

Marvipol Development

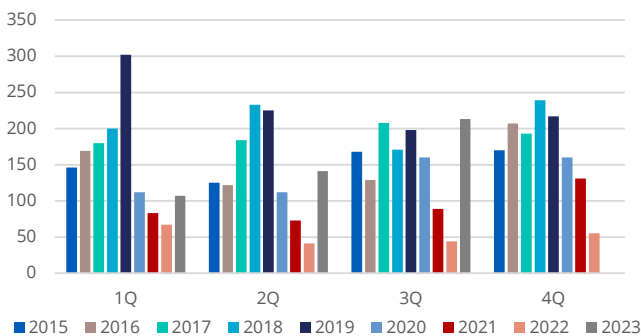
3Q23 pre-sales and deliveries

Marvipol Development reported the following operating data:

- The company reported **pre-sales** of 213 units in 3Q23 (+384% y/y and +51% q/q; the value of units sold amounted to PLN 134.2m, implying average value of ca. PLN 630.0k). As a reminder, the company had dwelling offer of 607 units as of end-2Q23.
- At the same time, the company **delivered** 37 units (vs. 73 flats in 3Q22; with value of PLN 75.0m) mainly related to Rotunda Dynasy (7 units), Lazurova Concept (12 units) and Apartamenty Zielony Natolin project (17 units).

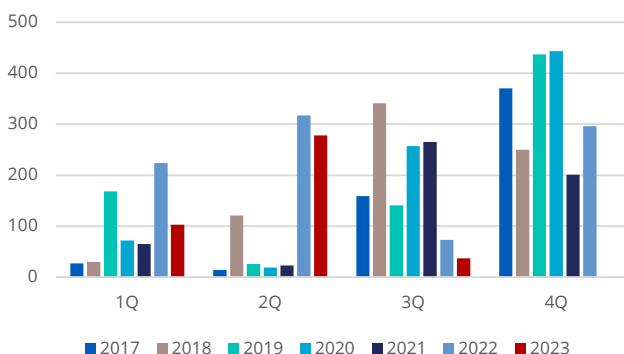
Opinion: The number of pre-sold dwellings sounds supporting for us – the numbers were driven by sharp demand recovery and extended dwellings offer. On the other hand, the group reported a drop in deliveries, which is negative for 3Q23E results (as a reminder, Marvipol Development reported only PLN 75m in revenues, vs. PLN 85m in 3Q22). Nevertheless, we suppose that the decrease in hand-overs was partially expected, given projects schedules.

Figure 1. Marvipol Development quarterly pre-sales (number of units)



Source: Company, IPOPEMA Research

Figure 2. Marvipol Development quarterly deliveries (number of units)



Source: Company, IPOPEMA Research

Real Estate

Marvipol Development
BUY

FV PLN 10.49

51.2% upside

Price as of 2 October 2023 PLN 6.94

Analyst

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The definitions of terms used in the document include:

NII – Net interest income – interest income minus interest expense.

Net F&C – Net fee and commission income – fee and commission income minus fee and commission expense.

LLP – loan loss provisions – an expense set aside as an allowance for bad loans.

NPL – non-performing loan – loans that are in default or close to be in default.

Cost/Income – operating expenses divided by total banking revenue.

ROE – return on equity – net income (or adjusted net income) divided by the average shareholders' equity.

ROA – return on assets – net income (or adjusted net income) divided by the average assets.

EBIT – earnings before interests and tax.

EBITDA – earnings before interests, tax, depreciation and amortization.

EPS – earnings per share – the net income (or adjusted net income) divided by the number of shares outstanding.

P/E – price to earnings ratio – price divided by earnings per share.

PEG – P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR – compound annual growth rate.

BVPS – book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV – price to book value - price divided by the BVPS.

DPS – dividend per share – dividend of a given year divided by the number of shares outstanding.

DY – dividend yield – dividend of a given year divided by the current price.

DDM – dividend discount model – a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV – Fair Value, calculated based on valuation methods outlined in the document.

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Rating	Difference between FV and price at recommendation
Buy	Above 10%
Hold	In between (and including) -10% and 10%
Sell	Below -10%

IPOPEMA Research - Distribution by rating category (1 July – 30 September 2023)

	Number	%
Buy	7	88%
Hold	1	13%
Sell	0	0%
Total	8	100%

Rating History – Marvipol Development

Date	Recommendation	Fair Value	Price at recommendation	Author
07/09/2023	BUY	PLN 10.49	PLN 8.00	Adrian Górniak