Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE 2014 with higher earnings

Contact

STRABAG SE
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- **EBIT +8 % to € 282 million, earnings per share +13 % to € 1.25**
- **Cash flow from operating activities increased by 16 %**
- **Dividend of € 0.50 to be proposed (+11 %)**
- **Outlook 2015 reiterated: still EBIT of at least € 300 million expected**

		2014	2013	%	Q4/14	Q4/13	%
Output volume	€m	13,566.00	13,573.07	0%	3,854.39	3,963.86	-3%
Revenue	€m	12,475.67	12,394.15	1%	3,583.38	3,587.69	0%
Order backlog	€m	14,403.44	13,469.68	7%			
EBITDA	€m	719.94	694.92	4%	370.12	366.07	1%
Ebitda margin	%	5.8%	5.6%		10.3%	10.2%	
EBIT	€m	281.96	261.58	8%	217.68	221.95	-2%
Ebit margin	%	2.3%	2.1%		6.1%	6.2%	
Net income after minorities	€m	127.97	113.56	13%	113.57	115.73	-2%
Net income after minorities margin	%	1.0%	0.9%		3.2%	3.2%	
Earnings per share	€	1.25	1.11	13%	1.11	1.13	-2%
Employees	number	72,906	73,100	0%			

Vienna, 29 April 2015 The publicly listed construction group STRABAG SE raised its earnings in the financial year 2014: The earnings before interest and taxes (EBIT) increased by 8 % to € 281.96 million. The net income after minorities rose by 13 % to € 127.97 million, and the earnings per share increased from € 1.11 to € 1.25. This is why the management board will propose a dividend per share of € 0.50 to the Annual General Meeting in June 2015 after € 0.45 in the previous year.

"Sustainable earnings growth is a key factor that the Management Board team can contribute in order to help boost the STRABAG SE share. For this reason, we will continue to give strategic priority to selectively diversifying our business activities as well as having in place a systematic innovation process and an end-to-end risk management system. Maintaining our financial strength is also especially important to us. And in 2014 we succeeded in doing so: The equity ratio remains at nearly 31 %. We increased our net cash position from € 73.73 million to € 249.11 million at year-end 2014", says **Thomas Birtel**, CEO of STRABAG SE.

Financial performance

The STRABAG SE Group generated an **output volume** of € 13.6 billion in the 2014 financial year, unchanged at the same high level as the year before. The **consolidated group revenue** amounted to € 12.5 billion and so remained nearly unchanged (+1 %), too.

There was a 4 % increase of the **earnings before interest, taxes, depreciation and amortisation** (EBITDA) to € 719.94 million, while the EBITDA margin grew from 5.6 % to 5.8 %. The depreciation and amortisation stood at € 437.98 million or at about the level of the previous year. The depreciation on property, plant and equipment involves special equipment purchased for the group's international business, with the expense to be depreciated over just a few years of construction time, as well as depreciation on equipment in hydraulic engineering.

This results in a plus of 8 % in the **earnings before interest and taxes** (EBIT) to € 281.96 million and an EBIT margin of 2.3 % after 2.1 % in 2013. Year-on-year earnings improved across the board in Poland, while hydraulic engineering in Germany, a Dutch transportation infrastructures project and the business activity in Sweden again represented a burden.

While exchange rate differences amounting to € 13.04 million had been registered in 2013, the **net interest income** in 2014 now contained foreign currency effects of just € 5.29 million. The result was a net interest income of € -26.20 million compared to € -31.54 million the year before. The reason for the lower interest burden can be found in the interest received for the financing of associate companies. In the end, the earnings before taxes (EBT) showed a plus of 11 %.

The unusually high **income tax rate** of 42.3 % (2013: 32.1 %) was due to the lack of tax savings for the losses in Sweden, the Netherlands or Portugal. Earnings owed to **minority shareholders** amounted to just € 19.53 million compared to € 42.70 million the year before. This can be explained by the reduction of earnings for Ed. Züblin AG. The **net income after minorities** for 2014 thus came to € 127.97 million, a plus of 13 % versus the previous year. The number of weighted outstanding shares decreased insignificantly, so that the **earnings per share** also increased by 13 % to € 1.25.

Financial position and cash flows

The **balance sheet total** of STRABAG SE remained nearly unchanged at € 10.3 billion. This was in large part due to an increase in other non-current assets and the significant decrease of inventories. A further result was the growth of **cash and cash equivalents** from € 1.7 billion to € 1.9 billion. Conspicuous on the liabilities side is the stable high equity ratio of 30.6 % (2013: 30.7 %). As usual, a **net cash position** was reported on 31 December 2014. This position grew, as a result of the higher cash and cash equivalents, from € 73.73 million on 31 December 2013 to € 249.11 million at the end of 2014.

With a 21 % higher cash flow from earnings of € 620.23 million, the **cash flow from operating activities** grew by 16 % to € 805.33 million. The changes in inventories were noticeably affected by the sale of a successful proprietary building construction project development. The working capital improvement was further influenced by the uncharacteristically high project-related advance payments. The **cash flow from investing activities** was driven by the acquisition of Germany- and Austria-based facility services company DIW Group as well as the takeover of financing from a Romanian associated company – this item grew from the previous year's € -332.38 million to € -435.30 million in 2014. The investments in property, plant and equipment, on the other hand, were down by 11 %. The **cash flow from financing activities** was significantly more negative – reaching € -142.42 million versus € -6.49 million in 2013 – for two reasons: first, unlike the previous year, no bond was issued in 2014; and second, loan repayments made following the sale of a project development resulted in a lower level of bank borrowings.

Outlook

STRABAG SE reiterates its outlook: As reported, the company expects an EBIT of at least € 300 million in 2015. The output volume should reach € 14.0 billion.

CEO Thomas Birtel will give more details about the figures 2014 at the press conference taking place today, Wednesday, at 10:00 a.m.