

# BORYSZEW GROUP

FY 2022 FINANCIALS



**BORYSZEW  
GROUP**





**BORYSZEW  
GROUP**

A photograph of a glowing orange molten metal ladle in an industrial setting.

**1.**

**FY 2022  
Summary &  
Consolidated  
Results**

A photograph of several large, coiled steel cables or wires.

**2.**

**Performance of  
business  
segments**

A photograph of a blue electric car parked at a green charging station at night.

**3.**

**Prospects for the  
coming quarters**





# KEY FACTORS AFFECTING THE GROUP'S PERFORMANCE IN FY 2022



## High prices in Q1-Q3

Shorter supply chains due to the war

## Lower demand in Q4 in Metals Segment

in the wake of the economic slowdown



## Easing supply crunch in the automotive sector

Growth of orders noticeable in Q3 and Q4



## Lower prices of key raw materials and higher prices of utilities

used in production processes

## Rising inflation

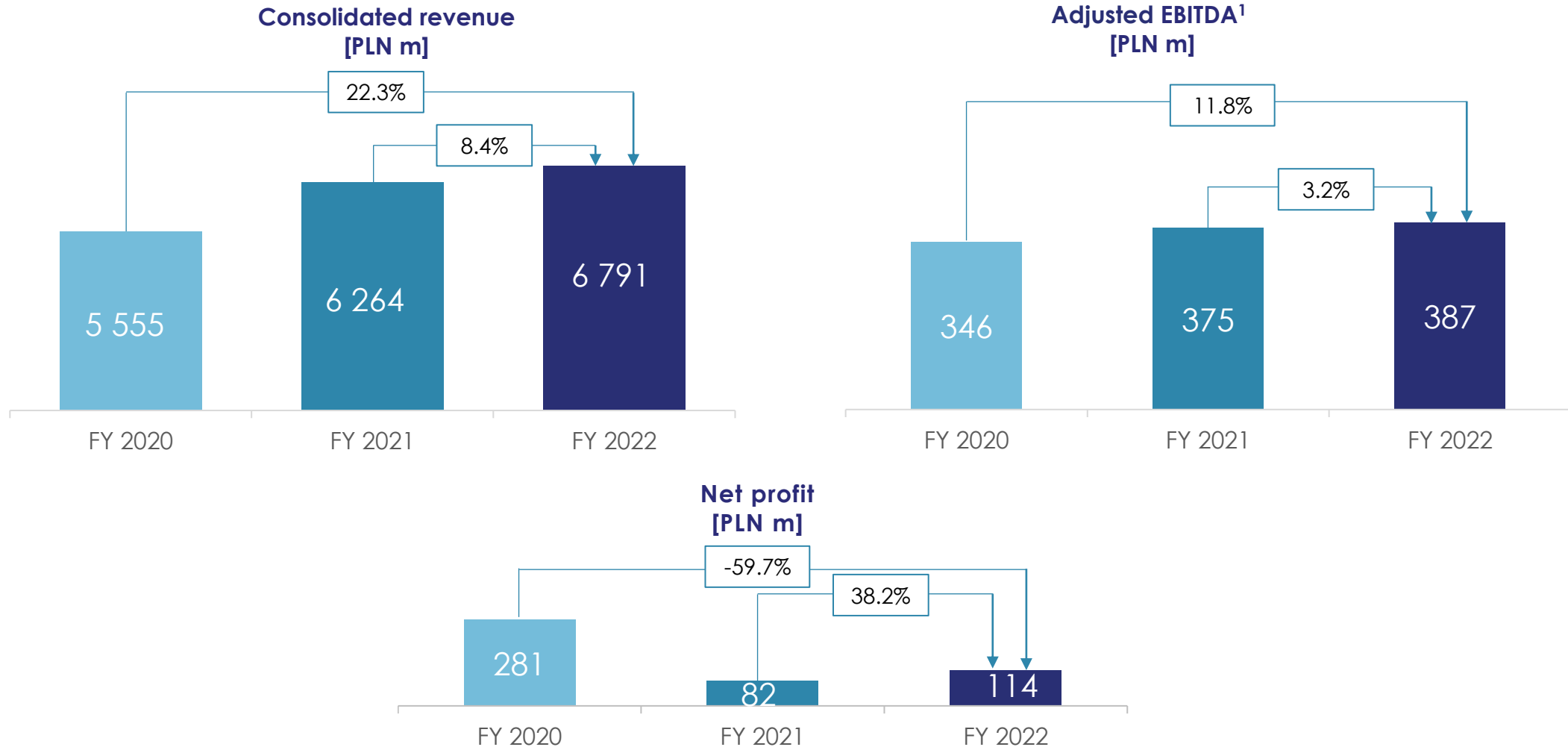


## Good financial ratios:

- continued decline in working capital – down by 3.9% vs Q4 2021,
- stable net debt ratio: 1.7.



# FY 2022 SUMMARY

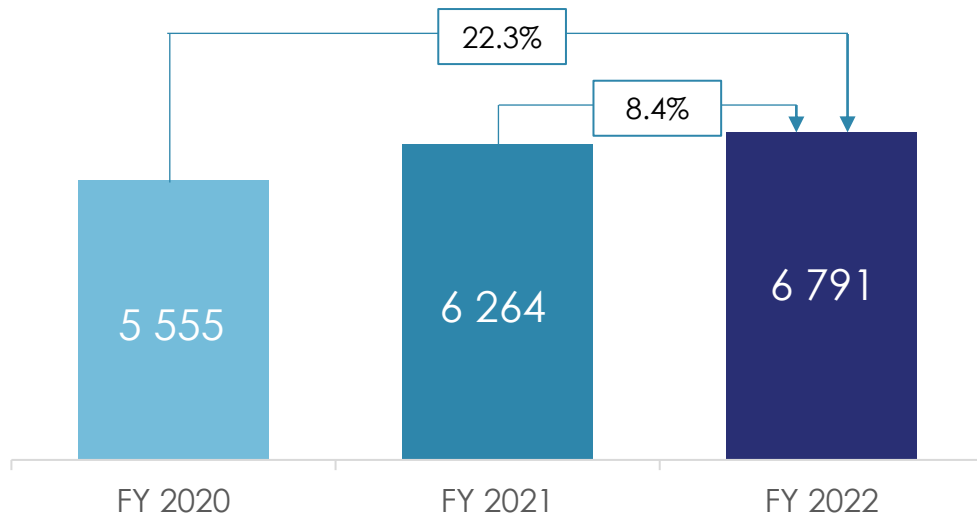


<sup>1</sup> Adjusted for one-offs

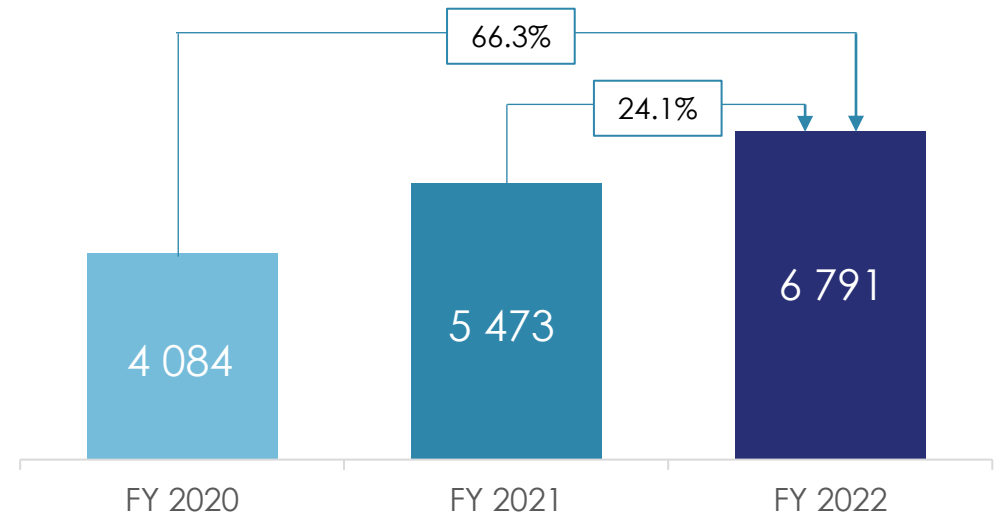


# FY 2022 SUMMARY

Consolidated revenue  
[PLN m]



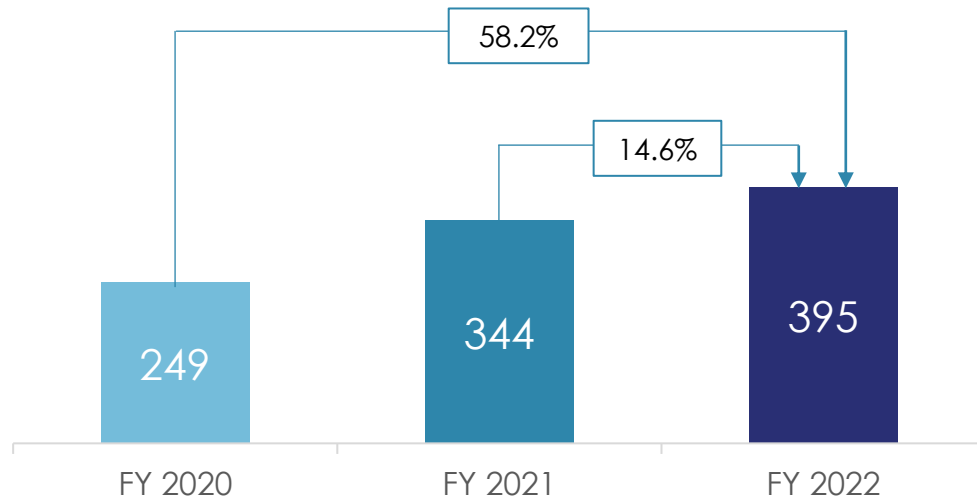
Comparable basis consolidated revenue  
[PLN m]



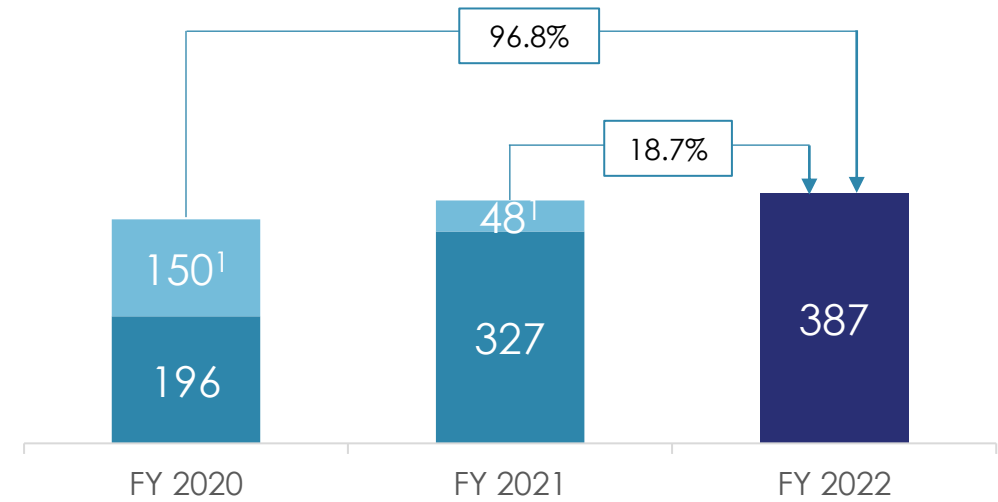


# FY 2022 SUMMARY

**Reported EBITDA  
[PLN m]**



**Adjusted EBITDA  
[PLN m]**

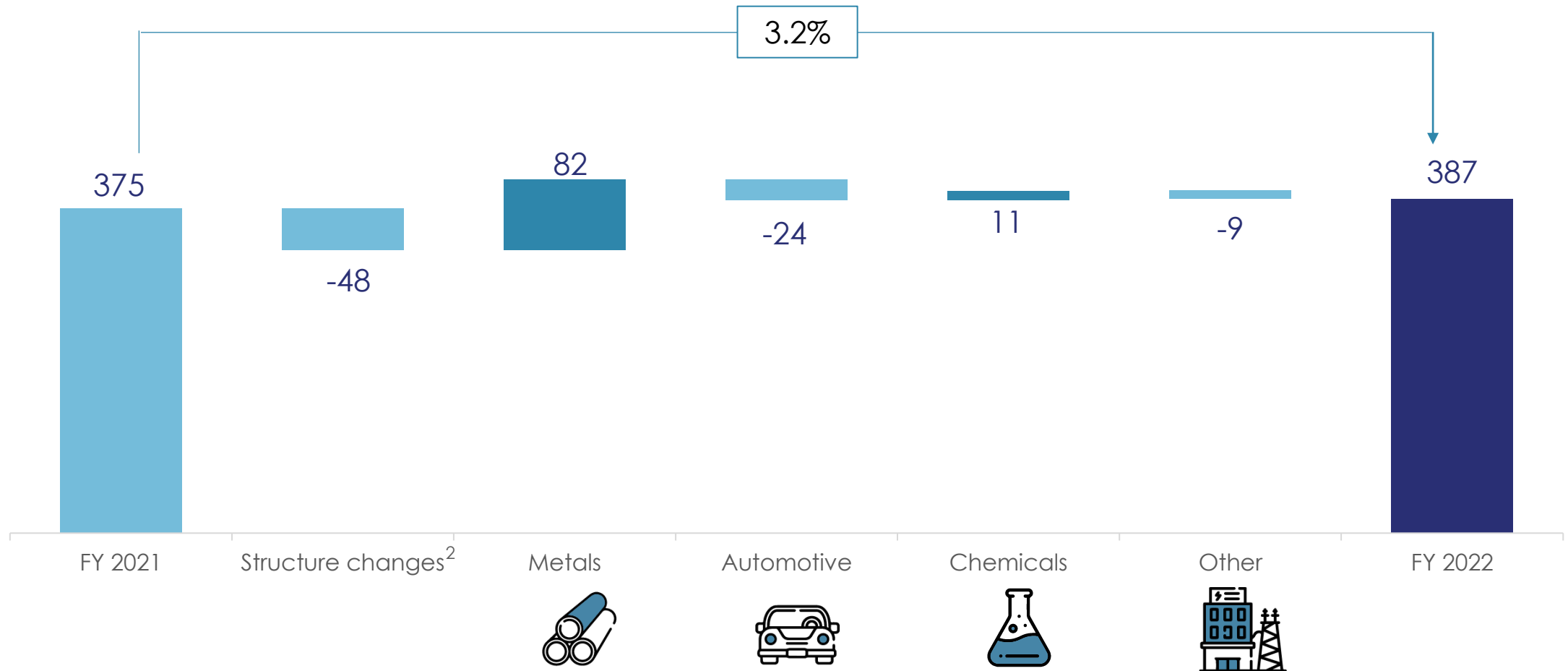


<b>One-offs [PLN m]</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Impairment of assets		31	30
Asset sale/liquidation			-60
Provision for risks	97		23

<sup>1</sup> Structure changes: sale of Impexmetal, F&T and Elana PET, and Hutmen – termination of operations



## FY 2023 EBITDA<sup>1</sup> BRIDGE [PLN m]

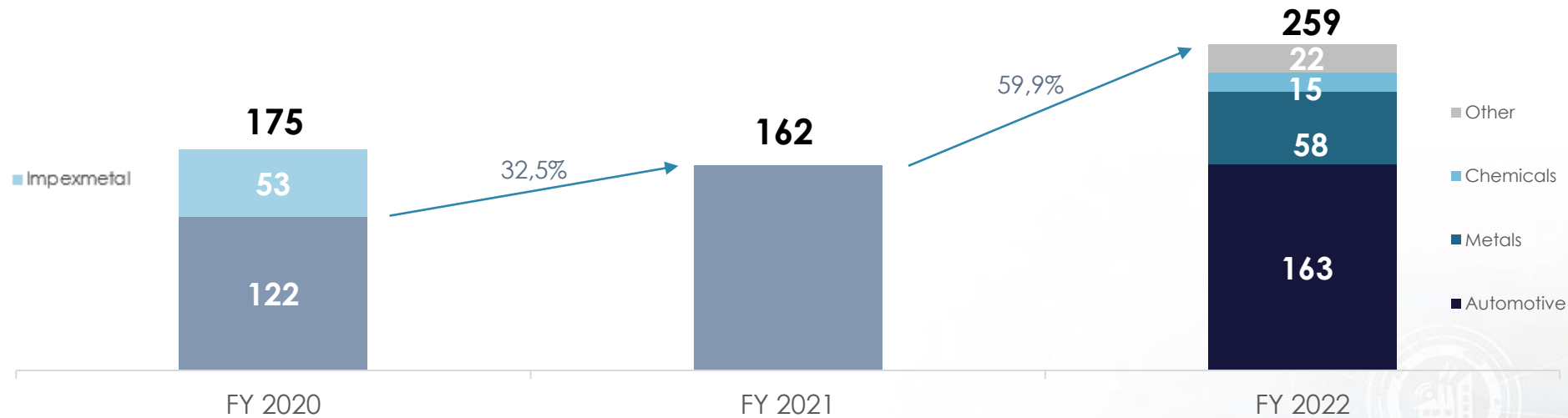


<sup>1</sup> Adjusted for one-offs

<sup>2</sup> Structure changes: sale of F&T and Elana PET, and Hutmen – termination of operations



## CAPITAL EXPENDITURES [PLN m]

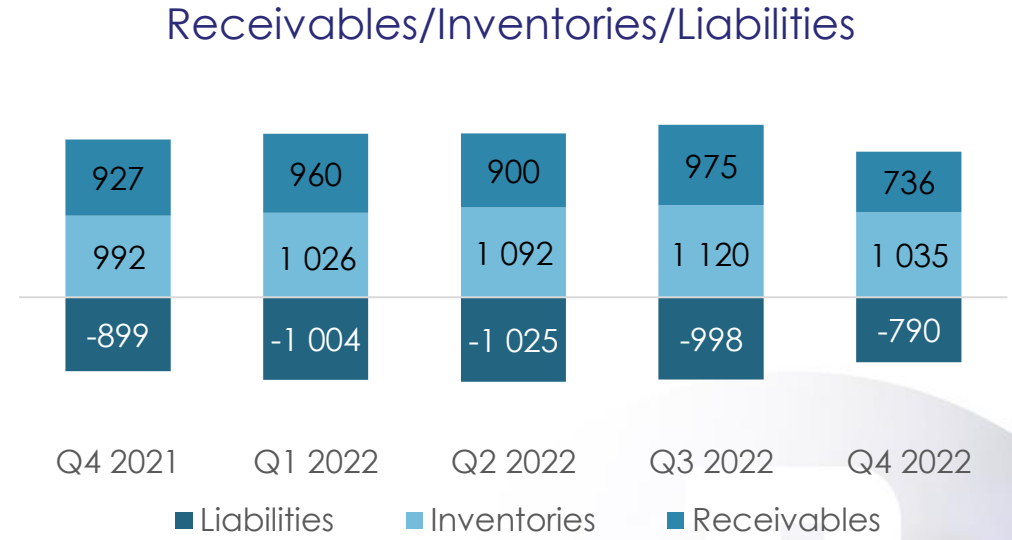
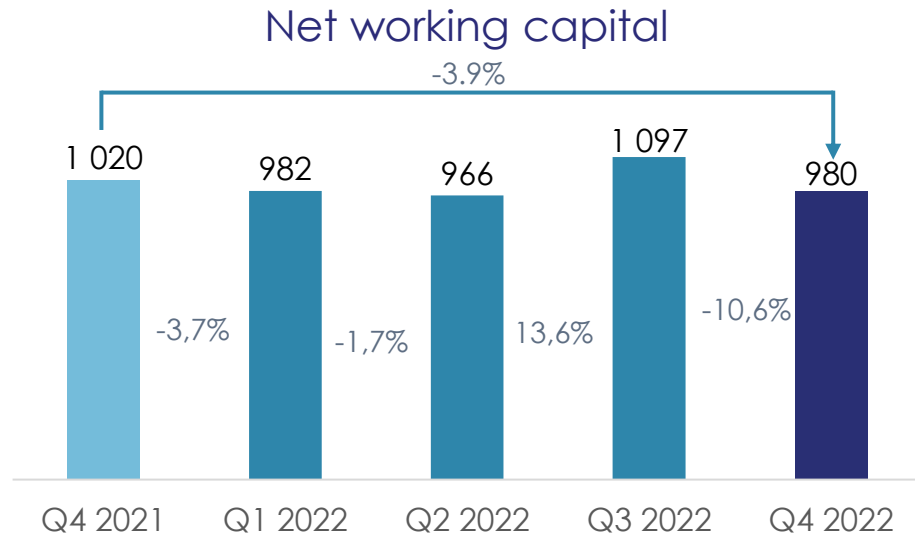


- CAPEX doubled on FY 2020 and up by 60% on FY 2021;
- Development investment – PLN 145 million, including:
  - Automation of the production process of A/C tubes for electric cars – PLN 119 million;
- Replacement investment – PLN 114 million.





## WORKING CAPITAL AND DEBT [PLN m]

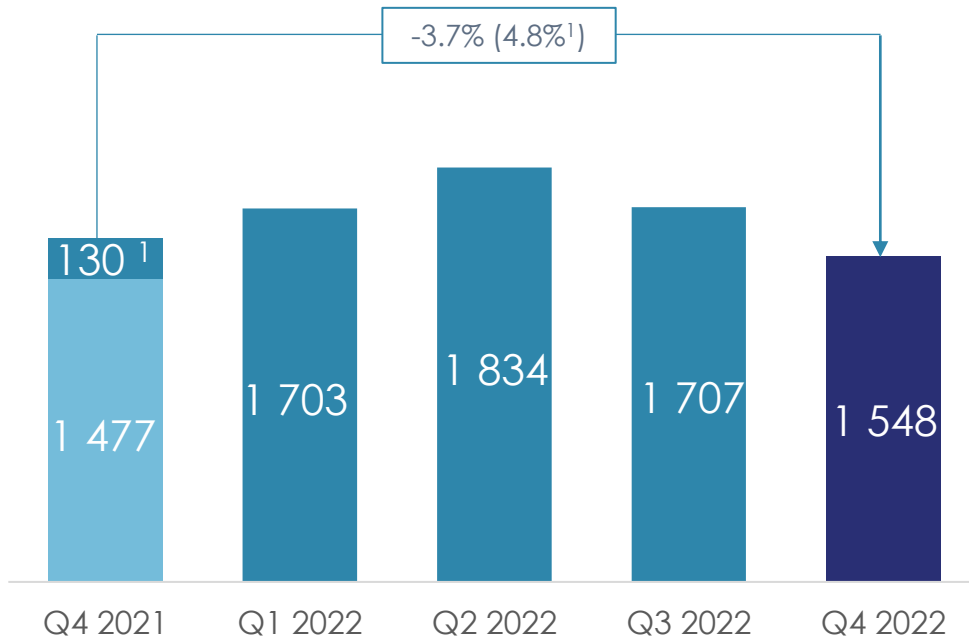


<sup>1</sup> Net debt/EBITDA (adjusted for one-offs)

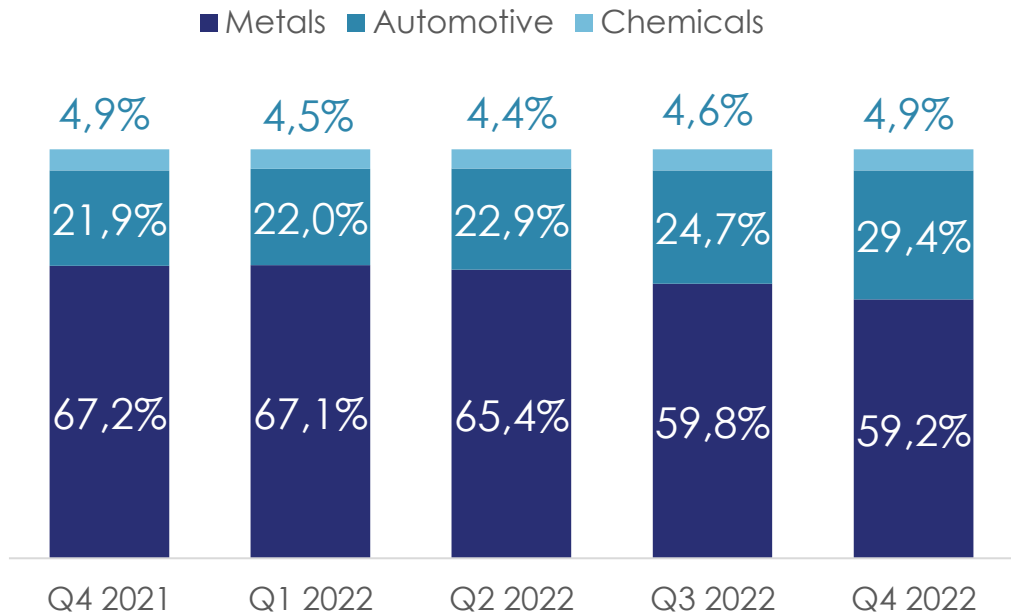


# FY 2022 SUMMARY

Consolidated revenue  
[PLN m]



Revenue by segment

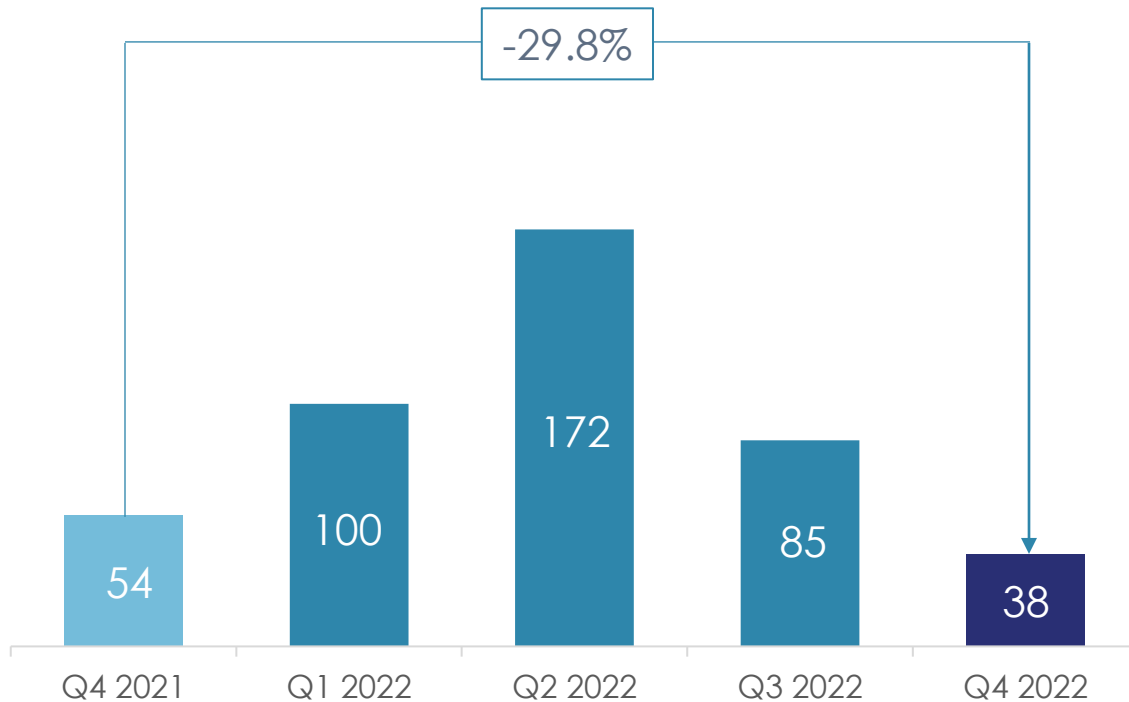


<sup>1</sup> Structure changes: sale of F&T and Elana PET, and Hutmen – termination of operations

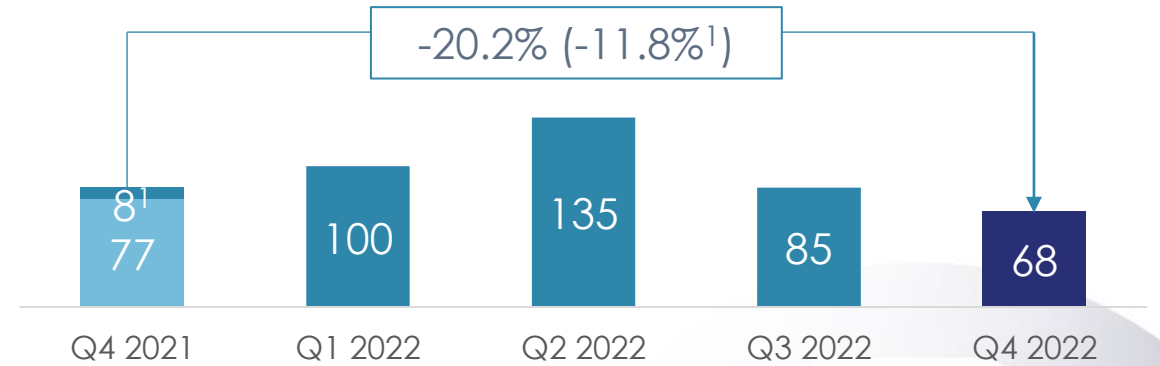


# FY 2022 SUMMARY

**Reported EBITDA  
[PLN m]**



**Adjusted EBITDA  
[PLN m]**



<b>One-offs [PLN m]</b>	<b>Q4 2021</b>	<b>Q2 2022</b>	<b>Q4 2022</b>
Impairment of assets	31		30
Asset sale/liquidation		-60	
Provision for risks		23	

<sup>1</sup> Structure changes: sale of F&T and Elana PET, and Hutmen – termination of operations



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A photograph showing a bundle of cables and several coils of material, likely related to the industrial sector.

**2.**

Performance of  
business  
segments

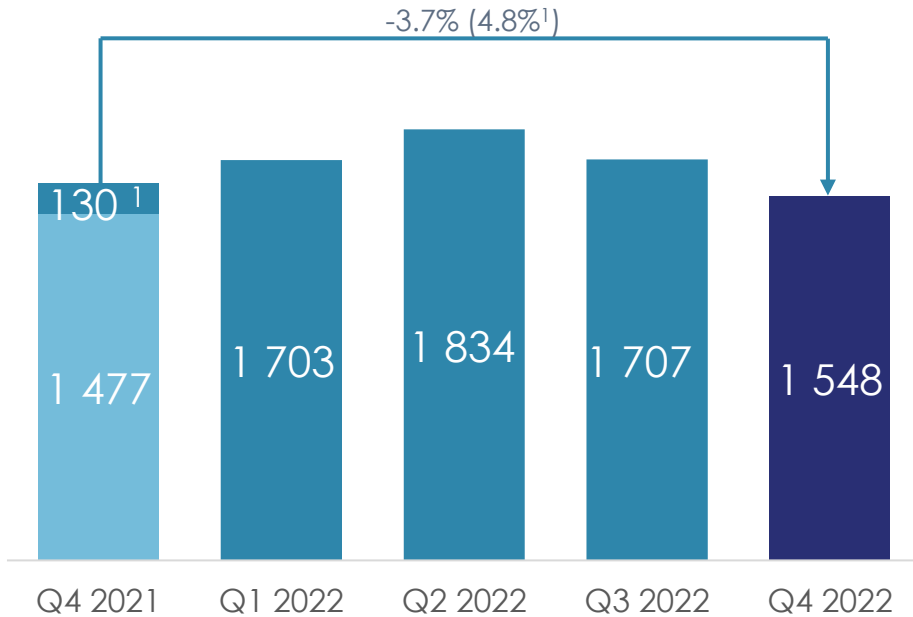
A photograph of a modern electric vehicle (EV) charging station with a car plugged in, illuminated with green light.

**3.**

Prospects for the  
coming quarters



# REVENUE [PLN m]



Revenue by segment [PLN m]	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Y/Y change Q4 2022/Q4 2021
Metals	1,081	1,142	1,200	1,020	916	-15.2%
Automotive	352	375	419	421	455	29.3%
Chemicals	79	77	80	79	75	-4.6%
Other <sup>2</sup>	95	109	134	187	101	5.7%

- High prices and margin on Metal Segment's products in the first three quarters of 2022;
- On comparable basis Group's revenue growth in Q4 2022 mainly thanks to the Automotive Segment;
- Metals Segment's lower revenue in Q4 2022 due to the economic slowdown.

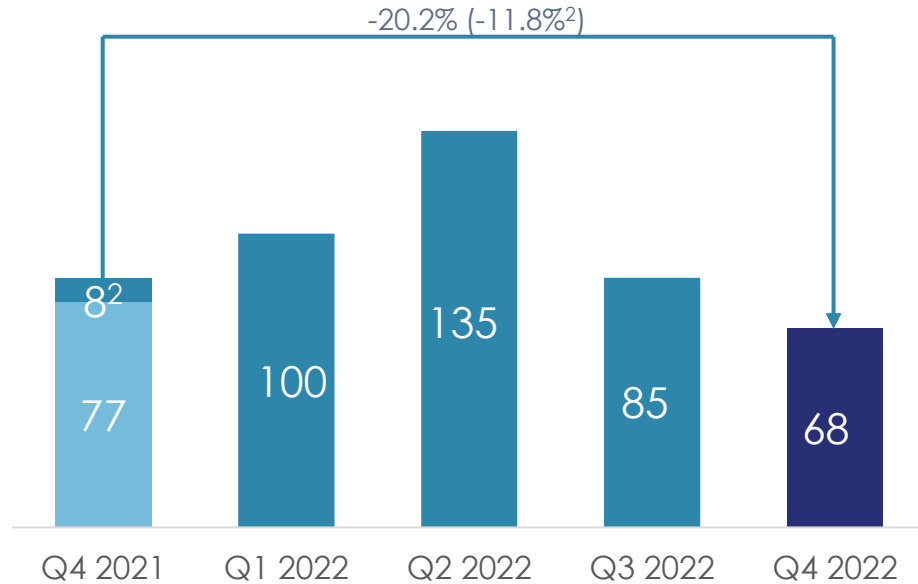
<sup>1</sup> Structure changes: sale of F&T and Elana PET, and Hutmen – termination of operations

<sup>2</sup> Including consolidation adjustments





# EBITDA<sup>1</sup> [PLN m]



EBITDA by segment [PLN m]	Q4 2021	Q1 2022	Q2 2022	Q3 2022	IVQ 2022
Metals	93.8	99.0	120.9	72.0	48.4
Automotive	0.1	-1.7	7.9	7.0	17.8
Chemicals	-15.1	3.7	4.1	2.0	0.5
Other <sup>3</sup>	6.2	-1.0	1.8	3.8	1.0

- Consolidated EBITDA down by 11,8% y/y due to:
  - lower demand in Q4 2022;
  - high gas and electricity prices;
- Automotive Segment – growth of orders and indexation for rising costs.

<sup>1</sup> Adjusted for one-offs

<sup>2</sup> Structure changes: sale of F&T and Elana PET, and Hutmen – termination of operations

<sup>3</sup> Including consolidation adjustments



# INVESTMENT PROJECTS IN RESPONSE TO MARKET TRENDS



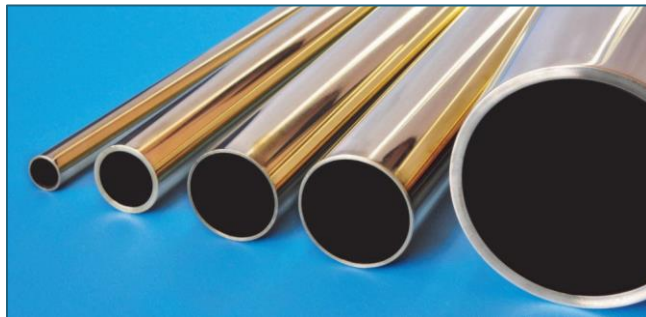
Electromobility

Construction of new production plants in China and Mexico; continued expansion of A/C hose production line



Energy-efficient electricity transmission and distribution

Production capacity expansion of overhead power lines at NPA Skawina



Upgrades of generation assets in the energy sector

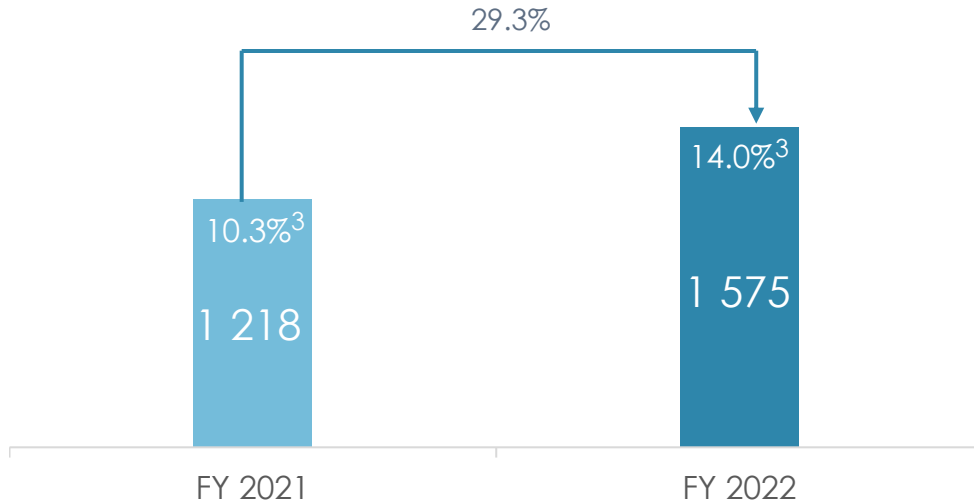
Production of highest quality brass tubes for heat exchangers (condenser tubes) at WM Dziedzice



# GROWTH PROSPECTS OF THE ELECTRIC VEHICLE MARKET



**Registrations of BEVs<sup>2</sup> in Europe  
in thousands (ACEA<sup>1</sup>)**



Global BEV <sup>2</sup> production forecast (in thousands)	2022	2023E	2030F
<b>Tesla</b>	1,370	1,800	20,000
<b>Hyundai</b>	209	330	1,870
<b>Volkswagen</b>	595	950	50%
<b>BMW</b>	215	378	50%

Changes in the regulatory environment: 100% reduction in CO<sub>2</sub> emissions in new vehicles from 1 Jan 2035

Planned investments of key manufacturers in the development of electrification and digitalization:

- **Volkswagen:** in 2023-2027 total investment of EUR 122.4 billion (share in total CAPEX: 68%);
- **Tesla:** estimated CAPEX of USD 12-16 billion in 2023-2024;
- **Renault:** IPO of Ampere, which is set to manufacture one million BEVs in 2031;
- **Mercedes-Benz:** 2030 target: share of BEVs<sup>2</sup> and PHEVs<sup>4</sup> in total production > 50%.

<sup>1</sup> European Automobile Manufacturers Association, <sup>2</sup> Battery electric vehicle, <sup>3</sup> Share of electric vehicles in all registered vehicles, <sup>4</sup> Plug-in hybrid electric vehicles



# NOMINATIONS FOR NEW PROJECTS



Total value of new contracts signed in 2021-2023 with EOP<sup>1</sup> 2036: **EUR 878.5 million.**

Year	Value of new contracts	Share of nominations concerning electric vehicles in the total value of nominations throughout the project life cycle
2021	EUR 521.3 million	69.3%
2022	EUR 98.6 million	20.5%
2023 <sup>2</sup>	EUR 258.6 million	97.9%

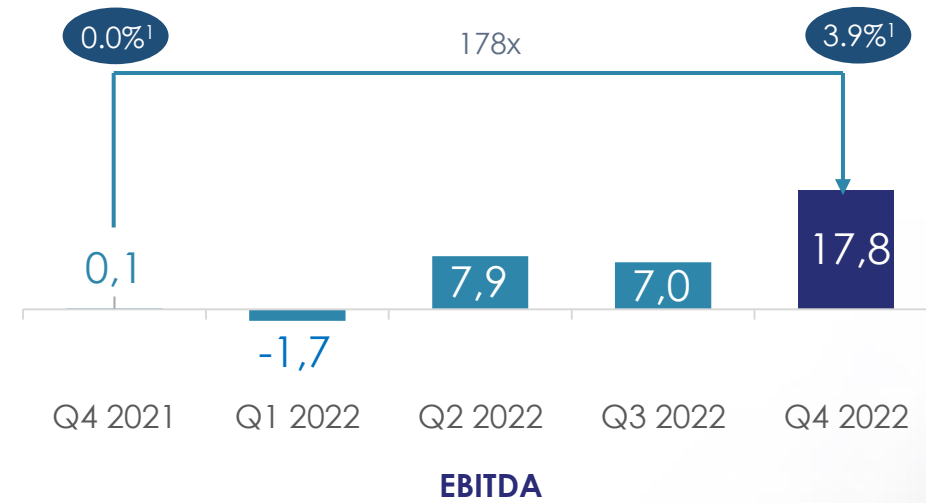
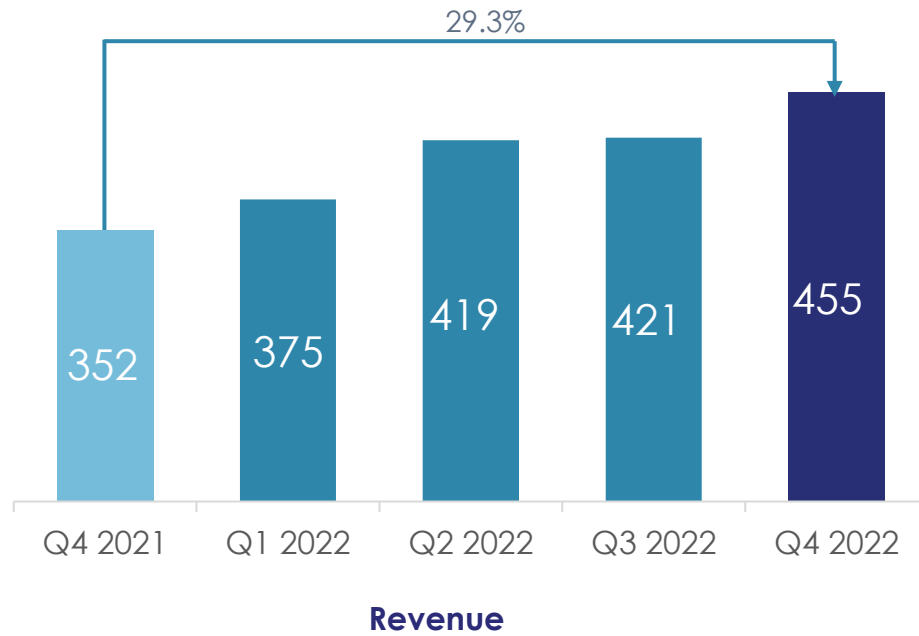


<sup>1</sup> End of Production

<sup>2</sup> Data for Q1 2023



## AUTOMOTIVE SEGMENT RESULTS [PLN m]



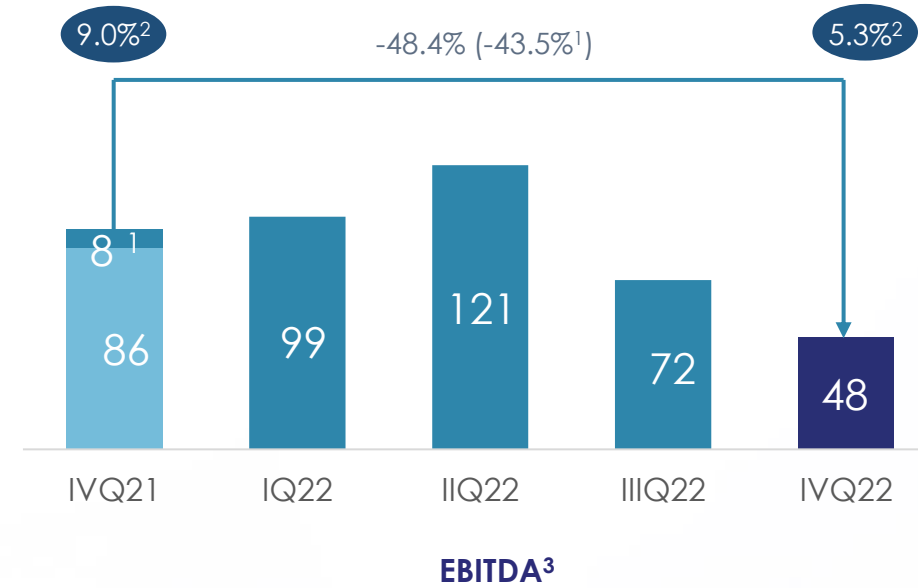
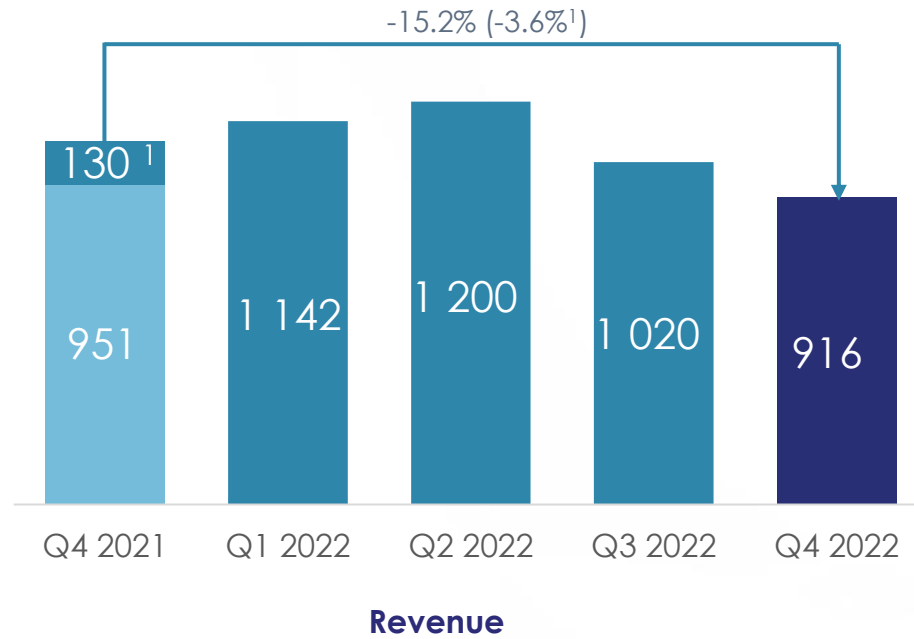
- Segment's revenue growth in Q4 2022 by 29.3% y/y due to:
  - higher sale volumes at Maflow as the effect of increased car production by key OEMs;
  - steadily rising share of battery electric vehicles.
- Automotive's EBITDA at PLN 17.8 million due to indexation for rising costs.

<sup>1</sup> EBITDA margin





# METALS SEGMENT RESULTS [PLN m]



- On comparable basis Segment's revenue down by 3.6% on Q4 2021 and EBITDA down by 43.5% mainly attributable to lower sales volumes;
- Impact of high prices of gas and electricity in Q4 2022 on the Segment's EBITDA.

<sup>1</sup> Structure changes: sale of F&T, and Hutmen – termination of operations

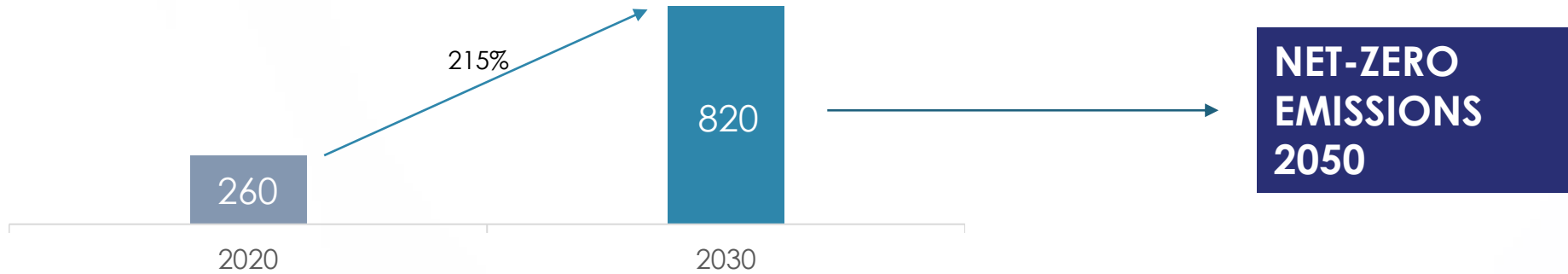
<sup>2</sup> EBITDA margin after structure change

<sup>3</sup> Adjusted for one-offs



# INVESTMENT IN THE ENERGY SECTOR

Investment in the development of power grids [USD bn]<sup>1</sup>



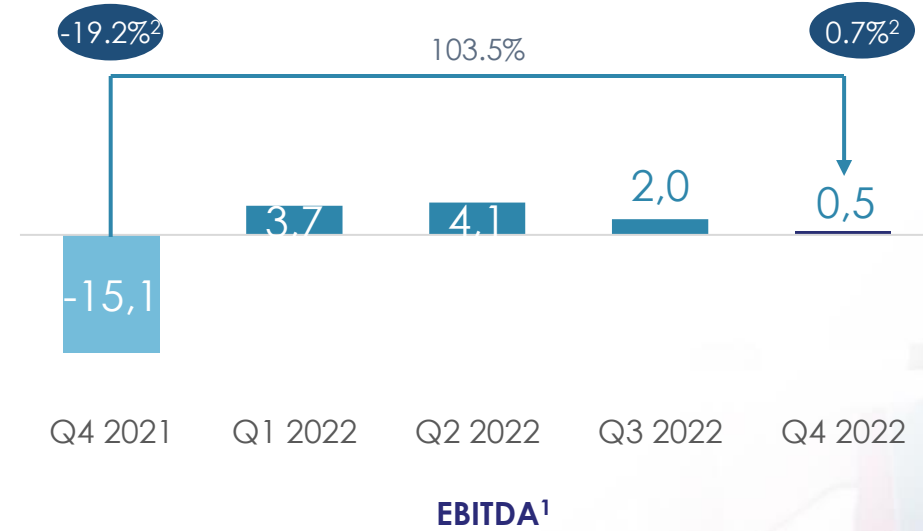
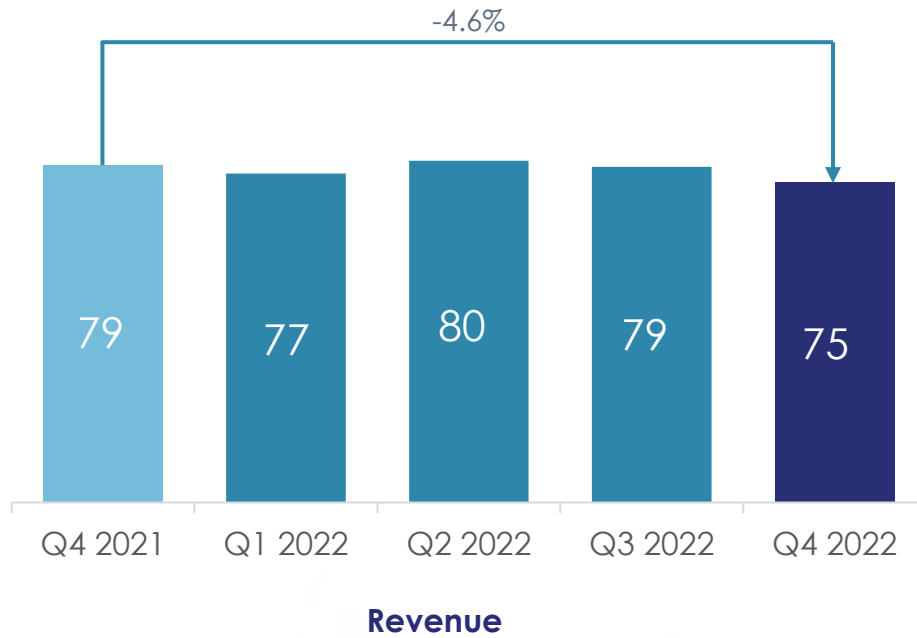
Country	The market's volume potential [t]	Time perspective	Number of years	The market's annual volume potential [t]
Poland	107,896	2023-2030	8	13,487
Czech Rep.	26,097	2023-2029	7	3,728
Slovakia	3,928	2023-2027	5	786
Germany	67,042	2023-2030	8	8,380
Ukraine	54,840	2023-2030	8	6,855
Italy	31,716	2023-2025	3	10,572
<b>Total</b>	<b>291,519</b>			<b>43,808</b>

Source: Own elaboration based on data from the Polish power system operator PSE and from foreign transmission grid operators,

<sup>1</sup> International Energy Agency (October 2021), *Net Zero by 2050 - A Roadmap for the Global Energy Sector*



# CHEMICALS SEGMENT RESULTS [PLN m]



<sup>1</sup> Adjusted for one-offs  
<sup>2</sup> EBITDA margin



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## PROSPECTS FOR THE NEXT QUARTERS

**Strategy  
implementation**

**Acceleration of  
electromobility (new EU  
law on registration of  
combustion engine cars)**

**Economic slowdown**

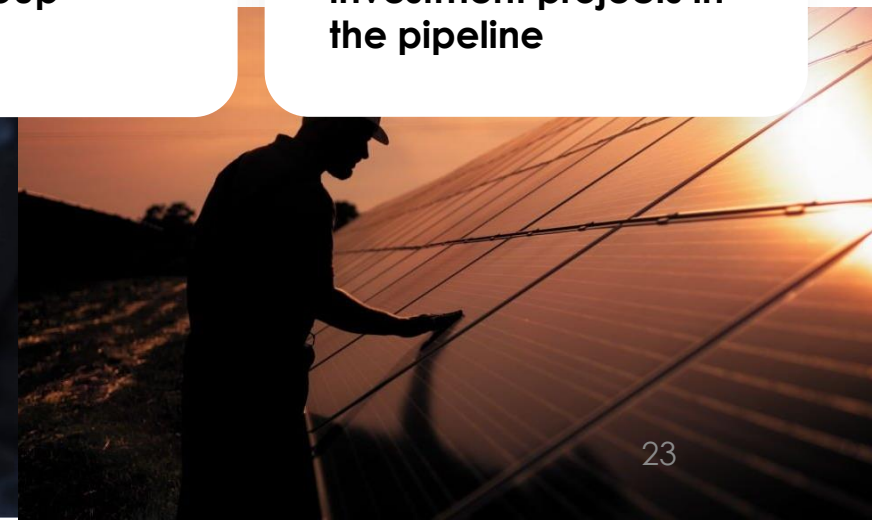
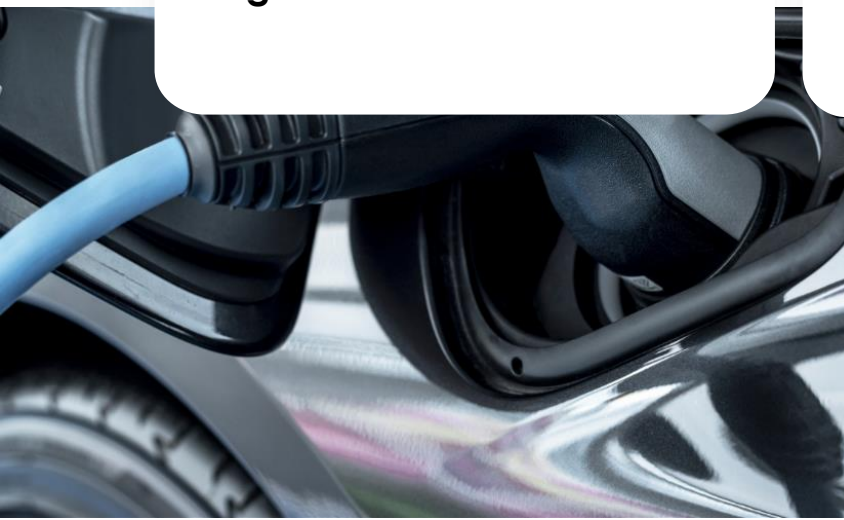
**Continuing high  
inflation**

**Simplification of the Group's  
organizational structure**

**Acquiring project  
financing from the  
Program European  
Funds for a Modern  
Economy (FENG)**

**Continued restructuring  
of the BAP Group**

**Prolonged  
implementation of  
investment projects in  
the pipeline**





# 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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