



# STRABAG SE INVESTOR PRESENTATION



DECEMBER 2017

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**1 STRABAG AT A GLANCE**



**2 THE CONSTRUCTION SECTOR WITHIN EVOLVING GLOBAL THEMES**



**3 THE STRABAG STRATEGY & INVESTMENT PROPOSITION**



**4 FINANCIAL PERFORMANCE**



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1

# STRABAG AT A GLANCE

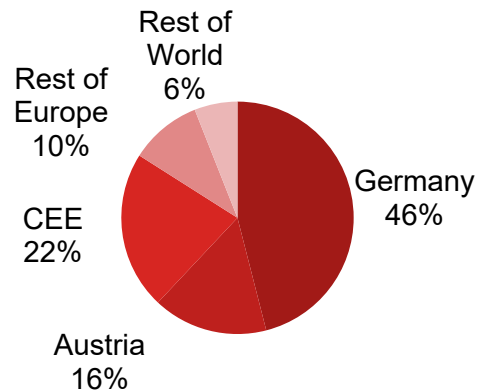


# STRABAG AT A GLANCE

## FACTS & FIGURES

- Output volume 2016: € 13.5 billion
- Net income 2016: € 282 million
- 72,000 employees
- > 700 locations in more than 80 countries
- Highly innovative: Central Technical Division with 921 engineers, TPA (Quality & Innovation) with 824 people
- Equity ratio: > 30%
- Strong brands: STRABAG & ZÜBLIN
- Investment grade rating by S&P: BBB, outlook stable

## OUTPUT VOLUME BY REGION (2016)



Source: [www.gtai.de](http://www.gtai.de), company information, 2015 data

## MARKETS



# LARGEST PROJECTS IN PROGRESS

## NO SPECIFIC EXPOSURE TO ANY LARGE PROJECT

Country	Project	Order backlog in €m	As % of total order backlog
Chile	Chuquicamata, underground mine	347	2.2
Chile	Alto Maipo hydropower complex	316	2.0
Germany	Stuttgart 21, underground railway station	276	1.7
Germany	Axel Springer new construction, Berlin	203	1.3
Austria	Koralp Tunnel, Section 2	202	1.3
Germany	Messe City, Cologne	192	1.2
Netherlands	Congreshotel Amsterdam	147	0.9
Colombia	PPP Autopista al Mar 1	143	0.9
Israel	5th Water Supply, Jersusalem	133	0.8
Germany	Adlershof office building	124	0.8



Alto Maipo hydropower complex



New Axel Springer building  
Image credits: OMA

As of 31 July 2017

# FLAGSHIP PROJECTS – EXAMPLES



## TAMINA BRIDGE – SWITZERLAND

**Building of an arch bridge**

**Size:** € 22 million (=60% share)

**Project schedule:** 2013–2017

**Project scope:** 475 m long arch bridge with a span of 260 m



## PPP-MOTORWAY N17/N18 – IRELAND

**Financing, planning, building and operating**

**Size:** € 330 million

**Project schedule:** 2014–2017

**Project scope:** 57 km motorway, 25-year operating period



## BRENNER BASE TUNNEL – AUSTRIA

**Building of a twin-tube rail tunnel between Tulfes–Pfons**

**Size:** € 380 million (=51% share)

**Project schedule:** 2014–2019

**Project scope:** 38 km twin-tube rail tunnel, exploratory and rescue tunnel



## BRYGHUS/BLOX – DENMARK

**Construction of a multi-use building, 5D planning**

**Size:** € 121 million

**Project schedule:** 2013–2017

**Project scope:** General contractor, BIM.5D® applied

Picture: Thomas Böhm, Tiroler Tageszeitung

# FLAGSHIP PROJECTS – INTERNATIONAL



## ROHTANG PASS HIGHWAY TUNNEL – INDIA

**Size:** € 197 million  
(=60 % share)

**Project schedule:** 2008–2020

**Project scope:** Construction of an 8.9 km long two-lane road tunnel with integrated emergency tunnel beneath the roadway via the NATM tunnelling method



## JV 5TH LINE WATER SUPPLY – JERUSALEM

**Size:** € 165 million

**Project schedule:** 2016–2020

**Project scope:** 12.9 km TBM tunnel, Ein Karem exit shaft (22 m deep), Soreq adit (1.4 km > NATM), complete tunnel with steel tube + Kesalon connecting route (320 m) + Ein Karem connecting route (10 m) > ca. 13.3 km steel hydraulics construction, commissioning



## BUS RAPID TRANSIT – TANZANIA

**Size:** € 181 million

**Project schedule:** 2012–2015

**Project scope:** Construction of a bus rapid transit system in Dar es Salaam as well as construction of a six-lane urban road in concrete and asphalt, 28 bus stops, 5 bus terminals, 3 pedestrian bridges and re-laying and renewal of the water mains



## KIGALI-GATUNA ROAD – RUANDA

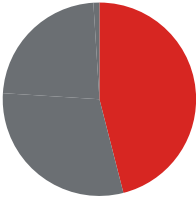
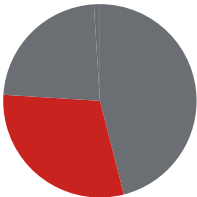
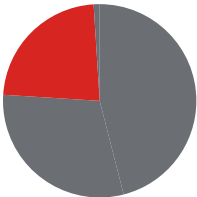
**Size:** € 53 million

**Project schedule:** 2012–2015

**Project scope:** Rehabilitation of Kigali-Gatuna Road, the link between Kigali, the capital of Ruanda, and the Ugandan border, total length 77.3 km



# BUSINESS SEGMENT CONTRIBUTION 2016

	North + West	South + East	International + Special Divisions
	 <p>46% of output volume</p>	 <p>30% of output volume</p>	 <p>23% of output volume</p>
Regions / Areas	Germany, Poland, Benelux, Scandinavia, Ground Engineering	Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Environmental Engineering, Russia	International, Tunnelling, Property & Facility Services, Real Estate Development, Infrastructure Development, Construction Materials
Output volume (€m)	6,175	4,001	3,155
Order backlog (€m)	7,030	3,482	4,295
EBIT (€m)	170	188	49
EBIT margin (%)	2.9	4.8	1.8
Employees	22,233	17,758	26,027

4<sup>th</sup>, non-operating segment "Others", output volume 1%, not shown

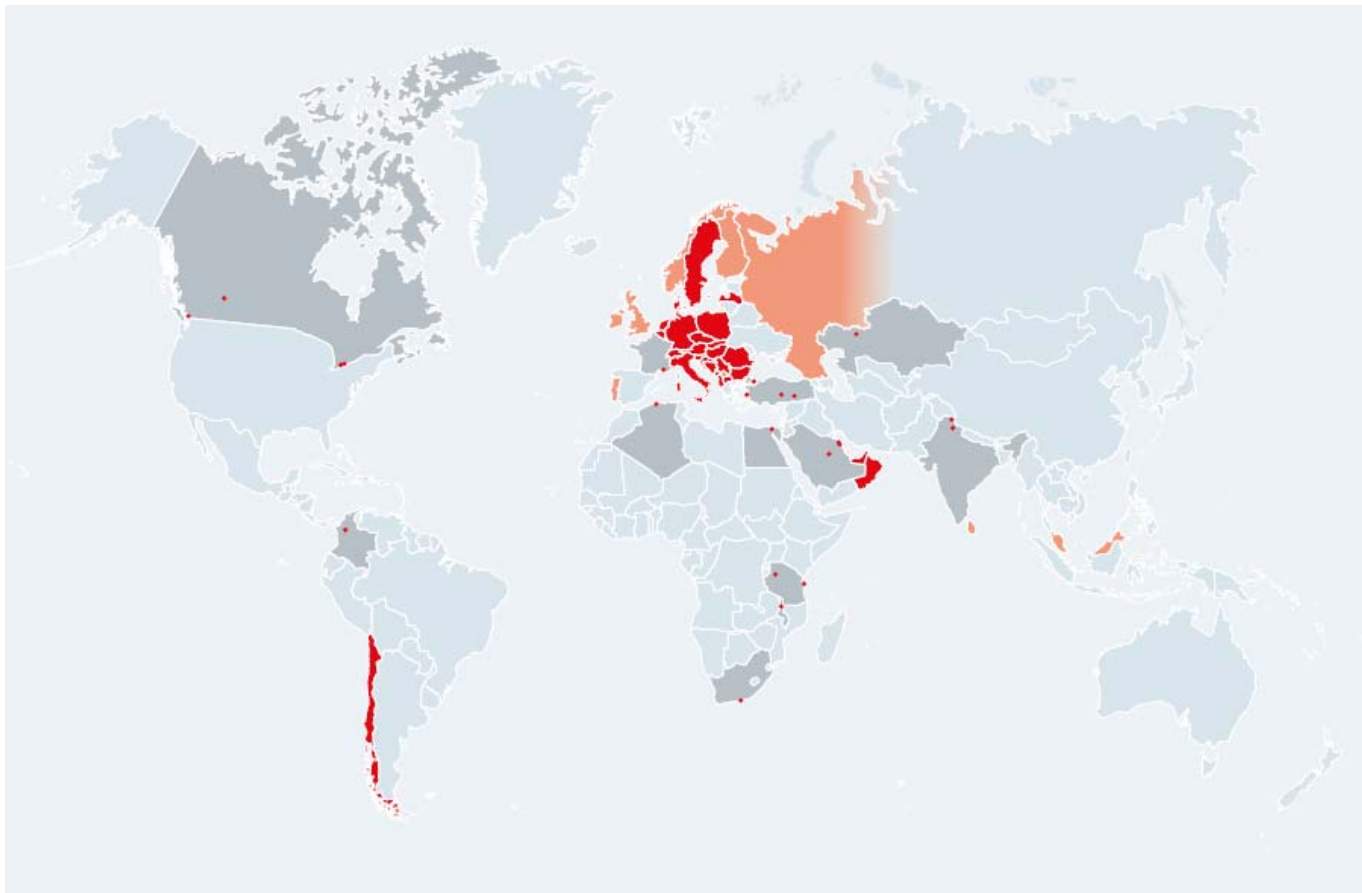
# KEY FINANCIALS

(€m)	2016	2015	Δ%
Output volume	13,491	14,290	-6
Revenue	12,400	13,123	-6
EBITDA	855	816	5
EBITDA adjusted	827 <sup>1)</sup>		
EBIT	425	341	25
EBIT adjusted	397 <sup>1)</sup>		
Net income after minorities	278	156	78
Cash flow from operating activities	264	1,240	-79
Cash flow from investing activities	-434	-320	-36
Balance sheet total	10,378	10,729	-3
Group equity	3,265	3,321	-2
Equity ratio	31.5%	31.0%	
Net debt (+)/cash (-)	-449	-1,094	-59

Δ% was calculated with original, not rounded figures → therefore, rounding differences may occur.

1) Adjusted for a non-operating profit in the amount of € 27.81 million.

# COMPREHENSIVE COUNTRY NETWORK



■ region-wide presence

■ project business; in Russia, the STRABAG Group operates exclusively in the western part of the country.

■ single projects

## INTEGRATED MODEL TAKES ADVANTAGE OF

- local management skills
- market knowledge
- cost and efficiency synergies
- risk diversification

## COMPREHENSIVE COUNTRY NETWORK ENABLES STRABAG TO

- make more use of technology and machinery
- follow clients around the world

Only countries with a minimum annual output volume and a minimum order backlog of € 1 million are considered.

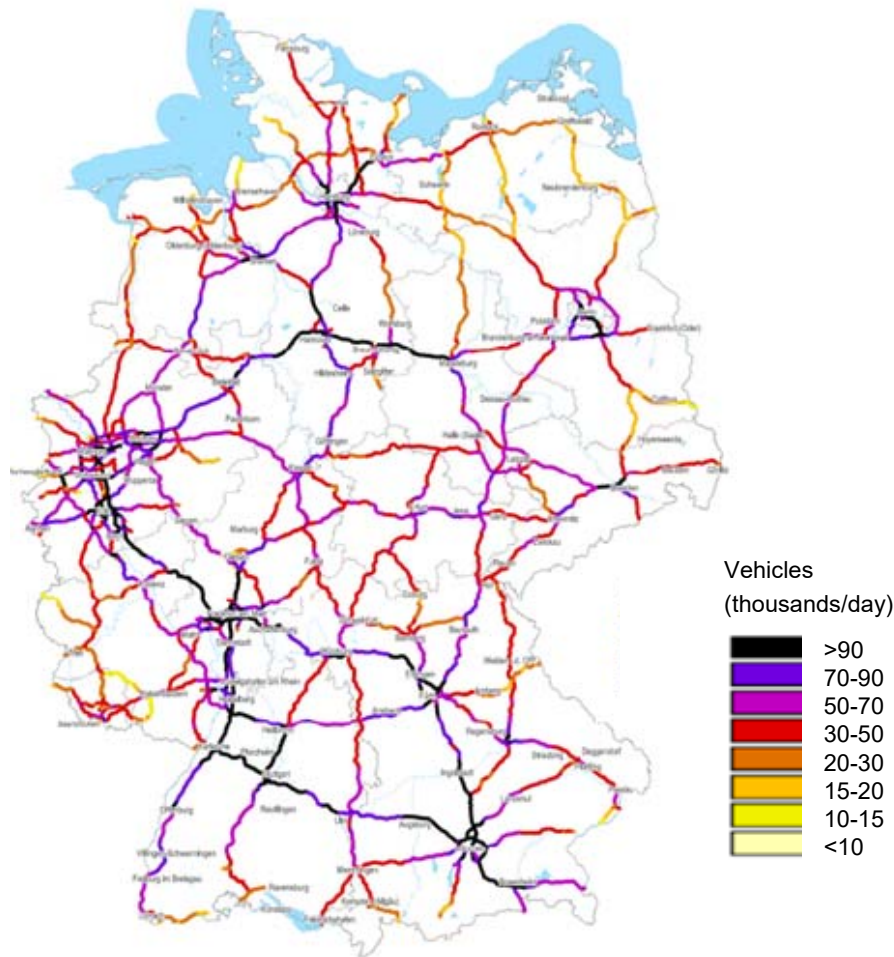
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# THE CONSTRUCTION SECTOR WITHIN EVOLVING GLOBAL THEMES

# FOUR EUROPEAN TRENDS:

## (1) URBANISATION / DEMOGRAPHICS

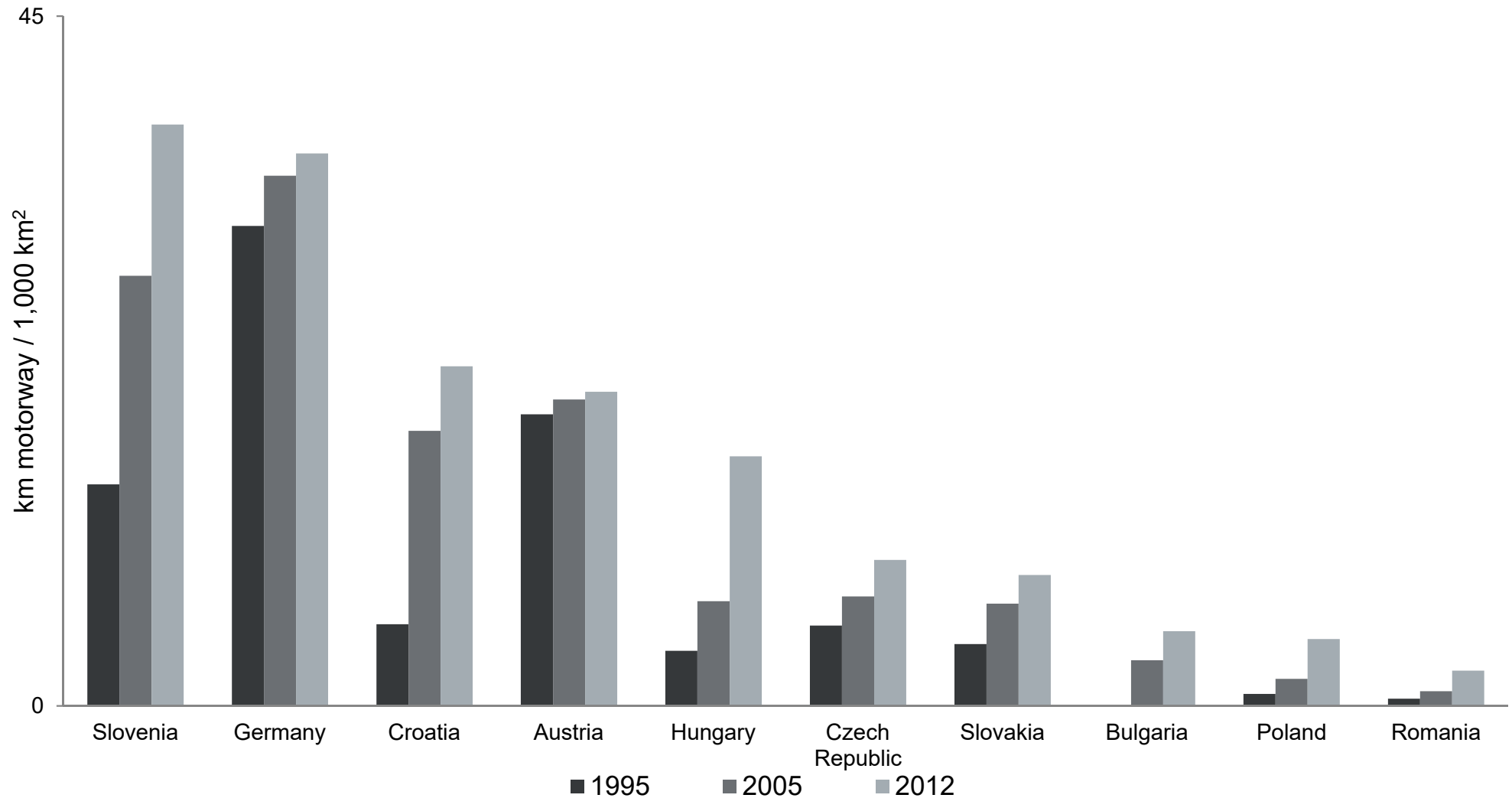
### GERMANY: DAILY TRAFFIC LOAD 2030F



- By 2050 66% of the global population will live in cities (today: 54%) – an increase of the **urban population** by 2.5 billion.  
➔ Higher need for **infrastructure**
- McKinsey: USD 57 trillion infrastructure investment needed by 2030 to keep up with global economy, 4% annual growth rate for construction companies
- Significant need for rehabilitation and extension of the German transportation network within the next ten years – € 2.6 billion of additional investments p.a. necessary over 15 years according to Daehre Commission 2012
- Investments into German federal roads
  - 2017e: € 12.7 billion / A-roads: € 6.5 billion
  - 2018e: € 13.9 billion / A-roads: € 7.2 billion
- “Bundesverkehrswegeplan 2030”: German investment plan with total sum of € 270 billion (focused on infrastructure in the Western part)

Sources: BMVI, Verkehrsverflechtungsprognose 2030 – Netzumlegungen, August 2015, Bundeshaushalt Einzelplan 12, Bundesverkehrswegeplan; Report of the Daehre Commission in December 2012; [http://ec.europa.eu/cli/ma/policies/brief/eu/index\\_en.htm](http://ec.europa.eu/cli/ma/policies/brief/eu/index_en.htm); „Voices on Infrastructure“, Global Infrastructure Initiative by McKinsey & Company

# EXAMPLE: MOTORWAY DENSITY IN DIFFERENT MARKETS



Source: Eurostat, Wikipedia

# FOUR EUROPEAN TRENDS: (2) ENERGY / SUSTAINABILITY



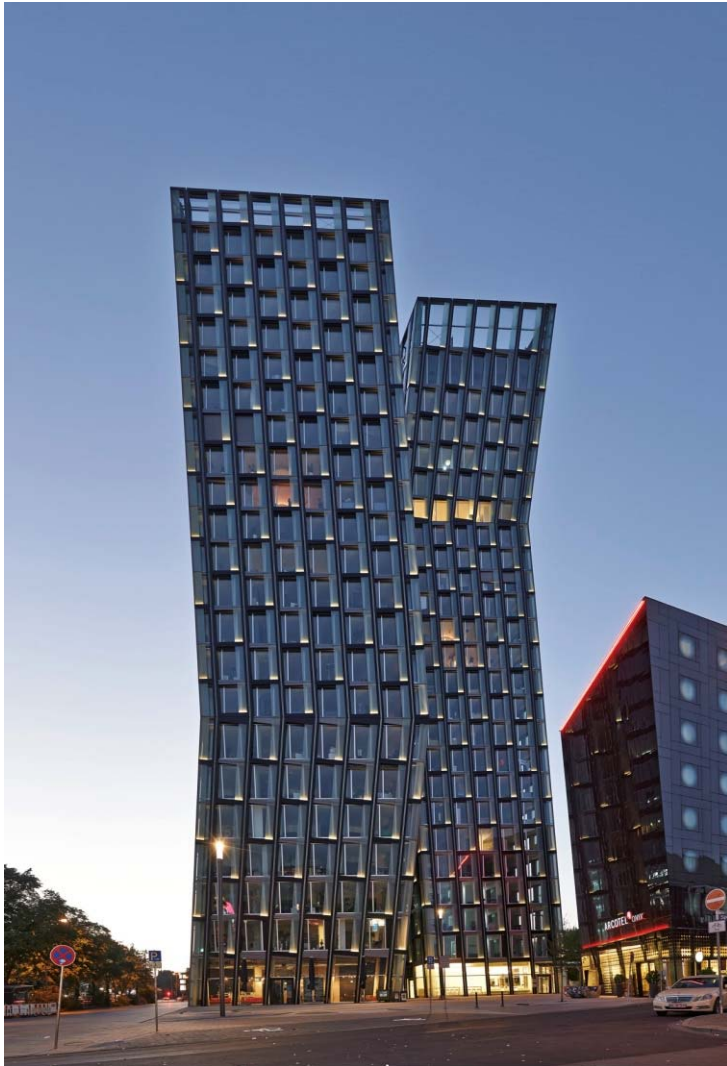
A2 Poland

- Investment of USD 48 trillion needed to just meet the **world's energy needs** by 2035, according to McKinsey<sup>1)</sup>
  - **Kyoto Protocol**: Current commitment period 2013–2020; 37 countries with binding emissions reduction targets (mostly in Europe)
  - EU: **Greenhouse gas emissions** to be cut by 20% until 2020 (vs. 1990), planned reduction of 80–95% by 2050
  - Construction sector responsible for 30% of all greenhouse gas emissions – measures to reduce emissions could bring this share down to 25% by 2050<sup>(2)</sup>
- ➔ Clients increasingly ask for **energy-efficient solutions**, environmentally friendly products and a sustainable business conduct of suppliers.
- ➔ Own **building materials network** provides a high **barrier to entry** for other market participants, as the permits for building new mixing plants are not granted easily due to environmental concerns.

1) „Voices on Infrastructure“, Global Infrastructure Initiative by McKinsey & Company, October 2016 (2) DIW Berlin

# FOUR EUROPEAN TRENDS:

## (3) FINANCIAL ENVIRONMENT



STRABAG Real Estate Development Tanzende Türme, Hamburg

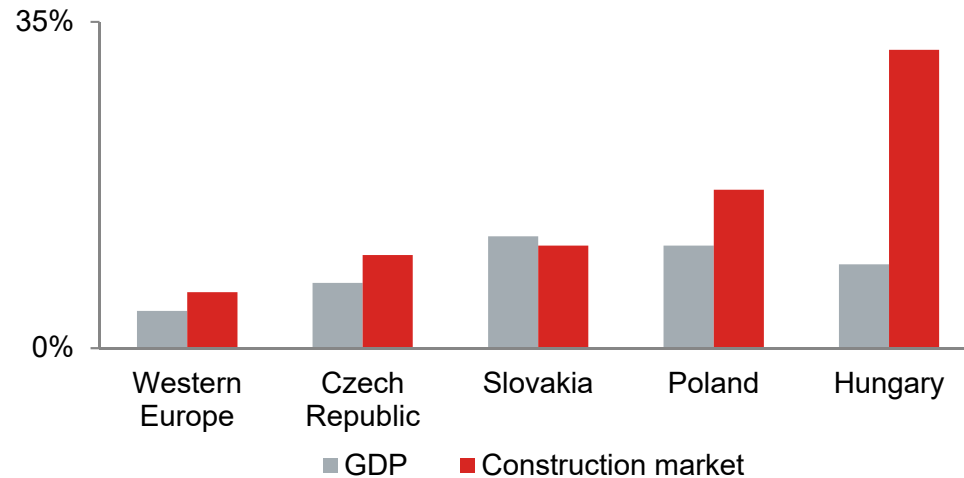
- Historically low interest rates and highly volatile financial environment make real estate an attractive investment alternative for some investor groups
- Low financing costs facilitate investment into real estate



# FOUR EUROPEAN TRENDS:

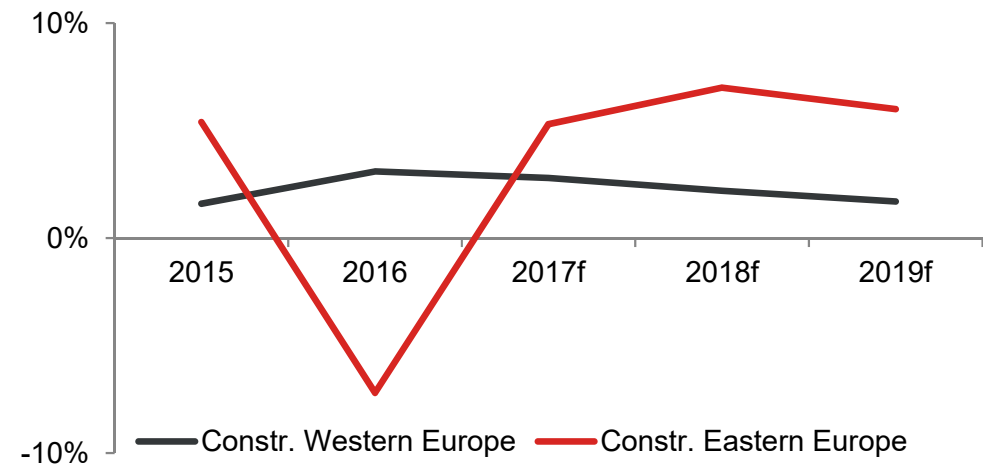
## (4) CEE SET FOR GROWTH AGAIN

### GROWTH IN KEY MARKETS 2016–2019F



	Czech Rep.	Slovakia	Poland	Hungary
<b>% of output volume 2016</b>	5	3	6	3
<b>Output volume (€m)</b>	631	461	774	448
<b>Market share (%)</b>	4.4	13.9	2.1	6.4

### CEE TO OUTPERFORM WESTERN EUROPE



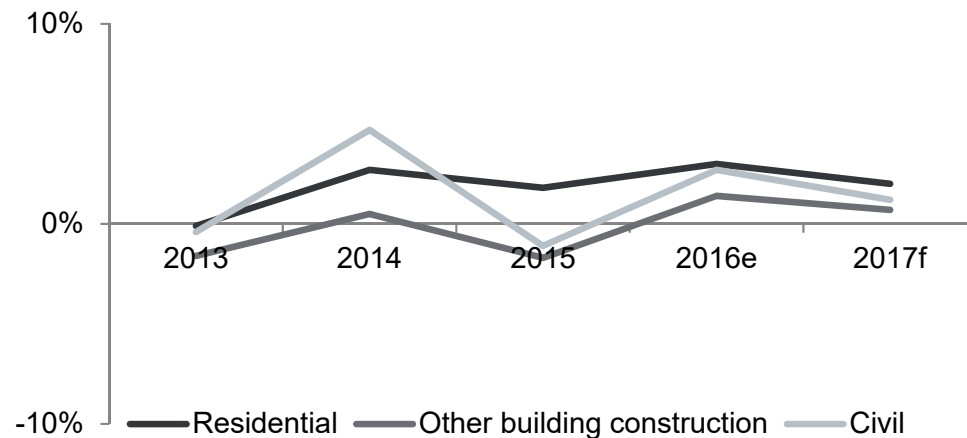
- CEE represents 22% of output volume in 2016
- Number of unemployed people in CEE<sup>1)</sup> expected to decrease from 2.1 million (2015) to 1.5 million in 2019
- EU cohesion fund regime 2014–2020:
  - Among others, Czech Republic, Hungary, Poland and Slovakia eligible
  - € 63.4 billion in total to be allocated for trans-European transport networks and environmental projects

Sources: Euroconstruct Report, Summer 2017; [http://ec.europa.eu/regional\\_policy/en/funding/cohesion-fund](http://ec.europa.eu/regional_policy/en/funding/cohesion-fund)

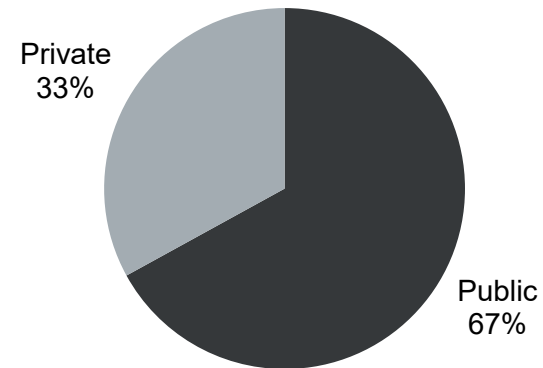
1) Czech Republic, Hungary, Poland, Slovakia

# CONSTRUCTION SEGMENTS HAVE THEIR OWN BUSINESS MODELS AND CYCLES

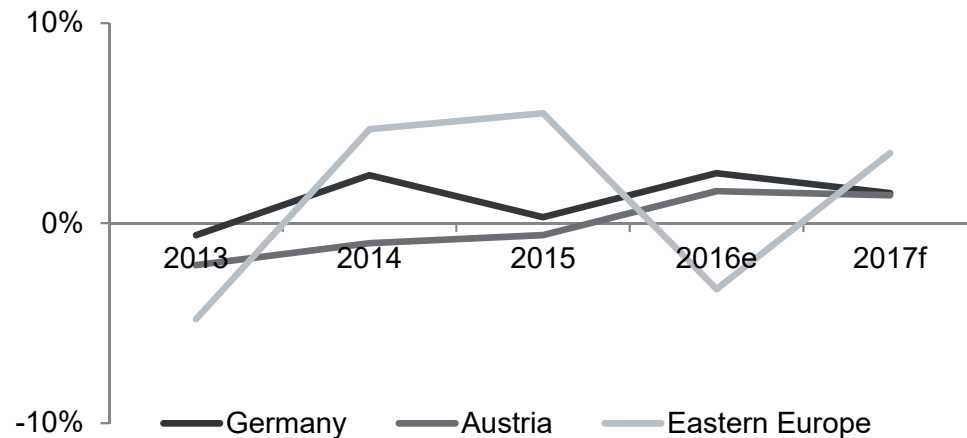
## CONSTRUCTION SUBSEGMENTS GERMANY



## STRABAG CLIENT STRUCTURE



## CONSTRUCTION OUTPUT BY COUNTRIES



Source: Euroconstruct

- Public client:  
The price is mostly the dominant criterion.
- Private client:  
Often opts for the best offer, not necessarily the lowest.

# SELECTION CRITERIA IN CONSTRUCTION

Clients' selection criteria

Price

Financial strength

Technology  
& Innovation

References

Experience and  
Know-how of employees

Construction  
materials supply

3

# THE STRABAG STRATEGY & INVESTMENT PROPOSITION

# A EUROPEAN-BASED TECHNOLOGY GROUP FOR CONSTRUCTION SERVICES

*“STRABAG is a European-based technology group for construction services, a leader in innovation and financial strength. We create added value for our clients by 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 quality and at the best price.”*

**STRABAG**  
TEAMS WORK.

- ➔ STRABAG takes an agreed scope of responsibility and part of the risk, thereby relieving the client e.g. of the risk of delays and cost overruns.
- ➔ Professional and market experience as well as financial strength needed to create added value
- ➔ Helps clients meet their goals (time, quality, lower costs)
- ➔ Technology/Innovation: Differentiation through superior technology and innovative solutions

# SIX STRATEGIC FIELDS



# THE STRABAG INVESTMENT PROPOSITION

## (1) Margin Upside

- Strategic priority: Strengthening risk and opportunity management
- Strategic priority: Implementing efficiency-rising measures proposed by task force

## (2) Flexible Business Model, Selective Diversity

- Strategic priority: Showing flexibility
- Strategic priority: Staying diversified
- Strategic priority: Offering top technology and sustainability

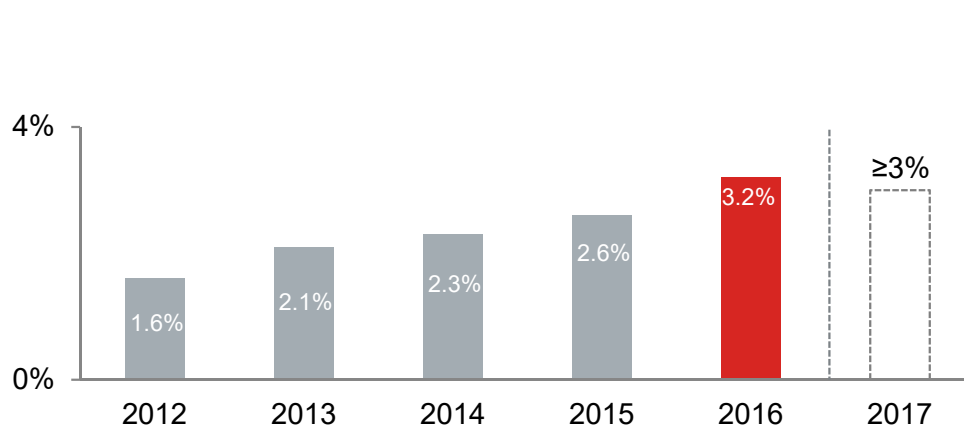
## (3) Financial Strength

- Strategic priority: Maintaining financial strength

## (4) Attractive Dividends on a reliable level

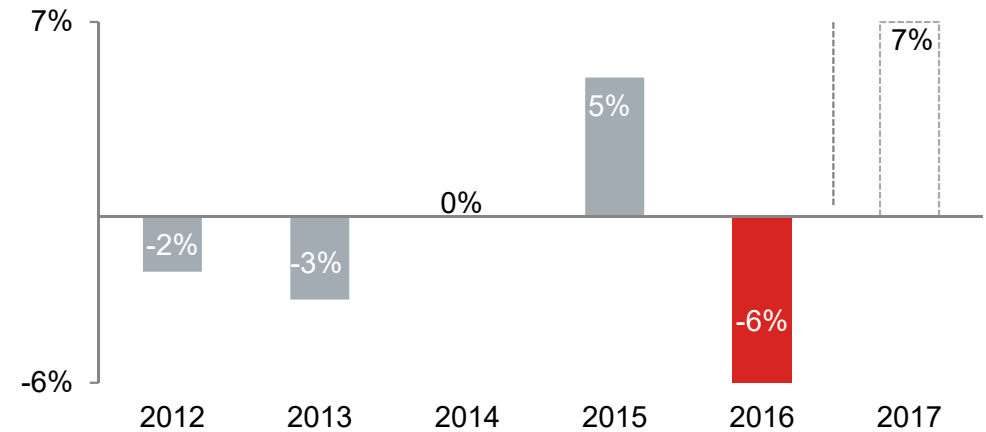
# (1) MARGIN UPSIDE: TARGETS

## MID-TERM TARGET OF 3% EBIT MARGIN<sup>1)</sup>



- Task Force successfully finished its work in 2016
- Comprehensive risk management

## FOCUS ON MARGIN, NOT ON TOP LINE



- Forecast for output volume 2017 of 14.5 billion implies growth rate y-o-y of 7%

1) 2016 adjusted for a non-operating profit in the amount of € 27.81 million.



# (1) MARGIN UPSIDE: RISK MANAGEMENT

## RISK MANAGEMENT INSTRUMENTS

- Four-eyes-principle
- Internal price committees (including a STRABAG SE board member when project volume  $\geq$  € 70 m)
- Internal Audits
- Organisational structure with central divisions
- Management information system:

*“We have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. This means: clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.”*

**Thomas Birtel, CEO**

## TYPES OF CONTRACTS

- Joint Venture with the client
- Cost + fee
- Guaranteed maximum price
- Lump-sum
- Unit pricing

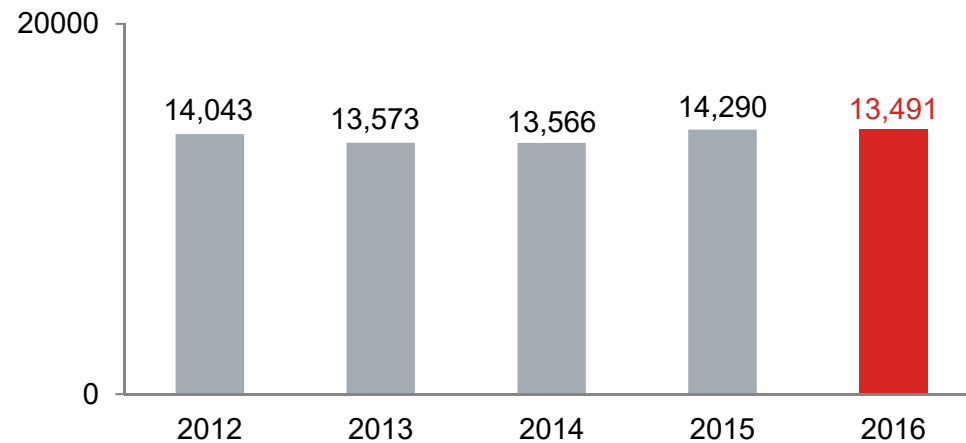
## COMPOSITION OF THE ORDER BACKLOG

**19 %**  
Total of the ten largest  
projects in the order  
backlog

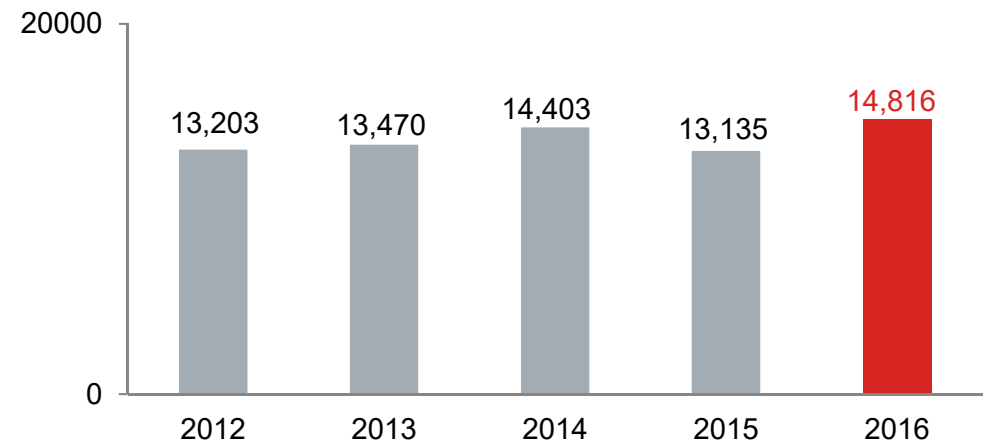
**12,397**  
Construction sites  
per year

## (2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: RESILIENCE IN A VOLATILE INDUSTRY

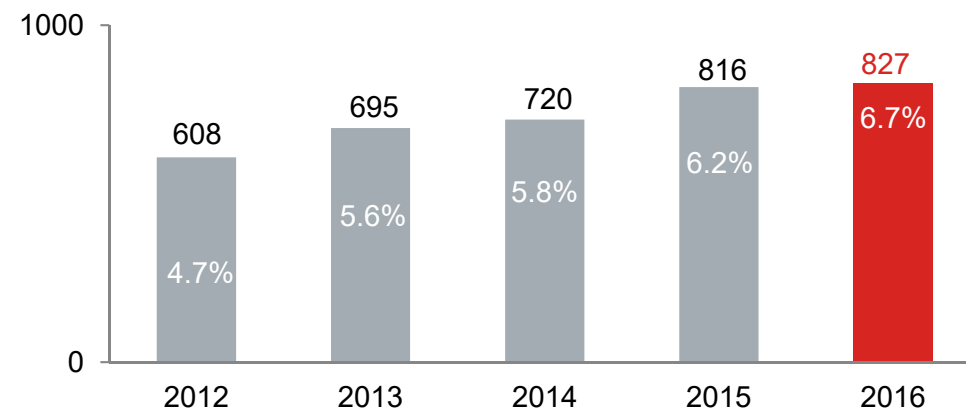
### OUTPUT VOLUME (€M)



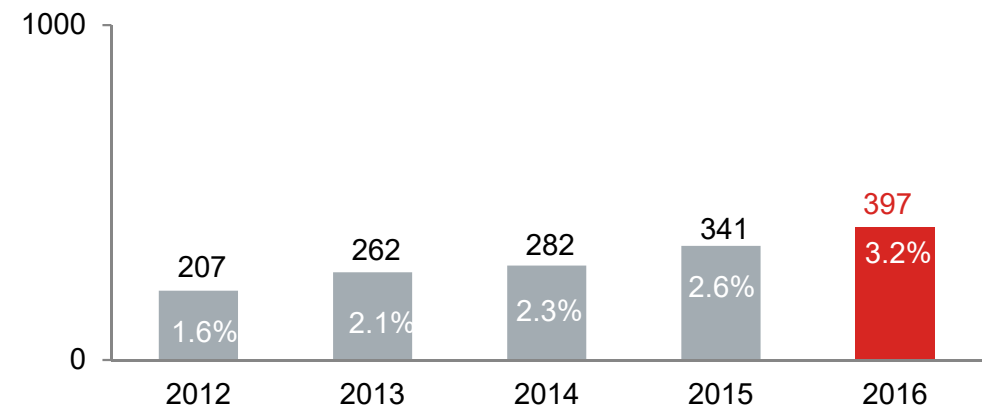
### ORDER BACKLOG (€M)



### EBITDA (€M) AND EBITDA MARGIN (%)



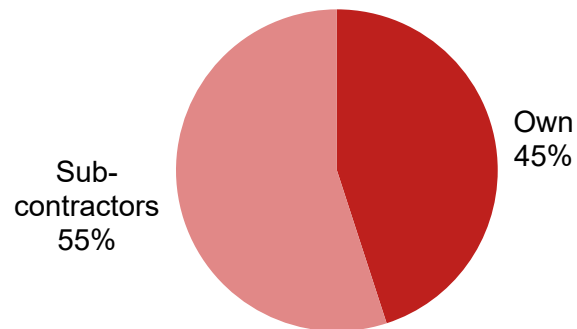
### EBIT (€M) AND EBIT MARGIN (%)<sup>1)</sup>



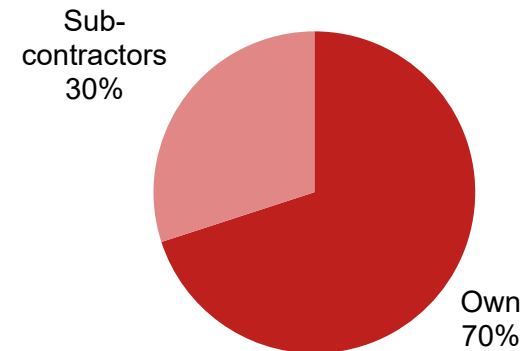
1) 2016 adjusted for a non-operating profit in the amount of € 27.81 million.

## (2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: SUBCONTRACTING AND PORTFOLIO MIX

### SUBCONTR. BUILDING & CIVIL ENGINEERING

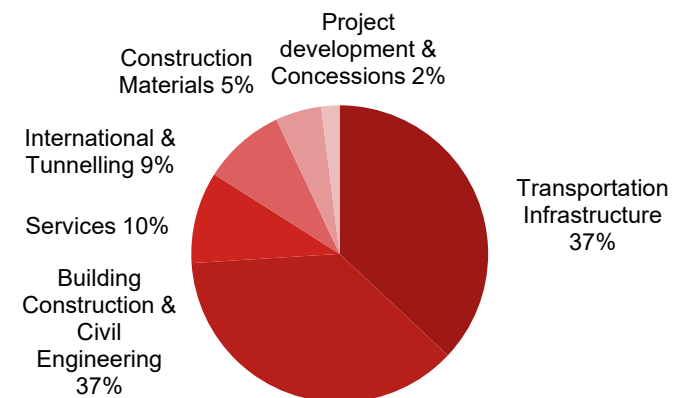


### SUBC. TRANSPORTATION INFRASTRUCTURE



### DIVERSIFIED PORTFOLIO BALANCES CYCLICAL/PROJECT-DRIVEN NATURE OF CONSTRUCTION

- Diversifying geographically
- Top market positions in stable home markets
- Offer services along the entire construction value chain



## (2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: OWN DENSE CONSTRUCTION MATERIALS NETWORK

### STRABAG FACILITIES<sup>1)</sup>

- Asphalt mixing plants 266<sup>2)</sup>
- Concrete mixing plants 143<sup>2)</sup>
- Total quarries and gravel pits 164<sup>2)</sup>
- Cement mixing plants 5<sup>3)</sup>
- Production of 3.2 million m<sup>3</sup> of concrete, 15.1 million tons of asphalt and 1.0 million tons of cement in 2016
- Sales revenue of € 515 million in 2016

### HIGHLIGHTS

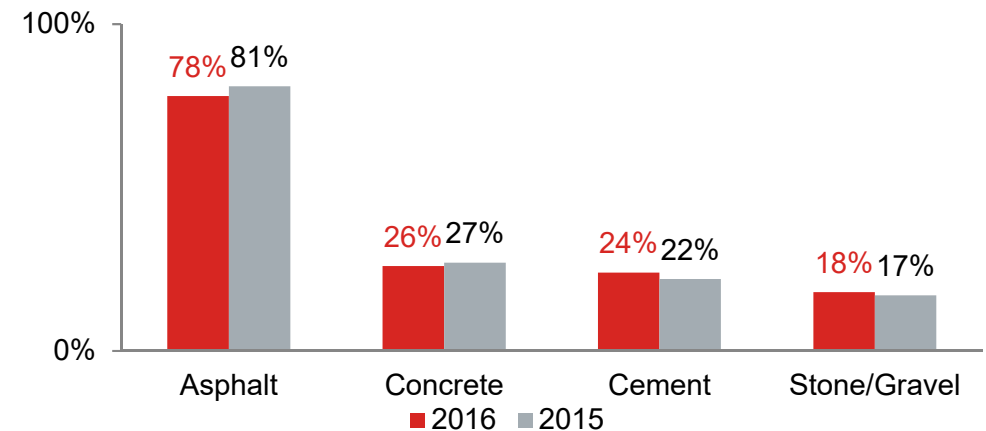
- Hedge against price fluctuations, securing supply
- Existing quarries as effective entry barriers – lack of permits for new sites
- 30% in joint venture (at equity-consolidated since Q3/2011) with LafargeHolcim secures access to cement in Central and Eastern Europe
- Further optimisation of raw materials network and increased self-sufficiency except in asphalt

1) December 2016

2) Includes active facilities from joint ventures and associates

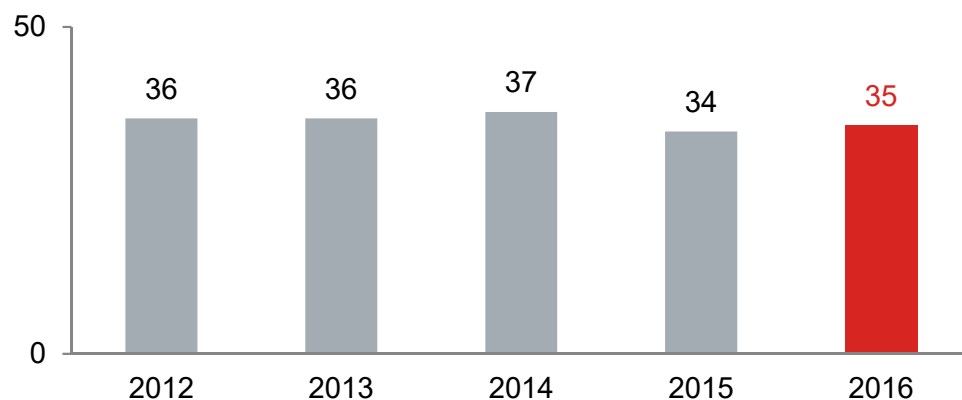
3) Thereof four in JV with LafargeHolcim (STRABAG share 30%) and one in another investment (STRABAG share 25.6%)

### OWN COVERAGE OF MATERIAL NEEDS (%)



# (2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: STEADY INCOME THROUGH CONCESSION BUSINESS

## NUMBER OF STRABAG'S PPP<sup>1)</sup> PROJECTS



## SELECTED PPP PROJECTS



Vocational schools, Germany



Motorway A8, Germany

## PPP STRATEGY

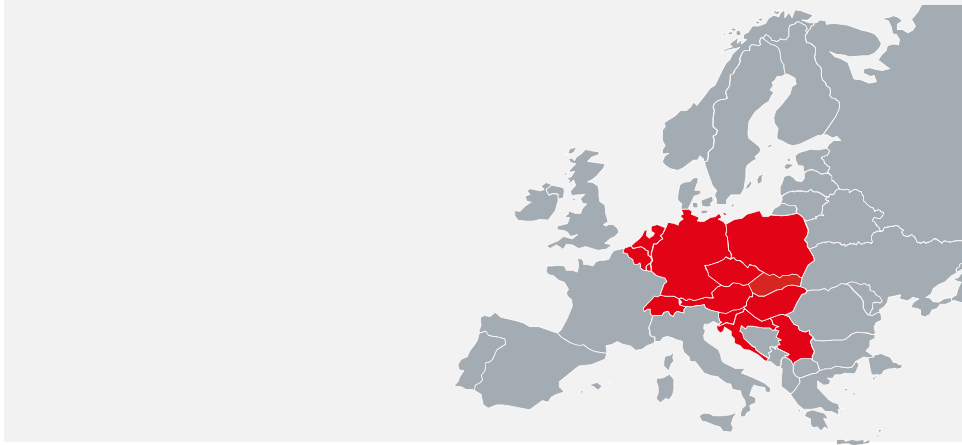
- Focus on infrastructure and large public buildings
- PPP/BOT<sup>1)</sup> in home markets, Eastern Europe and increasingly in selected international markets (insufficient legal framework in some countries)
- Importance as public procurement method due to cost advantages
- High barriers to entry due to necessary PPP expertise and financial strength

COUNTRY	PROJECT	TOTAL COST (€M)	% SHARE	CONCESSION UNTIL	STATUS
PL	A2 Section II	1,543	10	2037	Operation
HU	M5 Motorway	1,292	100	2031	Operation
HU	M6 Motorway	966	50	2037	Operation
PL	A2 Motorway I	880	10	2037	Operation
GER	Schools, Mülheim	52	100	2045	Operation
GER	Ministries, Potsdam	41	100	2035	Operation

1) Public-Private Partnership/Build-Operate-Transfer

# (2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: PROPERTY & FACILITY SERVICES

## TARGET MARKETS



## KEY FACTS 2016

- Output 2016: € 1.1 billion
- ~ 10,000 employees (FTE)
- Acquisition of DFS Deutsche Flugsicherung GmbH Portfolio
- Active in 12 countries
- “Top Arbeitgeber in Deutschland” (Top Employer in Germany)
- #2 market position in German facility management
- Consolidated in the International + Special Divisions segment

## PROJECTS UNDER MANAGEMENT



DFS Deutsche Flugsicherung Headquarters  
Frankfurt, Germany



City Tower,  
Praha, Czech  
Republic



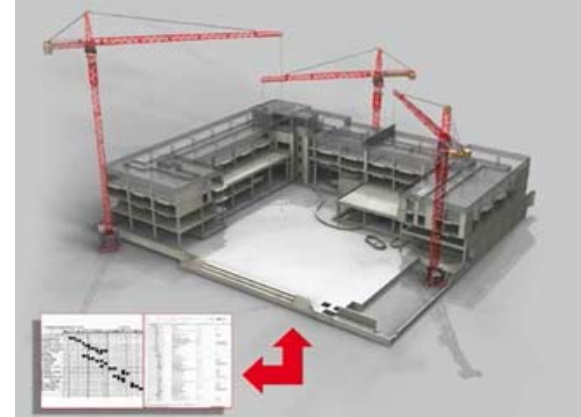
Upper West, Berlin,  
Germany

## (2) OFFERING TECHNOLOGY AND SUSTAINABILITY: BIM.5D<sup>®</sup> COULD BE REVOLUTION IN CONSTRUCTION

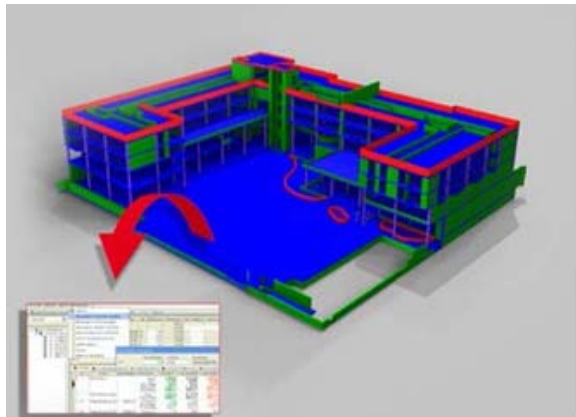
### 3D MODEL: DEFINING THE “TO BE BUILT”



### 4D – TIME: WHEN ARE WORKS EXECUTED?



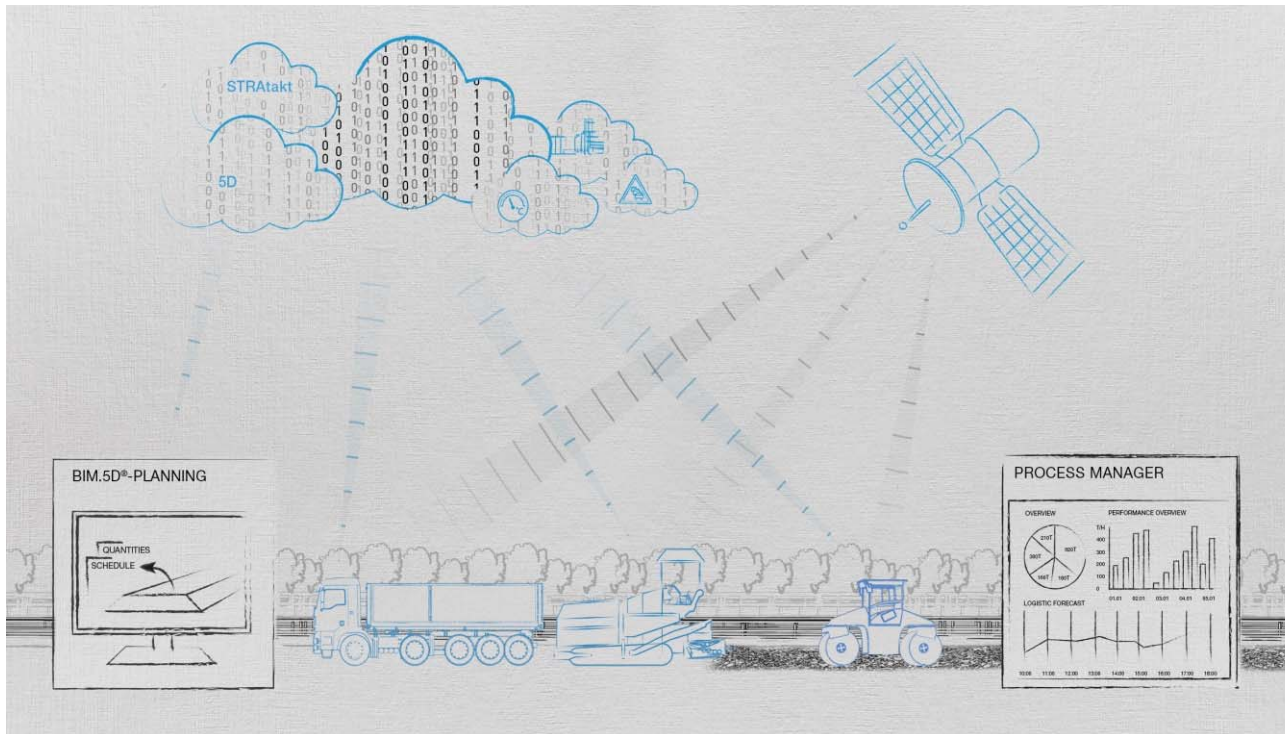
### 5D – PROCESS: MATERIALS, ORDERS



### ADVANTAGES OF BIM.5D<sup>®</sup>

- Single data pool as an answer to specialisation and growing number of companies involved
- Risk management: Inconsistencies detected earlier
- Clients get a clearer picture of the impacts resulting from alterations, renovations, additions
- Budget and time overruns minimised

## (2) OFFERING TECHNOLOGY AND SUSTAINABILITY: INTELLIGENT PROCESS ENGINEERING

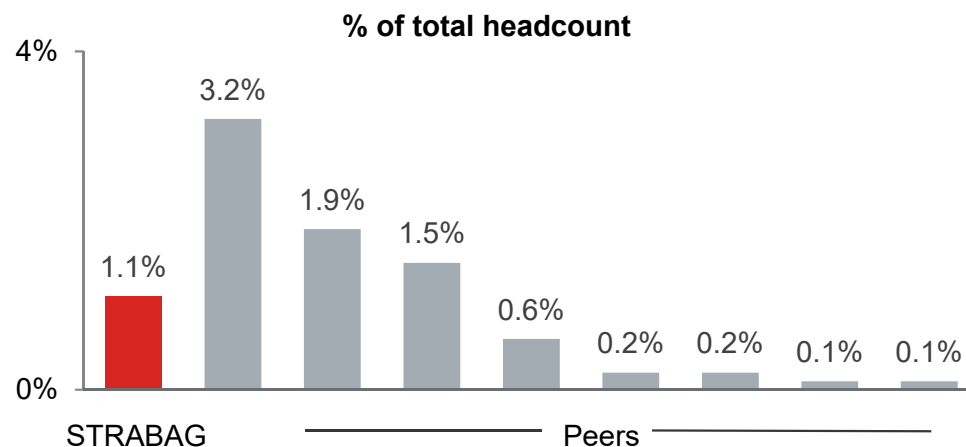
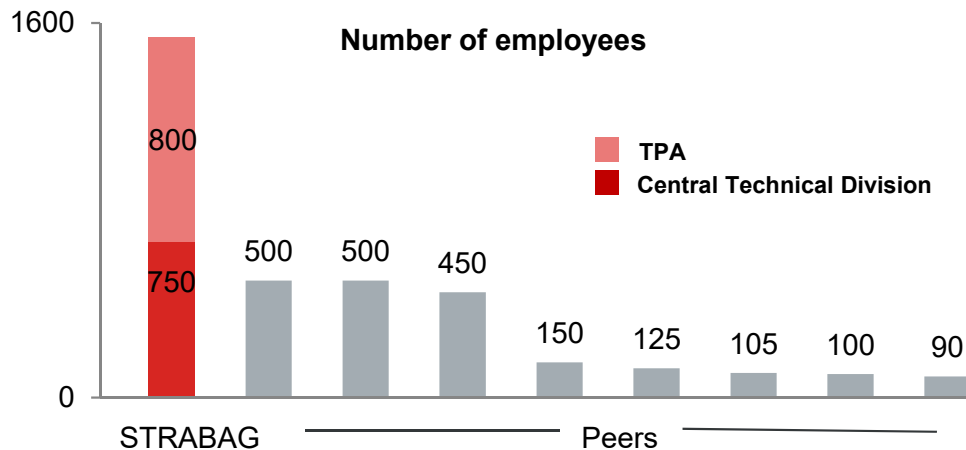


- BIM.5D® also applicable for road construction projects
- Targets:
  - Intelligent and autonomous construction equipment
  - Collection and analysis of all relevant data in one cloud
  - Optimal coordination of all interfaces
- Partner in the research project “SmartSite”, promoted by the German Federal Ministry for Economic Affairs and Energy



## (2) OFFERING TECHNOLOGY AND SUSTAINABILITY: CASE STUDY – CENTRAL TECHNICAL DIVISION / TPA

### STRABAG AND PEERS: R&D/TECHNICAL DIVISION STAFF HEADCOUNT<sup>1)</sup>

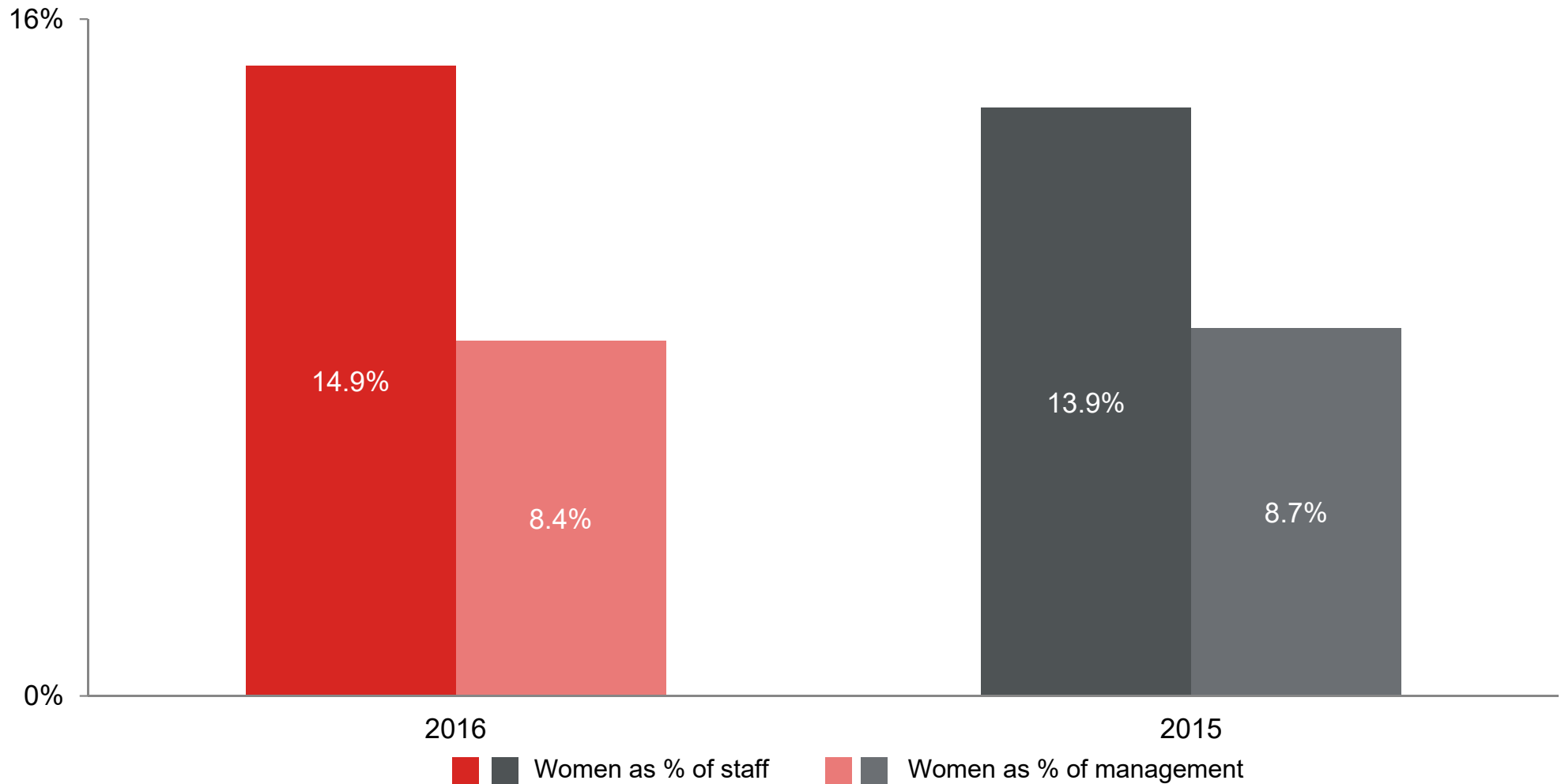


- **Central Technical Division** – organisation in charge of planning and execution of R&D projects
- Focus on building construction and civil engineering
- 24 locations
- **TPA** – organisation focused on optimising technical processes, workplace safety and quality
- Focus on transportation infrastructure
- STRABAG's competence centre for quality management and construction R&D
- 130 locations
- Total R&D spending: ~ € 10-15 million p.a.

1) Analysis carried out by STRABAG R&D department in 2014

## (2) OFFERING TECHNOLOGY AND SUSTAINABILITY: EXAMPLE ON NON FINANCIAL TARGETS – WOMEN

GROW SHARE OF WOMEN IN TOTAL EMPLOYMENT AND MANAGEMENT POSITIONS EACH YEAR



# (3) FINANCIAL STRENGTH AS COMPETITIVE ADVANTAGE

## RATING

- STRABAG SE is one of the few European construction companies with an official corporate credit rating.
- S&P raised STRABAG SE investment grade rating from BBB- to BBB, stable outlook, in June 2015; confirmed in July 2017
  - stable margins in an otherwise cyclical market environment
  - strong market positions
  - renewed infrastructure spending in Germany and CEE
  - vertical integration that provides barriers to entry and strategic access to raw materials
- Rating as a competitive advantage: € 200 million bond issued with a coupon of 1.625%, 2015–2022
- Target: maintain investment grade credit rating

## EQUITY RATIO

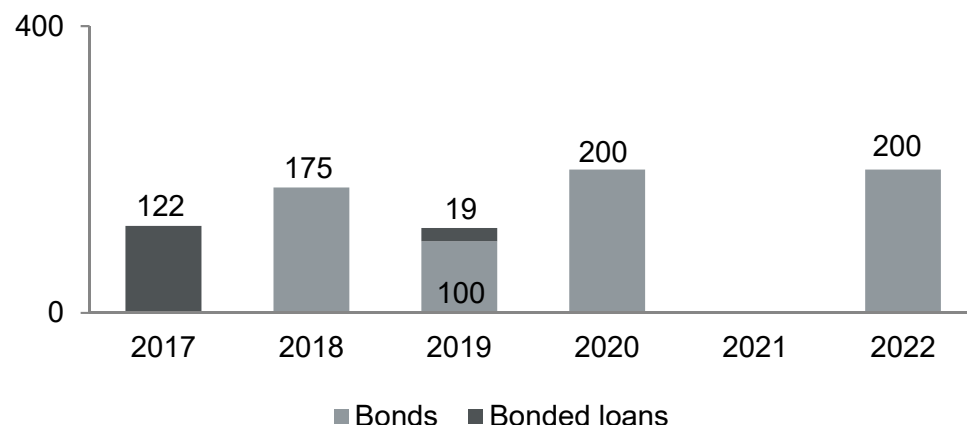
- High equity ratio of 31% despite share buyback (sector average 23%)
- Target: maintain equity ratio of  $\geq 25\%$

## NET CASH

- Net cash of € 449 million end of 2016

# (3) FINANCIAL STRENGTH: DIVERSIFIED FINANCING

## DEBT REPAYMENT PROFILE<sup>1)</sup> (€M)



## DIVERSIFIED MEANS OF FINANCING

- Cash and surety credit lines (31 December 2016): € 7.1 billion (thereof cash credit lines of € 0.4 billion)
- Bond issue: € 200 million, 1.625%, 2015-2022
- € 2.0 billion syndicated surety loan (at least by 2022)
- € 400 million syndicated cash credit line (at least by 2022)

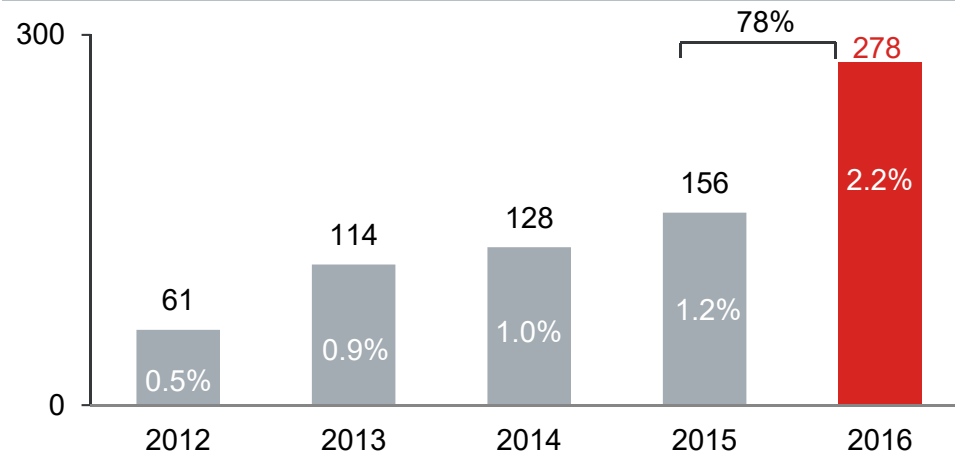
## CORPORATE BONDS

TERM	INTEREST	VOLUME	ISIN
2011–2018	4.75%	€ 175 m	AT0000A0PHV9
2012–2019	4.25%	€ 100 m	AT0000A0V7D8
2013–2020	3.00%	€ 200 m	AT0000A109Z8
2015–2022	1.625%	€ 200 m	AT0000A1C741

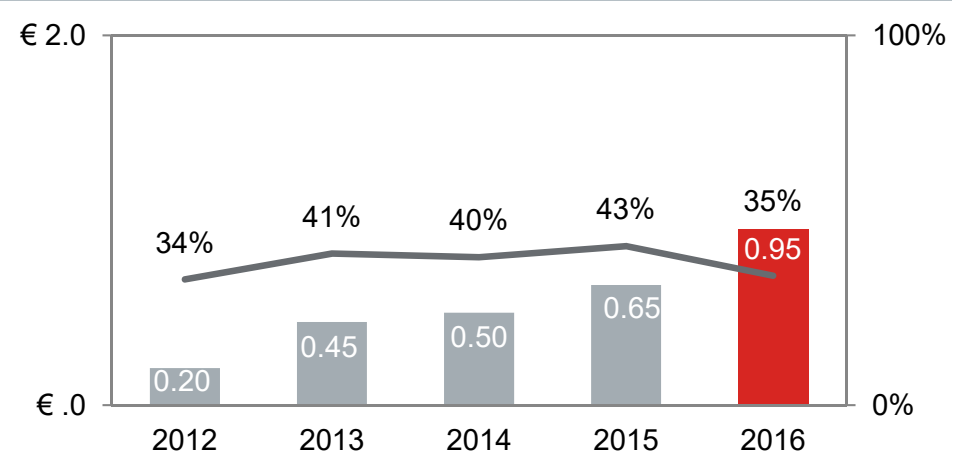
1) In 2017 a bonded loan (€ 109 million) was repaid prior to its maturity in 2021.

# (4) ATTRACTIVE DIVIDENDS: CONSISTENT PAYOUT RATIO

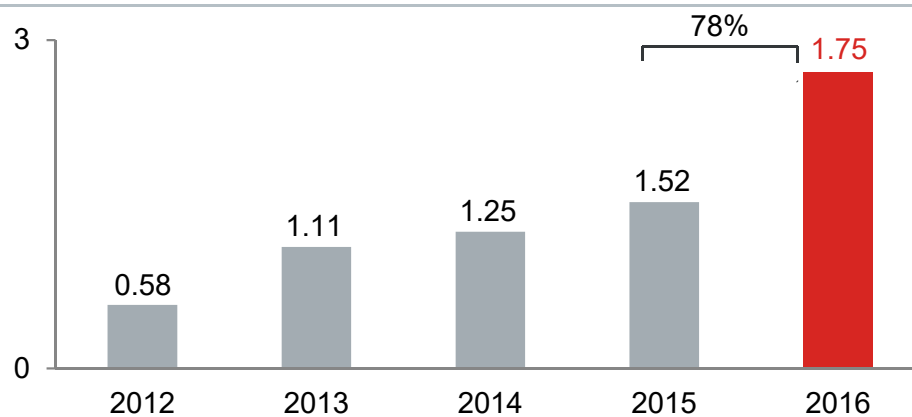
NET INCOME A.M. (€M) AND MARGIN (%)



DIVIDEND (€) AND PAYOUT RATIO (%)

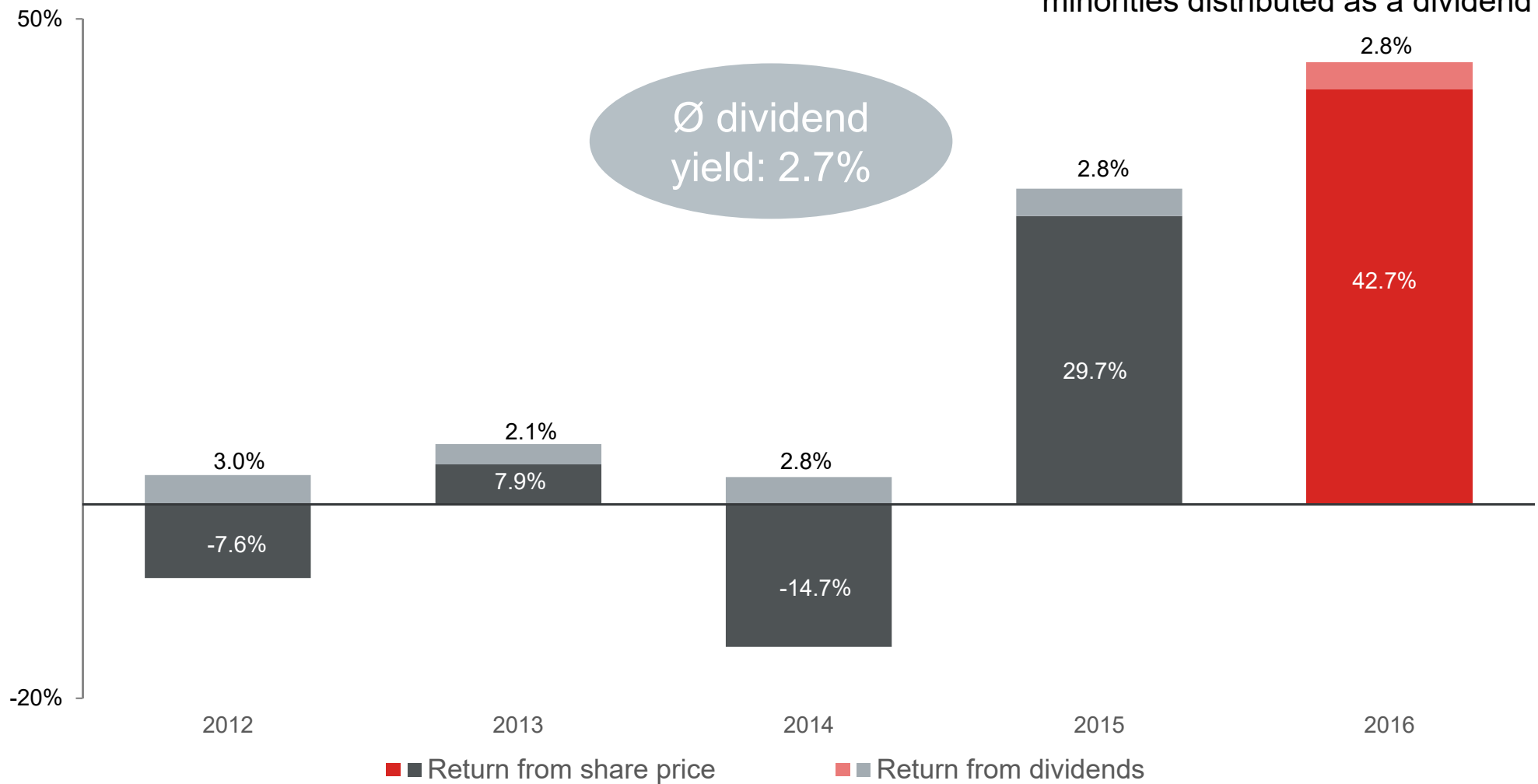


EARNINGS PER SHARE (€)



# (4) ATTRACTIVE DIVIDENDS: TOTAL SHAREHOLDER RETURN 2012–2016

Dividend policy: 30-50% of net income after minorities distributed as a dividend

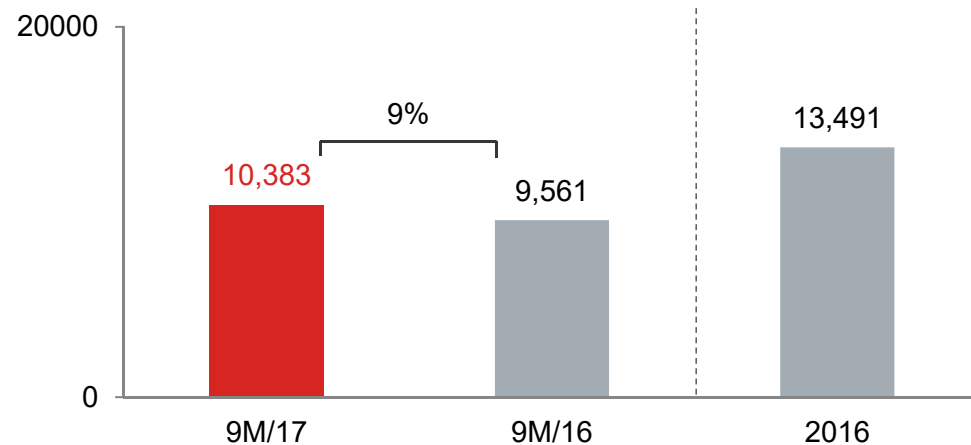


# 4 FINANCIAL PERFORMANCE



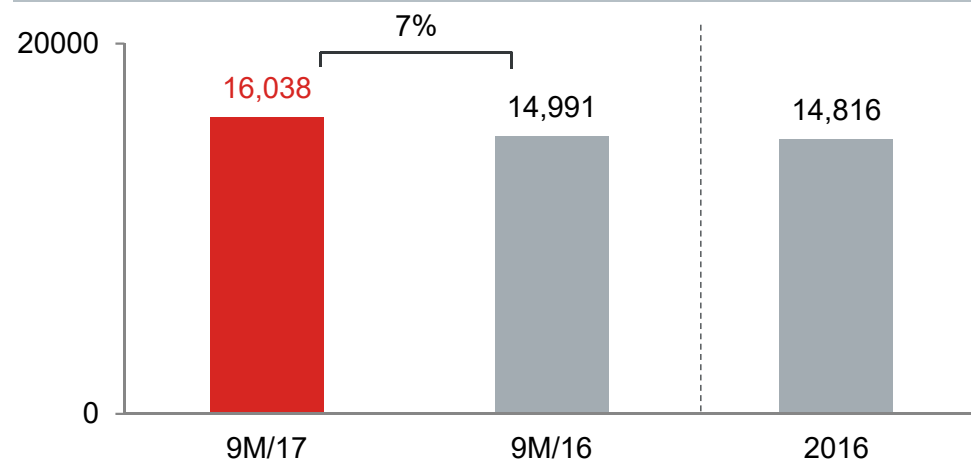
# OUTPUT VOLUME ROSE BY 9%

## OUTPUT VOLUME (€M)



- Driven especially by
  - German transportation infrastructure business
  - building construction and civil engineering in Austria
  - growth in CEE core markets

## ORDER BACKLOG (€M)

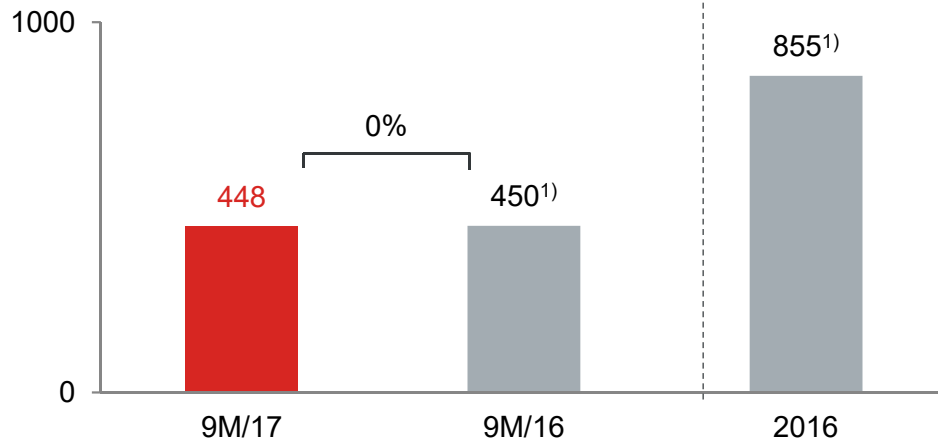


- Large orders from the public sector and industry in the group's largest markets, i.e. Germany, Austria, Poland, Hungary and Slovakia



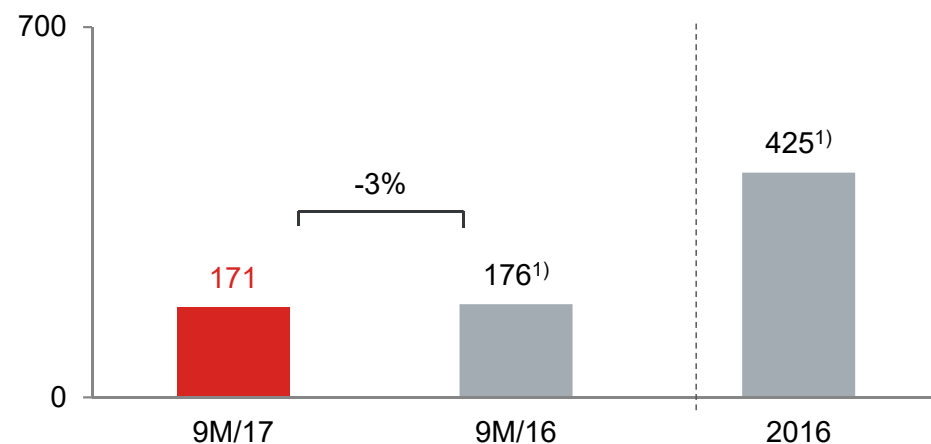
# OPERATING EARNINGS STABLE DESPITE POSITIVE ONE-OFF LAST YEAR

## EBITDA (€M)



- EBITDA unchanged despite non-operating profit of € 27.81 million which had positively impacted EBITDA and EBIT in 2016
- 6% increase in EBITDA compared to adjusted 9M/16 figure

## EBIT (€M)

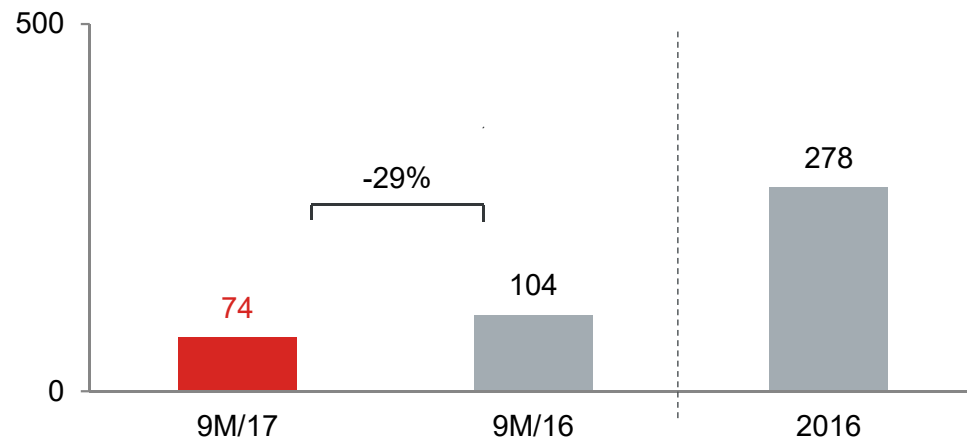


- Depreciation and amortisation increased slightly
- 15% increase in EBIT compared to adjusted 9M/16 figure

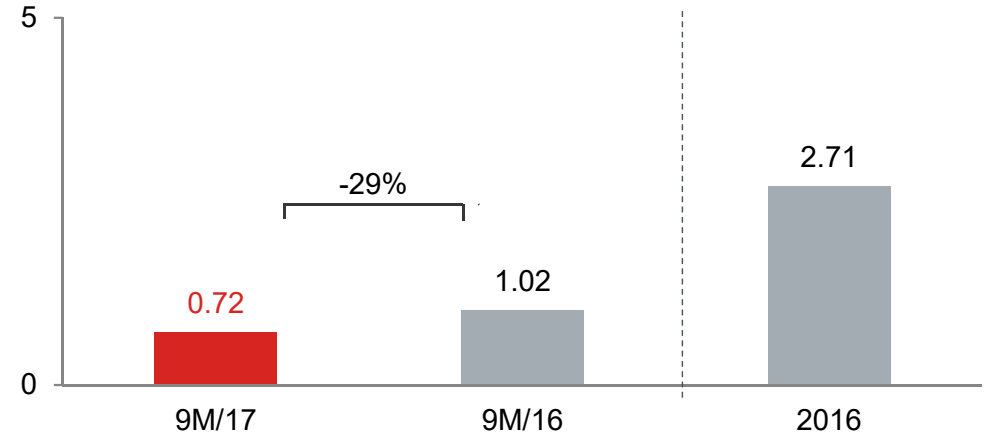
1) Includes a non-operating, non-recurring profit in the amount of € 27.81 million.

# MUCH MORE NEGATIVE EXCHANGE RATE DIFFERENCES

## NET INCOME AFTER MINORITIES (€M)



## EARNINGS PER SHARE (€)



- Net interest income at € -43 million (after € -13 million in 9M/16), due to negative FX differences
- Effective income tax rate at 38.6%
- Minority shareholders did not help bear a loss to the same extent as in 9M/16, when until April there had still been minority shareholdings in Stuttgart-based subsidiary Ed. Züblin AG

# HIGH EQUITY RATIO AND NET CASH POSITION

## ASSETS<sup>(1)</sup>

(€m)	9M/17	2016
Intangible assets	497	496
PP&E & investment property	1,950	1,936
Associated companies	352	348
Other financial assets	185	167
Concession receivables	665	683
Trade and other receivables	301	254
Deferred taxes	243	246
<b>Non-current assets</b>	<b>4,192</b>	<b>4,130</b>
Inventories	1,324	1,183
Trade and other receivables	3,577	3,031
Concession receivables	33	31
Cash and cash equivalents	1,479	2,003
<b>Current assets</b>	<b>6,414</b>	<b>6,248</b>
<b>Total assets</b>	<b>10,606</b>	<b>10,378</b>

## LIABILITIES AND EQUITY<sup>(1)</sup>

(€m)	9M/17	2016
Share capital	110	110
Capital reserves	2,315	2,315
Retained earnings	761	761
Non-controlling interests	81	79
<b>Equity</b>	<b>3,267</b>	<b>3,265</b>
Provisions	1,078	1,112
Financial liabilities	913	1,224
Trade payables & other liab.	68	63
Deferred taxes	21	21
<b>Non-current liabilities</b>	<b>2,080</b>	<b>2,420</b>
Provisions	742	810
Financial liabilities	415	203
Trade payables	3,220	2,818
Other current liabilities	883	862
<b>Current liabilities</b>	<b>5,258</b>	<b>4,693</b>
<b>Equity &amp; Liabilities</b>	<b>10,606</b>	<b>10,378</b>

(1) Rounding differences might occur.

# ALL CASH FLOWS IMPROVED

(€m)	9M/17	Δ%	9M/16
<b>Cash – beginning of period</b>	<b>1,998</b>	-27	2,727
Cash flow from earnings	307	-12	350
Δ Working Capital	-392	57	-920
Cash flow from operating activities	-85	85	-570
Cash flow from investing activities	-242	0	-243
Cash flow from financing activities	-199	53	-422
Net change in cash	-525	57	-1,235
FX changes	2	-65	5
Change restricted cash	1	-65	2
<b>Cash – end of period</b>	<b>1,474</b>	-2	1,498

Rounding differences might occur.

# NORTH + WEST MOVED INTO POSITIVE TERRITORY

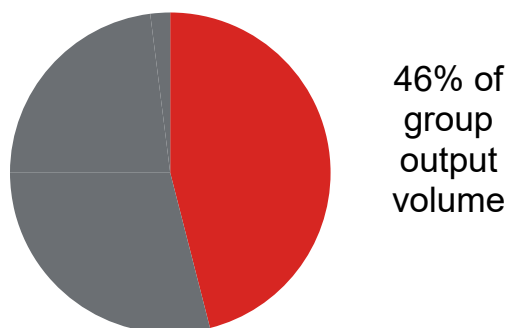
## KEY INDICATORS

(€m)	9M/17	Δ%	9M/16
Output volume	4,814	10	4,387
Revenue	4,517	8	4,168
Order backlog	7,697	9	7,083
EBIT	25	n.m.	-8
EBIT margin %	0.6		-0.2
Employees	23,146	5	21,959

## COMMENTS

- Output volume increased by 10%
- EBIT moved from negative into positive territory, among others thanks to improved project earnings in Germany and Denmark
- Growth in orders (9%) driven by Germany and Poland
- Outlook:
  - Output volume 2017 expected to rise
  - German BC&CE should continue to contribute quite positively to output volume and earnings despite capacity bottleneck; TI with positive outlook but quality staff remains limiting factor
  - German railway business hotly contested
  - Lots of projects and aggressive competition in Poland; better situation in railway construction
  - Upwards trend in Benelux and Scandinavia

## SHARE OF GROUP OUTPUT VOLUME



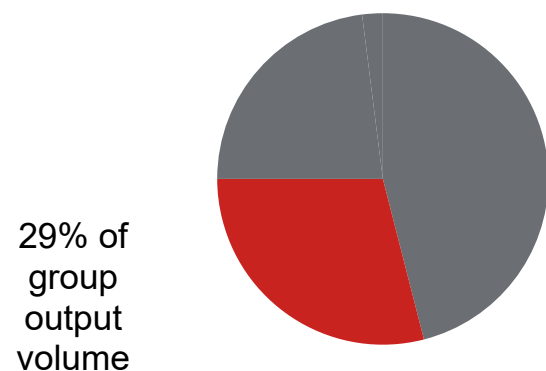
BC&CE: Building construction & civil engineering; TI: Transportation Infrastructures

# SOUTH + EAST WITH HIGH ORDER BACKLOG AND EARNINGS GROWTH

## KEY INDICATORS

(€m)	9M/17	Δ%	9M/16
Output volume	3,044	5	2,886
Revenue	2,769	0	2,778
Order backlog	4,238	19	3,548
EBIT	139	20	116
EBIT margin %	5.0		4.2
Employees	17,644	0	17,628

## SHARE OF GROUP OUTPUT VOLUME



BC: Building construction; TI: Transportation Infrastructures

## COMMENTS

- Output volume climbs by 5% thanks to Austria, Hungary and Slovakia
- EBIT continued to improve due to Hungary and Russia, among other countries
- Order backlog plus 19%, mainly driven by large orders in the group's core markets
- Outlook:
  - Margins likely to be kept at attractive level 2017
  - Dynamic growth in Viennese BC, fierce competition in Austrian TI
  - Worsening of economic environment in Slovakia and Czech Republic expected
  - South East Europe hotly contested
  - Russia: STRABAG should be able to benefit from projects in residential construction

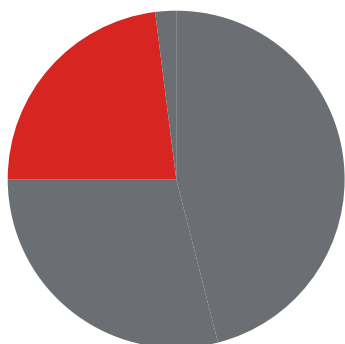
# INTERNATIONAL + SPECIAL DIVISIONS AFFECTED BY REAL ESTATE DEVELOPMENT AND CHILE

## KEY INDICATORS

(€m)	9M/17	Δ%	9M/16
Output volume	2,419	10	2,196
Revenue	2,051	4	1,973
Order backlog	4,099	-6	4,355
EBIT	24	-54	53
EBIT margin %	1.2		2.7
Employees	25,815	0	25,942

## SHARE OF GROUP OUTPUT VOLUME

23% of group output volume

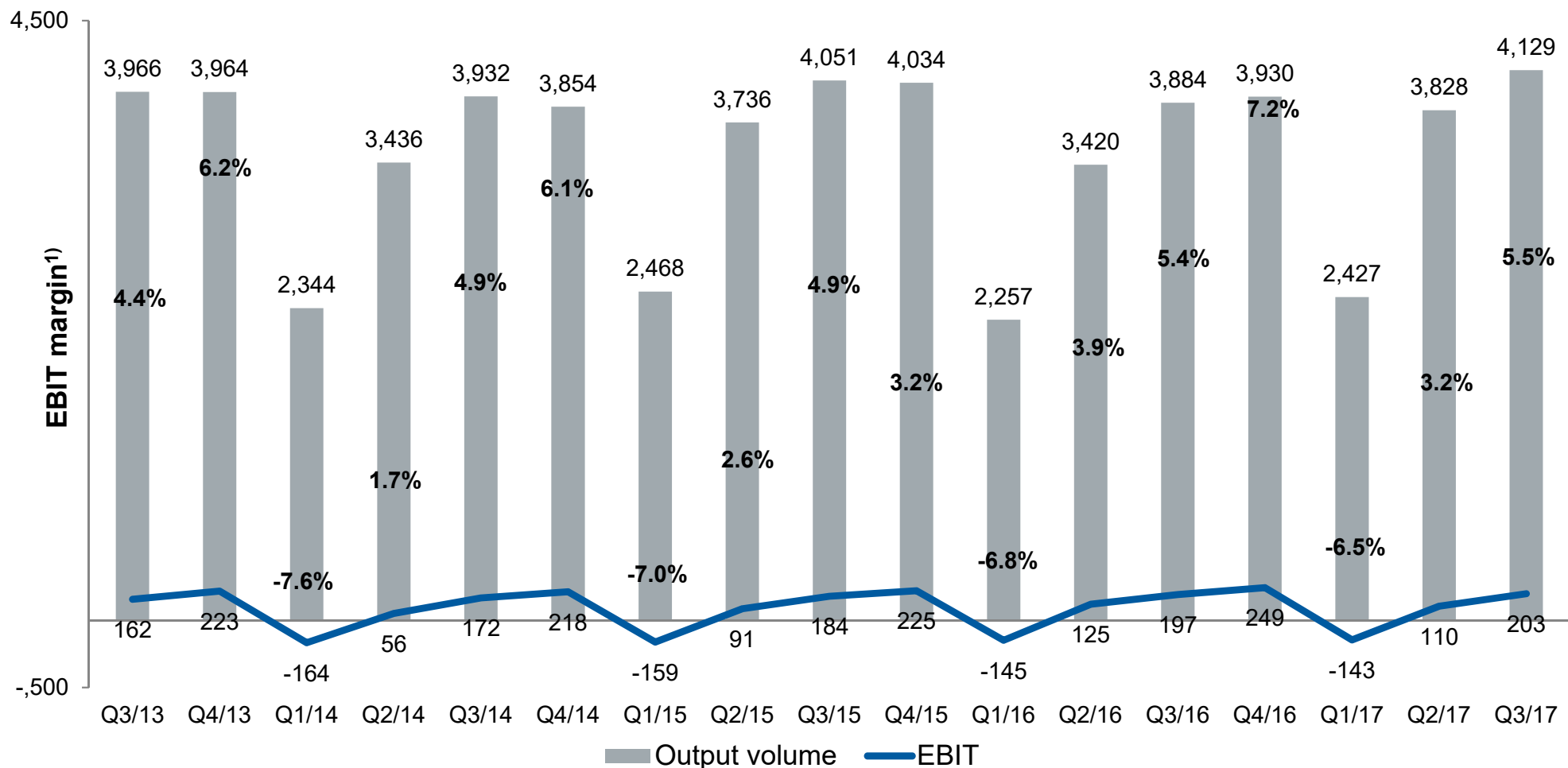


## COMMENTS

- Output volume up by 10% due to large projects in core markets Austria, Germany and the Americas
- EBIT -54%; sale of a real estate development had positively influenced in 9M/16; again negative effect from a Chilean project, but write-up of a receivable from a concession project in Poland
- Order backlog fell by 6%: negative effect from Italy, but new large orders in UK and outside of Europe
- Outlook:
  - Output volume 2017 should be slightly higher
  - Real estate development shows unchanged positive development, but close monitoring of interest rates and property prices necessary
  - Property & facility services unit must undergo reorganisation in view of loss of large client in mid-2019
  - Tunnelling: scarce human resources and extremely low price level in core markets

# HIGHLY SEASONAL BUSINESS

## QUARTERLY DEVELOPMENT OF OUTPUT VOLUME AND EBIT (€M)

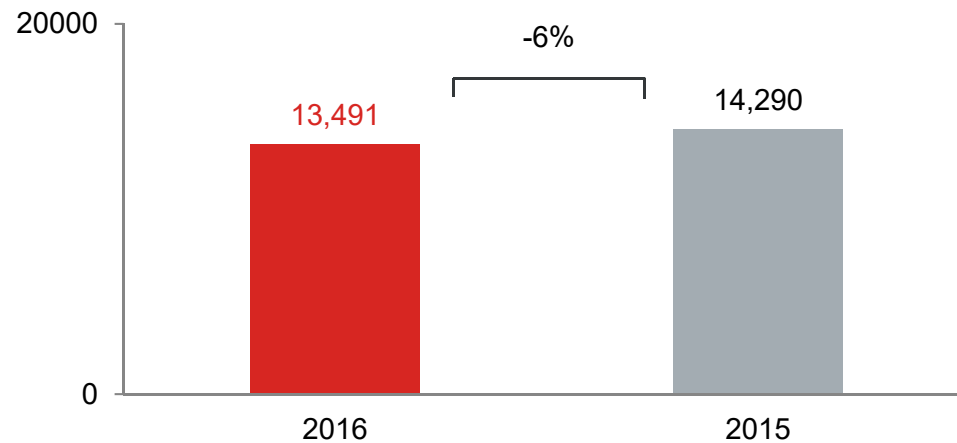


1) EBIT/revenue



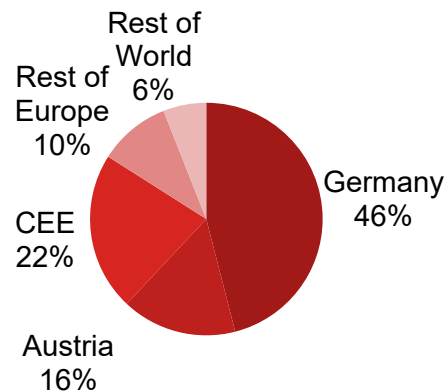
# OUTPUT VOLUME SHRANK BY 6%

## OUTPUT VOLUME (€M)



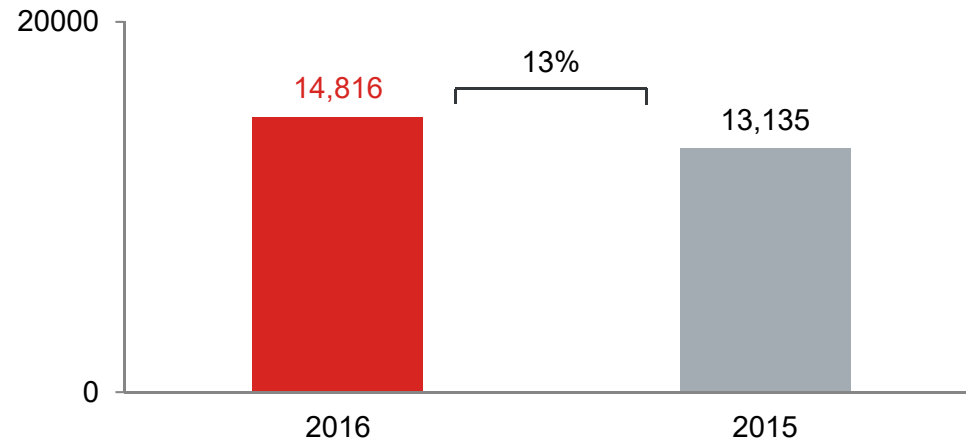
- Output volume shrank by 6% to € 13.5 billion
- EU Cohesion Fund regime had ended in 2015, which is why Slovakia, Poland and Czech Republic had posted an exceptionally positive development
- Germany strengthens status as the largest market with 46% of group's output volume
  - Booming building construction
  - Emerging transportation infrastructure market

## OUTPUT VOLUME 2016 BY REGION



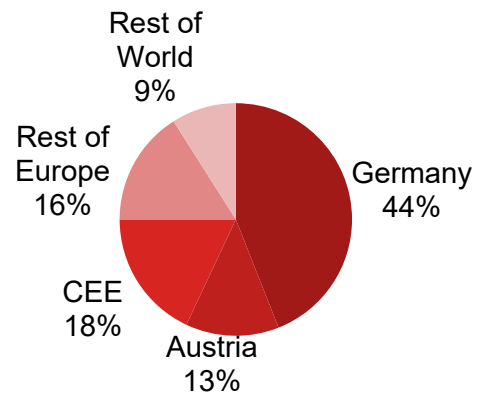
# ORDER BACKLOG AT RECORD HIGH

## ORDER BACKLOG (€M)



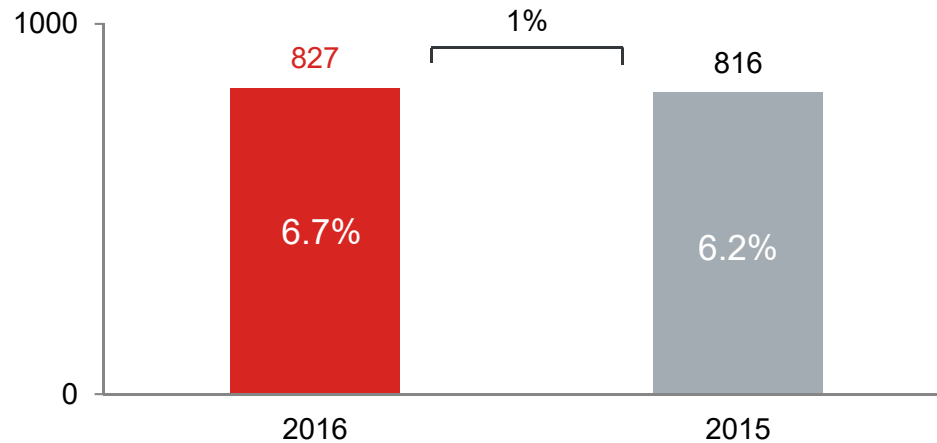
- Record high in Germany as well as on group level
- Growth in Chile, Slovakia, Hungary, Austria
- Declines in Denmark, Russia, Romania

## ORDER BACKLOG 2016 BY REGION



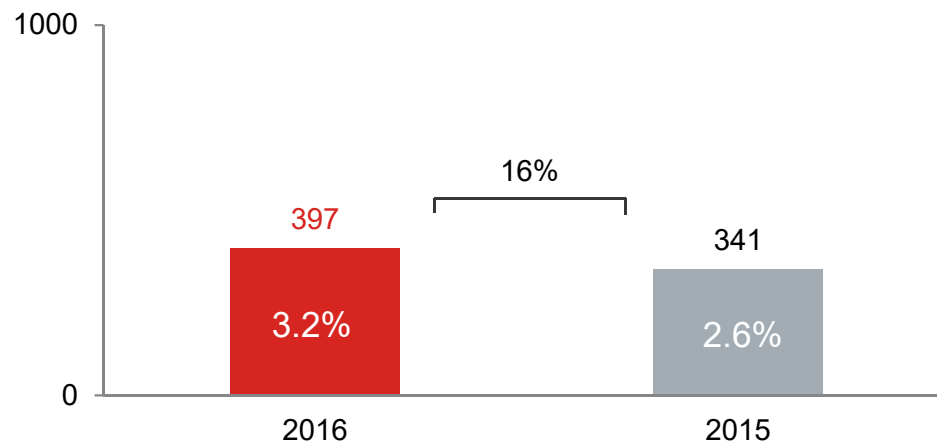
# EBIT MARGIN AT >3%

## EBITDA (€M) AND EBITDA MARGIN (%) <sup>1)</sup>



- EBITDA clean of non-operating non-recurring item: € 827.37 million, EBITDA margin 6.7%
- Lower burdens related to large projects
- Earnings improvements in Austria and Germany

## EBIT (€M) AND EBIT MARGIN (%)<sup>1)</sup>



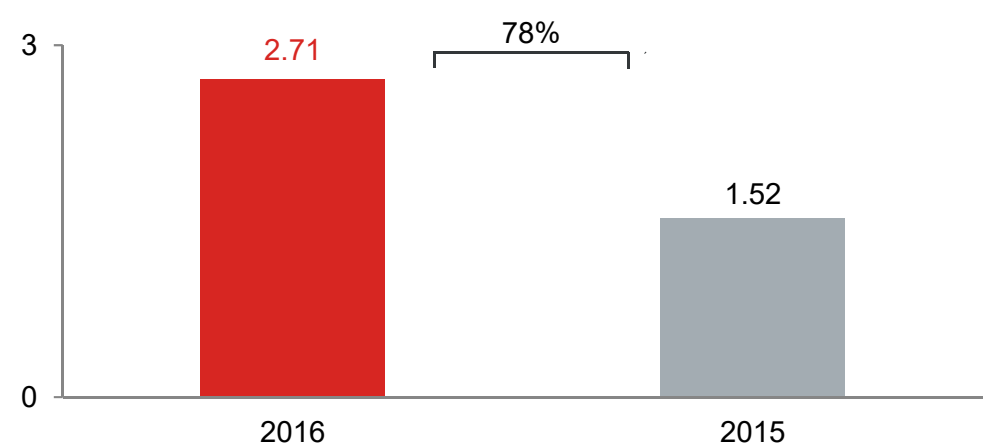
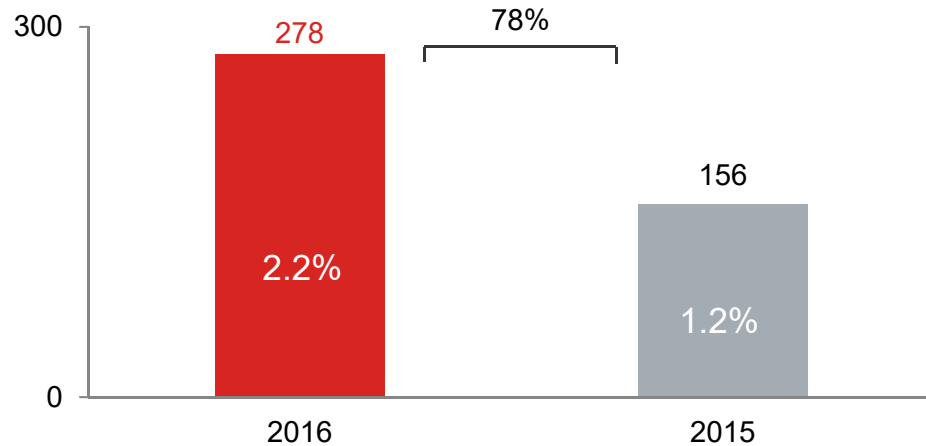
- EBIT clean of non-operating non-recurring item: € 397.10 million, EBIT margin 3.2%
- Depreciation reduced by 9% mainly because of the sale of hydraulic engineering equipment (2015: special depreciation allowance of € 21.70 million)
- Impossible to simply extrapolate the margin values for the following year

1) 2016 adjusted for a non-operating profit in the amount of € 27.81 million.

# EARNINGS PER SHARE SIGNIFICANTLY HIGHER: ACQUISITION OF ED. ZÜBLIN AG MINORITY INTEREST

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

EARNINGS PER SHARE (€)



- Negative net interest income greatly reduced thanks to positive foreign currency effects and lower interest on borrowings
- Income tax rate nearly returned to normal at 33.0%
- Earnings owed to minority shareholders lowered from € 26.21 million in 2015 to € 4.34 million in 2016 due to the acquisition of the remaining minority interest in Ed. Züblin AG → Net income after minorities and earnings per share significantly higher

# GROUP INCOME STATEMENT 2016

(€m)	2016	2015	Δ%
<b>Output volume</b>	<b>13,491.03</b>	<b>14,289.76</b>	<b>-6</b>
<b>Revenue</b>	<b>12,400.46</b>	<b>13,123.48</b>	<b>-6</b>
Changes in inventories/own work capitalised	55.55	-20.43	n.m.
Other operating income	235.83	221.46	6
Construction materials, consumables and services used	-7,980.01	-8,619.03	7
Personnel cost	-3,210.91	-3,158.25	-2
Other operating expenses	-795.85	-826.90	4
Share of profit or loss of associates	106.18	61.89	72
Net income from investments	43.93	33.88	30
<b>EBITDA</b>	<b>855.18</b>	<b>816.10</b>	<b>5</b>
<b>EBITDA adjusted</b>	<b>827.37<sup>1)</sup></b>		

Δ% was calculated with original, not rounded figures → therefore, rounding differences might occur.

1) Adjusted for a non-operating profit in the amount of € 27.81 million.

# GROUP INCOME STATEMENT 2016 (CONT.)

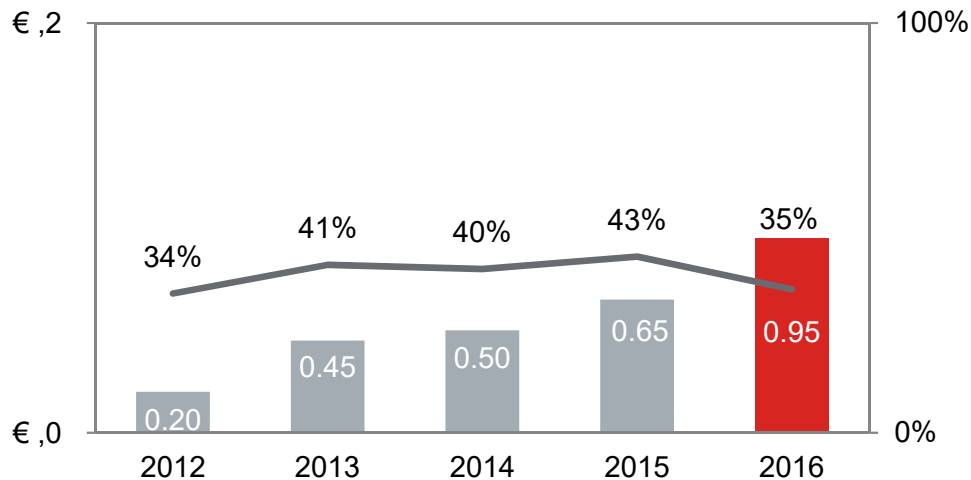
(€m)	2016	2015	Δ%
<b>EBITDA</b>	<b>855.18</b>	<b>816.10</b>	<b>5</b>
<i>Margin (%)</i>	6.9	6.2	
<i>Margin adjusted (%)</i>	6.7 <sup>1)</sup>		
Depreciation and amortisation	-430.27	-475.06	9
<b>EBIT</b>	<b>424.91</b>	<b>341.04</b>	<b>25</b>
<b>EBIT adjusted</b>	<b>397.10<sup>1)</sup></b>		
<i>Margin (%)</i>	3.4	2.6	
<i>Margin adjusted (%)</i>	3.2 <sup>1)</sup>		
Net interest income	-3.78	-24.42	85
Income tax expense	-139.13	-134.13	-4
<b>Net income</b>	<b>282.00</b>	<b>182.49</b>	<b>55</b>
Attributable to minority interest	4.35	26.20	-83
Attributable to equity holders of the parent	277.65	156.29	78
Earnings per share (€)	2.71	1.52	78

Δ% was calculated with original, not rounded figures → therefore, rounding differences might occur.

1) Adjusted for a non-operating profit in the amount of € 27.81 million.

# HIGHEST DIVIDEND SINCE IPO: € 0.95 PER SHARE

## DIVIDEND (€) AND PAYOUT RATIO (%)



- Dividend per share of € 0.95 proposed (+46%)
- Payout ratio of 35% 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

# EQUITY RATIO REMAINS HIGH AT 31%

## ASSETS

(€m)	2016	2015
Intangible assets	496	511
PP&E & investment property	1,936	1,895
Associated companies	348	373
Other financial assets	167	173
Concession receivables	683	710
Trade and other receivables	254	251
Deferred taxes	246	292
<b>Non-current assets</b>	<b>4,130</b>	<b>4,206</b>
Inventories	1,183	802
Trade and other receivables	3,031	2,891
Concession receivables	31	29
Cash and cash equivalents	2,003	2,732
Assets held for sale	0	70
<b>Current assets</b>	<b>6,248</b>	<b>6,523</b>
<b>Total assets</b>	<b>10,378</b>	<b>10,729</b>

## LIABILITIES AND EQUITY

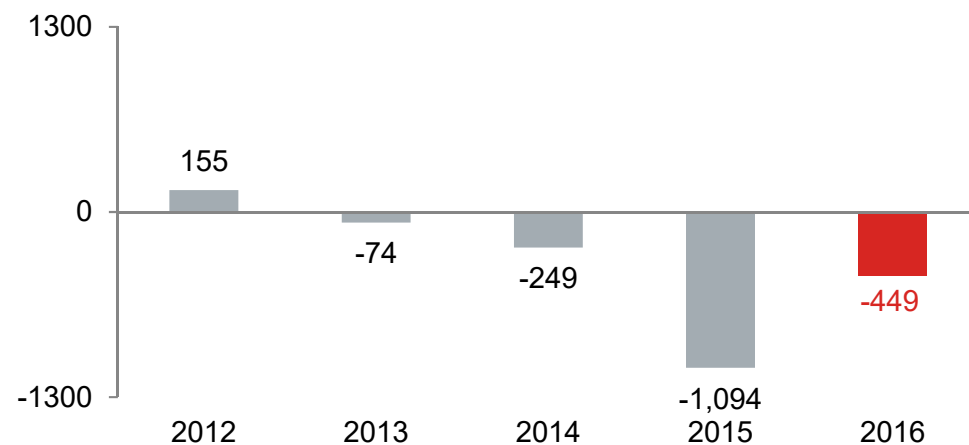
(€m)	2016	2015
Share capital	110	114
Capital reserves	2,315	2,311
Retained earnings	761	614
Non-controlling interests	79	282
<b>Equity</b>	<b>3,265</b>	<b>3,321</b>
Provisions	1,112	1,093
Financial liabilities	1,224	1,294
Trade payables & other liab.	63	18
Deferred taxes	21	36
<b>Non-current liabilities</b>	<b>2,420</b>	<b>2,441</b>
Provisions	810	774
Financial liabilities	203	286
Trade payables	2,818	2,994
Other current liabilities	862	913
<b>Current liabilities</b>	<b>4,693</b>	<b>4,967</b>
<b>Liabilities &amp; equity</b>	<b>10,378</b>	<b>10,729</b>

Rounding differences might occur.

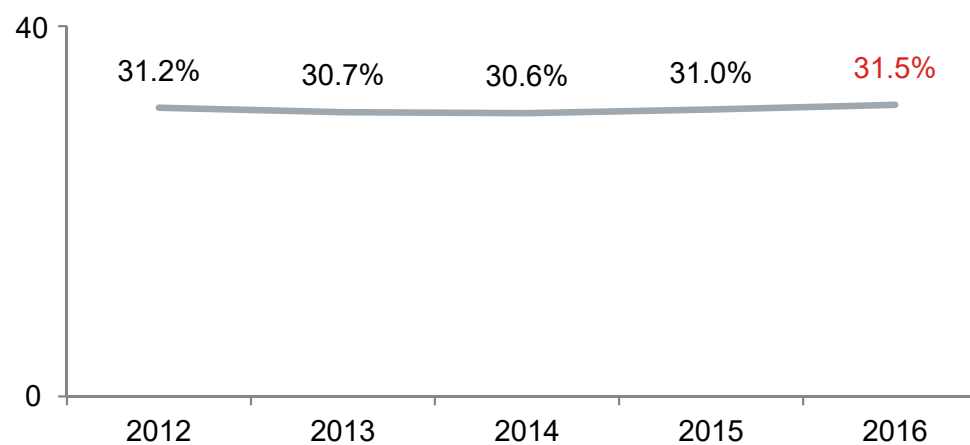


# NET CASH POSITION AND HIGH EQUITY RATIO MAINTAINED

## NET DEBT (+)/NET CASH (-) (€M)



## EQUITY RATIO (%)



- Equity ratio at 31%; target:  $\geq 25\%$
- Still high net cash position:
  - Uncharacteristically high project-related advance payments of the past years now reversed
  - Increased investments and acquisition of Ed. Züblin AG minority interest
- S&P confirmed corporate credit rating of BBB (outlook: stable) in 2016

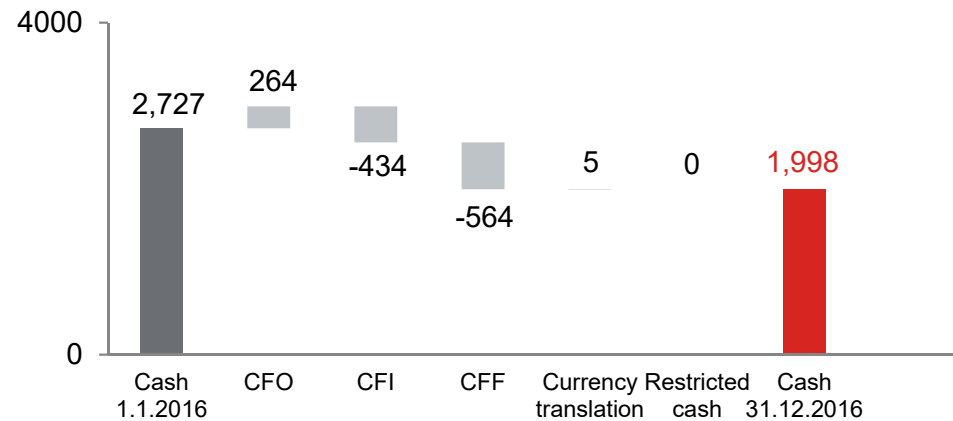
# CASH AND CASH EQUIVALENTS OF € 2.0 BILLION

(€m)	2016	Δ%	2015
<b>Cash – beginning of period</b>	<b>2,727</b>	43	1,906
Cash flow from earnings	690	5	658
Δ Working Capital	-426	n.m.	582
Cash flow from operating activities	264	-79	1,240
Cash flow from investing activities	-434	-36	-320
Cash flow from financing activities	-564	-380	-118
Net change in cash	-734	n.m.	803
FX changes	5	-6	6
Change restricted cash	0	-100	12
<b>Cash – end of period</b>	<b>1,998</b>	-27	2,727

Rounding differences might occur.

# CASH AT € 2.7 BILLION

## CASH DEVELOPMENT (€M)



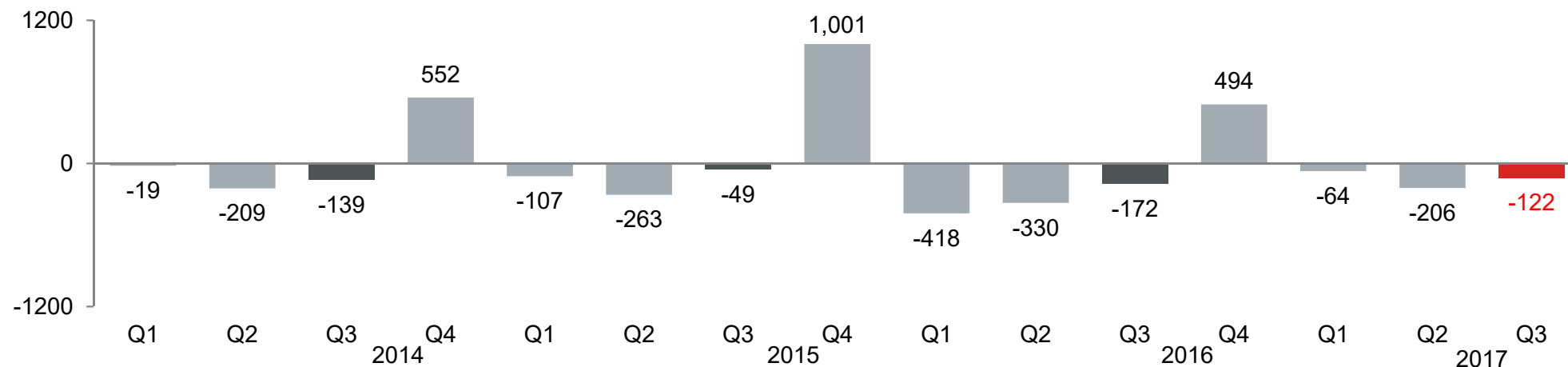
## COMMENTS

- Strong working capital reduction of the previous years reversed as expected
- Higher investments in property, plant and equipment
- Acquisition of Tech Gate Vienna property and Raiffeisen evolution group (now STRABAG Real Estate GmbH, Vienna)

CFO: Cash flow from operating activities    CFF: Cash flow from financing activities    CFI: Cash flow from investing activities (net CAPEX)

# SUCCESSFUL WORKING CAPITAL MANAGEMENT

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

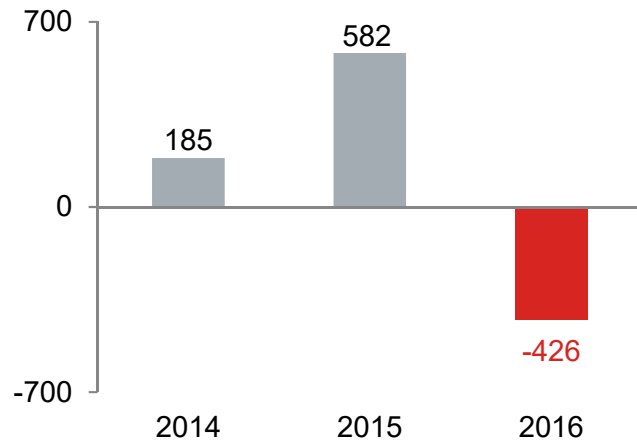


## COMMENTS

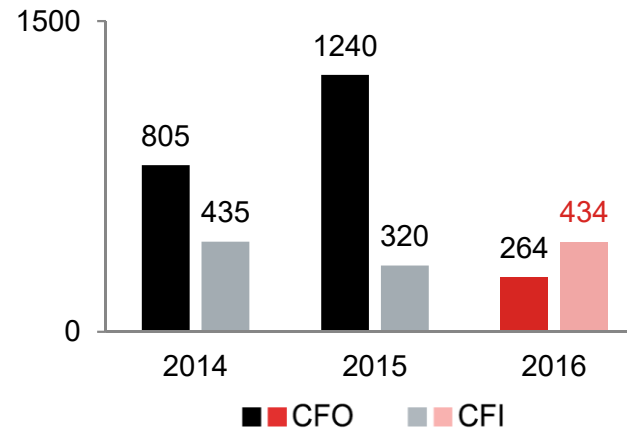
- Working capital outflows generally occur over the first nine months of the year due to business seasonality
- Unusually high improvement of working capital in Q4/2015 due to uncharacteristically high project-related prepayments reversed in 2016 as expected

# CFI EXCEEDS CFO IN 2016

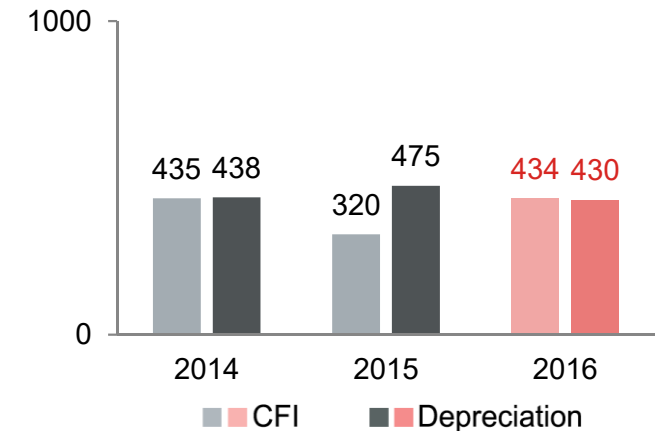
**Δ WORKING CAPITAL (€M)**



**CFO VS. CFI (€M)**



**CFI VS. DEPRECIATION (€M)**



- Exceptionally high FCF in 2015, situation reversed in 2016
- Purchase of PP&E at € 412 million (2015: € 396 million), thereof ~ € 250 million maintenance CAPEX
- 2016 depreciation includes goodwill impairment of € 5 million (2015: € 25 million)
- 2015 depreciation included special depreciation allowance for hydraulic engineering equipment

# NORTH + WEST BENEFITS FROM GERMANY

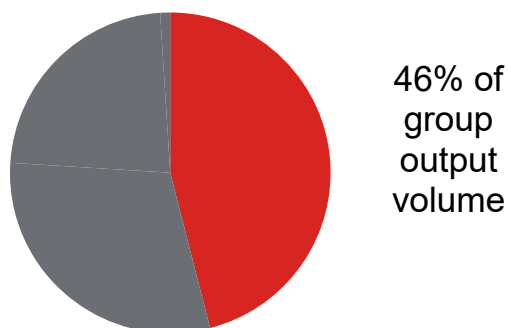
## KEY INDICATORS

(€m)	2016	Δ%	2015
Output volume	6,175	-3	6,368
Revenue	5,802	-2	5,895
Order backlog	7,030	30	5,397
EBIT	170	62	105
<i>EBIT margin %</i>	2.9		1.8
Employees	22,233	-1	22,421

## COMMENTS

- Output volume slightly lower
- EBIT gained 62%: Improvements in Germany, absence of past burdens related to a large project in the Netherlands
- Order backlog (+30%) driven to a record high by Germany
- Outlook:
  - Order backlog hints at higher output volume in 2017
  - Germany: Positive outlook for building construction and civil engineering as well as for transportation infrastructures
  - Poland: Public tendering activity came to a standstill
  - Scandinavia: Lasting upward trend

## SHARE OF GROUP OUTPUT VOLUME



# SOUTH + EAST: STABLE AT A HIGH LEVEL

## KEY INDICATORS

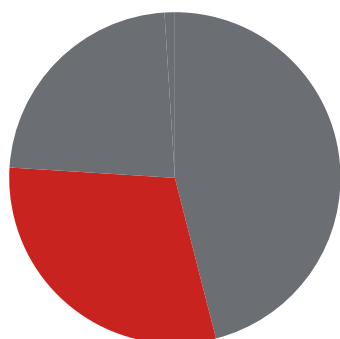
(€m)	2016	Δ%	2015
Output volume	4,001	-12	4,535
Revenue	3,889	-12	4,412
Order backlog	3,483	0	3,477
EBIT	188	-5	197
<i>EBIT margin %</i>	4.8		4.5
Employees	17,758	-2	18,043

## COMMENTS

- Output volume lower by 12%: Decrease especially pronounced in Slovakia, Hungary and Czech Republic
- EBIT down, but segment still contributes strongly to earnings
- Order backlog unchanged
- Outlook:
  - Increase in output volume expected for 2017
  - Austria stable
  - Mixed picture in CEE

## SHARE OF GROUP OUTPUT VOLUME

30% of group output volume



# INTERNATIONAL + SPECIAL DIVISIONS: EARNINGS PLUS AFTER NUMBER OF CONTRARY EFFECTS

## KEY INDICATORS

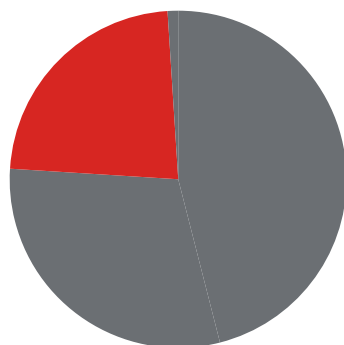
(€m)	2016	Δ%	2015
Output volume	3,155	-3	3,250
Revenue	2,681	-4	2,791
Order backlog	4,295	1	4,253
EBIT	49	4	47
<i>EBIT margin %</i>	1.8		1.7
Employees	26,027	-4	27,077

## COMMENTS

- Output volume down especially due to Italy
- EBIT hardly changed in absolute terms – number of contrary effects related to large projects
- Order backlog coined by tunnelling project for Chilean copper mine
- Outlook:
  - Output volume 2017 should increase slightly
  - Property and facility services business as well as real estate development contribute positively to earnings
  - Very competitive market for tunnelling and concession projects

## SHARE OF GROUP OUTPUT VOLUME

23% of group output volume





# 5 APPENDIX



# OUTPUT VOLUME BY COUNTRY

(€m)	2012	2013	2014	2015	2016	CAGR <sup>1)</sup> (%)
Germany	5,779	5,789	6,080	6,256	6,270	2
Austria	1,888	1,982	2,058	2,003	2,099	3
Poland	1,139	787	817	941	774	-9
Czech Republic	646	645	620	765	631	-1
Hungary	393	496	544	594	448	3
Russia	527	561	302	230	139	-28
Slovakia	400	340	427	716	461	4
Romania	372	322	181	241	254	-9
Croatia	130	133	121	68	78	-12
Slovenia	81	67	68	98	65	-5
Serbia	72	31	38	46	89	6
Bulgaria	27	20	39	35	27	0
Switzerland	425	386	359	343	378	-3
Benelux	456	400	324	302	309	-9
Sweden <sup>2)</sup>		315	271	240	179	n.a.
Italy	157	168	179	188	82	-15
Denmark <sup>2)</sup>		152	197	219	234	n.a.
Other European Countries	83	81	169	167	150	16
Middle east	305	323	272	314	267	-3
Americas	348	263	255	310	348	0
Africa	125	165	158	120	78	-11
Asia	111	103	87	92	131	4
<b>Total</b>	<b>14,043</b>	<b>13,530</b>	<b>13,566</b>	<b>14,290</b>	<b>13,491</b>	<b>-1</b>

1) CAGR over period 2012–2016; 2) Until 2012 disclosed as Scandinavia: € 579 million

# STRABAG MARKET SHARE DATA

2016 (€M)	CONSTRUCTION OUTPUT	STRABAG OUTPUT	MARKET SHARE (%)
Germany	310,809	6,270	2.0
Austria	34,948	2,097	6.0
Poland	44,936	774	1.7
Czech Republic	16,450	631	3.8
Hungary	7,480	448	6.0
Russia	113,567	139	0.1
Slovakia	4,615	461	10.0
Romania	46,970	254	0.5
Croatia	2,977	78	2.6
Slovenia	2,257	65	2.9
Serbia	2,145	89	4.1
Bulgaria	6,077	27	0.4
Switzerland	63,351	378	0.6
Benelux	114,993	309	0.3
Sweden	40,698	179	0.4
Italy	164,411	82	<0.1
Denmark	30,113	234	0.8

Sources: Euroconstruct Summer 2017, EECFA Country Reports Summer 2017, company data

# MARKET LEADING POSITIONS IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

## WESTERN EUROPE

GERMANY		AUSTRIA			
<i>Output volume/Revenue 2015 (€m)</i>		<i>Output volume/Revenue 2015 (€m)</i>			
1.	<b>STRABAG</b>	6,256	1. <b>STRABAG</b>	2,003	
2.	Vinci	2,703	2.	Porr	1,871
3.	Goldbeck	1,881 <sup>1)</sup>	3.	Swietelsky	1,247
4.	Max Bögl	1,600 <sup>1)</sup>	4.	Habau	1,112
5.	Hochtief	1,029	5.	Rhomberg Gruppe	234

## EASTERN EUROPE

POLAND		CZECH REPUBLIC		HUNGARY				
<i>Output volume/Revenue 2015 (€m)</i>		<i>Output volume/Revenue 2015 (€m)</i>		<i>Output volume/Revenue 2015 (€m)</i>				
1.	Skanska	1,315	1. <b>STRABAG</b>	764	1. <b>STRABAG</b>	594		
2.	Budimex	1,227	2.	Metrostav	693	2.	Duna Aszfalt	510
3.	<b>STRABAG</b>	940	3.	Eurovia	486	3.	Közhép	328
4.	Polimex-Mostostal	609	4.	OHL	462	4.	Swietelsky	353
5.	Erbud	430	5.	Skanska	435	5.	Colas	259

Sources: Companies' Annual Reports; Deutsche Bauindustrie; Deloitte; Figyelő; img.ihned.cz

1) Bilfinger no longer listed as the company withdrew its focus from the construction business. Max Bögl and Goldbeck listed with total revenue.

# MARKET LEADING POSITION IN CENTRAL AND EASTERN EUROPEAN COUNTRIES (CONT.)

SLOVENIA		
<i>Output volume/Revenue 2015 (€m)</i>		
1.	SGP Pomgrad	124
2.	<b>STRABAG</b>	<b>97</b>
3.	GH Holding	92
4.	Gorenjska gradbena druzba	79
5.	CGP	68

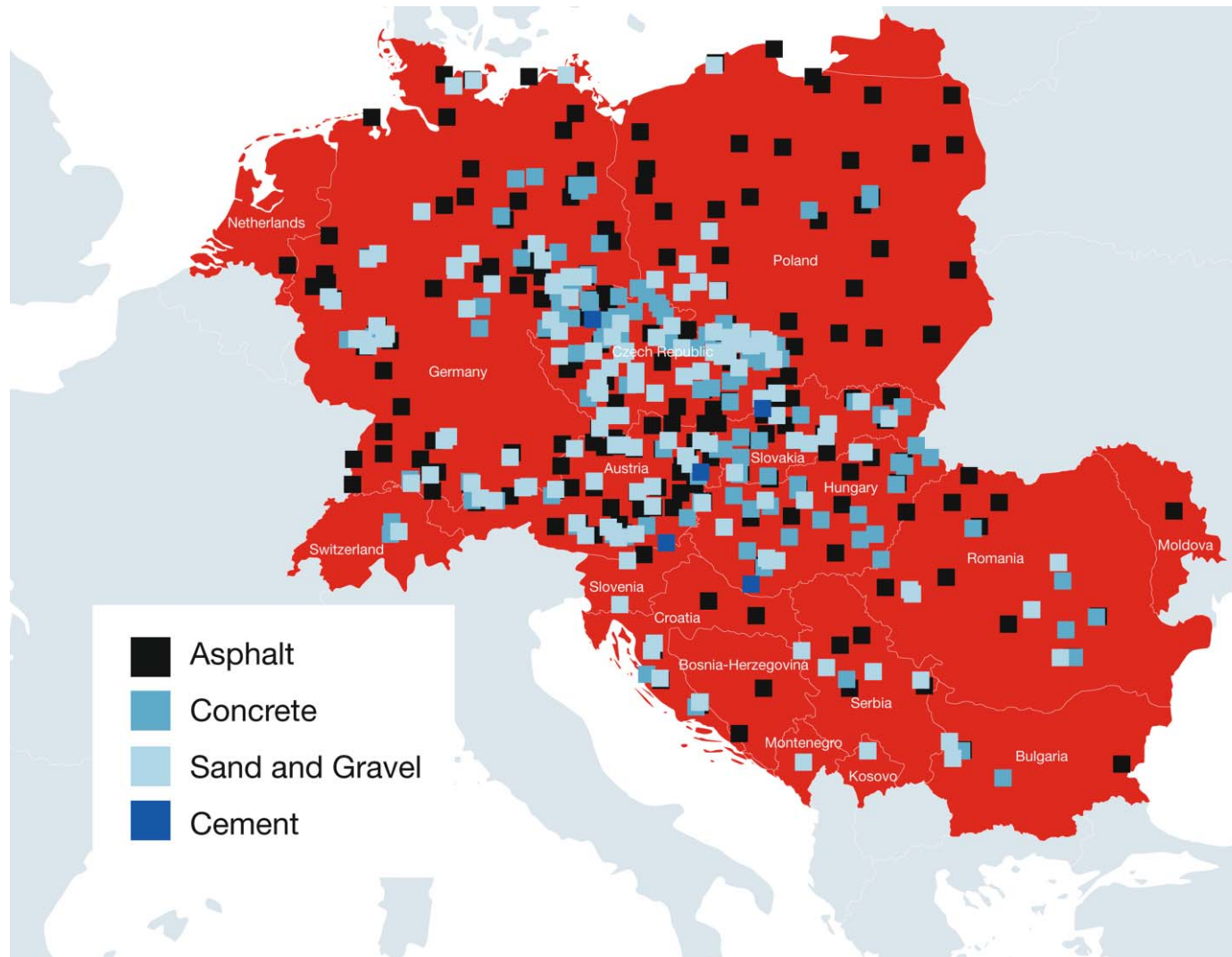
SLOVAKIA		
<i>Output volume/Revenue 2015 (€m)</i>		
1.	<b>STRABAG</b>	<b>716</b>
2.	Doprastav	312
3.	Vahostav	194
4.	Eurovia	190
5.	Inzinierske stavby	153

CROATIA		
<i>Output volume/Revenue 2015 (€m)</i>		
1.	Kamgrad	116
2.	Viadukt	99
3.	Tehnika	92
4.	GP Krk	82
5.	<b>STRABAG</b>	<b>68</b>

ROMANIA		
<i>Output volume/Revenue 2015 (€m)</i>		
1.	<b>STRABAG</b>	<b>241</b>
2.	Bog'Art	107
3.	Astaldi	99
4.	Construci Erbasu	92
5.	ConA	57

Sources: [www.fininfo.hr](http://www.fininfo.hr); [trend.sk](http://trend.sk); [ajpes.si](http://ajpes.si); RCB

# OWN BUILDING MATERIALS NETWORK



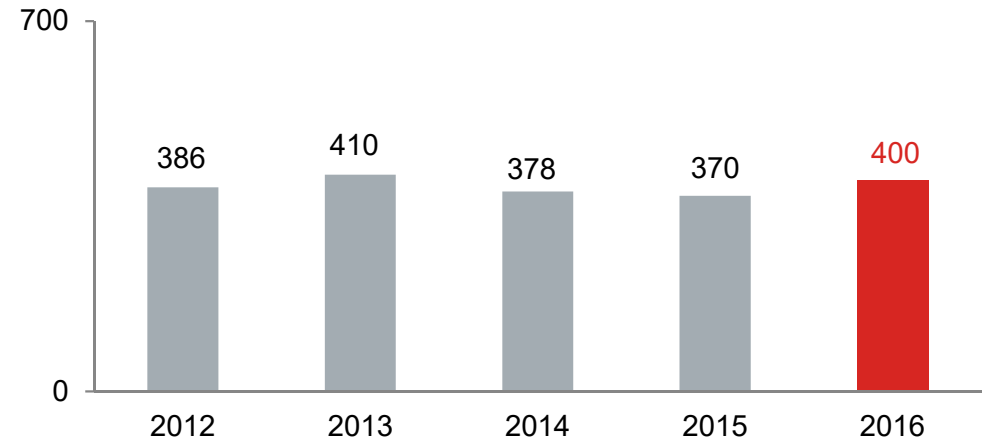
# FINANCING PPP-PROJECTS

## TYPICAL FINANCING

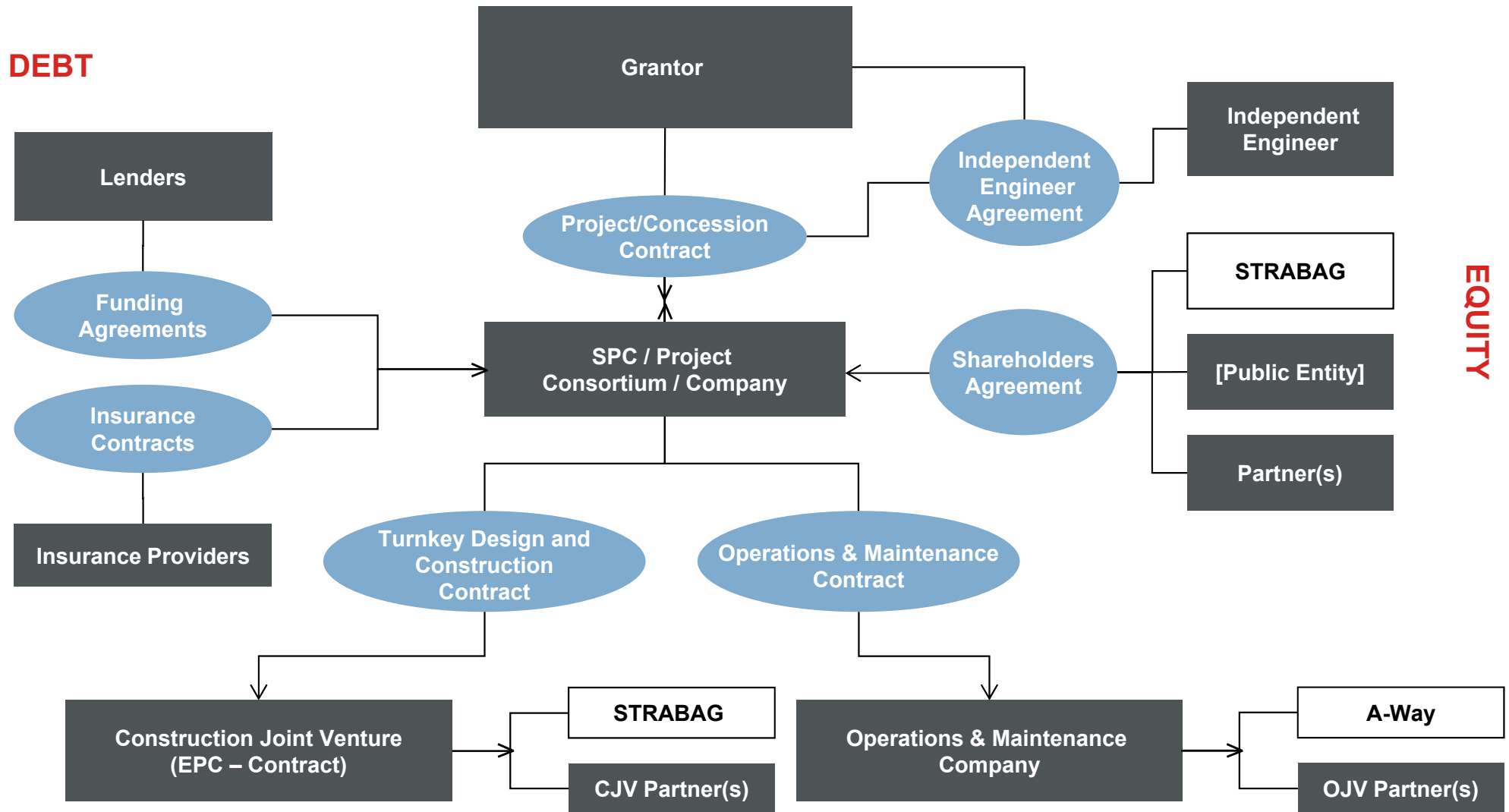
- The SPV<sup>1)</sup> is financed with equity (10%–30%) and bank debt (70%–90%)
- STRABAG – as a shareholder in the SPV – puts in equity
- Other SPV shareholders are e.g. governments, infrastructure funds and developers or other construction companies.
- The grantor pays a fee to the SPV which is used for construction, maintenance, repaying debt and paying dividends to equity partners.
- Availability and hard toll projects, forfeiting models
- Maintenance part of availability fee linked to inflation
- WACCs differ according to risk: 6%–13%
- ROE targets: minimum 12%
- Share of equity currently invested and committed: € 400 million (as at end of 2016)

1) Special Purpose Vehicle

## EQUITY INVESTED IN PPP (€M)



# ILLUSTRATIVE PPP PROJECT STRUCTURE





# PROPERTY & FACILITY SERVICES: STRATEGIC RATIONALE & TARGETS

## EXTENDING THE VALUE CHAIN

---

- Offsets seasonal and cyclical factors (contracts of 3-5 years duration)
- One integrated provider for planning, construction and operation of properties
- Long-term relationship with customers, that does not end after the construction project has finished
- Growth opportunities through international market access and rising importance of lean real estate operations

## BUSINESS SEGMENTS

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- Real Estate Management
  - Property Management
  - Leasing and letting/area management
- Technical Facility Management
- Infrastructural Facility Management including technical cleaning and industrial services
- Support of tenancy and marketing activities

## TARGETS FOR 2017

---

- Extend business with new and existing customers
- Stable output volume of approx. € 1 billion (Deutsche Telekom accounts for approx 70% of German revenues)
- Enter new market segments (e.g. industrial services, automotive, energy management etc.)
- Set up real estate services 4.0: establish semi-automated order management by 2018, establish test period for augmented reality, HoloLens mixed reality glasses, and Internet of Things in 2017

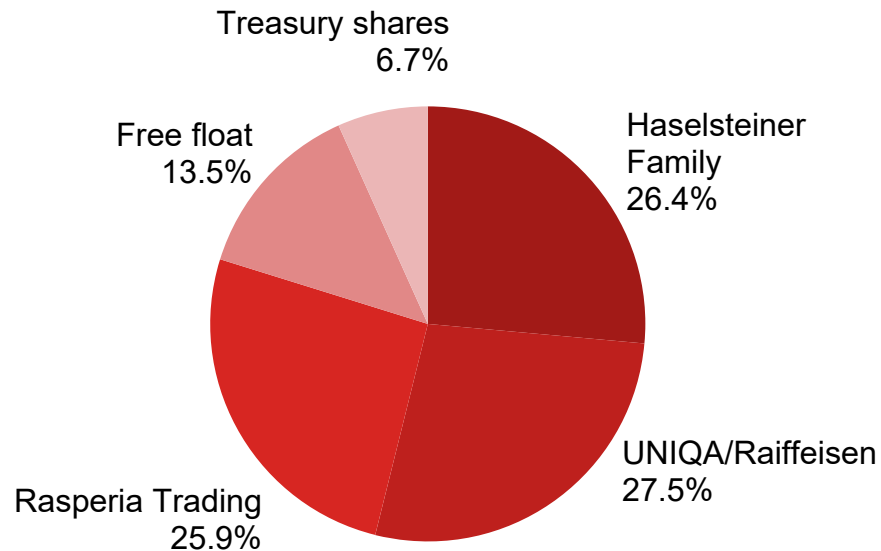
## MILESTONES

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- 2008 Acquisition of **Deutsche Telekom Immobilien und Services GmbH** | **Germany**
- 2010
  - Acquisition of RIMEX Group | **Germany**
  - Acquisition of ECM Facility a.s. | **Czech Republic**
- 2012 Acquisition of **BWG** (GSW Betreuungsgesellschaft f. Wohnungs- und Gewerbebau mbH) | **Germany**
- 2014 Acquisition of **DIW Instandhaltung** | **Germany**
- 2017 Acquisition of **Egger PowAir Cleaning** | **Austria**

# STABLE SHAREHOLDER STRUCTURE

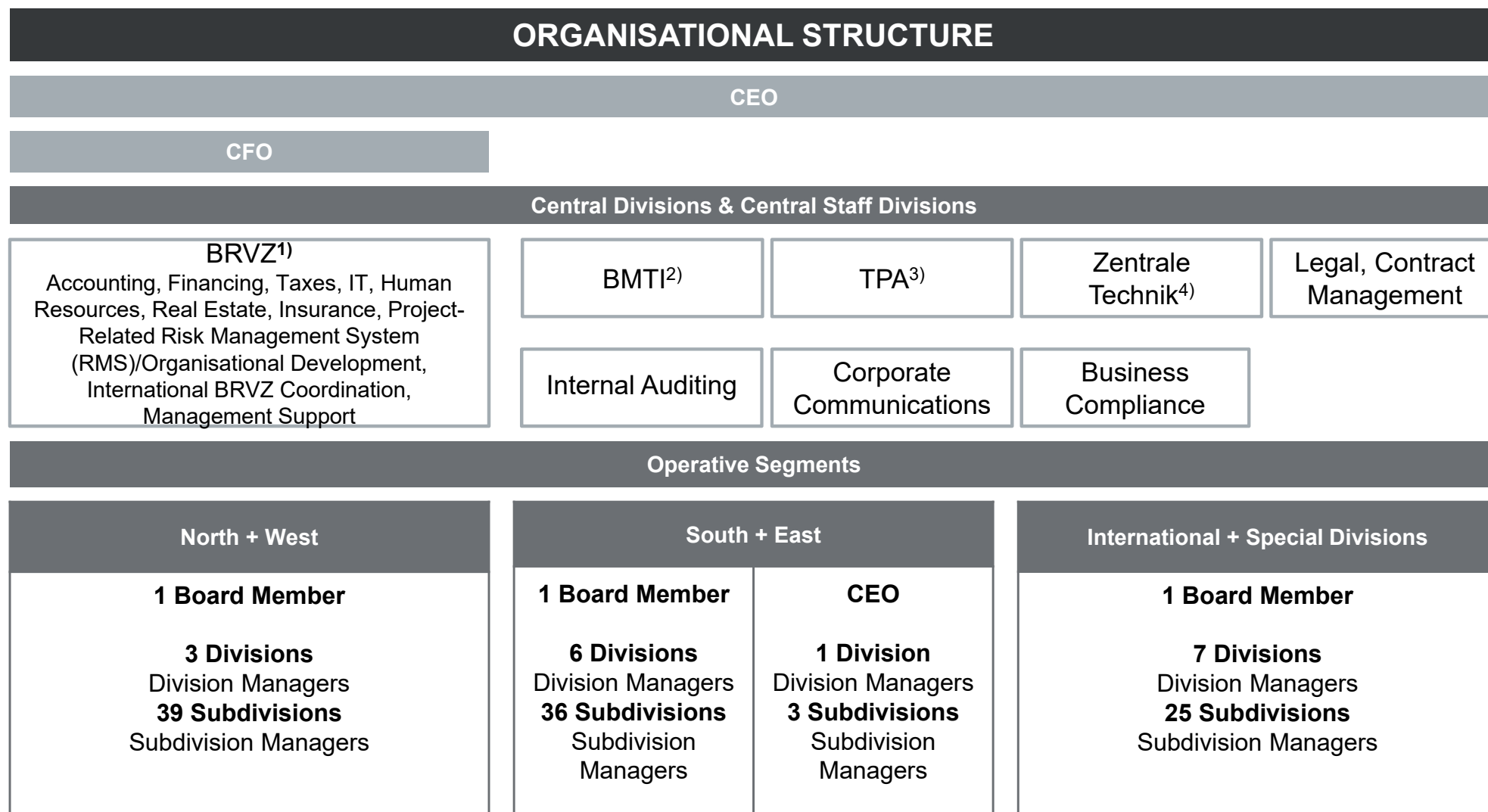
## SHAREHOLDER STRUCTURE SINCE 7/2016



## COMMENTS

- Core shareholders account for the majority > 80% stake
- Shareholders' syndicate extended in June 2017 by five years to end of 2022
- Flexibility: Strategic decisions can be taken and implemented very fast.
- Reduction of share capital in 2016: Withdrawal of 4 million own shares; share capital as at 22 July 2016: € 110,000,000

# ORGANISATION – CENTRAL UNITS



1) BRVZ: Bau- Rechen- und Verwaltungszentrum  
 2) BMTI: Baumaschinentechnik International

3) TPA: TPA Gesellschaft für Qualitätssicherung und Innovation  
 4) Zentrale Technik: Central Technical Division

As of 1 February 2017

# THE MANAGEMENT BOARD

## LONG RECORD OF EXPERIENCE WITHIN STRABAG AND IN THE CONSTRUCTION SECTOR



Over  
**100**

years combined experience at STRABAG

### **Thomas Birtel, CEO** (second left)

- Joined STRABAG in 1996
- Management Board member since 2006
- Born 1954 Education: Economics

### **Christian Harder, CFO** (second right)

- Joined STRABAG in 1994
- Management Board member since 2013
- Born 1968 Education: Business Administration

### **Peter Krammer, Head of North + West segment** (left)

- Joined STRABAG in 1998
- Management Board member since 2010
- Born 1966 Education: Civil Engineering

### **Siegfried Wanker, Head of South + East segment** (right)

- Joined STRABAG in 1994
- Management Board member since 2011
- Born 1968 Education: Civil Engineering

### **Hannes Truntschnig, Head of International + Special Divisions segment** (centre)

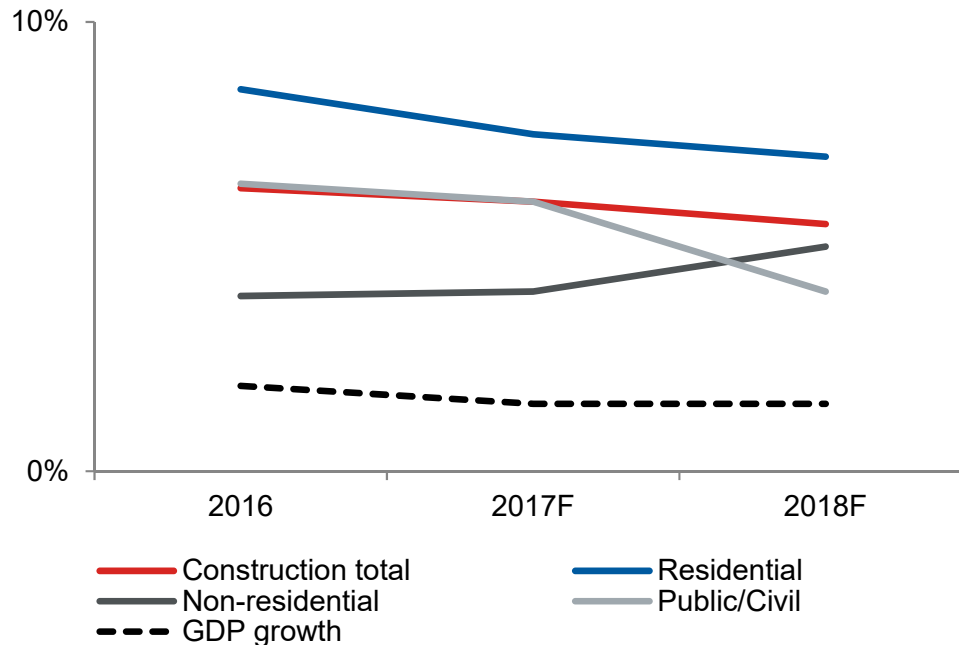
- Joined STRABAG in 1981
- Management Board member since 1995
- Born 1956 Education: Engineering and Business Administration

# STRABAG SHARE IS COVERED BY EIGHT INSTITUTIONS

COMPANY	DATE	TITLE	TARGET PRICE	RATING
LBBW	6.12.2017	EBIT-Margenziel von zumindest 3% erscheint gut abgesichert	€ 36.0	Hold
Erste Group	1.12.2017	3Q17: Hoher Rekordauftragsbestand, Ausblick angehoben	€ 42.9	Buy
RCB	1.12.2017	Strong fundamentals prevail, TP cut on loss of DeTe contract	€ 38.0	Buy
Commerzbank	30.11.2017	Q3 strong on second look	€ 45.0	Buy
Berenberg	22.8.2017	Ahead of the curve (initial research report)	€ 44.0	Buy
MainFirst Bank	7.7.2017	Transforming Strabag - but to what extent?	€ 38.0	Neutral
Deutsche Bank	29.6.2017	Company update – record backlog, shareholder changes due?	€ 33.0	Hold
Kepler Cheuvreux	10.5.2017	Solid FY results, TP raised to EUR 37	€ 37.0	Hold

# GERMANY: STRONG GROWTH IN HOME MARKET

## GROWTH IN CONSTRUCTION SEGMENTS



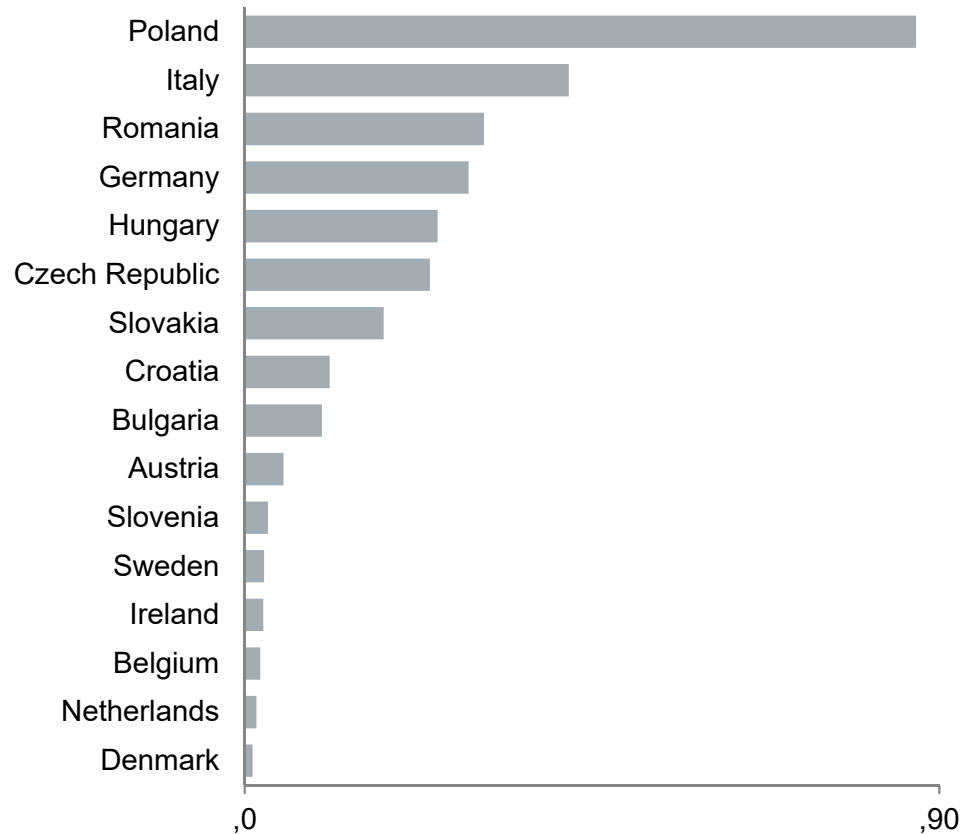
## COMMENTS

- STRABAG is the German market leader with 2.1% market share, 9.1% in road construction
- Persistently good economic activity due to strong increase in private consumption and public investment
- Germany should be able to keep the high level in public/civil it will have reached in 2018/19
- „Bundesverkehrswegeplan“: € 270 billion public investment into transportation infrastructure by 2030, thereof approx. 50% into A-roads
- Special need to catch up investment in bridges
- A weakening is also not to be expected in building construction by 2019
- Strong need for living space, political goal: 400,000 residential units per year by 2020
- Energy efficiency is one of the central goals of the German government („Klimaschutzplan 2050“)

Sources: Hauptverband der deutschen Bauindustrie May 2017; Euroconstruct June 2017

# BREXIT – IMPLICATIONS ON STRABAG

## BUDGET EUROPEAN FUNDS<sup>1)</sup> 2014–2020 (€BN)



- STRABAG – little to no direct exposure to UK
- But Brexit has a big indirect influence:  
UK payments to EU = payments of 20 smallest countries
- Given the reduced EU budgets as of 2021, funds for infrastructure projects could be retrieved to a greater extent in the nearer future

1) Source: European Commission; European structural and investment funds; only countries with STRABAG presence shown

# FINANCIAL CALENDAR AND IR CONTACT

- **Annual Report 2017** 27 April 2018
- Interim Report January-March 2018 30 May 2017

**Diana Neumüller-Klein, CFA**  
Head of Investor Relations & Corporate Communications  
+43 1 22422-1116  
diana.klein@strabag.com

**[www.strabag.com](http://www.strabag.com)**