



**BORYSZEW
GROUP**

BORYSZEW GROUP

Q2 2020 FINANCIAL RESULTS

1. Boryszew Group – Q2 2020 Summary

2. Market environment

3. Q2 2020 financials

4. Operating segments

5. Prospects for the next quarters

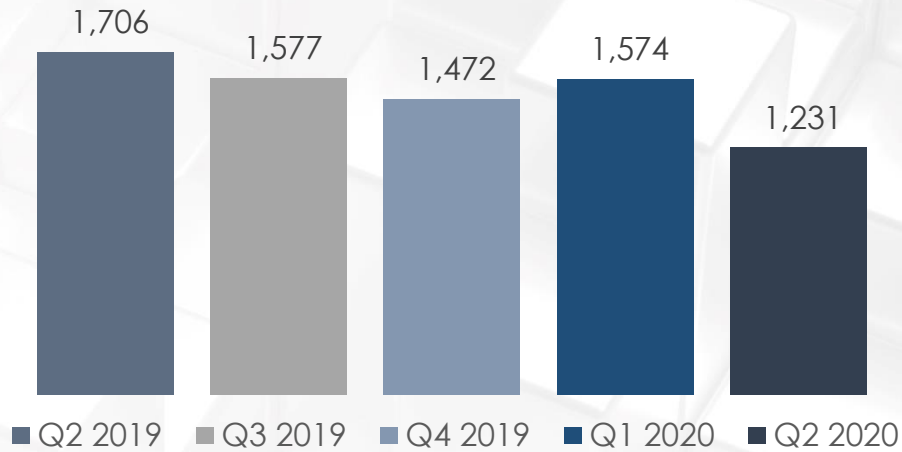


KEY FACTORS AFFECTING THE GROUP IN Q2 2019

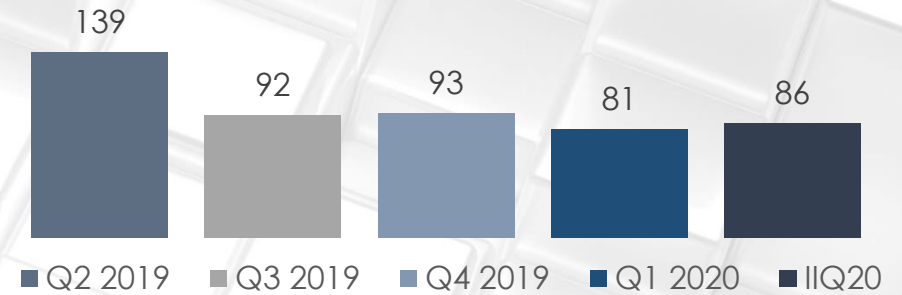
- Production freeze in the automotive sector;
- Change in production process organization due to adaptation to COVID-19 conditions:
- Development of ERG CleanSkin, the new product line of virucidal liquids;
- Production cost reduction;
- Lower credit limits for trade credit insurance – a drop in trade credit.

BORYSZEW GROUP – Q2 2020 SUMMARY

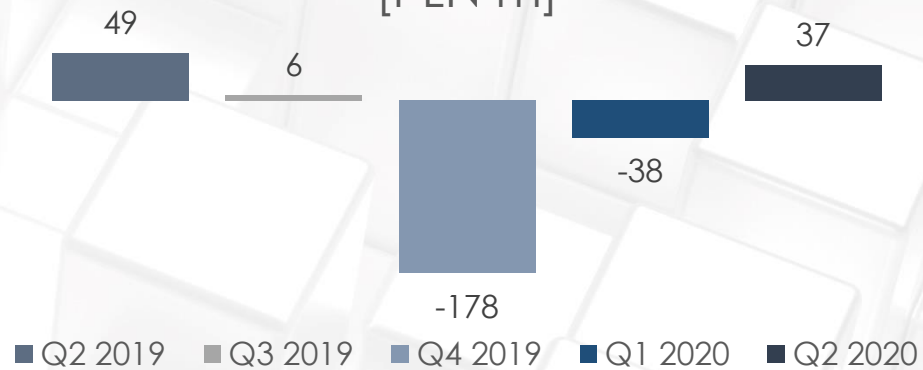
Revenue [PLN m]



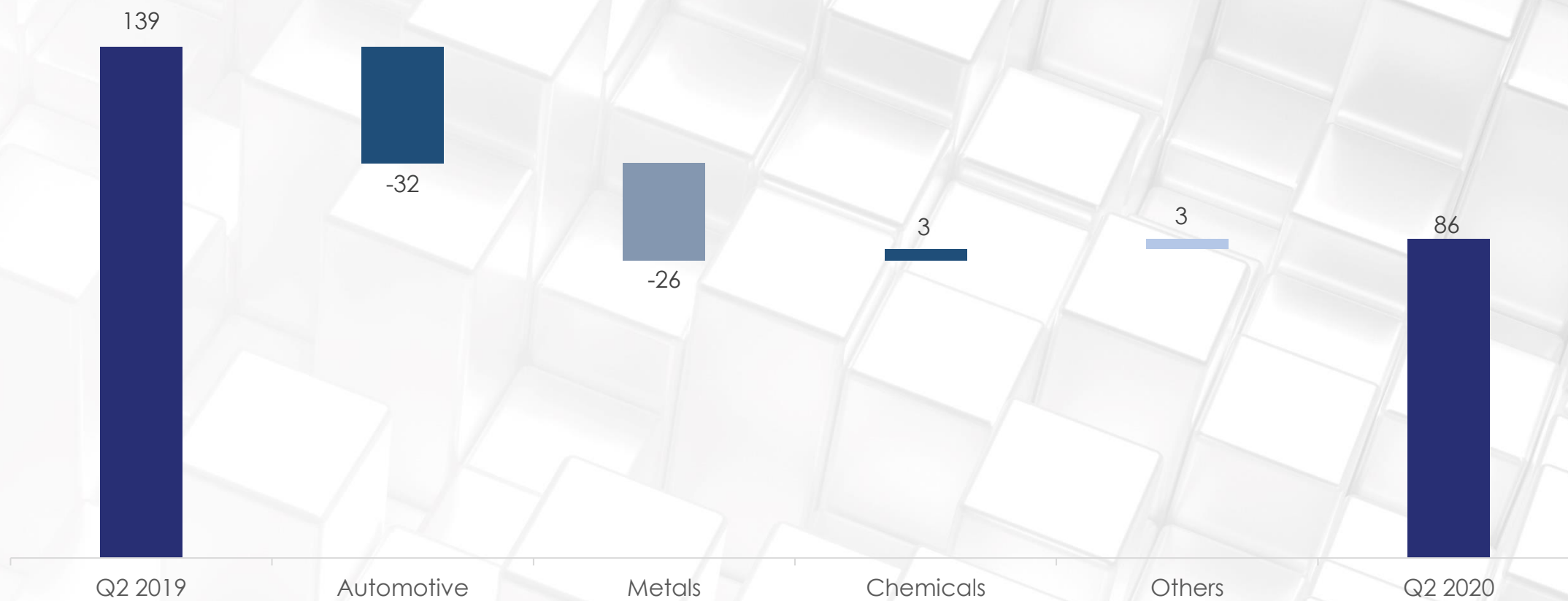
EBITDA [PLN m]



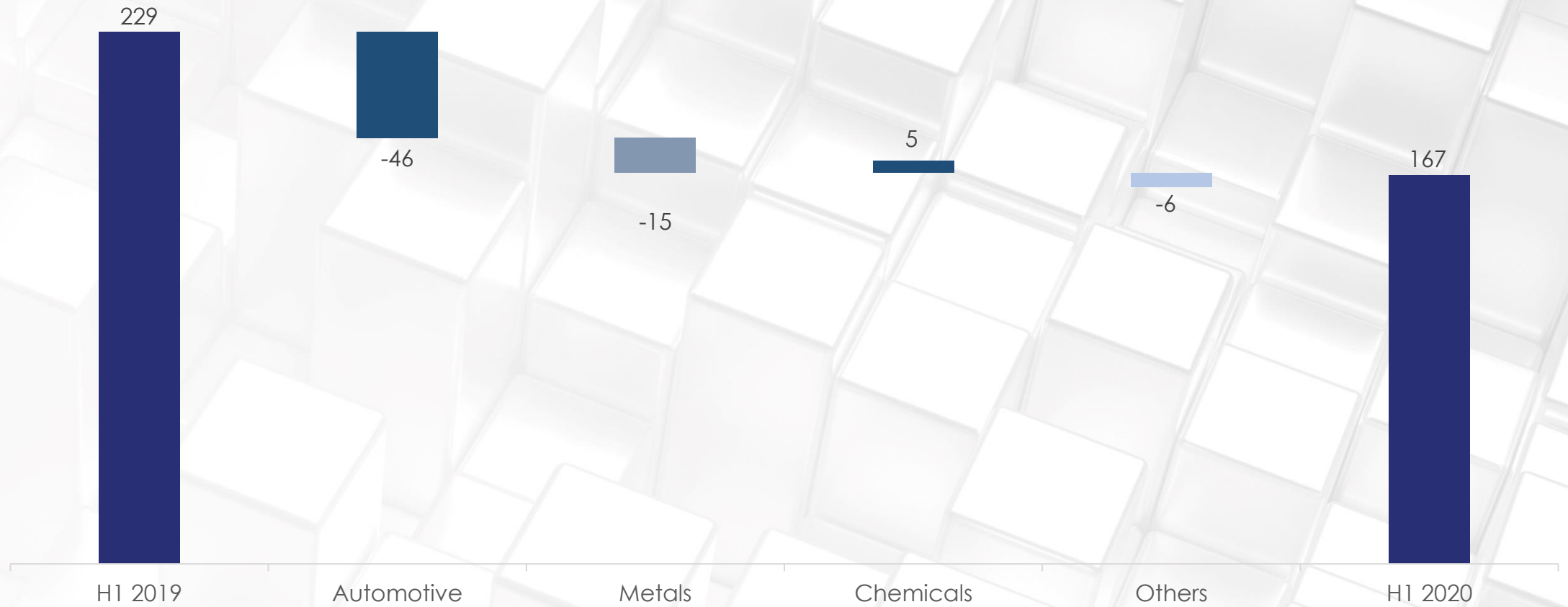
Net profit [PLN m]



Q2 2020 EBITDA BRIDGE [PLN m]



H1 2020 EBITDA BRIDGE [PLN m]



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PRICE QUOTATIONS OF KEY METALS [PLN/Ŧ]

Aluminium



Copper



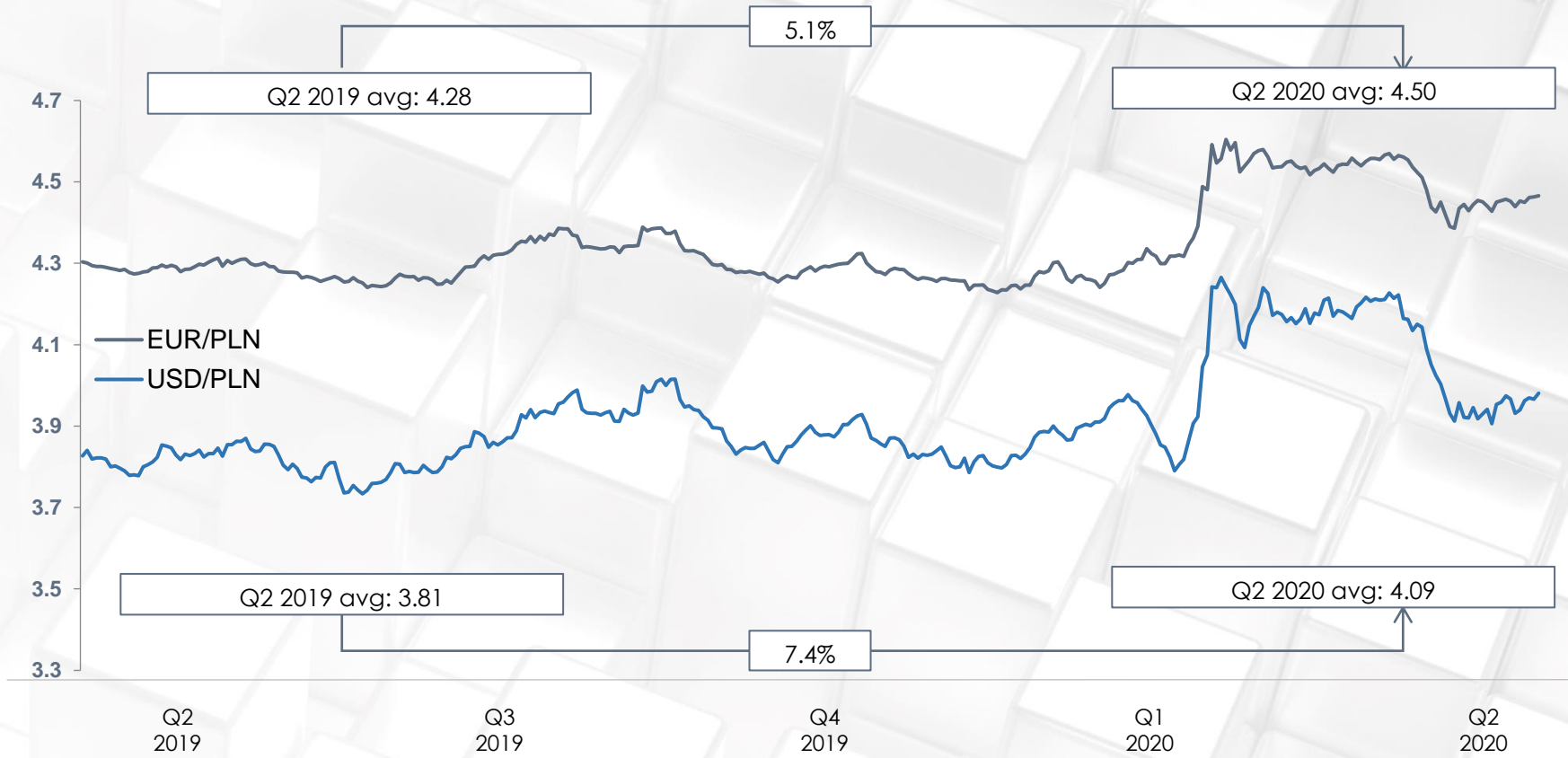
Zinc



Lead

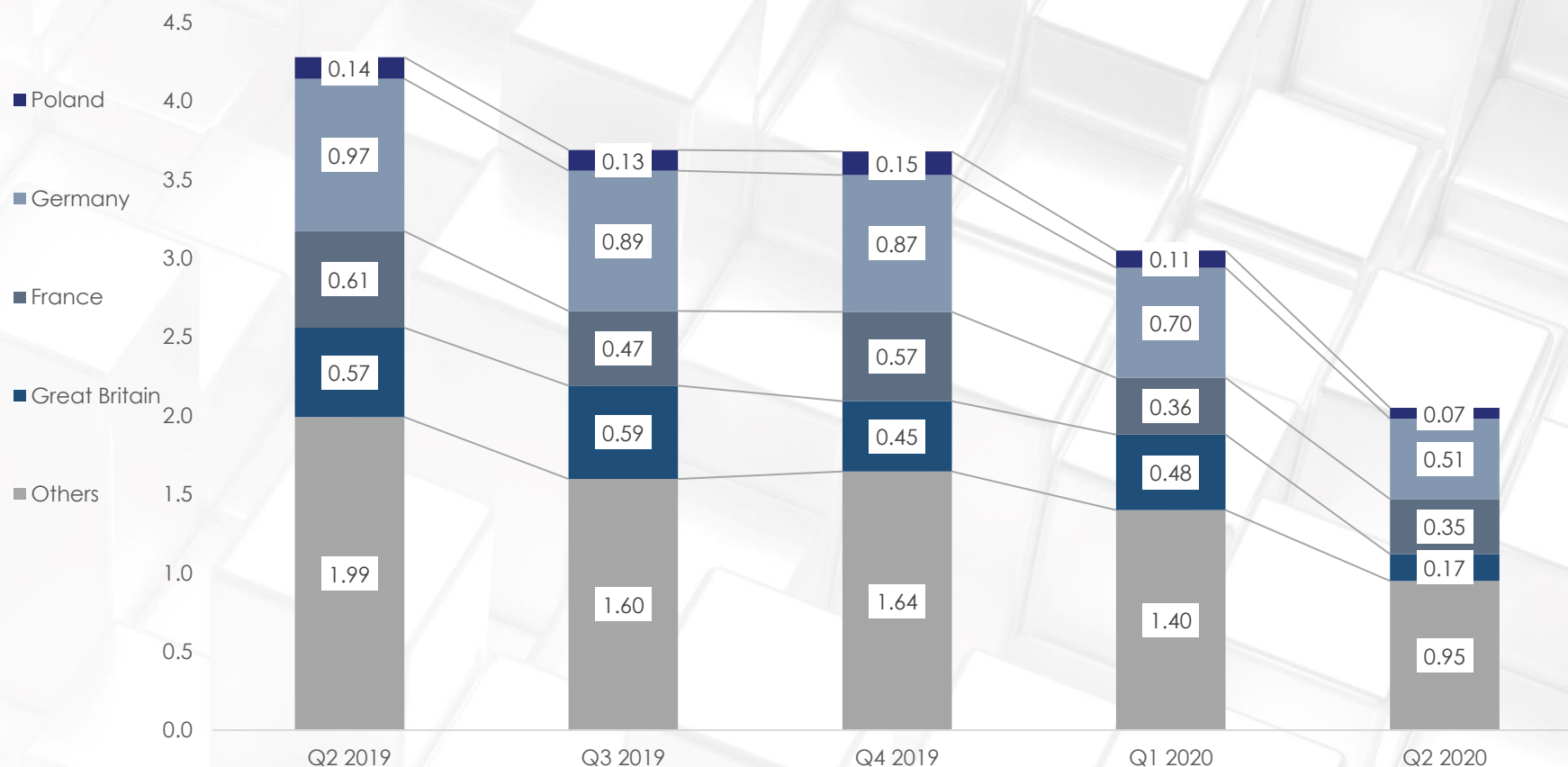


CURRENCY EXCHANGE RATES



EUROPEAN AUTOMOTIVE MARKET

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



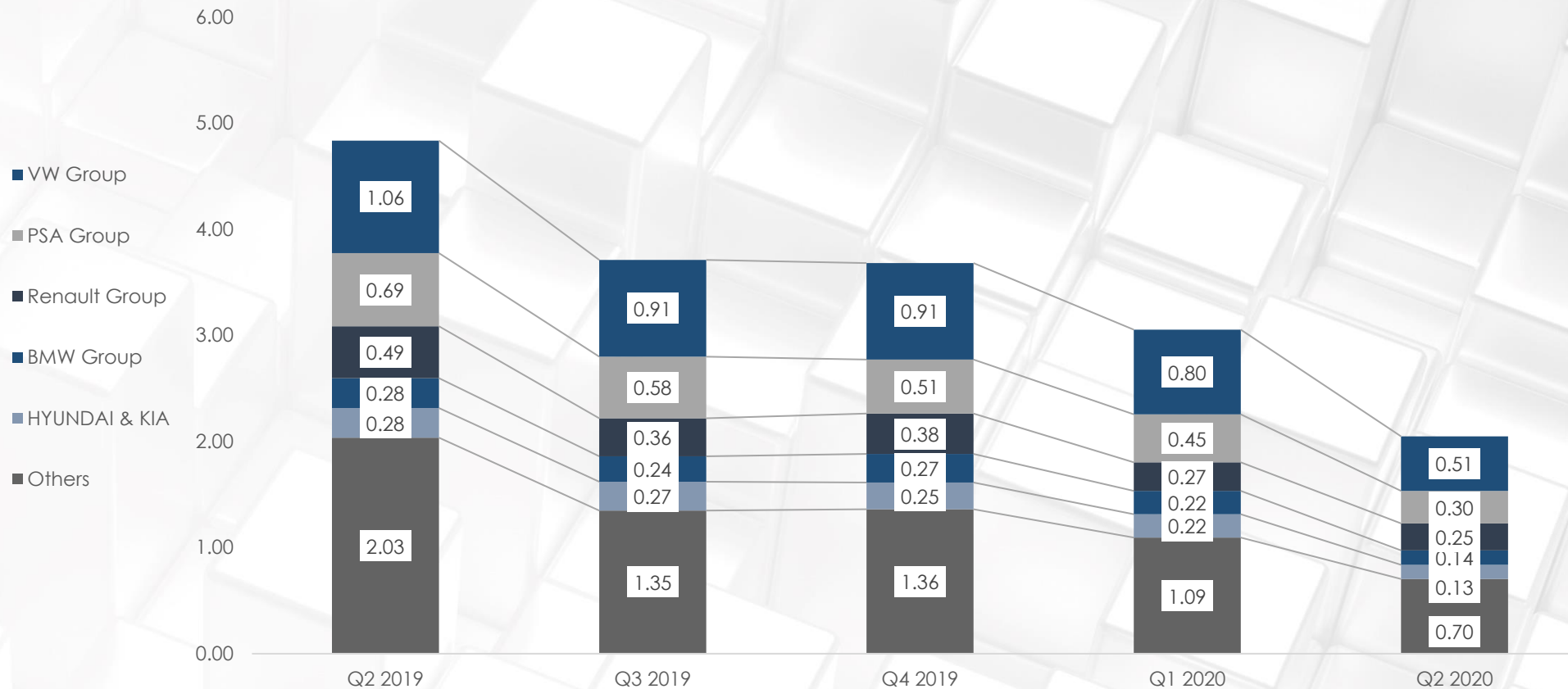
Q2 2020 – 2.05 million
 Q2 2019 – 4.28 million
-52.1%

In Q2 2020, the European passenger car market contracted by 52.1% to 2.05 million vehicles.

* ACEA (European Automobile Manufacturers Association)

EUROPEAN AUTOMOTIVE MARKET

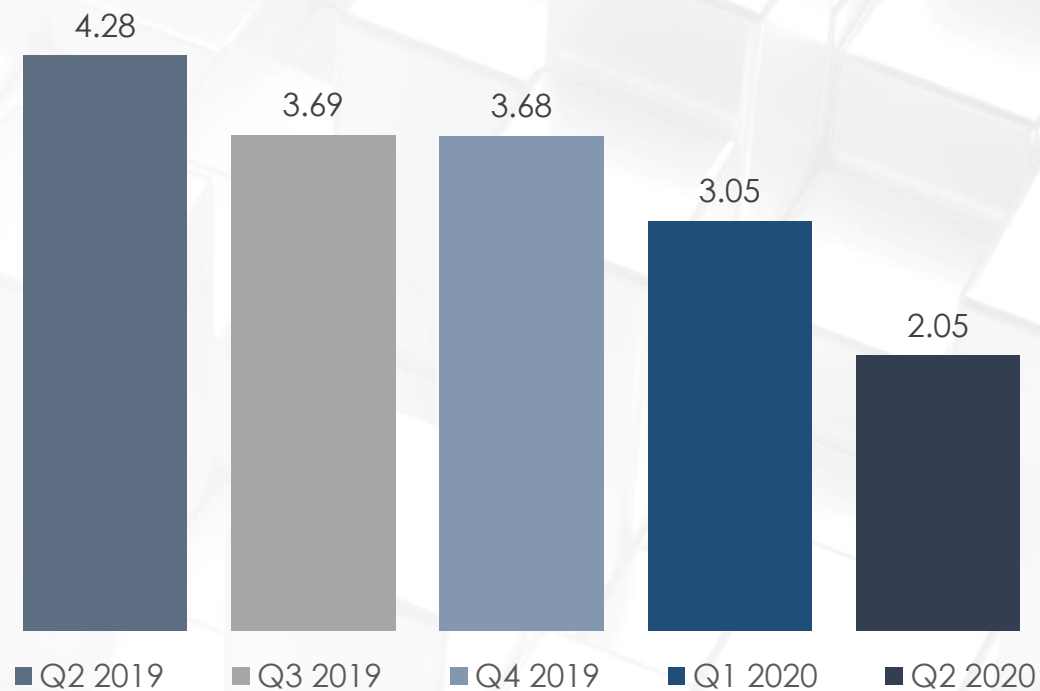
- Registrations of new cars by manufacturer in millions (according to ACEA)



In Q2 2020, the European passenger car market contracted by 52.1% to 2.05 million vehicles.

EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars in millions (according to ACEA*)



VW Group					
	Market share (%)		Quantity		Y/Y % change
	H1 2019	H1 2020	H1 2019	H1 2020	
VW Group	24.4	25.8	2,057,741	1,314,672	-36.1
VOLKSWAGEN	11.2	11.3	944,526	576,028	-39.0
SKODA	4.7	5.5	398,559	278,290	-30.2
AUDI	4.8	5.1	406,760	261,482	-35.7
SEAT	3.2	3.3	269,173	166,310	-38.2
PORSCHE	0.4	0.6	35,590	30,184	-15.2

* ACEA (European Automobile Manufacturers Association)

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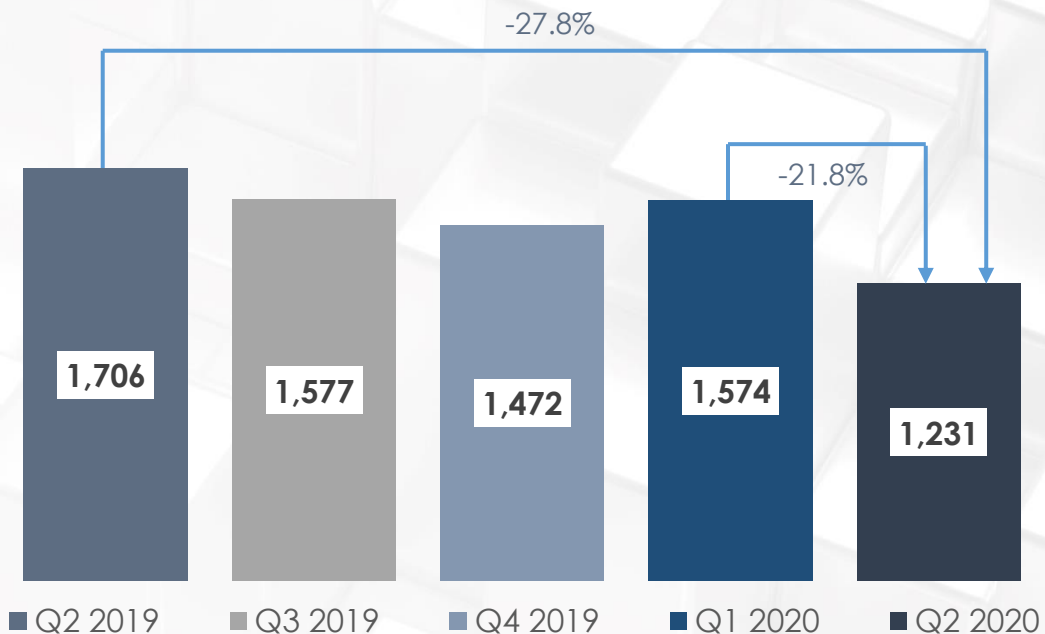
4. Operating segments

5. Prospects for the next quarters

KEY FINANCIALS [PLN m]

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Y/Y % change Q2 2020 vs Q2 2019
Sales revenue	1,706	1,577	1,472	1,574	1,231	-27.8%
EBIT	88	42	32	32	36	-59.1%
EBITDA	139	92	93	81	86	-38.1%
EBITDA margin	8.1%	5.8%	6.3%	5.1%	7.0%	-13.6%

REVENUE [PLN m]



Revenue by segment [PLN m]	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Change Q2 2020 vs Q2 2019
Automotive	474	424	430	446	266	-43.9%
Metals	1,133	1,058	922	1,052	912	-19.5%
Chemicals	60	59	61	60	44	-26.7%
Others*	39	35	59	16	9	-76.9%

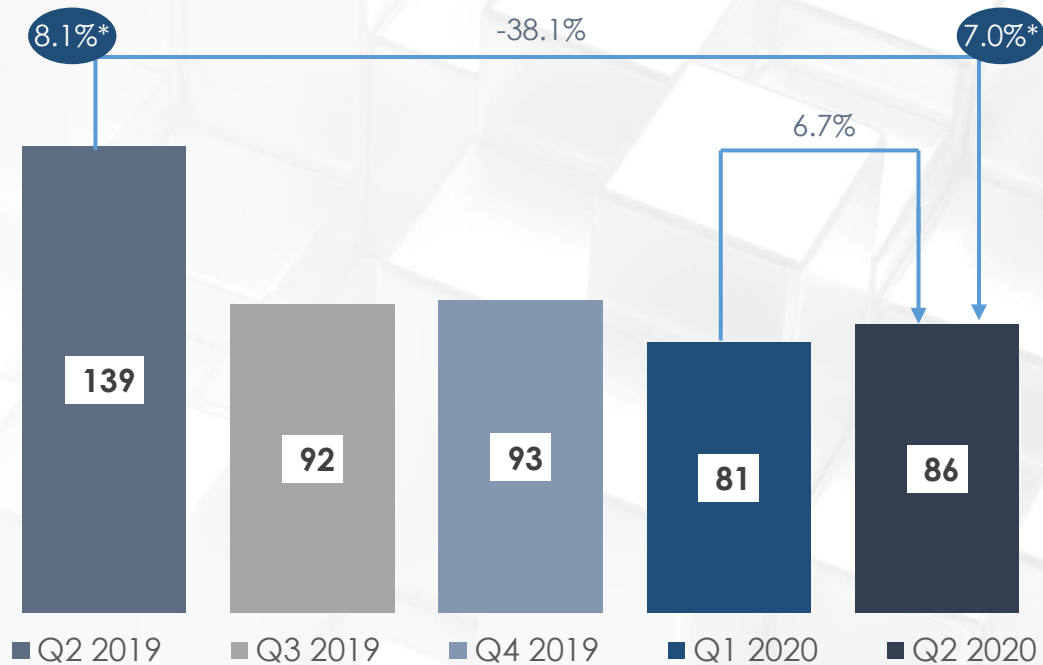
Automotive Segment:

- Production freeze for 6-7 weeks;
- Tool sale at BAP.

Metals Segment:

- Q2 2020 vs Q1 2020 rise of 30% in Alchemia Group's revenue;
- Decrease in revenue due to low metal prices.

EBITDA [PLN m]



EBITDA by segment [PLN m]	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Automotive	31.8	30.2	-10.9	6.4	0.3
Metals	102.7	61.5	103.7	69.3	76.3
Chemicals	5.0	1.7	2.3	5.4	8.2
Others**	-1.0	-1.4	-2.0	-0.5	1.7

Automotive Segment:

- Production freeze for 6-7 weeks;
- Operating cost optimization.

Metals Segment:

- Efficiency improvement at Alchemia;
- Decrease in EBITDA in Q2 2020 vs Q2 2019 in most Group companies.

* EBITDA margin

** Including consolidation adjustments

H1 2020 CAPEX



PLN
74.0
million



Automotive

PLN

13.4
million



Metals

PLN

53.1
million



**Alchemia
Group**

PLN

6.6
million








Chemicals

PLN

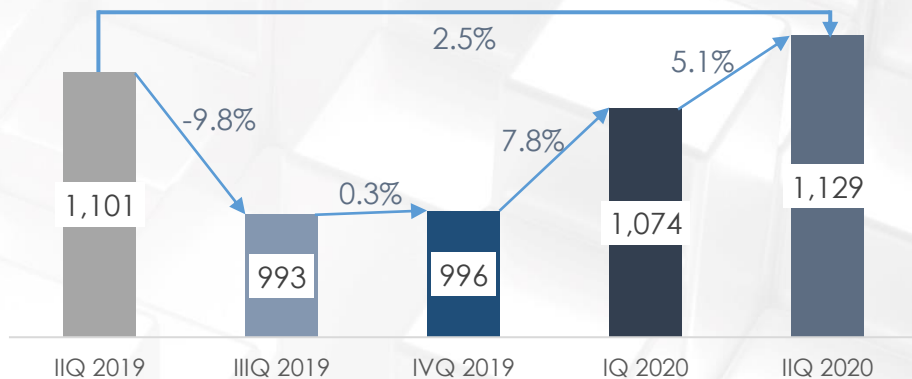
0.9
million

INNOVATIVE PROJECTS

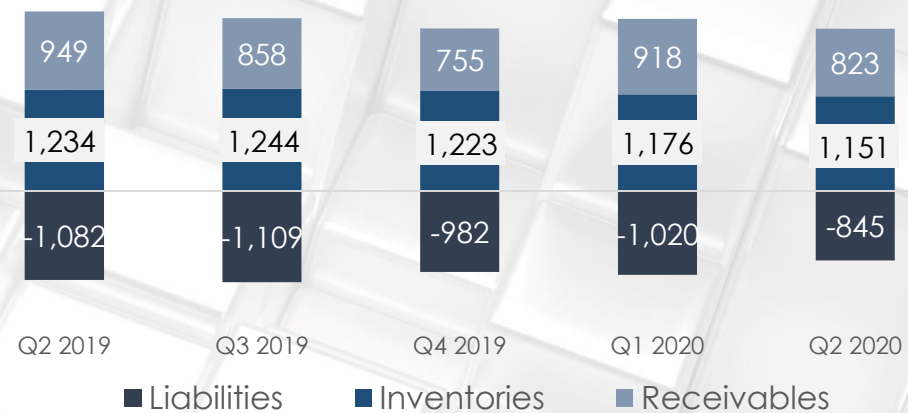
	INNOVATIVE ALUMINIUM WIRE ROD ALLOYS	<p>Innovative production technology of wire rod from high-strength aluminium alloys of 2xxx, 5xxx, 7xxx series</p>
	LOW-LOSS CABLE	<p>Reduction of transmission losses in HV (110kV) power distribution lines through the development of innovative material and design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

WORKING CAPITAL AND DEBT

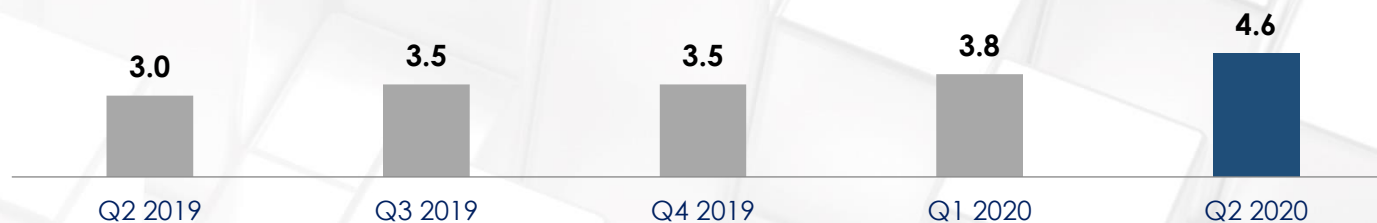
Net working capital



Receivables/Inventories/Liabilities



Net debt ratio



- Decline in metals prices;
- Lower credit limits for trade credit insurance → a drop in trade credit.

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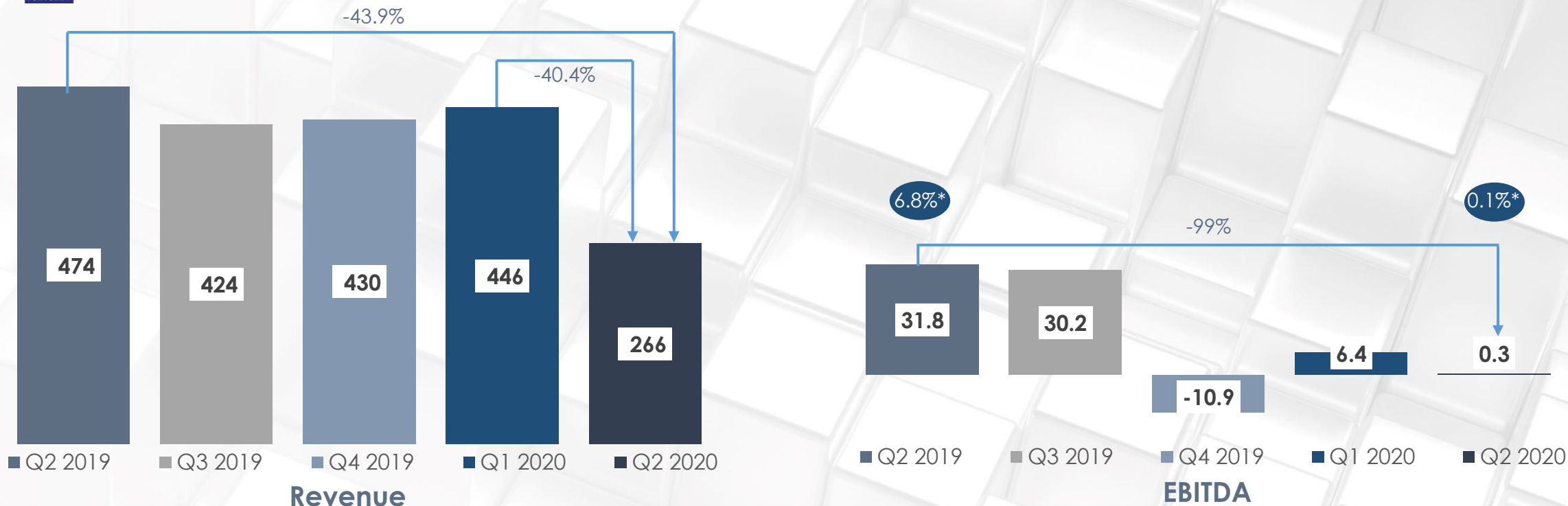
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AUTOMOTIVE SEGMENT RESULTS [PLN m]



The result of the Automotive Segment was mainly influenced by:

- Production freeze for 6-7 weeks;
- Operating cost optimization;
- Tool sale at BAP.

* EBITDA margin



NOMINATIONS FOR NEW PROJECTS

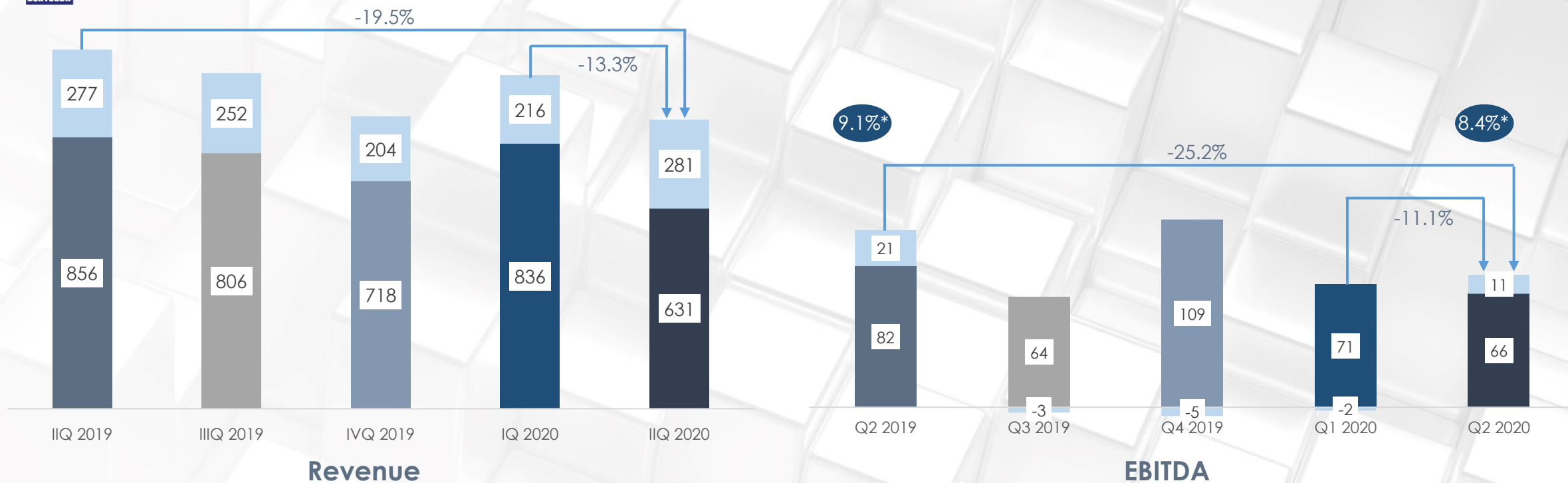
In Q2 2020, new nominations for contracts with the value of over EUR 186.6 million were required with EOP 2032*

	Value of new contracts in Q2 2020 in EUR million
BAP Group	5.8
Maflow Group	180.8

	Share of nominations concerning electric vehicles in the total value of nominations throughout the project life cycle
BAP Group	0%
Maflow Group	15.9%

* EOP - End of Production

METALS SEGMENT RESULTS [PLN m]

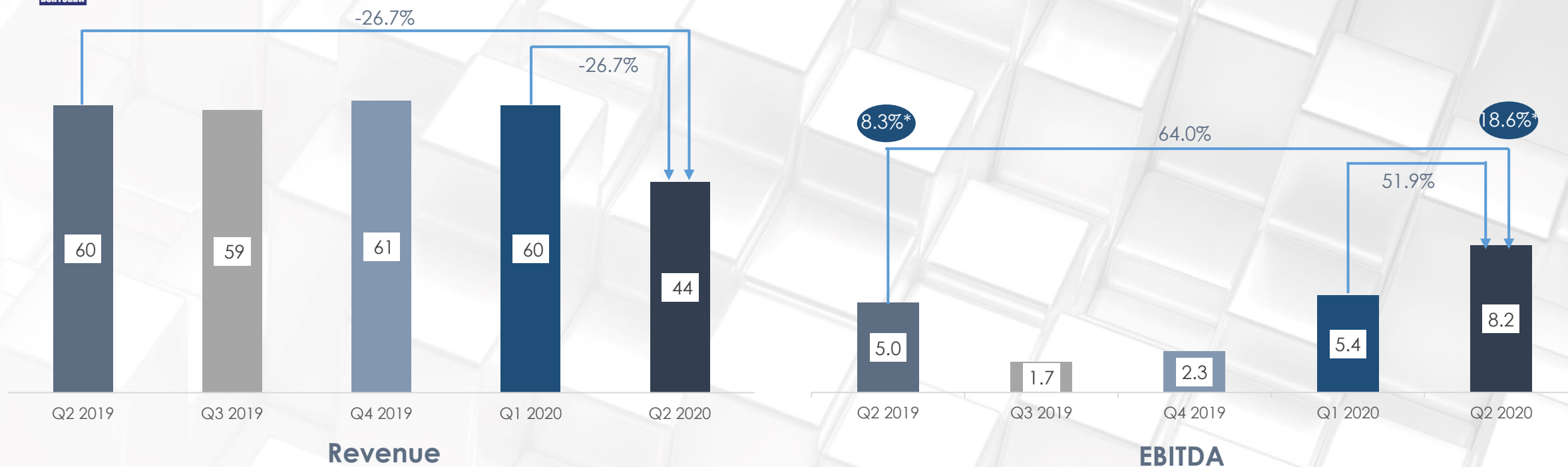


The Metals Segment's EBITDA was affected by factors such as:

- Rise of 30% in Alchemia Group's revenue.
- Decrease in revenue due to low metal prices.

* EBITDA margin

CHEMICALS SEGMENT RESULTS [PLN m]



The Chemicals Segment's EBITDA was affected by:

- Development and sales of the ERG CleanSkin product line of virucidal liquids;
- Change of sales and distribution strategy of Borygo engine coolants.

* EBITDA margin

ERG CleanSkin line of virucidal liquids



• **ERG CleanSkin** • **ERG CleanSkin+** • **ERG CleanSkin PRO** • **ERG CleanSkin FUN**

Ethanol: 72%

Isopropyl alcohol: 7.5%

Ethanol: 72%

Benzyl alcohol: ≤3%

Ethanol: 72%

Isopropyl alcohol: 7.5%

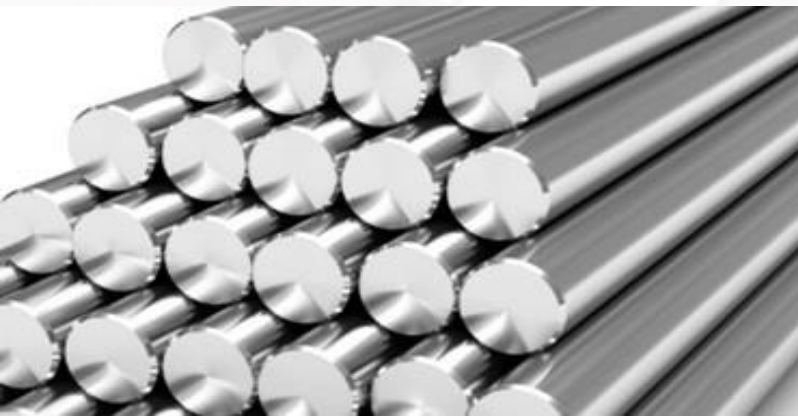
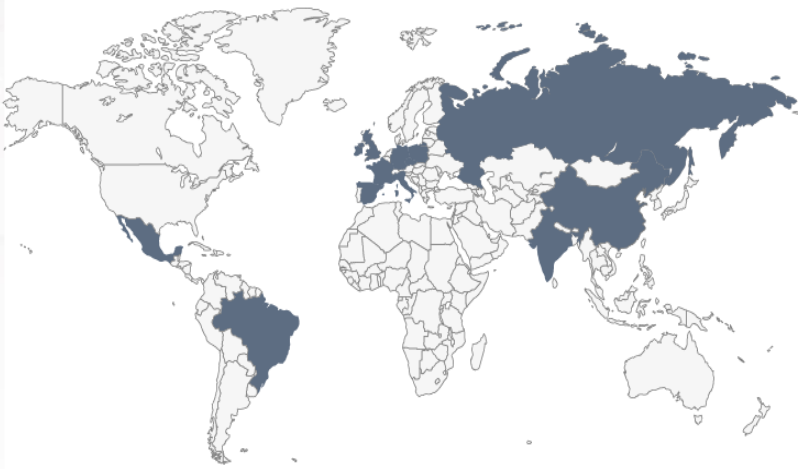
Glycerine: 5%

Ethanol: 72%

Isopropyl alcohol: 7.5%

Glycerine: 5% (hypoallergenic)

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PROSPECTS FOR THE NEXT QUARTERS

- Perceptible economic slowdown;
- Recovery of sales volumes in the automotive sector;
- Price pressure on the prices of products and materials;
- Obtaining funds from COVID-19 assistance programs;
- Lower costs of energy resources (electricity, gas);
- Switching to low-carbon energy sources.



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GROUP**

Thank you!