

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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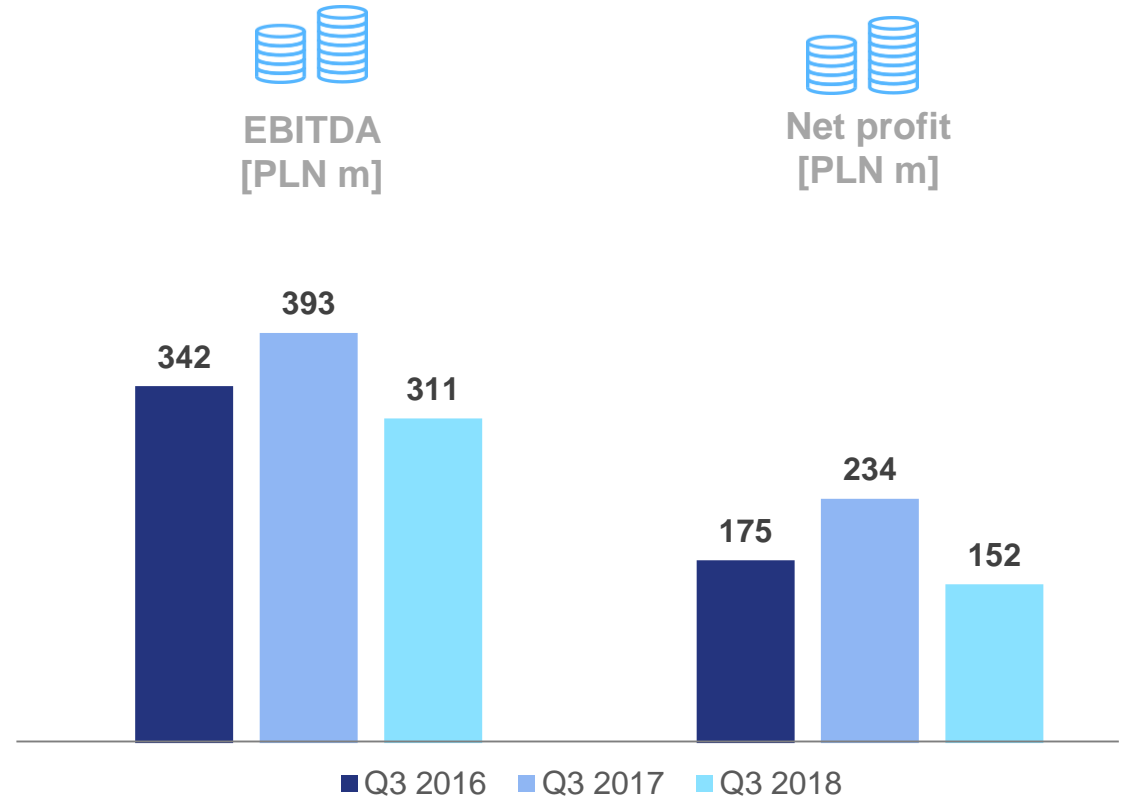
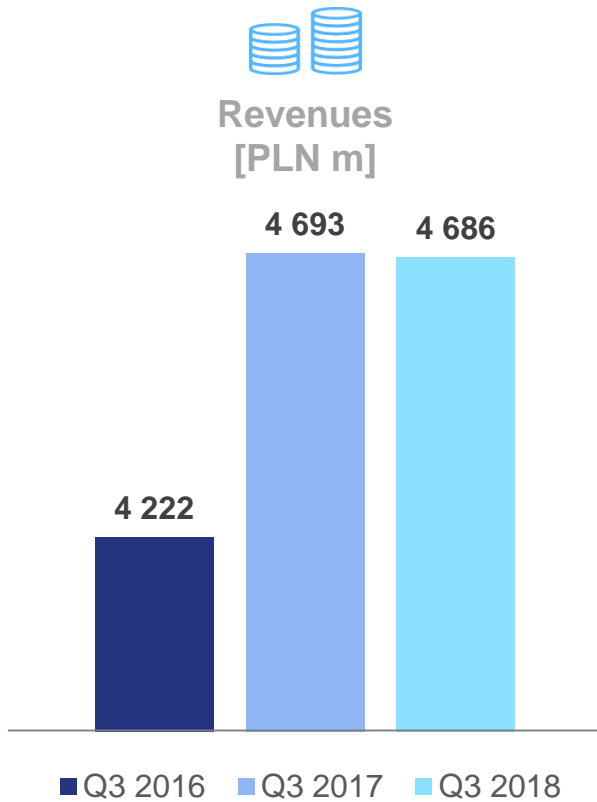
KEY FACTORS AFFECTING THE GROUP IN Q1-Q3 2018

- 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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QUATATIONS OF KEY METALS (IN USD/t)

Aluminium

Copper

4.1%

3.5%

Q1-Q3 2017 avg: 7,375

Q1-Q3 2018 avg: 7,675

Q1-Q3 2017 avg: 22,800

Q1-Q3 2018 avg: 23,606



Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018

Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018

Zinc

Lead

0.5%

-4.3%

Q1-Q3 2017 avg: 10,664

Q1-Q3 2018 avg: 10,713

Q1-Q3 2017 avg: 8,672

Q1-Q3 2018 avg: 8,298



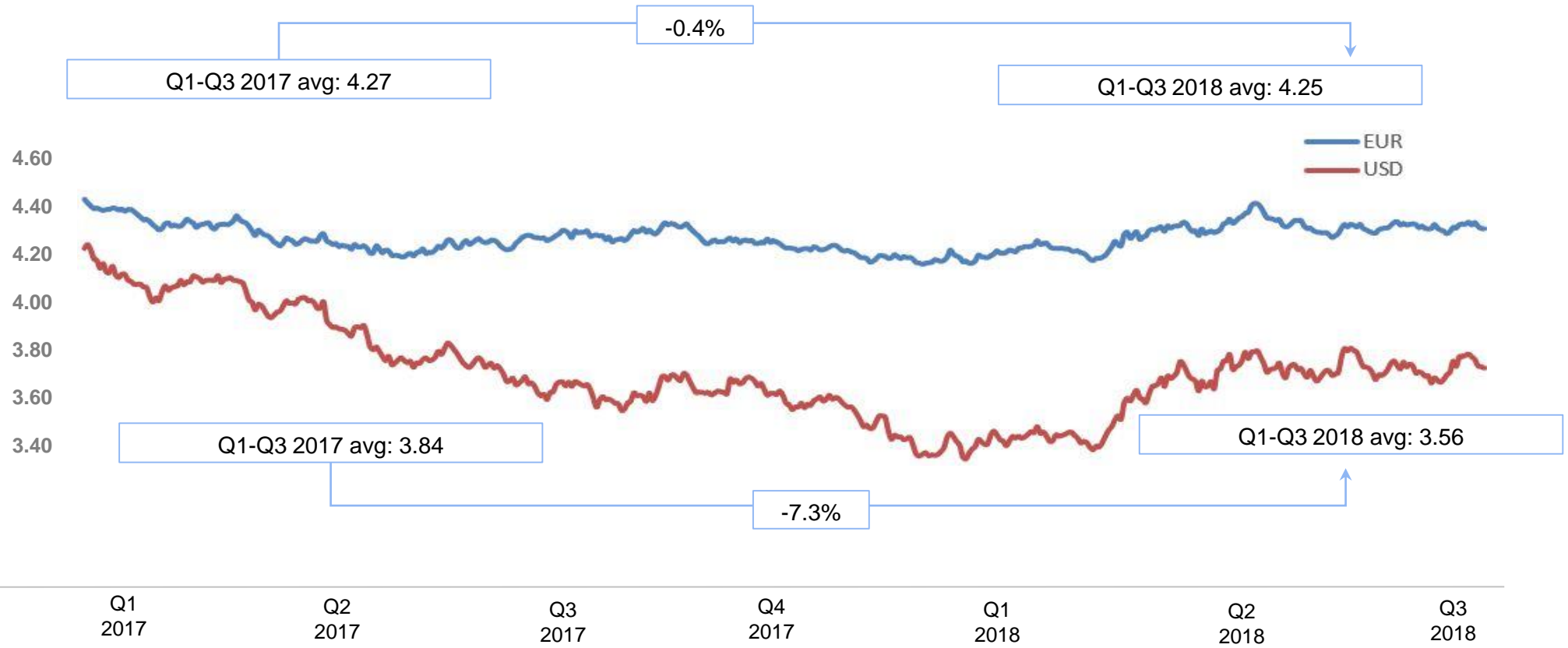
Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018

Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018



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EXCHANGE RATES

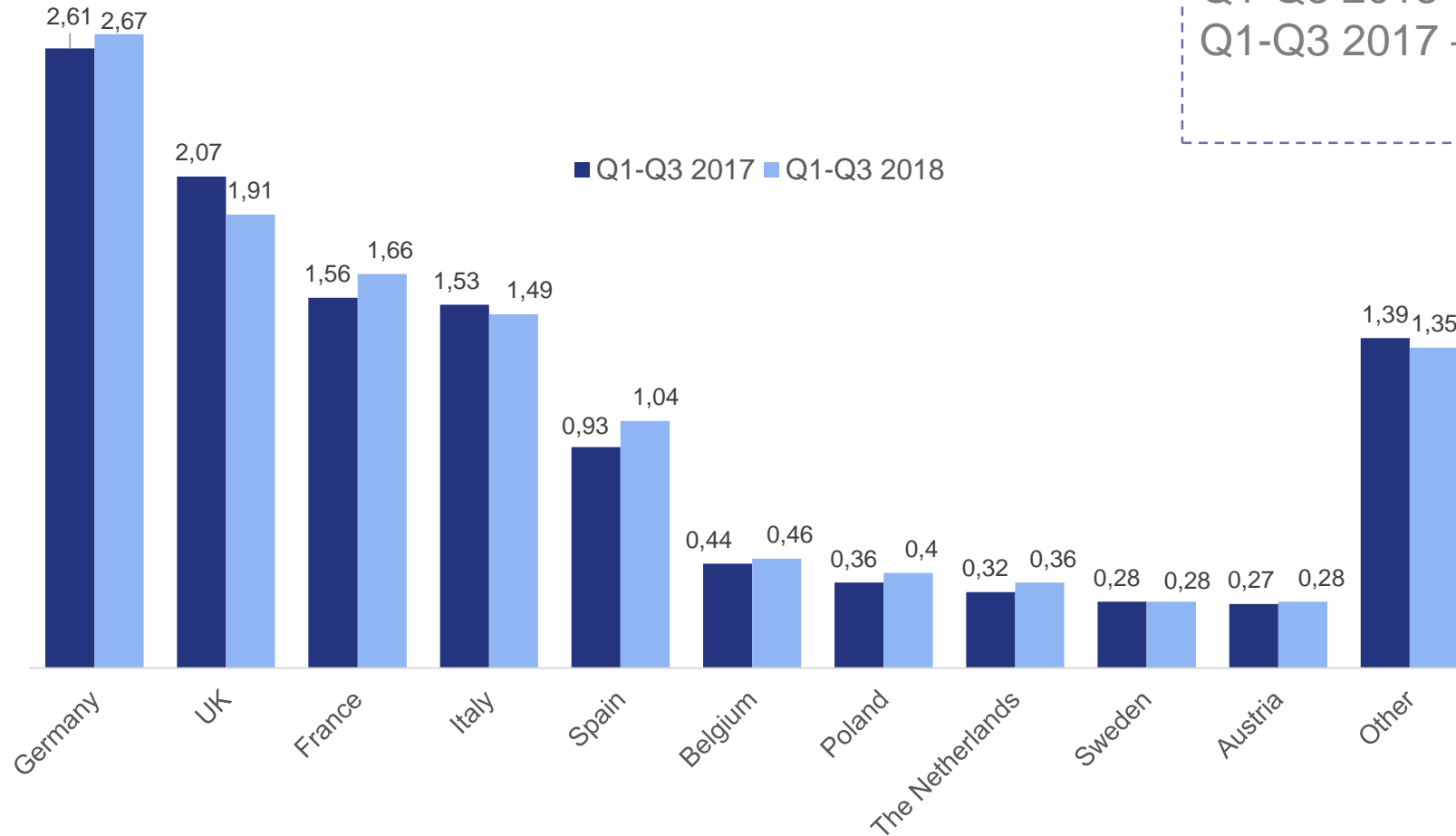




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EUROPEAN AUTOMOTIVE MARKET

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%

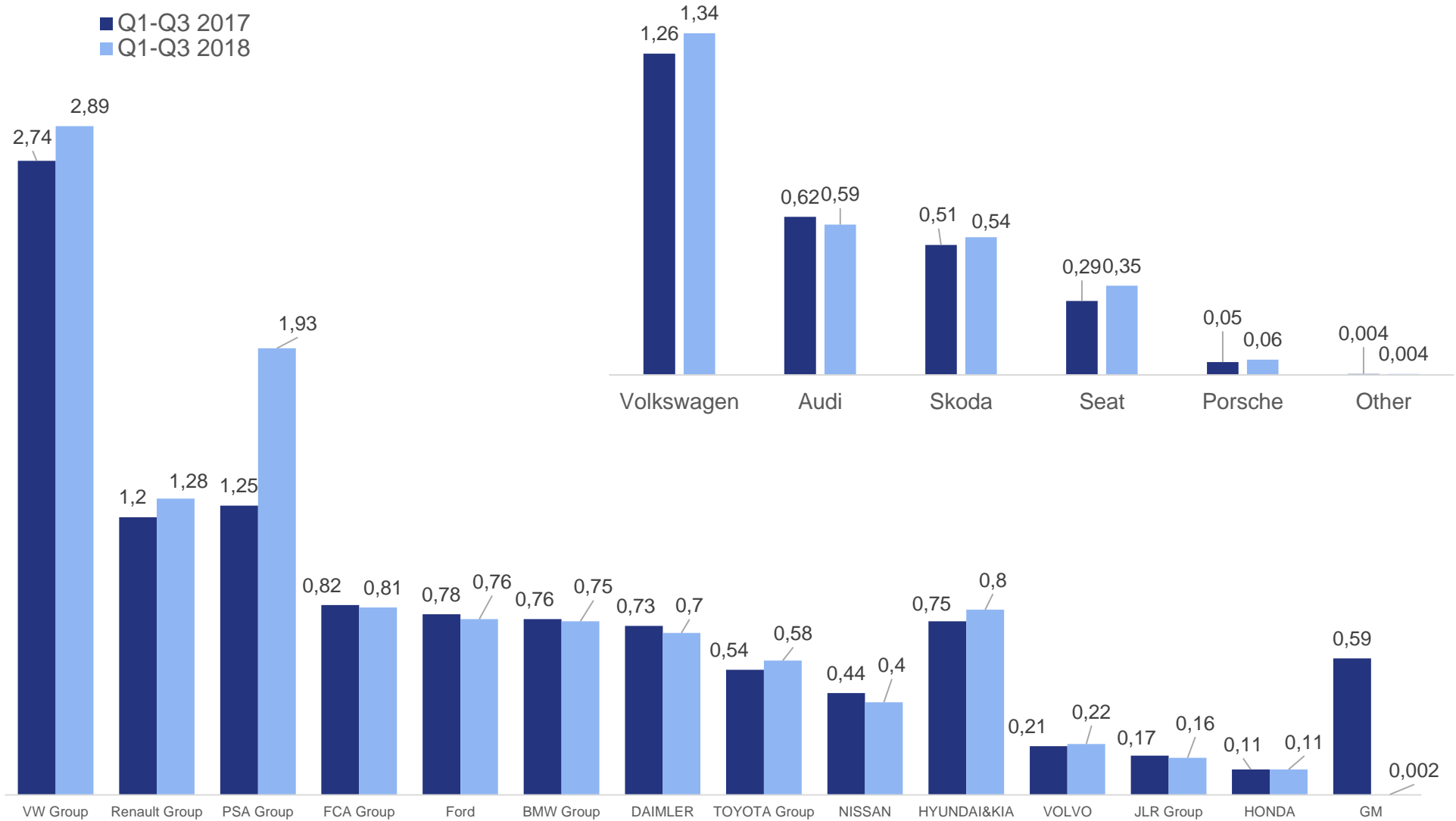
* ACEA (European Automobile Manufacturers Association)



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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

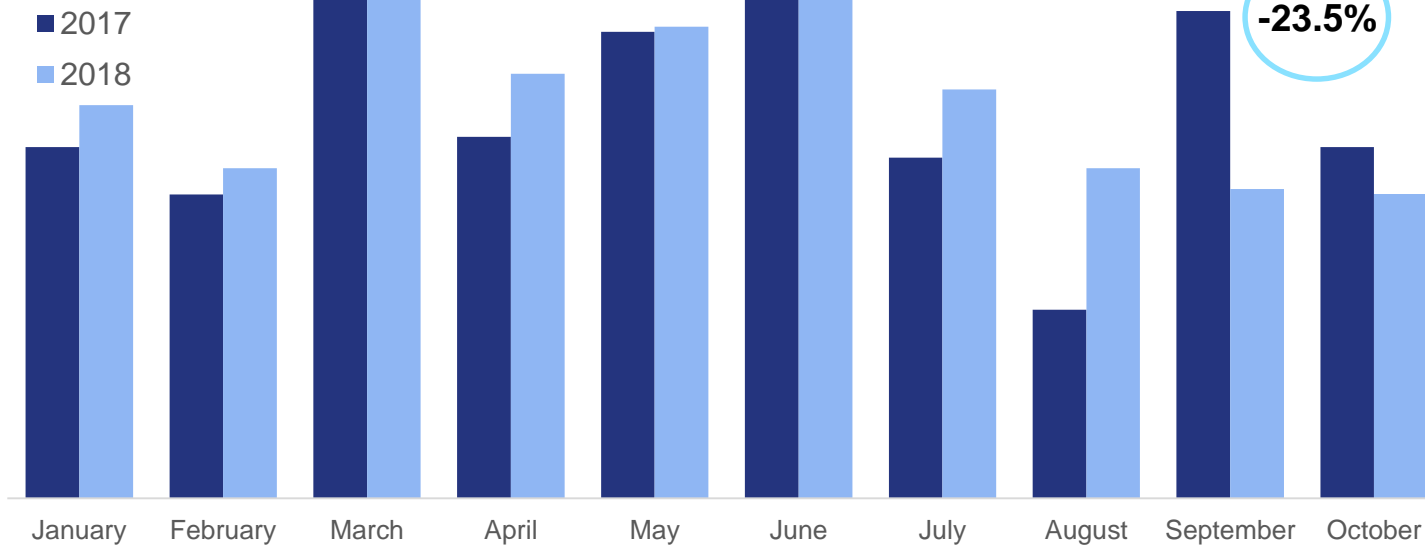


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EUROPEAN AUTOMOTIVE MARKET

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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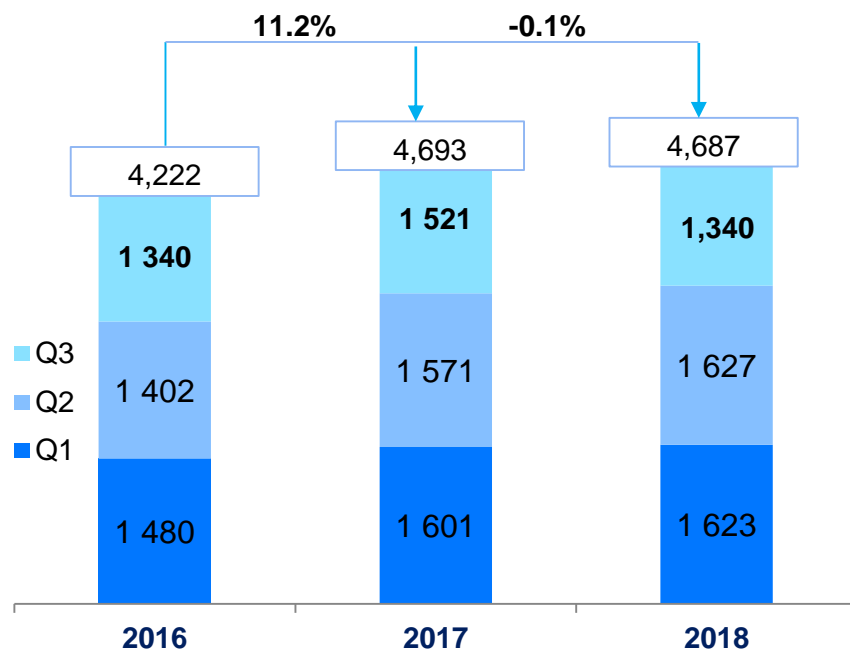
KEY FINANCIAL DATA YoY (in PLN million)

	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%

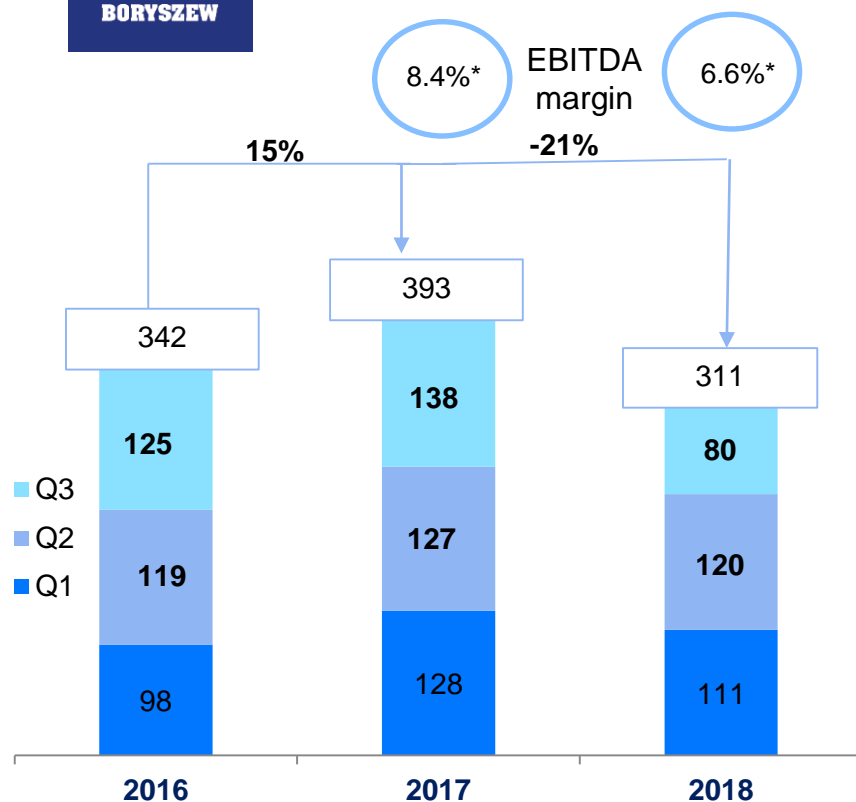
- Automotive Segment:
 - WLTP effect (more than PLN 57 million);
 - lower sales of tools resulting from a decrease in acquisition activities related to new projects in previous periods;
- Metals Segment:
 - increased sales volumes (Aluminium Konin, Baterpol Group, NPA Skawina).

* 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



40

PLN m

Metals



67

PLN m

Chemicals and
Other Operations



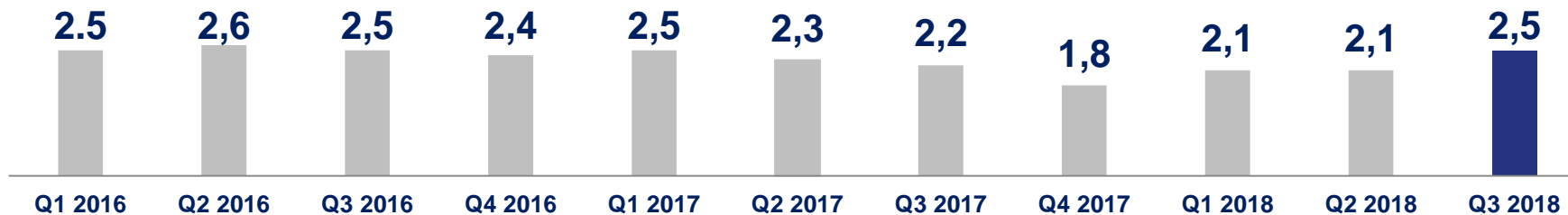
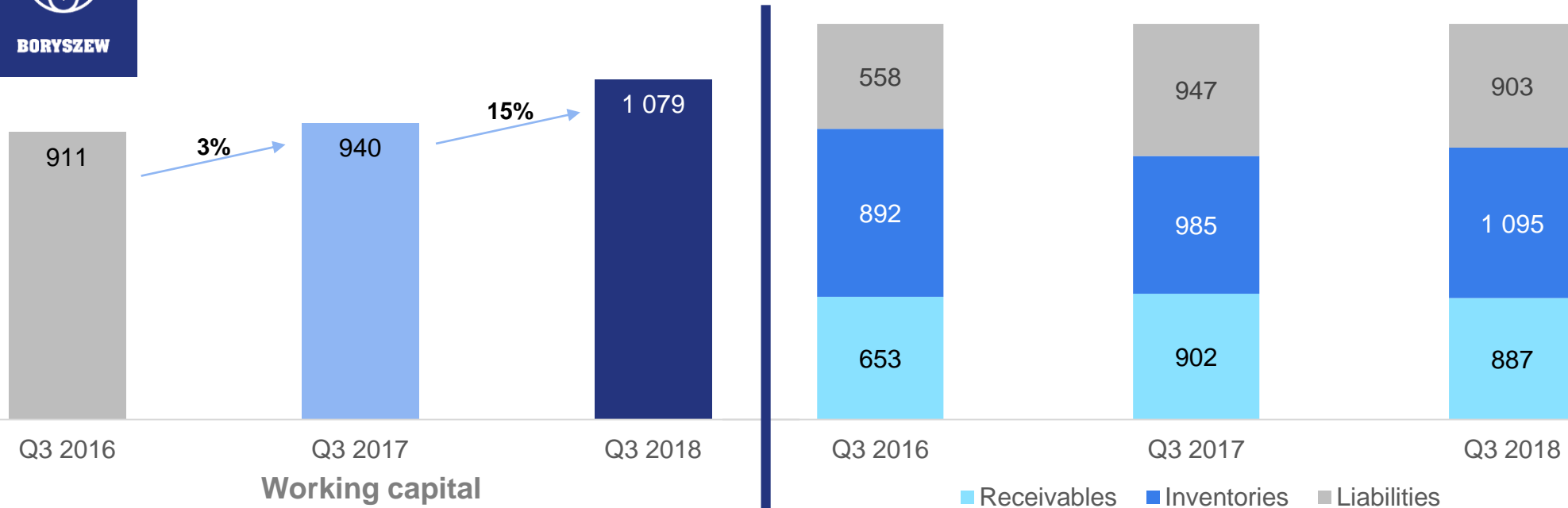
7

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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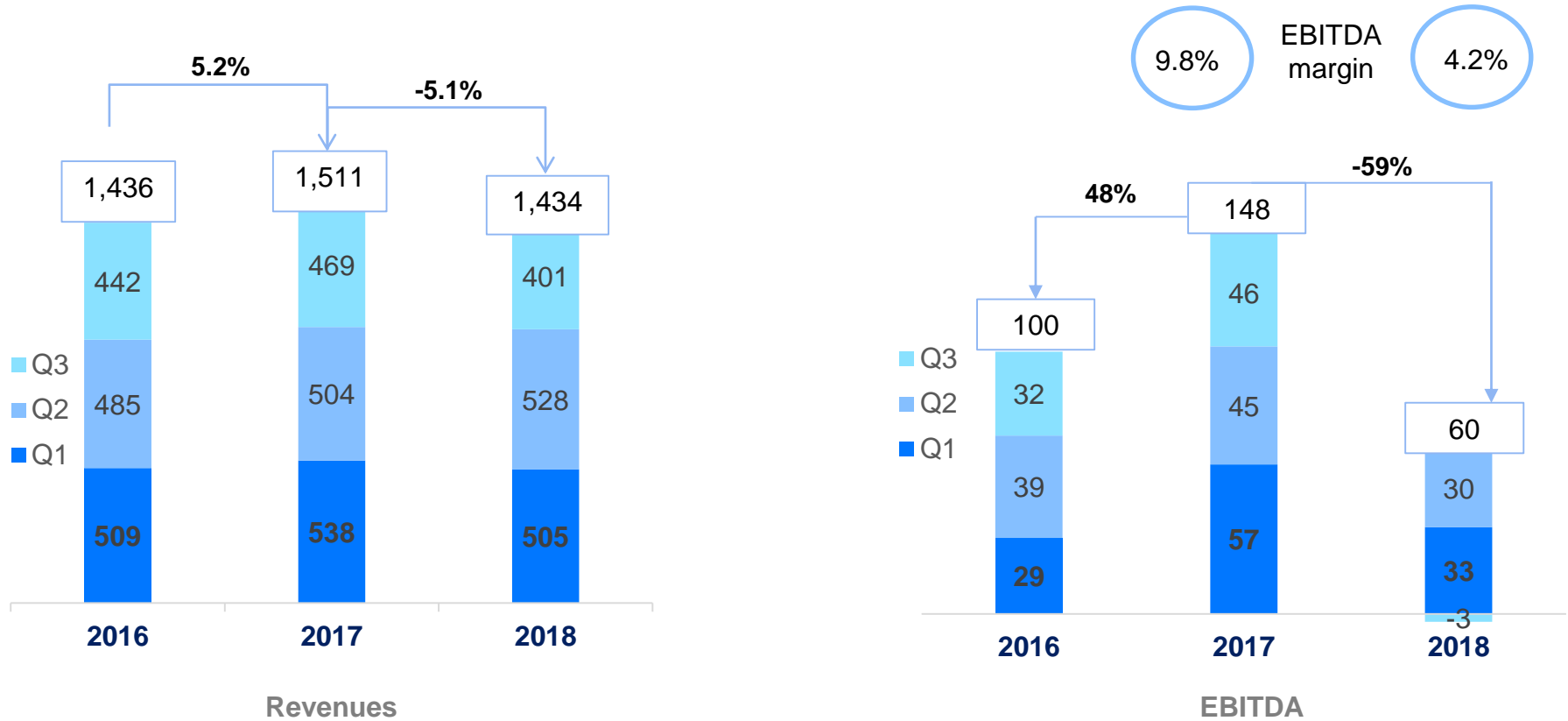
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AUTOMOTIVE SEGMENT RESULTS (in PLN million)



- 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.

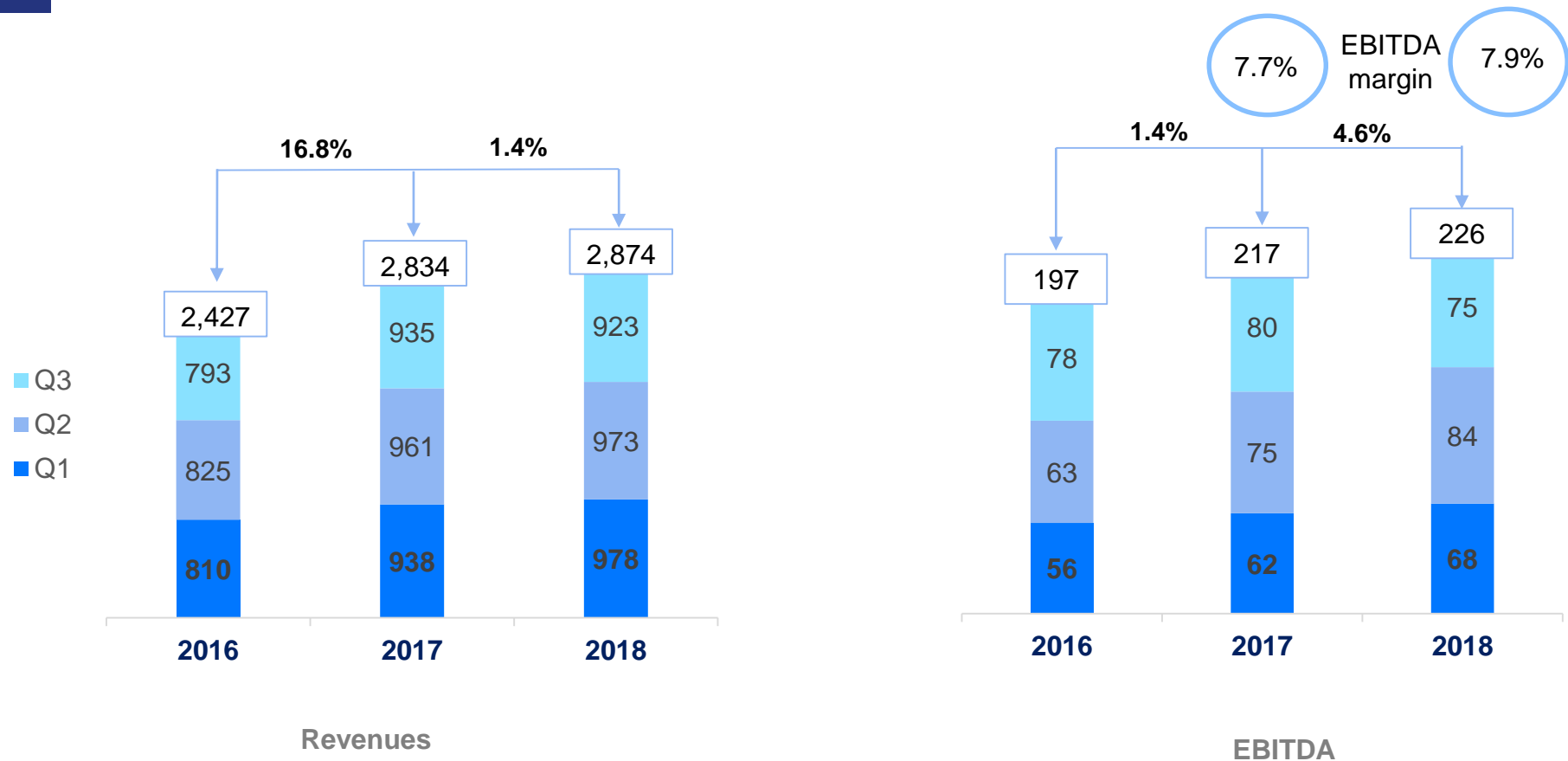


* EOP - End of Production



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METALS SEGMENT RESULTS (in PLN million)

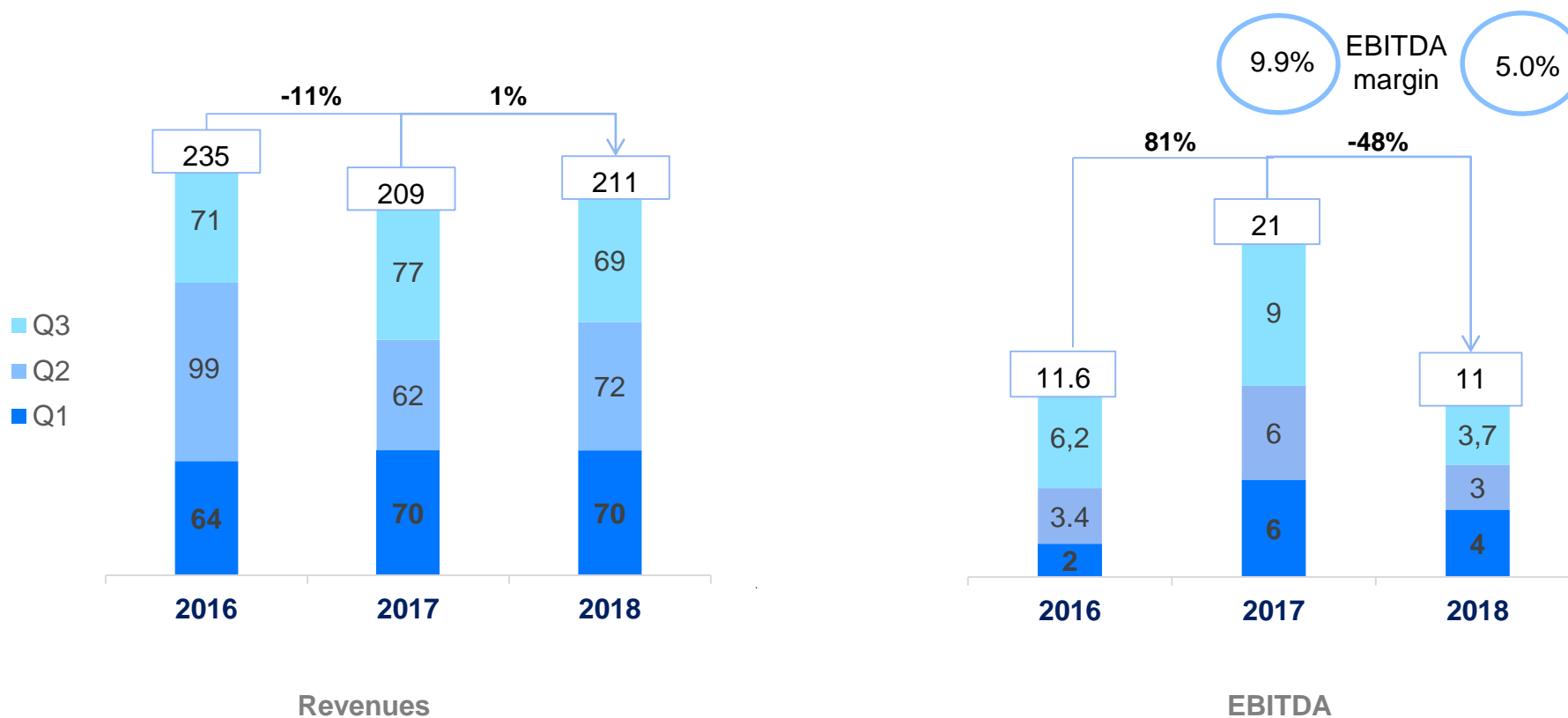


- The EBITDA growth was the result of higher sales volumes and better cost discipline:
 - The highest EBITDA increases were recorded in Aluminium Konin and Baterpol.



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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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