



# FY 2021 RESULTS

## POLIMEX MOSTOSTAL CAPITAL GROUP

FINANCIAL RESULTS FOR 2021

# WE BUILD THE FUTURE



 **Polimex  
Mostostal**

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

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



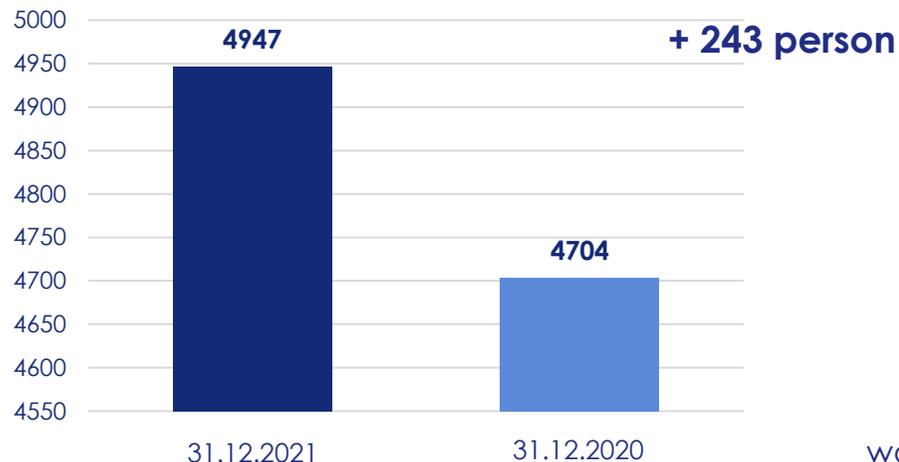
**Mostostal Siedlce** – one of the leading European producers of steel structures; specializes in the production of steel structures and platform gratings, as well as in the corrosion protection of steel structures, in particular using the hot-dip galvanization method. The company has a considerable 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 aluminium products widely used in the construction industry, most notably in infrastructure, telecommunications, energy and road engineering.

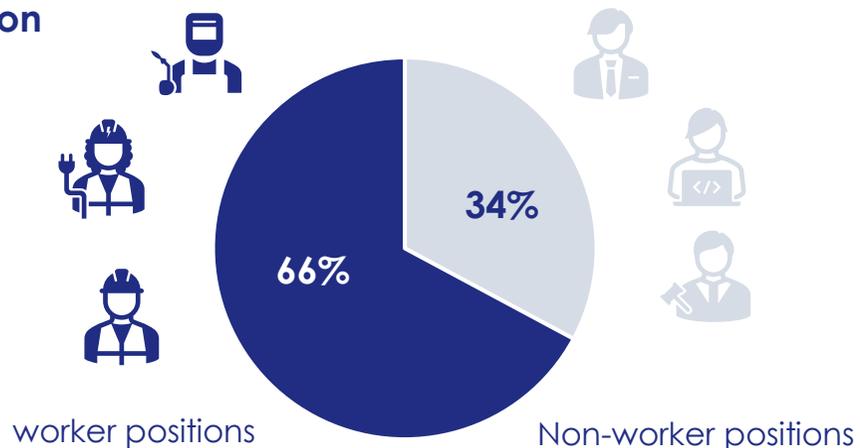
**Czerwonogradzki Zakład Konstrukcji Stalowych** is one of the largest producers of steel structures in Western Ukraine. The production capacity for steel structures alone is 400 tons per month. Most of the production goes to the Ukrainian market.



## Numbers of employees



## Employment structure



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



- **PLN 87 million net profit** for the 2021 – **an increase of PLN 24 (+38% r/r)**
- **PLN 2 304 million net** of sales revenues in the 2021 r. – **an increase of PLN 689 mln PLN (+43% r/r)**
- **Order backlog worth - PLN 5,3 billion**
- New energy contract – **Ec Czechnica (PLN 1 159, 2 million net + PLN 118,0 million service contract)**
- New large infrastructure contract – **Extension of tram lines in Olsztyn (PLN 327,7 million net)**
- Strengthening installation competences – **incorporation of Instal Lublin S.A. in the PxM Capital Group**
- **Completion of the new CCGT at Ec Żeran (Heat and Power Plant)**



# 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 1 162 million.
- Net share of Polimex Mostostal and Polimex Energetyka - PLN 1 152 million
- Time frame for implementation: 10.2019 – 10.2022

Contractor:



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 1 517 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 PLN netto
- Service contract value PLN 118 million
- Time frame for implementation 07.2021 – 04.2024

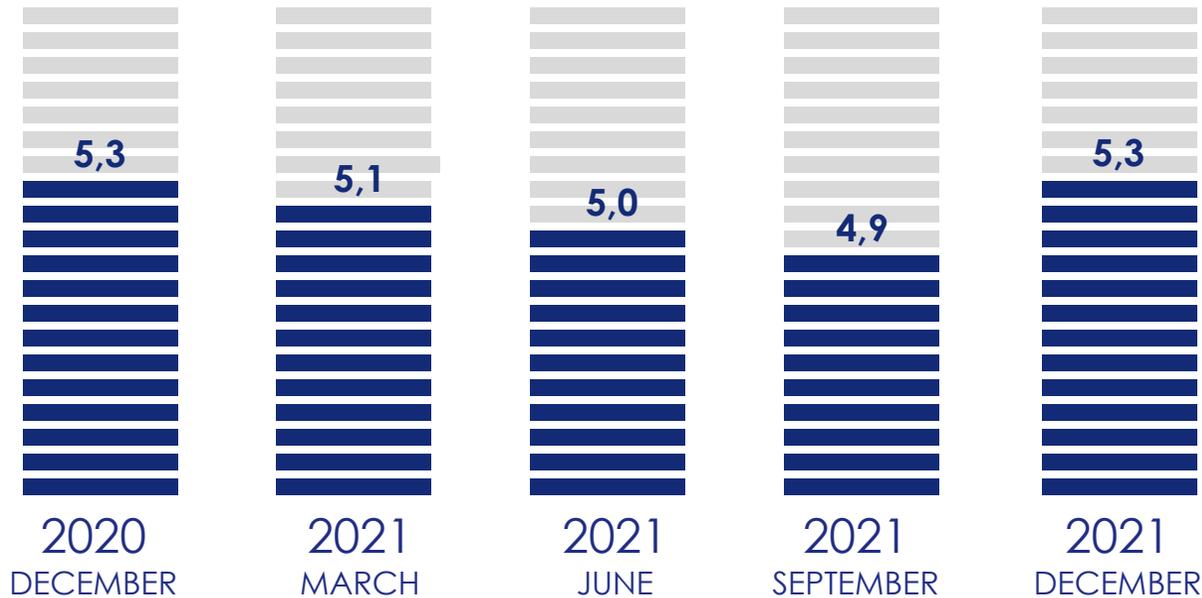
### Contractors:



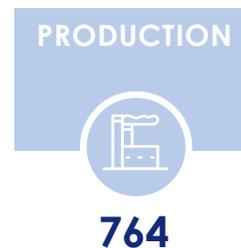
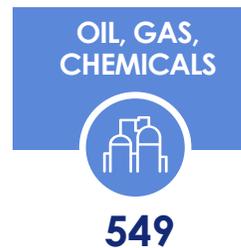


**Order book and value  
of currently offered projects**

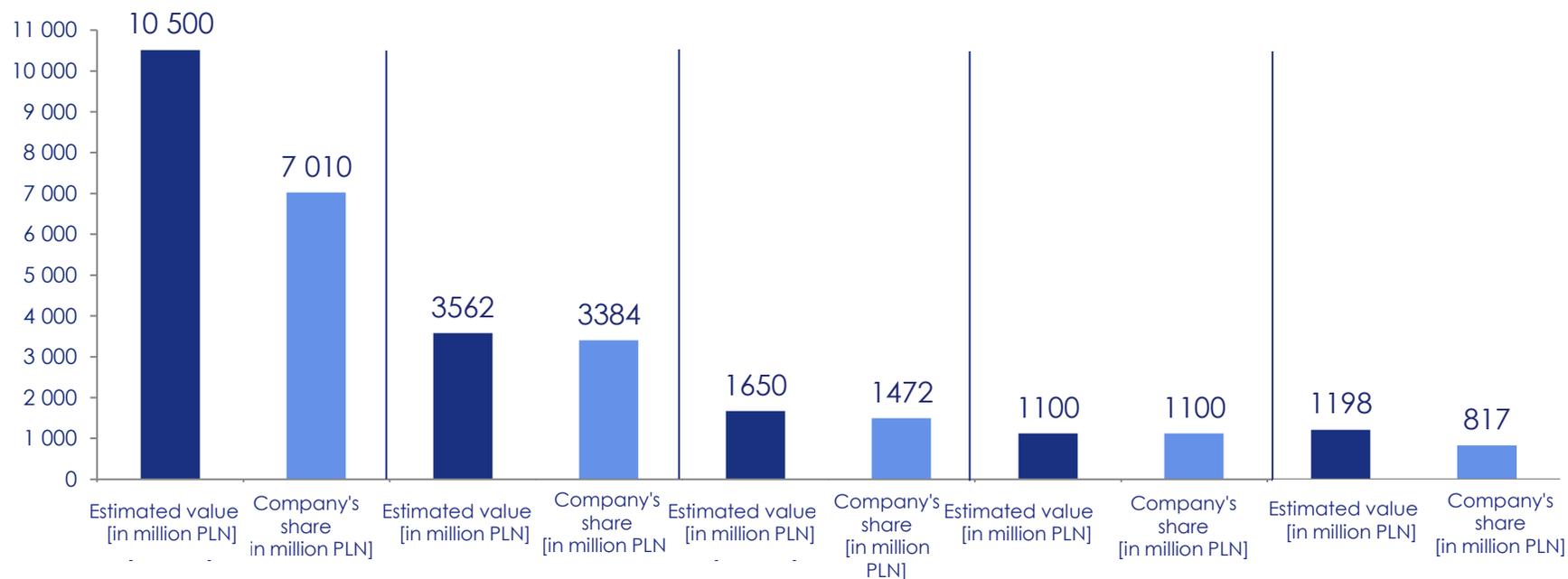
# Polimex Mostostal Capital Group Order Book (in billion PLN)



## Order portfolio after 2021 in million PLN



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



## Priorytetowe projekty:

- Construction of Thermal Waste Treatment Installation in Łódź for Veolia Nowa Energia Sp. z o.o.
- Construction of Gas and steam power unit in Rybnik
- Construction of Gas and steam power unit in Gdynia
- Development of Infrastructure OSBL for Olefiny III

## 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 PLN 118 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: **Olsztyn (Poland)**
- Manufacturing from materials and prefabricated raw-materials of the Contractor, steel fences protected against corrosion(Contract amount: PLN 478,9 million), Client: **Skarb Państwa – Komendant Główny Straży Granicznej (Poland)**
- Construction of the PANATTONI BTS Zakroczym warehouse building (Contract amount: Euro 30,0 million) Client: **CASTAGNA spółka celowa Panattoni (Poland)**
- Construction of a gas boiler house with a capacity of 6x31MWt (Contract amount: PLN 77,0 million) Client: **PGE Energia Ciepła Oddział Elektrociepłownia w Rzeszowie (Poland)**
- Construction of Eco-Innovation Center Building with equipment and landscaping (Contract amount: PLN 64,9 million), Client: **Politechnika Gdańska (Poland)**
- BTS facility for Knorr-Bremse in the Science and Technology Park "Rzeszów-Dworzysko,, (Contract amount: PLN 64,2 million) Client: **PDC Industrial Center 167 (Poland)**
- Construction of the wind park Żnin (Contract amount: PLN 59,5 million), Client: **E&W sp. z o. o. NIN sp. k. (Poland)**
- Execution of construction works for the extension of the provincial road no. 631 in the scope of construction of a bridge facility along Marsa-Żołnierska streets along with the reconstruction of the existing road system and utilities network as part of the investment task pn modernization – etap III (Contract amount: 46,4 mln PLN), Client: **Zarząd Miejskich Inwestycji Drogowych w Warszawie (Poland)**
- GP-2, S-200, FCC unit reactor block modernization//FCC, (Contract amount: 43,8 mln PLN), Klient: **Public Company ORLEN Lietuva Mažeikių (Lithuania)**



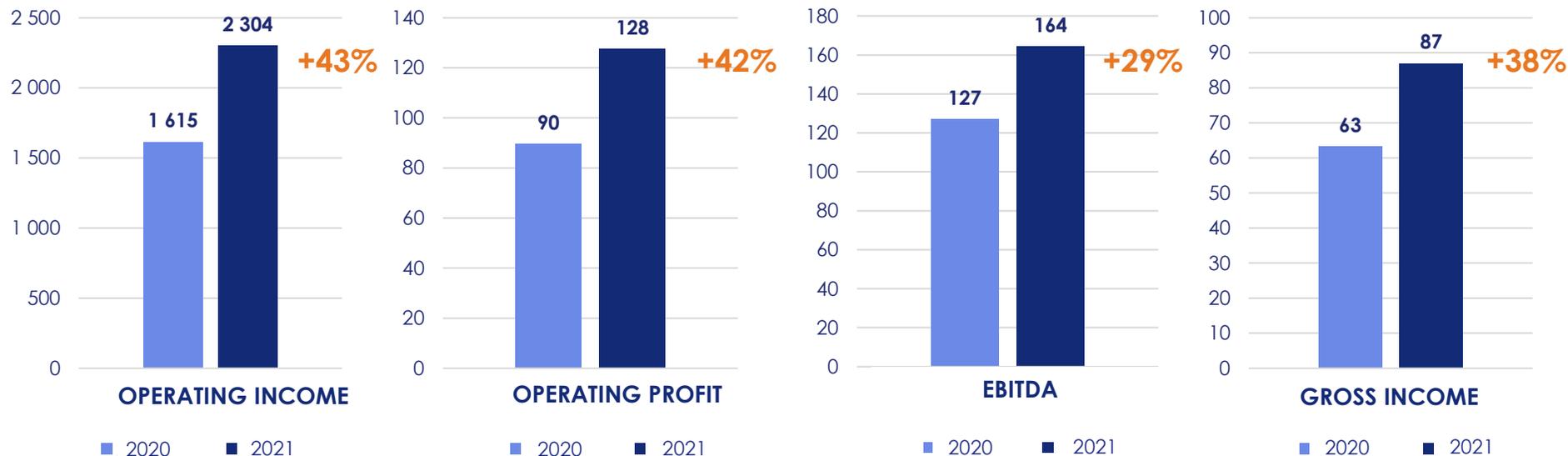
# New project as from 01.01.2021 (net amounts in PLN)

- Construction of a production hall with a social building and land development in the design and build convention in Rybnik for DB (Contract amount: PLN 36,3 million) Client: **DB Cargo Polska (Poland)**
- Service of Stora Enso paper machines in the years 2022 -2024 (Contract amount: PLN 37,8 million), Client: **Stora Enso (Poland)**
- Research and Development Center Tenneco (Contract amount: PLN 37,2 million), Client: **Panattoni Development Europe (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)**
- TRZEBINIA - renovation of storage tanks T-16, T-18, T-60-:69 (Contract amount: PLN 25,6 million), Client: **PKN Orlen (Poland)**
- Reconstruction of ammonia oxidation reactor domes d-2201 na I.a oraz I.b (Contract amount: PLN 23,8 million). Client: **Anwil S.A. (Poland)**
- Reconstruction of the following streets: Kasztanowa, do Zdrój, Wrzosowa, Maratońska, Św. Ducha and Poznańska and Wojska Polskiego in Jarocin (Contract amount: PLN 20,9 million), Client: **Gmina Jarocin (Poland)**
- Re-assembly of parking in the installation CCR LOT1 on Antwerp Refinery (Contract amount: PLN 20,2 million), Client: **TotalEnergies Refinery Antwerpen (Netherlands)**
- Kralupy TA 2022 – FCC unit \_ Block 2411 (Reactor + Regenerator) (Contract amount: PLN 17,3 million), Client: **ORLEN Unipetrol RPA s.r.o. (Czech Republic)**
- Construction of Energy Production Center Chalampe (Contract amount: PLN 16,2 million), Client: **Standardkessel Baumgarte GmbH (France)**
- Reconstruction, Extension 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 (Poland)**



# Selected financial data for 2021 (in PLN million)

## Polimex Mostostal Capital Group

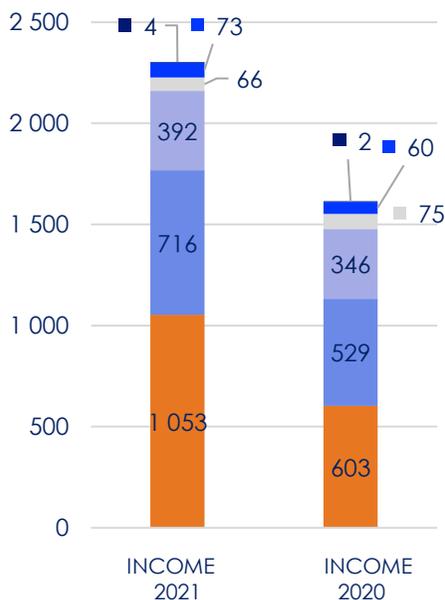


### NOTES

- The operating income of Polimex Mostostal Capital Group (the "Capital Group") for the 2021 was PLN 2 304 million PLN and it is higher than the operating income in the 2020 by PLN 689 million, i.e. 43%.
- EBITDA of the Capital Group amounted to PLN 164 million in 2021 (which represents an EBITDA margin of 7.1%) and is higher by PLN 37 million compared to the 2020.
- The net result of the Capital Group for 2021 is PLN 27 million higher than the result for 2020 and represents 3.8% of operating income.

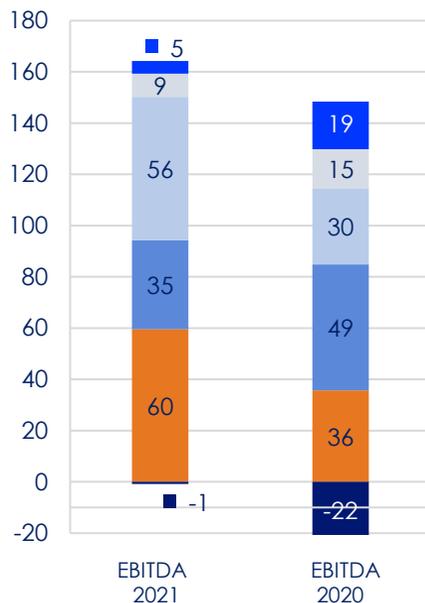
# Segments of the Capital Group in 2021 r. (in PLN million)

Segment Revenue  
GK.PxM  
2021 vs 2020



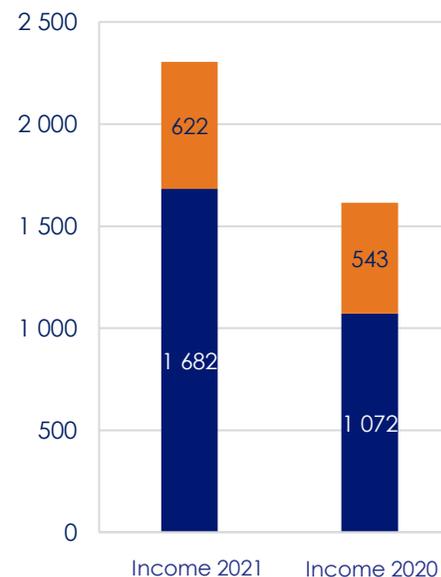
- Other activities
- Infrastructure construction
- Industrial construction
- Oil, gas, chemicals
- Production
- Power Engineering

EBITDA GK.PxM  
Segments 2021 vs 2020



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

Income GK.PxM  
Country/Abroad  
2021 vs 2020



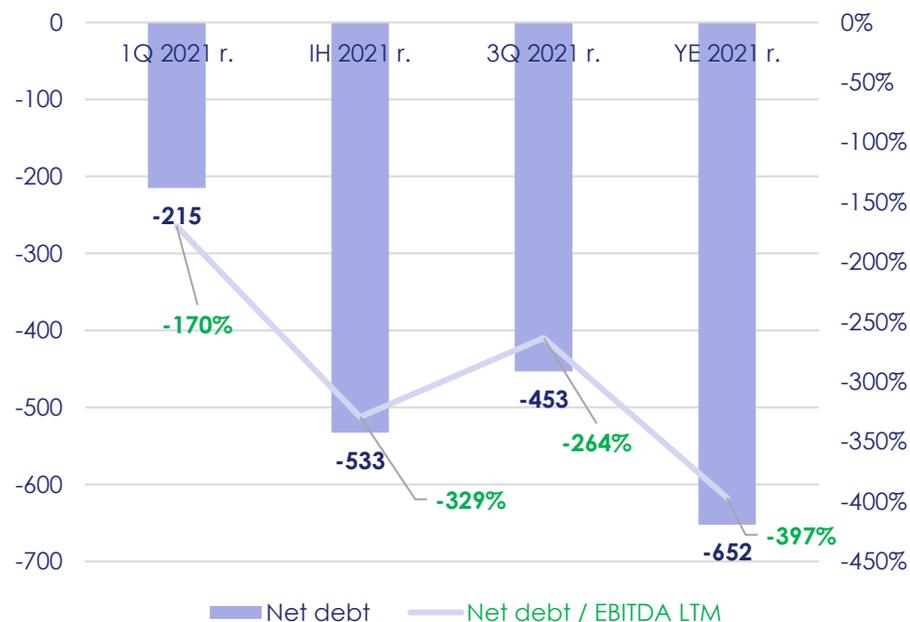
- Country
- Abroad

## COMMENTS

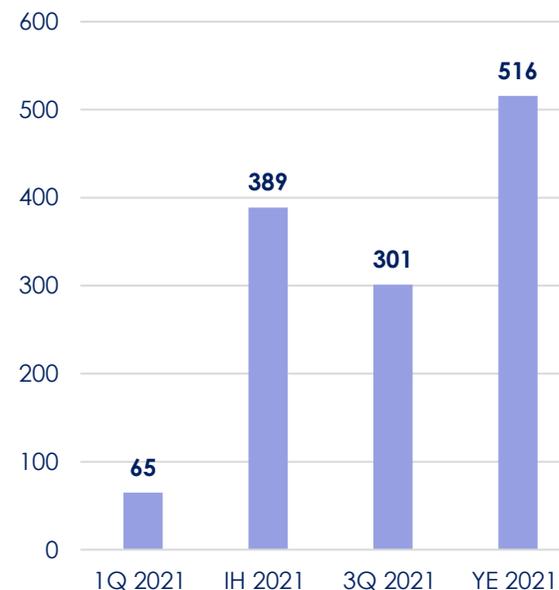
- The highest sales revenues were generated in 2021 by Production nad Power Sector – 77% total, while for 2020 both segments were 70% of total revenue.
- The best financial results were generated by Power Sector (EBITDA). In 2020 were segment Prodction.
- Revenues from international sales amounted to PLN 622 million and they constitute 27% of the total sales revenues of the Capital Group.

# Financial flows and indebtedness of Capital Group 2021 (in million PLN)

## Net debt\* in relation to EBITDA LTM



## Net cash flow\*\*



### NOTES

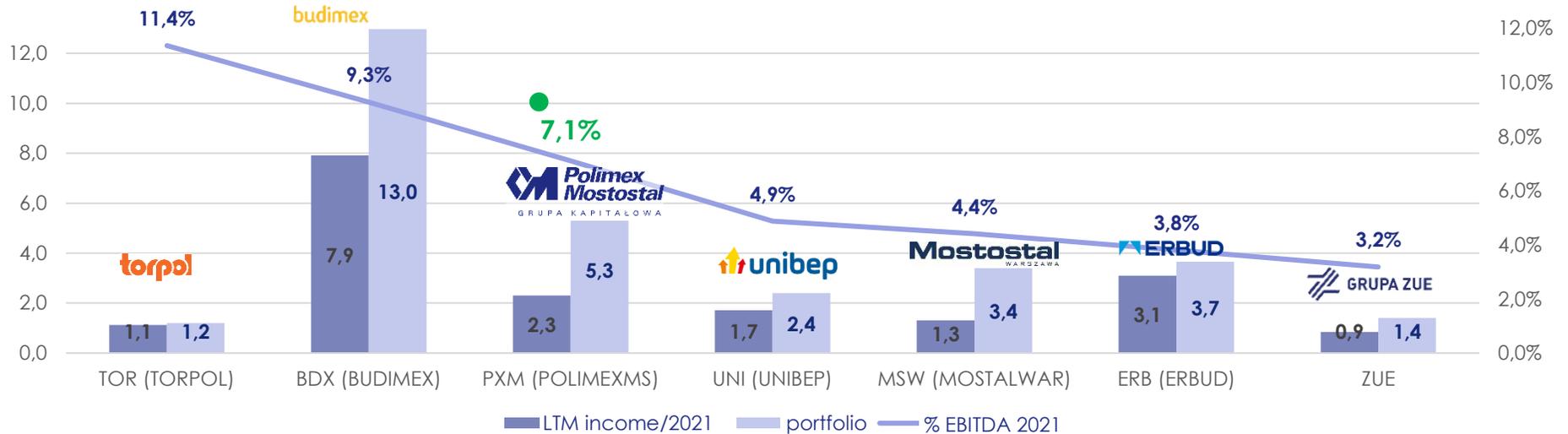
- The Capital Group is successively reducing its net debt. At the end of 2021 r. the cash balance exceeded interest-bearing debt by PLN 652 million PLN (hence the high, negative value of this indicator)
- Compared to the EBITDA LTM (uroczniony poziom) We also observe a significant positive trend (due 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** - total liabilities due to loans and bonds (short-term and long-term), less cash

\*\* **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

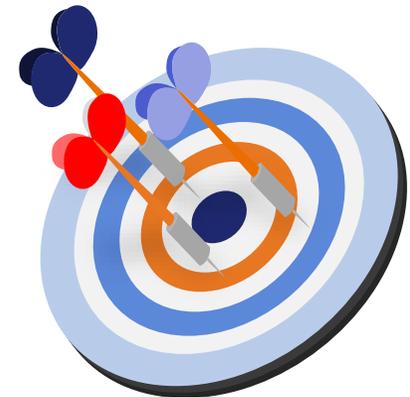
- Capital Group Polimex Mostostal (GK PxM) reached 7,1% EBITDA LTM
- Portfolio of GK PxM contracts currently amounts to PLN 5,3 billion. It ensures a stable income for Capital Group. Capital Group's Portfolio/ Income ratio is equal to 2,3. In the case of the compared companies, these ratios are as follows:
  - Budimex: 1,6
  - Torpol 1,1
  - Mostostal Warszawa 2,6
  - Erbud: 1,2
  - Unibep: 1,4
  - ZUE: 1,6

### ASSUMPTIONS:

- 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 on the basis of current information, news and comments on the financial situation of the mentioned companies.

# Strategic Goals of the Capital Group for 2022

- Maintaining the position of the EPC leader in the Power Sector with regards to large-scale energy investments on the Polish market based on our competences, our skilled personnel and our experience from the implemented projects, as well as from the projects currently in progress (m. in. Koźlenice, Opole, Żerań).
- Further development of activity in the Infrastructure and Cubature Construction Sectors.
- Improving the profitability of the production segment, among others based on synergy with ongoing EPC projects and activities carried out abroad.
- Continuation of the construction of a coal-fired unit at Zakłady Azotowe Puławy and construction of power units at the Dolna Odra power plant, and new EC Czechnica for Kogeneracja S.A.
- Diversification of the Capital Group's order portfolio – further increase in the value of non-energy projects in the structure of revenues.
- Mitigation of the effects of the Covid-19 epidemic effects of the war in Ukraine on ongoing projects.





**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 2022-2023. 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 2022-2023



**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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CAPITAL GROUP

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