

ERBUD's revenues increased strongly

ERBUD's 2022 revenue increased by almost a quarter. The volume segment in Poland, which increased by as much as over 60% y/y, is primarily responsible for this strong growth. It was also the Group's most profitable business area, generating more than PLN 17.2 million of operating profit in 2022.

The ERBUD Group generated sales of PLN 3,856 million in 2022, compared to PLN 3,102 million a year earlier (+24.3% y/y). Meanwhile, the company achieved PLN 33.8 million in normalised operating profit and PLN 11 million in net profit, compared to PLN 90.8 million and PLN 21.3 million respectively in 2021.

The decline in the Group's profitability is the aftermath of the challenging economic and geopolitical environment. The most direct impact was the huge increase in the price of construction materials, which could not be fully compensated for by the valorisation and renegotiation of contracts. The unprecedented rise in inflation - and thus interest rates - more than doubled (+PLN 21.6 million) the cost of debt service, which burdened net income.

The Group also incurred considerable expenditure in developing its business in strategic areas: the RES development business and green modular construction.

Domestic volume construction, accounting for more than half of the Group's revenue, reached almost PLN 2 billion in 2022, 61.5% - more than in the corresponding period of 2021. The segment, despite the demanding market conditions, generated the highest operating profit of PLN 17.2 million. The second most profitable area is RES contracting, implemented by the listed subsidiary ONDE, which added more than PLN 16 million to EBIT in 2022.

The industrial services segment, developed domestically and internationally, also performed exceptionally well. Overall, it brought in almost PLN 650 million in 2022, generating an operating result of respectively: PLN 18.1 million compared to PLN 492 million with a result of PLN 21.2 million achieved in the previous year.

*– The last year revealed that ERBUD is a fundamentally strong company, through its diversification, able to perform well even in the most difficult conditions – states **Dariusz Grzeszczak, CEO of ERBUD**. – The current year, hopefully a calmer one, will be particularly important for us in two areas where we have made major investments. Our subsidiary, the listed ONDE specialising in RES, should record significant growth. Firstly, due to the liberalisation of the Distance Law, which will enable investors to locate wind farms in new, previously inaccessible locations. Secondly, because of its intensive development activities abroad. And finally, due to the fact that there are plans to boost the*

development projects implemented on its own account – explains **Dariusz Grzeszczak, CEO of ERBUD.**

The second field where the company has particular hopes is modular construction. Modular timber structures, primarily for the German market, are produced on more than 21,000 sq. m of halls in Ostaszewo, near Toruń. In the first quarter of 2023 alone, the company has already signed contracts for a net amount of PLN 135.6 million, meeting almost half of the planned revenue for the year.

– We launched the MOD21 production line in November and already have our first orders. We are working intensively on full production start-up and building the backlog. We plan to generate at least PLN 300 million in revenue from the business this year – declares **Dariusz Grzeszczak, CEO of ERBUD.**

Entering the field of modular construction constitutes part of ERBUD's transformation strategy towards green building. Among other things, the company aims to achieve climate neutrality in terms of indirect emissions by 2030, and a 20% share of renewable energy in the energy mix already by 2025.

The ERBUD Capital Group is the largest construction group in Poland outside of international holding companies. ERBUD has over 32 years of experience in both the Polish and Western European markets. It specialises in volume construction, green energy, services for industry and engineering. It delivers projects with an annual value of more than PLN 4.5 billion. ERBUD S.A. has been listed on the Warsaw Stock Exchange since 2007. The most renowned investments executed by ERBUD Group companies include: Galeria Młociny, Hala Koszyki, the Eurocentrum Office Complex and Royal Wilanów office buildings in Warsaw, the Centre for Invasive and Non-Invasive Medicine at the Medical University of Gdańsk, the Southern Hospital in Warsaw, the Lidl Distribution Centre in Stargard, the Municipal Waste Incineration Plant in Konin or the Dobrcz/Mierki Photovoltaic Power Plant Complex. In 2021, ERBUD was awarded the prestigious EMAS certificate, the EU's highest environmental certification, and in 2022 it was included in the prestigious "World's Best Employers" list of the American magazine "Forbes".

More information at www.erbud.pl.

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