Compared to a profit of around 138 million euros in the same period last year, mostly due to increased foreign exchange and inventory losses, Hungarian oil and gas company MOL recorded a net loss in the amount of 138 million euros in the first quarter of 2020.

The statement from the company said that significantly weaker forint gave it a big, albeit mostly unrealized, foreign exchange loss in the first quarter, while a negative current cost of supply modification, due to large inventory holding losses and end-of-period net realizable value adjustments, also weighed.

The company recorded a 253.5 million euros financial loss in 2020, a huge rise from 12 million euros financial loss in Q1 2019. Total revenues rose by 3.5 % to some 3.34 billion euros. Cost of raw materials and consumables climbed at a slower pace, increasing by 1.9 % to 2.54 billion euros.

A breakdown by business segment shows that net sales revenues of MOL’s downstream business dropped by 2.2 % to 2.78 billion euros. It generated a 31.7 million euros operating loss in the first quarter of the year, compared to an operating profit of 9.5 million euros last year.

Upstream revenues dropped by 19.6 % to 292 million euros, and the business’s operating profit dropped by 63.8 % to 45 million euros. MOL’s consumer services segment continued to show growth, as revenues increased by 5.5 % to 1.06 billion euros, but its operating profit dropped by 17.1 % to 41 million euros. MOL noted that the lockdown due to the coronavirus pandemic in the second half of March wiped out much of the strong growth experienced earlier in the first quarter both in fuel and non-fuel margins.

The company said its organic CAPEX increased by 3 % to 272 million euros. 116 million euros was spent on transformational projects, including 102.5 million on MOL’s new polyol plant, while sustain CAPEX was 154 million euros. MOL said the polyol project reached 60 % completion at the end of March. However, the company acknowledged that the pandemic has affected the project’s supply chain and is making workforce mobilization increasingly difficult, so delays are expected.