

Press release

## Wielton Group's growth in revenue and EBITDA margin in the first half of 2023

- In the first half of 2023, Europe's third-largest semi-trailer and trailer manufacturer generated PLN 1,701.2 million in sales revenue, increasing its value by 4 per cent y/y, with volume sales of 10,762 units (down 10 per cent y/y).
- The Group maintained its position as a leading player in the trailer industry in most key European markets despite the slowdown in the European transport sector.
- EBITDA increased by 11 per cent to PLN 108.5 million. The EBITDA margin increased by 0.4 percentage points to 6.4 per cent in the first half of 2023.
- The Group's net profit amounted to PLN 53.5 million, which is a very good result considering that in the first half of 2022. The Group had many one-off events.
- The Group is focusing on strict cost discipline and implementing cost-saving projects in individual companies.
- In the second half of 2023 the Group is concentrating on actively winning new orders, developing its product range and adapting it to the needs of its customers.
- The level of the Group's investment expenditure was adjusted from PLN 187 million to PLN 140 million, with no negative impact on project implementation in the near future.

*Despite a difficult market environment and a clear slowdown in the European transport sector, we have maintained a positive trend in sales revenue and EBITDA. We have achieved satisfactory volume sales, but we are aware that this is a time for continued customer focus and contract acquisition. At the same time, we are increasing cost discipline and we are reducing production costs, among other things, by implementing cost-saving projects in Group companies. Our good financial condition allows us to continue investment projects, and we are adjusting the level of expenditure to the current market situation. We are aware that further development will allow the Wielton Group to respond effectively to changes and market risks both in the next quarters of 2023 and in the longer term," says Paweł Szataniak, Chairman of the Wielton Group.*

In the first half of 2023, the consolidated revenues of the Wielton Group amounted to PLN 1,701.2 million, growing y/y by 4 per cent. The Group sold 10,762 vehicles, 10 per cent less than in the first six months of 2022. Despite lower demand for transport and construction services, high operating costs and a shortage of qualified professional drivers, which influenced customers to postpone purchasing decisions, the Group maintained a similar level of volume sales to the first half of 2021. (10,910 vehicles). Universal semi-trailers had the largest share of the sales portfolio, amounting to 48 per cent. In contrast, the highest sales growth, within the Group's portfolio, was recorded by high volume combinations.

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In the same period, the Wielton Group's EBITDA result amounted to PLN 108.5 million compared to PLN 97.6 million in 2022 (up 11 per cent) and PLN 91.6 million in 2021. The EBITDA margin reached 6.4 per cent against 6.0 per cent a year earlier. The net debt/EBITDA ratio was maintained at a safe level of 2.21. The Group's net profit amounted to PLN 53.5 million, which is a very good result considering that in the first half of 2022 the Group had many one-off events.

*In the first half of this year, we have observed a significant cooling in demand for semi-trailers in most European markets. We will be facing a downward market trend for the coming months. Like the entire industry, we face many challenges, but I am convinced that with market diversification, a broad product portfolio and an extensive sales network, we will generate satisfactory results. Our big competitive advantage is also the product synergies within the Group, thanks to which we are able to quickly introduce vehicles to the offer of other companies. We have successfully introduced Guillén solutions to the British Lawrence David portfolio, and we are currently introducing Wielton products to the Spanish Guillén offer. We are successively extending the synergy effect with other products and companies, responding to current market needs," adds Mariusz Golec, CEO of the Wielton Group.*

The vast majority of the Group's key companies have maintained their position as leading market players in Europe. The level of registrations of the French company, Fruehauf, amounted to 2 216 units, almost 11 per cent less than in the first half of 2022. With a share of 19.4 per cent (20.0 per cent in the first six months of last year), the company retained its first place in the French market, which declined by around 8 per cent y/y. Sales of Fruehauf brand products decreased by 13.0 per cent to 2 273 units. The company maintained revenues at a similar level of PLN 384.1 million (up 0.2 per cent) as in the corresponding period last year. The company's results remained under pressure from the decelerating French market. Fruehauf is continuing its corrective actions and implementing optimization projects to improve the efficiency of the organization. As a result of these, the company has already increased its production capacity and digitized its logistics process. Preparations are underway for the presentation of Fruehauf's new identity at Solutrans in Lyon..

Wielton ended the first half of 2023 in the position of third player on the Polish market with a share of 14.2 per cent (15.5 per cent in the first six months of 2022). The market in Poland currently stabilized at the level of a year ago (y-o-y growth of 0.4 per cent). Registrations of the company's products totaled 2,006 units, about 8 per cent lower than in the first six months of 2022, and sales fell by 9.0 per cent to 2,692 units. The company's revenue increased y-o-y. by 6.3 per cent to PLN 357.1 million. In Poland, a continuation of postponing purchase decisions is observed due to the decline in demand for transport services. Invariably since the last quarter, customer interest in curtain semi-trailers has been falling in favor of refrigerated trailers, which the company does not yet have in its offer. On the other hand, tipper semi-trailers, of which Wielton remains the sales leader in Poland, are very popular.

Lawrence David forecasts a level of own-vehicle registrations of 1,471 units, 10 per cent lower than in the first half of 2022, which translates into second place in the British market. UK semi-trailer registration data for the first half of 2023 is not currently available. In the period under review, sales of the company's products decreased by 10.5 per cent y/y to 1,928 units. The company's revenue increased y/y by 11.5 per cent to PLN 291.8 million. The UK transport market is struggling with a severe

shortage of professional drivers, which has worsened after Brexit. Lawrence David focused in the first half of the year on building margins by providing personalized products to meet the needs of the industry.

Langendorf and Wielton GmbH achieved 7th place in the German market, which declined by 8.6 per cent. Sales of both companies' products declined by 6.6 per cent to 904 units in the first half of 2023, which translated into a y-o-y decline in revenues by 11.0 per cent to PLN 184.8 million. The results in Germany are a consequence of the stagnation in the construction industry, as well as the difficult situation of transport companies related to high inflation and rising business costs. Demand for inloaders and tippers is falling and customers are postponing purchase decisions in anticipation of government subsidies.

Fifth place in the market was maintained by companies from the CEE region with a share of 5.4 per cent, despite a 10 per cent drop in registrations y/y to 577 units. The market declined by more than 2 per cent. Wielton's volume sales in the first half of this year fell by 4.9 per cent to 813 units, while revenues, at PLN 114 million, remained at the level of the same period in 2022 (down 0.2 per cent y/y). In the CEE region, the construction industry has stagnated and, as a result, interest in steel tippers has dropped significantly. However, Wielton remains the leader in curtain semi-trailer sales in Slovakia.

Despite the decelerating Italian market, Viberti maintained its 5th position with a share of 6.4 per cent. Volume sales of the company's products increased by 3.1 per cent to 505 units, translating into a y/y increase in revenue by 18.6 per cent to PLN 76.4 million. Italian transport companies are struggling with falling demand for their services and high operating costs. Viberti plans to strengthen its presence in Middle Eastern countries.

In turn, the market share of the Spanish company Guillén was 2.2 per cent, placing it 7th in the market. Guillén's vehicle sales decreased by 24.3 per cent, to 240 units, in the first half of 2023, translating into a y/y reduction in revenues by 7.8 per cent y/y to PLN 34.5 million. The market, decelerating by around 7 per cent y/y, has observed a decline in demand from transport companies due to the rise in interest rates and the uncertainty related to the publication of changes in regulations regarding the approval of larger vehicles for public transport. Customers are suspending most tenders and purchases. Guillén is strengthening its partnership with the British Lawrence David, supplying them with their first container semi-loaders. It has also introduced Wielton solutions to its product portfolio, increasing its competitiveness in the market. It has also signed a distribution agreement with a new Portuguese dealer.

**### THE END ###**

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**For further information, please contact:**

Agnieszka Placek-Łapaj

PR Manager

[a.placek@wielton.com.pl](mailto: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 truck bodies in Europe and one of the ten largest manufacturers in the industry worldwide. The Wielton Group's mission is to create and deliver the best transport solutions for business. The Group bases its activities on four key values: people, initiative, quality and safety. The Group currently employs more than 3,400 people, with approx. 2,000 in the Wieluń plant.

Wielton S.A., listed on the Warsaw Stock Exchange, is the dominant entity in 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 product range to include, among other things, specialized vehicles for transporting glass and precast concrete. The acquisition of Lawrence David in September 2018 made it possible to enrich the Group's offer with further unique vehicles. Most notable are home delivery bodies and pillarless curtain semi-trailers. In turn, the acquisition of Guillén Desarrollos Industriales in 2021 allowed the Group to expand into another important market - Spain.