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Data: 12/03/2020

Preliminary financial results of Relpol S.A. for 2019.

The Management Board of Relpol S.A. in Żary publishes preliminary financial results of Relpol S.A. for 2019. Such decision was taken due to obtaining preliminary individual data for 2019, 2019, and due to withdrawing from publishing a consolidated statement for the fourth quarter of 2019.

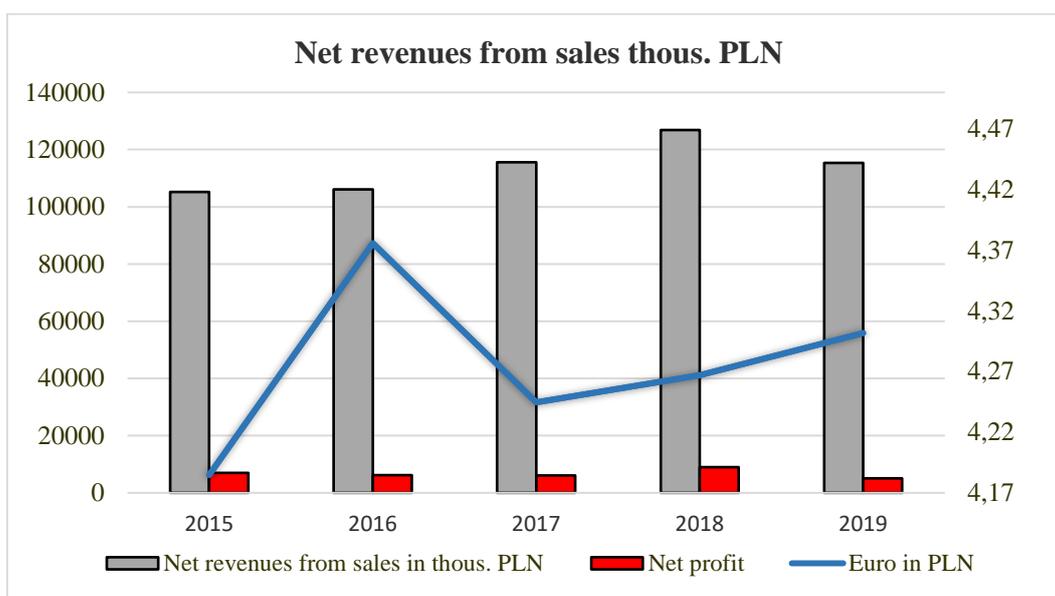
These are preliminary results regarding the parent company Relpol S.A. not a capital group. The calculations have been made according to the best knowledge of the Management Board as at the date of their preparation and based on the circumstances known to the Management Board. This information may be subject to change and differ from the annual results reviewed by the auditor, which will be published in April 2020. However, as at the date of preparation and publication of the preliminary data for 2019, the Management Board is not aware of any circumstances that could materially affect the final individual financial data.

As at today's date, the company does not have sufficient data to prepare the consolidated financial statements for 2019. However, Relpol S.A. has the greatest influence on the results of the capital group. During the three quarters of 2019, the share of the parent company's sales in total consolidated sales was 93% and in terms of the net result, that impact was even more considerable. The net profit of Relpol S.A. in the said period amounted to PLN 4.7 million and exceeded the consolidated net profit of the capital group by PLN 0.6 million (PLN 4.1 million).

It was influenced by the results of subsidiaries and exclusions and consolidation adjustments.

Selected financial data for 2019 concerning Relpol S.A.

Selected financial data from the profit and loss account	in thousand PLN	
	from 01.01.2019 to 31.12.2019	from 01.01.2018 to 31.12.2018
Net revenues from sales of products, goods and materials, including:	115,356	126,821
Poland	36,053	39,814
export	79,303	87,007
Costs of products, goods and materials sold	92,840	97,096
Gross profit on sales in PLN '000	22,516	29,725
Gross margin on sales (%)	19.5%	23.4%
EBIDTA in PLN '000	12,677	16,866
EBIDTA margin (%)	11.0%	13.3%
EBIT in PLN '000	6,361	11,091
EBIT margin (%)	5.5%	8.7%
Net profit	5,054	9,023
Operating profit margin (%)	4.4%	7.1%



Comments to the profit and loss account for 2019

In 2019, the company generated revenues from sales in the amount of PLN 115.4 million, which represents a decrease of 9% as compared to 2018. These revenues allowed the company to achieve a net profit in the amount of PLN 5.1 million, i.e. 44% lower than the net profit in 2018. As the costs of production remained high, lower revenues led to lower margins and net result. The financial performance was influenced by the situation on the market – a decrease in sales on the domestic, European, and Asian markets. No extraordinary events occurred.

Selected financial data from the balance sheet	in thousand PLN	
	from 01.01.2019 to 31.12.2019	from 01.01.2018 to 31.12.2018
ASSETS	101,949	101,248
Fixed assets, of which:	42,983	39,158
Tangible fixed assets	31,440	31,791
Intangible assets	6,541	6,919
Current assets, of which	58,966	62,090
Stock	31,827	30,535
Total amounts due on account of deliveries and services	24,229	28,910
Other amounts due	2,157	2,110
Cash and cash equivalents	346	166
Prepayments and accruals	407	369
LIABILITIES	101,949	101,248
Equity	78,199	77,509
Long-term liabilities, including:	6,173	3,877
Interest-bearing bank loans and non-bank loans	0	0
Leasing liabilities due	2,701	619
Reserves for deferred income tax	1,885	1,715
Reserves for other liabilities and other charges	1,587	1,543
Short-term liabilities, including:	17,577	19,862
Trade and similar liabilities	6,518	9,362
Leasing liabilities due	1,016	614

Other liabilities	4,579	4,972
Short-term part of interest-bearing long-term bank loans and non-bank loans	4,300	2,992
Reserves for other liabilities and other charges	1,164	1,827

Comments to the balance sheet:

The company's assets and liabilities increased slightly in comparison to 2018. The most considerable change was observed in tangible assets, which increased by 9.8%, primarily due to the increase in fixed assets. Current assets decreased by 5%. The most significant decrease was recorded in receivables from sales. The level of inventories increased by 4%. Inventories pertain to the level of materials, raw materials, goods in progress, and finished goods.

In terms of the company's liabilities, long-term liabilities increased by 59% (PLN 2.3 million), chiefly due to the incurrence of leasing liabilities. Short-term liabilities decreased by 11% (by PLN 2.3 million), including a drop of PLN 2.8 million in trade accounts payable and of PLN 1.3 million in liabilities arising from current portions of loans. Changes in other balance sheet items were not significant.

Legal basis: Art. 17 sec. 1 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

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 Krzysztof Pałgan
 Vice President of the Management Board

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 Sławomir Bialik
 President of the Management Board