

**Report's type** Current report  
**Number** 5/2020  
**Entity** LUG S.A.

**Subject:** Estimated consolidated selected financial data of LUG S.A. Capital Group for the first quarter of 2020.

The Management Board of LUG S.A. with its registered office in Zielona Góra ("LUG", "Issuer") hereby passes estimated consolidated financial data of the first quarter 2020 with comparative data for 2017-2019, regarding to the receiving on June 15<sup>th</sup>, 2020 estimated financial data for the I quarter 2020 and its change regarding to corresponding periods of previous years.

In the I quarter of 2020, LUG S.A. Capital Group achieved sales revenues of PLN 45,39 million, which is an 7,7% increase y/y. Sales revenue of I quarter 2020 was the highest quarterly result in the Company's history reached in the first three months of the year. It is the effect of the postponement of some important foreign projects from the end of 2019 to the first quarter of 2020 informed in the current report ESPI 2/2020 and in the Consolidated report for the fourth quarter of 2019.

In the analyzed period, gross profit on sales reached PLN 18,28 million (+6,0% y/y) increasing from PLN 17,25 million in the corresponding period of 2019. In the first quarter of 2020, the gross margin on sales slightly decreased by 0,8 pp y/y and reached 40,28%, which confirms that the LUG Group is still working on maintaining the sales margin at a constant level exceeding 40%.

In the first quarter of 2020, LUG S.A. Capital Group generated operating profit valued PLN 1,11 million (-25.6% y/y). This result affected the operating margin, which amounted to 2,4% and was lower by 1,1 pp comparing first quarter of 2019. Due to the indicated level of operating profit, the consolidated EBITDA result amounted to PLN 3,40 million. It is a 1,7% decrease comparing the results of the last year and at the same time significantly higher result than in the first quarters of previous years. The EBITDA margin was thus 7,5%.

Consolidated net profit of the Capital Group of LUG S.A. increased due to the positive impact of exchange differences noted by subsidiary LUG Argentina SA by 47,4% y/y reaching PLN 1,91 mln. It affected the net margin result which increased by 1,1 pp. y/y reaching 4,2%.

The Management Board assesses the condition of LUG S.A. Capital Group in future periods as stable. In the first quarter of 2020, there was no clear impact of the COVID-19 pandemic on the Group's financial result, although the impact of a pandemic and the global economic crisis on the financial results of future periods of business cannot be excluded. The Issuer, observing the economic slowdown and delays in the implementation of lighting projects, took a series of preventive actions to minimize the possible harmful impact of COVID-19 on the future financial results of subsequent periods. One of these activities was entering new market areas and implementing a series of luminaires dedicated to air and space disinfection. This is the Group's response to the new needs of the medical and service segment in the world. The effects of these activities may be summarized by the Issuer's Management Board in the subsequent reporting periods.

The final values of the financial data presented in this report will be published in the periodic report for the first quarter of 2019.

**Legal basis:** Article 17 para. 1 MAR – confidential information.

**Attachment:** Estimated consolidated financial data of I quarter 2020.pdf

**Company's representative:**

Ryszard Wtorkowski – President of the Executive Board of LUG S.A.