

Arabtec Holding PJSC

Q3 2017 EARNINGS RELEASE

8th NOVEMBER, 2017

Dubai, UAE – 8th November 2017: Arabtec Holding PJSC (“Arabtec” or “Group”), a leading contractor for social and economic infrastructure, today announced a net profit of AED 75 million for the 9 months ending September 2017 and a 3.2% year-on-year growth in revenue to reach AED 6,346 million.

Hamish Tyrwhitt, Group Chief Executive Officer said: “We have now delivered our third consecutive quarter of profitability, supported by new project wins across our operating companies. The Group remains on track to achieving the first phase of its strategic road map to “stabilize” the business in 2017, ensuring long-term, profitable and sustainable growth.”

A key highlight in the quarter was the announcement by the Abu Dhabi Tourism & Culture Authority that the Louvre Abu Dhabi will open in November 2017. Arabtec played a key role in delivering this landmark project which highlights its contribution and competencies in delivering social and economic infrastructure in the UAE.

Hamish Tyrwhitt said: “We are proud to have taken part in the delivery of such an iconic project in the UAE.”

Strengthening governance has been an ongoing focus for the Group with the continued roll out of the 4-Gate Work Winning Process across all operating companies, which is demonstrating a more selective approach to Arabtec’s new work pipeline through a clearer understanding of the addressable market including, core competencies, geographies, sectors and clients. Operationally, Arabtec continued to drive accountability into the business through rigorous project and business performance reporting and reviews, with a strong emphasis on cash, receivables and closing out legacy projects.

Highlights

In Q3 2017 major new wins included 1,296 Villas at AKOYA Oxygen by DAMAC (AED 628 million), the Dubai South Mall by Emaar (AED 363 million) and Phase 1 of Forte by Emaar in Downtown Dubai (AED 196 million)

Revenue increased to AED 6,346 million in 9M17 compared to AED 6,148 million in 9M16; up 3.2% y-o-y

Net profit attributable to Parent was AED 75 million compared to a net loss of AED 458 million in 9M16

Backlog was AED 16.8 billion with a solid pipeline of tender opportunities across the Group going forward

Backlog has remained strong at AED 16.8 billion, supported by new project awards across all operating companies, reflecting a more selective approach to tendering. Arabtec remains confident that the strength and quality of the new work pipeline in the region will continue to support the Group's business objectives.

In Q3, Arabtec continued to strengthen its management with the on-boarding of key appointments, underpinning the development of capable, empowered senior management across the Group.

The Group continues to assess further divestments and options to more seamlessly integrate its operating companies to improve efficiency and productivity. In the quarter, Arabtec divested its 14.6% stake in Jordan Wood Industries PSC, a listed Jordanian company, which manufactures office and household furniture.

Hamish Tyrwhitt said: "Overall I am pleased with the progress made so far this year to stabilize the business. I look forward to making further progress in Q4 on divestments and closer integration of our operating companies alongside strengthening our risk management processes. These final deliverables will put us on track to "prepare" the business for growth in 2018."

Financial Performance Review

AED (mn)	Q3 2017	Q3 2016	Variance	9M 2017	9M 2016	Variance
Revenue	2,100	1,987	113	6,346	6,148	198
EBIT	39	(264)	303	125	(471)	596
EBIT Margin (%)	1.8%	(13.2)%		2.0%	(7.7%)	
Net Profit/ (Loss) for the period	10	(281)	291	52	(524)	576
Margin (%)	0.5%	(14.1%)		0.8%	(8.5%)	
Net Profit attributable to equity holders of the parent	18	(226)	244	75	(458)	533
Net Profit attributable to Non-Controlling Interest	(8)	(55)	47	(23)	(66)	43

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About Arabtec Holding

Arabtec is a leading contractor for social and economic infrastructure. The Group improves the quality of life of people living in the communities that it creates. Arabtec's impressive list of completed projects includes iconic buildings such as the world's tallest building, the Burj Khalifa in Dubai, and Abu Dhabi landmark, the Emirates Palace Hotel; as well as other technically challenging work on airports and related infrastructure. Arabtec was the first private construction firm to list on the Dubai Financial Market in 2005. Today, the Group consists of numerous subsidiaries with specialisations spanning all segments of the construction cycle, with a vision of building the future.

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