WIELTON GROUP

Results Q1 2020

Wielton Group

May 2020

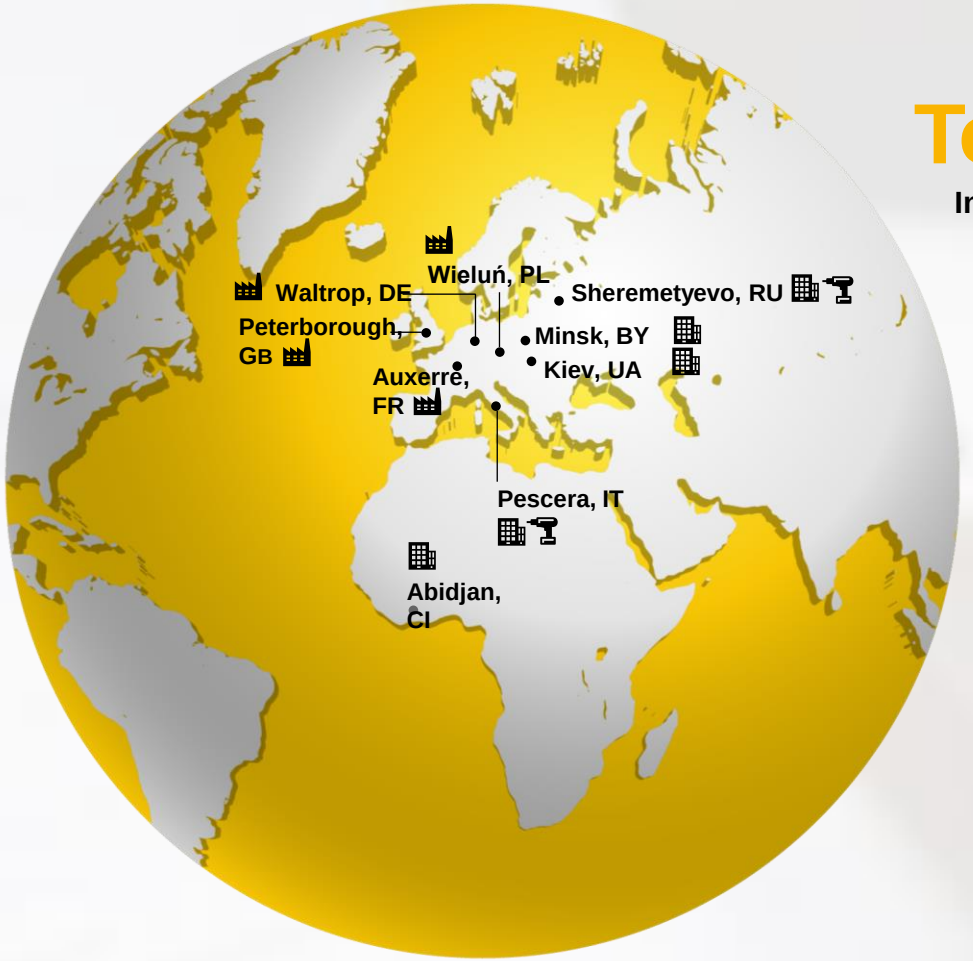
WIELTON

Leading European player

Top 3
in Europe

Top 8
In the world

- **Manufacturer of trailers, semi-trailers and vehicle bodies** for road transport and agriculture
- One of the youngest and **most dynamic companies** in the sector – 24 years of operating
- **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 full-truck-semitrailer testing station
- **Extensive product portfolio** of 12 vehicle groups, 800 configurations based on customer needs
- International service network – **over 600 points**
- Experienced staff of over **3.1 thousand** people in the Group

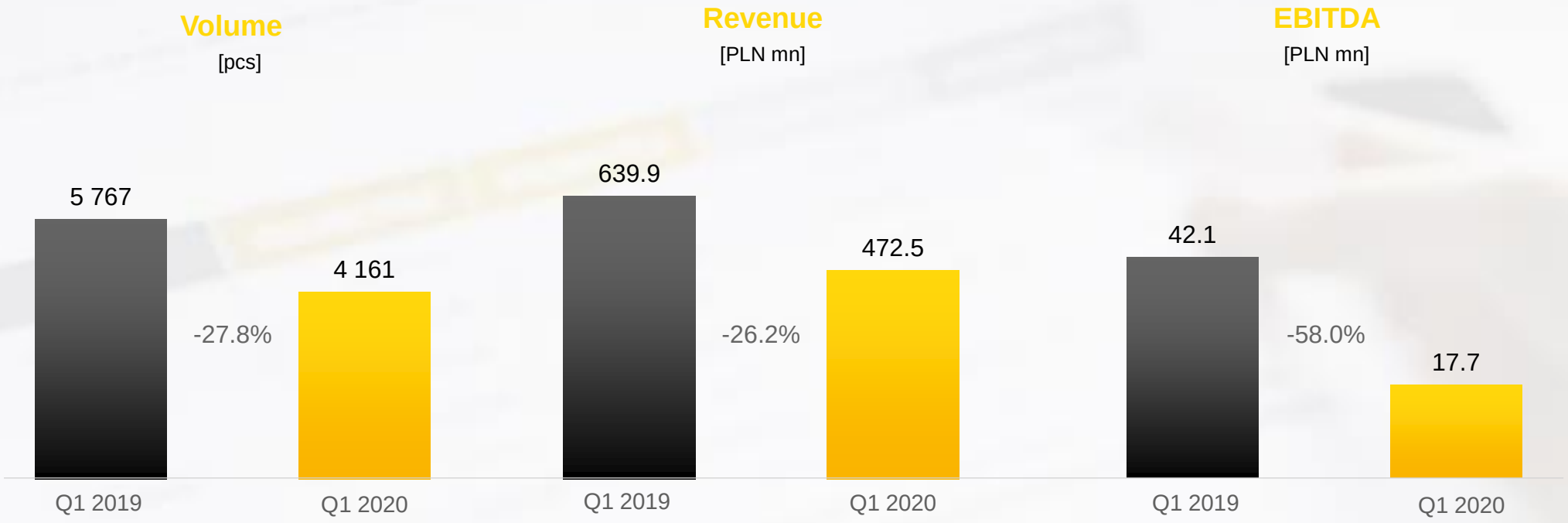


Commercial companies | Assembly plants | Production centres

WIELTON GROUP

WIELTON | FRUEHAUF | LAWRENCE DAVID | Langendorf | VIBERTI | CARDI | WIELTON AGRO

Key data for Q1 2020



Mandatory lockdown of the plants and limited demand for the Group's products translated into almost 28 percent decrease in volume sales and 26 percent decrease in revenues. Fixed costs related to lockdown of the plants significantly affected EBITDA. The y/y decline was strengthened by record sales in Q1 2019.

Markets

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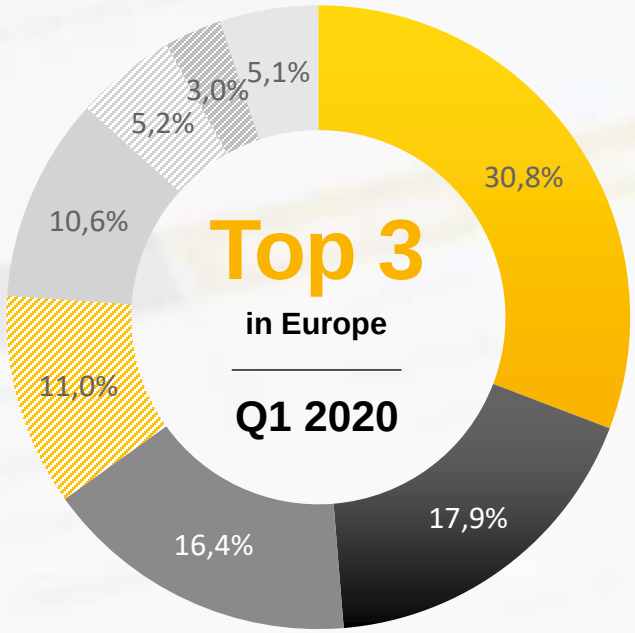
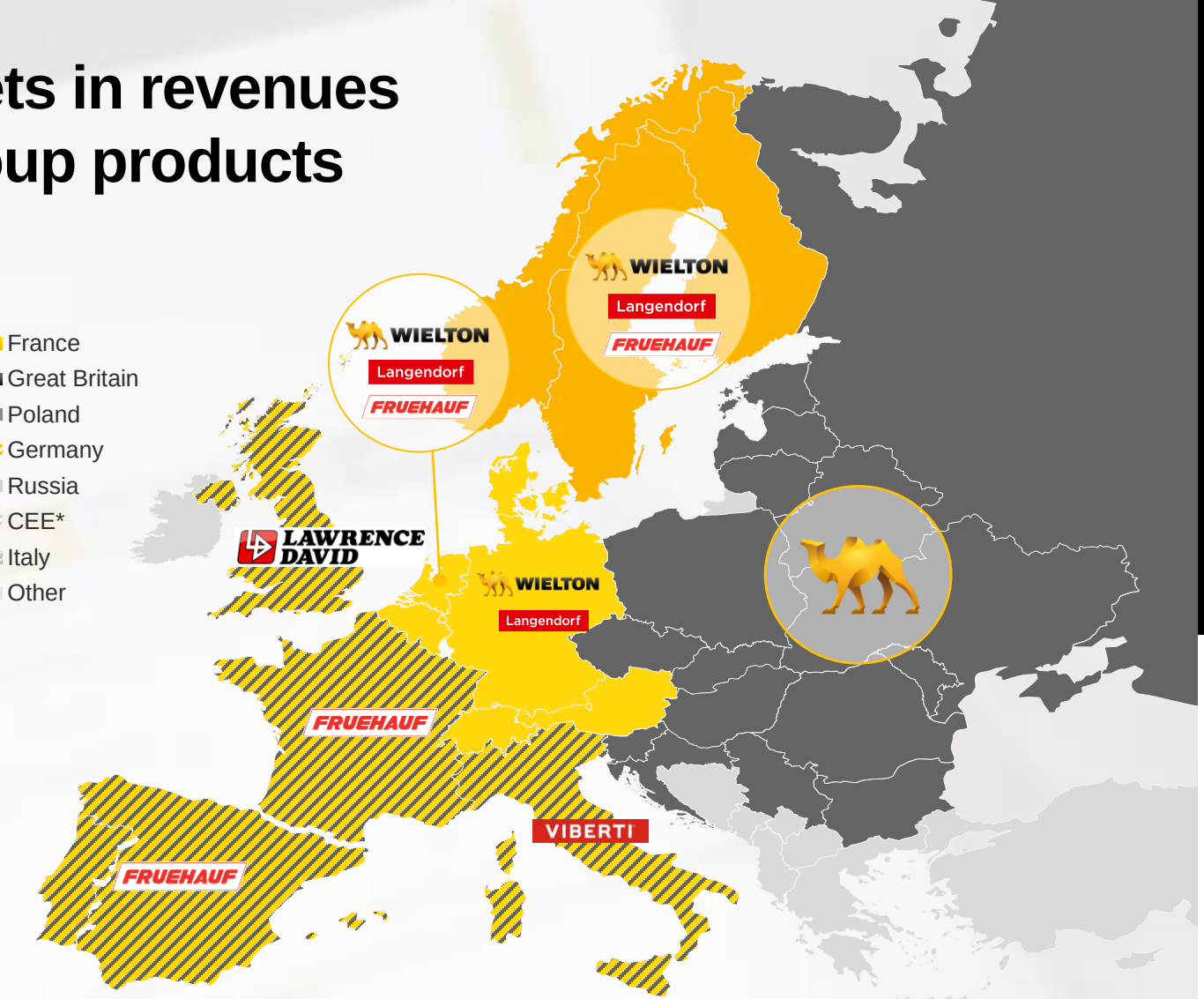
Share of individual markets in revenues from sales of Wielton Group products



- France
- Great Britain
- Poland
- Germany
- Russia
- CEE*
- Italy
- Other



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

WIELTON FRUEHAUF LAWRENCE DAVID Langendorf VIBERTI CARDI WIELTON AGRO

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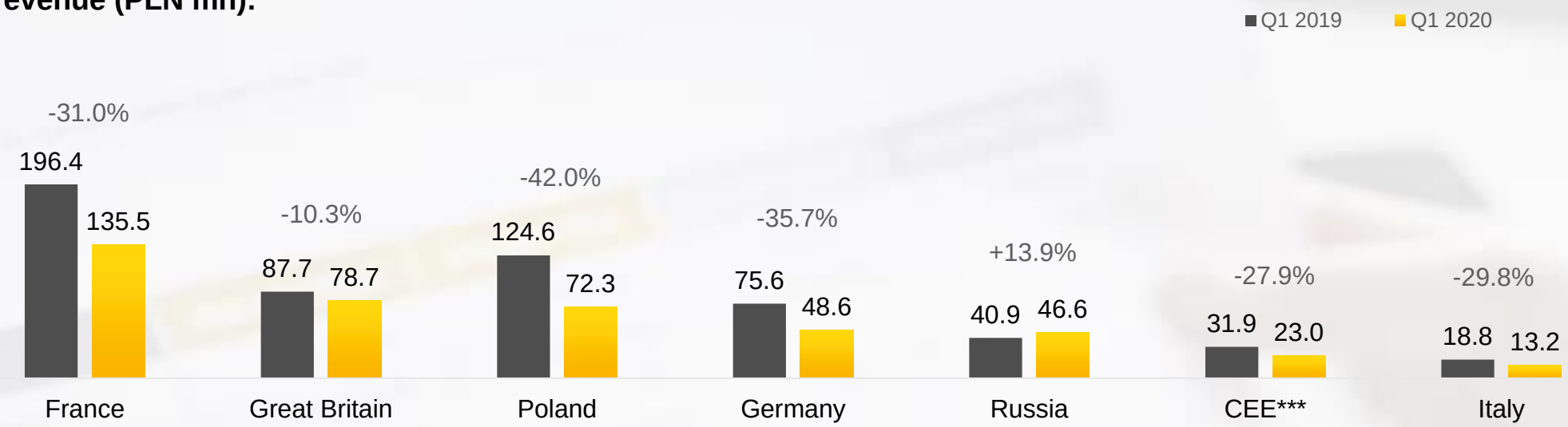
Wielton Group on European markets – Q1 2020

Sales revenue (PLN mn):



Brand	Fruehauf	Lawrence David	Wielton*	Langendorf	Wielton**	Wielton	Viberti
Market share	18.7%	10.1%	16.1%	1.9%	3.2%	4.1%	4.8%
Market position	1	3	3	9	8	4	6

*for Polish market
**for Russian market
***Romania, Bulgaria, Hungary, Czech Republic, Slovakia, Serbia, Slovenia, Croatia

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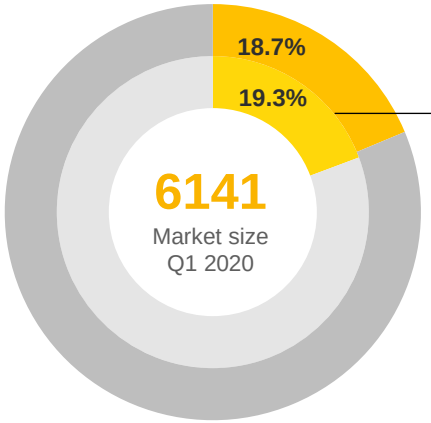
France

Market share

based on vehicle registration



POSITION	
1.	1.
FRUEHAUF	
Q1 2020	Q1 2019

Market drop by 21.6% y/y
to 6141 pcs

18.7% market share
at 1150 pcs

Activity

01. Increasing product availability
- reducing delivery times from 20 to 8-10 weeks

Key market information

01.

Strong impact of COVID-19
on the drop in the new registrations market in March

02.

Maintaining market leadership
with almost 19% share

03.

Leadership in curtainsider trailers sales with over 31% share

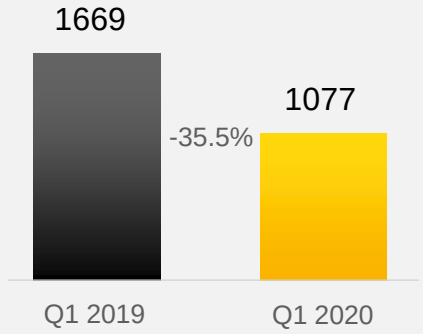
04.

Maintaining the leader's position in vans - increase to 48.8% (46.6% in Q1 2019)

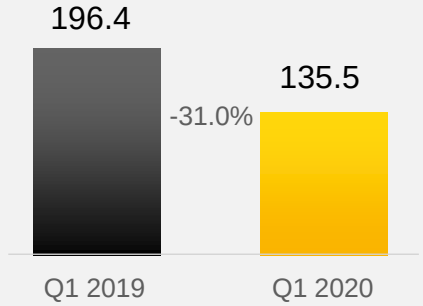
05.

The reduction in production in March due to a temporary plant lockdown directly translated into a decrease in sales

Sales
[pcs]



Sales revenue
[PLN mn]



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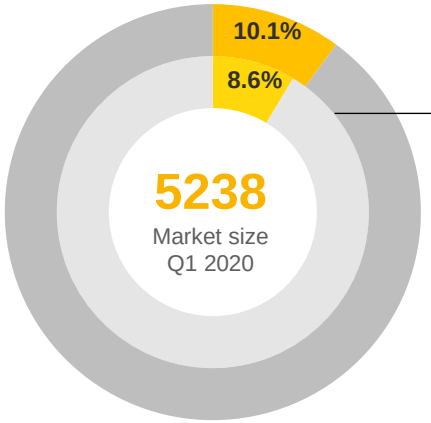
Great Britain

Market share

based on vehicle registration



POSITION	
3.	5.
Q1 2020	Q1 2019

Market drop by 8.4% y/y
to 5238 pcs

10.1% market share
at 530 pcs

Activity

01. In the Q1 2020 all chassis delivered to Lawrence David were from the Wielton Group

02. Procurement execution for the world leader in e-commerce

Key market information

01.

Strong impact of COVID-19 on the drop in the new registrations market in March

02.

Change in proportions in the product portfolio - decrease in sales of trailers in favour of increased sales of bodies

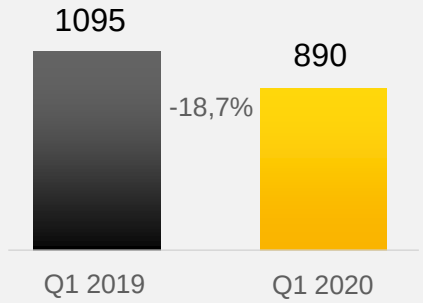
03.

Increase in market share to 10.1% - promotion to 3rd position

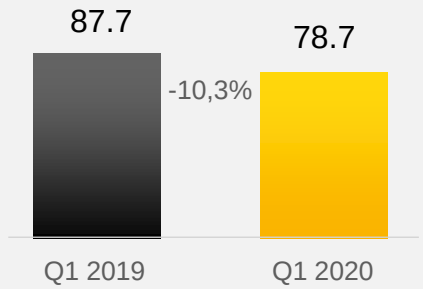
04.

Reduction in production due to a temporary plant lockdown

Sales
[pcs]



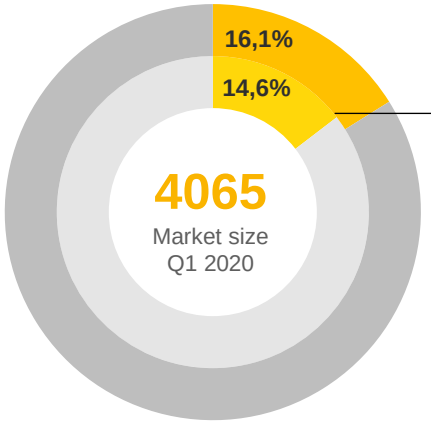
Sales revenue
[PLN mn]



Poland

Market share

based on vehicle registration



POSITION	
3.	3.
WIELTON	
Q1 2020	Q1 2019

Market drop by 45.2% y/y
to 4065 pcs

16.1% market share
at 654 pcs

Activity

01. Acquiring large contracts with top transport and logistics companies:
- 130 curtain semi-trailers
- 100 intermodal semi-trailers
- 34 light semi-trailers

02. Intensive communication with customers to maintain order levels

03. Preparations for opening a used semi-trailer center in Wieluń

Key market information

01.

Strong impact of COVID-19
on the drop in the new registrations market in March

02.

The dynamics of the drop in volume sales was lower than that of the entire market

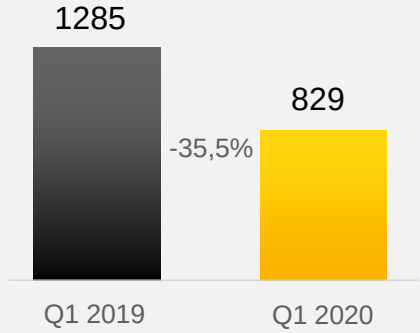
03.

Increase in market share to 1.5 %
- recovery of market shares in the first two months of 2020

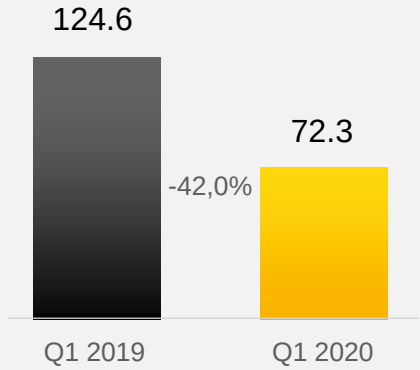
04.

Wielton is the vice-leader of sales of platforms and box bodies
(including curtains) with 20% share

Sales
[pcs]



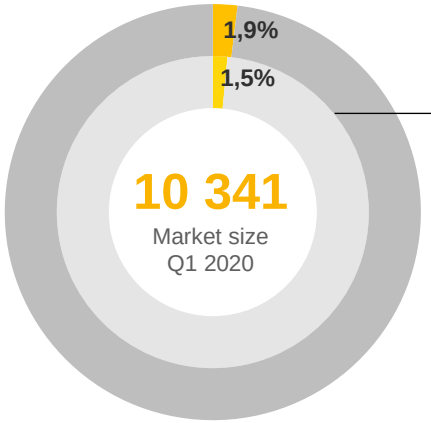
Sales revenue
[PLN mn]



Germany

Market share

based on vehicle registration



POSITION	
9.	10.
Langendorf	
Q1 2020	Q1 2019

Market drop by 24.8% y/y
to 10 341 pcs

1.9% market share
at 195 pcs

Activity

01. Ongoing order processing despite restrictions and restrictions

02. Group-wide sales of low-loader semi-trailers under the Langendorf brand - price positioning in the premium segment

03. Intensive information activities among clients - orders in the construction sector

Key market information

01.
Strong impact of COVID-19 on the drop in the market of new registrations

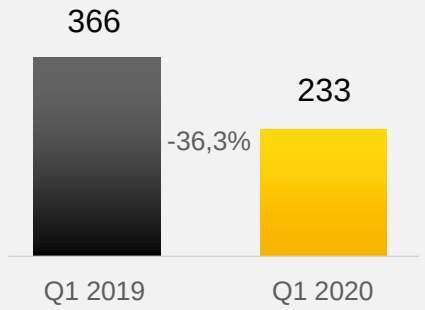
02.
Plant production below optimal level

03.
Increase in sales of low loader trailers to 9%

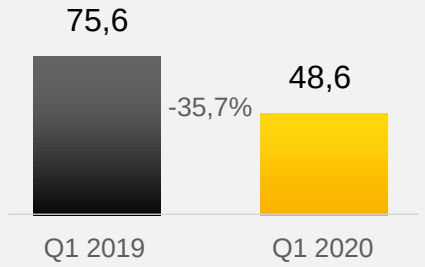
04.
Increase in the share of tipper sales to 13% (11.7% in Q1 2019)

05.
Increase in market share to 1.9% - advancement to 9th position

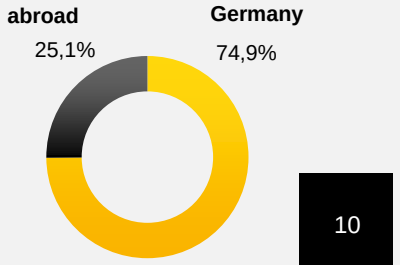
Sales
[pcs]



Sales revenue
[PLN mn]



Geographical sales structure
[%]



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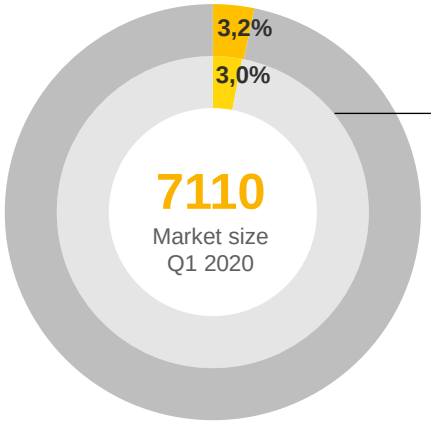
Russia

Market share

based on vehicle registration



POSITION	
8.	7.
WIELTON	
Q1 2020	Q1 2019

Market growth by 8.4% y/y
to 7110 pcs

3.2% market share
at 229 pcs

Activity

01. Active sales of products under the Wielton brand on the Russian market

Key market information

01.

Increase in volume sales by 6.1% and revenues by 13.9%

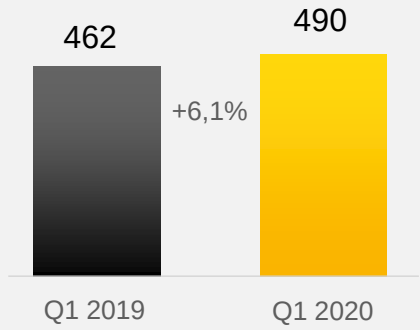
02.

Market growth by 8.4% y/y

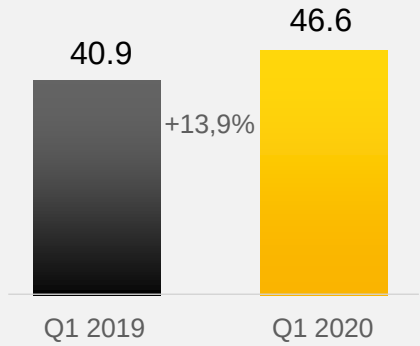
03.

Increase in sales of tippers and tipper bodies

Sales
[pcs]



Sales revenue
[PLN mn]



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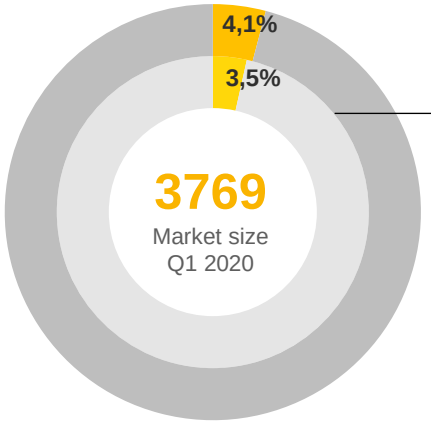
CEE*

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

Market share

based on vehicle registration



POSITION	
4.	5.
WIELTON	
Q1 2020	Q1 2019

Market drop by 34.4% y/y
to 3769 pcs

4.1% market share
at 155 pcs

Activity

01. Increasing product availability between dealers in individual countries - cross-border support

Key market information

01.

Significant market drop due to the impact of COVID-19

02.

Decrease dynamics smaller than decrease dynamics of CEE market

03.

Increase in market share to 0,6% – advancement to 4th position

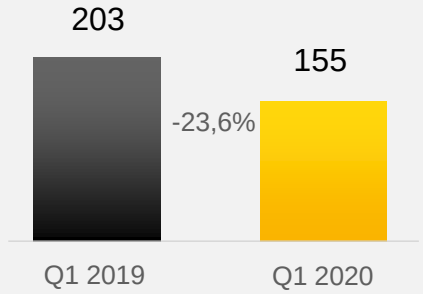
04.

High sales volume of HP steel and square aluminum tippers

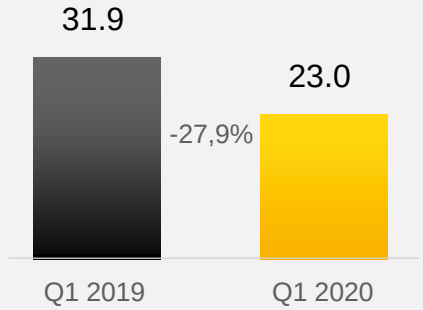
05.

Increase in volume sales in:
- Romania
- Serbia

Sales
[pcs]



Sales revenue
[PLN mn]



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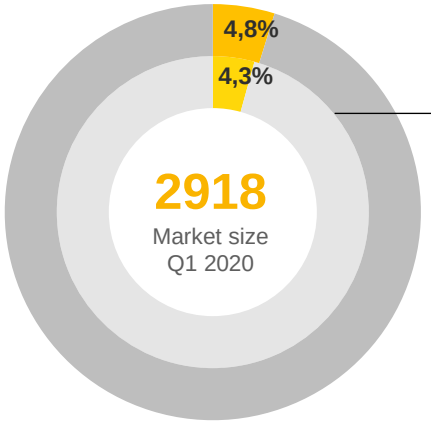
Italy

Market share

based on vehicle registration



POSITION	
6.	6.
VIBERTI	
Q1 2020	Q1 2019

Market drop by 36.7% y/y
to 2918 pcs

4.8% market share
at 140 pcs

Activity

01. Strengthening the sales network - expanding sales staff

02. Adjusting the scale of plant's operations to the new market situation

03. Focus on sales of maintenance services in Tocco

Key market information

01.

Significant market drop due to the impact of COVID-19

02.

Decrease dynamics lower than the dynamics of decrease the Italian market

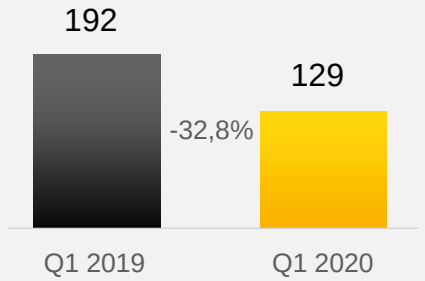
03.

Increase in market share to 4.8%

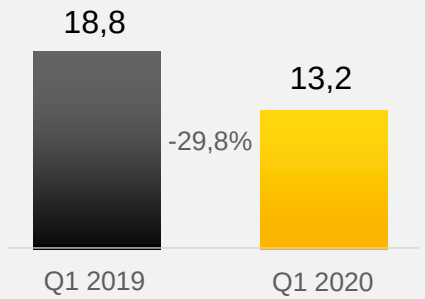
04.

Suspension of assembly plant operation

Sales
[pcs]



Sales revenue
[PLN mn]



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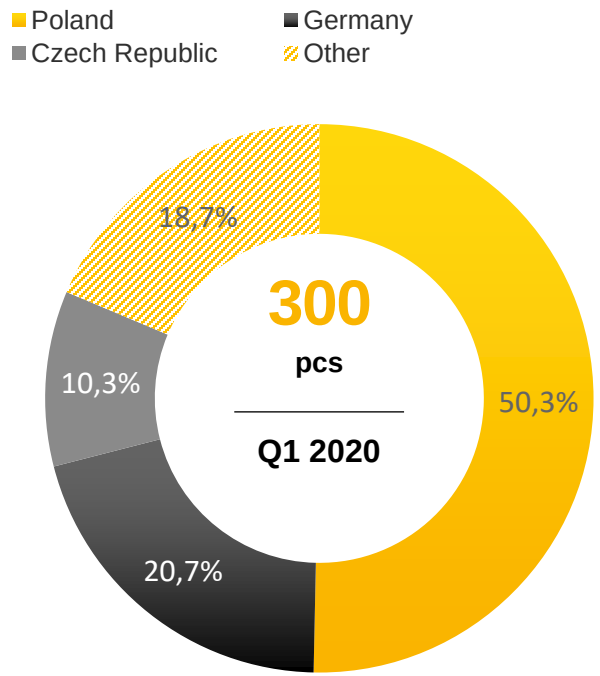
Dynamic growth of the Agro segment

Sales diversification

of Agro segment products – Q1 2020



Key market information

01.

Sales increase in the Agro segment in the Group by 21%

02.

Exports of Wielton Agro products at 49.7%

03.

Increase in the registration of Wielton Agro products on the Polish market by 68% y/y

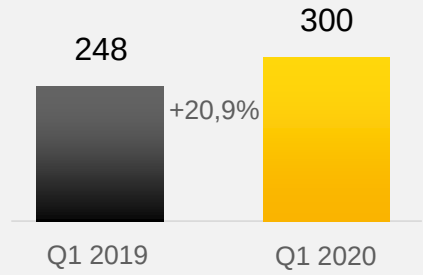
04.

Third place in Wielton Agro registrations in Poland - 8.1% share

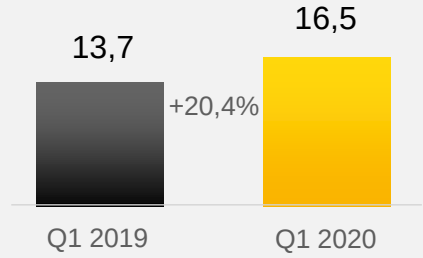
05.

Wielton Agro is the vice-leader in Poland in the sale of new trailers in the E category (load capacity 12 - 17 t)

Sales
[pcs]



Sales revenue
[PLN mn]



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Wielton Group – synergies

PRODUCTION \ MARKET	WIELTON	FRUEHAUF	Langendorf	LAWRENCE DAVID	VIBERTI	Wielton Russia	Wielton Africa
WIELTON		Tippers	Frames, ready-made tippers, space sets	Complete undercarriages	Assembly kits (curtain, container semi-trailers, sliding skeletals)	Assembly kits for tippers, curtains, low loaders	Tippers and low loaders
FRUEHAUF	Trucks						
Langendorf	Low loaders	Low loaders		Low loaders, double-deck trailers	Low loaders	Inloaders, tippers	Low loaders

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Product portfolio structure

01.

Significant increase in sales of trailers, including low-loaders (+26.7%)

02.

Maintaining the shares of tipper in the product portfolio structure

03.

Decrease in shares of universal semi-trailers with simultaneous decrease in volume sales

04.

Increase in the share of tipper bodies while maintaining high volume sales

05.

Increase in the structure of shares in Last Mile bodies - maintaining a stable level of sales

06.

Increase in sales of Agro segment vehicles (+21%)

Q1 2019 Q1 2020

38% 32%

UNIVERSAL SEMI-TRAILERS

Q1 2019 Q1 2020

16% 16%

TIPPERS

Q1 2019 Q1 2020

7% 6%

CONTAINER SEMI-TRAILERS

Q1 2019 Q1 2020

14% 12%

CLOSED BOX SEMI-TRAILERS

Q1 2019 Q1 2020

4% 4%

HIGH VOLUME COMBINATIONS

Q1 2019 Q1 2020

5% 6%

LAST MILE BODIES

Q1 2019 Q1 2020

6% 8%

TIPPERS BODIES

Q1 2019 Q1 2020

4% 7%

AGRO

Q1 2019 Q1 2020

4% 7%

SEMI-TRAILER
(including low-loaders and others)

Q1 2019 Q1 2020

2% 2%

INLOADERS
New product group from Langendorf

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Operating and financial results Q1 2020

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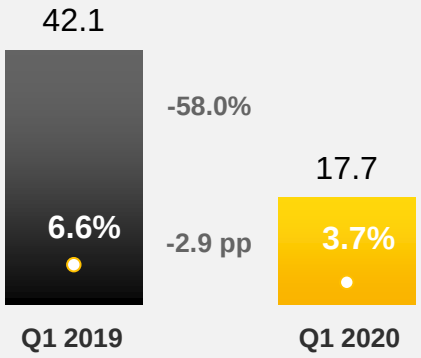
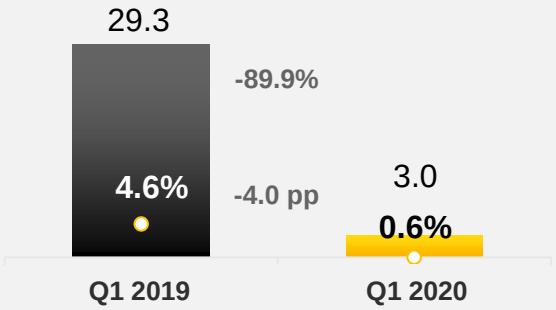
Consolidated profits and profitability

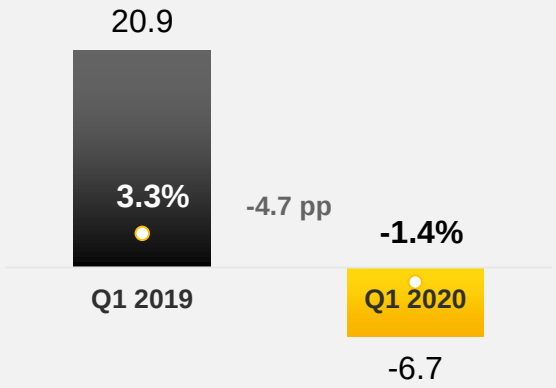
Decrease in EBITDA due to lower revenues. The net profit was significantly affected by the depreciation of the Russian rouble and the valuation of unrealised exchange rate differences as at the balance sheet date. In the period after the balance sheet date the negative valuation was "reversed".



EBITDA
[PLN mn]



EBIT
[PLN mn]



Net profit/loss
[PLN mn]

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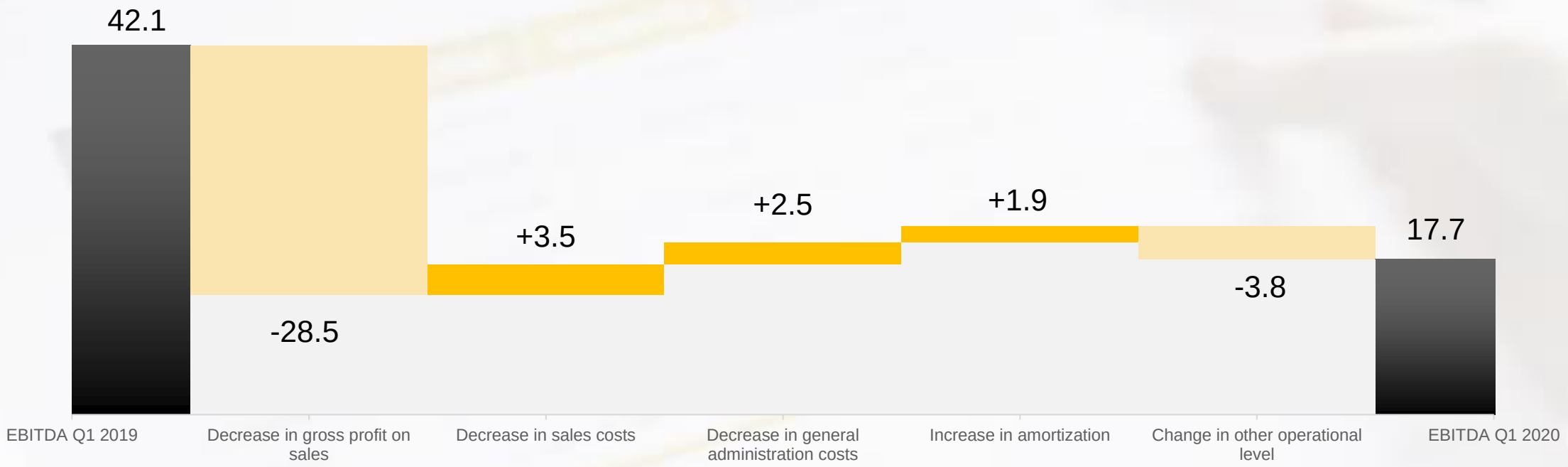
EBITDA structure [PLN mn]

Less sales translated into lower sales costs. Effective reduction of general administration costs.



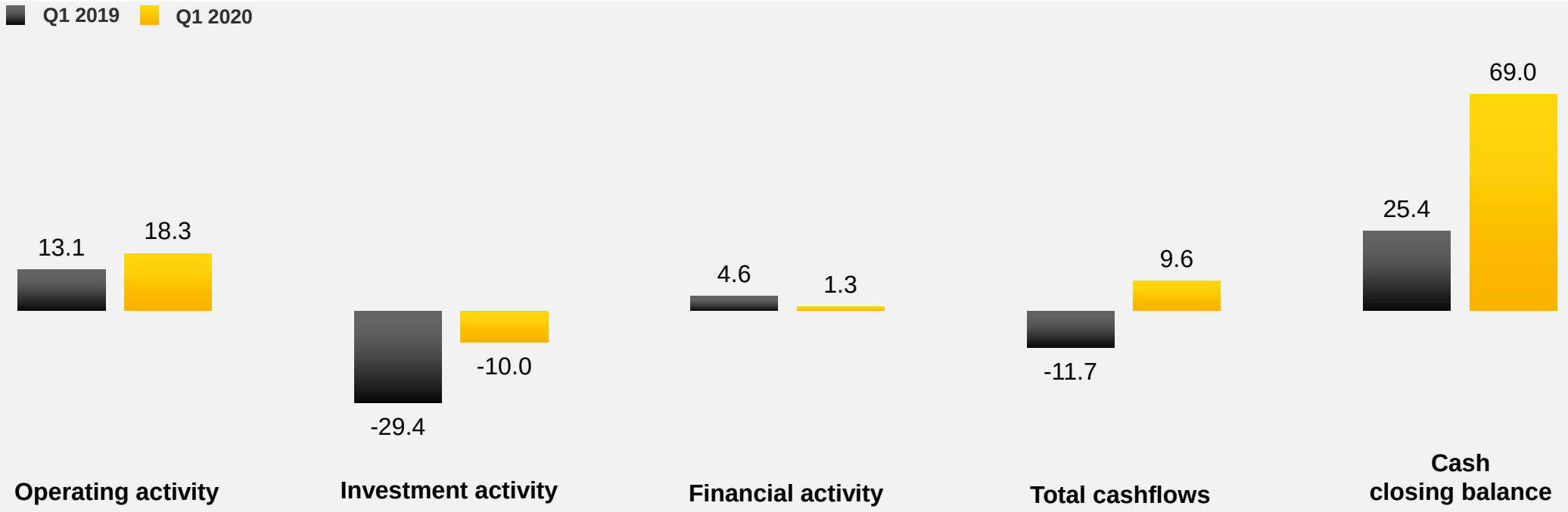
Consolidated cash flow statement [PLN mn]

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

01. The financial surplus and reduction of working capital allowed to generate positive flows from operating activities

02. Restriction of investment activity

03. Neutral balance from financial activities



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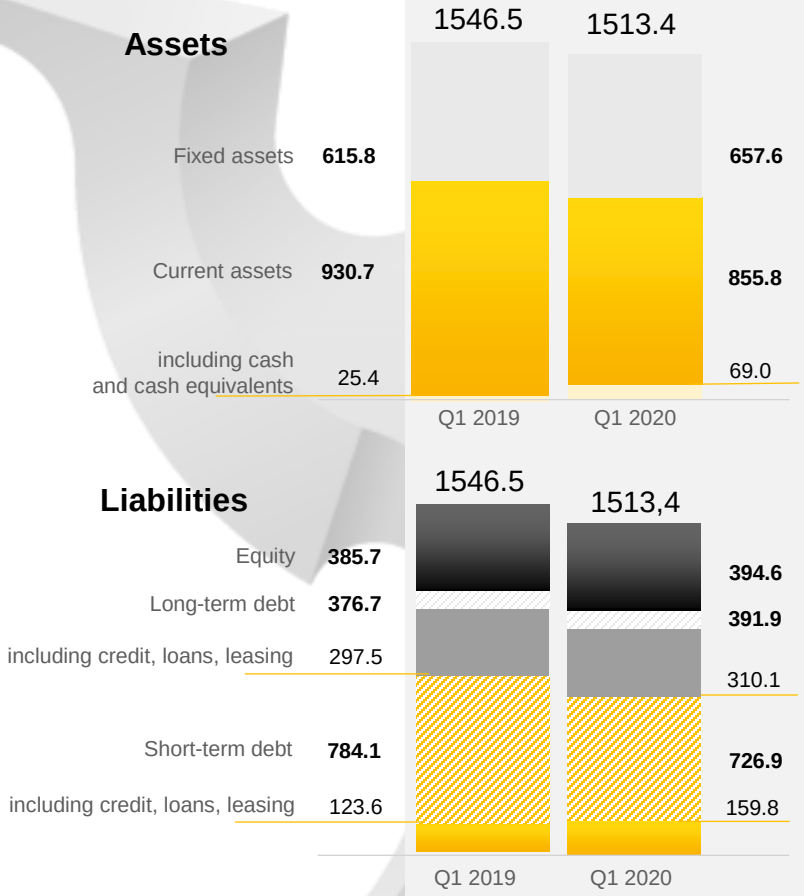
Balance sheet structure [PLN mn]



01. Maintaining a balance sheet total of PLN 1.5 billion

02. Decrease in current assets due to lower turnover

03. Maintaining the current liquidity ratio close to 1.2

04. Reduction of short-term debt

05. Maintaining fixed capital at a level exceeding PLN 780 million - nearly 120% coverage of fixed assets

COVID-19

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Anti-crisis shield - Wielton

Wielton (06.04 - 11.05 - production lockdown):

01. **Secondment of most employees to economic downtime and reduction of working hours by 20% for the remaining ones, with simultaneous co-financing of salaries from Guaranteed Employee Benefits Fund**

02. **Obtaining the subsidy from the Provincial Labour Office for salaries during economic downtime and shortened working hours** - as of the date of publication, the subsidy was received for April (waiting for subsidy from May and June)

03. **Submitting an application to Social Security to defer the payment date of contributions** - starting from the contributions for February 2020 for the next 6 months - as of the date of publication, permission was obtained for the deferral of contributions due in March and April

04. **Adoption of a resolution of Wieluń City Council on the exemption of Wielton from an obligation to pay local taxes**

05. **Signing of an annex with the Łódź Special Economic Zone to reduce by 50%** the fees paid to the zone for conducting business activity within the zone - in the period April-June

06. **Acceleration of VAT refunds** (including for March)

07. **Accessing funds in a split-payment account in order to use the funds to handle current payments other than public commitments**

08. **Finalisation of the process of disbursement of the liquidity loan from the consortium of banks** co-financing the operations of Wielton based on the guarantee of Bank Gospodarstwa Krajowego

09. **Obtaining NCRD's consent to extend the deadline for Hydroforming project implementation** - until 30 June 2023.

Anti-crisis shield - other companies

Fruehauf (18.03 - 27.04 - production lockdown):

01. Surcharge of 70% to gross salary of employees

Lawrence David (27.03 - 27.04 - production lockdown):

01. Surcharge of 80% to employees' wages on economic downtime (min. 3 weeks on downtime) - Job Retention Scheme (support for 3 months)

02. State coverage of social security contributions of 13.8% and the statutory pension contribution of approx. 3%

03. Deferral of sales tax payment until July 2020

Langendorf:

01. Reduced working time - remuneration ranges from 60% to 67% including social insurance

02. Tax holidays - exemption from income tax (obligatory payment of VAT and payroll tax)

03. Preferential liquidity loan of EUR 2 million

Viberti (26.03 - 04.05 - production lockdown):

01. Surcharge of 80% to employees' wages for 9 weeks - provided there are no redundancies for 60 days

Wielton Group - attention areas Q2-Q4 2020

WIELTON GROUP

01. Minimisation of dissemination risks from COVID-19

02. Optimal use of the Group's resources (including production, technological and human resources)

03. Rebuilding and strengthening of production potential in the plants after temporary shutdown

04. Building up an order portfolio using geographical diversification and a broad product portfolio

05. Guaranteeing liquidity security

Declaration

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