

The Management Board of Grupa Kęty S.A. informs about the update of the consolidated 2021 results projection published in the current report of 30 July 2021.

The Management Board of Grupa Kęty S.A. informs that within the process of preparing the interim statements for Q.3, 2021, which includes verification of the published annual projections, they were informed about higher than expected results assumptions for the year 2021.

The main reasons for the estimated growth of sales revenue are higher volume and higher prices of raw materials, which translates into higher prices of the offered products. Higher revenue refers to all segments, whereas the Extruded Products Segment estimates the growth at about 13% over the previously projected level, the Aluminium Systems Segment – at about 2%, and the Flexible Packaging Segment – at about 4%.

The consolidated profit on operating activities plus depreciation and amortisation (EBITDA) will amount to roughly PLN 863 million according to current estimates, which means a profit higher by PLN 89 million (+11.6%) compared to the projection published in July 2021. The greatest impact on the change was contributed by the Extruded Products Segment (improvement of the estimated EBITDA by PLN 65 million, to PLN 279 million) and the Aluminium Systems Segment (improvement of the estimated EBITDA by PLN 38 million, to PLN 336 million). The Flexible Packaging Segment maintained the July projection, when they estimated that EBITDA for 2021 will be higher by about PLN 100 million compared to the initial budget assumptions, and will amount to PLN 280 million.

The current projection of the consolidated net profit amounts to PLN 566 million, which is a growth by PLN 76 million compared to the July 2021 projection.

The current projection of 2021 results is presented in the table below:

(PLN millions)	projection (30.07.2021)	projection (18.10.2021)	change
Sales	4,280	4,550	+6.3%
EBITDA	774	863	+11.6%
Net profit on operating activities	622	711	+14.3%
Net profit	490	566	+15.5%

The other parameters of the 2021 projection remain unchanged.

When estimating the results for the subsequent months, the following assumptions for aluminium prices and PLN/EUR or PLN/USD exchange rates have been made:

- 3M aluminium price (USD/t) – 3,000
- PLN/EUR – 4.55
- PLN/USD – 3.90

The above projection is the current estimation by the Management Board as at 18 October 2021 and will be subject to further analyses and possible updates, depending on the changes in external and internal factors, including those related to the SARS-CoV-2 virus pandemic.

The 'EBITDA' parameter applied in the report represents the total profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period). The 'EBITDA' parameter is a measure presenting the capability of the Company to generate cash on basic activities. The 'EBITDA' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 672.4 million in the consolidated financial statements for 2020.

The presentation of the aforesaid parameters in the report by the Company results from their general application in financial analysis and valuation of the Issuer's Capital Group by the Company stakeholders.