Press Release
Investor Information

STRABAG SE confirms guidance for 2017 after six months

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- **Output volume up by 10 % in the first half of 2017**
- **Order backlog again at record level of € 16.5 billion (+7 %)**
- **Non-operating, non-recurring item had positive effect on the comparison figures: EBIT up significantly versus adjusted prior-year figures, without adjustment lower**
- **Outlook 2017 confirmed: higher output volume, EBIT margin targeted at ≥ 3 %**

		6M/17	6M/16	%	Q2/17	Q2/16	%
Output volume	€m	6,254.39	5,677.32	*10%*	3,827.60	3,420.39	*12%*
Revenue	€m	5,651.69	5,312.15	*6%*	3,440.20	3,188.13	*8%*
Order backlog	€m	16,472.88	15,413.25	*7%*			
EBITDA	€m	151.23	156.76	*-4%*	201.94	214.47	*-6%*
EBITDA margin	%	*2.7%*	*3.0%*		*5.9%*	*6.7%*	
EBIT	€m	-32.59	-20.78	*-57%*	110.50	124.62	*-11%*
EBIT margin	%	*-0.6%*	*-0.4%*		*3.2%*	*3.9%*	
EBIT clean1)	€m	-32.59	-48.59	*33%*	110.50	96.81	*14%*
EBIT margin clean 1)	%	*-0.6%*	*-0.9%*		*3.2%*	*3.0%*	
Net income	€m	-61.72	-32.97	*-87%*	63.47	97.16	*-35%*
Net income margin	%	*-1.1%*	*-0.6%*		*1.8%*	*3.0%*	
Net income after minorities	€m	-60.40	-25.00	*-142%*	61.30	91.99	*-33%*
Net income after minorities margin	%	*-1.1%*	*-0.5%*		*1.8%*	*2.9%*	
Earnings per share	€	-0.59	-0.24	*-142%*	0.60	0.90	*-33%*
Employees	number	71,662	70,221	*2%*			

1) in 2016 adjusted for a non-operating profit in the amount of € 27.81 million

Vienna, 31 August 2017 After the first six months of the financial year, publicly listed construction company STRABAG SE is optimistic to be able to reach its goals for the full year 2017.

"The positive trend for STRABAG that set in at the beginning of the year continues to this day. The order backlog is at a record high, the output volume growth was in the double digits in the first half of the year and the operating earnings have increased. This positive development, however, is not immediately clear at first glance due to a one-off effect in the previous year – which we had disclosed at that time. The figures for the second quarter of 2016 had included a non-operating, non-recurring profit from the sale of a shareholding related to the acquisition of the minority interest in subsidiary Ed. Züblin AG in the amount of € 27.81 million. We have been reporting both figures – adjusted and unadjusted – ever since. This makes it possible to clearly show that, following an adjustment for this distortion effect on the comparison figures, the result is a considerable earnings

improvement. I am therefore very pleased to again be able to confirm our expectations for the 2017 full year. The output volume should rise to at least € 14.0 billion with an EBIT margin of at least 3 %," says **Thomas Birtel**, CEO of STRABAG SE.

Output volume and revenue
STRABAG SE generated an output volume of € 6.3 billion in the first half of the 2017 financial year – an increase of 10 %. This upwards trend was driven especially by the German transportation infrastructures business and by a number of mid-sized building construction and civil engineering projects in Austria. The consolidated group revenue grew slightly less strongly than the output, gaining 6 % to € 5,651.69 million.

Order backlog
The order backlog reached another record high of € 16.5 billion (+7 % versus 30 June 2016). Contributing to this development once again were numerous new large orders from the public sector and the industry in the group's largest markets, namely in Germany, Austria, Poland, Slovakia and Hungary. In the 2016 financial year, the group generated about 75 % of its output volume in these countries.

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.

In the second quarter of the previous year, the results had included earnings in the amount of € 27.81 million from the sale of a minority shareholding related to the acquisition of the minority interest in subsidiary Ed. Züblin AG that cannot be assigned to the operating business. Adjusted for this effect, the earnings before interest, taxes, depreciation and amortisation (EBITDA) in the six-month period increased by 17 % from € 128.95 million to € 151.23 million due to a number of effects from numerous different projects. Without adjusting the previous year's earnings, the EBITDA fell slightly by 4 %.

The depreciation and amortisation was up by 4 % due to regular depreciation amounts for large equipment in the international business, so that the earnings before interest and taxes (EBIT) – still negative as usual in the first six months – came to rest at € -32.59 million. This represents an improvement of 33 % when adjusted for the positive one-off effect in the previous year and a decline of 57 % if unadjusted. In the second quarter, the adjusted EBIT grew by 14 % to € 110.50 million while unadjusted it fell by 11 %.

The net interest income fell from € -5.71 million to € -36.52 million. This is due to negative internal exchange rate differences of € -28.10 million after positive exchange rate differences of € 9.20 million in the comparison period of the previous year. The earnings before taxes (EBT), at € -69.11 million, were significantly more negative as result (2016: € -26.49 million). Accordingly, the income tax was in positive territory with € 7.39 million and thus provided relief. The third-party shareholders bore a loss of € -1.32 million; in the previous year's comparison period – until April, there had still been minority shareholdings in Stuttgart-based subsidiary Ed. Züblin AG – this figure amounted to € -7.97 million. These effects resulted in a net income after minorities of € -60.40 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € -0.59 after € -0.24 in the first half of the previous year.

Financial position and cash flows

At € 10.5 billion, the balance sheet total was nearly unchanged versus 31 December 2016. This figure was heavily influenced by the seasonally usual growth of trade receivables with a corresponding decline of the cash and cash equivalents. At the same time, an increase was registered in the trade payables. The equity ratio remained high at 29.9 % compared to 31.5 % at the end of 2016 (30 June 2016: 29.6 %). The net cash position stood at € 95.27 million, decreasing – as is seasonally usual – versus the year-end figure, but turning from the net debt position that had existed at the end of the comparison period last year.

The cash flow from operating activities, at € -200.51 million, was significantly less deep in negative territory than in the first half of the previous year, when it had still amounted to € -623.29 million. This was due above all to the increase in trade payables, which in the first half of 2016 had been reduced due to an unusually high level of advance payments on 1 January 2016. The cash flow from investing activities, with a slightly higher level of investments in property, plant and equipment but an inflow of funds from changes to the scope of consolidation following the sale of a project development, was also less negative than in the first half of the previous year. The cash flow from financing activities stood at € -18.83 million after € -345.09 million in the previous year, when the figure had been strongly influenced by the acquisition of the shares of Ed. Züblin AG. Additionally, STRABAG SE last year paid out the shareholder dividends in the second quarter; this year, it will do so in the third quarter.

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 %.

***STRABAG SE** is a European-based technology group 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 close to 72,000 employees allow us to generate an annual output volume of about € 14 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.*