Polimex Mostostal S.A. with higher revenues for H1 2021 compared to last year

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Polimex Mostostal Capital Group once again published good financial results. This time the company summarizes the first six months of 2021.

Consolidated revenues of the Polimex Mostostal Capital Group reached a level by 35% higher than in the analogical period of 2020 and amounted to PLN 976 million (increase by PLN 252 million).

The Capital Group's EBITDA result for the first half of 2021 amounted to PLN 85 million, which translates into the achieved EBITDA margin of 8.7%.

The Group's total net result for the six months of 2021 amounts to PLN 46 million and is higher by PLN 22 million than the result for H1 2020, which translates into a net profit margin of 4.7%.

Selected financial data for H1 2021 in PLN (Million)

million PLN	1 H 2020	1 H 2021	Change+
Operating income	724	**976**	↑ 35%
Operating profit	31	**67**	↑ 116%
EBITDA	50	**85**	↑ 70%
Net result	24	**46**	↑ 92%

"We are successfully closing the first six months of 2021. In this half of the year we acquired several new projects, including two strategic ones. One is an energy contract - construction of EC Czechnica gas-steam cogeneration plant, and the other is a transport infrastructure contract for the expansion of a tramway line in Olsztyn.

After the first half of this year, the highest sales revenue in the Capital Group was generated by the Production and Power Engineering Segment - jointly PLN 695 million or 71% of consolidated revenue, while the highest results were generated by the Oil, Gas, and Chemicals Segment (EBITDA).

Our attention is now focused on executing the most important projects and working on winning new orders. We want to expand our order backlog with more profitable contracts for the coming months and years.

As in previous periods, 30% of our total revenues, i.e. PLN 292 million, were generated abroad.

An unquestionable asset of our company is a diversified and broad offer combined with a flexible approach to customers, helps us continue our operations at full capacity. In April this year, Polimex Mostostal Capital Group was joined by Instal Lublin, which strengthened our offer by services in the scope of installation works for new investments and modernization of existing facilities. The scope of these services includes delivery and installation of heating, ventilation, air conditioning, sanitary and technological installations as well as external water, sewage, heat and gas networks together with design.

The following months will largely depend on market developments. A challenge for us would be another wave of pandemics, as well as galloping changes of material prices on the market, and consequently weakening of the economic situation in our key industries. **- said Krzysztof Figat President of the Management Board of Polimex Mostostal S.A.**

"In H1 2021 it generated an operating profit of PLN 67 million, which is an increase of 116% compared to H1 2020.

Financial situation of Polimex Mostostal Capital Group is very good. The prepared interim consolidated cash flow statement showed positive net cash flows of PLN 388 million, of which operating cash inflows amounted to PLN 421 million. The Group has a safe high cash balance of PLN 756 million (as at 30 June 2021).

The Capital Group is gradually reducing its net debt. At the end of the first half of 2021, cash balance exceeded interest-bearing debt by PLN 533 million (hence the high, negative value of this ratio).

It is worth emphasising that our order backlog at the end of June 2021 is PLN 5 billion and we are still working to increase it further. As in previous periods, the largest share of the order backlog are projects in the power engineering segment. We continue to maintain a high cost discipline in operating activities." **- added Maciej Korniluk, Vice President of the Management Board of Polimex Mostostal S.A.**

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