



# 2017 RESULTS

Wielton  
Group

Wieluń – Warsaw, March 28, 2018

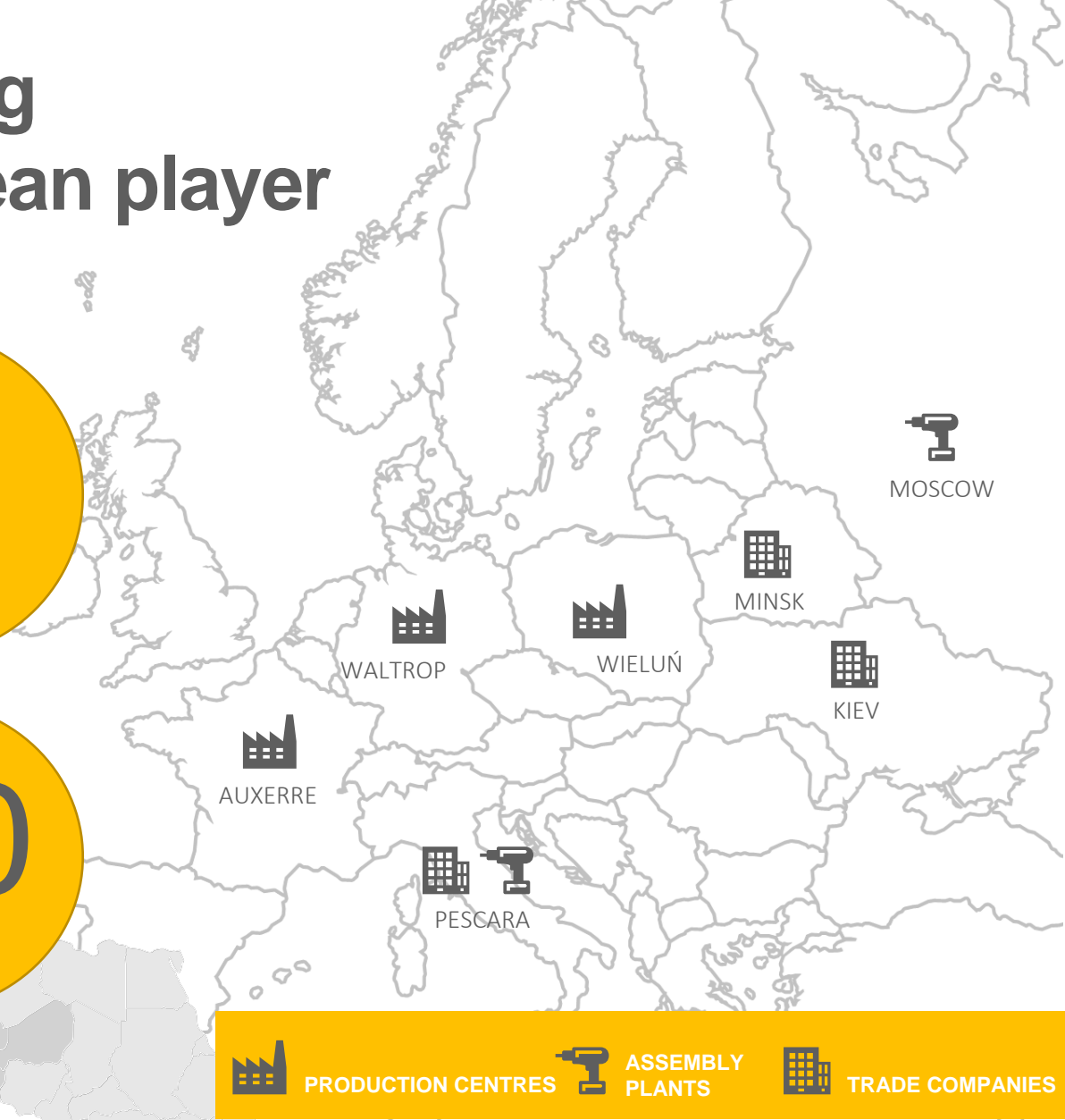
WIELTON  
GROUP

# Leading European player

WIELTON GROUP

No. **3**  
in Europe

No. **10**  
in the world



- A manufacturer of semi-trailers, trailers and car bodies for road transport and agriculture
- One of the youngest and **most dynamic companies** in the industry – 22 years
- **Multibrand** – a Group based on **strong local brands**
- **Own, modern R&D facilities** – the only one in Poland and the second one in Europe
- **A wide product portfolio** 11 groups
- International service network – over 600 service points
- Experienced staff **2,600** employees within the Group, 260 engineers



# Key data for 2017

	2016		2017
Volume	12,859 units	+17.5 %	15,109 units
Revenue	1,197.7 m PLN	+33.4 %	1,597.2 m PLN
EBITDA	106.1 m PLN	+9.4 %	116.1 m PLN
<i>EBITDA yield</i>	8.9 %	-1.6 pp	7.3 %
EBIT	82.4 m PLN	+8.0 %	89.0 m PLN
<i>EBIT yield</i>	6.9 %	-1.3 pp	5.6 %
Net profit	59.6 m PLN	+40.0 %	83.4 m PLN
<i>Net yield</i>	5.0 %	+0.2 pp	5.2 %

The **revenues** generated by the Wielton Group for 2017 reached **PLN 1.6 bn**, a 33.4% y/y increase.

**EBITDA exceeded PLN 116 m** with a profitability rate of 7.3%. The dynamics of growth exceeded 9%.

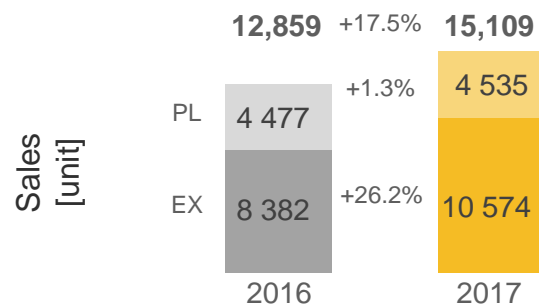
**Decrease in EBIT profitability** due to **raw material prices increase and fluctuations in the EUR/PLN, EUR/RUB and EUR/UHA exchange rates.**

**The operating result includes the bargain acquisition** of the German Langendorf Group, which **reached PLN 4.6 m per balance after settlement.**

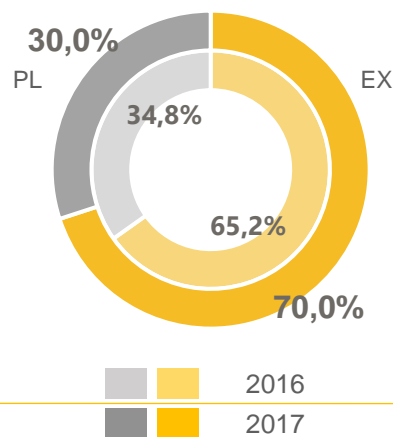
The impact of the **asset recognition on the investment bonus** lowering the value of income tax by PLN 17.9 m.

**The net profit in 2017 amounted to PLN 83.4 m, with an increase by 40% y/y.**

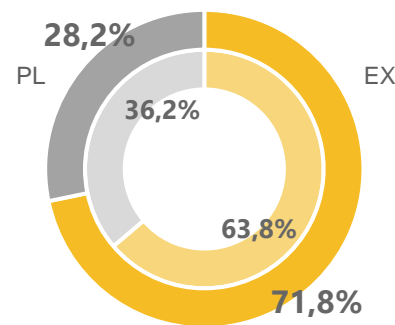
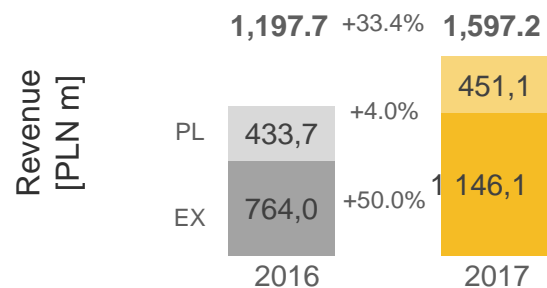
# Sales and revenue



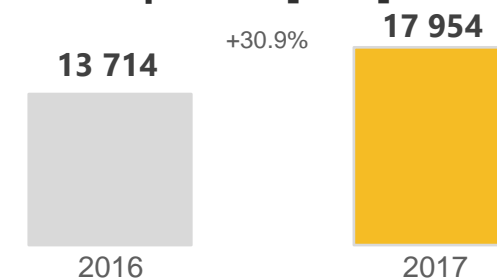
Breakdown [%]



- In 2017, the **Wielton Group** sold **15,109 units of semi-trailers and trailers** as well as agricultural products, an increase of 17.5% y/y.
- **Foreign sales** in the Wielton Group in 2017 **accounted for 70% of the total volume**.
- **The increase in foreign sales volume by 26.2% y/y to 10,574 units** was the result of a good situation on the Russian market as well as in Italy and France. Langendorf inclusion had an additional impact on the result – the last 5 months of the year were consolidated.
- The Group recorded **record-high sales revenues** in all markets.

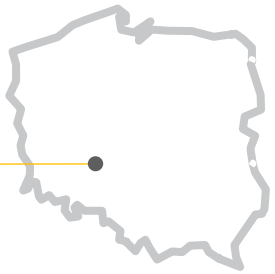


Backlog at the end of the period [unit]



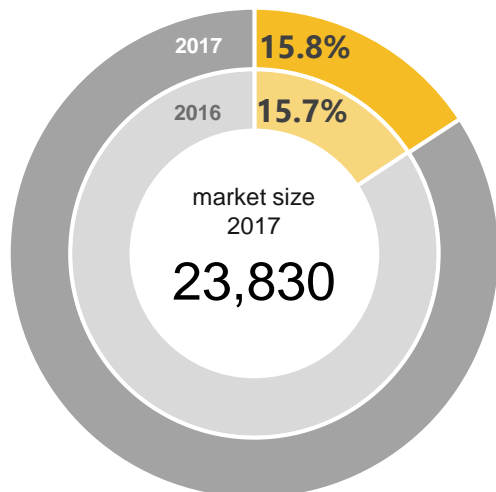
# Market share and sales Poland

headquarters:  
**Wieluń, Poland**



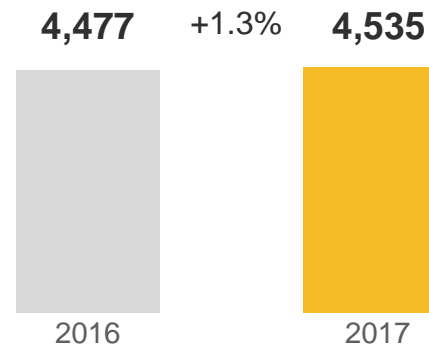
## Market share

based on vehicle registrations

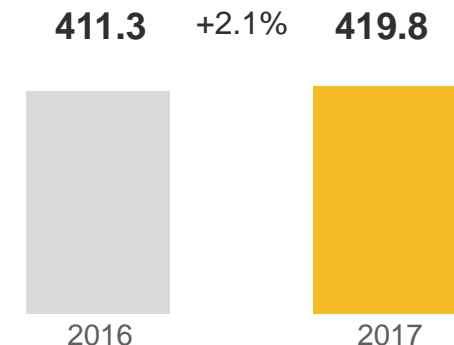


**3<sup>rd</sup>**  
position

## Sales [unit]



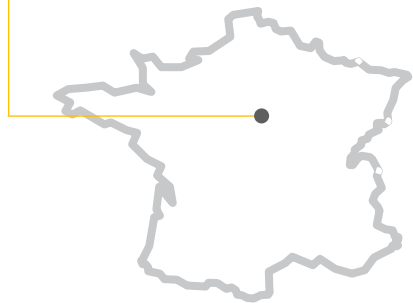
## Revenues [mln PLN]



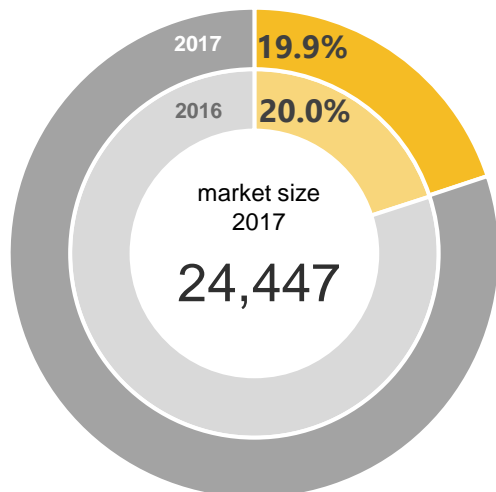
- After four quarters of 2017, the market grew by 1.3% y/y to 23,830 registered vehicles.
- Wielton maintains a stable level of new vehicles and reduces the distance to number 2 on the market by 500 units in 2017.
- Sales on the domestic market amounted to 4,535 units (including agricultural products) and was higher by 1.3% y/y.
- After four quarters of 2017, revenues from sales of products on the domestic market increased by 2.1% compared to the same period of the previous year, reaching PLN 419.8 million.

# Market share and sales France

headquarters:  
**Auxerre, France**

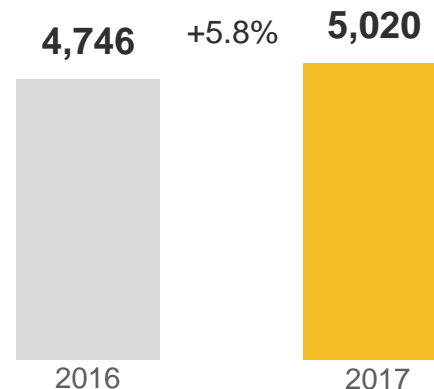


**Market share**  
based on vehicle registrations

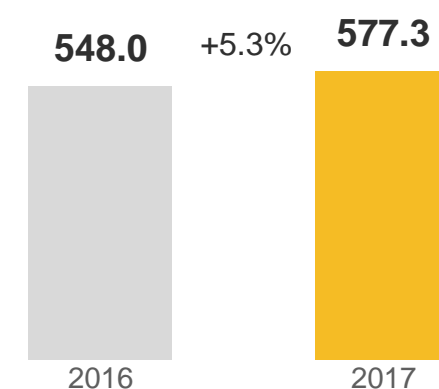


**1<sup>st</sup>**  
position

Sales [unit]



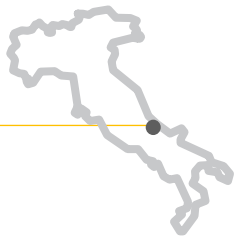
Revenue [PLN m]



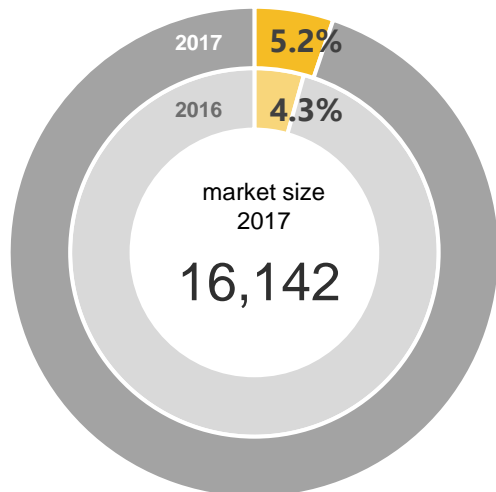
- In 2017, the French market **increased by 7.2% y/y to 24,447 units**.
- **Fruehauf SAS maintains its position on the market**, executing growth at a level close to the market (increase by 7% y/y). **The sales in the French company in 2017 amounted to 5,020 units and grew by 5.8% y/y.**
- Product sales revenues in 2017 amounted to **PLN 577.3 m and grew by 5.3% y/y.**

# Market share and sales Italy

headquarters:  
**Pescara, Italy**

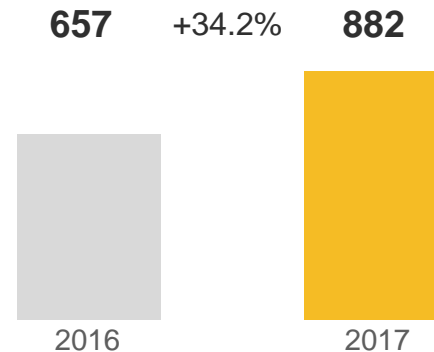


**Market share**  
based on vehicle registrations

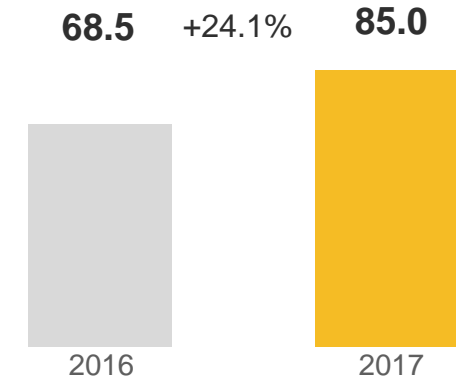


**5<sup>th</sup>**  
position

Sales [unit]



Revenue [PLN m]



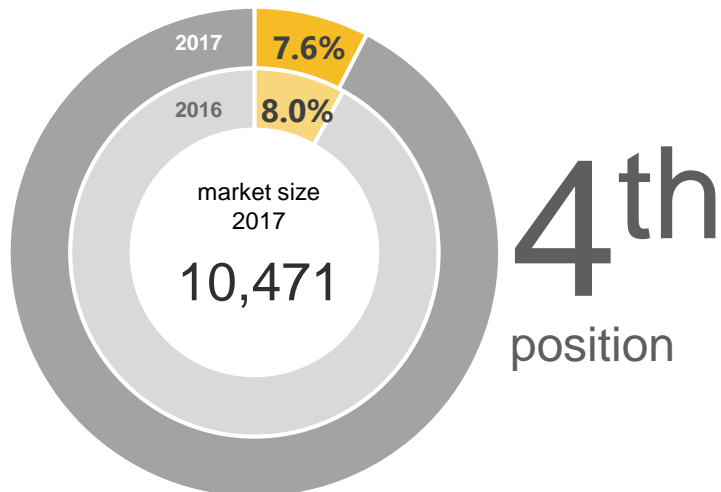
- In 2017, **the market grew by 8.8% y/y** and after four quarters reached **16,142 registered vehicles**.
- In 2017, Viberti Rimorchi recorded **an increase in product sales by 34.2% y/y**, reaching 882 units. **This is the best result** among top 10 on the Italian market.
- **Market share at the end of 2017 is 5.2%** compared to 4.3% (increase by 0.9 pp) in the corresponding period of the previous year, and the distance separating the Viberti Rimorchi brand to no. 4 on the market at the end of 2017 amounted to 268 units.

# Market share and sales Russia

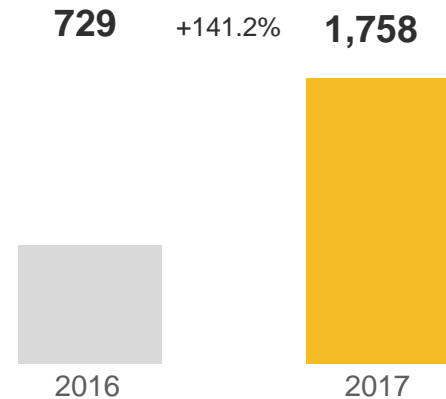
headquarters:  
**Moscow, Russia**



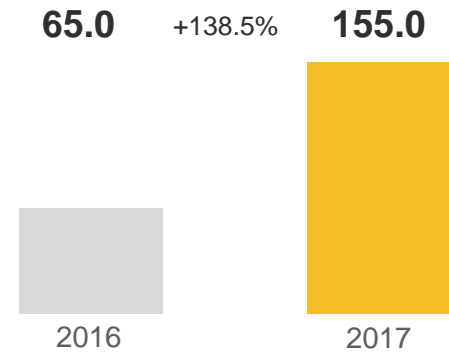
**Market share\***  
based on vehicle registrations



Sales [unit]



Revenue [PLN m]



- The lasting good situation on the Russian market translated into **increased sales of all products in a total of 1,758 units.**
- **The result is higher by 141.2% in comparison to the same period in 2016,** when 729 units were sold.
- **The sales of tipping trailers is not included in the registration statistics (899 units)** because these products were sold to truck producers (mainly Scania, Volvo, MAN).



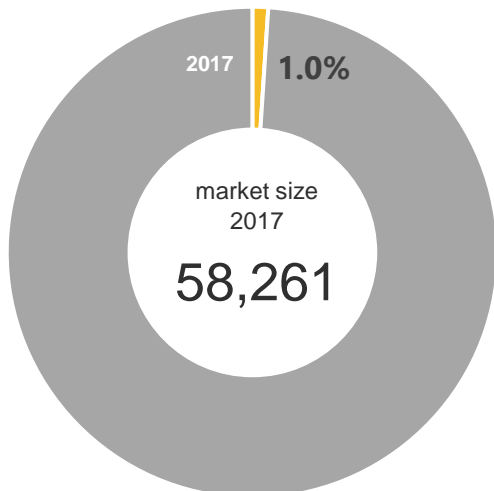
# Market share and sales Germany

headquarters:  
**Waltrop, Germany**



## Market share

based on vehicle registrations



Sales [unit]

**602**



2017

Revenue [PLN m]

**104.9**



2017

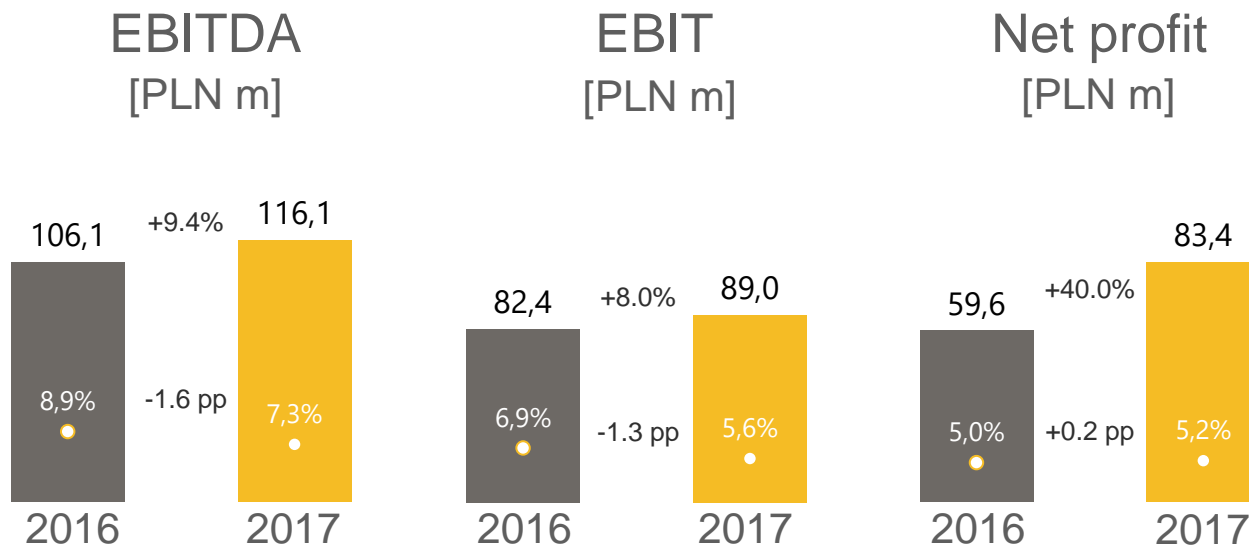
- **In 2017, the consolidated sales volume** of Wielton GmbH and Langendorf amounted to 602 vehicle units, and the revenues of the companies reached PLN 104.9 m.
- The result **consolidates the sales of Wielton GmbH in 2017** (219 units) and the activity of Langendorf in August – December 2017 (383 units).
- **The overall market size was 58,261 units**, in which the Wielton Group's share was 1%.
- **The total sales of Langendorf** in 2017 amounted to 1,025 units of sold vehicles.

# Product portfolio structure



- 15 product families
- over 800 configurations
- One of the widest product ranges among European producers
- Close cooperation with customers to fully match the products to the needs of recipients

# Consolidated profits and profitability



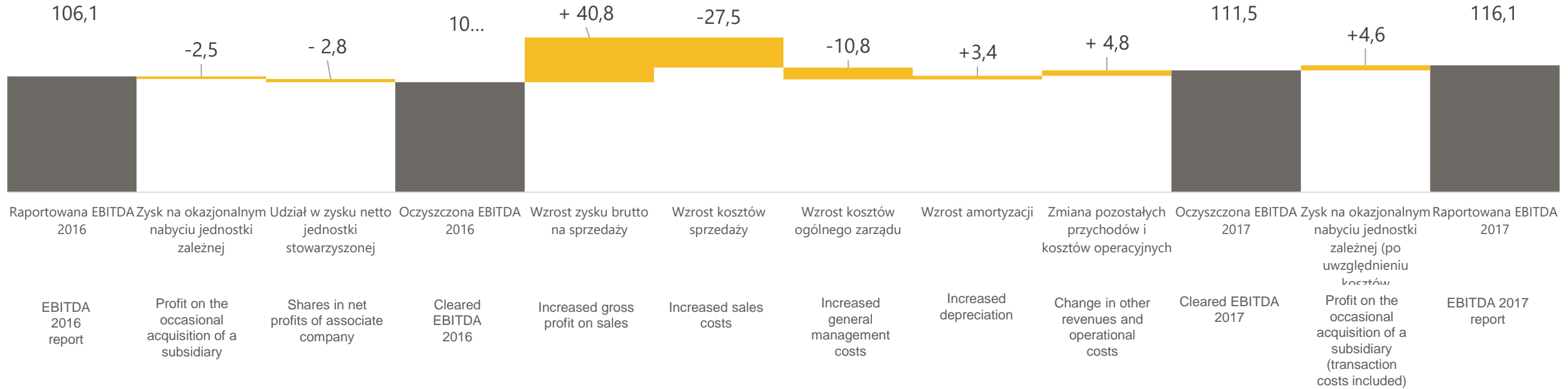
## Factors that influenced the financial result in 2017:

- outsourcing costs;
- management of pay expectations;
- EUR/PLN exchange rate amid depreciation of the rouble and the hryvnia;
- prices of raw materials;
- Langendorf purchase completion.
- ;

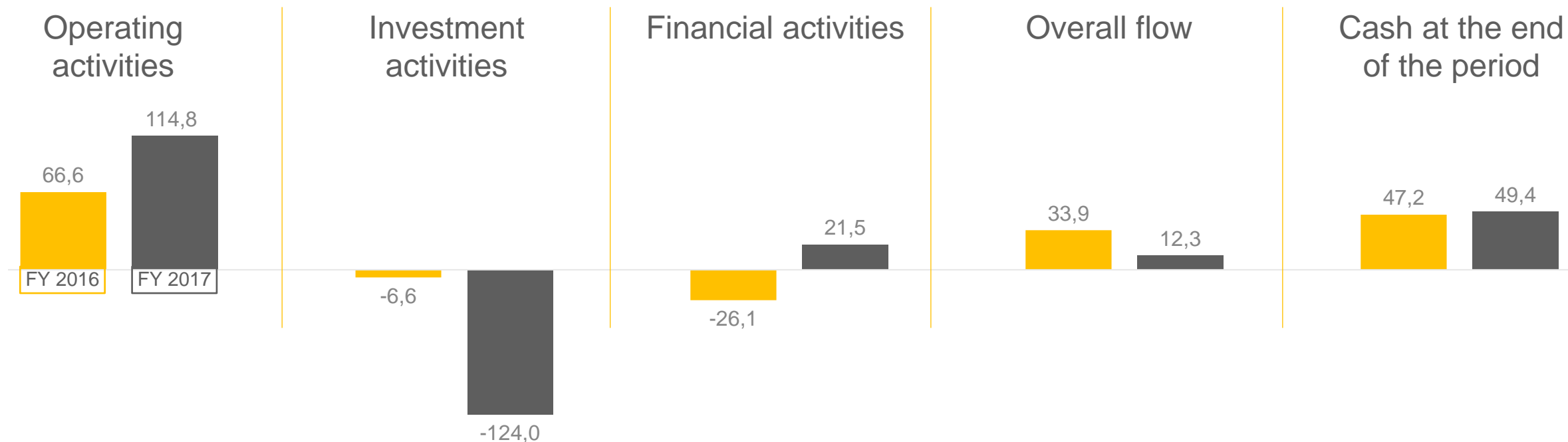
- **Increase of gross profit from sales** by over PLN 40 m with the margin rate of 13.6%.
- **Increase in the share of foreign markets** (+50% y/y) brings a slightly **higher share of selling costs** (from 4.8% to 5.3%) related to **the transport of products** (including the transport to Russia).
- The consolidation of Langendorf increased **general administrative expenses by PLN 5 m, and transaction costs by PLN 3.2 m.**
- The EBITDA increased by PLN 10 m at the rate of 7.3%, **including the result on the purchase of shares in Langendorf.**
- **The impact of the asset recognition on the investment bonus lowering the value of income tax by PLN 17.9 m.** In 2018, the company plans to complete the remaining part of the permit, which will allow it to recognize another tax benefit in the amount of PLN 4.6 m.

# EBITDA

## results structure [mIn PLN]



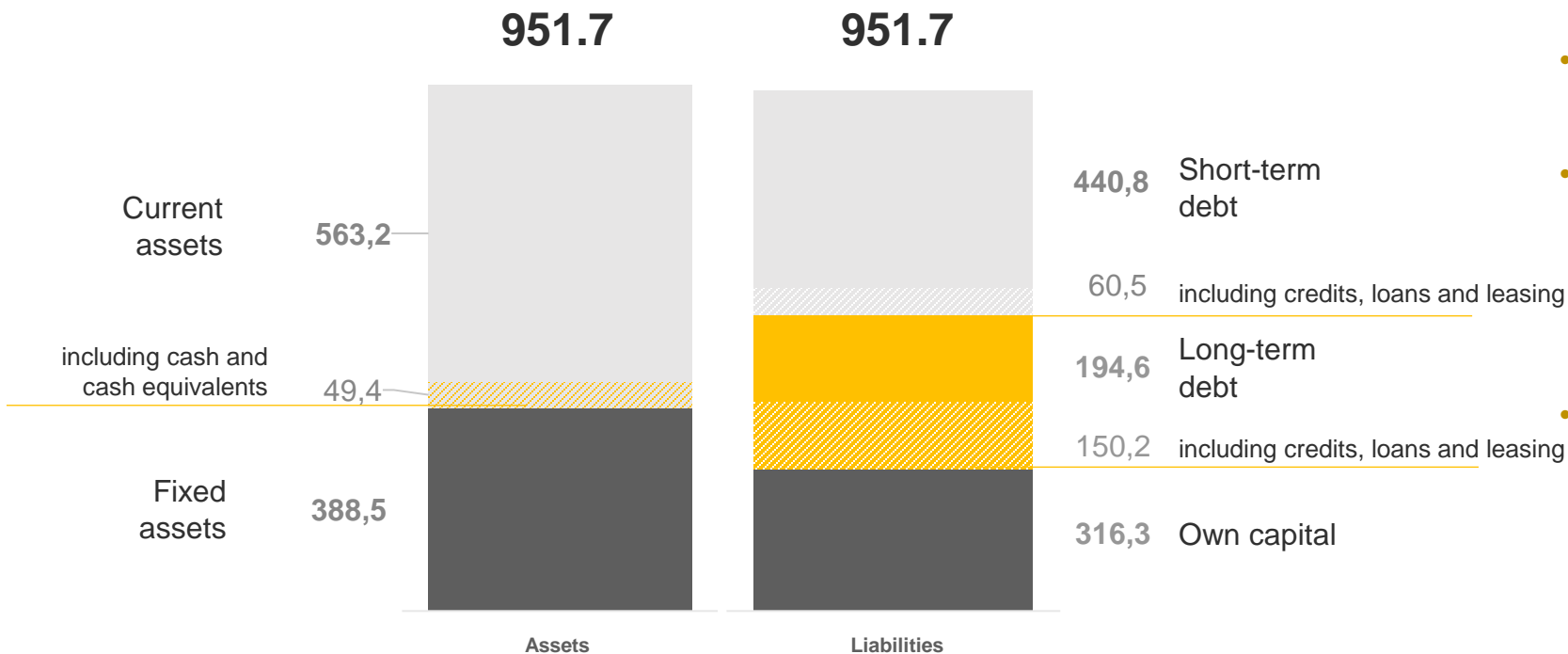
# Consolidated cash flow statement [PLN m]



Strong financial position of the Group supported by a high level of cash generated from operating activities.

# Balance sheet breakdown and debt [PLN m]

## Adequacy of resources and proper structure of financing sources



- In December 2017, Wielton took over the remaining shares of Fruehauf SAS.
- In addition to the fair valuation of Langendorf assets, the balance sheet recognized the obligation to buy the remaining 20% stake in Langendorf for the amount of PLN 8.4 m.
- The liability is subject to discounting and revaluation on subsequent balance days. The above value is also a reduction of other capitals.

Net debt 161.4

Net debt/EBITDA 1.4

# Strategic objectives 2020

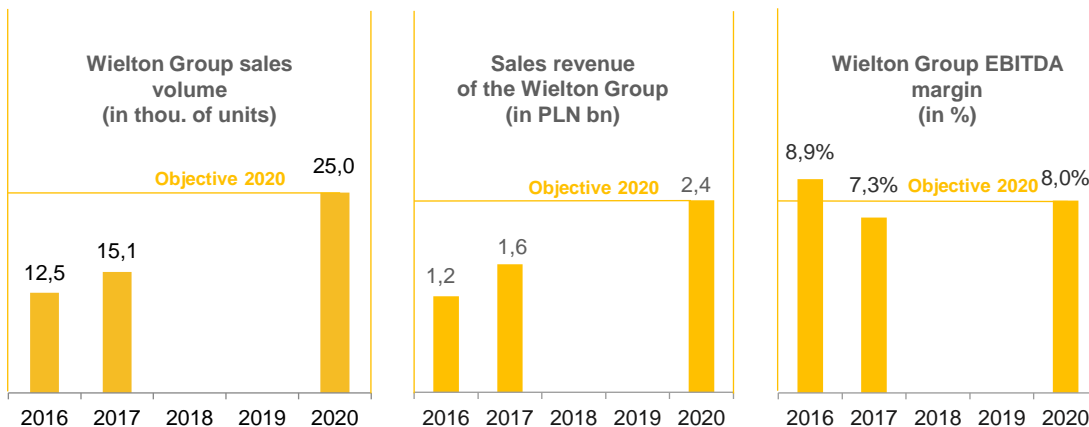
## Current stage of strategy implementation

### Strategic objectives 2020

vs. 2016

Volume	25,000 units	x2
Revenue	PLN 2.4 bn	x2
EBITDA margin	8.0 %	

### Objective implementation at the sales level



### Consistent implementation of strategic projects:

<b>Succession Fruehauf SAS</b>	Purchase of shares from the current minority shareholder to the level of 100% of shares in Fruehauf SAS, as well as a smooth takeover of operational management while maintaining the continuity of key employees.
<b>Corporate Identity</b>	Development of a new graphic image of the Wielton Group, as well as preparation of a set of designs and colours along with guidelines for applications in the Group's materials and products. Developing a rebranding plan.
<b>Brand strategy</b>	Defining the rules for using different brands owned by the Group, elaborating decisions on the development or resignation from individual brand assets and the schedule for implementing strong changes. Defining the rules for the expansion of individual brands on the markets.
<b>Used semi-trailers</b>	Defining the principles, structures, tools and operational processes for used semi-trailers trade, implementation in the area of the Wielton Group's operations. Development of financing programs for semi-trailers based on group-level agreements. Development of standards for the revitalization of trailers for further sale.
<b>Exemplary customer service office</b>	Defining and implementing a unified scope of facility functions and customer service standards. Established standards and procedures to be implemented in all current and planned locations, striving for 100% fulfilment of the customer service objectives.
<b>Development of the EU service network</b>	The project consisted in achieving the minimum number of service points defined for each domestic market in Europe. The project includes signing cooperation agreements, training service staff and providing access to IT tools (W-Serwis).
<b>Integration of quality systems in the Group</b>	The structure of the Group's Management Documents has been determined. The management documents of the Wielton Group were prepared and published. An outline of the Intranet platform (Sharepoint) with access to the Group Management documents was prepared. Publication of the Sharepoint Wielton Group platform.

## COMPLETED

Line no. 4 for welding tipper bodies: launched



Z2 Plant: equipment assembly on the new KTL line completed (automatic blasting plant, KTL installation and tub, spray booths)



## IN PROGRESS

Two automated **lines for welding beams of the main semi-trailer frames**; date of launch: beginning of **Q2 2018**

Automated **painting line for anti-corrosive protection of chassis and boxes by cataphoresis and a paint shop**: in testing

**Assembly line** – bottom and top transport for the pneumatic line and a fragment of the chassis assembly line: in testing

## PLANNED

Construction of refrigerated semi-trailers and trailers factory

Starting date 2018

Phase: design

Planned date of completion: end of 2019



# Development outlook: 2018

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- Stable situation on the Polish and French market
- A visible continuation of the good situation on the Italian market
- Perspectives of strengthening the Group's position on the German market thanks to the integration of the acquired Langendorf company
- Good situation in Russia, however, the market growth will not be as spectacular as in the record 2017
- Employee market: active management of wage pressure in Q2
- Implementation of planned investments
- The Group's development through organic growth and acquisitions, in line with WIELTON 2020 strategy

# Join us on the Investor's Day on May 22<sup>nd</sup> in Wieluń



**Thank you!**

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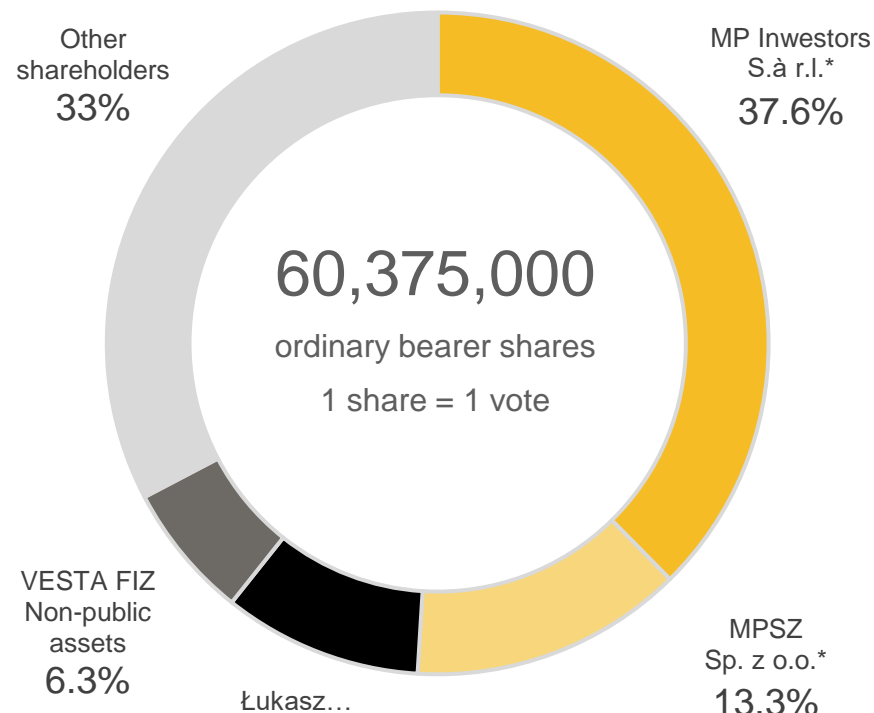
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[www.wieltongroup.com](http://www.wieltongroup.com)  
[info@wielton.pl](mailto:info@wielton.pl)

# Benefits of investing in Wielton

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- Ambitious development strategy: doubling the business scale within 4 years
- Leader or in the top 3-5 on dynamically growing markets
- Successful expansion in all territories: Poland, Western Europe, Russia
- Acquisitions that bring expected results
- Strong operating cash flows and secure financial position
- Positive outlook for the remaining periods of the current year
- Experienced management team with proven results
- Regular dividend of 25-30% of net profit

# Shareholders and company management



\* A total of 50.97% of shares in capital and votes at the General Meeting are controlled directly and indirectly by Mariusz and Paweł Szataniak through:

- - MP Inwestors S.à r.l., a subsidiary of MP Inwestors FIZAN managed by Forum TFI, whose total certificates they have acquired, and
- - MPSZ Sp. z o.o., in which they hold 50% of shares in the share capital

## Management Board



**Mariusz Golec**  
President of the Management Board



**Tomasz Śniatała**  
Vice-President of the Management Board for Economic and Financial Affairs



**Włodzimierz Masłowski**  
Vice President of the Management Board for Purchases and Eastern Markets

## Supervisory Board

Paweł Szataniak	President of the Supervisory Board
Mariusz Szataniak	Supervisory Board Deputy
Krzysztof Półgrabia	Secretary of the Supervisory Board
Krzysztof Tylkowski	Member of the Supervisory Board
Ryszard Prozner	Member of the Supervisory Board
Piotr Kamiński	Member of the Supervisory Board
Tadeusz Uhl	Independent Member of the Supervisory Board
Waldemar Frąckowiak	Independent Member of the Supervisory Board

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**WIELTON  
GROUP**

## **WIELTON S.A.**

Rymarkiewicz 6  
98-300 Wieluń  
[www.wielton.com.pl](http://www.wielton.com.pl)

## **CONTACT FOR INVESTORS**

Tomasz Śniatała  
Vice-President of the  
Management Board  
CFO  
mobile 510 202 743  
[t.sniatala@wielton.com.pl](mailto:t.sniatala@wielton.com.pl)