FINANCIAL RESULTS

MERCOR | H1 2022/23

Numer 1

w segmencie technologii pasywnych **zabezpieczeń przeciwpożarowychn** w Europie

11 spółek w Grupie

obsługa ponad **50**-ciu rynków na świecie

ponad **30 000** m² powierzchni produkcyjnej

zlokalizowanej na **16 ha** terenów składowania

przynależących do **7**-miu zakładów produkcyjnych

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4 systemowe grupy rozwiązań

» oddymianie grawitacyjne
» wentylacja przeciwpożarowa
» zabezpieczenia przeciwpożarowe konstrukcji budowlanych
» oddzielenia przeciwpożarowe (DFM Doors)

Stały rozwój oferowanych rozwiązań poprzez rozszerzanie segmentu automatyki, oprogramowania i procesów produkcyjnych

Produkcja wsparta rozwiązaniami IT oraz Przemysłu 4.0

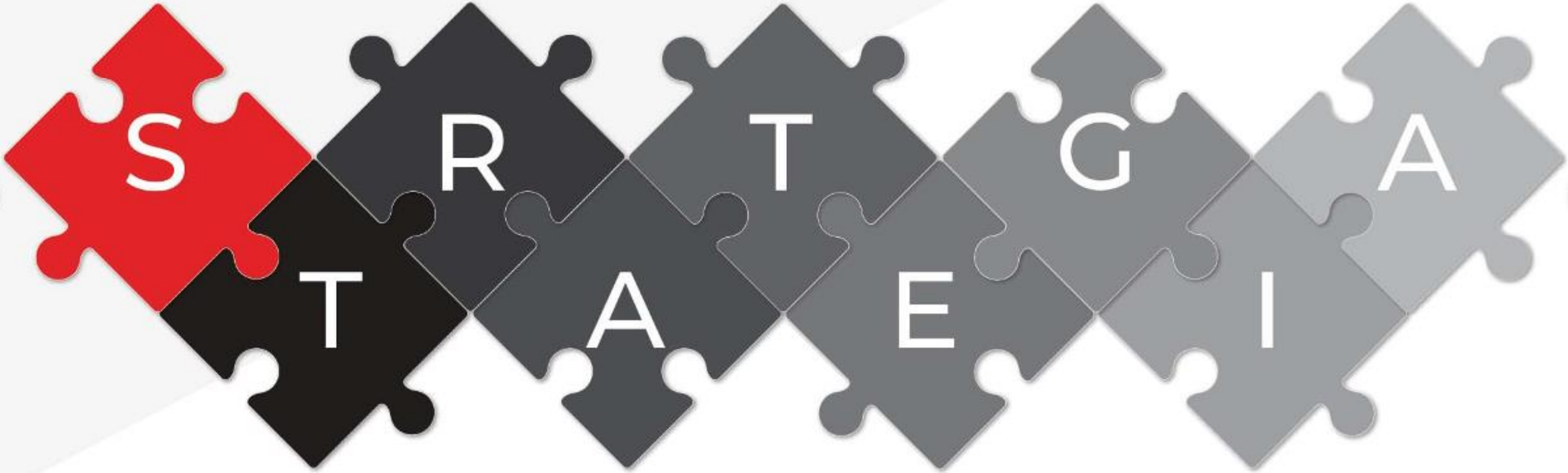
(w którym uczestniczy spółka MCR TechLab);
praca w oparciu o systemy ERP, Vault, Shop Floor;

blisko **800** **pracowników** w Grupie

H1 2022/23 HIGHLIGHTS

- Strong revenue growth (31%); sales in Poland up almost 36% and export sales up 26%
- Improved earnings and profitability: net profit up 30% despite a challenging market environment; gross margin at 25.9% (vs 24.6% a year earlier)
- Safe order levels: order intake of around PLN 302.2m in April to September 2022 (up 15%)
- Implementation of Fire Safety 4.0 technology through MCR Tech Lab (established in 2022)
- Development of energy storage systems through Elmech ASE
- Further geographic and product diversification, new markets, product innovations
- FY 2021/22 dividend payment of PLN 0.63 per share
- Ongoing review of strategic options

STRATEGY



STRATEGY EXECUTION 1/3

RESULTS:

31% sales growth

Net debt/EBITDA = 1.1x

ROE = 20.72% (vs strategic target of 13%)

SHAREHOLDERS:

Dividend policy – ca. 30% of net profit

FY 2021/22 dividend payment of PLN 0.63 per share

Ongoing share buyback programme

MARKET:

Stepping up exports

Maintaining leadership in PL and a top position among leading players in Europe

STRATEGY EXECUTION 2/3

PRODUCTS:

Automation of multiple fire safety systems

DFM Doors: secured certificates for gates, confirmed aspirations to be a leader in the manufacture of industrial-grade doors and gates

Further certificates obtained for mcr Silboard boards; new applications researched

30 R&D projects underway

The new offering of energy storage systems well received by the market

Development of Fire Safety 4.0 technology through MCR Tech Lab

STRATEGY EXECUTION 3/3

BUSINESS MODEL:

Building on high-quality engineering expertise – the Group designs and manufactures custom solutions to meet specific customer needs.

The first company in Poland to implement Fire Safety 4.0 technology

SUSTAINABILITY:

Increasing energy efficiency and lowering carbon footprint

Bringing online of a 1MW solar farm (covering the electricity demand of the Cieplewo plant and the Gdańsk office) and two 50kWp PV systems at the plants located in Cieplewo and near Płock

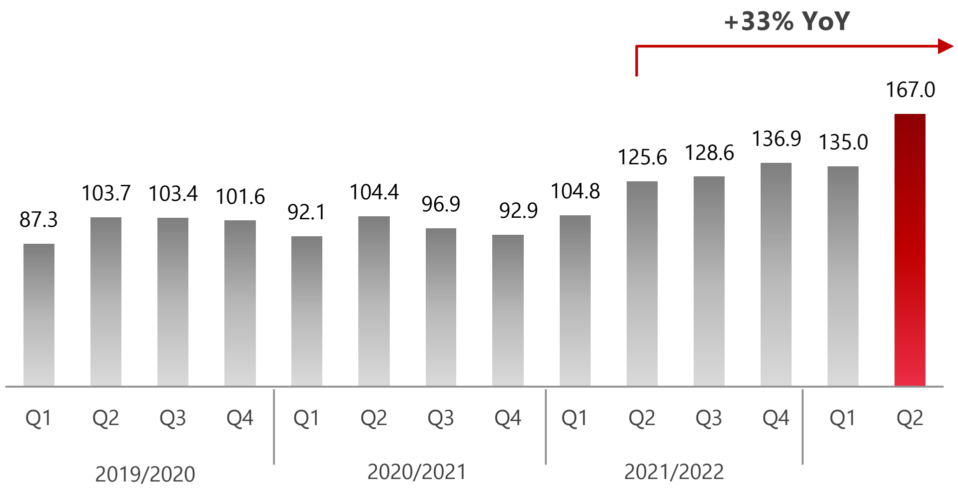
Plans to use Elmech energy storage systems at the Group's plants and offices

FINANCIAL RESULTS

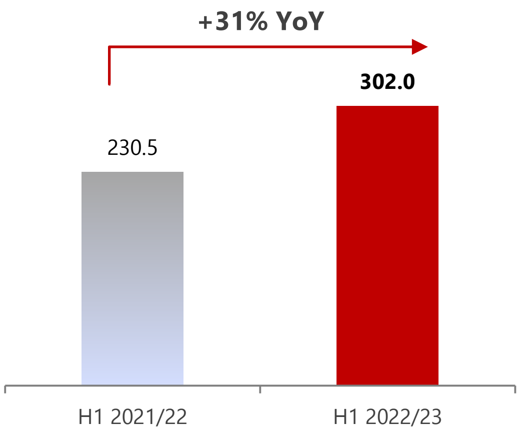
H1 2022/23

DOUBLE-DIGIT SALES GROWTH POSTED BY THE GROUP

Quarterly sales [PLNm]



H1 2022/23 sales [PLNm]



- H1 2022/23: double-digit sales growth in Poland (up 36% YoY) and abroad (26% YoY)
- Order book in H1 2022/23 up 15% YoY to PLN 302.1m

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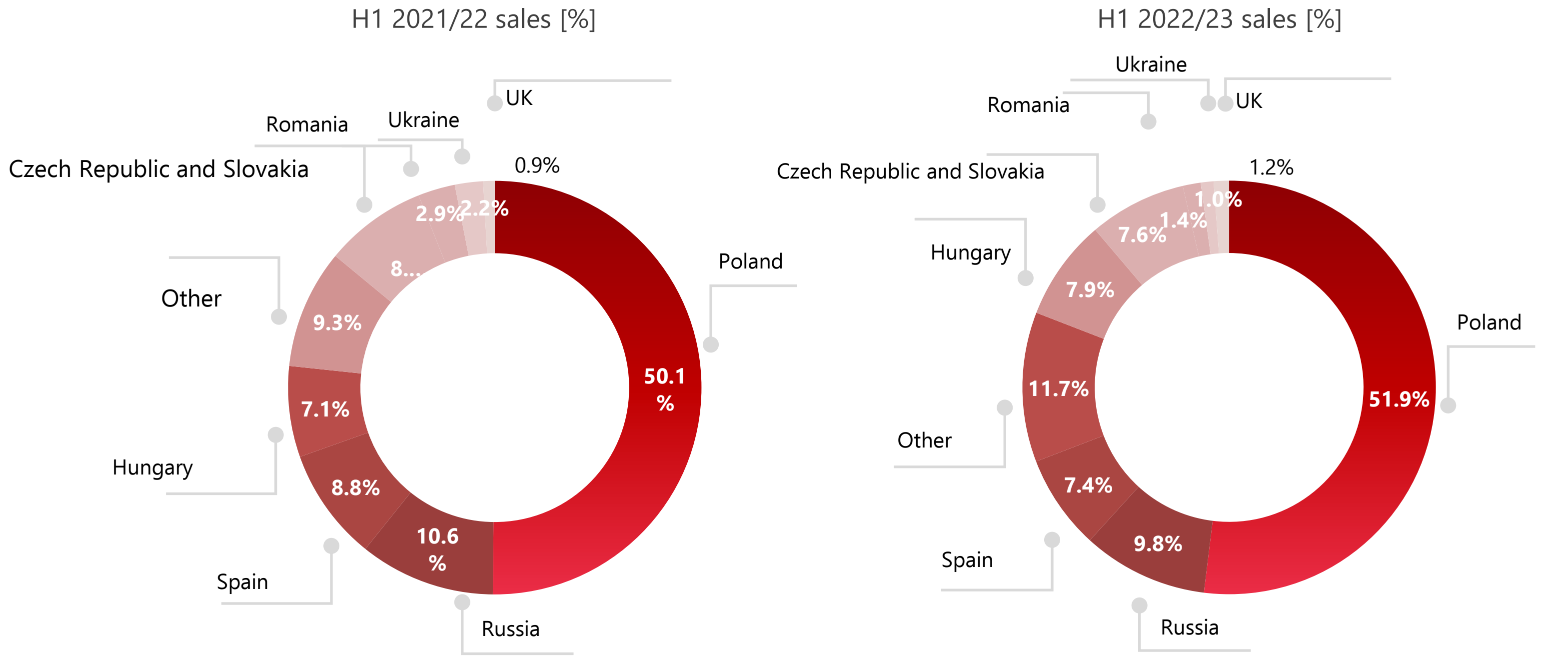
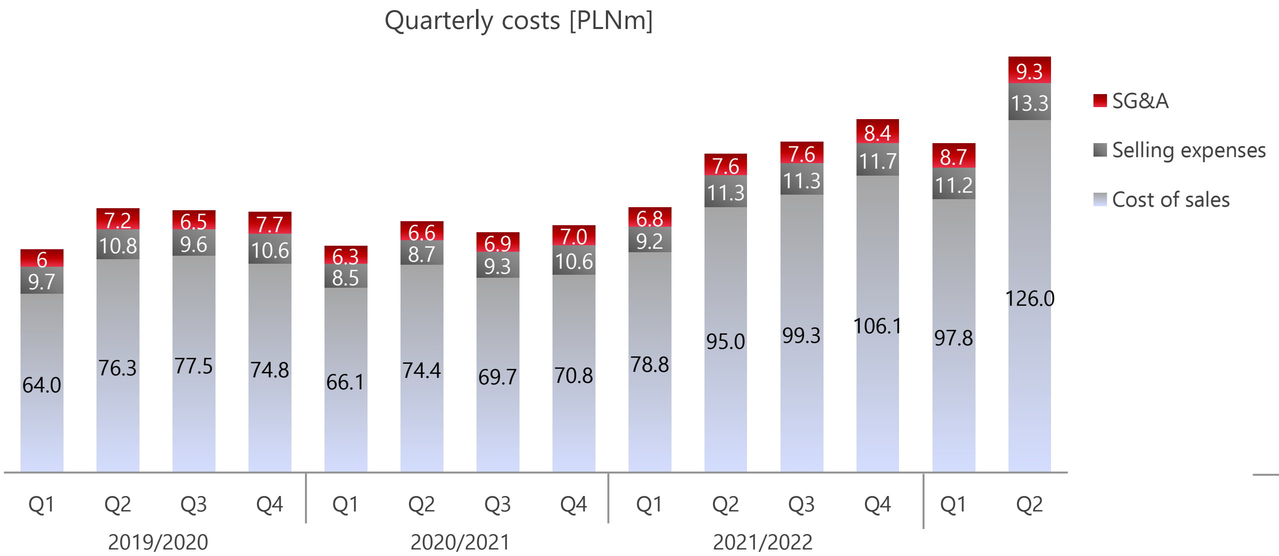
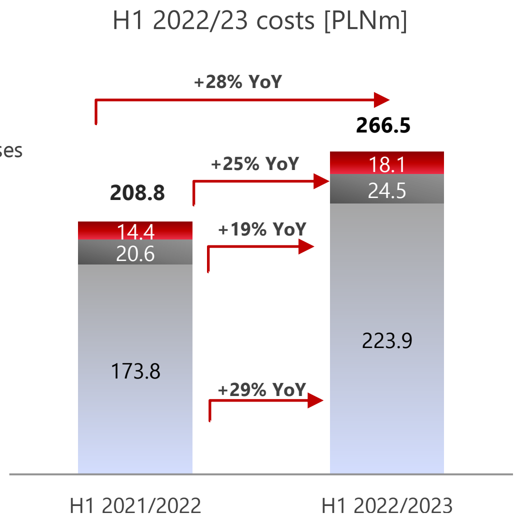
GROUP SALES BY GEOGRAPHY



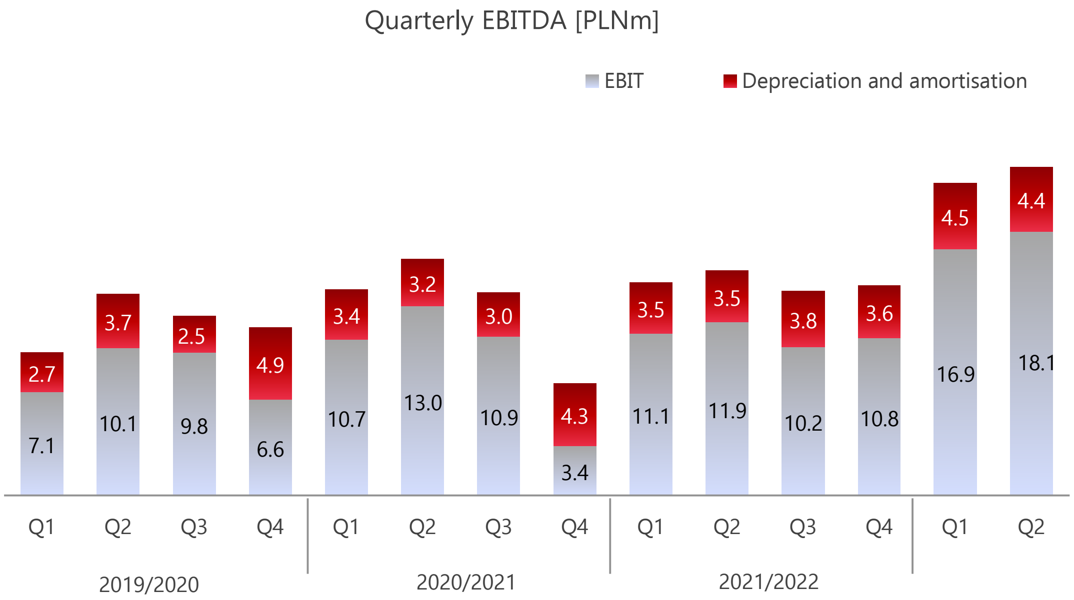
COSTS ALIGNED TO SCALE

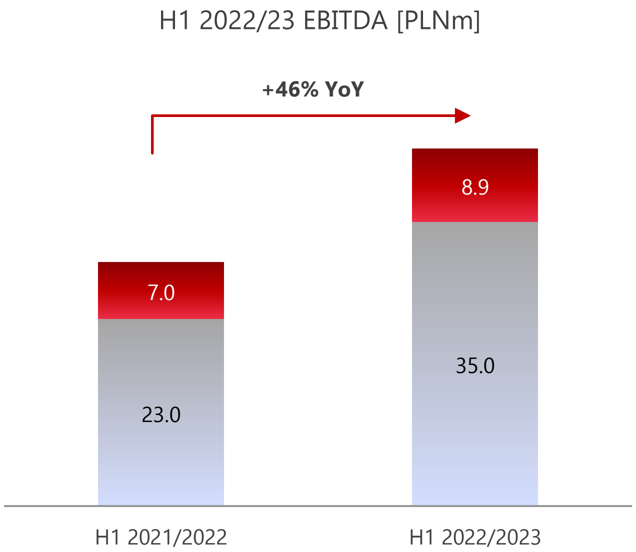




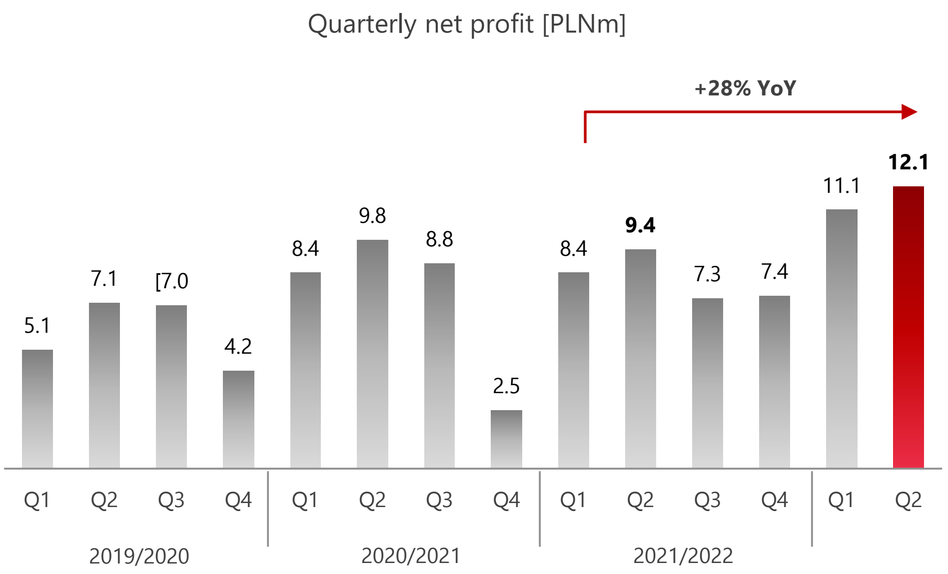
- Costs aligned to the growing scale of business
- H1 2022/23: SG&A costs growing slower (close to 25% YoY) than revenue (up 31% YoY); Q2 alone: SG&A up 23% vs revenue up 33% YoY
- Higher external costs due to soaring material prices and wage pressure

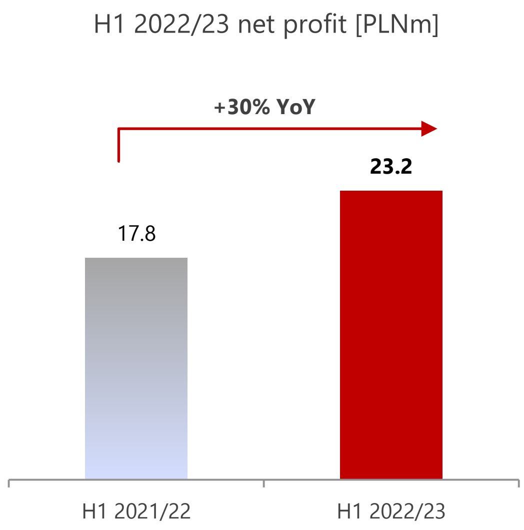
GROUP RESULTS





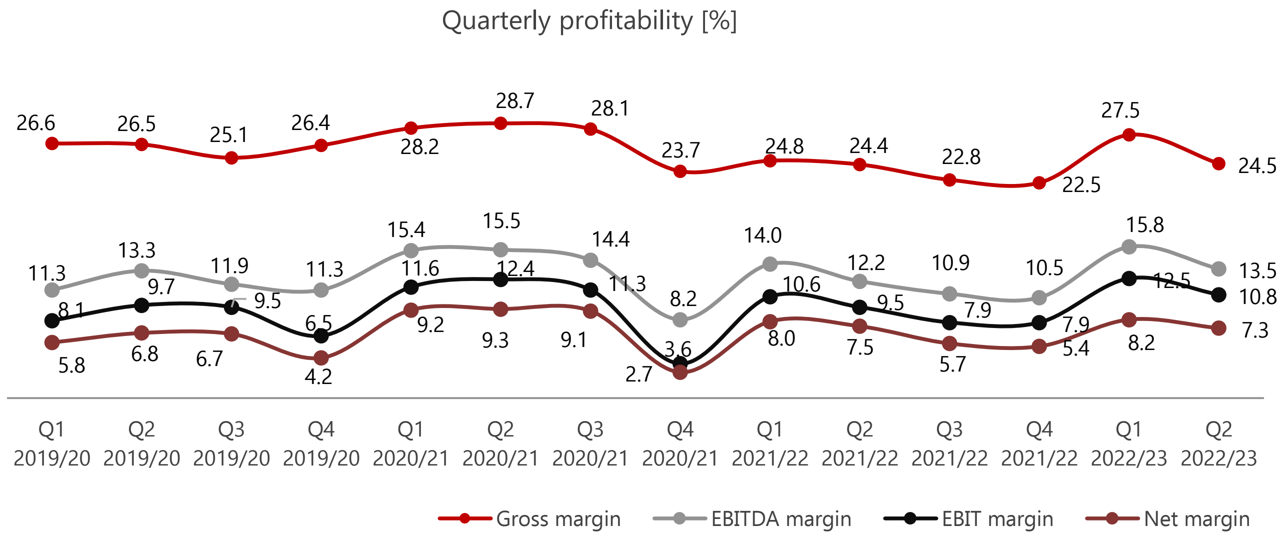
STRONG NET PROFIT GROWTH

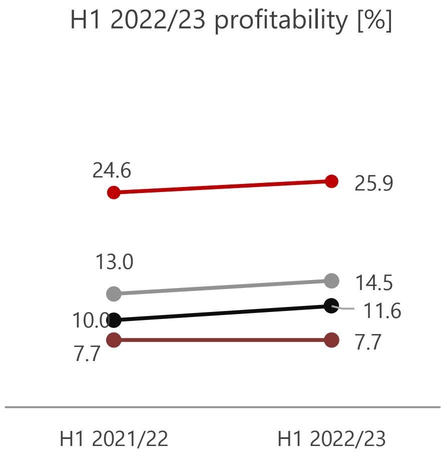




- Q2 2022/23 net profit up almost 28%
- Net profit growth posted in both Q2 and H1, with business growth achieved despite rising material prices through tight cost discipline, product range expansion, and efficient pass-through of a portion of costs to final product price

SOLID PROFITABILITY IN A CHALLENGING ENVIRONMENT





- Solid profitability despite a continued challenging market environment – focus on cost discipline

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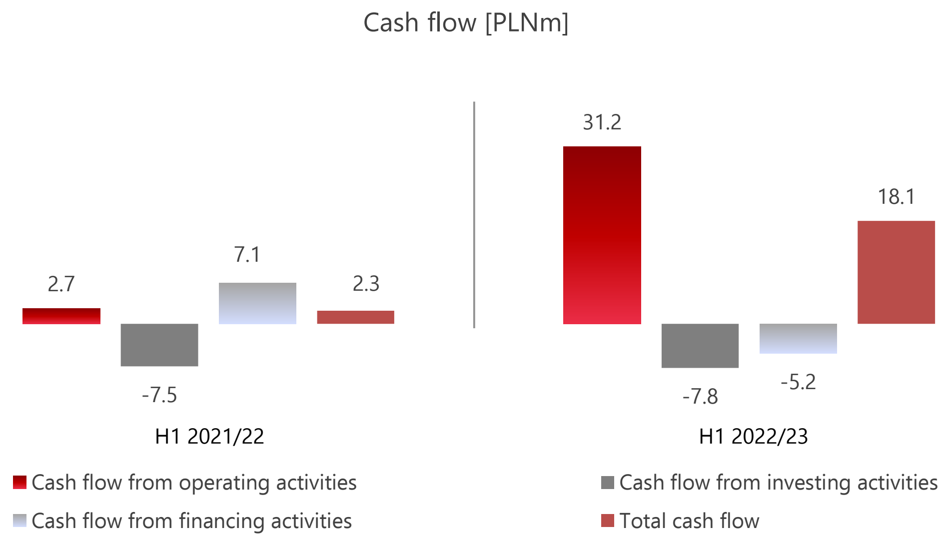
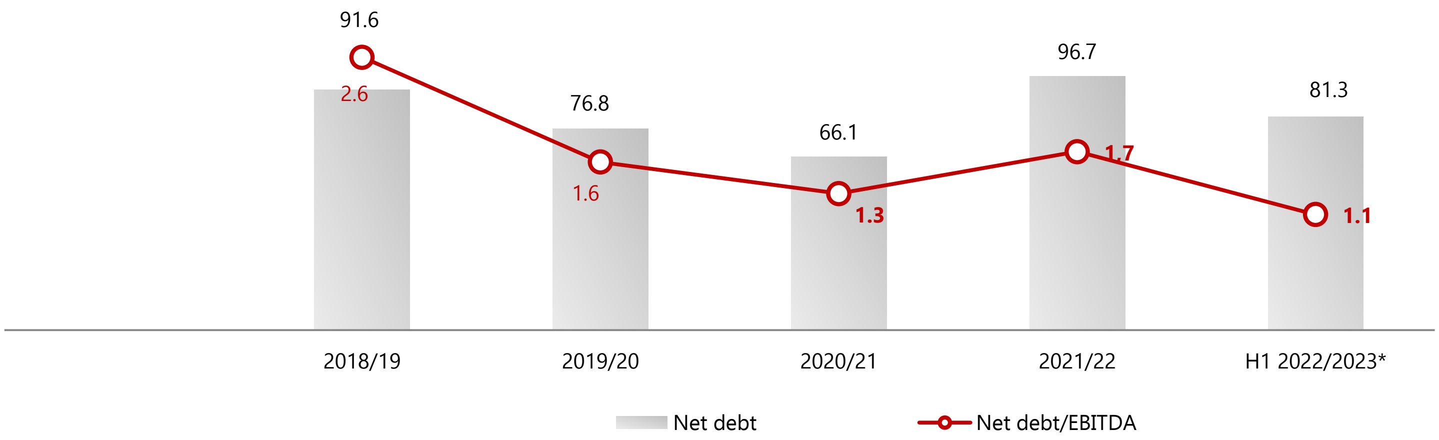
STABLE LIQUIDITY POSITION



- Low debt level
- Cash at PLN 38.1m with outstanding bank debt at PLN 91.9m

SAFE DEBT LEVEL

Net debt [PLNm] and net debt/EBITDA ratio

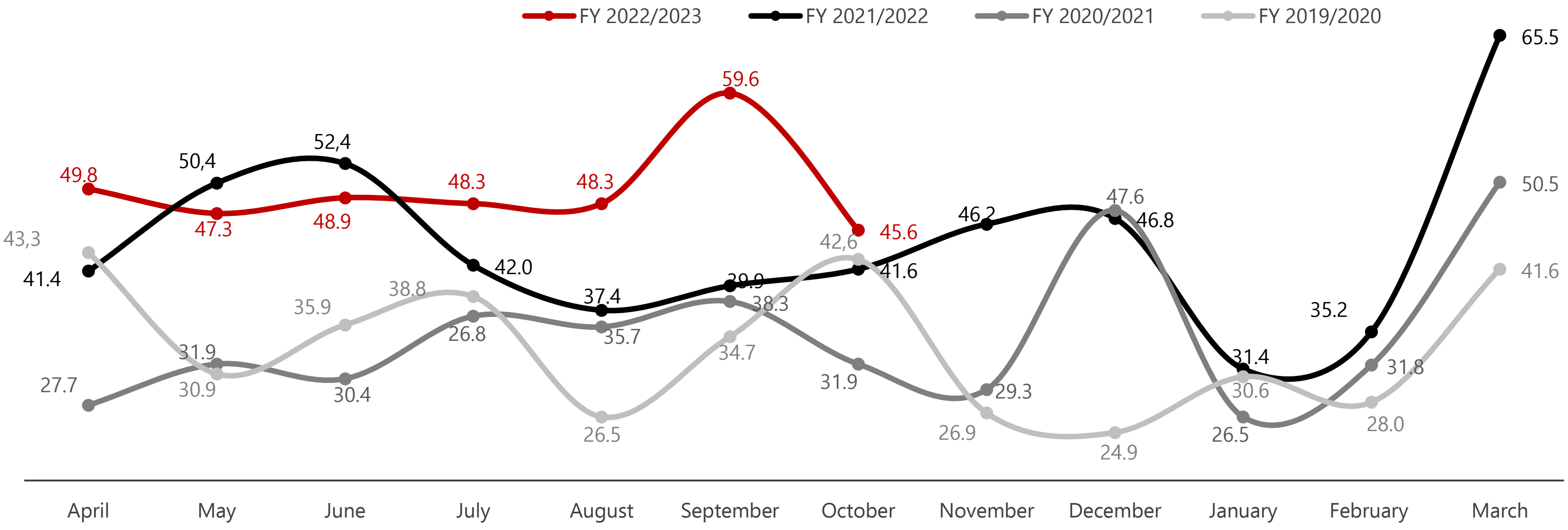


- Continued low net debt/EBITDA ratio: 1.1x with the strategic target of not more than three times EBITDA

* as at September 30th 2022

PRZYSZŁOŚĆ
OPARTA NA ZAMÓWIENIACH

ORDERS



- Over 15% year-on-year improvement in the order book in H1 2022/2023, to PLN 302.1m
- Short lead times (ca. 2–3 months on average)

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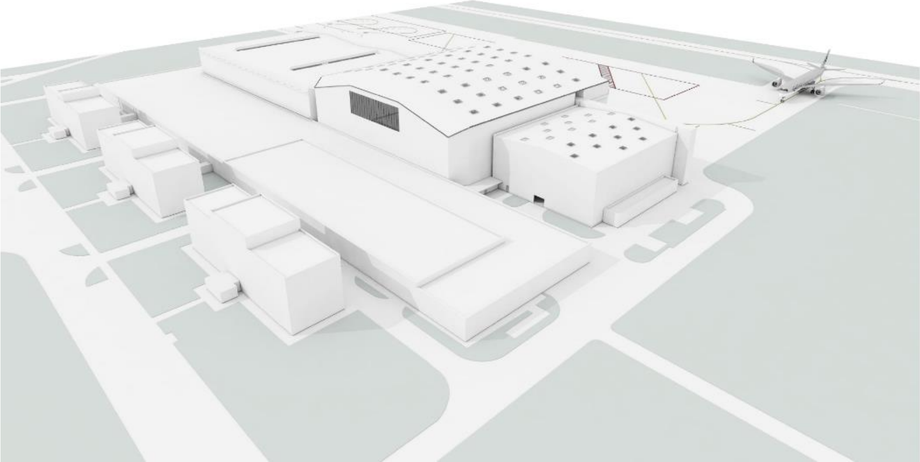
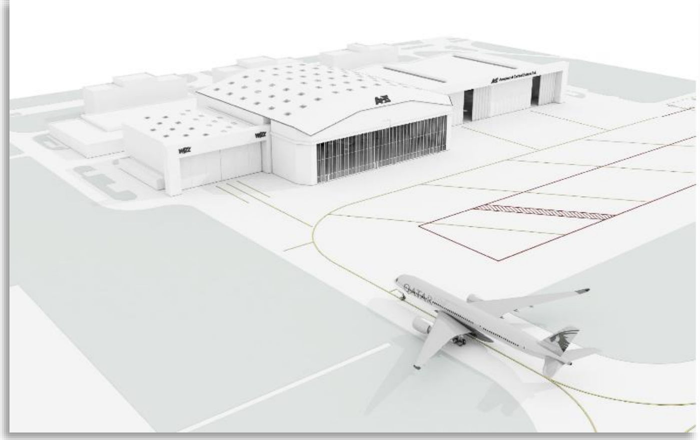
COMPLETED PROJECTS

- ACE hangar building at **Budapest** Airport: 56 smoke vents, 48V operating system.





COMPLETED PROJECTS

- Lakesade Office Building, ul. Szturmowa, **Warsaw**, Poland

950 fire dampers
15 EXiF exit route pressurisation systems
mcr OMEGA PRO automated control system for fire dampers

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COMPLETED PROJECTS

- Faculty of Psychology, University of Warsaw – research lab and classroom building, Ochota Campus, **Warsaw**, Poland:

fire dampers
14 smoke exhaust fans
22 jet fans
4 EXiF exit route pressurisation systems
5 mcr OMEGA PRO power and control units for fire protection equipment

COMPLETED PROJECTS

- Gorzyczki – a project for **Amazon**: continuous rooflights: 6,900.0 square metres, 50 smoke vents within continuous rooflights and 25 spot smoke vents, and an electric and pneumatic smoke vent control system
- Nowa Wieś Wrocławska Phase 8 – a project for **Nestle Purina**: continuous rooflights: 1,900.0 square metres, 60 smoke vents, and an electric and pneumatic smoke vent control system
- Świebodzin – a project for **Amazon**: continuous rooflights: 1,400.0 square metres, 240 spot smoke vents, 10 skylights, and an electric and pneumatic smoke vent control system

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COMPLETED PROJECTS

- Sales to **New Zealand** – Ventuer, 2 Toiowaka Road, Auckland, warehouse, 8x LAM louvred smoke vents
- **Expanding business relationship with Naffco** – Naffco,UAE, Al Rabha Greenhouse, 84x Prolight smoke vents (single and double leaf)
- **First sales generated from the Feuertrutz Trade Fair** – RWA Licht- und Lüftungstechnik GmbH, Agru Werk 6, warehouse (renovation), 46x LAM louvered façade vents



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PRODUCT RANGE EXPANSION AND INNOVATIONS

MCR TECH LAB

- Award for MCR Tech Lab’s Advanced Fire Monitoring System received during the URBAN TECH hackathon accelerator programme for European start-ups
- Collaboration with Gdańsk University of Technology in scientific research of industrial safety systems
- First commercial orders to apply IoT in fire safety systems

SUMMARY

- Strong sales, satisfactory order book
- Improved earnings and profitability
- Continued product range expansion: implementation of Fire Safety 4.0 technology and development of energy storage systems
- Plans of further operational optimisation, including through spin-off of the shared services centre, etc.
- Further geographic and product diversification
- FY 2021/22 dividend payment of PLN 0.63 per share
- Ongoing review of strategic options

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