



Presentation includes selected issues from the following documents:

- » annual consolidated financial statement for 2015;
- » report of Management Board on activity of Apator Group for 2015;
- » annual separate financial statement for 2015;
- » report of Management Board on activity of Apator SA for 2015;

Complete contents of the reports have been available since 25 April 2016:

- » on website of Apator SA www.apator.com
- » in original in Apator SA, Centrum - address:
Ostaszewo 57C, 87-148 Łysomice, Poland



Changes in the makeup of decision making bodies of the parent entity

Management Board

Changes in 2015

- » Tomasz Habryka – resignation effective on 31 March 2015;
- » Jerzy Kuś – resignation effective on 23 June 2015 ;
- » Since 24 June 2015; two person makeup of Management Board:
 - Andrzej Szostak – President of Management Board;
 - Piotr Nowak – Member of Management Board;

Changes after reporting period

- » Since 22 February 2016 ; three person makeup of Management Board:
 - Andrzej Szostak – President of Management Board;
 - Piotr Nowak – Member of Management Board;
 - Piotr Dobrowolski – Member of Management Board;

Supervisory Board

- » Makeup since 22 June 2015 :
 - Janusz Niedźwiecki – Chairman of Supervisory Board;
 - Mariusz Lewicki – Deputy Chairman of Supervisory Board;
 - Janusz Marzygliński;
 - Danuta Guzowska;
 - Marcin Murawski;
 - Krzysztof Kwiatkowski;
- » The following tenure since 23 June 2015:
 - Janusz Niedźwiecki – Chairman of Supervisory Board;
 - Mariusz Lewicki – Deputy Chairman of Supervisory Board;
 - Janusz Marzygliński;
 - Danuta Guzowska;
 - Marcin Murawski;
 - Kazimierz Piotrowski;

Structure of Apator Capital Group in 2015

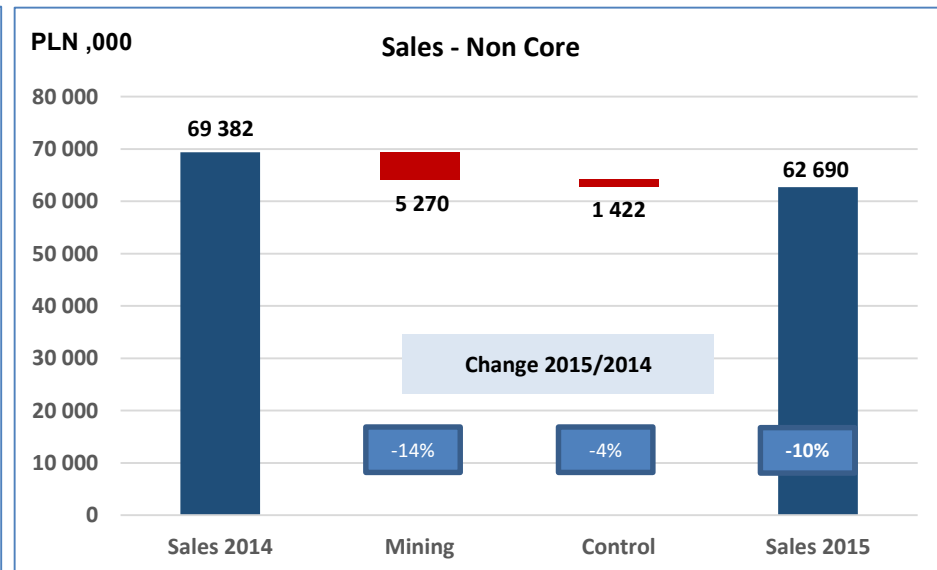
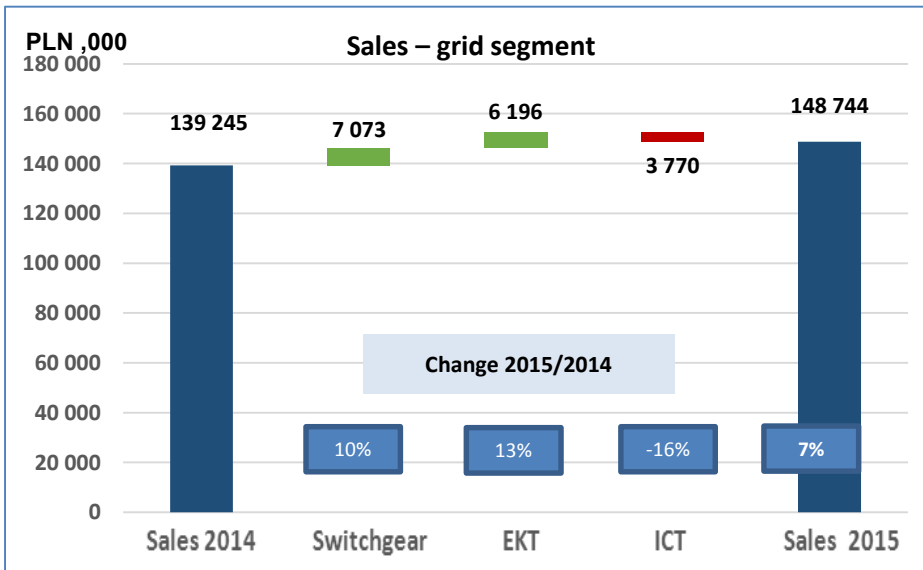
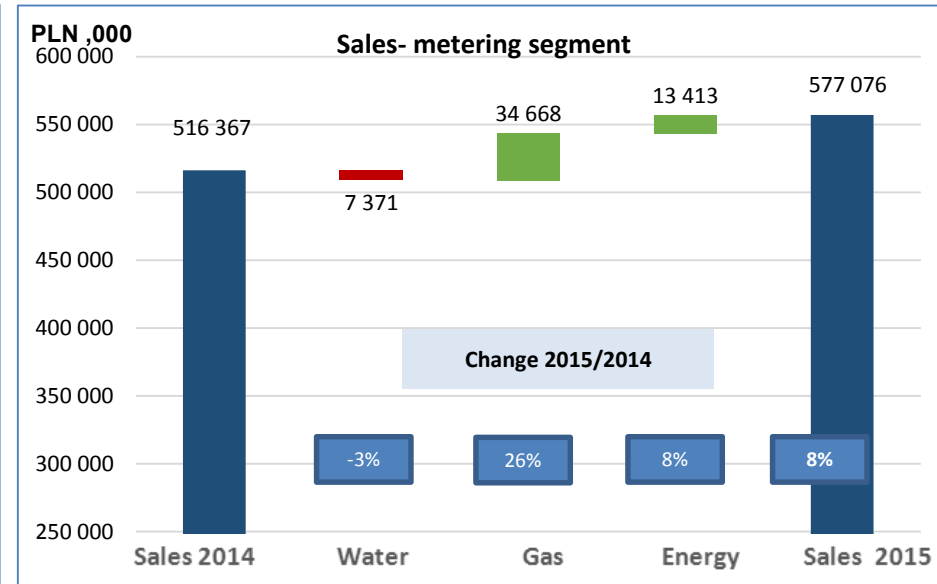
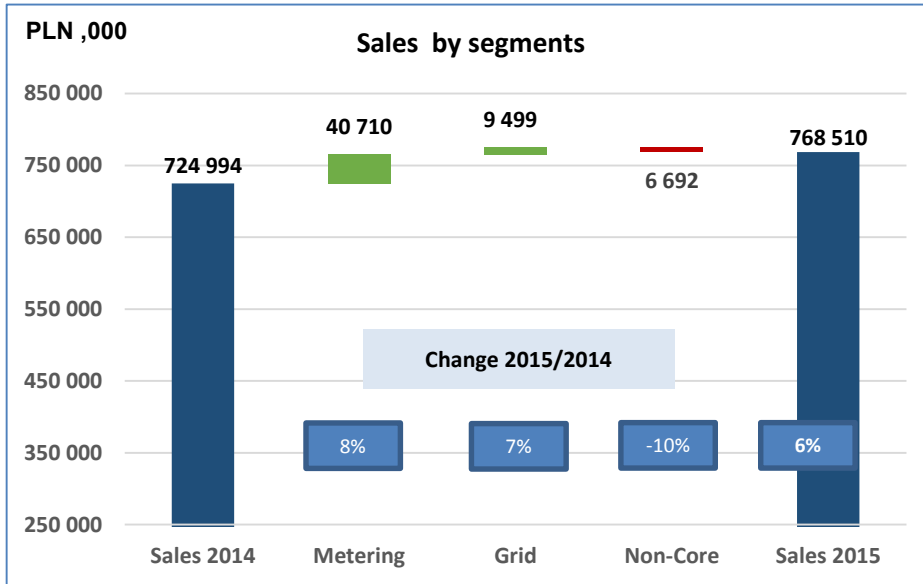


* since 29 March 2016 it has been liquidated

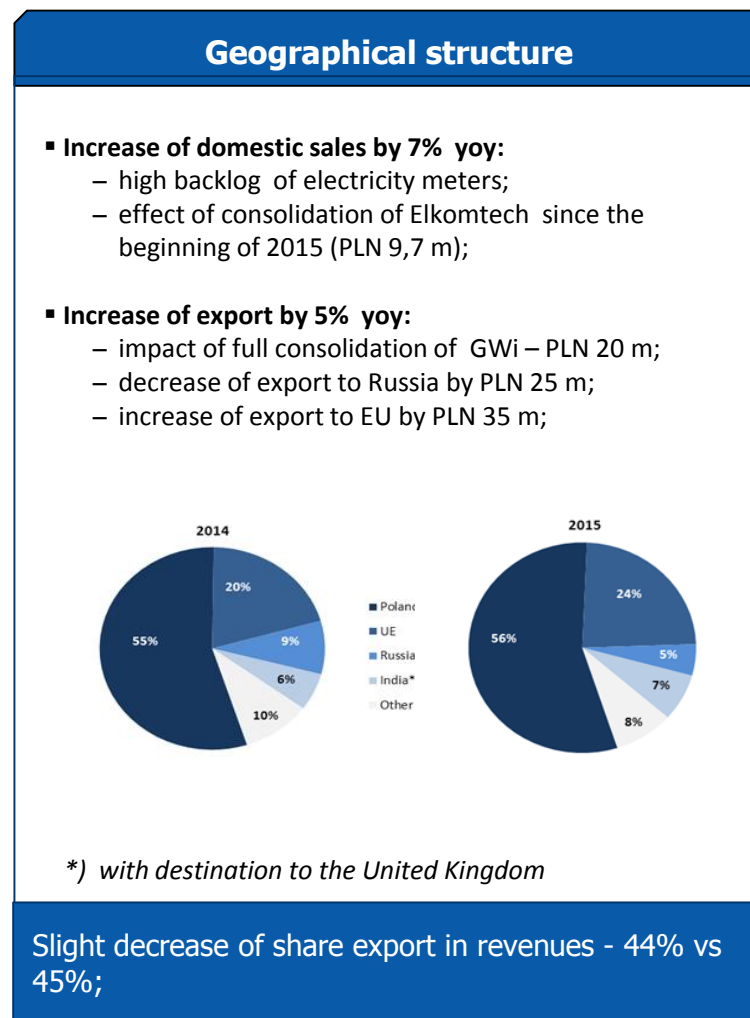
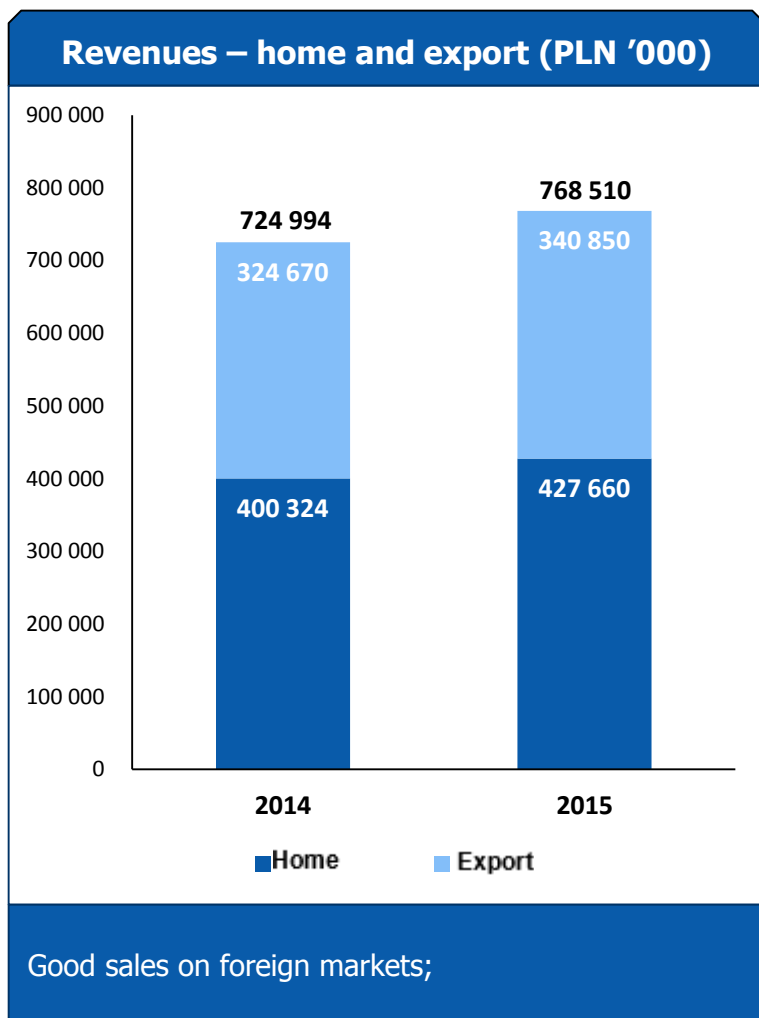
Financial results of Apator Capital Group in 2015

PLN ('000)	2014	2015	Change yoy
Sales	724 994	768 510	106,0%
Gross profit on sales	217 189	208 052	95,8%
<i>Margin</i>	<i>30,0%</i>	<i>27,1%</i>	
Profit on sales	101 863	75 653	74,3%
<i>Margin</i>	<i>14,1%</i>	<i>9,8%</i>	
EBITDA	130 784	110 915	84,8%
<i>Margin</i>	<i>18,0%</i>	<i>14,4%</i>	
Net profit	84 688	62 841	74,2%
<i>Margin</i>	<i>11,7%</i>	<i>8,2%</i>	

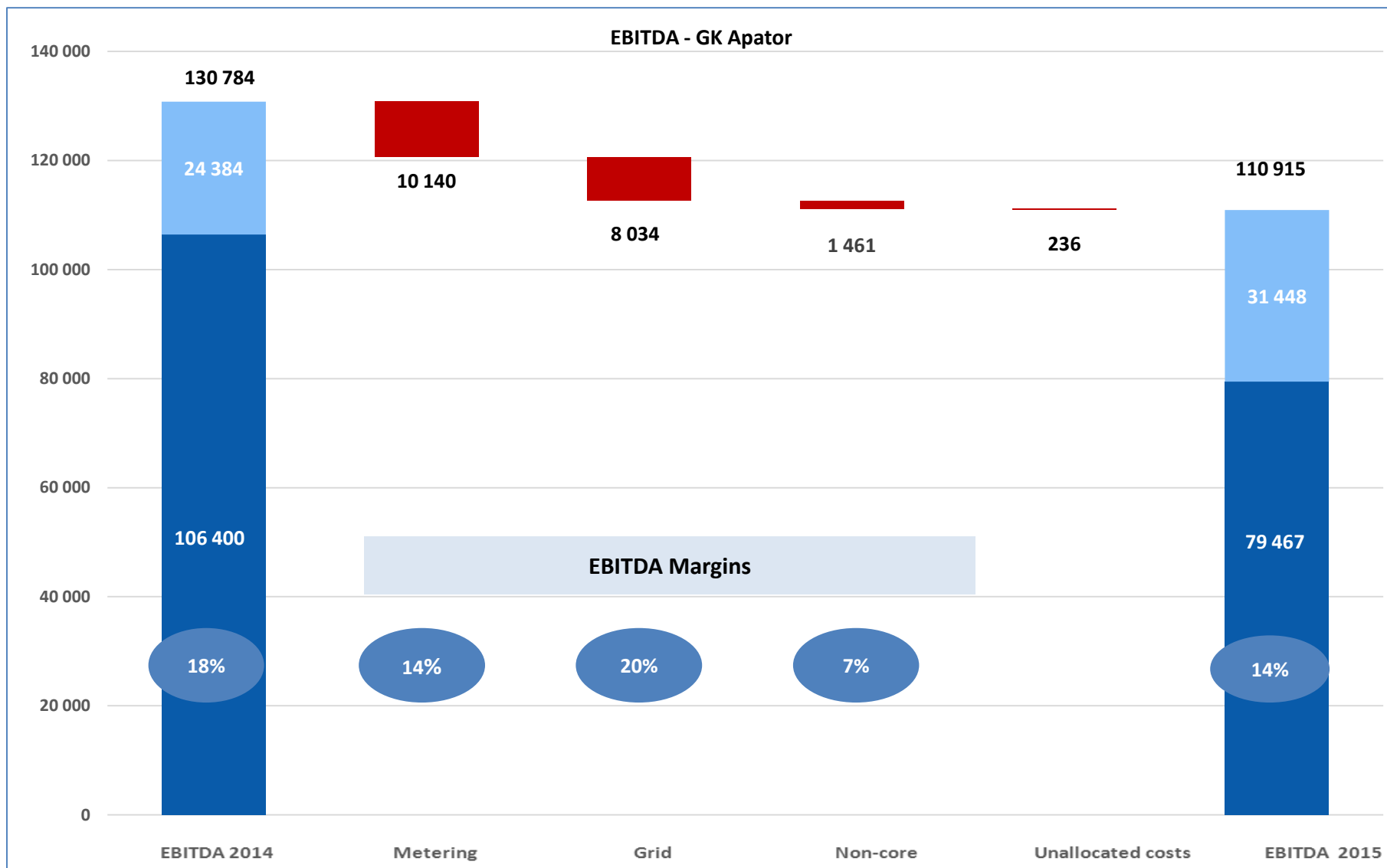
- Increase of revenues yoy:
 - increase in electricity line (high backlog);
 - increase in gas line – influence of full consolidation of GWI - PLN 20 m;
 - influence of consolidation of Elkomtech – PLN 9,7 m;
- Organic growth of sales at the level of 2%;
- Decrease of profitability:
 - net loss in Apator Rector PLN 8,6 m;
 - increase of material costs caused by the strengthening of exchange rate of USD (net impact of PLN 7,6 m);
 - drop of prices in electricity and gas lines (high competition);
 - changes in product mix – increase of share of sales of less profitable products;
 - situation in non-core companies;
- Increase of overheads:
 - one-off costs (advising);
 - consolidation of costs acquired from: Elkomtech, Miitors, GWi;
 - delays in performance of long-term contracts, restructuring costs of Apator Rector.
 - legal service costs – protection of the patent of Miitors on American market;
- Performance of the forecast:
 - consolidated revenues (PLN 790 m): 97,3%;
 - Consolidated net profit (PLN 80 m): 78,6%;



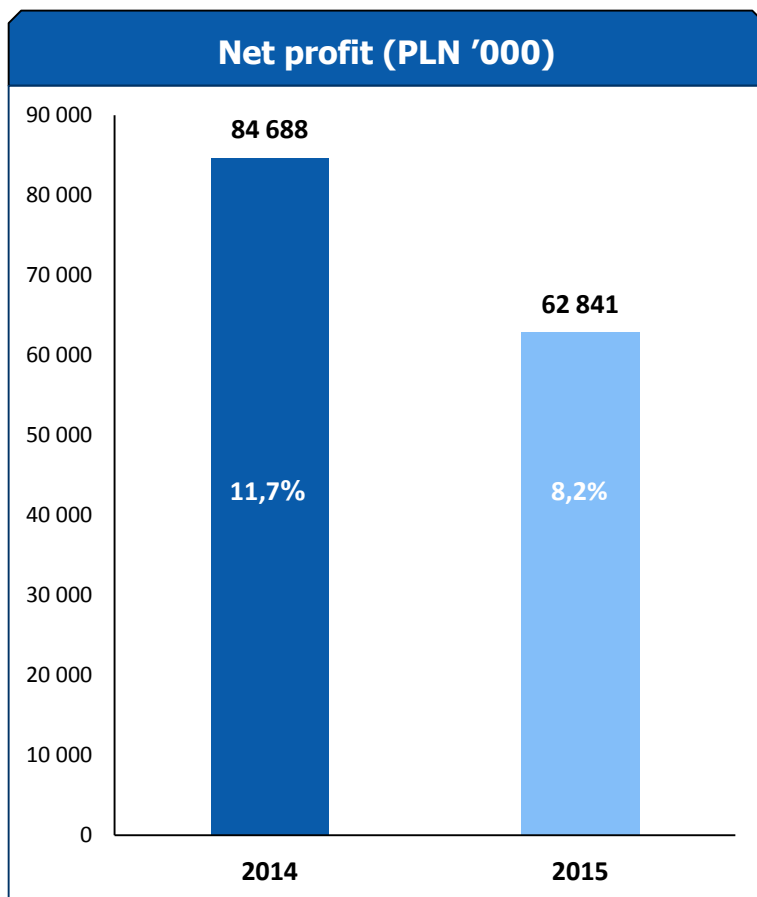
Geographical structure of sales



PLN ,000

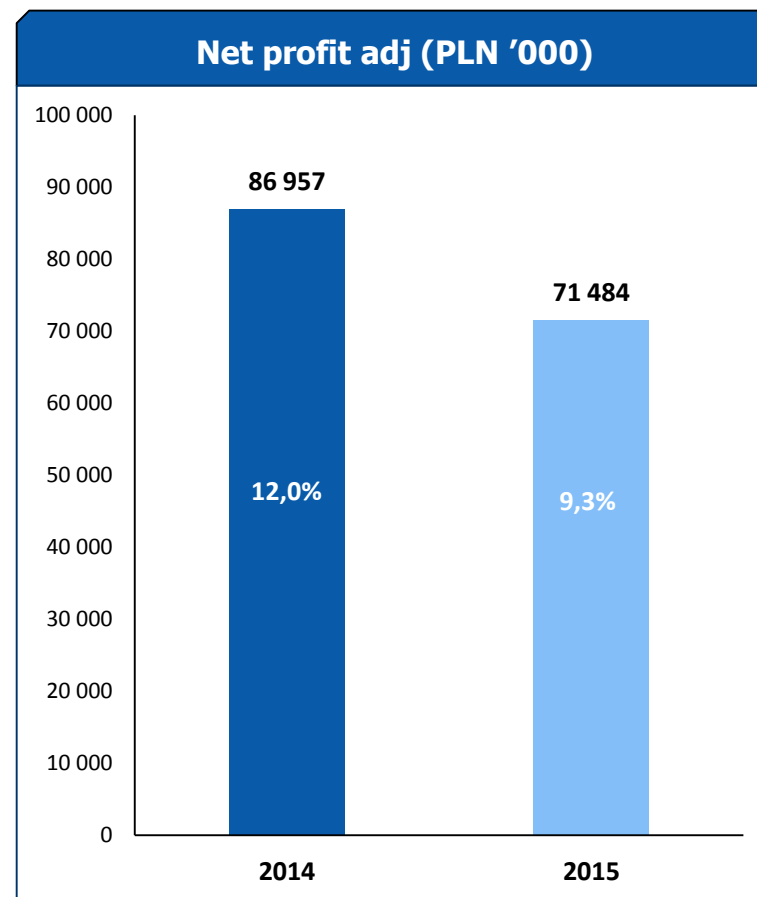


Net profit



Decrease of profitability mainly to:

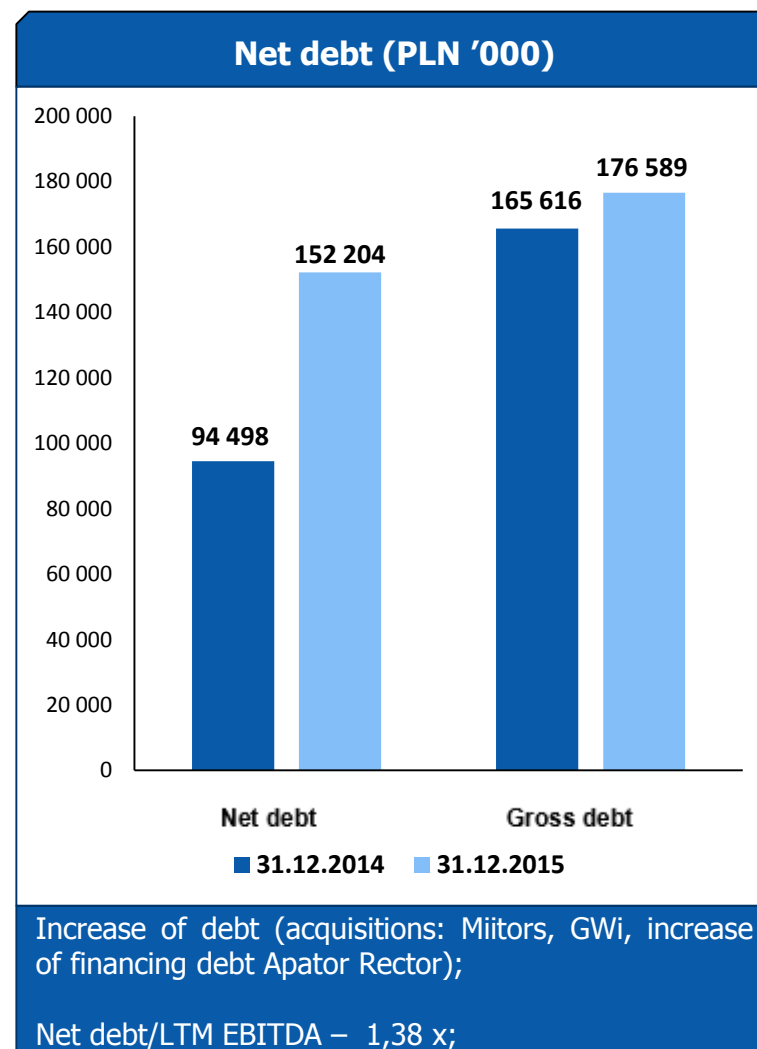
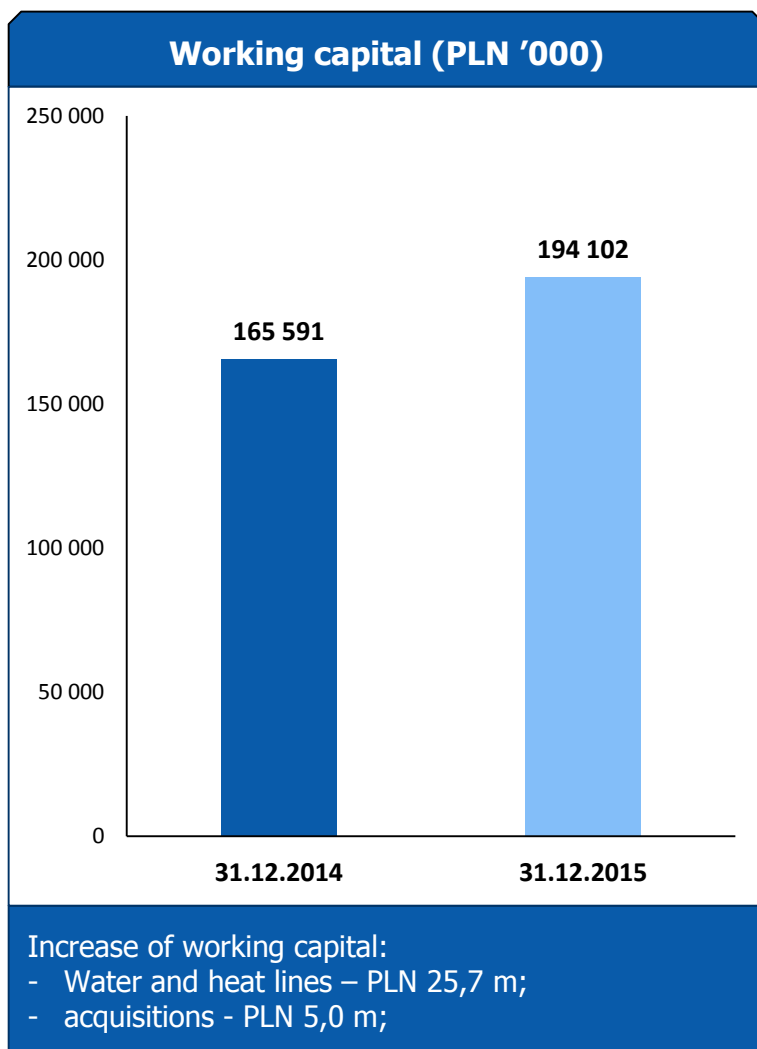
- loss of Apator Rector (PLN 8,6 m);
- increase of costs – increase of USD exchange rate (impact of PLN 7,6 m);



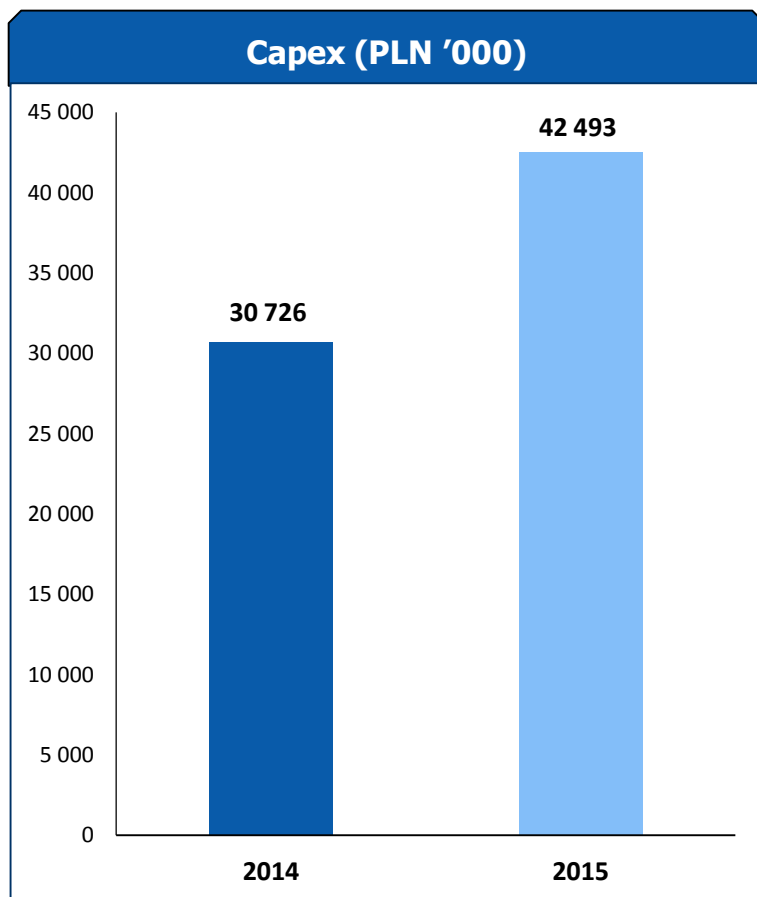
Net profit after the loss of Apator Rector was eliminated in 2014 and 2015 ;

Decrease of profitability by 2,7 p.p.;

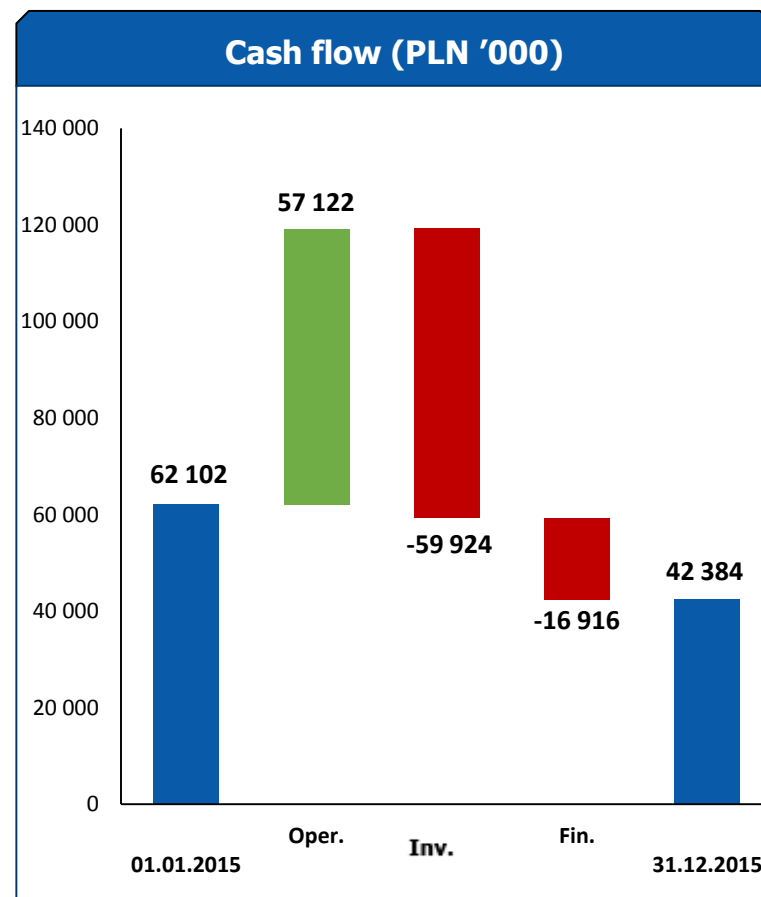
Working capital and debt



Capex, cash flow



Investment expenditures incurred mainly for development and automation of manufacturing processes, implementation of new products (Metrix, Apator i Powogaz);



Conversion of EBITDA to cash 52%;
 Investment expenses (Miitors, Capex);
 Financial expenses (repayment of loans);

Summary of the results of Apator Group in 2015

Decrease of profitability yoy, main factors :

- Problems of Apator Rector – net loss PLN 8,6 m;
- USD exchange rate - increase of manufacturing costs;
- Decrease of profitability in electricity line and gas line – increase of competition, prices drop;
- Additional costs – acquisitions.

Extension of Apator Capital Group – gaining new competences:

- Miitors – purchase of 100% shares;
- GWi - increase of shares up to 100%;
- Fellows – purchase and making contribution in kind to Apator Telemetry;
- iMeters – purchase of 100% shares by Apator Telemetry.

Evaluation of the position of Apator Capital Group in 2015:

- Steady position of Apator Capital Group;
- Good financial position:
 - safe level of debt, correct liquidity;
 - investment capabilities in Capex and other entities;
- In spite of lower profits than planned, the results still positively distinguish Apator Capital Group versus the market.

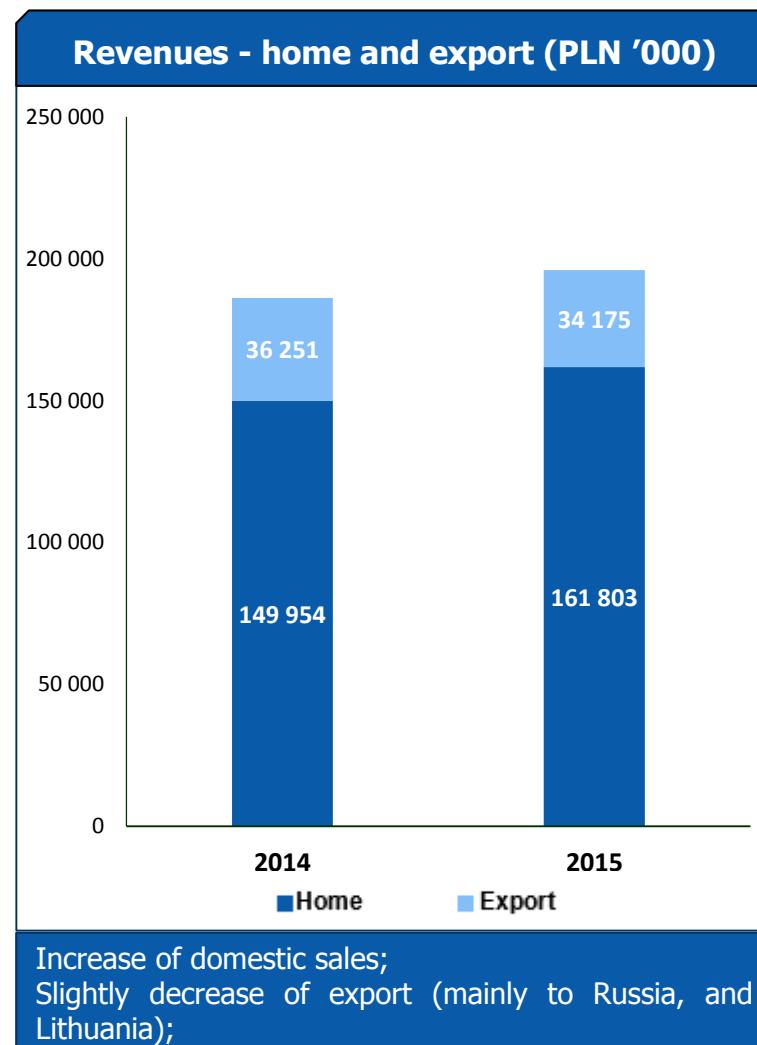
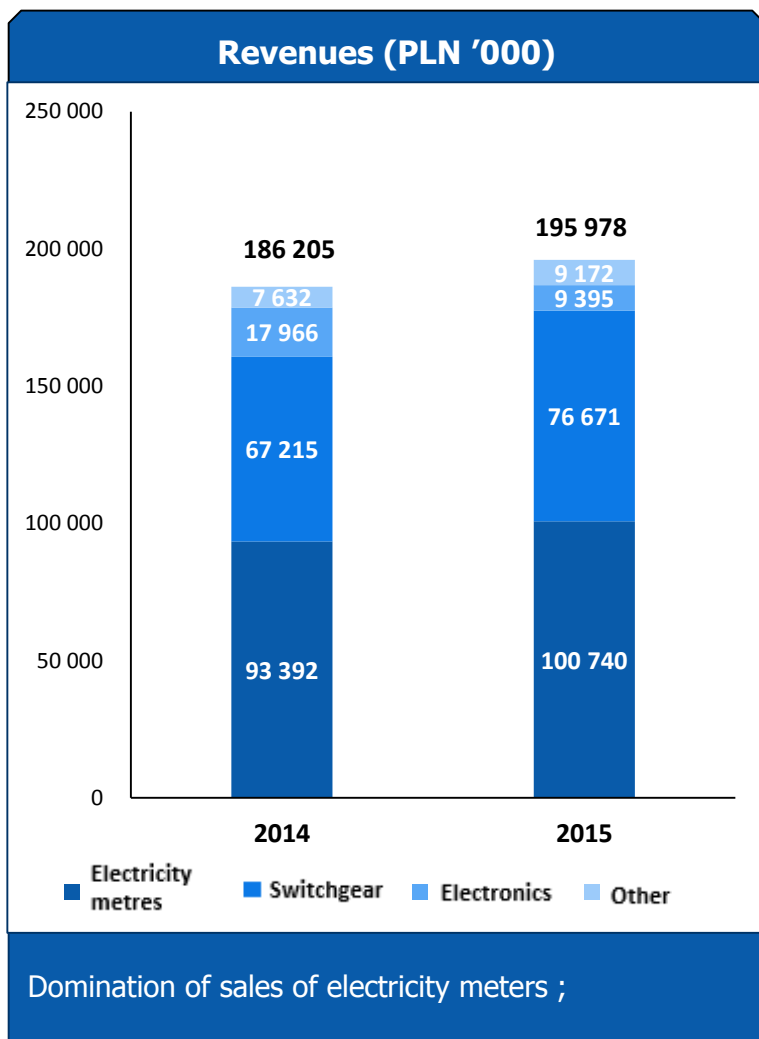


Financial results of Apator SA in 2015

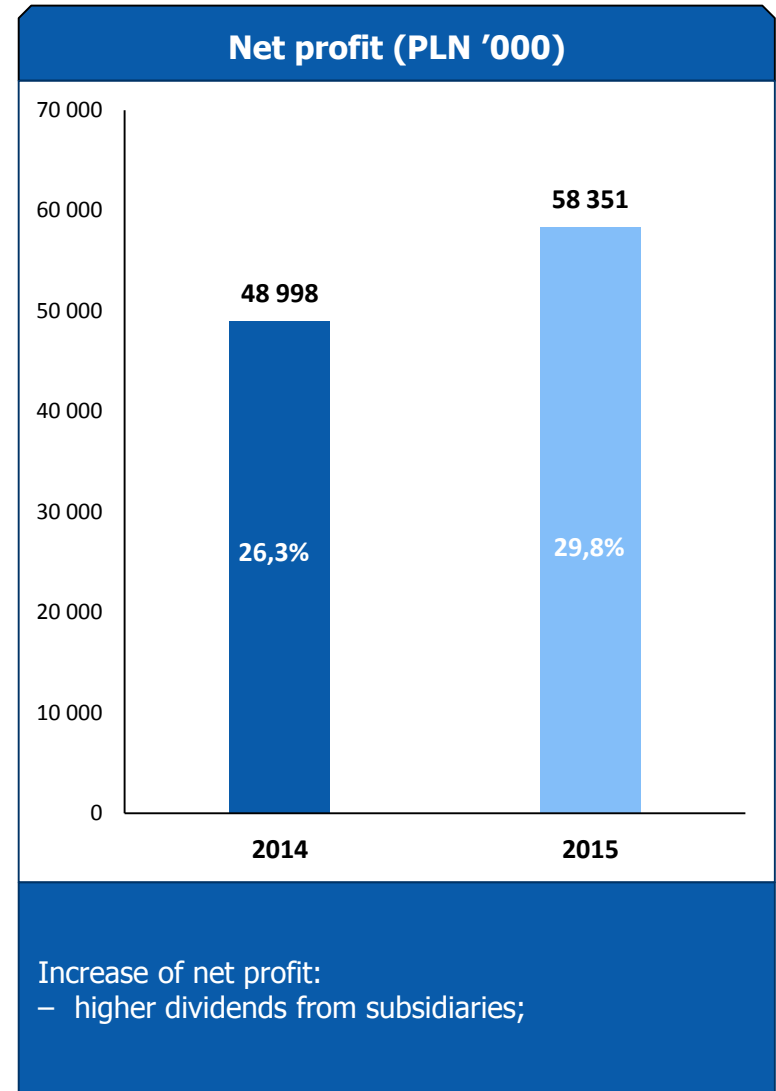
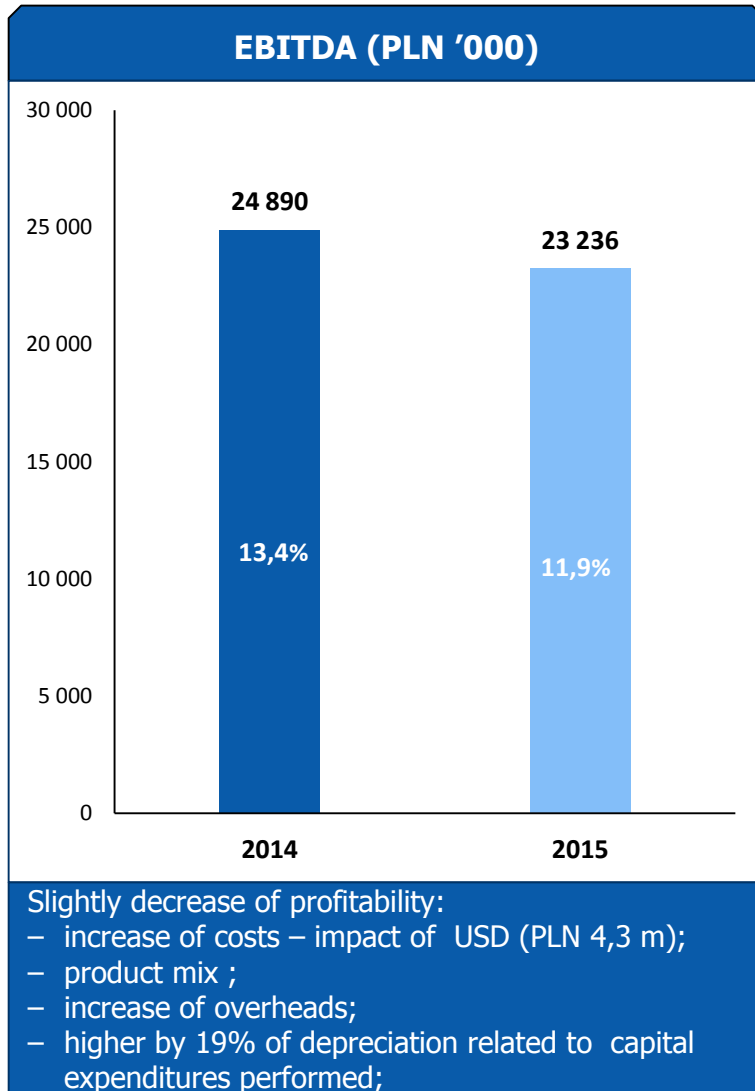
PLN ('000)	2014	2015	Change yoy
Sales	186 205	195 978	105,3%
Gross profit on sales	51 760	51 392	99,3%
<i>Margin</i>	<i>27,8%</i>	<i>26,2%</i>	
Profit on sales	16 299	13 384	82,1%
<i>Margin</i>	<i>8,8%</i>	<i>6,8%</i>	
EBITDA	24 890	23 236	93,4%
<i>Margin</i>	<i>13,4%</i>	<i>11,9%</i>	
Net profit	48 998	58 351	119,1%
<i>Margin</i>	<i>26,3%</i>	<i>29,8%</i>	

- Increase of revenues yoy:
 - increase in electricity line at home (high backlog);
 - increase in switchgear line (favourable investment conditions for building industry);
- Undertaking of actions aiming to mitigate negative effects of the decrease of export to Russia by the increase of domestic sales;
- Decrease of profitability:
 - increase of material costs caused by strengthening of USD exchange rate (gross impact: PLN 4,3 m);
 - drop of prices in electricity line (high competition);
 - change of product mix – increase of share of sales of low margin residential electricity meters;
 - increase of overheads (one-off events – acquisition processes, strengthening of financial functions and IT);
- Undertaking of actions aiming to mitigate negative effects of appreciation of USD.;

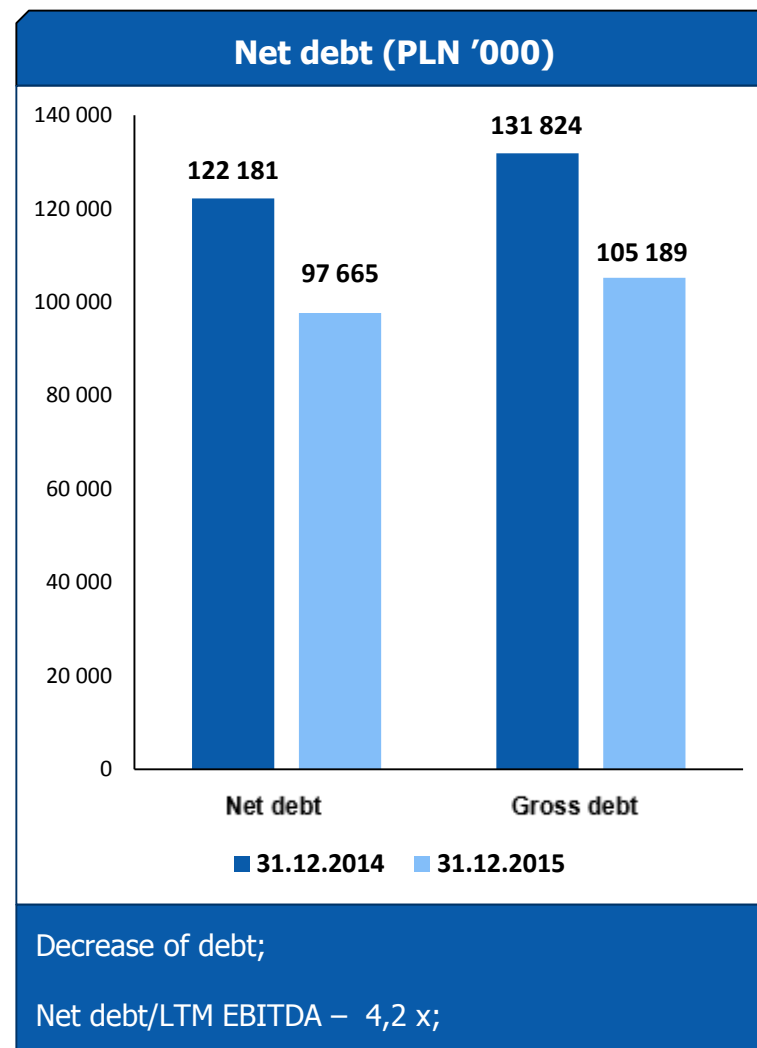
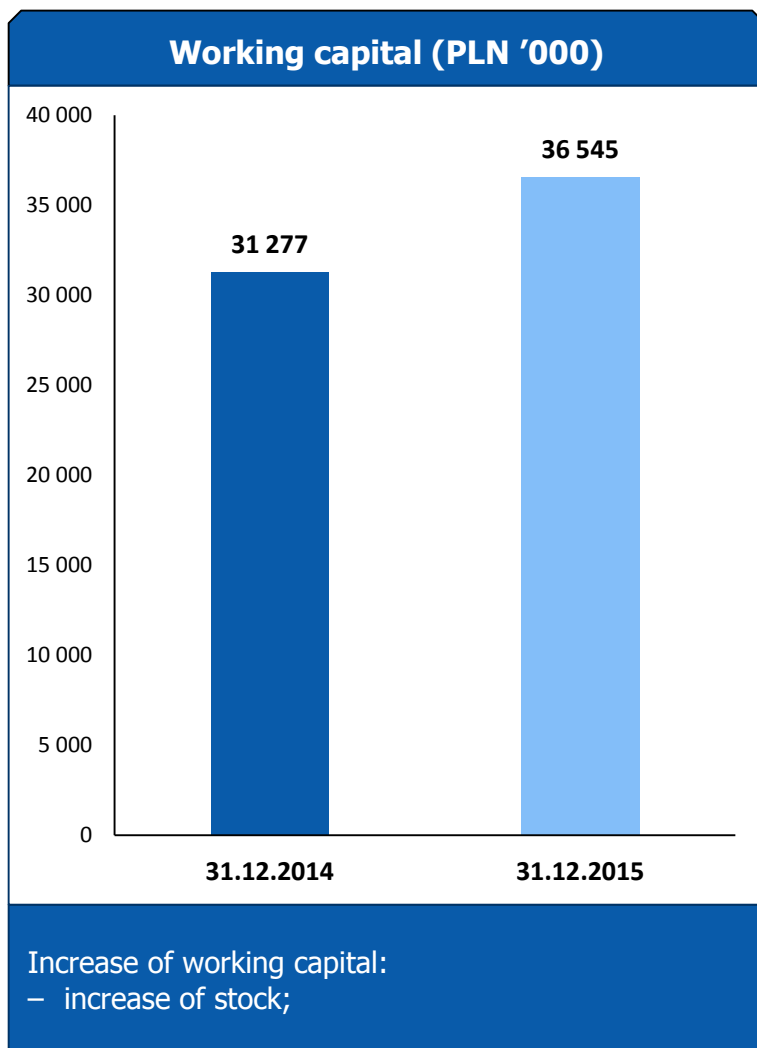
Sales



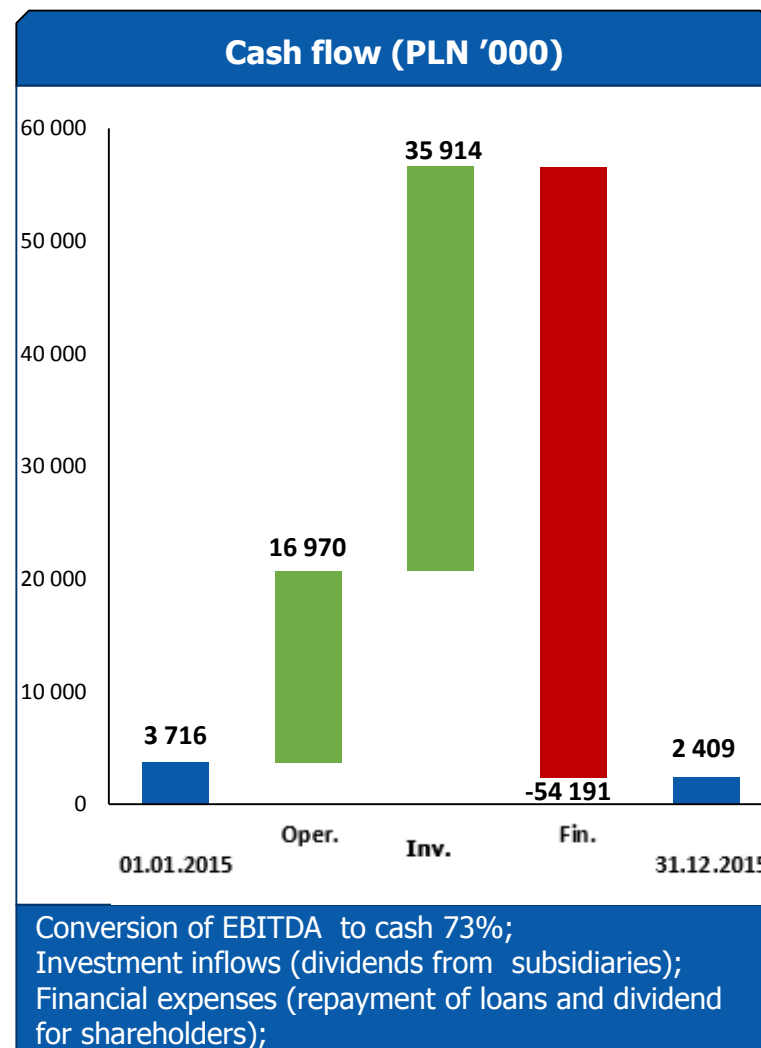
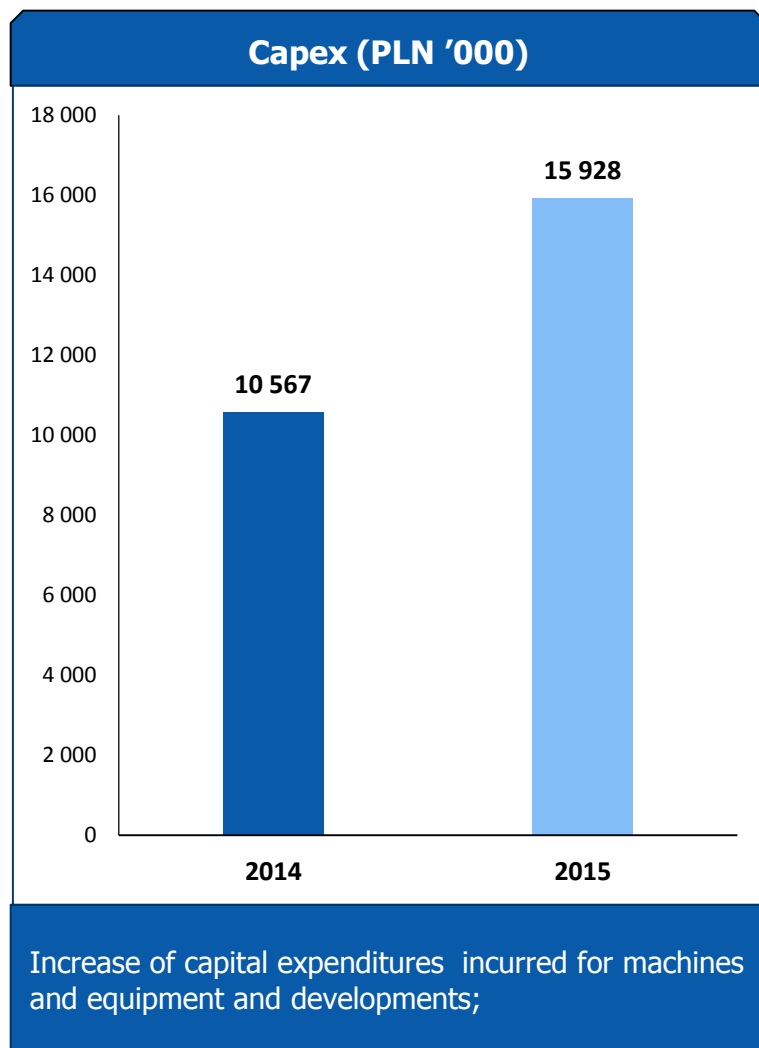
EBITDA and net profit



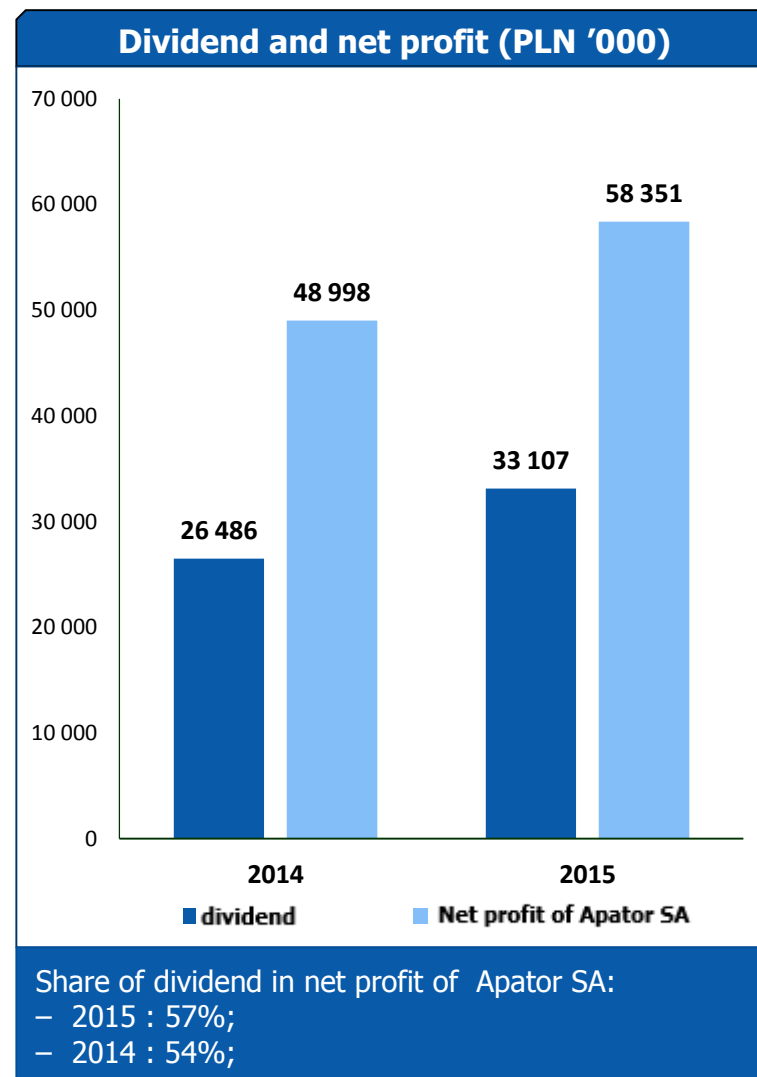
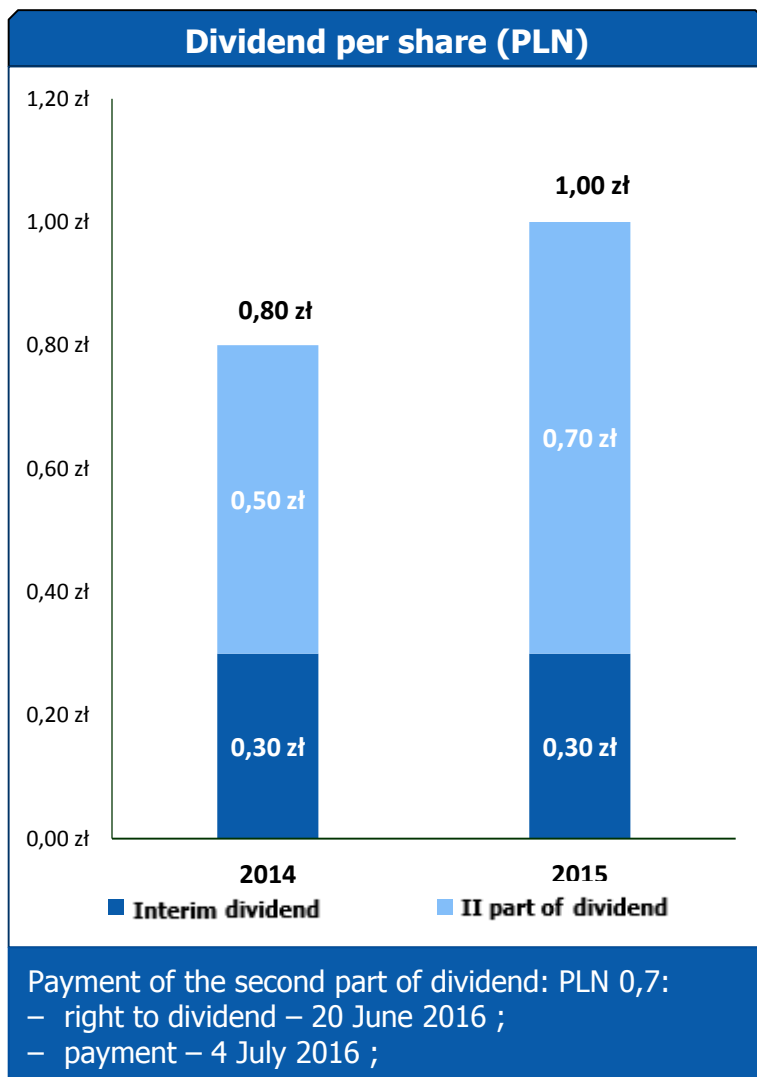
Working capital and debt



Capex, cash flow



Dividend





Thank you for your attention