



FINANCIAL RESULTS 2Q 2022

INVESTOR PRESENTATION

OCTOBER 2022

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Mariusz Tuchlin
President of Management Board,
Dekpol S.A.
main shareholder



Katarzyna Szymczak-Dampc
Vice President of Management Board, Dekpol S.A.
Chief Financial Officer



Michał Skowron,
CEO



- specialization in construction of logistics, industrial and cubature facilities
- short- and medium-term contracts (execution time 6 - 9 months)
- flexibility provided by unique resources: machinery park, own prefabricated products, construction teams



Sebastian Barandziak,
CEO



- extensive and diversified portfolio (popular and premium estates, residential and service estates, hotel estates)
- land bank in unique tourist locations (Sobieszewska Island)
- secured land bank until 2025+, attractive locations, usable area of approx. 200,000 m²



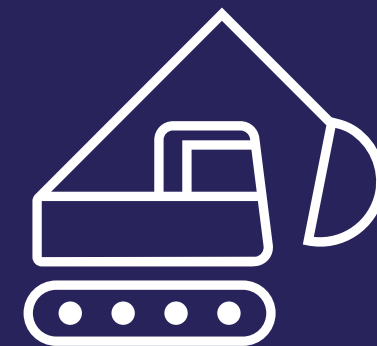
Andrzej Kuchtyk,
CEO



- a leading manufacturer of accessories (buckets) for construction machines
- high demand for products from international partners, dynamic development of exports
- surge growth - planned doubling of production capacity in 3 years thanks to the acquisition of the Intek plant in Lubawa in 2021

● AGENDA

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





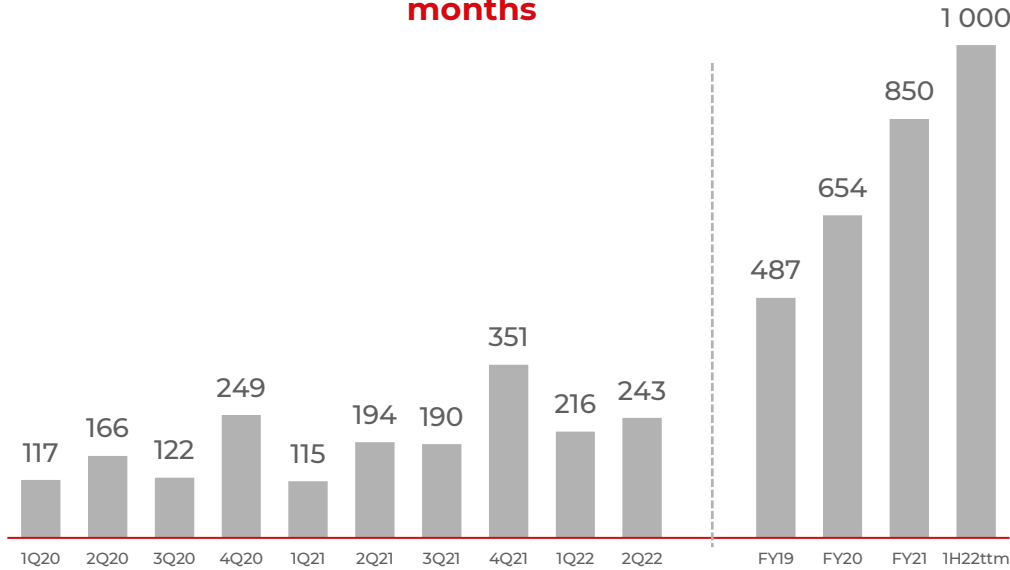
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BUDOWNICTWO

FINANCIAL RESULTS

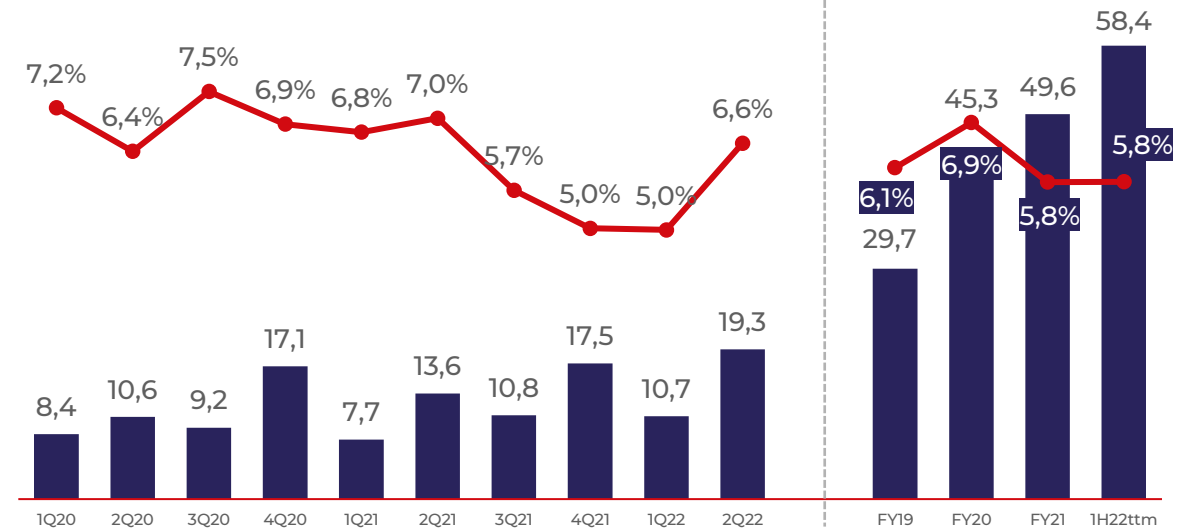
Revenues* (million of PLN)

**High level of revenues-
1 billion of PLN for the last 12
months**



Operating result

■ EBIT (million) ● margin (%)

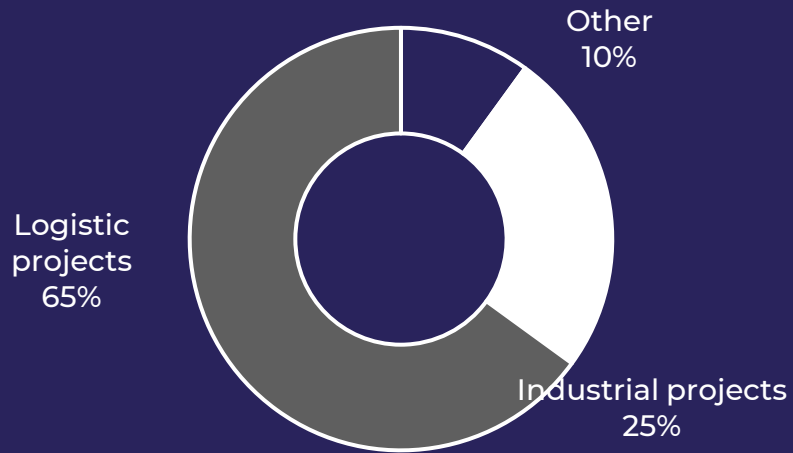


- consistent creation of scale: high level of revenues PLN 459 million in 1H 2022 (+ 49% y/y); PLN 243 million in 2Q (+ 25% y/y)
- factors protecting profitability in demanding environment: technical and design know-how, fast contracting, diversification of customers portfolio (industrial-logistics and residential), process innovations and digitization of budget control processes (new ERP system - go live 2022)

2022+ PROSPECTS

STRONG ORDERING PORTFOLIO

Structure of GW projects (as at 30.06.2022)



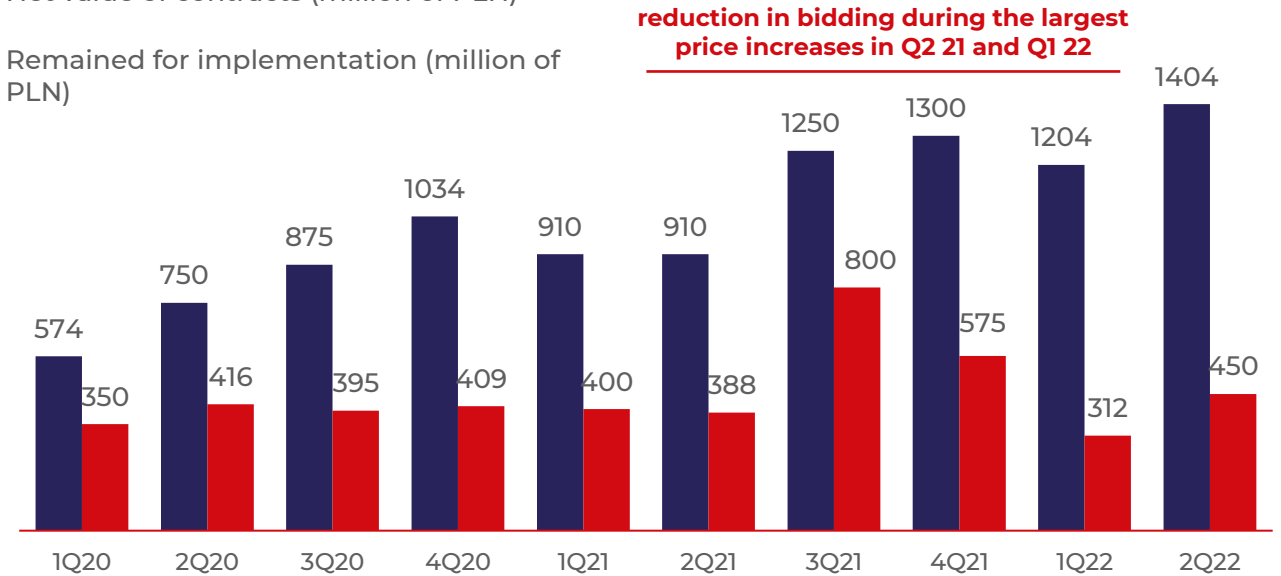
VALUE OF AGREEMENTS as at 30.06.2022:

- PLN 1.404 million (PLN 450 million remained for implementation)
- For Dekpol Developer PLN 394 million, (PLN 216 million remained for implementation)

Contracting (million of PLN)

■ Net value of contracts (million of PLN)

■ Remained for implementation (million of PLN)



High level of acquisition of new projects in Q2 2022 after temporary suspension of bids during the largest price increases in Q1 2022

I. In Q2 2022, to project portfolio joined another clients:

- (1) CTP Invest Group - the largest in Central and Eastern Europe owner and developer of logistics estates - projects :
 - Łomna-Las (>PLN 110 million),
 - Zabrze (>PLN 70 million), project implemented in the "turn-key" system
 - (2) Raben; Solaris, Marathon, Morat-Swoboda; Finnarto; 2 x BTS Panattoni i.e. Viva and Flex - (jointly > PLN 240 million);

II. Expansions of performed investments

- next stages of portfolio projects, II phases) – (>PLN 180 million)



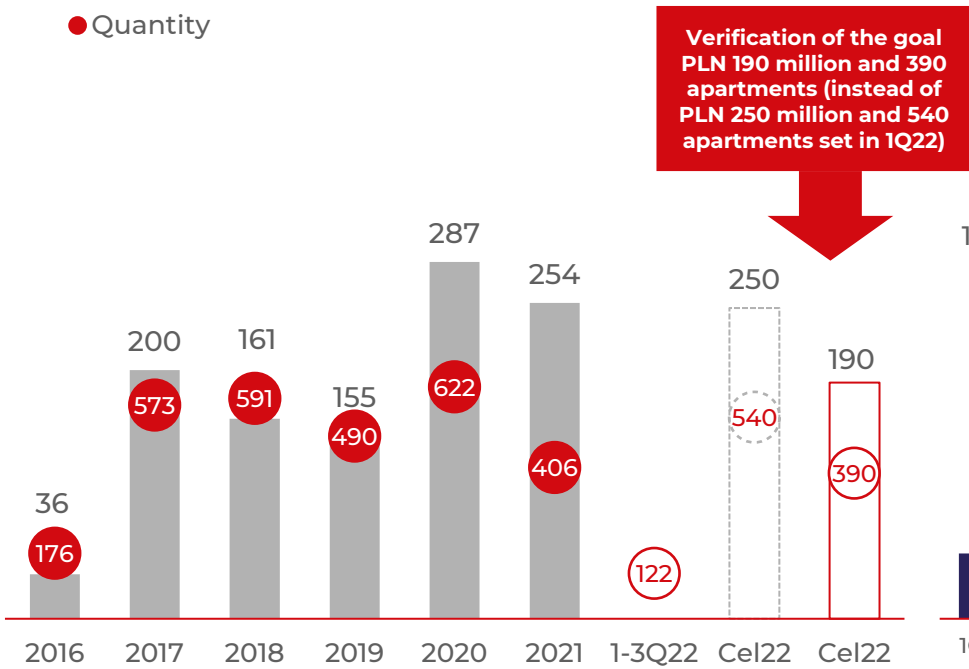
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DEVELOPER

DEVELOPER – FINANCIAL RESULTS

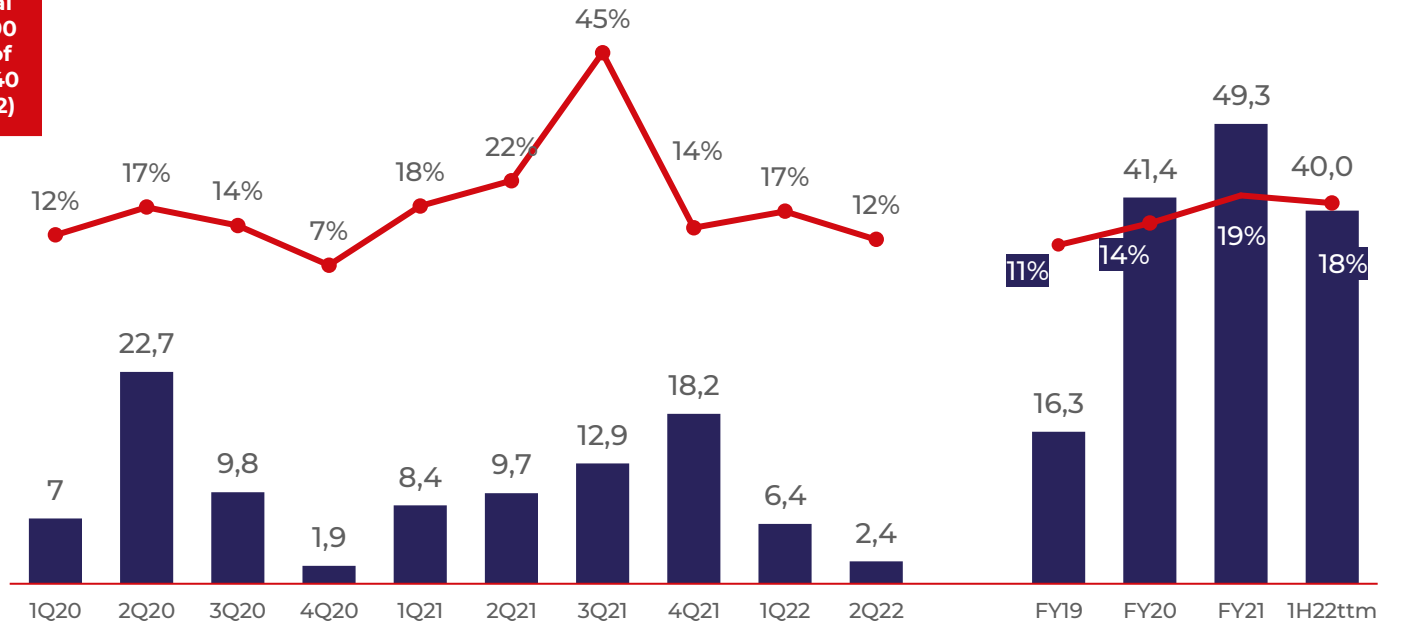
Revenues, recognition of result

■ Value (million of PLN)
● Quantity



Operating result

■ EBIT (million) ● margin (%)



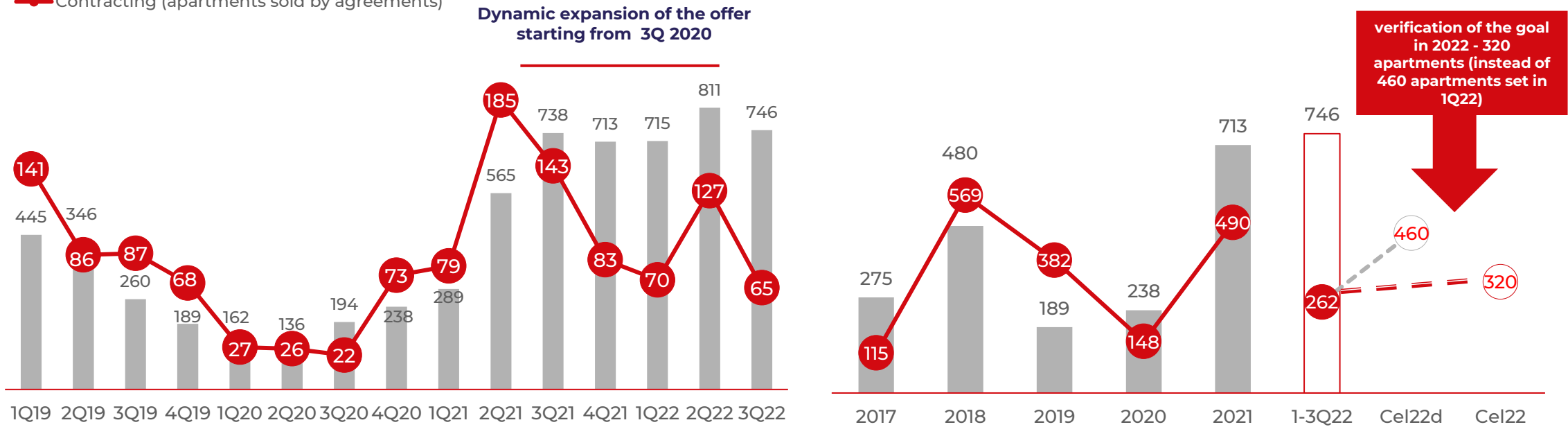
- in 1-3Q 2022, 122 apartments are planned to be recognized in revenues.
- among the contracted apartments, 534 apartments remain to be handed over in 2022 and 2023
- the schedule provides for commissioning in the last months of 2022 of the following investments: Osiedle Pastelowe stage IIa, Osiedle Kociewskie stage II, Neo Jasień stage I, Trimare stage I and Baltic Porto.
- goal for 2022: recognition of PLN 190 million in revenues, handing over of 390 apartments

3Q 2022 – estimated data

* 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 the sales targets set out above will be achieved

Contracting and offer

■ Offer (number of apartments offered for sale)
●— Contracting (apartments sold by agreements)

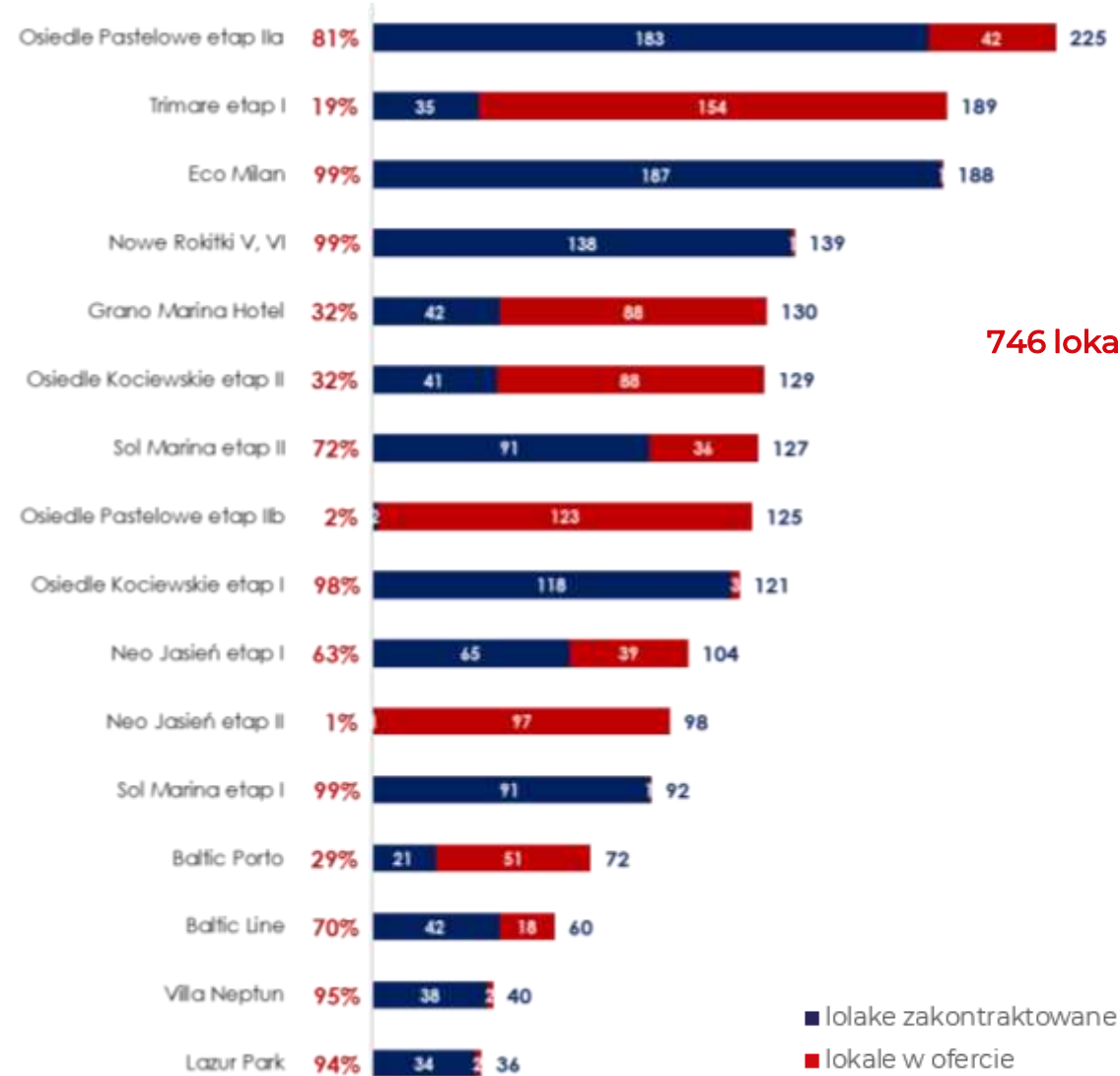


- at the end of Q3 2022 the offer of 746 apartments - addressed to a wide range of clients. Throughout 2022, planned contracting on the level of 320 apartments
- verification of the schedule of commencement to construction works: Sol Marina stage III (140 apartments), Baltic Fun Park apartments stage I (61 apartments) aimed at safe management of working capital
- large and growing share of premises purchased for cash (90% of sales in terms of value)

DIVERSIFIED OFFER



% of apartments sales from the offer
– as at 30.09.2022

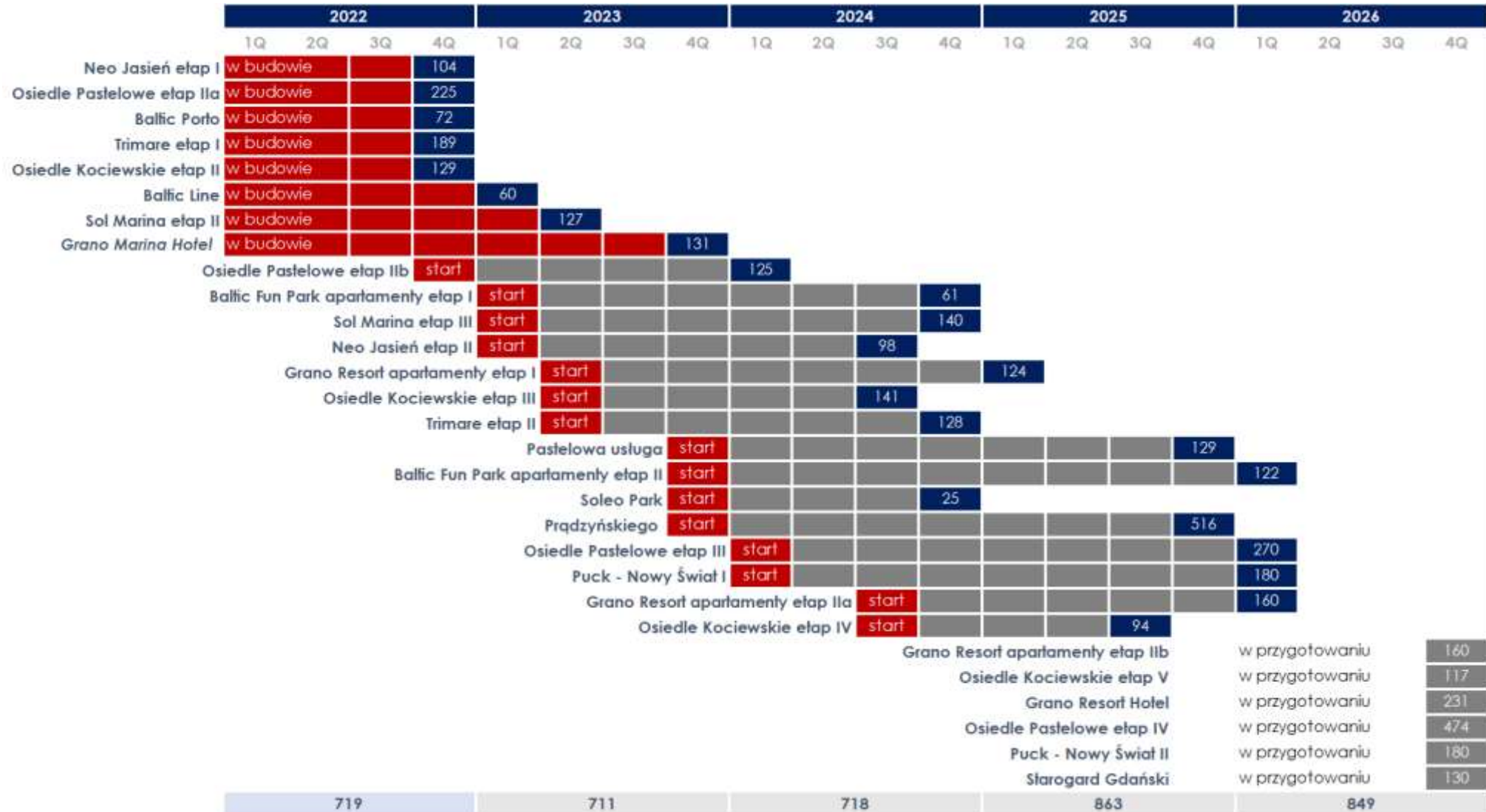


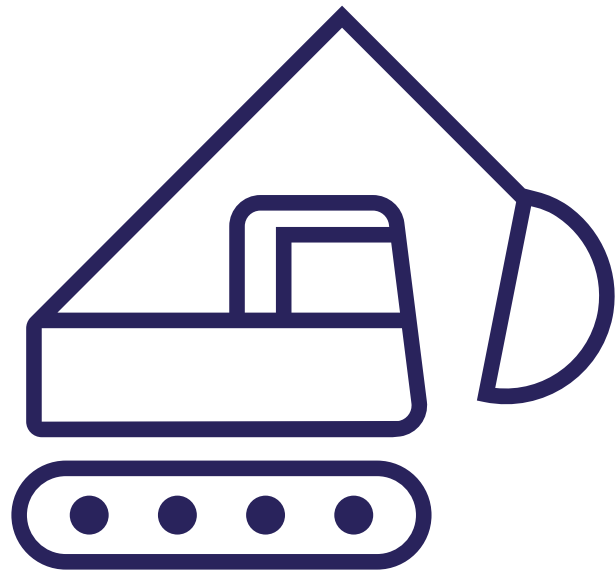
746 lokali w ofercie

■ lokale zakontraktowane
■ lokale w ofercie

PIPELINE OF INVESTMENTS IN 2022-2025

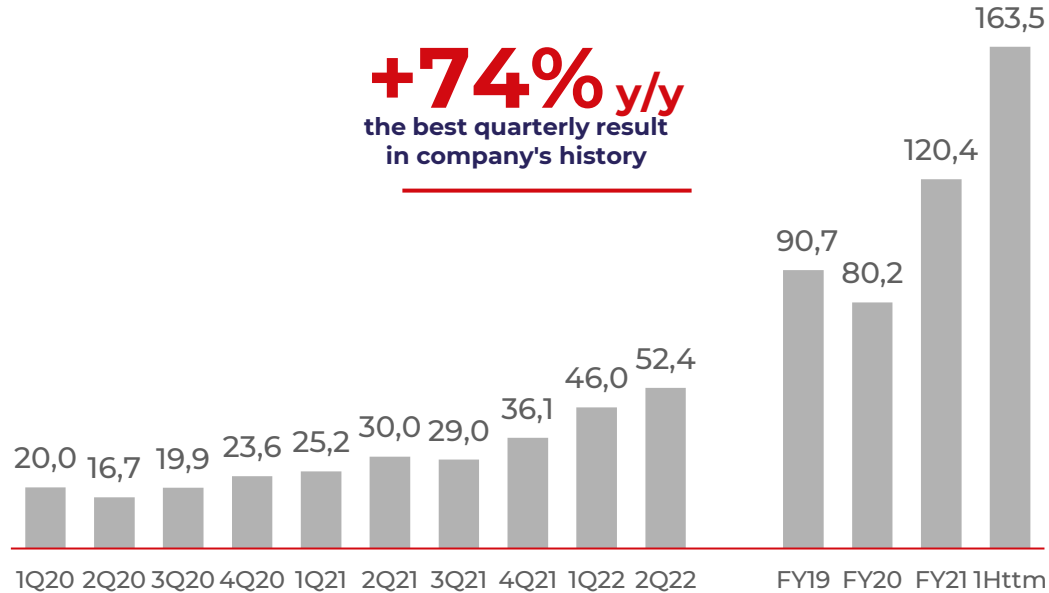
favorable timing of planned implementations



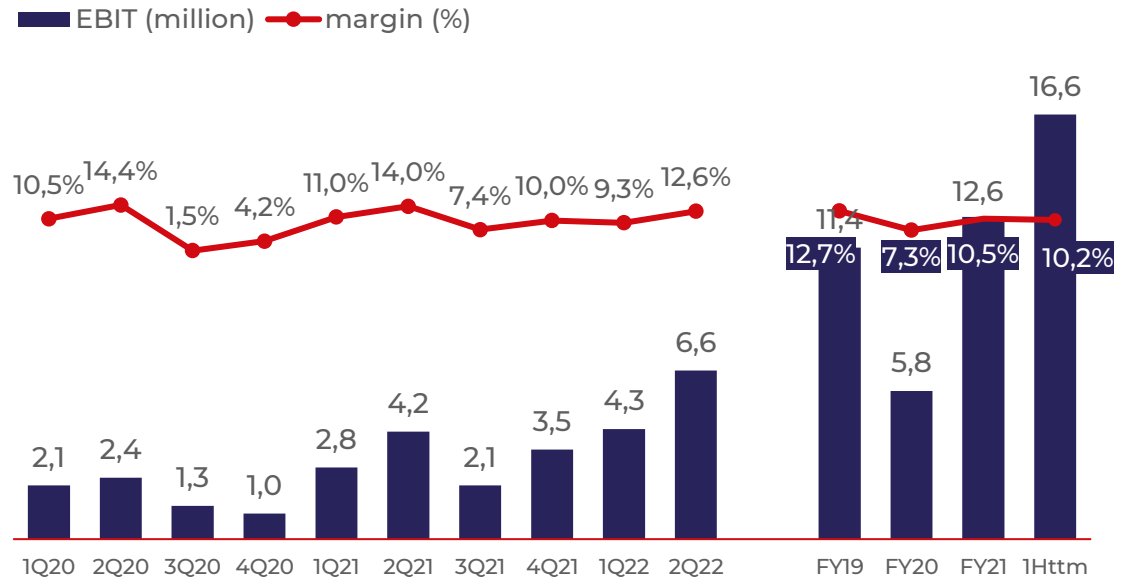


FINANCIAL RESULTS

Revenues*
(million of PLN)



Operating result
(million of PLN)



- Q2 2022 is another quarter with a high level of revenues - PLN 52.4 million, increase by + 74% y/y - from Q1 2022 a surge in revenues due to high level of orders realized with the use of larger production capacities (after acquisition of the Intek company in Q4 2021)
- very good operating result in 2Q 2022: PLN 6.6 million (+ 40% y/y) - achieved thanks to maintenance of a solid level of margins with higher revenues

2022+ PROSPECTS

Fluctuating steel market, due to the war in Ukraine, which was responsible for approx. 50% -60% of steel supplies to Europe. Sources of raw materials:

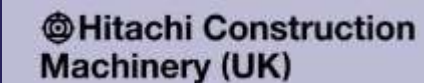
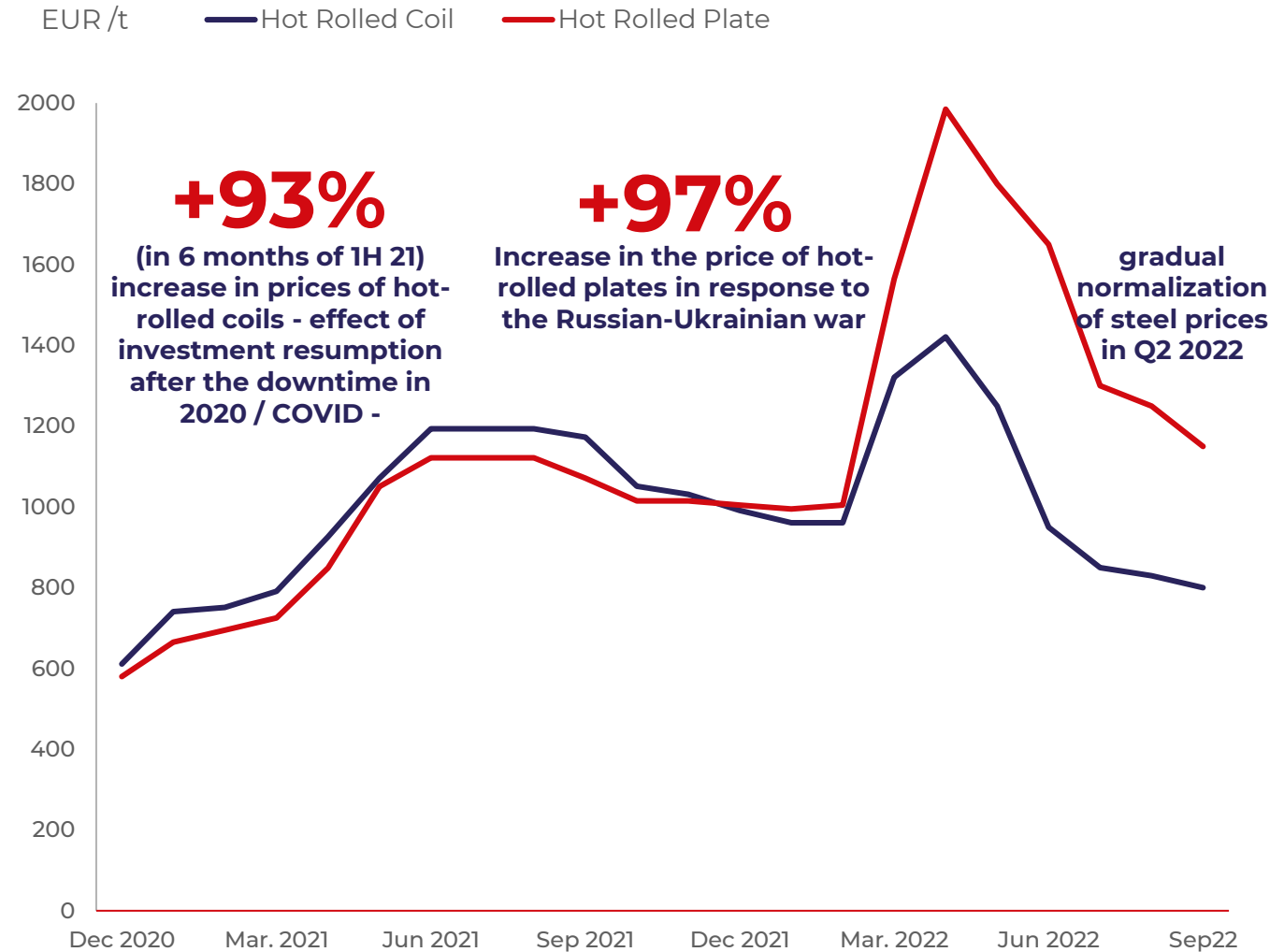
- Wear-resistant steel – Sweden
- Steel 4,5-20mm - Košice (Slovakia)
- Steel 25-100+mm - Turkey (previously Ukraine)

From May 2022, demand from OEM customers slows down, exploration of additional sources of orders:

Capitalization of experience of Intek:

- renewable energy (offshore), trailers
- commencement of the process of obtaining a military concession

Transaction Price Data Sheet – MEPS EUROPE



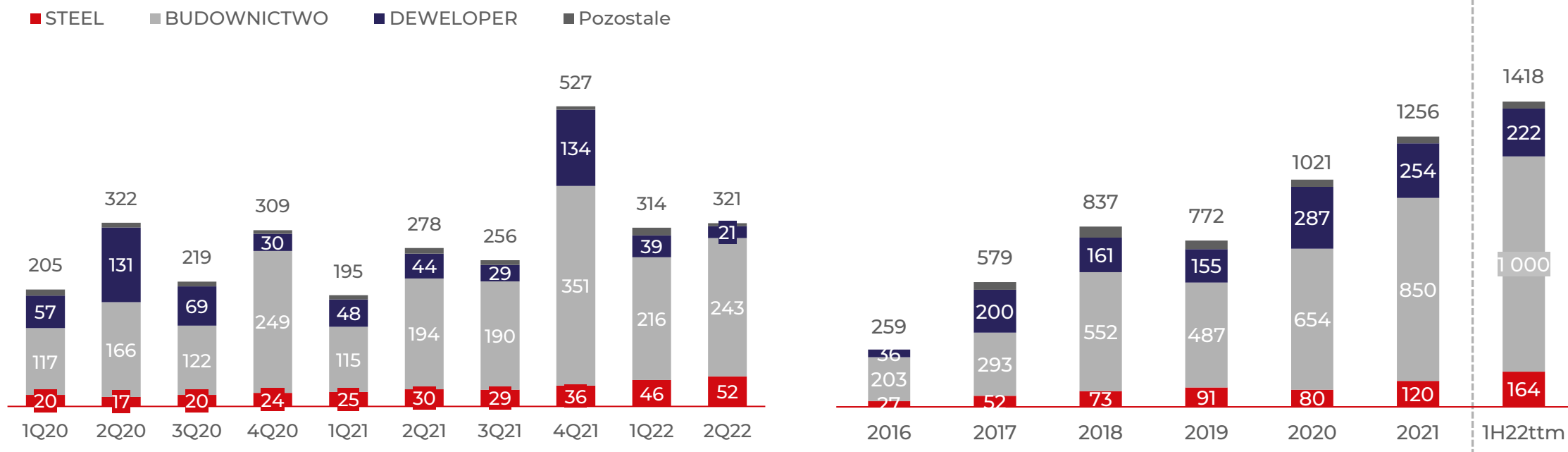


FINANCIAL RESULTS OF THE DEKPOL GROUP

REVENUES – THREE SEGMENTS

Revenues (million of PLN)

Revenues (million of PLN)

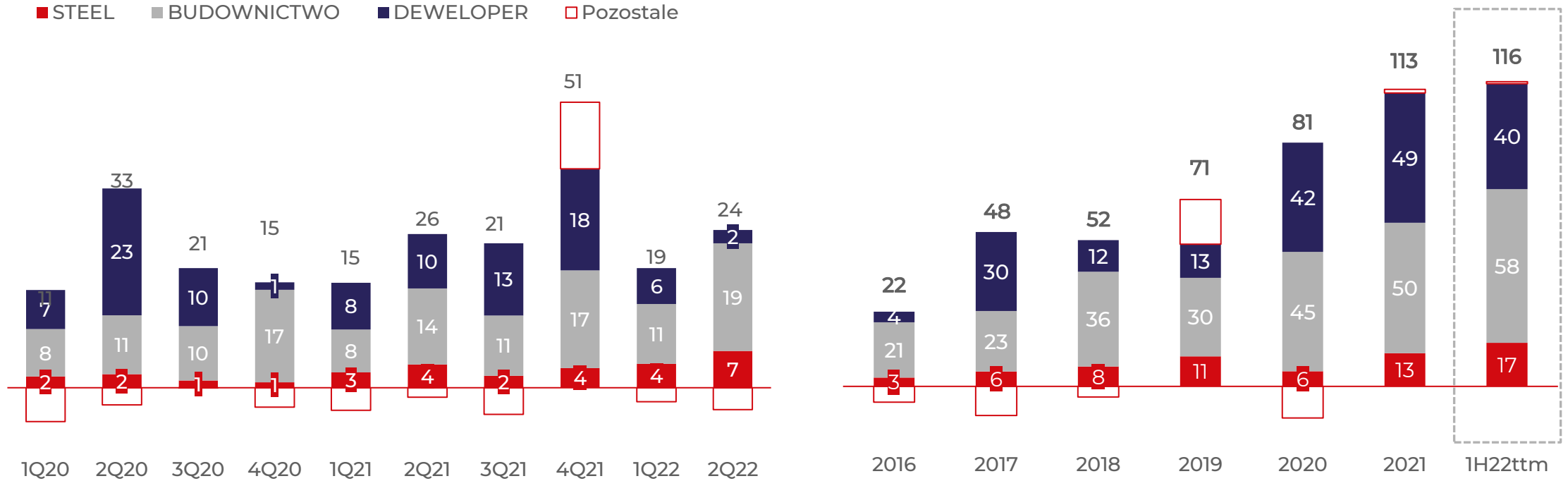


- H1 2022 revenues: PLN 635 million (+ 34% y/y); thanks to increases in General Contracting segment + 48% y/y and Steel 78% y/y; in Q2 2022 only PLN 321.5 million in revenues (+ 16% y/y),
- higher revenues of Dekpol Budownictwo and increased production capacity supporting the growing level of orders in Steel compensate for lower recognition of revenues by Dekpol Deweloper

OPERATING RESULTS – THREE SEGMENTS

EBIT (million of PLN)

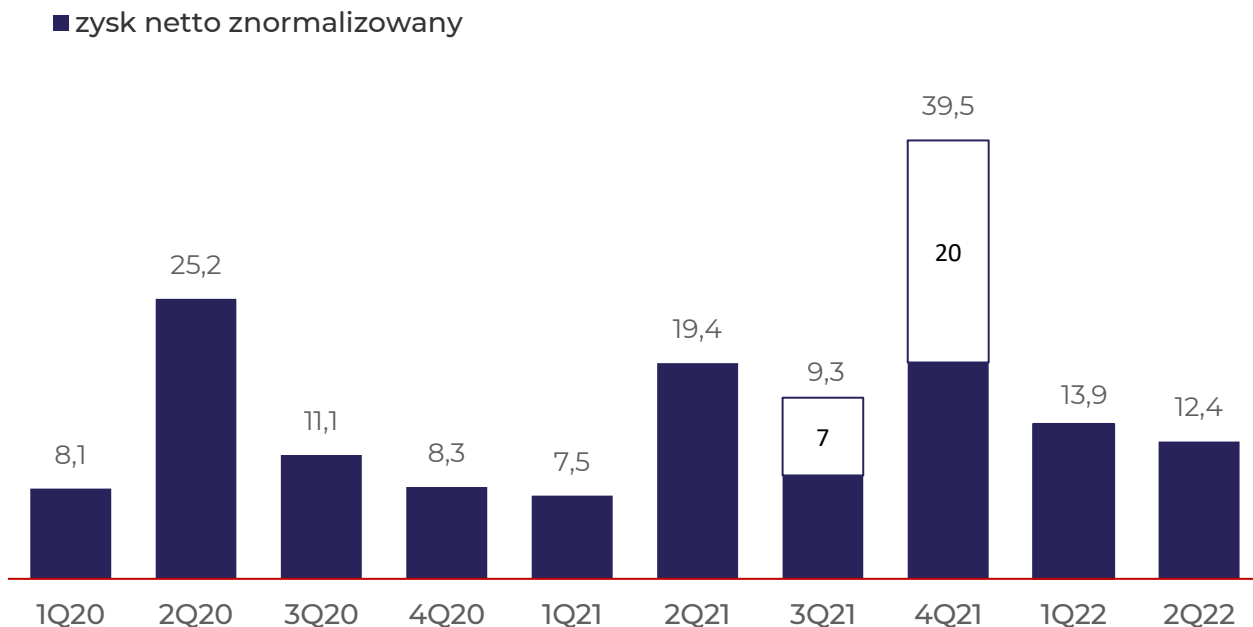
EBIT (million of PLN)



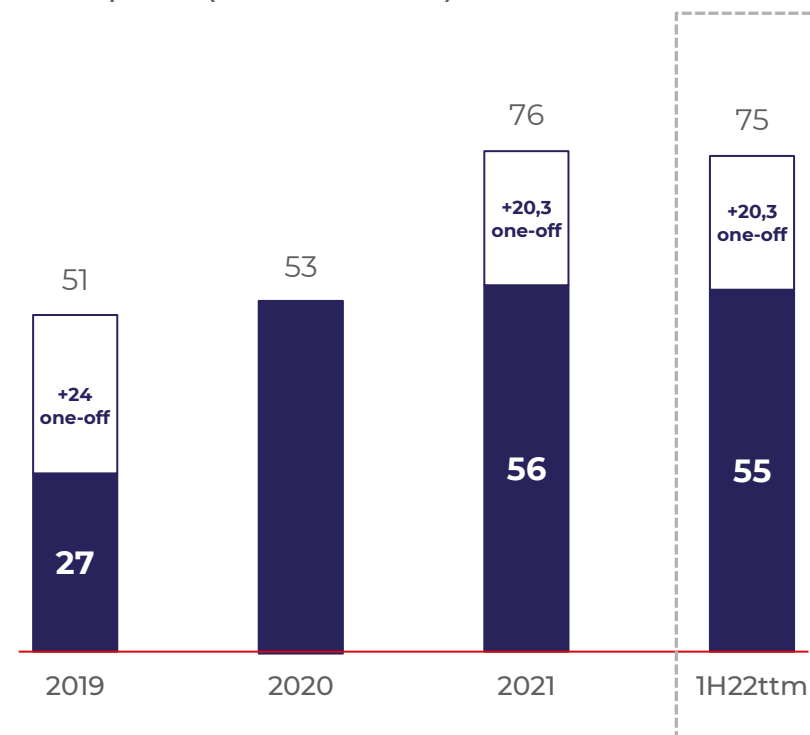
- operating profit similar to last year's: PLN 43.4 million in H1 2022 vs. PLN 40.6 million in H1 2021 - higher volumes in General Contracting and Steel segments compensate for cost pressure and lower contribution of the property development segment
- PLN 116 million of the Group's consolidated operating profit for the last 12 months

CONSOLIDATED NET PROFIT

Net profit(million of PLN)



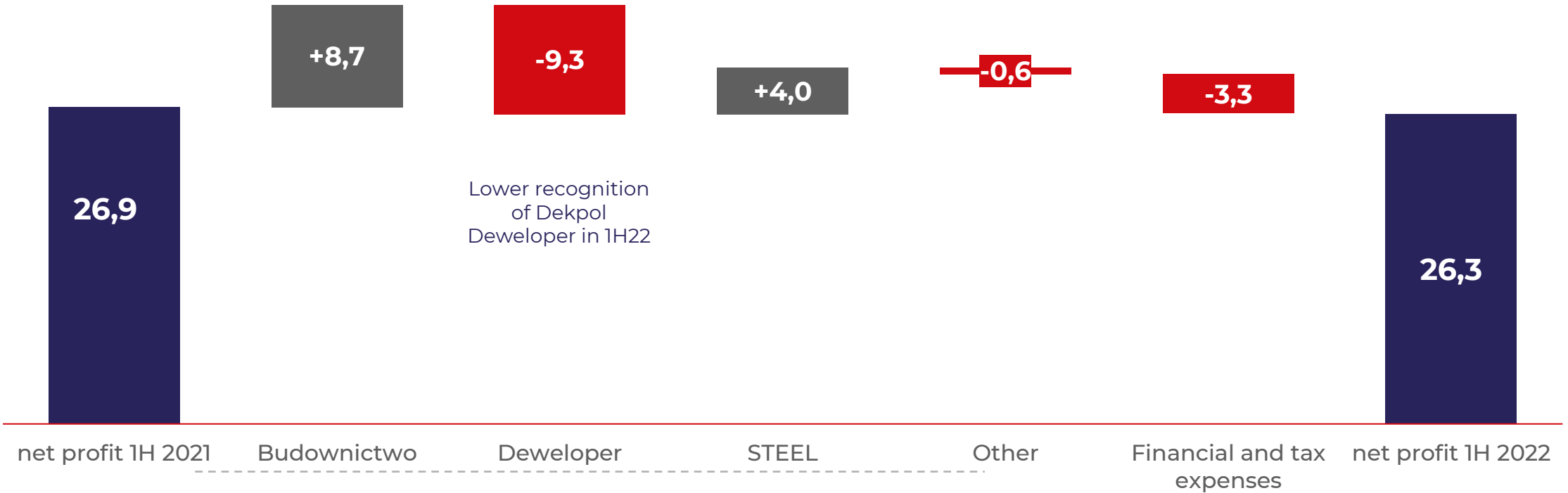
Net profit (million of PLN)



- in 1H 2022 consolidated net result PLN 26.3 million (-2.2% y/y) - slight decrease despite difficult market conditions
- 2021 results influenced by recognition of profit on bargain purchase (Intek) - net effect PLN 20 million

SELECTED EFFECTS OF THE OUTTURN ACCOUNT 1H 2022 vs. 1H 2021

(million of PLN)
Operating result

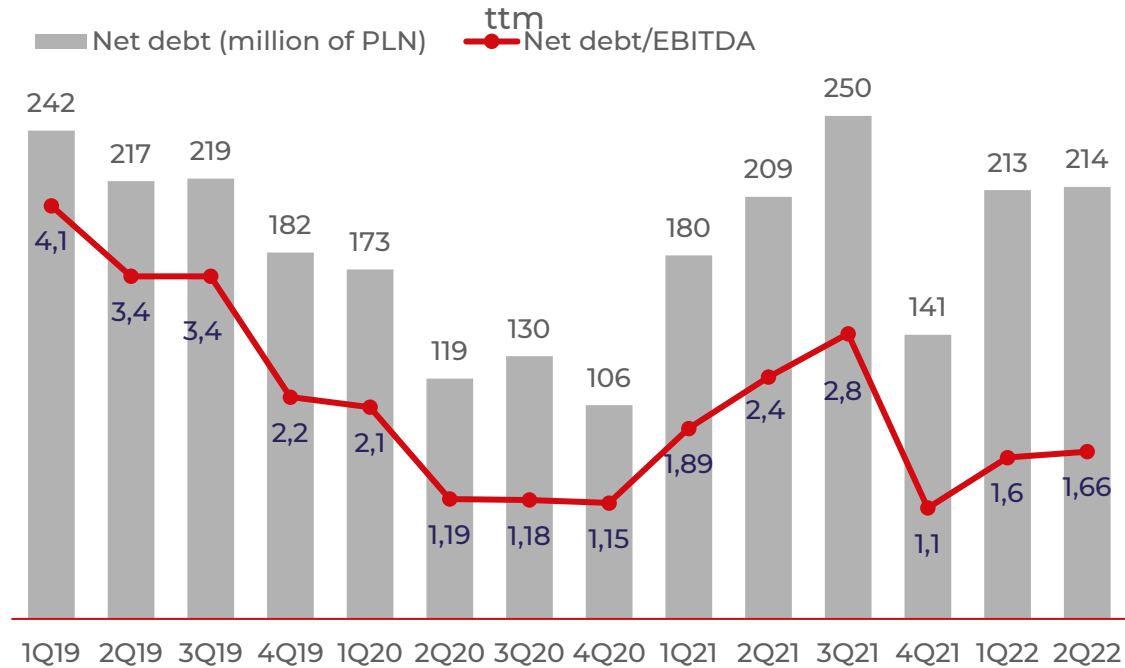


- 1H 2022 results influenced by volume increases in General Contracting and Steel segments, which compensate for the low level of recognition of revenues in property development segment, allowing to maintain net result at a similar level y/y

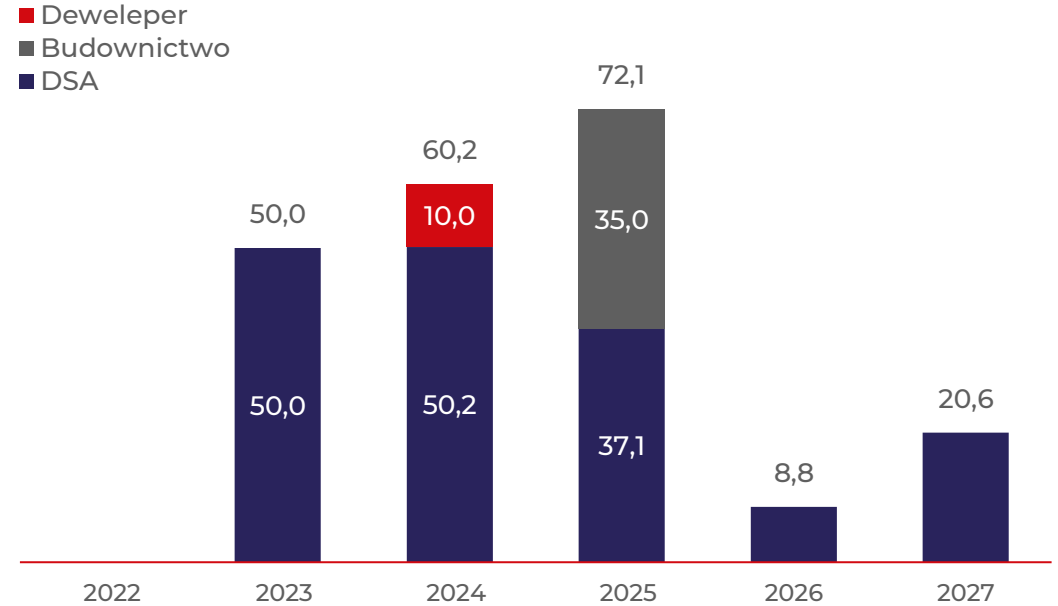


STABLE FINANCIAL POSITION

Net debt (million of PLN) at the end of period and ND/EBITDA



Bonds – maturity structure (million of PLN)



- gradual increase of debt financing over 2022 gives a higher amount of working capital (target level of 2-3x ND / EBITDA, 4.5x ND / EBITDA covenants), among others September 2022 - issue of EUR 2.4 million of over 4-years bonds - financing for Dekpol Deweloper
- safe level of cash in the amount of PLN 168 million, increase in trade liabilities (including an increase in prepayments and advances)
- steps aimed at partial reduction of interest rates risk by usage of IRS (Interest Rate Swap), CAP (interest rate option), change of some loans from PLN to EUR

PREFABRICATES – development of production capacities

acquisition of 100% of shares of "Kombet Działdowo" Sp. z o. o. company headquartered in Komorniki on 5th of August 2022

KOMBET:

- Production plant
- land enabling expansion
- 70 of qualified employees

Production and sales of concrete and reinforced concrete products for industrial, infrastructure and housing construction industry.

The M&A transaction was aimed at increasing scale of segment's business operations in the field of production of prefabricated structures implemented by the Group as a part of Betpref in Toruń and Pinczyn.

BETPREF:

- launching of prestressed elements production (a milestone)





SUMMARY AND 2022+ PROSPECTS



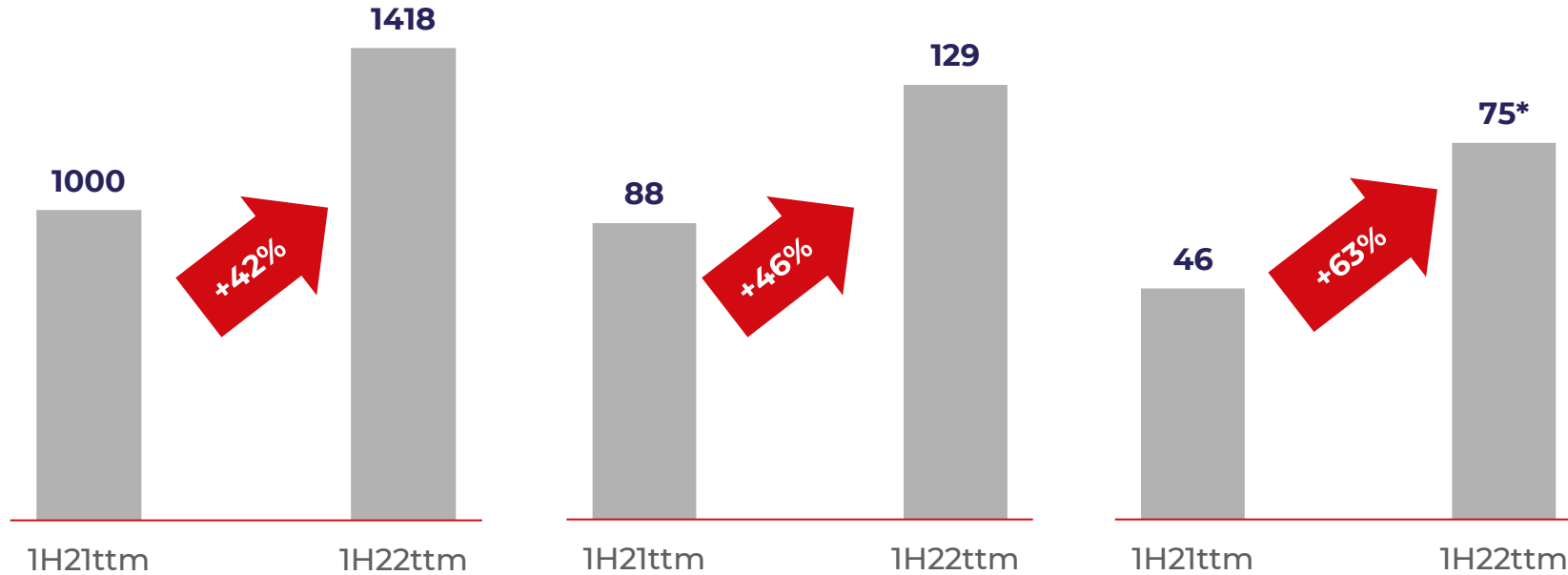
FINANCIAL RATIOS

Revenues ttm
(million of PLN)

EBITDA ttm
(million of PLN)

Net profit ttm
(million of PLN)

Market valuation
(03.10.2022)



Share price	22.00 PLN
Number of shares	8,4 million
Capitalization	184 million of PLN
Net debt	168 million of PLN
C/Z (normalized C/Z)	2,5 (3,3)
EV/EBITDA (normalized.EV/EBITDA)	2,7 (3,2)

- consistent creation of scale from 2019 - in 2022 solid financial results achieved in a difficult economic environment
- safe level of net debt and financial ratios

*net profit of PLN 75 million generated in the last 12 months takes into account the PLN 20.3 million one-off effect recognized in Q4 2021 in connection with the acquisition of the Intek company, the normalized net profit amounts PLN 55 million

2022+ PROSPECTS

BUDOWNICTWO

- short project life cycle (6-8 months), careful bidding, short offer deadline (14 days > 7 days)
- own resources (construction crews, equipment, prefabricates)
- efficiency of the purchasing department



- High pipeline in Q2 2022 - PLN 1.4bn, new contracts in Q2 2022, intensification of commercial activities and regional development
- Usage of strong demand from industrial construction - new customers, development of resources
- careful contracting during sudden price increases, maintenance of efficiency of construction production

DEWELOPER

- diversified investments
- implementation of investments by companies from the Capital Group
- plots of settled projects purchased at favorable prices



- wide offer tailored to the needs of the market - over 700 apartments
- goal for 2022: contracting of 320 apartments
- sustainable investment plan 2022-2026

STEEL

- diversification of the ordering portfolio adapted to market conditions and resources
- Higher production capacity, takeover of the INTEK plant - a local specialized team of 200+ people



- dynamically growing level of orders, new clients : Hitachi, SMP, Steelwirst, ABL, exploration of new areas of business activities
- increase in revenues and profit thanks to the acquisition of the Intek plant in November 2021, PLN 52 million in quarterly revenues in 1H 22



- prefabricated elements: expansion of production capacity - production line for prestressed concrete at Betpref SA and acquisition of the Kombet Działdowo plant



Thank you for your attention

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