Positive Financial Results of Polimex Mostostal S.A. for the first quarter of 2020

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Polimex Mostostal Capital Group has published positive financial results after the first quarter of 2020.

In spite of the COVID-19 pandemic and the resulting difficulties on the market and in the construction industry, the consolidated revenues of Polimex Mostostal Capital Group were reported at the level of PLN 351 million.

The positive EBITDA of the Capital Group for the first three months of 2020 was PLN 17 million (which constitutes an EBITDA margin at the level of 5%) and is higher by PLN 20 million compared to the corresponding result in 2019.

The total net financial result of the Capital Group for the first quarter of 2020 is higher by PLN 27 million compared to the corresponding result in 2019 and it amounts to PLN 9 million.

Selected financial data for Q1 2020 in million PLN

In mln PLN	IQ 2019	IQ 2020
OPERATING INCOME	353	351
OPERATING PROFIT	-12	7
EBITDA	-3	17
GROSS INCOME	-18	9

“We have closed the first quarter of 2020. The beginning of the year is usually the “kick-off season” in our industry, but also a period of intensive work on new

projects and on enhancing the order portfolio for the upcoming months. Despite the unfavourable conditions, we recorded a positive financial performance, especially when we benchmark our results against the industry.

The impact of the COVID-19 pandemic has not been reflected in the financial results for the first quarter of 2020. However, the situation on the market indicates that we need to take into account the negative impact of the global pandemic in our plans and financial goals, both short-term and long-term. We make every effort to minimize the effect of the pandemic on our business activity and on the currently implemented projects. We have taken a number of economic measures and we have adopted many safety procedures to ensure that the SARS-COVID -2 pandemic does not impact the employment rate in the Capital Group". **– said Krzysztof Figat, the President of the Management Board of Polimex Mostostal S.A.**

After the first three months of 2020 the financial situation of Polimex Mostostal Capital Group is stable. Our order portfolio as of the end of March 2020 amounts to PLN 3.7 billion and we are constantly working towards its expansion. We also make sure to maintain optimal profitability of the implemented projects. We have concluded a loan agreement with the Bank of China for the amount of PLN 81 million, which will accelerate the inflow of cash receivables from the guarantee deposit on the Kozienice Project and will contribute to the stability of the Capital Group's liquidity". **– added Maciej Korniluk, the Vice President of the Management Board and the CFO for Polimex Mostostal S.A.**

"In line with the adopted development plan of the Capital Group, we diversify our operations and boost our activity in the infrastructure and cubature construction, both in the public and private sectors. We participate in a number of tenders and implemented projects. This type of construction services are growing in importance in the activity of our Company, which leads to an increase in their share in our order portfolio. The COVID-19 pandemic has obstructed our plans for a dynamic growth on international markets. We are looking forward to the economic recovery and return to normality, hopefully already around the end of this year. Our international Clients confirm that they will continue cooperation with us after the pandemic. In the first quarter of 2020 almost 45% of our revenues, that is PLN 155 million, was generated abroad". **– added Przemysław Janiszewski, the Vice President and the COO of Polimex Mostostal S.A.**

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