



ETALON

2021

FINANCIAL RESULTS

12 April 2022

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FINANCIAL RESULTS SUMMARY

<div>1</div> <div>▲+11%87.1 bln RUB</div> <div>CONSOLIDATED REVENUE</div>	<div>2</div> <div>▲+20%31.0 bln RUB</div> <div>PRE-PPA⁽¹⁾ GROSS PROFIT</div>	<div>3</div> <div>▲+3 p.p.38%</div> <div>RESIDENTIAL DEVELOPMENT PRE-PPA GROSS PROFIT MARGIN</div>	
<div>4</div> <div>▲+28%21.1 bln RUB</div> <div>PRE-PPA EBITDA</div>	<div>5</div> <div>▲+11%6.5 bln RUB</div> <div>PRE-PPA NET INCOME</div>	<div>6</div> <div>18.8 bln RUB</div> <div>OCF⁽²⁾ ADJUSTED FOR CASH COLLECTIONS IN ESCROW</div>	<div>7</div> <div>0.1x</div> <div>NET CORPORATE DEBT TO PRE- PPA EBITDA</div>

⁽¹⁾ Purchase price allocation
⁽²⁾ Operating cash flow less interest paid

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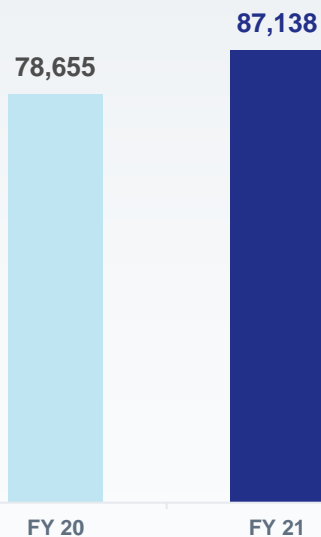
FINANCIAL RESULTS



ETALON EARNED RECORD-HIGH REVENUE IN 2021

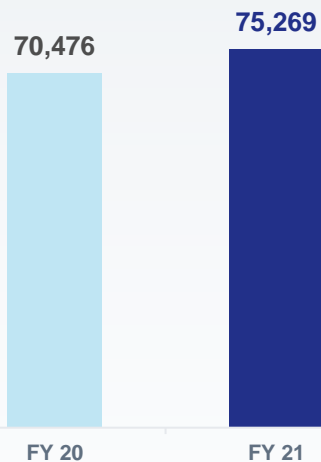
CONSOLIDATED REVENUE
RUB mln

⬆️ +11%



RESIDENTIAL DEVELOPMENT
REVENUE
RUB mln

⬆️ +7%



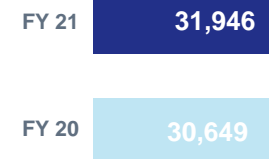
RESIDENTIAL DEVELOPMENT
REVENUE BY REGION
RUB mln

MOSCOW



+9%
⬆️

ST PETERSBURG



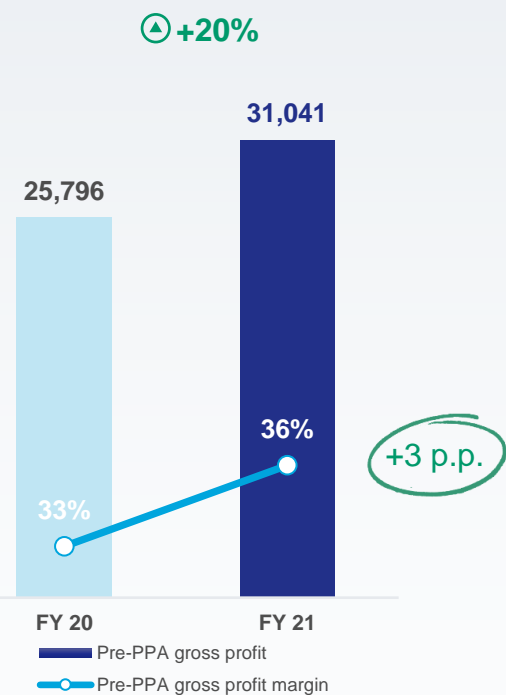
+4%
⬆️

- Revenue increased by 11% year-on-year to RUB 87.1 bln
- Residential development revenue showed strong growth in both core regions

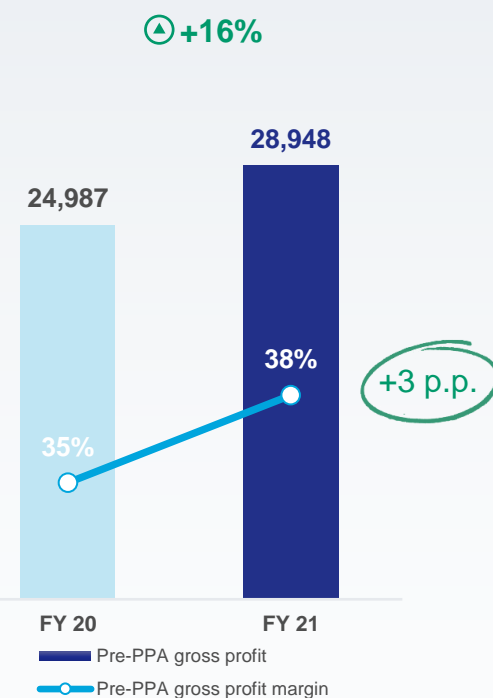
Source: IFRS financial statements

PRE-PPA GROSS PROFIT: STRONG GROWTH IN PROFITABILITY

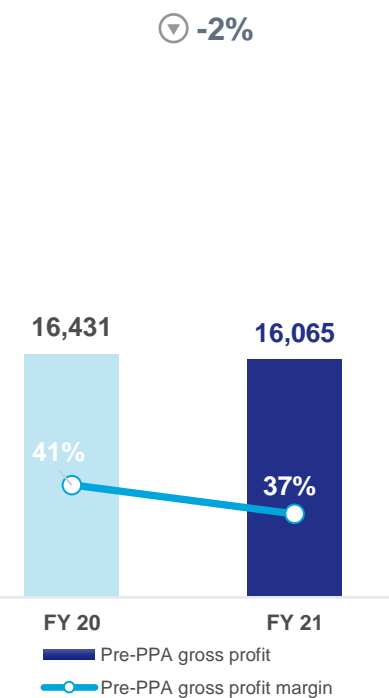
PRE-PPA⁽¹⁾ CONSOLIDATED
GROSS PROFIT
RUB mln



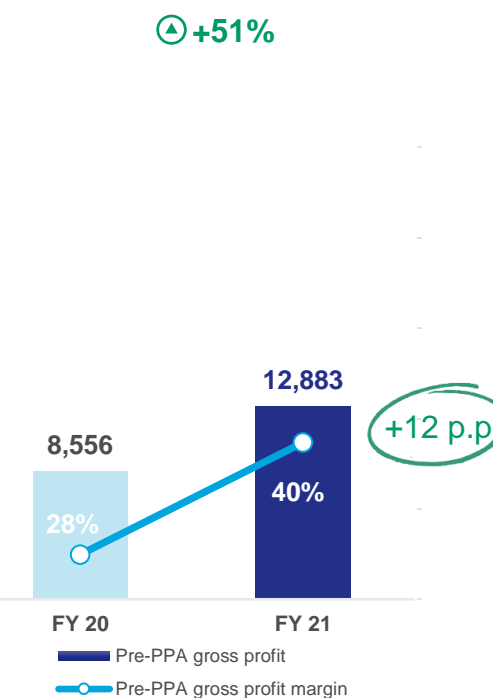
PRE-PPA⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT
RUB mln



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



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

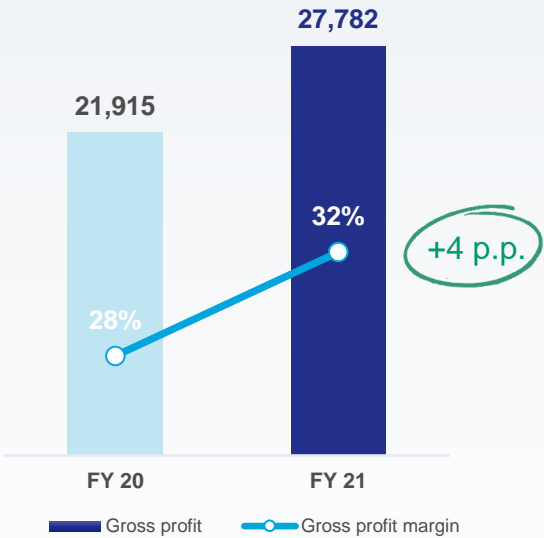


Source: IFRS financial statements, y-o-y change was calculated without rounding
(1) Purchase price allocation

CONSOLIDATED GROSS PROFIT REACHED A NEW RECORD HIGH

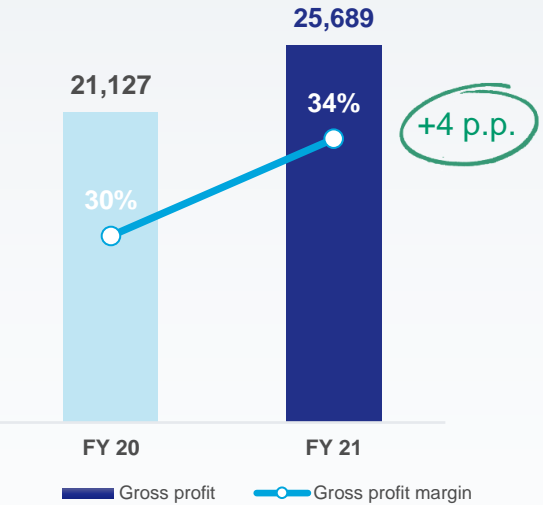
CONSOLIDATED GROSS
PROFIT
RUB mln

⬆️ +27%



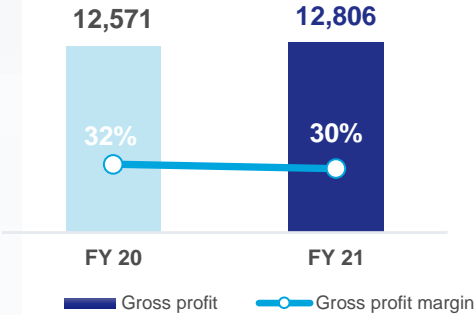
RESIDENTIAL DEVELOPMENT
GROSS PROFIT
RUB mln

⬆️ +22%



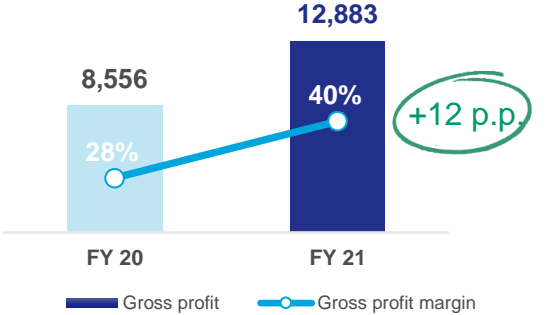
RESIDENTIAL DEVELOPMENT
GROSS PROFIT, MOSCOW
RUB mln

⬆️ +2%



RESIDENTIAL DEVELOPMENT
GROSS PROFIT, ST PETERSBURG
RUB mln

⬆️ +51%

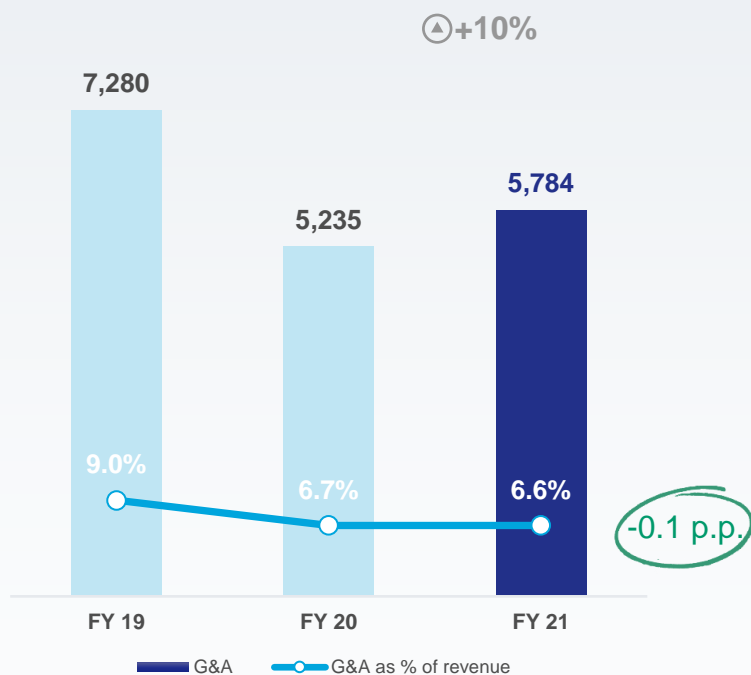


Source: IFRS financial statements, y-o-y change was calculated without rounding

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

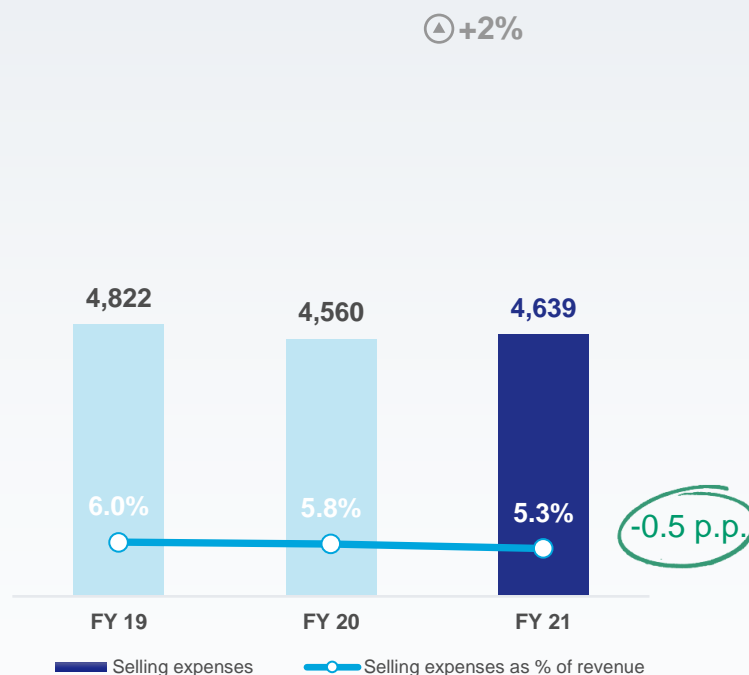
GENERAL AND ADMINISTRATIVE EXPENSES

RUB mln



SELLING EXPENSES

RUB mln



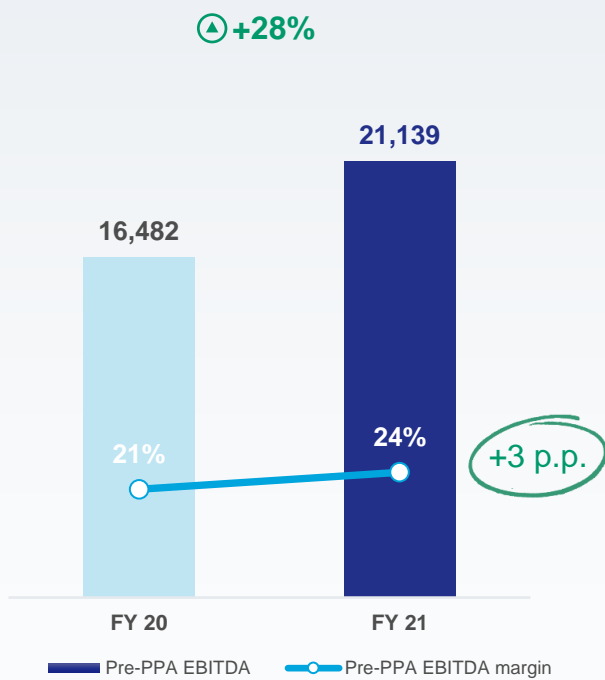
- Following Company's efforts to **increase cost-effectiveness**, SG&A expenses as percent of revenue **came closer to the Company's strategy goal** and reached 12%
- Etalon Group is on track to achieve its target of **10% SG&A expenses as percent of revenue by 2024**
- Selling expenses as % of revenue were down by **0.5 p.p.**, even after new contract sales in monetary terms grew by 6% y-o-y

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

PRE-PPA EBITDA AND NET INCOME ANALYSIS

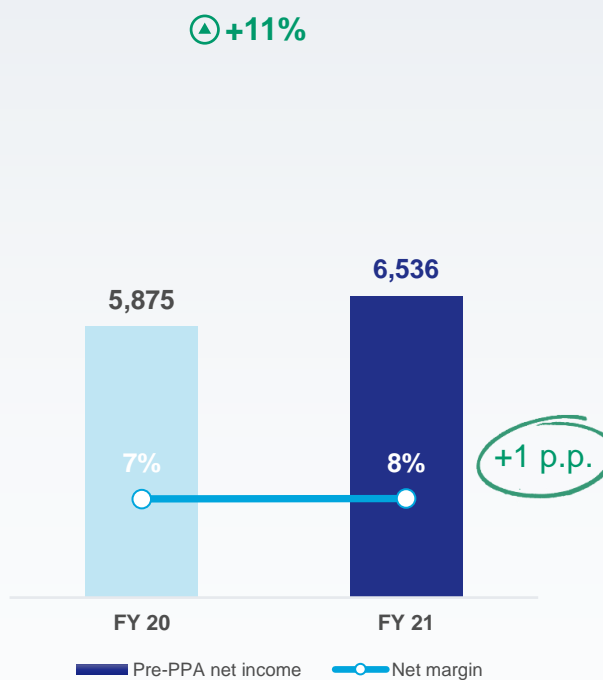
PRE-PPA⁽¹⁾ EBITDA

RUB mln



PRE-PPA⁽¹⁾ NET INCOME

RUB mln



- Recovery in profitability and cost-effectiveness helped achieve **twofold growth in pre-PPA EBITDA**, which reached RUB 21.1 bln
- Pre-PPA EBITDA margin also **increased by 3 p.p.** and amounted to 24%
- Increased operating efficiency** drove pre-PPA net income up to RUB 6.5 bln, marking an **11% increase y-o-y**

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

EBITDA AND THE BOTTOM LINE GREW SIGNIFICANTLY THANKS TO IMPROVED OPERATIONAL EFFICIENCY

EBITDA
RUB mln

⬆️ +42%

17,880

12,601

FY 20

FY 21

EBITDA

21%

16%

EBITDA margin

+5 p.p.

NET INCOME
RUB mln

⬆️ +48%

3,007

2,036

FY 20

FY 21

Net income

3.5%

2.6%

Net margin

+1 p.p.

- Even adjusted for PPA, **EBITDA increased by 42%** to RUB 17.9 bln
- EBITDA margin also **increased significantly, by 5 p.p.**, and amounted to 21%
- Net income increased significantly and reached RUB 3.0 bln

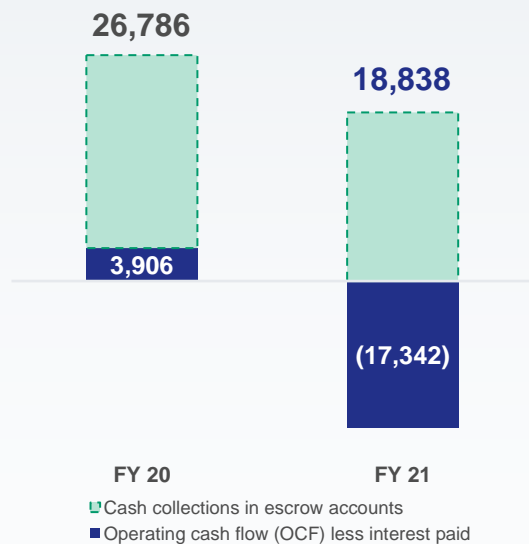
Source: IFRS financial statements, y-o-y change was calculated without rounding

STEADY CASH FLOW DESPITE RECORD PORTFOLIO REPLENISHMENT

OPERATING CASH FLOW⁽¹⁾

RUB mln

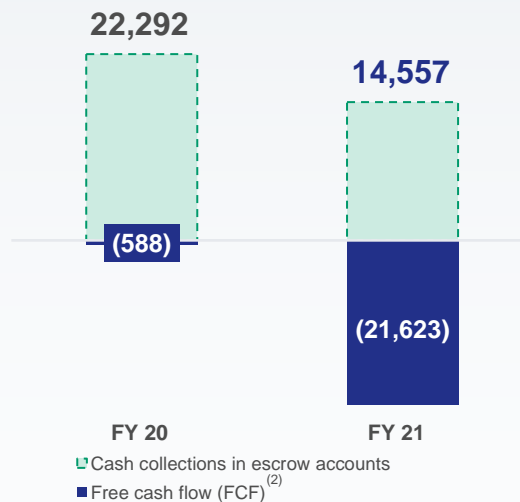
▼ -30%



FREE CASH FLOW⁽¹⁾

RUB mln

▼ -35%



- Operating cash flow adjusted for cash collections in escrow **amounted to RUB 18.8 bln**
- Free cash flow adjusted for cash collections in escrow **remained positive and reached RUB 14.6 bln** in 2021
- In 2021, **cash collections in escrow accounts** amounted to **RUB 36.2 bln**, with a cumulative balance of RUB 59.8 bln as of 31 December 2021
- In 2021, Etalon's portfolio increased by **111%** to **6.0 mln sqm**

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

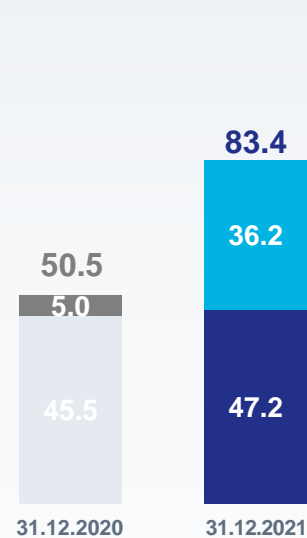
ROBUST FINANCIAL POSITION AFTER 12M 2021

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FY 2021 FINANCIAL RESULTS

TOTAL DEBT
RUB bln

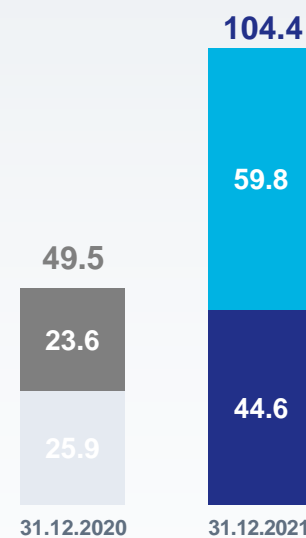
▲ +65%



● Project debt
● Corporate debt

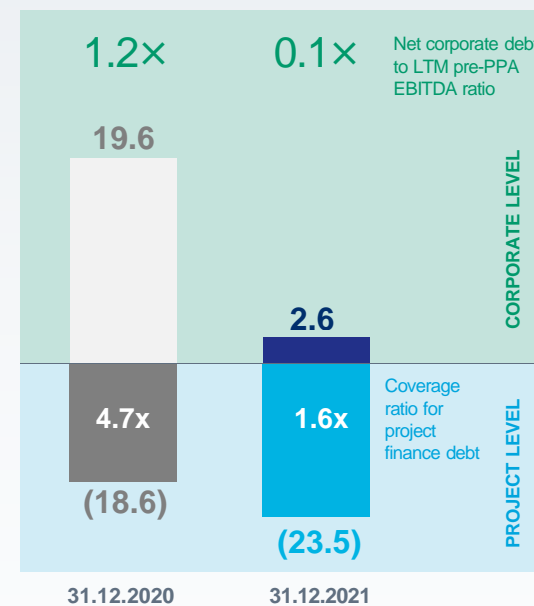
CASH AND CASH EQUIVALENTS
RUB bln

▲ +111%



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

NET DEBT (CASH)
RUB bln



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

- Net corporate debt to pre-PPA EBITDA decreased from 1.2x to 0.12x as of 31 December 2021
- All project finance obligations are well covered in order 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 6.5% as of 31 December 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

JANUARY 2022



TOTAL NSA
744 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 21,760 mln

INCOME FROM SALES⁽¹⁾
RUB 86,967 mln

DECEMBER 2020



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

PROJECT ON CHERNIGOVSKAYA STREET

JANUARY 2022



TOTAL NSA
136 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 7,005 mln

INCOME FROM SALES⁽¹⁾
RUB 21,277 mln

DECEMBER 2020



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

DOMINO

JANUARY 2022



TOTAL NSA
39 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,642 mln

INCOME FROM SALES⁽¹⁾
RUB 8,755 mln

VISUALISATION



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

ZIL-YUG

JANUARY 2022

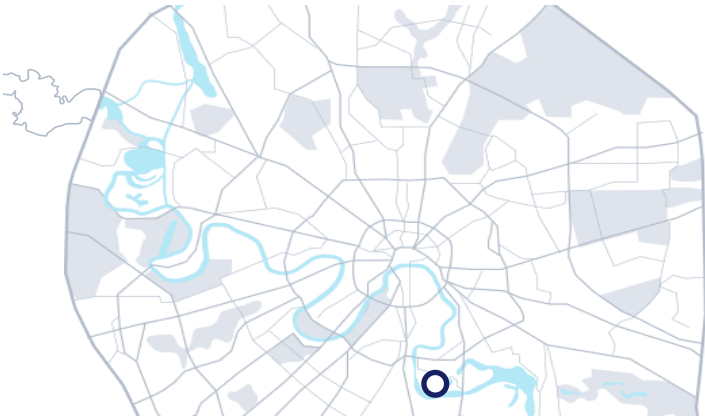


TOTAL NSA
1,197 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 95,560 mln

INCOME FROM SALES⁽¹⁾
RUB 428,503 mln

VISUALISATION



REGION
Moscow

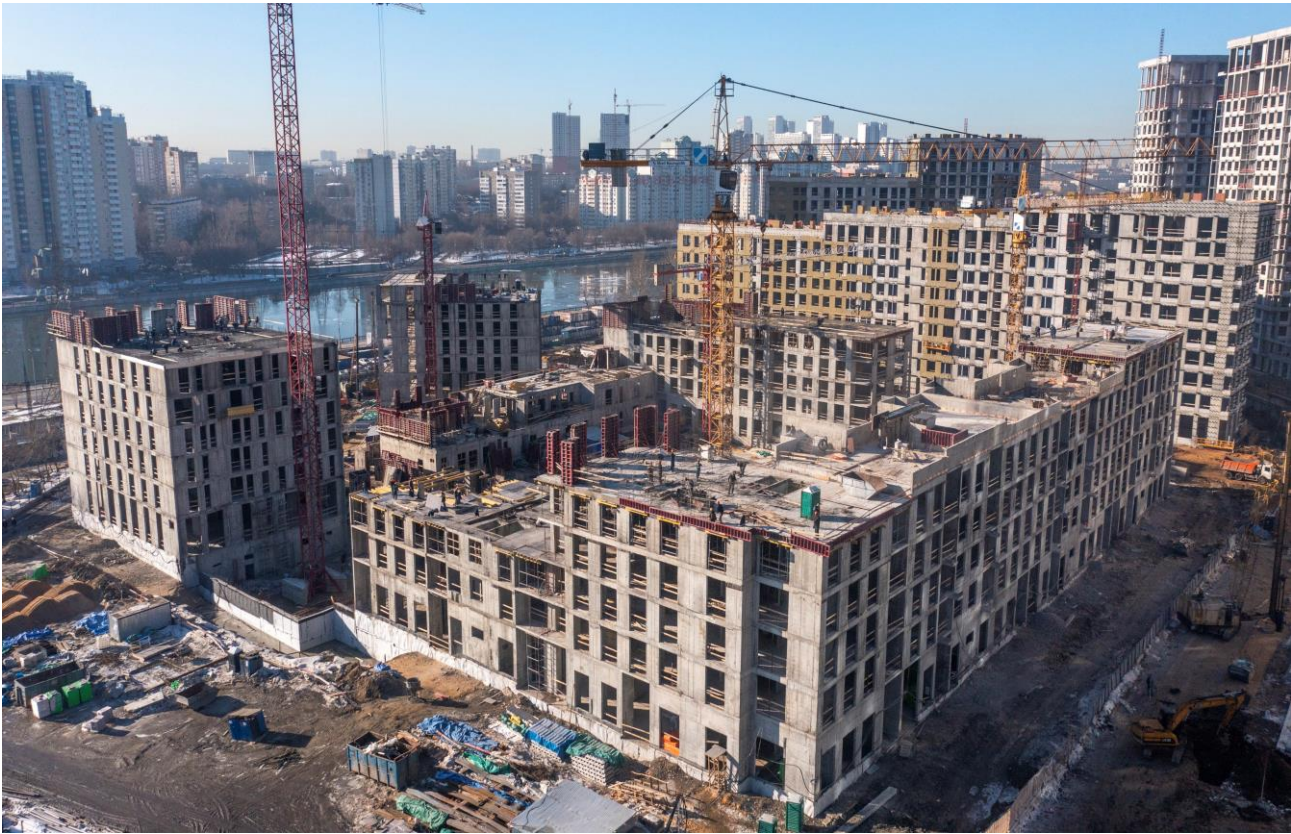
⁽¹⁾ Colliers International estimate as of 31.12.2021.

NAGATINO I-LAND

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FY 2021 FINANCIAL RESULTS

JANUARY 2022

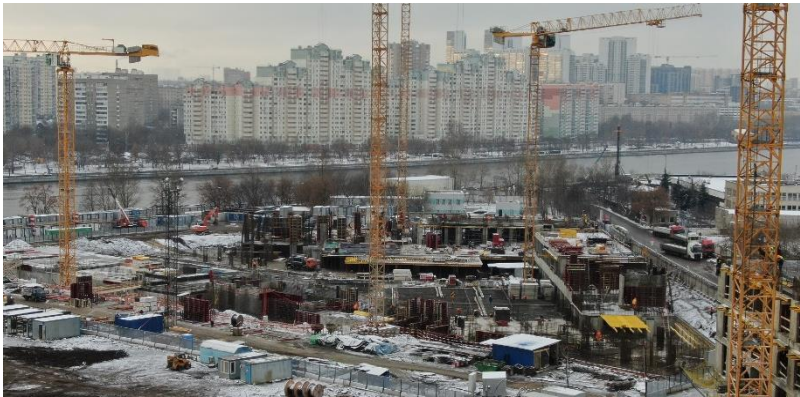


TOTAL NSA
270 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 24,167 mln

INCOME FROM SALES⁽¹⁾
RUB 79,707 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

SILVER FOUNTAIN

JANUARY 2022



TOTAL NSA
206 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 11,360 mln

INCOME FROM SALES⁽¹⁾
RUB 47,223 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

WINGS

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FY 2021 FINANCIAL RESULTS

JANUARY 2022



TOTAL NSA
169 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 4,472 mln

INCOME FROM SALES⁽¹⁾
RUB 39,891 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

SCHASTYE NA LOMONOSOVSKOM

JANUARY 2022



TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 966 mln

INCOME FROM SALES⁽¹⁾
RUB 2,392 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

SCHASTYE NA SEMYONOVSKOY

JANUARY 2022



TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 508 mln

INCOME FROM SALES⁽¹⁾
RUB 1,577 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

APPENDIX



INCOME STATEMENT

MLN RUB	2020	2021
Revenue	78,655	87,138
Cost of sales	(56,740)	(59,356)
Gross profit	21,915	27,782
General and administrative expenses	(5,235)	(5,784)
Selling expenses	(4,560)	(4,639)
Impairment loss on trade and other receivables	(329)	(169)
Other expenses, net	(1,573)	(3,944)
Results from operating activities	10,218	13,246
Finance income	2,028	2,528
Finance costs	(7,524)	(9,909)
Net finance income/(costs)	(5,496)	(7,381)
Share of loss of equity accounted investees	-	(16)
Profit before income tax	4,722	5,849
Income tax expense	(2,686)	(2,842)
Profit for the period	2,036	3,007
<i>Profit attributable to:</i>		
Owners of the Company	2,036	3,007
Non-controlling interest	-	-
Profit for the period	2,036	3,007

BALANCE SHEET

MLN RUB	31.12.2020	31.12.2021
ASSETS		
Non-current assets		
Property, plant and equipment	3,508	4,050
Investment property	691	416
Other long-term investments	424	1,489
Trade and other receivables	4,253	3,345
Deferred tax assets	6,692	7,347
TOTAL non-current assets	15,568	16,647
Current assets		
Inventories	115,445	110,153
Contract assets, trade and other receivables	28,624	49,693
Short-term investments	212	126
Cash and cash equivalents	25,830	44,587
Other current assets	840	892
TOTAL current assets	170,951	205,451
TOTL ASSETS	186,519	222,098
EQUITY AND LIABILITIES		
Equity		
Share capital	15,487	26,368
Retained earnings	35,586	34,992
TOTAL equity attributable to equity holders of the Company	51,073	61,360
Non-controlling interest	-	-
TOTAL equity	51,073	61,360
Non-current liabilities		
Loans and borrowings	34,636	67,132
Contract liabilities, trade and other payables	26 734	31,230
Provisions	129	117
Deferred tax liabilities	7,930	7,428
TOTAL non-current liabilities	69,429	105,907
Non-current liabilities		
Loans and borrowings	15,869	16,306
Contract liabilities, trade and other payables	49,750	38,007
Provisions	398	518
TOTAL current liabilities	66,017	54,831
TOTL EQUITY AND LIABILITIES	186,519	222,098

CASH FLOW STATEMENT

MLN RUB	2020	2021
OPERATING ACTIVITIES		
Profit for the period	2,036	3,007
<i>Adjustments for:</i>		
Depreciation	481	521
Gain on disposal of PP&E	(51)	(162)
Gain on disposal of investment property	(103)	(279)
Loss on disposal of inventories under construction and development	200	205
Impairment loss on inventories	676	2,054
Impairment loss/reversal on trade and other receivables, advances paid to suppliers and investments	418	327
Share of loss of equity accounted investees	-	16
Gain from bargain purchase	-	-
Loss on disposal of subsidiary	-	7
Significatn financing component from contracts with customers recognised in revenue	(1,210)	(3,003)
Savings on escrow-backed loans recognised in revenue	(448)	(1,197)
Finance income, net	5,496	7,381
Income tax expense	2,686	2,842
CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	10,181	11,719
Change in inventories	(15,619)	3,211
Change in accounts receivables	2,642	(2,386)
Change in accounts payable	24,390	5,937
Change in provisions	(278)	108
Change in contract assets	(4,675)	(18,194)
Change in contract liabilities	(8,088)	(14,194)
Income tax paid	(4,647)	(3,543)
Interest paid	(4,803)	(4,461)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(897)	(21,803)
INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	265	266
Proceeds from disposal of investment property	440	474
Interest received	1,103	1,763
Acquisition of PP&E	(396)	(560)
Loans given	(216)	(823)
Loans repaid	2	7
Acquisition of subsidiary, net of cash acquired	-	-
Disposal of subsidiary, net of cash disposed of	-	32
Acquisition of investment in associate	-	(389)
(Acquisition)/disposal of other investments	(34)	145
NET CASH from/(used in) investing activities	1,164	915
FINANCING ACTIVITIES		
Proceeds from borrowings	8,691	49,071
Repayments of borrowings	(10,108)	(14,635)
Payments for lease liabilities, excluding interest	(645)	(1,775)
Proceeds from issue of share capital	-	10,881
Dividends paid	(3,527)	(3,613)
NET CASH from/(used in) financing activities	(5,589)	39,929
Net increase/(decrease) in cash and cash equivalents	(5,322)	19,041
Effect of FX rate fluctuations	24	(284)
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	25,830	44,587

Source: IFRS Financial statements

FCF CALCULATION

MLN RUB	2020	2021
Comprehensive income	2,036	3,007
<i>ADJUSTMENTS FOR</i>		
Depreciation	481	521
Loss/(gain) on disposable PP&E	(51)	(162)
Gain on disposal of investment property	(103)	(279)
Loss on disposal of inventories under construction and development	200	205
Impairment loss on inventory	676	2,054
Impairment loss on trade and other receivables	418	327
Share of loss of equity accounted investees	-	16
Gain/loss in disposal of subsidiary	-	7
Significant financing component from contracts with customers recognised in revenue	(1,210)	(3,003)
Savings on escrow-backed loans recognised in revenue	(448)	(1,197)
Finance (income)/expense, net	5,496	7,381
Income tax expense	2,686	2,842
Income tax paid	(4,647)	(3,543)
Interest paid	(4,803)	(4,461)
(Increase)/decrease in working capital:	(1,628)	(25,518)
Change in inventories	(15,619)	3,211
Change in accounts receivable	2,642	(2,386)
Change in accounts payable	24,390	5,937
Change in provisions	(278)	108
Change in contract assets	(4,675)	(18,194)
Change in contract liabilities	(8,088)	(14,194)
(Increase)/decrease in invested capital based on CF statement:	309	180
Acquisition of PP&E	(396)	(560)
Proceeds from disposal of non-current assets	705	740
FCF	(588)	(21,623)

An architectural rendering of a modern residential complex. The buildings are constructed from red brick with large, dark-framed windows. Some upper floors have rooftop gardens with small trees. In the center is a paved courtyard with a playground featuring orange climbing structures, a hammock, and beanbag chairs. Several people, including children, are shown in the courtyard. The scene is set on a sunny day with a blue sky and some clouds. Lush green trees and purple flowers are in the foreground.

ETALON

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RESULTS
2021