

Bielsko-Biała, Poland, 26 September 2024

MURAPOL IN THE 1ST HALF OF 2024: CONTINUED EXPANSION OF OPERATING SCALE AND GROWING PRODUCT LINE

The Murapol Group, one of the largest and most experienced residential developers in Poland, delivered 1,295 units to retail customers in the 1st half of 2024, compared to 1,592 units in the same period of 2023 (-18.7% y/y). This result was in line with the group's expectations and the timetable for completion of its projects. The group plans to intensify the pace of handovers in the 2nd half of 2024. This translated into sales revenue of PLN 584.1 million (-12.8% y/y). The group earned a net profit in 1H 2024 of PLN 102.3 million.

Despite the market uncertainty in the 1st half of this year, the company signed 1,438 development contracts and preliminary contracts with customers (+5.5% y/y). The total net sales to retail customers in the period (development contracts, preliminary contracts and paid reservation agreements, excluding cancellations) were 1,521 units, similar to the number in 1H 2023 (1,539 units).

In 1H 2024 the Murapol Group introduced 2,285 units to its offer (+24.8% y/y) in nine cities, including the new operating market of Lublin. At the end of 1H 2024, Murapol had 4,530 units on offer (+46.1% y/y), placing the group at the top of the Polish market. At the end of June 2024 the Murapol Group had an active land bank with a capacity for construction of nearly 21,900 units in 19 cities.

"Following last year's increased demand, in the 1st half of 2024 we witnessed a postponement of purchasing decisions by customers in connection with the public debate and uncertainty as to the terms and timing of the launch of the government's loan-support scheme Credit to Start," said **Nikodem Iskra, CEO of Murapol S.A.** "The Murapol Group, offering compact, modern apartments optimally suited to the current market needs, in the segment resilient to market fluctuations, achieved satisfactory sales results in this period, once again growing its operating scale. The group's product line is one of the biggest and most geographically diverse in Poland, and at the end of the 1st half of the year included 4,530 units in 16 cities, an increase of over 46% year-on-year. We also have rich resources of land for further developments, including a strong land bank in such cities as Warsaw, Łódź, Gdańsk and Poznań. The growth potential of the Murapol Group is also increased by contracts for purchase of land signed in 1H 2024 in new locations: Kielce and Częstochowa. The planned projects, along with the record number of nearly 8,500 units under construction, provide us strong business foundations for the upcoming quarters."



At the end of 1H 2024 there were 8,494 units under construction, a record in the group's history stretching back more than 23 years. Construction was underway in 29 projects in 14 Polish cities. The largest numbers were in Łódź (23.6% of all projects), Kraków (15.6%) and Poznań (13.3%). Of these units, 7,131 were in the residential-for-sale (R4S) segment and 1,363 in the private rented sector (PRS), which the group has pursued since 2021.

Financial results and dividend

The Murapol Group closed out the first six months of 2024 with a sustainable balance sheet and a stable financial condition, backed by solid levels of sales revenue and net profit, which were impacted by the projected lower number of handovers. At the end of the 2nd quarter of 2024 the group had cash on hand of PLN 407.4 million, as compared to PLN 234.5 million a year earlier. The ratio of net debt to adjusted LTM EBITDA was at the safe level of 0.86. In 2024 the Murapol Group plans to distribute a dividend of about PLN 200 million, PLN 80.4 million of which was paid out on 8 May 2024.

According to **Przemysław Kromer, CFO of Murapol S.A.**, "In the first half of the year, we handed over the keys to 1,295 units, while achieving a satisfactory level of revenue in the retail segment, in line with expectations, and a net profit of the group as a whole of PLN 102 million. By the end of this year, in accordance with the timetables for completion of construction, we expect to significantly speed the pace of handovers. The average net price of units we sold rose by 17.5% compared to the 1st half of 2023. In the 2nd quarter of 2024 we maintained a healthy structure of financing for purchases of our apartments, with 54% of purchases financed through mortgage credit and the other 46% in cash. The product line less susceptible to macroeconomic changes, and the vertically integrated business model, ensuring stable sales levels, high cash flows, and low commitment of the group's equity, as well as optimization of margins, provide the foundation for further building the scale of the business and the financial results of the Murapol Group."

Key financial data

PLN '000	1H 2024	1H 2023	Change
Sales revenue	584,092	669,782	-12.8%
<i>Revenue from sales to retail customers</i>	515,353	561,077	-8.1%
<i>Revenue from sales to PRS</i>	68,739	108,705	-37.1%
Gross profit on sales	177,868	227,393	-21.8%
Gross margin on sales	30.5%	34.0%	-3.5pp
EBIT	123,830	176,014	-29.6%
EBIT margin	21.2%	26.3%	-5.1pp
Net profit	102,306	146,349	-30.1%
Net profit margin	17.5%	21.9%	-4.4pp



Prospects for further growth

At the end of June there were 14,686 units in the pipeline, with a combined floor area of about 622,000 m², at 37 projects in 15 cities. A steady strength of the Murapol Group is its offering on the broadest and most absorptive segment of the residential real estate market, i.e. affordable and affordable premium. At the end of 1H 2024, apartments costing PLN 500,000 or less made up nearly 73% of the group's total sales.

The Murapol Group's advantages arising from the market's most geographically diversified portfolio of projects are backed by one of the largest land banks on the market, skilfully maintained and renewed, with the capacity for construction of 21,907 units with a combined area of almost 945,000 m² in 19 cities around Poland.

The positive prospects of the Murapol Group will be further supported by external factors favourable to the industry over the long term. Despite the stabilizing of demand in the 1st half of the year, due to anticipation of action by the government in new schemes promoting the accessibility of apartments (Credit to Start), the housing shortage on the Polish market remains structurally high, alongside an attachment to private ownership of homes, and the purchase of units is fostered by consumers' growing purchasing power, the low level of unemployment, and relaxing of lending policies by banks.

Contact:

Małgorzata Gaborek | PR & IR, ESG and Marketing Director
E: malgorzata.gaborek@murapol.pl | M: +48 510 896 877

The **Murapol Group** is one of the most experienced residential developers in Poland, and one of the largest in the number of apartments sold and handed over to customers. From its start in 2001 through 30 June 2024, the Murapol Group has carried out 84 multi-phase real estate projects, in which 434 buildings have been erected, with over 29,600 apartments inhabited by some 88,900 people. To date, the Murapol Group has achieved a presence in 21 cities in Poland, including the largest residential markets such as Warsaw, Kraków, Wrocław, the Tri-City and the Upper Silesia urban area, as well as regional cities like Bydgoszcz and Toruń.

Murapol's leading investor is AEREF V PL Inwestycje sp. z o.o., a company owned by funds managed by Ares Management UK Limited (a subsidiary of Ares Management Corporation), a global alternative investment manager specializing in debt financing, private equity and real estate, which is advised by Griffin Capital Partners.

In 2021, the Murapol Group launched a new business line consisting of constructing premises for the private rented sector (PRS), carried out in cooperation with AEREF V PL PRS S.à r.l. and its subsidiaries (PRS project companies, LifeSpot), owned by funds managed by Ares Management UK Limited (a subsidiary of Ares Management Corporation).

The Murapol Group has an integrated business model based on concentration within the organization of all the competences necessary to carry out real estate projects—from land acquisition, through architectural and engineering design, construction project budgeting, purchases of building materials and general contracting, to marketing and sales.



Press release |

Murapol pursues a sustainable growth strategy, and includes environmental, social and corporate governance (ESG) initiatives in its operations.

Murapol S.A.'s shares have been listed on the Main Market of the Warsaw Stock Exchange since 15 December 2023.