Press Release
Investor Information

STRABAG SE: Higher earnings despite challenging market environment

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- **Output volume up by 9% in the first half of the year**
- **Order backlog of € 24.3 billion as solid basis for 2024 (+2% compared to 31 December 2022)**
- **EBIT up 37% to € 87.4 million**
- **Outlook for 2023 revised upwards: output volume expected to reach approx. € 18.6 billion – previous forecast ≥ € 17.9 billion; EBIT margin target of ≥ 4% remains unchanged**

STRABAG SE	**6M/2023**	**6M/2022**	**% 6M/2022–6M/2023**
Output volume	8,258.62	7,587.72	9%
Order backlog	24,320.48	23,969.66	1%
Employees (FTE)	75,551	72,709	4%

NORTH + WEST[1)]	**6M/2023**	**6M/2022**	**% 6M/2022–6M/2023**
Output volume	3,628.35	3,393.80	7%
Order backlog	10,529.54	10,811.96	-3%
Employees (FTE)	21,787	21,330	2%

SOUTH + EAST[1)]	**6M/2023**	**6M/2022**	**% 6M/2022–6M/2023**
Output volume	2,786.36	2,611.91	7%
Order backlog	8,343.19	7,826.65	7%
Employees (FTE)	23,493	24,299	-3%

INTERNATIONAL + SPECIAL DIVISIONS	**6M/2023**	**6M/2022**	**% 6M/2022–6M/2023**
Output volume	1,730.98	1,525.13	13%
Order backlog	5,367.31	5,324.61	1%
Employees (FTE)	22,706	20,096	13%

1) *Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. The previous year's figures have been adjusted accordingly.*

Vienna, 31 August 2023 The publicly listed European technology group for construction services STRABAG SE today, Thursday, announced its figures for the first half of 2023.

"We have succeeded in carrying over the strong start to 2023 into the first half of the year and are pleased to be able to report a significant increase in output and earnings. Based on our high order backlog and

strong increase in output in the first half of the year, we are raising our output forecast for the full year 2023 to around € 18.6 billion. Our target of at least 4% for the EBIT margin remains unchanged," says Klemens Haselsteiner, CEO of STRABAG SE.

Output volume and revenue

STRABAG SE generated an output volume of € 8,258.62 million in the first half of 2023, 9% higher than in the same period of the previous year. The ongoing execution of the high order backlog contributed positively to the significant increase in output volume, in part supported by the inflationary environment. The largest increases in absolute terms were achieved in the home markets of Germany and Austria, followed by Romania, the United Kingdom and Poland. This contrasted with declines in work performed in the Czech Republic, Denmark and Sweden. The consolidated group revenue grew by 6%.

Order backlog

The order backlog exceeded the € 24 billion mark for the first time on 31 March 2023 and remained above this mark at the end of June with € 24,320.48 million. This corresponds to a slight increase of 1% compared to the same point in the previous year. Significant growth was recorded above all in Germany, Romania, Croatia, Italy and Poland. Declines were recorded in the Americas and in the United Kingdom due to the completion of large projects in those regions. The order backlog decreased in Austria by 5%. The ongoing interest rate turnaround and the stricter lending guidelines for residential construction loans in Austria contributed significantly to this development.

"While we are seeing very solid business in transportation infrastructures, there are signs of a downward trend in some areas of building construction, mainly due to declining activities in the residential segment. In Austria, due to a combination of higher mortgage interest rates and stricter lending guidelines, this effect has been more pronounced than in the rest of Europe. Nevertheless, we were able to increase our already very high order backlog by another 2% to € 24.3 billion compared to the end of 2022. If we put this in relation to our full-year target, our order backlog already extends into the fourth quarter of 2024. This is a reflection of our ability to balance out declining trends in individual construction segments," Klemens Haselsteiner reports.

Financial performance

Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached € 351.14 million in the first half of 2023, a plus of 8% compared to the same period of the previous year. The depreciation and amortisation expense increased slightly by 1% to € 263.79 million. As a result, earnings before interest and taxes (EBIT) grew by 37% to € 87.35 million (6M/2022: € 63.63 million).

Significant earnings growth was achieved in the North + West segment, while the figure in South + East, as is common in the construction industry, found itself in negative territory in the first half of the year – although a noticeable improvement was achieved in this segment as well. The earnings in International + Special Divisions, subject to regular fluctuations due to the inclusion of large projects in the segment, declined against the high level recorded in the previous year.

Net interest income was € 26.54 million, up from € 6.24 million in the first half of 2022. This development is mainly due to a significant increase in interest income. The figure includes negative exchange rate differences of € -4.65 million (6M/2022: € 5.74 million). Earnings before taxes (EBT) therefore came to € 113.89 million (6M/2022: € 69.87 million). Compared to € -26.11 million in the previous year, income taxes amounted to € -37.28 million, which corresponds to a tax rate of 33%. As a result, a net income of € 76.61 million was generated (6M/2022: € 43.76 million).

The earnings attributable to minority shareholders remained almost unchanged in absolute terms at € 2.47 million. This yields an overall net income after minorities of € 74.14 million. In the same period of the previous year, this figure had stood at € 40.41 million. With a weighted number of 100,435,139 outstanding shares in the first half of 2023, this corresponds to earnings per share of € 0.74 (6M/2022: € 0.39).

Financial position and cash flows

The balance sheet total increased slightly to € 12.9 billion, a plus of 2% compared to the end of 2022. As is usual for the season, inventories and contract assets increased, while cash and cash equivalents decreased in the first half of 2023. The equity ratio increased at a high level from 31.7% on 31 December 2022 to 32.6%. A purchase obligation for own shares that was in effect at the end of the year was deducted from retained earnings in the maximum possible amount of 10% of the share capital (€ 399.52 million). The associated mandatory offer, which was concluded in February 2023, was accepted to the extent of 2.7 percentage points, so that retained earnings increased by the difference of € 291.31 million in the first half of 2023. STRABAG continues to report a net cash position. Due to seasonal effects, this figure decreased from € 1,927.70 million to € 1,484.03 million.

Cash flow from operating activities returned to positive territory at € 174.93 million (6M/2022: € -605.70 million) due to a significantly lower increase in working capital. The cash flow from investing activities reflects the acquisition of several businesses – above all the takeover of the German facility management service provider Bockholdt GmbH & Co. KG, which more than compensated for the lower investments in intangible assets and in property, plant and equipment. As a result, cash flow from investing activities stood at € -344.65 million, compared to € -288.90 million in the same period last year. The cash flow from financing activities amounted to € -292.37 million in the first half of 2023 (6M/2022: € -191.51 million). This figure includes the acquisition of own shares tendered as part of the mandatory offer as well as the distribution of the dividend for the 2022 financial year. The latter was not included in the same period of 2022 as the distribution was made in the second half of the year.

Employees

An average of 75,551 FTEs were employed in the first half of 2023, an increase of 4% compared to the same period last year. As a result of an acquisition in the field of property and facility services, the largest increase was recorded in Germany, followed by the Americas, where the headcount was increased for the execution of mining projects.

Outlook for 2023

Based on the continued high order backlog and the increased output volume in the first half of the year, the Management Board is updating its outlook for the 2023 financial year and now expects an output volume of around € 18.6 billion, compared to the previous estimate of at least € 17.9 billion. The EBIT margin is expected to again reach at least 4%, in line with the previous forecast. Net capital expenditure (cash flow from investing activities) continues to be projected at a maximum of € 600 million.

***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.