

BORYSZEW GROUP

FINANCIAL RESULTS – Q1-Q3 2018



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1. Boryszew Group – summary of Q1-Q3 2018

2. Market environment

3. Financial results – Q1-Q3 2018

4. Operating segments

5. Plans for the next quarters



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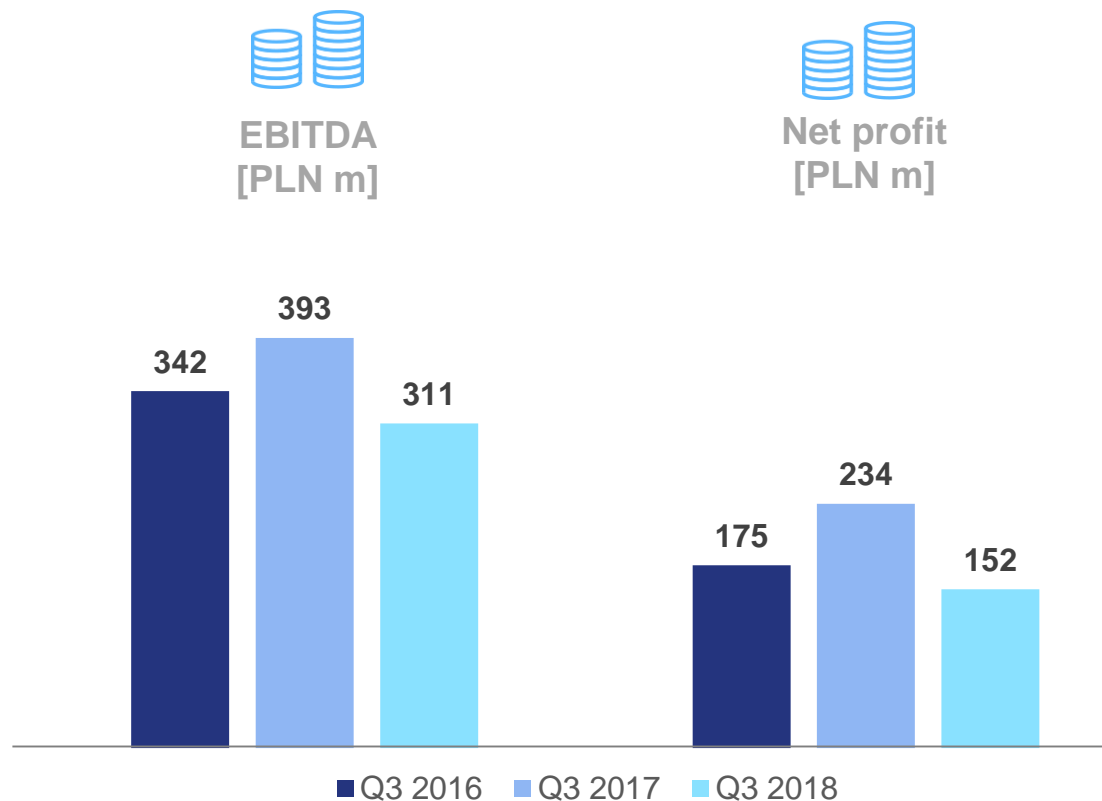
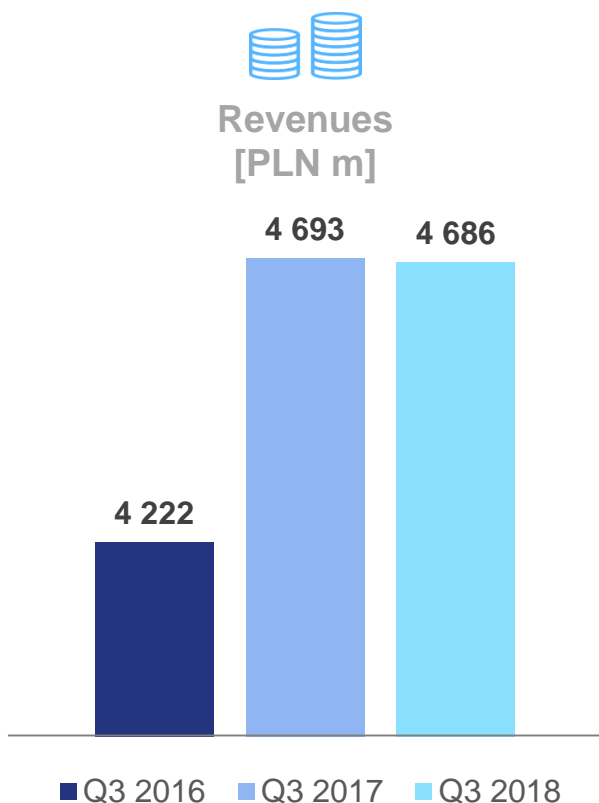
KEY FACTORS AFFECTING THE GROUP IN Q1-Q3 2018

- Implementation of WLTP (Worldwide Harmonized Light Vehicles Test Procedure) standards from 1 September 2018 and their direct impact on the decrease in OEM sales
- Development of the electric cars segment
- Increased importance of aluminium as a result of the growing market of electric cars
- Impact of economic sanctions and increased tariffs on the metals market
- Stabilisation of the production process in the Mexico plant



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BORYSZEW GROUP – SUMMARY OF Q1-Q3 2018





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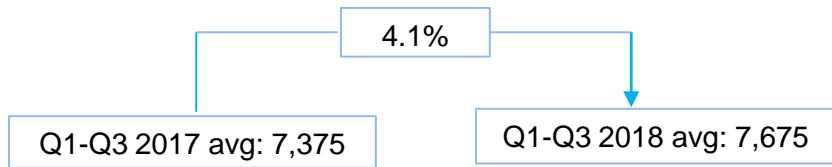
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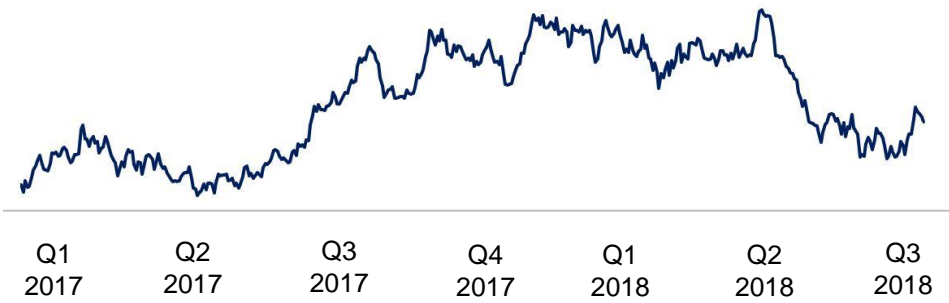
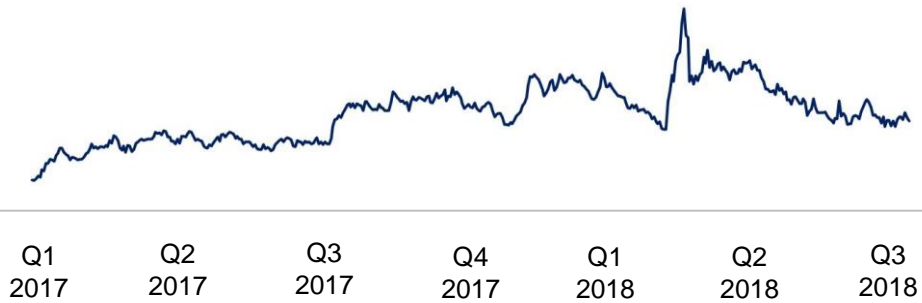
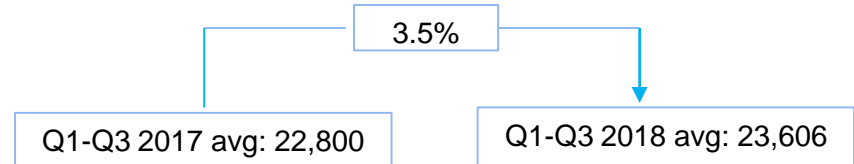
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QUATATIONS OF KEY METALS (IN USD/t)

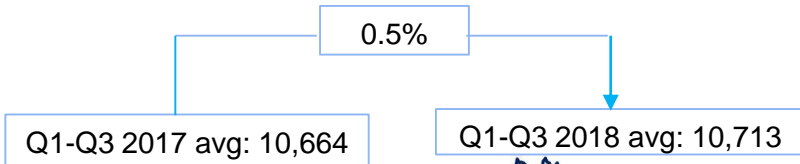
Aluminium



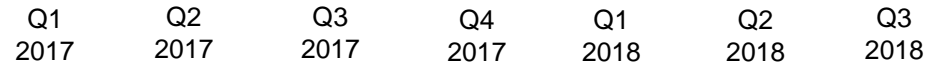
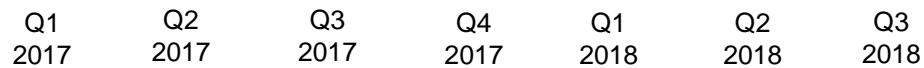
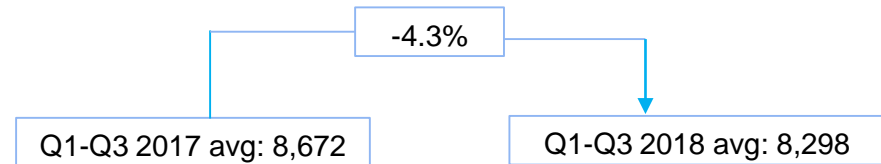
Copper



Zinc



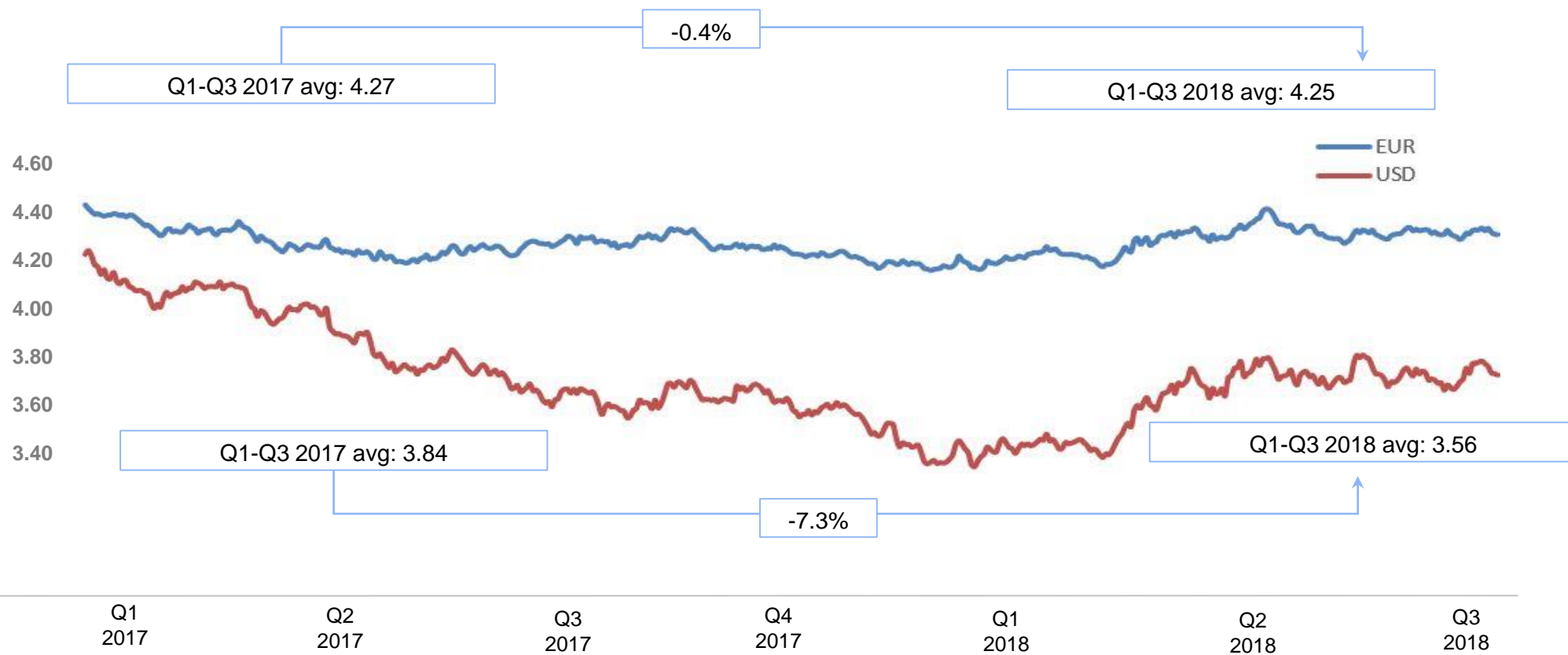
Lead





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EXCHANGE RATES

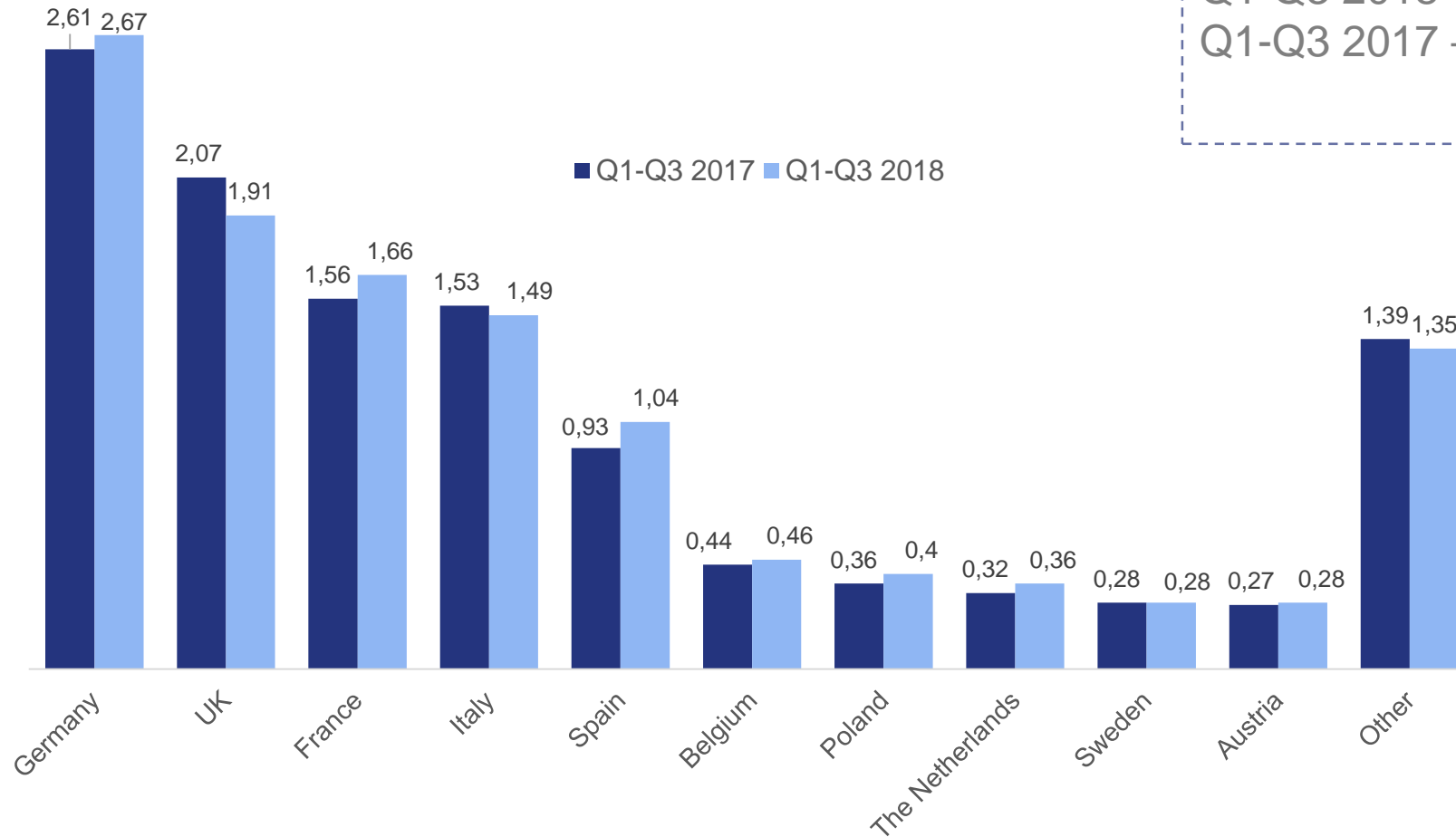




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EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars by country in million (according to ACEA*)



Q1-Q3 2018 – 11.9 million
Q1-Q3 2017 – 11.7 million
+1.7%

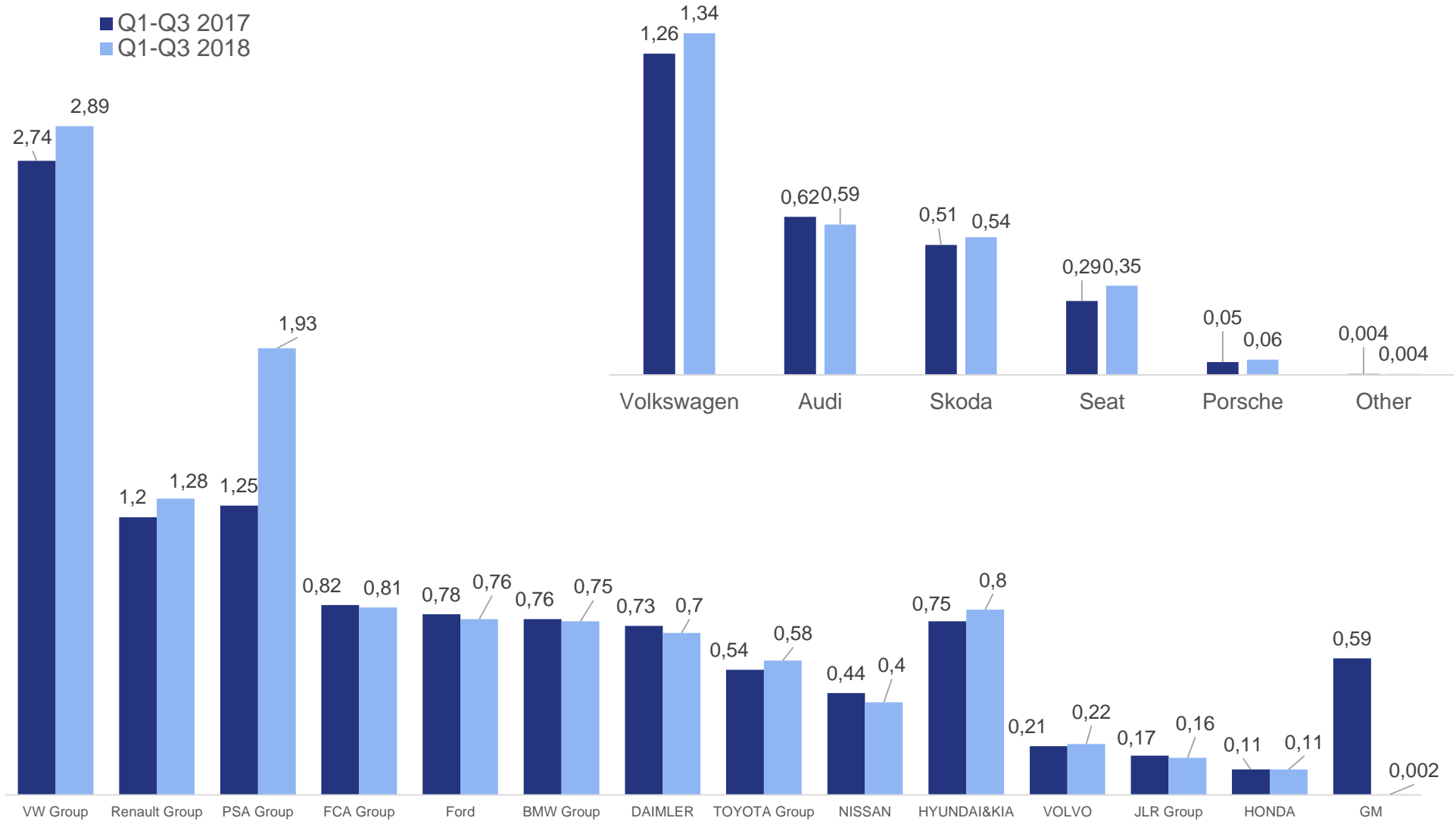
* ACEA (European Automobile Manufacturers Association)



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EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars by manufacturer in million (according to ACEA)



* JLR = Jaguar Land Rover

** PSA Group = Peugeot, Opel, Citroen, DS.

*** FCA Group = Fiat, Jeep, Alfa Romeo, Lancia, Chrysler

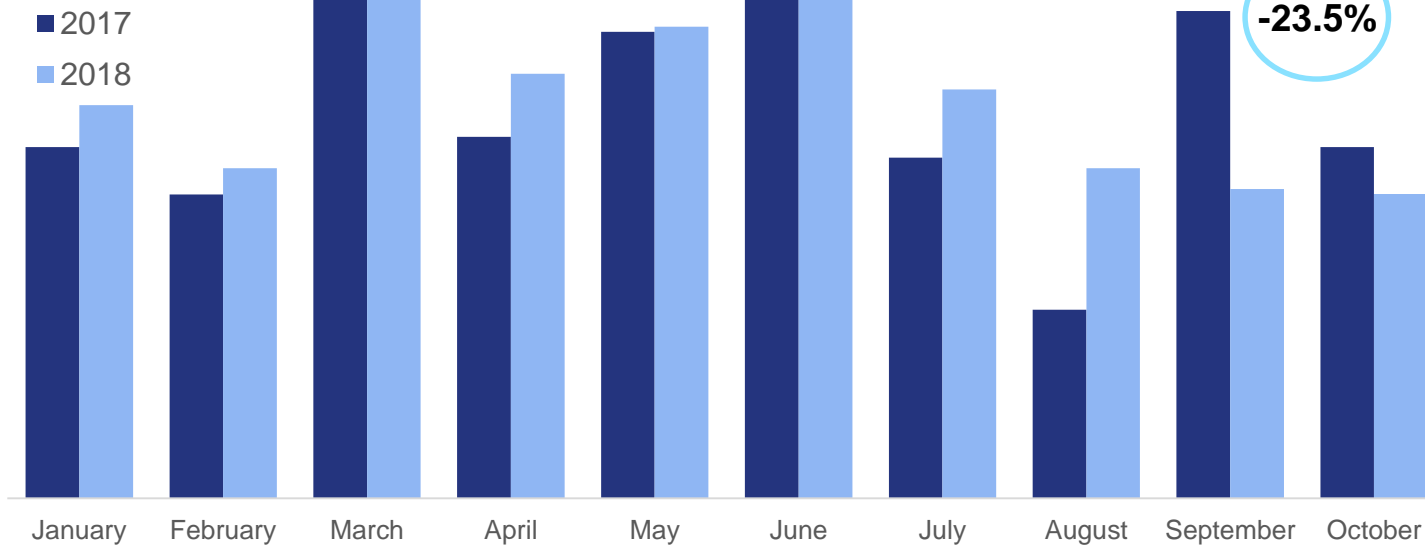


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EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars in September 2018

	Market share (%)		Number		YoY % change
	2018	2017	2018	2017	
VW Group	15.8	23.2	171,963	330,527	-48
Volkswagen	6.7	10.7	73,01	152,826	-52.2
Audi	2.8	5.4	30,138	76,776	-60.7
Skoda	4.2	4.4	45,307	63,057	-28.1
Seat	2	2.2	21,548	31,597	-31.8
Porsche	0.2	0.4	1,817	5,826	-68.8
Others	0	0	143	445	-67.9





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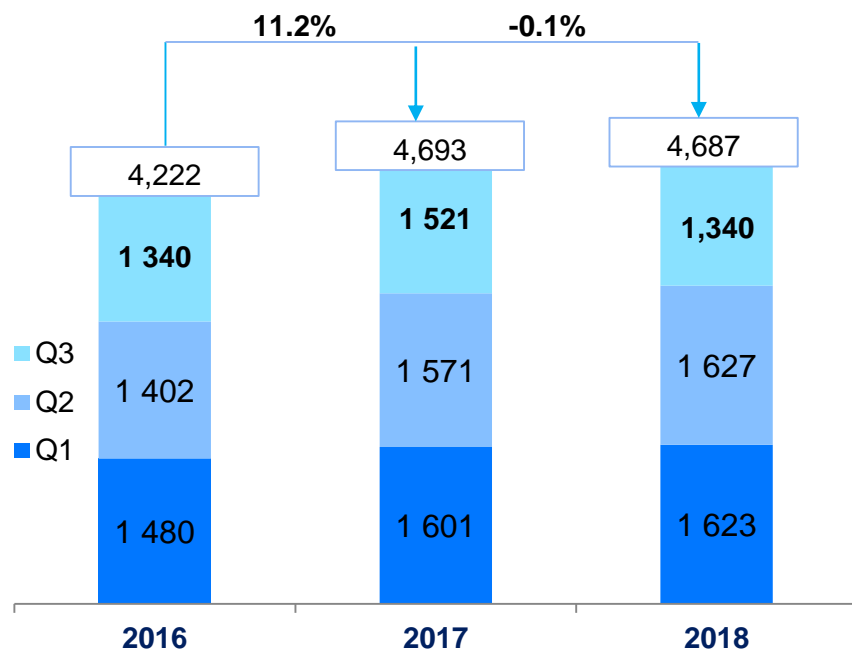
KEY FINANCIAL DATA YoY (in PLN million)

	Q3 2016	Q3 2017	Q3 2018	YoY % change 2016- 2017	YoY % change 2017- 2018	YTD 2016	YTD 2017	YTD 2018	YoY % change 2016- 2017	YoY % change 2017- 2018
SALES REVENUES	1,340	1,521	1,437	14%	-5%	4,222	4,693	4,686	11%	-0,1%
EBIT	92	103	43	12%	-58%	249	292	200	17%	-32%
EBITDA	125	138	80	10%	-42%	342	393	311	15%	-21%
EBITDA MARGIN	9%	9%	6%			8%	8%	7%		
NET PROFIT	78	72	44	-8%	-39%	175	234	152	33%	-35%
NET PROFIT (attributed to the shareholders of the parent company)	59	54	24	-8%	-56%	126	185	99	47%	-47%



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REVENUE (in PLN million)



Revenue by segment (in PLN million)	Q3 2017	Q3 2018	Change	% change
Automotive	1,512	1,434	-78	-5%
Metals	2,833	2,874	41	1%
Chemicals	208	211	3	1%
Other Operations*	140	168	28	20%

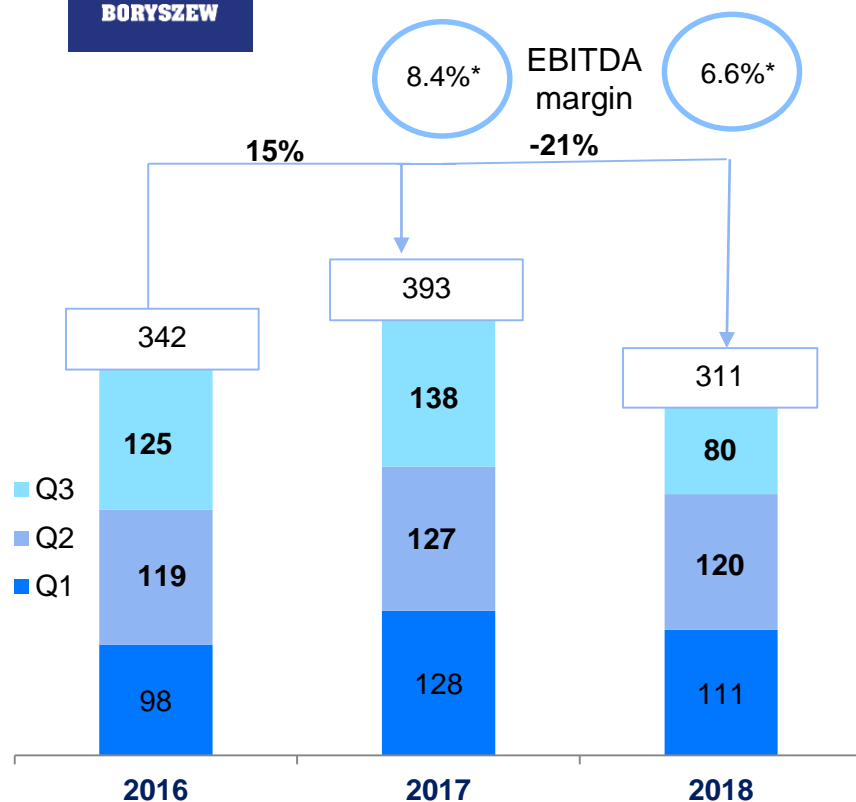
- Automotive Segment:
 - WLTP effect (more than PLN 57 million);
 - lower sales of tools resulting from a decrease in acquisition activities related to new projects in previous periods;
- Metals Segment:
 - increased sales volumes (Aluminium Konin, Baterpol Group, NPA Skawina).

* Including consolidation adjustments



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EBITDA (in PLN million)



EBITDA by segment (in PLN million)

	Q3 2017	Q3 2018	Change	% change
Automotive	149	60	-89	-60%
Metals	216	226	10	5%
Chemicals	21	11	-10	-48%
Other Operations**	7	14	7	100%

- Higher sales in the Metals Segment (Baterpol, Aluminium Konin);
- The effect of WLTP introduction;
- Process stabilization in the Mexico plant (Maflow Group);
- Change in the sales structure in the Chemicals Segment.

* EBITDA margin

** Including consolidation adjustments



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CAPEX YTD 2018



PLN **114** million

Automotive

Metals

Chemicals and
Other Operations



40

PLN m



67

PLN m



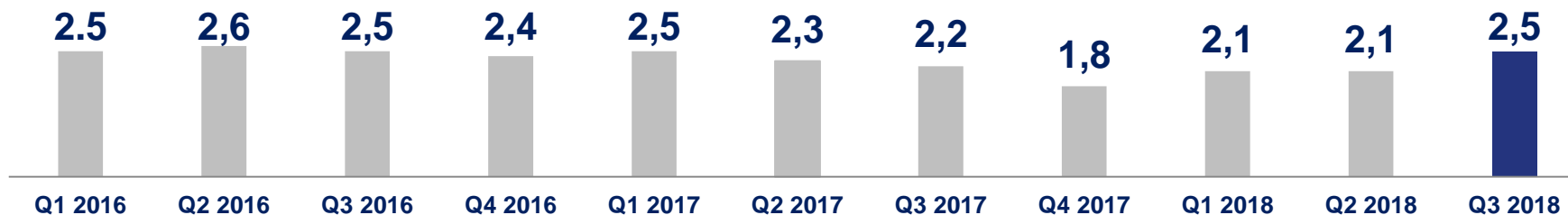
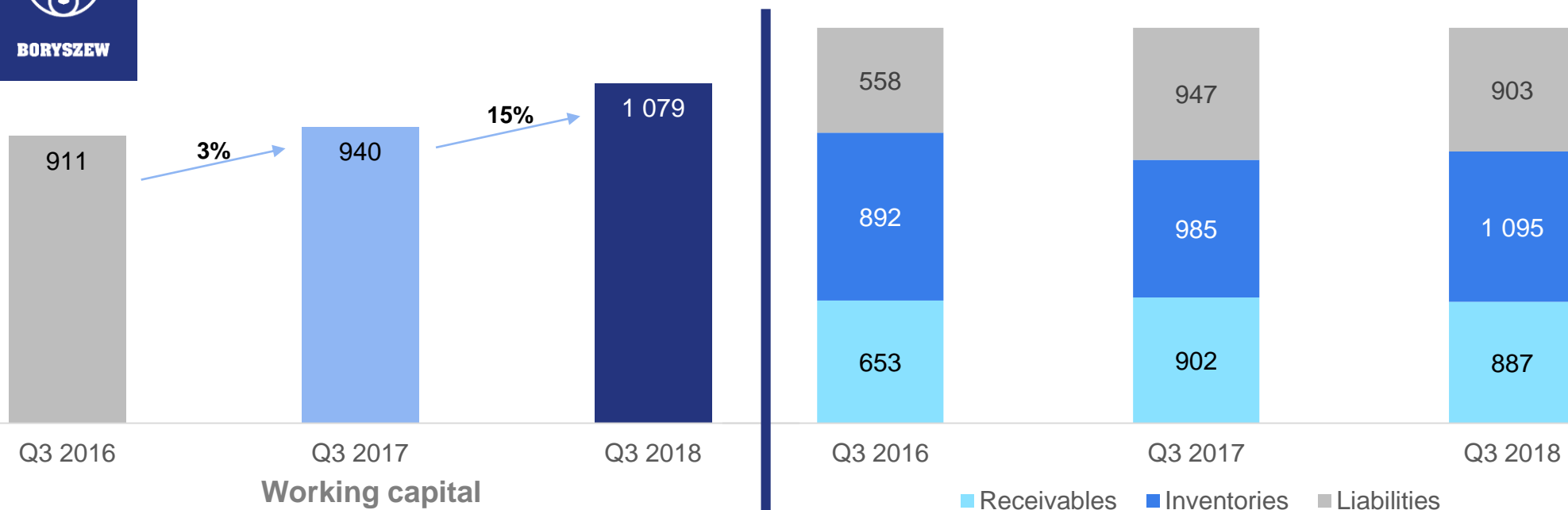
7

PLN m



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WORKING CAPITAL AND DEBT



- Increase in receivables in the Metals Segment as a result of increased sales volumes;
- Increase in sales in the Metals Segment (LME);
- Intervention purchase of raw material in the Metals Segment (Rusal);
- Increase in inventories in the Automotive Segment due to the increase in tools resulting from new nominations.

* EBITDA adjusted by provisions for tax risks created in Q4 2017 (PLN 50 million)



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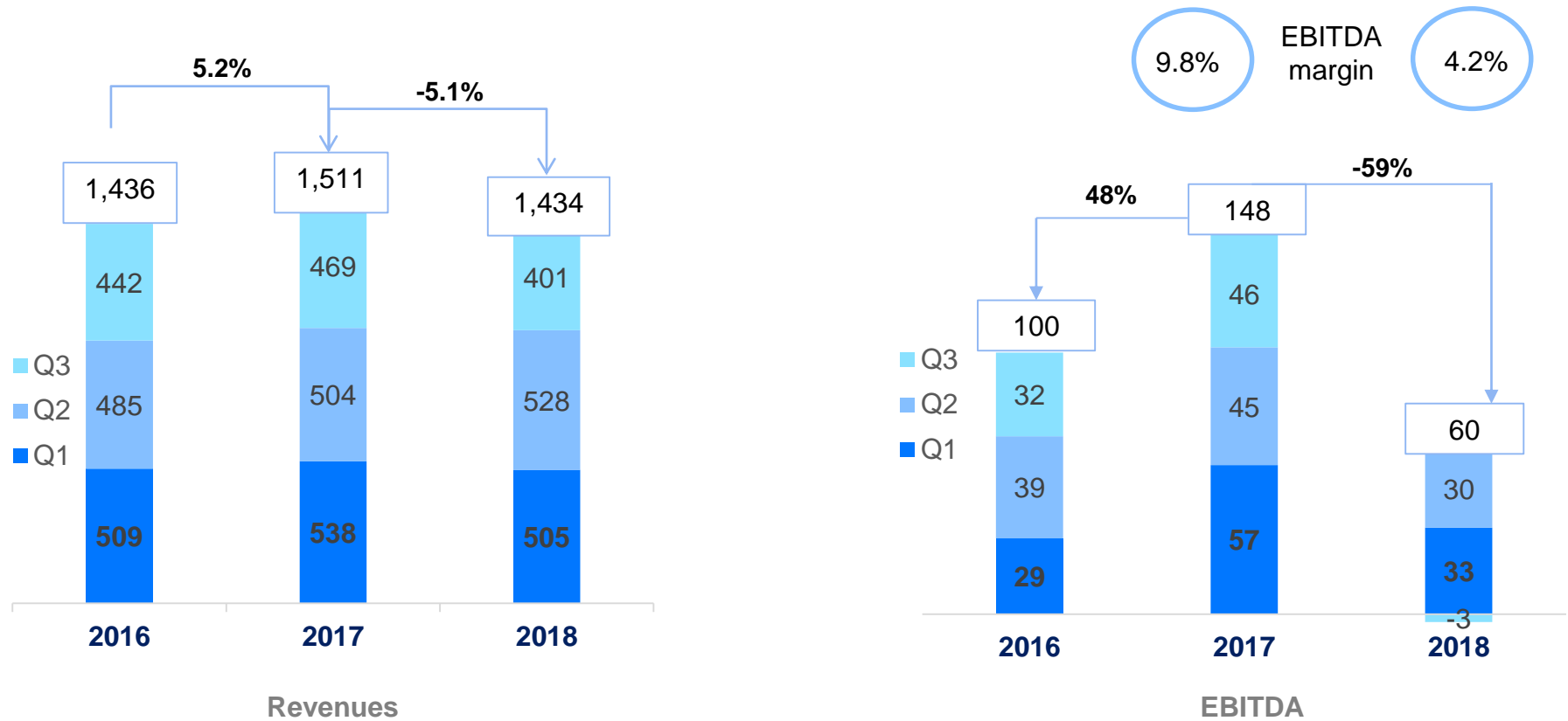
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AUTOMOTIVE SEGMENT RESULTS (in PLN million)



- The results of the Automotive segment were mainly affected by the following factors:
 - lower sales due to the introduction of new environmental standards (WLTP and Euro 6), the estimated negative impact on Q1-Q3 2018 EBITDA is PLN 18 million;
 - stabilization of the production process in the Mexico plant, the estimated negative impact on Q1-Q3 2018 EBITDA is PLN 27 million;
- In the medium and long term, we expect the changes in the automotive market (EV) to have a positive impact on the Group's situation;
- Acquisition of new nominations.



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NOMINATIONS FOR NEW PROJECTS

In the first nine months of 2018, new nominations for over **EUR 274.1 million with EOP 2028*** were acquired



- Maflow Group – EUR 118.9 million;



- BAP Group – EUR 155.2 million.

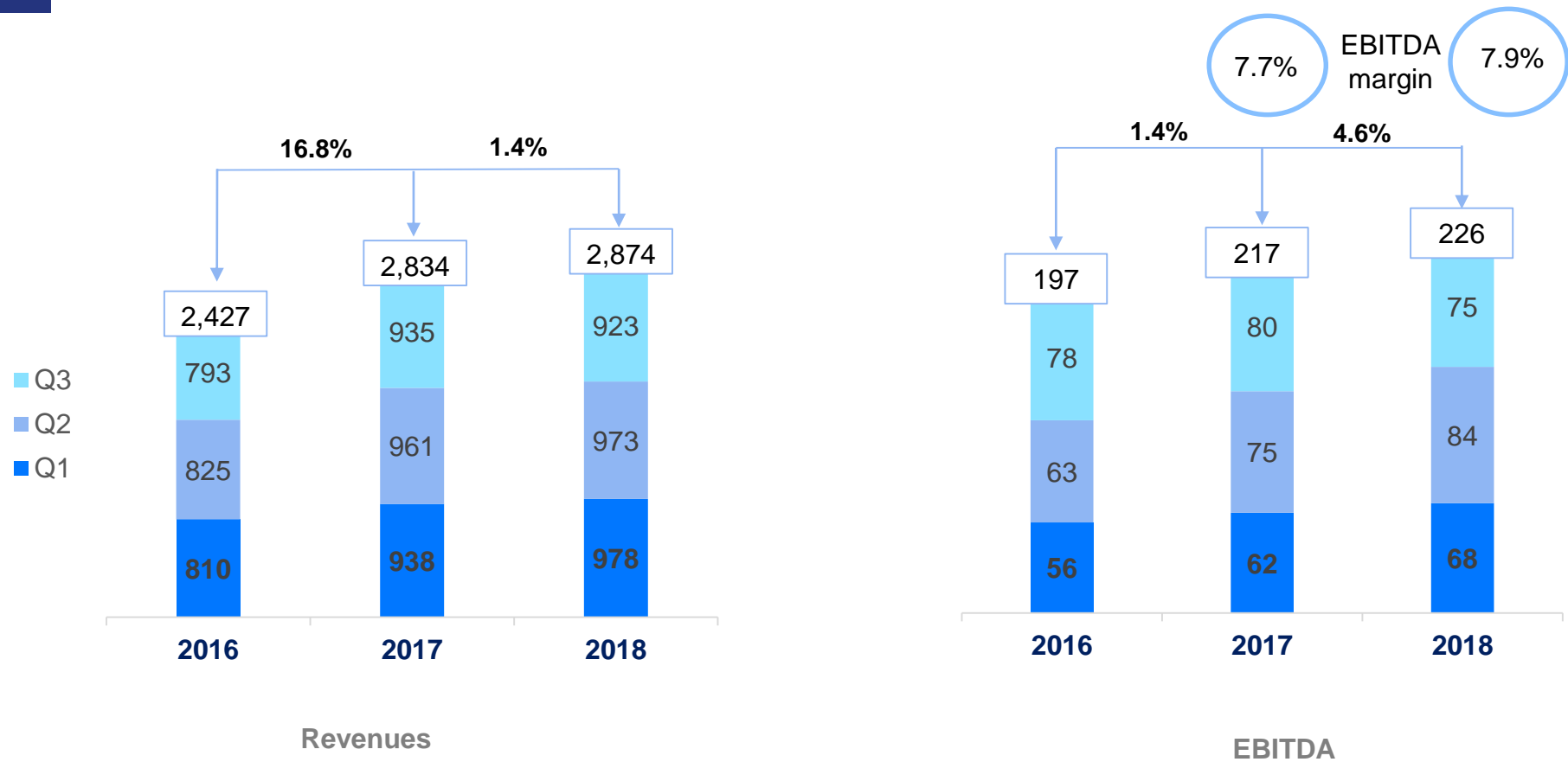


* EOP - End of Production



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METALS SEGMENT RESULTS (in PLN million)

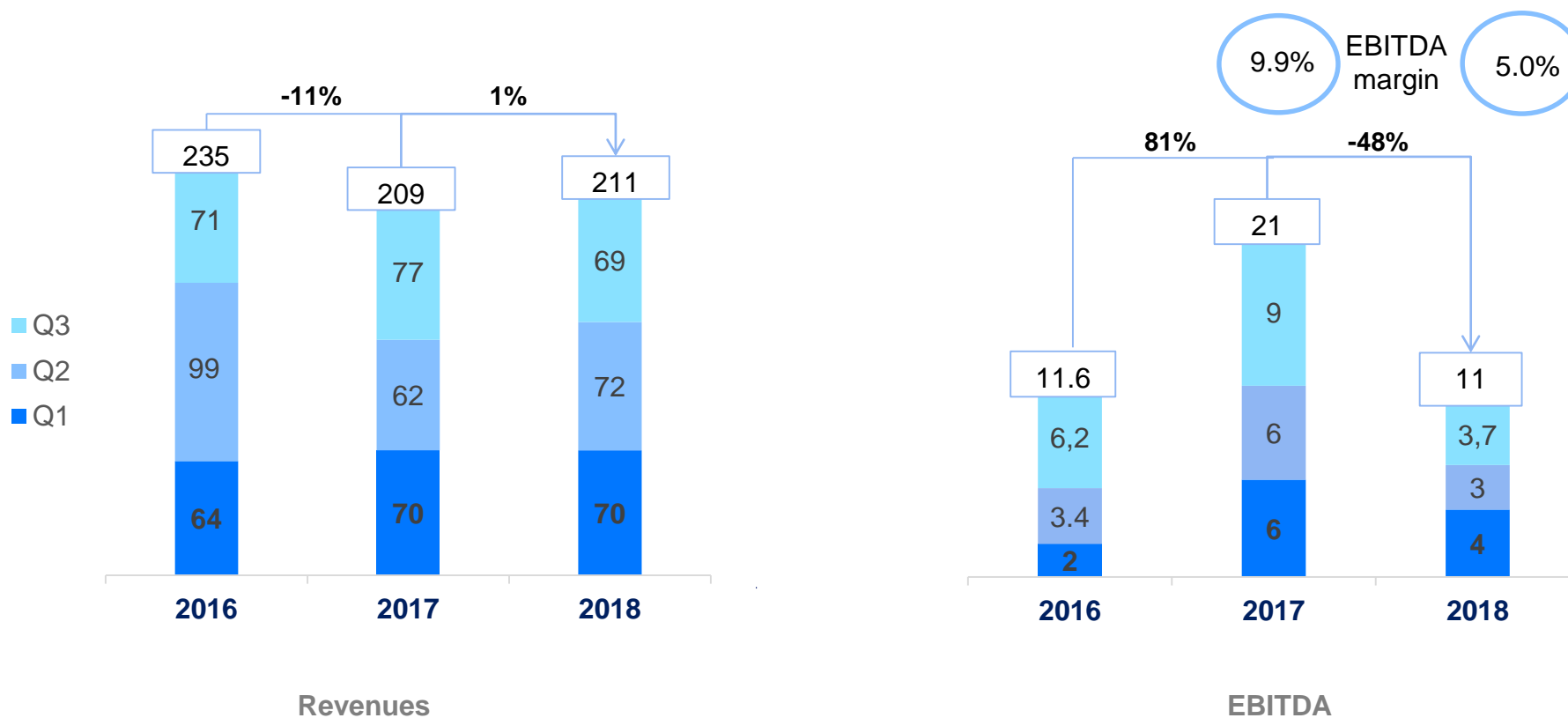


- The EBITDA growth was the result of higher sales volumes and better cost discipline:
 - The highest EBITDA increases were recorded in Aluminium Konin and Baterpol.



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CHEMICALS SEGMENT RESULTS (in PLN million)



Lower EBITDA results from:

- Lower result of Boryszew ERG due to a change in the product mix (lower sales of products in the automotive group, higher sales of goods);
- A decrease in revenues in Elana branch as a result of lower sales of the so-called cut fibres.



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Forecast for the next quarters

- Government support for the development of the electric vehicle (EV) market (Poland, Europe)
- Investment plans of Volkswagen Group for several dozen billion USD concerning the development of electric vehicle models
- Ongoing investment projects
- Challenges related to rising energy prices

Thank you!



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