



# budimex

Investor presentation  
for 1 quarter of 2024

# Budimex on WSE



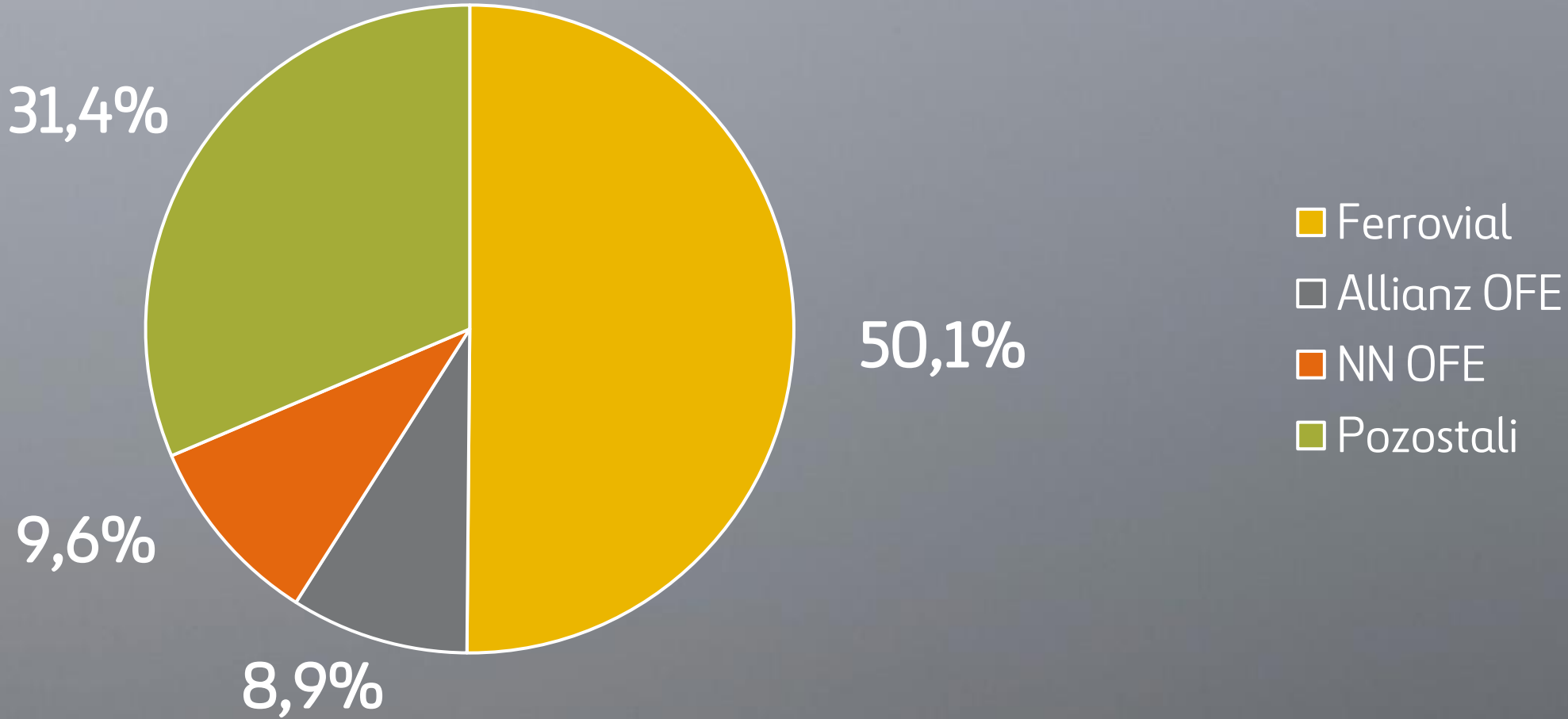
The strategic investor of the Budimex Group is Ferrovial.

Budimex returned to WIG20 after 20-year break.

Budimex is also included in the MSCI Poland, FTSE Russell and WisdomTree indexes.

Budimex has been regularly sharing profits with shareholders for 15 years. In April 2024, the Management Board of Budimex recommended the payment of another dividend.

### Budimex shareholders structure (shareholders with stake above 5%)



### History of stock quotes on WSE (stock price as of May 10)



# Ferrovial debuts on Nasdaq

Ferrovial is already listed on the stock exchanges in Madrid and Amsterdam. Since May 2024 also listed on the Nasdaq.

Companies listed in the United States and their subsidiary companies are obliged to meet the requirements of the SOX Act (internal control procedures and principles).

The Ferrovial Group is active mainly in North America and Europe. The activities of the Ferrovial Group include management of the toll highway network, airport infrastructure management, construction, and energy projects.

Additional exposure to the US market strengthens the potential for cooperation with international corporations (especially in North America).



# Key events at the beginning of 2024



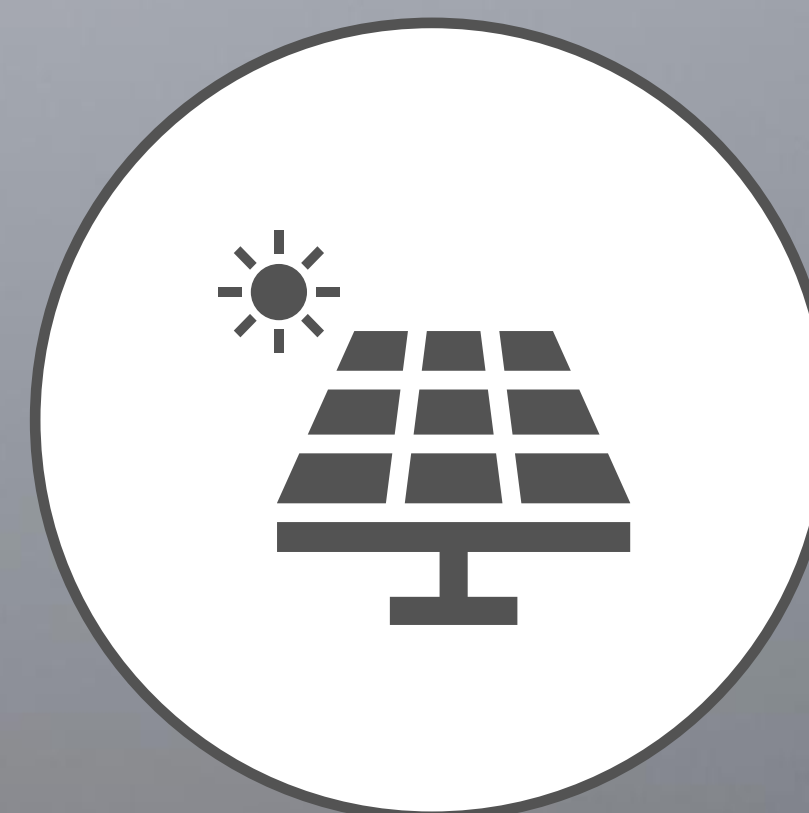
Five tenders for S10,  
tender for S12 and  
DK35 in the Czech  
Republic



JV on the real estate  
market



Ferrovial (parent  
company of  
Budimex) joins the  
Nasdaq index



Purchase of a  
photovoltaic project  
60 MW



Recommendation of  
the Management  
Board about record  
dividend payment  
(911 M PLN)

# Agenda

Macroeconomic background

Financial results of Budimex Group

Backlog & contracting

FBSerwis & Mostostal Kraków

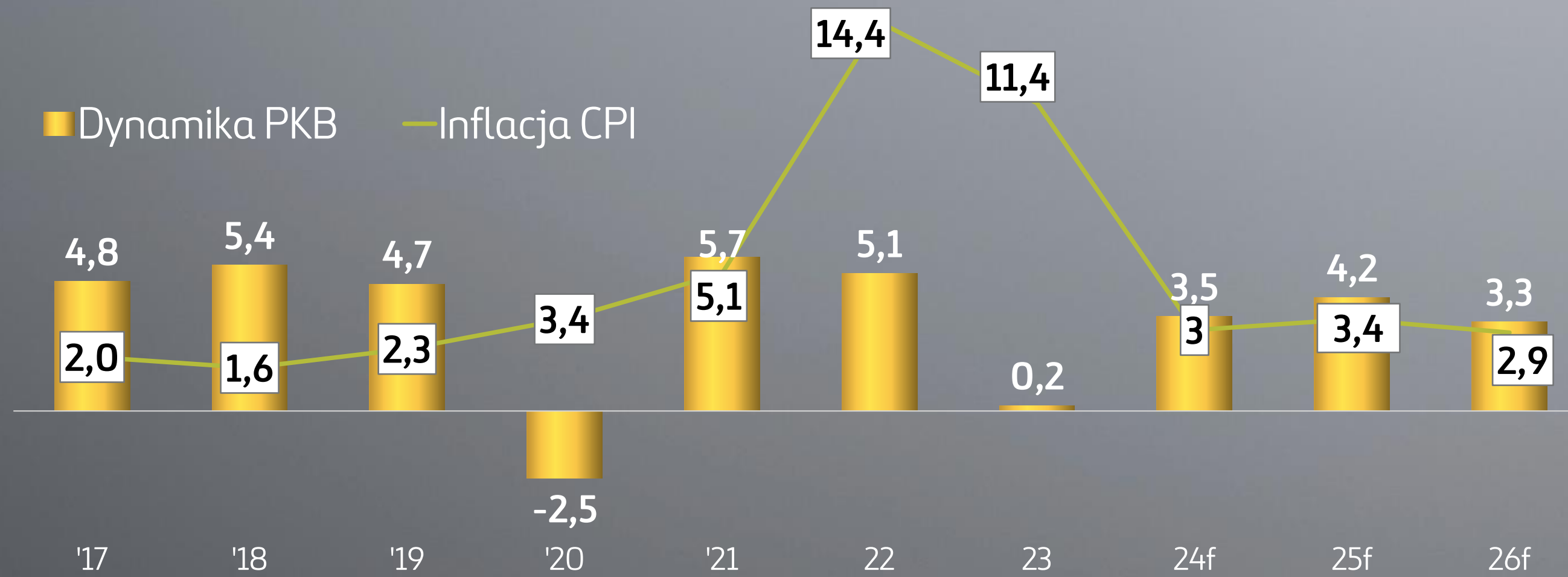
Market and outlook

CSR & ESG

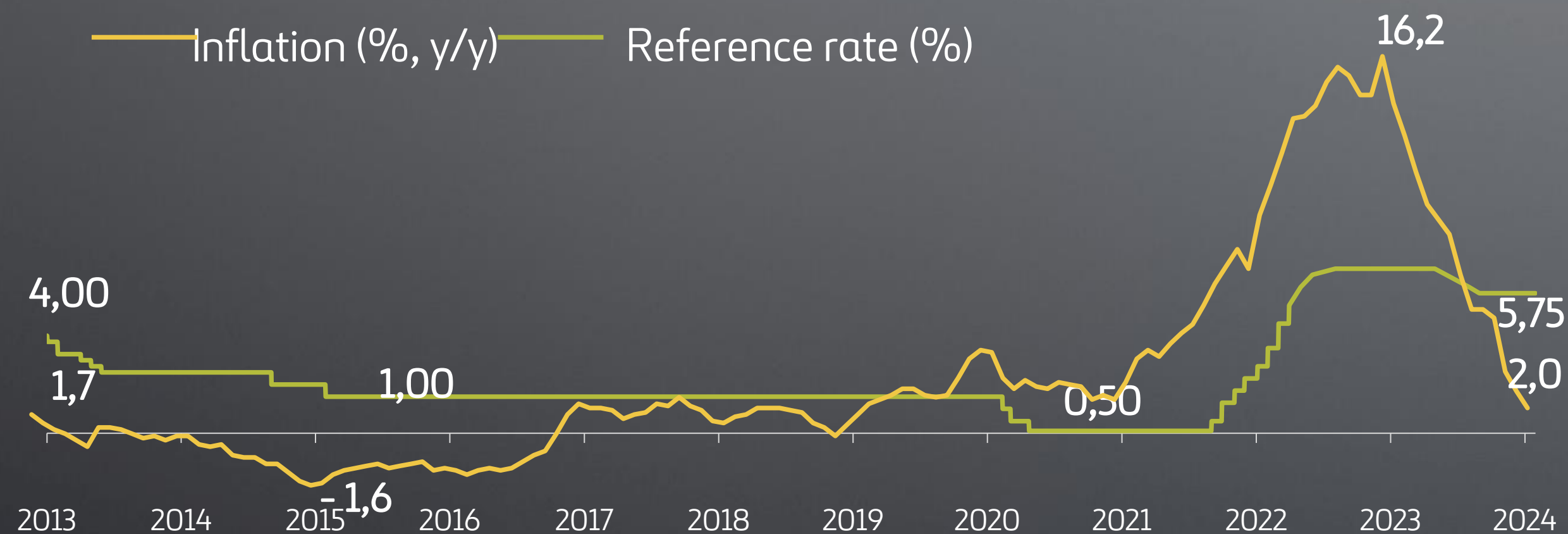


# Macroeconomic background

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



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



According to CSO estimate from 2024 GDP in Poland in 2023 increased by 0,2% compared to 2022, which is a lower value than expected.

Domestic inflation in the CSO estimate for March was at the level of 2,0% and it was 0,8% lower than the result from February. The potential for further declines is limited according to forecasts, that indicate the expected average annual inflation at 3%.

Since September 2023, interest rates in Poland reminded unchanged and still stand at 5.75%. The market does not expect interest rates to drop in 2024.

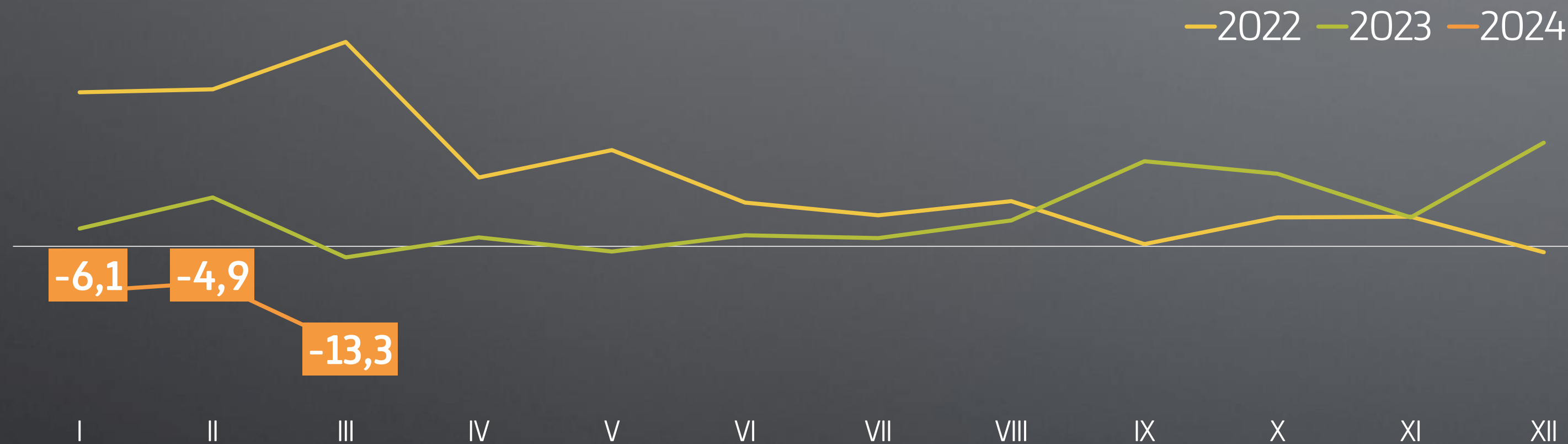
# Macroeconomic background

PMI index for Poland



In March PMI increased to 48 points from 47,1 points at the beginning of the year. However, in April index dropped to 45,9 points, which was an unexpected event by the market and analysts (biggest monthly decrease since July 2022).

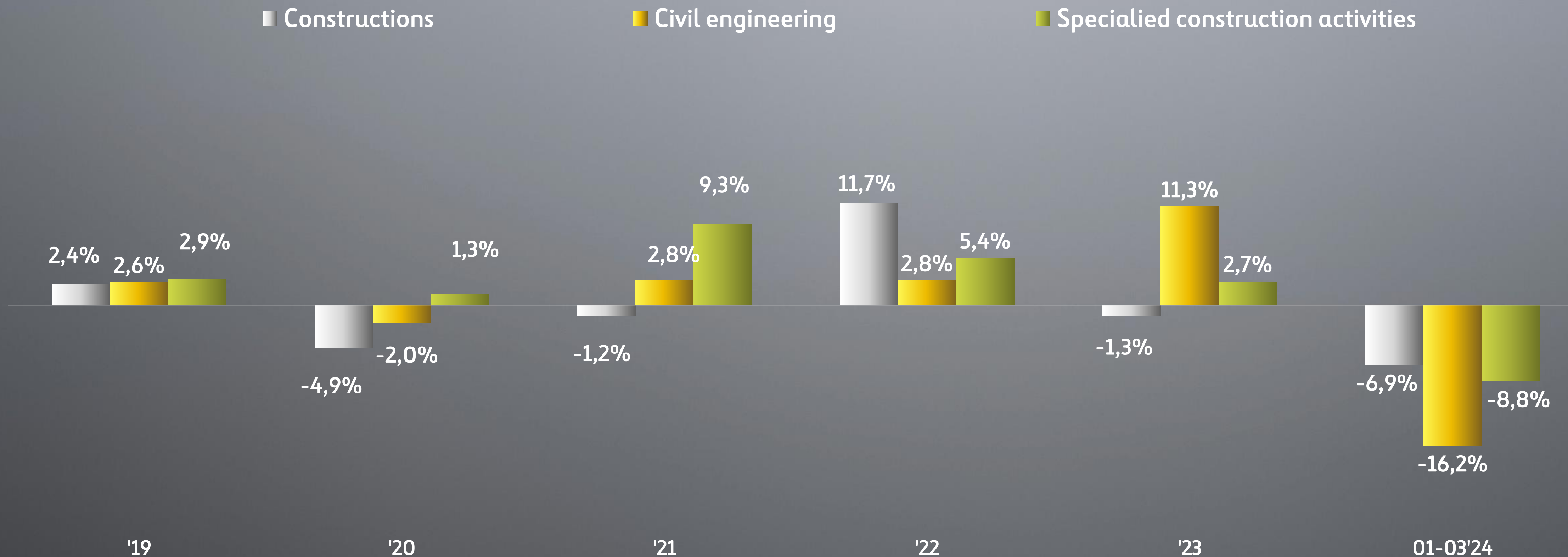
Growth in construction and assembly production (% y/y, constant prices)



The value of construction and assembly production decreased by 13,3% in March. In the January-March period, the index decreased by 10,8% y/y, while the individual segments were as follows: building construction (-6,9% y/y), specialised construction (-8,8%), civil engineering construction (-16,2%).

# Components of construction and assembly production

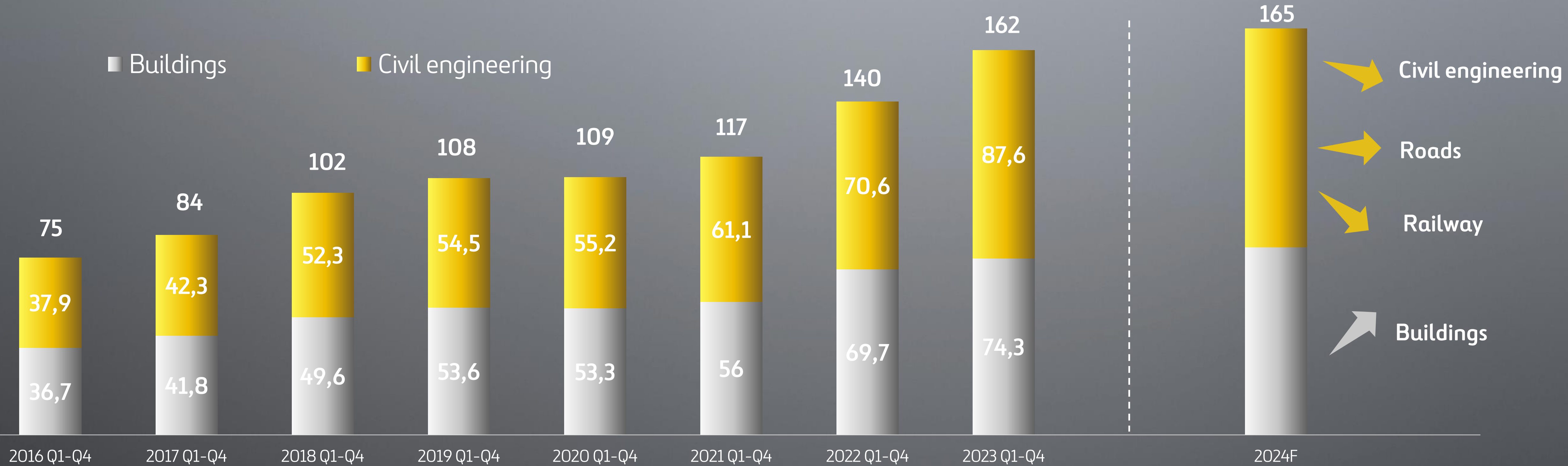
Dynamics of construction and assembly production (% , y/y, constant prices)





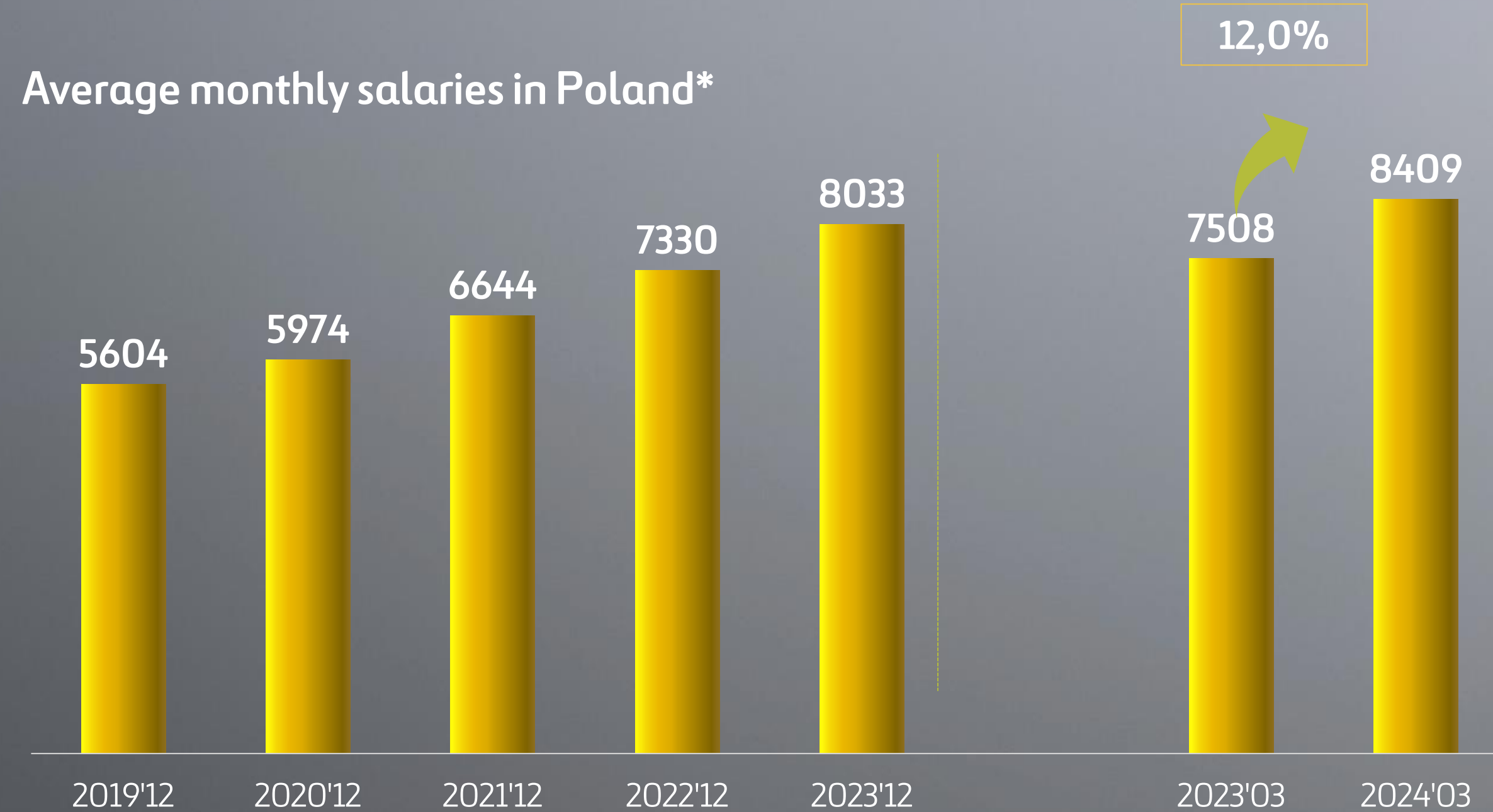
# Components of construction and assembly production

Construction and assembly production (nominal value bn PLN)



# Macroeconomic background

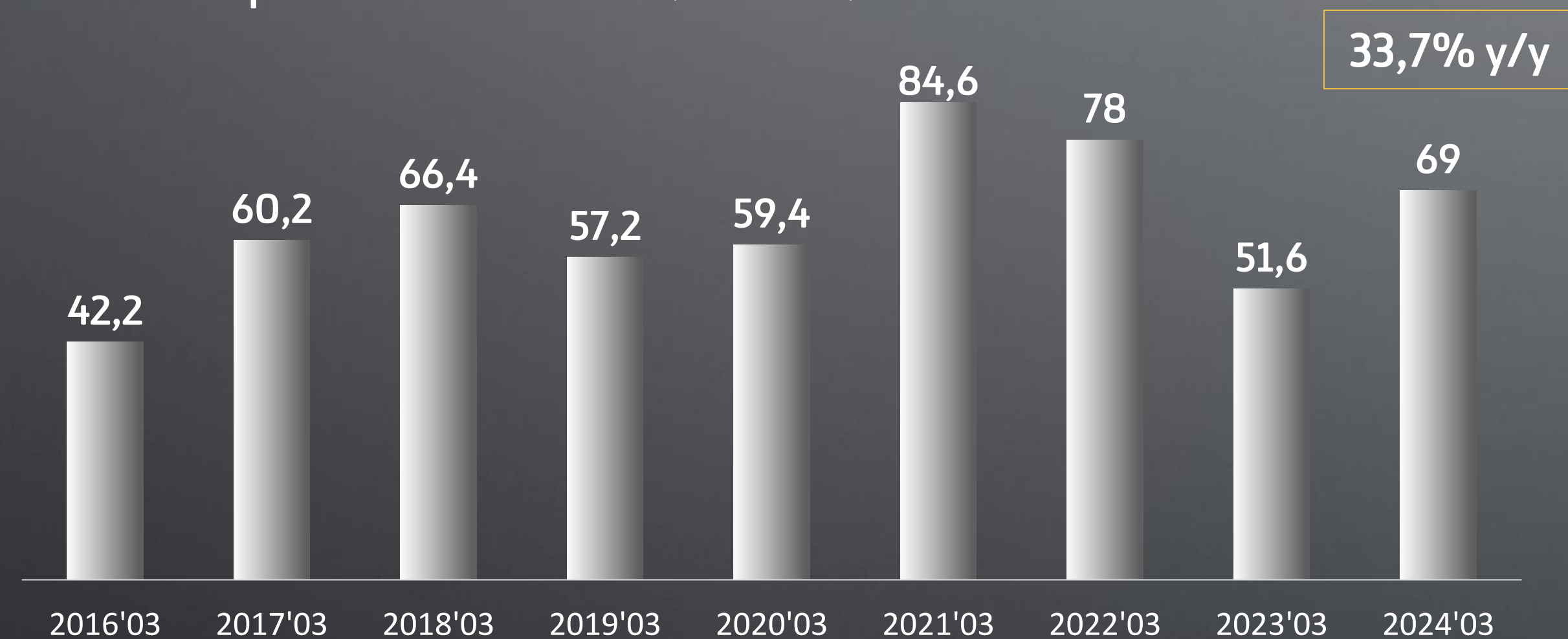
Average monthly salaries in Poland\*



In March wages increased by 12,0% y/y, which is higher than inflation. The construction industry is characterised by an above-average salary increase (14,4% y/y). Individual construction segments were as follows: building construction (21% y/y), civil engineering construction (13,1% y/y), specialized construction (9,8% y/y).

\*Data concerns companies with more than 10 employees.

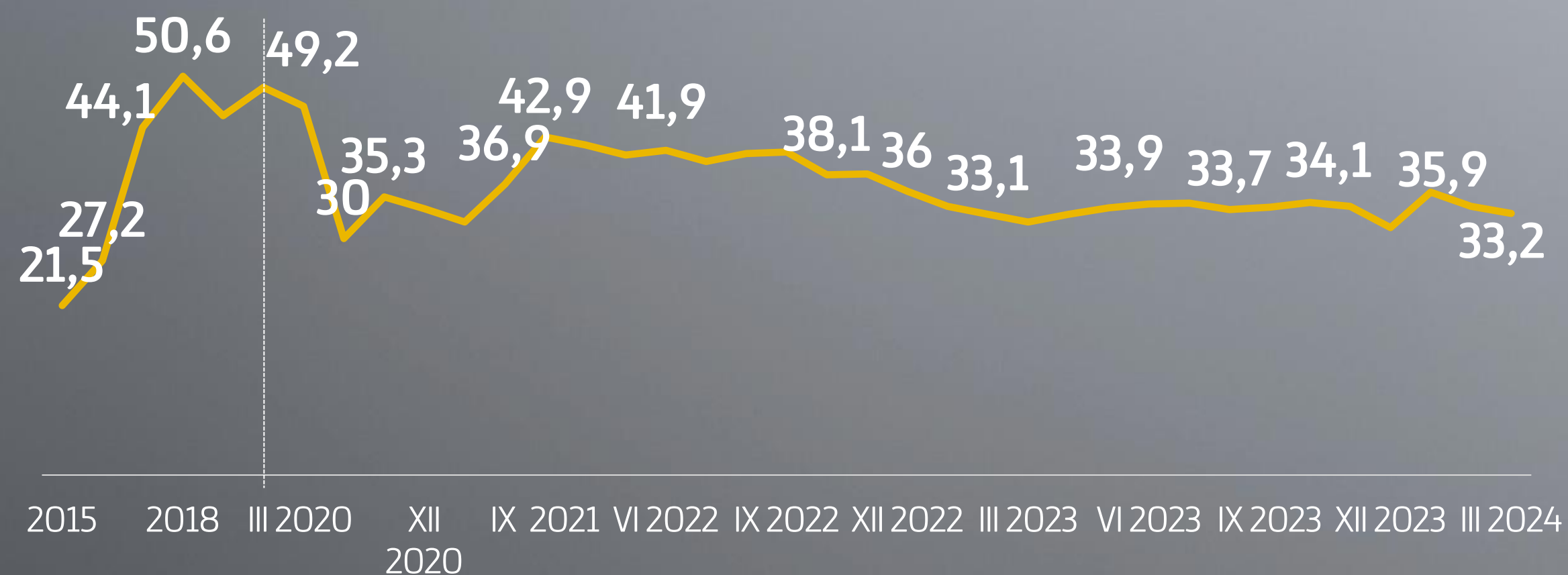
Construction permits – real estates (data in k)



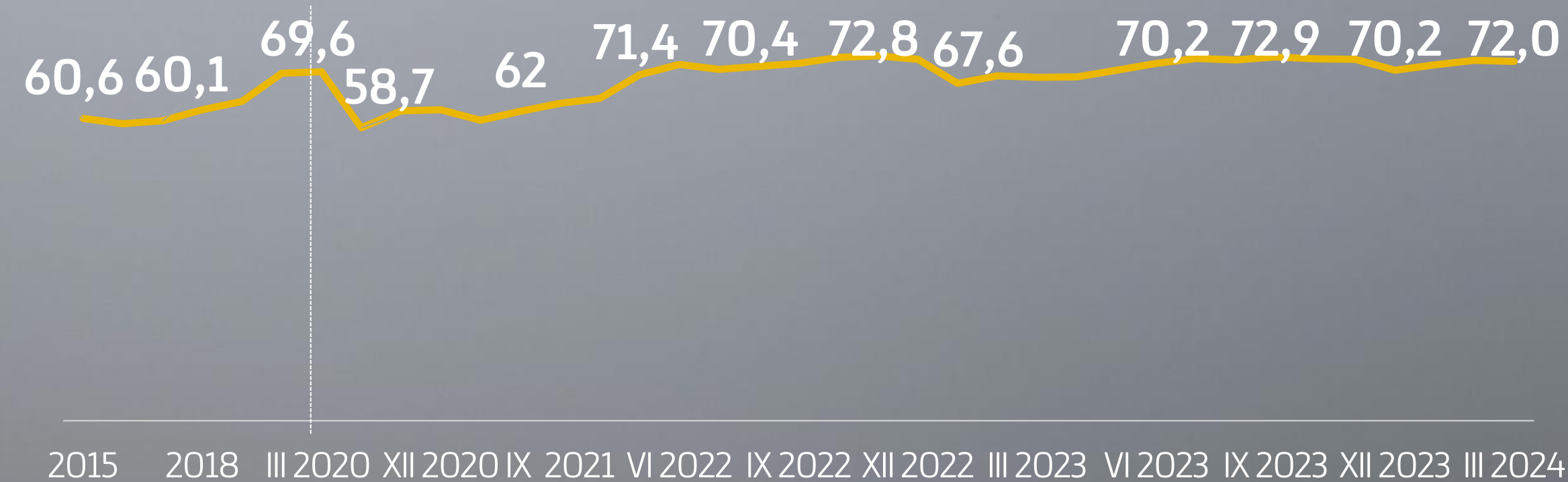
The demand for mortgage loans resulted in a revival in the real estate market. Building permits increased by 33.7% y/y and are at the third highest level since 2016.

# Situation of the construction industry – stabilisation and prospects for improvement

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



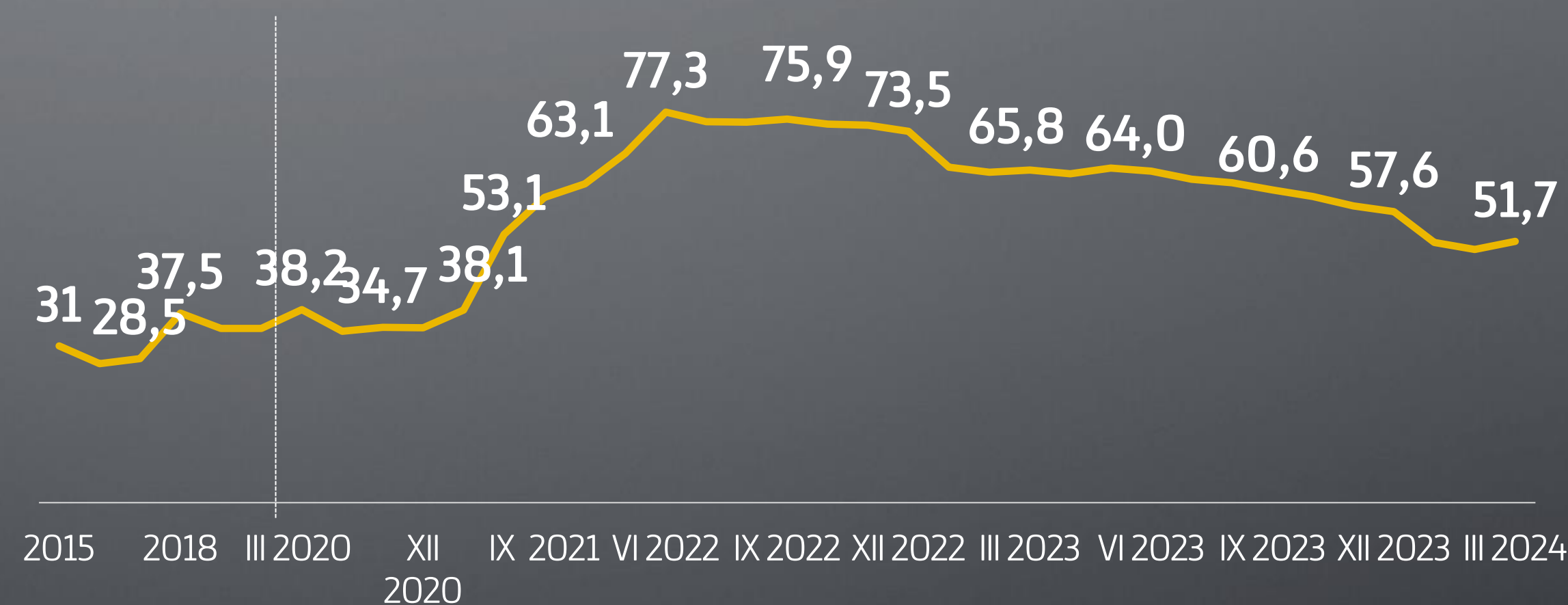
Percentage of construction companies considering employment costs as a barrier to business (%)



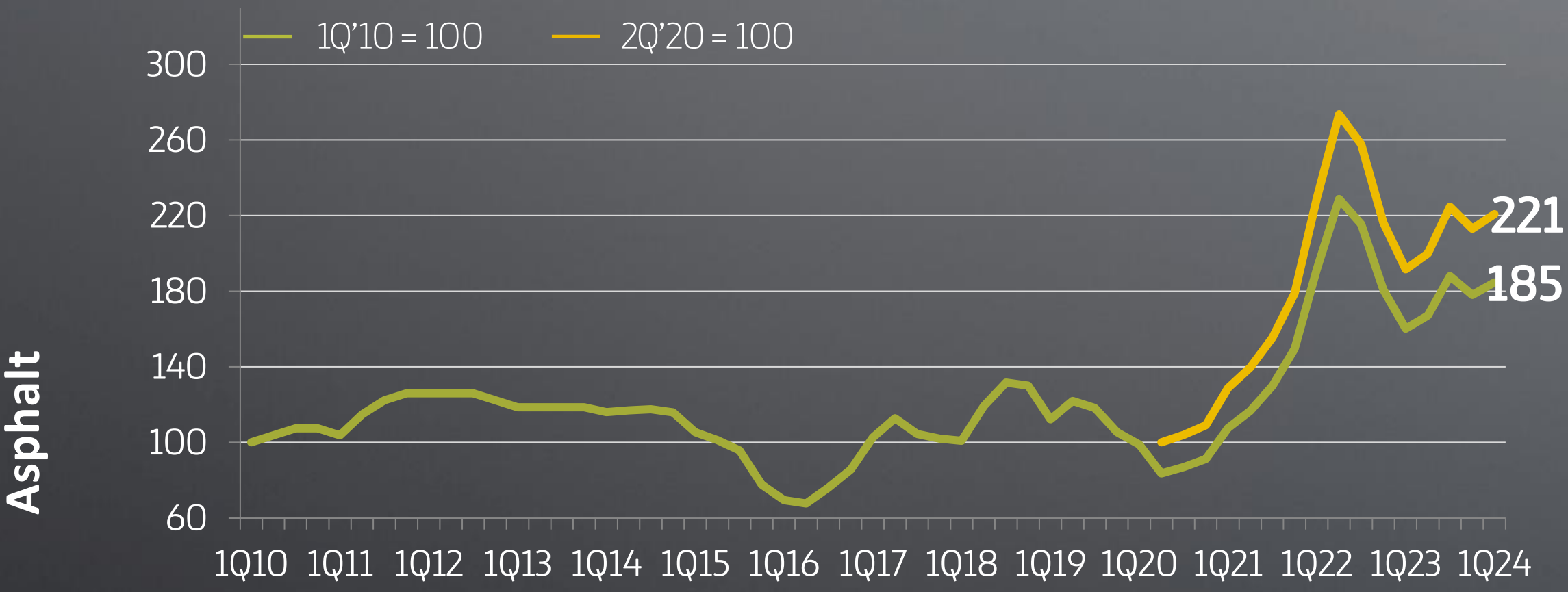
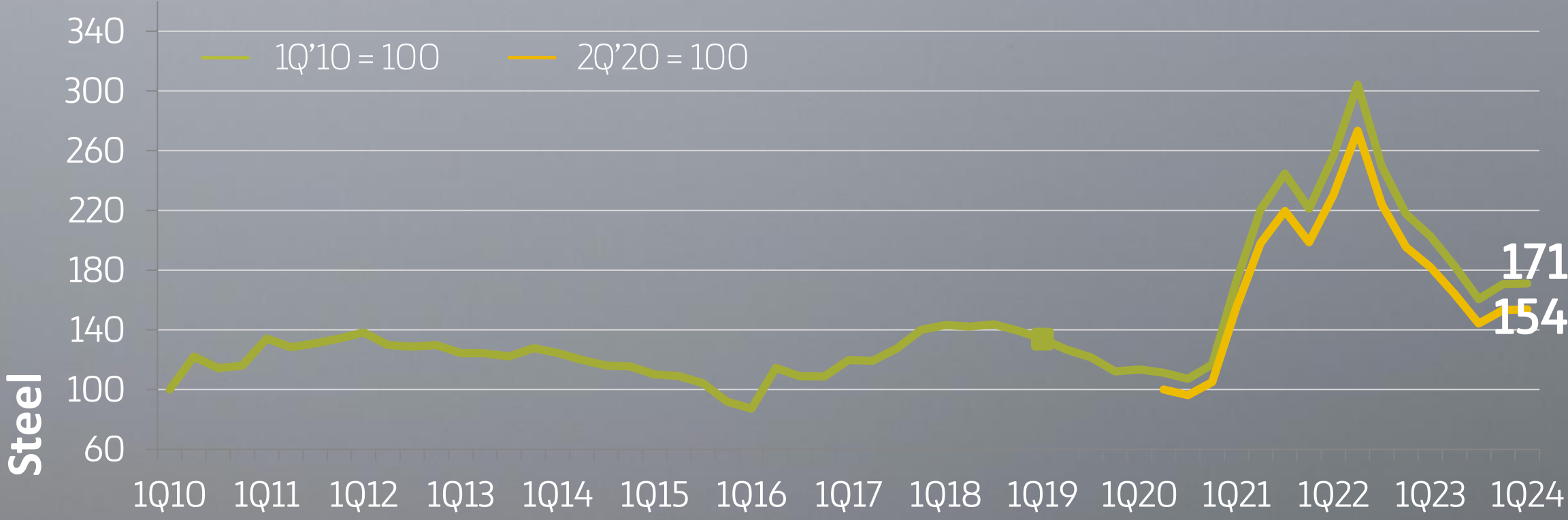
Percentage of construction companies considering shortage of materials as a barrier to business (%)



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



# Prices of selected raw materials



Data: Budimex (as of March 2024.)

# Agenda

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**Financial results of Budimex Group**

Backlog & contracting

FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG



Budimex Group is not only Budimex SA

# budimex

Construction

**budimex**

**budimex**  
kolejnictwo

**budimex**  
budownictwo

**mostostal**  
kraków

Foreign markets

**budimex**  
Bau

**railbx**

**budimex**  
Oddział Czechy

**budimex**  
Oddział Słowacja

**budimex**  
Oddział Łotwa

Services

**fbserwis**

**circular**  
construction

Renewable  
Energy sources

**bxfernergia**

**magnolia**  
farma wiatrowa

**kamelia**  
farma fotowoltaiczna

**azalia**  
farma fotowoltaiczna

Others

**budimex**  
mobility

**budimex**  
Parking Wrocław

**budimex**  
real estate

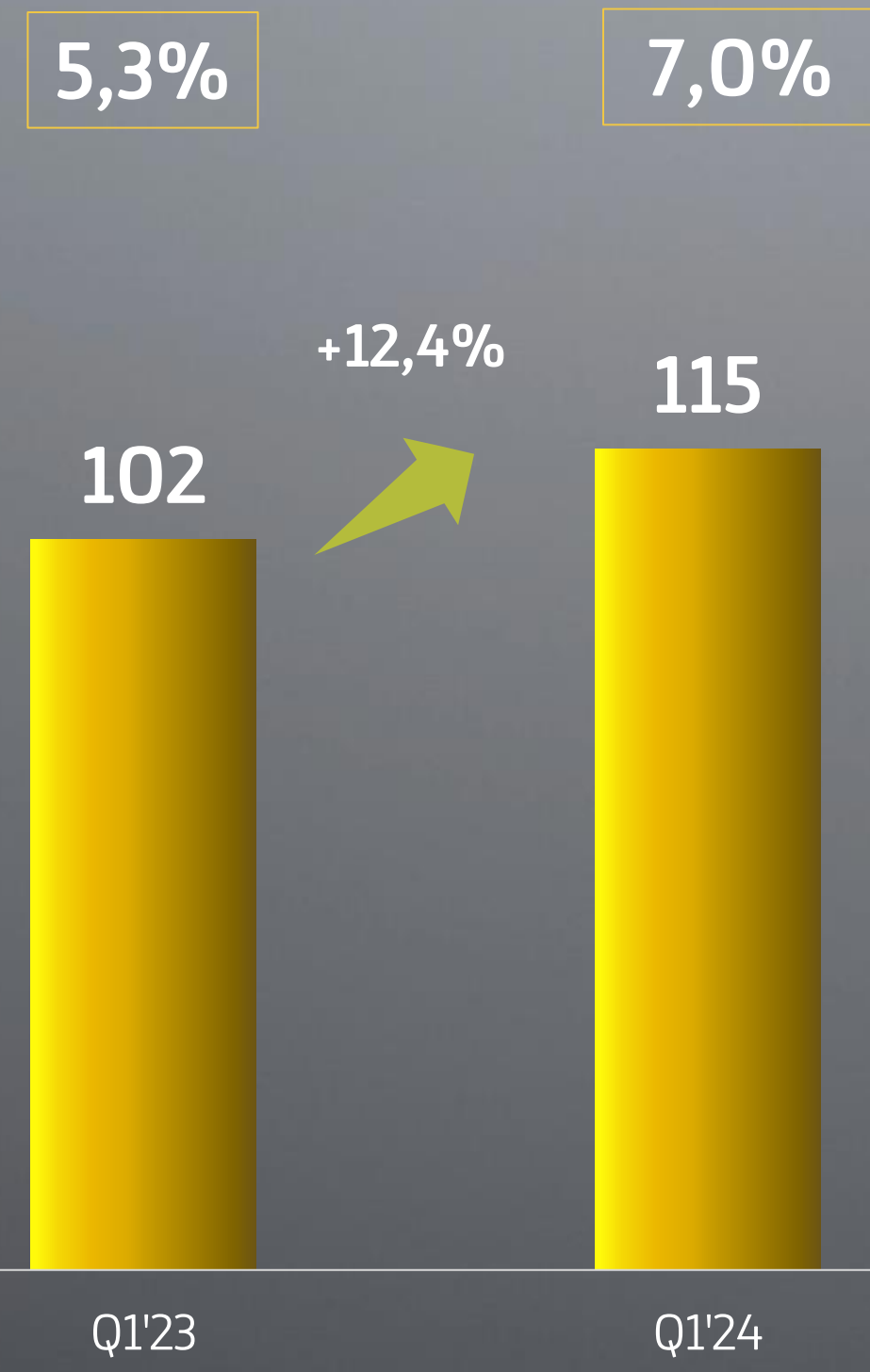


# Financial results for first quarter of 2024

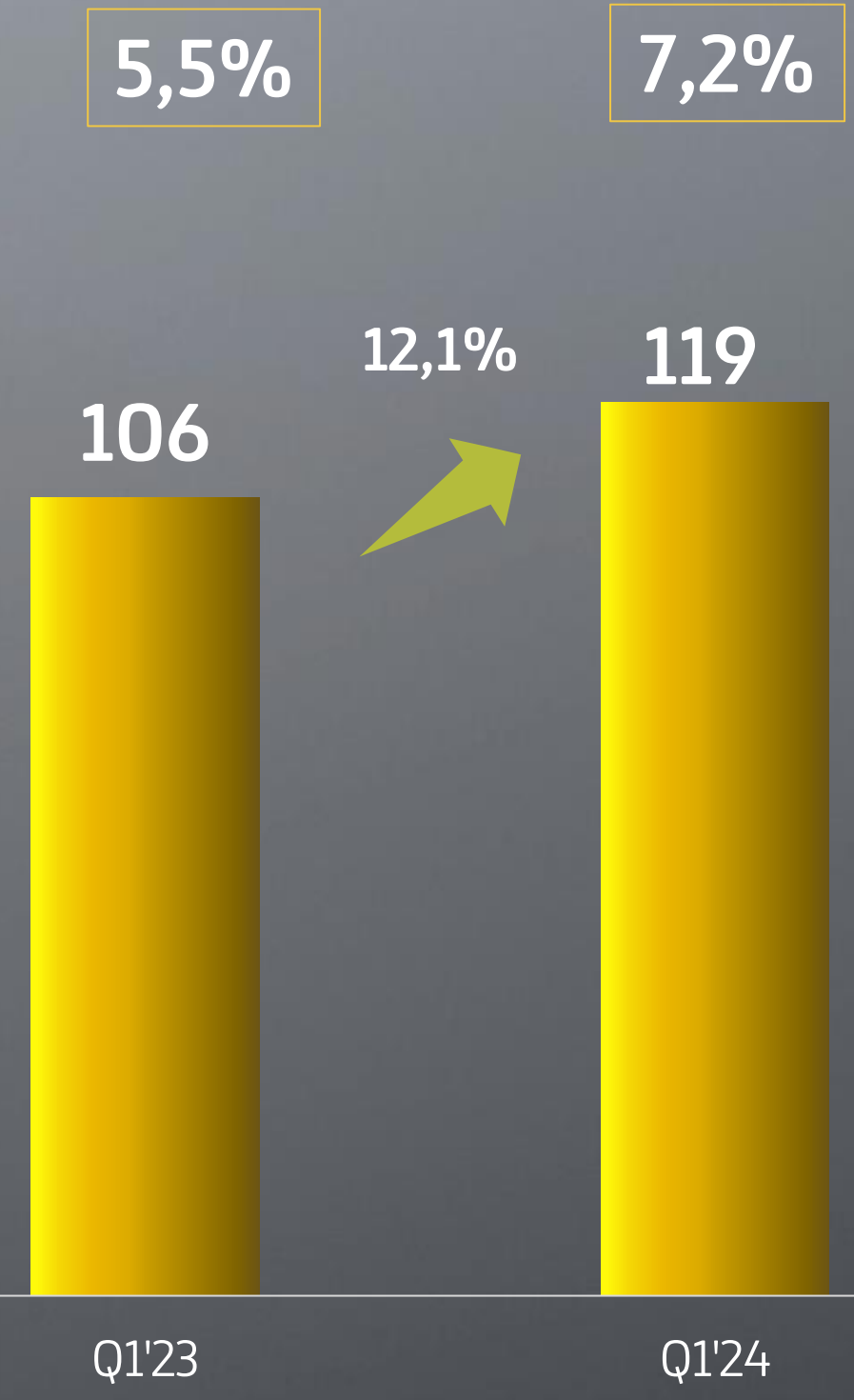
Revenues  
(MPLN)



EBIT  
(MPLN)



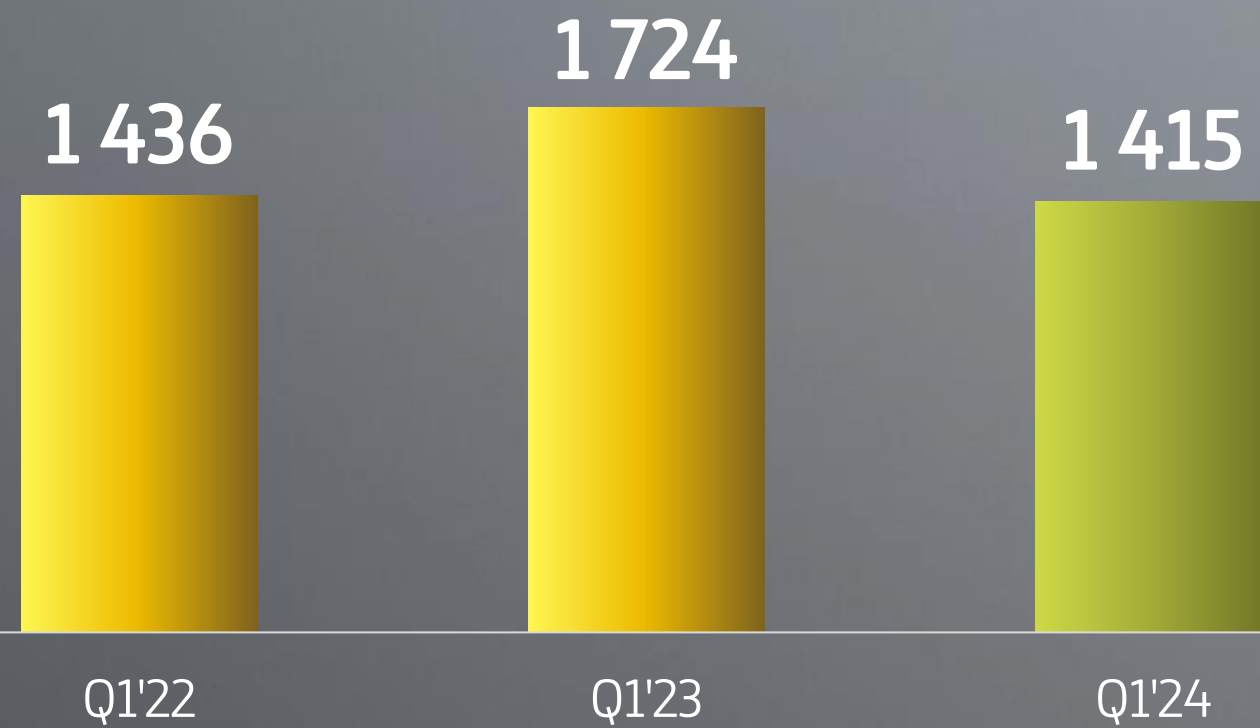
Net profit\*  
(MPLN)



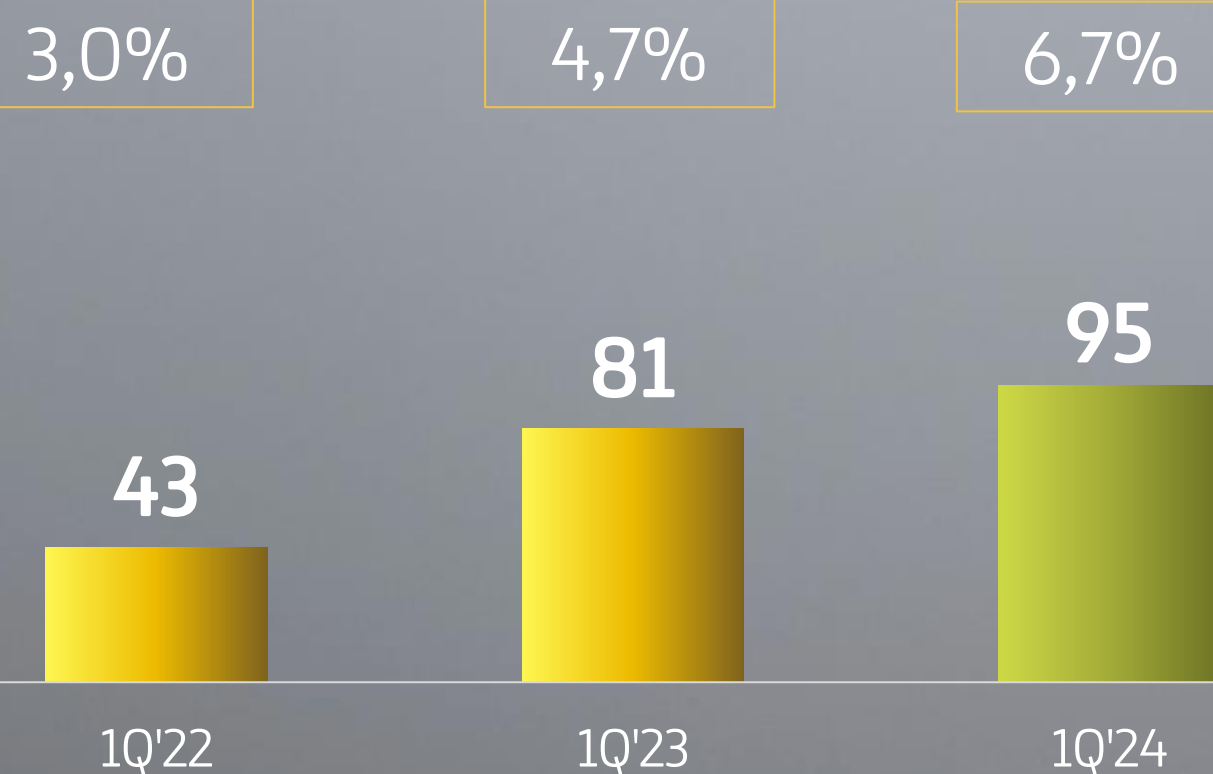
# Financial results by segment

## Construction segment

Revenues (MPLN)



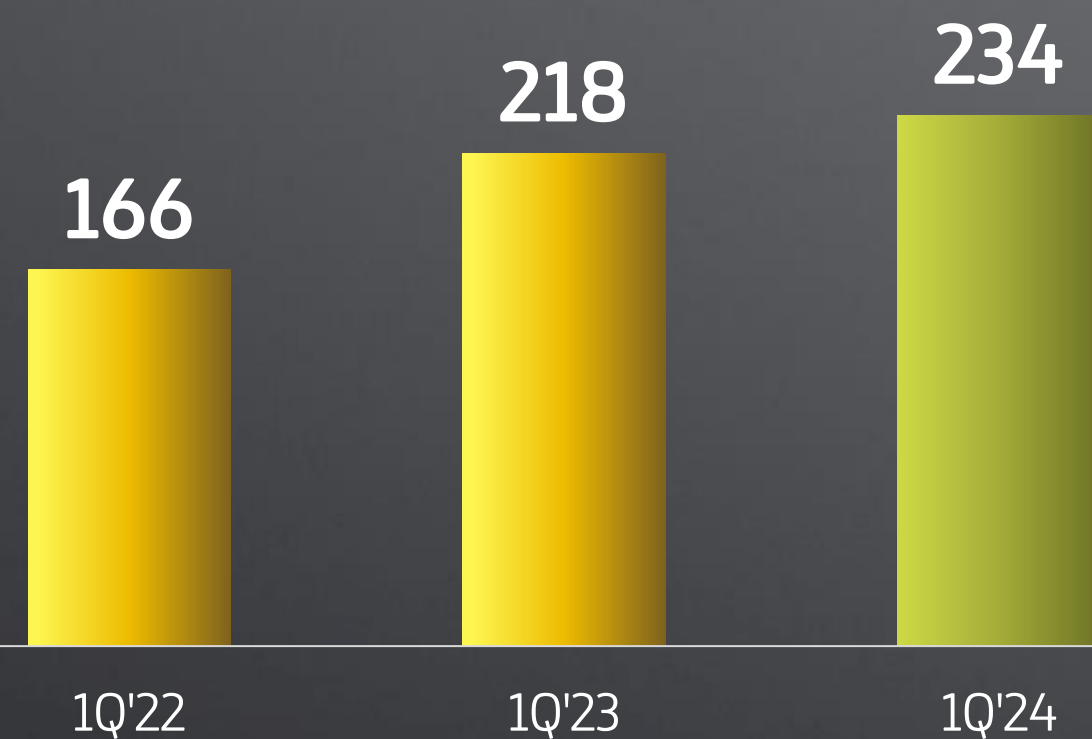
EBIT (MPLN)



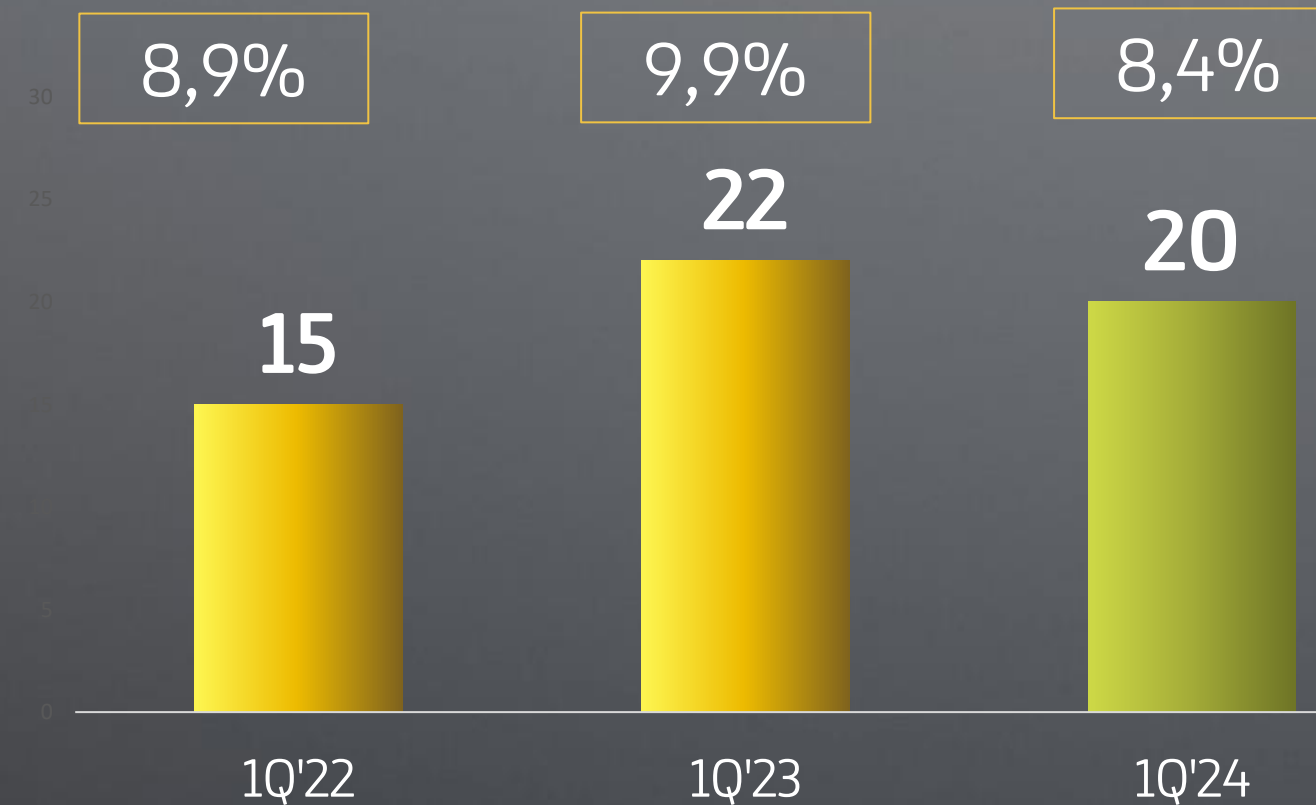
The scale of sales revenues in Q1'24 in the construction segment was noticeably lower than in the same period last year. The decline in sales resulted mainly from the negative weather conditions and calendar effect.

## Service segment\*

Revenues (MPLN)



EBIT (MPLN)



The operating profitability of the construction segment was 6,7% (vs 4,7% in the same period of 2023). The improvement in profitability is particularly noticeable in the construction segment (completion of challenging contracts and a "healthy" current backlog).

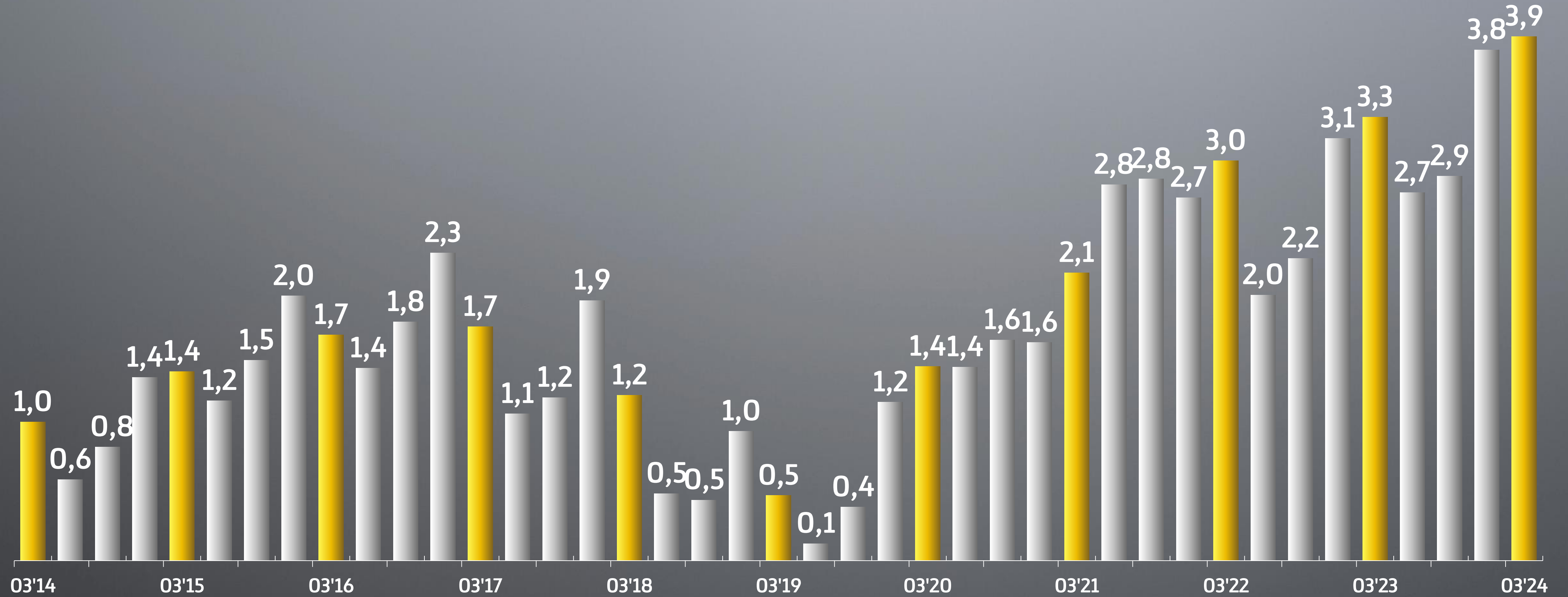
The service segment generated sales revenues of 234 M PLN with a profitability of 8,4%.

\* The revenues of the service segment also include the activities of companies from the RES and Budimex Parking Wrocław



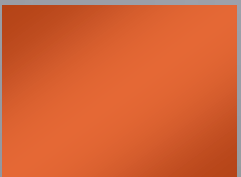
# Evolution of the net cash position

Net cash position in Budimex Group (bn PLN)

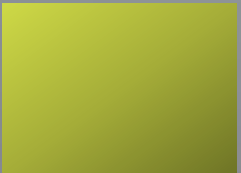


# Budimex Group dividend history

Budimex has regularly shared profit with shareholders for 15 years

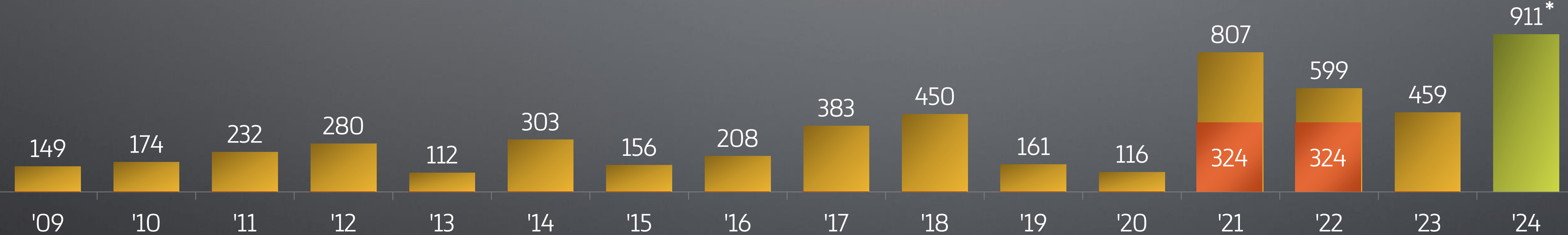


In 2021, Budimex paid a dividend from the 2020 profit and an advance dividend for 2021, which included the profit from the sale of Budimex Nieruchomości shares.



\*Recommendation of the Management Board, which includes the payment of the entire net profit for 2023 (749 M PLN) and part of the supplementary capital created from profits from previous years (162 M PLN).

PLN/share



Total dividend in M PLN

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**Backlog & contracting**

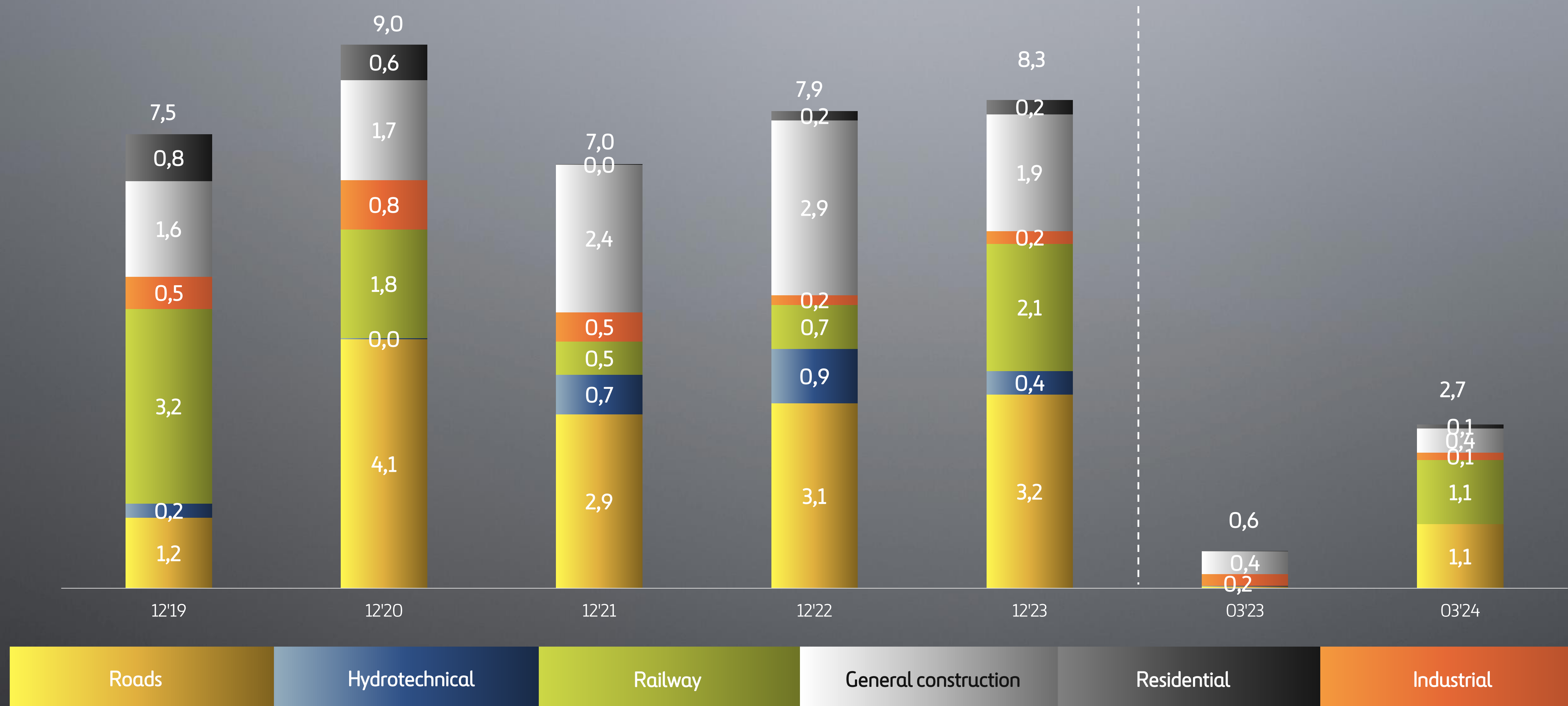
FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG

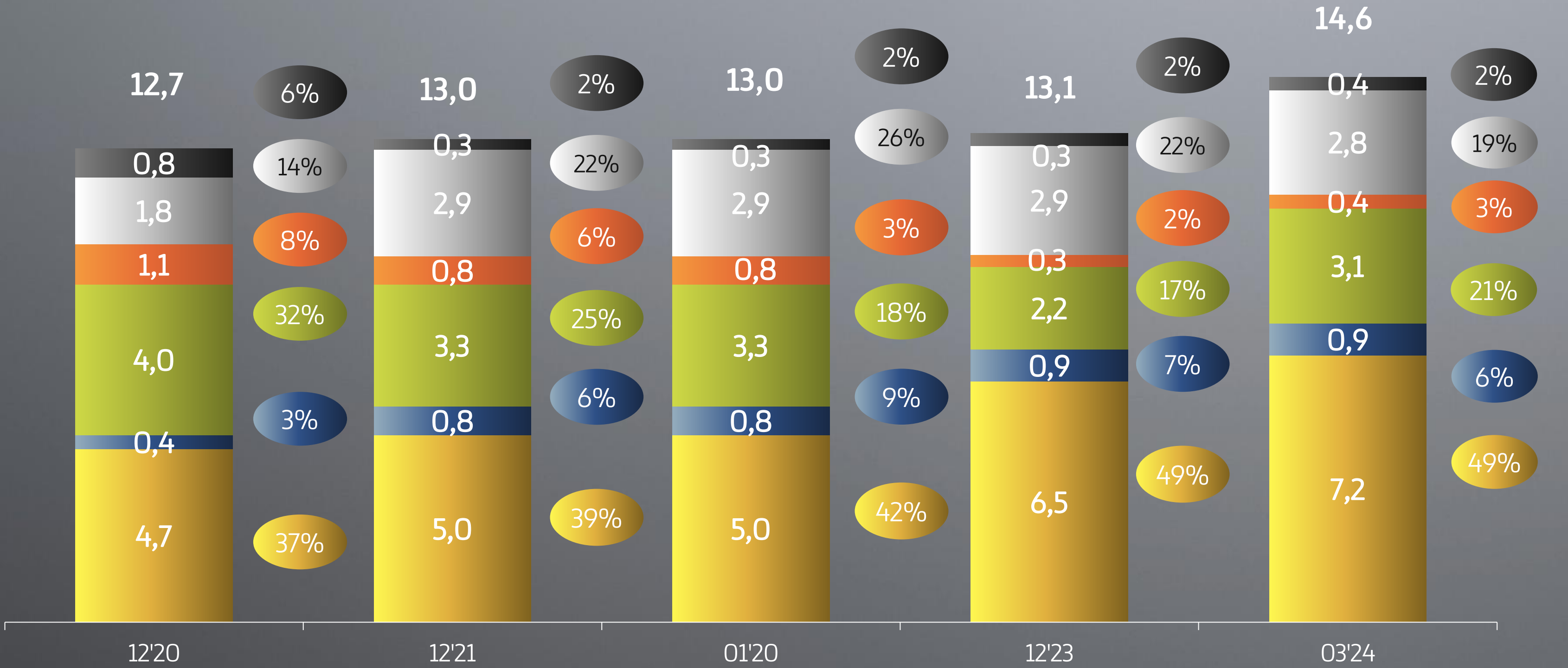


# Signed contracts (bn PLN)

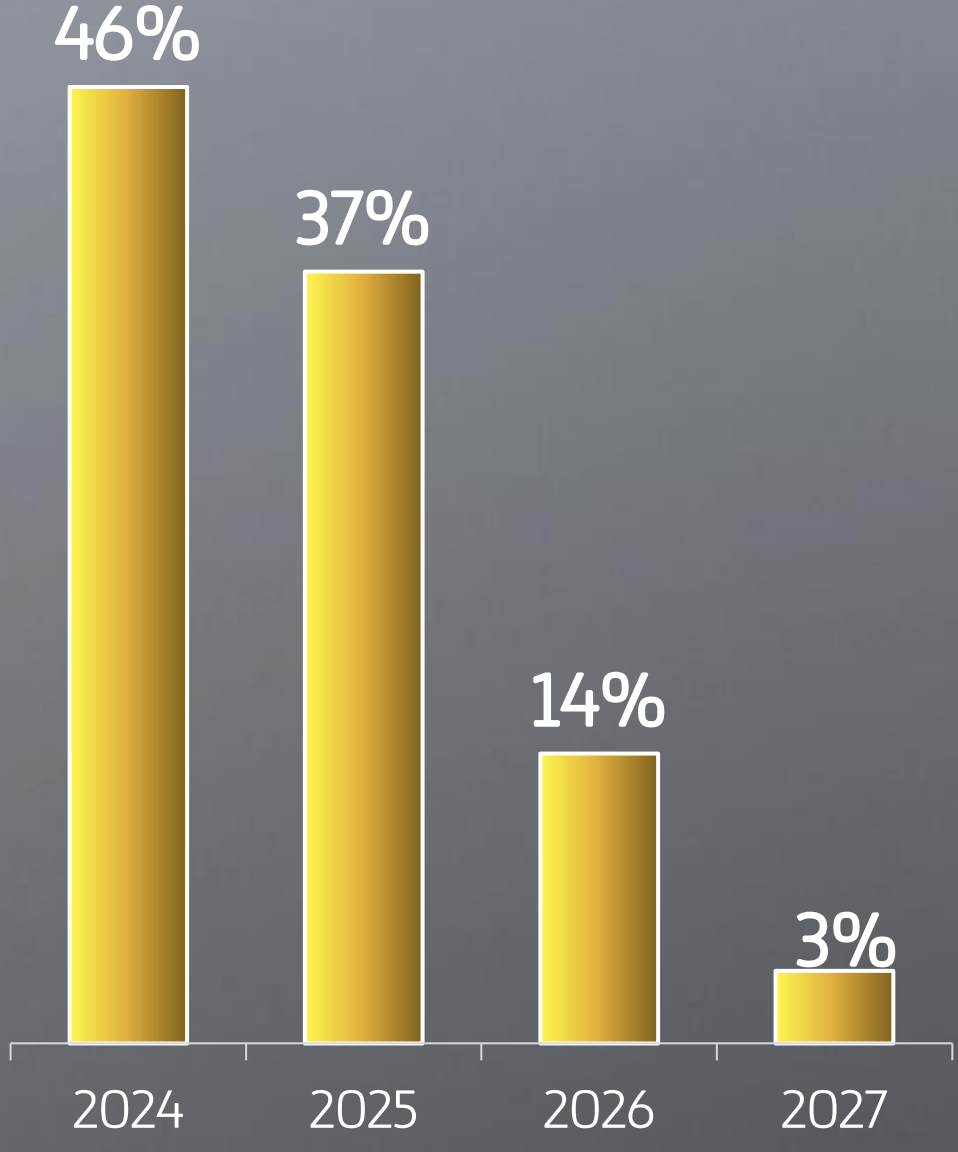


# Backlog (bn PLN)

220 active contracts at the end of 2023



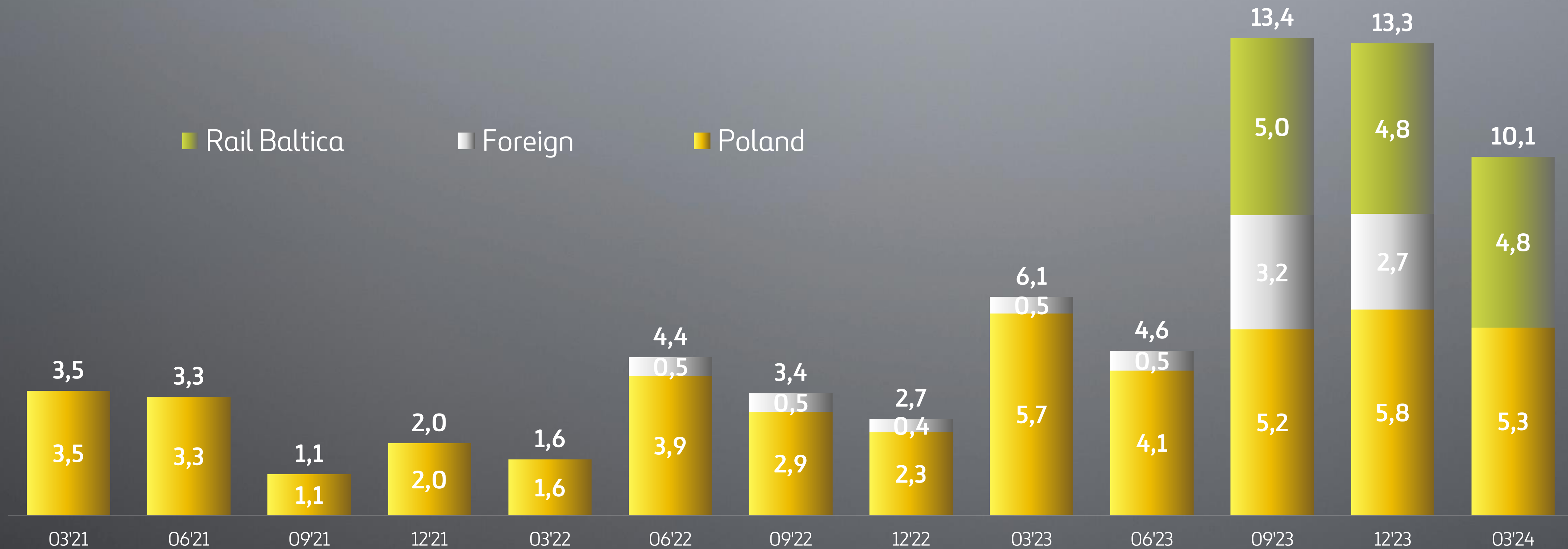
## Maturity of backlog (%)\*



\* Backlog and its maturity do not include Rail Baltica

# Contracts pending with the greatest potential in years

Contracts pending (bn PLN)



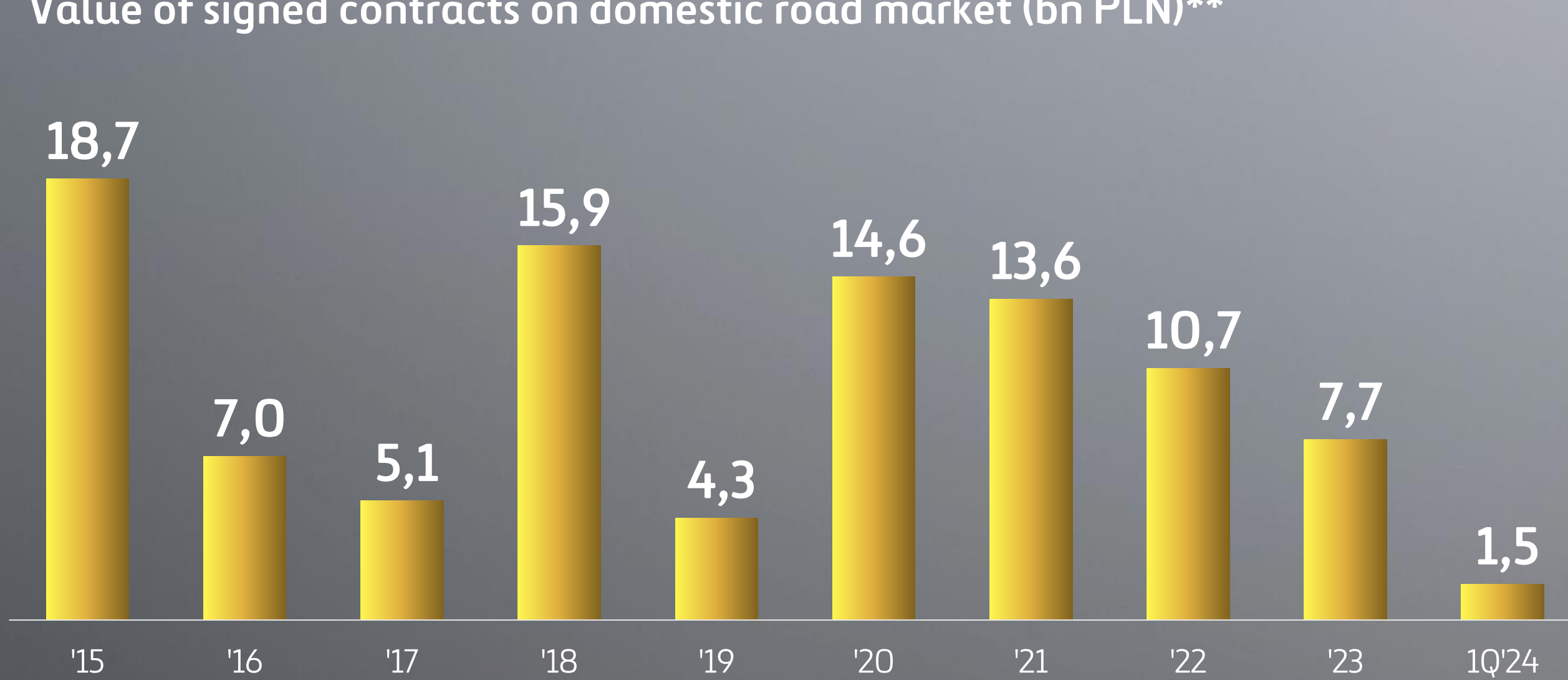
The value of the Rail Baltica contract is influenced by the EUR/PLN exchange rate. Moreover, the contract will be recognised in the backlog in stages. The rest will remain pending.



In the first quarter of 2024 a D35 contract was signed in the Czech Republic and the selection of the D11 offer in Czech Republic, worth 2 bn PLN, was invalidated.

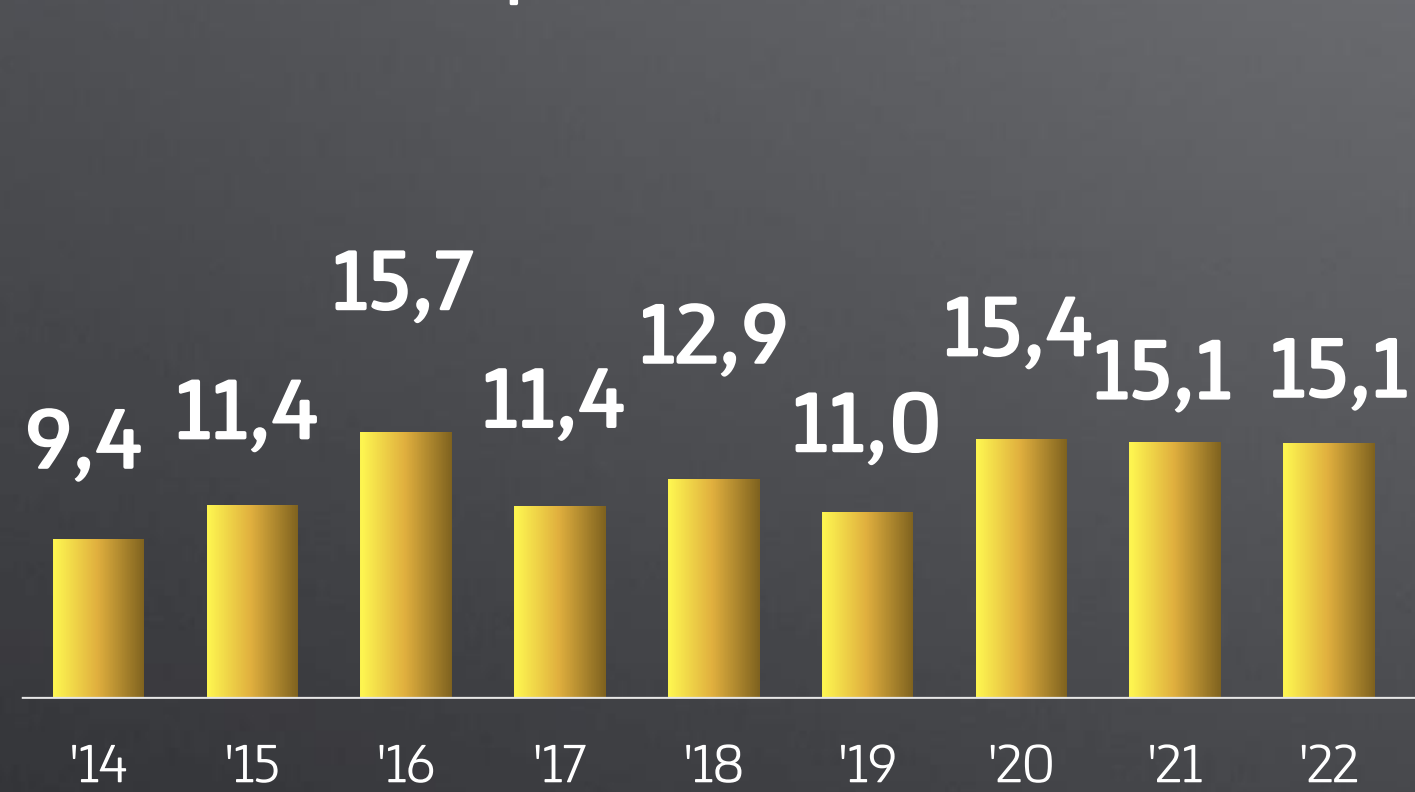
# Road market

Value of signed contracts on domestic road market (bn PLN)\*\*

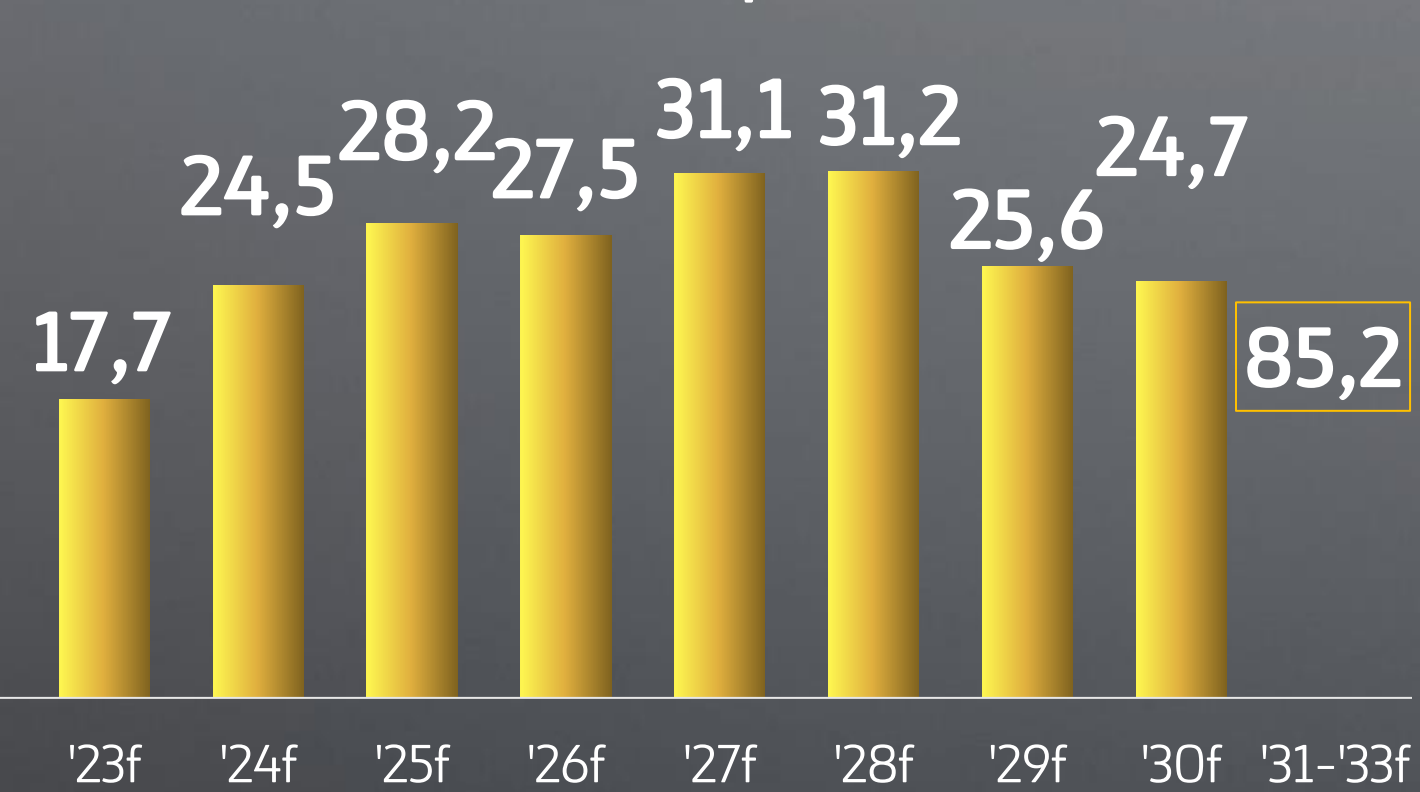


- In the first quarter of 2024, GDDKiA announced 6 tenders worth 1,1 bn PLN (vs 2 tenders in the first quarter of 2023 worth 0,3 bn PLN)
- Budimex submitted the lowest offer in 10 competitions for a total amount of over 3,5 bn PLN
- In the first quarter of 2024, GDDKiA signed 3 contracts out of the tenders announced in 2023

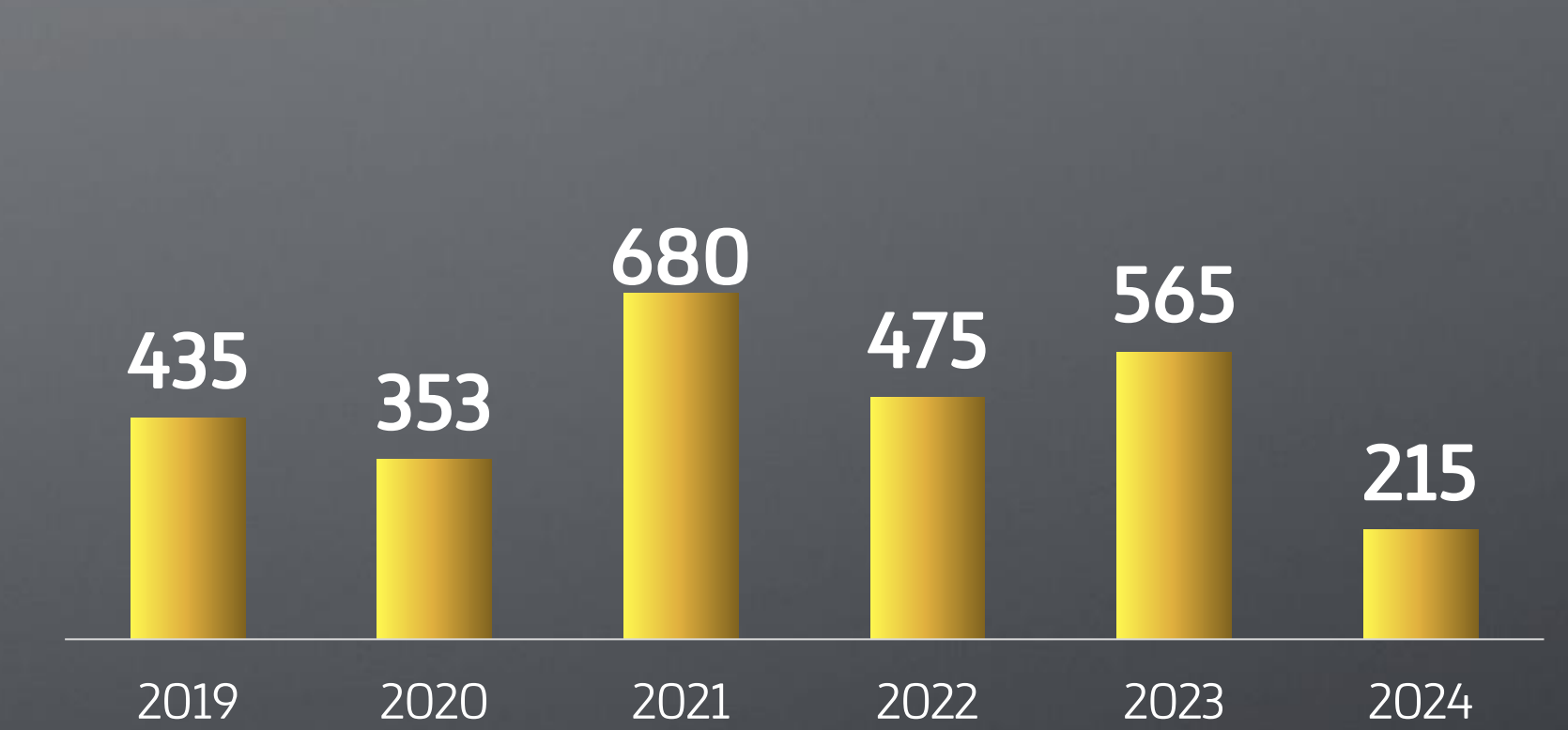
Investment expenses (bn PLN)\*



Planned investment expenses (bn PLN)



Planned tenders to be announced (km)

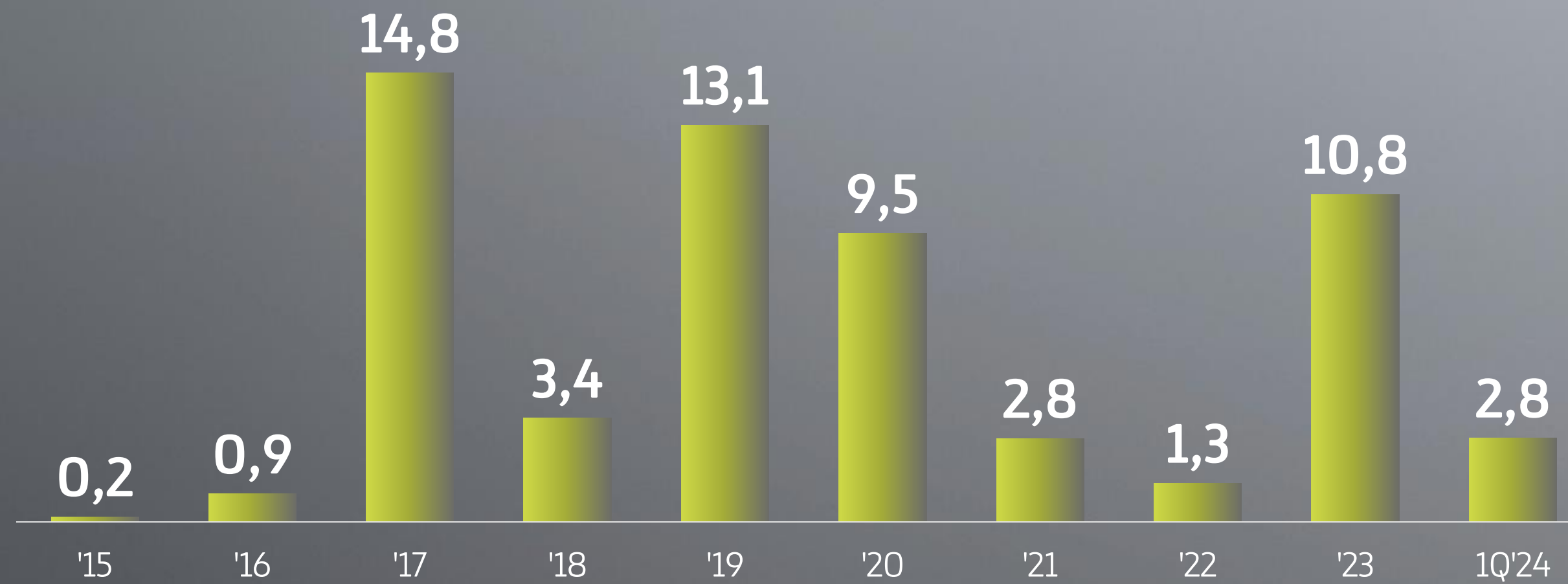


Source: GDDKiA

\*\*The data concerns significant orders above 100 M PLN

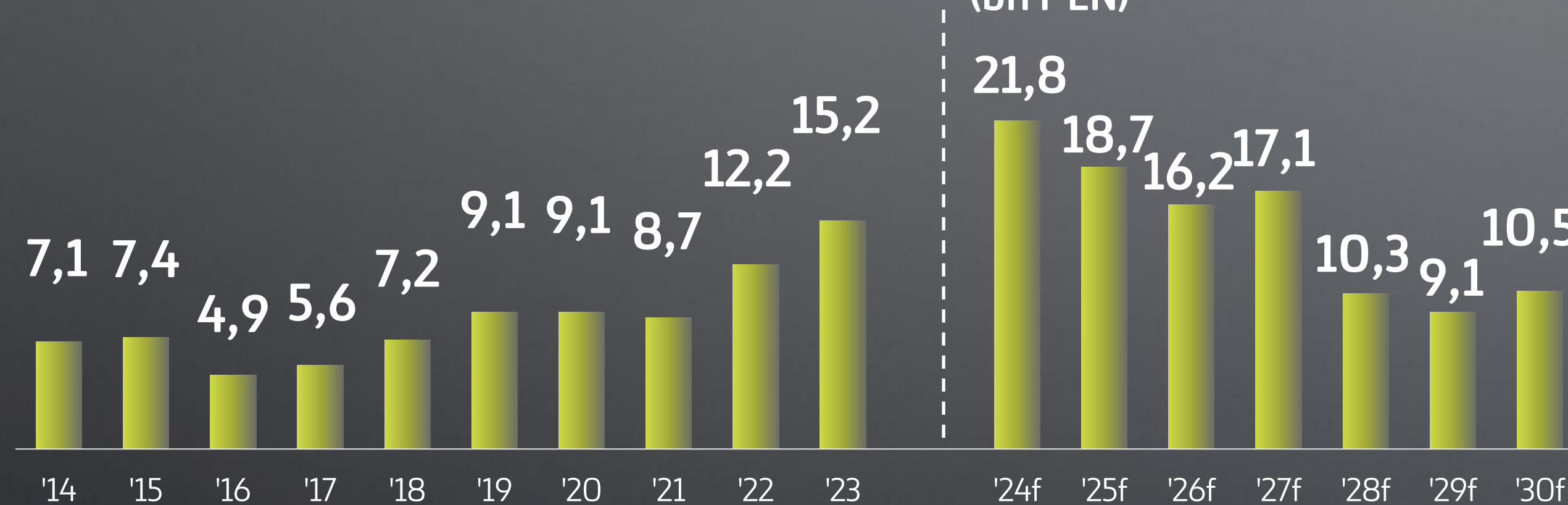
# Railway market

Value of signed contracts on domestic railway market (bn PLN)\*



- In 2023, PKP PLK announced an amount of around 10 bn PLN and signed contracts worth 10,8 bn PLN.\*
- In first quarter of 2024 PKP PLK signed contracts worth 2,8 bn . \*
- Since 2023, Budimex has signed contracts worth nearly 2,6 bn PLN ( 1,3 bn PLN in 2023 and 1,25 bn PLN in 2024)

Investment expenses (bn PLN)



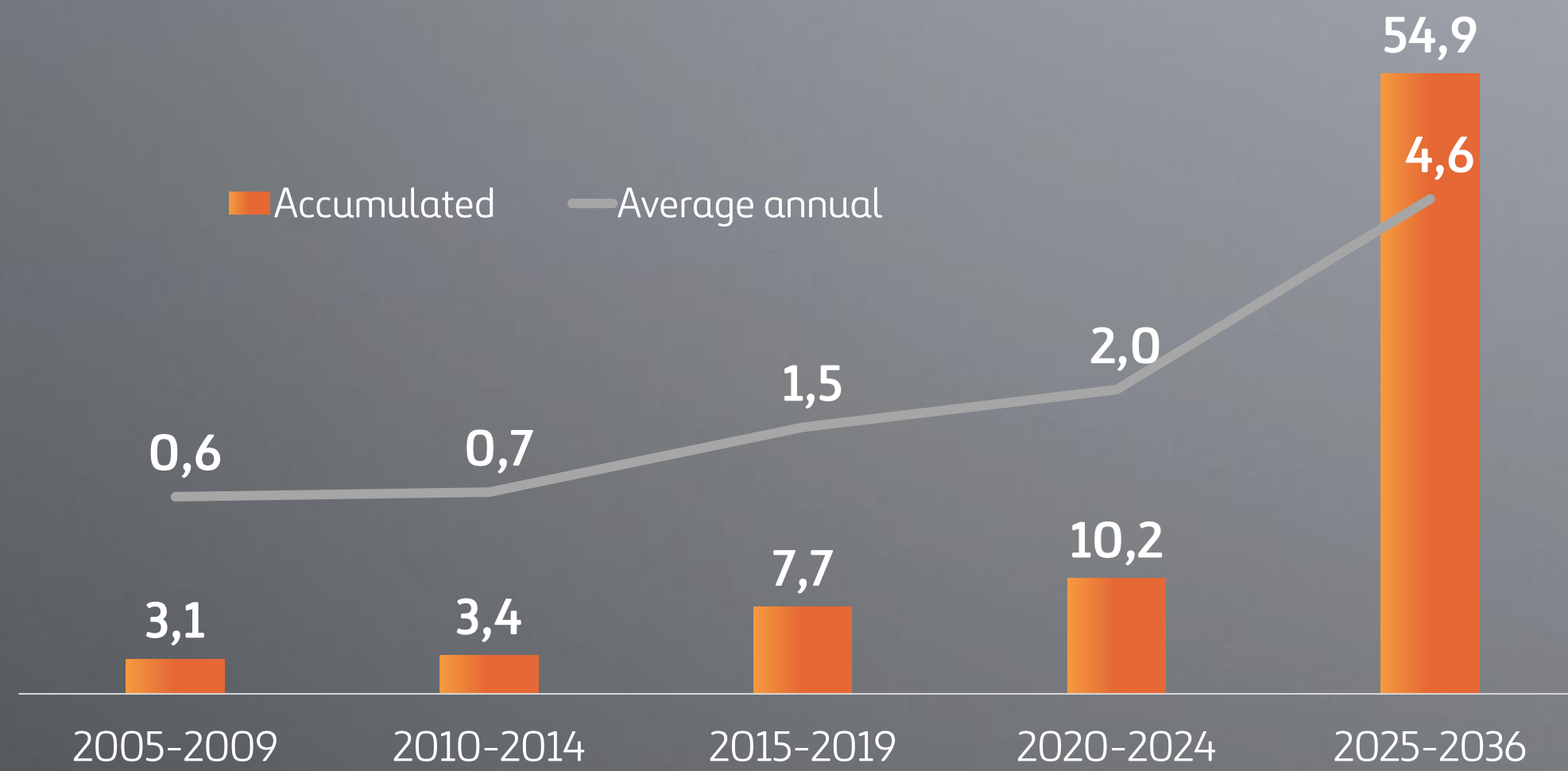
Źródło: PLK

Data concerns significant orders above 100 M PLN

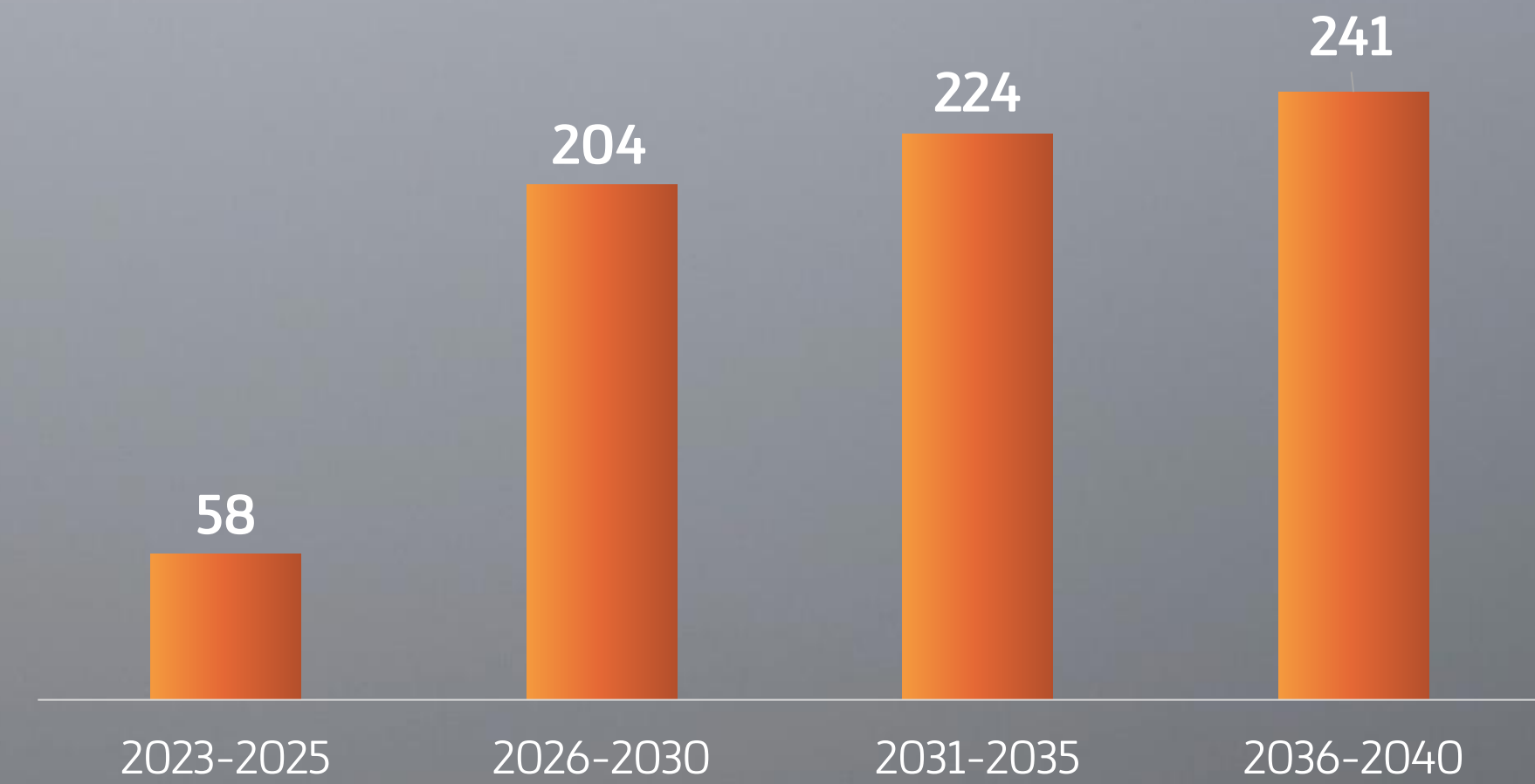


# Energy segment with good prospects

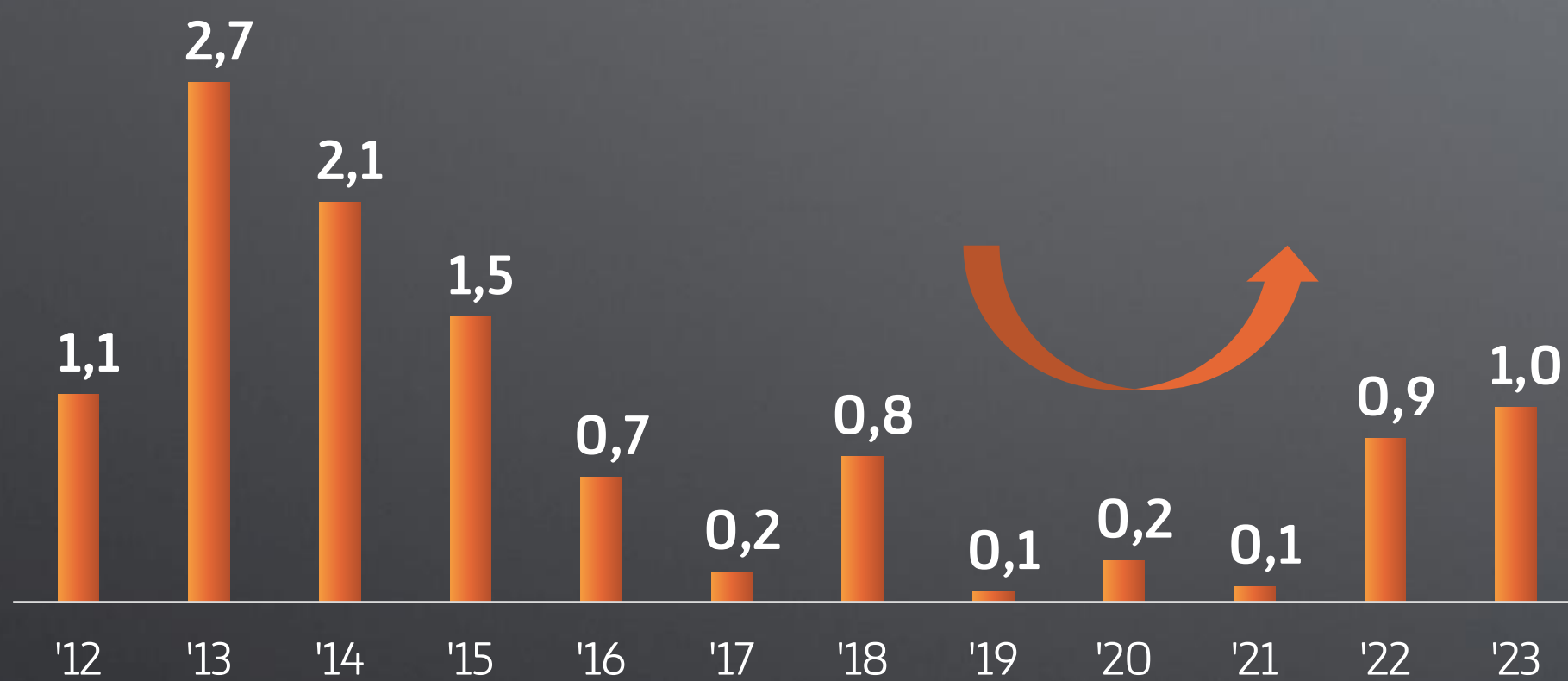
## Capital expenditures PSE (bn PLN)



## Capital expenditures PEP2040 (bn PLN)



## PSE – signed contracts (bn PLN)



● Budimex with the most advantageous offer for the development and modernization of the Piła Krzewina station along with the connection of the 400 kV Piła Krzewina-Plewiska line operating at 220 kV to 400 kV.

● Budimex goal is to rebuild its backlog to 1,0 bn PLN

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Backlog & contracting

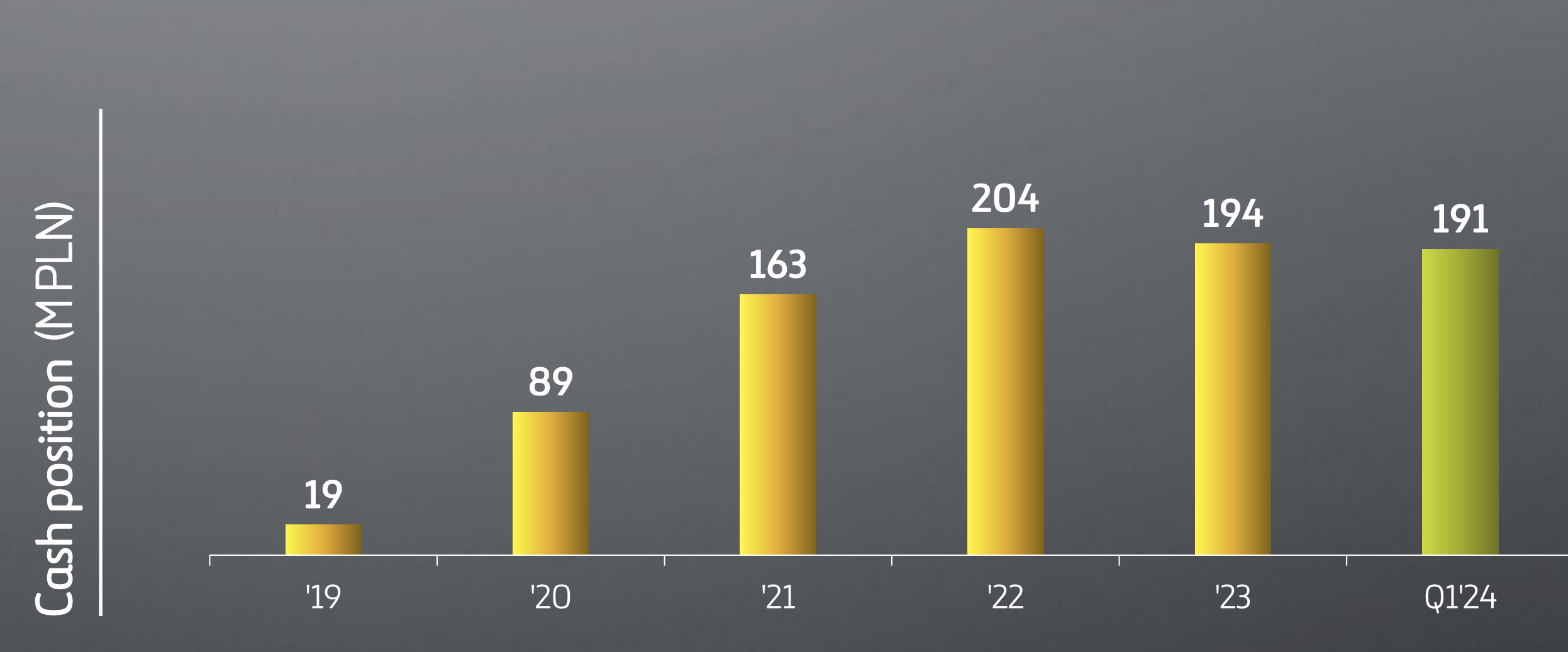
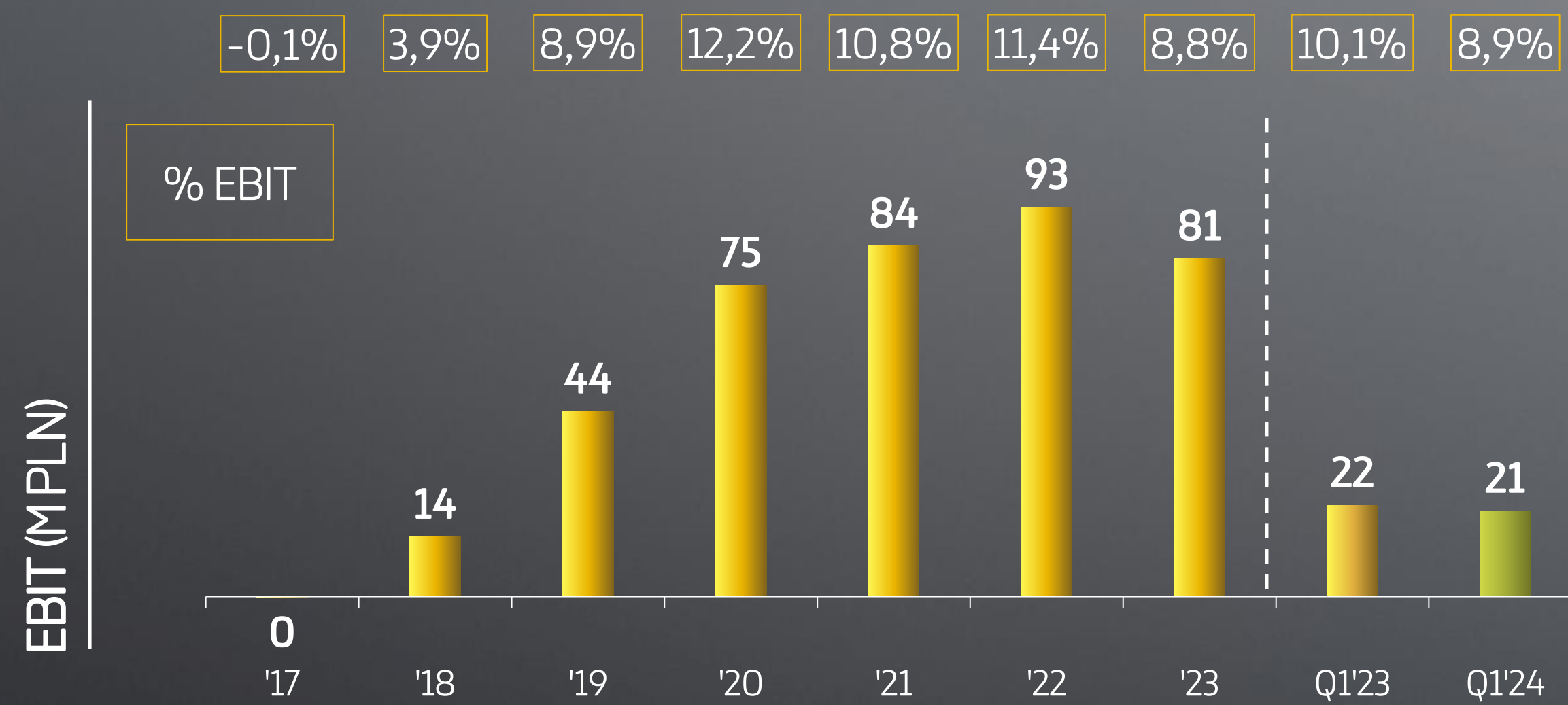
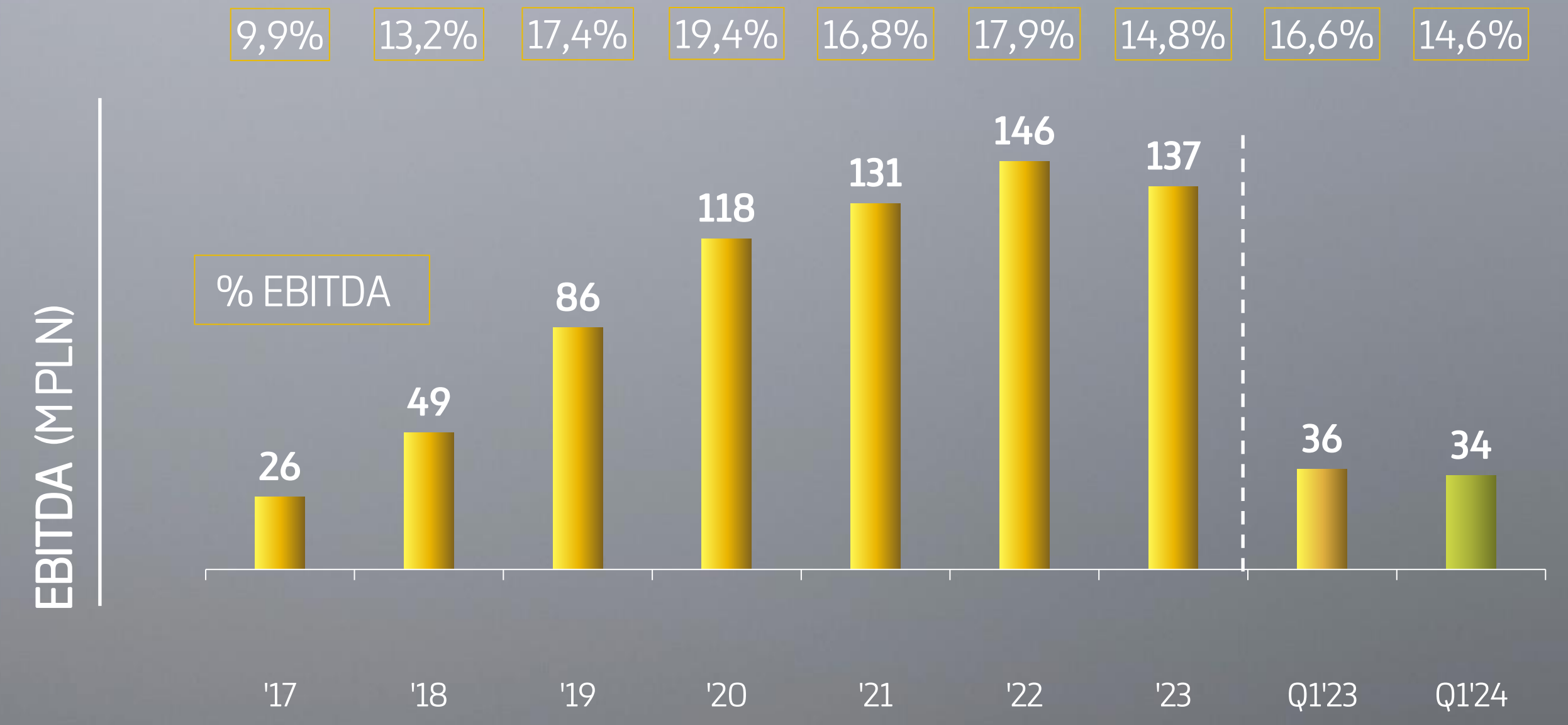
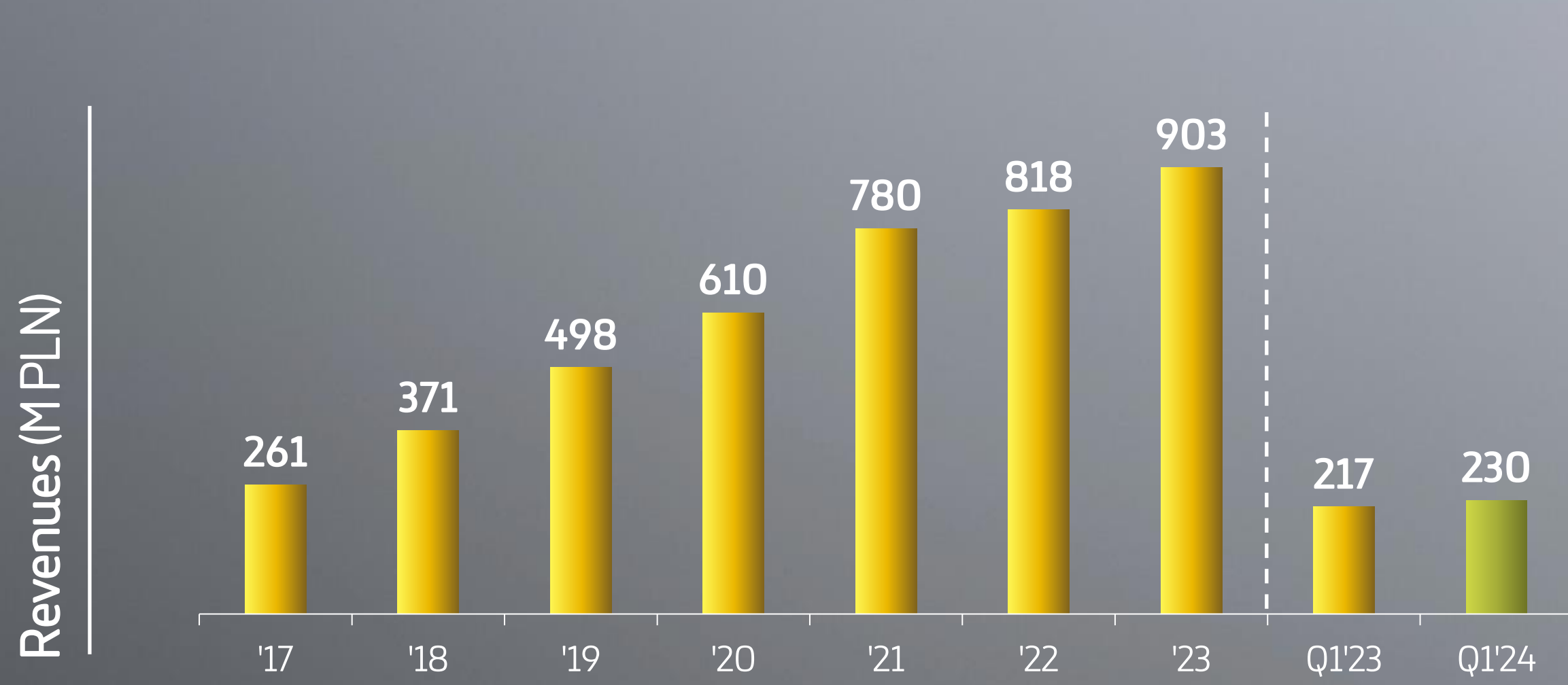
**FBSerwis & Mostostal Kraków**

Market and outlook

CSR & ESG



# FBSerwis – financial results



\*\*Net cash since the consolidation 100% of FBSerwis shares

# Key activities in recent months

**Submitting the lowest offer for two tasks in the GDDKiA tender for year-round road maintenance in Kielce and the surrounding area in 2024-2028:**

- Task 1: FBSerwis offer: 85,5 M PLN net
- Task 2: FBSerwis offer: 79,7 M PLN net

Both offers were rated the highest and no appeals were received. The company is waiting for the contract to be signed

**Submitting the lowest offer for two task in GDDKiA tender for year-round roads maintainance in the Puławy area in 2024-2028:**

- FBSerwis offer: 44,8 M PLN net (basic order) –numer of offers: 5, date of submission: 30.04.2024

**Submitting the lowest offer for 3 parts of ZDW tender in Katowice for year-round roads maintainance in Puławy area in 2024-2027:**

- FBSerwis offer in total: 23,55 M PLN net, numer of offers: 10, date of submission: 26.04.2024

**Submitting the lowest offer in tender for collection and management of municipal waste from real estate in the Środa Śląska:**

- FBSerwis offer: 25 M PLN net (33 months)

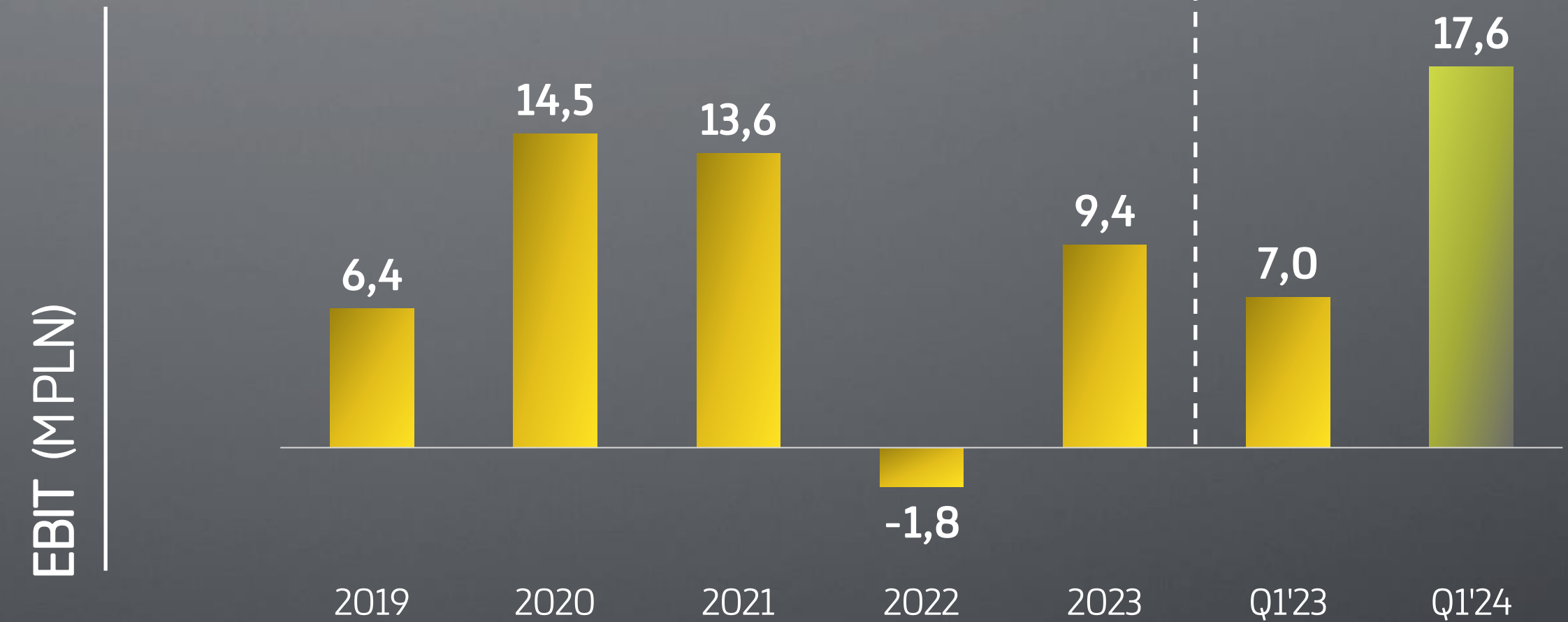
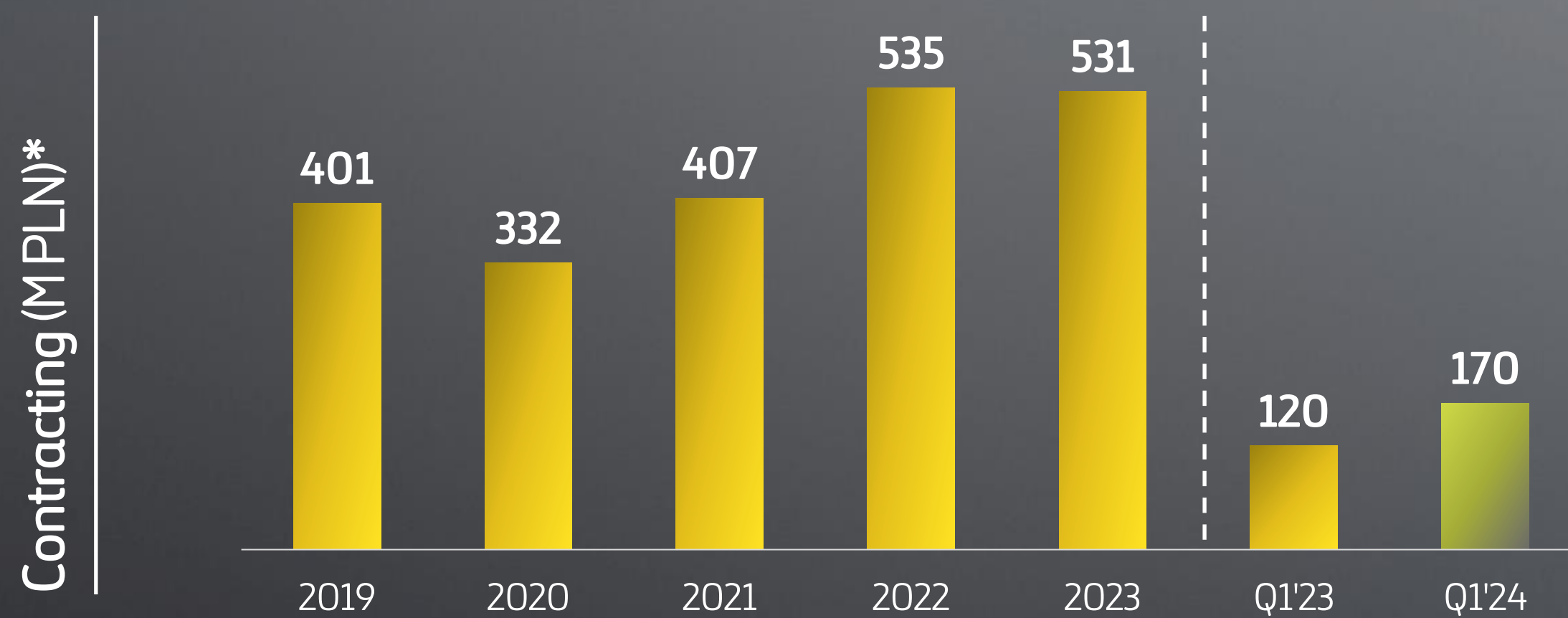
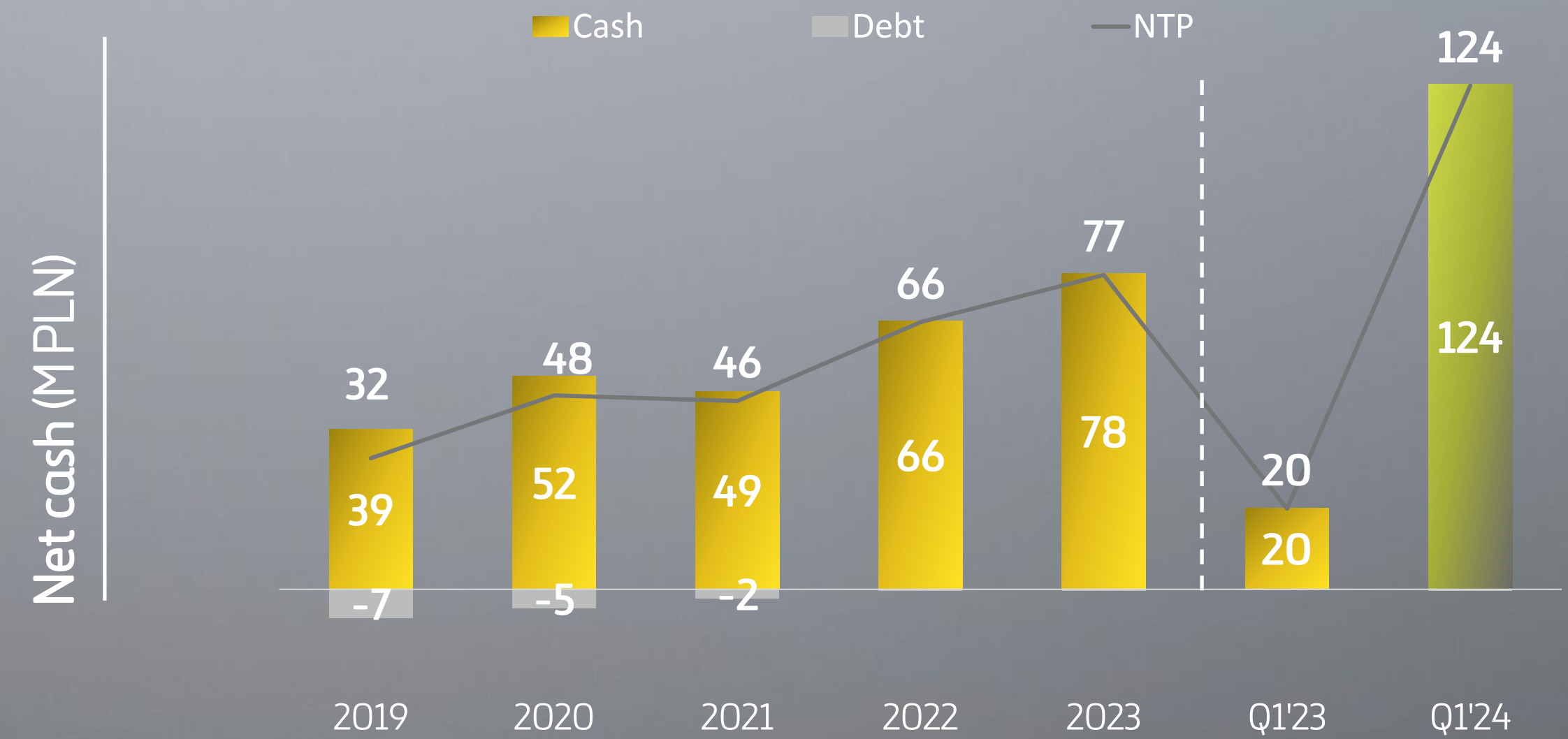
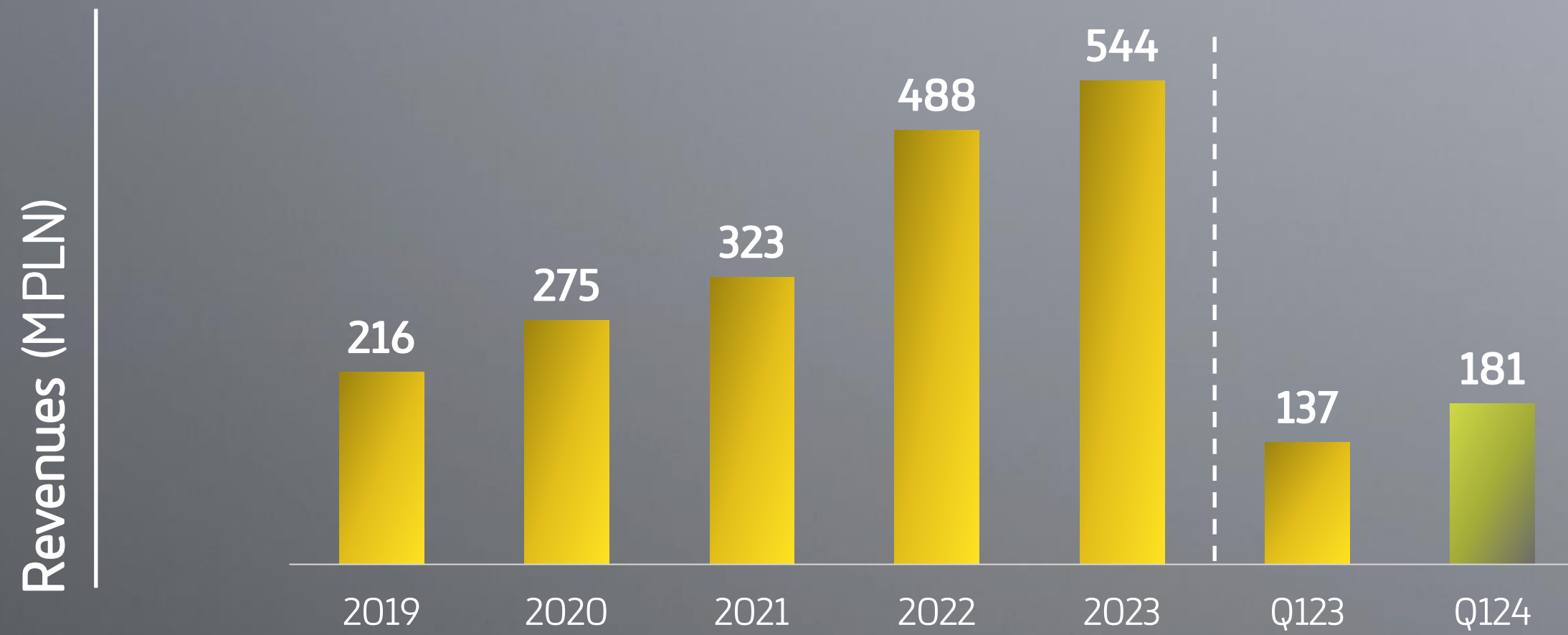
# Development directions in the waste segment

FBS intends to invest in strengthening its position by modernizing its assets.

FBS intends to invest in the development of a network of logistics and waste collection bases

FBS intends to invest in new installations processing bio-waste, producing fertilizers from bio-waste, producing RDF with high quality standards for the transforming industry and construction waste processing installations

# Mostostal Kraków – financial results\*\*



\*External and internal contracting.

\*\*The Q1'24 results include both Konstalex and activities on the German market.

**Westinghouse Electric Company announced the selection of seven Polish suppliers to produce large structural modules and a shield building for the country's first nuclear power plant project - among them Mostostal Kraków.**

**Participation in the supply chain for the construction of the first nuclear power plant in Poland was preceded by a number of formal requirements.**

- Qualification surveys, audits and meetings preparing to participate in the supply chain for nuclear projects began almost 3 years ago.
- In January 2022, a strategic memorandum of cooperation was signed.

**We are entering the next phase of the Westinghouse supplier development and qualification process. This includes the development of appropriate technical and quality characteristics, as well as contracts for production mock-ups for the AP1000® project at the Lubiатовo-Kopalino plant in Pomerania and other future European projects.**

- Mostostal Kraków is actively working with Westinghouse and Bechtel in preparing an offer for the production and delivery of structures for the first Polish nuclear power plant.
- In cooperation with WEC, we are implementing the required certification - the process will last for the next 18 months, and at the same time we are implementing a mock-up and the necessary technical and workshop documentation for specific areas.



# Agenda

Macroeconomic background

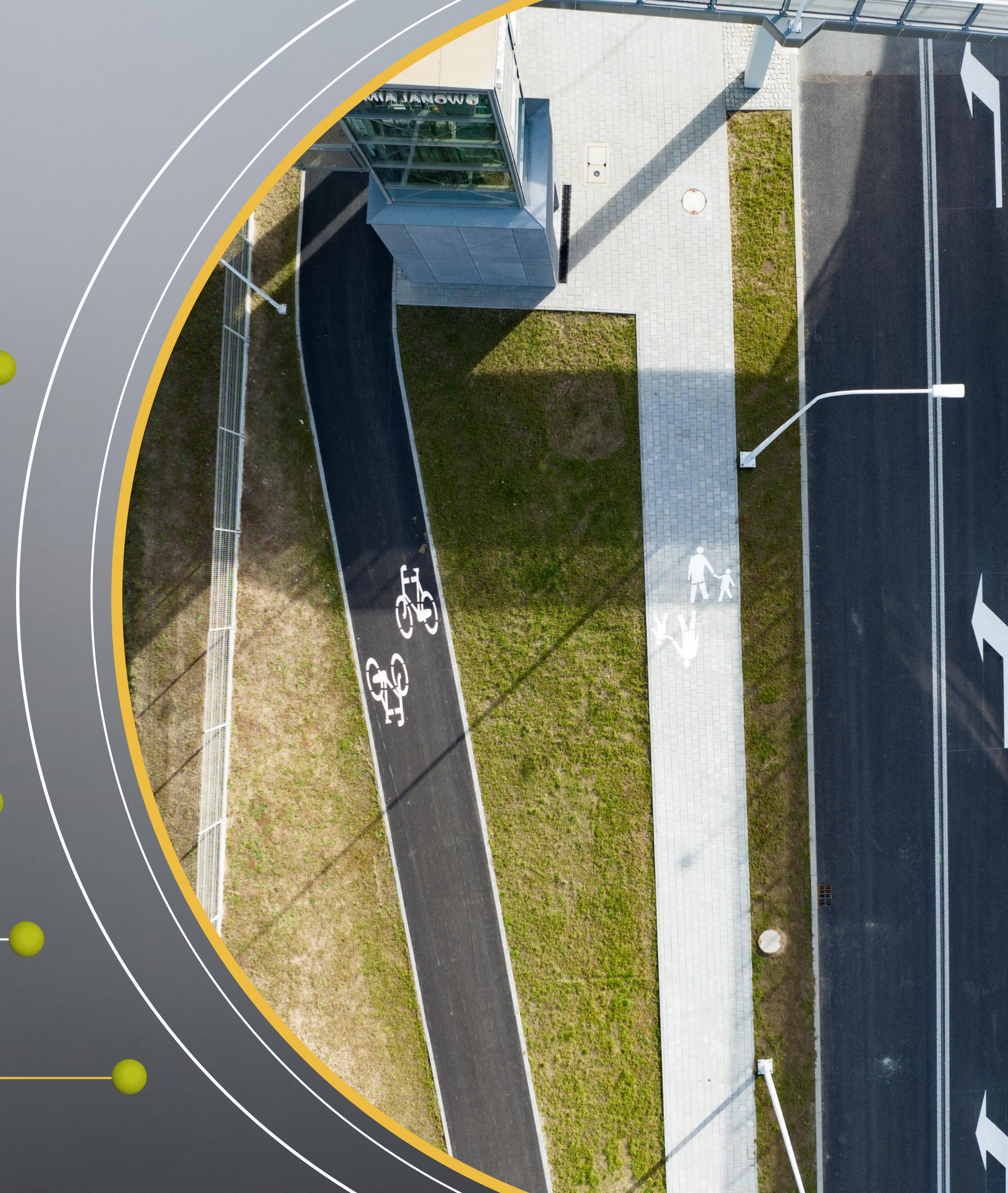
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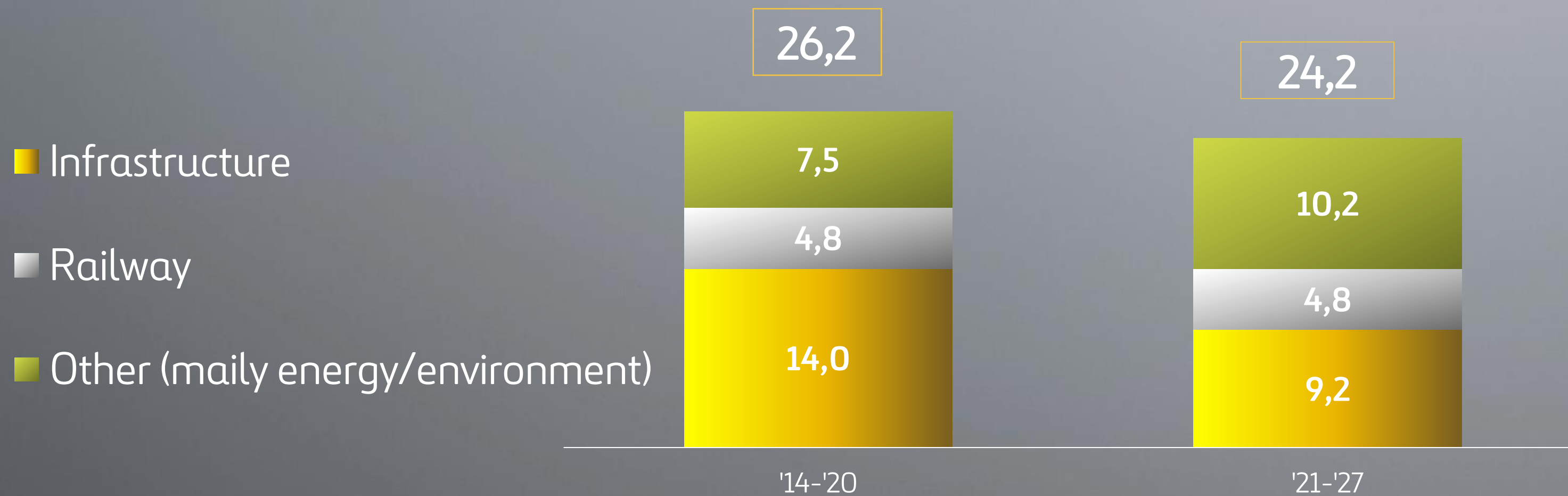
**Market and outlook**

CSR & ESG

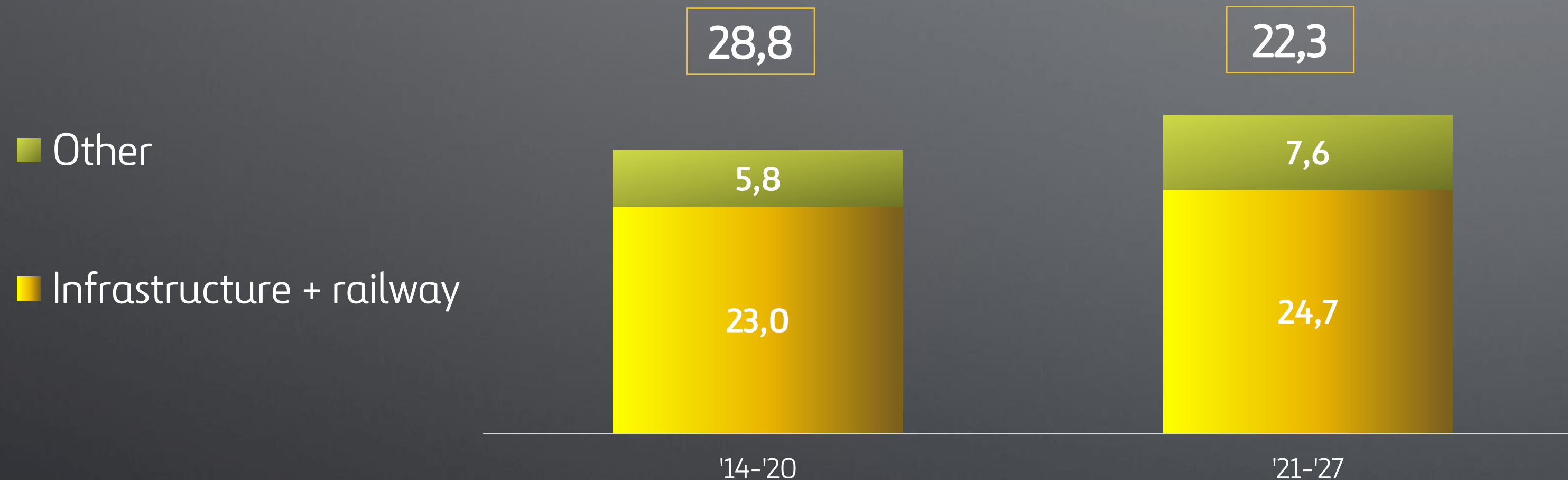


# Cohesion Fund & CEF Programme (bn EUR)

European Funds for Infrastructure, Climate, Environment 2021-2027 (FENiKS) programme (bn EUR)



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



Poland remains the largest beneficiary of the Cohesion Fund

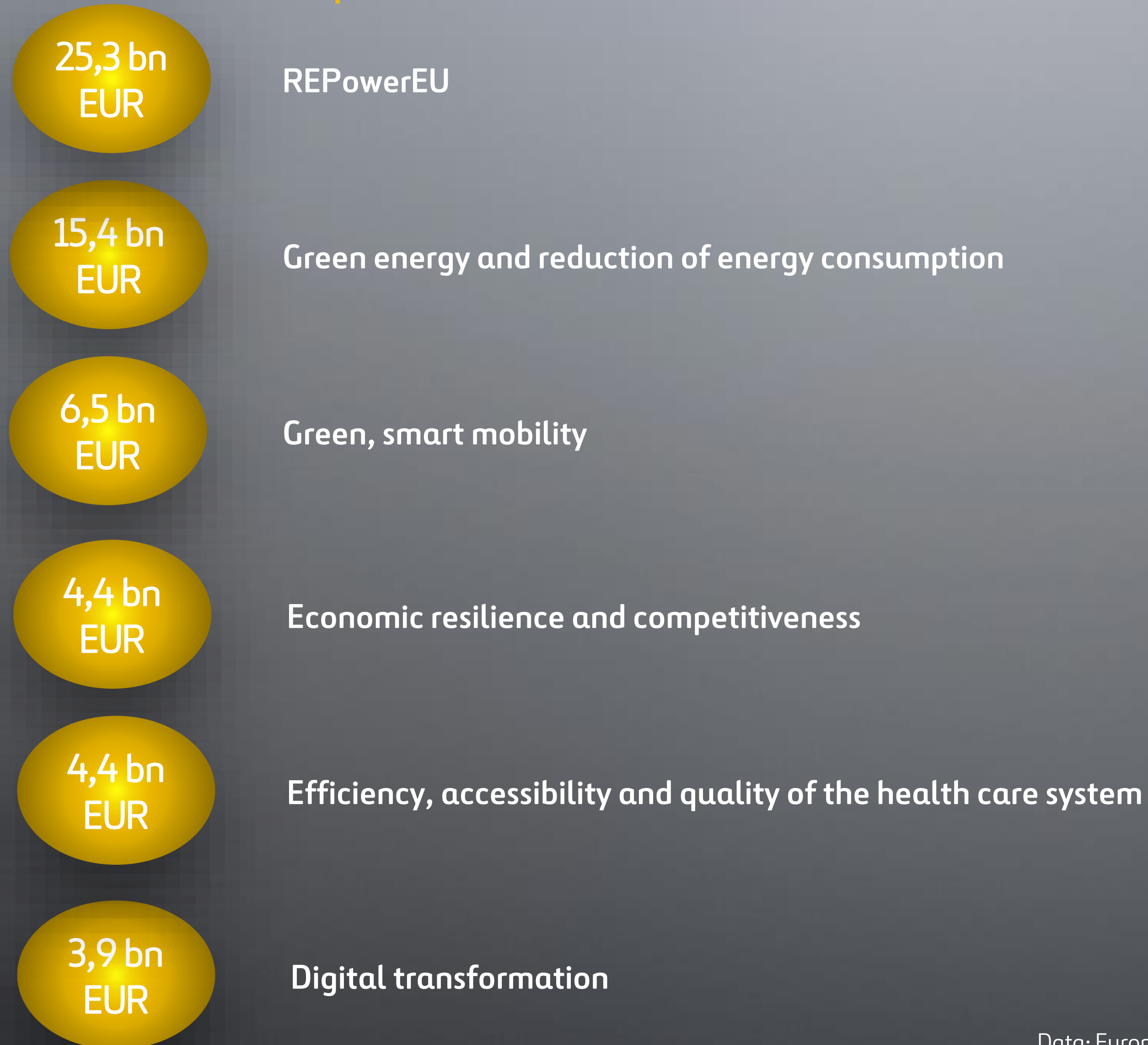
Poland met the last three conditions necessary for the full mobilization of structural funds - 76 bn EUR for the implementation of programs until 2027

≈ 10% of the total CEF amount allocated to Poland



# Recovery Fund (bn EUR)

## Components and their value (bn EUR)



**59,8 bn EUR:**

- 25,3 bn EUR non-repayable grants
- 34,5 bn EUR loans

### Recent actions:

- ✓ Dec'23: first demand for payment of 6,9 bn EUR
- ✓ 5 bn EUR of advance payment received in Dec'23
- ✓ 4 demands for payment to be filled in '24 (up to 23 bn EUR in total)

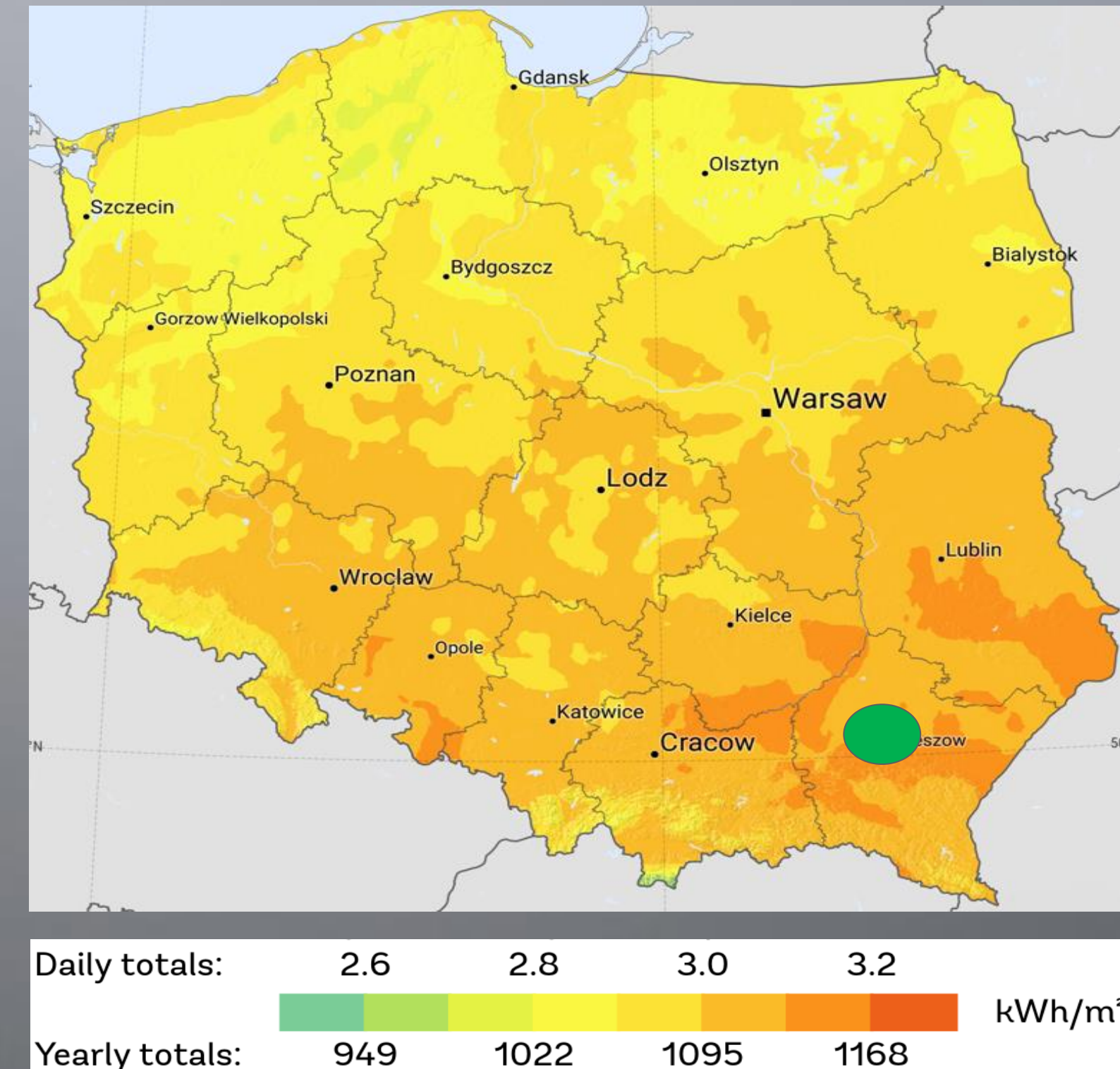
# Purchase of a 60 MW project – Azalia project

The Azalia project provides the construction of a photovoltaic farm with a total capacity of up to 60 MW in the Podkarpackie Voivodeship, near Rzeszów.

The company plans to issue a permit to start the contractor's work in May 2024 in order to launch the power plant in the second half of 2025. The installation contractor will be Budimex

The location conditions allow to estimate the farm's annual production at about 65 GWh.

Total CAPEX 190 M PLN (including purchase of assets). 60-70% debt financing, the rest equity

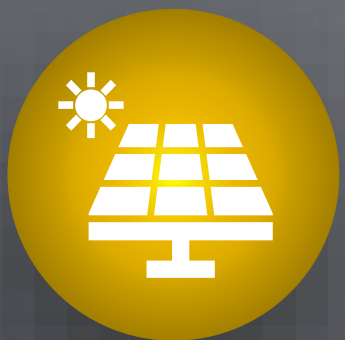


# Investment in Renewable Energy Sources (RES)



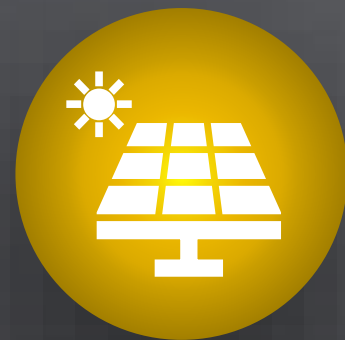
## Magnolia project (2 turbines up to 7 MW):

- the first kWh was produced in September
- current production > 17GWh
- sale of energy in a PPA contract to an external customer



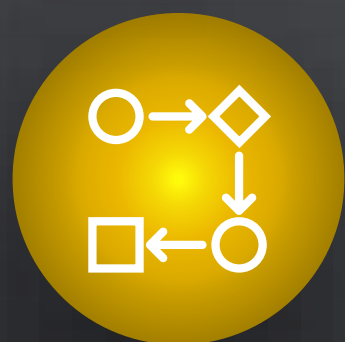
## Kamelia project (14 MW):

- start of construction work
- Planned completion of construction in 2024
- project bought to meet Budimex's needs



## Azalia project (60 MW):

- planned completion of construction in 2025
- location conditions allow to estimate production at 65GWh per year

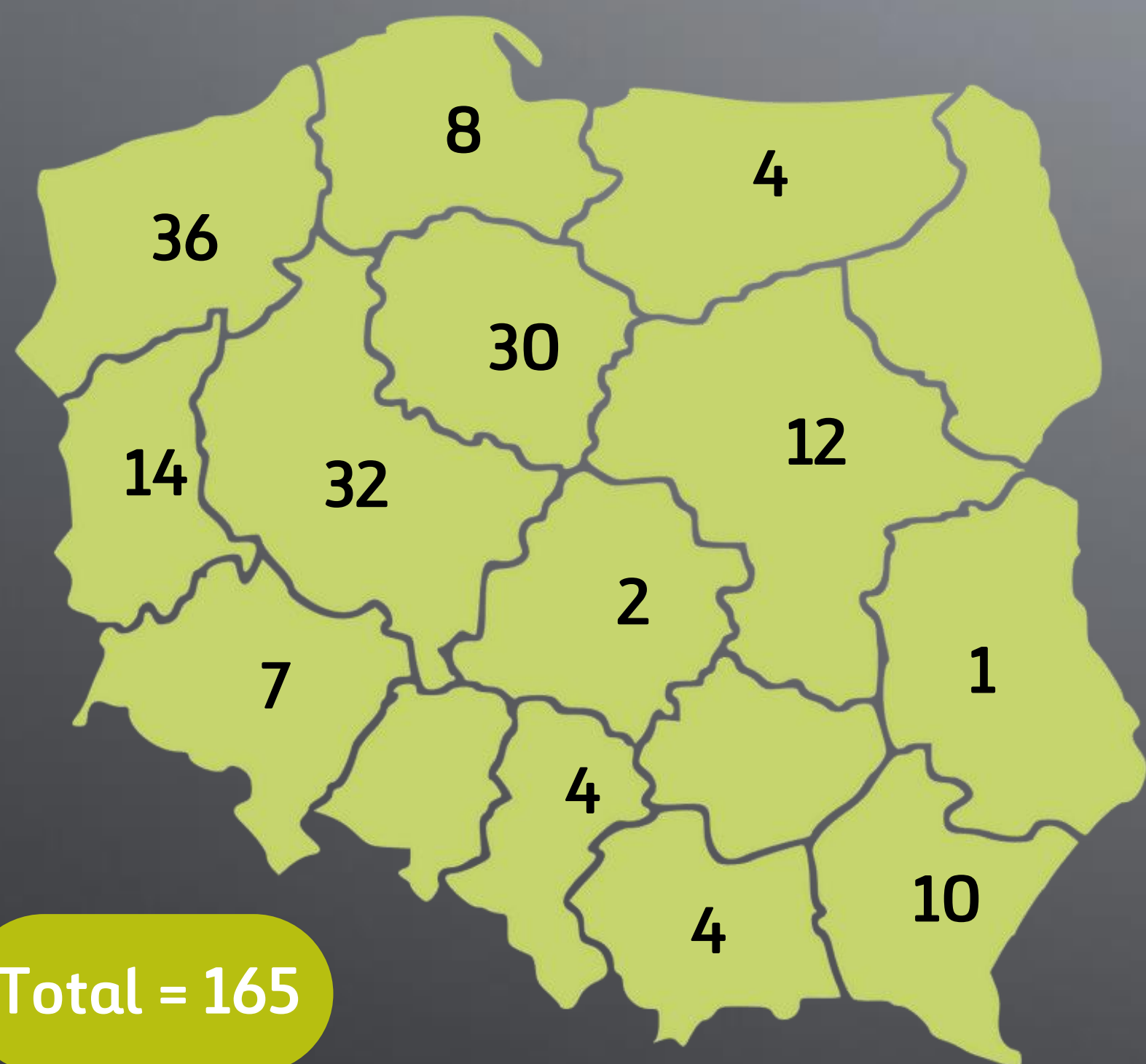


## New projects

- 420MW of PV projects and 410MW of wind projects at various stages of development are analysed

## bxfernergia

- company established by Budimex SA (51%) and Ferrovial Energy Infrastructure (49%)
- responsible for the development of energy infrastructure in the field of RES as an investor
- basing the construction of the backlog on projects developed independently or in cooperation with developers
- supporting the construction of a portfolio at an early stage of activity with M&A transactions of projects ready to build



Total = 165

Running stations divided into voivodeships



**AC**

POWER TO  
22 kW  
standard



**DC**

POWER ABOVE  
30 kW  
fast

- Budimex Mobility have > 160 charging stations in 2024
- By the end of 2026 > 460 stations in major urban centers

# Agenda

Macroeconomic background

Financial results of Budimex Group

Backlog & contracting

FBSerwis & Mostostal Kraków

Market and outlook

**CSR & ESG**



# ESG goals in 2024



Expansion of the management and **supervision system for ESG issues** in the organization

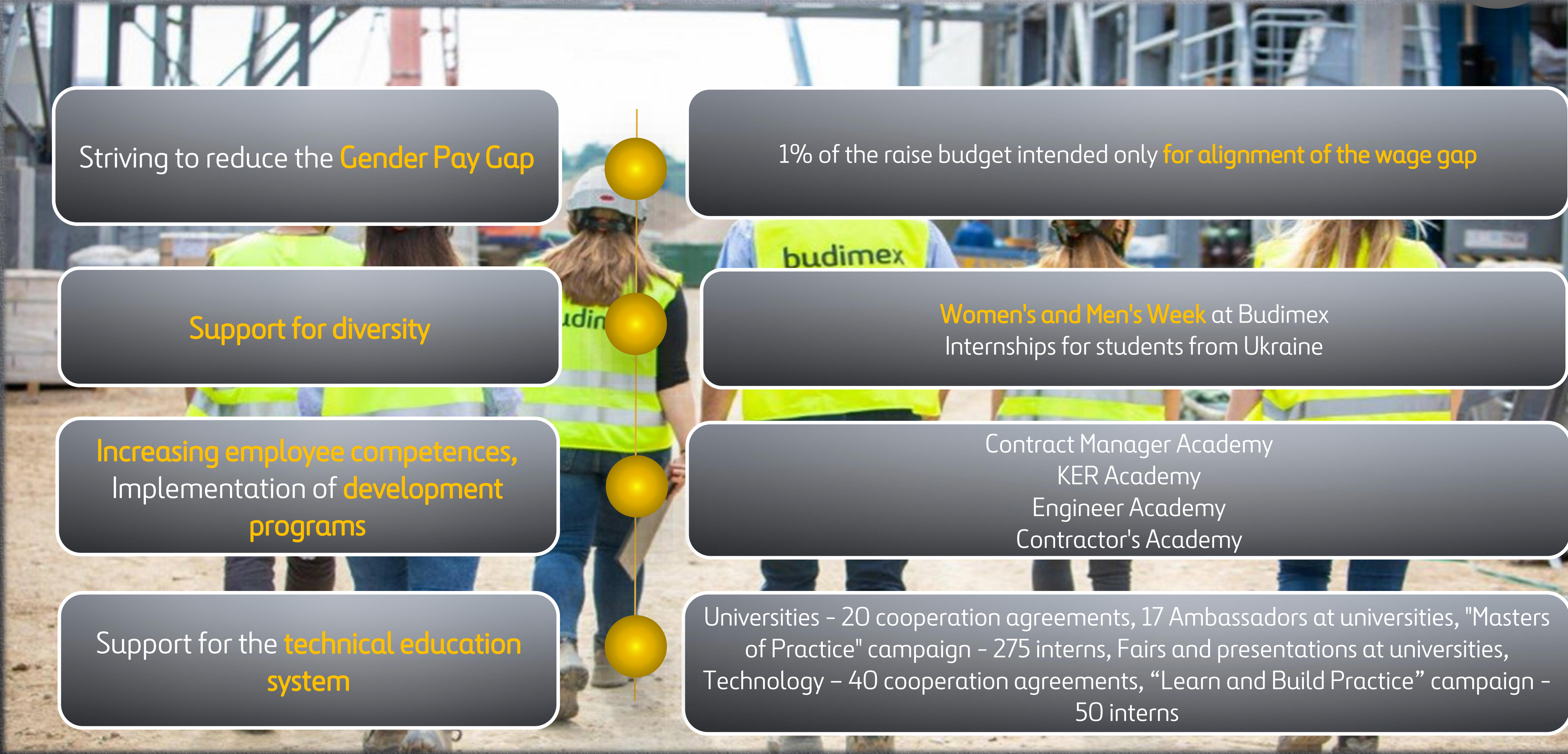
Quarterly discussion of the review of ESG goals with the Management Board and the Supervisory Board

Start of the project to implement a tool for reporting ESG indexes

Recycling and recovery of **70% of soil**

Zielony Kwiecień campaign – planting 10 thousand trees in the Celestynów forest district

# ESG goals in 2024



Striving to reduce the **Gender Pay Gap**

1% of the raise budget intended only **for alignment of the wage gap**

**Support for diversity**

**Women's and Men's Week** at Budimex  
Internships for students from Ukraine

**Increasing employee competences,**  
Implementation of **development programs**

Contract Manager Academy  
KER Academy  
Engineer Academy  
Contractor's Academy

Support for the **technical education system**

Universities - 20 cooperation agreements, 17 Ambassadors at universities, "Masters of Practice" campaign - 275 interns, Fairs and presentations at universities, Technology - 40 cooperation agreements, "Learn and Build Practice" campaign - 50 interns

# ESG goals in 2024



**Ethics** in the Budimex Group

Publication of the "**Code of Ethics**",  
Ethics information campaigns,

**Conflict of interest**

Publication of the coursebook "**Conflict of interests – the Budimex Group coursebook**",  
Training on conflict of interest issues and procedures

Counteracting **corruption risks**

Implementation of the **Compliance strategy** for companies from the Budimex Group,  
Compliance training – 1226 people,  
Including anti-corruption training in Budimex training programs,  
Discussing compliance issues during meetings with employees on Roadshow 2024

Information security, **Cybersecurity**

Implementation of **security based on Microsoft technology**,  
Securing workstations, mobile devices and servers,  
Internet access protection,  
Improving protection mechanisms against information leakage



# **budimex** in 1 quarter of 2024

**12,0%**

Gross margin

**15 years**

of dividend payment

**911**

M PLN  
of proposed  
dividend

**+10**

bn PLN

Contracts pending

**3,9**

bn PLN

Net cash

**7,0%**

EBIT margin

**14,6**

bn PLN

Backlog

**80MW**

of renewable  
energy projects  
owned