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Grupa Azoty's record year

Grupa Azoty closed the 2015 FY with record-high results. Net profit reached nearly PLN 692m, up by PLN 427m year on year (2014: PLN 265m), and revenue was in excess of PLN 10bn, against PLN 9.9bn in 2014.

Earnings per share went up over 160% on the previous year. EBIT and EBITDA margins, net of non-recurring events, came in at over 8% and nearly 14%, respectively.

"Our 2015 results, reported today, are surely good news for the market. I am convinced that the Grupa Azoty Group's continued integration and increasing level of innovation will ensure its sustained and secure growth," **said Mariusz Bober, President of the Management Board of Grupa Azoty.**

Of the key business segments, **Fertilizers** was the main driver of Grupa Azoty's performance in 2015. It reported a year-on-year increase of almost 9% in revenue, to over PLN 6bn, and an over 15% improvement in EBIT, to nearly PLN 840m. Increased fertilizer production rates (mainly in the case of ammonia, urea and, in particular, compound fertilizers) made it possible to achieve tangible economies of scale and generate EBITDA margin of 16%. This marked improvement of the segment's performance was attributable to our effective sales policy and relatively low prices of strategic feedstocks (natural gas, coal).

In the Plastics segment, EBITDA margin remained negative in the reporting period, but it grew from -2% to -0.8%, as compared with the 2014 result. Unfortunately, unfavourable market trends, mainly in caprolactam, triggered by lower demand from China (as an effect of the country's economic slowdown) as well as other factors, led to significant sales volume erosion, which offset the rise in earnings delivered by the segment of higher-value-added products. The above results were affected by impairment losses on the benzene derived cyclohexane unit, reducing the segment's performance by nearly PLN 12m. The Plastics segment closed the year with EBITDA of PLN -10.4m, on revenue of PLN 1.2bn.

In the Chemicals segment, EBITDA reached PLN 134.7m, which led to a significant year-on-year growth in margin, to 6% (2014: 2%). This notable improvement in operating margin was fuelled chiefly by lower prices of natural gas, the key feedstock in the production of melamine and technical-grade urea, as well as favourable pricing conditions on the sulfur market, additionally strengthened by supportive exchange rates. The PLN 203m decline in the segment's consolidated revenue, to PLN 2.3bn for the year, was largely an effect of lower prices in the OXO segment, which followed the downtrend in petroleum commodities.

Grupa Azoty's investments in 2015

The Grupa Azoty Group's total 2015 capital expenditure reached nearly PLN 907m, and was financed with internally generated funds and a credit facility package, as well as loans from the National Fund for

Environmental Protection and Water Management (NFOŚiGW) and the Provincial Fund for Environmental Protection and Water Management (WFOŚiGW). Capital expenditure budgeted for 2016 is approximately PLN 2bn.

Read more:

- [Press release](#)
- [Presentation of 2015 Results](#)
- [Consolidated Annual Report for 2015](#)