

# Arabtec Holding PJSC

## H1 2019 EARNINGS RELEASE

Net Profit to Parent 58 Million on Revenue of 4.2 Billion  
Cash flow from operations of AED 59 Million in H1 2019

**Dubai, UAE – 14 August 2019:** Arabtec Holding PJSC (“**Arabtec**” or “**Group**”), a leading contractor for social and economic infrastructure, today announced its financial results for H1 2019. The Group recorded a net profit to parent of AED 58 million on revenue of AED 4.2 billion for the first half year ended 30<sup>th</sup> June 2019. The Group’s backlog remained strong at AED 14.0 billion despite the decline in new awards during the first half of 2019.

In H1 2019, total revenue declined by 12.4% and net profit to parent declined by 48.8% compared to the same period last year. This reduction is mainly attributed to a decrease in awards in the construction sector in H1 2019 in addition to a number of legacy projects completing through 2019.

In line with the Group’s strategic priority to strengthen the balance sheet, total debt was reduced by AED 373 million in H1 2019 and net debt to equity ratios improved to 0.56x compared to 1.24x in H1 2018.

**Group Chief Executive Officer, Peter Pollard said:** “We remain committed to our strategy of diversifying our backlog across the infrastructure and industrial sectors. During the first half of the year, we have secured new contracts in the industrial sector which we expect to continue given the strength of the pipeline. With a particular focus on strengthening our balance sheet, we continue to reduce our debt by AED 373 million during H1 2019.

I am pleased with the progress we are making on completing a number of legacy projects that have been with the Group for a number of years. Many of these projects are about to be handed over in the coming months which will allow us to better focus on our current projects and securing new profitable projects.

Our strong pipeline of tender opportunities coupled with Arabtec’s long-standing market reputation provides us with a strong base to grow the company and deliver on our strategic roadmap. We also remain focused on diversifying our backlog geographically and we are selectively evaluating opportunities in other GCC countries and MENA region.”

Total debt reduction of AED 373 million in H1 2019

Key contract wins included:

- Bu Hasa Project (AED 315 mn)
- Navin Minar (AED 219 mn)
- Villanova (AED 207 mn)
- Wilton Park (AED 192 mn)
- EXPO 2020 (AED 169 mn)

Backlog of AED 14.0 billion as at 30<sup>th</sup> June 2019

Revenue of AED 4.2 billion in H1 2019

Net profit attributable to Parent was AED 58 million in H1 2019

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## Financial Performance Summary

AED (million)	H1 2019	H1 2018	Variance
Revenue	4,213	4,812	(12.4)%
EBIT	104	179	(42.0)%
EBIT Margin (%)	2.5%	3.7%	(125) bps
Net Profit for the period	49	115	(57.5)%
Net Margin (%)	1.2%	2.4%	(123) bps
Net Profit attributable to the owners of the parent	58	113	(48.8)%
Net Margin attributable to the owners of the parent (%)	1.4%	2.3%	(98) bps

## 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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