

Record results of the ERBUD Group in 2020

PLN 50.5 million of net profit, i.e. by over 51% more than in 2019, was developed by one of the leading construction groups in the country - ERBUD. This is the best result in the Group history. ONDE (formerly PBDI) contributed the most to it, achieving a net profit of PLN 32 million (+ 139.5% year on year).

In 2020, the ERBUD Group had revenues of PLN 2.228 billion, i.e. slightly less (-3.7%) than in the previous year. The decrease (-28.8%) in the cubature segment in Poland had the greatest impact on sales. It was not fully compensated by increases abroad (+91%) or the revenues of ONDE – the domestic leader in RES construction – which increased by over 54% during the year to the level of PLN 586.2 million.

- As far as our revenues are concerned, it is worth looking at them from the perspective of the fourth quarter. During this period, they were increasing at a good pace in Poland and abroad - +19 percent respectively y/y and +25% y/y - emphasizes Dariusz Grzeszczak, President of ERBUD. - Our backlog at the end of 2020 allows us to be optimistic about the prospects for sales in the near future - adds Dariusz Grzeszczak.

The number of contracts signed in the Group in 2020 was 231 and amounted to PLN 2,500 billion. At the end of 2020, the ERBUD Group order book was worth approximately PLN 2.555 billion, i.e. by 7% more than a year ago. The highest increase (65%) was observed in the case of the ONDE backlog, which at the end of the year it was worth PLN 1.075 billion.

The lack of sales growth did not prevent ERBUD from significantly improving margins at all levels of the account. Consolidated gross profit increased by 32%, EBIT by 21%, and net profit by as much as 44%.

- Such an impressive improvement in our profitability is mainly the result of a change in the sales structure. According to our strategy, we reduce exposure in the most competitive and low-profit areas, and focus on projects in industry and, through ONDE, in RES - that is, where we have unique competences and can generate higher margins - explains Dariusz Grzeszczak.

In the domestic industrial segment, EBIT increased by 88% compared to 2019.

In 2020, a significant improvement can also be seen in the balance sheet and liquidity situation of the construction group. During this period, ERBUD generated PLN 304 million of cash flows from operating activities, which allowed for the repayment of approximately PLN 133 million of debt. At the end of the year, the company's cash desk had PLN 346 million in cash, which means that it currently has no net debt.

Last year, efforts were implemented to enter ERBUD into a new business segment, i.e. the production and sale of wooden modules for the construction of large commercial and public facilities. They will be offered in particular on the German market, where ERBUD has been present for years and has a strong position there.

- It is practically not used in Poland, but more and more popular in Europe, construction technique that has virtually the same advantages: it is ecological, economic and allows for flexible remodelling

or relocation of these objects - explains Radosław Górski, member of the ERBUD management board, responsible for the development of the new area activities.

The purpose of a new segment is to bring the ERBUD Group approximately PLN 1.5 billion in revenues annually and involves capital expenditure of PLN 80-100 million, needed mainly to build a factory and equip it with state-of-the-art, robotic production lines.

ERBUD is currently considering how to finance this investment. It is possible to obtain debt financing, find a strategic investor for ONDE, or sell its shares in the IPO on the Warsaw Stock Exchange (while maintaining control).

- We believe that the level of development achieved by ONDE and the excellent market prospects related to the European revolution in RES are strong arguments for a wide group of investors. However, since ONDE is a "pearl in the crown" of the ERBUD Group, we only consider the sale of a relatively small block of shares in order to maintain full control over the company - says Jacek Leczkowski, Vice-President of ERBUD.-

ONDE (formerly PBDI) is a national leader in the segment of building installations for the renewable energy sector (RES) in Poland, in particular wind farms and photovoltaic farms. The company was and is currently involved in the construction of wind farm installations with a total capacity of 2,456 MW. In the solar farm segment, ONDE has in total built and is currently building a 185 MW plant. Revenues from the implementation of RES installation construction projects account for 82% of ONDE revenues. The remaining part involves engineering and road contracts.

Part of the amounts from the sale of ONDE shares, if any, will be used not only to launch the module production, but also for the development of service activities abroad through acquisitions.

ERBUD Capital Group is the largest construction company in Poland that is not part of international holdings. It has over 30 years of experience on the Polish market and in Western European countries. ERBUD specialises in building, road and industrial as well as energy construction. Annually, it implements projects worth over PLN 2.5 billion. Since 2007, ERBUD S.A. has been listed on the Warsaw Stock Exchange. The most prestigious projects carried out recently by the companies of the ERBUD Group include: Młociny Gallery in Warsaw, Koszyki Hall in Warsaw, Eurocentrum Office Complex and Royal Wilanów office buildings in Warsaw, the Invasive and Non-Invasive Medicine Centre of the Medical University of Gdańsk, the Southern Hospital in Warsaw, Lidl Distribution Centre in Stargard, Municipal Waste Incineration Plant in Konin, Construction of a boiler room with a WR25 boiler with accompanying infrastructure for FORTUM BYTOM S.A. Heat and Power Plant and Dobrcz/Mierki Photovoltaic Power Plant Complex.

More information on onde.pl; www.erbud.pl.

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