



Current report No. 17

Date: August 17, 2021

Subject: Revision of the Forecast of results for 2021

Legal basis: Art. 17 sec. 1 of MAR Regulation

Contents of the report:

The Management Board of Mangata Holding S.A. informs about the revision of the forecasts for 2021 year the Group

The original forecast for 2021, published in the current report No. 3/2021 of March 31, 2021 (data in PLN thousand):

Sales revenue 659 000 PLN

EBITDA 94 000 PLN

Net profit 43 000 PLN

Adjusted forecast for 2021 (data in PLN thousand):

Sales revenue 730 000 PLN

EBITDA 110 000 PLN

Net profit 56 000 PLN

The correction of the forecast was prepared on the basis of the financial results for the 1st quarter, preliminary results for the 2nd quarter and the perspective and the expected results for the 3rd and 4th quarter, assuming the maintenance of the positive trends of key importance for the financial results of the Group. The correction of the forecast takes into account in particular:

- Favorable market environment and dynamically growing demand from Q2 2021 in each of the Group's business segments. There is a visible reconstruction and a strong upward trend in the segment of Components for the automotive industry and components, resulting, among others, from with the revival on the European and American market. Reconstruction of the market and increase in demand from customers also recorded in the segment of industrial fittings and fasteners;
- Increase in selling prices resulting from a significant increase in steel prices (translating raw material price increases into the market) - the possibility of transferring the increase in raw material prices to final products. Earlier material / raw material contracts and inventory were a support for the margins in the first half of the year.
- In the second quarter, the prices of basic raw materials (steel, scrap, pig iron) started to rise significantly, which required immediate actions to increase the selling prices of the Group's products. Despite the increase in prices in the market, the demand for steel and scrap remains high. The Group's companies have secured material supplies enabling the implementation of large order portfolios. However, it should be noted that further increases in steel prices are possible due to high demand as well as increases in electricity prices.



- An important issue in the automotive industry is also the lack of availability of microprocessors, limiting the production capabilities of key car manufacturers despite high market demand.
- A favorable euro exchange rate (the euro rate adopted in the budget was 4.40, the average NBP rate in the first half of 2021 was 4.54). Assuming that the trend of the euro exchange rate will continue later this year, one should expect a positive influence of the euro on the value of the margin on export sales;
- The Group monitors the development of the market situation and assumes that a decline in demand cannot be ruled out, especially in the fourth quarter, while the course of the Covid-19 pandemic will remain the main challenge for the economies.