Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE posts second-best performance in company history

Contact

STRABAG SE
Marianne Jakl
Head of Corporate Communications
Corporate Spokesperson
Tel. +43 1 22422-1174
marianne.jakl@strabag.com

STRABAG SE
Marco Reiter
Head of Investor Relations
Tel. +43 1 22422-1089
marco.reiter@strabag.com

- **Output volume at new all-time high, order backlog also reaches new record level at end of year**
- **EBIT margin of 4.2% fully in line with target**
- **Dividend of € 2.00 per share proposed for 2022 – payout ratio of 43%**
- **Outlook for 2023: EBIT margin to be sustained at ≥ 4%**
- **Circular construction: From a polluted oil port to a technology centre in Bremen**

		2022	2021	%	HY2/22	HY2/21	%
Output volume	€ mn	17,735.47	16,128.92	10	7,587.72	6,943.37	9
Revenue	€ mn	17,025.85	15,298.54	11	7,246.35	6,535.48	11
Order backlog	€ mn	23,738.84	22,500.85	6	23,969.66	21,101.85	14
EBITDA	€ mn	1,257.21	1,445.72	-13	324.67	406.29	-20
EBITDA margin	%	*7.4*	*9.5*		*4.5*	*6.2*	
EBIT	€ mn	706.40	896.11	-21	63.63	140.19	-55
EBIT margin	%	*4.2*	*5.9*		*0.9*	*2.1*	
Net income after minorities	€ mn	472.45	585.71	-19	40.41	88.27	-54
Net income after minorities margin	%	*2.8*	*3.8*		*0.6*	*1.4*	
Earnings per share	€	4.60	5.71	-19	0.39	0.86	-54
Employees	FTE	73,740	73,606	0			

Vienna, 27 April 2023 STRABAG SE, the publicly listed European technology group for construction services, looks back at a challenging twelve months in 2022: Output and order backlog reached new record levels at the end of the year. The EBIT margin, meanwhile, returned to normal as expected following the exceptionally high level of the previous year. At 4.2%, however, it clearly remains in line with the set target of generating at least 4% from 2022 onwards.

Klemens Haselsteiner, CEO of STRABAG SE: *"Behind us lies a challenging year in several respects. Following Russia's invasion of Ukraine, we quickly and decisively implemented sweeping measures to prevent any possible, even indirect, influence on STRABAG by Oleg Deripaska, who controls the shareholder Rasperia. The war in Ukraine led to a significant increase of inflation in Europe, which the central banks responded to with substantial interest rate hikes. In this challenging environment, STRABAG nevertheless posted its second-best result in company history. This is once again confirmation of the resilience of our diversified business model."*

Output volume, revenue and order backlog

The STRABAG Group recorded a 10% higher output of € 17.7 billion in the 2022 financial year (2021: € 16.1 billion). The consolidated group revenue amounted to € 17.0 billion, a plus of 11%. The operating segments North + West contributed 47%, South + East 32% and International + Special Divisions 21% to the revenue. Despite rising construction costs and the accelerated interest rate turnaround, STRABAG succeeded in growing the order backlog by 6% year-on-year to achieve a new year-end record of € 23.7 billion.

Financial performance

In 2022, the earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 1,257.21 million, exceeding the € 1.0 billion mark for the fourth year in a row. This corresponds to an EBITDA margin of 7.4%. The depreciation and amortisation expense, at € 550.81 million, was roughly on a par with the previous year's level (+0.2%).

Following exceptionally high earnings before interest and taxes (EBIT) in the previous year, characterised by numerous positive earnings influences in all segments, normalisation set in as expected during 2022. Nevertheless, the EBIT of € 706.40 million was the second highest in the Group's history. The EBIT margin amounted to 4.2% (2021: 5.9%), in line with the goal of achieving at least 4% on a sustainable basis starting from 2022.

The net interest income was positive, at € 10.67 million, compared to € -12.57 million in the previous year, mainly due to the increased interest income. The exchange rate result included in this figure also turned positive in 2022 at € 3.20 million (2021: € -3.88 million).

The income tax rate, at 33.0%, was slightly higher than in the previous year. The net income amounted to € 480.13 million compared to € 596.40 million in 2021. The earnings owed to minority shareholders amounted to € 7.68 million after € 10.69 million in the previous year. The net income after minorities – due to the exceptionally positive earnings effects in the previous year – was 19.3% lower in 2022, although with € 472.45 million it still posted the second-highest figure since the establishment of STRABAG SE. The earnings per share amounted to € 4.60 (2021: € 5.71).

Financial position and cash flows
The total of assets and liabilities increased year-on-year from € 12.2 billion to € 12.7 billion. An increase in property, plant and equipment – in part for the expansion of the corporate location in Stuttgart – and in inventories as well as an output-related increase in trade receivables were offset by a decrease in cash and cash equivalents.

The equity declined slightly, although it remained above the € 4 billion mark at € 4,025.24 million. As a result, the equity ratio decreased at a high level from 33.3% to 31.7% in 2022. This decrease is due in particular to a buyback obligation for own shares that existed at the end of the year, which had to be deducted from retained earnings in the maximum possible amount of 10% (€ 399.52 million) of the share capital. With an acceptance rate of 2.7% for the associated mandatory offer, the difference of € 291.31 million will be transferred back to increase retained earnings in 2023.

A net cash position was reported as usual on 31 December 2022. At € 1.9 billion, this figure remained unchanged year-on-year. The lower cash and cash equivalents were offset by a reduction in financial liabilities as a result of the bond repayment in the amount of € 200 million.

The cash flow from operating activities decreased as a result of lower cash flow from earnings and a noticeable increase in working capital from € 1,220.56 million to € 812.86 million compared with the same period of the previous year. In view of the rising interest rates, a significant reduction in advance payments and an associated increase in working capital can be expected in the coming reporting periods.

The cash flow from investing activities was more negative, as expected, in particular due to higher investments in intangible assets and property, plant and equipment. The cash flow from financing activities amounted to € -503.66 million, compared with € -743.90 million in the previous year. The reduction in the dividend payment – following a special dividend in the previous year – more than compensated for the repayment of the bond.

Outlook
“The situation remains turbulent, the general framework challenging. Nevertheless, we do not foresee any major setbacks in 2023. We expect to be able to maintain the output volume at a high level, specifically at € 17.9 billion. Especially in times when individual construction segments are experiencing declines, our strategy of diversification is proving its worth. Accordingly, we expect to generate an EBIT margin of at least 4% in 2023 and to sustain this level in the long term,” as Klemens Haselsteiner explains.

Further details on the 2022 financial figures will be announced by STRABAG SE CEO Klemens Haselsteiner and CFO Christian Harder today, Thursday, at 10:00 a.m. during the financial press conference.

On this occasion, Dirk Grüneberg of STRABAG Umwelttechnik GmbH will present the latest developments in environmentally friendly construction, based specifically on the example of C3 Bremen: STRABAG is redeveloping a 13-hectare former oil port there in order to subsequently build a research centre for urban mining and construction waste processing.

***STRABAG SE** is a European-based technology group for construction services, a leader in innovation and financial strength. Our activities span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by taking an end-to-end view of construction over the entire life cycle – from planning and design to construction, operation and facility management to redevelopment or demolition. In all of our work, we accept responsibility for people and the environment: We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and 400 sustainability projects. Through the hard work and dedication of our approximately 79,000 employees, we generate an annual output volume of around € 17 billion.*

Our dense network of subsidiaries in various European countries and on other continents extends our area of operation far beyond the borders of Austria and Germany. Working together with strong partners, we are pursuing a clear goal: to design, build and operate construction projects in a way that protects the climate and conserves resources. More information is available at www.strabag.com