



# POLIMEX MOSTOSTAL CAPITAL GROUP



MAY 2019

The company carries out specialized investments in Poland and abroad for the energy, petrochemical, gas and environmental protection industries.

It is a producer and an exporter of steel structures and platform gratings. It also provides services in the galvanizing and painting of steel structures.



- **MARKET LEADER IN CONSTRUCTION**
- **74 YEARS OF MARKET PRESENCE**
- **5 CONTINENTS**
- **5 000 EMPLOYEES**
- **OVER 70 COUNTRIES**
- **700 EPC REFERENCES**
- **STRATEGIC CONSTRUCTION UNITS**





# Segments of Polimex Mostostal Capital Group

Polimex Mostostal Capital Group consists of production and service companies operating in the following key sectors:



## POWER SECTOR AND SERVICE



## OIL, GAS AND CHEMICALS



## PRODUCTION



## INDUSTRIAL CONSTRUCTION



## INFRASTRUCTURE



## SUPPORT



# International Projects

## LIBYA

Azzawiya Oil Terminal  
Arabian Cement Company and Libyan Cement Company  
Arabian Gulf Oil Company  
Cement Plant in Martuba, in cooperation with Mitsubishi, Japan  
Azzawiya Oil Refinery Company  
Tajoura Tyre Factory  
Abu Kammash Chemical Complex

## EGYPT

Egyptian National Railways - El Manashi/Etay El Baroud  
Three oil pumping stations for Costain Group  
Cement Plant in El Tabbîn for Ferrostaal GmbH  
Installation of cement block factories in El Tabbîn, Asyut and El-Gharbany for Claudius Peters AG  
Tourah Cement Plant

## IRAQ

Cellular concrete plants in Baghdad, Kerbala and Basra  
Silicate brick production plant in Mosul and Basra  
Construction of a pumping station in Ramadi, Abu Taiban, Al-Suwaira, Badra and Jassan  
Assembly of a phosphate fertilizer plant in Al-Qa'im for Sybeta, Belgium  
LPG Installation at Zubair Refinery for Technip, France

## KUWAIT

Construction of 16 fuel and water tanks for Sabiya Power Plant

## JORDAN

Fuel base with the air fuel distribution system at Amman Airport

## SOUTH AFRICA

Refinery at Mossel Bay in cooperation with Babcock, South Africa

## RUSSIA

Shopping Centre in Moscow

## SEWAGE TREATMENT PLANTS

Czech Republic: Varnsdorf, Jablonec nad Jizerou, Ústí nad Orlicí, Lovosice  
Greece: Katerini  
Libya: Ras Lanuf



## BELGIUM

- Repair of the tanks for Total Refinery Antwerp
- ARDS LOT 2B Train 1 installation overhaul for Total Refinery Antwerp within the OPTARA project

## GERMANY

- Erection of cooling towers in Ruhrkühlturm Engineering GmbH
- Prefabrication of steel structures for Tratec Agdermaskin AS
- Expansion of the filter, prefabrication and installation of steam collectors for Orion Engineered Carbons
- Prefabrication of steel structures for Manuli

## ITALY

- Prefabrication of steel structures for GRU Comedi

# Strategic Projects of Polimex Mostostal Capital Group



Project Koźlenice for GK ENEA



Project Opole for GK PGE



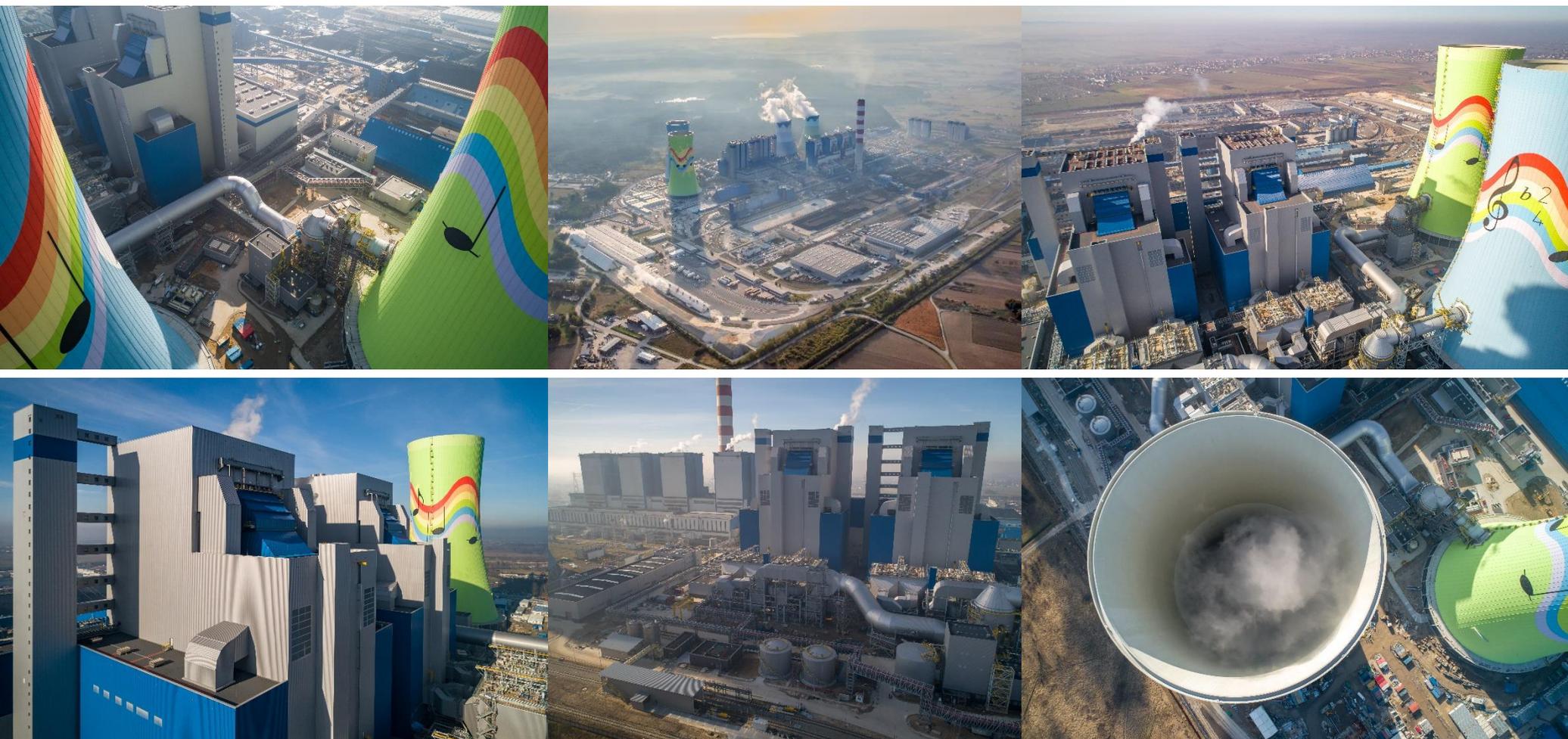
Project Żerań for GK PGNiG



# Strategic Projects: Kozenice Power Plant, Unit 11



# Strategic Projects: Opole Power Plant Unit, 5 and 6



# Strategic Projects - Steam and Gas Unit in EC Żerań



# Fields of Activity: Oil, Gas and Chemicals

We operate in a wide variety of industries, ranging from refinery, petrochemical, chemical, energy and coke oven. We specialize in the construction and modernization of production facilities and installations for the following:

- chemical plants
- kerosene refineries
- biodiesel and bioethanol plants
- liquid fuels storage facilities
- gas terminals



**OIL, GAS  
AND CHEMICALS**

**Naftoremont-Naftobudowa Sp. z o.o.**





Construction of CDU/VDU installations  
Lotos Group Refinery in Gdańsk



Neste BTT Botlek Tank Terminal



Biodiesel Installation  
for Porvoo, Finland

# Fields of Activity: Production



Mostostal Siedlce is one of the leading European manufacturers of steel structures.

Mostostal Siedlce specializes in the production of steel structures and platform gratings, it also provides services in the corrosion protection of steel structures, particularly using hot-dip galvanization.

In addition, the company has an established market presence in the area of selling pallets for transportation and storage of gas cylinders, pallets for building materials, various types of containers, stands, frames and other small constructions.

The company continuously invests to expand its production capacity and to apply innovative solutions with a goal to increase efficiency and improve safety measures at Mostostal Siedlce. In 2017 the company introduced a robotic total station for welding the stair treads from platform gratings.



**PRODUCTION**

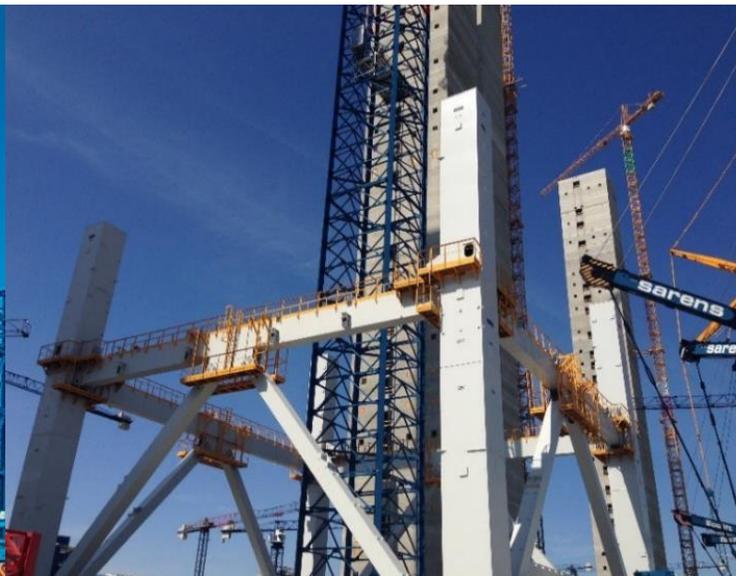
**Mostostal Siedlce  
Sp. z o.o. Sp. k.**



# Key Entities of Polimex Mostostal Capital Group Mostostal Siedlce Sp. z o.o. Sp. k.



Power plants,  
petrochemical industry



Truss structures, frames, poles



Public facilities



# Fields of Activity: Industrial and General Construction

Polimex Budownictwo offers comprehensive services in the industrial and general construction sector in the capacity of a General Contractor (GW). The company's offer is based on two main pillars:

## Industrial construction

- production plants
- warehouse halls and logistics centres
- sewage treatment plants and other environmental protection facilities

## General construction

- office buildings, shopping centres and multiplexes
- sports and entertainment halls and educational and sports facilities
- state administration objects
- sports stadiums
- power plants, CHP plants and heating plants
- DER systems and environmental protection



**INDUSTRIAL  
CONSTRUCTION**



# Key Entities of Polimex Mostostal Capital Group



# Fields of Activity: Infrastructure

Among the major assets of Polimex Infrastruktura are our subject matter experts with their unparalleled knowledge and solid experience in the infrastructure industry.

We offer services in the comprehensive implementation of organizationally and technically challenging, highly-complex projects in the following areas:

- design and construction of road, bridge and railway infrastructure
- construction of hydrotechnical infrastructure
- supervision of the works and contract management (Consultant, Substitute Investor/Project Manager)



**INFRASTRUCTURE**



Key Entities of Polimex Mostostal Capital Group  
Polimex Infrastruktura Sp. z o.o.



A4 highway section Wielicka-Szarów



A1 highway section Sośnica-Maciejów



A2 highway section Stryków-Konotopa



## Klienci



## Partnerzy



# International Markets – Our Clients



**NESTE OIL**



**Ruhrkühlturm**



# International Markets – Our Partners



Designing Energy



All subcontractors' employees working on Polimex Mostostal construction sites undergo mandatory training in internal OHS procedures and are obliged to comply with them. During performance of each contract, the subcontractors are often subjected to inspection and audits.

„Polimex-Mostostal” S.A. is a signatory of the Association for Safety in the Construction Industry whose mission is to improve safety conditions on the construction sites. The primary objective of the association's activity is to eliminate fatal accidents in the construction industry



**Porozumienie**  
dla Bezpieczeństwa  
w Budownictwie



# Polimex-Mostostal - Safety Leader in 2019

This year the jury of „Infrastructure and Construction Diamonds” has granted an award to Polimex-Mostostal SA in the „Safety Leader” category.

The title of the Safety Leader indicates that the whole Polimex Mostostal Capital Group has been recognized as a solid employer committed to maintaining safe working conditions and a healthy workplace environment. We are a company that skilfully combines corporate social responsibility with workplace safety and reliable partnership in business.



- Construction of a coal-fired power unit with the capacity of 100 MW in Zakłady Azotowe Puławy (contract value: PLN 1,116 billion), **Client: Grupa Azoty Puławy\*\* (Poland)**
- Construction of the oil terminal in Gdańsk, 2nd stage (contract value: PLN 228,8 mln), **Client: PERN (Poland)**
- Contract for the prefabrication and construction of a dust removal installation in Duisburg (contract value: PLN 41,8 mln), **Client: Hamon Duisburg (Germany)**
- Contract for the service of paper machines (contract value: PLN 33,6 mln), **Client: Stora Enso (Poland)**
- SCR installation of the WP 200 boiler no K16 in Siekierki CHP Plant (contract value: PLN 32,63 mln), **Client: PGNiG TERMIKA S.A. (Poland)**
- Renovation works - TA2020 Gunvor (estimated contracts value: PLN 27,96 mln), **Client: Gunvor (the Netherlands)**
- Renovation works (contracts value: PLN 19,2 mln), **Client: PKN Orlen (Poland)**
- Prefabrication and assembly of pipelines, RT3 and TA2020 (contract value: PLN 18,27 mln), **Client: Neste Porvo (Finland)**
- Contract for the industrial service in a solid waste treatment plant (contract value: PLN 7,47 mln), **Client: Municipal Waste Management, the city of Warsaw (Poland)**
- Contract for the renovation of steam and water boilers in Wrocław CHP Plant: K3: general overhaul, K2: medium refurbishment, KW5: medium refurbishment (contract value: PLN 3,09 mln), **Client: Zespół Elektrowni KOGENERACJA S.A. (Poland)**
- Delivery of steel structures for 2 boilers in Hooton (contract value: PLN 3,57 mln), **Client: Leroux & Lotz Poland (the United Kingdom)**
- Contract for the renovation of boiler K-11 in Siekierki CHP Plant (contract value: PLN 2,99 mln), **Client: PGNiG TERMIKA S.A. (Poland)**
- Medium refurbishment of boiler no 8 and its components: fire burners, flue gas and air ducts, air fans, flue gas fans and the slag trap (contract value: PLN 2,11 mln) **Client: PGE Energia Ciepła S.A., branch in Rybnik (Poland)**

\*the values provided are net values

\*\* initial selection of Polimex-Mostostal for the project implementation



SELECTED FINANCIAL DATA FOR IQ 2019

# Selected Financial Data for IQ 2019 in MLN PLN

## Polimex Mostostal Capital Group

in mln PLN	IQ 2018	IQ 2019
OPERATING INCOME	348	353
OPERATING PROFIT	4	-12
EBITDA	10	-3
GROSS INCOME	-2	-18
NET INCOME	-1	-18



### NOTES

- The operating income of Polimex Mostostal Capital Group (the „Capital Group“) for Q1 2019 amounts to PLN 353 mln and is higher by PLN 5 mln compared to the corresponding result from Q1 2018. The upward trend is primarily due to the revenue increase in the Power Sector, with the major contribution from the Żerań contract.
- The Group's EBITDA in Q1 2019 is minus PLN 3 mln and is lower by PLN 13 mln compared to the corresponding result from last year. This result is mainly due to the recognition of the additional cost reserve in the Opole project.



# Selected Financial Data for IQ 2019 in MLN PLN

## Polimex-Mostostal S.A.

in mln PLN	IQ 2018	IQ 2019
OPERATING INCOME	96	114
OPERATING PROFIT	-2	2
EBITDA	-1	4
GROSS INCOME	10	-14
NET INCOME	9	-12



### NOTES

- The operating income of Polimex-Mostostal S.A. (the „Company“) for Q1 2019 is PLN 114 mln, which is higher by PLN 18 mln compared to the corresponding income for the previous year. The upward trend is mainly due to the higher revenue performance of the Żerań contract (increase by PLN 21 mln).
- The Company's EBITDA in Q1 2019 amounts to PLN 4 mln and is higher by approximately PLN 5 mln compared to the corresponding result from Q1 2018. This is primarily due to the positive profit margins (the operating profit) in the current period.



# Segments of the Capital Group in IQ of 2019 (in MLN PLN)

in mln PLN	Power*	Production	Oil, Gas, Chemicals	Industrial Construction	Infrastructure Construction	Other Activities	Exclusions	Total
SALES TO EXTERNAL CUSTOMERS EXCLUDING SALES REVENUE BETWEEN THE SECTORS	140	169	36	5	0	3		353
TOTAL INCOME PER SECTOR INCLUDING SALES REVENUE BETWEEN THE SECTORS	140	171	36	20	0	14	-28	353
BALANCE ON INCOME AND FINANCIAL COSTS	-13	7	-3	5	-1	-7		-12
SALDO PRZYCHODÓW I KOSZTÓW FINANSOWYCH	-1	-4	0	0	0	-1		-6
GROSS INCOME PER SECTOR	-13	3	-3	5	-1	-9		-18
EBITDA	-12	12	-3	5	-1	-4		-3
SALES REVENUE - POLAND	140	90	20	20	0	12	-28	254
SALES REVENUE - ABROAD	0	81	16	0	0	2	0	99

The income from transactions between the segments has been excluded.

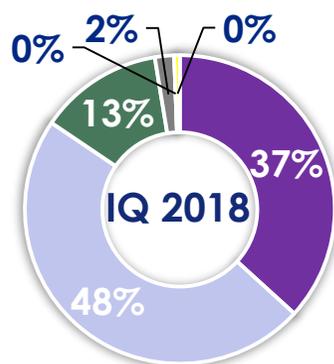
\*/ The loss in the operational activity in the Power Sector includes the loss share of the associated entity in the amount of PLN 201,000.

## NOTES

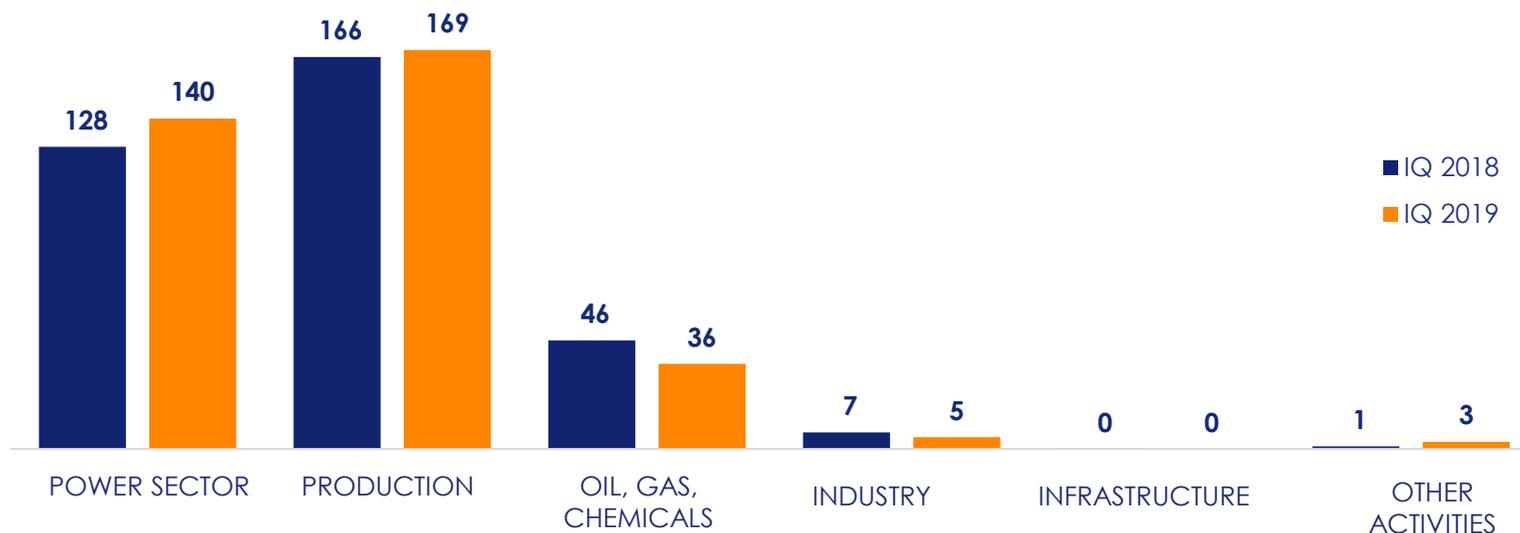
- The highest sales revenues were generated by Production and the Power Sector – approximately 88% in total.
- The best financial results in IQ 2019 were earned by Production and Industrial Construction.

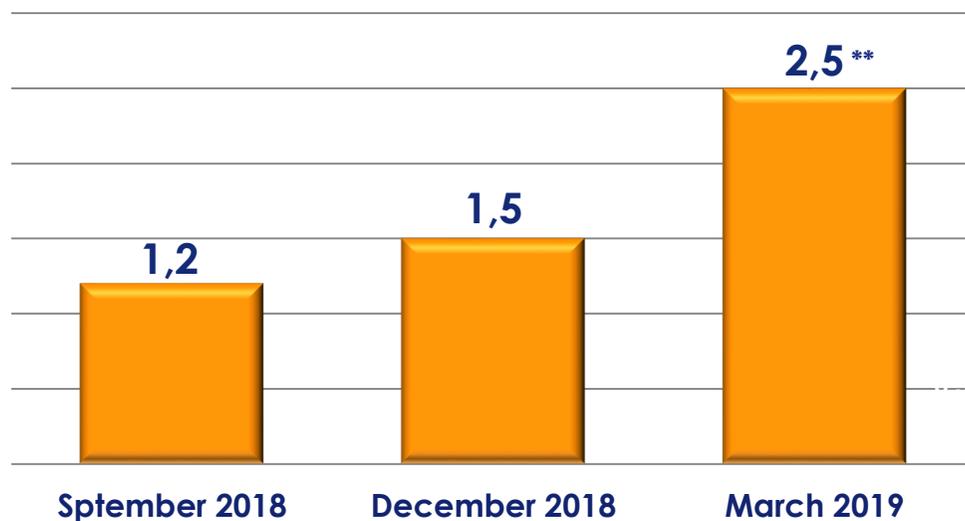


# Polimex Mostostal Capital Group Revenues IQ of 2019 (in million PLN)



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





Order book as of the end of March 2019 (in mln PLN)

Power sector\* / \*\*

1 911

Oil, Gas and Chemicals

346

Production

188

Others

13

\* Including strategic projects

\*\* including (contract ZA Putawy (1,16 billion PLN)





# Detailed Financial Data for IQ 2019 in MLN PLN

## Polimex Mostostal Capital Group

In mln PLN	IQ 2018 r.	IQ 2019 r.
<b>OPERATING REVENUE</b>	<b>348,3</b>	<b>352,9</b>
OWN SALES COSTS	-321,7	-341,2
<b>GROSS SALES PROFITS</b>	<b>26,6</b>	<b>11,7</b>
SALES COSTS	-6,9	-5,5
GENERAL MANAGEMENT COSTS	-18,1	-18,6
PROFITS	0,9	-2,3
OTHER OPERATING REVENUES	3,7	4,6
OTHER OPERATING COSTS	-2,7	-1,4
<b>OPERATING RESULTS</b>	<b>3,5</b>	<b>-11,5</b>
FINANCIAL REVENUES	3,9	1,6
FINANCIAL COSTS	-9,1	-7,9
SHARE IN THE PROFIT OF AN AFFILIATE	0,1	-0,2
<b>GROSS RESULTS</b>	<b>-1,6</b>	<b>-18,0</b>
INCOME TAX	0,6	0,1
<b>NET RESULTS</b>	<b>-1,0</b>	<b>-17,9</b>
<b>EBITDA</b>	<b>10,2</b>	<b>-3,1</b>

# Detailed Financial Data for IQ 2019 in MLN PLN

## Polimex-Mostostal S.A.

in mln PLN	IQ 2018 r.	IQ 2019 r.
<b>OPERATING REVENUE</b>	<b>95,6</b>	<b>113,7</b>
OWN SALES COSTS	-92,3	-103,5
<b>GROSS SALES PROFITS</b>	<b>3,3</b>	<b>10,2</b>
SALES COSTS	0,0	0,0
GENERAL MANAGEMENT COSTS	-8,9	-9,5
PROFITS	0,7	0,6
OTHER OPERATING REVENUES	3,2	1,4
OTHER OPERATING COSTS	-0,3	-0,3
<b>OPERATING RESULTS</b>	<b>-2,0</b>	<b>2,4</b>
FINANCIAL REVENUES	20,1	4,0
FINANCIAL COSTS	-8,2	-20,0
<b>GROSS RESULTS</b>	<b>9,9</b>	<b>-13,6</b>
INCOME TAX	-1,4	2,0
<b>NET RESULTS</b>	<b>8,5</b>	<b>-11,6</b>
<b>EBITDA</b>	<b>-1,3</b>	<b>4,4</b>

A close-up, artistic photograph of a Patek Philippe watch movement. The watch face is partially visible on the left, showing the brand name 'PATEK PHILIPPE' in a serif font. The intricate mechanical gears and components of the movement are visible, with a prominent red hand. The lighting is dramatic, with a strong blue and purple hue, creating a sense of precision and luxury.

SUMMARY – THE GOALS OF THE CAPITAL GROUP FOR 2019

# The Goals of the Capital Group for 2019

- Implementation of the initiatives from the Development Plan of Polimex Mostostal Capital Group.
- Further expansion abroad – establishing special purpose vehicles (Germany, Benelux), acquiring new Clients on the Scandinavian markets.
- Timely completion of the Opole project - obtaining the PAC.
- Continuation of the Żerań project realization, in line with the current schedule.
- Building the Company value through the acquisition and implementation of financially viable projects (oil, gas, chemicals, environmental engineering, power sector, production, industrial, infrastructural and large-size construction), renovation, service, operations and maintenance.
- Acquisition of new projects for the Capital Group, especially in the GW/EPC formula.
- Diversification of the Capital Group's order portfolio – further increase in the value of non-strategic projects in the structure of revenues.



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