

## Projection of selected financial and operating results for the year 2019 and estimated financial and operating results for the year 2018

The Management Board of Grupa Kęty S.A. (hereinafter referred to as the Issuer) announces the projection of the selected financial and operating results of the Issuer's Capital Group for the year 2019 and the estimated financial and operating results for the year 2018. The figures have not been audited by a statutory auditor.

Consolidated data (PLN millions)*	2018**	2019	Change (%)
<b>Sales, of which:</b>	<b>2,987</b>	<b>3,216</b>	<b>+8%</b>
– Extruded Products Segment	1,270	1,364	+7%
– Aluminium Systems Segment	1,285	1,393	+8%
– Flexible Packaging Segment	707	739	+5%
<b>EBITDA***</b>	<b>460</b>	<b>488</b>	<b>+6%</b>
<b>EBIT****</b>	<b>334</b>	<b>344</b>	<b>+3%</b>
<b>Net profit</b>	<b>264</b>	<b>261</b>	<b>-1%</b>
Capital expenditure	232	284	+22%
Net debt*****	775	866	+12%

\* Not applicable to the particular segments.

\*\* Estimated figures.

\*\*\* EBITDA – operating profit plus depreciation.

\*\*\*\* EBIT – operating profit.

\*\*\*\*\* Net debt – interest-bearing debt less cash and cash equivalents.

### Main assumptions and expectations underlying the projection of the selected financial and operating results of the Issuer's Capital Group for the year 2019:

- 1) sales will grow by 8% compared to 2018 and reach PLN 3,216 million, which will result mainly from:
  - use of the new production capacity of the **Extruded Products Segment** commissioned at the end of 2018 and in the first quarter of 2019, which will translate in the segment sales volume higher by 8 thousand tons YoY;
  - attracting new customers for the **Aluminium Systems Segment** and further development of cooperation with the existing ones, which will contribute to the segment export increase by 13% YoY and domestic sales by 6%;
  - improved effectiveness the **Flexible Packaging Segment** production capacity use, resulting in the segment sales increase by approx. 5% YoY;
- 2) operating costs will grow by 7% compared to 2018 and reach PLN 2,883 million, of which:
  - depreciation: PLN 144 million (+14%),
  - costs of materials: PLN 1,869 million (+3%),
  - costs of energy: PLN 99 million (+41%),
  - costs of employee benefits: PLN 468 million (+10%),
  - costs of third party services: PLN 262 million (+16%);

- 3) consolidated cash flow from operating activities will amount to PLN 376 million;
- 4) capital expenditure will amount to roughly PLN 284 million, including approx. PLN 100 million carried forward from the projects foreseen to have been performed in 2018;
- 5) negative balance on financing activities will reach about PLN 19 million, including interest on loans of approx. PLN 21 million;
- 6) dividend will be paid out in accordance with the binding policy, amounting to approx. 80% of the consolidated net profit for 2018;
- 7) foreign exchange rates, aluminium prices and economic growth rate will remain relatively stable and have the following average values throughout the period:
  - aluminium price: USD 1,950 per ton,
  - USD/PLN exchange rate: 3.75,
  - EUR/PLN exchange rate: 4.25,
  - EUR/USD exchange rate: 1.13,
  - GDP growth in Poland: 3.7%;
- 8) business conditions will not change significantly, specifically as regards legal, tax and administrative regulations;
- 9) no extraordinary one-off events will occur, which could not have been foreseen as at the date of this projection publication;
- 10) the projection does not take into account the activities within the announced strategic options review, and specifically as regards acquisitions, whose direction and scope remain unchanged, comprising:
  - acquisition of a company with revenues of approx. EUR 50 million within the Extruded Products Segment, which will result in the acquisition of new competencies and development of the existing ones in profiles processing and production of components based thereon;
  - acquisition of a company with revenues of approx. EUR 20 million within the Aluminium Systems Segment, which will contribute to the geographic and product-related development of the segment;
  - acquisition of a company within a new segment of the Issuer's Capital Group operations, with the value of revenues in 2020 exceeding EUR 50 million.

This projection of the selected financial and operating results for the year 2019 is perfectly aligned with the binding development strategy of the Issuer's Capital Group by the year 2020 and the Management Board confirms the planned performance of the strategy objectives.

The Issuer is going to assess the capability of accomplishing the 2019 projection and make any appropriate adjustments on a quarterly basis and any time a major event regarding the Capital Group occurs.

The figures for 2018 disclosed in this current report are only estimations and may be changed by the time of publishing the consolidated and separate annual reports for 2018, which is going to take place on 3 April 2019, in accordance with the binding schedule of current reports publication.