

High Wind Farm Production Boosts Polenergia Results

Polenergia S.A. (“Polenergia”), the largest Polish private and vertically-integrated energy group, recorded significantly improved results after three quarters of 2019. Corrected EBITDA exceeded PLN 200 million, whereas corrected net profit approximated PLN 83 million, which means an increase in comparison to the previous year by 65% and 873%, respectively.

- **PLN 1.95 billion of sales revenues after three quarters of 2019;**
- **PLN 200.4 million of corrected EBITDA after three quarters of 2019;**
- **PLN 82.9 million of corrected net profit after three quarters of 2019;**
- **40.1% of corrected EBITDA margin after three quarters of 2019 (excluding the trade segment);**
- **23% y/y increase of wind farm productivity, up to the level of 32%;**
- **very good results of wind energy and trade sectors;**
- **completed construction of PV Sulechów with a capacity of 8 MW;**
- **commencement of Szymankowo Wind Farm project with a capacity of 38 MW;**
- **auctions for new wind farms and photovoltaic projects as an opportunity for new investment performance with a capacity of 181 MW;**

Quarter after quarter, Polenergia has been consistently improving its financial results. This is the effect of higher production volumes and better sale prices of green certificates and electric energy. Very good wind conditions and modern technologies applied by the company allow for continuous accomplishment of production levels above the market average. The wind energy sector, after nine months of 2019, generated 527 GWh of electric energy, which is a 23% increase as compared to the last year. Productivity of three largest wind farms of Polenergia, namely Mycielin, Gawłowice and Skurpie with a total capacity of 138 MW retains a high level of over 36%, whereas productivity of all eight wind farms of the Group with a capacity of almost 250 MW amounts to 32%, which is an increase by 6 p.p., in comparison to the last year.

Sales revenues on the level of the Group after three quarters of 2019 amounted to PLN 1.948 billion and were 24% lower in comparison to 2018 on account of lower revenues in the trade sector. On the other hand, sales revenues (excluding the trade sector) grew by 12% up to PLN 477.3 million mainly due to increase of revenues in the wind energy sector.

The corrected EBITDA result after nine months of this year was at PLN 200.4 million and was higher by PLN 78.7 million in comparison to the analogous period of the last year, mainly due to the better result in the wind energy sector (PLN 58.2 million) and the trade sector (PLN 24.5 million). Growth in the corrected EBITDA was partially set-off by PLN 7.2 million drop in the result of conventional energy sector, primarily caused by lack of revenues from yellow certificates. Impressive growth of corrected net profit by as much as 873% is also worth attention. A year before, the profit was on the level of PLN 8.5 million only, whereas this year it is almost at PLN 83 million.

As a result of the above-listed events, the corrected EBITDA margin (excluding the trade sector, which is characterised by minimum individual margin with a very high volume of transactions) amounted to PLN 40.1% and was 8.0 p.p. higher than the one recorded in the analogous period of the last year. In the third quarter of this year only, the value of this index was 42.2 p.p. and was higher by 3.8 p.p. than a year before.

“New investments in the form of completed and already operating first eight photovoltaic energy plants in Sulechów with a total capacity of 8 MW and commenced construction of a new wind farm in Szymankowo with a capacity of 38 MW without the support system are the best examples of the consistent transformation of Polenergia into a modern, efficient energy company. Our portfolio also includes wind projects and photovoltaic projects with a total capacity of 181 MW and we wish to implement them on the basis of market revenues or long-term contracts. We are also considering participation in two of this year's auctions for renewable energy sources, if they allow us to maximise the productivity of new projects,” stresses Michał Michalski, President of the Management Board of Polenergia.

Strategic projects of Polenergia, pursued jointly with the Norwegian Equinor, consist in construction of the first Polish offshore wind farm on the Baltic Sea with a capacity of 3000 MW. The Group holds valid environmental decisions and connection agreements, whereas its further activities related to procuring construction permits will depend on the rate of work on the planned system of regulations for the Polish offshore. To allow the construction of first Polish offshore farms, introduction of detailed provisions is necessary, which will take into account the specific nature of such projects, i.e. their scale and complexity, as well as, at least at the beginning, their limited number. Therefore, in compliance with the schedule of work, the first supply of electric energy from offshore wind farms, MFW Bałtyk II and MFW Bałtyk III, may take place in 2025.

Polenergia: the first Polish private energy group consisting of vertically integrated companies operating in the area of energy production from renewable and conventional gas sources, as well as distribution and trading of electric energy. The strategic project implemented by the Group is construction of wind farms in the Baltic Sea with a total capacity of 3000 MW. Gazeta Giełdy i Inwestorów "Parkiet" awarded the "Byk i Niedźwiedź" prize to Polenergia as the best company in the sWIG80 index in 2018. More information: www.polenergia.pl

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