



budimex

Investor presentation
for 3Q of year 2022

Agenda

1 Macroeconomic data & construction market

2 Budimex Group financial results

3 FBSerwis & Mostostal Kraków

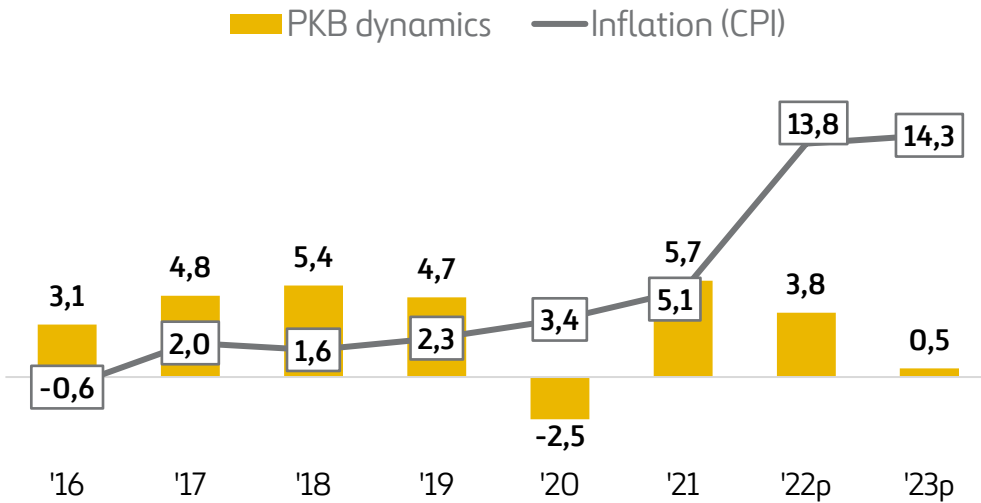
4 Market outlook

5 CSR

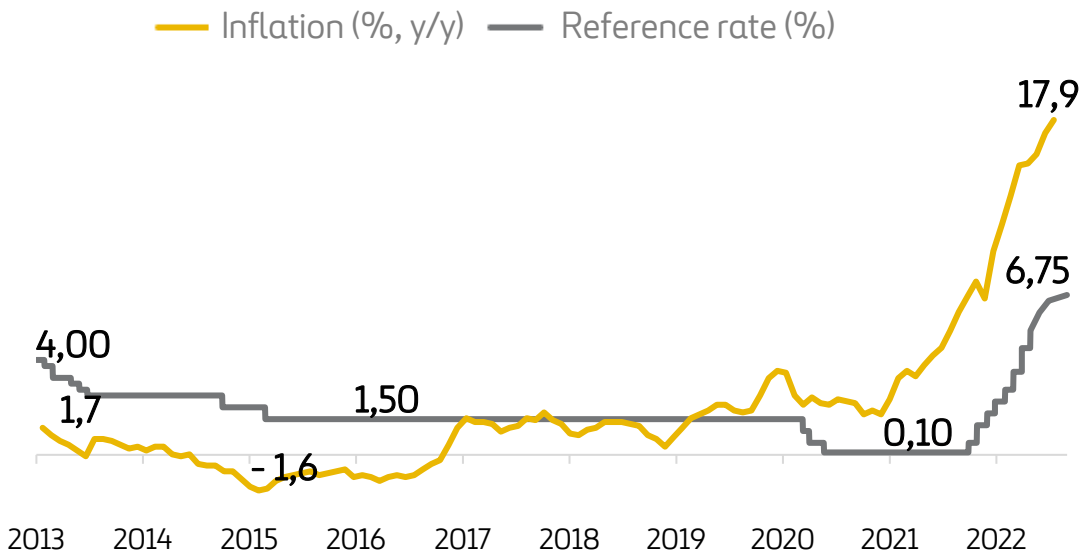


Macroeconomic environment

PKB dynamics and CPI inflation in Poland (% , y/y)



Inflation (% , y/y), reference rate in Poland (%)



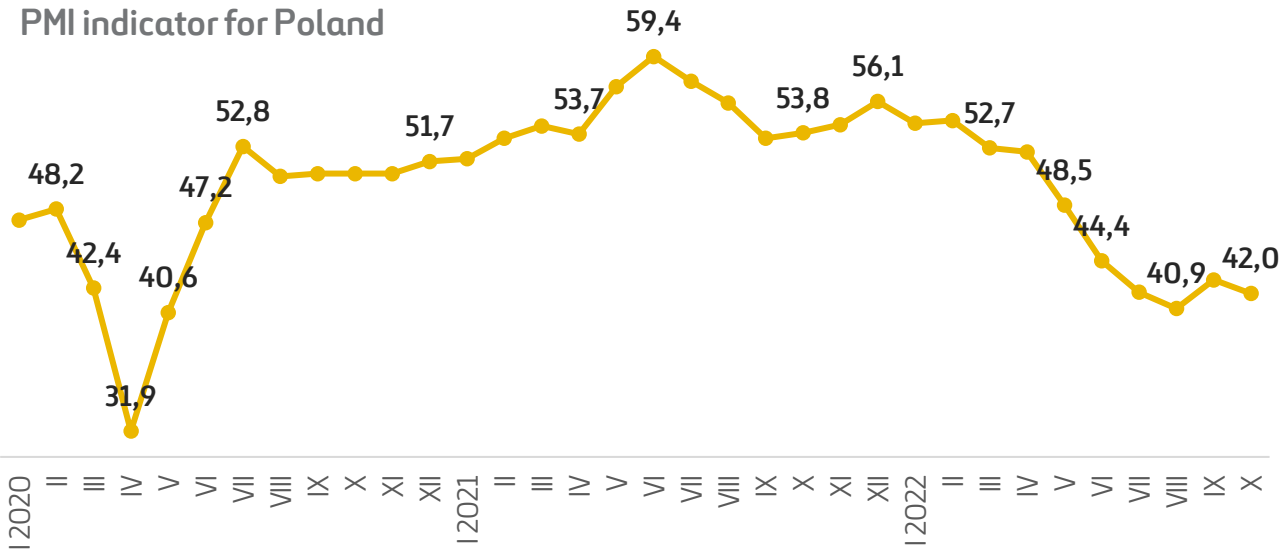
GDP and inflation forecasts are deteriorating over time. The IMF forecasts inflation to remain at double-digit levels on a sustained basis and GDP growth to weaken significantly to 0.5% y/y in 2023.

CPI inflation in October rose to 17.9% y/y, with energy and food prices weighing most in the structure of the dynamics. The announced new regulations increase uncertainty about the path of inflation. The main uncertainty factors are (1) changes in commodity prices; (2) changes in administrative regulations; (3) PLN quotations; (4) strength and durability of wage pressure; (5) changes in global inflationary pressure around the world.

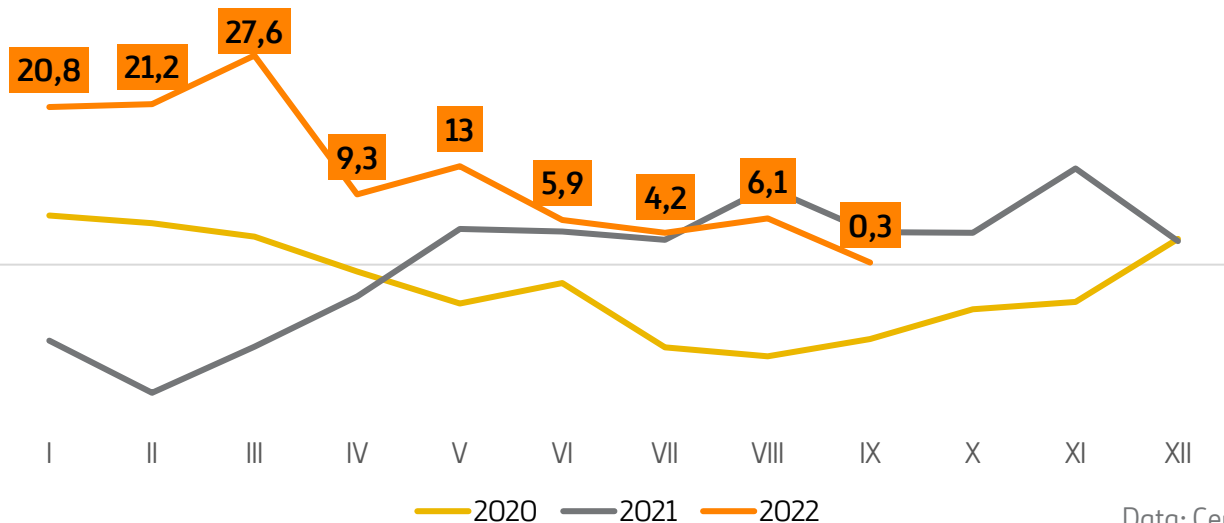
During 3Q22, the Monetary Policy Council is gradually finalizing the fastest and most aggressive cycle of interest rate increases in Poland's modern economic history. Economists see chances for rate cuts in the end of 2023.

Macroeconomic environment

PMI indicator for Poland



Growth in production of construction and assembly (% y/y, fixed prices)

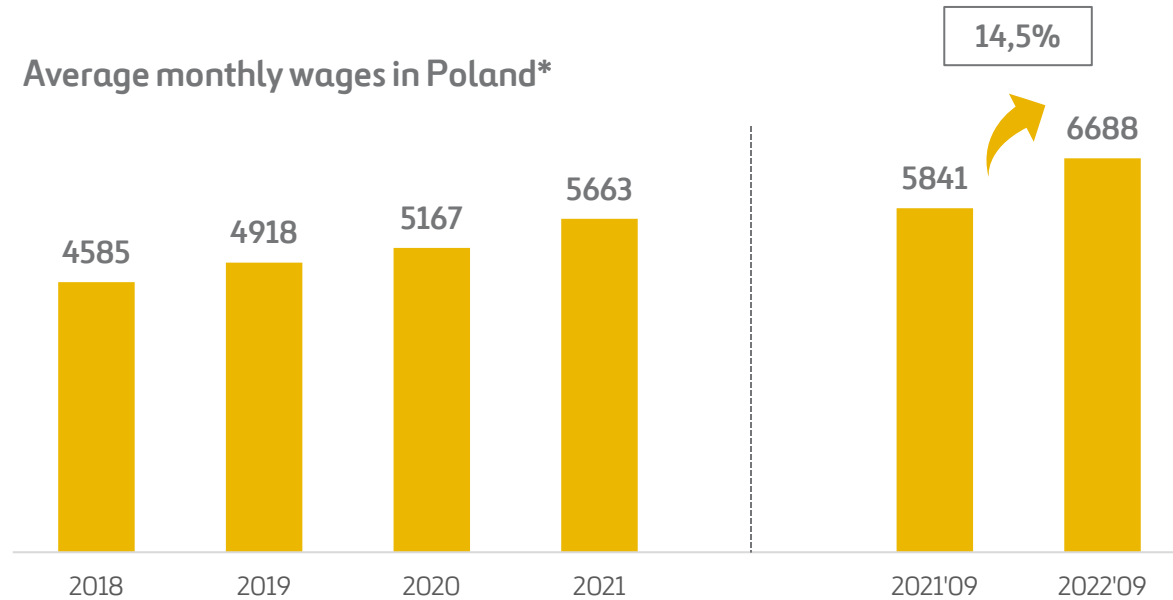


The PMI for domestic manufacturing was 42.0 points in October, which is another negative reading suggesting an economic recession. The data prompts the MPC to take a cautious approach to tightening monetary policy. There is a growing probability that the cycle of interest rate increases will end in the fourth quarter of this year.

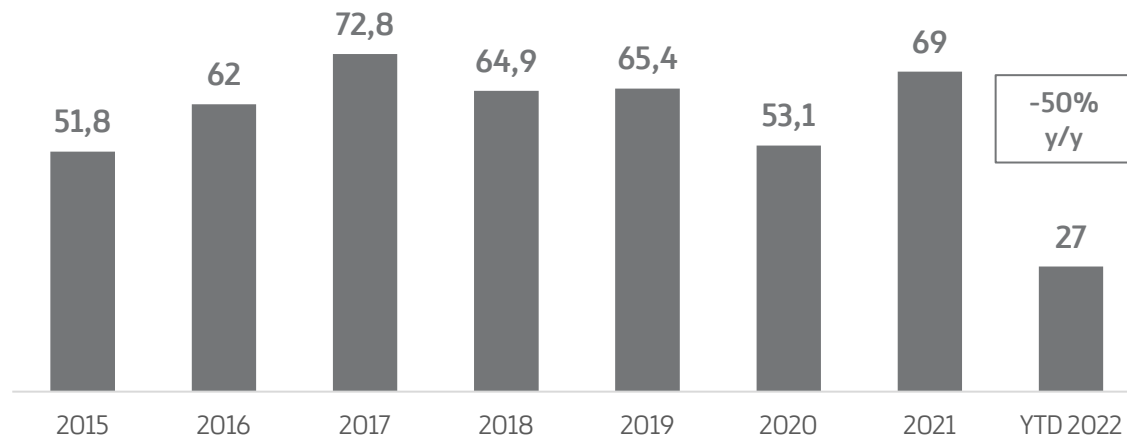
The value of construction and assembly production increased by 0.3% y/y in September. In the January-September period, the index grew by 8.9% y/y, while the individual segments were as follows: (i) construction of buildings (+20,3% y/y), specialized construction (+4,8% y/y), civil engineering construction (+2,9% y/y).

Macroeconomic environment

Average monthly wages in Poland*



Sales of apartments in Poland in six major agglomerations (data in thousands).



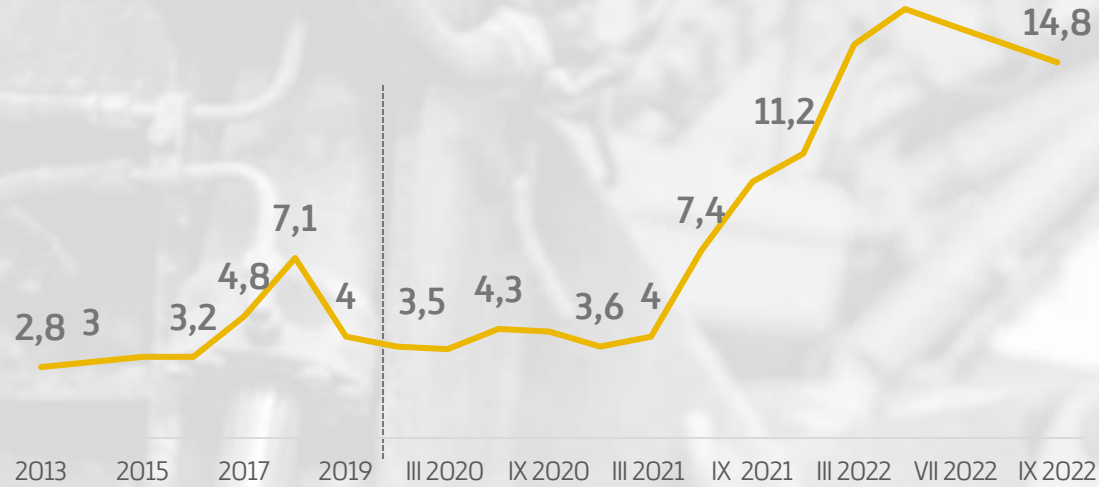
In September, wages grew by 14.5% y/y (vs. 12.7% y/y in August), which is a lower reading than inflation. According to the Central Statistical Office (GUS), wage growth is uneven and industry-dependent. At the same time, average employment in September 2022 increased by 2.3% y/y.

* The data refers to companies with more than 10 employees.

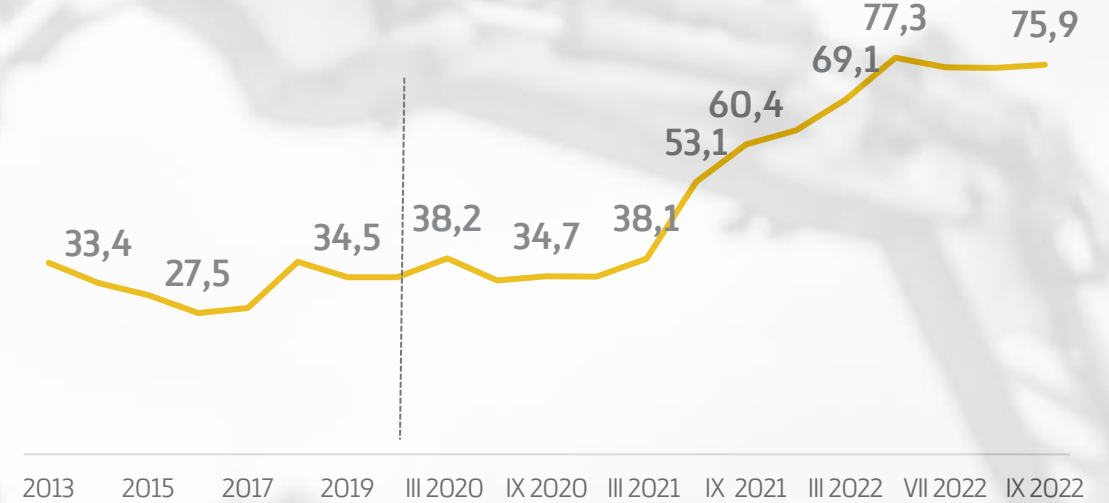
Preliminary results for the third quarter of this year clearly indicate a weakening of demand and supply in the housing market. Sales of apartments in six major agglomerations decreased by 50% y/y. Rising investment financing costs and sales problems create a negative outlook in the coming quarters.

Situation of the construction industry - as of Q3'22

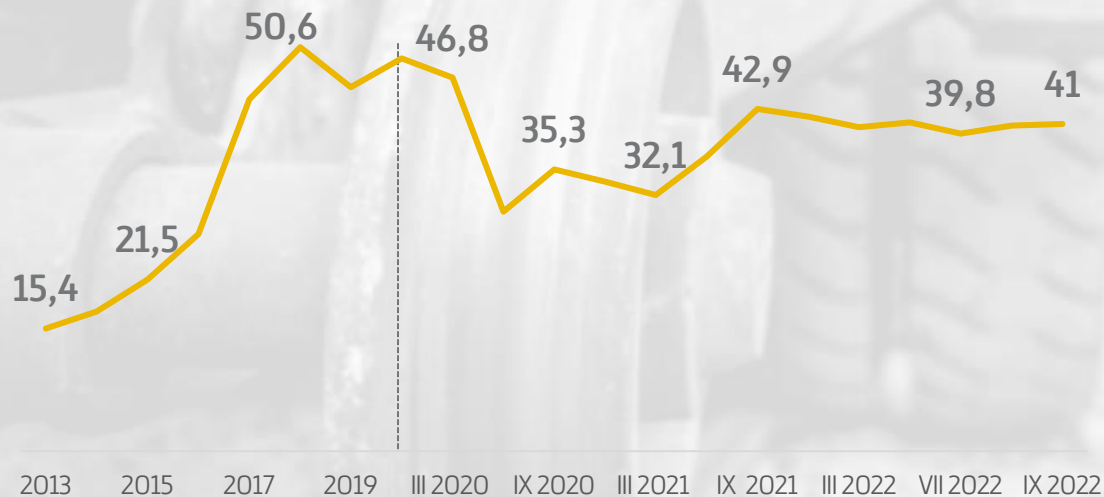
Percentage of construction companies considering shortage of materials as a barrier to business (%)



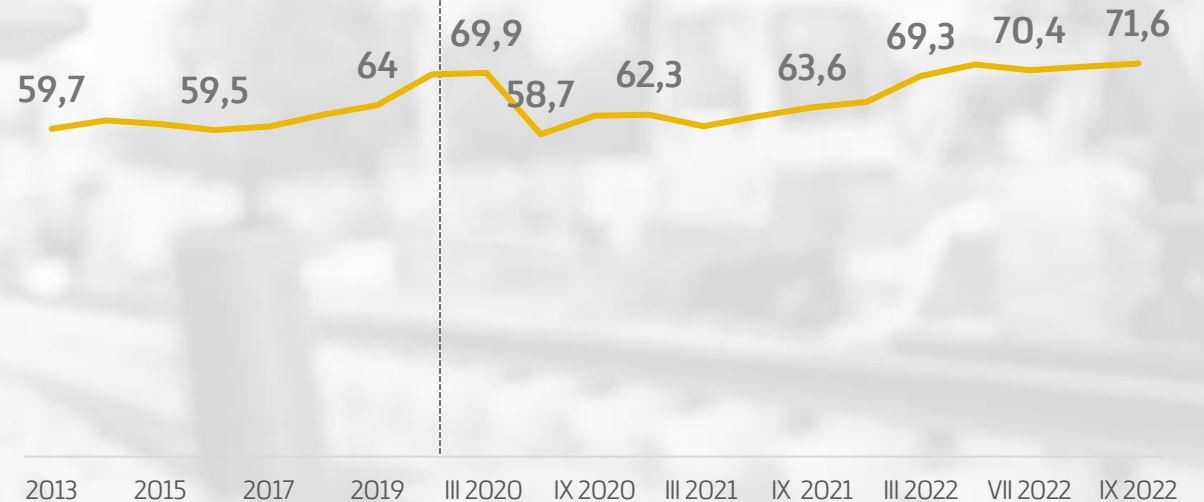
Percentage of construction companies considering costs of materials as a barrier to business (%)



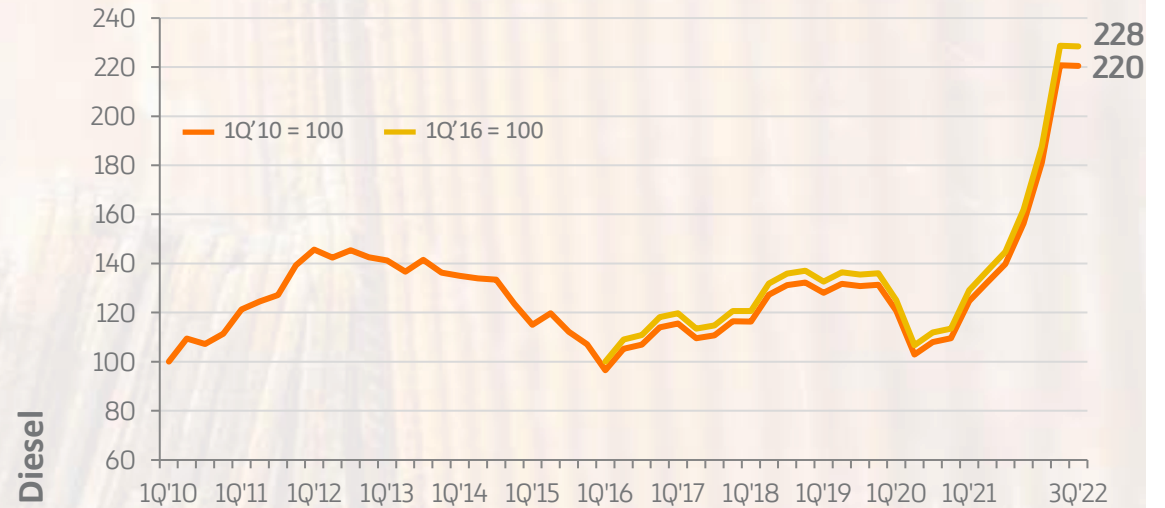
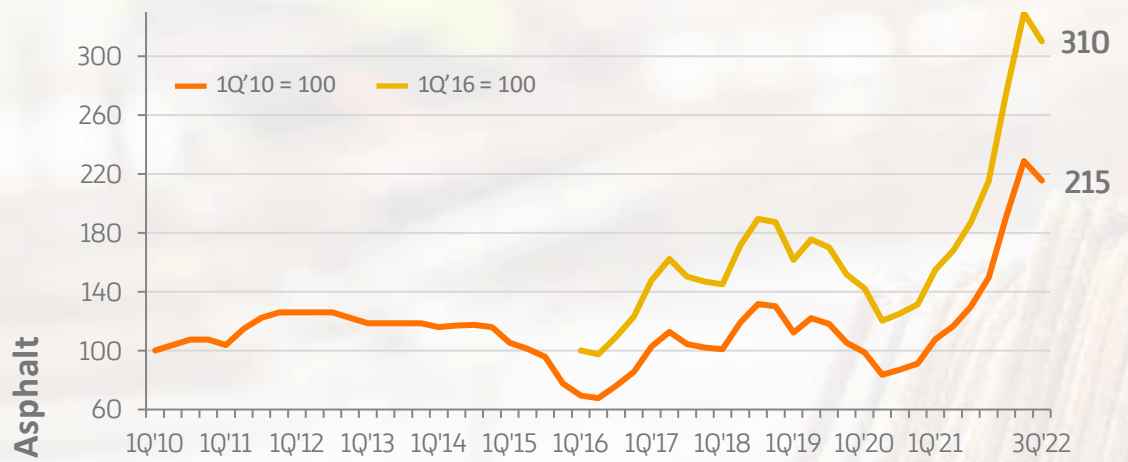
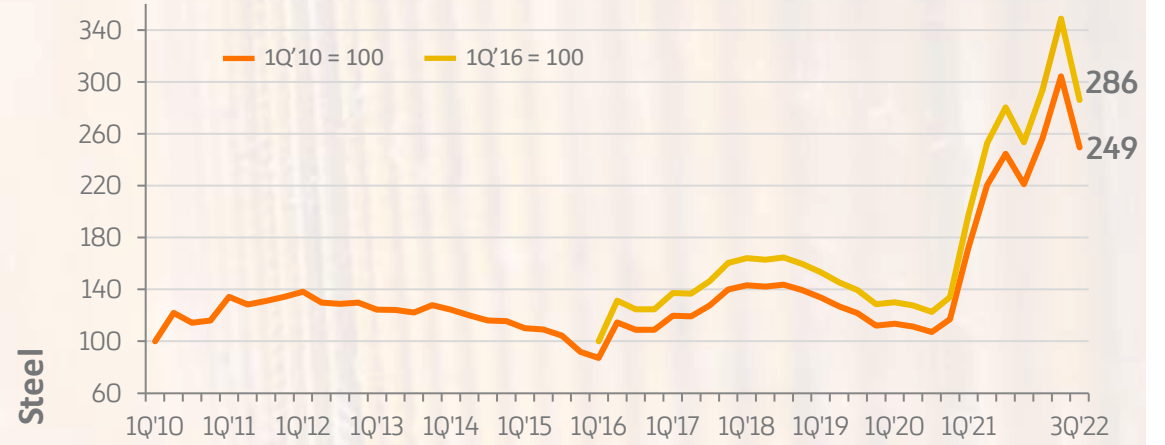
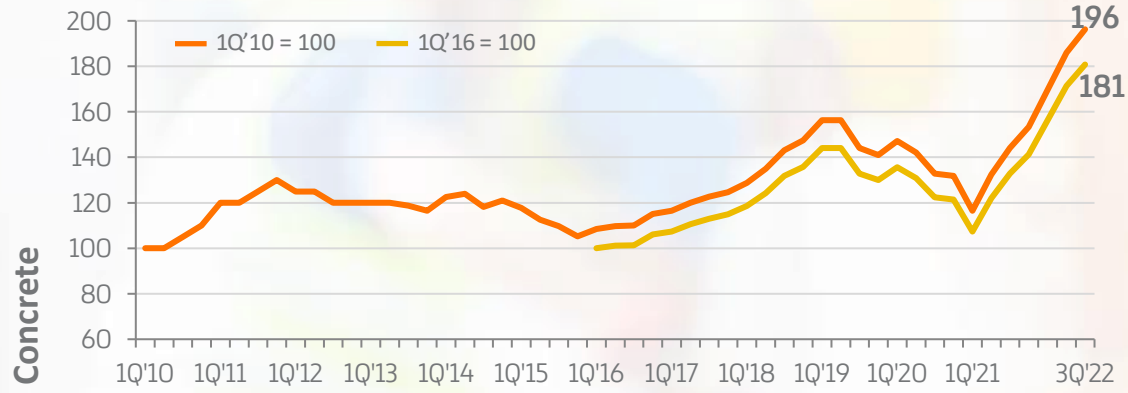
Percentage of construction companies considering the shortage of employees as a barrier to business (%)



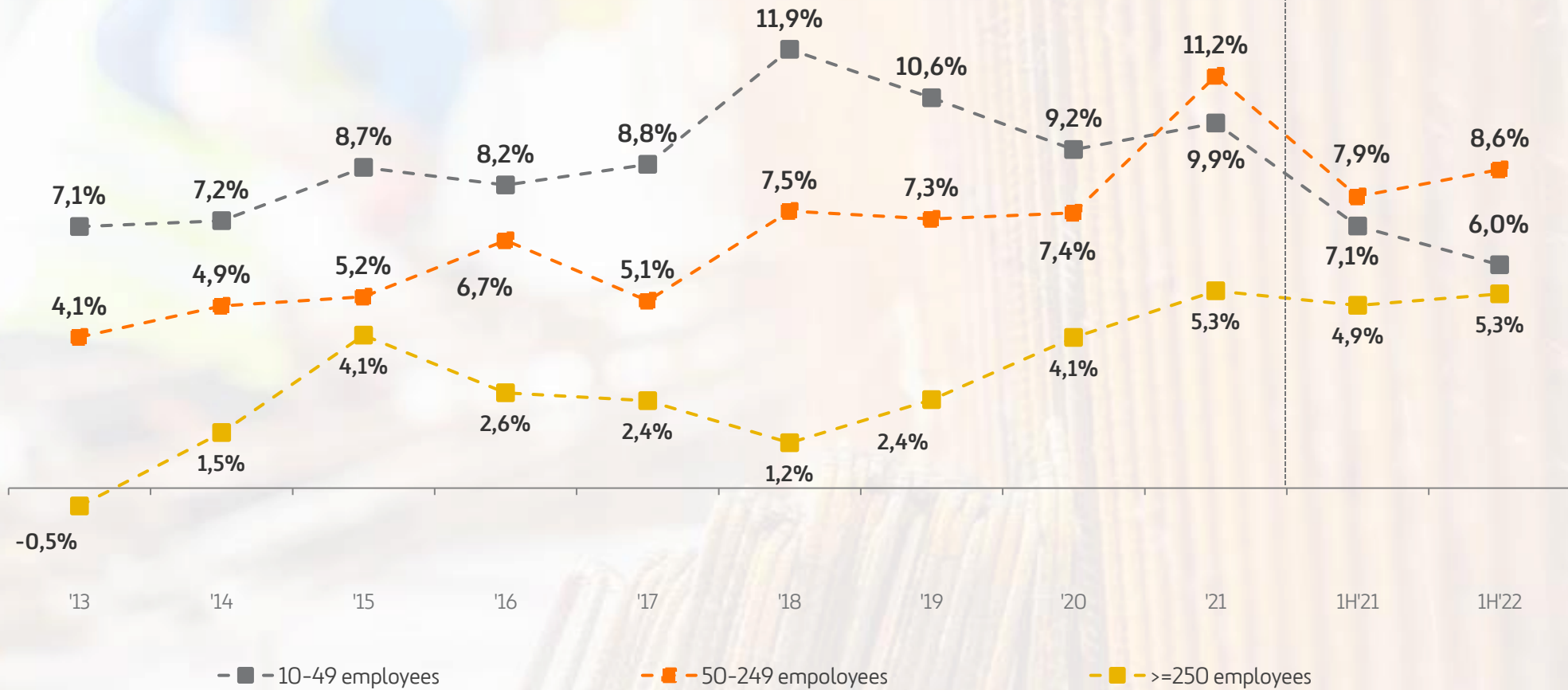
Percentage of construction companies considering employment costs as a barrier to business (%)



Prices of selected raw materials



Margins of construction companies by their size



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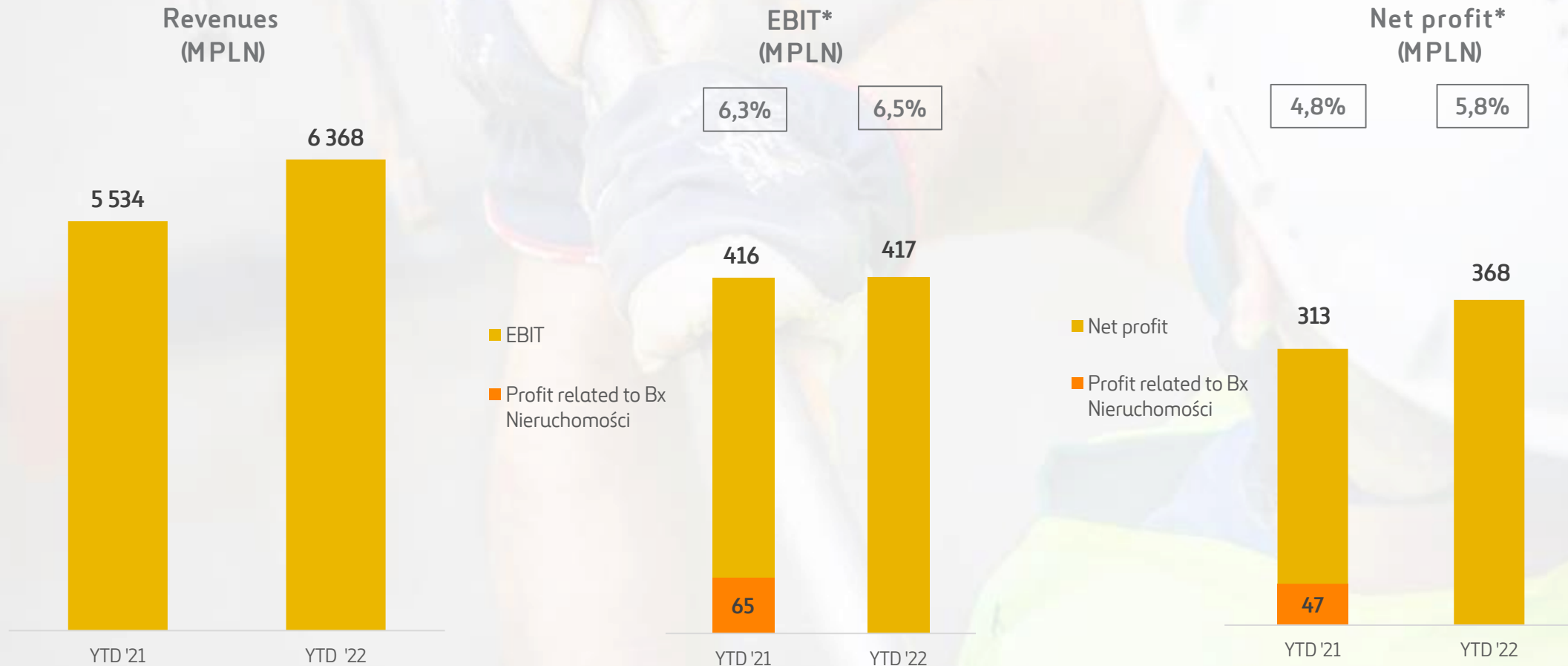
3 FBSerwis & Mostostal Kraków

4 Market outlook

5 CSR



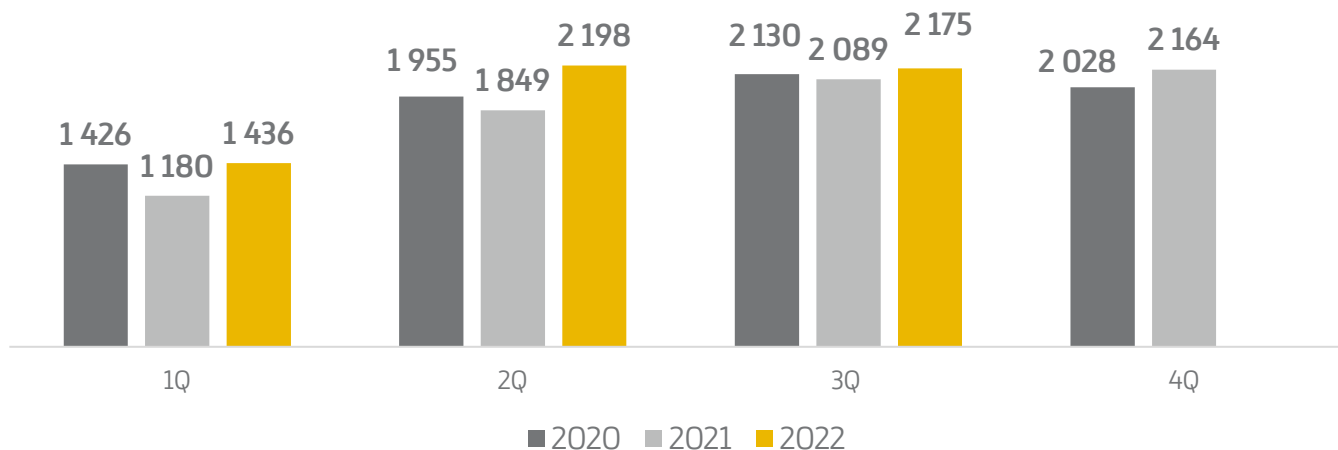
Results from continued operations (Q1-Q3)



*Margin (%) of Q1-Q3'21 has been cleaned up by profit related to Bx Nieruchomości

Revenues by segment

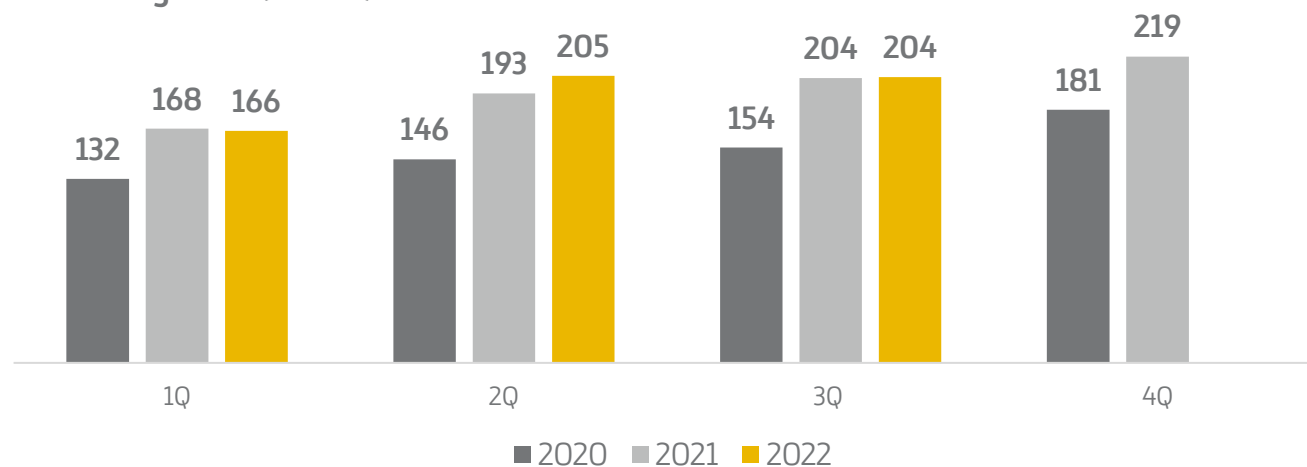
Construction segment (M PLN)



In the third quarter of 2022, revenues in the construction segment increased by 86 M PLN y/y (+4.1% y/y). A high backlog at the beginning of 2022, a well-thought-out purchasing policy and favorable weather conditions allowed for an increase in revenues in the first three quarters by more than 13%.

The current backlog structure largely secures works until the end of 2023.

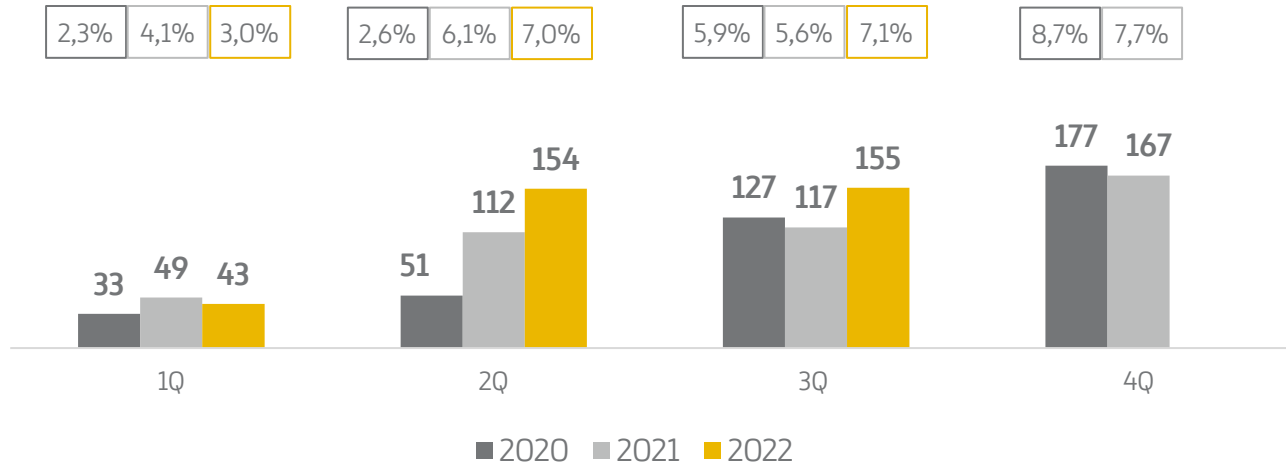
Services segment (M PLN)



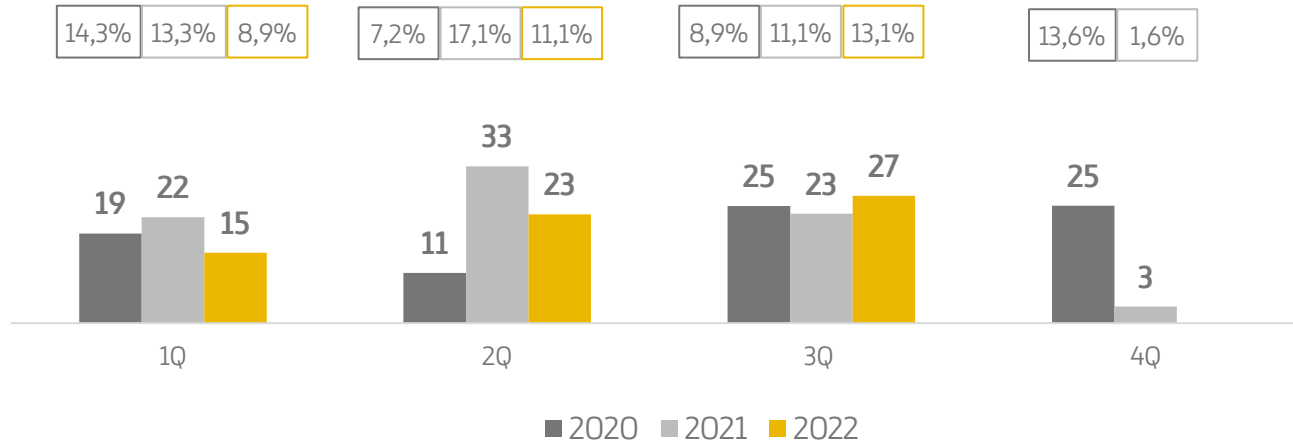
The services segment in the third quarter of 2022 reached the same value as in the corresponding period last year. Intense work on obtaining more orders, especially in the infrastructure maintenance segment, has allowed to significantly expand backlog, which should be reflected in revenue growth in the coming quarters.

EBIT margin by segment

Construction segment (M PLN)



Services segment (M PLN)



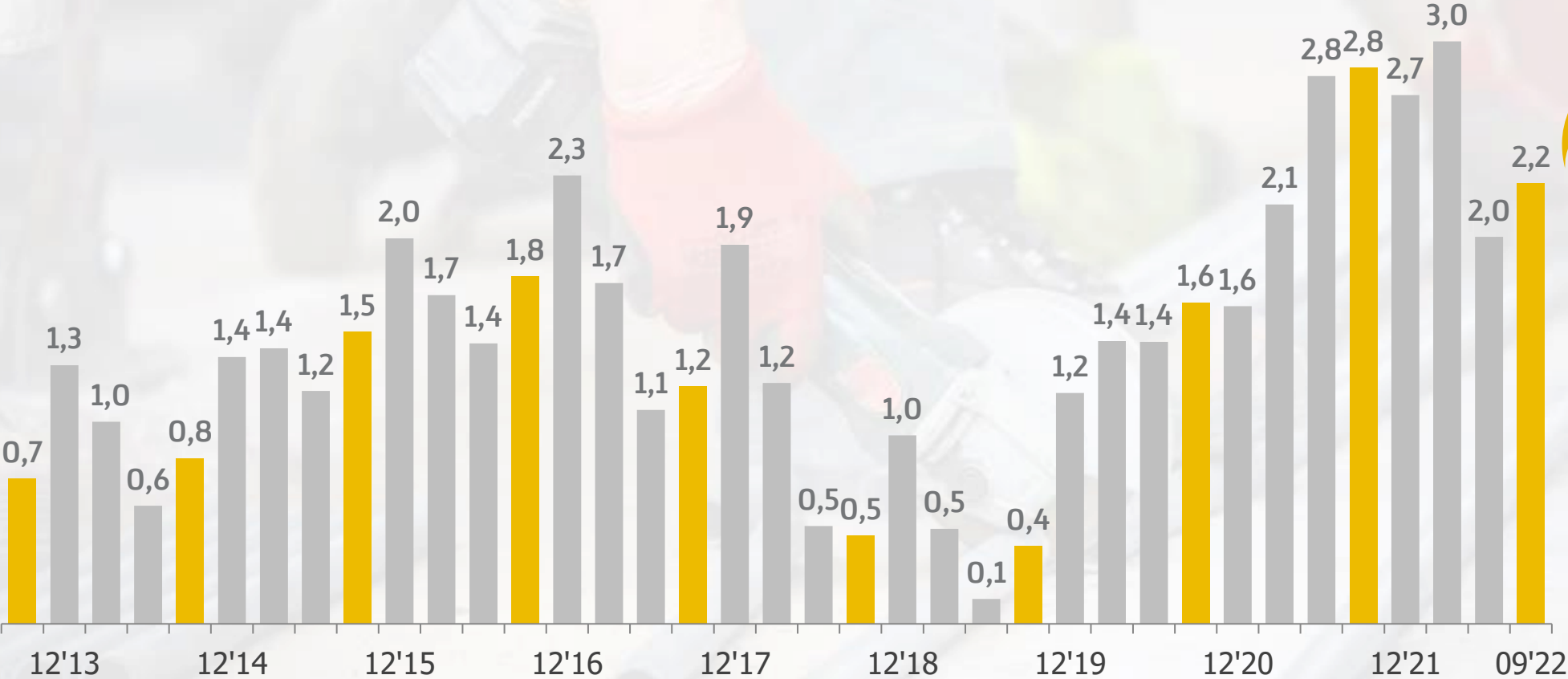
- Third quarter profitability is supported by contracts signed before 2022. Budgets for all Budimex's projects are updated on an ongoing basis.

- The construction segment generated a margin of 7.1% in the third quarter of this year, which was reflected in a result of 155 M PLN.

- EBIT margin in the services segment was 13.1%, reaching 27 M PLN. Profitability in the first three quarters was 11.2%, compared to 13.8% in the same period last year, with profitability improving in the third quarter alone and being higher than in the third quarter of the previous year.

Evolution of net cash position

Net cash position in the Budimex Group (bn PLN)



600 M PLN dividend payment in June 2022 and seasonal effect

Budimex's Group dividend history

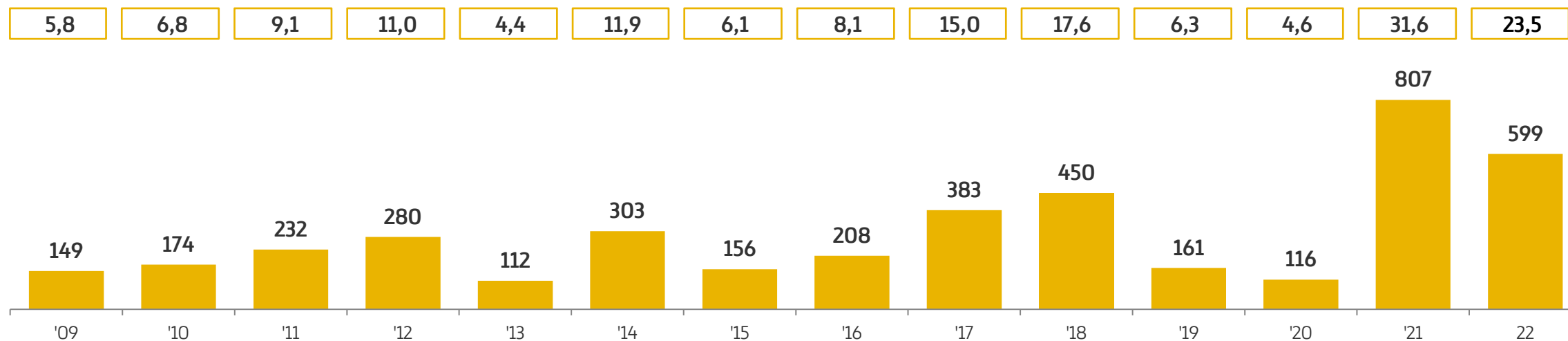
Budimex has been regularly distributing profit to shareholders for 13 years

$\Sigma = 4\,128$
M PLN

=

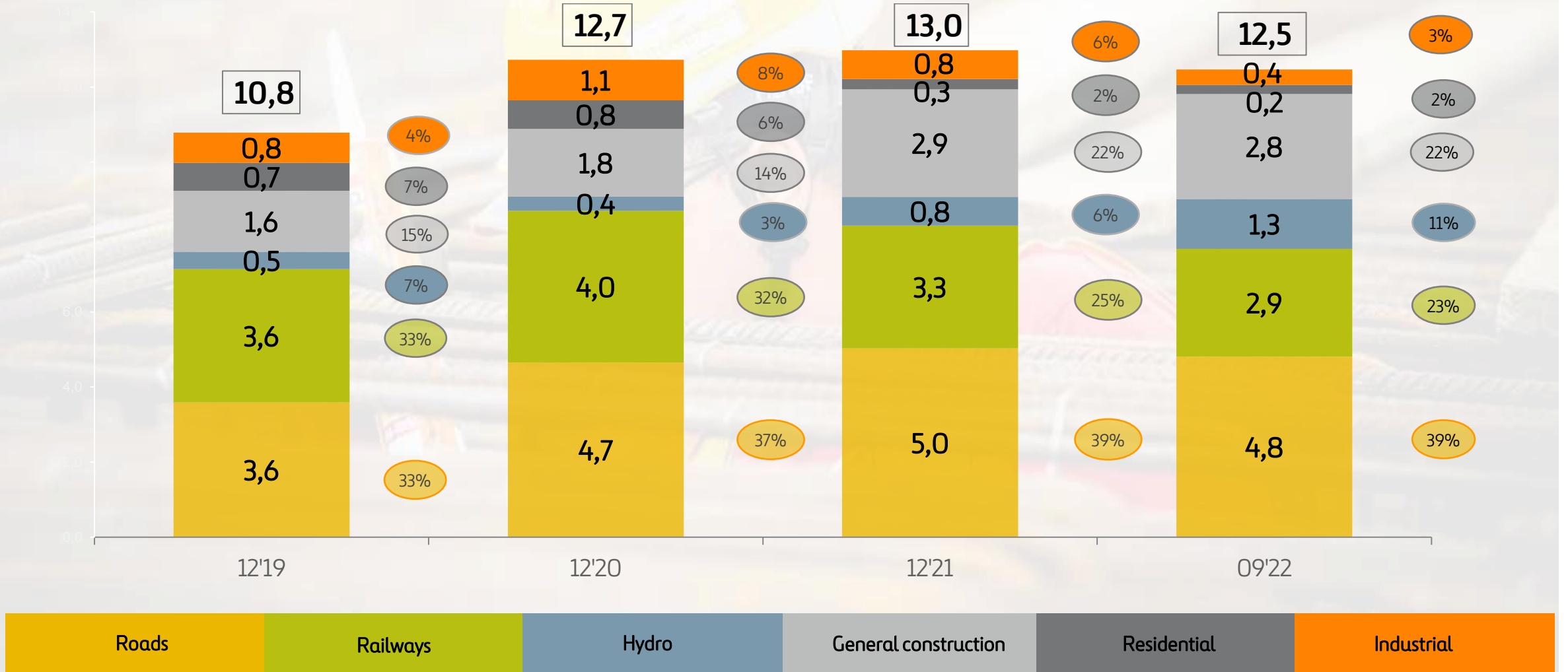
161,7
PLN/share

PLN/share

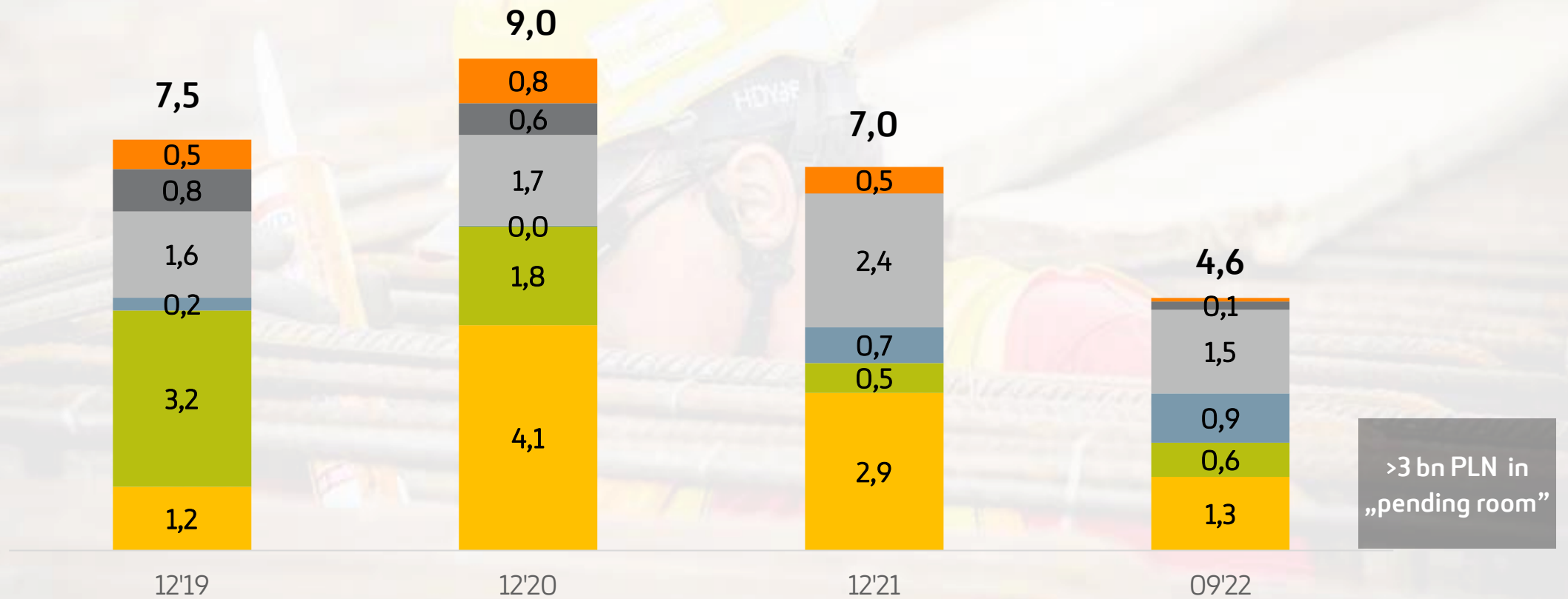


Total dividend in M PLN

Backlog (bn PLN)



Contracts signed (bn PLN)



>3 bn PLN in „pending room”



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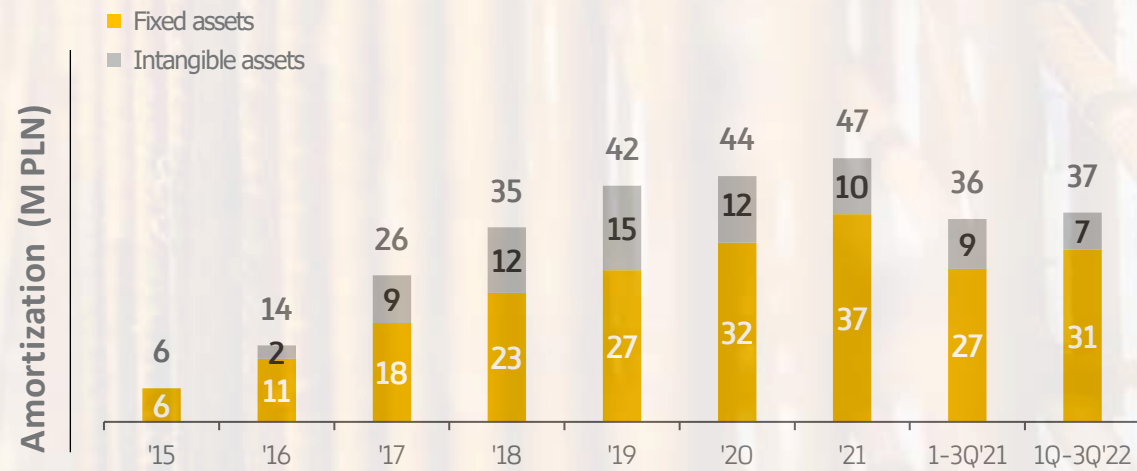
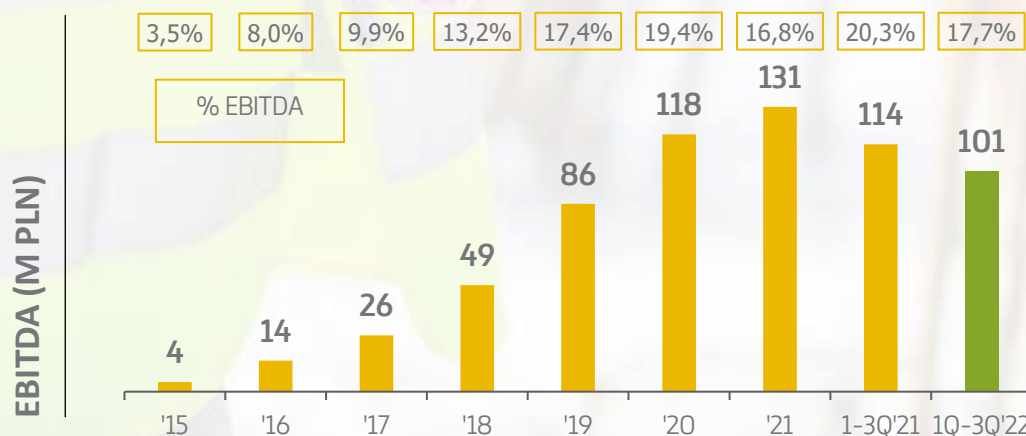
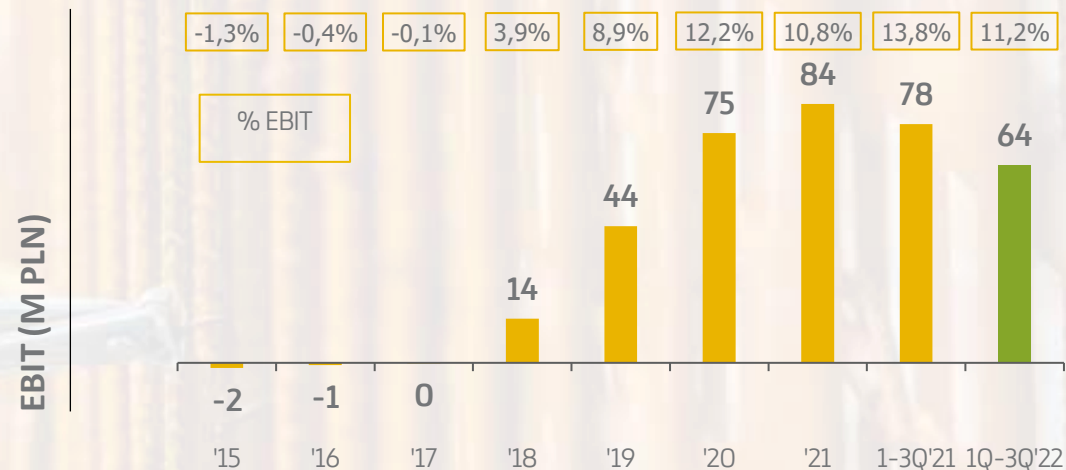
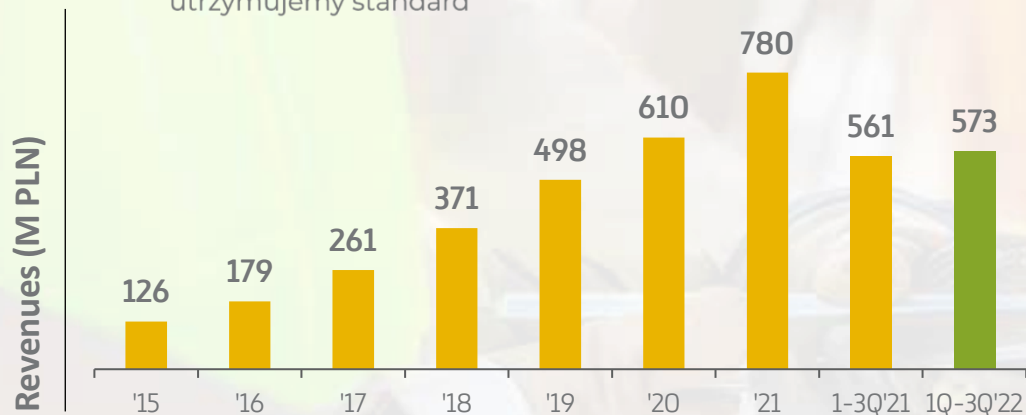
3 FBSerwis & Mostostal Kraków

4 Market outlook

5 CSR

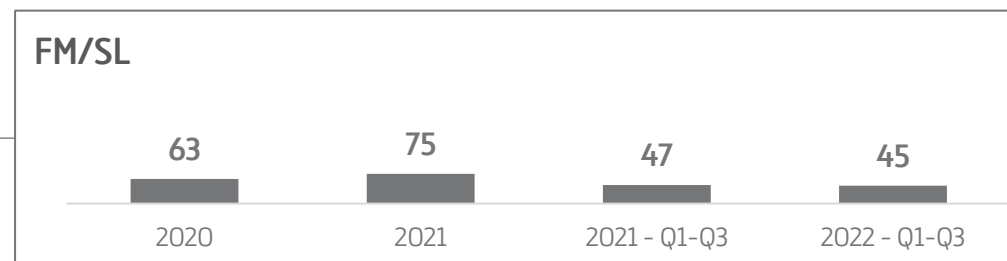
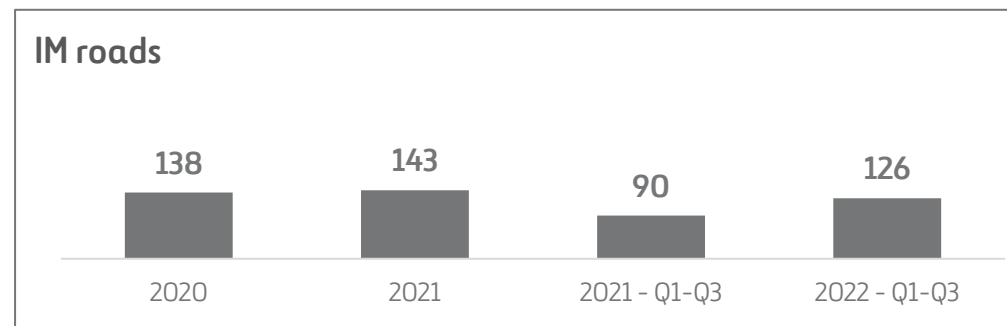
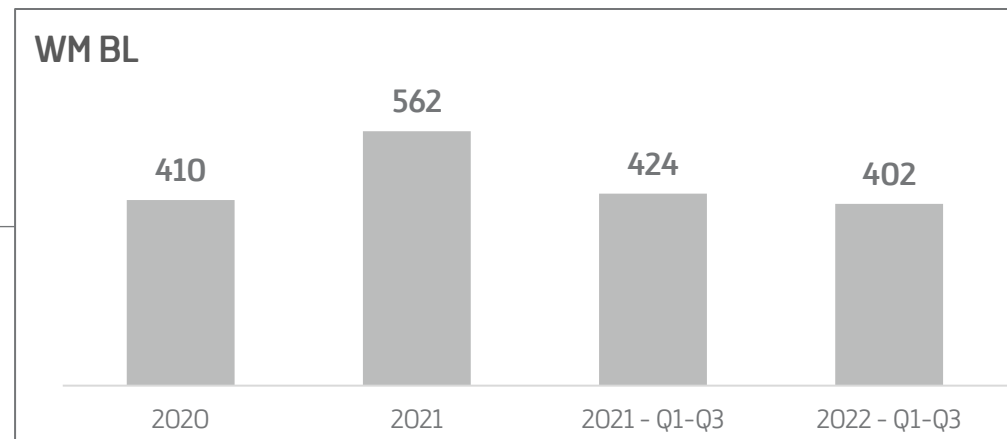
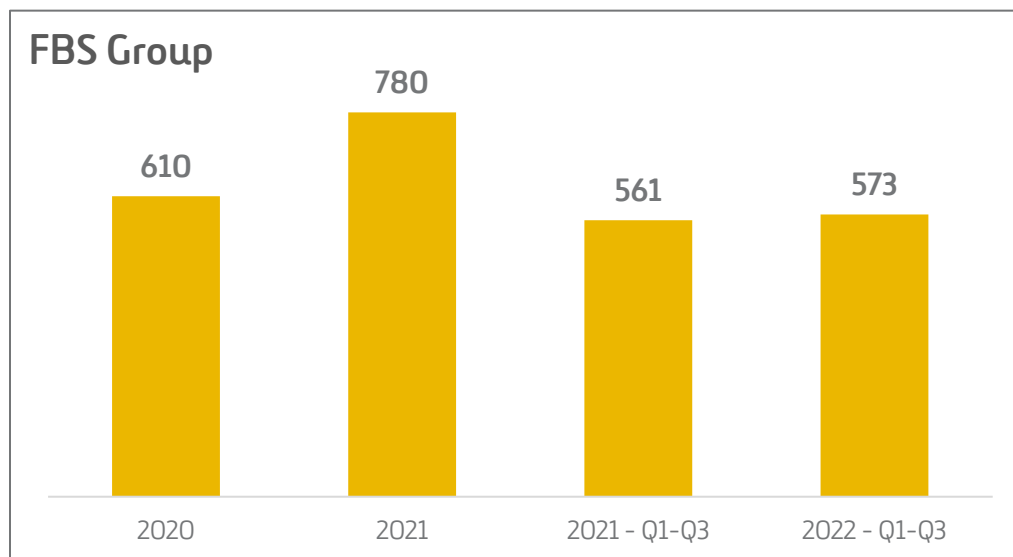


FBSerwis – financial results



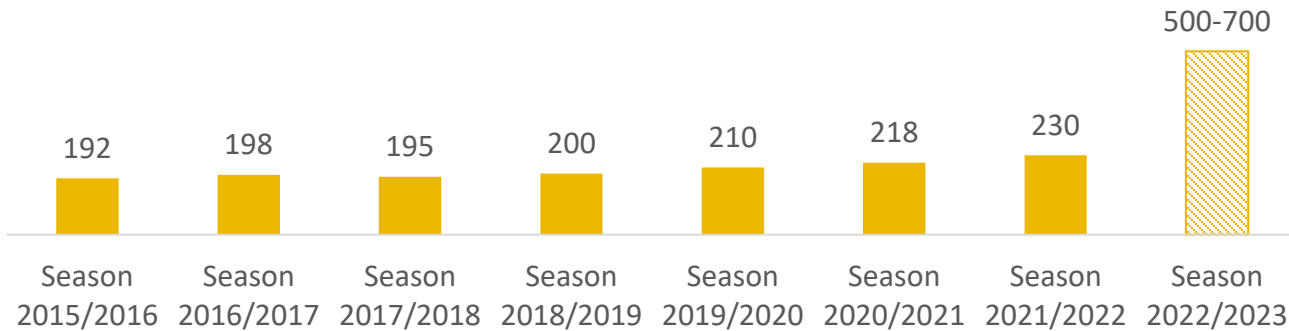
Waste segment had negative growth rate in 2022

FBSerwis Group revenue 2020 - Q3 2022 [M PLN].

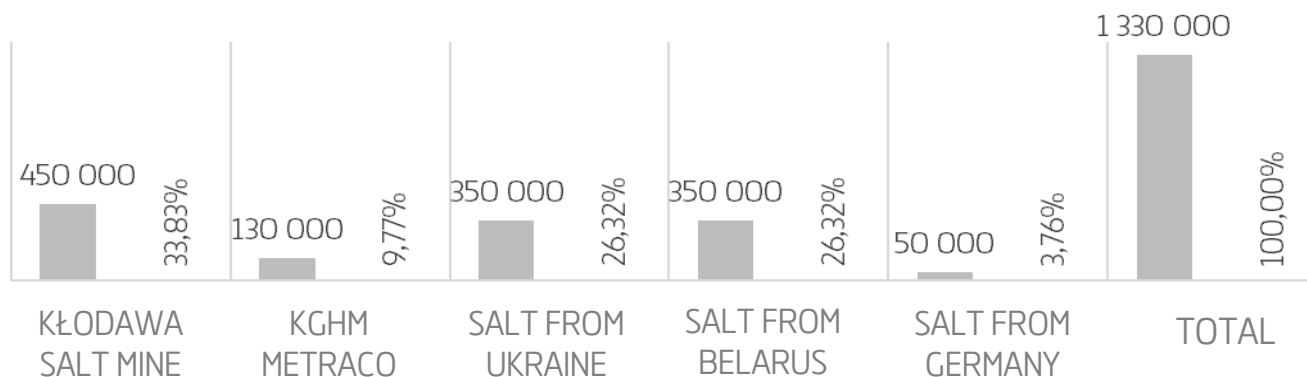


Road salt - new business opportunity

Average prices of road salt in the years '15 - '22 [PLN/t]



Sources of salt supply in Poland [season '21/'22 - mg/season]



- The necessity to replace Ukrainian supplies of about 350 000 tonnes/season.

- Embargo on salt imported from Belarus implemented in June 2022.

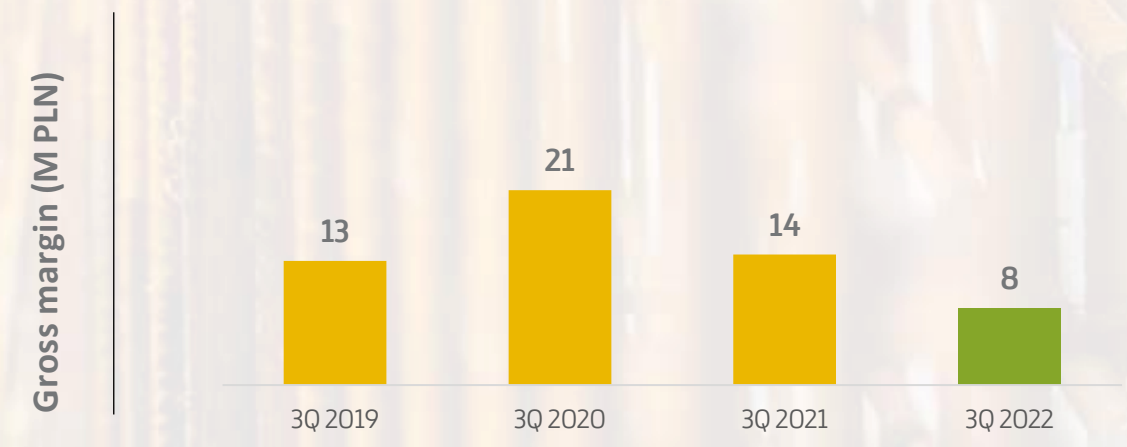
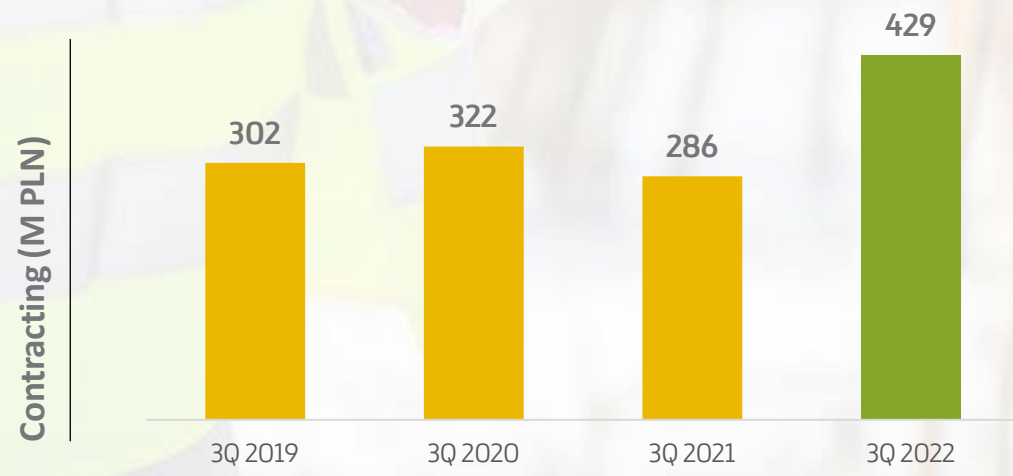
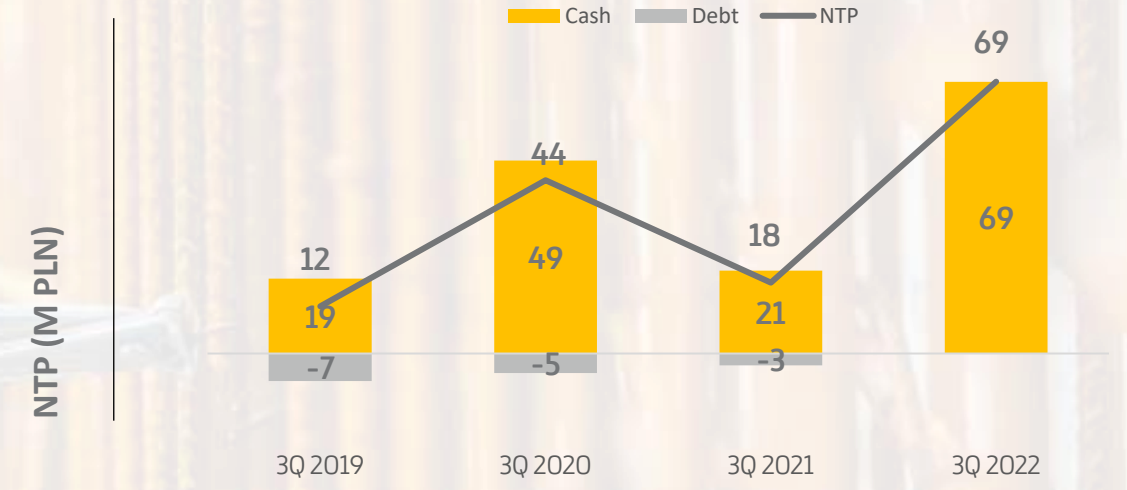
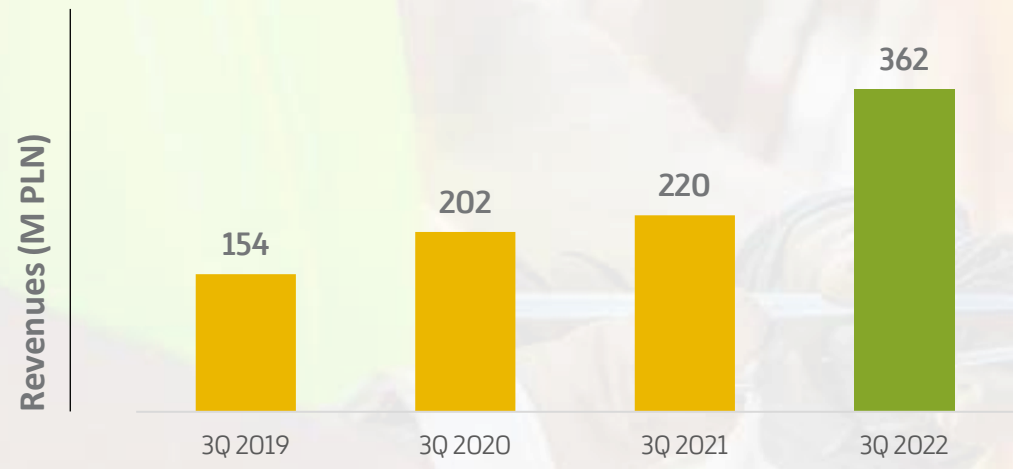


- The gap in the market between 400 000 and 500 000 tonnes of road salt.

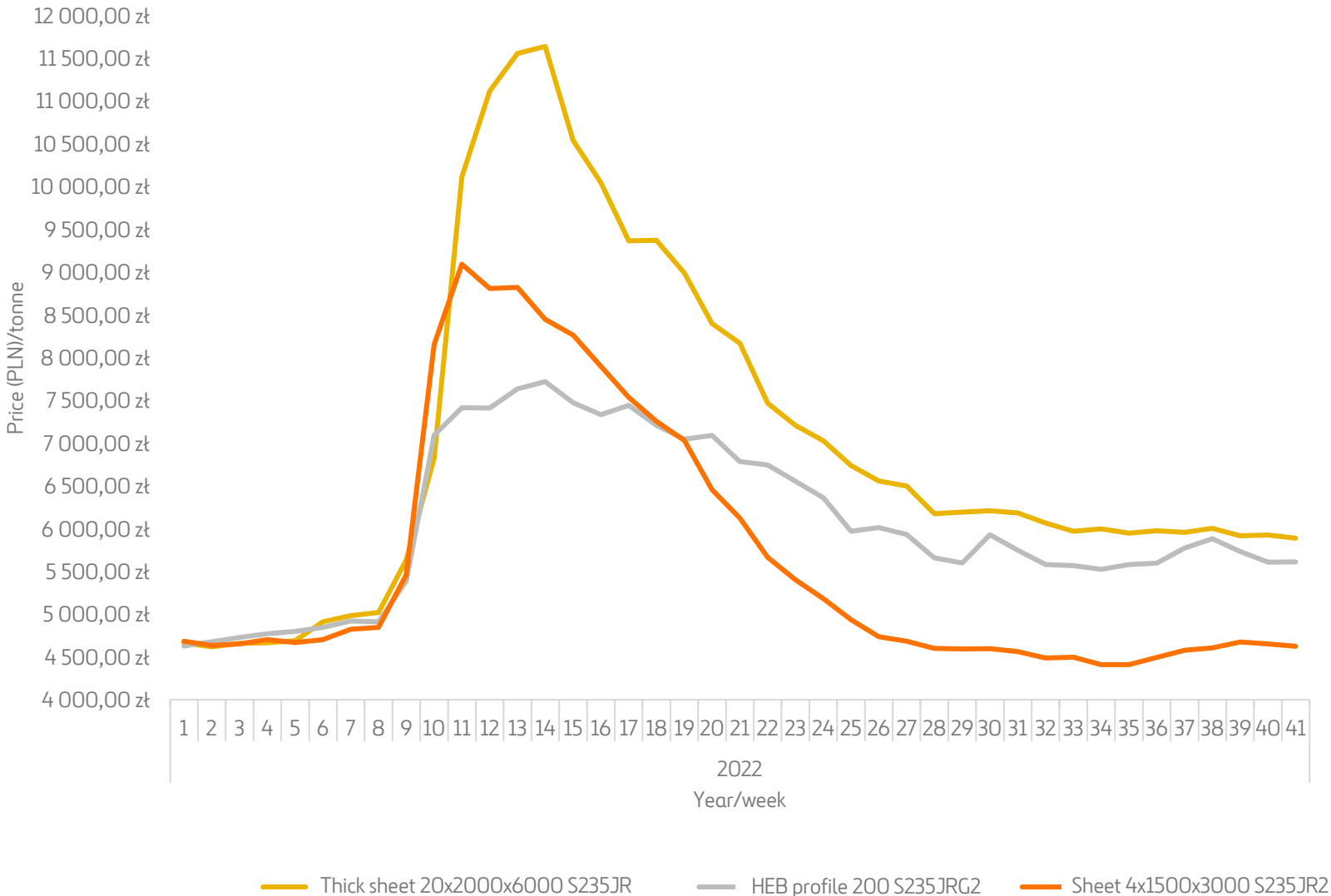


- FBSerwis imported 51 618 tonnes of road salt from alternative sources (freight to Gdansk). Selling salt to public and commercial customers as a **business opportunity to generate additional revenue at high margins**.

Mostostal Kraków – financial results



Steel price index according to PUDS



With the outbreak of war in 2022, steel shipments from Ukraine, Belarus have been curtailed, and from Russia completely closed due to sanctions, and that is a total of about 25% of Polish steel imports in 2021. Over the past two months, steel prices have fallen by about 30%, yet they are still on average 20% more expensive than before the outbreak of war in Ukraine.



Rising electricity and fuel prices and a decline in global steel production will complicate further declines in steel prices.

Development of the Kleszczów Plant

1. Installation of photovoltaic installations with a total capacity of 200 kWp on the premises of the Steel Structures Plant in Kleszczów and on the roof of the Plant's hall in Cracow. Another 1,290 kWp planned by Q1 2023.
2. Implementation of a production management system to optimize production planning and prefabrication of steel structures.
3. Purchase of a CNC production line which handles the processes accompanying the preparation of steel profiles.



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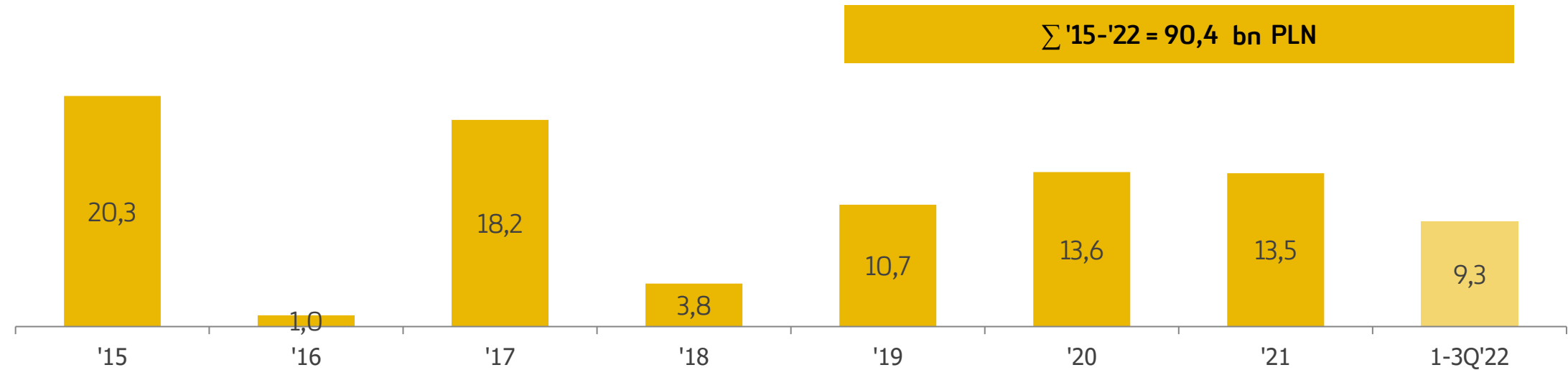
4 **Market outlook**

5 CSR

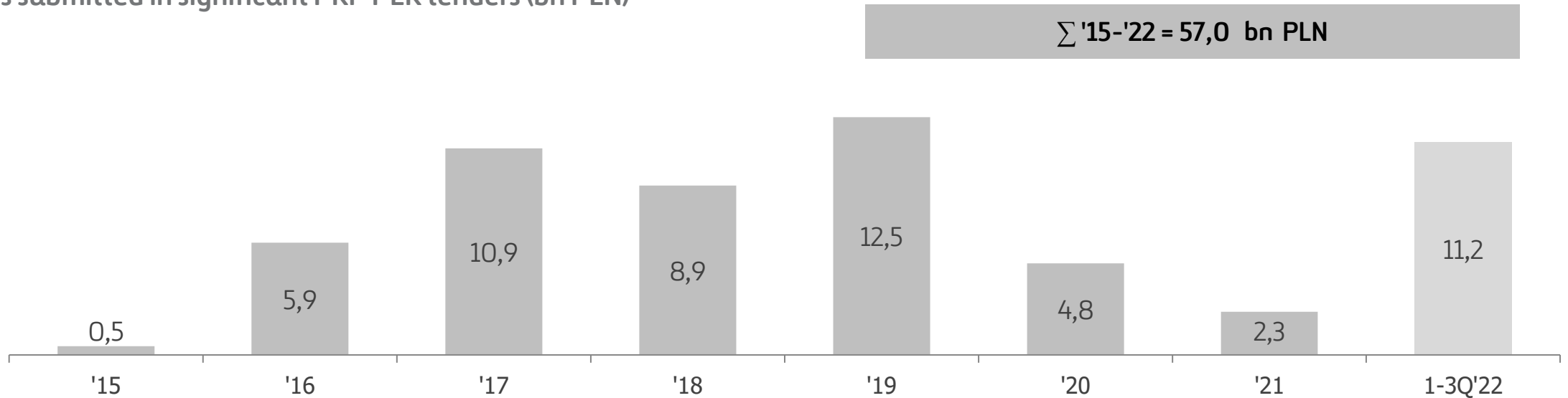


PKP & GDDKiA - status

Bids submitted in significant GDDKiA tenders (bn PLN)

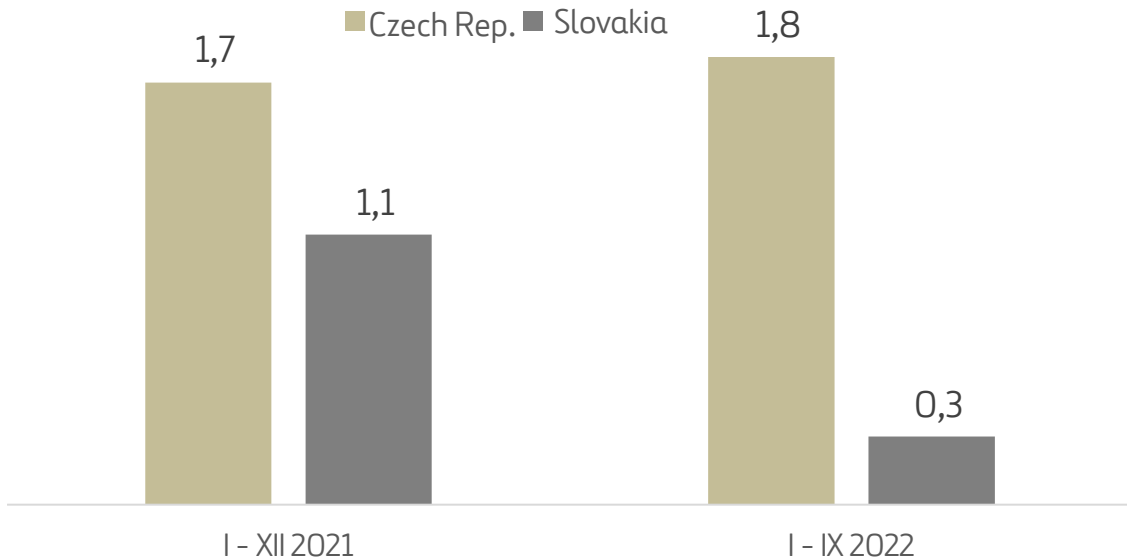


Bids submitted in significant PKP PLK tenders (bn PLN)

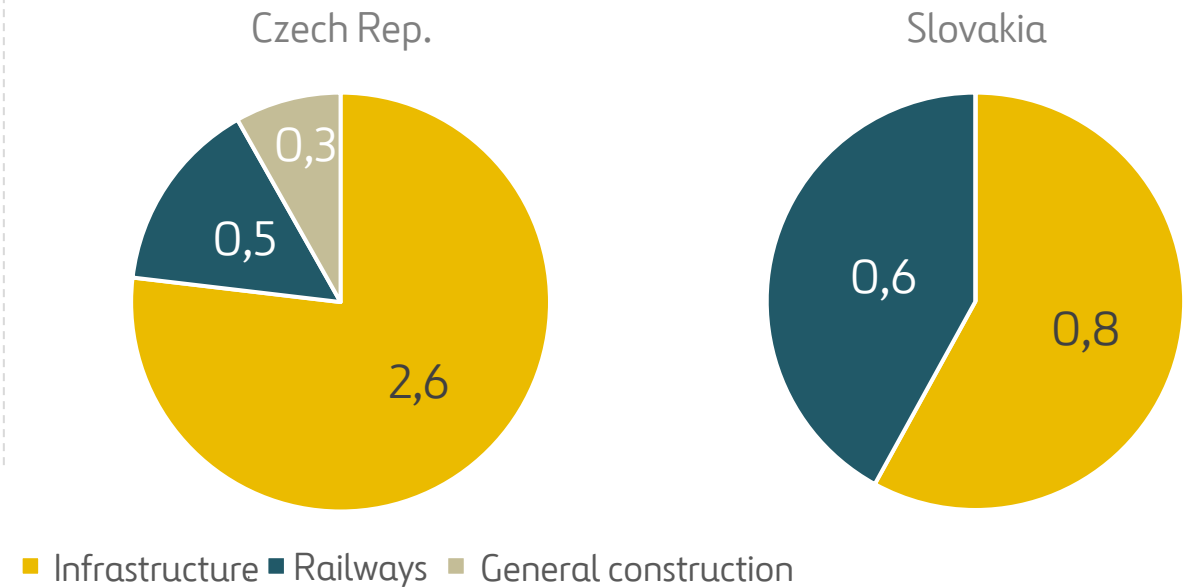


Bids on the Czech and Slovak markets

Value of bids submitted in the Czech and Slovak markets (bn PLN)



Bids made since 01'21 (bn PLN)



The total value of bids made by Bx in the Czech and Slovak markets since 01'21 is approximately 4.7 bn PLN (nearly 50 bids)

EU funds

Program European Funds for Infrastructure, Climate, Environment 2021-2027 (FEnIKS)) (bn EUR)

Connecting Europe Facility (CEF) – funds for all countries (bn EUR)



National Reconstruction Program (KPO) (bn EUR)

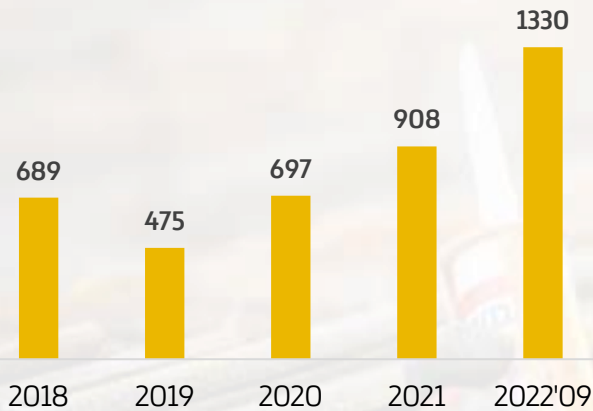


Tranches

Trends in the construction industry

Hydrotechnical market

Backlog (M PLN)



Market (bn PLN)



**> 100 bn PLN
by 2030**

Military market

Developing competence in the military segment:

- Budimex on the list of companies of strategic importance for national defense
- BX's acquisition of contracts for ≈ 1.5 bn PLN
- Competency development and certification
- Use of planned increase in spending by the Ministry of Defense
- Budimex may soon bid for contracts worth more than 2 bn PLN

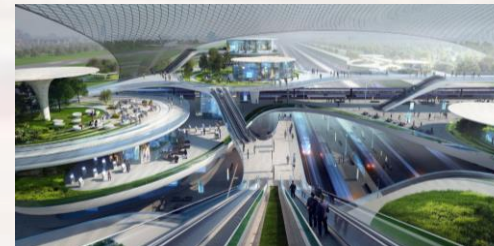
Energy market

Development of renewable energy sources :



- Acquisition of a wind farm project
- Negotiating an offshore equity stake (MoU with EDF)
- Development of PV projects >150 MW
- Participation in Poland's energy transition as an EPC contractor

CPK



Key information:

- Market consultations are underway with potential rail route contractors
- Investors: CPK SPV (airport and rail part), Total expenditures*: Airport (6-7 bn EUR), rail (21 bn EUR), roads (5.2 bn EUR)

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7 awards in the „Budowa roku 2021” contest, commonly known as the construction Oscars.



Modernizacja Roku: 2 awards



Award of the Year of the Federation of Polish Entrepreneurs Sustainable Development Leader



In the final of the international contest European Women In Construction & Engineering Awards 2022, there were 6 representatives of Budimex, and one of them stood on the podium



Budimex has been named Złota Marka Budowlana 2022 in a nationwide survey of contractors



We received Biały Listek Polityki – an award for the most responsible and socially engaged companies



We received the Top Builder award for the realization of the PKN Orlen Research and Development Center



Home from the Heart

The second edition of the "Home from the Heart" program has come to an end. On July 26, 2022, the grand finale of the action took place, during which the construction of a house for a family of 8 was completed to the "turnkey" condition. Thanks to the support of all the Partners of the campaign, the dream of Ms. Iwona, Mr. Krzysztof and their six children - Roksana, Marietta, Ewelina, Szymon, Kasia and the youngest Adaś - has come true. From now on they can enjoy their own, comfortable home.





41st Parent Zone - Bydgoszcz and 42nd Parent Zone - Ełk

41st Parent's Zone - we are creating from scratch an outdoor space for the J.Brudzinski Provincial Children's Hospital in Bydgoszcz.

We are creating the **42nd Parent Zone (under construction)** at the Pro-Medica Hospital in Ełk. This is a unique project in which we will adopt and build on a previously unused terrace, which will soon serve as a place of rest and fun for the hospital patients and their caregivers.