**Press Release**
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STRABAG SOCIETAS EUROPAEA

# STRABAG SE with better earnings after six months, outlook confirmed


## Contact

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- **Output volume at € 6.2 billion, growth of 7 %**
- **EBITDA stronger by 54 %, EBIT improvement of 37 % and earnings per share up 40 %**
- **Order backlog remains at high level: € 14.8 billion (-4 %)**
- **2015 outlook confirmed: expected output volume of € 14.0 billion, EBIT of at least € 300 million**

| | | 6M/15 | 6M/14 | % | Q2/15 | Q2/14 | % |
|---|---|---|---|---|---|---|---|
| **Output volume** | €m | 6,204.67 | 5,779.55 | *7%* | 3,736.33 | 3,435.81 | *9%* |
| **Revenue** | €m | 5,745.47 | 5,353.94 | *7%* | 3,461.51 | 3,189.98 | *9%* |
| **Order backlog** | €m | 14,841.43 | 15,468.48 | *-4%* | | | |
| **EBITDA** | €m | 123.83 | 80.43 | *54%* | 189.92 | 150.34 | *26%* |
| *EBITDA margin* | % | *2.2%* | *1.5%* | | *5.5%* | *4.7%* | |
| **EBIT** | €m | -68.42 | -107.98 | *37%* | 90.90 | 55.75 | *63%* |
| *EBIT margin* | % | *-1.2%* | *-2.0%* | | *2.6%* | *1.7%* | |
| **Net income** | €m | -61.47 | -98.89 | *38%* | 65.98 | 41.41 | *59%* |
| *Net income margin* | % | *-1.1%* | *-1.8%* | | *1.9%* | *1.3%* | |
| **Net income after minorities** | €m | -55.50 | -93.12 | *40%* | 60.96 | 38.89 | *57%* |
| *Net income after minorities margin* | % | *-1.0%* | *-1.7%* | | *1.8%* | *1.2%* | |
| **Earnings per share** | € | -0.54 | -0.91 | *40%* | 0.59 | 0.38 | *57%* |
| **Employees** | number | 72,837 | 71,215 | *2%* | | | |

Vienna, 31 August 2015 The publicly listed construction group STRABAG SE has significantly improved its earnings in the first half of 2015: The earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 54 %. As is usual, the earnings before interest and taxes (EBIT) were still negative after the first six months; they were 37 % and earnings per share 40 % less deeply in negative territory.

*"In 2015, we want to bring our EBIT margin one step closer to our goal of 3 %. And the first half of the year shows us that we are well on our way to reaching this goal. We are all the more pleased with the improvements in earnings as we were simultaneously able to increase both revenue and output volume. However, these growth rates can not be translated directly to the forecast for year's end. Regarding the full year, we therefore confirm our outlook: The output volume should reach € 14.0 billion, the EBIT at least € 300 million",* says **Thomas Birtel**, CEO of STRABAG SE.

### Output volume and revenue

STRABAG SE generated an output volume of € 6,204.67 million in the first half of the 2015 financial year. This increase of 7 % was driven primarily by the markets of Germany, Slovakia, Poland and Chile. The group revenue, like the output volume, grew by 7 % to € 5,745.47 million.

**Order backlog**
Different trends were registered in the order backlog: In Poland, several expressways and a large building construction project contributed to a considerable increase of the volume of orders on the books. In Germany, on the other hand, this figure fell back from the previous high level. Large projects are being worked off in Hungary and in Chile. In total, the order backlog stood at € 14,841.43 million on 30 June 2015 – a decline of 4 % versus 30 June 2014.

**Financial performance**
The limited capacity for construction in winter results in significant seasonal effects on the development of earnings and other financial figures of STRABAG SE. The first half of the year typically has a negative effect on results, which is then overcompensated by results in the second half of the year. As a result of the seasonal effects, a quarterly comparison makes little sense.

The higher revenue also resulted in improved EBITDA in the first half of 2015 by 54 % to € 123.83 million. The depreciation and amortisation was at about last year's level, with € -192.25 million compared to € -188.41 million. The EBIT stood at € -68.42 million, 37 % less deeply in negative territory. This development was influenced mostly by the South + East segment.

Significant positive exchange rate differences, especially regarding the Swiss franc, in the amount of € 16.08 million – compared to € 4.55 million in the comparison period – resulted in positive net interest income of € 0.69 million after € -13.00 million a year before. Below the line, this resulted in a 44 % improvement of the earnings before taxes (EBT) to € -67.73 million. Accordingly, the income tax was again in positive territory with € 6.26 million and thus provided some relief despite being 72 % lower on the year. As third-party shareholders helped bear a loss of € 5.96 million, the net income after minorities improved by 40 % to € -55.51 million. In light of 102,600,000 outstanding shares, this corresponds to earnings per share of € -0.54 after € -0.91 for the first half of the previous year.

Double-digit percentage growth was also observed in a second quarter comparison: The EBITDA increased by 26 % to € 189.92 million. The EBIT grew by 63 % to € 90.90 million and the net income after minorities by 57 % to € 60.96 million.

**Financial position and cash flows**
The balance sheet total on 30 June 2015 was up slightly versus the end of 2015 (+3 %). Conspicuous was the usual seasonal increase of the trade receivables – a result of the higher revenue – with a simultaneous reduction of cash and cash equivalents. The non-

current financial liabilities increased as well, resulting from a € 200 million bond issue in the first quarter of 2015. The balance sheet inflation led to a slight decline of the equity ratio – although it remained at a similar high level – from 30.6 % at the end of 2014 to 29.1 %. The net debt improved to € 200.74 million from € 281.73 million at the end of June of the previous year.

The cash flow from earnings rose by 71 % to € 79.94 million. The cash flow from operating activities, on the other hand, decreased to € -290.07 million – 60 % more deeply in negative territory – in part due to the considerable growth in receivables, which could not fully be balanced out through higher liabilities. The other cash flows improved: The cash flow from investing activities, with € -105.55 million after € -137.18 million, was less negative thanks to increased asset sales. The cash flow from financing activities benefited from the aforementioned bond issue.

**Employees**
The 2 % growth in the number of employees to 72,837 in the first half of 2015 is due to the acquisition of Germany- and Austria-based DIW Group last year. The increases and decreases in the other markets balanced each other out: In the Americas region, for example, the group employed an additional 1,000 persons compared to the first quarter of the previous year, while the employee levels in Africa were reduced by a similarly high amount.

**Outlook**
The management board of STRABAG SE continues to expect the output volume in the 2015 financial year to grow from € 13.6 billion to € 14.0 billion. The EBIT should increase to at least € 300 million. In this regard, the efforts made thus far to further improve the risk management and to lower costs would already have an impact on earnings. This would bring the company one step closer to its target of achieving an EBIT margin (EBIT/revenue) of 3 % in 2016.

***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 more than 73,000 employees allows us to generate an annual output volume of about € 14 billion. At the same time, a dense network of numerous subsidiaries in many European countries and, increasingly, 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.*