



RESULTS FOR THE 1ST QUARTER 2023

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APRIL 20, 2023

START OF THE YEAR ABOVE EXPECTATIONS



MARKET ENVIRONMENT

- + STABILIZATION OF COMMODITY PRICES Q/Q
- + IMPROVEMENT IN MARKET CONDITIONS COMPARED TO 2ND HALF OF 2022
- LIMITED DEMAND FOR PRODUCTS OF THE GROUP



OPERATIONS AND INVESTMENTS

- + COMMENCEMENT OF CONSTRUCTION OF NEW ASS PLANT IN ZŁOTÓW
- + LAUNCH OF THE FIRST OF TWO NEW SWW PRESSES IN KĘTY
- + INCREASE IN THE LIMIT OF ELECTRICITY CONSUMPTION IN THE PLANT IN BORODIANKA - WORK IN THREE SHIFTS."



FINANCES

- + HIGH RESULTS:
EBITDA - PLN 201 million
NET PROFIT - PLN 136 million
- + REDUCTION OF WORKING CAPITAL
- + RECOMMENDATION TO PAY A DIVIDEND - PLN 62.5 PER SHARE.



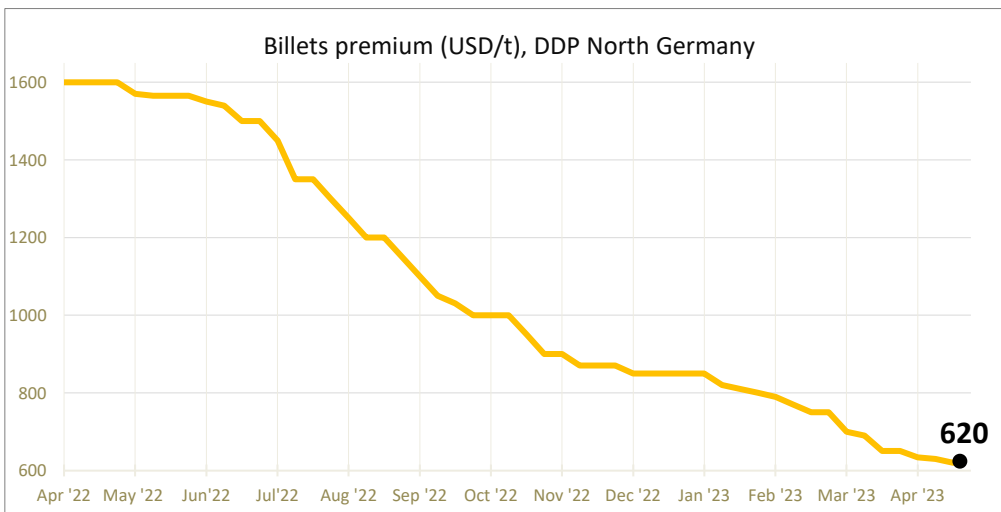
OPERATING ACTIVITY OF SEGMENTS

EXTRUDED PRODUCTS SEGMENT



(+) Limitation of fluctuations in aluminium prices on LME during the quarter and stabilization at a lower level YoY

(+) Continuation of the downward trend of the billets' premium



(-) Turkey, the second-largest importer of Russian aluminium in the world, after the outbreak of war in Ukraine (approximately 400 thousand tons in the last 12 months) - export of aluminium products to Europe

(-) Limited demand for aluminium products in Poland and foreign markets as expected - currently no signals of a reversal in the trend in the 2nd quarter.

EXTRUDED PRODUCTS SEGMENT

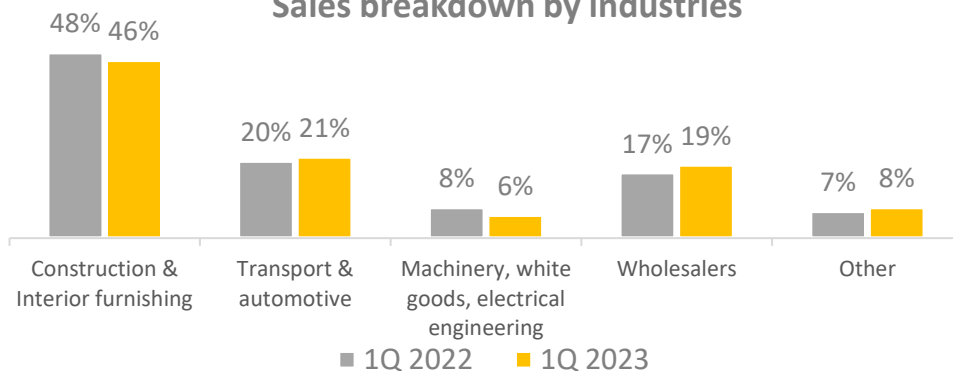
(PLN million)	1Q 2023	1Q 2022	change
Sales	594,4	641,7	-7%
Domestic	278,6	335,0	-17%
International	315,8	306,7	+3%
EBITDA	76,0	81,9	-7%
<i>EBITDA margin</i>	<i>12,7%</i>	<i>12,7%</i>	

Sales volume:

- 6% lower YoY
- 5% higher compared to the average of 2H 2022 - including the effect of replenishing inventory levels.

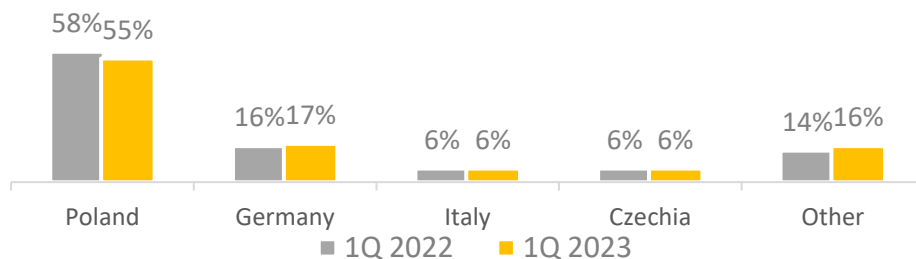
Maintaining a high EBITDA margin - efficient cost management.

Sales breakdown by industries



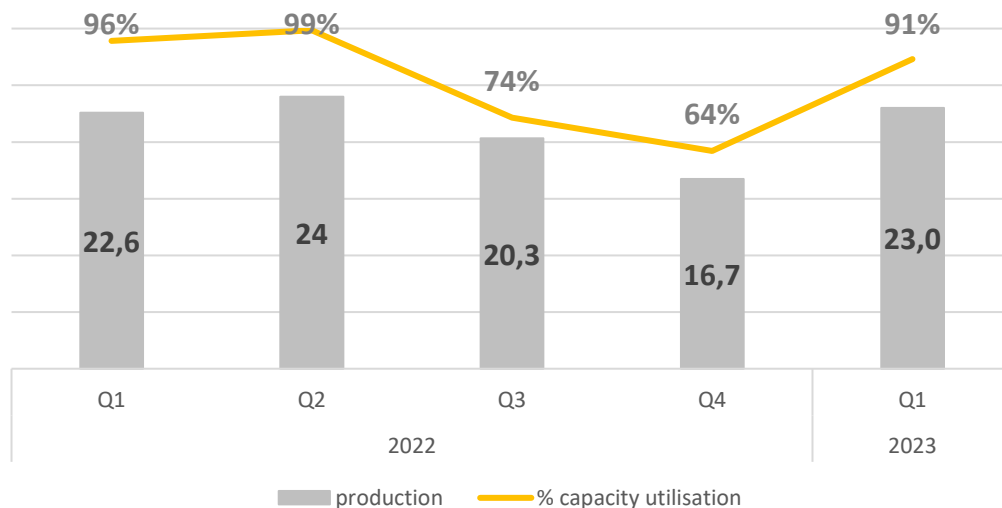
Increased share of sales to the automotive and transportation segment - mainly due to new projects.

Sales breakdown by countries



Growing share of foreign sales - effective trade policy in European markets.

EXTRUDED PRODUCTS SEGMENT



Lower capacity utilization rate due to increased availability of presses in 1Q 2023 YoY (+2k tons vs 23k tons in 1Q 2022).

Alupol LLC in Ukraine - the company has obtained government permission to operate at full capacity (energy consumption according to needs).

INVESTMENTS (PLN million)	Budget 2023	1 Q 2023 execution	% of budget
Production tools	32,2	7,8	24%
New production plant in Kęty	90,9	15,6	17%
Other	49,5	2,5	5%
Aluminium Kety EMMI	26,4	10,5	40%
Total	198,9	36,4	18%



Implementation of the investment plan:

- Production tools - level adjusted to the scale of operations
- Installation of a complex consisting of two new 2000 T and 4000 T presses - completion of the installation of the 2000 T press
- EMMI - development of production of components for the automotive industry, including the Fisker project and continuation of the renewable energy project.



SUCCESSFUL LAUNCH OF THE 14TH EXTRUSION LINE IN KĘTY

In March 2023, the Kęty Group successfully extruded the first billet on the new 14th line for profile extrusion.

The press with a pressure of 2000 tons was installed in a new hall with an area of approximately 10,000 sq. meters.

Installation of another press, with a pressure of 4000 tons, will begin in end of 2023.

The new lines will increase the production capacity of the Segment to approximately 125,000 tons of profiles per year and will be used for the production of profiles for many industries, including the automotive industry.

ALUMINUM SYSTEMS SEGMENT

(PLN million)	1Q 2023	1Q 2022	change
Sales	560,1	585,1	-4%
Domestic	323,3	354,9	-9%
International	236,7	230,2	+3%
EBITDA	77,6	98,4	-21%
<i>EBITDA margin</i>	13,9%	16,8%	

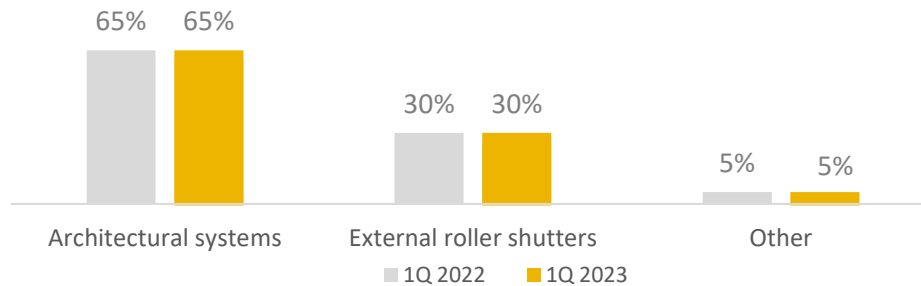
Decrease in revenue:

- lower sales volumes (aluminum systems -18% y/y, roller shutter systems -15% y/y)
- partially compensated by higher transaction prices

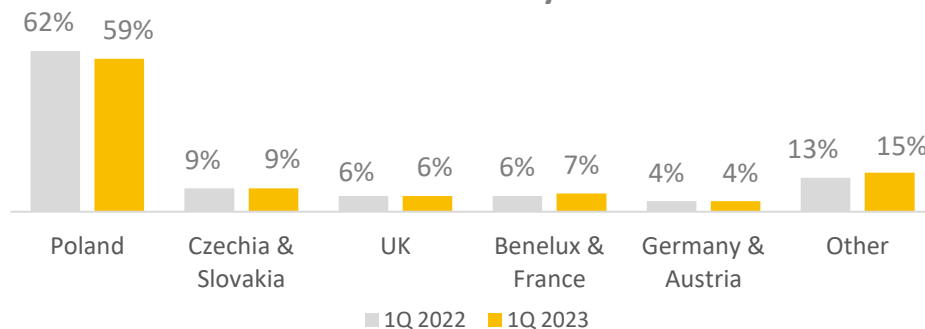
EBITDA - mainly due to lower volumes and higher production costs

Stable sales structure

Sales breakdown by products



Sales breakdown by markets



Higher share of export sales - growth in the USA and key European markets (Czech Republic, Netherlands)

ALUMINUM SYSTEMS SEGMENT

DOMESTIC MARKET

- (+) Sustained high demand for industrial and warehouse facilities
- (+) Increasing number of certified energy-efficient office buildings
- (+) Modernization of facilities - thermal modernization programs
- (+) Revitalization of post-industrial facilities
- (+) Growth in offer inquiries by about 25% YoY, mainly for medium and small facilities
- (-) Further slowdown in the volume construction industry
- (-) Slowdown / freeze of residential and local government investments, lack of funds from the EU
- (-) Rising construction costs - since the beginning of the pandemic, the cost of constructing an office building has increased by 40%
- (-) Worsening financial condition of companies
- (-) Growing concerns about a global recession

Projects acquired in Q1 2023

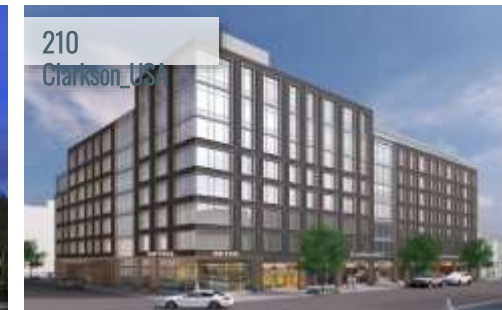


ALUMINUM SYSTEMS SEGMENT

INTERNATIONAL MARKET

- (+) High sales and marketing activity on the Balkan markets
- (+) Increased activity of institutional clients in the US
- (+) Opening of new Aluprof product showrooms in Vietnam and strengthening brand awareness in this market
- (-) Increased imports from Polish suppliers - competitors of Aluprof in mature European markets (UK, Belgium, Germany)
- (-) The need to adjust selling prices to market levels due to emerging competition, as well as intensified actions of existing competitors.

Projects acquired in Q1 2023



ALUMINUM SYSTEMS SEGMENT

(PLN million)	Budget 2023	1Q 2023 execution	% of budget
Investments	141	20	14%



The main investment project this year is the construction of a new production plant in Złotów (planned total investment in this year - PLN 61 million).

Scope of work carried out in Q1 2023:

- earthworks,
- casting of concrete foundations,
- commencement of installation of steel structures.

ALUMINUM SYSTEMS SEGMENT



DEVELOPMENT OF THE OFFER FOR THE RESIDENTIAL SEGMENT - PERGOLA MB - OPENSKY120.

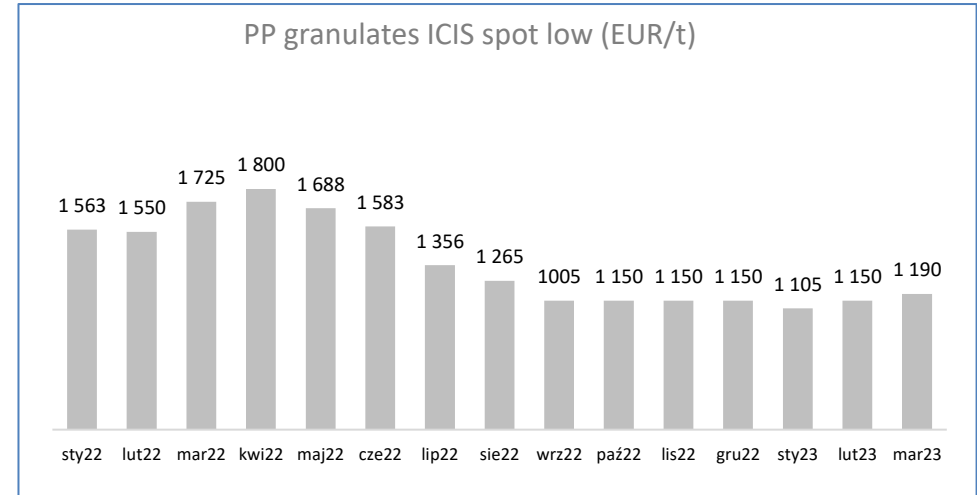
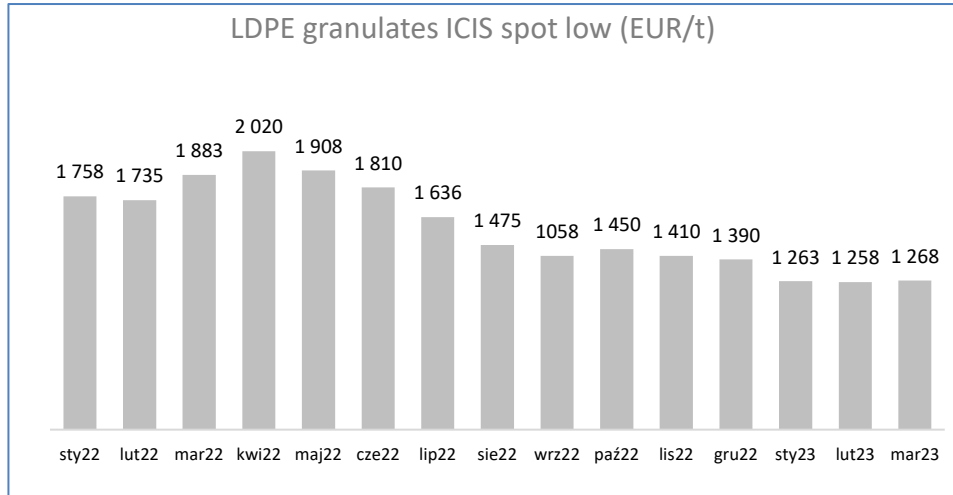
The new product represents an expansion of the family of terrace coverings available in the form of a self-fabrication system.



GLASSPROF - A NEW BRAND IN THE FIRE-RESISTANT GLASS MARKET

A new product in the segment's offer, available both on the domestic and foreign markets.

Market situation



(+) Stabilization of prices for polypropylene and polyethylene granules and their good availability on the market, similar to other raw materials.

(+/-) A not very strong but stable demand for flexible packaging in Europe.

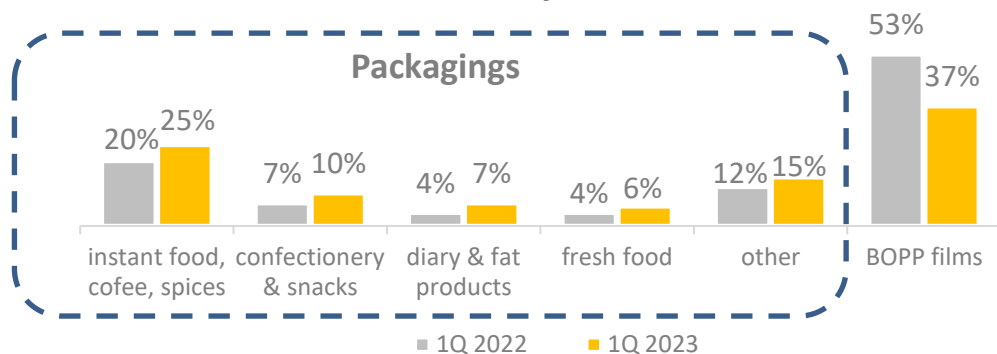
(-) Launch of two new BOPP film production facilities in the EU with a combined production capacity of nearly 100,000 tons/year, which, combined with previous overproduction in the industry and weak demand, results in a "price war" in the market.

(PLN million)	1Q 2023	1Q 2022	change
Sales	349	404	-14%
Domestic	171	177	-3%
International	178	227	-21%
EBITDA	62,3	102,1	-39%
EBITDA margin	17,9%	25,2%	-7,3p.p.

A decrease in sales value due to lower volumes and lower prices in Alupol Films, despite an increase in turnover in the packaging area.

A decrease in EBITDA, despite its growth in the packaging area, due to lower sales and lower margins in Alupol Films compared to above-average levels recorded in 1Q 2022 due to the outbreak of the war in Ukraine.

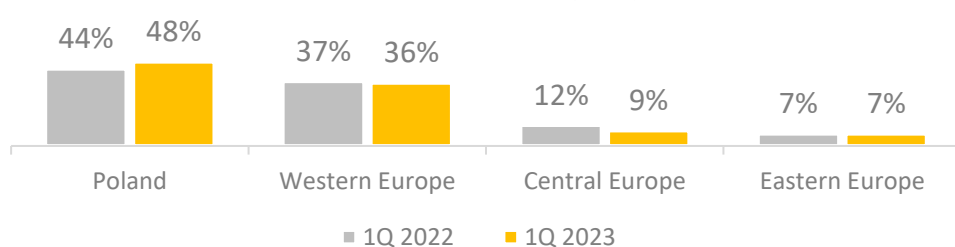
Sales breakdown by industries



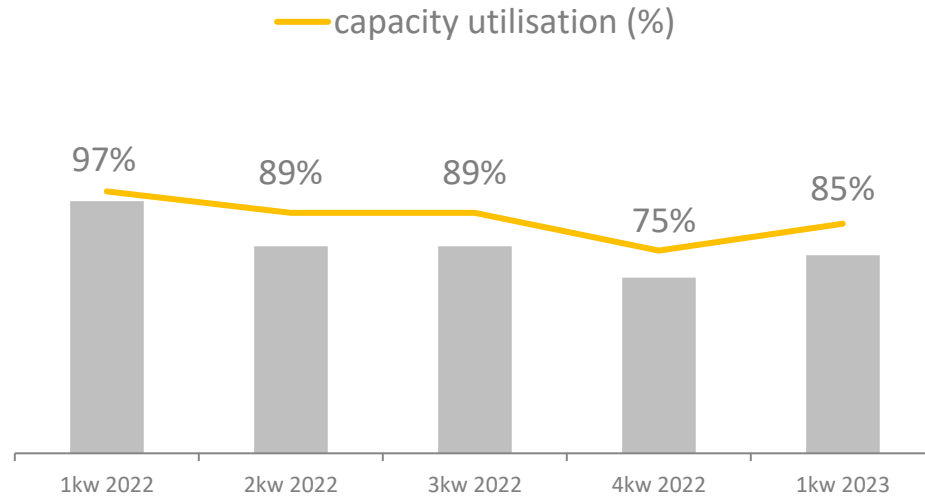
Adjustment of the share of BOPP film sales value in the product basket - 37% vs. 38% assumed in the long-term strategy - significant reduction in PP granule/film BOPP prices and weaker demand in the market compared to the record levels in 1Q 2022.

Continued high share of exports in total sales value: 52% in 1Q 2023.

Sales breakdown by regions



Significant increases in sales to Switzerland, the Netherlands, France, Slovakia, Croatia, and Ukraine.



A significant increase in the utilization of production capacity compared to 4Q 2022, despite supply pressure in the BOPP segment market.

(PLN million)	Budget 2023	1Q 2023 execution	% of budget
Investments	19,6	2,3	12%

The investment plan was executed according to schedule.

The expenditures mainly focused on investments that sustain the production potential of the Segment.



CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED FINANCIAL RESULTS

<i>PLN million</i>	1Q 2023	1Q 2022*	<i>change</i>
Sales	1 373,0	1 500,1	-8%
EBITDA	200,6	267,9	-25%
<i>EBITDA margin</i>	<i>14,6%</i>	<i>17,8%</i>	
Operating profit	156,8	229,2	-32%
<i>operating margin</i>	<i>11,4%</i>	<i>15,3%</i>	
Financial gain (loss)	-16,6	-5,1	
Profit before tax	140,2	224,2	-37%
Corporate tax	-4,1	-49,0	
net profit	135,7	174,8	-22%

Reduction in sales revenue: mainly due to volume effects and the decrease in prices of major raw materials.

EBITDA - lower volumes in all segments and a normalization of margins in FPS:

EPS (-) PLN 5.9 million

ASS (-) PLN 20.8 million

FPS (-) PLN 40.2 million

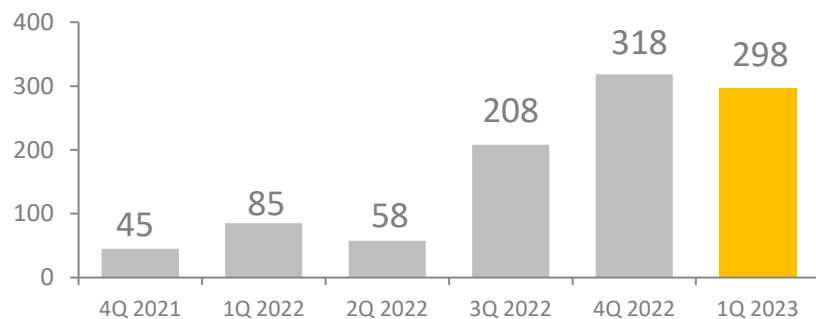
Net financial costs - mainly interests on loans.

Effective tax rate - positive impact from the recognition of an asset for deferred tax due to investment incentives (PLN 23 million).

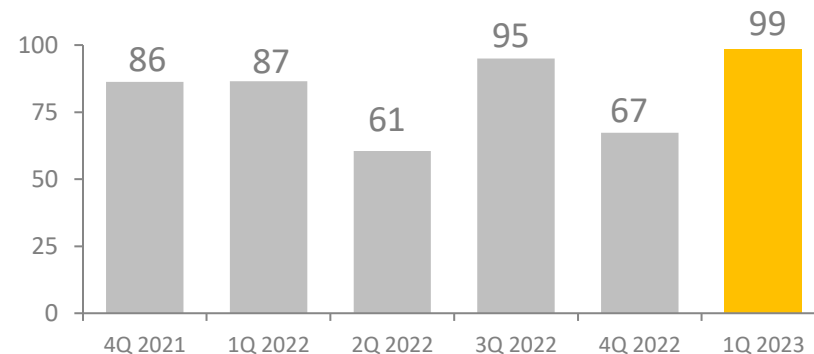
* In the 1st quarter of 2022, the financial results included write-downs updating the value of assets of companies located in Ukraine in the amount of PLN 48 million (PLN 39 million in EPS and PLN 9 million in ASS).

CASH FLOW

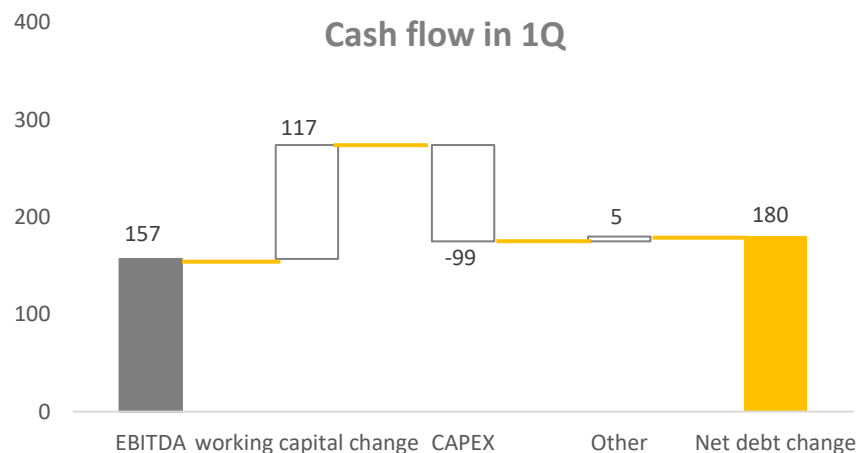
Operating cash flow (PLN million)



CAPEX (PLN million)



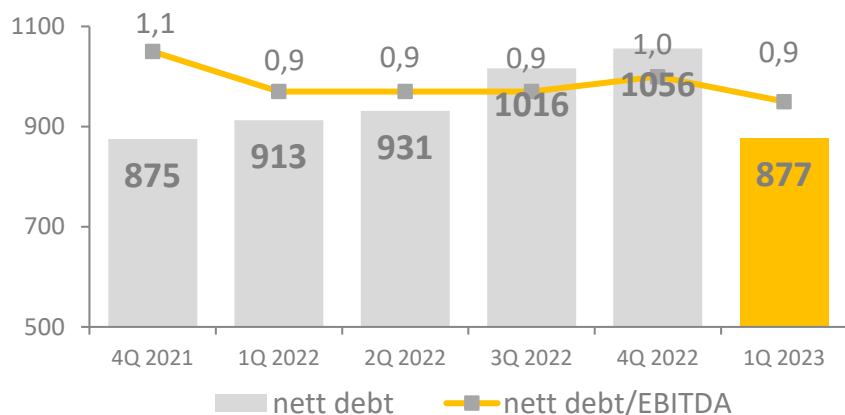
Cash flow in 1Q



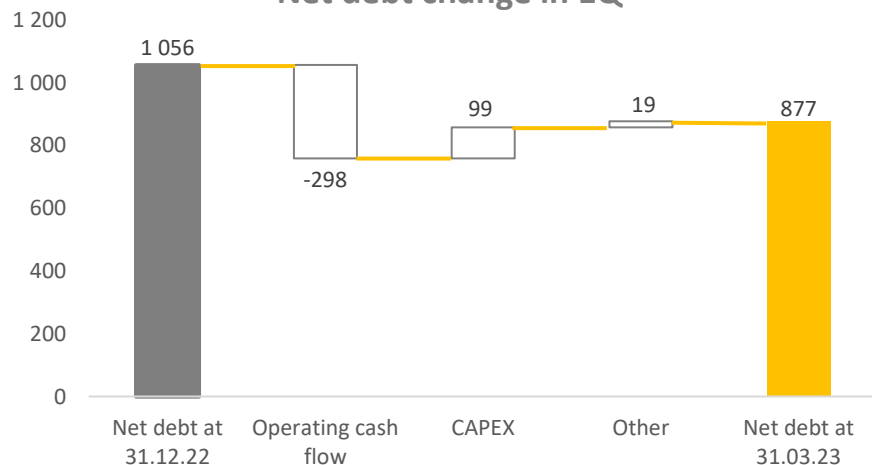
- **Cash flows from operating activities** - including a decrease in net working capital by PLN 117 million.
- **Investment expenditures** - in line with the schedule for project implementation.
- **Net debt** - decreased by PLN 180 million in 1Q 2023.

FINANCIAL RATIOS

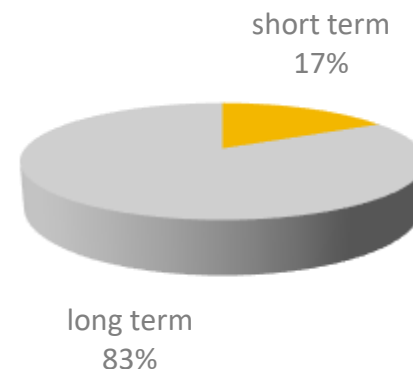
net debt (PLN million)* / net debt/EBITDA ratio



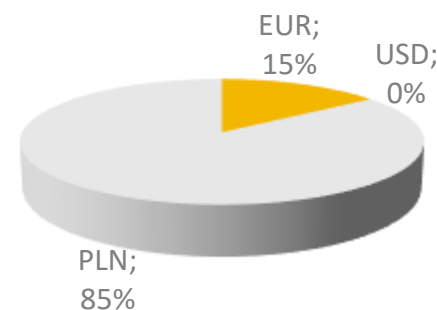
Net debt change in 1Q



Debt maturity structure



Debt currency structure



- **Stable financing structure and safe level of financial ratios** - 0.9 - net debt/EBITDA.
- **High operating cash flows** allow financing investments and reducing net debt.
- **Other:** mainly interest on bank loans.

* Net debt = short-term and long-term liabilities due to loans + short-term and long-term liabilities due to rights to use assets - cash and cash equivalents



MARKET ENVIRONMENT

- RAW MATERIALS PRICE STABILIZATION
- MARKET UNCERTAINTY - SHORT ORDER HORIZONS AND PRESSURE ON TRADING MARGINS



OPERATIONS AND INVESTMENTS

- CONTINUATION OF KEY DEVELOPMENT INVESTMENTS
- COST OPTIMIZATION OF OPERATIONS



FINANCES

- MAINTAINING SAFE FINANCIAL RATIOS
- GSM AT JUNE 21, 2023



ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

Volume sales (`000 tons)	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Extruded Products Segment	23,5	23,9	19,9	16,0	22,0
Flexible Packaging Segment	26,4	23,2	23,3	19,6	22,7

Segment's EBITDA (PLN million)	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Extruded Products Segment	81,9	124,4	74,7	47,8	76,0
Aluminum Systems Segment	98,4	129,7	78,8	71,2	77,6
Flexible Packaging Segment	102,1	98,0	88,2	41,7	62,3

Annual forecast (PLN million)	2023	2022	change	1 Q 2023	% of forecast
Sales	5 271	5 931	-11%	1 373	26%
EBITDA	721	1 031	-30%	201	28%
Operating profit	537	865	-38%	157	29%
Net profit	388	678	-43%	136	35%
CAPEX	387	310		99	26%

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