

BORYSZEW GROUP

FINANCIAL RESULTS 2023



**BORYSZEW
GROUP**

TABLE OF CONTENTS



1.
Summary
and financial results
in 2023



2.
Business segments
performance



3.
Outlook for next
quarters

SIGNIFICANT FACTORS AFFECTING THE GROUP IN 2023



Metal market:

- Ongoing steel market slowdown, falling prices of major products.
- Development in aluminum products



Automotive market:

- Increased new car registrations in Europe by 13.7% in 2023. (EU, EFTA and UK) compared to 2022
- Compensation of production cost by major OEMs
- Further optimization of assets in the segment



Economy

- Unfavourable macroeconomic situation in the European market (mainly in Germany), lower PMI compared to 2022
- Geopolitical situation an important source of risk

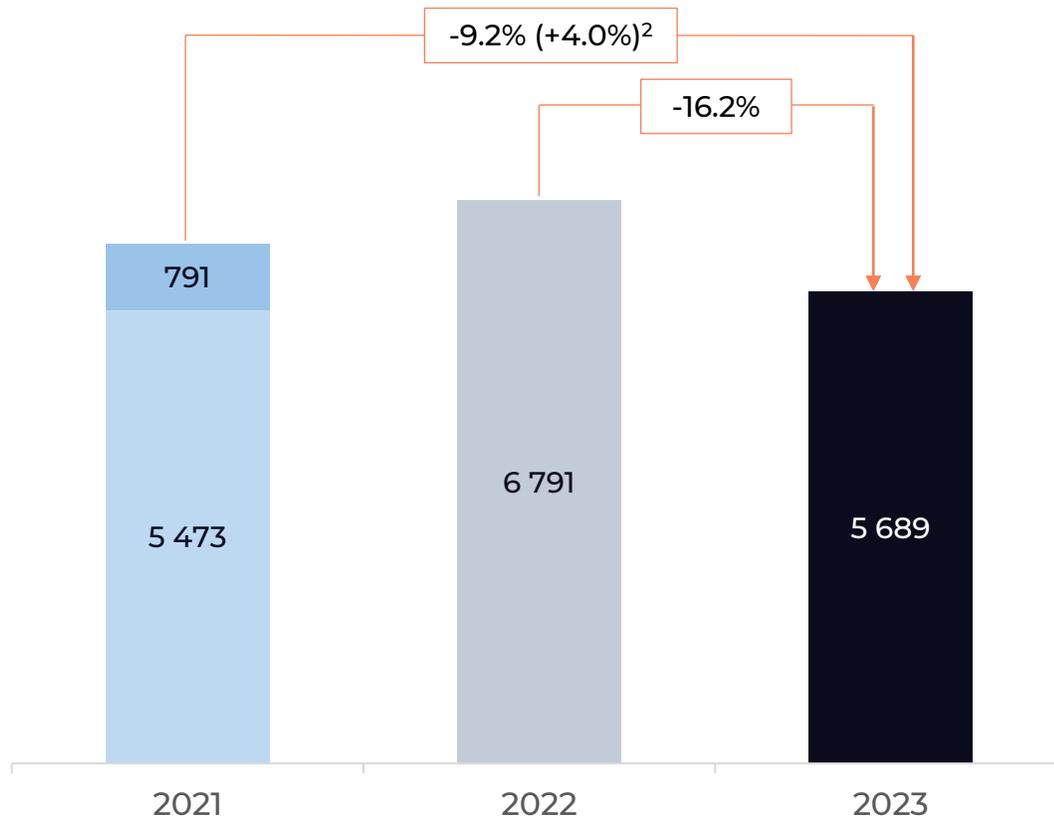


- Strengthening of PLN against EUR and USD
- Solid financial indicators:
 - Working capital -23.2% y/y
 - Net debt ratio at 1.3.

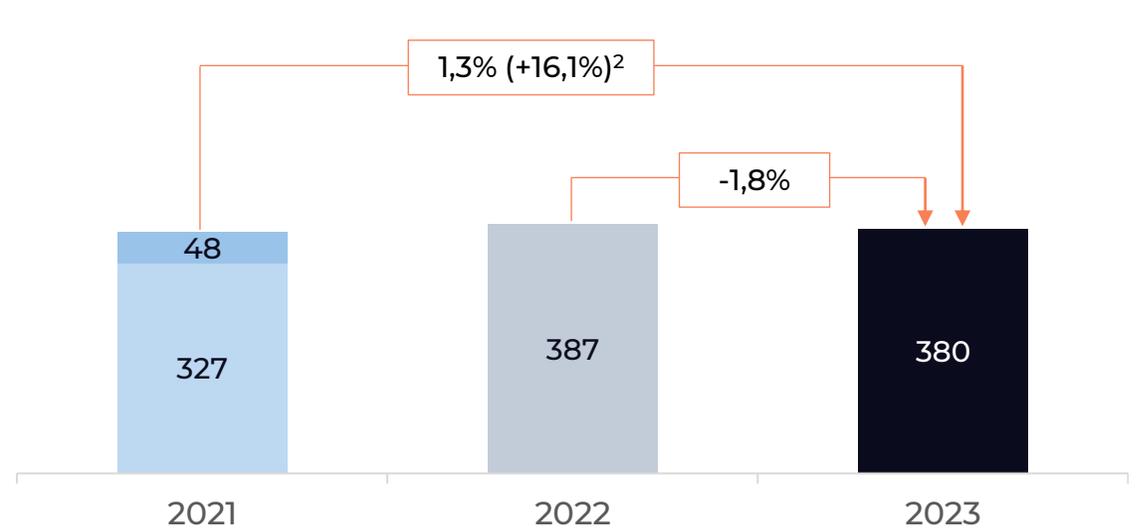
SUMMARY OF 2023



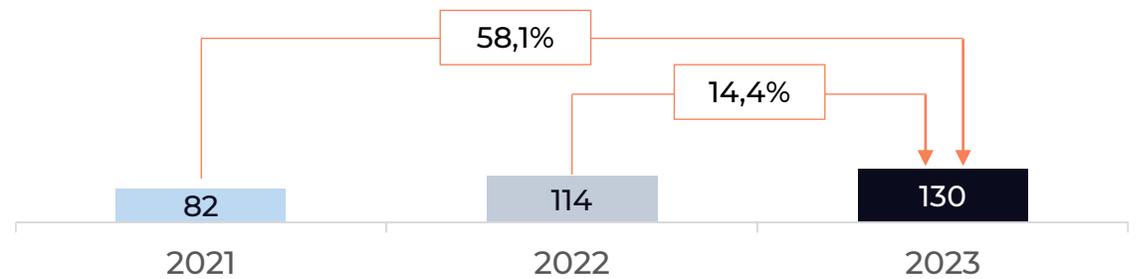
Total revenue [PLN million]



EBITDA¹ [PLN million]



Net profit [PLN million]

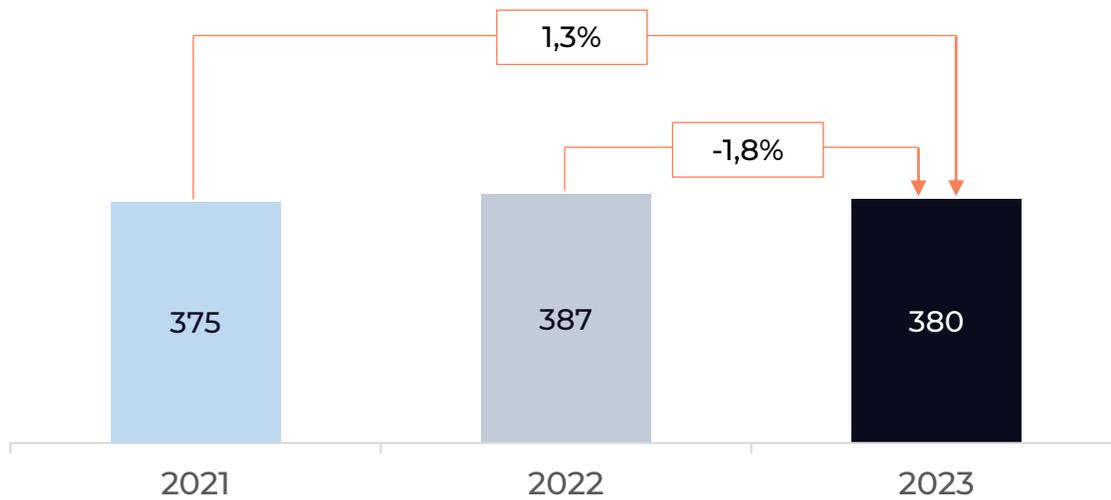


1) Without one-offs
 2) Change in structure (sale of F&T, Elana PET, termination of Hutmen operations)

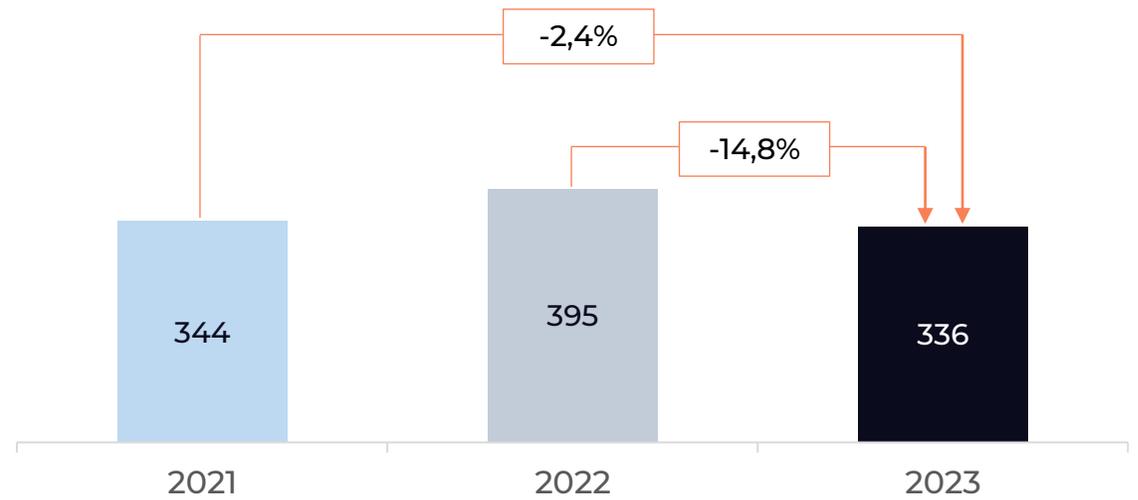
SUMMARY OF 2023



EBITDA¹ [PLN million]



EBITDA [PLN million]



One-offs [PLN million]	2021	2022	2023
Impairment of assets	31	30	44
Sale/liquidation of assets		-60	
Risk reserve		23	

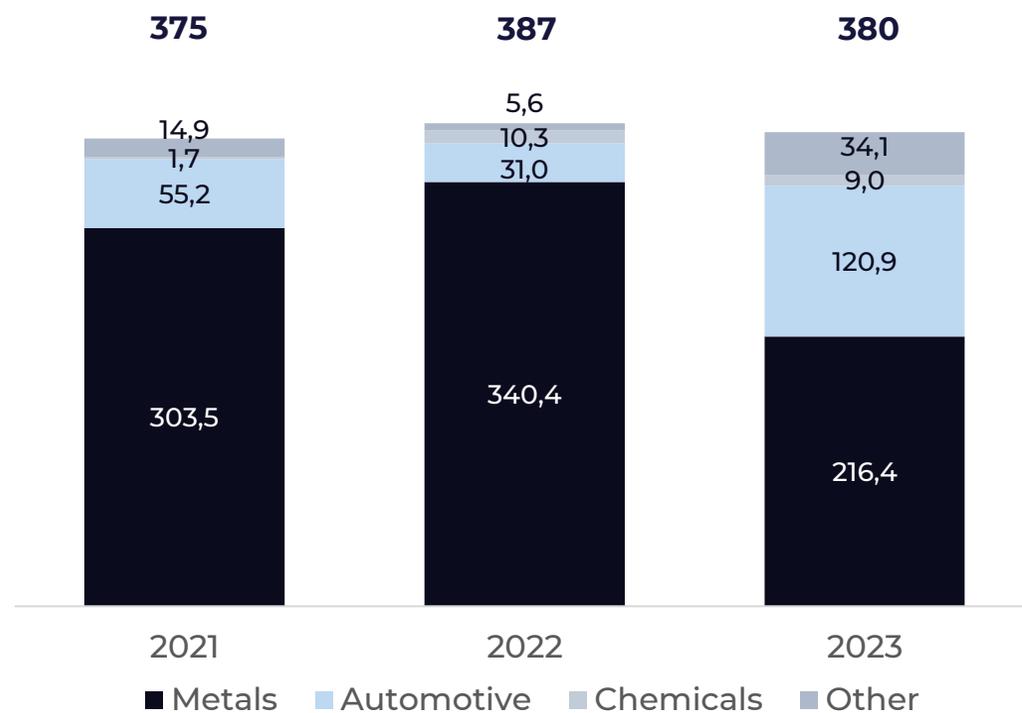
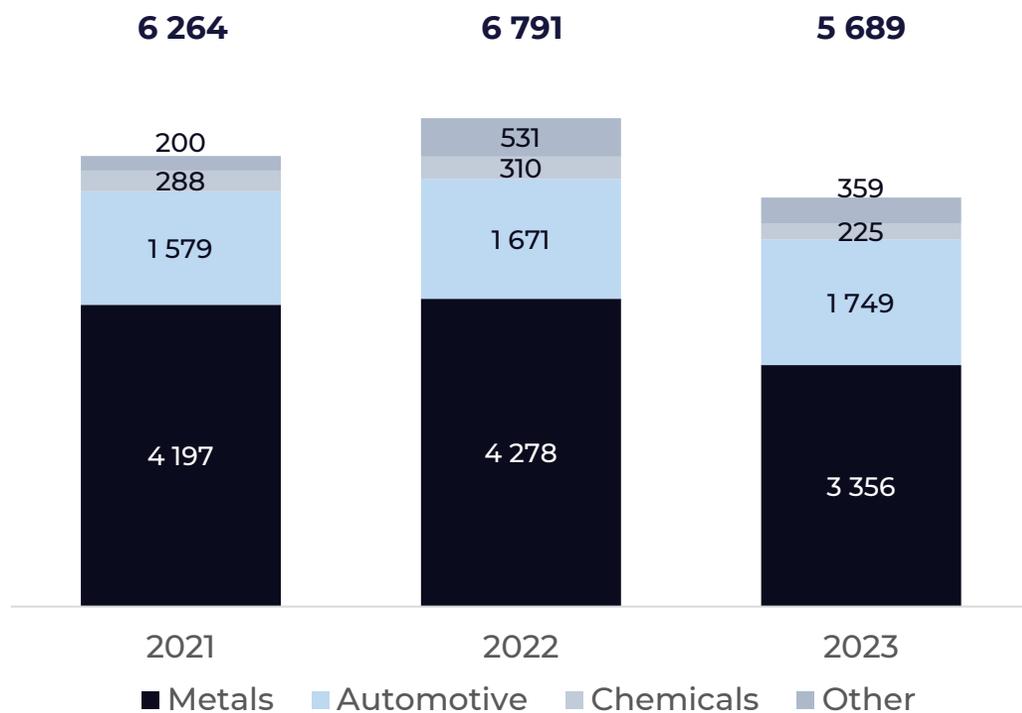
1) Without one-offs

SUMMARY OF 2023



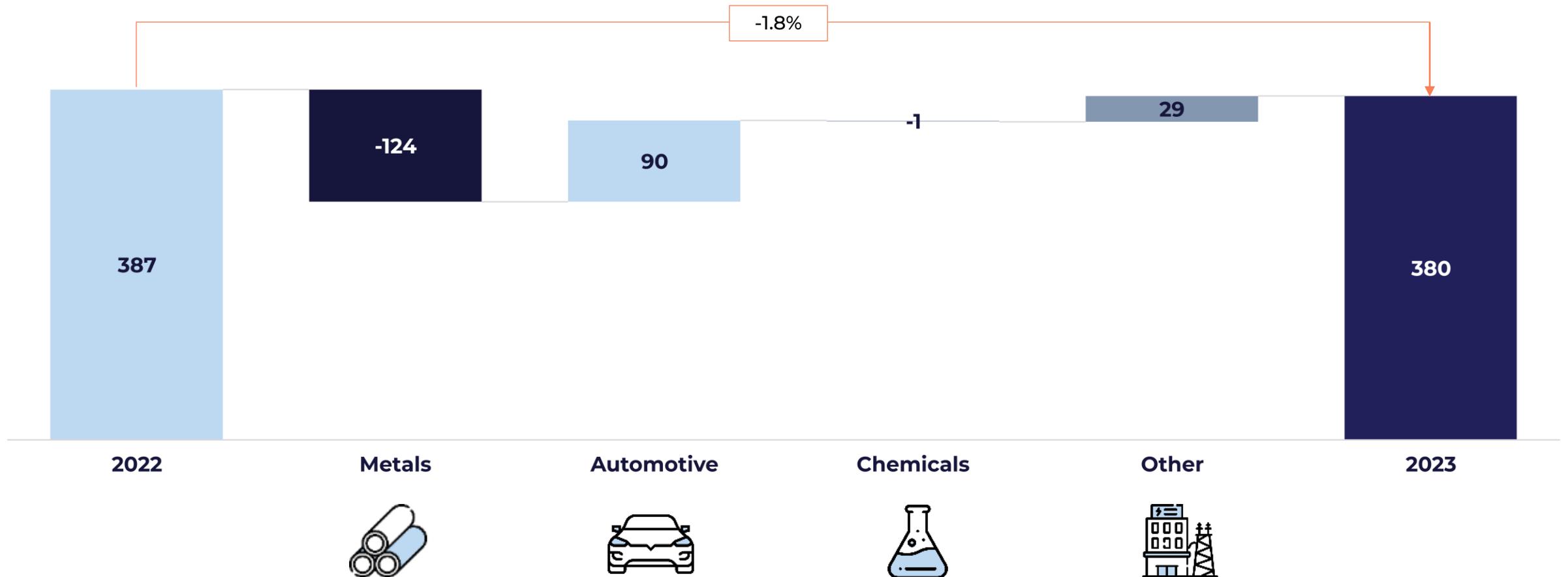
Revenues by segments [PLN million]

EBITDA¹ [PLN million]



1) Without one-offs

EBITDA¹ 2023 BRIDGE [million PLN]

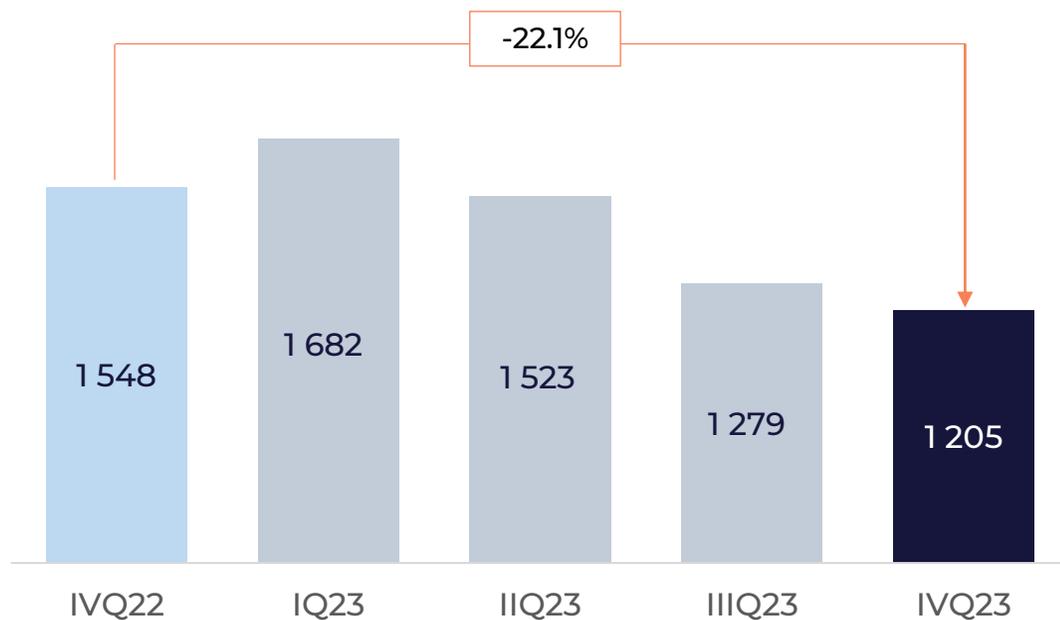


1) Without one-offs

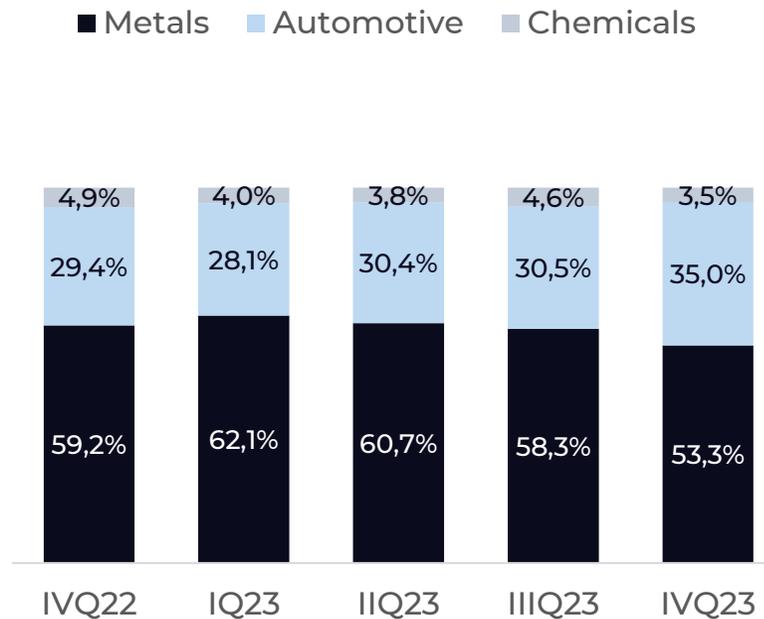
SUMMARY OF 2023



Total revenue [PLN million]



Revenues split by segment



REVENUES [PLN million]

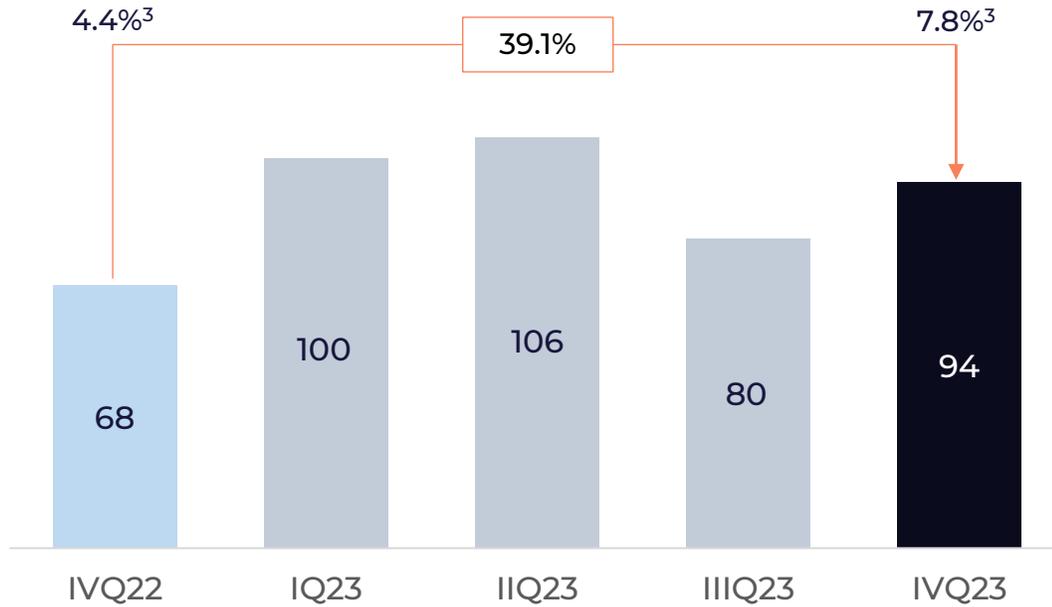


Revenues by segments [PLN million]	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Change Q4 22/ Q4 23
Metals	916	1 044	924	746	642	-30.0%
Automotive	455	473	464	391	422	-7.4%
Chemicals	75	67	57	59	43	-43.4%
Other ¹	101	98	78	83	99	-1.9%

- Decrease in 2023 Group revenue is due to a decline in demand for steel products and chemicals, mainly caused by strong competition from Asia and the economic slowdown in Europe;
- The largest decrease was recognised in the Metals Segment, due to drop in the prices of major raw materials and a decrease in sales volumes;
- Revenue growth in Q4 23 in the Automotive Segment of 8% compared to Q3 23;

1) Includes consolidation adjustments

EBITDA¹ [PLN million]

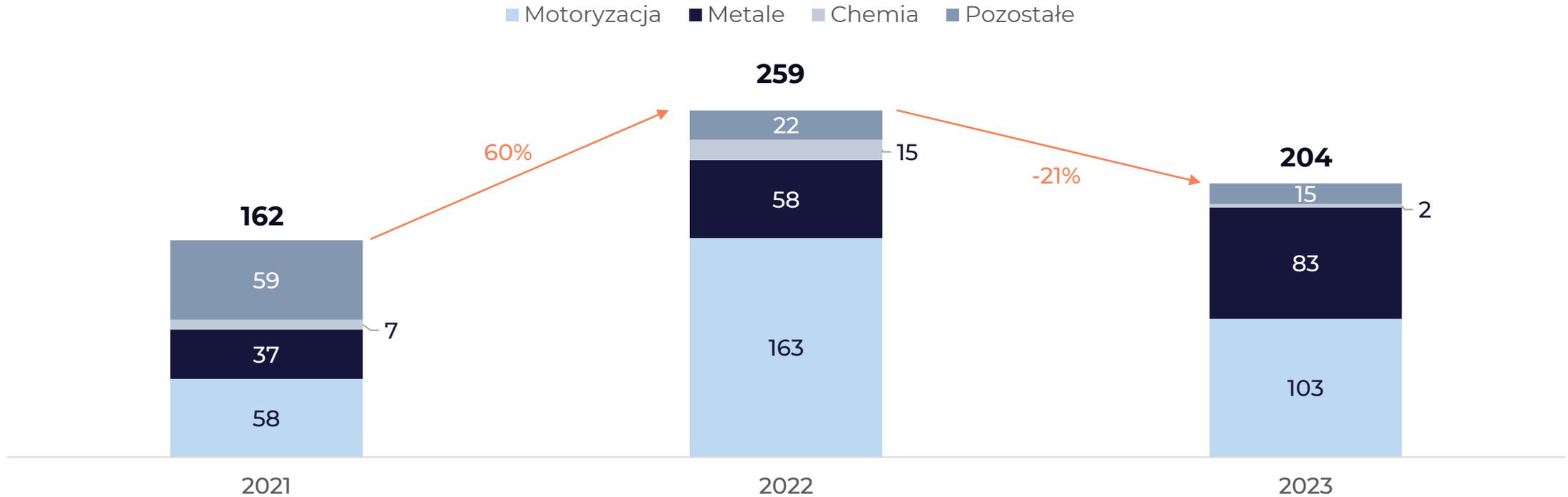


EBITDA by segments [PLN million]		Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
	Metals	48.4	88.7	75.0	33.2	19.6
	Automotive	17.8	8.5	22.1	35.0	55.3
	Chemicals	0.5	2.2	2.6	4.2	-0.1
	Other ²	1.0	1.0	6.3	7.3	19.5

- EBITDA in Q4 '23 at a higher level compared to Q3 '23, despite the unfavorable macroeconomic conditions;
- Very good results in the aluminium business;
- EBITDA growth in the Automotive Segment due to received compensations of production cost and the effect of asset sales;

1) Without one-offs
 2) Includes consolidation adjustments
 3) EBITDA margin

INVESTMENT EXPENDITURE [PLN million]

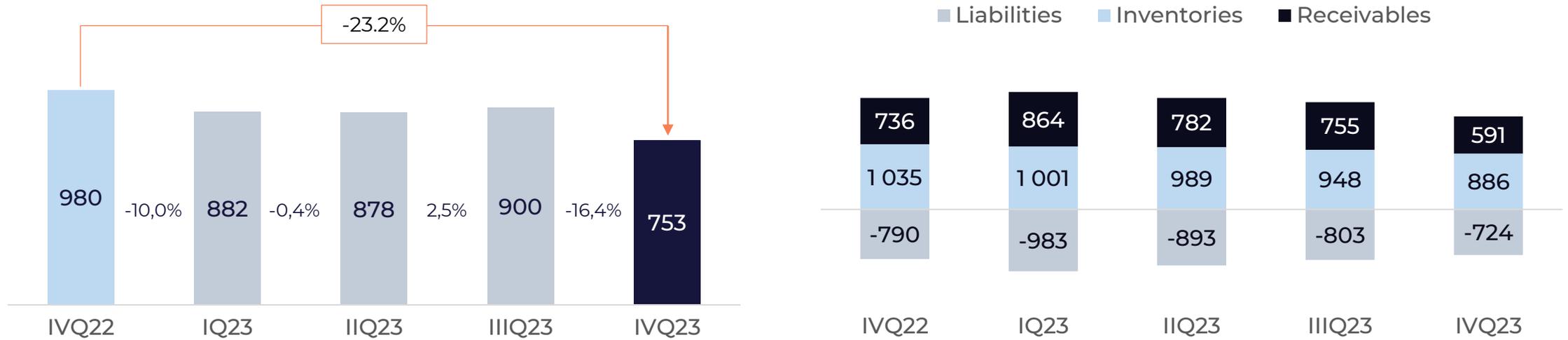


- Continued development investments related to new contracts in the Automotive Segment;
- Higher expenditure in the Metals Segment, mainly due to:
 - already started investment in NPA Skawina,
 - projects at Huta Bankowa;

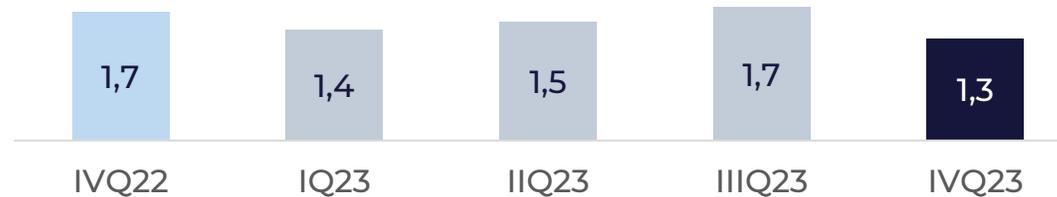
WORKING CAPITAL AND DEBT [PLN million]



Net working capital



Debt level indicator¹



1) Net debt/EBITDA (excluding one-offs)

TABLE OF CONTENTS



1.
Summary
and financial results
in 2023

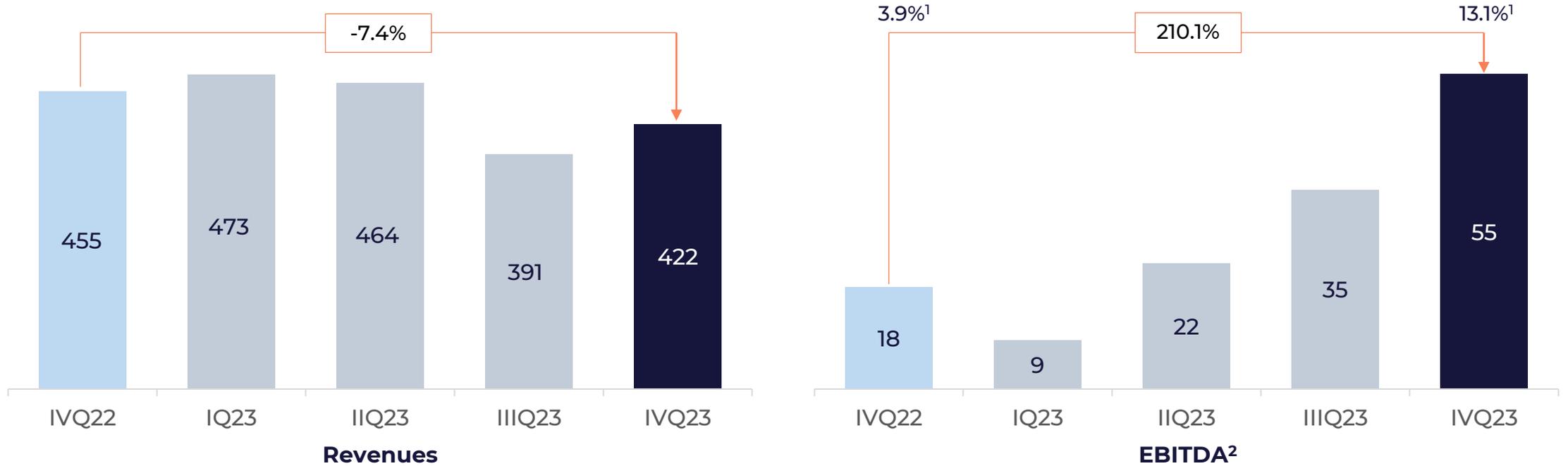


2.
Business segments
performance



3.
Outlook for next
quarters

RESULTS OF THE AUTOMOTIVE SEGMENT [PLN million]



- Revenue decrease by 7.4% mainly due to the strengthening of the Polish currency;
- Annual revenues up by 4.7% y/y to PLN 1 748.9 million;
- The increase in EBITDA was driven by received compensations of production costs and the effect of asset sales;



1) EBITDA margin
2) Excluding one-offs

NOMINATIONS FOR NEW PROJECTS

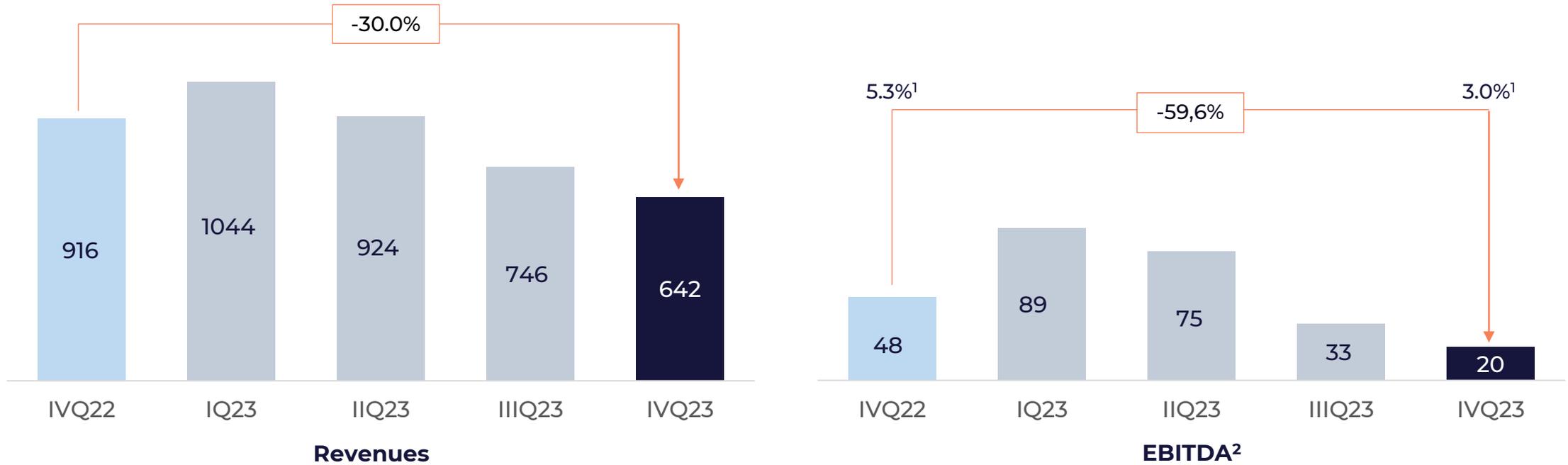
The value of new contracts signed in 2021-2023 with EOP¹ 2035 is EUR 1 434.5 million.

	Value of new contracts	Share of electric and hybrid cars
2021	EUR 521.3 million	69.3%
2022	EUR 98.6 million	20.5%
2023	EUR 814.6 million	70.2%

1) EOP - End of Production



RESULTS OF THE METALS SEGMENT [PLN million]

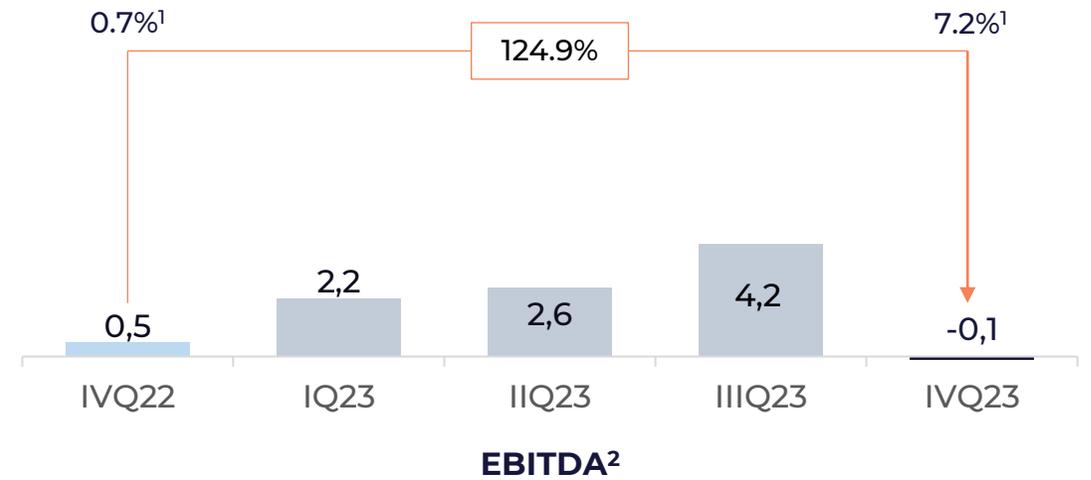
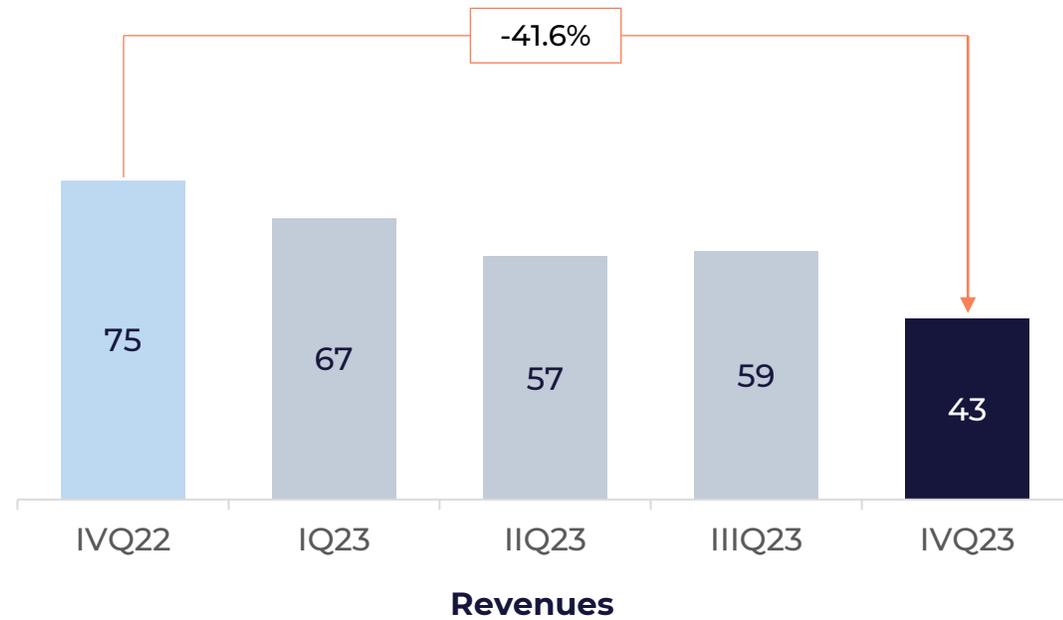


- Revenue decrease by 30.0% due to declines in the quotations of the main metals used in production and reduced orders as a result of the economic slowdown in the EU;
- Increase of exports to 62% in NPA Skawina;
- EBITDA decline by -59.6% mainly due to the global slowdown in steel sector strengthened by the inflow of cheap products from the East;



1) EBITDA margin
2) Excluding one-offs

RESULTS OF THE CHEMICALS SEGMENT [PLN million]



1) EBITDA margin
2) Excluding one-offs

TABLE OF CONTENTS



1.
Summary
and financial results
in 2023



2.
Business segments
performance



3.
Outlook for next
quarters

OUTLOOK FOR NEXT QUARTERS



Boryszew Group
strategy update and
implementation

Proactive foreign
exchange risk
management policy

Commercialisation of
new production lines
in the Automotive
Segment

Implementation of the
EU Green Deal policy

Level of support for
the heavy energy-
consumption industry

Effects of economic
slowdown in European
Union, recovery
expected after Q2 24

Further restructuring
of BAP Group

National Recovery
Plan (KPO) as a
mechanism for
financing of new
investment projects

IMPORTANT TRENDS INFLUENCING THE DEVELOPMENT OF BORYSZEW GROUP



ENERGY TRANSITION

Electromobility development
Climate neutrality of industry sector
Circular economy
Modernisation of electricity grids
Challenges of renewable energy sources



INDUSTRY 4.0 TECHNOLOGIES

Manufacturing automation
Development of smart factory technologies (AI, AR, ML)
Increasing production efficiency through innovation



EUROPEAN ECONOMY

Increasing importance of business impact (ESG)
Meeting the EU's climate goals
Energy independence
Market sentiment and economic prosperity in the region

Thank you for your attention!

Boryszew Group is:

- one of the largest private industrial groups in Poland,
- largest non-ferrous metals processor in Poland, Central and Eastern Europe,
- Poland's largest manufacturer of automotive components.

The Group operates through 34 manufacturing plants located in Europe, Asia and the Americas.



**BORYSZEW
GROUP**