



FY 2018 Earnings Presentation

28 March 2019

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Today's Presenters



Carlos Abad Rico

CEO & Director of the
Board



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CFO

Agenda



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1. Key Highlights

1 FY 2018 - Key Highlights

- ✓ Record transaction volumes of €4,794.2MM in 2018 (+13% vs FY 2017), resulting in revenues of €273.7MM with a 7% growth YoY
- ✓ Adjusted EBITDA of €132.6MM (-9% vs 2017) maintaining a strong Adjusted EBITDA margin of 48%
- ✓ Strong free cash flow generation with €122.6MM, +23% YoY, with a cash conversion of 92% in the period
- ✓ Assets under management of €39.7BN at December 31, 2018
- ✓ Five new servicing contracts awarded in 2018 of €4.0BN¹ AuMs (REDs: €0.9BN and REOs: €3.1BN) with Spanish banks, institutional funds and Cerberus.



2. Business Review

2 2018 Year Review



New servicing contracts awarded

- **Bankia contract:** first renewal of a core contract in a highly competitive process, proving our capacities and the excellent service offered to our existing clients
- One **new RED portfolio** bought by **Cerberus**
- **Two new servicing contracts** from **institutional funds of** portfolios purchased from our clients (Bankia and Cajamar)
- **BBVA stock and future REOs** inflows servicing contract
- New contracts with an **insurance company, REIT and intermediary** to manage its property portfolios

5 new servicing contracts with flawless onboarding execution



Units onboarded in 2018

- **19,000** REOs units from BMN perimeter (Bankia new contract)
- **+2,800 loans with +4,500 collaterals** of Cerberus portfolios
- **+2,000 REOs, +1,800 loans with +4,000 collaterals** of institutional funds portfolios
- In the process of **onboarding BBVA REO portfolio**

2 2019 Strategic Priorities



1 Sareb

- **Conversations around renewal have started**
- Sareb has communicated newly envisioned **business model**
- **We will work with Sareb over coming months to agree mutually beneficial terms**
- Objective **calendar: agree terms by June '19**

2 Apple

- **Finalizing negotiations of SLA. No upfront payment required**
- **Haya will service the REOs owned** by the JVCo set up between Cerberus and Santander
- The initial **AuMs are €2.2BN (GBV) comprised of >20,000 residential units**
- **Onboarding expected by end of March**
- The contract **will start to contribute in 2019 financial results**

3 Divarian

- **Divarian was set up** (80% Cerberus / 20% BBVA) in **October 2018**
- The assets were transferred from BBVA's different entities to JV Co
- **Potential new servicing agreement** for the JV Co assets
- **Haya is well positioned** due to demonstrated **experience, track record and relationship with Cerberus/BBVA**

2 Strategic Initiatives



Property management

- **Haya property management platform and track-record** (19k units under management) allows us to put together compelling service offerings to REITs, including Cerberus
- **10 different clients with different profiles:** Spanish banks, institutional funds, insurance companies and REITs
- **45-people**, experienced specialized team
- Ready to **capture new opportunities** in the market

Services to developers

- **Untapped market potential of land-permit** advisory procedures for new builds, **project management and commercialization**
- **33-people**, experienced specialized team
- **Potential new contract** with a developer to **commercialize its housing developments (+20 promotions with +600 residential units)** located in different provinces in Spain. Terms in negotiation

Debt Services

- **Unique experience** in debt recovery and negotiated solutions allows Haya to **offer tailored solutions to clients** to speed up processes and ensure documentation and filings are up to date
- Potential to **leverage Haya's unique positioning** as mediator between financial institutions and end-consumers to facilitate information upflow

Services to consumers

- Strong **potential to enter** the **C2C** space in selected markets, combining **Haya's capacity to source market opportunities** from the various managed assets at attractive prices
- **Cross selling opportunity through referral fees** from banks for **mortgages originated** from Haya asset sales to individuals as well as **insurance and utilities companies** to obtain contracts from customers



3. Financial Review

3

Key Financial Highlights



Assets Under Management

€39,652 MM
 ↓ -1.3% YoY

Transaction Volumes

€4,794.2 MM
 ↑ +13% YoY

RED Volumes

€1,505.7 MM
 ↑ +1% YoY

REO Co. Volumes

€1,287.0 MM
 ↑ +18% YoY

REO Volumes

€2,001.5 MM
 ↑ +21% YoY

Revenues

€273.7 MM
 ↑ +7% YoY

Avg. Volume serv. fee 3.44%
 Avg. Mangmt. fee 0.21%

Adjusted EBITDA¹

€132.6 MM
 ↓ -9% YoY

EBITDA margin 48%

Free Cash Flow²

€122.6 MM
 ↑ +23% YoY

Cash conversion 92%

Net Debt

€448.2 MM

Leverage ratio 3.4x

(1) Adjusted EBITDA is the sum of GAAP operating profit plus D&A, adding back €5.8MM of non recurring costs including IPO and M&A related costs (2) Free Cash Flow is defined as Adjusted EBITDA less capital expenditures and change in working capital.

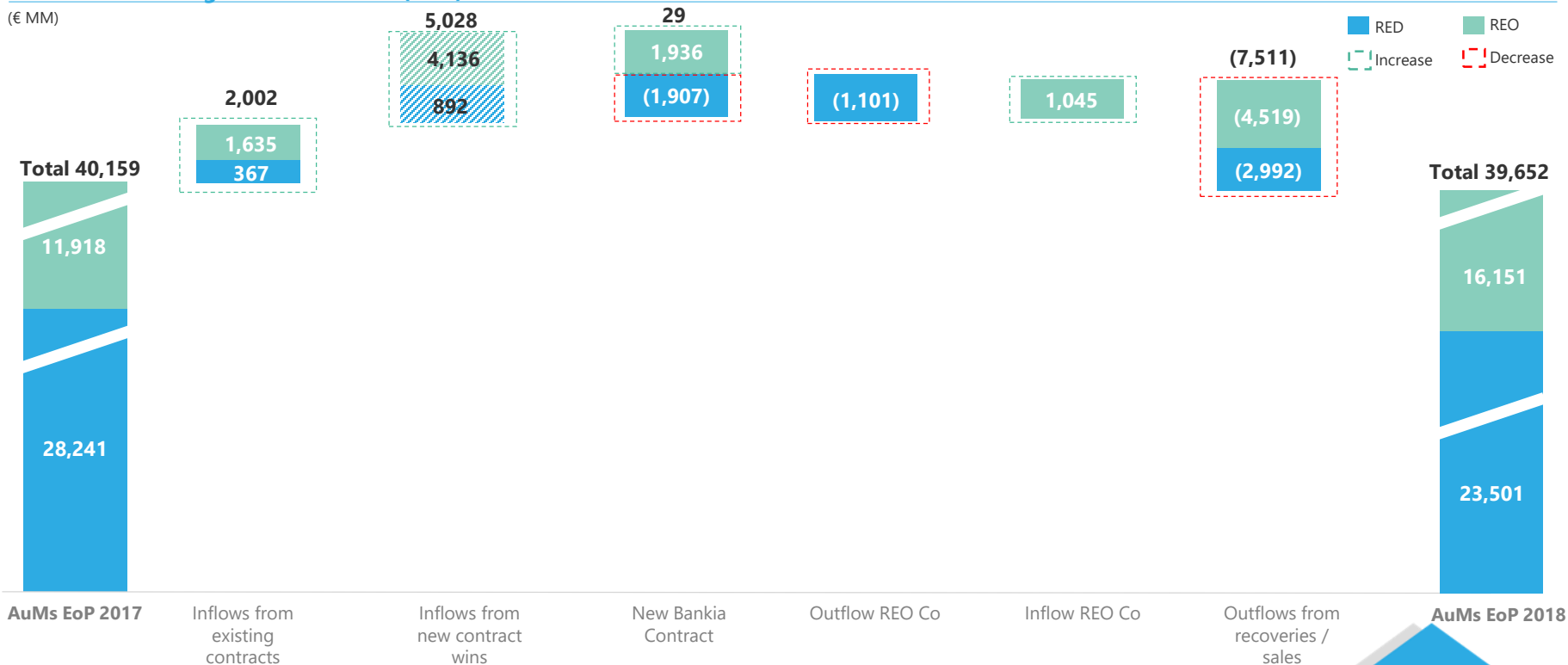
3 Assets Under Management



↳ AuMs decreased by €507.4MM compared to December 2017 mainly due to the natural evolution of the Sareb portfolio (closed perimeter) partially offset by the new BBVA perimeter, inflows from the existing contracts and the new contracts awarded in the year

Asset under Management evolution (GBV)

(€ MM)

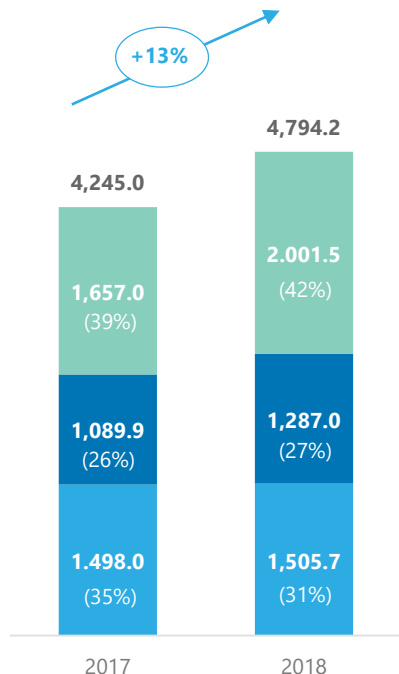


3 Transaction Volumes



Transaction volumes comparison

(€ MM)



(%) of total

■ REDs ■ REO Co ■ REO

Haya Real Estate

REDs Transaction Volumes

€1,506MM
+1%

- Very **strong performance** in **Cajamar**, helped by a significant **portfolio sale >€200MM in the Q2'18**. Haya has been awarded the **servicing of the portfolio sold**
- **Strong performance** in other clients +128% due to the **new portfolios awarded** at the end of 2017 and 2018
- **Lower recoveries in Sareb** due to Sareb's focus on margin
- **Lower recoveries YoY in Bankia** due to the novation of the contract in April which **removed REDs from perimeter**

~130,000 loans managed

~24,000 loans recovered

REO Conversion Transaction Volumes

€1,287MM
+18%

- **Very strong performance** in **REO Conversion** mainly due to the **strong activity in Sareb** because of the aggressive litigation plan carried out during the year. More than 2,400 claims presented in 2018 for over €3,8BN in GBV
- **Lower activity in Cajamar REOCO** impacted by the large REDs portfolio sold in the period

~76% REDs portfolio under management is litigated

REOs Transaction Volumes

€2,002MM
+21%

- **Strong performance** in **Sareb (+142%)** helped by a **portfolio sale and an increase in retail sales**
- **Strong performance** in **Bankia (+34% YoY)**, due mainly to the **portfolios sales and an increase in retail sales**
- **Good performance** in **Cajamar (+12%)**, due to an increase in **retail and wholesale sales**
- **BBVA contribution in Q4'18** with no corresponding impact in 2017
- **Lower activity in Liberbank** due to the large **portfolio sold in Q4 2017 (€456MM)**

+121,000 assets managed

~30,000 assets sold

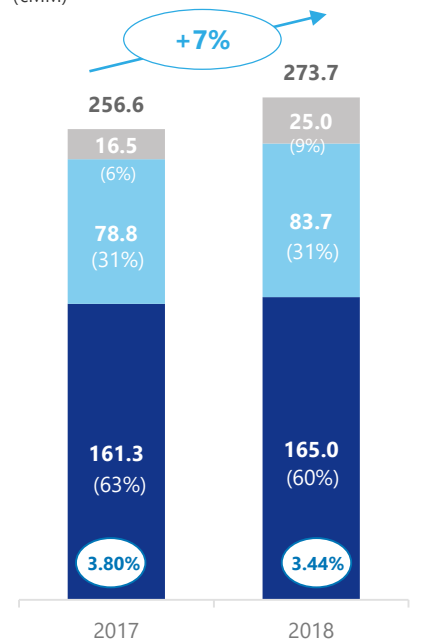
3 Revenues



Revenues increased by 7% due to the increase in volume and management fees mainly impacted by the strong performance in REOs

Revenues Comparison

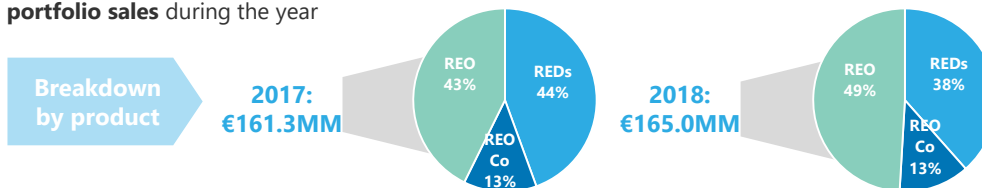
(€MM)



Volume fee



- Volume fee increased by 2.3% mainly due to the strong performance in REOs volume fee (+17.6%) across all clients partially offset by:
 - Decrease in REDs volume fee (-11.4%) mainly due to mix between retail and portfolio sales, the novation of the Bankia contract and the lower activity in Sareb
 - REO Co fees in the period (-1.0%) impacted by Cajamar partially offset by the good performance in Sareb
 - The average volume servicing fee as % of volumes was 3.44% mainly due to the product mix and portfolio sales during the year



Management fee



- Management fee increased by 6.2% due to the Liberbank, BBVA and other clients contribution, which have offset the decline in Cajamar due to the large REDs portfolio sale and Sareb (closed perimeter)

Other Revenues



- Other revenues increased by 51.5% mainly due to an increase in ancillary services provided under the core contracts, mainly Bankia, Liberbank, BBVA and other clients, partially offset by the lower revenues in the Securitization business

(%) of total ○ % average volume servicing fee

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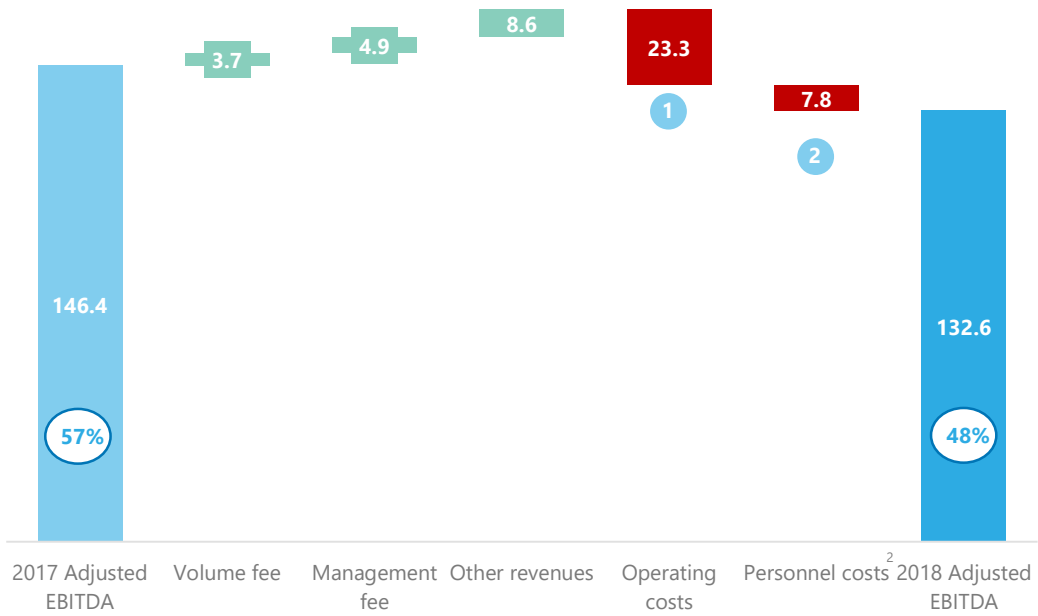
Adjusted EBITDA bridge



Adjusted EBITDA decreased by 9% explained by an increase in operational and personnel costs due to a strong performance in REOs and new FTEs hired to service the new contracts awarded

Adjusted¹ EBITDA Bridge

(€ MM)



○ % Adjusted EBITDA margin

1 Operating costs impacted by:

- Higher **professional services** (channel costs and cost of agencies) due to the strong performance in REO transaction volumes. Additional contribution from Liberbank and BBVA in 2018 with less impact in 2017
- Higher **other professional services** due to external workforce, partially offset by **lower IT operating expenses**
- Higher **marketing** and **contact center** costs due to increase in REOs activity and **new commercial campaigns**

2 Personnel costs impacted by:

- Liberbank** and **new servicing portfolios** awarded at the end of 2017 and 2018 have increased number of FTEs.
- Moreover, we have **reinforced the Compliance, Internal Audit, Data and Process Quality, Finance & Data Analytics** departments to best address our clients' and our own corporate needs

(1) Adjusted EBITDA is the sum of GAAP operating profit plus D&A, adding back €5.8MM of non recurring expenses including IPO and M&A related costs . (2) Personnel costs adjusted by the non cash personnel expense related to the shareholder sponsored incentive plan (€3.90M) in 2017.

3 Free Cash Flow



Free cash flow increased by 23% (+€23MM vs FY 2017) leaving a leverage ratio of 3.4x as of December 2018

Free Cash Flow

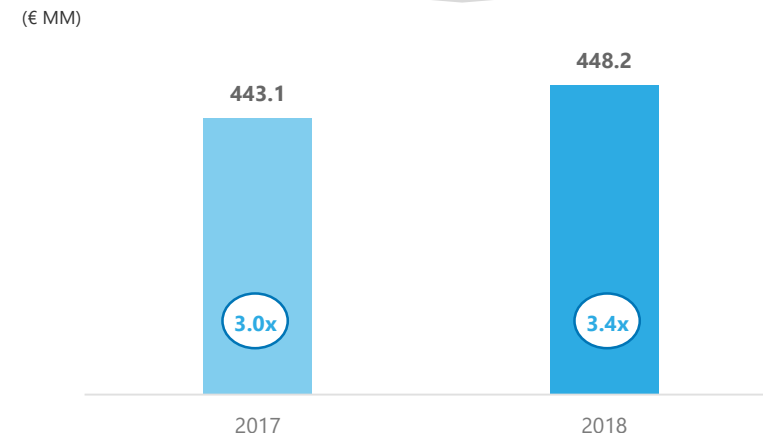
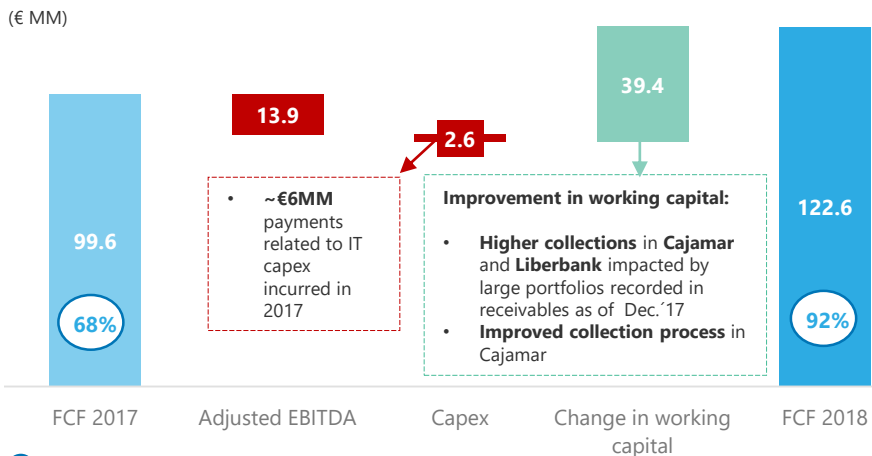
(€ MM)	FY 2017	FY 2018
Adjusted EBITDA²	146.4	132.6
Capital expenditures paid ³	-9.4	-12.0
Change in working capital ⁴	-37.4	2.0
Free Cash Flow	99.6	122.6

Free Cash Flow¹ Comparison

Net Debt

Main Highlights

- **Leverage ratio of 3.4x**
- **Cash generated** in 2018 used almost fully to pay for **Bankia's upfront payment of €108MM**
- **Comfortable cash position of €21MM** at year end + **€15MM undrawn RCF**



○ % Cash Conversion: FCF¹ / Adjusted EBITDA²

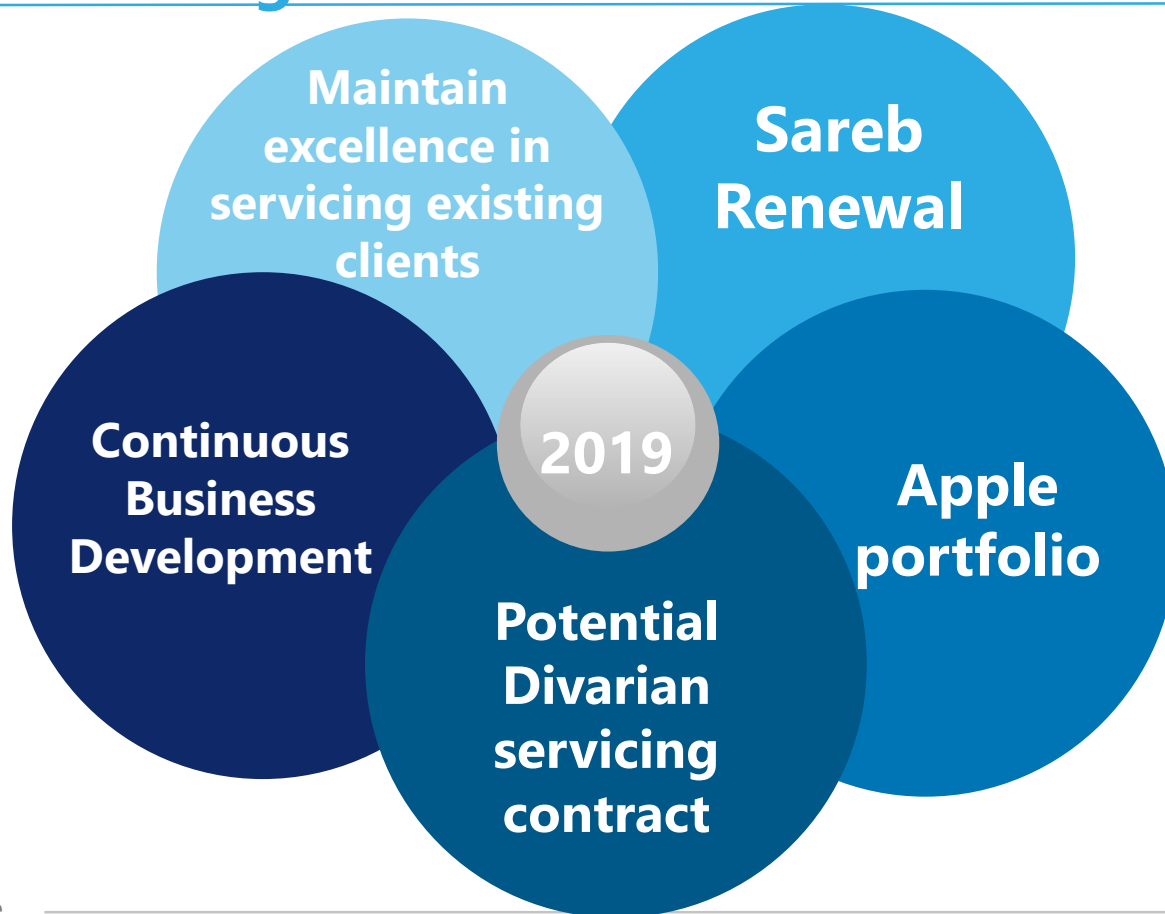
○ Leverage ratio: Net debt / Adjusted EBITDA²



4. Conclusions

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2019 Strategic Priorities





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