...thanks. And you?

Semi-Annual Report 2021
31 August 2021

STRABAG SOCIETAS EUROPAEA

CONTENT

KEY FIGURES

KEY FINANCIAL FIGURES

	6M/2021	6M/2020	Δ %	2020
Output volume (€ mln.)	6,943.37	6,720.08	3	15,446.61
Revenue (€ mln.)	6,535.48	6,321.81	3	14,749.74
Order backlog (€ mln.)	21,101.85	19,440.54	9	18,369.02
Employees (FTE)	72,942	74,093	-2	74,340

KEY EARNINGS FIGURES

	6M/2021	6M/2020	Δ %	2020
EBITDA (€ mln.)	406.29	300.11	35	1,174.45
EBITDA margin (% of revenue)	6.2	4.7		8.0
EBIT (€ mln.)	140.19	45.10	211	630.65
EBIT margin (% of revenue)	2.1	0.7		4.3
EBT (€ mln.)	136.79	31.61	333	610.05
Net income (€ mln.)	90.94	0.63	14,335	399.06
Net income after minorities (€ mln.)	88.27	-0.79	n. m.	395.22
Net income after minorities margin (% of revenue)	1.4	0.0		2.7
Earnings per share (€)	0.86	-0.01	n. m.	3.85
Cash flow from operating activities (€ mln.)	-62.51	32.84	n. m.	1,279.66
ROCE (%)	2.0	0.3		7.5
Investment in fixed assets incl. non-cash additions to right-of-use assets (€ mln.)	239.95	242.19	-1	544.13

KEY BALANCE SHEET FIGURES

	30.6.2021	31.12.2020	Δ %
Equity (€ mln.)	3,516.38	4,108.22	-14
Equity ratio (%)	30.1	33.9	
Net debt (€ mln.)	-813.57	-1,747.23	-53
Gearing ratio (%)	-23.1	-42.5	
Capital employed (€ mln.)	5,212.71	5,815.14	-10
Balance sheet total (€ mln.)	11,675.11	12,134.44	-4

EBITDA = earnings before net interest income, income tax expense and depreciation and amortisation
EBIT = earnings before net interest income and income tax expense
EBT = earnings before income tax expense
ROCE = (net income + interest on debt - interest tax shield (25 %))/(average group equity + average interest-bearing debt)
Net debt = financial liabilities - non-recourse debt + provisions for severance and pension obligations - cash and cash equivalents
Gearing ratio = net debt/group equity
Capital employed = group equity + interest-bearing debt

CEO'S REVIEW

Dear shareholders, associates and friends of STRABAG SE,

We had entered the year 2021 with caution, and our forecast had been correspondingly cautious. The order backlog in the first quarter, which for the first time exceeded the € 20 billion mark, quickly showed that business in the financial year would be brisk. And the situation after six months confirmed this development, with an order backlog of more than € 21 billion – a new all-time high!

For this reason, the Management Board now expects to achieve an output volume in the 2021 financial year that is above the previous year's level, i.e. above € 15.4 billion. Previously, only a "slightly" higher output had been projected. The EBIT margin should be close to the target of 4 % set for 2022.

These good prospects in our day-to-day business allow us to resolutely invest human and financial resources in projects within the framework of our strategic programme FASTER TOGETHER 2022 – among other things, in the further digitalisation and automation of construction and construction-related services or in the implementation of our sustainability strategy defined in spring 2021, which envisages climate neutrality along our entire value chain by 2040. If you are interested, you can read more about this topic in this semi-annual report.

Yours,

Thomas Birtel

Thomas Birtel
CEO of STRABAG SE

- Output volume up 3 % in the first half of 2021
- EBITDA +35 %, EBIT rose to € 140.19 million
- Order book at record high of € 21.1 billion.
- 2021 outlook raised: output volume expected above the previous year's figure of € 15.4 billion – previously projected at "slightly" higher; EBIT margin close to the target of 4 % set for 2022

IMPORTANT EVENTS

JANUARY

STRABAG consortium wins € 246 million infrastructure contract in Hungary

The S-D 2020 M6 consortium, consisting of STRABAG Építő Kft. (50.12 %) and Duna Aszfalt Zrt., will complete the 20 km gap of the Hungarian M6 motorway between Bóly and Ivándárda on the Croatian border. The project entails, among other things, the construction of three junctions, 16 bridges and a service area. The project is scheduled to be completed within 36 months.

STRABAG and JOHANN BUNTE started the year in Germany with a major new contract

The joint venture A 1 Lohne Bramsche kicked off the new year with the acquisition of a large project in transportation infrastructures. The Federal Republic of Germany, represented by Die Autobahn GmbH des Bundes, commissioned a joint venture consisting of STRABAG AG (50 %) and JOHANN BUNTE Bauunternehmung GmbH & Co. KG (50 %) with the widening of the A1 motorway in Lower Saxony over a distance of around 29.5 km under a so-called function-based construction contract (FBV). The approx. € 600 million contract also includes structural maintenance over a period of 30 years. Construction started on 1 February 2021 and will be carried out under traffic. Completion of the motorway section is scheduled for mid-2025.

FEBRUARY

Germany's largest micro-apartment project in Frankfurt

STRABAG group company Ed. Züblin AG was commissioned by client i Live Commerz Real Campus Zwei GmbH to build an eight-storey residential complex with a gross floor area of 49,500 m² in Frankfurt's Nordend district. When completed, the student housing complex, which will feature 1,158 flats and has a contract value of around € 83 million, will be the largest of its kind in Germany.

APRIL

Major motorway contract in Poland

The STRABAG group's Polish subsidiary was awarded the € 153 million design-and-build contract by the country's General Directorate for National Roads and Motorways (GDDKiA). The 18.75 km section of the A2 between Siedlce West and Malinowiec is to be completed by the end of 2024.

ZÜBLIN to design and build new public administration centre for Dresden

STRABAG subsidiary ZÜBLIN and Dreßler Bau GmbH are working together as management contractors in a consortium to realise the new public administration headquarters in the heart of Dresden. The design-and-build contract was awarded by Kommunale Immobilien Dresden GmbH & Co. KG with a fixed lump sum price of € 116 million. The project is based on a design by the architectural firms Barcode Architects (Rotterdam) and Tchoban Voss Architekten (Hamburg/Dresden). The consortium of ZÜBLIN (66 %) and Dreßler Bau (34 %) will begin realising the striking 33 metre administration building at Ferdinandplatz scheduled for completion within a period of about four years. The new public administration centre will have a gross floor area of 33,500 m² distributed over seven above-ground floors with an asymmetrical floor plan and two underground parking levels. Completion is scheduled for the end of March 2025. The project will be preceded by archaeological excavations commissioned by the city of Dresden.

MAY

Expanding subway in Canada for approx. € 500 million

The Canadian subsidiary of STRABAG was awarded the contract for the Advance Tunnel Project for the Scarborough Subway Extension (Line 2) in Toronto. The approx. € 500 million (CAD 757 million) contract is being executed under a design-build-finance model which started in May 2021 and is expected to be completed by autumn 2024. The 7.8 km extension, which will run underground for its entire length, will connect the existing terminus at Kennedy Station with Sheppard Avenue/McCowan Road. The contract includes one launch shaft, one extraction shaft, five headwalls for future stations and 14 headwalls for emergency evacuation buildings. The tunnelling works will be performed using a TBM with a diameter of 11.87 m.

JUNE

STRABAG building bypass road S12 in Poland

STRABAG is further consolidating its strong market position in Poland with a contract worth around € 99 million. The GDDKiA has awarded the construction of the 13.6 km Chełm bypass road S12 east of Lublin near the border with Ukraine to STRABAG's Polish subsidiary STRABAG Sp. z o.o. The construction work is expected to take around 36 months. The bypass will be realised as a design-and-build project comprising two carriageways, each with two lanes, as well as four on- and off-ramps and 16 civil engineering structures, including bridges over the Uherka River and the Chełm–Włodawa railroad line, over a length of 13.6 km. The works also include the construction of a highway service station, local service roads as well as environmental protection and road safety facilities along the entire route.

JULY

Federal Competition Authority files application for fine based on settlement with STRABAG

Group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG have issued an acknowledgement as part of a settlement in the antitrust proceedings pending against them since 2017. Subsequently, the Federal Competition Authority (BWB) filed an application with the Cartel Court for a fine against the two companies in the amount of € 45.37 million. The companies have been cooperating fully with the BWB from the outset. The decision of the Cartel Court on the application for the fine is still necessary before the final settlement of the antitrust proceedings can be reached.

Motorway connection for Romanian economic centre Oradea

The Romanian subsidiary of STRABAG was awarded a new large-scale contract worth around € 111 million by Romania's National Company for Road Infrastructure Administration (CNAIR). Within a construction period of 24 months, STRABAG will build the link between the city of Oradea and the A3 motorway with a length of 18.96 km.

Last single-track section of railway along the TEN-T network is being expanded in Hungary

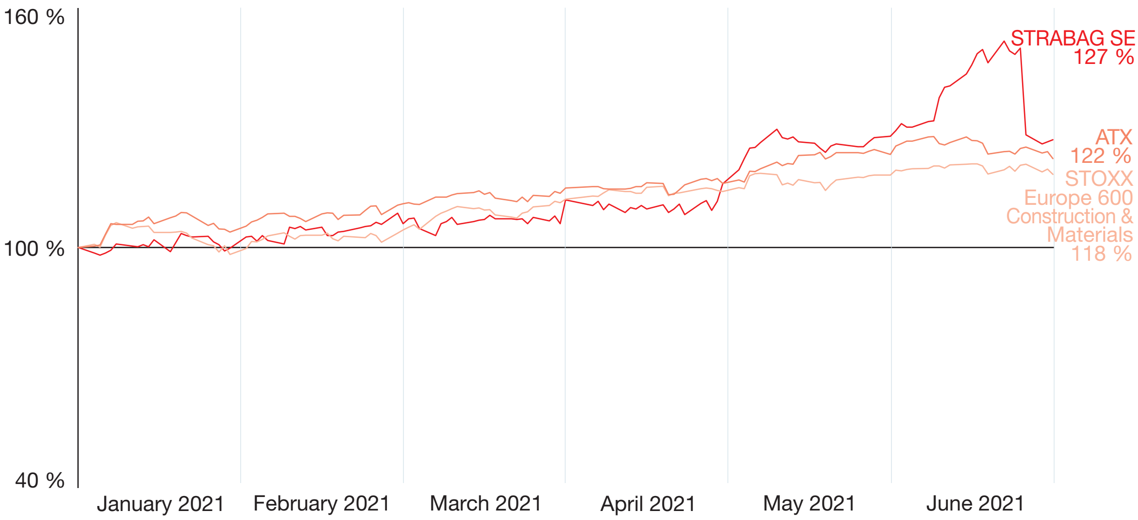
STRABAG was awarded the contract to upgrade a 30 km section of railway in south-eastern Hungary via its Hungarian railway construction subsidiary STRABAG Rail Kft. The contract, which is worth a total of € 364 million, will be executed in a consortium with a Hungarian partner (STRABAG share: 66 %). STRABAG is contributing the entire range of the group' services to this infrastructure project. In addition to the track construction work, the contract also includes the overhead lines, the safety and signalling systems, the modification of three stations, including park and ride facilities, as well as road construction and civil engineering works. The construction phase is scheduled for 33 months.

STRABAG acquired two metro projects in Prague

A consortium consisting of STRABAG a.s. and AŽD Praha s.r.o. was awarded the contract for the modernisation of the Jiřího z Poděbrad metro station in the centre of Prague. The order value is € 50 million (STRABAG share 65%). Moreover, an international consortium with the participation of the two group companies STRABAG a.s. and Ed. Züblin AG (share: 25 %) will start work on the first section of the Prague Metro's new Line D at the end of 2021. The geological conditions and the execution of tunnelling works in the densely built urban area pose the greatest challenge. STRABAG had already been involved in the preliminary geological explorations.

SHARE

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



Thanks to the economic recovery, the stock indexes continued their positive development on the international exchanges in the first six months of 2021, returning to the price levels from before the pandemic. At the same time, however, strong global demand triggered a veritable explosion in commodity prices. Against the backdrop of rising inflation and a possible reversal of the relaxed monetary policy on the part of the central banks, investors remain cautious about the future.

The Austrian benchmark index **ATX** has shown a consistently positive development since the beginning of the year. At the end of June, the index is in a slightly better position than it had been before the coronavirus crisis, with a plus of 22 % since the beginning of the year.

The price of **STRABAG SE shares** reached its highest value in the first half of 2021 with € 43.20 on 21 June 2021. The share closed at € 36.15 on 30 June 2021, which represents an increase of 27 %, outperforming both the Austrian benchmark index and the **STOXX Europe 600 Construction & Materials** by 18 %.

The reduction of the share capital by € 7,400,000.00, which was passed by resolution at the 17th Annual General Meeting of STRABAG SE, was completed with entry in the commercial register on 16 July 2021. The share capital now amounts to € 102,600,000.

Shares of STRABAG SE are currently under observation by six international banks. The analysts calculated an average target price of € 37.90. Detailed earnings estimates and recommendations can be found on the STRABAG SE website at www.strabag.com > Investor Relations > Share > Equity Research.

STRABAG SE SHARE

	6M/2021	6M/2020
Market capitalisation on 30 June (€ million)	3,708.99	2,354.67
Closing price on 30 June (€)	36.15	22.95
Six-month high (€)	43.20	31.50
Six-month low (€)	27.90	16.02
Performance six months (%)	27	-26
Outstanding bearer shares on 30 June (absolute) (shares)	102,599,997	102,599,997
Outstanding bearer shares six months (weighted) (shares)	102,599,997	102,599,997
Weight in WBI on 30 June (%)	3.19	3.42
Volume traded six months (€ million)[1]	208.51	127.04
Average trade volume per day (shares)[1]	47,811	42,139
Share of total volume traded on Vienna Stock Exchange (%)	0.44	0.29

1 Double count

MANAGEMENT REPORT JANUARY–JUNE 2021

Output volume and revenue

STRABAG SE generated a 3 % higher output volume of € 6,943.37 million in the first half of 2021. This growth is primarily due to the nearly one-fifth increase in the home market of Austria following the temporary suspension of construction activities in the wake of the coronavirus crisis in the same period of the previous year.

The consolidated group revenue also increased by 3 %. The ratio of revenue to output volume thus remained unchanged at 94 %.

Order backlog

The order backlog reached again a new record level of € 21,101.85 million as at 30 June 2021, an increase of 9 % over 30 June 2020. The backlog grew particularly in the home markets of Germany and Austria thanks to numerous new projects in a wide range of sectors.

Financial performance

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 35 % to € 406.29 million in the first half of 2021 compared to the same period of the last year, while earnings before interest and taxes (EBIT) rose by approx. € 95 million to € 140.19 million. This development is due to the performance of the International + Special Divisions and North + West segments. EBIT in the South + East segment shifted from positive to negative.

Net interest income was less negative, with € -3.40 million versus € -13.49 million in the first six months of the previous year. The figure includes positive exchange rate differences of € 1.37 million, as opposed to negative exchange rate differences in the same period of the previous year. Accordingly, earnings before taxes (EBT) came in at € 136.79 million (6M/2020: € 31.61 million). Income taxes amounted to € -45.85 million, which corresponds to a tax rate of 33 %. In the previous year, income taxes had amounted to € -30.98 million. The net income this year reached € 90.94 million (6M/2020: € 0.63 million).

The earnings attributable to minority shareholders, at € 2.67 million, changed very little in absolute terms. Overall, a net income after minorities of € 88.27 million was achieved. In the same period of the previous year, this figure had been just barely in negative territory at € -0.79 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € 0.86 (6M/2020: € -0.01).

Financial position and cash flows

The balance sheet total decreased from € 12.1 billion at the end of 2020 to € 11.7 billion due mainly to the lower cash and cash equivalents resulting from the distribution of a this time increased dividend. This was counteracted by the significant, business-related increase in contract assets. Compared to the same period of the previous year, the equity ratio decreased from

31.7 % to 30.1 %; at the end of 2020, it had amounted to 33.9 %. Despite the distribution of the increased dividend totalling € 707,94 million for 2020 from retained earnings, the equity ratio remained very strong. The net cash position declined from € 1,747.23 million at the end of 2020 to € 813.57 million (30 June 2020: € 946.47 million), driven not only by the dividend effect but also by seasonal factors.

While the cash flow from operating activities was still positive in the same period of the previous year, it now registered in negative territory at € -62.51 million mainly due to a strong increase in receivables. As investments in intangible assets and in property, plant and equipment were similar to those in the first six months of the previous year, the cash flow from investing activities also remained in a similar range, with € -220.17 million versus € -180.16 million. The cash flow from financing activities was strongly influenced by the increased dividend mentioned above, especially since the dividend in the previous year had only been paid out in the fourth quarter.

Capital expenditures

Particularly significant investments include the maintenance expenditures at our permanent establishments in the booming core market of Germany and the additional investments in the building materials business in Austria. The capital expenditures include € 233.16 million (6M/2020: € 223.86 million) for the purchase of intangible assets and of property, plant and equipment, excluding non-cash additions of right-of-use assets from leases, as well as € 14.17 million (6M/2020: € 14.90 million) for the purchase of financial assets and changes in the scope of consolidation of € 0.00 million (6M/2020: € 6.35 million).

Employees

The number of employees decreased slightly by 2 % to 72,942. This is almost exclusively due to the completion of the tunnelling works for the Alto Maipo hydropower megaproject in Chile. In the home markets of Germany and Austria, only very minor changes were recorded – in opposite directions.

Major transactions, risks and strategy

During the first six months of the financial year, there were no transactions with related parties which significantly influenced the financial situation or the business result nor were there any changes to transactions with related parties which were presented in the annual financial statements of 31 December 2020 and which significantly influenced the financial situation or business result of the first six months of the current financial year.

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy. Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating and technical risks in the selection and execution of projects, IT risks, investment risks as well as financial, personnel, ethical, legal and political risks.

The risks are explained in more detail in the 2019 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognisable which constitute a threat to its continued existence. Particular attention was given to the risks associated with the Covid-19 pandemic.

Against the backdrop of more frequent and increasingly severe climate change related natural events (e.g. wildfires, heat, floods, storms) and the demands placed on the group by customers and employees, STRABAG adopted a

sustainability strategy in the first half of 2021. It was integrated into the existing long-term group strategy and individually aligned to each of the business units.

Having set the target of climate neutrality along the entire value chain by 2040, STRABAG recognises its responsibility as one of Europe's leading technology companies for construction services. In the design and build phases of its construction projects, STRABAG places a particular focus on environmentally compatible and sustainable construction methods and on the efficient use of resources and their recyclability in order to limit as much as possible any negative impact on the environment.

The STRABAG sustainability strategy is founded on the three pillars of economy, environment and social, with a special focus on activities in the four major fields of action: CO_2 emissions, materials and waste, supply chain and construction life cycle. As the driving force behind the necessary transformation, technology is a required tool for leveraging the potential in all three pillars as well as a key topic in the corporate strategy programme FASTER TOGETHER 2022.

Another important step in the first half of 2021 was the definition of the **digital strategy** and the systematic initiation, pursuit and evaluation of digital transformation projects by the central division STRABAG Innovation & Digitalisation (SID), which was established in January 2020. Combining knowledge, data, technologies and innovations across the group enables SID to

- drive forward the digital transformation with strategically important flagship projects (e.g. SPS – Strategic Procurement Solution),
- utilise potential efficiency gains and cost savings (e.g. through further process standardisation and networking of IT systems),
- implement a structured innovation process,
- foster internal collaboration through the identification and application of best practice approaches,
- carry out data-based risk analyses and
- ensure sustainable supply chains.

As part of the ongoing digitalisation initiatives, SID is also focusing on topics such as robotics and automation to continuously enhance productivity and reduce CO_2 emissions. In the course of the digital transformation, the division also is always on the lookout for start-ups that complement STRABAG's core business in relevant markets or that (can) transform it in a future-oriented way. To this end, it operates a scouting function to adopt new technical solutions within the shortest possible period of time.

Within the comprehensive **risk management system** potential impact of climate change on the company is analysed and any identified risks (including material damage to buildings, installations and equipment as well as the health and safety conditions for employees) are monitored. At the same time, on the back of the enormous price increases for raw materials during the first half of 2021 – notably for cement, timber and plastics – management assesses the financial impact on a regular basis and tries to mitigate this risk through decentralised supply chains, long-term procurement, its own production of building materials and a proactive pricing policy.

STRABAG sees data as a strategic resource. It is fully aware of the risks of cyberattacks, unauthorised data access and data leaks, regulatory intervention and not least the environmental impact of large IT and server capacities. STRABAG has therefore successfully recertified its company-wide Information Security Management System in accordance with the ISO/IEC 27001 standard. During the first half of 2021, regular awareness-raising activities were carried out throughout the group to enhance digital skills and establish a security-focused data culture.

Outlook

The Management Board now expects to achieve an output volume above the previous year's level, i.e. above € 15.4 billion, in the 2021 financial year. The EBIT margin should reach a level close to the target of 4 % set for 2022. Net capital expenditures (cash flow from investing activities) should not exceed € 450 million.

SEGMENT REPORT

North + West

€ mln.	6M/2021	6M/2020	Δ %	Δ absolute
Output volume	3,390.63	3,530.54	-4	-139.91
Revenue	3,079.46	3,255.54	-5	-176.08
Order backlog	10,456.62	9,352.05	12	1,104.57
EBIT	105.20	81.56	29	23.64
EBIT margin (% of revenue)	3.4	2.5		
EBT	105.20	81.56	29	23.64
Employees (FTE)	25,301	25,520	-1	-219

The North + West segment recorded a 4 % lower **output volume** of € 3,390.63 million in the first half of 2021. This development is due to a decline in the home market of Germany, which had been characterised by exceptionally brisk business activity in the previous year, and, to a much lesser extent, to a weather-induced decrease in Poland.

The **revenue** also declined, specifically by 5 %, while the **EBIT** grew by 29 % to € 105.20 million, primarily thanks to earnings improvements in the German building construction business.

The **order backlog** as at 30 June 2021 increased by 12 % to € 10,456.62 million, thanks largely to the situation in Germany. New orders registered in the first half of the year in the German building construction business cover a wide range of projects, from apartment buildings for developers to industrial buildings to new buildings for the public administration, for example in Dresden. In the country's transportation infrastructures segment, noteworthy orders include the widening of the A1 motorway in Lower Saxony, being carried out under a joint venture arrangement. An increased order backlog was also recorded in Poland, where STRABAG was commissioned to design and build a new section of the A2 motorway and the S12 bypass road for the city of Chełm east of Lublin.

The number of **employees** remained unchanged in Germany, the dominant market in this segment, so the declines, which were registered primarily in Northern Europe, lowered the total number of employees in the segment by only 1 % to 25,301.

Regarding the **outlook** for the segment, the high order backlog suggests that a slightly higher output can be expected in the North + West segment in the 2021 financial year.

As a result of the Covid pandemic, some business segments in the **German building construction** sector, such as hotels, remain behind the trend. Overall, however, demand for construction services is up once more, enabling us to start the second half of the year with an even larger order backlog than at the same time last year despite the price increases in the construction sector.

The **transportation infrastructures** sector in **Germany** is still reporting restrained tendering activity on the part of the public sector. This reduced activity on the markets, however, which are characterised by an extremely high capacity utilisation, provides an opportunity to work off the high order backlog and to be selective in bidding for projects. Still, the shortage of materials must be taken into account, for example with regard to plastics, wood and structural steel.

Structural and strategic changes were made in the **Benelux** countries and in **Scandinavia**, for example by selling or closing activities in individual business areas in certain countries. This will have an impact on the development of the output volume.

In **Poland**, the focus is on managing the enormous price increases for raw materials and building materials, where increases in the double-digit percentage range were observed for steel, fuels, asphalt and plastics in the first six months of the current business year alone. Prices are expected to stabilise in the second half of the year, however. Public infrastructure programmes have kept demand in transportation infrastructures high for several years, and the building construction business has also seen a very positive trend in output and earnings in the first half of the year. Meanwhile, forecasts indicate a continued decline in investments in shopping centres and office building developments on the one hand, with an upturn in production facilities, residential construction, public sector construction, for example schools and hospitals, and in the energy sector, on the other hand.

South + East

€ mln.	6M/2021	6M/2020	Δ %	Δ absolute
Output volume	2,083.71	1,891.37	10	192.34
Revenue	2,049.13	1,833.42	12	215.71
Order backlog	5,429.66	4,788.77	13	640.89
EBIT	-10.43	44.32	n. m.	-54.75
EBIT margin (% of revenue)	-0.5	2.4		
EBT	-10.43	44.32	n. m.	-54.75
Employees (FTE)	20,014	19,701	2	313

The **output volume** in the South + East segment rose by 10 % to € 2,083.71 million in the first half of 2021, primarily due to the absence of any Covid-related suspension of construction activities as had been the case in the Austrian home market the year before. The business trend in Central and Eastern European countries was mixed. A noteworthy decline was registered in Hungary, resulting from the after-effects of the pandemic and the realisation of several projects in the previous year.

The **revenue** grew by 12 %. By contrast, the **EBIT** entered negative territory at € -10.43 million, compared with € 44.32 million in the previous year, which puts it at more or less the usual level. In the same period of the previous year, there had been a positive special effect from the reversal of a provision.

The **order backlog** amounted to € 5,429.66 million, 13 % higher than on 30 June 2020. This development can be attributed in particular to the record volume in Austria – thanks to large orders in building construction, especially residential construction, and in civil engineering, as well as stable, albeit regionally varied, order intake in transportation infrastructures compared to the previous year. Hungary also made up considerable ground. The order books in Hungary benefited especially from the contract awarded to a consortium involving STRABAG for the construction of a 20 km section of the M6 motorway between Bóly and Ivándárda in the first half of 2021.

The number of **employees** increased slightly by 2 % to 20,014. As with the output volume, staff numbers were up in Austria, while very different trends could be seen in the markets of Central and Eastern Europe. The number of employees rose significantly in Croatia, Bulgaria and the Czech Republic, among others, while it fell in Serbia, Russia and Slovakia.

Regarding the **outlook** for the segment, the trend in the output volume shown in the first half of the year is expected to continue in 2021 as a whole.

After the Covid-related restrictions, especially in March of the previous year, the output volume in **Austria** is expected to be significantly higher, reaching levels comparable to the record year of 2019. Uncertainties exist for the second half of the year due to the strong increase in raw material prices, e.g. for wood, construction steel and insulation materials, and the associated price volatilities. From today's perspective, however, no supply bottlenecks are expected that could cause delays in project execution.

The construction sector in **Hungary** exhibited a slight downward trend in the first half of 2021. At the same time, significant, higher-than-expected price increases for raw materials, building materials and labour costs had to be accepted here as well and this must be taken into account when bidding for the numerous public tenders in the second half of the year.

In road and railway construction in the **Czech Republic**, projects are being continuously put out to tender at a now realistic price level. The group sees itself in a very good position in the building construction sector here as well, despite the fact that the bidding processes are becoming increasingly protracted.

The development in **Slovakia** is cause for concern. The few projects in public transportation infrastructures tend to be small, highly competitive and, accordingly, priced too low. STRABAG is therefore primarily interested in cooperating with private investors, for example in the construction of production and logistics halls. But here, too, the lack of materials is a burden that could lead to delays in the completion of construction projects. As a result, and because of the uncertainties regarding the Covid measures, there is a trend among private clients to move the start of projects back in time.

The markets of **South-East Europe**, like almost all of the group's core markets, are also struggling with massive price increases and a shortage of skilled labour. With the exception of Croatia, the building construction entities are suffering from high competitive pressure and declining order backlogs. In the infrastructure sector, meanwhile, demand continues unabated. At the same time, this business segment is exposed to pressure from international, especially Chinese, competition, which is why the focus in Serbia, Montenegro and North Macedonia, for example, is on the road maintenance business.

In **Switzerland**, strategic and organisational changes were made some time ago. The group is positioning itself as a quality provider in the country, for example through its BIM expertise, greater consideration of sustainability aspects and its own building materials testing laboratory.

The focus of the activities in **Russia** is on residential and industrial construction. There still have not been any substantial new orders in 2021, however. In residential construction, the market is dominated by around 15 to 20 real estate developers and their strong demand. STRABAG is sticking to its strategy of avoiding the resulting price competition through partnering models and early involvement in the planning phase. The acquisition efforts here are concentrated on Moscow, while industrial construction is offered throughout the European part of Russia. Investments from the pharmaceutical, food and timber industries have led to a revival in demand after years of stagnation. The steep price development in Russia is also encouraging the acceptance of price escalation clauses, which have been relatively uncommon up to now.

International + Special Divisions

€ mln.	6M/2021	6M/2020	Δ %	Δ absolute
Output volume	1,416.87	1,232.58	15	184.29
Revenue	1,397.92	1,226.12	14	171.80
Order backlog	5,207.46	5,295.22	-2	-87.76
EBIT	58.31	-73.44	n. m.	131.75
EBIT margin (% of revenue)	4.2	-6.0		
EBT	58.31	-73.44	n. m.	131.75
Employees (FTE)	20,779	22,221	-6	-1,442

The International + Special Divisions segment generated a 15 % higher **output volume** of € 1,416.87 million in the first half of 2021. This was mainly due to the continuous execution of large orders in the international business, above all in Chile, the UK and the Middle East, albeit at a still limited level due to the Covid safety measures in place in some countries.

The **revenue** increased by 14 %. At the same time, the **EBIT** turned into positive territory from € -73.44 million last year to € 58.31 million in 2021. The negative impact of the Covid pandemic, especially in the international business, decreased, efficiency improvements in the property and facility services business provided further support and the real estate development business delivered stable earnings at a high level.

The **order backlog** as at 30 June 2021 decreased slightly to € 5,207.46 million, a drop of 2 % with regard to the comparison date of the previous year. Growth in Austria and the Americas, which was driven by new orders for the extension of the U2 metro line in Vienna and Line 2 in Toronto, was offset by decreases in the United Kingdom and Germany.

Given the relative size of the individual projects in the International + Special Divisions segment, the number of **employees** tends to undergo significant fluctuations. In the first half of 2021, staff numbers fell by 6 % to 20,779, almost exclusively in connection with the completion of tunnelling works for the Alto Maipo hydropower megaproject in Chile.

Regarding the **outlook** for the segment, the output volume for the full year 2021 is expected to be higher than in the previous year.

This development is being driven by nearly all entities, first and foremost by the internationally active **tunnelling** business. So far it has been possible to keep the adverse effects of the Covid pandemic in 2021 as well as the cost increases for construction materials in check through contractual agreements.

Several megaprojects are currently being carried out in the **international** business, for example in Chile and the UK. In general, the Covid-related investment backlog in infrastructure projects is beginning to clear, as in many countries the public sector is funding such projects in order to stimulate the economy. The recovery of the oil price is also supporting a renewed demand for construction services in the Middle East. In Africa, too, demand for infrastructure remains high. The continent is being watched with interest, despite strong international competition and the current Covid restrictions.

The future is also looking friendly for **property and facility services**, where ongoing efficiency measures are having an impact and the renewed Covid lockdowns in the first half of 2021 led to only minor declines in output. Earnings are therefore expected to improve sustainably in all of these business areas.

From today's perspective, the impact of the Covid pandemic on **infrastructure development** also appears to be manageable. The construction delays here have remained within acceptable limits and the business field can be described as stable overall.

The **real estate development** business in particular is benefiting from unbroken high demand in the residential segment. For ongoing project developments, it has been possible to achieve sales prices consistently above initial expectations. The commercial segment, meanwhile, has recorded additional leases of office properties as well as sales of commercial properties in the portfolio. The outlook for 2021 as a whole is therefore quite friendly here as well – even if the continuing price increase in property, material and subcontractor services requires careful management. Simultaneously with these issues concerning the day-to-day business, work is underway on strategic innovation, sustainability and digitalisation projects, for example in the areas of mobility, generative design, low-tech buildings and CO_2 optimisation.

The **construction materials** business also showed a satisfactory trend overall again. The sales volume of aggregates in the first half of the year was around 5 % higher than in the same period of the previous year. In the concrete business, this figure was slightly lower due to the completion of several large-scale projects. Among the cement holdings, however, significantly higher CO_2 costs have had a negative impact on the additional income from the increased sales. Overall, the country-by-country statistics show a very consistent picture in the main markets of Central and Eastern Europe. In the countries of Southern Europe and the Balkans, an upward trend is evident compared to the first half of 2020. The further development in the autumn is likely to proceed according to plan. The dense network of building materials operations, including materials-based services, remains an important basis for self-supply within the group and thus for greater competitiveness.

Others

€ mln.	**6M/2021**	**6M/2020**	**Δ %**	**Δ absolute**
Output volume	52.16	65.59	-20	-13.43
Revenue	8.97	6.73	33	2.24
Order backlog	8.11	4.50	80	3.61
EBIT	0.33	0.12	175	0.21
EBIT margin (% of revenue)	3.7	1.8		
EBT	-3.06	-13.37	77	10.31
Employees (FTE)	6,848	6,651	3	197

Consolidated semi-annual financial statements STRABAG SE, Villach, as at 30 June 2021

STRABAG
SOCIETAS EUROPAEA

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS AT 30 JUNE 2021

Consolidated income statement for 1.1.–30.6.2021

T€	1.1.–30.6.2021	1.1.–30.6.2020
Revenue	6,535,483	6,321,813
Changes in inventories	-54,471	7,120
Own work capitalised	2,797	2,483
Other operating income	96,483	95,991
Construction materials, consumables and services used	-4,010,615	-4,078,004
Employee benefits expenses	-1,859,751	-1,749,602
Other operating expenses	-333,622	-325,443
Share of profit or loss of equity-accounted investments	17,376	12,268
Net income from investments	12,605	13,486
EBITDA	**406,285**	**300,112**
Depreciation and amortisation expense	-266,095	-255,012
EBIT	**140,190**	**45,100**
Interest and similar income	12,546	20,572
Interest expense and similar charges	-15,941	-34,058
Net interest income	**-3,395**	**-13,486**
EBT	**136,795**	**31,614**
Income tax expense	-45,854	-30,984
Net income	**90,941**	**630**
attributable to: non-controlling interests	2,667	1,418
attributable to: equity holders of the parent company	88,274	-788
Earnings per share (€)	**0.86**	**-0.01**

Statement of total comprehensive income for 1.1.–30.6.2021

T€	1.1.–30.6.2021	1.1.–30.6.2020
Net income	**90,941**	**630**
Differences arising from currency translation	10,838	-41,967
Recycling of differences arising from currency translation	0	-50
Change in interest rate swaps	9,998	-12,454
Recycling of interest rate swaps	7,528	6,077
Change in cost-of-hedging reserves	193	405
Recycling of cost-of-hedging reserves	65	-16
Change in currency hedging instruments	-597	-8,324
Recycling of currency hedging instruments	694	8,152
Deferred taxes on neutral change in equity	-4,187	3,263
Other income from equity-accounted investments	4,693	-13,280
Total of items which are later recognised (“recycled”) in the income statement	*29,225*	*-58,194*
Other income from equity-accounted investments	161	0
Total of items which are not later recognised (“recycled”) in the income statement	*161*	*0*
Other income	**29,386**	**-58,194**
Total comprehensive income	**120,327**	**-57,564**
attributable to: non-controlling interests	2,694	1,340
attributable to: equity holders of the parent company	117,633	-58,904

Consolidated balance sheet as at 30 June 2021

T€	30.6.2021	31.12.2020
Goodwill	452,363	449,566
Rights from concession arrangements	502,359	511,890
Other intangible assets	30,550	33,061
Property, plant and equipment	2,547,878	2,571,007
Equity-accounted investments	415,706	418,993
Other investments	191,758	187,638
Receivables from concession arrangements	543,243	561,763
Other financial assets	247,033	234,066
Deferred taxes	196,459	185,364
Non-current assets	**5,127,349**	**5,153,348**
Inventories	1,031,201	1,069,909
Receivables from concession arrangements	44,123	42,427
Contract assets	1,689,867	1,071,329
Trade receivables	1,396,818	1,511,850
Non-financial assets	162,157	112,377
Income tax receivables	85,941	48,147
Other financial assets	262,343	268,100
Cash and cash equivalents	1,875,307	2,856,954
Current assets	**6,547,757**	**6,981,093**
Assets	**11,675,106**	**12,134,441**
Share capital	110,000	110,000
Capital reserves	2,315,384	2,315,384
Retained earnings and other reserves	1,069,641	1,660,762
Non-controlling interests	21,357	22,074
Total equity	**3,516,382**	**4,108,220**
Provisions	1,274,578	1,224,244
Financial liabilities[1]	728,924	992,111
Other financial liabilities	93,702	105,203
Deferred taxes	95,409	61,291
Non-current liabilities	**2,192,613**	**2,382,849**
Provisions	1,004,845	1,008,376
Financial liabilities[2]	433,790	163,896
Contract liabilities	900,530	1,023,809
Trade payables	2,680,758	2,462,827
Non-financial liabilities	580,140	477,048
Income tax liabilities	74,917	218,481
Other financial liabilities	291,131	288,935
Current liabilities	**5,966,111**	**5,643,372**
Equity and liabilities	**11,675,106**	**12,134,441**

1 Thereof T€ 488,913 concerning non-recourse liabilities (31 December 2020: T€ 526,792)
2 Thereof T€ 145,676 concerning non-recourse liabilities (31 December 2020: T€ 70,405)

Consolidated cash flow statement for 1.1.–30.6.2021

T€	1.1.–30.6.2021	1.1.–30.6.2020
Net income	90,941	630
Deferred taxes	20,558	14,478
Non-cash effective results from consolidation	1	83
Non-cash effective results from equity-accounted investments	14,816	5,923
Other non-cash effective results	-4,941	-257
Depreciations/reversal of impairment losses	265,536	256,974
Change in non-current provisions	-5,855	-16,629
Gains/losses on disposal of non-current assets	-33,978	-21,791
Cash flow from earnings	**347,078**	**239,411**
Change in inventories	42,711	-71,684
Change in receivables from concession arrangements, contract assets and trade receivables	-471,376	-249,290
Change in non-financial assets	-49,206	17,929
Change in income tax receivables	-37,748	-15,525
Change in other financial assets	25,018	23,473
Change in current provisions	41,158	-16,219
Change in contract liabilities and trade payables	78,169	185,148
Change in non-financial liabilities	102,069	-38,095
Change in income tax liabilities	-144,325	-53,565
Change in other financial liabilities	3,944	11,254
Cash flow from operating activities	**-62,508**	**32,837**
Purchase of financial assets	-14,171	-14,900
Purchase of property, plant, equipment and intangible assets	-233,157	-223,863
Inflows from asset disposals	54,516	48,843
Change in other financing receivables	-27,356	16,112
Change in scope of consolidation	0	-6,350
Cash flow from investing activities	**-220,168**	**-180,158**
Issue of bank borrowings	75,746	8,572
Repayment of bank borrowings	-47,204	-36,431
Repayment of bonds	0	-200,000
Change in lease liabilities	-28,583	-28,142
Change in other financing liabilities	-1,006	-637
Change in non-controlling interests due to acquisition	-3,199	0
Distribution of dividends	-709,415	-4,392
Cash flow from financing activities	**-713,661**	**-261,030**
Net change in cash and cash equivalents	**-996,337**	**-408,351**
Cash and cash equivalents at the beginning of the period	2,856,804	2,459,969
Change in cash and cash equivalents due to currency translation	14,690	-32,867
Change in restricted cash and cash equivalents	0	695
Cash and cash equivalents at the end of the period	**1,875,157**	**2,019,446**

Statement of changes in equity for 1.1.–30.6.2021

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2021	**110,000**	**2,315,384**	**1,824,618**	**-74,647**	**-89,209**	**4,086,146**	**22,074**	**4,108,220**
Net income	–	–	88,274	–	–	88,274	2,667	90,941
Differences arising from currency translation	–	–	–	–	10,811	10,811	27	10,838
Change in currency hedging instruments	–	–	–	355	–	355	0	355
Change in equity-accounted investments	–	–	161	2,502	2,191	4,854	0	4,854
Change in interest rate swap	–	–	–	17,526	–	17,526	0	17,526
Deferred taxes on neutral change in equity	–	–	–	-4,187	–	-4,187	0	-4,187
Total comprehensive income	**0**	**0**	**88,435**	**16,196**	**13,002**	**117,633**	**2,694**	**120,327**
Transactions concerning non-controlling interests	–	–	-814	0	0	-814	-1,936	-2,750
Distribution of dividends[2]	–	–	-707,940	–	–	-707,940	-1,475	-709,415
Balance as at 30.6.2021	**110,000**	**2,315,384**	**1,204,299**	**-58,451**	**-76,207**	**3,495,025**	**21,357**	**3,516,382**

Statement of changes in equity for 1.1.–30.6.2020

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2020	**110,000**	**2,315,384**	**1,531,174**	**-86,849**	**-47,505**	**3,822,204**	**33,695**	**3,855,899**
Net income	–	–	-788	–	–	-788	1,418	630
Differences arising from currency translation	–	–	–	–	-41,939	-41,939	-78	-42,017
Change in currency hedging instruments	–	–	–	217	–	217	0	217
Change in equity-accounted investments	–	–	0	-6,671	-6,609	-13,280	0	-13,280
Change in interest rate swap	–	–	–	-6,377	–	-6,377	0	-6,377
Deferred taxes on neutral change in equity	–	–	–	3,263	–	3,263	0	3,263
Total comprehensive income	**0**	**0**	**-788**	**-9,568**	**-48,548**	**-58,904**	**1,340**	**-57,564**
Distribution of dividends	–	–	0	–	–	0	-4,384	-4,384
Balance as at 30.6.2020	**110,000**	**2,315,384**	**1,530,386**	**-96,417**	**-96,053**	**3,763,300**	**30,651**	**3,793,951**

1 The hedging reserve includes also the cost of hedging.
2 The total dividend payment of T€ 707,940,000 corresponds to a dividend per share of € 6.90 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

Basic principles

The consolidated semi-annual financial statements of STRABAG SE, based in Villach, Austria, at the reporting date 30 June 2021 were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated semi-annual financial statements do not contain all the information and details required of annual financial statements. The semi-annual statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2020.

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 are available at www.strabag.com.

Changes in accounting policies

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2021.

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)
Amendments to IFRS 16 Leases – Covid-19-Related Concessions	1.6.2020	1.6.2020
Amendments to IFRS 4 – Deferral of IFRS 9	1.1.2021	1.1.2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform Phase II	1.1.2021	1.1.2021

The first-time adoption of the aforementioned standards had only minor impact on the semi-annual consolidated financial statements as at 30 June 2021.

Scope of consolidation

The consolidated semi-annual financial statements as at 30 June 2021 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

The number of consolidated companies changed in the first six months of 2021 as follows:

	Consolidation	Equity method
Balance as at 31.12.2020	**280**	**24**
First-time inclusions in year under report	2	0
Exclusions in year under report	-4	-2
Balance as at 30.6.2021	**278**	**22**

ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

Consolidation	**Direct stake %**	**Date of acquisition or foundation**
Metallica Stahl- und Fassadentechnik GmbH, Stuttgart	100.00	1.1.2021[1]
STRABAG SCARBOROUGH PROJECT INC., Ontario	100.00	6.4.2021

In the first six months of the year, the companies consolidated for the first time contributed a total of T€ 22,591 to the consolidated revenue and accounted for a loss of T€ 2,246 in net income after minorities.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 30 June 2021, the following companies were no longer included in the scope of consolidation:

Disposals from scope of consolidation	
Nordbahnhof Projekt EPW8 GmbH & Co KG, Vienna	Sale
Nordbahnhof Projekt EPW8 Komplementär GmbH, Vienna	Sale
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG, Vienna	Sale
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH, Vienna	Sale
at-equity	
Leopold Ungar Platz 3 GmbH, Vienna	Sale
SQUARE Two GmbH & Co KG, Vienna	Sale

The deconsolidation of the companies resulted in marginal impacts in assets, liabilities and financial performance.

Methods of consolidation and currency translation

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated semi-annual financial statements with reporting date 30 June 2021 as were used for the consolidated annual financial statements with reporting date 31 December 2020 which is why we refer to the consolidated annual financial statements.

Accounting policies

No new accounting and valuation methods were amended in the reporting period. Therefore, the accounting and valuation are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2020.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2020.

1 Due to its increased business volumes, the company was included in the scope of consolidation of the group for the first time effective 1 January 2021. The foundation/acquisition of the company occured before 1 January 2021.

Estimates

Estimates and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

OTHER PROVISIONS

Group companies STRABAG AG, Spittal an der Drau, and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG have issued an acknowledgement as part of a settlement in the antitrust proceedings pending against them in Austria. Subsequently, the Federal Competition Authority (BWB) in July 2021 filed an application with the Cartel Court for a fine against the two companies in the amount of € 45.37 million.

The settlement is being made against the background of a criminal and antitrust investigation that was opened in spring 2017 against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, along with several other construction companies, regarding allegations of anti-competitive agreements for construction projects in Austria in the period from 2002 to 2017. Both group companies cooperated fully with the Federal Competition Authority from the outset and ultimately issued an acknowledgement as part of a settlement. Their cooperation had a corresponding positive effect on the amount of the fine. The decision of the Cartel Court on the application for the fine is still pending before the final settlement of the antitrust proceedings can be reached. Claims for damages from the clients can be expected once the court decision has become final.

Provisions for claims arising from the cartel violations were formed in the consolidated financial statements of 31 December 2020. Given the complexity of the matter (long period of time, large number of projects, very different clients, heterogeneous structures, etc.), it is extremely difficult to estimate the extent to which STRABAG will be negatively impacted as a result. The actual amounts may therefore deviate from the amount provided for.

Notes on the items of the consolidated income statement

SEASONALITY

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As the largest part of the costs involves fixed costs, losses are posted in the first months every year. These losses are compensated for by rising contribution margins. The largest portion of the earnings is expected in the second half of the year. Seasonal fluctuations in the transportation infrastructures business are greater than they are in building construction & civil engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results of the half years.

REVENUE

In the item Revenue exclusively revenues from contracts with customers are recognised. These are as follows:

Revenue for 1.1.–30.6.2021

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**2,973,883**	**1,973,315**	**683,006**		**5,630,204**
Germany	*2,346,631*	*51,399*	*35,012*		*2,433,042*
Austria	*4,766*	*903,987*	*25,984*		*934,737*
Poland	*406,813*	*275*	*20,303*		*427,391*
Czech Republic	*0*	*282,327*	*5,435*		*287,762*
Chile	*0*	*0*	*219,032*		*219,032*
Hungary	*0*	*189,444*	*3,024*		*192,468*
Other countries, each below € 180 million	*215,673*	*545,883*	*374,216*		*1,135,772*
Construction materials	**56,907**	**40,056**	**143,302**		**240,265**
Facility management	**0**	**0**	**259,070**		**259,070**
Project development	**0**	**0**	**262,099**		**262,099**
Other	**48,675**	**35,758**	**50,446**	**8,966**	**143,845**
Total	**3,079,465**	**2,049,129**	**1,397,923**	**8,966**	**6,535,483**

Revenue for 1.1.–30.6.2020

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**3,168,434**	**1,759,780**	**530,539**		**5,458,753**
Germany	*2,457,147*	*82,029*	*63,531*		*2,602,707*
Austria	*5,096*	*736,606*	*52,166*		*793,868*
Poland	*451,669*	*0*	*1,553*		*453,222*
Czech Republic	*0*	*254,385*	*4,794*		*259,179*
Chile	*0*	*0*	*189,443*		*189,443*
Hungary	*0*	*251,453*	*593*		*252,046*
Other countries, each below € 180 million	*254,522*	*435,307*	*218,459*		*908,288*
Construction materials	**54,455**	**35,552**	**146,832**		**236,839**
Facility management	**0**	**0**	**259,485**		**259,485**
Project development	**0**	**0**	**251,135**		**251,135**
Other	**32,654**	**38,088**	**38,131**	**6,728**	**115,601**
Total	**3,255,543**	**1,833,420**	**1,226,122**	**6,728**	**6,321,813**

Interest income from concession contracts which is included in revenue amounting to T€ 30,921 (1–6/2020: T€ 30,754).

SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	1.1.–30.6.2021	1.1.–30.6.2020
Income from equity-accounted investments	8,954	8,110
Expenses arising from equity-accounted investments	-9,321	-6,732
Gains on the disposal of equity-accounted investments	3,163	0
Profit from construction consortia	40,605	76,961
Losses from construction consortia	-26,025	-66,071
Share of profit or loss of equity-accounted investments	**17,376**	**12,268**

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on property, plant and equipment and amortisation on intangible assets includes depreciation and amortization from right-of-use assets for leases in the amount of T€ 30,131 (1–6/2020: T€ 29,016).

Notes on the items in the consolidated balance sheet

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year.

In 1–6/2021, tangible and intangible assets in the amount of T€ 0 (1–6/2020: T€ 7,558) in goodwill arising from capital consolidation were recognised as assets. No depreciation was taken.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

In 1–6/2021 tangible and intangible assets not including the non-cash additions to right-of-use assets in the amount of T€ 233,157 (1–6/2020: T€ 223,863) were acquired.

In the same period, tangible and intangible assets not including the non-cash disposals to right-of-use assets with a book value of T€ 16,577 (1–6/2020: T€ 20,811) were sold.

Property, plant and equipment include right-of-use assets for real estate leases in the amount of T€ 305,474 (31 December 2020: T€ 328,885).

PURCHASE OBLIGATIONS

On the reporting date, there were T€ 115,045 (30 June 2020: T€ 110,342) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the semi-annual financial statement.

EQUITY

The fully paid-in share capital now amounts to € 110,000,000 and is divided into 109,999,997 no-par bearer shares and three registered shares.

The changes in equity are shown in the statement of changes in equity.

CONTINGENT ASSETS

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the Agreement between the Republic of Austria and the State of Libya for the Promotion and Protection of Investments. The tribunal consequently awarded STRABAG damages of € 75 million plus interests and ordered Libya to reimburse STRABAG 75 % of its legal costs and expenses, and to bear 75 % of the costs of the arbitration.

STRABAG's work in Libya, which commenced in 2006, was interrupted by the conflict in Libya that took place in 2011, and STRABAG claimed damages in the arbitration to compensate it for the loss and damage it suffered during that conflict and for works that it had performed on the different construction projects.

It remains uncertain whether Libya is honoring the award. Therefore, STRABAG is currently investigating ways in which it can enforce the amount owed. Because of the existing uncertainties no receivable was recognised.

CONTINGENT LIABILITIES

The company has accepted the **following guarantees**:

T€	30.6.2021	31.12.2020
Guarantees without financial guarantees	174	174

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 45,644 (31 December 2020: T€ 42,699).

Other notes

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	30.6.2021	30.6.2020
Securities	3,101	3,101
Cash on hand	1,351	1,248
Bank deposits	1,870,855	2,015,247
Pledge of cash and cash equivalents	-150	-150
Cash and cash equivalents	**1,875,157**	**2,019,446**

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

The **cash flow from operating activities** in the reporting year contains the following items:

T€	1.1.–30.6.2021	1.1.–30.6.2020
Interest paid	11,590	18,375
Interest received	4,082	8,787
Taxes paid	206,653	77,534

SEGMENT REPORTING

The rules of IRFS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe and Russia and the environmental engineering business.

The segment International + Special Divisions includes the international construction activities, tunneling services, real estate development and infrastructure as well as the construction materials business.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management, digitalisation, innovation, business development etc. These services are included in the segment Other.

Segment Reporting for 1.1.–30.6.2021

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**3,390,629**	**2,083,708**	**1,416,872**	**52,159**		**6,943,368**
Revenue	**3,079,465**	**2,049,129**	**1,397,923**	**8,966**	**0**	**6,535,483**
Inter-segment revenue	77,940	30,721	117,743	456,530		
EBIT	**105,200**	**-10,431**	**58,309**	**335**	**-13,223**	**140,190**
Interest and similar income	0	0	0	12,546	0	12,546
Interest expense and similar charges	0	0	0	-15,941	0	-15,941
EBT	**105,200**	**-10,431**	**58,309**	**-3,060**	**-13,223**	**136,795**

Segment reporting for 1.1.–30.6.2020

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**3,530,537**	**1,891,373**	**1,232,575**	**65,594**		**6,720,079**
Revenue	**3,255,543**	**1,833,420**	**1,226,122**	**6,728**	**0**	**6,321,813**
Inter-segment revenue	106,786	21,803	118,391	458,761		
EBIT	**81,561**	**44,322**	**-73,435**	**116**	**-7,464**	**45,100**
Interest and similar income	0	0	0	20,572	0	20,572
Interest expense and similar charges	0	0	0	-34,058	0	-34,058
EBT	**81,561**	**44,322**	**-73,435**	**-13,370**	**-7,464**	**31,614**

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are shown essentially in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

Internal reporting includes the results of all subsidiaries and investment companies. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT respectively EBT in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidation.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	1.1.–30.6.2021	1.1.–30.6.2020
Net income from investments	-13,934	-7,839
Other consolidations	711	375
Total	**-13,223**	**-7,464**

FINANCIAL INSTRUMENTS

With exception of the financial liabilities the book value of the financial instruments corresponds to the fair value. The fair value of the financial liabilities amounts to T€ 1,164,524 as at 30 June 2021 (31 December 2020: T€ 1,165,326) compared to the recognised book value of T€ 1,162,714 (31 December 2020: T€ 1,156,006).

The **fair values as at 30 June 2021** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20 % (other investments)			42,803	42,803
Securities	27,526			27,526
Cash and cash equivalents (securities)	3,101			3,101
Derivatives held for hedging purposes		-9,129		-9,129
Derivatives other		941		941
Total	**30,627**	**-8,188**	**42,803**	**65,242**
Liabilities				
Derivatives held for hedging purposes		-18,266		-18,266
Derivatives other		-165		-165
Total	**0**	**-18,431**	**0**	**-18,431**

The **fair values as at 31 December 2020** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20 % (other investments)			41,278	41,278
Securities	27,546			27,546
Cash and cash equivalents (securities)	3,102			3,102
Derivatives held for hedging purposes		-13,634		-13,634
Derivatives other		4,111		4,111
Total	**30,648**	**-9,523**	**41,278**	**62,403**
Liabilities				
Derivatives held for hedging purposes		-29,426		-29,426
Derivatives other		-254		-254
Total	**0**	**-29,680**	**0**	**-29,680**

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2020 consolidated financial statements. Since 31 December 2020, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

EVENTS AFTER THE BALANCE SHEET DATE

The 17th Annual General Meeting of STRABAG SE held on 18 June 2021 resolved to reduce the share capital of the company from € 110,000,000 in a simplified procedure through the withdrawal of 7,400,000 own shares with a proportionate amount of the share capital of € 7,400,000, in accordance with Article 9 Para 1 of the Societas Europaea Regulation (SE-VO) in conjunction with Section 192 Para 3 Line 2 and Para 4 of the Austrian Stock Corporation Act (AktG). The purpose of this simplified capital reduction is the withdrawal of own shares.

The capital reduction was entered into the commercial register on 16 July 2021. The fully paid-in share capital now amounts to € 102,600,000 and is divided into 102,599,997 no-par bearer shares and three registered shares.

AUDIT WAIVER

The present semi-annual financial statements for STRABAG SE were neither audited nor subjected to an audit review.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed semi-annual financial statements as of 30 June 2021 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first six months of the financial year and their impact on the condensed semi-annual financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 August 2021

The Management Board

Dr. Thomas Birtel
CEO
Responsibility Central Staff Divisions and
Central Divisions BMTI, CML as well as TPA

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Klemens Haselsteiner
Responsibility Central Divisions STRABAG
Innovation & Digitalisation as well as Zentrale
Technik, Subdivision NN Russia

Dipl.-Ing. Dr. Peter Krammer
Responsibility Segment South + East
(except Subdivision NN Russia)

Dipl.-Ing. Siegfried Wanker
Responsibility Segment
International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment North + West

INVESTOR RELATIONS

Financial calendar

Semi-Annual Report 2021	**31 August 2021**
Disclosure	7:30 a.m.
Investor and analyst conference call	10:00 a.m.
Trading Statement January–September 2021	**16 November 2021**
Disclosure	7:30 a.m.

All times are CET/CEST. Please find the roadshow schedule on the website www.strabag.com > Investor Relations > Company Calendar.

Corporate bond

Term	Interest %	Volume € mln.	ISIN	Exchange
2015–2022	1.625	200	AT0000A1C741	Vienna

Corporate credit rating

Standard & Poor's	BBB	Outlook stable

Codes

Bloomberg:	**STR:AV**
Reuters:	**STRV.VI**
Vienna stock exchange:	**STR**
ISIN:	**AT000000STR1**

For further questions, please contact our Investor Relations department:

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This Semi-Annual Report is also available in German. In case of discrepancy the German version prevails.