



Press release

Warsaw, 13 August 2019

Ronson Development generated over PLN 12 million in net profit in H1 2019

In H1 2019, Ronson Development recognized revenue of PLN 143 million, of which PLN 136.5 million was for delivering 291 units to clients in projects subject to full consolidation. Furthermore, the Company delivered 143 units with a total value of PLN 59.9 million in the City Link I and II projects executed under joint venture, the profit from the joint venture attributable to Ronson Development was PLN 6.5 million. Ultimately, despite the lower y/y revenue, in H1 2019 the Company generated PLN 12.2 million in net profit, or 18% higher than the year before.

The average gross margin on the sales of units that were delivered to clients and recognized in H1 2019 revenue was 17.8% compared to 16.2% in the corresponding period of 2018. The gross margin on the City Link I and II projects in which Ronson Development has a 50% stake reached 25.1%.

"In H1 2019, we completed the construction of 5 projects covering a total of 644 units and delivered a total of 434 units to our clients. Our two projects executed in Warsaw, namely Miasto Moje, which is our Białołęka bestseller with a gross margin of over 22%, and Nova Królikarnia, a prestigious development in the Mokotów district, accounted for the largest share in revenue recognized in this period. Each of these projects accounted for more than 35% of total revenue from our housing investments," pointed out **Rami Geris, Vice-President of the Management Board and CFO of Ronson Development.**

The average net price of residential units delivered to clients in the first 6 months of this year was PLN 449 thousand, compared to the average net price in 2018 of PLN 418 thousand.

At the end of June of this year, the Company had a total of 280 units in its completed projects that had not yet been delivered to clients, of which 177 units had already been sold. The total value of these sold units was PLN 78.6 million, and the vast majority of them will be handed over to clients and recognized in the Company's revenue in H2 2019. Moreover, there were 50 completed but not yet delivered units in the City Link I and II projects. In these projects, almost all units, i.e. 48 (worth PLN 26.6 million), had already been sold.

"We are upholding our plans to deliver approximately 800 units to our clients in full year 2019. During the first half of the year, we handed over 434 units, meaning that we completed more than half of our annual plan. We intend to uphold a similar scale, that is approximately 800 units in 2019, in terms of sales," said **Nir Netzer, CEO of Ronson Development.**

In the first half of this year, Ronson Development signed contracts for the sale of 345 units (174 and 171 in Q1 and Q2, respectively). Moreover, in the first stage of the new Ursus Centralny project, the construction of which began in Q2 2019, the Company had already executed 70 presale reservation contracts by the end of June 2019 (out of 138 units being constructed at this stage of the project).

“In addition to Ursus Centralny, our well-known and valued Warsaw projects continued to be very popular among buyers in H1 2019: Miasto Moje, City Link and Nova Królikarnia, as well as Grunwald² in Poznań and Miasto Marina and Vitalia in Wrocław,” said **Andrzej Gutowski, Vice-President of the Management Board, Director of Sales and Marketing at Ronson Development.**

In H1 2019, Ronson Development started the construction of five projects consisting of a total of 680 units. *“At the end of June, we offered 897 units for sale. By the end of this year, we intend to start selling and building 402 new units, including as part of the subsequent stages of the Miasto Moje and Nova Królikarnia projects and two completely new investments: in Szczecin and Wrocław,”* announced **Andrzej Gutowski.**

Highlights of Ronson Development’s consolidated financial performance

(PLN m)	Q2 2019	Q2 2018	Y/y change	H1 2019	H1 2018	Y/y change
Revenue	77.0	90.0	-14%	143.0	170.2	-16%
Gross profit on sales	12.7	17.0	-25%	24.5	27.6	-11%
Share in profit from a joint venture	6.3	-	-	6.5	2.7	+141%
Net profit ¹⁾	8.7	6.4	+36%	12.2	10.3	+18%

1) Net profit attributable to the parent’s shareholders.

About Ronson Development

Ronson Development is an experienced, well established, dynamically expanding real estate developer with residential investments in major Polish cities, mainly in Warsaw, as well as in Poznań, Wrocław, and Szczecin.

Since its foundation in 2000, Ronson has gained the trust of thousands of clients, making it one of the leading real estate developers in Poland. The company has been listed on the Warsaw Stock Exchange since 2007.

Ronson creates spaces for good and convenient living. The company’s portfolio currently includes units tailored to the needs of various client groups – including both apartments and popular flats.

Ronson Development is a member of the Polish Association of Real Estate Developers. Numerous awards and certificates confirm clients’ trust in the company. These include an award in the development services category of the Polish Construction Eagles 2014 competition as well as the Developer of the Year 2013 award from the Central Office for National Certification.

Ronson is also the recipient of numerous prestigious awards from stock market analysts and investors. In 2013, the company placed 1st in the “Investor Relations” category of the Listed Company of the Year ranking hosted by daily Puls Biznesu. In 2017, the Company’s website received the Issuer’s Golden Website award in a competition organized by the Polish Association of Listed Companies.

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