Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE adjusts outlook 2018 upwards

Contact

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- **Output volume up 12 % in the first nine months of 2018**
- **Order backlog (+13 %) remains above € 18 billion**
- **High double-digit earnings growth: EBIT +75 % to € 299 million; adjusted for non-operating one-off from the step-up of an investment +43 % to € 244 million**
- **Outlook adjusted for 2018: output volume expected to clearly exceed € 15 billion, targeted EBIT margin of at least 3.3 %**

		9M/18	9M/17	%	Q3/18	Q3/17	%
Output volume	€m	11,645.81	10,383.06	*12%*	4,770.42	4,128.67	*16%*
Revenue	€m	10,681.47	9,357.28	*14%*	4,374.12	3,705.59	*18%*
Order backlog	€m	18,161.02	16,038.27	*13%*			
EBITDA	€m	571.43	448.43	*27%*	371.05	297.19	*25%*
EBITDA margin	%	*5.3%*	*4.8%*		*8.5%*	*8.0%*	
EBIT	€m	298.89	170.56	*75%*	278.86	203.15	*37%*
EBIT margin	%	*2.8%*	*1.8%*		*6.4%*	*5.5%*	
Net income	€m	187.76	86.74	*116%*	184.89	140.69	*31%*
Net income margin	%	*1.8%*	*0.9%*		*4.2%*	*3.8%*	
Net income after minorities	€m	178.33	82.10	*117%*	178.89	134.89	*33%*
Net income after minorities margin	%	*1.7%*	*0.9%*		*4.1%*	*3.6%*	
Earnings per share	€	1.74	0.80	*117%*	1.74	1.31	*33%*
Employees	number	74,775	72,579	*3%*			

Vienna, 29 November 2018 Publicly listed construction company STRABAG SE has adjusted upwards its outlook for the full year on the occasion of the publication of the nine-month figures for 2018:

"Dynamic growth in our by far largest market of Germany; continued good demand in the countries of Central and Eastern Europe; favourable construction weather all around; no more earnings burdens from our international business – this has been the year to date. With developments such as these, we are adjusting our outlook for the 2018 full year: We now expect the output volume to clearly exceed € 15.0 billion and the operating EBIT margin to attain at least last year's level of 3.3 %. These forecasts lead us to anticipate another record year," says **Thomas Birtel**, CEO of STRABAG SE. He also points out that the operating margin does not include a positive non-operating one-off in the double-digit million euro range resulting from the full consolidation of a concession company in Germany.

Output volume and revenue
STRABAG SE generated an output volume of € 11,645.81 million in the first nine months of the 2018 financial year. This upwards movement of 12 % was driven especially by the German building construction and civil engineering business as well as by the markets in Americas, Austria and Poland. The consolidated group revenue grew by 14 %.

Order backlog
The order backlog increased by 13 % over the level of 30 September 2017 to € 18,161.02 million. Contributing to this development once more were numerous new large orders in the group's largest markets, above all in Germany, Poland and Hungary. A significant development, too, was the contract extension for the Alto Maipo tunnelling project in Chile in the second quarter of 2018 with a value in the triple-digit million-euro range.

Financial performance
The earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 27 % to € 571.43 million in the first nine months of 2018. This includes a positive non-operating one-off resulting from the full consolidation by STRABAG of the German concession company PANSUEVIA that operates the A8 motorway in Germany. The International Financial Reporting Standards (IFRS) required the previous 50 % interest to be revalued through profit or loss ("step-up"). The adjusted EBITDA stood at € 516.12 million (+15 %).

Depreciation and amortisation was down by 2 %, which resulted in a 75 % plus in the earnings before interest and taxes (EBIT) to € 298.89 million. Adjusted for the above-mentioned non-recurring item, the EBIT settled at € 243.58 million with an EBIT margin of 2.3 %. A third-quarter comparison also showed increases in the adjusted EBITDA (6 %) and the adjusted EBIT (10 %). The net interest income reached € -10.49 million, compared to € -34.69 million in the first nine months of the previous year. While last year's figure had been influenced by negative internal exchange rate differences, these differences were now positive. The earnings before taxes (EBT) more than doubled, as did the income tax level, which left a net income of € 187.76 million (+116 %).

The third-party share grew slightly from € 4.65 million to € 9.43 million. Overall this resulted in a net income after minorities of € 178.33 million, compared to € 82.10 million in the same period last year. With 102,600,000 outstanding shares, this corresponds to earnings per share of € 1.74 (9M/2017: € 0.80).

Financial position and cash flows
The balance sheet grew from € 11.1 billion on 31 December 2017 to € 11.5 billion at the end of the third quarter, influenced by the increased shareholding in PANSUEVIA from 50 % to 100 % and the subsequent full consolidation. This also explains the growth of the non-current financial liabilities. Another influential factor were the

higher trade receivables, which increased especially as a result of the reclassification of real estate project developments as required by the first-time adoption of IFRS 15. Despite the balance sheet growth, the equity ratio remained at a high level of 30.3 % compared to 30.7 % at the end of 2017. The net cash position decreased, as is seasonally usual, from € 1,335.04 million at 31 December 2017 to € 517.00 million (30 September 2017: € 14.62 million).

The cash flow from operating activities fell despite the higher cash flow from earnings from € -84.97 million to € -108.88 million due to the stronger working capital increase as compared to the previous year. The cash flow from investing activities, at € -472.56 million, was 96 % more negative, due in part to the higher investments in property, plant and equipment and because of the PANSUEVIA transaction. The repayment of a bond and the acquisition of the minority shares of the now delisted German subsidiary STRABAG AG influenced the cash flow from financing activities, which reached € -436.64 million after € -198.85 million in the first nine months of the previous year.

***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 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.*