



nexity

9M 2024
Business activity and
revenue

Webcast

24 October 2024

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All financial figures presented are based on operational reporting (according to IFRS but with joint ventures proportionately consolidated). As changes are calculated based on exact figures, there may be rounding differences between reported figures, subtotals and totals.

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01

Introduction

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9M 2024 – Key points




1 Market	Confirmation of encouraging signals <ul style="list-style-type: none">• Interest rates starting to come back down (down 75 bps⁽¹⁾); mortgage production up (up 16%⁽²⁾)• Post-election consensus on the housing crisis in France; initial measures announced by the new French government, with details to follow
2 Business activity and revenue	Confirmed recovery in retail sales, which picked up speed in Q3 <p>9M revenue: €2.6bn, down 8% on a like-for-like basis; stabilisation in Residential revenue in Q3</p>
3 Transformation plan	Ongoing proactive implementation of the “4 Rs” <p>Refocusing, Resizing, Recalibrating and Redeploying</p>
4 Outlook	Unchanged <p>Subject to no deterioration in the macroeconomic environment</p>

(1) Deposit facility rate / 3 rate cuts (0.25% each) in June, September and October 2024
(2) Source: Observatoire Crédit Logement – September 2024 / Mortgage production (number) on a rolling 12-month basis





Market: Confirmation of encouraging signs

Interest rates starting to come back down	3 ECB rate cuts since 01/01/2024: -0.75% to 3.25% ⁽¹⁾	Average mortgage rate: ⁽²⁾ Down ~70% YTD at 3.54%	 Purchasing power recovered: +7%
Rebound in mortgage production	+16% ⁽³⁾	Spurred by deals offered by banks	
End to increase in construction costs	BT01 building index: +0.7%	Stabilisation in materials costs	

Recognition of the housing crisis; announcements made, with details to follow

- Removal of geographic restrictions on interest-free loans (PTZ)**
- Discussions regarding taxation of individual investors**
- Simplification of rules (no-net-land-take, energy performance assessment, etc.)**

-  **Boosting purchasing power**
-  **Bolstering supply**

Housing crisis: Growing awareness of the need to take urgent action

(1) Deposit facility rate / 3 rate cuts (0.25% each) in June, September and October 2024
 (2) Source: Observatoire Crédit Logement - September 2024 / Average rate at end-September: 3.54% vs 4.2% at end-December 2023
 (3) Source: Observatoire Crédit Logement / CSA in September 2024 / Mortgage production (number) on a rolling 12-month basis

02

9M 2024 business activity and revenue

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Business activity – Main indicators

Residential Real Estate



- **Retail sales: up 4.3% by volume; up 1.9% by value**
 - **Bulk sales:** down 24% by volume; down 20.3% by value
- New home reservations in France: ⁽¹⁾ down 12% by volume; down 9% by value

Commercial Real Estate



Order intake of €55m
More than 170,000 sq.m delivered since the beginning of the year: including La Garenne-Colombes (green business park delivered as a turnkey solution for Engie’s 95,000-sq.m global head office), Reiwa (Nexity’s 25,000-sq.m future head office), Lilo (21,000 sq.m of coliving space) and Carré Invalides (15,400 sq.m)

Services



Student residences (Studéa): 97%⁽²⁾ occupancy rate
Coworking (Morning + Hiptown): 89%⁽³⁾ occupancy rate at mature sites⁽²⁾

Backlog



Backlog: €4.5bn (equating to nearly 2 years’ revenue for Residential Real Estate)
Down due to the delivery of large-scale commercial real estate projects and increased selectivity since more than a year ago

(1) Reservations restated for the impact of programmes abandoned by decision of the Group as part of proactive measures aimed at recalibrating supply. Abandoning these programmes led to the cancellation of 1,504 reservations previously recorded in 2024 (for a total of 64 abandoned programmes).
(2) Rolling 12-month basis / (3) Sites open for more than 12 months



Reservations trending towards stabilisation

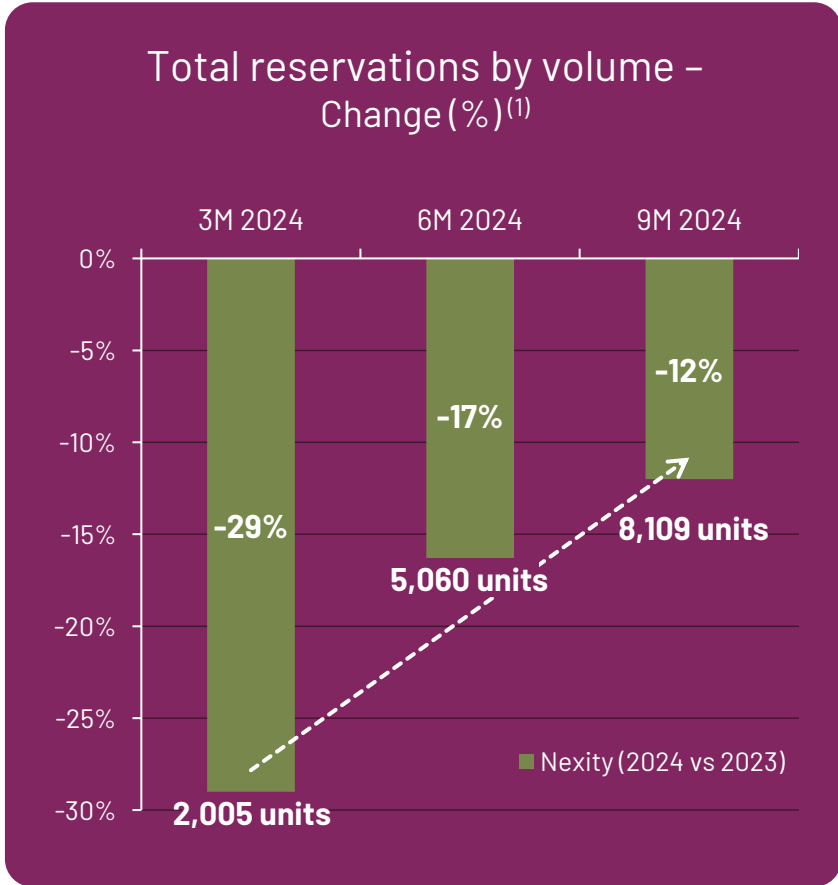
Business activity

Total reservations in 9M: **8,109 units; down 12%**
 o/w Retail: **4,007 units; up 4%** in 9M

Impact of proactive measures to adjust supply

The Group abandoned certain programmes designed in the previous cycle (before 2023), which led to it cancelling certain reservations recorded prior to 2024.

Reservations (units)	Net reservations before impact of programme abandonment	Cancellations	Net reservations after impact of programme abandonment
Retail	4,007	195	3,812
Bulk	4,102	1,309	2,793
Total	8,109	1,504	6,605

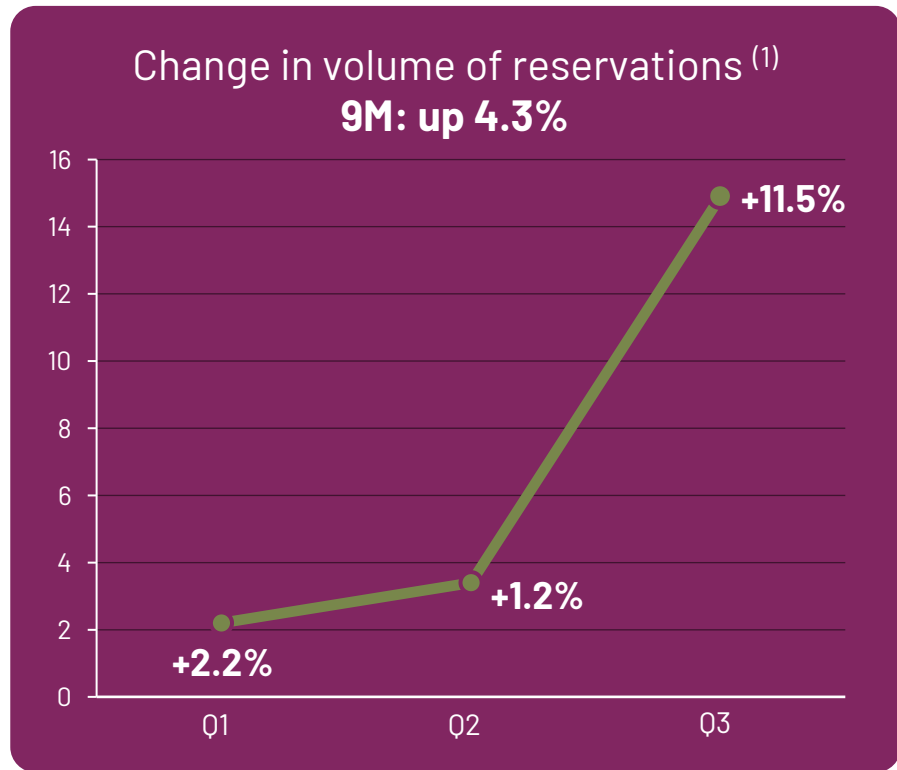


→ **Trend showing improvement since 1 January 2024, driven by retail sales**

(1) Reservations restated for the impact of programmes abandoned in Q3 as part of proactive measures aimed at recalibrating supply. Abandoning these programmes led to our cancellation of 1,504 reservations previously recorded in 2024 (see Slide 21)



Confirmed recovery in retail sales, acceleration in Q3



- **Solid momentum in retail sales**, in a market down 20% ⁽²⁾
- **Acceleration in Q3 (+11,5%)** spurred by the promotional campaign launched with banking partner LCL, aimed at bringing down the cost of debt and thereby helping first-time buyers and young people access financing to become homeowners:



- > Lower debt level ✓
- > Lower monthly loan payments to align as closely as possible with the equivalent of monthly rent ✓

Site traffic for nexity.fr **up 35%**
 Qualified leads **x2** ⁽³⁾

Indicators reflecting the success of our campaign and renewed interest from first-time buyers

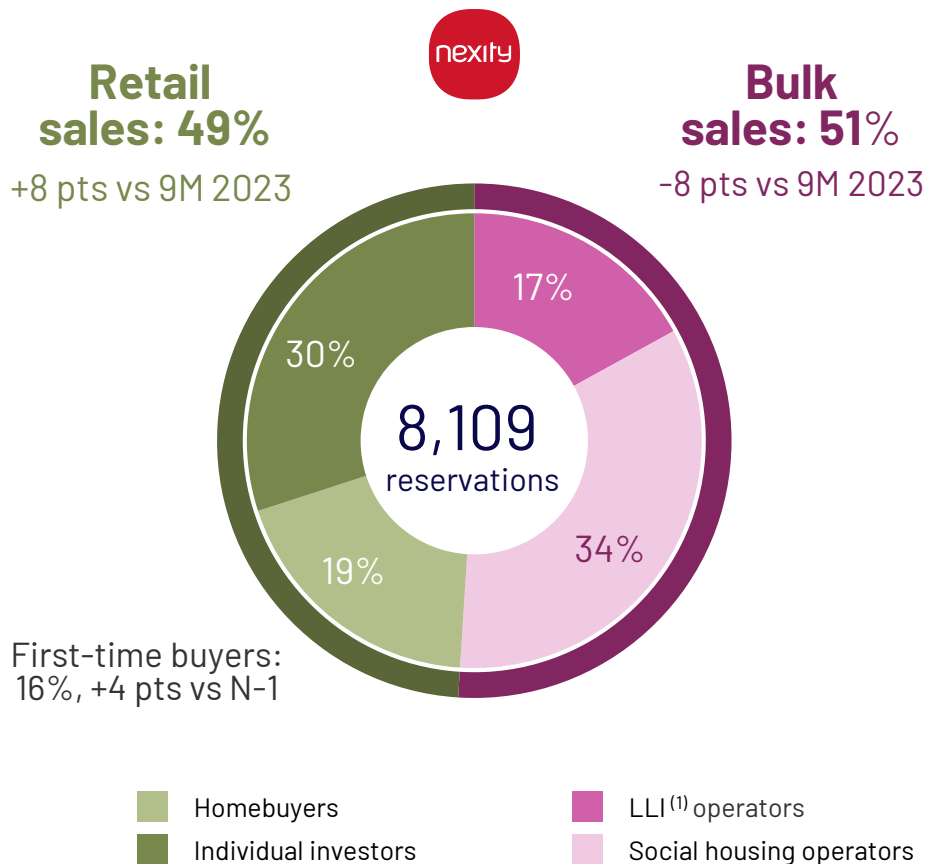
➔ **Momentum in retail sales in Q3 supporting the assumption that sales reached low point in 2023**

(1) Reservations restated for the impact of programmes abandoned by decision of the Group as part of proactive measures aimed at recalibrating supply. Abandoning these programmes led to the cancellation of 195 retail reservations previously recorded in 2024. See Slide 21
 (2) Source: FPI data - H1 2024
 (3) Number of qualified leads post-campaign vs pre-campaign average YTD

Business activity and client mix



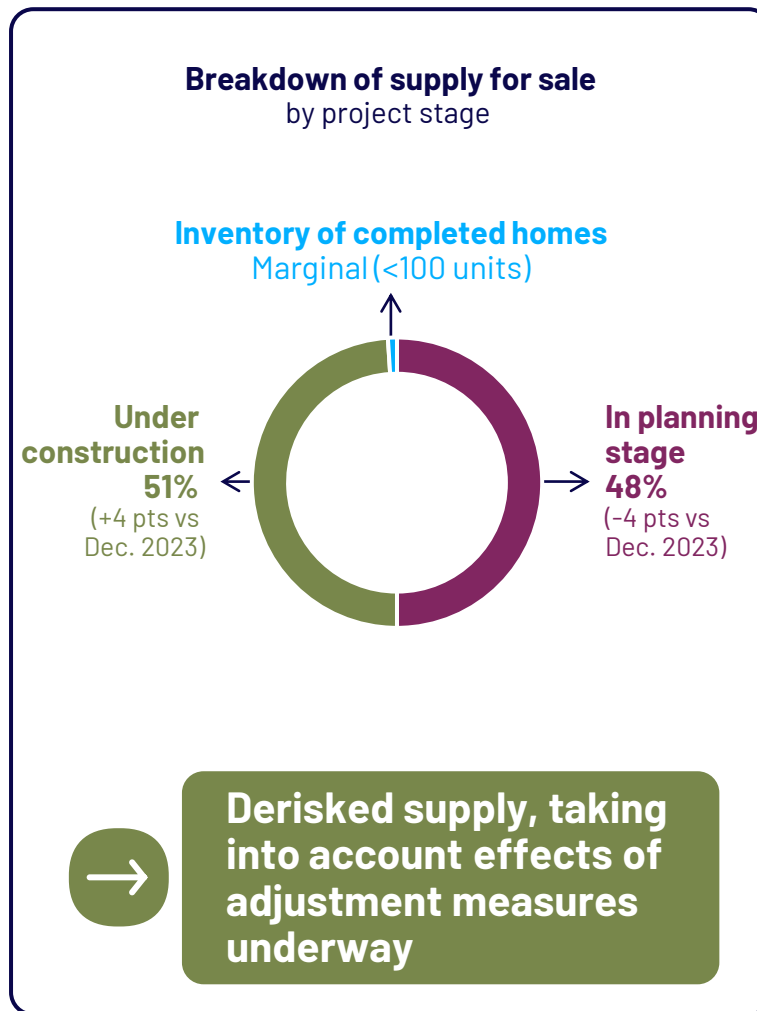
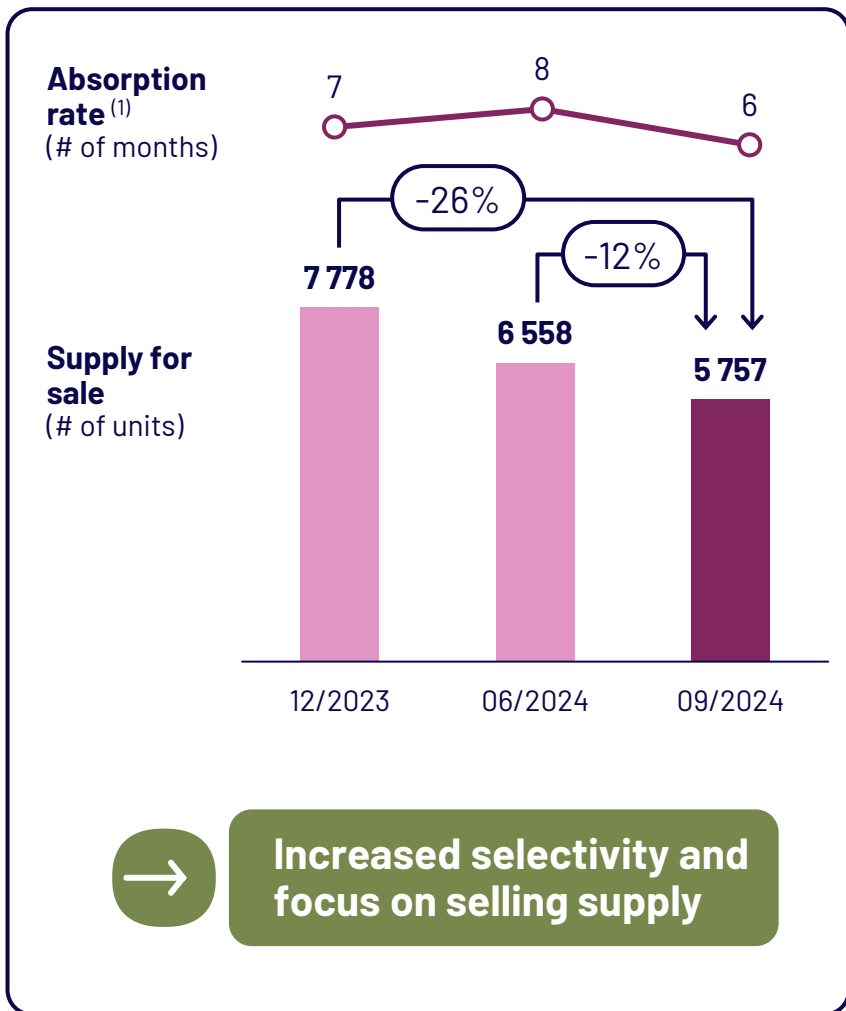
Client mix – 9M 2024



- Proportion of bulk sales historically higher in Q4 than in other quarters
 - > It should be noted that an agreement was signed in late June for the acquisition by CDC Habitat of more than 1,000 units, the majority of which will be included starting in Q4
- 9M mix reflecting **solid momentum in retail sales, driven in particular by first-time buyers** (up 14% by volume; 16% of the total)



Supply for sale under control



- **Absorption rate down** at 6.4 months, around 1.5 months lower than in H1, arising from an improved pace of sales and our work to recalibrate supply (see Slide 20)
- **Number of unsold completed homes marginal (<100 units)**
- **<8%** of "Under construction" units deliverable in less than 6 months
- Pre-selling rate for launches in 9M 2024: **82%**
- **85%** of supply for sale now located in supply-constrained areas (vs 81% at year-end 2023 and 76% at year-end 2022)

(1) Absorption rate: Available market supply compared to reservations for the last 12 months, expressed in months, for the new homes business in France.



Commercial: >170,000 sq.m delivered since the beginning of the year

3 deliveries in H1: 61,000 sq.m

including

2 deliveries in Q3: 110,000 sq.m

including

Lilo

Puteaux (Hauts-de-Seine)

21,000 sq.m of coliving space



Reiwa

Saint-Ouen (Seine-Saint-Denis)

25,000 sq.m

Nexity's future head office



Green business park

La Garenne-Colombes (Hauts-de-Seine)

95,000 sq.m



Carré Invalides (Paris)

15,400 sq.m

Renovation project



Capacity to deliver large-scale commercial projects on schedule

Services: Business driven by Serviced Properties



Serviced Properties

Student residences



- 133 residences
- Occupancy rate ⁽¹⁾ high: 97%
- Average prices rising: Up 2.5%



- Studéa: Leader in student residences
- Developer/operator model that generates overall margins

Coworking



- Number of sites at end-September: 91 (total floor area: ~150,000 sq.m)
- Occupancy rate: ⁽¹⁾ 89%



Morning: Market leader in Paris CBD⁽²⁾

Distribution



Specialised in rental property investment



Pioneer and leader in bare ownership investment

~1,850 reservations as operator and marketer

o/w 635 reservations as an operator (VEFA off-plan sales) x1.5 vs 9M 2023



Capitalising on expertise

Property Management

PMI

(Property Management for Individuals)

Sale finalised in April 2024
Enterprise value: €440m;
Capital gain: €183m

NPM

(Nexity Property Management)

Conditions precedent met ⁽³⁾
Expected to be finalised in early November

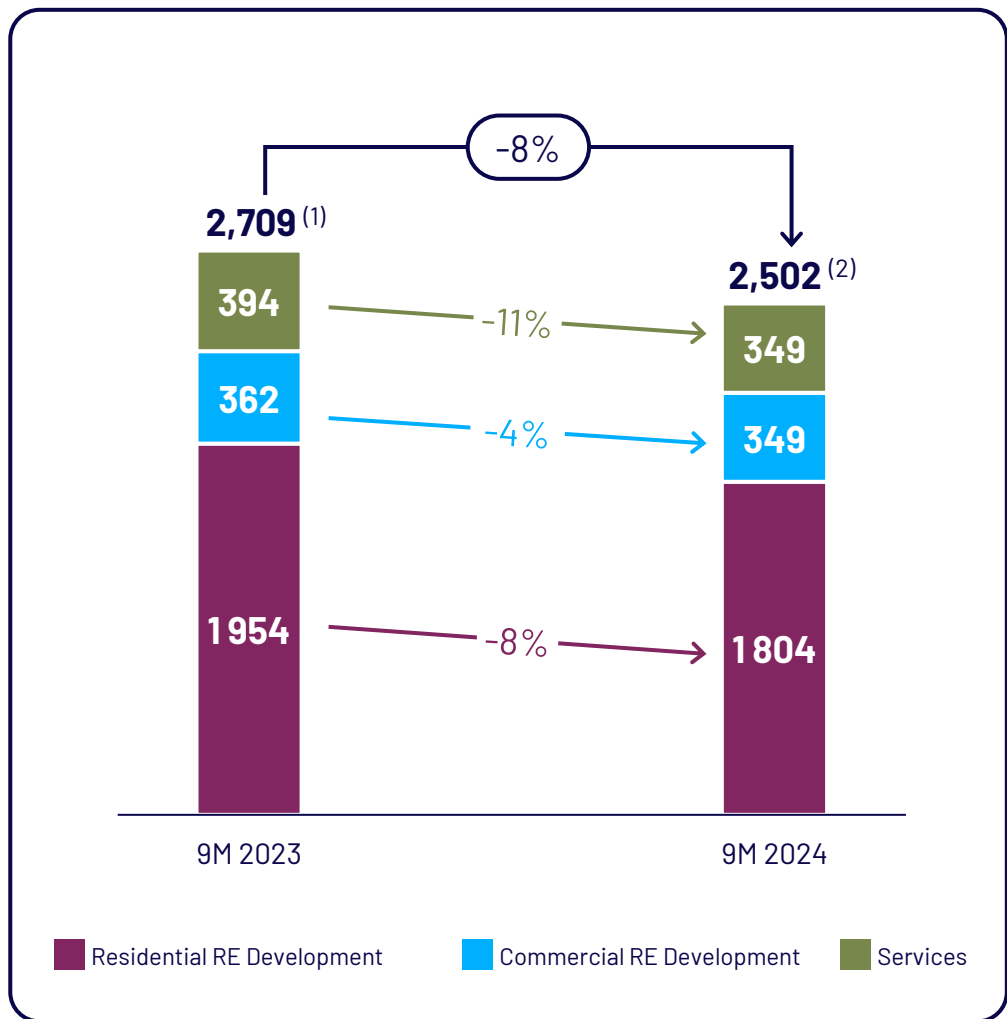


Refocusing nearly complete in Property Management businesses

(1) Rolling 12-month basis – Sites open for more than 12 months – Method used to calculate occupancy rate updated at 1 January 2024 to take into account the inflationary environment and the impact of rent indexation

(2) CBD: Central business district (3) Entered into exclusive negotiations with Crédit Agricole Immobilier on 10 July with a view to selling Nexity Property Management (NPM)

9M 2024 revenue



Total revenue: €2,573m (-13%)
Revenue excl. discontinued operations: €2,502m (-8%)

Residential RE (72% of revenue): -8% (vs 9M 2023)

- Revenue reflecting the decline in business activity from projects underway
- Stabilisation of revenue in Q3

Commercial RE (14% of revenue): -4% (vs 9M 2023)

- Revenue directly related to progress made on major projects
- Reiwa (delivered in Q2), LGC and Carré Invalides (delivered in Q3)
- Also affected by the decline in business activity from projects underway

Services (14% of revenue): -11% (vs 9M 2023)

- Serviced Properties (+4%): 60% of revenue from Services;⁽³⁾ ongoing growth
- Distribution activities affected by the slowdown in the market for individual new home investors



CSR ambition supporting business objectives

Low-carbon trajectory: 2 years ahead of regulatory requirements

Building permit applications filed in 9M 2024



30% outperformance vs RE2020 energy efficiency requirements (on average)



Lilo (Puteaux - Hauts-de-Seine)

- 11,000-sq.m commercial building transformed into coliving space
- Lower carbon footprint: Reuse of existing infrastructure



Recognised expertise and commitment

Nexity **No. 1** in BBCA⁽¹⁾ ranking for the 6th year in a row

1m sq.m of BBCA-certified space since 2016



Essentiel (Lyon - Rhône)

Building able to maintain a stable temperature without the need for a heating/cooling system

(1) BBCA: Low-carbon building (Bâtiment Bas-Carbone)

03

Update on implementation of the transformation plan

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Ongoing proactive implementation of the transformation plan focused on our “4 Rs”



The “4 Rs”: Clear roadmap

Refocusing

Ongoing deleveraging

Resizing

Plan to reduce operating expenses

Recalibrating

Adjusting uncompleted supply
to fit market conditions

Redeploying

Shifting towards a regional, multi-product organisation,
focused on development and urban regeneration



Refocusing: Ongoing deleveraging



Actions to keep WCR under control ⁽³⁾




Refocusing in line with the roadmap

Undrawn credit facility at end-October: €800m (vs €750m at end-June 2024)

(1) Proposal approved at the 2024 Shareholders' Meeting (2) Obligations with regard to financial ratios waived until the 2024 financial year-end (3) Increased selectivity for land purchases, simultaneously starting construction work and signing deeds when land is purchased, and improved customer payment collection thanks to a centralised unit



Resizing: Plan to reduce operating expenses

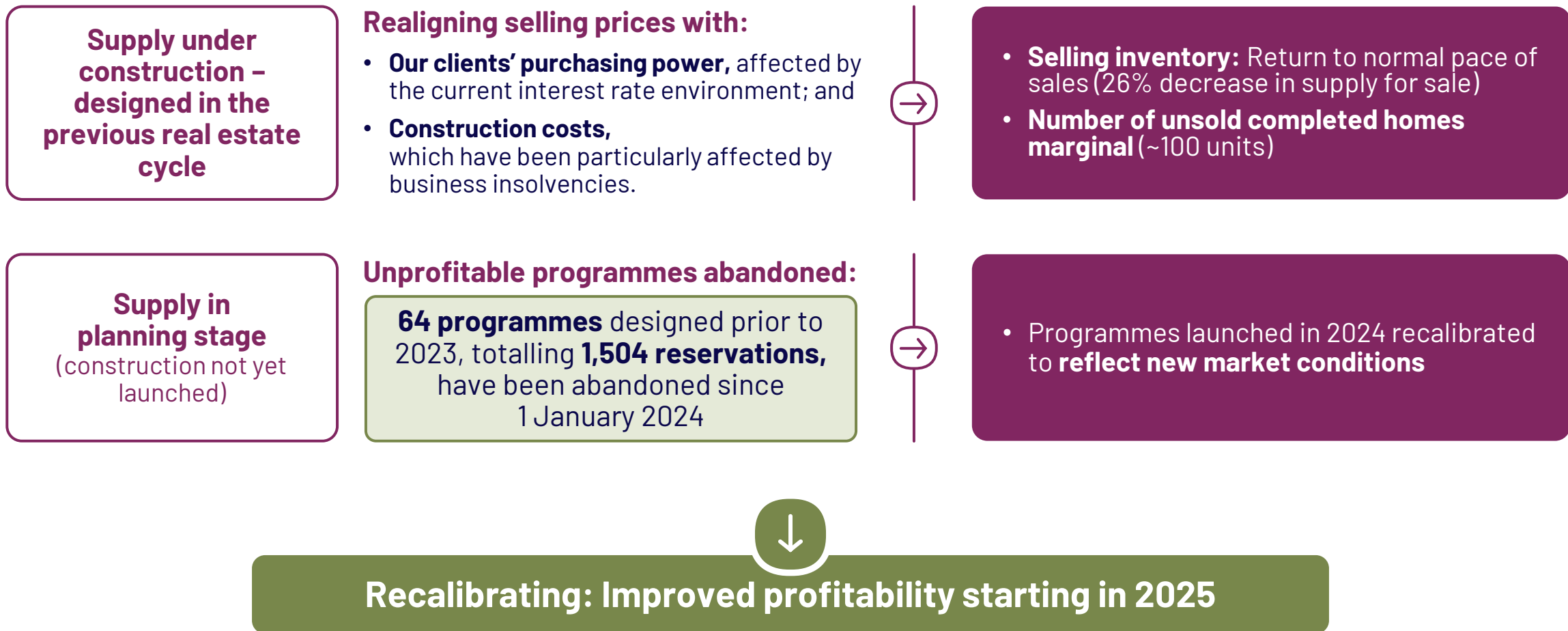
Measures taken	Status	Cost savings (full-year impact, target for 2026)
<p>Payroll</p> <p>Employee departures with positions left unfilled</p> <p>Redundancy plan</p>	<p>Since 2022</p> <div style="border: 1px solid green; padding: 5px; background-color: #e8f5e9;"> <p>Collective agreement signed (unanimously) and approved by the French labour administration</p> <ul style="list-style-type: none"> Operational implementation starting in November 500 positions concerned (275 involuntary departures to date) </div>	<p>€30m</p> <p>€45m</p>
<p>Overhead costs</p>		<p>€15m</p>
<p>Real estate</p>		<p>€5m</p>
		<div style="text-align: center;">  <p>Total: €95m i.e. cost savings of 16%⁽¹⁾ o/w 75% from 2025</p> </div>

(1) Cost savings calculated based on the 2022 cost base



Recalibrating: Adjusting uncompleted supply to fit market conditions

Ongoing implementation of proactive measures to adjust supply during the quarter



Redeploying: Shifting towards a regional, multi-product organisation, focused on development and urban regeneration



240 Commitment Committee projects reviewed since 01/01/2024
17,000 units, of which

>20% urban regeneration

NEW NEXITY:
New organisation fully operational starting 1 January 2025



Ramp-up in urban regeneration



Capitalising on our expertise in development outside the Paris region and our business expertise



Carrefour partnership update: 4 building permit applications to be filed in Q4

First nationwide large-scale urban regeneration project

Upgrading of **74 Carrefour sites**
(outskirts and city centres)

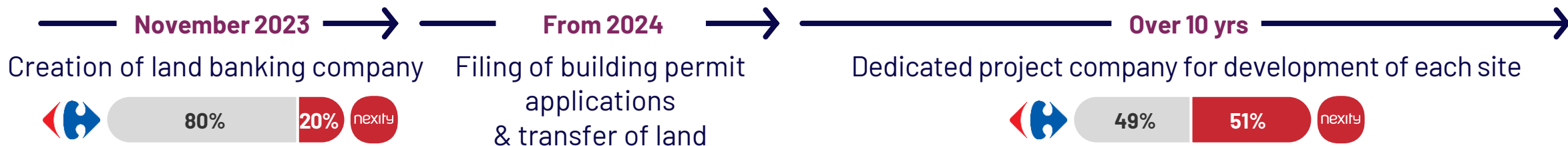
Mixed-use developments
~800,000 sq.m
including **~12,000** homes



Nexity's contribution at termination

100% of revenue: **>€2.0bn**
100% of operating profit: **>€140m**
Net profit: **~50/50⁽¹⁾**

Financial partnership with no impact on the balance sheet during the land banking phase



4 building permit applications expected to be filed by the end of the year⁽²⁾



Example of a potential project under review

Nearly 800 homes, including

- 315 non-social housing units
- 300 student residences
- 100 social housing units

>4,200 sq.m of retail and office space

Forecast revenue: **~€120m**

04

Outlook



Outlook unchanged



Barring any deterioration in the macroeconomic environment

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

FY 2024 results: 27 February 2025



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