

Marvipol Development

2Q24 pre-sales and deliveries

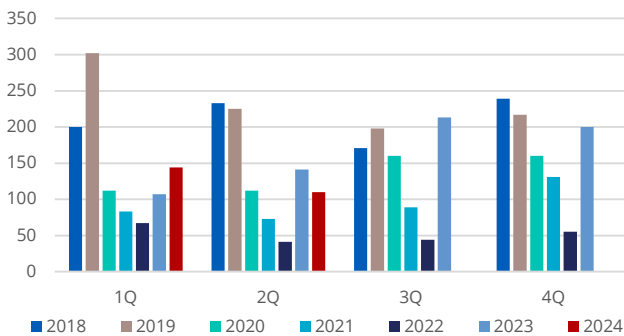
Marvipol Development reported the following operating data:

- The company reported **pre-sales** of 110 units in 2Q24 (-22% y/y and -24% q/q; the value of units sold amounted to PLN 91.2m, implying average value of ca. PLN 829.1k. +27% y/y). As a reminder, the company had dwelling offer of 463 units as of end-1Q24.
- At the same time, the company **delivered** 18 units (vs. 278 flats in 2Q23; with value of PLN 28.7m).

Opinion: The numbers regarding pre-sale are disappointing for us, as they presented strong decrease in both, y/y and m/m terms. Moreover, the data are lower than our predictions, as we anticipated that the developer will pre-sell ca. 130-140 units in 2Q24. We note that the reading is in line with broad market trends, which presented a slowdown in recent months.

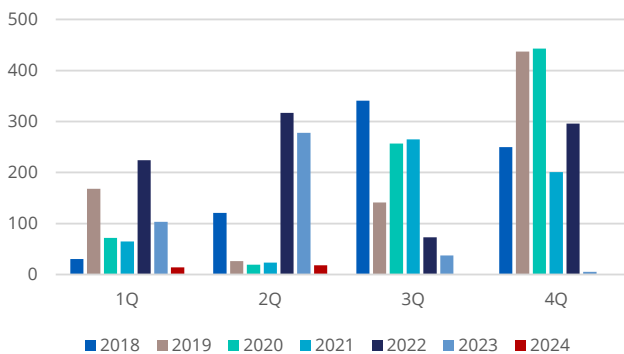
In the case of deliveries, the numbers seem uninspiring as they indicate a strong deterioration in the financial results (concurrently, we note that it was highly expected, given project schedules – we expect the volumes to rebound starting from 3Q24E, as the group is likely to start deliveries from Motława Garden, In Place I and Gardenia Lagom I projects).

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 10.09

42.5% upside

Price as of 2 July 2024 PLN 7.08

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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 April – 30 June 2024)

	Number	%
Buy	25	76%
Hold	6	18%
Sell	2	6%
Total	33	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
12/12/2023	BUY	PLN 10.07	PLN 7.20	Adrian Górniak
20/03/2024	BUY	PLN 11.15 (adjusted on 02.05.2024 to PLN 10.09 by PLN 1.06 DPS)	PLN 8.26	Adrian Górniak