



Investor presentation

— 3Q 2020

The art of prefabrication

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





# SAFE DEVELOPMENT

## MISSION

We believe that prefabrication is the technology of the future in construction

## VISION

We want to be the top 5 in Europe to create new trends and build ecological, effective and beautiful buildings



## Key numbers in 3Q20

Solid fundamentals create basis for dynamic development



**PLN 961 m**

Value of backlog as  
of 30.09.2020\*



**PLN 685 m**

Revenues



**144.077 m<sup>3</sup>**

prefabricated  
elements produced



**PLN 44 m**

Net income

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



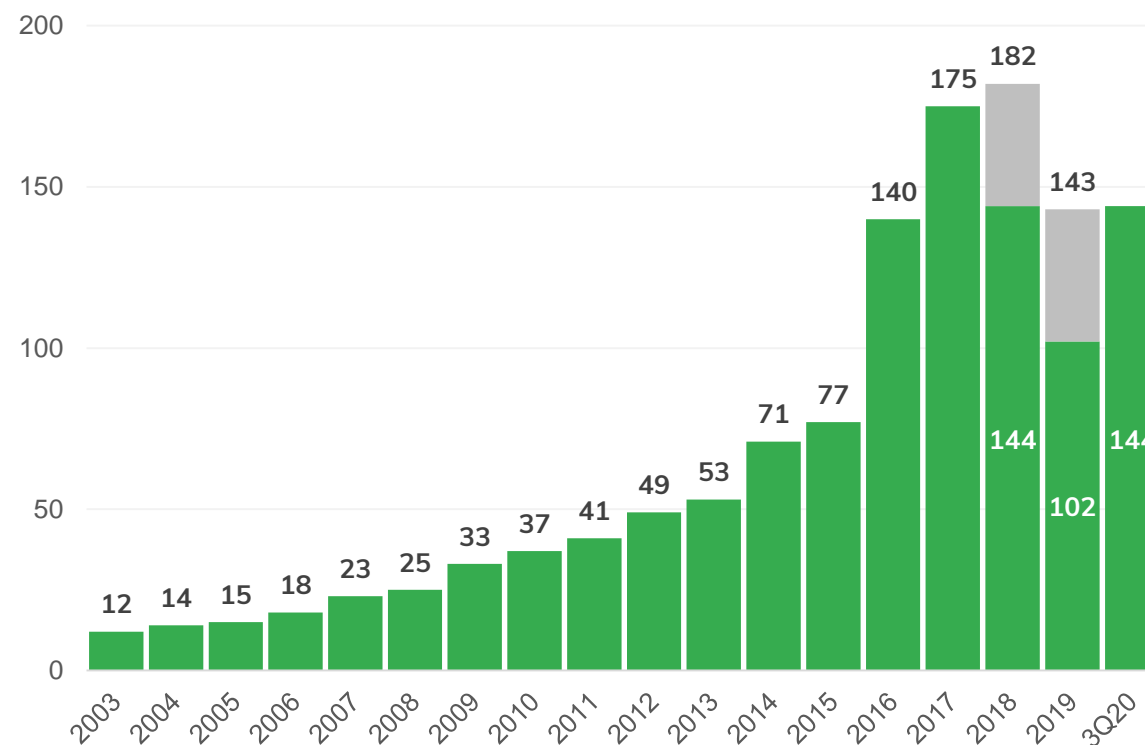
## Prefabrication production

### Stable growth of production

Increased production in prefabrication segment results mainly from the volume of realized contracts in the first three quarters of 2020; production amounted to 144.077 m<sup>3</sup> while in the prior period of 2019 amounted to 101.718 m<sup>3</sup> and in 3Q 2018 amounted to 143.828 m<sup>3</sup>.



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



\* Additionally, production presented for prior periods of 3Q 2018 to 3Q 2020.

## Backlog

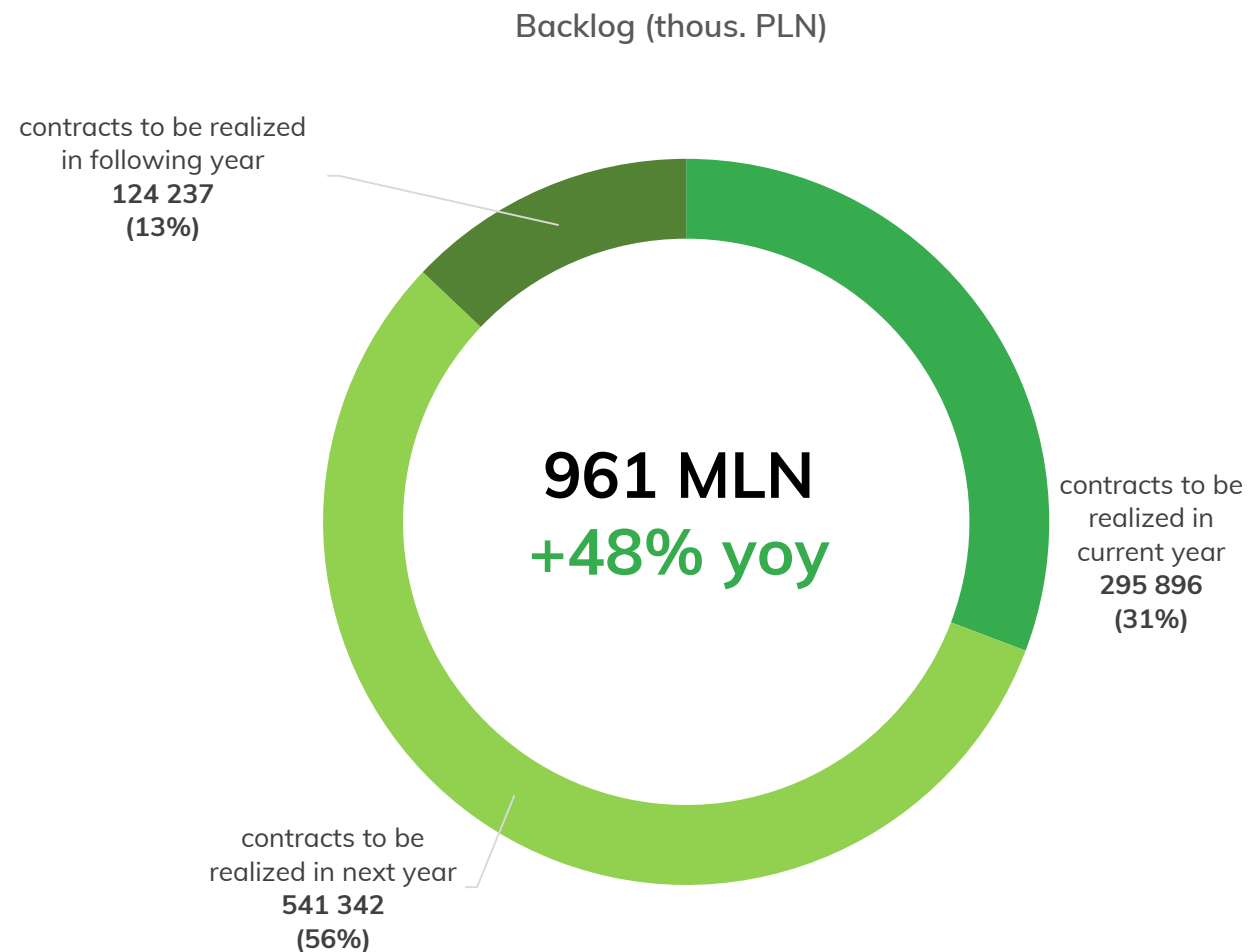
### Strong, well-diversified backlog

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 30.09.2020 is equal to PLN 961m and it has increased by about 68% comparing to 31.12.2019 and 48% comparing to 30.09.2019.

Backlog in 30.09.2020 does contain expected revenues from pilot project (Jasielska and Jozefoslaw) 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

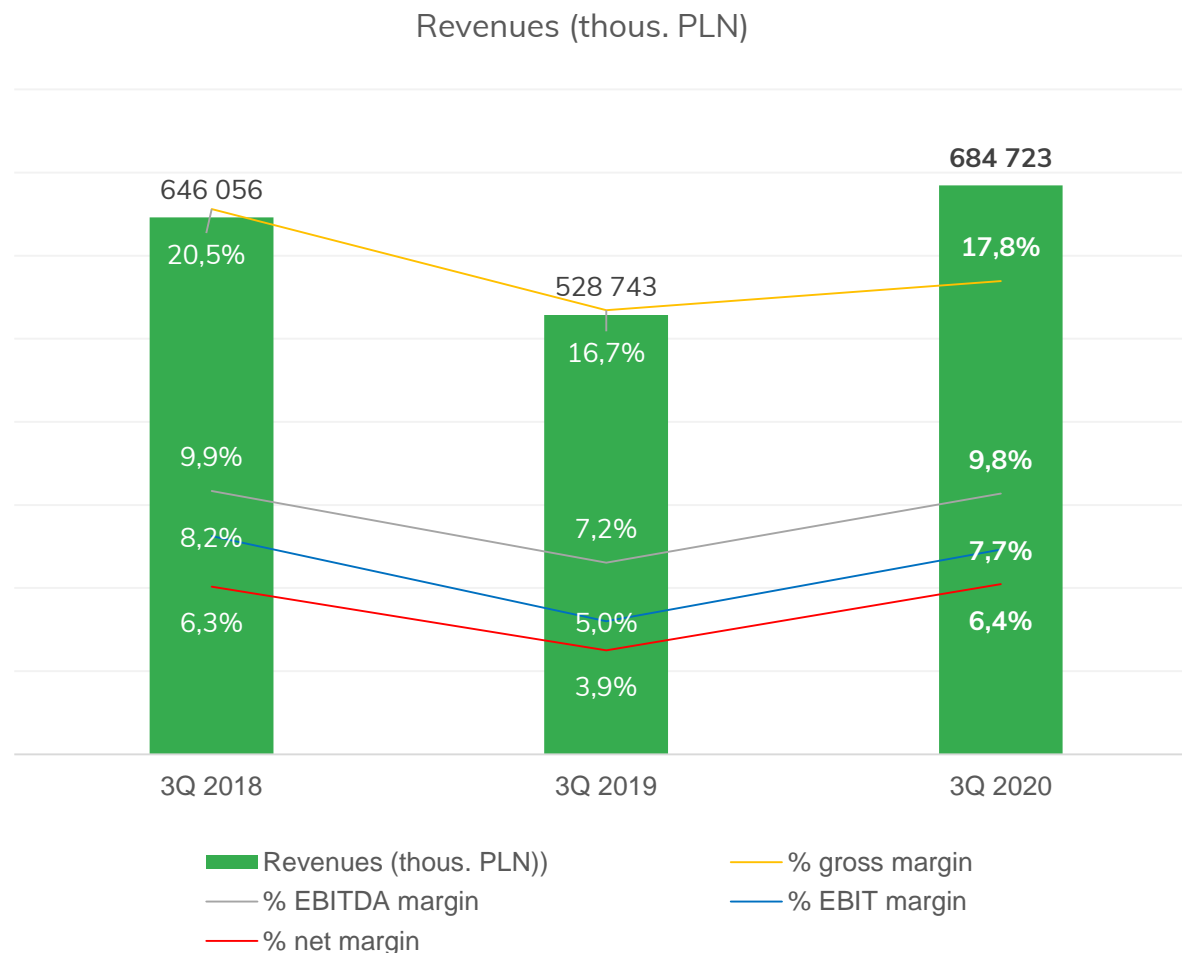
### Record revenue and stable margins

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

Good sales results and profitability achieved in first three quarters of 2020 compared to the same period of 2019 is mainly the result significant increase in revenues in:

- ✓ contracts segment – prefabrication (increase by PLN 82 582 thous.) and increased profitability (13.0%) while the profitability for this period in 2019 was 11.1%.
- ✓ contracts segment - construction services (increase by PLN 86 792 thous.) at unchanged average stable profitability (8,8%) compared to the prior period 2019 (8.5%).

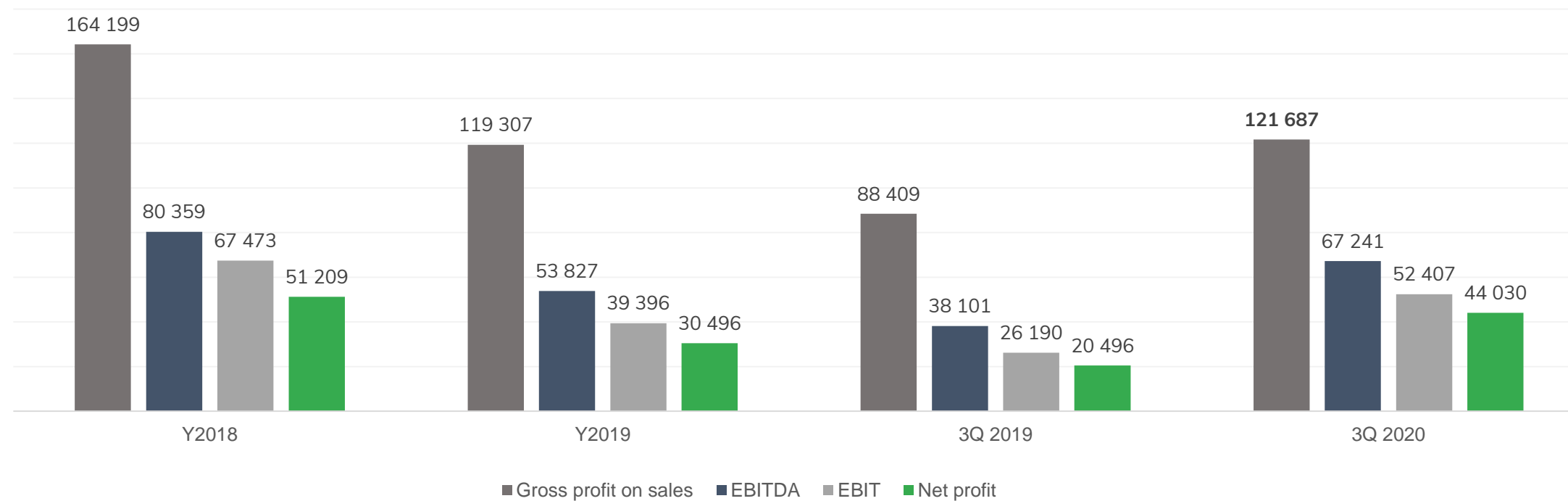
Growth in prefabrication segment results mainly from the volume of production realized in first three quarters of 2020; production amounted to 144.077 m<sup>3</sup> while in the prior period of 2019 amounted to 101.718 m<sup>3</sup>.



## Profit and Loss Account

3Q 2020, achieved high record results in the history of Pekabex Group

Selected financial items (thous. PLN)



## 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	30.09.2020	30.09.2019	Change %	31.12.2019
<b>Fixed assets</b>	<b>350 611</b>	<b>299 859</b>	<b>+16,9%</b>	<b>338 184</b>
<b>Current assets, including:</b>	<b>455 804</b>	<b>323 558</b>	<b>+40,9%</b>	<b>415 709</b>
Inventories	97 289	54 020	+44,5%	61 986
Assets from construction contracts valuation	37 825	30 776	+22,9%	41 737
Trade and other receivables	176 596	134 330	+31,5%	196 875
Cash	140 585	99 288	+41,6%	106 572
<b>Equity</b>	<b>348 433</b>	<b>296 205</b>	<b>+17,6%</b>	<b>309 270</b>
<b>Long-term liabilities, including:</b>	<b>144 383</b>	<b>104 374</b>	<b>+38,3%</b>	<b>135 216</b>
Long-term financial liabilities*	119 171	84 025	+41,8%	113 395
<b>Short-term liabilities, including:</b>	<b>313 600</b>	<b>222 838</b>	<b>+40,7%</b>	<b>309 406</b>
Current financial liabilities*	49 908	27 617	+80,7%	23 142
Liabilities from construction contracts valuation	43 780	26 992	+62,2%	40 720
Trade and other payables	181 382	132 806	+36,6%	208 099
<b>Total equity and liabilities</b>	<b>806 415</b>	<b>623 417</b>	<b>+29,4%</b>	<b>753 893</b>
Net debt	30 495	12 355	+579,0%	29 965
Net debt/EBITDA**	0.36	0.22	-	0.54

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

\*\*EBITDA – based on the Group last 12 months EBITDA (LTM EBITDA)



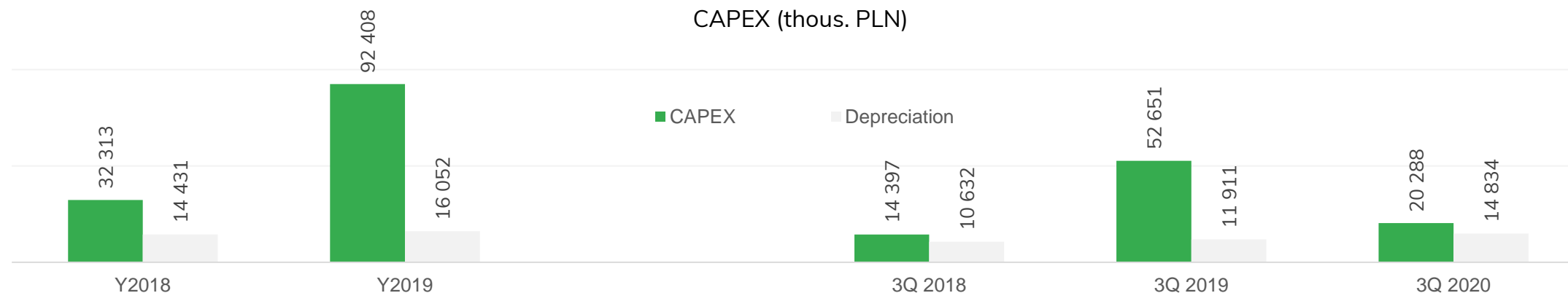
## Strong balance sheet & financial stability

### CAPEX to expand growth potential

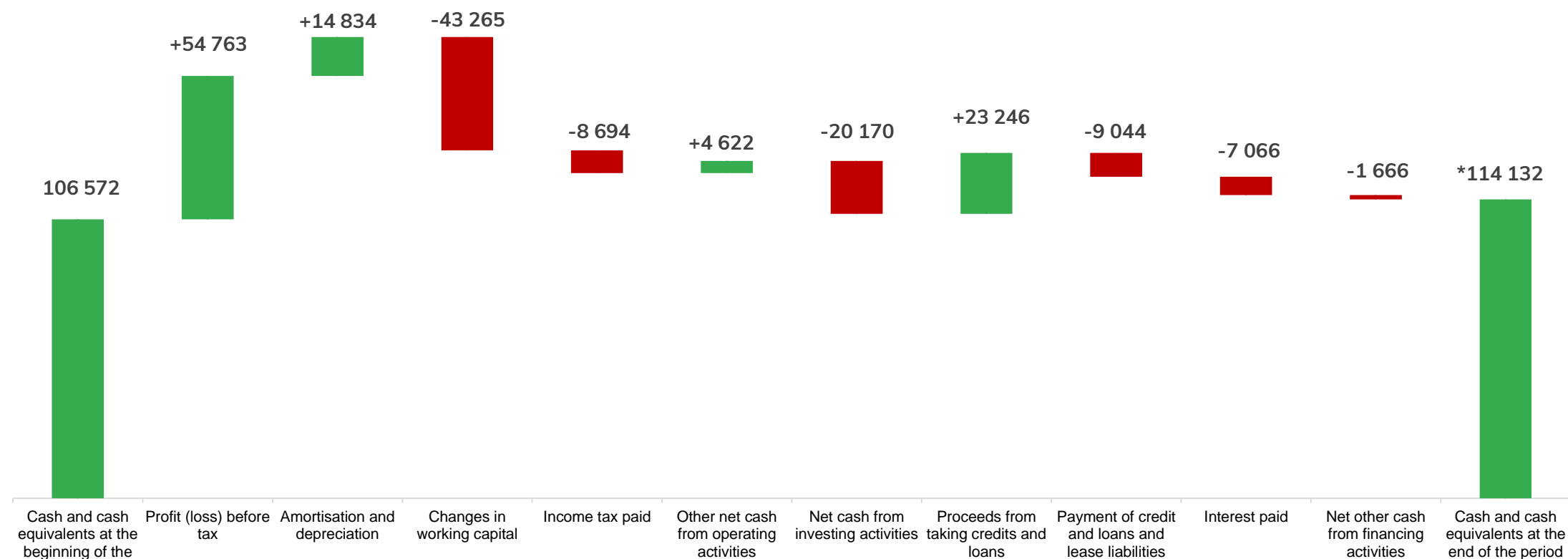
#### CAPEX policy:

- › Investments that are related to automation and computerization,
- › 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**.

CAPEX breakdown	2014	2015	2016	2017	2018	2019	3Q20
Land	0	6 137	8 522	0	5 946	76	0
Buildings	3 664	20 487	15 109	1 967	1 252	5 126	135
Machinery and equipment	10 697	6 867	30 205	1 245	1 217	7 750	8 403
Vehicles	1 694	279	905	451	915	1 775	3 272
Other fixed assets	1 864	472	1 771	894	2 449	1 779	1 237
Fixed assets under construction	204	9 656	4 748	2 362	18 239	75 482	6 535
Software	54	235	351	359	1 672	421	706
Intangible assets under constructions	12	8	0	40	623	0	0
Depreciation	3 853	6 604	10 628	12 543	13 779	16 052	14 834



## Pekabex cash flow (thous. PLN)



- Cash in the Group's escrow accounts
- In balance sheet at the end of the period cash and cash equivalents amounted to 140 585 thous. PLN

## 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.

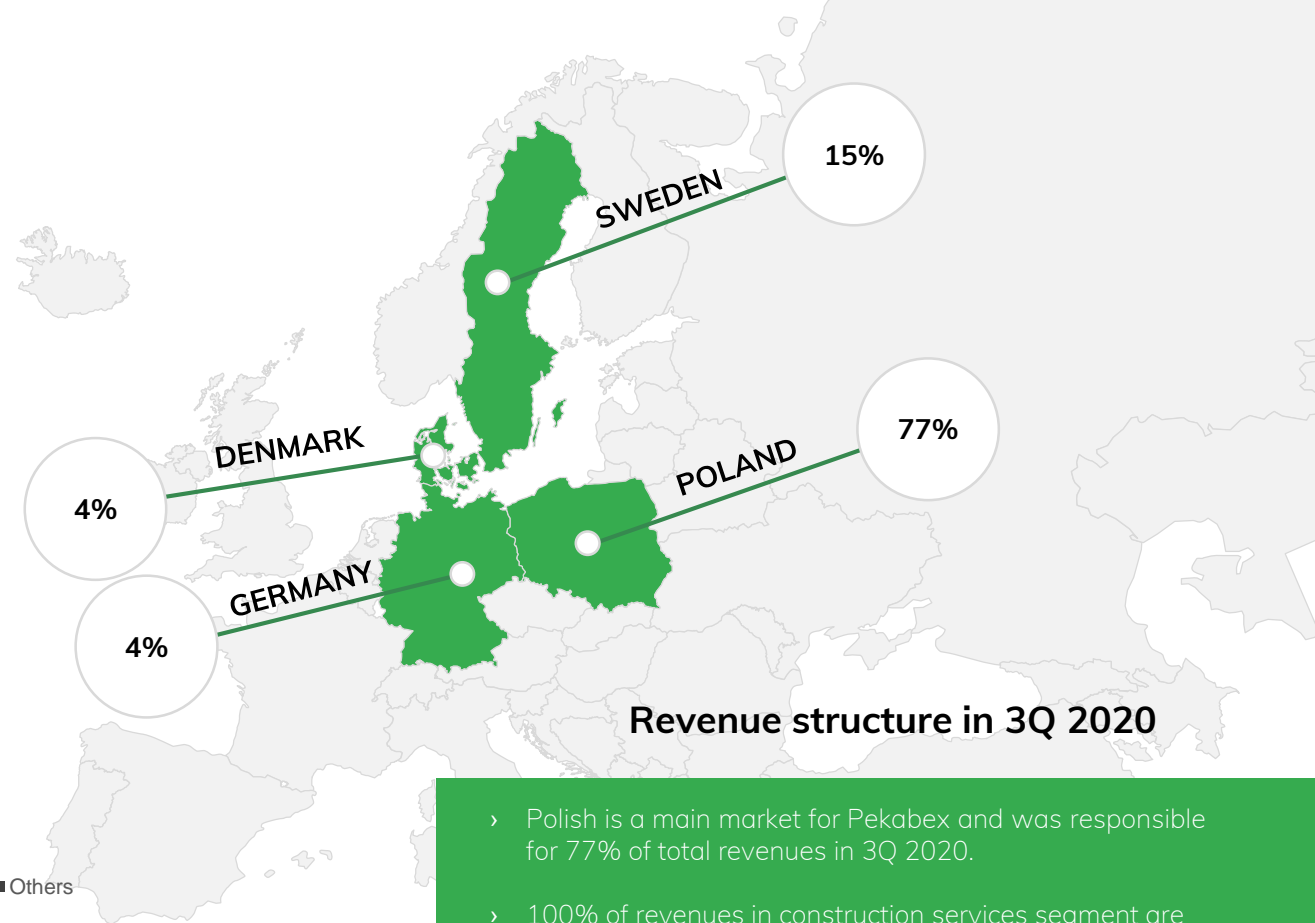
As at the balance sheet date, the Group has 5 production plants in Poland.



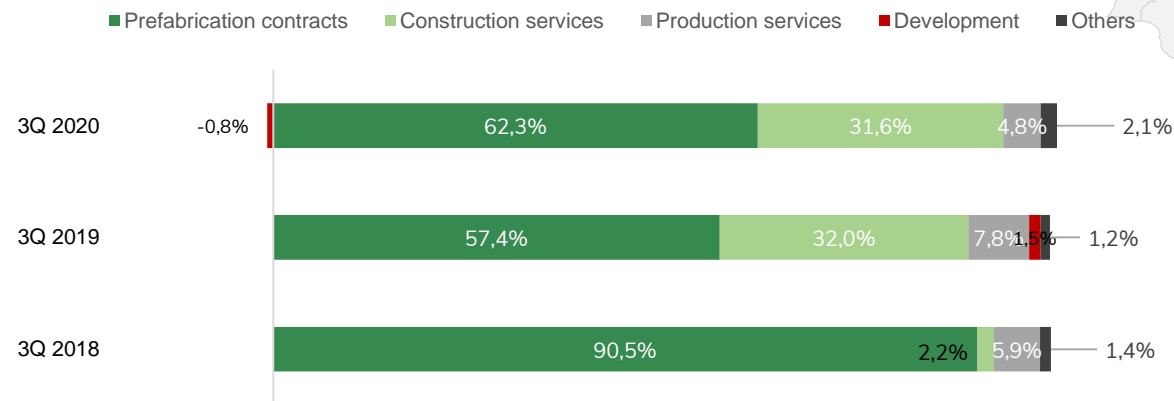
## Graphical area (EUROPE)

### 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 3Q 2020 big increase in revenues in construction services segment occurred.



### Profit by segments\*



- › Polish is a main market for Pekabex and was responsible for 77% of total revenues in 3Q 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 (additionally in first three quarters prefabrication contracts in Germany generates 4 m revenue).

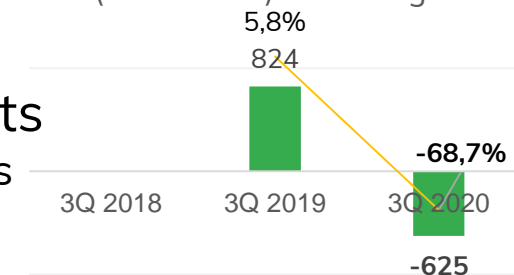
\* Profit by segments relates to the operating profit from internal reports reviewed periodically by the Management Board.

## Selected financial data by segments

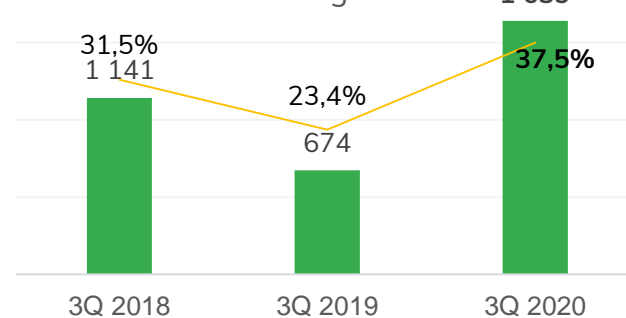
### Stable margins in most important segments

From 3Q19  
New segment  
– **Development**

Development – new segment profil  
(thous. PLN) and margin



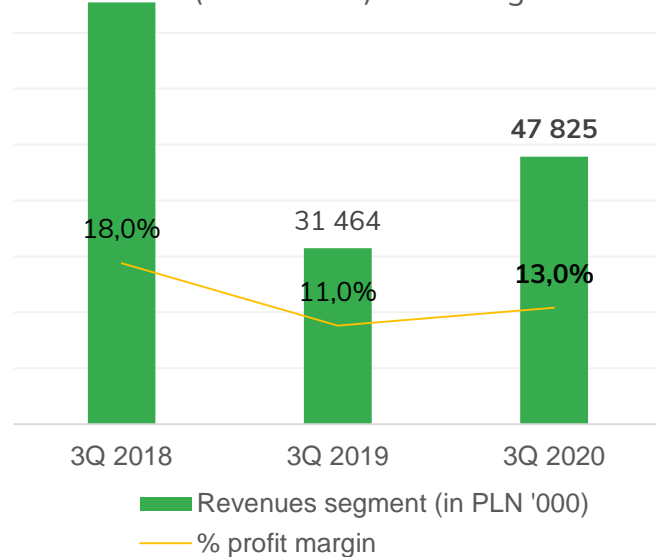
Others – segment profil (thous. PLN) and margin



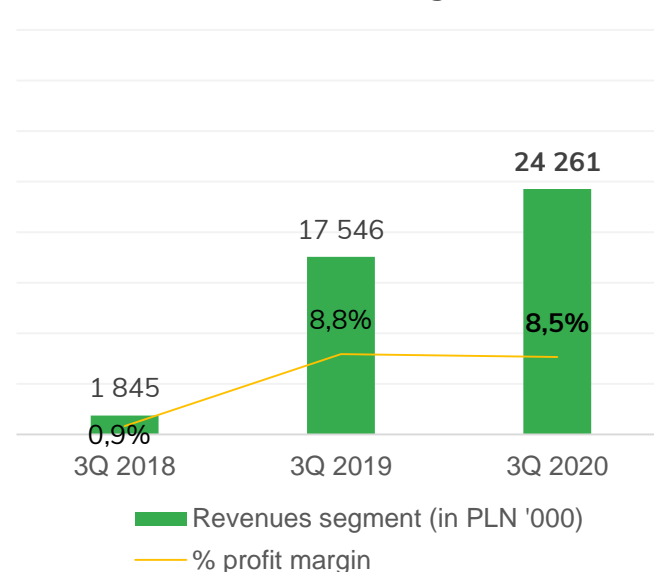
Revenues segment (in PLN '000) % profit margin

Revenues segment (in PLN '000) % profit margin

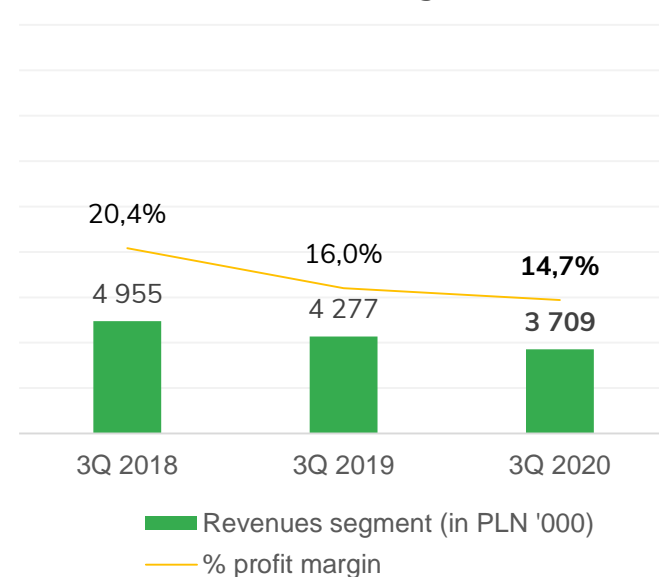
Prefabrication contracts – segment profil  
(thous. PLN) and margin



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



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



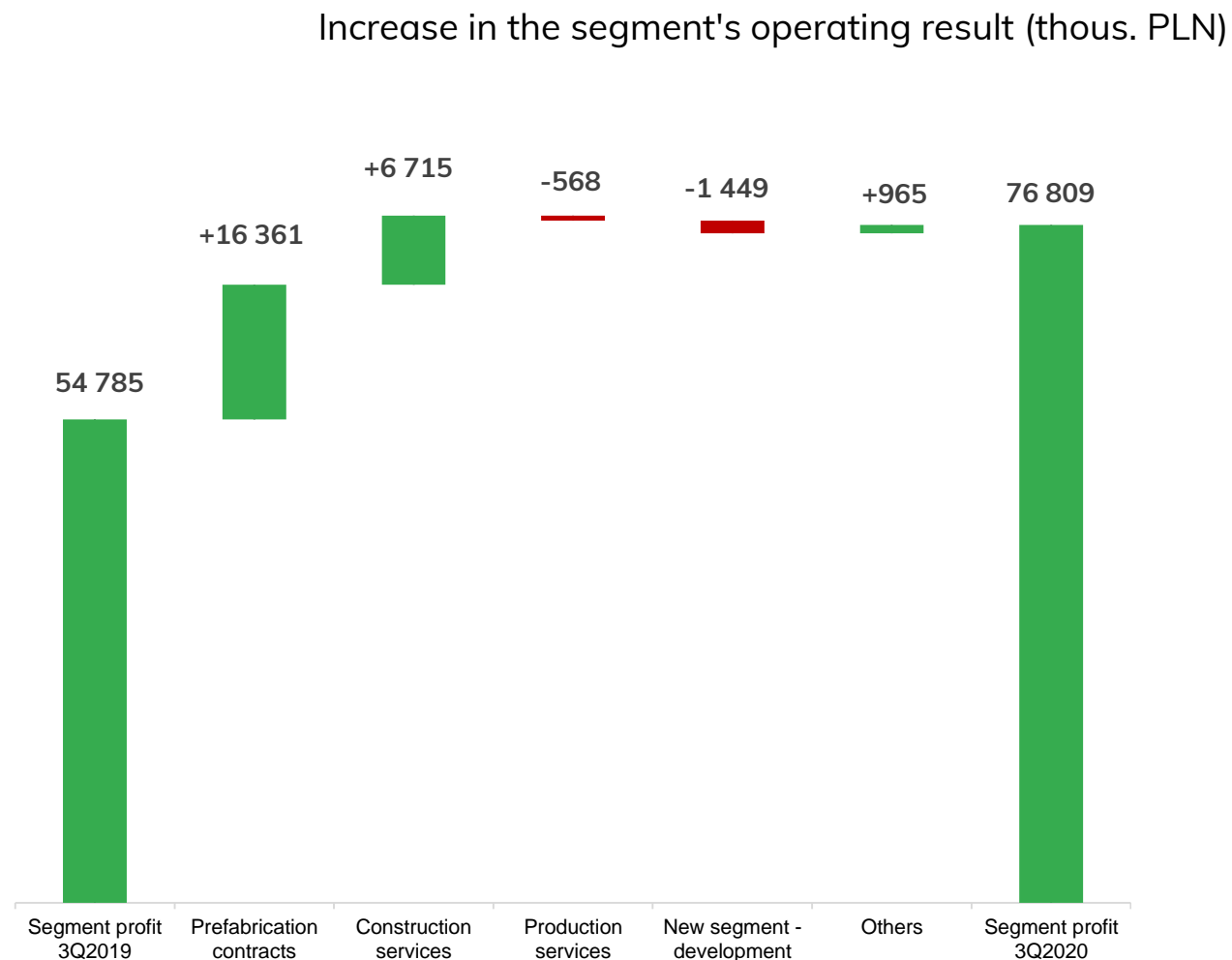


## Selected financial data by segments

### Stable margins in most important segments

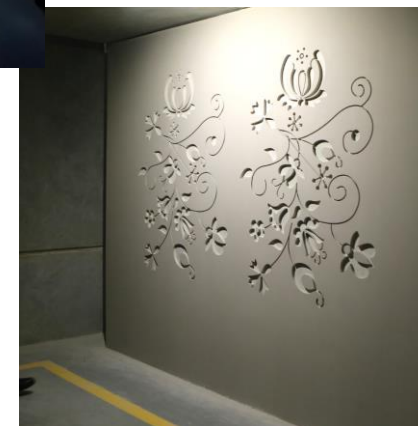
In 3Q 2020 highest operating results were achieved in prefabrication contracts and construction services segments. Those segments represented respectively 68% and 44% of total operating result.

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



## Development projects 3Q 2020

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## 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.



## Development project Jasielska\_II | Poznan

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The contract includes 4 residential buildings (110 apartments). For day of the publication of this presentation over 95% of apartments are already sold (a developer agreement has been signed or apartments reserved).

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

The contract was realized by general contracting department.





## Development project

### Hafciarska | Warsaw

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On June 3, 2020, the Group acquired a plot of land for another development investment in Warsaw. Design works and preparation of the investment for sale are currently in progress.

The Group estimates that as part of the investment, 40 independent apartments with a garden will be built (over 3,000 m<sup>2</sup> of usable floor space in total). A great advantage of the investment is the location - fast rail communication to the center of Warsaw and all amenities: education, supermarket, health care facilities, forest, etc. are located within a few hundred meters from the investment.

The Group has applied for a building permit, prepares sales and marketing materials and plans to launch a reservation for apartments in the near future.





## Development project Mechelinki | Gdynia

On June 29, 2020, Pekabex S.A. and Pekabex Development sp. z o.o. concluded with Origin Investments sp. z o.o. and Origin Gdynia 1 sp. z o.o. ("Origin") an investment agreement for the joint implementation of the investment in Mechelinki consisting in the construction of the Origin health complex consisting of residential apartments (124 holiday apartments with a total area of 3,620 m<sup>2</sup>), senior housing units (58 units in total with a total area of 1,925 m<sup>2</sup>), and the Origin ReVital Rehabilitation Center (with 63 rooms and full pro-health, rehabilitation and revitalization infrastructure).

The Group will be responsible, inter alia, for the development and construction process (the general contractor of the investment will be a company from the Pekabex Group), and Origin, among others for the operational activity of the Origin ReVital Rehabilitation Hotel and SMS.

The Group has applied for a building permit, prepares sales and marketing materials and plans to launch a reservation for apartments in the near future.

The estimated cost of the investment will be approximately 14% of the Pekabex Group's revenues according to the last published annual consolidated financial statements in full percent.

The necessary own contribution will be provided by the parties in the proportion of 45% Origin, 55% Pekabex. The return on investment will be 50% divided. The estimated completion date of the investment is Q2 2022.



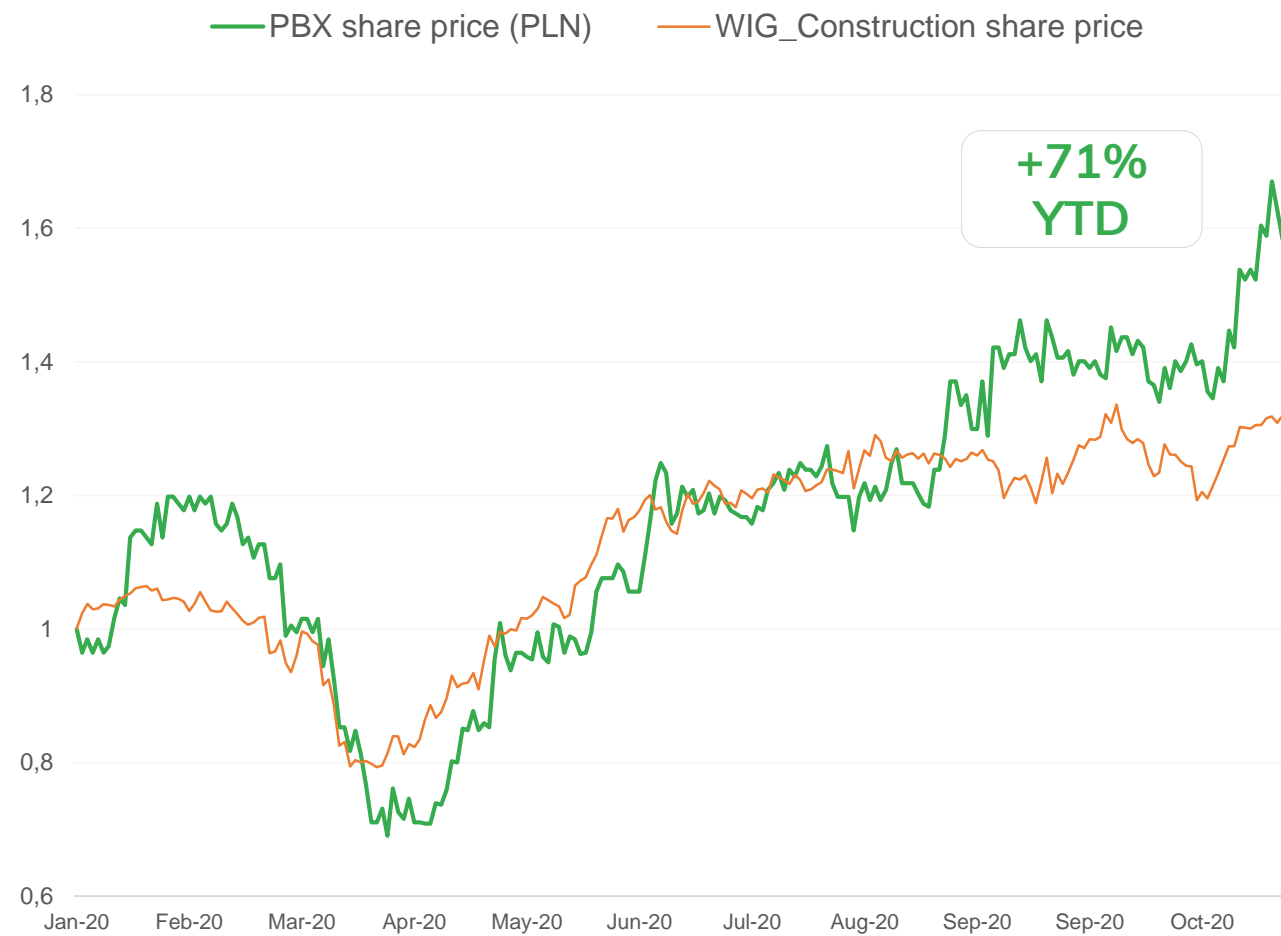
## Selected financial data

### Stock market and ratios

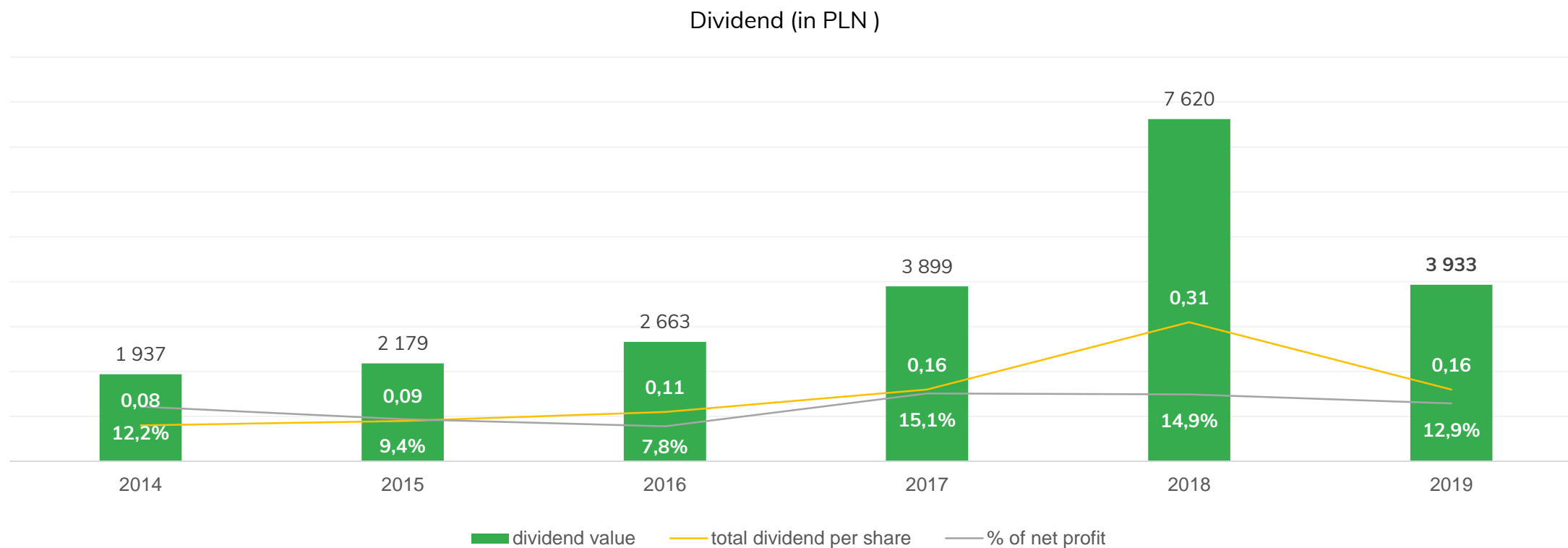
#### PEKABEX

Share price (PLN)	<b>15.6</b>
Shares out	<b>24 826 512</b>
P/E	<b>7.20</b>
P/BV	<b>1.12</b>
mCap (PLN)	<b>387.29</b>

As at 20th November 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

### PFR Nieruchomosci | Torun

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- › Construction contains residential complex of 8 buildings – area 15 665 m<sup>2</sup>.
- › Prefabrication contains c.a. 3 600 elements (triple-layered walls, massive walls, balconies, filigree slabs).
- › The contract is realized by general contracting department.





## Key contracts

### Torpagatan | Sweden

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#### Construction contains:

- › A residential buildings – total area 15 547 m<sup>2</sup>,
- › Total number of delivered elements – 1 218 elements.



## Key contracts

### Citadellskajen Vastra | Sweden

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- › Construction contains residential complex – area 11 000 m<sup>2</sup>.
- › Prefabrication contains 2 732 elements (3-layers walls, 2-layers walls, prestressed massive slabs, balconies) which is 6048 m<sup>3</sup> of concrete.





## Key contracts

### Olimp Labs | Debica

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- › The contract includes the construction of Olimp Labs research and development center in Debica.
- › Prefabrication contains 1 425 elements (columns, slabs, beams, foundations, TT plates).



## Key contracts

### Małopole | Warsaw

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#### Construction contains:

- › Prefabrication contains 1 877 elements (columns, slabs, roof beams, TT plates, HC slabs, slab walls).
- › Total area realized by Pekabex 20 000 m<sup>2</sup>.
- › The contract was realized by general contracting department.





## Key contracts

### Parking hall in Naramowice | Poznan

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- › Construction contains parking hall in Naramowice district, Poznan.
- › Prefabrication contains 611 elements (columns, HC slabs, TT plates, slab walls, beams).
- › The contract was realized by general contracting department.
- › On November 16, 2020, the construction obtained fault-free final acceptance report.



## Key contracts

### MLP | Pruszkow

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- › Construction contains warehouse with welfare and office facility.
- › Total area c.a. 17 200 m<sup>2</sup>.
- › Prefabrication contains 612 elements (columns, HC slabs, TT plates, slab walls, roof beams, foundations).
- › The contract is realized by general contracting department.





## Key contracts

### Panattoni halls II | Bielsko-Biala

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- › Construction contains warehouse – total area c.a. 42 000 m<sup>2</sup> and office space 5 000 m<sup>2</sup>.
- › Prefabrication contains 1 702 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

### Prologis halls DC4A | Ruda Slaska

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- › Construction contains warehouse – total area c.a. 10 400 m<sup>2</sup> (halls: 10 400 m<sup>2</sup>, office building 600 m<sup>2</sup>).
- › Prefabrication contains 423 elements (docks, columns, girders, HC slabs, roof beams).
- › The contract is realized by general contracting department.



## New 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

## Key projects

Date	Contractor	Description	*Contract value (%)	Contract currency
September 3, 2020	Operator Gazociągów Przesyłowych GAZ – SYSTEM S.A.	The subject of the contract is the demolition and construction of an office, garage and social building "C" together with land development and accompanying infrastructure on the premises of the Gas Transmission Operator GAZ - System S.A. Branch in Rembelszczyzna	3%	PLN
September 15, 2020	Logicor (Prezydent Polska) sp. z o.o.	The subject of the contract is the design and construction of a warehouse building for the storage and distribution of goods, a system of roads and squares, as well as the provision of technical infrastructure	6%	PLN
September 17, 2020	Drutex S.A.	The subject of the contract is the performance of construction, construction and assembly and road works related to the investment "Expansion of an office building with an above-ground and underground parking lot together with the construction of a gas boiler room and the necessary infrastructure" in Bytów	6%	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
September 18, 2020	Skanska Sverige AB	The subject of the contract is the design, production, delivery and assembly of prefabricated elements at the investment located in Tolvskillingsgatan Hogsbo in Sweden	7%	PLN
November 5, 2020	Bart sp. z o.o.	The subject of the contract is the extension of the production plant BART sp.z o.o. by building a warehouse (stage I of the investment)	2%	PLN

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



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