

STRABAG SE FY 2018 RESULTS



29 APRIL 2019

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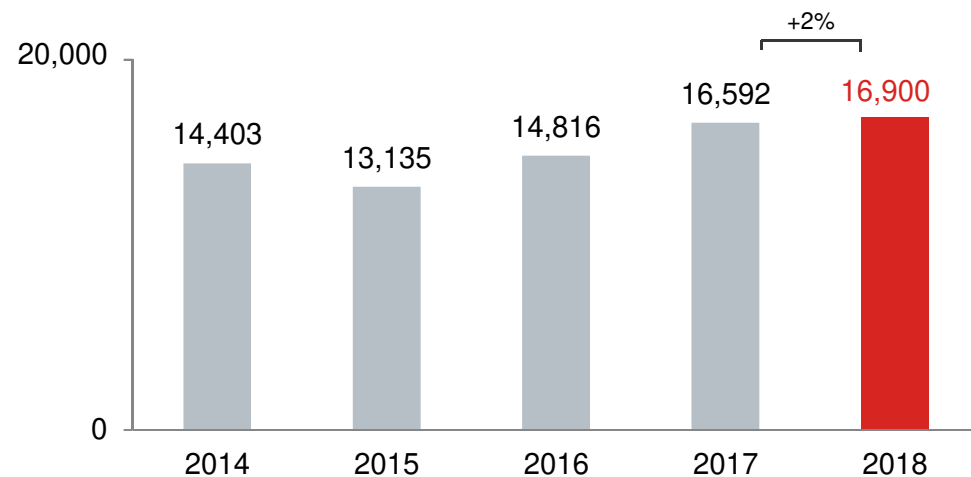
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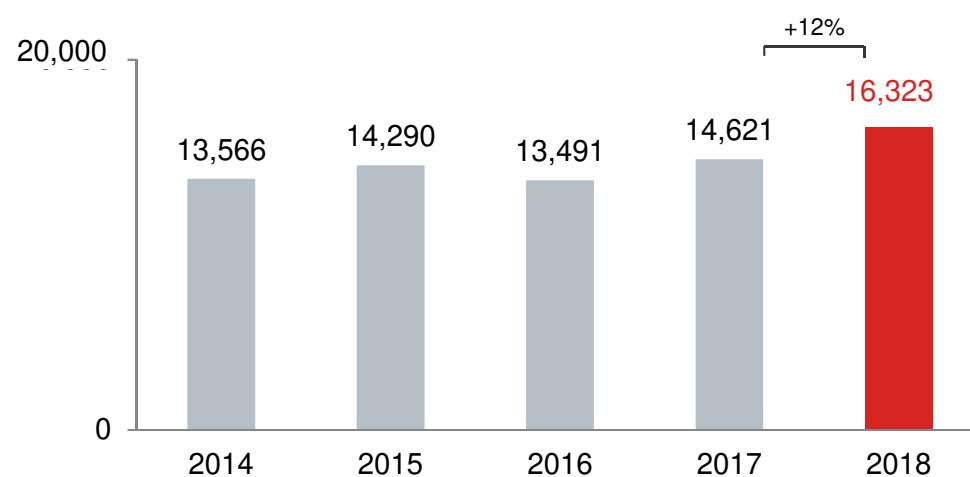
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2018: AGAIN TRIPLE RECORD HIGHS

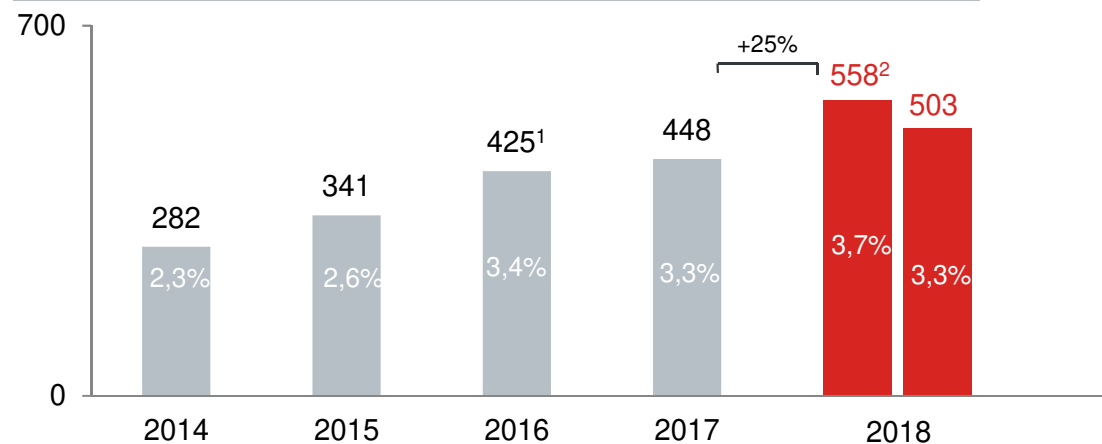
ORDER BACKLOG (€M)



OUTPUT VOLUME (€M)



EBIT (€M) AND EBIT MARGIN (%)

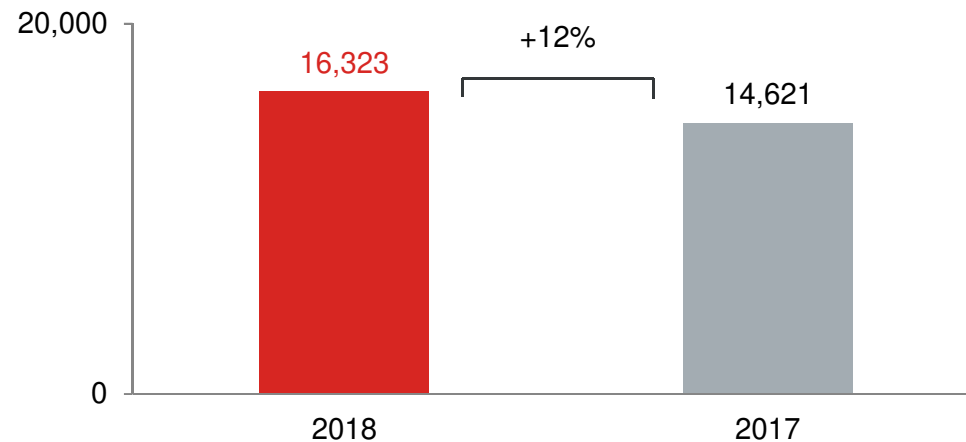


1 Including a non-operating income in the amount of € 27.81 million

2 Including a non-operating step-up profit in the amount of € 55.31 million

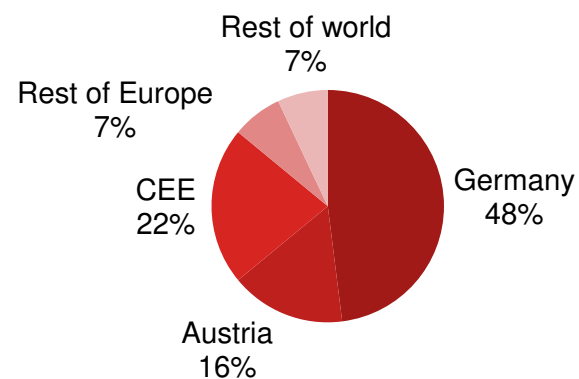
OUTPUT VOLUME AT RECORD LEVEL OF 16.3 BILLION

OUTPUT VOLUME (€M)



- Growth in all of the group's most important markets
- Unusual good construction weather 2018
- In the Americas, the output volume grew as a result of the contract extension for the Alto Maipo tunneling project in Chile
- Decreases only in smaller markets like Switzerland, Denmark and Russia

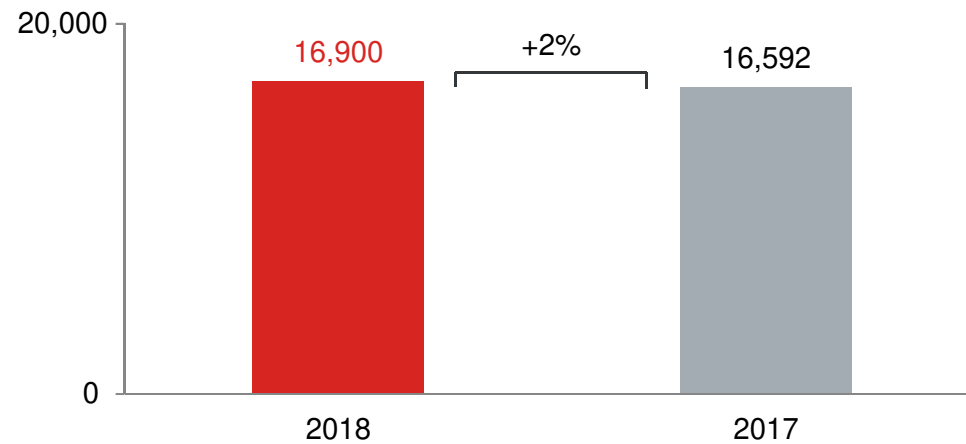
OUTPUT VOLUME BY REGION 2018



CEE = Central and Eastern Europe

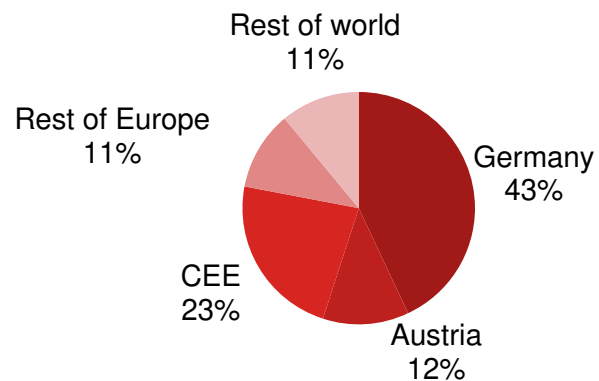
NUMEROUS ORDERS IN THE GROUP'S LARGEST MARKETS

ORDER BACKLOG (€M)



- Large orders above all in Germany, Austria and Poland
- Contract extension for the Alto Maipo tunnelling project in Chile
- With the working-off of large-scale projects, the order backlog fell back in places like Hungary, Slovakia and Russia

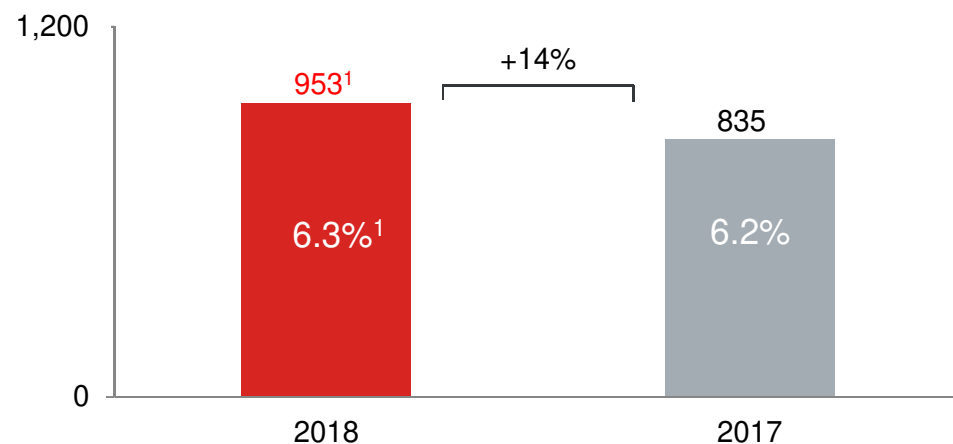
ORDER BACKLOG BY REGION 2018



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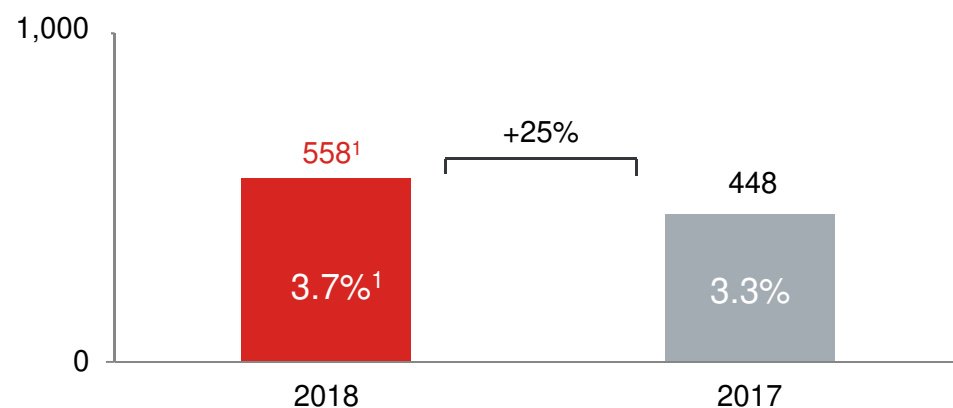
EBIT GROWTH IN THE DOUBLE-DIGIT AREA – EVEN WHEN ADJUSTED

EBITDA (€M) AND EBITDA MARGIN (%)



- EBITDA 2018 adjusted for a non-operating step-up profit regarding the consolidation of PANSUEVIA, the BAB A8 concession company: € 897 million (+8%)
- Property and Facility Services and Real Estate Development continued to make very positive contributions to the earnings
- Absence of burdens from large, loss-making projects in the international area

EBIT (€M) AND EBIT MARGIN (%)

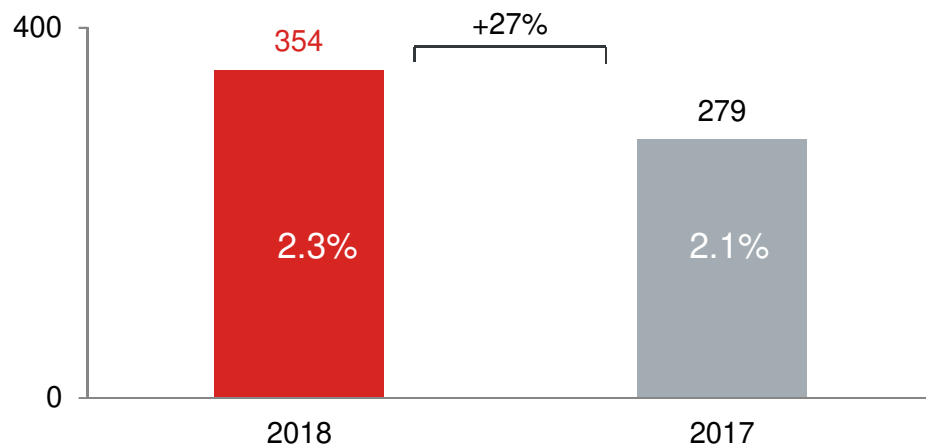


- EBIT 2018 adjusted for non-operating step-up profit: € 503 million (+12%), EBIT margin 3.3%
- Growth attributable to International + Special Divisions

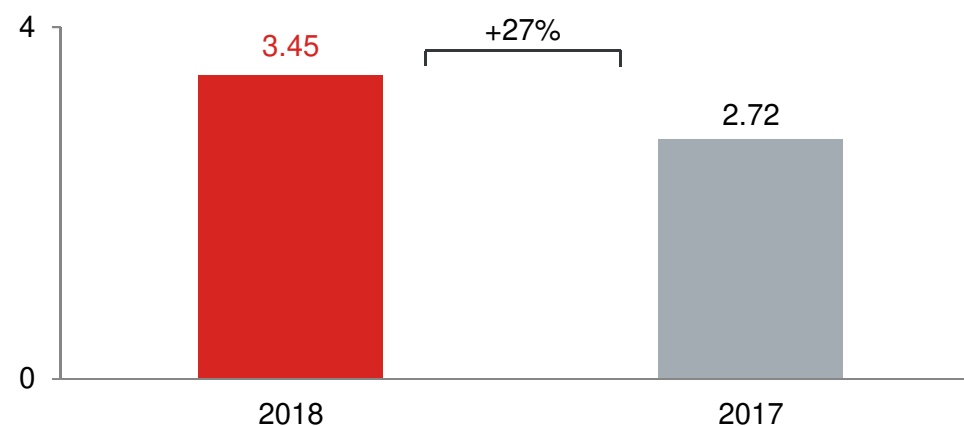
¹ Including a non-operating step-up profit in the amount of € 55.31 million

EARNINGS PER SHARE ROSE SIGNIFICANTLY

NET INCOME A. MINORITIES (€M) & MARGIN (%)



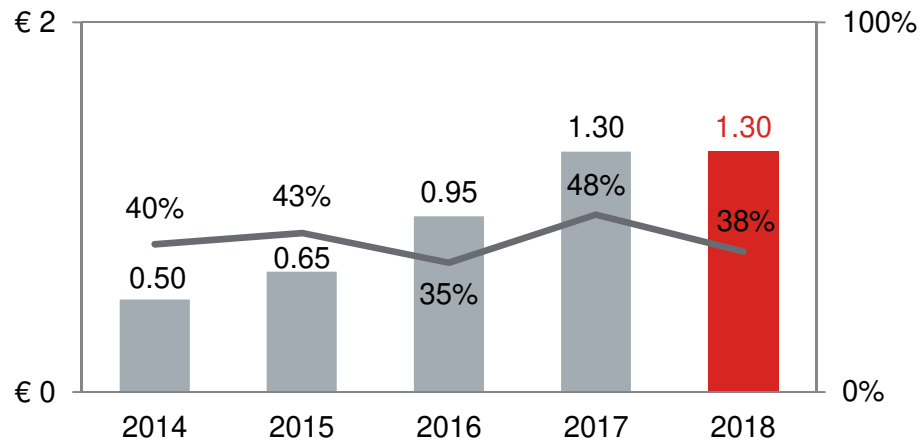
EARNINGS PER SHARE (€)



- Net interest income comparable to that of the previous year
- Income tax rate stood slightly higher at 31.7% (2017: 30.6%)
- Earnings owed to minority shareholders fell from € 13 million to € 9 million; 2018 the first year in which no minority shareholders had to be considered at STRABAG AG, Germany

UNCHANGED HIGH DIVIDEND OF € 1.30 PER SHARE PROPOSED

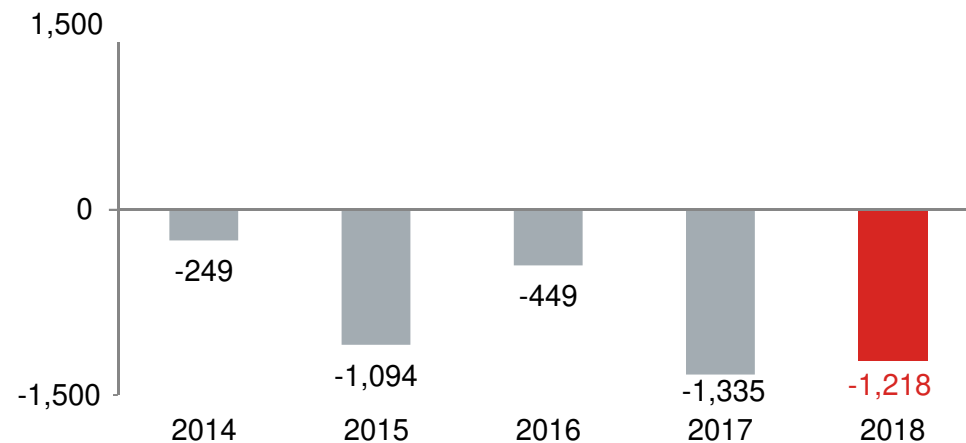
(PROPOSED) DIVIDEND (€) AND PAYOUT RATIO (%)



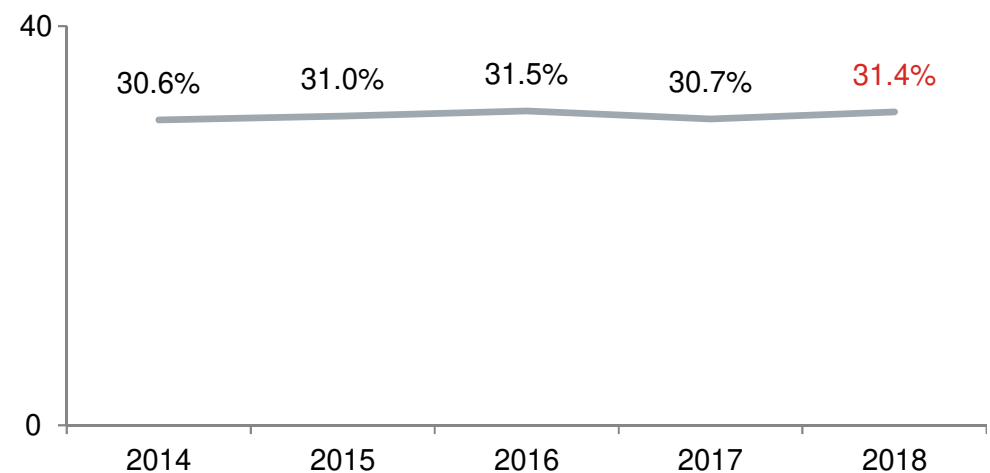
- Payout ratio 2018 of 38% within predetermined payout range of 30–50% of net income after minorities
- STRABAG has distributed a dividend within the predetermined payout range every year since the IPO in 2007

NET CASH STILL EXTRAORDINARILY HIGH, EQUITY RATIO INCREASED

NET DEBT (+)/NET CASH (-) (€M)



EQUITY RATIO (%)



- Equity ratio increased despite balance sheet growth; target: $\geq 25\%$
- Net cash position still at an extraordinarily high level
 - Uncharacteristically high advance payments not yet reduced
 - Higher investments and repayment of bank borrowings
- S&P confirmed corporate credit rating of BBB (outlook: stable) in July 2018

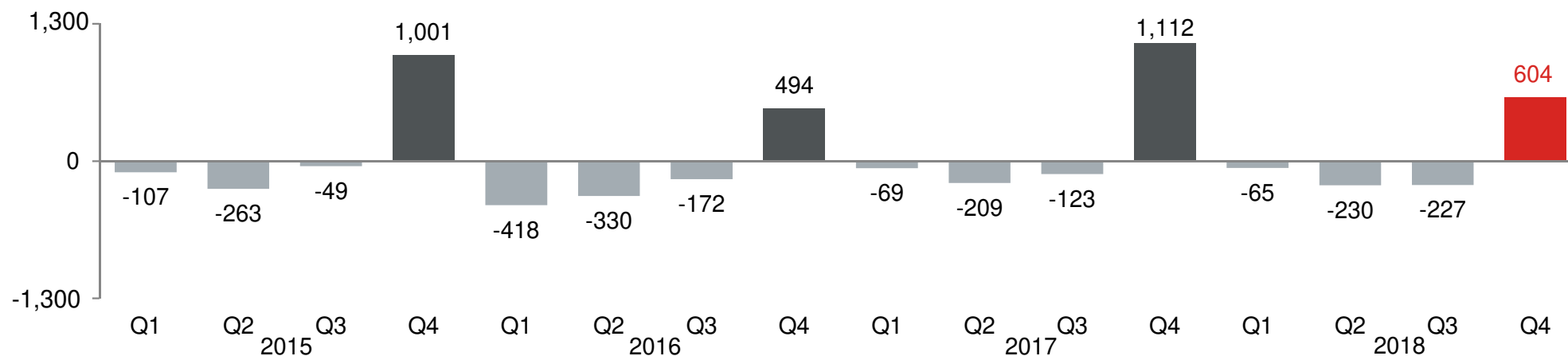
CASH AND CASH EQUIVALENTS OF € 2.4 BILLION

(€m)	2018	Δ%	2017
Cash – beginning of period	2,790	40	1,998
Cash flow from earnings	654	3	634
Δ Working Capital	82	-88	711
Cash flow from operating activities	736	-45	1,345
Cash flow from investing activities	-588	-76	-333
Cash flow from financing activities	-534	-128	-235
Net change in cash	-386	n.a.	777
FX changes	-19	n.a.	10
Change restricted cash	-1	n.a.	5
Cash – end of period	2,384	-15	2,790

Rounding differences might occur.

AGAIN HIGH CASH INFLOW IN Q4

WORKING CAPITAL PATTERN: CASH OUTFLOWS IN Q1–3; INFLOWS IN Q4 (€M)

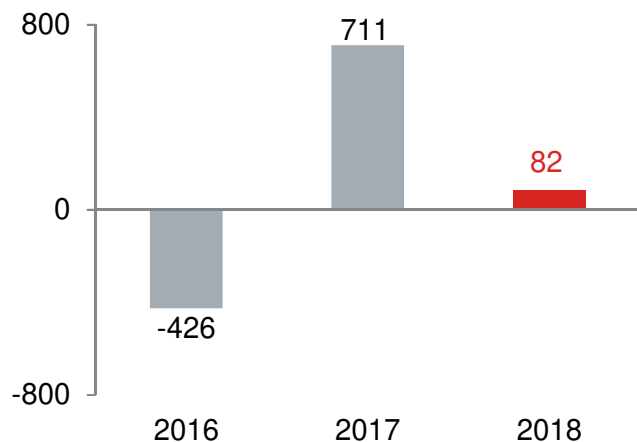


COMMENTS

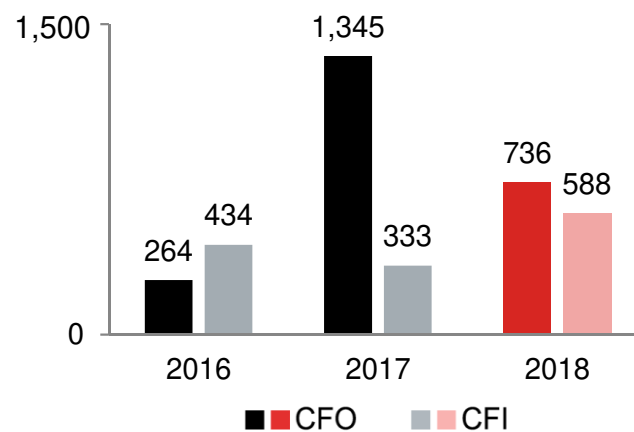
- Working capital outflows generally occur over the first nine months of the year due to business seasonality
- Record cash-inflow in Q4/2017 – expectation of increase in working capital to familiar levels in 2018 did not materialise

ANOTHER YEAR OF POSITIVE FREE CASH FLOW

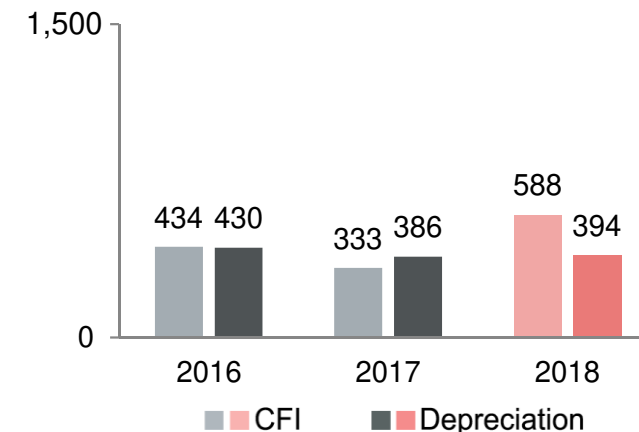
Δ WORKING CAPITAL (€M)



CFO VS. CFI (€M)



CFI VS. DEPRECIATION (€M)



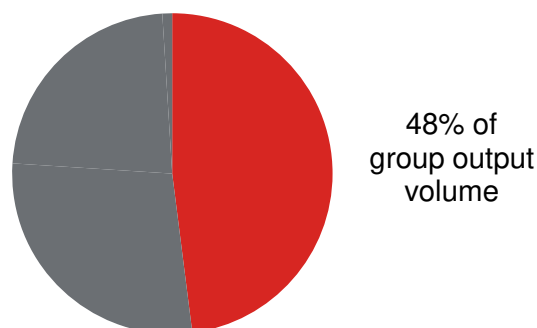
- Another positive Free Cash Flow in 2018 despite extraordinarily high WC decrease in 2017
- Purchase of PP&E at € 645 million (2017: € 458 million), thereof ~ € 250 million maintenance CAPEX
- 2018 depreciation includes almost unchanged goodwill impairment of € 2 million (2017: € 2 million)

NORTH + WEST CHARACTERISED BY HIGH ORDER BACKLOG AND PROVISIONS FOR LARGE-SCALE PROJECTS

KEY INDICATORS

(€m)	2018	Δ%	2017
Output volume	7,827	14	6,843
Revenue	7,242	14	6,378
Order backlog	8,804	8	8,138
EBIT	161	-19	199
<i>EBIT margin (% of rev.)</i>	2.2		3.1
Employees (FTE)	24,222	4	23,366

SHARE OF GROUP OUTPUT VOLUME



COMMENTS

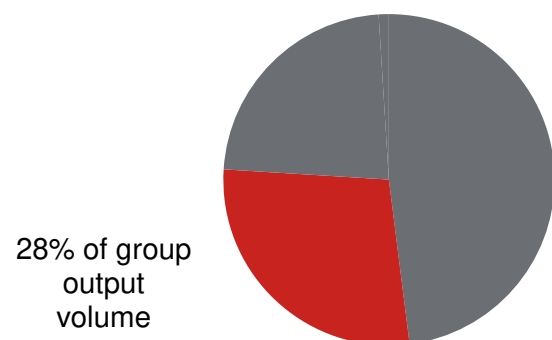
- Output volume +14% over the past year
- EBIT declined by 19% – Provisions for individual large-scale projects in several countries
- Order backlog (+8%) driven by Germany, Poland and Denmark
- Outlook:
 - Stabilisation at high level expected
 - German building construction and civil engineering: situation in the subcontractor and supplier markets remains very tense in the light of the construction boom
 - Lack of capacities remains limiting factor in German transportation infrastructure market
 - Poland: Satisfactory result forecasted thanks to greater selection of projects

SOUTH + EAST: INTENSIFIED COMPETITION

KEY INDICATORS

(€m)	2018	Δ%	2017
Output volume	4,639	9	4,242
Revenue	4,522	11	4,073
Order backlog	4,311	-4	4,505
EBIT	142	-31	205
<i>EBIT margin (% of rev.)</i>	3.1		5.0
Employees (FTE)	18,729	5	17,916

SHARE OF GROUP OUTPUT VOLUME



COMMENTS

- Output volume up by 9% due to Austria, Hungary and Czech Republic
- EBIT margin normalised from an exceptionally high level to a lower level of 3.1%
- Order backlog (-4%): Reduction in Hungary and Slovakia surpasses increase in Austria
- Outlook:
 - Margins expected to stay at an attractive level
 - The majority of markets is defined by high demand coupled with a shortage of skilled labour
 - Construction climate is getting tenser in the Czech Republic and Slovakia
 - Hungary: Working off the high order backlog

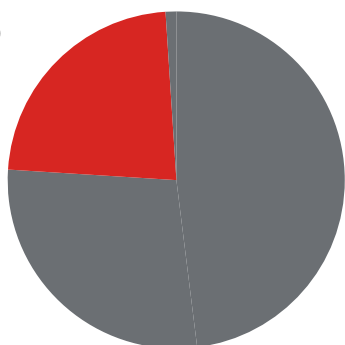
INTERNATIONAL + SPECIAL DIVISIONS: ABSENCE OF PRIOR-YEAR EARNINGS BURDENS

KEY INDICATORS

(€m)	2018	Δ%	2017
Output volume	3,740	10	3,404
Revenue	3,438	13	3,029
Order backlog	3,782	-4	3,944
EBIT	199	218	62
<i>EBIT margin (% of rev.)</i>	<i>5.8</i>		<i>2.1</i>
Employees (FTE)	26,279	3	25,618

SHARE OF GROUP OUTPUT VOLUME

23% of group output volume

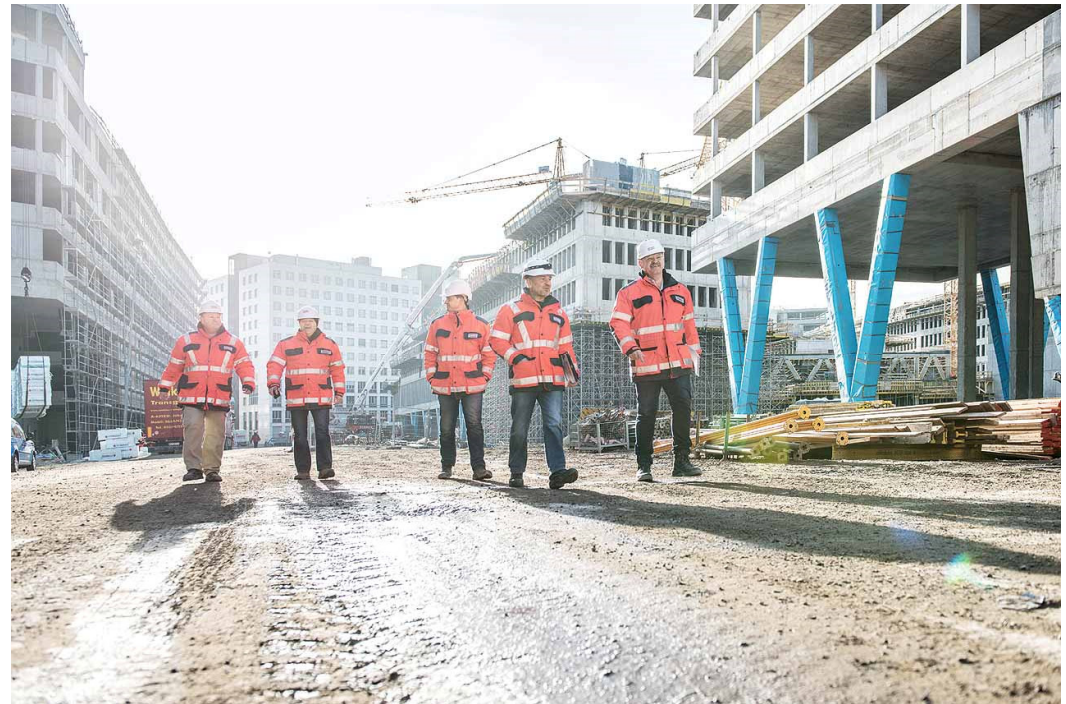


COMMENTS

- Output volume rose by 10%, attributable especially to working off of the tunnelling project Alto Maipo in Chile
- EBIT more than tripled: Absence of prior-year earnings burdens as well as strong contributions to earnings from property and facility services and real estate development
- Order backlog lower by 4%: Contract extension in Chile and new order in UK, reduction in Austria, Italy and Asia
- Outlook:
 - Slightly lower output volume and earnings on the same level as in the previous year forecasted
 - Real estate development and concession business should continue to make significant earnings contributions

2019: STABLE AT A HIGH LEVEL

- **Output volume 2019** of about € 16.0 billion expected to continue to stay at a high level (-2%)
- **EBIT margin 2019** at least 3.3%

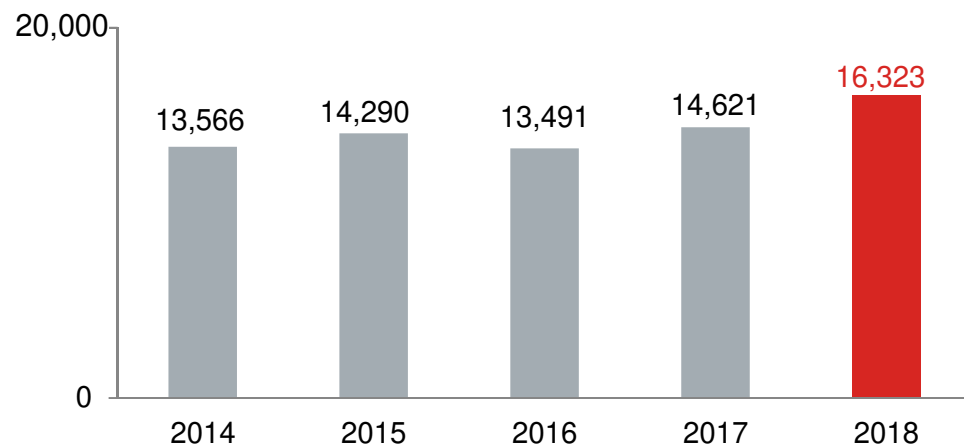


A person in a white shirt is pointing at a large architectural drawing on a table with a pencil. The drawing features a grid of lines and some text. The background is blurred, showing an office or construction site environment.

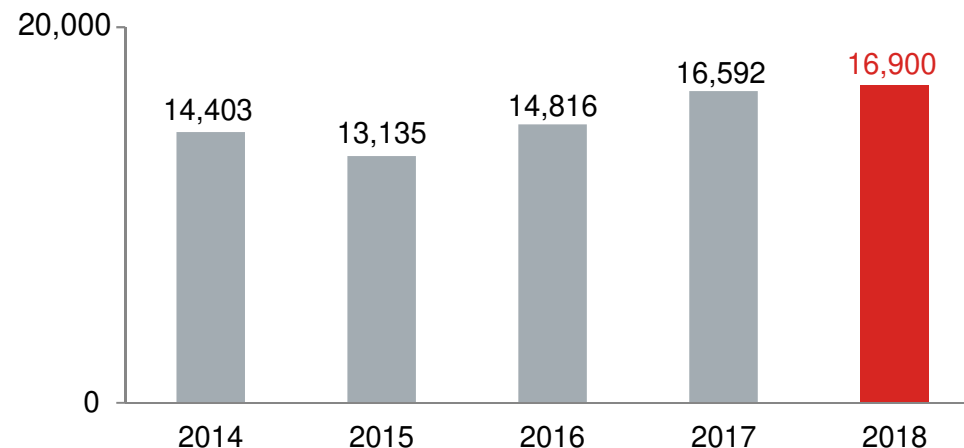
● APPENDIX

FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: RESILIENCE IN A VOLATILE INDUSTRY

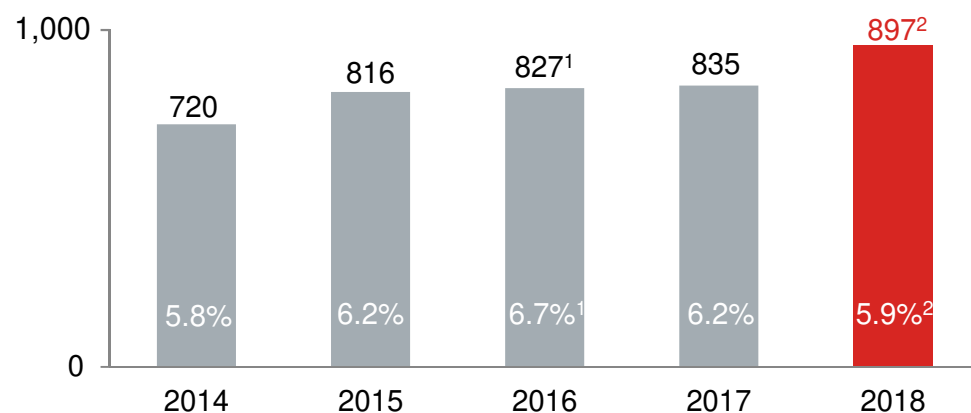
OUTPUT VOLUME (€M)



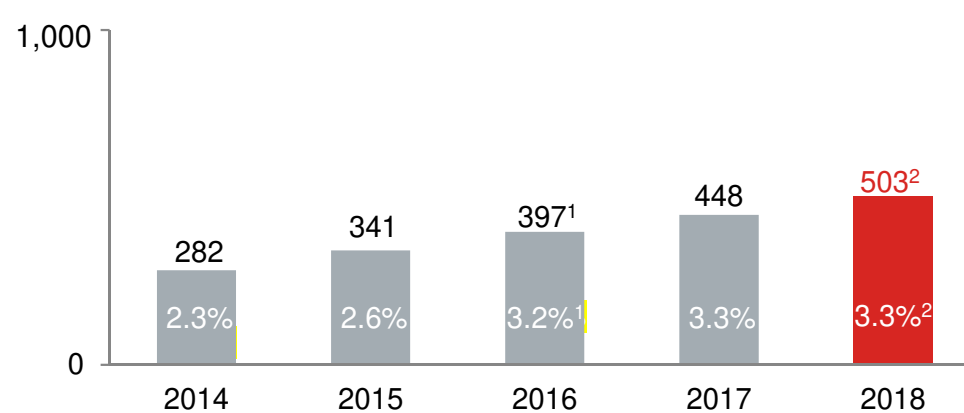
ORDER BACKLOG (€M)



EBITDA (€M) AND EBITDA MARGIN (%)



EBIT (€M) AND EBIT MARGIN (%)



1 Adjusted for non-operating income in the amount of € 27.81 million

2 Adjusted for a non-operating step-up profit in the amount of € 55.31 million

EQUITY RATIO REMAINS HIGH AT 31%

ASSETS¹

(€m)	2018	2017
Intangible assets	493	499
Rights from concession arrangements	601	0
PP&E & investment property	2,144	1,942
Equity-accounted investments	379	350
Other investments	185	183
Concession receivables	630	662
Other receivables	251	271
Deferred taxes	147	189
Non-current assets	4,830	4,096
Inventories	890	1,138
Concession receivables	36	34
Contract assets	1,283	0
Trade and other receivables	2,196	2,996
Cash and cash equivalents	2,386	2,790
Current assets	6,791	6,958
Total Assets	11,621	11,054

EQUITY AND LIABILITIES¹

(€m)	2018	2017
Share capital	110	110
Capital reserves	2,315	2,315
Retained earnings	1,195	945
Non-controlling interests	33	27
Total equity	3,654	3,398
Provisions	1,117	1,161
Financial liabilities	1,088	883
Other liabilities	79	78
Deferred taxes	97	24
Non-current liabilities	2,380	2,145
Provisions	734	747
Financial liabilities	276	411
Contract liabilities	975	0
Trade payables	2,615	3,402
Other current liabilities	988	950
Current liabilities	5,588	5,511
Equity and liabilities	11,621	11,054

¹ Rounding differences might occur.

GROUP INCOME STATEMENT 2018

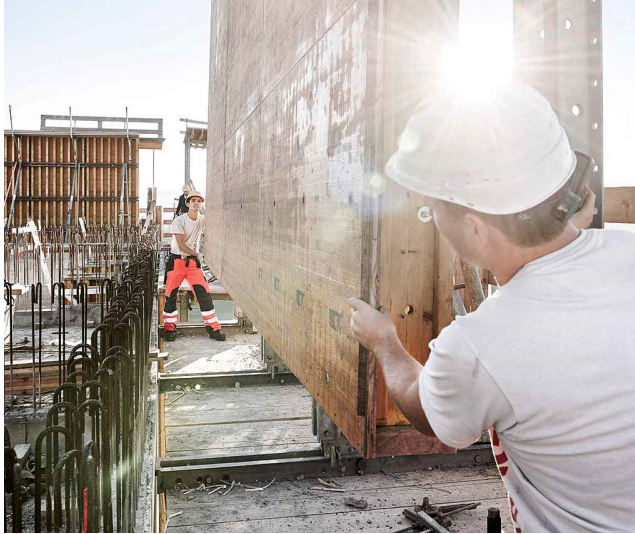
(€m)	2018	2017	Δ%
Output volume	16,322.88	14,620.89	12
Revenue	15,221.83	13,508.72	13
Changes in inventories/own work capitalised	-33.07	-48.09	31
Other operating income	222.98	282.99	-21
Construction materials, consumables and services used	-10,125.77	-8,839.87	-15
Employee benefits expenses	-3,618.94	-3,367.17	-7
Other operating expenses	-854.89	-842.79	-1
Share of profit or loss of associates	83.18	123.99	-33
Net income from investments	57.28	16.80	241
EBITDA	952.60¹	834.58	14

¹ Including a non-operating step-up profit in the amount of € 55.31 million
 Δ% was calculated with original, not rounded figures → therefore, rounding differences might occur.

GROUP INCOME STATEMENT 2018 (CONT.)

(€m)	2018	2017	Δ%
EBITDA	952.60	834.58	14
<i>Margin (%)</i>	6.3	6.2	
Depreciation and amortisation	-394.39	-386.22	-2
EBIT	558.21¹	448.36	25
<i>Margin (%)</i>	3.7	3.3	
Net interest income	-27.43	-27.15	-1
Income tax expense	-168.00	-128.85	-30
Net income	362.78	292.36	24
Attributable to minority interest	9.25	13.45	-31
Attributable to equity holders of the parent company	353.53	278.91	27
Earnings per share (€)	3.45	2.72	27

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YOUR QUESTIONS, PLEASE

29 APRIL 2019



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