



Results FY 2019

Wielton Group

April 2020

Leading European player

- **Manufacturer of trailers, semi-trailers and vehicle bodies** for road transport and agriculture
- One of the youngest and **most dynamic companies** in the sector – 24 years of operating
- **Multibrand** – a Group based on **strong local brands**
- **Own, modern research and development facilities** – the only R&D centre in Poland and second in Europe full-truck-semitrailer testing station
- **Extensive product portfolio** of 12 vehicle groups, 800 configurations based on customer needs
- International service network – **over 600 points**
- Experienced staff of over **3 140** people in the Group

Top 3
in Europe

Top 8
In the world



Commercial companies



Assembly plants



Production centres



WIELTON

FRUEHAUF



LAWRENCE DAVID

Langendorf



VIBERTI



CARDI



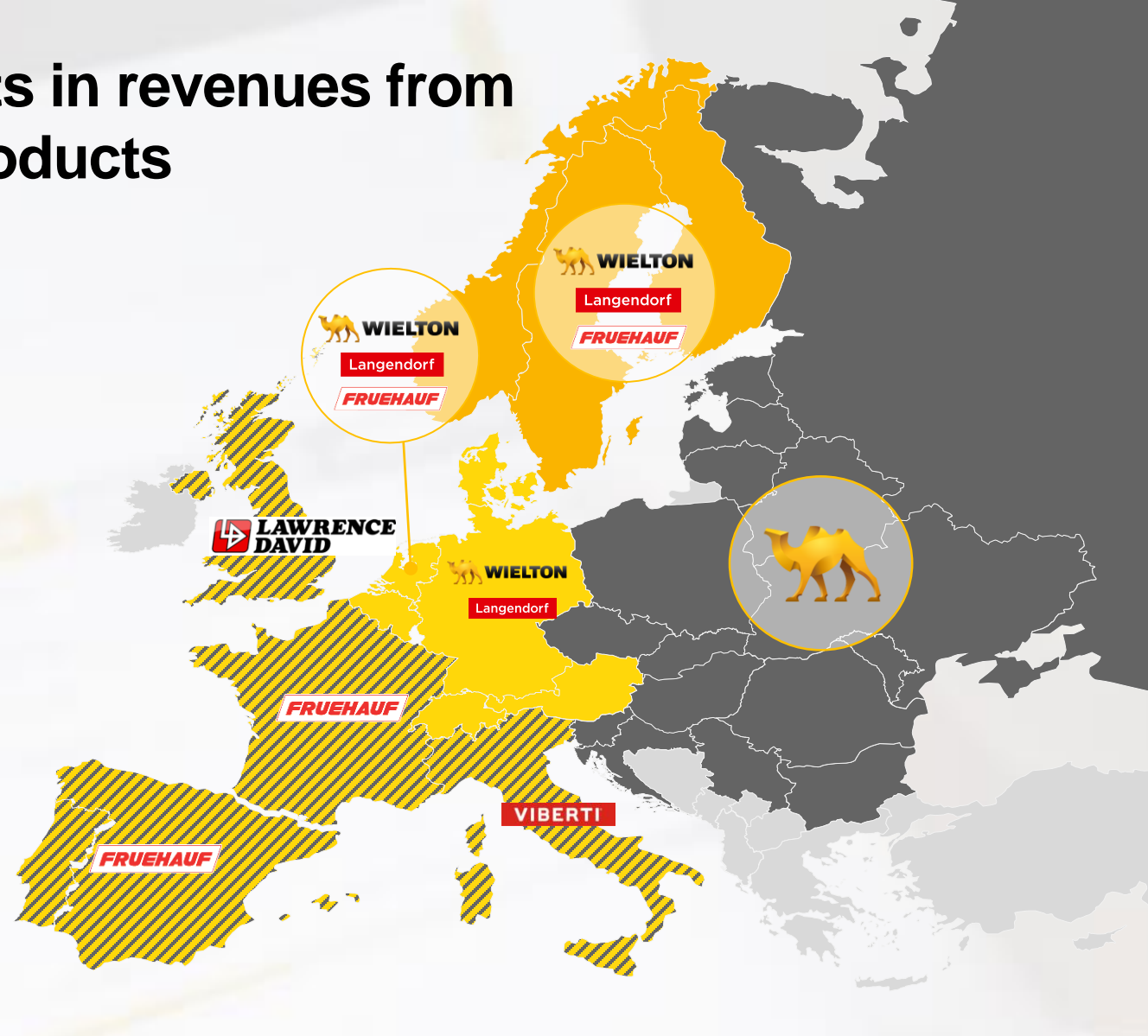
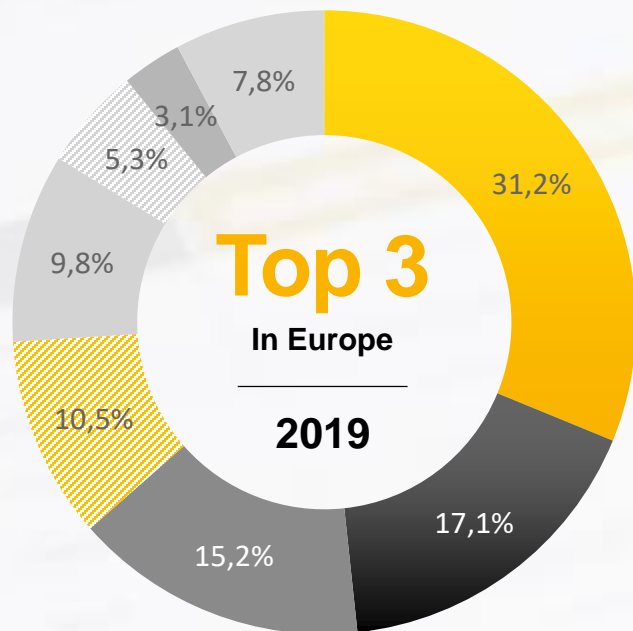
WIELTON

AGRO



WIELTON

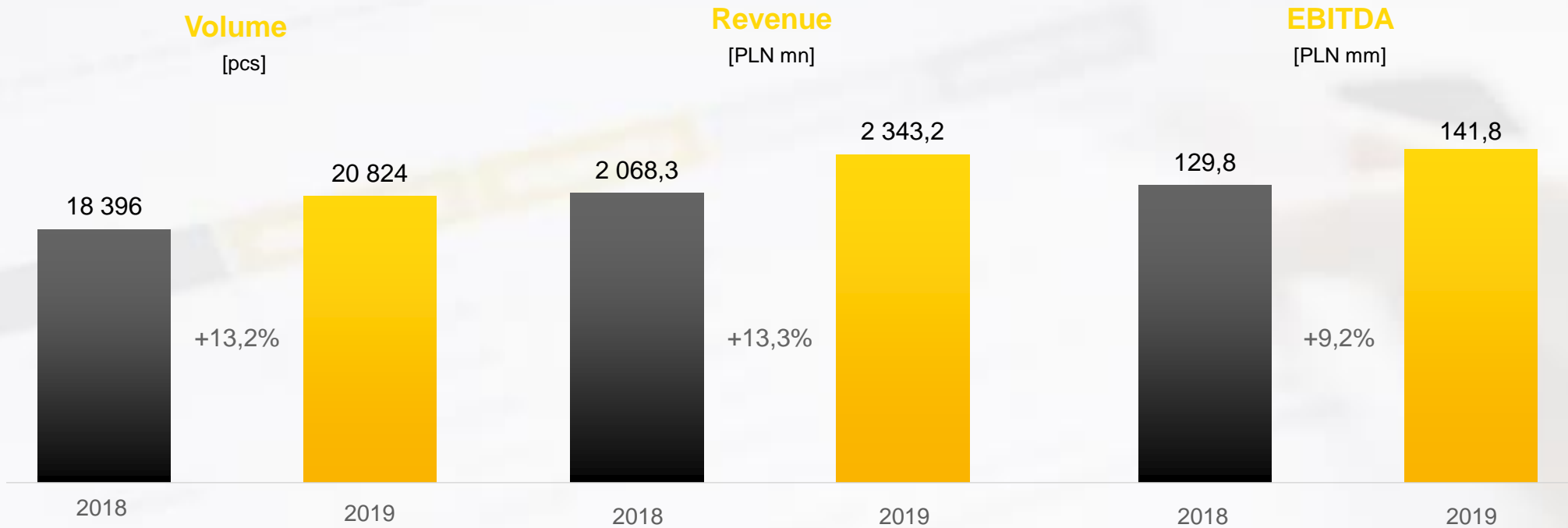
Share of individual markets in revenues from sales of Wielton Group products



* Romania, Bulgaria, Hungary, Czech Republic, Slovakia, Serbia, Slovenia, Croatia



Key data for 2019



The Group increased sales of its products, which translated into a proportional increase in revenue. In 2019, the Group recorded an over 9% increase in EBITDA despite the progressing cooling of markets.

Markets



WIELTON GROUP

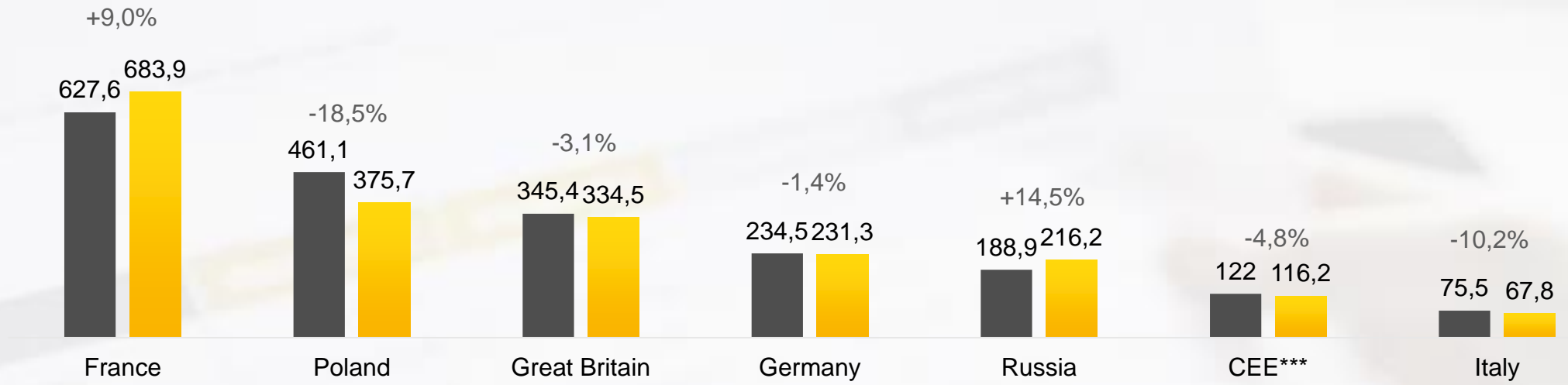


WIELTON

Wielton Group on European markets– 2019

Sales revenue (PLN mn):

■ 2018 ■ 2019



Brand	Fruehauf	Wielton*	Lawrence David	Langendorf	Wielton**	Wielton	Viberti
Market share	20,1%	14,1%	8,0%	1,4%	3,2%	5,3%	5,1%
Market position	1	3	5	9	7	4	6

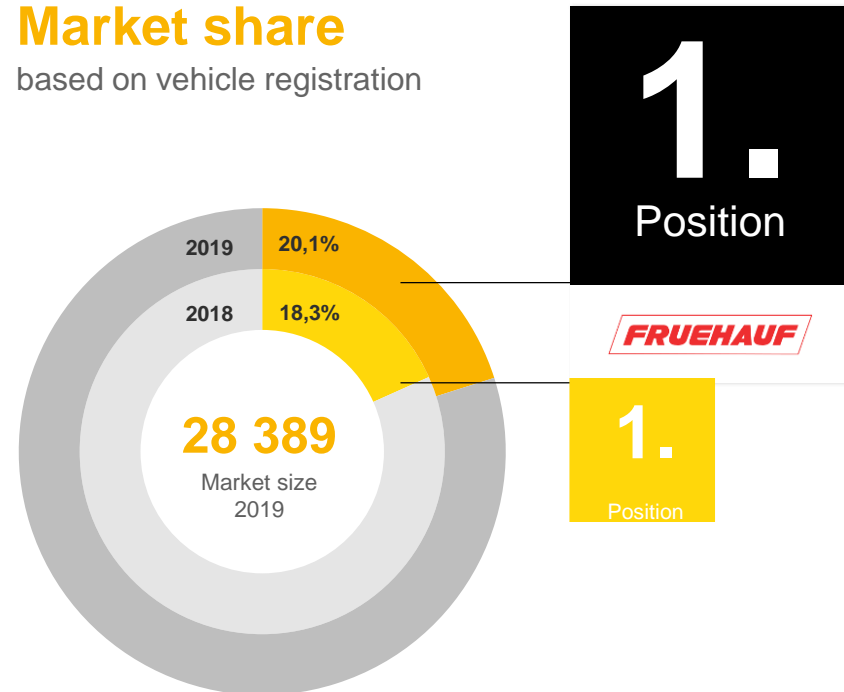
* for Polish market
 ** for Russian market
 *** Romania, Bulgaria, Hungary, Czech Republic, Slovakia, Serbia, Slovenia, Croatia



France

Market share

based on vehicle registration



Market growth by 1,5% y/y to 28 389 pcs
20,1% market share at 5720 pcs

Financial summary

01.

The largest market in terms of sales of Wielton Group products

02.

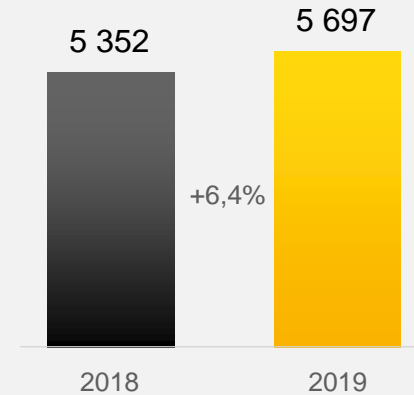
Over 20% market share

03.

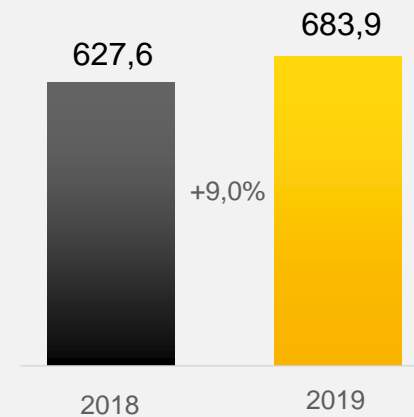
Expanding the portfolio with new products and solutions:

- curtainsider trailers with a lift roof in 4 positions
- semi-trailers with pneumatic doors
- lowloaders semi-trailers
- central axis platforms

Sales [pcs]



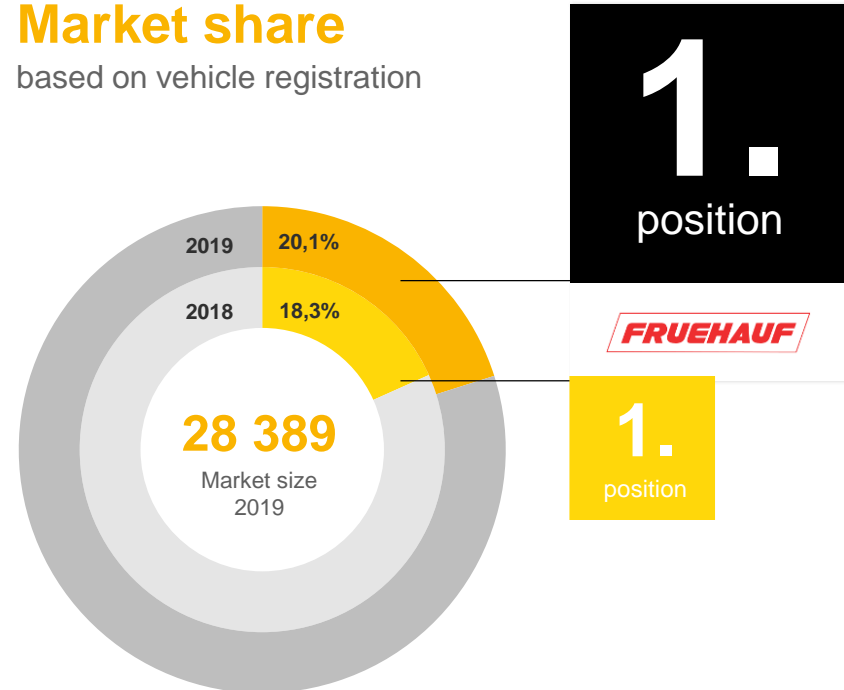
Sales revenue [PLN mn]



France

Market share

based on vehicle registration



Market growth by 1,5% y/y to 28 389 pcs.
20,1% market share at 5720 pcs.

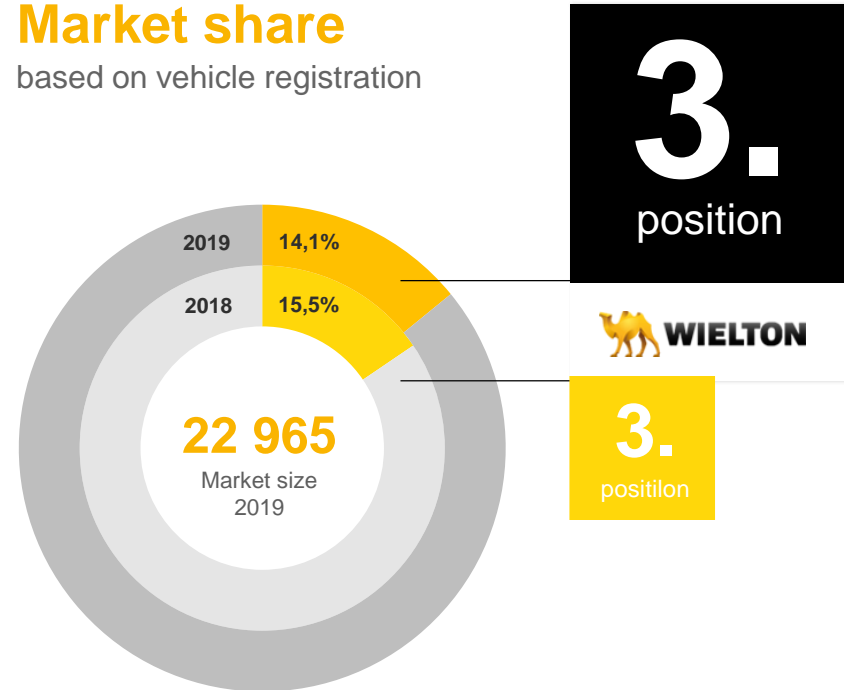
Key information

01. **Strengthening Fruehauf the leaders' position**
- sales growth 345 pcs. y/y
02. **Improving the efficiency, quality and productivity of the plant** by robotising production
03. **Increasing product availability for customers**
by reducing delivery time from 20 to 8-10 weeks.
04. **Intensifying promotional activities.** Presentation of new products and solutions at trade fairs, including Solutrans 2019, **where the aerodynamically optimised to reduce CO2 emissions and fuel consumption Falcon combination was presented**

Polska

Market share

based on vehicle registration



Market drop by 12,1% y/t to 22 965 pcs.
14,1% market share at 3231 pcs.

Financial summary

01.

Leadership in tipper sales (16% of the market), as well as maintaining market shares in curtainsider trailers

02.

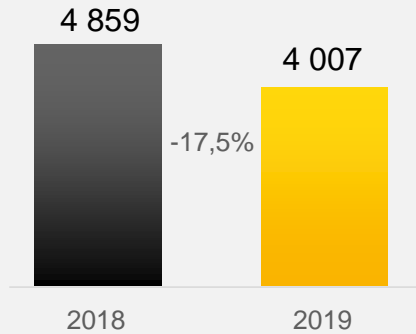
Market drop in line with forecasts by 12.1% y/y

03.

Deepening the Group's synergy - providing almost 800 chassis for Lawrence David

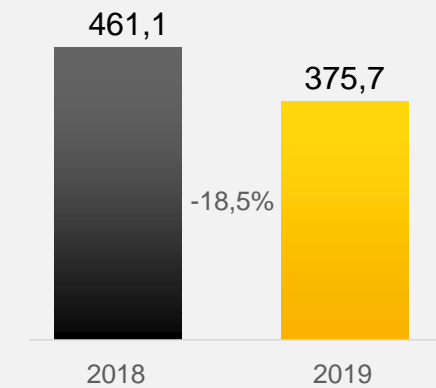
Sales

[pcs.]



Sales revenue

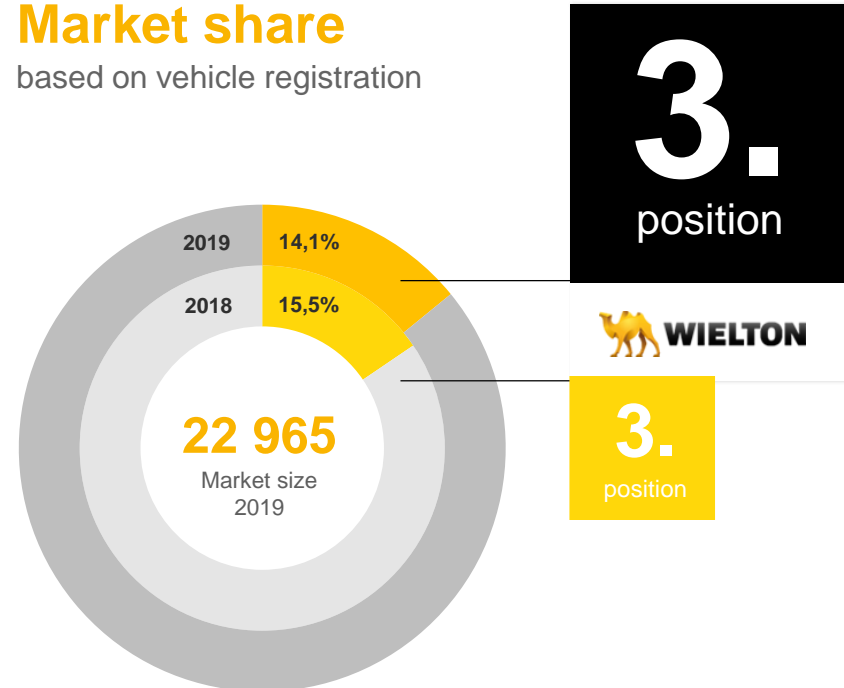
[PLN mn]



Poland

Market share

based on vehicle registration



Market drop by 12,1% y/t to 22 965 pcs.

14,1% market share at 3231 pcs.

Key information:

01.

Effective product portfolio management, including:

- extending the Curtain Master product family,
- extending the offer with movable floor trailers,
- introduction of 2-axle trailers (curtains and vans)

02.

Increasing the availability of products for customers

by extending the catalogue of purchase financing programmes

03.

New structure and organisation of sales chain work

for greater efficiency

04.

Close cooperation with customers in the field of customization of products to their individual needs,

resulting in the sale of products to, among others, the European leader in the production of doors and windows and international transport company

Optimisation of production processes



01. Increasing the frequency of product quality monitoring from the early production stage
02. Reporting of quality deviations regardless of production departments
03. Systematic auditing for continuous system improvement
04. Robotization and automation of the plant in Wieluń

Key investments in 2019

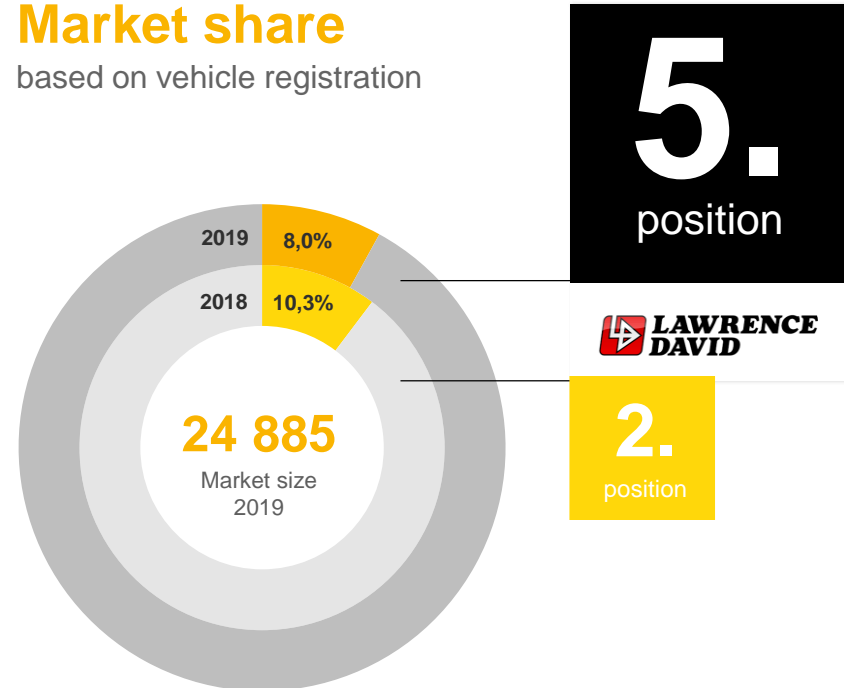


01. **Customer Service Centre, service and finished products area** - finalization of the next stage of groundworks for construction
02. **Hall for the production of a new type of HP tippers and low-loader trailers** - carrying out construction works
03. **Temporary manual paint shop** - reconstruction and opening of a fully equipped facility
04. **A hall for production of refrigerated trailers and improvement of logistics and organization of the finished goods warehouse** - purchase of land of 8 ha for construction (the project is planned to be completed in 2022)
05. **Diagnostic hall** - carrying out advanced construction works
06. **Component storage system** - automation and optimization of storage space (installation of 3 elevator warehouses)
07. **Production preparation department - modernization of machines** - equipped with modern tools to ensure high efficiency and dynamics of the sheet metal bending and cutting process

Great Britain

Market share

based on vehicle registration



Market growth by 5,2% to 24 885 pcs.
8,0% market share at 1985 pcs

Financial summary

01.

Launch of a new body production line - more than doubling the sales of Last Mile vans

02.

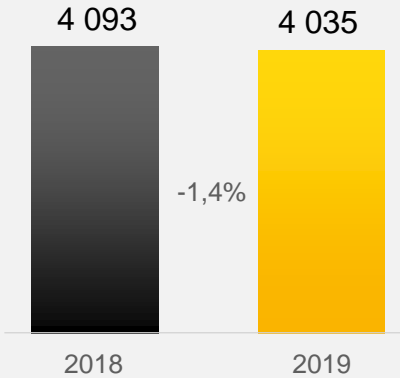
Acquiring orders from global customers

03.

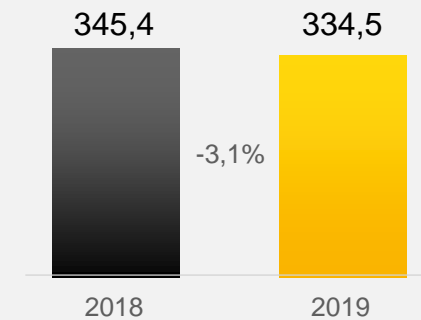
Change of proportions in the product portfolio:

- **increase in sales of bodywork** (unregistered vehicles)
- **decline in sales of semi-trailers** (registered vehicles)

Sales
[pcs]



Sales revenue
[PLN mn]

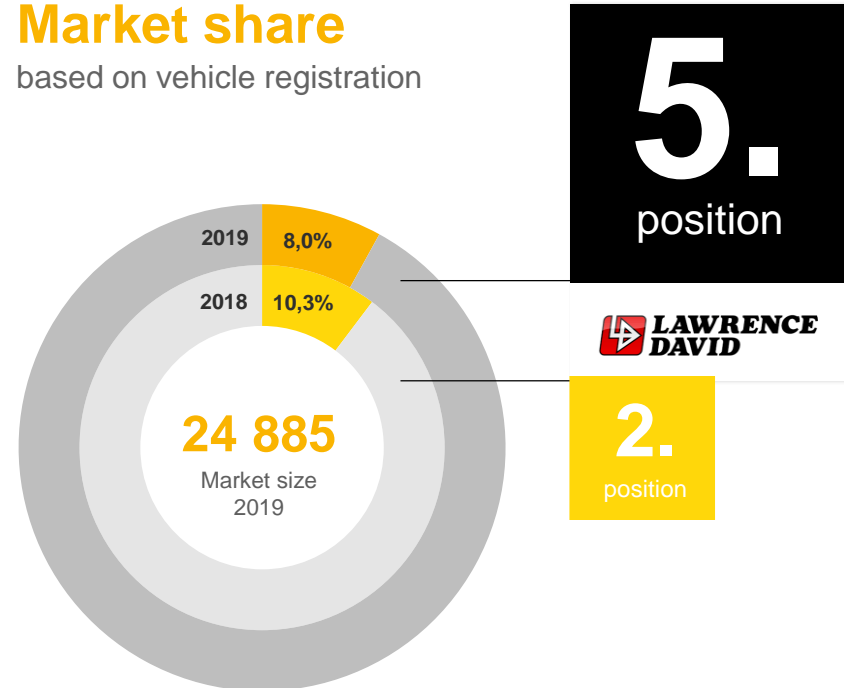


* proforma of sales results and revenues for 2018

Wielka Brytania

Market share

based on vehicle registration



Market growth by 5,2% to 24 885 pcs.

8,0% market share at 1985 pcs

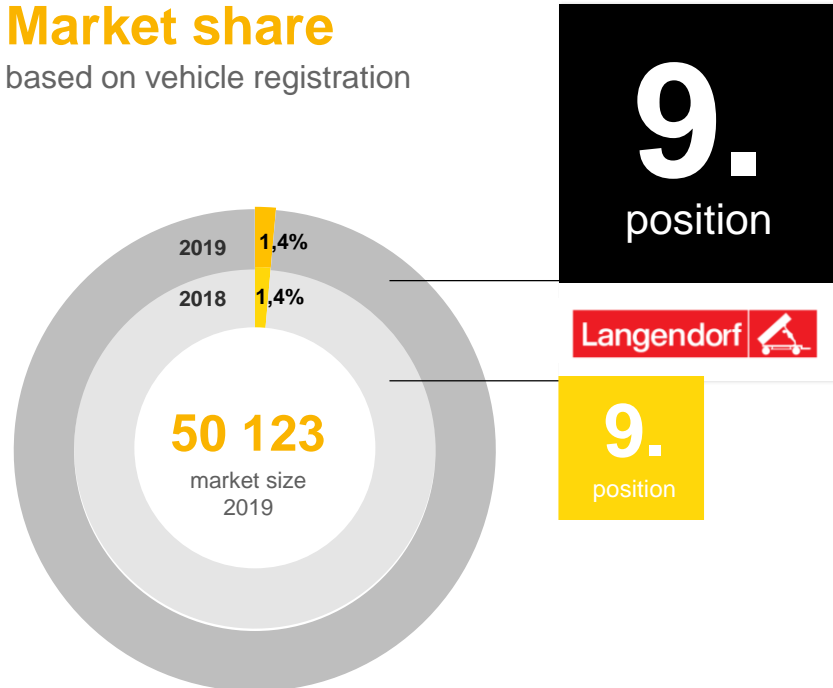
Key information

01. **Wielton took over delivery of chassis to Lawrence David - almost 800 chassis delivered in 2019.**
Resignation of cooperation with the previous supplier
02. **Wielton Group plans to deliver 100% chassis to Lawrence David in 2020.** - necessary to complete orders, including those from key customers such as a global courier company, a global leader in e-commerce and a leading hypermarket chain in the UK
03. **Completion of the next integration phase with the Wielton Group** - deepening of production and product synergies

Germany

Market share

based on vehicle registration



Market drop by 3,2% y/y to 50 123 pcs
1,4% market share at 718 pcs

Financial summary

01.

Introduction of **specialist trailers (inloaders) under the Langendorf brand on the Russian market**

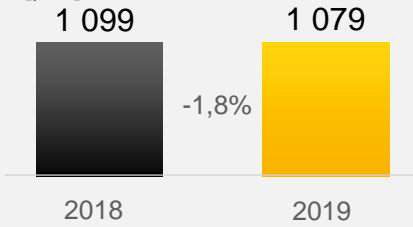
02.

Increase in the share of tippers in the company's total sales to 64%

03.

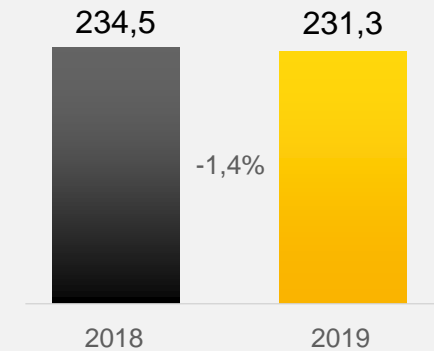
Launch of the competence centre for low-loader semi-trailers

Sales [pcs]

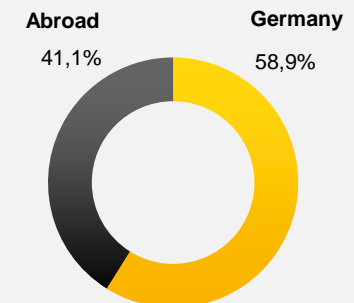


Sales revenue

[PLN mn]



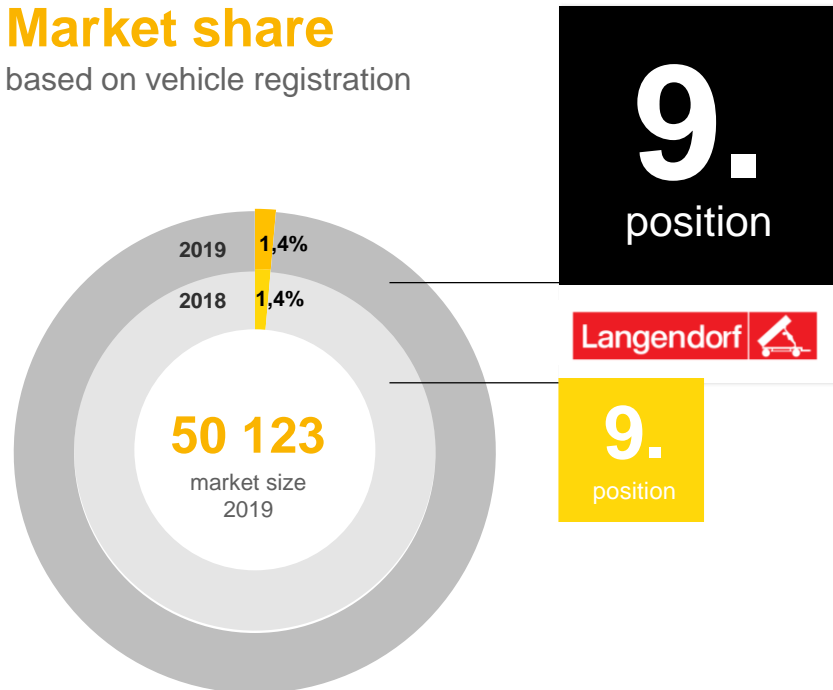
Geographical structure of sales [%]



Germany

Market share

based on vehicle registration



Market drop by **3,2% y/y** to 50 123 pcs
1,4% market share at 718 pcs

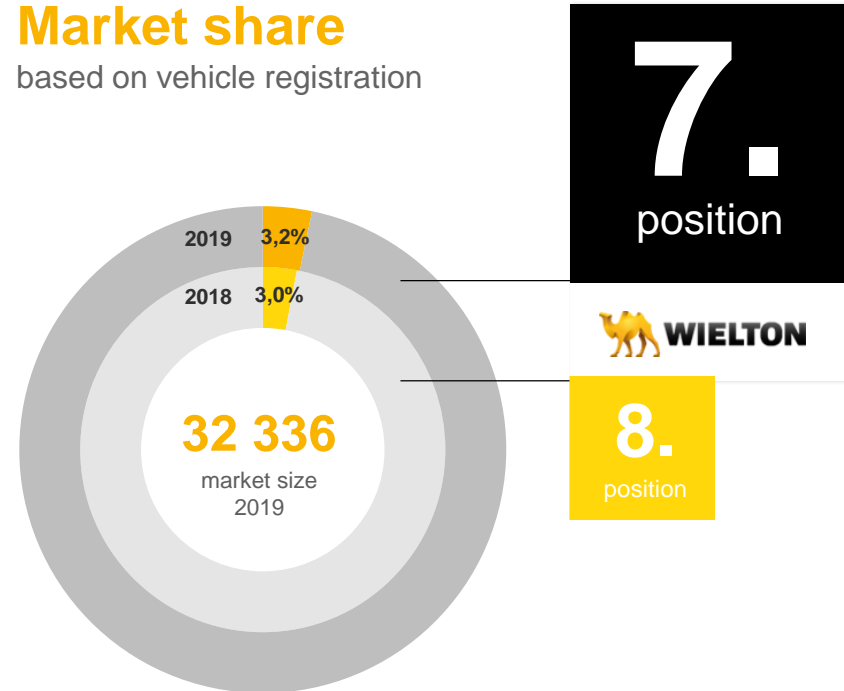
Key information

01. **Launching a program to reduce general administrative costs**
02. **Using the Group's synergy:**
 - good results of the Smart Line Tipper project
 - participation in projects implemented by Lawrence David
03. **New plant and service headquarters (Potsdam) –**
Improving customer service efficiency and product availability, as well as significantly reducing delivery costs

Russia

Market share

based on vehicle registration



Market drop by 2,6% y/y to 32 336 pcs
3,2% market share at 1025 pcs.

Financial summary

01.

Increase in volume sales by 11% and revenues by 14.5%

02.

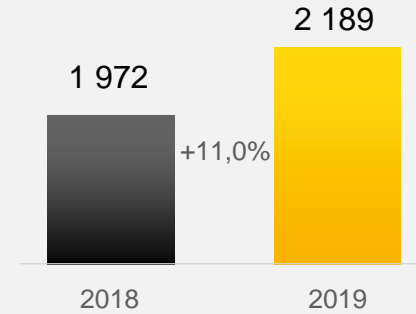
Revenue growth despite a decline on the whole market (-2,6%)

03.

Advance from 8th to 7th place on the market of semi-trailer producers

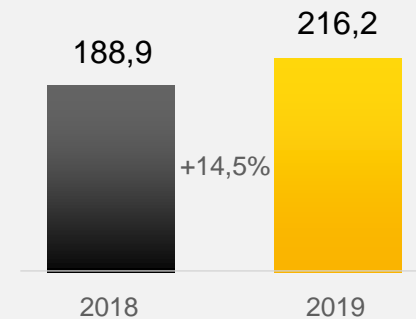
Sales

[pcs]



Sales revenue

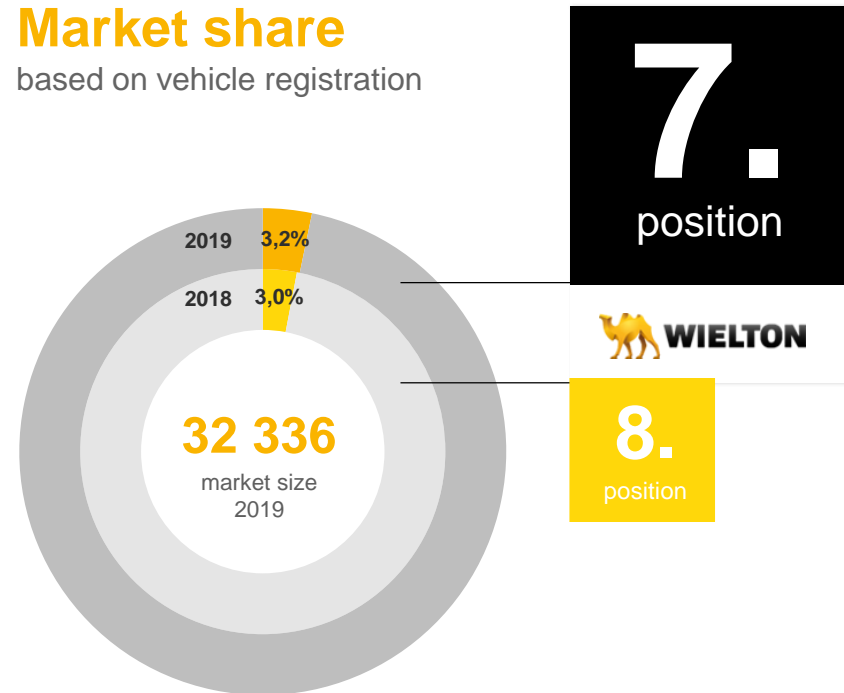
[PLN mn]



Russia

Market share

based on vehicle registration



Market drop by **2,6% y/y** to 32 336 pcs
3,2% market share at 1025 pcs

Key information

01.

Improving logistic efficiency - transporting five sets of chassis within one transport instead of three

02.

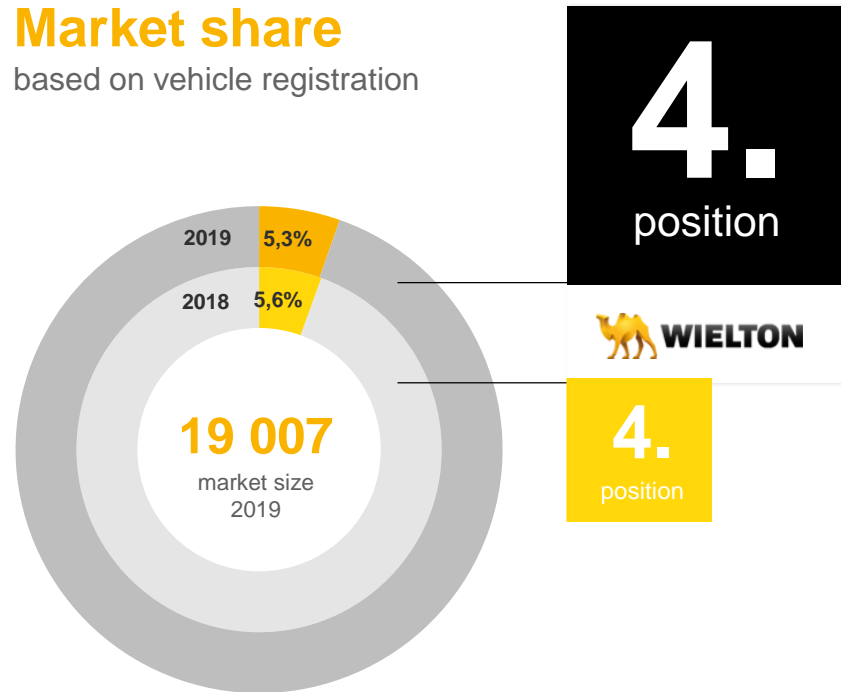
Introduction of new products to the offer::

- HP steel tippers (3- and 4-axis)
- aluminium tippers
- sub-container trailers (4-axle)
- low chassis trailers under the Wielton brand
- langendorf branded inloaders

CEE*

Market share

based on vehicle registration



Market drop by 7,2% to 19 007 pcs

5,3% market share at 1000 pcs

Financial summary

01.

One of the leading suppliers on the CEE market in terms of sales of tippers - 752 units

02.

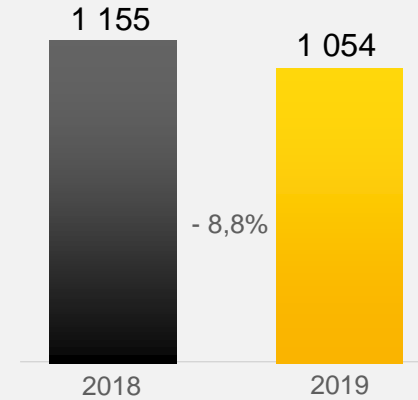
Drop of the entire CEE market due to the market drop in Bulgaria

03.

Increase in market shares:

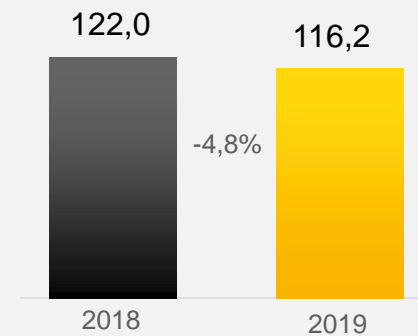
- Romania by 7,8%
- Hungary by 23%

Sales
[pcs]



Sales revenue

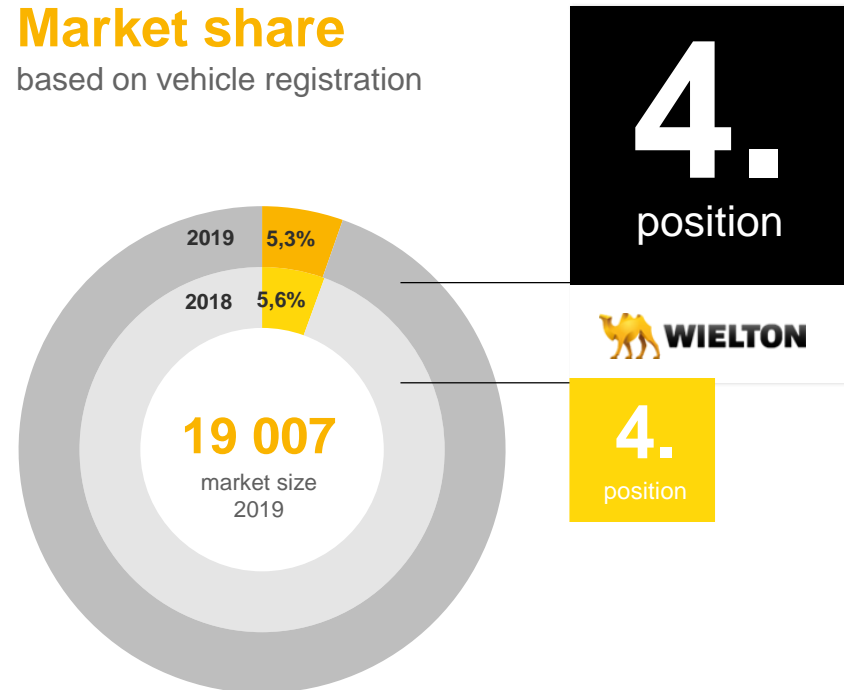
[PLN mn]



CEE*

Market share

based on vehicle registration



Market drop by 7,2% to 19 007 pcs

5,3% market share at 1000 pcs

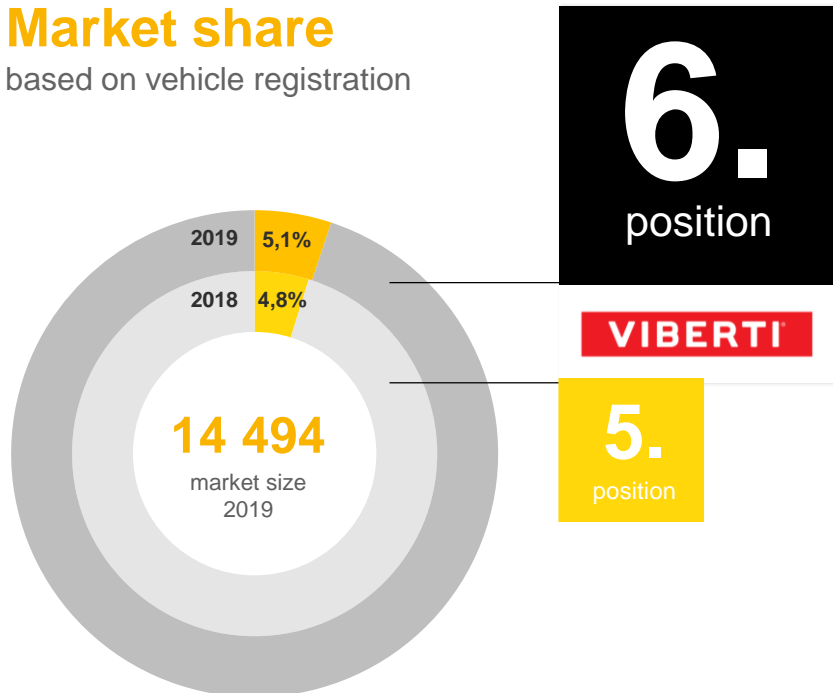
Key information

01. **Start of sales on the Serbian market**
– achieving a 6% market share in 2019.
02. **Marketing activities to attract new sales partners** (dealers) in Slovenia and Croatia
03. **Expanding the portfolio and starting to intensify marketing activities** in order to exploit the full potential of the products

Italy

Market share

based on vehicle registration



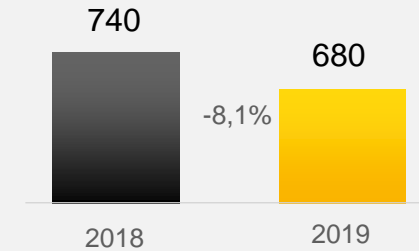
Market drop by 8,1% y/y to 14 494 pcs
5,1% market share at 738 pcs.

Financial summary

Sales
[pcs]

01.

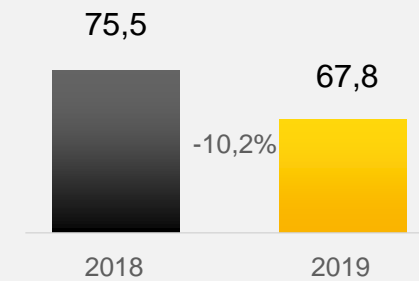
The dynamics of revenue decreases is proportional to the dynamics of the Italian market decrease



02.

Visible market slowdown, due to lack of subsidies

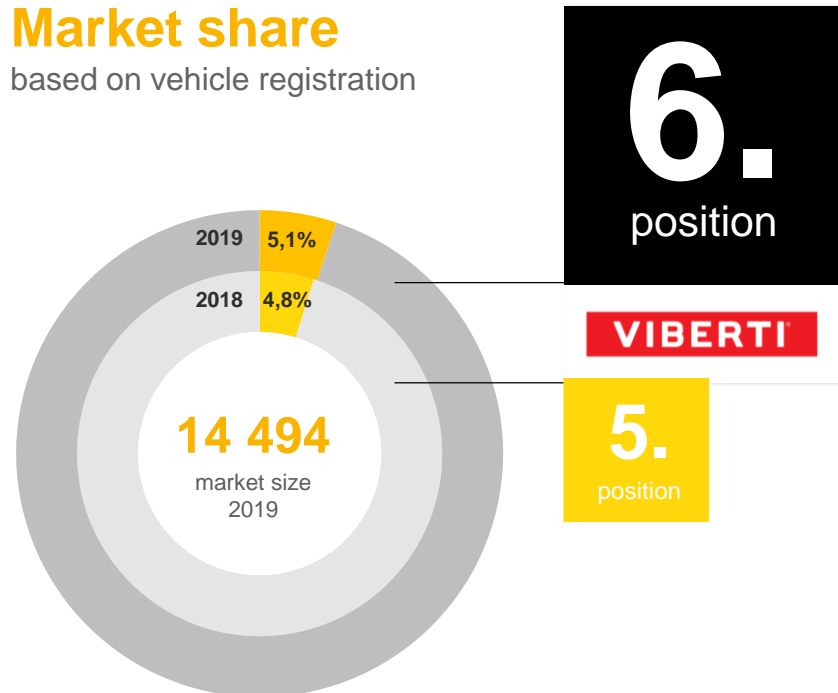
Sales revenue
[PLN mn]



Italy

Market share

based on vehicle registration



Market drop by 8,1% y/y to 14 494 pcs.
5,1% market share at 738 pcs.

Key information

01.

Reorganisation of sales networks, development of sales channels and extension of the product offer











- greater emphasis on direct sales and optimal use of the dealer network at the same time

02.

Implementation of new products in the offer :

- tipper trailers
- sub-contractor semi-trailers
- platform trailers
- curtain semi-trailers

Wielton Group – synergies

		MARKET						
								
PRODUCTION			Tippers	Frames, ready-made tippers, space sets	Complete undercarriages	Assembly kits (curtain, container semi-trailers, sliding skeletal)	Assembly kits for tippers, curtains	Tippers and low loaders
		Trucks						
		Low loaders	Low loaders		Low loaders, double-deck trailers	Low loaders	Inloaders, low-loaders, tippers	Low loaders



Product portfolio structure

01.

Working with the product portfolio - expanding sales of tipper bodies in Russia and Ukraine through stronger cooperation with truck manufacturers such as MAN, Scania and Volvo

02.

Significant increase in shares in semi-trailers (Fruehauf)

03.

The share of tipper trailers in the portfolio decreased as a result of a change in the structure of the product portfolio despite the increase in sales of this product by volume

04.

Increase in shares in the portfolio structure of Last Mile buildings

05.

Increase in sales of Agro segment vehicles

2018 2019

35% 35%
UNIVERSAL SEMI-TRAILERS



2018 2019

20% 18%
TIPPERS



2018 2019

9% 4%
CONTAINER SEMI-TRAILERS



2018 2019

12% 16%
CLOSED BOX SEMI-TRAILERS



2018 2019

7% 7%
HIGH VOLUME COMBINATIONS



2018 2019

1% 3%
LAST MILE BODIES



2018 2019

5% 6%
TIPPERS



2018 2019

5% 6%
AGRO



2018 2019

4% 4%
SEMI-TRAILER
(including low-loaders and others)



2018 2019

2% 1%
INLOADERS
New product group from Langendorf



Consolidation of after-sales services - new brand

The establishment of a new single brand for the Wielton Group's after-sales services will ensure the consolidation of services, enable the building of profit centers from spare parts under its own logo and allow for independence from competitive manufacturers' parts.



New brand

- One common brand in the after-sales area in the Wielton Group
- Aberg's logo for spare parts
- Developing unique products
- Parts offer

7 Hubs

- Division of the European market into 7 after-sales centres
- Each after-sales centre will be responsible for all Wielton Group brands in its territory

IT platform

- Launching one integrated after-sales business management software
 - the one-button concept
 - simplification of service through the service network

until 2021

until 2021

2022-2023

Increased efficiency of after-sales services
 Additional significant source of revenue for the Group
 Consolidation within a unified after-sales service structure

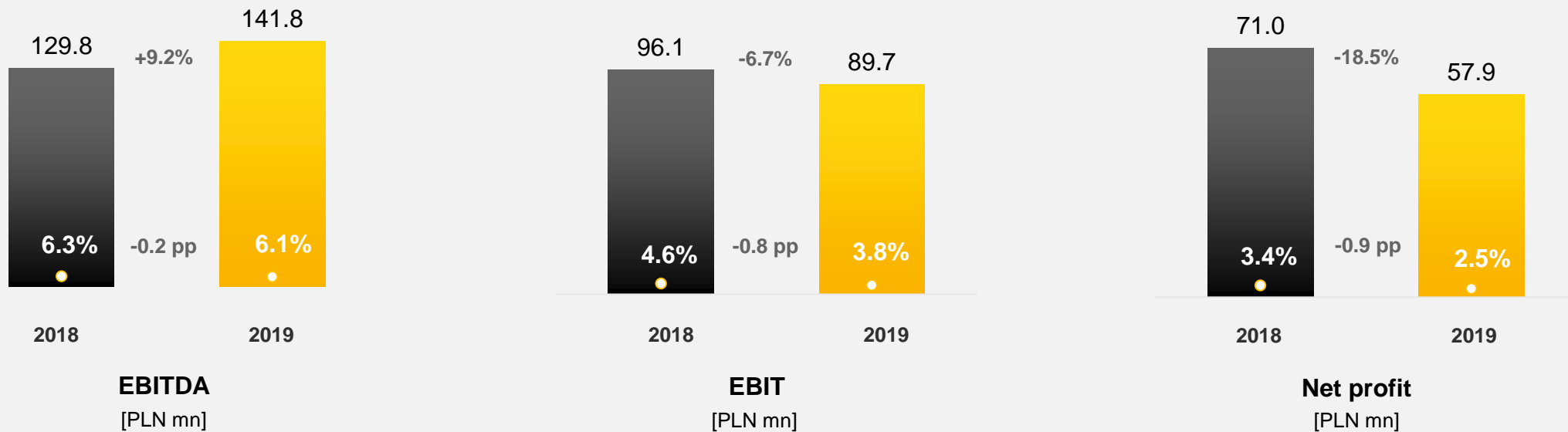
Outlook until 2023

Operating and financial results



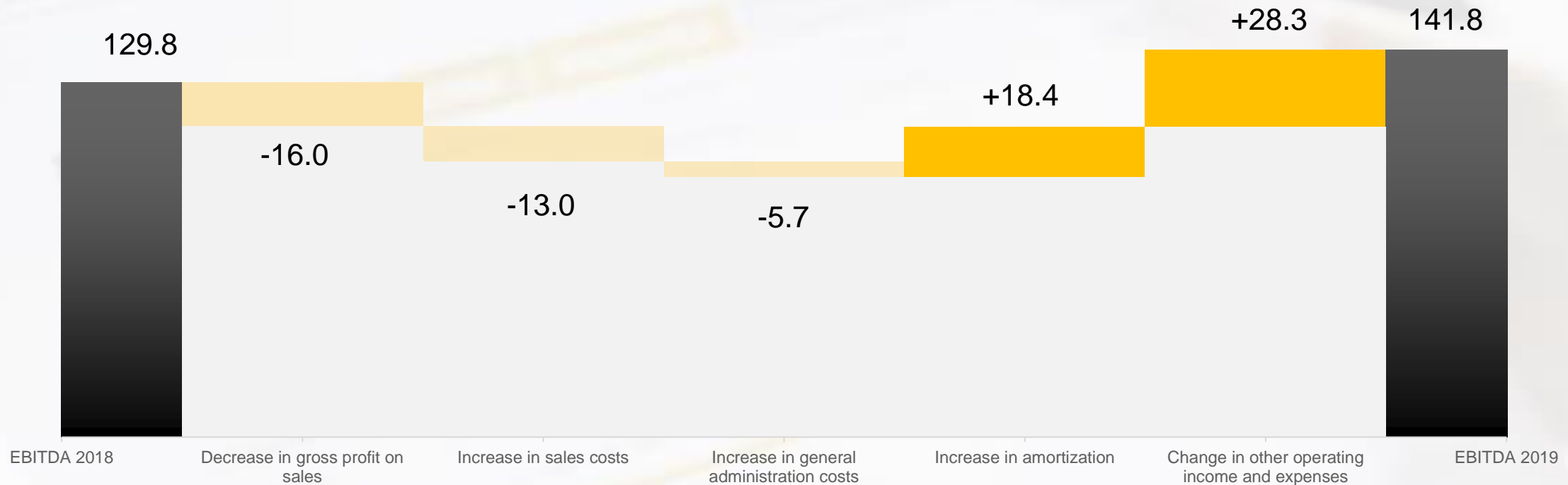
Consolidated profits and profitability

EBITDA exceeded PLN 140 million. The achieved EBIT is lower than in 2018 due to the higher cost of amortization related to the implementation of investments increasing the Group's operating resources.



EBITDA structure [PLN mn]

The higher costs caused by the 2018 fire and the lost benefits associated with the event translated into lower gross margin. The compensation was recognized in the profit and loss account at the level of other operating income.



Consolidated cash flow statement [PLN mn]

The effective management of cash flow allowed for the accumulation of available funds in the order of PLN 58 million at the end of the year.

01.

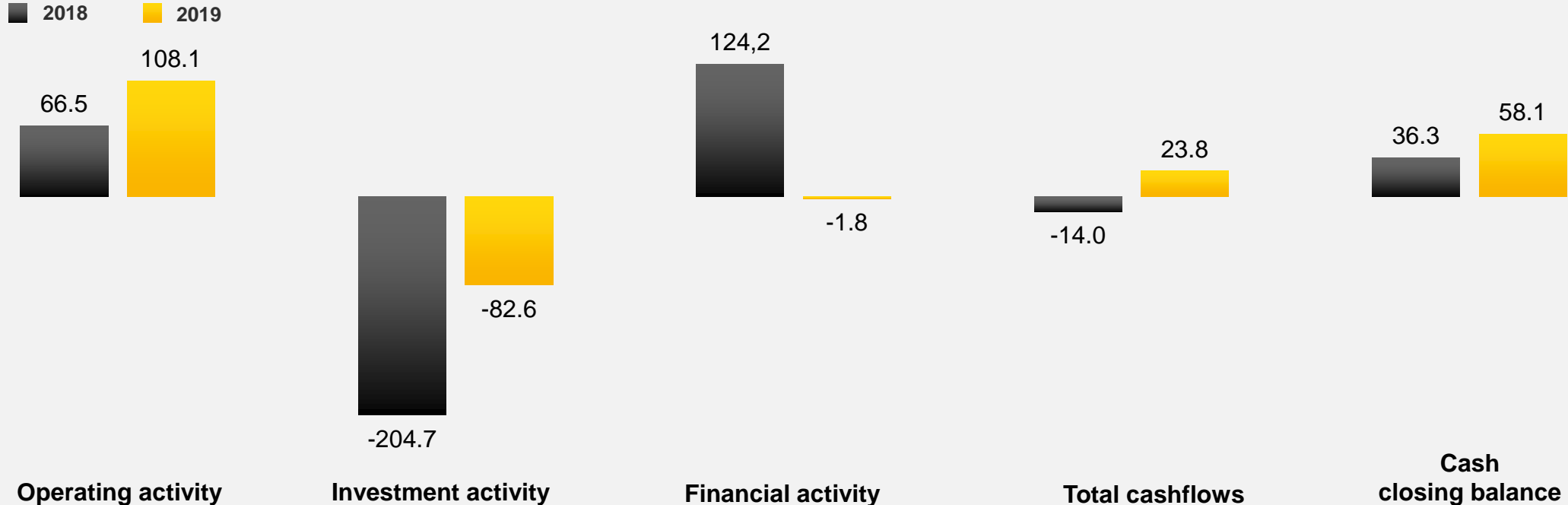
Effective management of working capital - reduction of inventories and receivables allowed to reduce liabilities

02.

Investment outlays reached PLN 89 million, of which PLN 81 million was allocated to the acquisition of tangible assets

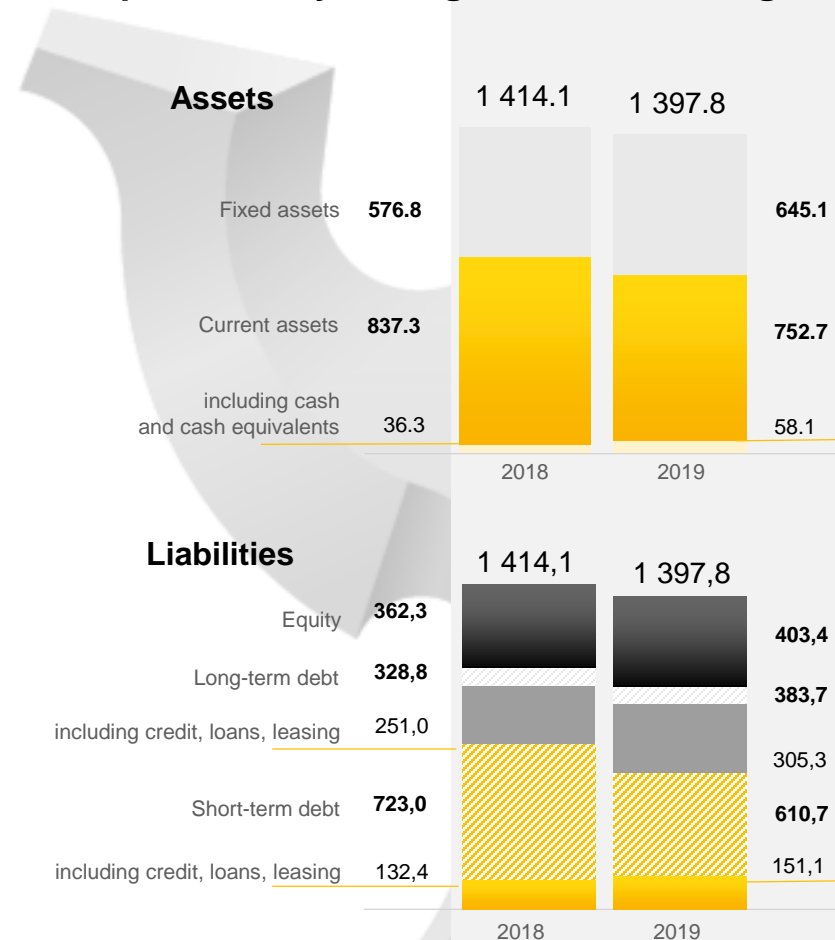
03.

The balance of additional debt on account of loans amounted to PLN 42 million - to finance capital expenditures



Balance sheet structure [PLN mn]

The Group effectively manages its debt, taking care of its maturity structure.



01. Current liabilities decreased by over 15% to PLN 0.6 billion
02. The fixed capital increased by nearly 14% to PLN 0.8 billion
03. Total debt decreased by over 3 pp to 71%.
04. The capital gearing (equity to total liabilities) increased by 6 pp to 40%
05. The share of fixed capital in financing sources increased by nearly 8 pp to 56.3%
06. Current ratio increased to 1.23, and quick ratio increased to 0.64
07. Long-term liabilities represent 38.6% of total liabilities (31.3% in 2018)
08. Long-term interest liabilities account for 67% of total loan and lease debt (65.4% in 2018)

Key data

More than 13% increase in revenue and more than 9% increase in EBITDA y/y

01.

04.

Market in a downward trend - second half of 2019

Sales growth on the French and Russian markets

02.

05.

Action plan dedicated to maintaining the position on particular markets

Very good sales results in the AGRO segment: 25% increase in volumes and over 33% increase in revenues

03.

06.

Consolidation of after-sales services under the Aberg brand

COVID-19








WIELTON GROUP



WIELTON

Operational situation at Wielton Group plants

B R A N D / P L A N T

	 WIELTON	 FRUEHAUF	 LAWRENCE DAVID	 Langendorf	 VIBERTI
Day of temporary suspension of production	06.04	18.03	27.03	-	26.03
Forecasted start date of production	11.05	27.04	27.04	-	- .05
Production	x	✓	✓	✓	x
Reception point	✓	✓	✓	✓	✓
After-sales service	✓	✓	✓	✓	✓
Service	✓	✓	✓	✓	✓



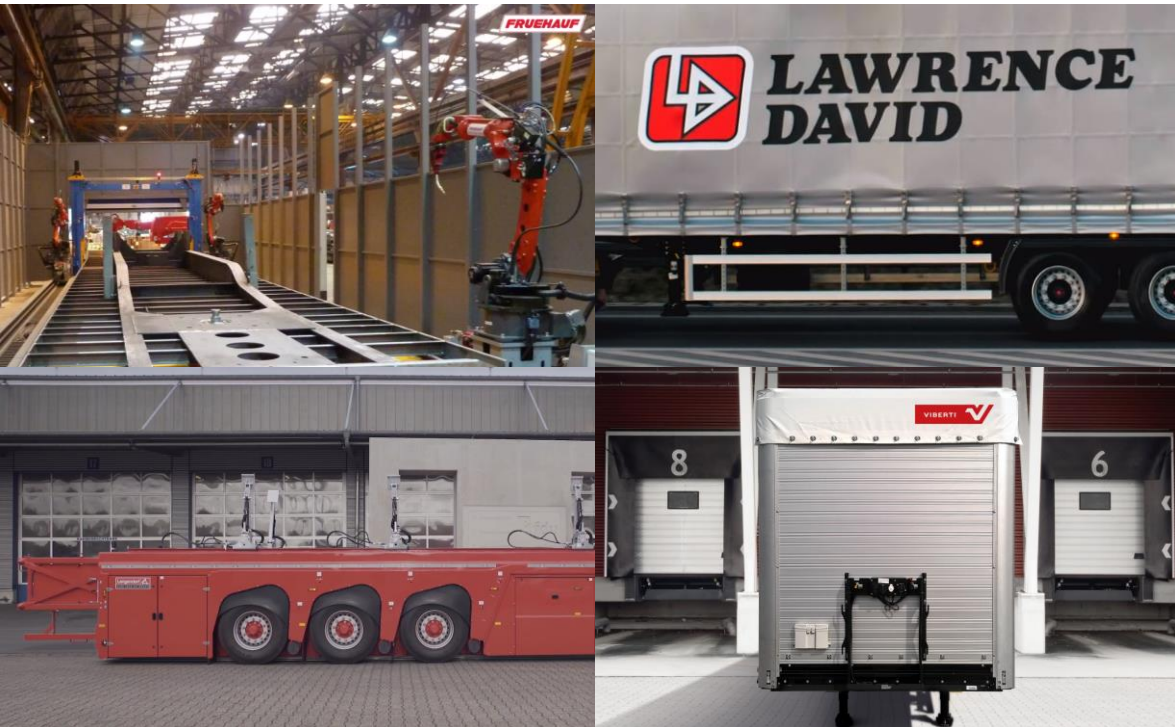
Anti-crisis shield - Wielton



Key activities:

- 01.** Secondment of most employees to economic downtime and reduction of working hours by 20% for the remaining ones, with simultaneous co-financing of salaries from The Guaranteed Employee Benefits Fund (FGŚP)
- 02.** Submission of an application to the Social Insurance Institution (ZUS) for deferment of the payment deadline for contributions - starting from the contributions for February 2020 for the next 6 months
- 03.** Submission of a petition to the City Council of Wieluń to adopt a resolution on exempting Wielton from paying local taxes
- 04.** Submission of an application to the Łódź Special Economic Zone for waiving the fees paid to the zone for conducting business activity within the zone
- 05.** Acceleration of VAT refunds
- 06.** Accessing funds in a split-payment account in order to use the funds to handle current payments other than public commitments
- 07.** Negotiations on a liquidity loan with a consortium of banks co-funding Wielton's operations based on a guarantee from Bank Gospodarstwa Krajowego

Anti-crisis shield - other companies



Fruehauf:

01. Surcharge of 70% to gross salary of employees

Lawrence David:

01. Surcharge of 80% to employees' wages on economic downtime (min. 3 weeks on downtime) - Job Retention Scheme (support for 3 months)
02. State coverage of social security contributions of 13.8% and the statutory pension contribution of approx. 3%
03. Deferral of sales tax payment until July 2020

Langendorf:

01. Reduced working time - remuneration ranges from 60% to 67% including social insurance
02. Tax holidays - exemption from income tax (obligatory payment of VAT and payroll tax)
03. Preferential liquidity loan of EUR 2 million

Viberti:

01. Surcharge of 80% to employees' wages for 9 weeks - provided there are no redundancies for 60 days

Wielton – downtime operations

The downtime activities are mainly focused on three areas

01. Increasing the operational efficiency of the Wieluń plant
02. Reduction of material stocks - shortening the rotation cycle
03. Improving product quality - reducing both in-house and service repair costs



Temporary downtime of the plant is dedicated to carry out modernization and optimization works. These works will increase the efficiency of the production process.

Wielton – downtime operations



The implementation of increased modernization and overhaul of plants would be difficult during the production process.

Main projects carried out during a downtime

01. Changing the planning process to match production in real time - reducing production time
02. Reorganisation of the production preparation department to meet current needs - as a result, there will be a reduction in stocks and production in progress
03. Full modernisation of the chassis welding and beam production department - improving production efficiency
04. Expansion of the paint shop with the process of chemical preparation of aluminium boxes
05. Reorganisation of assembly lines - greater production flexibility, improved efficiency
06. Capacity expansion in the Agro segment

Wielton – downtime operations



The implementation of increased modernization and overhaul of plants would be difficult during the production process.

Main projects carried out during a downtime:

07. Reorganisation of in-house logistics - adaptation to the new production system
08. Completion and commissioning of the new quality control hall
09. Modernisation of social rooms
10. Programming and optimization of welding and painting robots
11. Modernisation, repair of machinery and equipment
12. Partial replacement of lighting for energy-efficient
13. Relocation of auxiliary departments

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