered by an environment characterised by inflation and very low interest rates.

Solid financial situation and attractive asset portfolio

The company closed the year with healthy liquidity, a sustainable leverage of 38%. Net financial debt has fallen 26% to €47.5 million, with a reduction in excess of 20% in short-term debt as a consequence of the year's sales and lower levels of investment.

During 2020, Renta Corporación has also made further progress in diversifying its sources of funding, which gives it flexibility for the financing of new and existing projects. During May, the company renewed its debt issuance programme, and in the last quarter it joined the ICO (Official Credit Institution) debt purchase programme. In an environment where the credit market is expected to contract and liquidity issues are anticipated in the global economy, those steps give Renta Corporación financial strength to meet the future with confidence.

In addition, the company's business portfolio at the close of the period was €129.8 million, with its balance sheet reflecting highly liquid and well-situated assets, particularly in Madrid and Barcelona, which give it significant visibility of the transactional margin to be expected in 2021.

Expectations for the business in the coming years

The Group has not departed from the rationale of its strategic plan, although it is the case that the crisis brought about by the Covid-19 pandemic and its long-lasting effects led to a review of the plan. The review has confirmed the delay to the implementation of the plan, and it is now expected that the company will return to pre-Covid levels in 2022.

The drivers of value in the plan are the growth of the property operations of the company and increased size of transactions, and those drivers remain in place, allowing the company to recover to previous rates of growth once the public health situation in Spain returns to something like normal.

Renta Corporación's plan for the 2021 financial year envisages a relatively high visibility of transactional activity thanks to the make-up of the company's business portfolio at the close of 2020, whilst the property operations look likely to see a substantial recovery in their levels of investment starting in the second quarter of 2021.

Finally, the real estate company today announced that its Annual General Meeting of Shareholders will be held on 21 April. That announcement also listed the meeting's agenda, which will include welcoming investor Grégoire Bontoux, a member of Carrefour's founding family, to the Board of Directors. Bontoux has acquired various parcels of shares over recent months and now holds 5% of the company. This move highlights the commitment and confidence that the entrepreneur has shown in the Renta Corporación project over the years to come.

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.

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