



Interview with Dominik Tomczyk, President and CEO, and Izabela Robak, Development

Director at Polwax S.A.



Diversification and innovation

Very few industries embrace product diversity quite like the paraffin industry. Within that industry, Polwax S.A. has continually provided a wide range of products. Its product portfolio and commitment to excellence have led to the continued success of the company. Polwax has been active in the industry for 15 years, employs almost 250 people and boasts an annual turnover of 64 million EUR.



The company's main plant is in Jasło

Polwax, in name, came into being in 2012 as a result of a management buyout from what was then called Lotos Parafiny. Even though the company name is new, the products and services provided by the company continue to be backed by more than a decade of quality. "The long-time experience, long-term management team and new ideas of developing specialties in waxes and paraffin keep the company successful and make it a strong competitor," says Dominik Tomczyk, President and CEO. Izabela Robak, Development Director, adds that Polwax has a very broad product range. "Our portfolio is divided

into twelve groups dedicated to a wide range of industrial sectors." These groups include investment casting, wood processing, the production of varnishes and paints, the production of construction materials, the manufacture of explosives, the manufacture of candles and gravelights, and various applications in the fertilizer, rubber, paper and packaging, and food industries. The wide range of groups was developed by the company a few years ago to decrease its dependence on the industry connected with gravelights and candles. "In addition, it allows us to reduce the seasonality of our production," Ms. Robak explains. The revenue coming from the sales of industrial paraffin reached close to 20% of the total revenues of Polwax in 2014.

One of the company's unique selling points is its customer orientation. "We serve end users in industries – factories and manufacturers. We prepare products custom-made for end users. We do not produce for stock, only on order, all customized," Mr. Tomczyk says. The company's business is

about 25% international and 75% domestic.

Mr. Tomczyk stresses that Polwax is greatly focused on product marketing in general. Since the management shift and subsequent name change, the management

its multilingual website. It also publishes a product catalogue, as well as releasing product-related and finance-related articles to the public. "We have an internal employee newsletter, as well," adds Ms. Robak. "To maintain close relationships with our customers, we



Polwax serves the food packaging industry with wax coatings

team has focused on making the Polwax name recognizable. "Polwax is the new old player. If we want to make our mark on the industry, we must let them know about our new products," explains Mr. Tomczyk. In order to achieve this, the company focuses on promoting and maintaining

organize regular client meetings." At the end of January, Polwax signed a contract with the German company ThyssenKrupp Uhde Engineering Services for basic engineering for a solvent deoiling installation. "This new production facility will give us an additional 30,000 t of material for produc-



The new blending unit allows the company to compose a number of specialized industrial waxes with great precision

tion,” says Vice President and COO Jacek Stelmach. These additional facilities and tons of production material are key because they will allow the company to broaden its horizons. “We want to continue to develop ourselves, and we need this installation to fulfill our demands, realize our vision to be innovative and have an attractive portfolio,” Mr. Tomczyk explains. Polwax plans to invest about 20 million EUR into the project, and construction is set to begin in 2016. The first products coming out of the new two-stage deoiling facility are planned for the middle of 2019.

Recently, Polwax reached a new milestone with its purchase of two laboratories, one in Jasło and one in Czechowice-Dziedzice. The laboratories are fully equipped and provide services for physical and chemical analysis, mainly of petroleum-derived products, but also in the analysis of wastewater and the examination of the operating environment. These laboratories provide new possibilities for the company as a whole. It can now

secure operations in analytical services, thereby entering into a new market with great prospects. “This is a very important development for us. It gives us a strong basis for R&D, it allows for an extension of the scope of work that can be done, and it gives an opportunity for getting access to new, techno-



The company provides a wide range of products dedicated to different industrial applications

logically advanced projects,” says Mr. Stelmach.

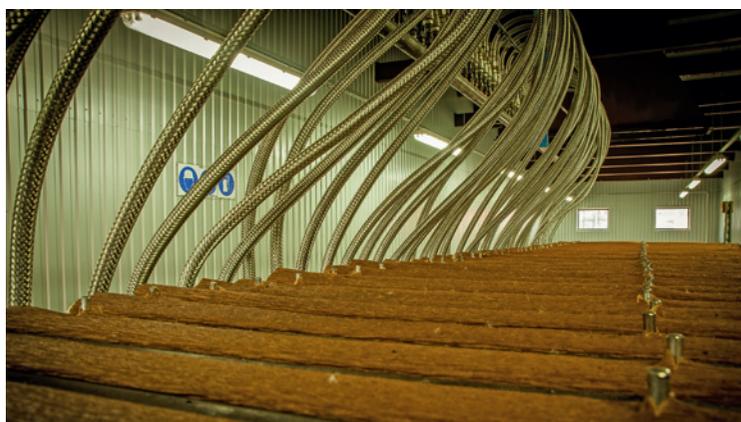
These new projects and innovations continue to place Polwax in a league of its own, so the management board is very optimistic about the future. The company recently started looking at new applications

for some of the products it offers. “A current project is looking into how a hard wax can be used in casting the turbine engines of a new JP 700 turbine jet,” reveals Ms. Robak. “There are seven different companies and a few universities working on this in a consortium. The project will last until the end of 2016 for us and will be finished completely by the end of 2018.” Polwax is also making strides in the food packaging industry. “We are developing a new paraffin for paper impregnation for the food industry, for the packaging that comes in contact with food,” she adds. The company definitely takes its commitment to innovation seriously and is always looking for new industrial applications for its products. “Our new strategy is to achieve 50% of revenues coming from industrial sectors by 2020,” Mr. Tomczyk says. This strategy has been labeled Project Future. Part of this is the construction of the deoiling facility, which will be placed close to existing assets of Polwax in Czechowice-Dziedzice.



Polwax offers products to impregnate wood





A special filtration press allows Polwax to work with high-viscosity products



In brief

Core Competence

Producer and distributor of industrial waxes and paraffins

Facts & Figures

- Structure: Public since the buyout in 2012
- IPO: 6 October 2014
- Branch offices: Jasło and Czechowice-Dziedzice
- Employees: 245
- Turnover: 64 million EUR
- Export: 25%

Products & Services

Investment casting; wood processing; production of varnishes and paints; production of construction materials; manufacture of explosives, candles and gravelights; various applications in the fertilizer, rubber, paper and packaging, and food industries

Target Groups

End users in industries

Fairs & Exhibitions

Planned participation in fairs focused on laboratory services

Future

Offer a wider range of products, further develop R&D capabilities, diversify sources of raw materials and ultimately expand to markets outside of the EU

The existing installations and good logistic location will facilitate the achievement of the strategic goals the company hopes to fulfill. In relation to Project Future, Polwax is also working on modernizing its storage tanks, including a reduction in their energy consumption. These new installations, modernization techniques and the industrial branch revenue focus make the company less sensitive to fluctuations in the supply of raw materials. The diversified product portfolio will protect Polwax from possible recessions of certain key industrial sectors, enabling it to maintain a good and stable economic situation and position. "We think it is essential that you always strive to think outside the box. Without innovation and investment, it is very difficult to be a

modern and innovative company," Mr. Tomczyk says.

Polwax hopes to continue to offer a wide range of products, further develop its R&D capabilities, diversify its sources of raw materials, and ultimately expand to markets outside of the European Union. "Our philosophy is simple: Technology and innovation are key to being successful on the market," Mr. Tomczyk concludes. Big things are expected in the near future. Polwax and its management team have continued to stay current and reach new heights. The company's unwavering commitment to technology and the willingness to innovate keeps the future very bright for the company and its employees. █



The management team: Jacek Stelmach (COO), Piotr Kosiński (CFO) and Dominik Tomczyk (CEO)

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