Results H1 2021

Wielton Group

September 2021

WIELTON GROUP

WIELTON GROUP

Leading European player

- **Manufacturer of trailers. semi-trailers and vehicle bodies** for road transport and agriculture.
- One of the youngest and **most dynamic companies** in the sector– **25** years of operating.
- **Multibrand – the Group based on strong local brands.**
- **Own, modern research and development facilities** - in Poland, Germany and France.
- **Extensive product portfolio** produktowe – **12** of vehicle group**, 800** configurations based on customer needs.
- International service network – **555 points in 30 countries**
- Experienced staff of over **3,3 thousand** people in the Group

Top 3
in Europe

Top 10
in the world

5 Commercial companies

2 Assembly plants

4 Production centres

W I E L T O N G R O U P

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Events affecting 1H 2021 results

01. Continuation of the positive trend from 1Q2021 and significant growth in sales volumes, revenue and profitability in 1H 2021, thanks to the Group's effective response to deferred demand and market recovery.

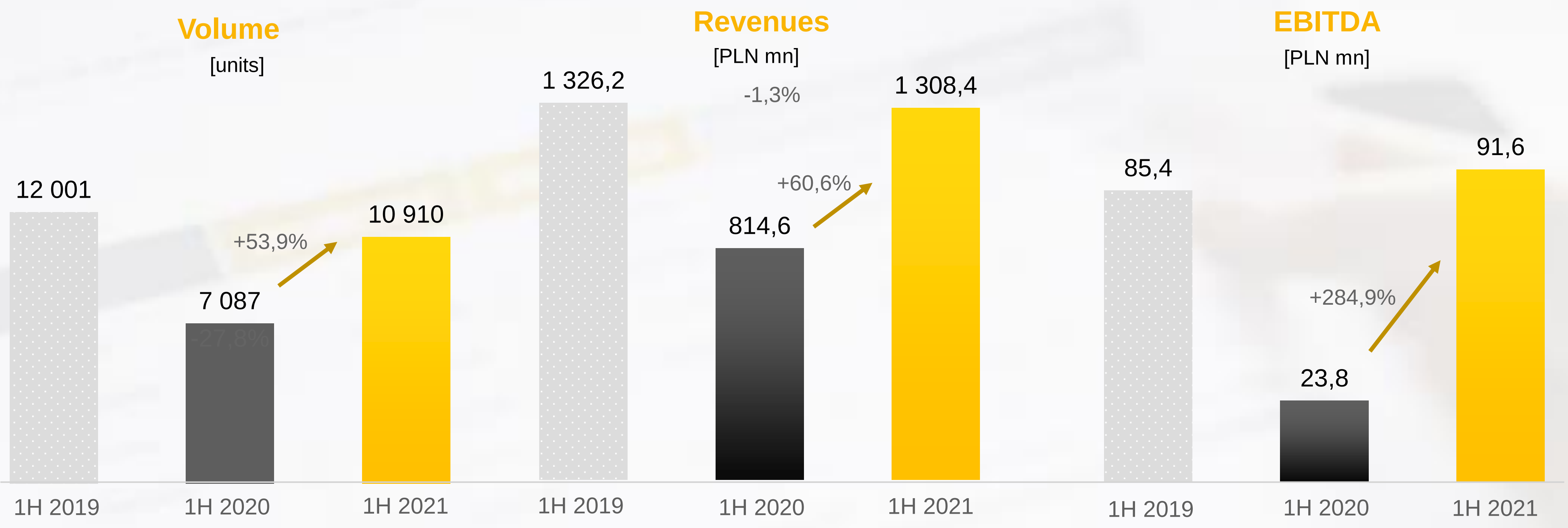
02. Systematic improvement of operating efficiency with increased production capacity - reaching 75 units per day at the Group's largest plant in Wieluń in June 2021 (compared to 45 units at the end of December 2019).

03. Successful defense of margins, despite a large increase in the prices of strategic raw materials (e.g. steel) in the discussed period. Achieving an EBITDA margin of 7%.

04. Continued consistent debt reduction.

05. Reduction of the net debt to EBITDA ratio to 2.2 (from 3.8 at the end of 2020) - fulfillment of the conditions for payment of the 2020 dividend of PLN 19.9 million (i.e. PLN 0.33 per share, 71% of the 2020 profit).

Key Data for 1H 2021



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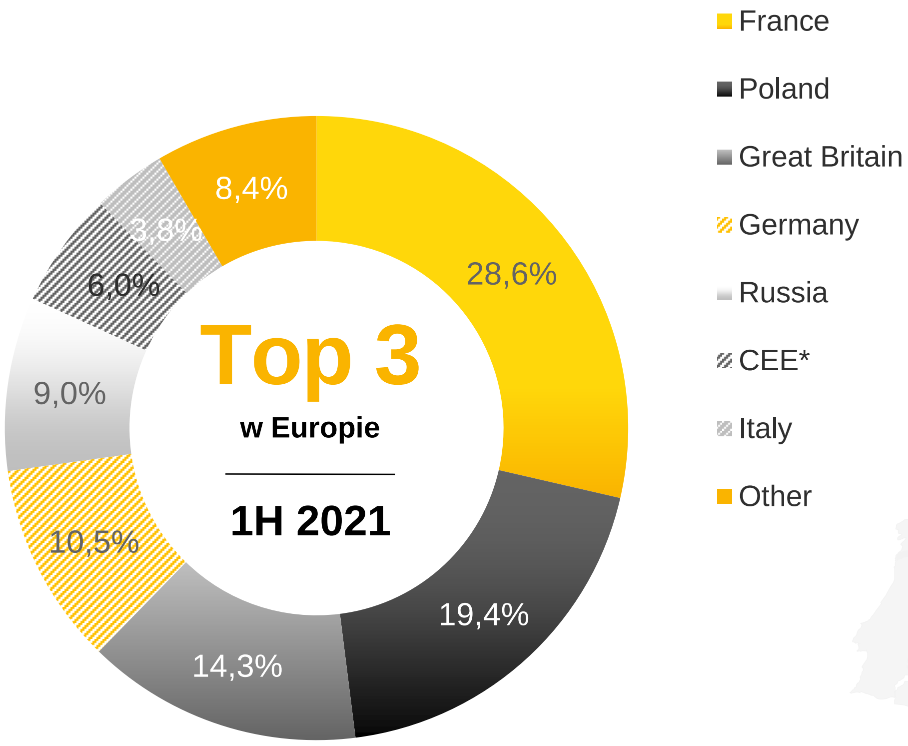
The most important factor contributing to the good 1H 2021 results was the recovery in sales volumes, revenues and profitability after a difficult 2020. The modernizations and investments, made during the lockdown last year, also contributed to improved margins.

Markets – Summary of Activities

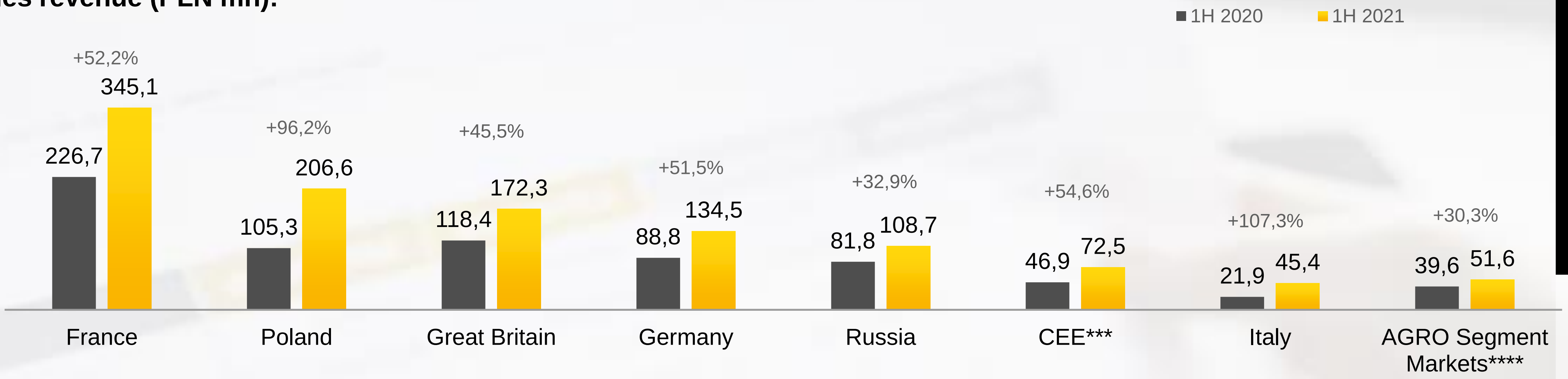
Share of individual markets in revenues from sales of Wielton Group products



*Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia, Slovenia

Wielton Group on European markets – 1H 2021

Sales revenue (PLN mn):



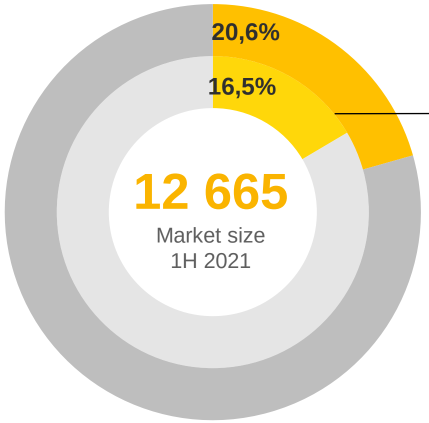
Brand	Fruehauf	Wielton*	Lawrence David	Langendorf	Wielton**	Wielton	Viberti	Wielton Agro

The Group achieved high double-digit increases in sales revenues in all of its major markets. The standout markets were Poland and France, and of the smaller markets, Italy. The high level of revenues, similar to 2019, signals the return of key markets to normality after the turmoil associated with the COVID-19 pandemic. Strong geographic diversification allows for the leveling of the impact of fluctuations in the economic situation in individual markets on the Group's revenues.

*for the Polish market (without the Agro Segment)
** for the Russian market
*** Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia, Slovenia,
**** Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Lithuania, Poland, Romania, Serbia, Sweden, Switzerland

France

Market share
based on vehicle registration



POSITION	
1.	1.
1H 2021	1H 2020

FRUEHAUF

Market growth by 12,4% y/y
to 12 665 units

Market share 20,6%
at 2 608 units

Activities

01. Production of 40 vans out of 100 units contracted for an e-commerce market leader.

02. Sales of spare parts increased by 30% in 1H y/y.

Key market information

01.

French market increased by approximately 12% in 1H compared y/y. Fruehauf registration growth (40% in 1H y/y) faster than market.

02.

Strengthened market leadership with nearly 21% share.

03.

1st position in curtainsider sales and share growth in 1H (38% vs. 27.8% y/y).

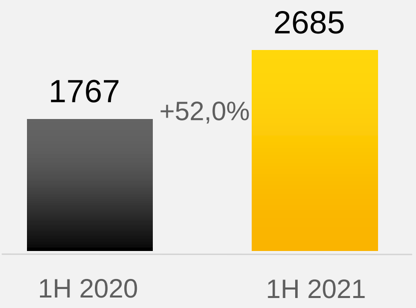
04.

Van sales leader and share growth in 1H (50% vs. 44.2% y/y).

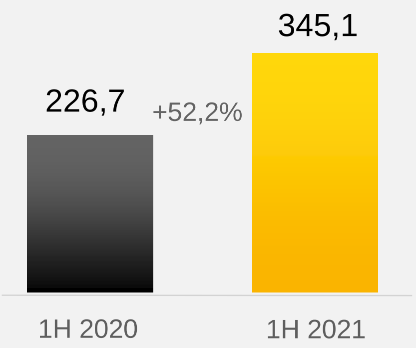
05.

Backlog at the end of June at 3,837 units (an increase of almost 110% y/y).

Volumes
[units]



Revenues from Sales of Products
[PLN mn]



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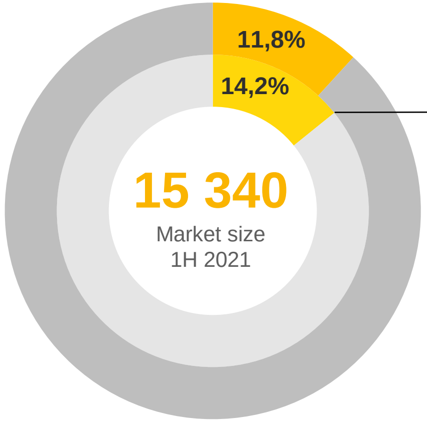
Poland

Market share
based on vehicle registration



POSITION	
3.	3.
1H 2021	1H 2020

WIELTON

Market growth by 122,4% y/y
to 15 340 units

Market share 11,8%
at 1 804 units

Activities

01. Execution of key contracts with logistics market leaders for 163 vans.

02. Increase in production capacity from 44 units to 75 units per day in June y/y.

03. The opening of the first Aberg Regional Service Center, with headquarters in Wieluń, as the next step in implementing the after-sales service strategy.

Key market information

01. Polish market growth of 122.4% in 1H compared y/y. Wielton's registration increase (by 83% in 1H y/y) faster than the market.

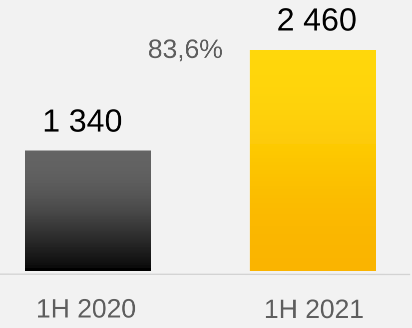
02. Increase market share of tippers in 1H from 12.8% to 14.5% y/y, with 70% growth in registrations.

03. Strengthened leadership in the van market in 1H, with a 33% increase in registrations.

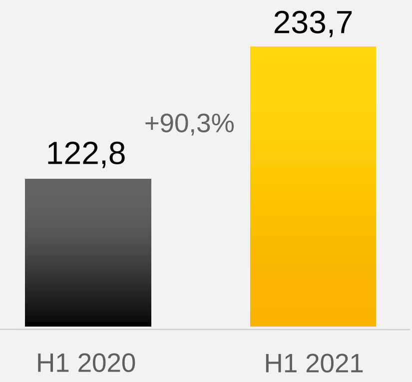
04. Increase in curtainsider sales by 140% (1,689 units vs. 703 units) in 1H y/y.

05. Backlog at the end of June at a record level of 6,745 units (an increase of 126% y/y).

Volumes
[units]

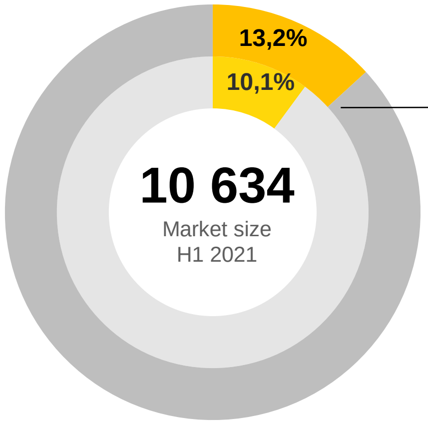


Revenues from Sales of Products
[PLN mn]



Great Britain

Market share
based on vehicle registration



POSITION	
2.	3.
1H 2021	1H 2020

LAWRENCE DAVID

Market growth by 36% y/y
to 10 634 units

Market share 13,2%
at 1 399 units

Activities

01. Implementation of a contract for a leader in e-commerce market for 159 units of vans and 50 units of double-deck semi-trailers. Development of two models of tippers under Lawrence David brand for the Tip-Ex trade fair.

02. Continued reorganisation of the production process - relocation of production from Kettering to Peterborough, conversion from nest to line production, to better utilise resources and improve profitability.

03. Increase in gross margin from spare parts sales by 10 pp in 1H y/y. Strengthening of the service team.

Key market information

01.

British market growth of 36% in 1H compared y/y. Lawrence David registration increase (80% in 1H y/y) faster than market.

02.

Advance to 2nd position, with shares rising from 10.1% to 13.2% in 1H y/y.

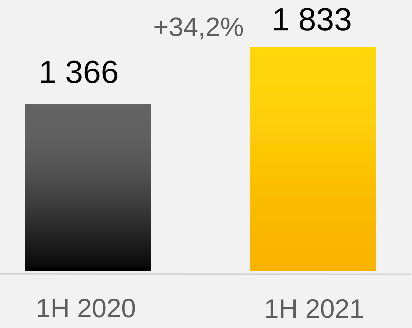
03.

Increase in curtainsider sales by 43% (856 units vs. 600 units).

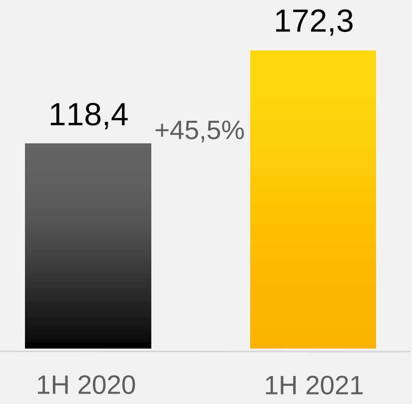
04.

Backlog at the end of June at 3,252 units (an increase of 80% y/y).

Volumes
[units]



Revenues from Sales of Products
[PLN mn]



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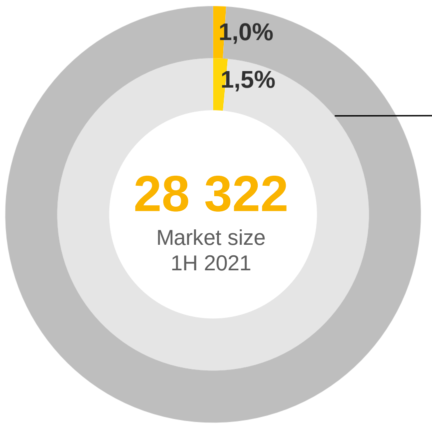
Germany

Market share
based on vehicle registration



POSITION

9.	10.
1H 2021	1H 2020

Langendorf
WIELTON

Market growth by 4,5% y/y
to 28 322 units

Market share 1,0%
at 293 units

Activities

01. Expansion of the Langendorf product portfolio - starting production of chassis for double-deck semi-trailers for the Lawrence David in Great Britain.

02. Finalization of Langendorf Polska investment in Wieluń, automation and robotization of production process.

03. Strengthening of the Langendorf Service GmbH organization. Sales of spare parts higher by 17% y/y.

Key market information

01. German market growth of 4.5% in 1H compared y/y. Increase in Langendorf's registration level by 11% in 1H y/y.

02. Maintained 3rd position in tipper registrations, with share increase in 1H (12.1% vs. 10.5% y/y).

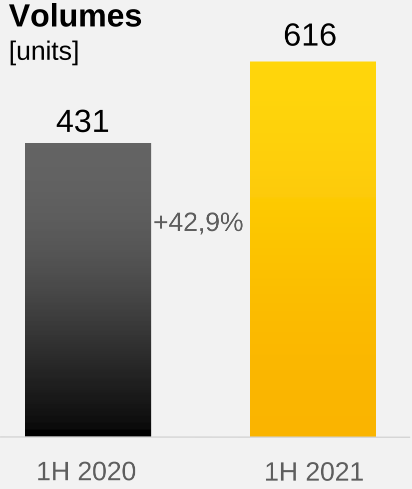
03. Increase in HP steel tipper sales by 47% y/y (245 units vs. 167 units) in 1H.

04. Growth in sales of glass inloaders by 82% and prefabricated components by 21% in 1H y/y.

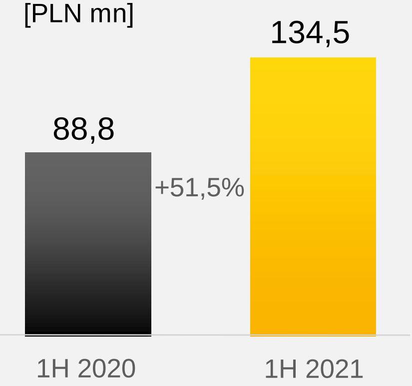
05. Langendorf backlog at the end of June at 518 units (an increase of 145% y/y.

06. Wielton GmbH backlog at the end of June at 276 units.

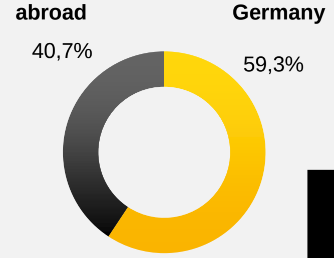
Volumes
[units]



Revenues from Sales of Products
[PLN mn]

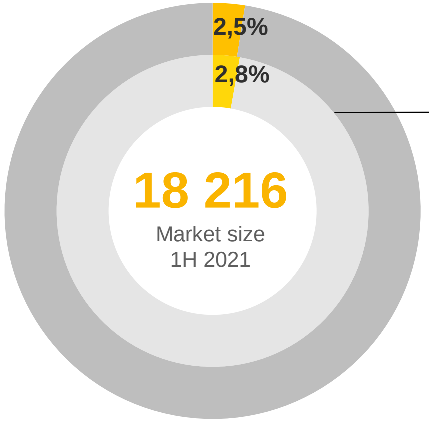


Geographical sales structure [%]



Russia

Market share
based on vehicle registration



POSITION

9.	10.
1H 2021	1H 2020

WIELTON

Market growth by 40,5% y/y
to 18 216 units

Market share 2,5%
at 453 units

Activities

01. Participation in the Bauma CTT construction fair in May this year. Concentration of sales on the new product - 4-axle container semi-loader.

02. Sales of spare parts increased by 67% in 1H y/y.

Key market information

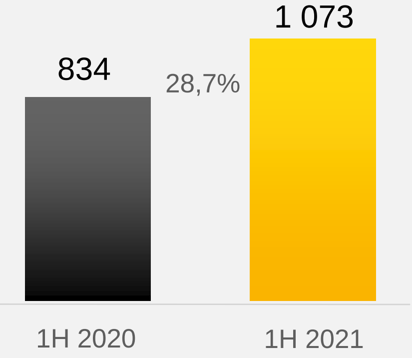
01.
Russian market growth of about 41% in 1H y/y. Wielton registrations increase by 4.4% in 1H y/y.

02.
Increase in sales of aluminum square tippers by 173% (41 units vs. 15 units) and container semi-loaders by 510% (61 units vs. 10 units) in 1H y/y.

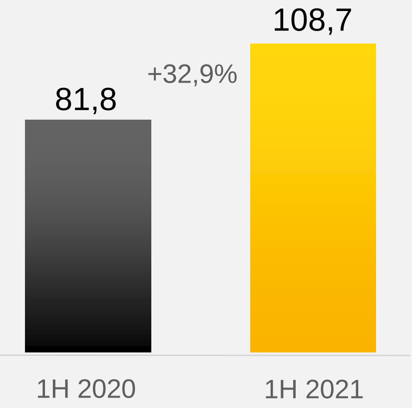
03.
Increase in curtainsider sales by 84% (59 units vs. 32 units) in 1H y/y.

04.
Backlog at the end of June at 329 units (an increase of 34% y/y).

Volumes
[units]



Revenues from Sales of Products
[PLN mn]

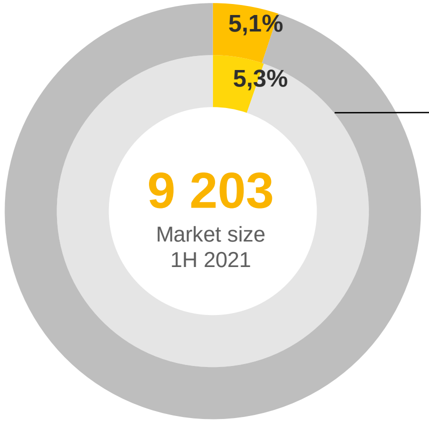


CEE*

* Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia, Slovenia

Market share

based on vehicle registration



POSITION

5.	4.
1H 2021	1H 2020

WIELTON

Market growth by 26,1% y/y
to 9 203 units

Market share 5,1%
at 465 units

Activities

01. Analysis of the Czech and Slovak markets with a view to establishing a commercial company.

02. New investment by strategic partner in Romania under the Wielton brand.

Key market information

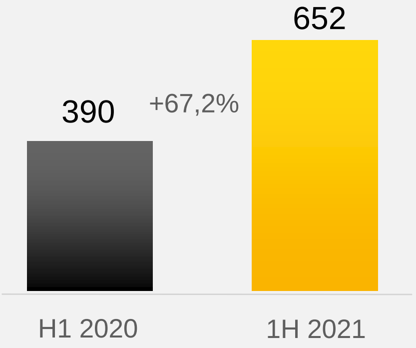
01. CEE market growth of 26.1% in 1H compared y/y. Wielton registrations increased by 15% in 1H y/y.

02. Drop to 5th position in the region, with share decline to 5.1%.

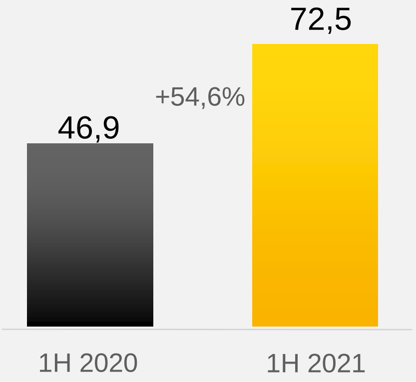
03. Share increase to 20.6% in the Slovak market.

04. Backlog at the end of June at 408 units (an increase of 14% y/y).

Volumes
[units]

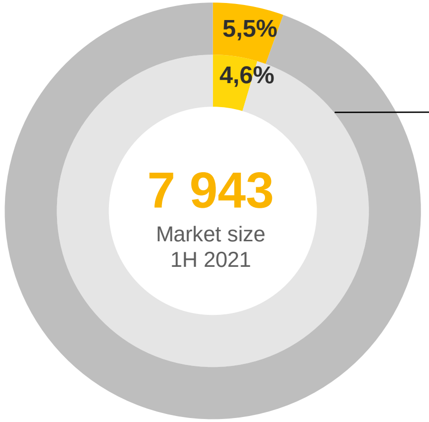


Revenues from Sales of Products
[PLN mn]



Italy

Market share
based on vehicle registration



POSITION

6.	6.
1H 2021	1H 2020

VIBERTI

Market growth by 43,1% y/y
to 7 943 units

Market share 5,5%
at 434 units

Activities

01. Concentrate sales on the new product - the new STRONG tipper.

02. Increase of assembly process efficiency by 11% in 1H y/y.

03. Increased spare parts sales by 171% in 1H y/y,
due to strengthening of active sales area.

Key market information

01.

Italian market growth of 43.1% in 1H compared y/y. Viberti registration increase of 68% in 1H y/y.

02.

Share increase to 5.5% and maintain 6th position.

03.

Increase in sales of curtainsiders by 108% (193 units vs. 93 units) and vans by 77% (53 units vs. 30 units) 1H y/y.

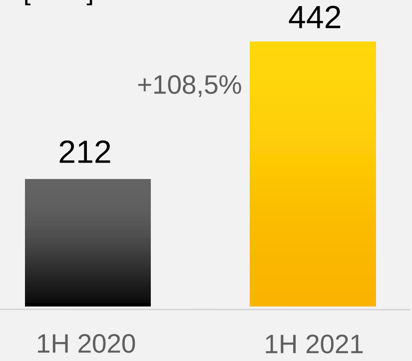
04.

Increase in sales of chassis by 110% (65 units vs. 31 units) and container semi-loaders by 272% (108 units vs. 29 units) 1H y/y.

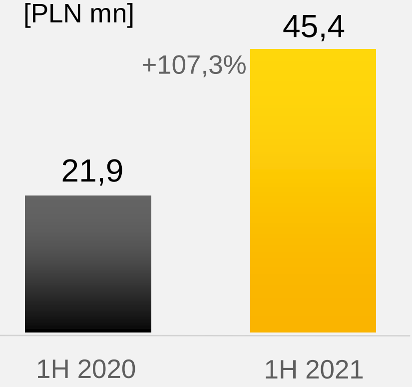
05.

Backlog at the end of June at 376 units (an increase of 437% y/y).

Volumes
[units]



Revenues from Sales of Products
[PLN mn]



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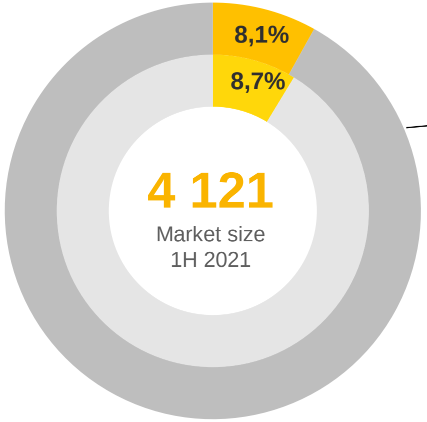
Agro Segment

Share in the Polish market

based on vehicle registration



POSITION	
4.	3.
1H 2021	1H 2020

WIELTON

Market growth by 26,7% y/y
to 4 121 units

Market share 8,1%
at 334 units

Activities

01. Expansion of the product portfolio with new models - 2 bale trailers and the silage trailer.

Key market information

01.

Growth of the largest market (Poland) by 27% y/y, with a simultaneous increase in sales by 49% y/y.

02.

Increase in registrations of Wielton Agro products in the Polish market by 18% y/y (334 vs. 283). Share decrease of 0.6 ppts due to lack of products availability.

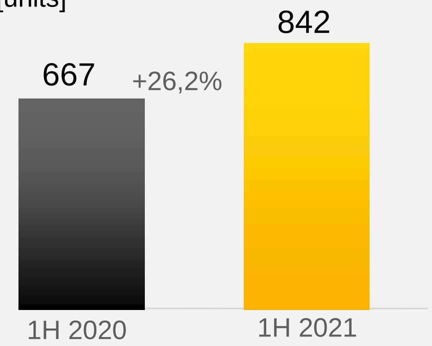
03.

Increased sales in Germany by 15% y/y.

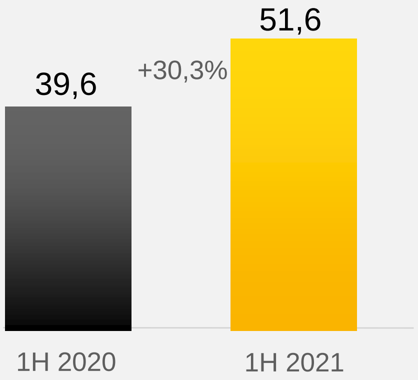
04.

Backlog at the end of June at 1H 2020 (305 units).

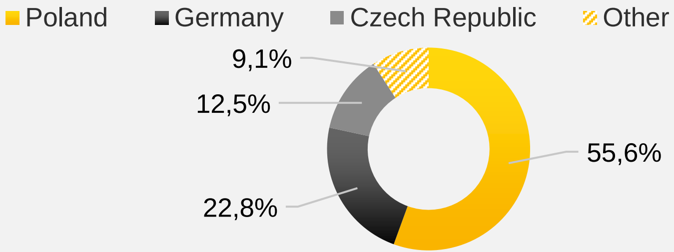
Volumes
[units]



Revenues from Sales of Products
[PLN mn]



Geographical sales structure [%]



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Product portfolio structure

UNIVERSAL SEMI-TRAILERS — 1H 2020: 29% | 1H 2021: 38%

CLOSED BOX SEMI-TRAILERS — 1H 2020: 11% | 1H 2021: 12%

TIPPERS — 1H 2020: 23% | 1H 2021: 17%

AGRO — 1H 2020: 9% | 1H 2021: 8%

TIPPER BODIES — 1H 2020: 8% | 1H 2021: 6%

CONTAINER SEMI-LOADERS — 1H 2020: 7% | 1H 2021: 4%

HOME DELIVERY BODIES — 1H 2020: 6% | 1H 2021: 6%

LOW-LOADERS (including trailers and others) — 1H 2020: 3% | 1H 2021: 4%

HIGH VOLUME COMBINATIONS — 1H 2020: 3% | 1H 2021: 4%

INLOADERS — 1H 2020: 1% | 1H 2021: 1%

01.

Universal semi-trailer sales doubled compared to 1H2020. Sales higher than in 1H2019.

02.

Increase van sales by 70% in 1H2021.

03.

Increase sales of high volume combinations by 79% and low-loaders by 92% in 1H2021.

04.

Increased Home Delivery bodies sales by 59% vs. 1H2020 and by 92% vs. 1H2019.

Operating and financial results in 1H 2021

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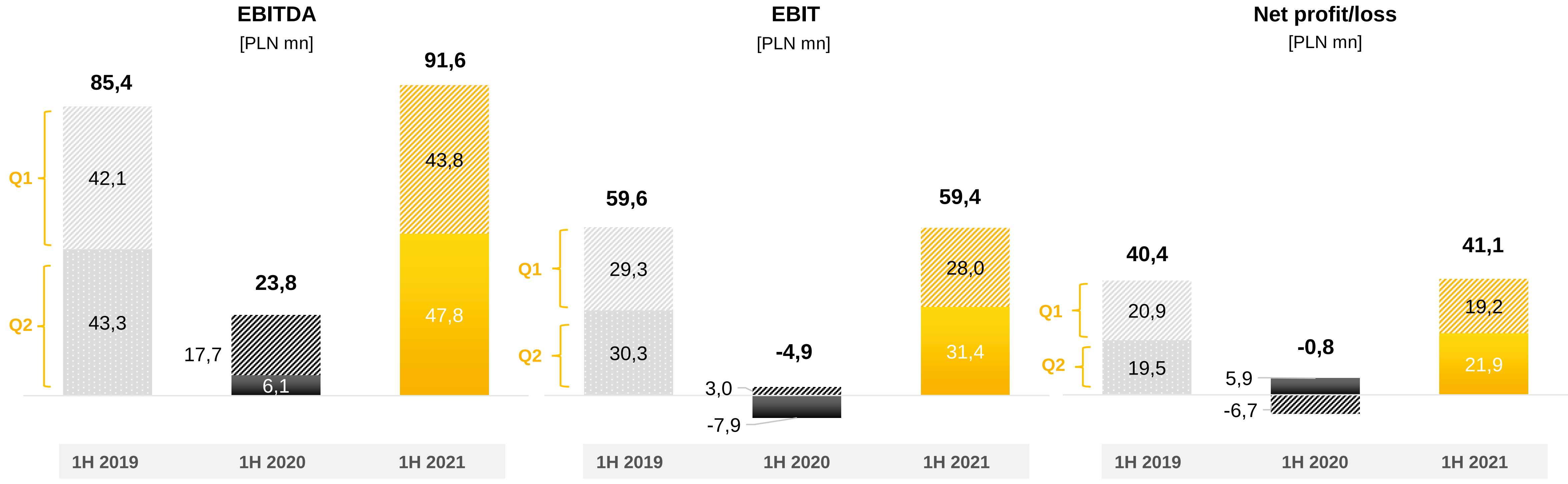
Consolidated profits and profitability

The sharp increase in profitability at all levels is the result of rebuilding sales revenues, improving the operating leverage effect thanks to the modernization of the capacity in Wieluń, and maintaining cost discipline in the Group.

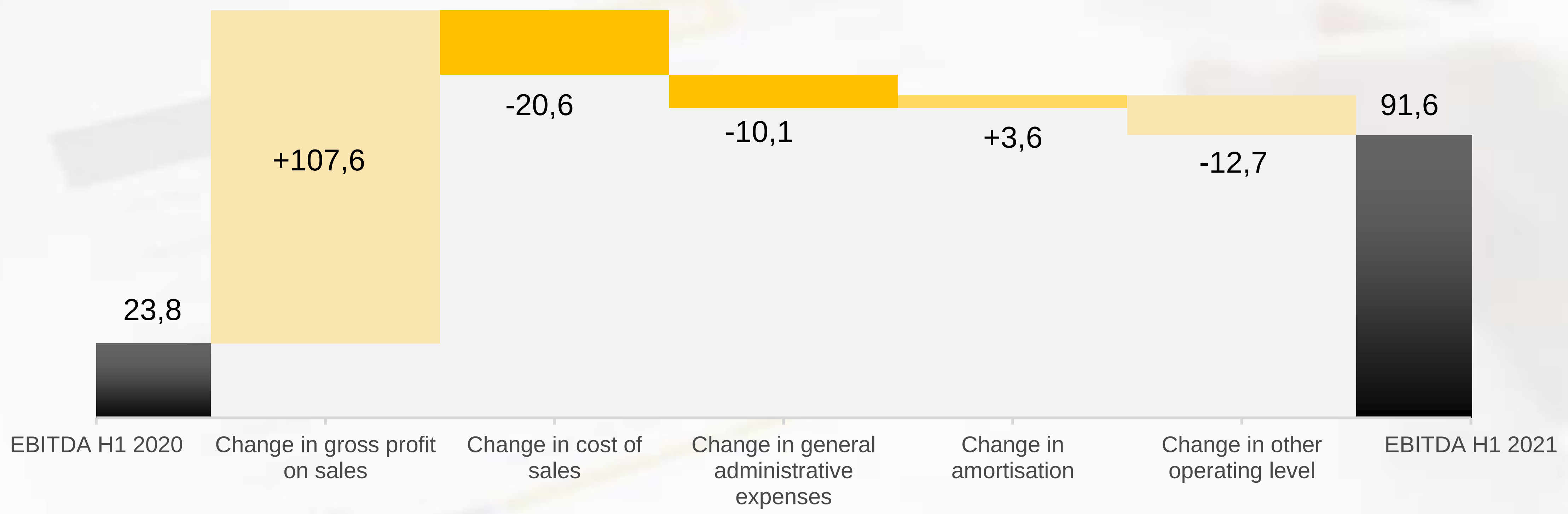
After 1H2021, the Group achieved an EBITDA margin of 7.0%, i.e. at the level of the target for the entire 2021, despite the challenges associated with rising prices of raw materials and components and difficulties in obtaining them, as well as lower availability of employees, especially in France and Great Britain.



MARGIN	**6,4%**	**2,9%**	**7%**	**4,5%**	**-0,6%**	**4,5%**	**3,0%**	**-0,1%**	**3,1%**

EBITDA structure [PLN mn]

Higher sales translated into a significant increase in gross profit on sales - the gross margin on sales increased to 13.1% compared to 7.9% in 1H 2020. The Group maintained strict discipline in terms of selling costs and general and administrative expenses - with almost 61%. increase in sales revenues, selling costs increased by 43.9%, and general and administrative expenses by 27.4%.



Consolidated cash flow statement [PLN mn]

High balance of accumulated cash at the end of the quarter.

01. The high growth in cash flow from operating activities is primarily due to increased sales and operating leverage.

02. Investing activities focused mainly on investments in fixed assets.

03. Near neutral balance from financing activities - balanced financial inflows and outflows.

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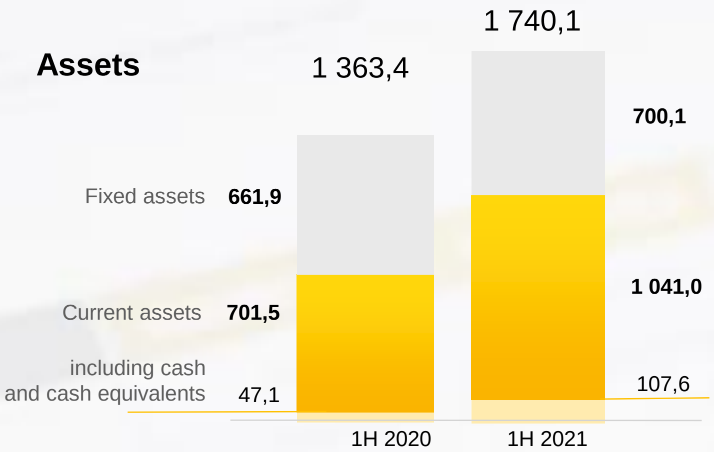
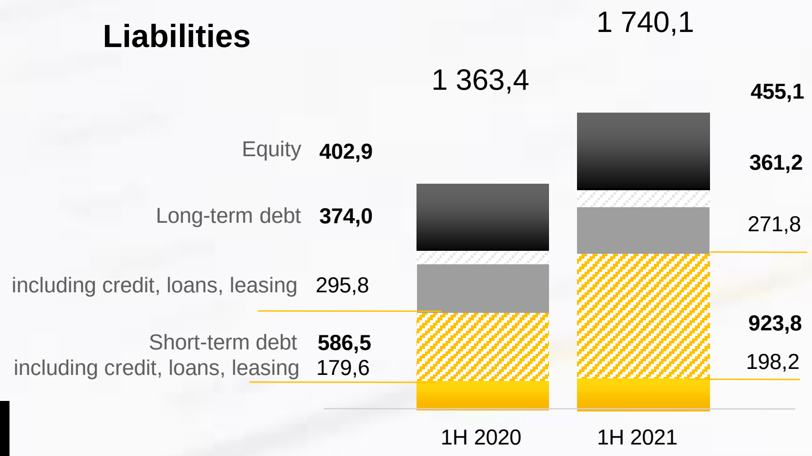
Balance sheet structure [PLN mn]



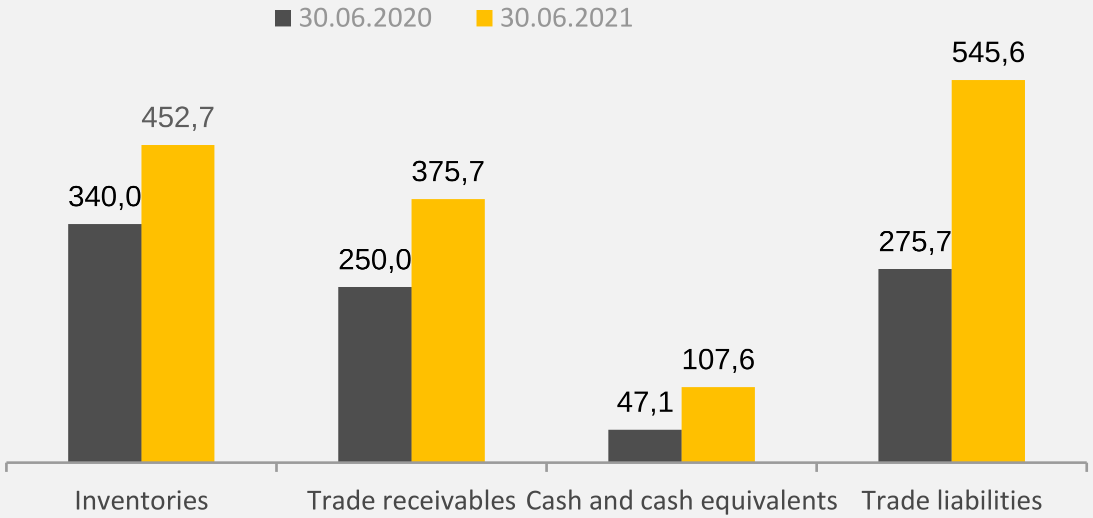


01. Total balance sheet increased by 27.6% to over PLN 1.7 billion.

02. Current assets increased by 48.3% due to increased sales and measures to ensure uninterrupted supply of components.

03. Safe current liquidity ratio at the level of approx. 1.13.

04. Further reduction of long-term debt, net debt / EBITDA ratio at the level of approx. 2.22.



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Q3 2021 Outlook

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Summary and upcoming events

01. The 1H 2021 results confirm the right course of action taken by the Group in response to the COVID-19 pandemic challenges (including strengthening of production capacity).

02. Plans for further improvement of operational efficiency - increasing the production capacity at the Group's largest plants in Wieluń to 83 units per day at the end of 2021, continuation of modernization at the Lawrence David plants.

03. Mitigate performance pressures from persistently high prices of raw materials and components, still disrupted supply chains, as well as less availability of workers, particularly in France and the UK.

04. Maintaining liquidity security and continued active debt management.
Target: net debt / EBITDA at the end of 2021 at the level of approx. 2.

05. Actively leveraging the Group's geographic and product diversification as a strong competitive advantage, including the planned introduction of the tipper family under the Lawrence David brand to the British market.

Implementation of the current strategy as planned, beginning work on the 2022-2025 strategic outlook.

Attachments

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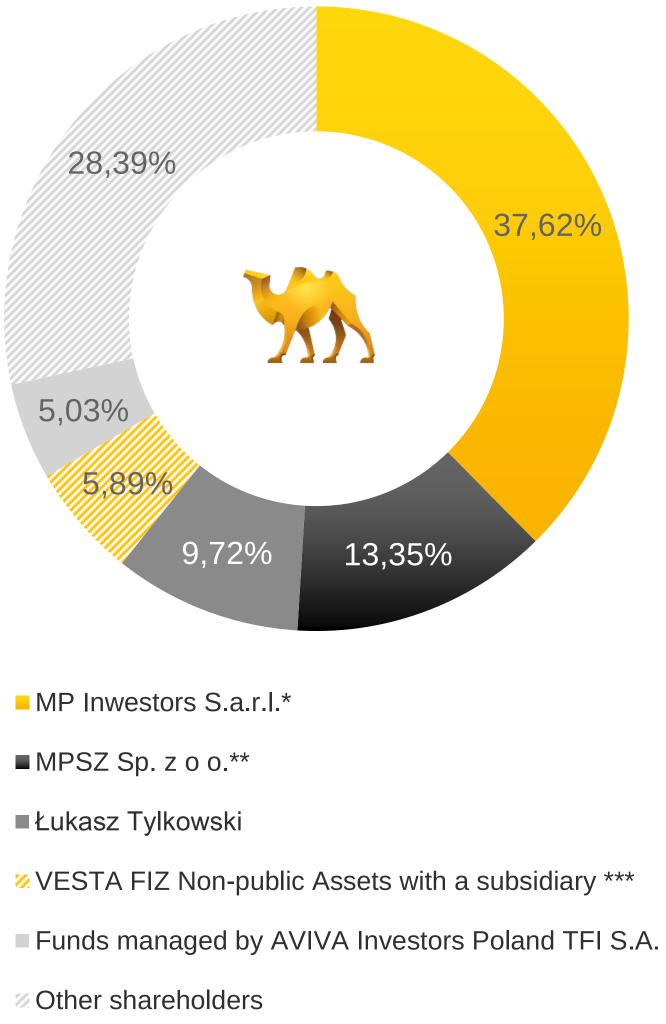
Shareholder structure of Wielton S.A.

	20.05.2021		16.09.2021	
	Number of shares/number of votes at GM	Share in the total number of votes and in the share capital	Number of shares/number of votes at GM	Share in the total number of votes and in the share capital
MP Inwestors S.a.r.l.*	22 714 618	37,62%	22 714 618	37,62%
MPSZ Sp. z o. o.**	8 058 300	13,35%	8 058 300	13,35%
Łukasz Tylkowski	5 870 018	9,72%	5 870 018	9,72%
VESTA FIZ Non-public Assets with a subsidiary ***	4 047 456	6,70%	3 555 595	5,89%
Funds managed by AVIVA Investors Poland TFI S.A.	3 036 201	5,03%	3 036 201	5,03%
Others	16 648 407	27,58%	17 140 268	28,39%
Total number of shares	**60 375 000**	**100%**	**60 375 000**	**100%**

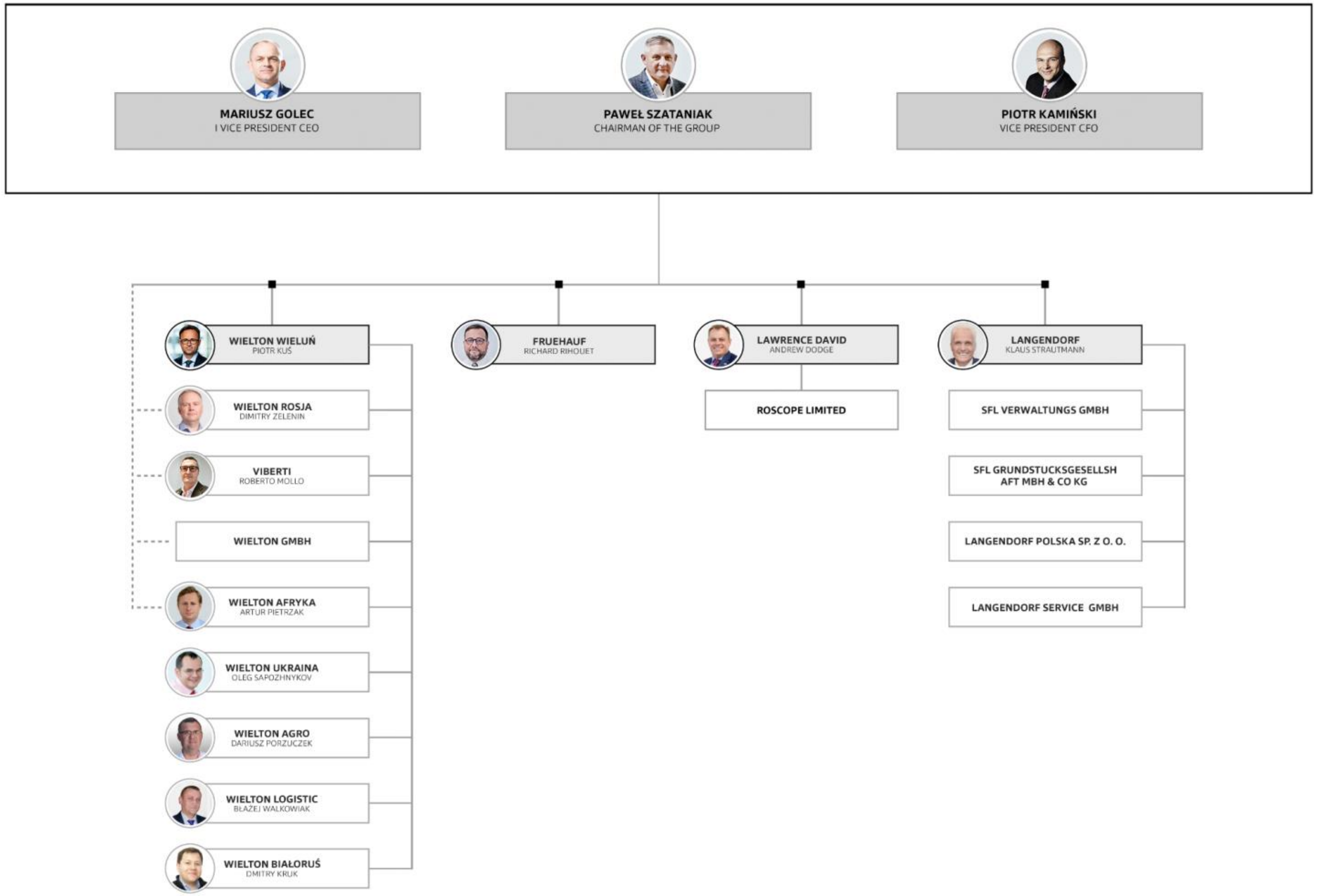
**MP Investors S.a.r.l. is a subsidiary entity of FORUM 109 Fundusz Inwestycyjny Zamknięty, managed by Forum TFI S.A. The real beneficiary of the represented entity are Mariusz and Paweł Szataniak, whose share in exercising control is equal.*
***The partners of MPSZ Sp. z o.o., holding 50% of shares each, are Mariusz and Paweł Szataniak.*
****VESTA FIZ Aktywów Niepublicznych is a fund managed by FORUM TFI S.A.; total funds managed by FORUM TFI S.A. together with their subsidiaries hold 26,762,074 shares, accounting for 44.33% of the total number of votes and of the initial capital.*

Shareholder structure as of 16.09.2021.



WIELTON GROUP

Structure of the Wielton Group



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This presentation contains forward-looking statements. These statements are based on the current expectations of the Management Board and depend on many factors that the Company has no influence on, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, level of activity or achievements of the Company and the Group Equity may differ significantly on future results, level of operations or achievements expressed or suggested in forward-looking statements.

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