



## FINANCIAL RESULTS Q3 2021

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INVESTOR PRESENTATION

NOVEMBER 2021

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# ● AGENDA

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1. Financial results Q3 2021
2. BUDOWNICTWO
3. DEWELOPER
4. STEEL
5. Summary



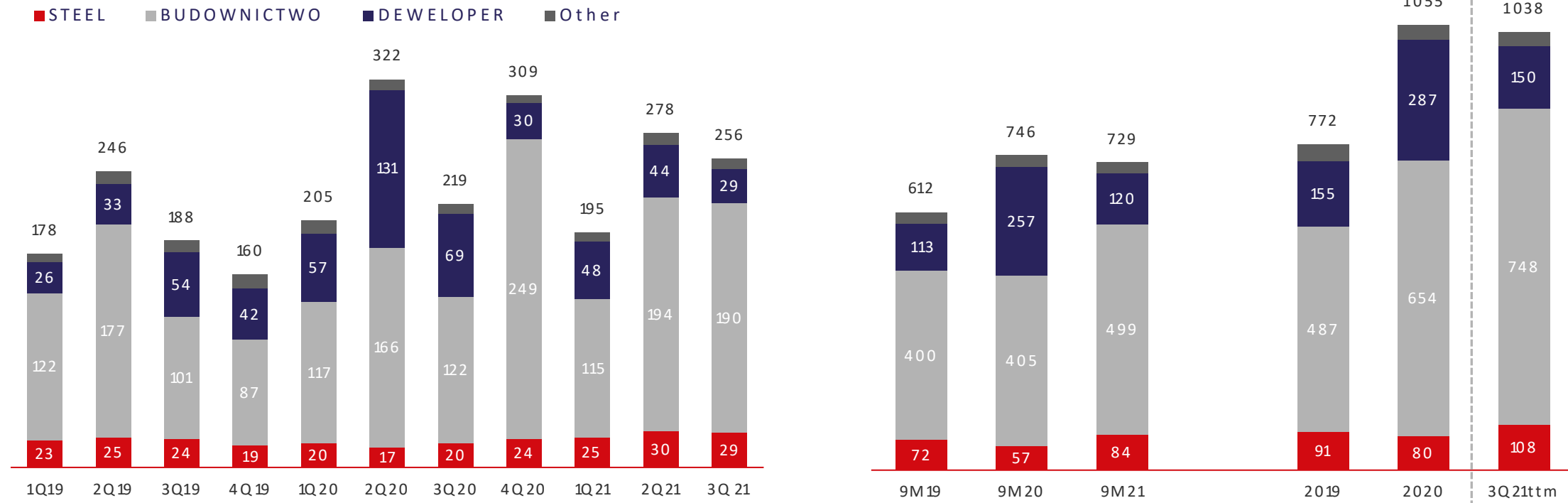


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# FINANCIAL RESULTS OF THE DEKPOL GROUP

# REVENUES - THREE SEGMENTS

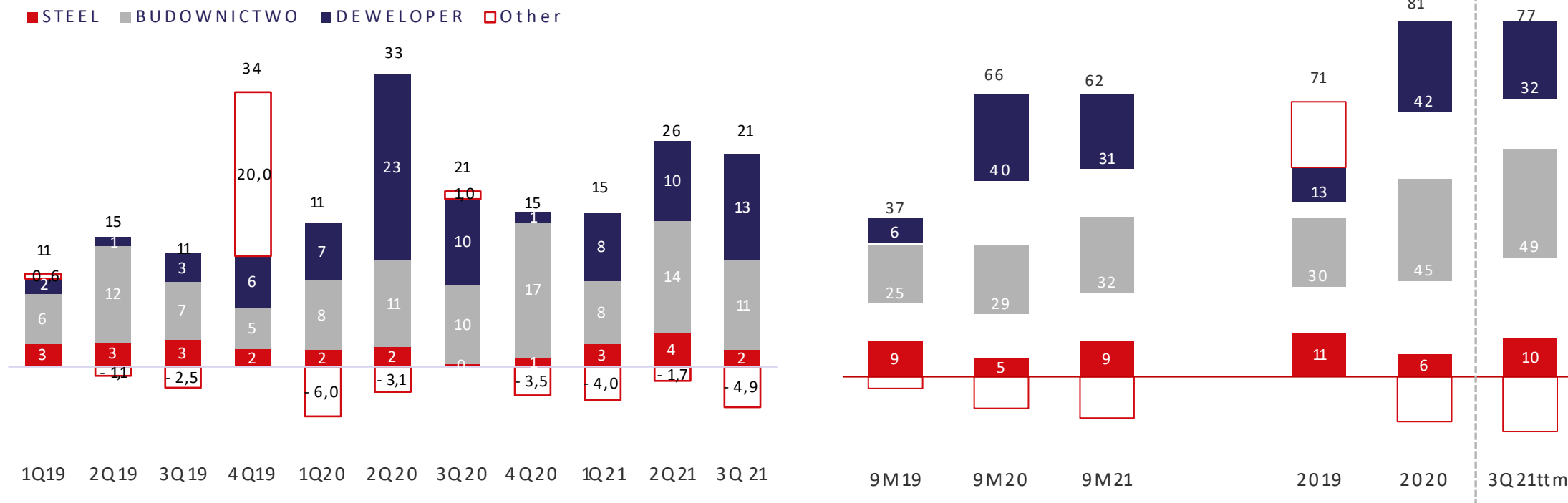
Revenues (million of PLN)



- Revenues of Q1-Q3 2021 amounted 729,2 million of PLN – (vs. 746 million of PLN 2020 -2% y/y) – base effect in Q1-Q3 - 2Q 2020 with record result of Dekpol Deweloper (i.e. result of recognition of the Grano Residence project)
- Q3 2021 – 256,4 million of PLN (+17% y/y)

# OPERATING RESULTS – THREE SEGMENTS

EBIT (million of PLN)

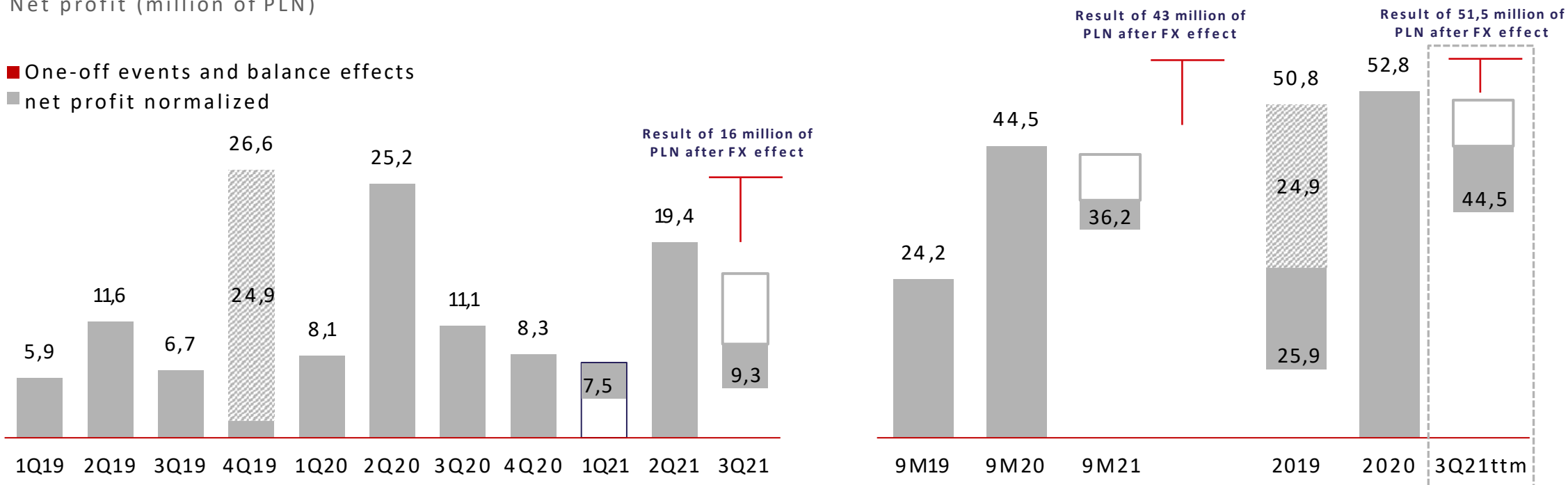


- in Q1-Q3 2021 61,8 million of PLN EBIT -6% y/y when compared to reference period with record result of Dekpol Developer (including recognition effect of Grano Residence)
- Q3 2021 – 21,2 million of PLN -> -2% y/y – similar quarter to previous year

# CONSOLIDATED NET RESULT

Net profit (million of PLN)

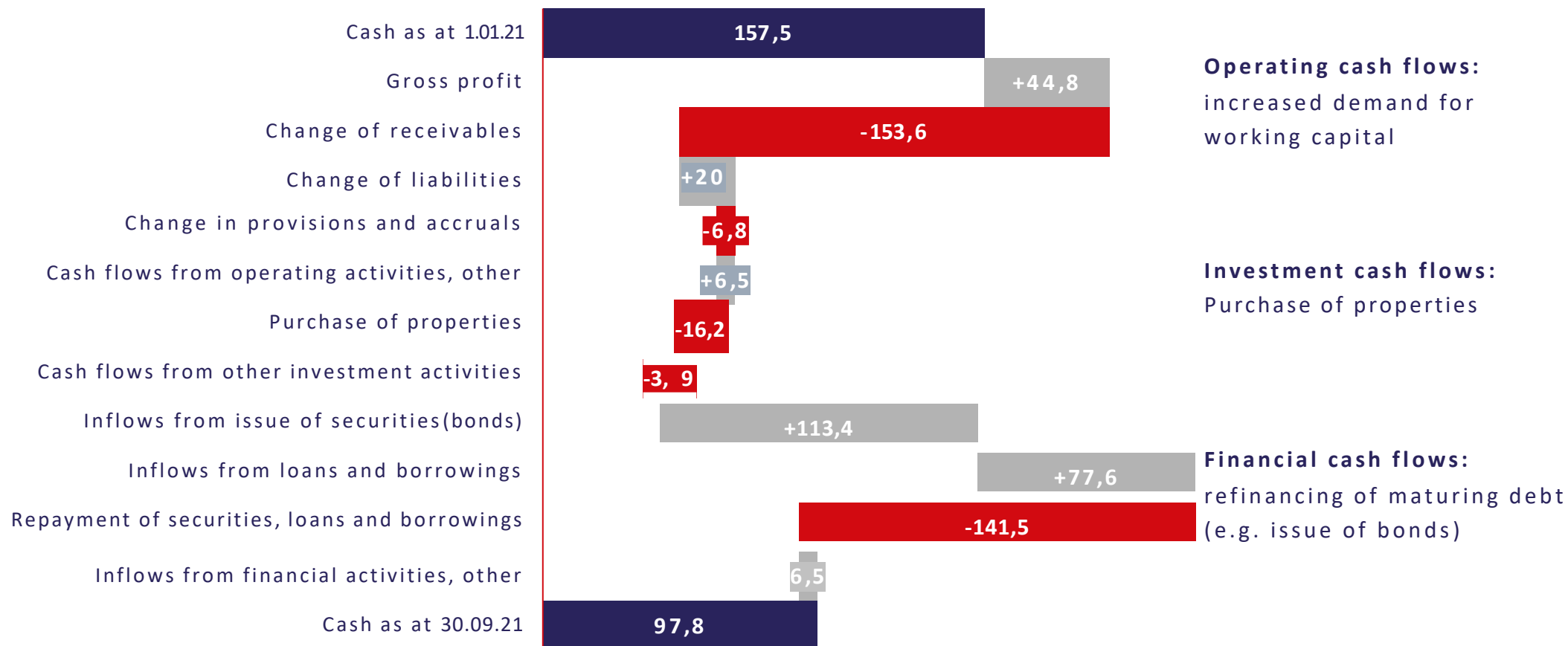
■ One-off events and balance effects  
■ net profit normalized



- Net result of Q3 9,3 million of PLN -23%y/y - negative impact of financial instruments valuation at the level of approx. 7 million of PLN (after one-off effects clearance in the amount of 16 million of PLN, + 46% y/y)
- Net result of 1Q-Q3 2021 36,2 million of PLN -19%y/y due to base effect – reference period of Q2 2020 with record result of Dekpol Deweloper (i.e. effect of recognition of the Grano Residence project) and influence of FX effect in Q3 2021 (after one-off effects clearance in the amount of 43 million of PLN -2,8% y/y)

# CASH FLOWS

Cash flow account in Q1-Q3 21 – selected items (million of PLN)

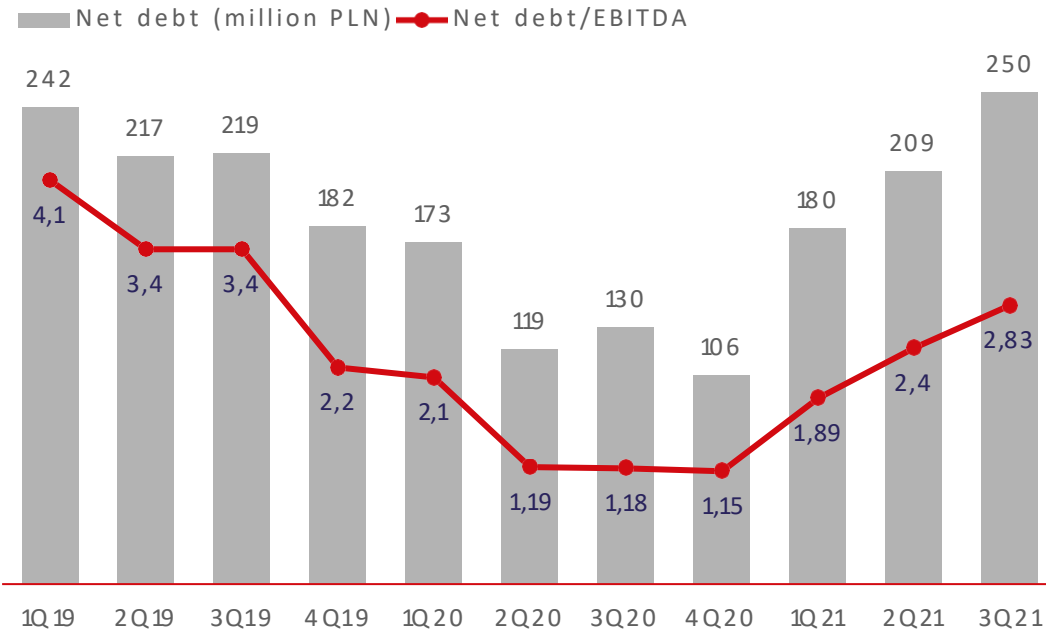






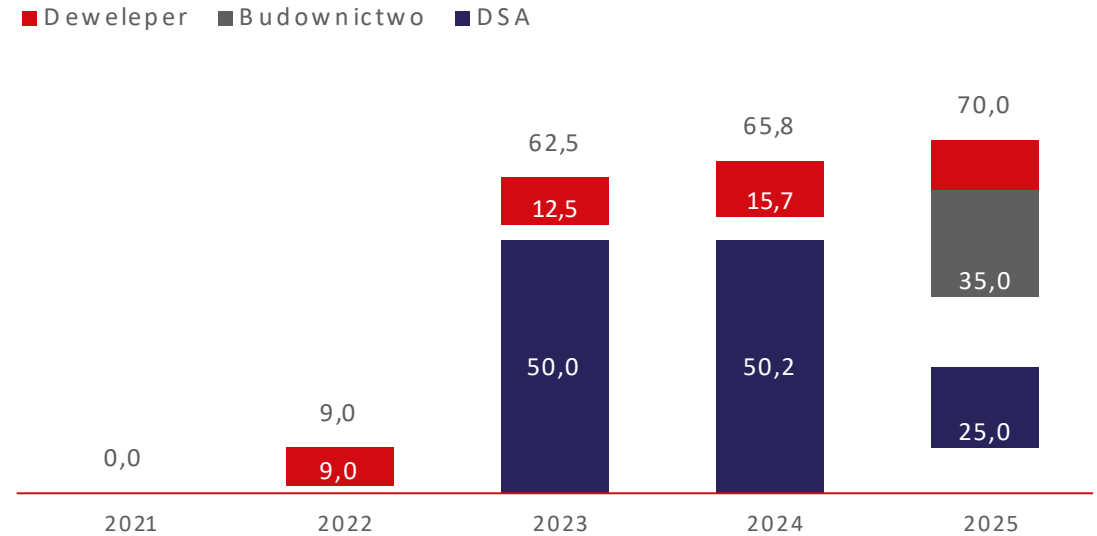
# STABILE BALANCE POSITION

Net debt (million of PLN) / EBITDA ttm



- 249,64 million of PLN of net debt - temporary higher level of debt
- Increased demand for working capital
- Safe indicators (covenants up to 4x EBITDA)

Bonds – maturity structure (million of PLN) (as at 30.09.2021)



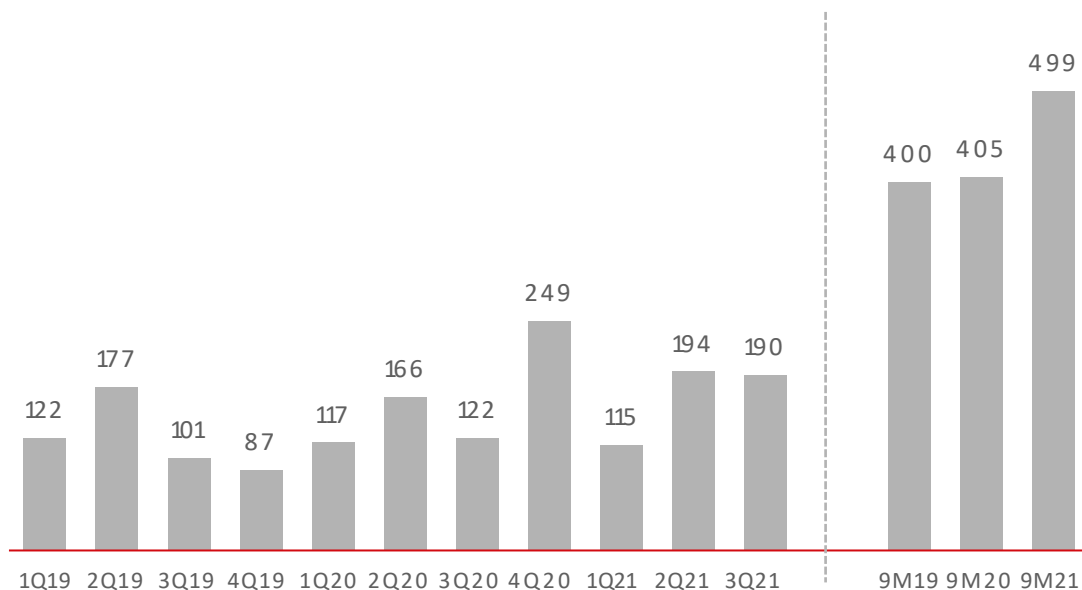
I-IX - refinancing of bonds maturing in H1

- Issue of 39,15 million of PLN (K- and L-series bonds – absorption)
- s. B 10,0 million of PLN and s. C 15,7 million of PLN (Deweloper)
- Redemption of 62,7 million of PLN of G- and H-series bonds
- Redemption of 35,0 million of PLN of DA- and DB-series bonds
- Issue of 35,0 million of PLN of A- and B-series bonds (Budownictwo)
- Issue of 25,0 million of PLN of P2021A-series bonds

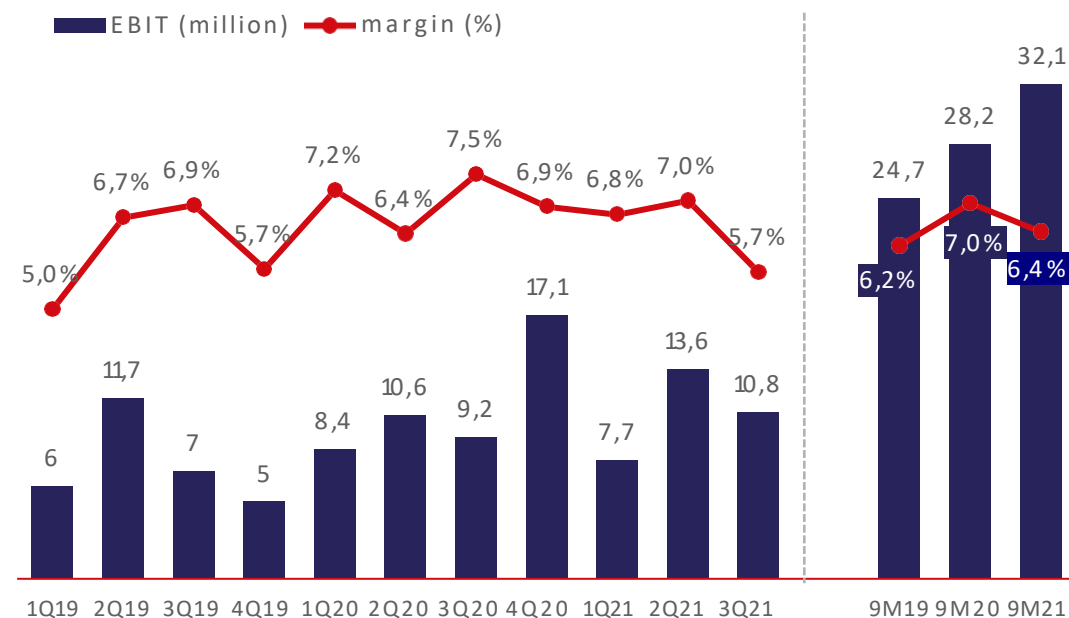


# FINANCIAL RESULTS

Revenues\* (million of PLN)



Operating result

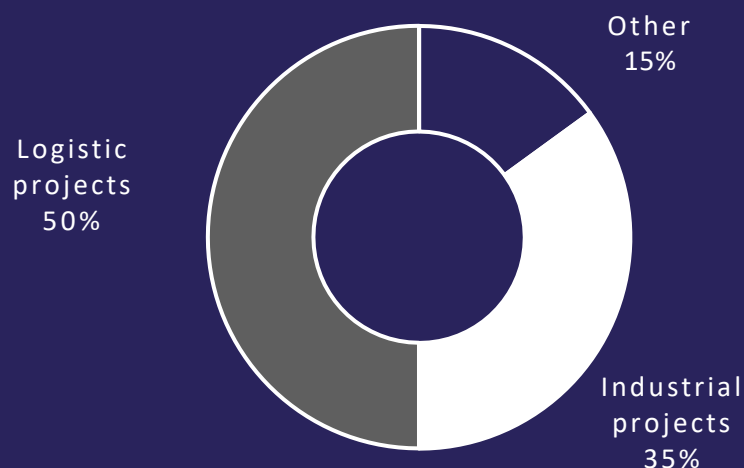


- in Q1-Q3 2021 revenues in the amount of: 499 million of PLN +23% y/y; operating result: 32,1 million of PLN +14% y/y
- in Q3 2021 revenues in the amount of : 190 million of PLN +56% y/y; operating result : 10,8 million of PLN +11% y/y
- reduction of margin in percentage terms for projects burdened with rising prices offset by higher revenues

# 2021+ PROSPECTS

## STRONG ORDERING PORTFOLIO

GW projects structure  
(as at 30.09.2021)



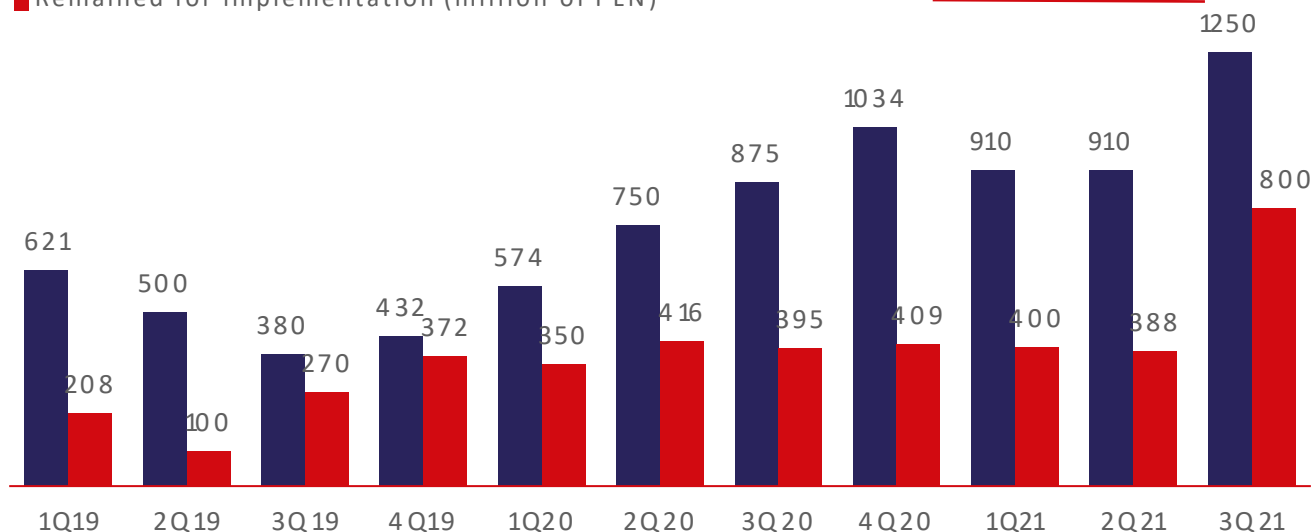
### Net VALUE OF CONTRACTS as at 30.09.2021:

- 1.250 million of PLN  
(800 million of PLN for implementation)
- For Dekpol Developer 214 million of PLN,  
(133 million of PLN for implementation)

Contracting (million of PLN)

- Net value of contracts (million of PLN)
- Remained for implementation (million of PLN)

acceleration of contracting in Q3 after a cautious approach to new offers during the largest price increases in Q2



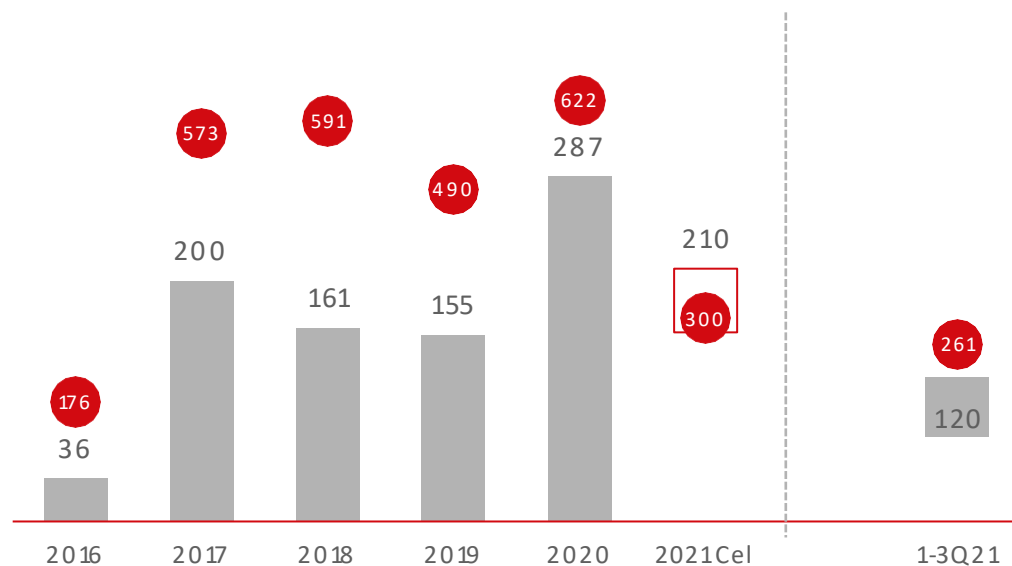
- Selected current projects: Panattoni (Grodzisk Mazowiecki, Ujrzanów, Skawina, Gdańsk, Pruszcz Gdański), 7R (Szczecin, Warszawa, Kowale), CH Karuzela (Kołobrzeg), LEROYMERLIN (Kołobrzeg)
- in Q3 return to dynamic contracting of new projects e.g. Press Glass (approx. 80 million of PLN, Lithuania), Panattoni (Pruszcz Gdański, approx. 90 million of PLN; Błonie approx. 50 million of PLN with option on another 90 million of PLN; Kolbudy 150 million of PLN; Radomsko 85 million of PLN; Zaczernie on approx. 70 million of PLN /acquired in Q4)
- expected maintenance of a safe margin on contracts implemented in subsequent periods as a result of ongoing stabilization of the market



# FINANCIAL RESULTS

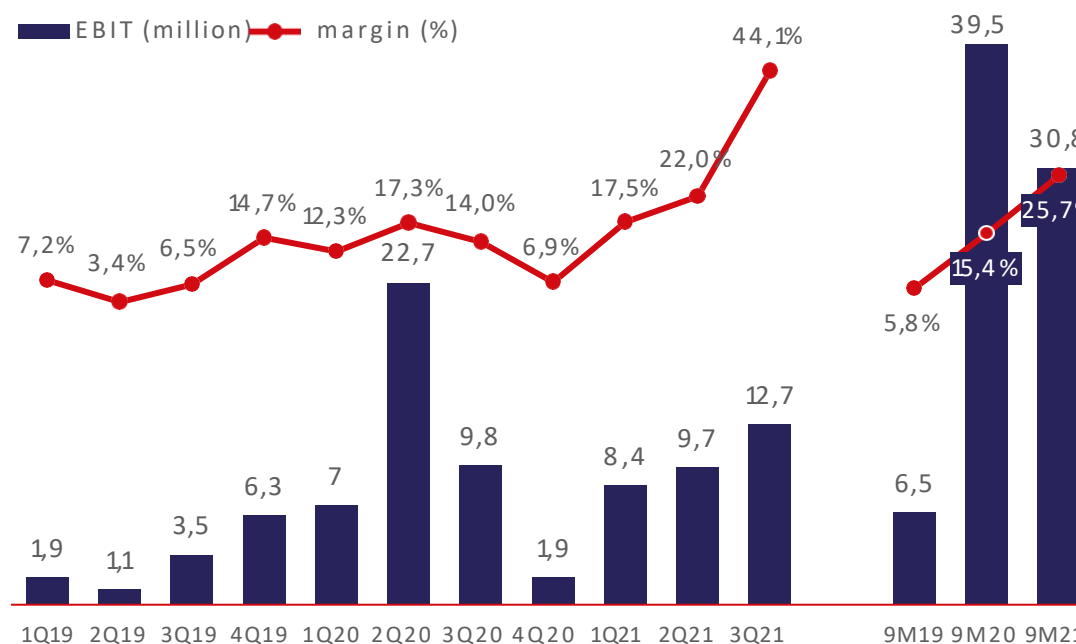
## Revenues, identification of result

■ Value (million PLN) ● Amount



## Operating result

■ EBIT (million) ● margin (%)

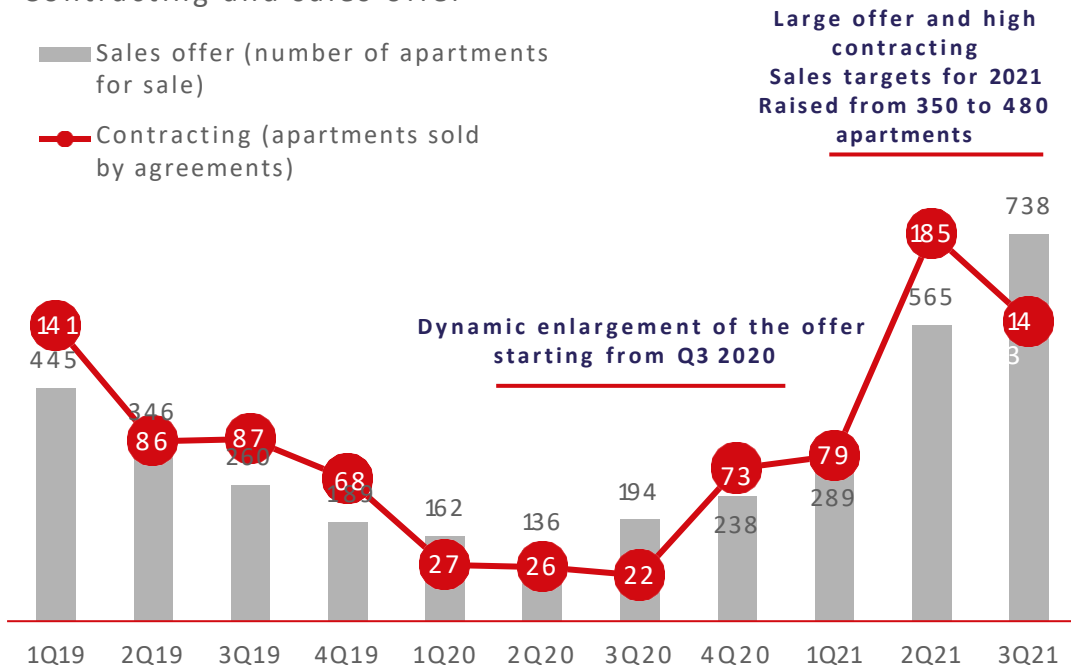


- Revenues achieved in Q1-Q3 2021 120 million of PLN as a result of recognition of sales of 261 apartments (vs. 571 apartments in Q1-Q3 20)
- in Q1-Q3 2021 handed over for use: Osiedle Pastelowe Stage no. I (180 apartments) and stage no. I of Sol Marina project (92 apartments)
- in Q4 2021 planned recognition of e.g. other apartments within the following investments: Osiedle Zielone, Foresta, Osiedle Pastelowe, Nowe Rokitki, Sol Marina 1a, Villa Neptun, Lazur Park, Grano Residence (commercial spaces)
- in Q4 planned commencement to construction of the building at ul. Braniborska in Wrocław – project in PRS model – the first payment planned in Q4

\* With the proviso, that none of the above statements relating to the future may be understood or interpreted as granting any guarantee or assurance by the Company or entities belonging to the Capital Group that such events will occur and that sales targets set out above will be achieved

# NEW INVESTMENTS IN SALES OFFER

## Contracting and sales offer

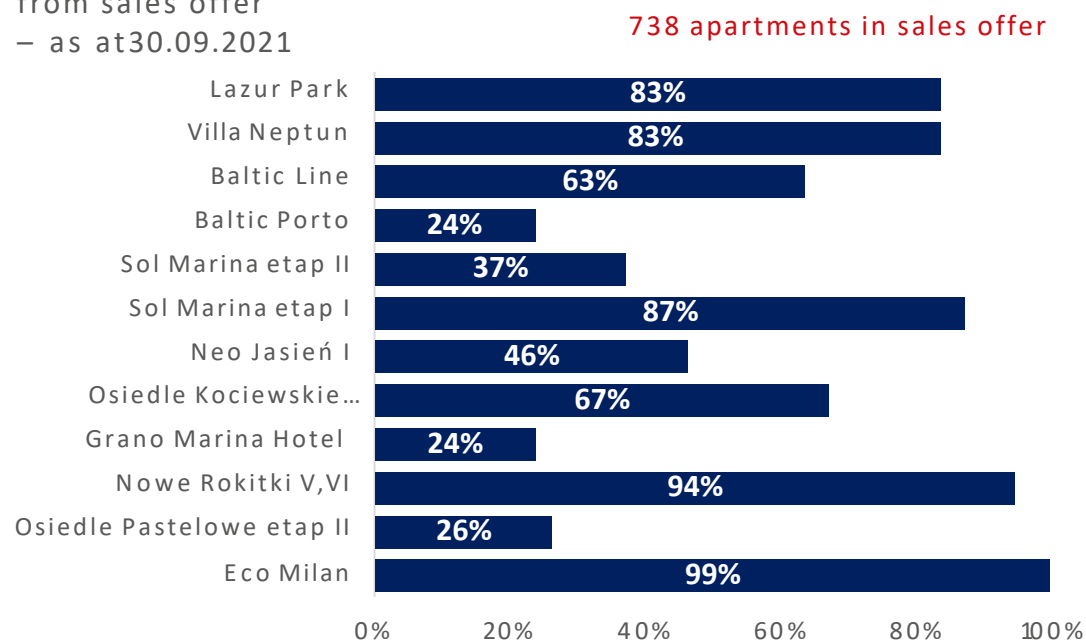


In 2021:

- Commencement of construction of: Neo Jasień I, Osiedle Pastelowe II (350 apartments), Sol Marina II, Grano Marina Hotel, Baltic Porto and Baltic Line, Trimare I
- Completion of construction of the following investments: Osiedle Pastelowe I, Osiedle Kociewskie I, Sol Marina I, Villa Neptun, Lazur Park

## % of sales of apartments from sales offer

– as at 30.09.2021



In Q3 increase of the offer up to 738 apartments, major investments:

- Trimare (Sztutowo) – start of sales of the stage I (189 apartments)
- Sol Marina stage II – (127 apartments), Sobieszewska Island (Lazur Park, Villa Neptun, Baltic Line, Baltic Porto)
- Osiedle Pastelowe stage II (225 apartments)
- Osiedle Kociewskie stage I (121 apartments)

# UNIKALNY BANK ZIEMI PERSPEKTYWA 2025+



Unique, attractive bank of land

diversified locations, development of seaside locations in Q3 :

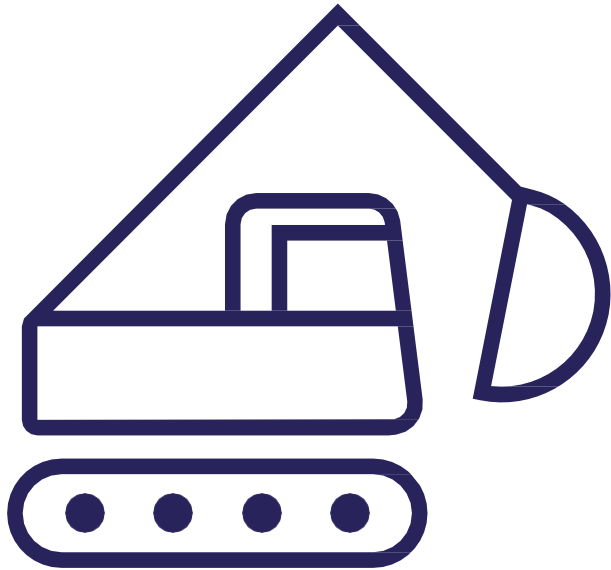
- Trimare (Sztutowo) – commencement of offering in Q3 (approx. 189 apartments in stage I)
- Puck – purchase of land property for investment

## PIPELINE OF INVESTMENTS IN 2021-2025

favorable timing of planned implementations

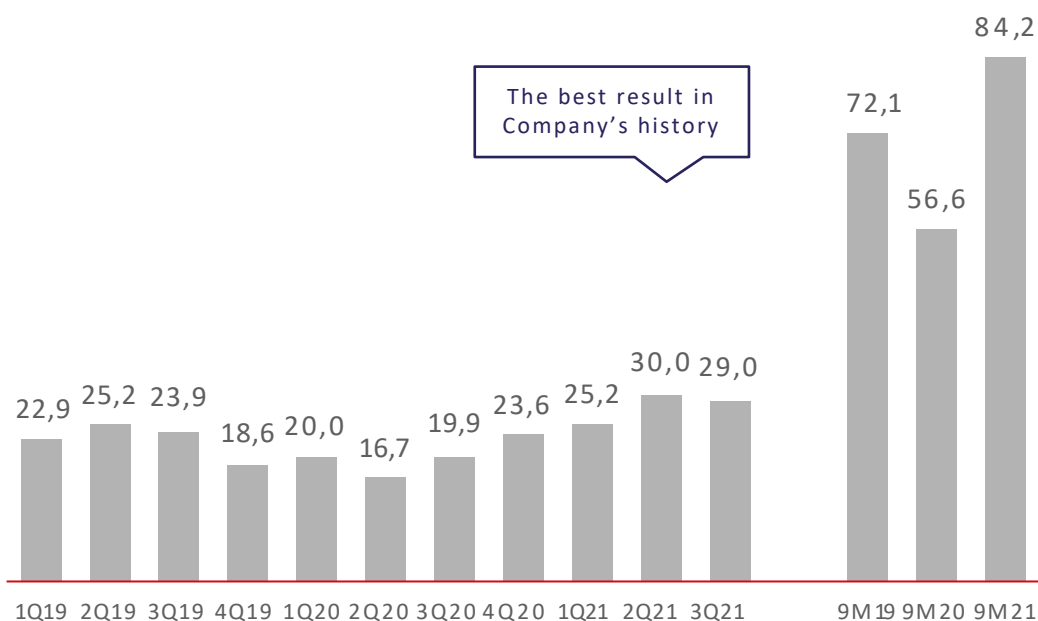
Selected planned investments 2021/25	Commencement to construction works	Completion of construction works	PUM/ PUU (m2)	Number of apartments
Sol Marina (II,III)	4Q2021	2Q2024	12 527	267
Braniborska (Wrocław)	4Q2021	3Q2023	18 000	b/d
Pastelowa (IIb, III)	4Q2021	4Q2025	18 346	395
Neo Jasień II	2Q2022	4Q2023	4 355	98
Osiedle Kociewskie II, III, IV	4Q2021	1Q2025	15 994	364
Grano Resort apartamenty (I, II)	1Q2022	3Q2025	17 755	444
Trimare II	1Q2023	2Q2024	5 710	128
Puck – Nowy Świat I	2Q2023	2Q2025	8 000	180
Baltic Fun Park	4Q2022	4Q2024	8 934	189



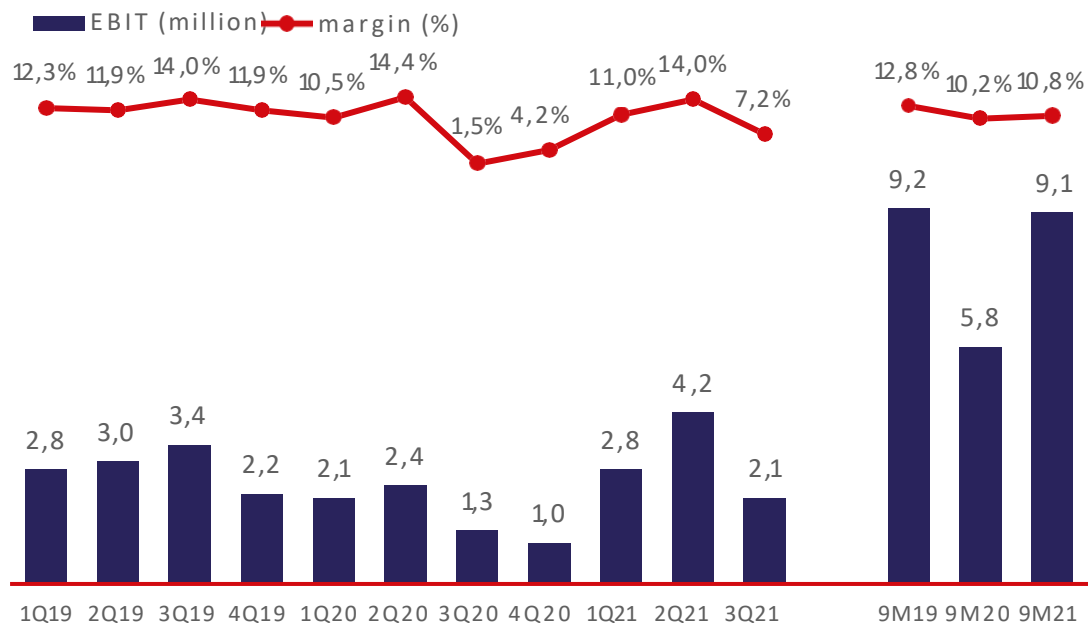


# FINANCIAL RESULTS

Revenues\*  
(million of PLN)



Operating result  
(million of PLN)



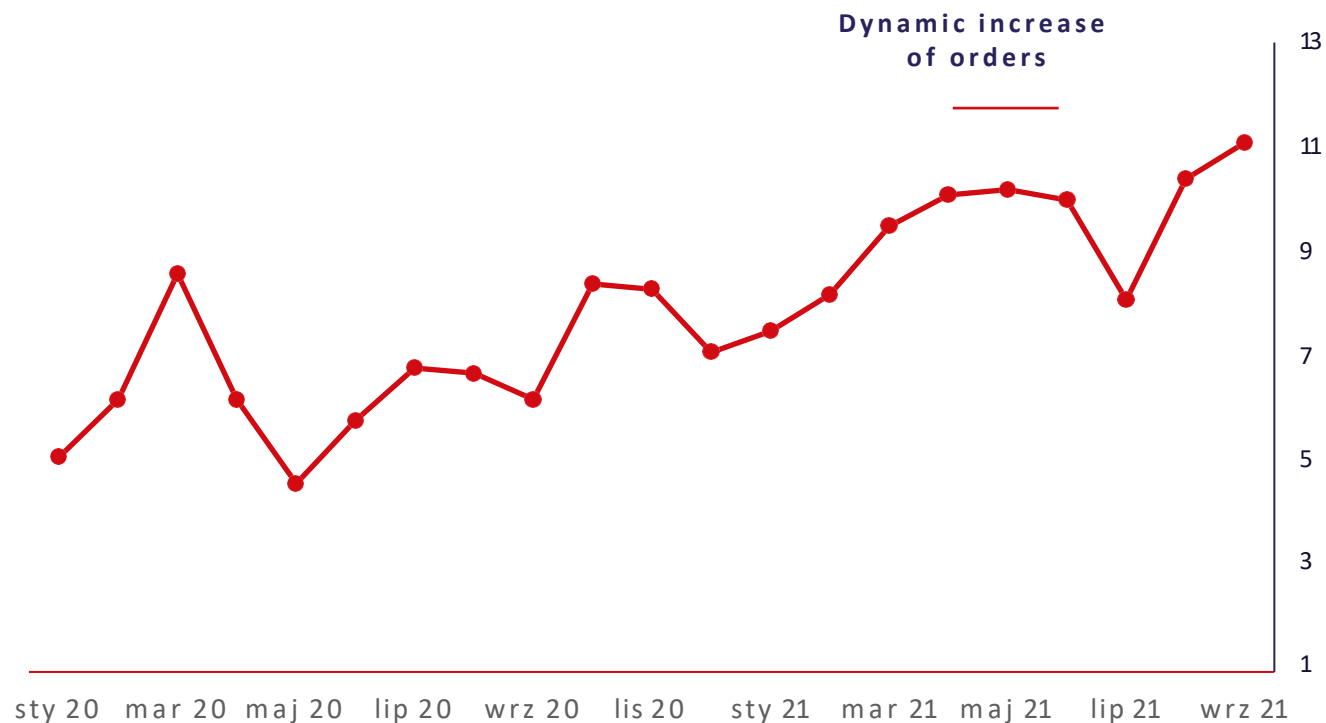
- In Q1-Q3 2021 record sales in company's history 84 million of PLN due to large number of orders
- Operating result in Q1-Q3 2021 9,1 million of PLN (+60% y/y) – more than entire result of the year 2020
- Increase of prices and limited availability of raw materials - in order to ensure protection against negative effects in subsequent periods, the Company conducted negotiations with customers regarding price increases (new price list from March, and for some OEM customers from April)

# PIPELINE

## Selected OEM Clients



Order fulfillment trend (million of PLN)



Essential increase of orders since Q3 2020:

- Acquisition of new clients (Hitachi, CNH, Steelwrist)
- Development of cooperation with new (e.g. CASE) as well as with existing partners (e.g. Caterpillar)

# 2021+ PROSPECTS

**2020** – development of production efficiency and capacity (machine park, automation)

**2021** – mitigation of effects of steel price increases, focusing on high-margin products

**November 2021** - acquisition of the Intek Company – potential on doubling of production capacity

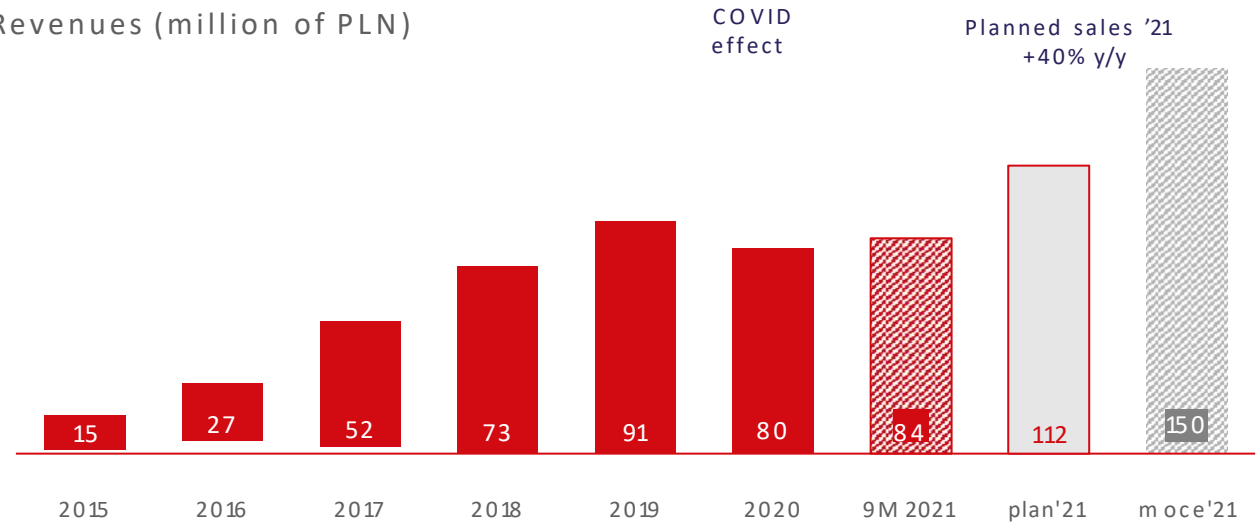
## POSSIBLE SCALING

In 2021 the goal on 112million of PLN of sales revenues (+40% y/y), implementation of projects dedicated to Caterpillar,

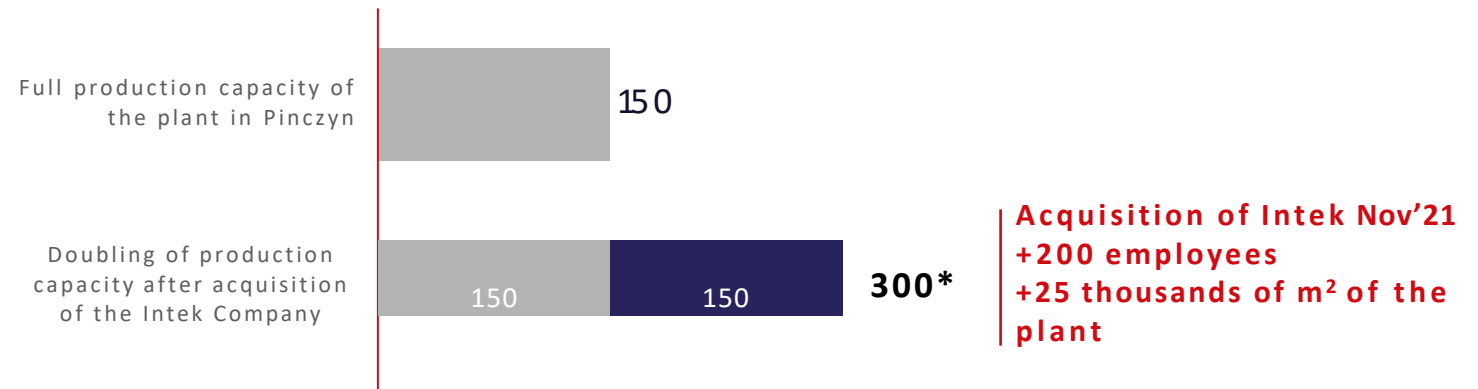
150 million of PLN - full capacity of production plant (without plant's expansion, but with a larger number of employees)

300 million of PL – acquisition of the Intek Company in November 2021 will allow to doubling of production capacity

Revenues (million of PLN)



Plan of enlargement of production capacity  
Revenues (million of PLN)



\*the above is a long-term goal for 3 years, conditioned by many internal and external - market factors



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# SUMMARY AND PROSPECTS 2021+



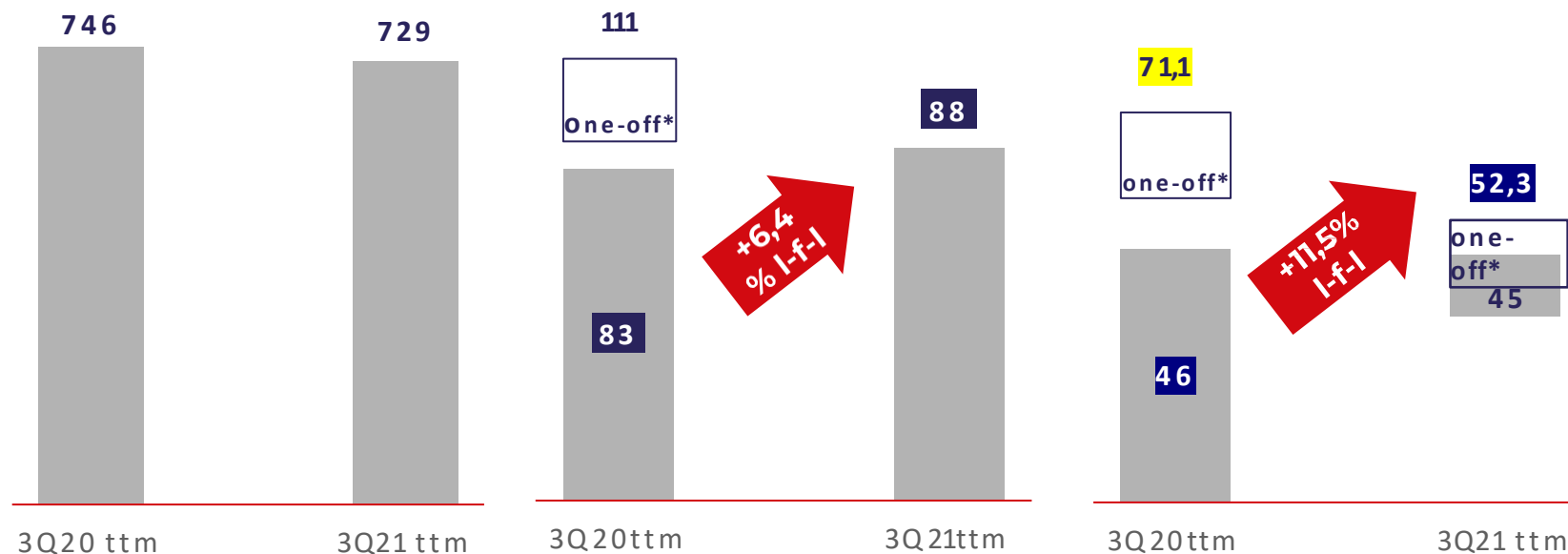
# IMPROVEMENT OF RESULTS FROM CORE BUSINESS ACTIVITIES

Revenues ttm  
(million of PLN)

EBITDA ttm  
(million of PLN)

Net profit ttm  
(million of PLN)

Market valuation  
(24.09.2021)






Share price	31,4 PLN
Number of shares	8,4 mln
Capitalization	259 mln
Net debt	253 mln
C/Z	5,9
EV/EBITDA	5,9

- Reported results lower y/y – nevertheless in like-for-like perspective – rising trend +11,5% y/y net profit- +6,4% y/y EBITDA (after adjustment of net profit for non-cash one-off events; normalized, comparable data)
- one-off\* - one-off and accounting events: in Q4 2019 – positive impact - 27 million of PLN (revaluation of assets), in Q1-Q3 2021 negative impact 7 million PLN valuation of financial instruments
- improvement of debt maturity structure, safe level of net debt and financial ratios

# ● KEY TRENDS 2021

## REVENUES TRENDS:

- demand for industrial construction
  - Dynamic enlargement of pipeline in Q3 (1,25 billion of PLN, ok. 800 million of PLN for implementation during price spikes)
- 
- 
- increase in real estate prices
  - high demand for residential apartments
  - new seaside investments
- 
- 
- increasing number of orders
  - New clients : Hitachi, SMP, Steelwirst
- 

Higher material and labor costs mitigated by :



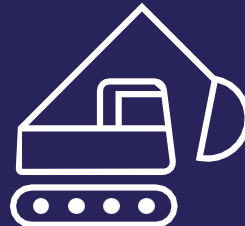
### BUDOWNICTWO

- careful bidding, short bid deadline (14 days)
- short projects life cycle(6-8 months)
- own resources (construction employees and equipment)
- prefabricates from the Capital Group
- efficiency of purchasing department



### DEVELOPER

- land properties of settled projects purchased at favorable prices
- Implementation of investments by companies from the Capital Group
- increase in prices of apartments sold



### STEEL

- automation and robotization of the welding process
- steel prices in H1 2021 partially hedged
- focus on high-margin and proprietary products

# 2021+ PROSPECTS

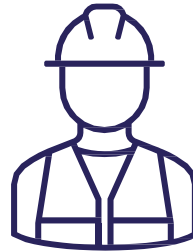
## CAPITAL GROUP



Refinancing of  
debt in H1 2021



Maintenance of  
business operations  
profitability in a  
difficult environment



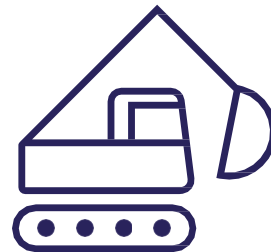
### Dekpol BUDOWNICTWO

- strong demand from warehouse and industrial construction
- pipeline in Q3 1,25 billion of PLN (800 million of PLN for implementation)
- return to dynamic contracting in Q3



### Dekpol DEWELOPER

- increase of sales offer to over 700 apartments
- –exceeding of contracting targets for 2021 (350 apartments, new target: 480 apartments )
- sustainable investment plan for 2021-2025
- Target for 2021 - recognition of PLN 210 million of revenues



### Dekpol STEEL

- new customers and higher orders - record results in a difficult environment
- Plan for 2021: increase of sales + 40% y/y (PLN 112 million)
- **Acquisition of the plant of Intek Company in November 2021 - goal of doubling of production capacity up to 2024**





Thank you for your attention.

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