



The art of prefabrication

June 2020

 **Pekabex**

Pekabex in numbers – 1Q 2020

Solid fundamentals create basis for dynamic development

No.1

Leading Polish
manufacturer

2,281

People working in
Pekabex Group

45,900

(m³) prefabricated
elements produced

PLN 526 m

Value of backlog as of
31.03.2020*

PLN 248 m

Revenues

PLN 20 m

EBITDA**

PLN 13 m

Net income

PLN 80 m

Net debt***

PLN 76 m

Cash and cash
equivalents

PLN 188 m

Net working
capital****

*Concerns prefabrication contracts, construction services and production services

**EBITDA - operating profit plus depreciation and amortization

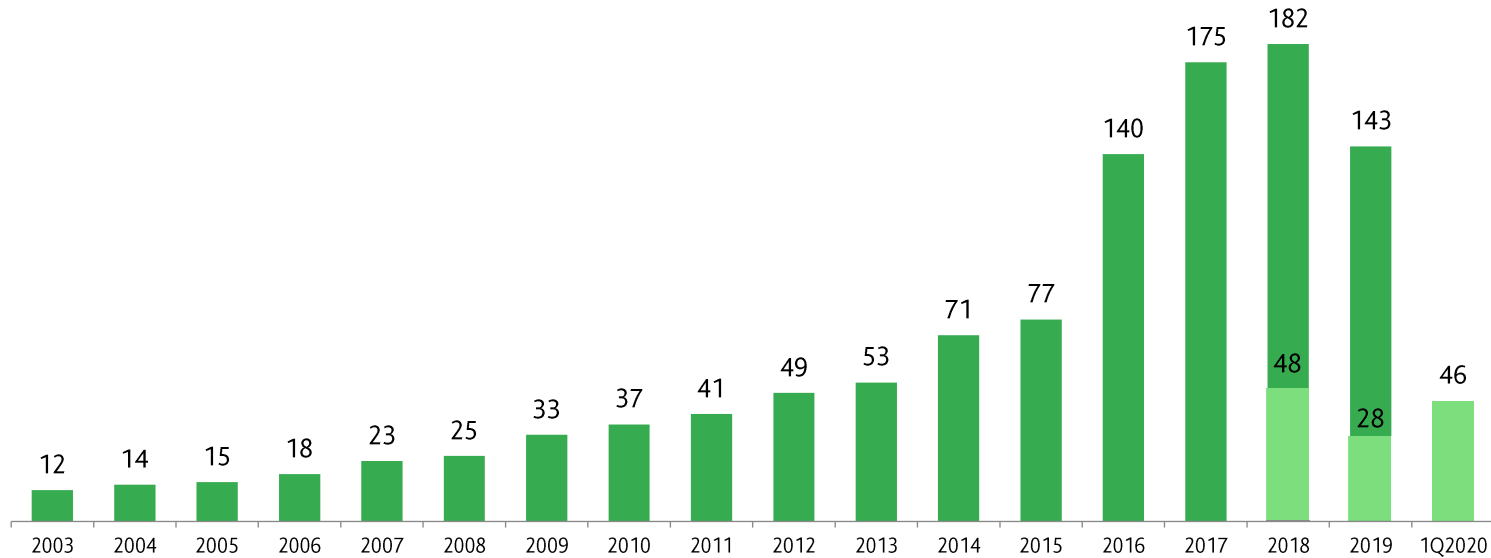
***Net debt is the difference between financial liabilities (loans, borrowings and other external sources of financing, financial leasing) and cash and cash equivalents.

****Net working capital - sum of receivables, inventory and cash and cash equivalents minus current liabilities

Prefabrication production

Stable growth of production

Volume of production in 2003-2019* ('000 m³)



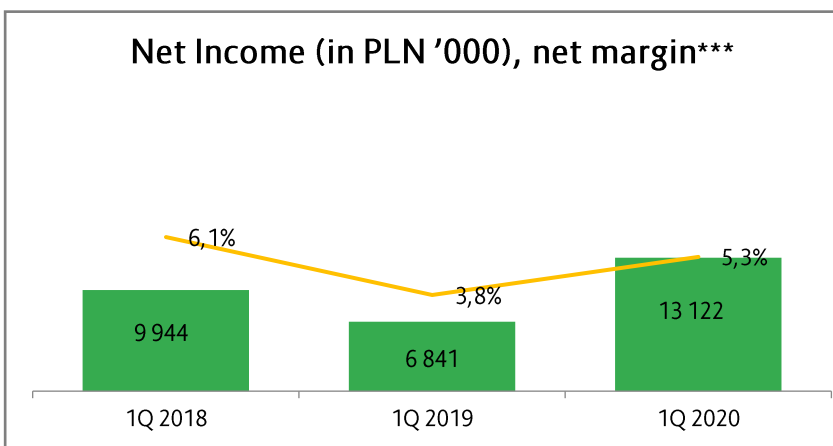
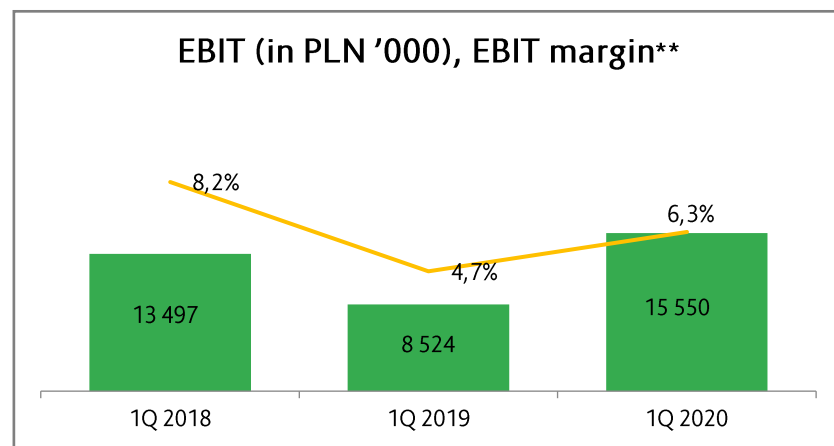
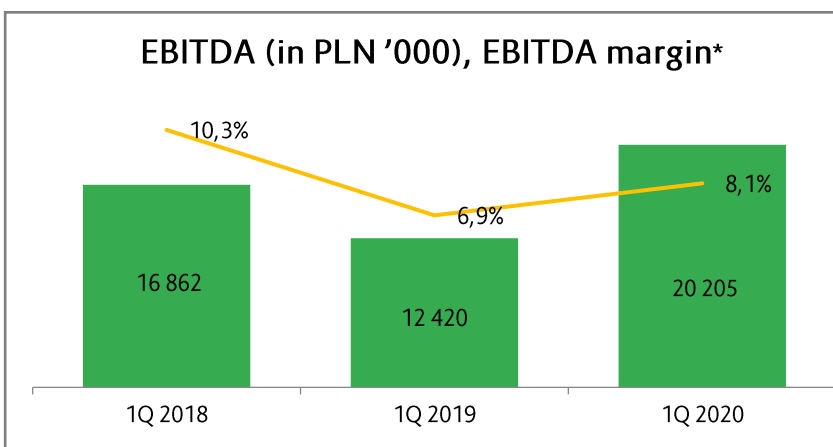
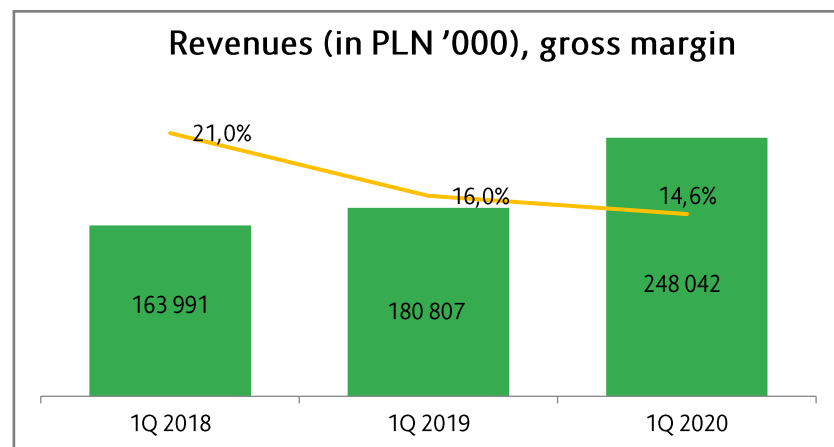
- Increased production in prefabrication segment results mainly from the volume of realized contracts in first quarter of 2020; production amounted to 45,903 thousand. m³ while in the prior period of 2019 amounted to 28,426 thousand m³ and in 1Q 2018 amounted 47,854 m³.

* Additionally, production presented for comparable periods of 1Q 2018 to 1Q 2020.



Strong balance sheet & financial stability

Revenue growth and stable margins



- First quarter 2020 was exceptional record period in terms of revenues and results.
- Good sales results and profitability achieved in first quarter 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 46 914 thousand) at unchanged average annual operating profitability from 2019 (6.9%) and increased revenue and operating profitability in contracts segment - prefabrication. Growth in this segment results mainly from the volume of production realized in first quarter of 2020; production amounted to 45,903 thousand. m3 while in the prior period of 2019 amounted to 28 426 thousand m3.

* EBITDA margin calculated as EBIT plus depreciation and amortization divided by total revenue

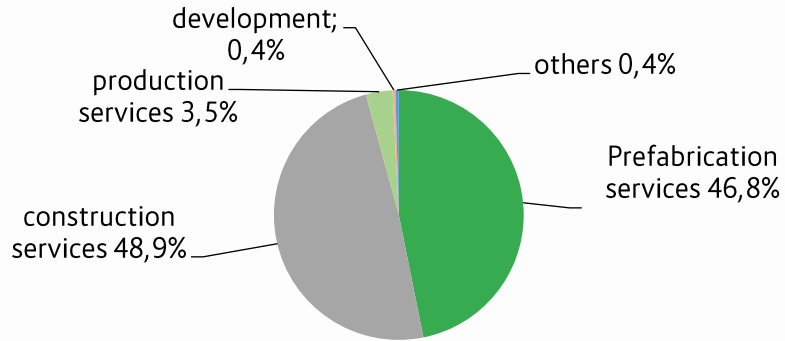
**EBIT margin calculated as EBIT divided by total revenue

***Net Margin calculated as net income divided by total revenue

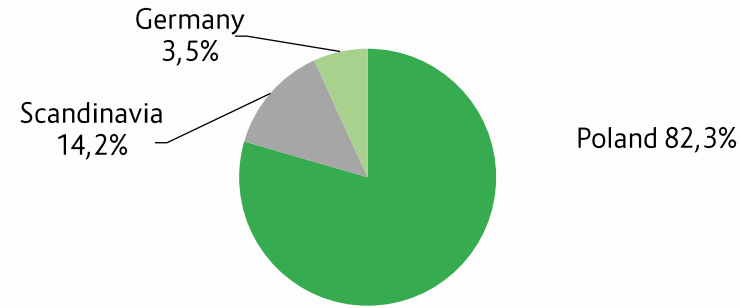
Strong balance sheet & financial stability

Well diversified revenue sources

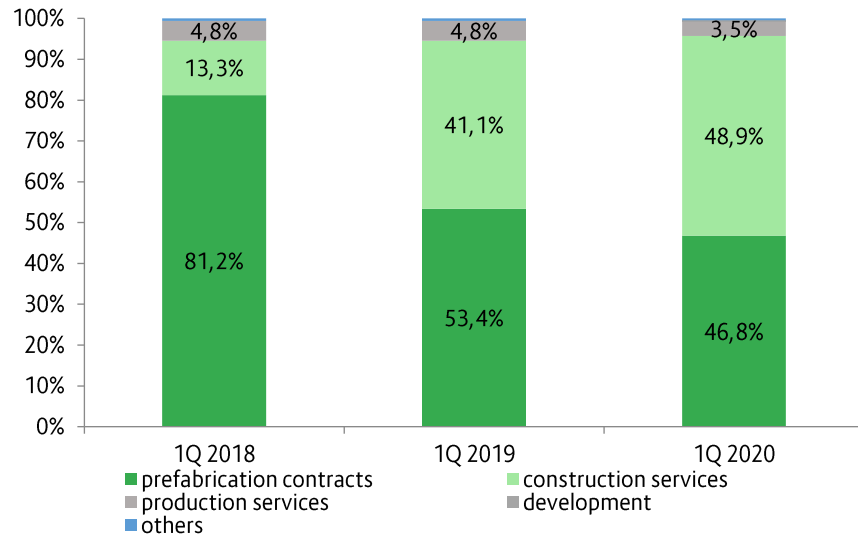
Revenues structure in 1Q 2020 by segments



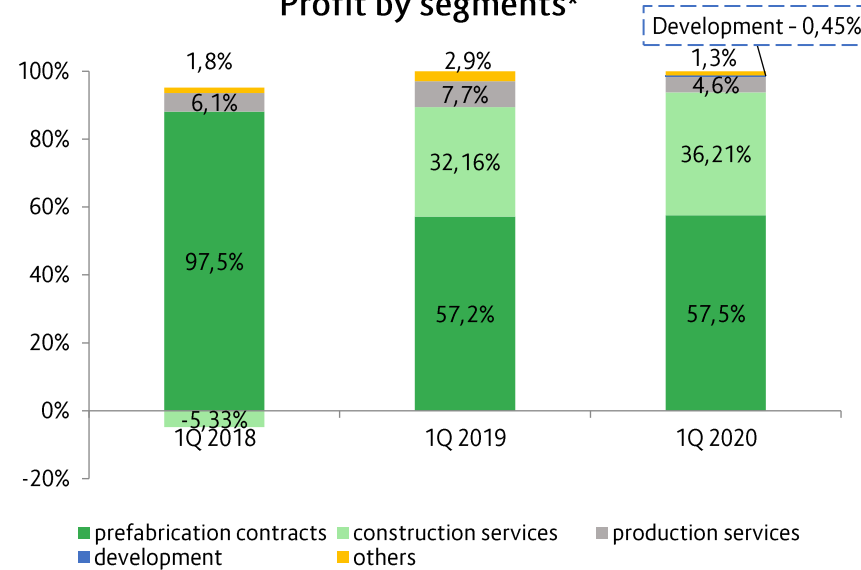
Revenue structure in 1Q 2020 by graphical area



Revenue structure by segments



Profit by segments*

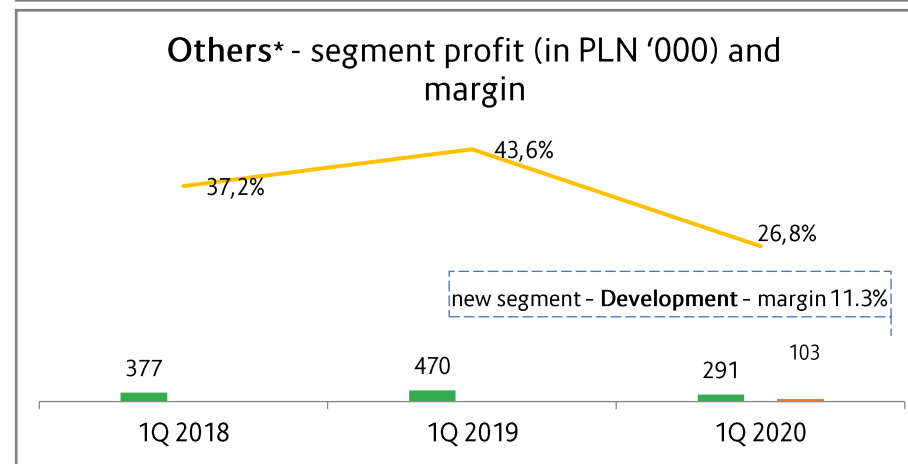
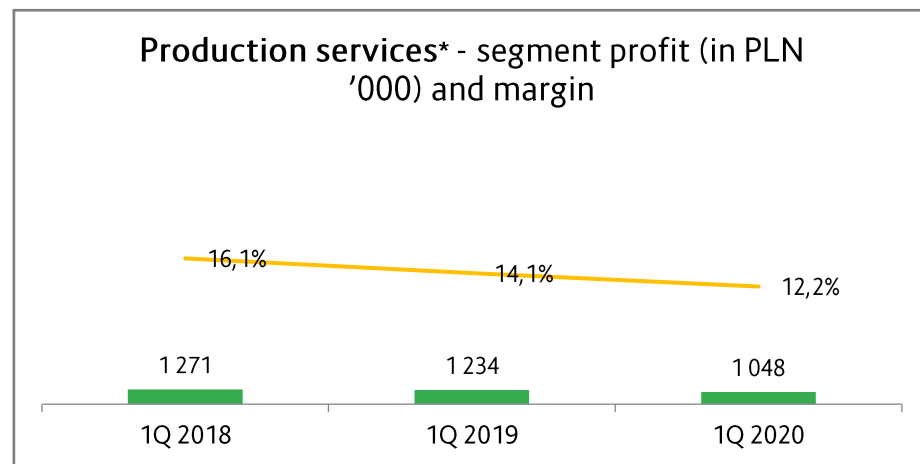
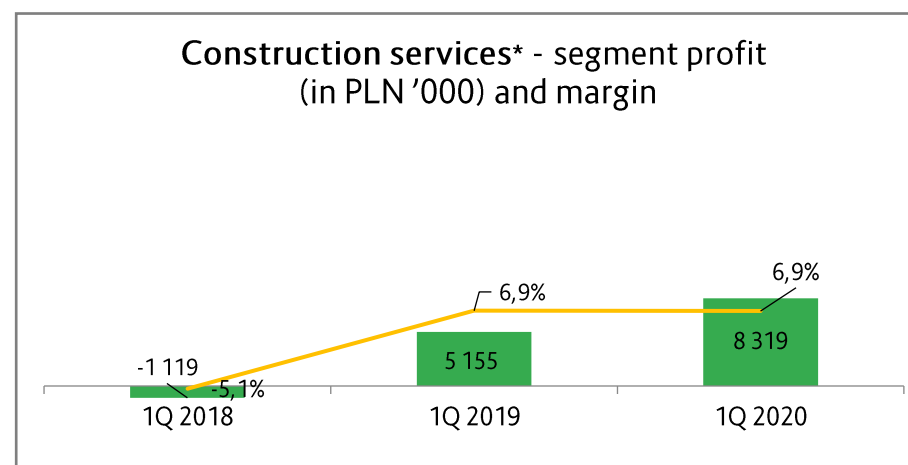
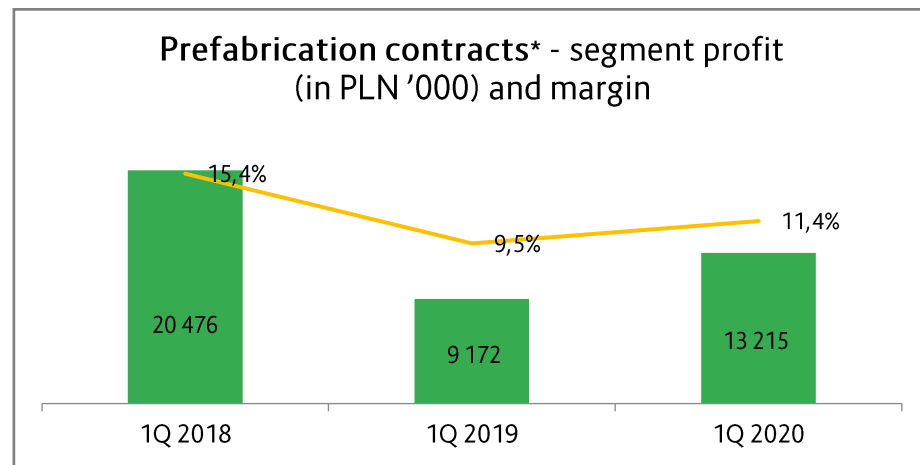


- Prefabrication contracts and growing importance of general construction are leading segments and generates the largest part of Group's revenues.
- In connection with establishing cooperation with largest logistic companies in previous year, in 1Q 2020 big increase in revenues in construction services segment occurred.
- Polish is a main market for Pekabex, and was responsible for 82% of total revenues in 1Q 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

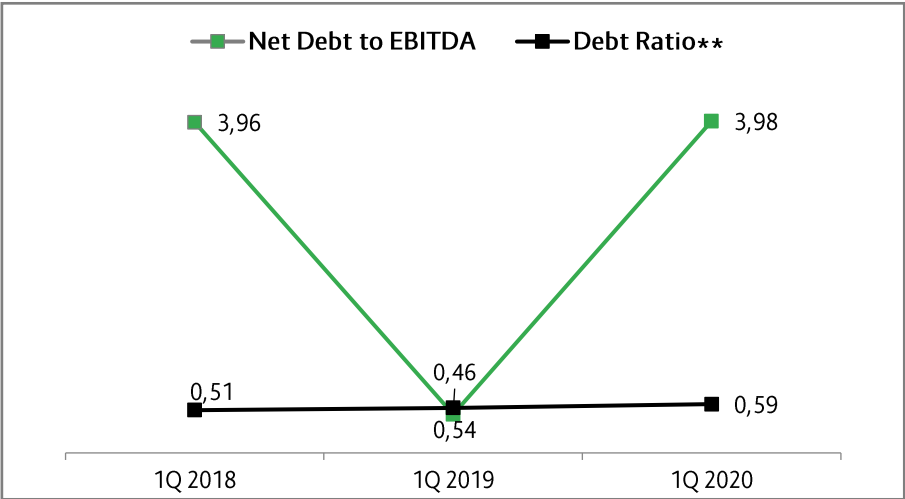
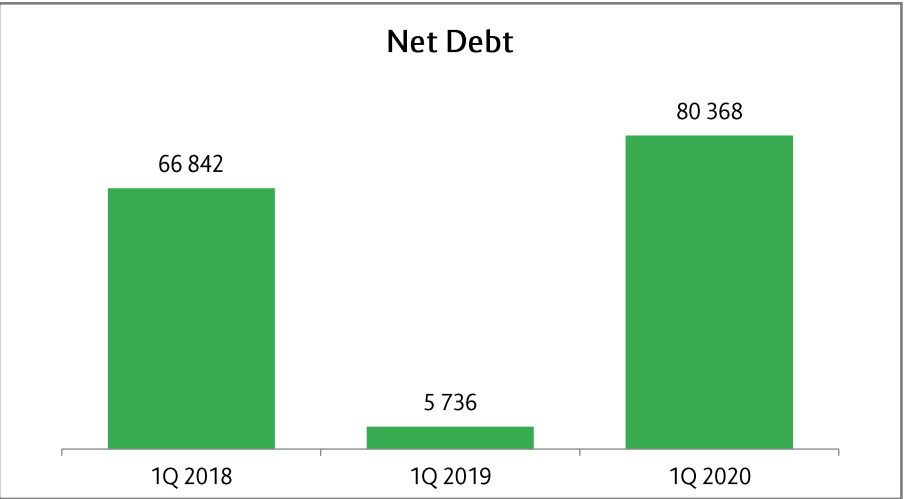
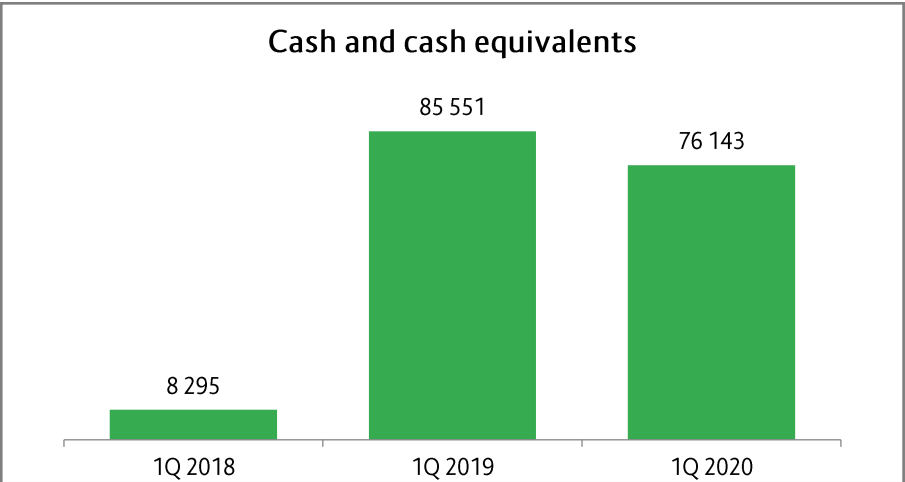
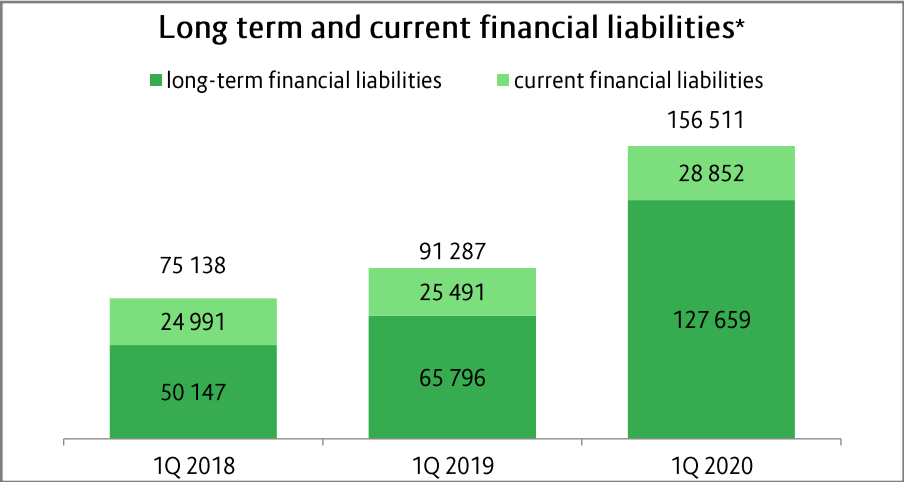


- In 1Q 2020 highest operating results were achieved in prefabrication contracts and construction services segments. Those segments represented respectively 58% and 36% of total operating result.
- Significant increase in profitability of construction services is a result of economies of scale and lower subcontractor costs in this segment.

* Segment margin calculated as segment profit divided by segment revenue

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.

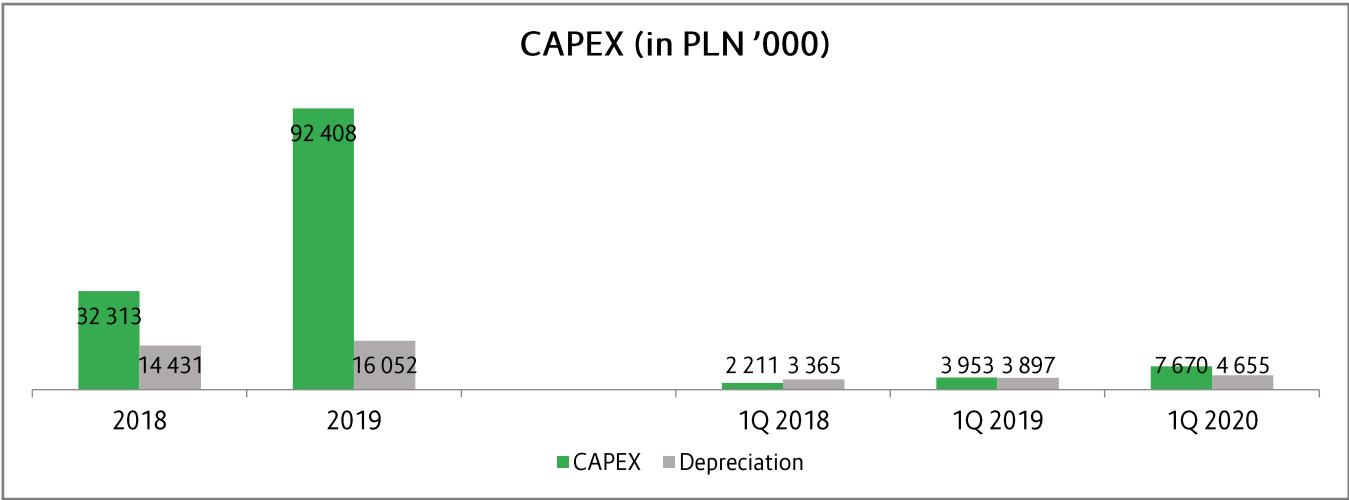
Net Debt and EBITDA

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

*loans, borrowings and other external sources of financing, financial leasing
** calculated as total liabilities divided by total assets

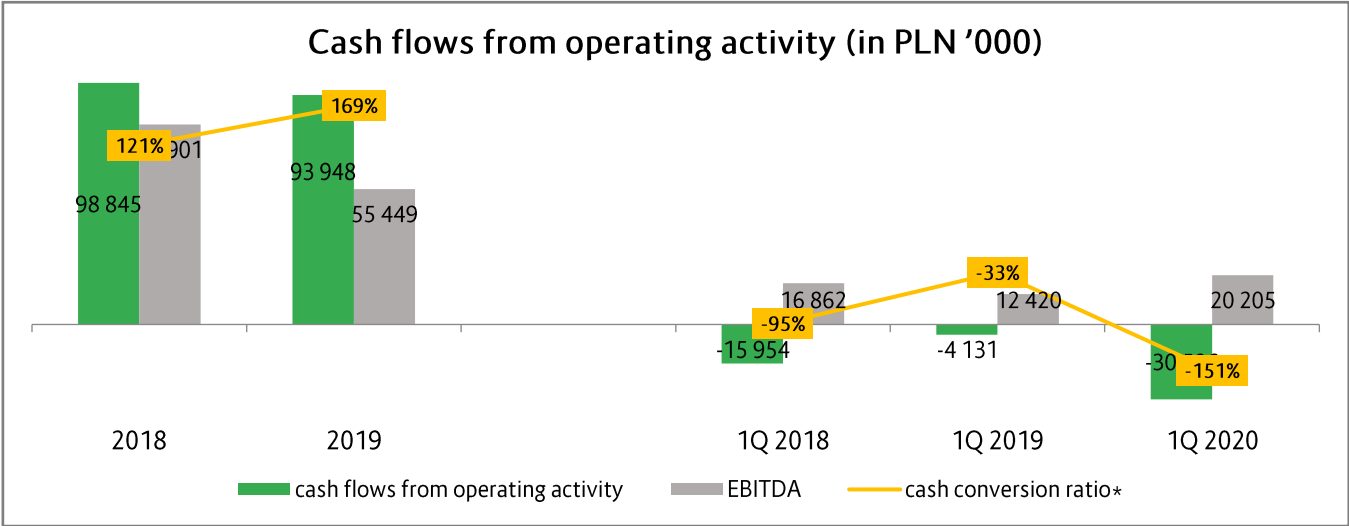
Strong balance sheet & financial stability

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**.

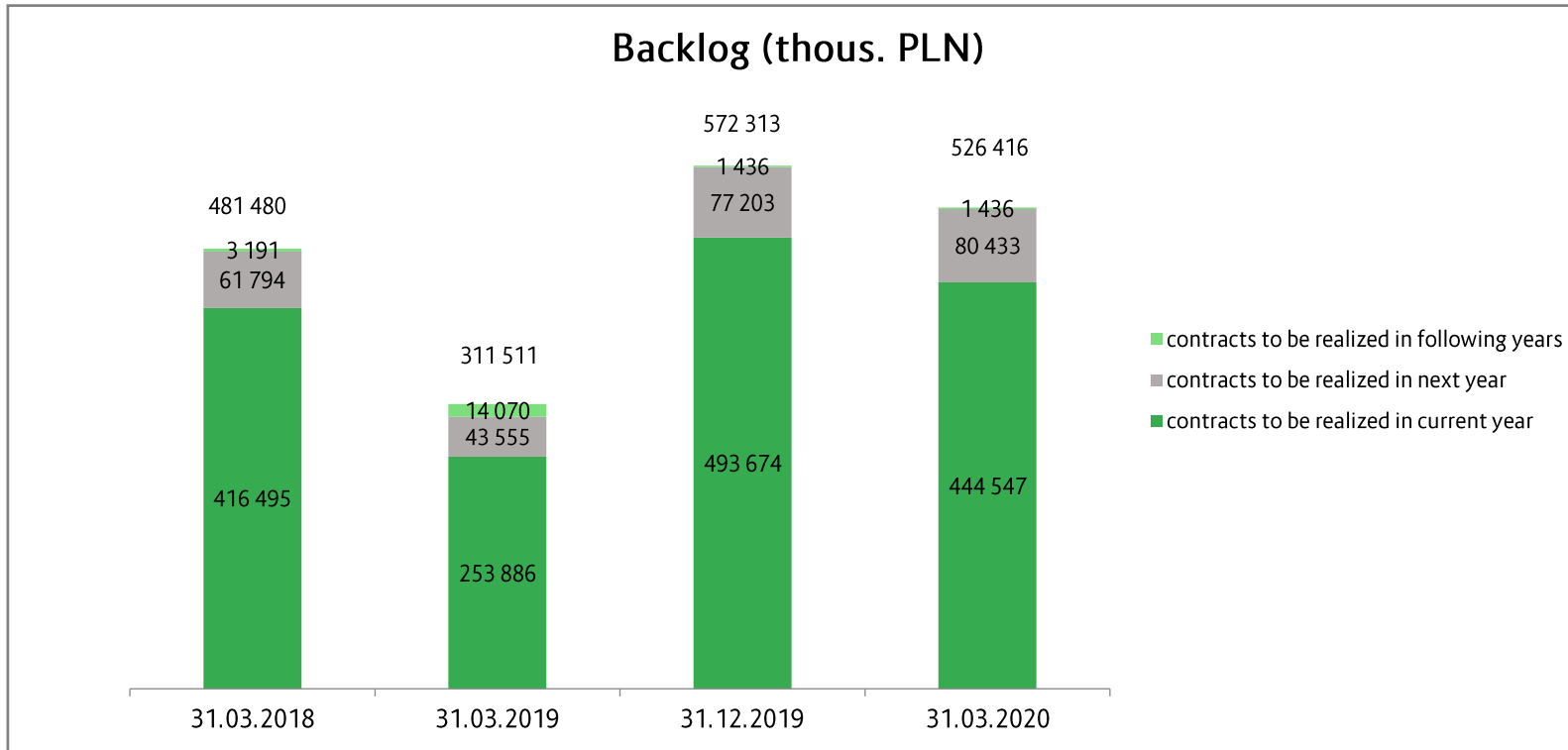


CAPEX breakdown	2014	2015	2016	2017	2018	2019	1Q 2020
Land	0	6 137	8 522	0	5 946	76	0
Buildings	3 664	20 487	15 109	1 967	1 252	5 126	28 224
Machinery and equipment	10 697	6 867	30 205	1 245	1 217	7 750	41 761
Vehicles	1 694	279	905	451	915	1 775	726
Other fixed assets	1 864	472	1 771	894	2 449	1 779	202
Fixed assets under construction	204	9 656	4 748	2 362	18 239	75 482	-63 657
Software	54	235	351	359	1 672	421	59
Intangible assets under constructions	12	8	0	40	623	0	354
Depreciation	3 853	6 604	10 628	12 543	13 779	16 052	4 655

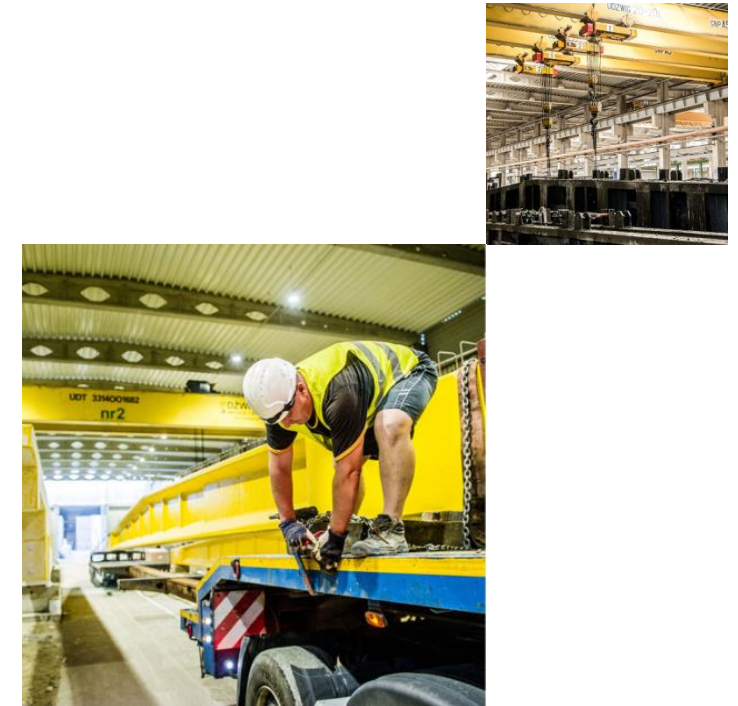
* calculated as cash flows from operating activities divided by EBITDA

Backlog

Strong, well-diversified backlog

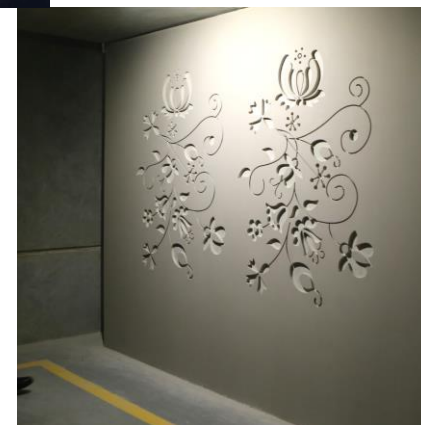
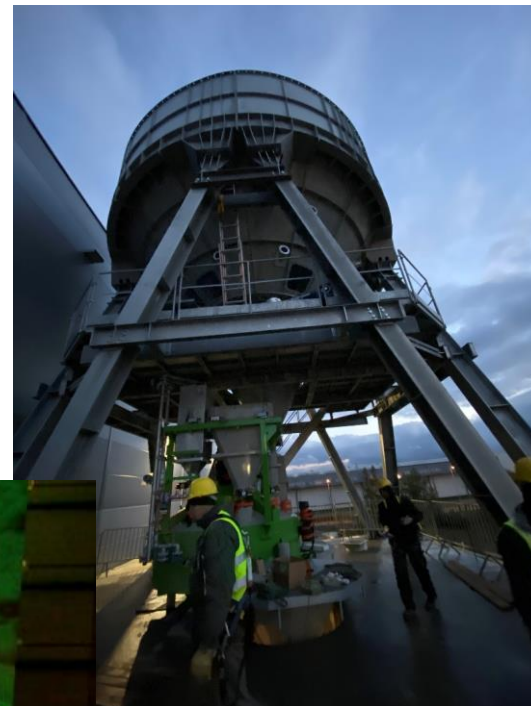


- Pekabex Group systematically builds strong and well-diversified backlog, which will fill the production in following years. It contains aggregated value of signed contracts, which are/will be realized, and revenues will be recorded after the balance sheet date.
- Value of contracts to be realized from 31.03.2020 is equal to PLN 526m and it has increased by about 69% comparing to 31.03.2019



- Backlog in 31.03.2020 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).

Key event – 1Q 2020



Opening new plant in Gdańsk-Kokoszki

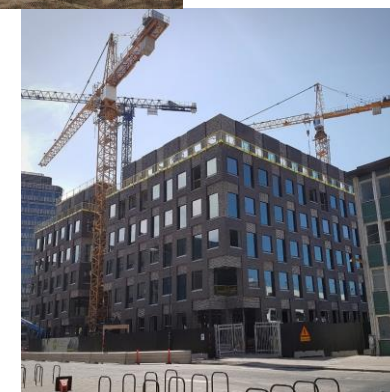
New, modern plant in Gdańsk

- new plant opened Jan 2020 in Pomeranian Special Economic Zone in Gdańsk-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 m² of elements designed largely for housing
- current backlog amounting to 60% of assumed production capacity for 2020



Selected realized contracts

Diversity



CMB CARPI, ITINERA – University Hospital

Denmark – Odense

- 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 initiated the assembly of prefabricated structure (14 000 m³ in total) with an end date in June 2020.
- Expected end date: June 2020



Kelloggs Chopin

Kutno

Construction contains:

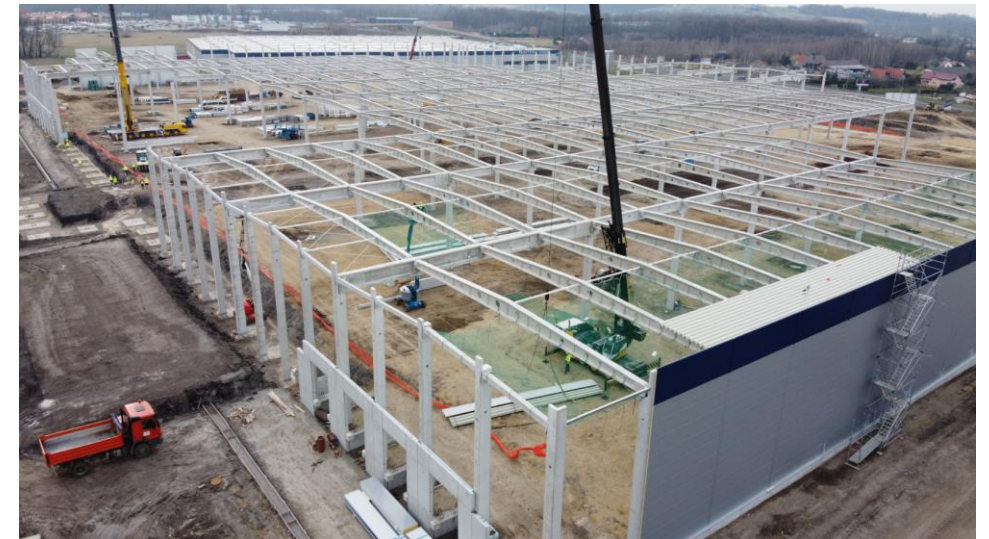
- A production plant - total floor area 2 200 m²
- Total number of elements - 1 800 elements
- The contract is realized by general construction department



Panattoni hall

Bielsko-Biała

- Construction contains warehouse - total area c.a. 68 500 m².
- Prefabrication contains 1 100 elements (docsk, columns, griders).



MLP

Pruszków

- Construction contains warehouse with warefare and office facility.
- Total area c.a. 12 000 m².
- The contract is realized by general construction department.



Prologis hall

Ruda Śląska

- Construction contains warehouse - total area c.a. 51 200 m² (hall 48 600 m², office building 2 500 m²).
- Prefabrication contains 1 200 elements (docsk, columns, griders).



Raben

Wojanowo

- Construction contains 3 warehouses with warefare and office facilities (11 700 m²) and other necessary technical infrastructure (total area 42 000 m²)
- The contract is realized by general construction department



Kaufland

Piastów

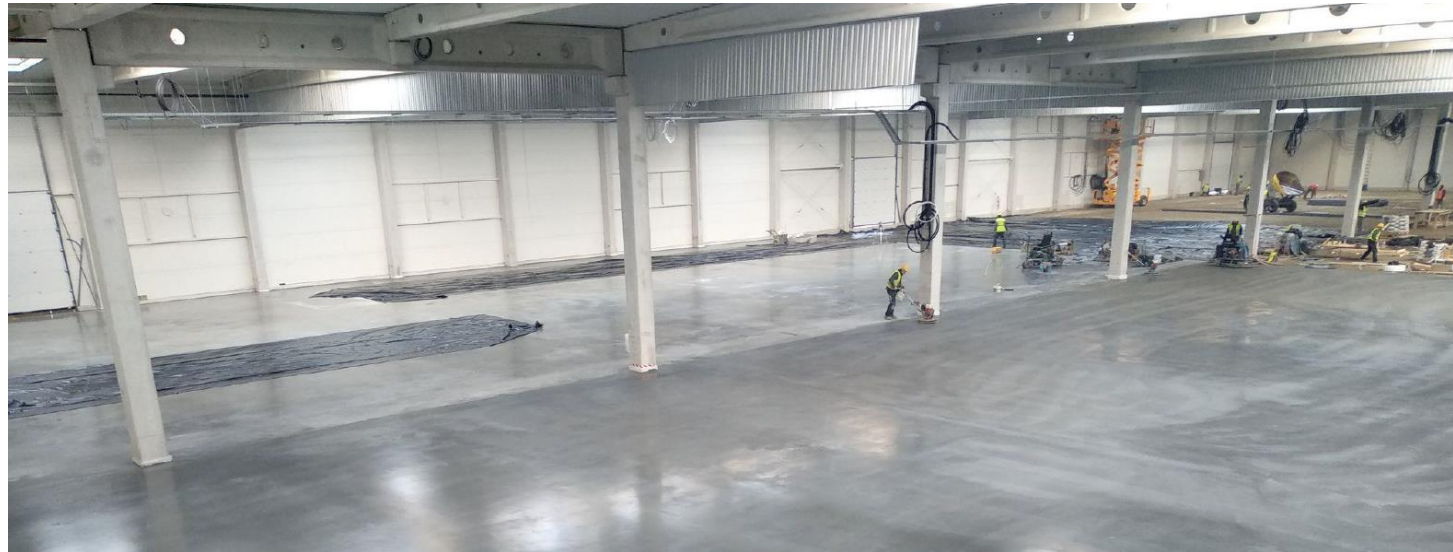
- The construction includes the construction of a Kaufland commercial and service building (area of the market hall: 5,300 m²) with an entrance, parking lots, a transformer station, information devices and the necessary technical infrastructure (total areas: 9,700 m²).
- The contract is realized by general construction department



Defalin

Świebodzice

- The construction includes the construction of a production and warehouse hall (total area - 6,300 m²)
- The contract is realized by general construction department
- Expected end date: June 2020



Stora Frosunda

Stockholm

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

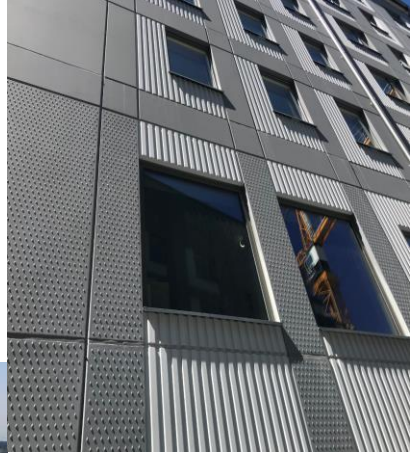


Citadellskajen Vastra

Sweden

- Construction contains residential complex - area 11 000 m².
- Prefabrication contains 2 730 elements.





THANK YOU