

Arabtec Holding PJSC

1Q 2019 EARNINGS RELEASE

Net Profit to Parent 31.8 Million on Revenue of 2.0 Billion

Dubai, UAE – 15 May 2019: Arabtec Holding PJSC (“Arabtec” or “Group”), a leading contractor for social and economic infrastructure, today announced its financial results for 1Q 2019. The Group recorded a net profit to parent of AED 31.8 million on revenue of AED 2.0 billion for the first quarter ended 31 March 2019. The Group’s backlog stood at 14.8 billion.

In 1Q 2019, the Group experienced a contraction in margins year on year, attributable to lower revenue from a slowdown in awards in the construction sector coupled with a number of legacy projects closing out in the coming months. Additionally, the Group recognised an AED 7.8 million loss on the Group’s investment in Depa following the release of their financial statements for the year ended 31 December 2018.

In line with the Group’s strategic priority, to strengthen the balance sheet, debt reduced by AED 249 million in the quarter, and the net debt to equity ratio was unchanged at 0.6x at 31 March 2019 compared to 1.4x at 31 March 2018. The Group is progressing with the refinancing of its term debt which will provide a sustainable platform aligned with the Group’s requirements.

Acting Group Chief Executive Officer, Peter Pollard said: “We remain confident that, with the strong pipeline of opportunities across our addressable markets, we will see more awards in the coming quarters across the construction and industrial sectors. We continue to focus selectively on countries that offer a strong, sustainable pipeline of construction, infrastructure and industrial opportunities including the United Arab Emirates, Saudi Arabia, Bahrain, Kuwait and Egypt.”

In 1Q 2018 new wins included C38 EXPO 2020 (AED 169 million)

Revenue declined 16% y-o-y to AED 2.0 billion in 1Q 2019 compared to AED 2.4 billion in 1Q 2018

Net profit attributable to Parent was AED 31.8 million compared to AED 63.6 million in 1Q 2018 down 50% y-o-y

Backlog of AED 14.8 billion at 31 March 2019

EBIT was AED 62.6 million down from AED 96.0 million in 1Q 2018

Financial Performance Review

AED (million)	1Q 2019	1Q 2018	Variance
Revenue	2,027	2,420	-393
EBIT	62.6	96.0	-33.4
EBIT Margin (%)	3.1%	3.9%	-0.8%
Net Profit/(Loss) for the period	30.2	65.8	-35.6
Net Margin (%)	1.5%	2.7%	-1.2%
Net Profit attributable to the owners of the parent	31.8	63.6	-31.8
Net Margin attributable to the owners of the parent (%)	1.6%	2.6%	-1.0%

- End -

15th May 2019, Dubai, UAE

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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