



Press release

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## **Successful H1 2021 for RONSON Development in terms of sales volume and commencement of projects**

- **604 units sold in H1 2021, +42% y/y**
- **Revenues came at the level of PLN 246.9 million in H1 2021 (vs PLN 253.1 in fully owned projects) driven by 445 units delivered in H1 2021 vs 600 in H1 2020**
- **Gross Margin at the level of 17.7% in H1 2021 with contribution from diversified projects vs 26.4% in H1 2020 steamed by high-profitable City Link III project**
- **Following gross margin operating profit came in at PLN 29.7 million in H1 2021 vs PLN 50.7 million y/y, net profit was PLN 21.9 million in H1 2021 vs PLN 40.6 million y/y**
- **RONSON's cash position at the end of 1H 2021 was PLN 179 million steamed by successful bond issue with value of PLN 100 million and positive Operating Cash Flow amounting to PLN 7.9 million.**
- **RONSON expanded its land bank with 7 new plots in H1 2021, and at the end of H1 2021 has secured land bank for more than 4.200 units**
- **3 projects (including new projects and new stages of ongoing projects) comprising 430 units commenced in H1 2021 and further 9 comprising 734 units to be commenced in 2021**
- **720 units sold in ongoing projects (out of 1093 in total sold in ongoing projects) with the value of PLN 293.2 million are scheduled to be finished by the end of 2021 and 87 units are sold in finished projects with the value of PLN 77.3 million that may contribute to P&L in 2021**

RONSON Development, one of the leading and significant real estate developers in Poland, published H1 2021 financial report. Company's total revenue amounted to PLN 246.9 million versus PLN 253.1 million in H1 2020. The revenues are influenced by the rhythm of projects completion: in H1 2021 445 units were delivered vs 600 in H1 2020. Gross margin was 17.7% vs 26.4% in H1 2020. It should be noted that gross margin in H1 2020 was influenced by high-profitable City Link III project (38.3% margin), which has further effect on operating profit and net profit dynamics y/y. Operating profit in H1 2021 amounted to PLN 29.7 million vs PLN 50.7 million last year; net profit came at PLN 21.9 million vs PLN 40.6 million in H1 2020.

Majority of Company's revenues in H1 2021 came from Ursus Centralny Ia project (20%), Vitalia III (19%) and Miasto Moje III project (14%). Contrary to H1 2020 contribution of gross profit came from several projects with highest share of Ursus Centralny Ia which covered 21% of the gross profit for the period, Vitalia III 19% and Miasto Moje III 12%.

In H1 2021 RONSON Development sold 604 units, which is 42% more y/y. The main sales drivers in this period were Ursus Centralny (178 units), Miasto Moje (144), Nowe Warzymice (74), Viva Jagodno (57) and Panoramika (45).

*After very strong beginning of the year Q2 was another successful period for RONSON in terms of sales and deliveries. The market environment remains very favorable, and we are doing our best to make the best use of it, which is in fact quite challenging taking into account very high demand for new apartments on one hand, and availability of interesting plots and increasing costs of materials and services on the other.*

*In H1 2021 we sold a record number of 604 units, which is 42% more yoy. The number of deliveries is according to our plan for 2021 and was lower yoy due to the rhythm of projects completion. With this pace of introducing new investments to the offer and sales performance, we have a good chance to break last year's sales record this year. In H1 2021 we completed 6 projects with 350 units and commenced 3 projects with 430 units. It is crucial now to have a vast and diversified land bank with permits, which enables to commence sale and construction works smoothly. In H1 we purchased 7 new plots (final and preliminary agreements) allowing us to develop approx. 3.129 units in the near future. - says Boaz Haim, CEO of RONSON Development.*

As of the end of June 2021 RONSON had 720 units sold in ongoing projects with the value of PLN 293.2 million that are scheduled to be finished by the end of 2021 and 87 units sold in finished projects with the value of PLN 77.3 million, that may contribute to P&L in 2021.

As of the end of H1 2021 there were 476 units available for sale in the offer (in ongoing and finished projects) that may contribute to P&L during 2021, 2022 and 2023.

*Thanks to the fact that we have a significant land bank for approx. 4.208 units, which is being constantly expanded, we can meet various needs of the market and respond to the high demand in the residential sector. We smoothly introduce to sale and construction next stages of our flagship investments, Ursus Centralny and Miasto Moje, but we are also preparing completely new projects, such as Falenty and Renaissance. Our plan is to commence 9 more projects (including new projects and new stages of ongoing projects) comprising 734 units this year. We are also constantly working on interesting solutions for our clients that make us stand out in the competitive market – both in terms of the quality of the living space we create (pro-ecological, sustainable solutions) and the accessibility of the offer (various sizes of apartments, Karta Dużej Rodziny (the large family card) – says Andrzej Gutowski, Vice-President and Sales Director at RONSON Development.*

*Despite lower number of deliveries in H1 2021 yoy we have recorded decent revenues in H1 2021, only 2% lower than it was in H1 2020. Comparison of gross margin y/y is under pressure of high base effect of a recognition of a very good project City Link III last year. We have reached 17.7% gross margin in H1 2021, and what is positive for the reported period, gross margin comes from several strong projects. Operating and Net profit are following lower yoy gross margin and came at the level of PLN 29.7 million and PLN 21.9 million respectively. We maintain safe level of net debt to equity ratio - as of the end of June the ratio not incl. cash on MRP was 24.4% and 14.6% calculated in accordance with the bond covenants. We keep on financing our business activities in a sustainable manner, which is appreciated by investors. In H1, for the second time in RONSON's history we raised PLN 100 million from a single issue of bonds (the demand exceeded our needs and reached PLN 125 million). With this issuing we have secured our midterm financial needs including repurchase and redeem of bond series*

*maturing this year and our further development plans* – 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. In 2021, the Company was awarded the title of Business Superbrands 2021.

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