

Press release

Wielton Group with growth in revenue and EBITDA margin in the first quarter of 2023

- In the first quarter of 2023, third largest manufacturer of semi-trailers, trailers and car bodies in Europe generated PLN 848.8 million in sales revenue, increasing its value by 4% year-on-year, with volume sales at 5 259 units (down 13% y/y).
- Despite market challenges and a slowdown in the European transportation sector, the Group maintained its position as a leading player in the transportation industry in most key European markets.
- EBITDA increased by 26%, to PLN 45.8 million. The EBITDA margin was 5.4%, compared to 4.5% in the first quarter of 2022.
- The Group's net profit amounted to PLN 12.8 million, increasing by 32% y/y.
- In 2023, it is planned to adjust the level of capital expenditures in line with the current market situation, focused on automation and robotization of processes, vertical integration and digitization, as well as new technologies and environmentally friendly actions.

After a record year in the history of the Wielton Group in 2022, we also maintained the upward trend in the first quarter of 2023 at the level of sales revenue, EBITDA and net profit. We generated good volume sales, despite the apparent deceleration of business. We are aware of how many challenges the transportation industry is currently facing, which we are trying to support. We are seeing lower demand for transportation services in most European markets, combined with high inflation and business costs. We are monitoring the market situation and also adjusting our operations, including the level of capital expenditures, accordingly. The Group's good financial condition, combined with market diversification and product synergies, provide the basis for further systematic growth, even in such a competitive market environment in which we currently operate - says Pawel Szataniak, Chairman of the Wielton Group.

In the first quarter of 2023, the consolidated revenues of the Wielton Group amounted to PLN 848.8 million, growing by 4% y/y. The Group sold 5 259 units of vehicles, 13% less than in the first quarter of 2022. Despite market challenges and a slowdown in the European transportation sector, the Group maintained its volume sales level from the first quarter of 2021 (5243 vehicle units). Universal semi-trailers accounted for the largest share of the sales portfolio, at 50%. The largest growth in sales, in the Group's portfolio, was in high volume combinations and container semi-loaders.

In the first quarter of 2023, Wielton Group EBITDA reached PLN 45.8 million, compared to PLN 36.5 million in 2022 (up 26%) and PLN 43.8 million in 2021. The EBITDA margin was 5.4%, compared to 4.5%

a year earlier. The net debt/EBITDA ratio was maintained at a safe level of 2.29. The Wielton Group's net profit amounted to PLN 12.8 million, increasing by 32% y/y.

The Group maintained its position as a leading player in the transportation industry in most key European markets. In France, where the market declined by 10.1% y/y, Fruehauf maintained its position as market leader with a share of 19.7% (19.3% in 1Q 2022). The company's registration level decreased by 9%, to 1133 units. Sales of Fruehauf-branded products, in the first quarter of 2023, declined by 22.1% to 1109 units, which translated into y/y drop in revenues by 7.7% to PLN 189.4 million. The company's results remained under pressure from the low efficiency of the operating area. A number of actions are currently underway to improve the efficiency and productivity of Fruehauf plants.

Wielton closed the first quarter of 2023 as the third player in the Polish market, with a share of 13.7% (16.2% in the first quarter of 2022). The market in Poland increased by 2.2 percent y/y. The company's registrations amounted to 957 units, down almost 14% compared to the first quarter of last year. In the first three months of 2023, sales of Wielton-branded products reached 1,218 units, down 11.4%. The company's revenues increased y/y by 8.4% to PLN 167.5 million. In Poland has been observed a postponement of purchasing decisions due to uncertainty in the transportation industry. Demand for curtainsider semi-trailers is definitely declining, while it is increasing for refrigerated semi-trailers, which the company does not yet have in its offer. At the same time, there has been a rebound in the tippers segment, where Wielton is the sales leader.

With the third position in the UK market and a share of 10.3% (13.1% in 1Q of 2022), Lawrence David ended the first quarter of this year. In the first three months of 2023, the company sold almost the same number of products as a year ago (1009 units in 2023 vs 1010 units in 2022), but this is not reflected in the available market data. The reason for this situation is a delay in the UK vehicle registration system. Publication of data at the end of the half-year should include complete registration data in this market. Lawrence David's good volume sales translated into an increase in revenues by 26.1% y/y to PLN 156.2 million.

Langendorf and Wielton GmbH rose from 10th to 7th place in the German market, which declined by 3.1%. Their shares were 2%, compared to 1.9% a year ago. Langendorf and Wielton GmbH vehicle registrations totaled 306 units, compared to 296 units in the first quarter of 2022. Sales of the two companies products declined 19% to 376 units in the first three months of 2023, translating into drop y/y revenues by 7.6% to PLN 92.2 million. The performance in Germany follows a difficult situation for transport companies related to high inflation and rising business costs. Demand for container semi-loaders and tippers is falling in this market, due to shifting government subsidies and a stagnant construction industry.

Fifth place in the market maintained CEE companies, registering 266 vehicles and an 8% increase y/y. The increase in Wielton vehicle registrations of more than 8% y/y is due to the strengthening of sales in Slovakia and Bulgaria and the finalization of many orders for the end of 2022. The company's volume

WIELTON GROUP

sales in the first quarter of this year fell 23.8% to 368 units, while the company's revenue level decreased y/y by 10.9% to PLN 55.0 million.

Despite a decelerating Italian market, Viberti moved up to the 5th position, with its shares rising to 6.4%. Volume sales of the company's products rose 10.3% to 257 units, translating into a y/y increase in revenues by 25.6 percent to PLN 37.8 million. The Spanish company Guillén's market shares amounted to 2%, giving it 10th place in the market. The level of Guillén vehicle registrations does not take into account exports, which account for a sizable share of the company's sales. The market has also seen a decline in demand, particularly for curtainsider semi-trailers, due to the rise in interest rates and postponement of purchase decisions in connection with the expected publication of changes in regulations for the approval of larger-size vehicles. In the first quarter of 2023, the company reported a decline in volume sales to 113 vehicles, 28.5% less than a year ago, which translated into a decrease revenues by 4.0% y/y to PLN 16.6 million. Guillén continues to integrate purchasing, production and sales with other Wielton Group entities. The company is working closely with the Lawrence David, Wielton and Fruehauf companies in developing and supplying new products to the British, Spanish and French markets.

The Wielton Group entered the second quarter of 2023 with good sales results and order levels that are safe for its operations. However, the cooling of demand associated with market uncertainty and the holding back of purchasing decisions by transportation companies continues to be one of the biggest challenges for the trailer industry. As a result, we can expect fiercer competition, a struggle to maintain market share, and price pressure from customers. We are focusing on active sales, entering new markets and developing new vehicles. We are well prepared for the challenges facing our industry - adds Mariusz Golec, CEO of the Wielton Group.

END

For additional information, please contact:

Agnieszka Placek-Łapaj
PR Manager
a.placek@wielton.com.pl
+48 502 665 126

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,

WIELTON GROUP

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 in 2021 enabled the Group to expand into another important market - Spain.