

ERBUD extends the strategy with modular houses and wants to invest PLN 80-100 million in the development of this business

ERBUD plans to enter a new business segment. The company intends to produce and sell modular houses. The company estimates the investments related to the launch of production at PLN 80-100 million.

ERBUD, one of the largest construction groups in Poland, announced the expansion of its strategy by entering the production of modular houses. They will be offered mainly on foreign markets, in particular in Germany, where ERBUD has been present for years and has a strong business position there.

- As part of the development strategy, we have decided to focus on the still young, but extremely prospective segment, which, especially in Western Europe, grows with great dynamics. The construction of modular houses is in line with pro-ecological trends that are growing in strength all over the world. Placing them consumes much less energy, so they leave a small "carbon footprint" - explains Dariusz Grzeszczak, president of ERBUD.

- For years, our strategy has focused on segmental and geographic diversification. This new area of activity will allow us to build a strong "business leg" within a few years, which should significantly contribute to the profits of the ERBUD Group. The more that we will be able to use our many-year-experience on the German market, where we see the greatest potential for development - adds Dariusz Grzeszczak.

Starting the production and sale of modular facilities will require investments. ERBUD is planning, inter alia, to purchase the facility where it wants to run the production line. The company estimates the funds needed to achieve this goal at approx. PLN 80-100 million. Currently, the ERBUD authorities are analysing the optimal method to obtain them. The options considered include obtaining debt financing or selling some shares of the daughter company - PBDI S.A. in Toruń - an entity specializing in general contracting of renewable energy projects, mainly wind farms and photovoltaic farms. The sale of a minority block of shares in PBDI S.A. to a financial or industry investor or through a public offering on the Warsaw Stock Exchange is considered.

- PBDI is our jewel in the crown. Therefore, in each scenario, we assume that we will maintain control over the company. In the coming weeks, we will intensively analyse all possibilities and choose the optimal solution, both for the entire Group and for the further development of PBDI itself - emphasizes Dariusz Grzeszczak.

PBDI S.A. is a national leader in the wind farm segment. So far, the company has been and is involved in the construction of installations with a total capacity of 2,530 MW. The company also provides services in the field of building photovoltaic farms - in total in this segment, the company has built and is currently building a 180 MW installation. PBDI generates approx. 80 percent of its revenues from renewable energy projects. The company has grown up in the civil engineering and road construction segment, which now accounts for the remaining 20 percent of sales.

The ERBUD capital group is one of the largest Polish construction groups on the market, which successfully competes with international entities in the industry. 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 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 www.erbud.pl.

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