

Estimated consolidated financial results for Q.2, 2021

In accordance with the adopted corporate events calendar, the Management Board of Grupa Kęty S.A. (hereinafter referred to as the Issuer or the Company) discloses in public the selected estimated financial results of the Issuer's Capital Group for Q.2, 2021, which have not been audited by a statutory auditor.

The financial figures disclosed in this current report are only estimations and may change by the time of publishing the consolidated annual report for the first half of 2021, which is going to take place on 4 August 2021, in accordance with the binding schedule of current reports publication.

Consolidated data (PLN million)	Q.2, 2020	Q.2, 2021	Change (%)
Sales revenue	887.8	1,165	31%
EBITDA*	187.4	250	33%
Net profit on operating activities	151.5	213	41%
Net profit	121.0	162	34%

* EBITDA – net operating profit plus depreciation and amortisation

In Q.2, 2021, high demand for the products offered by the KĘTY Capital Group continued. Higher volumes and prices of raw materials, which are reflected in the prices of products, will enable sales revenue increase by over 30%, to PLN 1,165 million. The highest growth rate of about 40% is estimated for the Extruded Products Segment, whereas in the Flexible Products Segment and Aluminium Systems Segment the estimated growth will be roughly 20% and 25%, respectively, compared to the corresponding quarter of the preceding year.

High level of sales by the Segments and effective operating activities should translate into the improvement of financial results. EBITDA in Q.2, 2021, as estimated at the moment, shall reach approximately PLN 250 million, which is a growth of 33% y/y. Similarly, as in Q.1 of the current year, the highest impact on EBITA growth had the Flexible Packaging Segment, whose result will be higher by over PLN 30 million than the result generated in the corresponding period of 2020. The Extruded Products Segment will record ca. PLN 24 million growth, and the Aluminium Systems Segment – over PLN 10 million growth.

Considering the costs of depreciation and amortisation, the profit on operating activities in the discussed period shall reach about PLN 213 million, which means that it will be higher by 41% than the value generated in the corresponding period of 2020.

The Company estimates that net financial costs will amount to approximately PLN (-) 4 million.

Upon consideration of tax charges, including revaluation of the deferred income tax asset, the consolidated net profit in Q.2, 2021 is estimated to be roughly PLN 162 million, which represents a growth of 34% y/y.

The estimated net debt level at the end of Q.2, 2021 will amount to PLN 600 million.

The above estimates have been prepared based on the following assumptions related to the actual quotations by the date of 22 June, and on the projection for the period from 23 to 30 June.

	Q.2, 2020	Q.2, 2021	Change (%)
EUR/PLN mean exchange rate	4.50	4.53	+1%
USD/PLN mean exchange rate	4.09	3.76	-8%
average 3M aluminium price (USD/t)	1,496	2,395	+60%

The 'EBITDA' parameter applied in the Report represents the total profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period). The 'EBITDA' parameter is a measure presenting the capability of the Company to generate cash on basic activities. The 'EBITDA' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 672.4 million in the consolidated financial statements for 2020.

The 'net debt' parameter applied in the Report represents the total of long-term loan payables (an item of the balance-sheet Equity and Liabilities) and short-term loan payables (an item of the balance-sheet Equity and Liabilities), less the value of cash and cash equivalents (an item of the balance-sheet Assets). The 'net debt' ratio presents the value of debt in consideration of the cash available, which may be allocated to the debt repayment. In the consolidated financial statements for 2020, the 'net debt' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 562 million as at 31 December 2020.

The presentation of the aforesaid parameters in the Report by the Company results from their general application in financial analysis and valuation of the Issuer's Capital Group by the Company stakeholders.