Polimex Mostostal S.A. presented its results for 1H 2024

08/29/2024



Polimex Mostostal Capital Group has published its financial results for the first six months of 2024. Polimex Mostostal Capital Group companies generated operating revenue of PLN 1,380 million in the first half of 2024.

The Group's EBITDA for 1H 2024 is PLN -7 million (-0.5%), down by PLN 93 million compared to the result for 1H 2023 (mainly due to lower EBITDA generated in the Power and Production Segment).

The results for the first six months of 2024 continue to be impacted by the effects of the war in Ukraine, which are most evident in the changes in prices and delivery dates of the largest contracts.

Selected financial data for 1H 2024 in PLN million

in PLN million	1H 2023	1H 2024
OPERATING REVENUE	1654	**1380**
OPERATING PROFIT	64	**-29**
EBITDA	86	**-7**

NET RESULT	34	**-29**

“We are consistently meeting the targets we have set ourselves for the period ahead. We are focusing on the completion and commissioning of energy contracts in Puławy, the “Dolna Odra” and “Czechnica” projects, which are nearly ready , and the implementation of our new strategic projects, i.e. the largest contract in the Company's history, Olefins III, the project to build an 882 MW combined cycle gas and steam unit in Rybnik and the construction of a rapeseed oil compressor station in Kętrzyn for Orlen Południe S.A.

In August, we commissioned the newly built 700 MWe Combined Cycle Gas and Steam Unit No. 9 at PGE GiEK S.A., Dolna Odra Power Plant Complex Branch. The new priorities include the first offshore project of this scale, the construction of the onshore infrastructure necessary for the supply of electricity from the Baltica 2 project – one of the two stages of the Baltica offshore wind farm, the value of which attributable to our Group is PLN 849.0 million net.

With ambitious, high-profile goals in mind, we are working hard to expand our order book, both domestic and foreign, across all of the Group companies' areas of expertise. Our current order book for the year is almost double the size of that a year ago, amounting to PLN 8.1 billion at the end of June 2024 (in 1H 2023 it was PLN 4.7 billion).

The Production and Energy Segments accounted for the lion's share of the Group's revenue in the first half of 2024, with the two segments together representing 61% of total revenue.

Operating profit decreased by 145% compared to the result for the corresponding period of 2023.

The value of the largest contracts signed by Group companies since January 2024 is more than PLN 1.2 billion.

As a reminder, we passed the selection process of the American giant, Westinghouse, and Mostostal Siedlce, a company from the Polimex Mostostal Capital Group, was selected as one of the potential contractors for the construction of Poland’s first nuclear power plant.

We are expanding development competences in the energy segment as investor/general contractor for photovoltaic and small cogeneration projects. We established a joint venture with the Czech company TEDOM a.s. - Polimex Energo

sp. z o.o., operating in the field of energy outsourcing in the production and sale of heat, cold air and electricity from high-efficiency cogeneration fuelled by natural gas, LPG, LNG, biogas or mine gas.

The most profitable segment in terms of EBITDA margin for the first half of 2024 is the Oil, Chemicals and Gas Segment (9%), which at the same time has the largest share in the Book of Contracts (48%) executed after 31/12/2023 (contracts already signed).

Revenue from foreign sales account for 25% of the total value of revenue of the Polimex Mostostal Capital Group (PLN 340 million). In 1H 2023, this constituted 22%.

The Group's financial position and liquidity remain stable. We maintain a negative level of net debt – at the end of 1H 2024, the cash balance exceeded interest-bearing debt by PLN 222 million.

There is a lot of work and new challenges ahead. We review the business segments of the Group companies. We are reviewing the adopted development plan and preparing modifications to the strategy for the following years.

Our Company's greatest asset is its diversified and broad range of products, which, combined with our flexible approach to Clients, helps us to continue operating at full capacity. This does not change the fact that we maintain cost discipline and ensure keeping the highest possible business efficiency and profitability of the contracts we execute." **– says Jakub Stypuła, acting President of the Management Board of Polimex Mostostal S.A.**

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