

UMCC reported net profit at \$5.785 mn in Q1 2016

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KYIV, UKRAINE, June 24, 2016 /EINPresswire.com/ -- [UMCC reported net profit at \\$5.785 mn in Q1 2016](#)

State Enterprise United Mining and Chemical Company (UMCC) has reported financial results for the first quarter of 2016. The company's PBT in Q1 2016 totaled \$7.123 mn.

The company's sales over the reported period exceeded \$ 16.070 mn. Net profit was \$5.785 mn. EBITDA totaled \$6.785 mn for the three months ended March 31, 2016.

"We managed to achieve positive results by substantially increasing volumes of extraction, production and sales of finished products compared to the first quarter of last year. Noteworthy, the company started its extraction operations only in February 2015. For this reason, last year's period cannot serve as a proper basis for comparing financial indicators," says First Deputy Director General of SE UMCC Aleksandr Gladushko.

In the first quarter of 2015, the company's revenues totaled only \$8.638 mn, net profit was \$1.804 mn, EBITDA was \$2.639 mn.

Gladushko points that despite showing positive dynamics, the company is still far from reaching its potentially possible output and sales volumes.

The volumes of unsold output stored at the company's warehouses amount to around \$16.593 mn. "Unfortunately, we are not seeing an increase of demand or growth of prices at the global titanium and compounds market. For this reason, the issue of sales remains complicated," comments Gladushko.

Despite these difficulties, the company is not planning any drastic measures, such as cutting costs or putting production into idling mode, assures Gladushko. "Our company is state-owned. So for as long as we manage to form a financial 'pillow' to soften the blows of the crisis we will not violate our obligations to our staffs," he says.

In conditions of world overproduction of titanium ores, this is what the market leaders do – reduce supply of finished products by cutting back the production capacities. These actions should allegedly result in growth of demand and prices.

SE UMCC also increased payments of different taxes and duties to the budgets of all levels to \$2.571 mn in Q1 2016 compared to \$1.924 mn in Q1 2015 less the costs of licenses and permits for extraction of minerals.

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