



Dom Development S.A.

Consolidated Group

Q3 2018 Results Presentation

26 October 2018



Highlights

Q3 2018

- Q3 sales highest in 2018: 946 units, +18% QoQ with high margins
- Sales success on our flagship projects: Marina Mokotów and Żoliborz Artystyczny
- Strong offer growth to 3,120 units
- Dom Construction – highly successful start to construction on Żoliborz Artystyczny
- Doubling land bank in Wrocław up to 1,150 units

Q3 2018 Financial Results – summary

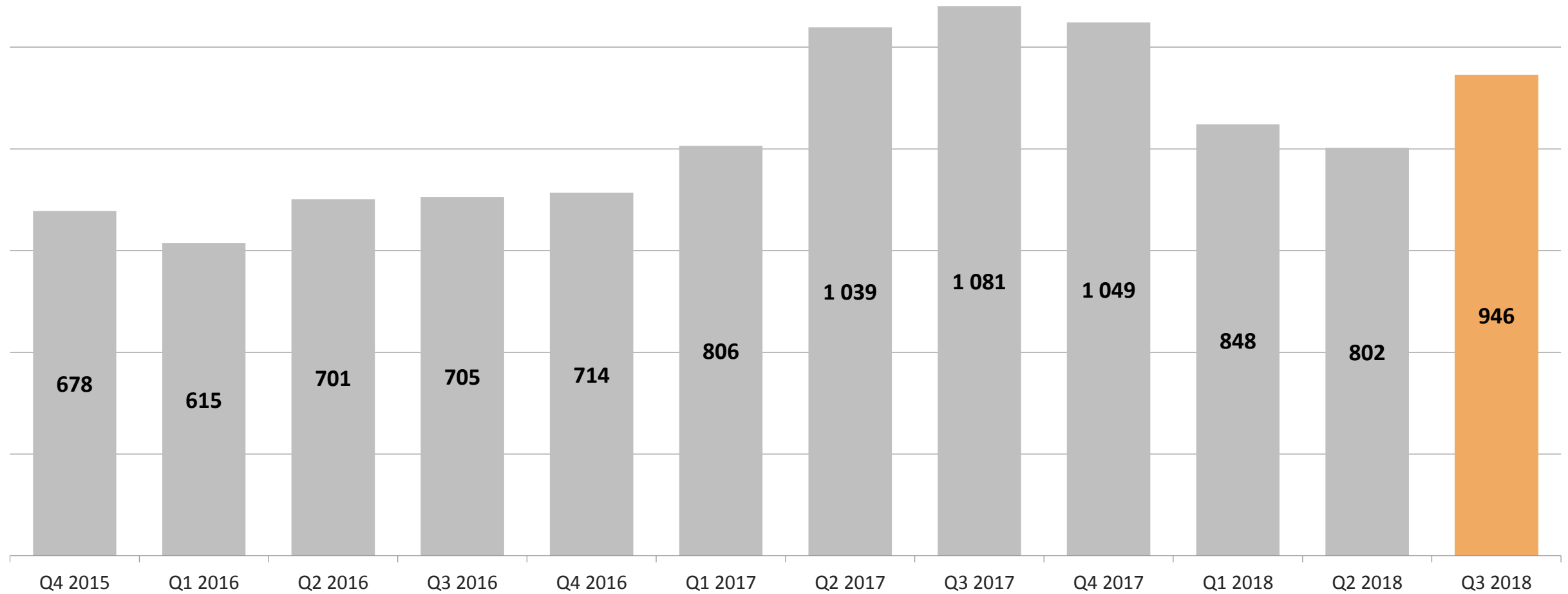
- Handovers: 587 units (+6% YoY)
- Revenues: PLN 265.8m (+8% YoY)
- Gross Margin: 25.4% (-2.1 pp YoY)
- Net Profit: PLN 21.9m (-16% YoY)
- No net debt at 30.09.2018

Market in Q3 2018

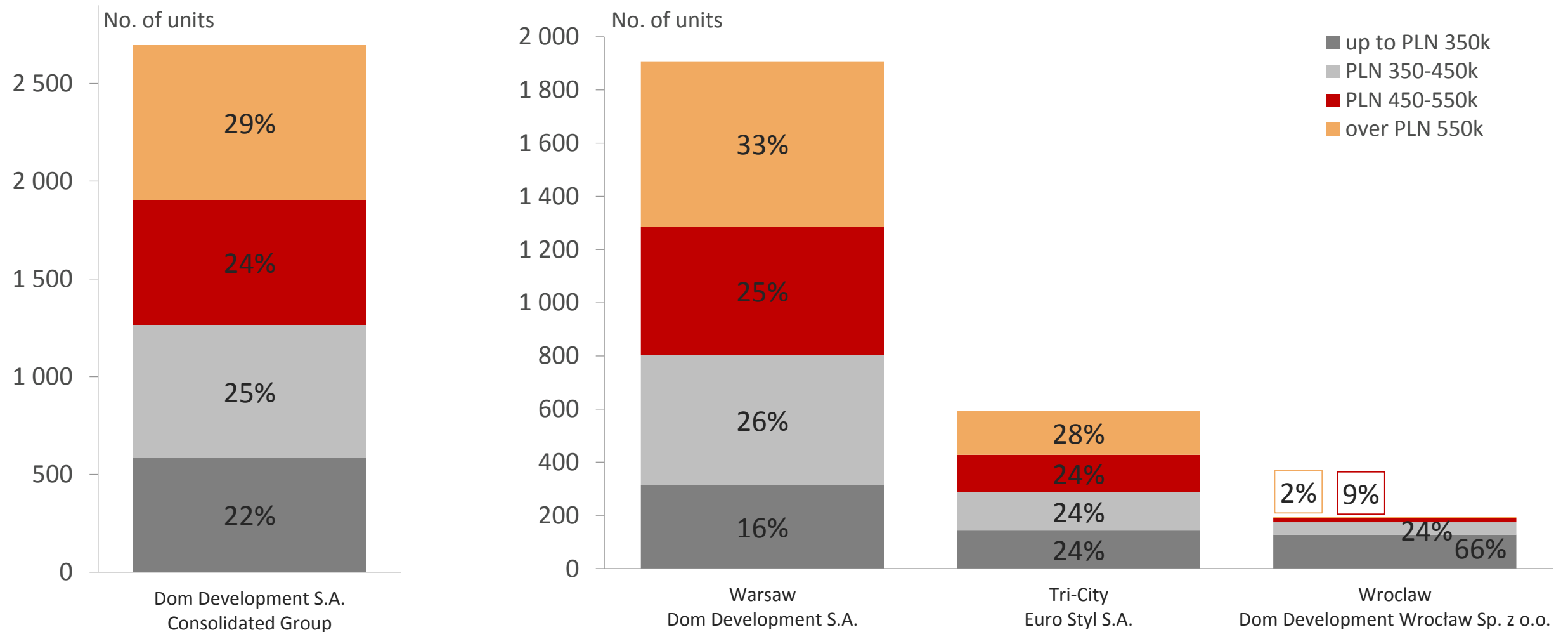
- Continuing excess of demand over supply and further price increases
- Favorable macroeconomic factors supported demand, including very strong wage and GDP growth, low interest rates and low unemployment
- Very strong competition on land market
- Construction services availability slowly improving, construction costs beginning to stabilise
- High share of cash buyers – over 45% of overall transactions at Dom Development

Quarterly net sales

No. of units



Q1-Q3 2018 Sales Segmentation – Markets Breakdown

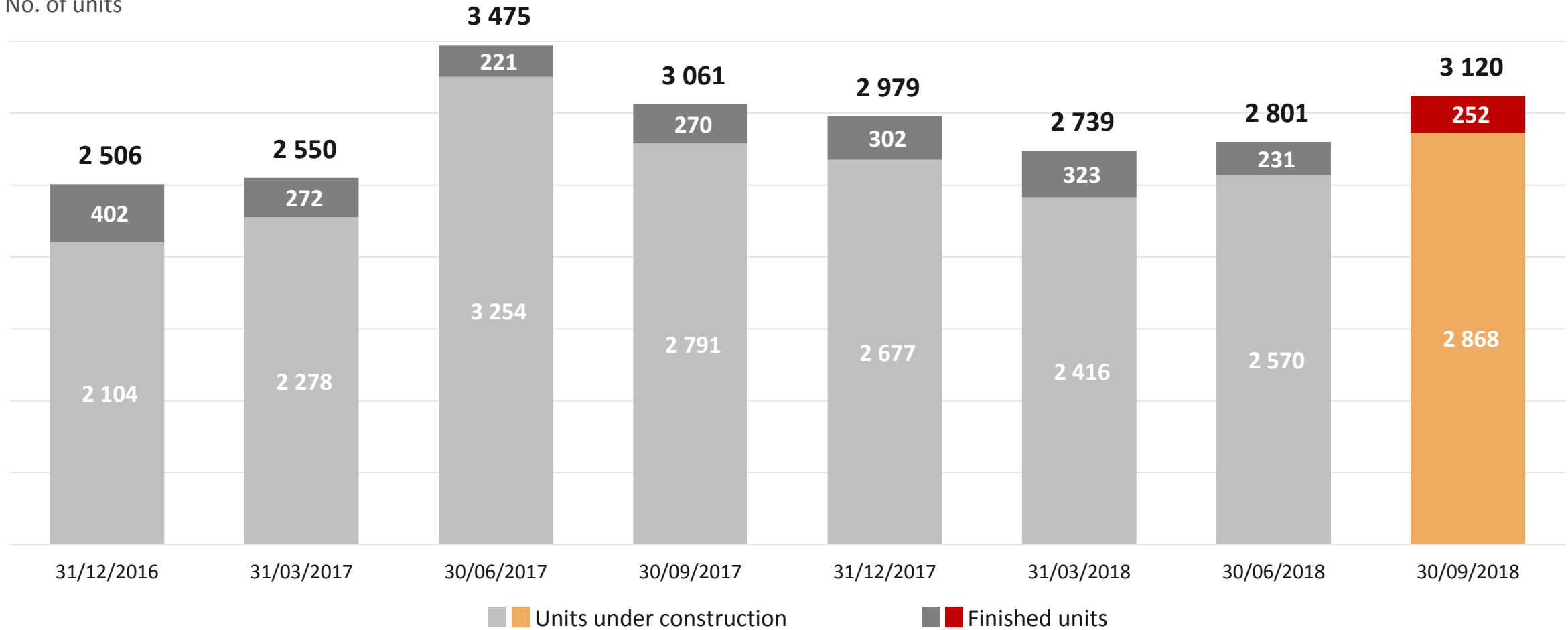


* Transaction value includes price of a flat with fit-out (if purchased), storage room (if purchased) and parking place (if purchased).



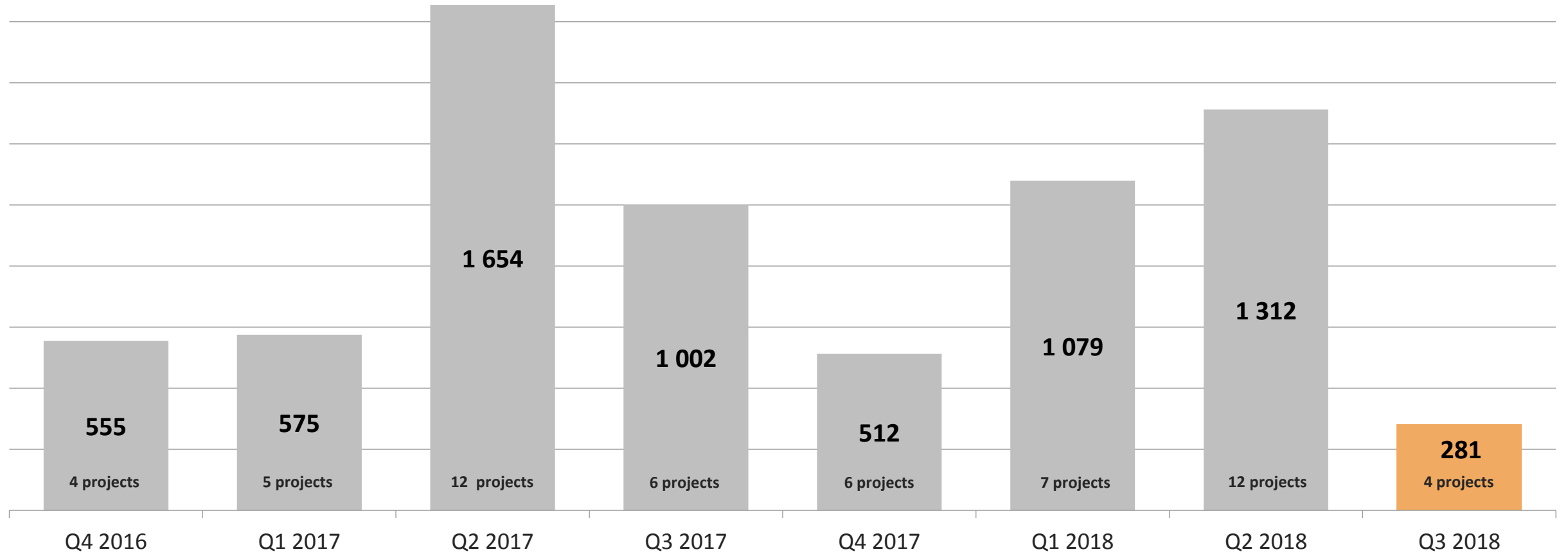
Offer (units available for sale)

No. of units

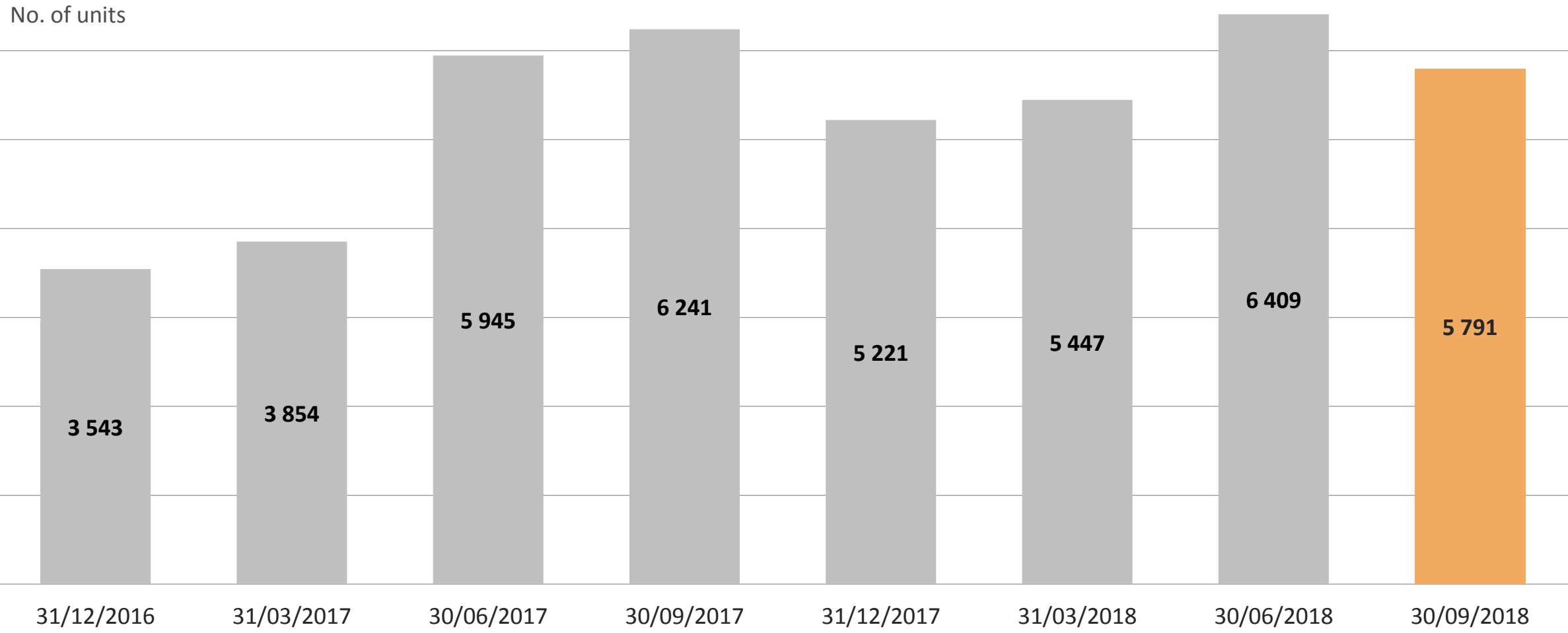


New Construction Starts

No. of units

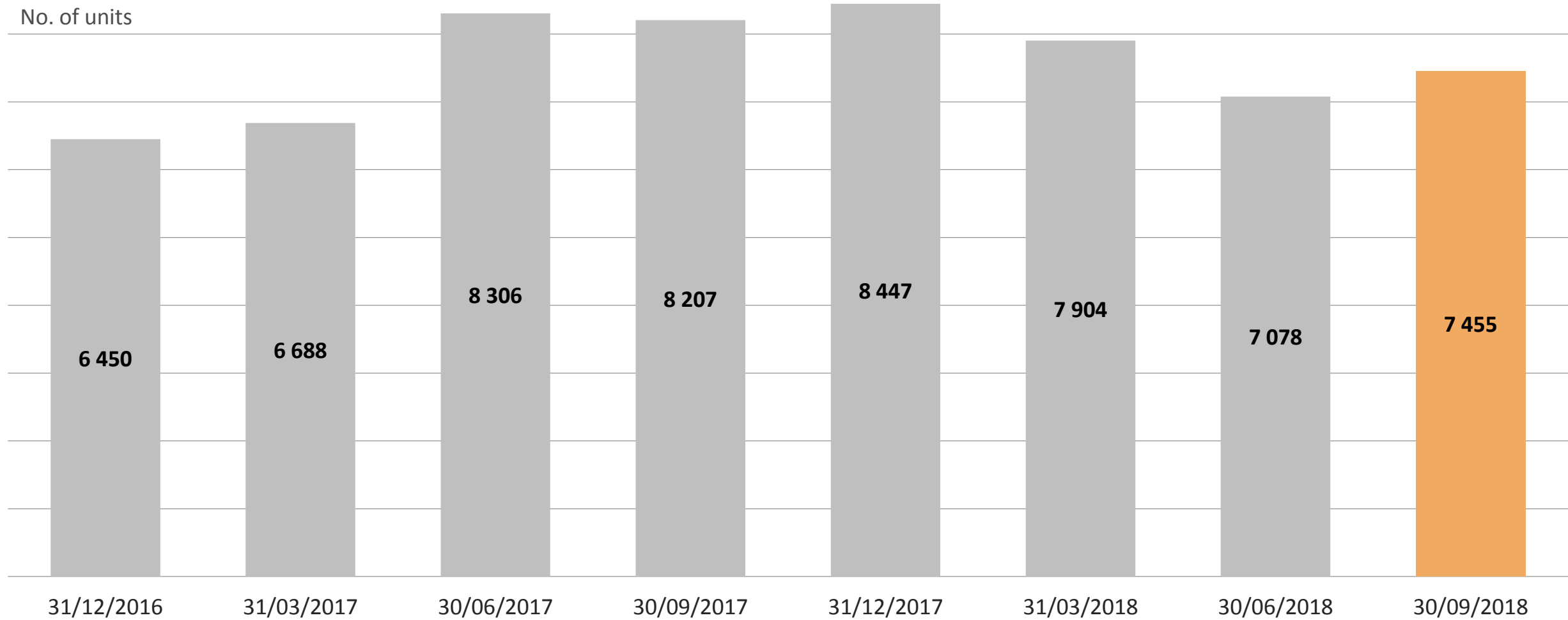


Units Under Construction



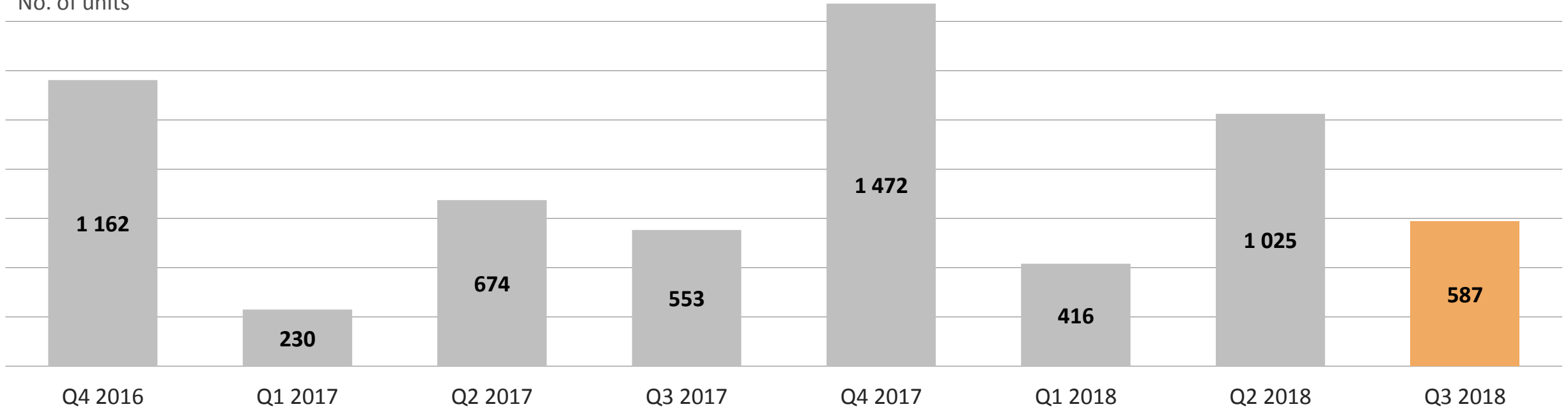
Land Bank

No. of units



Handovers

No. of units



Units sold but not delivered (presales)

30.06.2018

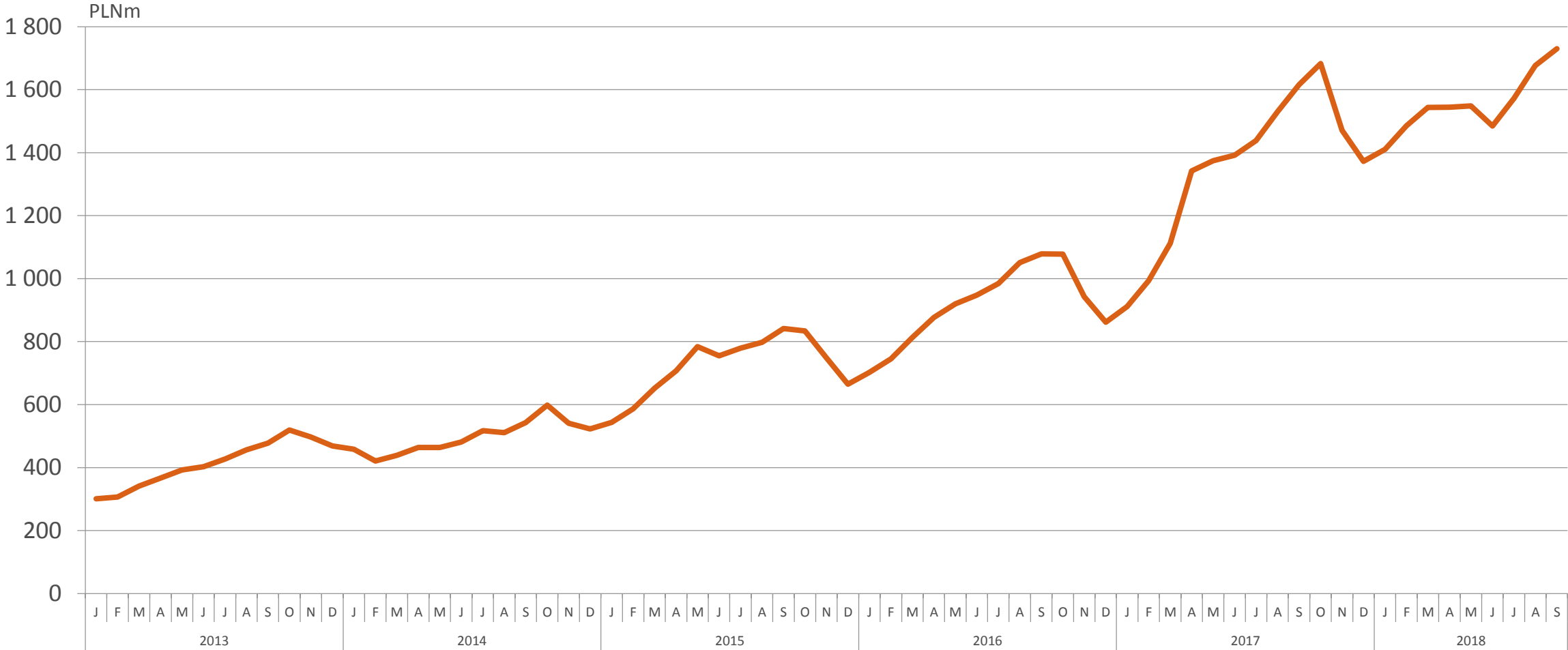
3 422
units

30.09.2018

3 781
units, including:

- 564 finished units
- 3 217 units under construction, out of which 1 364 will be finished in 2018

Cumulative Net Sales to be Recognized in P&L



Financial Results: Profit and Loss

Profit and Loss Account	Q3 2018	Q3 2017	Change	Q1-Q3 2018	Q1-Q3 2017	Change
Sales Revenues	265.8	245.2	8%	905.0	680.7	33%
<i>Handovers (units)</i>	587	553	6%	2,028	1,457	39%
<i>Revenue per unit (PLN'000)</i>	452.8	443.4	2%	446.2	467.2	(4)%
Gross Profit on Sales	67.6	67.6	-	246.5	184.0	34%
<i>Gross Profit Margin</i>	25.4%	27.6%	(2.1) pp	27.2%	27.0%	0.2 pp
Operating Profit	28.1	32.4	(13)%	123.5	89.7	38%
<i>Operating Profit Margin</i>	10.6%	13.2%	(2.6) pp	13.6%	13.2%	0.5 pp
Profit Before Tax	28.5	32.1	(11)%	123.7	90.1	37%
<i>Profit Before Tax Margin</i>	10.7%	13.1%	(2.4) pp	13.7%	13.2%	0.4 pp
Net Profit	21.9	26.0	(16)%	98.2	74.0	33%
<i>Net Profit Margin</i>	8.2%	10.6%	(2.4) pp	10.9%	10.9%	-
<i>EPS (PLN)</i>	0.88	1.05	(16)%	3.94	2.97	33%

IAS 18, PLN m

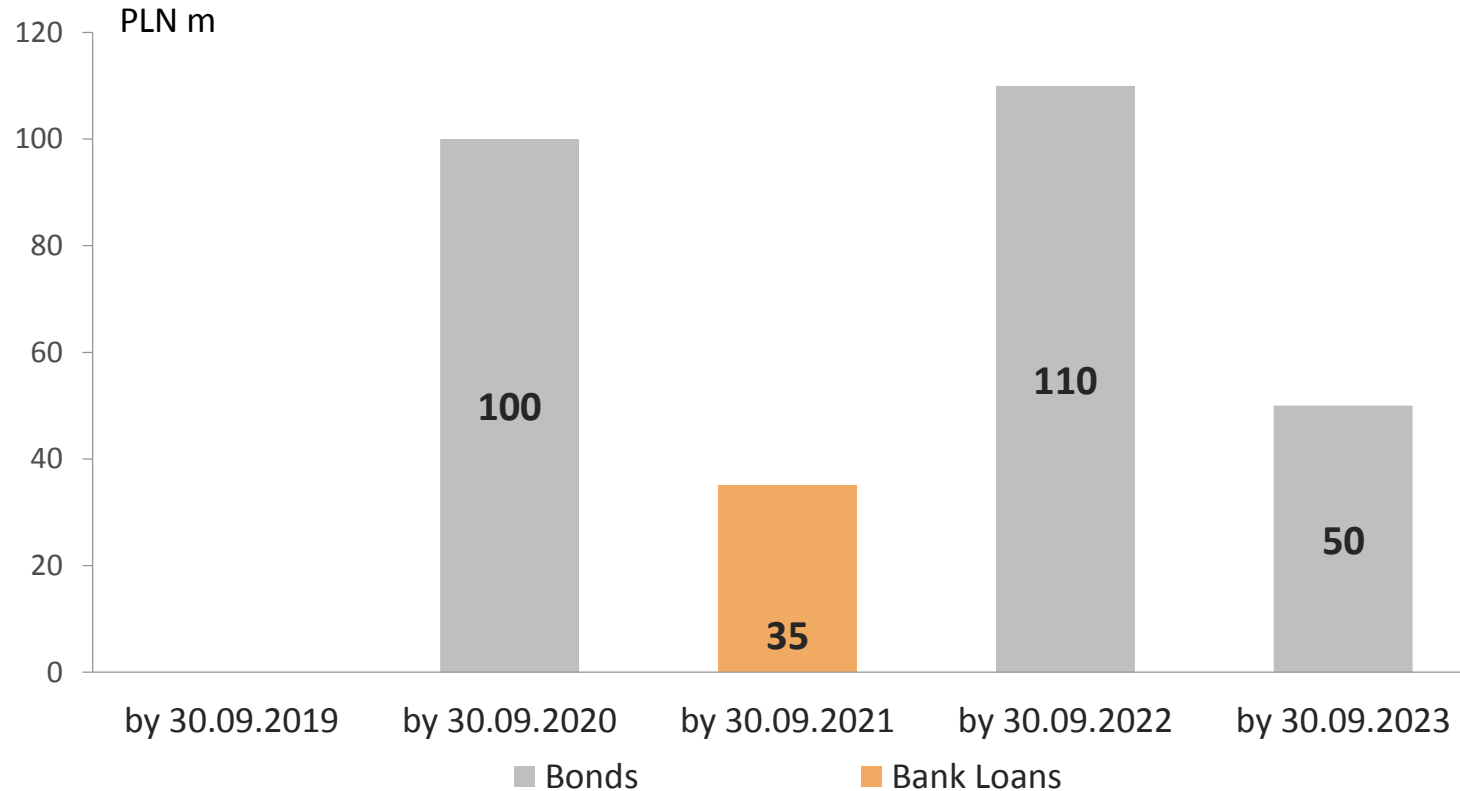
Financial Results: Balance Sheet

Consolidated Balance Sheet	30.09.2018	30.09.2017	Change
Shareholders' funds (equity)	917.7	881.2	4%
Net debt/(net cash)*	(23.8)	63.3	-
Gearing (net debt/equity)	(2.6)%	7.2%	(9.8) pp
Net asset value per share (PLN)	36.75	35.43	4%
Shares in issue (m)	25.0	24.9	-
ROE (12M)	24.4%	18.9%	5.5 pp
ROCE (12M)	24.6%	17.8%	6.8 pp

*Bank debt plus bonds in issue less cash at banks (including escrow accounts)

IAS 18, PLN m

Debt Maturity Structure



Cash (including escrow accounts) as of 30/09/2018

PLN 319m

Bond debt as of 30/09/2018

PLN 260m

Available credit lines as of 30/09/2018

PLN 200m

Summary: Q1-Q3 2018

- ❑ Very strong demand in Warsaw, Wroclaw and Tri-City markets
- ❑ New land plots for over 800 units in the Tri-City and over 850 units in Wroclaw
- ❑ Dom Construction (Group's internal General Contractor) successfully set up business in Warsaw
- ❑ 2,596 units sold (-11% YoY) with improving margins
- ❑ 3,120 units available for sale
- ❑ 5,791 units under construction on 46 projects
- ❑ Q1-Q3 2018 net profit: PLN 98.2m, up 33% YoY
- ❑ Gearing as of 30 September 2018: -2.6%; PLN 23.8m net cash

Appendices

Commencement of handovers in 2018

	Project	Location	No. of units	Commencement of handovers
Q4 2018	Wilno VI phase 1	Warsaw	309	Sep'18
	Premium phase 5	Warsaw	113	Sep'18
	Futura Park building 7	Tri-City	8	Oct'18
	Apartamenty Mokotów nad Skarpą 2	Warsaw	190	Nov'18
	Cybernetyki 17 phase 1	Warsaw	146	Nov'18
	Moderna phase 3	Warsaw	187	Nov'18
	Wille Lazurowa phase 2	Warsaw	102	Nov'18
	Idea building 5	Tri-City	62	Nov'18
	Nowy Horyzont building 11	Tri-City	38	Nov'18
	Apartamenty Park Szczęśliwicki	Warsaw	46	Nov'18
	Dom na Bartyckiej	Warsaw	131	Dec'18
	Forma phase 2	Warsaw	199	Dec'18
	Cybernetyki 17 phase 2	Warsaw	247	Dec'18
	Premium phase 4	Warsaw	248	Dec'18
	Spektrum building A	Tri-City	169	Dec'18
	Scena Apartamenty	Tri-City	61	Dec'18
	Osiedle Viridis building A1	Tri-City	32	Dec'18
	Port Żerań phase 1	Warsaw	362	Jan'19
	Amsterdam phase 2	Warsaw	314	Jan'19

Commencement of handovers: on schedule/earlier/delayed

Projects Under Construction and in Preparation: Warsaw

no. of units, as of 30/09/2018

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	ŻOLIBORZ ARTYSTYCZNY	273	983
2	PREMIUM	248	---
3	WILLE LAZUROWA	102	---
4	OGRODOWA	---	160
5	WŁODARZEWSKA 70/72	---	102
6	APARTAMENTY PARK SZCZĘŚLIWICKI (PRZY PARKU)	46	---
7	MARINA MOKOTÓW	319	443
8	APARTAMENTY MOKOTÓW NAD SKARPĄ	190	---
9	CYBERNETYKI 17	487	---
10	WILLE TANECZNA	81	---
11	APARTAMENTY DOLNY MOKOTÓW (SOBIESKIEGO)	153	---
12	DOM NA BARTYCKIEJ	131	---
TOTAL LEFT BANK		2 030	1 688



- PROJECT IN PREPARATION
- PROJECT UNDER CONSTRUCTION

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
13	REGATY	272	---
14	PALLADIUM (AKACJE)	---	566
15	PORT ŻERAŃ (KOWALCZYKA)	692	152
16	MODERNA	187	---
17	AMSTERDAM (SAMARYTANKA)	516	---
18	WILNO	211	1 371
19	FORMA (MOTOROWA)	412	---
20	STACJA GROCHÓW (SIENICKA)	148	409
TOTAL RIGHT BANK		2 438	2 498

Projects Under Construction and in Preparation: Tri-City

no. of units, as of 30/09/2018



- PROJECT IN PREPARATION
- PROJECT UNDER CONSTRUCTION

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	OSIEDLE VIRIDIS	32	---
2	IDEA	169	145
3	NOWY HORYZONT	38	---
4	SPEKTRUM	401	---
5	OSIEDLE BEAUFORTA	137	471
6	SCENA APARTAMENTY	61	---
7	MEZZO	158	---
8	FUTURA PARK	8	---
9	ZIELONY POŁUDNIK	52	662
10	POLANKI APARTAMENTY	---	9
11	LOCUS	---	271
12	GDYNIA MORSKA	---	156
13	RUMIA DĘBOGÓRSKA	---	308
14	GDAŃSK MICKIEWICZA	---	97
TOTAL TRI-CITY		1 056	2 119

Projects Under Construction and in Preparation: Wrocław

no. of units, as of 30/09/2018

NO.	PROJECT	UNDER CONSTRUCTION	IN PREPARATION
1	KSIĘŻE NOWE (RYBNICKA)	132	---
2	IDYLLA (STABŁOWICKA)	83	144
3	STUDIO ARTE	52	---
4	KSIĘCIA WITOLDA	---	138
5	PIĘKNA	---	200
6	KURKOWA	---	115
7	BUFOROWA (NEW)	---	553
TOTAL WROCLAW		267	1 150



- PROJECT IN PREPARATION
- PROJECT UNDER CONSTRUCTION

Projects Under Construction and in Preparation: Summary

as of 30/09/2018

LOCATION	NO. OF PROJECTS / PHASES UNDER CONSTRUCTION	NO. OF UNITS UNDER CONSTRUCTION	NO. OF UNITS IN PREPARATION	TOTAL (NO. OF UNITS)
WARSAW	23	4 468	4 186	8 654
WROCLAW	3	267	1 150	1 417
TRI-CITY	20	1 056	2 119	3 175
TOTAL	46	5 791	7 455	13 246

For further information please contact:

Magdalena Cumanis

Investor Relations

tel. +48 22 351 68 49

e-mail: magdalena.cumanis@domd.pl

www.inwestor.domd.pl

Euro Styl S.A. results incorporation key:

- Sales volume – 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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