

BORYSZEW Group

FINANCIAL RESULTS – Q1 2017



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1. BORYSZEW Group

2. Financial Results – Q1 2017

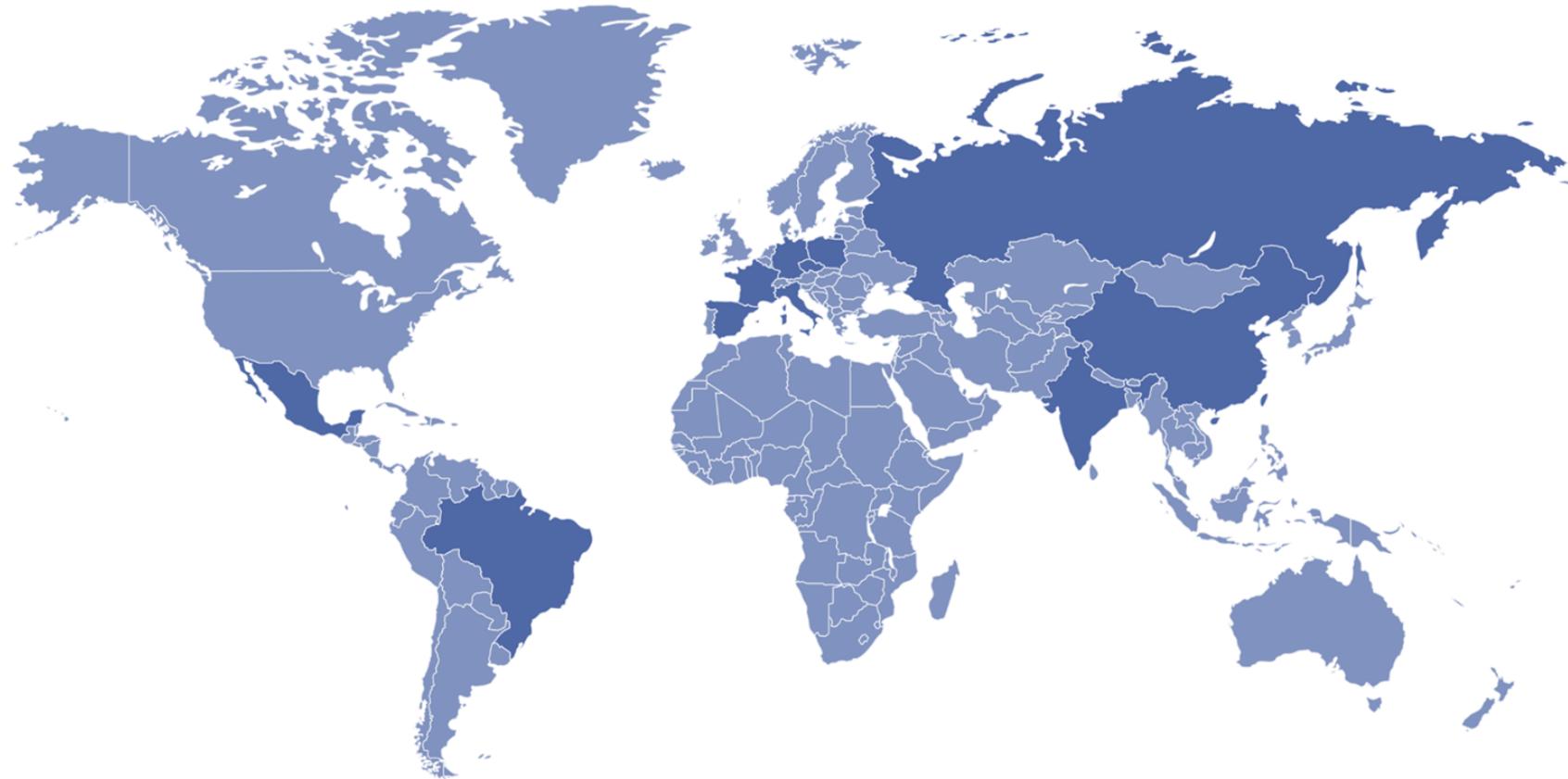
3. Operating Segments

3. Plans



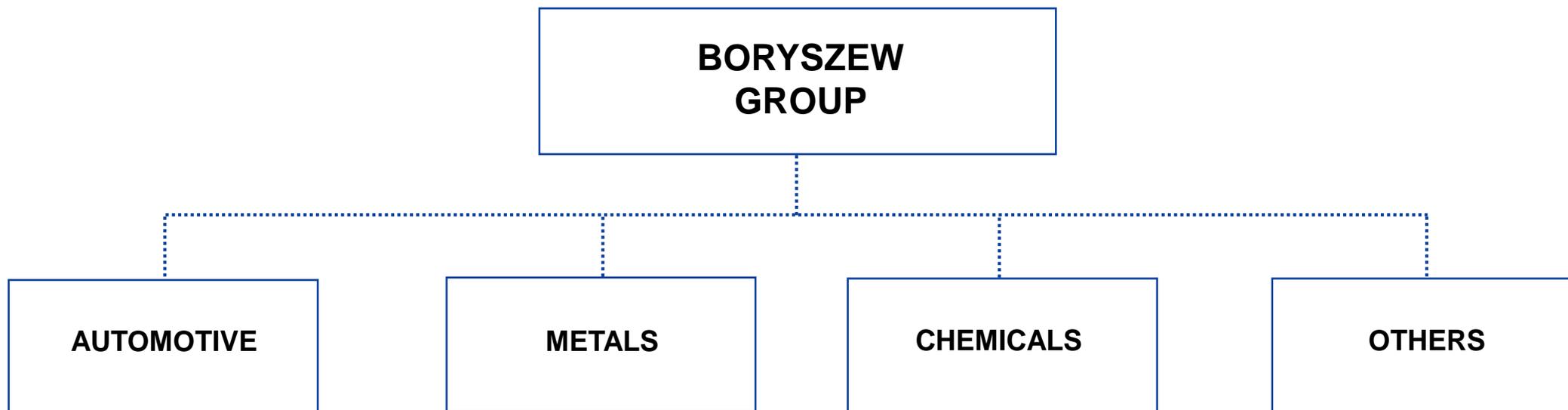
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BORYSZEW GROUP



We are one of the largest industrial groups in Poland. We specialise in the manufacture of components for cars, processing of non-ferrous metals and industrial chemistry. We operate via 30 production plants and R&D centres located in Europe, Asia and the Americas. Our success is the result of passion, commitment, and enthusiasm of almost 10,000 employees on 4 continents.

NEW SEGMENT STRUCTURE OF THE BORYSZEW GROUP



-
- Combination of the aluminium, copper, zinc and lead segments into one segment: Metals
 - Implementation of the FŁT companies into the Metals segment
 - Widening the scope of consolidated entities in the financial statements (Waste Treatment Plant, Maflow India, FŁT Germany, Italy, and China)
-



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KEY EVENTS

- Publication of forecasts for 2017
- The launch of a new BAP production plant in Prenzlau
- Analysis of the launch of the new BAP production plant in Toruń—plastic component plating plant
- Preparations for the start of another project stage at the Aluminium Konin plant
- Completing the squeeze-out and delisting Hutmen S.A.



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KEY FINANCIAL DATA YOY (in PLN million)

	Q1 2017	Q1 2016	Change YOY	Change YOY %
SALES REVENUES	1,601.3	1,480.1	121.2	8.2%
(GROSS) SALES PROFIT	196.8	156.2	40.6	26.0%
EBIT	93.6	66.4	27.1	40.8%
EBITDA	128.3	98.5	29.8	30.3%
EBITDA MARGIN	8.0%	6.7%	1,3%	-
NET PROFIT	78.1	44.1	34.0	77.2%
NET PROFIT (attributed to the shareholders of the parent company)	65.3	35.6	29.6	83.1%



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FORECAST FOR 2017– IMPLEMENTATION

	FORECAST 2017	Q1 2017	Implementation %
EBITDA	539.7	128.3	23.8%
NET PROFIT	305.5	78.1	25.6%

Assumptions for the forecast:

- USD/PLN exchange rate 3.9
 - EUR/PLN exchange rate 4.3
 - WIBOR: 1.65%
- Average USD/PLN exchange rate w Q1 2017: 4.02
Average EUR/PLN exchange rate w Q1 2017: 4.29
WIBOR: 1.65%

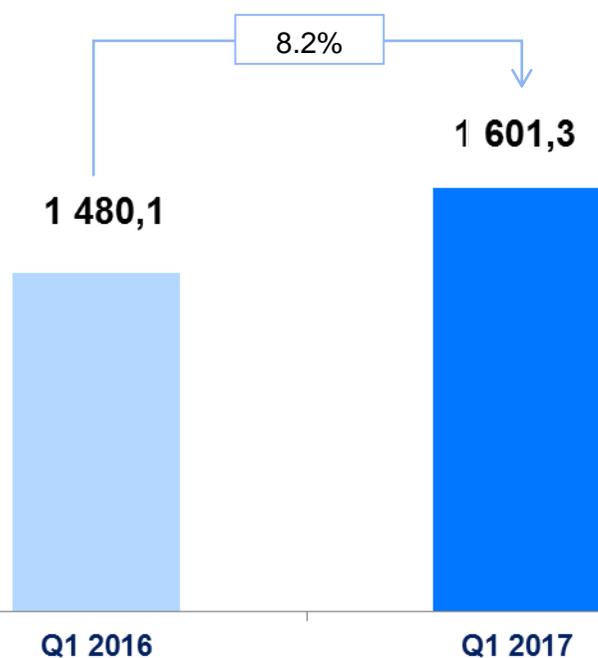
The main areas of implementation of the forecast:

- Automotive industry: improving profitability while maintaining the level of BAP revenues; increase in sales, improve operational efficiency in MAFLOW
- Metals: increase in profitability as a result of the implementation of the investment programme at the Aluminium Konin Smelter
- Increase in sales volumes at NPA Skawina



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REVENUE (million PLN)



Revenue by business segments (PLN million)	Q1 2017	Q1 2016	Change	Change %
Automotive	538.0	508.5	29.5	5.8%
Metals	937.8	809.8	128.0	15.8%
Chemicals	69.6	63.8	5.8	9.1%
Other	69.0	115.3	-46.3	-40.2%

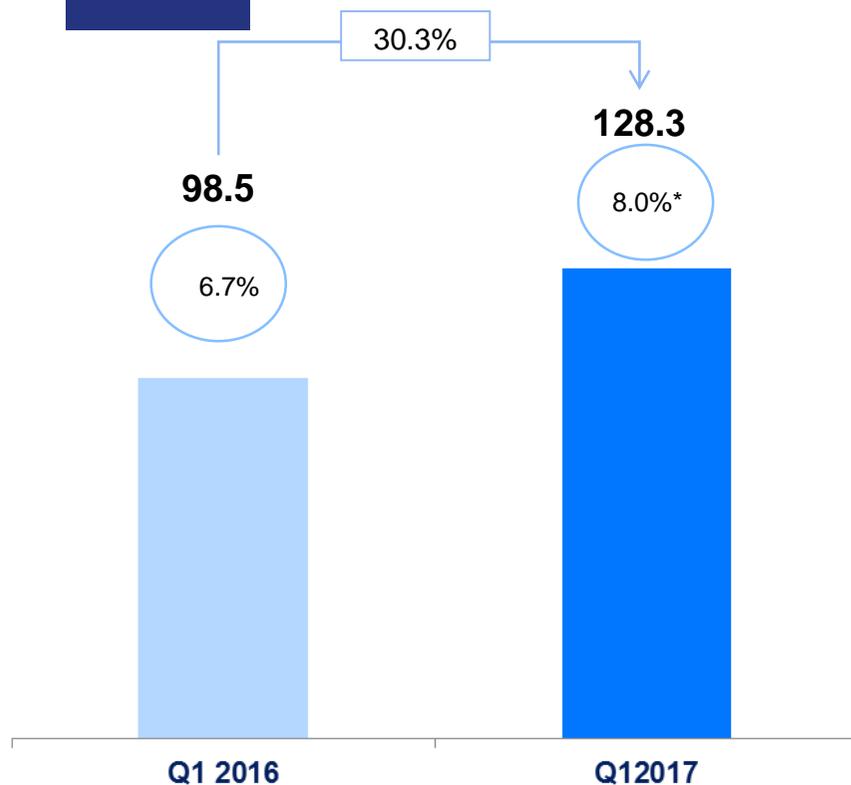
The increase in revenue by 8.2% resulting from:

- increase in sales volumes of the group by 10.0% to 81,400 tonnes
 - the Metals segment: the increase in the volumes by 4,800 tonnes (7.7% yoy)
 - the Chemicals segment: the increase in the volumes by 2,500 tonnes (21.8% yoy)
- increase in non-ferrous metal prices expressed in PLN that constitute the main component of the prices of Metals segment's products



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EBITDA (million PLN)



EBITDA by business segments (PLN million)	Q1 2017	Q1 2016	Change	Change %
Automotive	56.8	28.9	27.9	96.7%
Metals	61.1	56.3	4.8	8.5%
Chemicals	5.9	2.0	3.9	197.1%
Other	8.9	11.6	-2.7	-23.2%

Increase in EBITDA caused by:

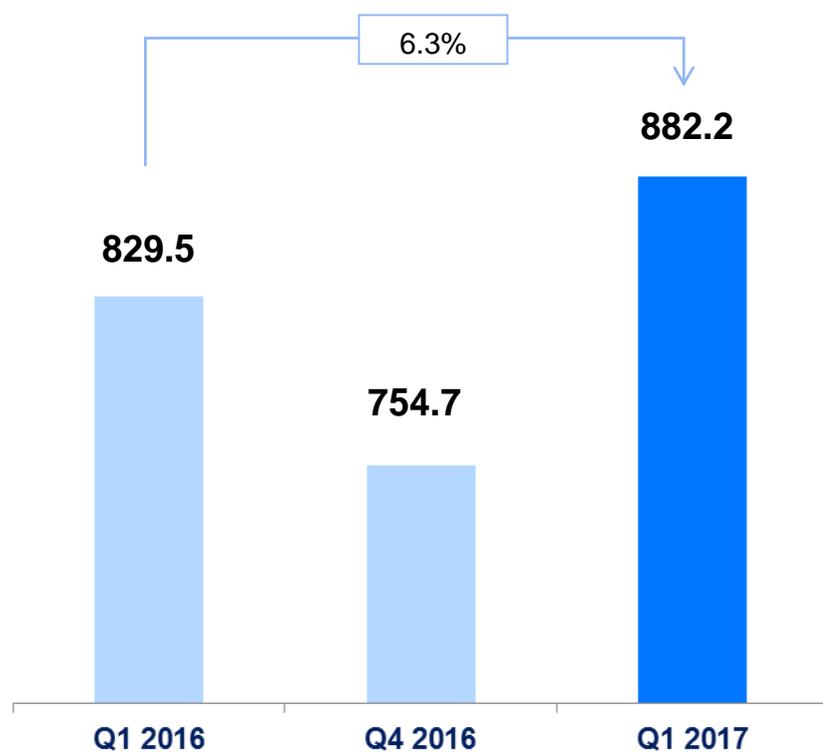
- improved performance of the Automotive segment resulting from the performance of new contracts and actions optimising the efficiency of production and fixed costs
- improved performance of the Metals segment resulting from the ongoing projects and increase in the sales volumes
- improved results of Boryszew S.A. The ERG Branch

* EBITDA margin

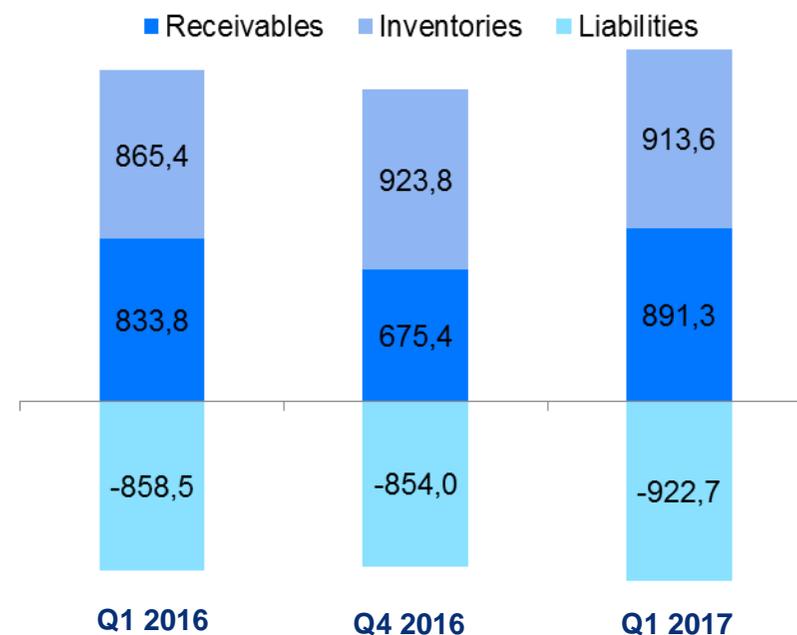


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Change in working capital (million PLN)



Working capital



Receivables, inventories, and liabilities

Increase in the amount of the working capital is due to:

- increase in receivables in the Metals segment resulting from the increased sales volumes and sales prices
- increase in receivables in the Automotive segment due to the increased revenue



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CAPEX Q1 2017



MAFLOW GROUP

Expansion of the production capacity in Poland and Mexico



BAP GROUP

Construction work on the new BOD plant in Prenzlau completed



Impexmetal S.A.

Successful improvement of the production capacity



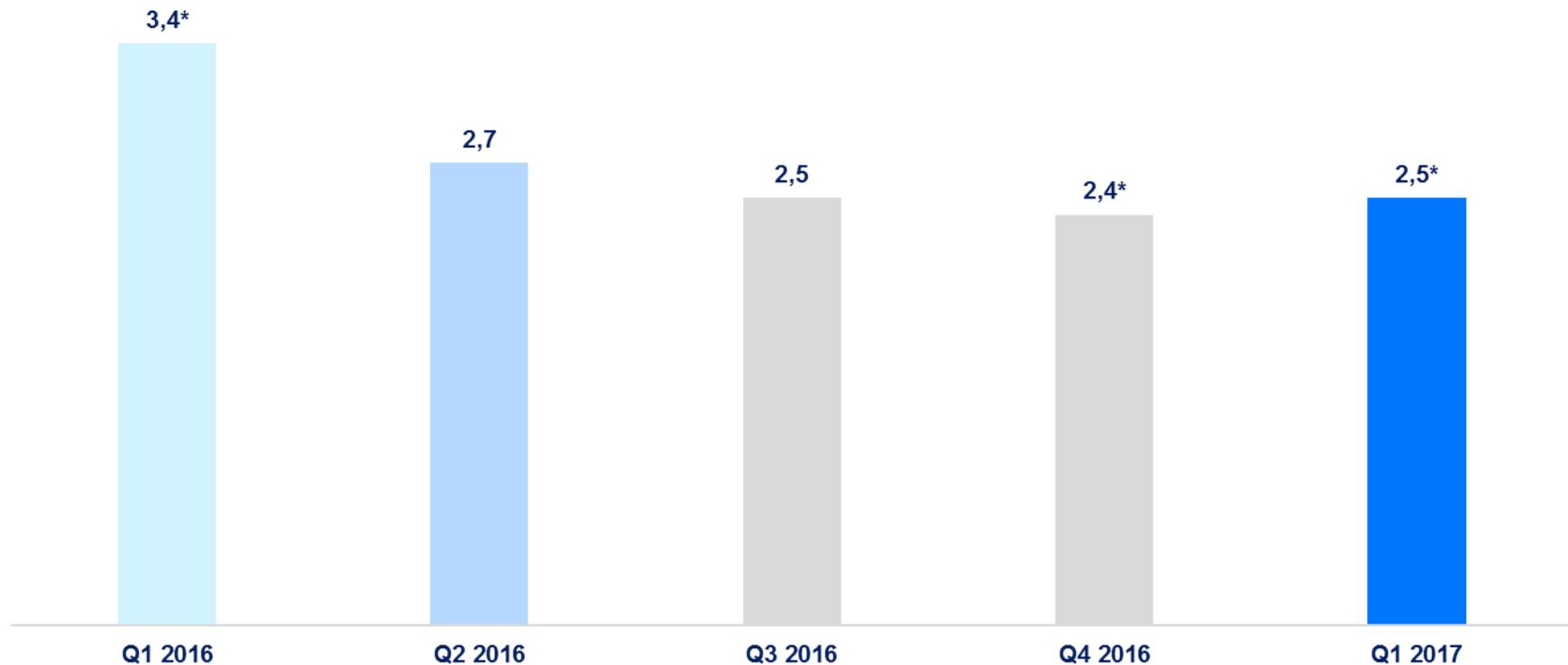
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CASH FLOW (in million PLN)

	Q1 2017	Q12016
EBITDA	128,3	98,5
Change in working capital	-127,5	-33,3
Other	1,2	-30,4
<u>Cash flow from operating activities</u>	2,0	34,8
CAPEX	-69,0	-65,2
The acquisition of financial assets and shares in GKB	-22,0	-20,8
Other	2,8	12,2
<u>Cash flow from investment activities</u>	-88,2	-73,8
Borrowing/repayment of loans	95,0	49,9
Interest paid	-10,7	-8,7
Other	-9,3	-7,1
<u>Cash flow from financial activities</u>	75,0	34,1
Total net cash flows	-11,1	-4,8
Closing balance of cash	193,9	133,3



Change in the net debt / EBITDA rate



Stabilisation of the net debt / EBITDA rate at the level allowing the implementation of an ambitious investment programme without the need for excessive use of external financing

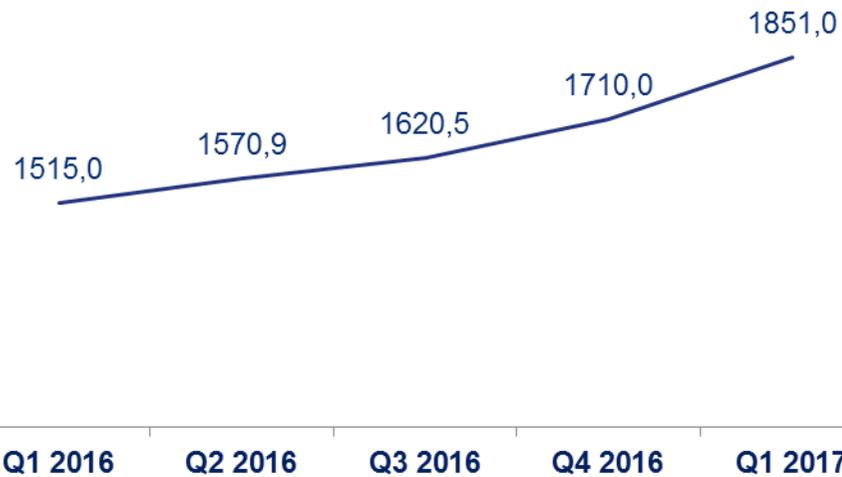
*transformed data Q1 2016, Q4 2016, Q1 2017



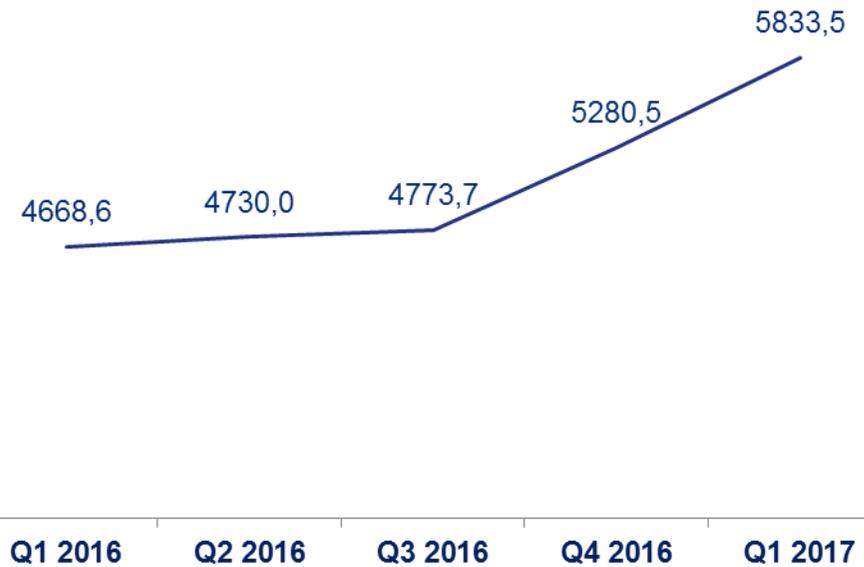
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Key metals trading (in USD)

Aluminium



Copper



Increase in the metals prices:

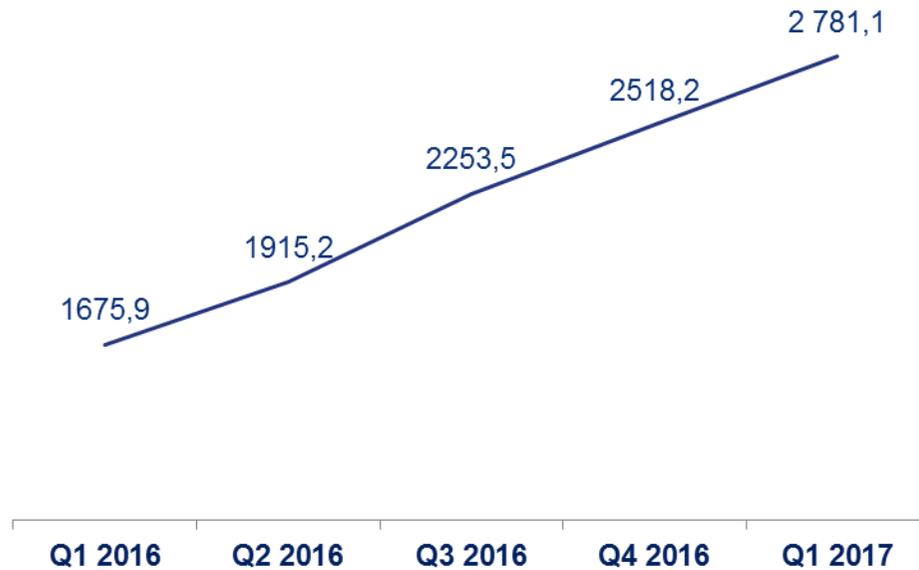
- Aluminium: increase in quotations by 22% (yoy)
- Copper: increase in quotations by 25% (yoy)



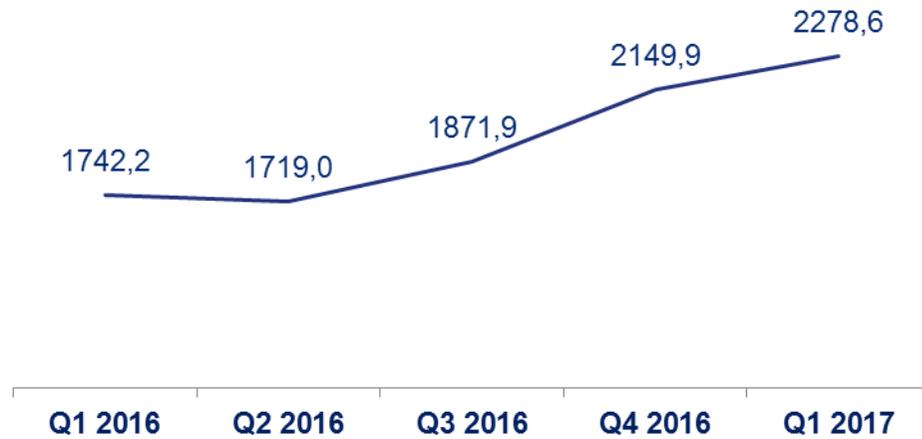
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Key metals trading (in USD)

Zinc



Lead



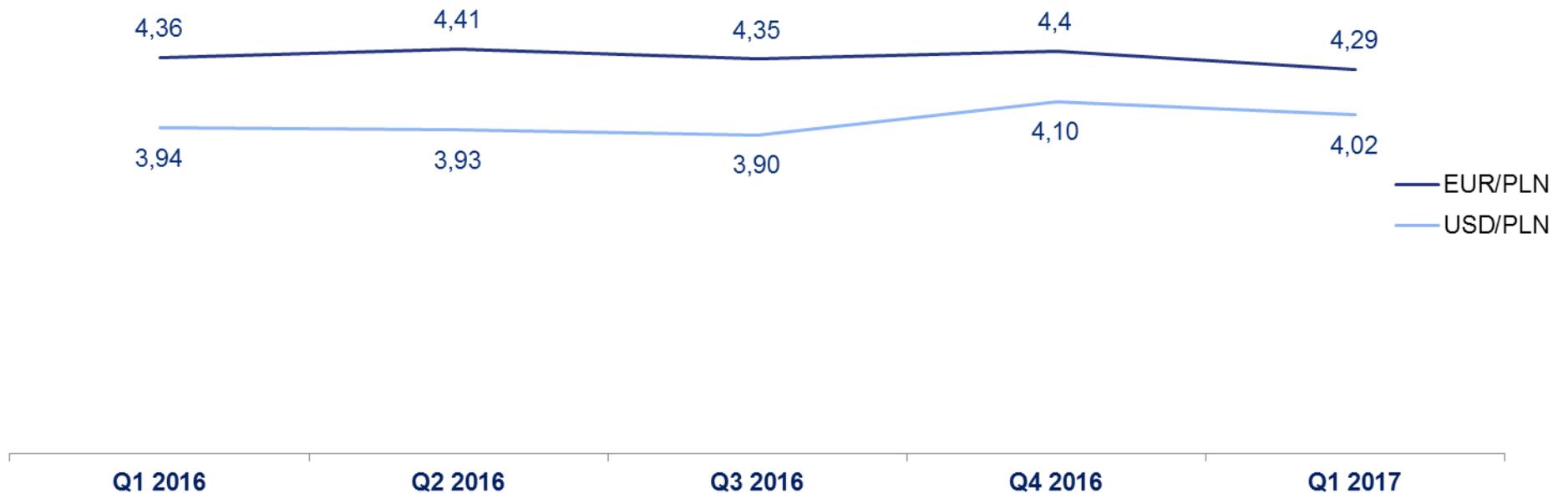
Increase in the price of metals:

- Zinc: increase in quotations by 66% (yoy)
- Lead: increase in quotations by 31% (yoy)



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Exchange rates



- PLN up against EURO by 1.5% on average (yoy)
- PLN down against USD 2.0% on average (yoy)



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CONCLUSIONS

SIGNIFICANT IMPROVEMENT IN THE OPERATING RESULT

- visible effects of the Automotive segment restructuring
- investments and larger sales volumes of the Metals segment
- improved results of Boryszew S.A., the ERG branch

GROUP DEBT LEVEL

- maintaining the safe debt level of the Boryszew Group measured by the relation of the net debt to the EBITDA generated at the 2.5 level

PROJECTS

- launch of the operating activities of the Boryszew Automotive Plastics plant in Prenzlau
- increasing the production capacity at the Maflow plants

RESULT FORECAST:

- the implementation of the forecast at the plant level



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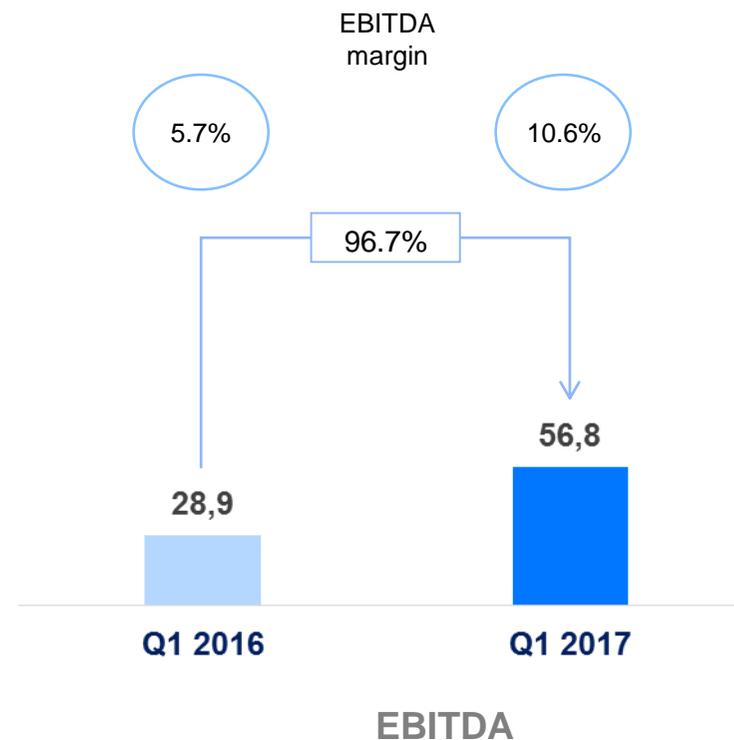
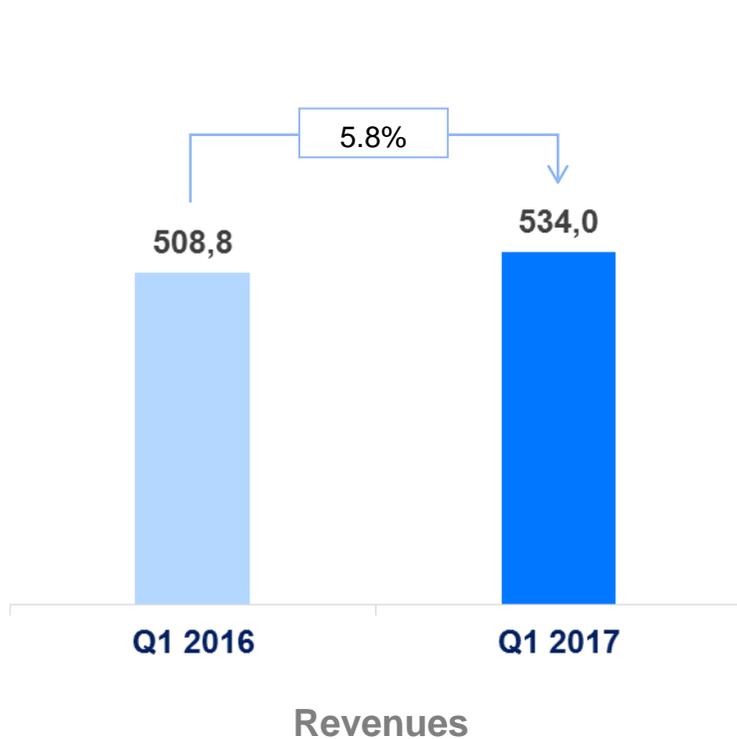
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AUTOMOTIVE SEGMENT RESULTS (in PLN million)



MAFLOW GROUP

BAP GROUP

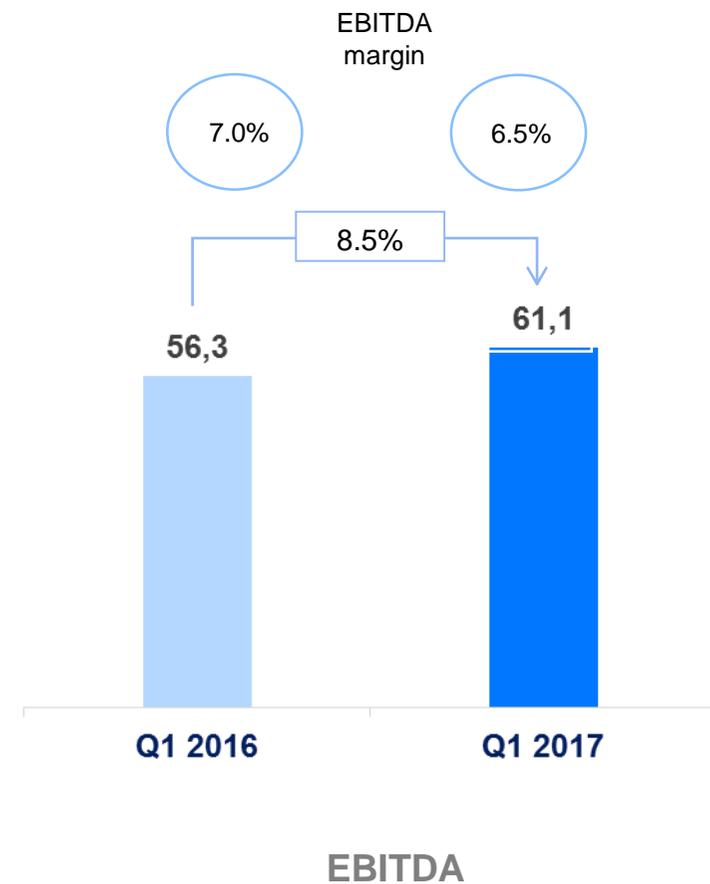
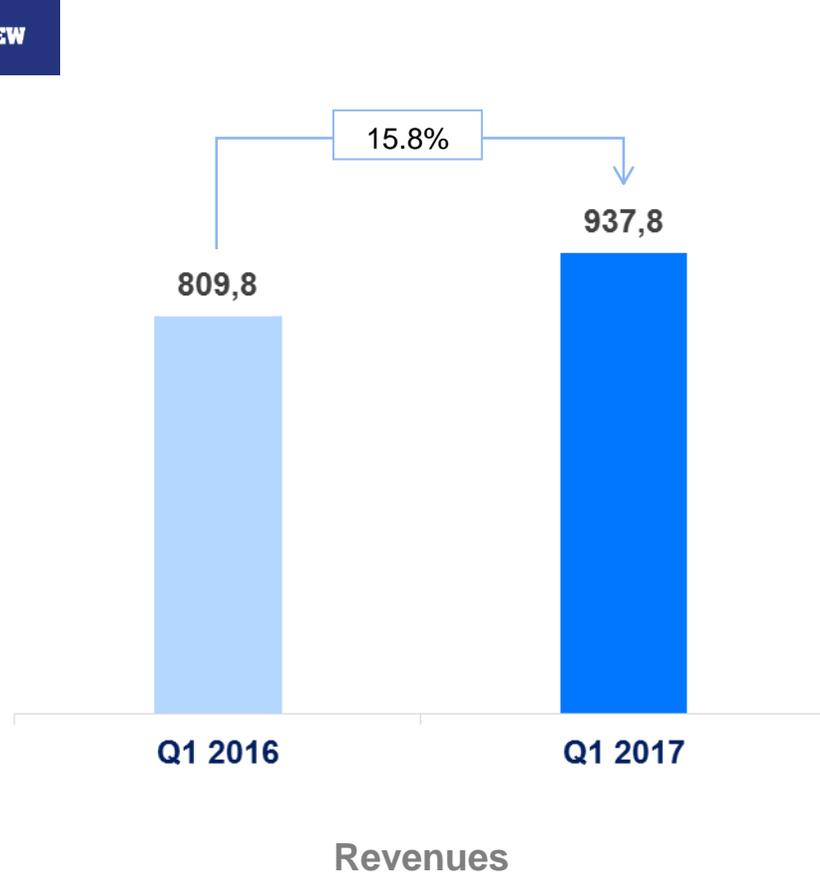


- improved cost efficiency in the BAP companies
- sales growth in the Maflow companies caused by the implementation of new contracts
- further cost optimisation and improvement of work efficiency in the Maflow companies



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RESULTS OF THE METALS SEGMENT



Impexmetal S.A., NPA Skawina
Hutmen S.A., WM Dzierżycie S.A.
ZM Silesia, Baterpol S.A., FŁT Group



- growth of the margins obtained due to the implementation of the investment programme in the Aluminium Plant in Konin
- increase in sales volumes and improved margins obtained in ZM Silesia o/Katowice [Katowice Branch]
- increased sales volumes of Baterpol S.A. and lower cost of the battery scrap purchase



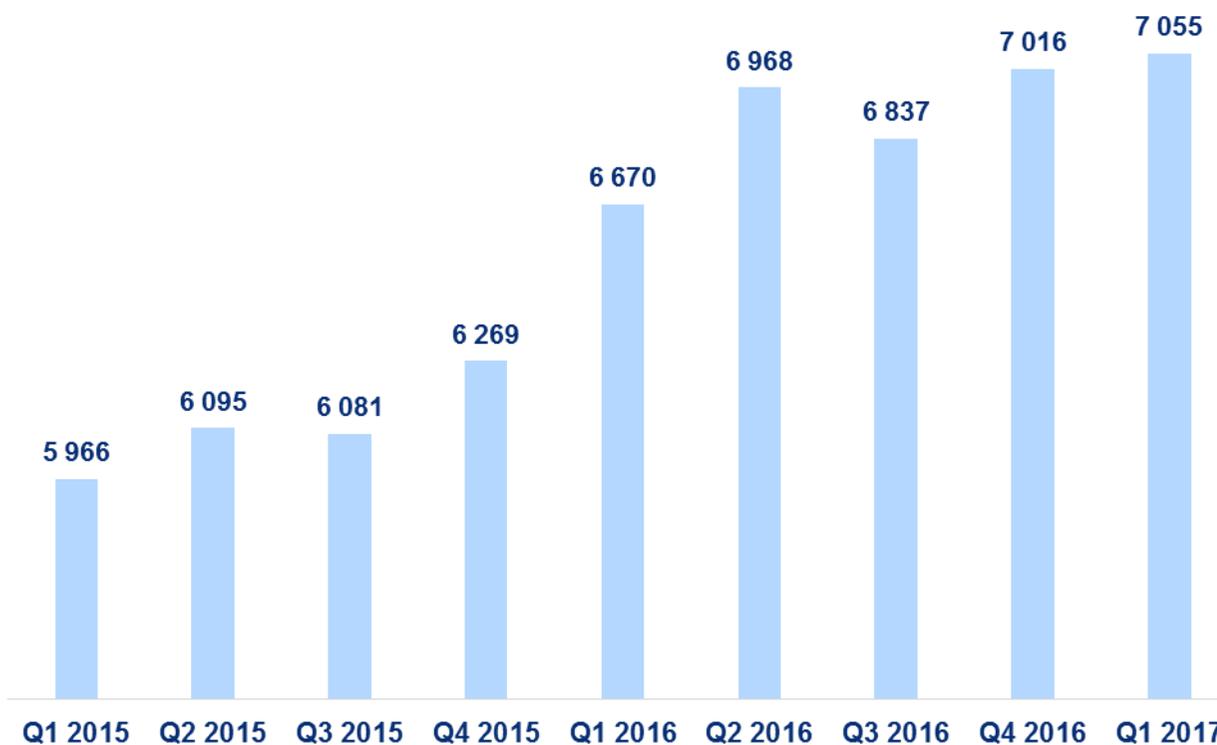
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METALS SEGMENT

ALUMINUM

	Q1 2017	Q1 2016
Sheet and strip, sales volume	23,936 t	22,880 t
Share of the thin products sales	41%	34%
Use of scrap	44%	26%
Wired rod and cables, sales volume	8,810 t	7,662 t

Średnia waga rulonu gorącowalcowanego (kg)





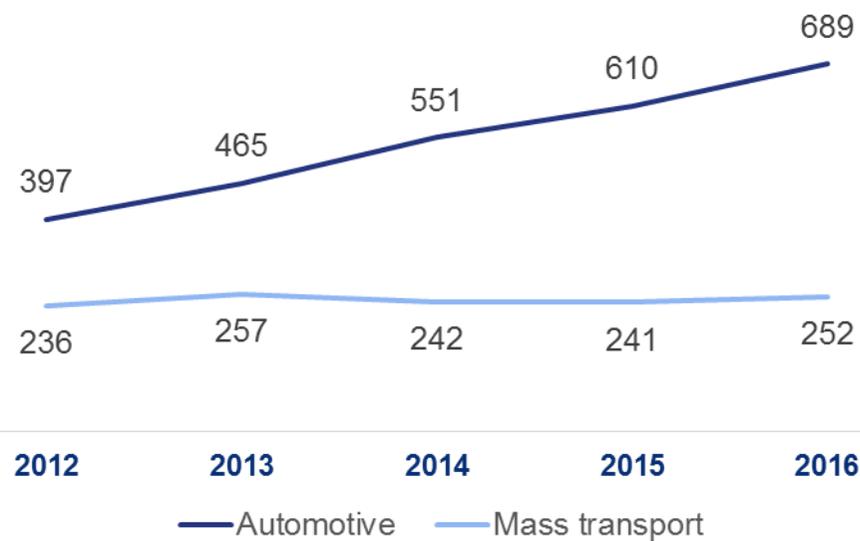
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METALS SEGMENT

Konsumpcja FRP w Europie (tys. ton)



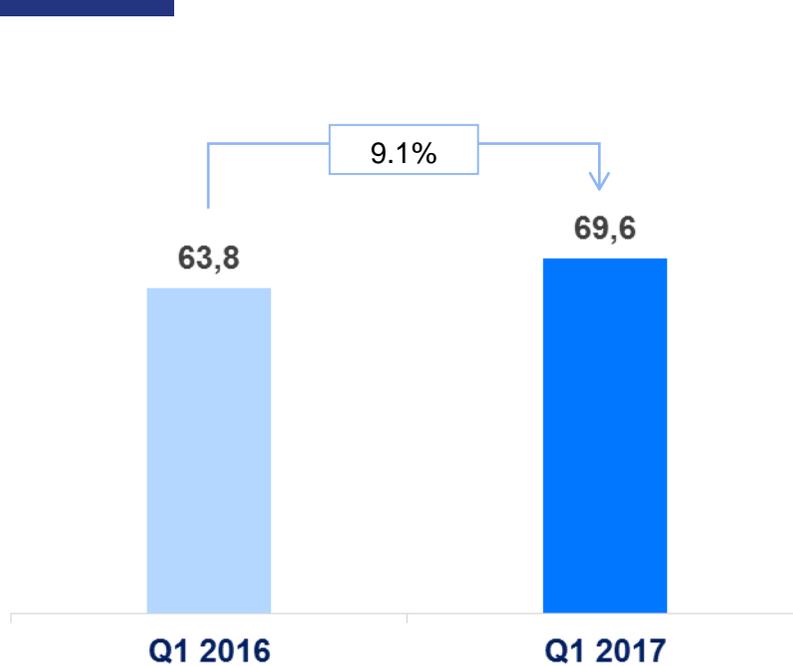
Boom transportowy w Europie (tys. ton)





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RESULTS OF THE CHEMICALS SEGMENT



Revenues



EBITDA

Boryszew S.A. ERG branch
Boryszew S.A. Elana branch
Elana PET, Torlen, Nylonbor



- increased sales volumes of all companies in the Chemicals segment
- improved profitability, mainly in Boryszew S.A., the ERG branch



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PLANS FOR NEXT QUARTERS IN 2017

- Making decisions about and implementing the BAP project in Toruń—plastic component plating plant
- The launch of a new MAFLOW production plant in Toruń
- Increasing the R&D potential in the automotive area
- Making decisions regarding the second stage of the investment in the Aluminium plant in Konin
- Portfolio and production asset review

Thank you



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