

Despite persistent uncertainty and global supply chain disruptions, we continue to implement our strategy. Our project portfolio is record high and we are working hard on its implementation. We are expanding the Research and Development Center. According to the schedule, we are also implementing the preparatory stages under the contract for the modernization of street lighting in Warsaw.

Ryszard Wtorkowski
CEO of LUG S.A.



Revenues
2021Q2
+5,0% y/y

47,39
PLN mln

Gross profit on sales
2021Q2
+31,4% y/y

25,54
PLN mln

Main events of 2021Q2:

- Stable revenue growth despite continued uncertainty among investors about global supply chain disruptions and the future course of the epidemic
- Record-breaking level of gross profit on sales in the history of the LUG Group (25,54 mln zł)
- The ongoing expansion of the Research and Development Center (investment worth PLN 8.21 million and completion date October 31, 2021)
- Implementation of the first phases of the lighting contract in Warsaw in accordance with the schedule (the largest contract in Poland worth over PLN 32 million in 2021-2022)

TOP 3 lighting completions:

- Street lighting Riyadh City, Abu Dhabi, UAE
- Bureaux Saint-Denis, Av. Du President Wilson, St. Denis, France
- Lighting of E.Wedel headquarters and finishing I part of Chocolate Museum lighting, Warsaw

5,22
PLN mln

EBITDA
2021Q2
-2,6% y/y

0,78
PLN mln

Net profit for shareholders of a dominant company
2021Q2
+1,3% q/q



70

MARKETS

8

BRANCHES
IN POLAND

7

FOREIGN
BRANCHES

10

COMPANIES IN
GROUP

LONDYN



CASABLANCA



POSADAS



SAO PAULO



ALGIER



ZIELONA GÓRA, NOWY KISIELIN

BERLIN



DUBAJ



STAMBUŁ

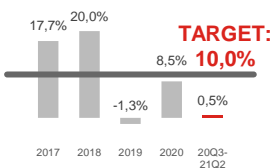


LAGOS

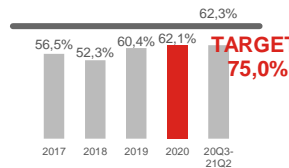


Strategic directions of development

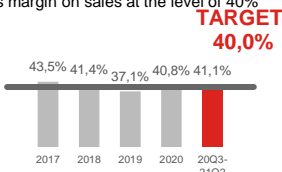
Key target: average annual increase to 2021 at 10% CAGR



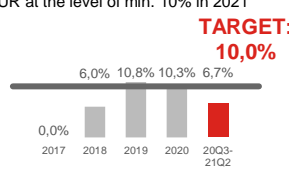
Target: share of exports in the revenues at the level of 75% in 2021



Target: permanent maintenance of the gross margin on sales at the level of 40%



Target: share of contracts over 1 million EUR at the level of min. 10% in 2021



Lighting market

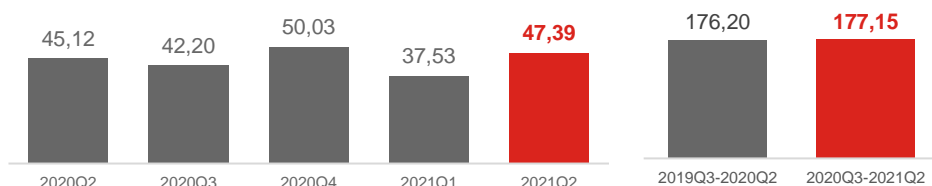
18%
CAGR

Projected growth rate of the LED lighting market in Europe in 2020-2025, according to calculations taking into account the impact of the coronavirus epidemic.

Czynniki wzrostu branży

- Reduction of electricity costs thanks to LED
- Development of infrastructure investments
- New financial perspective in the EU countries
- Climate regulations of the European Union
- Development of Intelligent IoT Lighting
- UV-C technology for disinfection

Sales revenues



Comments

Increase in revenues by 5.0% y/y and return to the domination of exports over domestic sales.

Lowering the cost of products, goods and materials sold as a result of the optimal use of production capacity.

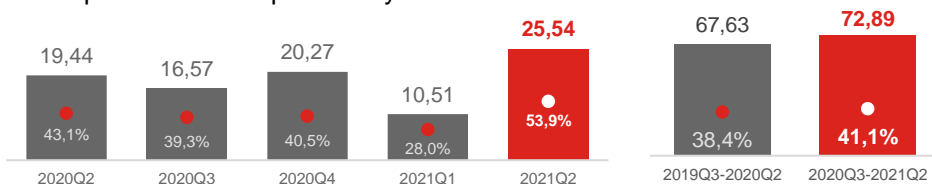
A historically record high level of gross profit on sales and the corresponding margin.

The EBITDA result at the level similar to the last year's, while maintaining the average quarterly level of selling costs and general and administrative expenses (in total for Q1 + Q2) in the amount similar to last year's.

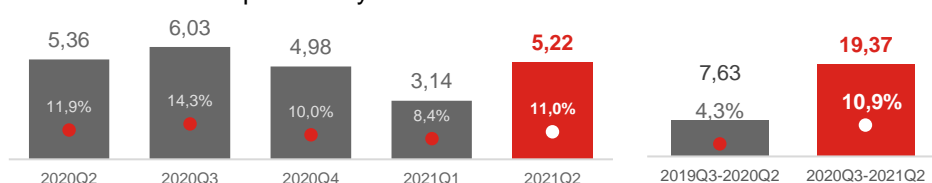
Increase in inventories resulting from the need to stock up more in advance, financed with working capital and trade credit.

A slight increase in the net debt to EBITDA ratio over the last quarter, while keeping it at a safe level.

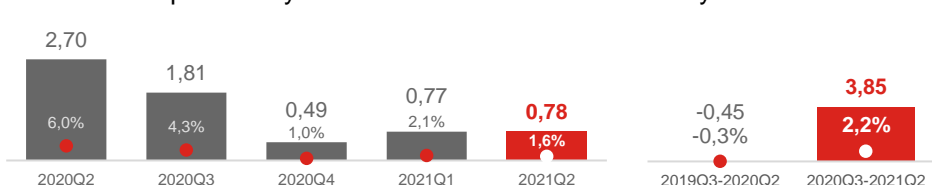
Gross profit and sales profitability



Result and EBITDA profitability



Profit and net profitability for shareholders of dominant entity



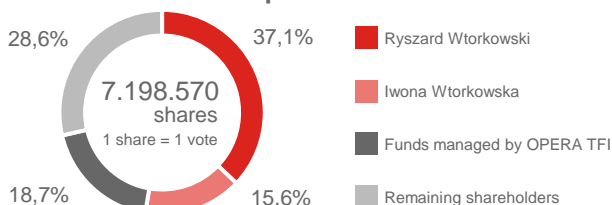
Selected balance sheet items and ratios

	30.06.2020.	31.03.2021.	30.06.2021.
Total balance sheet	153,13	160,27	167,78
Fixed assets	67,79	63,00	64,34
Current assets	85,34	97,27	103,44
Inventory	47,23	59,19	64,39
Trade receivables	29,90	27,76	30,08
Cash	3,69	4,24	2,71
Equity capital	49,87	52,81	54,70
Long-term liabilities	13,37	10,43	9,28
Long-term loans	2,08	1,48	1,13
Short-term liabilities	89,89	97,03	103,81
Short-term loans	33,11	43,19	46,25
Short-term trade liabilities	23,00	25,12	29,53
ROE	-3,1%	12,3%	8,4%
ROA	-1,0%	4,1%	2,7%
Net debt/ EBITDA	6,77	3,09	3,30
EV/EBITDA (at the end of the period)	10,80	5,95	5,35

ASO NewConnect Quotation



Share ownership



Board Supervisory Board

Ryszard Wtorkowski CEO	Iwona Wtorkowska President Supervisory Board
Mariusz Ejsmont V-ce President Director of Technologies and Systems Integration of LUG	Renata Baczańska
Małgorzata Konys Member of the Board Financial Director	Eryk Wtorkowski
	Zygmunt Ćwik
	Szymon Ziolo