

The most important events of 2018FY

- Final step of construction and opening production plant in Argentina
- Further foreign expansion: LUG Turkey
- Development of technology company BIOT: capital increase and co-financing of a new technologies project
- LUG as a member of a World Economic Forum
- Dividend payment 0,17 PLN/ share

Samples of LUG completions 2018FY

- Google Expansion office building Mietbereich Youtube, Germany
- Logistic centrum Cold Storage, Norac do Brasil, Brasil
- Lighting of car showrooms of Porsche, Mercedes new concept, BMW, Renault in Europe
- Internal lighting of Bons Secours Hospital, Cork, Ireland
- External lighting of European Hotel, Warsaw
- Lightening of gantries and parking lot KGHM Głogów i Lubin, Poland
- Chimney Center office building, Zielona Góra, Poland
- Apartment building near Wroclawska Street oraz Raclawickiej, Kraków, Poland

We create innovations ourselves by searching for the best lighting solutions. I am convinced that responsible development is the key to strengthen a company and create products friendly to people and nature. The most important for us is business model, in which responsibility of business towards people and the environment is in the center – not periphery.

Ryszard Wtorkowski
The CEO of Management Board LUG S.A.

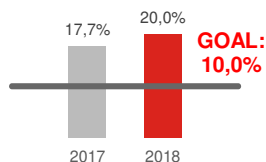


Posadas | Sao Paulo | Casablanca | London | Algier | Berlin | Zielona Góra, Nowy Kisielin | Istanbul | Dubai

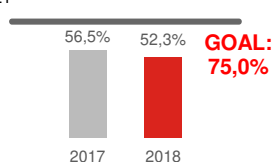


Implementation of strategic directions of development

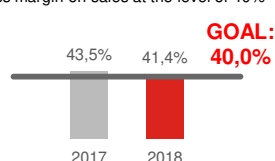
Main goal: average annual increase to 2021 at 10% CAGR



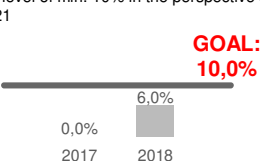
Goal: share of exports in revenues at the level of 75% in the perspective of 2021



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



Goal: share of contracts 1 million euros at the level of min. 10% in the perspective of 2021



Lighting market

15,5% CAGR

The forecasted growth rate of the LED lighting market in Europe in 2018-2024

Factors of growth:

- **Savings:** The use of LEDs saves 60-65% of electricity costs and reduces indirect greenhouse gas emissions
- **Regulations:** EU requirements regarding energy efficiency of lighting require the use of LED solutions
- **IoT:** The development of intelligent lighting, both internal and external, is possible only with the use of LED. This results in a rapidly growing demand for IoT and Smart City solutions.

FACTSHEET 2018FY

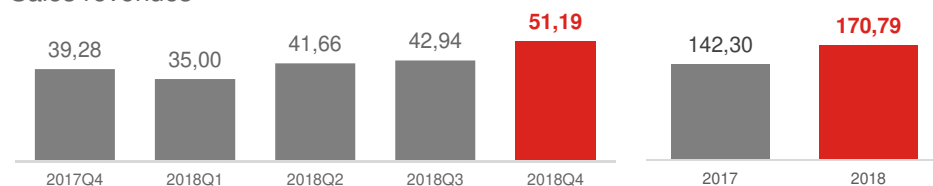
All financial data in
mln PLN andi %,
unless otherwise
indicated

FINANCIAL RESULTS

30.05.2019.



Sales revenues



Comment

The increase in revenues by 20.0% y/y with the share of export revenues at the level of 52.3%.

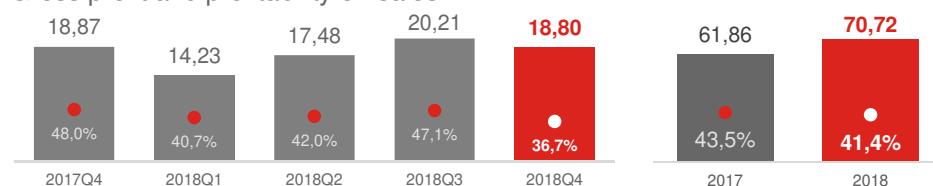
Increase of gross profit on sales by 14.3% y/y to PLN 70.72 million. A one-off event in 2019Q4 resulted in a relative reduction of the gross margin on sales (by 2.1pp y/y to 41.4%) and net margin (by 2.6pp to 2.4%).

The increase of EBITDA by 28.9% y/y to the level of PLN 15.85 million enabled the increase in EBITDA profitability by 0.6pp to the level of 9.3%.

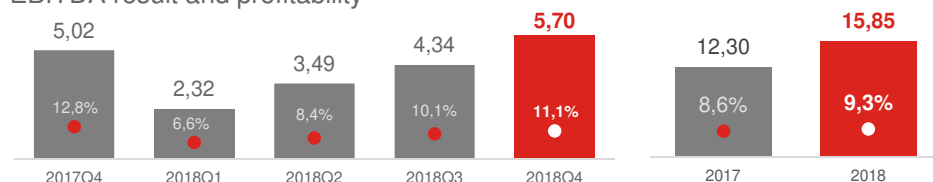
Net cash flow from operating activities at a record level of PLN 10.74 million allowed financing investments (PLN 8.88 million) and repayment of some loans.

Stable financial situation and safe liquidity ratios, net debt to EBITDA ratio almost unchanged at 2.40.

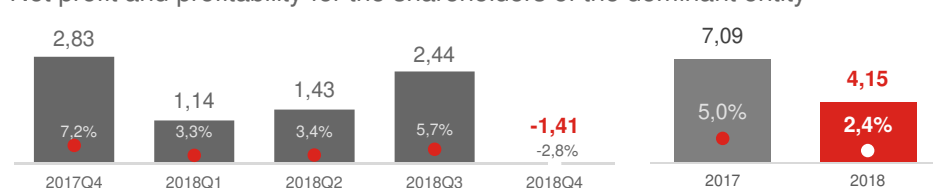
Gross profit and profitability on sales



EBITDA result and profitability



Net profit and profitability for the shareholders of the dominant entity

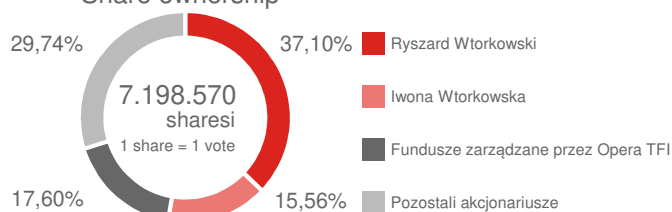


Selected balance items and indicators

	31.12.2017.	31.12.2018.
Total balance sheet	121,96	143,83
Fixed assets	55,41	64,36
Current assets	66,55	79,47
Inventory	32,59	35,51
Trade receivables	28,49	34,92
Cash	2,62	5,26
Equity capital	51,43	53,85
Long-term liabilities	14,36	14,93
Long-term loans	4,75	3,78
Short-term liabilities	56,17	75,05
Short-term loans	17,58	23,72
Short-term trade liabilities	21,29	29,88
ROE	13,6%	6,7%
ROA	5,7%	2,5%
Net debt / EBITDA	2,41	2,40
EV/EBITDA (at the end of the period)	7,90	5,94



Share ownership



Management Board

Ryszard Wtorkowski
President of Management Board

Mariusz Ejsmont
VP of Management Board & Technical Director

Małgorzata Konys
Management Board Member & Financial Director

Supervisory Board

Iwona Wtorkowska
President of Supervisory Board

Renata Baczańska

Eryk Wtorkowski

Zygmunt Ćwik

Szymon Ziolo

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