

STRABAG SE expects EBIT of at least € 300 million for 2015

Contact

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- **2014: output volume and employee numbers unchanged at € 13.6 billion and about 73,000, respectively – some strong fluctuations at the country level**
- **Order backlog 2014 at a high € 14.4 billion (+7 %)**
- **Forecast of at least € 260 million for 2014 confirmed**

STRABAG SE	2014	2013	% 2013-2014
Output volume	13,566.00	13,573.07	0%
Order backlog	14,403.44	13,469.68	7%
Employees	72,906	73,100	0%

NORTH + WEST	2014	2013	% 2013-2014
Output volume	6,292.45	6,021.11	5%
Order backlog	5,682.38	5,451.26	4%
Employees	23,123	22,695	2%

SOUTH + EAST	2014	2013	% 2013-2014
Output volume	4,170.80	4,593.36	-9%
Order backlog	4,142.31	3,805.48	9%
Employees	18,769	21,089	-11%

INTERNATIONAL + SPECIAL DIVISIONS	2014	2013	% 2013-2014
Output volume	2,970.14	2,822.41	5%
Order backlog	4,571.21	4,202.28	9%
Employees	25,309	23,575	7%

OTHER	2014	2013	% 2013-2014
Output volume	132.61	136.19	-3%
Order backlog	7.54	10.66	-29%
Employees	5,705	5,741	-1%

Vienna, 16 February 2015 The publicly listed European technology group for construction services STRABAG SE today announced its first figures for the 2014 financial year and issued an outlook for 2015.

“Just as expected, the output volume remained stable at a high level of € 13.6 billion. Although we still do not expect any large investment increases in the transportation infrastructures segment in our home market of Germany in 2015, our broad diversification by region and segment should allow us to raise the output volume to about € 14.0 billion this year. The high order backlog of € 14.4 billion supports this target. We also believe that the efforts which we have made so far to further improve the risk management and to lower

costs will be reflected in the earnings in 2015. We therefore expect an EBIT of at least € 300 million, compared to the at least € 260 million that most probably we will be able to report for 2014”, says Thomas Birtel, CEO of STRABAG SE.

Output volume

The STRABAG SE Group generated an output volume of € 13.6 billion in the 2014 financial year, unchanged at the same high level as the year before. Increases in the home markets of Germany and Austria, for example, were balanced with declines in markets such as the RANC region (Russia and neighbouring countries) or Romania. The output volume in Germany developed positively, thanks to the mild winter – and despite the very restrained tender award policy on the part of the public sector in transportation infrastructures. Large projects were completed in Romania and Russia at the same time that newly acquired orders in these markets have not yet found expression in the output volume.

Order backlog

The positive development of the order backlog which had begun to take shape in the past few months continued until year’s end: At € 14.4 billion (+7 %), the order backlog reached a high level that covered more than half of the planned output volume for the 2015 full year. Growth was seen especially in Central and Eastern Europe. A number of medium-sized orders in Slovakia and Romania, projects in the private industrial construction sector in Russia, and a number of Polish transportation infrastructure projects helped drive the order backlog up. In other markets, such as the home market of Germany – here especially in the building construction and civil engineering segment – the order backlog had already previously reached a high level.

Employees

At first glance, the number of employees – like the output volume – remained unchanged at 72,906. Yet clear differences could be seen at the country level: While the acquisition of Germany- and Austria-based facility services company DIW Group helped to raise staff levels, the number of employees fell in response to the continually implemented efficiency-rising measures and the end of large projects in a number of other countries in Eastern and Northern Europe.

Outlook 2015

The management board of STRABAG SE expects the output volume to increase from € 13.6 billion to € 14.0 billion in the 2015 financial year. This will likely be composed of € 6.2 billion from the North + West segment, € 4.5 billion from the South + East segment and € 3.2 billion from the International + Special Divisions segment. The remainder can be allotted to the segment designated as “Other”. The company therefore expects the output volume to remain nearly stable in North + West and to rise slightly in the other two operating segments.

STRABAG SE would like to raise its 2015 earnings before interest and taxes (EBIT) to at least € 300 million. The efforts that have been made so far to further improve the risk management and to lower costs should already have a noticeable impact on earnings. This brings the company one step closer to its goal of reaching an EBIT margin (EBIT/revenue) of 3 % in 2016. By comparison, the margin had been 2.1 % in 2013. For 2014, the STRABAG SE management board continues to expect an EBIT of at least € 260 million. These and further figures for the 2014 financial year will be published on 29 April 2015 at 7:30 a.m. (CEST).

The earnings expectations are based on the assumption that demand in the German building construction and civil engineering market will remain at the same high level. At the same time, there are no expectations yet of large increases in investments by the public sector in transportation infrastructures in this home market.

While the margins in the construction materials business should continue to improve in 2015 and the turnaround should have been reached in environmental technologies, such a forecast is not yet possible for hydraulic engineering. The company continues to expect positive contributions from its property and facility management units and from real estate development.

The price pressure is expected to remain strong in the countries of Central and Eastern Europe, although in Slovakia or in Poland, for example, the company is capable of successful bids for larger tenders. The same can be said of the tunnelling business and of public-private partnerships, i.e. of concession projects, in the home markets, which is leading STRABAG to become more active in this area in non-European markets than before.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by our specialised entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machinery at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. The hard work and dedication of our 73,000 employees allows us to generate an annual output volume of about € 14 billion. At the same time, a dense network of numerous subsidiaries in many European countries and, increasingly, on other continents is helping to expand our area of operation far beyond the borders of Austria and Germany. More information is available at www.strabag.com