

2024 FORECAST

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20TH DECEMBER 2023

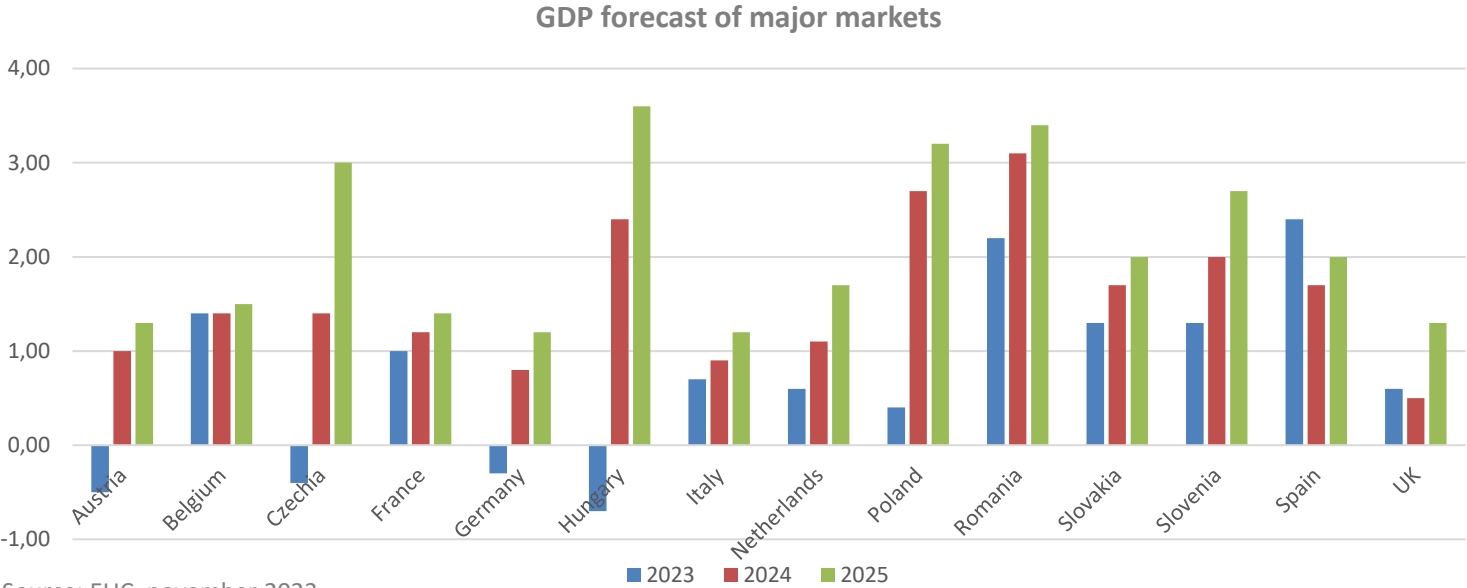
2023 SUMMARY – a good year in a challenging environment

	Revenues	EBITDA	Net profit
4Q 2023	PLN 1 176 mn	PLN 154 mn	PLN 68 mn
2023	PLN 5 200 mn	PLN 852 mn	PLN 536 mn

- lower revenues y/y, mainly reflecting declines in raw material prices
- weakening demand during the year instead of the expected recovery
- pressure on margins

Thanks to high operational efficiency, Grupa KĘTY achieved results above the original expectations for 2023

2024 FORECAST – a year full of challenges



Despite the expected improvement in the economic situation in most major markets, 2024 will be a period of many challenges:

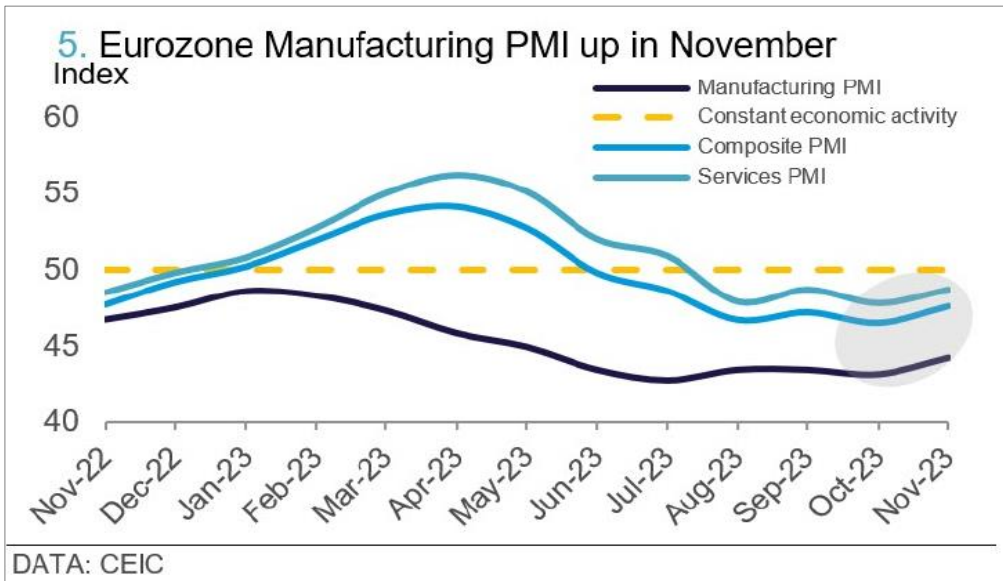
- launch and effective use of increased production capacity,
- maintaining high financial indicators,
- developing a strategy for further development.

OPERATING SEGMENTS – 2024 FORECAST

EXTRUDED PRODUCTS SEGMENT – market environment



- Negative market trends persist in the European extruded products sector with low demand and falling prices
- The first signs of improvement in the economic situation in the European industry are emerging - the decline is easing
- The long-term outlook remains positive - a clear rebound is expected in the second half of the year
- Currently, the construction industry is still in a downturn, unlike the automotive, engineering and other key industry sectors, which are seeing a return to growth. Expected improvement in the construction industry in the second half of the year.



EXTRUDED PRODUCTS SEGMENT – 2024 targets

PLN million	P2023	F2024	change
Sales volume [000 t]	88	94	+6%
Revenues, including	2 106	2 136	+1%
Poland	999	998	0%
International	1 107	1 138	+3%
EBITDA	284	315	+11%
<i>EBITDA margin</i>	<i>13,5%</i>	<i>14,8%</i>	
Investments, including	167	157	
development projects	118	79	
Employees	2 032	2 050	+1%

- Increase in volume sales / lower dynamics in terms of value (decrease in the value of the billet premium and strengthening of PLN against USD)
- High level of profitability
- Completion of development investments: mainly a 4,000-ton press and a warehouse, development of component production
- Employment - mainly the effect related to development investments

ALUMINIUM SYSTEMS SEGENT – market environment

<p>the volume production of windows in Europe decreased by 13 - 15% in the first half of 2023</p>	<p>the quantitative production of doors and windows in Poland decreased by approximately 20% in the first 8 months of 2023</p>
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Estimates 2023:

Europe:	-5-7% value term
Poland:	-12-14% volume term (windows) -15% volume term

2024 outlook:

Europe:	+2-4%		new buildings
			renovations

2025 outlook:

Europe:	+10-15%		new buildings
			renovations

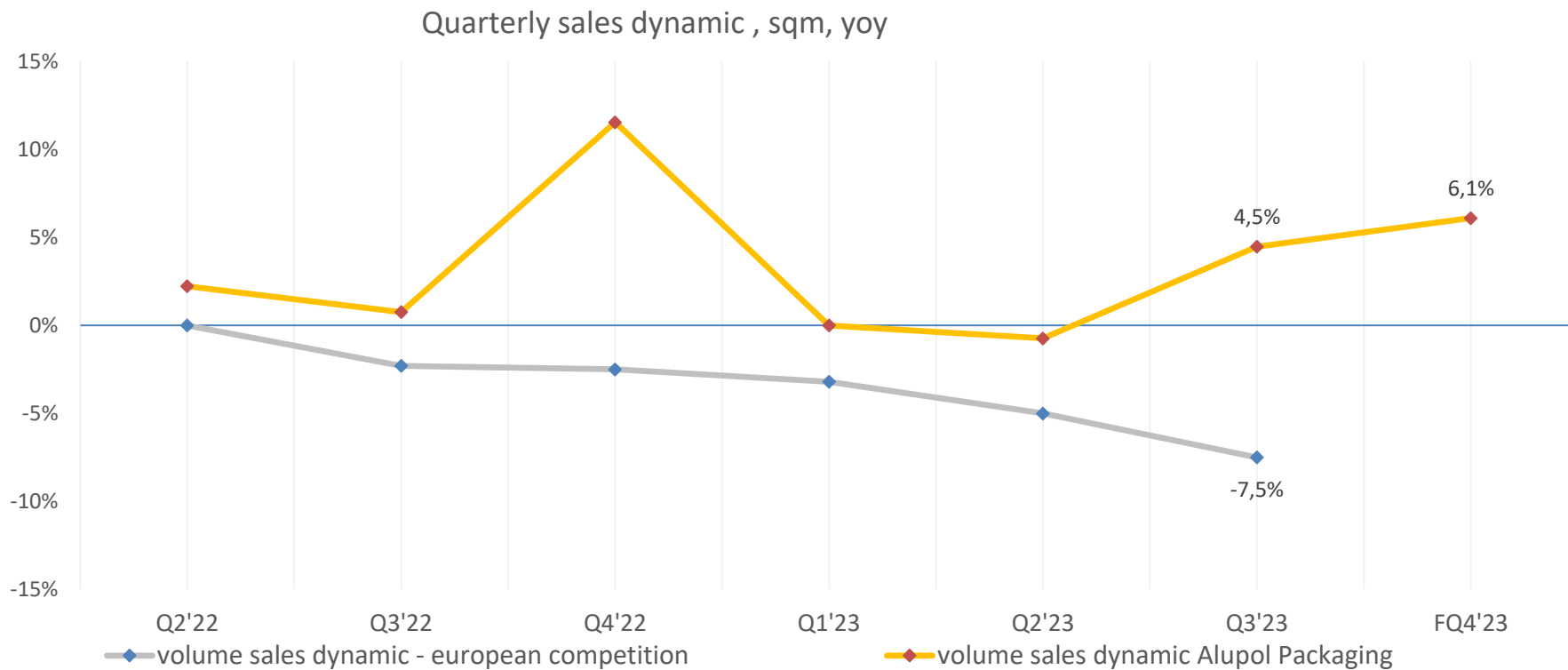
Renovations / modernizations the chance to stimulate European market

ALUMINIUM SYSTEMS SEGMENT – 2024 targets

PLN million	P2023	F2024	change
Revenues, including	2 359	2 459	+4%
Poland	1 425	1 462	+3%
International	935	998	+7%
EBITDA	408	430	+5%
<i>EBITDA margin</i>	<i>17,3%</i>	<i>17,5%</i>	
Investments, including	139	112	
development projects	87	53	
Employees	2508	2607	+4%

- Assumed increase in sales with a slight drop in raw material prices, maintaining the assumption of a higher growth rate on foreign markets (relatively small market share in western countries allowing for sales increases despite the difficult environment)
- Assumed to maintain high profitability
- Completion of development investments - mainly the plant in Złotów and machinery in other locations
- Employment - development of sales services and technical support for customers, a new plant in Złotów and increased production of fire-resistant glass

ALUPOL PACKAGING VS MAIN COMPETITION IN EUROPE



In the difficult year 2023 for the flexible packaging industry, Alupol Packaging achieved significantly higher volume sales dynamics than its European competition

PRO-ENVIRONMENTAL TRENDS IN PACKAGING - THREATS

There is a belief on the market that the currently implemented homogeneous laminates based on BOPP and PE foils for the food industry are a temporary solution. They are to be ultimately replaced with single-layer, high-barrier paper packaging.

Yesterday



Today



Tomorrow



Homogeneous structures based on ecological paper



Multi-material based laminates aluminum, paper and polyester

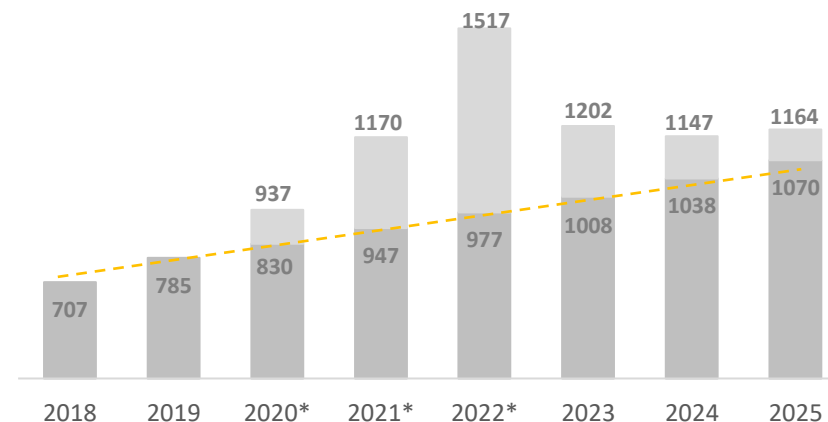
Homogeneous, easy to recycle laminates on based on polyethylene and polypropylene foils

F2024 VS P2023 AND MARKET ENVIRONMENT

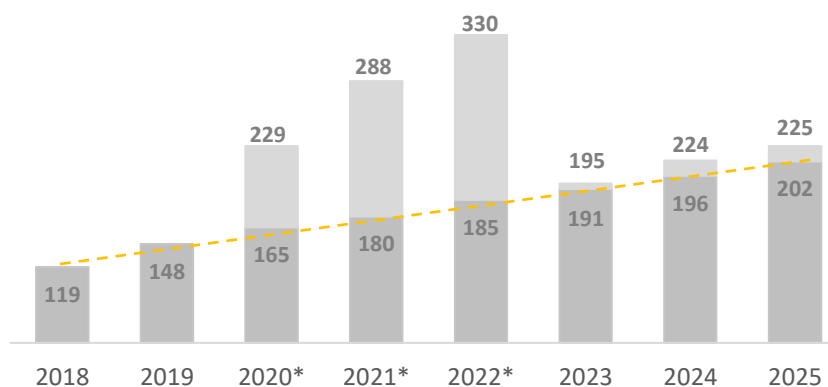
PLN million	P2023	F2024	change
Revenues	1 202	1 147	-5%
EBIT	162	191	+18%
<i>EBIT margin</i>	<i>13,5%</i>	<i>16,7%</i>	
EBITDA	195	224	+15%
<i>EBITDA margin</i>	<i>16,3%</i>	<i>19,5%</i>	
Net profit	124	147	+18%

- Assumed decline in revenues due to lower prices of raw materials, energy and changing sales structure - replacing highly processed multi-material laminates with simple, homogeneous structures
- EBIT, EBITDA and net profit higher mainly due to the assumed increase in profitability
- Completed order portfolio in the packaging segment
- Planned further increase in sales to the largest international concerns in the food industry
- Planned increase in packaging sales for the so-called "own brands" of the largest retail chains in Europe

Revenues PLN million



EBITDA PLN million



* One off events:

2020 – COVID19 pandemy

2021 – blockade of the Sues Canal

2022 – war in Ukraine,

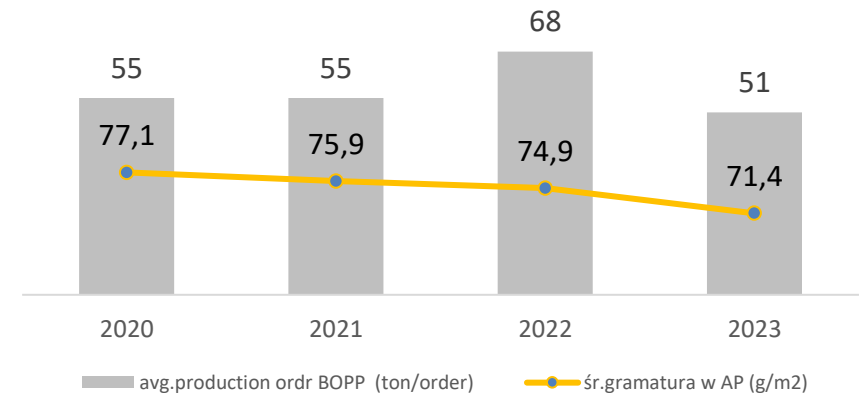
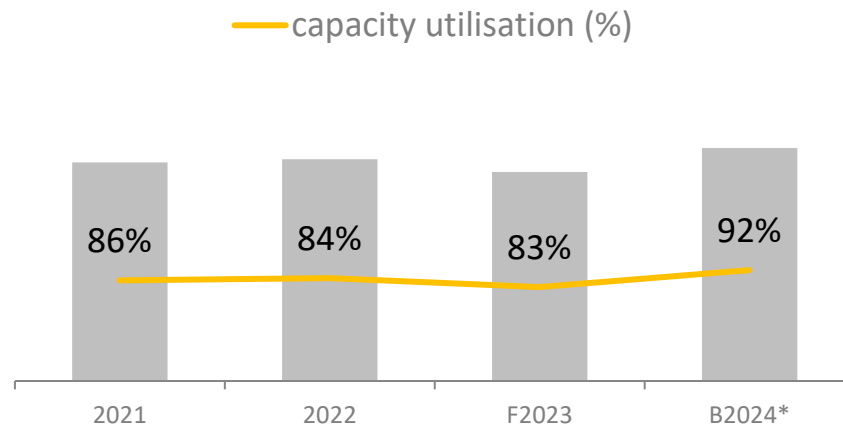
----- current Strategy levels

INVESTMENTS AND CAPACITY UTILISATION

PLN millions	P2023*	F2024
Invstments	18,1	15,0

* Initial forecast of investment for 2023 was PLN 19,6 million

- The segment implements the investment program in accordance with the adopted long-term strategy.
- Investment expenditure only concerns expenditure aimed at maintaining the existing production potential



- Increased use of the Alupol Group's production potential, mainly in the flexible packaging segment

- Decrease in the average grammage of packaging materials on the market
- A significant decline in the average production order in the BOPP business

FINANCIAL FORECASTS AND ESG GOALS

2024 FORECAST – MAIN ASSUMPTIONS

Basic macroeconomic assumptions for the 2024 Forecast		
	P2023	F2024
<i>GDP Poand</i>	0,9%	3,0%
<i>GDP Euro Zone</i>	0,7%	1,0%
<i>CPI Poland [%]</i>	12,0%	6,6%
<i>LME Aluminium price 3M [USD/t]</i>	2 278	2 300
<i>Polyethylene resin (EUR/t)</i>	1 120	1 100
<i>Polypropylene resin (EUR/t)</i>	1 060	1 000
<i>Forex:</i>		
<i>USD/PLN</i>	4,26	4,18
<i>EUR/PLN</i>	4,59	4,58
<i>EUR/USD</i>	1,08	1,10

The 2024 forecast was prepared based on the assumptions adopted in Q4 2023, including forecasts published on news websites based on surveys conducted by several dozen financial institutions.

They indicate:

- increasing economic growth dynamics vs. 2023 with falling inflation
- similar price levels for aluminum and plastic resins
- strengthening of the value of PLN against foreign currencies.

2024 FORECAST – CONSOLIDATED RESULTS

PLN million	F2024	P2023	change
Revenues, including:	5 269	5 200	+1%
<i>EPS</i>	2 136	2 106	+1%
<i>ASS</i>	2 459	2 359	+4%
<i>FPS</i>	1 147	1 202	-5%
EBITDA including:	945	852	11%
<i>EBITDA margin</i>	17,9%	16,4%	
<i>EPS</i>	315	284	11%
<i>ASS</i>	430	408	5%
<i>FPS</i>	224	195	15%
Operating profit	742	673	10%
<i>operating margin</i>	14,1%	12,9%	
Result on financial operations	-78	-66	
Profit before tax	664	607	9%
Corpotate tax	-95	-71	
Minorities	1	1	
Net profit	567	536	6%

Higher revenues in B2024 vs PW 2023 are mainly the result of higher volumes and the negative impact of raw material price changes

Continuation of activities to increase efficiency and launch of new installations

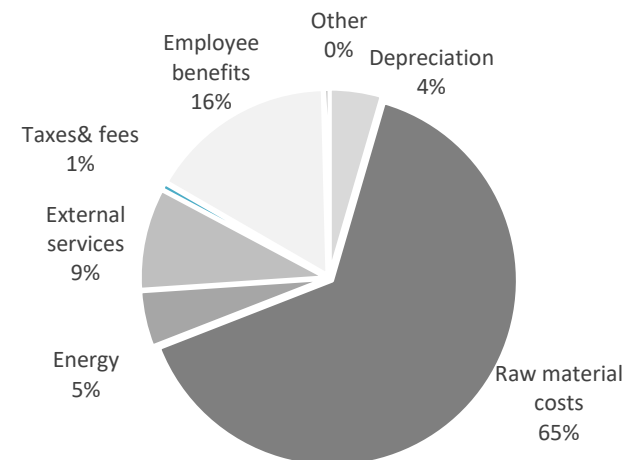
The result on financial activities mainly includes costs of debt

In F2024, PLN 37 million of deferred tax assets were recognized on investment projects covered by reliefs

2024 FORECAST – OPERATING COSTS

PLN million	P2023	F2024	change
Total costs, incl.:	4 553	4 527	-1%
Depreciation	179	203	13%
Raw material costs	3 008	2 925	-3%
Energy	238	217	-8%
External services	370	399	7%
Taxes & fees	22	25	14%
Employee benefits	679	743	9%
Other	21	18	-14%
<i>Change in inventories of finished goods</i>	-54	0	
<i>Costs of producing products for own needs</i>	18	4	

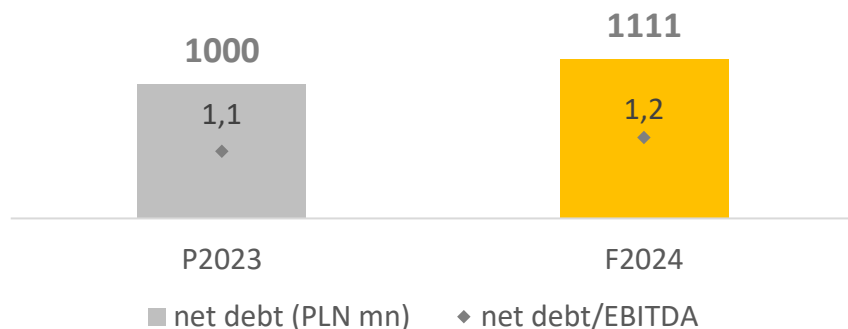
Cost structure F2024



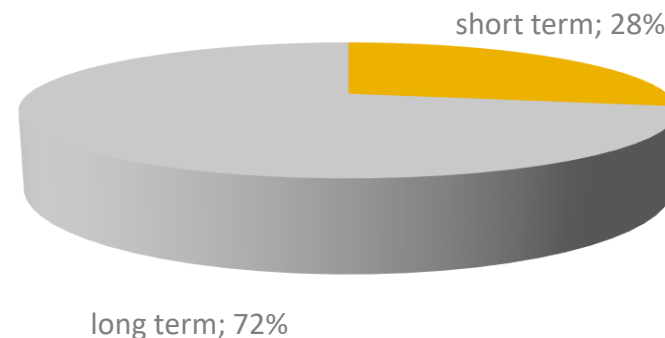
- **Raw material costs** - changes in production volumes and macro assumptions
- **Energy** - decrease in unit prices and changes in volume of production
- **External services** (mainly: logistics costs, services of subcontractors) - changes in sales volumes and increase in labor costs at subcontractors
- **Taxes and fees** - mainly real estate tax and PFRON
- **Employee benefits** – assumed changes in individual salaries and employment levels

2024 FORECAST – DEBT & OTHER FINANCIAL RATIOS

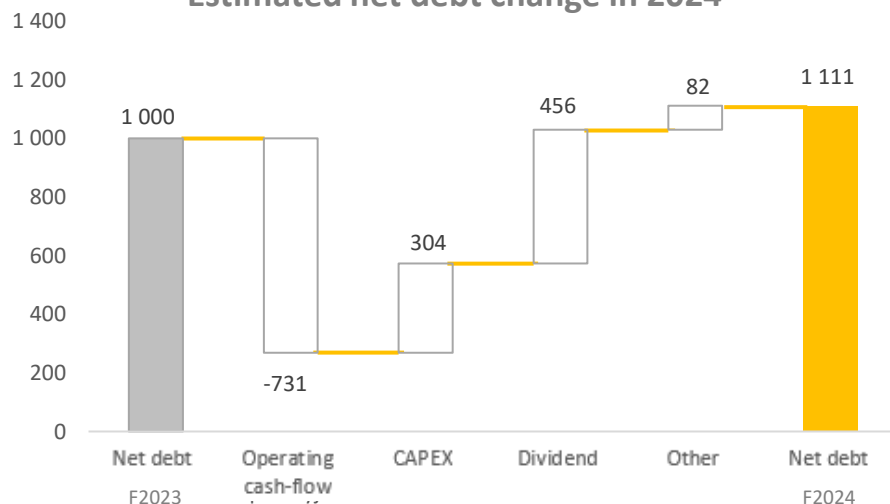
Estimated net debt/EBITDA



Estimated debt maturity structure at the end of 2024



Estimated net debt change in 2024



- extension of the availability of main credit lines (December 2023)
- cash flows from operating activities include the increase in working capital - PLN 105 million
- finalization of the main development investments of the Strategy until 2025
- dividend level consistent with the assumptions of the Strategy until 2025 (final recommendation of the Management Board and decisions of corporate bodies in the first half of 2024)

2024 FORECAST – SELECTED ESG GOALS

Odpowiedzialni za środowisko



Indicator name	goal 2025	P2023	F2024
Reducing the intensity of greenhouse gas emissions	-20%* podwyższenie celu z -15%	-19,3%	-19,7%
Share of aluminum scrap in products extruded from low-emission billets LOW CARBON KETY	75%	70,9%	72,0%
Increase in the number of ecologically certified facilities implemented in Alprof systems	+65% podwyższenie celu z +20%	+47%	+55%
Increase in the share of recyclable packaging films and laminates produced	+5%	+3%	+4%

Społeczne zaangażowanie



Indicator name	goal 2025	P2023	F2024
Implementation of social initiatives under the "Together with the Group" program	150	143	193
Increased work safety - TRiR indicator	<1	1,18	1,12
Employee turnover ratio	-5% r/r	10,3	9,7

Profesjonalni w biznesie



Indicator name	goal 2025	P2023	F2024
Stable dividend policy	60-100%	85%	85%
Involvement of suppliers in the sustainable development of the Capital Group	100%	90%	95%

**AMBITIOUS GOALS ADOPTED FOR 2024 - STARTING NEW PRODUCTION CAPACITY /
EXPECTING IMPROVEMENT OF THE MARKET ENVIRONMENT**

**GOOD LONG-TERM DEVELOPMENT PROSPECTS FOR ALL OPERATING SEGMENTS OF
GRUPA KĘTY**

**GRUPA KĘTY STRENGTHENS THE MARKET POSITION OF A STRONG PLAYER WITH STABLE
FINANCIAL FOUNDATIONS**

THANK YOU

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