Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE builds 2020 on records of the past year

Contact

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- **After output volume and order backlog earnings on record level, too**
- **EBIT +8 % to € 603 million, EBIT margin at 3.8 %**
- **As reported, Management and Supervisory Board propose a reduced and conditioned dividend of € 0.90 per share**
- **Outlook 2020: Output volume approx. € 14.4 billion, EBIT margin of at least 3.5 %**

		2019	2018	%	HY2/19	HY2/18	%
Output volume	€m	**16,617.97**	**16,322.88**	*2 %*	**9,110.98**	**9,447.49**	*-4 %*
Revenue	€m	**15,668.57**	**15,221.83**	*3 %*	**8,689.50**	**8,914.48**	*-3 %*
Order backlog	€m	**17,411.48**	**16,899.71**	*3 %*			
EBITDA	€m	**1,113.30**	**952.60**	*17 %*	**818.56**	**752.22**	*9 %*
EBITDA margin	%	*7.1 %*	*6.3 %*		*9.4 %*	*8.4 %*	
EBIT	€m	**602.58**	**558.21**	*8 %*	**541.58**	**538.18**	*1 %*
EBIT adjusted[1]	€m	**602.58**	**502.90**	*20 %*	**541.58**	**482.87**	*12 %*
EBIT margin	%	*3.8 %*	*3.7 %*		*6.2 %*	*6.0 %*	
EBIT margin adjusted[1]	%	*3.8 %*	*3.3 %*		*6.2 %*	*5.4 %*	
Net income after minorities	€m	**371.70**	**353.53**	*5 %*	**361.04**	**354.09**	*2 %*
Net income after minorities margin	%	*2.4 %*	*2.3 %*		*4.2 %*	*4.0 %*	
Earnings per share	€	**3.62**	**3.45**	*5 %*	**3.52**	**3.46**	*2 %*
Employees	FTE	**76,919**	**75,460**	*2 %*			

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million

Vienna, 29 April 2020 The publicly listed construction group STRABAG SE had another record year in 2019: Not only were output volume and order backlog again at the highest level in the Group's history – as has already been reported –, but also earnings before interest and taxes (EBIT) and net income after minorities. However, against the background of the coronavirus crisis and as already published last week, the Management Board and the Supervisory Board of STRABAG SE will propose a reduced and conditioned dividend of € 0.90 to the Annual General Meeting.

Thomas Birtel, CEO of STRABAG SE: “The significant short-term effects of the coronavirus crisis on our business should be behind us. But many industries, such as tourism or stationary trade, have been severely affected. Therefore, we must now assess the medium-term effects and also pay attention to our productivity. We must expect a decline in demand from the private sector, but this could be offset to a certain extent by public economic stimulus".

Output volume, Revenue and Order backlog
The STRABAG SE Group generated a record output for the third year in a row in the 2019 financial year. With a plus of 2 % to € 16.6 billion, the company exceeded its own forecast. The consolidated group revenue amounted to € 15.7 billion. As with the output volume, this corresponds to a slight plus (3 %). The operating segments North + West contributed 48 %, South + East 31 % and International + Special Divisions 21 % to the revenue. The order backlog as at 31 December 2019 grew by 3 % year-on-year to reach another record level of € 17.4 billion.

Financial performance
In 2019, the earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 17 % to € 1,113.30 million, topping the € 1.0 billion mark for the first time. The EBITDA margin grew from 6.3 % to 7.1 %. What must be taken into account here, however, is that the first-time application of IFRS 16 Leases means that rental expenses recognised in EBITDA in previous years are now shown as depreciation and interest. If comparison is made with the EBITDA adjusted for a non-operating step-up profit in the previous year, the increase amounts to 24 %.

The depreciation and amortisation expense grew by 29 %. One of the reasons for this development is the first-time application of IFRS 16 Leases, according to which right-of-use assets from leases are to be measured less depreciation and the corresponding lease expenses can no longer be recognised under the item “Other operating expenses”.

The earnings before interest and taxes (EBIT) increased by 8 % to € 602.58 million, which corresponds to an EBIT margin of 3.8 % after 3.7 % in 2018. Adjusted for the previous year’s non-operating step-up profit, the EBIT grew by 20 %. The improvement is attributable to the North + West segment, where the earnings nearly doubled.

At € -25.34 million, the net interest income was comparable to that of the previous year. Although an – in contrast to the previous year – negative exchange rate result of € -5.93 million was achieved with regard to the exchange rate differences, the interest expense was reduced as well due to the repayment of a bond in the previous year.

The income tax rate stood at 34.4 %, slightly higher than in the previous year (2018: 31.7 %). The earnings owed to minority shareholders amounted to € 6.86 million after € 9.25 million in the previous year. The net income after minorities for 2019 stood at € 371.70 million – an increase of 5 %. The earnings per share amounted to € 3.62 (2018: € 3.45).

Financial position and cash flows
The total assets and liabilities increased to € 12.3 billion compared to € 11.6 billion on 31 December 2018, in part due to the first-time application of IFRS 16 Leases. Despite this increase of the balance sheet total, the equity ratio remained nearly unchanged at 31.5 % (2018: 31.6 %). As usual, a net cash position was reported on 31 December 2019. This figure fell slightly in the face of the marginally higher financial liabilities from € 1.2 billion to € 1.1 billion.

The cash flow from operating activities improved from € 788.98 million to € 1,075.94 million as a result of a higher cash flow from earnings and a further, even higher reduction of the working capital. The expectation of a significant reduction in advance payments in 2019 and a concomitant increase in working capital to familiar levels thus did not materialise.

The cash flow from investing activities was less negative, largely due to the smaller changes in the scope of consolidation. The cash flow from financing activities stood at € -411.62 million after € -534.17 million in the previous year. This decrease is due to the lower volume of a bond repayment and the fact that the 2018 figure had been affected by a cash outflow related to the acquisition of the minority shares of the now-delisted German subsidiary STRABAG AG.

Outlook
A reliable estimate of the impact of the coronavirus crisis on earnings is still not possible. But from today's perspective, the Executive Board anticipates a 10 % decline in output volume compared with the previous forecast of more than € 16.0 billion, i.e. around € 14.4 billion. It can be assumed that in line with the projected decrease in output volume, EBIT should also be at a lower level. At the same time, it should still be possible to achieve an EBIT margin of at least 3.5 %.