STRABAG SOCIETAS EUROPAEA

INDIVIDUAL FINANCIAL STATEMENTS

2023

Content
Individual financial statements

3 **Individual financial statements as at 31 december 2023**
4 Balance sheet as at 31 December 2023
6 Income statement for the 2023 financial year
8 Notes to the 2023 financial statements of STRABAG SE, Villach
9 I. Application of Austrian Business Enterprise Code
10 II. Accounting policies
13 III. Notes to the balance sheet
19 IV. Notes to the income statement
20 V. Additional disclosures
22 Statement of changes in non-current assets as of 31 December 2023
23 List of investments
26 Management and Supervisory Board

27 **Group management report**
28 Important events
34 Country report
47 Order backlog
50 Financial performance
52 Financial position and cash flows
54 Capital expenditures
55 Financing and treasury
57 Report on the financial performance, financial position and cash flows of STRABAG SE
60 Segment report
71 Risk management
78 Research and development
80 Website Corporate Governance Report
81 Disclosures under Section 243a Para 1 UGB
84 Related parties
85 Outlook
86 Events after the reporting period

87 **Auditor's Report**

Individual financial statements as at 31 December 2023

2023

Balance sheet as at 31 December 2023

	31.12.2023	31.12.2022
	€	T€
Assets		
A. Non-current assets:		
I. Tangible assests:		
Other facilities, furniture and fixtures and office equipment	1,027,556.82	1,027
II. Financial assests:		
1. Investments in subsidiaries	2,579,963,786.35	2,542,740
2. Investments in participation companies	24,266,674.57	24,367
3. Loans to participation companies	68,524,884.81	75,057
4. Other loans	24,975.32	24
	2,672,780,321.05	2,642,188
	2,673,807,877.87	**2,643,214**
B. Current assets:		
I. Accounts receivable and other assets:		
1. Trade receivables	0.00	3
2. Receivables from subsidiaries	597,441,899.53	519,616
thereof with a remaining term more than one year	272,113,990.40	269,714
3. Receivables from participation companies	5,273,022.27	5,696
4. Other receivables and assets	21,347,783.52	24,584
thereof with a remaining term more than one year	17,719,139.52	20,919
	624,062,705.32	549,899
II. Cash assets, including bank accounts	213,958.35	495
	624,276,663.67	**550,394**
C. Accruals and deferrals	**10,806,209.83**	**10,599**
D. Deferred tax assets	**9,577,033.00**	**12,343**
Group	**3,318,467,784.37**	**3,216,551**

	31.12.2023	31.12.2022
	€	T€
Equity and liabilities		
A. Equity:		
I. Called up and paid in nominal capital (share capital):		
Subscribed nominal capital (share capital)	102,600,000.00	102,600
less nominal value of own shares	-2,779,006.00	-1,695
	99,820,994.00	100,905
II. Capital reserves		
1. committed	824,962,905.51	2,159,447
2. not committed	996,620,004.30	0
	1,821,582,909.81	2,159,447
III. Retained earnings:		
1. Legally required reserves	72,672.83	73
2. Voluntary reserves	530,458,227.60	214,834
	530,530,900.43	214,907
IV. Reserves for own shares	2,779,006.00	1,695
V. Unappropriated net profit	260,088,360.40	502,740
thereof profit brought forward	0.00	502,740
	2,714,802,170.64	**2,979,694**
B. Provisions:		
1. Provistions for taxes	27,965.00	728
2. Other provisions	14,247,767.00	18,394
	14,275,732.00	**19,122**
C. Accounts payable		
1. Trade payables	3,089,278.60	1,926
thereof with a remaining term up to one year	3,089,278.60	1,926
2. Payables to subsidiaries	163,521,321.86	107,122
thereof with a remaining term up to one year	163,521,321.86	107,122
3. Payables to participation companies	586,441.87	586
thereof with a remaining term up to one year	586,441.87	586
4. Other payables	422,192,839.40	108,101
thereof taxes	1,337,297.90	446
thereof social security liabilities	36,038.33	30
thereof to shareholder with frozen shareholder rights	340,575,011.95	41,325
thereof with a remaining term up to one year	422,192,839.40	108,101
	589,389,881.73	**217,735**
thereof with a remaining term up to one year	589,389,881.73	217,735
Group	**3,318,467,784.37**	**3,216,551**

Income statement for the 2023 financial year

	2023	2022
	€	T€
1. Revenue (Sales)	88,280,121.38	83,374
2. Other operating income:		
a) Income from disposal of and reversal of impairment losses of non-current assets other than financial assets	37,922.29	0
b) Miscellaneous	1,580,245.38	23
	1,618,167.67	**23**
3. Cost of materials and services:		
a) Materials	-68,046.33	-37
b) Services	-24,113,708.19	-23,301
	-24,181,754.52	**-23,338**
4. Employee benefits expense:		
a) Salaries	-9,904,521.96	-9,710
b) Social expenditures	-1,412,456.38	-1,264
therof contributions to employee benefit plans	-166,260.10	-111
thereof social security contributions, as well as payroll-related and other mandatory contributions	-840,582.36	-604
thereof other social ependitures	-405,613.92	-549
	-11,316,978.34	**-10,974**
5. Depreciation	-26,526.51	-23
6. Other operating expenses:		
a) Taxes other than those included in item 15	-195,321.68	-292
b) Miscellaneous	-34,681,108.58	-31,571
	-34,876,430.26	**-31,863**
7. Subtotal of items 1 through 6 (operating result)	**19,496,599.42**	**17,199**
8. Income from investments	290,013,246.17	251,950
thereof from subsidiaries	288,364,217.43	245,971
9. Other interests and similar income	17,593,396.38	8,291
thereof from subsidiaries	11,453,100.62	4,012
10. Income from disposal and write-up of financial assets and marketable securities	216,056.68	0
11. Expenses related to financial assets:		
a) Depreciation from subsidiaries	-959,255.15	-3,330
b) Other depreciation	-100,000.00	-700
c) Other expenses from subsidiaries	-344,227.20	-3,117
d) Other	-410,000.00	-150
	-1,813,482.35	**-7,297**
12. Interests and similar expenses	-11,326,015.49	-4,306
thereof from subsidiaries	-10,565,656.18	-3,222
13. Subtotal of item 8 through 12 (financial result)	**294,683,201.39**	**248,637**
14. Result before taxes	**314,179,800.81**	**265,836**
15. Taxes on income and gains	653,077.92	-6,217
thereof income tax	423,336.58	-1,050
thereof tax allocation	2,996,036.34	-1,732
thereof deferred taxes	-2,766,295.00	-3,435
16. Income after Taxes = net income for the year	**314,832,878.73**	**259,620**
17. Allocation to retained earnings (voluntary reserves)	-54,744,518.33	-259,620

18. Profit for the period	**260,088,360.40**	**0**
19. Profit brought forward	0.00	502,740
20. Unappropriated net profit	**260,088,360.40**	**502,740**

Notes to the 2023 financial statements of STRABAG SE, Villach

I. Application of Austrian Business Enterprise Code

The Management Board of the company prepared these financial statements as of 31 December 2023 in accordance with the Austrian Business Enterprise Code (UGB).

In preparing the present financial statements, the previous method of presentation was maintained.

Where an asset or liability relates to more than one item in the balance sheet, the relationship of such asset or liability to the relevant items is disclosed in the notes.

The income statement was prepared in report form using the nature of expense method.

Additional information was provided in the notes as far as was necessary to ensure a true and fair view of the financial position, financial performance and cash flows.

The company is the topmost parent company of the companies within the scope of consolidation of STRABAG SE, Villach. The consolidated financial statements are deposited with the Landes- als Handelsgericht Klagenfurt (District and Commercial Court Klagenfurt).

The company is a large corporation (Kapitalgesellschaft) as defined by Sec 221 of the Austrian Business Enterprise Code (UGB).

II. Accounting policies

General principles

The financial statements were prepared in accordance with the “principles of orderly accounting” and following the general norm of presenting a true and fair view of the financial position, financial performance and cash flows.

The financial statements were prepared in conformity with the “principle of completeness”.

Individual assets and liabilities were measured in accordance with the “principle of individual valuation”.

The financial statements were prepared in accordance with the “principle of prudence” by only reporting profit which was realized on the balance sheet date. All recognizable risks and impending losses which occurred in 2023 or an earlier financial year were taken into consideration.

Estimates are based on a conservative assessment. If statistically measurable experiences from similar circumstances are available, these were considered when making the estimates.

The previously applied accounting policies were kept.

Notes on macroeconomic developments

The price increases for energy and construction materials triggered by the Ukraine war pose major challenges for the construction industry as well. Fuel for the vehicle and construction equipment fleet accounts for a large part of energy costs.

After some very dynamic cost development in the first few months after the start of the war, prices began to stabilise to a certain extent, although at a high level – where they are likely to remain for the long term.

The availability of construction materials improved over the course of the year, and the main supply chains are again intact. The management is addressing supply chain risks with a high degree of decentralisation, the long-term procurement of raw materials, in-house production of construction materials and a proactive pricing policy.

The high construction prices and increased interest rates are bound to have an impact on demand. The Group’s broad diversification, however, will cushion these effects. The shift from private to public contracts is expected to continue in the short term. STRABAG is well positioned in this respect, as over 60% of its customers are in the public sector. In addition, the Group has a diversified portfolio in building construction and positive trends were recognisable in commercial and industrial construction. Residential construction activities account for less than 10% of the Group’s total output.

Impact of climate change

The climate crisis is one of the most pressing challenges of our time, bringing with it increasing economic impacts and risks for businesses in the future.

The STRABAG SE Group is heavily dependent on fossil fuels. Stricter regulations and higher prices resulting from CO_2 pricing present the risk of volatile and higher energy and commodity prices that cannot be fully passed on to customers.

Stricter environmental protection regulations and additional expenses for climate-friendly business processes are expected to lead to cost increases and a further rise in construction prices.

The risk exists that fewer contracts will be awarded, particularly for the construction of new roads, due to a change in public investment habits and stricter zoning laws, which will have to be compensated for by contracts in other business areas.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for reconstruction, conversion and refurbishment work on existing buildings and the circularity of the built environment. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion. This will lead to an increased demand for sustainable building materials, which, however, do not yet exist or are not yet available in sufficient quantities.

The increase in extreme weather events will lead to construction delays and increased insurance costs.

The property and facility services business will increasingly offer green services using sustainable cleaning agents and environmentally friendly equipment in the future. The higher average temperatures are expected to result in an increased need for refurbishment and modernisation at IT locations for telecommunications and at data centres.

In the field of project development services, more projects related to renewable energies will be put out to tender in the future.

In total, the risks to assets and liabilities resulting from climate change can nevertheless be classified as comparatively low. Consequently, there are no risks that could jeopardise the continuation of the company as a going concern.

On the contrary, the construction sector, as a result of the construction and technology measures required to adapt to climate change, will make a significant contribution to protecting ourselves against the expected impacts.

The increasing demand for climate-resilient construction and refurbishment as well as the development of new business models for the generation and use of renewable energy sources are seen as key opportunities in this regard.

As part of the sustainability strategy adopted in the 2021 financial year, STRABAG has set itself the goal of achieving climate neutrality along the entire value chain by the year 2040. When designing and building construction projects, the company focuses on ecologically compatible, sustainable construction methods as well as on the efficient use of resources and their recycling in order to limit any negative impact of construction on the environment as far as possible.

Non-current assets

Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation. In line with the relevant tax legislation, the company takes a full year's depreciation for acquisitions during the first six months of the year and a half year's depreciation for acquisitions during the second six months of the year.

The depreciation is calculated using the straight-line method over the following useful lives:

	Years	
	from	to
Other facilities, furniture and fixtures and office equipment	4	15

Low-value assets (individual cost up to € 1,000.00 / previous year: up to € 800.00) are depreciated in full in the year in which they are acquired.

Extraordinary depreciation on a lower fair value measurement at the reporting date is undertaken where the impairment is considered permanent.

Financial assets

Financial assets are valued at cost or a lesser fair value if one is attributable where the impairment is considered permanent.

In a first step, the carrying amount of the investments in affiliated companies is compared with the proportionate share in equity at the reporting date. In case the carrying amount exceeds the proportionate share in equity, an impairment test of the investment based on discounted cashflows, which significantly depend on future revenue, margin projections and discount rates, is performed. This valuation is subject to significant uncertainty.

Loans are measured at historical cost. Lower values are recognized for permanent or significant impairment losses.

Increases in non-current assets

The value of non-current assets is increased where there is no more cause for depreciation. The increase is carried out up to a maximum of the amortised cost, taking into account the regular depreciation that would have had to be carried out in the meantime.

Current assets

Accounts receivable and other assets

Trade and other receivables are reported at nominal value.

The valuation of foreign currency receivables follows the “strict lowest value principle”.

Individual value adjustments are made for recognizable risk.

Increases in current assets

Reversals of depreciation for current assets are done where there is no more cause for depreciation.

Deferred taxes

Deferred taxes are recognized in accordance with Sec 198 Para 9 and 10 UGB using the balance sheet concept without discounts using the future corporate income tax rate of 23% (previous year: 23% respectively 24%). No deferred tax assets are recognized for tax loss carryforwards.

Provisions

All recognizable risks and impending losses were taken into account in the calculation of provisions in accordance with the legal framework.

Other provisions

Under application of the “principle of prudence”, all recognizable risks at the date of balance sheet creation as well as liabilities of uncertain timing or amount were recognized in the item “Other provisions” at the value required according to reasonable entrepreneurial assessment.

Liabilities

Liabilities are valued at their settlement value.

Foreign currency liabilities are measured in accordance with the strict “highest value principle”.

III. Notes to the balance sheet

Non-current assets

The non-current assets are itemized and their changes in the year under report are recorded in the statement of changes in non-current assets (Appendix 1 to the Notes).

Information on investments can be found in the list of participations (Appendix 2 to the Notes).

Of the loans, an amount of € 5,271,534.00 (previous year: T€ 5,381) is due within the next year.

Accounts receivable and other assets

Receivables from subsidiaries involve financing, routine clearing, the calculation of intra-group and clearing of tax allocations and transfers of profits.

The item “Other receivables and assets” includes income of € 286,282.38 (previous year: T€ 160) which will be cash effective after the balance sheet date.

Prepaid expenses

Prepaid Expenses mainly relate to an accrual for sponsoring in the amount of € 10,000,000.00 (previous year: T€ 10,000).

Deferred tax assets

Deferred tax assets were recognized on the reporting date for temporary differences between the tax base and the carrying amount for the following items:

	31.12.2023	31.12.2022
	€	T€
Tangible assets	1,667.00	0
Remaining seventh from depreciation of participation	35,013,272.00	46,237
Provisions	6,516,000.00	7,204
Liabilities	108,333.00	217
Total	**41,639,272.00**	**53,657**
Resulting deferred taxes on 31.12. **(23 % / previous year: 23 % respectively 24 %)**	**9,577,033.00**	**12,343**

The deferred taxes developed as follows:

	2023	2022
	€	T€
Balance on 1.1.	**12,343,328.00**	**15,778**
Change in profit or loss	-2,766,295.00	-3,435
Balance on 31.12.	**9,577,033.00**	**12,343**

Equity

The fully paid-in share capital as at 31 December 2023 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

Mandatory offer by core shareholders

On 18 August 2022 Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG informed STRABAG SE of their intention, as bidders, to make a mandatory (anticipatory) public offer pursuant to Section 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT0000STR1) not held by the bidders or by legal entities acting in concert with the bidders, with an offer price of € 38.94 per STRABAG share.

The offer was also intended to remove the restriction on voting rights of the bidders (and the legal entities acting jointly with them) that existed at the time to a total of 26%, which arose due to a passive acquisition of control because of the European sanction restrictions on MKAO “Rasperia Trading Limited”.

Agreement on the acquisition of own shares by STRABAG SE

STRABAG SE has agreed with the bidders to acquire, as own shares, up to 10,260,000 of the shares included in the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). The bidders will acquire these shares in the course of the offer in trust for STRABAG SE.

This agreement is based on the resolution adopted by the General Meeting on 24 June 2022 authorising the Management Board to buy back own shares.

By December 31, 2022, 1,694,816 shares had been bindingly tendered for sale in the tender offer, which is why these shares were to be presented as own shares in the financial statements. The acquisition costs for these shares amounting to € 65,996,135.04 were deducted directly from retained earnings and recognized as other liabilities.

STRABAG SE acquired 2,779,006 shares under the share purchase agreement on 9 February 2023. The acquisition costs for the own shares therefore amounted to a total of € 108,214,493.64.

Various capital measures were approved at the **Annual General Meeting of STRABAG SE held on 16 June 2023**. These resolutions are summarised as follows:

a) Resolution concerning the capital adjustment from company funds

The share capital of the Company of currently € 102,600,000.00 shall be increased by € 1,900,000,000.00 to € 2,002,600,000.00 from company funds through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG with retroactive effect to the beginning of the current financial year without the issue of new shares.

b) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the capital adjustment of € 2,002,600,000.00 by € 996,620,004.30 to € 1,005,979,995.70 for the purpose of allocation to non-committed reserves of the Company, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to the individual no-par share without reverse stock split (“capital reduction for allocation to non-committed reserves”).

c) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the ordinary capital reduction for allocation to non-committed reserves in the amount of € 1,005,979,995.70 by € 903,379,995.70 to € 102,600,000.00 for the purpose of repaying the reduction amount to the shareholders of the Company (“capital reduction for the purpose of distribution”) according to the following specifications and under the following conditions:

(i) The reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital attributable to each no-par share to the minimum amount of € 1.00 pursuant to Section 8 Para 3 AktG without reverse stock split.

(ii) The distribution entitlement resulting from the capital reduction in accordance with the conditions set out in this resolution in the amount of € 9.05 per no-par share entitled to distribution ("distribution entitlement") shall be paid in cash or, at the option of each shareholder, in new shares of the Company issued in connection with the non-cash capital increase to be resolved under item d).

(iii) For the distribution entitlement and its payment, the following conditions apply:

a. The condition precedent of the fulfilment of the legal payment requirements pursuant to Section 178 Para 2 AktG.

b. The condition precedent that shareholders of the Company, in respect of shares entitled to distribution that together represent at least approximately 57.78% of the share capital of the Company, have elected the payment of the distribution from the capital reduction in new shares of the Company and the contribution in kind determined in the resolution concerning the ordinary capital increase (item d)) is raised through waiver of the distribution entitlements for these shares within the determined implementation period.

c. The resolutory condition if the implementation of the non-cash increase of the share capital (item d)) is not entered in the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

If one of the conditions precedent (a. or b.) does not occur, no distribution entitlement arises and no payment can be made and, accordingly, the distribution entitlement cannot be used to raise the non-cash contribution of the ordinary capital increase (item d)). In these cases, the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

If the resolutory condition (c.) occurs, the distribution entitlement from the capital reduction shall lapse accordingly and no payment can be made and the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company. This purpose shall then also apply to that amount of distribution entitlements already waived to raise the non-cash contribution of the ordinary capital increase (item d)).

d) Resolution concerning the ordinary non-cash increase of the share capital of the Company

(i) The new shares shall be issued at an issue price of € 1.00 per share (minimum issue price pursuant to Section 8 Para 3 AktG), thus at a total issue price of up to € 24,955,248.00.

(ii) The new shares shall participate in the profits from the beginning of the financial year, for which, at the time of the issue of the new shares, no resolution has yet been passed on the appropriation of the balance sheet profit.

(iii) The shareholders shall be granted the legal subscription rights. The subscription ratio shall be set at 1:4 (1 new share for 4 existing shares) ("subscription ratio") and the subscription price per new share at € 36.20 ("subscription price"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of € 9.05 per share entitled to distribution. The subscription price and the subscription ratio are based on an business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of € 36.22 is derived as of 16 June 2023 ("reference price"), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of € 9.05. The subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (€ 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (€ 9.05).

The minority shareholder MKAO "Rasperia Trading Limited" is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO "Rasperia Trading Limited" in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. Consequently, MKAO "Rasperia Trading Limited" is not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares.

The aim of the capital measures was to reduce the stake of minority shareholder MKAO "Rasperia Trading Limited" from 27.8% to below 25%.

The full text of the resolutions is available on the website of STRABAG SE at www.strabag.com.

The subscription period for choosing the share option ended on 29 September 2023. As contractually agreed in advance, the core shareholders – the Haselsteiner family, UNIQA and Raiffeisen – chose to exercise the share-based option. Additionally, 26.4% of STRABAG SE's free float shareholders also opted to receive new shares, thereby supporting the goal of the ongoing capital measures to reduce the shareholding interest held by MKAO "Rasperia Trading Limited".

As a result, shareholders representing 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% of the company's share capital and therefore met the acceptance quota as one of the conditions precedent for the distribution.

15,621,982 new shares were therefore issued as part of the ordinary non-cash capital increase in March 2024, increasing the share capital by 15.2% from € 102,600,000.00 to € 118,221,982.00. The share capital increase was entered into the commercial register on 21 March 2024. The stake held by minority shareholder MKAO "Rasperia Trading Limited" was thus reduced from 27.8% to 24.1%.

Consequently, only the capital reduction amount of € 337,864,220.15 attributable to the distribution option is represented as a decrease in equity and other liabilities in the financial statements as at 31 December 2023. The first payment of the dividend from the capital decrease to the free float will be made on 15 April 2024; the amount attributable to the minority shareholder MKAO "Rasperia Trading Limited" has been frozen due to the sanctions provisions.

MKAO "Rasperia Trading Limited" contested the resolutions passed by the Annual General Meeting, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

Provisions

Other provisions were made for profit sharing, investment risks and claims.

Accounts payable

Payables to subsidiaries involve liabilities from cash-clearing, routine clearing and clearing of tax allocation.

The item "Other payables" includes expenses in the amount of € 1,361,389.41 (previous year: T€ 1,336) which will be cash effective after the balance sheet date.

Other liabilities to shareholder with frozen shareholder rights

The minority shareholder MKAO "Rasperia Trading Limited" was – at least until 22 March 2024 – controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO "Rasperia Trading Limited" in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. The joint control from MKAO "Rasperia Trading Limited" over STRABAG SE with the Austrian core shareholders, which had existed since 2007 on the basis of a syndicate agreement terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 with effect from 31 December 2022, thus also ended when the EU sanctions came into force on 8 April 2022. Irrespective of this, as a result of the EU sanctions against Oleg Deripaska there has been no significant influence since 8 April 2022, so that MKAO "Rasperia Trading Limited" no longer constitutes a related party.

A dividend of € 2.00 per share was approved at the Annual General Meeting of 16 June 2023. As the dividend claims from the shares held by MKAO "Rasperia Trading Limited" are frozen due to the sanctions imposed on Oleg Deripaska, the dividend attributable to MKAO "Rasperia Trading Limited" less capital gains tax in the amount of T€ 41,325 was, as in the previous year, not paid out. As at 31 December 2023, unpaid dividend claims amounting to T€ 82,650 (2022: T€ 41,325) are therefore reported as other liabilities.

Several capital measures were approved at the 19th Annual General Meeting of STRABAG SE on 16 June 2023. See also the comments under item Equity. With these measures, which were completed with entry of the capital increase into the commercial register on 21 March 2024, the stake held by MKAO "Rasperia Trading Limited" was reduced from 27.8% to 24.1%.

As the shares in STRABAG SE held by MKAO "Rasperia Trading Limited" and all rights associated with these shares, including voting rights and dividend entitlements, are frozen by the EU sanctions against Oleg Deripaska, MKAO "Rasperia Trading Limited" was not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares in the company.

The distribution entitlement attributable to MKAO "Rasperia Trading Limited" from the capital reduction, amounting to T€ 257,925, is recognised as other liabilities and will also be withheld due to the existing sanctions.

On 19 December 2023, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 concluded a purchase agreement for 100% of the shares in MKAO "Rasperia Trading Limited", although this transaction had not yet been carried out.

The Management Board of STRABAG SE was then informed that Raiffeisenbank International AG wants to acquire the 28,500,000 shares in STRABAG SE held by MKAO "Rasperia Trading Limited". According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review, and was expected to close in the first quarter of 2024.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO "Rasperia Trading Limited" had been transferred to Iliadis JSC. According to these notifications, MKAO "Rasperia Trading Limited", with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the STRABAG shares held by MKAO "Rasperia Trading Limited" remain frozen in accordance with the EU Sanctions Regulation.

STRABAG has no information on the implementation status of the intended acquisition of STRABAG shares by Raiffeisenbank International AG.

Contingent liabilities

	31.12.2023	31.12.2022
	€	T€
Sureties/Guarantees	127,499,429.41	124,439
Cash-Clearing Liabilities	1,466,447,608.42	1,417,872
Total	**1,593,947,037.83**	**1,542,311**
thereof with subsidiaries	1,529,369,010.88	1,478,565

In the 2020 financial year, the company issued an irrevocable, unconditional, unrestricted and unlimited warranty statement to secure any payment obligations of the cash pooling participants towards STRABAG BRVZ GmbH, Spittal an der Drau. The total amount of the obligations of the cash pooling participants towards STRABAG BRVZ GmbH as of 31 December 2023 is € 491,637,788.83 (previous year: T€ 438,961).

In addition, the company issued a hard, unlimited declaration of patronage in the 2020 financial year to cover all obligations of STRABAG BRVZ GmbH, Spittal an der Drau, toward the participants from cash pooling. The obligations of STRABAG BRVZ GmbH from the cash pooling as of 31 December 2023 amount to € 974,809,819.59 (previous year: T€ 978,911).

In addition, there are letters of comfort for individual construction projects as well as performance bonds in the amount of € 1,074,202,950.64 (previous year: T€ 1,026,968).

Due to long-term rentals, letting and leasing, the use of property, plant and equipment not shown in the balance sheet results in an obligation of € 8,753,725.56 (previous year: T€ 8,256) for the 2024 financial year. The sum of all obligations for the next five years is € 43,768,627.80 (previous year: T€ 41,281).

IV. Notes to the income statement

Revenues (sales)

	2023	2022
	€	T€
Domestic revenue	41,364,105.28	39,687
Foreign revenue	46,916,016.10	43,687
Total	**88,280,121.38**	**83,374**

The revenue, which mostly involves the clearing of intra-group allocations as well as the pass-through of guarantee fees, insurance and rental costs, is generated domestically and abroad.

Employee benefits expense

The company employed on the average 5 employees during the year (previous year: 6 employees).

The salaries of the Management Board members in the 2023 financial year amounted to T€ 9,953 (previous year: T€ 9,815).

Of the benefits paid to company pension funds, T€ 166 (previous year: T€ 111) related to members of the Management Board.

Other operating expenses

Supervisory Board member salaries in the period under review amounted to € 240,000.00 (previous year: T€ 244).

The other operating expenses reported mainly include surety fees, legal and advisory costs, travel and advertising costs, insurance costs and other general administrative expenses.

Taxes on income and gains

Based on the rules developed by the OECD for the introduction of a global minimum tax, the EU on 22 December 2022 adopted a directive on a global minimum level of taxation. The individual member states had until 31 December 2023 to transpose the directive into national legislation. As a result, the OECD's so-called Pillar II rules become applicable for accounting periods starting with the 2024 financial year. The basic idea of the rather complex rules is that in jurisdictions in which the effective tax rate determined in accordance with Pillar II is below 15% additional taxes must be levied either in that jurisdiction itself or at the level of the highest parent company.

As the law is only applicable to financial years beginning on or after 31 December 2023, there will be no impact on the actual tax expense for the 2023 financial year.

With Hungary, Bulgaria, Montenegro, Bosnia and the United Arab Emirates, the STRABAG SE Group operates in countries with a nominal tax rate below 15%, meaning that additional tax expense is to be expected for the 2024 financial year as a result of the Pillar II rules. As the majority of the operating business is conducted in countries with higher tax rates (in particular Germany and Austria), however, the additional tax expense will not be of any material significance. In accordance with section 198 (10) no. 4 UGB, no deferred tax assets or liabilities are recognised in the annual financial statements due to Pillar II regulations.

V. Additional disclosures

Events after the reporting period

With entry of the increase in the share capital from € 102,600,000.00 to € 118,221,982.00 in the commercial register on 21 March 2024, the capital measures approved by the Annual General Meeting on 16 June 2023 to reduce the stake held by the minority shareholder MKAO "Rasperia Trading Limited" were completed. As of this date, the increase in the share capital can be recognised in the balance sheet. A detailed description of the capital measures can be found under item Equity.

On 26 March 2024, STRABAG SE received major holdings notifications from Oleg Deripaska and Iliadis JSC indicating that MKAO "Rasperia Trading Limited" had been transferred to Iliadis JSC, thus completing the sale in Russia that had been announced in December 2023.

According to the notifications, MKAO "Rasperia Trading Limited", with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

STRABAG has no further information regarding the transaction that has now been completed in Russia as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that STRABAG continues to assume that the STRABAG shares held by MKAO "Rasperia Trading Limited" remain frozen in accordance with the EU Sanctions Regulation.

Appropriation of net income

The Management Board proposes to pay out a dividend in the amount of € 2.20 per dividend-bearing share for the 2023 financial year. Taking into account the increase in share capital on 21 March 2024 to 118,221,982 shares, the maximum distribution amount would be € 260,088,360.40.

Other information

The members of the Management and Supervisory Boards are listed separately (Appendix 3 to the Notes).

An agreement was concluded with STRABAG BRVZ GmbH, Spittal an der Drau, covering financial and management accounting, operating and cost accounting, payroll accounting, cash management, insurance management and facility management.

The company is a group parent under Sec 9 Para 8 of the Austrian Corporate Income Tax Act (KStG) of 1988. Tax adjustments (both positive and negative allocations) between the group parent and the company were arranged in the form of tax allocation agreements.

The tax allocation agreement stipulates that the group members pay tax allocations to the group parent in the event of positive annual results. If the group members have negative annual results, they receive a negative tax allocation from the group parent. The tax charges or tax reliefs resulting from the income of the group members are settled annually and when the tax results change.

For the benefit of Mineral Abbau GmbH, Spittal an der Drau, there is a commitment to cover the losses, which may be terminated by giving three months9 notice to the end of the calendar year.

For the benefit of STRABAG AG, Cologne, there is a voluntary transfer of losses as outlined in Sec 302 of the German Stock Corporation Act (dAktG) for the 2024 financial year.

The expenses for the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, for the financial year amount to T€ 1,025 (previous year: T€ 889), of which T€ 74 (previous year: T€ 69) are for the audit of the financial statements, T€ 789 (previous year: T€ 730) for other audit services and T€ 162 (previous year: T€ 90) for miscellaneous services.

In addition, T€ 11 (previous year: T€ 88) were calculated for miscellaneous services to subsidiaries.

Villach, 04 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Appendix 1 to the Notes: Statement of changes in non-current assets
Appendix 2 to the Notes: List of participations
Appendix 3 to the Notes: Management and Supervisory Board

Statement of changes in non-current assets as of 31 December 2023

€	Balance as at 1.1.2023	Additions	Transfers	Disposals	**Balance as at 31.12.2023**
	Acquisition and production costs				
I. Tangible assets					
Other facilities, furniture and fixtures and office equipment	1,318,105.20	70,588.24	0.00	65,126.05	1,323,567.39
	1,318,105.20	**70,588.24**	**0.00**	**65,126.05**	**1,323,567.39**
II. Financial assets:					
1. Investments in subsidiaries	2,755,990,412.12	37,966,823.09	0.00	8,305,425.18	2,785,651,810.03
2. Investments in participation companies	36,217,683.57	0.00	0.00	0.00	36,217,683.57
3. Loans to participation companies	75,057,022.81	4,400,735.00	0.00	10,932,873.00	68,524,884.81
4. Other loans	23,587.30	1,388.02	0.00	0.00	24,975.32
	2,867,288,705.80	**42,368,946.11**	**0.00**	**19,238,298.18**	**2,890,419,353.73**
Group	**2,868,606,811.00**	**42,439,534.35**	**0.00**	**19,303,424.23**	**2,891,742,921.12**

	Balance as at 1.1.2023	Additions	Reversal of impairment losses	Transfers	Disposals	Balance as at 31.12.2023	**Carrying amount 31.12.2023**	**Carrying amount 31.12.2022**
	Accumulated Depreciation						**Carrying amounts**	
I.								
	291,192.74	26,526.51	0.00	0.00	21,708.68	296,010.57	1,027,556.82	1,026,912.46
	291,192.74	**26,526.51**	**0.00**	**0.00**	**21,708.68**	**296,010.57**	**1,027,556.82**	**1,026,912.46**
II.								
1.	213,250,191.71	959,255.15	216,000.00	0.00	8,305,423.18	205,688,023.68	2,579,963,786.35	2,542,740,220.41
2.	11,851,009.00	100,000.00	0.00	0.00	0.00	11,951,009.00	24,266,674.57	24,366,674.57
3.	0.00	0.00	0.00	0.00	0.00	0.00	68,524,884.81	75,057,022.81
4.	0.00	0.00	0.00	0.00	0.00	0.00	24,975.32	23,587.30
	225,101,200.71	**1,059,255.15**	**216,000.00**	**0.00**	**8,305,423.18**	**217,639,032.68**	**2,672,780,321.05**	**2,642,187,505.09**
	225,392,393.45	**1,085,781.66**	**216,000.00**	**0.00**	**8,327,131.86**	**217,935,043.25**	**2,673,807,877.87**	**2,643,214,417.55**

List of investments

(20.00% interest minimum)

Name and residence of the company:	Interest %	Equity/ negative Equity[1] T€	Result of the financial year[2] T€
Investments in subsidiaries:			
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH", Spittal an der Drau	100.00	17,968	9,368
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau	100.00	293,587	16,404
"Strabag" d.o.o. Podgorica, Podgorica	100.00	6,547	265
Asphalt & Beton GmbH, Spittal an der Drau	100.00	8,663	197
Bau Holding Beteiligungs GmbH, Spittal an der Drau	65.00	1,567,238	137,606
BHG Sp. z o.o., Pruszkow	100.00	5,363	639
CML CHILE SPA, Vitacura	100.00	[4]	[4]
CML Construction Services AB, Stockholm	100.00	5	0
CML Construction Services, Antwerpen	100.00	59	10
CML Construction Services A/S, Trige	100.00	81	-2
CML Construction Services d.o.o. Beograd, Belgrade	100.00	188	39
CML CONSTRUCTION SERVICES d.o.o., Ljubljana	100.00	8	0
CML CONSTRUCTION SERVICES d.o.o., Zagreb	100.00	216	25
CML Construstion Services EOOD, Sofia	100.00	-3	-6
CML Construction Services GmbH, Cologne	100.00	655	582
CML Construction Services GmbH, Schlieren	100.00	182	14
CML Construction Services GmbH, Vienna	100.00	309	34
CML CONSTRUCTION SERVICES LIMITED, London	100.00	-32[3]	27[3]
CML CONSTRUCTION SERVICES LIMITED, Missisauga	100.00	[4]	[4]
CML CONSTRUCTION SERVICES Sp. z o.o., Pruszkow	100.00	766	269
CML CONSTRUCTION SERVICE S.R.L., Bologna	100.00	55	15
CML CONSTRUCTION SERVICES s. r. o., Bratislava	100.00	202	32
CML CONSTRUCTION SERVICES s.r.o., Prague	100.00	193	23
CML Construction Services Zrt., Budapest	100.00	342	42
DC1 Immo GmbH, Vienna	100.00	6,210	17
DRP, d.o.o., Ljubljana	100.00	-8,432	-1
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o., Bratislava-Ruzinov	100.00	24,093	199
Erste Nordsee-Offshore-Holding GmbH, Vienna	51.00	110	-257
KMG - KLIPLEV MOTORWAY GROUP A/S, Aarhus	100.00	1,660	148
Mazowieckie Asfalty Sp. z o.o., Pruszkow	100.00	-40[3]	-4[3]
Mineral Abbau GmbH, Spittal an der Drau	100.00	16,284	4,354
OOO "CML", Moscow	100.00	348	77
PRZEDSIEBIORSTWO ROBOT DROGOWYCH SPOLKA Z OGRANICZONA ODPOWI W LIKWIDACJI, Choszczno	100.00	[4]	[4]
SAT REABILITARE RECICLARE SRL, Cluj-Napoca	100.00	4,351	2,842
SAT SANIRANJE cesta d.o.o., Zagreb	100.00	708	307

Name and residence of the company:	Interest %	Equity/ negative Equity[1] T€	Result of the financial year[2] T€
Investments in subsidiaries:			
SAT SLOVENSKO s.r.o., Bratislava	100.00	2,558	673
SF Bau vier GmbH, Vienna	100.00	17,315	-1,343
STRABAG AG, Schlieren	100.00	-23,419	3,315
STRABAG AG, Cologne	100.00	1,250,418	214,735
STRABAG Infrastruktur Development, Moscow	100.00	75	126
STRABAG Oy, Helsinki	100.00	46	-13
STRABAG Real Estate GmbH, Cologne	28.40	173,712	15,927
Strabag RS d.o.o., Banja Luka	100.00	-820	-26
STRABAG Silnice a.s. , Prague	100.00	3404	696
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	94.00	9,999	1,435
TPA GmbH, Cologne	100.00	3,747	1,032
Zweite Nordsee-Offshore-Holding GmbH, Vienna	51.00	-9,070	-1,016

1 according to Para 224 Sec 3 UGB

2 net income/loss of the year

3 financial statements as of 31.12.2022

4 no statement according to Para 242 Sec 2 UGB

Name and residence of the company:	Interest %	Equity/ negative Equity[1] T€	Result of the financial year[2] T€
Investments in participation companies:			
A-Lanes A15 Holding B.V., Nieuwegein	24.00	[4]	[4]
ASAMER Baustoff Holding Wien GmbH, Vienna	20.93	[4]	[4]
ASAMER Baustoff Holding Wien GmbH & Co.KG, Vienna	20.93	[4]	[4]
EPM PSO GmbH & Co KG, Spittal an der Drau	20.00	[4]	[4]
GDK Flight Management GmbH, Spittal an der Drau	20.00	[4]	[4]
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH, Spittal an der Drau	30.00	[4]	[4]
Prottelith Produktionsgesellschaft mbH, Liebenfels	24.00	[4]	[4]
SHKK-Rehabilitations GmbH, Baden	50.00	[4]	[4]
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL, Bucharest	35.31	[4]	[4]
SRK Kliniken Beteiligungs GmbH, Baden	25.00	[4]	[4]
Straktor Bau Aktien Gesellschaft, Kifisia	50.00	[4]	[4]
Syrena Immobilien Holding Aktiengesellschaft, Spittal an der Drau	50.00	[4]	[4]

[1] according to Para 224 Sec 3 UGB

[2] net income/loss of the year

[3] financial statements as of 31.12.2022

[4] no statement according to Para 242 Sec 2 UGB

Management and Supervisory Board

Management Board:

Klemens H a s e l s t e i n e r, BBA, BF (CEO since 1 January 2023)

Mag. Christian H a r d e r

Dipl.-Ing. (FH) Jörg R ö s l e r (since 1 January 2023)

Dipl.-Ing. Siegfried W a n k e r

Dipl.-Ing. (FH) Alfred W a t z l

Supervisory Board:

Mag. Kerstin G e l b m a n n (Chairman since 1 January 2024)

Dr. Alfred G u s e n b a u e r (Chairman until 31 December 2023)

Mag. Erwin H a m e s e d e r (Vice Chairman)

Dr. Andreas B r a n d s t e t t e r

Dr. Valerie H a c k l (since 25 January 2024)

Mag. Gabriele S c h a l l e g g e r

Dipl.-Ing. Andreas B a t k e (works council)

Magdolna P. G y u l a l n é (works council)

Georg H i n t e r s c h u s t e r (works council)

Wolfgang K r e i s (works council)

Group management report

2023

Important events

STRABAG commissioned to build more roads in Oman

February 2023 | Segment International + Special Divisions

STRABAG is developing new markets in the Middle East.
© STRABAG

STRABAG, together with its joint venture partner Al-Rosan, was awarded a contract to construct further roads in Oman by the country's Public Authority for Special Economic Zones and Free Zones. The contract value for STRABAG amounts to approximately € 130 million.

The highways with a total length of around 51 km will connect Duqm Airport with the Ras Markaz region. Work began in February 2023, with the roads scheduled to be opened to traffic in mid-2025. STRABAG has been active in road construction in Oman since 1971 and employs a total of around 1,800 people in the Middle East region.

STRABAG subsidiary building office property with green building status in Berlin

March 2023 | Segment North + West

Green building with campus
© ZÜBLIN

The STRABAG subsidiary ZÜBLIN was awarded a contract worth € 76.8 million for the construction of a pioneering office property with green building status in Berlin. The project, known as Inspire Neukölln, will be energy-efficient and can be operated without fossil fuels, making it entirely carbon-neutral. Inspire Neukölln, which is aiming for platinum certification by the German Sustainable Building Council (DGNB), is being prepared for certification by WELL, BREEAM and LEED. Completion is scheduled for August 2025.

STRABAG building the foundations for Latin America's largest wind farm

March 2023 | Segment International + Special Divisions

STRABAG is utilising the opportunities offered by alternative energy sources.
© STRABAG

STRABAG is focusing increasingly on projects associated with the energy transition. In recent years, the Group has already built foundations for 140 wind turbines with a total capacity of 850 MW in the Atacama Desert of Chile for customers Colbún and Engie. In 2023, the company obtained another order from Engie worth € 100 million for 55 wind turbines, including the construction of the foundations and all earthworks. In northern Chile, wind farms and photovoltaic facilities are planned to secure the energy supply for the national mining industry in the future. Chile also wants to become the main producer of green hydrogen in the next few years.

STRABAG building steelworks for Cognor S.A. in Poland

May 2023 | Segment South + East

Modern steelworks built using BIM 5D
© STRABAG

STRABAG is building a production and storage facility for a rolling mill of steel manufacturer Cognor S.A. in the southern Polish city of Siemianowice Śląskie. The contract has a value of € 69.7 million. The project is being realised using the BIM 5D, which creates a digital twin of the object to be built.

A particular challenge is the dismantling and demolition of the foundations of the old tube rolling mill and the reinforced concrete construction for the new rolling mill. The work is scheduled for completion in December 2024.

STRABAG Group receives ISO certification for business compliance

May 2023 | STRABAG SE

STRABAG SE was certified by Austrian Standards to ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). The certification is valid for all fully consolidated companies.

This makes STRABAG the first globally active Austrian company to achieve such an overall certification. Further audits will follow in the coming years to maintain the certification.

STRABAG subsidiary commissioned with general renovation of Cologne Central Library

August 2023 | Segment North + West

STRABAG makes reconstruction, conversion and refurbishment a priority.
© ZÜBLIN

On behalf of the City of Cologne, STRABAG subsidiary ZÜBLIN is carrying out the general renovation of the city's main public library. The contract volume for ZÜBLIN amounts to € 67.2 million. The construction marks a milestone in the City of Cologne's sustainable urban development plans.

Preserving the building while optimising its technical systems helps to conserve resources and reduce carbon emissions. Thermal renovation and the optimisation of energy concepts enable the building to be operated in an energy-efficient manner. Completion is scheduled for 2027.

STRABAG building Germany's most modern underground metro in Hamburg

August 2023 | Segment North + West

The next construction section for the U5 underground line in Hamburg was awarded to STRABAG.
© Hamburger Hochbahn AG

ZÜBLIN, in a joint venture with Wayss & Freytag Ingenieurbau AG, was commissioned to carry out the structural work on the second construction section for the new U5 underground line in Hamburg (lot 2) with a contract value of € 581.5 million. The contract for the structural work on lot 1 was awarded to the same joint venture in December 2022.

The two lots, which form the first, eastern section of the new metro line, include the construction of five stations as well the excavation of 4.5 km of tunnel through shield tunnelling and 1.5 km of tunnel using the cut-and-cover method.

New strategy "People. Planet. Progress." presented at Capital Markets Day

September 2023 | STRABAG SE

STRABAG CEO Klemens Haselsteiner presents the new corporate strategy.
© STRABAG

As part of a strategic update, CEO Klemens Haselsteiner and a group of specially chosen experts presented the new corporate strategy for 2030, "People. Planet. Progress.", to Austrian and international capital market participants. The focus until 2030 will be on the following six key strategic topics: employee focus, global-local presence, circularity, expertise in the energy sector, technology leadership and depth of value creation.

"We plan to grow profitably and achieve real added value for people and the environment. We want to be a pioneer in climate-friendly construction, actively shape the energy transition and sustainably reinforce our technology leadership. We are convinced that we will be able to build on our previous achievements and have set ourselves the ambitious goal of attaining an EBIT margin of 6% by 2030," says Klemens Haselsteiner. The event was attended by around 50 investors and analysts in Vienna and via livestream.

STRABAG building third longest bridge in Poland

September 2023 | Segment South + East

STRABAG demonstrates its expertise in bridge construction
© Photo and
Rendering: Trasal Sp. z o.o.

STRABAG was awarded the € 66.3 million contract to build a new bridge over the river San near the Polish city of Stalowa Wola. The bridge, with a total length of 1,760 metres, forms part of the road construction works between Zaklików and Stalowa Wola and when completed will be the third longest bridge in Poland.

The contract includes not only the construction of the bridge, but also the construction of a new and the expansion of an existing section of road.

ZÜBLIN commissioned to construct university building for Ruhr University Bochum

September 2023 | Segment North + West

Turnkey construction of new replacement building for physics, astronomy and neuroinformatics
© ZÜBLIN, Rendering Gerber Architekten

STRABAG subsidiary ZÜBLIN was awarded the contract for the turnkey construction of a new replacement building for Ruhr University Bochum with a contract volume of around € 269.5 million. The project consists of a 14-storey building with two adjoining five- to six-storey low-rise buildings. The main user will be the Faculty of Physics and Astronomy at Ruhr University Bochum. Completion is scheduled for November 2027.

STRABAG building new development with headquarters for Raiffeisen-Landesbank Tirol

October 2023 | Segment South + East

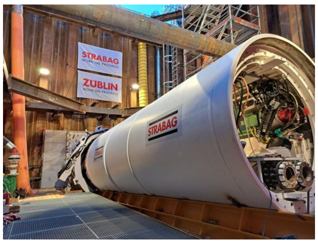
Making the impossible possible by building within the built environment
© Toni Rappersberger

STRABAG is erecting the structural works of a new urban development for Raiffeisen-Landesbank Tirol in Innsbruck, which will also be home to the bank's headquarters in the future. STRABAG's approach beginning during the planning stages was to reuse as many parts of the existing building as possible. This meant carefully dismantling the building down to its reinforced concrete skeleton even as work on the new building was already underway.

The contract covers all works on the project with a total usable area of around 23,000 m² up to completion of the structural works in the summer of 2024, accounting for around one third of the total construction volume. When completed, the nine-storey building will be almost entirely energy self-sufficient thanks to geothermal energy and photovoltaics. Wood is being used as a building material from the fourth floor upwards. The timber construction concept was awarded first place in the Build the (Im)Possible architecture competition.

STRABAG building microtunnel for Ostsee LNG pipeline in Baltic Sea

October 2023 | Segment International + Special Divisions



Offshore pipeline to link Mukran with Lubmin
© STRABAG

STRABAG has been commissioned by RWE and GASCADE Gastransport GmbH to build two trenchless shore crossings for the Ostsee Anbindungsleitung (OAL) pipeline in Mecklenburg-Vorpommern with a length of 755 metres and 353 metres, respectively, and a contract value of € 44 million. The diameter of the two microtunnels is exactly two metres.

The offshore pipeline will connect the planned liquefied natural gas (LNG) terminal in the port of Mukran with the German pipeline network in Lubmin. Large transport capacities exist in Lubmin to transport the gas from the coast in the north-east to the main centres of demand in Germany and in Central and South-East Europe.

STRABAG awarded contract to modernise Masaryk Railway Station in Prague

December 2023 | Segment South + East

Greened pedestrian platform will enable barrier-free access to the railway tracks.
© Správa železnic

STRABAG, through its Czech subsidiary STRABAG Rail a.s., is realising the renovation and upgrade of the historic Masaryk Railway Station in the heart of Prague. The project, commissioned by the Czech railway administration Správa železnic and worth € 137 million, includes the modernisation and expansion of the railway tracks as well as the construction of a distinctive pedestrian platform over the tracks as an architectural link to the surrounding area. The work is expected to take around 44 months in total, construction began in January 2024. STRABAG Rail a.s. will be executing the construction works in a joint venture with STRABAG s.r.o.

Capital market information

since May 2023 | STRABAG SE

In May, STRABAG SE announced capital measures to reduce the shareholding interest of MKAO “Rasperia Trading Limited” – a company controlled by the sanctioned Russian citizen Oleg Deripaska – in STRABAG from 27.8% to less than 25%. This move was designed to reduce significant disadvantages and risks for STRABAG SE. The capital measures were unanimously approved by the shareholders at the 19th Annual General Meeting in June. MKAO “Rasperia Trading Limited” contested the resolutions passed by the Annual General Meeting in this regard, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

The measure involves a conditional distribution to be made from the reserves of STRABAG SE, with shareholders given the option of receiving the distribution in the form of new shares or in cash. Shareholders representing a total of 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% company’s share capital.

The implementation of the ordinary non-cash capital increase was entered into the commercial register of the Regional Court of Klagenfurt on 21 March 2024. The company’s share capital increased from € 102,600,000 to € 118,221,982, reducing the stake held by MKAO “Rasperia Trading Limited” from 27.8% to 24.1%.

In December, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 had concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”. According to the shareholding notification, MKAO “Rasperia Trading Limited” would no longer be (indirectly) controlled by Oleg Deripaska once the purchase agreement is executed. Also in December, the Management Board of STRABAG SE was informed that Raiffeisenbank International AG was interested in acquiring the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the

STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation. The company had no concrete information on the implementation status of the intended acquisition by Raiffeisenbank International AG at the time of the audit opinion.

An action brought by MKAO “Rasperia Trading Limited” against the resolutions of the 18th Annual General Meeting of 24 June 2022 was dismissed by both the Regional Court of Klagenfurt and by the Higher Regional Court in Graz. These proceedings have not yet been finalised. Another action brought by MKAO “Rasperia Trading Limited” against the resolutions of the Extraordinary General Meeting of 5 May 2022 was also dismissed by both the Regional Court of Klagenfurt and the Higher Regional Court of Graz. These proceedings have not yet been finalised either.

Country report

Country risk

STRABAG operates in over 50 countries, thereby diversifying its country risk

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. To diversify the country risk even further, however, and to profit from market opportunities, STRABAG operates on other continents as well. On the one hand, it is a tradition for the company to follow its clients into new markets; on the other hand, the existing country network and established organisational structures make it easier to export and use the technology in new regions with little expense.

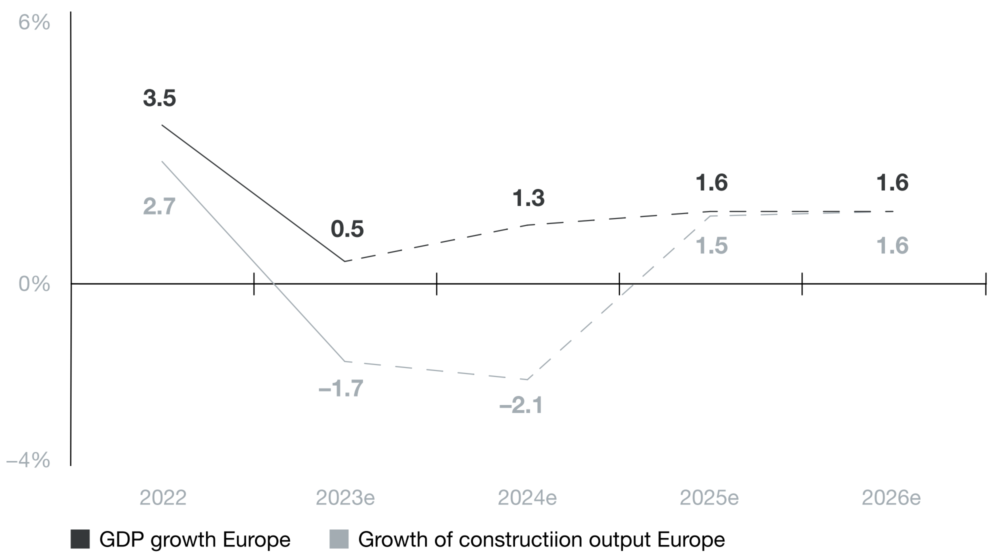
The STRABAG SE Group boosted its **output volume** by 8% to € 19,139.14 million in the 2023 financial year, setting a new record for this figure. Growth in almost all of the Group's key markets contributed to this development, with the largest increases in output recorded in Germany and Romania as well 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.

Output volume by country

€ mn	**2023**	**% of total output volume 2023**	2022	% of total output volume 2022	Δ %	Δ absolute
Germany	9,045	47	8,347	47	8	698
Austria	3,070	16	2,935	17	5	135
Poland	1,329	7	1,126	6	18	203
Czech Republic	999	5	1,093	6	-9	-94
Hungary	808	4	688	4	17	120
United Kingdom	672	4	578	3	16	94
Americas	564	3	558	3	1	6
Romania	519	3	315	2	65	204
Slovakia	410	2	351	2	17	59
Croatia	242	1	238	1	2	4
Switzerland	226	1	197	1	15	29
Middle East	219	1	252	1	-13	-33
Benelux	190	1	176	1	8	14
Rest of Europe	155	1	169	1	-8	-14
Asia	150	1	136	1	10	14
Serbia	139	1	146	1	-5	-7
Slovenia	118	1	81	0	46	37
Sweden	106	1	152	1	-30	-46
Bulgaria	65	0	68	0	-4	-3
Italy	62	0	21	0	195	41
Africa	31	0	47	0	-34	-16
Denmark	20	0	61	0	-67	-41
Total	**19,139**	**100**	**17,735**	**100**	**8**	**1,404**

Global economy

Growth comparison construction vs GDP Europe



Slower growth

Global economic growth in 2023 weakened slightly for the second year in a row. This development is mainly due to the impacts from the tight monetary policy to curb persistently high inflation, restrictive lending conditions and the resulting lower level of investment. In addition to the Russian war of aggression against Ukraine, the latest conflict in the Middle East is increasing the geopolitical risks. An escalation of the conflict could lead to a rise in energy prices, which in turn could have an impact on global economic activity and inflation. Other risks include weaker than expected growth in China and a further fragmentation of the retail sector. At the same time, the financial impact of climate change is also becoming more noticeable in the individual economies. There is widespread agreement that measures for an energy transition away from fossil fuels are indispensable and that corresponding investments are urgently needed.

The World Bank expects the global economy to grow by 2.6% in 2023 and by 2.4% in 2024. The current phase of low growth is likely to continue, as prices are expected to remain high for the foreseeable future. The World Bank puts the global rate of inflation at 6.9% in 2023, with a slight decline to 5.8% in 2024.

The OECD estimates the European Union’s economic growth at 0.6% in 2023. The gross domestic product of the 19 Euroconstruct countries (EC-19) rose by 0.5% in 2023. The growth rates of the individual countries vary only slightly, ranging between -0.8% and +2.3%. GDP growth of 1.3% is expected for the EC-19 region in 2024, followed by 1.6% in both 2025 and 2026.

All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2023 reports. The indicated market share data are based on the data from the year 2023 and 2023 estimates from Euroconstruct and EECFA.

The construction industry

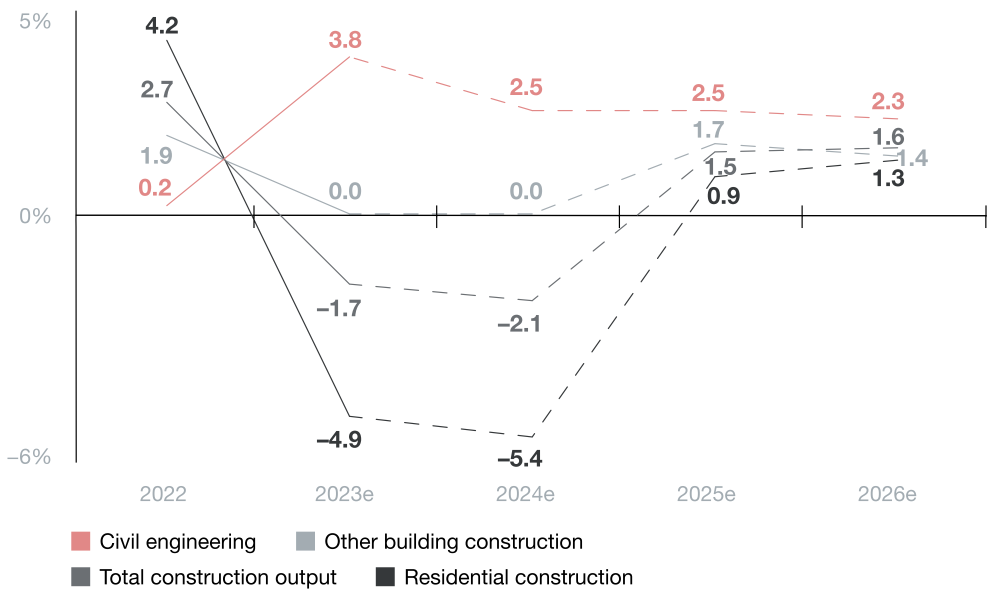
Diverging trends in the construction sector

The construction industry in the 19 Euroconstruct countries recorded a decline of 1.7% in 2023 (2022: +2.7%). The repeated increase in key interest rates in Europe, combined with national budget bottlenecks and higher construction costs, led to several project launches being postponed. Offsetting this, however, were the positive impacts from public funding, particularly for the climate-related renovation and refurbishment of existing buildings. Despite the tight financing conditions and subdued domestic and foreign demand, however, growth is expected to stabilise rapidly as soon as inflation begins to ease and the global upturn starts to gain traction.

In a sector-by-sector comparison, civil engineering proved resilient in 2023 and performed best with an increase of 3.8%. Non-residential construction stagnated (0%), while residential construction suffered a significant downturn of -4.9% due to the general market environment. The strongest growth was recorded by the Irish construction industry with an increase of 3.2%, followed by Spain with +2.8% and Poland with +2.2%. Sweden brought up the rear with -10.6%, followed by Finland (-10.1%) and Hungary (-8.0%). Construction growth in the 19 Euroconstruct countries will continue to decline in 2024 at -2.1%. An increase of 1.5% and 1.6% is expected again in 2025 and 2026 respectively.

Construction sectors

Growth comparison of construction sectors in Europe



Civil engineering resilient, residential construction in sharp decline

Residential construction, which continues to account for almost half of total European construction output, declined by 4.9% in 2023 with a volume of € 1,001.9 billion. In absolute figures, Germany achieved the highest construction volume in residential construction ahead of Italy, followed by France and the United Kingdom. Euroconstruct predicts a further decline in construction output of 5.4% in this segment in 2024. The trend will return to positive territory in 2025 at +0.9%, with +1.3% forecast for 2026.

Non-residential construction, which accounts for 30% of the European construction volume, stagnated in 2023 (0%). Germany is the largest market for this segment, followed by the United Kingdom, France and Italy. The highest growth rates were recorded in the Czech Republic and Italy, followed by Ireland and Spain, while the weakest growth in non-residential construction was registered in Denmark, Slovakia, Hungary and Sweden. Euroconstruct forecasts further stagnation for the segment in 2024 (0%), with growth of 1.7% and 1.4% expected for 2025 and 2026 respectively.

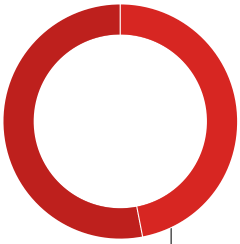
Civil engineering, which contributes around 20% to European construction output, proved to be the fastest-growing segment in 2023 at +3.8%. Developments in the individual countries varied greatly. In absolute figures, Germany was ahead of Italy, the United Kingdom and France. The strongest growth, meanwhile, was recorded in Italy, Slovakia, Poland and Spain, with the largest decline in Finland. The growth rate for European civil engineering is expected to be 2.5% in both 2024 and 2025, with an increase of 2.3% expected for 2026. More than half of European civil engineering investments are channelled into road and rail networks, followed by energy and water supply projects.

STRABAG delivers the bulk of its services in the infrastructure sector, with a focus on transportation infrastructure projects. More than 60% of our customers are in the public sector. Public-sector demand in the area of infrastructure in particular has a stabilising effect. Residential construction accounts for less than 10% of Group output.

Developments in the core markets of STRABAG SE

Below we present the development of the national economies and of the respective construction industries in STRABAG SE's eight core markets during the past year. These countries accounted for 85% of Group output in 2023 and their development is therefore of particular importance to STRABAG.

Germany



47%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Germany	47	461.4	-0.5	1.0	-2.3	-2.2

The German economy recorded a GDP decline of 0.5% in 2023. After more than a decade of low interest rate policies, the economy is now preparing for noticeably higher interest rates once again. Energy prices remained high by international standards, accompanied by persistently high inflation. At the same time, companies were faced with considerable challenges from national and European regulations with regard to climate protection measures. Nevertheless, Euroconstruct expects slight growth of 1.0% again as early as 2024. In the medium term, the growth rate is likely to stabilise between 1.0% and 1.5% a year.

The German construction industry recorded a 2.3% decline in construction output in 2023 – due primarily to the situation in building construction and, in particular, residential construction. Construction companies with diversified service portfolios continue to benefit from well-filled order books. In addition to the ECB's interest rate turnaround, the construction sector also had to deal with a shortage of skilled labour, a significant rise in construction costs and continued high inflation. Encouraging signs for the future come from the federal government's financing commitments for railway expansion and the continuing high demand for infrastructure. Euroconstruct is forecasting a decline of 2.2% for the sector in 2024, followed by a decline of 0.9% in 2025 and 0.6% in 2026.

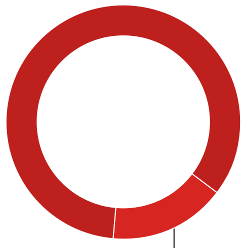
In **residential construction**, the construction volume fell by 3.1% in 2023. Against the backdrop of significantly higher mortgage interest rates, lower public subsidies and higher construction prices, both private clients and residential construction companies refrained from new construction projects. On the other hand, the sector received a boost from government subsidies for renovations and the thermal refurbishment of buildings. Euroconstruct expects the residential construction sector to reach a temporary low of -4.5% in 2024, with a smaller downturn of 2.5% and 1.3% per year forecast for 2025 and 2026 respectively.

Non-residential construction, which shrank by 2.4% in 2023, suffered from the economic uncertainty and partial investment restraint on the part of companies and the public sector, especially at the local level. Despite this, Euroconstruct expects the sector to continue to grow by 0.1% and 0.9% in 2024 and 2025 respectively, with the trend turning slightly negative at -0.1% in 2026.

The **civil engineering** sector recorded slight growth of 0.3% in 2023. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. Investments in energy transition projects are giving the sector a new tailwind. Local governments, on the other hand, remained cautious in some cases due to higher construction prices for road and hydraulic engineering projects. Civil engineering is expected to grow by 1.7% in 2024, followed per year by 1.2% in 2025 and 0.5% in 2026.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 12.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 9,045.59 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2023 (2022: 47%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

Austria



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Austria	16	53.1	-0.8	1.2	-2.7	-4.1

With a GDP decline of 0.8%, the Austrian economy experienced a mild recession in 2023. The energy price shocks of the previous year and a sharp reduction in inventories led to an industrial recession in Europe in 2023 that affected Austria as well. At 7.7%, inflation remained above the EU average. The increased workforce retention during the downturn nevertheless ensured a robust labour market. Euroconstruct forecasts growth of 1.2% for 2024, 1.6% for 2025 and 1.7% for 2026.

The Austrian construction industry experienced a decline of 2.7% in 2023. Construction investment – especially in building construction – was noticeably dampened by the European Central Bank's interest rate hikes. The rise in construction costs also impacted real growth in the construction industry. The introduction of stricter lending guidelines for residential construction loans (Regulation on Real Estate Financing Measures in Credit Institutions – KIM-VO) was a source of additional pressure. In this environment, Euroconstruct continues to expect a significant decline of 4.1% for 2024. Positive momentum is forecast again for 2025 and 2026, with growth rates of 0.4% and 1.9% respectively.

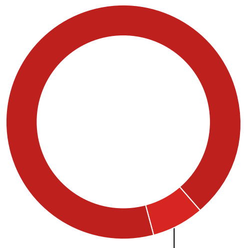
Among the individual construction sectors, **residential construction** saw the sharpest decline in 2023 at 4.7%, as expected. In Austria, the impact is even more pronounced than in other European countries due to a combination of persistently high inflation, higher mortgage interest rates and stricter lending guidelines. New construction suffered the greatest losses, while renovation still showed slight growth due to ecological and energy-related factors. Overall, a further sharp decline of 6.0% is forecast for residential construction in 2024. The downward development will continue in 2025 at 0.5%. The trend is not expected to turn positive again until 2026 with slight growth of 1.4%.

The construction volume in **non-residential construction** in 2023, which was negatively impacted by the combination of the economic downturn, higher construction costs and rising interest rates, fell by 2.1%. While high order backlogs from the previous year were still being fulfilled in the industrial sector, some of the planned investments in office and commercial buildings were postponed for the time being. Euroconstruct expects the downturn to intensify in 2024 with a decline of 3.7% before investment recovers in 2025 with an increase of 1.7%, followed by a return to strong growth of 3.9% in 2026.

Civil engineering showed a clearly positive trend of 2.8% in 2023 due to strong government investment in infrastructure programmes. The further expansion of the road and, in particular, the rail network was a fixed item in the Austrian budget. Investments in the energy sector for the expansion of renewable energy sources and investments in the telecommunications sector for a nationwide broadband network are becoming increasingly important. Growth of 0.9% is expected in 2024, followed by a plus of 0.2% in 2025 before the trend turns slightly negative with -1.0% in 2026.

The STRABAG Group generated 16% of the total Group output volume in its home market of Austria in 2023 (2022: 17%). Austria thus continues to be one of the Group's top three markets along with Germany and Poland. The output reached a volume of € 3,069.61 million in 2023. This gives STRABAG a 5.8% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 47.3%.

Poland



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Poland	7	66.7	0.3	2.9	2.2	2.5

Following the strong economic growth in 2022, which was mainly due to post-Covid-19 effects, GDP growth in Poland weakened to +0.3% in the reporting year. Factors contributing to this development included the high inflation of 11.1%, higher interest rates and the associated weaker demand from the private sector. Uncertainties in connection with the Russian war of aggression in neighbouring Ukraine and the delayed impacts from supply chain disruptions also dampened growth. Government investments, anti-crisis programmes and net exports in particular had a positive effect. Euroconstruct is forecasting GDP growth of 2.9% for 2024, followed by 3.5% in 2025 and 3.0% in 2026.

The Polish construction industry grew by 2.2% in 2023, slightly outpacing GDP growth, but weaker than in the two previous years. Construction-specific products were less available and supply chains were disrupted, while the shortage of skilled labour remained high. In recent years, construction activity in Poland has been stimulated by government programmes, particularly for public buildings and facilities as well as infrastructure. Euroconstruct expects the Polish construction industry to grow by 2.5% in 2024, with growth of 3.4% and 3.5% respectively in the two following years.

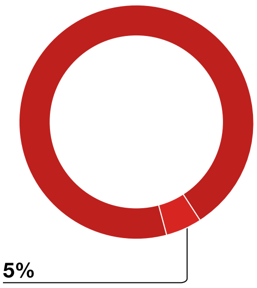
Residential construction, with a decline of 3.1%, proved to be the weakest sector of the Polish construction industry in 2023. Contributing to this situation were rising loan instalments, stricter procurement rules and higher construction costs. Stability measures and government stimulus programmes have helped to slow the trend. Euroconstruct forecasts a further 2.0% decline in residential construction output for 2024. In 2025 and 2026, however, the expected reduction in lending rates should lead to growth of 3.0% and 1.5% respectively.

Non-residential construction in Poland grew by 1.0% in 2023, with the momentum almost exclusively due to the strong increase in public investments. High costs for building materials, wages, electricity and fuel hit this segment hard as well. The market for office and commercial buildings was the weakest, while growth was recorded among industrial, warehouse and agricultural buildings. Large companies in particular invested heavily in 2023. Euroconstruct expects non-residential construction to grow by 3.0% in 2024 and by 2.4% and 2.5% in the following two years.

Civil engineering, with growth of 7.6%, proved to be the strongest segment of the Polish construction industry in 2023. This performance was driven by the momentum of infrastructure projects, which are closely linked to Poland's economic policy and the European Union's climate policy. Road construction, which grew by 11.4%, and energy supply exhibited particularly strong growth. Further growth drivers include the government's long-term programmes for the period until 2030, such as the new national road programme and the national railway programme. The election of a new government also increases the chances of previously withheld EU funds being released. In the field of energy supply, the planned construction of two nuclear power plants should provide further growth momentum. Euroconstruct is forecasting growth of 5.2% for Polish civil engineering in 2024, followed by a plus of 4.6% in 2025 and 5.6% in 2026.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,328.83 million here in 2023, representing 7% of the Group's total output volume (2022: 6%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.0% and its share of road construction was 8.7%.

Czech Republic



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Czech Republic	5	32.4	-0.3	2.0	-1.8	0.2

The Czech economy in 2023 was seriously affected by higher interest rates and by the impact from the high rate of inflation of around 11.0% on both businesses and households. Despite high government spending and strategic investments, GDP was slightly negative at -0.3%. There are plans to gradually consolidate public budgets, which will also affect private households. By contrast, EU investments, particularly from the 2021–2027 programming period, as well as the Modernisation Fund and the EU's recovery plan, are having a positive effect. Other contributing factors include the continued rise in exports, the stable import situation and low unemployment compared to the rest of the EU. Euroconstruct estimates that inflation will fall to between 2% and 3% as early as 2024, enabling GDP growth of 2.0% this year. An increase of 2.6% and 2.3% is then forecast for 2025 and 2026 respectively.

The output of the Czech construction industry fell by 1.8% in 2023. The ongoing shortage of skilled labour as well as price increases for materials, energy, fuel and loans posed major challenges for the sector. On the other hand, the government stimulated renovation projects with subsidies to increase energy efficiency. The construction industry also benefited from funding under several EU programmes. Euroconstruct expects a slight increase of 0.2% for the sector in 2024, with higher growth of 3.5% and 6.4% expected in the following two years.

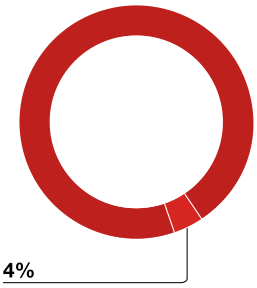
Residential construction fell by 9.6% in the reporting year, having been particularly hard hit by persistently high loan instalments. Real estate prices fell in many regions of the country, and a massive decline was recorded in the volume of real estate loans. The market for renovations, in contrast, remained stable. Euroconstruct is therefore forecasting only a slight decline of 1.2% in residential construction for 2024, followed by strong growth of 6.2% and 10.1% for 2025 and 2026 respectively.

After several years of negative growth, **non-residential construction** experienced a significant plus of 4.5% in the Czech Republic in 2023. This development was mainly due to industrial and logistics buildings, which were positively influenced by the booming business of online retail. The public sector is also encouraging construction related to schools, universities and hospitals. The market for office buildings, on the other hand, remains weak. Non-residential construction is expected to grow only slightly by 1.1% in 2024, followed by stronger growth of 3.9% in both 2025 and 2026.

Output in the Czech Republic's **civil engineering** segment remained stable in 2023 (+0.9%), mainly due to ongoing investments in the national and local transport infrastructure. Driving this development were railway systems, telecommunications and energy suppliers. The largest transportation infrastructure project is a new metro line in Prague. Civil engineering is also set to benefit from public funding and subsidies from the EU and from the European Investment Bank (EIB) in the future, not least with regard to the energy transition. For 2024 and 2025, Euroconstruct expects output in this segment to remain stable at +0.8% and 0.0% respectively, before strong growth of 5.1% in 2026.

STRABAG is the number one on the market in the Czech Republic. With an output volume of € 998.65 million in 2023, around 5% of the Group's total output (2022: 6%) was generated in the country. The market share in the entire construction market is 3.1% and in road construction amounts to 13.3%.

Hungary



4%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Hungary	4	19.3	0.0	3.5	-8.0	-3.8

The Hungarian economy stagnated in 2023 with GDP growth of 0.0%. The main factors behind this development were the high inflation, rising consumer prices, high interest rates and the government's investment freeze. Euroconstruct expects an increase in wages as well as consumption and, as a result, a return to growth in the coming years. The employment rate, already high, looks set to increase even slightly further. The government is also showing increasing budgetary discipline. The GDP is therefore forecast to grow by 3.5% in both 2024 and 2025 and by 3.6% in 2026.

The output of the Hungarian construction industry decreased by 8.0% in 2023. After several years of strong stimulus from the government, its investment freeze affected almost the entire sector. The situation could change if the resources from the EU funds, which are currently still being blocked, were to be released. The government has announced a ten-year development plan to be presented mid-2024. Euroconstruct is forecasting a decline of 3.8% for the Hungarian construction industry in 2024, with a trend reversal expected starting in 2025 (+4.9%) and growth of 5.4% forecast for 2026.

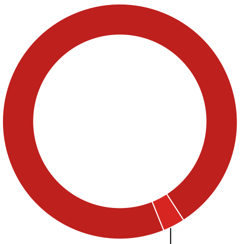
The sharp downturn in Hungarian **residential construction** (2023: -17.2%) is particularly dramatic, with the decline in new residential construction being the main contributing factor. The high construction costs, sharply rising interest rates and low sales prices gave developers little incentive to invest. Government subsidies and a recommended annual interest rate cap of 8.5% provide some relief. The market for renovations also declined in 2023, though it could recover as early as 2024, whereas new construction is not expected to pick up again until 2025. Accordingly, Euroconstruct is forecasting a decline of 3.6% for Hungarian residential construction in 2024, with the segment expected to grow by 4.0% again from 2025 and by as much as 5.5% in 2026.

Non-residential construction in Hungary fell by 4.8% in the reporting year. The government's investment freeze had a significant impact here as well. The goal of creating a comprehensive ecosystem for e-mobility in Hungary could, however, positively stimulate the market for industrial and logistics buildings. Euroconstruct anticipates a further decline of 4.8% in this segment in 2024, with an increase of 2.7% and 2.8% expected for 2025 and 2026 respectively.

The Hungarian **civil engineering** segment, including road construction and other transport infrastructure projects, declined by 3.8% in 2023. In contrast, intensified reindustrialisation had a positive effect, with a plus in energy and water supply projects. In the short term, however, the trend in civil engineering will continue to be curbed by the suspension of state investments and the postponement of planned renovation work on the road network during modification of the road concessions. The freezing of EU funds is continuing to have a negative impact as well. The Euroconstruct forecast therefore predicts a further decline of 2.4% in this segment in 2024, before a strong recovery sets in again in 2025 and 2026, with growth of 9.2% and 9.1% respectively.

The STRABAG Group generated € 807.74 million, or 4% of its output, in Hungary in 2023 (2022: 4%). This puts STRABAG in fourth place in the Hungarian construction market. Its share of the total market reached 4.2%, that in road construction 12.5%.

Romania



3%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Romania	3	32.5	2.0	3.4	-1.9	-6.4

The Romanian economy grew by 2.0% in 2023, less strongly than in the two previous years. The outlook remains positive, albeit subdued. The increase in consumer prices (8.8%) is expected to slow significantly from 2024 onwards, although lending rates will remain high for longer. EECFA is forecasting GDP growth of 3.4% and 4.2% for 2024 and 2025 respectively.

In contrast to the development of the economy as a whole, output in the Romanian construction industry fell by 1.9% in the reporting year. High energy prices and construction costs, partly due to higher personnel expenses, affected all segments. The budget available from Romania's National Recovery and Resilience Plan (NRRP) decreased, which had a significant impact on the healthcare and energy sectors. The decline in the energy sector, however, is more than offset by the European Union's REPowerEU plan. In the 2024 election year, with elections at local, national and EU level, the focus will be more on local and socially impactful projects – at the expense of longer-term projects. According to EECFA calculations, construction output in Romania will fall by a further 6.4% in 2024 before recovering slightly (+1.9%) in 2025.

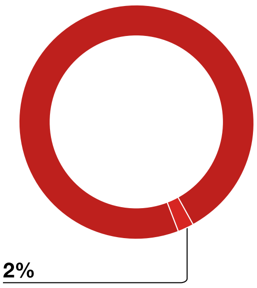
The Romanian **residential construction** sector suffered a significant slump in 2023 (-8.6%), as high inflation and expensive lending rates as well as increased construction costs dampened both supply and demand. Building permits and the amount of usable space fell by almost a fifth, particularly in the Bucharest region (-36%) and the west of the country. EECFA expects a further downward correction for residential construction in 2024 (-7.6%). In 2025, a return to slight growth of 1.8% is expected for the segment thanks to falling inflation and lower lending rates.

The development of the **non-residential construction** segment in Romania was very mixed in 2023, with a slight decline of 0.8% overall. Sharp declines were recorded due to lower demand and changing trends in the market for office buildings. By contrast, healthcare buildings and educational facilities increased by 12.1% in 2023 due to co-financing from the previous EU programming period. The recovery of private consumption was reflected in an upturn in retail and wholesale properties. Industrial buildings and warehouses also remained on a growth path. EECFA is forecasting a decline of 4.0% for the segment in 2024, followed by a return to growth of 2.9% in 2025.

Civil engineering, with growth of 7.3%, proved to be the strongest segment of the Romanian construction industry in 2023. On the one hand, projects from the 2014–2020 EU programming period were still being completed; on the other hand, investments from the NRRP were already underway. The focus was on transportation infrastructures as well as on structures in the energy and pipeline sectors. The switch to the new EU programme along with greater budget discipline will lead to a decline in construction output, however. EECFA is forecasting a decline of 6.5% for the Romanian civil engineering segment in 2024, followed by a slight recovery of 1.2% in 2025.

With an output of € 519.26 million in 2023, the STRABAG Group holds a 1.6% share in the entire Romanian construction market. In road construction, the share of the market stands 4.6%.

Slovakia



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Slovakia	2	8.8	1.5	2.7	0.1	2.9

The Slovakian economy grew by 1.5% in the reporting year. Key economic indicators, such as private and public consumption as well as imports and exports declined, however. The inflation rate in 2023 stood at just over 10%. The shortage of labour was particularly evident in industry and construction. The automotive industry, on the other hand, was able to compensate for the decline in private consumption. EU programmes and funds, which provided stimulus in the fields of transport, the environment, digitalisation, science and research, had a positive effect. Euroconstruct expects Slovakia's GDP to grow by 2.7% in 2024, 3.4% in 2025 and 2.1% in 2026.

The Slovakian construction industry generated slight growth of 0.1% in 2023. High material and labour costs and rising lending rates led to a gradual decline in construction investments. As expected, the number of projects in transportation infrastructures fell significantly before the elections in autumn. Following the elections, the number of projects put out to tender is expected to increase once again. Euroconstruct is forecasting a reduction in public investment from the state budget. The development of construction output in the coming years will therefore depend on how effectively the funds from the EU's recovery plan and the new EU programming period are used. Euroconstruct predicts growth of 2.9% for the Slovakian construction industry in 2024, followed by a plus of 0.7% and 3.9% respectively in the following years.

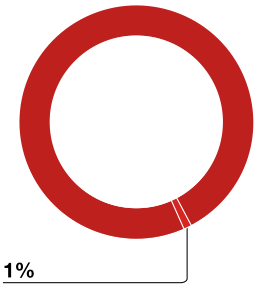
Slovakia's **residential construction** output fell by 2.6% in 2023. High lending interest and high construction prices dampened demand from developers and smaller investors alike. Funds from the European recovery plan are to be used in the future primarily to promote renovations aimed at increasing energy efficiency. The demand for flats in Bratislava and other larger cities is also continuing. After a further slight decline in 2024 (-0.3%), Euroconstruct expects residential construction to grow again in 2025 and 2026 with a plus of 3.3% and 5.6% respectively.

Output in **non-residential construction** fell significantly in 2023 (-5.5%). The market for office buildings was especially hard hit, while growth was reported for educational facilities and healthcare buildings. The automotive industry remains the largest private investor in the country. Euroconstruct expects the greatest input for the segment to come from the European recovery plan, particularly in the healthcare sector. Non-residential construction is expected to pick up significantly in 2024 with an increase of 6.3%, while growth of 3.8% and 2.7% is expected for the following two years.

Slovakia's **civil engineering** sector, with a plus of 14.5%, proved to be by far the strongest segment in the reporting year, mainly due to the end of the EU programming period. The frontrunner was transportation infrastructures – with motorways, expressways and city bypasses as well as maintenance and renovation work. The expansion of the bicycle network was also driven forward. The rail, water and wastewater, and renewable energy sectors will receive additional funding from the European recovery plan. Euroconstruct expects a further increase of 4.7% for the segment in 2024, followed by a decline of 7.9% in 2025 and a further increase of 2.1% in 2026.

With a market share of 4.7% and an output volume of € 410.26 million in 2023, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 18.9%. In 2023, Slovakia contributed 2% to the Group's total output volume (2022: 2%).

Croatia



Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Croatia	1	6.7	2.6	2.5	9.1	1.6

The Croatian economy grew by 2.6% in the reporting year. A key factor contributing to this development was Croatia's entry into the Schengen area and the eurozone at the beginning of the year. The high-tech sector continued to perform strongly, and tourism also delivered very good results once again. Croatia also became more successful in acquiring and quickly utilising EU funds, especially for the National Recovery and Resilience Plan (NRRP), as well as funds from international financial institutions. Inflation stood at 8.1% in 2023. EECFA expects further GDP growth of 2.5% and 2.8% for 2024 and 2025 respectively.

With strong growth of 9.1%, the Croatian construction industry performed much better than the economy as a whole in 2023. This was true for all segments. Construction growth is expected to weaken significantly again in the coming years, however, among other things due to rising real estate prices and more difficult financing conditions. EECFA forecasts an increase in construction output of 1.6% for the segment in both 2024 and 2025.

The Croatian **residential construction** sector grew more strongly than expected in 2023, with a plus of 6.5%. Domestic demand was up as many young families are looking for new and larger living space. Foreign demand also increased, despite the recession in Austria and Germany. A downward correction in residential construction output is expected in the following years, mainly due to rising real estate prices and the high level of inflation. For 2024 and 2025, EECFA is forecasting declines of 5.6% and 4.1% respectively.

Non-residential construction recorded a strong increase of 8.0% in the reporting year. The market for office buildings grew particularly strongly (+13.7%). Renovations with the aim of building energy-efficient and environmentally friendly offices are being driven by the NRRP. The healthcare and educational buildings sector (+11.5%) is also booming thanks to EU and other international funds being channelled into this segment. The market for industrial buildings, warehouses and hotels also developed very promisingly. EECFA forecasts growth of 3.1% for non-residential construction in Croatia in 2024, followed by a slight decline of 0.5% in 2025.

With growth of 13.3% in the reporting year, **civil engineering** proved to be the strongest segment of the Croatian construction industry. This growth was driven in particular by complex large-scale construction projects at industrial locations and in transportation infrastructures. Croatia was able to convince the EU to extend two core network corridors of the European transport network TEN-T to the country. The expansion of the railway network, which is in need of renovation, is also planned for the next decade. Investments in the electricity grid and the expansion of renewable energies are expected to provide new stimulus as well. EECFA's forecasts are correspondingly positive, with Croatia's civil engineering segment expected to grow by 9.1% in 2024 and by 8.8% in 2025.

With an output of € 241.63 million in 2023, the STRABAG Group holds a 3.6% share in the entire Croatian construction market. In Croatian road construction, the share of the market stands 7.8%.

Further countries and regions

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
United Kingdom	4	264.1	0.4	0.3	-1.6	-2.1
Switzerland	1	69.8	0.8	1.9	-1.1	1.6
Sweden	< 1	55.6	-0.6	1.0	-10.6	-5.7
Serbia	< 1	5.7	2.5	3.5	9.0	-1.9
Slovenia	< 1	5.0	1.6	2.8	4.1	-0.9
Bulgaria	< 1	11.1	2.0	1.8	3.4	2.0
Denmark	< 1	43.7	1.5	1.3	-6.1	-4.9
Italy	< 1	280.8	0.8	0.8	-0.7	-7.3

STRABAG is also active in the Americas, the Middle East, Africa and Asia as well as in Benelux and other European countries. These regions account for 7% of Group revenue (2022: 8%).

Order backlog

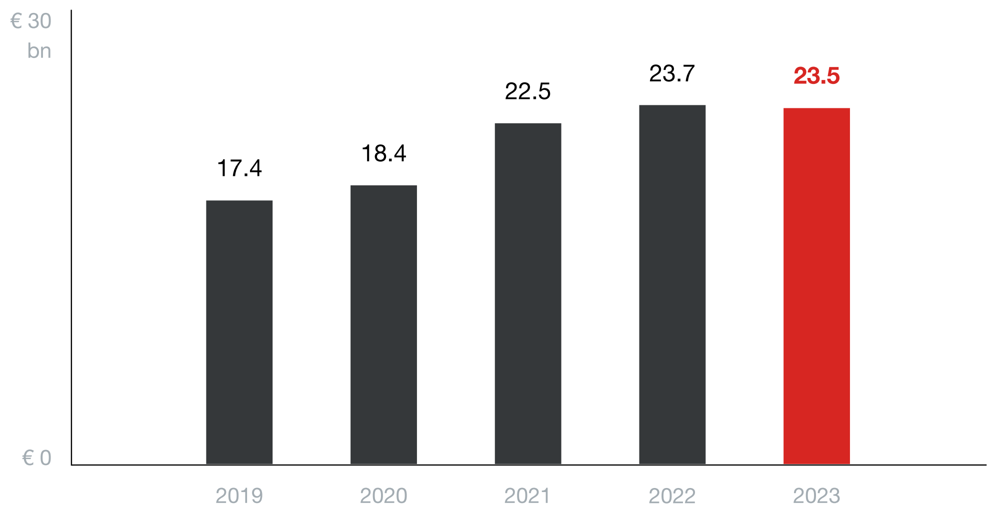
Order Backlog by segment as at 31 December 2023

€ mn	**Total 2023**	**North + West**	**South + East**	**Inter-national + Special Divisions**	**Other**	Total 2022	Δ Total %	Δ Total absolute
Germany	12,544	10,750	432	1,341	21	11,154	12	1,390
Austria	2,360	48	2,026	286	0	2,992	-21	-632
Poland	1,944	1	1,906	37	0	1,634	19	310
United Kingdom	1,794	7	5	1,782	0	2,216	-19	-422
Czech Republic	939	0	935	3	1	993	-5	-54
Americas	614	0	0	614	0	883	-30	-269
Romania	496	13	479	4	0	567	-13	-71
Middle East	462	0	27	435	0	256	80	206
Italy	459	0	2	457	0	374	23	85
Hungary	348	0	348	0	0	719	-52	-371
Croatia	323	0	323	0	0	408	-21	-85
Slovakia	232	0	225	7	0	320	-28	-88
Rest of Europe	192	0	182	7	3	270	-29	-78
Asia	175	0	12	163	0	253	-31	-78
Benelux	158	147	0	11	0	220	-28	-62
Switzerland	111	104	5	2	0	101	10	10
Sweden	108	108	0	0	0	98	10	10
Slovenia	59	0	59	0	0	95	-38	-36
Africa	53	0	43	10	0	72	-26	-19
Serbia	49	0	49	0	0	67	-27	-18
Denmark	29	29	0	0	0	16	81	13
Bulgaria	17	0	16	1	0	31	-45	-14
Total	**23,466**	**11,207**	**7,074**	**5,160**	**25**	**23,739**	**-1**	**-273**

€ 23.5 billion
Order backlog

Despite sharp declines on the residential construction market, the **order backlog** remained more or less stable at a very high level of € 23,466.13 million (-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.

Development of order backlog



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.

Construction sites included in the order backlog as at 31 December 2023

Category	Number of construction sites	Number of construction sites as % of total	Order backlog € mn	Order backlog as % of total
Small orders (€ 0–1 mn)	10,184	79	2,028	9
Medium-sized orders (€ 1–15 mn)	2,153	17	3,734	16
Large orders (€ 15–50 mn)	321	3	4,258	18
Very large orders (>€ 50 mn)	171	1	13,446	57
Total	**12,828**	**100**	**23,466**	**100**

The total order backlog is comprised of **12,828 individual projects**. More than 10,100 of these, or 79%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 21% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 171 projects have a volume above € 50 million. The high number of individual contracts guarantees that the risk involved with one project does not, as far as possible, threaten the group success as a whole. The ten largest projects in the order backlog as at 31 December 2023 added up to 21% of the order backlog.

Selected large projects in the order backlog as at 31 December 2023

Country	Project	Order backlog € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	595	2.5
United Kingdom	Woodsmith Project	592	2.5
Germany	U5 East, Hamburg	580	2.5
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2
Germany	Replacement building, Ruhr University Bochum	270	1.2
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	Friedrichspark Berlin	171	0.7
Total		**4,955**	**21.1**

Financial performance

The consolidated **Group revenue** for the 2023 financial year amounted to € 17,666.54 million. As many of the acquisitions involved large-scale projects realised under a joint venture arrangement, the revenue growth, at 4%, was less pronounced than the 8% growth in output. This effect is also reflected in the ratio of revenue to output, which fell year-on-year from 96% to 92%. The operating segments North + West contributed 41%, South + East 42% and International + Special Divisions 17% to the revenue.

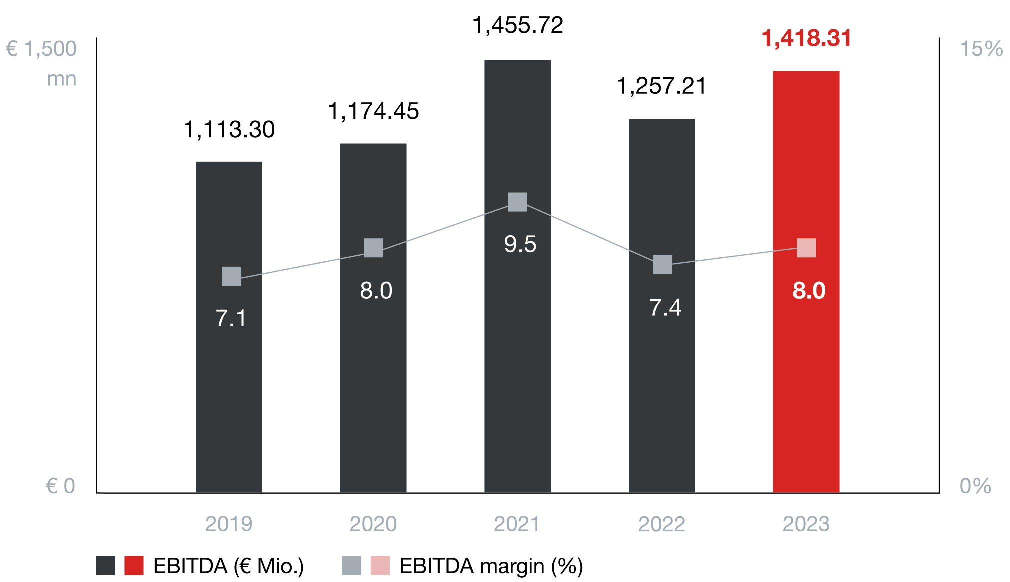
The **changes in inventories** mainly involve real estate project developments. Successful sales were more than compensated for by new projects. The **own work capitalised** fell at a low level due to the completion of several corporate locations. The total of **expenses for construction materials, consumables and services used** and **employee expense**, expressed in relation to the revenue, remained almost constant at 90% (2022: 89%) – despite the at times high inflation.

Expenses

€ mn	**2023**	2022	Δ %
Construction materials, consumables and services used	11,275.08	10,988.65	3
Employee benefits expense	4,540.90	4,133.73	10
Other operating expenses	1,086.60	1,013.28	7
Depreciation and amortisation expense	538.12	550.81	-2

The **earnings from equity-accounted investments** increased significantly to € 144.13 million in the reporting period, mainly thanks to higher earnings from joint ventures. The **net income from investments**, which comprises the dividends and expenses of many smaller companies and financial investments, fell slightly compared to the previous year.

Development of EBITDA and EBITDA margin



In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** increased by 13% to € 1,418.31 million, continuing the trend of exceeding the € 1.0 billion mark established in recent years. As a result, the **EBITDA margin** showed a year-on-year increase from 7.4% to 8.0%. The depreciation and amortisation expense fell slightly by 2.3% to € 538.12 million.

The **earnings before interest and taxes (EBIT)** increased significantly by 25% to € 880.20 million in 2023. The EBIT margin grew to 5.0% (2022: 4.2%), thus exceeding the original forecast. This development is due to positive earnings effects resulting from the strong market positions in the North + West segment.

The **net interest income** increased to € 44.13 million (2022: € 10.7 million). The strong year-on-year growth is primarily due to higher interest income – caused by the higher interest rate level and STRABAG SE's net cash position. The exchange rate result included in this figure turned negative in 2023 at € -15.90 million (2022: € 3.20 million) due to negative exchange rate differences.

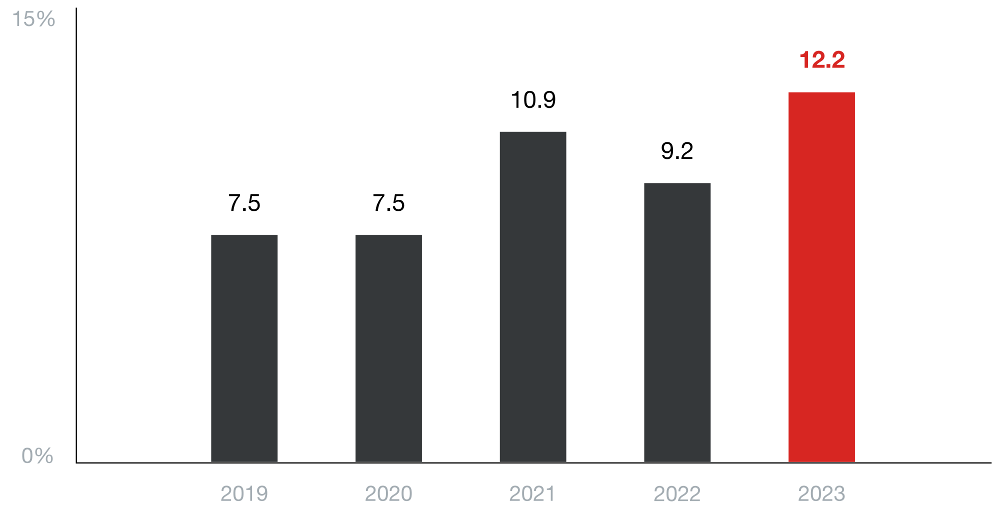
31.5%
Effective tax rate

On balance, the **earnings before taxes** totalled € 924.32 million. The **income tax rate**, at 31.5%, was slightly lower than in the previous year. The **net income** amounted to € 633.39 million, which corresponds to an increase of 32% compared to 2022.

€ 6.30
Earnings per share

The earnings owed to minority shareholders totalled € 2.89 million, compared to € 7.68 million in the previous year. The **net income after minorities** increased by 33% to € 630.51 million, the highest figure in the history of STRABAG SE. The **earnings per share** amounted to € 6.30 (2022: € 4.60).

Development of ROCE



The **return on capital employed (ROCE)** rose from 9.2% in the previous year to 12.2%. This is the highest value in the history of STRABAG SE.

Financial position and cash flows

Balance sheet

€ mn	**31.12.2023**	**% of balance sheet total**	31.12.2022	% of balance sheet total
Non-current assets	5,477	40	5,292	42
Current assets	8,229	60	7,392	58
Equity	4,409	32	4,025	32
Non-current liabilities	2,228	16	2,194	17
Current liabilities	7,069	52	6,465	51
Total	**13,706**	**100**	**12,684**	**100**

The **total of assets and liabilities** increased year-on-year from € 12,683.76 million to € 13,706.21 million mainly due to the increase in cash and cash equivalents and inventories. A decline was recorded in other financial assets.

32.2%
Equity ratio

The **equity** as at 31 December 2023 was up to € 4,409.36 million. The previous buyback obligation for own shares in the amount of a maximum of 10% of the share capital was to be deducted directly from retained earnings as at 31 December 2022 as part of the mandatory anticipatory offer at the time. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million was transferred back to retained earnings in 2023. This was offset by capital reductions of € 337.87 million from the capital measures implemented starting in September 2023 to reduce the stake held by MKAO “Rasperia Trading Limited”. The capital reductions implemented as part of these measures changed the ratio of free reserves to appropriated reserves. The **equity ratio** increased to 32.2% (31 December 2022: 31.7%).

Key balance sheet figures

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Equity ratio (%)	31.5	33.9	33.3	31.7	32.2
Net debt (€ mn)	-1,143.53	-1,747.23	-1,937.18	-1,927.70	-2,643.24
Gearing ratio (%)	-29.7	-42.5	-47.6	-47.9	-59.9
Capital employed (€ mn)	5,838.71	5,815.14	5,750.63	5,407.37	5,726.41

€ 2.6 billion
Net cash position

Another **net cash position** was reported for 31 December 2023 – with a noticeable increase to € 2,643.24 million due primarily to higher cash and cash equivalents and a further reduction in financial liabilities.

Calculation of net debt[1]

€ mn	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Financial liabilities	1,422.21	1,156.01	1,193.62	957.20	898.93
Severance provisions	124.68	122.55	108.36	91.38	98.27
Pension provisions	435.92	428.36	376.83	333.55	319.85
Non-recourse debt	-665.53	-597.20	-652.74	-607.97	-509.67
Cash and cash equivalents	-2,460.81	-2,856.95	-2,963.25	-2,701.85	-3,450.62
Total	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**	**-2,643.24**

[1] The non-recourse liabilities that were considered are related to three major projects. Non-recourse liabilities from other PPP projects had, based on their amount, only an immaterial impact and are therefore not subtracted in the calculation of net debt.

The **cash flow from operating activities** increased significantly year-on-year from € 812.86 million to € 1,816.51 million. This development is due to an increase in cash flow from earnings on the one hand and an unexpected reduction in working capital on the other. The forecast reduction in advance payments as a result of higher interest rates did not materialise for the time being.

The **cash flow from investing activities** was more negative, as expected, particularly due to higher investments in financial assets and enterprise acquisitions, including acquisitions in facility services, energy and building services management, and amounted to € -654.87 million (2022: € -560.42 million).

The **cash flow from financing activities** was less negative at € -430.58 million (2022: € -503.66 million). The repayment of a bond in the amount of € 200 million in the previous year resulted in an effect that more than compensated for the acquisition of own shares tendered as part of an anticipatory mandatory offer by the Austrian core shareholders.

Report on own shares

The company held 2,779,006 treasury shares (2.7% of the share capital) as at 31 December 2023. Following entry of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

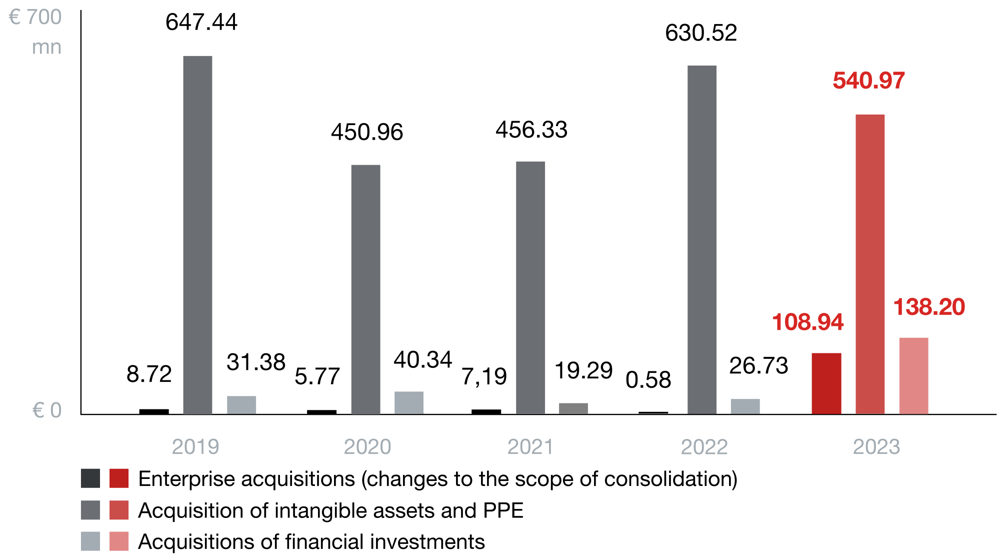
Further details can be found in the management report under Disclosures under Sec 243a Para 1 UGB.

Capital expenditures

€ 655 million
Net investments

STRABAG had forecast **net investments** (cash flow from investing activities) of up to € 700 million for the 2023 financial year. In the end, they amounted € 654.87 million.

Composition of CapEx



The **gross investments (CapEx)** before subtraction of proceeds from asset disposals stood at € 788.11 million. This figure includes expenditures on intangible assets and on property, plant and equipment not including the non-cash additions to right-of-use assets of € 540.97 million, the purchase of financial assets in the amount of € 138.20 million and € 108.94 million from changes to the scope of consolidation

Particularly significant investments include maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and Poland as well as additional investments in the construction materials network in several different countries. The latter mainly involve investments in modern asphalt and concrete mixing plants to promote circularity within the Group. Investments were also made in tunnelling as part of several ongoing large-scale projects in the United Kingdom and the Americas.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 549.16 million. At € 7.45 million, goodwill impairment was slightly higher than the previous year's value of € 6.70 million. This was offset by write-ups from investment property totalling € 18.5 million.

Financing and treasury

Key figures treasury

	2019	2020	2021	2022	**2023**
Interest and other income (€ mn)	30.97	27.89	26.96	50.74	119.19
Interest and other expense (€ mn)	-56.32	-48.49	-39.53	-40.07	-75.07
EBIT/net interest income (x)	-23.8	-30.6	-71.3	66.2	19.9
Net debt/EBITDA (x)	-1.0	-1.5	-1.3	-1.5	-1.9

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity. Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The activity of building requires the constant availability of bid, contract fulfilment, advance payment and warranty guarantees and/or sureties. The financial scope of action is thus defined by sufficient cash and cash credit lines, on the one hand, and by sufficient surety credit lines on the other.

The management of **liquidity risks** has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transactions or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment. The respective liquidity needed is determined by targeted liquidity planning. Based on this, liquidity assurance measures are made, and a liquidity reserve is defined for the entire Group. The liquidity situation is continuously monitored by treasury management, managed via a corporate-wide cash pooling system and supported at project level by strict working capital management.

€ 3.5 billion
Cash and cash equivalents

The existing **liquidity** of € 3.5 billion assures the coverage of the Group's liquidity needs. STRABAG SE has a total credit line for cash and surety loans in the amount of € 8.5 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion and a revolving syndicated cash credit line of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

BBB, stable
S&P corporate credit rating

In June 2015, Standard & Poor's (S&P) raised STRABAG SE's **investment grade rating** by one level from BBB-, outlook stable, to BBB, outlook stable. This rating was again confirmed in October 2023. S&P sees STRABAG SE's strengths and opportunities above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to construction materials, the strong market positions and the high reputation in the credit markets.

Payment obligations

€ mn	**Book value 31.12.2023**	Book value 31.12.2022
Bank borrowings	534.71	624.76
Lease liabilities	364.22	332.44
Total	**898.93**	**957.20**

Report on the financial performance, financial position and cash flows of STRABAG SE

Financial performance

The company's revenue increased by € 4.91 million compared with the previous year, growing from € 83.37 million to € 88.28 million. This development is attributable to the pass-through of higher insurance premiums and an increase in intra-group allocations.

	2023	2022
Revenue in T€ (sales)	88,280	83,374
Earnings before interest and taxes in T€ (EBIT)	307,913	261,851
Return on sales in % (ROS)[1]	>100,0	>100,0
Return on equity in % (ROE)[2]	11.0	8.9
Return on investment in % (ROI)[3]	9.4	8.0

1 ROS = EBIT / revenue

2 ROE = EBT / avg. equity

3 ROI = EBIT / avg. total capital

The earnings before interest and taxes (EBIT) were characterised by a sharp rise in investment income and, with a plus of € 46.06 million, increased significantly from € 261.85 million in 2022 to € 307.91 million in 2023.

The operating earnings for the 2023 financial year amounted to € 19.50 million, a plus of € 2.30 million compared to the previous year's figure (€ 17.20 million). The positive earnings effect is due to the aforementioned increase in intra-group allocations and the one-off income from a compensation payment received.

The significant increase in financial earnings, which grew by € 46.04 million from € 248.64 million to € 294.68 million, was achieved through higher profit and loss transfers from subsidiaries. Another positive impact on earnings resulted from the lower expenses for financial assets compared to the previous year. In the previous year, write-downs of investments had had a negative impact on earnings.

Net interest income showed a positive interest balance of € 6.27 million (2022: € 3.98 million). This figure is calculated from the interest income for financing provided to subsidiaries and from the financing costs for interest-bearing borrowings.

Overall, the company therefore generated a net profit of € 314.83 million for the 2023 financial year (2022: € 259.62 million).

The improved earnings are also positively reflected in the profitability indicators.

Financial position and cash flows

The total assets of STRABAG SE increased slightly to € 3.3 billion in 2023 compared with the previous year (€ 3.2 billion). Significant changes were recorded in only a few balance sheet items.

The increase in receivables from subsidiaries relates to receivables from profit and loss transfers. The increase in payables to subsidiaries results from payables from cash clearing.

Other liabilities increased by € 314.09 million compared to the previous year. This is mainly due to the dividend payable from the capital reduction as well as the dividends for the 2022 financial year that were withheld from MKAO "Rasperia Trading Limited" due to the imposed sanctions. This effect was offset, however, by the repayment of the liability from the acquisition of own shares.

The result was an increased net debt amounting to € 557.00 million as at 31 December 2023 compared to € 203.47 million in the previous year. The gearing ratio increased from 6.8% in the previous year to 20.5% in the year under report.

	2023	2022
Net debt in T€[1]	556,996	203,472
Working capital in T€[2]	298,581	236,976
Equity ratio in %	81.8	92.6
Gearing ratio in %[3]	20.5	6.8

1 Net debt = interest-bearing liabilities + non current provisions - cash and cash equivalents

2 Working capital = current assets - cash and cash equivalents - current non-interest-bearing liabilities

3 Gearing = net debt / equity

The working capital increased by € 61.60 million in the 2023 financial year, growing from € 236.98 million in the 2022 financial year to € 298.58 million, due to the increase in receivables from profit and loss transfers.

The equity ratio fell due to a decrease in equity from 92.6% in the previous year to 81.8% in 2023. This figure remains at a very high level, however.

	2023	2022
Cash flow from operating activities	260,394	342,725
Cash flow from investing activities	-34,194	-7,265
Cash flow from financing activities	-226,481	-339,569

The cash flow from operating activities of € 260.39 million is largely attributable to the cash flow from earnings. The increase of the working capital had a negative impact.

The cash flow from investing activities saw an inflow of € 4.11 million in cash and cash equivalents from the repayment of financing receivables in the reporting year. This is contrasted by the use of cash for additions to financial assets amounting to € 38.04 million as well as by € 0.26 million related to the disposal of financial assets. In total, the cash flow from investing activities amounts to € -34.19 million.

The build-up of receivables from cash clearing resulted in a cash inflow of € 40.05 million in the cash flow from financing activities. After deducting the dividend payments for the 2022 financial year in the amount of € 158.32 million (the dividend attributable to the shares held by MKAO "Rasperia Trading Limited" was withheld due to the sanctions imposed on Oleg Deripaska) and for the acquisition of treasury shares in the amount of € 108.21 million, the total cash outflow from financing activities in 2023 amounted to € 226.48 million.

Report on own shares

As at 31 December 2023, STRABAG SE held 2,779,006 no-par value bearer shares in the amount of 2.7% of the share capital. The corresponding value of the share capital thus amounts to € 2,779,006.00. The acquisition took place 9 February 2023 at a purchase price of

€ 38.94 per share to any purpose allowed under Section 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG), including but not limited to the purpose of using own shares as acquisition currency. As 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid by 31 December 2022, these shares were already presented as own shares in the annual financial statements for the year ending 31 December 2022.

Following entry of implementation of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

Segment report

Overview of the four segments within the group

The business of STRABAG SE was divided into four segments in 2023, of which there are three operating segments, North + West, South + East and International + Special Divisions, and the segment Other, which encompasses the Group's central divisions and central staff divisions. In 2023, the segments were comprised as follows:

North + West

Management Board responsibility: Jörg Rösler
Germany, Switzerland, Benelux (until 31 December 2023), Scandinavia, Ground Engineering

Management Board responsibility: Klemens Haselsteiner
Benelux (since 1 January 2024)

South + East

Management Board responsibility: Alfred Watzl
Austria, Poland, Czech Republic, Slovakia, Hungary, South-East Europe, Environmental Technology, Construction Materials (since 1 July 2023)

International + Special Divisions

Management Board responsibility: Siegfried Wanker
Tunnelling, International, Infrastructure Development, Real Estate Development, Services, Construction Materials (until 30 June 2023)

Other

Management Board responsibility: Klemens Haselsteiner and Christian Harder
Central Divisions, Central Staff Divisions

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

Segments are primarily categorised according to geographical aspects. Specialities in particular – e.g. tunnelling – are naturally in demand worldwide. Such business fields are shown in the International + Special Divisions segment. At the same time, the North + West and South + East segments sometimes include international business fields such as environmental technology.

Certain services may be performed in more than one segment. The activities below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

With only a few exceptions, STRABAG offers its services in all areas of the construction industry in the individual European markets in which it operates and covers the entire construction value chain.

Range of services offered

	North + West	South + East	International + Special Divisions
Residential Construction	√	√	√
Commercial and Industrial Facilities	√	√	√
Public Buildings	√	√	√
Engineering Ground Works	√	√	√
Bridge Construction	√	√	√
Power Plants	√	√	√
Roads, Earthworks	√	√	√
Protective Structures	√	√	√
Sewerage Systems	√	√	√
Production of Construction Materials	√	√	√
Railway Construction	√	√	
Waterway Construction, Embankments	√	√	
Landscape Architecture and Development, Paving, Large-Area Works	√	√	
Sports and Recreation Facilities	√	√	
Ground Engineering	√		
Environmental Technology		√	
Production of Prefabricated Elements		√	
Tunnelling			√
Real Estate Development			√
Infrastructure Development			√
Renewable Energy Development			√
Operation/Maintenance/Marketing of PPP and Renewable Energy Projects			√
Property and Facility Services			√

Segment North + West

The North + West segment delivers construction services of nearly any kind and size with a focus on Germany, Switzerland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment.

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	8,216.66	7,865.46	4	351
Revenue	7,280.19	7,157.26	2	123
Order backlog	11,207.13	10,337.38	8	870
EBIT	644.82	456.53	41	188
EBIT margin (% of revenue)	8.9	6.4		
Employees (FTE)	22,136	21,683	2	453

Output volume – North + West segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	7,614	7,206	6	408
Switzerland	216	190	14	26
Benelux	172	143	20	29
Sweden	95	121	-21	-26
Austria	36	50	-28	-14
United Kingdom	29	48	-40	-19
Romania	26	26	0	0
Denmark	20	56	-64	-36
Rest of Europe	6	18	-67	-12
Hungary	1	5	-80	-4
Poland	1	1	0	0
Middle East	1	1	0	0
Total	**8,217**	**7,865**	**4**	**352**

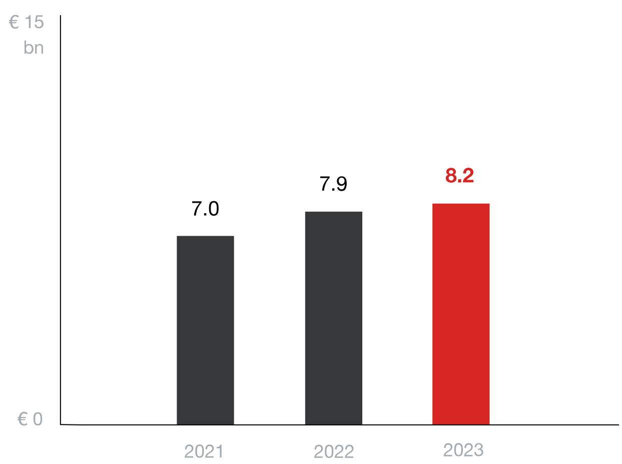
Output, revenue and EBIT

Germany as a driver of higher output

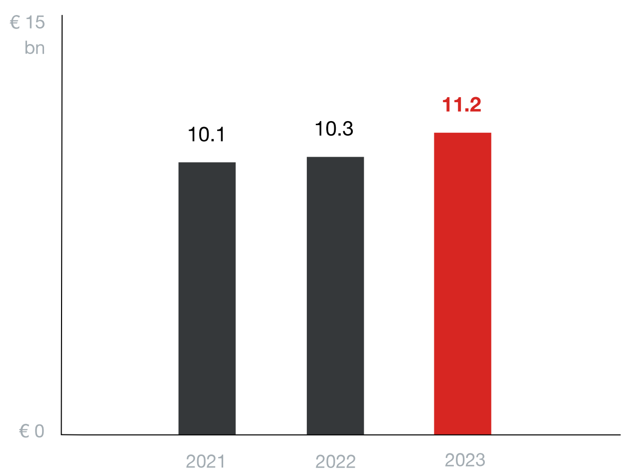
The North + West segment recorded a 4% year-on-year increase in **output volume** to € 8,216.66 million in 2023. This was attributable in particular to the home market of Germany, both in building construction and civil engineering as well as in transportation infrastructures, and to a lesser extent to the Benelux countries and Switzerland. This growth was contrasted by declines in Denmark and Sweden.

Revenue grew by 2% to € 7,280.19 million. The **EBIT** increased sharply by 41% to € 644.82 million, resulting in a very high EBIT margin of 8.9%. This development is due on the one hand to the absence of negative earnings effects from large-scale projects in Denmark and the Netherlands. On the other hand, cost inflation in Germany weakened and follow-up negotiations for large infrastructure projects were successfully concluded. The latter, however, does not represent a regularly recurring earnings component.

Output volume



Order backlog



Order backlog

Order backlog expanded at high level

The **order backlog** as at 31 December 2023 grew by 8% from an already very high level to € 11,207.13 million, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the extension of the U5 underground lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University Bochum and the construction of the sustainable office property Inspire Neukölln in Berlin.

Employees

The **number of employees** in the North + West segment in 2023 was up by 2% to 22,136 FTEs. In line with the strong output growth, the largest staff increase was recorded in the home market of Germany. Declines were registered on a smaller scale in Denmark, the Benelux countries and Sweden.

Outlook

Slight output growth expected

Based on the continuing high order backlog, STRABAG expects slight output growth in the North + West segment in 2024 despite the challenging conditions.

In **Germany**, material prices are showing signs of normalising and stabilising, while energy prices remain at a comparatively high level. We are compensating for the decline in demand in residential and office construction caused by the current interest rate situation with projects in infrastructure and industrial construction. A slight shift from private to public clients is evident here. In the German transportation infrastructure business, the current volume of orders forms a solid basis for a similar output level as in the previous year. Increased demand and new projects are increasingly being observed in projects relating to the energy transition.

Predatory pricing remains a serious concern in the **Benelux** countries. Here the Group will continue to pursue its chosen path of consolidation and stabilisation together with a highly selective bidding strategy. In the Netherlands and Belgium, opportunities are likely to arise in industrial construction, particularly in projects relating to the energy transition.

The consolidation and stabilisation that was initiated in **Scandinavia** will be continued here as well. The focus will be on medium-sized projects, primarily in commercial and industrial construction.

The demand for construction services in **Switzerland** remains stable. Following a period of successful consolidation, we are continuing on our growth path. The necessary investments have already been made.

Selected projects – North + West segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	577	2.5
Germany	U5 East, Hamburg	406	1.7
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2

Segment South + East

The geographic focus of the South + East segment is on Austria, Poland, the Czech Republic, Slovakia, Hungary and South-East Europe. The environmental technology and construction materials activities are also handled within this segment.

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	7,741.90	7,087.08	9	655
Revenue	7,344.06	6,788.98	8	555
Order backlog	7,074.25	7,969.32	-11	-895
EBIT	392.57	236.89	66	156
EBIT margin (% of revenue)	5.3	3.5		
Employees (FTE)	27,057	27,514	-2	-457

Output volume – South + East segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Austria	2,722	2,616	4	106
Poland	1,262	1,065	19	197
Czech Republic	981	1,073	-9	-92
Hungary	784	656	20	128
Romania	486	280	74	206

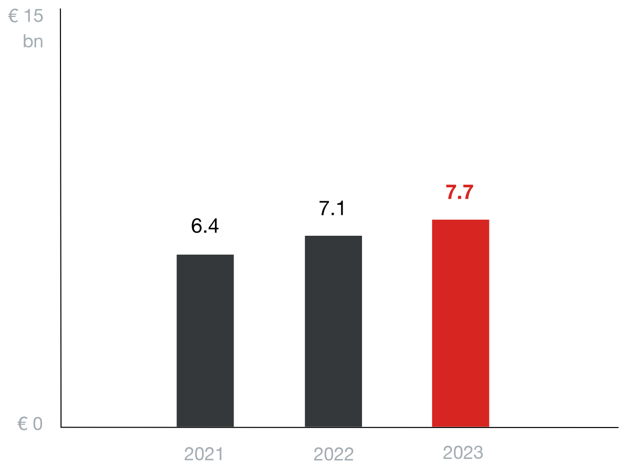
€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	423	354	19	69
Slovakia	398	341	17	57
Croatia	241	238	1	3
Serbia	137	145	-6	-8
Slovenia	117	79	48	38
Rest of Europe	93	154	-40	-61
Bulgaria	59	51	16	8
Africa	16	9	78	7
Italy	9	11	-18	-2
United Kingdom	7	7	0	0
Middle East	6	1	> 100	5
Switzerland	3	3	0	0
Asia	-2	4	n.a.	-6
Total	**7,742**	**7,087**	**9**	**655**

Output, revenue and EBIT

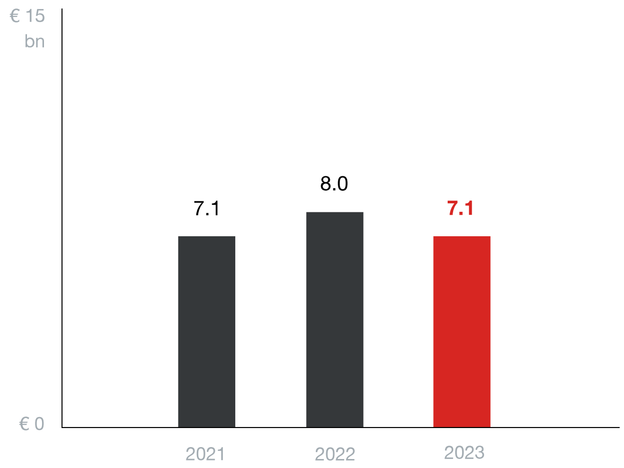
Strong output growth in Romania and Poland

The **output volume** in the South + East segment grew significantly by 9% to € 7,741.90 million in the 2023 financial year. The largest output growth in absolute terms was generated in Romania, followed by Poland and Hungary. With the exception of the Czech Republic, output also increased in the home market of Austria and in the remaining countries of Central and Eastern European. **Revenue** increased in line with output, growing by 8% to € 7,344.06 million. Earnings improvements in the markets of Eastern and South-East Europe led to a significant 66% increase in the EBIT to € 392.57 million. At 5.3%, the **EBIT** margin for the South + East segment was above the Group average in 2023.

Output volume



Order backlog



Order backlog

Sharp decline in residential construction in Austria

The **order backlog** fell by 11% year-on-year to € 7,074.25 million. 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 remained below the above-average level of the previous year, particularly in Austria. In Hungary, the order backlog declined due to the government investment freeze and the withholding of EU funds. In contrast, growth was generated in Poland. Notable new orders here include the construction of a production and logistics building for Cognor S. A. and the construction of the country's third-longest bridge over the river San near the town of Stalowa Wola.

Employees

The **number of employees** fell by 2% to 27,057 FTEs in 2023. Declining figures were recorded in Croatia, Hungary and Bulgaria, among others. In line with the higher output, staff numbers grew in Romania.

Outlook

Stable output at a high level

The outlook in the South + East segment is expected to remain stable at a high level in 2024.

In **Austria**, the significant decline in demand for residential construction persists due to the interest rate situation and tighter lending standards. Now that the European Central Bank's cycle of interest rate hikes has presumably come to an end, market participants are beginning to adjust to the new framework. The stimulus measures announced by the Austrian government should also have a positive effect. In other building construction, demand for commercial and industrial construction and for public building construction is having a positive impact. Transportation infrastructures and infrastructure construction are generally stable, although high inflation is restricting the public sector's budgetary leeway. The expected reduction in energy, material and subcontractor costs could have a positive effect on earnings.

In **Poland**, tenders for transportation infrastructure projects recently fell off due to the change of government and the upcoming local elections. EU structural funding means that new investments are expected, particularly in railway construction and relating to the energy transition. Residential construction is also developing more favourably again. In other building construction, a positive trend is emerging with industrial projects.

The situation in **Hungary** remains challenging. The significant decline in the construction volume is due in particular to the withholding of EU funds. On the positive side, however, there are increasing orders from the automotive industry and from automotive suppliers manufacturing in the country.

The **Czech transportation infrastructures** sector remains dominated by predatory pricing for large-scale projects. The high demand for special infrastructure in tunnelling, ground engineering and hydraulic engineering is being met through internal collaboration within the Group. In railway construction, a new large-scale project was acquired at the beginning of the year with the modernisation of the Masaryk railway station in Prague. Private investors remain inhibited in building construction by the high interest rates. Industrial and office construction recorded a sharp decline, and the residential construction market is also at a lower level than in the same period of the previous year.

In **Slovakia**, the number of projects put out to tender in transportation infrastructures is expected to increase again after the parliamentary elections in 2023. In building construction, private investors are being adversely affected by the interest rate situation. In contrast, positive trends are emerging in public building construction.

The development of demand in the markets of **South-East Europe** is mixed. In Croatia and Slovenia, the focus is on transportation infrastructures and the construction of industrial facilities. In Romania, contract awards may be delayed in general due to upcoming local elections. Romania's public building construction sector is showing positive trends, despite the increasing competition from outside of Europe.

The **building materials and environmental technology** activities that are bundled in the South + East segment are showing a satisfactory trend overall. These activities are of key importance for the action areas of circularity and expertise in the energy sector in our Strategy 2030.

Selected projects – South + East segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Czech Republic	D1 Řikovice–Přerov	157	0.7
Austria	Medical rehabilitation centre, Vienna	138	0.6
Czech Republic	Modernisation of Masaryk Railway Station, Prague	137	0.6
Romania	Mihail Kogălniceanu Airport	136	0.6
Poland	A2 Siedlce Zachód–Malinowiec	126	0.5
Czech Republic	Pankrác–Olbrachtova underground line	120	0.5

Segment International + Special Divisions

The International + Special Divisions segment comprises the majority of STRABAG SE's non-European business in addition to its global tunnelling activities. The segment also encompasses infrastructure development, real estate development, and property and facility services, irrespective of where these are performed.

The construction materials business, previously reported as part of the International + Special Divisions segment, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	2,957.27	2,644.81	12	312
Revenue	2,984.48	3,061.97	-3	-77
Order backlog	5,159.42	5,412.72	-5	-253
EBIT	-132.10	44.81	n.a.	-177
EBIT margin (% of revenue)	-4.4	1.5		
Employees (FTE)	20,360	17,526	16	2,834

Output volume – International + Special Divisions segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	953	754	26	199
United Kingdom	635	523	21	112
Americas	562	556	1	6
Austria	262	244	7	18
Middle East	211	250	-16	-39
Asia	152	132	15	20

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Italy	53	10	>100	43
Poland	51	46	11	5
Benelux	17	33	-48	-16
Africa	15	38	-61	-23
Slovakia	11	9	22	2
Rest of Europe	11	-6	n.a.	17
Sweden	10	29	-66	-19
Czech Republic	6	7	-14	-1
Romania	4	7	-43	-3
Switzerland	3	2	50	1
Slovenia	1	2	-50	-1
Denmark	0	5	-100	-5
Hungary	0	2	-100	-2
Bulgaria	0	2	-100	-2
Total	**2,957**	**2,645**	**12**	**312**

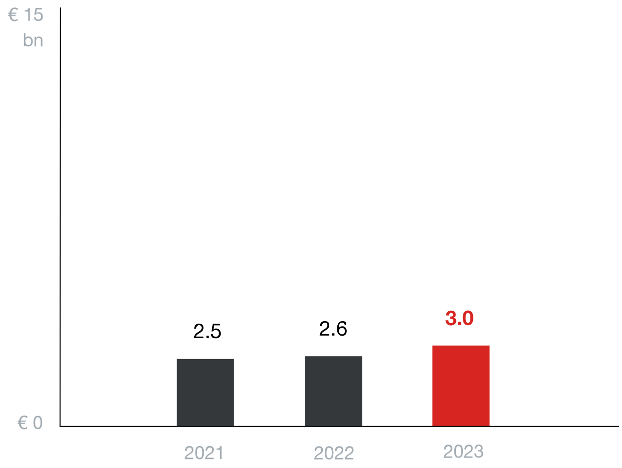
Output, revenue and EBIT

Significant output growth

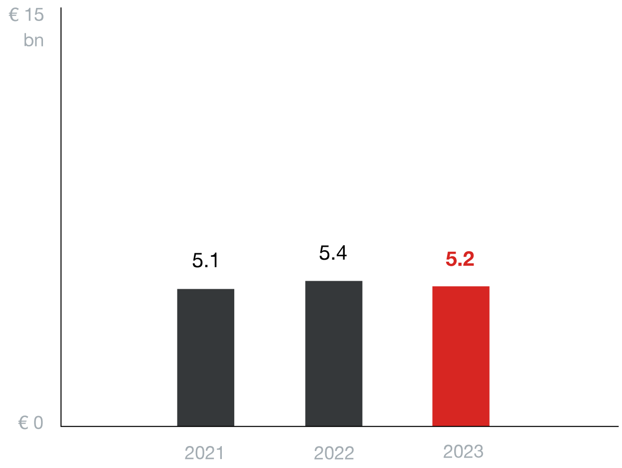
The International + Special Divisions segment generated a 12% higher **output volume** of € 2,957.27 million in 2023. The strongest output growth was registered in Germany, primarily due to an acquisition in the Property & Facility Services division. The completion of several large-scale projects in the United Kingdom as well as road construction and road maintenance projects in Italy also contributed to the significant increase in this figure.

In contrast to output, **revenue** fell by 3% to € 2,984.48 million, reflecting the change in the revenue-to-output ratio from 116% to 101%. The segment is subject to regular fluctuations due to the presence of large-scale and mega-sized projects. Higher earnings contributions were achieved in property and facility services and in infrastructure development, among others. The real estate development business also performed robustly despite the challenging environment, making a positive contribution to earnings. These developments were more than offset by provisions for two major international projects, however, resulting in a negative **EBIT** of € -132.10 million (2022: € 44.81 million).

Output volume



Order backlog



Order backlog down due to ongoing fulfilment of megaprojects

Order backlog

The **order backlog** as at 31 December 2023 was down 5% year-on-year to € 5,159.42 million. Notable declines were recorded in the Americas and in the United Kingdom, where several megaprojects in tunnelling, including Line 2 of the Toronto subway or the HS2 high-speed rail line between London and Birmingham, are in the process of being fulfilled. In contrast, strong order growth was registered in Germany, and tunnelling and road construction orders were successfully acquired in Italy and the Middle East.

Employees

Given the relative size of the individual projects within the International + Special Divisions segment, the **number of employees** in the various countries varies greatly. Overall, the headcount increased by 16% to 20,360 FTEs. In line with the output trend, staff numbers were up year-on-year, particularly in Germany and the Americas, but also in Asia.

Noticeable increase in output expected

Outlook

For 2024 as a whole, the International + Special Divisions segment is expected to achieve a noticeably higher output volume than in the previous year, supported especially by the order situation in tunnelling.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. The low market volume in tunnelling and increased price competition in Austria were more than compensated for by large infrastructure projects in Germany. Despite the gradual fulfilment of large-scale projects in the United Kingdom, Chile and Canada, the order backlog was maintained at a high level following a number of successful acquisitions.

The **international business**, with its focus on established markets in the Middle East, is developing at an above-average rate. Internationally, STRABAG is a successful provider of specialised construction services, for example in test track construction and asphalt hydraulic engineering. New orders for intelligent transport systems in India are having a positive impact on output. In Chile, opportunities in the renewable energy sector continue to present themselves following the successful realisation of several projects in this field.

Stable development, combined with opportunities for organic growth, is expected in the **property and facility services** business in 2024. Following the successful integration of facility management service provider Bockholdt GmbH & Co. KG in Germany, the focus will be on services for the decarbonisation of properties. At the same time, the expansion of MEP and energy management services is to be further accelerated, organically as well as through acquisitions.

In **infrastructure development**, the situation remains challenging for large-scale projects in the European core markets, although a few tenders are expected in road construction. In South America, an increase in new tenders is expected in the infrastructure sector. In line with the Group Strategy 2030, STRABAG is focussing increasingly on the development of renewable energy projects in its core markets.

Real estate development is being adversely affected in particular by the interest rate turnaround and the bleak economic environment. At the same time, there are signs of a supply gap, particularly for sustainable properties. With expectations of interest rate cuts, the environment for property developers should gradually stabilise starting in the second half of the year. STRABAG Real Estate's prudent acquisition policy and conservative project valuation have so far proved robust, however. The strong development and implementation competence with regard to sophisticated sustainability and new work concepts could give STRABAG a competitive edge in the future.

Selected projects – International + Special Divisions segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
United Kingdom	Woodsmith Project	588	2.5
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	U5 East, Hamburg	174	0.7
United Arab Emirates	twofour54 Studios	151	0.6

Segment Other

Service companies and central staff divisions

This segment encompasses the Group's internal central divisions and central staff divisions.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	223.31	138.12	62	85
Revenue	57.81	17.64	>100	40
Order backlog	25.33	19.42	30	6
EBIT	3.30	1.00	>100	2
EBIT margin (% of revenue)	5.7	5.7		
Employees (FTE)	7,583	7,017	8	566

Risk management

The STRABAG Group encounters many different risks and opportunities in the course of its business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through an appropriate risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

Risk management as a core management task

Risk management is a **core task of the management**. Risk identification and risk assessment are the responsibility of the respective management level. Our risk management process involves our integrated management system, supporting central divisions and central staff divisions with technical, legal and administrative service and consulting activities and the internal audit department as a neutral and independent auditing entity.

Responsibility for implementation of the **project risk management systems** in the divisions has been assigned to the commercial division managers. The central division Project Risk Management System/System Development/International BRVZ Coordination handles the continuous improvement and development of the risk management system for the procurement and execution of construction projects.

All STRABAG leadership employees, within the scope of their duties and responsibilities, and in accordance with the Rules of Procedure and relevant **company regulations**, are obliged to

- work with the employees to set risk identification measures,
- monitor the risks,
- introduce countermeasures, and
- pass on relevant information about risks to other units or levels within the company. This requirement especially applies to all employees of the STRABAG Group.

The STRABAG SE Management Board prohibits engaging in business transactions whose realisation could endanger the company's existence.

Risk categories

The Group's internal risk reporting defines the following central risk categories:

Risk management using defined risk groups

- External risks
- Operating and technical risks
- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

External risks

External risks countered through diversification

The entire construction industry is subject to **cyclical fluctuations** and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, its market presence and its range of services and to the adaptation of its strategic and operational planning. STRABAG further counters market risk through geographic and product- related diversification in order to minimise the influence of an individual market or the demand for certain services on the success of the company.

Operating and technical risks

Operating and technical risks reduced through binding minimum standards

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project, such as subsoil, geology, construction methods, technology, building materials, equipment, design, work planning, etc. An integral part of the project risk management system are minimum standards with corporate-wide validity for the procurement and execution of construction projects (common project standards). These comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems serving as a filter to avoid loss-making projects. Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure.

Depending on the risk profile, bids must be analysed by **internal commissions** and reviewed for their technical and economic feasibility. The construction and project teams can contact the experts at the central divisions BMTI, TPA, ZT and SID for assistance in assessing the technical risks and working out innovative solutions to technical problems. Project execution, monitored by **monthly target/performance comparisons**, is managed by the construction or project team on-site using documented procedures. At the same time, our central controlling department provides constant back-office support for the project, ensuring that risks of individual projects do not jeopardise the continued existence of the company.

Financial risks

Active liquidity and receivables management

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management**, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

Ethical risks

Ethical risks countered with an ethics and business compliance system

Given the risk of corruption and anti-competitive behaviour in the construction industry, STRABAG has implemented a set of tools that have proven effective in combating these problems. The rules for proper business behaviour are conveyed by the **STRABAG Ethics Business Compliance System**. These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the STRABAG online whistleblower platform. Details on the ethical risks are available in the sustainability report pursuant to Sec 267a of the Austrian Commercial Code (UGB).

Human resource risks

Countermeasures with central human resource management and needs-oriented human resource development

Material human resource risks, such as recruiting bottlenecks, skilled labour shortages, fluctuation and labour law risks, are countered with a **central human resource administration** and **long-term, needs-oriented human resource development**. Human resource risks are to be reduced to a large extent through targeted recruiting of qualified specialists and leaders, extensive training activities, performance-based remuneration under compliance with labour law, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige. Details on the human resource risks are available in the sustainability report pursuant to Sec 267a UGB.

IT risks

IT usage guidelines and continuous review of security concepts to counter cybercrime

With the increasing threat of IT risks, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply. The Group is also working together with professional **specialty service providers** to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and repeatedly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance and compliance of the IT systems. Project ideas to improve and develop IT-related processes and control systems are evaluated and prepared through cooperation between the central divisions SID and BRVZ Information Technology.

Investment risks

Strategic minority holdings

The shares in mixing companies typically involve **sector-typical minority interests**. With these companies, economies of scope are at the fore.

As part of the Group Strategy 2030, STRABAG intends to build more in the energy sector, among other things. The focus is on renewable energy and heat generation and storage. Against this backdrop, STRABAG has held a minority stake in the battery storage manufacturer CMBlu Energy since 2023.

Legal risks

Legal risks avoided through extensive risk analysis

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

Political risks

Interruptions and expropriations conceivable

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions**.

Occupational safety

Management system for occupational safety and health protection

In order to control the risks related to employee safety and health, STRABAG has implemented a work safety and health management system in accordance with **ISO 45001** and/or **SCC**. Moreover, the company works to maintain this system and ensures a suitable emergency organisation. Specially appointed officers and representatives ensure that the corporate-wide work safety standards are followed. In 2020 and 2021, the country-specific safety and hygiene regulations in connection with Covid-19 had to be implemented in particular. The infection figures could be kept at a very low level in most of the Group countries due to the strict implementation. The aspects of work safety and health also form part of the evaluation of subcontractors and suppliers. Details on the risks related to employee safety and health are available in the sustainability report pursuant to Sec 267a UGB.

Environmental protection

Certified environmental and energy management system desired

STRABAG undertakes to avoid negative environmental impacts as far as possible within its own sphere of influence - insofar as this is technically feasible and economically justifiable. It also does its part to reduce negative impacts along the supply chain. STRABAG operates an effective environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and seeks – wherever possible – to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the sustainability report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

Quality

Quality management as a component of the integrated management system

In accordance with its vision and values, it is the Group's aim to **realise construction projects on schedule, of the best quality and at the best price**. This quality of the company's processes, services and products must therefore be ensured at all times. To achieve this goal, quality management forms an integral component of an integrated management system. This system is documented in the Management Manual, in Group directives and in subordinated provisions.

Business continuity

Rigorous inclusion of central divisions

The failure of equipment and production facilities, subcontractors and suppliers, human resources, the IT system or office buildings and accommodation must not be allowed to jeopardise the continued existence of the company. For this reason, precautions are taken under a business continuity management system to ensure that incidents or **disasters only temporarily interrupt business activity** – if at all. This includes the consistent involvement of the Group's own specialised central divisions, which can, for example, procure equipment, accommodation, IT systems or staff on short notice, build up long-term strategic partnerships with selected subcontractors and suppliers, and arrange for the audit of emergency scenarios in IT.

Supply chain

Evaluation of partner companies to reduce risks in the supply chain

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers and suppliers** as part of its **decision-making** foundation for **future orders**.

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

Report on key features of the internal control and risk management system in relation to the financial reporting process

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

Internal audit report

Find out more

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in its Code of Conduct and its Business Compliance Management System (BCMS) in order to ensure moral standards, ethics and integrity within the company and in its dealings with others. The implementation of the internal control system with regard to the financial reporting process is based on internal rules and regulations. Responsibilities for internal control have been adapted to fit the corporate organisation. The internal audit department carries out periodic reviews – announced as well as unannounced – of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of business compliance. During these reviews, the internal audit department analyses the legality and correctness of individual actions. The department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO. The effectiveness of the work of the internal audit department is reviewed periodically by the financial auditor. The last review was carried out at the end of the 2023 financial year.

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the expectation. This especially affects the following matters/items of the Consolidated Financial Statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the ongoing business process to ensure that errors or deviations in financial reporting are avoided or detected and subsequently corrected. The control activities range from a review of the period results to the specific monitoring of accounts and cost centres to the analysis of ongoing accounting processes. It is the responsibility of the Management Board to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person **(four-eyes principle).** This separation of functions encompasses a separation between decision-making, implementation, review and reporting. The organisational units of the BRZV central division support the Management Board in this task.

Processes which are relevant to financial reporting are increasingly automated. IT security control activities therefore represent a cornerstone of the internal control system. The separation of sensitive activities, for example, is supported by a restrictive allocation of IT authorisations. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. In addition, regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate **management** as well as the **department head** and **senior staff from the accounting department.** The committees' work aims, among other things, to ensure compliance with accounting rules and regulations and to identify and communicate weak points and potential areas for improvement in the financial reporting process. Furthermore, accounting employees receive regular training with regard to innovations in national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The Management and Supervisory Boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process. The top management receives monthly summarised financial reports on the development of the output volume and earnings of the respective segments and countries and of the liquidity. Financial statements to be published are reviewed internally by several instances within management, receiving a final appraisal by the senior accounting staff and the Chief Financial Officer before being passed on to the Audit Committee of the Supervisory Board.

Research and development

Technology leadership is a central component of STRABAG SE's Group Strategy 2030. Besides using new technologies, the Group initiates forward-looking projects, brings its in-house innovations to market maturity and pursues research partnerships, thereby consolidating its expertise across the entire Group. STRABAG spent a total of around € 17 million on research, development and innovation activities in the 2023 financial year (2022: approx. € 16 million).

Innovation and digitalisation concentrated in SID

Digitalisation and sustainability are the overriding themes these days in all segments of the construction industry. On the way to becoming a data-driven organisation, STRABAG is therefore focusing on cloud-based data storage, breaking down data silos and encouraging regular communication and exchange. The Group is committed to the ongoing advancement of the BIM 5D® digital working method, construction-specific applications for sensor technology, the Internet of Things (IoT) and artificial intelligence (AI). It is also helping to drive the advance of automation through robotic applications and semi-autonomous machines. At the same time, STRABAG is putting enormous effort into strategic innovation projects in the area of environmental sustainability. Central topics here are the circular economy and sustainable thinking with regard to energy, engineering and materials development.

Since 2020, **STRABAG Innovation & Digitalisation (SID)** – with 425 employees at over 15 locations – has taken the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Numerous research and development projects are realised in close collaboration between the various operating divisions and the central divisions BMTI, TPA and Zentrale Technik. A large portion of the development work is triggered by the construction projects themselves. Certain issues also require medium-term collaboration with research institutions and partner companies.

Projects in Transportation Infrastructures

Top priorities in **transportation infrastructures** are the digitalisation and automation of construction processes as well as the development of sustainable production and paving methods. The quarry operated by STRABAG subsidiary Mineral Baustoff GmbH in Eigenrieden in Thuringia, for example, is currently being transformed into STRABAG's **first climate-neutral quarry** through digital planning, semi-autonomous machine technology and the use of renewable forms of energy.

In 2023, **EFKON** – a STRABAG subsidiary active in the field of traffic telematics systems – focused on the development of a new vehicle identification system for road monitoring vehicles. These vehicles are used to monitor the correct behaviour of road users in a toll system. The EFKON sensor platform uses laser sensors, image recording systems and communication technologies to correctly identify the relevant vehicle data and analyse hazardous materials signs on vehicles, among other things.

The Process Stability in Road Construction group at **TPA** succeeded in acquiring its first EU research project. The primary aim of the project, known as **InfraROB**, is to significantly increase road safety for both road users and construction site personnel. The project also aims at significantly reducing costs and minimising disruptions to traffic.

STRABAG AG and **TPA** launched an air-purifying and noise-reducing **multifunctional asphalt surface course called ClAir®** in 2023, showing how in-house developments can be successfully established on the market. During the reporting year, a total of 11,000 m² of ClAir® asphalt was installed, while a further project with an area of 12,000 m² is already planned for 2024 in Wuppertal.

The **EMili** project is also focused on road solutions as a driver of innovation. **Inductive charging** coils are being installed in asphalt and concrete roads on a trial basis to test how to charge electric vehicles while driving. The trial will generate new insights into the reliable integration of this technology while laying the foundations for potential future business areas.

Projects in Building Construction & Civil Engineering

In the **building construction and civil engineering segment**, rapid progress is being made in the development of **generative design**. By combining human expertise with artificial intelligence, this model-based design method offers building planners various possibilities for designing sustainable buildings across all specialist disciplines.

Mischek Systembau GmbH completed its **Push Over** research project in 2023. The aim of the project was to investigate the behaviour of the coursing joint and bend-resistant corners in framed solid precast walls in the event of an earthquake. The research results are a significant contribution to improved earthquake safety as well as providing additional application options for solid precast walls with lower material consumption.

Projects in Artificial Intelligence (AI)

STRABAG also made further progress in the area of **AI** in 2023. The Group is using machine learning models in conjunction with language models to generate **data-driven risk assessments** for construction projects both at the time of tender submission and during the execution phase. The high accuracy of these models has been verified and reviewed for plausibility by means of human expertise.

The **Off-Highway Twins** project uses **AI** to derive models of infrastructure objects and their surroundings in real time by merging geodata with machine-derived sensor and telemetry data.

Building Information Modelling in Broadband Expansion

In the expansion of broadband networks, STRABAG is using Building Information Modelling to develop concepts for the digital support of authorisation procedures, approval processes and coordination proceedings.

Website Corporate Governance Report

Consolidated Corporate Governance Report

Find out more

The Consolidated Corporate Governance Report is available on the STRABAG SE website.

Disclosures under Section 243a Para 1 UGB

One Share – One Vote

1. The share capital of STRABAG SE as at 31 December 2023 amounted to € 102,600,000 and consisted of 102,600,000 fully paid-in, no-par value shares with a pro rata value of € 1 per share of the share capital. 102,599,997 shares were bearer shares and were traded in the Prime Market segment of the Vienna Stock Exchange. Three shares were and are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under item 9.

2. The following resolutions on capital measures were passed at the company's Annual General Meeting on 16 June 2023:

   a. resolution concerning the increase of the share capital of the company from company funds through conversion of a portion of the committed reserves in the amount of € 1,900,000,000.00 shown in the annual financial statements as at 31 December 2022 into share capital without the issue of new shares (capital adjustment pursuant to Section 1 et seq. of the Austrian Capital Adjustment Act (Kapitalberichtigungsgesetz, or "KapBG");
   b. resolution concerning the ordinary reduction of the share capital of the company by € 996,620,004.30 pursuant to Section 175 et seq. of the Austrian Stock Corporation Act (Aktiengesetz, or "AktG") for the purpose of allocation to non-committed reserves with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   c. resolution concerning the reduction of the share capital of the company by € 903,379,995.70 in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG for the purpose of repayment of part of the share capital with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   d. resolution concerning the ordinary increase of the share capital of the company pursuant to Section 150 et seq. AktG by up to € 24,995,248.00 through the issue of up to 24,995,248 new no-par value bearer shares with contributions in kind to be raised by way of shareholder waiver of distribution claims from the capital reduction (item c).

   The aforementioned resolutions were subject to certain conditions. To begin with, the resolutions on items a), b) and c) and the resolution on the ordinary non-cash capital increase under item d) were entered in the commercial register. The shareholders entitled to dividends were therefore granted the right to choose whether they wish to receive the dividend entitlement under item c) in cash or in the form of new shares as part of a subscription offer. Shareholders of 62,487,931 shares, corresponding to 60.90% of the share capital, opted for the distribution in the form of new shares.

   After the reporting period, the implementation of the ordinary non-cash capital increase was entered in the commercial register on 21 March 2024. As a consequence, 15,621,982 new shares were issued. The share capital of STRABAG SE has therefore been increased from € 102,600,000.00 by € 15,621,982.00 to € 118,221,982.00 and now consists of 118,221,982 fully paid-in, no-par value shares with a pro rata value of the share capital of € 1 per share. 118,221,979 shares are bearer shares and can be traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are (still) registered shares. Each bearer share and each registered share is entitled to one vote.

3. Oleg Deripaska was added to the EU sanctions list on 8 April 2022 and is subject to Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (EU Sanctions Regulation). As a consequence, all funds and economic resources belonging to, owned, held or controlled by Oleg Deripaska or by natural or legal persons associated with him are to be frozen ("asset freeze"). This asset freeze must also be ensured with regard to the STRABAG SE shares held by MKAO "Rasperia Trading Limited", which is controlled by Oleg Deripaska (or at least was controlled by him at that time). MKAO "Rasperia Trading Limited" has therefore, since 8 April 2022, been excluded from exercising control (voting rights, right to information, right to participate, right to propose resolutions) and asset rights (e.g. dividend distribution) in connection with the shares of STRABAG SE until the sanctions cease to apply.

4. The syndicate agreement concluded in 2007 between Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner, Klemens Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H., BLR-Baubeteiligungs GmbH), the UNIQA Group (UNIQA Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.) and MKAO "Rasperia Trading Limited" (controlled by Oleg Deripaska) was terminated with effect from 31 December 2022. Despite termination of the syndicate established in 2007, the right of first refusal of the Haselsteiner Group, the Raiffeisen Group, the UNIQA Group and MKAO "Rasperia Trading Limited" remain valid as long as each holds at least 8.5% of the share capital of STRABAG SE. Since – as explained – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", it is not entitled to sell the shares it holds in STRABAG SE or to acquire the shares of the other parties and therefore, in the long term and in accordance with the EU Sanctions Regulation, the right of first refusal with respect to MKAO "Rasperia Trading Limited" does not apply.

5. Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Peter Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and Group company, and UNIQA Insurance Group AG and Group companies on 18 August 2022 concluded a new syndicate agreement that requires them to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. This syndicate agreement governs rights of first refusal and recourse, a minimum shareholding obligation, and nomination rights regarding the Supervisory Board. According to the agreement, the Haselsteiner Group has the right to nominate two members of the Supervisory Board, while the Raiffeisen Group and UNIQA Group each have the right to nominate one member of the Supervisory Board. With the new syndicate agreement, the parties continue their controlling interest in STRABAG SE.

6. As at 31 December 2023, the company held 2,779,006 own shares (2.7% of the share capital), which it acquired as part of a share purchase agreement concluded with Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG on the occasion of their mandatory takeover bid on the basis of the authorisation granted by the Annual General Meeting on 24 June 2022 pursuant to Section 65 Para 1 No 8 AktG (see item 12). The rights from these 2,779,006 no-par value shares are therefore now suspended in accordance with Section 65 Para 5 AktG.

7. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE on 31 December 2023:
   – Haselsteiner Group: 28.3%
   – Raiffeisen Group: 14.2%
   – UNIQA Group: 15.3%
   – MKAO "Rasperia Trading Limited": 27.8%

   Following implementation of the non-cash capital increase of STRABAG SE on 21 March 2024 as described in item 2, the following shareholders will, to the knowledge of STRABAG SE hold a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE:
   – Haselsteiner Group: 30.7%
   – Raiffeisen Group: 15.4%

– UNIQA Group: 16.6%
– MKAO “Rasperia Trading Limited”: 24.1%

Following the reporting period, the company on 26 March 2024 received major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) of 2018 stating that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control. As the company has no further information regarding this transaction, it is unable to carry out a final (sanctions) review. The company therefore continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation and that MKAO “Rasperia Trading Limited” cannot exercise the rights associated with these shares. As far as the company is aware, the acquisition of 28,500,000 STRABAG shares by Raiffeisenbank International AG as announced in the major holdings notification pursuant to Sections 130ff BörseG 2018 has not yet been completed.

8. As outlined in item 6, the company held 2,779,006 own shares as at 31 December 2023, corresponding to 2.7% of the share capital. The remaining shares in the share capital of STRABAG SE, totalling around 11.7%, were in free float as at 31 December 2023. Since implementation of the increase in the company’s share capital on 21 March 2024 as described in item 2, the 2,779,006 treasury shares correspond to around 2.4% of the share capital and the free float to around 10.9%.

9. Three shares of STRABAG SE are – as mentioned in item 1 – registered shares. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE; disposition of these registered shares, including their full or partial sale and pledging, requires the consent of the Supervisory Board. Registered share No. 1 is held by Klemens Peter Haselsteiner. As at 31 December 2023, registered share No. 2 is held by MKAO “Rasperia Trading Limited”. Since – as explained in items 3 and 7 – the EU Sanctions Regulation applies to MKAO “Rasperia Trading Limited”, its right from registered share No. 2 to nominate a member of the Supervisory Board is currently suspended.

10. No employee stock option programmes exist.

11. No further regulations exist beyond the aforementioned items regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result of relevant law and legislation.

12. The Management Board of STRABAG SE was authorised by resolution of the 18th Annual General Meeting on 24 June 2022 (i) to acquire own shares, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital, excluding any proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights), (ii) to reduce the share capital by withdrawing own shares acquired without a further resolution by the General Meeting, and (iii) to sell or assign own shares, in accordance with Section 65b Para 1 AktG, in a manner other than on the stock market or through a public tender, even to the exclusion of the shareholders’ buyback rights (subscription rights).

13. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of control in STRABAG SE following a takeover offer.

14. No compensation agreements exist between STRABAG SE and its Management and Supervisory Board members or employees in the event of a public takeover offer.

Related parties

Business transactions with related parties are described in item 38 of the Notes.

Outlook

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.

Events after the reporting period

The material events after the reporting period are described in item V of the Notes.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Auditor’s Report

Report on the financial statements

Audit Opinion

We have audited the financial statements of

STRABAG SE,
Villach, Austria,

which comprise the Balance Sheet as at 31 December 2023, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) 537/2014 (“Auditor Regulation”) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities” section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor’s report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Valuation of investments in affiliated companies and receivables from affiliated companies

Refer to notes.

Risk for the Financial Statements

Investments (TEUR 2,579,964) in and receivables (TEUR 597,442) from affiliated companies represent a major portion of the assets (TEUR 3,318,468) reported in the annual financial statements of STRABAG SE as of 31 December 2023.

Investments in and receivables from affiliated companies are tested for impairment annually and whenever there is an indication that these assets may be impaired. In a first step, the carrying amount of the investments in affiliated companies is compared with the proportionate share in equity at the reporting date. If the carrying amount exceeds the proportionate share in equity, an impairment test of the investment based on discounted cashflows, which significantly depends on future revenue, margin projections and discount rates, is performed. This valuation is subject to significant uncertainty.

Our Response

We have evaluated the valuation of investments in affiliated companies as well as the receivables from affiliated companies as follows:

– We have re-performed the company’s analysis of the indications of a significantly reduced fair value (including the cover age of the carrying amount by the proportionate share in equity) for the investments in affiliated companies. In addition, we have discussed with the Management Board whether there were any other indications of a significant decrease in the fair value of investments in and receivables from affiliated companies.

In cases where the analysis revealed indications of a significantly reduced fair value, following extended considerations have been made:

- We have involved our valuation specialist, who reviewed the method for calculating the impairment test and for determining the cost of capital and assessed whether they corresponded to the relevant standards. We have assessed the appropriateness of the assumptions used to determine the cost of capital by comparing them with market and industry-specific values and checked the mathematical accuracy of the calculation scheme.
- We have reconciled the basis of the calculations applied for the valuation of the investments in and receivables from affiliated companies to the multi-year plan of the Group, acknowledged by the Supervisory Board.
- In order to assess the accuracy of the planned figures, we have gained an understanding of the planning process and discussed the planning process with the Management Board and representatives of the respective company divisions. We have assessed the accuracy of the planning figures by comparing the planned figures made in prior periods with the actual values for that period.
- If receivables from affiliated companies have not been covered by the valuation of investments in affiliated companies, the available multi-year plan has been used to check whether there is a need for an impairment write off. We also took into consideration the financial situation of the affiliated companies.
- Finally, we have assessed the accuracy and completeness of the Company’s disclosures and explanations in the notes relating to investments in and receivables from affiliated companies.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor’s report.

Our opinion on the financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Auditor Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditor Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor’s report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on other legal requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 16. June 2023 and were appointed by the supervisory board on 16. June 2023 to audit the financial statements of Company for the financial year ending on 31 December 2023.

We have been auditors of the Company, without interruption, since the financial statements at 31.March 1999.

We declare that our opinion expressed in the “Report on the Financial Statements” section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 Auditor Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 Auditor Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

Engagement Partner

The engagement partner is Mr Mag. Gerold Stelzmüller.

Linz

4. April 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
qualified electronically signed:
Mag. Gerold Stelzmüller
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The document has been qualified electronically signed and is only valid in this version. The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Business Code) applies.

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