



PIK GROUP 9M2018 Trading Update

MOSCOW, October 11, 2018 - PIK Group, the leading Russian residential real estate developer, released today its trading update for the nine months ended September 30, 2018 (9M2018).

9M2018 key operational highlights:

- New sales contracts to customers increased by 6.4% to 1 309 th sqm (9M2017: 1 231 th sqm).
- Value of new sales contracts to customers increased by 10.1% to RUB 139.6 billion (9M2017: RUB 126.8 billion).
- Total cash collections increased by 15.2% to RUB 156.2 billion (9M2017: RUB 135.6 billion).
 - Cash collections from sale of real estate increased by 16.6% to RUB 147.9 billion (9M2017: RUB 126.8 billion).
 - Cash collections from construction services and other operations decreased by 5.7% to RUB 8.3 billion, (9M2017: RUB 8.8 billion) or 5.4% of total cash collections.
- In 9M2018, PIK put on sale 12 new projects compared to 10 new projects in 9M2017.
- In 9M2018, PIK put on sale 72 new buildings compared to 76 new buildings in 9M2017. 1 808 th sqm were launched to the market, up 10.8% year-on-year (9M2017: 1 633 th sqm).
- Completions decreased by 6.9% to 853 th sqm (9M2017: 917 th sqm), which is completely in line with current construction schedule.
- Share of mortgage sales reached 65% in 9M2018.

Sergei Gordeev, President and Chairman of the Management Board, said:

“Strong operational results and their positive dynamics for the first 9 months of 2018 allow us to fully reiterate previously announced guidance for the full year sales contracts and cash collections. We continue to actively work to further improve the efficiency of the company and to increase the supply of high-quality product in the housing market. In the third quarter of 2018 alone, we launched sales of 10 new projects and 36 new buildings.”

2018 Outlook

- PIK Group intends to maintain a leading position in the residential real estate market and provides the following guidance for 2018:
 - Total new sales to customers between the range of 1.7 – 1.9 million sqm
 - Total cash collections of RUB 180 - 200 billion



Table 1 – New sales contracts

	3Q2017	3Q2018	Change, %	9M2017	9M2018	Change, %
New sales contracts to customers, th sqm, total	460	466	1.3%	1 231	1 309	6.4%
Value of contracts for apartments and ground floors, RUB million	47 947	51 655	7.7%	126 827	139 636	10.1%

Table 2 – New sales contracts by region

Th sqm	3Q2017	3Q2018	Change, %	9M2017	9M2018	Change, %
Moscow	227	222	-2.2%	615	638	3.8%
Moscow region	199	193	-3.0%	530	522	-1.5%
Other regions	34	51	50.0%	86	149	73.3%
Total	460	466	1.3%	1 231	1 309	6.4%

Table 3 – New sales contracts value by region

RUB million	3Q2017	3Q2018	Change, %	9M2017	9M2018	Change, %
Moscow	29 167	30 760	5.5%	77 313	83 850	8.5%
Moscow region	16 955	17 803	5.0%	45 079	47 077	4.4%
Other regions	1 825	3 092	69.4%	4 435	8 709	96.4%
Total	47 947	51 655	7.7%	126 827	139 636	10.1%

Table 4 - Cash collections

RUB millions	3Q2017	3Q2018	Change, %	9M2017	9M2018	Change, %
Total gross cash collections	47 150	45 068	-4.4%	135 612	156 184	15.2%
<i>Including:</i>						
Cash collections from sale of real estate	44 086	43 657	-1.0%	126 808	147 880	16.6%
Cash collections from construction services and other operations	3 064	1 411	-53.9%	8 804	8 304	-5.7%

* data for 2017 excludes cash collections from discontinued operations

Table 5 – New building put on sale

	3Q2017	3Q2018	Change, %	9M2017	9M2018	Change, %
New sellable area, th. sqm	553	937	69.5%	1 633	1 808	10.8%
Number of buildings launched for sale	24	36	+12	76	72	-4



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About PIK Group

PIK Group has been operating on the market since 1994 and specializes in residential real estate development in the segment of affordable housing. Since its inception, the company has built about 21.2 million sqm of housing.

Today, the company's portfolio of projects consists of 11.5 million sqm. The portfolio's market value is 225 billion rubles (estimated by Cushman & Wakefield on 31.12.2017). In 2017 the revenue of PIK (in accordance with IFRS) amounted to RUB 175 134 million.

According to the Unified Register of Developers, PIK is a leader among Russian developers in terms of current construction volume and in terms of completions for the first 9 months of this year. In September 2018, ACRA affirmed PIK Group's credit rating at BBB + (RU) and upgraded the outlook from "stable" to "positive", which implies the highest probability of a rating upgrade in the short term. In addition, this year for the first time PIK entered the TOP-50 of the most valuable brands of Russia by Brand Finance, ahead of all other developers.

Since 2007, PIK is present on the stock market. The company adheres to the best international standards of corporate governance, which contribute to the successful development of business. By the decision of the Government of the Russian Federation, PIK Group of Companies is included in the list of strategic companies for the Russian economy.