

Financial results

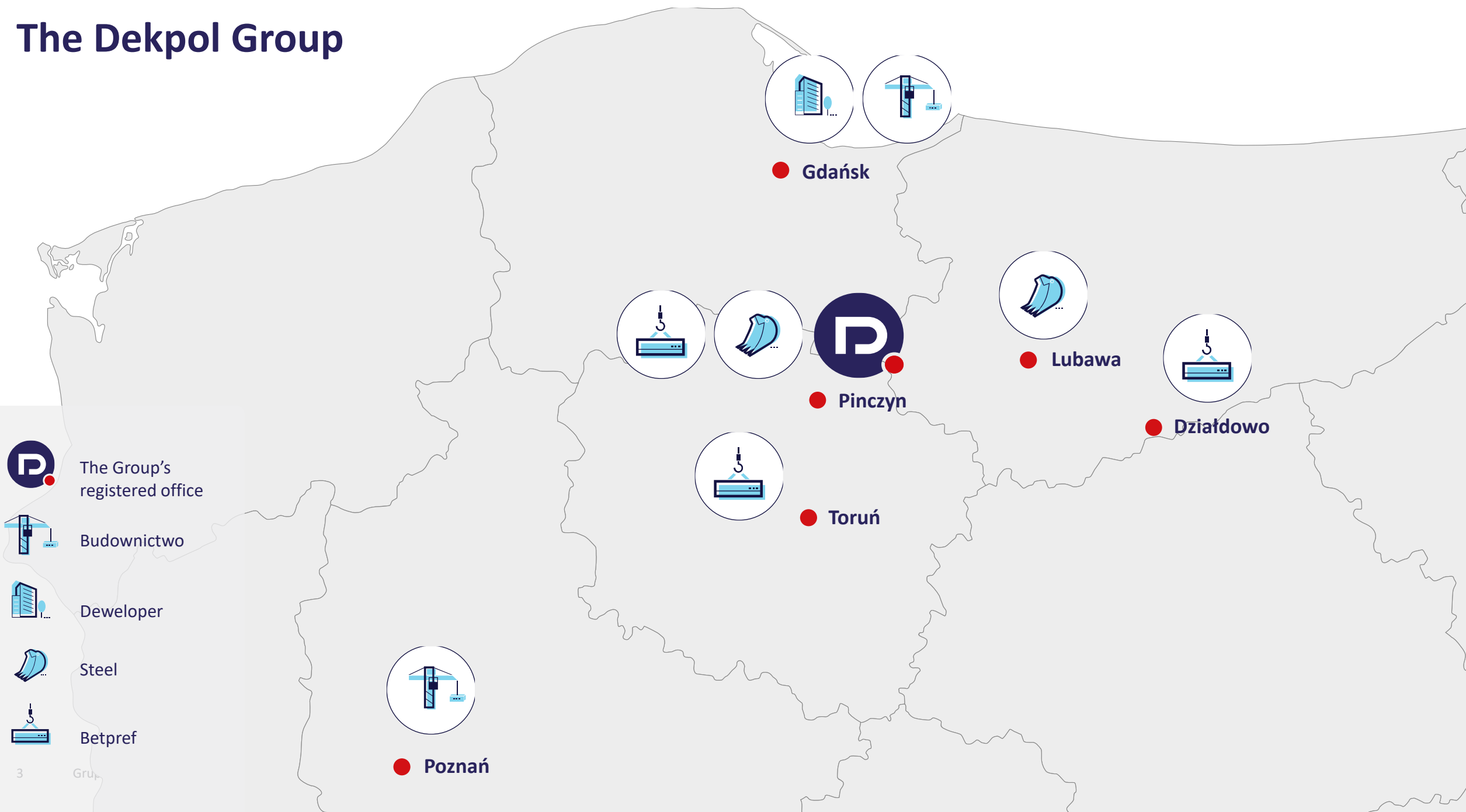
2Q 2023






Investor presentation
October 2023



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The Dekpol Group



-  The Group's registered office
-  Budownictwo
-  Deweloper
-  Steel
-  Betpref

Agenda



2Q 2022

Budownictwo
Steel
Developer
Financial results
Summary



Budownictwo

Steel

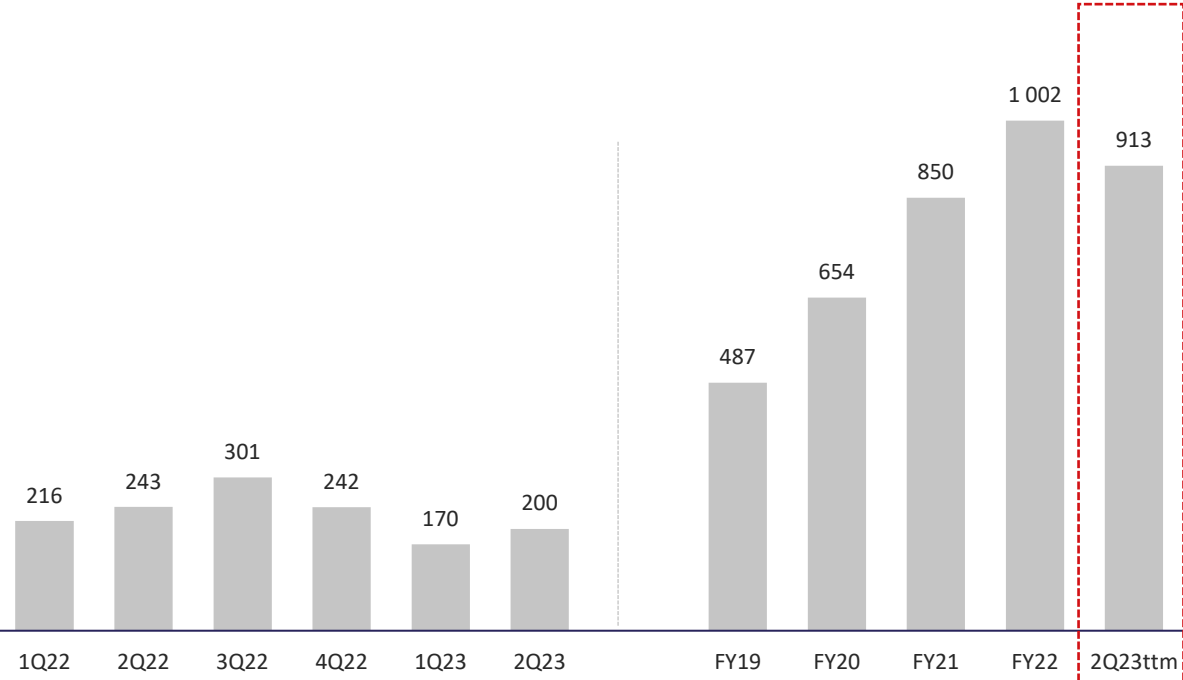
Deweloper



Budownictwo – financial results



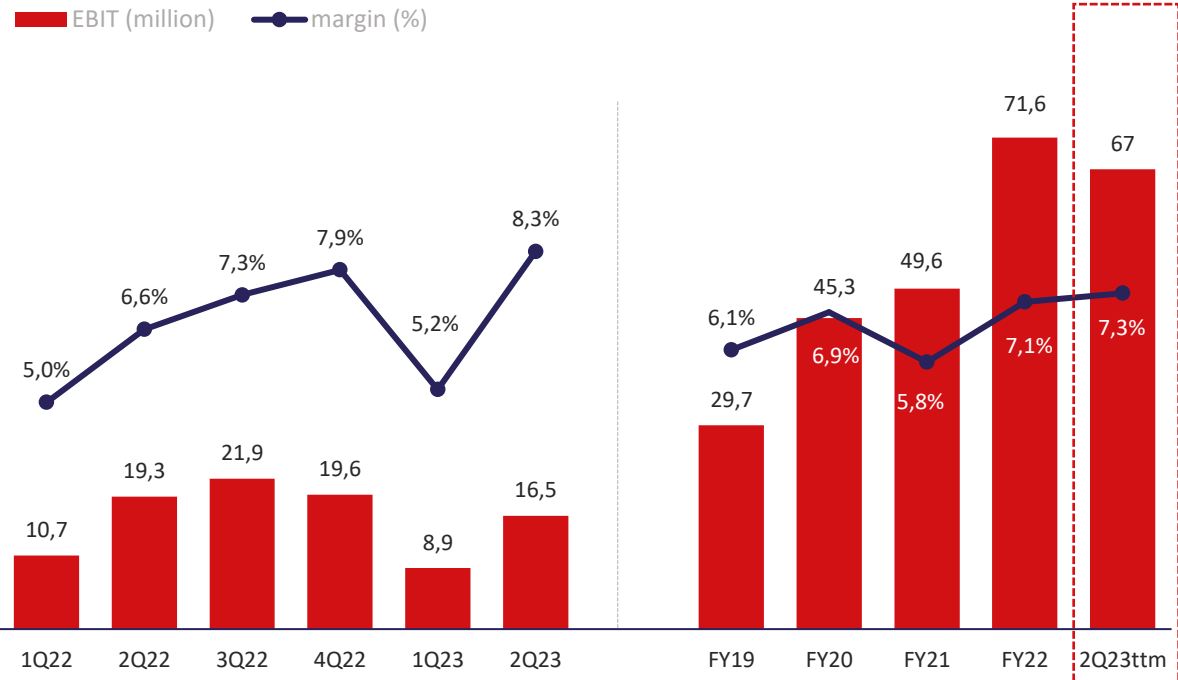
Revenues* (million of PLN)



*Consolidation

- cautious contraction in 1H 2023 - maintaining a strong margin with lower revenues
- in a demanding business environment, built through (1) the company's competitive advantages, (2) diversification of the customer portfolio towards industrial-logistics orders, (3) process innovations and digitization of construction processes, including, above all, strict budget control

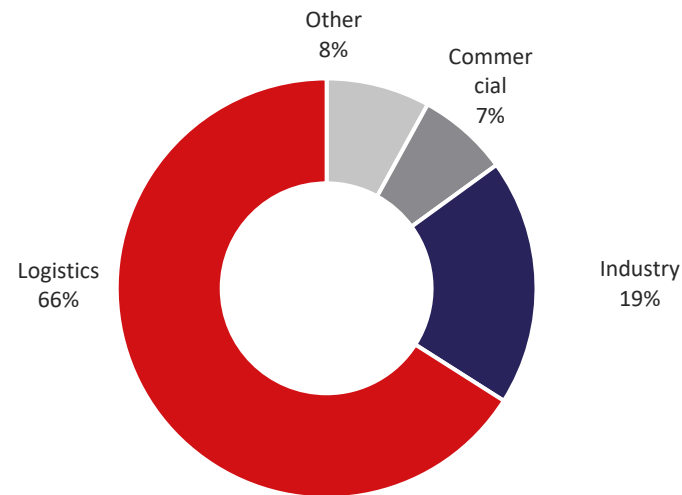
Operating result



Outlook for 2023+

Strong ordering portfolio

Structure of GW projects (as at 30.06.2022)

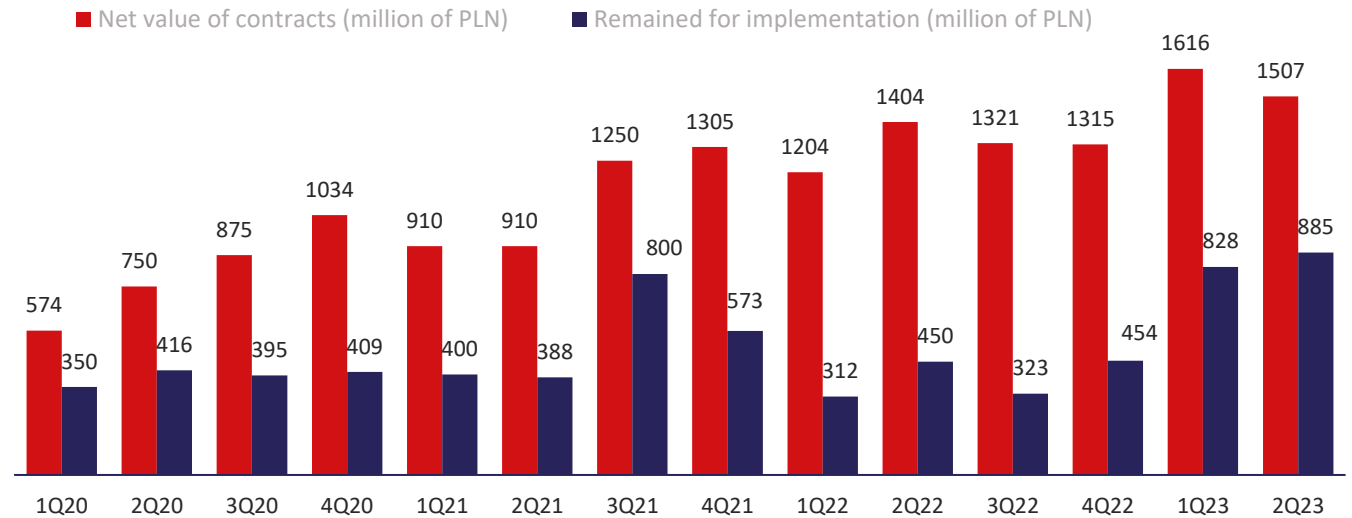


Net value of contracts as at 30.06.2022:

- PLN 1507 million (PLN 885 million remained for implementation),
- for Developer PLN 413 million (PLN 113 million remained for implementation)

Goal for 2023: reiteration of 2022 financial results

Contraction (million of PLN)



Delaying investment decisions in anticipation of lower prices and the investment financing market crisis led to a decrease in the backlog of orders in 2H 2022.

Effective sales work resulted in obtaining 10 new projects in the 1H of 2023, e.g.:

- Trefl- construction of logistics center in Rumia
- Production plant in Pomeranian Voivodeship
- DL Invest – The largest contract in the company's history in terms of value
- ACE7 + Leroy Merlin – one of the biggest commercial objects
- BIAWAR, CASTORAMA – new reputable clients
- THALES – one of the most advanced industrial projects
- Sol Marina III, Pastelowe IIIB – the first internal projects carried out by use of our own prefabricated structures

Competitive Advantages as a Lever for Growth

- Available, expert, and attractive service offering – market exploration at the local Level.
- Focus on a high level of service is the core that builds a unique „Customer-friendly” brand identity
- A versatile human capital ready to carry out private and public projects
- Access to Betpref prefabricated components and steel structures supported by cooperation of companies in R&D field
- Strict cost and process control through a dedicated ERP system on construction sites (IFS)



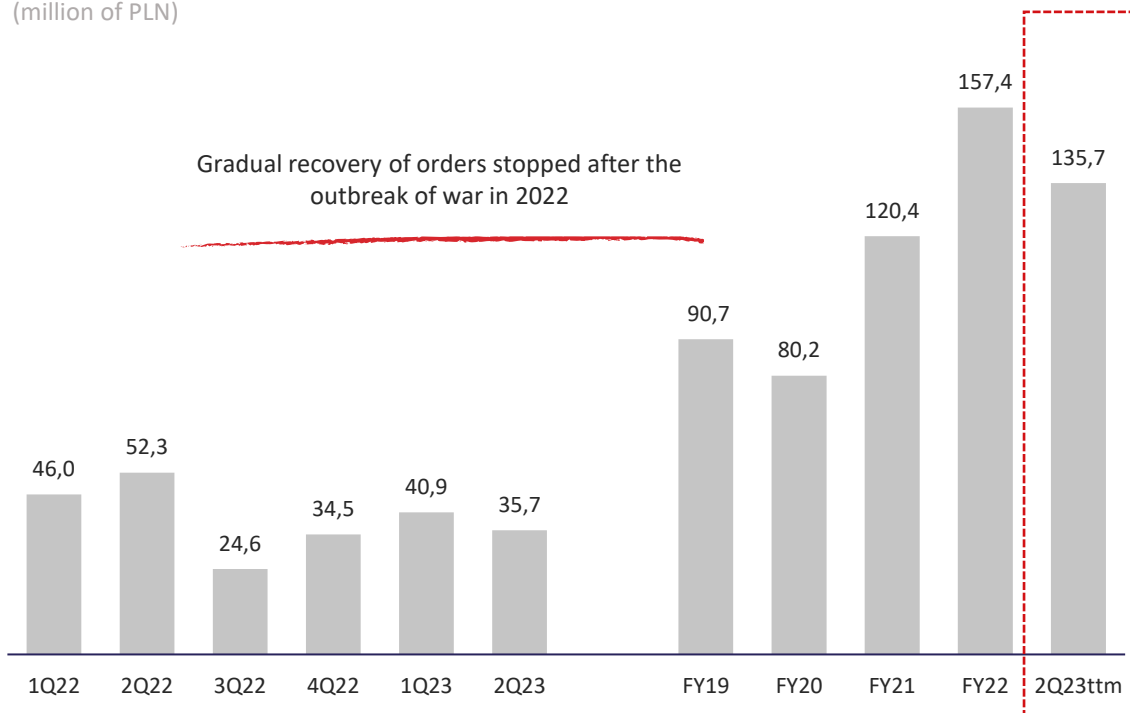
Budownictwo Steel Developer



Steel – financial results

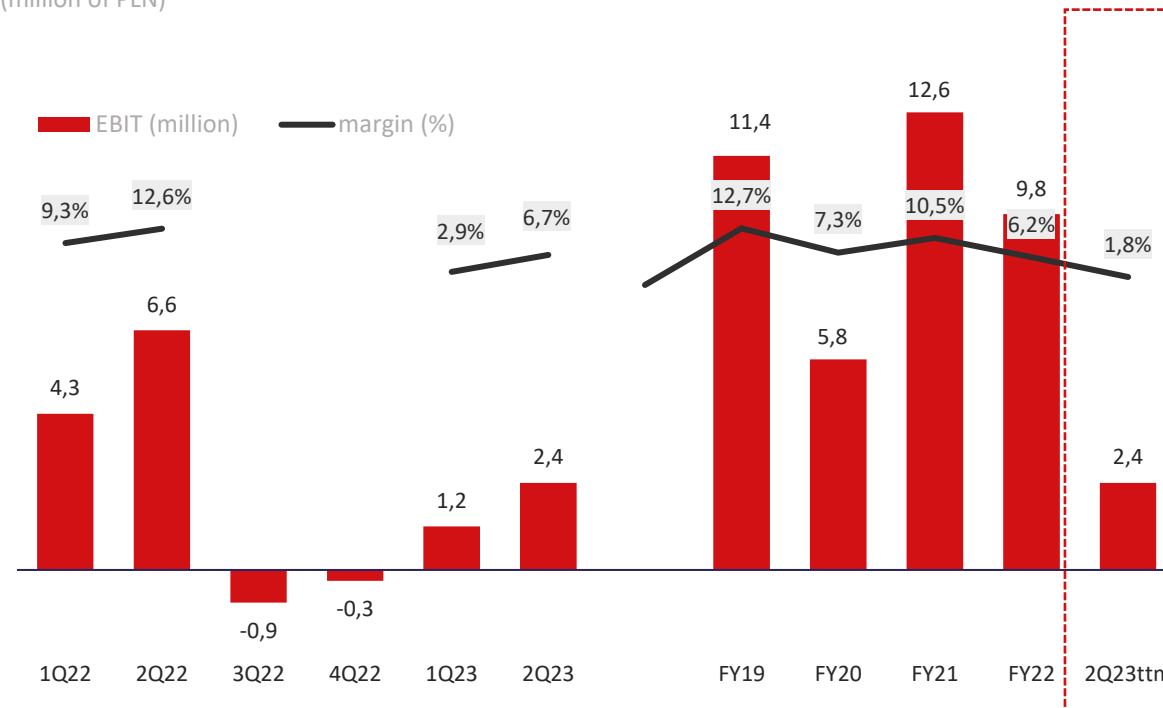
Revenues

(million of PLN)



Operating result

(million of PLN)



- since June 2022, a decrease in orders - partly due to the war in Ukraine and a deterioration in macro environment. A higher y/y cost level for both plants in Pinczyn and Lubawa results in a -1.2 million PLN operating loss in 2H 2022, and a gradual return of orders in 1H 2023
- efforts to acquire additional contracts and cost discipline allow to maintain positive operating profitability in 1H 2023 - an operating profit of 3.6 million PLN in 1H 2023

Diversification of production – the Intek plant



- Utilization of the Intek plant for production of equipment outside the scope of accessories for construction machines (e.g., oversized trailers, offshore equipment)

Outlook for 2023+

 Hitachi Construction Machinery (UK)

VOLVO
Construction Equipment

CNH
INDUSTRIAL

 **Bobcat**

CATERPILLAR

 **DRESSTA**

 **STEELWRIST**
EARTHMOVING EFFICIENCY

 **LIUGONG**

DOOSAN

CASE
CONSTRUCTION

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

Since May 2022, a slowdown in OEM demand, exploring additional sources of orders

Capitalization of Intek's experience: renewable energy (offshore) and trailers

Management Board strengthened by a new CEO - Wojciech Baszkowski

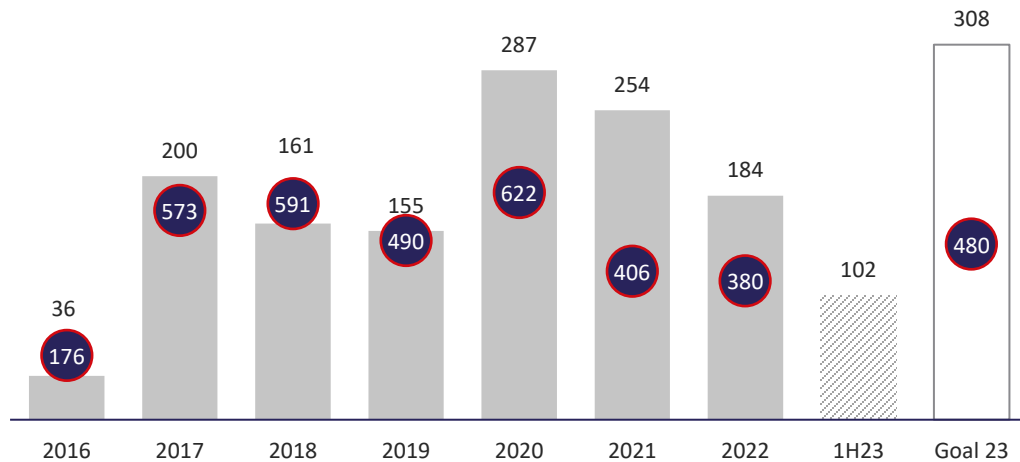
Budownictwo Steel Developer



Deweloper – financial results

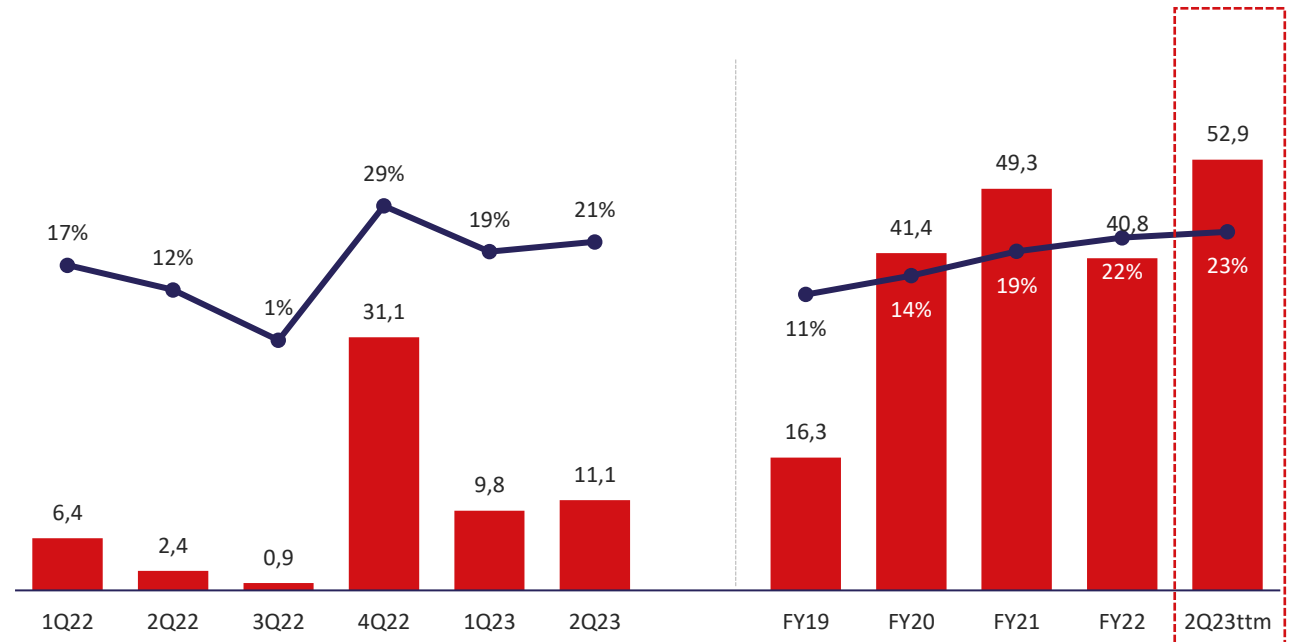
Revenues, recognition of result

■ Value (million of PLN) ● Quantity



Operating result

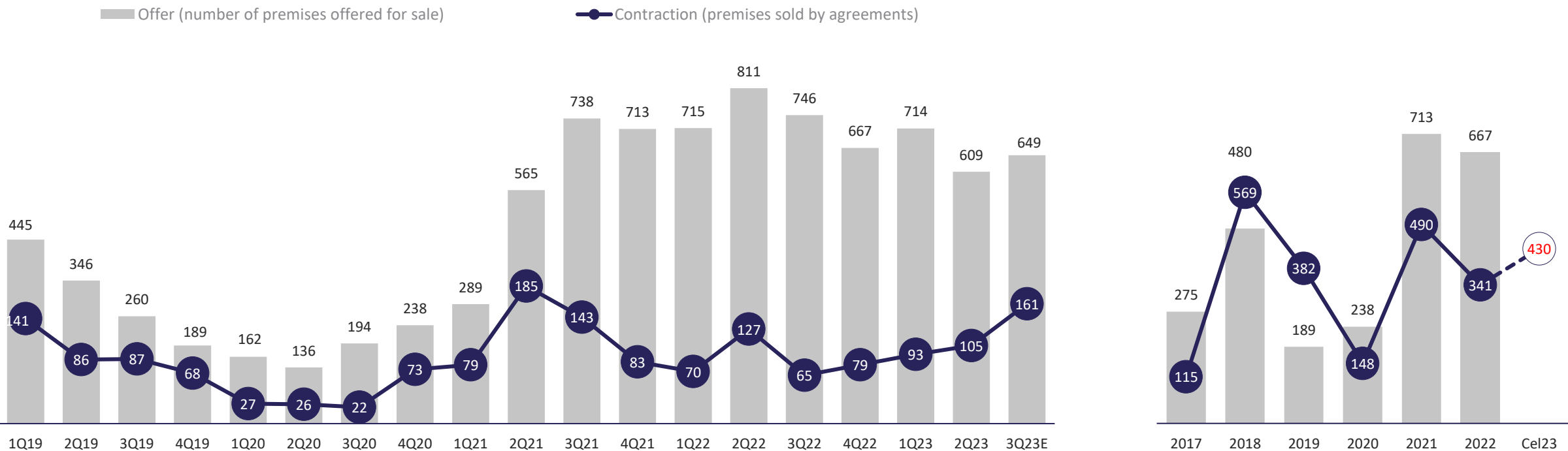
■ EBIT (million) ● margin (%)



- In 1H 2023 recognition in revenues of 180 premises of a value of PLN 61 million and in 3Q 2023 estimated recognition in revenues of 140 premises, effect achieved, among other things, through handing over for use in 1H 2023 of the following investments: Baltic Line, Trimare stage I, and in 3Q 2023: Grano Marina Hotel and Sol Marina II apartment buildings
- Within 1-3Q 2023 handing over for use of 321 premises vs. 122 within 1-3Q 2022
- Goal for 2023: recognition of PLN 308 million of revenues, handing over for use of 480 premises (approx. 98% already contracted)

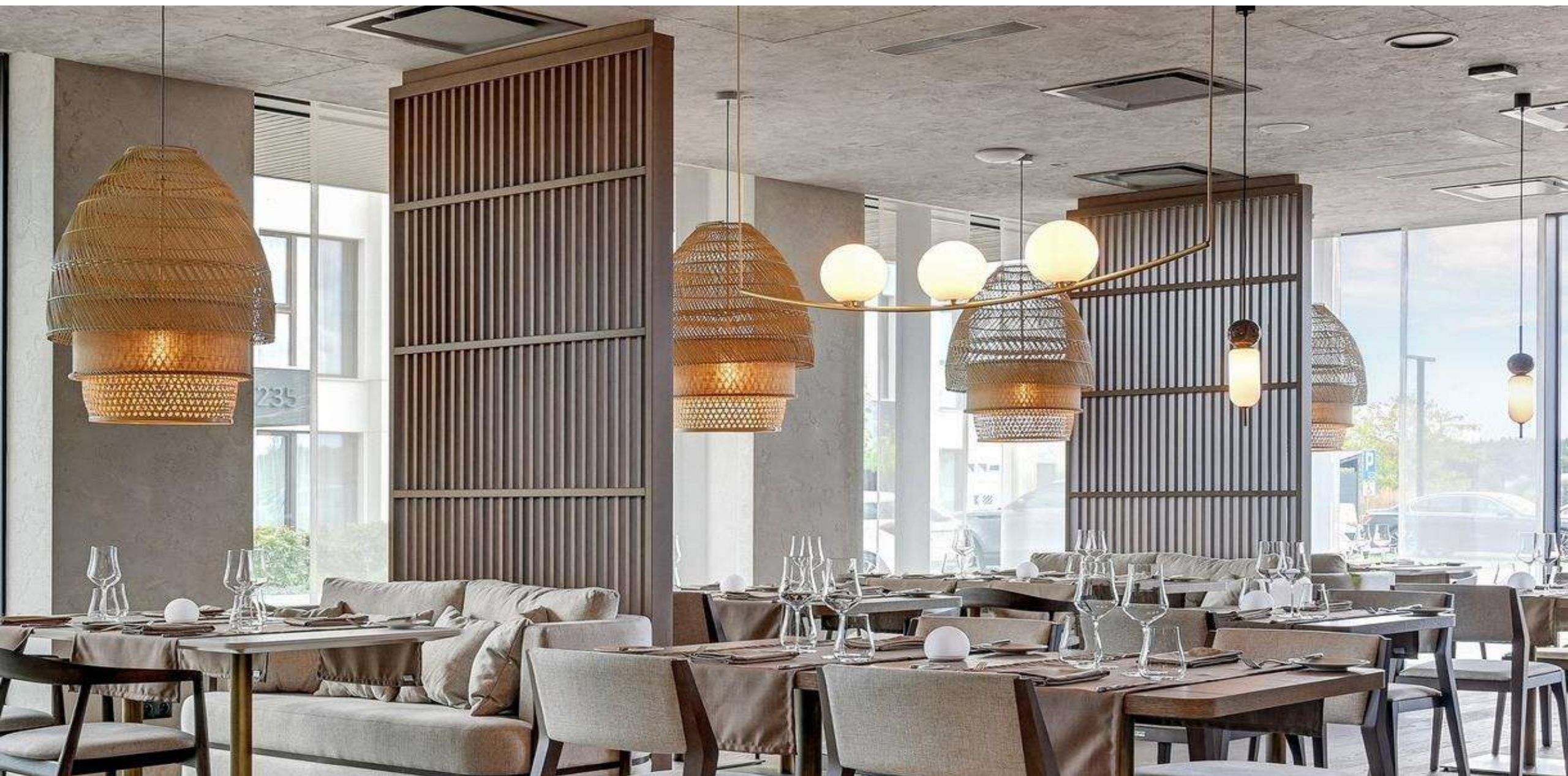
* With the proviso, that none of the above statements related to the future can be understood or interpreted as a guarantee or assurance by the Company or entities within the Capital Group that such events will occur and that the specified sales targets mentioned above will be achieved

Contraction and offer



- In 3Q 2023: 161 premises contracted. From the beginning of 2023: 359 premises contracted – more than in entire 2022. Planned contraction for 2023 – 430 premises
- Offer of 649 apartments in 3Q 2023 - targeted at a wide range of customers. A significant part of properties purchased with cash (over 90% of sales in terms of value), with an increase in the number of apartments purchased with credit in 3Q 2023









Diversified offer



649 apartments in offer

Pucka Bay

Sobieszewska Island

Pastelowe

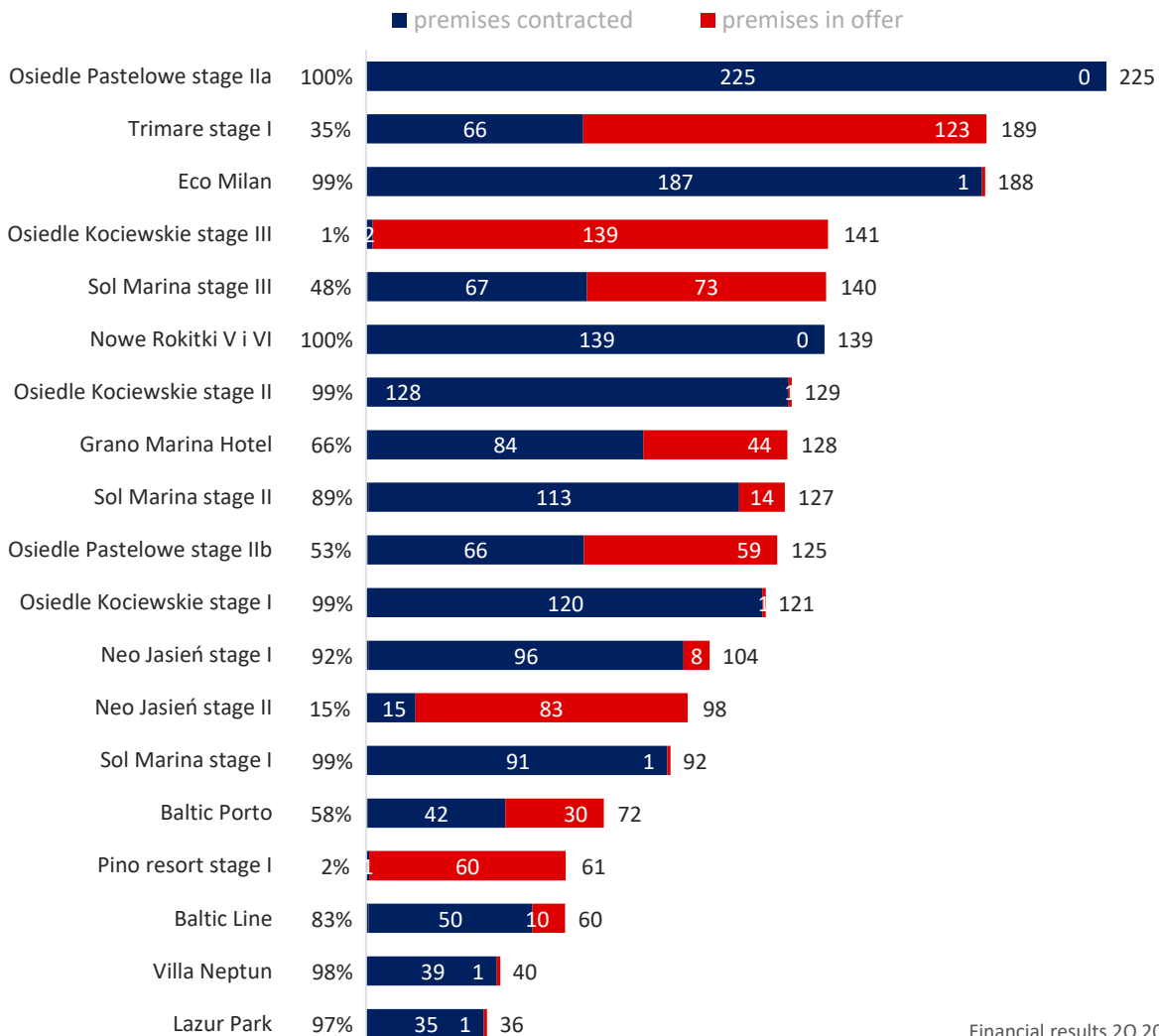
Neo Jasień

Sol Marina

Trimare, Sztutowo

Osiedle Kociewskie

% of sales of apartments from the offer – as at 30.09.2023



Pipeline of investments 2022-2027

Favorable timing of planned implementations

	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		
Osiedle Pastelowe etap I				225																						
Neo Jasień etap I				104																						
Baltic Porto				72																						
Osiedle Kociewskie etap I				129																						
Baltic Line					60																					
Trimare etap I						189																				
Grano Marina Hotel							128																			
Grano Marina Hotel lokal							1																			
Sol Marina etap II							127																			
Braniborska								393																		
Osiedle Pastelowe etap IIb				start					125																	
Sol Marina etap III				start								140														
Pino Resort etap I				start							61															
Neo Jasień etap II				start											98											
Granaria				start							126															
Osiedle Kociewskie etap III				start								141														
Trimare etap III				start								4														
Pastelowa usługa				start						1																
Starogard B1				start											65											
Prądyńskiego				start														369								
Prądyńskiego duże usługi				start															6							
Osiedle Pastelowe etap IIIa				start															80							
Pino Resort Restauracja				start						1																
Pino Resort etap IIa				start															55							
Pino Resort etap IIb				start															66							
Puck - Nowy Świat I				start																	156					
Grano Resort apartamenty etap I				start																		124				
Osiedle Kociewskie etap IV				start									94													
Starogard B2				start															65							
Osiedle Pastelowe etap IIIb				start																78						
Trimare etap II				start																	96					
Puck - Nowy Świat II				start																			70			
Soleo Park				start																	25					
Warszawa Kwitnaca				start																		70				
Braniborska Kamienica				start																				98		
Osiedle Kociewskie etap V				start																		117				
Osiedle Pastelowe etap IIIc				start																			78			
Osiedle Pastelowe etap IVa				start																				88		
Grano Resort apartamenty etap IIa				start																				160		
Osiedle Pastelowe etap IVb				start																				88		
																								w przygotowaniu	160	
																									w przygotowaniu	117
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																									w przygotowaniu	975
																									w przygotowaniu	324

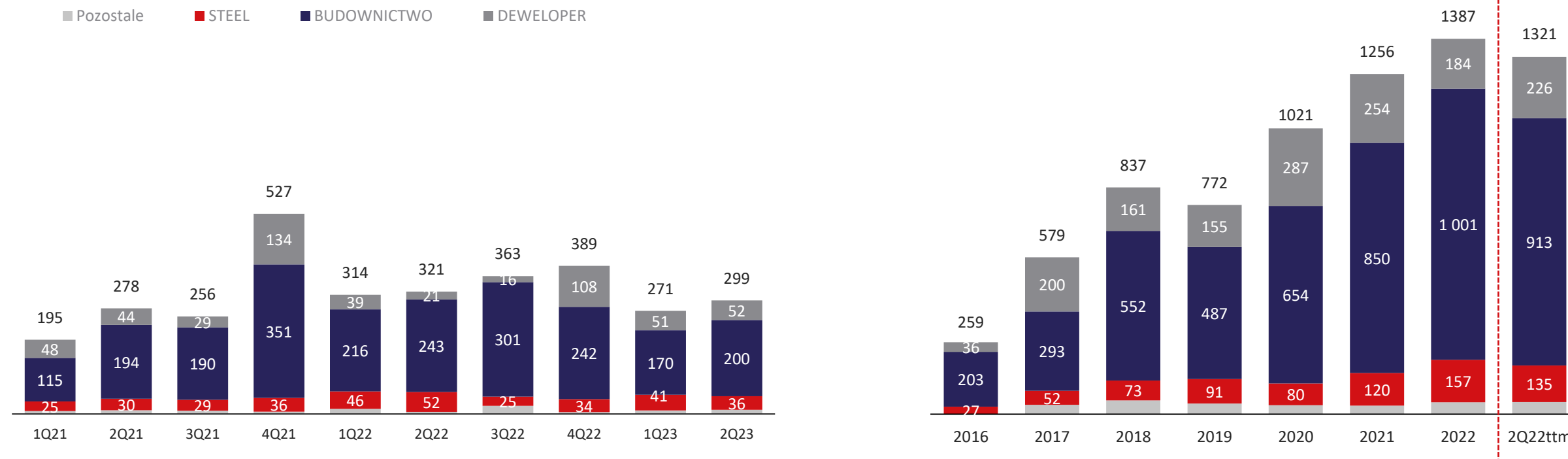
2Q 2022

Financial results



Revenues – three segments

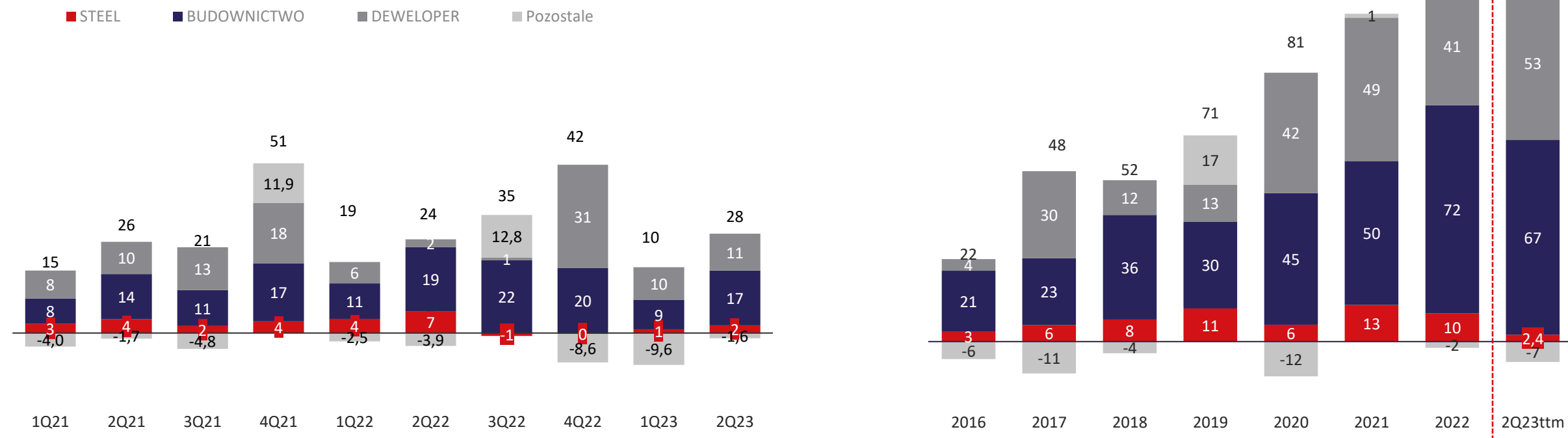
Revenues (million of PLN)



- Revenues in 1H 2023: PLN 569.6 million (-10% y/y), in 2Q 2023 only: PLN 299 million of revenues (-7% y/y)
- In 1H 2023 lower y/y revenues of Dekpol Budownictwo (-19%) y/y and Dekpol Steel (-22%) , at higher recognitions of Dekpol Deweloper

Operating result – three segments

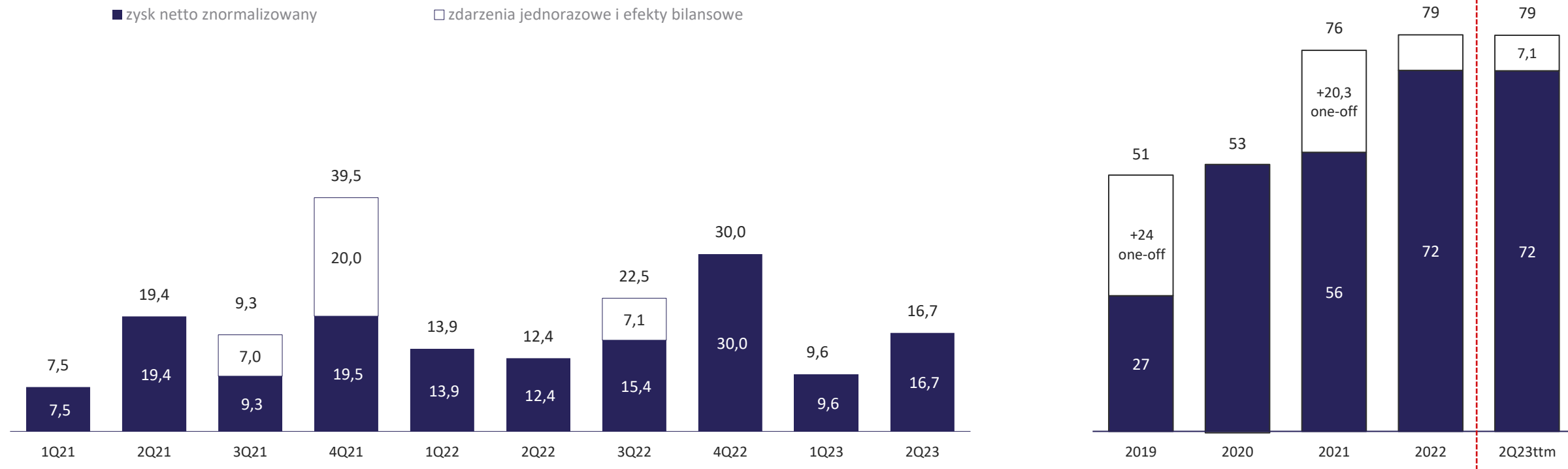
EBIT (million of PLN)



- Operating profit in the amount of PLN 38.7 million in 1H 2023 (-11% y/y)
- Solid result in 2Q 2023 only: PLN 28.4 million (+16,3% y/y) compensates lower y/y contribution in 1Q 2023

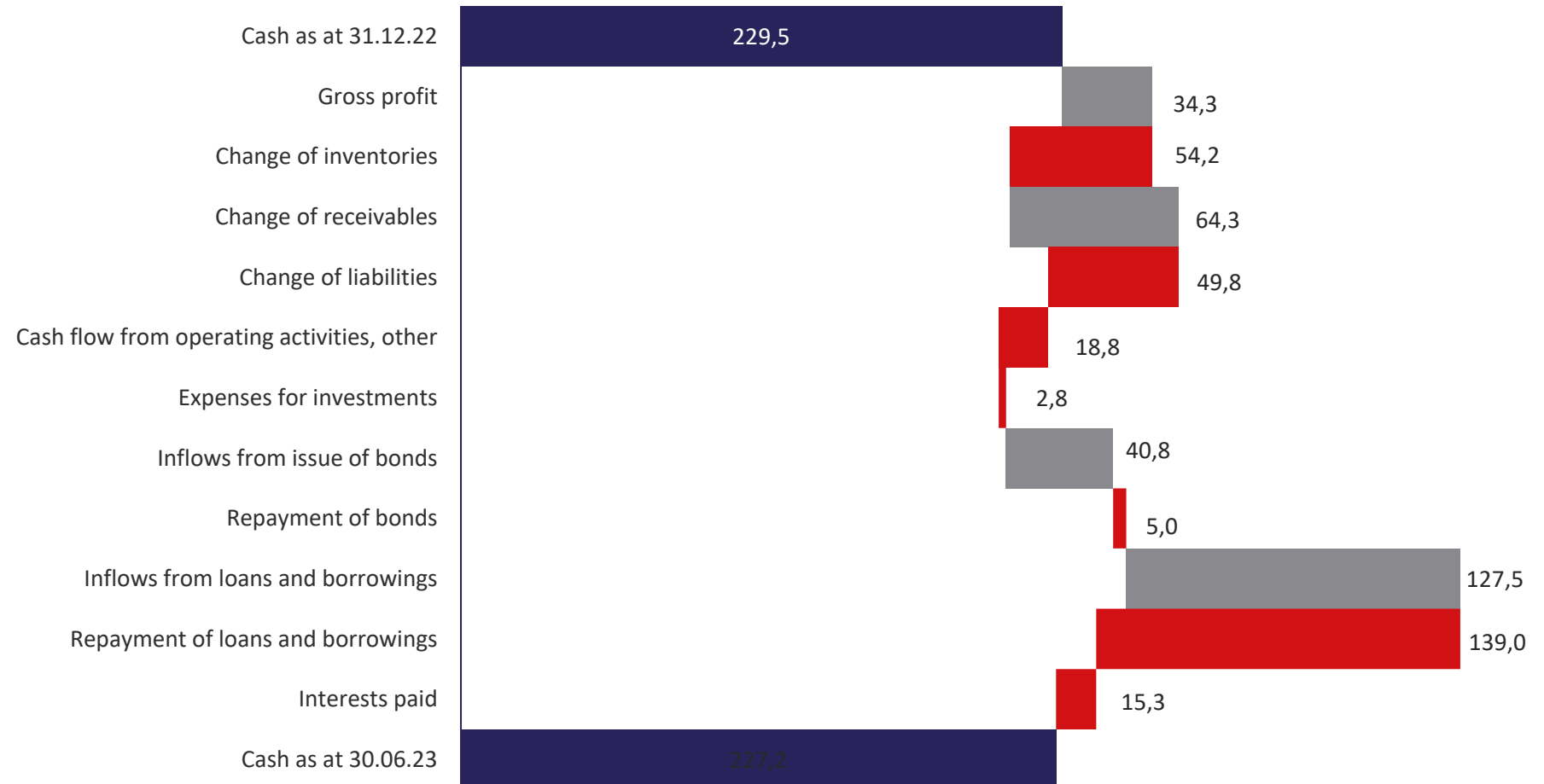
Consolidated net result

Net profit (million of PLN)



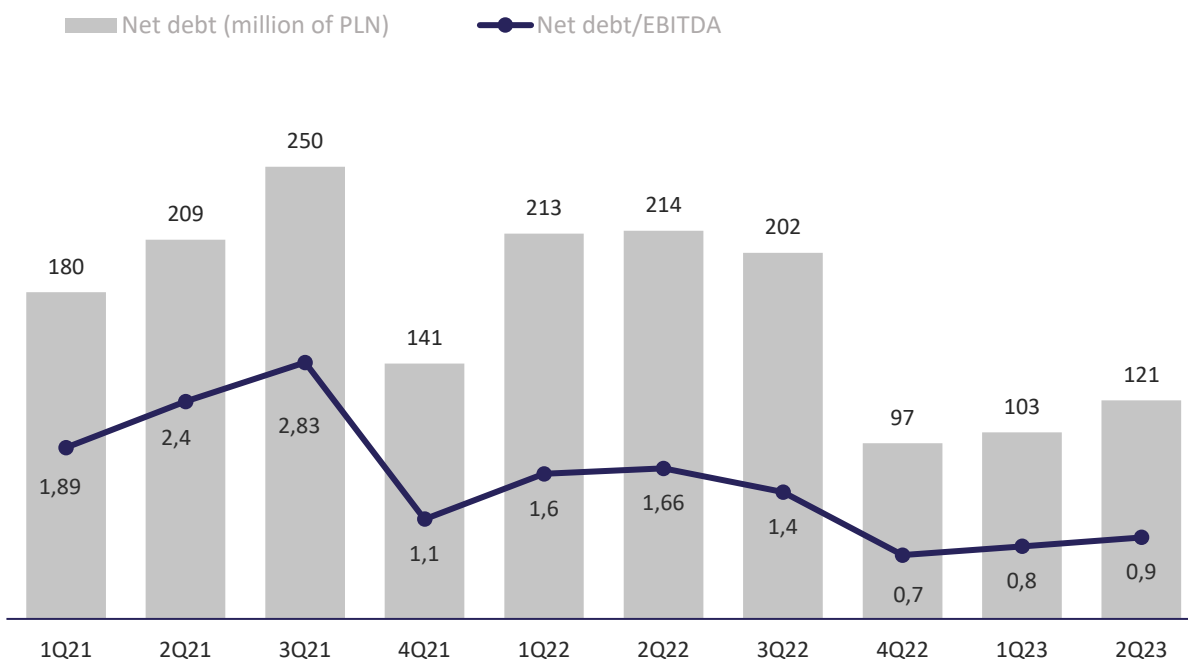
- in 1H 2023 consolidated net result in the amount of PLN 26.3 million – solid increase in 2Q 2022
- in 2023 no one-off effects observed in 2021 due to recognition of acquisition of the company Intek (PLN 20 million) and in 2022 due to acquisition of the company Kombet (PLN 7 million)

Cash Flow Statement in 1H 2023 – selected items (million of PLN)

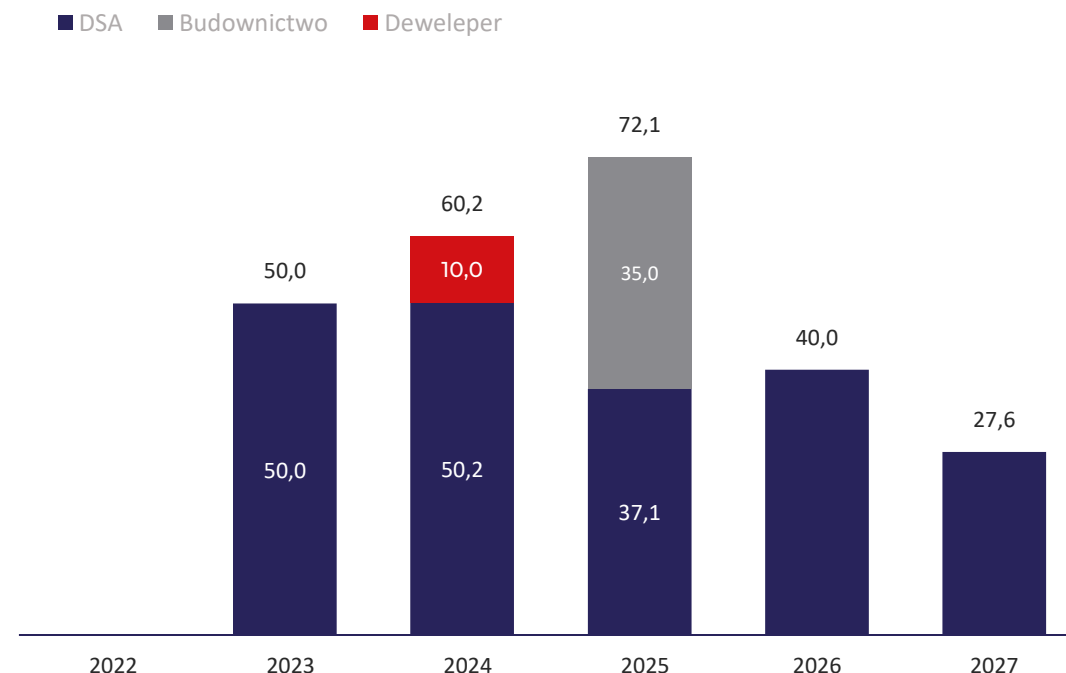


Stable financial position

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



Bonds – term structure 30.06.2023 (million of PLN)



- Gradual increase in debt financing allows for maintenance of a higher level of working capital (target level 2-3x ND/EBITDA, covenants 4.5x ND/EBITDA).
- Safe level of cash (PLN 227 million) and ND/EBITDA ratio of 0.9x, as well as a debt/equity ratio of 0.24x.
- Actions aimed at partial mitigation of interest rate risk by use of IRS (Interest Rate Swap), CAP (interest rate options), and conversion of a part of loans from PLN to EUR
- Success of another bond issues in 3Q 2023: PLN 30 million – a solid development base

2Q 2022

Summary



Financial ratios

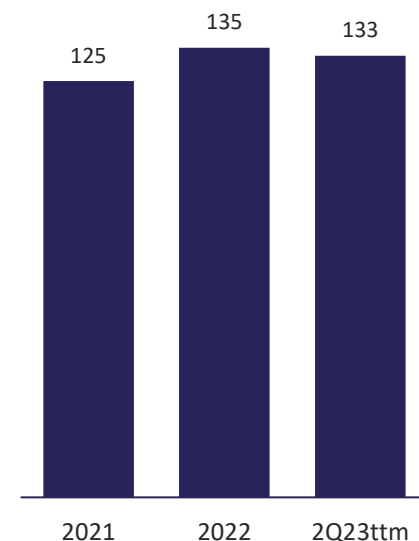
Revenues

(million of PLN)



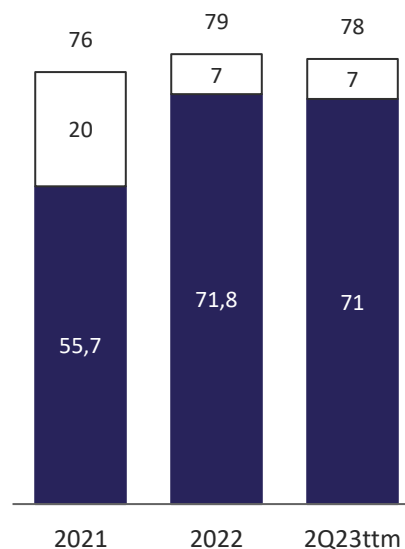
EBITDA

(million of PLN)



Net profit

(million of PLN)



Market valuation

(09.10.2023)

Share price	38,00 PLN
Number of shares	8,4 mln
Capitalization	318,6 mln PLN
Net debt	120,6 mln PLN
C/Z (normalized C/Z)	4,0 (4,7)
EV/EBITDA (normalized EV/EBITDA)	3,3 (3,5)

- Solid 1H 2023 results, despite demanding environment translate to maintenance of 12-month ratios at very close levels to those reached within 2022
- Safe level of cash: PLN 227 million and det debt PLN 120 million



Thank you

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Our service of investor relations

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