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ERBUD Group with record revenues for 2018 and EBIT of 23 million PLN in the second half of the year

- For the first time in Erbud's history sales revenues exceeded two billion PLN and amounted to exactly PLN 2.33 billion.
- In the second half of the year, EBIT amounted to PLN 23.1 million and net profit to PLN 8.8 million. Ultimately, the EBIT loss for 2018 was PLN 17.3 million.
- Following the acquisition of the German company IVT, the Group's revenue on foreign operations increased by 39% y/y.
- At the end of December, the cash balance amounted to PLN 207 million - an increase of 9% compared to the previous year.

In 2018, the ERBUD Group achieved record sales revenues of PLN 2.33 billion, i.e. 29% more than in the last year. In the second half of the year alone, EBIT amounted to PLN 23.1 million and net profit to PLN 8.8 million. The value of the portfolio of orders at the end of December exceeded PLN 2.5 billion.

In 2018, the Group recorded EBIT loss of PLN 17.3 million and net loss of PLN 21.1 million compared to EBIT of PLN 37.7 million and net profit of PLN 23.9 million in 2017, respectively. At the end of December, the EBIT loss was PLN 23.1 million lower, and the net loss PLN 8.8 million lower as compared to the end of June. The loss reported at that time was affected by the accounting for contracts signed in 2016 and in the first half of 2017, as well as unfavourable trends on the construction market.

"In the second half of 2018, we achieved EBIT of over PLN 23 million and we entered the year 2019 with a record-breaking portfolio of orders. We maintain our recent declaration that this year we want to achieve consolidated EBIT profitability of more than 2%," says Dariusz Grzeszczak, President of the ERBUD S.A. Management Board.

In 2018, the ERBUD Group's income from building construction in Poland amounted to PLN 1 548 million and rose by 29% y/y. However, the largest increase was recorded in the road-engineering, i.e. by 62%, to PLN 254 million.

Total revenues of the power and maintenance segment amounted to PLN 315 million and rose by 40% y/y. In turn, the ERBUD Group's total income from operations conducted abroad both in building construction and power and maintenance segment amounted to PLN 315 million and increased by 39% y/y.

"We are pleased with the dynamically growing revenues of road-engineering, especially since the re-opening of the wind farm market and the development of investments in solar farms create opportunities for PBDI for further attractive contracts. It is also worth noting the very good results of the German company IVT providing maintenance services, which in 2018 generated a PLN 9.4 million EBIT and maintained a strong cash position at the level of PLN 8.9 million. The acquisition of IVT turned out to be a hit and is the best confirmation of the rightness of the ERBUD Group's business model based on regional and product diversification," comments Dariusz Grzeszczak.

The portfolio of orders of the ERBUD Group at the end of 2018 amounted to PLN 2 563 million, which means an increase by 25% compared to the previous year. The value of PLN 1,843 million is due in 2019 and PLN 720 million in the following years (2020-2021). From 1 January to 25 March 2018, the ERBUD Group signed contracts with a total value of PLN 106 million.

The share of public procurement in the portfolio at the end of December was 38%. This results primarily from the contract for the construction of a section of the S3 expressway in Lower Silesia worth PLN 715.2 million, signed in October between PBDI (in consortium with Mosty Łódź) and Main Directorate of National Roads and Motorways [GDDKiA]. PBDI will complete 50 percent of this, i.e. PLN 357.6 million.

Through the good turnover of working capital, the ERBUD Group maintains a stable financial situation. At the end of 2018, it had PLN 206.6 million in cash, 9% more than a year earlier. The Group also records a safe surplus of cash over interest-bearing debt.

At the end of December, the total headcount at the Group was 2 562 people which means an increase of 226 employees compared to the beginning of the year.

The ERBUD Group is one of the largest construction groups in Poland. It exists since 1990. 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: Młociny Shopping Centre, Eurocentrum Office Complex and Royal Wilanów in Warsaw; Invasive and Non-invasive Medicine Centre of the Medical University of Gdańsk; Southern Hospital in Warsaw; Municipal Waste Incineration Plant in Konin; Miechowice Heating Plant; Photovoltaic Power Plant Complex in Dobrcz/Mierki.

For more information visit www.erbud.pl

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