Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE surpasses last year's records

Contact

STRABAG SE
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- **Output volume, order backlog, EBIT, dividend and balance sheet total at highest level in company history**
- **EBIT +6 % to € 448 million, EBIT margin at 3.3. %, earnings per share at € 2.72**
- **Proposed dividend of € 1.30 per share (2016: € 0.95 per share) – this would be the highest dividend since IPO**
- **Outlook 2018 confirmed: EBIT margin of at least 3 % targeted**

		2017	2016	%	Q4/17	Q4/16	%
Output volume	€m	14,620.89	13,491.03	*8 %*	4,237.83	3,929.97	*8 %*
Revenue	€m	13,508.72	12,400.46	*9 %*	4,151.44	3,462.00	*20 %*
Order backlog	€m	16,591.87	14,815.79	*12 %*			
EBITDA	€m	834.58	855.18	*-2 %*	386.15	404.79	*-5 %*
EBITDA margin	%	*6.2 %*	*6.9 %*		*9.3 %*	*11.7 %*	
EBIT	€m	448.36	424.91	*6 %*	277.80	249.01	*12 %*
EBIT adjusted[1]	€m		397.10				
EBIT margin	%	*3.3 %*	*3.4 %*		*6.7 %*	*7.2 %*	
EBIT margin adjusted[1]	%		*3.2 %*				
Net income after minorities	€m	278.91	277.65	*0 %*	205.12	173.31	*18 %*
Net income after minorities margin	%	*2.1 %*	*2.2 %*		*4.9 %*	*5.0 %*	
Earnings per share	€	2.72	2.71	*0 %*	2.00	1.69	*18 %*
Employees	number	72,904	71,839	*1 %*			

1 adjusted for a non-operating profit in the amount of € 27.81 million

Vienna, 27 April 2018 The publicly listed construction group STRABAG SE posted several records in 2017: Not only did the output volume and the order backlog – as reported – reach their highest level in company history, but the earnings before interest and taxes (EBIT) and the balance sheet total did as well. Because of the very successful year, the Management Board plans to propose to the Annual General Meeting in June 2018 a dividend of € 1.30 per share (2016: € 0.95 per share) – the highest dividend since the IPO in 2007.

"2017 was another very successful year for us: The EBIT margin is our most important financial indicator. And with 3.3 %, we solidly achieved our self-imposed target of at least 3.0 %. The EBIT grew by 6 % versus the previous year, despite the fact that a non-operational one-off effect in 2016, which also had been disclosed, had resulted in an upwards distortion of the earnings figures. At the same time, the earnings reached an all-time high," says **Thomas Birtel**, CEO of STRABAG SE.

Output volume, Revenue and Order backlog
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 consolidated group revenue amounted to € 13.5 billion, a plus of 9 % – similar to the output volume. 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.

Financial performance
There was a slight (-2 %) decrease of the earnings before interest, taxes, depreciation and amortisation (EBITDA) to € 834.58 million; the EBITDA margin fell from 6.9 % to 6.2 %. Adjusting the EBITDA of the previous year by the aforementioned non-operating item from the sale of a minority investment, the EBITDA grew slightly (1 %). It was again possible to reduce the depreciation and amortisation, namely by 10 %, as it was not necessary to make extraordinary depreciation allowances to the same degree as in the previous year.

The EBIT increased by 6 % to € 448.36 million, which corresponds to an EBIT margin of 3.3 % after 3.4 % in 2016. Adjusted for the positive one-off effect, the margin would have stood at 3.2 %. All three operating segments contributed to the earnings improvement. This development is due, among other things, to improved earnings in several group countries, including Germany, and the recognition of a receivable from a concession project.

The net interest income declined dramatically, however, slipping from € -3.78 million to € -27.15 million. While positive foreign currency effects of € 13.01 million had been registered during the previous year, negative exchange rate differences of € -9.40 million had to be reported for 2017 from Poland and Chile, among other places.

The income tax rate stood at 30.6 %, slightly lower than the previous year's level of 33.0 %. The earnings owed to minority shareholders amounted to € 13.45 million, compared to € 4.35 million in 2016 when the remaining minority shareholders of Ed. Züblin AG had still helped to carry the winter losses from the first quarter of that year. As the squeeze-out of the minority shareholders of STRABAG AG, Germany, was only completed on 29 December 2017, the earnings owed to these minority shareholders were still contained in the figures to the full amount. The net income after minorities for 2017 came to € 278.91 million, nearly unchanged versus the previous year. The earnings per share amounted to € 2.72 (2016: € 2.71).

Financial position and cash flows
The balance sheet total of STRABAG SE reached € 11.1 billion, surpassing the € 11 billion mark for the first time. This development was due above all to the exceptionally strong increase of the cash and cash equivalents from € 2.0 billion at the end of 2016 to € 2.8 billion on 31 December 2017. The fourth quarter especially was characterised by the receipt of unusually high advance payments, which became noticeable on the liabilities side in the higher trade payables. Nevertheless, the equity ratio remained relatively strong with 30.7 % after 31.5 % in the previous year. As usual, a net cash position was reported on 31 December 2017. Because of the aforementioned customer advance payments, however, which helped drive up the cash and cash equivalents, the net cash position was unusually high at € 1.3 billion.

The strong working capital reduction led to a more than fivefold increase of the cash flow from operating activities from € 264.17 million to € 1,345.19 million. Here, too, a significant reduction of the advance payments is expected in 2018, which should lead to an increase of the working capital to the usual level. The cash flow from investing activities sank from € -434.43 million to € -333.30 million because of the lack of significant enterprise acquisitions and despite increased investments in intangible assets and property, plant and equipment. The cash flow from financing activities amounted to € -234.52 million after € -564.18 million. In 2016, this figure had been influenced especially by the acquisition of the remaining shares of Ed. Züblin AG.

Outlook
STRABAG SE continues to expect a plus of the output volume to at least € 15.0 billion (+3 %) in 2018 and confirms the goal to again achieving an EBIT margin of at least 3 %.

Additional details as to the 2017 financial figures will be presented by the CEO, Thomas Birtel, at the press conference taking place today, Friday, at 10:00 a.m.