
Renta Corporación hits €2.4M profit in the first half of 2021

- The company has consolidated on a positive trend that started in the first quarter, following a 2020 that was defined by the pandemic
- Renta Corporación has closed on eight significant transactions in Madrid and Barcelona during the first semester
- The real-estate company plans to see in the end of this year with a profit of around 9 million euros

Barcelona, 21 July 2021 - Performance by Renta Corporación over the first half of the year has confirmed the positive outlook for increased activity as already anticipated during the first three months of the year. As such, following a difficult year in 2020 with the economy impacted by the COVID-19 crisis on both national and international levels, the company has made a return to its profitable path, achieving a profit of €2.4M in the first half of 2021.

Turnover from transactional business reached €30.6M during the first half of the year, an increase of €7.8M as compared to the same period last year, with significant transactions being concluded in both Madrid and Barcelona: three residential transactions; three hotels; two offices; and one relating to logistics. As a result, the company now boasts a business portfolio valued at €169.1M, a 30%-increase on its year-end value in 2020, whilst maintaining a portfolio of highly-liquid and well-positioned assets.

Renta Corporación continues to maintain a strong liquidity position and has ended the first half of the year with a sustainable leverage level of 41% on assets and liquid assets of €8.6M: these aspects are key to the management of the company and are the subject of constant monitoring. Similarly, the sale of approximately half of Renta Corporación's shares in Vivenio to Australia's Aware Super fund will result in a cash influx of €12.7M.

The company has also consolidated its diversification of funding sources, complementing the ICO direct financing programme by purchasing promissory notes on the Alternative Fixed-Income Market (MARF) with its signing of a contract under its programme of guaranteed credit securities. On the other hand, Renta Corporación has renewed its 12-month programme of promissory notes, increasing its maximum outstanding balance limit to €50M. In terms of recurrent structure costs, there has been a 15% decrease as compared to the first half of 2020.

Outlook for Renta Corporación

The outlook for Renta Corporación for 2021 is one of economic recovery as the vaccination of the population advances, mobility becomes less and less restricted, and activity levels gradually recover. As such, the company expects the real estate sector to remain a safe-haven for investment due to its ability to generate attractive returns despite the current environment of very low interest rates.

In this context, Renta Corporación is riding out 2021 with good prospects for the future and aims to resume its activities with relative normality towards the second half of the year, as well

as to consolidate on its pre-pandemic growth as it moves into 2022. The group plans to close the 2021 financial year reporting a net profit of around €9M.

Whilst the pandemic has led to Renta Corporación delaying the implementation of new investment vehicles specialised in the acquisition of assets in the logistics and hotel sectors, the real estate company is continuing to work on bringing these online in the coming quarters.

Nonetheless, the company has a solid foundation, a highly-liquid asset portfolio, a healthy balance sheet and has taken up a strong financial position, allowing it to take advantage of any market opportunities which may arise in 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 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 around 6,000 residential properties.

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