

BORYSZEW GROUP

Q2 2022 FINANCIALS



**BORYSZEW
GROUP**





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of Q2 2022**

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KEY FACTORS AFFECTING THE GROUP'S PERFORMANCE IN Q2 2022



High demand for steel and metal products

driven by the economic environment



Crisis in the automotive sector

caused by the lack of semiconductors and wire harnesses



Falling prices of major raw materials and rising utility prices

used as inputs in production processes



Good financial ratios

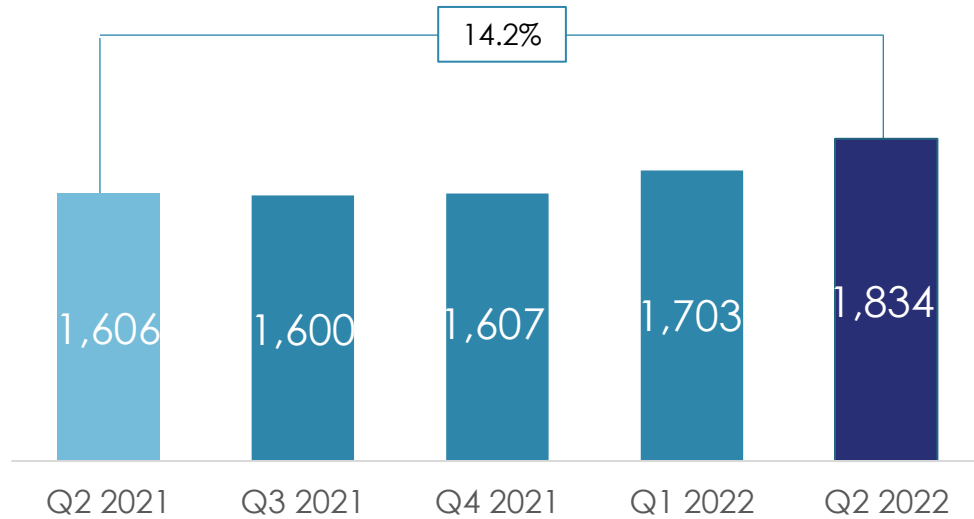
- further reduction in working capital (down 20% on Q2 2021)
- net debt ratio: 1.3



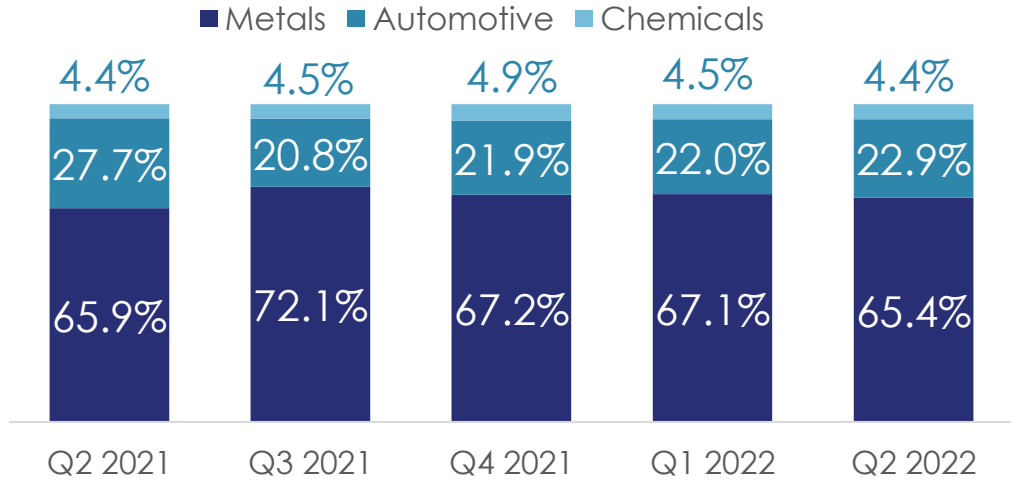


Q2 2022 SUMMARY

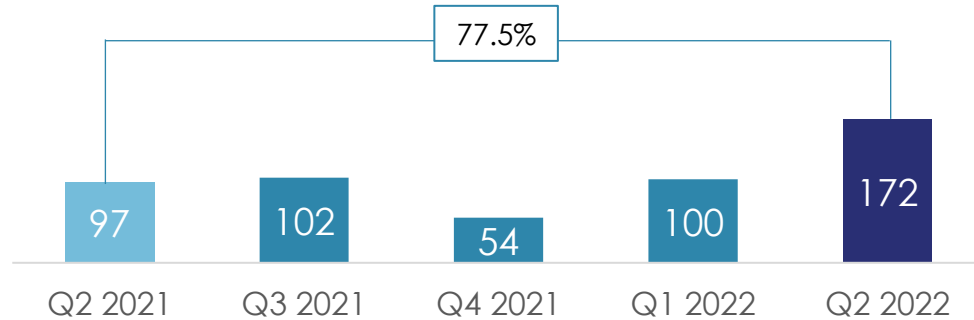
Consolidated revenue [PLN m]



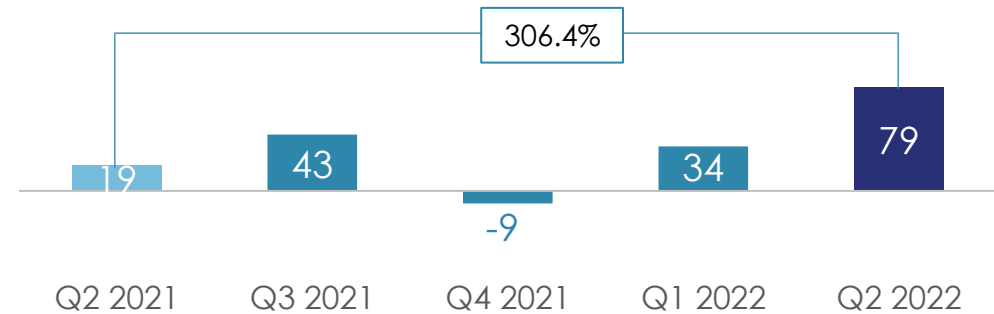
Revenue by segment



Consolidated EBITDA [PLN m]



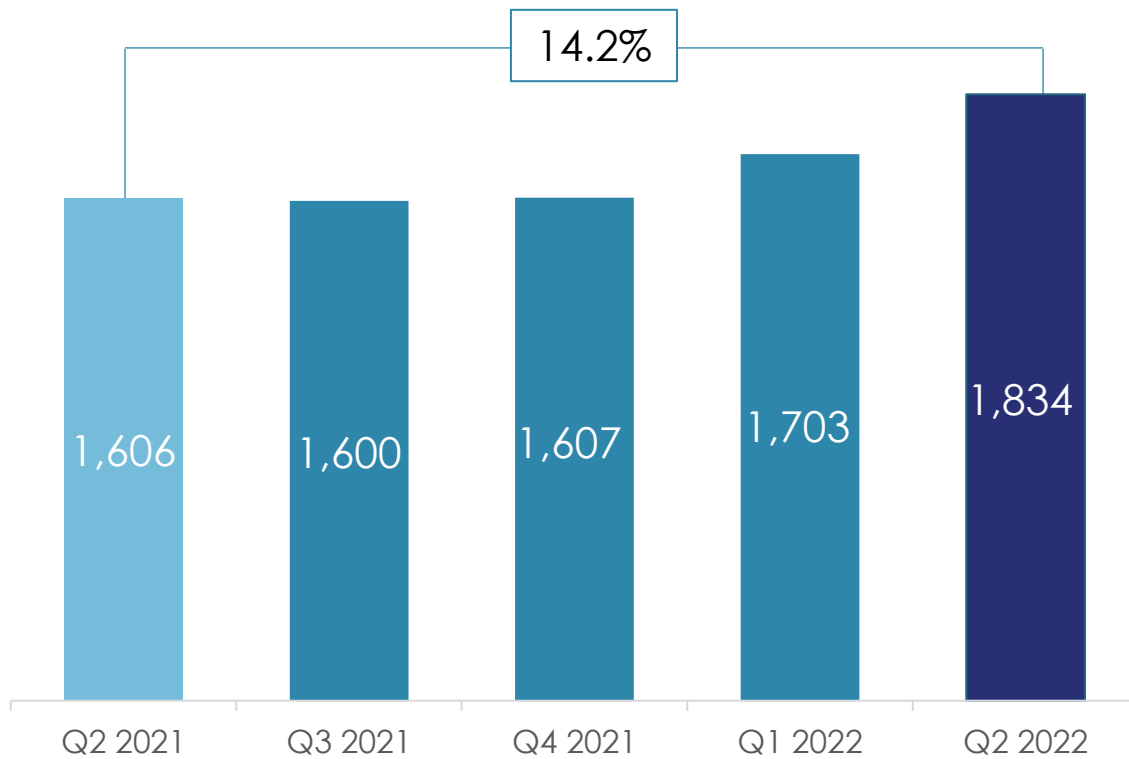
Consolidated net profit [PLN m]



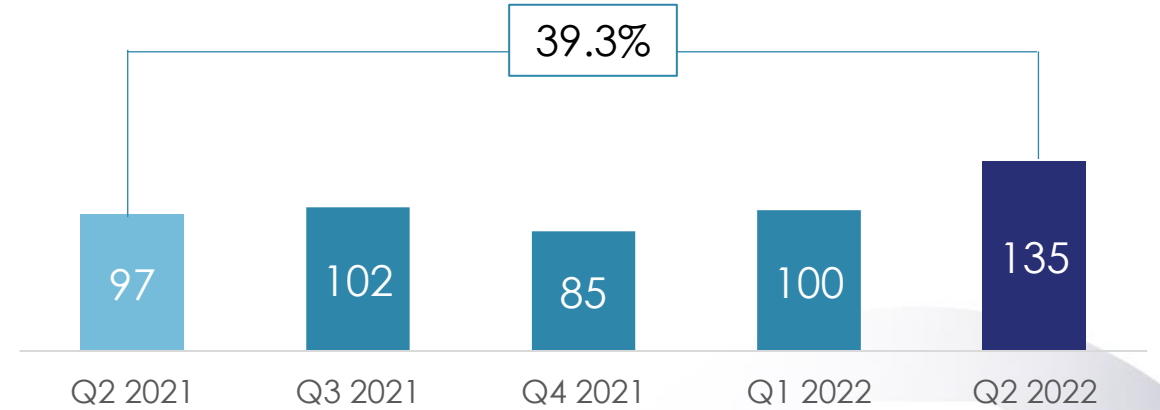


Q2 2022 SUMMARY

Consolidated revenue [PLN m]



Consolidated EBITDA* [PLN m]



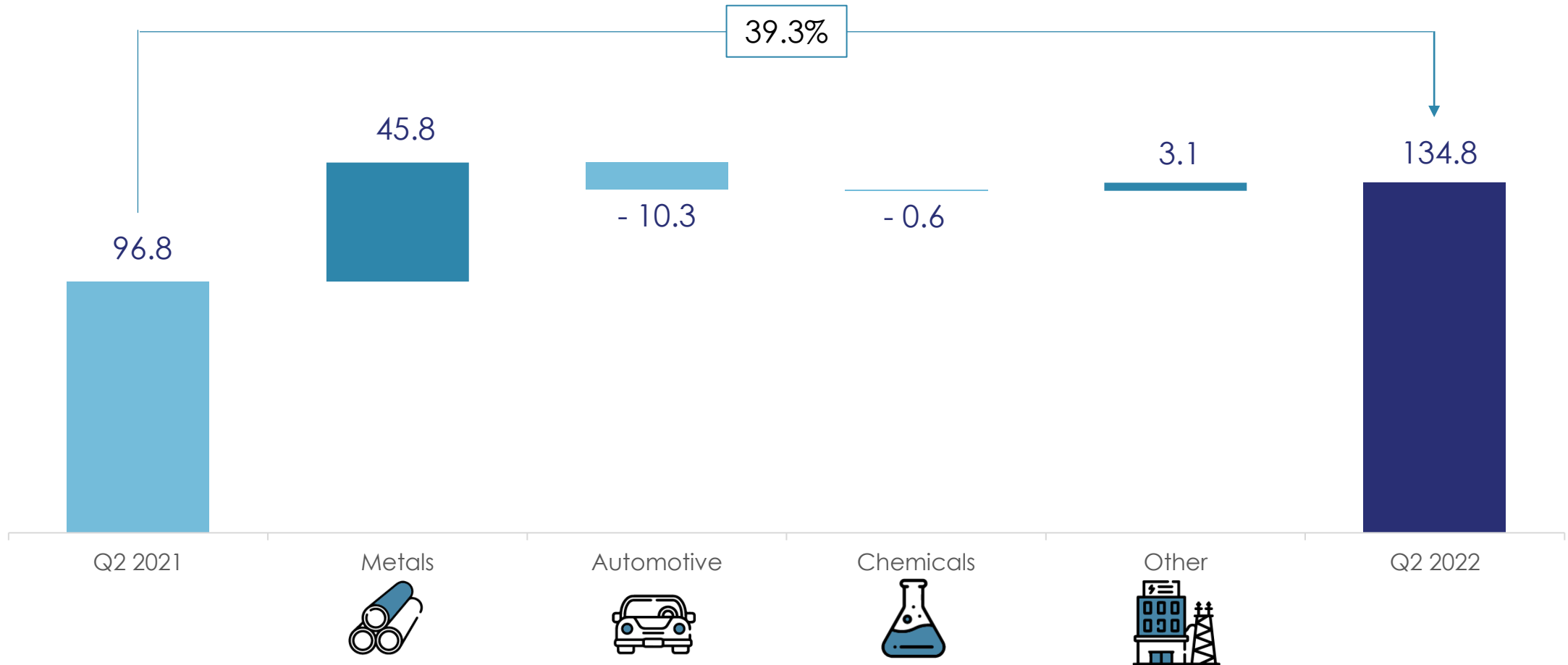
One-offs items (PLN m)	Q4 2021	Q2 2021
Impairment of assets	31	
Sale/liquidation of assets		-60
Provision for risks		23

* Adjusted for one-offs



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Q2 2022 EBITDA* BRIDGE [PLN m]

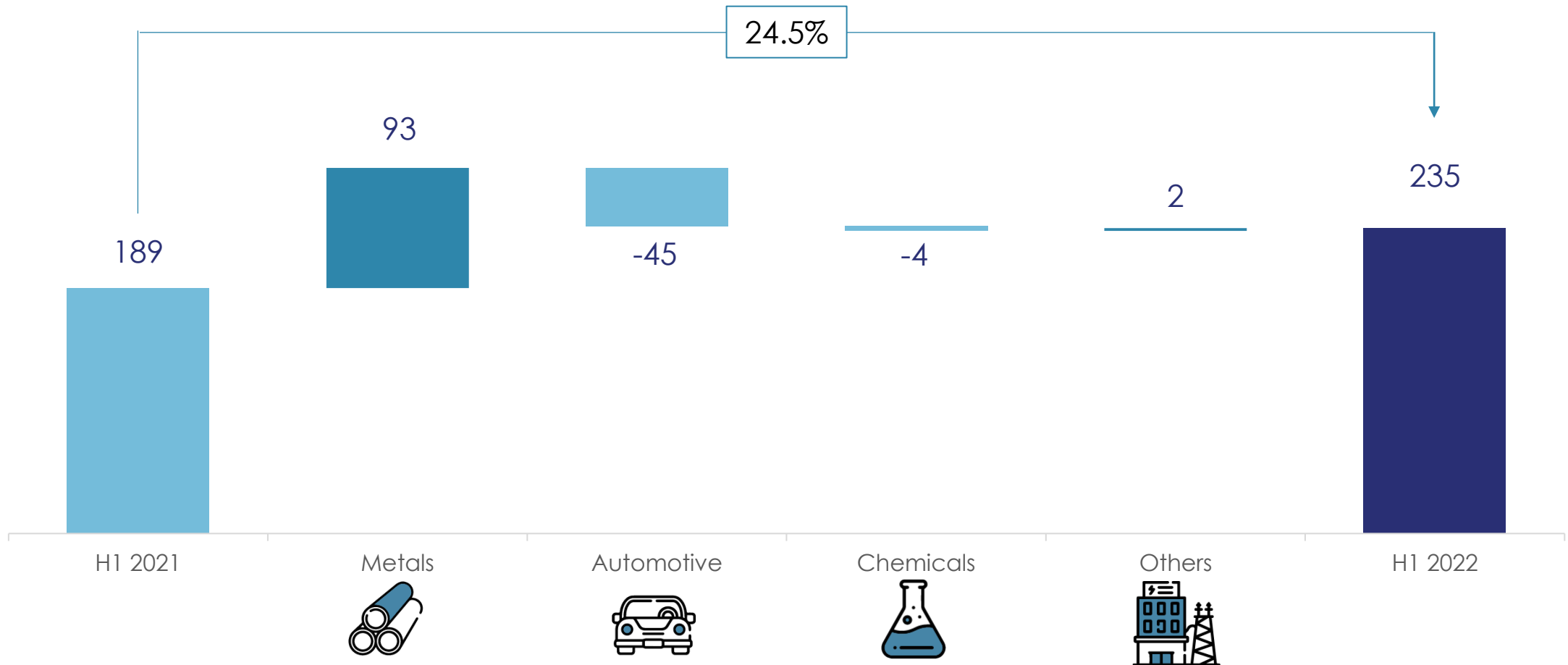


* Adjusted for one-offs



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H1 2022 EBITDA* BRIDGE [PLN m]



* Adjusted for one-offs



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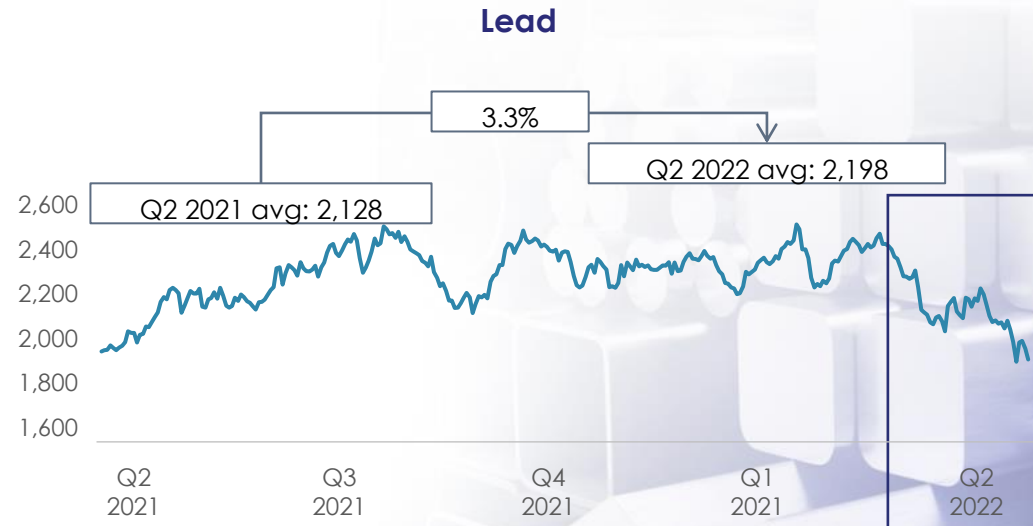
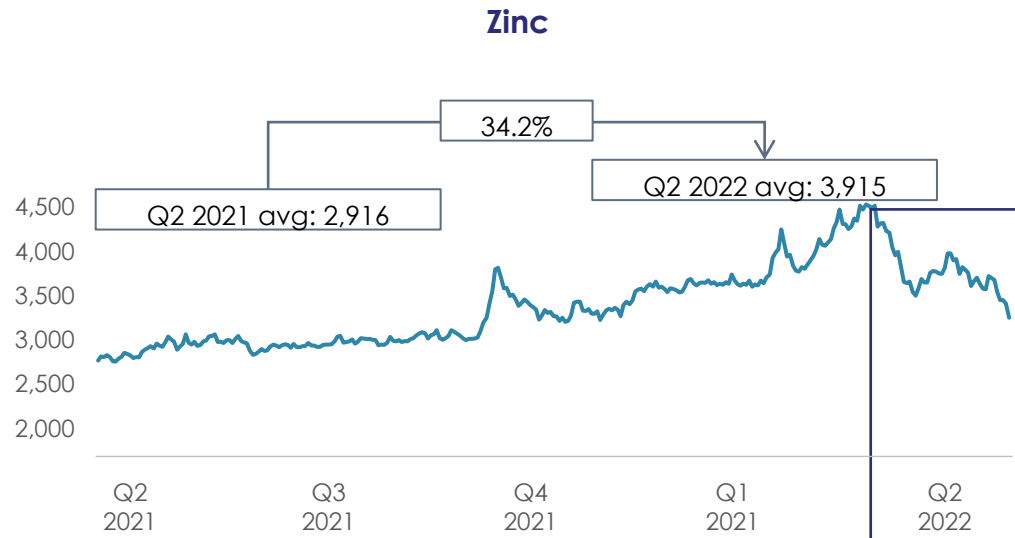
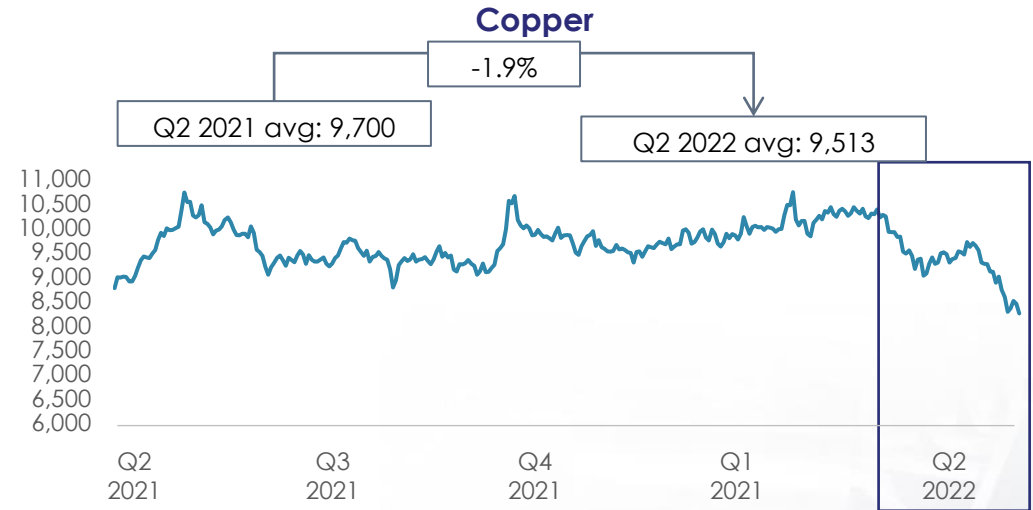
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PRICE QUOTATIONS OF KEY METALS [USD/t]





CURRENCY EXCHANGE RATES

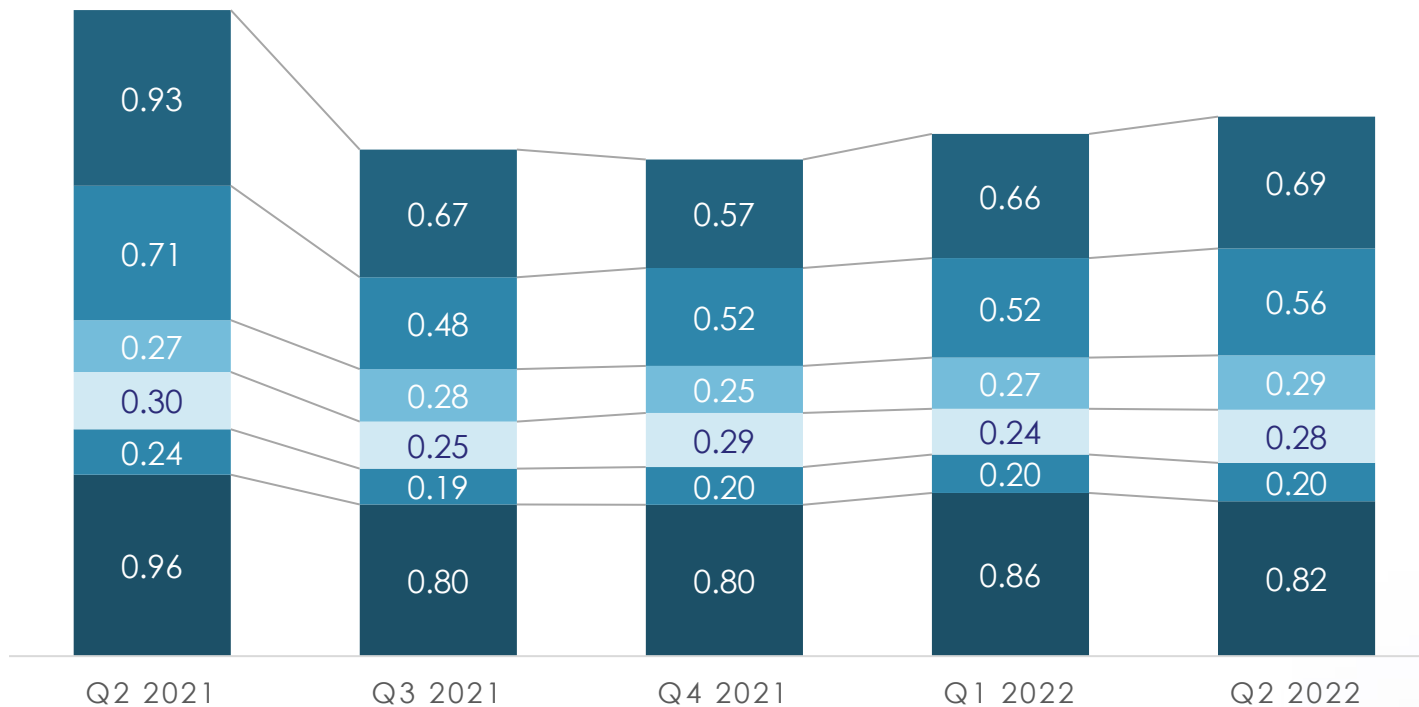




EUROPEAN AUTOMOTIVE MARKET

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

■ Other ■ BMW Group ■ Renault Group ■ HYUNDAI & KIA ■ Stellantis ■ VW Group



In Q2 2022, new passenger registrations in Europe declined by 16% Y/Y to 2.84 million vehicles but grew by 3% Q/Q.



* European Automobile Manufacturers Association



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KEY CONSOLIDATED FINANCIALS [PLN m]

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Y/Y change Q2 2022 vs Q2 2021
Revenues	1,606	1,600	1,607	1,703	1,834	14.2%
EBIT	55	59	38	56	91	66.0%
EBITDA*	97	102	85	100	135	39.3%
EBITDA margin	6.0%	6.4%	5.3%	5.9%	7.3%	1.3 pp

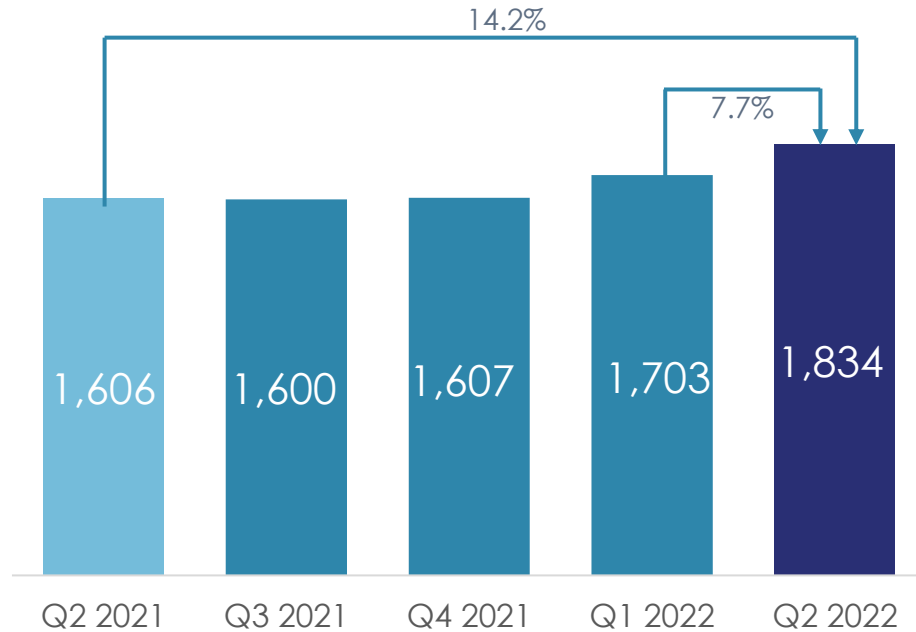
Q2 2022 vs Q2 2021 change

- Revenue growth of 14.2% Y/Y and of 7.7% Q/Q;
- EBITDA margin of 7.3% on the back of the strong performance of the Metals Segment (Segment's EBITDA margin: 10.1%).

* Adjusted for one-offs



CONSOLIDATED REVENUE [PLN m]



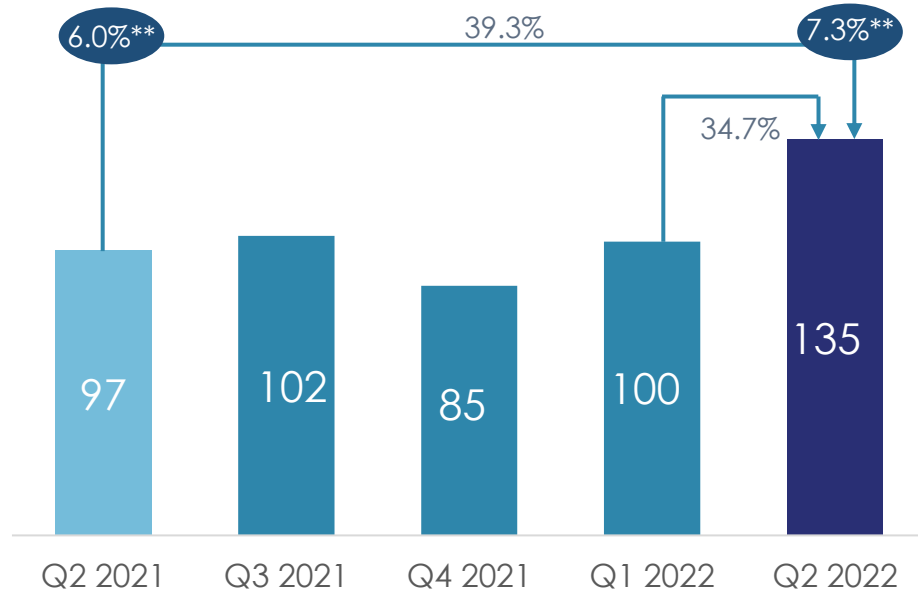
Revenue by segment [PLN m]	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Change Q2 2022 vs Q2 2021
Metals	1,058	1,153	1,081	1,142	1,200	13.4%
Automotive	445	332	352	375	419	-5.8%
Chemicals	70	72	79	77	80	14.2%
Other*	33	42	95	109	134	309.1%

- Revenue growth in the Metals Segment as a result of high demand despite a drop in prices of metals on LME;
- Rising revenue in the Automotive Segment, up 11.8% Q1 2022 vs Q2 2022;
- Other: Revenue growth due to higher gas and electricity prices (Boryszew Energy).

* Including consolidation adjustments



CONSOLIDATED EBITDA* [PLN m]



Consolidated EBITDA by segment [PLN m]		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
	Metals	75.1	82.5	93.8	99.0	120.9
	Automotive	18.2	4.2	0.1	-1.7	7.9
	Chemicals	4.7	5.2	-15.1	3.7	4.1
	Other***	-1.2	10.0	6.2	-1.0	1.8

- Consolidated EBITDA up by +39.3% on Q2 2021 and 34.7% on Q1 2022 thanks to the EBITDA growth in the Metals Segment;
- Improved performance of the Automotive Segment in Q2 2022 attributable to the effects of restructuring;
- Chemicals Segment: back to the level of Q2 2021 like-for-like (excluding the result of Elana PET sold last year).

* Adjusted for one-offs

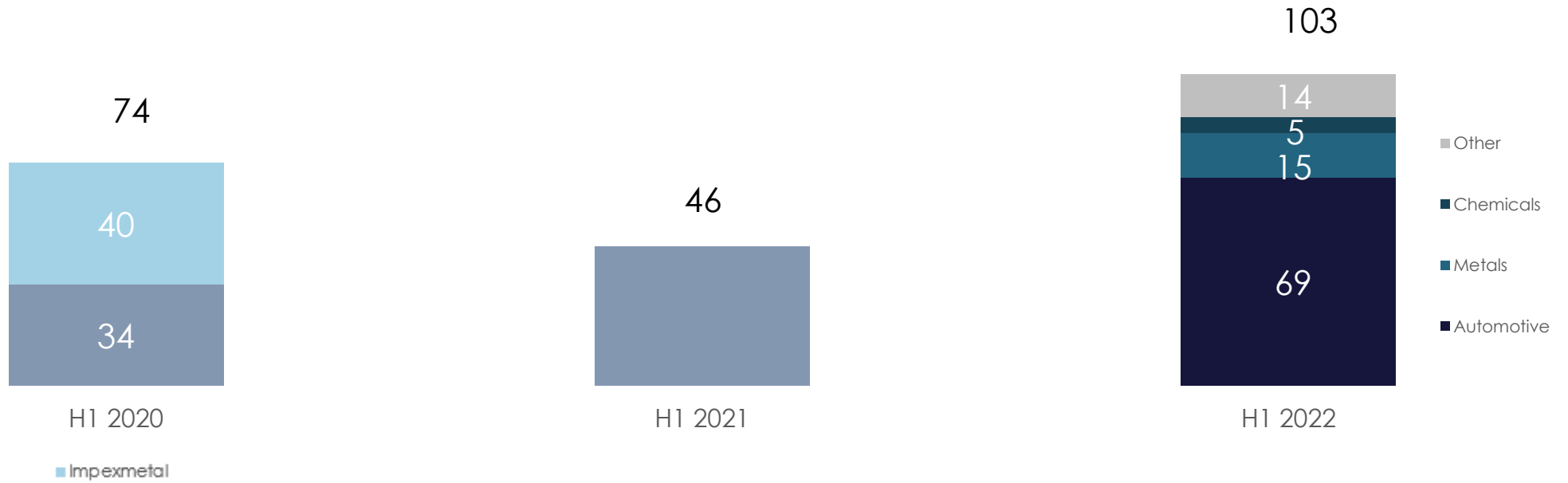
** EBITDA margin

*** Including consolidation adjustments



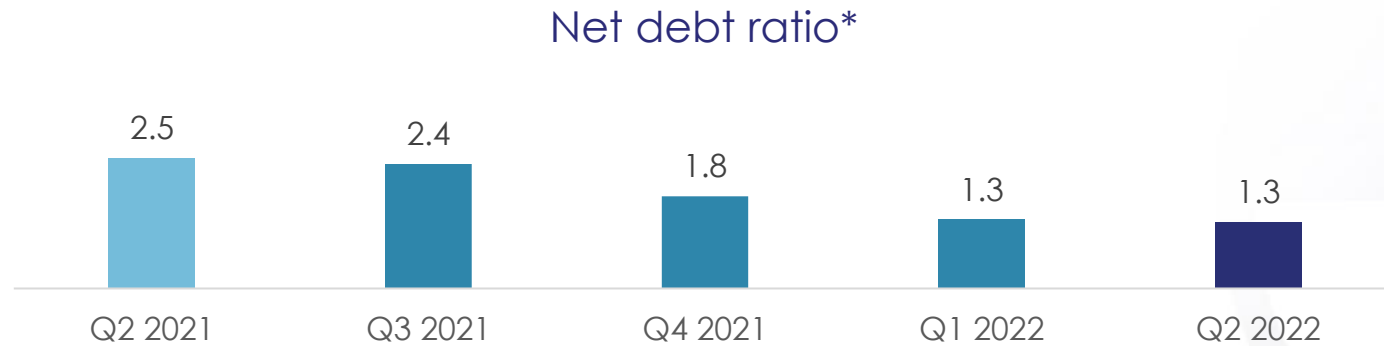
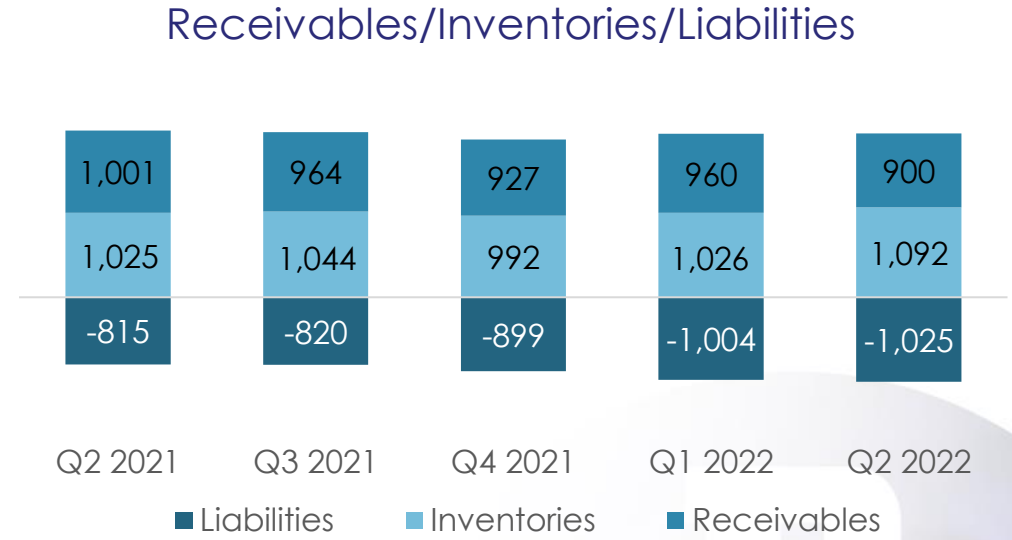
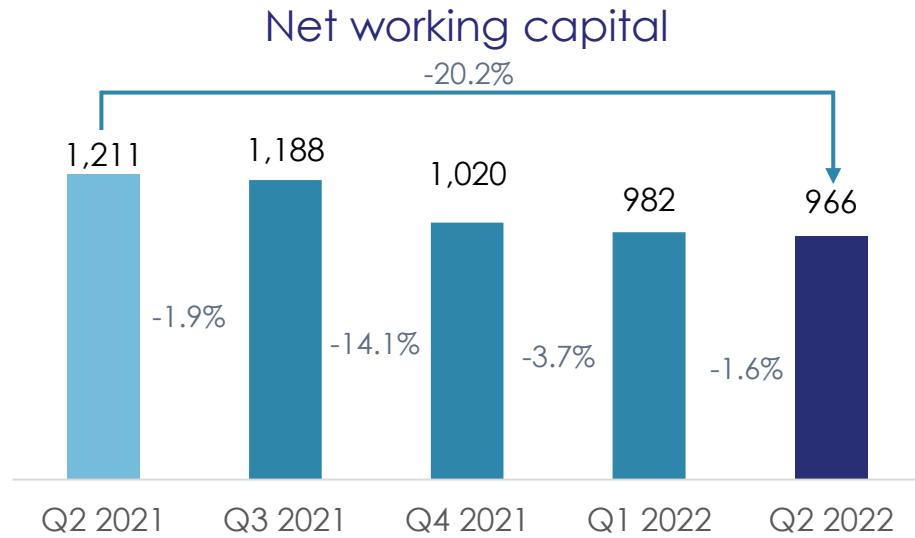
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CAPITAL EXPENDITURES [PLN m]





WORKING CAPITAL AND DEBT



* Net debt / EBITDA adjusted for one-offs



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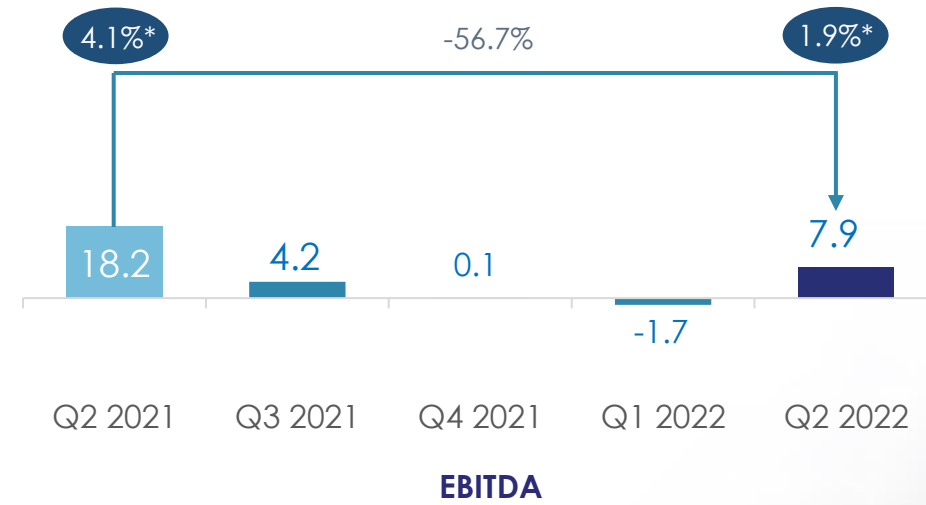
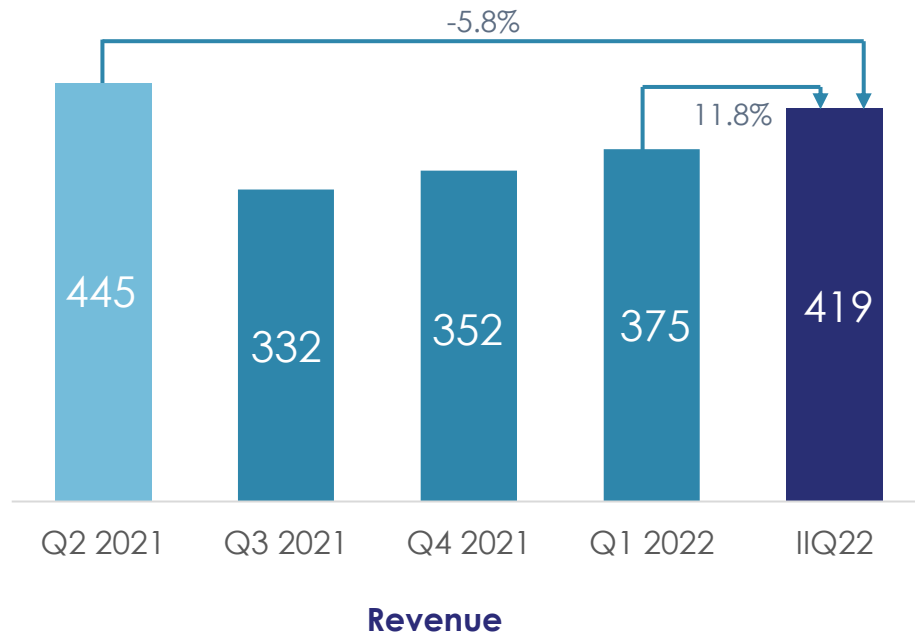
Prospects for the
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AUTOMOTIVE SEGMENT RESULTS [PLN m]

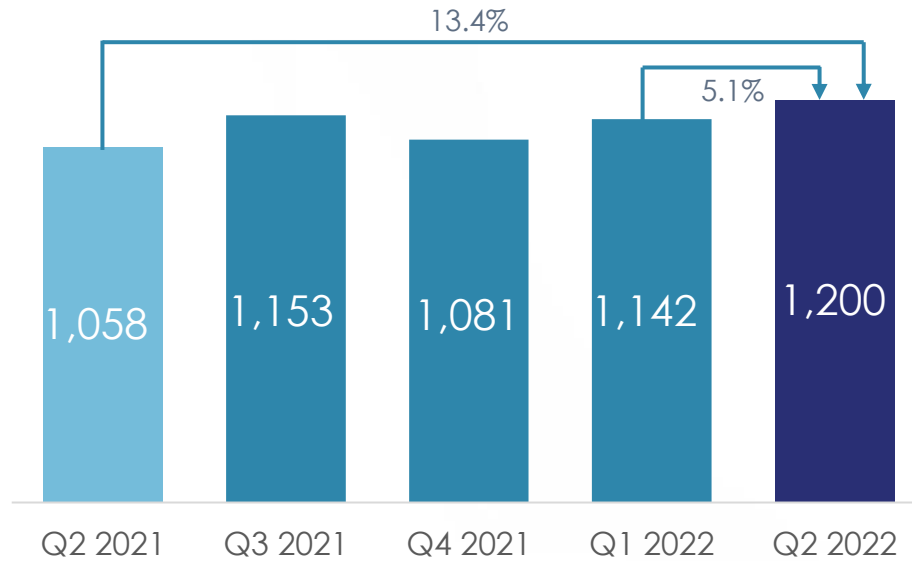


- Revenue growth of 11.8% on Q1 2022 despite:
 - lower volumes of orders due to the economic climate in Europe;
 - limited availability of semiconductors and wire harnesses used for car manufacturing;
- New car registrations down by 16% on Q2 2021 and up by 3% on Q1 2022.

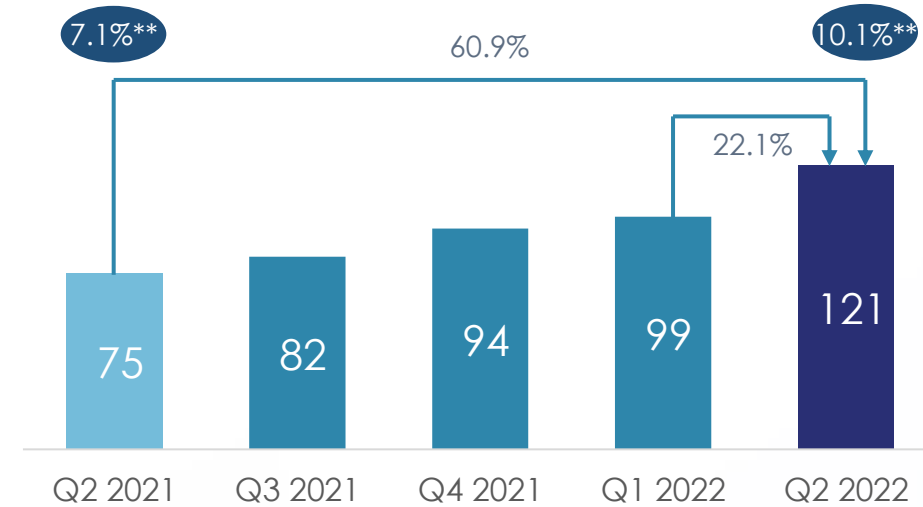
* EBITDA margin



METALS SEGMENT RESULTS [PLN m]



Revenue



EBITDA*

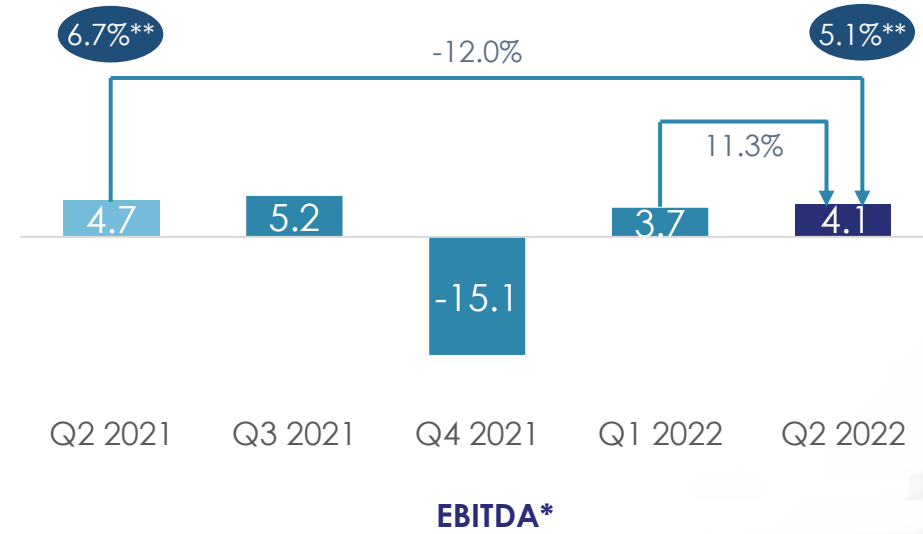
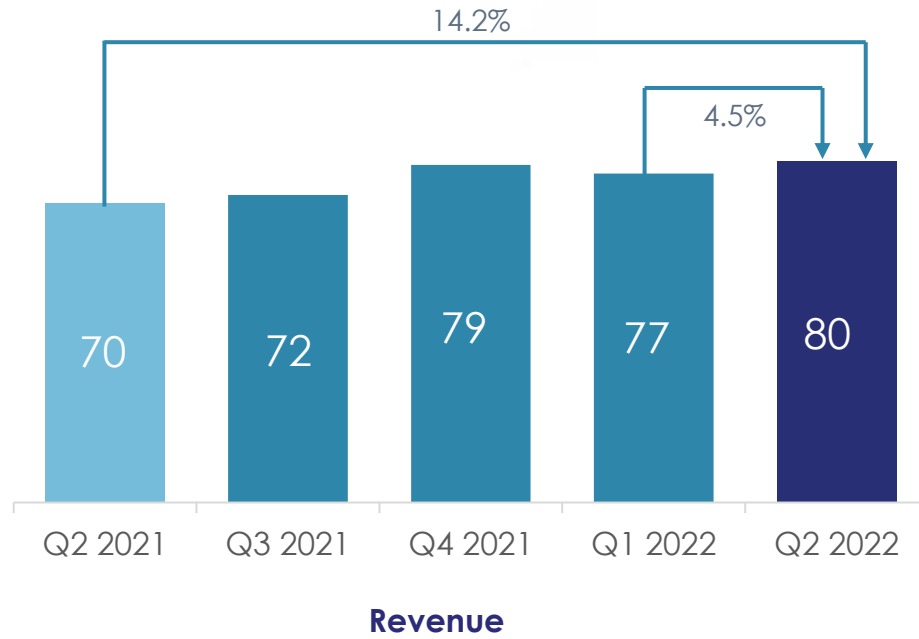
- Revenue growth as a result of high demand despite falling metals prices on the LME;
- Segment's EBITDA up by 22.1% on Q1 2022 mainly due to high demand for steel products.

* Adjusted for one-offs
** EBITDA margin





CHEMICALS SEGMENT RESULTS [PLN m]



- Stable revenue on the back of launch of new product range and expansion into new markets;
- Segment's EBITDA margin – back to the level of Q2 2021 like-for-like (excluding Elana PET sold last year).



* Adjusted for one-offs
** EBITDA margin



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Product portfolio development



- **AluClean ERG** – a new range of innovative aluminium cleaning fluids for industrial applications

ALUCLEAN^{ERG}



- **Borygo Runway KF 3** – toxic-free de-icing fluids for railway infrastructure and for locomotives and trains

borygo



- **Borygo Mine I** – de-icing fluids for loose minerals (coal) in storage and transport

borygo





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PROSPECTS FOR THE COMING QUARTERS

**Strategy
implementation**

**Recovery in the
automotive sector
driven by growth in
sales of electric
vehicles**

**Less investment activity
and lower demand for
products**

**Rising inflation and
interest rates**

**Leveraging competitive
advantages amid
changing market environment**

**Limited availability and
rising prices of
gas and electricity**

**Continued restructuring
of the BAP Group**

**Depreciation of PLN
against key world
currencies as an
opportunity for exports
of the Group's products**



Thank you!

Boryszew Group is:

- one of the largest private industrial groups in Poland;
- the largest non-ferrous metals processing group in Poland and CEE;
- the largest manufacturer of automotive components in Poland.

The Group operates 35 manufacturing plants and 6 R&D centres located in Europe, Asia, and in North and South America.



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