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Increase in revenues, EBIT and net profit of the ERBUD Group in the first half of 2019

- **The Młociny Shopping Mall completed successfully – total project value: almost PLN 650 million**
- **EBIT: PLN 25 million, net profit: PLN 16 million**
- **Revenues up by 25% y/y, up to PLN 1.2 billion**
- **Robust cash position: PLN 110 million cash assets**
- **Safe order portfolio worth PLN 2.2 billion**
- **Optimum headcount level: 2.5 thousand**

In H1 2019, the ERBUD Group recorded PLN 25.4 million of EBIT profit and PLN 16.1 million of net profit. The EBIT margin was 2.2% whereas net margin 1.4%. The Group's revenues increased by 25% y/y up to PLN 1.2 billion. At the end of June, ERBUD had a portfolio of orders worth PLN 2.2 billion.

"After last year's one-off events that influenced our results in 2018, we returned to a satisfactory growth in profits. In the second quarter alone, we achieved PLN 20 million of EBIT and PLN 14 million of net profit. This was the fourth consecutive quarter in which the ERBUD Group recorded profits. At the end of June, the EBIT margin exceeded 2 percent, so it was more than twice higher as after the first quarter. Our goal is to maintain a similar level of profitability in the coming months", says Dariusz Grzeszczak, President of the ERBUD S.A. Management Board.

The total revenues of the ERBUD Group from building construction in Poland in H1 2019 amounted to PLN 866.6 million and increased by 41% y/y, while building construction abroad generated revenues of PLN 62.4 million.

Total revenues of the ERBUD Group from power sector and maintenance services (home and abroad) totalled PLN 155 million and were up by 14% y/y. The road engineering segment maintained revenues at PLN 115 million.

At the end of June, the ERBUD Group had a safe order portfolio worth PLN 2,196 million, of which PLN 1,074 million falls for 2019, and PLN 1,122 million for subsequent years (2020-2022).

The share of public procurement in total order portfolio at the end of June 2019 accounted for 43%. The largest public award executed by the ERBUD Group is the contract between PBDI (in consortium with Mosty Łódź) and GDDKiA for the construction of the section of the S3 expressway with a value of PLN 715.2 million. PBDI S.A. will execute works that are worth half of this amount, i.e. PLN 357.6 million.

In May, ERBUD successfully completed the construction of Galeria Młociny, the largest retail and entertainment in Warsaw and one of the largest facilities of this type in Poland. The completion of the project took more than two years. The centre was open in accordance with the deadline specified in the contract with the investor. The contract value amounted to almost PLN 650 million.

The results for the first half of the year confirm that building construction is our strength, although at the same time we still focus on segment diversification. For example, our German company IVT, operating in the energy and maintenance services segment, recorded a 19% y/y growth in revenues up to PLN 54 million and achieved EBIT of PLN 6 million. Next year, as a result of the performance by PBDI S.A of the contract for the construction of the S3 route, we will begin to record an increase in revenues also in the road-engineering", announces Dariusz Grzeszczak.

The ERBUD Group maintained a safe cash position. Cash assets at the end of June 2019 totalled PLN 109.8 million, which means an increase of 23% y/y. At the same time, the Group reduced its net debt by 45%, which after H1 2019 amounted to PLN 53.4 million.

At the end of the first half of 2019, the total headcount in the Erbud Group was at 2,477 people.

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The ERBUD Group is one of the largest construction groups in Poland. It exists since 1990. It provides services at home and abroad, and has many years of experience gained on the Polish market as well as in Western European countries. The core business is construction of buildings, road-engineering and construction for industry and power sector. The ERBUD Group competes with the international branch players in terms of quality and meeting deadlines. Yearly, it carries out projects worth about PLN 2 billion. Since 2007, ERBUD S.A. is listed on the Warsaw Stock Exchange.

The most prestigious projects completed recently by the member companies of the Group are: Młociny Shopping Centre, Eurocentrum Office Complex and Royal Wilanów in Warsaw; Invasive and Non-invasive Medicine Centre of the Medical University of Gdańsk; Southern Hospital in Warsaw; Municipal Waste Incineration Plant in Konin; Miechowice Heating Plant; Photovoltaic Power Plant Complex in Dobrcz/Mierki.

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