Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE posts a record year 2016

Contact

STRABAG SE
Diana Neumüller-Klein
Head of Corporate Communications
& Investor Relations
Tel. +43 1 22422-1116
diana.klein@strabag.com

- **EBIT +25 % to € 425 million, EPS +78 % to € 2.71**
- **Proposed dividend of € 0.95 per share – highest dividend since IPO**
- **Net cash position and high equity ratio**
- **Outlook 2017 confirmed: EBIT margin of at least 3 % targeted**

		2016	2015	%	Q4/16	Q4/15	%
Output volume	€m	**13,491.03**	**14,289.76**	*-6%*	**3,929.97**	**4,034.25**	*-3%*
Revenue	€m	**12,400.46**	**13,123.48**	*-6%*	**3,462.00**	**3,642.76**	*-5%*
Order backlog	€m	**14,815.79**	**13,134.58**	*13%*			
EBITDA	€m	**855.18**	**816.10**	*5%*	**404.79**	**412.31**	*-2%*
EBITDA margin	%	*6.9%*	*6.2%*		*11.7%*	*11.3%*	
EBIT	€m	**424.91**	**341.04**	*25%*	**249.01**	**225.23**	*11%*
EBIT adjusted[1)]	€m	**397.10**					
EBIT margin	%	*3.4%*	*2.6%*		*7.2%*	*6.2%*	
EBIT margin adjusted [1)]	%	*3.2%*					
Net income after minorities	€m	**277.65**	**156.29**	*78%*	**173.31**	**97.95**	*78%*
Net income after minorities margin	%	*2.2%*	*1.2%*		*5.0%*	*2.7%*	
Earnings per share	€	**2.71**	**1.52**	*78%*	**1.69**	**0.95**	*78%*
Employees	number	**71,839**	**73,315**	*-2%*			

1) adjusted for a non-operating profit in the amount of € 27.81 million

Vienna, 27 April 2017 The publicly listed construction group STRABAG SE posted a record year 2016: The target of an EBIT margin of at least 3 % was surpassed, the order backlog was at a record-high of € 14.8 billion at the end of the year. Therefore, the Management Board will propose to the Annual General Meeting in June 2017 a dividend of € 0.95 per share – the highest dividend since the IPO in 2007.

"2016 was a satisfactory – and eventful – year for us: We managed to acquire the minority interest in our subsidiary Ed. Züblin AG in Stuttgart and of the remaining stake in Raiffeisen evolution, now STRABAG Real Estate GmbH, Vienna. Both completely belong to the STRABAG Group now," says **Thomas Birtel**, CEO of STRABAG SE.

Output volume and revenue

The STRABAG SE Group generated an output volume of € 13.5 billion in 2016, a minus of 6 % versus the previous year. The consolidated group revenue amounted to € 12.4 billion. This corresponds to a minus of 6 % – the same change as with the output volume.

Order backlog
Numerous new large orders in building construction and in transportation infrastructures in Germany helped push the order backlog in the country and in the group total to a new record high of € 14.8 billion in 2016, a plus of 13 % versus the previous year. At the same time, growth in Chile, Slovakia, Hungary and Austria was balanced out by declines in Denmark, Russia and Romania.

Financial performance
In total, there was a 5 % increase of the earnings before interest, taxes, depreciation and amortisation (EBITDA) to € 855.18 million, while the EBITDA margin grew from 6.2 % to 6.9 %. Adjusted for a non-operating income from the sale of a minority investment, the EBITDA and the EBITDA margin would have amounted to € 827.37 million and 6.7 %, respectively. The depreciation and amortisation fell by 9 % to € 430.27 million, mainly because of the sale of hydraulic engineering.

The earnings before interest and taxes (EBIT) increased significantly by 25 % to € 424.91 million, which corresponds to an EBIT margin of 3.4 % after 2.6 % in 2015. The improvement would have been possible even without the special item, in which case the EBIT and the EBIT margin would have reached € 397.10 million and 3.2 %, respectively. This is due in part to improvements in the home markets of Austria and Germany. The combination of the unexpectedly low revenue with aperiodic positive impacts on earnings in 2016 makes it impossible to simply extrapolate the margin values for the following year.

The net interest income was greatly reduced with € -3.78 million after € -24.42 million the year before. The income tax rate nearly returned to normal at 33.0 % after a reported rate of 42.4 % in 2015. The STRABAG Group in 2016 acquired the remaining minority interest in Ed. Züblin AG. The earnings owed to minority shareholders thus amounted to only € 4.34 million, compared to € 26.21 million the year before. The net income after minorities for 2016 came to € 277.65 million, a plus of 78 % versus the previous year. The earnings per share also increased by 78 % to € 2.71.

Financial position and cash flows
The balance sheet total of STRABAG SE fell back from € 10.7 billion to € 10.4 billion. This was in large part due to the decrease in cash and cash equivalents from € 2.7 billion to € 2.0 billion as well as the increase of inventories resulting from the inclusion of projects from the acquisition of Raiffeisen evolution project development GmbH (now STRABAG Real Estate GmbH, Vienna). Conspicuous on the liabilities side is the stable equity ratio of 31.5 % (2015: 31.0 %), the reduced financial liabilities and the significantly lower non-controlling interests following the acquisition of all minority interests in Ed. Züblin AG. As usual, a net cash position was reported on 31 December 2016. This figure fell from € 1,094.48 million to € 449.06 million, as an unusually high level of cash and cash

equivalents had been registered in 2015 and several noteworthy enterprise investments and one real estate investment were financed with existing liquidity in 2016.

Despite a 5 % higher cash flow from earnings of € 690.37 million, the cash flow from operating activities fell by 79 % to € 264.17 million. The strong working capital reduction of the previous years, influenced among other things by the uncharacteristically high project-related advance payments, was now reversed by around one half as expected. The cash flow from investing activities, as a consequence of higher investments in property, plant and equipment, through the sale of the Tech Gate Vienna property near the STRABAG headquarters in Vienna, and because of the acquisition of Raiffeisen evolution group (now STRABAG Real Estate GmbH, Vienna) sank by 36 % on the year to € -434.43 million. The cash flow from financing activities amounted to € -564.18 million after € -117.55 million in 2015. This development was driven especially by the acquisition of the remaining shares of Ed. Züblin AG and by the refinancing in the real estate project development business. Additionally, a bond issue last year had contributed positively to the cash flow.

Employees
The number of employees fell slightly by 2 % to 71,839. The declines were registered mainly among blue-collar staff in human-resource-intensive regions outside of Europe, though staff levels also decreased noticeably in Russia.

Outlook
For the financial year 2017, STRABAG SE still expects a plus in output volume to at least € 14.0 billion (≥ +4 %) and reiterates its goal, to again confirm an EBIT margin of at least 3 %.

Additional details as to the 2016 financial figures will be presented by the CEO, Thomas Birtel, at the press conference taking place today, Thursday, at 10:00 a.m.