



Presentation of
Polimex Mostostal Capital Group's
Financial Results I Q 2018



14 May 2018



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Selected financial data for Q1 2018 in PLN million

Polimex Mostostal Capital Group

in PLN million	I Q 2017	I Q 2018
OPERATING REVENUE	545	348
OPERATING PROFIT	27	5
EBITDA	33	11
GROSS PROFIT	22	-2
NET PROFIT	16	-1

COMMENT

- Operating revenues of the Polimex Mostostal Capital Group ("Capital Group") in the first quarter of 2018 amounted to PLN 348 million and were lower by PLN 197 million compared to the corresponding period in 2017. The downward trend in operating revenues results mainly from the successive settlement of strategic contracts executed by Capital Group (Project Opole, Koźienice Project - completed in December 2017)
- EBITDA of the Capital Group in Q1 2018 amounted to PLN 11 million and is lower by PLN 22 million as compared to a similar period in the previous year. The key factor affecting the difference is the lower operating income related to the successive settlement of the Opole Project (Koźienice Project is settled in 2017 with a zero margin).

Selected financial data for Q1 2018 in PLN million

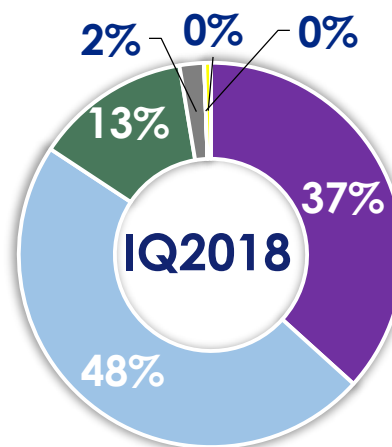
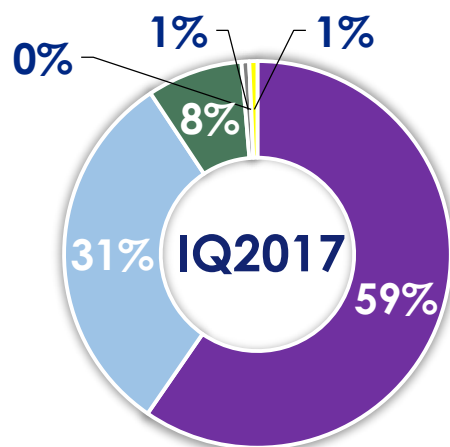
„Polimex-Mostostal” SA

in PLN million	I Q 2017	I Q 2018
OPERATING REVENUE	295	96
OPERATING PROFIT	-4	-1
EBITDA	-2	0
GROSS PROFIT	24	10
NET PROFIT	20	9

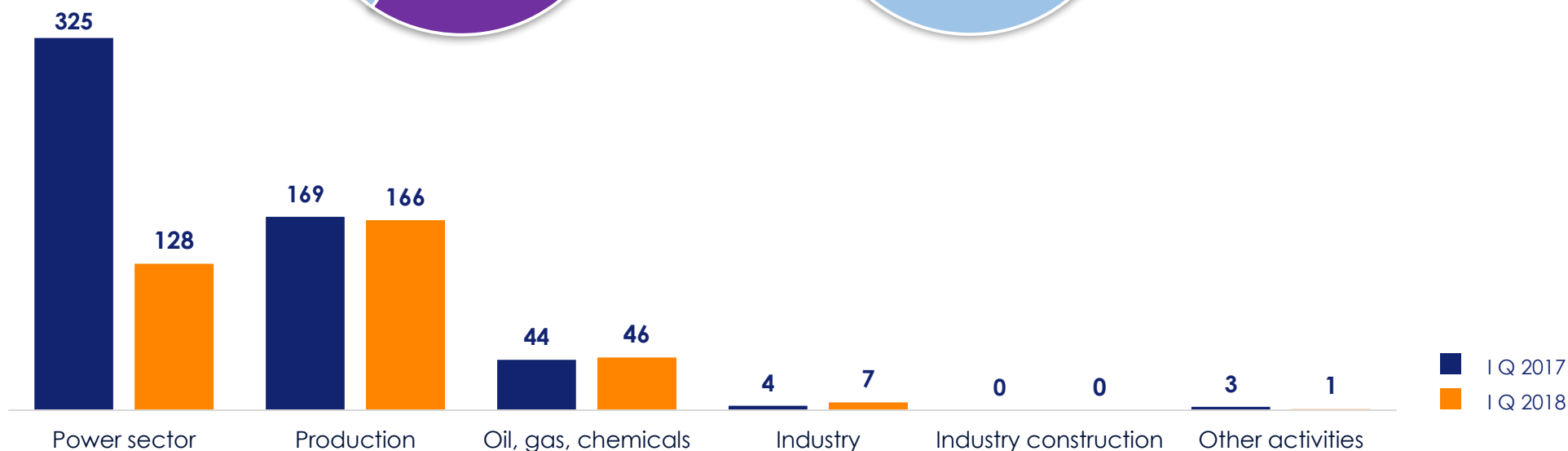
COMMENT

- Operating revenues of the Polimex Mostostal Capital Group ("Capital Group") in the first quarter of 2018 amounted to PLN 348 million and were lower by PLN 199 million compared to the corresponding period in 2017. The downward trend in operating revenues results mainly from the successive settlement of strategic contracts implemented by Capital Group (Opole Project, Koźienice Project - completed in December 2017)
- EBITDA of the Capital Group in Q1 2018 amounted to PLN 0 million and is lower by PLN 2 million as compared to a similar period in the previous year.

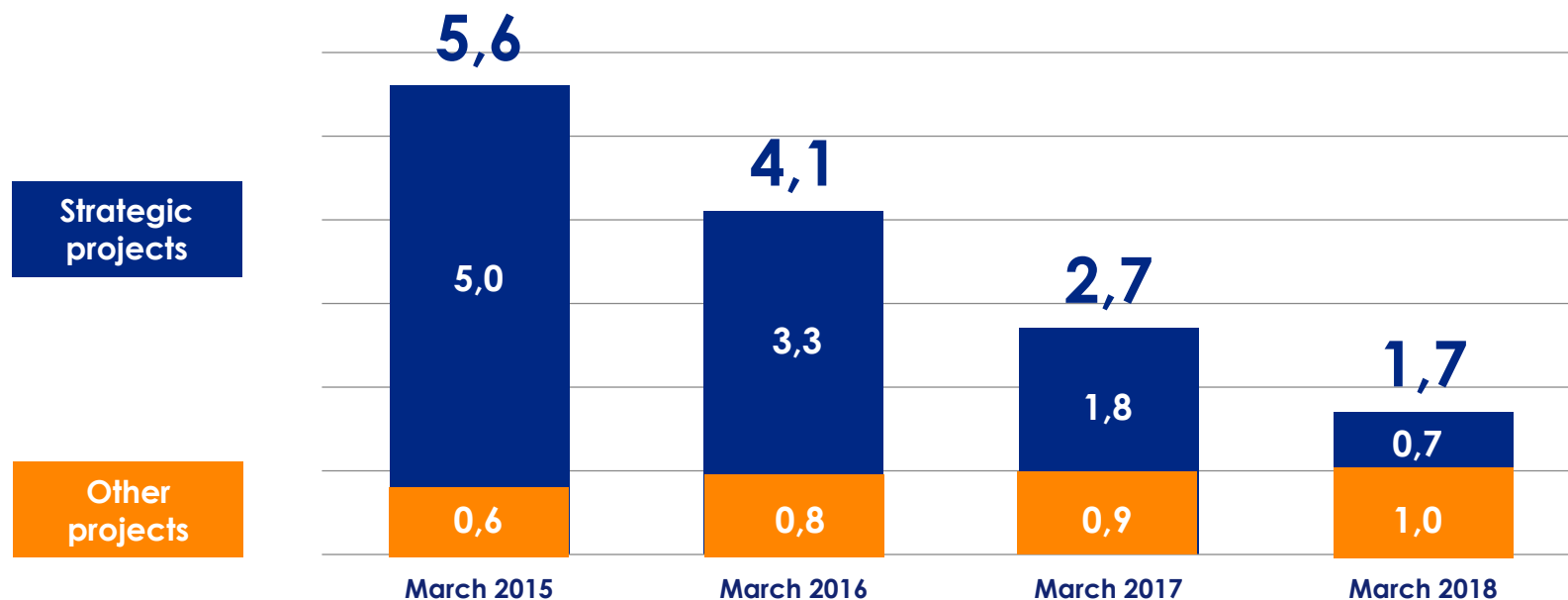
Polimex Mostostal Capital Group's revenues in Q1 2018 (in million PLN)



- POWER SECTOR
- PRODUCTION
- OIL, GAS, CHEMICALS
- INDUSTRY
- INDUSTRIAL CONSTRUCTION
- OTHER ACTIVITIES



Polimex Mostostal Capital Group's order portfolio (in billion PLN)



The order portfolio as of the end of March 2018 r. (in million PLN)

Power sector*	Oil, gas, chemicals	Production	Others
1 304	169	174	25

* Includes strategic projects

- Reorganization and standardization of the offer creation process in the Capital Group.
- Acquiring new projects for the Capital Group using the potential of the Group's companies, including the contract "Execution of 4x32.000 m³ tanks at Fuel Base No. 1 in Koluszki and Fuel Depot No. 2 in Nowa Wieś Wielka" (Remuneration for implementation PLN 65,000.00).
- Change of the management model in segment companies.
- Implementation of a new concept for project management.
- Obtaining full access to funds derived from remuneration for the execution of works at Kozienice Power Plant, which are hitherto measures with limited access.
- Continuation of the process of increasing the use of guarantee capacity in banks and insurance companies.

Polimex Mostostal Capital Group's goals achieved for 2018

- **Implementation of the initiatives of the Polimex Mostostal Capital Group's Development Plan.**
- **Continuation of the operationalization stage of the Polimex Mostostal Capital Group's Development Plan.**
- **Building the Company's value through the acquisition and implementation of high-margin projects (oil, chemical and gas, power, manufacturing and industrial construction sectors).**
- **Acquisition of projects for the Group, especially in the EPC formula.**
- **Group's order portfolio diversification – further increase in the value of non-strategic projects in the revenue structure.**
- **Expansion of the Group's activities in foreign markets.**
- **MoU with the General Directorate for National Roads and Motorways.**
- **Implementation of the Opole and Żerań projects in accordance with the current schedule.**

Szczegółowe dane finansowe za I Q 2018 r. w mln PLN

Polimex Mostostal Capital Group

in PLN million	I Q 2017	I Q 2018
OPERATING REVENUE	544,6	348,3
OWN SALES COSTS	-495,8	-319,4
GROSS SALES PROFITS	48,8	28,9
SALES COSTS	-5,9	-6,9
GENERAL MANAGEMENT COSTS	-16,0	-18,1
OTHER OPERATING REVENUES	1,2	3,9
OTHER OPERATING COSTS	-1,3	-3,0
OPERATING RESULTS	26,8	4,8
FINANCIAL REVENUES	7,1	3,8
FINANCIAL COSTS	-10,9	-10,3
SHARE IN THE PROFIT OF AN AFFILIATE	-0,6	0,1
GROSS RESULTS	22,4	-1,6
INCOME TAX	-6,0	0,6
NET PROFIT	16,4	-1,0
EBITDA	33,2	11,5

Szczegółowe dane finansowe za I Q 2018 r. w mln PLN

„Polimex-Mostostal” SA

in PLN million	I Q 2017	I Q 2018
OPERATING REVENUE	295,1	95,6
OWN SALES COSTS	-291,3	-90,6
GROSS SALES PROFITS	3,8	5,0
SALES COSTS	-0,4	0,0
GENERAL MANAGEMENT COSTS	-7,2	-8,9
OTHER OPERATING REVENUES	0,9	3,1
OTHER OPERATING COSTS	-0,9	-0,3
OPERATING RESULTS	-3,8	-1,1
FINANCIAL REVENUES	34,0	19,5
FINANCIAL COSTS	-5,9	-8,5
GROSS RESULTS	24,3	9,9
INCOME TAX	-4,6	-1,4
NET PROFIT	19,7	8,5
EBITDA	-1,7	-0,4

Polimex Mostostal Capital Group's structure



Polimex Mostostal Capital Group consists of companies with the following profiles: manufacturing, services in the oil, chemical and gas; energy sector; industrial construction and manufacturing.



„As the largest construction company with Polish capital we are here to pursue strategic industrial construction projects important for the Polish economy, using the latest technology, while maintaining the highest standards of quality and respect for the environment.”

***Krzysztof Figat
President of „Polimex-Mostostal” S.A.’s
Management Board***



Polimex Mostostal Capital Group's strategic projects



Kozienice project for CG ENEA



Project
completed



Opole project for GK PGE



PGE Górnictwo i Energetyka
Konwencjonalna SA



Żerań project for GK PGNiG

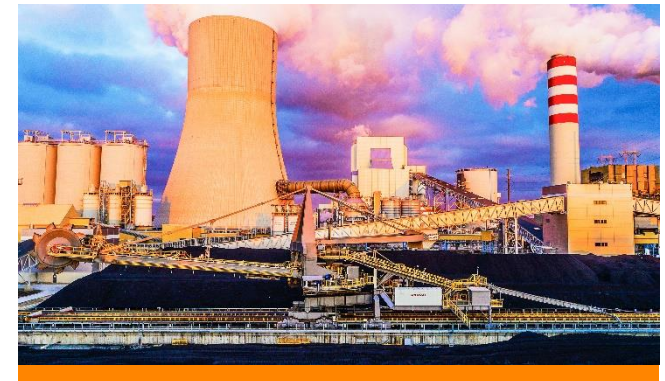


Strategic projects- Unit 11 in the Koźienice power plant

On 19 December 2017 Unit 11 in the Koźienice power plant - one of the most important investment projects on the Polish energy market has taken place. The project, implemented in the EPC-formula (Engineering, Procurement, Construction) by Polimex-Mostostal, involved the construction of a new 1,075 MW coal-powered unit, operating on supercritical steam parameters, at Enea's power plant in Koźienice. This is the largest and the most modern facility of this type in Europe. The value of the contract is PLN 5.1 billion gross, with 42.6% Polimex-Mostostal share..

The main scope of Polimex Mostostal works includes:

- civil works including general construction works of all building structures
- cooling water system including a cooling tower, a water treatment station, raw water pumping station,
- coal handling, ash removal, slag removal, oil management systems, along with rail track network,
- 110 KV and 400 KV power transmission system, LV electrical part, I&C for the above-mentioned process systems and structures,
- assembly of boiler house and turbine hall process equipment, with the exception of turbogenerator



Strategic projects- Units 5 and 6 in the Opole power plant

Polimex-Mostostal is carrying out construction works on two new 900MW units in the Opole power plant.

The value of the contract is PLN 11.5 billion gross, with 42% Polimex-Mostostal share. This is the largest and most critical investment in the history of the Polish energy sector.

Gross power of each of the units is 900 MWe

The main scope of Polimex Mostostal works includes:

- complete turbine Islands,
- the two cooling towers along with cooling-water system
- electrical installations, including I&C,
- rail track network,
- internal roads within the plant.



Strategic projects - CCGT at EC Żerań

Construction of a gas and steam unit for the Żerań heat and power plant that belongs to PGNiG TERMIKA is a strategic energy industry investment for the Warsaw metropolitan area. This will be the second-largest gas and steam unit in Poland.

Electrical power output of approximately 497 MWe net

Thermal power output of approximately 326 MWt

The main scope of Polimex Mostostal works includes:

- basic engineering and Detail engineering – PxM's scope/Civil part,
- erection and supplies:
- GT and generator erection,
- HRSG erection,
- transformer station assembly,
- BOP equipment and system erection/installation,
- HP/HT piping erection,
- carrying out all civil/construction works (in PxM's scope),
- preparing and managing construction site,
- BOP equipment and system erection/installation.





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