

BORYSZEW GROUP

2016 FINANCIAL RESULTS



BORYSZEW





BORYSZEW

1. Boryszew Group

2. Results for 2016

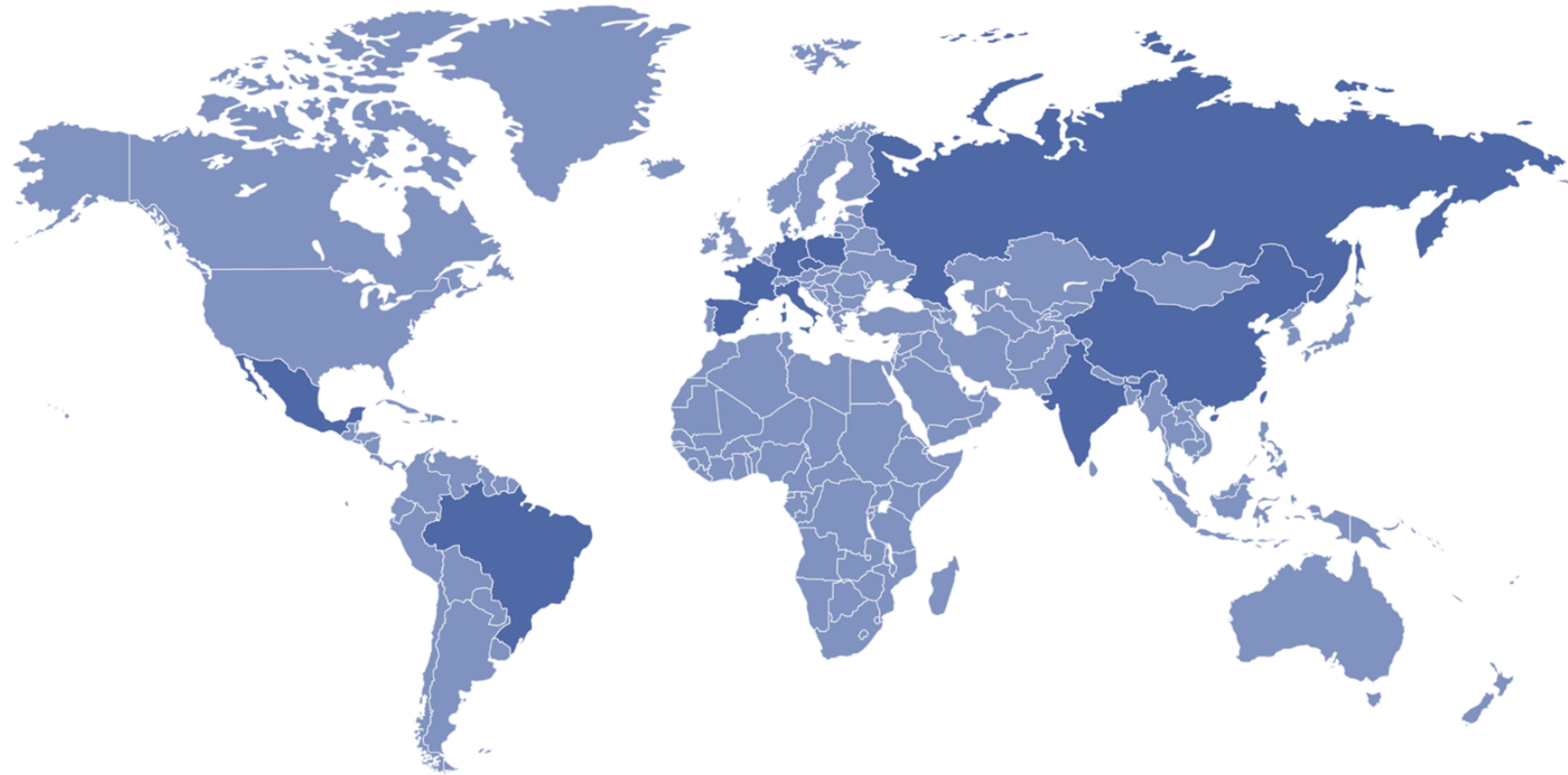
3. Operating Segments

4. Results forecast and plans for 2017



BORYSZEW

BORYSZEW GROUP



We are one of the largest industrial groups in Poland. We specialise in the manufacture of components for cars, processing of non-ferrous metals and industrial chemistry. We operate via 30 production plants and R&D centres located in Europe, Asia and both Americas. Our success is the result of passion, commitment and enthusiasm of almost 10,000 employees on 4 continents.



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- **Boryszew Group** is the largest Polish manufacturer in the automotive industry
- **Every 5th car in Europe** has components manufactured in one of the plants belonging to the **Boryszew Group**
- **Impexmental** a part of **Boryszew Group** is the largest Polish manufacturers of aluminium flat products
- **Boryszew S.A. NPA Skawina branch** is the only Polish manufacturer of wire rods used in the production of aluminium wires
- **Boryszew Group** is one of the largest Polish investors in Germany in greenfield investment category.



BORYSZEW

THE MANAGEMENT BOARD OF BORYSZEW S.A.



**Jarosław
Michniuk**

The President of the
Management Board



**Aleksander
Baryś**

Management Board
Member, Financial
Director



**Piotr
Szeliga**

Management Board
Member, Director for
Metals Segment



**Mikołaj
Budzanowski**

Management Board
Member, Director for
Development
and Innovation



**Cezary
Pyszkowski**

Management Board
Member, Director for
Automotive Segment



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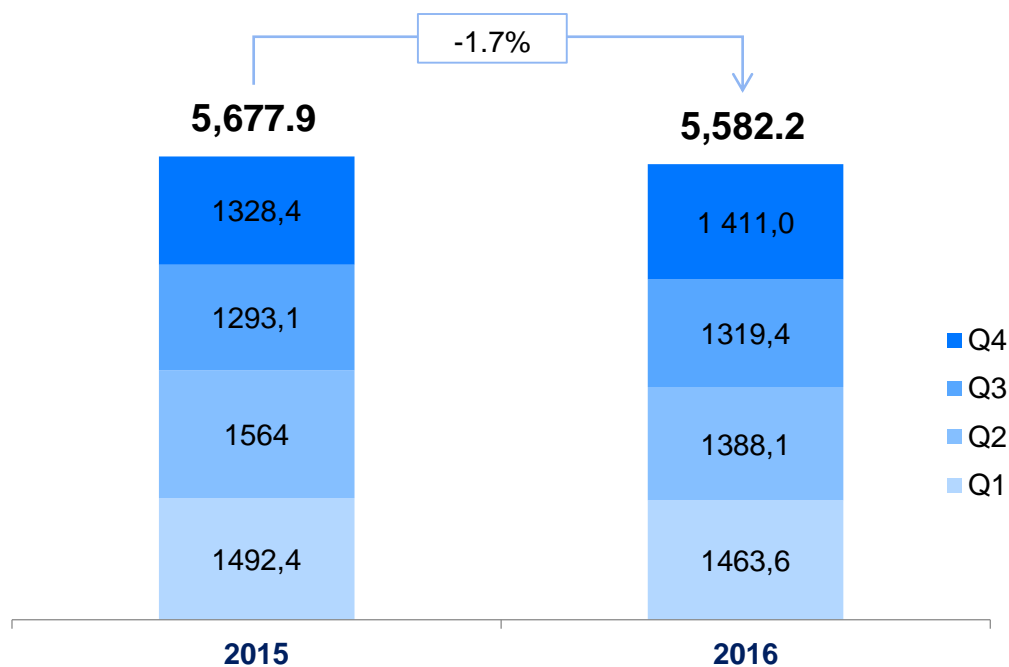
KEY FINANCIAL DATA YOY (in millions of PLN)

	2016	2015	Change YOY	Change YOY %
SALES REVENUES	5,582.2	5,677.9	- 95.6	-1.7%
EBIT	259.0	138.0	120.1	87.7%
EBITDA	382.2	258.9	123.3	47.6%
EBITDA MARGIN	6.8%	4.6%	-	2.3%
NET PROFIT	191.3	83.8	107.5	128.3%



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REVENUE (in millions of PLN)



Revenue by business segments

Automotive industry	PLN 2,175.2 m.
Non-ferrous metal	PLN 2,833.7 m.
Chemical products	PLN 321.6 m.
Other	PLN 251.7 m.

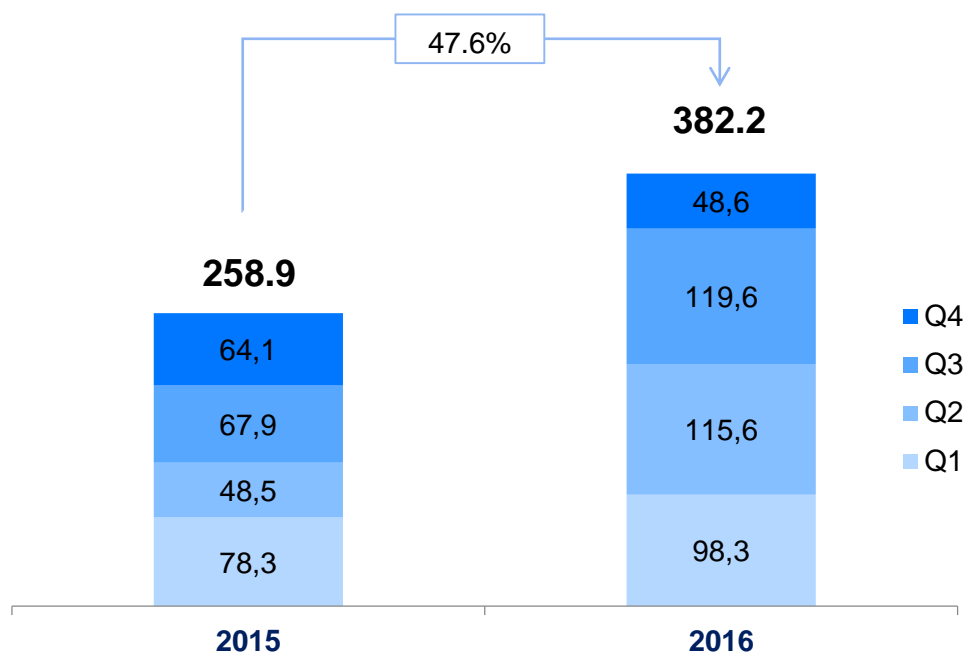
The decline in revenue of 1.7% resulting from:

- less revenue in the segment of non-ferrous metals
- limitation of business – liquidation of Boryszew S.A. Trade branch operations



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EBITDA (in millions of PLN)



EBITDA by business segments

Automotive industry	PLN 109.7 m.
Non-ferrous metal	PLN 214.4 m.
Chemical products	PLN 19.5 m.
Other	PLN 38.6 m.

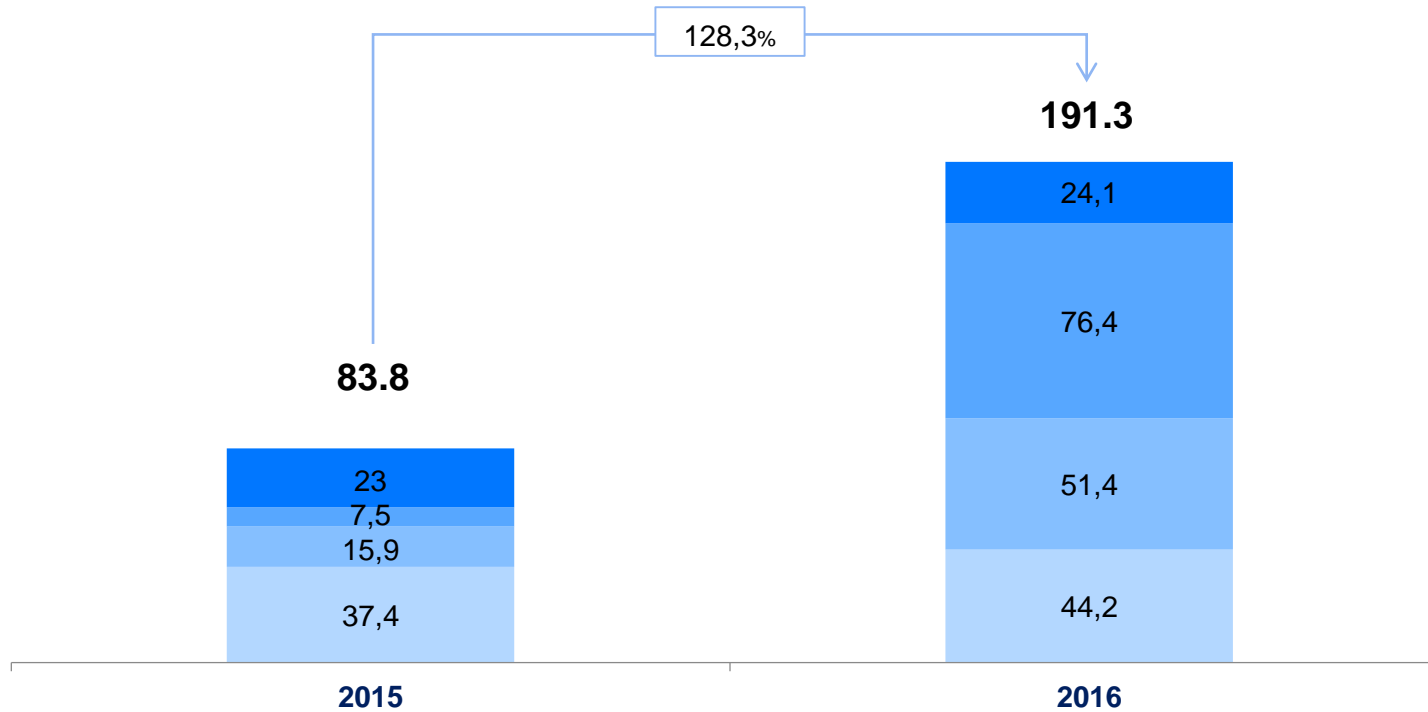
Increase in EBITDA caused by:

- the restructuring of the BAP Group and the increase in the prices of products
- increase in MAFLOW Group sales (30% yoy)
- investments in Aluminium foundry in Konin, resulting in increased productivity and generated margin



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NET PROFIT



The increase of net profit is directly related to the improve of the operating result

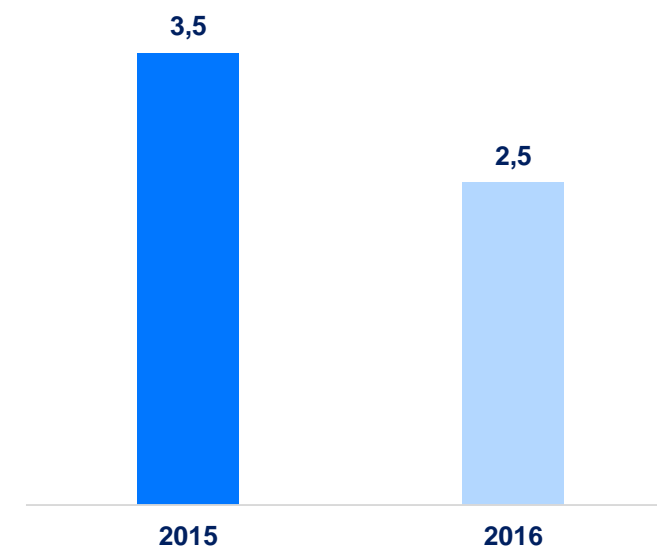


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CASH FLOW (in millions of PLN)

	2016	2015
EBITDA	382.2	259.9
Change in working capital	37.0	98.9
Other	-44.4	-84.6
Cash flow from operating activities	374.8	273.2
CAPEX	-258.2	-140.8
The acquisition of financial assets and shares in GKB	-105.6	- 85.5
Other	15.7	25.2
Net cash flow from investment activities	- 348.0	-201.2
Borrowing/repayment of loans	97.1	42.3
Interest paid	- 38.2	- 36.1
Other	-29.9	- 60.8
Cash flow from financial activities	29.0	-54.6
Total net cash flows	55.8	17.4
Closing balance of cash	154.5	98.7

Net debt/EBITDA



As a result of improved operational efficiency Group can carry out an ambitious investment program without excessive external financing



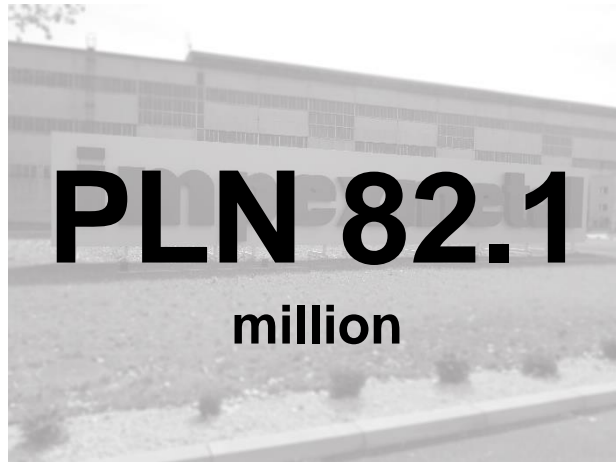
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THE MOST IMPORTANT INVESTMENTS OF 2016



MAFLOW GROUP

Expansion of the plants in Poland, Mexico and China (expansion of production capacities)



IMPEXMETAL S.A.

Increase of production capacity in the field of multilayer and thin, flat products



BAP GROUP

The construction of a modern plant injecting and plating plastics with a capacity almost twice higher than the previous plant (total investment value: EUR 22 million)



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CONCLUSIONS

SIGNIFICANT IMPROVEMENT IN OPERATING RESULT

- Increase in operating profit of the Group of 87.7% to the level of PLN 259 million due to improved results in the automotive and non-ferrous metals segments

VISIBLE EFFECTS OF THE AUTOMOTIVE SEGMENT RESTRUCTURING

- The continuation of the restructuring efforts and the growing sales have brought results in the form of the EBITDA result increase to PLN 382.2 million (increase of more than 47% yoy).

GROUP DEBT CONTROL

- The decline in the Boryszew Group debt measured with the net debt ratio to the generated EBITDA from the level of 3.5 to the level of 2.5

INVESTMENTS IN THE AUTOMOTIVE SEGMENT

- Production start in the new MAFLOW Group plant in MEXICO
- Increase of production capacity in plants of MAFLOW Group in Poland and CHINA
- Construction of the Boryszew Automotive Plastics plant in Prenzlau



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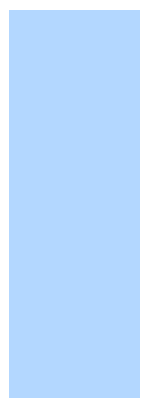
AUTOMOTIVE SEGMENT RESULTS (in millions of PLN)

2030,7



2015

2175,2



2016

Revenues

35,2



2015

109,7



2016

EBITDA

MAFLOW GROUP

BAP GROUP



- A significant (30%) increase in sales in the MAFLOW Group
- Sales growth in bearing companies
- Growth of EBITDA related to restructuring of the BAP Group
- Verification of trade conditions with the main BAP Group client



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THE MAIN EVENTS 2016

MAFLOW

- Increase of production capacity of Polish plants in order to carry out acquired orders
- Observation of foreign companies and the development of plans to improve the efficiency
- The launch of a new MAFLOW production plant in MEXICO
- The decision to build a MAFLOW production plant in Toruń

BAP

- The reconstruction of a production plant in Prenzlau
- Renegotiation of trade conditions with the main Group client
- The plant in Russia – the reversal of the negative market trend
- The completion of the main restructuring stage (reduction of operating costs, new organizational structure, strengthening of the team).



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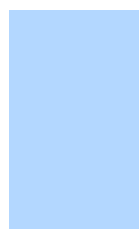
THE RESULTS OF THE NON-FERROUS METALS SEGMENT

2900,9



2015

2833,7



2016

Revenues

176,6



2015

214,3



2016

EBITDA

Impexmetal S.A., NPA Skawina
Hutmen S.A., WM Dzierżycze S.A.
ZM Silesia, Baterpol S.A.



- The decline in the volume of profitable sales in NPA Skawina, Hutmen S.A. and Baterpol S.A.
- Higher operating results in Aluminium Smelter in Konin, WM Dzierżycze and Baterpol



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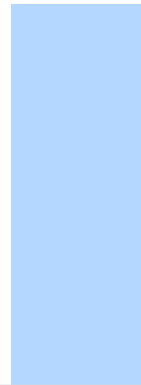
THE RESULTS OF THE CHEMICALS SEGMENT

352,7



2015

321,6



2016

Revenues

32,7



2015

19,5



2016

EBITDA

Boryszew S.A. ERG branch

Boryszew S.A. Elana branch

Elana PET, Torlen, Elimer, Nylonbor



The decline in operating results, mainly in:

- Boryszew ERG due to problems on the plasticisers production line.
- Elana branch due to smaller profit margins.



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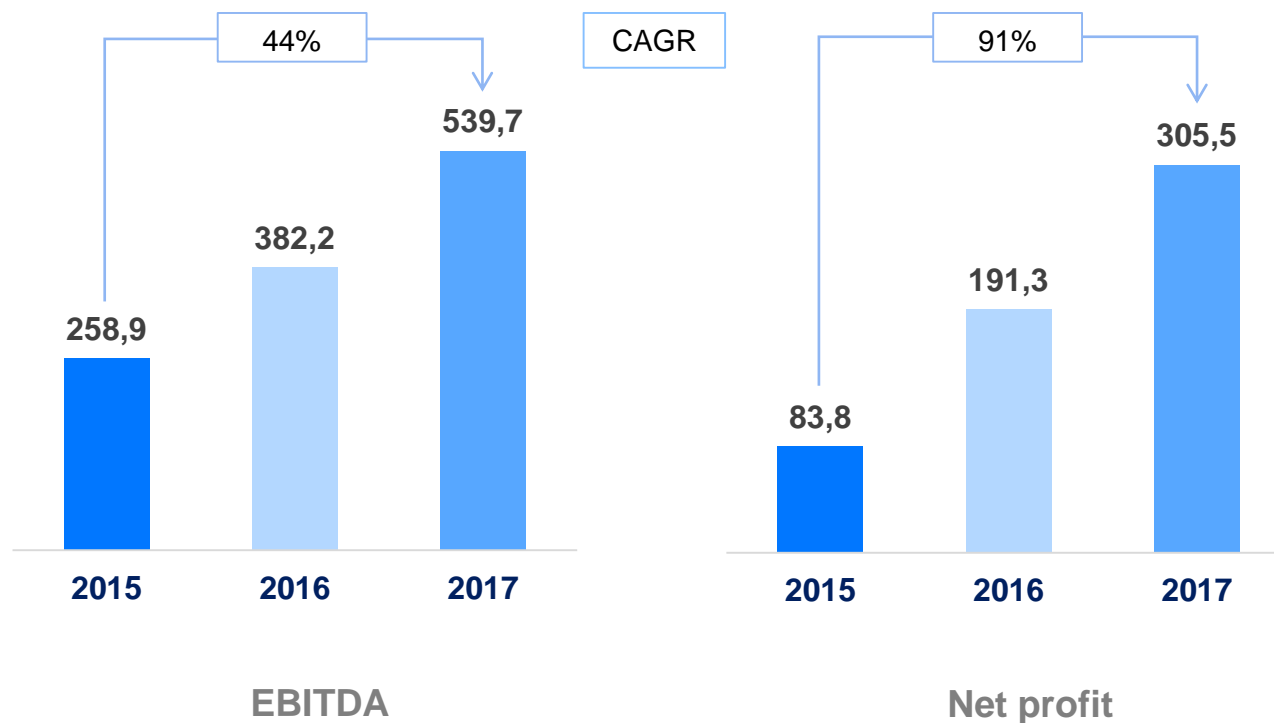
RESULT FORECAST 2017

Result forecast:

- EBITDA: PLN 539.7 m.
- net profit: PLN 305.5 m.

Assumptions for the forecast:

- USD/PLN exchange rate 3.9
- EUR/PLN exchange rate 4.3
- WIBOR: 1.65%



Main sources of improvement:

- Automotive industry: improvement of profitability while maintaining the level of BAP revenues; increase in sales, improved operational efficiency in MAFLOW
- Metals: increase in profitability as a result of the implementation of the investment programmes in Konin Smelter and NPA Skawina



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MAIN ACTIVITIES IN 2017

- The launch of a new production plant in Prenzlau
- Finalization of the decision process regarding the launch of the new of BAP investment in Toruń
- The launch of a new MAFLOW production plant in Toruń
- Increasing the capacity to conduct R&D activities in the automotive area
- Finalization of the decision process regarding the second stage of the investment in Aluminium Smelter in Konin
- Review of portfolio and production assets

Thank You



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