



Łódź, 21 February 2024

## **GRUPA KLEPSYDRA REPORTS GOOD PERFORMANCE AND TWO ACQUISITIONS IN 2023, MARKET TO SUPPORT COMPANY'S FURTHER GROWTH**

Grupa Klepsydra, the leader of the funeral market in Poland and the first company in the industry listed on the Warsaw Stock Exchange (GPW), has published good financial results despite the market falling and stabilising at pre-pandemic levels. Revenues of the Group companies amounted to nearly PLN 35.2 million in 2023, EBITDA was PLN 7.1 million, and the Group's net profit in the period stood at nearly PLN 4.6 million.

In 2023, Grupa Klepsydra completed a total of 2,562 burials, 8,484 cremations, and 650 international transport orders of the deceased.

Thanks to its fast growth, the Group has gained the leading position in the funeral market in Poland and will strengthen it in the coming years. The Group met all its strategic objectives for 2023.

### **Highlights of 2023:**

- In June 2023, as a result of the reverse takeover of NewConnect-listed Merit S.A., Grupa Klepsydra became the first company in the funeral segment listed on the Warsaw Stock Exchange (GPW).
- The Group published an ambitious strategy and aims to consolidate the Polish funeral market.
- As announced, the first two acquisitions by Grupa Klepsydra were closed in 2023: PUK (end of June 2023) and Sotor (conditional agreement signed in November 2023, condition fulfilled in January 2024).
- Since listing on GPW, Grupa Klepsydra has raised a total of more than PLN 30 million for further acquisitions and attracted a new, very experienced major industry shareholder, Global Funeral Services from Spain.

*"The year 2023 was one of the most important years in our decades-long history. We went public, raised capital for investments, and acquired two companies in the industry. These were great achievements and the whole year was very intense for us. We are very proud of the results of our efforts so far, and they motivate us to continue working and to further develop the group. In the years to come, the market will favour us: it stabilised in 2023 but will grow in the years to come due to demographic changes. This means that the Group will grow not only as a result of acquisitions but also organically,"* said **Marek Cichewicz**, **President** of holding company **Grupa Klepsydra S.A.**



## FINANCIAL RESULTS

Grupa Klepsydra is focusing on the implementation of its growth strategy based on the consolidation of the fragmented funeral market in Poland. The Group is steadily generating good financial results. Its modern business model with comprehensive services and proprietary infrastructure combined with high quality of customer service and further expansion of the Group will ensure improving performance in the coming years.

**The financial results of Grupa Klepsydra are shown in the table below\*.**

<i>PLN mn</i>	<b>2023</b>	<b>2023 ADJ**</b>	<b>2022</b>
<b>Revenue</b>	35.18	35.18	29.6
<b>EBITDA</b>	7.08	7.80	7.9
<b>Net profit</b>	4.58	5.23	5.1

*\*Pro-forma consolidated results of Grupa Klepsydra S.A., the results are presented under the PAS.*

*\*\* (ADJ - adjustment) Net of one-offs.*

*For information purposes, selected financial data have been prepared assuming the consolidation of all revenues and expenses of the consolidated companies from 1 January 2023.*

*The figures do not include Sotor Sp. z o.o., which became a subsidiary in 2024.*

In 2023, the Group reported significant revenue growth of nearly 19%, including both organic growth and driven by the acquisition of PUK in Kraków. The table above shows that, net of one-offs, the Group's profitability was comparable to the previous year despite the market decline of 9%.

Net profit and EBITDA for the full year 2023 were impacted by:

- One-offs:
  - the costs of floating the company on the stock exchange and the costs of issuing series F, G, H shares, which reduced profitability;
  - the results do not include one month of revenues and expenses (January 2023) of Firma Pogrzebowa „Klepsydra” sp. z o.o.;
- The results include new costs related to the operation of the group, absent in 2022;
- Additional costs related to the unification and optimisation of the operation of PUK Kraków - these efforts should have a positive impact on the 2024 results.

## AMBITIOUS STRATEGY

The strategic objective of Grupa Klepsydra is to consolidate the fragmented domestic funeral services industry. This will help to build a robust, modern, innovative group of strong local brands. With the implementation of the strategy and the consolidation of the industry, Grupa Klepsydra's financial performance will leapfrog over the next few years.

In 2023, as planned, Grupa Klepsydra signed two agreements to acquire funeral companies: Przedsiębiorstwo Usług Komunalnych Sp. z o. o. based in Kraków (PUK) and Sotor in Toruń. Both companies have a significant position in their local markets.



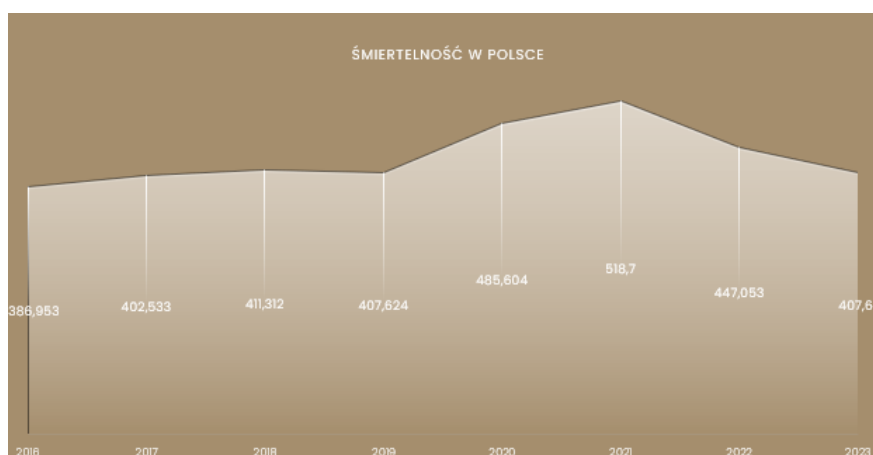
Further acquisitions of similarly sized companies operating in large or medium-sized Polish cities are planned between 2024 and 2027. Grupa Klepsydra expects that this will allow it to build a strong capital group over the next five years, with around 20 entities operating in significant local markets in Poland and holding up to a 10% share in the number of services provided in this highly fragmented industry. Grupa Klepsydra plans to invest up to 80% of the annual net profit in acquisitions.

### **DIVIDEND-PAYING COMPANY**

Following a period of initial investment related to the growth of Grupa Klepsydra, the company plans to regularly pay dividends to investors. In line with its dividend policy, Grupa Klepsydra expects to pay investors a dividend of up to 20% of net profit from 2024 onwards. The first dividend would be paid as early as 2025 (from net profit for 2024).

### **FAVOURABLE MARKET**

In 2023, the market stabilised at pre-pandemic levels, down 9% from 2022. The Group expects that mortality in 2024 could be similar to last year's.



According to Statistics Poland (GUS), mortality will rise steadily over the next 20 years and could reach as many as 500,000 deaths per year in 2046. This is due to the steady increase in the number of people aged 65 and over and the fact that many of those born after the Second World War will reach late old age (80 and over) from 2025 onwards.

### **GLOBAL FUNERAL SERVICES – NEW SHAREHOLDER**

On 18 January 2024, Grupa Klepsydra signed a binding investment agreement with Global Funeral Services from Spain, under which the new investor acquired a total of more than 3.3 million newly issued series H shares, which jointly represent nearly 14% of the Group's share capital. Grupa Klepsydra thus raised nearly PLN 23.3 million for further acquisitions.

Global Funeral Services was founded in 2017 by two family-owned funeral companies, GRUP VFV SL and Cabré Junqueras SA, to seek investment opportunities and further growth in the



G R U P A  
**KLEPSYDRA**

Grupa Klepsydra S.A.

ul. Solec 5  
94-274 Łódź

T: +48 42 630 54 28

[grupaklepsydra.pl](http://grupaklepsydra.pl)

funeral sector outside Spain. **GRUP VFV SL** is the leader of the Catalan funeral sector with a history of more than 300 years. **Cabré Junqueras SA** is the largest independent family funeral company in Catalonia with an extensive network of funeral homes and more than 120 years of tradition. Both companies have several centuries of experience in the funeral segment in Spain and a very strong track record in funeral company acquisitions. They manage the largest network of funeral homes (51 funeral homes), crematoria (15 crematoria) and cemeteries (23 cemeteries under full Group management and 297 cemeteries partially managed by the Group, totalling nearly 83,000 graves) in Catalonia and the Balearic Islands. The Group completed 21,300 funerals and nearly 13,800 cremations in 2022. The Group's total revenue was €76.6 million and EBITDA was €16.9 million in 2022.

— — —

#### **ABOUT GRUPA KLEPSYDRA**

*Grupa Klepsydra S.A. (WSE: KLE) is the leader of Poland's funeral market and the only company in this industry listed on the Warsaw Stock Exchange (WSE). Grupa Klepsydra is a provider of comprehensive funeral services in Poland – it is one of few providers of funeral and cremation services in Poland at more than one location as well as a provider of international transport of the deceased.*

*The strategic objective of Grupa Klepsydra is to become a leader in the funeral market in Poland through consolidation of the domestic funeral services market. Grupa Klepsydra expects to build a strong group of companies over the next 5 years with about 20 entities operating in significant local markets in Poland, and aims to hold up to 10% share in this highly fragmented market in terms of number of services.*

*Grupa Klepsydra is a holding company which currently holds four companies: Firma Pogrzebowa "Klepsydra" Sp. z o. o., which provides funeral, cemetery and cremation services; Bongo Sp. z o. o., which specialises in cross-border transport of the deceased and their ashes; Centrum Pogrzebowe Sp. z o. o, which is running an investment project to build and manage a crematorium and cemetery in Kraków; Przedsiębiorstwo Usług Komunalnych in Kraków (PUK), and Sotor from Toruń, which provides funeral services.*

*Grupa Klepsydra is a modern, family-owned company with traditions. It has more than 60 years of experience in the funeral industry in Poland, and its success is created by managers with several decades of experience in the business. With its extensive range of services, broad in-house infrastructure and many years of experience, Grupa Klepsydra provides services for both individuals and business customers (cemetery management and cremations).*

*Grupa Klepsydra's revenue was close to PLN 35.2 million in 2022, and net profit PLN 4.6 million. The Group's companies currently employ over 130 people (including Sotor).*

Follow us at:

[www.grupaklepsydra.pl](http://www.grupaklepsydra.pl)

