

STRABAG SE: record order backlog, slight recovery of output volume in 2021

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- Output volume decline lower than expected, order backlog up by 5 % – new record at year’s end
- EBIT margin at exceptionally high level of 4.3 %
- After reduction for 2019: dividend of € 1.90 proposed for 2020 – highest since IPO
- 2021 outlook: output slightly above previous year’s level, normalisation of EBIT margin to below 4.0 %

		2020	2019	%	HY2/20	HY2/19	%
Output volume	€m	15,446.61	16,617.97	-7 %	8,726.53	9,110.98	-4 %
Revenue	€m	14,749.74	15,668.57	-6 %	8,427.93	8,689.50	-3 %
Order backlog	€m	18,369.02	17,411.48	5 %			
EBITDA	€m	1,174.45	1,113.30	5 %	874.34	818.56	7 %
EBITDA margin	%	8.0 %	7.1 %		10.4 %	9.4 %	
EBIT	€m	630.65	602.58	5 %	585.55	541.58	8 %
EBIT margin	%	4.3 %	3.8 %		6.9 %	6.2 %	
Net income after minorities	€m	395.22	371.70	6 %	396.01	361.04	10 %
Net income after minorities margin	%	2.7 %	2.4 %		4.7 %	4.2 %	
Earnings per share	€	3.85	3.62	6 %	3.86	3.52	10 %
Employees	FTE	74,340	76,919	-3 %			

Vienna, 30 April 2021 STRABAG SE, the publicly listed construction group, recorded a decline in output volume in the 2020 financial year, based on the high order backlog, however, the company is cautiously optimistic about the future. Earnings before interest and taxes (EBIT) also increased despite the Covid-19 crisis. With the simultaneously lower revenue, this results in an EBIT margin at the exceptional level of 4.3 %.

Thomas Birtel, CEO of STRABAG SE: *“A definitive end to the pandemic is not yet in sight, but from today’s perspective we can say that our strategy and our business model have proven their worth. We therefore expect a slight increase in output in 2021, although the EBIT margin, our most important financial indicator, is likely to return to normal – especially given the currently observable price increases for construction materials.”*

Output volume, revenue and order backlog

The STRABAG SE Group recorded a slightly smaller decline in output overall in the 2020 financial year than had been expected after the first six months: At € 15.4 billion, the output volume was 7 % below the record level from 2019. The consolidated group revenue amounted to € 14.7 billion, which corresponds to a decline of 6 %. The operating segments North + West contributed 51 %, South + East 32 % and International + Special Divisions 18 % to the revenue. The order backlog as at 31 December 2020 increased by 5 % to € 18.4 billion compared to the previous year.

Financial performance

The earnings before interest, taxes, depreciation and amortisation (EBITDA) again topped the € 1.0 billion mark in 2020 with € 1,174.45 million. The EBITDA margin grew from 7.1 % to 8.0 %. The depreciation and amortisation expense was € 33.08 million higher at € 543.80 million as a result of the high investments in previous years.

The earnings before interest and taxes (EBIT) increased by 5 % to € 630.65 million, which corresponds to an EBIT margin of 4.3 % after 3.8 % in 2019. This development can be attributed to a combination of many positive factors, particularly in the transportation infrastructures business in the core markets, which outweighed the Covid-19-related burdens on earnings. Earnings growth was achieved in the North + West and South + East segments.

The net interest income improved by € 4.74 million to € -20.60 million due to lower interest expenses for personnel-related provisions, among other things. The negative exchange rate result of € 5.35 million was comparable to that of the previous year (2019: € -5.93 million).

The income tax rate remained stable year-on-year at 34.6 %. The net income amounted to € 399.06 million, an increase of 5 % compared to 2019. The earnings owed to minority shareholders amounted to € 3.84 million after € 6.86 million in the previous year. The net income after minorities for 2020 thus stood at € 395.22 million – an increase of 6 %. The earnings per share amounted to € 3.85 (2019: € 3.62).

Financial position and cash flows

The total of assets and liabilities, at € 12.1 billion, remained almost unchanged compared to the previous year. Equity reached € 4,108.22 million, exceeding the € 4 billion mark for the first time, which was reflected in an increase in the equity ratio from 31.5 % to 33.9 %. A net cash position was reported as usual on 31 December 2020. This figure increased significantly to € 1.7 billion in the face of low financial liabilities and increased cash and cash equivalents.

The cash flow from operating activities improved from € 1,075.94 million to € 1,279.66 million as a result of a higher cash

flow from earnings and a higher reduction in working capital compared to the previous year. The expectation of a significant reduction in advance payments in 2020 and a concomitant increase in working capital to familiar levels once again failed to materialise.

The cash flow from investing activities was less negative, mainly due to the significantly lower investments in intangible assets and property, plant and equipment. Due to Covid-19, investments were temporarily suspended in spring 2020 as a precautionary measure.

The cash flow from financing activities showed a value of € -495.9 million after € -411.62 million in the previous year. This increase is due to a bond repayment with a higher volume than in the previous year as well as the payment of retained dividends to core shareholder MKAO “Rasperia Trading Limited”. Repayments of bank borrowings, by contrast, were down.

Outlook

STRABAG SE expects to achieve an output volume slightly above the previous year's level in the 2021 financial year. This forecast is supported by the high order backlog. Following the extraordinary earnings situation in the past financial year, the situation should return to normal in 2021 with an EBIT margin of below 4.0 %.

Further details on the 2020 business figures will be announced by STRABAG SE's Chief Executive Officer, Thomas Birtel, and Chief Financial Officer, Christian Harder, at the virtual [financial press conference](#) taking place today, Friday, at 10:00 a.m.

STRABAG SE is a European-based technology partner 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 more than 75,000 employees allow us to generate an annual output volume of around € 16 billion. At the same time, a dense network of numerous subsidiaries in many European countries and 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.