Pressemitteilung
Investoreninformation

STRABAG SOCIETAS EUROPAEA

STRABAG SE grows earnings after nine months, reiterates outlook

Contact

STRABAG SE
Diana Neumüller-Klein
Head of Corporate Communications & Investor Relations
Tel. +43 1 22422-1116
diana.klein@strabag.com

- **Output volume after first nine months of 2015 at € 10.3 billion, increase of 6 %**
- **Double-digit growth in earnings: EBITDA rises to € 403.79 million, EBIT to € 115.81 million**
- **Earnings per share at € 0.57 (9M/2015) after € 0.14 (9M/2014)**
- **Order backlog down 11 % to € 13.8 billion: growth in Poland, but declines particularly in Russia and – from a previous high level – in Germany**
- **Outlook 2015 confirmed: output volume expected at € 14.0 billion, EBIT at least € 300 million**

		9M/15	9M/14	%	Q3/15	Q3/14	%
Output volume	€m	10,255.51	9,711.60	*6%*	4,050.84	3,932.05	*3%*
Revenue	€m	9,480.72	8,892.29	*7%*	3,735.25	3,538.35	*6%*
Order backlog	€m	13,761.27	15,399.91	*-11%*			
EBITDA	€m	403.79	349.82	*15%*	279.96	269.40	*4%*
EBITDA margin	%	*4.3%*	*3.9%*		*7.5%*	*7.6%*	
EBIT	€m	115.81	64.28	*80%*	184.23	172.26	*7%*
EBIT margin	%	*1.2%*	*0.7%*		*4.9%*	*4.9%*	
Net income	€m	63.54	20.28	*213%*	125.01	119.17	*5%*
Net income margin	%	*0.7%*	*0.2%*		*3.3%*	*3.4%*	
Net income after minorities	€m	58.34	14.40	*305%*	113.85	107.52	*6%*
Net income after minorities margin	%	*0.6%*	*0.2%*		*3.0%*	*3.0%*	
Earnings per share	€	0.57	0.14	*305%*	1.11	1.05	*6%*
Employees	number	73,447	71,987	*2%*			

Vienna, 30 November 2015 The publicly listed construction group STRABAG SE has significantly increased its earnings in the first nine months of 2015: The earnings before interest and taxes (EBIT) showed double-digit growth, earnings per share rose from € 0.14 to € 0.57. The order backlog decreased from a previously high level.

"We have set a course to increase our profitability in the medium term – and in 2015, these efforts have had a clearly positive impact on our financial results for the third time in a row. The results for the first nine months of this financial year give us reason to be optimistic that we will be coming one step closer to our goal of increasing the EBIT margin to 3 % sustainably. This good news may appear to be dampened by the minus of 11 % in our order backlog. Naturally, we are making an effort to maintain a constant pipeline of new orders. Our main goal, however, is to increase our profitability. Having a

strong risk management also means opting against participation in certain projects due to risk considerations", says **Thomas Birtel**, CEO of STRABAG SE.

Output volume and revenue
STRABAG SE generated an output volume of € 10,255.51 million in the first nine months of the 2015 financial year. This increase of 6 % was driven primarily by the markets of Slovakia, Germany, the Czech Republic and Poland. The consolidated group revenue, like the output volume, also grew, gaining 7 % to € 9,480.72 million.

Order backlog
Different trends were registered in the order backlog: On the one hand, several expressway projects contributed to an increase of the volume of orders on the books in Poland. On the other hand, this figure fell back particularly in Russia and – from a previous high level – in Germany. Large projects are also being worked off in Hungary, Chile and Slovakia. In total, therefore, the order backlog stood at € 13,761.27 million on 30 September 2015 – a decline of 11 % versus 30 September 2014.

Financial performance
The higher revenue also resulted in improved earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first nine months of 2015 by 15 % to € 403.79 million. The depreciation and amortisation was at about last year's level, with € -287.98 million compared to € -285.54 million. The EBIT climbed to € 115.81 million. This development was due to the segments South + East and International + Special Divisions.

Positive exchange rate differences, especially regarding the Swiss franc in the amount € 6.61 million compared to € 1.65 million in the comparison period, as well as the lower interest rate for staff-related provisions, resulted in a less negative interest income of € -13.97 million versus the previous year's € -24.85 million. Below the line, this resulted in earnings before taxes (EBT) of € 101.84 million. Despite a doubling of the income tax to € -38.30 million in response to the higher earnings, the net income still managed to grow to € 63.54 million. As a nearly unchanged profit of € 5.20 million was attributable to third-party shareholders, the net income after minorities increased by multiples from € 14.40 million last year to € 58.34 million. With 102,600,000 outstanding shares, this amounts to earnings per share of € 0.57 after € 0.14 in the first nine months of the previous year.

The third quarter exhibited single-digit percent growth. The EBITDA grew by 4 % to € 279.96 million, while the EBIT gained 7 % to € 184.23 million and the net income after minorities increased by 6 % to € 113.85 million.

Financial position and cash flows

The balance sheet total on 30 September 2015 was up slightly versus the end of 2014 (+4 %). Conspicuous was the usual seasonal increase of the trade receivables 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 29.7 %. In response to the higher level of cash and cash equivalents, the net debt improved to € 100.42 million from € 472.22 million at the end of September of the previous year.

The cash flow from earnings increased by 20 % to € 310.72 million. However, the cash flow from operating activities, at € -108.25 million, hardly changed versus the same period of the previous year as the business with project developments in the field of building construction expanded. The cash flow from investing activities, with € -179.04 million after € -380.62 million, was less negative due to the fact that last year's figure included the cash outflow from the acquisition of Germany- and Austria-based facility services company DIW Group as well as a noteworthy purchase of financial investments. The cash flow from financing activities – this figure came to rest at € -83.16 million after € -79.99 million – was unable to profit from the aforementioned bond emission due to the concurrent repayment of bank borrowings in a higher amount.

Employees

The 2 % growth in the number of employees to 73,447 is due to the acquisition of DIW Group last year. The increases and decreases in the other markets mostly balanced each other out: In the Americas region, for example, the group employed an additional 1,000 persons compared to the first nine months 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.*