



## PIK GROUP ANNOUNCES FY 2017 TRADING UPDATE

**MOSCOW, 23 January 2018** - PIK Group ("PIK" or the "Company") (MOEX: PIKK), the leading Russian residential developer, released today its trading update for the twelve months ended 31 December 2017. The operational and financial data are based on management accounts. The results of the past year are marked by a twofold increase across key metrics following the completion of the integration of two major developer companies and the continued organic growth of the Company's business. Over the past year, PIK has strengthened its position as a sector leader, continued dynamic regional expansion, adapted to the growing scale of construction, transformed into an industrial company and significantly enhanced its operational efficiency.

### Key operational highlights for FY 2017:

- Total cash collections increased by 113.7% to RUB 216.1 billion (2016: RUB 101.2 billion).
  - Cash collections from sale of real estate to individuals increased by 116.4% to RUB 189.1 billion (2016: RUB 87.4 billion).
  - Cash collections from construction services and others increased by 96.2% to RUB 27.0 billion or 12.5% of revenues (2016: RUB 13.8 billion).
- New sales contracts to individual customers increased by 93.6% to 1,839 th. sqm. (2016: 950 th. sq. meters).
- In 2017, PIK Group put on sale 11 new projects and 99 new buildings, compared to 12 new projects and 63 new buildings in 2016.
  - New sellable area in the buildings put on sale increased by 85.1% to 2,143 th. sq. meters (2016: 1,158 th. sq. meters).
- Completions increased by 121.4% to 2,059 th. sqm. (2016: 930 th. sqm.)
- Share of mortgage-backed sales reached 60% in 2017.

Commenting on the operating results, Sergei Gordeev, President of PIK Group, said:

"In 2017, PIK delivered strong operational results. For the first time in Company's history, we exceeded 2 million square meters in construction volumes. We doubled both the volume of real estate sales and the total amount of cash collections.

"The Group's net debt at the end of the year amounted to RUB 14.8 billion, which is 64% lower than at the end of 2016. As such, we have continued on our strategic course of decreasing our debt levels.

"Additionally, we accomplished a number of important strategic milestones by entering the new market of St. Petersburg, successfully integrating two major developer companies, having re-issued all master plans and revised building plans. We continued to develop our industrial division through the creation of a single production unit with five factories, and significantly progressed in our IT transformation, having launched new projects and applications to enhance operational efficiency and service quality.

"In 2018, we will continue to undertake measures aimed at maintaining our industry leading position, while working to boost our operational and financial efficiency. We will strive to increase market share in key segments and regions where we operate, while remaining focused on industrialisation and technological development of our production processes."



## 2018 Outlook

- PIK Group intends to maintain a leading position in the residential real estate market and envisions keeping key operational metrics in 2018 at record levels of last year:
  - Total new sales to customers between the range of 1.7-1.9 million sq. m.
  - Total cash collections of RUB 180-200 billion.

Table 1 - Cash collections summary

<i>(in RUB MM)</i>	4Q2016	4Q2017	Change, %	2016	2017	Change, %
<b>TOTAL GROSS CASH COLLECTIONS</b>	<b>33 263</b>	<b>71 285</b>	<b>114,3%</b>	<b>101 152</b>	<b>216 147</b>	<b>113,7%</b>
<i>Including:</i>						
<b>Cash collections from sale of real estate</b>	28 634	62 320	117,7%	87 378	189 128	116,4%
<b>Cash collections from construction services and others</b>	4 629	8 964	93,7%	13 774	27 018	96,2%

Table 2 – New sales contracts to customers

<i>in '000 sq. meters</i>	4Q2016	4Q2017	Change, %	2016	2017	Change, %
<b>New sales contracts to customers, incl.</b>	<b>318</b>	<b>653</b>	<b>105,4%</b>	<b>950</b>	<b>1 884</b>	<b>98,3%</b>
Sale of real estate	318	608	91,2%	950	1 839	93,6%
Sale of Trade Centers	0	45	100%	0	45	100%
<b>Value of retail contracts for apartments and ground floors (in RUB mn), incl.</b>	<b>33 386</b>	<b>64 414</b>	<b>92,9%</b>	<b>96 367</b>	<b>191 241</b>	<b>98,5%</b>
Sale of real estate	33 386	63 047	88,9%	96 367	189 874	97,0%
Sale of Trade Centers	0	1 367	100%	0	1 367	100%

Table 3. New sales contracts to customers quarterly

<i>тыс. кв. м</i>	1Q.	2Q	3Q	4Q	FY
<b>2017</b>	380	391	460	653	1 884
<b>2016</b>	204	201	227	318	950
<b>Change, %</b>	86,3%	94,5%	102,7%	105,4%	98,3%



Table 4 – New retail sales contracts to customers by region

<i>in '000 sq. meters</i>	<b>4Q2016</b>	<b>4Q2017</b>	<b>Change, %</b>	<b>2016</b>	<b>2017</b>	<b>Change, %</b>
<b>Moscow</b>	160	306	91,3%	420	921	119,3%
<b>Moscow region</b>	127	245	92,9%	410	775	89,0%
<b>Other regions</b>	31	57	83,9%	120	143	19,2%
<b>Total</b>	<b>318</b>	<b>608</b>	<b>91,2%</b>	<b>950</b>	<b>1 839</b>	<b>93,6%</b>

Table 5 – Pre-sales launches summary table

	<b>2016</b>	<b>2017</b>	<b>Change</b>
<b>New sellable area, 000' sqm</b>	1 158	2 143	85,1%
<b>Number of buildings launched for sale</b>	63	99	+36

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