Polimex Mostostal Capital Group has once again recorded positive financial results.

11/27/2023



After three quarters of 2023, consolidated revenues of the Polimex Mostostal Group amounted to PLN 2,400 million, which is 16% lower than in the same period of 2022.

The Group's EBITDA for the first nine months of 2023 amounted to PLN 121 million, which translates into an achieved EBITDA margin of 5.0%.

The Group's total net result for January-September 2023 is PLN 54 million, which translates into a net profit margin of 2.2%.

"We present to you today the positive results of the Polimex Mostostal Capital Group. The first nine months of 2023 brought PLN 2,400 million in sales revenue and more new strategic contracts.

In line with our development plan and earlier declarations, we are diversifying our order portfolio with contracts for projects other than purely energy-related projects. We can boast two strategic new projects in the oil, chemical, gas segment that we are implementing for the Orlen Group - the first contract is the Olefiny lll Project ("K-003 package from the OSBL scope of the Olefiny plant expansion package"). The value of the work attributable to the Polimex Mostostal Capital Group is PLN 3.4 billion net, and the second is a project for a modern rapeseed oil crushing plant in Kętrzyn, Warmińsko-Mazurskie Province for Orlen Południe (the value attributable to the Polimex Mostostal Capital Group is PLN 386.2 million net and EUR 32.3 million net).

Thus, we are developing new competencies and gathering experience to offer projects of this type, not only in Poland, but also throughout Europe.

Of the power projects acquired since January 2023, we are executing a new strategic contract for the construction of an 882 MW gas-steam unit in Rybnik, worth PLN 3.05 billion net + PLN 0.76 billion net (subsequent multi-year service), including PLN 1.37 billion net for the Polimex Mostostal Capital Group for PGE Polska Grupa Energetyczna.

In the infrastructure construction segment, we began construction of the Aircraft Maintenance Base at Rzeszów-Jasionka Airport (value: PLN 214.65 million for LOT Aircraft Maintenance Services).

We continue works on projects commenced in previous years, including: We are completing the construction of a 100 Mwe and 300 MWt power unit for Grupa Azoty PUŁAWY, and have entered the final phase of construction of two gas-steam units at PGE GiEK S.A.'s Dolna Odra Power Plant Branch. We have completed the first stage of the construction of the new EC Czechnica, and the new peak load and reserve boiler plant has already been put into operation.

We are carrying out an energy project for the construction of a cogeneration source and a reserve-peak load heat source for PGE Energia Ciepła Branch CHP Plant in Bydgoszcz.

In Olsztyn, where we are currently implementing our largest infrastructure project, we are already at the finishing line. We are commencing final tests and trials. In the coming days, the first streetcar runs will take place on the streetcar line we have built.

We are working intensively to strengthen our order portfolio for the next few years, although a major challenge for the construction market as a whole is the apparent reduction in the number of new projects, which in turn increases competition and puts downward pressure on margins. The labor market and the availability of construction materials remain unstable. We also do not know what further consequences will result from the prolonged war in Ukraine.

We want to expand our portfolio with more profitable contracts for the months and years ahead, and fully utilize the potential of the companies within the Group. We have experienced project teams, production facilities at our disposal, that is, a solid base for further development and implementation of ambitious projects." **- Krzysztof Figat President of the Management Board of Polimex Mostostal S.A. said.**

"The Group's net result for Q3 2023 is PLN 64 million lower than that that for Q3 2022, representing a margin of 2.2%. The main reason for this change is the lower performance of the Production Segment (a record high in 2022) and a higher deferred tax charge. The Group's results remain under pressure from contract valorization processes due to extraordinary increases in implementation costs.

The Capital Group generated an operating profit (EBIT) of PLN 89 million after three quarters of 2023.

After three quarters of the present year, largest sales revenues were generated in the Production and Energy segments - together the two segments accounted for 72% of total revenues. Due to the diversification of the portfolio, revenue growth in the oil, gas, chemicals segment is expected in future periods.

The Capital Group's liquidity remains stable. At the end of Q3 2023, the cash balance was equal to interest-bearing debt. Net cash flow in Q3 2023. - negative level related to, among other things, implementation of strategic projects (execution of planned flows as well as with processed valorizations of contract prices.

In our results for the three quarters of 2023, we realized 25% of our revenues, or PLN 597 million, overseas. In an analogical period of 2022, the share amounted to 15%.

It is worth noting that our order portfolio as of the end of September 2023 is twice as large as it was in September 2022, at PLN 8.0 billion, which provides us with a stable level of revenue in the coming years.

We are working to further increase our portfolio of profitable orders. Despite the difficult market environment, we have achieved good financial results for Polimex Mostostal thanks to the effective management of the company, the professionalism and commitment of our employees, and the cost control we maintain." **- Maciej Korniluk, vice president of the management board of Polimex Mostostal S.A. added.**

Do pobrania
Download Presentation of Polimex Mostostal Capital Group's Financial Results for Q3 FY 2023 (6.69 MB)
PDF