

STRABAG SE: new record output volume, EBIT margin expected to approach 5%

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- Output at record level of € 19.1 billion (+8% vs. 2022)
- Order backlog largely unchanged at € 23.5 billion
- Outlook for 2024: output volume of around € 19.4 billion, EBIT margin \geq 4%

STRABAG SE	2023	2022	% 2022–2023
Output volume	19,139.14	17,735.47	8%
Order backlog	23,466.13	23,738.84	-1%
Employees (FTE)	77,136	73,740	5%
NORTH + WEST ¹⁾	2023	2022	% 2022–2023
Output volume	8,216.66	7,865.46	4%
Order backlog	11,207.13	10,337.38	8%
Employees (FTE)	22,136	21,683	2%
SOUTH + EAST ^{1) 2)}	2023	2022	% 2022–2023
Output volume	7,741.90	7,087.08	9%
Order backlog	7,074.25	7,969.32	-11%
Employees (FTE)	27,057	27,514	-2%
INTERNATIONAL + SPECIAL DIVISIONS ²⁾	2023	2022	% 2022–2023
Output volume	2,957.27	2,644.81	12%
Order backlog	5,159.42	5,412.72	-5%
Employees (FTE)	20,360	17,526	16%
OTHER	2023	2022	% 2022–2023
Output volume	223.31	138.12	62%
Order backlog	25.33	19.42	30%
Employees (FTE)	7,583	7,017	8%

1) Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. 2) The building materials business, previously reported in the International + Special Divisions segment, was incorporated into South + East effective 1 July 2023. The previous year's figures have been adjusted accordingly.

Vienna, 15 February 2024 STRABAG SE, the publicly listed European technology group for construction services, today announced its initial figures for the 2023 financial year and issued an outlook for 2024. “Following several boom years fuelled by the zero and negative interest rate policy, 2023 was defined by a cooldown in the construction industry. Residential construction was particularly hard hit by the changed environment. This segment accounts for less than 10% of the STRABAG’s Group output, however. In times like these, we can make use of the strengths that our business model offers: our critical size and broad positioning by country and sector

allowed us to increase our output volume to over € 19 billion for the first time and to maintain our very high order backlog," says Klemens Haselsteiner, CEO of STRABAG SE.

Output volume

The STRABAG SE Group increased its output volume by 8% to € 19.1 billion in the 2023 financial year, setting a new record for this figure. Growth in almost all of the Group's key markets contributed to this development, with the largest increases in output recorded in Germany and Romania as well as in transportation infrastructures in Poland. In the Czech Republic, output declined, as expected, after a selective approach was taken in response to increased competition in transportation infrastructures. Apart from this, only smaller markets such as Sweden and Denmark recorded a decline in output.

Order backlog

Despite sharp declines on the residential construction market, the order backlog remained more or less stable at a very high level of € 23.5 billion (-1% compared to 31 December 2022). The order backlog grew in Germany, primarily in building construction and civil engineering, in Poland, and in the Middle East, among other regions. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog in Austria remained below the above-average level of the previous year. The decline in the United Kingdom and in the Americas can be explained by the gradual completion of major projects in those regions.

Additions to the order backlog in Germany include the expansion of the U5 subway lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University in Bochum, and the construction of the sustainable office building Inspire Neukölln in Berlin. In the Middle East, infrastructure and building construction projects worth around € 383 million were acquired in the United Arab Emirates, Oman and Qatar. In the Czech Republic, the Group was awarded the contract to modernise the Masaryk railroad station in Prague, while in Poland STRABAG is constructing a production and logistics building for Cognor S. A. and building the country's third longest bridge over the river San near the city of Stalowa Wola.

EBIT

The EBIT margin for the 2023 financial year is expected to approach 5% (2022: 4.2%), higher than originally forecast. This development is due to positive earnings effects in the North + West segment.

Employees

The Group had an average of 77,136 employees (FTE) in the 2023 financial year. This corresponds to an increase of 5% compared to the previous year. Due to a strong increase in output volume and as a result of an acquisition in property and facility services, the largest increase was recorded in Germany, followed by the Americas, where

the number of employees was increased to handle the completion of several large-scale projects.

Outlook 2024

“Buoyed by last year’s strong performance, we expect to be able to confirm our record output in 2024. With our strategy of People. Planet. Progress., we are also ideally positioned to benefit from the increased demand for reconstruction, conversion and refurbishment and in energy transition projects in the coming years,” says CEO Klemens Haselsteiner.

Based on the continuing high order backlog, which already extends into 2025, the Management Board expects the output volume to increase slightly from its already high level. Specifically, this figure is forecast to reach around € 19.4 billion in the 2024 financial year, with contributions coming especially from the two operating segments North + West and South + East.

Due to the economic challenges in the construction industry, the earnings for 2023 do not change anything about the target of generating an EBIT margin of at least 4% in the 2024 financial year.

Net investment (cash flow from investing activities) in 2024 is not expected to exceed € 750 million.

Further figures and details as to the 2023 financial year will be published on 25 April 2024 at 7:00 a.m. (CEST) at www.strabag.com.

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 86,000 employees, we generate an annual output volume of around € 19 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.