

2020 Aggregate Annual Report

DEK is the largest supplier of construction materials and industry services in the Czech Republic and Slovakia. It is the leading innovator in the builders' merchant sector.

We supply services and materials for residential, industrial and engineering construction.

Our company serves over 240,000 regular customers from among a range of craftsmen, construction companies, investors and consumers.

Key numbers

Turnover **22,592** bn. Kč

Growth of Turnover 2019–2020 **6,6%**

Sales Points **126**

EBITDA **1,693** bn. Kč

Employees **3 014**



The pandemic cannot stop us. DEK holds together!

Dear customers,
partners, colleagues and friends,

We went into 2020 expecting a slowdown in an overheating construction market. We were looking forward to new projects, opening shops and expanding our rental service product line. None of us could have imagined what was lying in wait. Due to the Covid pandemic, our priorities changed completely within a few days in March. We primarily concentrated on protecting the health of our employees and customers and maintaining the operation of our branches. I am proud that we worked together as a team, maintained services throughout the pandemic, and did not close any sales points. We ultimately managed to implement the majority of our planned projects in the second half of the year and increase the total turnover and net profits of the whole group. Our revenues from core activities increased by more than 6.6%, and our EBITDA reached a record CZK 1.7 billion.

We were able to achieve these results thanks to our regular and loyal customers as well as a strong and motivated team of employees, both in our branches and at our headquarters. We benefited our long-term investments in streamlined sales points, a fast check-out system, our e-shop and other IT technologies. We quickly responded to restrictions on retail sales and a general sense of uncertainty by introducing contactless and safe customer check-out. Employees whose jobs allowed it began to work from home. We shifted our communications online, and in a critical period our office colleagues accepted new roles and became involved in sales of goods to our customers.

Our success in 2020 was helped in no small part by the fact that the construction sectors in the Czech Republic and Slovakia were among the fields least affected by Covid.

Our outlook for 2021 is optimistic. Despite the fact that the economy will undoubtedly continue to be impacted by Covid, we do not anticipate a slowdown in revenue growth in the first half of 2021, as most of our customers have guaranteed contracts for at least half a year ahead. In the second half of the year, we expect the pandemic to gradually subside, which will bring optimism and economic growth. In 2021, we will continue expanding our sales network, grow our range of products and services, and pursue greater digitalisation, which will improve the accessibility and quality of our services.

We are grateful to all of our employees, customers and partners for their long-standing support, and we look forward to working with them in future.

I wish all the best of health and happiness.

Kind regards

Vít Kutnar

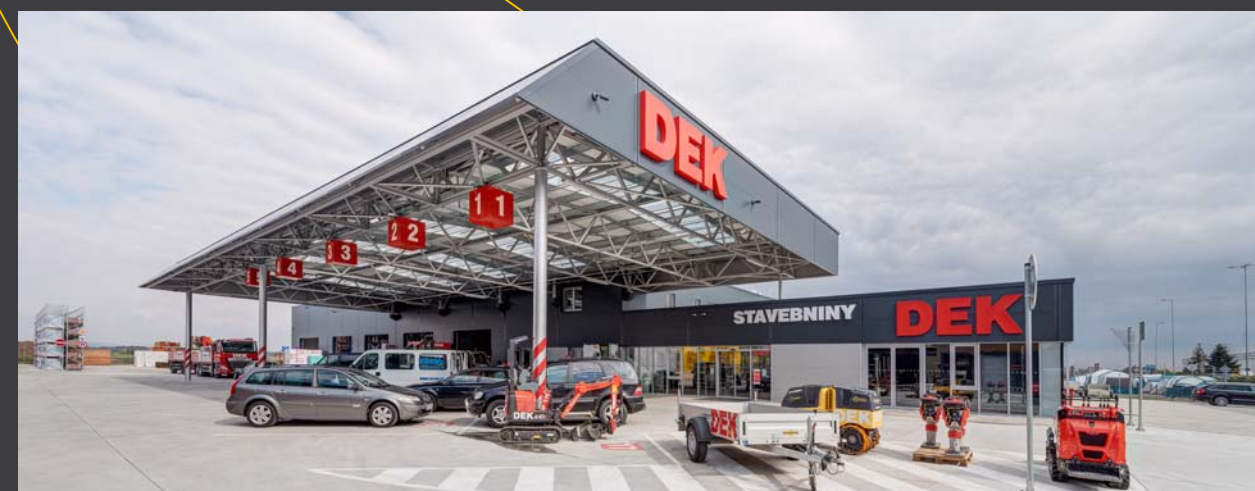
A handwritten signature in yellow ink, appearing to read 'Vít Kutnar', is written below the typed name.

Our 2020 successes

Revenues of the DEK group have grown thanks to great people and their commitment to work even during government restrictions on retail.

Five new sales premises

Our teams in Tábor, Pardubice, Kolín and Hodonín have moved into new premises. A new sales point has also been opened in Mohelnice.



STAVĚRNÝ MAGAZÍN | ÚNOR 2020 | WWW.DEK.CZ

DEK

STAVEBNINY
ELEKTROMATERIÁL
VODA-TOPENÍ-PLYN
NÁŘADÍ A PŘÍSLUŠENSTVÍ
BARVY A LAKY
PŮJČOVNA

ATRAKTIVNÍ CENY PRO ŘEMESLNÍKY A STAVEBNÍKY

Příčka Ytong Klasik
Více na str. 8
-30% od 44,80 Kč
od 31,40 Kč
od 25,90 bez DPH

+DÁREK
PŘI ODĚBERU ZE SKLADU DEK KE KAŽDÉ PALETĚ 2 DÍLCI MALTA YTONG

DEKWOOL
MINERÁLNÍ IZOLACE PRO NÍZKOENERGETICKÉ A PASIVNÍ STAVBY
-59% od 1 085,- Kč
568,- Kč
470,- bez DPH

Tepelná izolace DEKWOOL G 039
Více na str. 6

+DÁREK
VÝKONNÝ BLUETOOTH REPRODUKTOR EMOS BOOMER V HODNOTĚ 899 Kč

Kabel prodlužovací neoprenový na bubnu 50 m
Více na str. 18
-26% od 3 500,- Kč
2 652,- Kč
2 180,- bez DPH

+DÁREK
KE 2 BALENÍM 20 m² ZAKRYVACÍ FÓLIE 35µm

PRÁCE V INTERIÉRU

REGISTRUJTE SE
na: www.dek.cz/registrace
a získáte výhody stálých zákazníků.

Přikavice zateplená Cerva Palladio Winter 79,90

We launched our biggest marketing campaign yet

The DEK magazine showed people that even high-quality building materials do not have to be expensive. We ran our campaign by physical mail, radio and online. Interest in our brand increased 100%.

STAVĚRNÝ MAGAZÍN | ŘÍJEN 2020 | WWW.DEK.CZ

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BARVY A LAKY
PŮJČOVNA

ATRAKTIVNÍ CENY PRO ŘEMESLNÍKY A STAVEBNÍKY

Tepelná izolace Isover UNIROL PROFÍ
Více na str. 5
-17% od 3 500,- Kč
2 890,- Kč
2 380,- bez DPH

Michadlo s metlou Stanley FatMax FME190
Více na str. 14
-43% od 1 990,- Kč
1 132,- Kč
655,- bez DPH

NOVĚ PŮJČUJEME STROJE A NÁŘADÍ BEZ KAUCE

REFLEKTOR LED DEK
Více na str. 18
-25% od 1 724,- Kč
od 1 290,- Kč
od 1 058,- bez DPH

PŘÍPRAVA STAVBY NA ZÁVĚR SEZÓN

U NÁS MŮŽETE NAKOUPIT I BEZKONTAKTNĚ DEK Drive
Více na str. 2

Akce platí od 6. 10. do 1. 11. 2020

STAVĚRNÝ MAGAZÍN | SRPEN 2020 | WWW.DEK.CZ

DEK

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VODA-TOPENÍ-PLYN
NÁŘADÍ A PŘÍSLUŠENSTVÍ
BARVY A LAKY
PŮJČOVNA

ATRAKTIVNÍ CENY PRO ŘEMESLNÍKY A STAVEBNÍKY

Nové PŮJČujeme stroje a nářadí bez kauce

Reflektor LED DEK
Více na str. 18
-47% od 4 200,- Kč
2 199,- Kč
1 044,- bez DPH

LED žárovky pop-up Lograd
Více na str. 25
-43% od 1 300,- Kč
od 999,- Kč
744,- bez DPH

Legátka cementová vektorová prosklávaná L2
Více na str. 2
-33% od 450,- Kč
310,- Kč
227,- bez DPH

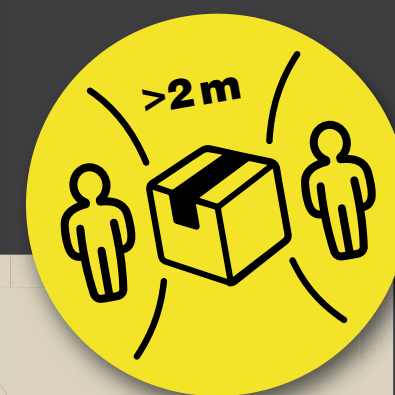
REGISTRUJTE SE
na: www.dek.cz/registrace
a získáte výhody stálých zákazníků.

LETNÍ REKONSTRUKCE A DOSTAVBY U BOUČKŮ



We opened 2 rental shop depots

Our rental shop opened new depots in Hradec Králové and České Budějovice.



We introduced contactless sales

In the midst of the pandemic, we were forced to close our in-person shops and instituted contactless check-out. We created an app called DEK Drive, so that we could communicate with customers from inside their vehicles.

DEK Drive

vyzkoušejte DEK DRIVE

Více na www.dek.cz/dekdrive

DEK
Vyzvednutí objednávky

Objednávka číslo
100-20-001234

Prodejna Proja Hostouň
Průmyslová 1075/13, Praha 10 - Hostouň

Zadejte své telefonní číslo, na které vám displej zavlaží číslo objednávky
+420 600 600 600

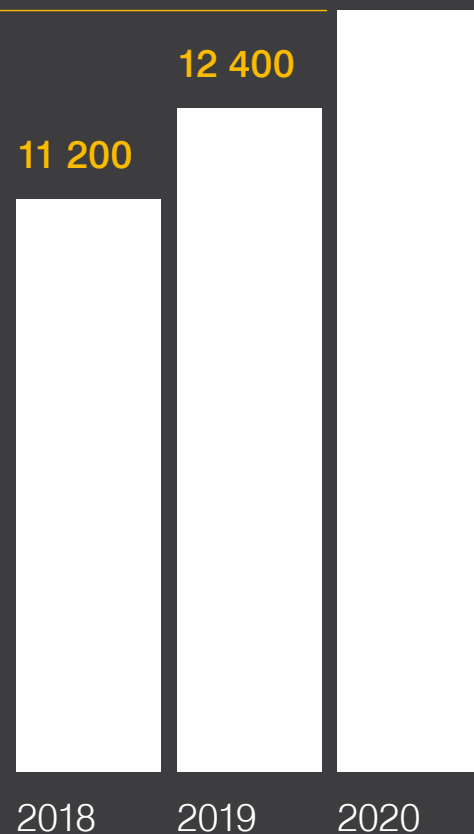
Zadejte číslo stáje
25

VYZVEDNĚT!

With the help of the SKYFOX, we measured more than 13 700 roofs

We are getting our foot in the door with people looking to build sloping roofs. SKYFOX is helping us improve sales of roofing materials.

13 700



**55 000
in total**

We opened the 2nd and 3rd Dekwood production plants

We have doubled the capacity of our CNC for machining wood blocks and to make tie beams for roof trusses. Dekwood revenues have grown by more than 25%.



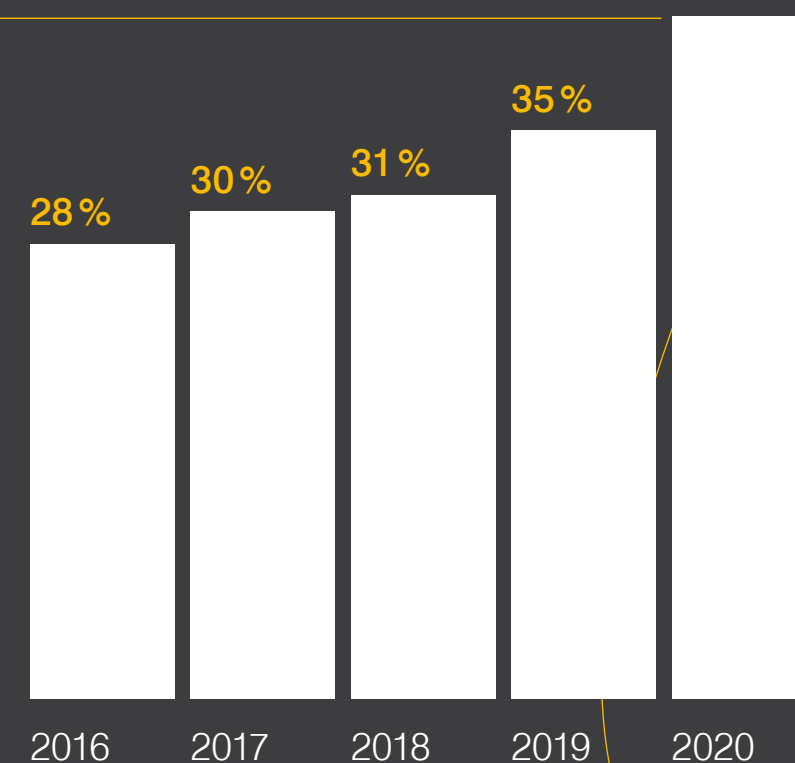
We have completed the acquisition of First information systems s.r.o.

We expanded our software library with an application for construction management. We have also begun to offer a digital construction logbook called "Buildary". As of 1 January 2021, keeping an electronic logbook is mandatory for all public contracts above a certain size.

42 %

The share of Czech construction companies that are our regular customers grew by 7%

42% of Czech construction companies are our regular customers according to research done by the STEM-MARK agency in November 2020.





We provided new sports kits to 300 teams of young footballers



We have improved and expanded the range of DEK Honest Meals

We are continuing our efforts to improve the working conditions for construction workers, because we believe that everyone should be able to have hot meals during the day.

DEK has continued in its “Štědrá dovolená” (Generous Holiday) and “Štědrá sezóna” (Generous Season) loyalty programmes

Even in uncertain times we continued the promotional campaigns that both we and our customers have grown accustomed to and they appreciated the effort. The company ARGOS-ELEKTRO also presented this loyalty scheme to its customers in the autumn.



PRÍDTE NA
**DEŇ
STAVEBNÍN
DEK**

DEK
STAVEBNINY

8. septembra od 8:00



VYNIKAJÚCE OBČERSTVENIE S TRADIČNÝMI
ŠPECIALITAMI DOMÁCEJ KUCHYNE

PREZENTÁCIA DODÁVATELOV
A PRAKTICKÉ UKÁŽKY



The DEK open day
in Slovakia was
attended by one
thousand customers

The number of ÚRS software
licences sold has increased
significantly

Customers have purchased 1,100 licenses for KROS 4
software and the ÚRS Price System.

Kros 4



Cenová
soustava ÚRS



Construction of a new modern shop in
Košice has been launched

We also succeeded in promoting new web
applications intended for designers and
investors of KUBIX and CS ÚRS ONLINE.

Kubix

CS Cenová
soustava ÚRS
online



ARGOS ELEKTRO has introduced a new information system and opened 2 new branches in Tábor and Valašské Meziříčí.

DEKMETAL expanded its portfolio to include supplies of special aluminium façade systems with an increased nominal thickness and thereby adapted to trends in building cladding in western Europe.



The company DEKMETAL concluded a cooperation agreement for supplies of façade cladding with one the largest European manufacturers of containers, the Austrian company Containex.

The 25th G SERVIS catalogue

Our extensive catalogue of residential home projects with high-quality visualisations presented fourteen new designs for 2020. The catalogue published its twenty-fifth edition this year.



Strategy

One cannot sell building materials without knowing everything about them.

Quality

We offer our customers high-quality goods and services with verified functionality after installation.

Openness

We pride ourselves on open communication.

Honesty

We play fair and sell our products and services for good prices.

Satisfaction

It is essential to strive for the satisfaction of customers, suppliers, employees and shareholders all at once.

Trust

We delegate and have faith in the abilities of our employees.

Sustainability

We are aware of our corporate responsibility. We believe that respect for the surroundings and laws will ensure the long-term sustainability of our company.

Innovation

We always want to be one step ahead. We meet challenges halfway. Every opinion is important to us.

DEK standards

DEK





Who are we?

Board of Directors



Ing. VÍT KUTNAR

Chairman of the Board of Directors and CEO of DEK a.s.

Born in 1969. He founded the DEK group in 1993 while studying civil engineering at the Czech Technical University in Prague. The company initially focused on the sale of novel waterproofing materials.

In his position as CEO, he focuses on effective collaboration, excellent customer service and innovation.



Doc. Ing. ZDENĚK KUTNAR, CSc.

Member of the Board of Directors

Born in 1942. He teaches structural engineering at the Faculty of Architecture of the Czech Technical University in Prague. He has written or co-written a range of publications and specialist articles. He has developed comprehensive structural design theories for key parts of buildings, particularly roofs and waterproofing, that appear in the Czech technical standards.



Ing. PETRA KUTNAROVÁ

Member of the Board of Directors and Administrative Director

Born in 1973. She graduated from the Prague University of Economics and Business with a degree in international relations. She has been working in the DEK group since 1994, until March 2011 as CFO, then since 2011 as Administrative Director.

Her main tasks are acquisitions, development and support of branches in areas such as payroll, HR, accounts receivable management and EDI. She devotes her attention to making sure that DEK works in a lean and efficient manner.

Key people of DEK

Ing. Jan Bolek (*1979)
Finance Director DEK a.s.

Ing. arch. Viktor Černý (*1978)
Marketing Director DEK a.s.

Ing. Petr Hořejší (*1970)
Operations Director DEK a.s.

Ing. Luboš Káně (*1962)
Technical Director DEK a.s.

Ing. Martin Keltner (*1974)
IT DEK a.s. Director

Ing. Petra Kutnarová (*1973)
Administrative Director

Ing. Vít Kutnar (*1969)
General Director

Heads of subsidiary companies

Ing. Zdeněk Broukal (*1971)
DEKMETAL s.r.o. Director

Ing. Ctibor Hůlka (*1977)
DEKPROJEKT s.r.o. and G SERVIS CZ, s.r.o. Director

Michal Jůza (*1973)
DEKWOOD s.r.o. Director

Ing. Boris Kalisch (*1965)
First informations systems, s.r.o. Director

Roman Laník (*1976)
Stavebniny DEK s.r.o. Director

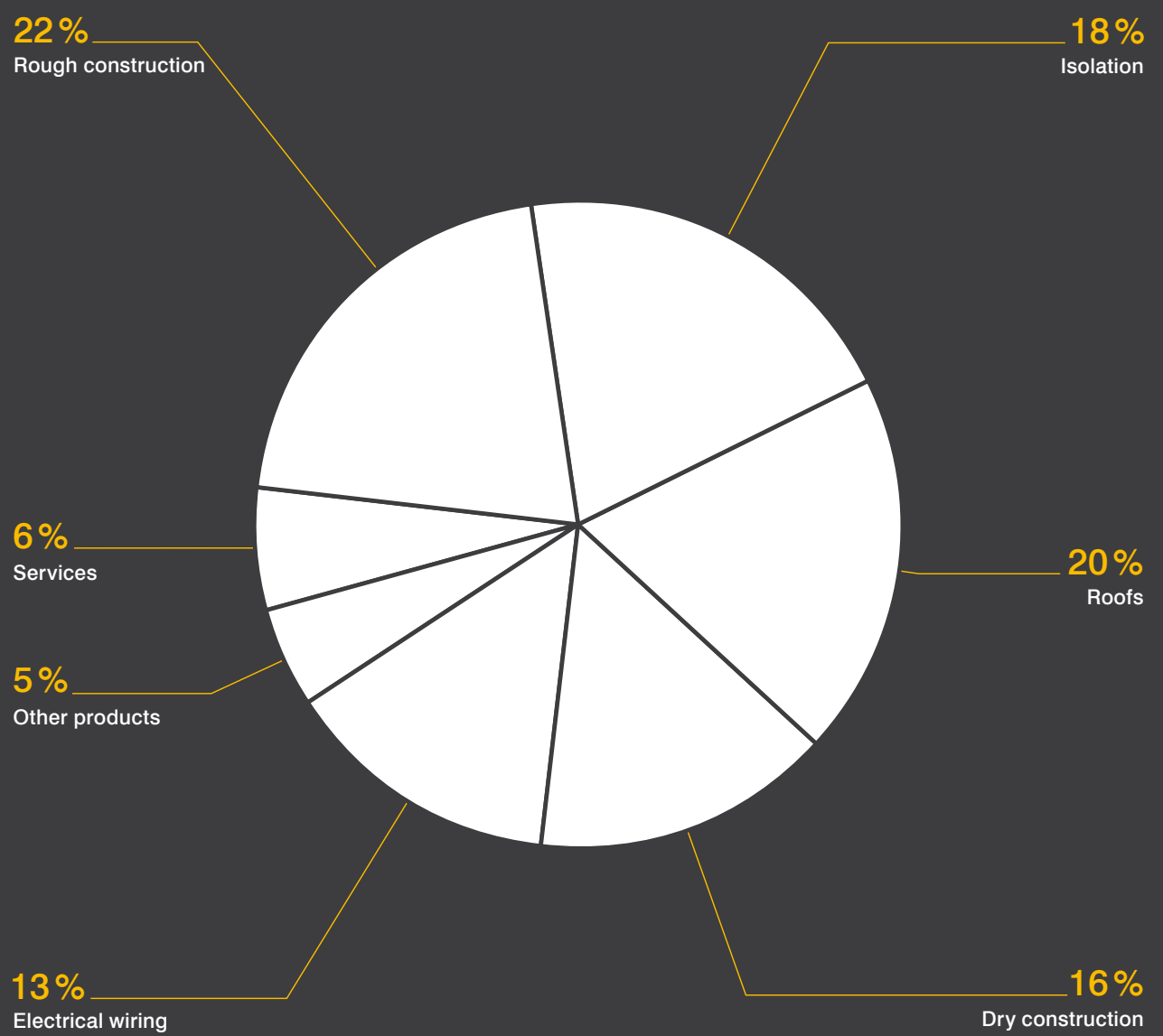
Martin Matušinec (*1978)
Stavebniny DEK a.s. Business Manager

Ing. Vladimír Panák (*1982)
ÚRS CZ a.s. Director

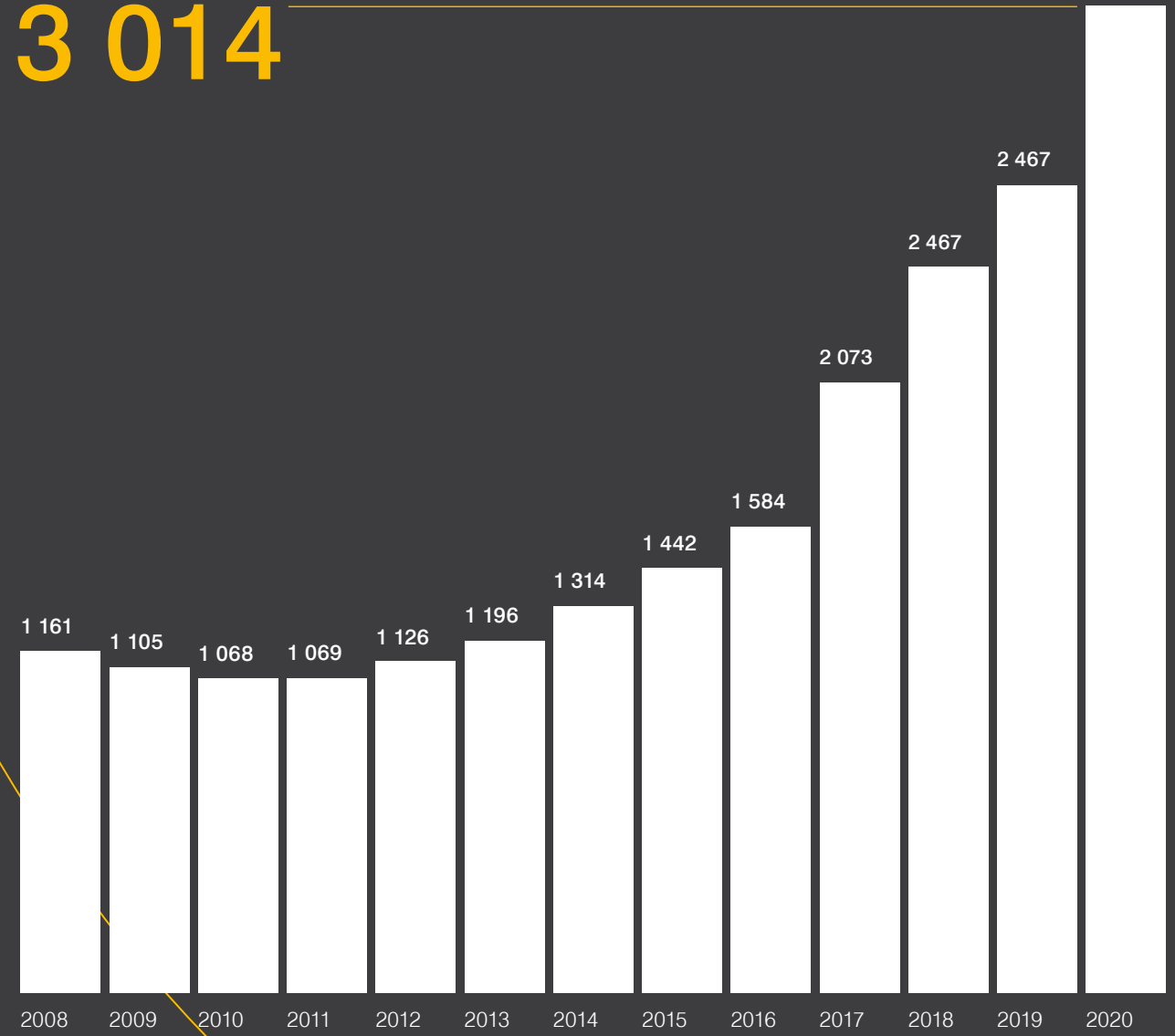
Ing. Milan Srb (*1979)
ARGOS ELEKTRO, a. s. Director

Ing. Radek Vít (*1970)
Stavebniny DEK a.s. Director

Our products



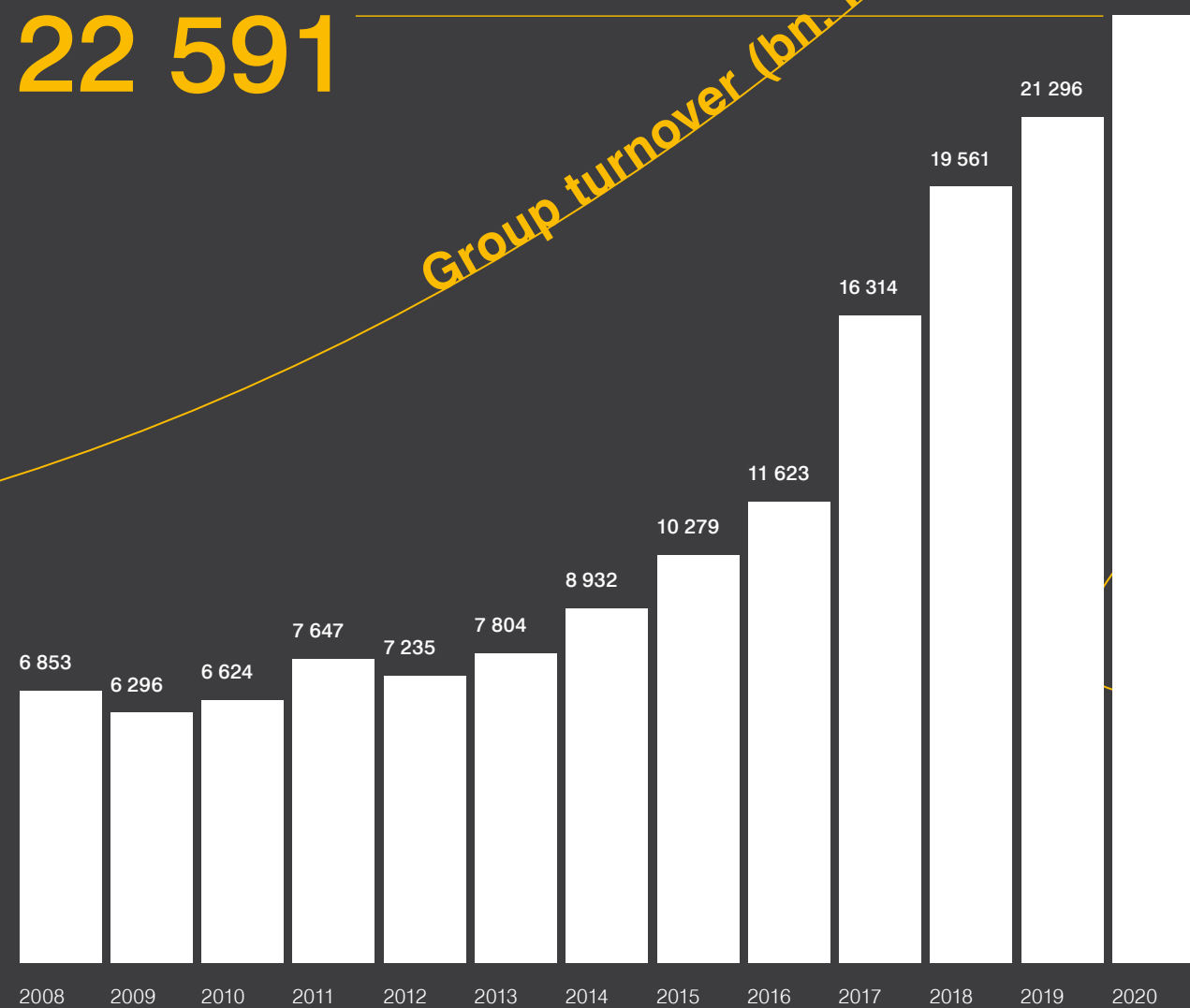
3 014



Number of employees

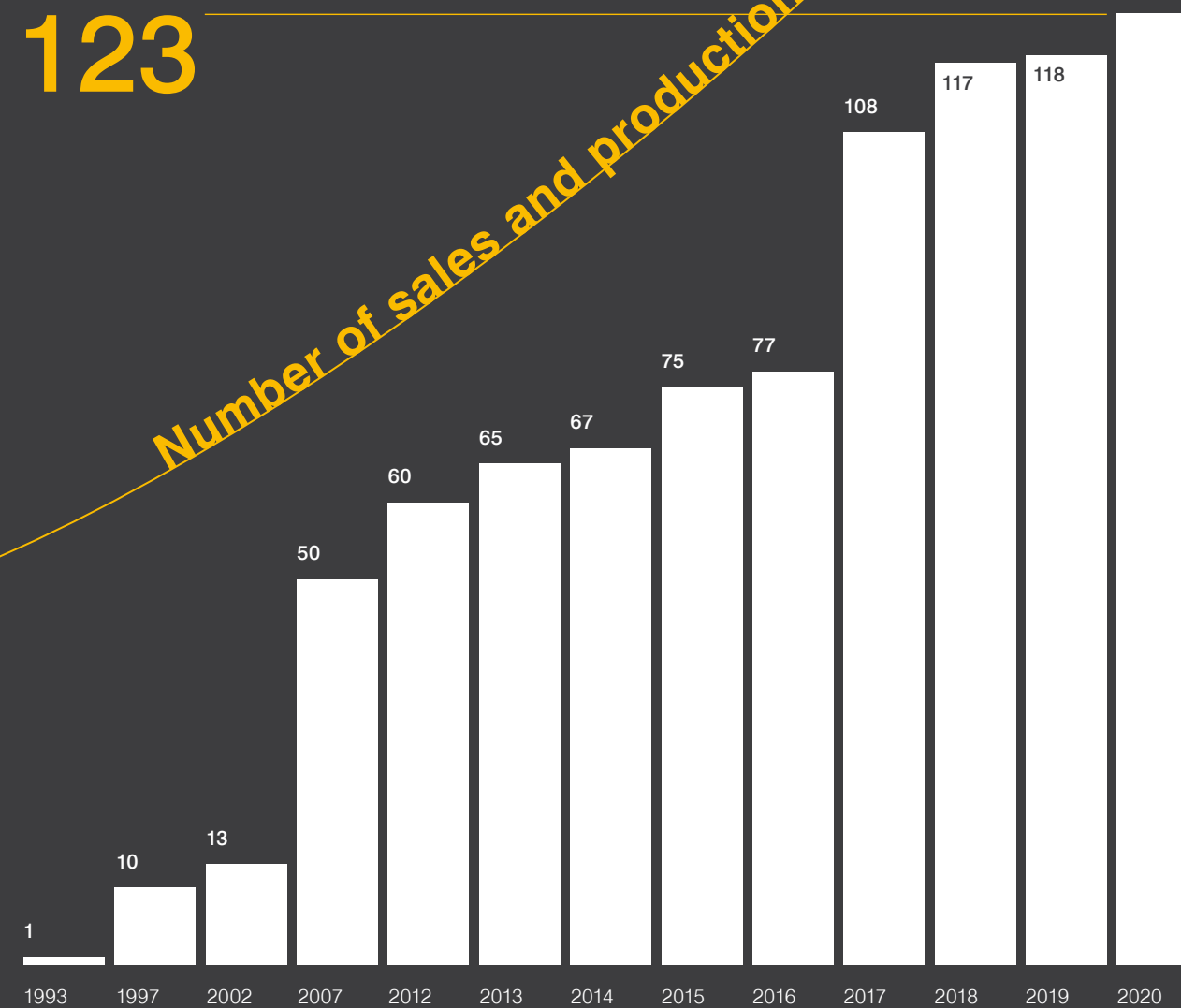
22 591

Group turnover (bn. Kč)



123

Number of sales and production sites



57

self-owned shops and production premises

1,585

mil. m² of land

Aggregate Statement of Comprehensive Income

K. Kč	2020	2019	change	change (%)
Revenue from main activities	22 591 727	21 192 757	1 398 970	6,6%
Other operational revenue	122 309	109 191	13 118	12,0%
Cost of goods sold	-17 098 394	-16 262 048	-836 346	5,1%
Consumption of materials, energy and services	-1 654 060	-1 464 498	-189 561	12,9%
Employee benefit costs	-2 095 309	-1 937 911	-157 398	8,1%
Amortisation	-435 655	-484 094	48 439	-10,0%
Other operational costs	-173 065	-176 969	3 904	-2,2%
Change in fair value of investment property	2 037 875	-261 095	2 298 970	-880,5%
Change in fair value of unit certificates	-172	346	-518	-149,7%
Profit/loss from sale of tangible and intangible fixed assets	70 881	12 355	58 526	473,7%
Profit/loss from sale of participations with controlling interest	0	707 237	-707 237	-100,0%
Profit/loss from sale of unit certificates	26	3 500	-3 474	-99,2%
Financial revenue	1 469	3 310	-1 841	-55,6%
Financial costs	-172 427	-207 626	35 200	-17,0%
Profit/loss before tax	3 195 205	1 234 454	1 960 752	158,8%
Income tax	-252 721	-93 415	-159 306	170,5%
PROFIT/LOSS FOR ACCOUNTING PERIOD	2 942 484	1 141 038	1 801 446	157,9%
Cash flow hedges	-52 191	5 806	-57 997	-998,9%
Revaluation of foreign investment to the reporting currency	14 652	-7 259	21 911	-301,8%
Items that will be transferred to the profit and loss statement in future periods	-37 539	-1 453	-36 086	2483,6%
Items that will be transferred to the profit and loss statement in future periods	-37 539	-1 453	-36 086	2483,6%
Deferred tax on items that will be transferred to the profit and loss statement in future periods	2 574	-265	2 839	-1071,3%
Other comprehensive income for the accounting period	-34 965	-1 718	-33 247	1935,2%
TOTAL COMPREHENSIVE INCOME FOR THE ACCOUNTING PERIOD	2 907 519	1 139 320	1 768 199	155,2%
EBITDA	1 693 207	1 460 521	232 687	15,9%

Note: These statements have been prepared by a simple sum of the audited consolidated figures of the DEK Group and the ALFA Group adjusted for the effects of their relationships with respect to IFRS 16 and the mutual receivables and payables of the DEK Group and the ALFA Group in the consolidated statement of financial position.

DEK Group:

- DEK a.s.
- Stavebniny DEK a.s.
- Stavebniny DEK s.r.o.
- ARGOS ELEKTRO, a.s.
- DEK stavební s.r.o.
- DEKINVEST, investiční fond s proměnným základním kapitálem, a.s.
- DEK stavební SR a.s.
- ÚRS CZ a.s.
- DEKPROJEKT s.r.o.
- G SERVIS CZ, s.r.o.
- DEKMETAL s.r.o.
- DEKWOOD s.r.o.
- Dakarai s.r.o.
- WÄRME s.r.o.
- VPS CZ s.r.o.
- DEKPROJEKT SR s.r.o.

- ATELIER DEK SR s.r.o.
- Moje-stavebniny.cz s.r.o.
- First information systems s.r.o.
- KUTNAR CORPORATION

ALFA Group:

- PODFOND DEKINVEST ALFA, podfond společnosti DEKINVEST, investiční fond s proměnným základním kapitálem, a.s.
- ABA Šumperk, společnost s ručením omezeným
- ACI Realty, s.r.o.
- Aureliano Alfa s.r.o.
- Aureliano Beta s.r.o.
- Aureliano Gama s.r.o.
- Aureliano Delta s.r.o.
- Aureliano Epsilon s.r.o.
- DEKINVEST SR a.s.

Aggregate Statement of Financial Position

K. Kč	31. 12. 2020	31. 12. 2019	change (%)
ACTIVITY	16 601 152	13 941 205	19,1%
Real estate investment	7 920 025	5 609 875	41,2%
Land, buildings and equipment	1 080 741	1 007 883	7,2%
Assets under the right of use	416 783	529 448	-21,3%
Unit certificates	0	2 257	-100,0%
Hedging derivatives with positive fair value	0	8 483	-100,0%
Goodwill	147 214	128 152	14,9%
Other intangible assets	26 782	11 935	124,4%
Equity investments	539	555	-3,0%
Stocks	2 443 427	2 037 327	19,9%
Trade receivables	3 074 213	3 091 764	-0,6%
Loans granted	5 328	0	-
Other financial assets	350 927	430 297	-18,4%
Non - financial assets	99 563	72 659	37,0%
Deferred tax asset	765 789	854 448	-10,4%
Income tax receivables	10 597	25 692	-58,8%
Cash and cash equivalents	259 225	130 429	98,7%
EQUITY AND LIABILITIES	16 601 152	13 941 205	19,1%
Basic capital	5 502 000	5 502 000	0,0%
Own shares	-275 100	-165 060	66,7%
Cash flow hedge fund	-42 799	6 818	-727,8%
Revaluation of foreign investment to the reporting currency	7 975	-6 677	-219,4%
Profit funds	1 999	1 862	7,4%
Capital funds	-5 288 659	-5 308 734	-0,4%
Undivided profit	7 138 243	4 207 653	69,6%
Equity attributable to owners of the company	7 043 659	4 237 861	66,2%
Non-controlling interests	9 436	805	1072,1%
Total equity	7 053 095	4 238 666	66,4%
Liabilities to banks	4 827 422	4 964 612	-2,8%
Debt securities issued	1 598 470	1 530 935	4,4%
Leasing liabilities	436 416	539 631	-19,1%
Loans received	0	0	-
Hedging derivatives with negative fair value	45 072	2 070	2077,1%
Obligations from business relations	903 680	1 028 432	-12,1%
Other financial liabilities	112 830	209 163	-46,1%
Non - financial liabilities	660 400	551 207	19,8%
Reserves	6 231	6 231	0,0%
Deferred tax liability	899 747	863 345	4,2%
Income tax liabilities	57 790	6 912	736,0%
Total liabilities	9 548 058	9 702 539	-1,6%

Summary