Press Release
Investor Information

STRABAG SE closes first quarter 2017 with new record order backlog

Contact

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- **Output volume up by 8 %**
- **Order backlog (+15 %) again at record level, crosses € 16 billion mark**
- **EBITDA (+12 %) and EBIT (+2 %) both up, though in first quarter still seasonally negative as usual**
- **Outlook 2017 confirmed: higher output volume, targeted EBIT margin of at least 3 %**

		3M/17	3M/16	%
Output volume	€m	**2,426.79**	**2,256.93**	***8%***
Revenue	€m	**2,211.49**	**2,124.01**	***4%***
Order backlog	€m	**16,113.13**	**13,976.62**	***15%***
EBITDA	€m	**-50.71**	**-57.71**	***12%***
EBITDA margin	%	*-2.3%*	*-2.7%*	
EBIT	€m	**-143.09**	**-145.40**	***2%***
EBIT margin	%	*-6.5%*	*-6.8%*	
Net income	€m	**-125.19**	**-130.13**	***4%***
Net income margin	%	*-5.7%*	*-6.1%*	
Net income after minorities	€m	**-121.70**	**-116.99**	***-4%***
Net income after minorities margin	%	*-5.5%*	*-5.5%*	
Earnings per share	€	**-1.19**	**-1.14**	***-4%***
Employees	number	**69,679**	**68,808**	***1%***

Vienna, 31 May 2017 Publicly listed construction company STRABAG SE closed the first quarter of 2017 with a new record order backlog and a reduced operating winter loss, which is typical in the construction industry. The earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 12 %, the earnings before interest and taxes (EBIT) by 2 %. The net income after minorities was lower by 4 %; in the comparison period of the previous year, the then still-existing minority shareholders in Stuttgart-based subsidiary Ed. Züblin AG had helped bear a part of the winter loss. Due to the higher revenue, the net income after minorities margin was stable, though.

"As usual in the construction sector, the first quarter does not allow us to draw any conclusions for the full year. Still, the figures for the first three months of 2017 – and especially the renewed record order

backlog of more than € 16 billion – reinforce our decision to confirm the existing outlook: The output volume is expected to rise and the EBIT margin should reach at least 3 %. The development of the business in the weeks after the quarterly reporting date also supports this forecast," says **Thomas Birtel**, CEO of STRABAG SE.

Output volume and revenue
STRABAG SE generated an output volume of € 2,426.79 million in the first quarter of the 2017 financial year – an increase of 8 %. This upwards trend is being driven especially by the German transportation infrastructures business and large tunnelling projects in Chile. The consolidated group revenue grew slightly less strongly than the output, gaining 4 % to € 2,211.49 million.

Order backlog
The order backlog on 31 March 2017 surpassed the € 16 billion mark for the first time in company history to reach again a record level of € 16,113.13 million (+15 %). Contributing to this development once again were numerous new large orders from the public sector and the industry in Germany. Several new projects in different construction segments were also reported in the group's core markets of Central and Eastern Europe.

Financial performance
The limited capacity for construction in winter results in significant seasonal effects on the development of earnings and other financial figures of STRABAG SE. The first half of the year typically has a negative effect on results, which is then overcompensated by results in the second half of the year. As a result of the seasonal effects, a quarterly comparison makes little sense.

The EBITDA improved in the first quarter of 2017 from € -57.71 million to € -50.71 million. This can be explained by a variety of effects from numerous different projects, although the first quarter is usually not very meaningful for making statements about the further course of the financial year. The depreciation and amortisation was up by 5 %, so that the EBIT, at € -143.09 million, ended up slightly less deep in negative territory.

The net interest income stood at € -18.72 million, compared to € -8.89 million in the first three months of the previous year. This resulted in slightly more negative earnings before taxes (EBT) of € -161.80 million – as is usual for the season. Accordingly, the income tax was again in positive territory with € 36.62 million and thus provided relief. This left a net income of € -125.19 million (+4 %). The third-party shareholders bore a loss of € -3.49 million; in the previous year's comparison period – when there had still been minority shareholdings in Stuttgart-based subsidiary Ed. Züblin AG – this figure amounted to € -13.14 million. Overall, the net income after minorities fell by 4 % to € -121.70 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € -1.19 after € -1.14 in the first quarter of the previous year.

Financial position and cash flows

The balance sheet total fell slightly from 31 December 2016 to € 10,010.31 million. Conspicuous was the decrease of both the trade receivables and the trade payables as well as the decrease in cash and cash equivalents. Despite the typical winter losses, the equity ratio remained unchanged versus the end of 2016 at 31.5 %. The net cash position stood at € -235.89 million; it therefore decreased, as is seasonally usual, in comparison to year's end.

The cash flow from operating activities, at € -145.85 million, was significantly less deep in negative territory than in the first quarter of the previous year, when it had still amounted to € -513.56 million. This was due above all to the lower reduction of the trade payables, as the working capital at 31 December 2016 had not been as exceptionally low as in the previous year. The cash flow from investing activities, through higher investments in property, plant and equipment and the acquisition of financial assets (a share increase in a Hungarian concession model), decreased by € -28.32 million from the first quarter of the previous year to € -80.30 million. The cash flow from financing activities stood at € -25.05 million after € -78.62 million in the previous year, when the figure had been influenced by the repayment of a project financing.

Outlook

The current record order backlog leads us to expect a positive development of the output volume for the 2017 financial year. The Management Board of STRABAG SE continues to expect an increase to at least € 14.0 billion (≥ +4 %). Growth should be seen in all three operating segments – North + West, South + East and International + Special Divisions. STRABAG is working towards again achieving an EBIT margin of at least 3 %.