WIELTON GROUP

Financial results H1 2019

Wielton Group

September 2019

WIELTON

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 – 23 years
- **Multibrand** – a Group based on **strong local brands**
- **Own, modern research and development facilities** – the only R&D centre in Poland and second in Europe
- **Extensive product portfolio** of 12 vehicle groups, 800 configurations
- International service network – **over 600 points**
- Experienced staff of almost **3,400** people in the Group, including about **300 experienced** engineers

Commercial companies   Assembly plants   Production centres

Top 3
In Europe

Top 8
in the world

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

WIELTON

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI CARDI

Key data for H1 2019

01. Wielton Group **a leader of growth** in business among global producers of trailers

02. Almost **35%** growth in revenue and over **26%** growth in EBITDA y/y

03. **Enhancing the scale of operations** and growth potential in relation to the acquisition of Lawrence David on the British market

04. **Action plan** in relation to macroeconomic challenges on the European market

05. Almost **PLN 20 mn of distributed dividend** in 2019 (3.59% yield)

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*Sale of agricultural trailers in Poland according to CEPiK [Central Vehicle and Drivers Register], 06.2019

A leader of growths
among the largest global producers of trailers

Global Trailer

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Position	Producer name	Country of origin	Total production 2018	Total production 2019	y/y	change of position
1	CIMC Vehicles Group	China	127,600	137,762	+8%	-
2	Hyundai Translead	USA	60,300	65,700	+9%	+1
3	Schmitz Cargobull	Germany	61,000	63,500	+4%	-1
4	Wabash National	USA	54,800	58,600	+7%	-
5	Krone	Germany	45,200	56,200	+24%	+1
6	Great Dane	USA	46,000	49,000	+7%	-1
7	Utility	USA	43,400	48,800	+12%	-
8	**Wielton**	**Poland**	**16,200**	**23,253**	**+44%**	**+2**
9	Kögel	Germany	22,600	18,920	-16%	-1
10	Stoughton	USA	15,600	15,830	+1%	+2

*Data for 01.07.2018 – 30.06.2019

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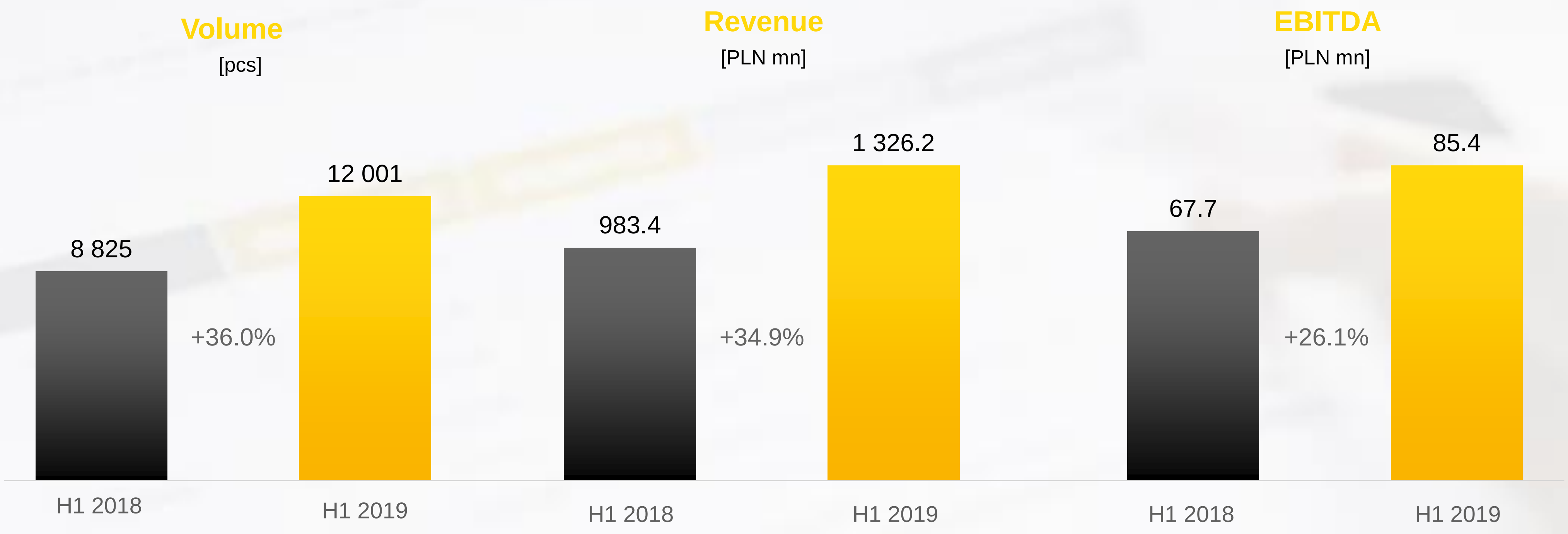
Key data for H1 2019



!

The Group is gradually increasing the sales of its products, which is accompanied by a proportional increase in revenue. In H1 2019, the Group increased EBITDA despite the first signs of market flattening.

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Markets

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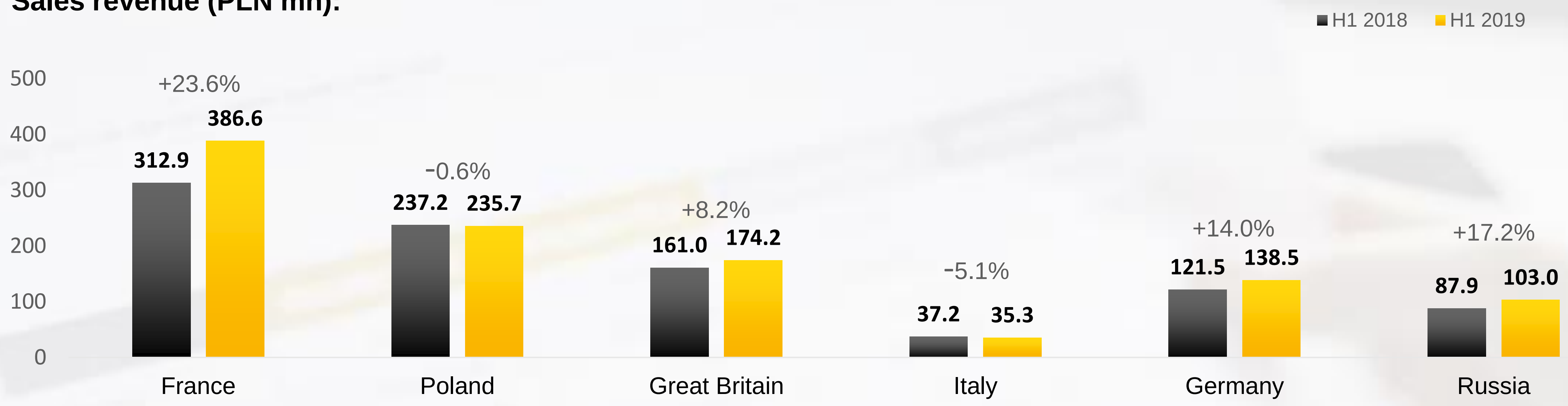
Wielton Group on European markets – H1 2019

Sales revenue (PLN mn):



Brand	Fruehauf	Wielton*	Lawrence David	Viberti	Langendorf	Wielton Russia**
Market share	20.5%	13.9%	7.9%	4.8%	1.5%	3.2%
Market position	1	3	5	6	10	8

* for Polish market
** for Russian market

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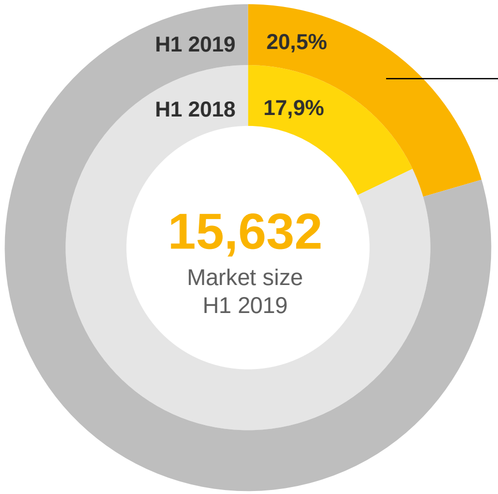
France

Market share
based on vehicle registration



1.
Position

FRUEHAUF

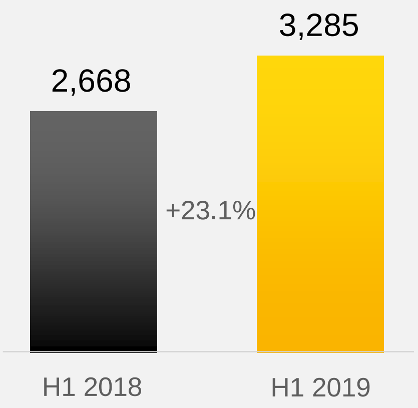
Market growth by 6.6% y/y to 15,632 pcs
20.5% market share at 3,210 pcs

Financial summary

01.

The largest market for producers of Wielton Group

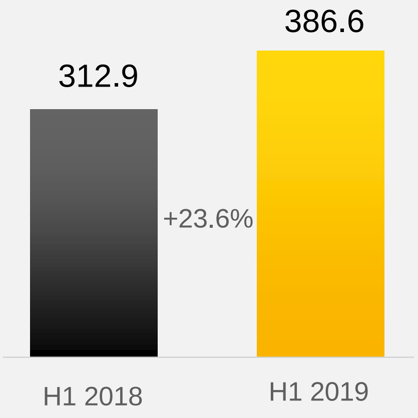
Sales
[pcs]



02.

Growth in market share over the volume growth reported on the whole market

Sales revenue
[PLN mn]



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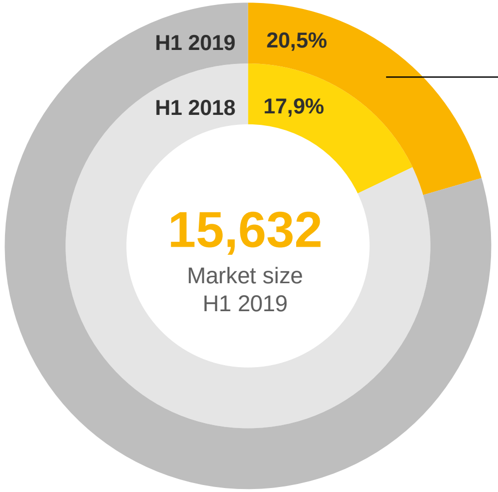
France

Market share
based on vehicle registration



1.
Position

FRUEHAUF

Market growth by 6.6% y/y to 15,632 pcs
20.5% market share at 3,210 pcs.

Operations

Effects of production line robotisation

01. Increasing the production capacity on the line by 50%

02. Efficiency enhanced by 20%

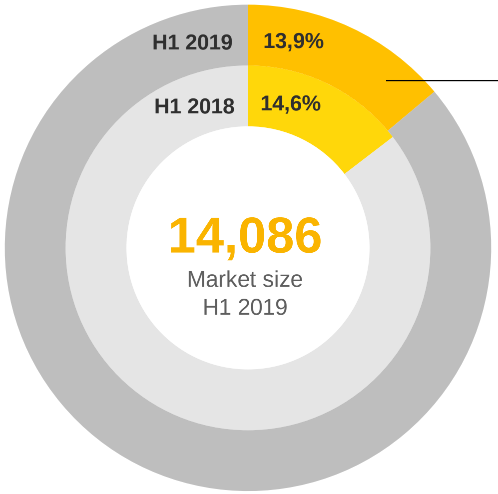
03. Better production quality

The completed investment has also translated into **improvement of sales and increase in product availability for our customers.**

Poland

Market share

based on vehicle registration



3.
Position

WIELTON

Market growth by 0.7% y/y to 14,086 **pcs.**
13.9% market share at 1,960 pcs.

Financial summary

01.

Market growth is determined by an increase in sales of curtain semi-trailers, low loaders and tipper bodies

02.

Maintaining the leader position in the sale of tippers and share of curtain semi-trailers - key product categories

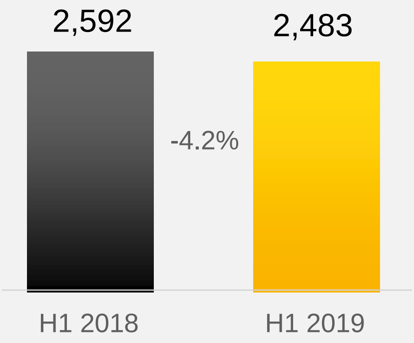
03.

Sales of high volume combinations relating to postponing purchases by key customers of the Group

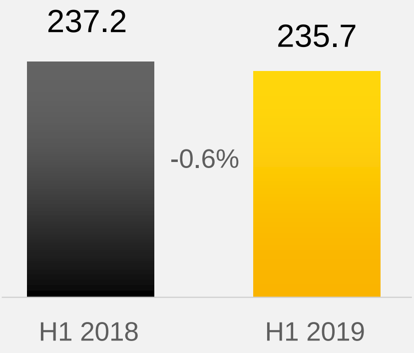
04.

Maintaining product prices in view of discounts at competitors' (margin protection)

Sales
[pcs]



Sales revenue
[PLN mn]



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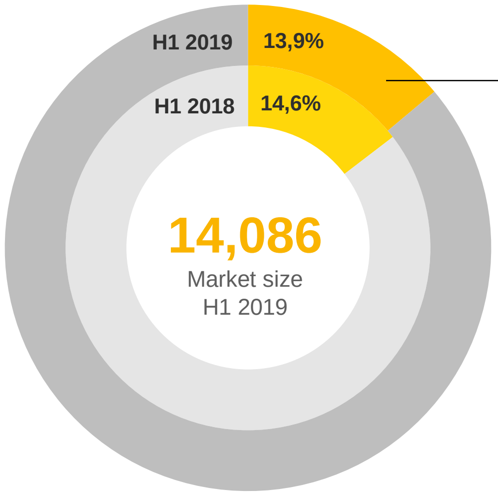
Poland

Market share
based on vehicle registration



3.
Position

WIELTON

Market growth by 0.7% y/y to 14,086 pcs
13.9% market share at 1,960 pcs.

Operations

01. Efficient product portfolio management in the Group

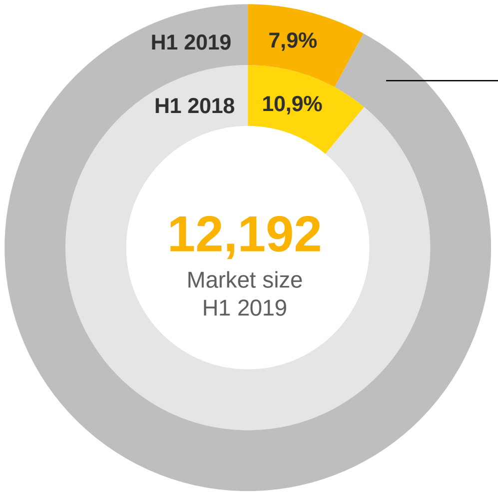
02. Building an efficient sales network

03. Customer experience – building a positive experience of customers in contact with the brand

04. Actions leading to a change in the customer structure

Great Britain

Market share
based on vehicle registration



5.
Position

LAWRENCE DAVID

Market growth to 12,192 pcs
7.9% market share at 960 pcs.

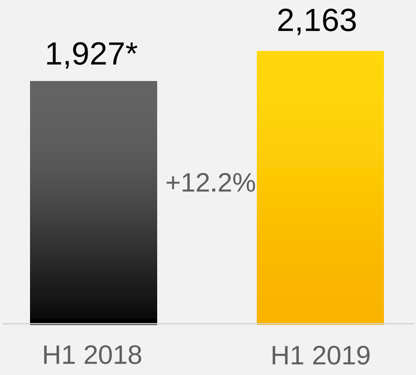
Financial summary

01.

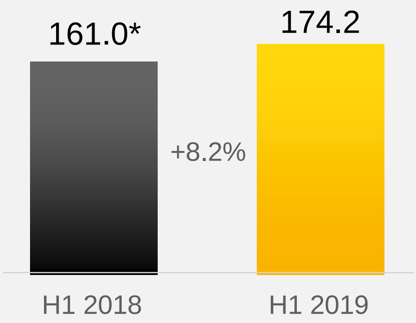
Increase in revenue with a decrease in market share in the UK by increasing sales of unregistered products and relocation of production from

LD to Wielton

Sales
[psc]



Sales revenue
[PLN mn]



** proforma of sales results and revenue for H1 2018*

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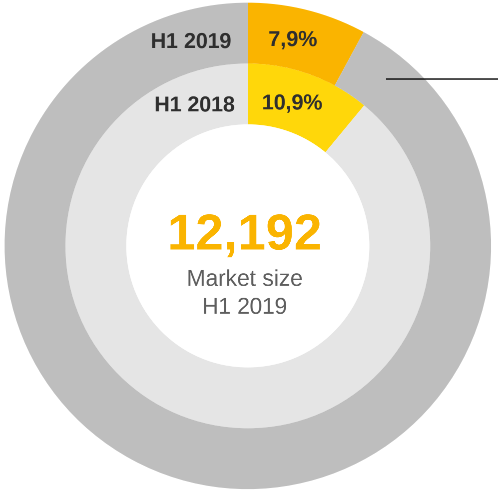
Great Britain

Market share

based on vehicle registration

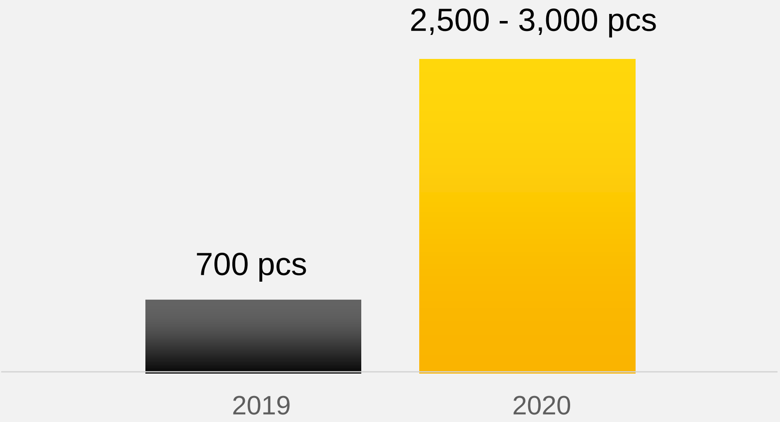


5.
Position

Market growth to 12,192 pcs
7.9% market share at 960 pcs

Operations

01. Launching chassis sales to Lawrence Dawid:



02. Continued integration processes of Lawrence David with Wielton Group

03. Planned implementation of two projects related to the launch of new products on the market under the Lawrence David brand:
- tipper semi-trailers
- tipper bodies

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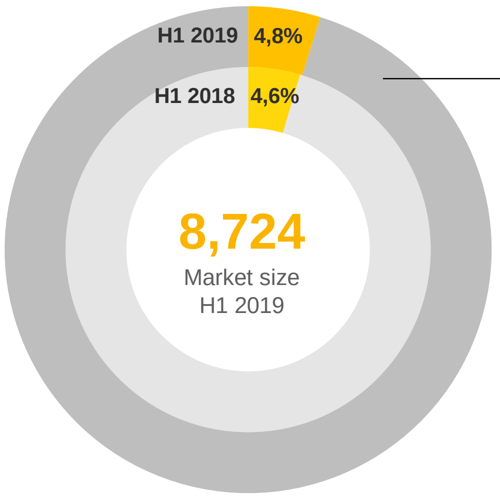
Italy

Market share

based on vehicle registration



6.
Position

VIBERTI

Market drop by 6.8% y/y to 14,086 pcs
4.8% market share at 422 pcs

Financial summary

01.

In Q2 2019 there was an increase in orders, which will translate into improved results for Q3 2019

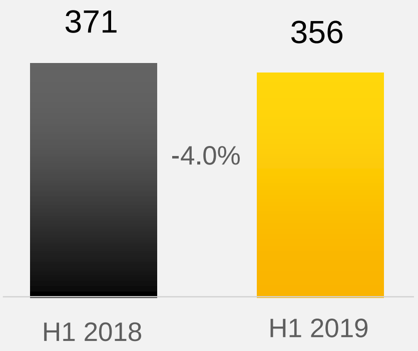
02.

The dynamics of revenue decreases is smaller than the dynamics of the Italian market decrease

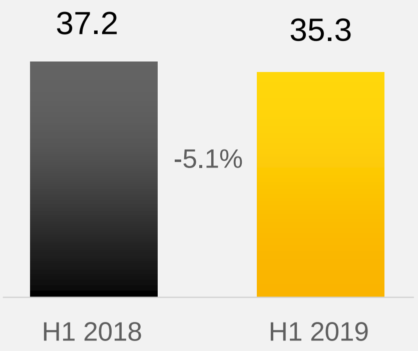
03.

In H1 2019 market slowdown is observable

Sales
[pcs]



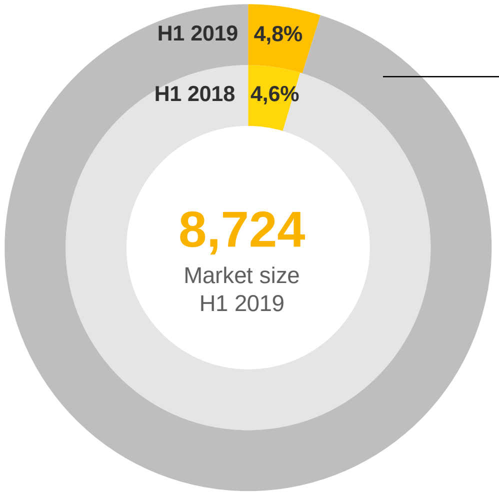
Sales revenue
[PLN mn]



WIELTON

Italy

Market share
based on vehicle registration



6.
Position

VIBERTI

Market drop by 6.8% y/y to 14,086 pcs
4.8% market share at 422 pcs

Key information

Finalization of the business plan that will allow to optimize costs and change the sales structure (maintaining margins):

01. Shifting the burden from dealers to direct sales (focus on the final customer)

02. Increasing market penetration and building a customer portfolio focused on fleet customers

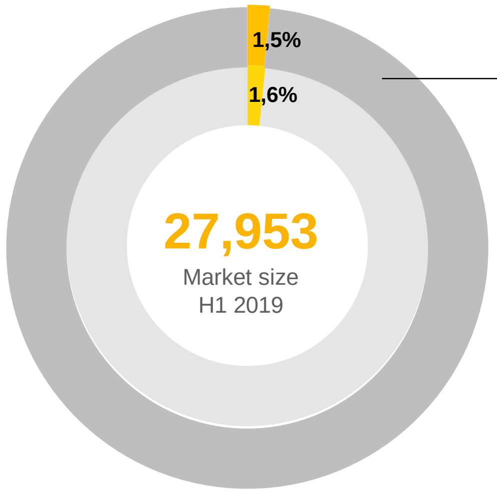
03. Launching new products
- tippers in Strong version, trucks and platforms - based on French solutions

04. Marketing plans activation

WIELTON

Germany

Market share
based on vehicle registration



10.
Position

Langendorf

Market growth by 3.3% y/y to 27,953 pcs
1.5% market share at 419 pcs

Financial summary

01.

Over 10% growth in sales and revenue

02.

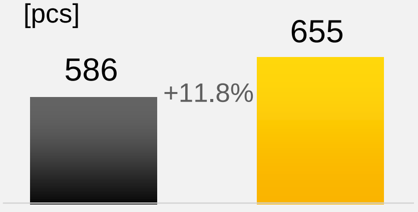
Increased share in tipper sales (around 2%) despite a drop in this market (around 2%)

03.

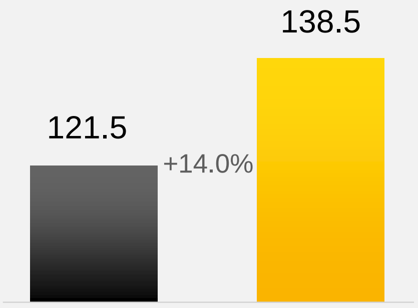
289

Langendorf sales - Q2 2019

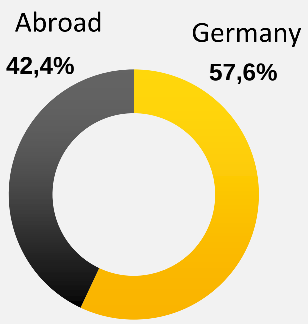
Sales
[pcs]



Sales revenue
[PLN mn]



Geographical structure of sales [%]



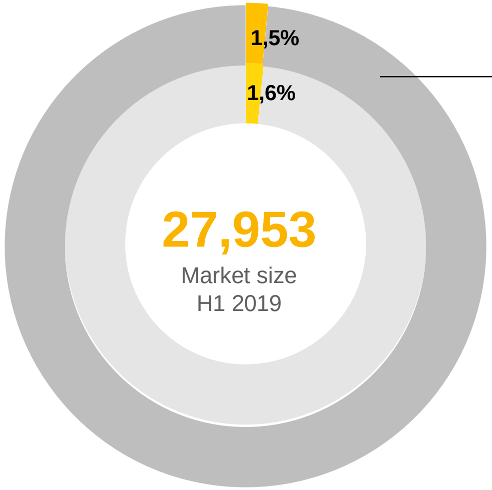
W I E L T O N   G R O U P

WIELTON

Germany

Market share

based on vehicle registration



10.
Position

Langendorf

Market growth by 3.3% y/y to 27,953 pcs
1.5% market share at 419 pcs

Key information

Due to the expected cooling of the market, the Group undertakes a number of pro-growth activities:

01. Efficient product portfolio management (margin building)

- Price positioning in the premium segment- sales of low-loader semi-trailers in the entire Group under the Langendorf brand
- Sales offer development - introduction of Flexiliner hybrid semi-trailers

02. Using the Group's synergy - good results of the Smart Line Tipper project; Participation in projects implemented by LDV

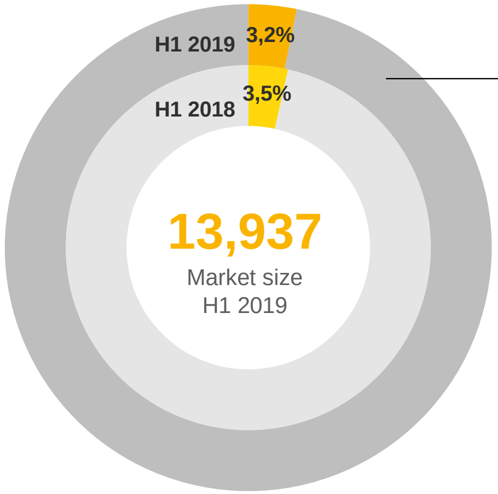
03. The new seat of the plant and service (Berlin) - improving the efficiency of customer service and product availability, and a significant reduction in Wieluń - Langendorf delivery costs

WIELTON

Russia

Market share

based on vehicle registration



8.

Position

WIELTON

Market drop by 1.6% y/y to 13,937 pcs

3.2% market share at 452 pcs

Financial summary

01.

A significant increase in sales and revenue (especially in Q2 2019)

02.

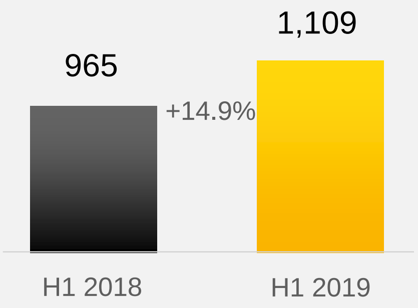
Revenue growth despite a decline on the whole market

03.

Stable economic situation (currency and oil prices) - positive sales expectations in subsequent periods

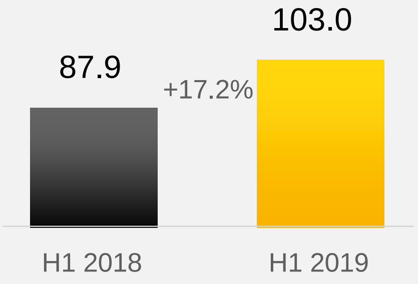
Sales

[pcs]



Sales revenue

[PLN mn]

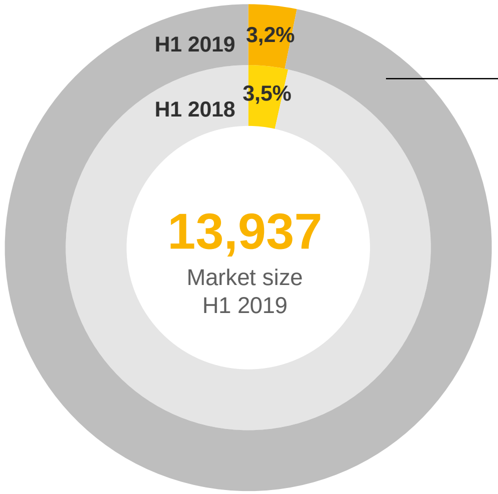


W I E L T O N   G R O U P

Russia

Market share

based on vehicle registration



8.

Position

WIELTON

Market drop by 1.6% y/y to 13,937 pcs

3.2% market share at 452 pcs

Key information

01. Planned extension of the product offer - sale of low loader semi-trailers and inloaders under the Langendorf brand on the Russian market, in order to build margin and market shares

02. Better logistic efficiency - change from 3- to 5-packs

Wielton Group - synergies

WIELTON GROUP

PRODUCTION \ MARKET	WIELTON	FRUEHAUF	Langendorf	LAWRENCE DAVID	VIBERTI	Wielton Russia	Wielton Africa
WIELTON		Tippers	500 pcs of frames, finished tippers, spatial combinations	700 pcs of complete car frames	Assembly kits (curtain, container semi-trailers, sliding skeletals)	Assembly kits for tippers, curtains	Tippers and low loaders
FRUEHAUF	Trucks						
Langendorf	Low loaders	Low loaders		Low loaders, double-deck trailers	Low loaders	Inloaders, low-loaders, tippers	Low loaders

Product portfolio structure

01.

Work with the product portfolio - extension of sales of tipper bodies to other markets: Africa, Serbia - we develop sales through stronger cooperation with IVECO and ASTRA as regards bodies

02.

Maintaining the leader position in the tipper segment in PL

03.

Increase of curtain semi-trailer share and change of tipper share in the portfolio structure by LDV's entry into the Group

04.

Maintaining the shares of curtain semi-trailers on the Polish market

05.

Change in participation in high volume combinations - implementing the recovery program

	H1 2018	H1 2019
UNIVERSAL SEMI-TRAILERS	32%	34%
TIPPERS	22%	18%
CONTAINER SEMI-TRAILERS	7%	7%
CLOSED BOX SEMI-TRAILERS	12%	16%
HIGH VOLUME COMBINATIONS	10%	4%
LAST MILE BODIES	0%	3%
TIPPER	5%	7%
AGRO	6%	6%
SEMI-TRAILER (including low-loaders and others)	4%	4%
INLOADERS New product group from Langendorf	2%	1%








WIELTON GROUP

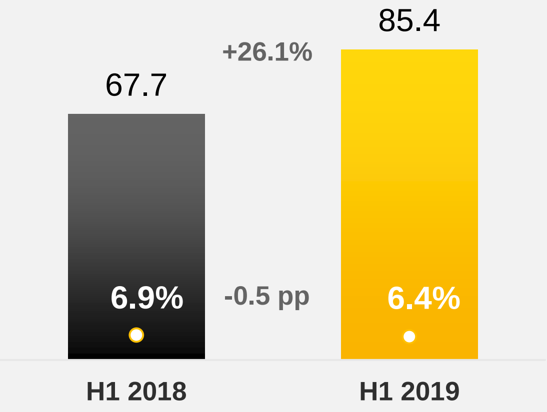
WIELTON

Financial results

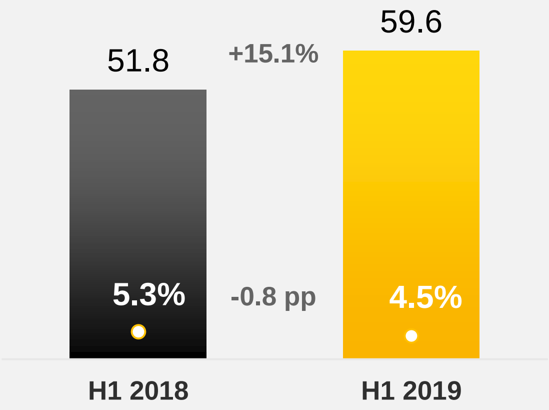
W I E L T O N   G R O U P

Consolidated profits and profitability

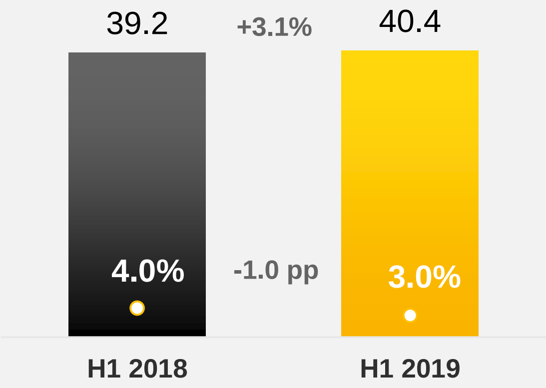
The 2019 financial results include the full consolidation of the Lawrence David Group.
The Group recognized the excess of compensation paid over the value of liquidated assets after a fire last year in the amount of PLN 8.9 million.
Wielton incurs higher production costs due to the replacement of lost capacity with external cooperation.
In 2018, over PLN 5 million of investment bonus was recognized at the level of net profit.



EBITDA
[PLN mn]



EBIT
[PLN mn]



Net profit
[PLN mn]

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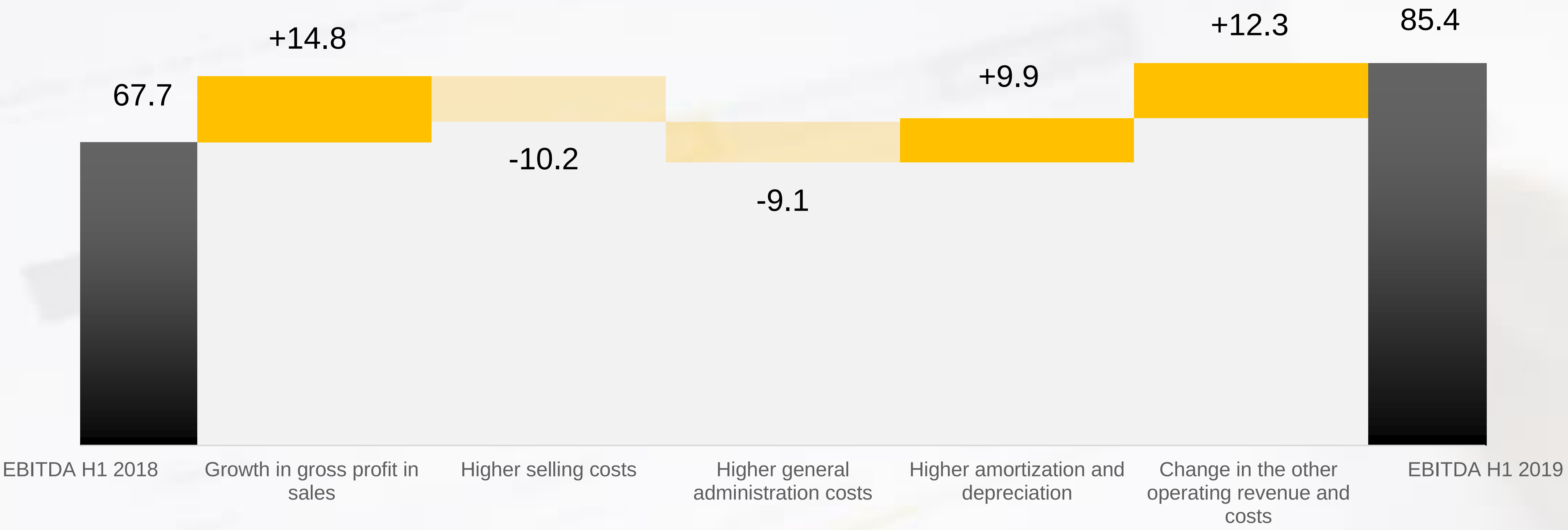
EBITSA structure [PLN mn]



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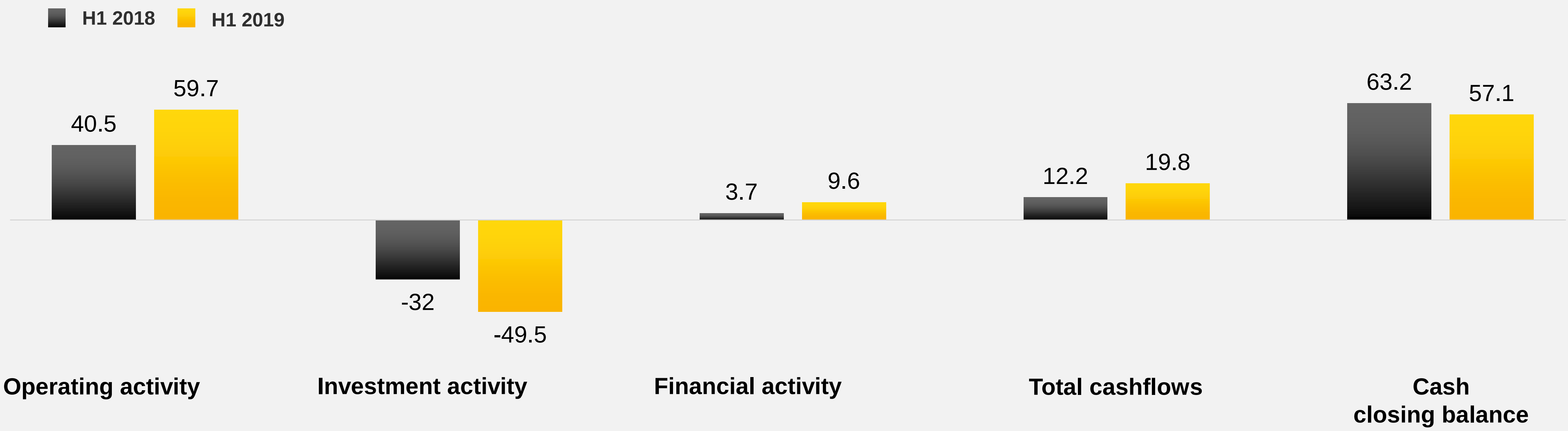
Consolidated cash flow statement [PLN mn]

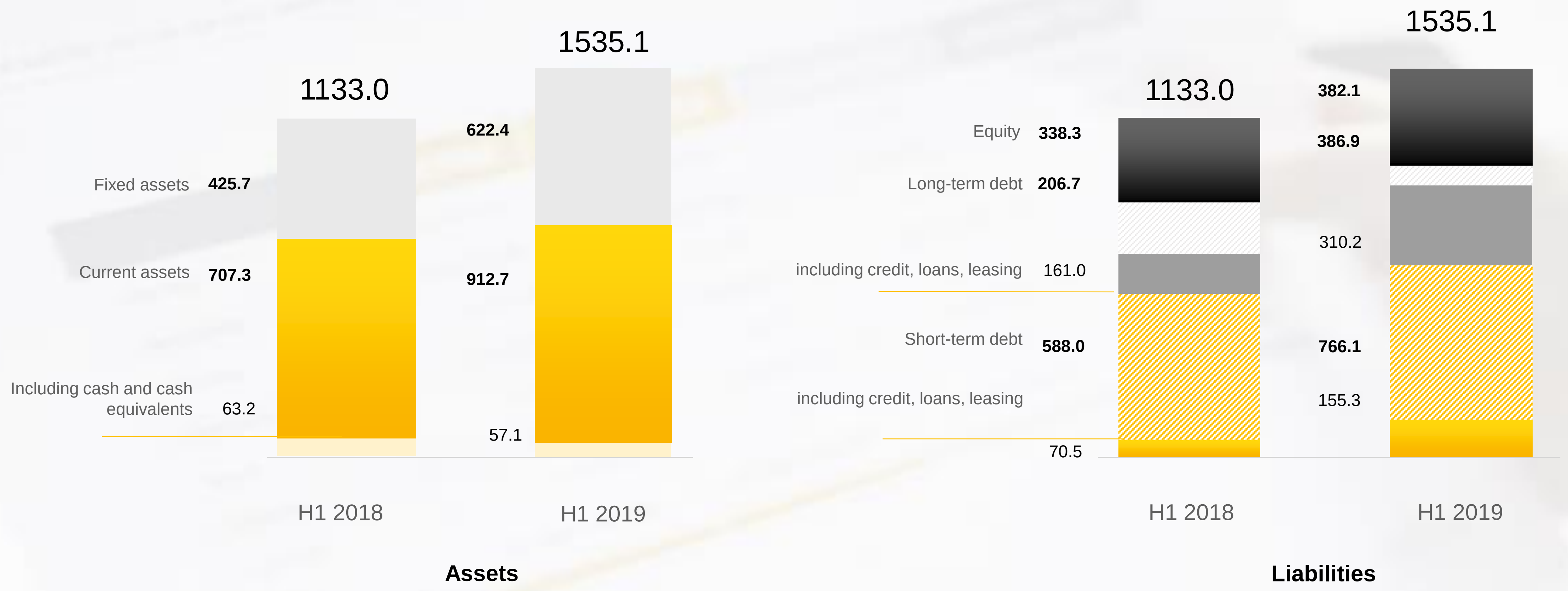
The high balance of cash from operating activities allowed for maintaining high cash at the end of the first six months of the year.
Negative cash flows from investing activities fully covered by the generated financial surplus.



Balance sheet structure [PLN mn]

Increase in credit exposure following debt financing by Lawrence David

Increase in current assets related to the increase in the scale of operations



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Wielton Group – H2 2019 challenges

01. Economic changes in European economies

02. Active brand and product portfolio management

03. Lawrence David integration

04. Better efficiency due to deeper synergies

WIELTON

Wielton Group - summary

01. Stable position on major European markets

02. Double scale of business in 2016-2018

03. Effective management of customer needs through product and geographical diversification

04. Consolidation and integration of companies

05. Increasing business efficiency through automation and robotization of production

06. Experienced and effective managers

07. Wielton wins the first edition of the ranking "Corporate Climate Crisis Awareness study" - climate awareness of public companies

08. Over PLN 74 million in dividend paid for 2014-2018

Declaration

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.

WIELTON GROUP

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