



**APATOR**

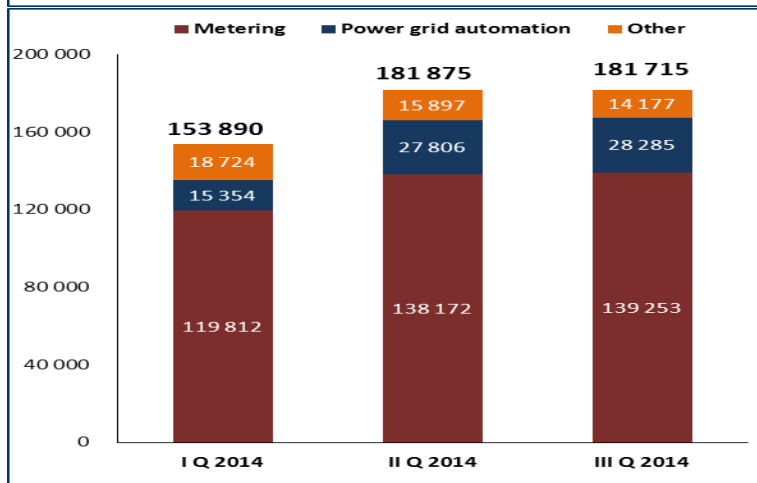
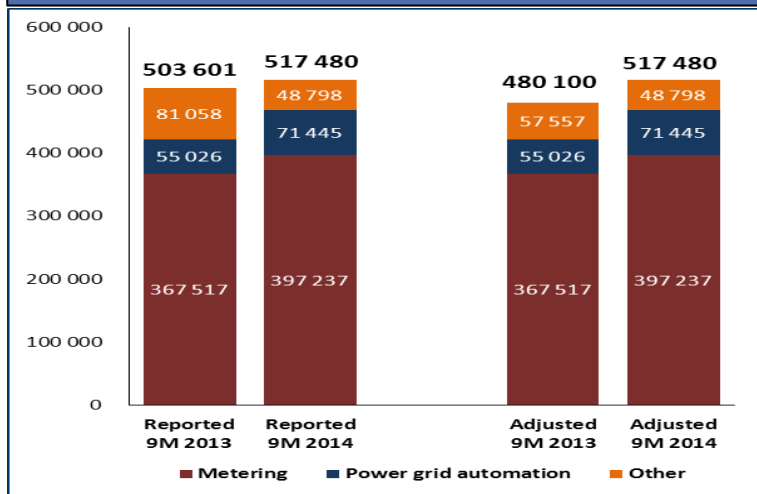


Warsaw, 24th November 2014

# **Financial results of Apator Capital Group 1-3Q2014**

# Results of Apator Capital Group for 1-3Q2014 - sales

## Revenues PLN '000



## Comments

- Very small growth of reported revenues on sales y/y by 2,8%;
- Growth of adjusted revenues on sales y/y by PLN 37,4 m (7,8%);
  - Organic growth in line – metering of electricity (28,8% y/y);
  - Growth of acquisition – takeover of Elkomtech (PLN 22,3 m);
  - Organic growth in line of metering of water and heat (11,7% y/y);
  - Decline of ICT by 36,8% y/ry
  - Non-core (decline by 15,2% y/y) – mainly industrial automation (24,7%);
  - Line of switchgear (decline by 10,7%) – mainly Russia, Turkey.

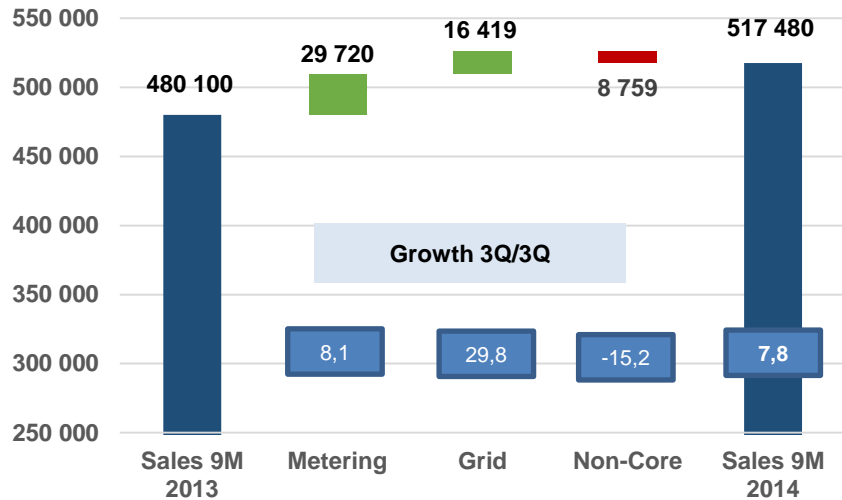
Revenues on sales for 2014 will be earned a little below bottom limit of the forecast presented on stock exchange (PLN 730-760 m).

In adjusted approach:

- Exclusion of revenues of Newind (PLN 23,5 m) earned in 2013 .

# Results of Apator Capital Group for 1-3Q2014 – sales structure

Sales by segments

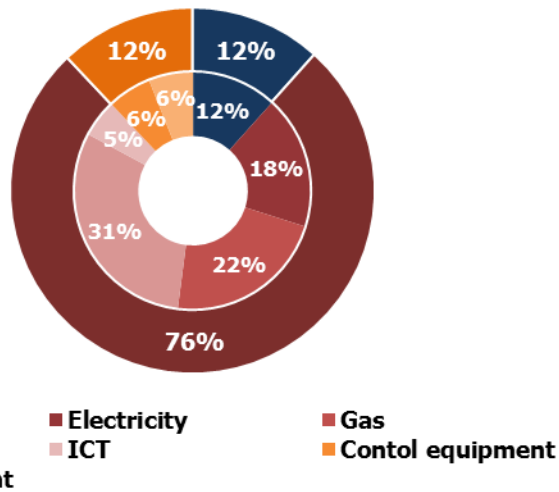


Comments

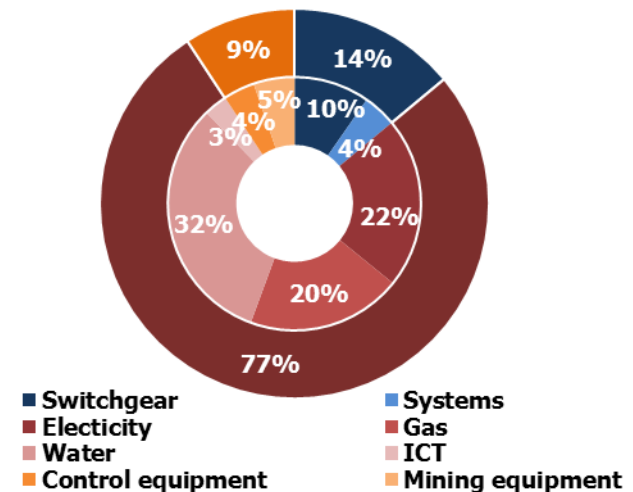
- Growth of sales in:
  - Metering segment- line of water and heat (home) and electricity (home – PGE);
  - Power grid automation segment – acquisition of Elkomtech;
- Decline of sales in non-core segment – mainly in line of control (completion of the contract with Arcelor Mittal).

Growth of revenues mainly provided by metering segment and power grid automation – takeover of Elkomtech, declines in non-core segment.

Sales 9M 2013

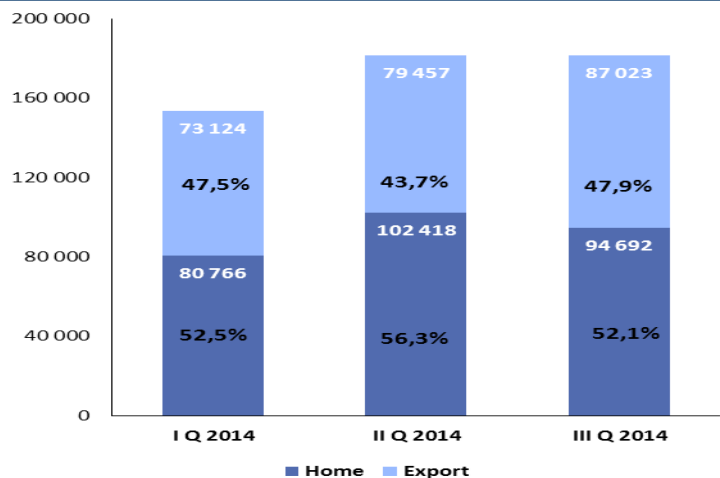
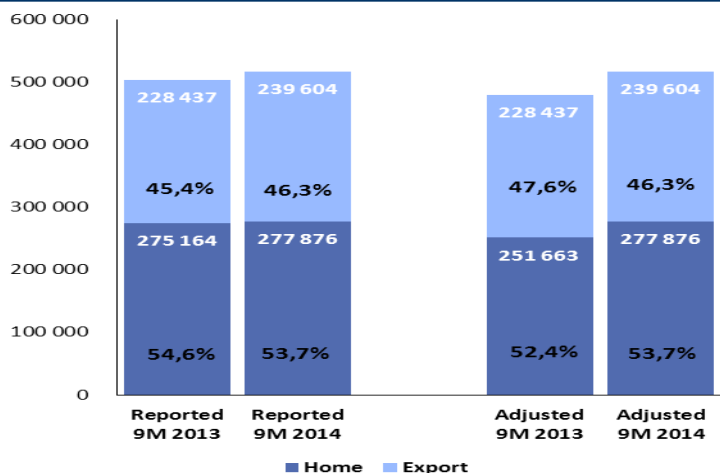


Sales 9M 2014



# Results of Apator Capital Group for 1-3Q2014 – domestic sales and export

## Domestic sales and export PLN '000

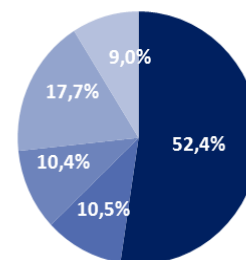


In adjusted approach:

- Exclusion of revenues of Newind (PLN 23,5 m) earned in 2013.

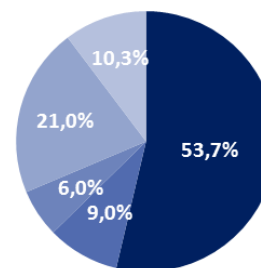
## Comments

- Very small decline of share of export in adjusted sales y/y
  - High progress of domestic sales (10,5% y/y), including: increase of domestic acquisition – Elkomtech;
  - Decline of progress of export in lines of (the Netherlands); and switchgear (Russia and Turkey);



9M2013

■ Poland ■ Russia ■ Denmark/Netherlands ■ EU ■ Other



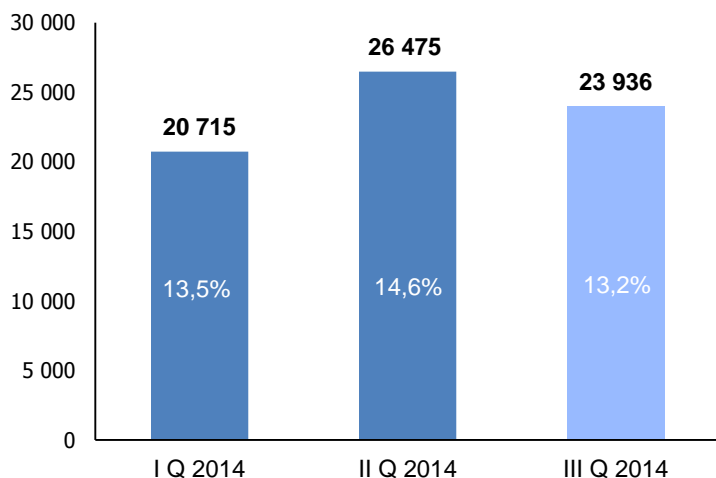
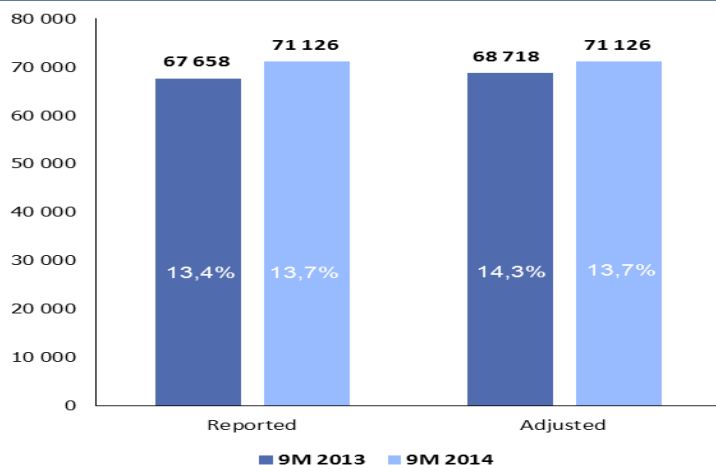
9M2014

■ Poland ■ Russia ■ India/Great Britain ■ EU ■ Other

Maintenance of high share of export in revenues on sales.

# Results of Apator Capital Group for 1-3Q2014 – results on sales

## Result on sales PLN '000



In adjusted approach:

- Exclusion of loss on sales of Newind for 5M 2013 (PLN - 1,1 m).

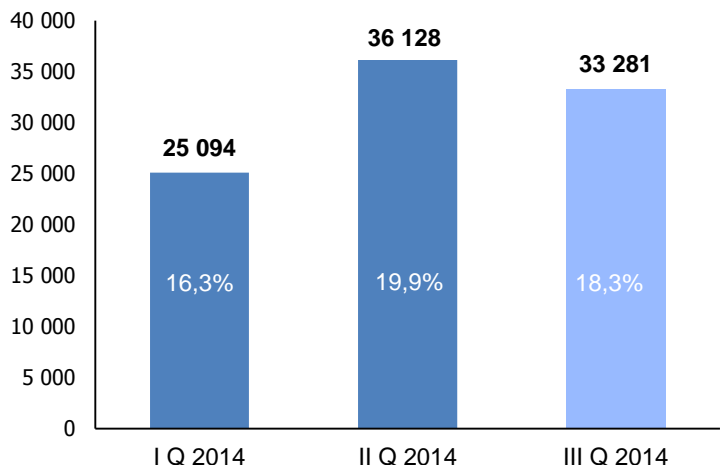
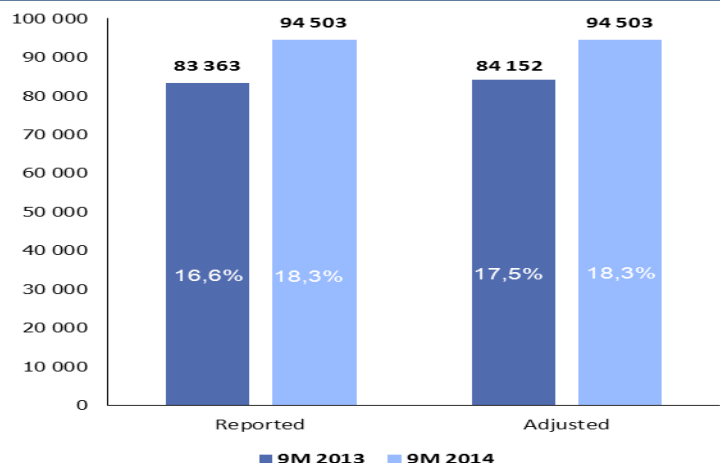
## Comments

- Growth of adjusted result on sales y/y by 3,5% - very small decline of profitability;
- Factors having the influence on growth of profitability:
  - Change in the structure of assortment, maintenance or growth of prices – improvement of profitability in line of water and heat; gas; line of switchgear ;
  - influence of acquisition of Elkomtech;
- Factors having the influence on decline of profitability :
  - Erosion of prices and margins – line of metering of electricity;
  - delay in performance of long-term contracts – line of ICT;
  - growth of sales costs and overheads – mainly recognition of costs of transaction related to Elkomtech and consolidation of Elkomtech;

Steady profitability at the level of result on sales .  
The impact of positive business mix (Elkomtech).

# Results of Apator Capital Group for 1-3Q2014 – EBITDA

## EBITDA PLN '000



In adjusted approach:

- Exclusion of loss at the level of EBITDA of Newind for 5M 2013 (PLN - 0,8 m).

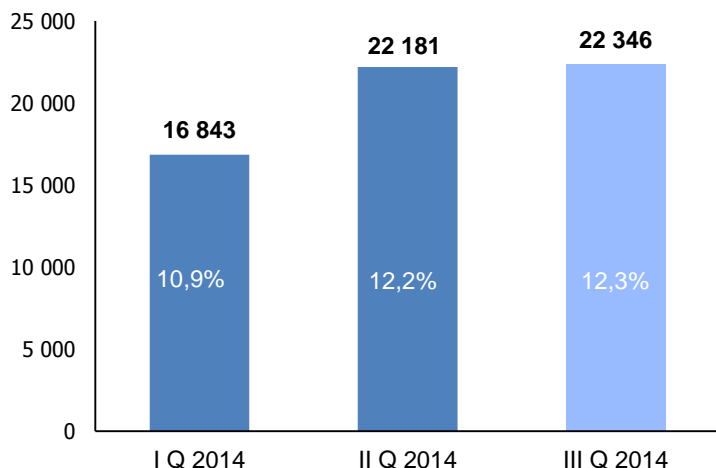
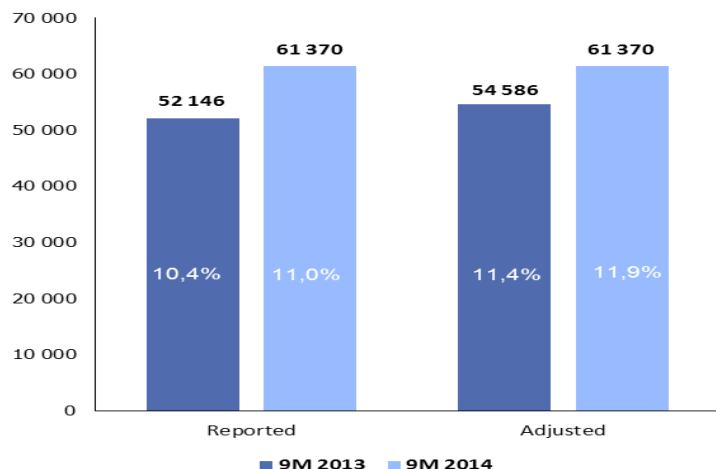
## Comments

- Growth of adjusted EBITDA y/y by 12,3% – growth of profitability of EBITDA;
- Factors having the influence on EBITDA and profitability of EBITDA:
  - Similarly like in case of the result on sales that increased by 3,5%;
  - Recognition of the profit on other operating activity for 1-3Q 2014 (in view of the loss in the same period in 2013) – release of provisions in line of water and heat; sale of property by Pafal;
  - Profit from jointly controlled entities – GWI (PLN 2,8 m);
  - Growth of amortization and depreciation by PLN 1,0 m (7%);

EBITDA higher than expected – improvement of profitability.

# Results of Apator Capital Group for 1-3Q2014 – net profit

## Net profit PLN '000



In adjusted approach:

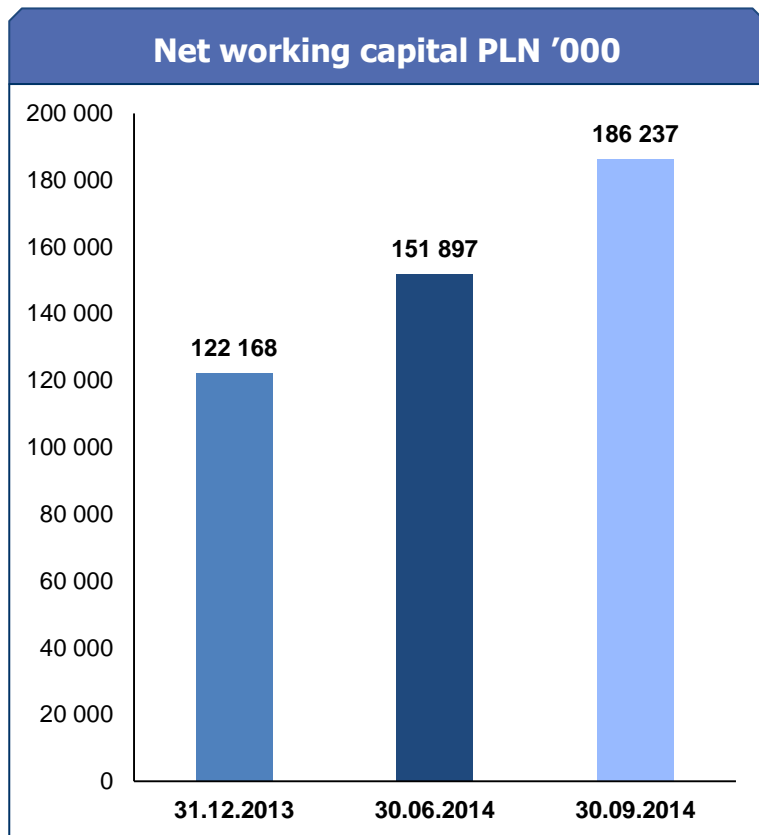
- Exclusion of net loss of Newind for 5M 2013 (PLN - 1,0 m) and also losses on sale of this entity (PLN -1,3 m).

## Comments

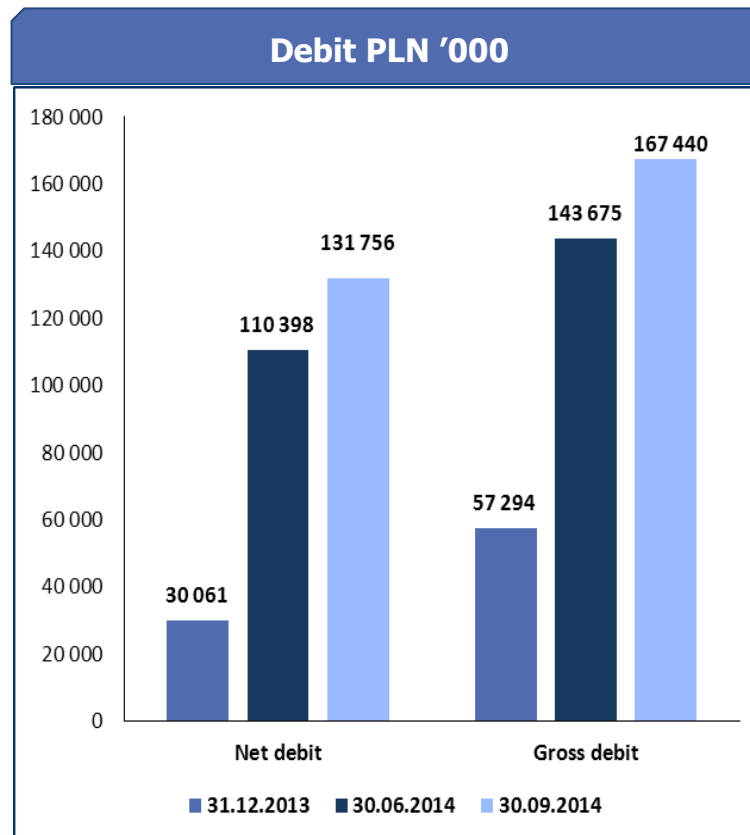
- Growth of adjusted net profit y/y by 12,4% - growth of net profitability;
- Factors having the influence on profitability and net profit:
  - Similarly like in case of EBITDA that increased by 12,3%;
  - Adjustment by the difference in results on financing activity – growth of interest cost has been adjusted by positive result on forwards;

Net profit higher than expected – improvement of profitability.  
The performance of annual forecast has been confirmed.

# Results of Apator Capital Group for 1-3Q2014 – working capital and debit



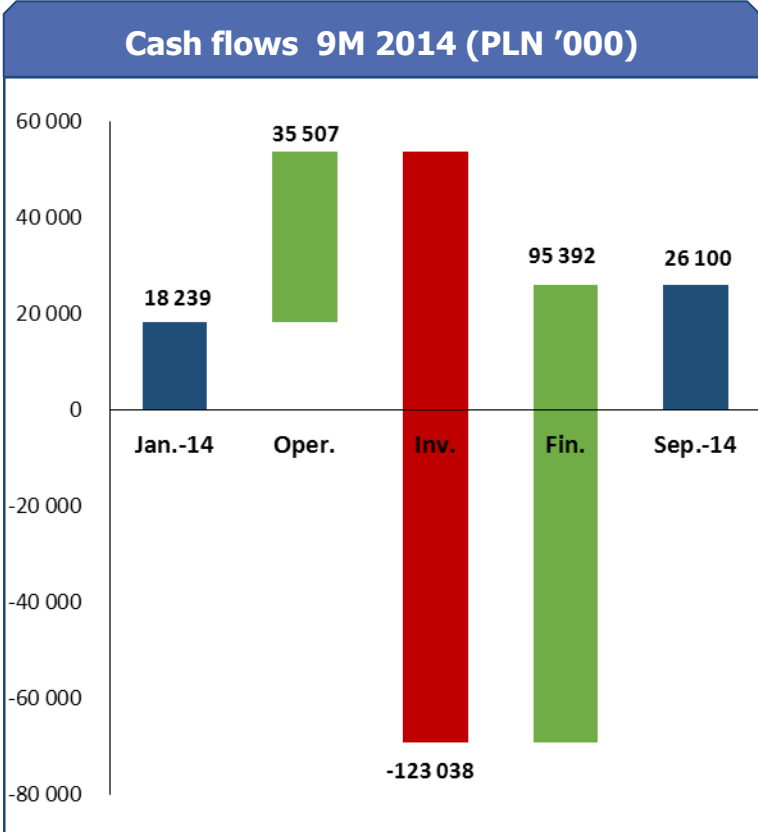
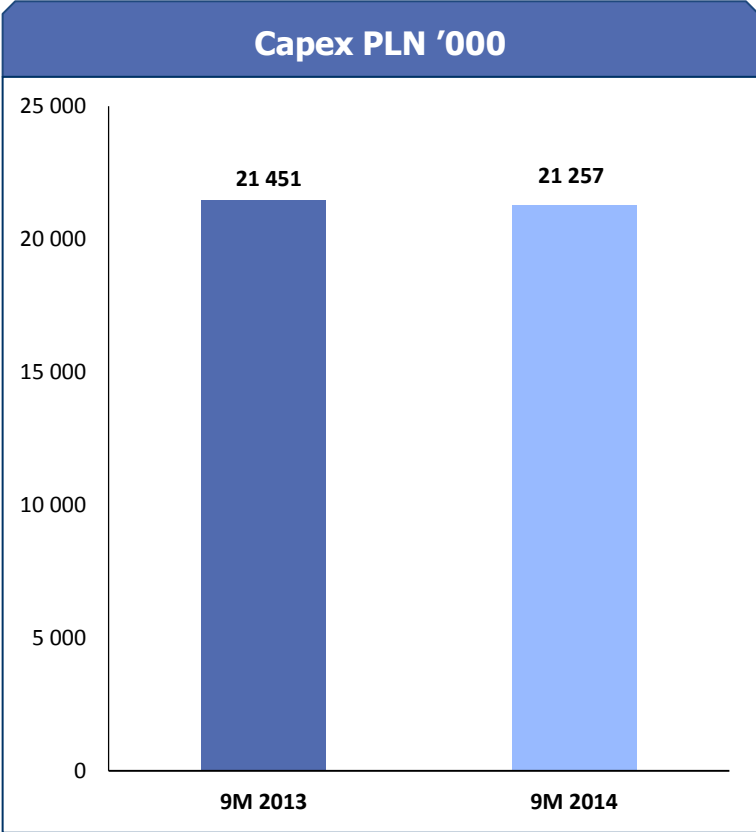
Growth of working capital in relation to 30.06.2014 in result of: growth of receivables and decrease of liabilities (payment of dividend in July 2014) and increase of receivables in line of water and heat.



Growth of debit in relation to the status as at 30.06.2014, caused by increased use of working capital credits. Net debit: 1,1 x LTM EBITDA.



# Results of Apator Capital Group for 1-3Q2014 – capex and cash flows



Capex at the level of performance in 2013. main investments in 9M2014:

- Automation of manufacturing processes;
- Tooling for new products e.g. smart gas meters;
- Expenditures on the increase of manufacturing capacity.

Structure of cash flow:

- Operating cash flows – important adjustment by investments in working capital (PLN 35,5 m balance of cash flows vs EBITDA PLN 94,5 m);
- Main investments expenses (takeover of Elkomtech; purchase of shares of Apator Rector);
- Main financial expenses (dividend);
- Source of financing (acquisition loan).



**Thank you for your attention**