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Grupa Azoty Group starts the year on a high note

The Grupa Azoty Group closed Q1 2016 with a net profit of PLN 307m (against a comparable PLN 306m in the previous year).

EBIT was up by more than PLN 25m year on year, while revenue went down by close to PLN 360m, coming in at PLN 2.47bn (compared with PLN 2.83bn in Q1 2015).

"We are satisfied with our performance in the first quarter of 2016 – we posted an EBITDA of PLN 517m (up 31m year on year), delivering a higher, 21% margin. However, we are well aware of the challenges facing us in 2016. The premiums generated so far in the feedstock area will be met with growing expectations of adjustments to our pricing policy, which are already visible in the Fertilizers and Chemicals segments," said Andrzej Skolmowski, Vice-President of the Management Board of Grupa Azoty. "In the Plastics segment, we are seeing a sudden increase in price pressure from the market compared with last year, both for polyamide 6 and caprolactam. This situation clearly shows that it is vital for our business to focus on higher value-added products. This is our priority objective for the current year, from both an investment perspective and an organisational one," added Mr Skolmowski.

Despite a drop in sales of over PLN 220m (caused by growing imports), the Agro Fertilizers segment was able to deliver an EBITDA of nearly PLN 380m – up by close to PLN 5m on the previous year. Thanks to a feedstock premium (on the back of a nearly 40% decrease in the price of natural gas compared with the corresponding period of the previous year), the segment's profitability improved. In response to market expectations and an inflow of imported products, the Grupa Azoty Group implemented an effective sales strategy which enabled it to deliver an EBITDA margin of 24% (against 21% in Q1 2015).

Read more:

- [Press release](#)
- [Consolidated interim report](#)
- [Presentation of Q1 2016 results](#)