Positive financial results of Polimex Mostostal S.A. for the first half of 2020

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Polimex Mostostal Capital Group has published the financial results for the first half of 2020.

In spite of the persistent COVID-19 pandemic and the resulting challenges in the construction industry, the consolidated revenues of Polimex Mostostal Capital Group in the first half of 2020 amounted to PLN 724 million.

The EBITDA ratio of the Capital Group for the first six months of 2020 was PLN 50 million (which constitutes an EBITDA margin at the level of 6.9%) and is higher by PLN 37 million compared to the corresponding result in in 2019.

The total net income of the Capital Group for the first half of 2020 is higher by PLN 36 million compared to the corresponding result in 2019 and it constitutes 3.4% of the operating income.

Selected financial data for the first half of 2020 in million PLN

IN MLN PLN	FIRST HALF 2019	FIRST H
OPERATING INCOME	750	724

OPERATING PROFIT	**-4**	**31**
EBITDA	**13**	**50**
NET INCOME	**-12**	**24**

“The first half of the year in our industry was marked by the struggle with the consequences of the COVID-19 pandemic. Our primary goal has been to maintain the continuity of our business activity and implementation of ongoing projects. It was also a time of intensive work on the execution of existing contracts and on expanding our portfolio for the remainder of 2020, as well as for the subsequent years. Despite the unfavourable external conditions, we can boast positive financial results compared to other companies in our industry.

We are doing our best to minimize the impact of the pandemic on our work. Our Group is comprised of companies from various sectors. These companies often benefit from each other’s products or services and this does not only apply to the domestic industry. Most of our current investments were planned before the outbreak of COVID-19, so operating under the pandemic regime has been a considerable challenge” **– said Krzysztof Figat, the President of the Management Board of Polimex Mostostal S.A.**

“In the first half of the year the Capital Group generated the operating income in the amount of PLN 31 million, which is higher by PLN 35 million compared to the corresponding period in 2019. Similarly to the first quarter of 2020, the highest sales revenues were generated by Production and the Power Sector – around 66% in total.

In spite of the strong competition on the market the financial situation of the Capital Group is stable and allows for an efficient allocation of our resources. Our order portfolio at the end of June 2020 is PLN 3.8 billion and it is a source of a stable revenue for the following two financial years.

Nevertheless, we need to sustain the policy of a strict cost discipline in all our companies and ensure profitability of the acquired and implemented projects” **– added Maciej Korniluk, the Vice President of the Management Board and the CFO for Polimex Mostostal S.A.**

“In light of the persistent pandemic, our operational activity has undergone a number of changes. We have made additional investments to secure the ongoing projects. We have also taken a number of additional safety measures to minimize the spread of COVID-19 and to protect our employees.

We continue to diversify our operations and boost our activity in the infrastructure and cubature construction, both in the public and private sectors. The value of our currently offered projects is PLN 11.5 billion, of which PLN 8.3 billion is the share of our Capital Group. The COVID-19 pandemic has limited our opportunities for a dynamic growth on international markets. However, in spite of the lockdown, in the first half of 2020 almost 40% of our sales, that is PLN 276 million, was generated abroad” **– added Przemysław Janiszewski, the Vice President and the COO of Polimex Mostostal S.A.**

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