

# DUNA HOUSE GROUP

## Management guidance 2021

26 February 2021



## MANAGEMENT GUIDANCE 2021

	PAT	EBITDA
<b>Consolidated clean core</b>	HUF 1,107 million	HUF 1,857 million
<b>MyCity projects *</b>	HUF 650 million	HUF 680 million**

\*MyCity property development activity

	2021
<b>Annual transaction volume in the Hungarian residential real estate market</b>	140-155 ths units (+7-18%)
<b>Annual price change in the Hungarian residential real estate market</b>	Growth between 5-10%
<b>Changes in the volume of disbursed retail mortgages in the Hungarian loan market</b>	Growth between 5-10%
<b>Polish / Czech markets</b>	Management does not consider current market trends to be significant regarding its market share and therefore does not provide guidance for the Polish and Czech markets.

Management anticipates that the clean core guidance objectives of the 5 year plan are achievable with great certainty.

EBITDA and PAT could be lower by HUF 100 million due to market expansion moves in Poland. Please see page 3 Section 2. for details.

### 1. Profit realization from the MyCity property development project

Due to the specifics of real estate development activities, profits from developments are only realized after completion and in proportion to the apartments handed over.

Two projects which are still under construction are expected to result in HUF 850 million in profit for 2021 and 2022. Our forecast for 2021 is based on the following assumptions:

- 70% of the Forest Hill residential units are handed over in 2021 and 30% in 2022,
- 100% of the remaining residential units of MyCity Residence are handed over in 2021

Until the end of 2020, the Group provided a total invested capital of HUF 3.0 billion to the project companies, which will be released after the sale of the apartments, so the total expected cash flow from the two projects amounts to HUF 3.9 billion.

\*\* The Group own 50% of the MyCity Residence project hence it is only recognized through equity consolidation in the Group's financial statements.

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### **2. Polish market expansion**

Building on its existing market position, Duna House Group has begun an intensive expansion of its loan brokerage network in Poland by signing with significant new agents in the first quarter of 2021. Management anticipates gradual rise in loan volumes and an additional 50% boost above the organic growth by the last months of this year. However, due to the fixed costs appearing from the beginning of the year, the newly contracted units of the Group's intermediary network will realize a loss of nearly HUF 100 million at an annual basis. This loss which has occurred due to the expansion of the network in 2021 is not included in the Group's clean core forecast for 2021 and it will be reported separately by the Group.

### **3. Digitalization processes**

In the recent years Duna House Group has placed significant emphasis on the digitalisation of business processes and the development of CRM/ERP systems. In 2021, new CRM/ERP systems will be introduced in the field of real estate and loan brokerage. While initial difficulties of the implementation may pose an operational risk, the new systems can significantly enhance process efficiency and the possibility of integration with banking systems in the medium and long term .