



nexity

# 2023 Full-year results

*Webcast  
28 February 2024*

Reiwa – Nexity's future head office – Saint-Ouen (Seine-Saint-Denis)

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# 01

## Key developments in 2023

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Belvédère Facette, Nexity's local head office – Bordeaux (Gironde)

# 2023 commercial and financial performance in line with expectations



## Business activity

### Residential Real Estate

- **14,602** reservations: -19% vs 2022, -26% for the market  
-30% vs 2021, -41% for the market
- Including **9,712 bulk** reservations (stable vs 2022);  
**67%** of total sales, **up 13 pts** vs 2022

### Commercial Real Estate

- Order intake of **€39m**

### Services

- **Growth in the managed real estate portfolio:**  
**16** new coworking sites; **2** new student residences
- **High occupancy rates<sup>(1)</sup>: >96%**  
for both student residences and coworking spaces

- **Commercial low point for development activities**
- **Continued growth momentum for managed real estate**

## Financial performance

### Revenue

**€4.3bn**  
(down 9% vs 2022)



### Operating profit

**€246m**  
(margin ~6%)



### Net debt<sup>(2)</sup> down

**€776m**  
(down €43m  
vs 2022)



**Financial performance in line with objectives**

# 2023 – A busy year for refocusing the Group's roadmap: capacity and speed of execution



## Ramping up urban regeneration



### Market deal with Carrefour

First nationwide large-scale urban regeneration project



**>€2bn in revenue over 10 years**  
800,000 sq.m; 12,000 homes



### Launched Nexity Héritage

Expertise in transformation and renovation brought together under a dedicated brand

### Land banking solution with Mirabaud AM

Outsourcing **up to 90%** of the carry risk on large-scale urban regeneration projects  
Investment budget of **€200m over 5 years**

## Deleveraging levers initiated



### Discontinuation of business outside France

Finalisation of disposals of activities in Poland and Portugal (announced in February 2023)



Deleveraging impact  
**€100m**

### Process to seek out strategic and financial partners in the management and distribution businesses

Exclusive negotiations with Bridgepoint with a view to selling Property Management for Individuals<sup>(1)</sup>

Sale of Property Management for Individuals based on an enterprise value of **€440m**

(1) Property Management for Individuals activities operated by Nexity Lamy and Oralia Partenaires and their subsidiaries. The only closing condition for authorisation by the European Commission in respect of merger control was met on 20 February 2024.

# 02

## 2023 business activity

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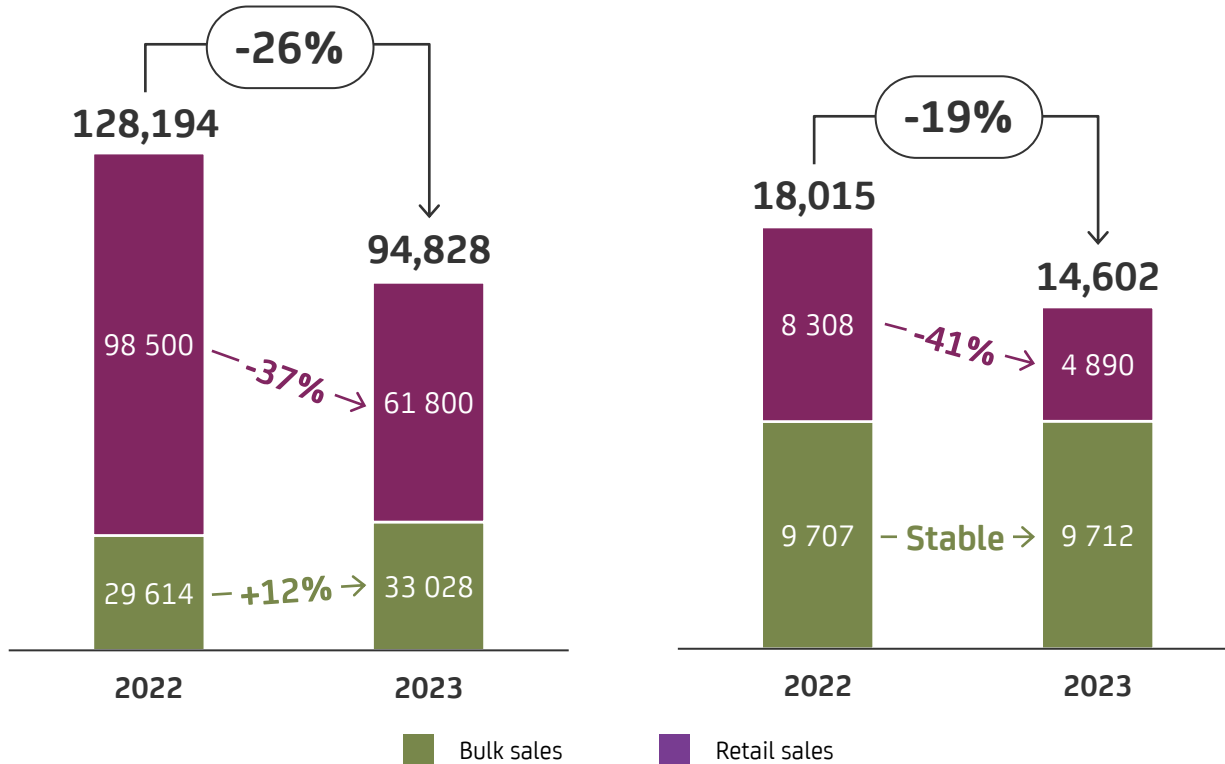
Build-to-rent with Urban Campus – Massy (Essonne)



# Nexity continues to beat the market thanks to its leading position in bulk sales



## New home reservations<sup>(1)</sup> (by volume)

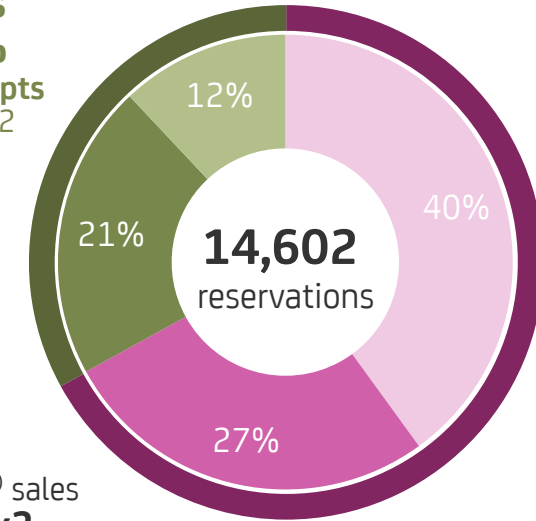


## Client mix – 2023



**Retail sales**  
33%  
down 13 pts  
vs 2022

**Bulk sales**  
67%  
up 13 pts  
vs 2022



LLI<sup>(2)</sup> sales  
**x2**  
vs 2022, at 16%  
(high point)

Social housing  
unit sales  
**stable**

- Homebuyers
- Individual investors
- Institutional investors (private or public)
- Social housing operators

(1) Source of market data: French Federation of Real Estate Developers (FPI) – 15 February 2024

(2) LLI: Intermediate rental housing

# Zoning revision: Confirmed relevance of Nexity's nationwide coverage

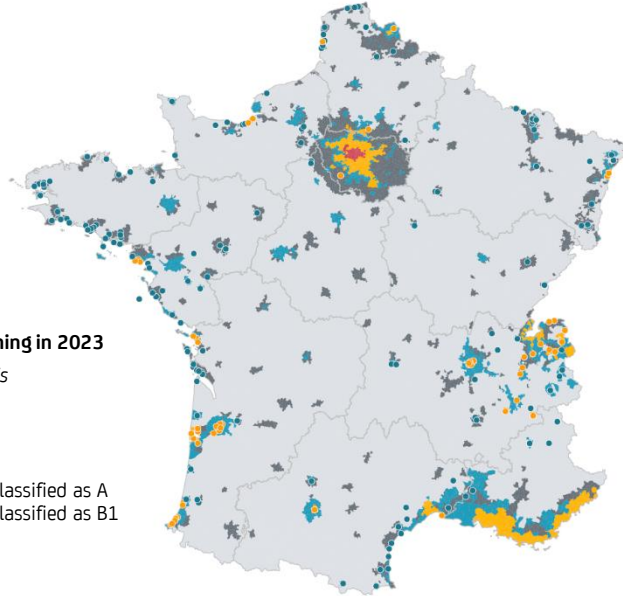


**>150** municipalities reclassified as supply-constrained areas (A/A bis/B1)

**22** regions supporting housing

New zoning in 2023

- A bis
- A
- B1
- B2
- C
- Reclassified as A
- Reclassified as B1



- Eligible for the “Pinel” scheme<sup>(1)</sup> and intermediate rental housing (LLI)
- Eligible for the 2024 PTZ interest-free loan
- Improved returns for investors through less stringent rent ceilings



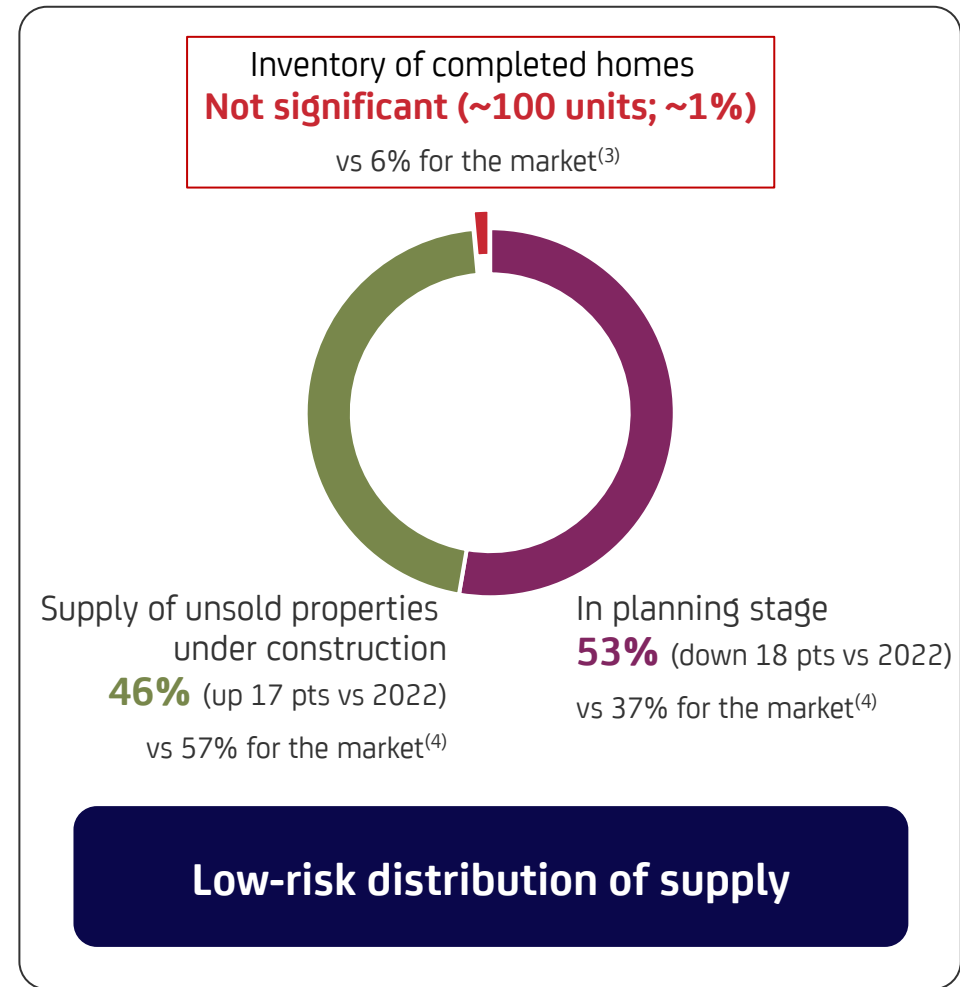
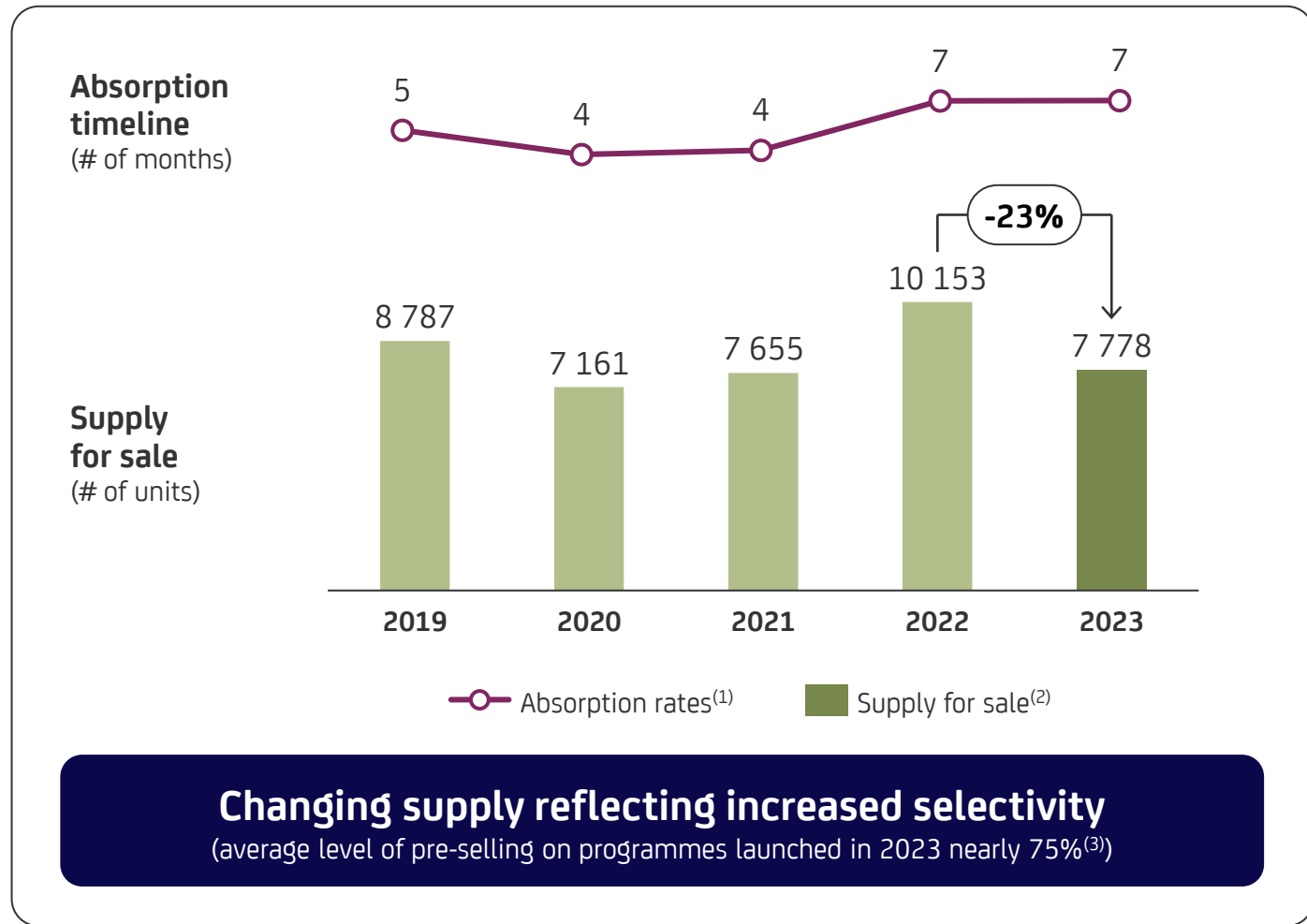
  
**A BUSINESS OPPORTUNITY FOR NEXITY**

**81%**  
2023 supply for sale in supply-constrained areas<sup>(2)</sup>

Positive impact of new zoning:  
**~10 pts**

Source: Nexity  
(1) Until year-end 2024  
(2) Under new zoning

# Supply for sale under control



(1) Absorption rate: Available market supply compared to reservations for the last 12 months, expressed in months, for the new homes business in France.  
 (2) Supply in number of units  
 (3) Including sales to individuals and institutional investors  
 (4) French Federation of Real Estate Developers (FPI) – 15 February 2024

# Launch of Nexity Héritage: Expertise in transformation and renovation



Launched in September 2023

## Robust expertise in urban regeneration

- Transforming patterns of use
- Renovating historic real estate
- Converting neighbourhoods

### Example: Hôtel Ponsardin – Redevelopment and rehabilitation of a listed historic monument in the heart of Reims

- **Historical rehabilitation** and creation of **22** exceptional homes
- **Redevelopment of offices** and creation of **29** new homes
- **Reorganisation of existing parking area** and creation of **11** homes



**Creation of 62** non-social  
**housing units**  
(Total surface area: ~8,400 sq.m)



# Deal with Carrefour: Example of urban regeneration



## First nationwide large-scale urban regeneration project

Upgrading of **76 Carrefour sites**  
in outskirts and city centres

Mixed-use developments  
**~800,000 sq.m.**, incl. **~12,000** homes

High environmental performance  
**No-net-land-take** ✓  
**2031 thresholds for RE2020** ✓  
thanks to off-site construction

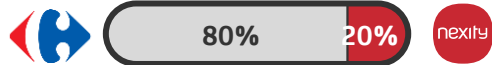


November 2023

From 2024

Over 10 years

**Creation of land banking company**<sup>(1)</sup> 69 sites



- Will carry **20% of land**, for a value of **~€40 million**<sup>(2)</sup>
- Limited borrowing costs  
→ **Structured so as to deconsolidate development rights**

**Transfer of land** as soon as building permits free of all claims

Land valuation secured  
**[+/-25%]**

**Dedicated project company for development of each site**



**Mixed use development programme**

Net profit margin: **[~7-8%]**  
(depending on commercial mix)

**First projects in the backlog from 2024**

**Nexity's contribution at termination**<sup>(3)</sup>

100% of revenue  
**>€2.0bn**

100% of operating profit  
**>€140m**

Net profit  
**~50/50**  
(excluding minority interests)

(1) "Villes et Commerces" (2) Recognised under investments. (3) Recognised in full in Nexity's financial statements (IFRS).

# Cyclical low in a changing commercial market



**Investment market at a standstill**  
(down 56% according to CBRE)



Low order intake (€39m)

**11 deliveries in 2023**  
**>100,000 sq.m**



**>700,000 sq.m delivered** over last 5 years, including  
**>200,000 sq.m** of **logistics facilities**, **>50,000 sq.m** in **higher education**  
and **>50,000 sq.m** of **renovation**, reflecting diversified expertise and production

**15 developments in progress**  
**>200,000 sq.m**



Backlog: **€349m**

**Leading position**  
in supporting **delegated project ownership and CPI development contracts**

**NEXITY nex'step**  
Saint-Priest (Rhône)

Low-carbon offices  
outside the Paris region



- **~1,000 sq.m** of low-carbon office space (wood and hempcrete)
- Delivery **Q3 2024**

**L'ACQUEDUC**  
Gentilly (Val-de-Marne)

Largest commercial  
development in the Paris  
region in 2023



- **~40,000 sq.m** of office space and serviced residences
- Delivered **Q4 2023**

**CARRÉ INVALIDES**  
(Paris, 7<sup>th</sup> arrond.)

Renovation under  
CPI



- **~15,000 sq.m** of office space and student residences
- Delivery **2024**


# Services driven by Serviced Properties activities



## Serviced Properties

### Coworking




**morning,**   
 2023 site openings: **16**  
 Occupancy rate<sup>(1)</sup>: **96%**  
 Total size: **~130,000 sq.m**

La Défense (Hauts-de-Seine)  
 Opening Q4 2023

### Student residences



**studéa**   
 Number of residences: **133**  
 (up **2** vs 2022)  
 Occupancy rate<sup>(1)</sup>: **97%**

Montpellier Hôtel de Ville

## Property Management

### Property Management for Individuals

**Dec. 2023: Exclusive negotiations with Bridgepoint with a view to selling the business**

- Closing: H1 2024
- **Enterprise value: €440m**
- **Strategic partnership** aimed at securing and amplifying synergies<sup>(2)</sup>

### Property Management for Companies

- **France's leader in Property Management for Companies** (**20 million sq.m** and **>34,000** leases under management)
- Successful bid to manage over 4,000 sites on behalf of Orange

## Distribution

**iSelection**  
 L'IMMOBILIER PATRIMONIAL

Specialised in rental property investment

**Perl.**

Pioneer and leader in bare ownership investment

**~2,600 reservations**  
 Down 39% vs 2022<sup>(3)</sup> (vs overall market down 47%)



**Market share up 2 pts, to 10.3%**  
 (8.9% in 2022)

(1) Rolling 12-month basis / Coworking: sites opened for more than 12 months

(2) Existing synergies with Nexity's businesses and the scope of the disposal

(3) Source: French Federation of Real Estate Developers (FPI) – Sales to individual investors (natural persons) + serviced residences sold on a retail basis

# Developer-operator model that generates overall margins



1



2



## Development project undertaken by Nexity

Margin: **9.5%**

92% of the portfolio (133 sites) sold on the free market / 9% in bulk

**68%** of the portfolio developed by Nexity (over last 5 years)

Average **development margin** per project

**~€1.5m**

(based on a 120-unit site)



## Serviced Properties by Studéa

Studéa: wholly-owned subsidiary of Nexity

Lease between Studéa and lessor(s): **12 years** (indexed); portfolio age: ~18 years

Studéa/student residence lease: occupancy rate: **97%**

Cumulative **operating profit** over 12 years per residence

**~€1.5m**



**Recurring profit over the lease term generating the equivalent of the development margin a second time**



# 03



## 2023 financial and non-financial performance

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# Financial performance in line with targets



<b>Revenue</b>	<b>€4,273m</b> -9% vs 2022		<b>In line with guidance</b> 
<b>Operating profit</b>	<b>€246m</b> Margin: 5.7% (down 210 bps vs 2022)		

**Net debt down,  
liquidity solid**

**Net debt<sup>(1)</sup> down  
€43m to €776m**

**Cash and cash equivalents: €882m**  
**Undrawn credit facility: €630m**

**WCR under control**

**WCR<sup>(2)</sup> of €1,346m,**  
up slightly (€23m)  
down €39m before tax and  
adjustment relating to IFRS 5

**Land bank: down 40%**  
Operating WCR secured

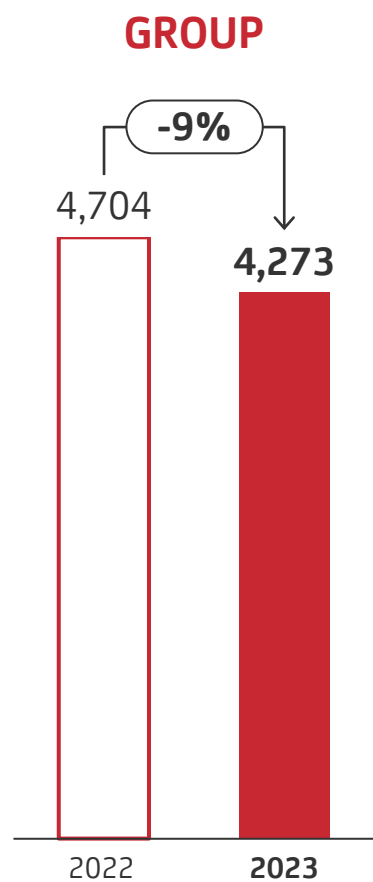
(1) Before lease liabilities

(2) WCR after tax and after application of IFRS 5

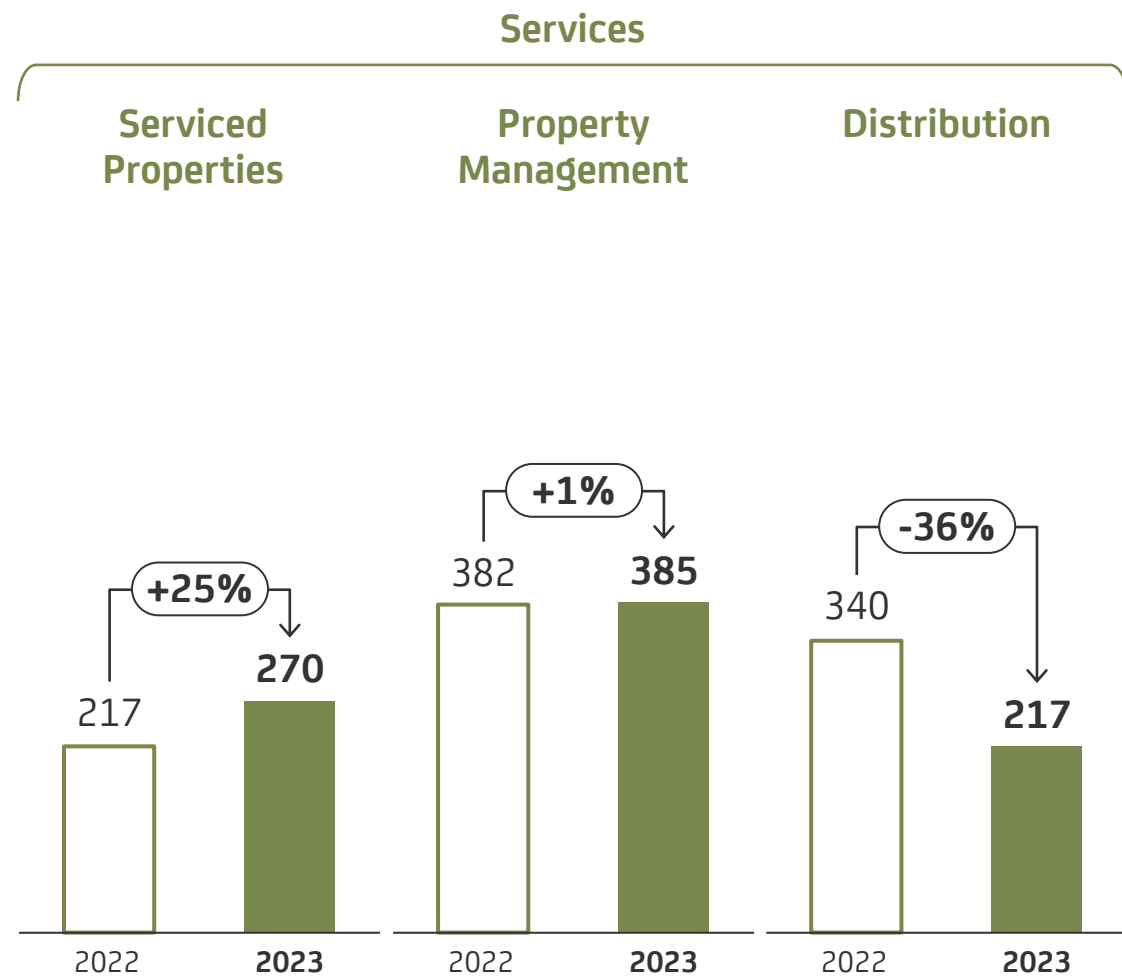
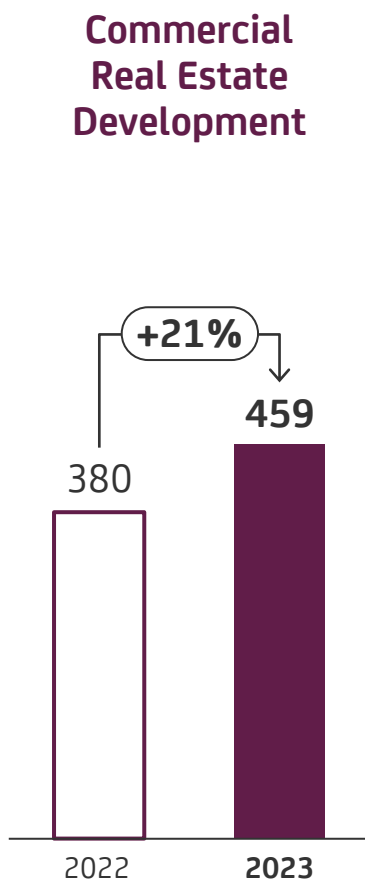
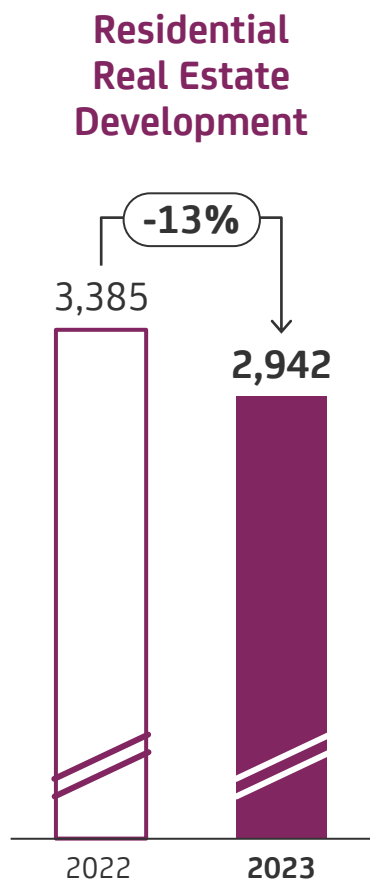
# Revenue of €4.3bn, driven by Serviced Properties in particular



(in €m)



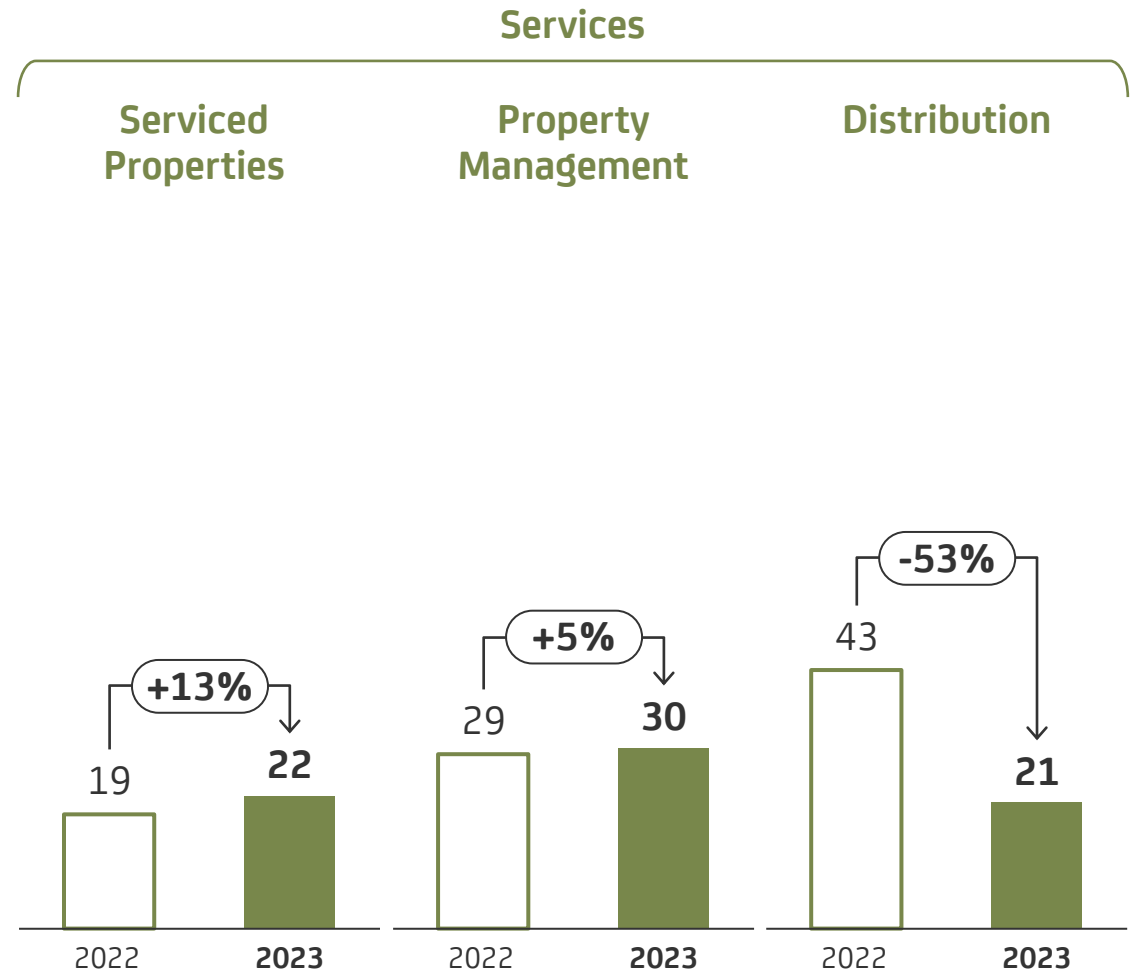
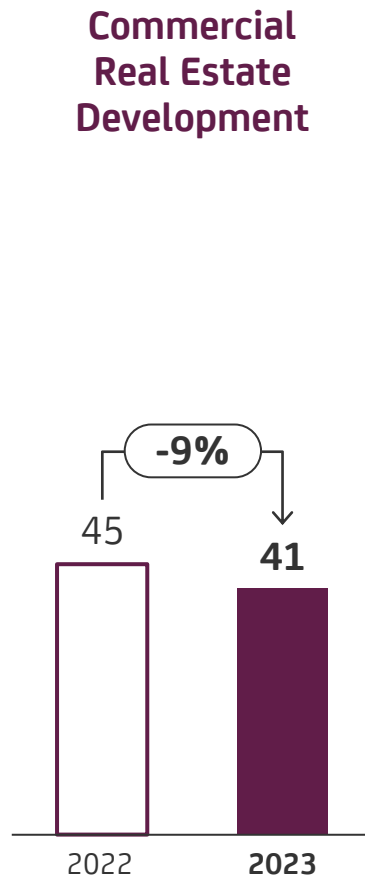
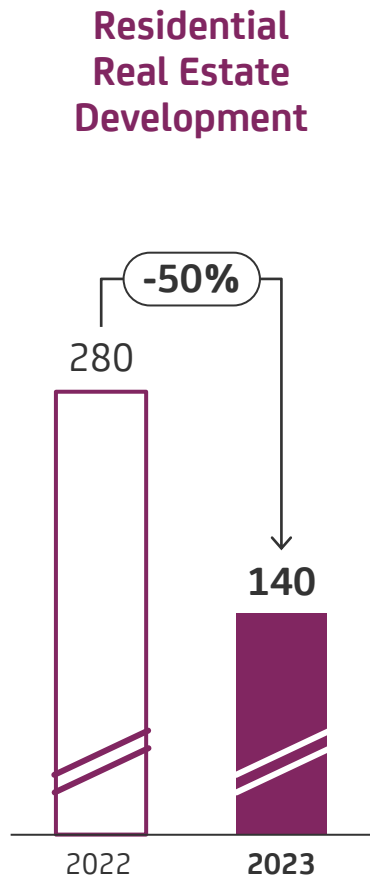
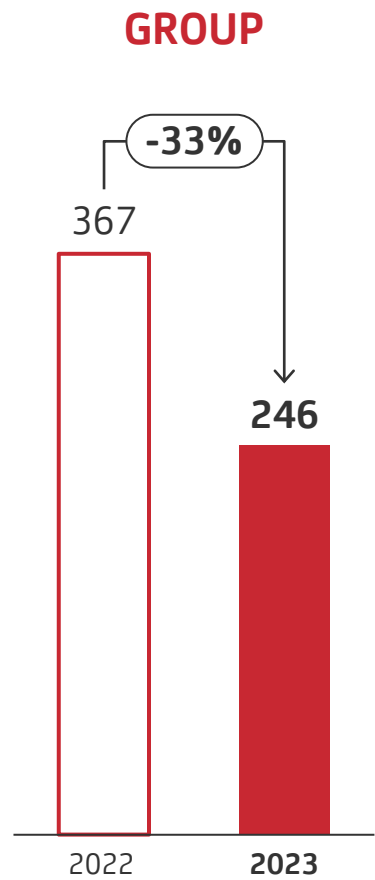
✓ 2023 guidance  
€4.3bn



# Operating profit of €246m



(in €m)



✓ 2023 guidance €250m

# Working capital requirement under control



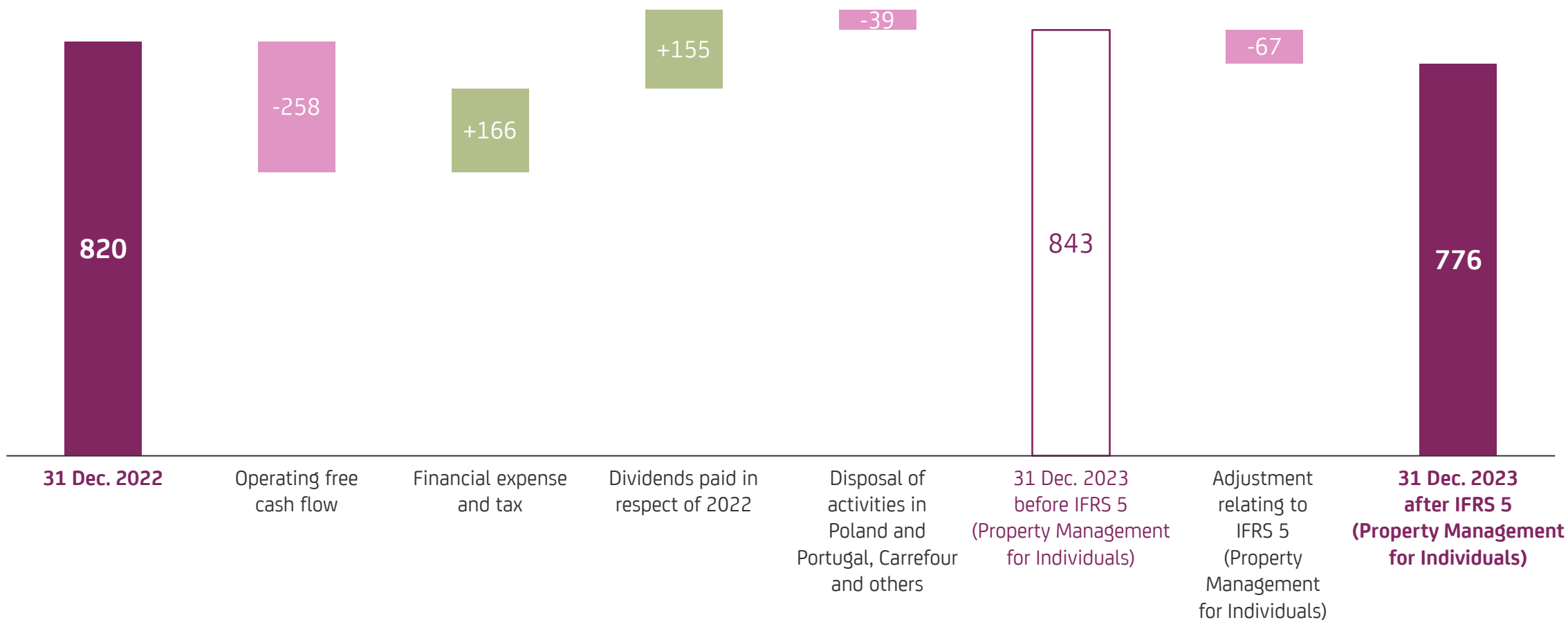
<i>(in millions of euros)</i>	Dec. 2022	Dec. 2023	2023/2022 Change
<b>Development</b>	<b>1,322</b>	<b>1,316</b>	<b>(6)</b>
Residential Real Estate Development	1,199	1,240	+41
Commercial Real Estate Development	123	76	(47)
<b>Services</b>	<b>36</b>	<b>62</b>	<b>+27</b>
<b>Other Activities</b>	<b>(23)</b>	<b>(39)</b>	<b>(15)</b>
<b>Total WCR excluding tax and after IFRS 5</b>	<b>1,335</b>	<b>1,340</b>	<b>+5</b>
Corporate income tax	(11)	7	+17
<b>Working capital requirement (WCR)</b>	<b>1,324</b>	<b>1,346</b>	<b>+23</b>

- WCR down before tax and application of IFRS 5 (activities held for sale): down €39m
- Slight increase in WCR after IFRS 5 related to the slowdown in business activity and thus in sales of inventory in the Development business
- **More secure WCR:**
  - Land bank: down 40%
  - WCR mainly consists of secure operating items (receivables due from individual and institutional clients)

# Net debt down considerably at 31 December 2023



(in €m)



# Balanced financial structure at end-December 2023



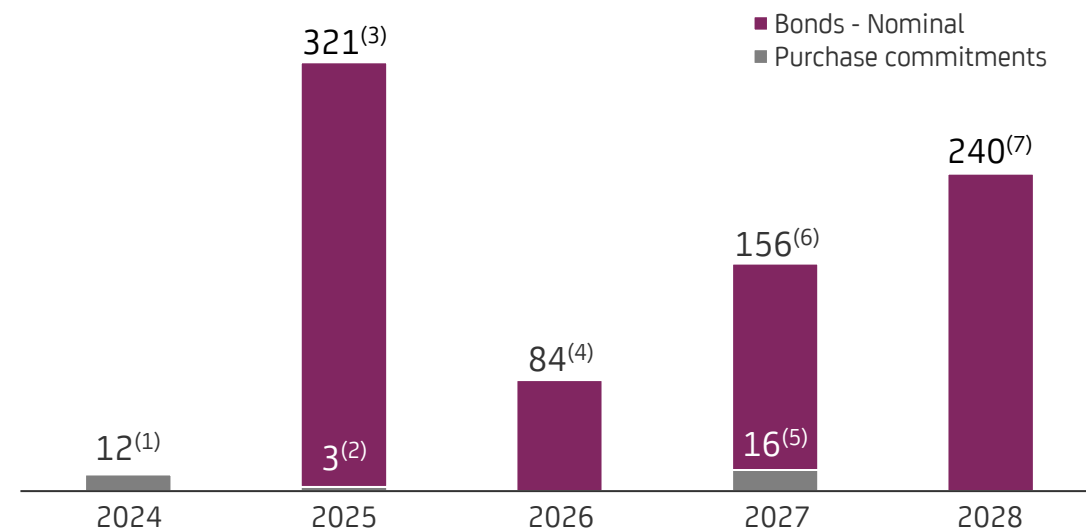
## Debt down

(in millions of euros)	Dec. 2022	Dec. 2023
Bond issues and purchase commitments	976	821
Bank borrowings and commercial paper	875	837
Net cash and cash equivalents	(1,030)	(882)
<b>Net financial debt<sup>(1)</sup></b>	<b>820</b>	<b>776</b>

} Long-term borrowings (fixed rate) 50%  
 } Short-term borrowings (floating rate) 50%

- **Balanced debt structure** (50% of gross debt at a fixed rate). Fixed rate or hedged: **>60%**<sup>(8)</sup>
- **Undrawn credit facility: €630m** (up ~€100m vs 30 June 2023) on a 5-year €800m revolving credit facility, signed in February 2023
- **All financial ratios complied with at year-end 2023**

## No significant repayments due before March 2025



(1) €12m in minority interests (Primosud buyout)

(2) €3.5m in minority interests (Pantera buyout)

(3) €121m of bonds issued in June 2017 / €200m of convertible bonds issued in March 2018 (2025)

(4) €84m of bonds issued in December 2019 (2026)

(5) €16m in minority interests (BAP buyout)

(6) €156m of bonds issued in December 2019 (2027)

(7) €240m of convertible bonds issued in April 2021 (2028)

(8) Portion of gross debt at a fixed rate or hedged

# CSR strategy supporting business objectives



## Low-carbon expertise recognised by ratings agencies



Validation of the Group's **1.5°C**-aligned carbon trajectory



**A- Leadership** score vs B in 2022 (2023 climate change questionnaire)



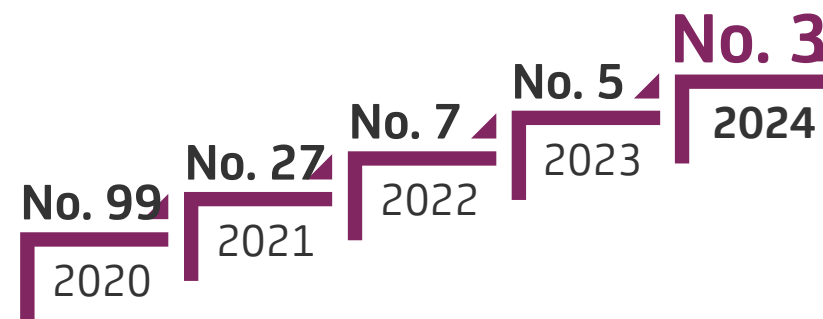
**No. 1** low-carbon developer for the 5th year in a row

## Strong performance in 2023

Building permits filed in 2023 outperformed RE2020 requirements by an average of **25%**  
→ 2 years ahead of schedule in meeting regulatory requirements

Climate and Biodiversity Report for the 2024 Shareholders' Meeting

## Commercial relationship recognised by clients<sup>(1)</sup>



## Client-focused culture in Nexity's DNA

- **Client Smile** programme rolled out to all employees
- Improving the Group's services through **faster, more efficient** processing of client claims

(1) HCG x Les Echos ranking

# 04 Outlook

nexity

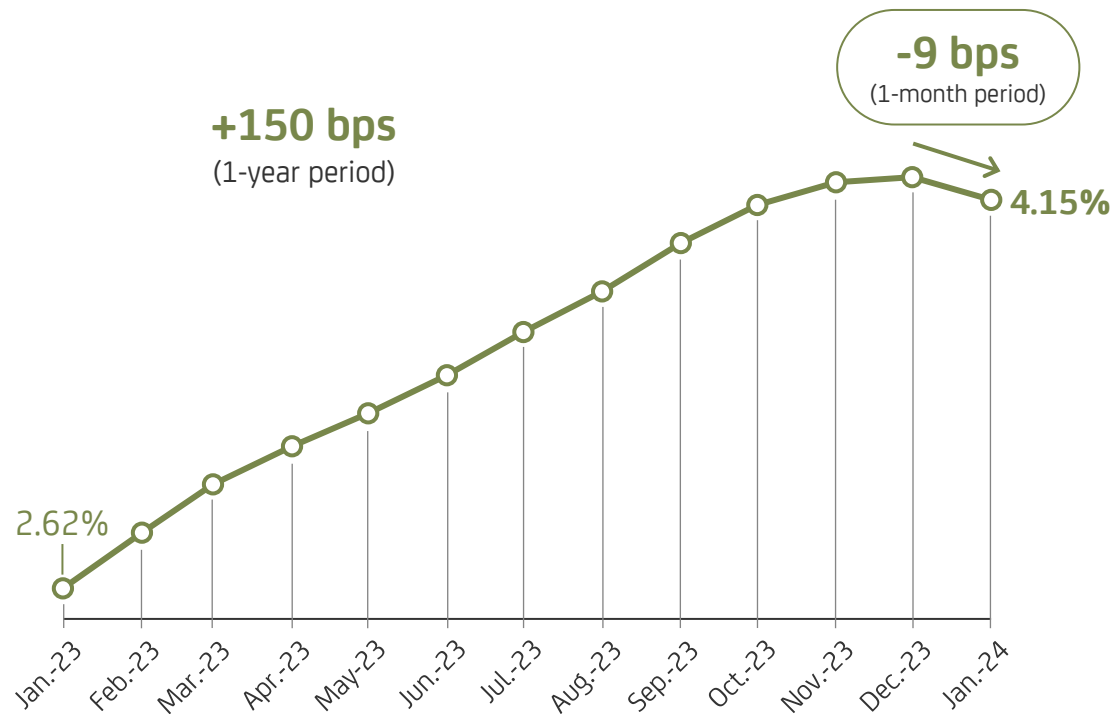
Artchipel – Marseille (Bouches-du-Rhône)



# End of rate hikes announced by the ECB



## Mortgage rates for individual borrowers<sup>(1)</sup>



## Encouraging signals

- First signs of **mortgage rate hikes beginning to ease** in January 2024 after more than 2 years of uninterrupted rises (and an unprecedented 43% drop in mortgage lending volume at year-end 2023<sup>(1)</sup>)
- Higher household income could offset half the loss of purchasing power<sup>(2)</sup> in 2024
- Housing factored into the French Prime Minister's policy discourse
- Upcoming major simplification

(1) Source: Observatoire Cr dit Logement – February 2024

(2) Source: BPCE – For a median-income individual taking out a mortgage, based on projected interest rates (BdF) and depending on the term, borrowing capacity at year-end 2024 would in theory be 23% lower than at year-end 2021, but nearly half of this loss of borrowing capacity would be offset by the nominal increase in income (based on average base income).

# Structural supply shortage...



## Structurally high need for housing



# 518,000

new or renovated homes  
needed every year  
between 2024 and 2040<sup>(2)</sup>

- Demographic/social change, net migration & natural population growth: **213,000** homes
- Removal of the most energy-intensive homes from the portfolio: **33,000** homes
- Resolving inadequate housing: **122,000** homes
- Other<sup>(1)</sup>: **150,000** homes

Source: HTC survey for USH, October 2023 – “Calculating the social housing requirement out to 2040”

## Far from being met by current new home construction in France



### Building permits to year-end 2023

**373,100** homes<sup>(2)</sup>  
-24% vs 2022



### Housing starts in full-year 2023

**287,100** homes<sup>(2)</sup>  
-22% vs 2022

**Medium- and long-term catalyst for Nexity**

(1) Other: second homes, vacancy rate needed to keep the market fluid  
(2) ECLN – Construction of new homes at end-December 2023

# Far-reaching transformation of the Group in 2024



1

## Necessary rescaling of the organisation

### Adapting to new market conditions

- **Market environment not stabilised**
- **Slowdown in business:**  
2023 reservations: **down ~25%** vs 5-year average
- **Lasting change in client mix:**  
Bulk sales **>60%** (vs a 5-year average of ~50%)

### Changes in the Group's scope

- **Discontinuation of business outside France**
- **Sale of Property Management for Individuals<sup>(1)</sup> finalised in H1 2024**
  - Affected headcount: ~3,100<sup>(2)</sup>
  - **Carve-out in progress**



2

## Adapting the model

- **Pivoting more quickly towards urban regeneration and managed real estate**
- **Regional multi-product range of services and solutions to address local urban planning issues**



**Organisational transformation,  
including the implementation of a redundancy plan**

(1) Property Management for Individuals business – Entered into exclusive negotiations with Bridgepoint in December 2023 with a view to sell

(2) Headcount at end of period

# Downward debt trajectory to continue in 2024



## Strategic and financial partnerships relating to real estate services

- Sale of Property Management for Individuals finalised in H1: **deleveraging of ~€400m**
- Ongoing process to seek out partnerships in Property Management for Companies and Distribution



## Actions to control debt and working capital

- **Increased use of land banking:**  
Land banking joint venture created as part of deal with Carrefour and partnership with Mirabaud AM
- **Proactive working capital action plan;** 40% reduction in land bank



## Discontinuation of business outside France

- Residual business in Germany, Belgium and Italy being managed on a run-off basis



## Dividend policy

- Consistent with the context and reviewed annually in light of free cash flow
- Proposal to suspend the dividend paid in respect of 2023<sup>(1)</sup>



(1) Board proposal subject to approval at the Shareholders' Meeting of 23 May 2024

# Shift towards an urban operator business model



✔ More agile

✔ Deleveraged

✔ Regional/multi-product



**URBAN OPERATOR**  
working for **urban regeneration**  
and meeting the emerging needs of  
**regions and communities**



**Planner**

- **Unique expertise** / track record
- **Strategic** geographic coverage



**Developer**

- Expertise as **mixed-use developer**
- Expertise in **delegated project ownership** and **CPI development contracts**



**Operator**

**Leading position** in buoyant markets



**Planner-developer model**  
for local authorities

**Developer-operator model**  
that generates overall margins

# Outlook



## 2024 Guidance

Operating profit

**Operating profit to remain positive while reaching a low point,** taking into account gains on disposals, the costs of adjusting supply to new market conditions and costs relating to the Group's reorganisation, **paving the way for a rebound in 2025**

Debt

**Net financial debt considerably lower than at year-end 2023**

## Outlook

Improved profitability from 2025, and as a result, maximum net debt of €500m at year-end 2025



## Upcoming financial events

Release of Q1 2024 results: 25 April 2024 (after market close)

Shareholders' Meeting: 23 May 2024



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