



Press release

Warsaw, 14 May 2020

## **Ronson Development: over PLN 29 million in net profit in Q1 2020**

**In Q1 2020, Ronson Development generated a net profit of PLN 29.4 million. This result is over 8 times higher than in the corresponding period last year and 69% higher than in the entire 2019.**

*“In the first quarter of this year we delivered to our clients a record number of 387 units, including 234 units in the City Link III project, in Warsaw’s Wola district, where the gross margin on sales reached nearly 39%. The gross profit on this project only stood at PLN 44.2 million, and the total gross profit on sales in this period was PLN 45.8 million. This translated into a record-high net profit of over PLN 29 million. This result was not only several times higher than the profit earned in the first quarter of last year, but also higher than Ronson Development’s annual profits over the past few years,”* noted **Boaz Haim, CEO of Ronson Development.**

Total revenues from sales generated by Ronson Development in Q1 2020 totaled PLN 167.2 million and were 2.5 times higher than the year before. The average gross margin on all residential projects in this period reached 27.4% vs. 19.6% in the corresponding period of 2019.

### **Apartments delivered according to plan**

As at the end of March 2020, completed projects comprised 197 apartments which have not yet been delivered to the clients. 115 of them have already been sold and the total value of concluded agreements was PLN 59.6 million. Most of these residential units are expected to be delivered to the clients in the second quarter.

In addition, this year Ronson Development plans to complete the construction of 6 projects with a total of 701 apartments. 513 of them (worth PLN 195.8 million) were already sold before the end of Q1.

*“We monitor the progress of work on construction sites daily. Despite the pandemic, all projects are executed according to schedule. As of now, we do not expect any delays in delivery of the apartments to the buyers,”* announced **Boaz Haim.**

### **Solid financial foundations**

Ronson Development entered the times of the market turmoil caused by the COVID-19 pandemic in a very good financial standing.

*“As at the end of March this year, the Company had over PLN 104 million on bank accounts and the net debt to equity ratio was 19%, the lowest in 7 years. Having the full capacity to finance both the current and planned projects and the purchase of new land, Ronson Development is in a comfortable financial position,”* said **Yaron Shama, Ronson Development’s Vice-President and CFO.**

### **Sales results in Q2 affected by pandemic**

The first quarter of the year was very good for Ronson Development also in terms of newly concluded apartment sales agreements. The Company contracted to sell 277 units versus 174 in the corresponding period of 2019.

Ronson Development’s sales drivers in the last quarter were two Warsaw projects: Ursus Centralny and Miasto Moje, where 99 and 65 units were sold, respectively. Also Panoramika in Szczecin (33 sold apartments) and Grunwald<sup>2</sup> in Poznań (17 sold units) enjoyed great popularity.

*“The apartment sales results in Q1 were the best in the history of Ronson Development. In April, however, we observed a clear slowdown of sales in connection with the movement restrictions introduced due to the pandemic and the resulting uncertainty in the real estate market. Considering these extraordinary circumstances, we analyze the market conditions on an ongoing basis and adapt new project launch dates accordingly. We recently launched the construction of the second stage of the Ursus Centralny project in Warsaw with over 250 units. We assume that before the end of the year we will launch four more projects with over 400 units,”* said **Andrzej Gutowski, Vice-President and Sales Director at Ronson Development.**

*“We have also immediately adapted our sales efforts to the new reality. For instance, classic open house events in our projects have been replaced with virtual meetings, streamed live on our Facebook profile. We are available to our clients both remotely – by telephone, email or online chat, and in our sales offices, where we, obviously, apply special precautions. Our sales offices are again open 5 days a week. We are slowly returning to business as usual,”* recapitulated **Andrzej Gutowski.**

### **Highlights of Ronson Development’s consolidated financial performance**

(PLN million)	Q1 2020	Q1 2019	Change y/y
Revenues	167.2	66.0	+153%
Gross profit on sales	45.8	11.8	+288%
Net profit <sup>1)</sup>	29.4	3.5	+740%

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

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## **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 1<sup>st</sup> 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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