

RESULTS FOR THE 3rd QUARTER of 2019

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24 October 2019



MARKET ENVIRONMENT

- LOWER RAW MATERIAL'S QUOTATIONS
- PLN DEPRECIATION AGAINST FOREIGN CURRENCIES
- SIGNS OF SLOWING DEMAND IN EUROPE
- HIGHER SALE VOLUMES



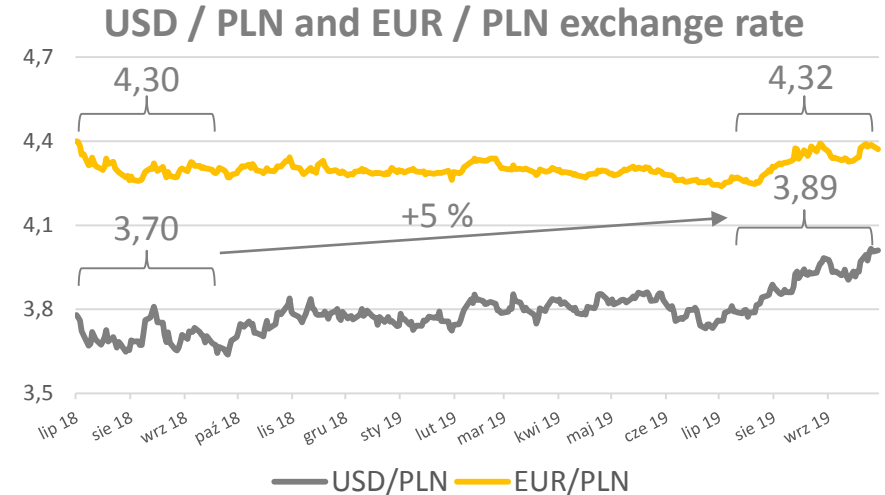
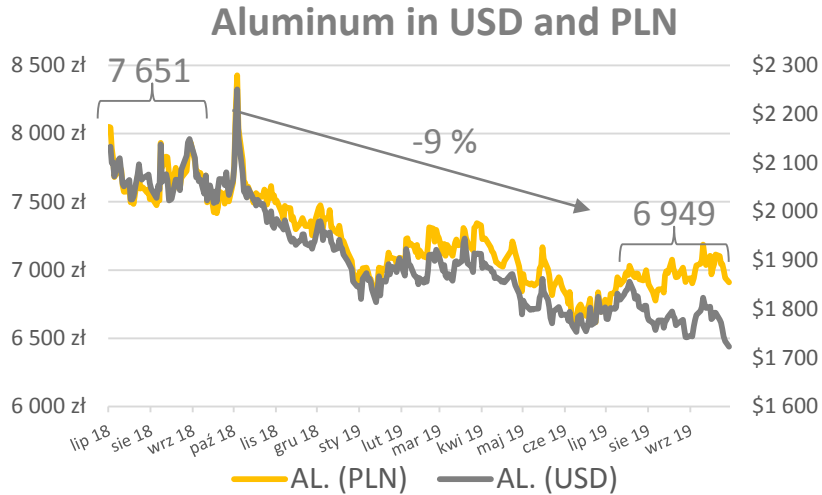
OPERATIONS AND INVESTMENTS

- INCREASING SHARE OF EXPORT
- STRENGTHENING THE LEADER'S POSITION IN ALL SEGMENTS

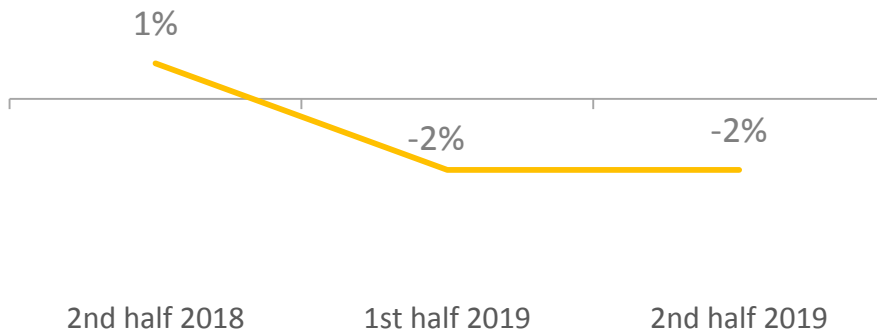


FINANCE

- PLN 161 MILLION - EBITDA RECORD PROFIT
- PAYMENT OF THE FIRST TRANCHE OF THE DIVIDEND
- SAFE LEVEL OF FINANCIAL RATIOS



Estimated growth in the consumption of extruded products in Europe (y / y)



The average price of aluminum in PLN in 3Q lower by 9% yoy

Weakening of PLN against USD by 5% yoy

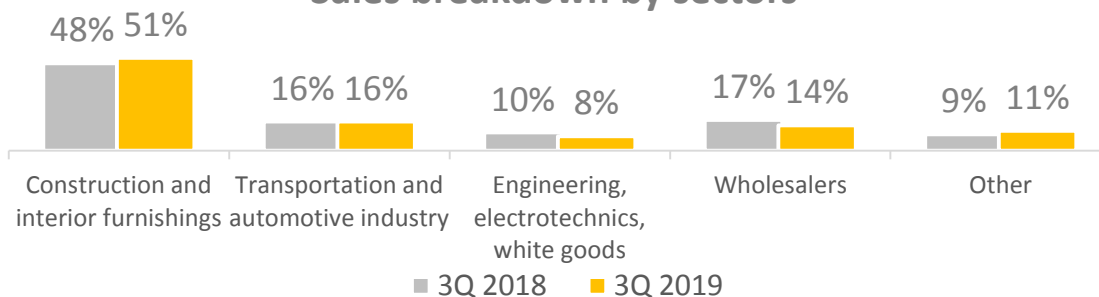
Lower consumption of extruded products in Europe compared to the high base of 2018

SEGMENT OPERATING ACTIVITIES

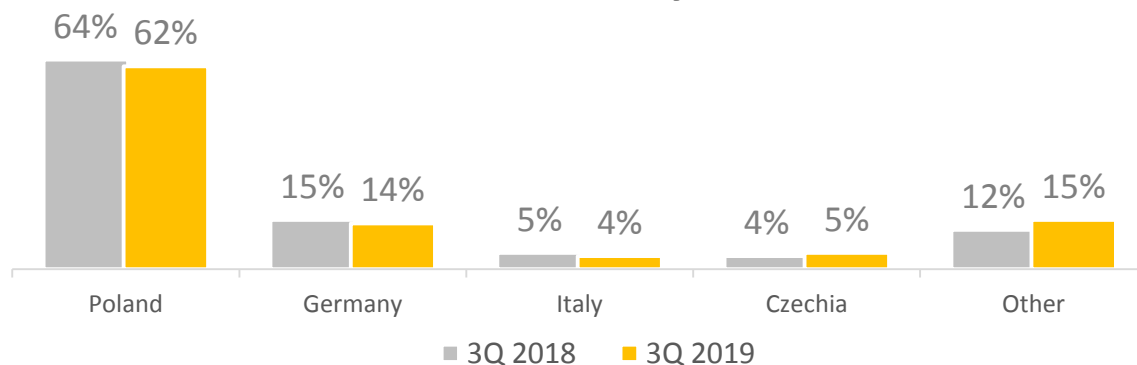
EXTRUDED PRODUCTS SEGMENT

(PLN million)	3Q 2019	3Q 2018	change	1-3Q 2019	1-3Q 2018	change
Sales	329	352	-6%	997	976	2%
domestic	179	187	-4%	550	536	3%
export	150	165	-9%	447	441	1%

Sales breakdown by sectors



Sales breakdown by markets*



- Lower sales revenues due to a decline in aluminum prices on global markets

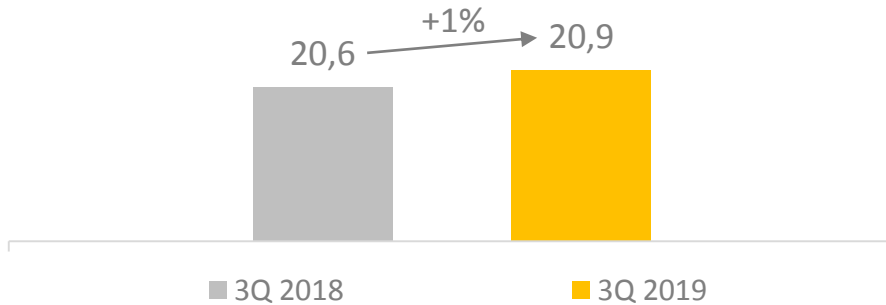
- Strong position in key sectors - maintaining sales shares to the transport and automotive industries

- Stable share of export sales, despite the economic downturn in Europe

* Numbers do not include sales from Slovenian and Ukrainian subsidiaries

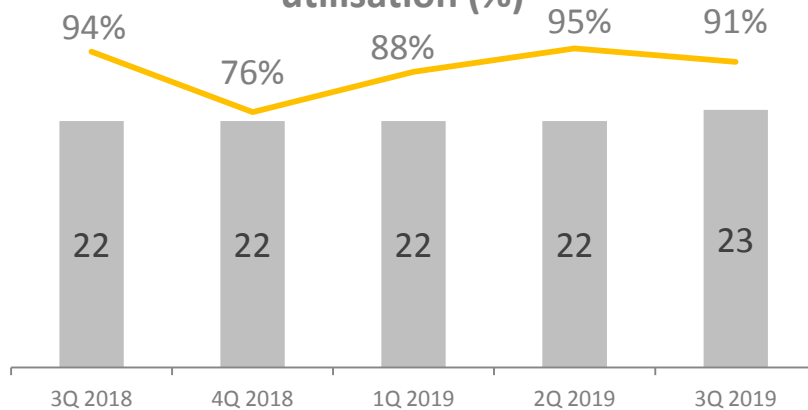
EXTRUDED PRODUCTS SEGMENT

Volume sales ('000 tons)



- Increase in volume sales by 1% y/y and a repeat of the record level of production from the second quarter of this year

Production capacity* ('000 tons) and capacity utilisation (%)

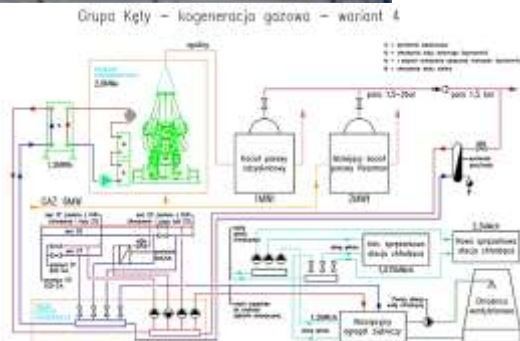
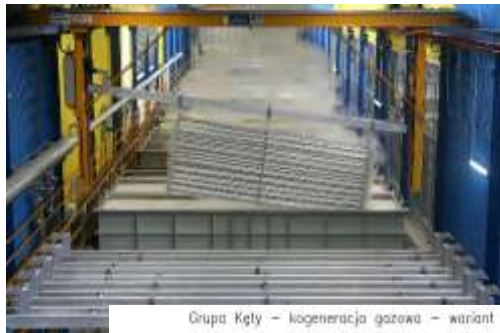


- Total production capacity increase in the third quarter following the launch of the hard alloy extrusion press
- High level of capacity utilization ensuring production efficiency

* The level of production capacity presented on a quarterly basis

EXTRUDED PRODUCTS SEGMENT

PLN million	The total amount of the project	The amount planned for 2019	Implementation for 2019 after 3Q	The amount planned after 2019
Counter-rotating press for hard alloys + ingot scaleer	45,0	9,5	7,7	0,0
Anodizing line – the second unit	45,1	13,5	4,3	29,5
Cogeneration	8,4	2,5	0,0	5,9
New production capacity in the area of components	7,5	7,5	2,0	0,0
Main projects total	106,0	33,0	14,0	35,4



- Counter-rotating press for hard alloys - started, continuation of production line optimization
- Anodynia - during construction works, construction of a new roof of the production hall
- Cogeneration - an application for project co-financing has been submitted under the action "Promoting the use of high-efficiency cogeneration" (decision planned until 29.02.2020)
- Machining - another robot was purchased to improve the efficiency of the production process

EXTRUDED PRODUCTS SEGMENT

Example of activities increasing the efficiency of production processes

HAND WORK

Efficiency : 75 pieces/h



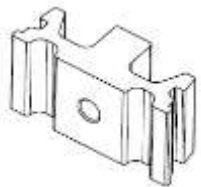
AUTOMATIC WORK

Efficiency : 120 pieces/h



Cost : - 43%

Efficiency: 150 pieces/h



Wydajność: 270 pieces/h

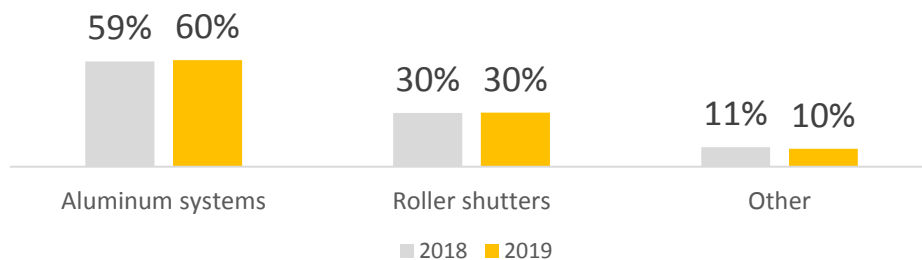


Cost : - 45%

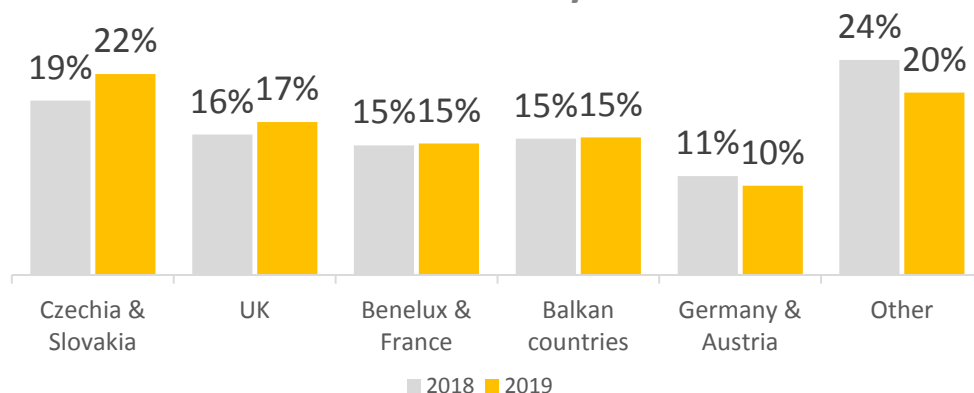
ALUMINUM SYSTEMS SEGMENT

(PLN million)	3Q 2019	3Q 2018	change	1-3Q 2019	1-3Q 2018	change
Sales	403	360	12%	1 108	950	17%
domestic	244	233	5%	693	597	16%
export	158	127	24%	415	353	18%

Sales breakdown by products



Sales breakdown by markets



- Significant increase in revenues in the third quarter, mainly due to high export dynamics
- Product development in line with assumptions - stable sales structure yoy
- Dynamic sales growth in major export markets - the Czechia and Slovakia and the UK continues to be export leaders

ALUMINUM SYSTEMS SEGMENT



Test completion of the standard systems for the US and Canada markets

New prestige contract acquired –
185 Broadway New York



185 Broadway

ALUMINUM SYSTEMS SEGMENT



Increased sales of systems in Poland by 13 % in 3Q (yoy)

Final stage of development the biggest building contracts in Poland (Mennica i Posejdon)
Sales decreased by PLN 13 million in comparison to the 3rdQ 2018



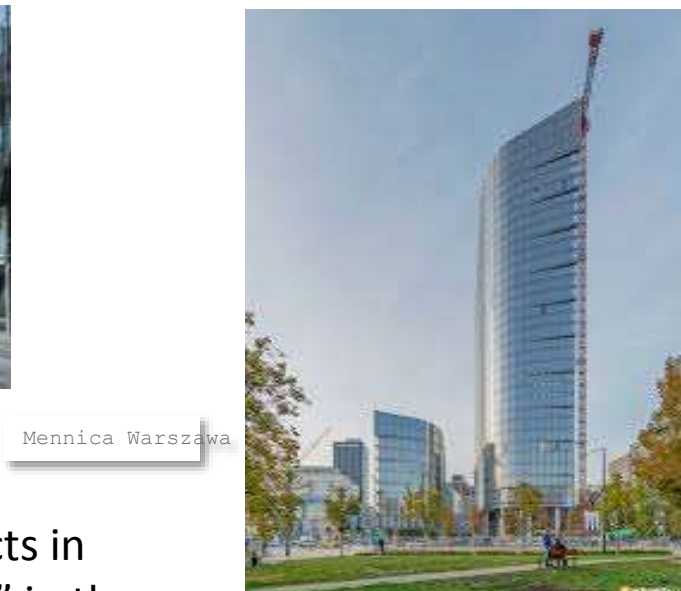
Art Norblin - Warszawa



Cavatina Hall - Bielsko-Biala



Posejdon Szczecin



Mennica Warszawa

Posejdon complex is known as one of the most proecological projects in Poland – CO2 emission reduced by 76% and the biggest „green wall” in the country

ALUMINUM SYSTEMS SEGMENT

Dynamic growth in export sales in the 3rd Q (24%)

Significant part of energy saving solutions in sales



Oxygen Tower (Manchester/UK)



River Plaza (Ulan Bator/MON)



Kuopio Gate (Kuopio/FI)



Kandinsky (Odessa/UA)

ALUMINUM SYSTEMS SEGMENT

PLN million	The total amount of the project	The amount planned for 2019	Implementation for 2019 after 3Q	The amount planned after 2019
R&D Centre	35,5	8,4	5,8	0
Vertical powder coating line + hall	17,4	8,9	7,7	0
Opole production hall	28,0	8,7	0	28,0
Main projects total	80,9	26,0	13,5	19,2



- Equipment installation of vertical powder paint shop
- Postponement of the construction of the hall in Opole due to the later than expected date of obtaining the building permit

ALUPROF ALUMINUM SYSTEMS SEGMENT



Zrównoważony rozwój – Aluprof partnerem Green Building Symposium

Innowacje – Aluprof partnerem I Wystawy Innowacji podczas Warsaw Build

Proekologiczne Budownictwo – III Miejsce w konkursie Solar Decathlon Europe

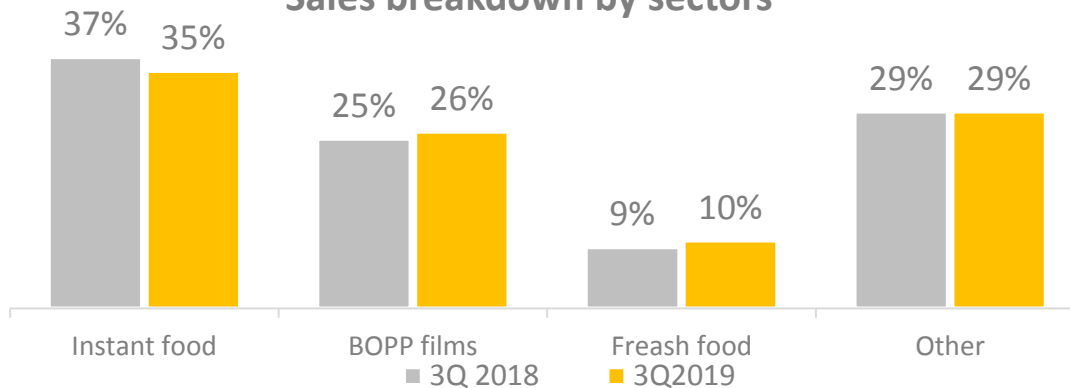
ALUPROF FOR THE 11TH TIME WITH THE TITLE OF THE WOODWORK MARKET LEADER



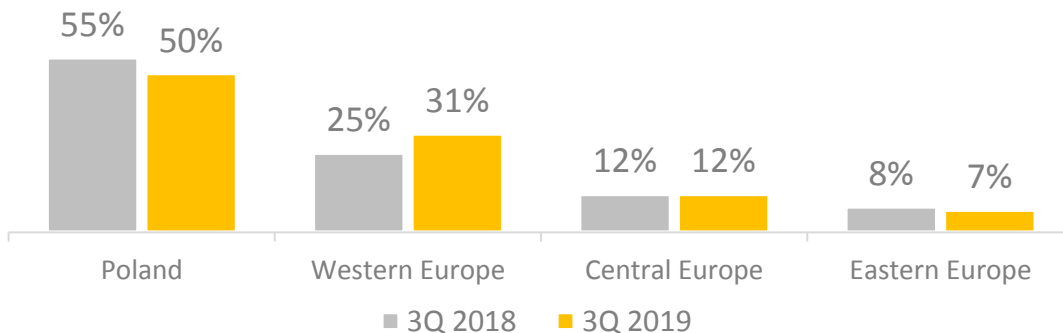
CONSTRUCTION BRAND OF THE YEAR 2019

(PLN million)	3Q 2019	3Q 2018	change	1-3Q 2019	1-3Q 2018	change
Sales	191	179	7%	584	527	11%
domestic	96	98	-3%	301	288	5%
export	96	80	20%	283	240	18%

Sales breakdown by sectors

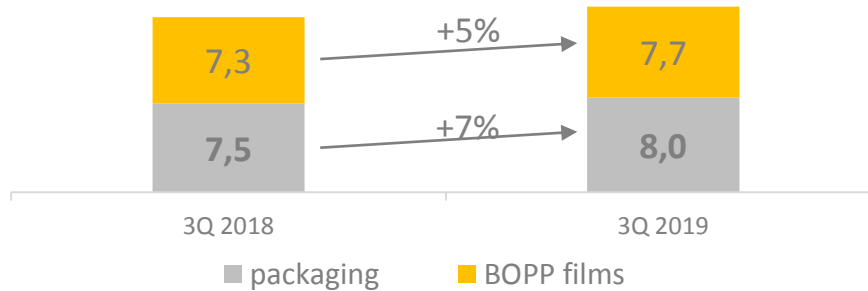


Sales breakdown by regions



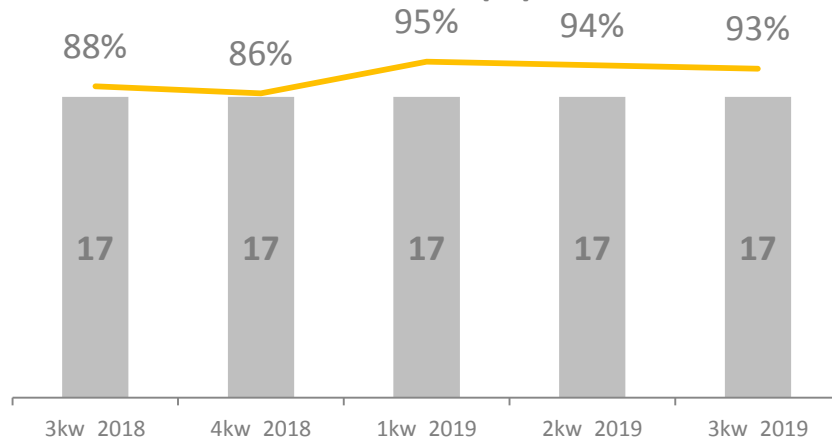
- Significant dynamics of export sales in the third quarter
- Increasing product diversification - an increase in the share of fresh food packaging and BOPP film at the expense of the traditional food concentrate market
- Equalizing the level of domestic and export sales. The highest growth dynamics on Western European markets

Volume sales (`000 tons)



- Steady growth in both areas of activity – production of unprinted BOPP films as well as production of specialized multi-layer flexible packaging with print

Production capacity* (`000 tons) and capacity utilisation (%)



- Maintaining a high level of capacity utilization
- From the 4th quarter, an increase in production capacity by approx. 7.5 thousand tones quarterly thanks to the launch of the second BOPP film production line.

* The level of production capacity presented on a quarterly basis

PLN million	The amount planned for 2019	Implementation for 2019 after 3Q	% implementation	The amount planned after 2019
BOPP line – second unit	79,6	70,9	89%	2,6
Other	4,7	4,1	87%	0
Total	84,3	75,0	89%	2,6



- Launch of the second BOPP film production line at the end of the third quarter - three months ahead of schedule
- Planned implementation of the investment expenditure budget for 2019

CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED FINANCIAL RESULTS

PLN million	3Q 2019	3Q 2018	<i>change</i>	1-3Q 2019	1-3Q 2018	<i>change</i>
Revenues	839	812	<i>+3%</i>	2 450	2 235	<i>+10%</i>
EBITDA	161	140	<i>+15%</i>	406	372	<i>+9%</i>
<i>EBITDA margin</i>	<i>19,1%</i>	<i>17,2%</i>		<i>16,5%</i>	<i>16,6%</i>	
EBIT	126	109	<i>+14%</i>	304	278	<i>+9%</i>
<i>EBIT margin</i>	<i>15,0%</i>	<i>13,4%</i>		<i>12,4%</i>	<i>12,4%</i>	
Result on financial operations	-4	-6		-16	-16	
Profit before tax	122	104	<i>+18%</i>	288	263	<i>+10%</i>
Corporate tax	-23	-21		-55	-54	
Consolidated net profit	99	83	<i>+19%</i>	233	208	<i>+12%</i>

The increase in revenues resulting from higher volumes

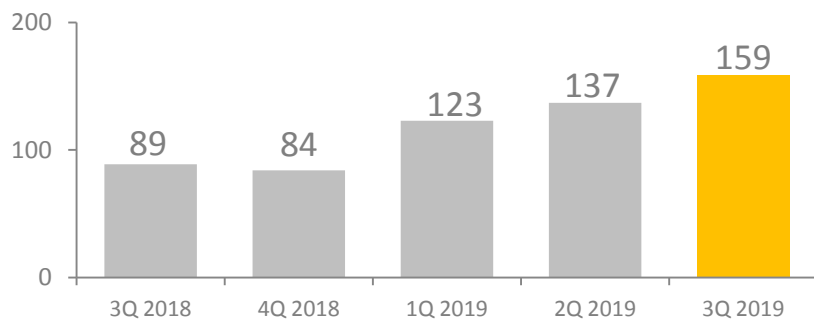
Improvement of EBITDA profit of all segments

Net financial costs mainly due to debt service

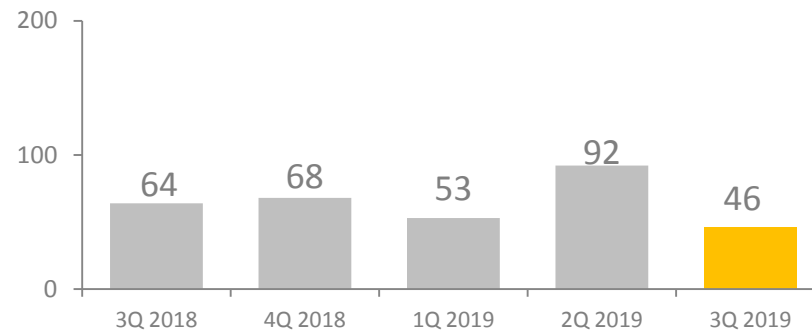
After taxation, net profit for 3Q was PLN 99 million

CASH FLOWS IN THE 3rd QUARTER

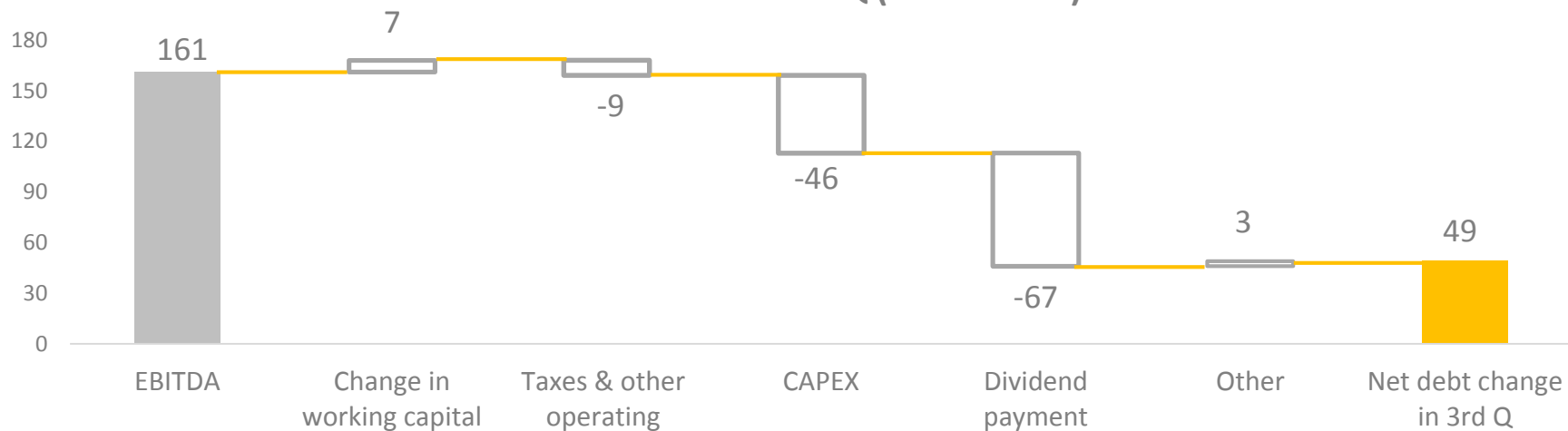
Operating cash-flow (PLN million)



CAPEX (PLN million)

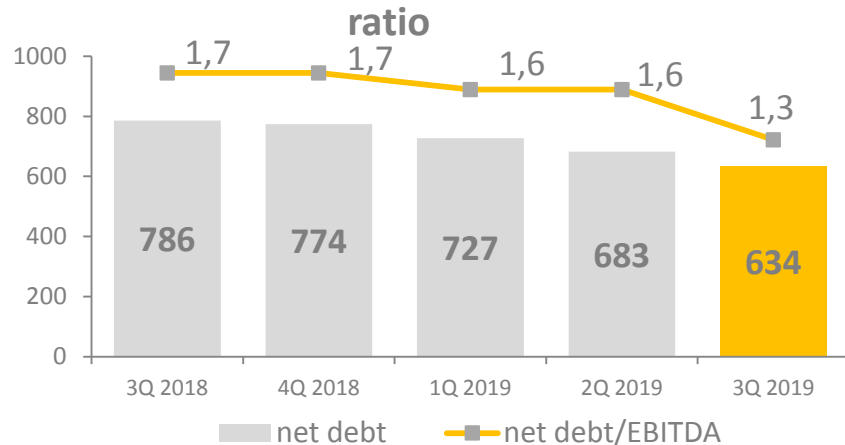


Cash flow in the 3rd Q (PLN million)

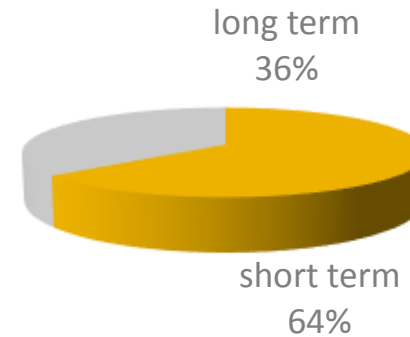


SAFE LEVEL OF FINANCIAL INDICATORS

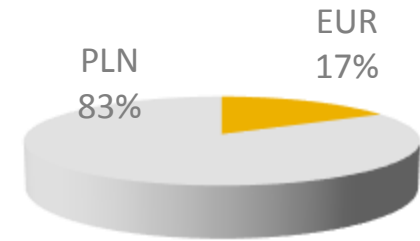
Net debt (PLN million) and net debt/EBITDA ratio



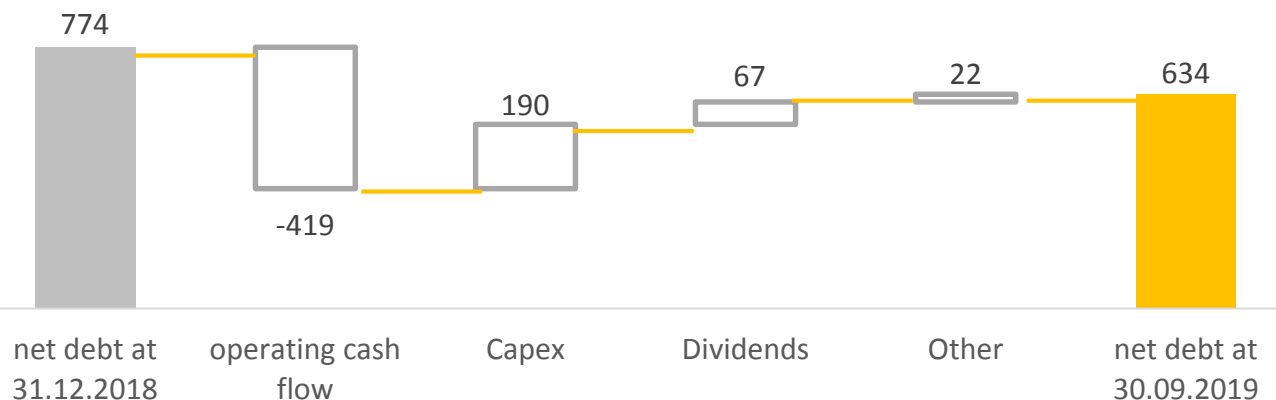
Maturity structure



Currency structure



Change of the net debt after 3 quarters (PLN million)



- Reduction of net debt by PLN 140 million since the beginning of the year
- 45% - net financial leverage at the end of the third quarter
- Planned payment of the second tranche of dividend on the 7th November in the amount of PLN 162.2 million



MARKET ENVIRONMENT

- STABILIZATION OF RAW MATERIAL PRICES
- „DIFFICULT” MARKET



OOPERATIONS INVESTMENTS

- 4th QUARTER RESULTS AFFECTED BY SEASONALITY AND MARKET PRESSURE
- POSTPONED OF INVESTMENT EXPENSES FOR ANOTHER YEAR



FINANCE

- MANTAINED 2019 FORECAST
- 2nd TRANCHE OF DIVIDEND PAYOUT

ADDITIONAL INFORMATION

VOLUME SALES (thousands of tons)	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019
Extruded Products Segment	20,6	16,8	19,4	20,9	20,9
Flexible Packaging Segment	14,9	14,7	16,2	16,0	15,8

EBITDA per Segment (PLN mn)	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019
Extruded Products Segment	48,7	25,0	29,7	41,7	49,9
Aluminium Systems Segment	58,9	41,1	45,8	62,4	79,2
Flexible Packaging Segment	34,1	24,7	36,1	36,8	39,1

Current forecast for 2019 (PLN mn)	2019	2018	change	1-3Q 2019	% of the forecast
Revenues	3 216	2 993	+7%	2 450	76%
EBIT	344	338	+2%	304	88%
EBITDA	488	464	+5%	406	83%
Net profit	261	268	-3%	233	89%
CAPEX	284	231		191	67%

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