Group Adjusted EBITDA*
€136m in 9M2020 vs €151m in 9M2019 or -10%
€54m in Q3 2020 vs €39m in Q3 2019 or +38%

Group adjusted EBITDA* stood at €136m in 9M2020 compared to €151m of last year's corresponding period, with adjusted Q3 2020 marking an improvement in all segments compared to Q3 2019. EBITDA Margin in Q3 2020 increased to 23.4% vs 12.5% in Q3 2019. Adjusted Profit Before Tax in Q3 2020 stood at €11.7m vs €1.7m in the corresponding period last year whereas adjusted Profit Before Tax in 9M2020 stood at €1m vs €31m in 9M2019, due to the COVID-19 impact.

Group Cash and Other Liquid Assets increased in Q3 2020 and stood at €439m at the end of September 2020 compared to €400m at the end of June 2020 and €463m at the end of December 2019. Net debt stood at €1,101m as at 30.09.2020, compared to €1,143m at 30.06.2020 and €1,028m as at 31.12.2019, with a net debt to EBITDA ratio of 6.1x .

- EBITDA in Concessions stood at €100m in 9M2020, compared to €122m in 9M2019, decreased by 19%, due to the lockdown. After a decrease in ATTIKI ODOS' vehicle traffic of 72% in April 2020, traffic followed a continuous upward trend from May 2020 (-37%) until August 2020 (-8%). Additional measures against COVID-19 applied further downward pressure in September and October during which traffic decreased by 12% and 13% respectively.
- EBITDA in Renewables stood at €54m in 9M2020, compared to €39m in 9M2019, increased by 38% as a result of the increased installed capacity and without being impacted from the COVID-19 pandemic. Furthermore, the Group announced in mid-October a strategic partnership with EDPR for a joint development of additional 900 MW.
- In Environment, EBITDA stood at €9.5m in 9M2020 vs €9.1m in 9M2019, increased by 4% despite the COVID-19 pandemic impact.
- EBITDA in Real Estate stood at €2.7m in 9M2020, compared to €1.7m in 9M2019, increased by 60%. After the reopening of Smart Park in the beginning of May 2020, there has been a gradual recovery in footfall (15% increase in 9M2020 compared to the same period last year).
- Adjusted EBITDA in Construction stood at -€23.5m (excluding impairment loss of €12.8m from sale of non-operating assets, €6.5m stop loss due to exit of loss making project in Brazil and €0.4m restructuring costs) vs -€19.2m in 9M2019. Profit & Loss of 9M2020 does not include a profit of €6.9m from the sale of Hellas Gold which has been recorded in Other Comprehensive Income in Q2 2020.

**Excluding non-recurring items relating to the transformation of Construction, with negative impact of €24.7m (€5.4m of restructuring costs, €12.8m due to impairment loss from sale of real estate assets and €6.5m stop loss due to exit of loss making project in Brazil).*

«In the midst of an unprecedented market environment, which is impacted by the measures to control the pandemic, ELLAKTOR proved its resilience due to its diversified portfolio of activities and commitment to proceed with the necessary structural reforms for the Group. Improved EBITDA, improved liquidity and disciplined actions for the implementation of deep reforms – such as the reduction of staff costs – are the main characteristics of Q3 2020.

In parallel, the Group focuses on strengthening its leadership positions in business segments with positive prospects through a series of actions, such as the agreement with EDPR for the development of a 900MW wind portfolio, participation in concession tenders such as Egnatia Odos, participation in PPPs in the environmental sector, and at the same time it is ready to utilize its construction know-how in new projects funded by the Recovery Fund.

After 2.5 years of intensive actions including the restructuring of Construction, the utilization of non-core holdings and assets, an ongoing increase of the wind farms' installed capacity, the increase of our participation stake in ATTIKI ODOS, the issuance of a €670m international bond and the merger of ELTECH ANEMOS with ELLAKTOR, the Group is gradually returning to growth trajectory.

ELLAKTOR moves steadily towards its goal of return to profitability and creation of shareholder value, despite the unforeseen challenges caused by the pandemic. It is only a matter of time our efforts will pay off for the benefit of ELLAKTOR, its shareholders and its employees».

Anastasios Kallitsantsis, CEO

1. Key figures of the ELLAKTOR Group in 9M2020

Profit and Loss

Revenue decreased by 34% yoy

Consolidated revenue of ELLAKTOR Group stood at €667m in 9M2020 compared to €1,016m in 9M2019, decreased by 34% (or €349m). The decrease was mainly due to Construction, as revenue in this segment decreased by €362m (from €737m to €374m). Concessions recorded a decrease in revenue of €28m (from €180m to €152m), whereas revenue in the other segments increased compared to the corresponding period last year.

Cost of Sales decreased by 39% yoy

Cost of sales for the Group (excluding depreciation) stood at €507m in 9M2020, compared to €826m in 9M2019, a decrease of 39%.

Gross Profit decreased by 16% yoy

Gross Profit (excluding depreciation) stood at €160m in 9M2020 compared to €190m in 9M2019, decreased by 16% (or €30m). This decrease was mainly due to Concessions, which recorded a decrease by €29.7m due to the impact of the measures against the spread of COVID-19, but it was partially offset by the improvement in Gross Profit in Renewables, which recorded an increase of €15.7m.

Administrative expenses decreased by 9% yoy (excluding restructuring costs)

Administrative expenses (excluding depreciation) stood at €42.9m in 9M2020 compared to €47.0m in 9M2019, decreased by 9%. Administrative expenses in 9M2020 do not include restructuring costs for Construction, amounting to €5.4m. Including these costs, administrative expenses stood at €48.4m in

9M2020. Administrative expenses also include €0.6m COVID-19 related expenses to ensure the safety of the Group employees.

Selling expenses increased by 9% yoy

Selling expenses (excluding depreciation) stood at €3.3m in 9M2020 compared to €3.0m in 9M2019, increased by 9%.

Other income (excluding depreciation) and other profit/loss stood at €6.6m and -€4.0m (including non-recurring item with negative impact of €12.8m due to the impairment loss from sale of non-operating assets), compared to €12.5m and -€1.5m in 9M2019.

Adjusted EBITDA margin of 20.4%

Adjusted EBITDA stood at €136.0m in 9M2020 (or €111.3 including one off items: €5.4m of restructuring costs, €12.8m due to impairment loss from sale of real estate assets and €6.5m stop loss due to exit of loss making project in Brazil), compared to €151.2m in 9M2019. This 10% decrease is mainly due to Concessions (€99.6m in 9M2020 vs €122.2m in 9M2019) and Construction (-€23.5m adjusted in 9M2019 vs €-19.1m in 9M2019).
The adjusted EBITDA margin improved to 20.4% in 9M2020 compared to 14.9% in 9M2019.

Depreciation and amortization stood at €79.3m in 9M2020 vs €75.6m in 9M2019.

EBIT stood at €32.0m in 9M2020 compared to €75.6m in 9M2019.

Adjusted Profit Before Tax €1m

Adjusted Profit Before Tax in 9M2020 stood at €1m vs €31.1m in 9M2019. With restructuring costs included, Loss Before Tax amounted to €24.1m. Loss after taxes and minority rights stood at €53.8m in 9M2020 vs 24.9m in the corresponding period last year.

Balance Sheet

Total assets stood at €2,973m as at 30.09.2020 compared to €3,056m as at 31.12.2019, a decrease of 3%.

Cash and other liquid assets of €439m

Cash and other liquid assets increased in Q3 2020 and stood at €439m as at 30.09.2020 compared to €400m as at 30.06.2020 and €463m as at 31.12.2019.

Total borrowings stood at €1,540m as at 30.09.2020 compared to €1,491m as at 31.12.2019. The increase was mainly due to the successful issuance and placement of bonds with face value of €70m in January 2020, with an interest rate of 6.375%, and maturing in December 2024.

Net Debt stood at €1,101m as at 30.09.2020 compared to €1,028m on December 31 2019, with a net debt to EBITDA ratio of 6.1x (calculated on the annualized adjusted EBITDA of 9M 2020).

Total Equity for the Group of €476m

Group total equity stood at €476m as at 30.09.2020, compared to €533m at 31.12.2019, decreased by €57m. The decrease was mainly due to losses after taxes. Equity attributable to shareholders stood at €364m compared to €414m as at 31.12.2019, decreased by €50m.

2. Performance per segment in 9M2020

Construction

Redefining the size of the Construction

Revenues in Construction stood at €375m in 9M2020, decreased by 49% (or €362m) compared to €737m in 9M2019, mainly due to reduced construction activity, as the Group has decided to focus geographically on Greece and Romania.

EBITDA

EBITDA in Construction stood at €-23.5m in 9M2020 (or €-43.2m including following non-recurring items relating to the transformation of Construction: €12.8m impairment loss from sale of non-operating assets, €6.5m loss from exiting loss making projects in Brazil and €0.4m restructuring costs) vs -€19.2m in 9M2019.

Losses before taxes stood at €58.9m in 9M2020 compares to losses of €35.6m in 9M2019.

Profit & Loss of 9M2020 does not include a profit of €6.9m from the sale of Hellas Gold which has been recorded in Other Comprehensive Income in Q2 2020.

Backlog

AKTOR and its subsidiaries' backlog amounted to €1.8b as at 30.09.2020, of which €1,630m were signed before 30.09.2020. For further projects of €203m Construction has been declared preferred bidder or has signed after 30.09.2020.

Restructuring of Construction in progress

The restructuring plan for Construction will generate an upside of more than €100m between 2020-2023. Of this, ~€30m will be generated through reduced cost of sales from the new Group Procurement office; €32m from reduced HR costs; and about €38m from the sale of non-operating assets and collection of old receivables.

Concessions

Revenue in Concessions stood at €152.0m in 9M2020, decreased by 15%, compared to revenue of €179.6m in the corresponding period of 2019. Reduced revenue in 9M2020 is due to the drop in traffic (ATTIKI ODOS -22%, MOREAS -20%) as a result of government restrictions due to the COVID-19 pandemic.

Vehicle traffic recovered significantly after the lifting of first lockdown

Following the gradual lifting of the lockdown in beginning of May 2020, traffic volumes in ATTIKI ODOS showed clear signs of recovery. After a decrease in ATTIKI ODOS' vehicle traffic of 72% in April 2020, traffic followed a continuous upward trend from May 2020 (-37%) until August 2020 (-8%). Additional measures against COVID-19 placed further downward pressure on traffic which decreased by 12% and 13% in September and October respectively.

EBITDA in Concessions stood at €99.6m, a decrease of 19% compared to €122.1m in 9M2019. 9M 2020 EBITDA benefits from the following items with one-off positive impact: €3.5m reversal of provision due to beneficial court decision; €2.5m as income compensation due to toll free days for the 2019 elections.

Profit before taxes stood at €31.5m vs €54.5m in 9M2019 (-42%).

Renewables (RES)

No impact of COVID-19

Revenue in RES stood at €68m compared to €49.3m in 9M2019, an increase of 38% as a result of the increased installed capacity.

EBITDA in RES stood at €54.2m compared to €39.1m in 9M2019, marking an increase of 38% also as a result of the increased installed capacity and unimpacted by COVID-19.

PBT stood at €28.2m in 9M2010 compared to €21.2m in 9M2019 (+33%).

Second largest portfolio in Greece

Installed capacity stands at 491 MW as of 30.09.2020, while an additional 88MW is under construction. Furthermore, the Group announced on October 21 a strategic partnership with EDPR for a joint development of additional 900 MW.

Environment

Increase in revenue and profit despite the pandemic

Revenue in Environment stood at €75.3m in 9M2020 compared to €64.7m in 9M2019, an increase by 16% due to the increased rate of implementation of construction projects.

EBITDA stood at €9.5m in 9M2020 compared to €9.1m in 9M2019, increased by 4%.

Earnings before taxes stood at €5.4m in 9M2020 compared to €3.2m in the corresponding period of last year, increased by 67%.

All waste management contracts expiring during the year have been renewed. Furthermore, the investment in the new Biogas Power Plant of the Mavrorachi Landfill was completed.

Real Estate

Increase in revenue and operating profit despite the impact of the COVID-19 pandemic

Revenue in Real Estate stood at €5.1m in 9M2020, compared to €4.8m in 9M2019, increased by 7%.

EBITDA stood at €2.7m in 9M2020, compared to €1.7m in the corresponding period of last year, increased by 60%. After the reopening of “Smart Park” on May 11, 2020, there has been a gradual recovery in footfall (15% increase in 9M2020 compared to the same period last year).

Profits before taxes stood at €0.1m in 9M2020 compared to losses of €0.5m in 9M2019.