



budimex

Investor presentation
for 2023

Summary of 2023

budimex

Record financial results
from continued operations

Revenues

9,8
bn PLN

EBIT

8,0 %

Net cash

3,8
bn PLN

Contracting and pending contracts
ensures production in the long term

8,2
bn PLN

contracts signed

>13

bn PLN

contracts pending
(including Rail Baltica)

>8

bn PLN

Backlog and pending
contracts on foreign
markets

Implementation of
strategic plans in 2023

- ✓ Increasing scale in neighboring markets
- ✓ Reconstruction of backlog on the railway market
- ✓ Increased competences in RES (BXF Energia)
- ✓ Purchase of the Konstalex company
- ✓ >150 chargers in Mobility

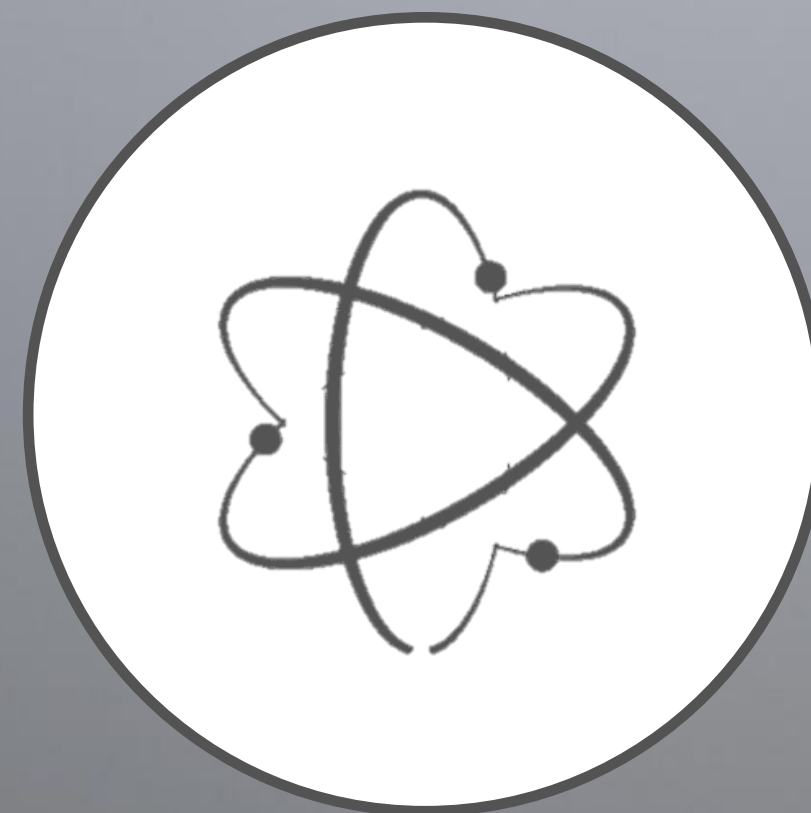
Intense beginning of 2024



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



JV on residential
market



The most
advantageous offer
in the PSE tender for
189 M PLN

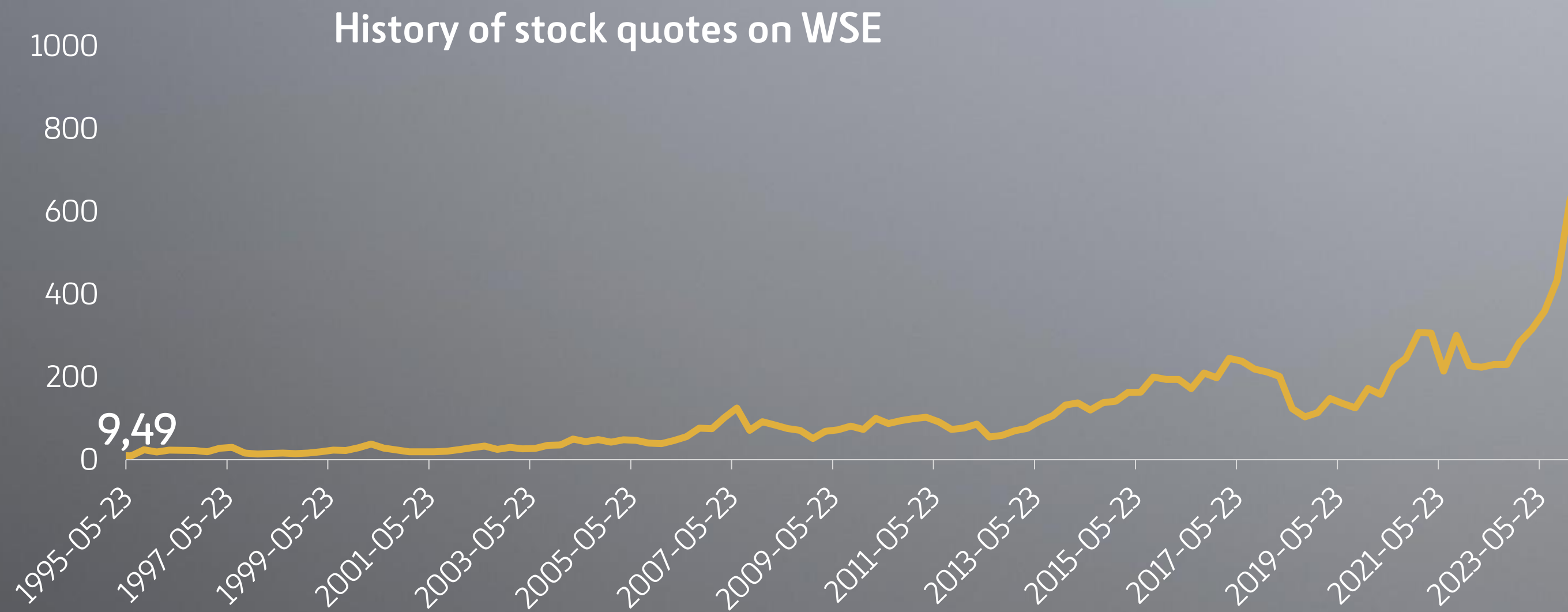


1,5 GW
of analysed RES
projects



Budimex will be
promoted to WIG20

Budimex history on WSE



Debut in 1995 - one of the oldest companies on the WSE

Return to WIG20 after a 20-year break

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

Announced dividend policy until 2026

EBIT profitability consistent since 2007

Budimex has regularly shared profit with shareholders for 15 years

$$\Sigma = 4587 \text{ MLN} = 179,8 \text{ PLN /share}$$

Agenda

Macroeconomic background

Financial results of Budimex Group

Backlog & contracting

FBSerwis & Mostostal Kraków

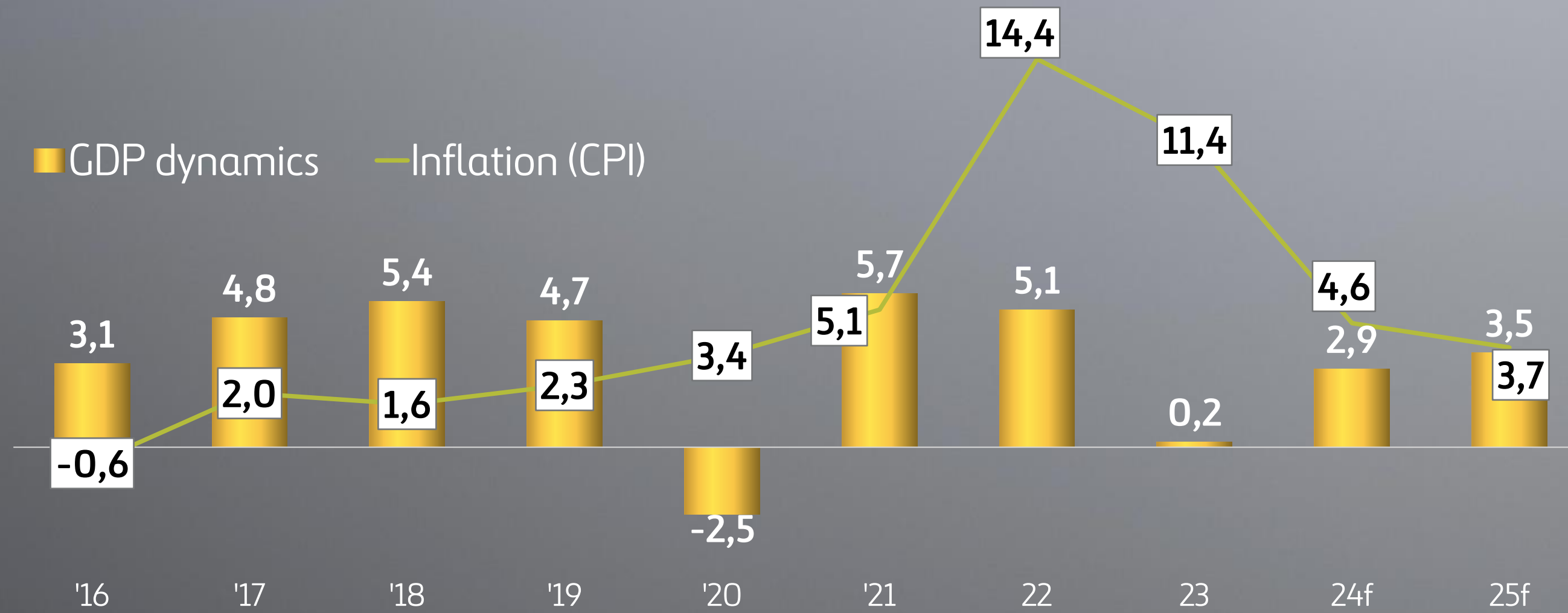
Market and outlook

CSR & ESG



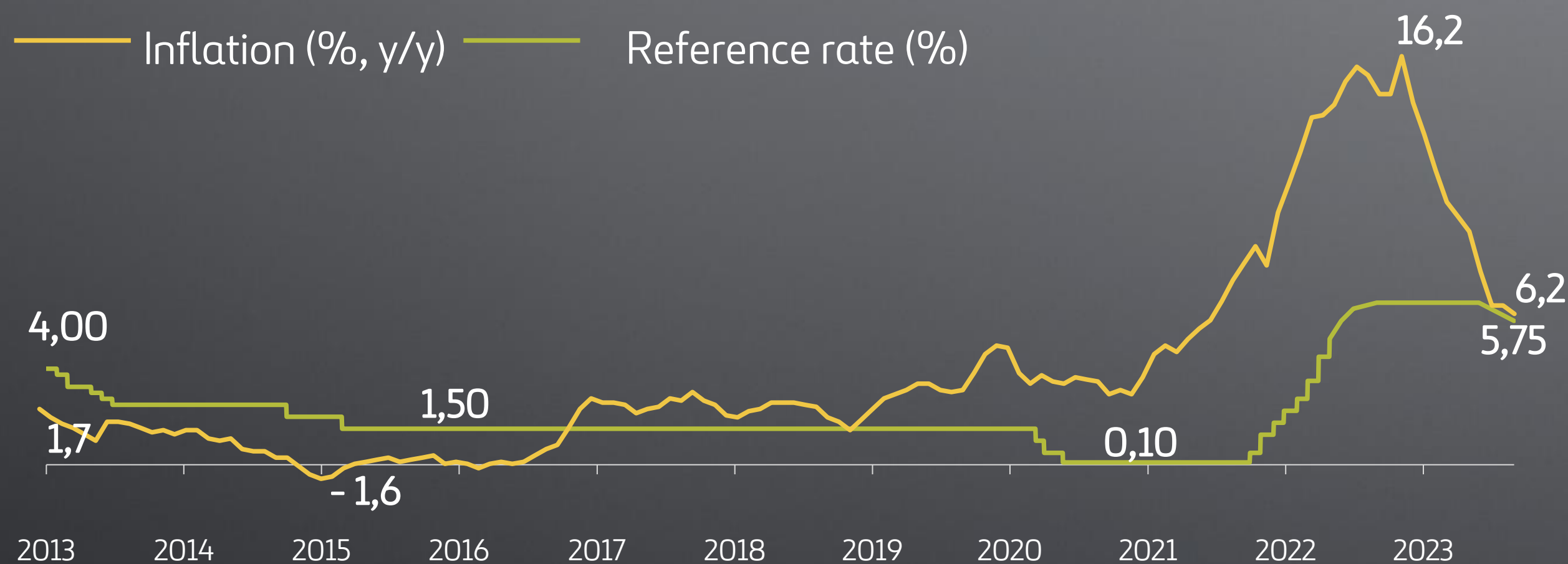
Macroeconomic background

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



GDP in Poland according to CSO preliminary estimate for 2023 increased by 0.2% compared to 2022, which is lower than expected.

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

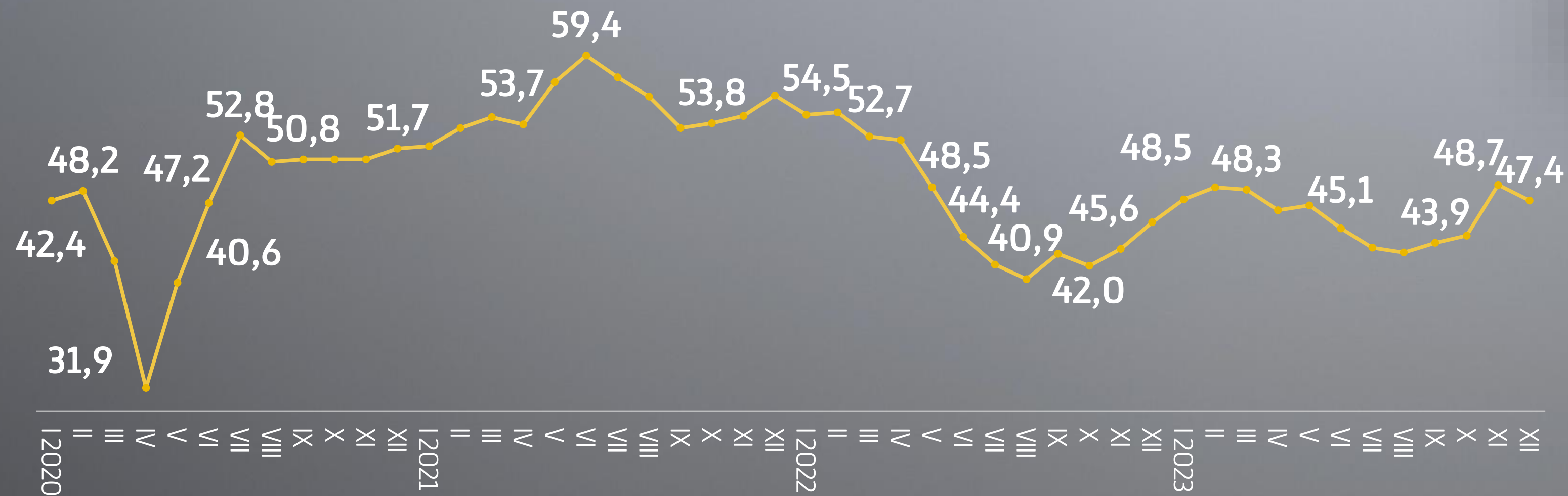


Domestic inflation in the CSO quick estimate for December was at the level of 6,2%. Average annual inflation in 2023 was 11,4%

In September 2023. The NBP decided to cut interest rates by 75 basis points to 6%. In October this year, it made a further cut of 25 basis points to 5.75%.

Macroeconomic background

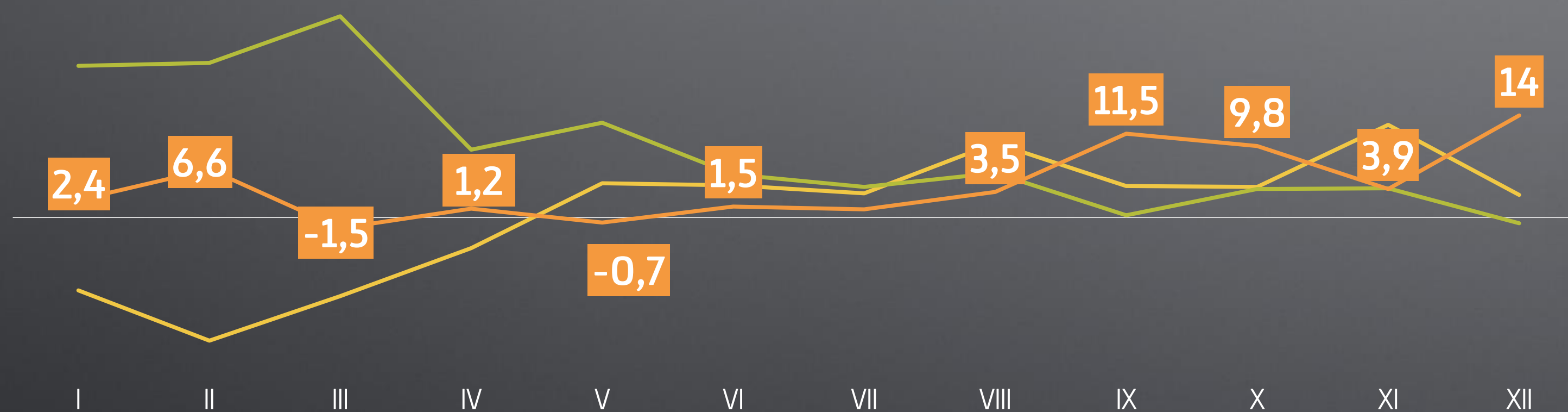
PMI indicator for Poland



In December, the PMI fell to 47,4 points from 48,7 points recorded a month earlier. This is the twelfth consecutive month below the base level of 50 points.

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

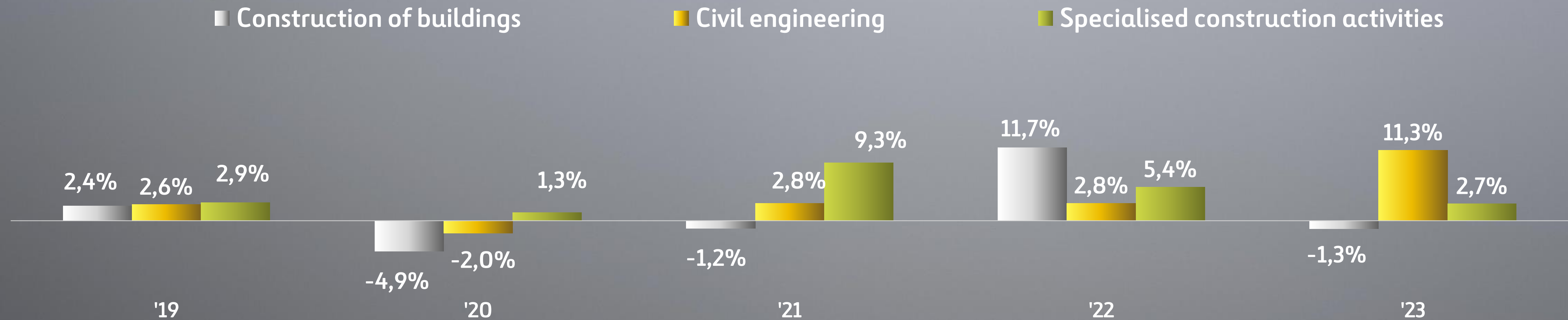
—2021 —2022 —2023



The value of construction and assembly production increased by 14% y/y in December. In the January-December period, the index increased by 5,0% y/y, while the individual segments were as follows: building construction (-1,3% y/y), specialised construction (2,7% y/y), civil engineering construction (11,3% y/y).

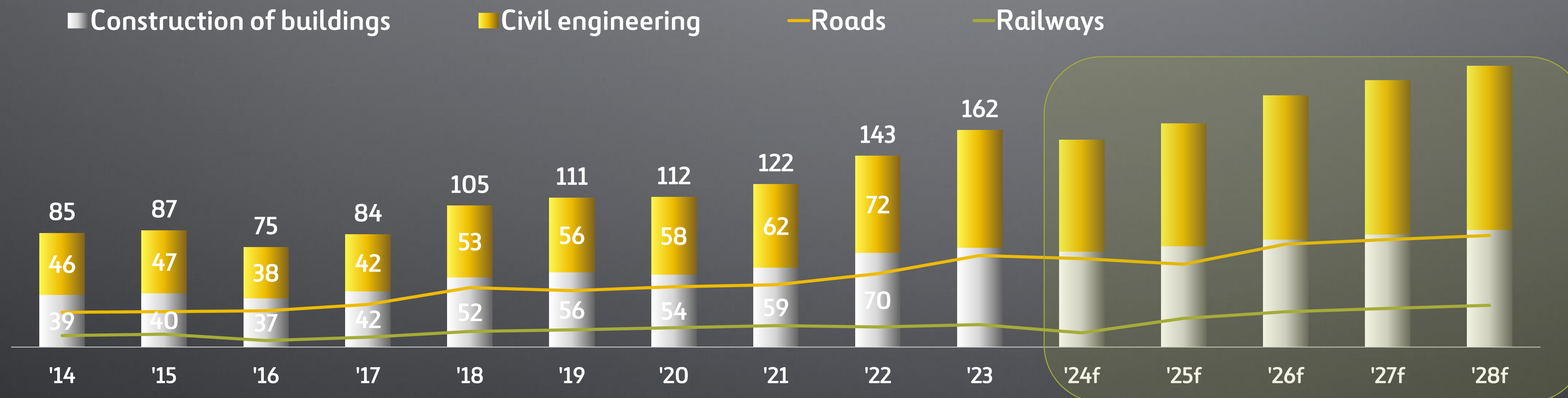
Components of construction and assembly production

Construction and assembly production dynamics (% , y/y, constant prices)



Construction production forecast (nominal values bn PLN)

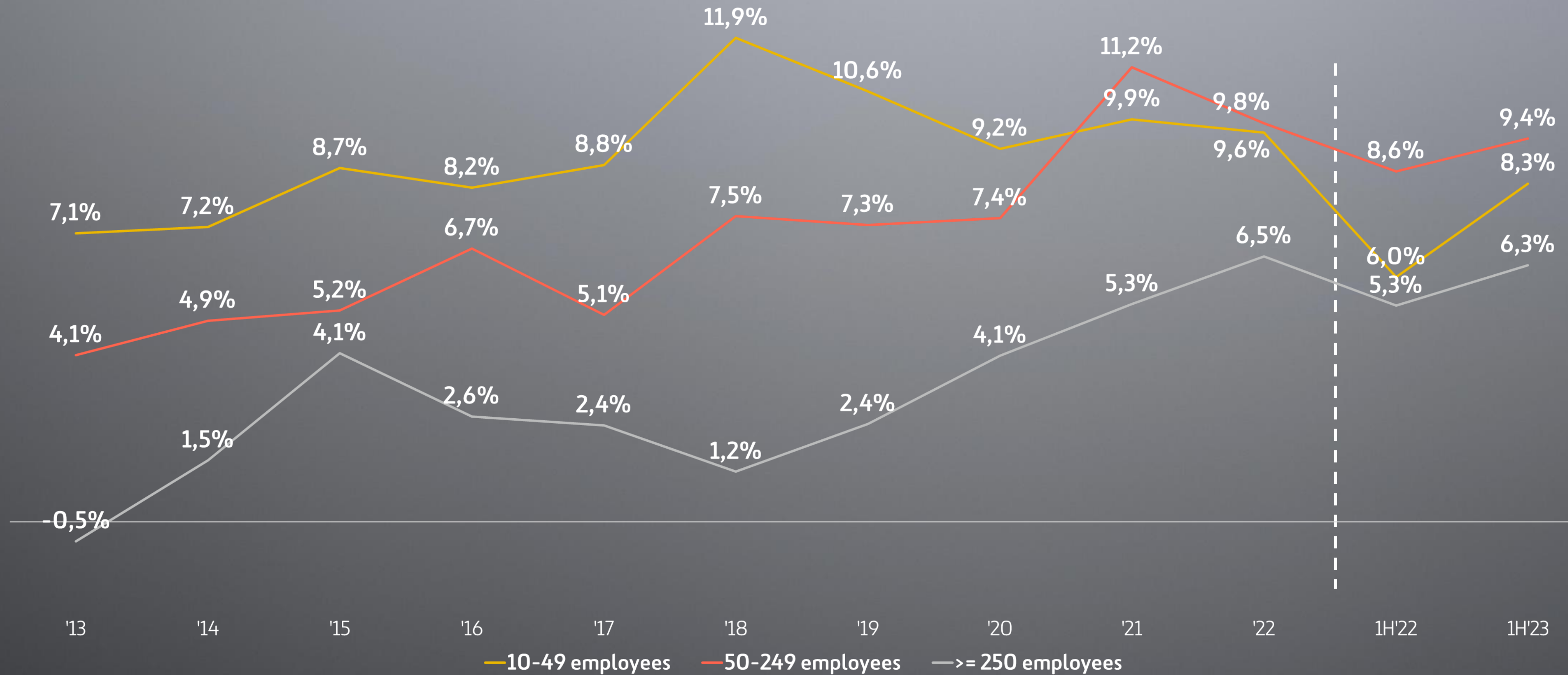
Dane: GUS (grudzień 2023)



Data: PMR, Budimex analysis

Construction companies margin by size

Margins in the market have been stabilised by the introduction of valorisation mechanisms.



Situation of the construction industry at the end of 2023 – stabilisation and prospects for improvement budimex

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



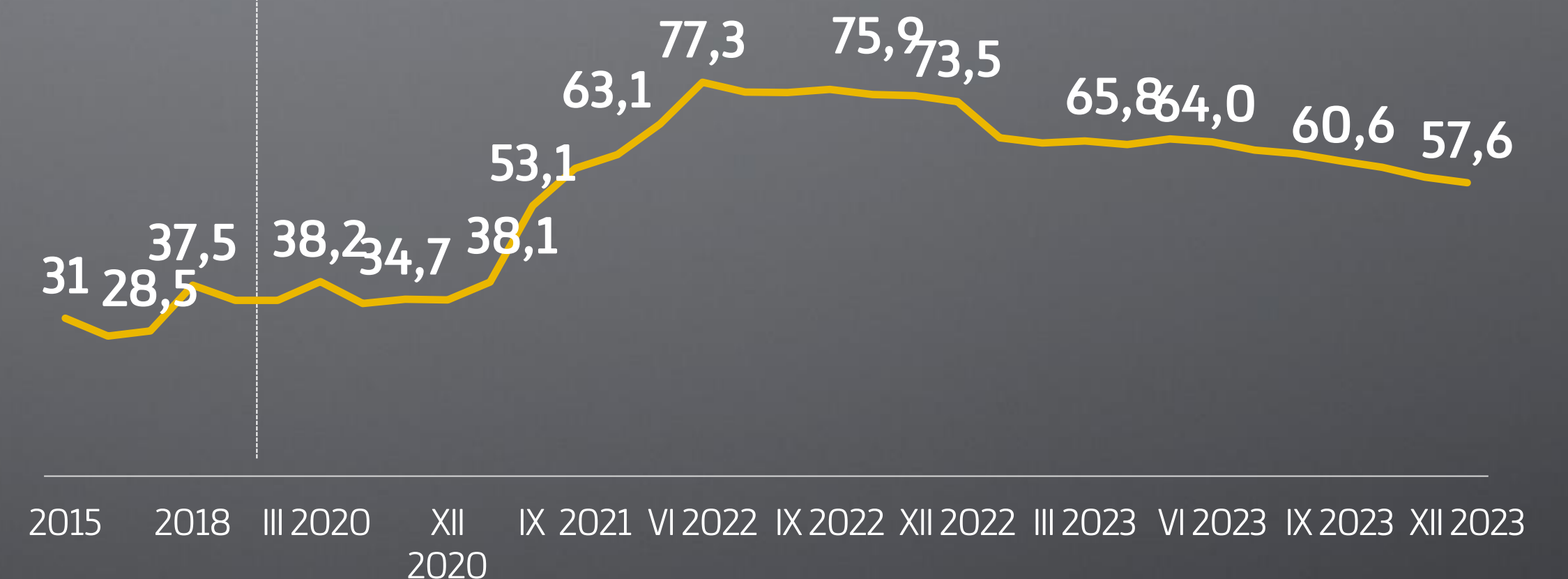
Percentage of construction companies considering employment costs as a barrier to business (%)



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

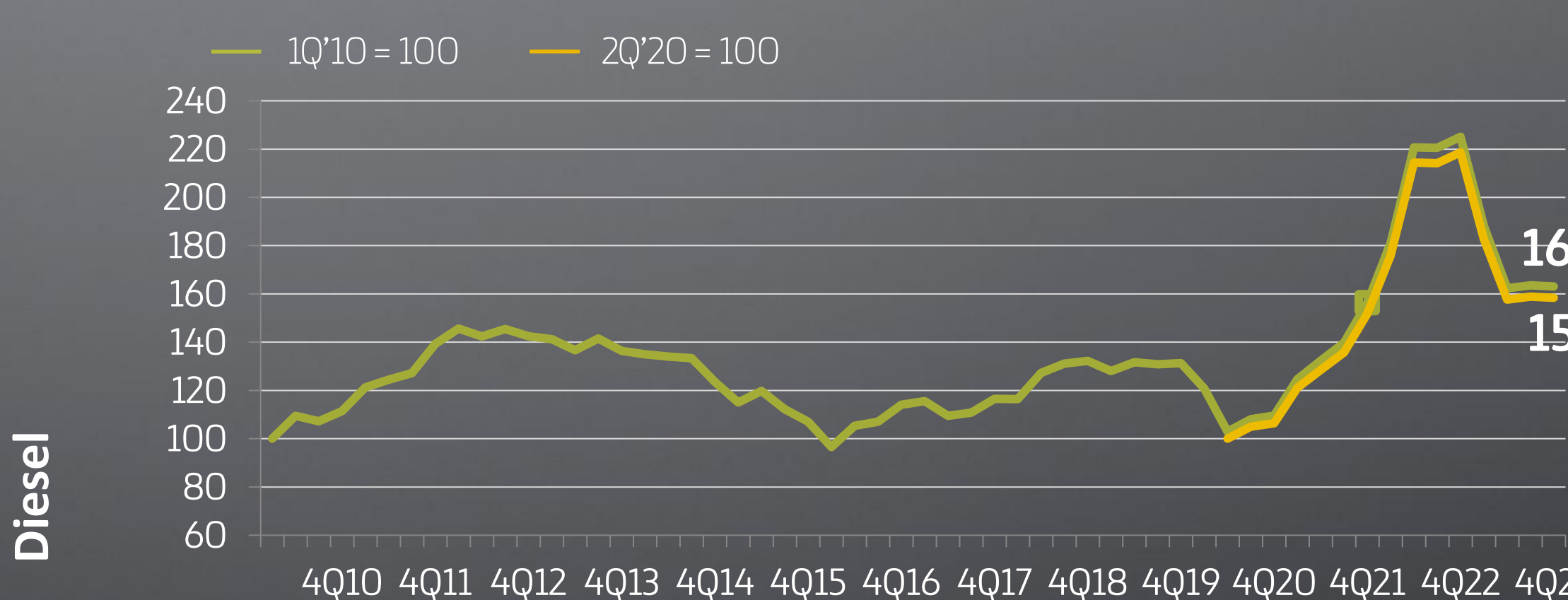
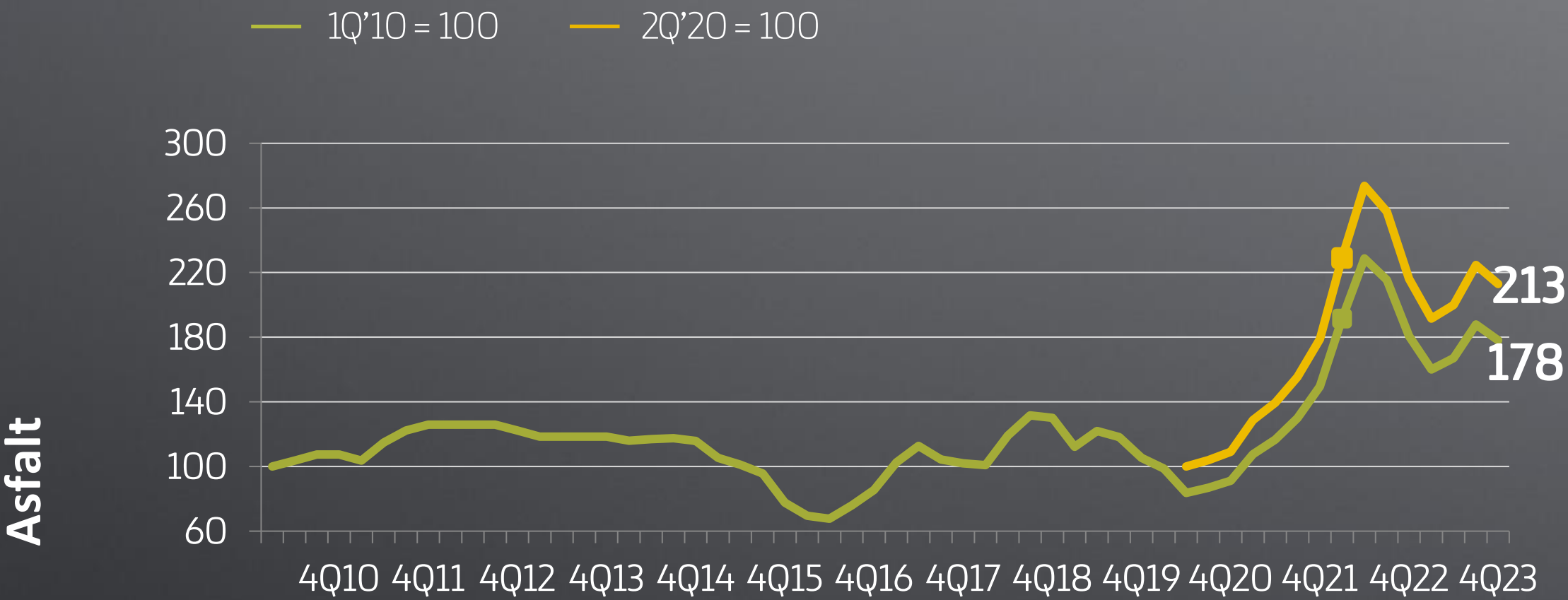
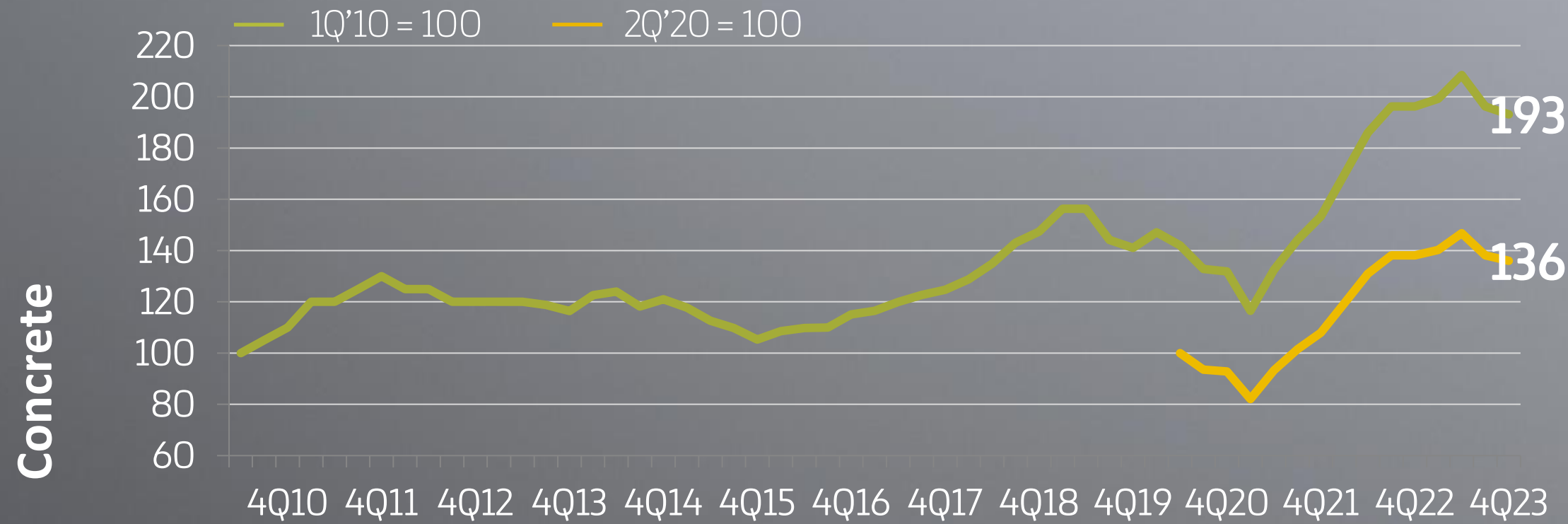


Percentage of construction companies considering material costs as a barrier to business (%)



Data: CSO (as of December 2023).

Prices of selected raw materials



Data: Budimex (as of December 2023)

Agenda

Macroeconomic background

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

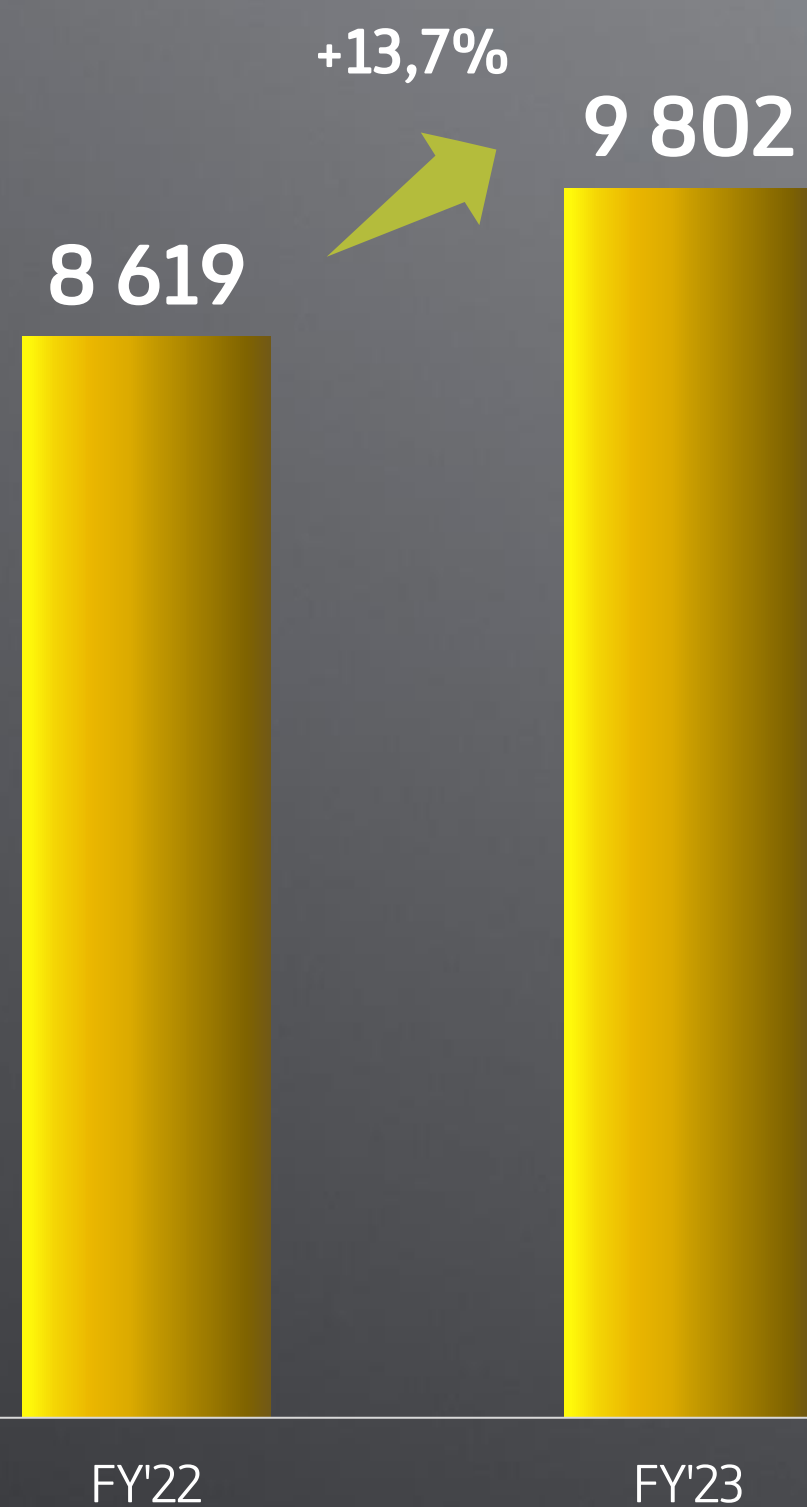
Others

budimex
mobility

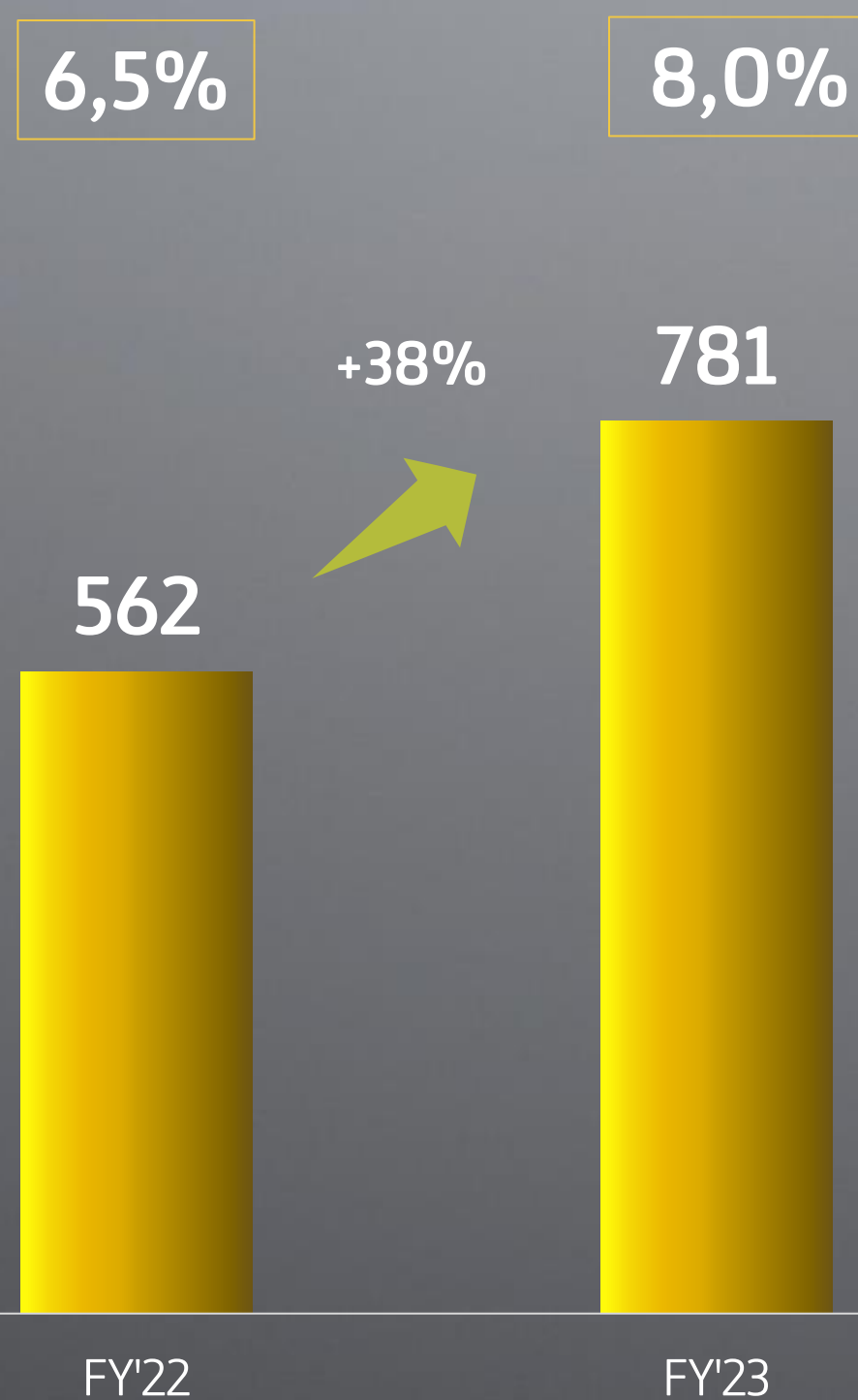
budimex
Parking Wrocław

Results from continuing operations – preliminary results for 2023

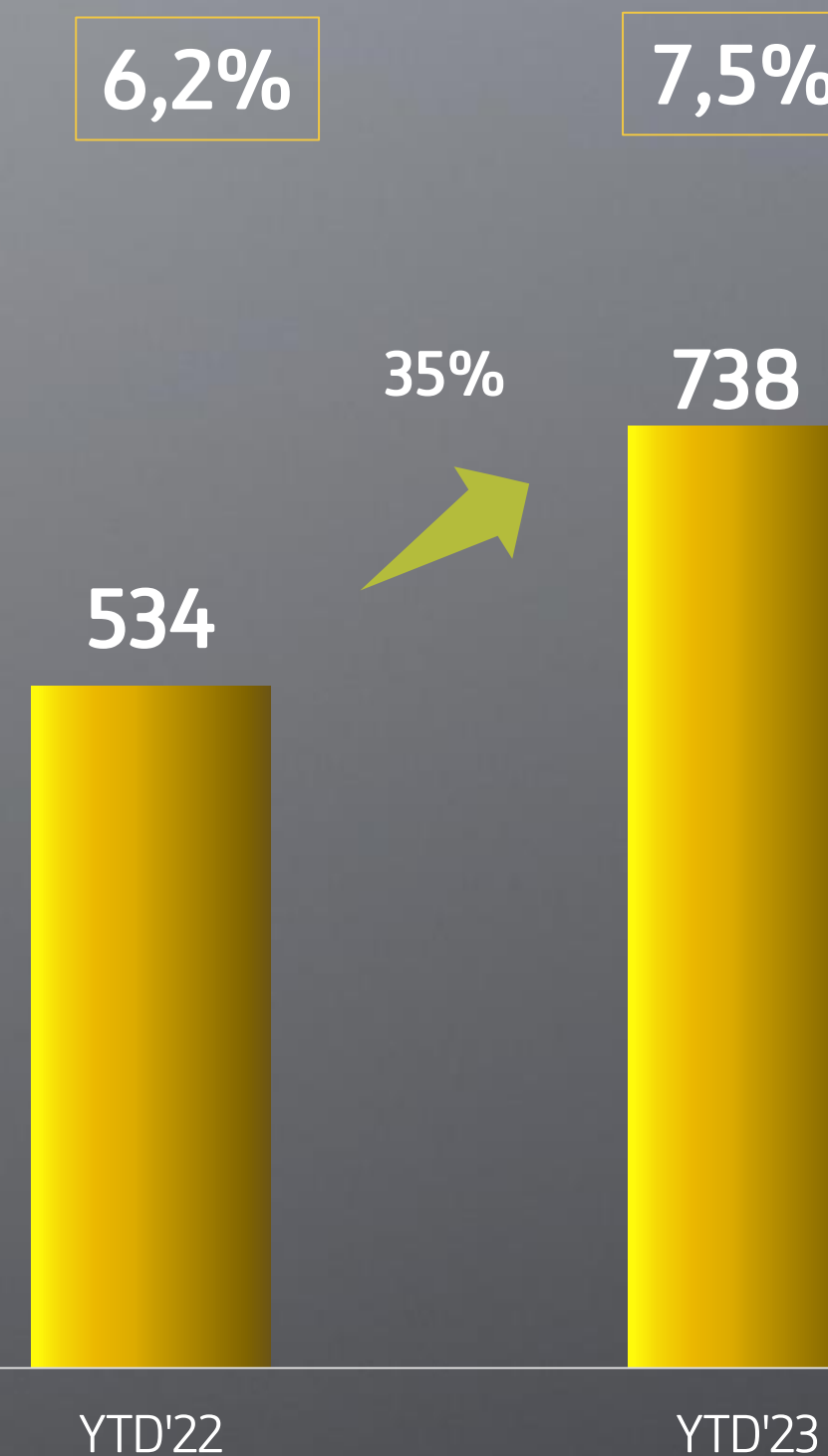
Revenues
(MPLN)



EBIT
(MPLN)



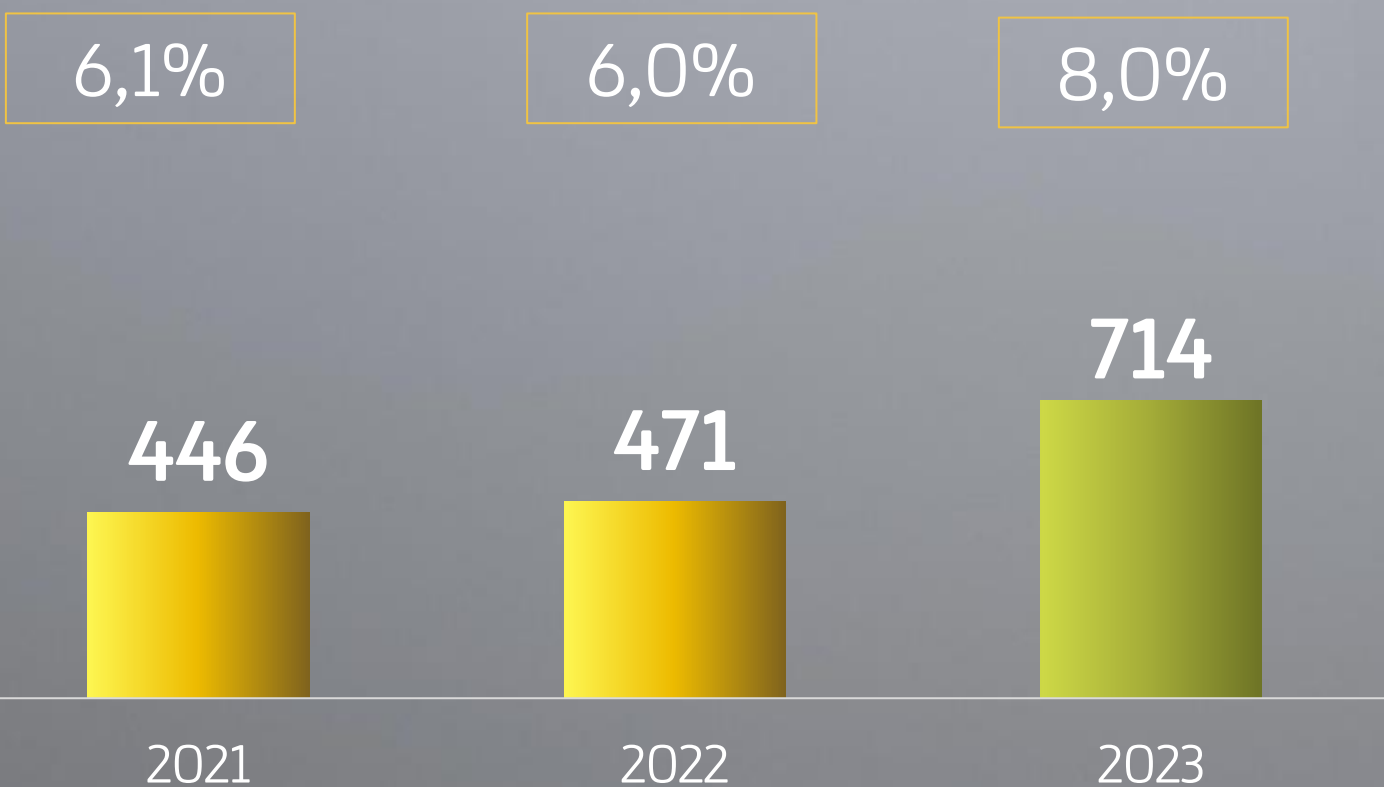
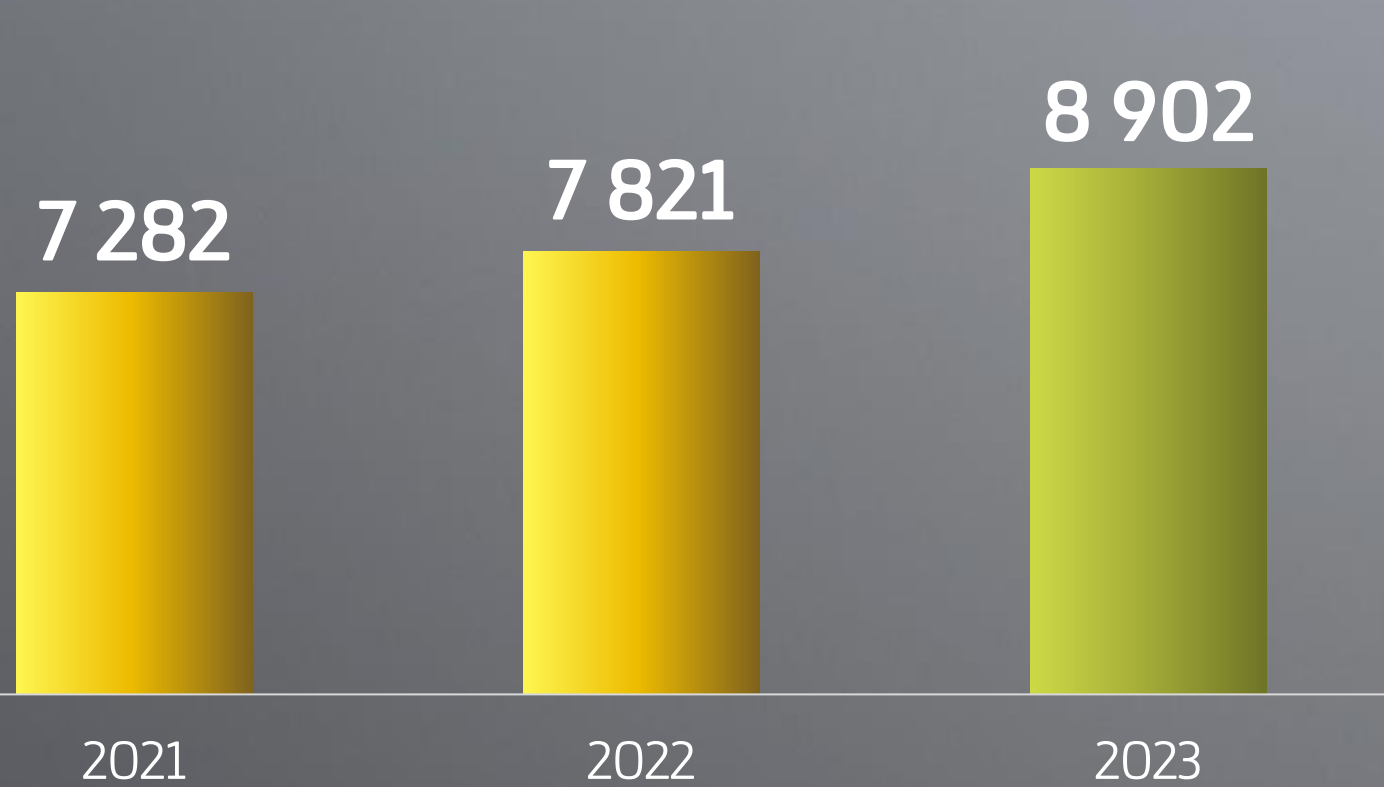
Net profit
(MPLN)



Financial results by segments

Construction segment

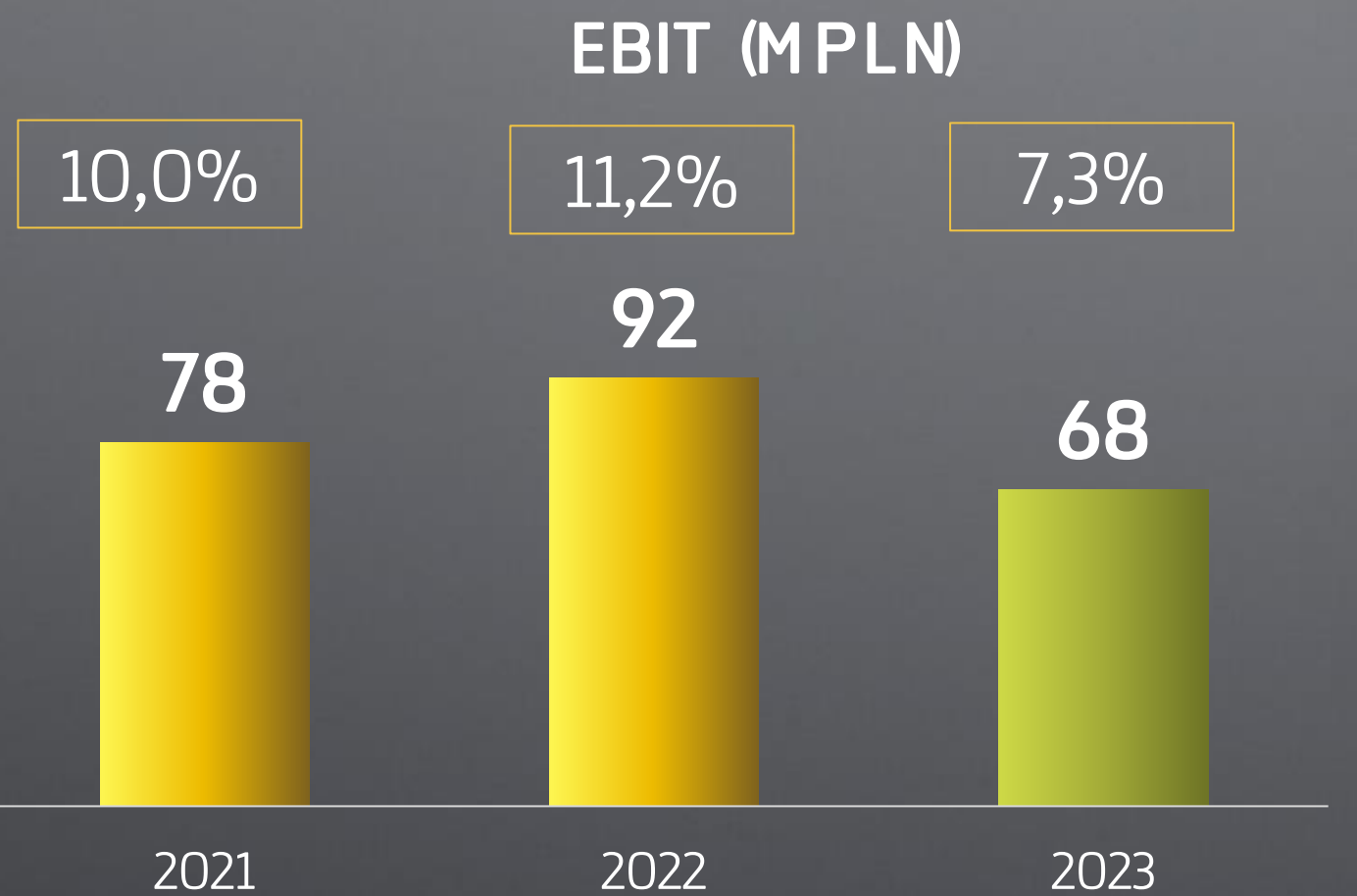
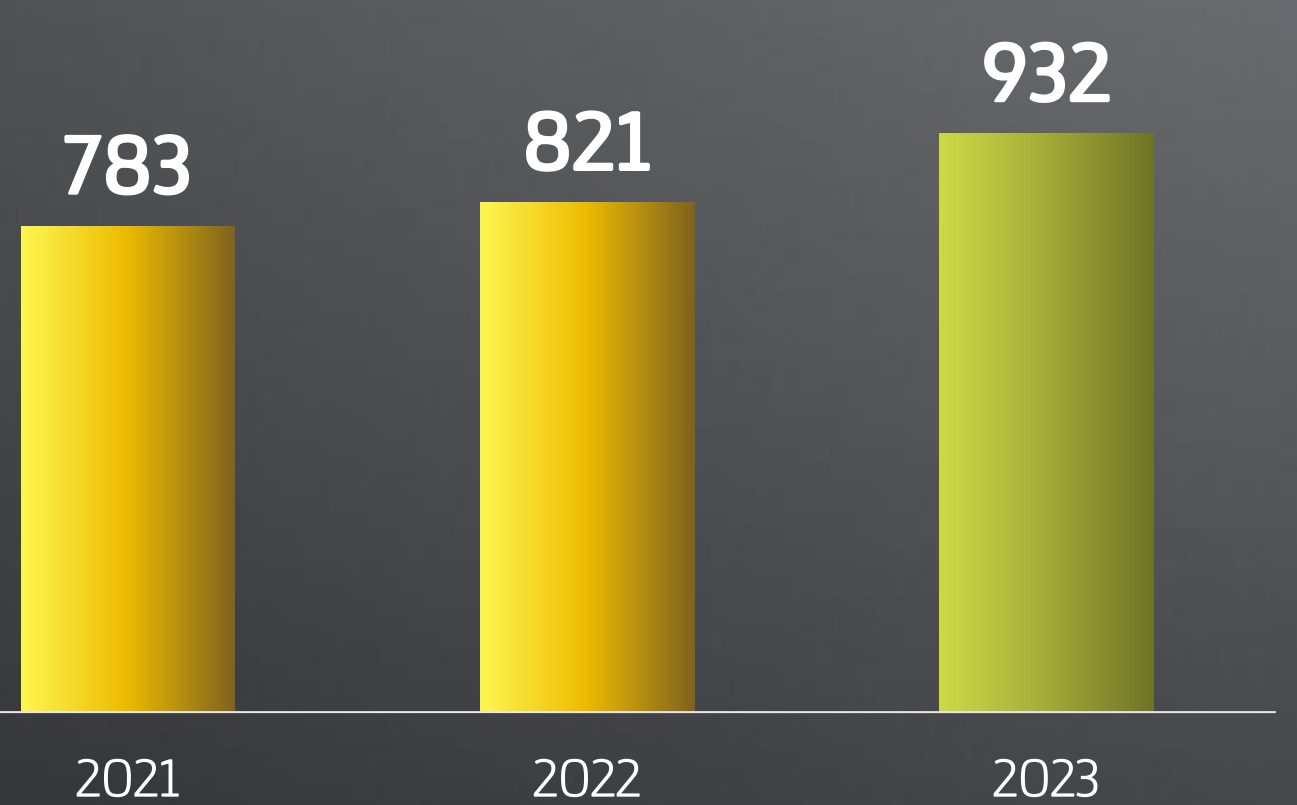
Revenues (MPLN)



The high level of the backlog and its diversification, combined with favorable weather conditions, allowed for an increase in revenues by over 13.8%

Service segment*

Revenues (MPLN)



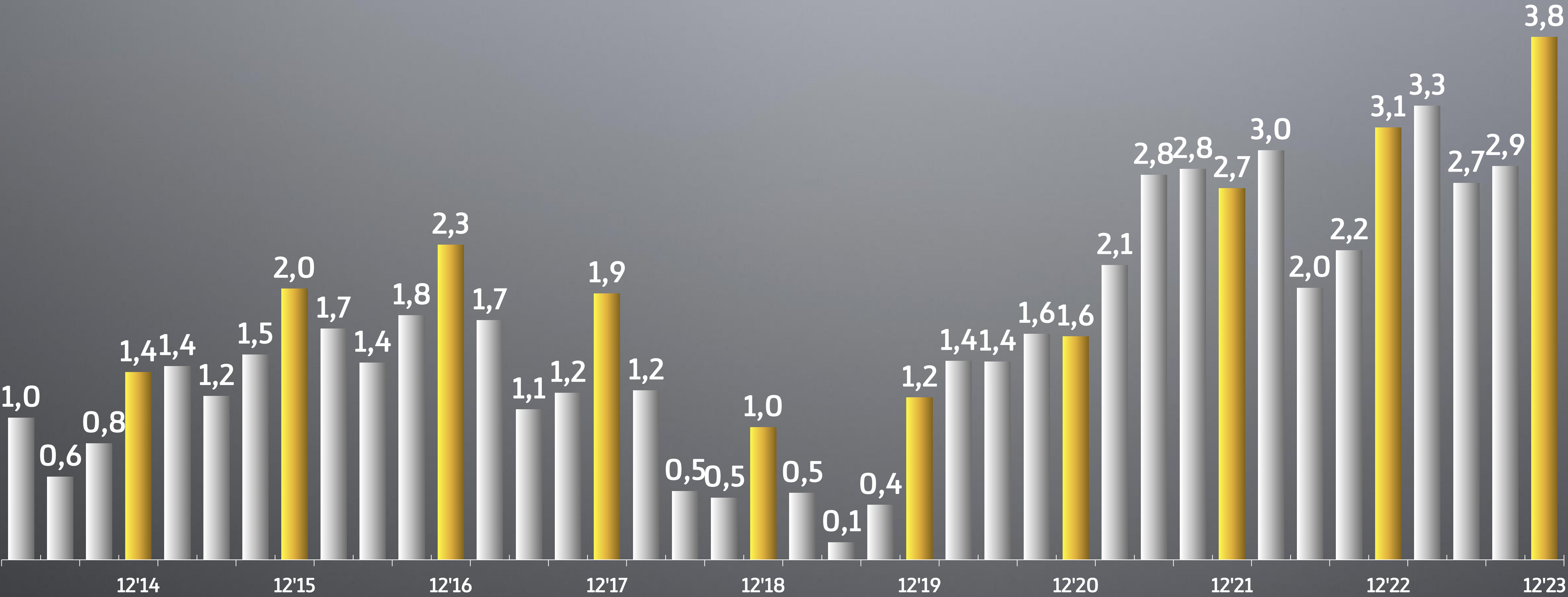
Sales growth was recorded in most areas of the company's operations on the domestic market. The sales of the Budimex Group were also supported by the recognition of the first significant revenues from operations on foreign markets.

The service segment generated sales revenues of 932 M PLN with a profitability of 7.3%.

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

Evolution of the net cash position – preliminary results for 2023

Net cash position in Budimex Group (bn PLN)



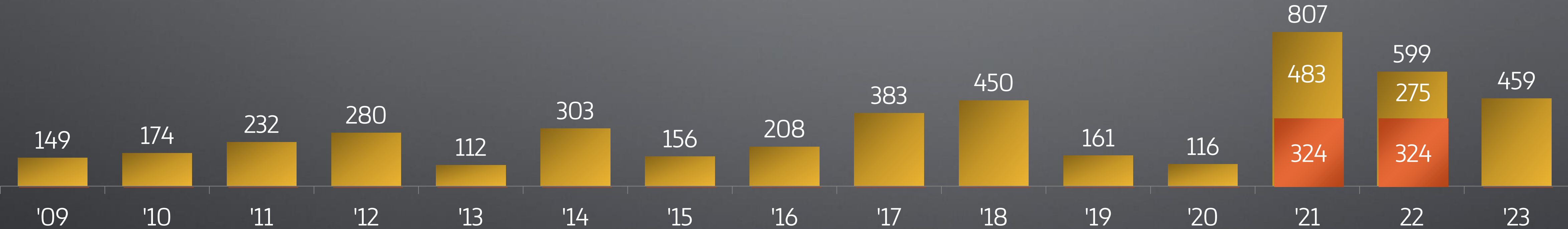
Budimex Group dividend history

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.

PLN/share



Total dividend in M PLN

Agenda

Macroeconomic background

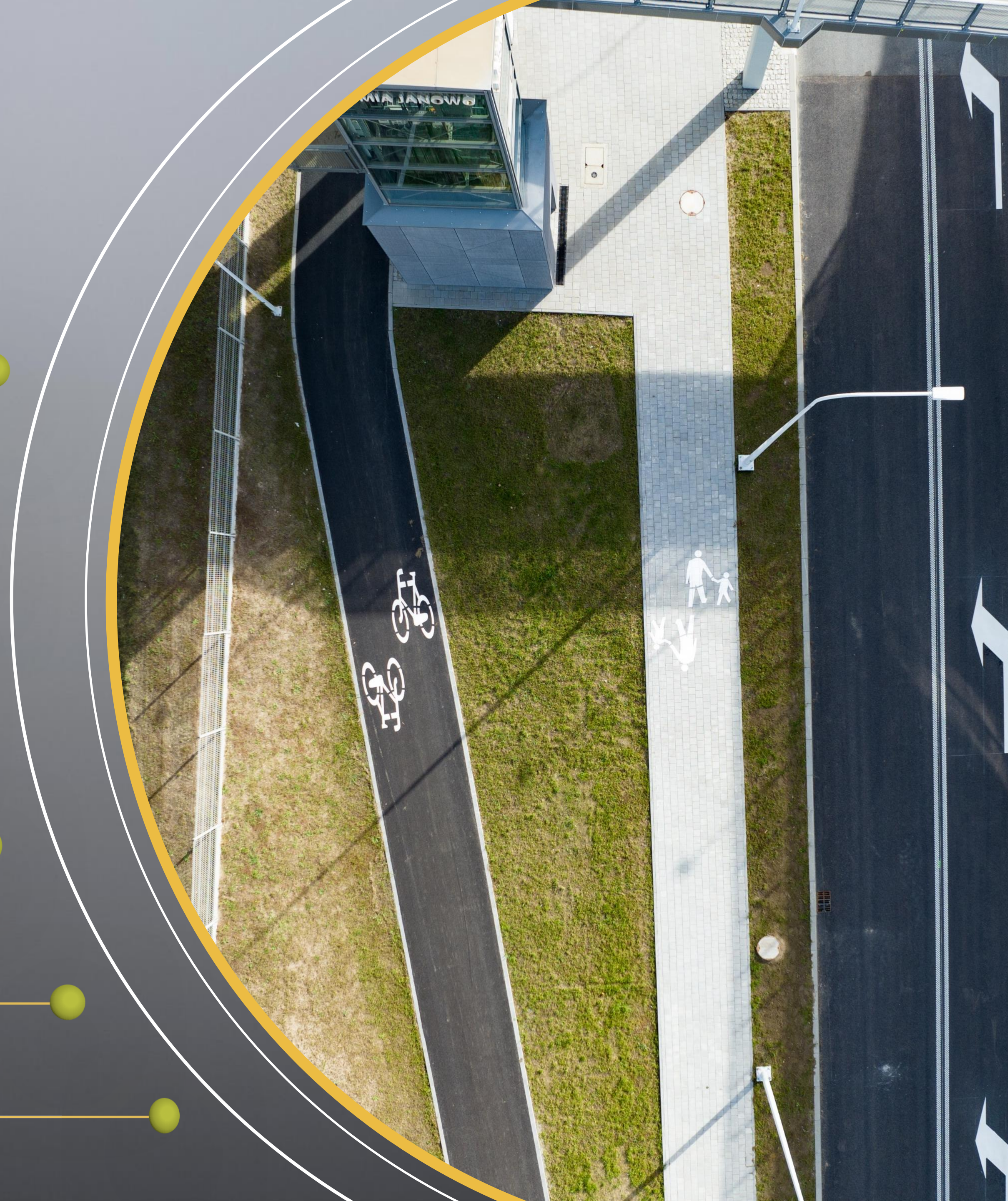
Financial results of Budimex Group

Backlog & contracting

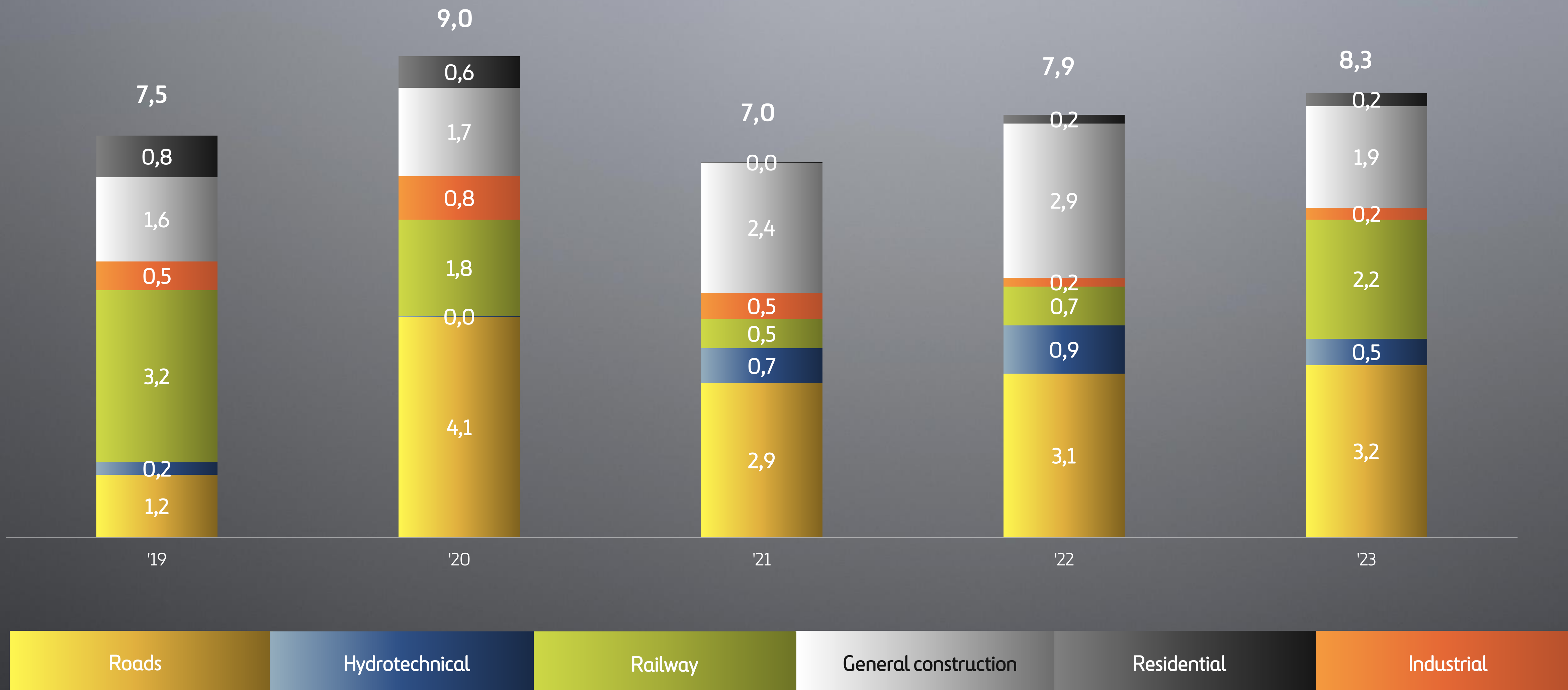
FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG

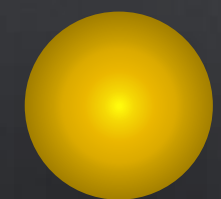
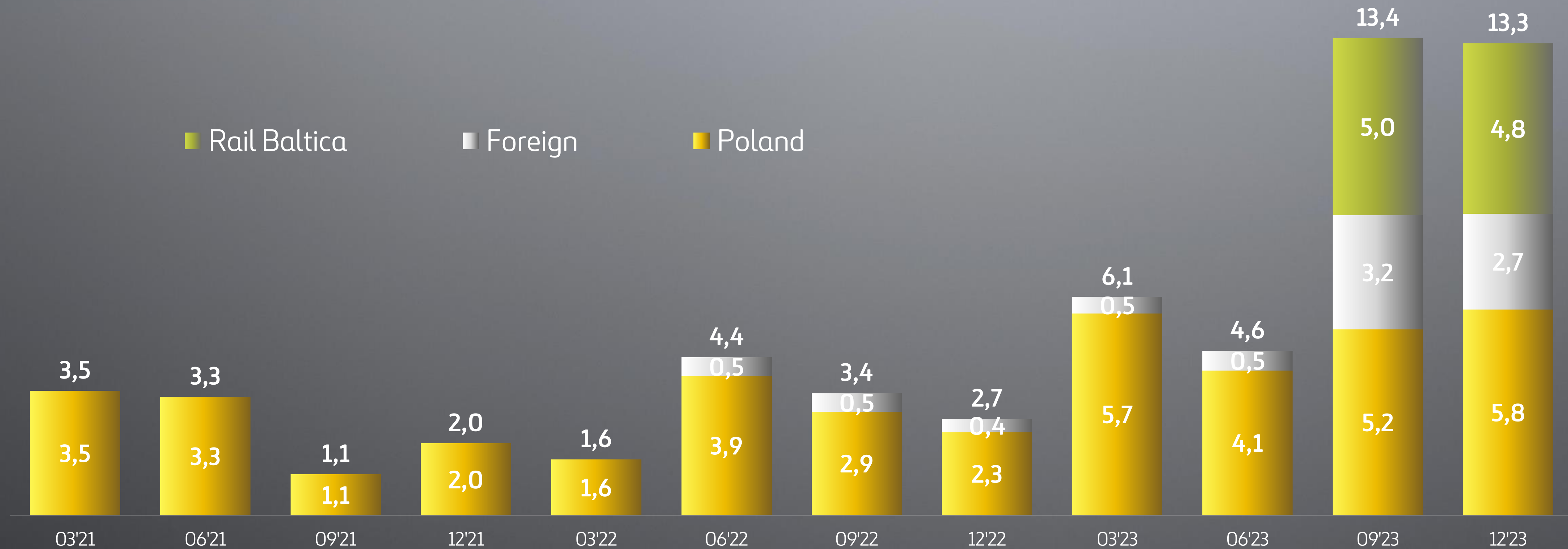


Contracts signed (bn PLN)

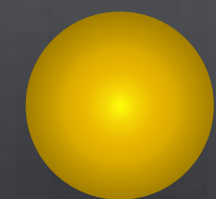


Contracts pending with the greatest potential in years

Contracts pending (bn PLN)

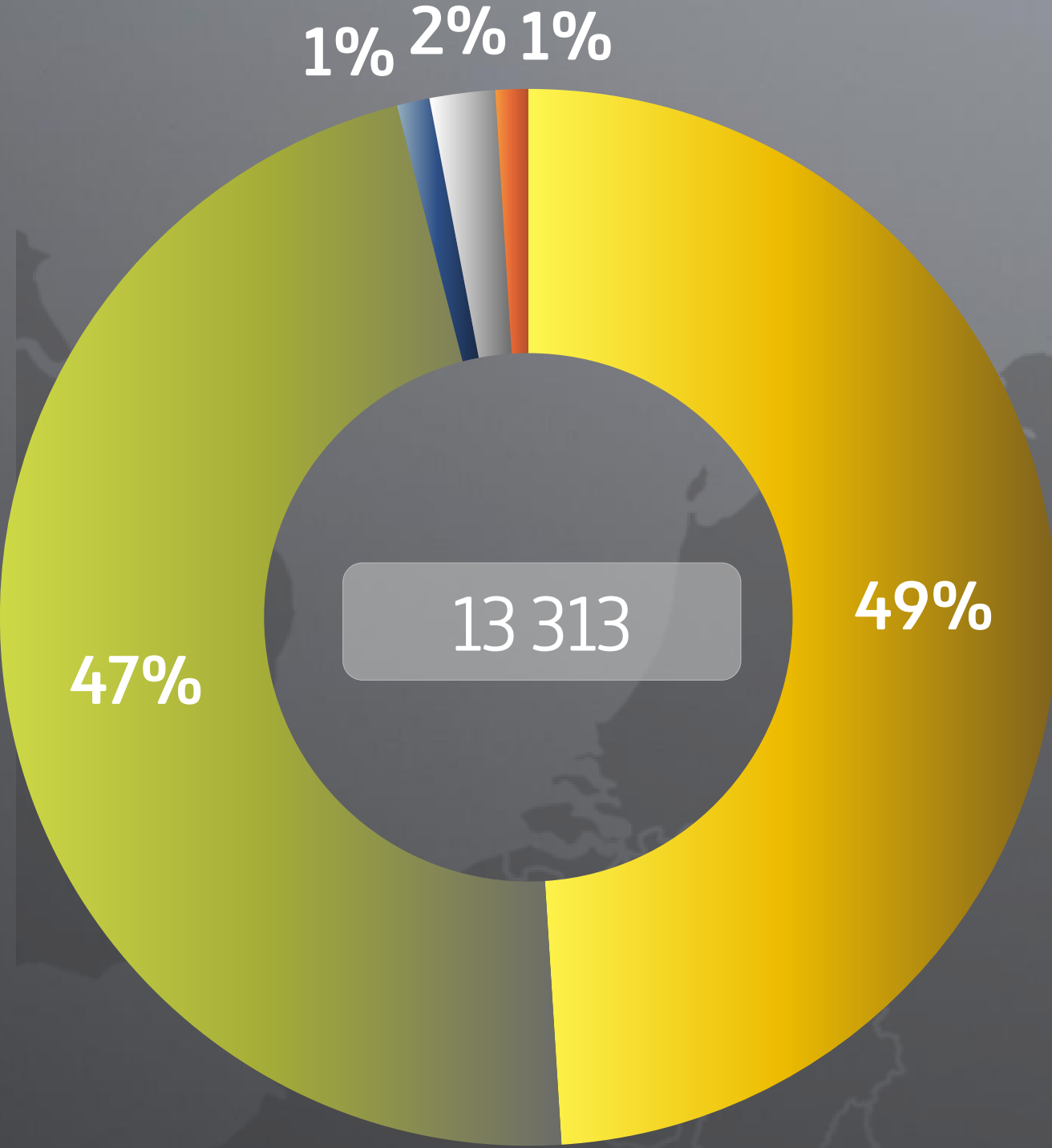


Effectiveness of signed pending contracts: 90-95%.

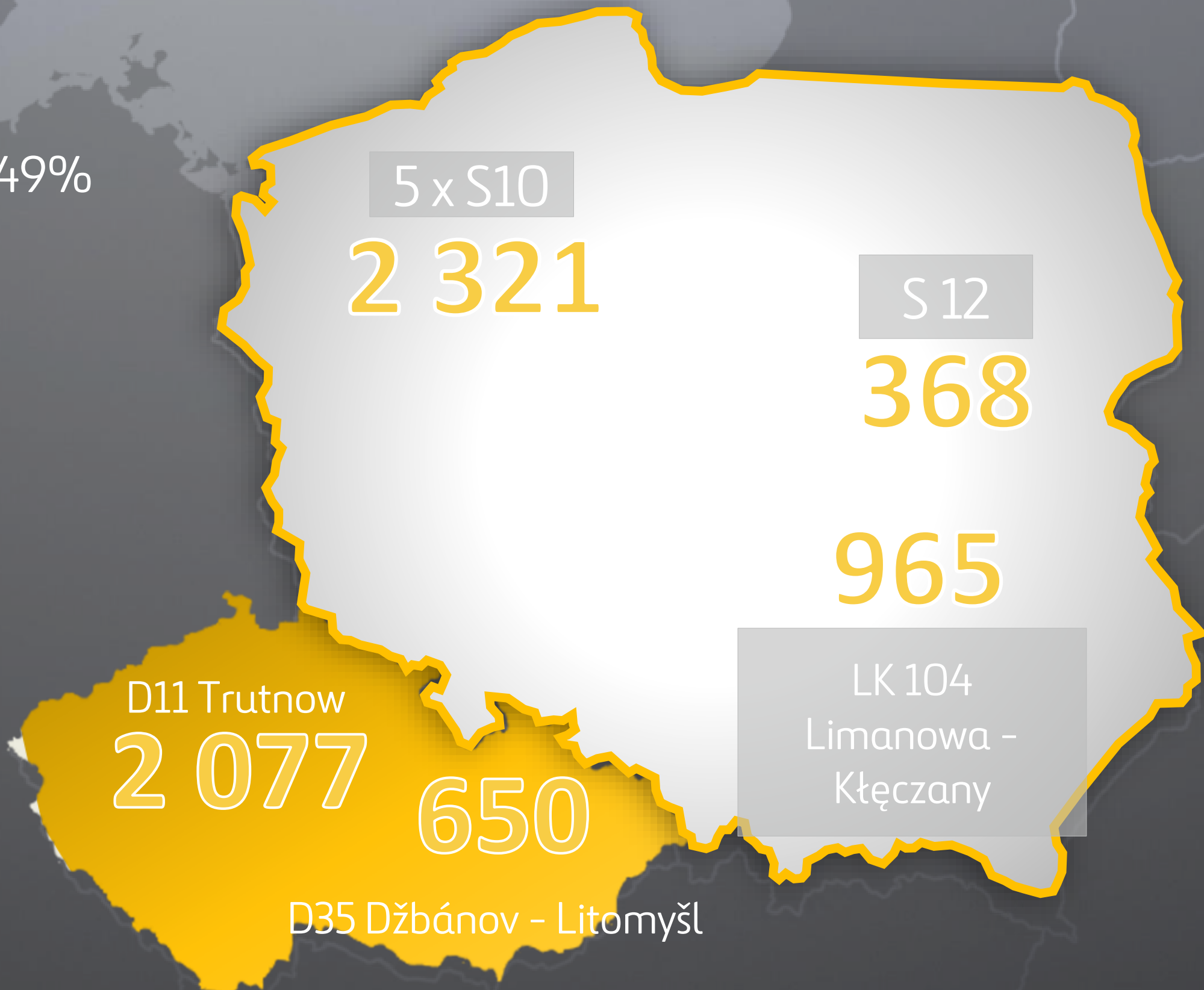


The value of the Rail Baltica contract is influenced by the EURPLN exchange rate. Moreover, the contract will be recognized in backlog in stages. The rest will remain pending.

Contracts pending (bn PLN)

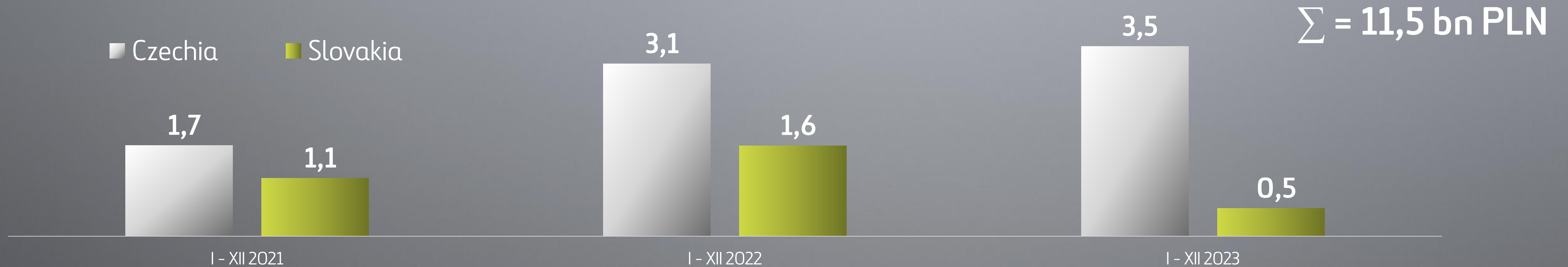


- Infrastructure 49%
- Railway 47%
- Mostostal 1%
- Buildings 2%
- Industry 1%

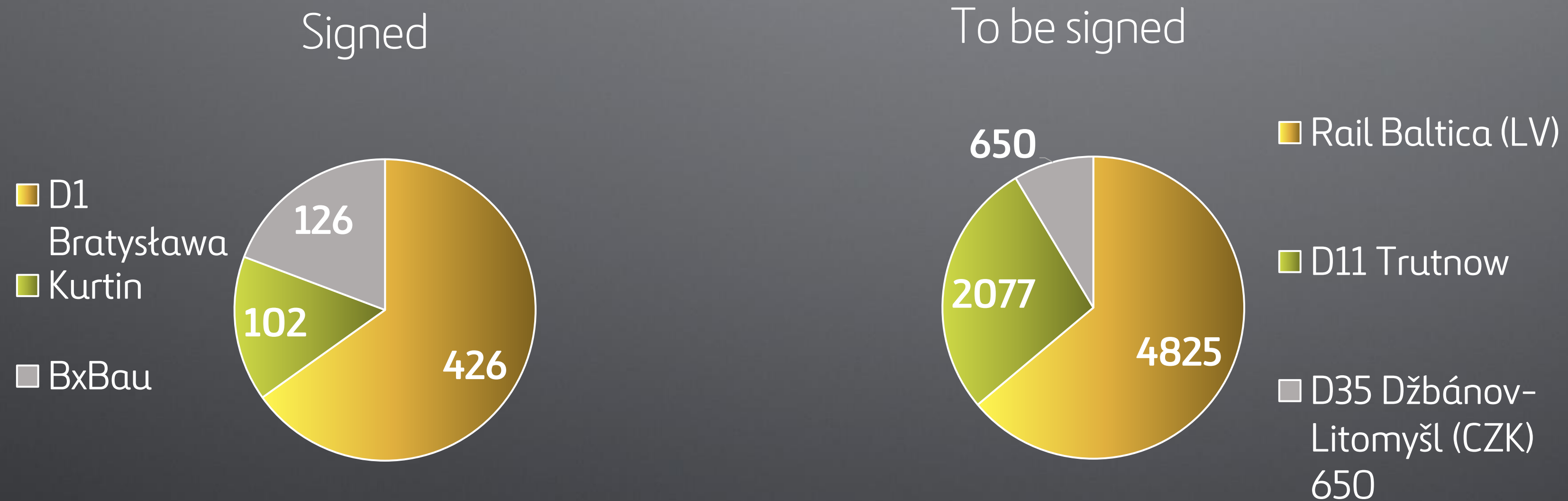


Summary of offers submitted on the Czech and Slovak markets

Offers submitted on the Czech and Slovak markets (bn PLN)

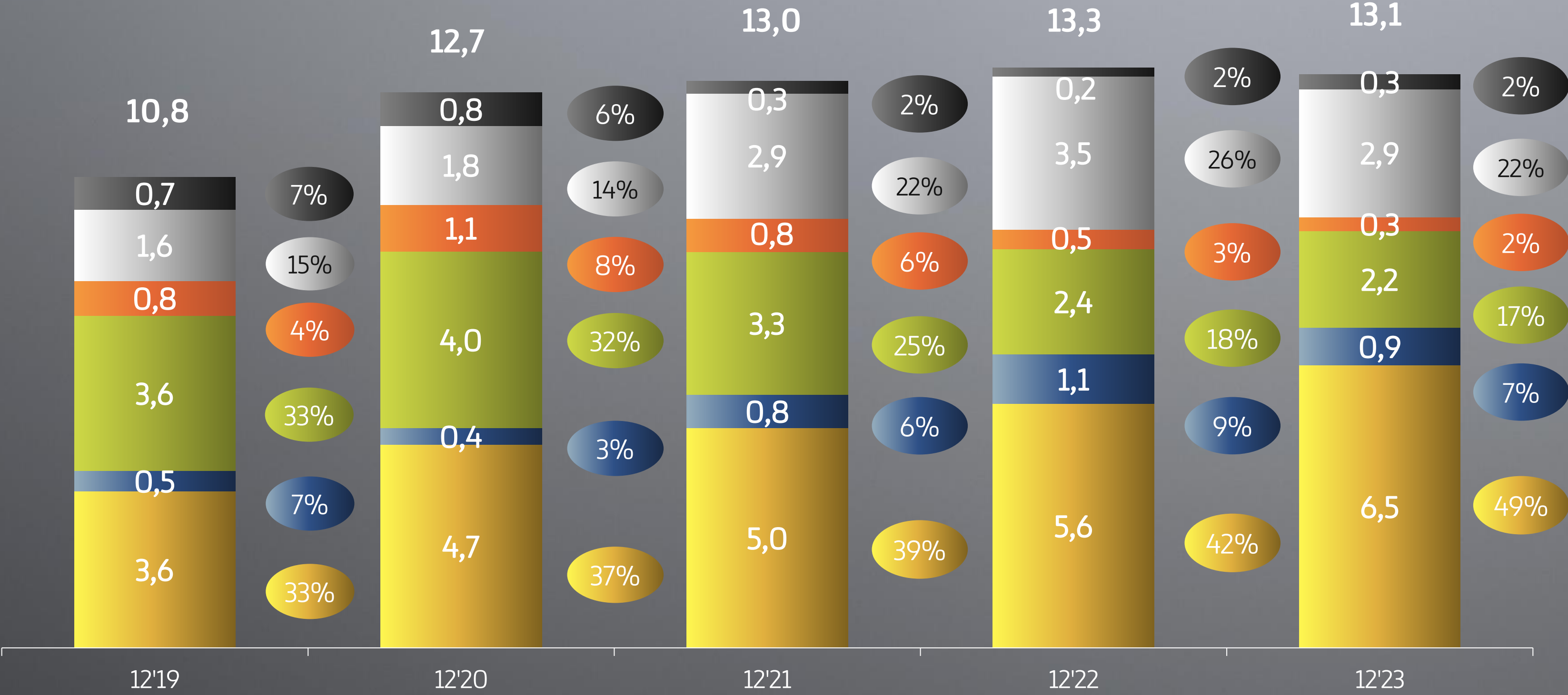


Foreign backlog (M PLN)

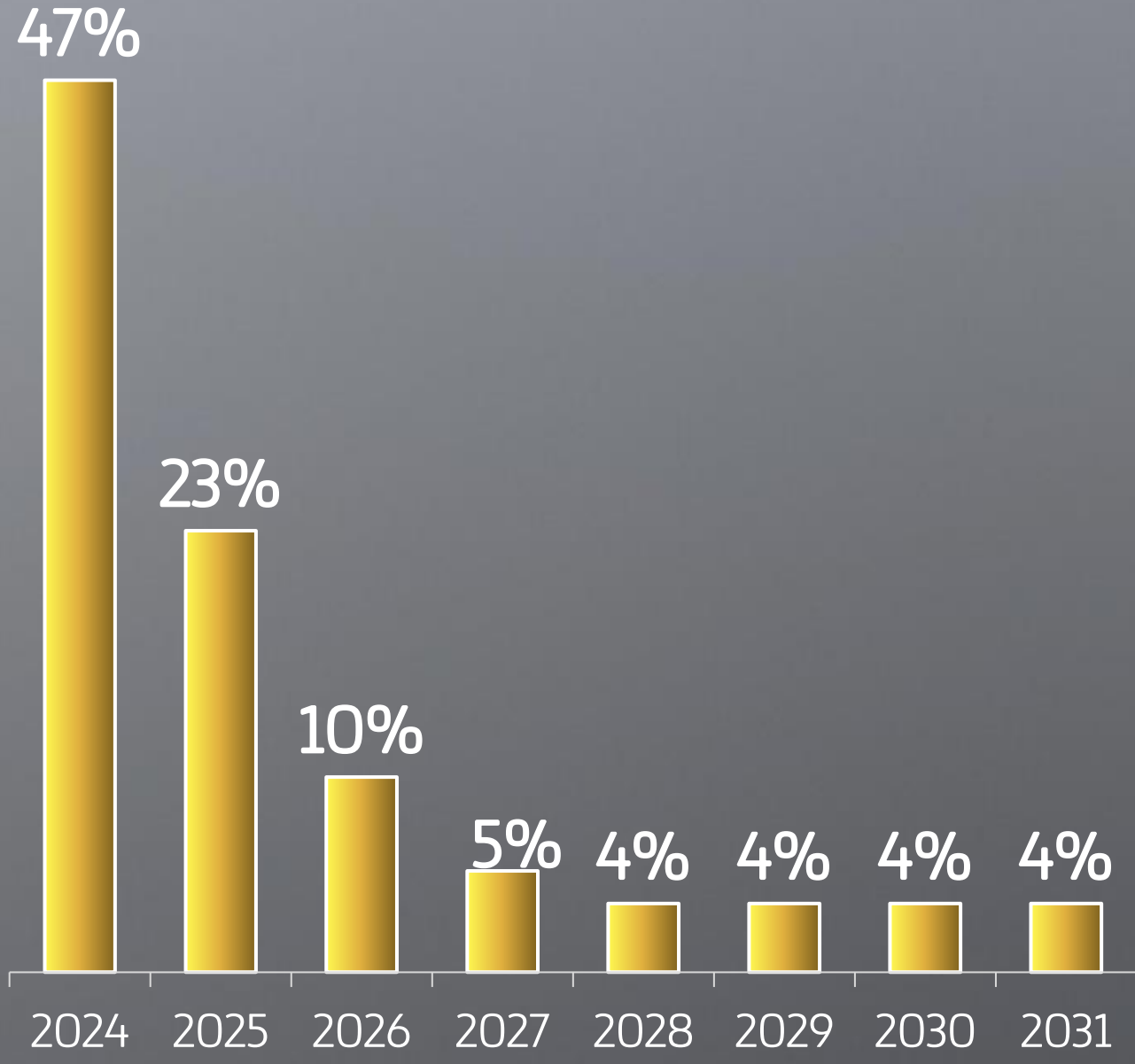


Backlog (bn PLN)

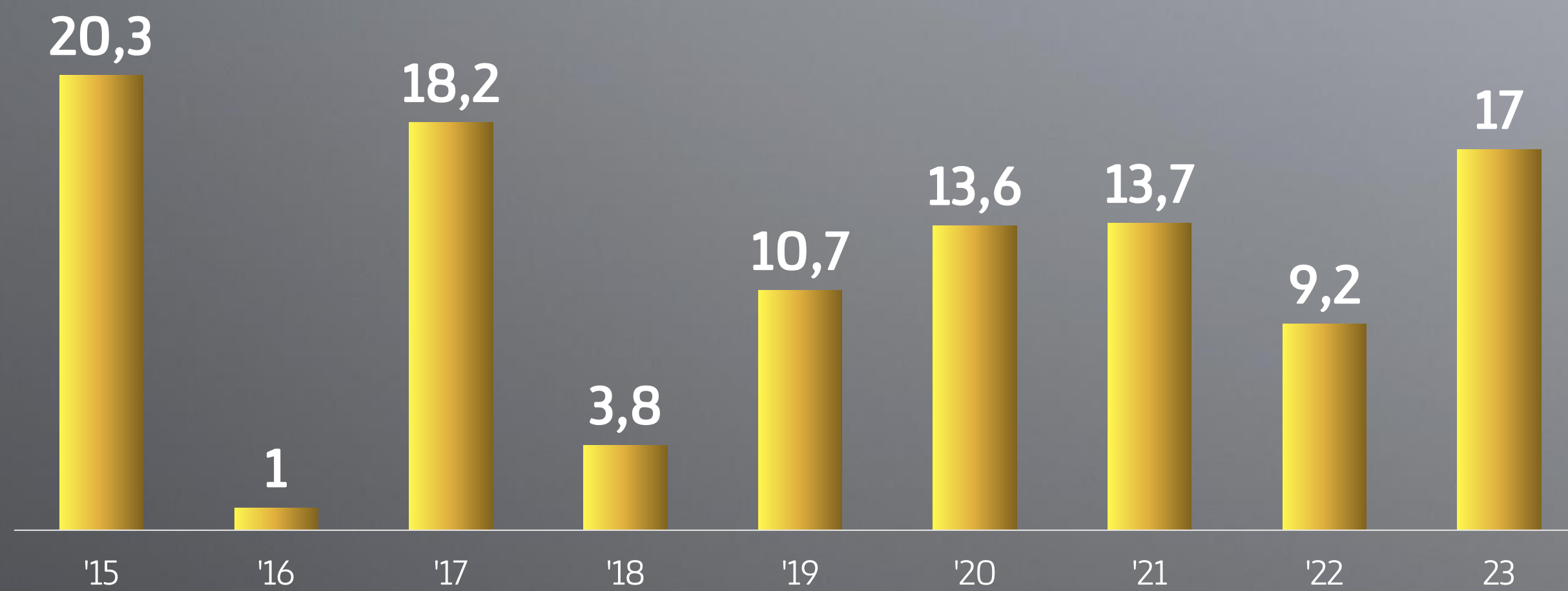
220 active contracts at the end of 2023



Backlog maturity (%)



Value of the lowest bids on the domestic road market (bn PLN)

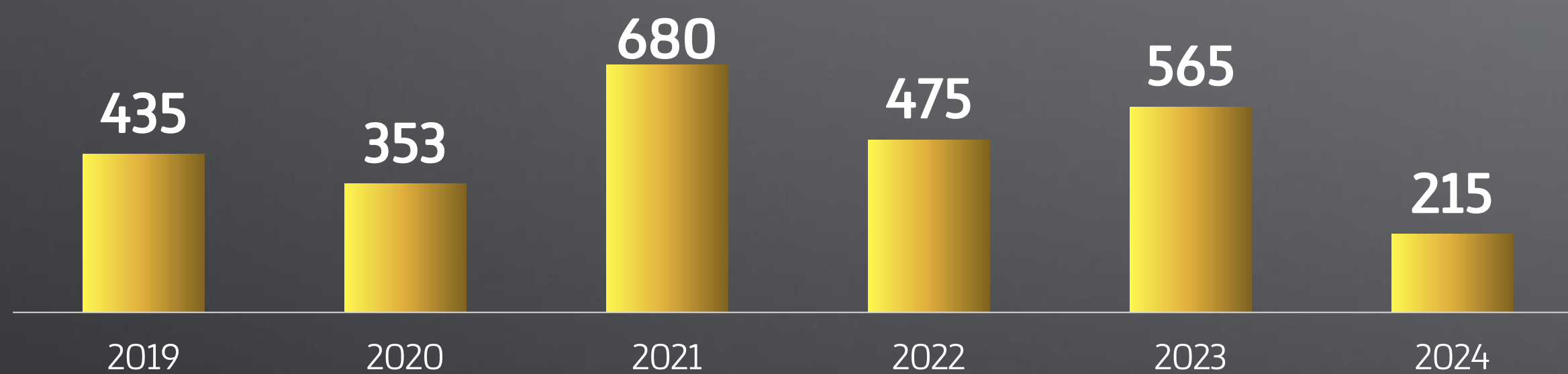


In 2023, GDDKiA opened bids in 37 tenders, which amounted to 17 bn PLN.

Budimex submitted the lowest bid in 10 competitions for a total amount of over 3,5 bn PLN

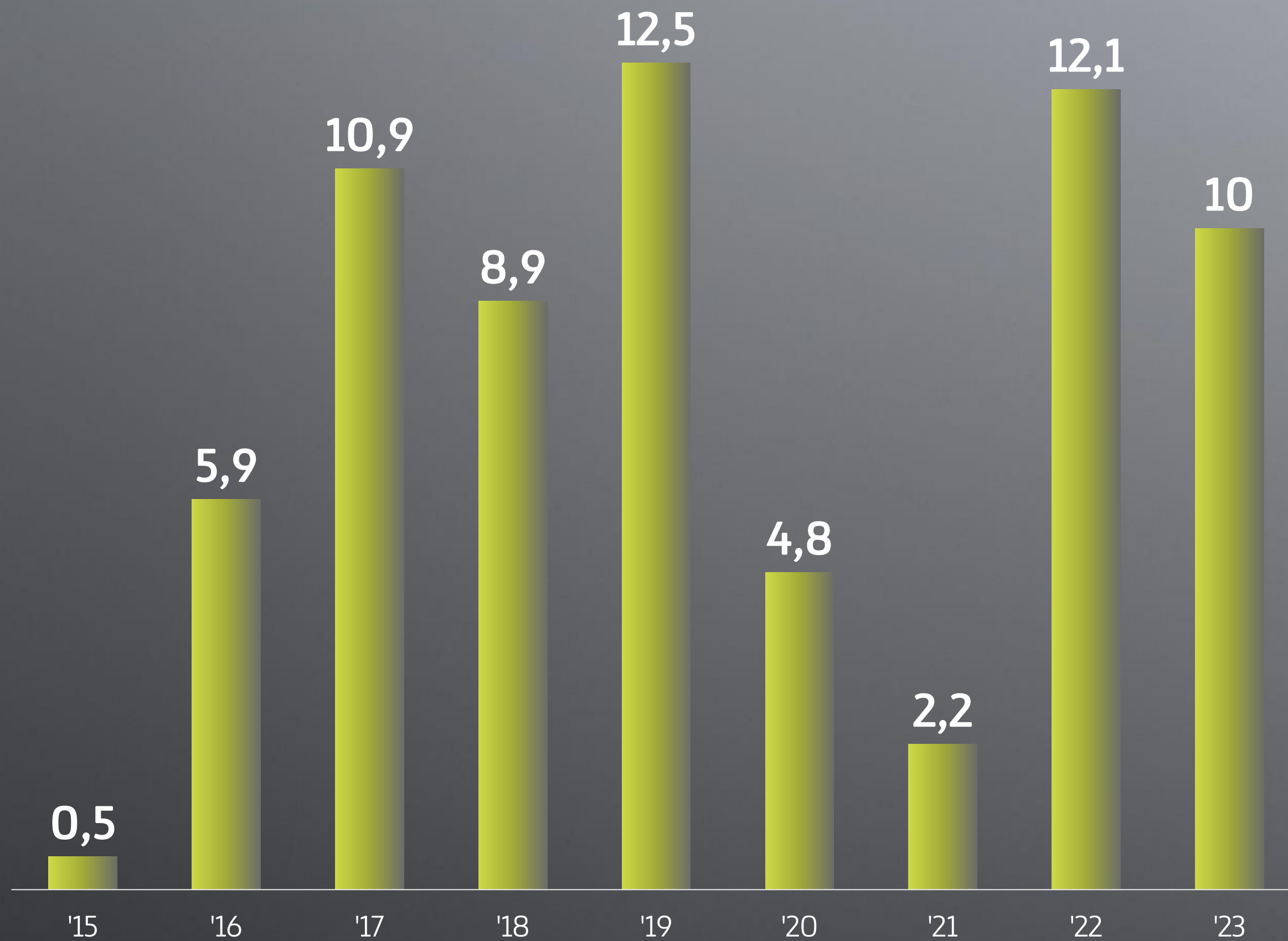
GDDKiA signed 10 contracts out of open bids in 2023

Planned tenders to be announced (km)



Railway market

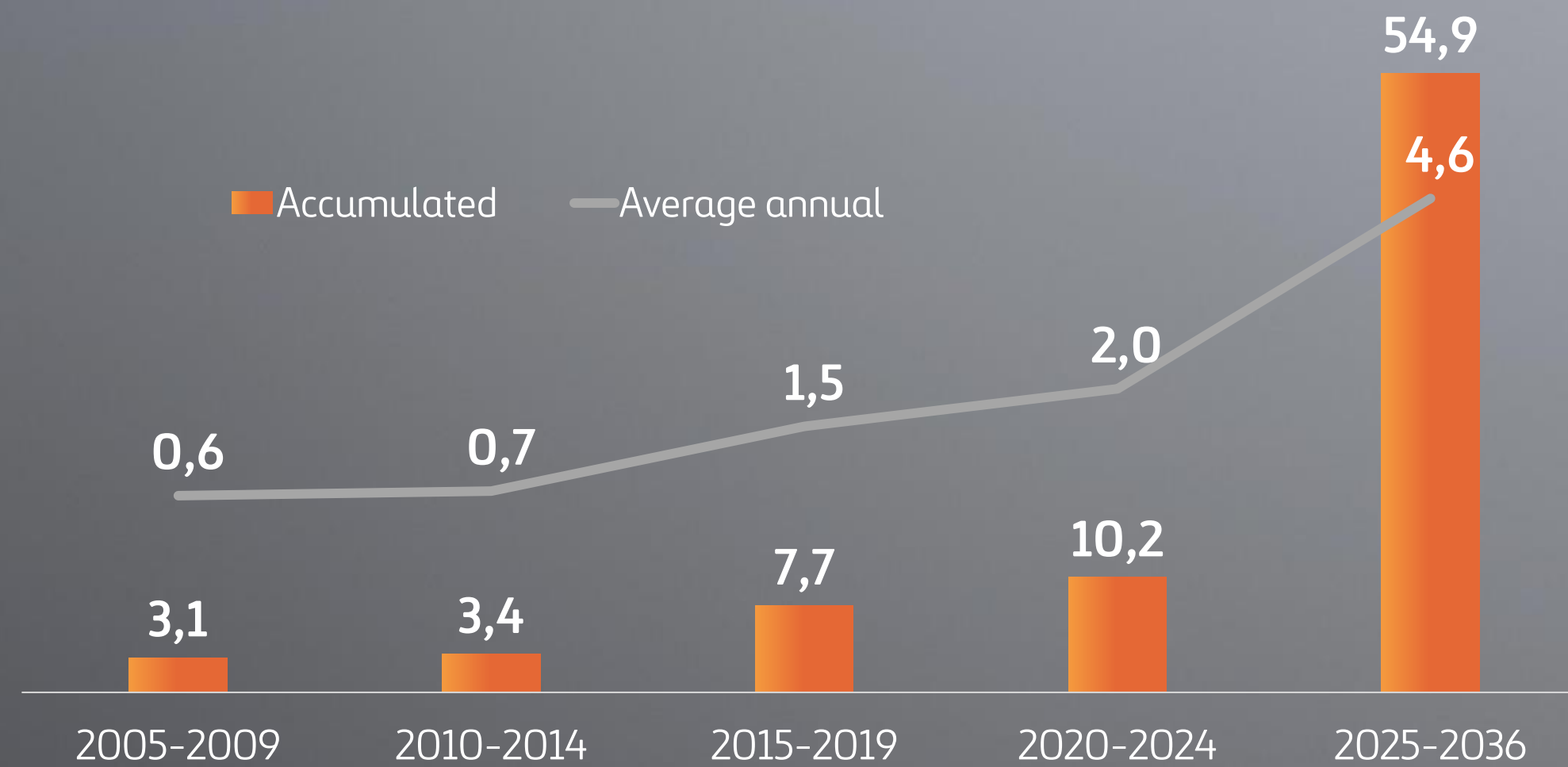
Value of the lowest bids on the domestic railway market (bn PLN)



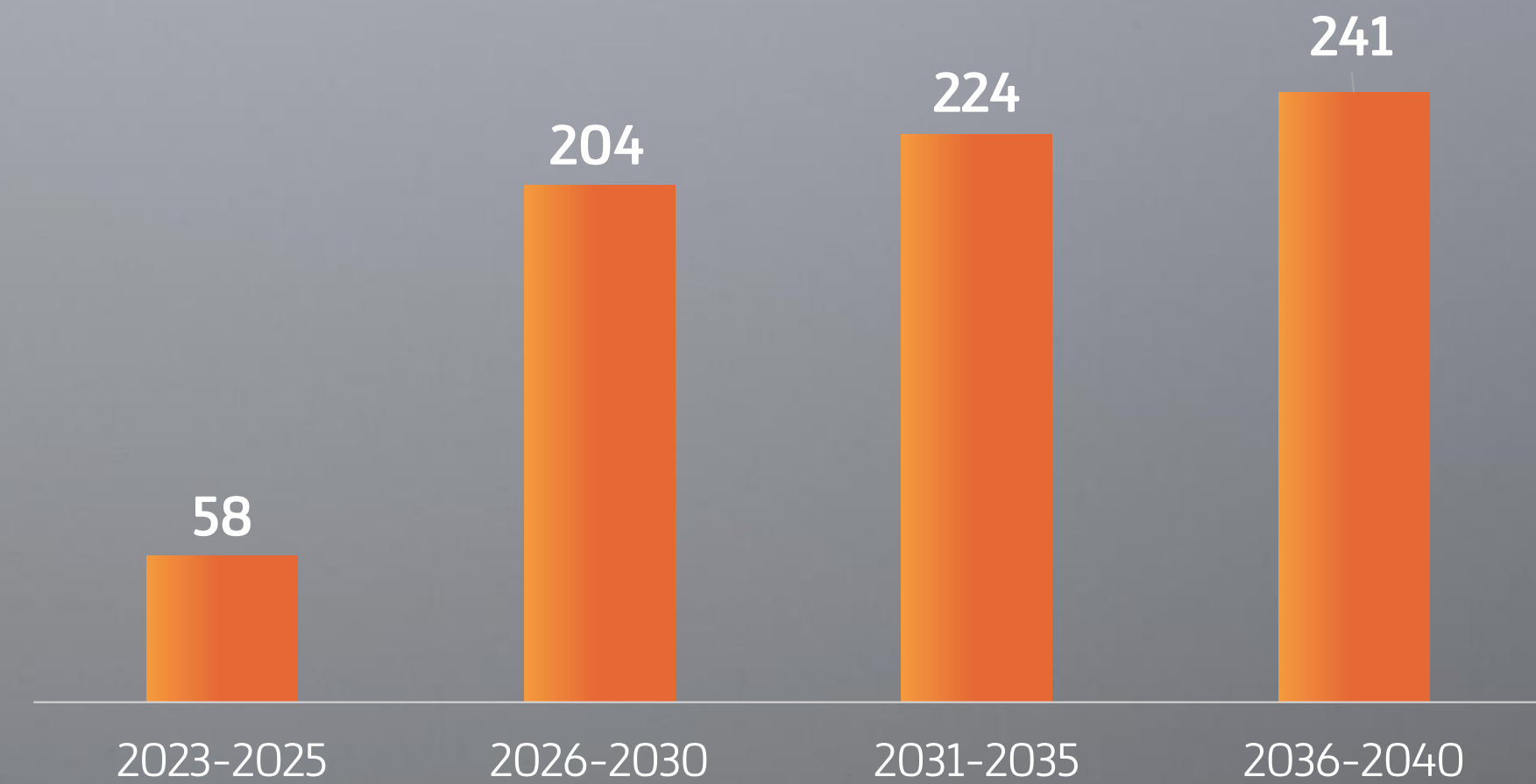
- In 2023, PKP PLK opened bids in 18 tenders amounting to 10 bn PLN.
- Budimex submitted the lowest bid in 3 competitions for a total amount of over 2,4 bn PLN.
- PKP PLK signed 5 contracts out of open offers in 2023.
- 7 projects were announced in the Build formula, and the remaining 11 in the Design and Build formula

Energy segment with good prospects

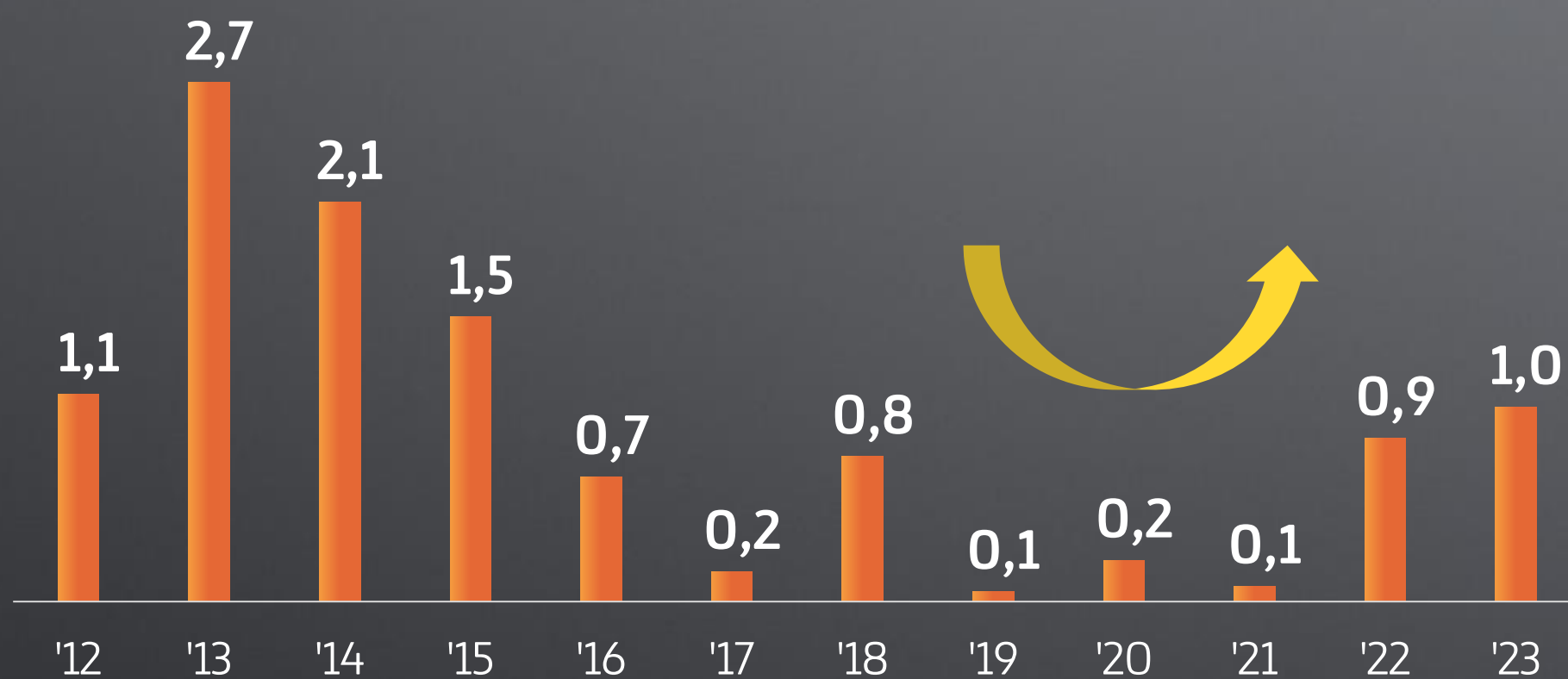
PSE's capital expenditure (bn PLN)



Capital expenditure PEP2040 (bn PLN)



PSE – signed contracts (bn PLN)



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

● The target for the Budimex is to rebuild the backlog to 1,0 bn PLN

Agenda

Macroeconomic background

Financial results of Budimex Group

Backlog & contracting

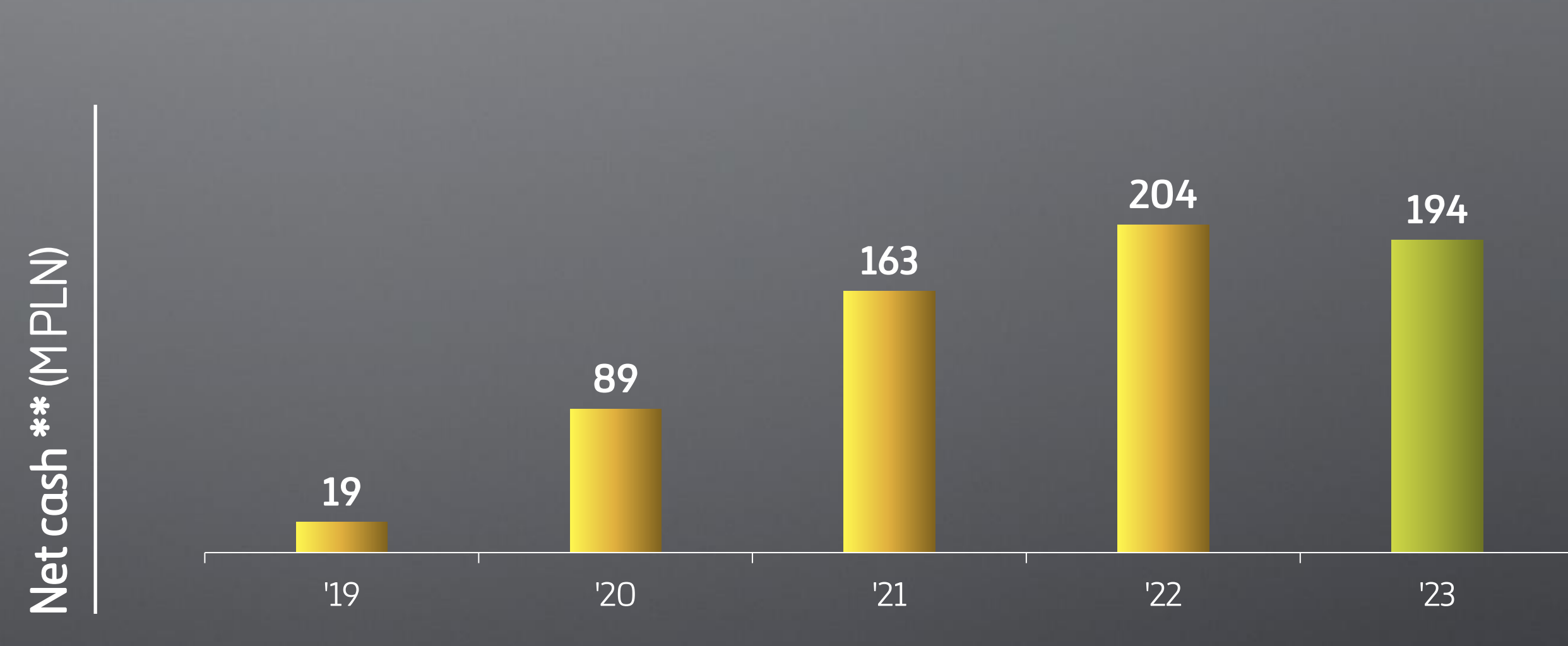
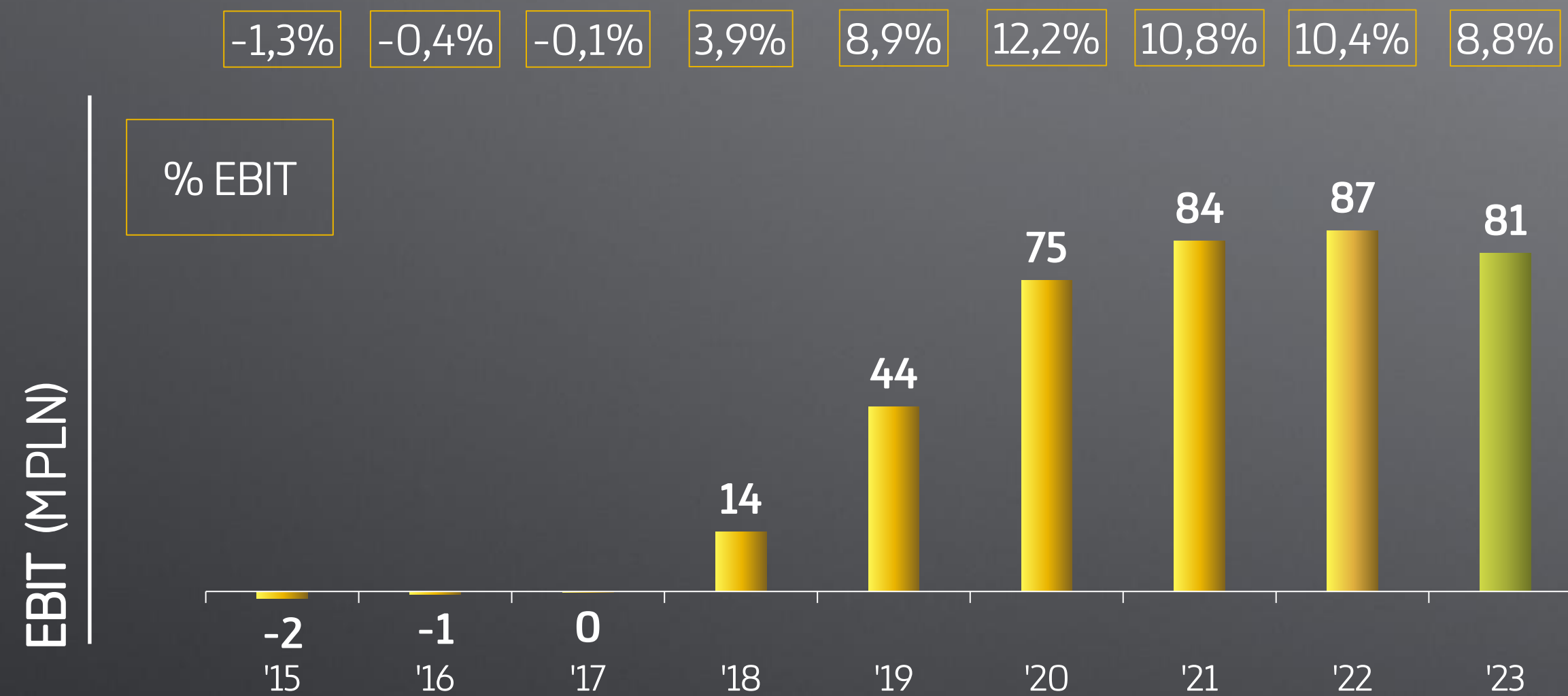
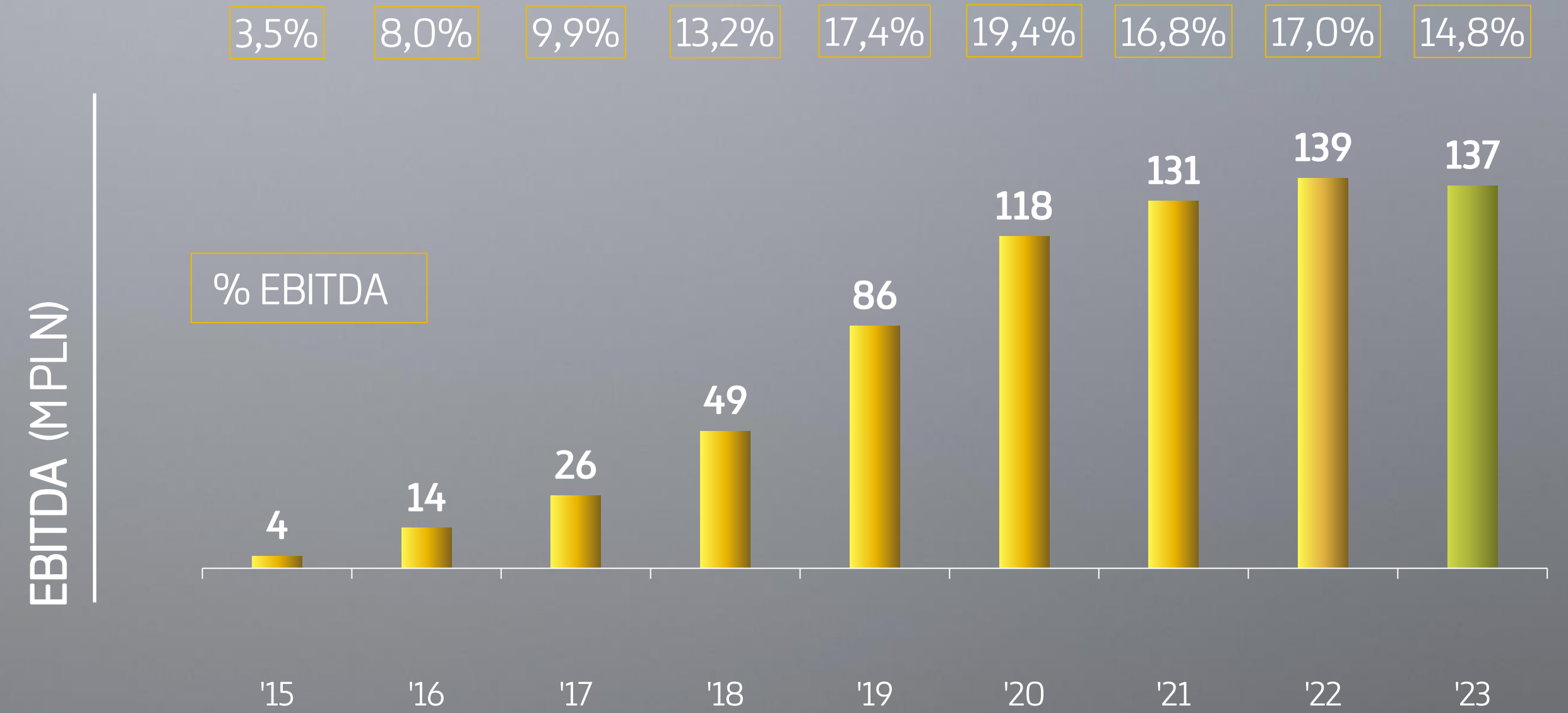
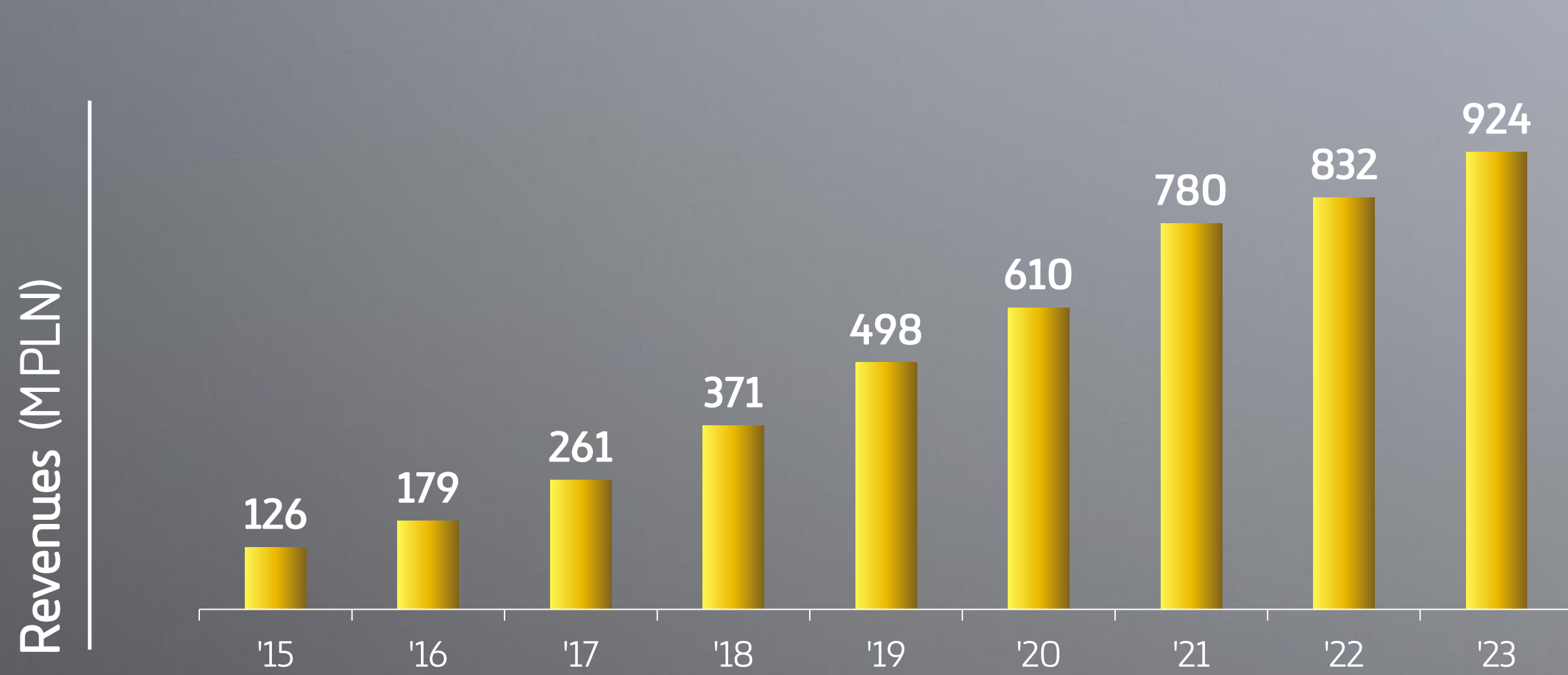
FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG



FBSerwis – financial results*



* Financial results including correction of the 2022 report

** Net cash since consolidation of 100% of FBSerwis shares.

Key operations 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 the years 2024-2028:

- Task 1: FBSerwis offer: 85.5 M PLN net; number of offers: 8; submission date: 09.02.2024
- Task 2: FBSerwis offer: PLN 79.7 M PLN net; number of offers: 10; submission date: 09.02.2024

Submitting the lowest offer for a task in the tender for the collection, transport and management of waste from real estate in Poznań in the years 07.2024-06.2027:

- Task 1: FBSerwis offer: 36,1 M PLN net; number of offers: 4; submission date: 12.02.2024

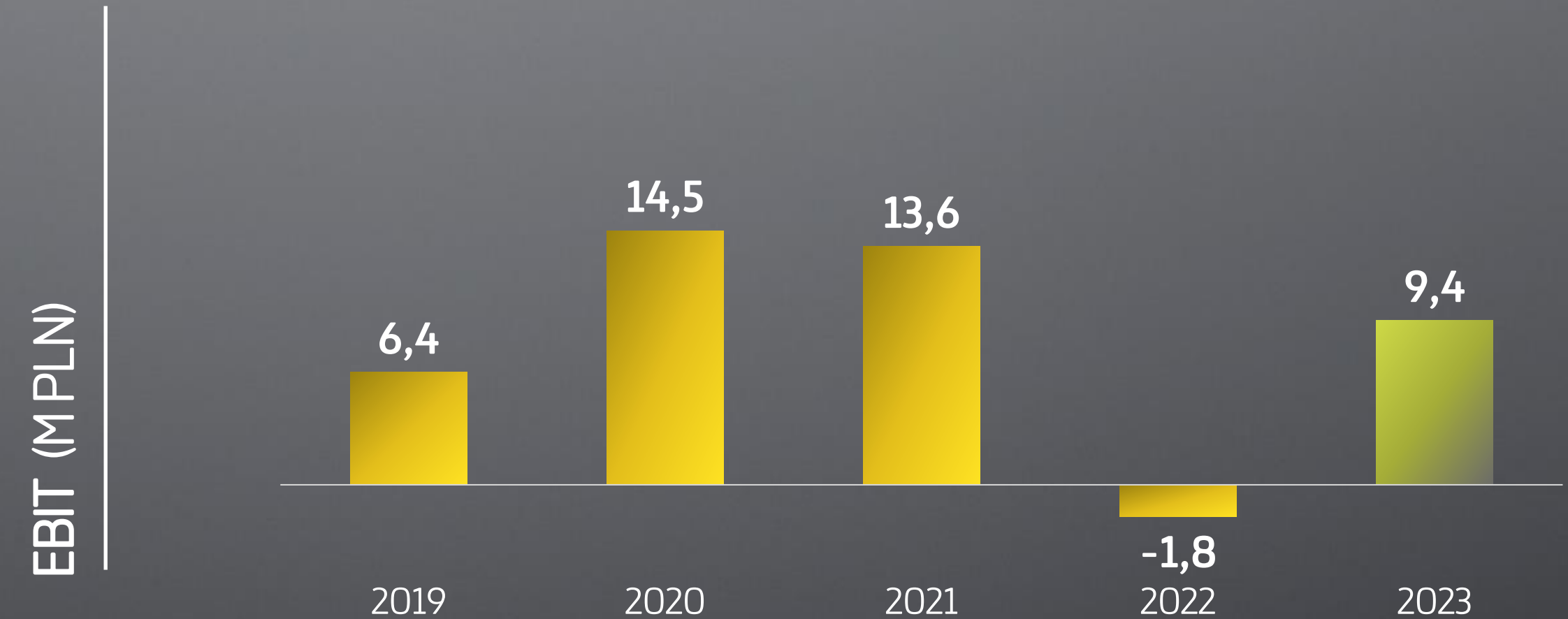
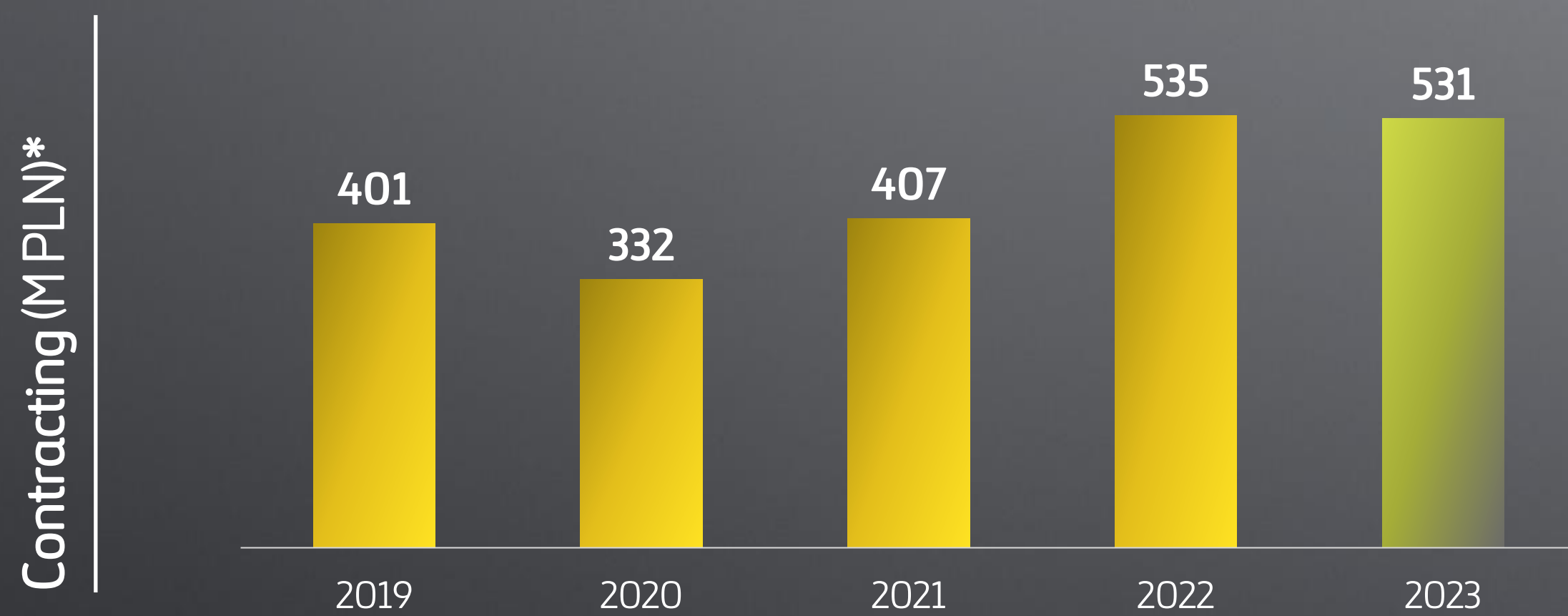
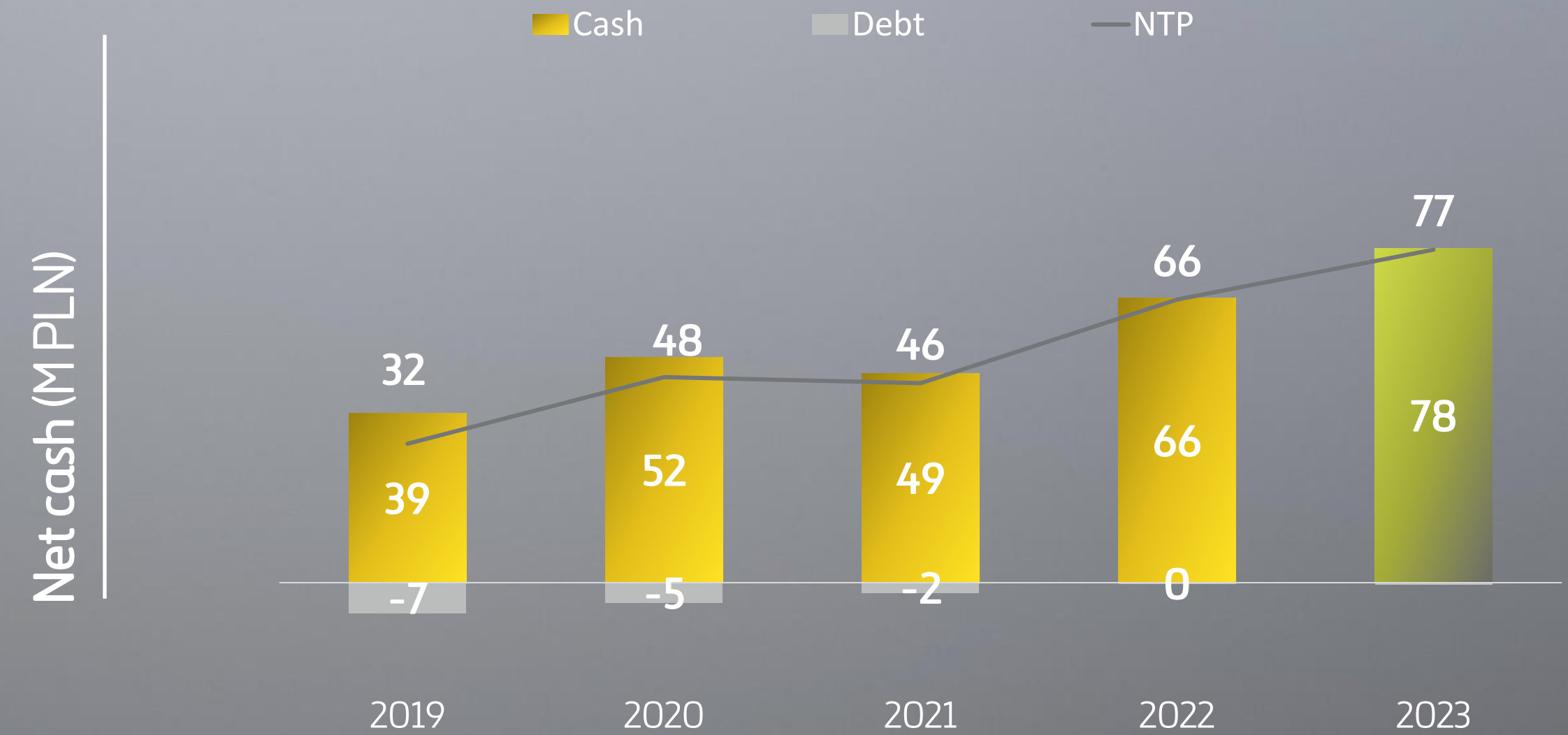
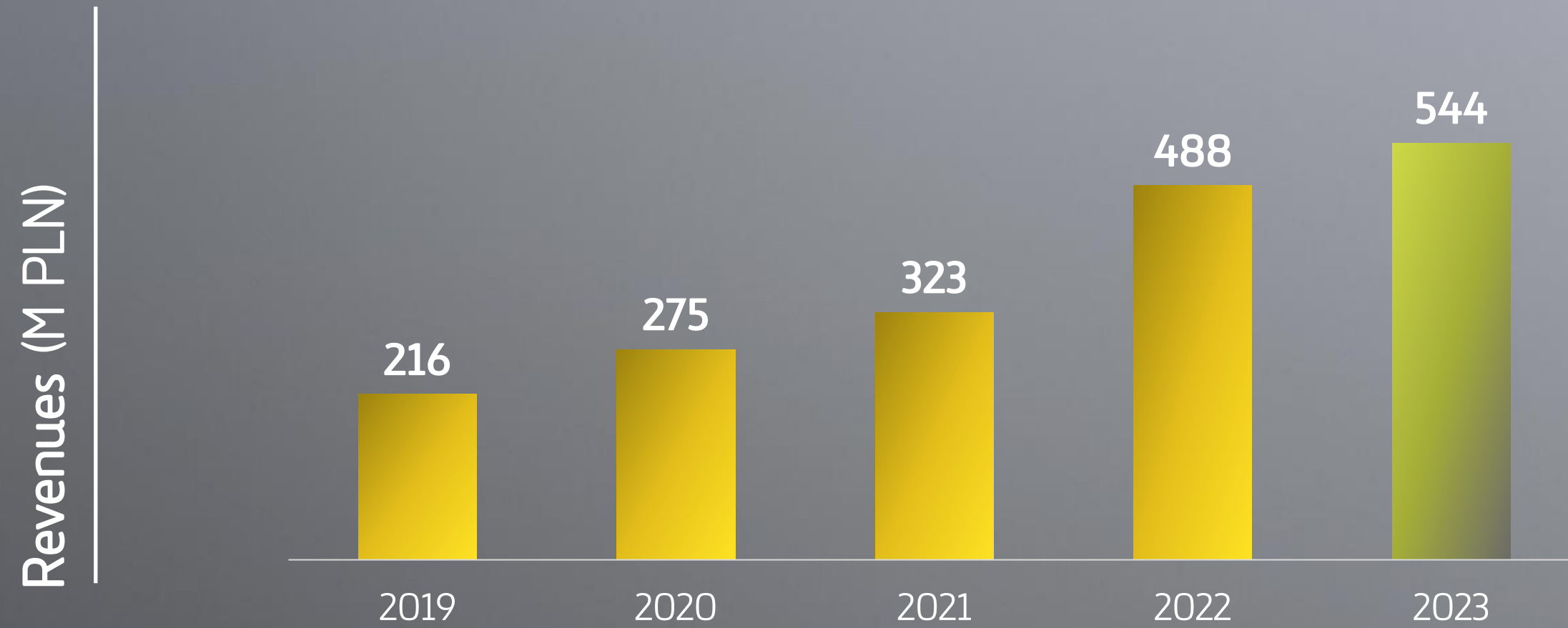
Development directions in waste segment

FBS intends to invest in strengthening its position by modernizing its assets. 2Q 24 start of the reconstruction of Tarnów instalation where Mostostal Kraków will be the GC.

FBS intends to invest in the development of a network of logistics bases and waste collection (Poznań, Łódź + Rzeszów)

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 (1 M&A + 3 greenfield)

Mostostal Kraków – financial results



*Kontraktacja zewnętrzna i wewnętrzna.

Foreign expansion

Mostostal Kraków is the contractor and assembler of 6 200 tons of steel structure for the bridge in Kowno

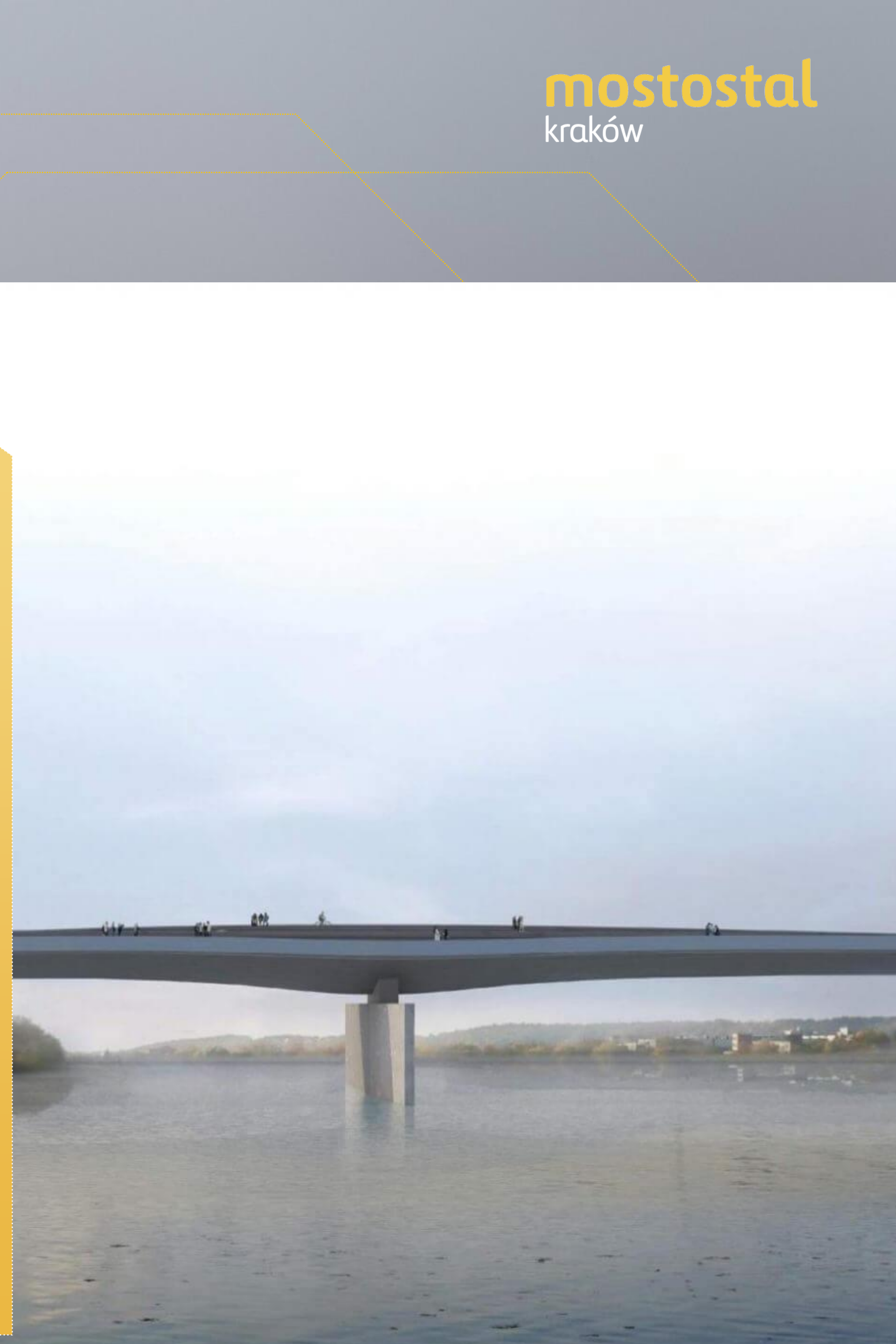
A contract was signed for the delivery and assembly of the steel structure of the bridge in Kiejdany, Lithuania. The general contractor of the investment is Autokausta - one of the largest construction companies in Lithuania.

The new bridge over the Niemen is to connect streets of Brasta and Užnemunės. The planned Kėdainiai Bridge in Kowno will be 417 meters long. There are 4 lanes planned and zones for pedestrians and cyclists spread over a width of 23.2 meters.

The production of construction elements will be carried out entirely by Konstalex - a company in the Mostostal Kraków Group. The weight of a single shipping item reaches up to 160 tons. The factory in Radomsko is one of the few in Poland that produces elements of such dimensions.

Return to the Lithuanian market

For Mostostal Kraków, this will be another contract on the Lithuanian market after a several years long break. Thanks to the previously obtained certifications on this construction market, the process of submitting an offer and obtaining the necessary official approvals was successful.



Konstalex

Konstalex investment plan

The installation of photovoltaic installations with a capacity of 2x50 kWp has been completed on the roof of the factory hall in Radomsko, which will meet 10% of the energy demand of production. The investment involves the installation of additional 2x450 kWp panels.

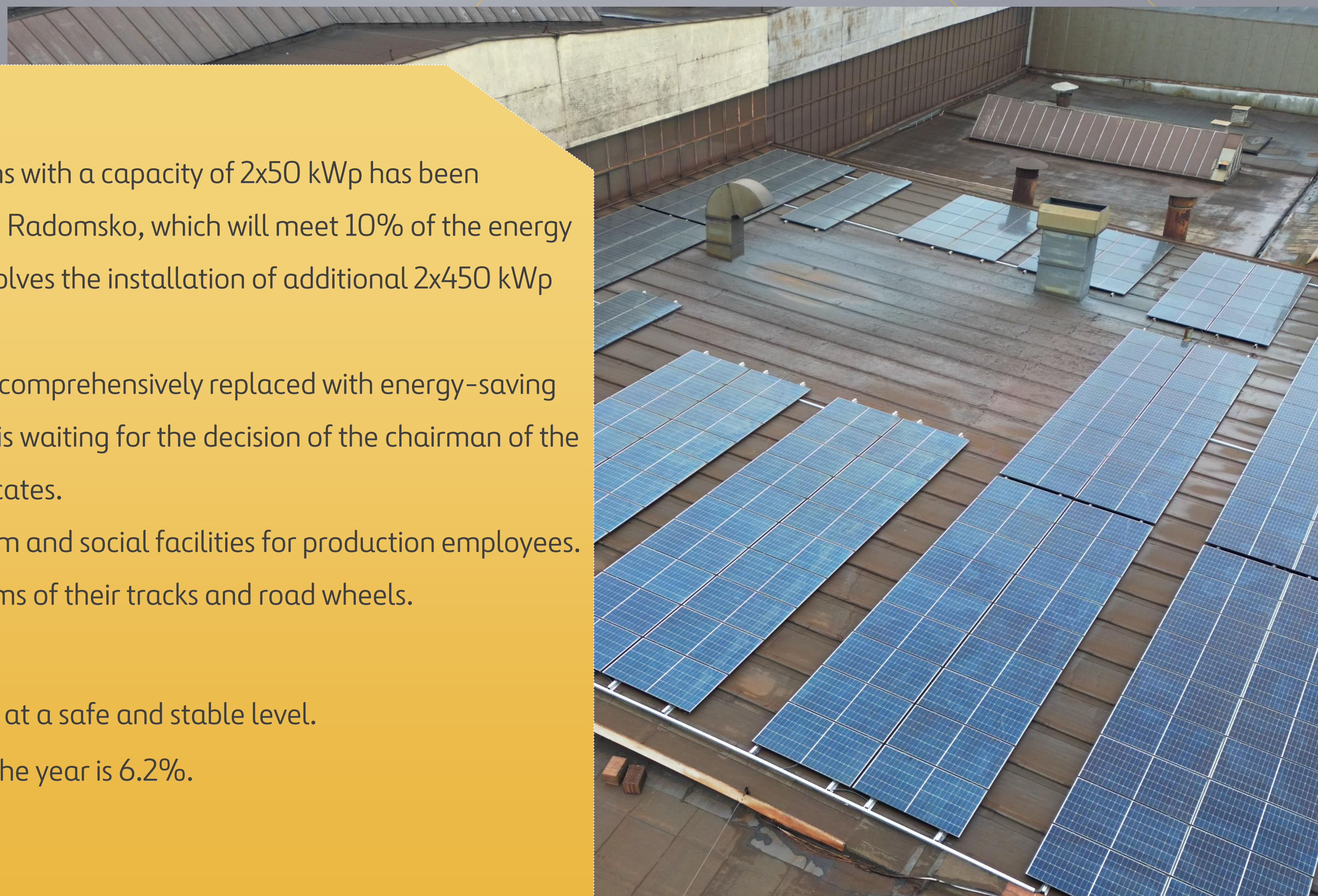
Inside the production hall, the lighting was comprehensively replaced with energy-saving one. The modernization of the installation is waiting for the decision of the chairman of the URE regarding the granting of white certificates.

Comprehensive renovation of the cloakroom and social facilities for production employees.

Modernization of the factory's cranes in terms of their tracks and road wheels.

Financial situation

- The financial situation of the Company is at a safe and stable level.
- Expected profitability EBIT at the end of the year is 6.2%.
- Safe backlog and cash levels.



Agenda

Macroeconomic background

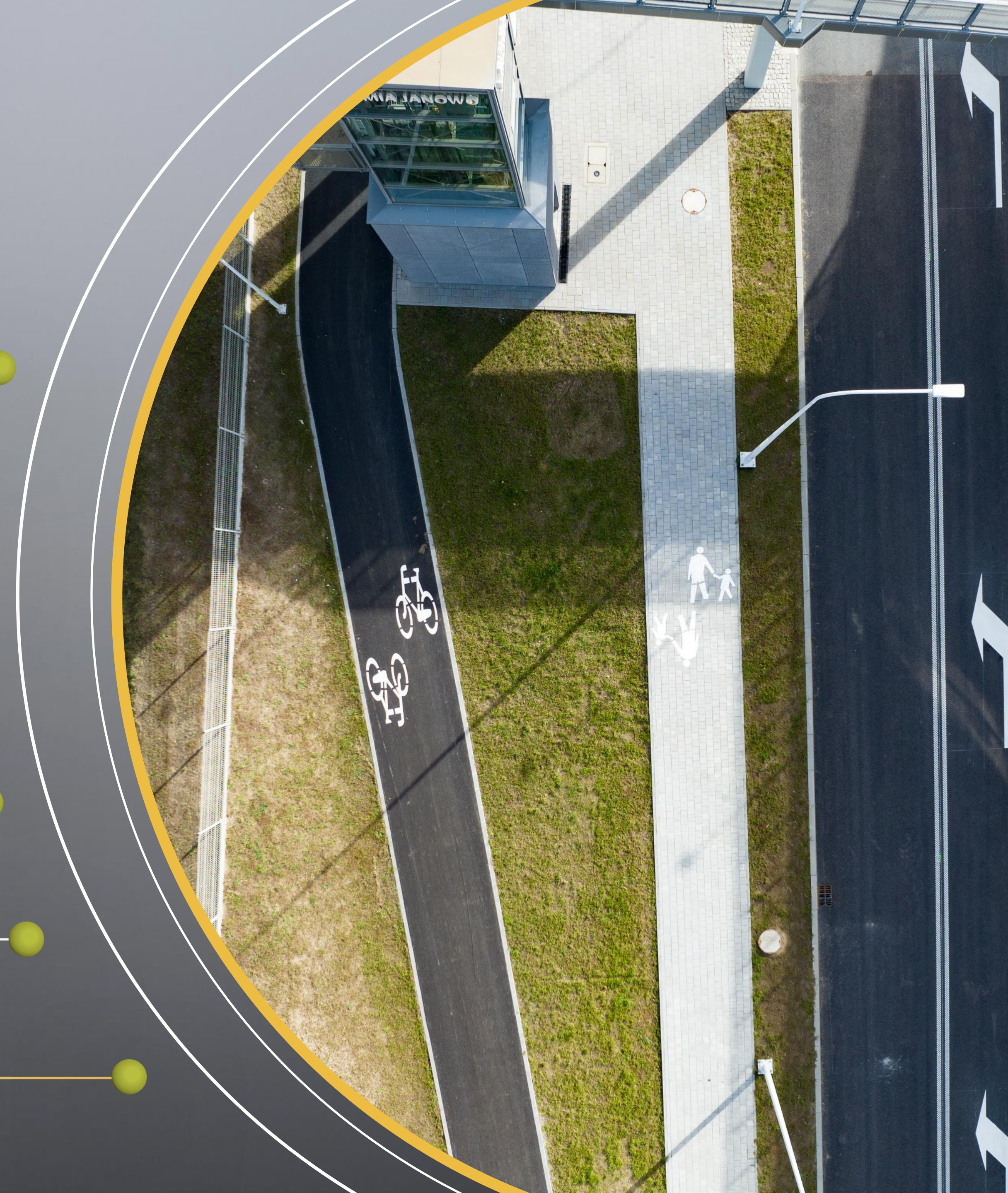
Financial results of Budimex Group

Backlog & contracting

FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG



Summary of investment programmes



Government Programme for the Construction of National Roads to 2033

294 bn zł



Programme of 100 Bypasses by 2030

28 bn zł



Programme for Strengthening the National Road Network up to 2030

58 bn zł



National Railway Programme to 2030

>100 bn zł



CPK

≈160 bn zł



Investment in ports until 2030

40 bn zł



PSE program until 2036

62 bn zł



Nuclear power plants

≈200 bn zł



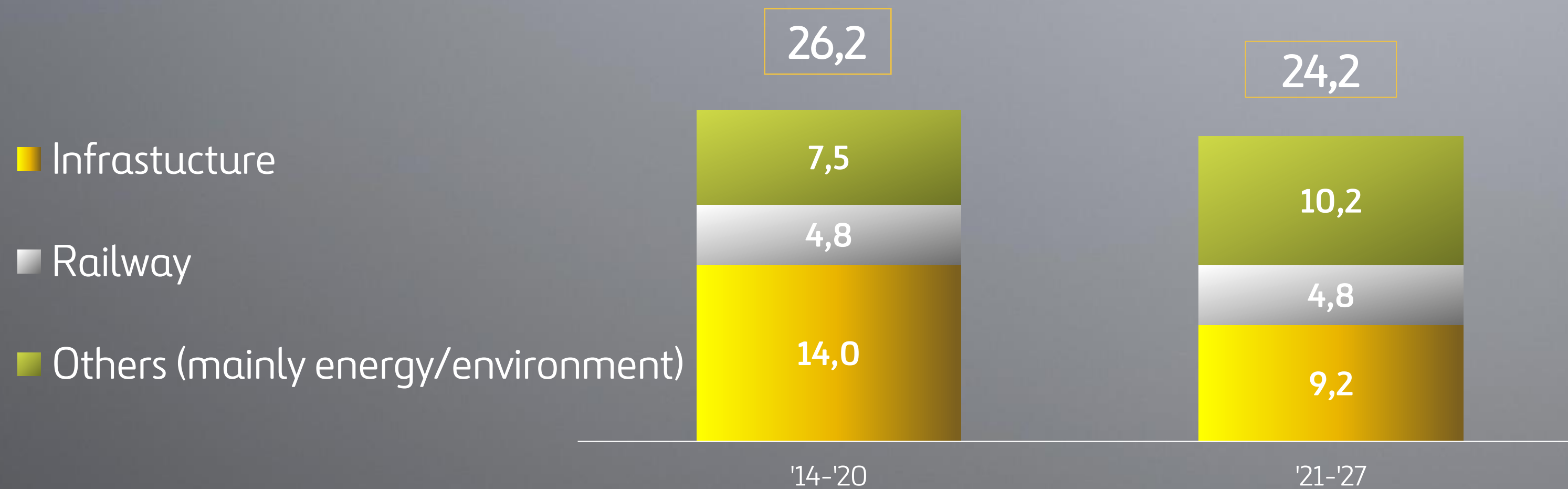
Off-shore until 2040

>100 bn zł

Σ 1000 bn PLN

Cohesion Fund & CEF Programme (bn EUR)

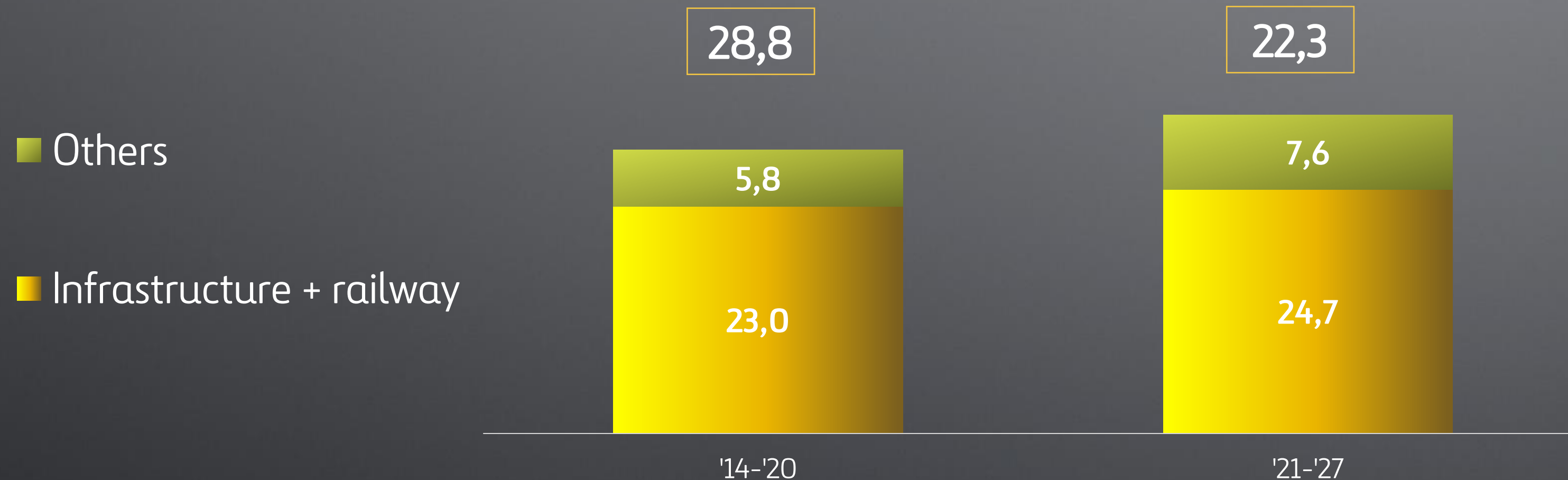
European Funds for Infrastructure, Climate, Environment 2021-2027 (FENiKS) programme (bn EUR)



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

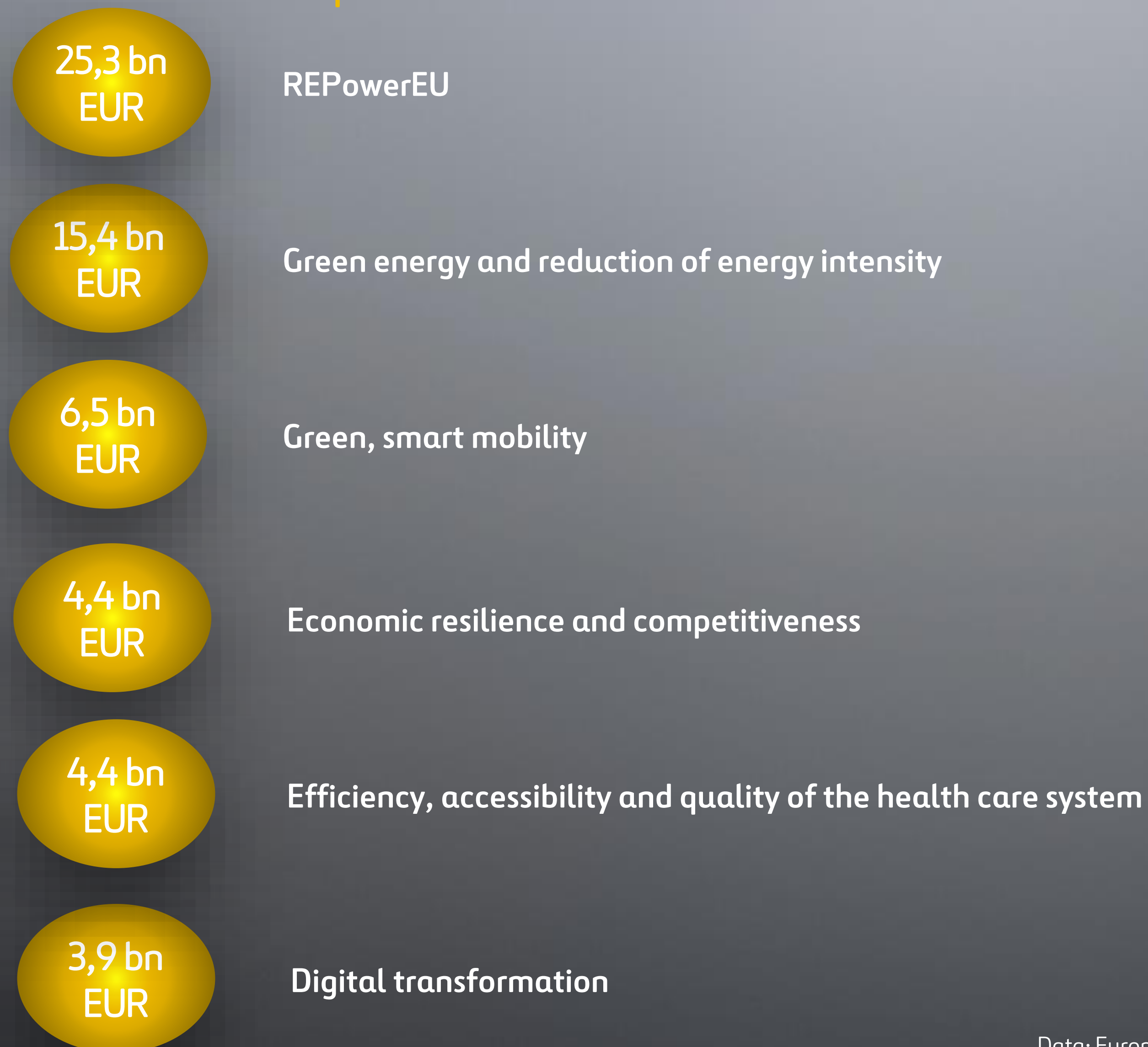
Connecting Europe Facility (CEF) - funds for all countries (bn EUR)



≈ 10% of the total CEF amount allocated to Poland

National Recovery Plan (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:

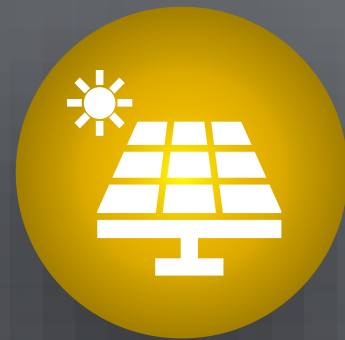
- ✓ Dec'23: first request for payment of 6,9 bn EUR
- ✓ 5 bn EUR of advance payment received in Dec'23
- ✓ 4 requests for payment to be filled in'24 (up to 23 bn EUR in total)

Investment in Renewable Energy Sources (RES)



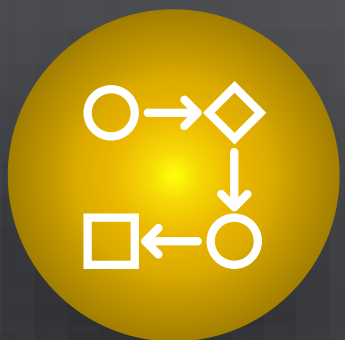
Magnolia project (2 turbines up to 7 MW):

- the first kWh was produced in September
- current production > 2 GWh
- 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



New greenfield projects:

- Work on applications for connection conditions for a capacity of 145 MW
- Currently, projects with a capacity of approximately 1.5 GW are being considered at various stages of development - including secured lease agreements of nearly 500 MW

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
- the construction of the portfolio 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

JV on residential market

budimex

JV Budimex SA and Apricot Capital Group (75/25) involving the implementation of a joint residential project in Poznań

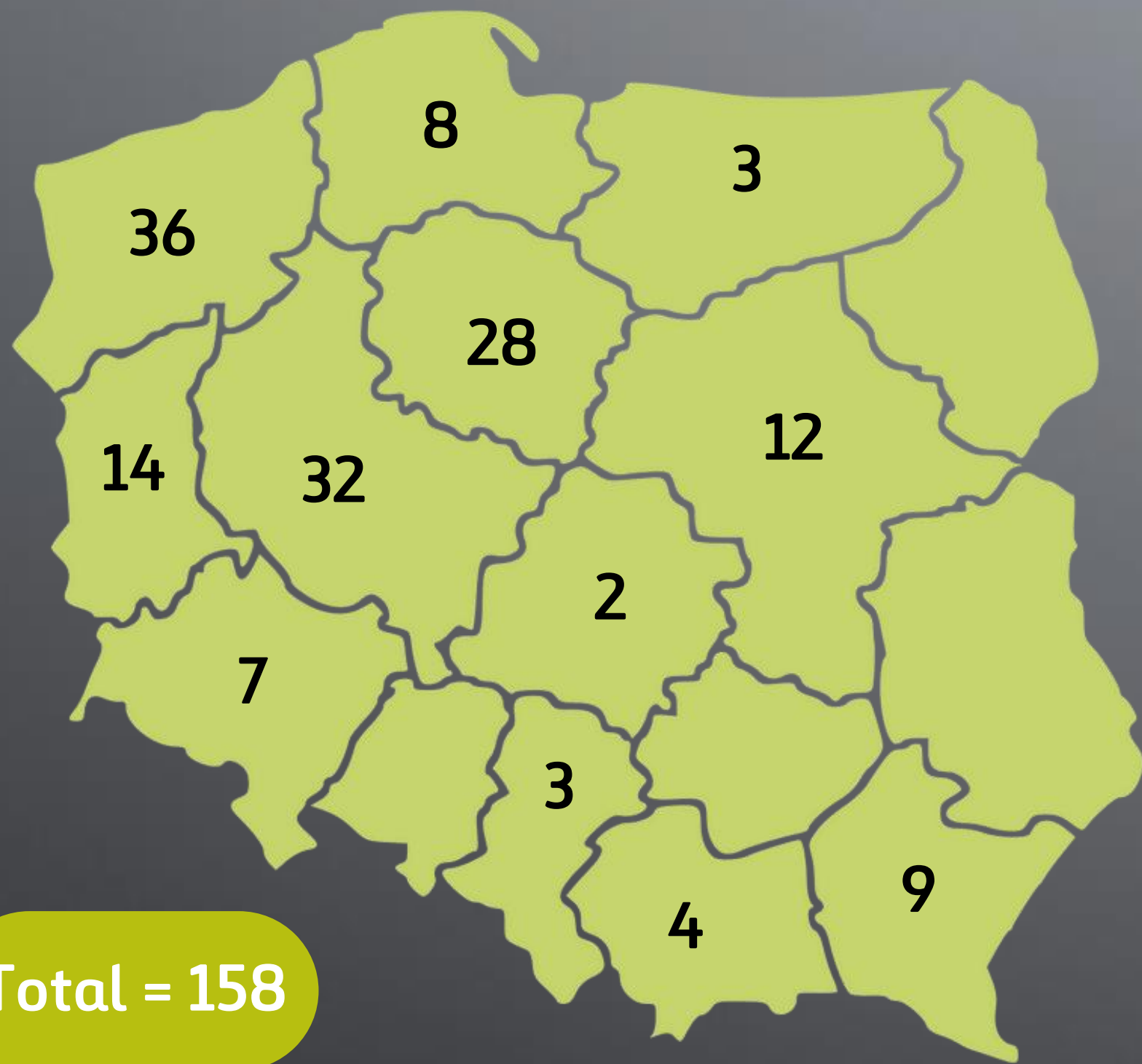
The investment concerns approximately 420 apartments with parking spaces in the underground parking lot and storage rooms. Sales are scheduled to start in 2024.

In the past Budimex and Apricot have cooperated many times in real estate projects (Budimex as general contractor)



budimex

apricot[®]



Total = 158

Launched stations divided into voivodeships



AC
POWER UP TO 22 kW standard



DC
POWER ABOVE 30 kW fast

- Budimex Mobility in 2023 purchased > 160 charging stations
- Until the end of 2026 > 460 stations in main urban centers

Agenda

Macroeconomic background

Financial results of Budimex Group

Backlog & contracting

FBSerwis & Mostostal Kraków

Market and outlook

CSR & ESG

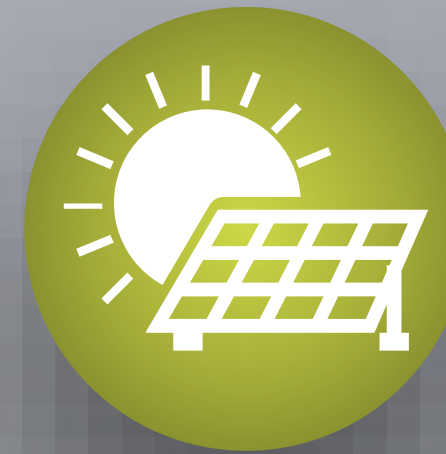


Implementation of ESG goals in 2023

CLIMATE CHANGE

OPERATIONAL GOAL

- o Obtaining, from the market, 100% of electricity from renewable energy sources



IMPLEMENTATION

- o Energy consumption amounted to **20,678 MWh**, all energy came from RES

SUPPORTING DIVERSITY

- o Promotional campaigns
- o International exchanges
- o Increasing diversity



- o 4 diversity campaigns
- o 14 people went to Great Britain, Australia and Spain
- o Cooperation with **40 interns from Ukraine**

EMPLOYEES DEVELOPEMENT

- o Maintaining expenses for training and development at 7 M PLN
- o Implementation of development programs



- o Expenses incurred on employee development and training in 2023 – **8,5 M PLN**
- o **14 large development programs** were implemented, such as: Super Leader, Engineer's Academy, Contract Manager's Academy, Murowany Sukces, Foreman's Academy

Implementation of ESG goals in 2023

BUILDING A SAFETY CULTURE

OPERATIONAL GOAL

- o Safety visits of top management staff (plan of 364 OHS visits on construction sites)
- o Safety week
- o Reports of potentially accidental events



IMPLEMENTATION

- o **576 OHS visits** were carried out on construction sites
- o **94% of contracts** organized occupational health and safety activities during safety week
- o **An increase in number of observations by 50%** compared to the previous year

SUPPORTING EDUCATION SYSTEM

- o Establishing cooperation with min. 18 secondary and higher education institutions
- o Conducting educational programs for 5,000 students



- o Establishing cooperation with **40 secondary schools and 19 universities**
- o 142 Budimex events for universities
- o 48 job fairs,
- o 27 lectures,
- o 29 trips to construction sites,
- o support for events organized by schools

Implementation of ESG goals in 2023

CODE OF ETHICS

OPERATIONAL GOAL

- o New Code of Ethics
- o Information Campaigns



IMPLEMENTATION

- o The scope of the existing Code of Ethics was expanded

CONFLICT OF INTEREST

- o Revision of procedures
- o Development of coursebook with practice guidelines of how to deal with conflicts of interest



- o Procedures have been reviewed
- o New scopes in procedures are described
- o A **coursebook with practice guidelines** was created

COUNTERACTION RISKS OF CORRUPTION

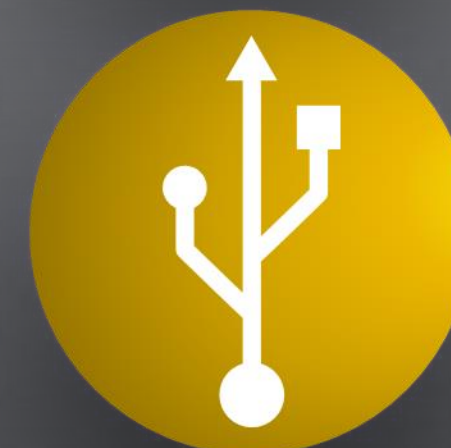
- o Periodic information campaigns
- o Revisions of internal regulations



- o Compliance communication strategy
- o **Training for nearly 1200 people**

CYBERSECURITY AND RISK MANAGEMENT

- o Implementation of projects improving protective mechanisms



- o A list of **ESG risks and opportunities** was developed
- o Cybersecurity management reporting has been introduced

Operational goals for the years 2024-2025

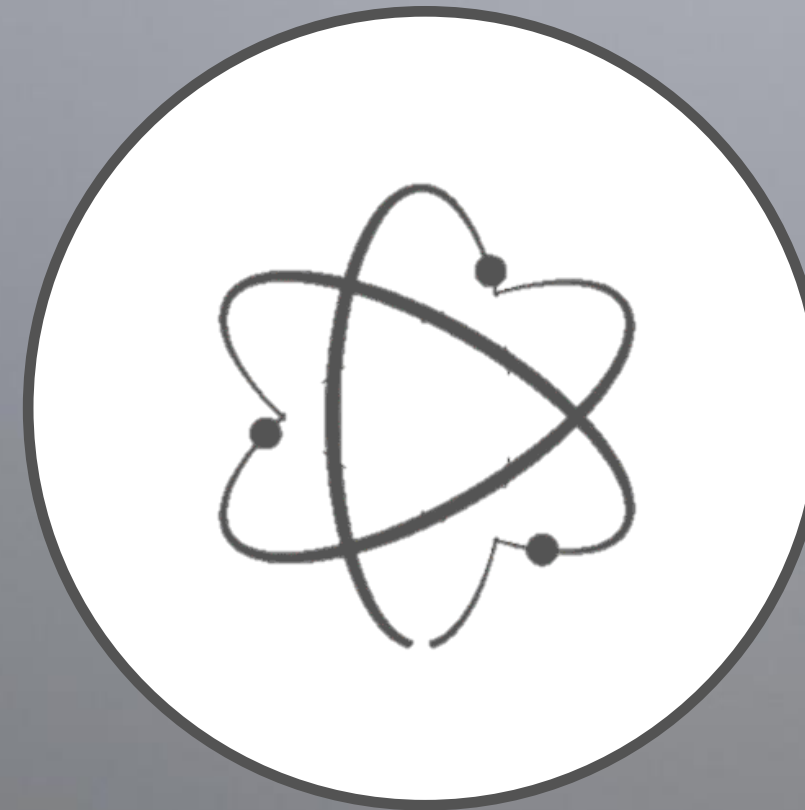


Maintaining the leader position on polish market (+ PPP projects)



Strengthening the foundations of the foreign operations

SK, CZ, LV, DE



Entering new areas of activity

PSE, ATOM



Entering a new segment in general construction

JV



Consistent expansion of the renewable energy project backlog

budimex

11,5%

Gross margin

15 years

of dividend payment

9,8

mld PLN
Revenues

+13

bn PLN

Contracts pending

3,8

bn PLN

Net cash

8,0%

EBIT margin

13

mld PLN

Backlog

1,5GW

of RES projects
analysed