

STRABAG SE: New records in 2018, level expected to remain high in 2019

Contact

STRABAG SE
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- **2018: another record output volume of €16.3 billion and record order backlog of €16.9 billion**
- **Unchanged strong demand expected in all core markets**
- **2019 targets: output of €16.0 billion, EBIT margin \geq 3.3 %**

STRABAG SE	2018	2017	% 2017–2018
Output volume	16,322.88	14,620.89	12 %
Order backlog	16,899.71	16,591.87	2 %
Employees	75,460	72,904	4 %
NORTH + WEST	2018	2017	% 2017–2018
Output volume	7,827.48	6,843.36	14 %
Order backlog	8,804.15	8,138.06	8 %
Employees	24,222	23,366	4 %
SOUTH + EAST	2018	2017	% 2017–2018
Output volume	4,639.26	4,241.60	9 %
Order backlog	4,311.00	4,504.75	-4 %
Employees	18,729	17,916	5 %
INTERNATIONAL + SPECIAL DIVISIONS	2018	2017	% 2017–2018
Output volume	3,740.30	3,403.53	10 %
Order backlog	3,782.41	3,943.73	-4 %
Employees	26,279	25,618	3 %
OTHER	2018	2017	% 2017–2018
Output volume	115.84	132.40	-13 %
Order backlog	2.15	5.33	-60 %
Employees	6,230	6,004	4 %

Vienna, 12 February 2019 The publicly listed European-based technology group for construction services STRABAG SE today announced its first figures for the 2018 financial year and issued an outlook for 2019. *“2018 was our third record year in a row. The pace in the construction industry was high, and this should continue to be the case in 2019. As the level is already high, however, further growth is not to be expected for now,”* says Thomas Birtel, CEO of STRABAG SE.

Output volume

The STRABAG SE Group generated another record output volume of € 16.3 billion in the 2018 financial year. Especially due to the favourable weather conditions, this figure was even higher than had been expected. The increase of 12 % over the previous year was driven by growth in all of the group's most important markets. In the Americas, the output volume grew as a result of a contract extension for a large-scale project in Chile – the group's largest project at this time. Decreases were seen only in smaller markets like Switzerland, Denmark and Russia.

Order backlog

Numerous orders in the group's largest markets, above all in Germany, Austria and Poland, also drove the order backlog up to a new record high at year's end. A significant development was the aforementioned contract extension for the Alto Maipo tunnelling project in Chile with a value in the triple-digit million-euro range. With the completion of large-scale projects, the order backlog fell back in places like Hungary, Slovakia and Russia, however, which explains the low overall growth of just 2 % versus the record of the previous year. In the end, it was enough for a new high of € 16.9 billion.

Employees

The STRABAG Group employed an average of 75,460 people in 2018. This corresponds to an increase of 4 % over the previous year. Staff was hired especially in the Americas and in Central and Eastern Europe to handle large-scale contracts.

Outlook 2019

The unusually high output volume in 2018 – in part due to the excellent weather conditions for construction – greatly exceeded the planning and so leaves little room for further growth expectations in 2019. The management board of STRABAG SE expects an output volume of about € 16.0 billion (-2 %). Compared with the original planning for 2018, this corresponds to an increase by € 1 billion. The segments North + West and International + Special Divisions are expected to post slight declines, while an increase is expected in South + East.

For the 2018 financial year, STRABAG SE confirms its forecast of an operating EBIT margin of at least 3.3 % – excluding the non-recurring, non-operating step-up profit resulting from the full consolidation of a concession company in 2018. Although there are certain risks inherent to the construction business, from today's perspective, there is nothing to be said against issuing the target of an operating EBIT margin of at least 3.3 % also for the ongoing 2019 financial year.

The economic situation in the STRABAG Group's large geographic markets is expected to remain positive. The continued strong demand in the construction sector, however, is resulting in increasing cost

pressure with regard to subcontractor services, labour and construction materials. For this reason, the margins can no longer be expected to grow as continuously as they had in the past few years. The earnings forecast is based on the expectation that the Property & Facility Management entities, the Real Estate Development and the Infrastructure Development continue to contribute positively to the earnings and that large risks, for example in tunnelling and construction engineering, do not manifest at the same time.

The net investments (cash flow from investing activities) in 2019 are not expected to exceed the estimated value of the previous year of € 550 million.

Additional figures and details about the 2018 financial year will be available from 7:30 a.m. (CEST) on 29 April 2019 at www.strabag.com.

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 75,000 employees allow us to generate an annual output volume of around € 16 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.