

STRABAG SE counting on continued positive development in 2018 thanks to record order backlog

Contact

STRABAG SE
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- **2017: record output volume of € 14.6 billion and record order backlog of € 16.6 billion**
- **Unchanged strong demand expected in nearly all core markets**
- **2018 targets: increase output volume to € 15.0 billion, EBIT margin \geq 3 %**

STRABAG SE	2017	2016	% 2016-2017
Output volume	14,620.89	13,491.03	8 %
Order backlog	16,591.87	14,815.79	12 %
Employees	72,904	71,839	1 %

NORTH + WEST	2017	2016	% 2016-2017
Output volume	6,843.36	6,174.91	11 %
Order backlog	8,138.06	7,030.41	16 %
Employees	23,366	22,233	5 %

SOUTH + EAST	2017	2016	% 2016-2017
Output volume	4,241.60	4,000.98	6 %
Order backlog	4,504.75	3,482.61	29 %
Employees	17,916	17,758	1 %

INTERNATIONAL + SPECIAL DIVISIONS	2017	2016	% 2016-2017
Output volume	3,403.53	3,154.89	8 %
Order backlog	3,943.73	4,294.97	-8 %
Employees	25,618	26,027	-2 %

OTHER	2017	2016	% 2016-2017
Output volume	132.40	160.25	-17 %
Order backlog	5.33	7.80	-32 %
Employees	6,004	5,821	3 %

Vienna, 15 February 2018 The publicly listed European-based technology group for construction services STRABAG SE today announced its first figures for the 2017 financial year and issued an outlook for 2018. *“We closed the year with a record output volume and are going into the new one with a record order backlog. The signs are pointing to unchanged strong demand in nearly all of our core markets,”* says Thomas Birtel, CEO of STRABAG SE.

Output volume

The STRABAG SE Group generated a record output volume of € 14.6 billion in the 2017 financial year. This corresponds to an increase of 8 % over the previous year. The upwards movement was influenced especially by the German transportation infrastructures segment and a number of medium-sized building construction and civil engineering projects in Austria. Increased business was also observed in the group's core markets in Central and Eastern Europe.

Order backlog

Numerous large orders acquired above all in the fourth quarter in transportation infrastructures in Hungary and Poland, together with building construction and civil engineering projects in Germany and in Asia, helped push the order backlog to a new record high of € 16.6 billion, a plus of 12 % over the record value of the year before. The completion of large products as well as order reductions led to a decline in Italy, Romania and Denmark.

Employees

The STRABAG Group employed an average of 72,904 people in 2017. With the higher output volume, the workforce increased by about 1,100 persons or 1 % over the previous year.

Outlook 2018

The record order backlog allows another positive development of the output volume to be expected in 2018. The Management Board of STRABAG SE expects a plus to at least € 15.0 billion (+3 %). Growth should be seen in all three operating segments: North + West, South + East and International + Special Divisions.

With regard to the earnings, STRABAG had previously issued a target of achieving a lasting EBIT margin (EBIT/revenue) of 3 % starting in 2016. This goal was attained in 2016 and has also been confirmed by the Management Board for 2017. Although there are certain risks inherent to the construction business, from today's perspective, there is nothing to be said against issuing this same target for the ongoing 2018 financial year.

Demand is expected to at least remain stable or to grow slightly in nearly all of the group's markets. This is also true for the group's three largest markets, Germany, Austria and Poland, which are already at a high level. Declines of the output volume are expected individually in those markets in which large projects were completed in 2017 and where the group is not active nationwide. The earnings forecast is based on the assumption that Property & Facility Management, Real Estate Development and Infrastructure Development continue to contribute positively to the earnings and that large risks, for example in tunnelling and civil engineering, do not manifest at the same time.

Even disregarding the investments related to the acquisition of the minority shares of the now delisted German subsidiary STRABAG AG of Cologne, which will be presented in the cash flow from financing in the first quarter of 2018 anyway, in 2018 the net investments (cash flow from investing) should still come to rest above the planned previous year's value of € 450 million.

Additional figures and details about the 2017 financial year will be available from 7:30 a.m. (CEST) on 27 April 2018 at www.strabag.com.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by our specialised entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machinery at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. The hard work and dedication of our nearly 73,000 employees allow us to generate an annual output volume of more than € 14 billion. At the same time, a dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany. More information is available at www.strabag.com.