

1H 2021

FINANCIAL RESULTS

27 SEPTEMBER 2021



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FINANCIAL RESULTS SUMMARY

1

39.9 bln RUB

1H 2021 CONSOLIDATED REVENUE
+29% Y-O-Y

2

15.3 bln RUB

1H 2021 PRE-PPA GROSS PROFIT
+72% Y-O-Y

3

35%

1H 2021 GROSS PROFIT MARGIN
+10 p.p. Y-O-Y

4

11%

SG&A AS % OF REVENUE
DECREASED BY 3 P.P. Y-O-Y IN
1H 2021

5

22.7 bln RUB

PRE-PPA LTM EBITDA
INCREASED BY 108% Y-O-Y,
WITH PRE-PPA EBITDA
MARGIN AT 26%

6

9.1 bln RUB

OPERATING CASH FLOW
ADJUSTED FOR CASH
COLLECTIONS ON ESCROW

7

0.03x

NET CORPORATE DEBT TO LTM
PRE-PPA EBITDA DECREASED
FROM 1.8x TO 0.03x

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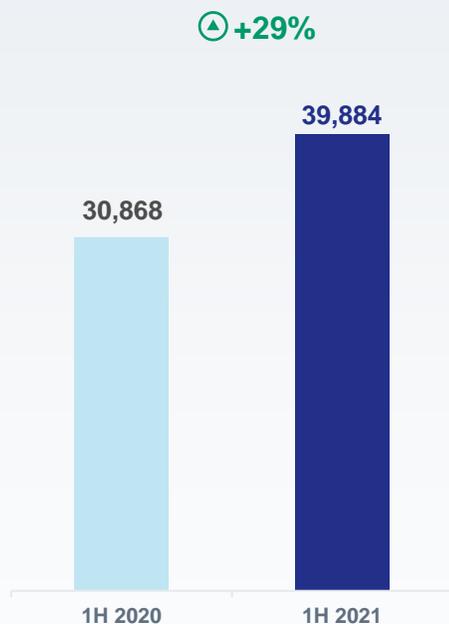


FINANCIAL RESULTS

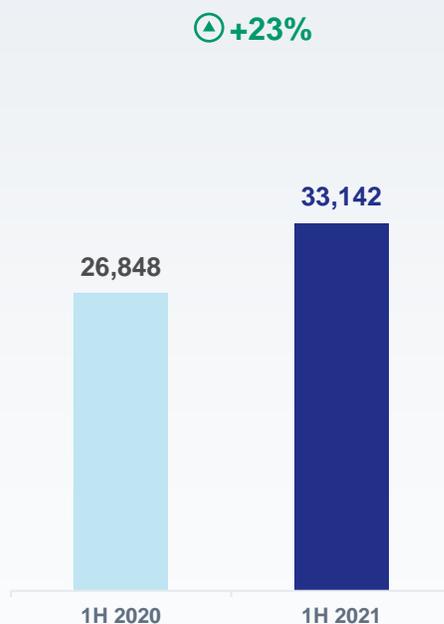


REVENUE ANALYSIS

CONSOLIDATED REVENUE
RUB mln

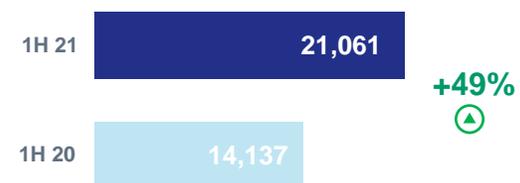


RESIDENTIAL DEVELOPMENT REVENUE
RUB mln

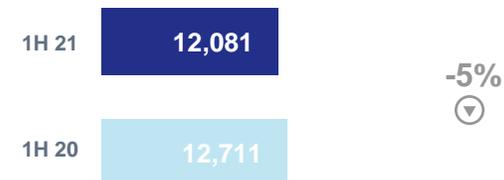


RESIDENTIAL DEVELOPMENT REVENUE BY REGION
RUB mln

MOSCOW



ST PETERSBURG

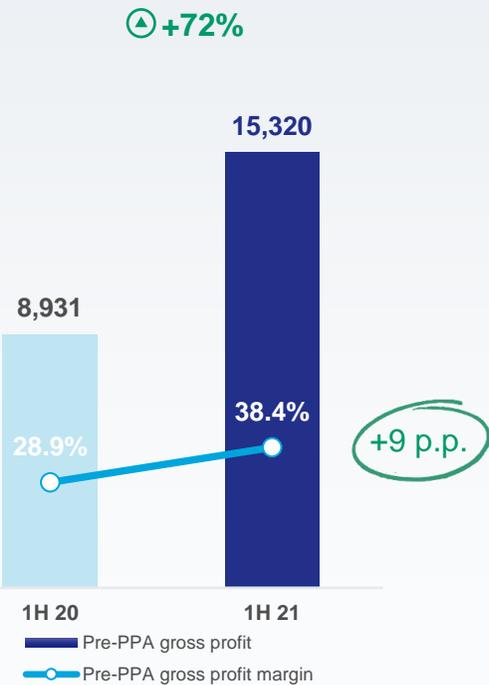


- Revenue increased by 29% year-on-year to RUB 39.9 bln, reaching a record high first half result
- Residential development revenue showed strong double-digit growth in Moscow, while in St Petersburg it was impacted by decreased sales

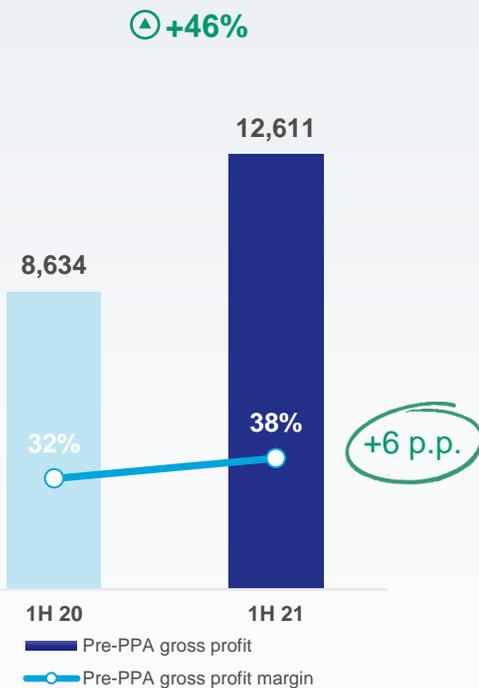
Source: IFRS Financial statements

PRE-PPA GROSS PROFIT: STRONG GROWTH IN PROFITABILITY

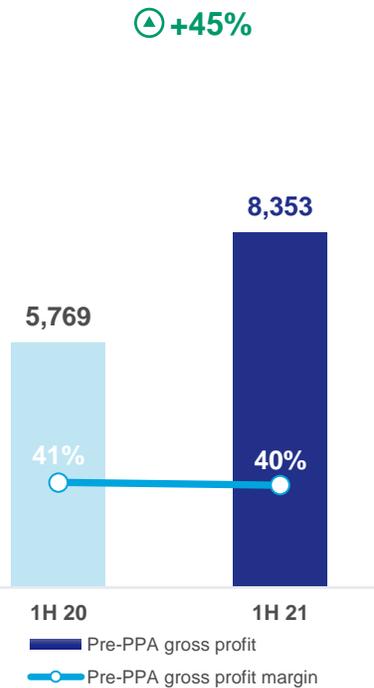
PRE-PPA⁽¹⁾ CONSOLIDATED
GROSS PROFIT
RUB mln



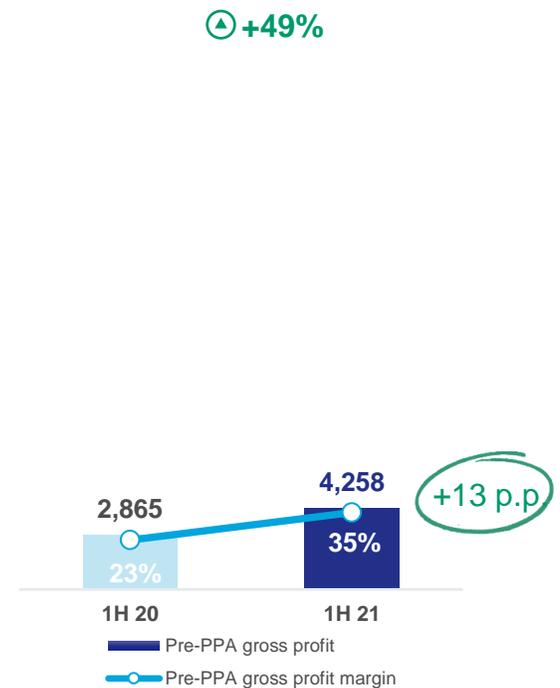
PRE-PPA⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT
RUB mln



PRE-PPA⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT,
MOSCOW
RUB mln



PRE-PPA⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT,
ST PETERSBURG
RUB mln

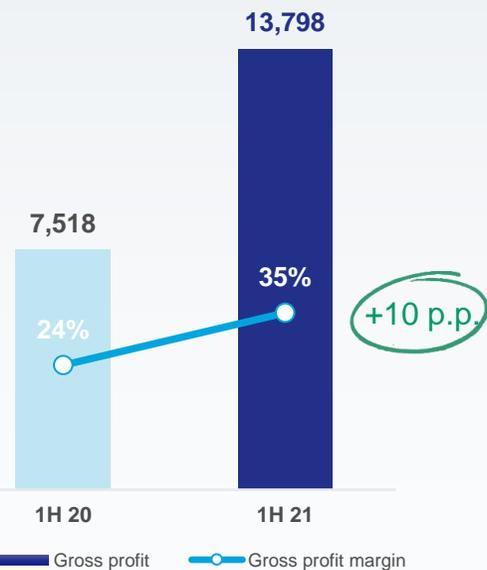


Source: IFRS Financial statements, y-o-y change was calculated without rounding
⁽¹⁾ Purchase price allocation

CONSOLIDATED GROSS PROFIT: TARGET PROFITABILITY LEVEL IS ACHIEVED

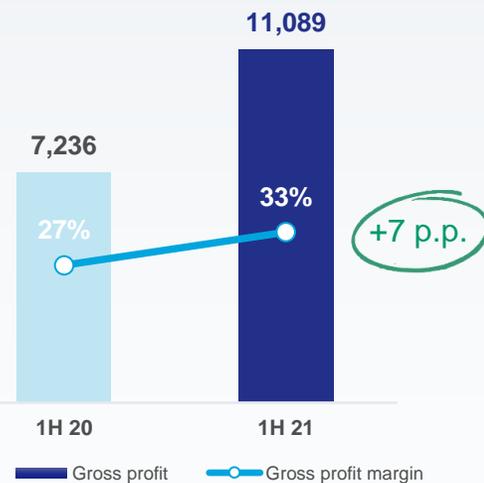
CONSOLIDATED GROSS PROFIT
RUB mln

▲ +84%



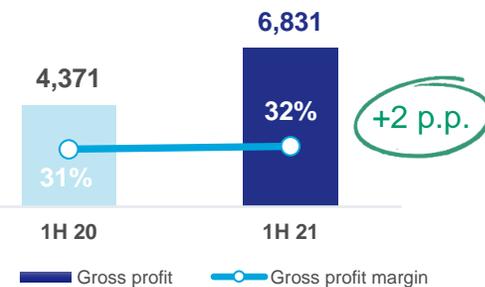
RESIDENTIAL DEVELOPMENT GROSS PROFIT
RUB mln

▲ +53%



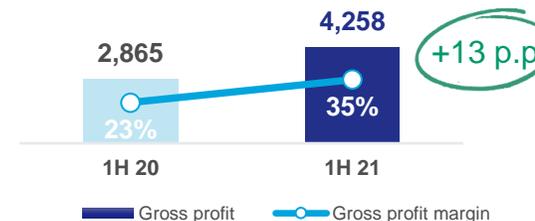
RESIDENTIAL DEVELOPMENT GROSS PROFIT, MOSCOW
RUB mln

▲ +56%



RESIDENTIAL DEVELOPMENT GROSS PROFIT, ST PETERSBURG
RUB mln

▲ +49%



Source: IFRS Financial statements, y-o-y change was calculated without rounding

ETALON SHOWED HIGHEST GROSS MARGIN GROWTH AMONG ITS PUBLIC PEERS

CONSOLIDATED GROSS PROFIT MARGIN	1H 2020	1H 2021	CHANGE
ETALON GROUP	28.9%	38.4%	+9.5 p.p.
PIK GROUP	25.2%	24.3%	-0.9 p.p.
LSR GROUP	29.4%	37.9%	+8.4 p.p.
SAMOLET	25.1%	25.3%	+0.2 p.p.
SETL GROUP	34.9%	34.7%	-0.3 p.p.

Source: IFRS Financial statements, y-o-y change was calculated without rounding/ Pre-PPA gross margin is provided for Etalon Group

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

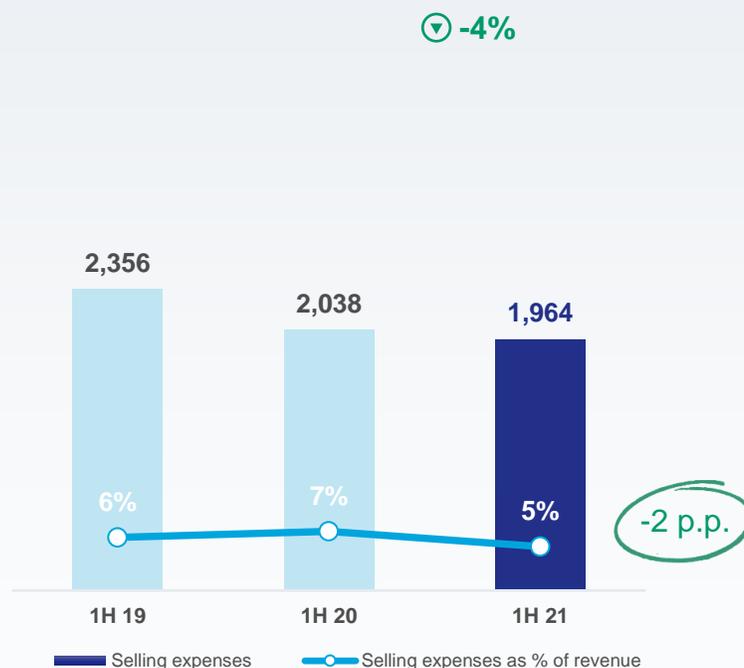
GENERAL AND ADMINISTRATIVE EXPENSES

RUB mln



SELLING EXPENSES

RUB mln



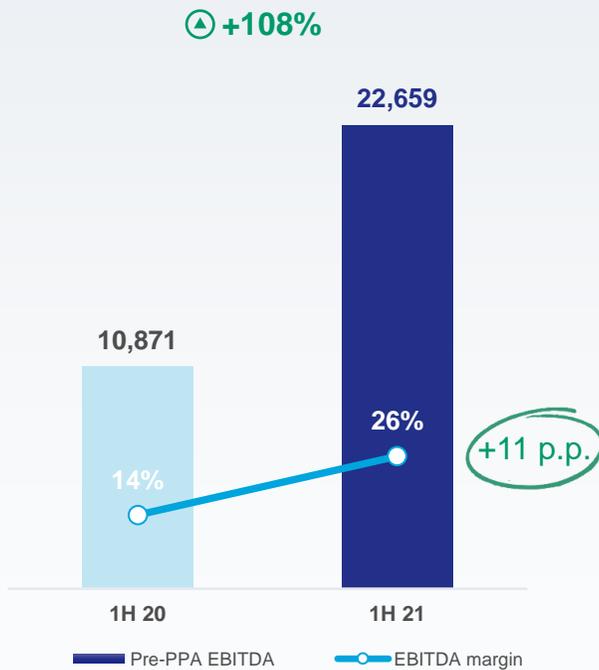
- Following Company's efforts to **increase cost-effectiveness**, G&A expenses as percent of revenue **declined by 1.4 p.p.**, while their growth in RUB terms kept within the rate of inflation

- Selling expenses in RUB terms were down by 4%**, even after new contract sales in monetary terms grew by 39% y-o-y

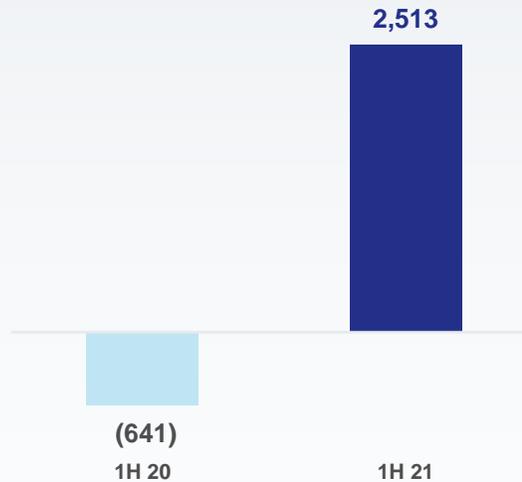
Source: IFRS Financial statements, y-o-y change was calculated without rounding

PRE-PPA EBITDA AND NET INCOME ANALYSIS

LTM PRE-PPA⁽¹⁾ EBITDA
RUB mln



PRE-PPA⁽¹⁾ NET INCOME
RUB mln

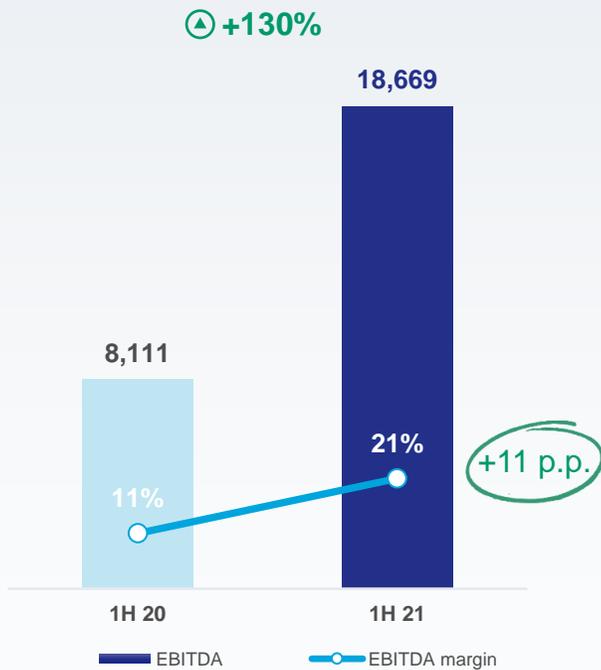


- LTM pre-PPA EBITDA includes **Pre-PPA 1H 2021 EBITDA of RUB 11,136 mln**
- Recovery in profitability and cost-effectiveness helped achieve a **twofold growth in LTM pre-PPA EBITDA**, which reached RUB 22.7 bln
- Pre-PPA EBITDA margin also **increased significantly by 11 p.p.** and amounted to 26%
- Pre-PPA net income **returned to positive zone** and reached RUB 2.5 bln in 1H 2021

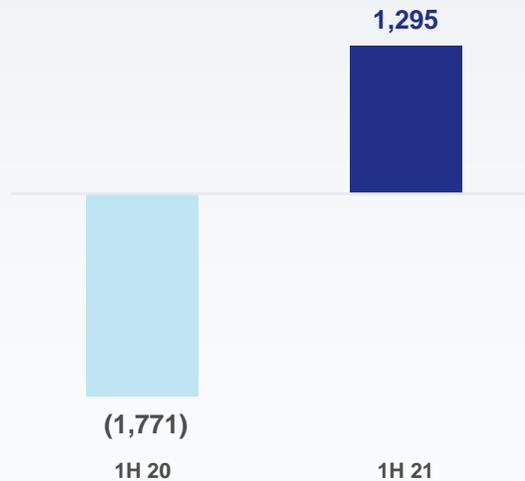
Source: IFRS Financial statements, y-o-y change was calculated without rounding
(1) Purchase price allocation

EBITDA AND NET INCOME ANALYSIS

LTM EBITDA
RUB mln



NET INCOME
RUB mln



- LTM EBITDA includes 1H 2021 EBITDA of RUB 9,614 mln
- LTM EBITDA increased by 130% to RUB 18.7 bln
- EBITDA margin also increased significantly by 11 p.p. and amounted to 21%
- Net income changed from minus RUB 1.8 bln to RUB 1.3 bln

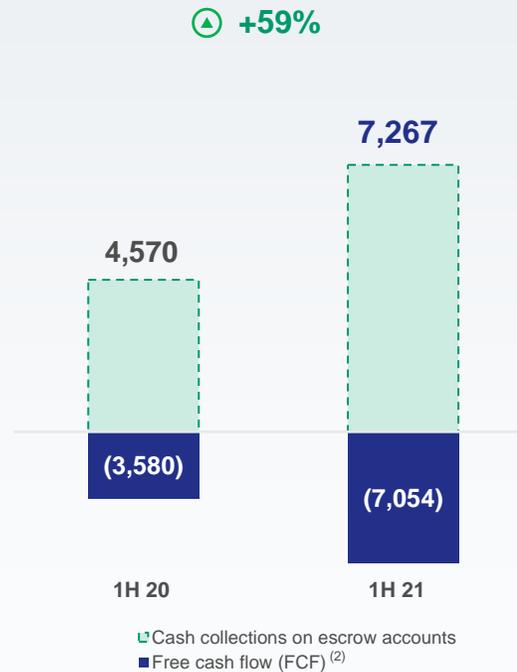
Source: IFRS Financial statements, y-o-y change was calculated without rounding

CASH FLOW ANALYSIS

OPERATING CASH FLOW⁽¹⁾
RUB mln



FREE CASH FLOW⁽¹⁾
RUB mln



- Operating cash flow adjusted for cash collections on escrow **increased by 26% to RUB 9.1 bln**
- Free cash flow adjusted for cash collections on escrow increased **by 59%** to 7.3 bln in 1H 2021
- In 1H 2021, **cash collections on escrow accounts** amounted to **RUB 14.3 bln**, with a cumulative balance of RUB 37.9 bln at 30 June 2021

Source: IFRS Financial statements, y-o-y change was calculated without rounding

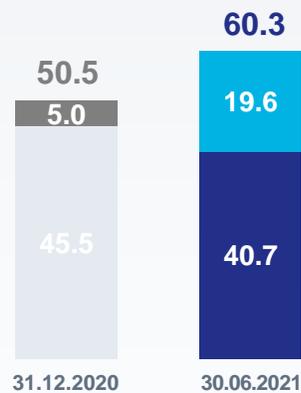
⁽¹⁾ Incl. cash collections in escrow accounts

⁽²⁾ Free cash flow is calculated as profit for the year adjusted for depreciation, share-based payments, impairments, interest, taxation, change in working capital, and change in invested capital

ROBUST FINANCIAL POSITION AFTER 1H 2021

TOTAL DEBT
RUB bln

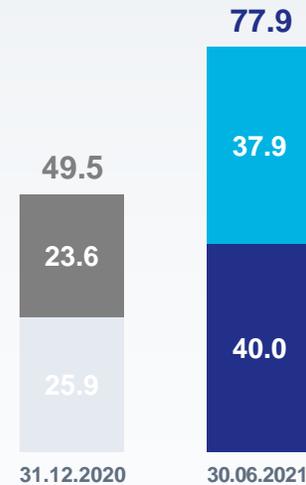
▲+19%



● Project debt
● Corporate debt

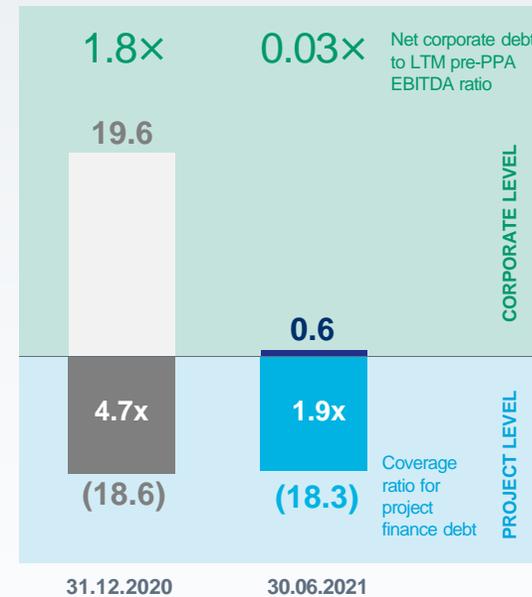
CASH AND CASH EQUIVALENTS
RUB bln

▲+57%



● Cash in escrow accounts
● Cash & cash equivalents⁽¹⁾

NET DEBT (CASH)
RUB bln



● Net project debt (cash)⁽²⁾
● Net corporate debt
● Net corporate debt to LTM pre-PPA EBITDA
● X.Xx Coverage ratio for project finance debt⁽³⁾

- Net corporate debt to LTM pre-PPA EBITDA decreased from 1.8x to 0.03x as of 30.06.2021
- All project finance obligations are well covered to access reduced interest rates ranging from 0.01% to 3.5%
- Average cost of borrowings declined from 8.3% at the end of 2020 to 6.7% at 30.06.2021

Source: IFRS Financial statements, Company data; y-o-y change and net debt level were calculated without rounding

⁽¹⁾ Including bank deposits over 3 months; excluding cash collections in escrow accounts

⁽²⁾ Project finance debt less cash on escrow accounts

⁽³⁾ Projects debt used in calculation of coverage ratio includes escrow adjustments

SELECTED PROJECTS



GALACTICA

SEPTEMBER 2021



TOTAL NSA
764 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 21,620 mln

INCOME FROM SALES⁽¹⁾
RUB 77,863 mln

DECEMBER 2020



REGION
St Petersburg

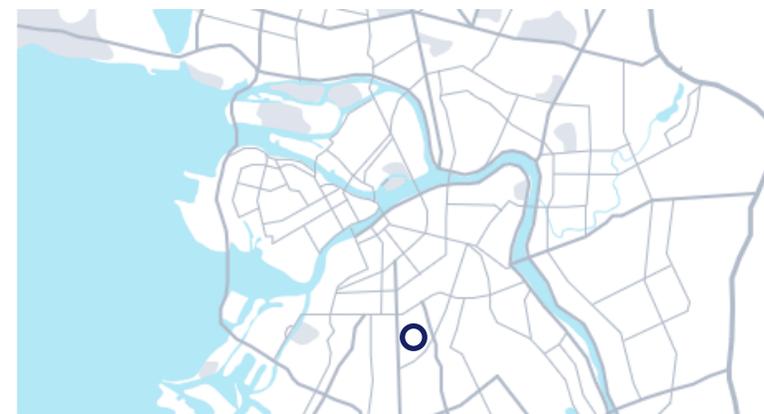
⁽¹⁾ Colliers International estimate as of 31.12.2020.

PROJECT ON CHERNIGOVSKAYA STREET

SEPTEMBER 2021



DECEMBER 2020



REGION
St Petersburg

TOTAL NSA
110 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 5,359 mln

INCOME FROM SALES⁽¹⁾
RUB 18,383 mln

⁽¹⁾ Colliers International estimate as of 31.12.2020.

PETROVSKIY LANDMARK

SEPTEMBER 2021

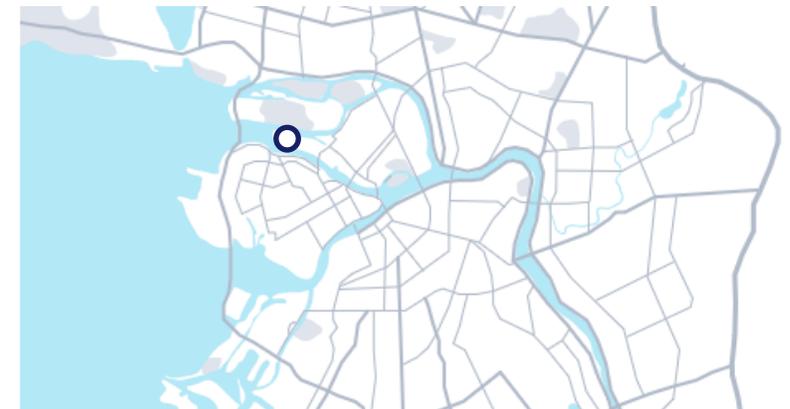


TOTAL NSA
89 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 4,941 mln

INCOME FROM SALES⁽¹⁾
RUB 15,316 mln

DECEMBER 2020



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2020.

ETALON ON THE NEVA

SEPTEMBER 2021

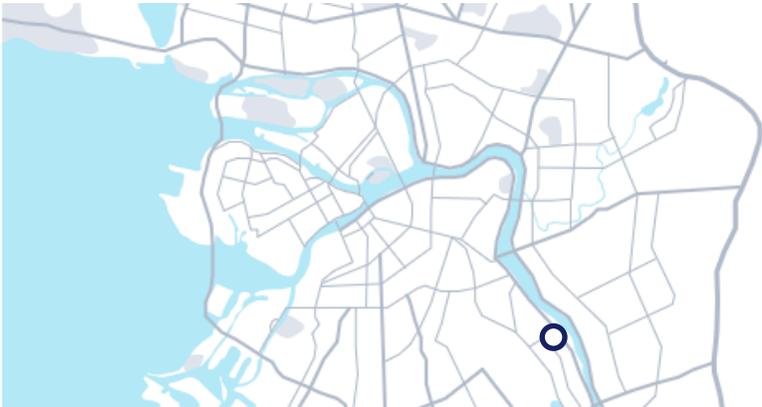


TOTAL NSA
77 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,233 mln

INCOME FROM SALES⁽¹⁾
RUB 9,349 mln

DECEMBER 2020



REGION
St Petersburg

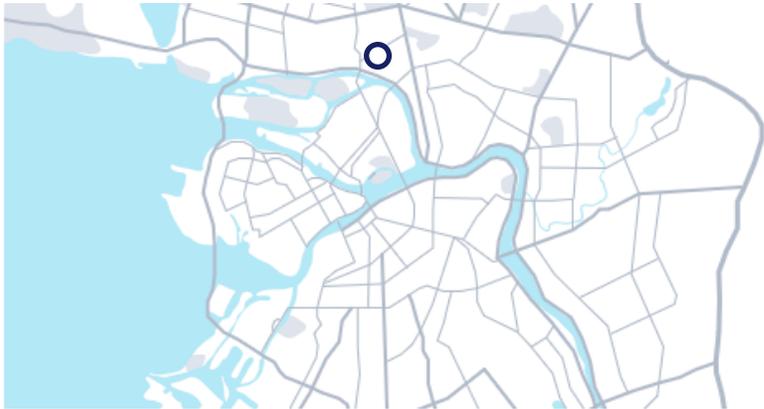
⁽¹⁾ Colliers International estimate as of 31.12.2020.

DOMINO

SEPTEMBER 2021



VISUALISATION



TOTAL NSA
39 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 2,696 mln

INCOME FROM SALES⁽¹⁾
RUB 7,199 mln

REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2020.

ZIL-YUG

SEPTEMBER 2021



TOTAL NSA
1,403 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 64,121 mln

INCOME FROM SALES⁽¹⁾
RUB 360,185 mln

VISUALISATION



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

EMERALD HILLS

SEPTEMBER 2021

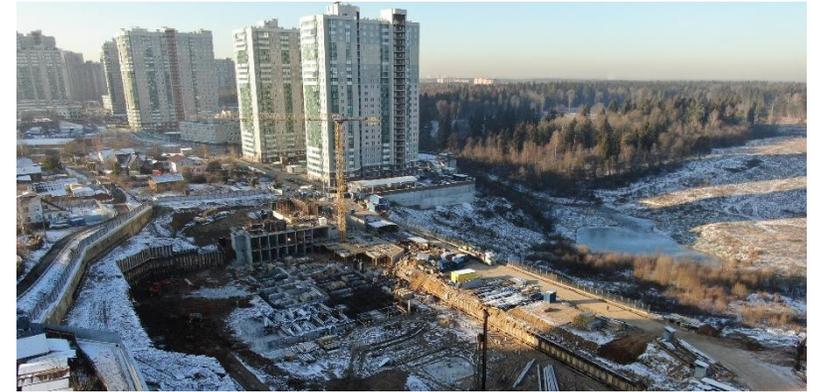


TOTAL NSA
857 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 1,519 mln

INCOME FROM SALES⁽¹⁾
RUB 60,209 mln

DECEMBER 2020



REGION
Moscow region

⁽¹⁾ Colliers International estimate as of 31.12.2020.

NAGATINO I-LAND

SEPTEMBER 2021



TOTAL NSA
329 ths sqm

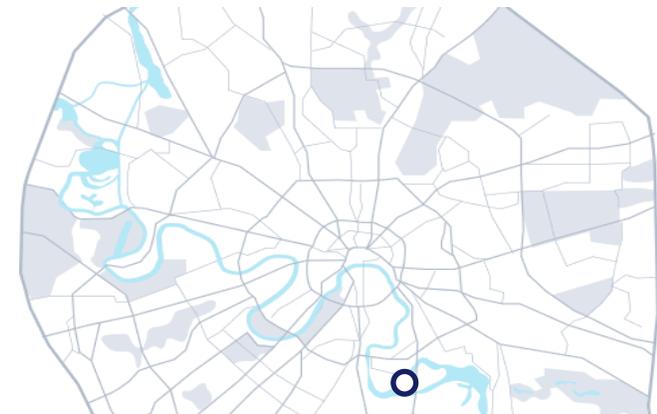
OPEN MARKET VALUE⁽¹⁾
RUB 23,237 mln

INCOME FROM SALES⁽¹⁾
RUB 73,177 mln

DECEMBER 2020



REGION
Moscow



⁽¹⁾ Colliers International estimate as of 31.12.2020.

SUMMER GARDEN

SEPTEMBER 2021

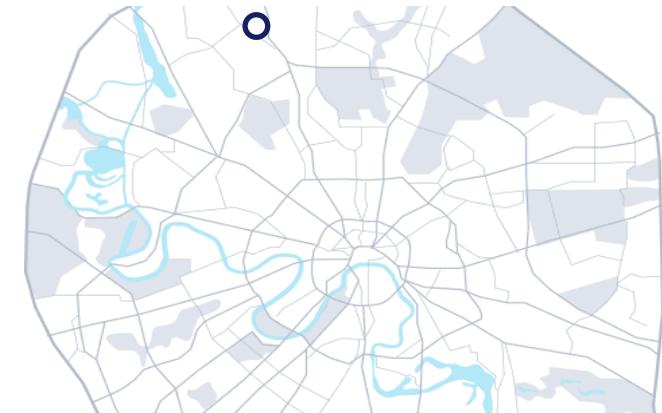


TOTAL NSA
278 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 1,494 mln

INCOME FROM SALES⁽¹⁾
RUB 31,812 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

SILVER FOUNTAIN

SEPTEMBER 2021

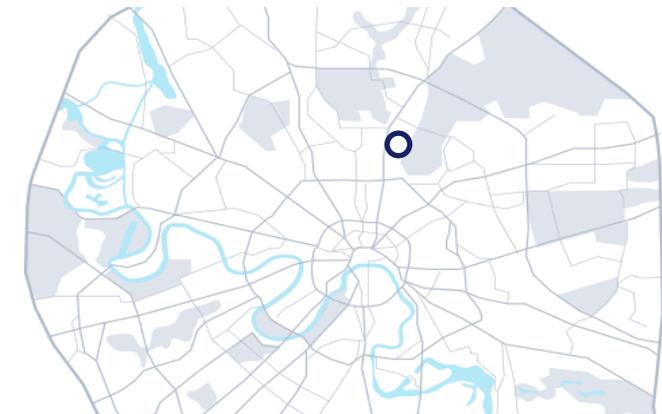


TOTAL NSA
226 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 17,973 mln

INCOME FROM SALES⁽¹⁾
RUB 45,493 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

WINGS

SEPTEMBER 2021

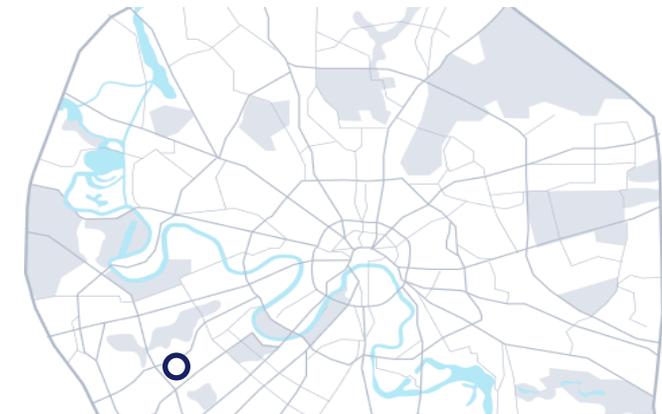


TOTAL NSA
184 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 2,769 mln

INCOME FROM SALES⁽¹⁾
RUB 30,947 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

NORMANDY

SEPTEMBER 2021



TOTAL NSA
124 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,029 mln

INCOME FROM SALES⁽¹⁾
RUB 15,989 mln

DECEMBER 2020



REGION
Moscow



⁽¹⁾ Colliers International estimate as of 31.12.2020.

SCHASTYE NA LOMONOSOVSKOM

SEPTEMBER 2021

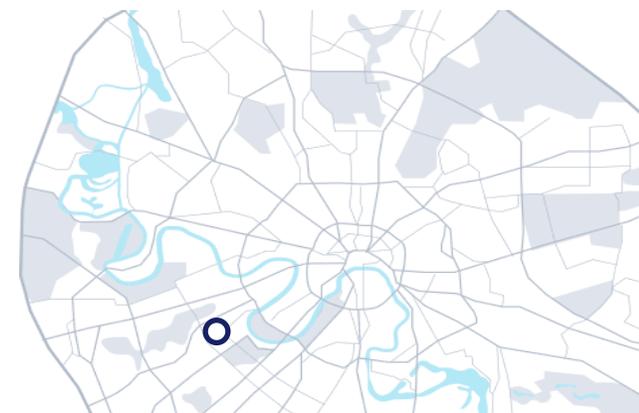


TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 860 mln

INCOME FROM SALES⁽¹⁾
RUB 2,092 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

SCHASTYE NA SEMYONOVSKOY

SEPTEMBER 2021

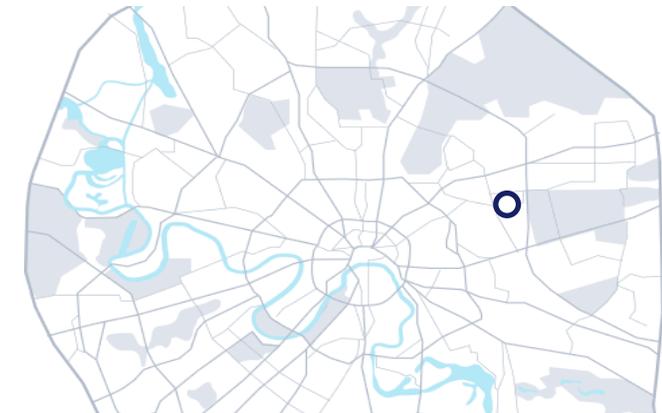


TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 868 mln

INCOME FROM SALES⁽¹⁾
RUB 1,517 mln

DECEMBER 2020



REGION
Moscow

APPENDIX



INCOME STATEMENT

MLN RUB	1H 2020	1H 2021
Revenue	30,868	39,884
Cost of sales	(23,350)	(26,086)
Gross profit	7,518	13,798
General and administrative expenses	(2,319)	(2,453)
Selling expenses	(2,038)	(1,964)
Impairment loss on trade and other receivables	(80)	(167)
Other expenses, net	(879)	(2,753)
Results from operating activities	2,202	6,461
Finance income	1,275	709
Finance costs	(4,166)	(4,414)
Net finance income/(costs)	(2,891)	(3,705)
Profit before income tax	(689)	2,756
Income tax expense	(1,082)	(1,461)
Profit for the period	(1,771)	1,295
<i>Profit attributable to:</i>		
Owners of the Company	(1,772)	1,295
Non-controlling interest	1	-
Profit for the period	(1,771)	1,295

BALANCE SHEET

MLN RUB	31.12.2020	30.06.2021
ASSETS		
Non-current assets		
Property, plant and equipment	3,508	3,334
Investment property	691	568
Other long-term investments	424	378
Trade and other receivables	4,253	3,554
Deferred tax assets	6,692	7,705
TOTAL non-current assets	15,568	15,539
Current assets		
Inventories	115,445	110,489
Contract assets, trade and other receivables	28,624	37,240
Short-term investments	212	92
Cash and cash equivalents	25,830	39,980
Other current assets	840	897
TOTAL current assets	170,951	188,698
TOTL ASSETS	186,519	204,237
EQUITY AND LIABILITIES		
Equity		
Share capital	15,487	26,490
Retained earnings	35,586	36,881
TOTAL equity attributable to equity holders of the Company	51,073	63,371
Non-controlling interest	-	-
TOTAL equity	51,073	63,371
Non-current liabilities		
Loans and borrowings	34,636	50,322
Contract liabilities, trade and other payables	26,734	28,044
Provisions	129	111
Deferred tax liabilities	7,930	8,376
TOTAL non-current liabilities	69,429	86,853
Non-current liabilities		
Loans and borrowings	15,869	9,985
Contract liabilities, trade and other payables	49,750	43,163
Provisions	398	865
TOTAL current liabilities	66,017	54,013
TOTL EQUITY AND LIABILITIES	186,519	204,237

CASH FLOW STATEMENT

MLN RUB	1H 2020	1H 2021
OPERATING ACTIVITIES		
Profit for the period	(1 771)	1,295
<i>Adjustments for:</i>		
Depreciation	385	233
Gain on disposal of PP&E	(25)	(108)
Gain on disposal of investment property	(23)	(178)
Loss on disposal of inventories under construction and development	-	6
Impairment loss on inventories	319	1,803
Impairment loss/reversal on trade and other receivables, advances paid to suppliers and investments	126	135
Gain from bargain purchase	-	-
Loss on disposal of subsidiary	-	20
Significatn financing component from contracts with customers recognised in revenue	(620)	(2,759)
Savings on escrow-backed loans recognised in revenue	(31)	(423)
Finance costs, net	2,891	3,705
Income tax expense	1,082	1,461
CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	2,333	5,190
Change in inventories	2,781	3,242
Change in accounts receivables	2,635	(3,421)
Change in accounts payable	(2,219)	2,062
Change in provisions	-	449
Change in contract assets	(1,513)	(5,237)
Change in contract liabilities	(3,210)	(6,266)
Income tax paid	(1,731)	(1,231)
Interest paid	(2,504)	(2,097)
NET CASH from/(used in) operating activities	(3,428)	(7,309)
INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	92	195
Proceeds from disposal of investment property	62	296
Interest received	723	496
Acquisition of PP&E	(306)	(236)
Loans given	(8)	(1)
Loans repaid	29	72
Acquisition of subsidiary, net of cash acquired	-	-
Disposal of subsidiary, net of cash disposed of	-	28
(Acquisition)/disposal of other investments	1	119
NET CASH from/(used in) investing activities	593	969
FINANCING ACTIVITIES		
Proceeds from borrowings	1,367	17,855
Repayments of borrowings	(4,958)	(7,361)
Payments for lease liabilities, excluding interest	(52)	(707)
Proceeds from issue of share capital	-	11,003
Dividends paid	-	-
NET CASH from/(used in) financing activities	(3,643)	20,790
Net increase/(decrease) in cash and cash equivalents	(6,478)	14,450
Effect of FX rate fluctuations	28	(300)
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	24,678	39,980

Source: IFRS Financial statements

EBITDA CALCULATION

MLN RUB	1H 2020	1H 2021
Gross profit	7,518	13,798
Less: General and administrative expenses	(2,319)	(2,453)
Less: Selling expenses	(2,038)	(1,964)
Adjusted operating profit	3,161	9,381
Add: Depreciation and amortisation	385	233
EBITDA	3,546	9,614
Add: PPA in cost of sales	1,413	1,522
Pre-PPA EBITDA	4,959	11,136

FCF CALCULATION

MLN RUB	1H 2020	1H 2021
Comprehensive income	(1,771)	1,295
<i>ADJUSTMENTS FOR</i>		
Depreciation	385	233
Loss/(gain) on disposable PP&E	(25)	(108)
Gain on disposal of investment property	(23)	(178)
Loss on disposal of inventories under construction and development	-	6
Impairment loss on inventory	319	1,803
Impairment loss on trade and other receivables	126	135
Gain/loss in disposal of subsidiary	-	20
Significant financing component from contracts with customers recognised in revenue	(620)	(2,759)
Savings on escrow-backed loans recognised in revenue	(31)	(423)
Finance (income)/expense, net	2,891	3,705
Income tax expense	1,082	1,461
Income tax paid	(1,731)	(1,231)
Interest paid	(2,504)	(2,097)
(Increase)/decrease in working capital:	(1,526)	(9,171)
Change in inventories	2,781	3,242
Change in accounts receivable	2,635	(3,421)
Change in accounts payable	(2,219)	2,062
Change in provisions	-	449
Change in contract assets	(1,513)	(5,237)
Change in contract liabilities	(3,210)	(6,266)
(Increase)/decrease in invested capital based on CF statement:	(152)	255
Acquisition of PP&E	(306)	(236)
Proceeds from disposal of non-current assets	154	491
FCF	(3,580)	(7,054)



Etalon Group

FINANCIAL RESULTS 1H 2021

