



Press release

March 11, 2021

## **Very successful year 2020 for RONSON Development in terms of sales volume and financial results**

- **revenue from sales and services of residential units increase by 77% y/y to 401.2 PLN million in 2020, gross margin on sales and services of residential projects 21.5% vs 19.5% in 2019**
- **gross profit up by 95% y/y to 86.2 PLN million in 2020**
- **operating profit increase by 111% y/y to 55.2 PLN million, net profit increase by 131% y/y to 40.1 PLN million**
- **966 units delivered (+47% y/y) and 918 units sold (+21% y/y) despite pandemic**
- **strong market position and sound financial position (net debt to equity not incl. cash on MRP: 27.2%) enabling successful issuance of bonds – a record 100 PLN million in Company's history - and constant expansion of land bank**

RONSON Development, one of the leading and significant real estate developers in Poland, published 2020 financial report. Company's total revenue increased in 2020 by 72.5% y/y to 401.2 PLN million and the revenue from sales and services of residential units increased by 77% yoy. Gross margin on sales and services of residential projects reached 21.5% versus 19.5% last year and gross profit went up by 95% y/y to 86.2 PLN million in 2020. Majority of Company's revenues in this period came from Citylink III project (37%), Grunwald2 (20%) and Miasto Marina (12%); Citylink III with gross margin of 38.4% covered 66% of the gross profit in 2020.

*2020 was very challenging, especially at the breakdown of the pandemic in the early spring, when nobody knew what the coming weeks and months will bring yet turned out to be very successful. Despite the uncertainty at the beginning of the year RONSON team remained focused and put great effort and creativity to keep the business operations going. We sold a record number of 918 units in company's history (+21% y/y) as well as delivered a record number of 966 units (+47% y/y) - and this was in a year that the market showed decrease of 19% as stated in the latest JLL report.*

*We continued development of existing projects according to the schedule – 4 were completed in 2020 - and launched sales and construction new ones (5 in 2020). Our strong financial situation additionally strengthened by a very successful issuance of bonds in the autumn – again a record of 100 million PLN in Company's history - enabled us to expand our land bank with plots in good location for development in the near future. In 2020 we signed altogether 7 preliminary and final land purchase agreements for plots enabling us to develop approx. 1.2 thousand units.*

*We are cautiously optimistic when it comes to the market situation this year. We plan to maintain and hopefully improve the pace of commencement of constructions this year. We are constantly searching and will continue to search for new attractive plots, mainly in the cities of our main business focus, that is Warsaw, Wrocław, Poznań and Szczecin. – says Boaz Haim, CEO of RONSON Development.*

In 2020 RONSON Development delivered 966 units, which means an increase of 47% y/y. Sales in this period increased by 21% y/y to 918 units. The main sales drivers in this period were Ursus Centralny project (266 units), Miasto Moje project (198 units), Wilanów Tulip (69 units) and Nova Królikarnia (58 units) in Warsaw, Panoramika in Szczecin (108 units) and Grunwald 2 in Poznań (58 units). As of the end of December 2020 RONSON had 651 units available for sale - 84 units in finished projects and 567 in ongoing projects that may contribute to P&L during 2021 and 2022.

*We are very pleased with the sales results achieved in 2020. Thanks to the continuous expansion of our land bank our offer remains diverse and attractive which is crucial to maintain the sales pace at the appropriate level. As of the end of 2020 we had 84 units available for sale in the finished projects and 567 units available for sale in the ongoing projects. We are preparing for commencement of new, interesting projects this year including wide range of types and sizes of apartments as well as compact houses. We are also continuing the development our multi-stage projects like Miasto Moje and Ursus Centralny in Warsaw, very popular among our customers. Our plan is to maintain and hopefully improve the pace of sales this year. RONSON's land bank potential as of the end of 2020 is approx. 3807 units and close to 251 ths. sqm. PUM. – says Andrzej Gutowski, Vice-President and Sales Director at RONSON Development.*

*Despite turbulent times once again RONSON with strong financial results, balance sheet and cash position proved to be a reliable business partner to all the parties interested. In 2020 the Company raised a record PLN 100 million from V series bonds – the demand reached over PLN 150 million. Bonds in the value of PLN 57.1 million were repaid last year, as well as bank loans in the net amount of PLN 13.1 million net. As a result, our net debt to equity ratio not incl. cash on MRP remained at a safe level of 27.2% and 23.5% calculated in accordance with the bond covenants. Once again, last year we could share our profits with the shareholders in the form of dividend amounting to PLN 9.7 million and continued the buy-back program. Our goal is to maintain this strong and safe financial position that allows us to implement all our business plans and creating value to our shareholders. – comments Yaron Shama, RONSON Development's Vice-President and CFO.*

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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 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. In 2020, the Company was at the forefront of the National Ranking of the Best Housing Developers 2020, organized by the Strefa Gospodarki magazine of Dziennik Gazeta Prawna.

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