



budimex

Investor Presentation
1Q'21



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- 1.1 Overview of construction segment
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- 1.3 Prices of main materials

2. Budimex Group in 1Q'21

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3. Budimex S.A. on WSE





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Market snapshot

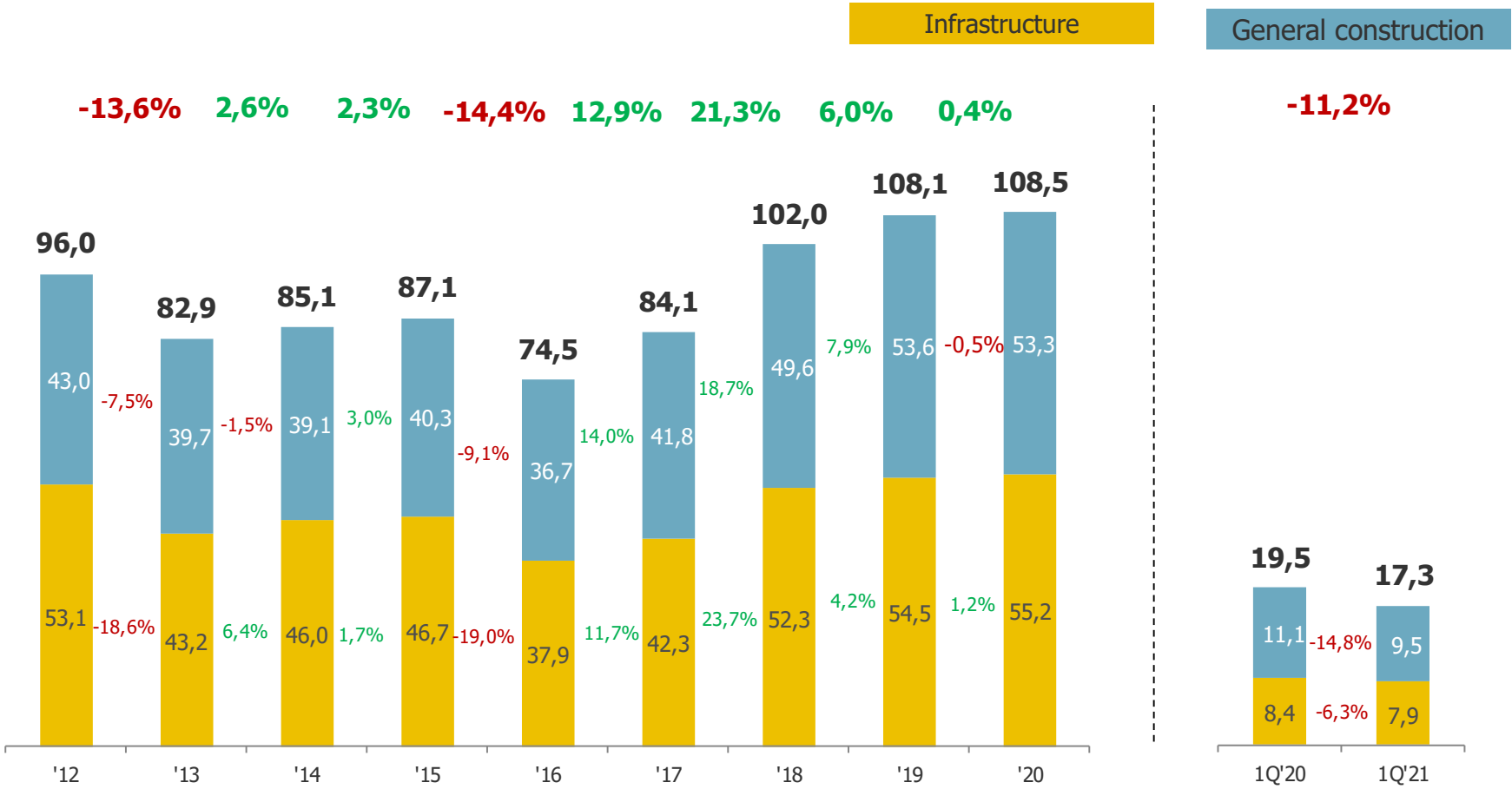


1.1 Construction production by segment

Comment

- In 1Q'21 construction production in Poland decreased by 11,2%
- The production was strongly impacted by COVID-19 pandemic, especially in general construction segment

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

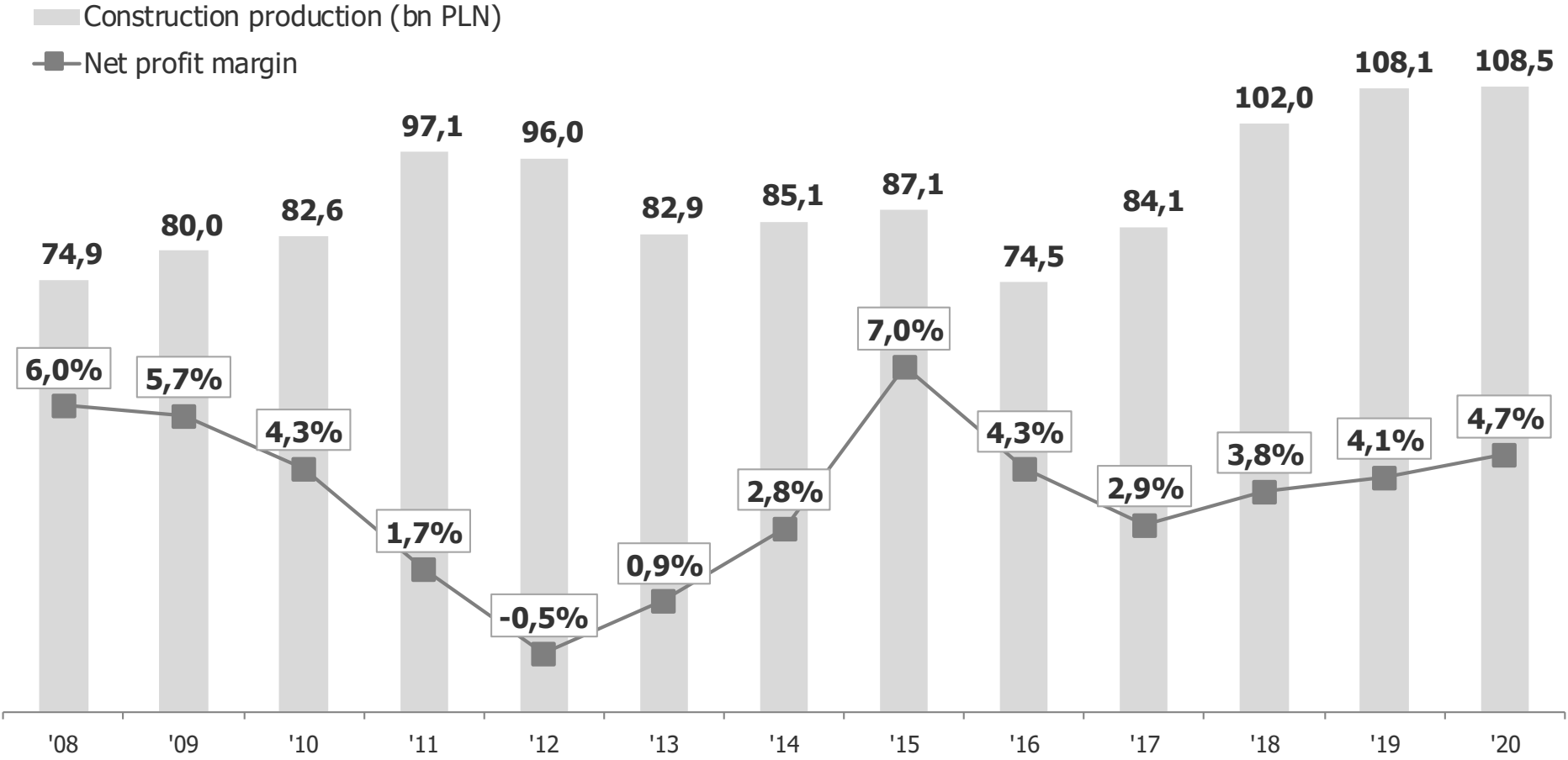


1.1 Production vs.net profit margin in construction

Comment

- High cost inflation combined with no real indexation impacted strongly margins of big construction companies, but recent quarters have brought relief

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

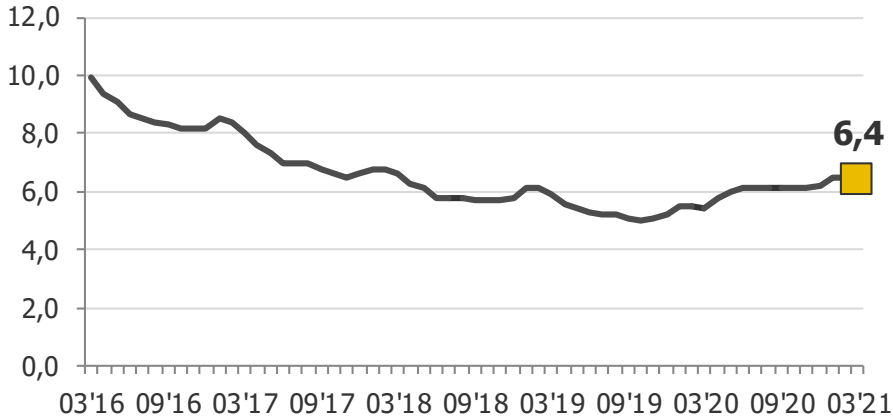


1.2 Labour market

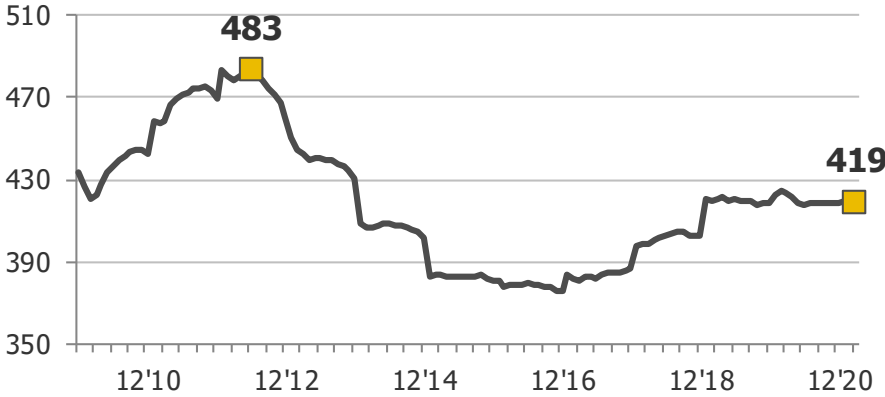
Comment

- Since the begin of COVID-19 pandemic unemployment rate increased by 1,0 p.p.
- Wages in construction are still growing, but the dynamics is lower compared to the average wage in economy

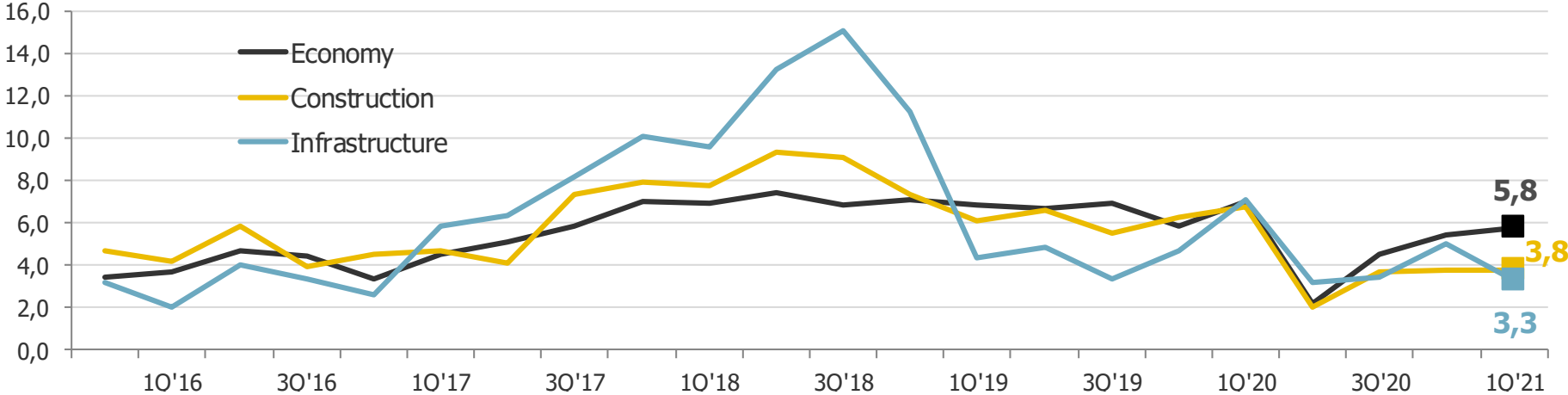
Unemployment rate (%)



Employment in construction (thous. employees)



Average wage dynamics (% y-o-y)

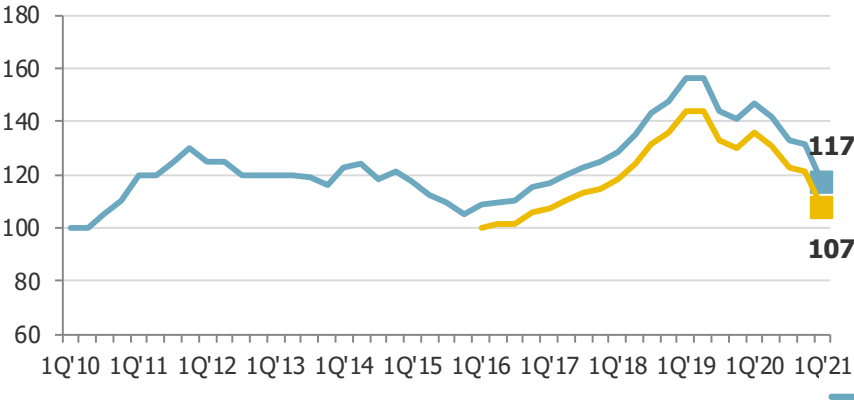


1.3 Prices of main materials

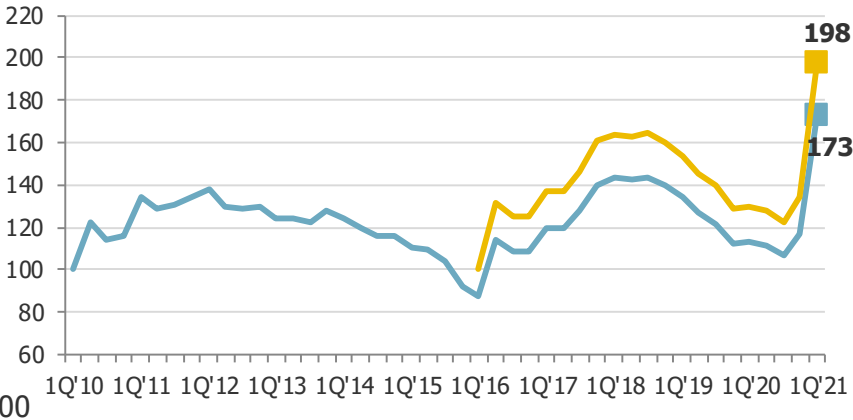
Comment

- 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

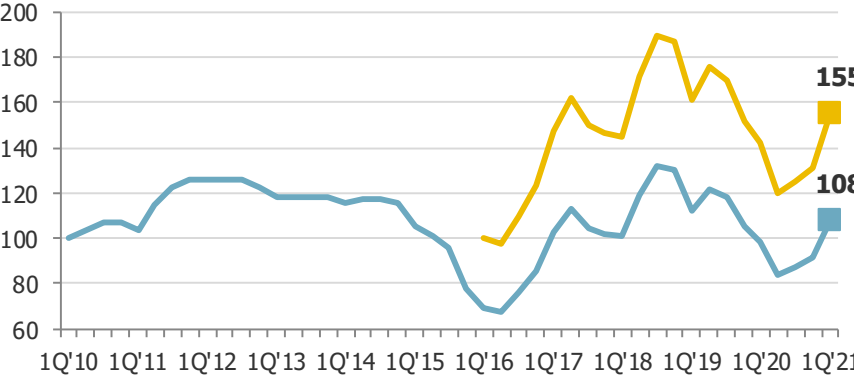
Concrete



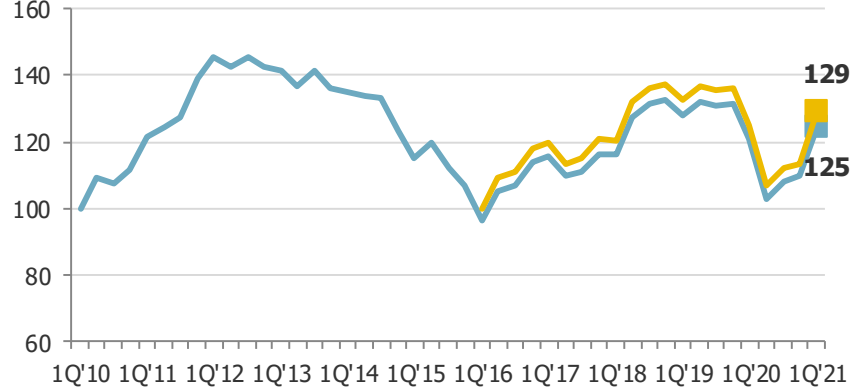
Reinforcement steel



Asphalt



Diesel oil





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Budimex Group
1Q'21 results



- Drop in sales in 1Q'21 → 1Q'21: **1,2 bn PLN** *(-15,3% y-o-y)*
- Increase of % EBIT in construction segment → 1Q'21: **4,1%** *(+1,8 p.p. y-o-y)*
- Rising share of railway in construction sales → 1Q'21: **23,3%** *(+3,7 p.p. y-o-y)*
- Increase of net cash → 03'21: **2,5 bn PLN*** *(+0,4 bn PLN vs. 12'20)*
- Lower value of contracts signed → 1Q'21: **1,0 bn PLN** *(-57,2% y-o-y)*
- High backlog maintained → 03'21: **12,8 bn PLN** *(+0,3% vs. 12'20)*
- Decrease of market offer → 03'21: **4 332 flats** *(-346 flats vs. 12'20)*

* incl. discontinued operations

Comment

- Our goal is to keep profitability above market rates that may be under pressure due to rising material costs

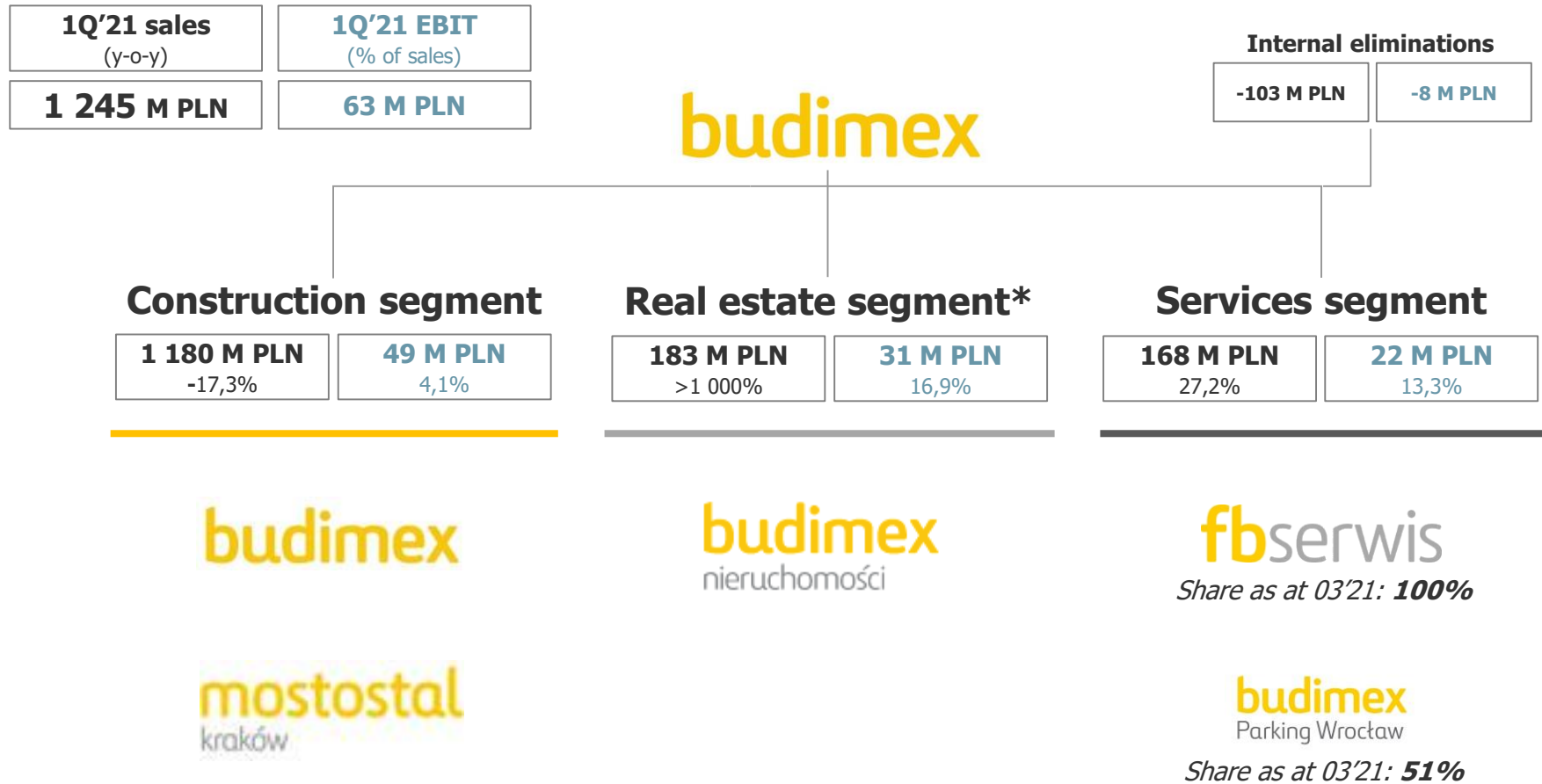
	1Q'21	1Q'20*	Δ	
Sales	1 245	1 470	-225	
<i>y-o-y dynamics</i>	<i>-15,3%</i>			
Gross margin	97	110	-13	
<i>% sales</i>	<i>7,8%</i>	<i>7,5%</i>	<i>0,3 pp.</i>	
SG&A	-63	-58	-5	
<i>% sales</i>	<i>5,1%</i>	<i>3,9%</i>	<i>1,1 pp.</i>	
Other operating	29	-12	41	
EBIT	63	41	22	
<i>% sales</i>	<i>5,0%</i>	<i>2,8%</i>	<i>2,3 pp.</i>	
PBT	55	36	19	
<i>% sales</i>	<i>4,4%</i>	<i>2,4%</i>	<i>2,0 pp.</i>	
Net profit	71	24	47	
<i>% sales</i>	<i>5,7%</i>	<i>1,6%</i>	<i>4,1 pp.</i>	

* comparable financial results

2.2 P&L - results by segment

Comment

- In 02'21 Budimex S.A. signed conditional agreement to sell 100% shares in Budimex Nieruchomości
- Since 1Q'21 real estate segment is presented as discontinued operations



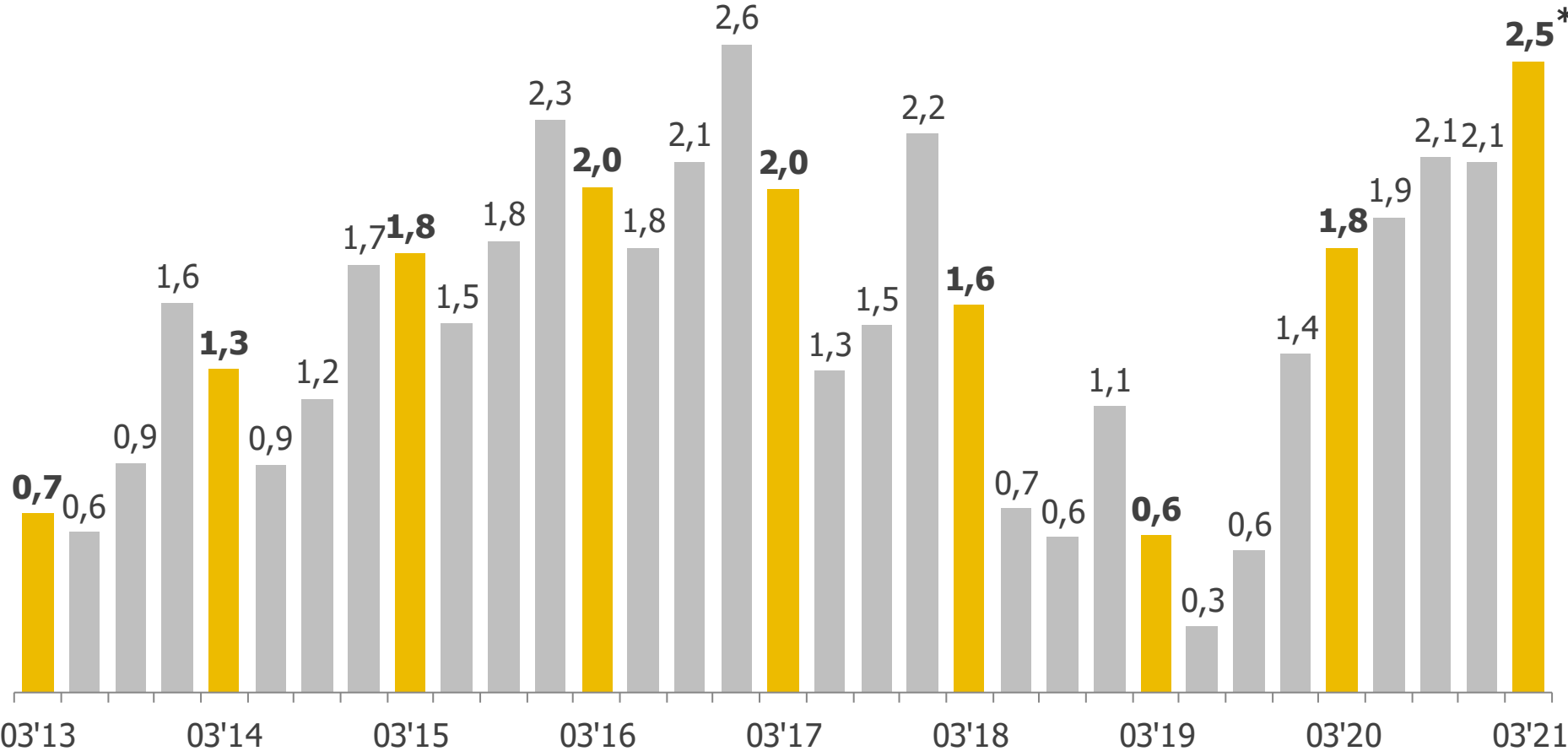
* real estate segment sales & EBIT not consolidated on Group level

2.3 Evolution of Net Treasury Position

Comment

- Comfortable and stable NTP was the basis for the recommendation of a dividend payment of 426 M PLN

Net Treasury Position in Budimex Group (M PLN)



* incl. discontinued operations



Construction segment – 1Q'21 results

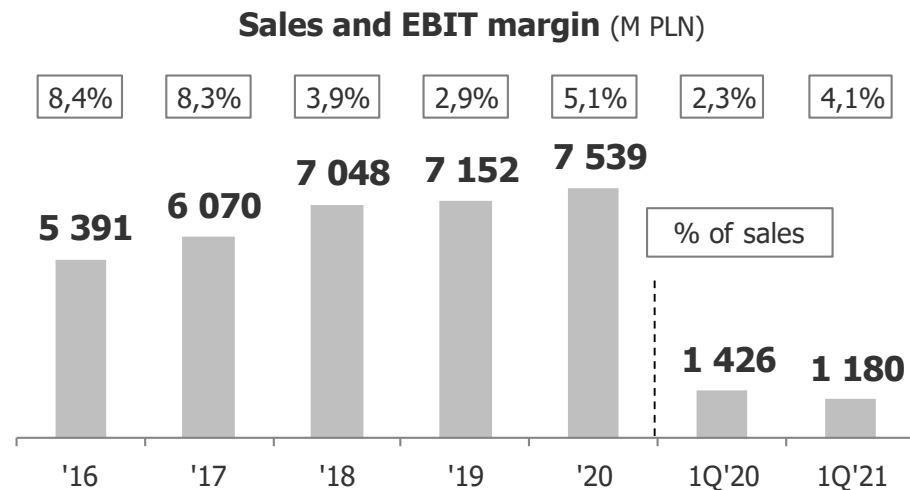


2.4.1 Construction segment

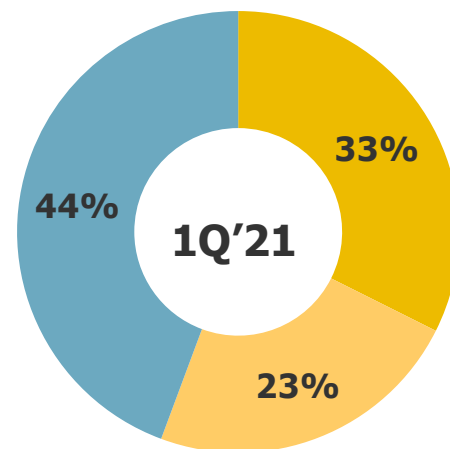
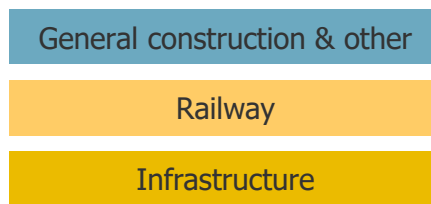
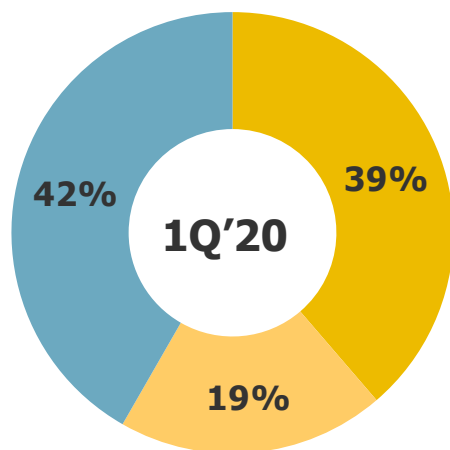
Comment

- Negative dynamics of sales was mainly due to the more difficult weather conditions at the beginning of the year and the schedule of design works on D&B road contracts

	1Q'21	y-o-y dynamics
Sales	1 180	-17%
Gross margin	77	-21%
% sales	6,5%	-0,3 pp.
EBIT	49	48%
% sales	4,1%	1,8 pp.
Net profit	36	44%
% sales	3,0%	1,3 pp.



Sales structure

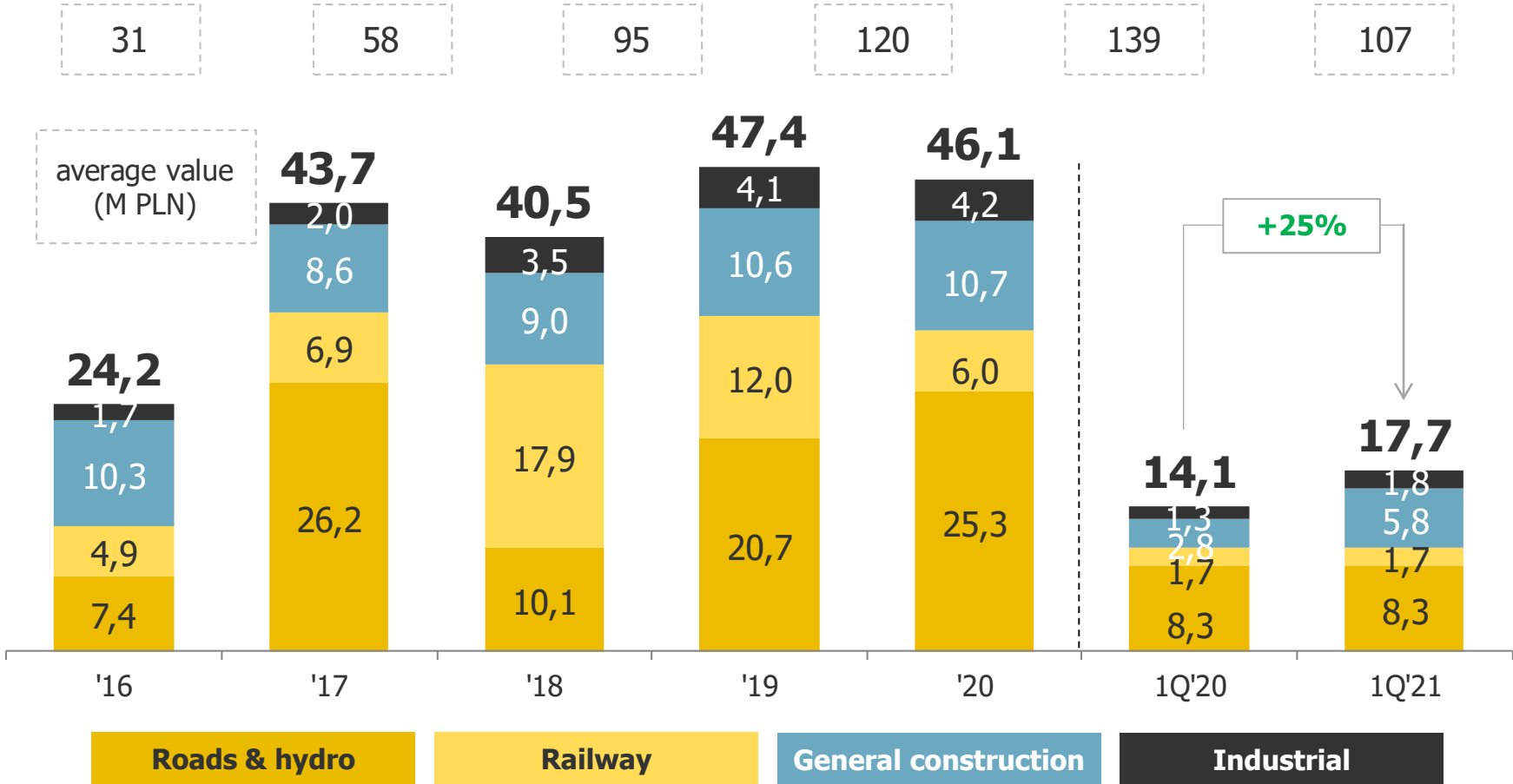


2.4.1 Construction segment

Comment

- Value of offers placed in 1Q'21 increased y-o-y, mainly due to higher activity in general construction segment

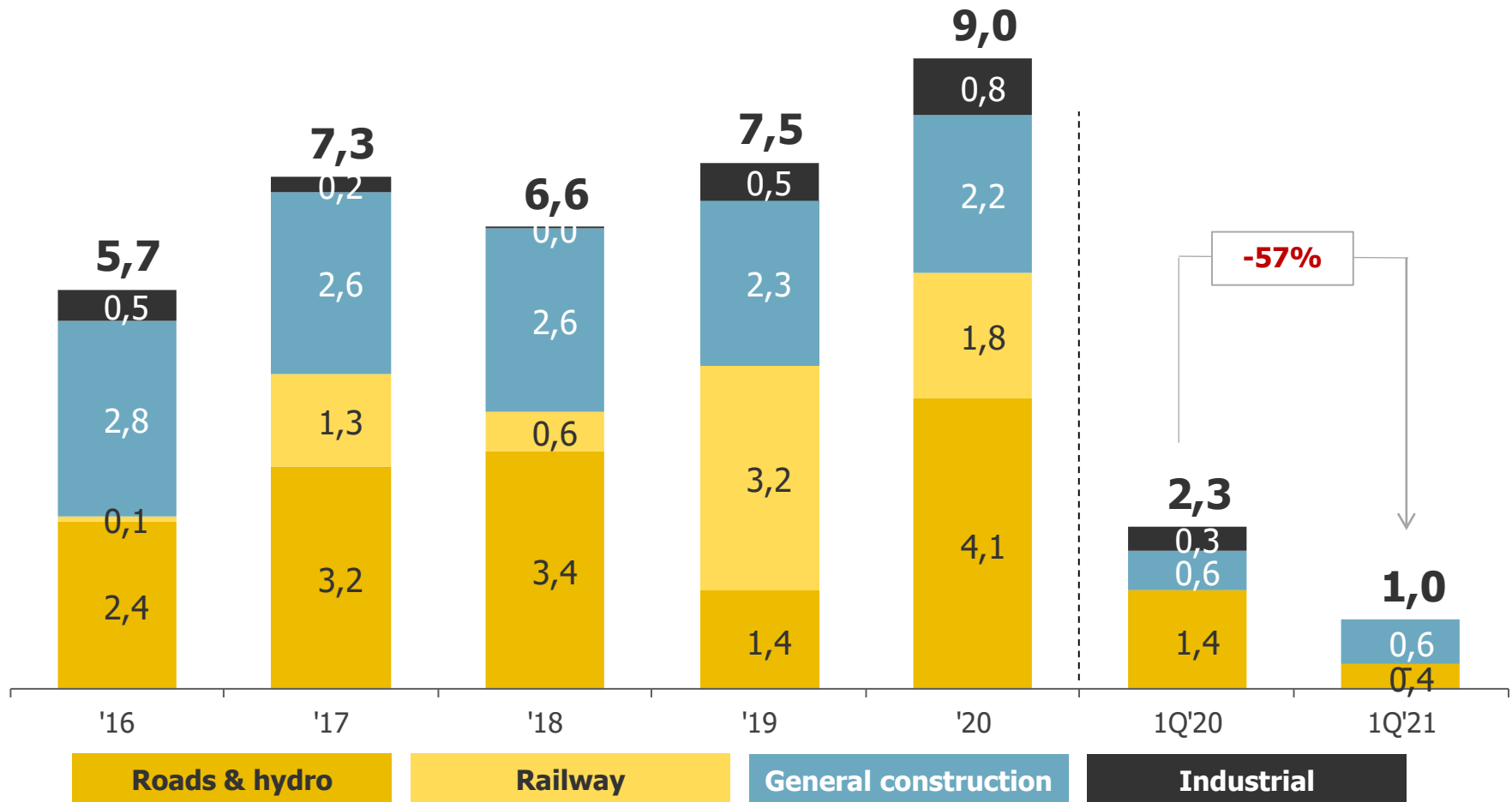
Offers placed in Budimex Group (bn PLN)



Comment

- In 1Q'21, Budimex acquired contracts worth 1,0 bn PLN, while the value of contracts pending amounted to over 3 bn PLN

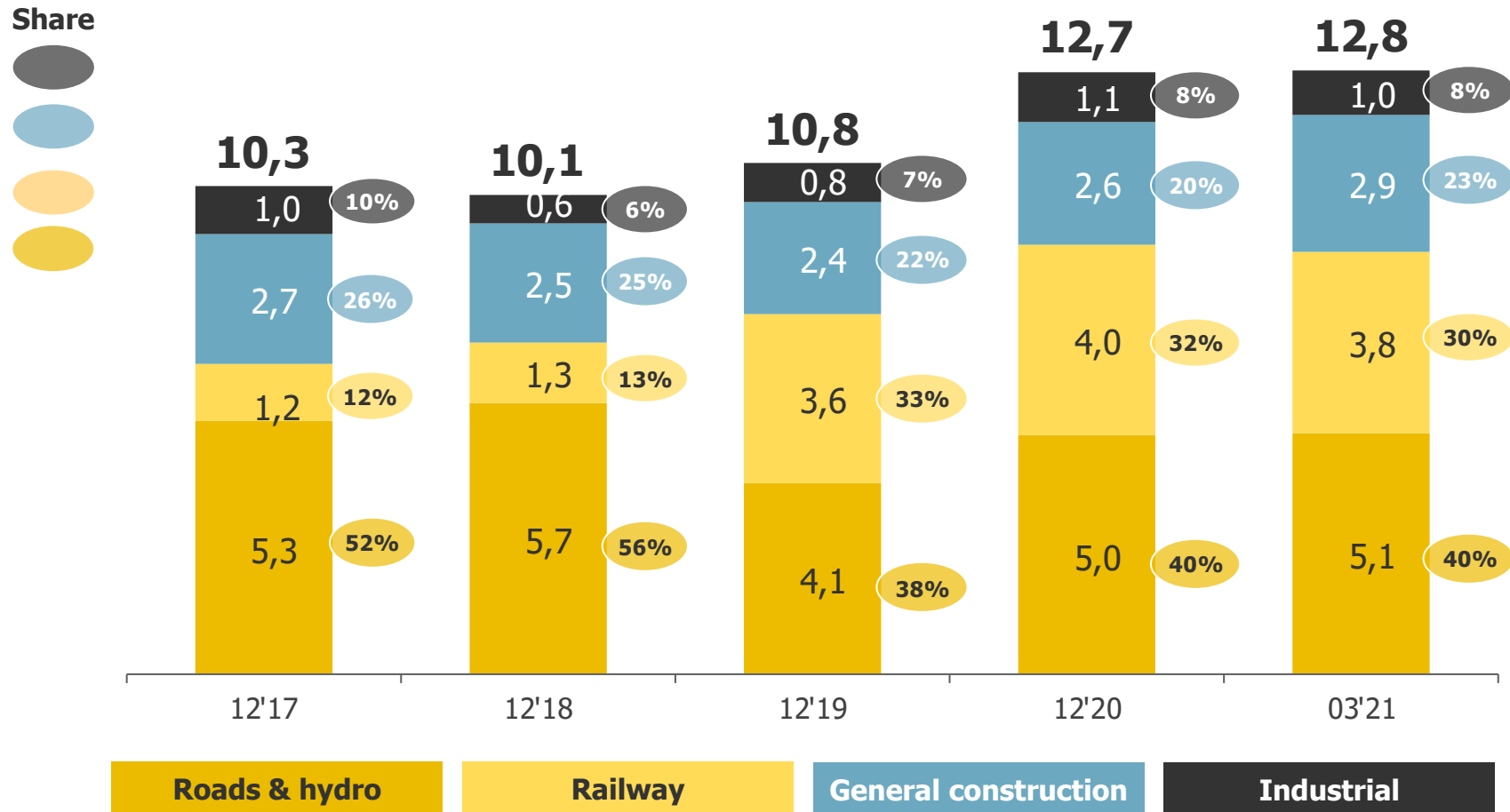
Contracts signed in Budimex Group (bn PLN)



Comment

- *Strongly diversified backlog*
- *Record backlog value at the end of 1Q'21: **12,8 bn PLN***

Backlog in Budimex Group (bn PLN)





Real estate segment – 1Q'21 results

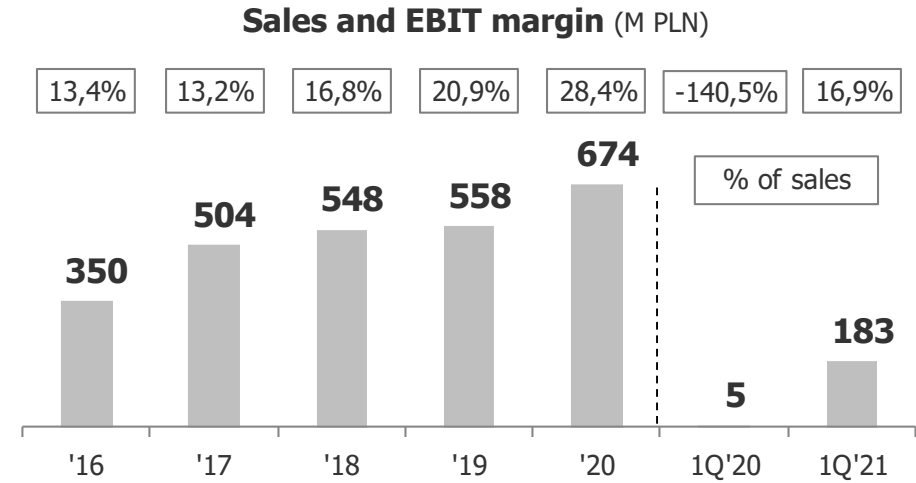


2.4.2 Real estate segment – discontinued operations **budimex**

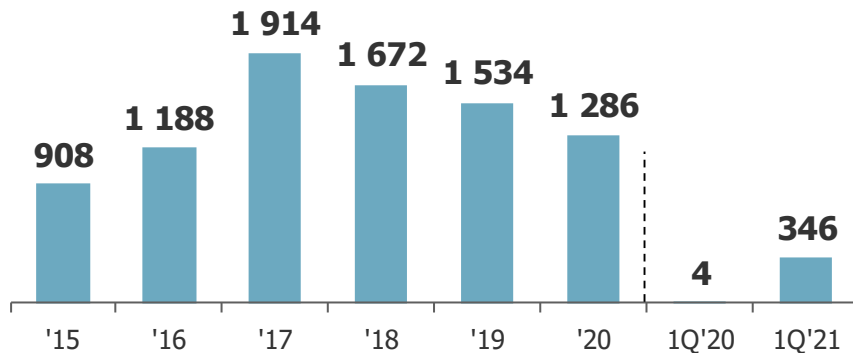
Comment

- High presales is the result of wide offer and the continued stable structural demand for flats in the largest cities

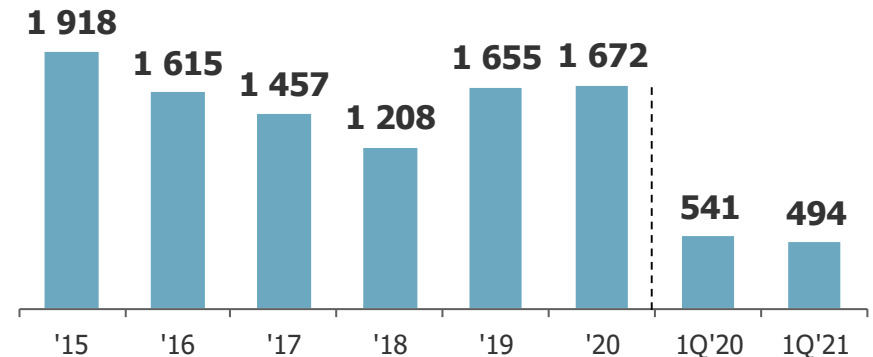
	1Q'21	y-o-y dynamics
Sales	183	3325%
Gross margin	43	5926%
% sales	23,6%	10,2 pp.
EBIT	31	-512%
% sales	16,9%	157,4 pp.
Net profit	25	-500%
% sales	13,7%	130,9 pp.



Notary sales (flats)



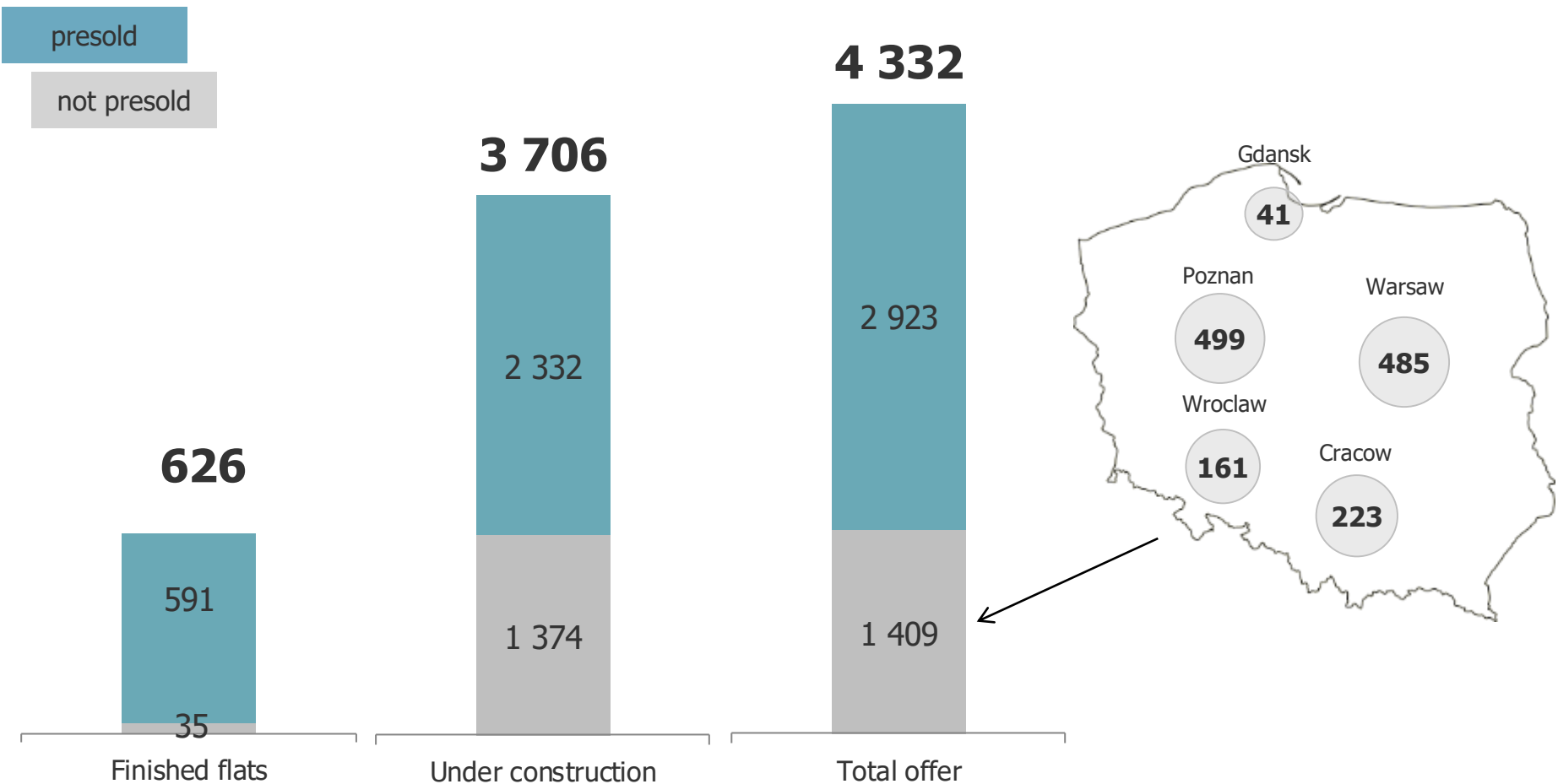
Presales (flats)



Comment

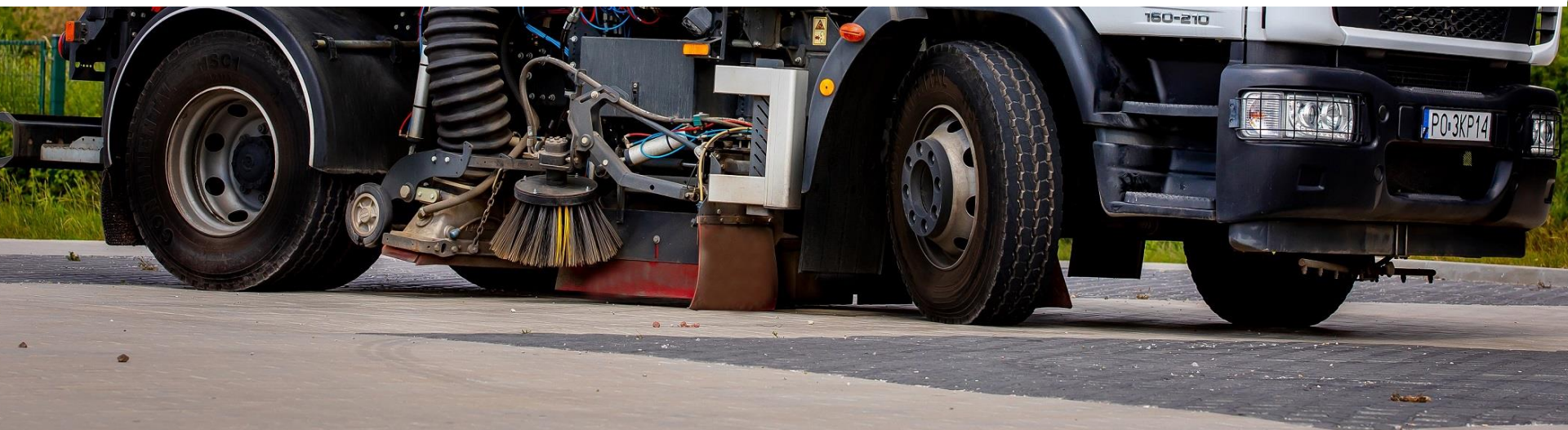
- Market offer in 03'21 was lower than in 12'20
- In 03'21 land bank amounted to 6 834 flats

Market offer as at 03'21 (flats)





Services segment – 1Q'21 results



2.4.3 Services

Comment

- The development prospects of the FBSerwis Group in the near future are optimistic
- In 2Q'21, FBSerwis started the execution of contracts for waste management in Warsaw

	1Q'21	y-o-y dynamics
Sales	168	27%
Gross margin	32	37%
% sales	19,2%	1,3 pp.
EBIT	22	18%
% sales	13,3%	-1,0 pp.
Net profit	12	-7%
% sales	7,4%	-2,7 pp.

Group's services segment composition

fbserwis

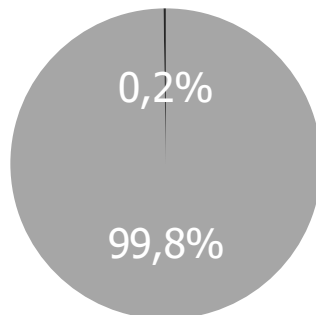
- environmental services, infrastructure maintenance, facility management, energy efficiency services
- 100% share (as at 31.03.2021)
- full consolidation since 07'19

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Parking Wrocław

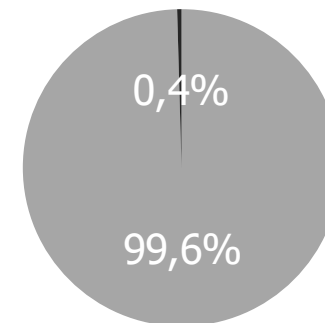
- construction & administration of underground car park in Wrocław (concession)
- 51% share
- full consolidation

Sales & EBIT structure in 1Q'21

Sales 1Q'21



EBIT 1Q'21

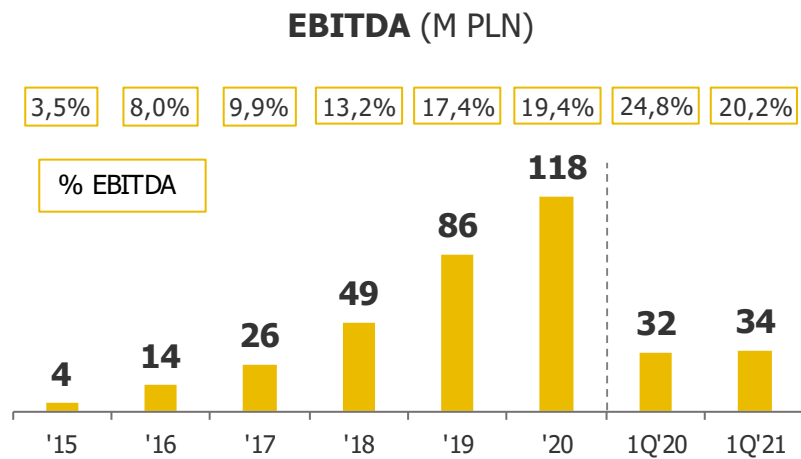
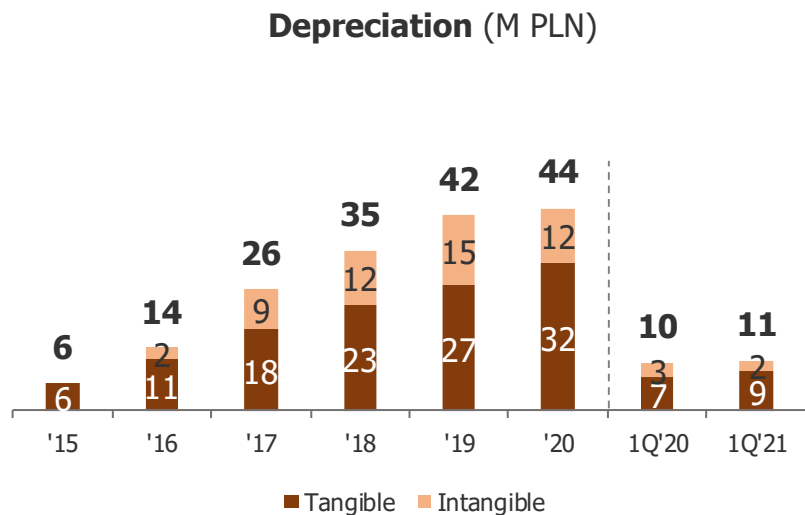
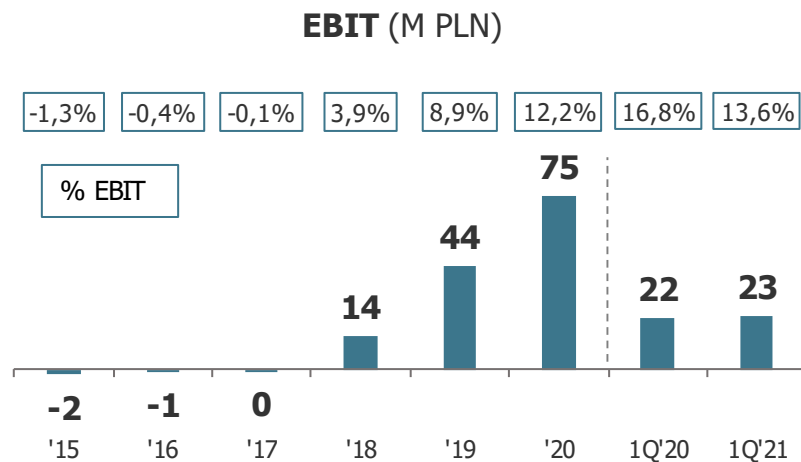
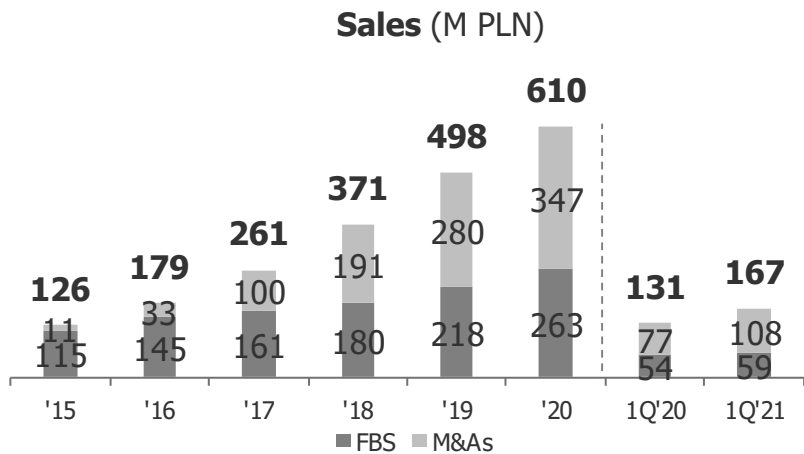


■ FBSerwis ■ Car park in Wrocław

2.4.3 FBSerwis – key financial data

Comment

- **Sales structure in 1Q'21:** Waste Management – 78%, Infrastructure Maintenance – 15%, Facility Management & Street Lightening – 7%
- FBSerwis Group reported attractive margin in 1Q'21

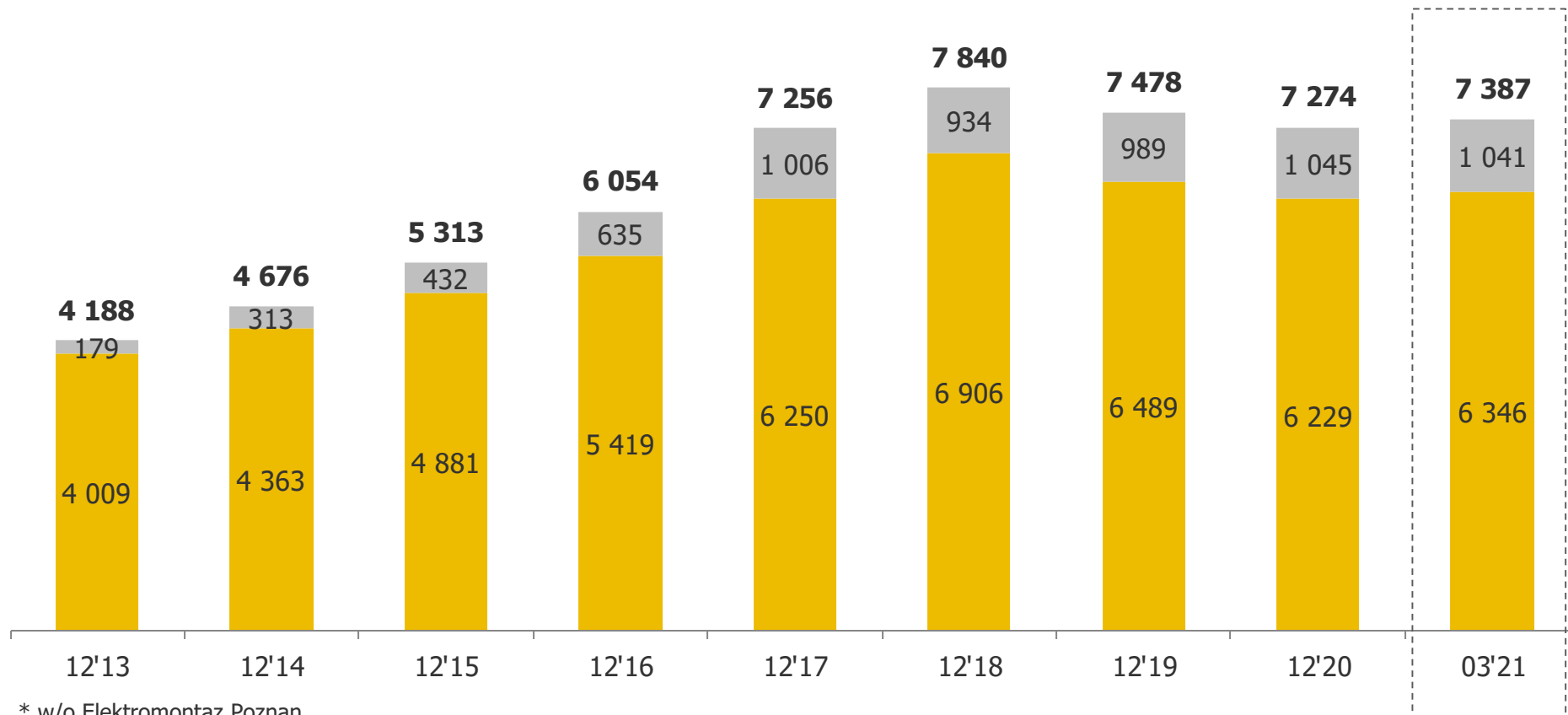


Comment

- Generally, in 1Q'21 the Group increased 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*

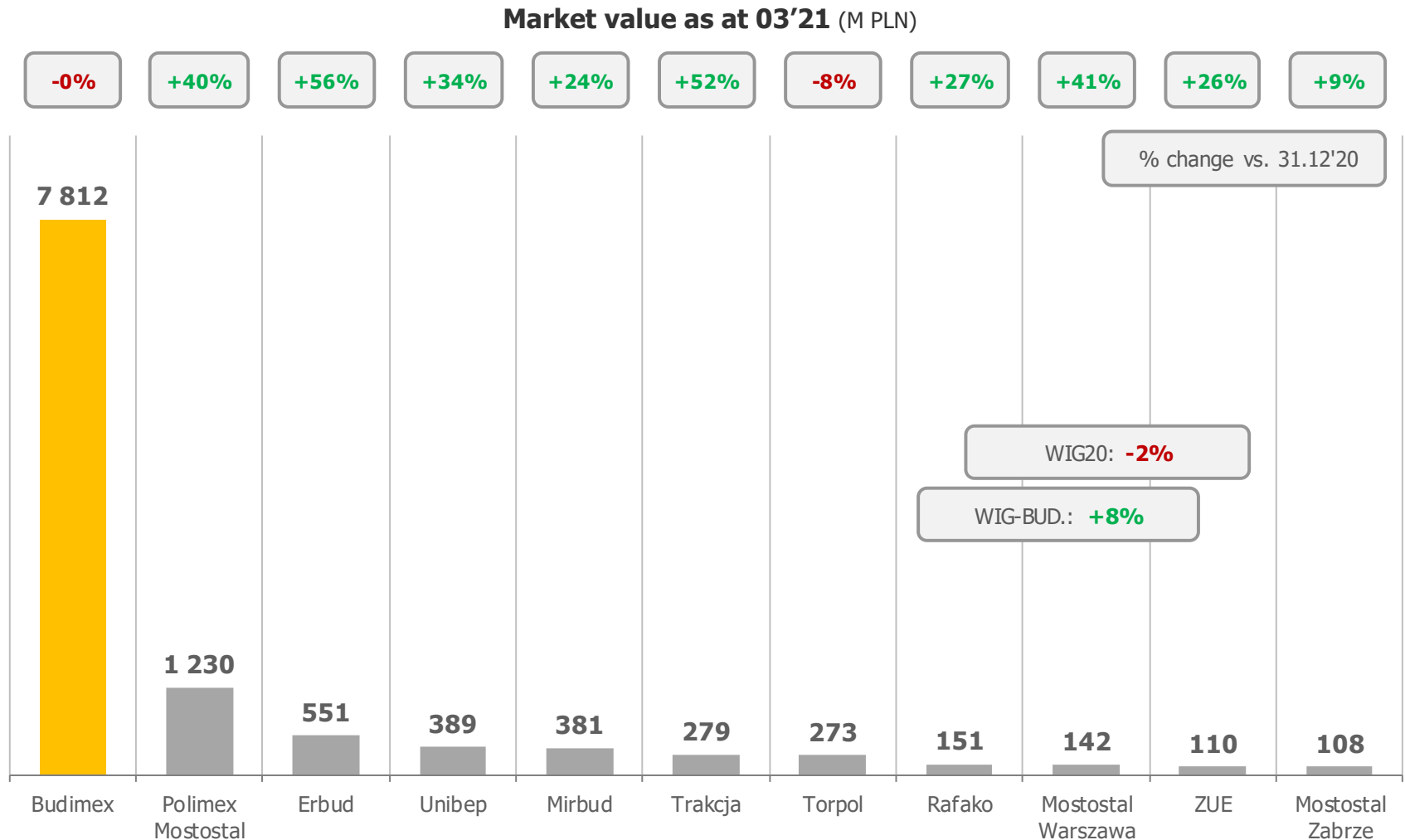
■ Bx Group w/o FBS ■ FBS



* w/o Elektromontaz Poznan

Comment

- In 1Q'21 most key construction companies in Poland noted the increase of market value vs. 12'20



Comment

- In 03'21 Management Board recommended a dividend payment of 426 M PLN (310 M PLN of FY'20 net profit + 116 M PLN from reserve capital)

Dividends paid (M PLN)

