

Estimated consolidated financial results for Q.2, 2020 and information regarding the influence of SARS-CoV-2 virus spreading on the operations in that period

In accordance with the announced calendar of corporate events, the Management Board of Grupa Kęty S.A. (hereinafter referred to as Issuer or the Company) discloses in public the selected estimated financial results of the Issuer's Capital Group for Q.2, 2020, 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 2020, which is going to take place on 5 August 2020, in accordance with the binding schedule of current reports publication.

Consolidated data (PLN million)	Q.2, 2019	Q.2, 2020	Change (%)	Q.1-Q.2, 2020	2020 projection implementation (%)
Sales revenue	831.8	875.0	5%	1,704.0	51%
EBITDA*	135.5	180.0	33%	325.6	61%
EBIT**	101.3	145.0	43%	253.4	65%
Net profit	75.5	110.0	46%	193.3	66%

*EBITDA – operating profit plus depreciation and amortisation

**EBIT – operating profit

The execution of the sales level in April and May as well as the estimations for June reflect that the market demand is higher than initially assumed. Thanks to that the Segments of the Capital Group exceeded the assumptions for the sales revenue generated in Q.2, which have been specified in the financial statements for Q.1, 2020.

The Management Board estimates that the Extruded Products Segment shall generate approximately 3% growth in sales volume in Q.2, which in the light of 9% aluminium price decrease in PLN will translate into about 5% drop in sales revenue.

The estimated revenue of the Aluminium Systems Segment in Q.2, 2020 remains on a level similar to that of the previous quarter.

In the Flexible Packaging Segment an increase in revenue by roughly 30% y/y is estimated, which has been partially affected by the commissioning of the second line for BOPP film production in Q.4, 2019 and complete utilisation of the line capacity in the discussed period.

The high level of sales by the Segments and the operating effectiveness should result in an improvement of financial results.

EBITDA in Q.2, 2020, as estimated at the moment, shall reach approximately PLN 180 million, which is a growth of more than 30% y/y.

Upon consideration of the costs of depreciation and amortisation, the profit on operating activities in the discussed period shall be about PLN 145 million.

The Company estimates that the result on financing activities will be negative – at the level of approximately (-) PLN 10.0 million.

Upon consideration of the tax charges, the consolidated net profit of Grupa KĘTY in Q.2, 2020 is estimated at ca. PLN 110 million.

The operating results will contribute to generation of high cash flows, which will enable a reduction of the net debt at the end of Q.2, 2020 to about PLN 450 million.

In Q.2, 2020, by the date of publication of this disclosure, thanks to a series of actions no significant negative impact of the SARS-Cov-2 virus ('coronavirus') pandemic on the financial results of the Capital Group of Grupa Kęty S.A. has been recorded.

The actions of Grupa KĘTY in that regard have invariably concentrated on ensuring the safety of the employees at their workstations as well as continuity of production.

Taking into account the estimated results for Q.1, 2020 and the continued uncertainty as to the further development of the pandemic situation, which may exert pressure on the results in the coming months of this year, the Management Board sustains at the present moment the projection of 2020 results published on 5 February 2020.

The above estimates have been prepared based on the following assumptions related to the actual quotations by the date of 23 June, and on the projection for the period from 24 to 30 June.

	Q.2, 2019	Q.2, 2020	Change (%)
EUR/PLN mean exchange rate	4.28	4.50	+5%
USD/PLN mean exchange rate	3.81	4.09	+7%
average 3M aluminium price (USD/t)	1,818	1,525	-16%