



Investor presentation

— 1H 2020

The art of prefabrication

[www.pekabex.pl](http://www.pekabex.pl)



## Key numbers in 1H20

Solid fundamentals create basis for dynamic development



**PLN 788 m**

Value of backlog as  
of 30.06.2020\*



**PLN 478 m**

Revenues



**93.400 m<sup>3</sup>**

prefabricated  
elements produced



**PLN 30 m**

Net income

\*Concerns prefabrication contracts, construction services, pilot development project on their own account and production services

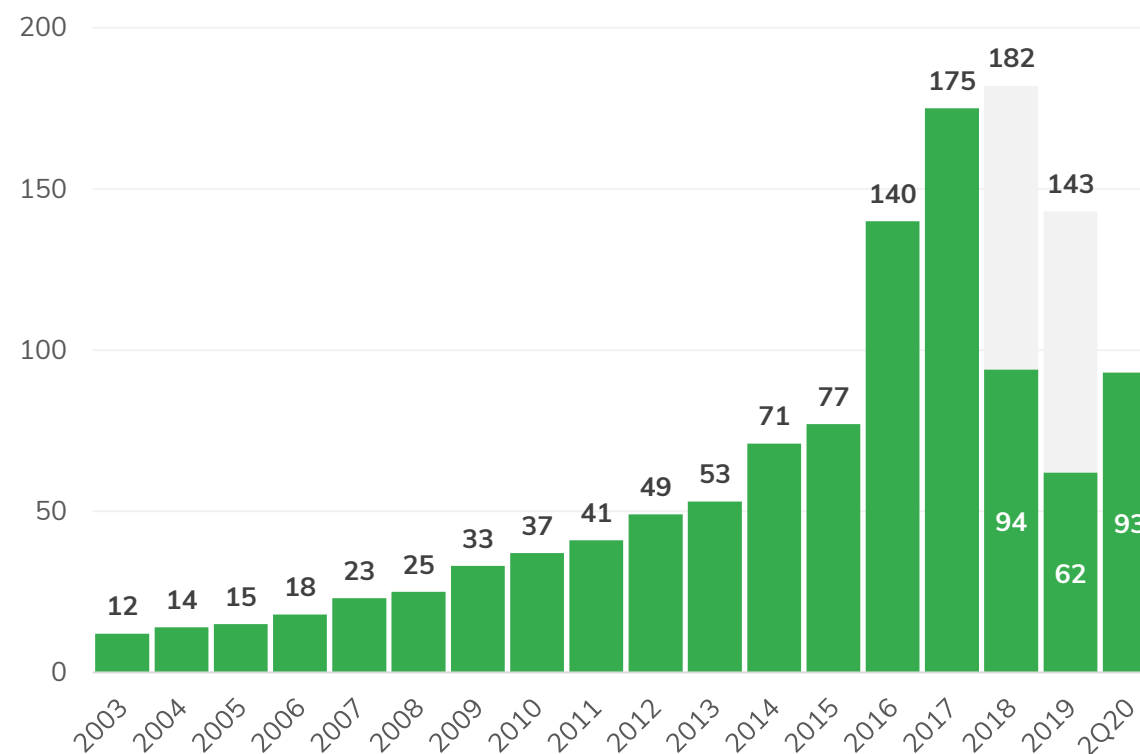
## Prefabrication production

### Stable growth of production

Increased production in prefabrication segment results mainly from the volume of realized contracts in first half of 2020; production amounted to 93.392 thous. m<sup>3</sup> while in the prior period of 2019 amounted to 61.740 thous. m<sup>3</sup> and in 1H 2018 amounted to 93.911 m<sup>3</sup>.



Volume of production in 2003-2020\* (000 m<sup>3</sup>)



\* Additionally, production presented for prior periods of 2Q 2018 to 2Q 2020.

## Backlog

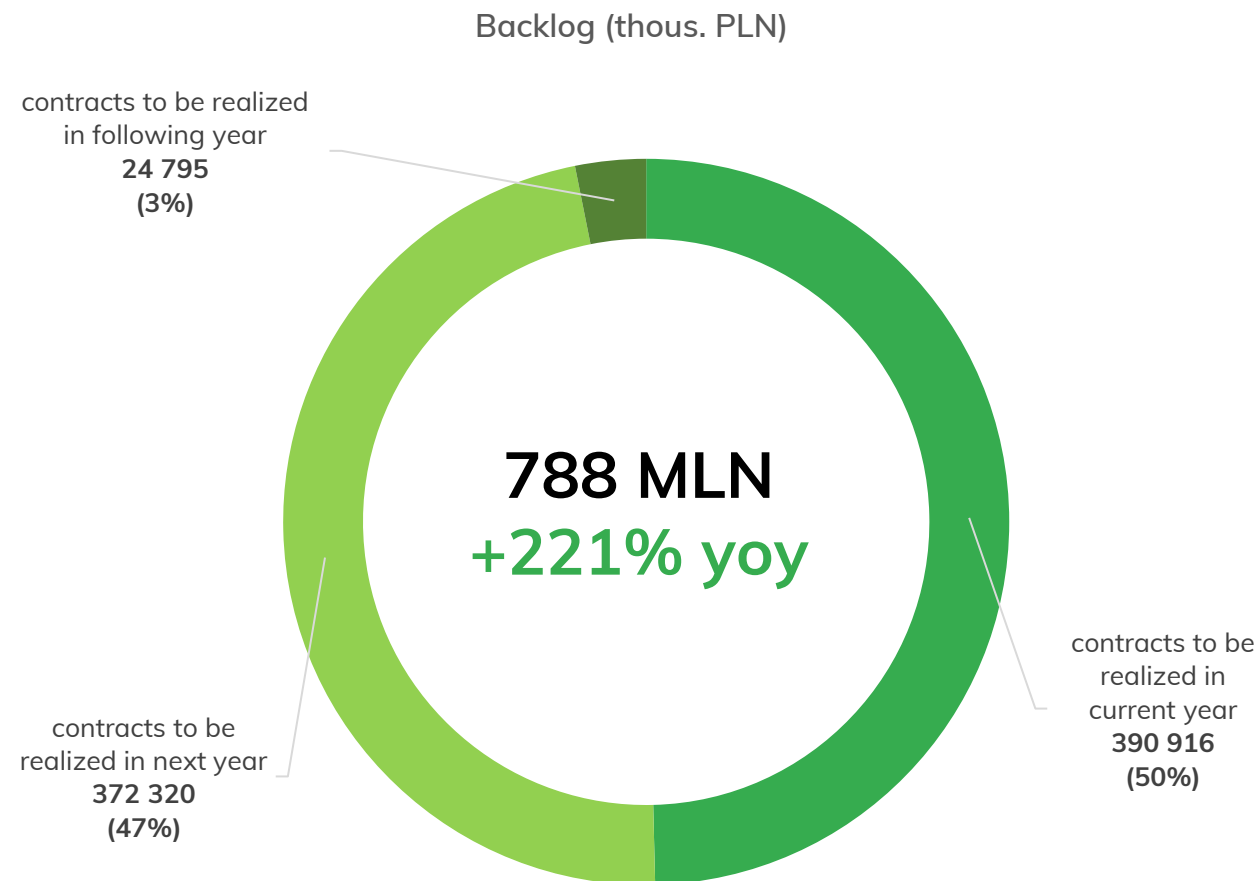
### Strong, well-diversified backlog

Pekabex Group systematically builds strong and well-diversified backlog, which will fill the production in following years. It contains aggregated value of signed contracts, which are/will be realized, and revenues will be recorded after the balance sheet date.

Value of contracts to be realized from 30.06.2020 is equal to PLN 788m and it has increased by about 38% comparing to 31.12.2019.

Backlog in 30.06.2020 does contain expected revenues from pilot project (Jasielska phase 2) realized on company's own account.

Eventually, revenues depend on many factors beyond company's control. Value of backlog broken down into each period/year, is calculated assuming timely execution of contracts (e.g. no delay and lack of other unexpected situations that could affect contract execution).

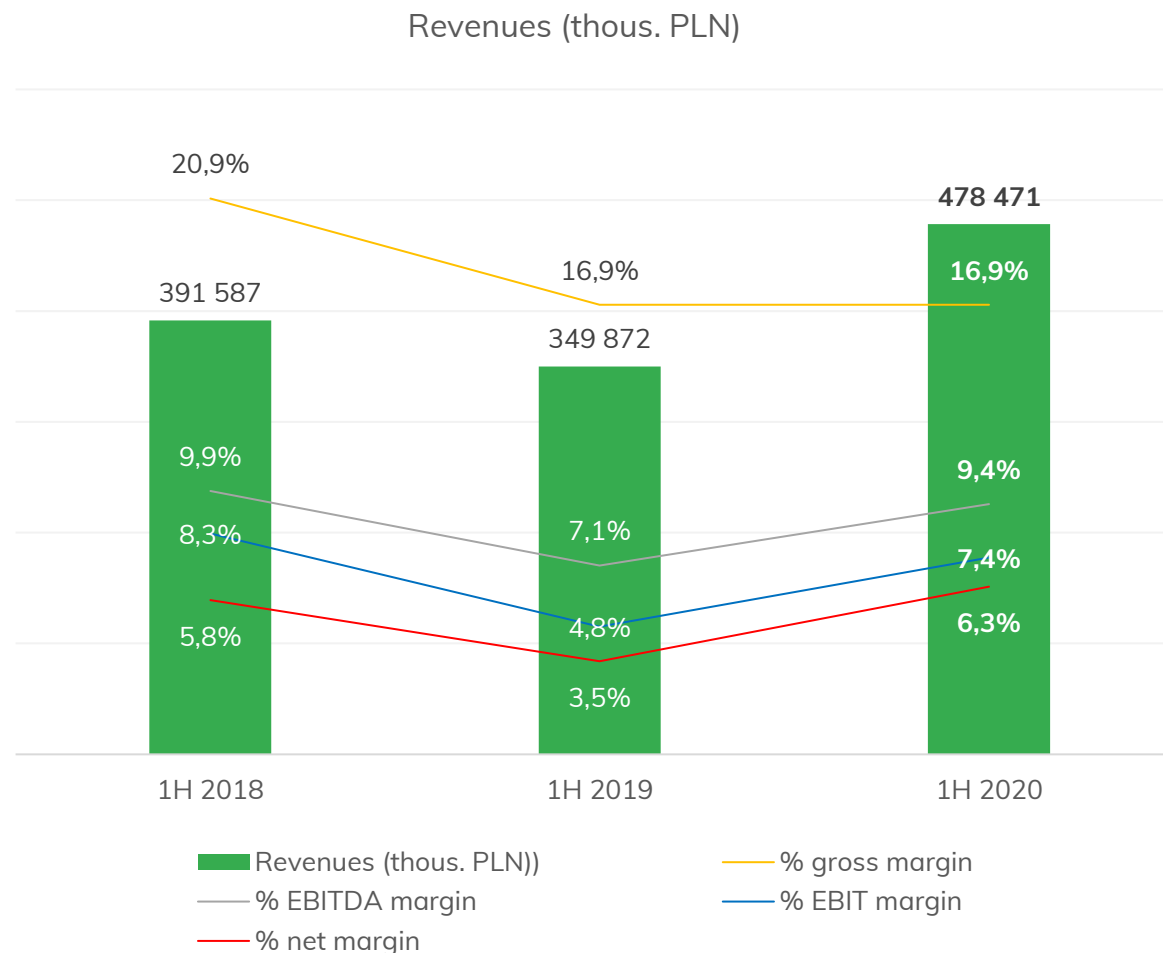


## Profit and Loss Account

### Revenue growth and stable margins

First half 2020 was exceptional record period in terms of revenues and results.

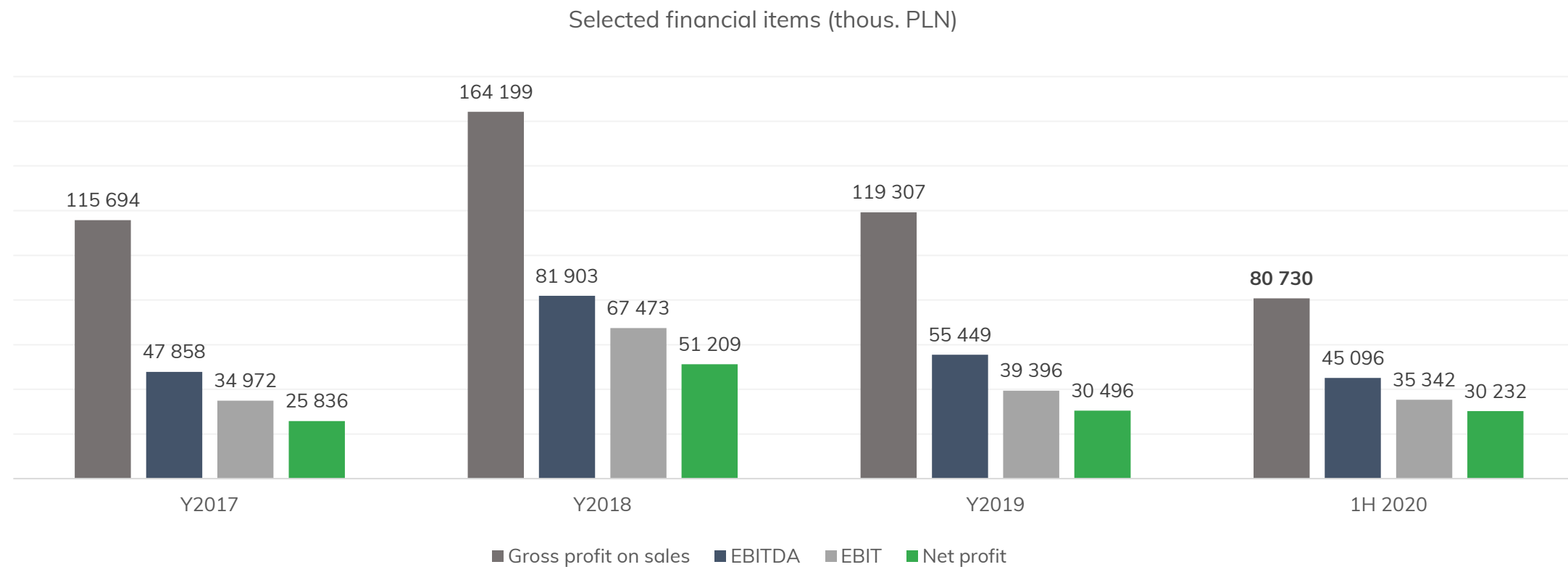
Good sales results and profitability achieved in first half of 2020 compared to the same period of 2019 is mainly the result significant increase in revenues in contracts segment - construction services (increase by PLN 65 272 thous.) at unchanged average stable profitability (6,7%) compared to the entire year 2019 (6,6%) and in the first quarter of 2020 amounted to 6.8% and increased revenues (by PLN 62 899 thous.) and operating profitability in contracts segment - prefabrication. Growth in this segment results mainly from the volume of production realized in first half of 2020; production amounted to 93.392 thous. m<sup>3</sup> while in the prior period of 2019 amounted to 61.740 thous. m<sup>3</sup>.





## Profit and Loss Account

H1 2020, similar to the results for the entire 2019



## Strong balance sheet & financial stability

### Stable and safe level of financial leverage

#### Net Debt

Net Debt is the difference between financial liabilities (loans, borrowings and other external sources of financing, financial leasing) and cash and cash equivalents. Level of Net Debt indicates good financial condition of Pekabex.

#### Net Debt and EBITDA

Net Debt to EBITDA ratio remains at a very low level.

In thous. PLN	30.06.2020	30.06.2019	Change %	31.12.2019
<b>Fixed assets</b>	<b>343 808</b>	<b>274 690</b>	<b>+25,2%</b>	<b>338 184</b>
<b>Current assets, including:</b>	<b>423 028</b>	<b>341 599</b>	<b>+23,8%</b>	<b>415 709</b>
Inventories	83 180	62 432	+33,2%	61 986
Assets from construction contracts valuation	40 032	24 068	+66,3%	41 737
Trade and other receivables	211 189	157 237	+34,3%	196 875
Cash	86 442	92 899	-7,0%	106 572
<b>Equity</b>	<b>338 514</b>	<b>290 083</b>	<b>+16,7%</b>	<b>309 270</b>
<b>Long-term liabilities, including:</b>	<b>145 594</b>	<b>97 565</b>	<b>+49,2%</b>	<b>135 216</b>
Long-term financial liabilities*	121 112	77 273	+56,7%	113 395
<b>Short-term liabilities, including:</b>	<b>282 729</b>	<b>228 640</b>	<b>+23,7%</b>	<b>309 406</b>
Current financial liabilities*	44 348	27 264	+62,7%	23 142
Liabilities from construction contracts valuation	38 365	29 420	+30,4%	40 729
Trade and other payables	159 504	141 242	+12,9%	208 090
<b>Total equity and liabilities</b>	<b>766 837</b>	<b>616 288</b>	<b>+24,4%</b>	<b>753 893</b>
Net debt	79 018	11 637	+579,0%	29 965
Net debt/EBITDA	1.04	0.17	-	0.54

\*loans, borrowings and other external sources of financing, financial leasing

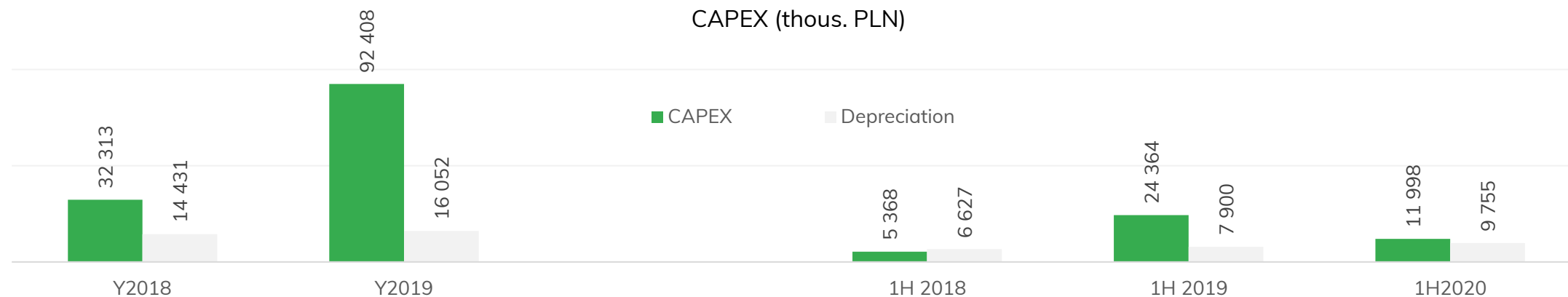
## Strong balance sheet & financial stability

### CAPEX to expand growth potential

#### CAPEX policy:

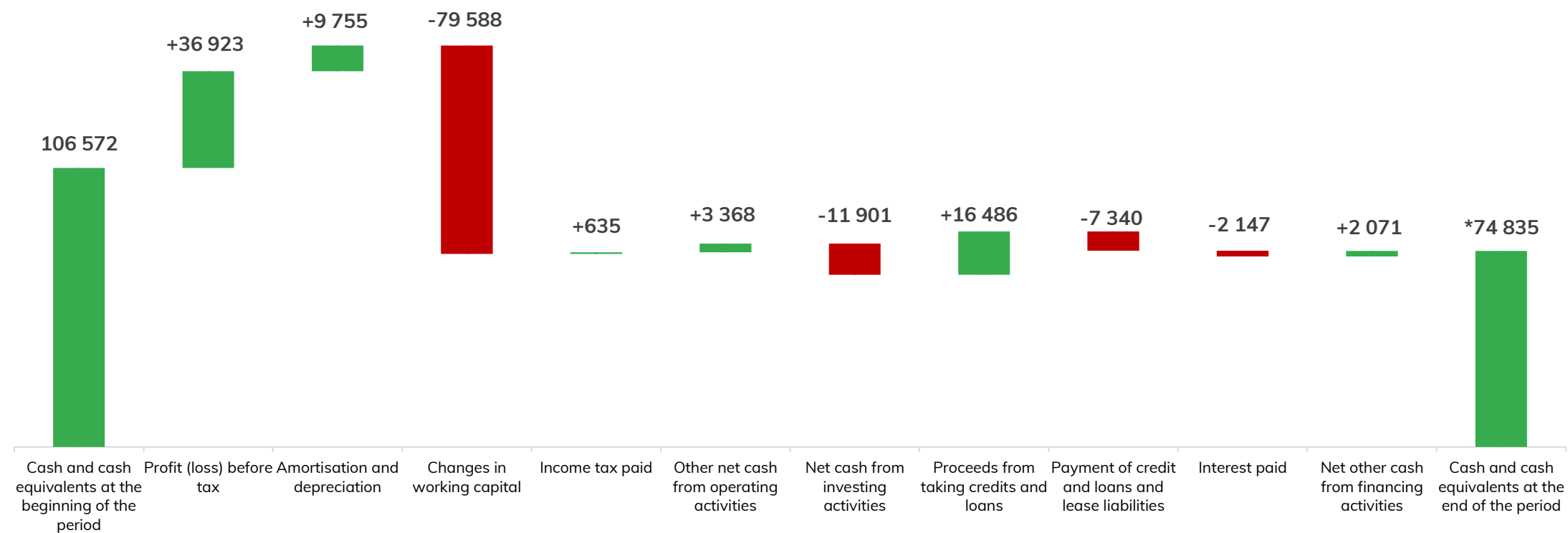
- › Improving **production capacity and efficiency** (new investments with the required rate of return of 20% - target: 30%),
- › Improving the **quality of products**,
- › Improving **health and safety in work**,
- › Investments that are related to automation and computerization.

CAPEX breakdown	2014	2015	2016	2017	2018	2019	1H20
Land	0	6 137	8 522	0	5 946	76	0
Buildings	3 664	20 487	15 109	1 967	1 252	5 126	28 280
Machinery and equipment	10 697	6 867	30 205	1 245	1 217	7 750	42 441
Vehicles	1 694	279	905	451	915	1 775	717
Other fixed assets	1 864	472	1 771	894	2 449	1 779	809
Fixed assets under construction	204	9 656	4 748	2 362	18 239	75 482	-60 735
Software	54	235	351	359	1 672	421	486
Intangible assets under constructions	12	8	0	40	623	0	0
Depreciation	3 853	6 604	10 628	12 543	13 779	16 052	9 755





## Pekabex cash flow (thous. PLN)



\* Cash in the Group's escrow accounts due over 3 months

## Graphical area (POLAND)

### High production capacity

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The Group is gradually increasing its production capacity through organic development and acquisitions.

Currently, the production capacity is over 230 thous. m<sup>3</sup> per year.

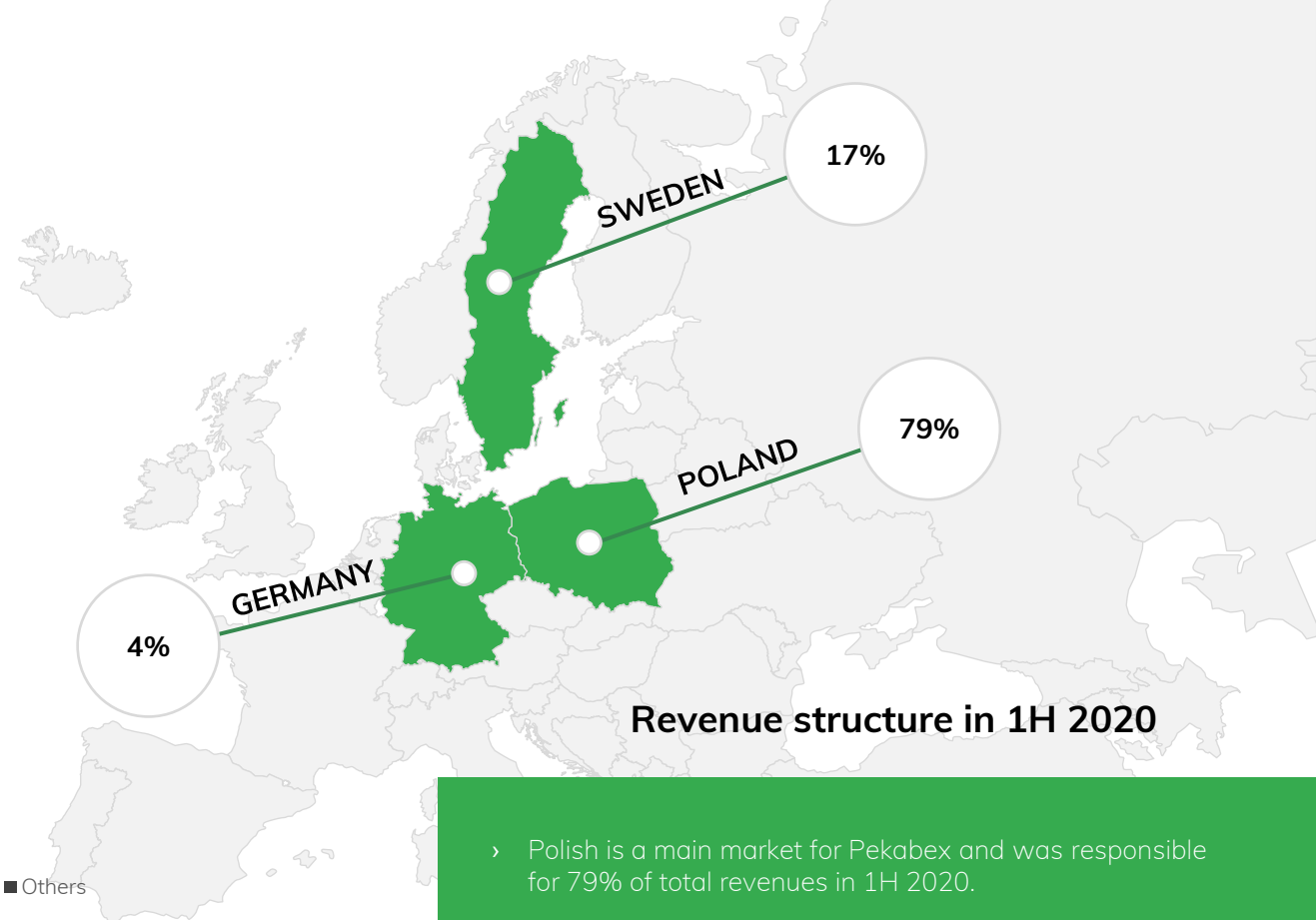
As at the balance sheet date, the Group has 5 production plants in Poland.



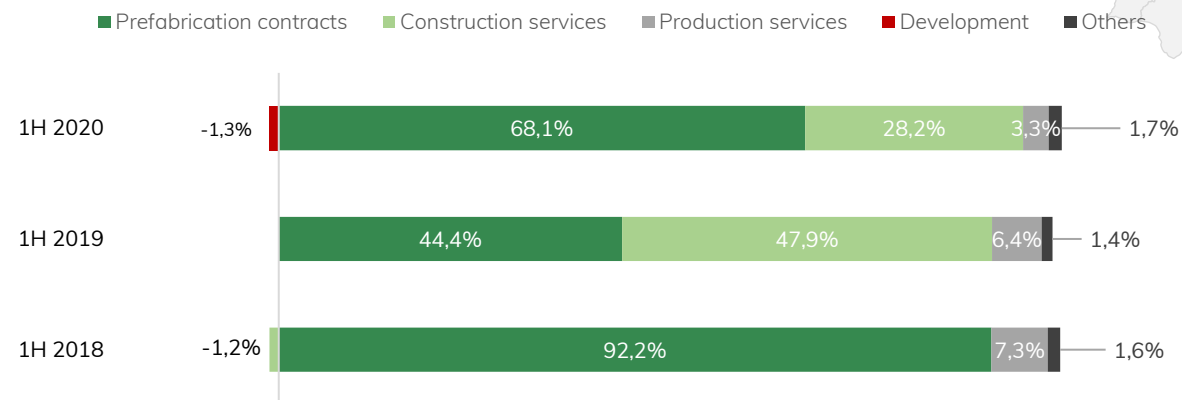
## Graphical area (EUROPE)

### Well diversified revenue sources

Prefabrication contracts and growing importance of general construction are leading segments and generates the largest part of Group's revenues. In connection with establishing cooperation with largest logistic companies in previous year, in 1H 2020 big increase in revenues in construction services segment occurred.



### Profit by segments\*



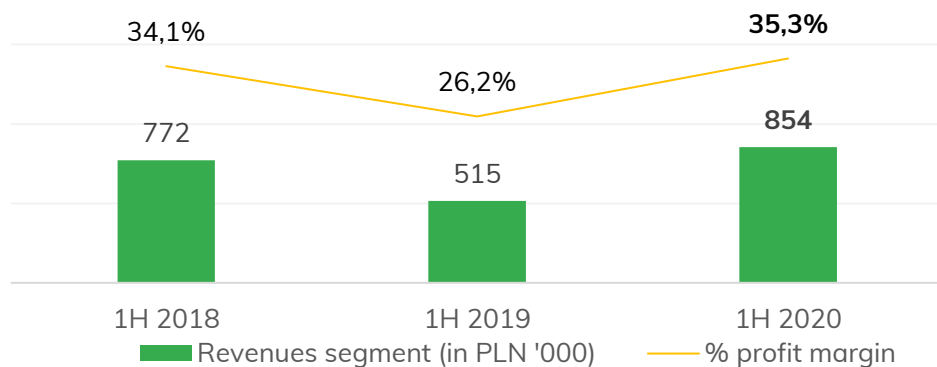
- › Polish is a main market for Pekabex and was responsible for 79% of total revenues in 1H 2020.
- › 100% of revenues in construction services segment are generated in Poland.
- › The second most important market in terms of revenues is Scandinavian market, where prefabrication contracts are being realized.
- › In German market Pekabex generates revenues mainly in production services segment.

\* Profit by segments relates to the operating profit from internal reports reviewed periodically by the Management Board.

## Selected financial data by segments

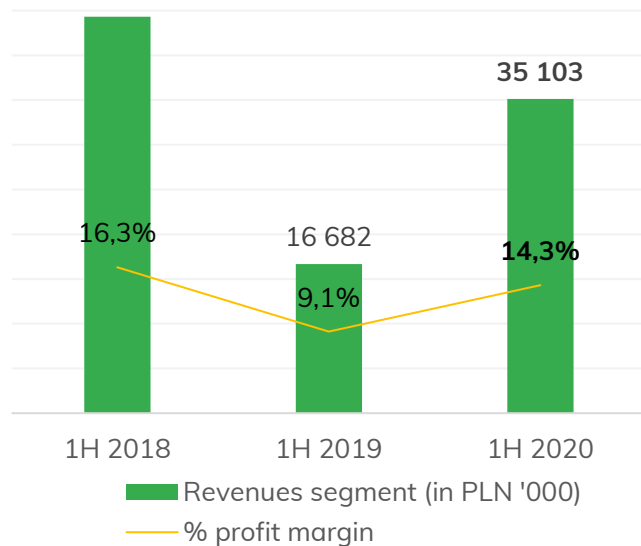
Stable margins in most important segments

Others – segment profile (thous. PLN) and margin

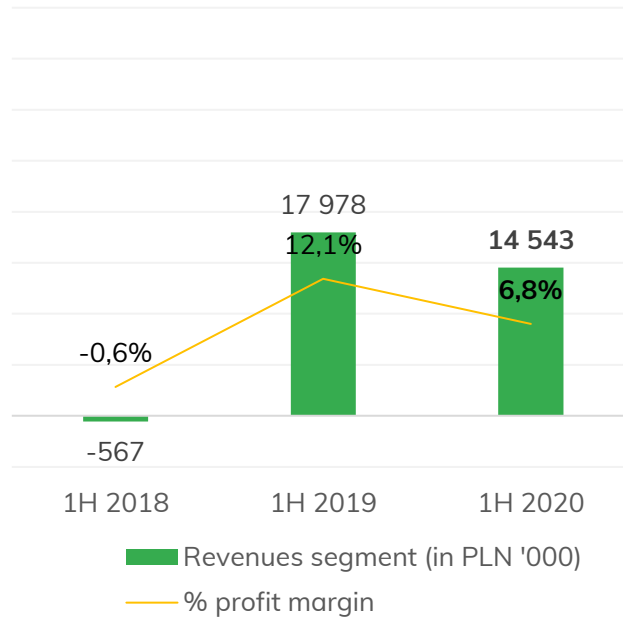


1H20  
New segment –  
**development**  
-72,7% margin

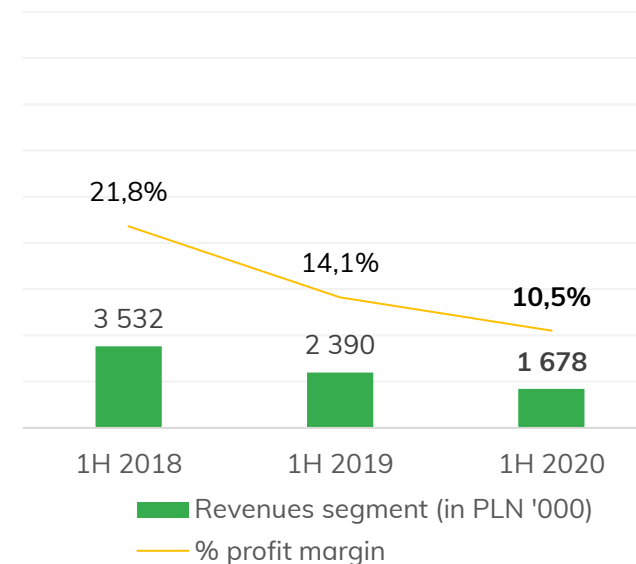
Prefabrication contracts – segment profile (thous. PLN) and margin



Construction services – segment profile (thous. PLN) and margin



Production services – segment profile (thous. PLN) and margin

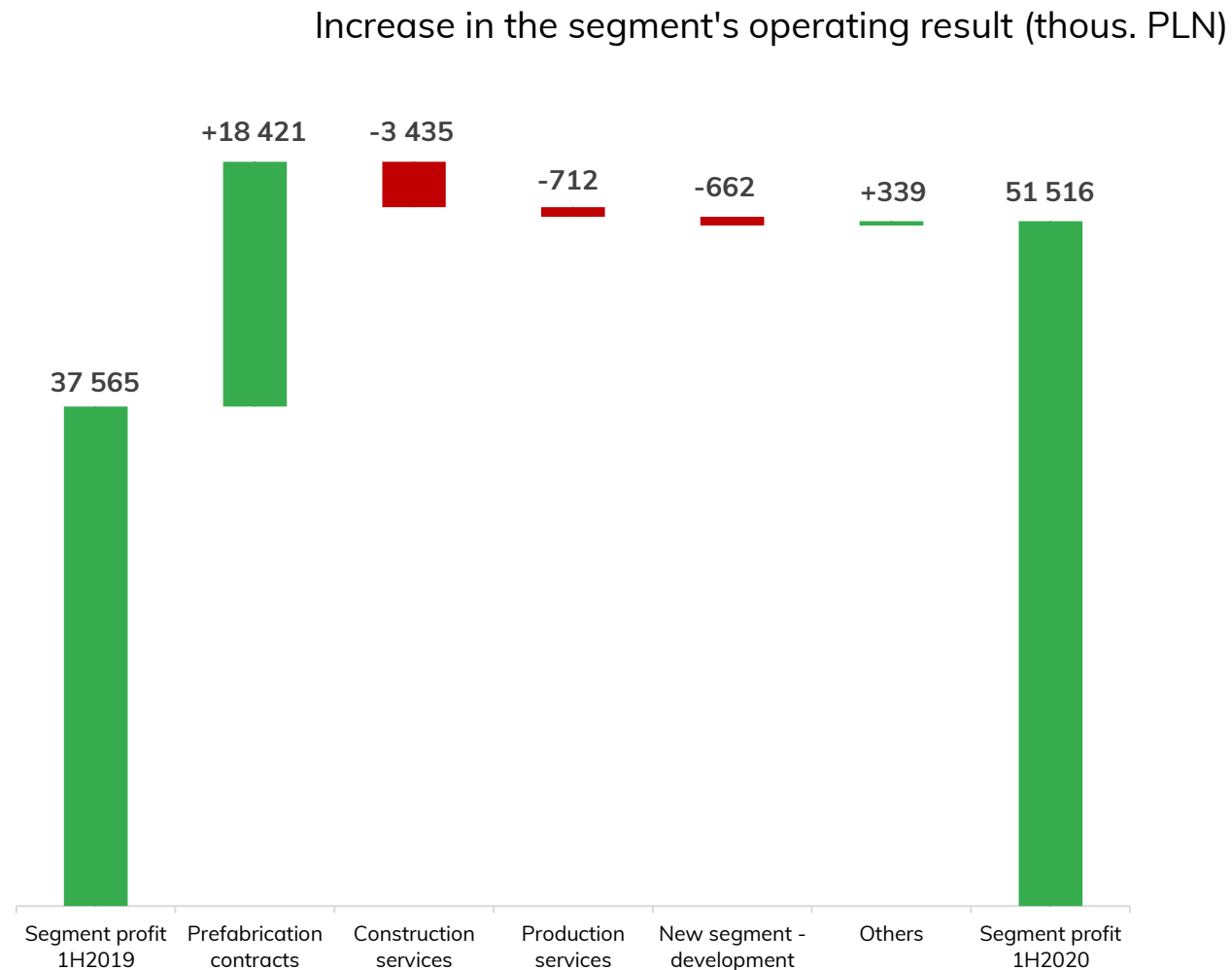


## Selected financial data by segments

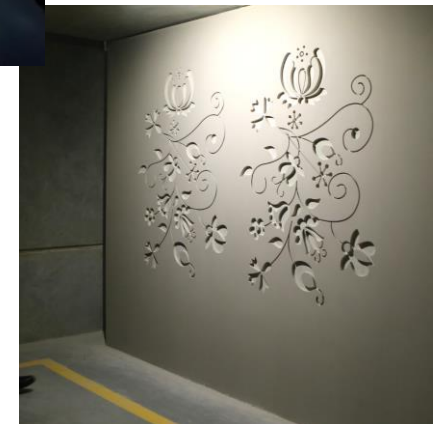
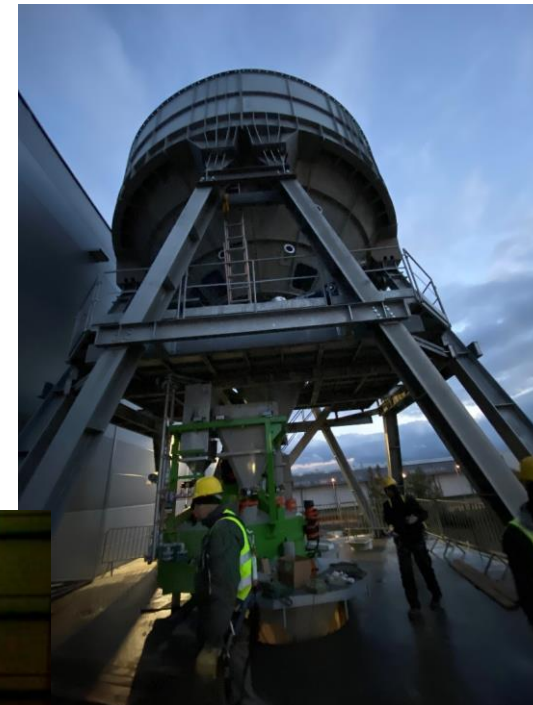
### Stable margins in most important segments

In 1H 2020 highest operating results were achieved in prefabrication contracts and construction services segments. Those segments represented respectively 68% and 44% of total operating result.

Significant increase in profitability of construction services is a result of economies of scale and lower subcontractor costs in this segment.



## Key events 1H 2020





## Opening new plant in Gdansk-Kokoszki

### New, modern plant in Gdansk

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- › new plant opened Jan 2020 in Pomeranian Special Economic Zone in Gdansk-Kokoszki,
- › state of the art, one the most modern and sophisticated facilities in Europe,
- › fully automated lines, resulting in minimum labor work requirements (15 workers per shift),
- › production of filigree panels, double filigree walls and insulated walls, as well as solid walls,
- › capacity of 500.000 m<sup>2</sup> of elements designed largely for housing.
- › current backlog amounting to 100% of assumed production capacity for 2020,
- › contract for one house.



## New development pilot project\_Osiedlowa 43 Jozefoslaw\_Warsaw

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On October 29, 2019, the company Pekabex Development purchased for PLN 2,370 thous. plot in Jozefoslaw in connection with the planned implementation of another pilot project, consisting in the construction of 12 terraced houses. On December 16, 2019, a building permit was issued. The company plans to complete the investment in 2020. The project provides for many ecological and modern solutions, such as:

- › photovoltaics,
- › passive protection against overheating,
- › wall heating (gas),
- › master switch and smart home,
- › ventilation with heat recovery and F9 class filters,
- › in addition, all partitions of the planned buildings will meet the stricter insulation requirements (WT 2021) - their parameters will be similar to those in passive buildings,
- › the sale of houses began in February 2020. By the date of publication of this presentation, the company has signed a developer contract for one house.



## Key investments

### Jasielska\_II | Poznan

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The contract includes 4 residential buildings (110 apartments). For day of the publication of this presentation over 90% of appartments are already sold (a developer agreement has been signed or appartments reserved).

On August 3, 2020 the investment obtained permit for use.

The contract is realized by general contracting department.



## Selected financial data

### Stock market and ratios

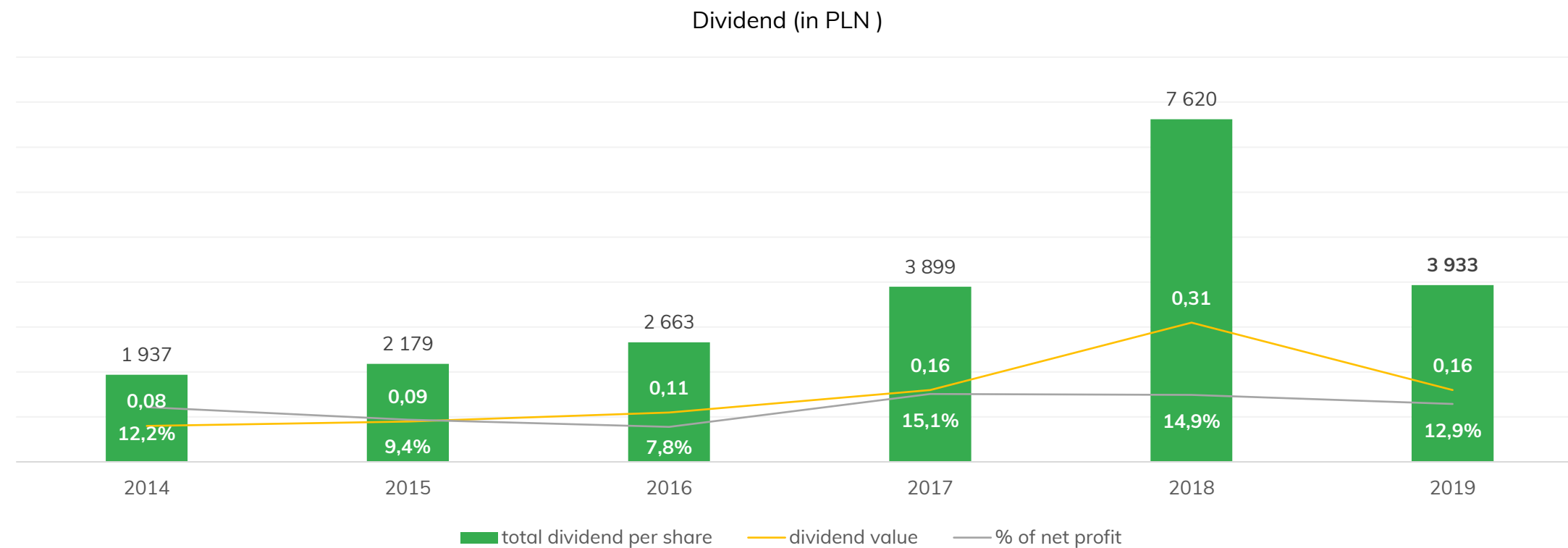
#### PEKABEX

Share price (PLN)	<b>14.0</b>
Shares out	<b>24 826 512</b>
P/E	<b>7.20</b>
P/BV	<b>1.04</b>
mCap (PLN)	<b>347.57</b>

As at 14th September 2020



## Pekabex is a dividend company



The dividend from the profit for 2019 was paid on July 31, 2020





# — ATTACHMENT

The art of prefabrication

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## Key contracts

### CMB CARPI, ITINERA – University Hospital | Denmark – Odense

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- › In August 2019 Pekabex signed a construction contract regarding designing, production, transport and assembly of precast structures for the hospital in Odense (DP03 building).
- › In mid-October 2019 Pekabex initiate the assembly of prefabricated structure (14 000 m<sup>3</sup> in total).
- › In April 2020, Pekabex signed a new contract for the installation of three-layer and facade walls. Estimated amount of 25 846 m<sup>2</sup>.



## Key contracts

### SK Innovation | Dabrowa Gornicza

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#### Construction contains:

- › A production plant of separators for lithium-ion batteries – total floor area 35 000 m<sup>2</sup>.
- › Total area realized by Pekabex 20 000 m<sup>2</sup>.



## Key contracts

### IKEA | Szczecin

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- › The construction includes the construction of a warehouse hall (total area – 21.500 m<sup>2</sup>).
- › Prefabrication contains 2 728 elements (columns, slabs, beams, foundations, walls).





## Key contracts

### CiFL Śnieżka | Debica

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- › The contract includes the construction of a warehouse hall (total area – 27.900 m<sup>2</sup>) .
- › Prefabrication contains 662 elements (columns, HC slabs, beams, walls).



## Key contracts

### Gisslaren | Stockholm

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#### Construction contains:

- › A residential buildings – total area 4 621 m<sup>2</sup>,
- › Total number of delivered elements – 1 131 elements.





## Key contracts

### Stora Frosunda | Stockholm

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- › Prefabrication contains 310 prefabricated 2-layer and single-layer brick walls to be installed.





## Key contracts

### Citadellskajen Vastra | Sweden

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- › Construction contains residential complex – area 11 000 m<sup>2</sup>.
- › Prefabrication contains 2 730 elements (3-layers walls, 2-layers walls, prestressed massive slabs, balconies).

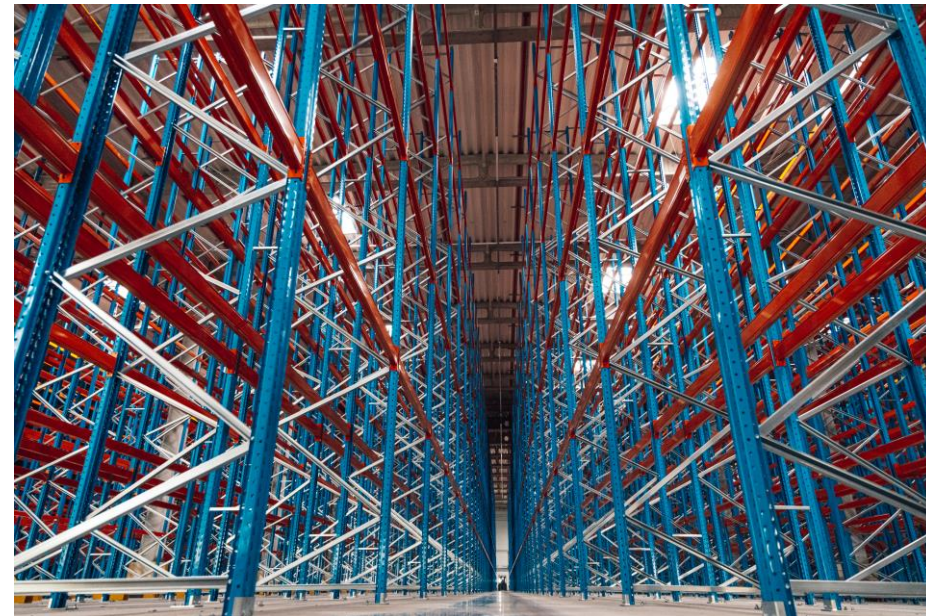


## Key contracts

### Prologis halls | Ruda Slaska

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- › Construction contains warehouse – total area c.a. 51 200 m<sup>2</sup> (halls: 48 600 m<sup>2</sup> and 10 500 m<sup>2</sup>, office building 2 500 m<sup>2</sup>).
- › Prefabrication contains 1 611 elements (docks, columns, girders, HC slabs, roof beams).
- › The contract is realized by general contracting department.





## Key contracts

### MLP | Pruszkow

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- › Construction contains warehouse with welfare and office facility.
- › Total area c.a. 12 000 m<sup>2</sup>.
- › The contract is realized by general contracting department.



## Key contracts

### Panattoni halls | Bielsko-Biala

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- › Construction contains warehouse – total area c.a. 42 000 m<sup>2</sup> and office space 4 000 m<sup>2</sup>.
- › Prefabrication contains 1 498 elements (docks, columns, girders, roof beams).
- › The contract is realized by general contracting department.





## Key contracts

### Animal shelter | Poznan

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- › Construction contains 4 buildings: 5.936 m<sup>2</sup> and other necessary technical infrastructure (total area 52 000 m<sup>2</sup>).
- › 250 foundations were delivered as prefabricated elements.
- › The contract is realized by general contracting department



## Key contracts

### Wittchen | Palmiry

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- › The construction includes the construction of a warehouse hall (total area – 8.270 m<sup>2</sup>) and outdoor infrastructure (total area - 3 270 m<sup>2</sup>).
- › Prefabrication contains 359 elements (columns, HC slabs, beams, foundations, walls).
- › The contract is realized by general contracting department.





## Key projects

Date	Contractor	Description	*Contract value (%)	Contract currency
April 24, 2020	MDR Toruń sp. z o.o.	The subject of the contract is building a complex of multi-family residential buildings with a playground residential roads, pedestrian routes, technical infrastructure, road exits on the Okólna street in Toruń.	9%	PLN
May 11, 2020	Przedsiębiorstwo Budowy Dróg i Mostów spółka z ograniczoną odpowiedzialnością	The contract covers production and delivery tubings for the investment: Udrożnienie Łódzkiego Węzła Kolejowego (TEN-T), Etap II, odcinek Łódź Fabryczna – Łódź Kaliska / Łódź Żabieniec”.	15%	PLN
June 29, 2020	Origin Investments sp. z o.o. oraz Origin Gdynia 1 sp. z o.o.	The investment contract refers to joint fulfilment of the project in Mechelinki consisting in building residential apartments, „Senioralnych Mieszkań Serwisowanych Origin SMS” and Rehabilitation Hotel Origin ReVital.	14%	PLN

\*The gross contract value defined as a percentage of the Capital Group's revenue achieved in 2019

## Key projects

Date	Contractor	Description	*Contract value (%)	Contract currency
August 19, 2020	Implenia Construction GmbH NL Tunnelbau	The contract covers production and delivery tubings for the investment in Berlin.	6%	EUR
September 1, 2020	Miejskie Budownictwo Mieszkaniowe sp. z o.o.	Subject of the contract: execution of construction works for the task named "Construction of four multi-family residential buildings with the necessary technical infrastructure and comprehensive land development at Celulozowa Street".	9%	PLN

\*The gross contract value defined as a percentage of the Capital Group's revenue achieved in 2019



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