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Ronson is getting ready for weak results in 2014 and record high results in 2015 (interview)

Ronson expects that next year the company will deliver around 400 apartments at low margin. Therefore, it does not exclude that it will record a loss in the period. However, Ronson should have record high profits in 2015 when around 1000 apartments may be delivered to the clients. The company still wants to pay out dividends.

"The potential in terms of financial performance in the next year is much lower than in 2012-2013. The first quarter should also be good as this is when the apartments of the Espresso I project will be handed over to the clients - although it must be remembered that our participation in this project is 68 percent. During the second quarter we will begin handing over the Młody Grunwald project apartments to customers, which is almost 150 units, but the margin will be close to zero " – the Polish Press Agency PAP has been told by Tomasz Łapinski, financial director of the developer company.

"The base of units to be delivered throughout 2014 amounts to about 400" - he has added.

Ronson financial director has admitted that it is possible that in the entire 2014 the company will record a net loss.

"In the second half of 2014, we will not transfer new projects for use and, therefore, especially in the third and fourth quarter 2014 our financial results will be poor" - he has commented.

However, the year 2015 is to be record high in terms of results.

"The investments which we started this year and the ones which will be started in the coming weeks, or at the beginning of next year, should be completed by mid 2015, therefore the potential, as for flats' handover in 2015 is as high as 1,000 units , which should be reflected in record high results " - the financial director has informed.

Łapiński has confirmed that the company intends to pay out dividends in subsequent years.

"We want the dividend to be paid out every year. Future payments should be rather lower than that for 2012, but now it is too early to speak about the amounts. Even if it happens that next year's results will be worse, then the present sales of apartments and current cash flows will be more important for the possibility of dividend payment"- he has added.

From its profit for 2012, the developer paid a dividend of PLN 0.03 per share, i.e. a total of PLN 8.17 million.

BETWEEN 450 AND 530 UNITS WILL BE TRANSFERRED IN 2013.

In its commentary on the results for the third quarter Ronson informed that in the fourth quarter the company could provide its customers with 70 to 150 units.

As Łapiński has informed, the range is wide because it all depends on obtaining the occupancy permit for Verdis II and Espresso I projects.

"In Verdis II we have 78 units and 50 of them are already sold, therefore it would be realistic to deliver 30-40 apartments still this year. On the other hand, according to the schedule, Espresso I should be handed over in the first quarter of 2014, but this deadline may move to the end of December 2013, then it would be possible to deliver about 20-30 units" - he has said.

He has added that, if the occupancy permits for Espresso Verdis II and Espresso I are obtained, the gross margin in the fourth quarter should exceed 20 percent .

Over the nine months Ronson provided customers with 376 units. The company's gross margin after the third quarter amounted to 21.7 per cent, although in the second and third quarters the gross margin fell below 20 percent .

" Throughout the year the gross margin should be around 20 percent." – Łapinski has commented.

The company representatives reported earlier that in the whole year the company's revenues could improve, whereas the profits would be lower.

In 2012 Ronson recorded PLN 198.8 million in revenues and PLN 31.7 million net profit.