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Increase in profit on sales and record order portfolio of the ERBUD Group in 1H 2017

- **Record portfolio of orders - almost PLN 2.2 billion (+ 99.5% YoY)**
- **Increase in profit on sales by 8% YoY**
- **Growing income from building construction in Poland (+ 13% YoY)**
- **Decrease in net debt by 72% YoY**
- **Employment growth since the beginning of the year by 13% (from 1960 to 2217 people)**

In the first half of 2017, the ERBUD Group had PLN 60.5 million of consolidated profit on sales, i.e. 8% more than in the previous year. At the same time, the ERBUD Group increased its order book to a historic level of PLN 2.2 billion. It is almost twice more than in June 2016.

The ERBUD Group's revenues for the first half of 2017 amounted to PLN 776.3 million and were only 1.5% lower than a year ago. At the same time, the **net profit amounted to PLN 7 million**; whereas at the end of June 2016 the Group had a loss of PLN 8.2 million resulting from the sale of the development company Budlex.

"The robust portfolio of orders we collected last year allowed us to keep our revenue stable, despite the overall downturn in the industry. We are also enjoying an increase in sales and net profit. Negative effects of the sale of Budlex SA shares have been offset by good results in other areas of our business", says Dariusz Grzeszczak, President of Erbud SA.

The positive performance of the ERBUD Group in the first half of 2017 was the result of a strong position on the domestic building construction market. The Group's income from this segment amounted to PLN 552.3 million and was **13% higher** than at the end of June of the previous year.

"The majority of ERBUD Group's revenue is coming from building construction in Poland. In the first half of 2017, revenues of this segment accounted for 71% of total sales. It is also worth noting the stable result achieved by our industry segment. Over the past six months, projects in the energy and widely understood industrial sectors have been the second most profitable part of our business. They generated PLN 102.7 million of income, which represents 13% of the overall performance", stressed Dariusz Grzeszczak.

The ERBUD Group's **portfolio of orders reached a record level**. At the end of June 2017, the total value of orders amounted to PLN 2.2 billion; an **increase of 99.5%** over the same period last year. Contracts signed only in the first half of 2017 are worth PLN 908 million. In addition, between 1 July and 31 August 2017, the ERBUD Group entered into another 15 contracts worth PLN 322.5 million.

It is worth adding that the value of ERBUD Group's contracts carried out from 1 July to 31 December 2017 is PLN 1.2 billion, and for the whole 2018 year - another PLN 1 billion.



"This is a very comfortable situation, because such an order book for the next year we usually had in December and not in the third quarter. The rich portfolio allows the ERBUD Group to selectively approach new inquiries", says Dariusz Grzeszczak.

As far as foreign activity is concerned, in the first half of 2017 the Group concluded contracts for PLN 187.2 million, which should translate into higher profits in this segment. For comparison, in the analogous period of 2016, contracts worth 31.3 million PLN have been signed, which means almost five times growth year on year.

The most important project outside Poland in the first half of 2017 was a contract concluded by GWI GmbH with Vatenfall Europe Warme AG for the construction of the Reuter C Ersatz heat and power plant in Berlin. The share of GWI GmbH in the contract amounts to EUR 8.8 million (equivalent of PLN 37.2 million).

"The opportunities for further development we see mainly in the building construction business. The total portfolio of such kind of orders in Poland and abroad at the end of June this year reached PLN 1.9 billion, which accounts for 87% of the ERBUD Group's total order backlog. A significant development potential is in office, residential and public utility projects. We also expect further improvement of the economic situation resulting from the use of EU funds from the perspective of 2014-2020. Especially our subsidiaries PDBI S.A. and Erbud Industry, which carry out projects for the engineering and road segment as well as for industry and power can benefit from this", announces Dariusz Grzeszczak.

The ERBUD Group maintained a safe cash position. Cash and cash equivalents at the end of June 2017 amounted to PLN 141.4 million, i.e a rise of 23% YoY. At the same time, the net debt of the Group, that in the first half of 2017 amounted to PLN 11.1 million, fell by 72%.

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The ERBUD GROUP is one of the largest construction groups in Poland. It exists since 1995. It provides services at home and abroad, and has many years of experience gained on the Polish market as well as in Western European countries. The core business is construction of buildings, road-engineering and construction for industry and power sector. The ERBUD Group competes with the international branch players in terms of quality and meeting deadlines. Yearly, it carries out projects worth about PLN 2 billion. Since 2007 ERBUD S.A. is listed on the Warsaw Stock Exchange.

The most prestigious projects completed recently by the member companies of the Group are: Hala Koszyki Covered Market, Eurocentrum Office Complex and Royal Wilanów in Warsaw, Invasive Medicine Centre of the Medical University of Gdańsk, Magnolia Mall in Zielona Góra, and "Przylądek Paln Nadziei" Hospital in Wrocław.

For more information visit www.erbud.pl

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