

# ETALON

## **OPERATING RESULTS:**

3Q and 9M 2024

October 2024



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# KEY RESULTS

A balanced portfolio and proprietary financial products are drivers of business growth in turbulent market conditions

**36.9** RUB BLN ▲ +19%

The **strongest third quarter** in the Company's history: sales totalled **157 ths sqm** and **RUB 36.9 bln**

**29.5** RUB BLN ▲ +20%

**Sales in Moscow and St Petersburg** were up **9%** in sqm and **19%** in RUB terms

**7.4** RUB BLN ▲ +14%

**Regional sales** were up 14%, supported by strong selling price growth

**+25%** *housing price dynamics in 3Q 2024*

There was growth in the average price of apartments across the Group, with the price per sqm in **regional projects** up **35%** year-on-year

**542** THS SQM ▲ x1,6

Sales over 9M 2024 also reached record levels, with new contract sales increasing by a factor of **1.5**

**115.5** RUB BLN ▲ x1,8

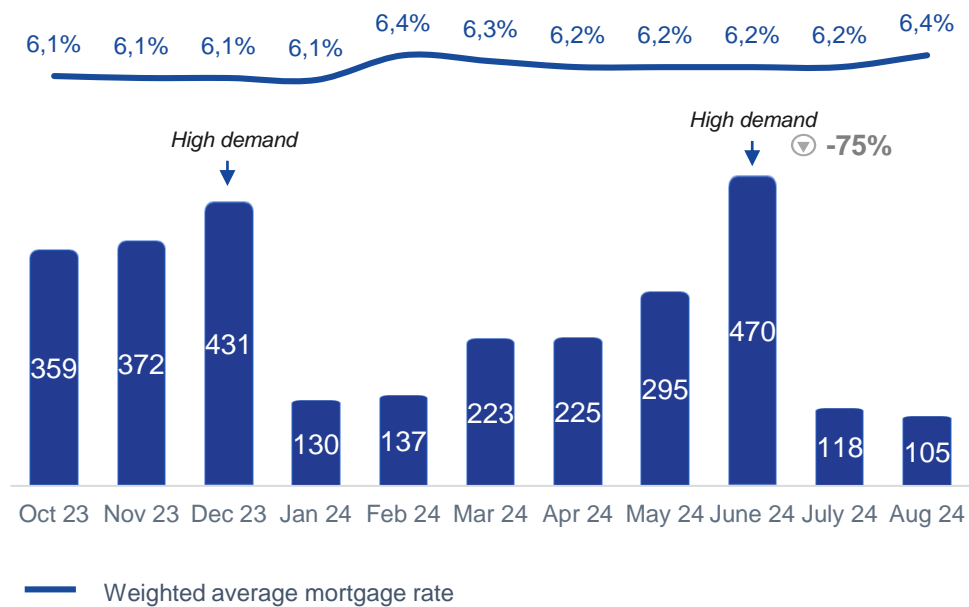
In RUB terms, sales were up 77%, with **the regions accounting for 21% of sales** (x1.8 y-o-y)

# Market Overview

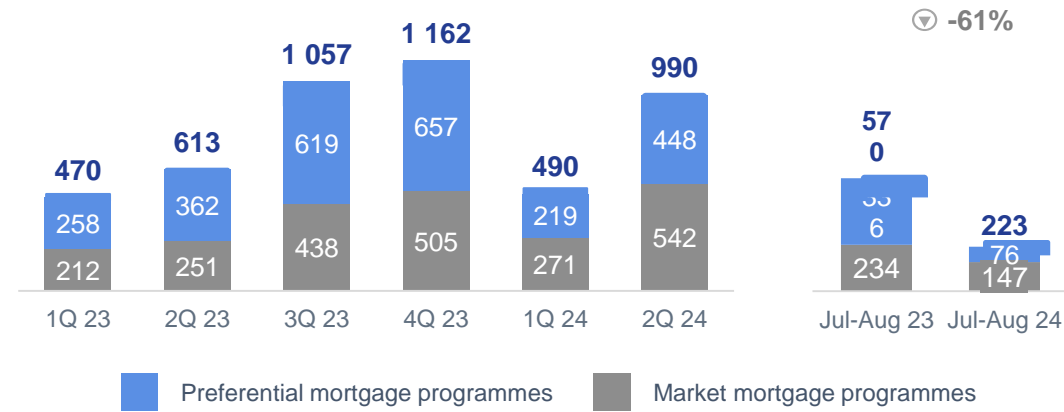
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# #1: MORTGAGE MARKET COOLING DOWN AMID RISING INTEREST RATES AND CURTAILMENT OF GOVERNMENT SUPPORT PROGRAMMES

DYNAMICS OF PRIMARY MARKET MORTGAGE-BACKED SALES, RUB bln



STRUCTURE OF PRIMARY MARKET MORTGAGE-BACKED SALES, RUB bln

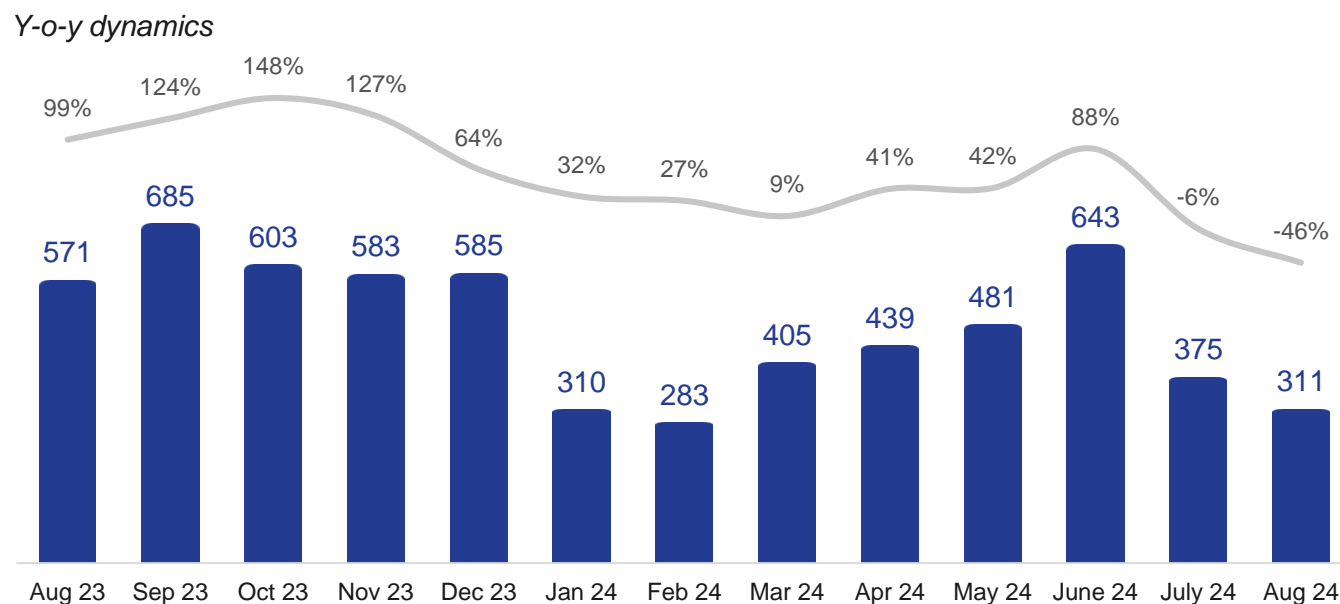


1 In 1H 2024, most purchases were made with a preferential mortgage, and in July, following a period of high demand, mortgage sales fell significantly

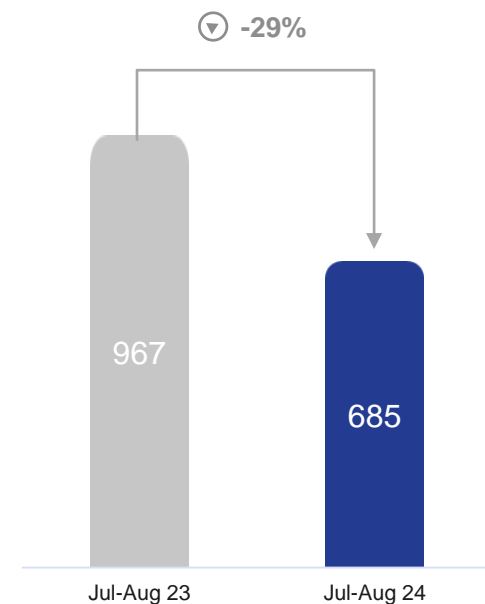
2 For developers, **recovery** under the current market conditions requires a clear strategy to replace preferential mortgages

# SINCE JULY 2024, THE INDUSTRY HAS BEEN GOING THROUGH A PERIOD OF ADAPTATION TO THE NEW CONDITIONS

PRIMARY MARKET SALES (RF),  
RUB bln



PRIMARY MARKET SALES,  
RUB bln



1

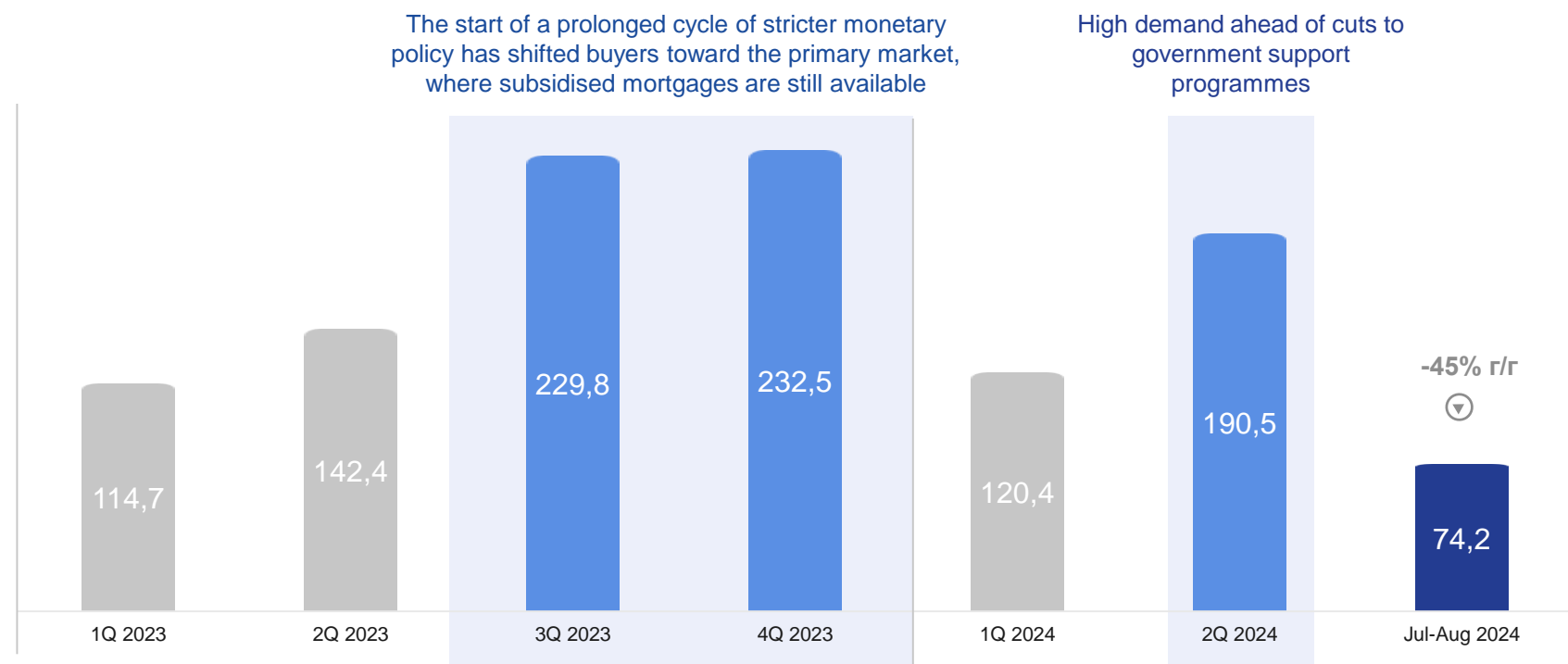
July saw a **slowdown** following the discontinuation of preferential mortgages. The decline intensified in August (-46% y-o-y), which was attributable to the high base level the previous year

2

Sales are constrained by a **limited supply** of near-complete housing: in projects with planned commissioning in 2024, **66%** of the units have already been sold, while for 2025 the figure is **42%**

## #2: SHIFTING OF SEASONAL PEAKS IN DEMAND AMID CHANGING RATES AND MORTGAGE PROGRAMMES

### PRIMARY MARKET SALES, ths



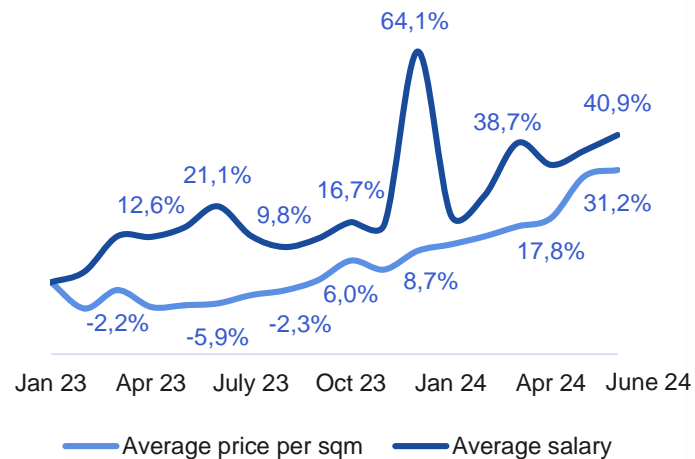
### Release of pent-up demand driven by external triggers

- Seasonal fluctuations in demand are shifting against a backdrop of geopolitical events and changes in market rates and mortgage programmes
- Late 2023 and early 2024 saw the release of pent-up demand** prior to the end of preferential mortgages and changes to other government-supported mortgage programmes with effect from 1 July 2024

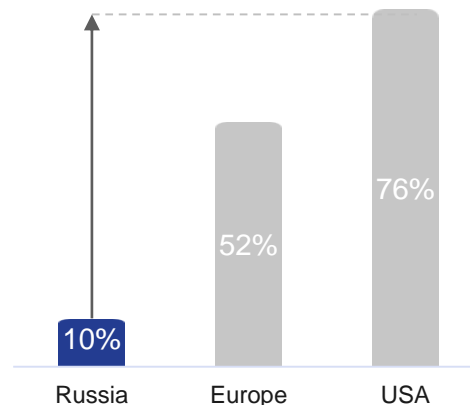


# #3: UNDERLYING FACTORS DRIVING DEMAND FOR HOUSING REMAIN IN PLACE

## WAGE GROWTH IS OUTPACING PRICE GROWTH IN THE PRIMARY MARKET

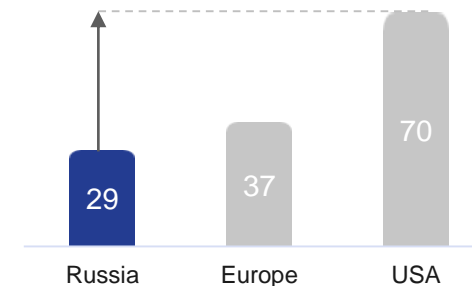


## LOW SHARE OF MORTGAGES IN GDP (share, %)



## LOW HOUSING AVAILABILITY

Housing stock per capita, sqm / person



1

Wage growth is outpacing growth in selling prices per sqm in the primary market

2

High credit potential amid a gradual decrease in interest rates, with a low share of overdue mortgage debt (**0.4% as of early September 2024**)

3

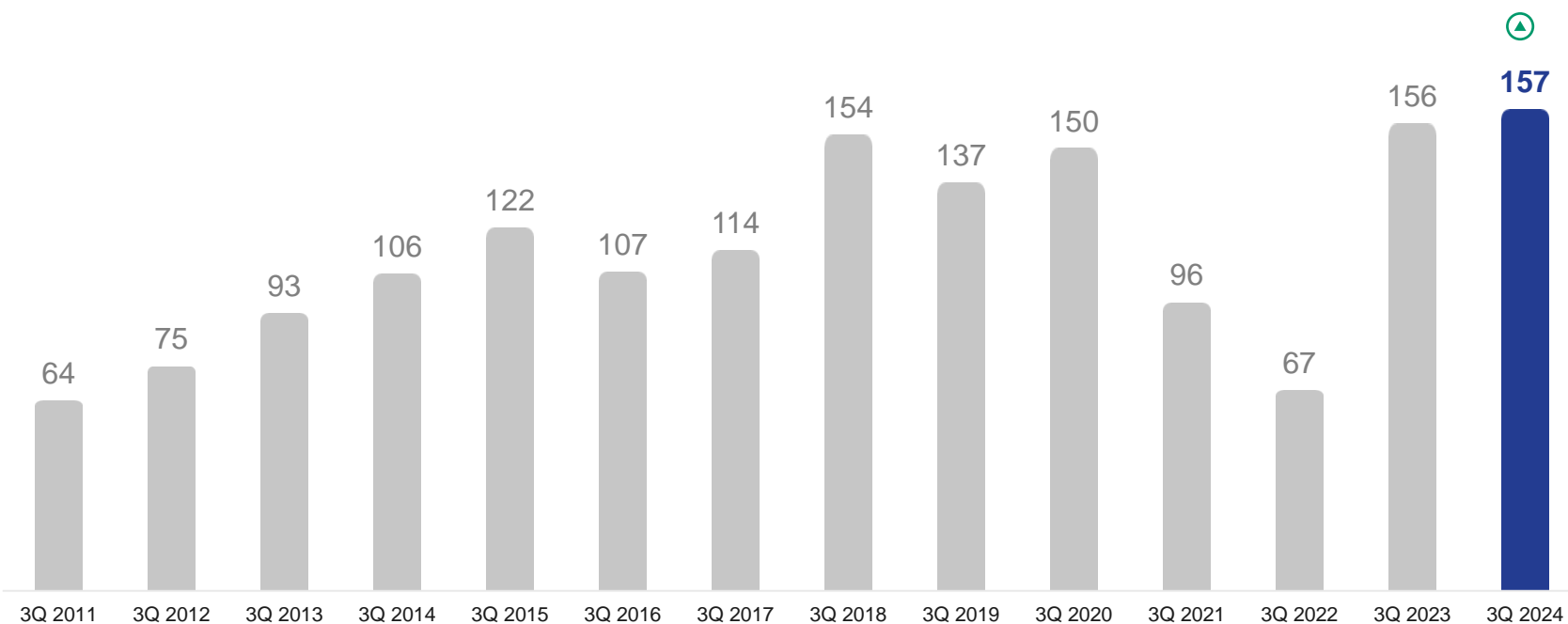
Continuation of the **long-term trend** of high demand for housing

# Operating Results

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# SALES IN 3Q 2024: A NEW RECORD DESPITE MARKET TURBULENCE

NEW CONTRACT SALES, ths sqm

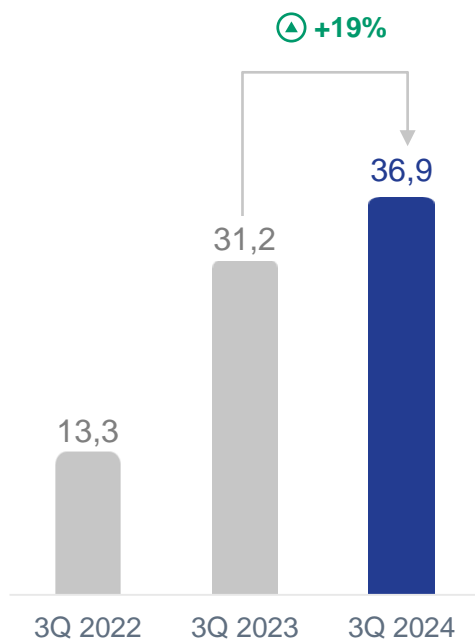


## Sales dynamics are outpacing the market

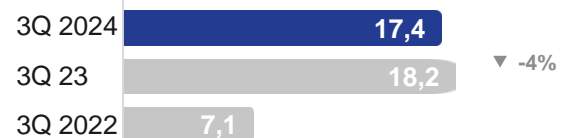
- **Strongest 3Q** in the history of Etalon Group as a publicly traded company
- Sales in physical terms (ths sqm) are noticeably higher than the industry figures for the comparable period the previous year **(+11% y-o-y compared to -44% y-o-y for the Russian Federation in July-August)**
- The **Group's sales** were **supported** by a low reliance on mortgages and the introduction of its own financial engineering products

# VALUE OF CONTRACTS: DOUBLE-DIGIT GROWTH TO RECORD LEVELS, EVEN AGAINST A HIGH BASE

## NEW CONTRACT SALES, RUB bln



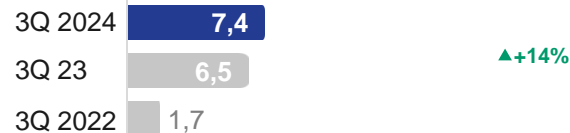
### MOSCOW AND THE MOSCOW REGION



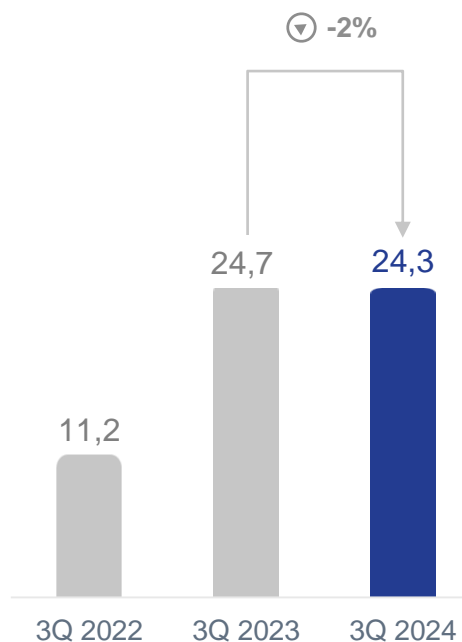
### ST PETERSBURG



### OTHER REGIONS



## CASH COLLECTIONS, RUB bln



## Sales:

- **Moscow and St Petersburg:**

Sales were up **9%** in terms of sqm and up **20%** in RUB terms

- **Regions:**

Greater reliance on mortgages **affected the sales dynamics in sqm** (-15%), while **sales in RUB terms grew** by 14%

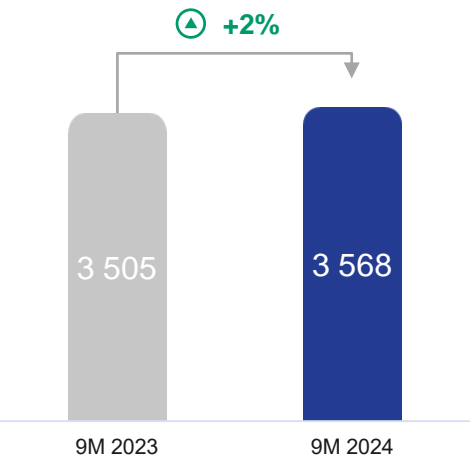
## Cash collections:

- Cash collections **are comparable to the 3Q 2023 level** despite reduced availability of mortgages
- Thanks to full coverage of the project debt with escrow funds, **project financing can be obtained at a special rate** (3.5% - 0.01%)

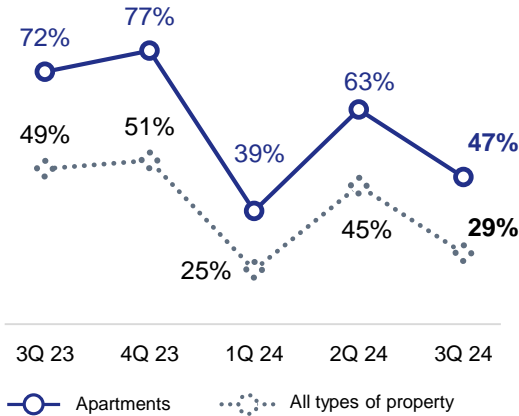
# MORTGAGE-BACKED SALES

CHANGES IN MORTGAGE PROGRAMMES WERE REFLECTED IN MORTGAGE-BACKED SALES BUT DID NOT PUT PRESSURE ON SALES DYNAMICS

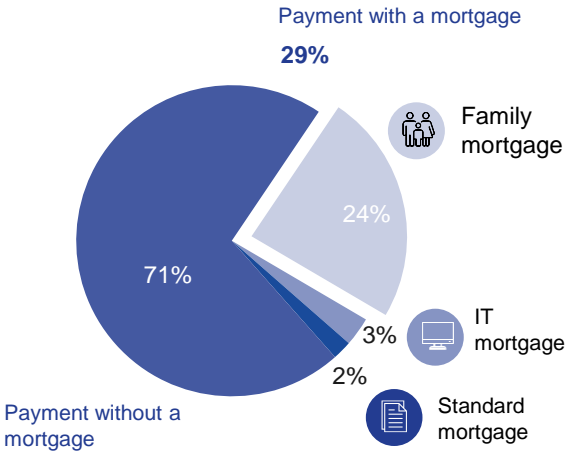
NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



SALES BREAKDOWN BY PAYMENT TYPE, 3Q 2024



1

The expectation of changes to mortgage programmes drove a temporary increase in the share of mortgage-backed sales in 2Q 2024; fundamentally, however, **reliance on mortgages remains low**: in 1H 2024 **only 29%** of sales involved mortgage financing

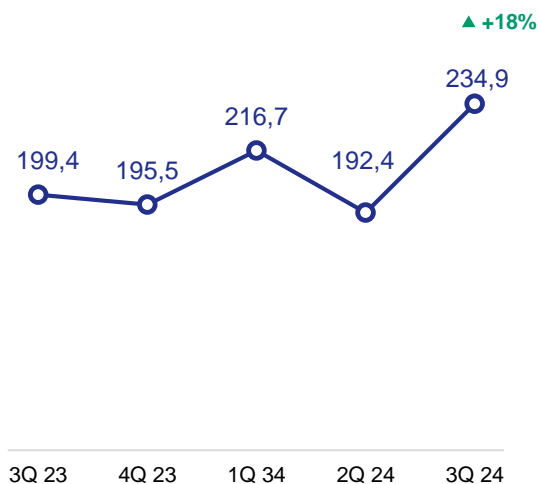
2

One driver of future sales is the further **development of a proprietary financial product** that can replace mortgage programmes and generate additional demand

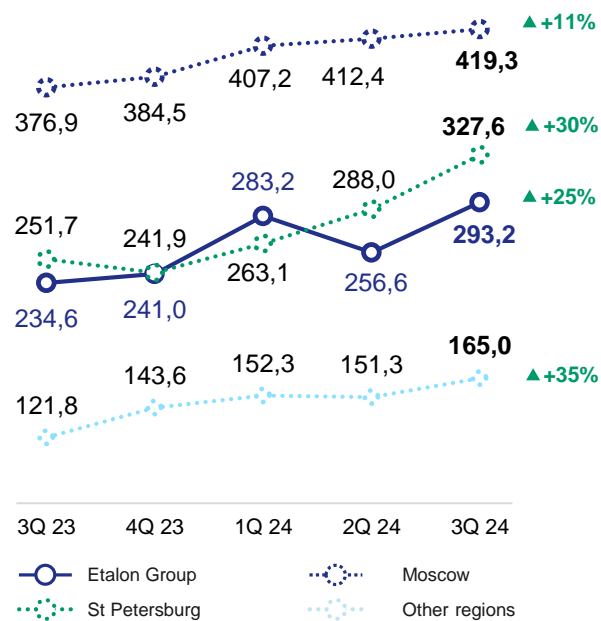


# STRONG GROWTH IN AVERAGE PRICE

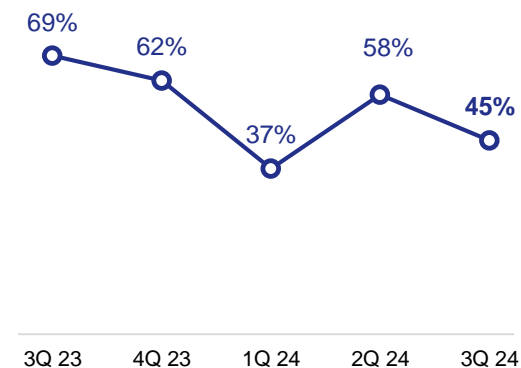
**AVERAGE PRICE,**  
RUB ths/sqm



**AVERAGE APARTMENT PRICE,**  
RUB ths/sqm



**AVERAGE DOWN PAYMENT,**  
%



1

The **average price increased** by 18% year-on-year and 22% quarter-on-quarter mainly due to higher sales in the **high price segment in St Petersburg**

2

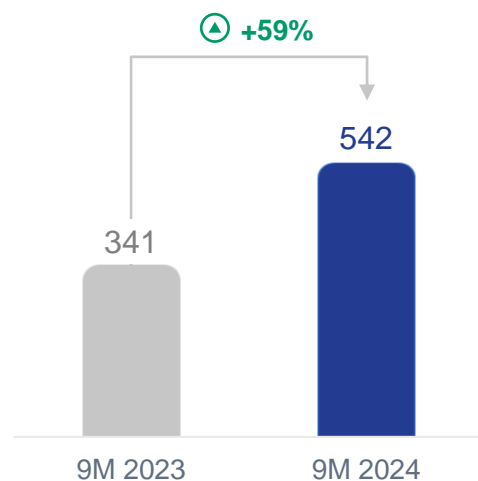
The **increase in the level of project readiness** supported the rise in average prices across **all regions of presence**, in St Petersburg the price was influenced by **the launch of LDM**

3

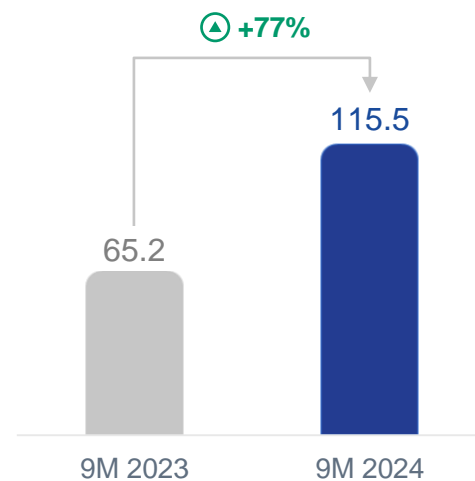
The average down payment approached the level seen at the beginning of the year amid a **reduction in government-supported mortgage programmes**

# 9M 2024: CONTINUED STRONG GROWTH

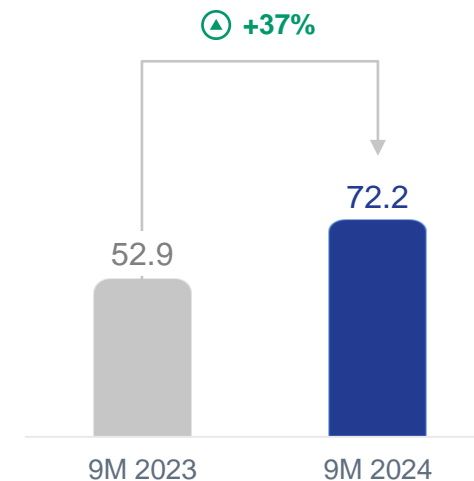
**NEW CONTRACT SALES,**  
ths sqm



**NEW CONTRACT SALES,**  
RUB bln



**CASH COLLECTIONS,**  
RUB bln



1

The **highest sales figures in the Company's history**, both in physical terms and in RUB terms

2

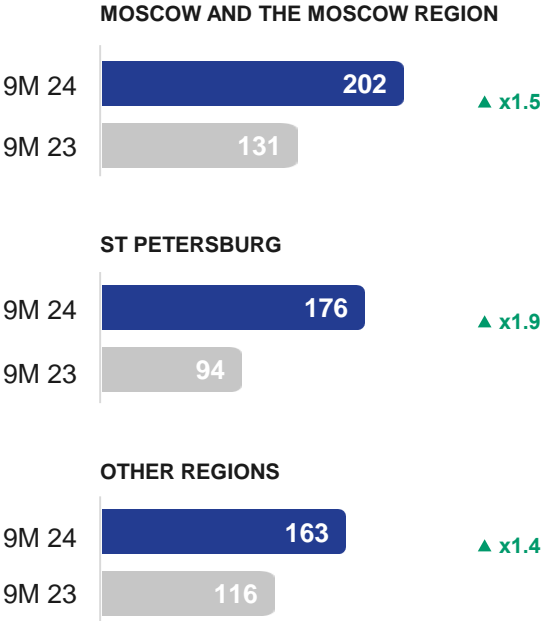
The number of new contracts increased **1.5 times**, reaching 10.8 thousand

3

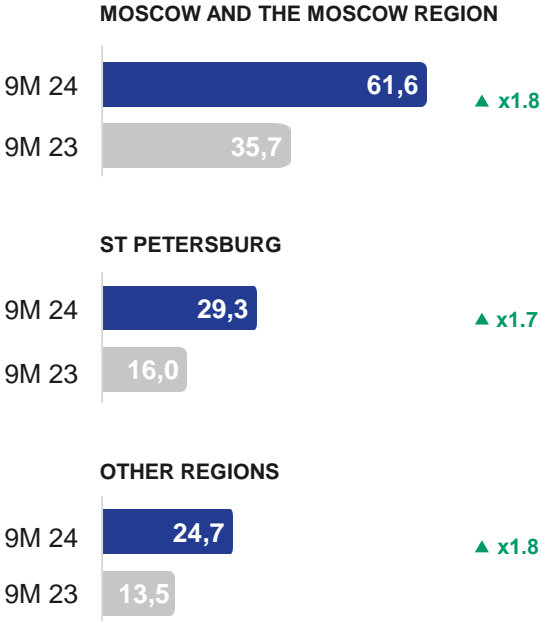
Sales dynamics over the past 9 months suggest **double-digit growth in sales** by the end of the year

# RESULTS FOR 9M 2024 BY REGION

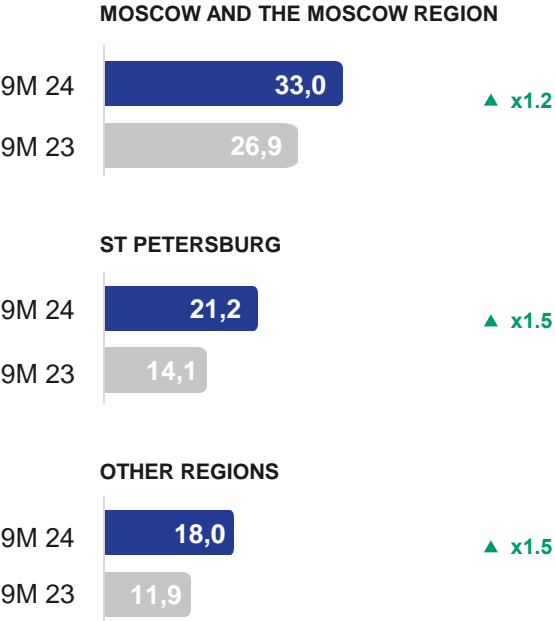
## NEW CONTRACT SALES, ths sqm



## NEW CONTRACT SALES, RUB bln



## CASH COLLECTIONS, RUB bln



1

Sustainable growth is supported by a **regionally balanced sales portfolio**: in sqm terms, the Moscow region accounts for **37%** of sales, St Petersburg – **33%**, and regional markets – **30%** of sales

2

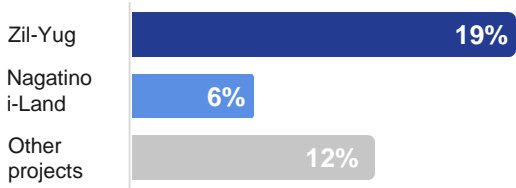
**Regional markets are ahead of Moscow and St Petersburg** in terms of the rate of growth of cash collections

# PROJECT PORTFOLIO

THE ZIL-YUG (MOSCOW) AND SOLNECHNIY (EKATERINBURG) RESIDENTIAL DEVELOPMENTS ARE AMONG THE COMPANY'S TOP-SELLING PROJECTS

## SALES FOR 9M 2024 BY PROJECT, sqm<sup>(1)</sup>

### MOSCOW AND THE MOSCOW REGION



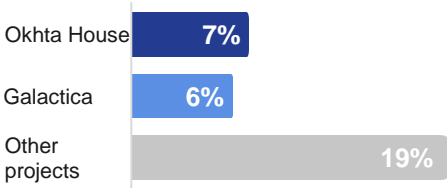
37% of the Group's total sales



Zil-Yug is Etalon Group's largest project

## SALES FOR 9M 2024 BY PROJECT, sqm<sup>(1)</sup>

### ST PETERSBURG



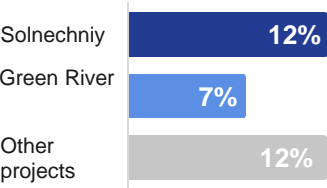
33% of the Group's total sales



Okhta House is the leading project in terms of sales in St Petersburg

## SALES FOR 9M 2024 BY PROJECT, sqm<sup>(1)</sup>

### OTHER REGIONS



30% of the Group's total sales



Solnechniy is the leading project in terms of regional sales

<sup>(1)</sup> Shares are calculated based on all sales. The total amounts may not add up to 100%. Source: Company data; changes were calculated without rounding.

# Selected Projects

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# MONOGRAPH

SEPTEMBER 2024



TOTAL NSA  
36 ths sqm

OPEN Nikelie's MARKET VALUE<sup>(1)</sup>INCOME FROM SALES<sup>(1)</sup>  
1.6 RUB bln 6.7 RUB bln

DECEMBER 2023



REGION  
ST PETERSBURG

# PULKOVO HOUSE

SEPTEMBER 2024



**TOTAL NSA**  
**12** ths sqm

**OPEN Pullover MARKET VALUE<sup>(1)</sup>**  
**0.7** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**2.6** RUB bln

DECEMBER 2023



**REGION**  
**ST PETERSBURG**



# ZIL-YUG

SEPTEMBER 2024



**TOTAL NSA**  
1.2 mln sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
88.4 RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
447.7 RUB bln

DECEMBER 2023

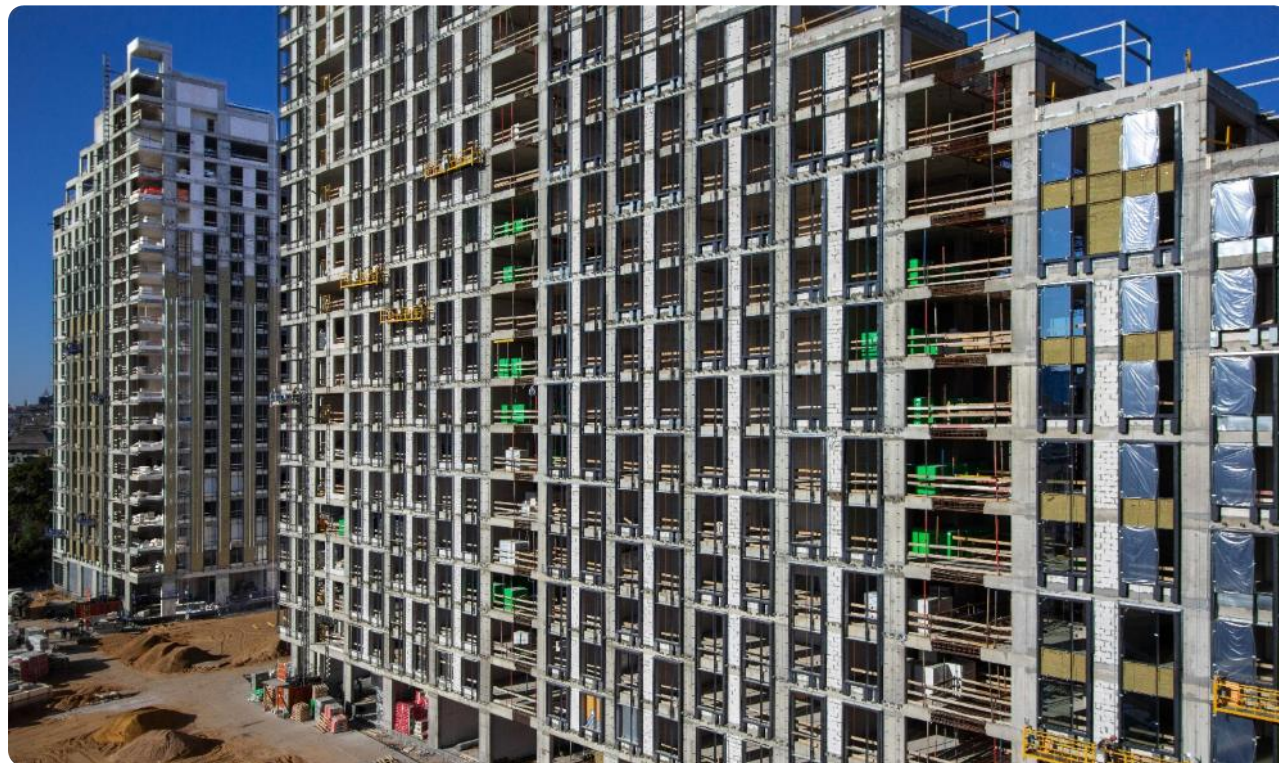


**REGION**  
**MOSCOW**



# VOXHALL

SEPTEMBER 2024

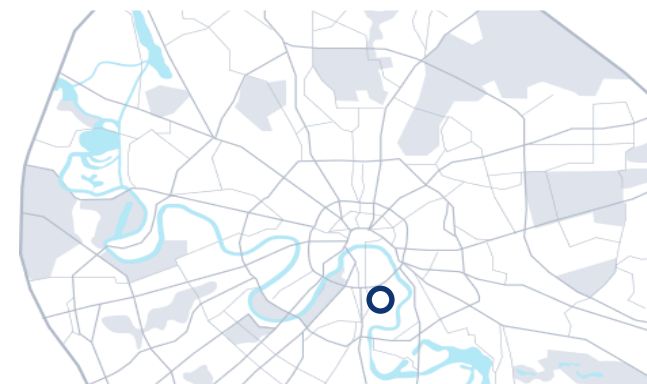


**TOTAL NSA**  
**65** ths sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**8.1** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**35.2** RUB bln

DECEMBER 2023



**REGION**  
**MOSCOW**



# DESYATKA

SEPTEMBER 2024



TOTAL NSA  
35 ths sqm

OPEN MARKET VALUE<sup>(1)</sup>  
2.0 RUB bln

INCOME FROM SALES<sup>(1)</sup>  
4.2 RUB bln

DECEMBER 2023



REGION  
MOSCOW REGION



# GREEN RIVER

SEPTEMBER 2024



**TOTAL NSA**  
**1.4** mln sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**28.8** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**178.9** RUB bln

DECEMBER 2023



**REGION**  
**OMSK**

# SOLNECHNIY

SEPTEMBER 2024



**TOTAL NSA**  
1.9 mln sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
30.2 RUB mln

**INCOME FROM SALES<sup>(1)</sup>**  
298,8 RUB bln

DECEMBER 2023



**REGION**  
**EKATERINBURG**



# RAUTA

SEPTEMBER 2024



**TOTAL NSA**  
**108** ths sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**1.9** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**13.0** RUB bln

DECEMBER 2023



**REGION**  
**EKATERINBURG**

# SCHASTYE V KAZANI

SEPTEMBER 2024



**TOTAL NSA**  
**56** ths sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**4.2** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**13.5** RUB bln

DECEMBER 2023



**REGION**  
**KAZAN**



# GREEN

SEPTEMBER 2024



**TOTAL NSA**  
**22** ths sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**0.6** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**1.5** RUB bln

DECEMBER 2023



**REGION**  
**KAZAN**



# SCHASTYE V TYUMENI

SEPTEMBER 2024



**TOTAL NSA**  
**58** ths sqm

**OPEN MARKET VALUE<sup>(1)</sup>**  
**1.8** RUB bln

**INCOME FROM SALES<sup>(1)</sup>**  
**4.8** RUB bln

DECEMBER 2023



**REGION**  
**TYUMEN**

