

Financial results

FY 2022

Investor presentation
May 2023



This presentation does not constitute an offer to sell any securities of Dekpol S.A. (The "Company"), in particular, it does not contain information about the securities and the terms of their purchase, and does not constitute an invitation to sell securities, submit offers for their purchase or subscribe for the Company's securities. Neither this presentation nor any part of it as well as the fact of its distribution shall constitute the basis for entering into any contract or incurring any obligation. It is also not a source of information that could be the basis for a decision to enter into any contract or incur any obligations. The information contained in this presentation should not be relied on for any purpose, nor should it be assumed to be complete, accurate or reliable. Any such assumptions are made entirely at your own risk. Neither the Company nor persons acting on its behalf, in particular members of the Management Board of the Company, nor any other persons have provided any express or implied guarantees or representations as to the accuracy, completeness or reliability of the information or opinions contained in this presentation. The statements contained in this presentation which are not historical facts are "forward-looking statements". Forward-looking statements, in particular such as forecasts of revenues from specific markets or considerations regarding the development of the Company, its subsidiaries and affiliates and affiliates (the "Group"), should not be construed as binding forecasts. Neither the Company nor persons acting on its behalf, in particular the members of the Management Board of the Company, nor any other persons provide any assurances that the predictions concerning the future will be met, and in particular they do not guarantee the compliance of future results or events with these statements, or that future results Of the Capital Group will not differ significantly from the expected ones. The information contained in this presentation may be subject to significant changes. Neither the Company nor any other person is required to update or keep the information contained in this presentation up-to-date or to correct any possible inaccuracies; all opinions expressed in this presentation are subject to change without notice. Neither the Company, nor any member of its bodies, senior or junior employee, or any other person shall bear any responsibility for any damages resulting from the use of this presentation or its content. By participating in this presentation or by accepting a copy of this document, you agree to comply with the above-mentioned limitations and conditions.



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

President of
Management Board,
Dekpol Budownictwo



Sebastian Barandziak

President of
Management Board,
Dekpol Deweloper



Andrzej Kuchtyk

President of
Management Board,
Dekpol Steel



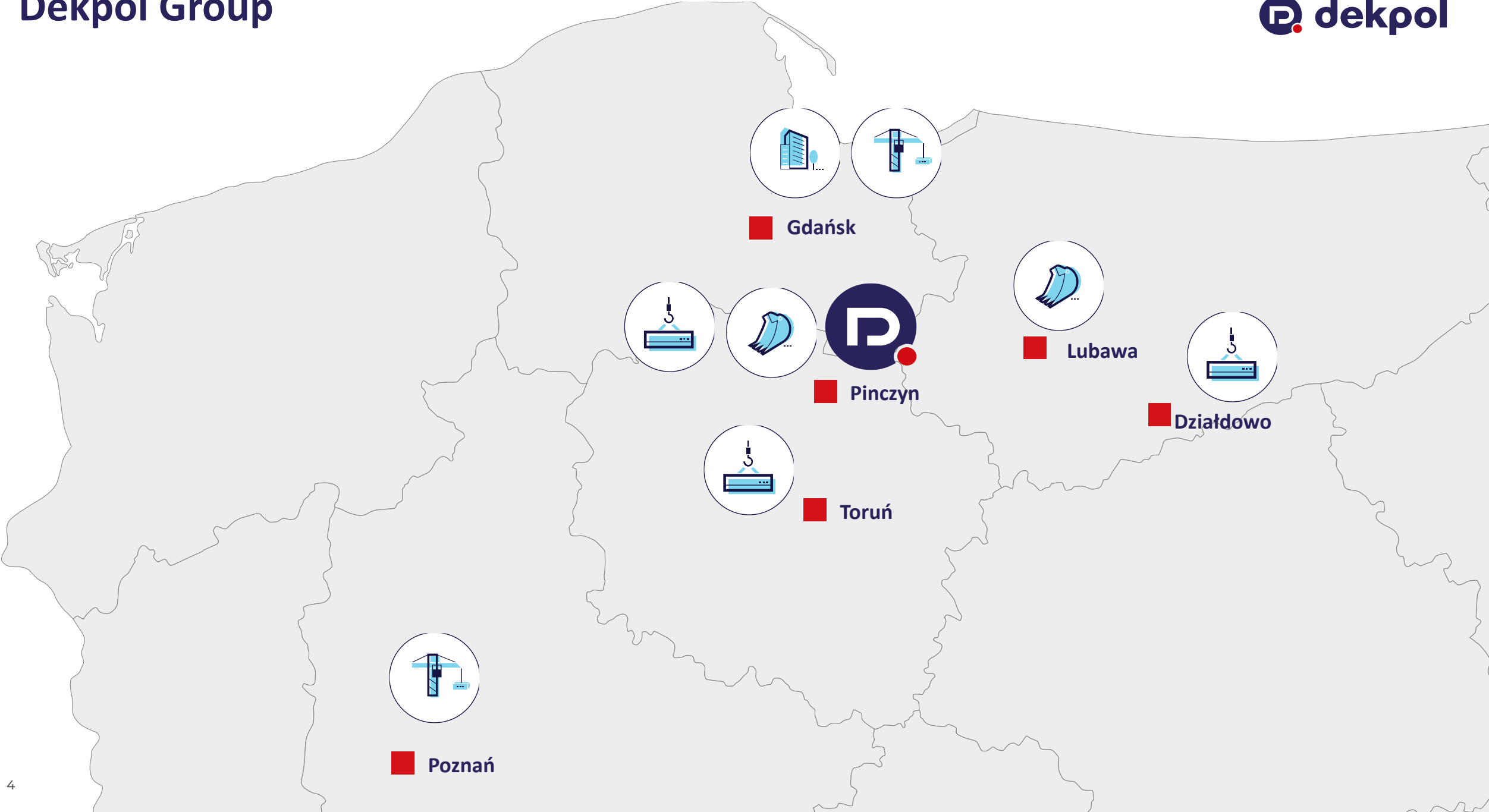
- specialization in construction of logistics, industrial and cubature facilities
- short- and medium-term contracts (execution time 6 - 9 months)
- flexibility provided by own resources: machinery park, construction teams, prefabricates within the capital group



- 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 2026+, attractive locations, usable area of approx. 200,000 m2



- a leading manufacturer of accessories (buckets) for construction machinery
- A sudden increase in production capacity thanks to the acquisition of Intek plant in Lubawa in 2021



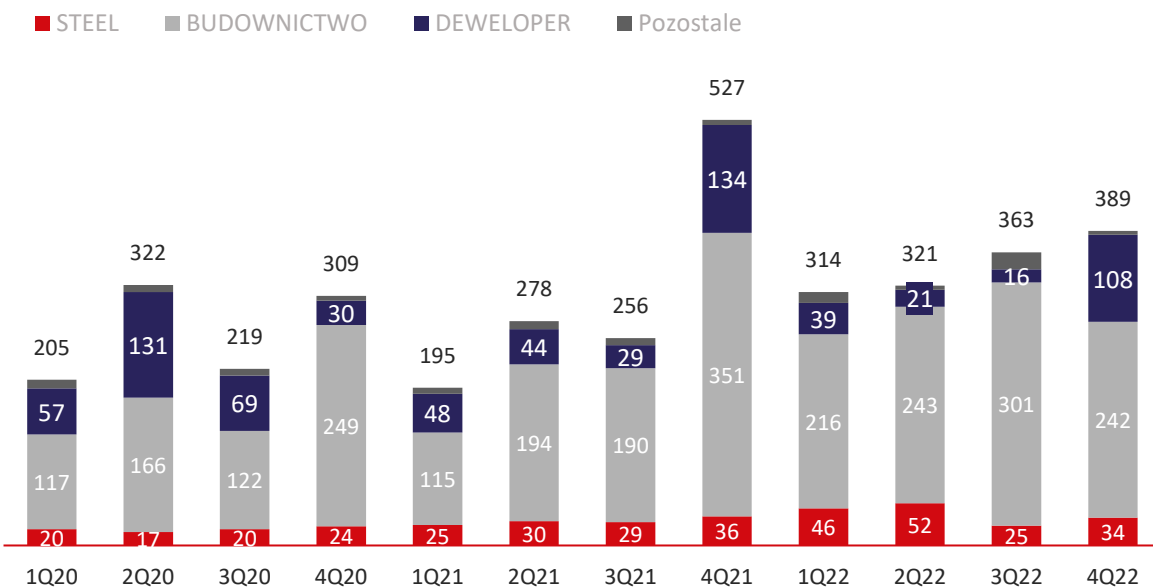
Financial results



Revenues – three segments

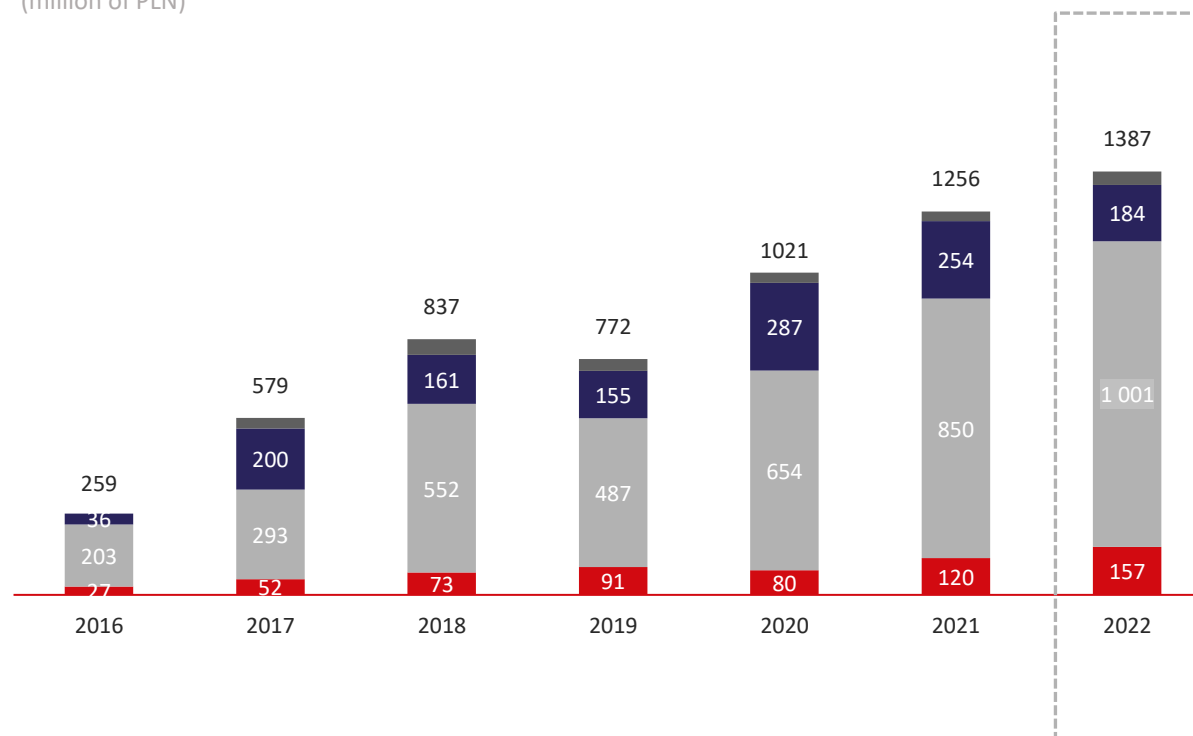
Revenues

(million of PLN)



Revenues

(million of PLN)



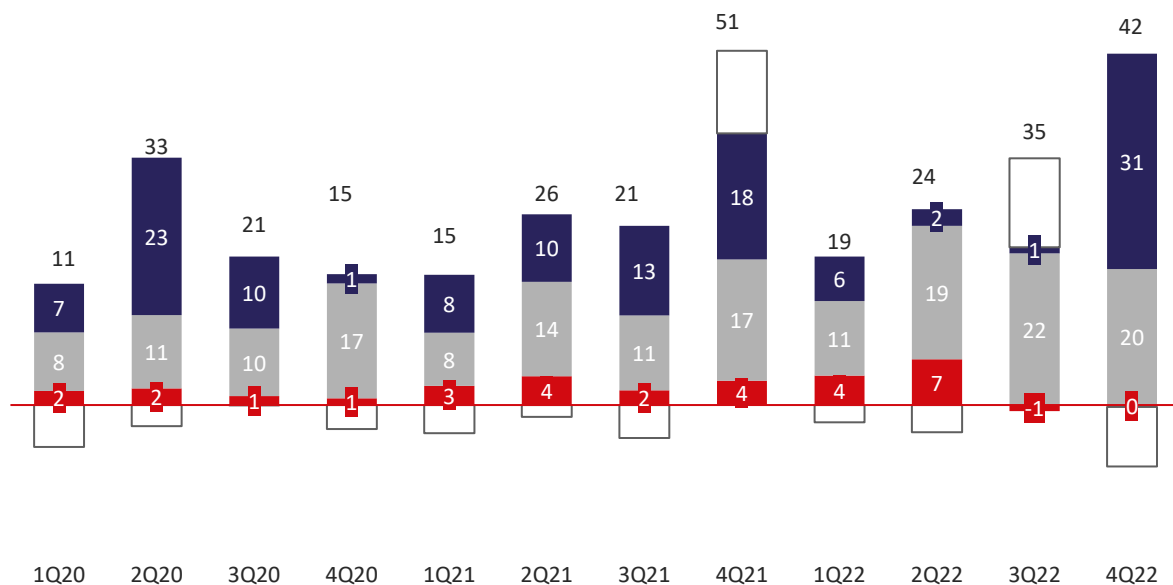
- revenues in 2022: PLN 1 387 million (+10% y/y), only in Q4 2022: PLN 389 million of revenues (-26% y/y vs. record PLN 527 million in Q4 2021)
- in 2022: higher revenues of Dekpol Budownictwo (+18%) y/y and Dekpol Steel (+30%) compensate lower than in previous year recognition of revenues of Dekpol Deweloper

Operating results – three segments

EBIT

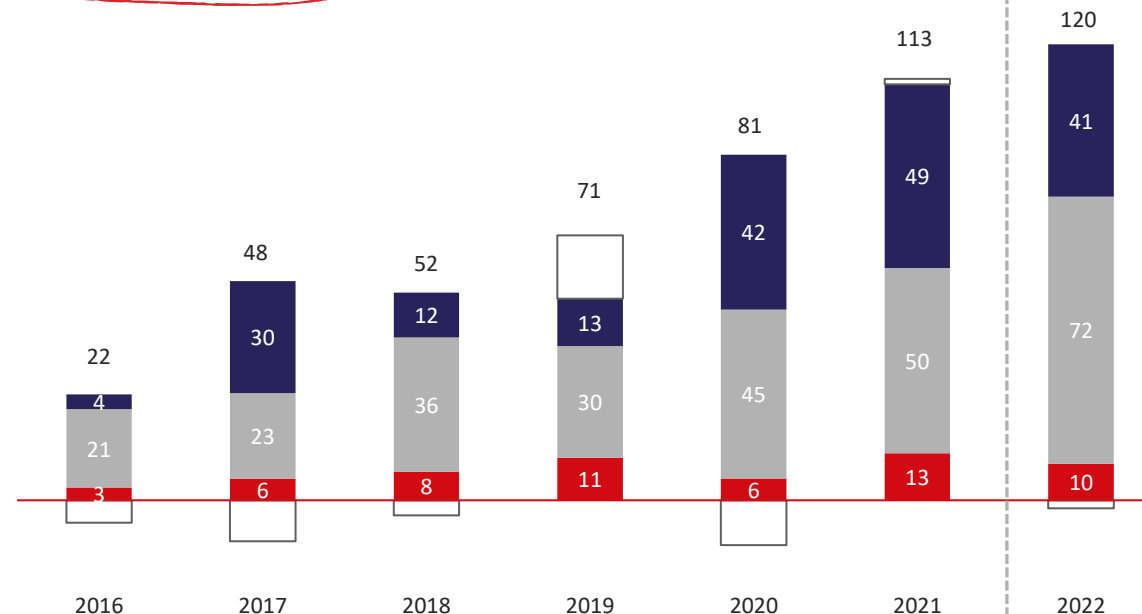
(million of PLN)

■ STEEL ■ BUDOWNICTWO ■ DEWELOPER □ Pozostale



EBIT

(mln PLN)

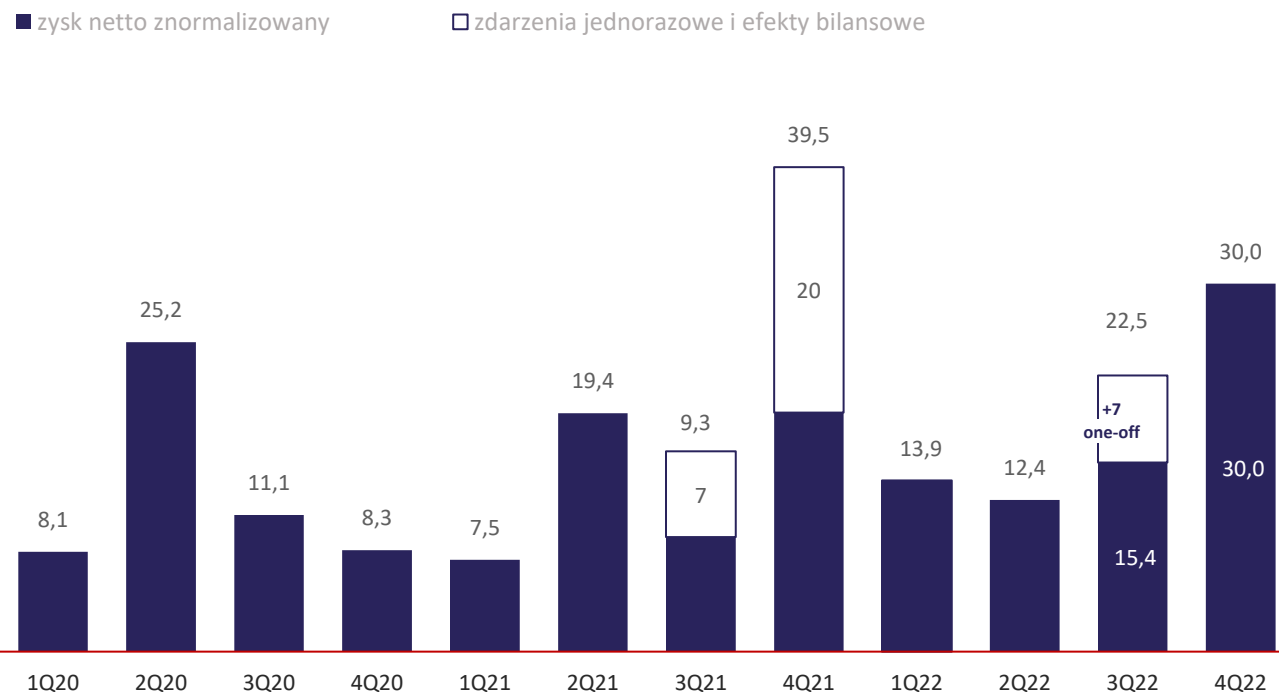


- High level of operating result: PLN 120 million in 2022 (+6,3% y/y)
- Record result of Dekpol Budownictwo (PLN 71,6 million, +44% y/y) compensate lower y/y contribution of Dekpol Deweloper and Dekpol Steel

Consolidated net result

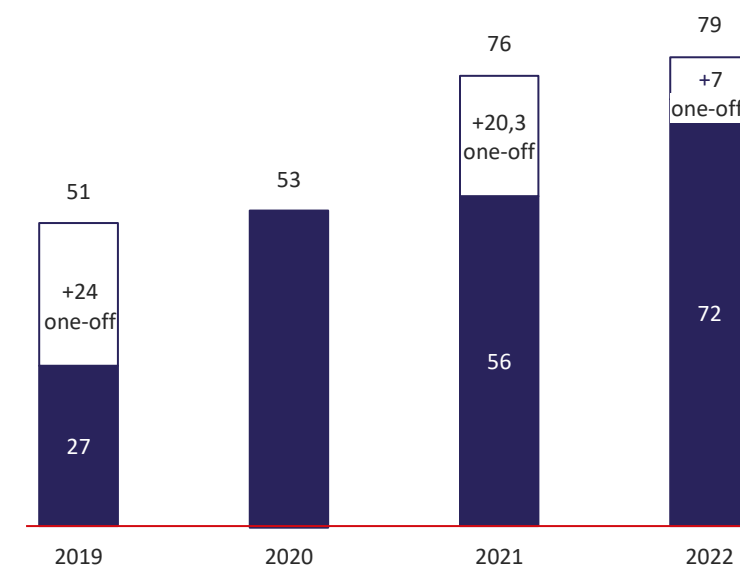
Net profit

(million of PLN)



Net profit

(million of PLN)



- in 2022 consolidated net result in the amount of PLN 78,8 million (+4,0% y/y) – a solid growth of construction segment’s result mitigates lower profits achieved by Dekpol Developer and Dekpol Steel.
- +29% growth in normalized annual net profit: PLN 72 million vs PLN 56 million in 2021 - in 3Q 2022, recognition of approximately PLN 7 million in profit from the bargain acquisition of the company Kombet Sp z.o.o., while the 2021 result was influenced by recognition of acquisition of the Intek company (PLN 20 million).

Cash flows

Cash flow account FY 2022 – selected items (million of PLN)

Cash as at 31.12.21	190,6
Gross profit	+97,9
Change of inventories	-133,3
Change of receivables	+167,0
Change of liabilities	-21,0
Cash flow from operating activities, other	-8,2
Expenses for investments	-34,4
Inflows from bonds issue	+29,8
Repayment of bonds	-25,6
Inflows from loans and borrowings	+51,4
Repayment of loans and borrowings	-48,8
Interests paid	-27,3
Cash flow from financial activities other	-8,3
Cash as at 31.12.22	229,5

Operating cash flow:

higher inventory due to unrecognized revenues from sales of apartments

Lower trade receivables - the result of customer payments made and a higher proportion of prepayments from customers of Dekpol Budownictwo

Investment cash flow - acquisition:

of grounds for approx. PLN 12,5 million, subsidiaries (e.g. Kombet Działdowo) PLN 16,2 million

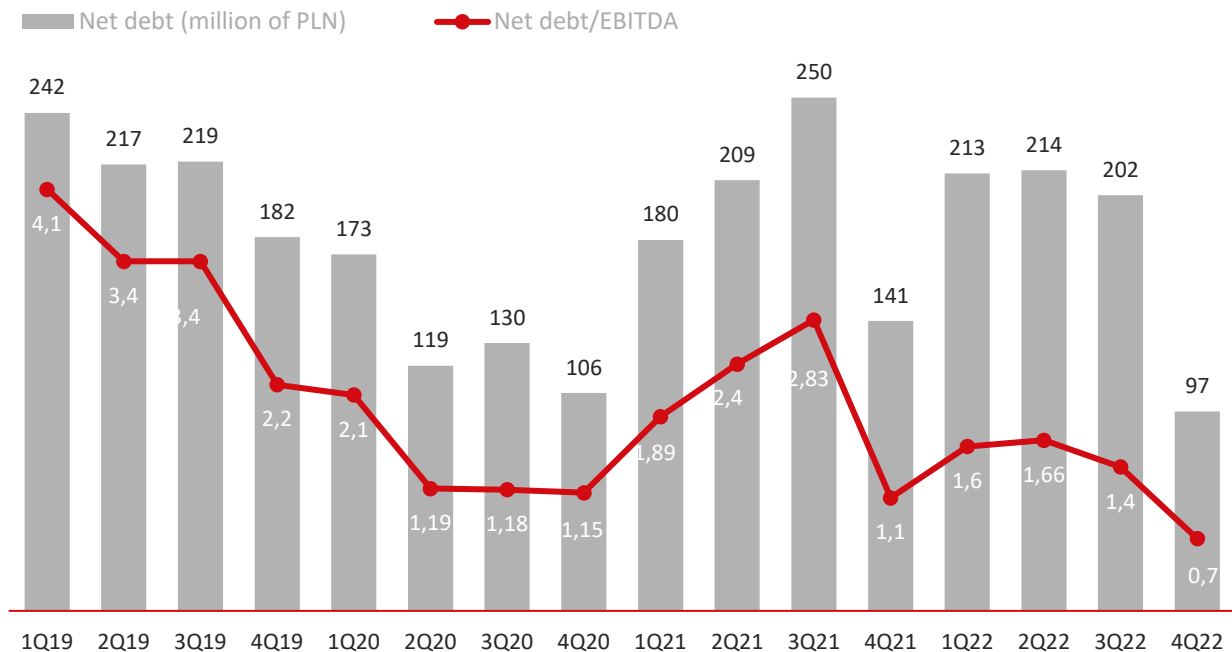
Financial cash flow:

mainly refinancing of existing debt – bonds as well as loans and borrowings

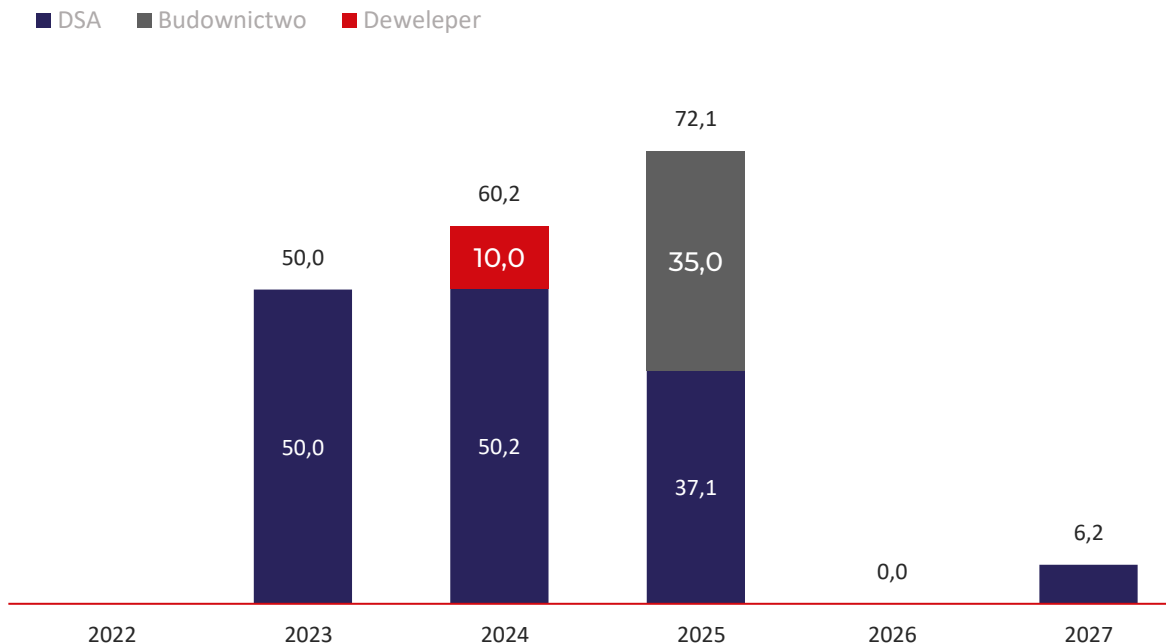
- among others PLN 13 million of investment loan in terms of transaction of acquisition of Kombet Sp.z o.o. (PKO BP)

Stable financial position

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



Bonds – maturity structure (million of PLN)



- gradual increase in debt financing throughout 2022 allows for maintaining a higher level of working capital (target level of 2-3x ND/EBITDA, covenants at 4.5x ND/EBITDA)
- safe level of cash reserves (PLN 229 million) and an ND/EBITDA ratio of 0.7x, as well as a debt-to-equity ratio of 0.2x
- Actions aimed at partial reduction of an interest rate risk through the use of IRS (Interest Rate Swap), CAP (interest rate option), and conversion of some part of loans from PLN to EUR

Prefabricates

Steel

Deweloper

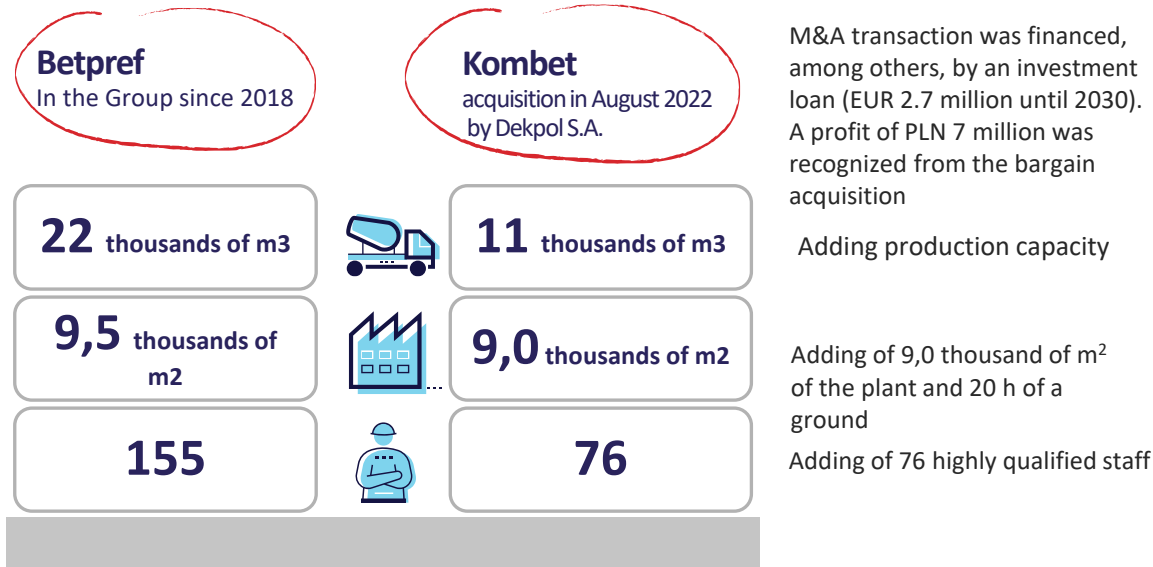
Budownictwo



Acquisition of 100% of shares in „Kombet Działdowo” Sp. z o. o. headquartered in Komorniki on August 5, 2022.

KOMBET

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



M&A transaction was financed, among others, by an investment loan (EUR 2.7 million until 2030). A profit of PLN 7 million was recognized from the bargain acquisition

Adding production capacity

Adding of 9,0 thousand of m² of the plant and 20 h of a ground

Adding of 76 highly qualified staff



Data as at 31.12.2022

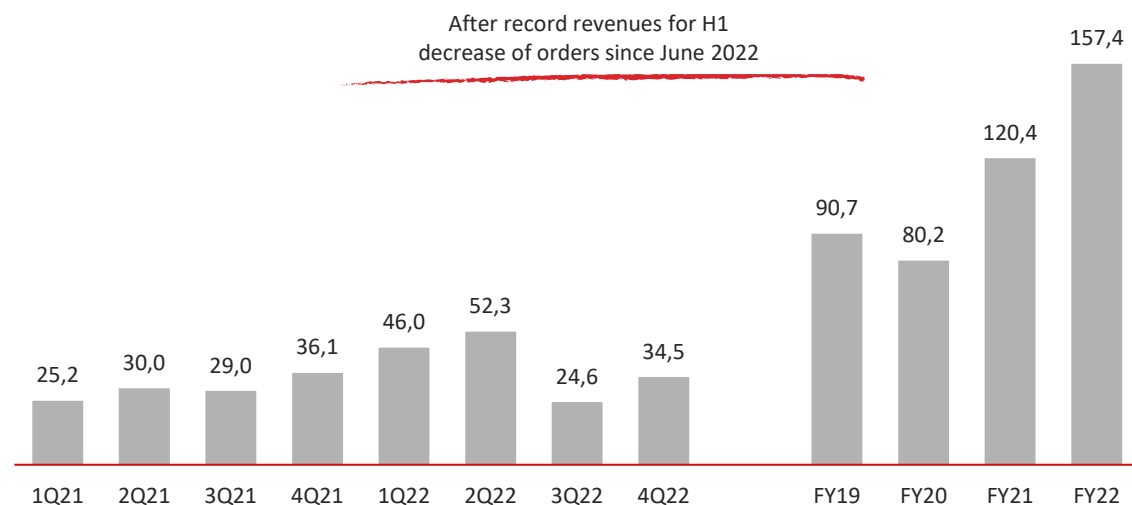
Prefabricates Steel Developer Budownictwo



Financial results

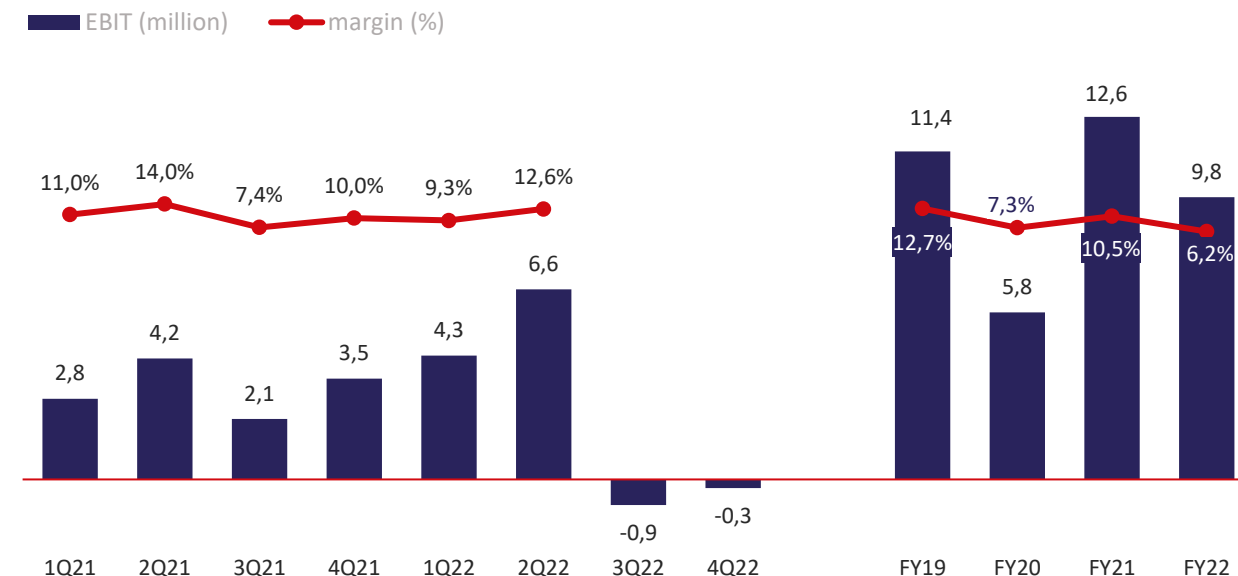
Revenues

(million of PLN)



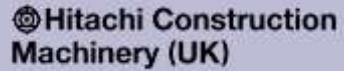
Operating results

(million of PLN)



- Record revenues in 2022: PLN 157 million (+31% y/y) - thanks to record volumes of 'post-pandemic' orders fulfilled using increased production capacity after acquisition of the Intek plant in Lubawa
- Since June 2022, there has been a decline in orders, partly due to the war in Ukraine and a deterioration in the macro environment. The higher y/y cost level of the combined plants in Pinczyn and Lubawa resulted in an operational loss in the amount of PLN 1.2 million in H2 22, reducing the annual result to PLN 9.8 million

Outlook for 2023+



Significant growth in orders since Q3 2020 :

acquisition of new clients (Hitachi, CNH, Steelwirst),

Development of cooperation with new (e.g.: CASE) as well as with existing partners (e.g.: Caterpillar).

A volatile steel market - Ukraine accounted for approximately 50%-60% of steel supplies to Europe.

Since May 2022, there has been a slowdown in OEM demand, leading to an exploration of additional sources of orders and capitalizing on the experience of Intek :

- Renewable energy (offshore), trailers
- initiation of the process to obtain a military concession

Diversification of production –Intek plant



Utilization of the Intek plant for production of equipment beyond construction machinery sector (e.g., oversized trailers, offshore equipment)

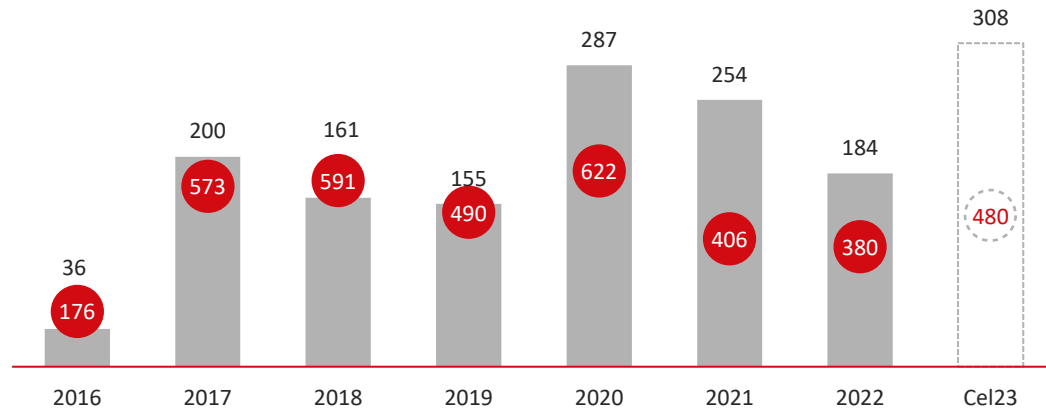
Prefabricates
Steel
Deweloper
Budownictwo



Deweloper – financial results

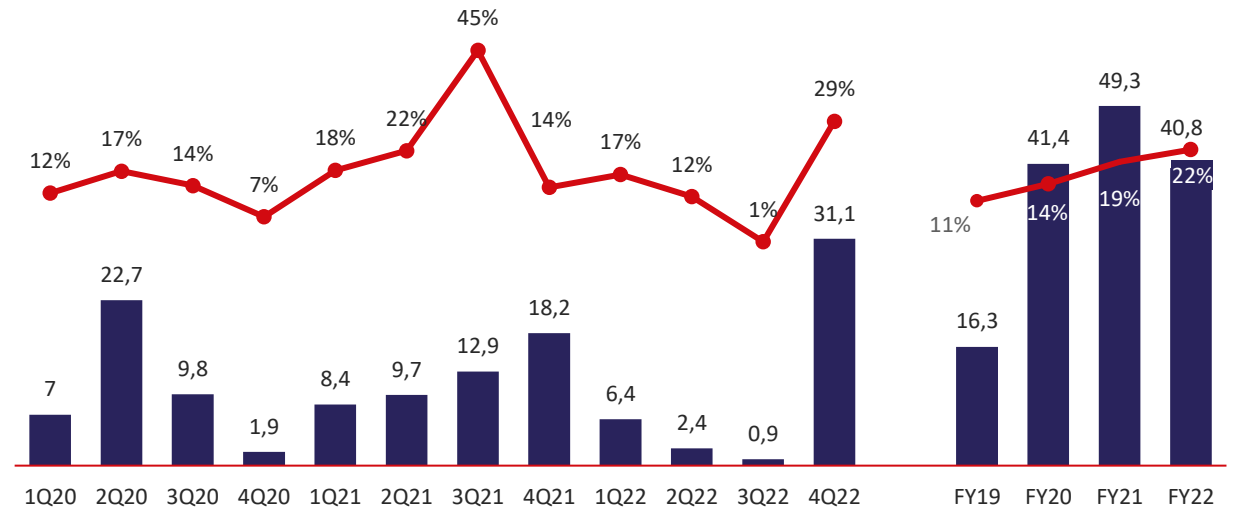
Revenues, recognition of profit

■ Value (million of PLN) ● Quantity



Operating result

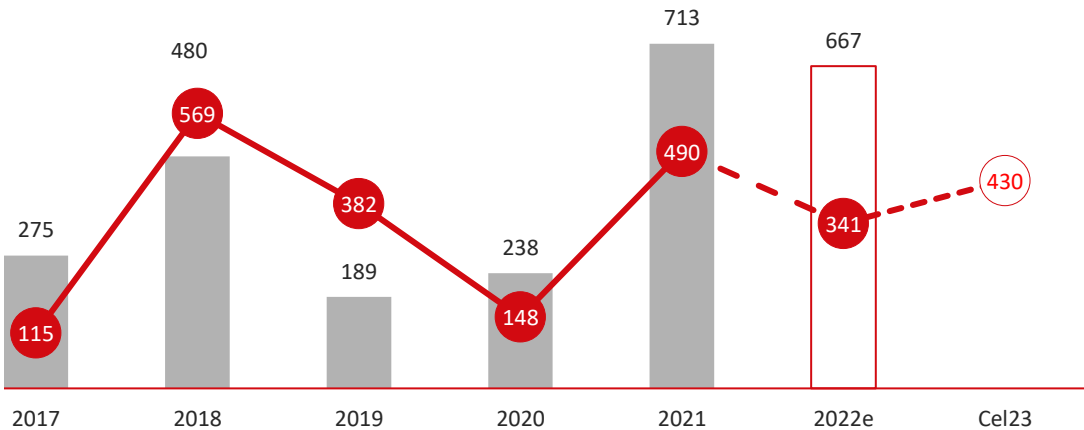
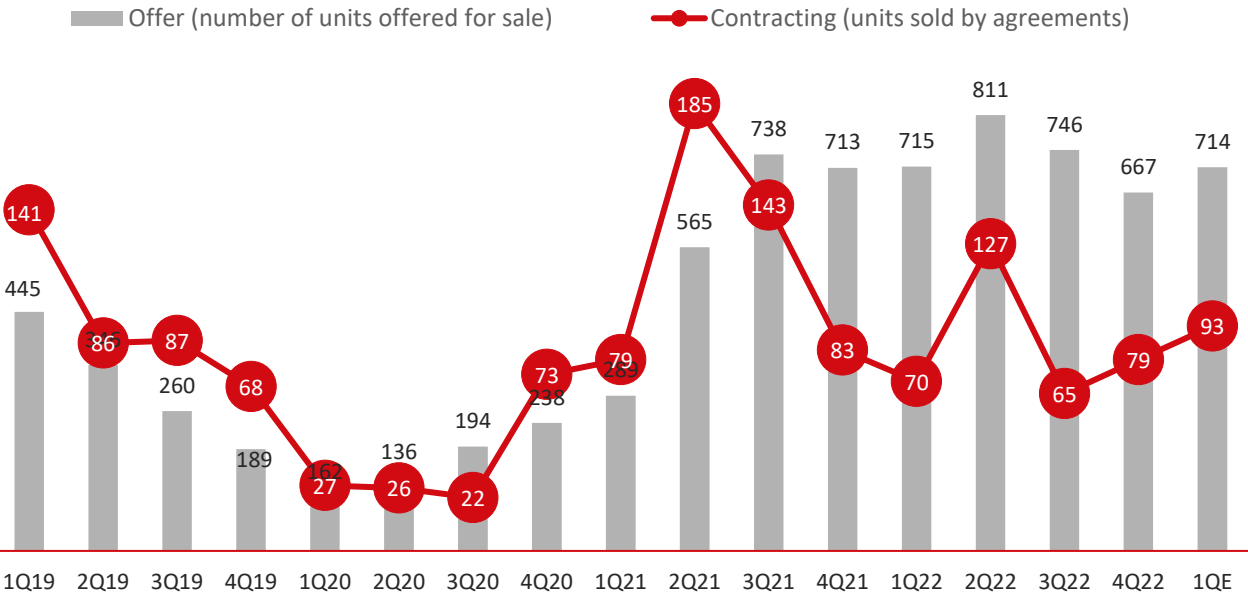
■ EBIT (million) ● margin (%)



- In 2022, recognition in revenues from sales of 380 apartments amounted to PLN 183 million, including recognition of PLN 108 million in Q4 2022. This was possible due to completion and handover of the following investments in the last months of 2022: Osiedle Pastelowe stage IIa, Osiedle Kociewskie stage II, Neo Jasień stage I, Baltic Porto
- in Q1 2023 estimated recognition of 108 apartments (vs. 72 in Q1 2022)
- goal for 2023: recognition of PLN 308 million of revenues, hand over for use of 480 apartments (approx. 90% already contracted)

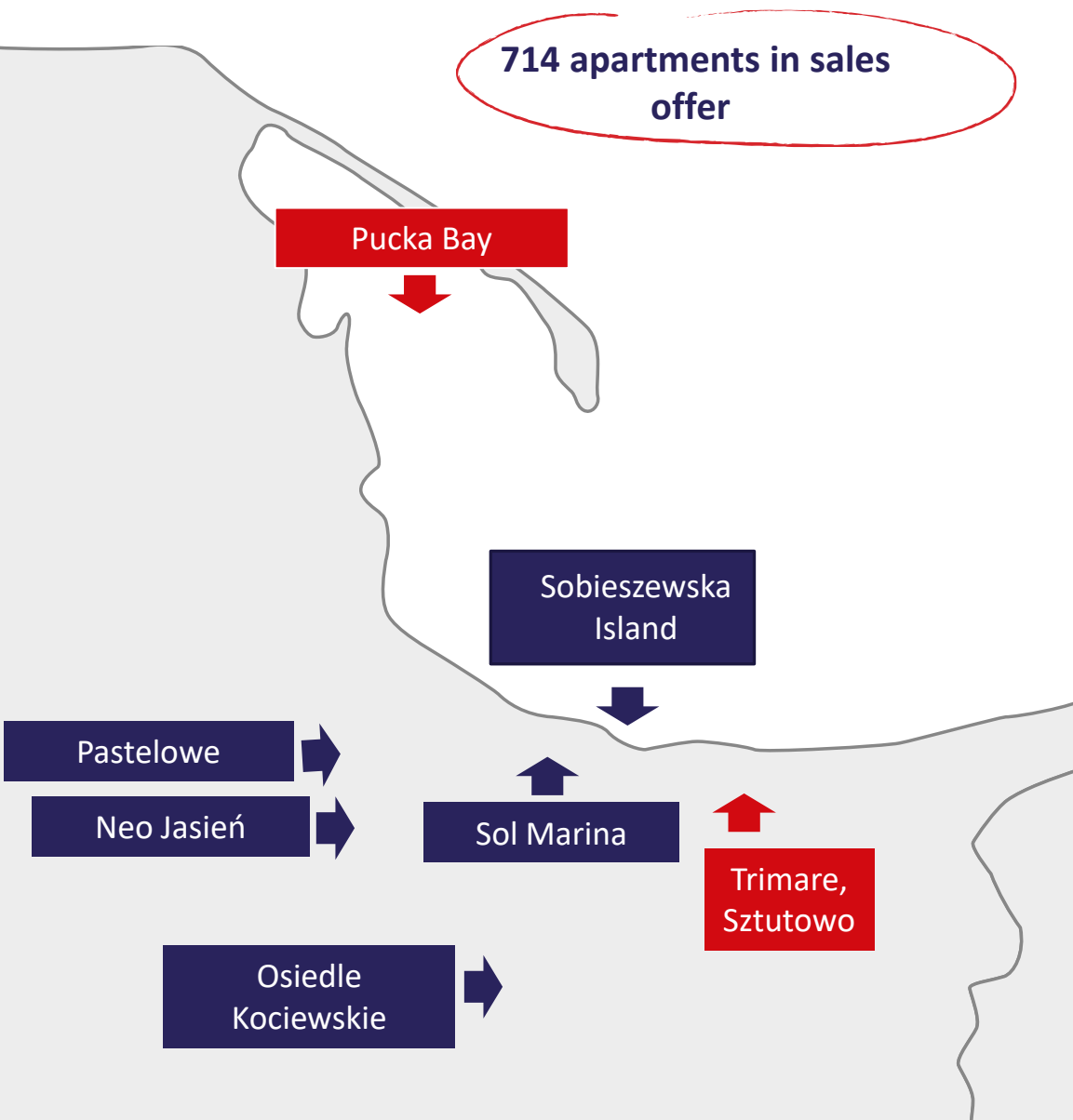
*Subject to the understanding that none of the above statements regarding the future can be construed or interpreted as a guarantee or assurance by the Company or its affiliated entities that such events will occur and that the sales objectives mentioned above will be achieved

Contracting and offering

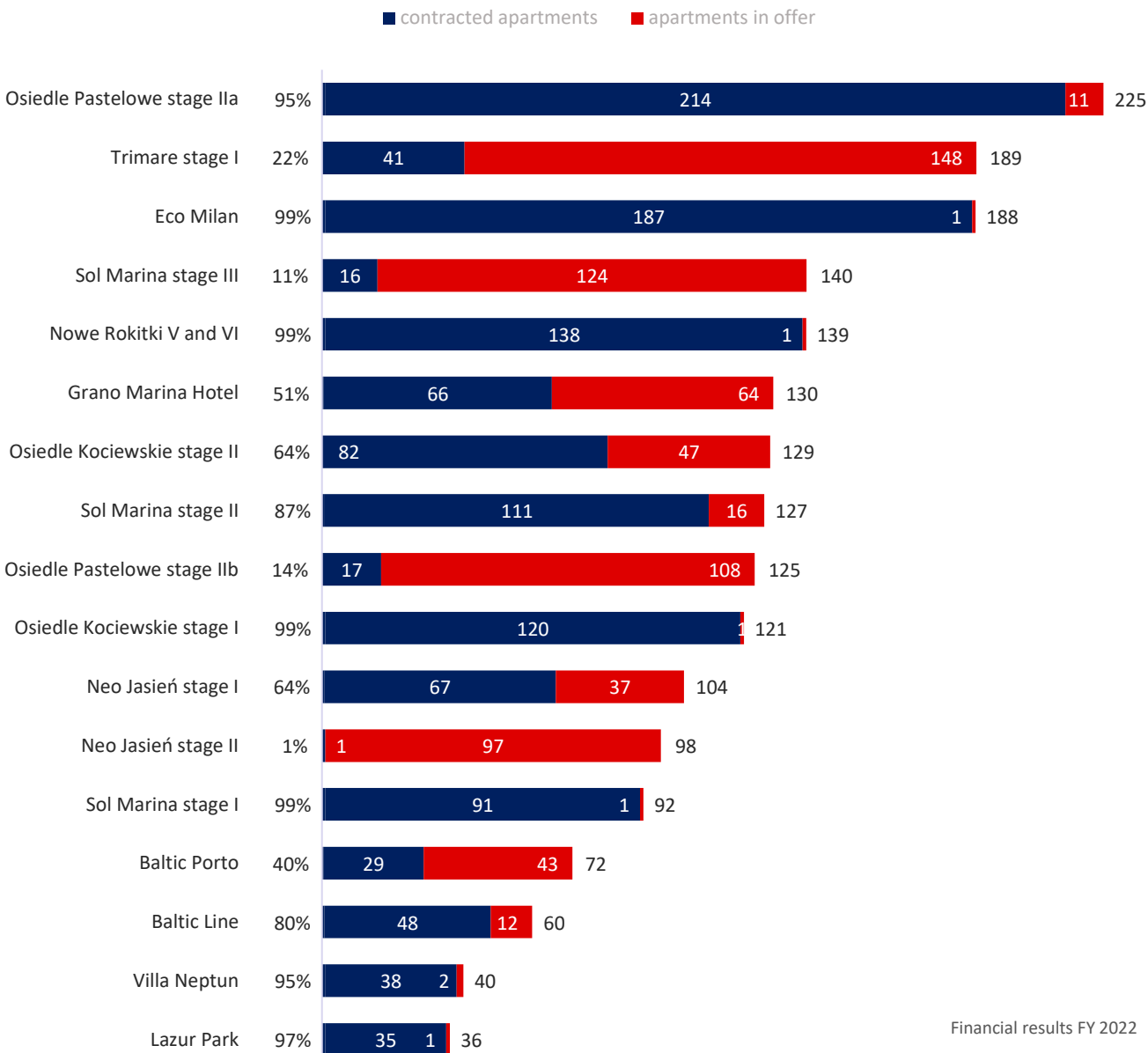


- offer of 714 apartments at the end of Q1 2023 – directed to broad spectrum of recipients. In entire 2023 planned contracting of 430 apartments
- in 2022 verification of a schedule for commencement to construction: Sol Marina stage III (140 units), Baltic Fun Park apartments stage I (61 units) aiming of safe management of working capital
- significant share of apartments purchased in cash (over 90% of sales in terms of value)

Diversified offer



% of apartments sold from the offer – as at 31.03.2023



Investment pipeline 2022-2025

favorable timing of planned implementations

Nazwa inwestycji			2022				2023				2024				2025				2026				2027			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Neo Jasień etap I	104	zakończone				104																				
Osiedle Pastelowe etap IIa	225	zakończone				225																				
Baltic Porto	72	zakończone				72																				
Osiedle Kociewskie etap II	129	zakończone				129																				
Trimare etap I	189	zakończone					189																			
Baltic Line	60	zakończone				60																				
Sol Marina etap II	127	w budowie						127																		
Grano Marina Hotel	131	w budowie						131																		
Osiedle Pastelowe etap IIb	125	w budowie								125																
Sol Marina etap III	140	w budowie											140													
Grano Resort apartamenty etap I	124	w przygotowaniu												124												
Baltic Fun Park apartamenty etap I	61	w przygotowaniu													61											
Prądyńskiego	375	w przygotowaniu														375										
Osiedle Kociewskie etap IIIa	47	w przygotowaniu											47													
Neo Jasień etap II	98	w przygotowaniu											98													
Baltic Fun Park apartamenty etap II	121	w przygotowaniu																								
Osiedle Pastelowe etap IIIa	80	w przygotowaniu																80								
Pastelowa usługa	1	w przygotowaniu																								
Puck - Nowy Świat I	156	w przygotowaniu																								
Osiedle Kociewskie etap IIIb	94	w przygotowaniu																								
Grano Resort apartamenty etap IIa	160	w przygotowaniu																								
Osiedle Pastelowe etap IIIb	78	w przygotowaniu																								
Trimare etap II	96	w przygotowaniu																								
Osiedle Kociewskie etap IV	94	w przygotowaniu																								
Soleo Park	25	w przygotowaniu																								
Puck - Nowy Świat II	70	w przygotowaniu																								
Braniborska Kamienica	98	w przygotowaniu																								
Osiedle Pastelowe etap IIIc	78	w przygotowaniu																								
Osiedle Pastelowe etap IVa	88	w przygotowaniu																								
Grano Resort apartamenty etap IIb	160	w przygotowaniu																								
Osiedle Kociewskie etap Va	39	w przygotowaniu																								
Starogard	130	w przygotowaniu																								
Osiedle Pastelowe etap IVb	88	w przygotowaniu																								
Grano Resort Hotel	231	w przygotowaniu																								
Osiedle Kociewskie etap Vb	78	w przygotowaniu																								
Osiedle Kociewskie (pozostałe etapy)	975	w przygotowaniu																								
Osiedle Pastelowe (pozostałe etapy)	324	w przygotowaniu																								
Łącznie liczba planowanych do ukończenia lokali			530				900*				534				610				731				751			

* 900 lokali, w tym 393 lokale w ramach transakcji PRS

Bank ziemii zabezpieczony umowami przedwstępnymi

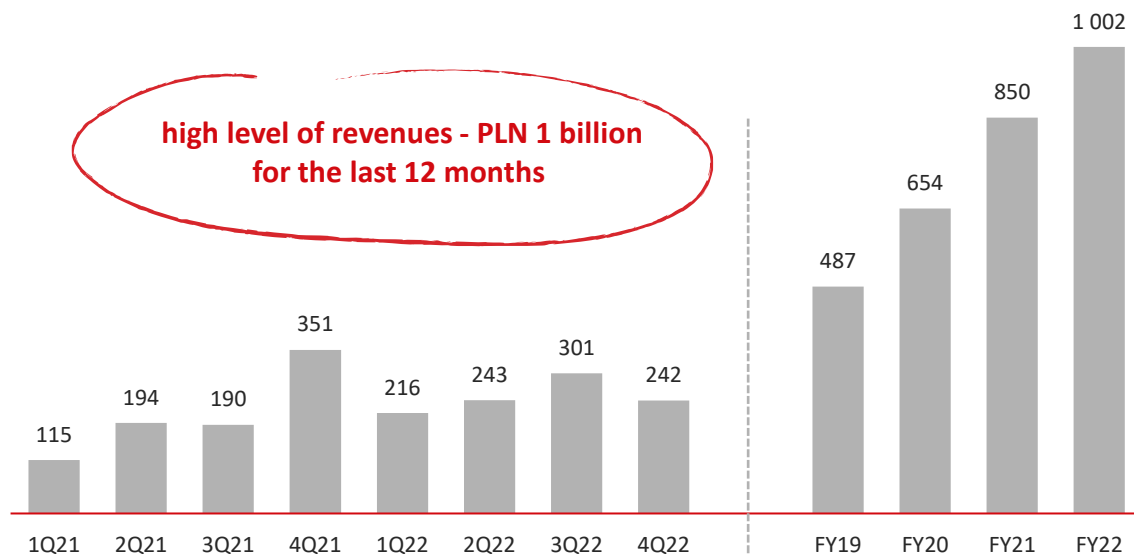
* 800 lokali o szacowanej wartości sprzedaży ok. 800 mln zł

Prefabricates
Steel
Developer
Budownictwo



Financial results

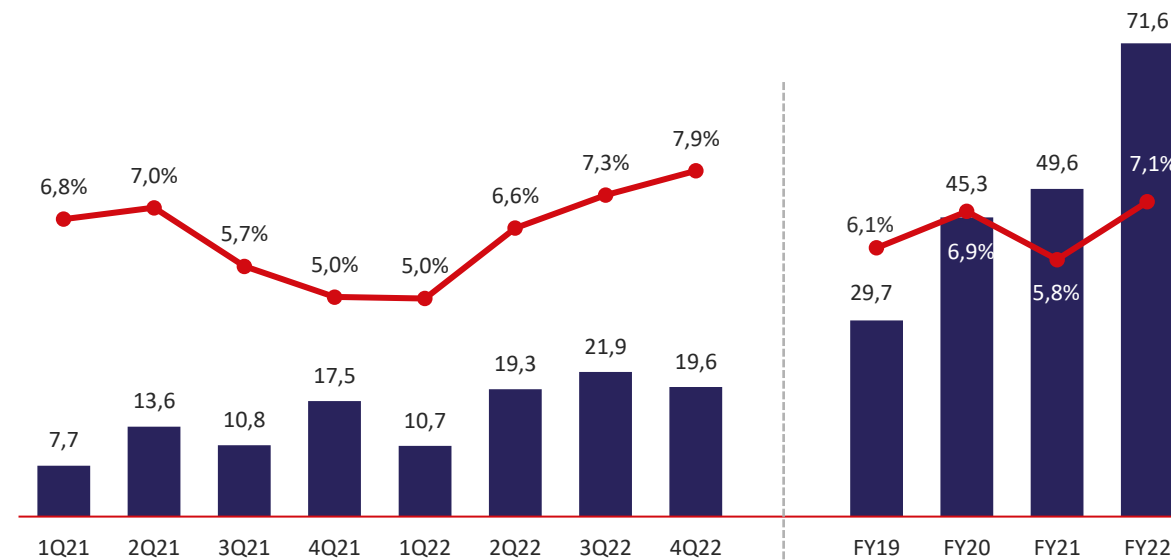
Revenues* (million of PLN)



*Consolidation

Operating result

■ EBIT (million) ● margin (%)



- consistent business expansion: record level of revenues reaching PLN 1 billion in 2022 (+18% y/y), resulting in financial stability and a strong market position for the company
- favorable profitability - an operating profit of PLN 71 million in 2022 (+44% y/y) - profitability in a demanding business environment was achieved through (1) the company's competitive advantages, (2) diversification of customers portfolio towards industrial-logistics orders, (3) process innovations and digitalization of construction processes, including strict budget control

Competitive Advantages as a Lever for Development

- Accessible, Expert, and Attractive Service Offer - Exploring the Local Market
- The focus on providing a high level of service is the core that builds a unique identity of a customer-friendly brand
- A versatile human capital prepared to undertake private and public projects
- Access to prefabricates and steel structures of Betpref supported by company's cooperation in R&D field
- Tight cost control and process management thanks to a dedicated ERP system (IFS) implemented on construction sites



We Construct For Best Ones

Extension of the Danfoss plant, prize „Fabryka Roku” for climate neutrality



Execution term: 2020-2021

Final of MIPIM Awards 2023 in Cannes

Construction of 6 buildings: office building, technical building, production hall, warehouse hall, pump station, and storage shed.

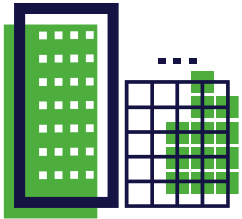
Sustainable construction:

- Solutions based on heat recovery and rainwater retention
- Four heat sources: recovery from compressed air compressors, recovery from chillers, air heat pumps, and electric boilers
- Building Management System BMS



We Construct For Best Ones

Warehouse hall with a service-office-social premises in Swadzim



Execution term: 2022 – 2024

BIMS PLUS FHH Sp. z o.o. Poznań Sp.k.

Usable floor area of the mail building: approx. 47 thousands of m²

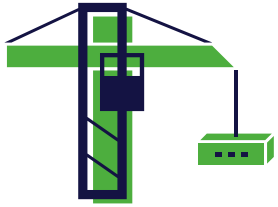
Sustainable construction:

- Green roof of an area of approx. 145 m²
- Ground-mounted photovoltaic installation
- Car chargers
- Facade greening system with substructure
- Heat pumps; underfloor heating



We Construct For Best Ones

Arctowski Polish Antarctic Station



Investor: Institute of Biochemistry and Biophysics of Polish Academy of Sciences

It is located on the coast of Admiralty Bay, on King George Island in Western Antarctica. Works include the construction of a floating equipment hall, a garage hall, as well as the installation of foundations and the main building's structure.

Sustainable construction:

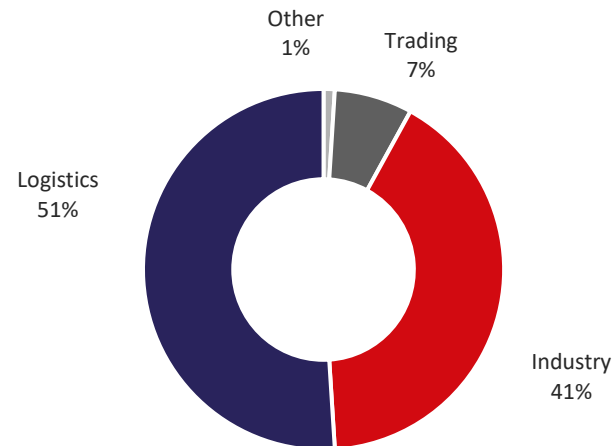
- Construction with respect for nature
- Photovoltaics



Outlook for 2023+

Strong ordering portfolio

Structure of GC projects (as at 31.12.2022)



Net value of contracts as at 31.12.2022:

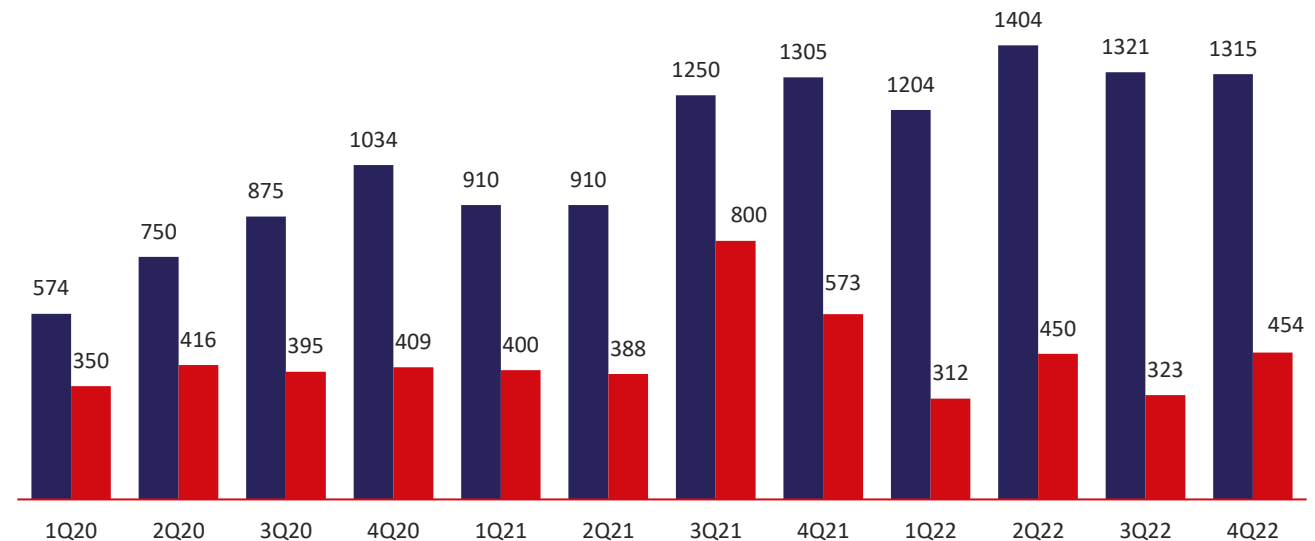
- PLN 1315 million (PLN 454 million remained for execution),
- for Dekpol Developer PLN 417 million (PLN 135 million remained for execution)

Goal for 2023: repeat of financial results for 2022

Contracting (million of PLN)

■ Net value of contracts (million of PLN)

■ Remained for execution (million of PLN)



The widespread suspension of investment decisions in anticipation of low prices and the crisis in investment financing have led to a decrease in the Q4 order backlog by approximately 120 million PLN y/y. Effective sales efforts resulted in securing 10 new projects during the period from January to April 2023 (significant increase in throughput will occur in 3Q 2023):

- DL Invest – the largest contract in the company's history in terms of value
- ACE7 + Leroy Merlin + ZRID – one of the largest commercial facilities
- BIAWAR, CASTORAMA – new reputable clients
- THALES – one of the most advanced industrial projects
- Sol Marina III, Pastelowe IIIB – the first internal projects carried out based on our own prefabricated structure

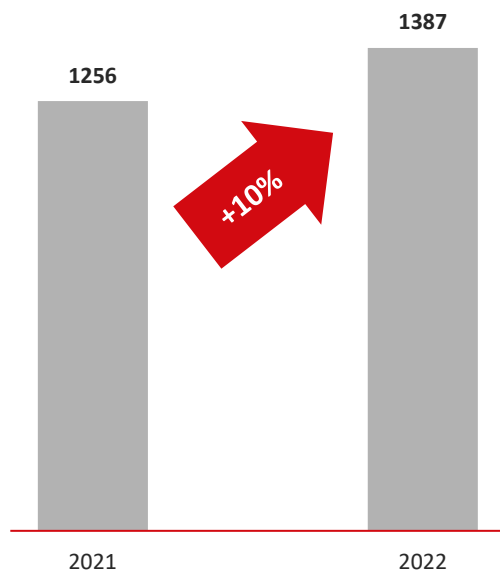
Summary

FY 2022



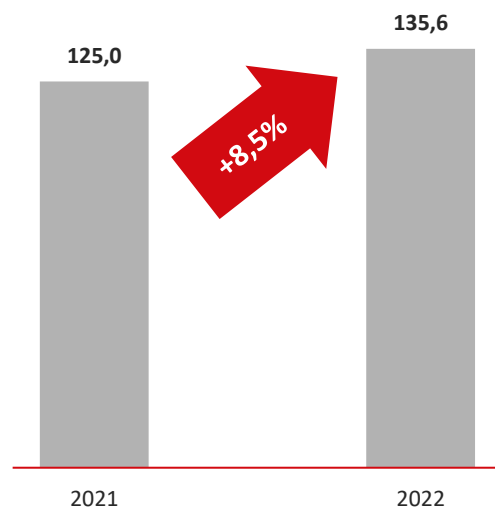
Revenues

(million of PLN)



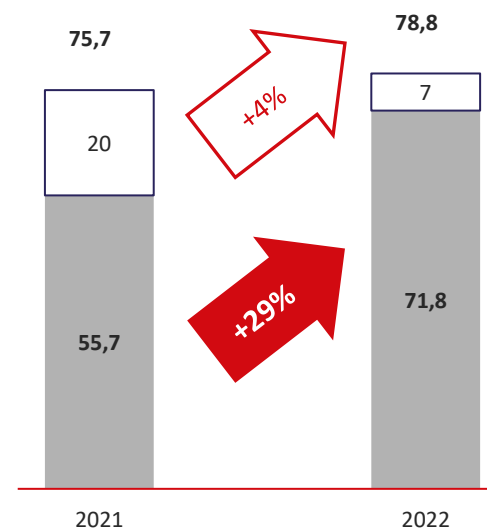
EBITDA

(million of PLN)



Net profit

(million of PLN)



Market pricing

(10.05.2023)

Share price 36,50 PLN

Number of shares 8,4 mln

Capitalization 306 mln PLN

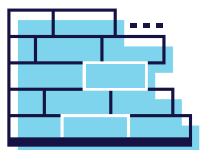
Net debt 97 mln PLN

C/Z	3,9
(normalized C/Z)	(4,3)

EV/EBITDA	3,0
(normalized EV/EBITDA)	(3,1)

- Consistent scaling since 2019 - solid financial results achieved in a challenging market environment in 2022
- Net result in the amount of PLN 79 million achieved within 2022 (+4% y/y) ; normalized net profit PLN 71 million (+29% y/y)
- Safe cash level PLN 229 million and net debt PLN 97 million

Outlook for 2023+



BUDOWNICTWO

- Short project life cycle strategy (6-10 months)
- Modification of the ordering portfolio to increase engagement in projects with a higher degree of engineering advancement
- Strengthening the position of Dekpol Budownictwo among the top 15 construction companies



- High pipeline for 4Q 2022 reinforced by projects acquired at the beginning of 2023
- Organizational excellence (resource and process) enabling the generation of higher company profits
- Acquisition of new markets and clients



DEVELOPER

- diversified investments, including cash clients
- Implementation of investments by companies within the Group
- Plots of settled projects acquired at favorable prices
- Focus on high-margin projects



- A rich offering tailored to market needs - over 700 sustainable properties* and a market-adapted investment plan for 2022-2026
- Goal for 2023: Contracting 430 properties and generating revenues of PLN 308 million
- Commencement of investment in prefabricated technology (Osiedle Pastelowe), with the perspective of building exclusively with prefabricated components within 2-3 years



STEEL

- Diversification of the order portfolio tailored to market conditions and resources
- Increased production capacity through the acquisition of INTEK plant - a local specialized team
- Higher standardization and continuous improvement of work organization



- Decrease in orders since June 2022 due to weaker demand from OEM and aftermarket
- Diversification of business activities through the search for new markets (offshore, defense industry)

PREFABRICATES

Extension of production capacity - prestressed concrete production line at Betpref S.A. and acquisition of the Kombet Działdowo plant.



Thank you for your attention

Investor's schedule

	April 24, 2023	Separate financial statement for 2022
	April 24, 2023	Consolidated financial statement for 2022
	May 26, 2023	Consolidated extended quarterly report for Q1 2023
	September 22, 2023	Consolidated extended report for H1 2023
	November 24, 2023	Consolidated extended quarterly report for Q3 2023

Our investor relations service

Financial information:

<https://dekpole.pl/informacje-finansowe/>

Current reports:

<https://dekpole.pl/raporty-biezace/>

Periodical reports

<https://dekpole.pl/raporty-okresowe/>

Contact

Investor relations:

Agata.Dzieciolowska@ccgroup.pl

Financial communication:

Katarzyna.Sadowska@ccgroup.pl