



**EURO STYL**  
GRUPA DOM DEVELOPMENT

**DOM DEVELOPMENT WROCLAW**



# **2020 ANNUAL RESULTS PRESENTATION**

**DOM DEVELOPMENT S.A. CONSOLIDATED GROUP**

12 MARCH 2021

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## 1.1. 2020 RESULTS SUMMARY

- Fast, decisive reaction to COVID-19 pandemic contained risks and operational disruption
- Dom Development consolidated net income increased 18% YoY to PLN 302m or PLN 12.00 per share
- Consolidated revenues increased 9% to PLN 1.8bn
- Return on equity rose to 28%
- 3,756 units sold (+3% YoY), including a record-breaking Q4 2020 with 1,130 units sold
- Group's market share increased on each of its markets to 12% in Warsaw and Tri-City, and 5% in Wroclaw
- Record number of new construction launches: 39 projects with over 4,000 units
- PLN 636m cash and no net debt as of 31.12.2020, despite payment of historically high, PLN 240m dividend

*12 March 2021:*

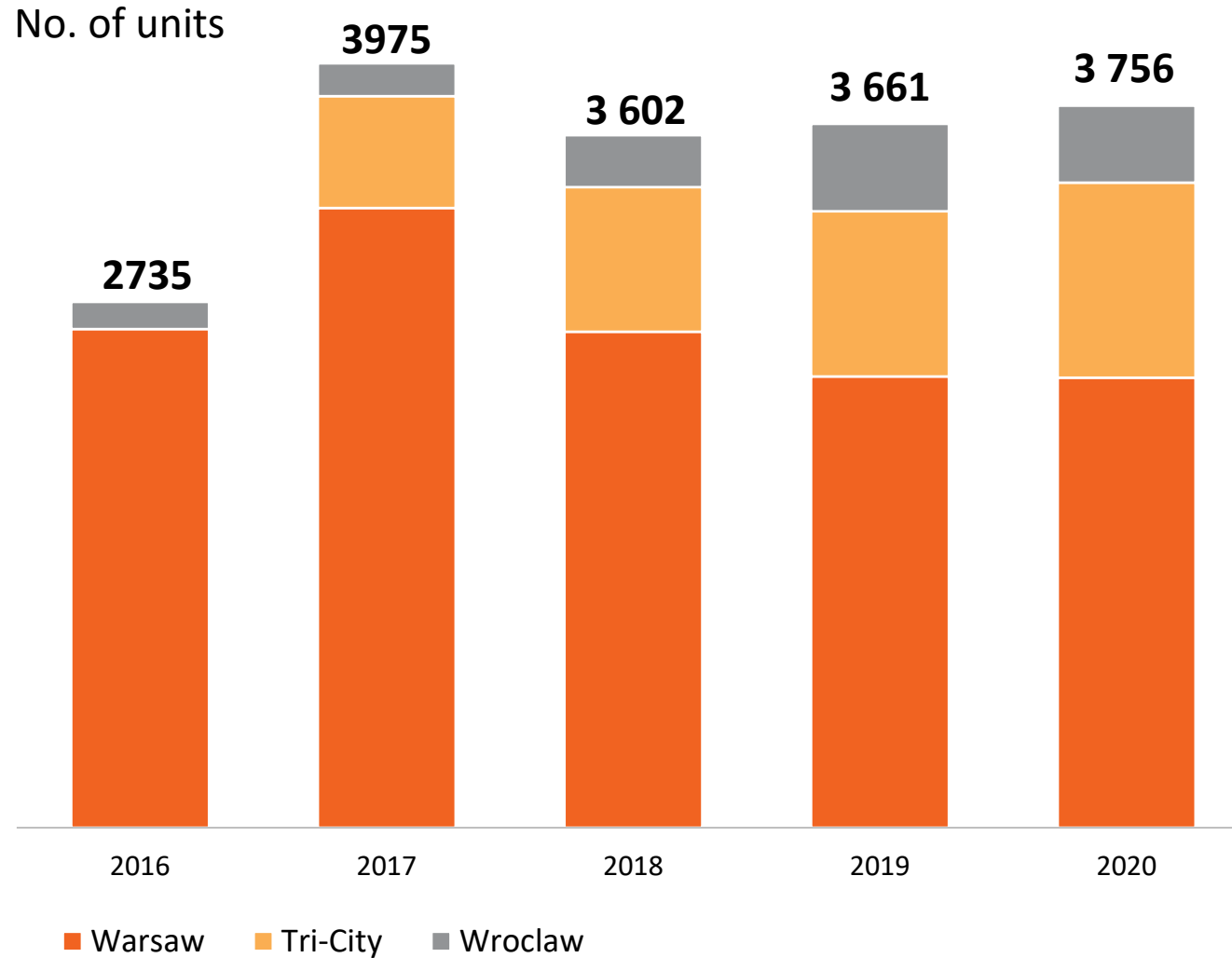
*Recommendation of a record-high dividend from 2020 net income: PLN 10.00 per share, PLN 254m in total*

## 1.2. MARKET IN 2020

- Strong demand in all market segments
- Transaction prices grew, though at a slower pace compared to 2019
- Supply gradually decreased due to administrative delays, permit problems and land shortages
- Negative real interest rates on bank deposits and low debt servicing costs strongly supported the housing market
- High mortgage availability and a positive impact of low interest rates on affordability
- Cash purchases continue to account for approx. 40% of the Group's sales
- Favourable situation on the construction market

## 2.1. ANNUAL NET SALES

INCREASES IN TRI-CITY AND WROCLAW VOLUMES, IN LINE WITH DIVERSIFICATION STRATEGY

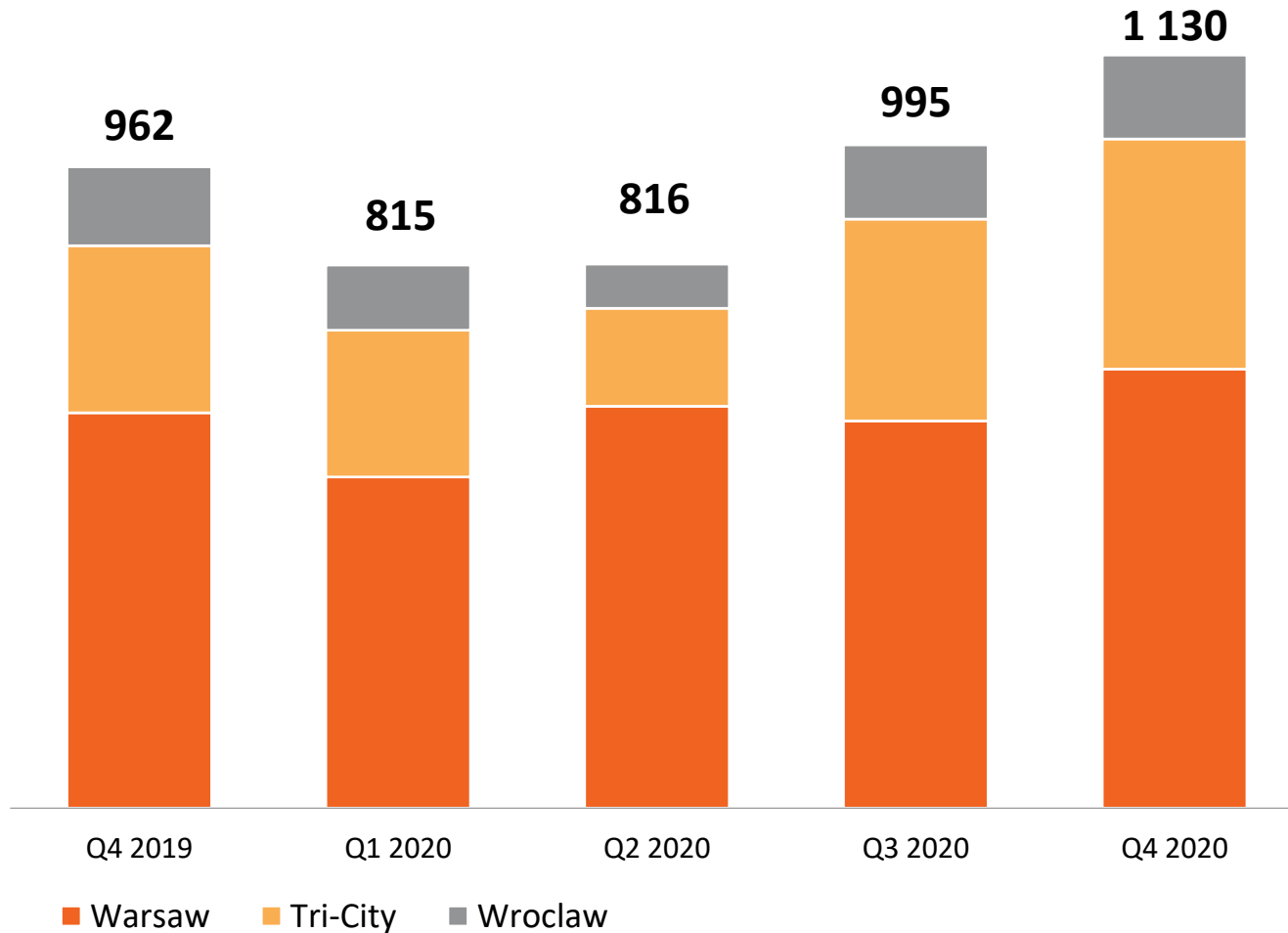


Net sales (units)	2020	2019	Change
Warsaw	2 340	2 347	-
Tri-City	1 015	859	+18%
Wroclaw	401	455	(12)%
<b>Dom Development Group</b>	<b>3 756</b>	<b>3 661</b>	<b>+3%</b>

## 2.2. QUARTERLY NET SALES

HISTORICALLY HIGH SALES IN Q4 2020

No. of units

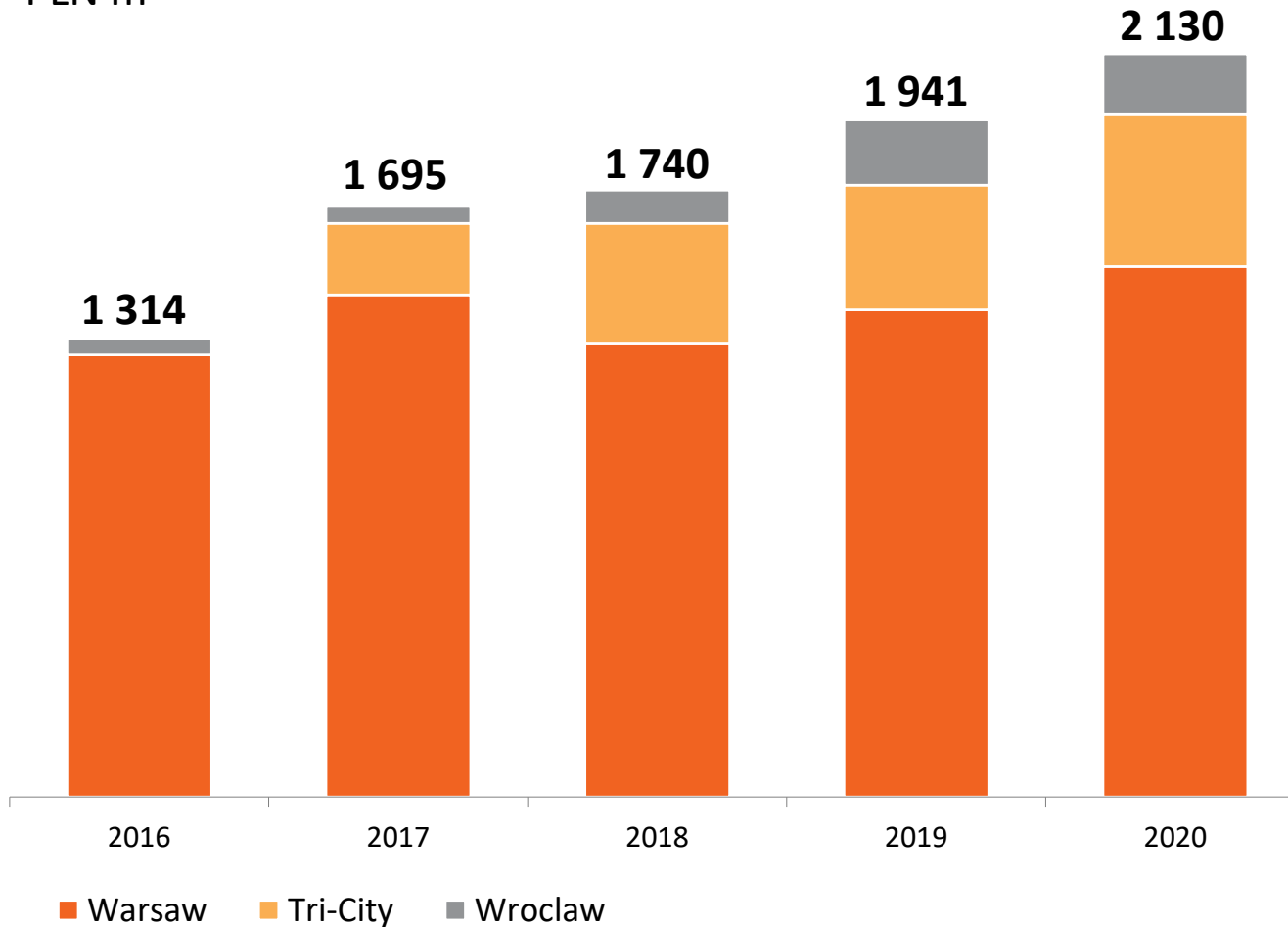


Net sales (units)	Q4 2020	Q4 2019	Change
Warsaw	659	593	+11%
Tri-City	345	251	+37%
Wroclaw	126	118	+7%
<b>Dom Development Group</b>	<b>1 130</b>	<b>962</b>	<b>+17%</b>

## 2.3. SALES VALUE

SALES VALUE INCREASED BY 10% YOY WHILE VOLUME INCREASED BY 3%

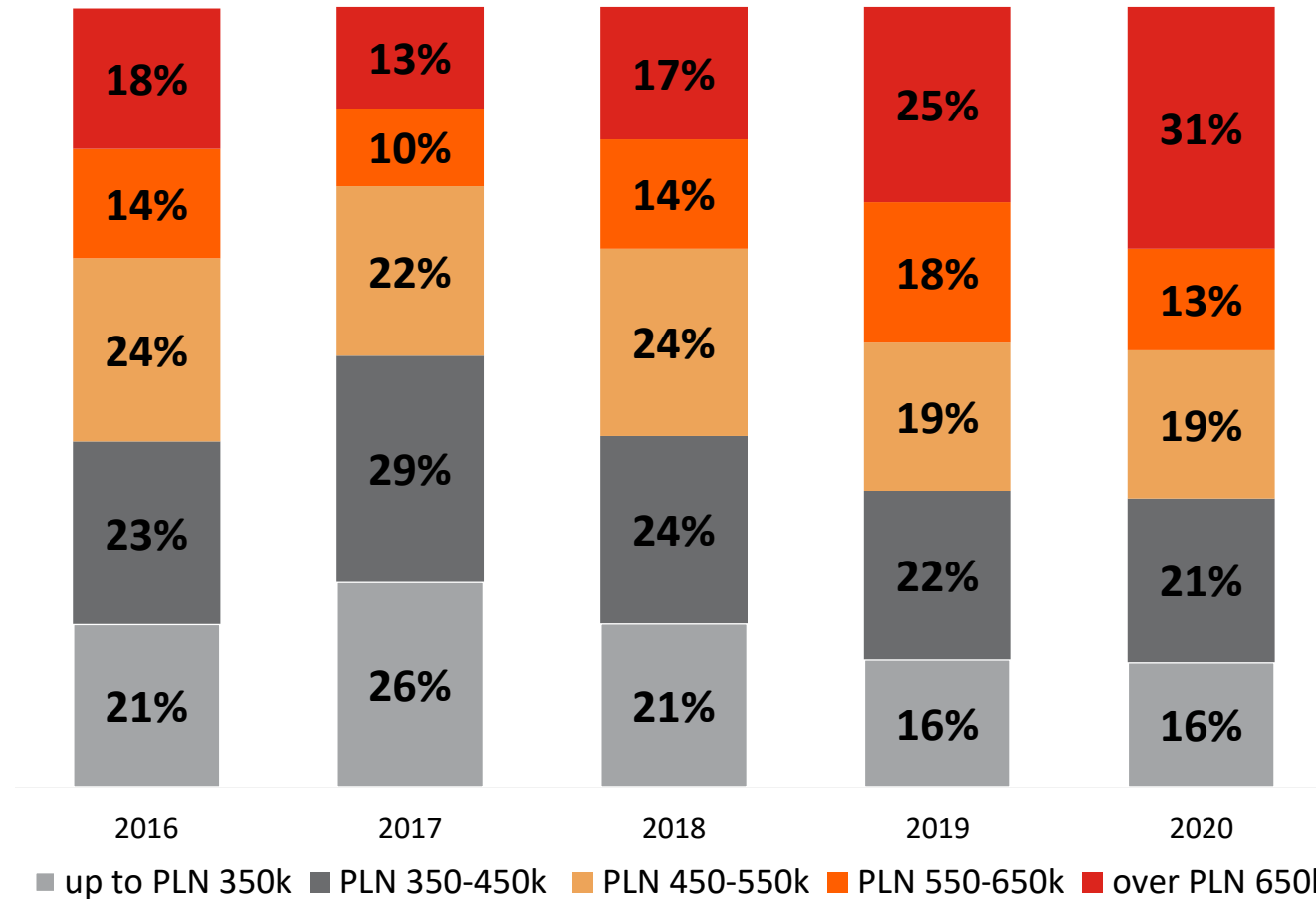
PLN m



Net sales value (PLN m)	2020	2019	Change
Warsaw	1 521	1 396	+9%
Tri-City	438	358	+22%
Wroclaw	172	187	(8)%
<b>Dom Development Group</b>	<b>2 130</b>	<b>1 941</b>	<b>+10%</b>

## 2.4. SALES SEGMENTATION

STRONG POSITION IN THE UPPER-TIER SEGMENT OF THE MASS MARKET



Group's average transaction value in 2020:

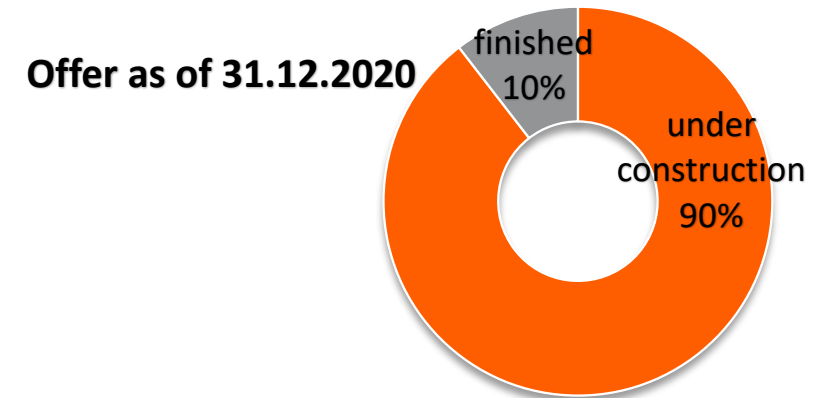
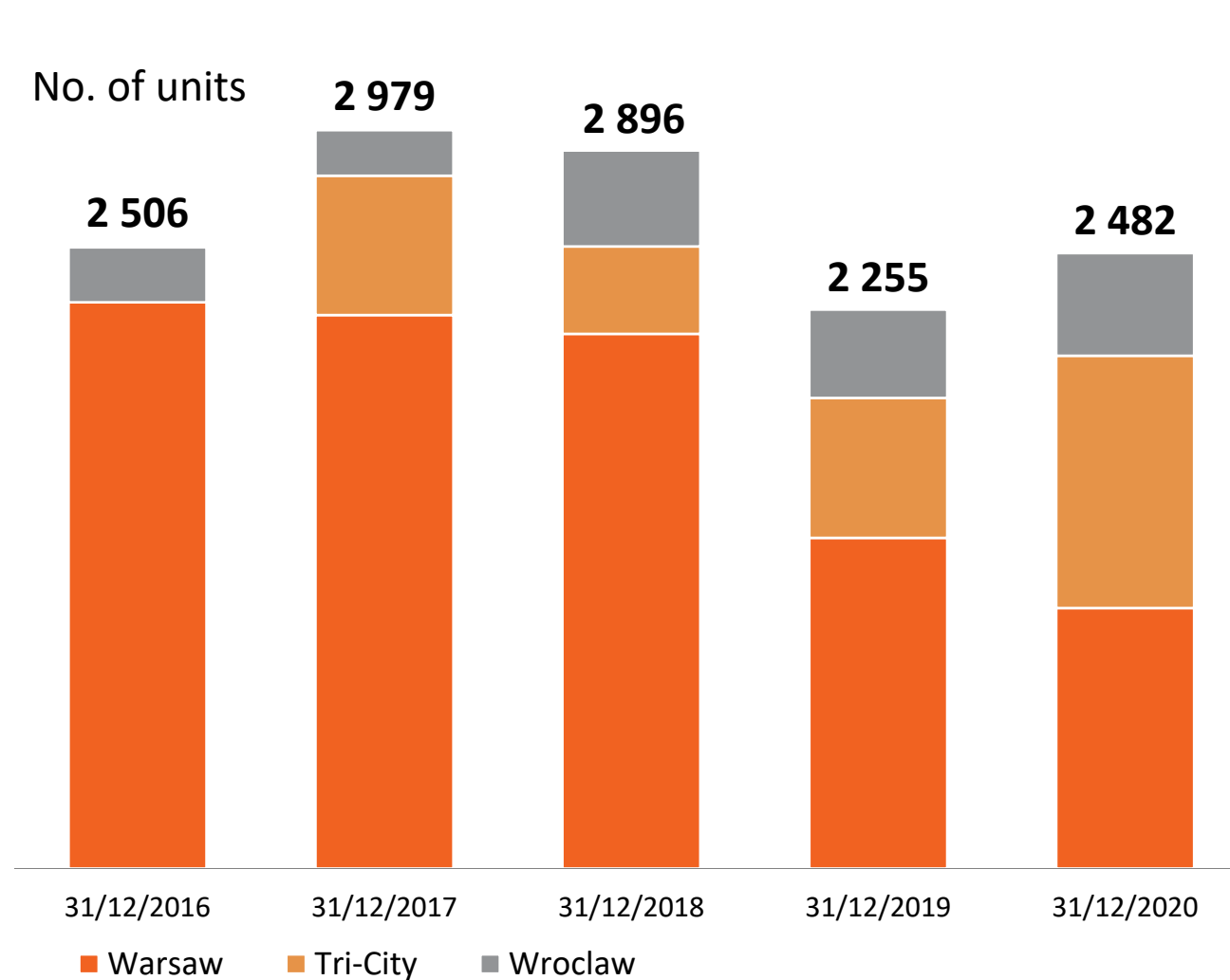
**PLN 598k**

Transaction value	Warsaw	Tri-City	Wroclaw
over PLN 650k	41%	15%	11%
PLN 550-650k	16%	7%	8%
PLN 450-550k	22%	11%	20%
PLN 350-450k	17%	26%	34%
up to PLN 350k	4%	40%	27%
<b>Average value (PLN k)</b>	<b>685</b>	<b>453</b>	<b>460</b>



## 2.5. OFFER

SIGNIFICANT OFFER INCREASE IN TRI-CITY AND WROCLAW, TEMPORARY DEPLETION IN WARSAW

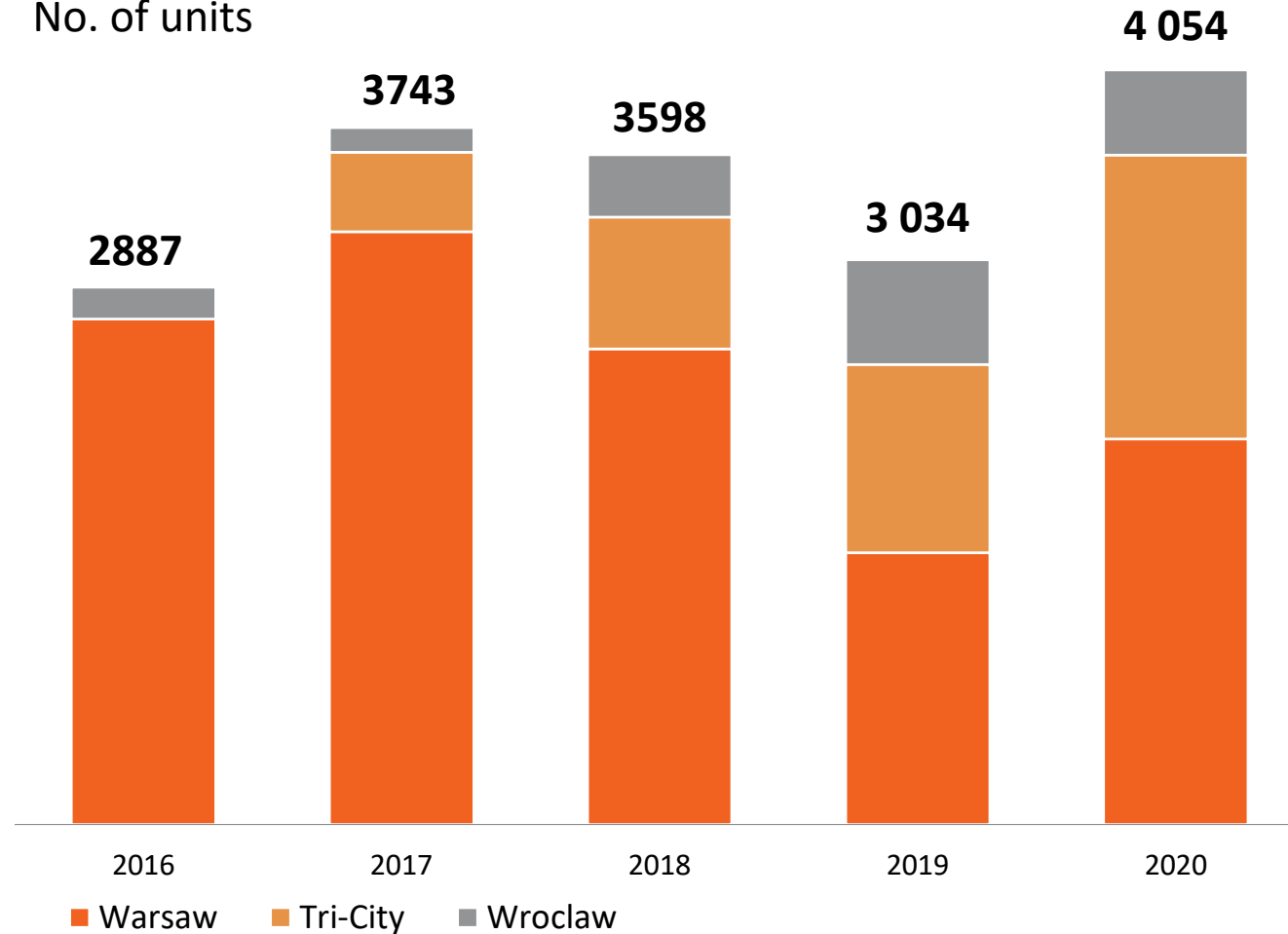


Group's offer by location	31.12. 2020	31.12. 2019	Change
Warsaw	1 051	1 334	(21)%
Tri-City	1 017	564	+80%
Wroclaw	414	357	+16%
<b>Dom Development Group</b>	<b>2 482</b>	<b>2 255</b>	<b>+10%</b>

## 2.6. NEW CONSTRUCTION LAUNCHES

RECORD-HIGH LAUNCHES DESPITE ADMINISTRATIVE DIFFICULTIES

No. of units



### Project/phases launches in Q4 2020:

#### **Warsaw:**

Stacja Grochów phase 4 (159)

#### **Wrocław:**

Osiedle Chociebuska 11 (196)

Osiedle Zielna phase 1 (160)

#### **Tri-City:**

DOKI – buildings A and B (227)

Montownia (116)

Perspektywa phase 2 (252)

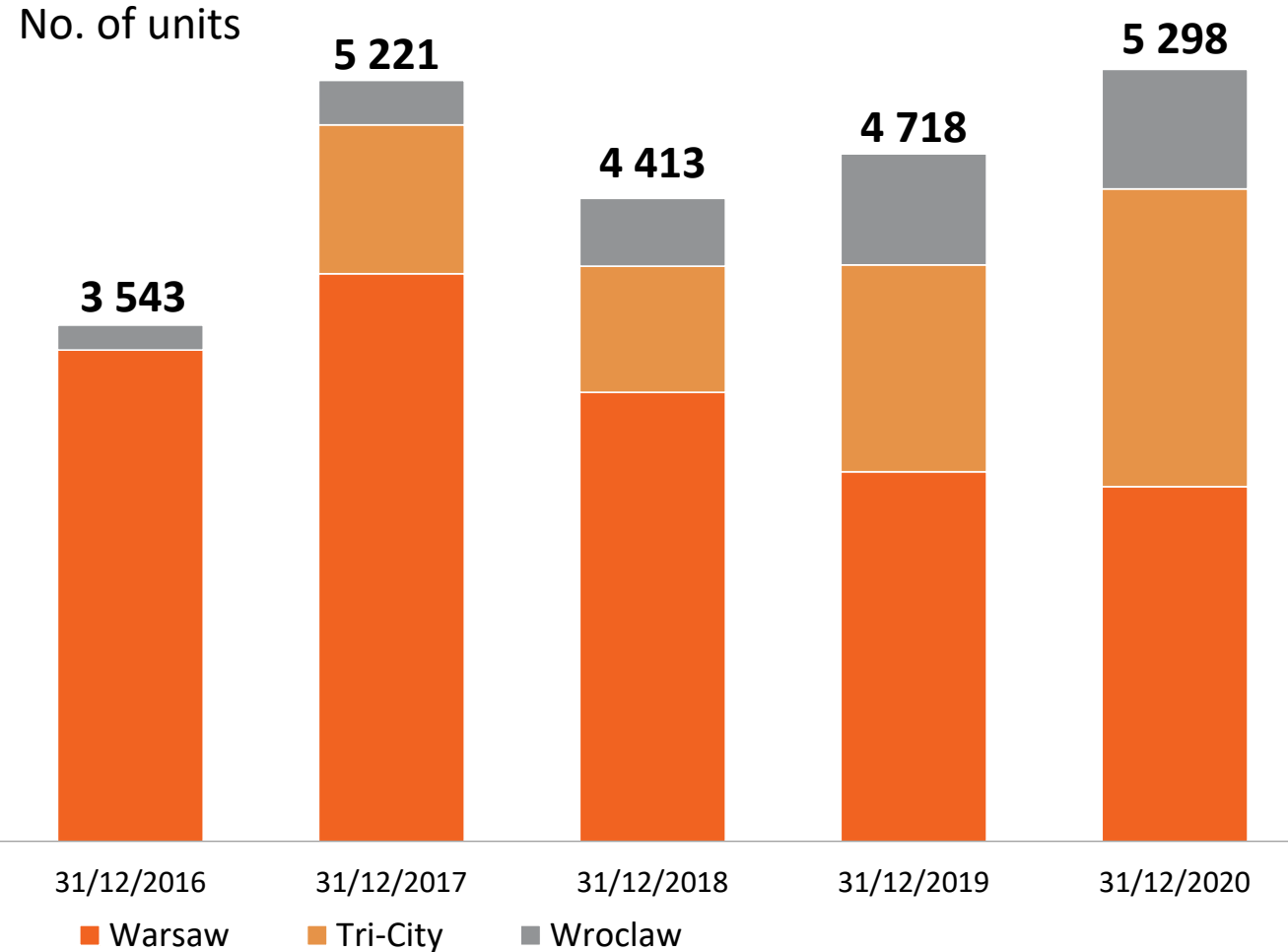
Zielony Południk building14 (50)

Osiedle Beauforta phase 10 (32)

Construction Starts	2020	2019
H1	1 082	2 055
H2	2 972	979
<b>Dom Development Group</b>	<b>4 054</b>	<b>3 034</b>

## 2.7. UNITS UNDER CONSTRUCTION

ALL CONSTRUCTION SITES ARE PROGRESSING ON TIME AND ON BUDGET

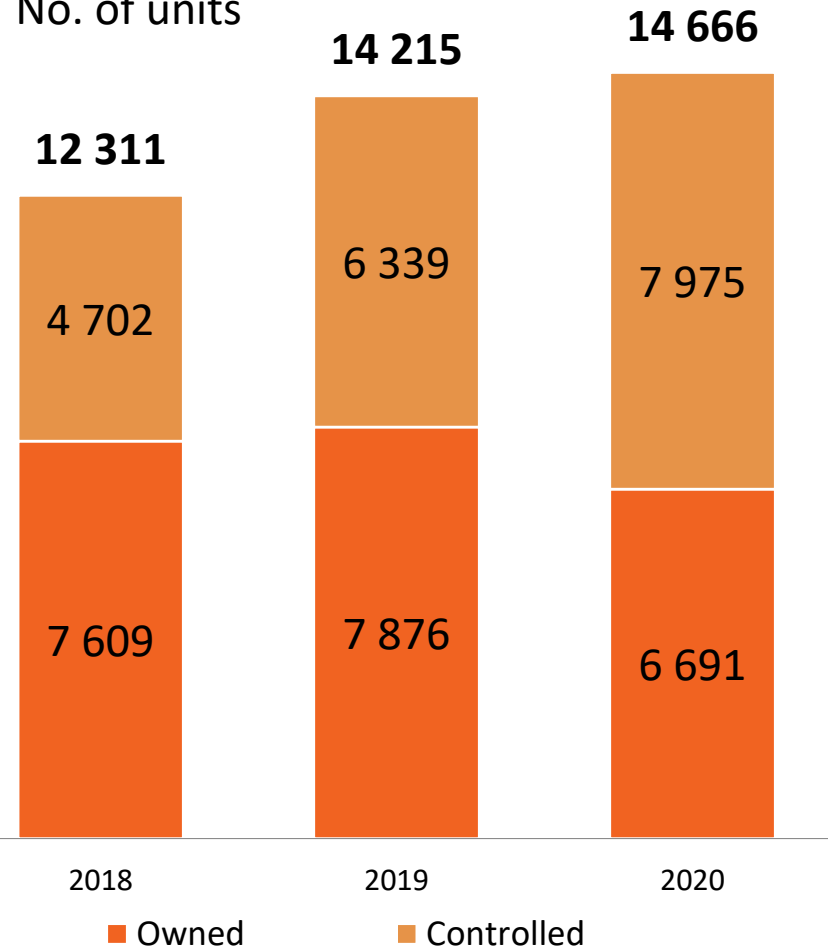


Units under construction	31.12. 2020	31.12. 2019	Change
Warsaw	2 433	2 536	(4)%
Tri-City	2 044	1 419	+44%
Wroclaw	821	763	+8%
<b>Dom Development Group</b>	<b>5 298</b>	<b>4 718</b>	<b>+12%</b>

## 2.8. LAND BANK – OWNED AND CONTROLLED

LAND BANK SIZE AND STRUCTURE FACILITATE FURTHER AND EXPECTED GROUP GROWTH

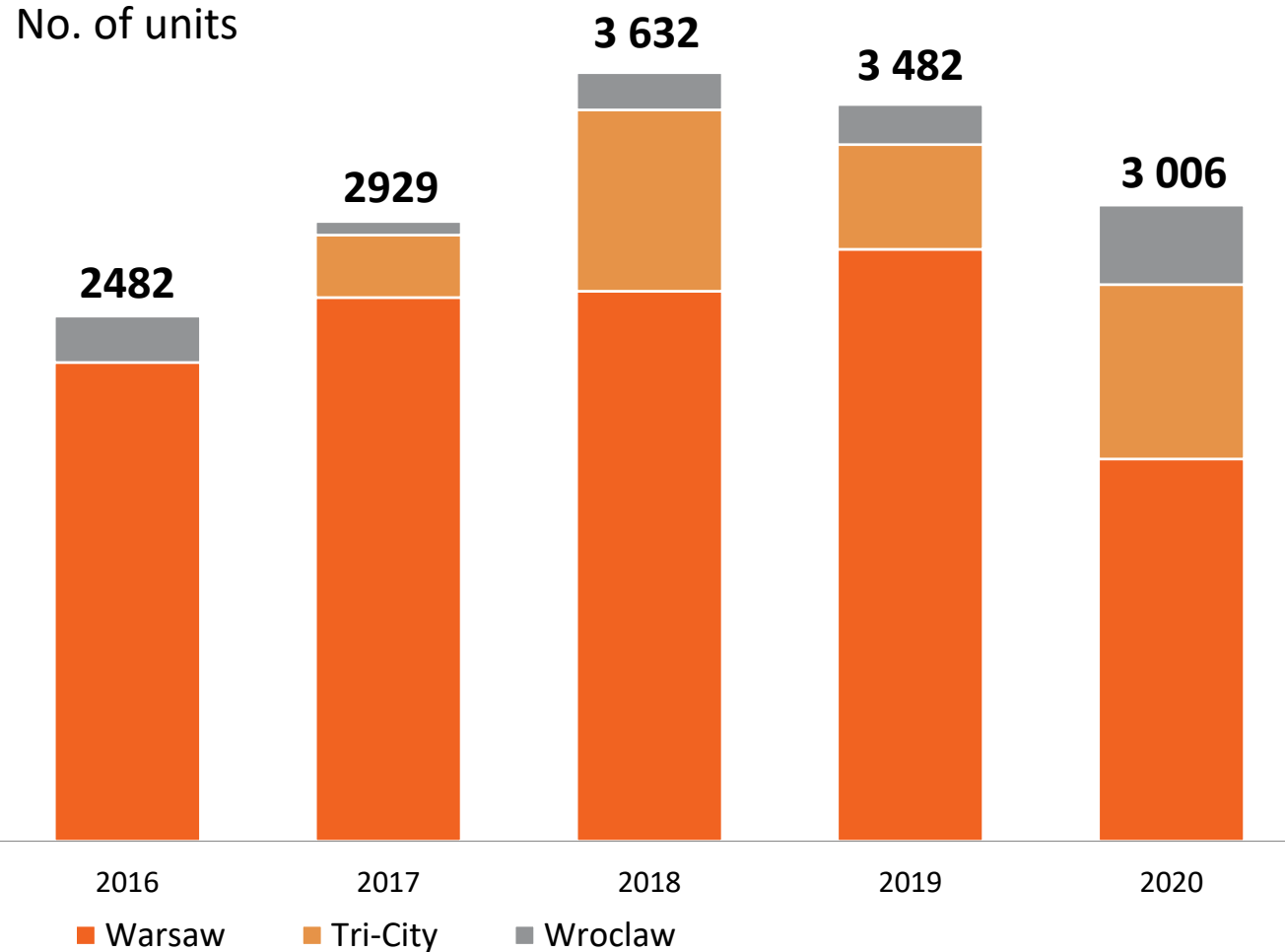
No. of units



Land Bank (units to be developed)	Owned	Controlled	Total	Change YoY
Warsaw	2 044	5 500	<b>7 544</b>	<b>+12%</b>
Tri-City	3 984	1 561	<b>5 545</b>	<b>(9%)</b>
Wroclaw	663	914	<b>1 577</b>	<b>+12%</b>
<b>Dom Development Group</b>	<b>6 691</b>	<b>7 975</b>	<b>14 666</b>	<b>+3%</b>

## 2.9. DELIVERIES

FAVOURABLE STRUCTURE OF DELIVERIES – SIGNIFICANT SHARE OF APARTMENTS WITH HIGH VALUE AND MARGIN



Deliveries in units	2020	2019	Change
Warsaw	1 807	2 798	(35)%
Tri-City	824	495	+66%
Wrocław	375	189	+98%
<b>Dom Development Group</b>	<b>3 006</b>	<b>3 482</b>	<b>(14)%</b>

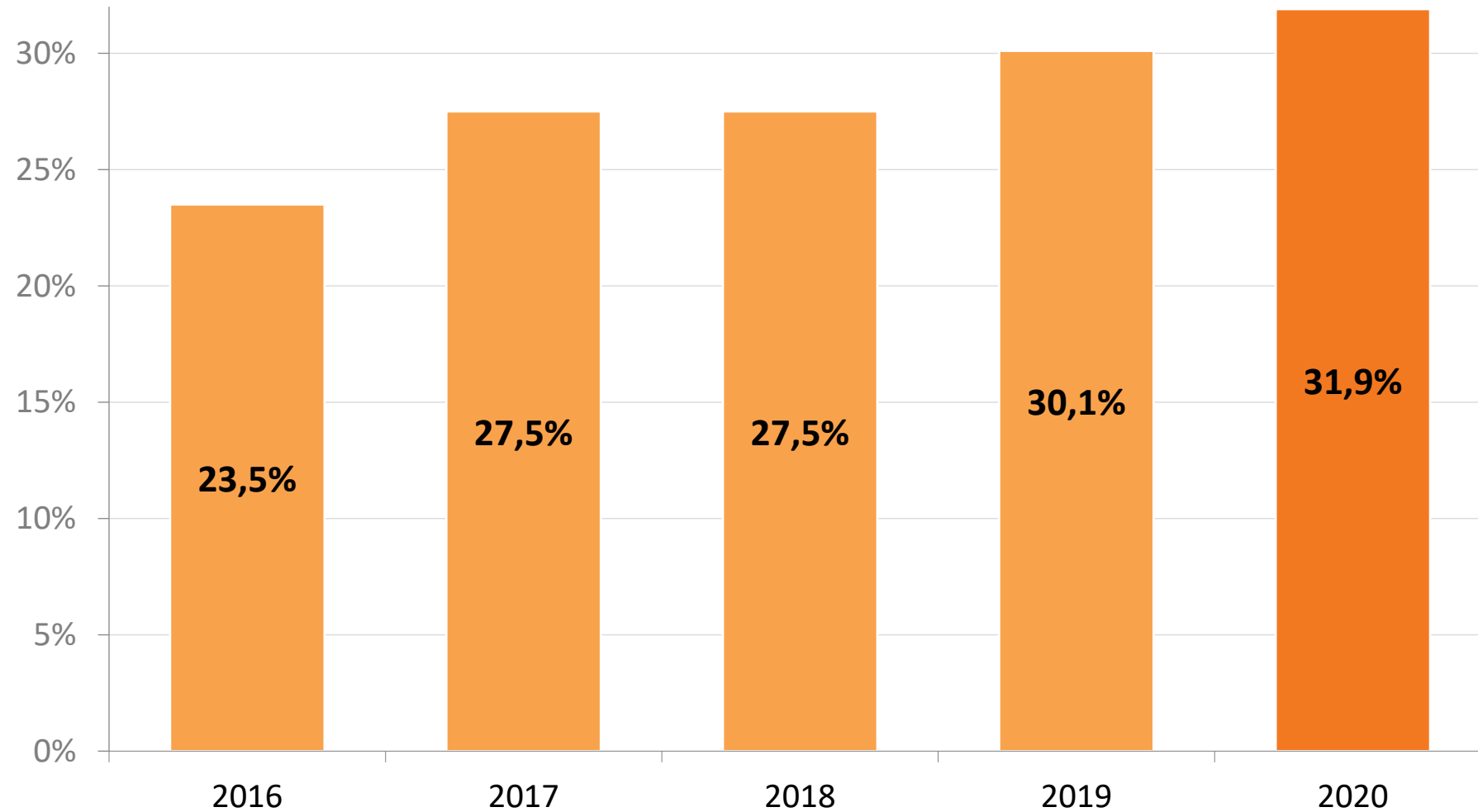
### 3.1. PROFIT AND LOSS ACCOUNT

HISTORICALLY-HIGH RESULTS BY DINT OF MARGIN INCREASE AND COST CONTROL

Profit and Loss Account	Q4 2020	Q4 2019	Change	2020	2019	Change
<b>Sales Revenues</b>	<b>679.7</b>	<b>507.2</b>	<b>34%</b>	<b>1 815.0</b>	<b>1 661.7</b>	<b>9%</b>
<i>Handovers (units)</i>	<i>1 073</i>	<i>988</i>	<i>9%</i>	<i>3 006</i>	<i>3 482</i>	<i>(14)%</i>
<i>Revenue per unit (PLN'000)</i>	<i>633.4</i>	<i>513.4</i>	<i>23%</i>	<i>603.8</i>	<i>477.2</i>	<i>27%</i>
<b>Gross Profit on Sales</b>	<b>223.1</b>	<b>166.0</b>	<b>34%</b>	<b>578.8</b>	<b>500.1</b>	<b>16%</b>
<i>Gross Profit Margin</i>	<i>32.8%</i>	<i>32.7%</i>	<i>0.1 pp</i>	<i>31.9%</i>	<i>30.1%</i>	<i>1.8 pp</i>
<b>Operating Profit</b>	<b>158.5</b>	<b>108.5</b>	<b>46%</b>	<b>386.3</b>	<b>320.7</b>	<b>20%</b>
<i>Operating Profit Margin</i>	<i>23.3%</i>	<i>21.4%</i>	<i>1.9 pp</i>	<i>21.3%</i>	<i>19.3%</i>	<i>2.0 pp</i>
<b>Profit Before Tax</b>	<b>160.1</b>	<b>108.8</b>	<b>47%</b>	<b>378.6</b>	<b>320.5</b>	<b>18%</b>
<i>Profit Before Tax Margin</i>	<i>23.6%</i>	<i>21.4%</i>	<i>2.1 pp</i>	<i>20.9%</i>	<i>19.3%</i>	<i>1.6 pp</i>
<b>Net Profit</b>	<b>127.0</b>	<b>85.7</b>	<b>48%</b>	<b>302.2</b>	<b>256.0</b>	<b>18%</b>
<i>Net Profit Margin</i>	<i>18.7%</i>	<i>16.9%</i>	<i>1.8 pp</i>	<i>16.7%</i>	<i>15.4%</i>	<i>1.3pp</i>
<i>EPS (PLN)</i>	<i>5.04</i>	<i>3.42</i>	<i>47%</i>	<i>12.00</i>	<i>10.22</i>	<i>17%</i>

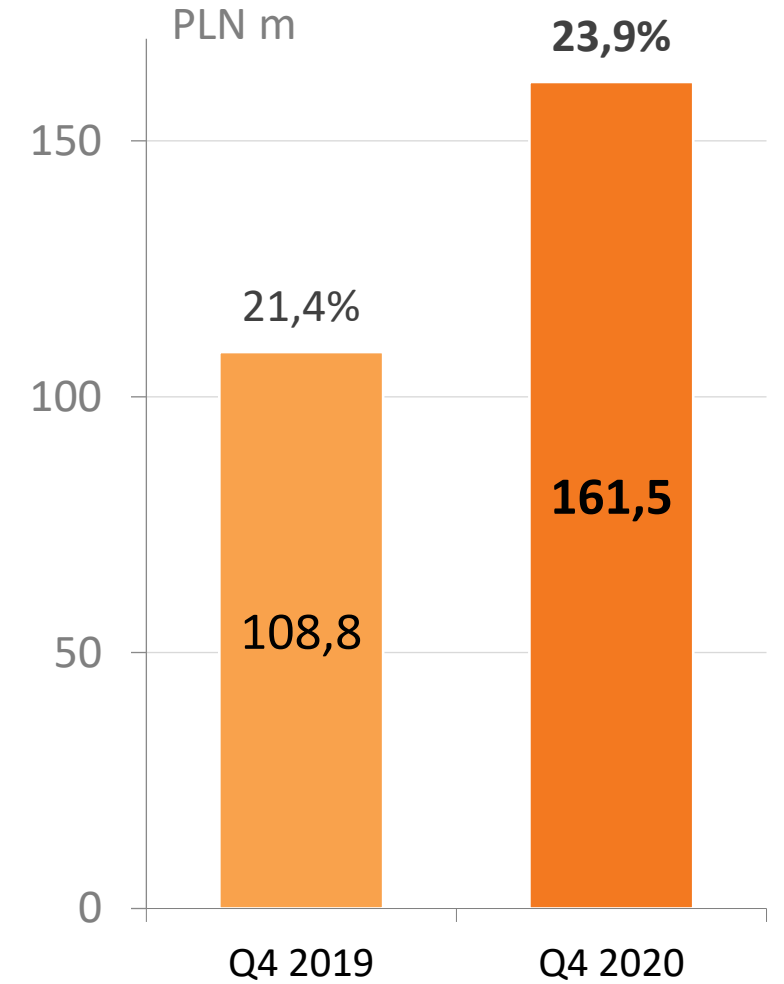
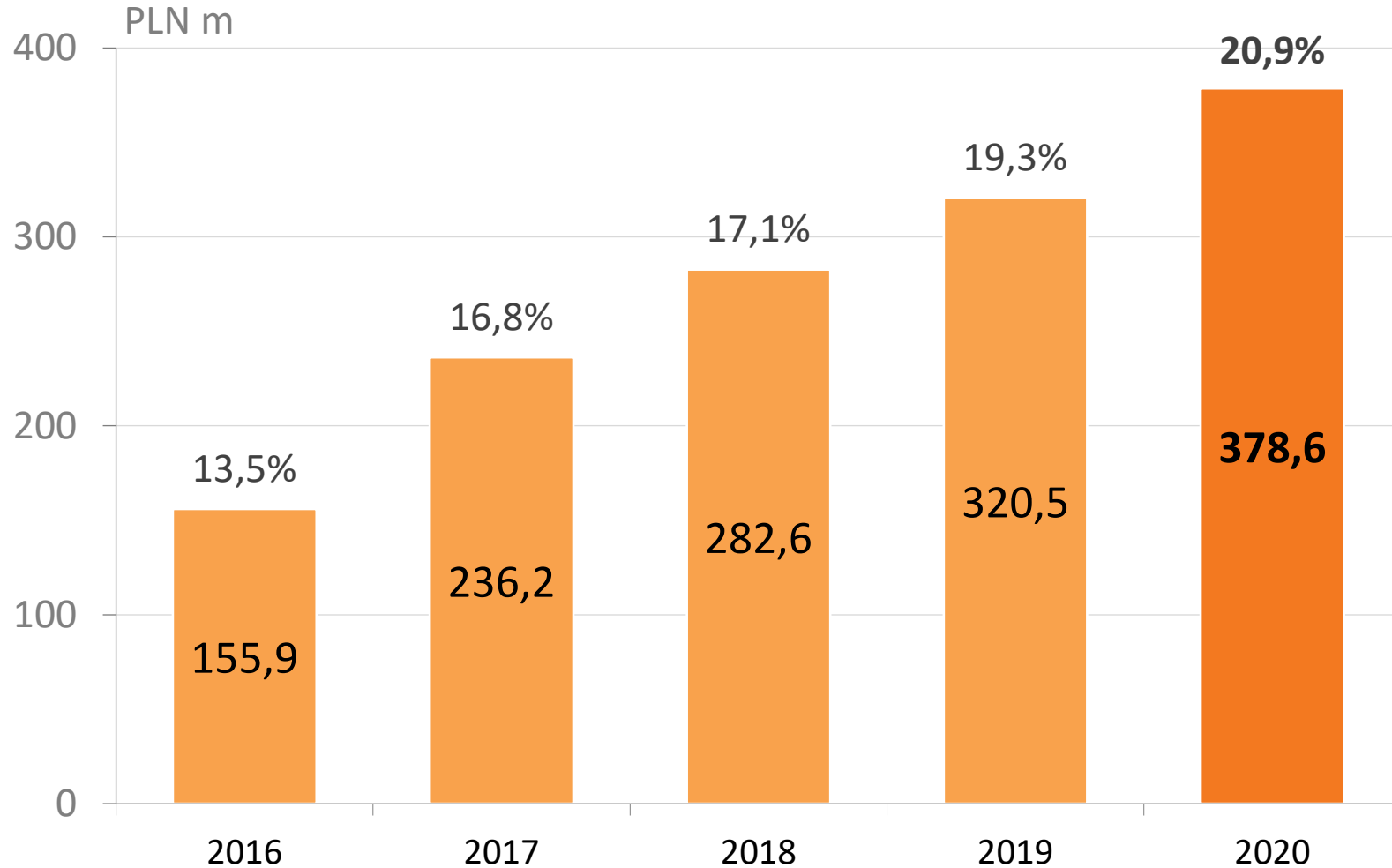
## 3.2. GROSS MARGIN ON SALES

CONSISTENT AND EFFECTIVE USE OF MARKET OPPORTUNITIES



### 3.3. PROFIT BEFORE TAX

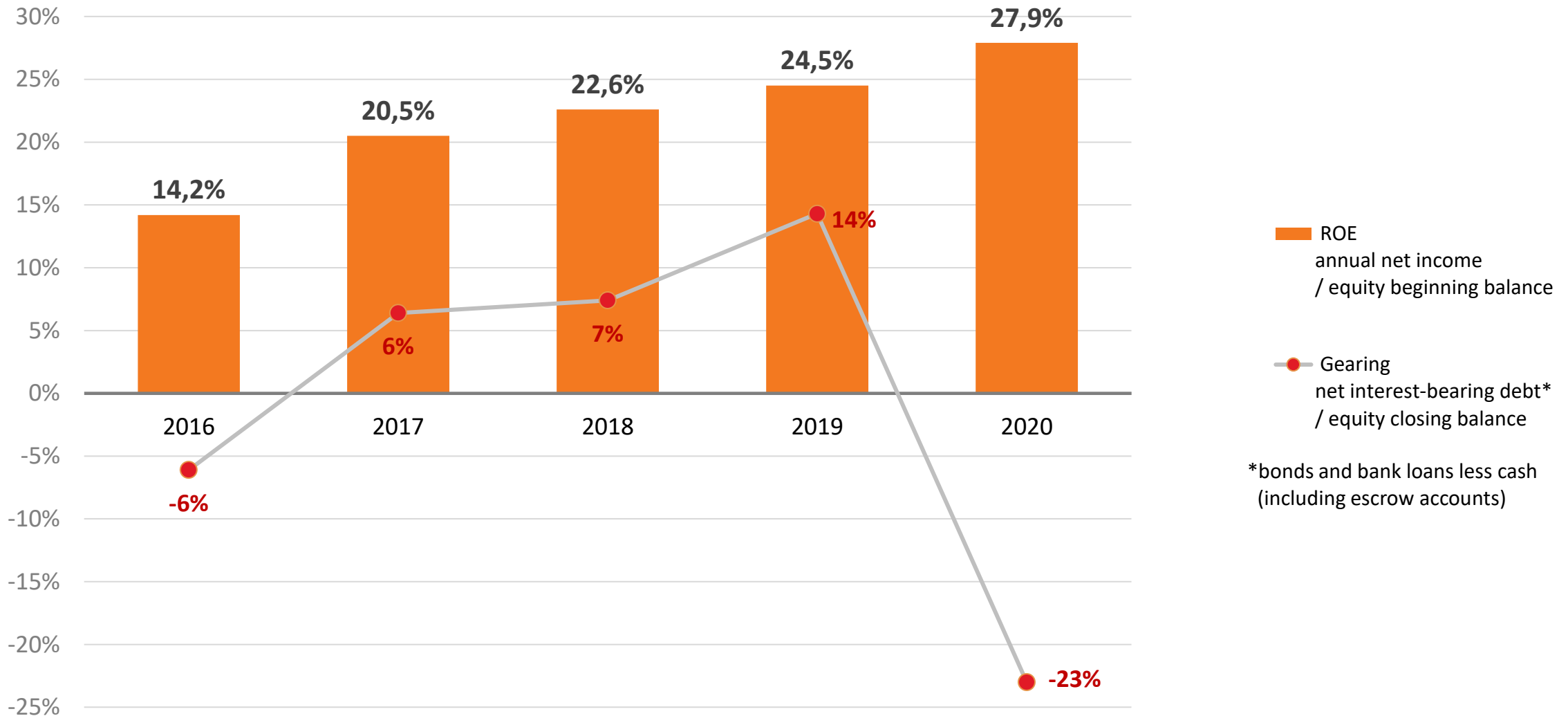
CONSOLIDATED PRE-TAX PROFIT MARGIN IMPROVED 160 BASIS POINTS TO 20.9% IN 2020



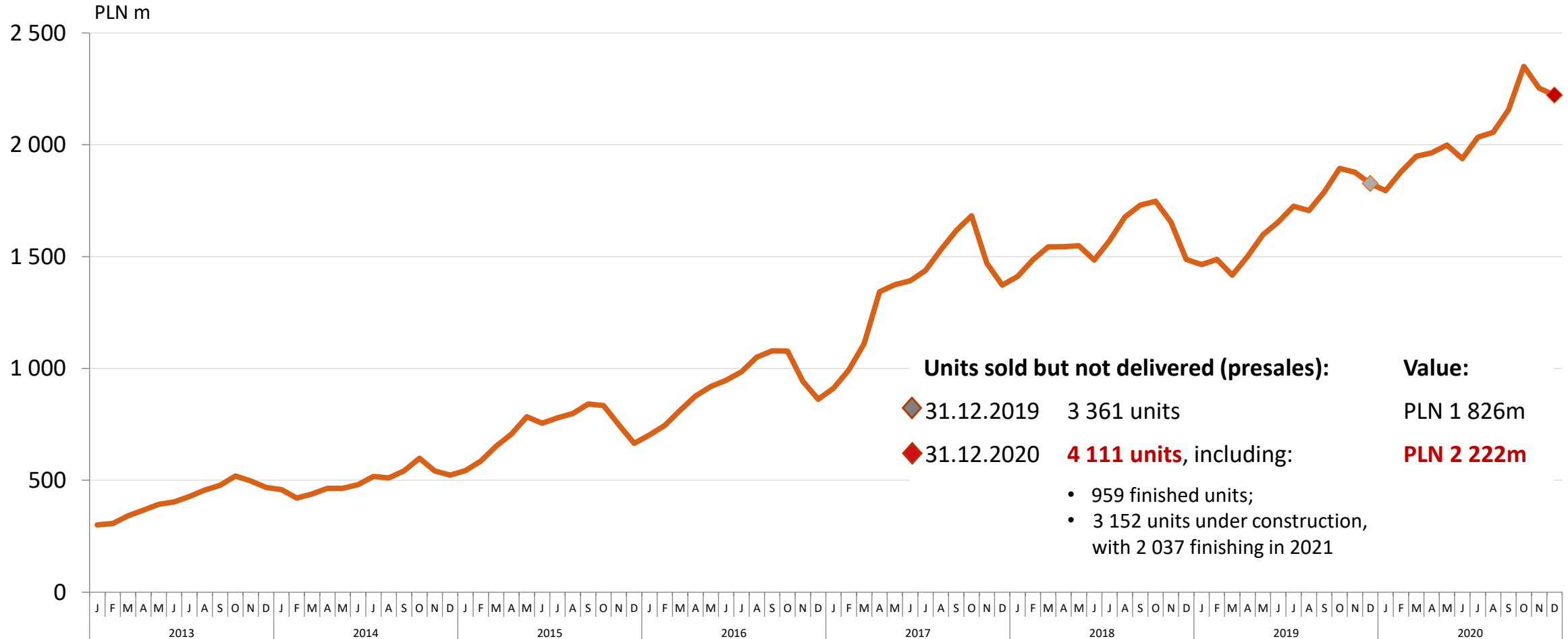


### 3.4. ROE AND GEARING

HIGH RETURN ON EQUITY AND LOW DEBT



### 3.5. CUMULATIVE NET SALES TO BE RECOGNIZED IN P&L (UNITS SOLD BUT NOT DELIVERED - PRESALES) ANOTHER YEAR STARTS WITH RECORD HIGH REVENUE POTENTIAL



## 3.6. BALANCE SHEET

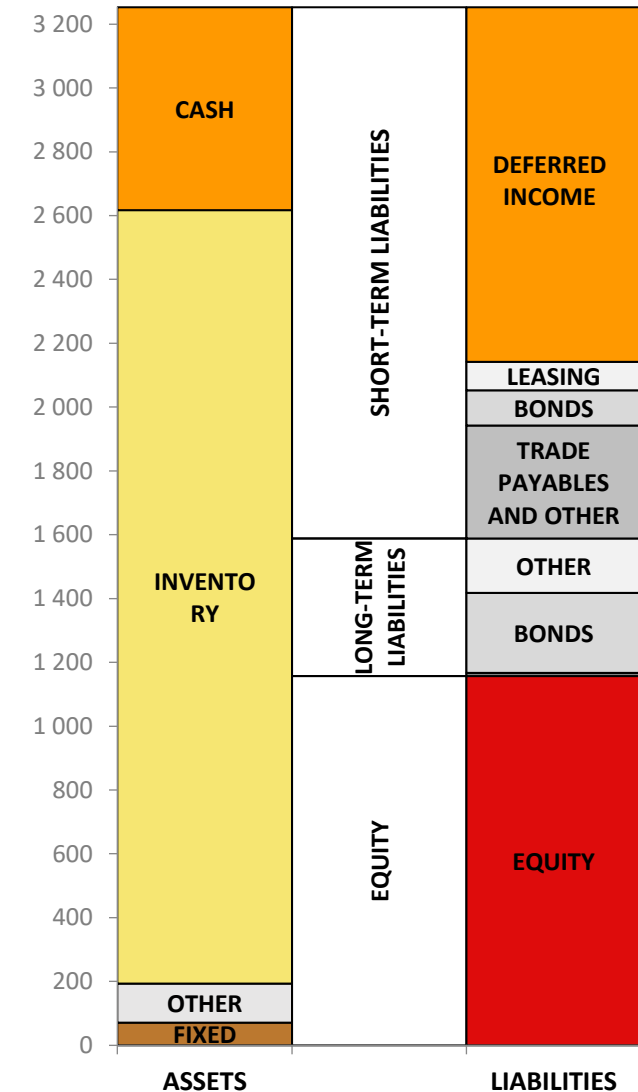
### STRONG BALANCE SHEET AND LOW GEARING RATIO

ASSETS	31.12.2020	31.12.2019	Change
<b>Current Assets</b>	<b>3 182.5</b>	<b>2 892.1</b>	<b>10.0%</b>
Cash	636.1	466.3	36.4%
<i>Incl. escrow accounts</i>	50.5	37.1	36.2%
Inventory, including:	2 423.5	2 509.6	(3.4)%
<i>Land and projects under construction</i>	1 821.8	2 100.7	(13.3)%
<i>Finished units, parking places and storage cells</i>	378.1	188.8	100.3%
<b>Fixed Assets</b>	<b>70.8</b>	<b>68.8</b>	<b>2.8%</b>
<b>TOTAL ASSETS</b>	<b>3 253.2</b>	<b>2 960.9</b>	<b>9.9%</b>

EQUITY AND LIABILITIES	31.12.2020	31.12.2019	Change
<b>Equity</b>	<b>1 157.5</b>	<b>1 084.2</b>	<b>6.8%</b>
<b>Total Liabilities</b>	<b>2 095.7</b>	<b>1 876.7</b>	<b>11.7%</b>
Long-term liabilities	431.0	469.0	(8.1)%
<i>Incl. Interest-bearing debt (bonds and loans)</i>	260.0	345.0	(24.6)%
Short-term liabilities, including:	1 664.7	1 407.7	18.3%
<i>Deferred income</i>	1 111.1	834.3	33.2%
<i>Interest-bearing debt (bonds and loans)</i>	110.0	100.0	10.0%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 253.2</b>	<b>2 960.9</b>	<b>9.9%</b>

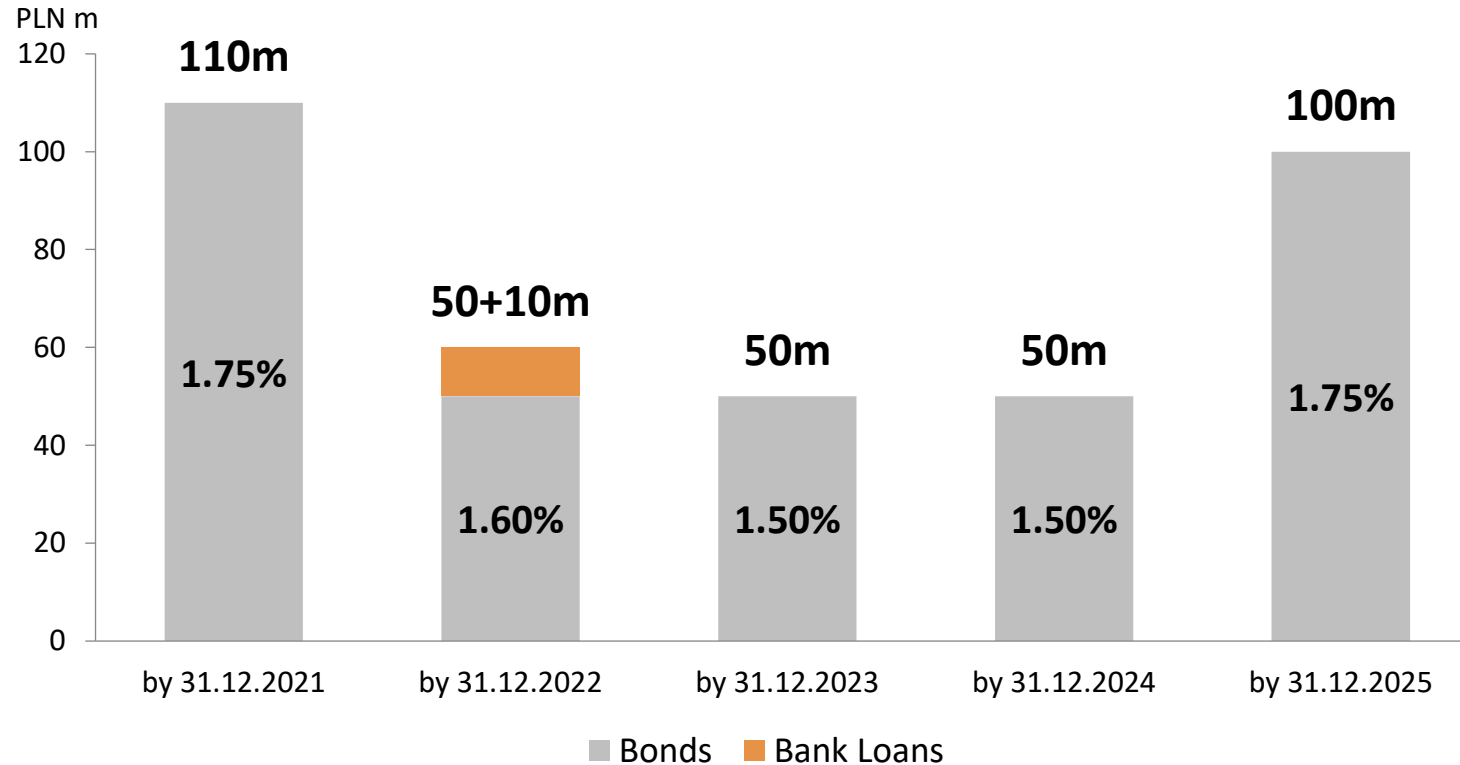
PLN m

PLN m



### 3.7. DEBT MATURITY STRUCTURE

#### LOW COST AND FAVOURABLE DEBT STRUCTURE



**Cash (including escrow accounts) as of 31/12/2020**

**PLN 636m**

**Bond debt as of 31/12/2020**

**PLN 360m**

**Available credit lines as of 31/12/2020**

**PLN 375m**

Interest on bonds is based on WIBOR 3M plus margin presented on the chart above.

## 3.8. CASH FLOW

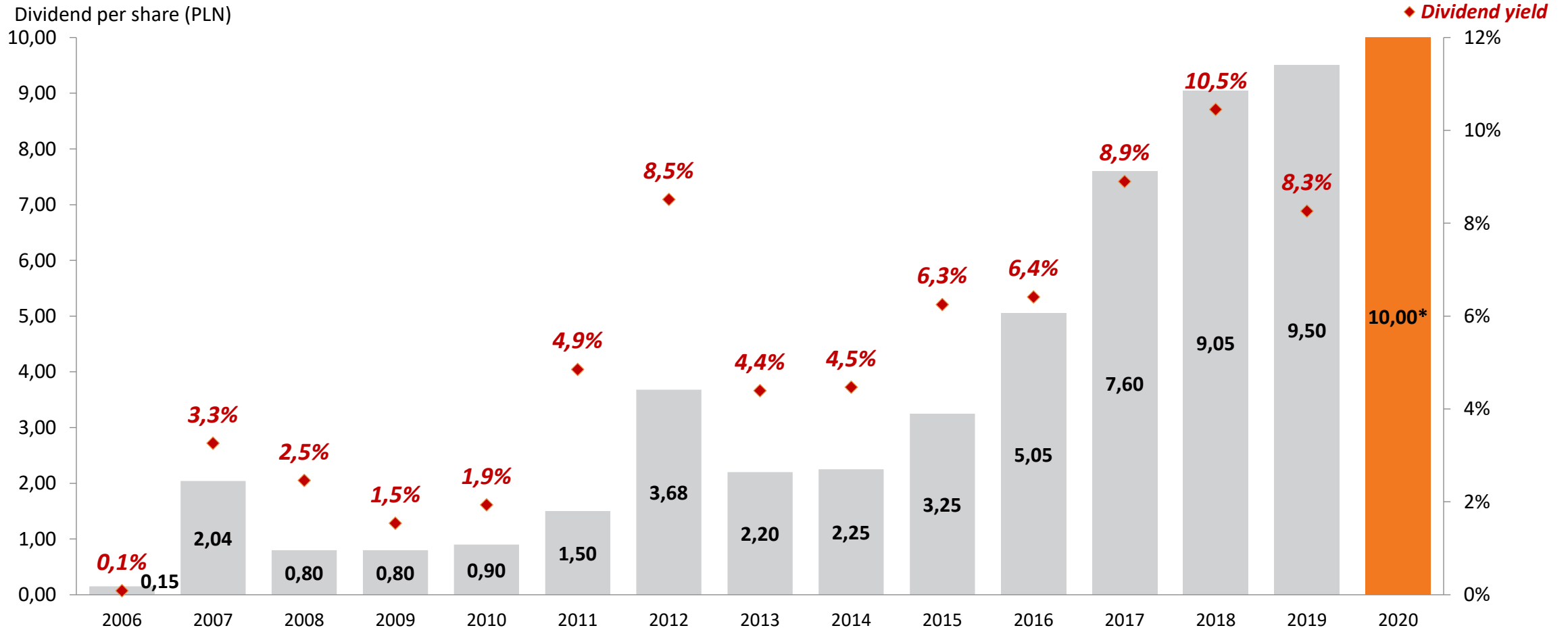
### HIGH OPERATING CASH FLOW PROVIDES SECURITY

<b>Cash flow</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Profit/(loss) before tax</b>	<b>378.6</b>	<b>320.5</b>
Changes in inventory	125.7	(393.1)
Changes in prepayments and deferred income	262.9	198.7
Other adjustments	29.1	132.0
<b>Cash flow generated from operating activities</b>	<b>796.4</b>	<b>258.0</b>
Interest paid and received	(14.3)	(14.1)
Income tax paid	(102.8)	(81.9)
<b>Cash flow from operating activities after interest and tax</b>	<b>679.3</b>	<b>162.1</b>
<b>Cash flow from investing activities</b>	<b>(38.1)</b>	<b>(17.6)</b>
<b>Net cash flow from financing activities</b>	<b>(308.8)</b>	<b>(173.7)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>	<b>332.3</b>	<b>(29.2)</b>
Cash and cash equivalents – opening balance	253.3	282.5
<b>Cash and cash equivalents – closing balance</b>	<b>585.7</b>	<b>253.3</b>

PLN m

### 3.9. DIVIDENDS

PLN 10.00 PER SHARE – RECOMMENDATION OF RECORD HIGH PAYMENT FROM 2020 PROFIT



**\*Management Board's recommendation**

Dividend yield (right scale) calculated on closing price on last day of trading cum dividend

## 4.1. DIVIDEND POLICY

- Dividends paid continuously since the IPO in 2006: PLN 1 216m paid in total (63% of the Group's profit)
- Current policy: dividend progression with due regard to current market situation, growth plans and the Group's financial needs
- 100% of the Group's net income for 2012-2018 paid in dividends to shareholders
- 94% of the 2019 net profit was paid by way of dividend in September 2020.

The Management Board stated its intention to increase dividends in forthcoming years, both in nominal and real terms, while retaining part of the profits for building the Group's equity to support its growth plans

- March 2021: Management Board recommendation of PLN10.00 dividend per share payable in 2021 (+5% YoY), i.e. 84% of the Group's net income for 2020

## 4.2. CAPITAL MANAGEMENT PRIORITIES

- Balance, discipline, flexibility and opportunistic focus on long-term value creation,
- Maintain our strong balance sheet, high liquidity and low gearing
- Grow the business, particularly through acquisitions and new regional markets



# APPENDICES

# APPENDIX 1: COMMENCEMENT OF HANDOVERS IN 2021

PROJECT	LOCATION	NO. OF UNITS	COMMENCEMENT OF HANDOVERS	PROJECT	LOCATION	NO. OF UNITS	COMMENCEMENT OF HANDOVERS		
Q1	WILNO VI PHASE 3.1	WARSAW	197	JAN'21	Q3	BEAUFORTA BUILDING 18	TRI-CITY	35	AUG'21
	BEAUFORTA BUILDING 15	TRI-CITY	24	JAN'21		BEAUFORTA BUILDING 19	TRI-CITY	32	AUG'21
	BEAUFORTA BUILDING 16	TRI-CITY	18	JAN'21		BEAUFORTA BUILDING 20	TRI-CITY	38	AUG'21
	IDEA BUILDING 11	TRI-CITY	27	JAN'21		ZIELONY POŁUDNIK BUILDING 13	TRI-CITY	50	SEP'21
	IDYLLA PHASE 2	WROCLAW	144	JAN'21		OSIEDLE CIS	TRI-CITY	148	SEP'21
	APARTAMENTY WŁODARZEWSKA 70	WARSAW	102	FEB'21		DAWNA POCZTA	TRI-CITY	106	SEP'21
	APARTAMENTY OGRODOWA	WARSAW	160	FEB'21	Q4	WILNO V PHASE 1	WARSAW	326	OCT'21
	OSIEDLE PRZY BŁONIACH BUILDING C	TRI-CITY	28	FEB'21		LOCUS BUILDING 4	TRI-CITY	91	NOV'21
	OSIEDLE PRZY BŁONIACH BUILDING D	TRI-CITY	36	FEB'21		NASZE MIEJSCE BUILDING B	TRI-CITY	44	NOV'21
	DOM NA KURKOWEJ	WROCLAW	118	FEB'21		PERSPEKTYWA PHASE 1.1	TRI-CITY	33	NOV'21
WILNO VI PHASE 3.2	WARSAW	228	MAR'21	ŻOLIBORZ ARTYSTYCZNY PHASE 13.1		WARSAW	158	DEC'21	
OSIEDLE KOMEDY PHASE 1	WROCLAW	120	MAY'21	ŻOLIBORZ ARTYSTYCZNY PHASE 13.2		WARSAW	55	DEC'21	
METRO ZACHÓD PHASE 1	WARSAW	134	JUN'21	METRO ZACHÓD PHASE 2.1		WARSAW	129	DEC'21	
BEAUFORTA BUILDING 17	TRI-CITY	24	JUN'21	OSIEDLE GŁĘBOCKA PHASE 1		WARSAW	60	DEC'21	
Q2	ZIELONY POŁUDNIK BUILDING 5	TRI-CITY	22	JUN'21		PERSPEKTYWA PHASE 1.2	TRI-CITY	21	DEC'21
	ZIELONY POŁUDNIK BUILDING 6	TRI-CITY	22	JUN'21		BEAUFORTA BUILDING 8	TRI-CITY	35	DEC'21
	ZIELONY POŁUDNIK BUILDING 7	TRI-CITY	22	JUN'21	BEAUFORTA BUILDING 9	TRI-CITY	27	DEC'21	
	ZIELONY POŁUDNIK BUILDING 8	TRI-CITY	23	JUN'21	BEAUFORTA BUILDING 11	TRI-CITY	35	DEC'21	
	LOCUS BUILDING 3	TRI-CITY	71	JUN'21	ZIELONY POŁUDNIK BUILDING 18-19	TRI-CITY	44	DEC'21	
				ZIELONY POŁUDNIK BUILDING 20-21	TRI-CITY	44	DEC'21		

# APPENDIX 2A: PROJECTS UNDER CONSTRUCTION AND IN PREPARATION: WARSAW

NO. OF UNITS, AS OF 31/12/2020

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	ŻOLIBORZ ARTYSTYCZNY	493	---
2	LUDWIKI	---	429
3	METRO ZACHÓD (+298)	387	298
4	BOKSERSKA (NEW)	---	37
5	PORY	---	200
<b>TOTAL LEFT BANK</b>		<b>880</b>	<b>964</b>

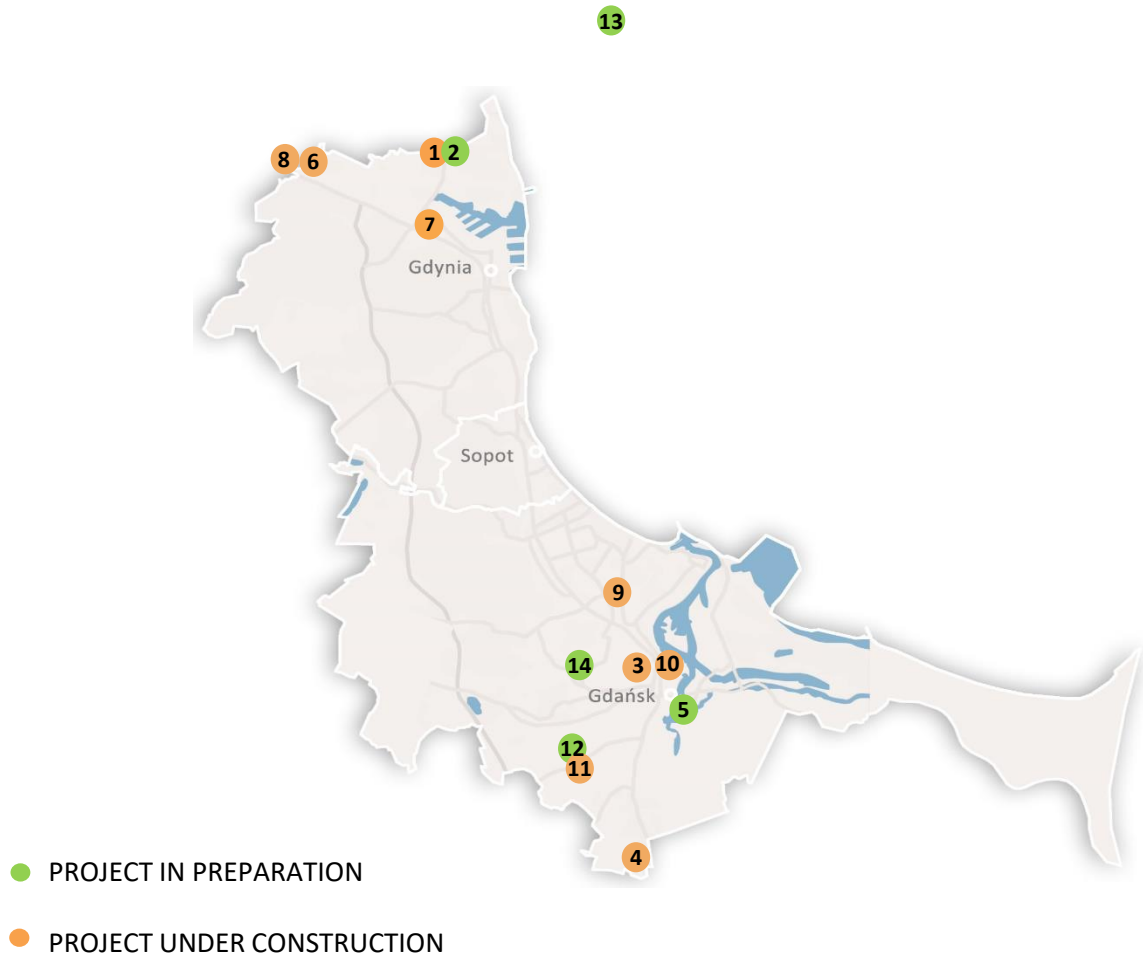


NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
6	WILNO	767	514
7	STACJA GROCHÓW (SIENNICKA)	390	---
8	PALLADIUM (AKACJE)	---	566
9	GŁĘBOCKA	271	---
10	REZYDENCJA STANISŁAWA AUGUSTA	125	---
<b>TOTAL RIGHT BANK</b>		<b>1 553</b>	<b>1 080</b>

- PROJECT IN PREPARATION
- PROJECT UNDER CONSTRUCTION

# APPENDIX 2B: PROJECTS UNDER CONSTRUCTION AND IN PREPARATION: TRI-CITY

NO. OF UNITS, AS OF 31/12/2020



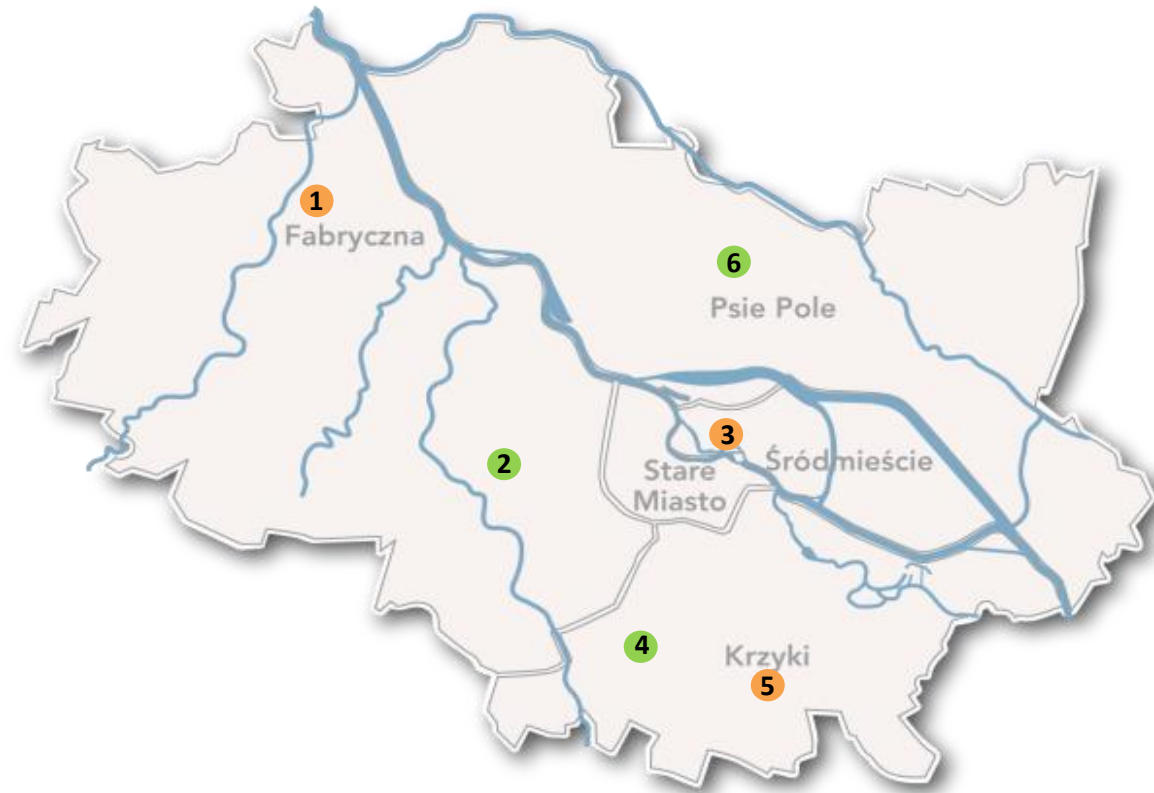
NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	OSIEDLE BEAUFORTA	379	---
2	BEAUFORTA II	---	1 056
3	PERSPEKTYWA	376	283
4	ZIELONY POŁUDNIK	277	276
5	DOLNE MIASTO	---	371
6	LOCUS	162	---
7	OSIEDLE CIS	148	---
8	OSIEDLE PRZY BŁONIACH	129	155
9	DAWNA POCZTA	106	---
10	DOKI I MONTOWNIA	343	857
11	NASZE MIEJSCE (NIEPOŁOMICKA)	124	---
12	DYNAMIKA (CZŁUCHOWSKA)	---	334
13	JASTARNIA	---	116
14	PIEKARNICZA	---	536
<b>TOTAL TRI-CITY</b>		<b>2 044</b>	<b>3 984</b>

## APPENDIX 2C:

# PROJECTS UNDER CONSTRUCTION AND IN PREPARATION: WROCLAW

NO. OF UNITS, AS OF 31/12/2020

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	IDYLLA (STABŁOWICKA)	144	---
2	OSIEDLE CHOCIEBUSKA 11 (NOWY DWÓR)	196	---
3	DOM NA KURKOWEJ	118	---
4	APARTAMENTY OŁTASZYN (KUSTRONIA)	---	158
5	KOMEDY (BUFOROWA)	203	353
6	ZIELNA	160	152
<b>TOTAL WROCLAW</b>		<b>821</b>	<b>663</b>



- PROJECT IN PREPARATION
- PROJECT UNDER CONSTRUCTION

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Euro Styl S.A. results incorporation key:

- Sales volume and value – from Q2 2017
- New construction starts – whole 2017
- Deliveries and financial results – from 8 June 2017, i.e. the acquisition date

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