

Inmobiliaria

Vinte

2003-2018

15



Earnings  
Release

2Q18

## VINTE REPORTS GROWTH OF 20.5% IN NET INCOME AND 19.0% IN EBITDA DURING 2Q18 WITH A ROE OF 19.4%

Mexico City, Mexico, July 24<sup>th</sup>, 2018. – Vinte Viviendas Integrales S.A.B. de C.V. (BMV: VINTE), a leading home builder in the development and commercialization of sustainable homes in Mexico, announced today its earnings results for the second quarter 2018. The figures presented in this report are expressed in nominal Mexican pesos, are based on internal and non-audited financial statements, prepared in accordance with IFRS and current interpretations, and may include minor differences due to rounding.

### HIGHLIGHTS

- ✦ Vinte reported results in line with its 2018 business model. 2Q18 Consolidated Revenue, EBITDA and Net Income posted double-digit annual growth rates of 20.6%, 19.0% and 20.5%, respectively. At quarter-end 2Q18, ROE stood at 19.4%, increasing by 1.5 percentage points in comparison to 1Q18. On the other hand, LTM Net Margin remained close to its all-time high, at 14.1%.
- ✦ Derived from our flexible business model that embraces a wide offer of housing segments, homes sold revenue from the mid-high income segment (with prices above one million pesos) increased 115.1% YoY and revenue from the low income segment (with prices below Ps.350 thousand) rose 28.1% YoY during 2Q18. The proportion of homes sold with subsidies totaled 7.4%, compared to 3.2% in 2Q17 and 0.7% in 1Q18, as we tapped into the CONAVI's upper cap subsidy.
- ✦ In the first half of 2018, net presales increased 16.2% YoY, while the figure for June 2018 rose 22.8%; thus, encouraging the Company to carry its 2018 Ps.3,000 million investment plan forward, in line with its business plan. During 1H18, investments amounted to approximately Ps.1,649 million, 55% of the annual budget following the pre-sale orders that are part of the housing inventory to be delivered in 3Q18. Net leverage rose to 1.99x, according to the Company's projections and the seasonality of the second quarter.
- ✦ During the period, Vinte settled a cash dividend payment as approved by the Ordinary General Shareholders Meeting, for a total amount of Ps. 209 million, equivalent to Ps.1.12 per share.
- ✦ The Company subscribed a second credit facility with the Industrial and Commercial Bank of China (ICBC), for a total amount of Ps.150 million, while enhanced credit terms (size & cost) with the IFC, Banregio, Santander Actinver and Invex. The maturity schedule was extended to 5.0 years and the available credit lines increased to Ps.890 million. S&P Global Ratings upgraded the Company's credit rating to 'mxA', thus providing a better positioning to improve the diversification of funding sources and reduce financial costs
- ✦ Following its DNA of Corporate Social Responsibility (CSR), Vinte presented its first Annual Sustainability Report, for the full-year 2017: [www.vinte.com/en/anuales](http://www.vinte.com/en/anuales).

## FINANCIAL STATEMENTS SUMMARY

(MXN million)	Income Statement						Margins %			
	2Q18	2Q17	Δ%	LTM 2Q18	LTM 2Q17	Δ%	2Q18	2Q17	LTM 2Q18	LTM 2Q17
Homes (units) and Average Sale Price (thousands)	1,214	1,046	16.1%	4,492	4,302	4.4%	631.6	603.4	697.7	622.7
<b>Revenue</b>	<b>788</b>	<b>654</b>	<b>20.6%</b>	<b>3,289</b>	<b>2,790</b>	<b>17.9%</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Cost of Sales (non-interest bearing)	527	437	20.4%	2,166	1,827	18.6%	66.9	66.9	65.9	65.5
Gross Profit	261	216	20.8%	1,123	964	16.5%	33.1	33.1	34.1	34.5
SG&A and other expenses	104	84	23.6%	371	335	10.7%	13.2	12.8	11.3	12.0
<b>EBITDA</b>	<b>157</b>	<b>132</b>	<b>19.0%</b>	<b>752</b>	<b>628</b>	<b>19.7%</b>	<b>20.0</b>	<b>20.2</b>	<b>22.9</b>	<b>22.5</b>
Depreciation and amortization	6	4	57.6%	23	15	54.0%	0.8	0.6	0.7	0.5
CFR	35	26	31.9%	149	109	36.7%	4.4	4.0	4.5	3.9
Interest in Joint Ventures	2	(1)	Loss to Profit	(2)	(3)	(19.5%)	0.2	(0.1)	(0.1)	(0.1)
<b>Earnings Before Tax</b>	<b>119</b>	<b>102</b>	<b>16.9%</b>	<b>577</b>	<b>501</b>	<b>15.2%</b>	<b>15.1</b>	<b>15.5</b>	<b>17.6</b>	<b>18.0</b>
Income Tax	24	23	4.7%	115	127	(9.3%)	3.0	3.5	3.5	4.5
<b>Net Income</b>	<b>95</b>	<b>79</b>	<b>20.5%</b>	<b>463</b>	<b>375</b>	<b>23.4%</b>	<b>12.0</b>	<b>12.1</b>	<b>14.1</b>	<b>13.4</b>

Financial Ratios	Jun.		Balance Sheet (MXN million)	Jun.	
	2018	2017		2018	2017
ROE	19.4%	18.7%	Cash & Cash Equivalents	257	201
ROIC	20.6%	21.4%	Inventory	4,938	3,807
Interest Coverage	5.05x	5.77x	Gross Debt	1,753	1,237
Gross Debt / EBITDA	2.33x	1.97x	Net Debt	1,496	1,036
Net Debt / EBITDA	1.99x	1.65x	Total Liabilities	3,317	2,383
Total Liabilities / Equity	1.32x	1.05x	Stockholders' Equity	2,505	2,274
Net Debt / Equity	0.60x	0.46x			
Cost of Debt	10.0%	9.1%			
Working Capital Turnover	0.74x	0.76x			
LTM EBITDA per home sold	167k	146k			
LTM Net Income per home sold	103k	87k			

## MESSAGE FROM THE CHAIRMAN

Once again, Vinte's flexible business model constitute the firm ground to grow. The participation of subsidized homes in the homes sold revenue increased from 0.7% in 1Q18 to 7.4% this quarter. Likewise, the revenue stream from low income homes sold (with a price below 350 thousand pesos) was reestablished, from a zero base during the past 3 quarters. Vinte is a competitive company, prepared to turn challenges into opportunities, by tapping into its flexible business model, management, land bank, strict regulatory compliance and commercial footprint (in 6 states in Mexico).

We have a real estate inventory sufficient for the development of approximately 32 thousand homes, with prices ranging from 350 thousand pesos to 3.5 million pesos, among 6 states where we are replicating our model.

Presales have continued to grow in line with our forecasts encouraging us to deploy our investment plan to keep creating sustainable communities, as we have done over the last 15 years (35 thousand homes have been titled as of the date of this report). Today 21% of our sales are conducted through digital platforms, a figure that has doubled vs. the previous year, constituting the path to concentrate our commercial endeavors in the future.

Likewise, according to our strategic approach of developing sustainable communities and promoting technological innovation, we introduced the first Hybrid Zero Carbon House, an unprecedented housing model focused on reducing Mexican households' annual CO<sub>2</sub> emissions by up to half a ton, which will be initially commercialized in our Real Granada development, in Tecamac, State of Mexico. With this prototype, we strengthen our portfolio, as well as reaffirm our commitment to the environment and quality of life within our communities.

In this second quarter, our focus on profitability, coupled with our solid brand positioning and commercial outreach, was reflected in the double-digit growth rates recorded at all lines of the P&L. Consequently, our ROE remained above the 19% mark, in line with our 2018 Guidance.

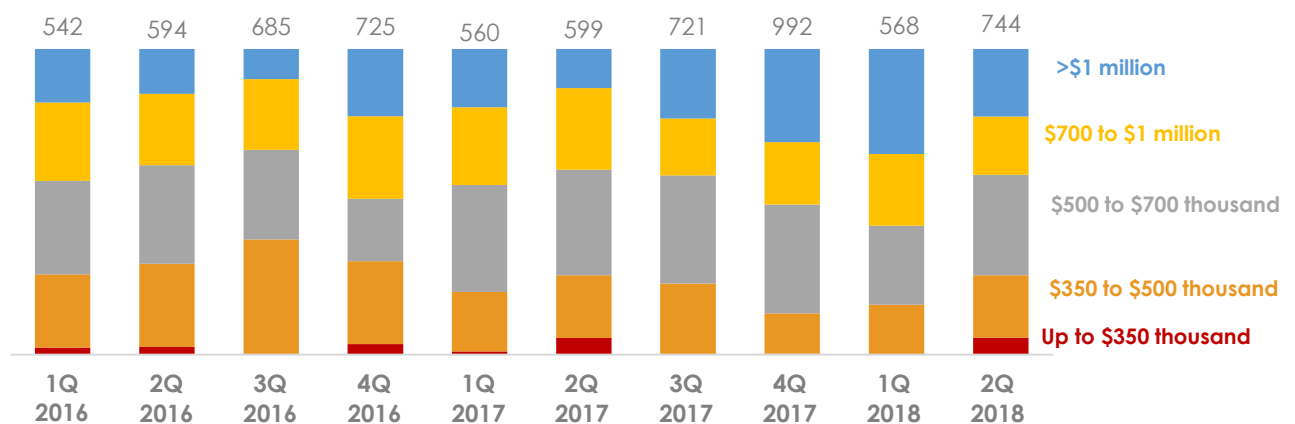
**Sergio Leal Aguirre,**  
Chairman and CEO

## OPERATING RESULTS

### HOMES SOLD REVENUE BREAKDOWN

By segment:

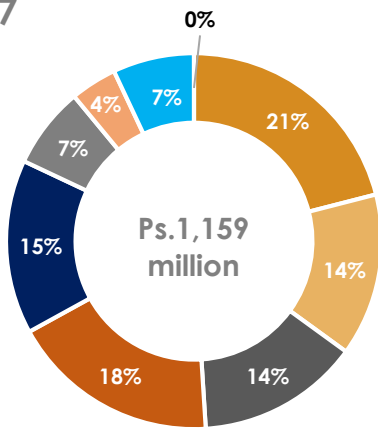
Homes sold revenue (MXN million)



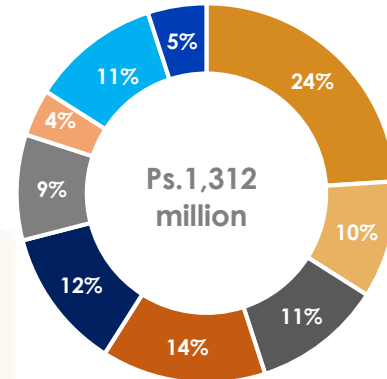
Vinte maintains great flexibility, with a wide offer of housing segments, allowing it to adapt to demand and swiftly adjust its housing mix from quarter to quarter.

By market:

1H17



1H18



↑ 24.2%

- Edo. Mex. (North Mexico City), VIS/VIP\*
- Edo. Mex. (North Mexico City), VIM\*\*
- Pachuca, Hgo.
- Playa del Carmen, Q.Roo
- Queretaro, Qtro., VIS/VIP
- Tula, Hgo.
- Cancun, Q. Roo
- Puebla, Pue.
- Queretaro, Qtro., VIR

- Edo. Mex. (North Mexico City), VIS/VIP\*
- Edo. Mex. (North Mexico City), VIM\*\*
- Pachuca, Hgo.
- Playa del Carmen, Q.Roo
- Queretaro, Qtro., VIS/VIP
- Tula, Hgo.
- Cancun, Q. Roo
- Puebla, Pue.
- Queretaro, Qtro., VIR

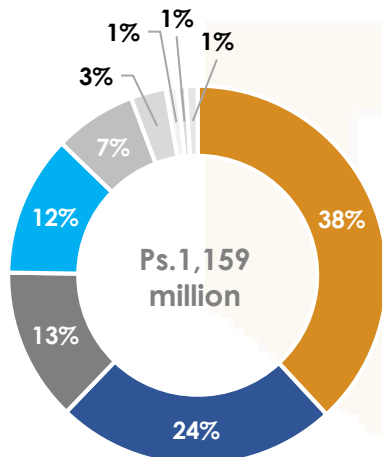
\*Affordable entry-level and Residential homes

\*\*Middle-income homes

By financing:

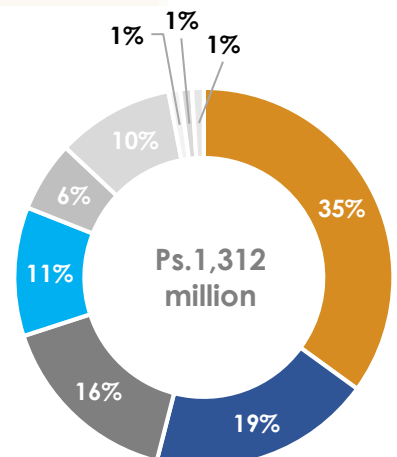
1H17

- Infonavit
- Fovissste
- Banks
- Without mortgage
- Cofinavit
- Misc. (CFE/PEMEX/Army/State/Other)
- Info Total
- Alia2



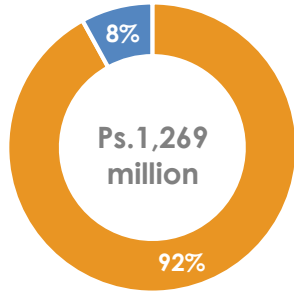
1H18

- Infonavit
- Fovissste
- Banks
- Without mortgage
- Cofinavit
- Misc. (CFE/PEMEX/Army/State/Other)
- Info Total
- Alia2

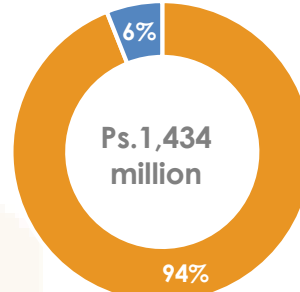


## CONSOLIDATED TOTAL REVENUE

1H17



1H18



↑ 13.0%

■ Homes

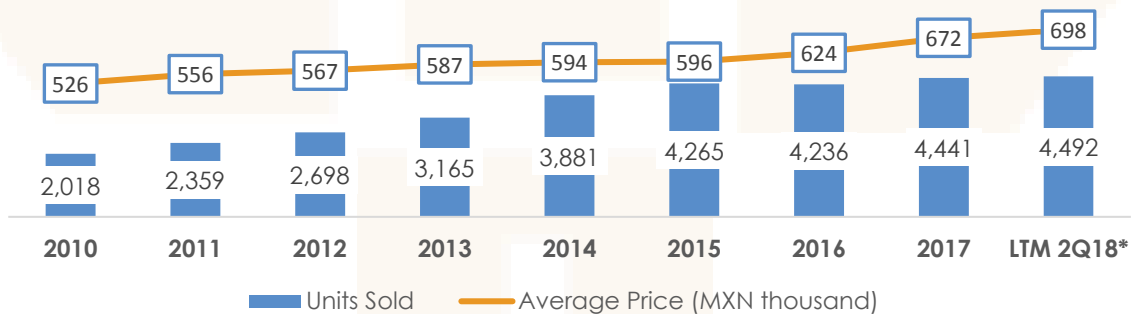
■ Home equipment sales and commercial & residential land plots

■ Homes

■ Home equipment sales and commercial & residential land plots

In 2Q18, Consolidated Total Revenue reached Ps.788 million, an increase of 20.6% versus the Ps.654 million in 2Q17. The segment with the largest contribution in the sales mix was “middle-income”, with prices between Ps.500 thousand and Ps.700 thousand. Total Consolidated Revenue for the period also include Ps.23 million from the sale of housing equipment and technologies and Ps.21 million from the ancillary revenue generated by the sale of commercial and residential land plots plus other services.

## AVERAGE CONSOLIDATED PRICE



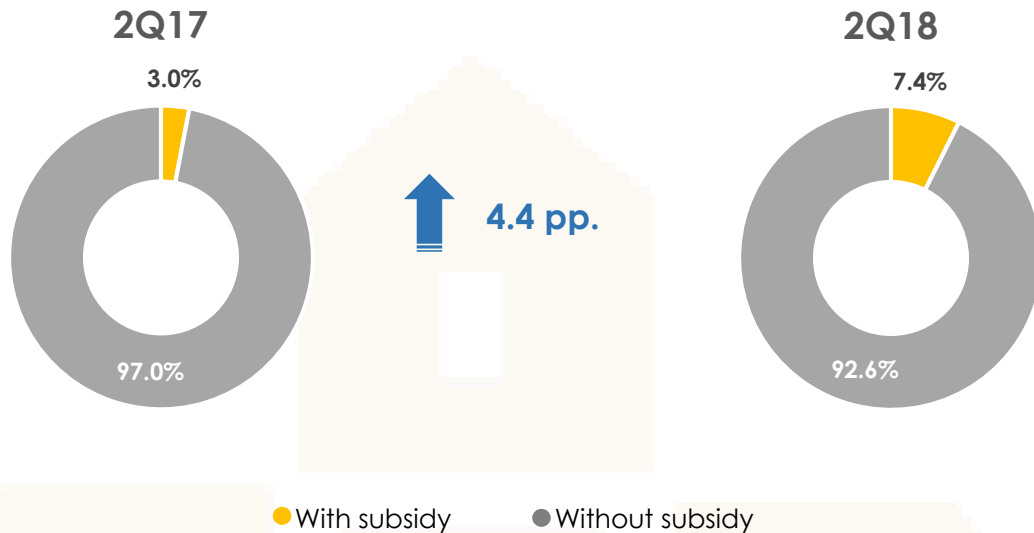
\*With financial information from 2H17 and 1H18.

In 2Q18, the consolidated average price growth (including revenue from equipment sales) slowed down its rising trend, following the higher volume of homes sold in the price range of Ps.500 thousand to Ps.700 thousand, as it was expected.

The consolidated average price increased by 4.7% in 2Q18 when compared to the Ps.603 thousand recorded at the end of 2Q17, amounting to Ps.632 thousand.

**NON-DEPENDENCE ON SUBSIDIES**

**HOMES SOLD WITH SUBSIDIES**



During the quarter, the participation of subsidies in total revenue increased by 7.4% as we tapped into the arisen opportunities of the affordable entry-level segment, in line with Vinte's flexibility oriented to gear its offer towards the final customer needs. Nevertheless, the Company's level of titled homes with subsidies remains as one of the healthiest in the industry. On a year-to-date basis, the participation of homes sold with subsidies in the housing revenue was 4.4%.

The minimum exposure to subsidies of Vinte allows it to maintain stable results, which coupled with its high degree of operating flexibility, expand the chances to capitalize on the opportunities that may surge from the announced change in the national housing policy, taking place with the coming of the new federal administration by December this year.



## FINANCIAL PERFORMANCE

### INCOME STATEMENT

#### Gross Profit (MXN million)

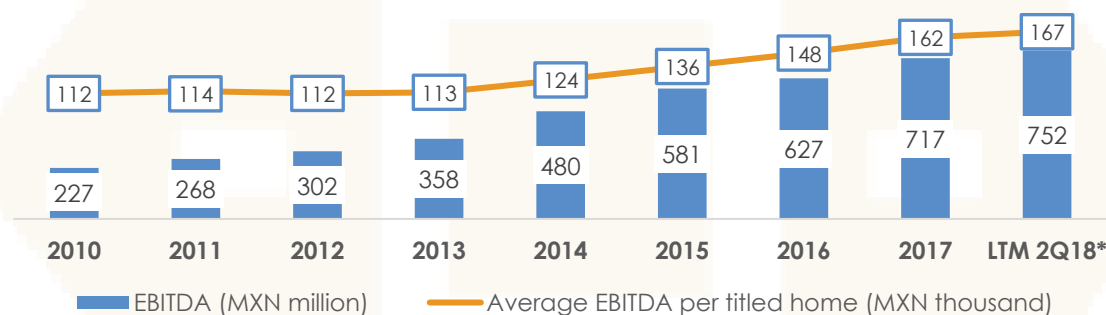
2Q18 Gross Profit rose to Ps.261 million from Ps.216 million in 2Q17, increasing 20.8% YoY. On the other hand, Gross Margin was 33.1% in 2Q18, flat vs. that recorded in 2Q17. The cost of sales does not consider Ps.17 million and Ps.16 million associated to capitalized interests on inventory during 2Q18 and 2Q17, respectively.

#### Selling, General and Administrative Expenses and Other Expenses

SG&A and Other Expenses increased 23.6% in 2Q18 versus 2Q17, totaling Ps.104 million, derived from the incremental expenses associated with the higher number of homes sold this quarter, as well as the startup of operations in Monterrey, Nuevo Leon, which expect first homes titled in 2019.

In 2Q18, the proportion of SG&A and Other Expenses to Revenue showed a slight increase of 40 bps., from 12.8% in 2Q17 to 13.2% this quarter.

#### EBITDA



\* With financial information from the 2H17 and 1H18.

2Q18 EBITDA was Ps.157 million, up 19.0% when compared to the Ps.132 million recorded in 2Q17. During the quarter, average EBITDA per titled home amounted to Ps.130 thousand, an increase of 2.5% when compared to that of 2Q17. On the other hand, 2Q18 LTM EBITDA increased 19.7% versus the Ps.628 million in 2Q17, totaling Ps.752 million.

#### Comprehensive Financial Result (CFR):

CONCEPT (MXN million)	2Q18	2Q17	Δ%	1H18	1H17	Δ%
Capitalized interests	17	16	7.9	31	30	3.2
Interest Income	(4)	(4)	(7.3)	(7)	(8)	(10.8)
Financial Expenses	21	15	46.8	40	29	39.2
<b>Total CFR</b>	<b>35</b>	<b>26</b>	<b>31.9</b>	<b>64</b>	<b>51</b>	<b>25.8</b>
<b>CFR to Revenue</b>	<b>4.4%</b>	<b>4.0%</b>	<b>0.4 pp.</b>	<b>4.4%</b>	<b>4.0%</b>	<b>0.4 pp.</b>

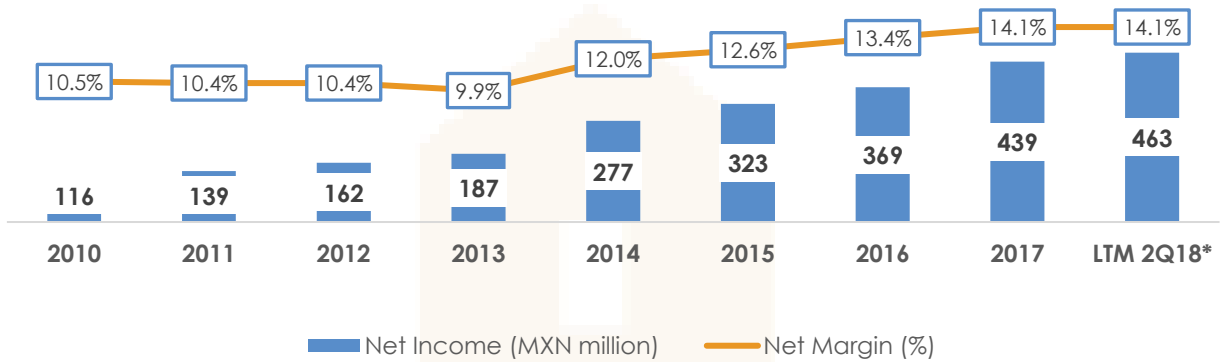
The Comprehensive Financial Result (CFR) to Revenue ratio stood at 4.4% in 2Q18, reaching Ps.35 million, vs. the 4.0% in 2Q17. This expansion is attributable to the increase in the Mexican Interbank Interest Rate (TIIE, by its Spanish acronym) over the last 12 months, as well as a greater balance of the outstanding debt (used to finance the Company's business plan). This effect was offset, on the one hand, by the interest rate reduction achieved in some credit lines and the fixed rate portion of the debt recorded since 2012 (26% at quarter-end), on the other.



**Income Tax:**

2Q18 Income Tax increased 4.7% vs. the Ps.23 million registered in 2Q17, totaling Ps.24 million. At quarter-end, the effective tax rate for the Company stood at 20.1%, down 2.3 pp. when compared to 22.4% in 2Q17, due to the profits reinvestments.

**Net Income:**



\* With financial information from the 2H17 and 2H18.

2Q18 Net Income amounted to Ps.95 million, representing an increase of 20.5% YoY. Likewise, LTM Net Income increased 23.4% in 2Q18, reaching Ps.463 million when compared to the Ps.375 million recorded in the same period last year. On the other hand, 2Q18 LTM Net Margin remained close to its all-time high, at 14.1%. During the quarter, Net Income per home sold registered an annual increase of 3.8%.

## STATEMENT OF FINANCIAL POSITION

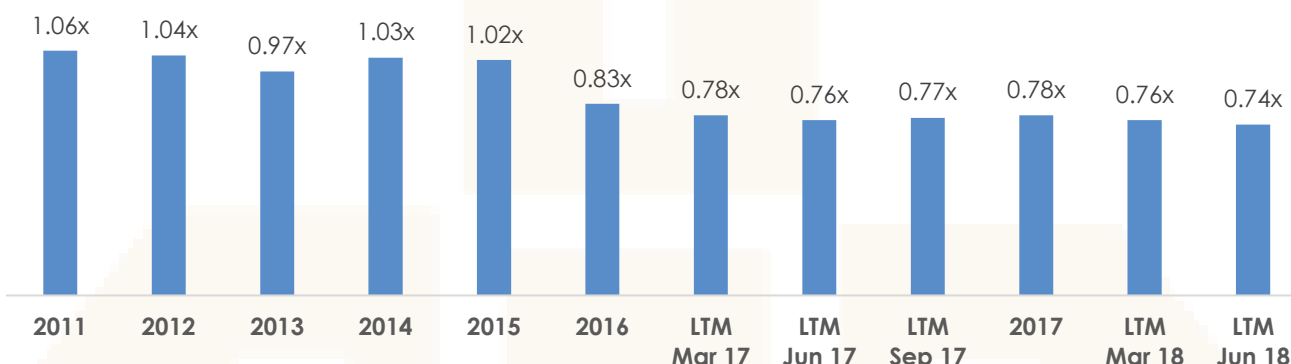
### Cash and Cash Equivalents:

Vinte seeks to maintain an available cash balance equal to 6 - 7 weeks of sales and financial expenses. We consider that this amount constitutes an appropriate balance between the financial stability required to face any unpredicted contingency and the maximization of the productive use of the Company's financial resources. Cash and cash equivalents balance at the end of 2Q18 was Ps.257 million, compared to Ps.201 million in 2Q17, an increase of 27.5%. As of June 30, 2018, cash and cash equivalents balance was about 6 weeks of sales and financial expenses, in line with our liquidity policy.

### Working Capital Turnover:

Vinte's approach to closely monitor the performance of working capital has boosted continuous growth and reduced financial and operating risk.

Working Capital Turnover = LTM Revenue / (accounts receivable + long and short-term inventories – accounts payable – customer advances)



During 2Q18, working capital turnover registered a slight decrease of 0.02 times, both in a sequential and annual basis, falling to 0.74 times, from the 0.76 times recorded in 2Q17, as the Company's 2018 investment program of up to Ps.3,000 million is still in the build-up phase.

### Inventories:

As of June 30, 2018, total inventory balance was Ps.4,938 million, an increase of 29.7% when compared to the Ps.3,807 million recorded in the same period last year. This growth is mainly attributed to the construction works at our different developments, as well as the increase in land bank for the development of new housing projects, including infrastructure and urbanization.

It is important to mention that Vinte's inventory is recorded at acquisition cost, therefore its market value might be substantially higher, considering the inflationary effect since its acquisition and the homes price appreciation that presents Vinte's developments.

### Debt:

Concept (MXN million)	2Q18	2Q17	Δ%
Net Debt	1,496	1,036	44.5
Gross Debt	1,753	1,237	41.7

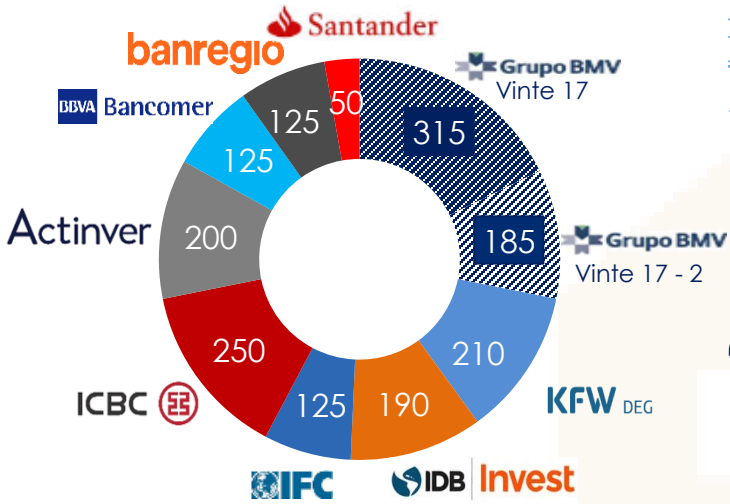
At the end of June 2018, Vinte's outstanding debt balance was Ps.1,775 million and, discounting the issuance costs in accordance with IFRS, reached Ps.1,753 million. During the quarter, gross debt increased 41.7% due to the use of credit lines for financing the Company's land acquisition, construction works and other working capital items.

Vinte's total debt is 100% denominated in Mexican pesos. At quarter-end 2Q18, approximately 23% of the Company's gross debt (26% in net debt terms) was contracted at a weighted average fixed rate of 9.2%.

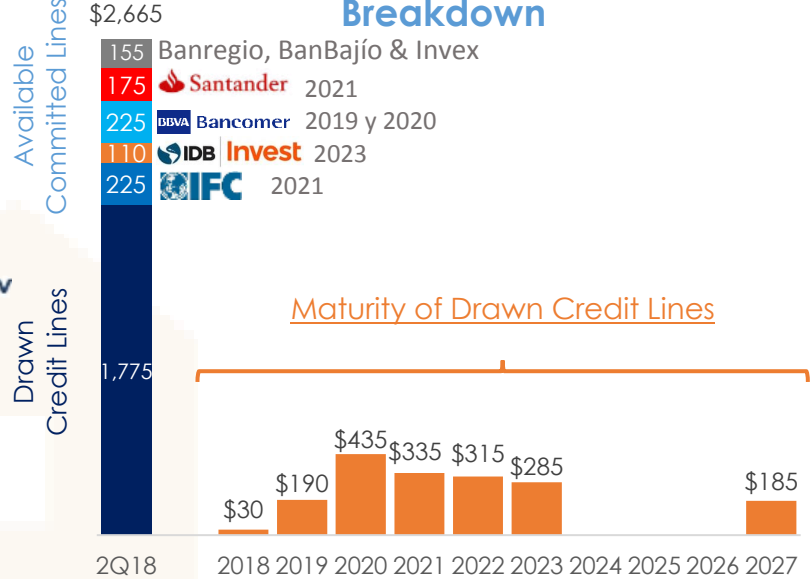
During this quarter, we subscribed a second credit facility with the Industrial and Commercial Bank of China (ICBC), for a total amount of Ps.150 million, which will be primarily used for the development of housing projects.

The average term of the debt is 5.0 years. The balance of debt due 2018 and 2019 amounted to Ps.30 million and Ps.190 million, respectively.

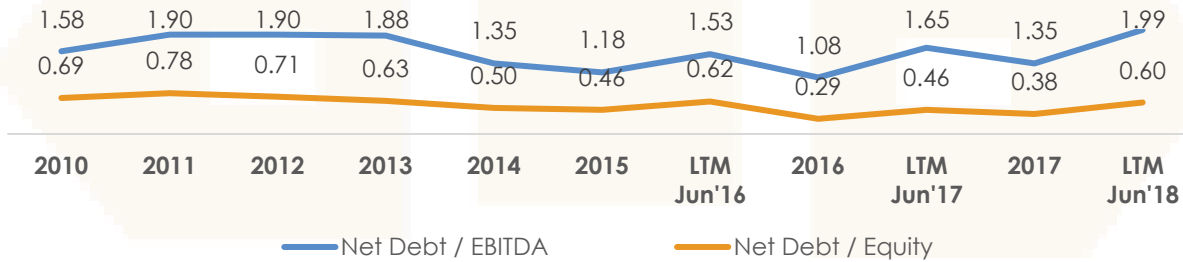
### Debt Breakdown by Bank (Ps.1,775 million)



### Committed Financing Breakdown

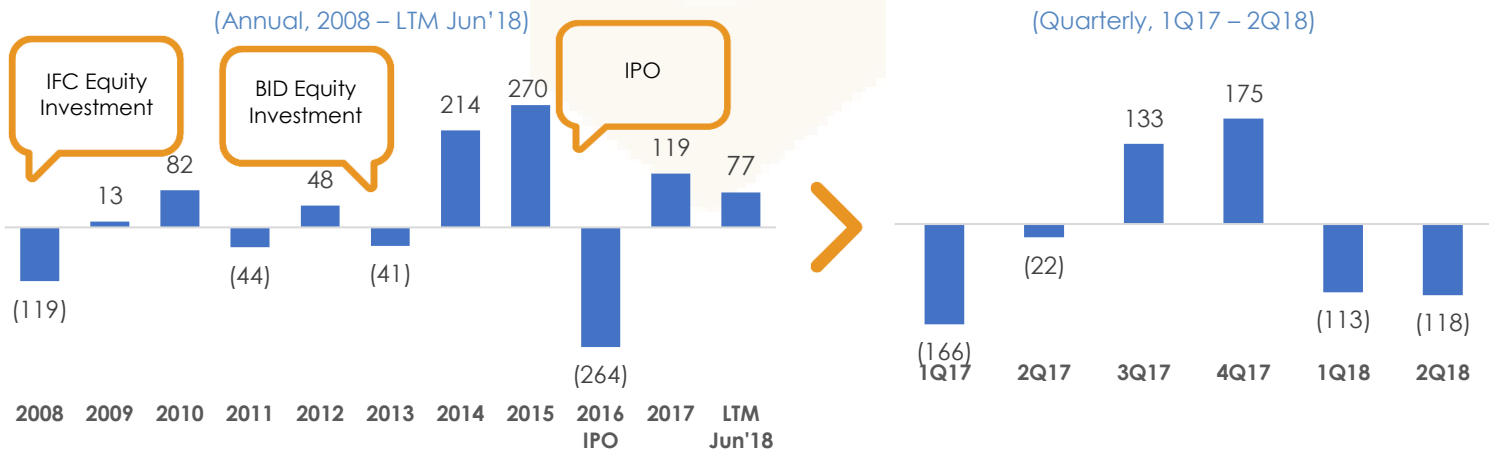


The level of indebtedness as of 2Q18, measured as Net Debt / EBITDA and Net Debt / Stockholders' Equity, registered a year-on-year expansion, from 1.65x to 1.99x and from 0.46x and 0.60x, respectively. These variations are mainly explained by the progress of the Company's 2018 investment plan and the utilization of the proceeds from the subscribed credit lines, for the completion and development of our different projects during the quarter.



### Free Cash Flow from Operations:

At the end of 2Q18, cash flow from operations was Ps.-118 million, reflecting the investments made and the progress in the development of our affordable-entry level, middle-income and residential housing projects this quarter. YTD, the Company registered a positive cash flow of Ps.77 million, vs. the negative figure of Ps.341 million recorded in the same period last year.



\*\*\*\*\*

## ADDITIONAL INFORMATION

### RECENT DEVELOPMENTS

- ✦ On July 23<sup>th</sup>, 2018, Vinte carried out the capitalization of an inter-company payable account for Ps.860 million in the Balance Sheet of its main subsidiary, Promotora de Viviendas Integrales, S.A. de C.V. This capitalization was performed as Vinte, the Holding Company, obtains resources through financing and capital emissions, but investments are deployed by its main operating subsidiaries (mainly from Promotora). Consequently, Vinte has been ongoingly originating inter-company loans for significant amounts.
- ✦ On June 29<sup>th</sup>, 2018, Vinte announced the signing of a market maker services contract with Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander Mexico, for a 6-month period, starting July 2<sup>nd</sup>, 2018, which will be automatically renewed for equal periods if none of the parties pursue the termination of the contract of services.
- ✦ On May 31<sup>st</sup>, 2018, Vinte announced the publication of its first Annual Sustainability Report for the year 2017, clearly showing the Company's social and environmental commitment. This report is now available for download in the following link: [www.vinte.com/en/anuales](http://www.vinte.com/en/anuales).
- ✦ On May 8<sup>th</sup>, 2018, Vinte announced the signing of an amendment agreement to the outstanding credit facility subscribed with the International Finance Corporation (IFC), for a total amount of Ps.350 million, bringing down the interest rate from TIIE + 2.73% to TIIE + 1.68%, and obtaining other improvements in the terms of the credits. This amendment reflects Vinte's remarkable performance over its 10-year relationship with the IFC.
- ✦ On May 4<sup>th</sup>, 2018, S&P Global Ratings upgraded Vinte's National Scale Long-Term Issuer Credit Rating from 'mxA-' to 'mxA' with stable outlook.
- ✦ In May 2018, Vinte settled a cash dividend payment, for a total amount of Ps. 212 million, with charge against the Accumulated Consolidated Taxable Net Income as of December 31<sup>st</sup>, 2017, at a rate of Ps.1.12 for each of its 189,153,981 outstanding shares.
- ✦ On April 30<sup>th</sup>, 2018, Vinte announced that it entered into a second credit facility with the Industrial and Commercial Bank of China (ICBC), for a total amount of Ps.150 million, at an interest rate of TIIE + 1.95%, due December 31<sup>th</sup>, 2020. This loan was subscribed to enhance Vinte's financing profile and strengthen its relationship with institutional banks such as the ICBC.

### ANALYST COVERAGE

Institution	Analyst	Email	T.P.	Recommendation
<b>Actinver</b>	Ramon Ortiz Reyes	<a href="mailto:rortiz@actinver.com.mx">rortiz@actinver.com.mx</a>	Ps.31.00	Buy
<b>Citigroup</b>	Alejandro Lavin	<a href="mailto:alejandro.lavin@citi.com">alejandro.lavin@citi.com</a>	Ps.30.00	Neutral
<b>UBS</b>	Marimar Torreblanca	<a href="mailto:marimar.torreblanca@ubs.com">marimar.torreblanca@ubs.com</a>	Ps.30.00	Buy

### ABOUT VINTE

Vinte is a vertically integrated Mexican home builder with a clear focus on profitability. For more than a decade it has been dedicated to developing residential complexes for middle-income families, focused on improving their quality of life, a commitment for which it has received multiple national and international awards. Vinte has developed more than 35 thousand homes across five states of Mexico, mainly in the center of the country, achieving a high level of loyalty amongst its clients and extensive brand recognition in the markets in which it operates. Vinte's highly-qualified management team has over 25 years of experience in the Mexican housing sector.

## FORWARD-LOOKING STATEMENTS

"This document contains certain statements related to the comprehensive overview of Vinte Viviendas Integrales (VINTE) regarding its activities to the present day. The information included in this document is a summary of information regarding VINTE which is not intended to cover all related information about VINTE. The information contained in this document has not been included to provide specific advice to investors. The statements contained herein reflect the current views of VINTE with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause future results, performance or achievements of VINTE be different from those expressed or implied by such forward looking statements, including, among others, economic or political changes and global business conditions, changes in exchange rates, the overall level of the industry, changes in housing demand, prices of raw materials, etc. If one or more of these risks occur, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. VINTE does not intend nor assume any obligation to update the statements presented in this document."

## CONFERENCE CALL



# CONFERENCE CALL 2Q18



**Date:** Wednesday, July 25<sup>th</sup>, 2018

**Time:** 11:00 a.m. (CST, Mexico City)  
12:00 p.m. (EST, NYC)

**Presenters:**

Sergio Leal – CEO  
Domingo Valdes – CFO  
Gonzalo Pizzuto – Finance Team

**Dial-in number:**

USA / International:  
Tel: 1-334-323-7224

**Mexico:**

Tel: 001 334-323-7224

**Passcode:**

VINTE

**MP3 Recording:**

Available 60 min. after the  
conference call at:  
[www.vinte.com](http://www.vinte.com)

**2Q18 earnings  
release date:**

Tuesday, July 24<sup>th</sup>, 2018  
(after market close)

**Additional  
information:**

[www.vinte.com](http://www.vinte.com)  
gonzalo.pizzuto@vinte.com  
+52 (55) 9171-2008

## VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30<sup>TH</sup>, 2018 AND 2017  
(THOUSANDS OF MEXICAN PESOS)

ASSETS	JUN 30, 2018	JUN 30, 2017	Δ%
<b>CURRENT ASSETS:</b>			
Cash, cash equivalents and restricted cash	256,679	201,364	27.5
Accounts receivable	287,520	313,615	(8.3)
Accounts receivable from Mayakoba Trust No CIB/2185	26,850	11,206	139.6
Inventory	3,135,153	2,505,849	25.1
Prepayments and other assets	136,891	205,207	(33.3)
<b>TOTAL CURRENT ASSETS</b>	<b>3,843,093</b>	<b>3,237,241</b>	<b>18.7</b>
<b>NON-CURRENT ASSETS:</b>			
Inventory	1,802,475	1,301,559	38.5
Prepayments	4,776	-	-
Property, plant and equipment	51,016	43,402	17.5
Investments in Trust and Joint Ventures	52,750	55,066	(4.2)
Other non-current assets	23,084	19,955	15.7
Long-term receivables from sale of commercial lots	44,787	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,978,889</b>	<b>1,419,983</b>	<b>39.4</b>
<b>TOTAL ASSETS</b>	<b>5,821,981</b>	<b>4,657,223</b>	<b>25.0</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Current portion of long-term debt subscribed with financial institutions	160,000	70,000	128.6
Current portion of local notes (CEBURES)	-	-	-
Obligations secured by sales of future receivables contracts	82,586	37,904	117.9
Accounts payable to land suppliers	236,922	11,289	>100.0
Accounts payable to suppliers	246,758	170,684	44.6
Dividends payable	-	83,018	(100.0)
Various creditors, subcontractors and others	161,063	117,231	37.4
Customer prepayments	149,379	145,037	3.0
Accumulated expenses and taxes	102,154	70,012	45.9
Income tax	7,221	-	-
Profit sharing payables	2,764	2,646	4.5
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,148,848</b>	<b>707,823</b>	<b>62.3</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt	1,102,162	480,480	129.4
Long-term local notes (CEBURES)	490,962	686,419	(28.5)
Accounts payable to land suppliers	-	-	-
Employee benefits	2,380	1,700	40.0
Deferred income tax	572,580	506,786	13.0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,168,084</b>	<b>1,675,384</b>	<b>29.4</b>
<b>TOTAL LIABILITIES</b>	<b>3,316,931</b>	<b>2,383,207</b>	<b>39.2</b>
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock	862,281	862,281	0.0
Reserve for share repurchase	37,260	61,150	(39.1)
Retained earnings of previous years	1,421,741	1,190,218	19.5
Fiscal year performance	183,767	160,367	14.6
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,505,049</b>	<b>2,274,016</b>	<b>10.2</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>5,821,981</b>	<b>4,657,223</b>	<b>25.0</b>

## VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
JUNE 30<sup>TH</sup>, 2018 AND 2017  
(THOUSANDS OF MEXICAN PESOS)

	2Q18	2Q17	Δ%	1H18	1H17	Δ%
<b>REVENUE</b>	<b>787,871</b>	<b>653,533</b>	<b>20.6</b>	<b>1,434,374</b>	<b>1,269,138</b>	<b>13.0</b>
Cost of Sales	543,703	453,056	20.0	985,946	873,943	12.8
<b>GROSS PROFIT</b>	<b>244,169</b>	<b>200,478</b>	<b>21.8</b>	<b>448,428</b>	<b>395,194</b>	<b>13.5</b>
SG&A	108,830	90,429	20.3	188,230	167,873	12.1
Other Expenses (Income), net	870	(2,707)	(132.1)	(315)	(3,939)	(92.0)
<b>OPERATING INCOME</b>	<b>134,469</b>	<b>112,756</b>	<b>19.3</b>	<b>260,513</b>	<b>231,261</b>	<b>12.6</b>
Comprehensive Financial Result	17,659	10,531	67.7	32,862	20,749	58.4
Interest in Joint Ventures	1,967	(650)	(402.6)	2,273	(846)	(368.8)
<b>EARNING BEFORE TAX</b>	<b>118,777</b>	<b>101,575</b>	<b>16.9</b>	<b>229,925</b>	<b>209,666</b>	<b>9.7</b>
Income Tax	23,839	22,779	4.7	46,158	49,299	(6.4)
<b>CONSOLIDATED NET INCOME</b>	<b>94,938</b>	<b>78,796</b>	<b>20.5</b>	<b>183,767</b>	<b>160,367</b>	<b>14.6</b>



## VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOW AS OF JUNE 30<sup>TH</sup>, 2018 AND 2017  
(THOUSANDS OF MEXICAN PESOS)

	1H18	1H17	Δ%
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit (loss) before income tax	229,925	209,666	9.7%
Adjusted for:			
Depreciation and amortization of intangible assets	11,598	7,344	57.9%
Amortization of debt issuance costs	7,652	5,786	32.2%
Asset retirement	52	191	(72.6%)
Interests in Joint Ventures	(2,273)	846	(368.8%)
Interest expense	58,177	8,720	567.2%
Interest received	(5,029)	-	-
<b>Sum</b>	<b>300,102</b>	<b>232,553</b>	<b>29.0%</b>
<b>CHANGES IN WORKING CAPITAL:</b>			
Decrease (increase) in accounts receivable	31,444	12,210	157.5%
Decrease (increase) in real estate inventories	(738,518)	(346,292)	113.3%
Decrease (increase) in other accounts receivable and other current assets	54,838	(29,922)	(283.3%)
Increase (decrease) in suppliers	74,995	(67,421)	(211.2%)
Increase (decrease) in other liabilities	62,032	67,262	(7.8%)
Income tax paid or benefited	(7,657)	(35,946)	(78.7%)
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>(522,868)</b>	<b>(400,108)</b>	<b>30.7%</b>
<b>Net cash flows from (used in) operating activities</b>	<b>(222,766)</b>	<b>(167,555)</b>	<b>33.0%</b>
<b>CASH FLOWS FOR INVESTMENT ACTIVITIES:</b>			
Investment in property, plant and equipment	(9,099)	(8,912)	2.1%
Investments in Trusts and Joint Ventures	-	-	
Advance payments	-	-	
Payments for other assets	-	-	
<b>NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES</b>	<b>(9,099)</b>	<b>(8,912)</b>	<b>2.1%</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES:</b>			
Increase in Capital	-	-	-
Increase in bank financing	1,709,677	1,634,907	4.6%
Share repurchase	(14,682)	(28,530)	(48.5%)
Decrease in bank financing	(1,214,677)	(1,278,059)	(5.0%)
Obligations for sale of future collection rights contracts	(5,935)	(56,377)	(89.5%)
Payment of obligations for sale of future collections rights contracts	-	-	
Expenses for placement of debt instruments	(2,483)	(20,977)	(88.2%)
Dividends paid	(209,029)	(81,982)	155.0%
Interests paid	(58,177)	(8,720)	567.2%
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	<b>204,695</b>	<b>160,263</b>	<b>27.7%</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(27,171)</b>	<b>(16,204)</b>	<b>67.7%</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>283,849</b>	<b>217,568</b>	<b>30.5%</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>256,678</b>	<b>201,364</b>	<b>27.5%</b>