Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE expects higher output volume for 2018 after posting another record order backlog

Contact

STRABAG SE
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- **Output volume grows by 10 % in the first half of 2018**
- **Order backlog (+15 %) reaches another record level, clearly surpassing the € 18 billion mark**
- **EBITDA (+33 %), EBIT of € 20.03 million in positive territory already halfway through the year**
- **Outlook for 2018: output volume now expected to reach at least € 15 billion, targeted EBIT margin of again at least 3 %**

		6M/18	6M/17	%	Q2/18	Q2/17	%
Output volume	€m	6,875.39	6,254.39	*10%*	4,275.62	3,827.60	*12%*
Revenue	€m	6,307.35	5,651.68	*12%*	3,951.81	3,440.20	*15%*
Order backlog	€m	18,874.24	16,472.88	*15%*			
EBITDA	€m	200.38	151.23	*33%*	250.23	201.94	*24%*
EBITDA margin	%	*3.2%*	*2.7%*		*6.3%*	*5.9%*	
EBIT	€m	20.03	-32.59	*n.m.*	158.93	110.50	*44%*
EBIT margin	%	*0.3%*	*-0.6%*		*4.0%*	*3.2%*	
Net income	€m	2.87	-53.94	*n.m.*	118.12	66.85	*77%*
Net income margin	%	*0.0%*	*-1.0%*		*3.0%*	*1.9%*	
Net income after minorities	€m	-0.56	-52.79	*99%*	116.12	64.61	*80%*
Net income after minorities margin	%	*0.0%*	*-0.9%*		*2.9%*	*1.9%*	
Earnings per share	€	-0.01	-0.51	*99%*	1.13	0.63	*80%*
Employees	number	73,394	71,662	*2%*			

Vienna, 31 August 2018 Today, Friday, the publicly listed construction company STRABAG SE reported figures for the first half of the 2018 financial year. They were characterized by a record order backlog, an increase in output volume and earnings which, as is unusual, were already in positive territory by the middle of the year.

Thomas Birtel, CEO of STRABAG SE*: "With an order backlog of well above € 18 billion, we can report another record level halfway through 2018 after already posting a historic high of € 16.6 billion at the end of the 2017 financial year and cracking the € 17 billion mark in the first quarter of 2018. Our focus remains on carefully and reliably working off our dynamically growing volume of orders. The high order backlog is already reflected in the output volume. After the first six months in 2018, this figure is 10 % higher than at the same time last year. We are therefore adjusting our outlook for the full year and now expect to generate an output volume of at least € 15 billion. So far we had* *anticipated an increase to 'about € 15 billion'. The forecast for the EBIT margin remains unchanged at ≥3 %."*

Output volume and revenue
STRABAG SE generated an output volume of € 6,875.39 million in the first half of the 2018 financial year. This upwards growth of 10 % was driven especially by the German building construction and civil engineering business as well as by the markets Austria and Poland. The consolidated group revenue grew by 12 %.

Order backlog
After topping the € 17 billion mark for the first time in company history as per 31 March 2018, the order backlog reached another record high of € 18.9 billion on 30 June 2018. This corresponds to a plus of 15 % year on year. Contributing to this development once again were numerous large orders in the group's largest markets, above all in Hungary, Germany and Poland. A significant development in the second quarter of 2018 was the contract extension for the Alto Maipo tunnelling project in Chile with a value in the triple-digit million-euro range.

Financial performance
The earnings before interest, taxes, depreciation and amortisation (EBITDA) increased in the first six months of 2018 by 33 % to € 200.38 million. The depreciation and amortisation were down by 2 % so that the earnings before interest and taxes (EBIT) came to rest at € 20.03 million – no longer in negative territory as is otherwise usual after six months. The second quarter also revealed growth in both EBITDA (24 %) and EBIT (44 %).

The net interest income amounted to € -7.44 million. In the first six months of the previous year, this figure had still amounted to € -28.74 million as a result of negative internal exchange rate differences. The earnings before taxes (EBT) also avoided a seasonally usual loss this year, reaching € 12.59 million compared to € -61.33 million in the first half of last year. As a result, the income tax moved into negative territory at € -9.72 million. This left a net income of € 2.87 million.

Earnings attributable to third-party shareholders amounted to € 3.43 million. Last year, they still had to bear a loss of € -1.15 million. Overall, the net income after minorities amounted to € -0.56 million, compared to € -52.79 million in the same period the year before. With 102,600,000 outstanding shares, this corresponds to earnings per share of € -0.01 (6M/2017: € -0.51).

Financial position and cash flows
The balance sheet total fell back below € 11 billion from 31 December 2017 to € 10,792.78 million. This figure was influenced by 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. The cash and cash equivalents decreased as is seasonally usual. The non-current financial liabilities

decreased due to the planned repayment of a bond within one year's time.

Despite the typical winter losses, the equity ratio remained high at 30 %; this figure had stood at about 31 % at the end of 2017. The net cash position decreased, as is seasonally usual, from € 1,335.04 million at 31 December 2017 to € 711.71 million (30 June 2017: € 95.27 million).

The cash flow from operating activities grew by 27 % to € -147.30 million in view of the higher cash flow from earnings and a working capital increase comparable to that of the previous year. The cash flow from investing activities stood at € -276.95 million, 91 % more negative on the year due in part to a higher level of investments in property, plant and equipment. The repayment of a bond, the acquisition of the minority shares of the now delisted German subsidiary STRABAG AG, and the dividend payment that hadn't been carried out until the third quarter last year influenced the cash flow from financing activities, which reached a value of € -362.85 million after € -18.83 million in the first half last year.

Employees

The number of employees grew by 2 % to 73,394. Growth was registered especially in the Americas as well as in Poland, Austria and Hungary due to a higher output volume and order backlog in these regions.