

Wieluń, 17 November 2022

Press release

Wielton Group with strong sales growth after 1-3Q 2022. Work is underway on projects to increase efficiency in 2023.

- **After three quarters of 2022, sales revenues of Europe's leading manufacturer of semi-trailers, trailers and truck bodies for road transport and agriculture amounted to nearly PLN 2.5 billion, 29.4 percent higher than in the same period of 2021. In the third quarter alone, they were 38.5 percent higher than a year ago.**
- **The increase in revenue was the result of a 9.4% year-on-year increase in sales volumes, price increases on products implemented by the Group and a favourable exchange rate.**
- **Wielton maintained its leadership position in France and the industry's runner-up in Poland and the UK. The Italian company also strengthened its market position.**
- **The Group generated a solid EBITDA result of PLN 145.9 million, despite record prices for raw materials and components and rapid increases in energy and fuel prices putting pressure on business profitability. The Group's EBITDA margin after the three quarters of 2022 was 5.8 percent. (5.4% excluding non-recurring events that occurred in Q2 2022)**
- **The sale of the UK company Lawrence David is gaining momentum, where the recovery plan implemented last year is yielding positive results. After three quarters of 2022, the company's sales volume increased by 27 percent, and in the third quarter alone it grew by 45 percent year-on-year.**
- **The Group continues to implement corrective measures at French company Fruehauf, whose Q1-3 results were below target levels.**
- **In response to market challenges, the Wielton Group continues its efforts to maintain supply chain security while maintaining high cost discipline.**
- **Intensive project work is underway to further improve the organisational efficiency of the Wielton Group in 2023.**

After a good first half of 2022 for the Wielton Group, we also maintained an upward trend in the third quarter, both at the revenue and profit levels. The momentum that distinguishes us from the industry is due to both sustained growth in sales volume and consistent implementation of product price increases. Market share gains were particularly evident in Poland and the United Kingdom, and our company in Italy moved closer to the top three market players. Despite the observed cooling in demand, the Group's backlog remains at a safe level. In response to the still unstable global geopolitical situation, galloping inflation and the observed decline in the pace of order acquisition, we are focusing our efforts on reducing the impact of the negative market environment on financial performance as much as possible. We take care both to ensure continuity of the supply chain and high cost discipline.

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We are intensifying work on projects aimed at increasing the organisational efficiency of the Wielton Group in 2023 and beyond," says Mariusz Golec, CEO of the Wielton Group.

In the period from January to September 2022, consolidated revenues of the Wielton Group amounted to about PLN 2.5 billion, increasing by 29.4 percent compared to the first nine months of 2021. The Group sold 17,524 units of products, 9.4 percent more than a year earlier.

The leading position with a market share of 19.4 percent was retained by the French company Fruehauf. Its revenues increased by 14.5 percent to PLN 534.6 million, while sales volume rose by 0.3 percent. The company's results, which were lower than the Group's targets, remained under pressure from the difficult labour market situation in France (problems in recruiting employees and increasing wage pressure). The Wielton Group is implementing measures to improve the efficiency of Fruehauf. A cost-saving project has also been implemented at the company.

In Poland, despite an 11.7 percent decline in the overall market, Wielton increased its sales volume by 13.5 percent to 4,268 product units. The company retained its position as vice leader of the Polish market, with its shares rising to 15.3 percent from 11.5 percent a year ago. Wielton's revenue in Poland increased year-on-year by 37.0 percent to PLN 499.5 million. Its backlog at the end of September totalled 4,774 units.

The market recovery is being successfully exploited by Lawrence David, the runner-up in the UK market. After three quarters of 2022, the company's sales volume increased by 27 percent to 3,546 units. In the third quarter alone, it grew by 45 percent year-on-year. In the first nine months of 2022, Lawrence David's market share was 13.6 percent, with revenue up 68.6 percent to PLN 449.4 million. The company's backlog at the end of September was 2,745 units.

The sales volume of Langendorf and Wielton GmbH on the German market increased by 68.7 percent. At the same time, the market grew by about 11 percent. In CEE, the Group sold 14.4 percent more vehicles than last year, maintaining its fifth market position. Viberti moved from seventh to fifth place among the largest players in the Italian market. Its sales increased by about 40 percent, to 870 units.

Integration of purchasing, production and sales processes is underway with the Spanish company Guillén, of which the Group acquired an 80 percent stake in 2021. From January to the end of September 2022, Guillén increased its sales volume by 8.2 percent.

After three quarters, the Group's 2022 net profit amounted to 94.2 million zlotys, almost double that of last year (46.8 million zlotys). EBITDA increased by 21.4 percent year-on-year to PLN 145.9 million. The Q1-3 2022 results were positively impacted by non-recurring events recognised in the second quarter (impact on net income in the second quarter: PLN 53.9 million). At the same time, the result was negatively affected by non-recurring events in the third quarter of 2022 (settlement of the acquisition of the remaining shares of Lawrence David and transaction costs for the purchase of Guillén).

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Despite cost pressures increasing at a rapid pace, triggered by galloping inflation and reduced availability of raw materials and components, as well as more expensive energy and fuels, the Wielton Group generated an EBITDA margin of 5.8 percent, compared to 6.2 percent a year ago and 4.4 percent in the first three quarters of 2020.

*In a period of increased market challenges, our priority remains to maintain the Wielton Group's stable financial condition, in which maintaining safe, high liquidity combined with cost discipline is key. Examples of such measures are the cost-saving projects we have implemented at the Group's largest companies, such as "Program 49+" at Wielton or "Challenge 1000" at the French company Fruehauf. We also focus on maintaining safe ratios in line with bank covenants and minimising debt service costs. This made it possible to maintain the ratio of net debt/EBITDA at a safe level of 3.24. With a healthy financial foundation, the Wielton Group can respond more effectively to numerous market risks, the scale of which is compounded by the uncertain geopolitical situation in the world, **Mariusz Golec adds.***

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About the Wielton Group

The Wielton Group is one of the three largest manufacturers of semi-trailers, trailers and car bodies in Europe and the top ten producers in the industry worldwide. Wielton Group's mission is to create and deliver the best transportation solutions for business. The Group bases its activities on four key values, which include people, initiative, quality and safety. The entire Group currently employs more than 3,600 people, with the largest number, approx. 2,000, working at the Wieluń plant.

Wielton S.A., listed on the Warsaw Stock Exchange, is the parent company of the Wielton Group. The Group's strength is its consistently implemented strategy, based on organic growth and acquisitions. In 2015, the Group acquired the leading Italian brands Viberti and Cardi and the French company Fruehauf. In May 2017, the Wielton Group acquired the German company Langendorf, thereby expanding its offering to include, among other things, specialised vehicles for transporting glass and precast concrete. The acquisition of Lawrence David in September 2018 allowed the Group to add more unique vehicles to its portfolio. Particularly noteworthy are home delivery bodies and pillarless curtainsider trailers. In turn, the acquisition of Guillén Desarrollos Industriales enabled the Group to expand into another important market - Spain.