Polimex-Mostostal – some facts about the current business of the Power Engineering sector

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In recent weeks, Polimex-Mostostal has reviewed the contract for the construction of the power plant unit in Kozienice.

- The performed review led to corrective actions including, among others: the reorganization of the structure of the project, the verification of key areas and the appointment of persons responsible for them, and finalizing, with Hitachi, the consortium partner, the so-called Project Manual operating in both Polimex-Mostostal and the consortium - Arkadiusz Kropid?owski informs, the vice president of Polimex-Mostostal.

- The implementation of the new organizational system and strengthening procedures has significantly improved the efficiency of the management of this project - the vice president adds.

The increased mobilization of the recent years has caused a noticeable acceleration of works on the site to which staff, so far involved in the implementation of other projects, coming to an end, were sent. Optimizing the use of human resources is one of the priorities of this type of project management.

- The contract in Kozienice has financial security of the cash flow provided, as agreed with the consortium and the participants of the restructuring agreement. It applies to all of the companies involved in the contract and executive teams - Kropid?owski highlights.

Polimex-Mostostal, in carrying out this task, has been successfully building upon the experience gained during the recently successfully concluded construction of a power unit in the power plant in Bielsko-Biala.

In recent days, Polimex-Mostostal has signed Annex No. 3 to the contract for the construction of two power units in Opole Power Plant.

The Annex, signed by the contracting authority and the consortium, specifies technical and financial resources to begin the works.

- In this way, safe conditions for the implementation of this contract for PGE, the consortium and subcontractors as well as the project team set up within the structures of Polimex-Mostostal have been determined - the vice president explains.

In addition, the consortium signed a letter of intent with the contracting authorities, with the participation of PKO BP and Alstom Power, the purpose of which is to determine the conditions of Alstom Power's accession for the project.

- Polimex-Mostostal is not planning to reduce its share in the contract. This amounts to 41.8 percent and is the largest among the consortium members - Kropid?owski highlights.

Polimex-Mostostal in currently implementing in Poland several other investments in the power engineering sector.

They include, amongst others: the modernization of the Belchatow power plant, the construction of denitrification systems in the Power Plant in Plock for PKN Orlen, the construction of flue gas desulphurisation unit 4 in Kozienice. In addition to that, the company performs assembly, repair and maintenance in power plants in Mannheim, Germany, and in Flamanville Nuclear Power Plant in France.

- Despite the continuing tense situation of liquidity, we find solutions to strengthen our strategic position in the Power Engineering market segment. We are planning to participate in the tender for the construction of a new unit with a capacity of approximately 460 MWe in the power plant in Turow, participation in the project would generate operational synergies related to the liquidity of resources – Kropid?owski informs.

- It should be noted that, on August 19 this year, we signed, with PGE Górnictwo i Energetyka Konwencjonalna SA, a contract for the modernization of the main steam and water pipelines of unit no. 2 in the Power Plant in Belchatow, which amounts to 41.8 million PLN net. This confirms that, after a break, Polimex-Mostostal‘s ability to attract new orders, in the strategic sectors of activity, is back – Kropid?owski highlights.

Polimex-Mostostal, as an engineering company, is building its competitive advantage, among others, basing on their own, professional design potential.

In addition to project teams accomplishing tasks under the contracts in Kozienice and Opole, the company has other specialized design teams experienced in the investment line at home and abroad.

- As part of organizing the Group, we have been conducting activities aimed at optimizing the design potential and the concentration of design features in a single entity. We have set precisely defined tasks, which are: engineering service of tender and contract processes, technical optimization of the offered solutions, engineering support during the implementation of contracts, with an emphasis on technical coordination and monitoring of contacts between industries, document management, and completion of the necessary licenses and permits - Kropid?owski explains.

As part of the restructuring measures implemented in the company agreement with the creditors on the so-called financial package is nearly complete. Under the restructuring agreement, it will significantly improve the current liquidity of the company and enable the development of operations and the acquisition of new orders.

We are currently carrying out a profound restructuring process in Polimex-Mostostal, which allows us to predict that in the near future, the company will rebuild its brand and market position, also as an attractive employer providing stable employment, especially for engineers and technical staff.

- We expect that, in the near future, the situation will stabilize and the company's liquidity will be stabilized and its normal operational capacity will return, enabling complex implementation of projects with a high degree of complexity, managed on the basis of the best world standards - Arkadiusz Kropid?owski, the vice president, concludes.

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