ERBUD

RESPONSIBLE
INNOVATIVE
AND SAFE
PARTNER

FINANCIAL PERFORMANCE OF ERBUD GROUP

H1 2019



Warsaw, 5 September 2019

ERBUD Group in H1 2019 – Major Facts & Figures

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

Performance summary

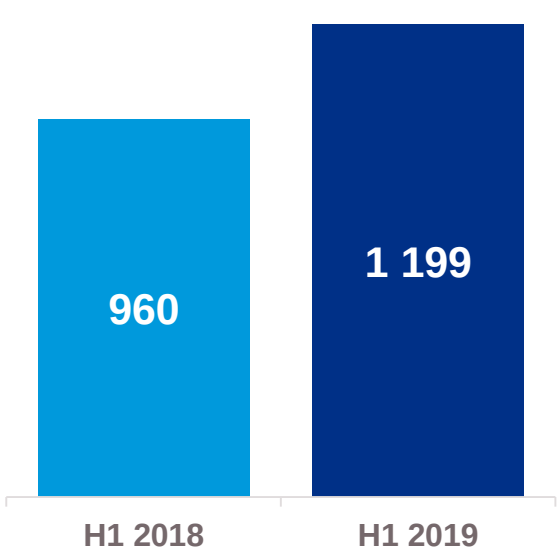


Attachments

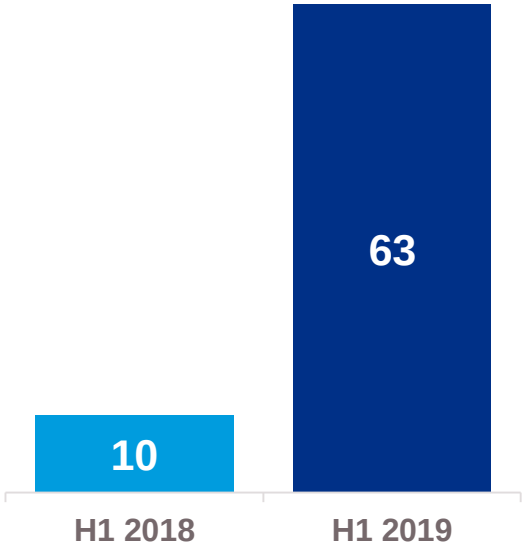


Major highlights
(as of 30 June 2019)

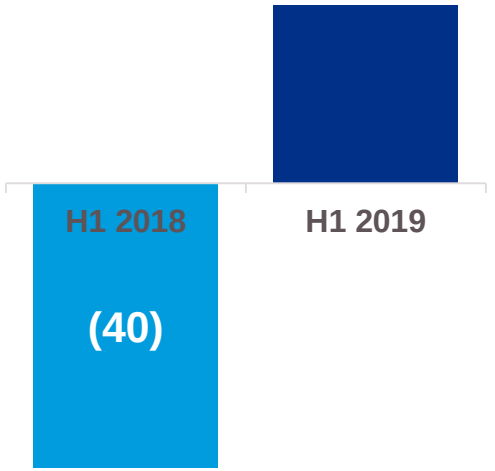
Sales revenues [PLN M]



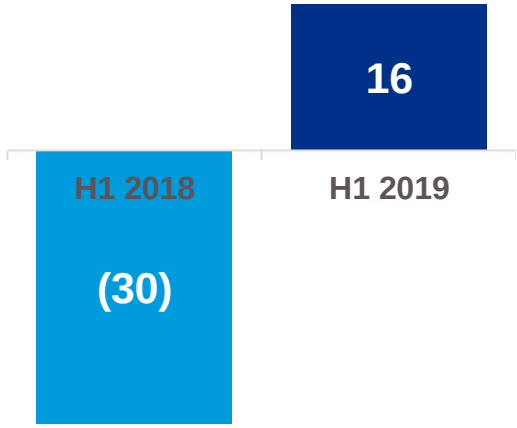
Gross profit/loss on sales [PLN M]



EBIT [PLN M]



Net profit/loss [PLN M]

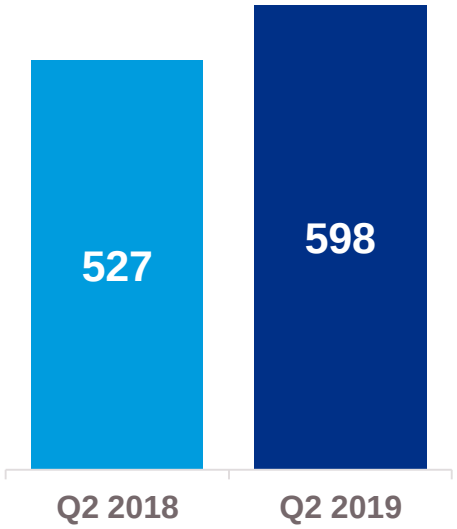


COMMENTS

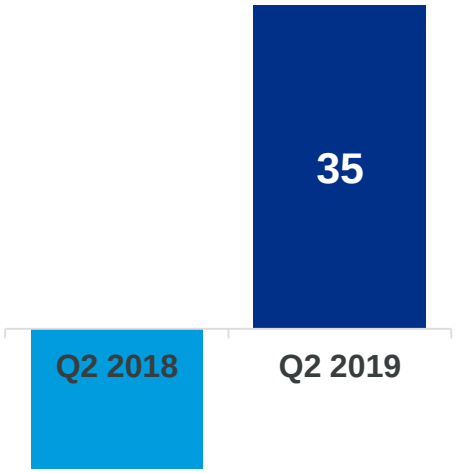
- In H1 2019 sales revenues were up by 25% compared to the same period of 2018.
- Gross profit/loss on sales was more than sixfold higher than a year before.
- At the end of H1 2019 the EBIT margin was 2.12%, whereas net margin - 1.35%.

Major Highlights
(Q2 2019)

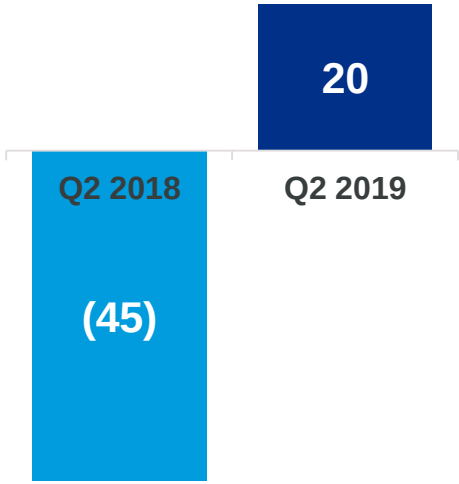
Sales revenues
[PLN M]



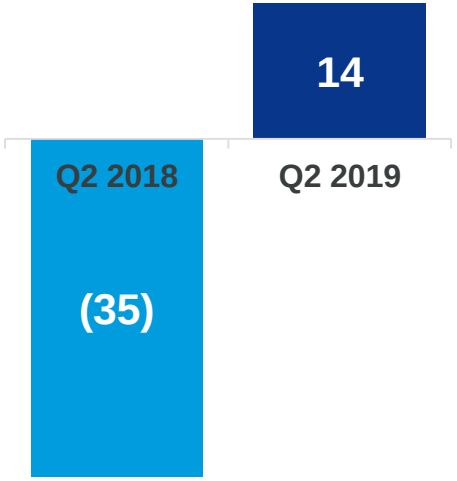
Gross profit/loss on sales
[PLN M]



EBIT
[PLN M]



Net profit/loss
[PLN M]

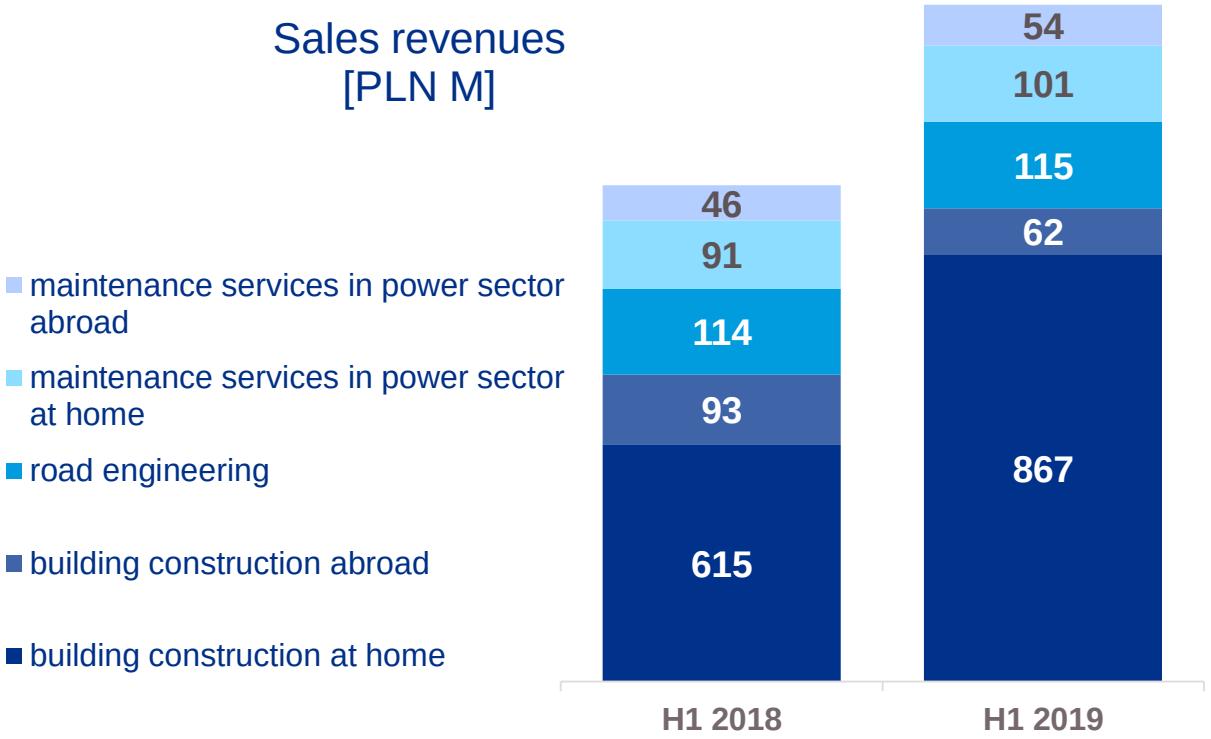


COMMENTS

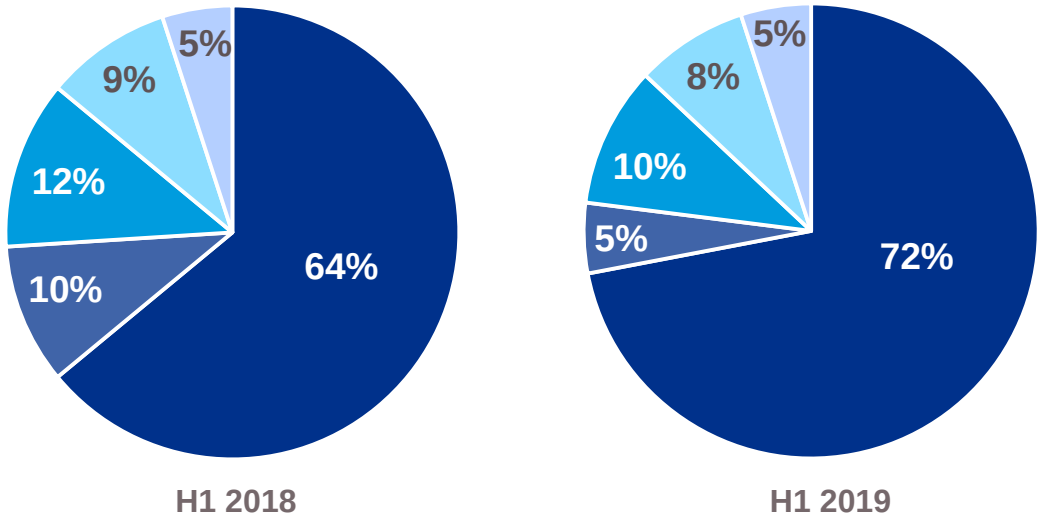
- In Q2 2019 alone the ERBUD Group recorded revenues, which were up by 13% y/y.
- The EBIT profit was influenced, *inter alia*, by PLN 4.7 M, which was the result of ultimate settlement of the sales of shares in Budlex S.A.
- In Q2 2019 the EBIT margin was 3.28%, and net margin - 2.40%.

Revenues breakdown by segments

Sales revenues [PLN M]



Share in revenues

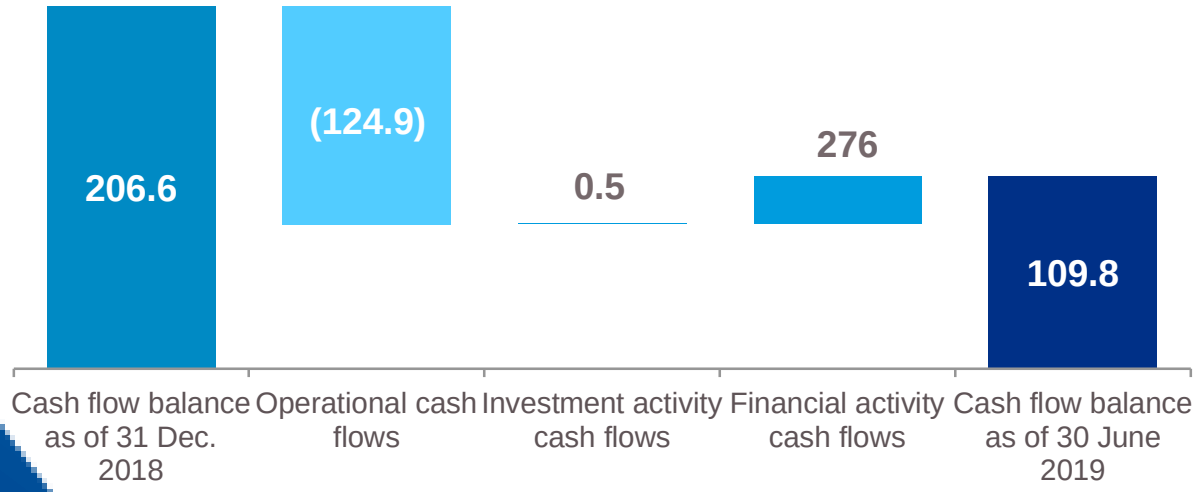


COMMENTS

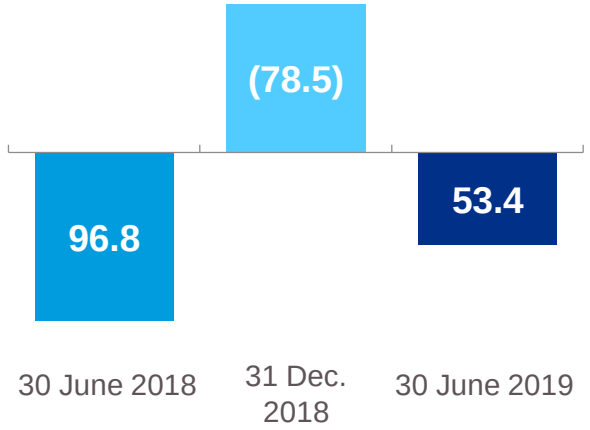
- The revenues from building construction in the domestic market were up by 41% yoy.
- Total revenues of the ERBUD Group from power sector and maintenance services (home and abroad) totaled PLN 155 M and were up by 14% yoy.
- Total revenues of from foreign operations totalled to PLN 117 M and were down by 16% yoy. This was mainly driven by revenues from construction of commercial/residential buildings, which were down by 33%.

Cash flows from financial activities and debt

Cash flows from financial activities
[PLN M]



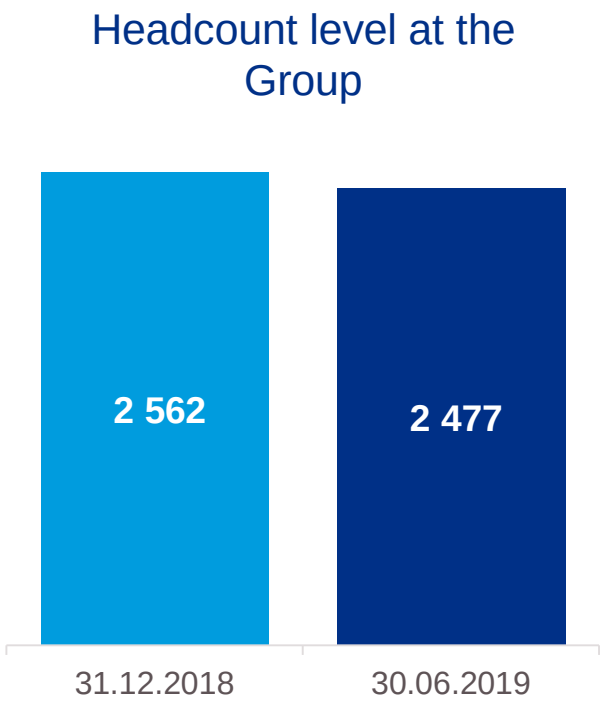
Net debt
[PLN M]

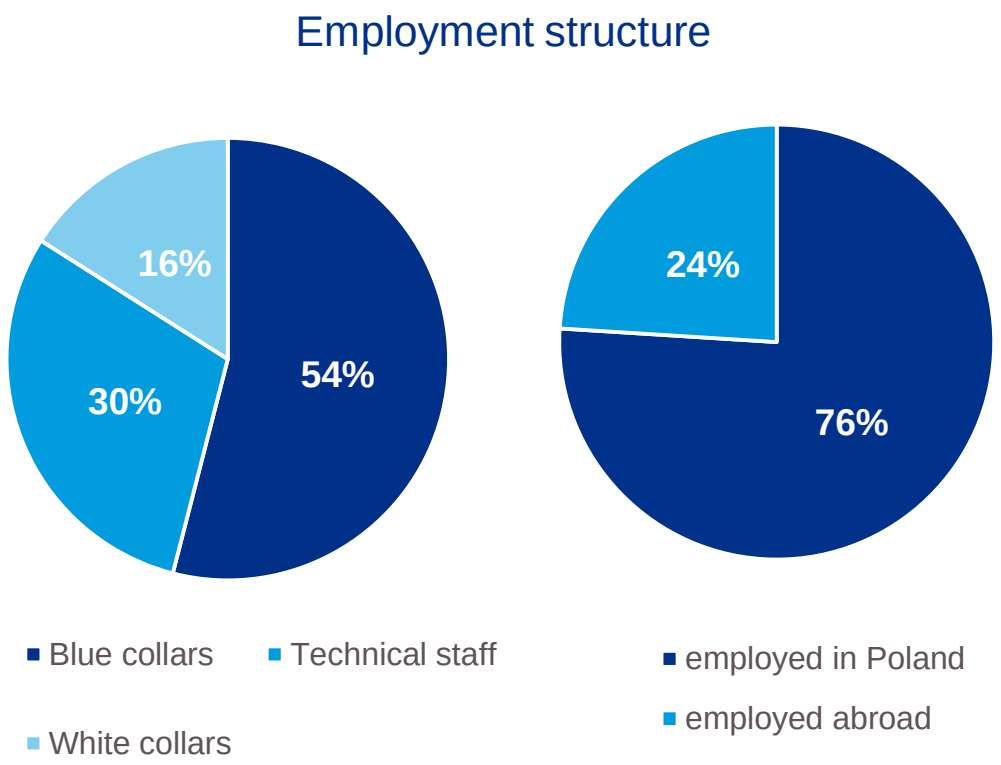


COMMENTS

- At the end of June 2019 cash balance was up by 17% compared to the end of the same period in 2018, when they totalled PLN 91.9 M.
- The ERBUD Group recorded a typical for that period decline of cash balance compared to the year end, which is fueled by high growth of revenues from commercial/residential building construction.
- The Group recorded safe level of interest expenses in the amount of PLN 53.4 M and has open credit lines worth PLN 159 M.

Headcount level at the Group

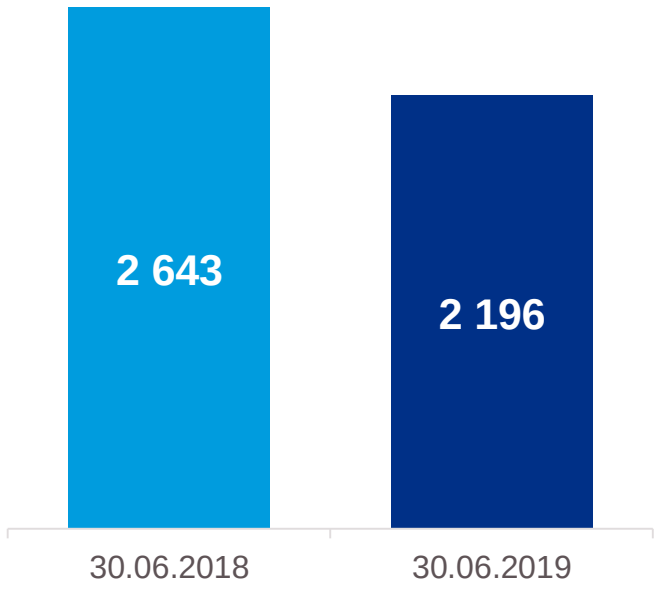




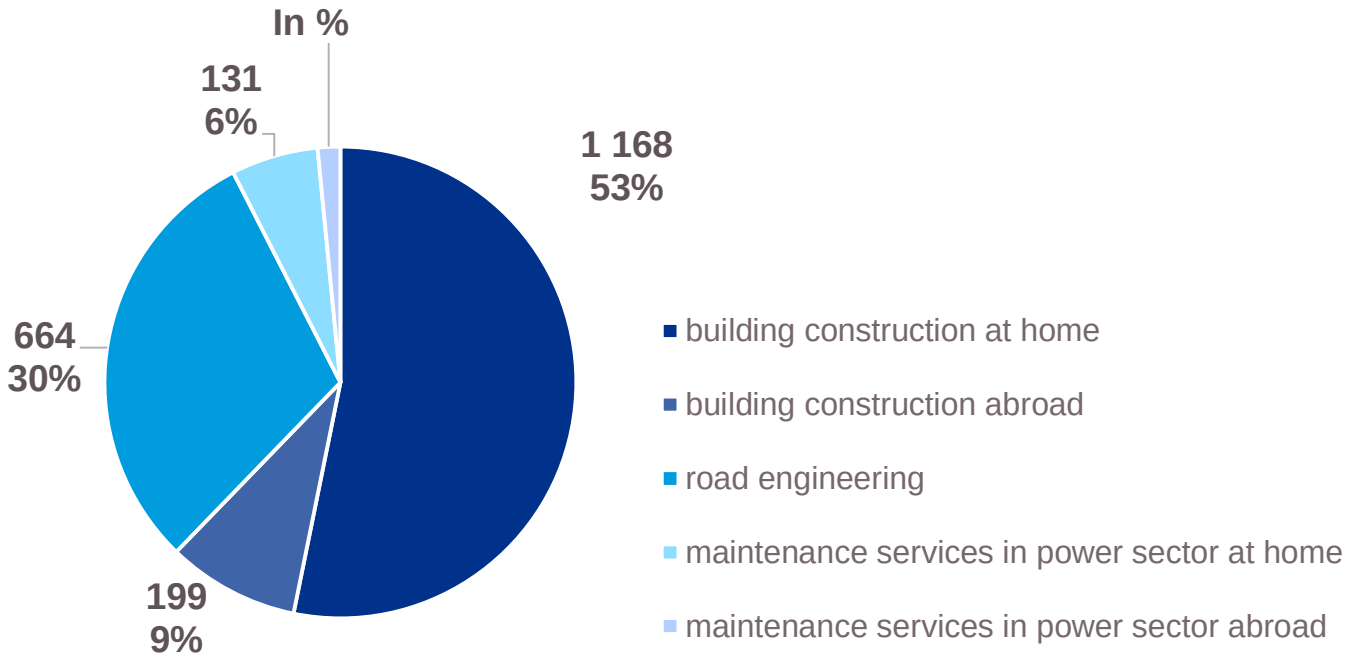
as of 30 June 2019

Order portfolio

Total order portfolio [PLN M]



Breakdown of order portfolio into segments [PLN M]



COMMENTS

- Total value of contracts signed until the end of July 2019 was the same as in the same period of the previous year (PLN 1 149 M in Jan.-Jul. 2019 vs. PLN 1 155 M in Jan.-Jul. 2018).
- The 2019 order portfolio was PLN 1,074 M in value terms, in longer term (2020-2022) the order portfolio was: PLN 1,122 million.
- The share of public procurement in total order portfolio at the end of June 2019 accounted for 43%, which was mainly driven by contract signed with PBDI S.A. for the construction of S3 thoroughfare, worth PLN 358 M. The start date for the contract is 2020.
- Between 1 July and 5 September 2019 the ERBUD Group signed contracts with the total value of PLN 375 M.

Performance summary



Attachments



Profit and Loss Account

Selected consolidated items ('000 PLN)	30 June 2019	30 June 2018
Sales revenues	1 198 722	959 762
Cost of goods sold (COGS)	1 136 123	949 746
Gross sales profit/(loss)	**62 599**	**10 016**
Cost of sales	2 718	2 753
General and administrative (G&A) costs	50 389	45 512
Other operating income	10 150	5 215
Other operating expenses	938	6 132
Impairment of financial assets and contract valuation assets	6 493	(1 253)
Share in net profits/losses of equity-accounted subsidiaries	175	(22)
Operating profit	**25 372**	**(40 441)**
Financial income	884	8 313
Financial expenses	5 246	4 571
Gross profit from continued operations	**21 010**	**(36 699)**
Income tax	4 863	(6 789)
Net profit/loss from continued operations	**16 147**	**(29 910)**

Balance Sheet

Selected consolidated items ('000 PLN)	30 June 2019	30 Dec. 2018
Goodwill	39 278	39,462
Tangible fixed assets	95 375	72 498
Financial assets	2 393	5,750
Deferred tax assets	32 578	30,410
Receivables under building contracts - deposits	13 024	9 535
Total fixed assets	**182 648**	**157 655**
Inventory	55 716	20 100
Receivables under building contracts - deposits	59 914	53 362
Receivables under building contracts - pricing	215 927	176 425
Trade receivables and other short-term receivables	555 449	463 660
Financial assets	3 419	7 493
Cash and cash equivalents	109 830	206 608
Cash at VAT account	4 354	7 249
Short-term prepayments	6 007	5 848
Total current assets	**1 010 616**	**940 745**
Total assets	**1 193 264**	**1 098 400**
Equity	255 838	240 911
Long-term liabilities	133 238	112 939
Short-term liabilities	804 189	744 550
Total liabilities	**1 193 264**	**1 098 400**

History of ERBUD Group

17 AUGUST 1990

Setting up of a company by Eryk Jan Grzeszczak and Dariusz Grzeszczak

1993

1999

The ERBUD shareholders were joined by Józef Adam Zubelewicz

2003

2004

Building of regional branches

2007

2010

2014

2016

Disposal of Budlex

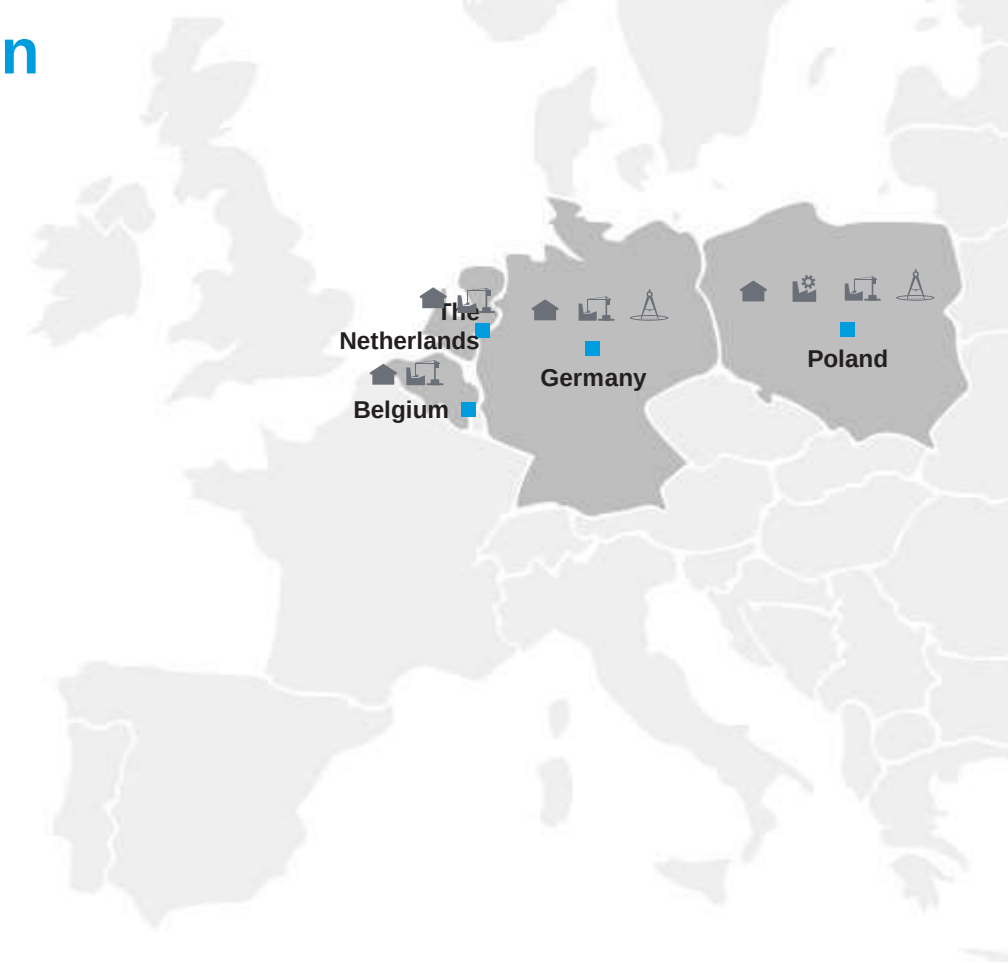
2017

The Management Board of ERBUD S.A. was joined by Agnieszka Głowacka

2018

Strong in Poland and in Western Europe





Building construction

Maintenance services for the industry

Engineering and maintenance services for the industry and power sector

Road engineering

Shareholding and Organisational Structure of ERBUD Group

ERBUD

ERBUD S.A.

- The Warsaw Branch
- The Toruń Branch
- The Wrocław Branch
- The Szczecin Branch
- The Cracow Branch
- The Rzeszów Branch

ERBUD Operations Sp. z o.o.



100%

Mirosław Młynarski
President of the Management Board

ERBUD OPERATIONS

GWI GmbH

97.86%



Axel Andreas Wahl
President of the Management Board

GWI

Erbud International Sp. z o.o.

100%



Bogdan Dürr
President of the Management Board

ERBUD INTERNATIONAL

PBDI S.A.

90%



Paweł Średniawa
President of the Management Board



Piotr Gutowski
Vice-President of the Management Board



Marcin Szerszeń Vice-President of the Management Board

PBDI

ERBUD Industry Sp. z o.o.

ERBUD Industry Centrum Sp. z o.o.	99.01%
ERBUD Industry Pomorze Sp. z o.o.	100%
ERBUD Industry Południe Sp. z o.o.	99.29%



Mirosław Białogłowski
A Management Board member



Marcin Nowicki
A Management Board member



Paweł Zaorski
A Management Board member

ERBUD INDUSTRY

IVT Weiner + Reimann GmbH

100%



Dipl.-Ing. Carsten Weiner
A Management Board member

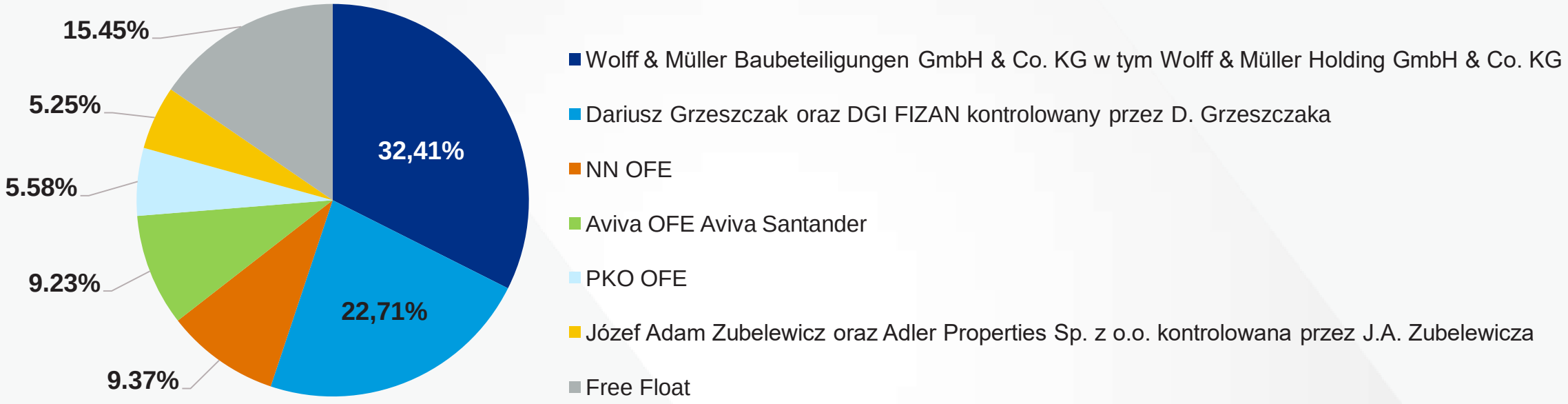


Andreas Schmitz
A Management Board member

IVT WEINER + REIMANN GMBH

The shares in percentage terms stand for equity interest of parent companies.

Governing Bodies and Shareholding



MANAGEMENT BOARD

Dariusz Grzeszczak	A Management Board member
Józef Adam Zubelewicz	A Management Board member
Agnieszka Głowacka	A Management Board member

SUPERVISORY BOARD

Udo Berner (Chairman)	Piotr Kaczmarek
Albert Dürr	Michał Otto
Gabriel Główka	Janusz Reiter



THE MŁOCINY SHOPPING MALL IN WARSAW

INVESTOR: **ECHO Investment S.A.**

EXECUTION PERIOD: **May 2016 – May 2019**

CUBIC CAPACITY: **1 432 674 m³**



SILESIA OUTLET IN THE CITY OF GLIWICE, PHASE 1

INVESTOR: **SILESIA OUTLET Sp. z o.o.**

EXECUTION PERIOD: **Dec. 2017 – Mar. 2019**

CUBIC CAPACITY: **105 476 m³**



ROYAL WILANÓW IN WARSAW

INVESTOR: **Capital Park S.A.**

EXECUTION PERIOD: **Aug. 2013 – Sept. 2015**

CUBIC CAPACITY: **281 950 m³**



NEUCA S.A. IN THE CITY OF TORUŃ

INVESTOR: **Martinigue Investment Sp. z o.o.**

EXECUTION PERIOD: **May 2018 – Feb. 2020**

CUBIC CAPACITY: **89 479 m³**



NON-INVASIVE MEDICINE CENTER IN THE CITY OF GDAŃSK

INVESTOR: **Gdańsk Medical University**

EXECUTION PERIOD: **Oct. 2018 – Oct. 2020**

CUBIC CAPACITY: **140 802 m³**



THE SOUTHERN HOSPITAL IN THE CITY OF WARSAW

INVESTOR: **The Capital City of Warsaw – The Capital City Management Board for City Development**

EXECUTION PERIOD: **from Oct. 2016 onwards**

CUBIC CAPACITY: **188 945 m³**



RADISSON BLU RESSORT IN THE CITY OF ŚWINOUJŚCIE

INVESTOR: **Zdrojowa Invest Sp. z o.o.**

EXECUTION PERIOD: **Oct. 2014 – Jul. 2016**

CUBIC CAPACITY: **184 995 m³**



HAMPTON BY HILTON IN THE CITY OF GDAŃSK

INVESTOR: **Capital Park S.A.**

EXECUTION PERIOD: **May 2016 – Jan. 2018**

CUBIC CAPACITY: **38 680 m³**

ERBUD INDUSTRY

INDUSTRIAL CONSTRUCTION AND POWER SECTOR



ALTERATION OF MICHELIN CHP PLANT IN THE CITY OF OLSZTYN

INVESTOR: **Michelin Polska S.A.**

EXECUTION PERIOD: **Mar. 2018 – Oct. 2019**



RETROFITING OF POMORZANY POWER PLANT IN THE CITY OF SZCZECIN

INVESTOR: **Pomorzany Power Plant (PGE Górnictwo i Energetyka Konwencjonalna S.A.)**

EXECUTION PERIOD: **Oct. 2016 – Nov. 2018**

PBDI S.A.



DOBRCZ / MIERKI PHOTOVOLTAIC POWER PLANT COMPLEX

INVESTOR: **Chatteris Investments Sp. z o.o.**

EXECUTION PERIOD: **Jul. 2017 – Feb. 2018**

ERBUD INTERNATIONAL SP. Z O.O.



CADIX UNIVERSITY AT ANTWERP/ BELGIUM

INVESTOR: **NV Strabag Belgium SA**

EXECUTION PERIOD: **Mar. 2018 – Feb. 2019**



KÖ QUARTIER OFFICE AND COMMERCIAL BUILDING IN THE CITY OF DÜSSELDORF (GERMANY)

INVESTOR: **KQ Development S.C.S, Luxembourg**

EXECUTION PERIOD: **09.2017 – 09.2018**

CUBIC CAPACITY: **90 207 m³**



UPPERNORD TOWER DÜSSELDORF (GERMANY)

INVESTOR: **CG Gruppe AG**

EXECUTION PERIOD: **Jul. 2019 – Sept. 2021**

CUBIC CAPACITY: **126 000 m³**

Contact persons

CONTACT

FOR INVESTORS

Agnieszka Głowacka

A Management Board member

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CONTACT

FOR MEDIA

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ERBUD

THANK YOU

