



## Financial results of Apator Capital Group in I H 2015

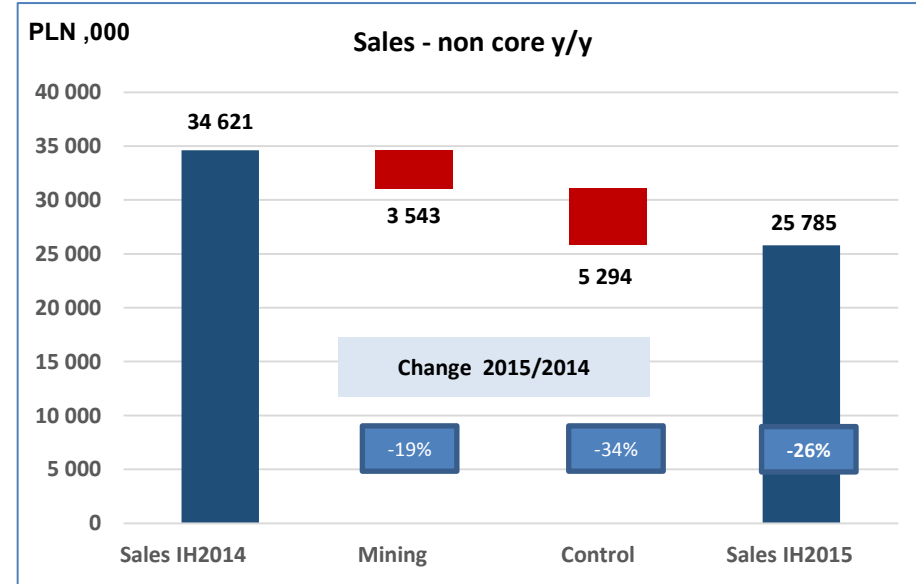
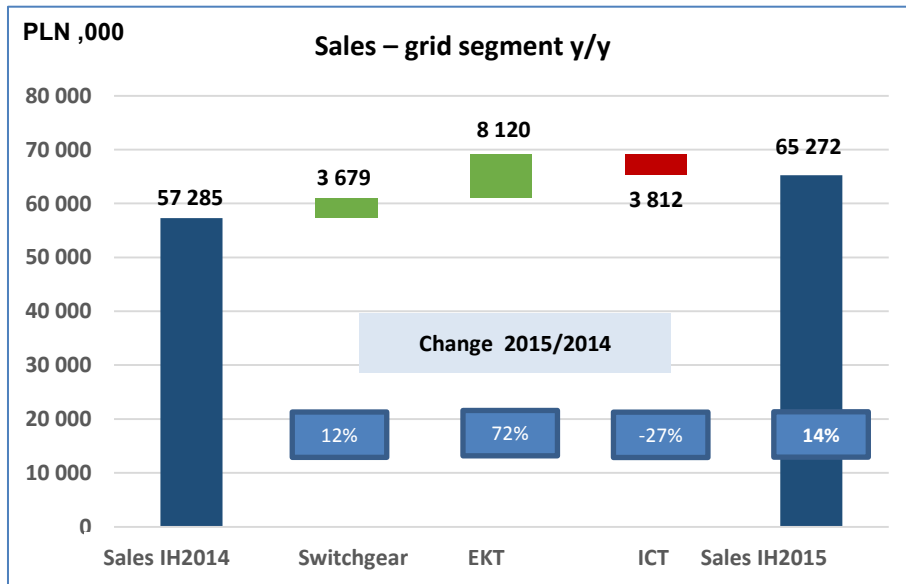
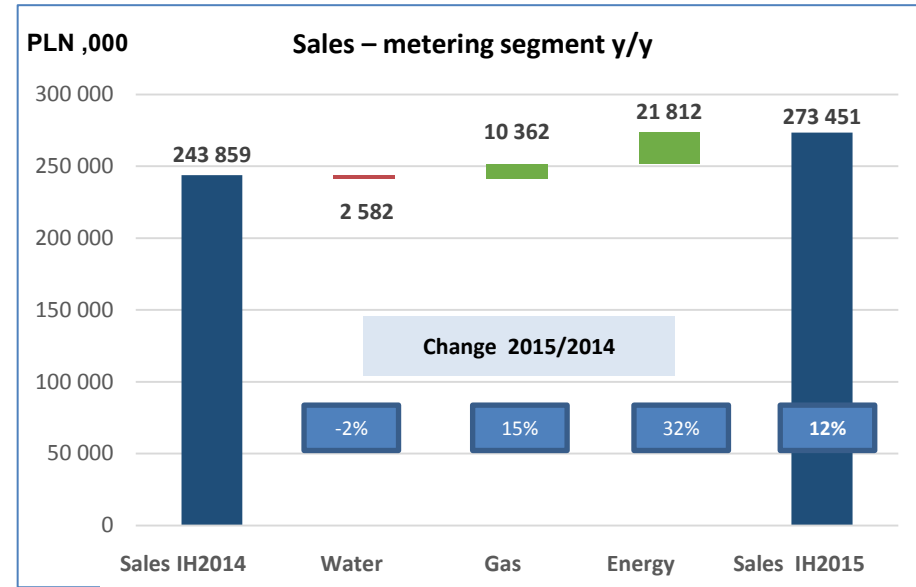
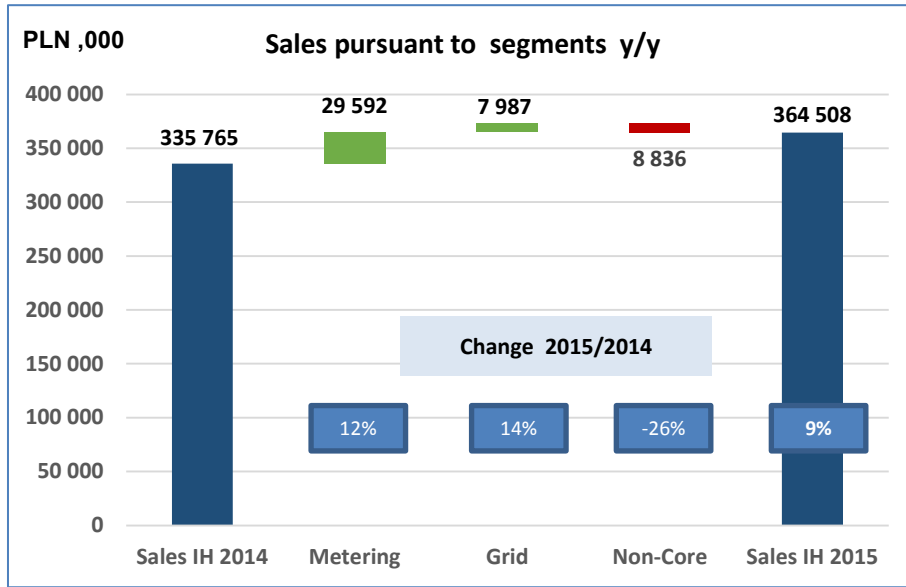
PLN ('000)	IH 2015	IH 2014	Change y/y
<b>Sales</b>	<b>364 508</b>	<b>335 765</b>	<b>8,6%</b>
<b>Gross profit on sales</b>	<b>101 925</b>	<b>102 380</b>	<b>-0,4%</b>
<i>Margin</i>	<i>28,0%</i>	<i>30,5%</i>	
<b>Profit on sales</b>	<b>35 475</b>	<b>46 520</b>	<b>-23,7%</b>
<i>Margin</i>	<i>9,7%</i>	<i>13,9%</i>	
<b>EBITDA</b>	<b>51 159</b>	<b>61 222</b>	<b>-16,4%</b>
<i>Margin</i>	<i>14,0%</i>	<i>18,2%</i>	
<b>Net profit</b>	<b>29 535</b>	<b>38 354</b>	<b>-23,0%</b>
<i>Margin</i>	<i>8,1%</i>	<i>11,4%</i>	

- Significant growth of revenues y/y:
  - increase of sales of electricity meters,
  - increase in gas line – impact of consolidation of GWI,
  - impact of consolidation of Elkomtech (PLN 9,7 m),
- Organic growth at the level of 2,7% y/y
- Decrease of profitability at the level of gross profit on sales:
  - decrease of average prices in line of metering of electricity and gas,
  - Increase of manufacturing costs caused by the increase of the exchange rate of USD
- Increase of overheads:
  - consolidation of Elkomtech,
  - One time costs of Miitors,
  - restructuring costs of Rector,
  - Increase of costs of ASA - group activity
- The largest part of EBITDA profit is provided by metering segment (78%), with water and heat (52%) included,
- 44% of revenues generate satisfactory EBITDA margin > 20%

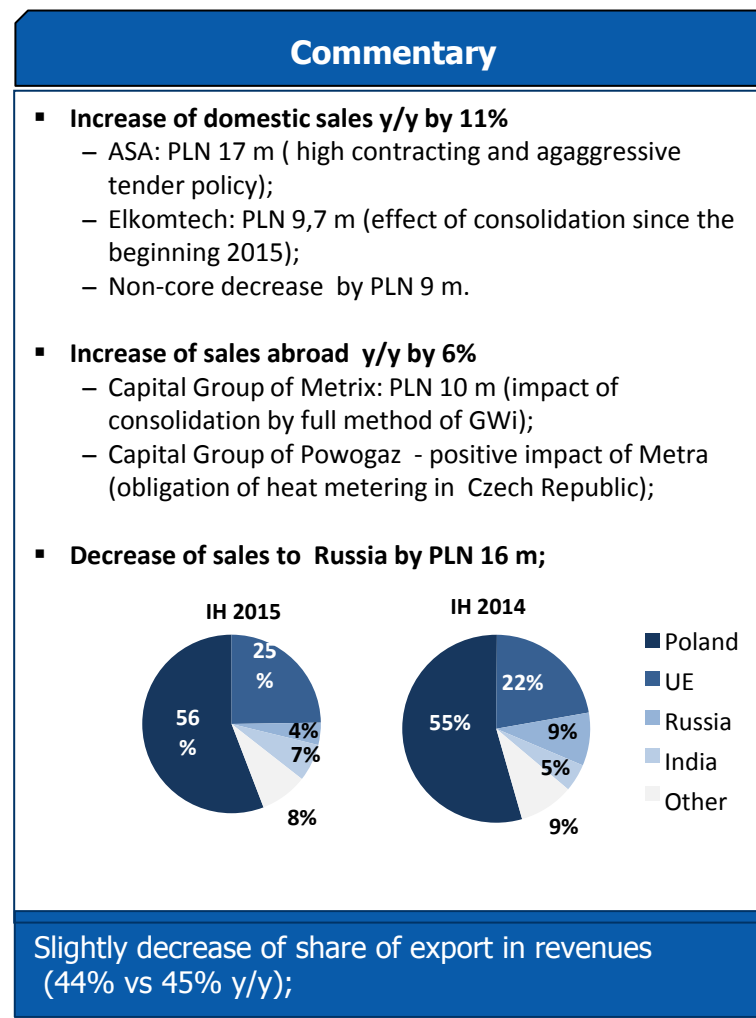
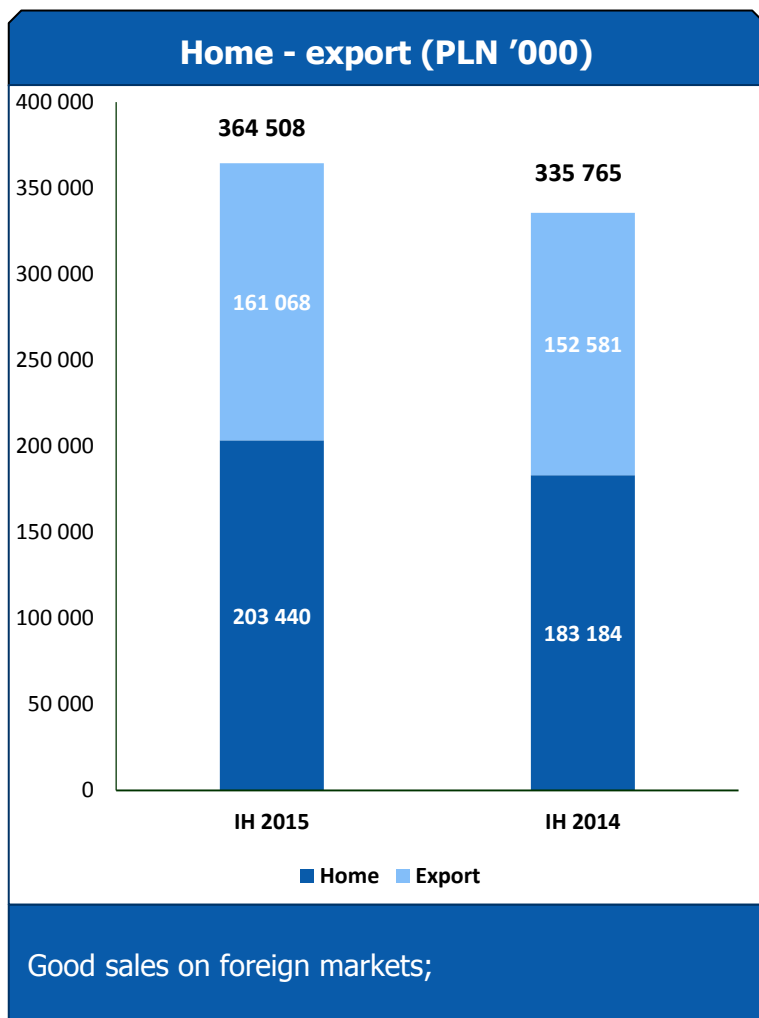
Key areas of the increase of revenues:

- Electricity meters
- Gas meters
- Automation of power grid operation – Elkomtech
- Automation of power grid operation – switchgear

Areas of profitability stabilization

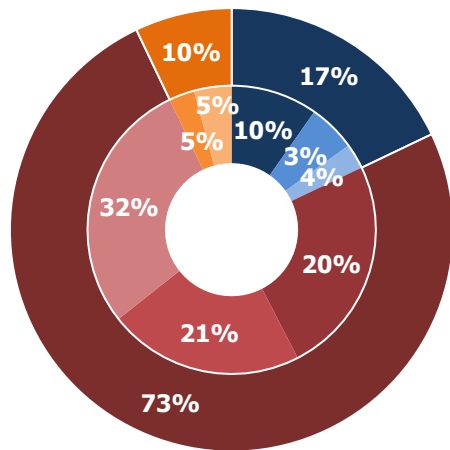


## Geographical structure of sales



# Segments and business lines

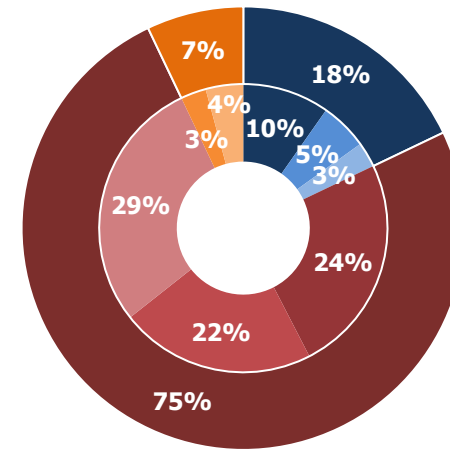
Structure of revenues I H 2014



■ Switchgear ■ Systems ■ ICT ■ Electricity  
 ■ Gas ■ Water ■ Control ■ Mining

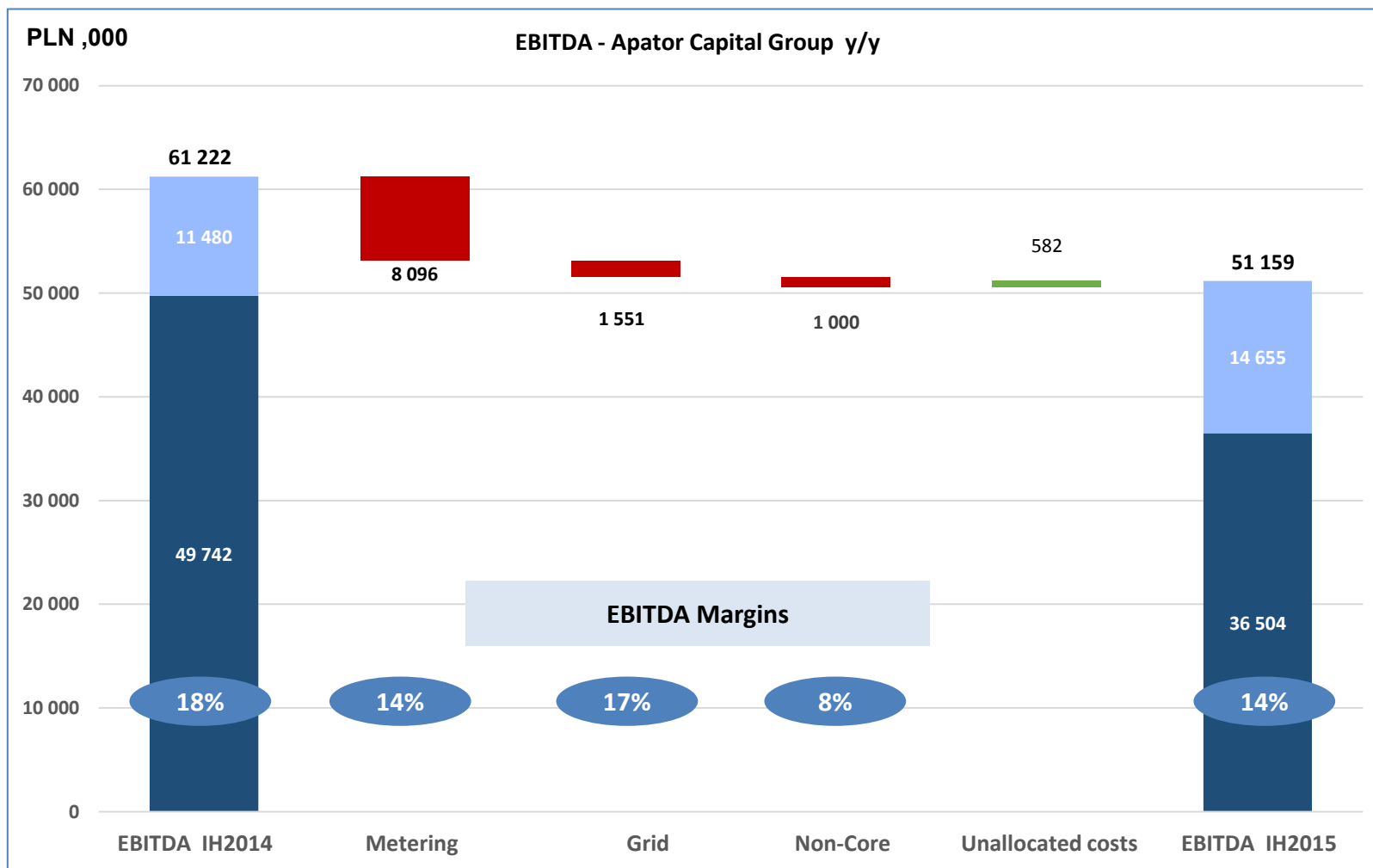
IQ 2014 – Capital Group of Apator operates without Elkomtech;

Structure of revenues I H 2015



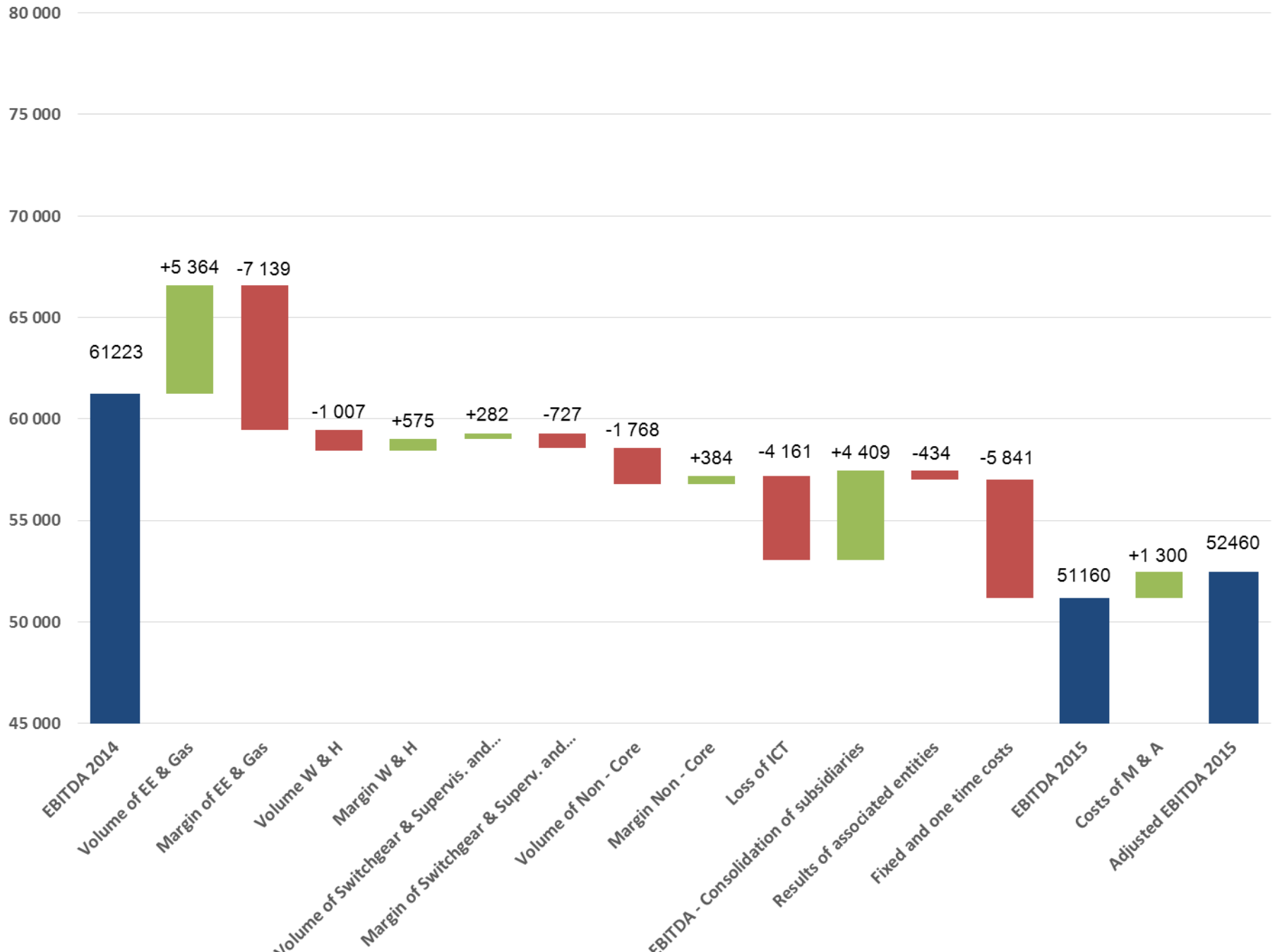
■ Switchgear ■ Systems ■ ICT ■ Electricity  
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High increase of share of electricity meters in sales in total;  
 Decrease of share in metering of water and heat and non-core;

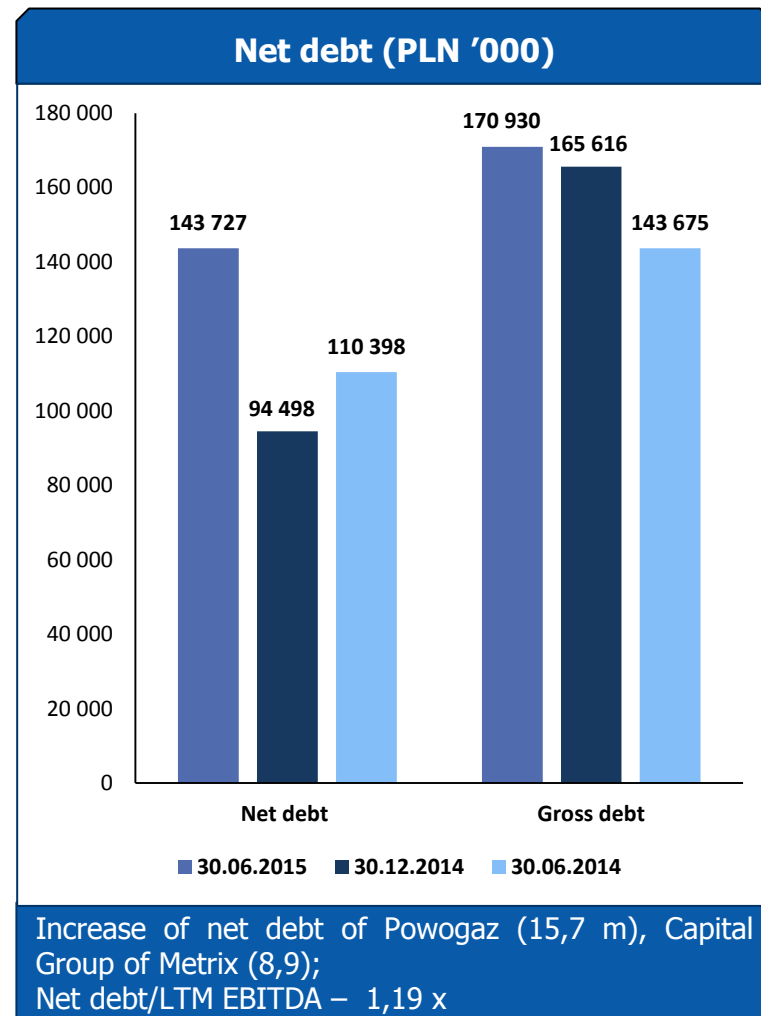
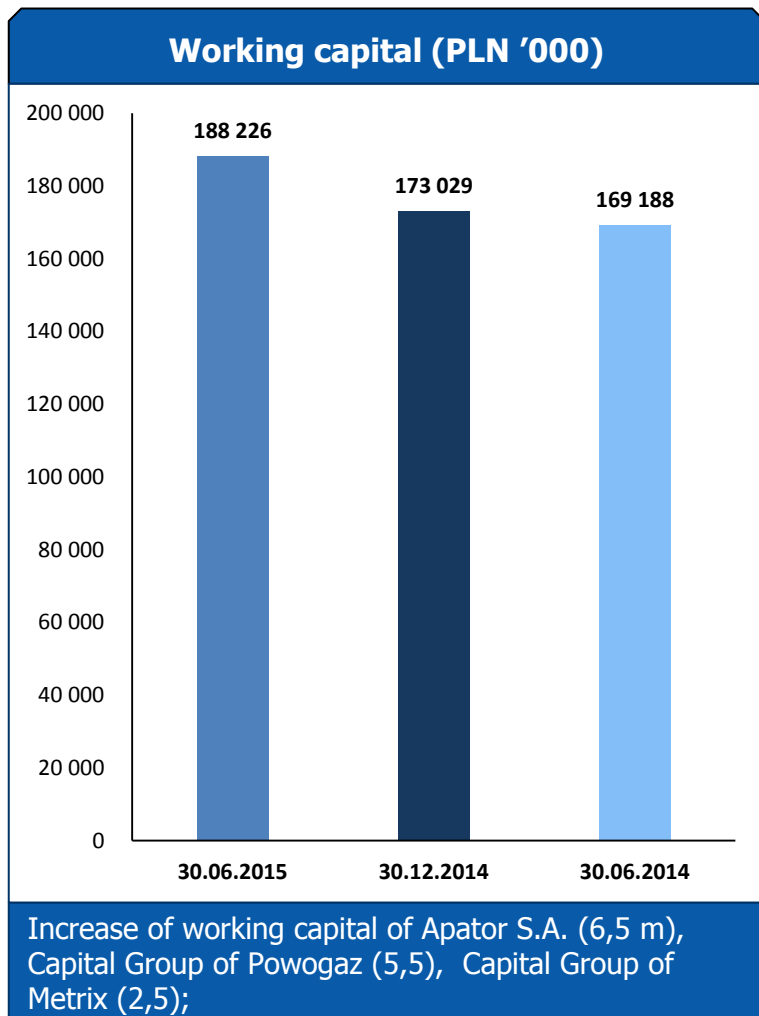


PLN ,000

### Evolution of EBITDA y/y

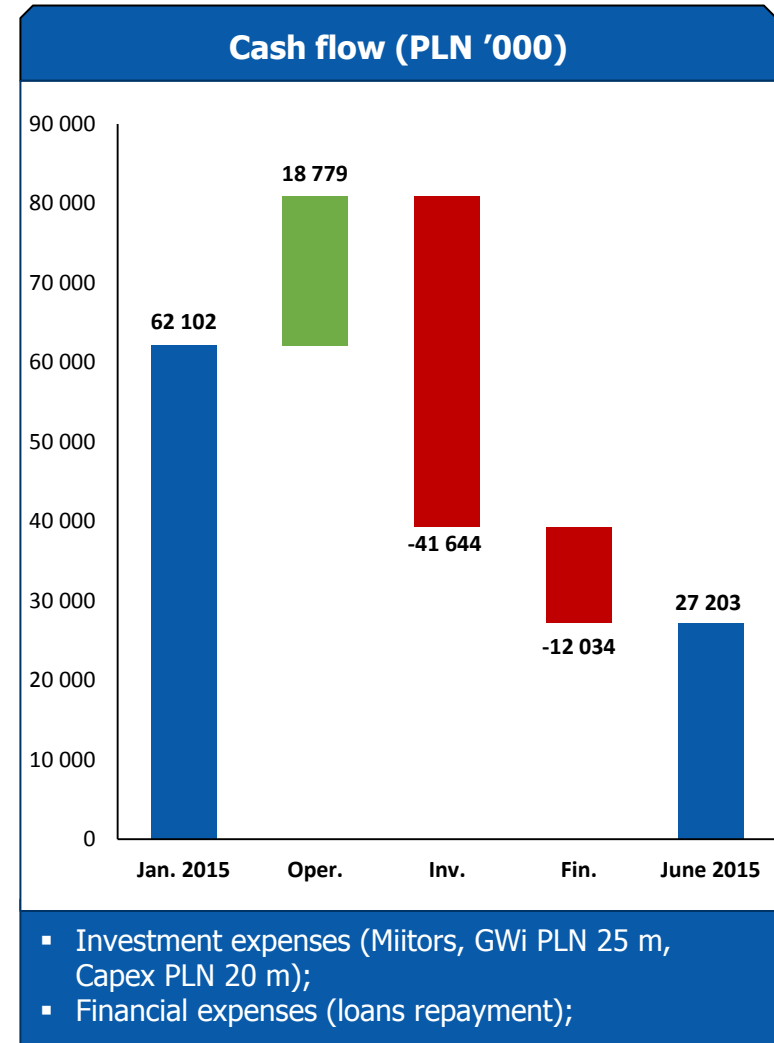
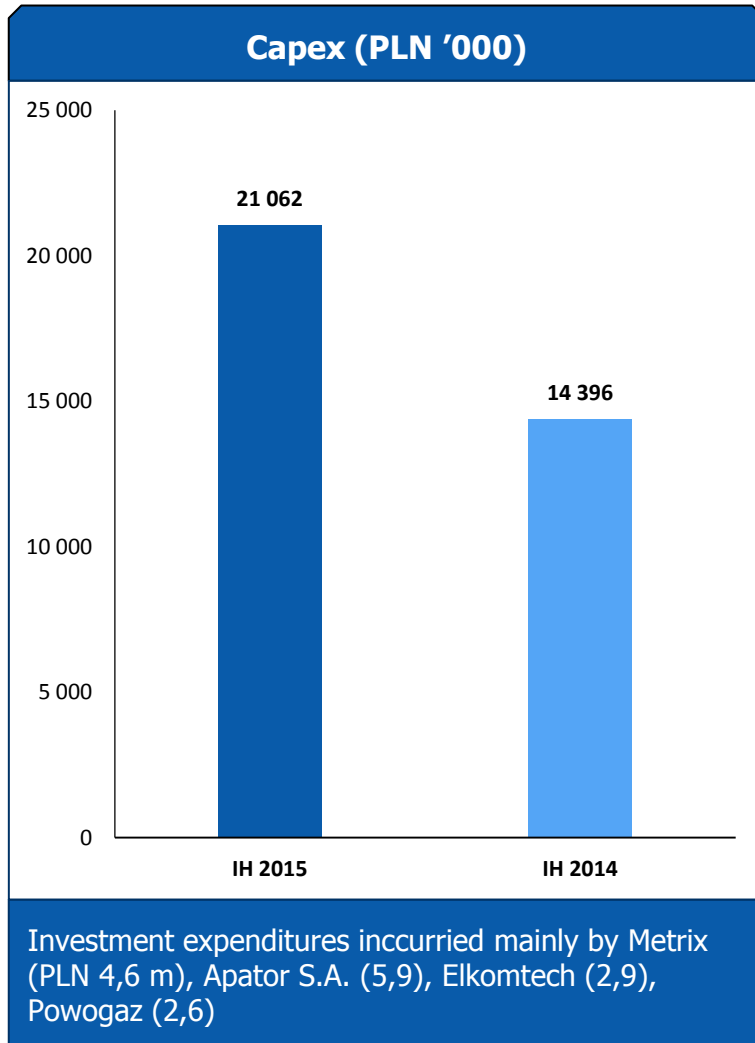


## Working capital and debt





## Capex, cash flow



## Discussion on results IH 2015

### Events:

- Processing of the acquisitions:
  - Taking of the control over the British company GWi – consolidation by full method since March 2015;
  - Purchase of Danish entity - Miitors – consolidation since April 2015;
- Maintenance the forecast of consolidated revenues at the level of PLN 790 m;
- Adjustment of the forecast of consolidated net profit to the level of PLN 80 m;

### Risk factors:

- Decrease of profitability in metering line of electricity and gas - low prices, increase of competition;
- Strengthening of USD towards PLN – increase of manufacturing costs. Measures taken: elaboration of cost control plan, implementation of USD hedging policy;
- Loss in ICT. Measures taken: performance of adjustment programme (interim management - projects, changes in Management Board);
- Poor results of non-core segment;
- Decrease of sales to Russia;

### Assessment of the situation and perspectives of development:

- Steady market position;
- Good financial position and low debt level;
- Organic potential of growth:
  - Development of integrated IT solutions (ICT and EKT);
  - Development of products on smart power grid markets;
  - Modern ultrasonic technologies in metering of gas and heat line;
  - Perspectives of development of export in gas metering line (completed with own electronic solutions);
- Increasing potential of acquisition and the possibility of market consolidation;



**APATOR**

