

## **ERBUD Group. Growing sales and promising prospects**

**In the last quarter the construction giant increased its revenues by 42% y/y, to nearly PLN 764 million, with the gross profit margin on sales at the level of 6.5%. The ERBUD Group ended the first three months with nearly PLN 7.5 million of normalised EBIT and nearly PLN 2.9 million of normalised net result.**

The strongest business area of the Group in Q1 of this year was services for industry, both domestically and abroad. The segment's revenues doubled to nearly PLN 132 million, with over 200% increase in sales abroad, which was, among others, a consequence of the acquisition of IKR in 2021. The segment's EBIT increased by 370%, to PLN 8 million. The Group's building construction business increased sales by 88%, to PLN 453.4 million. The EBIT of building construction in Poland amounted to PLN 1.4 million, while the total loss of this segment was PLN 1.2 million, which was influenced by the implemented change of the business model in Germany (entering the ecological modular construction business).

The RES and road and engineering construction segments within ONDE recorded a decrease in sales and operating result to PLN 178.4 and 1 million respectively due to schedules of current projects among other reasons. At the end of Q1, the ERBUD Group had a portfolio with a value of nearly PLN 4.4 billion, of which PLN 3.5 billion were external contracts.

In Q2 of this year, the financial situation of the Group stabilised, securing e.g. financing for its strategic projects: development of the RES installation construction business and creating the business of modular construction with the use of prefabricated wood. At the beginning of the period, the Group had a cash surplus over interest liabilities in the amount of over PLN 72 million.

Dariusz Grzeszczak, the Chairman of ERBUD, emphasises that in the last quarter, the Group carried out its strategic projects as planned and successfully managed the challenges of the current operations resulting from the market situation. *"We have a demanding, hard-working and ultimately successful quarter behind us. Thanks to many years of experience, efficient organisation and strong financial foundations, we skilfully navigate through the turbulent waters of today's construction market. The Group's construction contracts are executed according to schedules. Due to the unprecedented increase in costs, including costs of raw materials, we are re-negotiating contract terms with a number of clients to ensure their profitability. We are hopeful – it is in the common interest of the Group and our clients that the projects are carried out in a stable manner,"* comments Dariusz Grzeszczak.

The chairman of the construction giant points out that the current economic and political situation only enhances the potential of the key business areas of the Group, with the renewable energy business and ecological construction at the fore. *“The development of renewable energy sources as well as ecological, energy-saving and efficient construction is extremely important today, not only due to global climate challenges, but also the current, pressing needs to ensure the energy security of the Old Continent. The need to reduce the share of fossil fuels in the energy balance of Europe already affects the investment priorities of the countries in the region, making the development strategy of the ERBUD Group even more justified. Our goals and ambitions remain unchanged: We want to be not only participants, but also one of the leaders of the region's green revolution, with a strong position on the Polish and German renewable energy and energy-saving, ecological construction markets,”* says the Chairman of ERBUD.

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*The ERBUD corporate group is the largest construction group in Poland that is not part of international holdings. ERBUD has over 31 years of experience on the Polish market and in Western Europe. It specialises in building construction, green energy, services for industry and engineering. Every year it carries out projects worth over PLN 4.5 billion. Since 2007, ERBUD S.A. has been listed on the Warsaw Stock Exchange. The most prestigious projects executed by ERBUD Group companies include: Galeria Młociny, Hala Koszyki, office buildings of the Eurocentrum Office Complex and Royal Wilanów in Warsaw, Invasive and Non-invasive Medicine Centre of the Medical University of Gdańsk, Warsaw South Hospital, Lidl Distribution Centre in Stargard, Municipal Waste Incineration Plant in Konin and Dobrcz/Mierki Photovoltaic Power Plant Complex. In 2021, ERBUD received the prestigious EMAS certificate, the highest EU award in the field of ecology.*

For more information, please visit [www.erbud.pl](http://www.erbud.pl).

**Contact for the media:**

**Marcin Kasprzak**

Communication and PR Director

+48 792 280 805

[marcin.kasprzak@erbud.pl](mailto:marcin.kasprzak@erbud.pl)

**Błażej Dowgielski**

MakMedia Group

+48 692 823 744

[b.dowgielski@makmedia.pl](mailto:b.dowgielski@makmedia.pl)