



# RESULTS Q1 2018

Wielton  
Group

Wieluń 22.05.2018

WIELTON  
GROUP

# Leading European player

WIELTON GROUP

3rd  
in Europe

10th  
in the world

- **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 old
- **Multibrand** - A group based on **strong local brands**
- **Own, modern R&D facilities** – only R&D Centre in Poland, second in Europe
- **Extensive product portfolio** - 11 groups
- International service network - **over 600 service points**
- Experienced crew - **2,600** people in the Group, 260 engineers

ABIDŽAN



PRODUCTION CENTRES



ASSEMBLY PLANTS



TRADE COMPANIES



FRUEHAUF®



VIBERTI

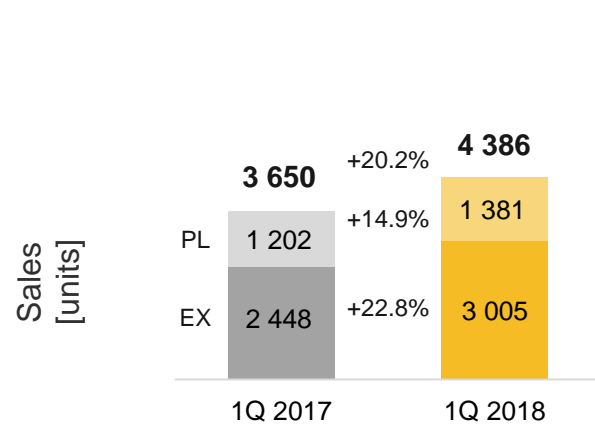


# Key data for Q1 2018

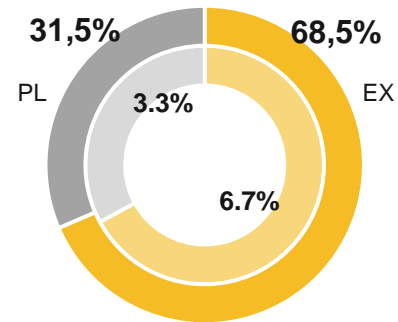
	Q1 2017		Q1 2018	
Volume	3 650	ea. + 20,2 %	4 386	ea.
Revenues	380.1	M PLN + 26,3 %	479,9	M PLN
EBITDA	28,3	M PLN + 17,7 %	33.3	M PLN
<i>EBITDA margin</i>	7.4	% - 0,5 pp	6.9	%
EBIT	21.7	M PLN + 18,0 %	25.6	M PLN
<i>EBIT margin</i>	5.7	% - 0,4 pp	5.3	%
Net profit	16.4	M PLN + 23,2 %	20.2	M PLN
<i>Net margin</i>	4.3	% - 0,1 pp	4.2	%

- In Q1 2018, **sales revenues were close to PLN 0.5 billion** (an increase of almost 30% y/y; the consolidation of Langendorf brought over PLN 65 million).
- **The EBITDA margin amounted to PLN 33.3 million** - compared to Q1 2017 it was higher by nearly 18%.
- **EBIT exceeding 5.3%** (5.7% a year earlier) with a **profit of over PLN 25 million** - nearly PLN 4 million more than the previous year.
- **Net profit amounted to PLN 20.2 million** (a year earlier it was PLN 16.4 million), including PLN 2.9 million due to the asset from the investment bonus.
- **The achieved net profit was record-breaking**, in terms of Q1.

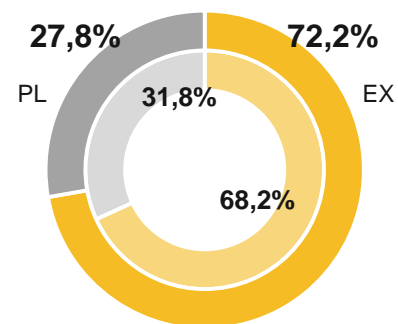
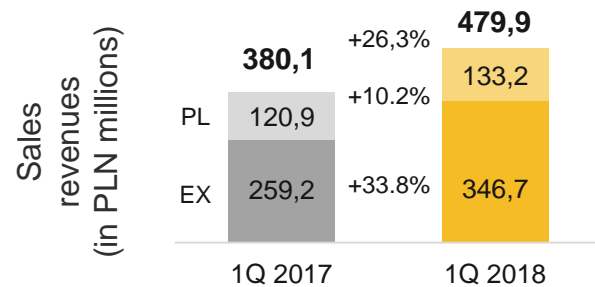
# Sales and revenues



Structure [%]



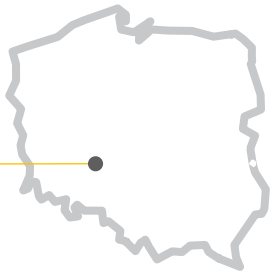
Q1 2017  
 Q1 2018



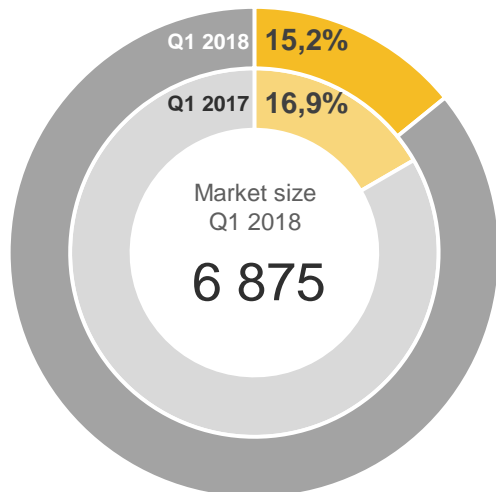
- In the first quarter of 2018, the **Wielton Group sold 4,386 road trailers and semi-trailers** as well as agricultural products, an increase of 20.2% y/y.
- **Foreign sales** in the Wielton Group in Q1 2018 accounted for nearly **70% of the total volume**.
- **The increase in the volume of foreign sales by 22.8% y/y to 3,005 units** was the result of a very good economic situation in Russia, as well as in Germany.
- **Exports accounted for over 72% of sales revenues**, which is an increase of 4 percentage points compared to the previous year

# Market share and sales Poland

headquarters:  
**Wieluń, Poland**

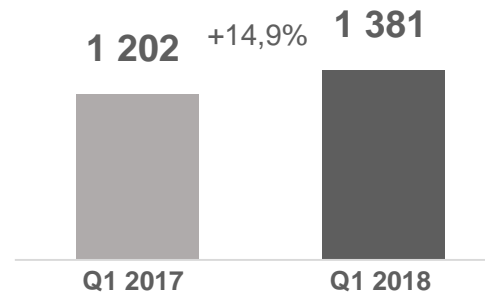


**Market share -**  
based on vehicle registrations

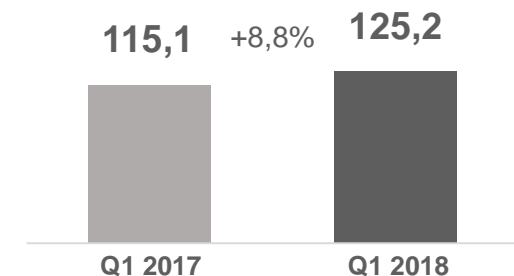


**3<sup>rd</sup>**  
position

Sales [units]



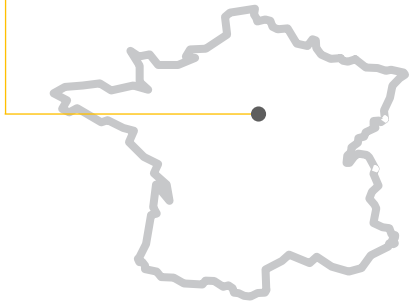
Product sales  
revenues  
[in PLN mln]



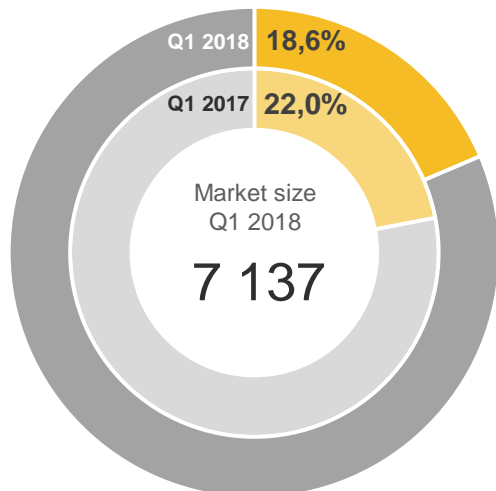
- **After the first quarter of 2018, the market increased by 9.2% y/y to 6,875 registered vehicles at that time.**
- **Increased sales of high volume combinations** contributed to **reducing market shares**, as well as the average price of sales products.
- **Domestic sales** amounted to **1,381 units** (including AGRO products) - **and were higher by 14.9% compared to the same period last year.**
- After the first quarter of 2018, **revenues from sales of products on the domestic market increased by 8.8% y/y**, reaching PLN 125.2 million.

# Market share and sales France

Headquarters:  
**Auxerre, France**

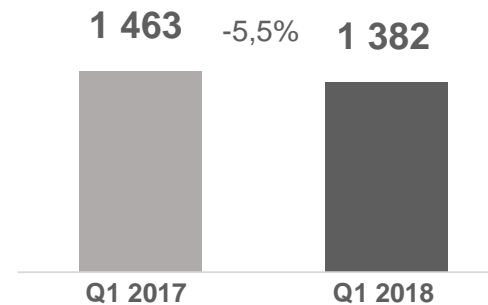


**Market share -**  
based on vehicle registrations

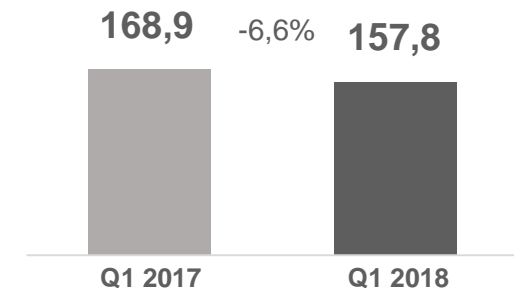


**1<sup>st</sup>**  
position

Sales [units]



Product sales  
revenues  
[in PLN mln]



- In the first quarter of 2018, the French market **increased by 12% y/y to 7,137 vehicles.**
- **Fruehauf SAS makes full use of the available production capacities, which are temporarily limited due to the current investment in a robotic chassis production line.**
- Fruehauf SAS has a **portfolio of orders up to 2019.**

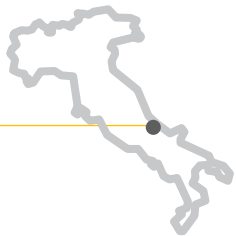
# Investments – Fruehauf

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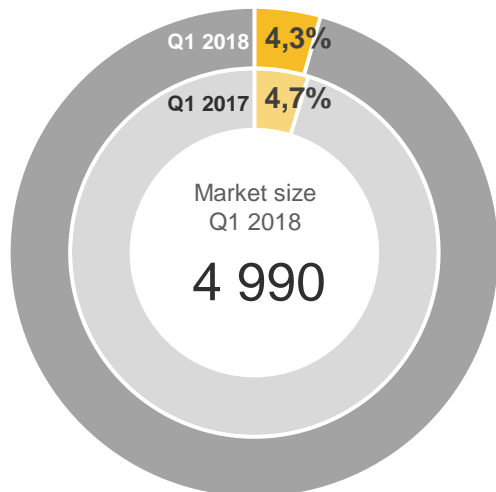


# Market share and sales Italy

Headquarters:  
**Pescara, Italy**

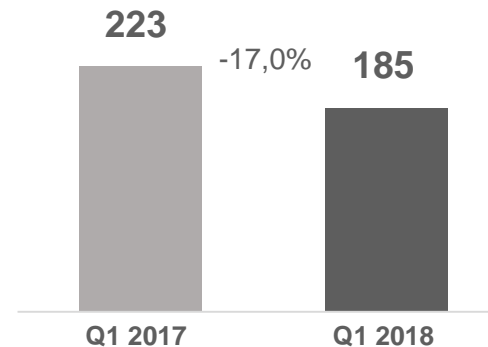


**Market share -**  
based on vehicle registrations

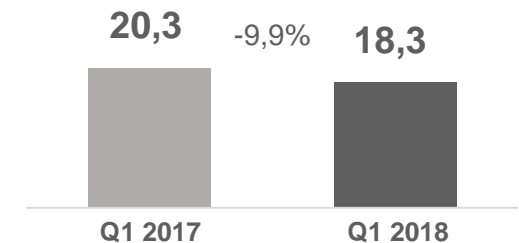


**5<sup>th</sup>**  
position

Sales [units]



Product sales  
revenues  
[in PLN mln]



- After the first quarter of 2018, the Italian market grew by 13.9% y/y, reaching 4,990 vehicles registered at that time.
- Viberti recorded a drop in sales due to the shifting of available production slots to other markets that are currently experiencing record highs, e.g. Russia or Poland

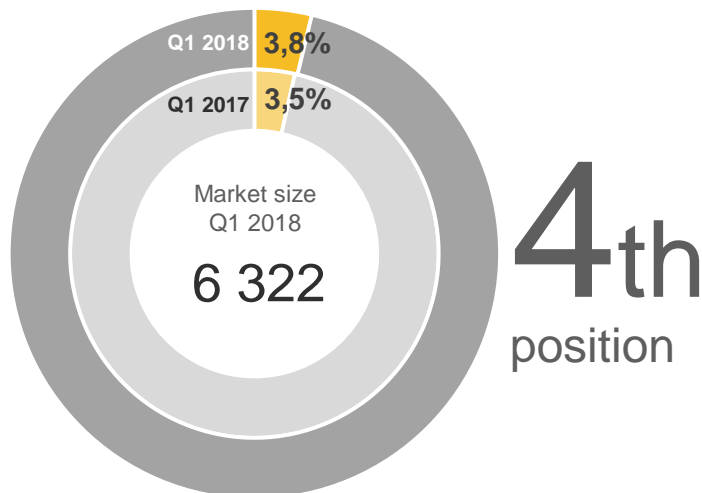


# Market share and sales Russia

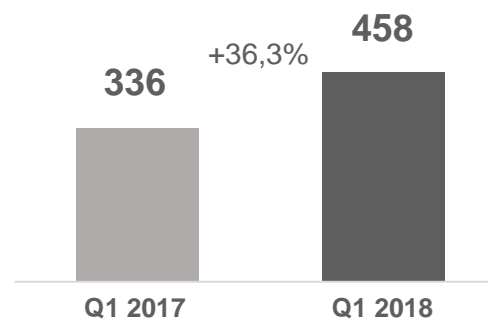
Headquarters:  
**Moscow, Russia**



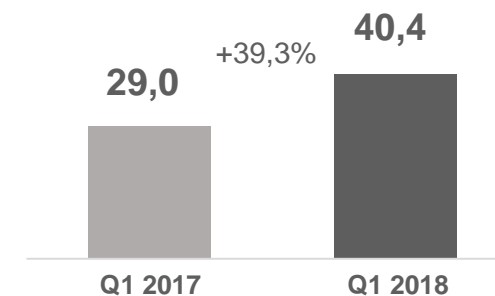
**Market share -**  
based on vehicle registrations



Sales [units]



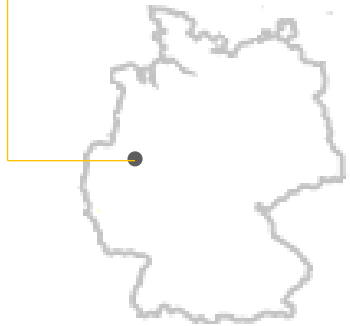
Product sales  
revenues  
[in PLN mln]



- The continuing favourable situation on the Russian market translated into **increased sales of all products** – total sales in **the first quarter of 2018 amounted to 458 units**.
- **This is 36.3% more** compared to the same period last year when 336 units were sold, and resulted in increasing revenues by 39.3% to over PLN 40 million.
- **The sale of tipper bodies is not included in the registration statistics (229 items)** because these products were sold to truck manufacturers (mainly Scania, Volvo, and MAN).

# Market share and sales Germany

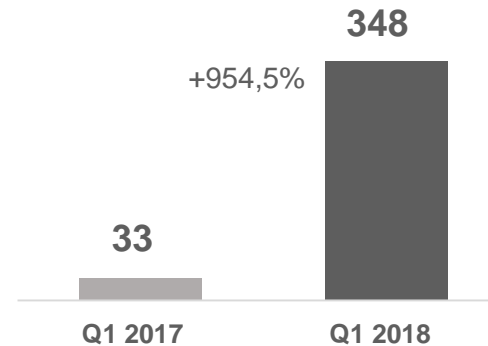
Headquarters:  
**Waltrop, Germany**



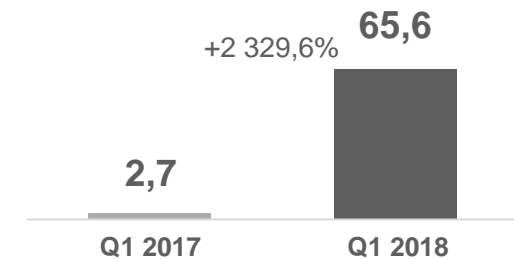
**Market share -**  
based on vehicle registrations



Sales [units]



Product sales  
revenues  
[in PLN mln]



- In the first quarter of 2018, the consolidated sales of Wielton GmbH and Langendorf amounted to **348 units**, and the revenues of the companies reached **PLN 65.6 million**.
- This amount **includes the sales of Wielton GmbH** (64 units) and Langendorf (284 units) in the period of January-March 2018.
- **The market size was 13,699 units, and the market share of the Wielton Group was 1.6%.**

# Structure of product portfolio

Q1 2018

34%

UNIVERSAL SEMI-TRAILERS



Q1 2018

21%

TIPPER SEMI-TRAILERS



Q1 2018

12%

COSED-BOX SEMI-TRAILERS



Q1 2018

10%

HIGH VOLUME COMBINATIONS



1Q 2018

6%

CONTAINER SEMI-TRAILERS



1Q 2018

5%

TIPPER TRAILERS



1Q 2018

5%

AGRO



1Q 2018

5%

TRAILERS  
(including low loader vehicles and others)



1Q 2018

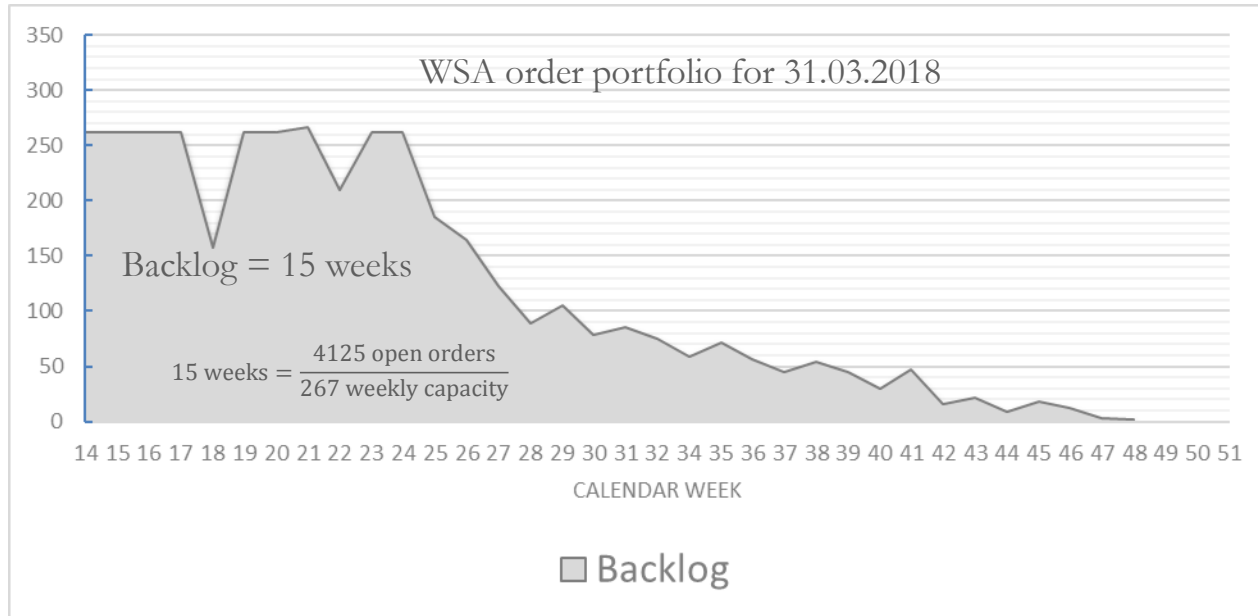
2%

INLOADERS  
New product group of Langendorf



- 11 product families over 800 configurations
- One of the widest product ranges among European producers
- Close cooperation with customers and suppliers to fully match products to the needs of the recipient

# Backlog



Wielton S.A. – 15 weeks

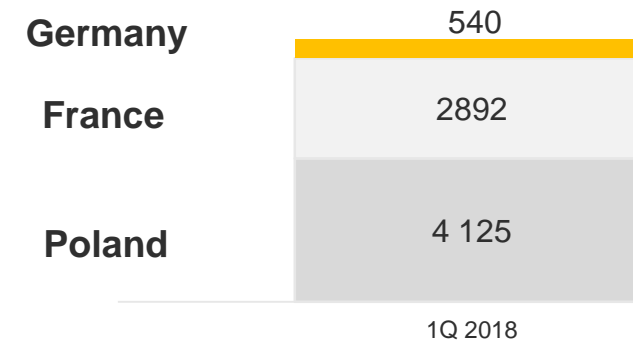
Fruehauf – 24 weeks

Langendorf – 24 weeks

## Backlog

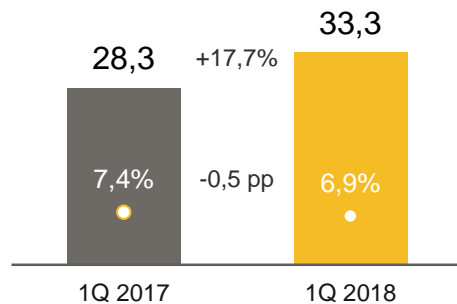
- **portfolio of signed orders** that are waiting to be produced and delivered to the customer
- determines **perspective contract sales** in the reporting period
- provides a **level of security for planning production work**

## Backlog

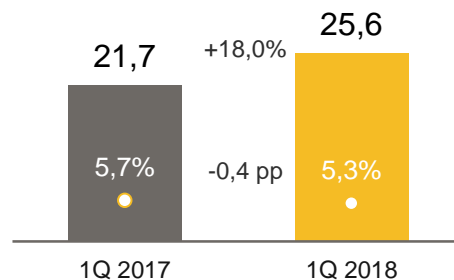


# Consolidated Profits and Margins

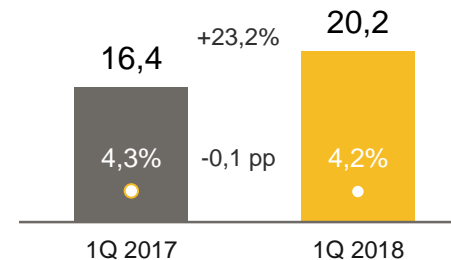
## EBITDA [PLN m]



## EBIT [PLN m]

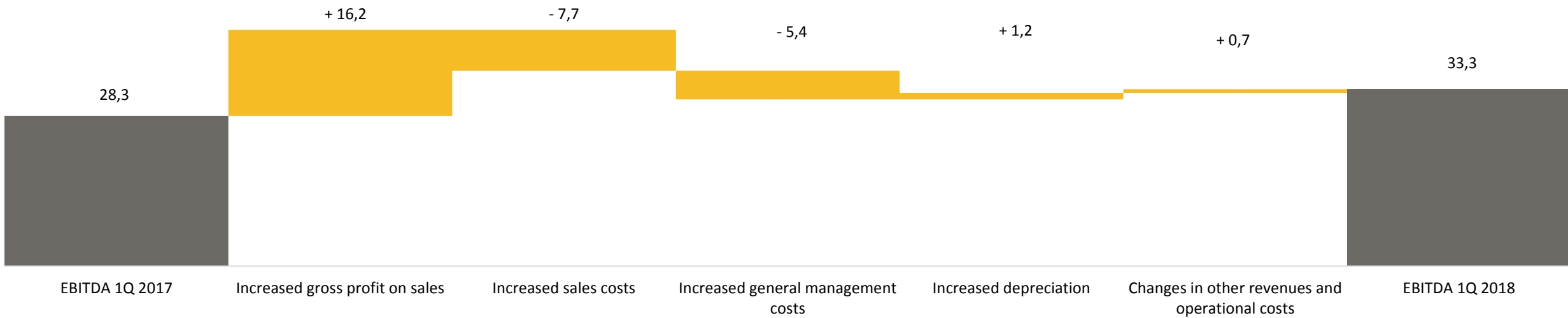


## Net profit [PLN m]

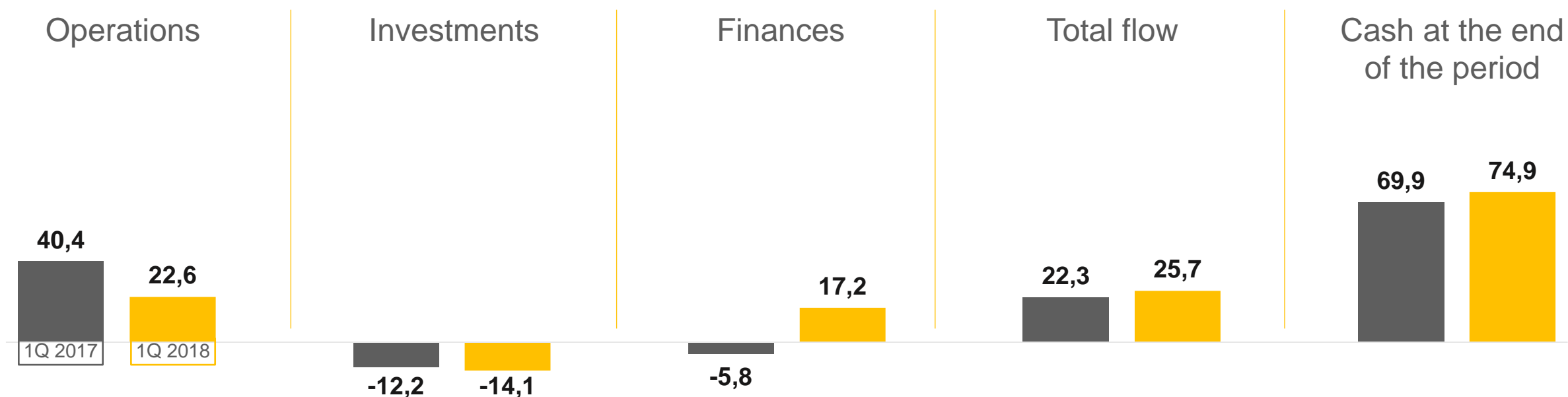


- **Gross margin close to 14%** (a year earlier it was 13.3%) **with a nominal value of PLN 67 million, more than 32% higher** than a year earlier.
- **EBITDA higher by 17% higher y/y includes the Langendorf result of PLN 4.1 million.**
- **EBIT increased nominally by PLN 3.9 million, of which PLN 3.3 million was the result of Langendorf.**
- **Net profit of PLN 20.2 million, including PLN 0.4 million attributable to the minority shareholder Langendorf.**

# EBITDA result structure [PLN m]



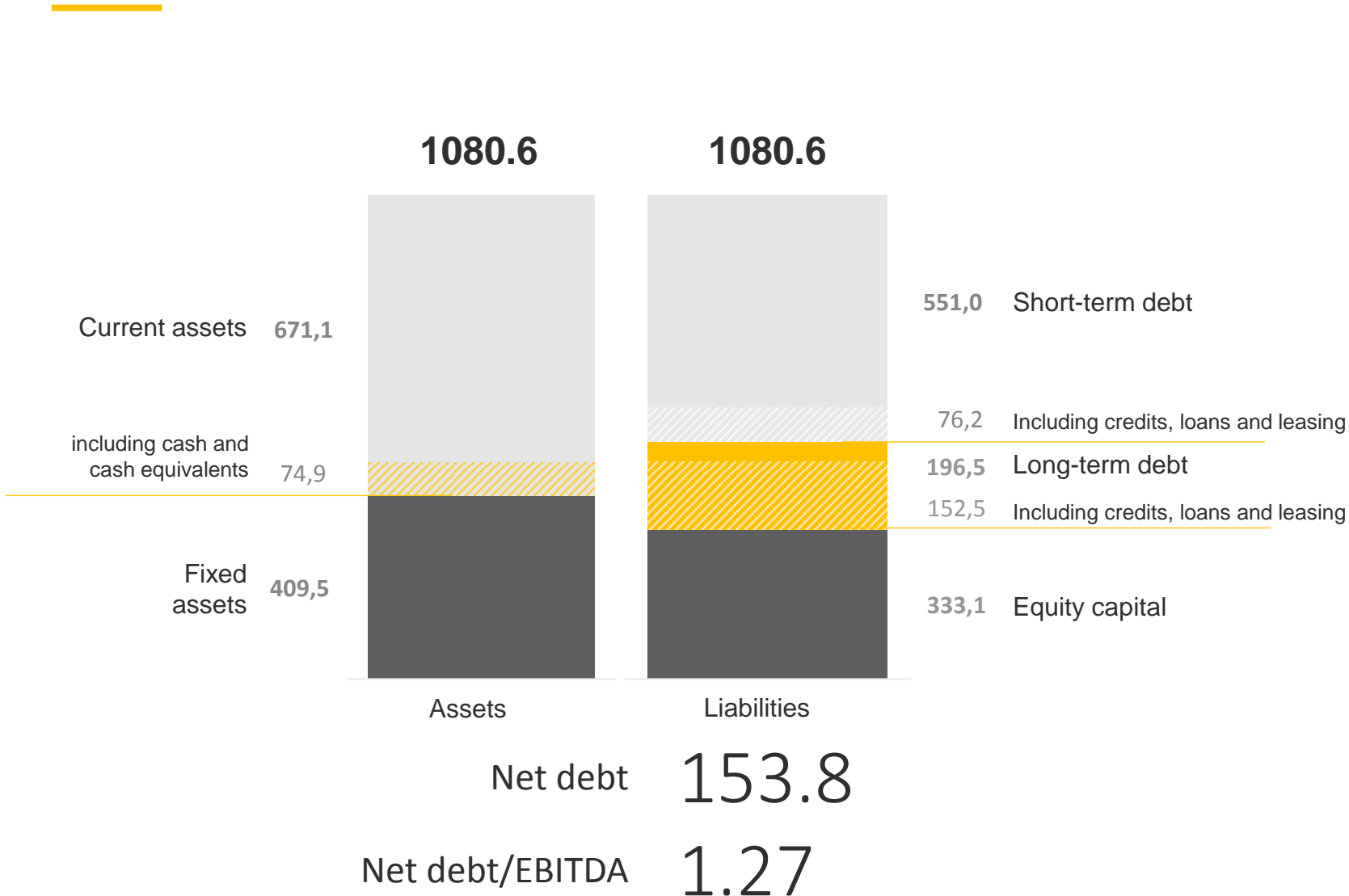
# Summary of consolidated cash flow [PLN m]



The Group maintains a strong financial position, which is confirmed by the high level of cash at the end of the period - in y/y terms it is an increase of 7.2%

# Balance sheet breakdown and debts [PLN m]

## Adequacy of resources and proper structure of financing sources



- The **balance sheet total exceeded PLN 1 billion** (a year earlier it was PLN 852 million, Langendorf contributed PLN 100 million to the balance sheet total).
- **Nearly 38% are fixed assets**, and **31% of finance sources are equity capital**.
- **Equity capital covers 81% of fixed assets** (112% a year earlier). The decrease is the **result of acquisitions** (Langendorf 80% + Fruehauf 35%), with the increase in fixed assets by over PLN 90 million (including tangible fixed assets by PLN 80 million).
- **Fixed capital with a 30% surplus covers fixed assets** while maintaining long-term certainty of financing.
- In the Group's debt structure, **over 26% are long-term liabilities**, and **fixed capital accounts for almost 50% of total liabilities**.
- Cash assets on the balance sheet date were **close to PLN 75 million**, and the **liquidity ratio exceeded 1.2** (a year earlier close to 1.4, current liabilities increased by nearly PLN 140 million, and current assets by PLN 100 million). **Quick liquidity of 0.7** (a year earlier 0.8) indicates maintaining the **right state of current assets**.

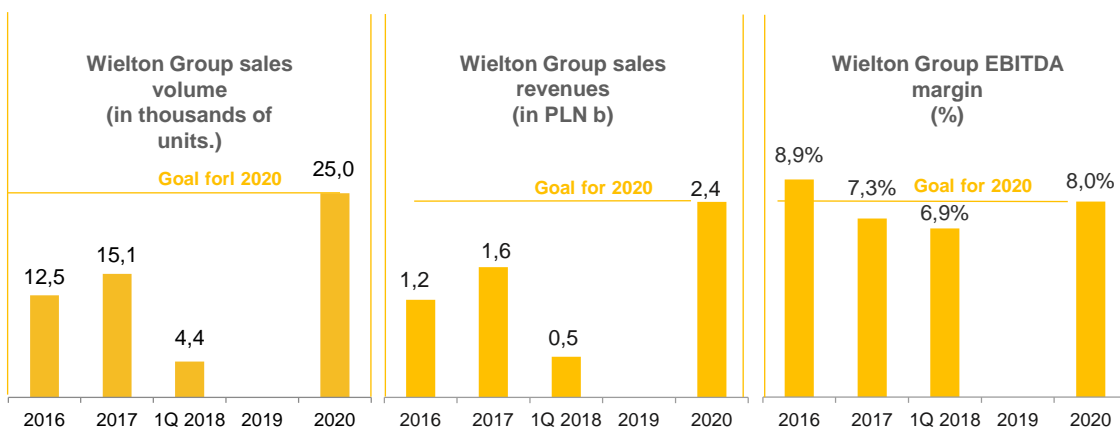


# 2020 Strategic Objectives

## 2020 Strategic Objectives

Volume	25,000 units.	vs. 2016	x2
Revenues	PLN 2.4 b		x2
EBITDA Margin	8.0%		

### Implementing sales goals



## Current status of strategy implementation

### Consistent implementation of strategic projects

As of today, 16 strategic projects have been implemented and 33 projects are in the process of being implemented.

IT	<ul style="list-style-type: none"> <li>The Group's IT systems were analysed in terms of process management, quality management and data security.</li> <li>Currently, the project is entering the operational phase - implementation of audit results and recommendations.</li> </ul>
Group integration	<ul style="list-style-type: none"> <li>A new organisational structure of the Group was built, and the Group's the Board of Directors was established.</li> <li>As part of the Group's integration, the ZIP project is being implemented, concerning integrated production planning, a shared warehouse policy and the development of uniform customer service standards.</li> </ul>
Production platform and integration of quality processes	<ul style="list-style-type: none"> <li>Investments in the production plant in Wieluń</li> <li>Investments in the production plant in Auxerre, Fruehauf SAS</li> <li>Analysis of Langendorf production processes in terms of integration</li> </ul>

# New investments in the process of implementation

We are at the **final stage of mechanical assembly of machines and equipment**, in the testing phase of **implemented new technologies**, and on the verge of **preparing for the final delivery and acceptance** of new plant facilities.



**Turbine shot blasting system**  
Mechanical surface preparation  
for the KTL process.

Stage: in the testing phase

# New investments in the process of implementation

We are at the **final stage of mechanical assembly of machines and equipment**, in the testing phase of **implemented new technologies**, and on the verge of **preparing for the final delivery and acceptance** of new plant facilities.



**Automated painting line for anti-corrosive protection of chassis and crates by cataphoresis and 2 paint lines**

Stage: in the testing phase

# Investments - modernization



**Assembly line** – lower and upper transport for the pneumatic line and a fragment of the chassis assembly line.

Stage: in the testing phase

**Packaging warehouse** - preparation of components, semi-products and products for assemblies in Italy, Russia and Africa, as well as production plants in Germany and France.

Stage: in the testing phase

# Investments under preparation

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## Construction of a plant for trailers and refrigerated trailers

- Planned start of works: 2018
- Works related to the design of the building are currently in progress
- The planned date of completion is the end of 2019



# 2018 Development Prospects

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- Potential strengthening of the Group's position on the German market thanks to the integration of the acquired Langendorf company
- Favourable situation in Russia for increasing the Group's revenues and sales on this market
- Employee market: active salary pressure management planned in the second quarter
- Implementation of planned investments according to schedule
- Consistent implementation of the Group's strategic goals and subsequent projects



**WE INVITE YOU TO THE PRESENTATION OF THE KTL LINE**

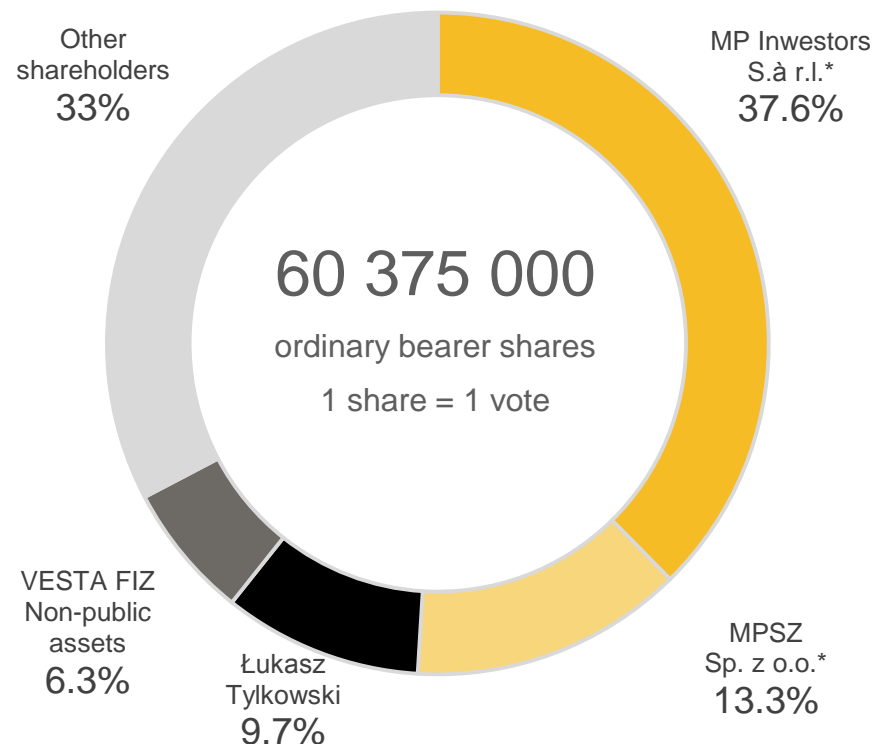
# Benefits of investing in Wielton

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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 regions: 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 Investors S.à r.l., a subsidiary of MP Investors 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



**Włodzimierz Masłowski**

Vice-President of the Management Board

## Supervisory Board

Paweł Szataniak	President of the Supervisory Board
Mariusz Szataniak	Vice-President of the Supervisory Board
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.**

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

## **CONTACT FOR INVESTORS**

Tomasz Śniatała  
Board Vice-President, CFO  
mobile: +48 510 202 743  
[t.sniatala@wielton.com.pl](mailto:t.sniatala@wielton.com.pl)