

PRESS RELEASE
Group Financial Results – Full Year 2018 ¹

Strong performance in Concessions, Environment and Renewables – Stabilization in Construction

ELLAKTOR Group's consolidated turnover for the full year 2018 stood at €1,857.3m compared to €1,865.7m in 2017, slightly declining by 0.5%. The three main pillars of growth remained strong performers with Renewables showing a 21.2% turnover increase, followed by a 12.8% turnover increase in Environment and a 7.9% turnover increase in Concessions, offset by a 3.1% decrease in Construction turnover. Real Estate revenues reported a marginal increase by 0.5%, compared to 2017.

Consolidated earnings before interest, tax, depreciation and amortization (EBITDA)² reached €142.9m vs €204.6m in 2017. Consolidated earnings before interest & tax (EBIT) showed a profit of €41.6m vs profits of €101.6m in 2017. At the level of earnings before tax (EBT), the Group reported losses of €25.8m, compared to profits of €39.7m in 2017. Results after tax show losses of €95.6m vs losses after tax of €9.6m in 2017.

Group consolidated full year results of 2018 have been impacted by the following items:

- In Construction: €18.9m loss from the ISF project in Qatar and €79m project losses that include losses from assuming JV partners' obligations and backlog profitability reassessment mainly in Romania (both already included in the 9M results)
- In Concessions: €10m provision for withholding tax receivable (already included in the 9M results), a €4.6m impairment of investment property and a €31.4m loss from deferred tax asset adjustment (Moreas)
- In Environment: €5.8m non-recurring revenues and €4.2m provision reversal (both already included in the 9M results)
- In Real Estate: €2.8m release of past years' impairment of investment property and €0.4m of receivables' impairment

Commenting upon the full year 2018 financial results, the Group CEO, Mr. Anastassios Kallitsantsis, stated:

“Our systematic efforts over the last 9 months to reconstitute ELLAKTOR, improve transparency and return to profitability have started bearing fruit. Strong performance in Concessions, Environment and Renewables proves that our strategic decision to focus and expand on these sectors offers significant prospects for the Group going forward. Management's attention on Construction is producing encouraging results both in Greece and internationally, as evident by the fact that losses in AKTOR stabilized at the 9M 2018 levels. Operating efficiency is improving and we are establishing the safeguards that will allow the Group to take advantage of future growth opportunities and of course to return to profitability. We expect the Group's overall situation to improve further, after concluding the merger with EL.TECH. ANEMOS”.

The corporate net debt of the Group (excluding the consolidated BOT concessions) as at 31.12.2018 stood at €584.1m compared to €514.7m as at 31.12.2017.

¹ In accordance with the International Financial Reporting Standards

² The Alternative Performance Measures (APMs) refer to ELLAKTOR's BoD Annual Report (B.1. Annual Financial Report for the FY2018).

Figures per segment:

Construction Segment

In the full year of 2018 the segment recorded a turnover of €1,463.1m compared to €1,509.5m in 2017. Construction recorded operating losses of €109.5m vs profits of €5.1m in 2017. EBT recorded losses of €126.8m compared to losses of €6.4m in 2017, while results after tax in the construction segment stood at losses of €132.4m vs losses after tax of €24.3 in 2017.

Decline in construction turnover reflects the limited tendering of new projects mainly, in Greece, as well as the delay in the tender process for large projects such as the Line 4 of Athens Metro and the Northern Road Axis of Crete. During 2018, AKTOR focused on implementing and progressing significant projects such as the Gold Line Metro (Qatar), the Trans Adriatic Gas Pipeline (TAP), Thessaloniki's Metro (Main Line and Extension to Kalamaria), Infrastructure Works of Faliron Bay, Redevelopment of Complex of Hotels of ASTIR Palace in Vouliagmeni, the Railway Project of Gurasada - Ilteu 2c (Romania) and construction of various motorway projects in the Balkans. Additionally, AKTOR's PV branch constructed projects of more than 700MWp installed capacity in Greece and abroad (mainly Europe, South America and Australia) during the twelve months of 2018.

Construction backlog at 31.12.2018 was €1.35bn, with an additional €494.7m of contracts pending signature (€100.9m have already been signed), bringing the total Construction backlog to €1.84bn.

Concessions Segment

Turnover amounted to €240.6m in the full year of 2018, increased by 7.9% compared to €222.9m in 2017, as a result of continuing increased traffic volumes in mature concessions (traffic volume up by c. 4% in Attiki Odos) and the doubling of revenues of Attikes Diadromes in respect of Egnatia Odos project.

Operating results show profits of €106.3m vs profits of €103.7m in 2017, increased by 2.5%. Profits before tax amounted to €80.9m compared to €79.1m in 2017, increased by 2.3%, and net profits after tax amounted to €26.1m vs €54.8m in 2017, negatively impacted by a deferred tax asset adjustment of €31.4m. During 2018, AKTOR CONCESSIONS acquired an additional 2.22% of the shares of AEGEAN MOTORWAY S.A. (total current stake 22.22%) and an additional 6.5% of the shares of ATTIKI ODOS S.A. (total current stake 65.75%), reaffirming its leading position in the segment.

In terms of new projects, AKTOR CONCESSIONS focuses on Egnatia Motorway and the three vertical road axes, Permanent Submarine Link of Salamis Island and Northern Road Axis of Crete, while it continues to monitor closely developments regarding the extension of various existing concessions projects (Attiki Odos, Moreas and Olympia Odos). It is worth mentioning that AKTOR CONCESSIONS was declared the "Preferred Bidder" 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 (consideration € 57.5m). Finally, significant investment opportunities may appear in the secondary market of existing motorway concessions projects.

Environment Segment

The segment recorded a turnover of €86.3m in 2018, compared to €76.5 in 2017, increased by 12.8%, partly due to non-recurring revenues of €5.8m in waste management. Operating results were profits of €20m vs losses of €0.6m but they include profit from net provision reversal of €4.2m due to a settlement. Results before tax for the full year of 2018 were profits of €21.2m compared to losses of €0.8m in 2017, while results after tax were profits of €15.2m vs losses of €4.5m in 2017.

Renewables Segment

Turnover of €60.2m in 2018, compared to €49.7m in 2017, increased by 21.2%, as result of favorable wind performance and increased installed capacity from 260.3MW at 31.12.2017 to 289.1MW at 31.12.2018. In addition, the construction of another wind farm was completed at end-2018 thus increasing the total installed capacity to 295.5MW. Operating results amounted to profits of €28.6m vs profits of €21.9m in 2017, growing by 30.5%, while earnings before tax for the full year of 2018 were €17.5m vs €12.6m in 2017, increased by 38.9% and earnings after tax for the twelve months of 2018 were €15.1m vs €9.6m in 2017, increased by 57.3%.

Renewables continue to exhibit strong growth, reflecting the positive impact of deployed capital expenditure, which is fully aligned and on track with EL.TECH. ANEMOS investment plan. Five additional projects with a total installed capacity of 195.6MW are currently under construction, scheduled to be operational by the end of 2019, while projects of another 86MW are ready for construction and projects of 377MW are currently in various stages of licensing maturity.

It is noted that a merger by absorption of EL.TECH. ANEMOS by ELLAKTOR is underway and completion of the merger is subject to the condition of obtaining the approvals required by law from the General Meetings of the shareholders of each merging company and the competent authorities, as well as to the fulfilment of the substantive and procedural prerequisites provided for in or deriving from the contractual and other legal arrangements to which the merging companies are subject.

Real Estate Segment

The segment recorded turnover of €6.9m in 2018 compared to €6.8m in 2017. Operating results amounted to profits of €3.6m (the amount includes profits of €2.8m due to release of past impairment of a commercial property value and €0.4m of receivables' impairment) vs losses of €1.3m in 2017 and results after tax amounted to profits of €1.4m for 2018 compared to losses of €3.6m in 2017.

During the twelve months of 2018, development of the 2nd Phase (additional 15,200m²) of the "Smart Park" Commercial Park in Attica was initiated and lease agreements corresponding to almost 60% of the additional area have been signed. Existing commercial space shows a 100% occupancy while the Park's traffic index increased by 12.4% compared to 2017. Cambas Project is successfully navigating the regulatory process and has been green lit by the Central Council of Town Planning Issues and Disputes.

Parent Company

At parent company level, there were no sales in 2018 compared to €0.1m in 2017. Results before interest & tax (EBIT) amounted to losses of €167.2m vs losses of €21.8m; results before tax amounted to losses of €146.1m compared to losses of €25.7m; and results after tax amounted to losses of €146.1m in 2018 vs losses of €25.7m in 2017. The parent company recorded the above losses for the FY 2018 due to impairments of its participations in subsidiaries companies.