

RESULTS FOR THE 3rd QUARTER of 2020

DARIUSZ MAŃKO
CHAIRMAN OF THE
BOARD

RAFAŁ WARPECHOWSKI
BOARD MEMBER

PIOTR WYSOCKI
BOARD MEMBER

TOMASZ GRELA
BOARD MEMBER

RAFAŁ LECHOWICZ
CEO ALUPOL PACKAGING

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QUARTER RESULTS ABOVE EXPECTATIONS



MARKET ENVIRONMENT

- + IMPROVING BUSINESS CONDITIONS IN TRANSPORT AND AUTOMOTIVE
- GRADUAL GROWTH OF RAW MATERIAL'S PRICES
- + FAVORABLE EUR / PLN EXCHANGE RATE



OPERATIONS & CAPEX

- + OPERATING ACTIVITY WITHOUT DISTURBANCES
- + INCREASE OF SALES IN ALL SEGMENTS
- + SYSTEMATIC RUNNING OF THE INVESTMENT PROJECTS



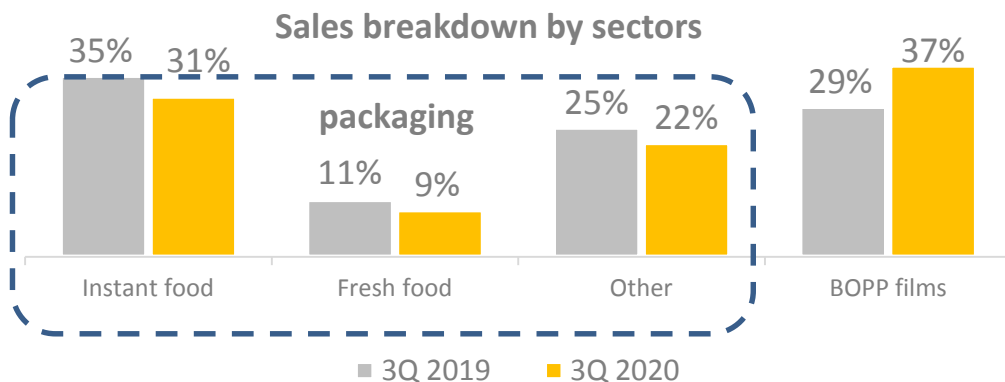
FINANCE

- + PLN 198 million – EBITDA
- + 0,5 – NET DEBT/EBITDA
- + PLN 35 per share – DIVIDEND PAYMENT IN Q4

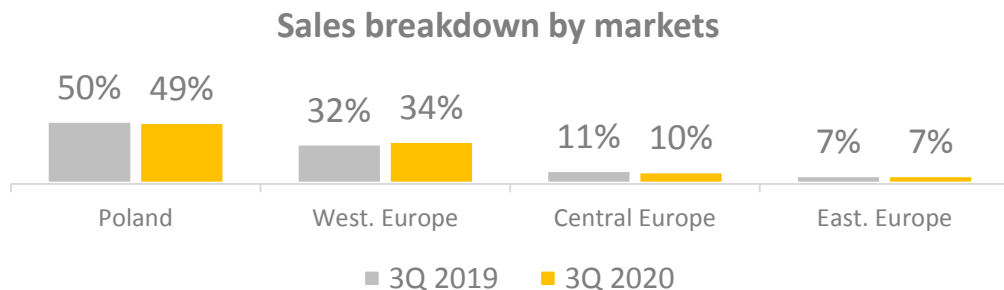
SEGMENTS OPERATING ACTIVITY

(PLN million)	3 Q 2020	3 Q 2019	change	1-3 Q 2020	1-3 Q 2019	change
Sales	230,9	191,3	+21%	729,4	584,5	+25%
domestic	113,0	95,7	+18%	339,0	301,2	+13%
foreign	117,9	95,6	+23%	390,4	283,3	+38%
EBITDA	63,5	39,1	+63%	185,1	111,9	+65%
<i>incl. BOPP films</i>	<i>21,9</i>	<i>6,6</i>	<i>+230%</i>	<i>63,5</i>	<i>19,9</i>	<i>+218%</i>
<i>EBITDA margin</i>	<i>27,5%</i>	<i>20,4%</i>	<i>+7,1p.p.</i>	<i>25,4%</i>	<i>19,2%</i>	<i>+6,2p.p.</i>
<i>incl. BOPP films</i>	<i>25,2%</i>	<i>11,9%</i>	<i>+13,3p.p.</i>	<i>21,7%</i>	<i>11,8%</i>	<i>+9,9p.p.</i>

YoY EBITDA increase by 63% due to higher sales volumes and improved margins (both in the BOPP film and packaging segment)

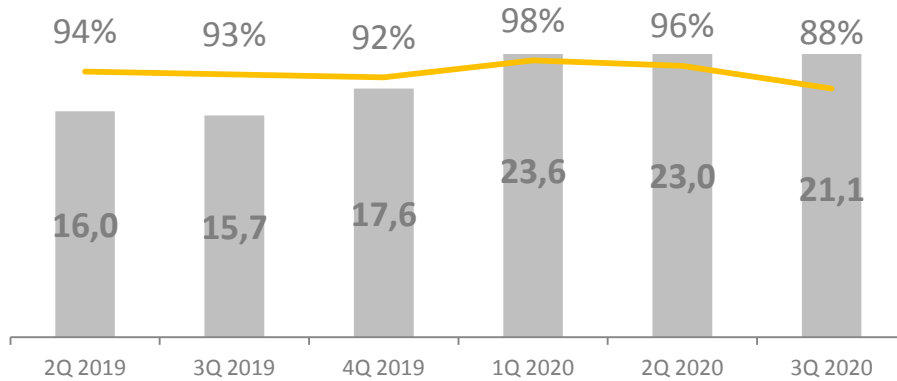


The share of BOPP film sales in the product basket at the level of 37% (inflow of cheap BOPP film to the European market from Asian destinations)



High share of exports - 51% in total sales. Significant increases in the EU markets, including: Germany, Italy, the Netherlands, Belgium and Austria.

Volume sales (th of tonnes) / capacity utilisation (%)



High capacity utilization, despite strong price pressure on the market in both segments (inflow of cheap BOPP film to the European market from Asian destinations)

Implementation of key investments according to the plan:

- PE foil blowing line launched in 2Q
- replacement of the worn-out rotogravure printing line with a flexographic printing line in accordance with the current market trends (planned to be put into use in 4Q)

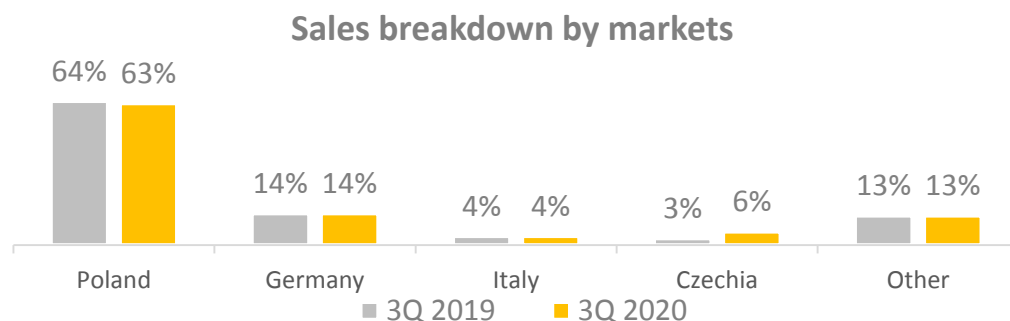
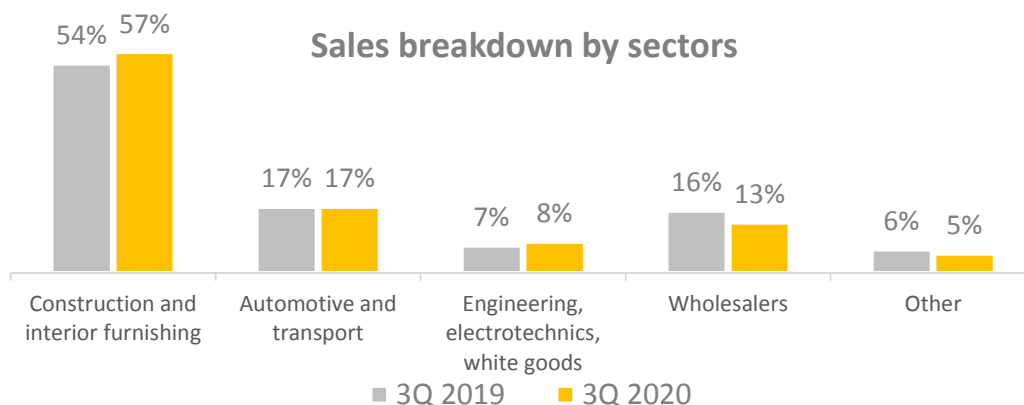
CAPEX (PLN million)	2020 FORECAST	1-3Q EXPENSES	% of forecast
Flexo printing line (Kęty)	14	6	43%
PE line (Tychy)	10	9	90%
Other	8	2	25%
TOTAL	32	17	53%

EXTRUDED PRODUCTS SEGMENT

(PLN million)	3Q 2020	3Q 2019	change	1-3Q 2020	1-3Q 2019	change
Sales	328,8	329,2	0%	970,1	997,1	-3%
domestic	174,2	179,2	-3%	500,2	549,6	-9%
foreign	153,5	150,0	2%	469,9	447,5	5%
EBITDA	51,4	49,9	3%	132,1	121,2	9%
<i>EBITDA margin</i>	<i>15,6%</i>	<i>15,1%</i>		<i>13,5%</i>	<i>12,1%</i>	

Increase in volume sales by 7%, maintaining the level of revenues despite a 5% decrease in the average aluminum price in PLN

Increase in EBITDA due to high utilization of production capacity

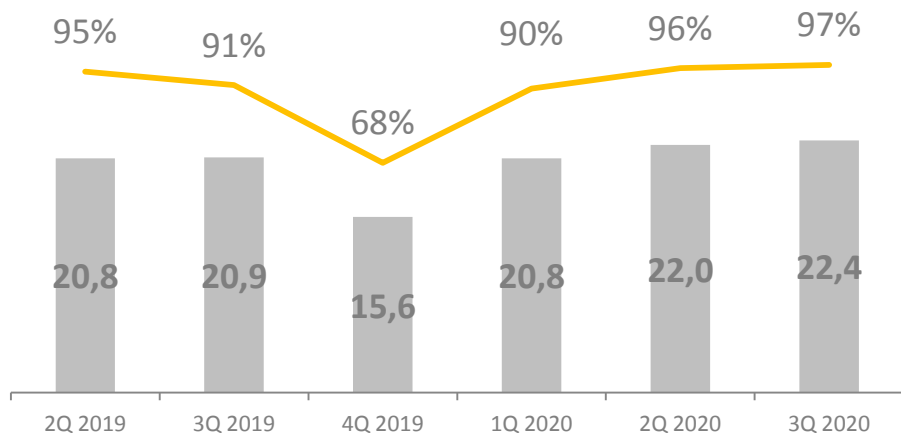


Construction is the most resilient sector. A recovery in automotive and transport after lockdown.

Strong position on the Polish market - increase in orders from domestic customers from the automotive industry and electrical engineering. **Stable share of export sales.**

EXTRUDED PRODUCTS SEGMENT

Volume sales (th of tonnes) / capacity utilisation (%)



Record level of production in the quarter (high level of production capacity utilization mainly due to recovery in key sectors after the "lockdown" period)

CAPEX (PLN million)	2020 FORECAST	1-3Q EXPENSES	% of forecast
Production tools	25	21	85%
Other	50	27	53%
TOTAL	75	48	64%

Optimization of capital expenditure:

- production tools: adapted to the current market situation
- other: optimization of investments and maintenance expenditures

EXTRUDED PRODUCTS SEGMENT

Activities of foreign subsidiaries:

- Alupol LLC, Ukraine:** in September, record sales for the domestic market in 2020, and the entire quarter with the best result in two years
- AK EMMI, Slovenia:** production without interruptions; after slowdown, sales rebounded to the budgeted quantities (household appliances and automotive companies)
- Aluminum Kety Deutschland:** strengthening the organization in order to strengthen the market position in Germany

Sustainable development

Aluminum Stewardship Initiative Certification
Obtaining the status of a member of the organization and joining the ASI Performance Standard certification process.



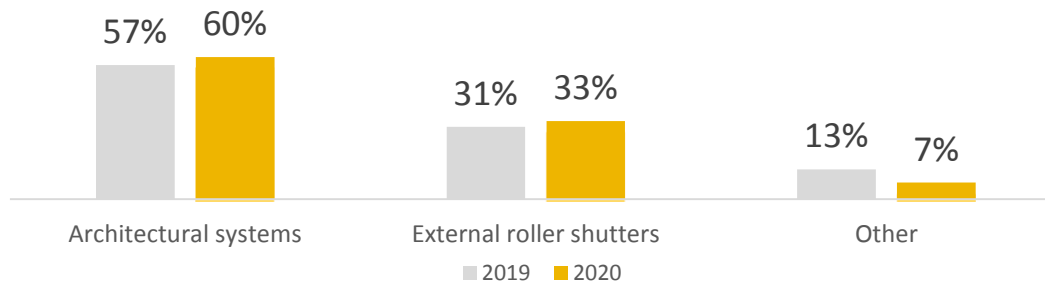
ALUMINIUM SYSTEMS SEGMENT

(PLN million)	3 Q 2020	3 Q 2019	change	1-3Q 2020	1-3Q 2019	change
Sales	439,3	402,5	9%	1 158,0	1 107,7	5%
domestic	269,1	244,3	10%	713,0	692,9	3%
foreign	170,2	158,2	8%	445,0	414,8	7%
EBITDA	89,4	79,2	13%	225,0	187,4	20%
<i>EBITDA margin</i>	<i>20,4%</i>	<i>19,7%</i>		<i>19,4%</i>	<i>16,9%</i>	

Higher sales thanks to the recovery in the domestic market and a stable foreign sales.

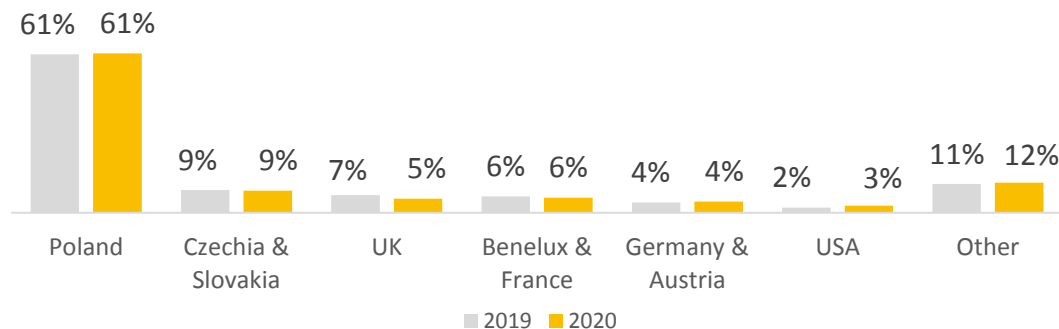
Improving the EBITDA margin thanks to the optimization of operating activities

Sales breakdown by products



Higher sales in the main business segments

Sales breakdown by markets



The return of most foreign markets to the upward trend

ALUMINIUM SYSTEMS SEGMENT

DOMESTIC SALE

- Systematic increase in the order portfolio
- Increased interest in products for individual customers
- Return to high levels of sales of joinery exporting companies
- Persistent market pressure in the area of prices

FOREIGN SALE

- Dynamic sales growth in Eastern Europe, as well as in the Baltic States
- Development of the Romanian market in the public sector
- Constant level of orders from the Czechia and Slovakia
- Strengthening the position of Aluprof as a supplier of fire protection products on foreign markets
- Focus on maintaining the portfolio of projects despite market pressure in the area of prices

Projects gained in Q3



ALUMINIUM SYSTEMS SEGMENT

CAPEX (PLN million)	2020 FORECAST	1-3Q EXPENSES	% of forecast
Total	95	27	28%



Gradual launching of investments

- production hall in Opole (13,000 m²) - construction begins (the stage of erecting poles), works are proceeding according to the schedule
- installing new machinery and equipment in line with the budget

ALUMINIUM SYSTEMS SEGMENT

The beginning of the TV advertising campaign as one of the elements of a "wider" entry into the private housing market



CONSOLIDATED FINANCIAL RESULTS

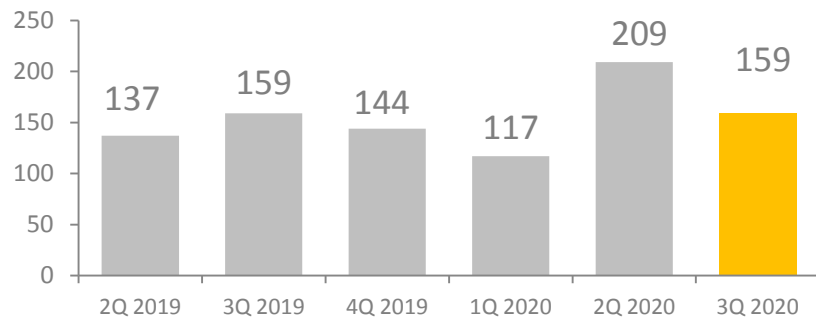
CONSOLIDATED P&L

<i>PLN million</i>	3Q 2020	3Q 2019	<i>change</i>	1-3Q 2020	1-3Q 2019	<i>change</i>
Revenues	920,0	838,8	10%	2 636,8	2 449,5	8%
EBITDA	198,0	160,6	23%	530,9	406,1	31%
<i>EBITDA margin</i>	21,5%	19,1%		20,1%	16,5%	
EBIT	161,6	126,0	28%	421,5	304,2	39%
<i>EBIT margin</i>	17,6%	15,0%		16,0%	12,4%	
Result on financial operations	-2,3	-3,7		-16,3	-15,5	
Profit before tax	159,3	122,3	30%	405,2	288,7	40%
Corporate tax	-30,4	-23,0		-71,8	-55,4	
Net profit	129,0	99,1	30%	333,2	232,9	43%

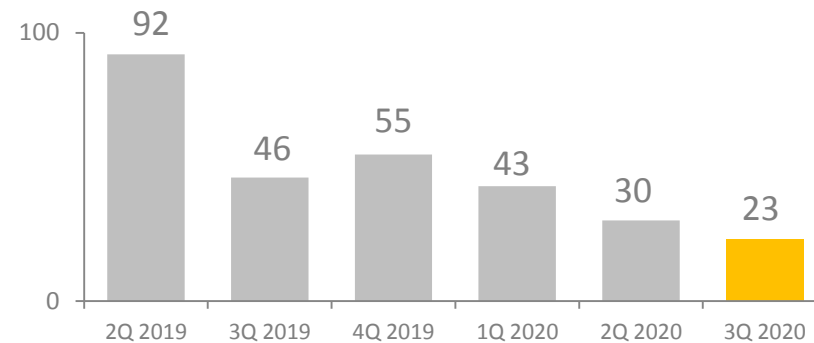
- Revenue increase resulting from higher sales volumes
- EBITDA improvement in all segments:
 - EPS PLN +1,5 million
 - ASS PLN +10,2 million
 - FPS PLN +24,4 million
- Net financial costs - mainly interest on loans (PLN 1 million positive exchange rate differences)
- High increase in net profit in the period

CASH FLOW IN THE 3rd QUARTER

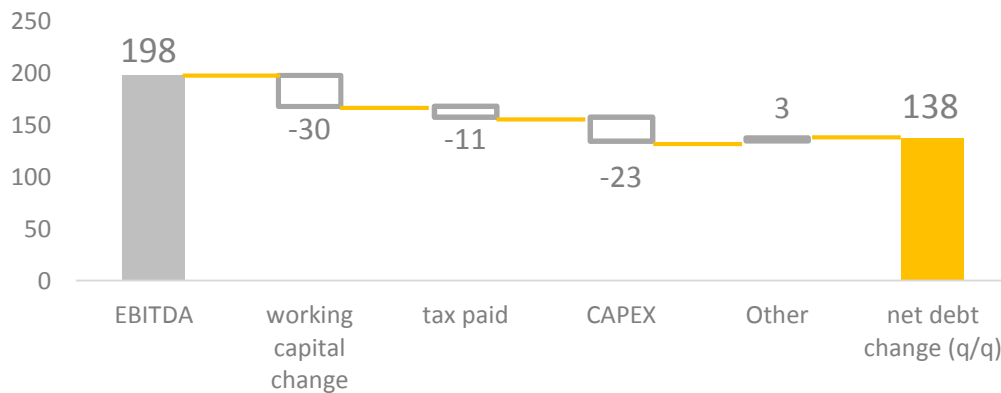
Operating cash flow (PLN million)



CAPEX (PLN million)



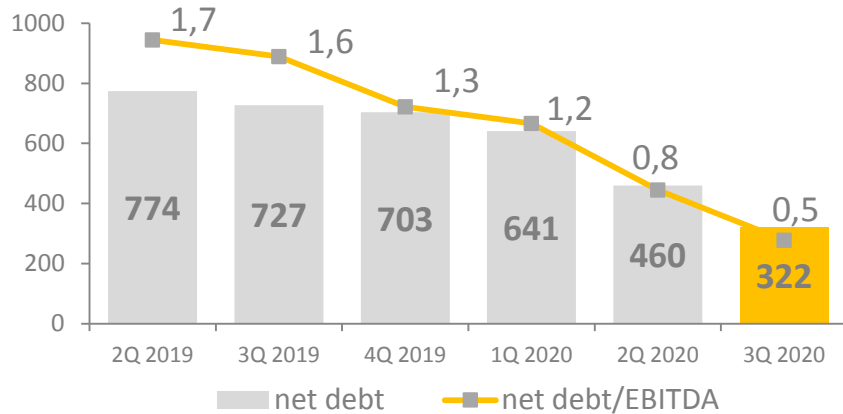
Cash flow in 3Q (PLN million)



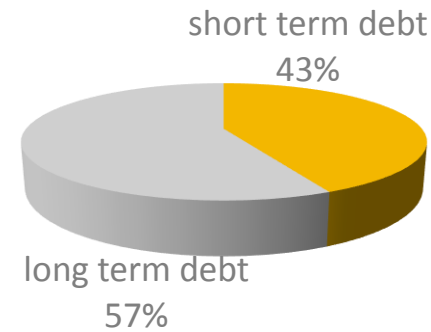
- Decline in net debt thanks to high EBITDA
- Increase in working capital related to the growing level of sales

SAFE LEVEL OF FINANCIAL INDICATORS

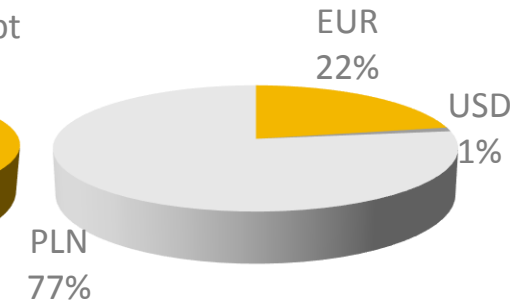
Net debt (PLN million) and net debt/EBITDA ratio



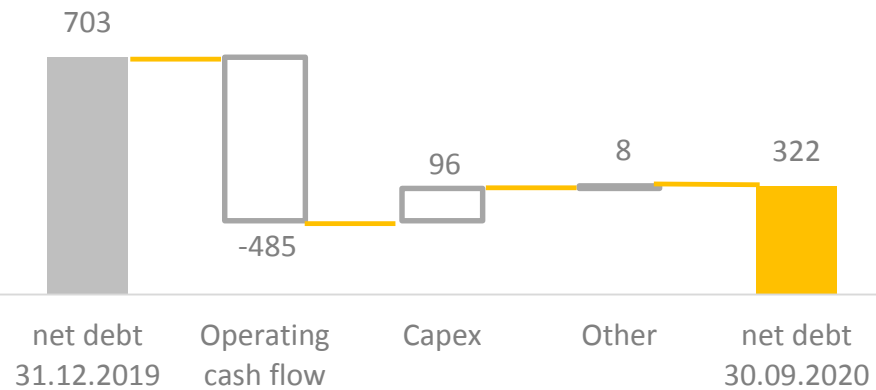
Maturity structure



Currency structure



Net debt change (PLN million)



Safe level of financial indicators:

- 18% - net financial gearing (net debt/equity)
- 0,5 – net debt / EBITDA



MARKET ENVIRONMENT

- UNCERTAINTY RELATED TO THE EXPANSION OF THE PANDEMIC
- SHORT HORIZON OF ORDERS, PRESSURE ON PRICES



OPERATIONS & CAPEX

- MAINTAINING CAPACITY UTILISATION WHILE ENSURING WORK SAFETY
- CONTINUING IMPLEMENTATION OF THE INVESTMENT PLAN



FINANCE

- 2020 OUTLOOK MAINTAINED
- PAYMENT OF PLN 337 MILLION DIVIDEND, EXPECTED INCREASE IN DEBT

ADDITIONAL INFORMATION

VOLUME SALES (thousands of tons)	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
Extruded Products Segment	20,9	15,6	20,8	22,0	22,5
Flexible Packaging Segment	16,0	15,7	23,6	23,0	21,1

EBITDA per Segment (PLN million)	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
Extruded Products Segment	49,9	31,0	37,3	43,4	51,4
Aluminium Systems Segment	79,2	50,1	61,1	74,5	89,4
Flexible Packaging Segment, including	39,1	35,6	50,1	71,4	63,5
Packaging	31,8	29,3	38,2	41,8	41,6
BOPP films	7,2	6,3	11,9	29,6	21,9

2020 Forecast (PLN milion)	2020	2019	change	1-3Q 2020	% of forecast
Revenues	3 380	3 205	+5%	2 637	78%
EBITDA	600	523	+15%	531	88%
EBIT	453	385	+18%	421	93%
Net profit	352	294	+20%	333	95%
CAPEX	170	246		96	56%

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IR CONTACT

MICHAŁ MALINA

Phone: +48 33 8195 478

Mobile: +48 600 083 001

Email: mmalina@grupakety.com

WWW.GRUPAKETY.COM