



**BORYSZEW
GROUP**

BORYSZEW GROUP

Q1 2020 FINANCIAL RESULTS

1. Boryszew Group – Q1 2020 Summary

2. Market environment

3. Q1 2020 financials

4. Operating segments

5. Prospects for the next quarters



KEY FACTORS AFFECTING THE GROUP IN Q1 2020

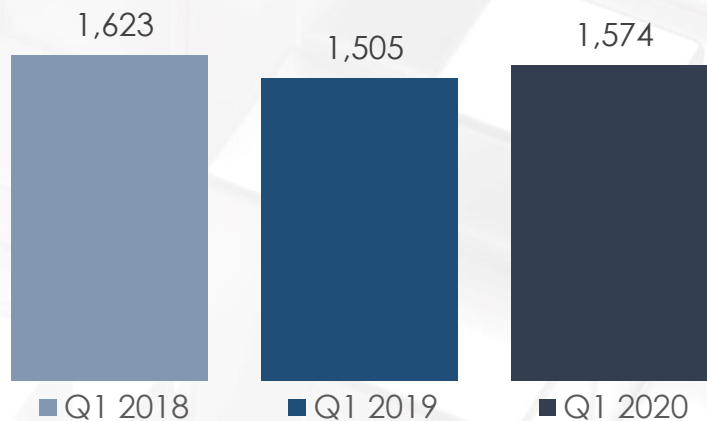
- Drop in the number of new car registrations;
- Restrictions related to COVID-19;
- Production shutdown in most plants from the Automotive Segment;
- Production launch of the ERG CleanSkin product line of virucidal disinfectants.



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BORYSZEW GROUP – Q1 2020 SUMMARY

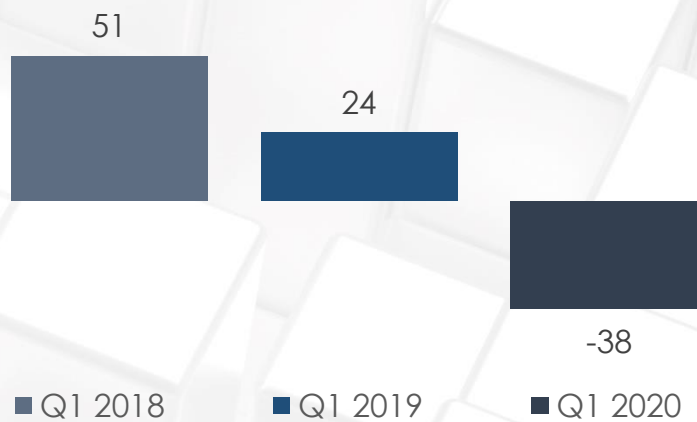
Revenues [PLN m]



EBITDA [PLN m]



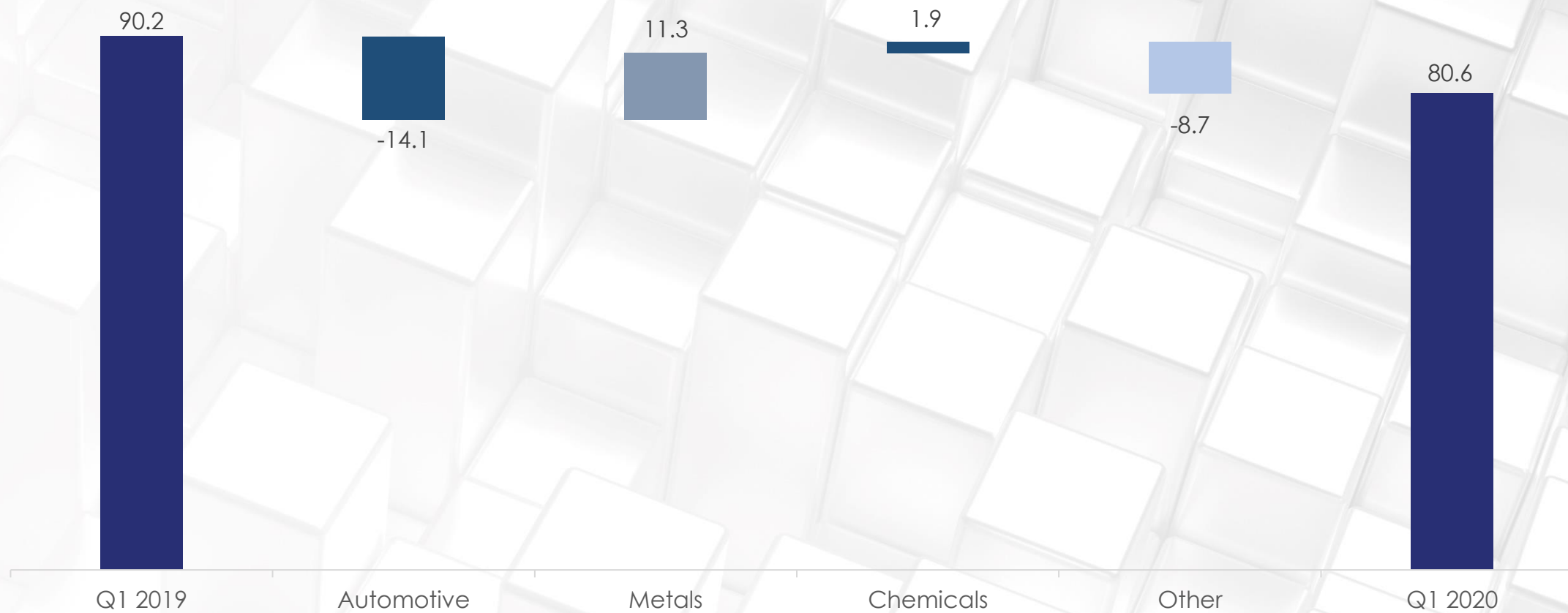
Net profit
[PLN m]





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Q1 2020 EBITDA BRIDGE [PLN m]



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PRICE QUOTATIONS OF KEY METALS [USD/t]

Aluminium



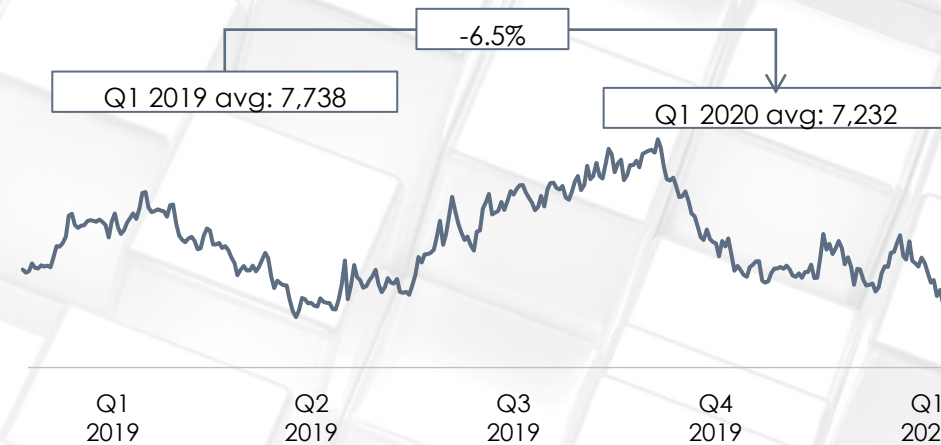
Copper



Zinc

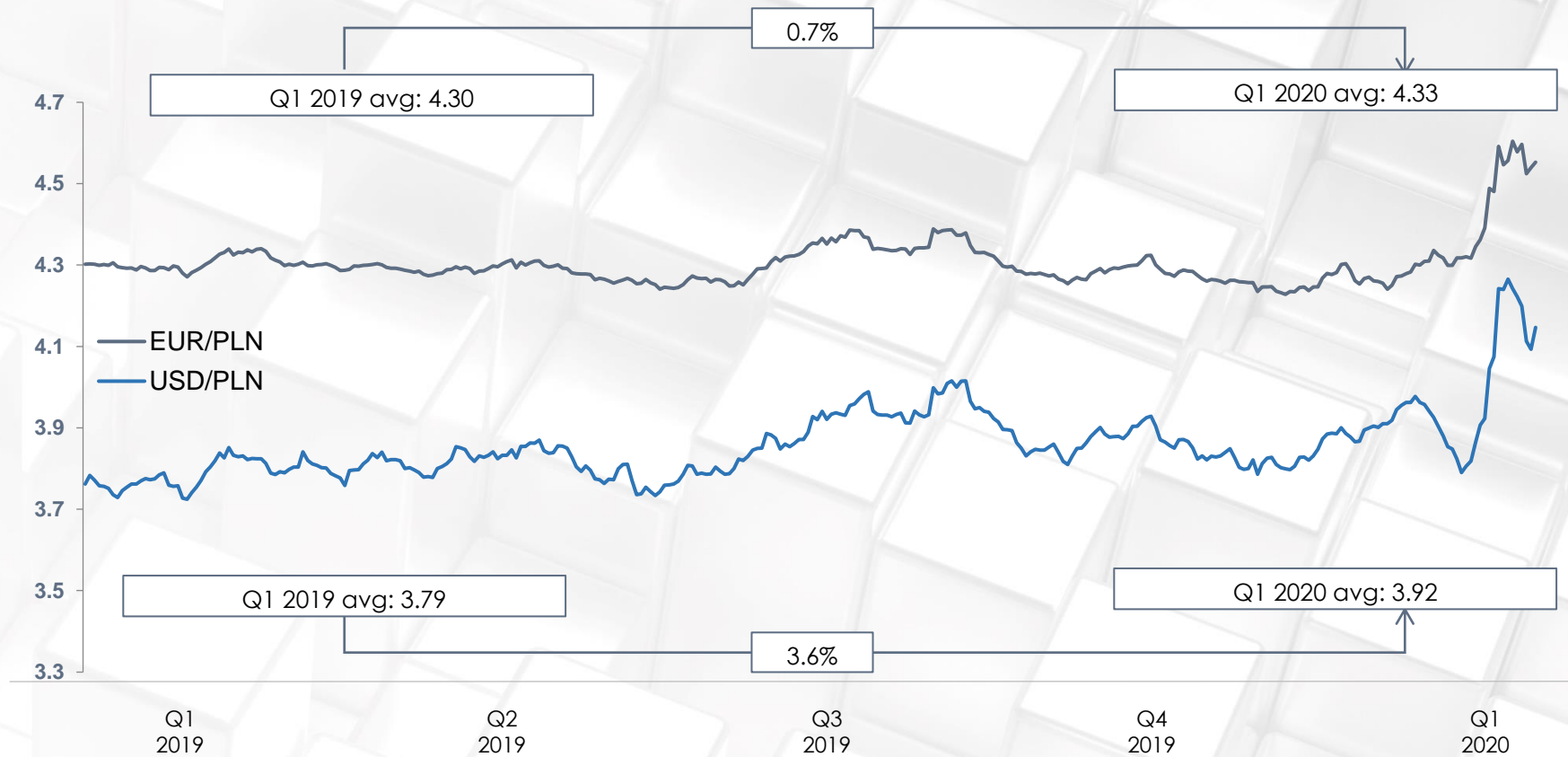


Lead



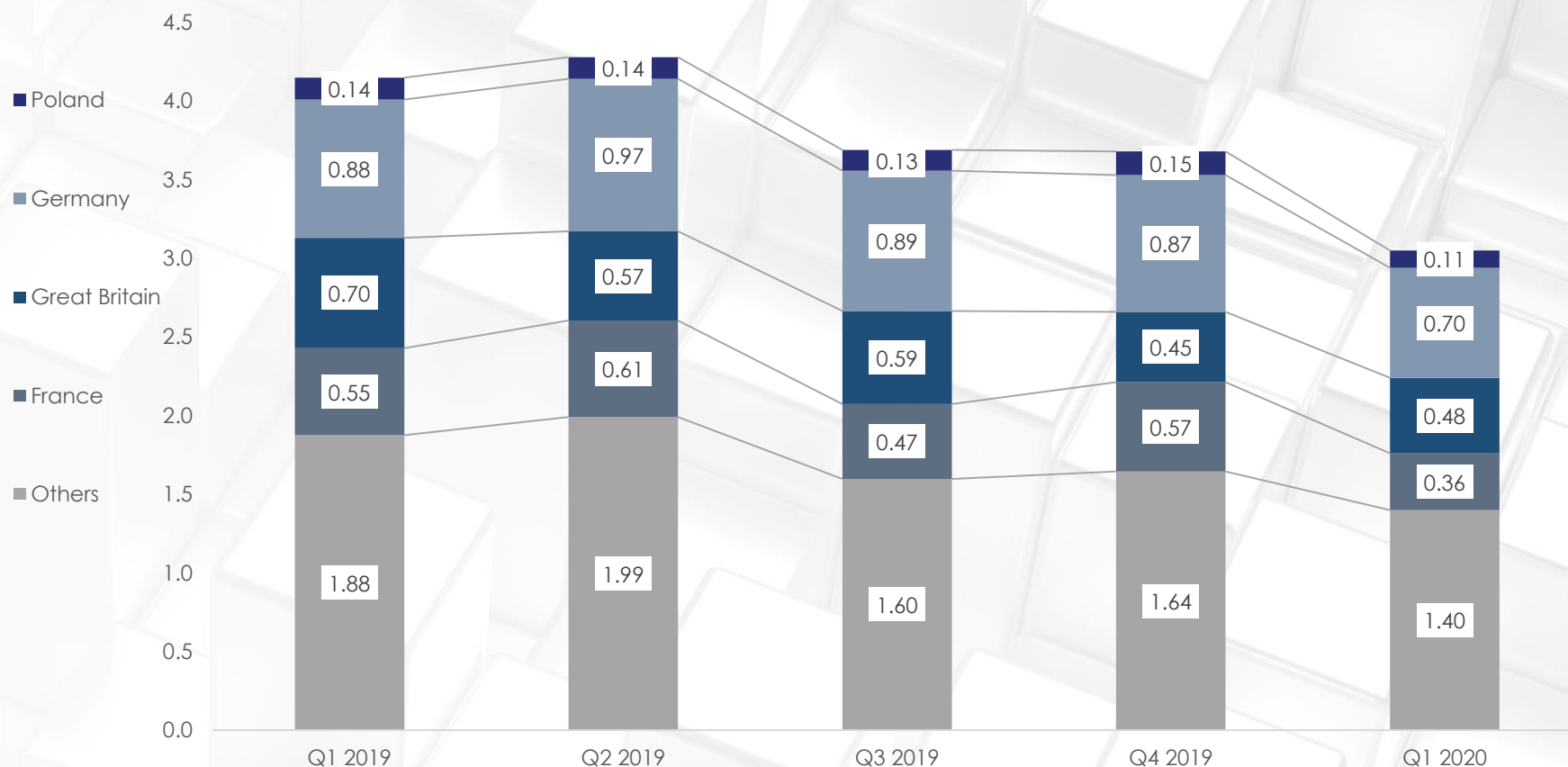


CURRENCY EXCHANGE RATES



EUROPEAN AUTOMOTIVE MARKET

- New car registrations by country in millions (according to ACEA*)

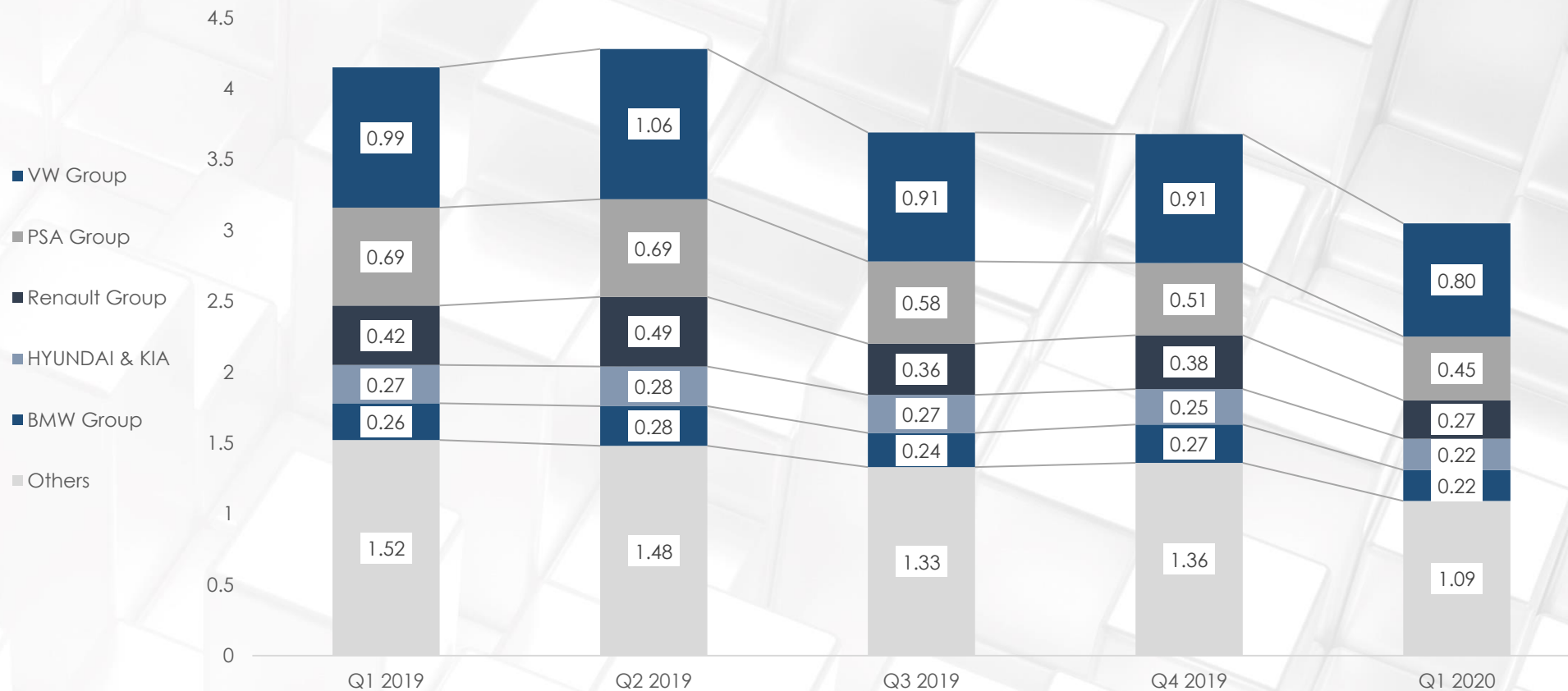


Q1 2020 – 3.05 million
Q1 2019 – 4.15 million
-26.5%

In Q1 2020, the European passenger car market contracted by 26.5% to 3.05 million vehicles.

EUROPEAN AUTOMOTIVE MARKET

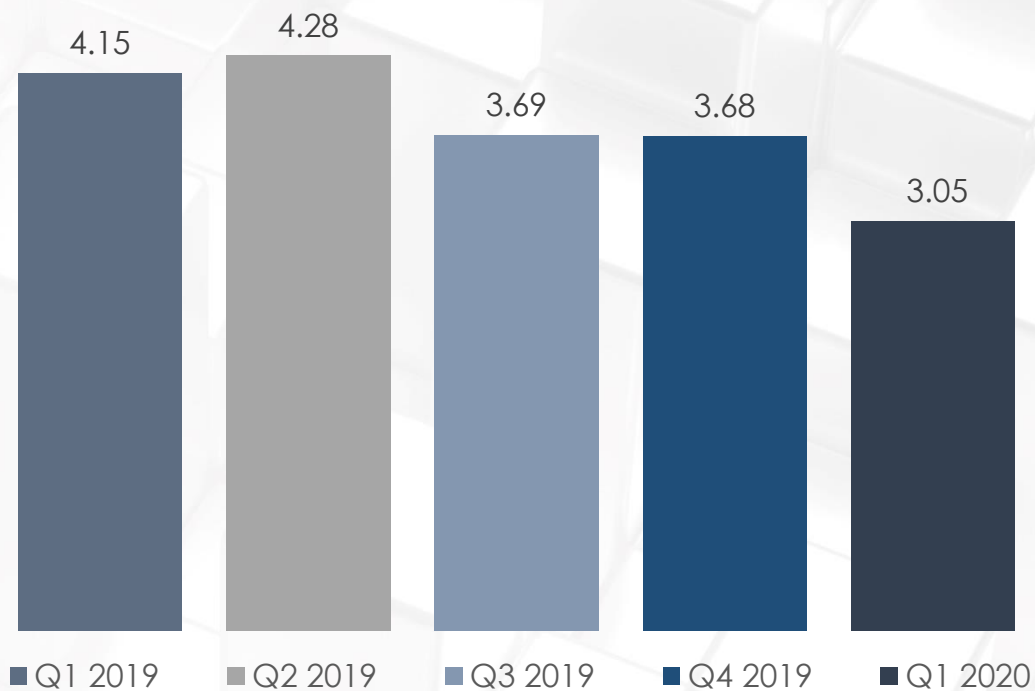
- New car registrations by manufacturer in millions (according to ACEA*)



In Q1 2020, the European passenger car market contracted by 26.5% to 3.05 million vehicles.

EUROPEAN AUTOMOTIVE MARKET

New car registrations in millions
(according to ACEA*)



VW Group					
	Market share [%]		Quantity		Y/Y % change
	Q1 2019	Q1 2020	Q1 2019	Q1 2020	
VW Group	23.9	26.2	993,044	800,482	-19.4%
VOLKSWAGEN	11.1	11.5	461,959	351,113	-24.0%
SKODA	4.7	5.4	194,734	163,616	-16.0%
AUDI	4.8	5.3	198,898	160,859	-19.1%
SEAT	3.0	3.5	123,086	107,269	-12.9%
PORSCHE	0.3	0.5	12,803	16,107	25.8%

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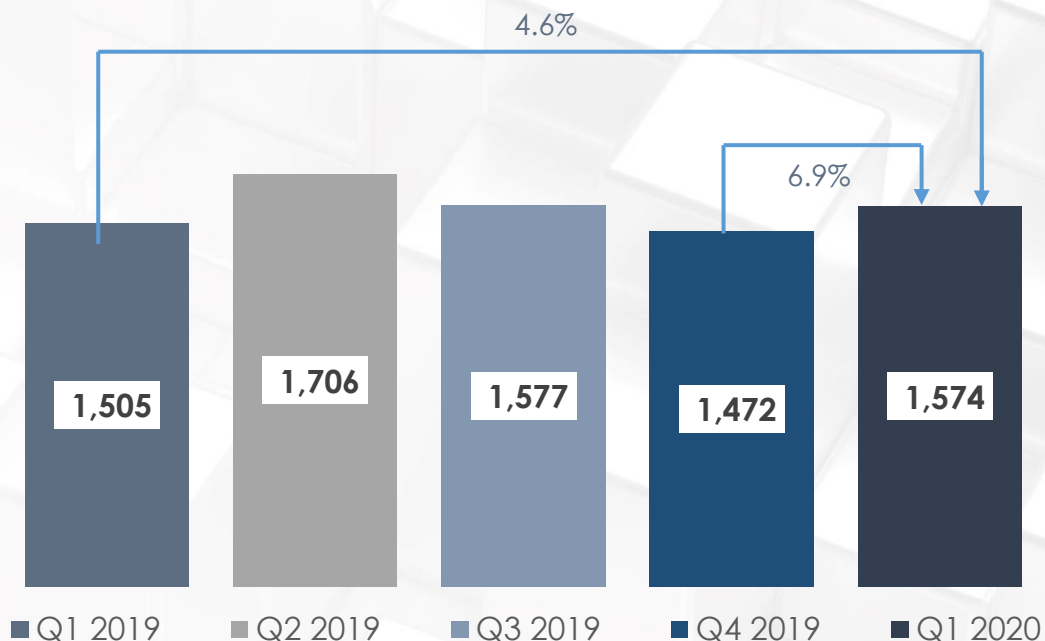
KEY FINANCIALS [PLN m]

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Y/Y change Q1 2020 vs Q1 2019
Sales revenues	1,505	1,706	1,577	1,472	1,574	4.6%
EBIT	49	88	41	32	32	-34.9%
EBITDA	90	139	92	93	81	-10.4%
EBITDA margin	6.0%	8.1%	5.8%	6.3%	5.1%	-14.4%



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REVENUES [PLN m]



Revenues by segment [PLN m]	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Y/Y change Q1 2020 vs Q1 2019
Automotive	449	474	424	430	446	-0.7%
Metals	907	1,133	1,058	922	1,052	16.0%
Chemicals	73	60	59	61	60	-17.8%
Other*	76	39	35	59	16	-78.9%

Automotive Segment:

- decrease in revenue from sale of parts by 17.5% (for BAP, by 20.0%);
- increase in sale of tools by PLN 65.7 million (for BAP by PLN 67.0 million).

Metals Segment:

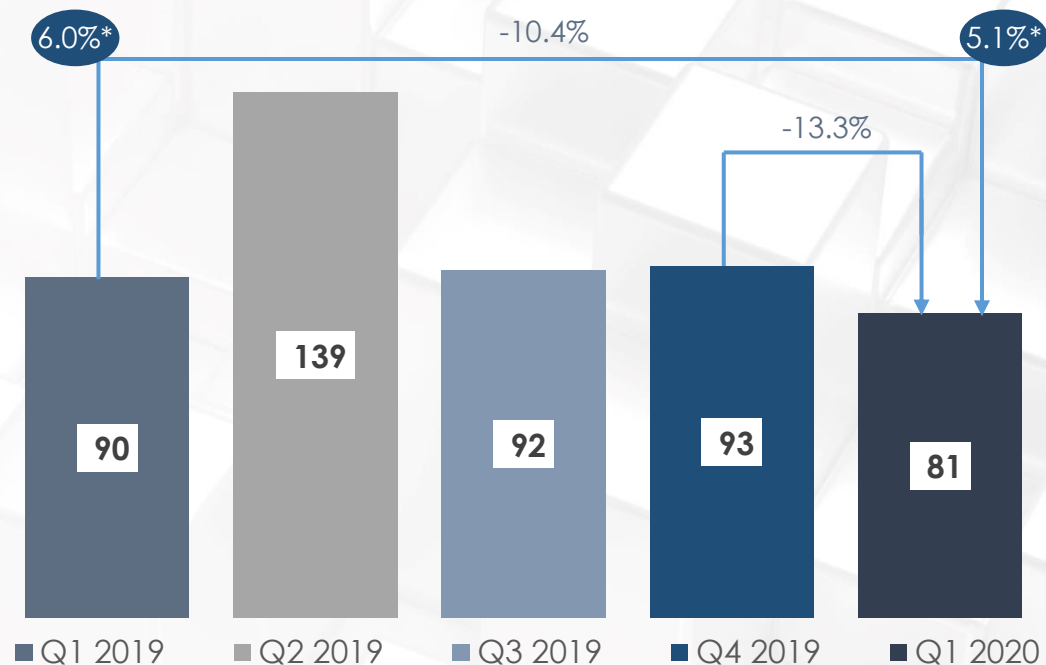
- decrease in revenue by 9.8% after consolidating Alchemia Group (down by PLN 216 million);
- slight drop in sale volumes [T] by 5.3%;
- increase in sale volumes [T]: NPA Skawina by 13.4%, ZM Silesia by 14.6%.

* Including consolidation adjustments



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EBITDA [PLN m]



EBITDA by segment [PLN m]	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Automotive	20.5	31.8	30.2	-10.9	6.4
Metals	58.0	102.7	61.5	103.7	69.3
Chemicals	3.5	5.0	1.7	2.3	5.4
Other**	8.2	-1.0	-1.4	-2.0	-0.5

Automotive Segment:

- significant drop in profitability in BAP Group;
- improved efficiency in Maflow Group (EBITDA margin up from 9.3% in Q1 2019 to 10.0% in Q1 2020).

Metals Segment:

- improved efficiency (without Alchemia) (EBITDA margin up from 6.4% in Q1 2019 to 8.5% in Q1 2020);
- increase in EBITDA margin in Aluminium Konin from 9.4% in Q1 2019 to 12.4% in Q1 2020.

* EBITDA margin

** Including consolidation adjustments



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Q1 2020 CAPEX



PLN

50.3

million



Automotive

PLN

5.4

million



Metals

PLN

39.4

million



**Alchemia
Group**

PLN

5.1

million







Chemicals

PLN

0.4

million

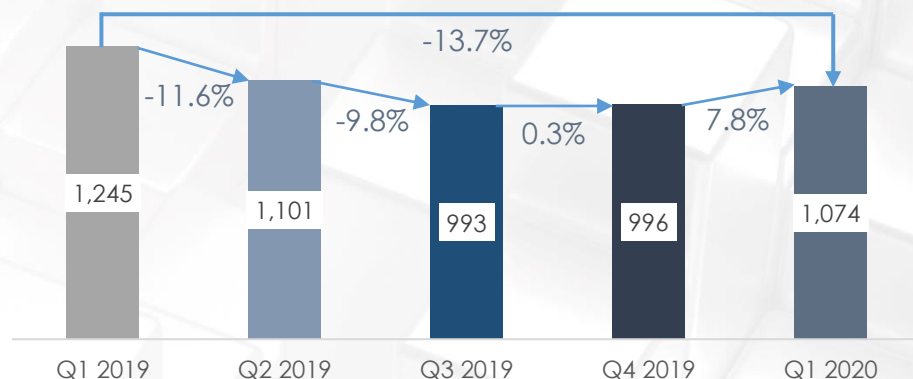
INNOVATIVE PROJECTS

	INNOVATIVE ALUMINIUM WIRE ROD ALLOYS	Innovative production technology of wire rod from high-strength aluminium alloys of 2xxx, 5xxx, 7xxx series
	LOW-LOSS CABLES	Reduction of transmission losses in HV (110kV) power distribution lines through the development of innovative material and design solutions and technologies for the production of low-loss overhead lines
	ALUMINIUM TAPES	Development of highly advanced production technology of multilayer HSAA-P30 aluminium tapes for the new generation of automotive heat exchangers
	AlMg-VHS	Implementation of innovative production technology of sheets and strips made from AlMg-VHS alloy intended for pressing car body parts and structural elements
	ALUMINIUM ALLOY	Development and implementation of a production technology of an innovative aluminium alloy for the production of high-pressure caps in the packaging industry
	ZN-AL ALLOY WIRES	Development and implementation of a production technology of a full range of Zn-Al alloy wires intended for corrosion protection by spray metallization method
	NANOBORYGO	Installation for the production of innovative automotive radiator fluid, lithium-ion batteries and disinfectant fluid

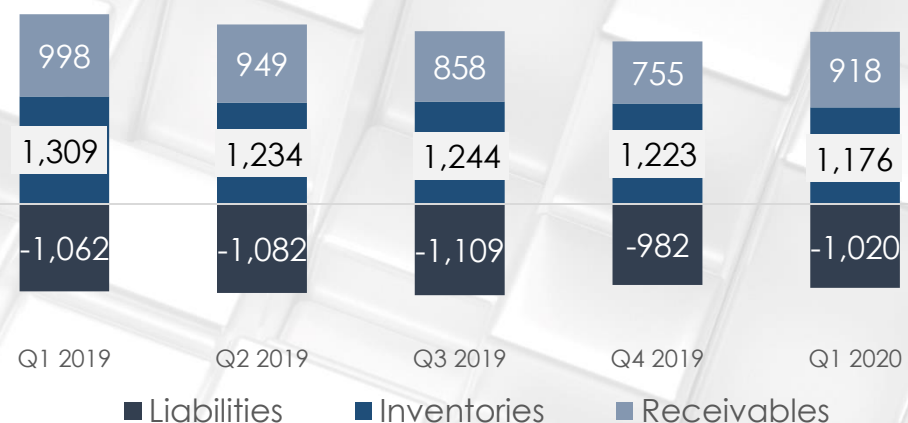


WORKING CAPITAL AND DEBT

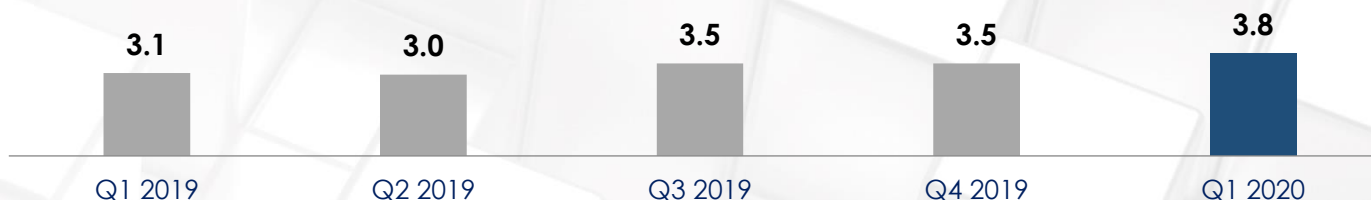
Working capital



Liabilities/Inventories/Receivables



Net debt-to-EBITDA ratio



- Decrease in the value of reverse factoring;
- Limited possibilities to use factoring;

- Drop in working capital by PLN 171 million in Q1 2020 vs Q1 2019 (down by 14%).

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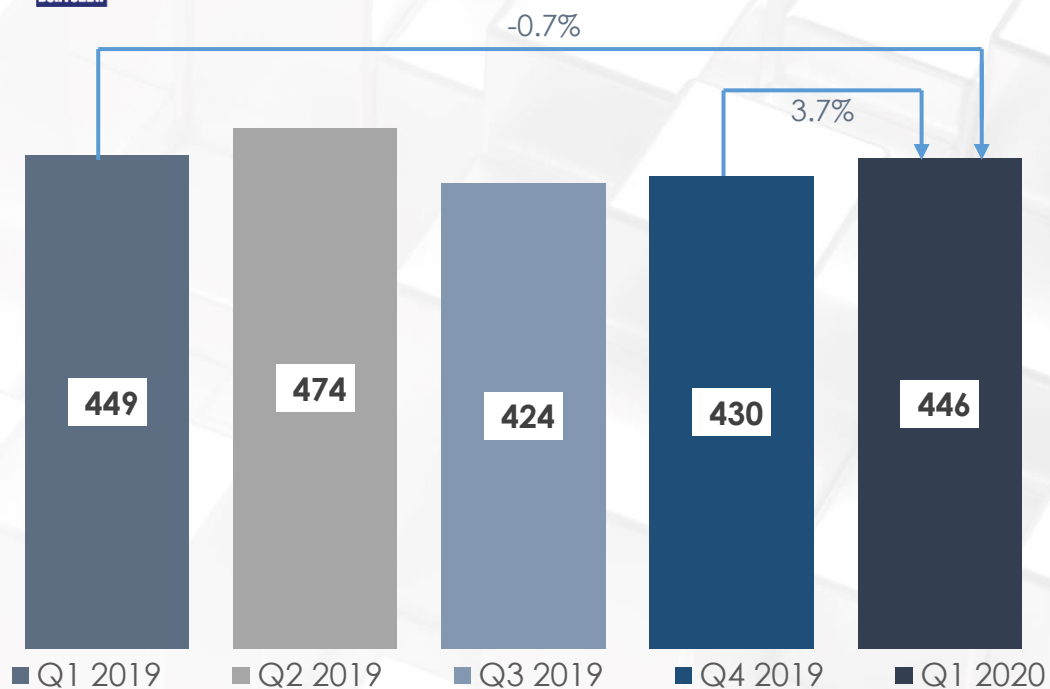
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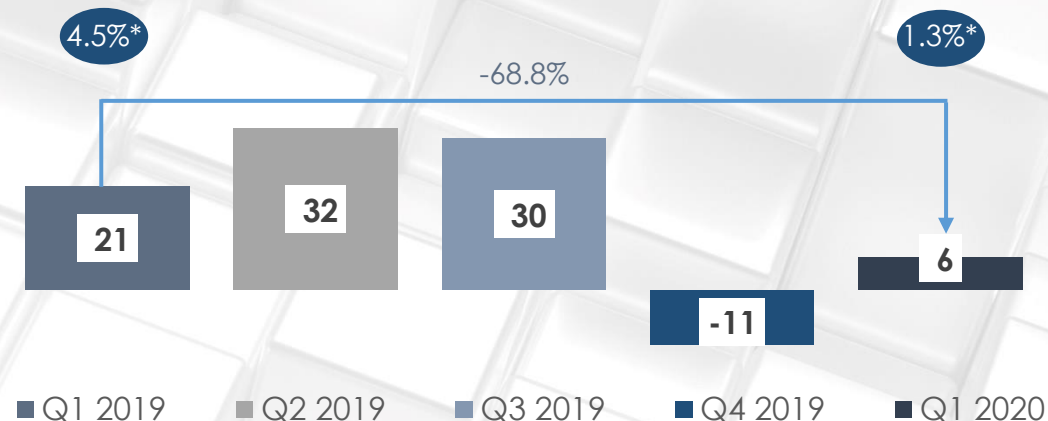
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AUTOMOTIVE SEGMENT RESULTS [PLN m]



Revenues



EBITDA

The result of the Automotive Segment was mainly influenced by :

- improved efficiency in Maflow Group;
- significant drop in efficiency in BAP Group;
- sale of tools in BAP Group.

* EBITDA margin



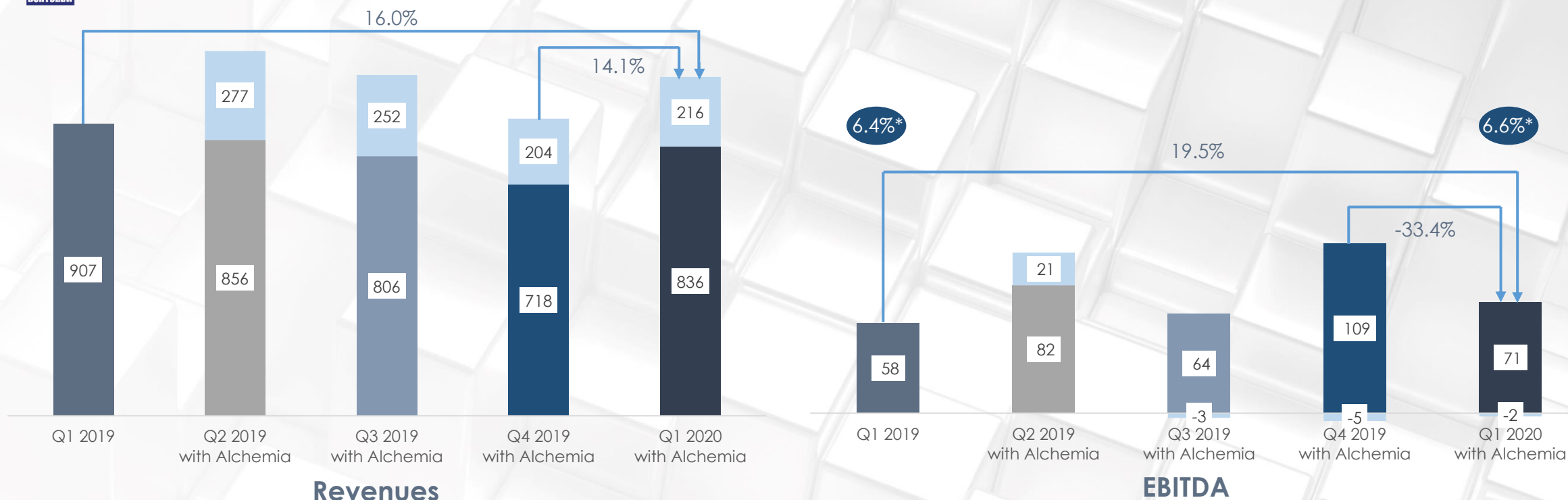
NOMINATIONS FOR NEW PROJECTS

In Q1 2020, new nominations for contracts with the value of over EUR 21.8 million were acquired with EOP 2030*

Value of new contracts in Q1 2020 in EUR million	
BAP Group	2.4
Maflow Group	19.4
Share of nominations involving electric vehicles in the total value of nominations throughout the project life cycle	
BAP Group	0%
Maflow Group	0%

* EOP - End of Production

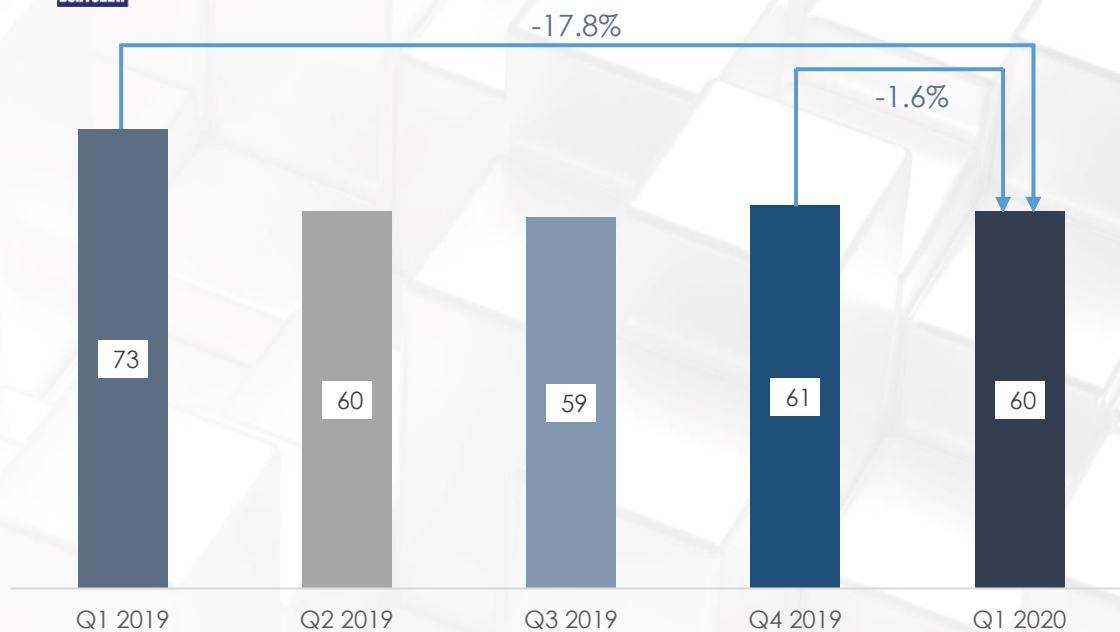
METALS SEGMENT RESULTS [PLN m]



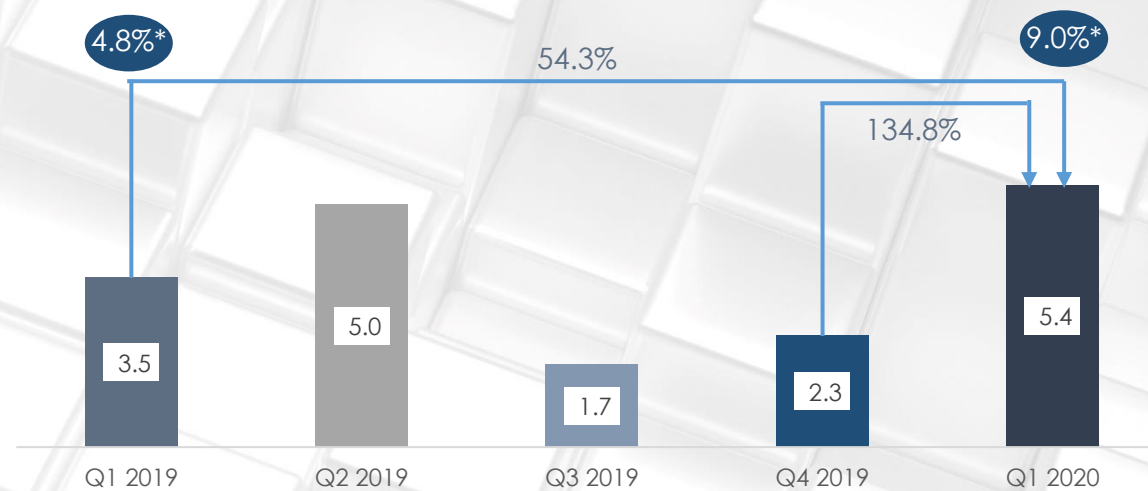
The Segment's EBITDA was affected by factors such as:

- low profitability in the Steel Segment;
- improved proficiency (without Alchemia) (increase in EBITDA margin from 6.4% in Q1 2019 to 8.5% in Q1 2020).

CHEMICALS SEGMENT RESULTS [PLN m]



Revenues



EBITDA

The Chemicals Segment's EBITDA was affected by:

- production and sale launch of virucidal disinfectants in Boryszew ERG's plant in Sochaczew;
- low sale of de-icing products due to mild winter;
- improved product diversification.

* EBITDA margin



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ERG CleanSkin line of virucidal disinfectants



- **ERG CleanSkin**

72% ethyl alcohol

7.5% isopropyl alcohol

- **ERG CleanSkin+**

72% ethyl alcohol

≤3% benzyl alcohol

- **ERG CleanSkinPRO**

72% ethyl alcohol

7.5% isopropyl alcohol

5% glycerine

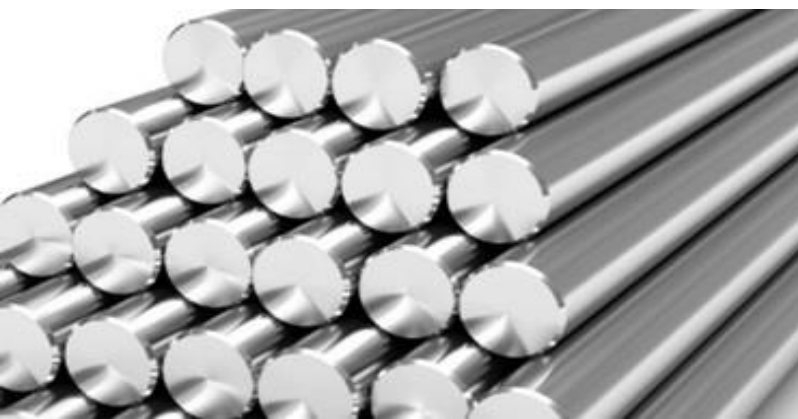
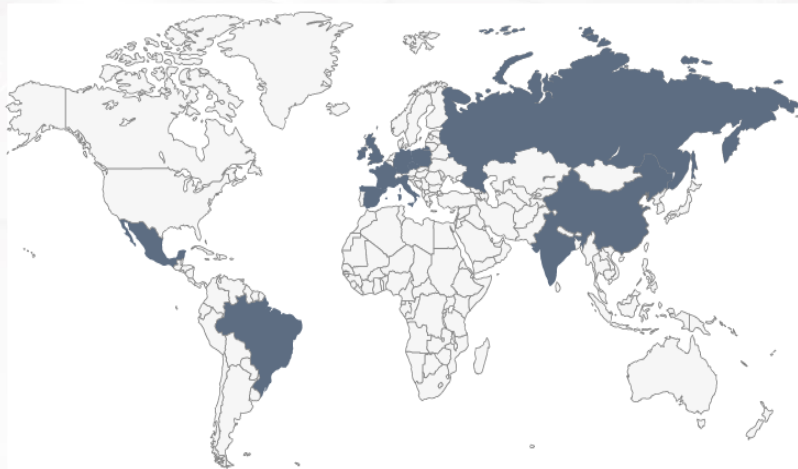
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PROSPECTS FOR THE NEXT QUARTERS

- Receiving funding from support schemes related to COVID-19;
- Restoration of capacity utilisation in the Automotive Segment;
- Lower costs of fuel resources (energy, gas);
- Maintaining operational continuity of all Group plants during the pandemic;
- Market pressure on prices of products and raw materials.



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Thank you