

# 2Q20 EARNINGS CONFERENCE CALL



Los Mejores  
Lugares para  
Trabajar

Great  
Place  
To  
Work.

MÉXICO  
2020





# AGENDA

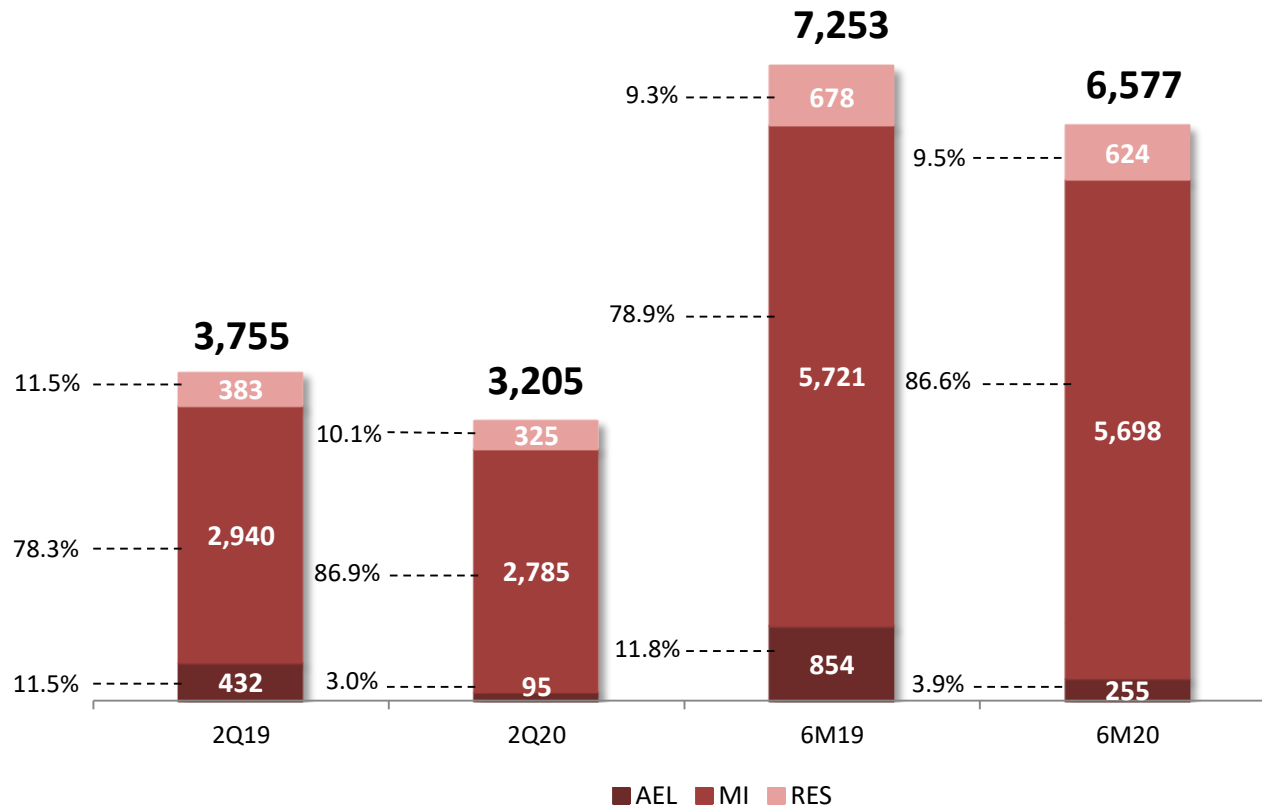
- 2Q20 Financial Results
- Outlook
- Q&A Session

# 2Q20 Financial Results

## Units Sold

# of units and % of sales mix

Var. 2Q20 vs. 2Q19: **-14.6%**  
 Var. 6M20 vs. 6M19: **-9.3%**

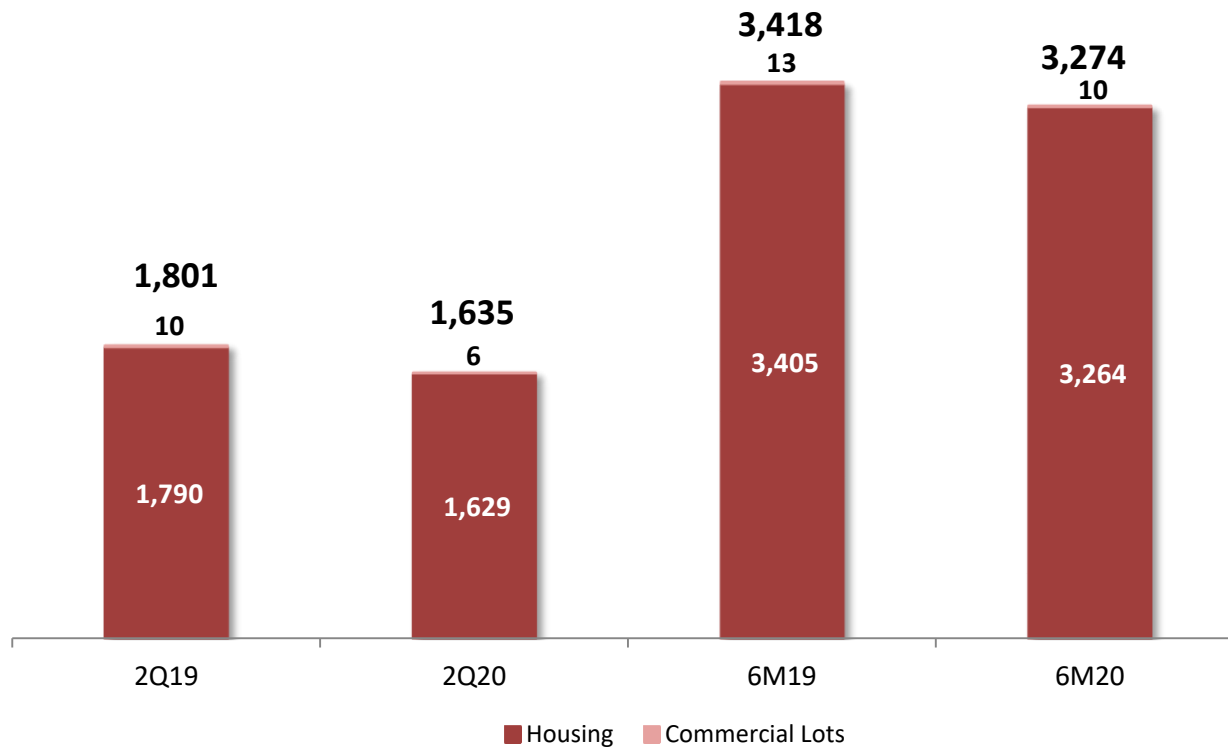


# 2Q20 Financial Results

## Revenues

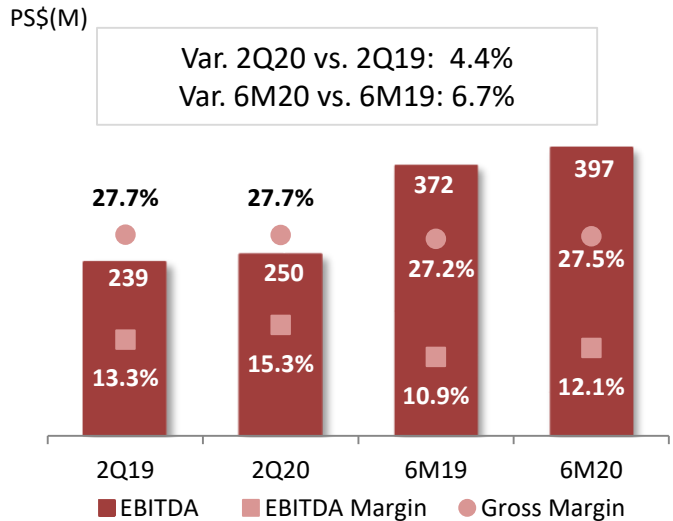
PS\$(M)

Var. 2Q20 vs. 2Q19: -9.2%  
Var. 6M20 vs. 6M19: -4.2%

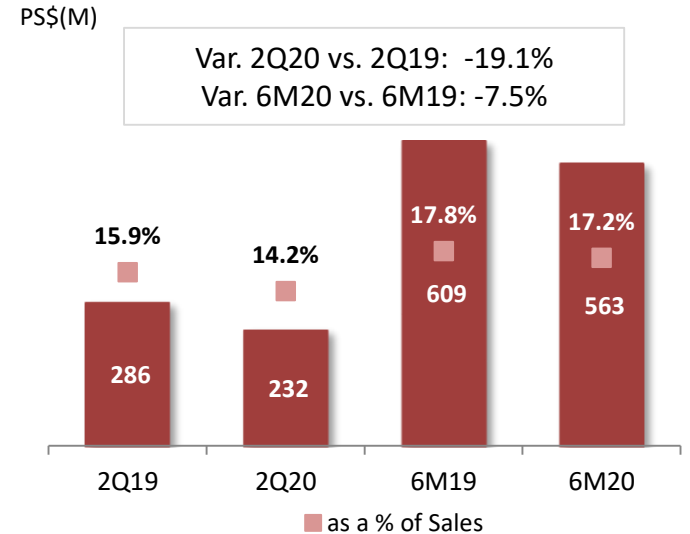


# 2Q20 Financial Results

## EBITDA and Margins



## SG&A



## Average Sales Price

PS\$(K)

Var. 2Q20 vs. 2Q19: 6.6%  
Var. 6M20 vs. 6M19: 5.7%

	2Q19	2Q20	6M19	6M20
AEL	275.5	264.4	273.6	268.7
Middle Income	400.5	423.8	401.7	416.9
Residential	1,289.4	1,303.1	1,288.6	1,313.9
<b>Average Sales Price per Unit</b>	<b>476.8</b>	<b>508.2</b>	<b>469.5</b>	<b>496.3</b>

# 2Q20 Financial Results

## Working Capital Cycle

	June 2019		June 2020	
	PS\$ (M)	Days	PS\$ (M)	Days
Trade Accounts Receivable	905	44	778	39
Inventory (Work in Progress)	3,878	257	4,115	285
Inventory (Land Reserves)	1,494	99	1,473	102
Suppliers	1,526	101	1,341	93
Customer Advances	38	3	54	3
<b>Working Capital</b>	<b>4,713</b>	<b>296</b>	<b>4,971</b>	<b>330</b>
LTM Sales	7,477		7,230	
LTM Cost of Goods Sold	5,491		5,257	

LTM= last 12 monthbs

# 2Q20 Financial Results

## Free Cash Flow

Var. 2Q20 vs. 2Q19: 180.4%  
Var. 6M20 vs. 6M19: 382.6%

PS\$ (M)	2Q19	2Q20	6M19	6M20
EBITDA	239	250	372	397
(+) Land included in COGS	163	152	307	296
(+-) Changes in Working Capital	(14)	16	81	(115)
Cash Interest	(134)	(134)	(260)	(273)
Cash Taxes	(39)	(41)	(48)	(70)
Land CAPEX	(152)	(69)	(440)	(202)
Equipment CAPEX	(2)	0	(5)	(2)
<b>Free Cash Flow</b>	<b>62</b>	<b>173</b>	<b>6</b>	<b>31</b>

# 2Q20 Financial Results

## Debt and Financial Ratios

PS\$(M)

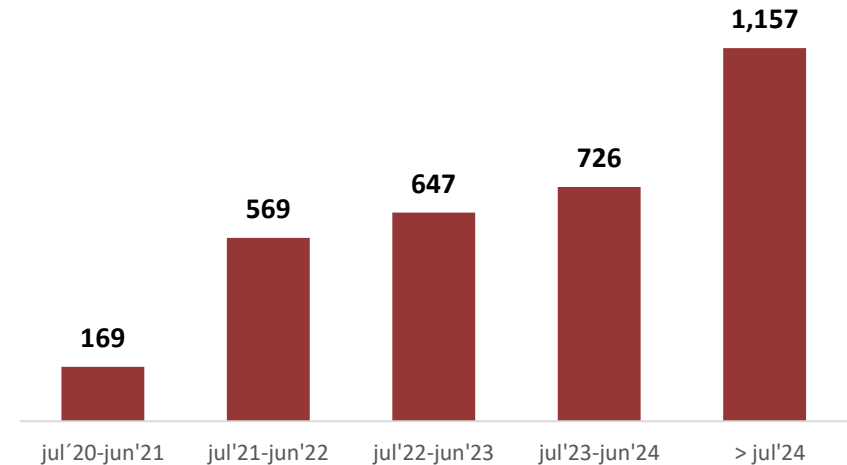
<b>TOTAL DEBT</b>	<b>3,324</b>
CASH AND CASH EQUIVALENTS	514
<b>NET DEBT</b>	<b>2,810</b>
TOTAL DEBT*/ LTM EBITDA	3.41
NET DEBT / LTM EBITDA	2.87
Available Cash Flow to total debt service	1.75
Assets to total debt **	2.12

\* Total debt: For the US. 21 million of the syndicated loan, the conversion rate used is 19.17 MXP/USD, which is the FX negotiated in the hedge contract.

\*\* Assets: (Cash, cash equivalents and restricted cash + Short and long-term Accounts Receivable + Inventories + Land Held for future development) / Total Debt

## Debt Maturity Profile

PS\$(M)





# OUTLOOK

## INFONAVIT

The Institute extended the deadline, until **August 31, 2020**, to receive applications and support beneficiaries with the measures implemented before COVID-19. Workers who lost their job or suffered a wage cut may apply for up to three months of **Unemployment Insurance** or request **extensions of their monthly payments** under the same term, freezing the outstanding credit balance and without capitalizing interests, or a combination of both measures.

## FOVISSSTE

The agency launched “**FOVISSSTE para Todos**” program, which enables state workers to obtain a mortgage loan with FOVISSSTE, co-financed by a commercial bank with an **interest rate of 9% and a TAC of 10%**.

This loans are granted in pesos, with fixed rates and payments, without updates or commissions, and are not subject to the agency’s scoring system. The maximum amount to be granted is **Ps. 4.8 million** and up to a term of 20 years. FOVISSSTE estimates to grant between **3,200 and 5,000** credits under this scheme.

During this second half of the year, the “**FOVISSSTE-INFONAVIT individual**” program will begin, workers who are listed in both institutions, will be able to obtain financing of up to Ps. 1.6 million. The main beneficiaries will be teachers, doctors and nurses.



# OUTLOOK

## FOVISSSTE

Moreover, the agency launched “**Tu Casa te Espera**” program specifically designed for **federal health workers** in recognition of their performance during the health contingency. Through this scheme, FOVISSSTE intends to originate **up to 2,500 loans** for the acquisition of new housing or self- construction.

Solicitors have from July 13 to August 13 to register their application. The requirements to be met include: accounting for at least **9 bimesters of contributions to their FOVISSSTE subaccount**; it must be their first FOVISSSTE loan; and to have fully settled any other federal housing action they may have exercised.

## 2020 GUIDANCE

The Company does not have enough elements to forecast the second half results since they depend on macroeconomic variables such as unemployment and GDP, coupled to possible future increases in the propagation curve and the combined effect this will have on **the demand and supply of its products**.

As soon as JAVER has greater certainty on the outlook, the Company will update its 2020 results guidance.

# NEW PROJECTS



## Privadas Caranday

Aguascalientes, Aguascalientes

Residencial

Total units: 579



## Cumbre Alta

El Marqués, Queretaro

Residencial

Total units: 480



## Pedregal del Río

San Juan del Río, Queretaro

Residencial

Total units: 579

# CONTACT

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Javer cautions potential investors that forward looking statements are not guarantees of future performance and are based on numerous assumptions and that Javer's actual results of operations, including the Company's financial condition and liquidity and the development of the Mexican mortgage finance industry, may differ materially from the forward-looking statements contained in this press release. In addition, even if Javer's results of operations are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause these differences include, but are not limited to: risks related to Javer's competitive position; risks related to Javer's business and Company's strategy, Javer's expectations about growth in demand for its products and services and to the Company's business operations, financial condition and results of operations; access to funding sources, and the cost of the funding; changes in regulatory, administrative, political, fiscal or economic conditions, including fluctuations in interest rates and growth or diminution of the Mexican real estate and/or home mortgage market; increases in customer default rates; risks associated with market demand for and liquidity of the notes; foreign currency exchange fluctuations relative to the U.S. Dollar against the Mexican Peso; and risks related to Mexico's social, political or economic environment.