# Financial Results of the 1st half year of 2015
## Warsaw, August 28,  2015

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# 1st half 2015

1,7 m pieces of furniture sold

Turnover 447 m PLN – 11 % more than in the first half of 2014

EBITDA-Margin: 12,4 %

Investment projects developing according to plan

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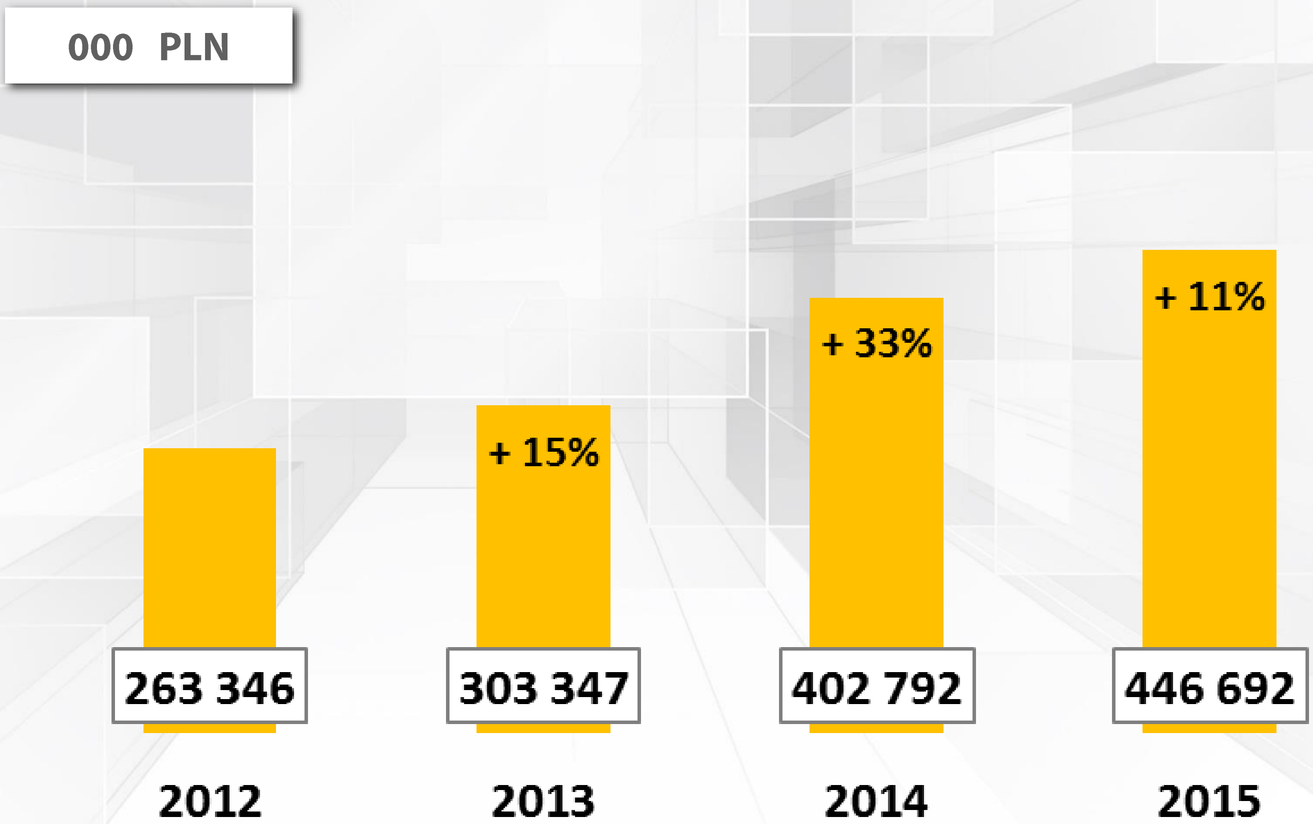
# Turnover in the first half of the year

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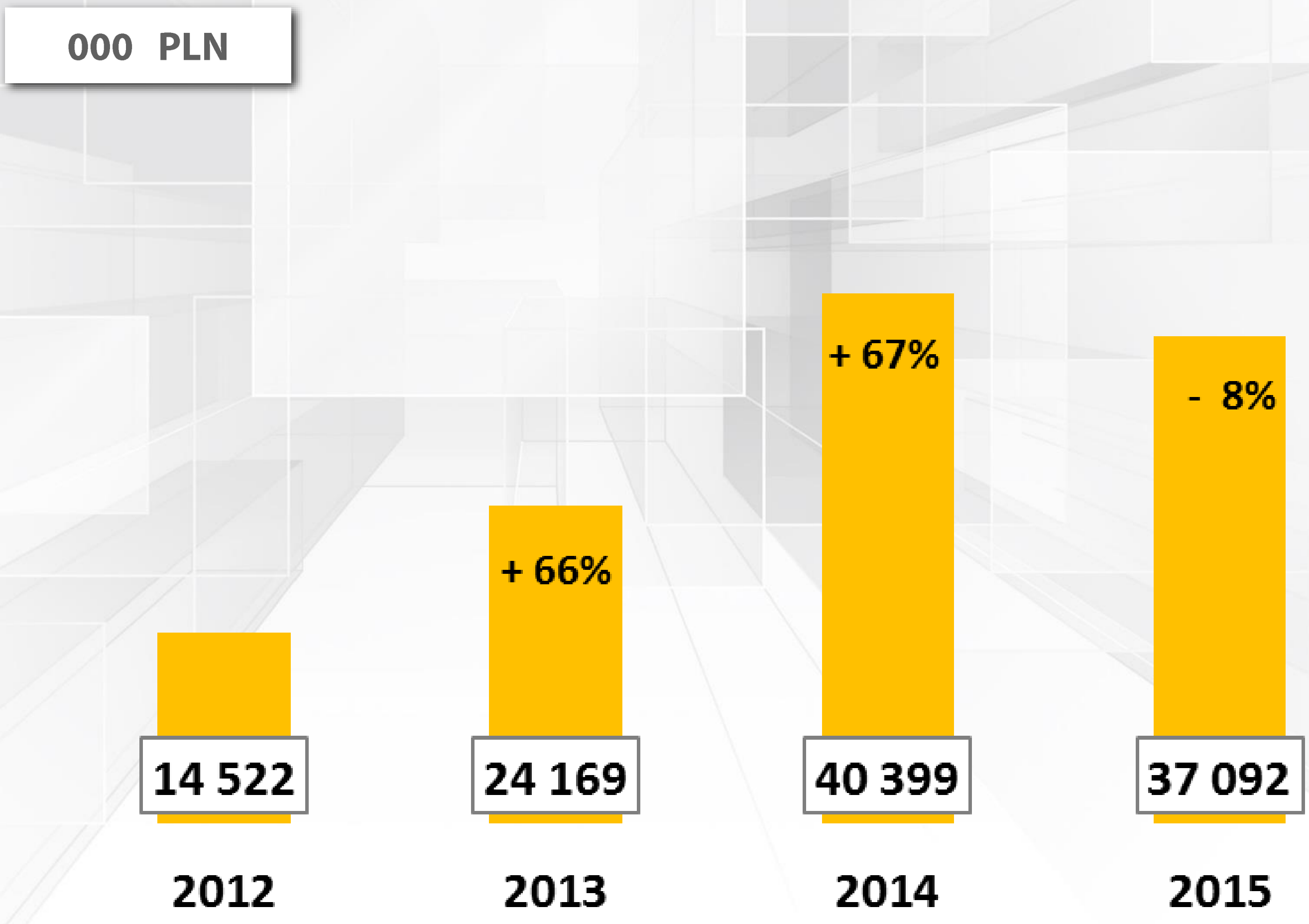
# Net profit in the first half of the year



# Key figures 1st half year 2015

| Forte 1 000 PLN | I-II Q 2012 | I-II Q2013 | '13/'12 | I-II Q 2014 | '14/'13 | I-II Q 2015 | 15/14 |
|---|---|---|---|---|---|---|---|
| **Revenues from sales** | **263 346** | **303 347** | **15,2%** | **402 792** | **32,8%** | **446 692** | **10,9%** |
| Gross profit on sales | 83 785 | 106 368 | 27,0% | 148 838 | 39,9% | 159 399 | 7,1% |
| *Gross margin* | *31,8%* | *35,1%* | *3,2%* | *37,0%* | *1,9%* | *35,7%* | *-1,3%* |
| Sales costs | -53 234 | -60 248 | 13,2% | -80 833 | 34,2% | -94 106 | 16,4% |
| **Result on sales** | **30 551** | **46 120** | **51,0%** | **68 005** | **47,5%** | **65 293** | **-4,0%** |
| *Sales margin* | *11,6%* | *15,2%* | *3,6%* | *16,9%* | *1,7%* | *14,6%* | *-2,3%* |
| **Costs of G&A** | **-12 875** | **-14 267** | **10,8%** | **-17 371** | **21,8%** | **-17 612** | **1,4%** |
| *As % of sales* | *-4,9%* | *-4,7%* | *0,2%* | *-4,3%* | *0,4%* | *-3,9%* | *0,4%* |
| Result on other operations | -1 554 | -549 | -64,7% | -1 320 | -140,4% | -1 621 | -22,8% |
| **Operating profit** | **16 122** | **31 304** | **94,2%** | **49 314** | **57,5%** | **46 060** | **-6,6%** |
| *Operating margin* | *6,1%* | *10,3%* | *4,2%* | *12,2%* | *1,9%* | *10,3%* | *-1,9%* |
| Result on financial operations | -158 | -592 | -274,7% | 1 831 | 409,3% | 830 | 54,7% |
| **Gross profit** | **15 964** | **30 712** | **92,4%** | **51 145** | **66,5%** | **46 890** | **-8,3%** |
| *As % of sales* | *6,1%* | *10,1%* | *4,1%* | *12,7%* | *2,6%* | *10,5%* | *-2,2%* |
| **Net profit** | **14 522** | **24 169** | **66,4%** | **40 399** | **67,2%** | **37 092** | **-8,2%** |
| *Net profit margin* | *5,5%* | *8,0%* | *2,5%* | *10,0%* | *2,1%* | *8,3%* | *-1,7%* |
| **EBITDA** | **23 645** | **39 541** | **67,2%** | **57 608** | **45,7%** | **55 404** | **-3,8%** |
| *EBITDA margin* | *9,0%* | *13,0%* | *4,1%* | *14,3%* | *1,3%* | *12,4%* | *-1,9%* |
| **Net profit per share** | **0,61** | **1,02** | **66,4%** | **1,70** | **67,2%** | **1,56** | **-8,2%** |

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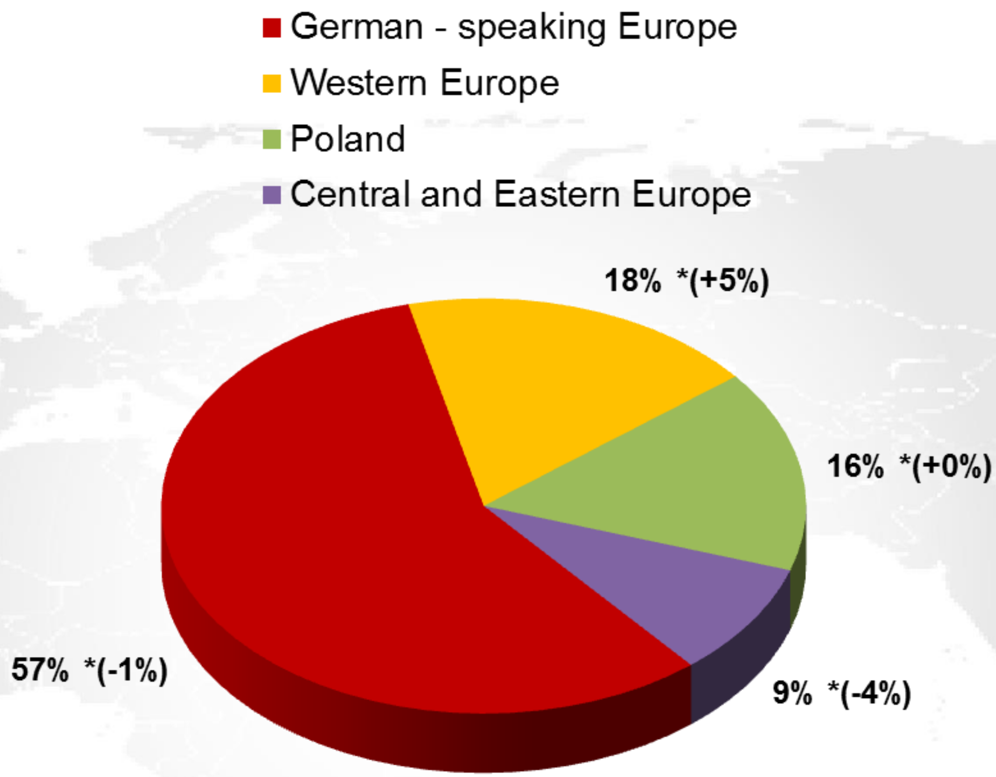
# Financial Position

| | 2012 | 2013 | 2014 | 1 PR 2015 |
|---|---|---|---|---|
| Current Ratio | 2,66 | 3,21 | 3,17 | 3,16 |
| Quick Ratio | 1,52 | 2,00 | 1,85 | 1,81 |
| Debt ratio | 0,28 | 0,31 | 0,34 | 0,35 |
| ROE (%) | 10,0 | 15,1 | 17,8 | 8,9 (17,8% year) |

# Geographical structure of sales FORTE 1st half year 2015




* Compared with the first half of 2014

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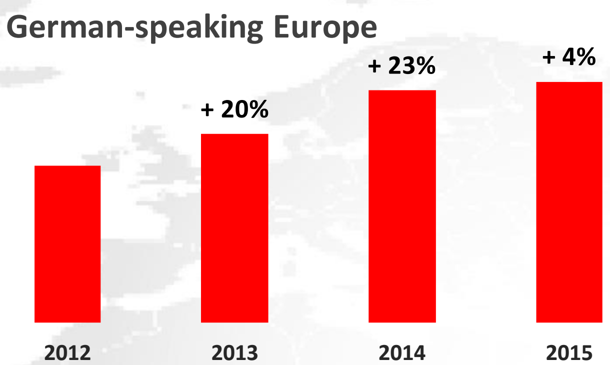
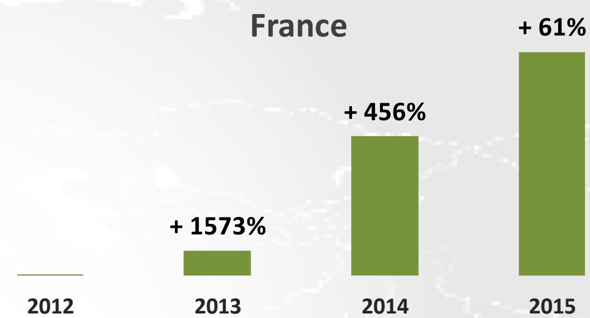
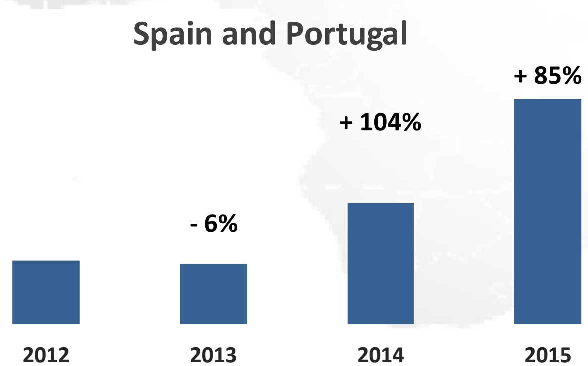
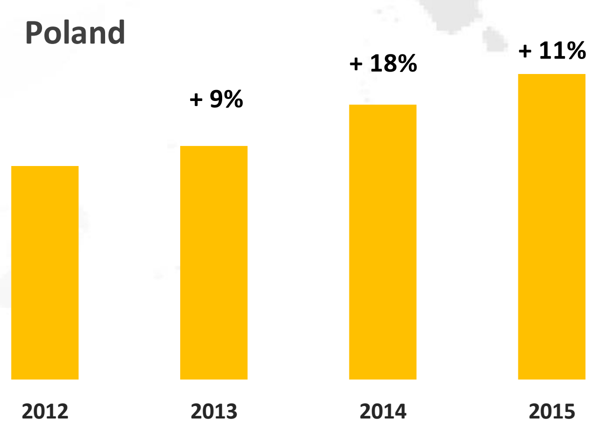
# Growth dynamics as per main countries of sales 1st half year

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# New investment– High Rack Warehouse

Construction of a new high rack warehouse
**Important increase of dispatching capacity**
Beginning of September 2015

- Investment volume: 32 000 000 PLN
- Size : 15 000 m2
- Capacity: 15 000 pallets = 300 000 furniture packs
- Improvement of the logistics situation in all 4 factories
- New IT-supported magazine management system

# Investment into production machinery

Purchase and installation of additional production lines in some of the factories
**Increase of production capacity to 8,5 m packs of furniture by the end of 2015**
September 2015


Laser edging line IMA in the Ostrów Mazowiecka factory

– **length of the line: 56 m**

Drilling machines BST

– **3 drilling machines in Ostrów Mazowiecka**
– **1 drilling machine in Hajnówka**
– **1 drilling machine in Suwałki**

**Development of the quarterly production capacity in the FORTE Group (in m furniture packs)**

| 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 |
|---|---|---|---|---|
| 1,6 | 1,6 | 1,7 | 1,8 | 2,0 |

# Further targets for 2015

- Increase of turnover by at least 10% compared to 2014
- Achieving an EBITDA-Margin above 13%
- Increase of production capacity to the level required to fulfill all expected orders in 2016
- Further improvement of productivity in production and logistics

# Targets for 2016

- Increase of the yearly production capacity to 4 m pieces of furniture
- Turnover at a level of 250 m EUR
- Maintaining profitability at an EBITDA-Margin above 13%
- Further optimization and integration of logistics processes

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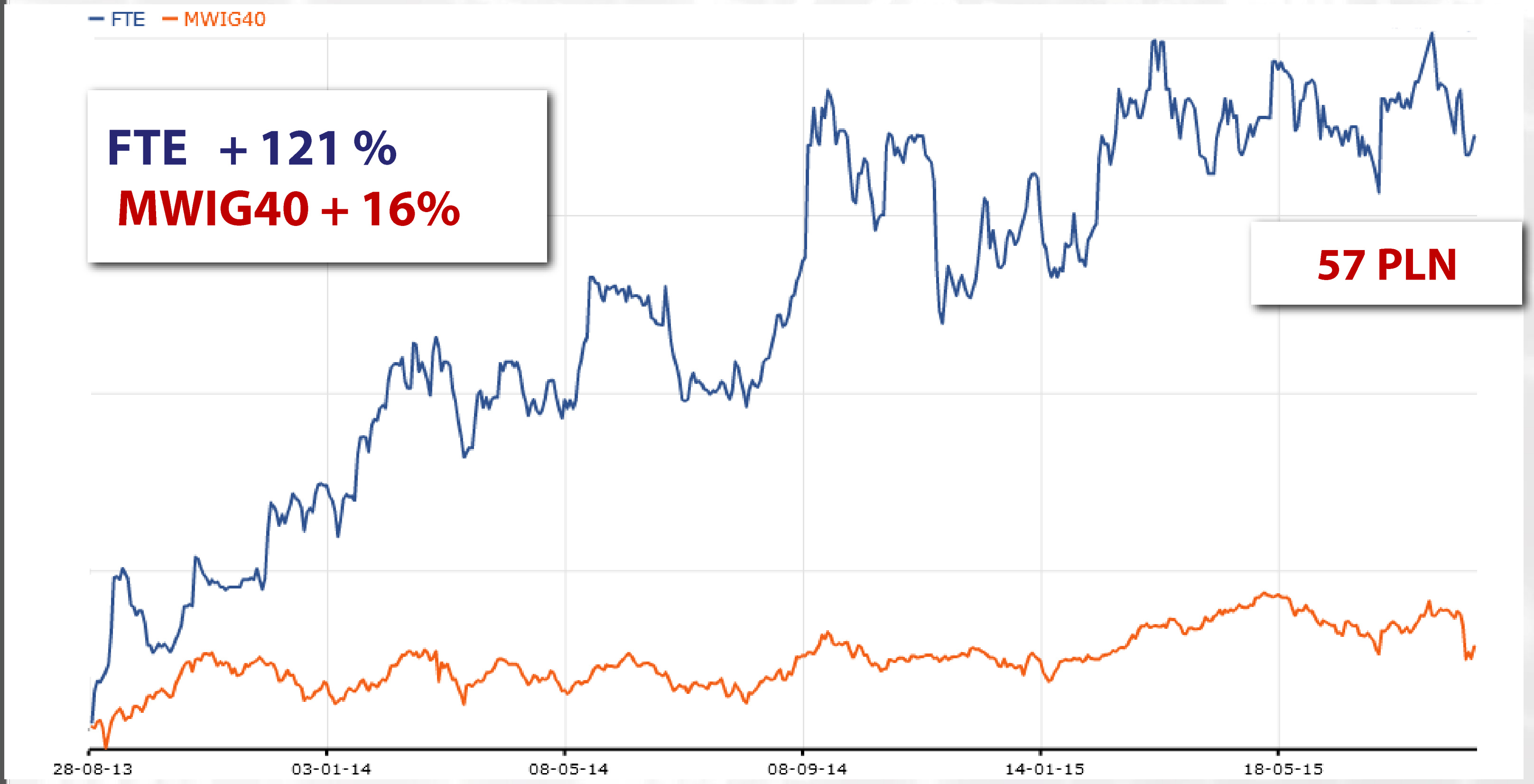
# Development of the FORTE share price against WIG40 – 2 year time span



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