



**Q3 2021  
FINANCIAL  
RESULTS**



**POLIMEX MOSTOSTAL CAPITAL GROUP**



FINANCIAL RESULTS FOR 1-3Q 2021



# Polimex Mostostal

C A P I T A L G R O U P



# WE BUILD THE FUTURE

- **PLN 69 million net** profit for the third quarter of 2021 – **an increase of PLN 35 million (+103% y/y)**
- **PLN 1 588 million** of sales revenues in the third quarter of 2021 – **an increase of PLN 484 million (+44% y/y)**
- **Order backlog worth - PLN 5,0 billion**
- New energy contract – **EC Czechnica (PLN 1159 million net + PLN 118 million service contract)**
- New large infrastructure contract – **Extension of tram lines in Olsztyn (PLN 327,7 million)**



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**
- **5 000 EMPLOYEES**
- **700 EPC REFERENCES**
- **76 YEARS OF MARKET PRESENCE**
- **OVER 70 COUNTRIES**
- **5 CONTINENTS**
- **SAFETY LEADER**

# Segments of Polimex Mostostal Capital Group

Polimex Mostostal Capital Group consists companies operating in the following key sectors:



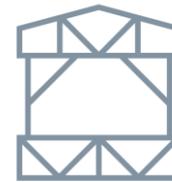
**POWER SECTOR  
AND SERVICE**



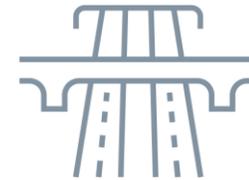
**OIL, GAS  
AND CHEMICAL**



**INDUSTRIAL  
CONSTRUCTION**



**PRODUCTION**



**INFRASTRUCTURE**



**EQUIPMENT  
BASE**





## POWER SECTOR AND SERVICE



**Polimex Energetyka** – our excellent industry expertise and knowledge of energy facilities allow us to comprehensively implement organizationally and technically challenging, highly complex turnkey projects in the power sector. We operate both in Poland and the EU providing services for the following:

- CHP plants,
- power plants,
- heating plants,
- environmental protection facilities.

We deliver high-quality services with a special focus on safety and environmental protection. We apply customized solutions devised to comply with the requirements of specific projects.

**Energomontaż-Północ Bełchatów S.A.** – a leading construction company specializing in the manufacturing and assembly of steel structures, power equipment and in the comprehensive implementation of industrial facilities. The acquisition of control of the company by the Capital Group took place in October 2019.



## OIL, GAS AND CHEMICALS



**Naftoremont-Naftobudowa** – we operate in a wide variety of industries, ranging from refinery, petrochemical, chemical, power, coke oven and environmental protection in Poland and the European Union. We are the undisputed leader in the construction of liquid fuel tanks.

We specialize in the construction, service and modernization of production facilities and installations in Poland and abroad for the following:

- chemical plants,
- kerosene refineries,
- biodiesel and bioethanol plants,
- liquid fuel storage facilities,
- gas terminals.





## INDUSTRIAL AND INFRASTRUCTURE CONSTRUCTION



**Polimex Budownictwo and Polimex Infrastruktura** – we offer comprehensive services in the segment of industrial and general construction in the formula of a General Contractor (GC). The Company's offer is based on the following pillars:

### Industrial and cubature construction

- production facilities,
- warehouses and logistics centres,
- sewage treatment plants and other environmental protection facilities.

### Infrastructure and general construction

- design and construction of road, bridge and hydrological facilities,
- design and construction of cubature structures,
- office buildings, shopping centres and multiplexes,
- performance and sports halls, educational and sports facilities and stadiums,
- government buildings,
- power plants, CHP plants and heat plants,
- distributed energy, environment protection.

**Instal-Lublin S.A.** is one of the biggest installation service companies in Poland, specialized in works on industrial, housing and utility investments. Scope of the service includes assembly of heat, ventilation, sanitary and technological installations, also external water-pipe network, sewage, heat and gas systems with designing. In GK PxM from April 2021.



## PRODUCTION



**Mostostal Siedlce** – one of the leading European producers of steel structures; specializes in the production of steel structures and platform gratings, as well as in the corrosion protection of steel structures, in particular using the hot-dip galvanization method. The company has a considerable market share in the sales of shipping pallets, pallets for storing gas cylinders, pallets for construction materials, various types of containers, racks, frames and other small structures. The production capacity for steel structures alone is 3,000 tons per month. Over 50% of production is intended for export.

**Stalfa** is a Polish manufacturer of steel and aluminum products widely used in the construction industry, most notably in infrastructure, telecommunications, energy and road engineering.

**Czerwonogradzki Zakład Konstrukcji Stalowych** is one of the largest producers of steel structures in Western Ukraine. The production capacity for steel structures alone is 400 tons per month. Most of the production goes to the Ukrainian market.



## Segment of Activity: Equipment base

Polimex Operator Sp. z o.o. Sp. k. deals with the rental and lease of construction equipment with operator services, including self-propelled cranes with lifting capacities from 16 tons to 220 tons and other equipment, including loaders, telescopic lifts, as well as power tools, welding equipment and handling devices. The company provides services in the field of power tools, welding equipment and other construction equipment, including specialist and non-standard equipment. The company also provides technical consulting in the field of organization, optimization and use of equipment and organization of facilities and construction sites.

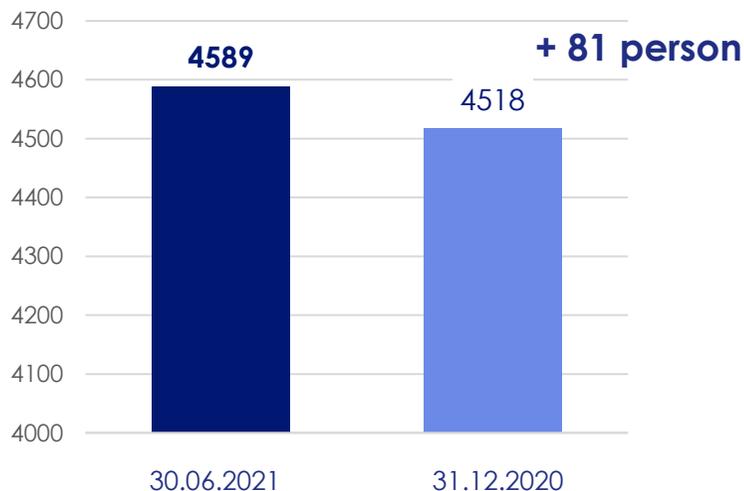


**SUPPORT**

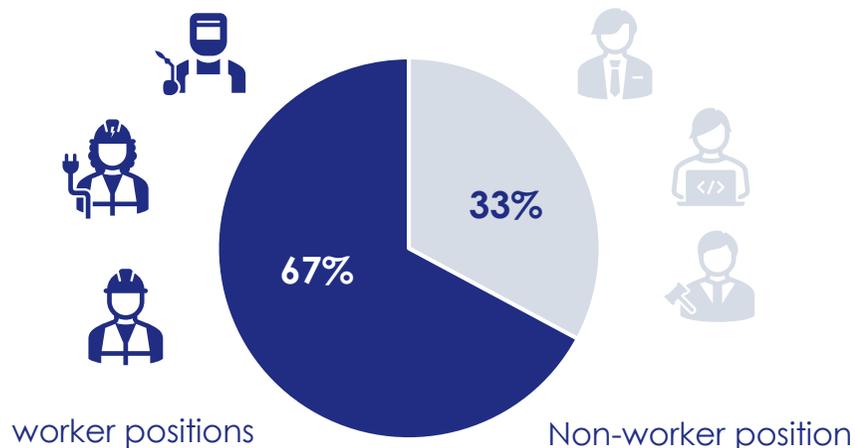
**Polimex Operator  
Sp. z o.o. Sp. k.**



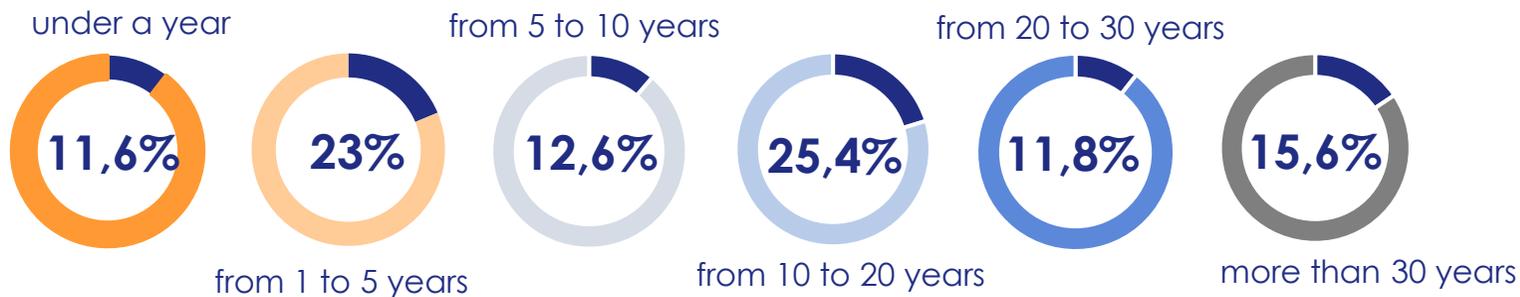
## Number of employees



## Employment structure



## Work experience in the companies of the Polimex Mostostal Capital Group





C A P I T A L G R O U P

# SELECTED CURRENTLY IMPLEMENTED PROJECTS



# Strategic coal project - Puławy

Puławy



New coal power unit with the capacity of 100 MWe and 300 MWt in Grupa Azoty PUŁAWY

- Total net value of the contract: PLN 1 160 million
- Net share of Polimex Mostostal and Polimex Energetyka - PLN 1 150 million
- Time frame for implementation: 10.2019 – 10.2022

Contractor:



# Strategic gas project - Żerań

Żerań



Gas and steam power unit with the capacity of 497 MWe at the Żerań CHP Plant in Warsaw



- **Total net value of the contract:**  
PLN 909 million, EURO 91 million
- **Net share of Polimex Mostostal**  
PLN 352 million
- **Time frame for implementation** 06.2017 – 11.2021



**Contractors:**



Dolna Odra



Two new gas and steam power units at Dolna Odra Power Plant Branch

- Total value of the contract  
PLN 3 650 million
- Net share of Polimex Mostostal  
PLN 1 506 million
- Time frame for implementation 02.2020 – 12.2023

Contractors:



## Siechnice



Gas and steam power unit for  
ZEW KOGENERACJA S.A.

- Total value of the contract  
PLN 1 159 million net
- Service contract value PLN 118 million
- Time frame for implementation 07.2021– 04.2024

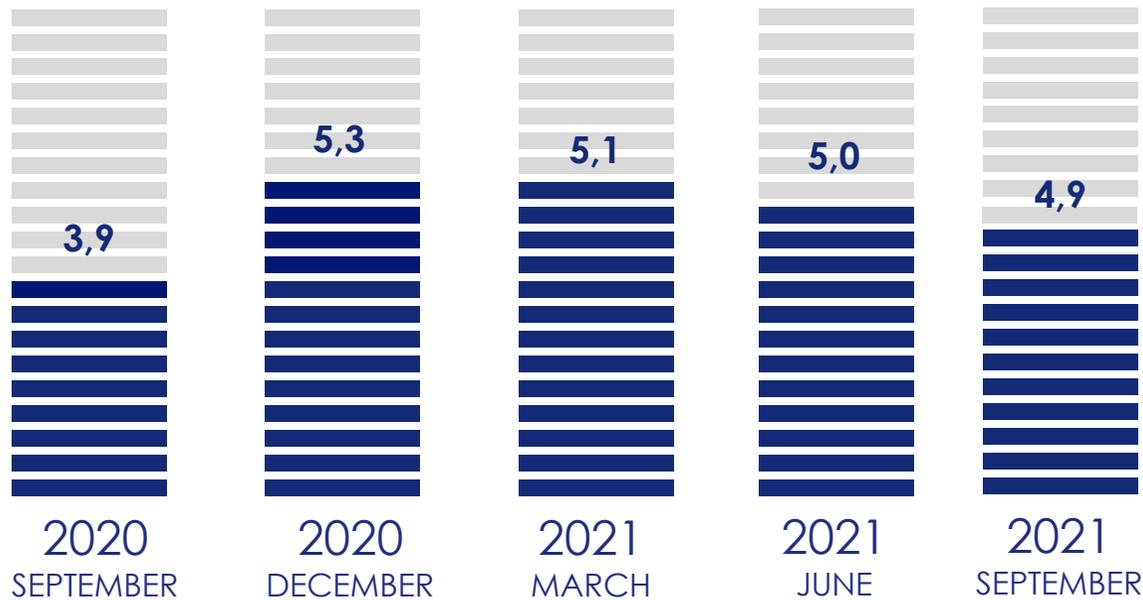
## Contractors:



# ORDER BOOK AND VALUE OF CURRENTLY OFFERED PROJECTS

A hand is shown on the left side of the image, pointing towards a digital interface. The interface is composed of various icons and circuitry, including a document with a pencil, a document with a padlock, a document with a checkmark, a document with a list, and a document with three folders. The background is a dark blue color with glowing white lines and dots, resembling a circuit board or a digital network.

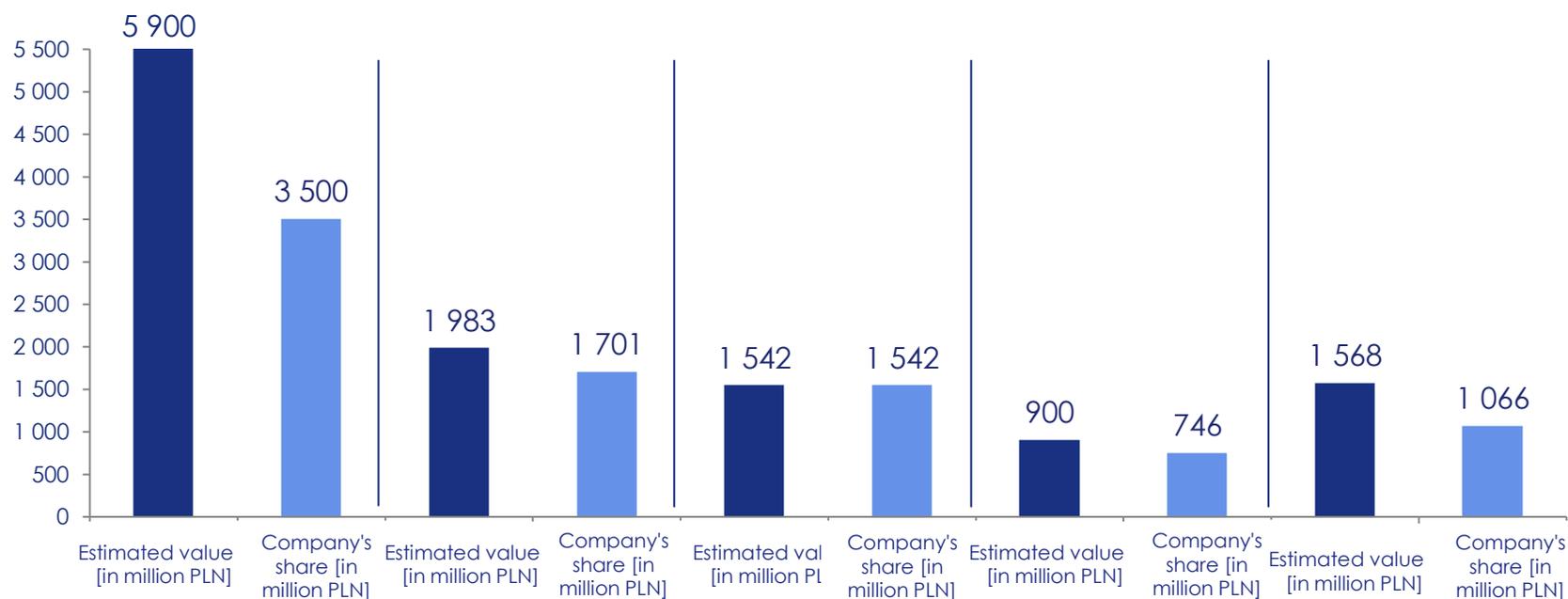
# Polimex Mostostal Capital Group Order Book (in billion PLN)



## Portfel Order portfolio after Q3 2021 in million PLN



# Value of Currently Offered Projects in the Companies (gross)



## Priority Projects:

- Construction of Gas and steam power unit in Grudziądz
- Construction of Thermal Waste Treatment Installation in Łódź for Veolia Nowa Energia Sp. z o.o.
- Construction of Thermal Waste Treatment Installation in Rzeszów
- Construction of the Second-Generation Bioethanol Production Installation in Jedlicze for Orlen Południe S.A.
- Construction of Gas and steam power unit in Rybnik

## New project as from 01.01.2021 (net amounts in PLN)

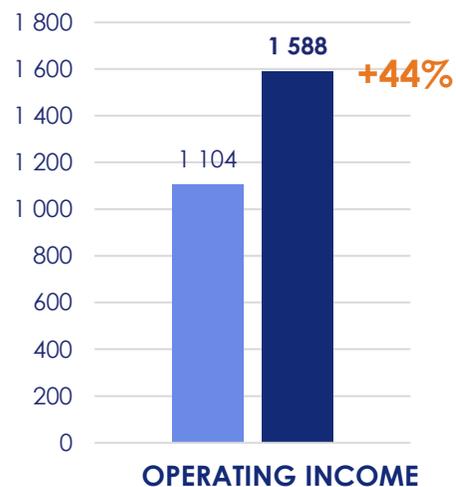
- Implementation on Turn-key basis of a Steam and Gas-Heat Power Plant for Kogeneracja S.A. in Siechnice, Poland (Contract amount: PLN 1 billion 159 mln plus PLN118 million service contract) Client: **PGE Energia Ciepła (Poland)**
- Extension of tram lines in Olsztyn (Contract amount: PLN 327.7 million), (Consortium with Trakcja S.A.), Client: **Gmina Olsztyn (Poland)**,
- Budowa Kociołni Gazowej o mocy 6x31MWt (Contract amount: PLN 77 million) Client: **PGE Energia Ciepła S.A. Oddział Elektrociepłownia w Rzeszowie (Polska)**
- Construction of Eco-Innovation Center Building with equipment and landscaping (Contract amount: PLN 64,9 million), Client: **Politechnika Gdańska (Poland)**,
- Design and complex execution of the foundations, access roads and maneuver square's, strengthening of municipal roads and execution of power supply, connection to the grid and obtaining permission for use: (i) Żnin/Damastawek Wind Farm, consisting of 9 Wind Turbines V100, 2.0 MW, 11 Wind Turbines V100, 2.2 MW and 1 Wind Turbine V100, 2.2 MW; (ii) Wind Farm Żnin II consisting of 3 Wind Turbines V100, 2.0.MW; (iii) Wind Farm Żnin III consisting of 3 Wind Turbines V100, 2.0. MW, (Contract amount: 59,5 mil. PLN. Client: **E&W sp. z o.o. (Ltd) NIN sp. k. (LLP) with the seat in Dąbrowie near Poznań (Poland)**
- Modernization of Marsa-Żołnierska streets section. junction Marsa – town border– stage III, (Contract amount: PLN 46,4 million), Client: **Zarząd Miejskich Inwestycji Drogowych in Warsaw (Poland)**,
- Reconstruction, Extention and Superstructure of office building with underground garage and landscaping by Pory 80 street in Warsaw (Contract amount: PLN 44,9 million), Client **Innogy Stoen Operator Sp. z o.o. (Poland)**,
- GP-2, S-200, FCC unit reactor block modernization//FCC, (Contract amount: PLN 42,4 million), Client: **Public Company ORLEN Lietuva Mažeikių (Litwa)**
- Research and Development Center Tenneco (Contract amount: EURO 8,2 million/PLN 37,2 million), Client: **Panattoni Development Europe Sp. z o.o. (Poland)**
- Construction of the Brzezie ringroute within the national route DK nr 25 (Contract amount: PLN 25,9 million), Client: **Generalna Dyrekcja Dróg Krajowych i Autostrad Oddział w Gdańsku (Poland)**



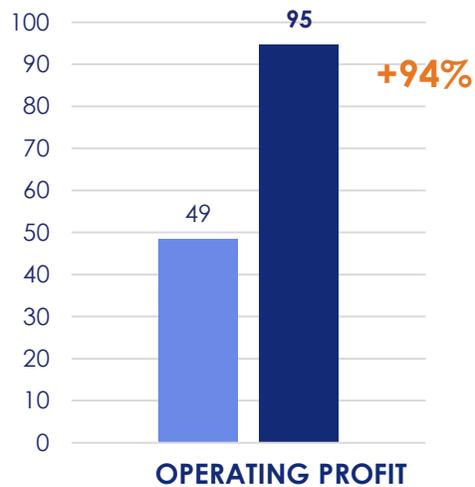


**SELECTED FINANCIAL DATA FOR Q 3 2021**

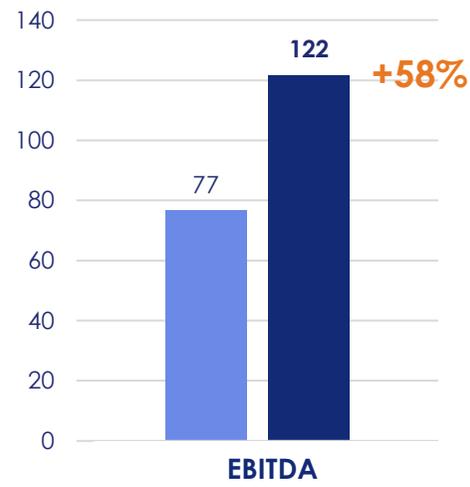
## Polimex Mostostal Capital Group



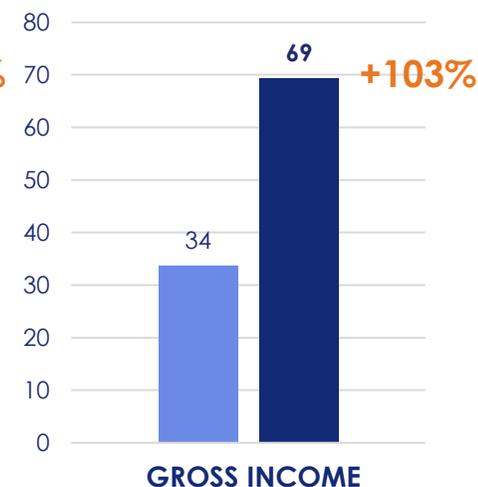
■ I-III Q 2020 r. ■ I-III Q 2021 r.



■ I-III Q 2020 r. ■ I-III Q 2021 r.



■ I-III Q 2020 r. ■ I-III Q 2021 r.



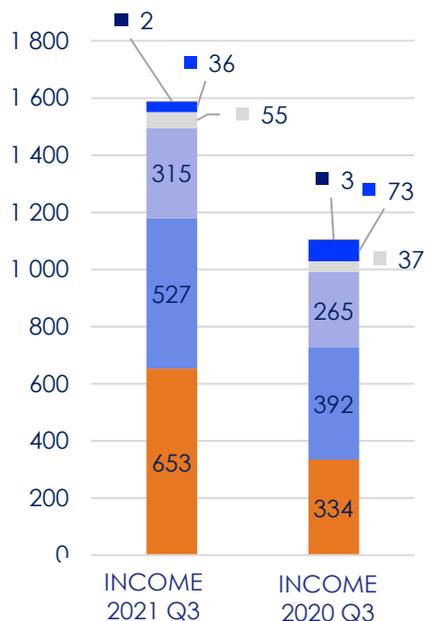
■ I-III Q 2020 r. ■ I-III Q 2021 r.

### NOTES

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the first three quarters of 2021 was PLN 1 588 million and it is higher than the operating income in the first three quarters of 2020 by PLN 484 million(+44%)
- The net results of the Capital Group for the first three quarters of 2021 are PLN 35 million higher than the results for Q3 2020. The result achieved in the first half of 2021 is a 4.4% margin.

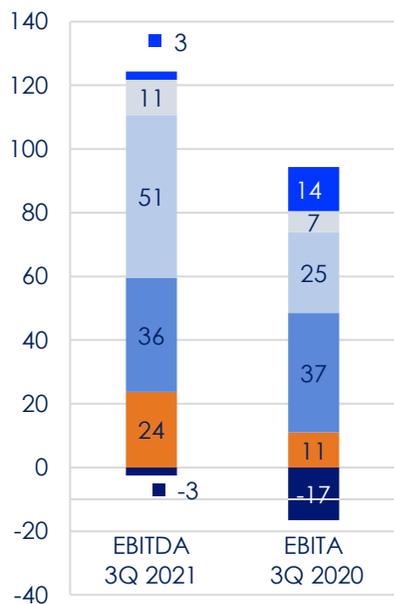
# Segments of the Capital Group in 3Q. 2021 r. (in mln PLN)

Segment Revenue  
PXM CG  
3Q.2021 vs 3Q.2020



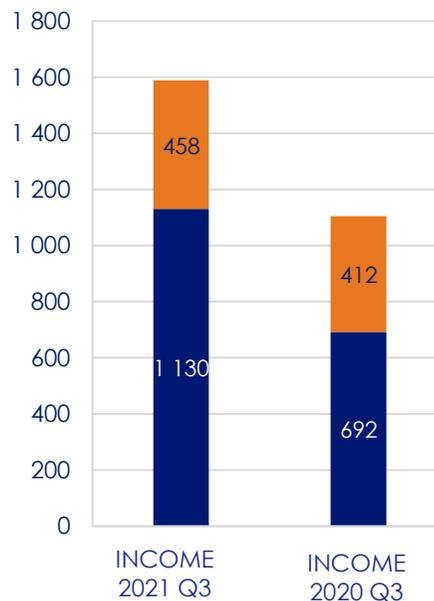
- Other activities
- Infrastructure construction
- Industrial construction
- Oil, gas, chemicals
- Production
- Power Engineering

EBITDA PxM CG  
Segments  
3Q.2021 vs 3Q.2020



- Other activities
- Infrastructure construction
- Industrial construction
- Oil, gas, chemicals
- Production
- Power Engineering

Income PxM CG  
Country/Abroad  
3Q.2021 vs 3Q.2020



- Country
- Abroad

## KOMENTARZ

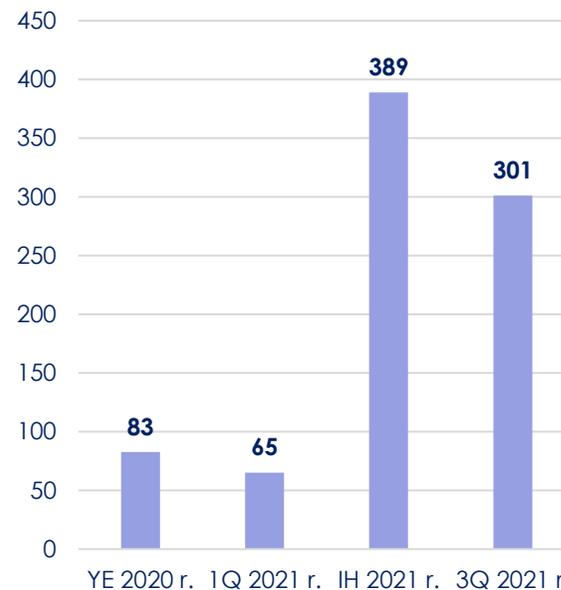
- The highest sales revenues were generated in Q3'21 by Production and the Power Sector - 74% total, while for the third quarter of 2021 both segments were 66% of total revenue.
- The best financial results in Q3 2021 were generated by Oil, gas, chemicals sector. (EBITDA). In Q3.2020 r. generated by Production Sector.
- Revenues from international sales amounted to PLN 458 million and they constitute 29% of the total sales revenues of the Capital Group

# Financial flows and indebtedness of Capital Group 3Q. 2021 r. (in million PLN)

## Net debt\* in relation to EBITDA LTM



## Net cash flow\*\*



## NOTES

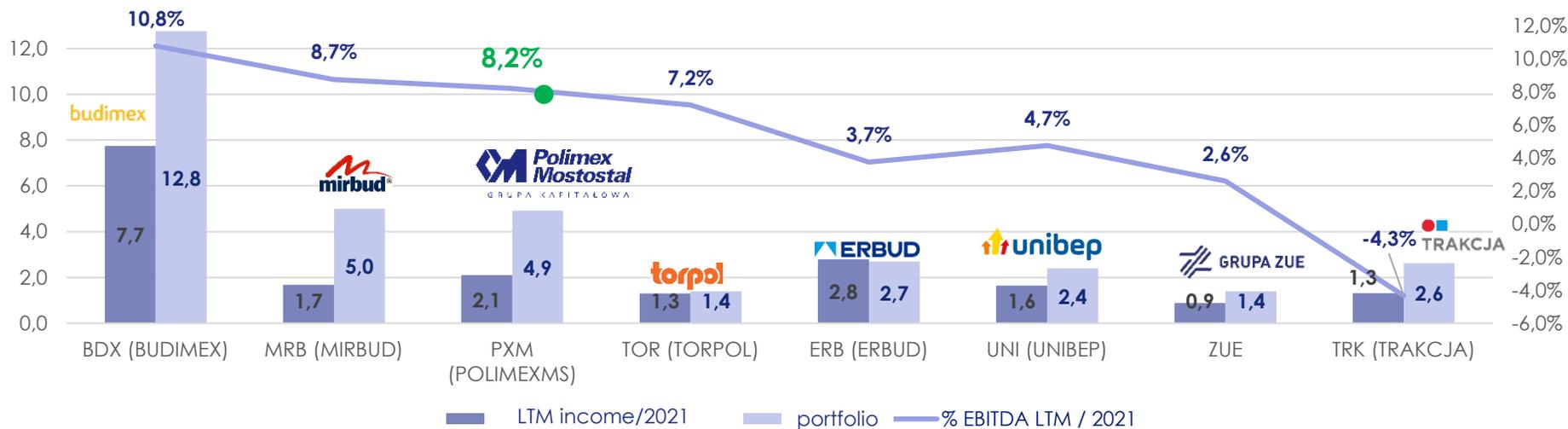
- The Capital Group is successively reducing its net debt. At the end of third quarter of 2021, the cash balance exceeded interest-bearing debt by PLN 453 million (hence the high, negative value of this indicator)
- Compared to the EBITDA LTM (annual level - jointly 4Q 2020 r. + 1Q-3Q.2021 r.) We also observe a significant positive trend (due to the favorable impact of both factors – decrease in net debt, and increase in EBITDA LTM value)
- The significant increase in the cash balance in 2021 is mainly due to operating activities

\* Net debt – calculated by subtracting cash and cash equivalents from short-term and long-term liabilities

\*\* Net cash flow – cumulative flows for a given financial year

# Financial results of Polimex Mostostal Capital Group compared with the companies listed in WIG-BUD in billion PLN

## Comparative analysis to WIG-BUD listed companies



### COMMENTS

- Capital Group Polimex Mostostal (GK PxM) reached 8,2 % EBITDA LTM margin in Q3.2021.
- Portfolio of GK PxM contracts currently amounts to PLN 4,8 billion. It ensures a stable income for Capital Group. Capital Group's Portfolio/ Income ratio is equal to 2,3. In the case of the compared companies, these ratios are as follows:
  - Budimex: 1,6
  - Mirbud: 3,0
  - Torpol 1,1
  - Erbud: 1,0
  - Unibep: 1,5
  - ZUE: 1,6
  - Trakcja 2,0

#### ASSUMPTIONS:

- Among the above-mentioned companies, the WSE report for the third quarter of 2021: Budimex and Erbud. Other company data presented for the 2021Q2.
- EBITDA, if it is not stated directly in the financial information of a given company, calculated as EBIT (operating result) increased by depreciation.
- Value of the portfolio signed based on current information, news and comments on the financial situation of the mentioned companies



**TECHNICAL SAFETY LEADER**

The primary goal of Polimex Mostostal Capital Group is to implement projects that fulfil the expectations of our Clients, while adhering to the highest international quality, environmental protection and occupational health and safety standards, with due regard for corporate ethics.

Polimex Mostostal Capital Group has once again been granted the highest distinction in the area of workplace safety – the Golden Card of the Workplace Safety Leader for the years 2020-2021. The prize has been awarded by the Central Institute for Labour Protection – National Research Institute (CIOP-PIB).

In recognition of the extraordinary results by the Group in applying science and technology for the improvement of working conditions, safety and protection of an individual in the workplace, the Commission for the Selection of the Workplace Safety Leaders within the Central Institute for Labour Protection – National Research Institute (CIOP-PIB) has once again granted Polimex Mostostal Capital Group the Golden Card of the Workplace Safety Leader for the years 2020-2021



**Porozumienie  
dla Bezpieczeństwa  
w Budownictwie**



## Klienci



## Partnerzy



# International Markets – Our Clients



NESTE OIL



Oiltanking



ABB



Donges  
STEELTEC



uni  
per



THI  
TULSA  
HEATERS  
INC.



Saipem



Ruhrkühlturm



VATTENFALL



# International Markets – Our Partners



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## CONTACT

**Polimex Mostostal S.A.**

al. Jana Pawła II 12

00-124 Warszawa

Tel. +48 22 829 71 00

[www.polimex-mostostal.pl](http://www.polimex-mostostal.pl)