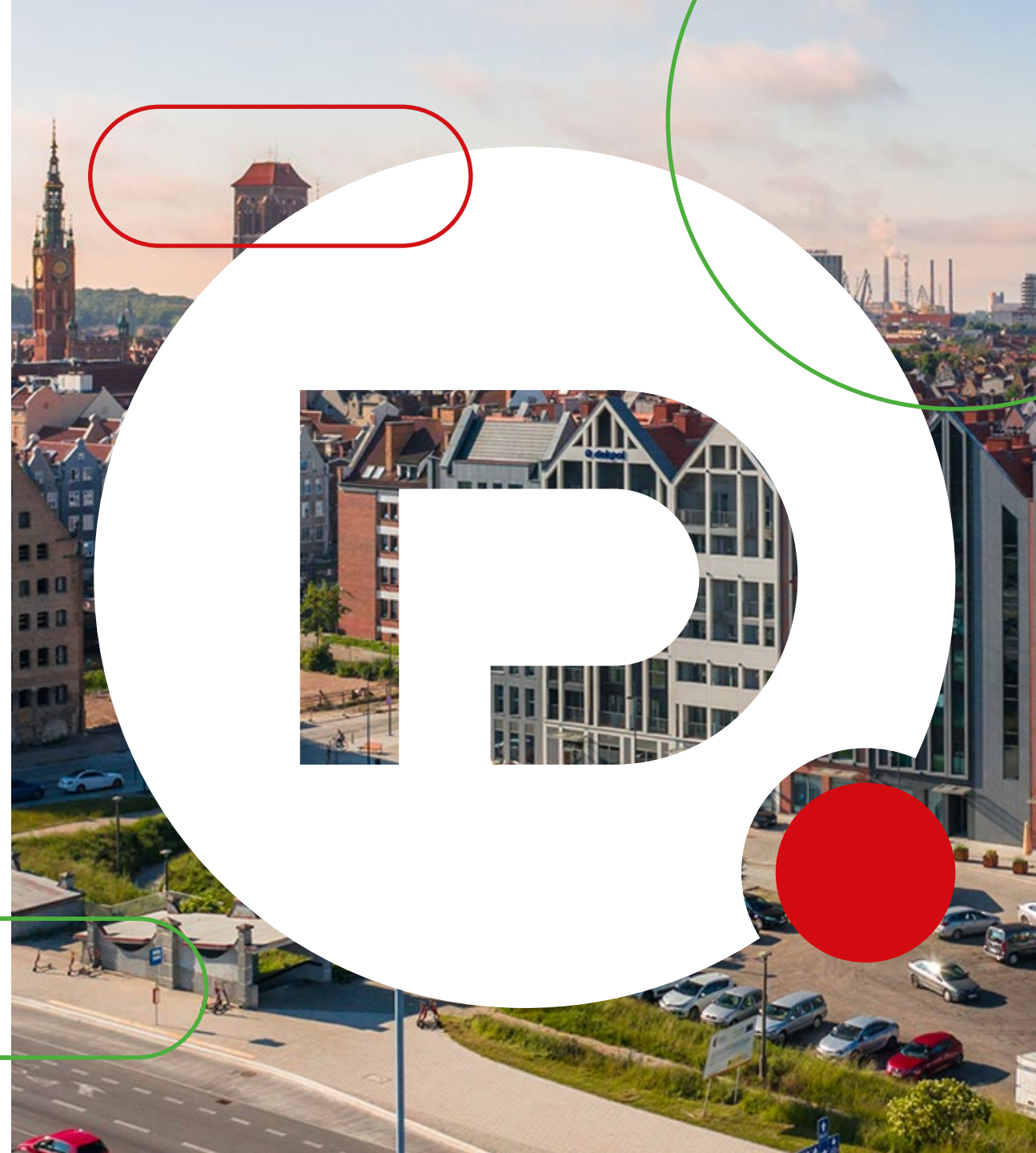


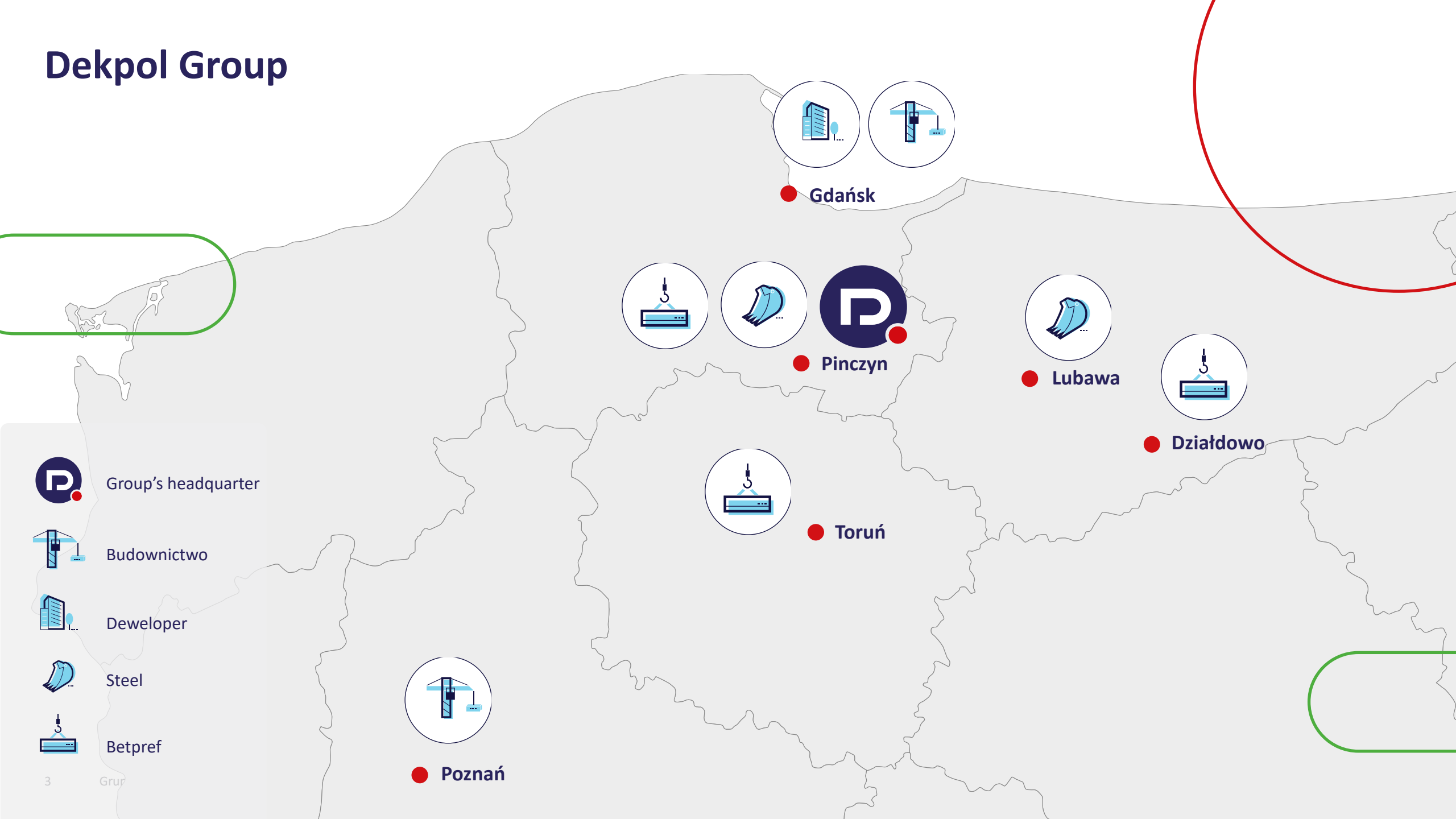
# Financial results in 2023


Investor Presentation  
May 2024




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# Dekpol Group



 Group's headquarter

 Budownictwo

 Deweloper

 Steel

 Betpref



 **Poznań**



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



**Katarzyna Szymczak-Dampc**  
Vice-President of Management Board,  
Dekpol S.A.  
Financial Director



**Michał Skowron**  
President of Management Board,  
Dekpol Budownictwo



**Sebastian Barandziak**  
President of Management Board,  
Dekpol Deweloper



**Wojciech Baszkowski**  
President of Management Board,  
Dekpol Steel

## **Dekpol Budownictwo sp. z o.o.**

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

## **Dekpol Deweloper sp. z o.o.**

- extensive and diversified portfolio (popular and premium estates, residential and service estates, hotel estates)
- bank of land in unique tourist locations (Sobieszewska Island)
- secured bank of land, attractive locations

## **Dekpol Steel sp. z o.o.**

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

# Agenda



FY 2023

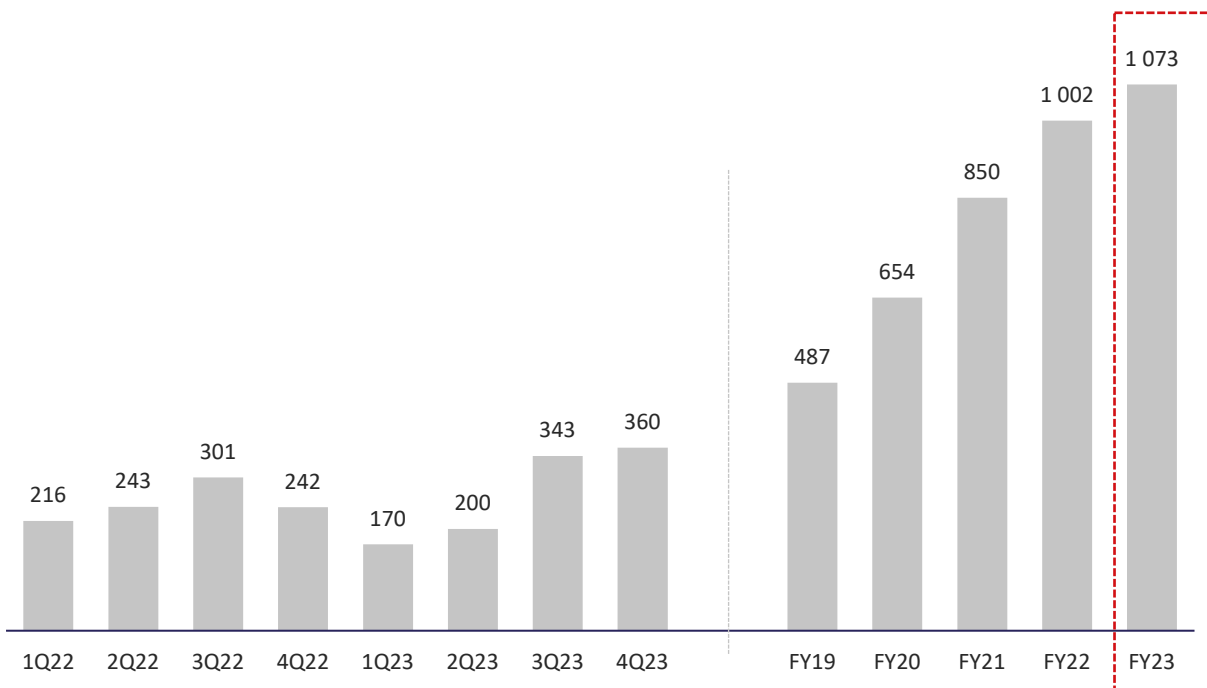
Budownictwo  
Developer  
Steel  
Financial results  
Summary



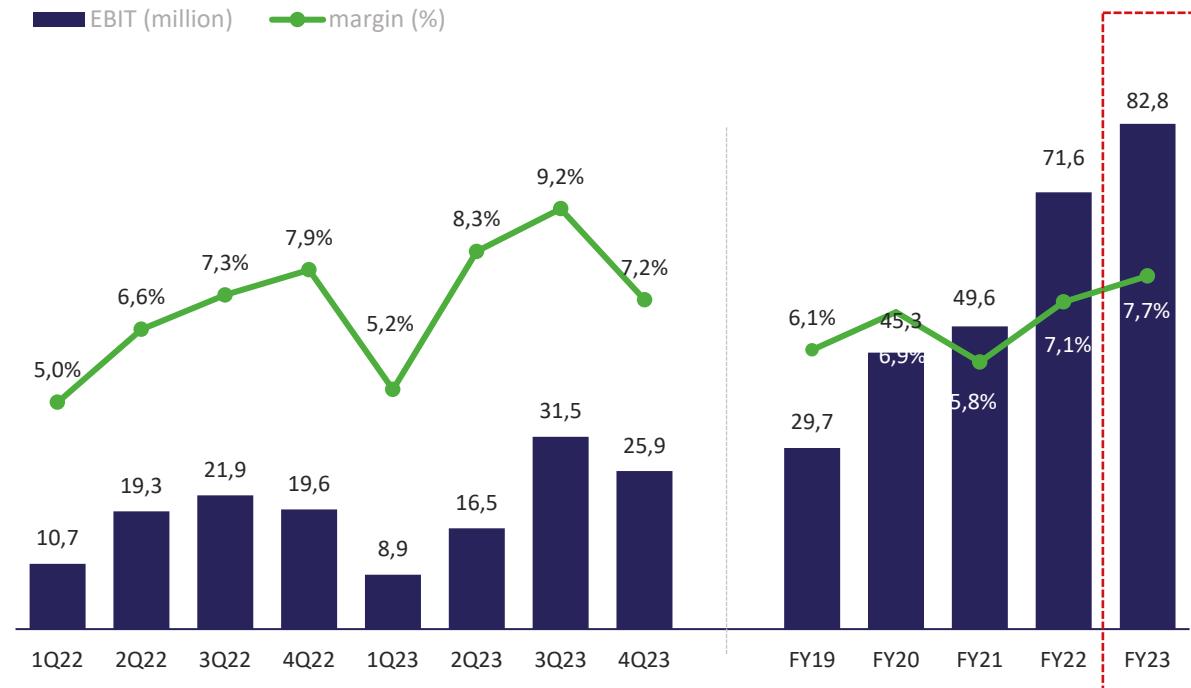
# Budownictwo – financial results



Revenues\* (million of PLN)



Operating result



\*Consolidation

- historically high revenues in 2H 2023 translate into a 7% increase in full-year segment revenue, while EBIT increased by 16% vs. 2022
- increase in margins due to (1) the company's development of competitive advantages, (2) diversification of portfolio of customers, (3) process innovations and digitalization of construction processes, including, above all, strict control of budgets

# Budownictwo – competitive advantages enable to fulfill the Company with orders



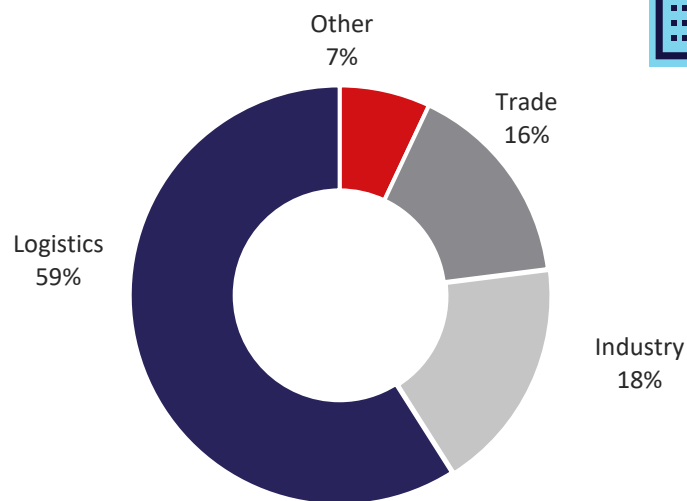
- accessible, expert and attractive services - market exploration at local level
- focus on a high level of service is the core that builds a unique Customer-friendly brand identity
- comprehensive human capital prepared to implement private and public projects
- access to prefabricates and steel structures produced by Betpref supported by cooperation of companies on R&D field
- strict cost and process control thanks to a dedicated ERP system for construction sites (IFS)



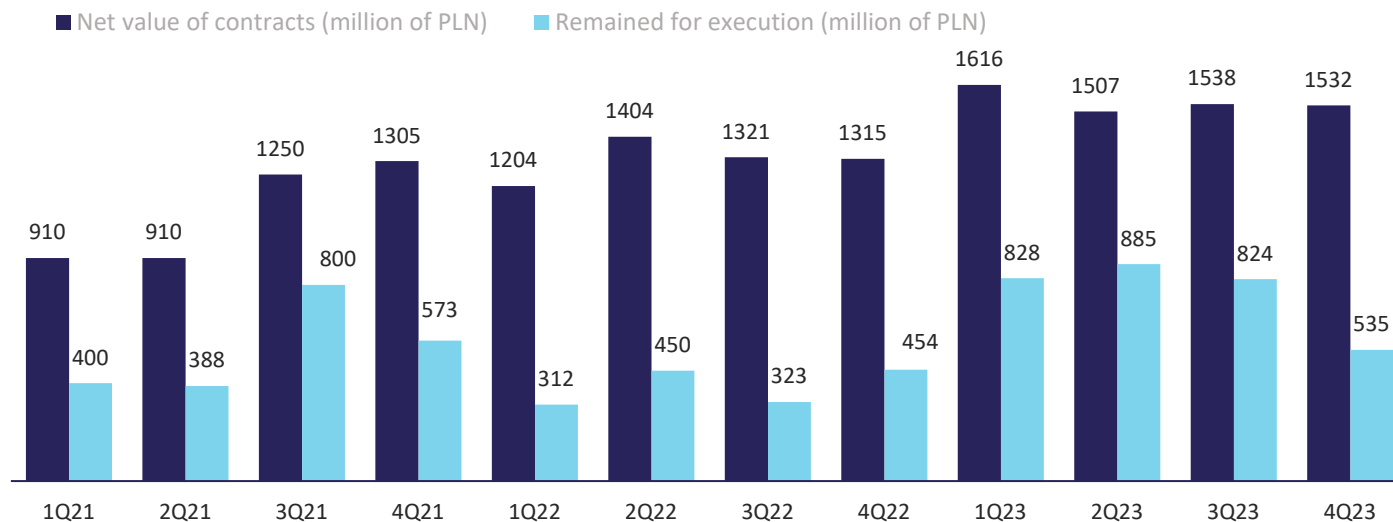
# Budownictwo – outlook for 2024+

Strong ordering portfolio

GW projects structure (as at 31.12.2023)



Contracting (million of PLN)



Consistent rebuilding of the ordering portfolio from the beginning of 2023 thanks to successful sales job - acquisition of numerous new projects in 2023, among others:

- ACE7 + Leroy Merlin – one of the largest shopping facilities
- BIAWAR, CASTORAMA – new reputable Clients
- THALES – one of the most advanced industrial projects
- Sol Marina III, Pastelowe IIIB – first internal projects based on the own prefabricated construction
- 7R – warehouse centre in Swarzędyn

**Net value of contracts as of 31.12.2023:**

- PLN 1.532 million (PLN 535 million remained for execution),
- For Dekpol Developer: PLN 318 million (PLN 94 million remained for execution)



## Budownictwo – goals for 2024+

- maintaining the trend of increasing financial results;
- development of new markets, both geographically and in terms of subject matter;
- raising of the level of organizational excellence by, e.g.:
  - implementation of a process map for the entire organization
  - development of R&D activities
  - implementation of organizational values
  - extended training programme for middle-level managers with the foundation Training Projects, etc.



Budownictwo

**Developer**

Steel

Financial results

Summary

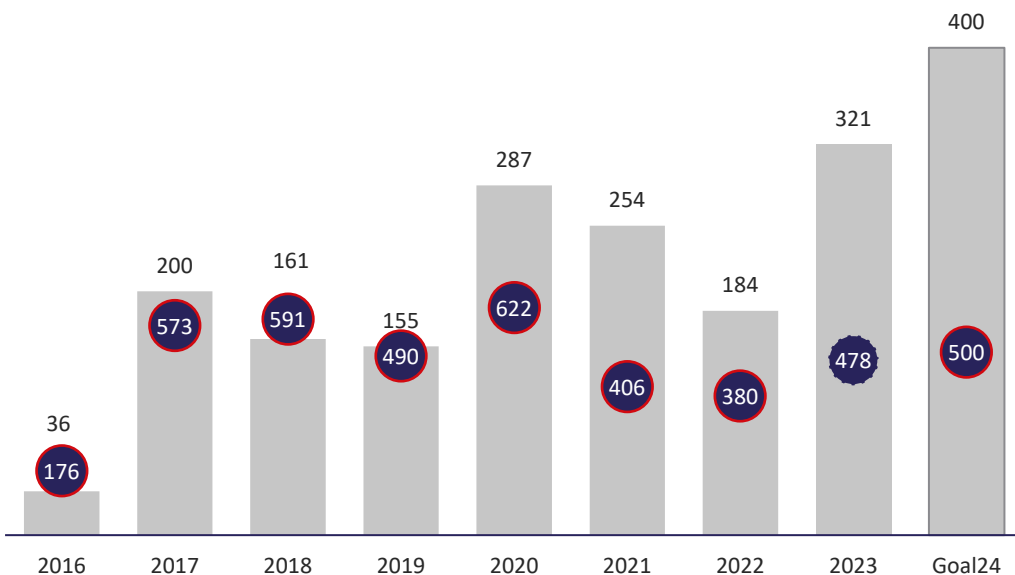


# Deweloper – financial results



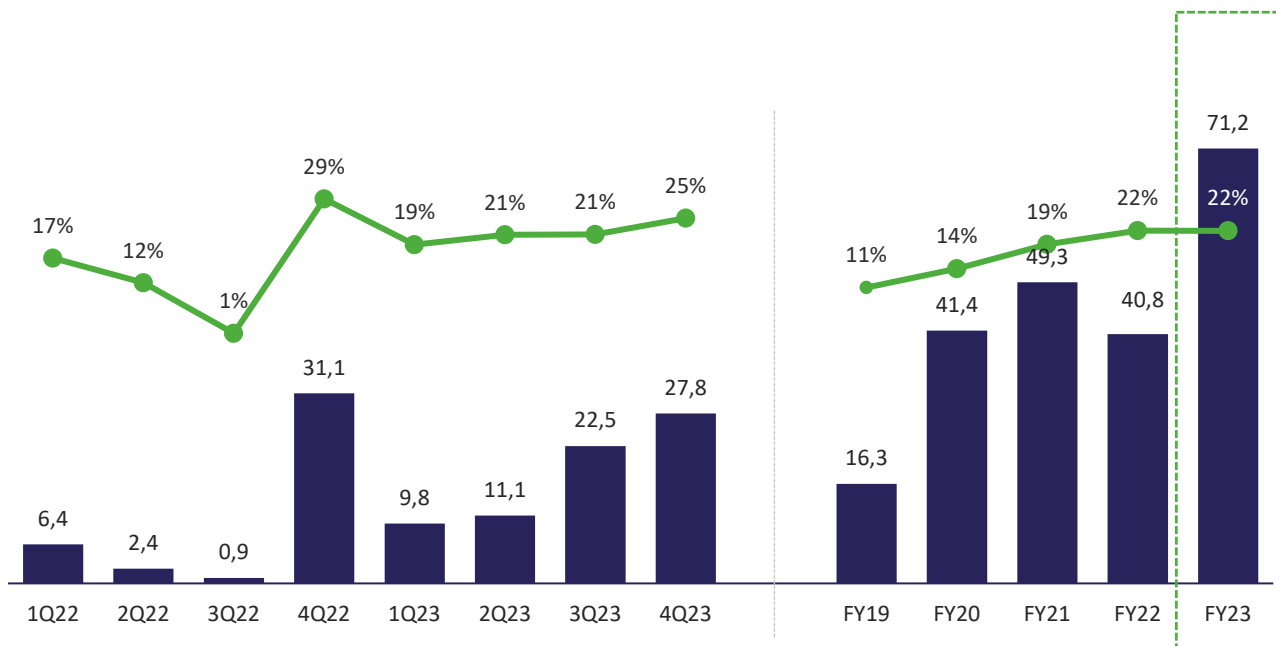
## Revenues, recognition in result

■ Value (million of PLN) ● Quantity



## Operating result

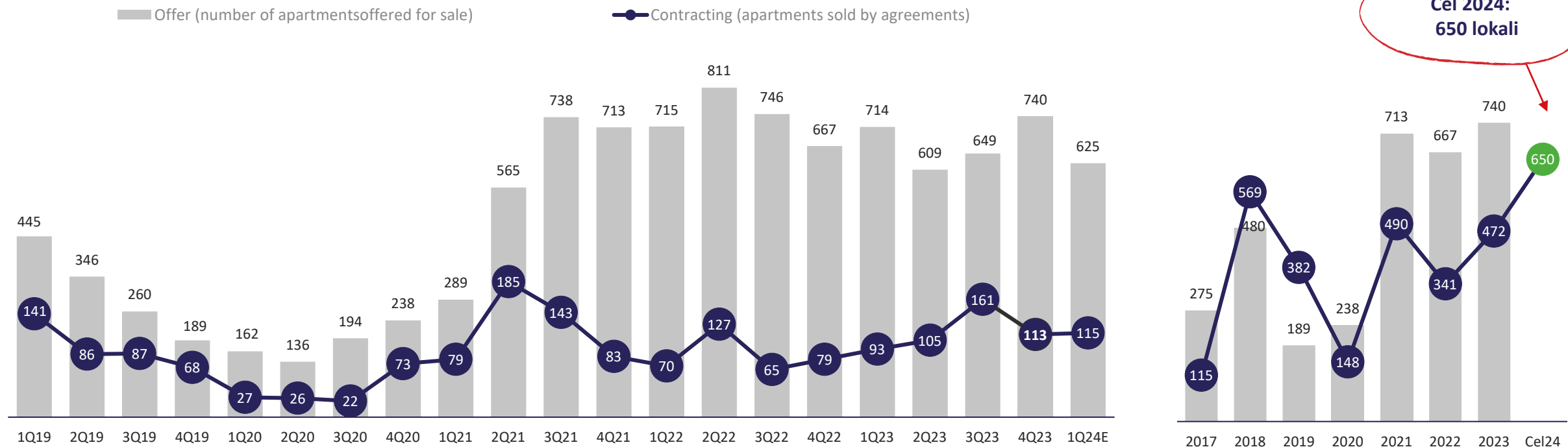
■ EBIT (million) ● margin (%)



- execution and exceeding of targets set for 2023 - recognition in revenues of 478 apartments of a value of PLN 320 million (vs 380 apartments of a value of PLN 184 million in 2022), effect achieved, among others, thanks to handovers in 1H 2023 of Baltic Line, Trimare stage I, and in 2H 2023 handover of Grano Marina hotel and apartment buildings Sol Marina II
- Estimates for 1Q 2024 – recognition in sales results of 104 apartments
- In 2024, it is planned to achieve revenues of approximately PLN 400 million, which will consist, in particular, of sales of approx. 500 apartments recognized in financial result and revenues from implementation of the investment project in Wrocław at Braniborska Street

\* provided, that none of the above statements regarding the future should 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 sales targets mentioned above will be achieved

## Contracting and the offer



- in 2023: 472 apartments contracted (of a value of PLN 278 million) – vs 314 in 2022 – exceeding of the aimed goal (430 apartments) by almost 10%
- a large share of properties purchased for cash (over 90% of sales in terms of value), especially in the premium segment, with an increase in the number of apartments in the popular segment purchased with a loan since 3Q 2023
- In 1Q 2024, maintenance of the favorable trend, estimated sales of 115 apartments. Offering of 625 apartments by the end of March 2024 - targeted at a wide range of customers
- high demand expected to be maintained in 2024, which, with a high level of offer, translates into a sales target for 2024: 650 apartments

# Developer – diversified offer

625 lokali w ofercie na koniec 1Q 2024

Puck Bay

Sobiszewska Island

Pastelowe

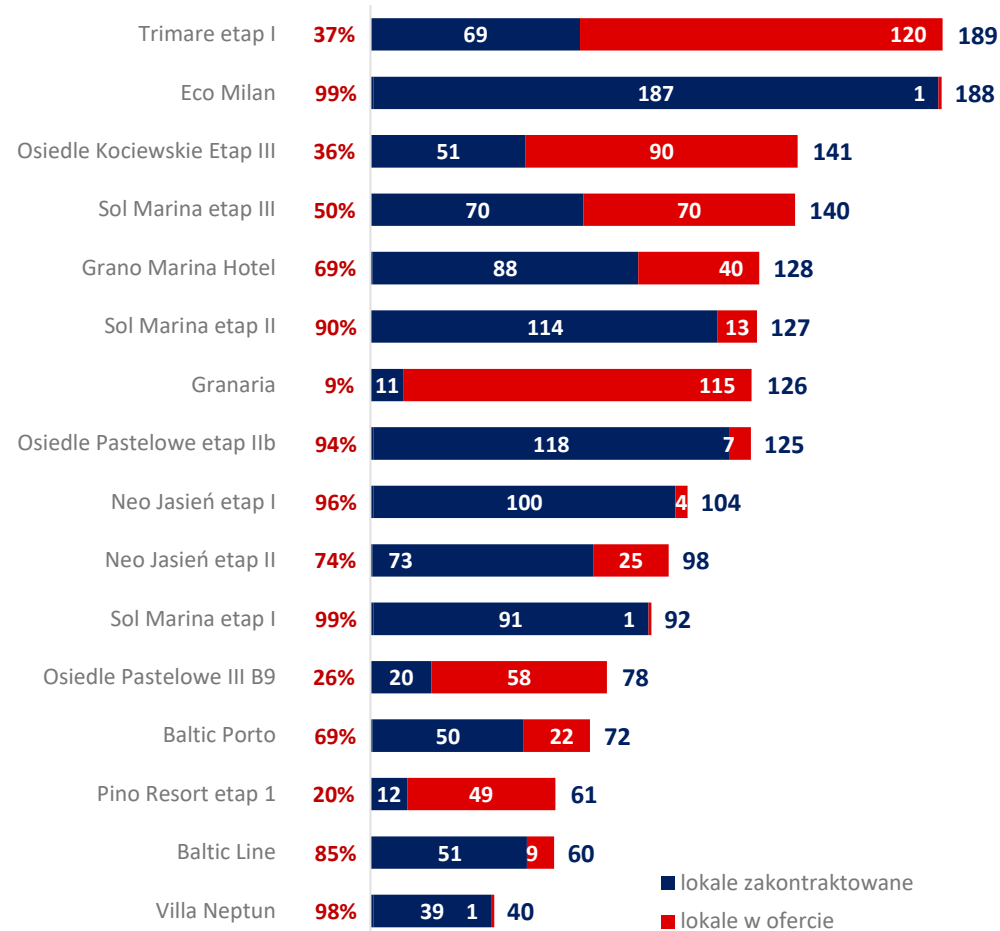
Neo Jasień

Sol Marina

Trimare,  
Sztutowo

Osiedle  
Kociewskie

% of sales of apartments form the offer – as of 31.03.2024



# Deweloper – investment pipeline for 2023-2027

favorable timing of planned implementations



	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	
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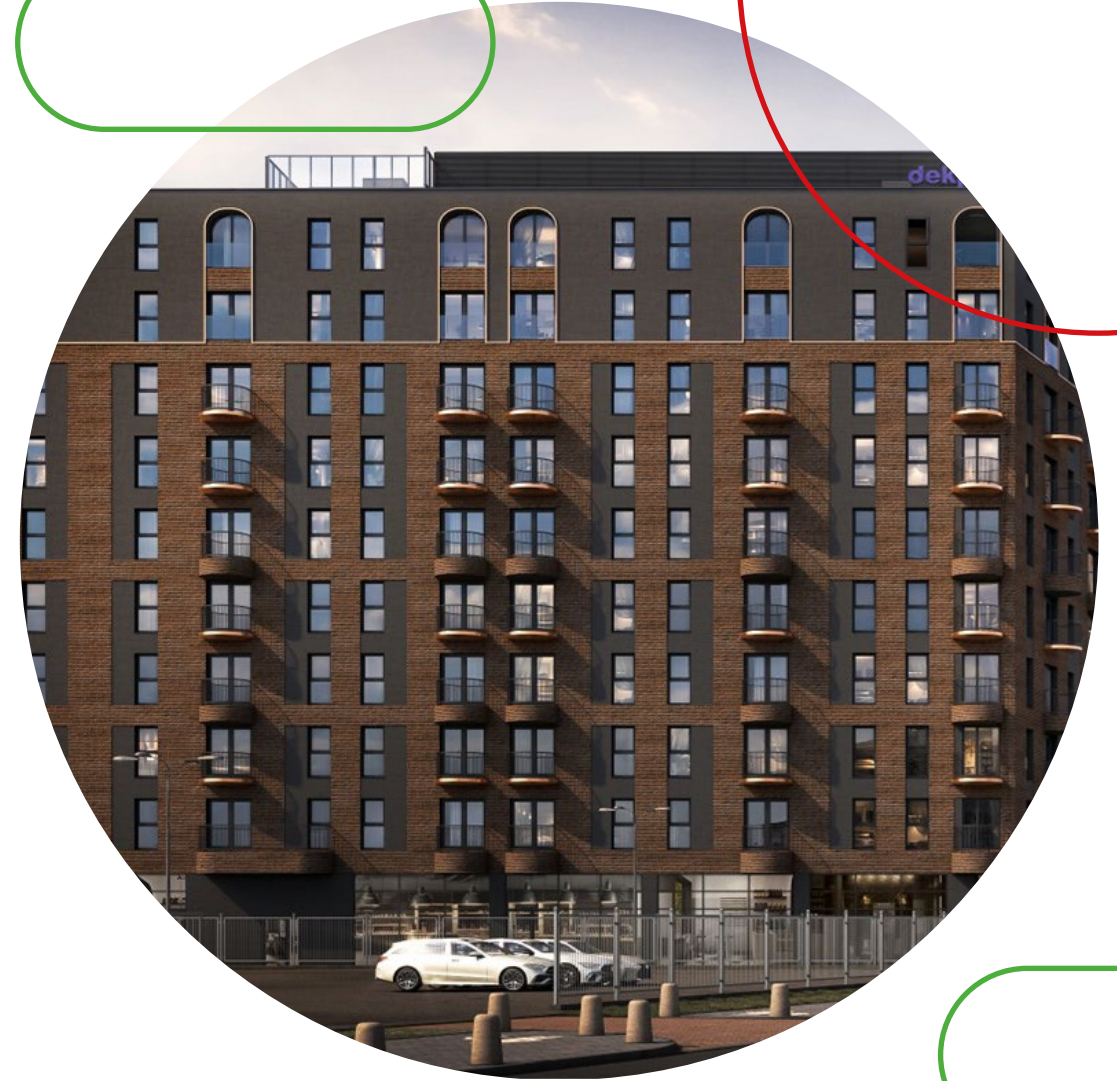














Budownictwo  
Deweloper  
**Steel**  
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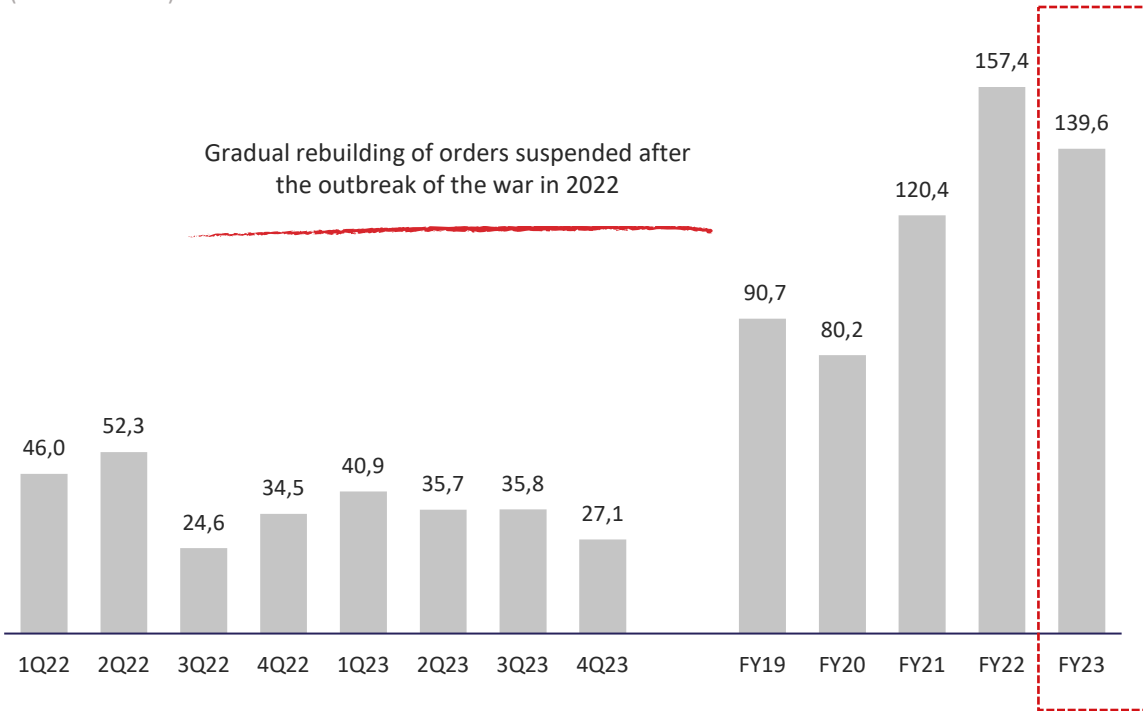


# Steel – financial results



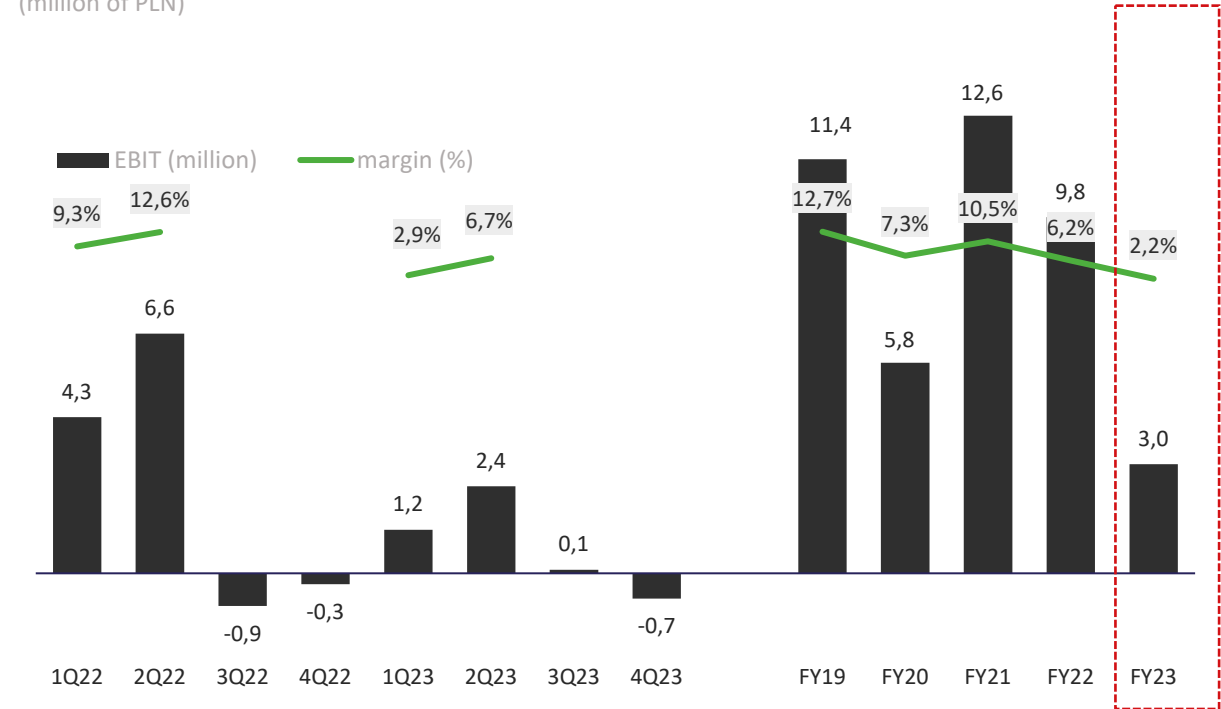
## Revenues

(million of PLN)



## Operating result

(million of PLN)



- From May 2022 a slowdown in OEM demand, exploration of additional sources of orders – caused, among other things, by a volatile steel market - Ukraine accounted for approx. 50%-60% of steel deliveries to Europe. From 2021 onwards, higher y/y costs of combined plants in Pinczyn and Lubawa
- During downturns in the excavator market - capitalizing on Intek's experience: renewable energy (offshore), trailers,
- Work on securing of additional contracts and cost discipline will enable a return to positive growth of orders from Q1 2024 and a return to operating profitability in 2024

# Steel – outlook for 2024+

 Hitachi Construction Machinery (UK)

**VOLVO**  
Construction Equipment

**CNH**  
INDUSTRIAL

 **Bobcat**

**CATERPILLAR**

 **DRESSTA**

 **STEELWRIST**  
EARTHMOVING EFFICIENCY

 **LIUGONG**

**DOOSAN**

**CASE**  
CONSTRUCTION

- Management Board strengthened by new CEO – Mr. Wojciech Baszkowski
- from 2H 2023, implementation of a programme aimed at the profitability of the company in a period of lower sales:
  - optimization of fixed costs
  - optimization of working capital - e.g. reduction of inventories
  - expansion of the sales department with a view to acquisition of new contracts
- Improvement of competitiveness by increasing process efficiency, improvement of on-time delivery and shortening of LT (Lead Time) in the market.

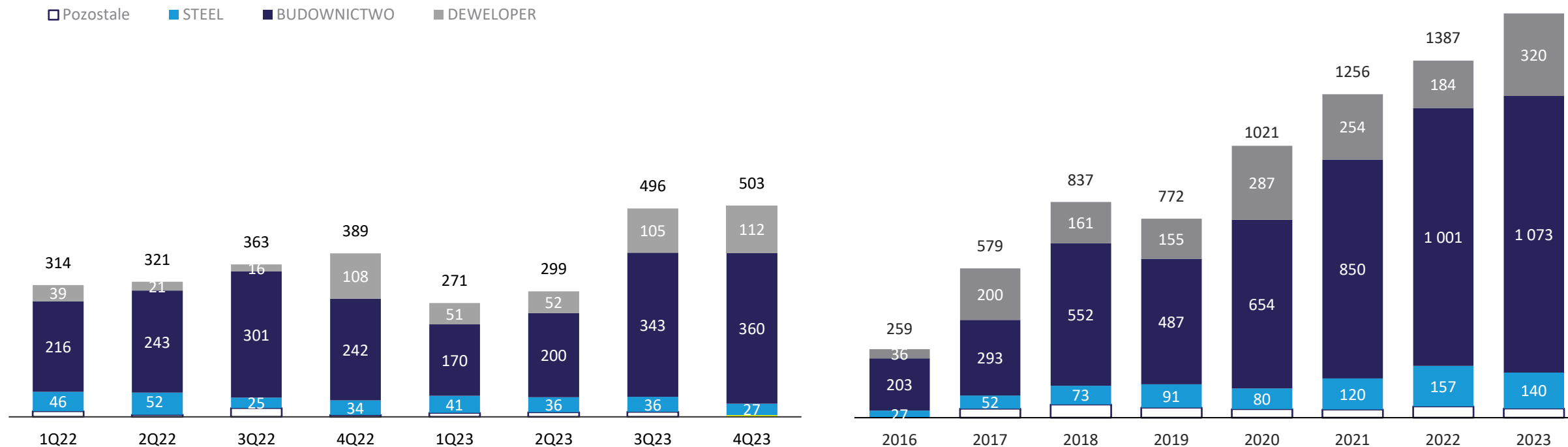
Budownictwo  
Developer  
Steel  
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# Revenues – three segments

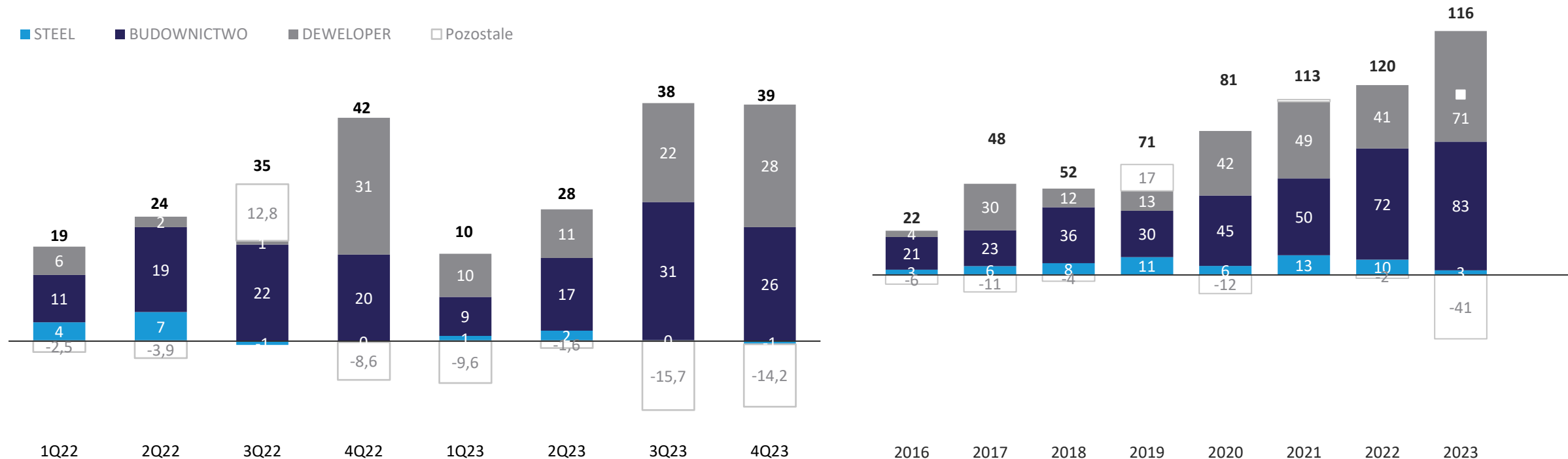
Revenues (million of PLN)



- Revenues of the Capital Group in 2023: PLN 1,57 billion (vs. PLN 1,39 billion in 2022; +13% y/y)
- In 4Q 2023 only: PLN 503 million (+29% y/y)
- main revenue drivers in 2023 – high recognitions of Dekpol Deweloper (PLN 320 million vs PLN 180 million in 2022), and growth of revenues of Dekpol Budownictwo in 2H

# Operating result – three segments

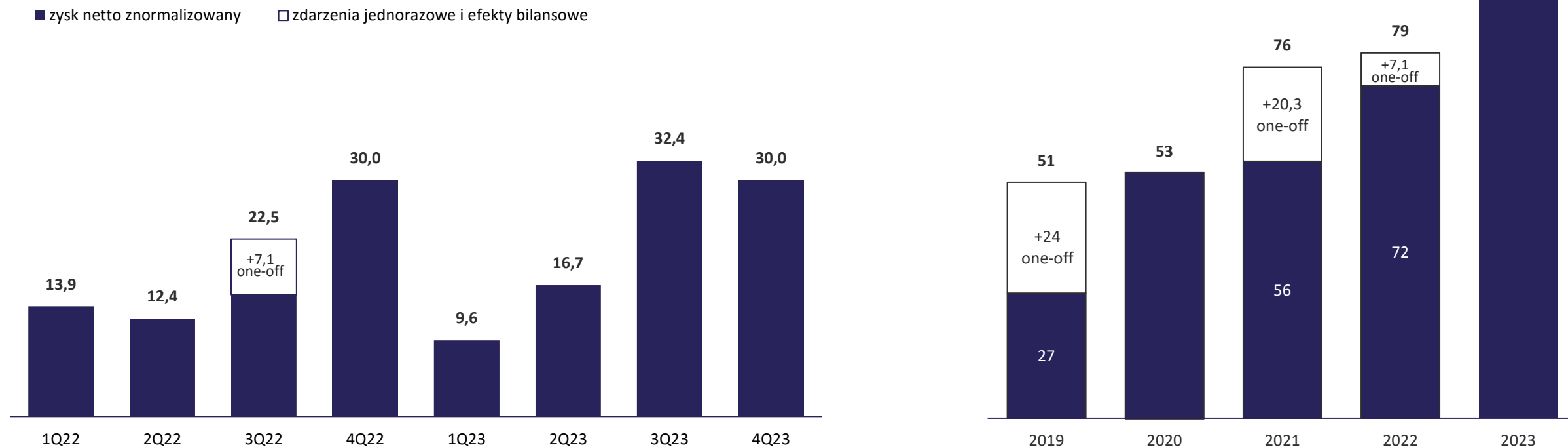
EBIT (million of PLN)



- Operating result of the Capital Group in 2023 in the amount of PLN 116 million (vs. PLN 120 million in 2022)
- The negative impact of the segment “Other” results from a lower share of Betpref and Kombet's result of around PLN 13 million, an increase in provisions and compensations of PLN 12 million, and an increase of management costs of the Capital Group of around PLN 3 million, as well as the recognition in 2022 of PLN 7 million as a profit from one-off acquisition of the Kombet company
- Solid margin maintained through strong contribution of Dekpol Deweloper and Dekpol Budownictwo – focus on optimal bidding and process efficiency

# Consolidated net result

## Net profit (million of PLN)

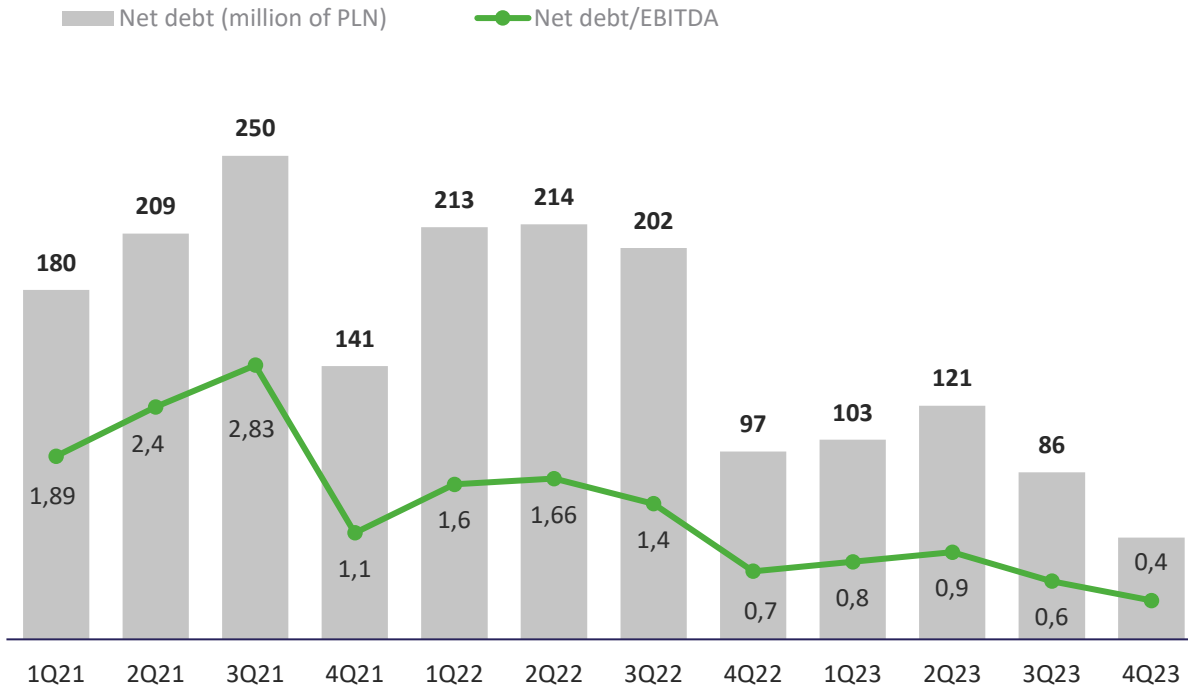


- Net result of the Capital Group in 2023: PLN 90 million (vs PLN 79 million in 2022) – the highest in the Group’s history
- Result generated organically without the impact of significant one-off effects seen in previous years: in 2021 influenced by recognition of acquisition of the company Intek (PLN 20 million) and in 2022 by acquisition of the company Kombet (PLN 7 million)

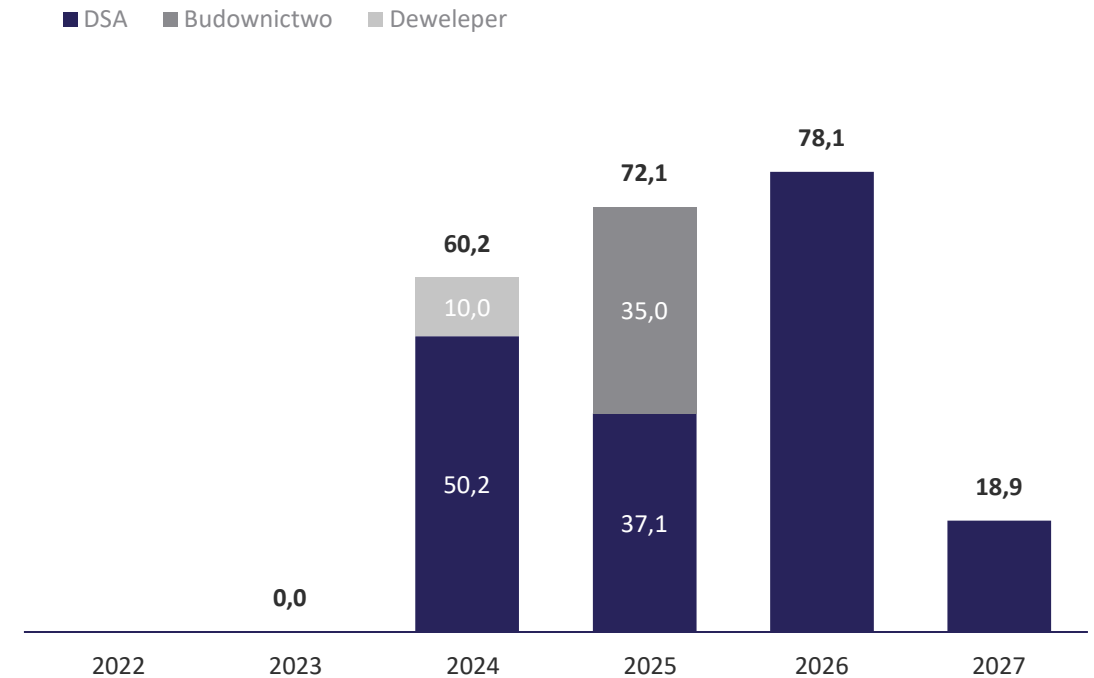
# Dekpol Group – stabile financial position



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



Bonds – maturity structure as of 31.12.2023 (million of PLN)



- a gradual increase in debt financing enables a higher level of working capital to be maintained (accepted level: 2-3x ND/EBITDA, covenants: 4,5x ND/EBITDA)
- measures to partially mitigate interest rate risk by using of IRS (Interest Rate Swap), CAP (Interest rate option), conversion of some part of loans from PLN to EUR
- success of subsequent bond issues in 2Q and 3Q 2023: PLN 40 million and PLN 30 million respectively – solid development base, repayment of issue made in 2023 of a value of PLN 50 million (I-series)
- announced private bonds issue programme of PLN 400 million over the next 3 years

FY 2023

# Summary



# Developing business area – Betpref i Kombet

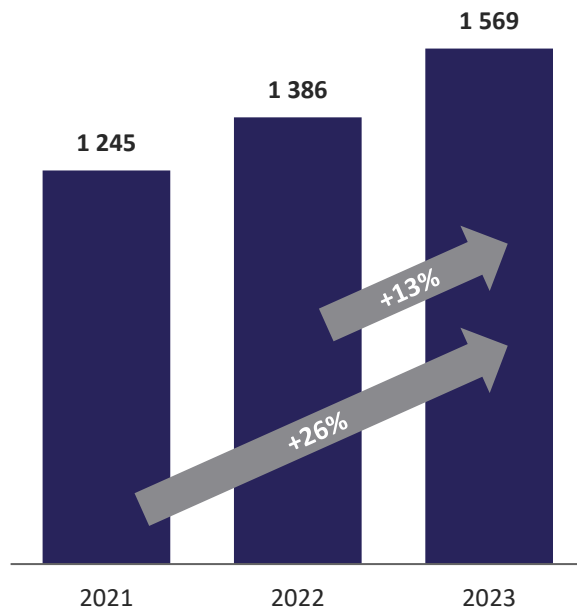
## Production of steel structures and prefabricated concrete elements



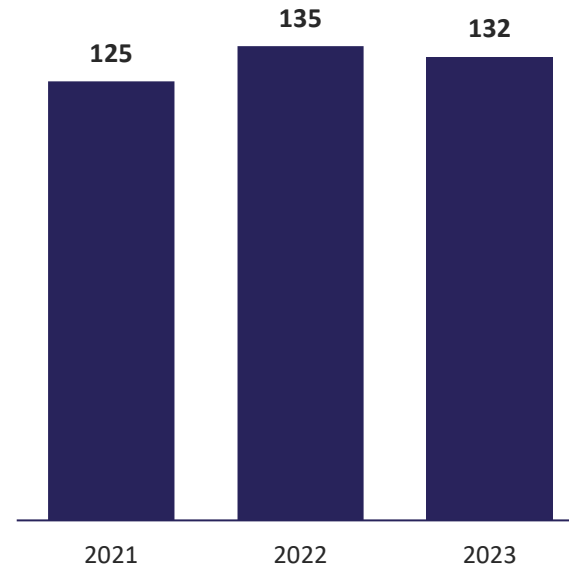
- **manufacturing of steel structures and prefabricated concrete elements**, mainly for needs of general contracting segment, but also for the domestic and EU markets.
  - manufacturing of high quality prefabricated concrete elements and light and heavy steel structures - offer includes full skeleton including roof structure, design and assembly
  - products for construction industry:
    - industrial (columns, beams, foundations, retaining walls, docks),
    - residential (balconies, walls, filigree ceilings)
    - infrastructural (stadiums) and individual (prefabricated houses).
  - Two production plants, capacity up to 2.000 m<sup>3</sup> of concrete and approx. 250t of steel / month
- 
- **In 3Q 2022 the Group purchased the company Kombet Działdowo with registered office in Komorniki** – (over 70 qualified and experienced employees.)
  - Development perspectives – construction industry will need to be optimized in upcoming years due to rising material and labor costs



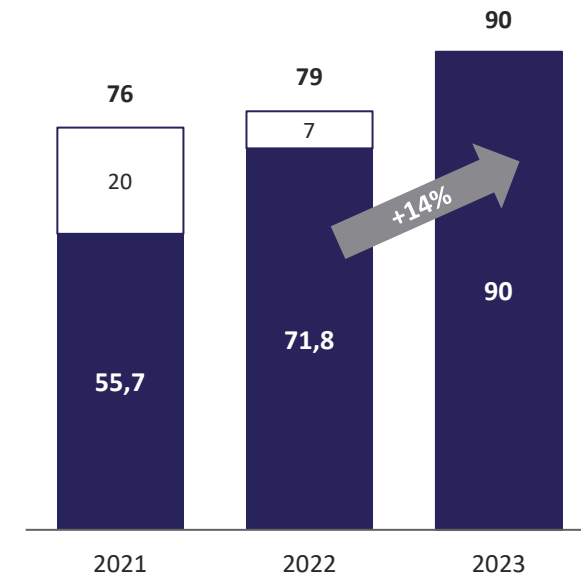
## Revenues (million of PLN)



## EBITDA (million of PLN)



## Net profit (million of PLN)



- Solid results, despite difficult environment translates into maintenance of 12-month EBITDA ratio
- Revenues in the amount of PLN 1.569 million vs. PLN 1.386 million in 2022 (13% y/y) , EBITDA: PLN 132 million, the best net result in the Group's history in the amount of PLN 90 million, increase by 14% y/y vs. 2022
- Preserving capital safety for business development: working on processes, new financial structure solutions, financing, and working capital tailored to the needs of the growing Group

## Contact

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Katarzyna.Sadowska@ccgroup.pl

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