Press Release
Investor Information

STRABAG SOCIETAS EUROPAEA

STRABAG SE posts stable operating earnings after nine months 2017 despite positive one-off last year

Contact

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- **Output volume 9M/2017 up by 9 %**
- **Order backlog again at high level: € 16.0 billion (+7 %)**
- **Despite positive, non-operating, non-recurring item in the previous year, EBITDA after nine months stable**
- **Negative exchange rate differences, however, result in significantly lower net income after minorities**
- **Outlook 2017: expected output volume raised to € 14.5 billion (previously: ≥ € 14.0 billion), EBIT margin forecast remains at ≥ 3 %**

		9M/17	9M/16	%	Q3/17	Q3/16	%
Output volume	€m	10,383.06	9,561.06	9%	4,128.67	3,883.74	6%
Revenue	€m	9,357.28	8,938.46	5%	3,705.59	3,626.31	2%
Order backlog	€m	16,038.27	14,990.68	7%			
EBITDA	€m	448.43	450.39	0%	297.19	293.64	1%
EBITDA margin	%	4.8%	5.0%		8.0%	8.1%	
EBIT	€m	170.56	175.90	-3%	203.15	196.68	3%
EBIT margin	%	1.8%	2.0%		5.5%	5.4%	
EBIT clean[1)]	€m	170.56	148.09	15%	203.15	196.68	3%
EBIT margin clean[1)]	%	1.8%	1.7%		5.5%	5.4%	
Net income	€m	78.24	104.90	-25%	139.97	137.87	2%
Net income margin	%	0.8%	1.2%		3.8%	3.8%	
Net income after minorities	€m	73.79	104.34	-29%	134.19	129.35	4%
Net income after minorities margin	%	0.8%	1.2%		3.6%	3.6%	
Earnings per share	€	0.72	1.02	-29%	1.31	1.26	4%
Employees	number	72,579	71,329	2%			

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

Vienna, 30 November 2017 Publicly listed construction company STRABAG SE reported operating earnings that are nearly unchanged after the first nine months 2017 – despite the fact that a one-off effect in 2016 from the sale of a shareholding related to the acquisition of the minority interest in subsidiary Ed. Züblin AG, which was disclosed at that time, had resulted in an upwards distortion of the earnings figures. At the same time, the company raised its forecast for the output volume in 2017 from ≥ € 14.0 billion to € 14.5 billion. The EBIT margin 2017 is confirmed to be expected to reach at least 3 %.

"That we are today confirming our expectations for the full year 2017 is not a matter of course. STRABAG is involved in some 12,000 construction projects every year, including many large-scale and

megaprojects. In carrying out our work, several risks can arise simultaneously; at the same time, however, it is also possible to regularly turn opportunities into earnings," comments **Thomas Birtel**, CEO of STRABAG SE.

Output volume and revenue
STRABAG SE generated an output volume of € 10.4 billion in the first nine months of 2017 – an increase of 9 %. This upwards trend is being driven especially by the German transportation infrastructures business and by a number of mid-sized building construction and civil engineering projects in Austria. Business growth can also be observed in the group's core markets of Central and Eastern Europe. The consolidated group revenue grew slightly less strongly than the output, gaining 5 % to € 9,357.28 million.

Order backlog
The order backlog, at € 16.0 billion, again reached a very high level (+7 % versus 30 September 2016). Contributing to this development once more were numerous new large orders from the public sector and the industry in the group's largest markets, namely in Germany, Austria, Poland, Hungary and Slovakia. The group had generated about 75 % of its output volume in these countries in 2016.

Financial performance
The earnings before interest, taxes, depreciation and amortisation (EBITDA) remained stable at € 448.43 million after € 450.39 million. It should be noted that, 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 EBITDA in the nine-month period increased by 6 %. Worth mentioning, besides a number of effects from numerous different projects, are the renewed negative effect on earnings from a large project in Chile and the recognition of a receivable from a concession project in Poland.

The depreciation and amortisation were up slightly, so that the earnings before interest and taxes (EBIT) came to rest at € 170.56 million for a minus of 3 % compared to the same period of the previous year. Adjusted for the positive one-off effect in the previous year, however, this represents a plus of 15 %. Meanwhile, the net interest income fell from € -13.30 million to € -43.19 million. This is due to negative internal exchange rate differences of € -27.33 million after positive exchange rate differences of € 3.74 million in the comparison period of the previous year. The income tax level fell by 15 %, leaving a net income of € 78.24 million (-25 %). The third-party share amounted to € 4.45 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 € 0.56 million.

These effects resulted in a net income after minorities of € 73.79 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € 0.72 after € 1.02 in the first nine months of the previous year.

Financial position and cash flows

With € 10.6 billion, the balance sheet total changed only little versus 31 December 2016. This figure was influenced by the recategorization of the term of the financial liabilities from non-current to current, in part because of the maturity of a bond, and an increase of the trade payables. The equity ratio remained high at 30.8 % compared to 31.5 % at the end of 2016 (30 September 2016: 30.0 %). The net cash position stood at € 14.62 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 € -84.97 million, was significantly less deep in negative territory than in the first half of the previous year, when it had still amounted to € -569.94 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. Moreover, the nine-month period last year had been burdened with unusually high income tax payments. The cash flow from investing activities remained nearly unchanged at € -241.67 million. The higher level of investments in property, plant and equipment was balanced out by an inflow of funds from changes to the scope of consolidation following the sale of a project development. The cash flow from financing activities stood at € -198.85 million after € -422.37 million in the previous year, when the figure had been strongly influenced by the acquisition of the shares of Ed. Züblin AG.

Outlook

The 2017 financial year promises a positive development of the output volume. The Management Board of STRABAG SE expects an increase to € 14.5 billion (+7 %). Growth should be seen in all three operating segments – North + West, South + East and International + Special Divisions. STRABAG expects the EBIT margin to reach a level of at least 3 %. The cash flow from investing activities should reach around € 450 million.

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.*