

# Arabtec Holding PJSC

## 1H 2018 EARNINGS RELEASE

Net Profit to Parent Up 96.9% Y-o-Y at AED 113 Million | Revenue Up 13.3% Y-o-Y at AED 4.8 Billion

**Dubai, UAE – 9<sup>th</sup> August 2018:** Arabtec Holding PJSC (“Arabtec” or “Group”), a leading contractor for social and economic infrastructure, today announced its financial results for 1H 2018. The Group recorded a net profit to parent of AED 113 million on revenue of AED 4.8 billion for the first half ended 30 June 2018. The Group’s backlog stood at AED 16.1 billion, supported by AED 34.6 billion of tenders submitted or under preparation.

In 2Q 2018, trade and other receivables reduced by 223 million with a 17-day improvement in debtor days, producing positive net cash from operating activities of AED 206 million. In line with the Group’s strategic priority, to strengthen the balance sheet, net debt to equity ratio improved to 1.2x at 30 June 2018 compared to 1.4x at 31 March 2018. Quarter-on-quarter, SG&A further reduced to 3.3% of revenue, consistent with the Group’s objective to become a leaner and more agile organisation.

The Group continues to focus selectively on countries that offer a strong, sustainable pipeline of construction and infrastructure opportunities including the United Arab Emirates, Saudi Arabia, Bahrain and Egypt. Furthermore, Arabtec is actively pursuing a number of infrastructure opportunities through its operating companies, evidenced by the recent award of the strategic sewerage and drainage infrastructure project in Jebel Ali from Dubai Municipality.

Group Chief Executive Officer Hamish Tyrwhitt said: “I am delighted to report a strong first-half performance which has seen the Group deliver six consecutive quarters of profitability. It is also pleasing that we are now seeing a reduction in trade receivables and debtor days reflecting the Group’s ongoing efforts to improve the resolution and collection of receivables. We continue to make good progress on simplifying our business model through better tools and processes and outsourcing non-core business activities, as well as applying innovative approaches to enhance our work and delivery capabilities.”

“We are also taking positive steps towards ensuring better economic, social and environmental sustainability across our operations, and therefore I am pleased to announce the release of our first Sustainability Report marked by the Global Reporting Initiative (GRI) ”.

### Highlights

In 1H 2018 new wins included DS188 from Dubai Municipality (AED 433 million) AKOYA Oxygen from DAMAC (AED 424 million) Levana Uptown Cairo from Emaar Misr (AED 157 million) and Creekside Horizon Project from AFC (AED 117 million)

Revenue increased to AED 4.8 billion in 1H 2018 compared to AED 4.2 billion in 1H 2017; up 13.3% y-o-y ▲

Net profit attributable to Parent was AED 113 million compared to AED 57 million in 1H 2017 up 96.9% y-o-y ▲

Backlog of AED 16.1 billion at 30 June 2018 supported by a solid pipeline of tender opportunities

EBIT was AED 179 million up ▲ from AED 88 million in 1H 2017

## Financial Performance Review

AED (million)	1H 2018	1H 2017	Variance
Revenue	4,811,851	4,245,578	13.3%
EBIT	178,637	88,093	102.8%
EBIT Margin (%)	3.7%	2.1%	164 bps
Net Profit/(Loss) for the period	115,212	41,868	175.2%
Margin (%)	2.4%	1.0%	141 bps
Net Profit attributable to the owners of the parent	113,045	57,421	96.9%

- End -

## About Arabtec Holding

A leading engineering and construction Group specialising in projects in the Middle East and North Africa. Through its operating companies and investments, the Group delivers construction and infrastructure projects, including commercial, residential, social, industrial and economic infrastructure in UAE and other selected countries in the region. The UAE-based group's list of completed projects includes iconic buildings such as the world's tallest building, the Burj Khalifa in Dubai, Abu Dhabi landmark, the Emirates Palace Hotel and Louvre Abu Dhabi Museum; as well as other technically challenging work on airports and related infrastructure. In 2005, Arabtec became the first construction company to be listed on the Dubai Financial Market. Today, Arabtec Holding consists of operating companies which span all segments of the construction cycle. The group is currently working on some of the most prestigious projects in the Middle East, such as the UAE Pavilion and the Midfield Terminal Building in Abu Dhabi.

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