

PRESS RELEASE
Group Financial Results – 6M 2019¹

Profit after tax of €5.7m –
Decrease in turnover due to lack of new projects in Greece

ELLAKTOR Group recorded profit after tax of €5.7m in the first half of 2019 versus €31m losses after tax during the first half of 2018, while at the level of earnings before taxes (EBT), the Group reported profit of €29.4m, compared to losses of €11.7m in the same period last year.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA)² reached €112.2m in 6M2019 versus €82.4m in 6M2018, increased by 36.2%. The EBITDA margin for 6M2019 stood at 15.9% versus 8.9% in the corresponding period of 2018.

Consolidated earnings before interest & taxes (EBIT) showed profits of €61.6m versus profits of €32.4m in 6M2018, increased by 90.1%.

As expected, the consolidated turnover of the Group for 6M2019 fell at €705.1m compared to €922.3m in the corresponding period of 2018 as a result of the respective decrease in the Construction segment, mainly due to the lack of tenders for new projects and delays in the completion of ongoing tenders in Greece.

Commenting on the financial results of 6M2019, the Group CEO, Mr. Anastassios Kallitsantis, stated:

“The decrease in turnover in Construction led to the consequential decrease of the Group’s turnover but with a significant improvement in the EBITDA margin. The progress of the reorganization of Construction as well as that of the Group, which is already underway, will soon lead the Group to the achievement of its targets; return to profitability for Construction and creation of value for our shareholders”.

The corporate net debt of the Group as at 30.06.2019 stood at €788.8m compared to €584.1m as of 31.12.2018.

Figures per segment:

Construction Segment

In the first half of 2019 the segment recorded a turnover of €509.4m compared to €727.3m in 6M2018. Construction’s operating losses were limited to €4.6m vs losses of €32.7m in 6M2018. The results have been affected negatively by an additional cost of €39.2m in the construction of photovoltaic parks (P/V) in Australia, and positively by €14.5m, as a result of a change in contractual terms of construction for projects in Romania.

¹ According to International Financial Reporting Standards (IFRS)

² The Alternative Performance Measures (APMs) refer to ELLAKTOR’s BoD Half-Year Financial Report (B.II. Semi-Annual Report of the Board of Directors).

Earnings before taxes (EBT) recorded losses of €7.5m compared to losses of €46.6m in 6M2018, while results after tax in the construction segment stood at losses of €13.3m vs losses of €49.0 in 6M2018.

The decrease in turnover was expected due to the significant lack of new tenders and the delay in the completion of ongoing tenders in Greece, such as the Line 4 of the Athens Metro with a total budget of €1.45bn, in which AKTOR now is included among the final two contenders who have submitted a binding financial offer.

The construction backlog of AKTOR and its subsidiaries stood at €1.2bn at 30.06.2019, while the company has successfully claimed new projects of €1.068bn, out of which contracts amounting to just €26.5m have been signed after 30.06.2019, while contracts of €1.042bn are expected to be signed, setting the total value of AKTOR's projects' portfolio at €2.2bn.

Concessions Segment

Turnover amounted to €117.9m in the first half of 2019 vs €118.5m in 6M2018. This specific slight decline is mainly due to the non-inclusion of the financial results of the until recently subsidiary "EPADYM", which was sold to HELECTOR in the first half of 2018 and to the decrease of the revenues of ATTIKES DIADROMES from the project of EGNATIA ODOS, due to a decreased construction revenue from new toll stations. On the other side, increased traffic volumes in mature concessions continued in 6M2019 (traffic volume increased by 3.45% in ATTIKI ODOS), thus reducing the negative impact of the aforementioned.

Operating results increased by 39.4% and amounted to €50.0m vs €35.9m in 6M2018, which included though a negative impact from a non-recurring provision for impairment of withholding tax on dividends receivable of €9.6m. Earnings before tax stood at €33.1m vs 20.3m and profits after tax amounted to €19.5m vs €11.3m in the corresponding period of 2018, increased by 72.6%.

On 16.04.2019 AKTOR CONCESSIONS was declared the "Preferred Bidder" (best bid €57.5m) in the tender for the award of the concession for the Alimos Marina for a period of 40 years, carried out by the Hellenic Republic Asset Development Fund (HRADF).

With regards to new projects, AKTOR CONCESSIONS focuses on Egnatia Odos and on its three vertical axes, on the Permanent Submarine Link of Salamis Island and on the project "Design, construction, financing, operation, maintenance and exploitation of the Northern Road Axis of Crete in the section Chania-Heraklion and in the section Hersonissos-Neapoli with PPP", for which the company has qualified in phase B of the tender.

Moreover, AKTOR CONCESSIONS has submitted an Expression of Interest for the below projects:

- School Units and Park of the municipality of Chania-Crete (PPP Project)
- Design, construction, financing, operation and maintenance of the Southwest Road Axis of Peloponnese, section Kalamata-Rizomilos-Pylos-Methoni (PPP project)

Environment Segment

The segment recorded a turnover of €41.4m in 6M2019 compared to €43.7 in 6M2018, as in the corresponding period of 2018 revenue included reparations of €5.8m by EDSNA for out of contract services provided in past years.

Operating results were profits of €2.0m vs profits of €16.2m in 2018, which however included non-recurring profit from an old provision reversal of €4.2m due to a settlement and the above one-off retrospective reparations of € 5.8m. It is noted that the results of 6M2019 were affected by reduced inbound quantities to the Mechanical Recycling Plant (EMA), as well as to the Clinical Waste Management Units, as a result of negative evolution of fuel price (SRF) from the Osnabruck unit, of increased depreciation and of the claiming damages awarded to a case of Helector GmbH.

Results before tax for 6M2019 were profits of €2.5m compared to profits of €16.7m in 6M2018, while results after tax were profits of €1.4m vs profits of € 11.9 in the corresponding period of 2018.

Renewables Segment

Turnover amounted to €33.1m in 6M2019, compared to €29.4m in the corresponding period of 2018, increased by 12.7%. Operating results amounted to profits of €19.4 vs profits of €15.7m in 6M2018. The EBIT margin for 6M2019 stood at 58.5%. Earnings before tax for the 6M2019 were €14.2m vs €10.3m in 6M2018 and earnings after tax were €12.1m vs €7.4m in 6M2018.

The production of electricity in the 6M2019 amounted to 364.5 GWh, increased by 10.6% compared to the same period of 2018, due to the combination of increased installed capacity (8.3%) and more favorable meteorological conditions (2.3%). The total installed capacity of the segment amounted to 295.5MW at 30.06.2019. Five projects with a total installed capacity of 195.6MW are in the final stage of construction and two additional projects of another 88.2MW are in the initial stage of implementation. Finally, the company has projects of 283.54MW (mostly Wind Parks), which are currently in various stages of the licensing process.

Real Estate Segment

The segment recorded turnover of €3.2m in 6M2019 compared to €3.3m in the corresponding period of 2018. Although revenues from the Group's main activity (real estate leasing) are improved by 4.5% compared to the corresponding period of 2018, the difference is due to the sale of the last residence in the complex "Ampelia" by an amount of €0.2m in 6M2018, which had a positive impact in the results of the corresponding period of 2018. Operating results amounted to losses of €0.1m vs profits of €0.3m in the corresponding period of 2018. The results before tax amounted to losses of approximately €0.9 m vs losses of €0.5 m for the 6M2018.

Parent Company

At parent company level, there were no revenues in 6M2019 as in the corresponding period of 2018. Operating income (EBIT) amounted to losses of €7.7m vs losses of €2m, while results both before and after tax were profit of €7m vs profit of €15m in the corresponding period of 2018.

About ELLAKTOR Group

ELLAKTOR Group is the largest infrastructure group in Greece and one of the leading in South-East Europe, with international presence and a diversified portfolio of activities focusing on construction, concessions, waste management, renewable energy and real estate development. With operations in 30 countries and nearly 7,500 direct employees and associates in Greece and 5,500 abroad, the Group generates a €1.85 billion turnover by combining its 70 years of expertise with the latest of modern technologies to breathe life into projects that accelerate growth and improve the quality of life of communities across the world. Possessing significant experience in the most complex and demanding projects, ELLAKTOR Group is ranked 83rd among the top 100 global manufacturing groups (Global Powers of Construction 2018, Deloitte – July 2019). Find out more at www.ellaktor.com