

Arabtec Holding PJSC

FY 2018 AUDITED EARNINGS RELEASE

Dubai, UAE – 13th Feb 2019: Arabtec Holding PJSC (“Arabtec” or “Group”), a leading contractor for social and economic infrastructure, today announced its audited financial results for the 12 months ending 31 December 2018. The Group recorded a revenue of AED 9.9 billion for the full year and AED 2.7 billion for 4Q18. Net profit to parent reached AED 256 million for FY18 and AED 76 million for 4Q18. The Group’s backlog remained strong at AED 15.6 billion. Furthermore, the Board of Directors is recommending the distribution of a final cash dividend of 5.0 fils per share (Total: AED 75 million) for FY18 for shareholder approval at the Annual General Assembly Meeting.

In 4Q18, debtor days reduced by a further 11 days to 155 days contributing to a positive net cash from operating activities of AED 924 million. The increase in operating cash reflects the Group’s ongoing focus on shortening payment cycles and cash collection from legacy projects. Consistent with the Group’s strategic priority to strengthen the balance sheet, net debt to equity ratio improved to 0.56 compared to 1.07 at 30 September 2018. Arabtec is progressing its refinancing of the Group’s existing term debt which will provide a sustainable platform for the future.

Arabtec is proud to be delivering the UAE Pavilion and Public Realm in Concourses and Arrivals Plazas for Expo2020 and has strengthened longstanding client relationships winning further work with Dubai Municipality in the economic infrastructure sector and with ADNOC Group in the industrial sector.

In 2019, Arabtec continues to take a selective approach to new work, particularly in the building sector. The Group will strengthen its regional footprint taking advantage of the growing market opportunities in the UAE, KSA, Egypt, Bahrain and Kuwait further diversifying its backlog of AED 15.6 billion, capitalising on a strong AED 48 billion pipeline of addressable opportunities.

Group Chief Executive Officer Hamish Tyrwhitt comments: ‘I am pleased to report that revenue increased to AED 9.9 billion in FY18 compared to AED 9.1 billion for FY17, up 7.8% year-on-year. Net profit attributable to parent for FY18 was AED 256 million compared to AED 123 million for FY17, up 108% year-on-year. The Group has now achieved eight consecutive quarters of profitability supported by positive cash from operating activities and a reduction in net debt.

In line with our Strategic Roadmap, our objective in 2018 was to rebase the business through a range of initiatives focused on productivity, efficiency, innovation and strengthening the balance sheet and we have delivered on our objective. Operational productivity and efficiency remain a strategic objective and will be a key driver in positioning Arabtec as a competitive and sustainable business. We continue to simplify the business through standardised processes enabling tools and the removal of duplicated functions and activities through Shared Services and outsourcing.’

Highlights

Net profit attributable to Parent for FY18 was AED 256 million compared to AED 123 million in FY17 up ▲ 108% y-o-y. In 4Q18, net profit to parent was up 58.6% q-o-q at AED 76 million compared to AED 48 million for 4Q17

The Board of Directors proposes a cash dividend of 5.0 fils per share (AED 75 million) for FY18 compared to 2.05 fils per share for FY17 up ▲ 144% y-o-y, payable 30 days after the Annual General Assembly Meeting

Revenue increased to AED 9.9 billion in FY18 compared to AED 9.1 billion for FY17 up ▲ 7.8% y-o-y.

Backlog was AED 15.6 billion as at 31 Dec 2018 supported by a solid pipeline of tender opportunities in infrastructure and industrial sectors

EBIT in FY18 was AED 364 million up ▲ from AED 212 million in FY17

Backlog



Financial Performance Review

| AED (million) | Q1'18 | Q2'18 | Q3'18 | 4Q'18 | 2018 | 2017 |
|---|-------|-------|-------|-------|-------|-------|
| Revenue | 2,420 | 2,391 | 2,340 | 2,701 | 9,853 | 9,141 |
| EBIT | 96 | 83 | 92 | 93 | 364 | 212 |
| EBIT Margin (%) | 4.0% | 3.5% | 3.9% | 2.5% | 3.7% | 2.3% |
| Net Profit for the period | 66 | 49 | 67 | 74 | 257 | 97 |
| Margin (%) | 2.7% | 2.1% | 2.9% | 2.7% | 2.6% | 1.1% |
| Net Profit attributable to the owners of the parent | 64 | 49 | 67 | 76 | 256 | 123 |
| Margin (%) | 2.6% | 2.1% | 2.9% | 2.8% | 2.6% | 1.3% |

About Arabtec Holding

A leading engineering and construction Group specializing 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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