



budimex

Investor Presentation

1-3Q'21





budimex

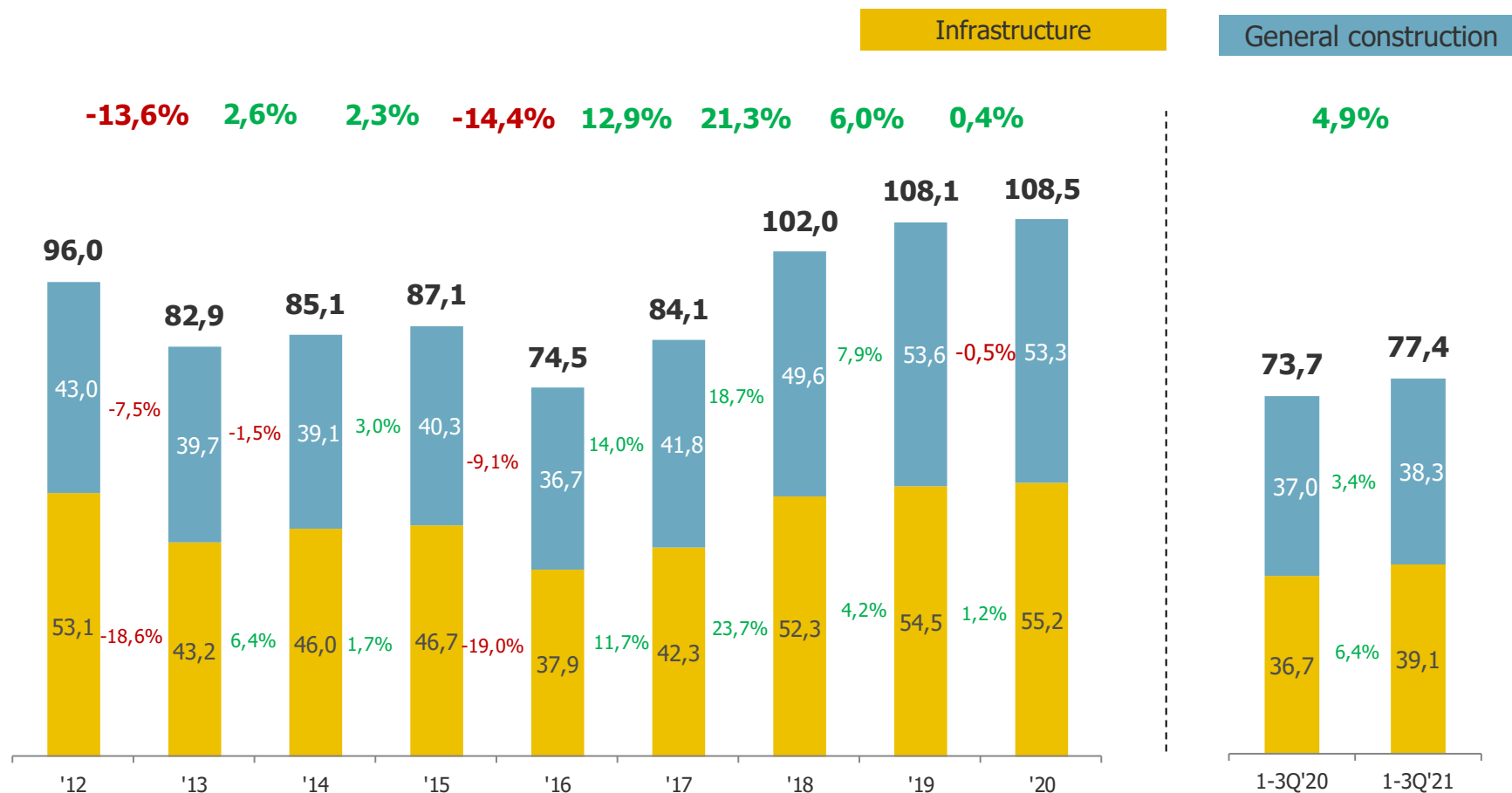
Market snapshot



Comment

- In 1-3Q'21 construction production in Poland increased by +4,9% y-o-y
- In 3Q'21 the production noted strong positive y-o-y dynamics in both segments: +14,8% in general construction and +11,0% in infrastructure

Construction and assembly production '12 – '21 (bn PLN, enterprises with > 9 employees, current prices)

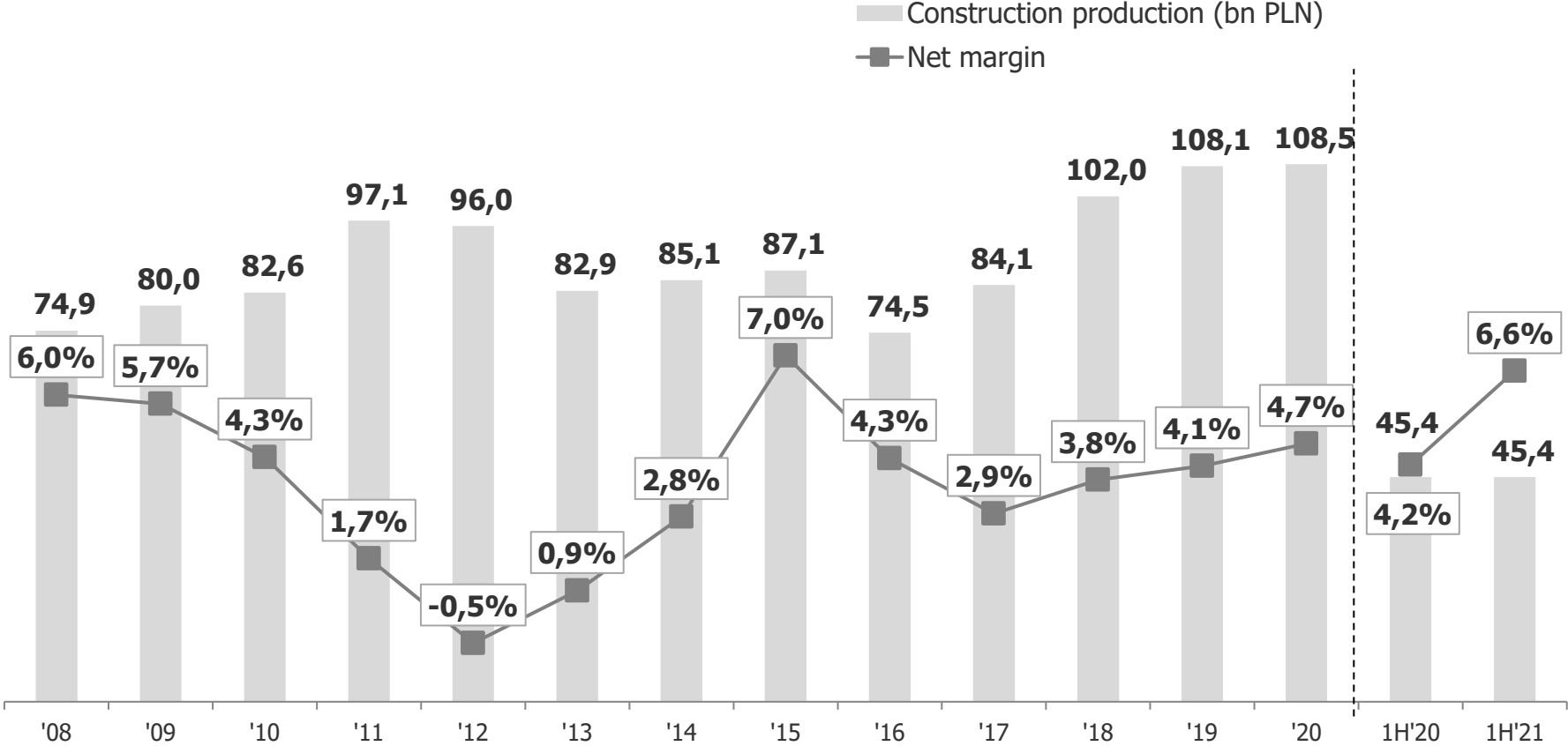


Production vs.net profit margin in construction

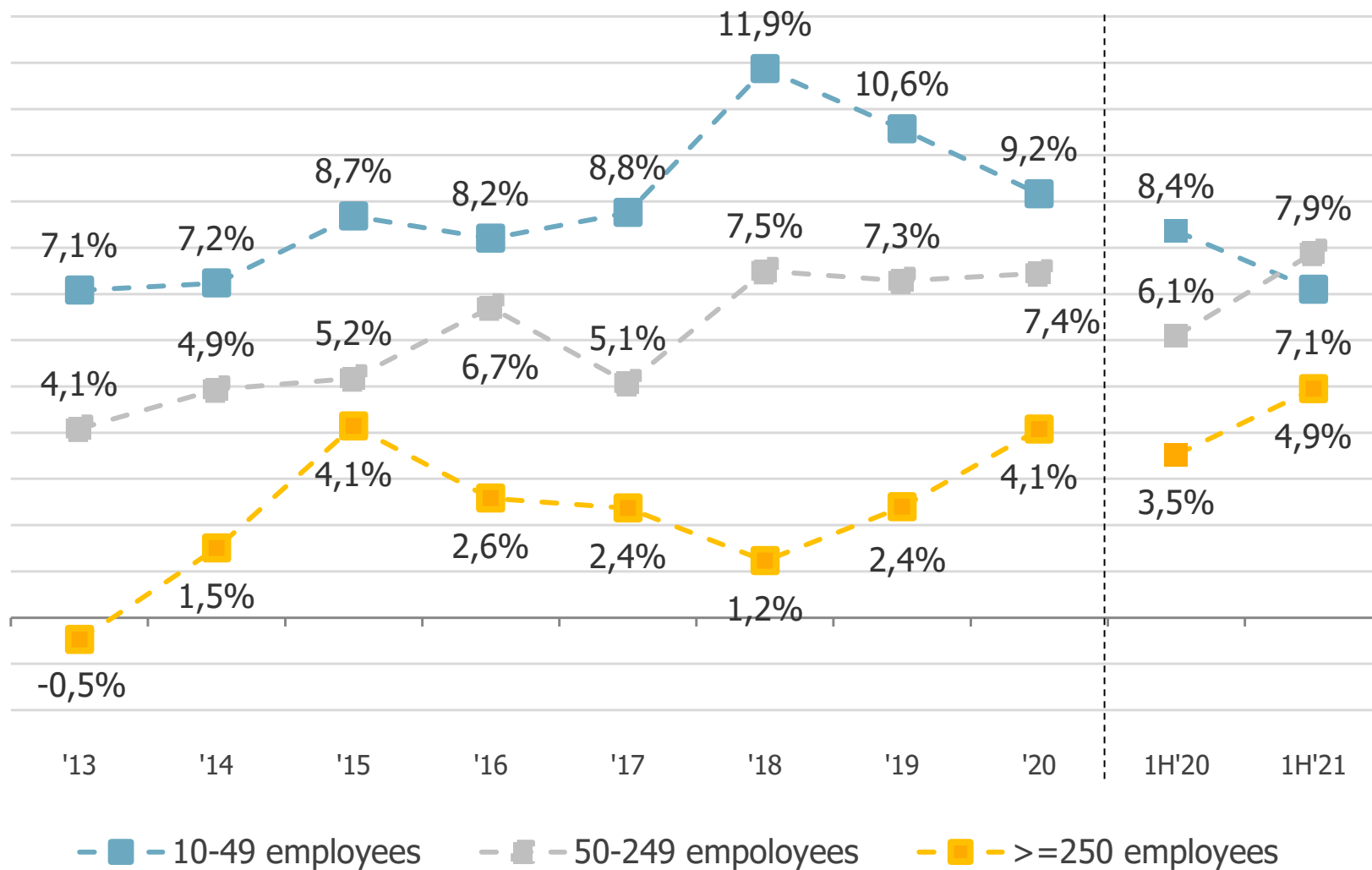
Comment

- High cost inflation combined with no real indexation impacted strongly margins of big construction companies in '17-'18, but recent years have brought relief

Construction production (companies > 9 employees) vs. net profit margin in construction (companies > 49 employees)



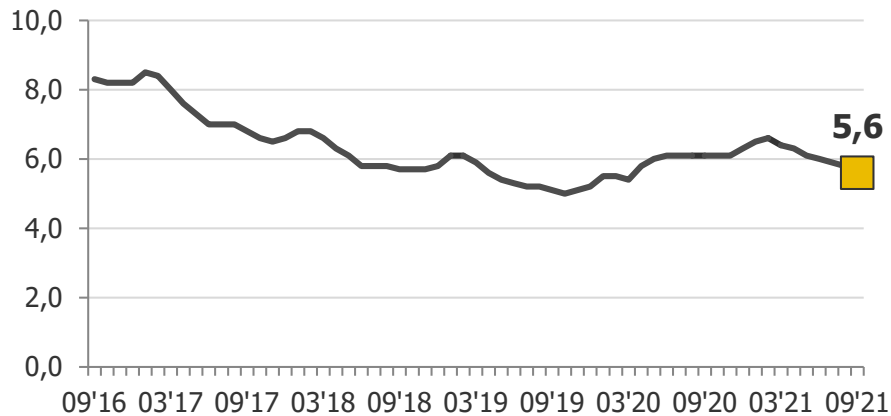
EBIT margin by size of construction company



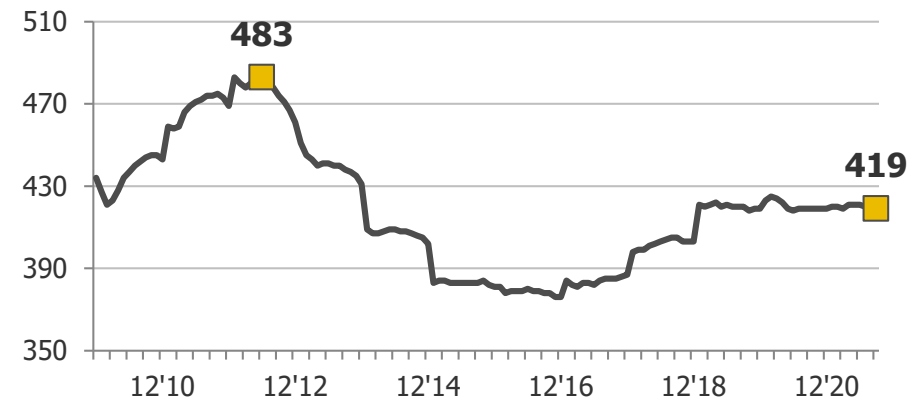
Comment

- Wages in construction are still growing, but the dynamics in 3Q'21 was lower compared to 2Q'21

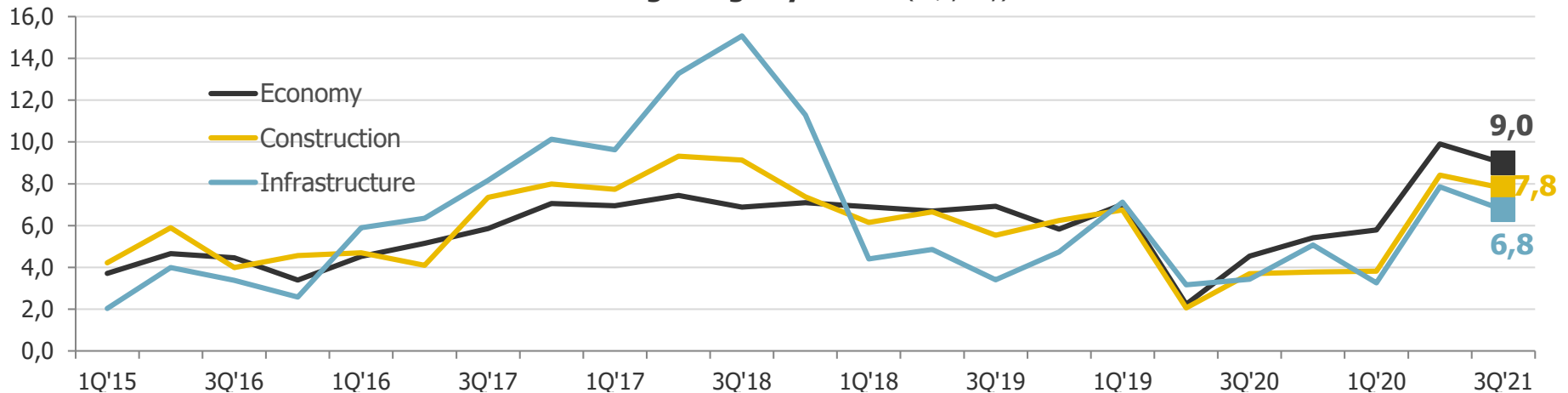
Unemployment rate (%)



Employment in construction (thous. employees)



Average wage dynamics (% y-o-y)

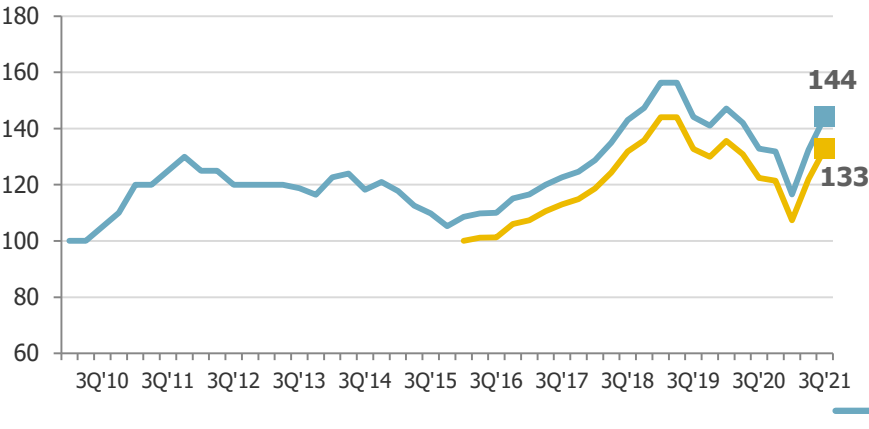


Prices of main materials

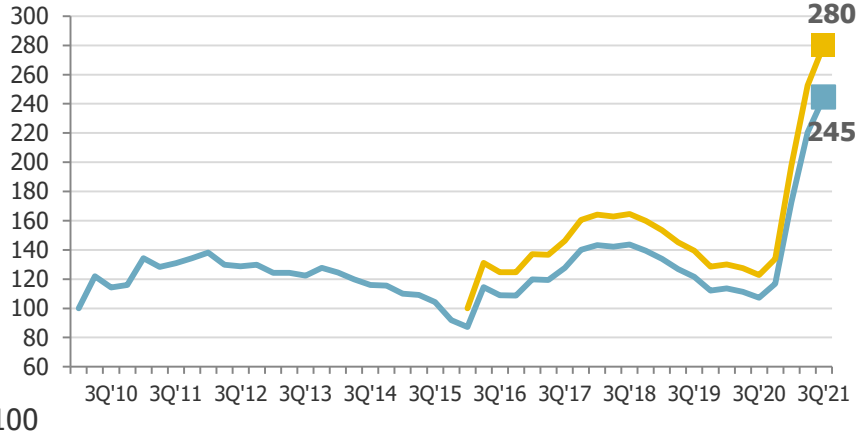
Comment

- The trends in the prices of materials, in particular steel, oil and asphalt, are worrying
- In the coming quarters, average profitability in construction may be under pressure

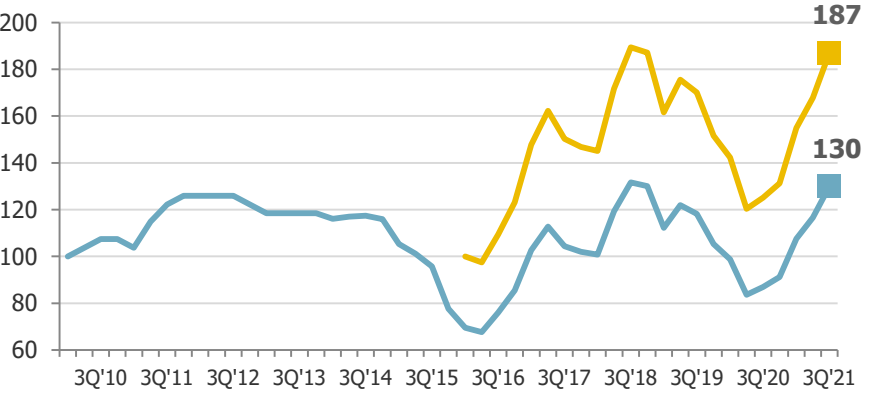
Concrete



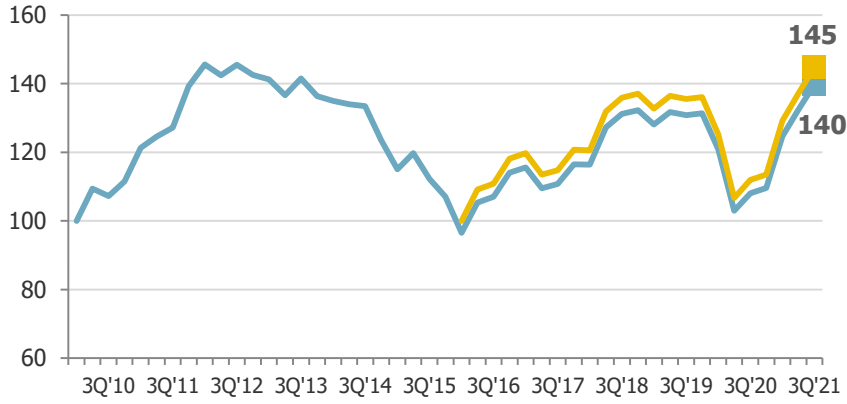
Reinforcement steel



Asphalt



Diesel oil





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Budimex Group

1-3Q'21 results



Comment

- Our goal is to keep profitability above market rates that may be under pressure due to rising material costs
- 1-3Q'21 consolidated net profit included positive impact of sale of Budimex Nieruchomości (542 M PLN)

	1-3Q'21	1-3Q'20*	Δ	
Sales	5 534	5 617	-83	
<i>y-o-y dynamics</i>	<i>-1,5%</i>			
Gross margin	589	452	137	
<i>% sales</i>	<i>10,6%</i>	<i>8,0%</i>	<i>2,6 pp.</i>	
SG&A	-190	-166	-24	
<i>% sales</i>	<i>3,4%</i>	<i>3,0%</i>	<i>0,5 pp.</i>	
Other operating	17	-33	50	
EBIT	416	253	164	
<i>% sales</i>	<i>7,5%</i>	<i>4,5%</i>	<i>3,0 pp.</i>	
PBT	389	230	159	
<i>% sales</i>	<i>7,0%</i>	<i>4,1%</i>	<i>2,9 pp.</i>	
Net profit	833	265	569	
<i>% sales</i>	<i>15,1%</i>	<i>4,7%</i>	<i>10,3 pp.</i>	

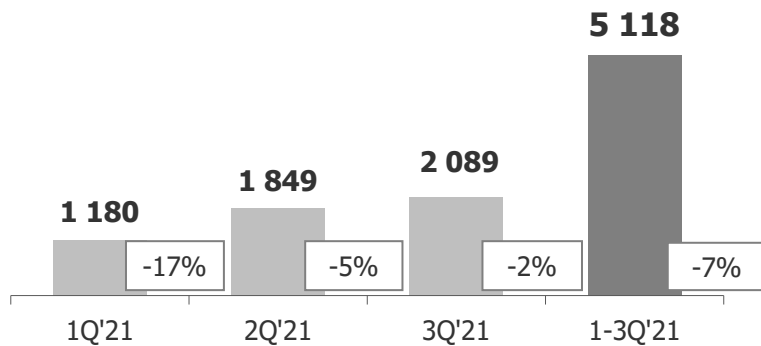
* comparable financial results

Comment

- Group's sales remained almost on the same level, while sales in services increased by 31% y-o-y and in the construction decreased by 7%
- Lower pace of construction works was mainly due to difficult weather conditions, schedule of design works on D&B contracts and lower production in buildings segment

Quarterly sales in Budimex Group (M PLN)

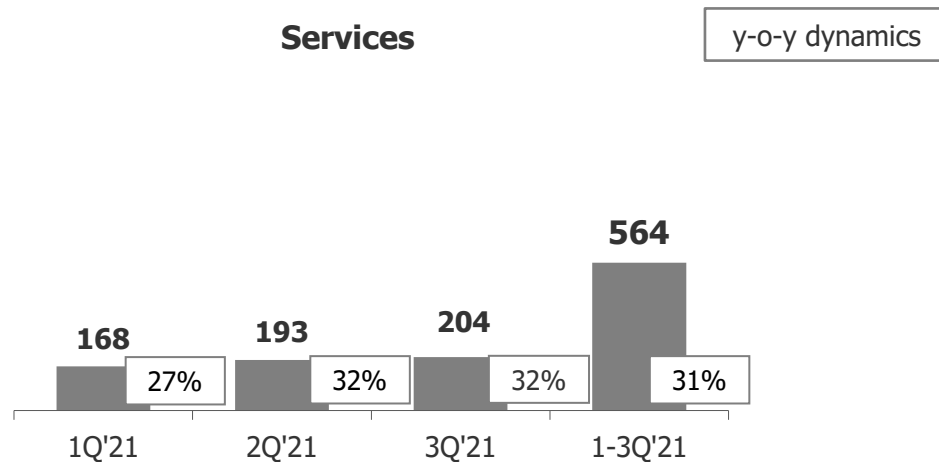
Construction



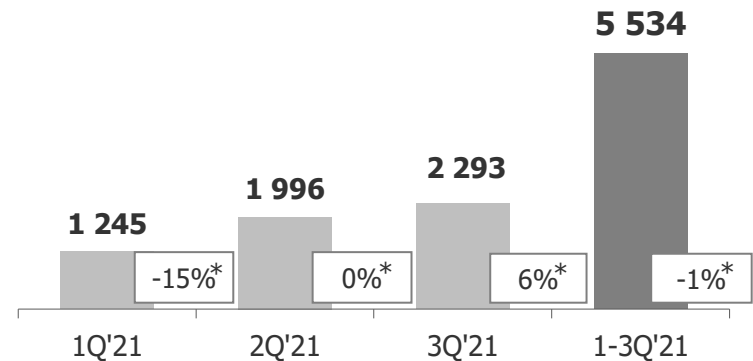
Real estate

Presented on net profit level as discontinued activity till 04'21

Services



Budimex Group



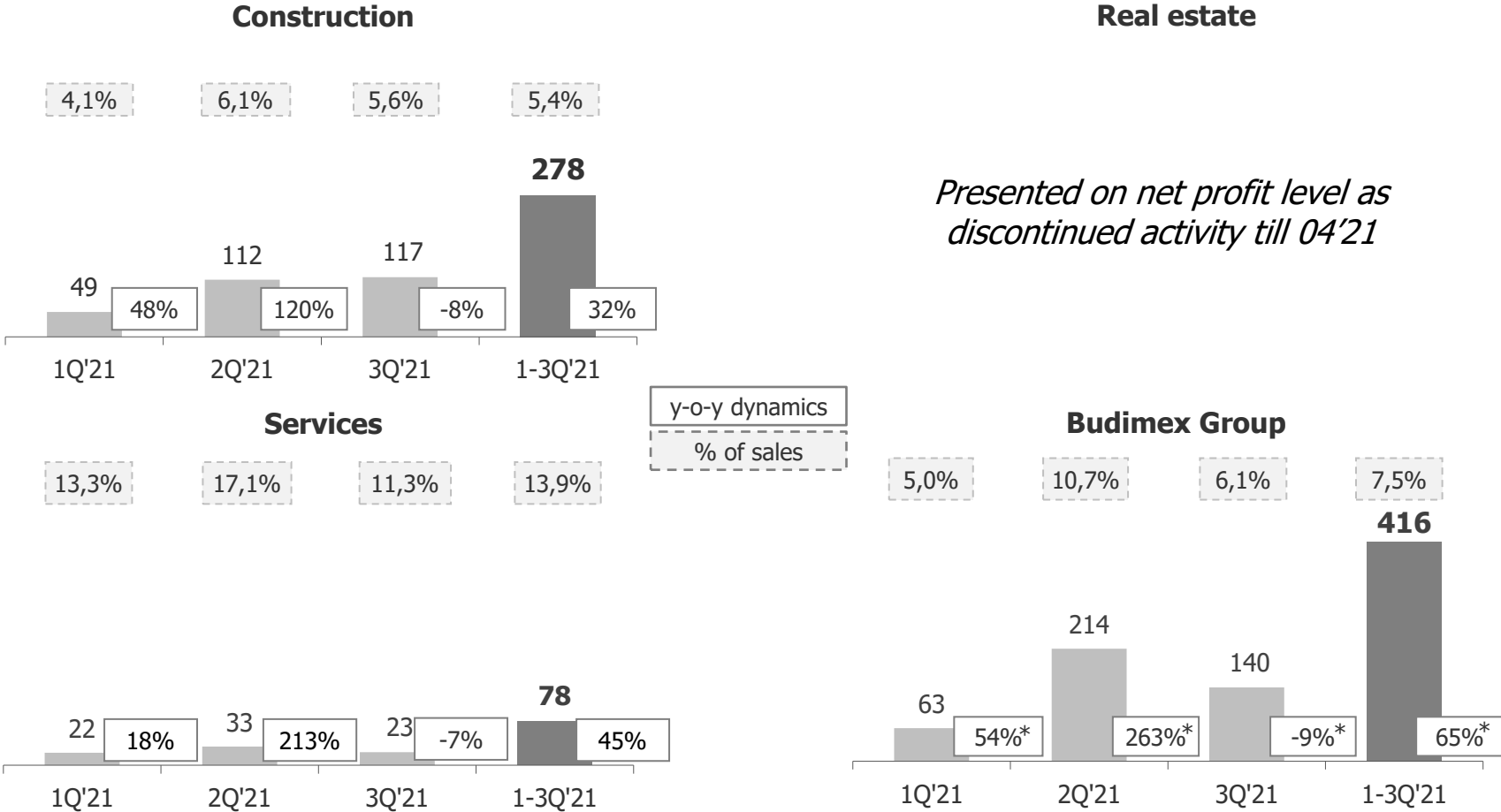
* I-f-I change

P&L - results by segment

Comment

- *New contracts that have been signed over last 2 years improved the profitability of backlog and contributed to the decent margin in 1-3Q'21*

Quarterly EBIT in Budimex Group (M PLN)

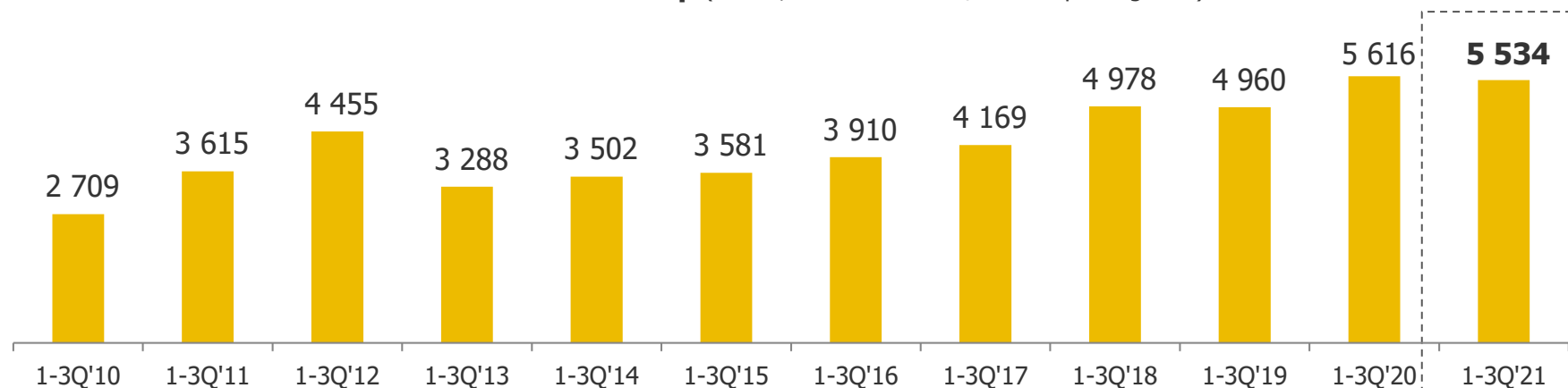


* I-f-I change

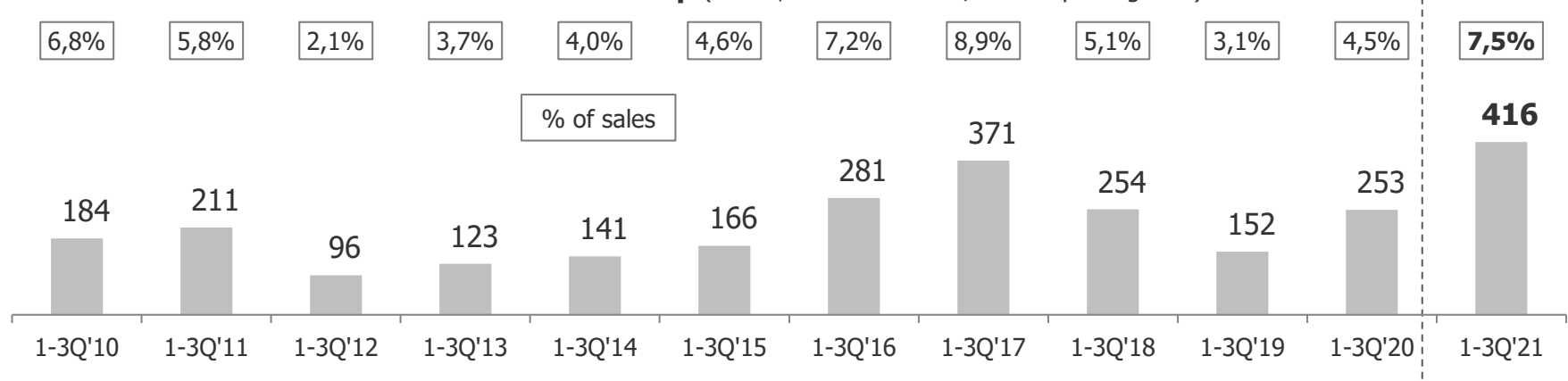
Comment

- *Good financial results of Budimex Group in 1-3Q'21 are in line with our expectations*
- *Despite difficult market conditions, we have achieved significant increase in Group's EBIT within continuing operations*

Sales in Budimex Group (M PLN, historical data w/o developer segment)



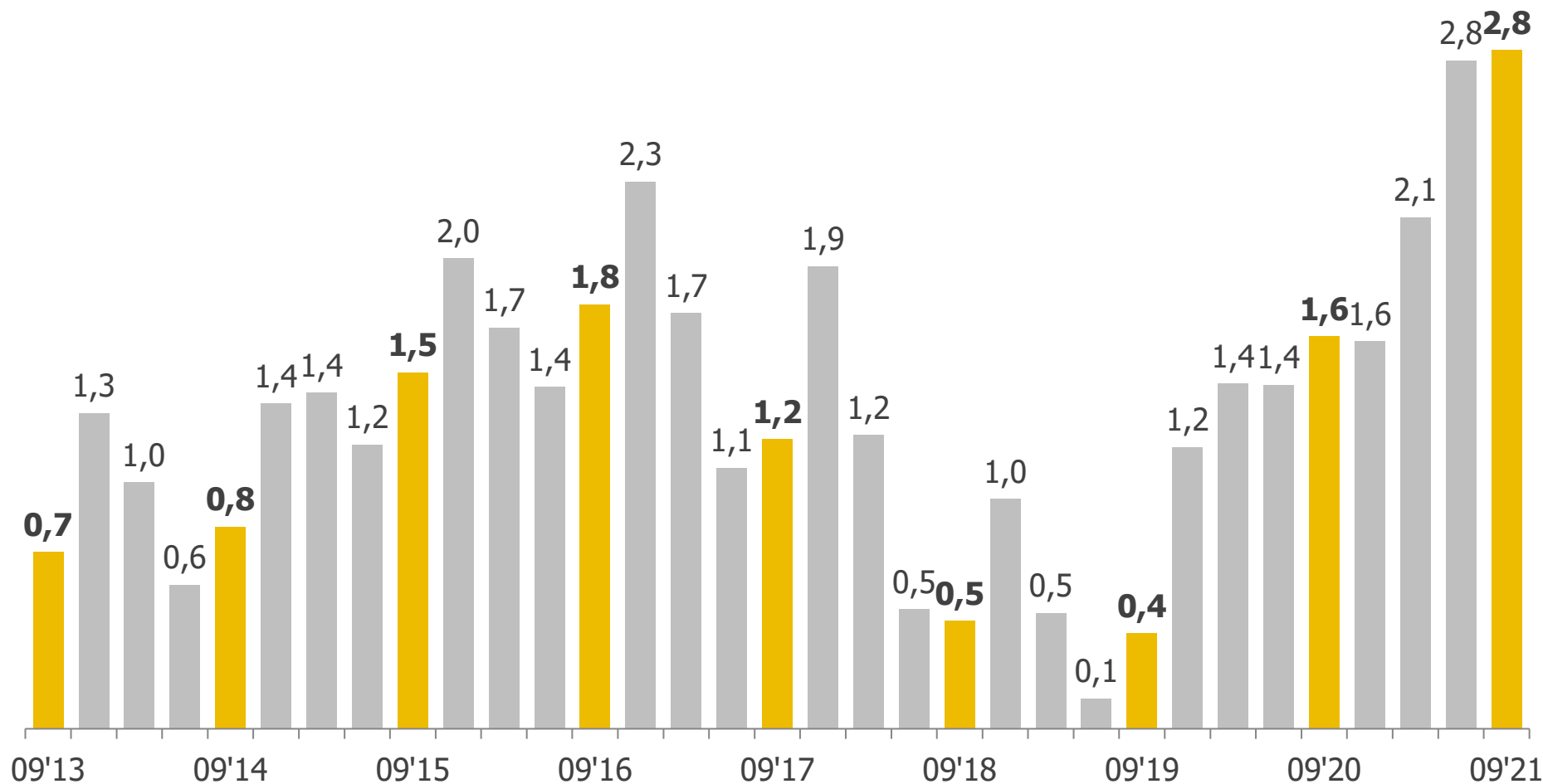
EBIT in Budimex Group (M PLN, historical data w/o developer segment)



Comment

- In 09'21 consolidated net cash amounted to 2,8 bn PLN and included cash from the sale of Budimex Nieruchomosci

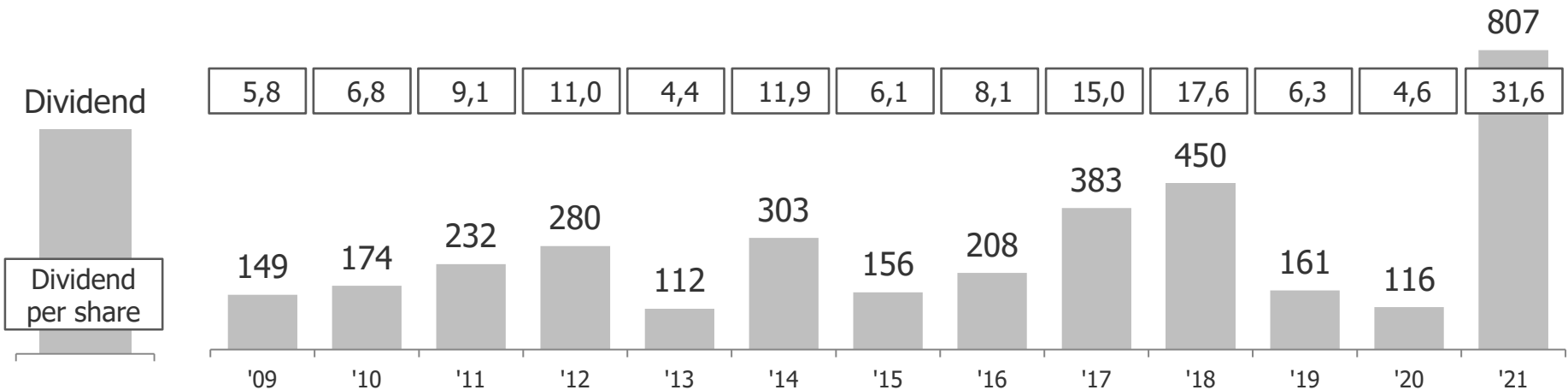
Net Treasury Position in Budimex Group (M PLN, historical data w/o developer segment)



Comment

- In 06'21, for 13th year in a row, Budimex paid a dividend of 426 M PLN (16,7 PLN per share)
- In addition, in 10'21 we have made an advance payment for dividend for '21 of up to 381 M PLN (half of individual net profit of Budimex S.A. for 1H21)

Dividends paid (M PLN)

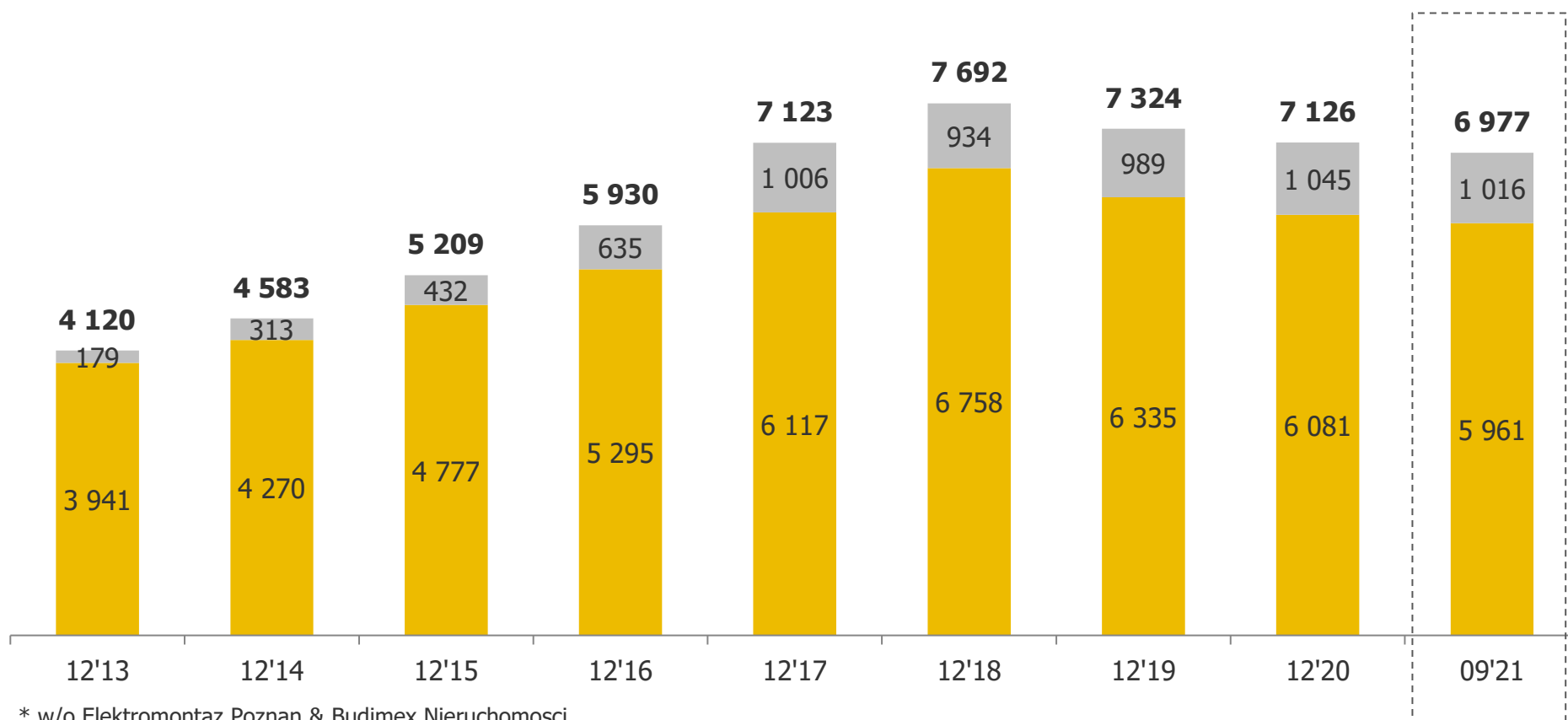


Comment

- Generally, in 1-3Q'21 the Group slightly decreased the employment level
- Taking control over FBSerwis Group in 07'19 increased employment of Budimex Group by ca. 1 000 people

Employment in Budimex Group*

■ Bx Group w/o FBS ■ FBS



* w/o Elektromontaz Poznan & Budimex Nieruchomosci

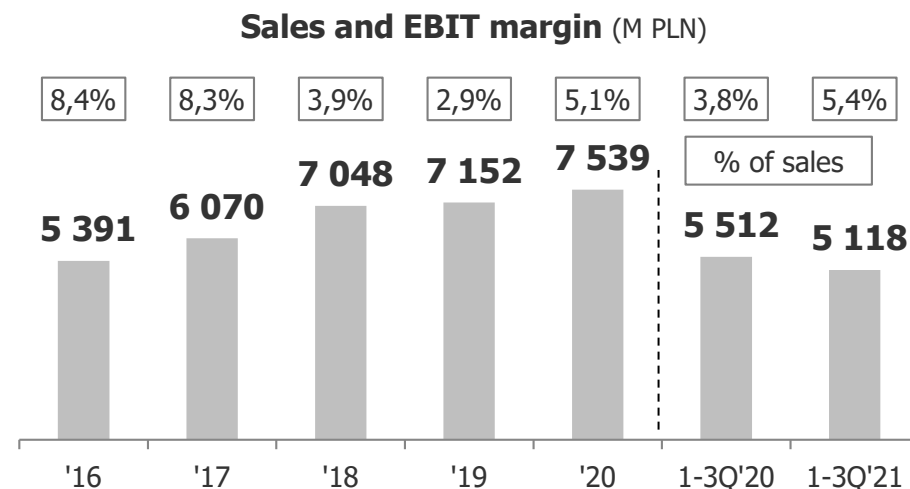
Construction segment – 1-3Q'21 results



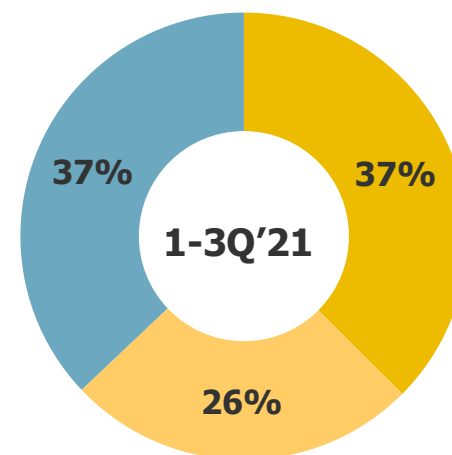
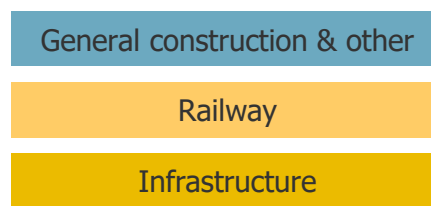
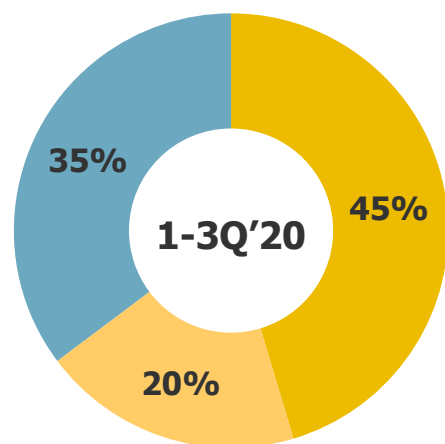
Comment

- EBIT margin of construction segment amounted to 5,4%
- Observed increase of material prices does not significantly affect the profitability of our backlog due to price indexation, as well as prudent approach to offers

	1-3Q'21	y-o-y dynamics
Sales	5 118	-7%
Gross margin	424	5%
% sales	8,3%	1,0 pp.
EBIT	278	32%
% sales	5,4%	1,6 pp.
Net profit	203	52%
% sales	4,0%	1,6 pp.



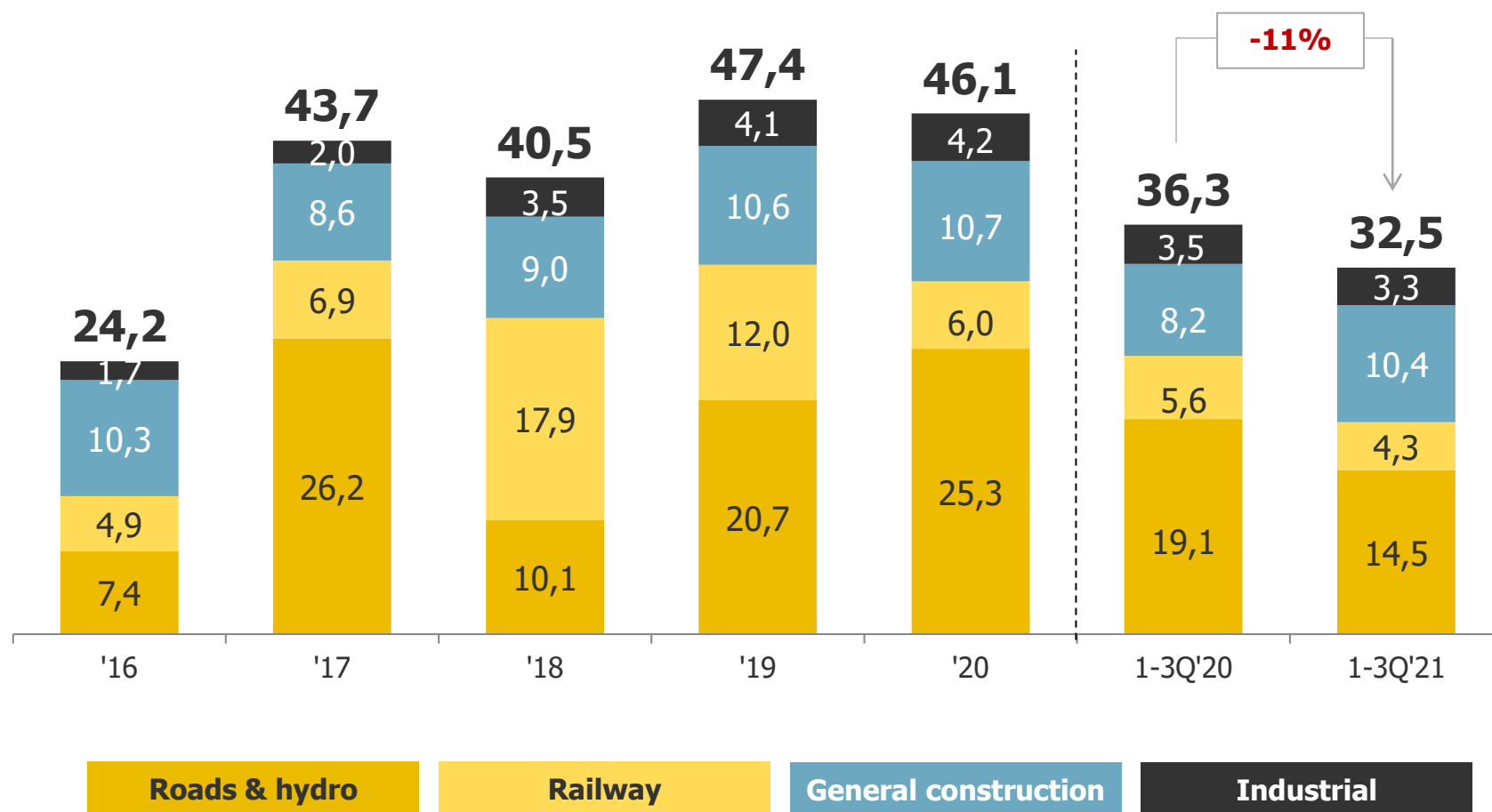
Sales structure



Comment

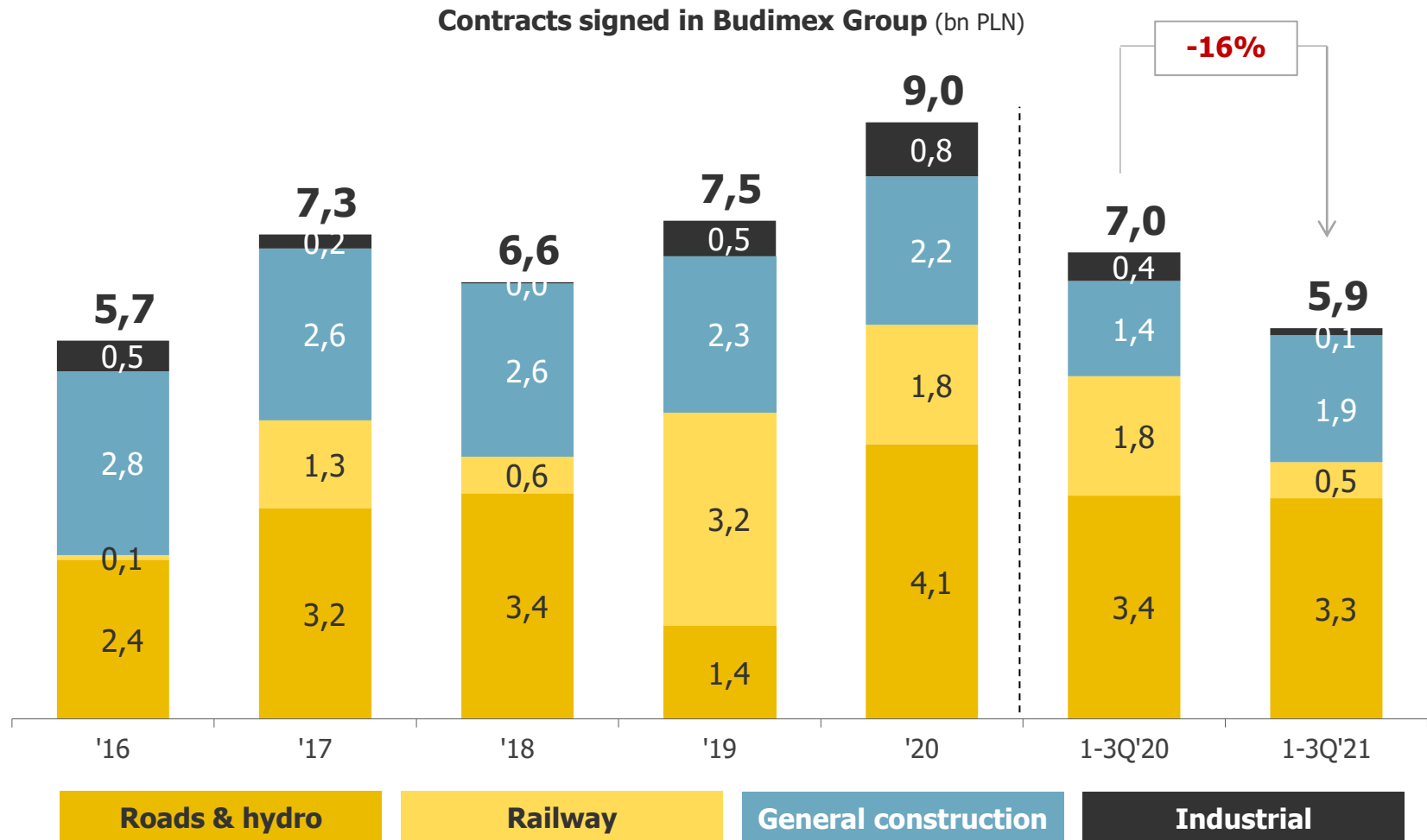
- Value of offers placed in 1-3Q'21 decreased y-o-y, mainly due to lower activity of key public clients (GDDKiA & PKP PLK)

Offers placed in Budimex Group (bn PLN)



Comment

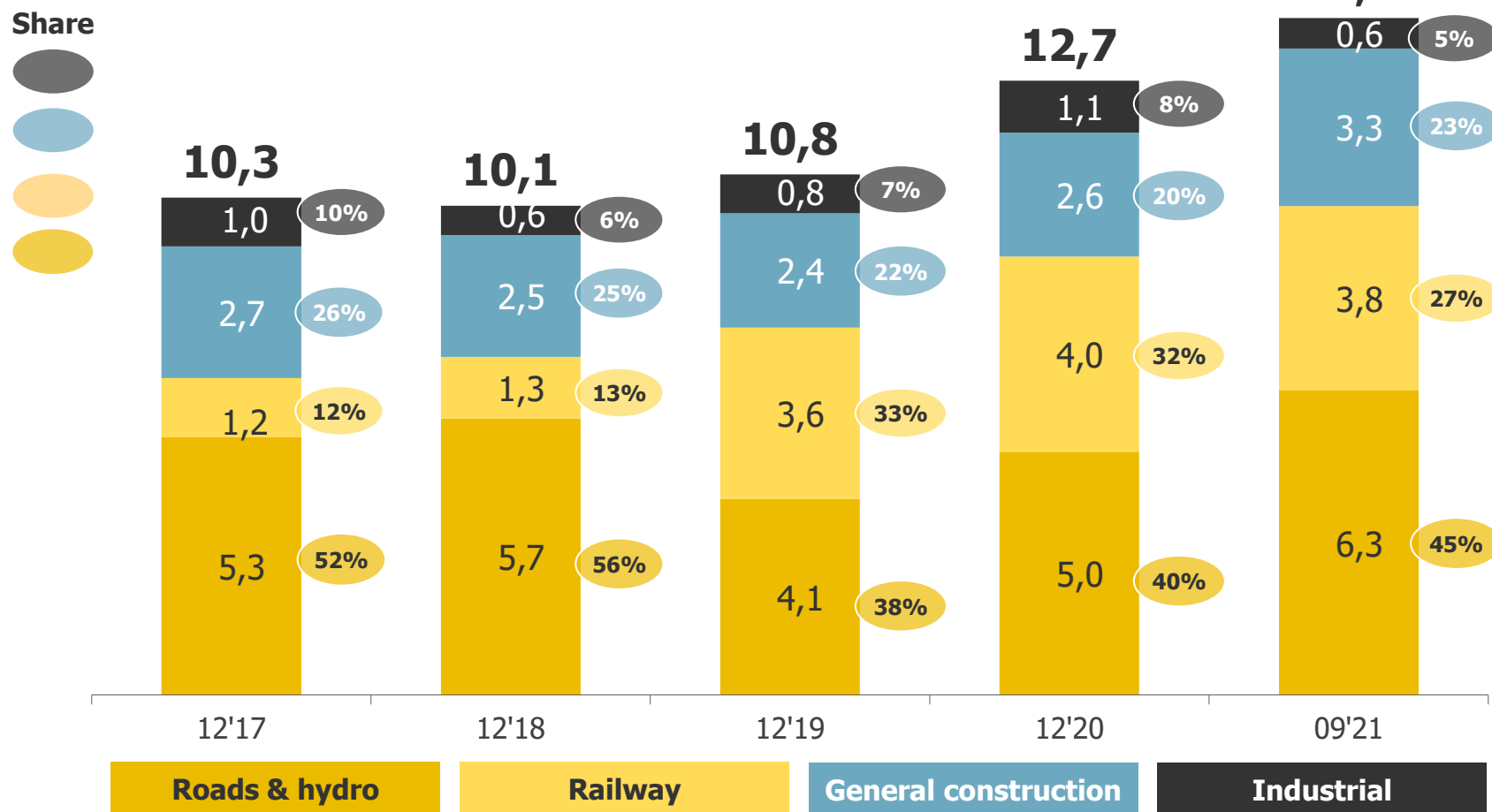
- In 1-3Q'21, Budimex acquired contracts worth 5,9 bn PLN, while the actual value of contracts pending amounts to over 1 bn PLN
- Top contracts signed in 1-3Q'21 include S6 Leśnice – Bożepole Wielkie (584 M PLN), Tricity Metropolitan ring road I (581 M PLN), E75 Ełk – Białystok (523 M PLN) and Waterway Vistula Lagoon – Gdansk Bay II (467 M PLN)



Comment

- Actual backlog ensures full use of resources
- Taking into account the value of contracts pending, which we plan to sign in the coming months, works front is secured till the end of '23

Backlog in Budimex Group (bn PLN)





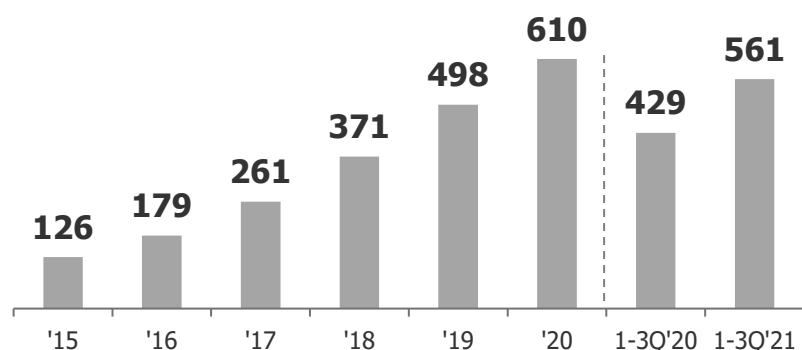
Services segment – 1-3Q'21 results



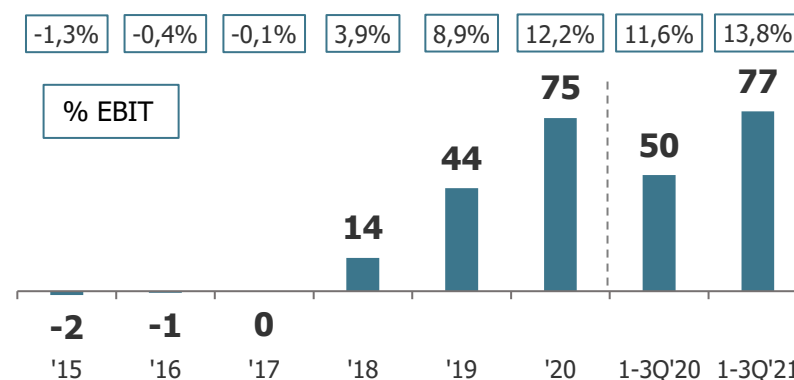
Comment

- Sales structure in 1-3Q'21:** Waste Management – 76%, Infrastructure Maintenance – 16%, Facility Management & Street Lightening – 9%
- In 09'21, companies from the FBSerwis Group won another tender for waste management in the city of Warsaw

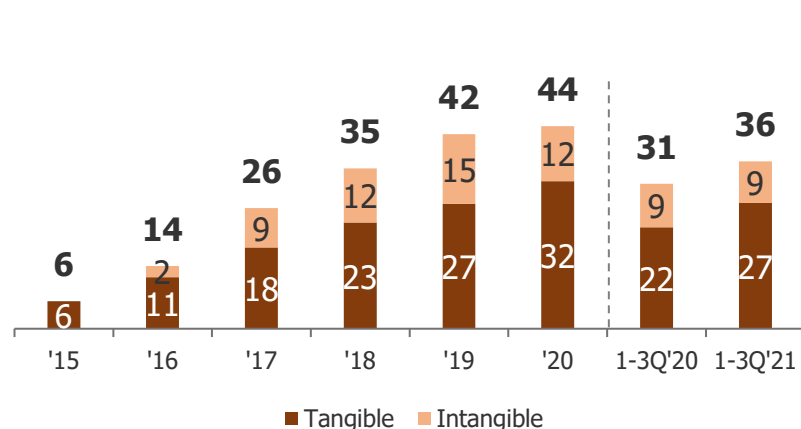
Sales (M PLN)



EBIT (M PLN)



Depreciation (M PLN)



EBITDA (M PLN)

