

**MERCOR CLOSSES FINANCIAL YEAR 2021/22 WITH  
SIGNIFICANT INCREASE IN REVENUE AND NET PROFIT  
INNOVATION AS THE GROUP'S TOPMOST PRIORITY FOR COMING QUARTERS**

The MERCOR Group, a manufacturer of advanced technology solutions and a leader of the European market for passive fire protection systems, recorded a strong increase in both sales and earnings in the financial year 2021/22 (April 1st 2021–March 31st 2022). The Group's revenue rose by over 28% year on year, to PLN 496m, with solid performance also seen at other levels of the P&L. Net profit came in at PLN 32.5m (up 10% year on year), EBIT reached PLN 44m (up 16%), and EBITDA was just under PLN 58.4m, up 12% year on year.

In the fourth quarter of FY alone, the Group's revenue rose by over 47% year on year, to PLN 136.9m. The Group closed the fourth quarter of FY with a net profit of PLN 7.4m (up 197% year on year), EBIT of PLN 10.8m (up 222%), and EBITDA of PLN 14.4m (up 88%).

MERCOR was also the first company in Poland to have brought to the market the Fire Safety 4.0 technology. mcr Tech Lab is the Group's entity responsible for developing the new technology and for delivering innovative applications to address the needs of the fire protection industry.

*"We are closing the financial year 2021/2022 on an upbeat note. Our revenue, EBITDA and net profit all improved year on year, and we were working on further technology advances. Actually, our performance for the last 12 months surpassed strategic targets. In the Group's strategy for 2020–2023, we set a target of maintaining ROE at 13%, but our actual result proved much better. On the back of net profit of nearly PLN 32.5m, we posted a much stronger ROE of 20%,"* said **Krzysztof Krempeć, President of the Management Board of MERCOR S.A.**

The Group delivered the solid results despite a number of external challenges.

*"The major challenge came from growing prices of both materials and transport, aggravated by pandemic-induced disruptions in the supply chains. Despite these headwinds, our margins remained solid, albeit slightly lower year on year. Russia's military aggression against Ukraine was another adverse factor. As the war broke out the operations of our Ukrainian subsidiary near Lviv were halted, but after only about three weeks from the start of the invasion those staff members who had not been drafted into the army returned to work. At present, our Ukrainian plant is carrying on normal production. We are hoping that the situation will improve, but we are prepared to move production to Poland if this proves necessary. The Ukrainian market accounts for 2.2% of the MERCOR Group's total sales. Our Russian company (in which MERCOR and its subsidiary MHD1 hold an aggregate equity interest of 55%) continues to operate on its existing markets. Since Russia's invasion of Ukraine, we have not been engaged*



*in any trade with the Russian subsidiary or any other Russian entities. In the previous financial year, that market accounted for approximately 10% of our sales,”* added **Krzysztof Krempeć, President of the Management Board of MERCOR S.A.**

In the financial year 2021/2022, the Group’s sales were distributed evenly between the domestic and foreign markets.

*“Our sales are diversified across many geographies. Thus, we are not dependent on market situation in any single country and we can level off the effects of any turbulence that may emerge in some markets by growing sales elsewhere. In the coming years, we also plan to strongly diversify and further strengthen our position in Europe,”* said **Krzysztof Krempeć.**

#### **MERCOR GROUP’S FINANCIAL HIGHLIGHTS FOR Q1-Q4 2021/22:**

| <b>PLN '000</b>  | <b>2021/2022</b> | <b>2020/2021</b> | <b>Change</b> | <b>Q4 2021/22</b> | <b>Q4 2020/21</b> | <b>Change</b> |
|------------------|------------------|------------------|---------------|-------------------|-------------------|---------------|
| Revenue          | 496,029          | 386,186          | 28.4%         | 136,919           | 92,862            | 47.4%         |
| Gross profit     | 116,811          | 105,213          | 11.0%         | 30,805            | 22,046            | 39.7%         |
| Gross margin (%) | 23.55%           | 27.24%           | -3.69 pp      | 22.50%            | 23.74%            | -1.24 pp      |
| EBITDA           | 58,377           | 51,961           | 12.4%         | 14,362            | 7,632             | 88.2%         |
| EBITDA margin    | 11.77%           | 13.45%           | -1.68pp       | 10.49%            | 8.22%             | 2.27pp        |
| EBIT             | 44,034           | 37,967           | 16%           | 10,801            | 3,357             | 221.8%        |
| EBIT margin (%)  | 8.88%            | 9.83%            | -0.95pp       | 7.89%             | 3.62%             | 4.27pp        |
| Net profit       | 32,479           | 29,521           | 10%           | 7,379             | 2,484             | 197%          |
| Net margin (%)   | 6.55%            | 7.64%            | -1.09pp       | 5.39%             | 2.67%             | 2.72pp        |

#### **MERCOR GROUP IMPLEMENTS INDUSTRY 4.0 CONCEPT**

The fourth industrial revolution is also unfolding at the Mercor Group, which, blazing the trail for other industry players in Poland, is rolling out smart fire protection solutions: the Fire Safety 4.0 technology. mcr Tech Lab, a recently formed company, is the Group’s entity responsible for developing the new technology and for delivering innovative applications to address the needs of the fire protection industry.

*“We believe Industry 4.0 to be the future of manufacturing and so, leveraging the expertise of our mcr Tech Lab team, we intend to strengthen the Mercor Group’s position within our industry. To this end, our new solutions will feature artificial intelligence, mobile devices, blockchain technology, cloud computing, and more,”* said **Krzysztof Krempeć, President of the Management Board of MERCOR S.A.**



*“Our clients expect us to deliver quick, innovative, integrated and coherent systems to respond to emergencies. State-of-the-art systems must focus equally on preventing and on dealing with fire emergencies. Therefore the Mercor Group has focused its efforts on implementing the Fire Safety 4.0 technology, one of our priorities for the coming quarters,”* added **Krzysztof Krempeć**.

## **GROWING VALUE OF NEW ORDERS**

In the previous financial year, the Mercor Group received orders with a total value of PLN 530.2m, an increase of over 37% year on year. The beginning of the new financial year also looks promising for the Group. In April and May 2022, it secured new orders worth approximately PLN 97.1m, up by about 6% year on year.