

# **BORYSZEW GROUP**

## **Q1 2019 FINANCIAL RESULTS**



**BORYSZEW**





**BORYSZEW**

## **1. Boryszew Group – Q1 2019 Summary**

2. Market environment

3. Q1 2019 financials

4. Operating segments

5. Plans for the next quarters



BORYSZEW

## KEY FACTORS AFFECTING THE GROUP IN Q1 2019

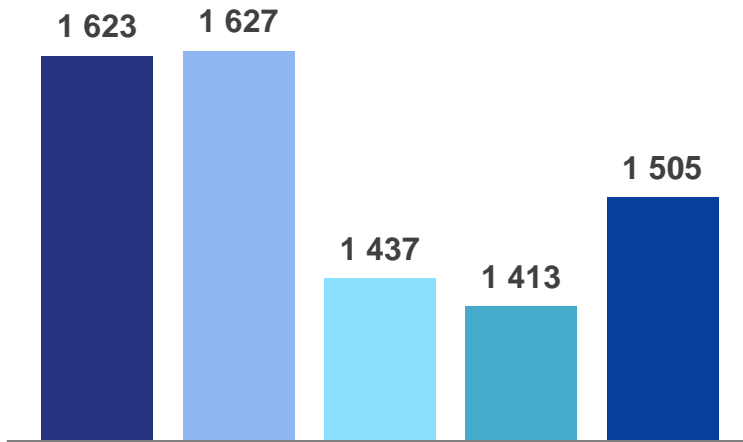
- Maflow's improved results in Mexico in Q1 2019;
- Impact of new environmental standards and developments in the automotive market;
- Negative impact of high electricity prices;
- A noticeable downturn in Western Europe;
- Pay rise pressure in Poland;
- Successful tender offer for shares in Alchemia S.A.



BORYSZEW

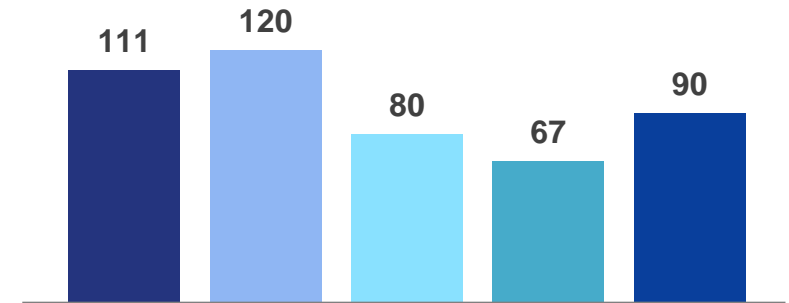
# BORYSZEW GROUP – Q1 2019 SUMMARY

Revenues  
[PLN m]



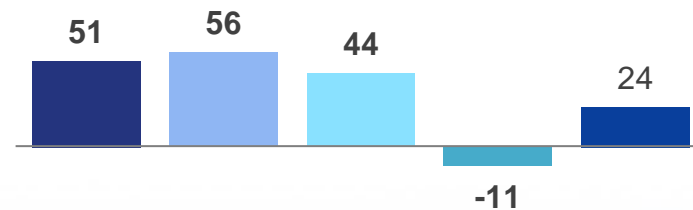
■ Q1 2018 ■ Q2 2018 ■ Q3 2018 ■ Q4 2018 ■ Q1 2019

EBITDA  
[PLN m]



■ Q1 2018 ■ Q2 2018 ■ Q3 2018 ■ Q4 2018 ■ Q1 2019

Net profit  
[PLN m]



■ Q1 2018 ■ Q2 2018 ■ Q3 2018 ■ Q4 2018 ■ Q1 2019



**BORYSZEW**

1. Boryszew Group – Q1 2019 Summary

**2. Market environment**

3. Q1 2019 financials

4. Operating segments

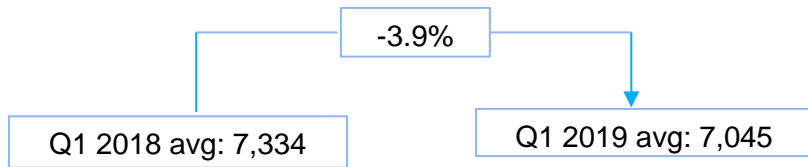
5. Plans for the next quarters



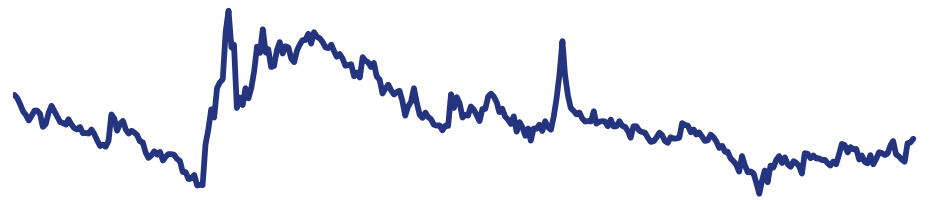
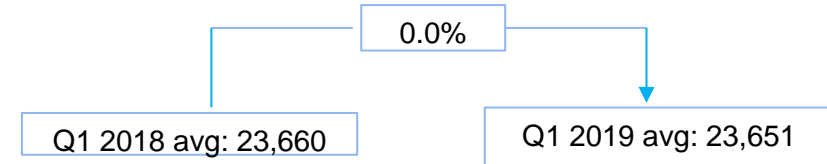
BORYSZEW

# QUOTATIONS OF KEY METALS (IN PLN/t)

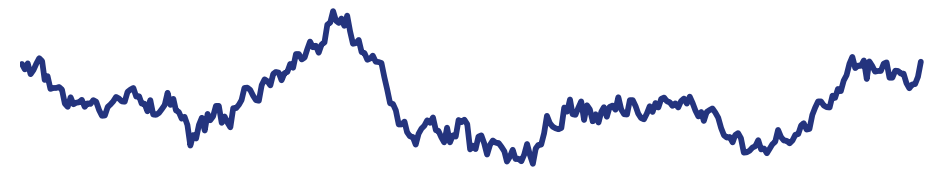
## Aluminium



## Copper

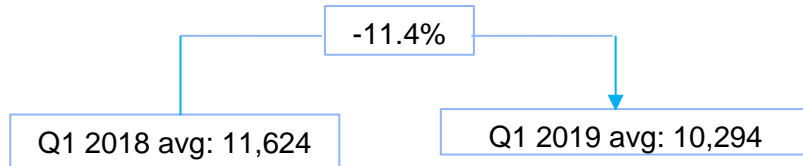


Q1 2018      Q2 2018      Q3 2018      Q4 2018      Q1 2019

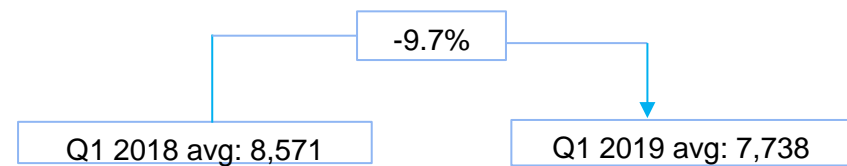


Q1 2018      Q2 2018      Q3 2018      Q4 2018      Q1 2019

## Zinc



## Lead



Q1 2018      Q2 2018      Q3 2018      Q4 2018      Q1 2019

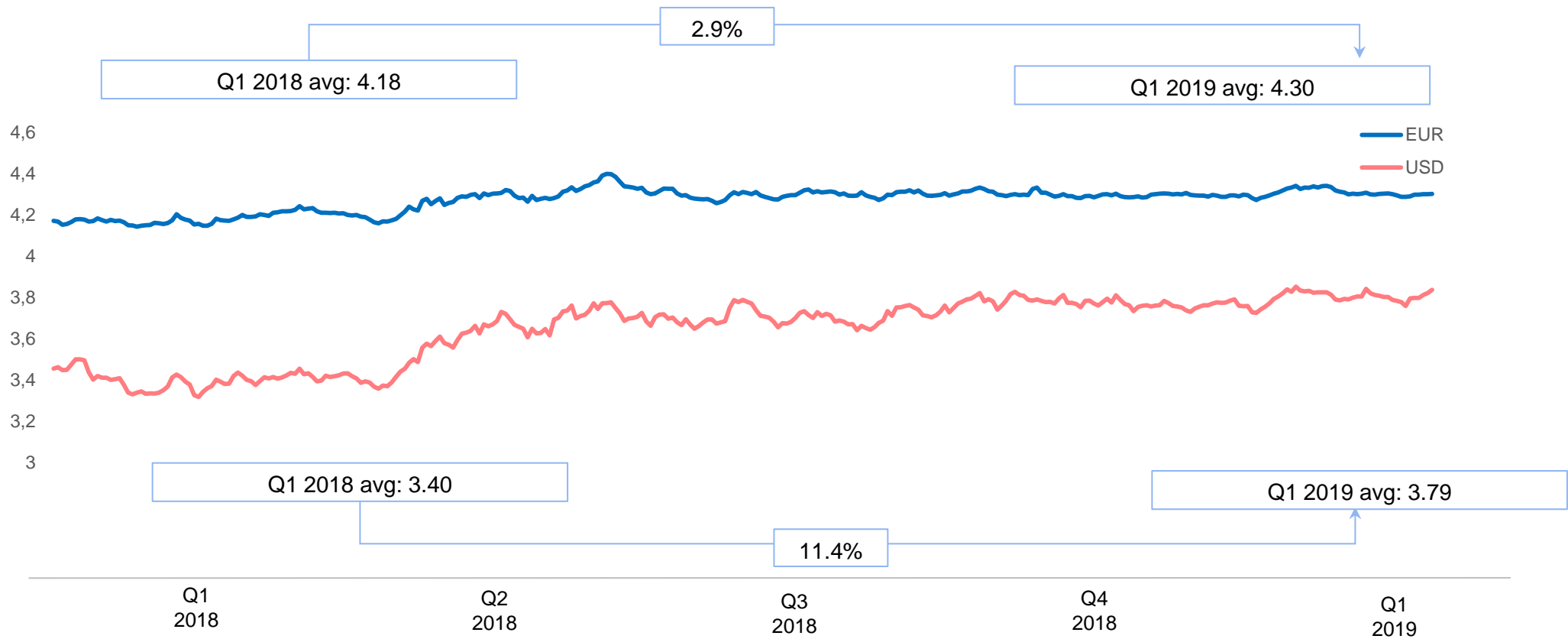


Q1 2018      Q2 2018      Q3 2018      Q4 2018      Q1 2019



BORYSZEW

# EXCHANGE RATES

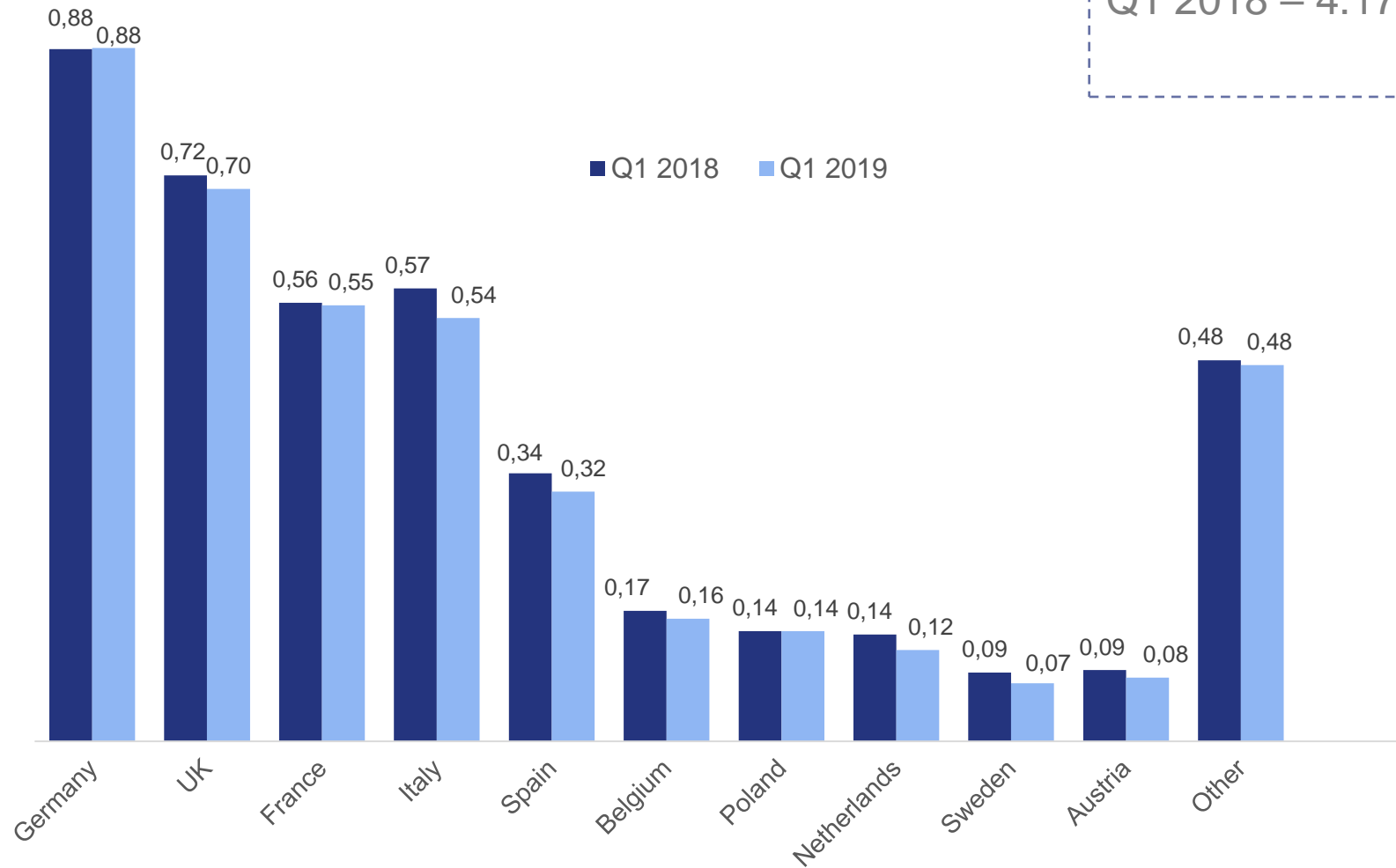




BORYSZEW

# EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars by country in millions (according to ACEA\*)



Q1 2019 – 4.03 million  
Q1 2018 – 4.17 million  
-3.3%

\* ACEA (European Automobile Manufacturers Association)

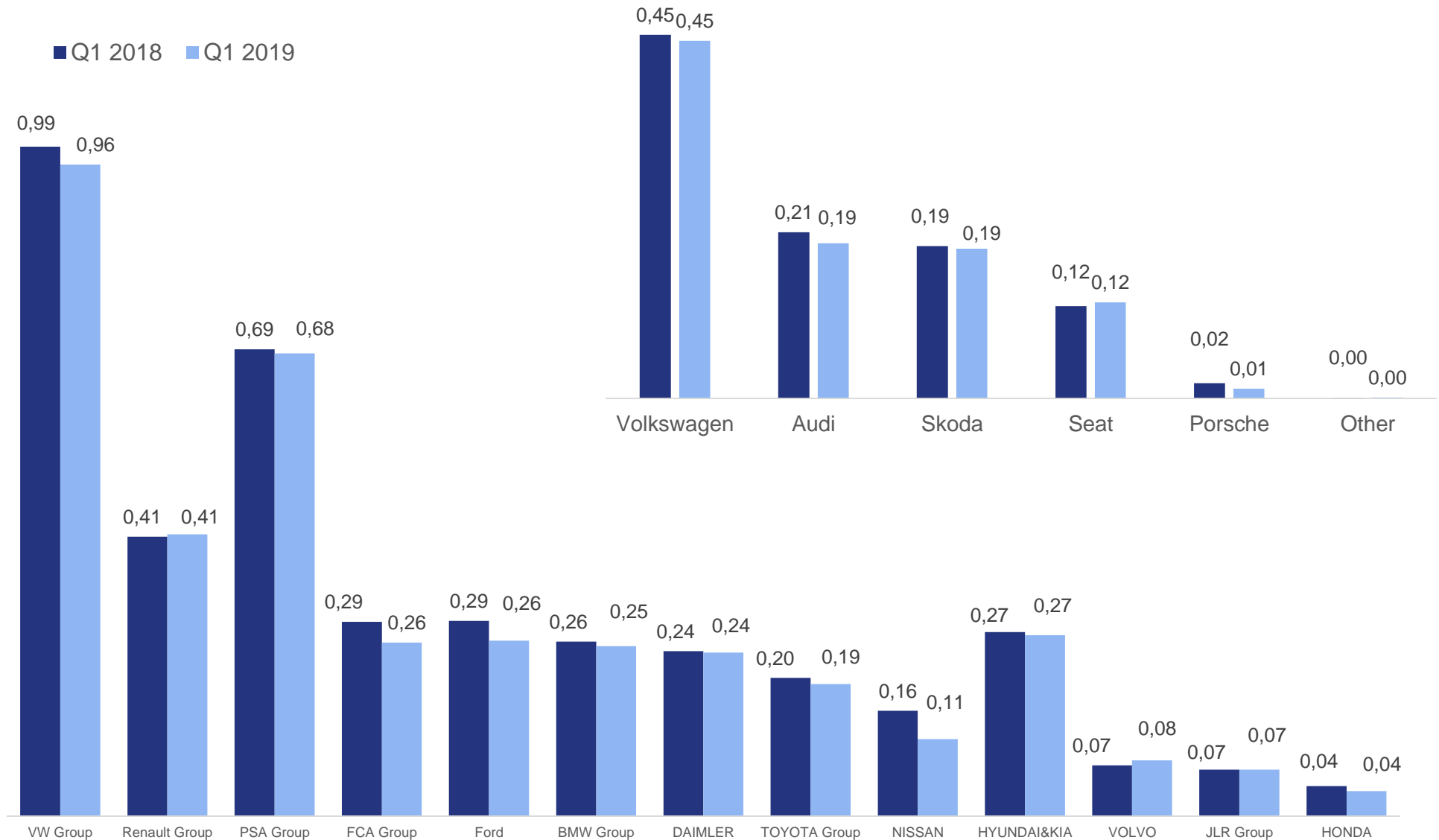




BORYSZEW

# EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars by country in millions (according to ACEA)



\* JLR = Jaguar Land Rover

\*\* PSA Group = Peugeot, Opel, Citroen, DS.

\*\*\* FCA Group = Fiat, Jeep, Alfa Romeo, Lancia, Chrysler

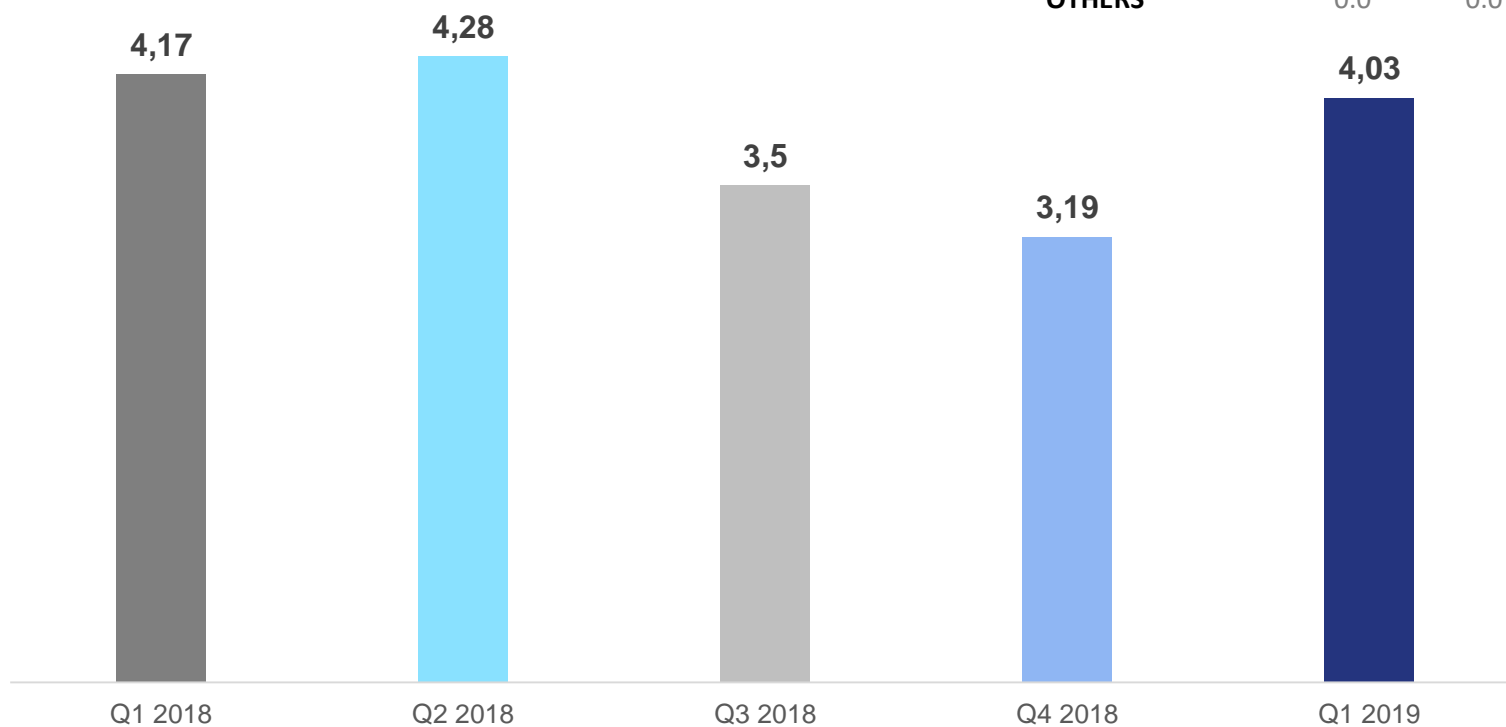


**BORYSZEW**

# EUROPEAN AUTOMOTIVE MARKET

Registrations of new cars by country in millions (according to ACEA)

Registrations of new cars in September 2018



	Market share (%)		Quantity ('000)		YoY c% change
	2019	2018	2019	2018	
<b>VW Group</b>	23.3	23.0	884.0	903.2	-2.1
<b>VOLKSWAGEN</b>	11.1	10.9	422.3	429.5	-1.7
<b>AUDI</b>	5.1	5.2	192.1	203.6	-5.7
<b>SKODA</b>	3.7	3.5	139.6	138.7	0.7
<b>SEAT</b>	3.1	2.8	116.4	110.8	5.1
<b>PORSCHE</b>	0.3	0.5	12.2	19.4	-37.4
<b>OTHERS</b>	0.0	0.0	1.4	1.2	23.6



BORYSZEW

1. Boryszew Group – Q1 2019 Summary

2. Market environment

**3. Q1 2019 financials**

4. Operating segments

5. Plans for the next quarters

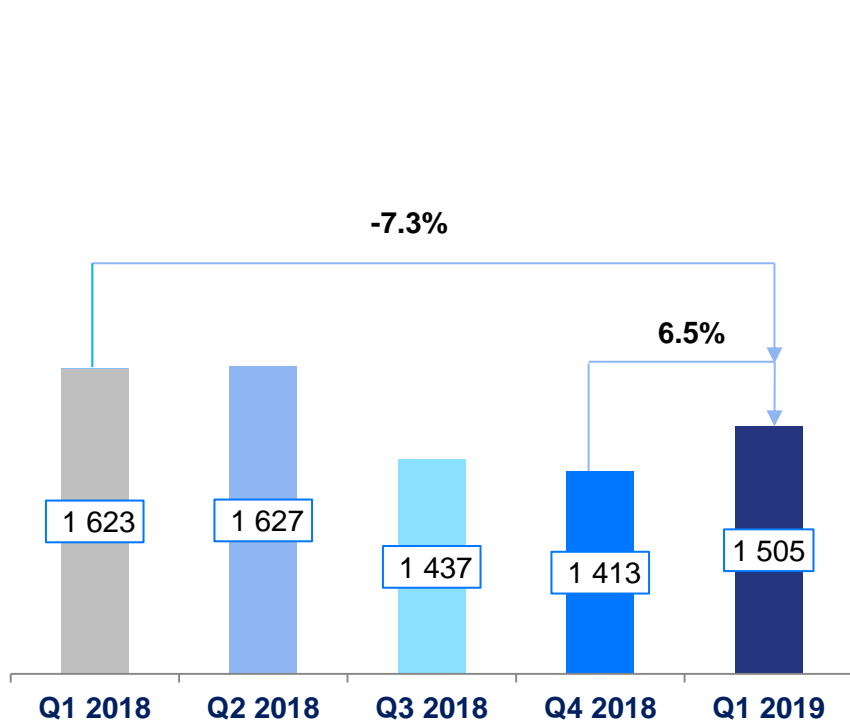


BORYSZEW

## KEY FINANCIALS (in PLN million)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY % change 2019 vs 2018	% change Q1'19 vs Q4'18
<b>Sales revenue</b>	1,623	1,627	1,437	1,413	1,505	-7.3%	6.5%
<b>EBIT</b>	75	82	43	29	49	-35%	65.6%
<b>EBITDA</b>	111	120	80	67	90	-19%	34.0%
<b>EBITDA margin</b>	6.8%	7.4%	5.6%	4.8%	6.0%		
<b>Net profit</b>	51	56	44	-11	24	-53%	309%

# REVENUE (in PLN million)



Revenue by segment (in PLN million)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	% change Q1'19 vs Q4'18
<b>Automotive</b>	505	528	401	466	449	-4%
<b>Metals</b>	978	973	923	808	907	12%
<b>Chemicals</b>	70	72	69	81	73	-10%
<b>Other*</b>	70	54	43	58	75	29%

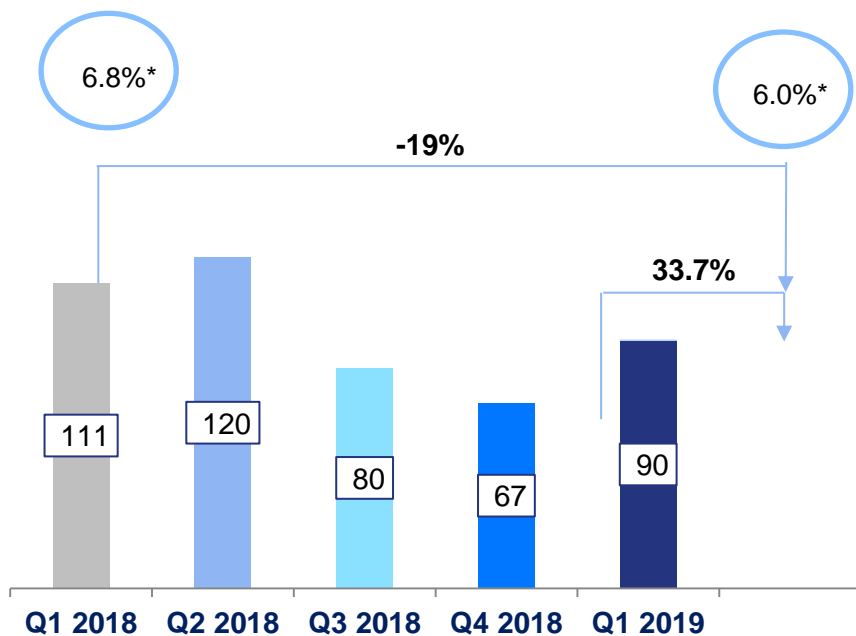
- Automotive Segment :
  - WLTP (Worldwide Harmonised Light Vehicle Test Procedure) effect;
  - postponed sales of tools to Q2 and Q3.
- Metals Segment :
  - lower prices of metals on LME (aluminium -4%, lead -10%, zinc -11%);
  - lower sales volumes (5,300 tonnes).

\* including consolidation adjustments



BORYSZEW

# EBITDA (in PLN million)



EBITDA be segment (in PLN million)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	% change Q1'19 vs Q1'18
<b>Automotive</b>	33	30	-3	13	20	61%
<b>Metals</b>	68	84	75	51	58	15%
<b>Chemicals</b>	4	3	4	4	4	-14%
<b>Other*</b>	6	4	5	0	8	N/A

- Metals Segment:

- higher costs of electricity by approx. PLN 6 million;
- pay rise pressure.

- Automotive Segment:

- pay rise pressure;
- WLTP impact (nearly PLN 13 million);
- improved results of the Mexico plant (Maflow Group).

- Chemicals Segment :

- change in the product sales structure.



BORYSZEW

## Q1 2019 CAPEX



PLN **43** million

Automotive

Metals

Chemicals and  
other



PLN  
12 million



PLN  
30 million

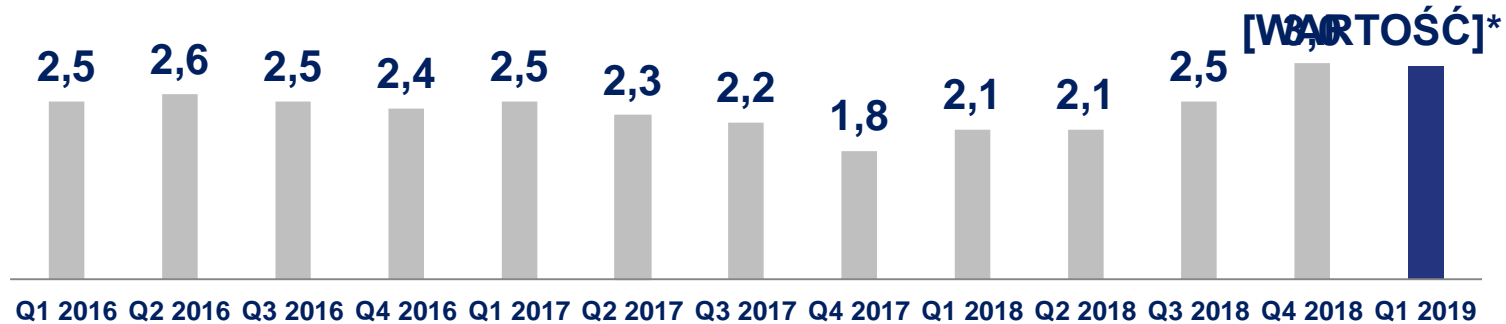
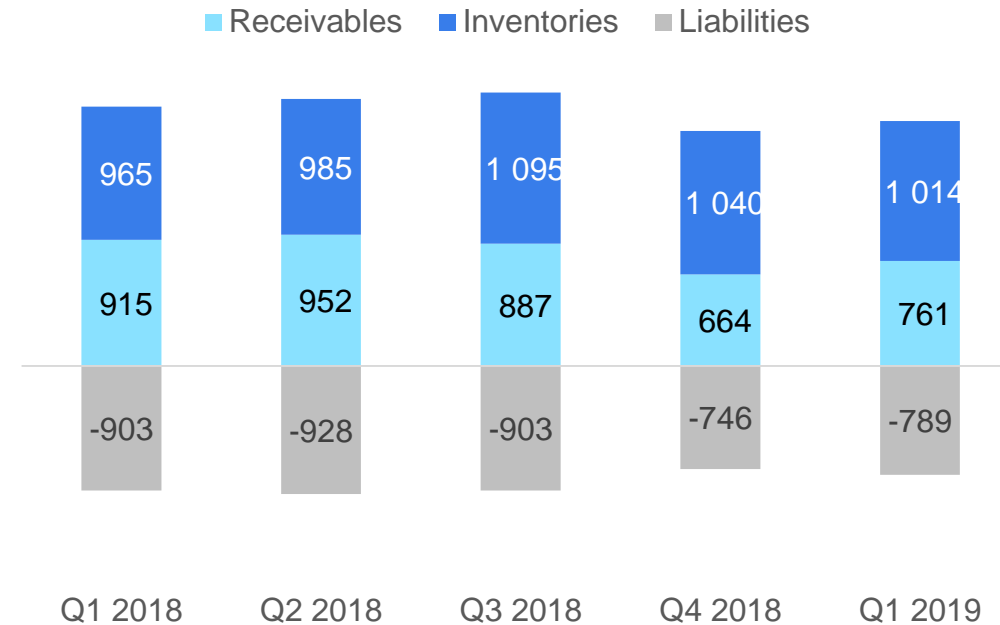
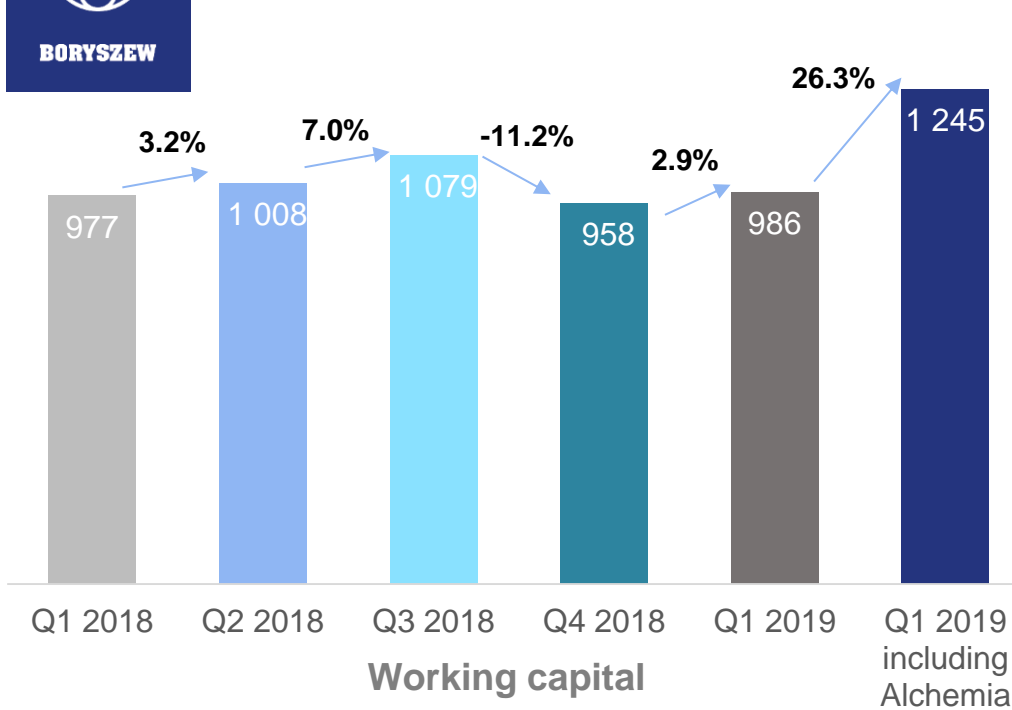


PLN  
1 million



BORYSZEW

# Working capital and debt



### Inventories:

- Increased inventories of tools in BAP;
- Lower inventory volumes.

### Receivables:

- Improved receivables recovery;
- lower turnover in the Automotive Segment.

\* Including the annualised EBITDA of Alchemia Group





**BORYSZEW**

1. Boryszew Group – Q1 2019 Summary

2. Market environment

3. Q1 2019 financials

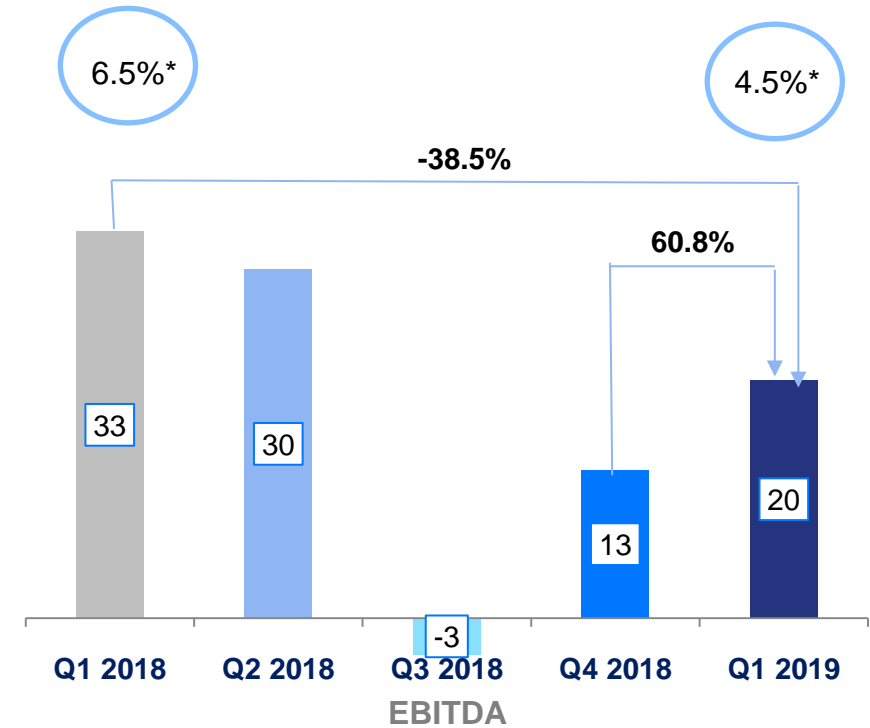
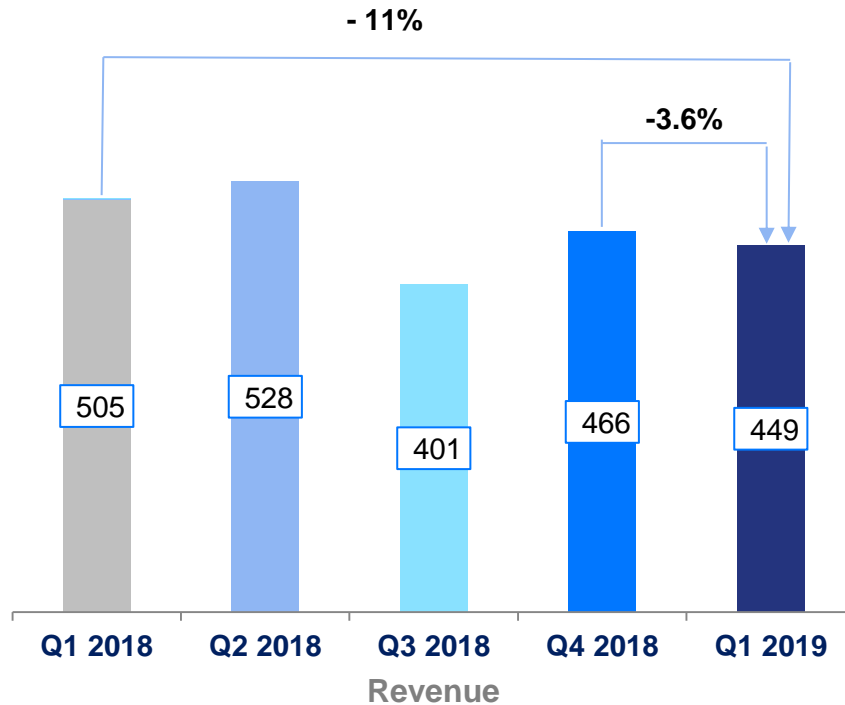
**4. Operating segments**

5. Plans for the next quarters



BORYSZEW

# AUTOMOTIVE SEGMENT RESULTS (in PLN million)



- The results of the Automotive Segment were mainly affected by the following factors:
  - lower sale due to the introduction of new environmental standards (WLTP and Euro 6);
  - improved results of the Mexico plant;
  - postponed sales of tools from Q1 to Q2 and Q3.
- Development of new nominations (R&D, PM).

\* EBITDA margin



**BORYSZEW**

# NOMINATIONS FOR NEW PROJECTS

In Q1 2019, new nominations for contracts with the value of over **EUR 22 million** were required with **EOP 2030\***

Value of new contracts in Q1  
2019 in EUR million

**BAP Group**

15.7

**Maflow Group**

6.3

Share of nominations  
concerning electric vehicles in  
the total value of nominations  
throughout the project life cycle

**BAP Group**

17%

**Maflow Group**

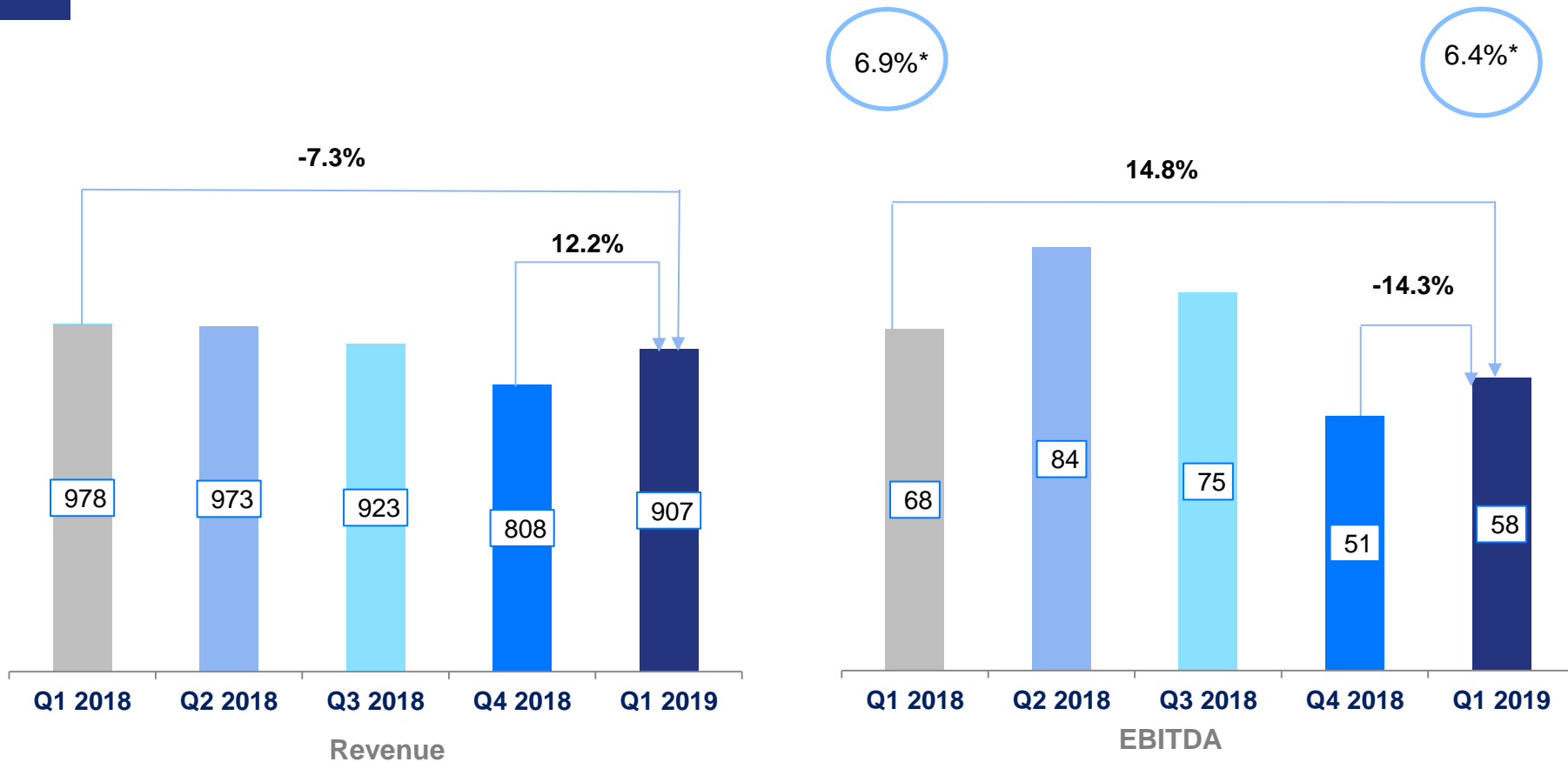
12%

\*EOP - End of Production



BORYSZEW

# METALS SEGMENT RESULTS (in PLN million)



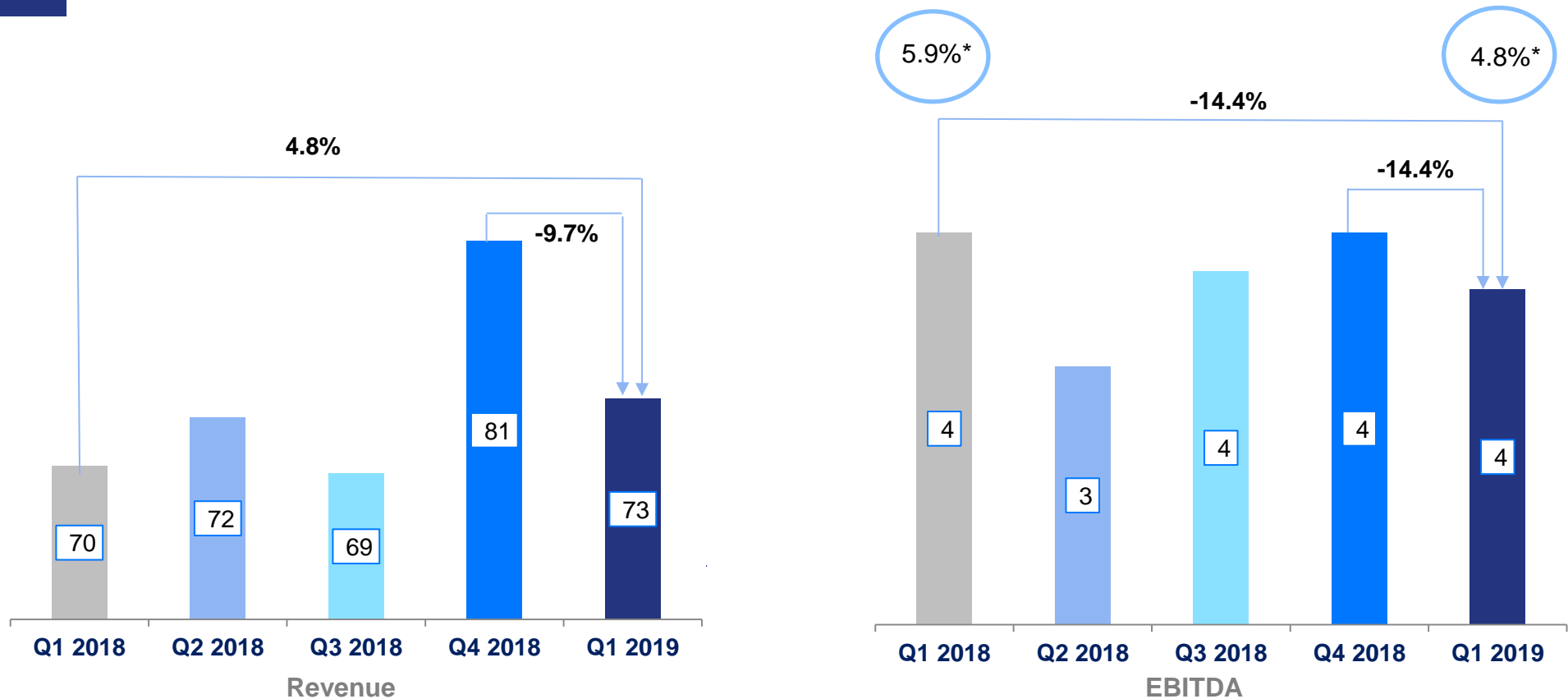
- The EBITDA in the Metals segment was influenced by:
  - higher prices of electricity (approx. PLN 6 million);
  - pay rise pressure on the job market;
  - higher prices of scrap metal in-put for production (Baterpol, WM Dziedzice);
  - lower sale volume (NPA Skawina, Baterpol, ZM Silesia).

\* EBITDA margin



BORYSZEW

# CHEMICALS SEGMENT RESULTS (in PLN million)



- The revenue was affected by:
  - Boryszew ERG – higher sale volume of de-icing fluids for cars.
- EBITDA was affected by:
  - Boryszew ERG – lower trade margin (plasticisers);
  - Elana – lower trade margins due to higher purchase prices of PET flakes.

\* EBITDA margin



BORYSZEW

1. Boryszew Group – Q1 2019 Summary

2. Market environment

3. Q1 2019 financials

4. Operating segments

**5. Plans for the next quarters**



BORYSZEW

## FORECAST FOR THE NEXT QUARTERS

- Development of the EV market for the Automotive and Metals segments;
- Start of production (SOP) of electric car parts from Q3 2019;
- Increased production capacities in the Metals Segment in the plants: WM Dzierżycze, NPA Skawina and ZM Silesia;
- Possible compensation for higher energy prices for the industry.



# Thank you!



**BORYSZEW**

