

Semi-Annual Report 2022

31 August 2022

STRABAG
SOCIETAS EUROPAEA

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KEY FIGURES

KEY FINANCIAL FIGURES

	6M/2022	6M/2021	Δ %	2021
Output volume (€ mln.)	7,587.72	6,943.37	9	16,128.92
Revenue (€ mln.)	7,246.35	6,535.48	11	15,298.54
Order backlog (€ mln.)	23,969.66	21,101.85	14	22,500.85
Employees (FTE)	72,709	72,942	0	73,606

KEY EARNINGS FIGURES

	6M/2022	6M/2021	Δ %	2021
EBITDA (€ mln.)	324.67	406.29	-20	1,445.72
EBITDA margin (% of revenue)	4.5	6.2		9.5
EBIT (€ mln.)	63.63	140.19	-55	896.11
EBIT margin (% of revenue)	0.9	2.1		5.9
EBT (€ mln.)	69.87	136.79	-49	883.54
Net income (€ mln.)	43.76	90.94	-52	596.40
Net income after minorities (€ mln.)	40.41	88.27	-54	585.71
Net income after minorities margin (% of revenue)	0.6	1.4		3.8
Earnings per share (€)	0.39	0.86	-54	5.71
Cash flow from operating activities (€ mln.)	-605.70	-62.51	-869	1,220.56
ROCE (%)	1.1	2.0		10.9
Investments in property, plant and equipment, and in intangible assets (€ mln.)	379.09	239.95	58	532.04

KEY BALANCE SHEET FIGURES

	30.6.2022	31.12.2021	Δ %
Equity (€ mln.)	4,021.78	4,071.82	-1
Equity ratio (%)	32.8	33.3	
Net debt (€ mln.)	-1,146.87	-1,937.18	-41
Gearing ratio (%)	-28.5	-47.6	
Capital employed (€ mln.)	5,448.01	5,750.63	-5
Balance sheet total (€ mln.)	12,275.44	12,225.77	0

EBITDA = earnings before net interest income, income tax expense and depreciation and amortisation

EBIT = earnings before net interest income and income tax expense

EBT = earnings before income tax expense

ROCE = (net income + interest on debt - interest tax shield (25 %))/(average group equity + average interest-bearing debt)

Net debt = financial liabilities - non-recourse debt + provisions for severance and pension obligations - cash and cash equivalents

Gearing ratio = net debt/group equity

Capital employed = group equity + interest-bearing debt

CEO'S REVIEW



Dear shareholders, associates
and friends of STRABAG SE,

The forecasts may be fraught with uncertainty at the moment, but our half-year figures show that we are meeting our guidance. The output has increased as expected, and the order backlog is also showing an upward trend – despite its already high level. As predicted, we were not able to repeat the previous year's exceptional earnings result. In a long-term comparison, however, we can speak of the second-best figure for a first half-year.

We anticipate that the high construction prices, and the increased interest rates in particular, will have an impact on demand. Thanks to the broad positioning of our business, however, these developments can be cushioned quite well. Public contracts in particular – over 60 % of our orders are attributable to the public sector – are having a stabilising effect. A challenge for the second half of the year will be how to manage the high energy prices. We are not one of the most energy-intensive sectors, but of course the rising prices are having an impact on us as well. Fuel accounts for a large part of our energy costs. We have been intensely looking at alternatives for our vehicle fleet and for our construction machinery for years, but for the majority of our equipment alternative power sources are not yet a feasible option.

We continue to expect a construction output of € 16.6 billion and an EBIT margin of at least 4 % for the 2022 financial year as a whole.

Yours,

Thomas Birtel
CEO of STRABAG SE

- Output volume for the first half of 2022 up by 9 %
- EBIT at € 63.63 million (6M/2021: € 140.19 million)
- Order backlog at record level of almost € 24 billion
- Outlook for 2022 confirmed: output volume should reach € 16.6 billion; EBIT margin of at least 4 %

IMPORTANT EVENTS

DECEMBER

Construction of the US largest hospital outside the United States

STRABAG subsidiary ZÜBLIN is leading the joint venture with Gilbane Germany to design and build the new US military medical centre in Weilerbach near Kaiserslautern. The general contractor agreement was signed by the project participants on 31 December 2021. As a result,

the contract value of € 645 million was already included in the order backlog as at 31 December. Engineering work is scheduled to begin in October 2022. The new building is to be handed over ready for use in November 2027.

FEBRUARY

STRABAG continues upgrade of S19 expressway in Poland for € 85 million

The group's Polish subsidiary received another major contract to expand the S19 expressway in Poland. The project comprises two stages: approx. 7.5 km of new roadway plus a further 6.2 km upgrade of the carriageway of the

Międzyrzec Podlaski bypass as part of the bypass road's second construction stage. The contract will be implemented over a period of 42 months as a design-and-build project.

MARCH

Core shareholder Haselsteiner family foundation terminates syndicate agreement

On March 15 2022, STRABAG was informed by its core shareholder, Haselsteiner Familien-Privatstiftung (Haselsteiner Family Private Foundation), that it has terminated the syndicate agreement in place with the UNIQA and Raiffeisen Groups and Rasperia Trading Ltd. after all efforts

to acquire the Russian shares had failed. The syndicate agreement had been in effect since 2007 and, in addition to the nomination of Supervisory Board members, also provided for the coordination of voting results at the General Meeting.

STRABAG implements the "Grünblick" project in Vienna

STRABAG was commissioned by Value One to act as general contractor on the Grünblick residential project in Viertel Zwei in Vienna. The urban development project, located directly at Vienna's Prater public park, involves the construction of 340 premium private flats on 27 floors, ranging in size from just under 44 m² to 134 m². The contract also includes retail space as well as a

children's nursery on the ground floor and underground parking levels with around 220 parking spaces. Grünblick was already awarded the gold sustainability certificate by the Austrian Society for Sustainable Real Estate (ÖGNI). The € 110 million project is scheduled for turnkey delivery to Value One in summer 2025.

APRIL

Sanctions against Oleg Deripaska

After Canada, the United Kingdom and Australia, the European Union on 8 April 2022 added Oleg Deripaska to its sanctions list. The sanctions also apply to MKAO Rasperia Trading Ltd. STRABAG is not a sanctioned company, as

STRABAG SE is not and never has been controlled by Rasperia (or indirectly by Oleg Deripaska) as defined by the sanction regulations.

MAY

Construction of headquarters for Volksbank Raiffeisenbank Bayern Mitte

STRABAG subsidiary ZÜBLIN was commissioned to build the company headquarters for Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt, Germany. ZÜBLIN already provided the general planning services in advance. STRABAG's Zentrale Technik competence centre was also involved. The new building complex called DonauTower consists of a 57 m high tower and a base building with six floors. The cooperation between Volksbank Raiffeisenbank Bayern Mitte and ZÜBLIN is based on the TEAMCONCEPT®

partnering model, which focuses on the early involvement of the construction partner in the planning and a partnership-based handling of construction projects. The building will be completed in an energy-efficient design with technologies such as concrete core temperature control and a photovoltaic system on the roof. Gold certification with the DGNB sustainability seal is also planned. Construction work should be completed by the end of 2024.

Klemens Haselsteiner appointed new CEO

STRABAG will be led by a new CEO from 1 January 2023. Klemens Haselsteiner succeeds Thomas Birtel, who will be stepping down as CEO after ten years at the helm upon reaching the specified age limit. Haselsteiner has been on the Management Board since 2020, where he set

up and established the Digitalisation, Corporate Development and Innovation portfolio. In addition to overseeing pilot projects, his focus as Chief Digital Officer was on the definition and implementation of a corporate-wide digitalisation and sustainability strategy.

JUNE

STRABAG subsidiary ZÜBLIN receives orders worth around € 283 million in Chile

With two new tunnelling contracts for the Candelaria Norte and El Teniente mines, the STRABAG Group is further advancing its successful mining business in Chile. The contracts have a total value of around € 283 million. Through its subsidiary ZÜBLIN, the company has spent the last 16 years developing the copper ore mine in the Atacama region, 650 km north of the capital Santiago. During this period, 140 km of tunnels in total have been built, and a further 40 km are to be constructed in the coming three-year contract period on behalf of client Lundin Mining. The new contract also includes the loading and transport of more than three million tonnes of rock. ZÜBLIN has been working for the client,

the National Copper Corporation of Chile (CODELCO), at the El Teniente copper mine since 1992. The new two-year contract includes, among other things, the development of a tunnel system with a length of 13.4 km on different levels, 1,503 m of vertical shafts, and other infrastructure work. The company is currently working on seven major projects in Chile, including mining projects in Chuquicamata, Candelaria and El Teniente as well as laying 140 foundations for the largest wind farm in South America with a projected output of 778 MW. After its completion, the wind farm will cover the energy needs of around 700,000 households.

JULY

Federal Competition Authority requests review of antitrust decision

On 21 October 2021, the Vienna Higher Regional Court (OLG), sitting as the Cartel Court, issued a final decision in the antitrust proceedings against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H & Co. KG and a fine of € 45.37 million was imposed on the two group companies. The Austrian Federal Competition Authority (BWB) subsequently requested that this decision should be reviewed. The Management Board considers this request to be without merit,

as STRABAG cooperated fully and continuously with the Federal Competition Authority under a leniency agreement. STRABAG's cooperation contributed significantly to the investigation, and it was the first company to end the antitrust proceedings against it with a final decision. Moreover, STRABAG moved to enhance its compliance system in response to the matter and implemented a novel monitoring system.

Modernisation of railway line between Zagreb and Rijeka for € 228 million

STRABAG signed a contract in Croatia for the modernisation of a 44 km railway line between Zagreb and the port city of Rijeka. The order includes, among other things, the upgrade of the existing track, construction of a new track, and

the modernisation of several stations and stops. The contract has a value of € 228 million and is mainly being co-financed through the European Union's Cohesion Fund.

AUGUST**Core shareholders of STRABAG SE agree on new syndicate, will make mandatory offer with company participation**

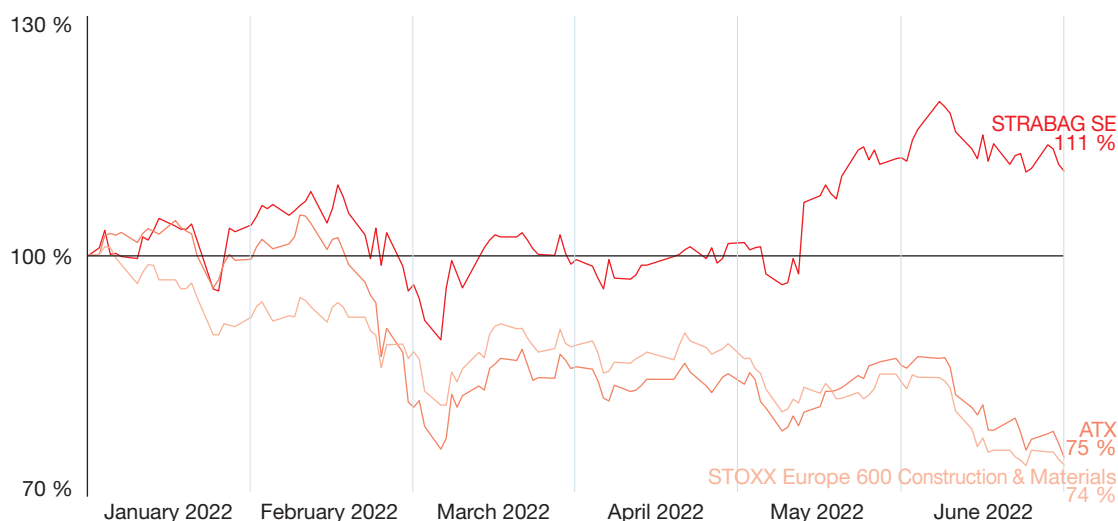
The core shareholders Haselsteiner Familien-Privatstiftung, UNIQA and Raiffeisen have concluded a new syndicate agreement. The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth. The core shareholders on 18 August 2022 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 AT0000000STR1) 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 is also intended to remove the current restriction on voting rights of

the bidders (and the legal entities acting jointly with them) 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".

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. Further information can be found in the chapter Events after the Reporting Period and online at www.strabag.com.

SHARE

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



The rise in inflation that had already been observed in 2021 continued unabated at the beginning of the first half of 2022, triggering, more quickly than had been expected by the capital markets, a departure from the easy monetary policy that had previously prevailed among the central banks. Russia's invasion of Ukraine led to significant price falls in global markets. The fallout from the sanctions against Russia, and in particular the increased energy prices, are unsettling investors and are reflected in the international indexes.

Investors are now turning their attention to the US Federal Reserve and the European Central Bank, which must get the high inflation in their respective economies under control by raising key interest rates without curbing economic growth and risking a global recession as a result.

The Austrian benchmark index **ATX** plummeted with double-digit declines after Russia's invasion of Ukraine, followed by sideways movement in the second quarter, before it ended the first half of the year with a further downward trend and a

loss of 25 %. The construction sector index **STOXX Europe 600 Construction & Materials** (-26 %) has shown a similar performance and, with the exception of a few upward blips, has only trended downward since the beginning of the year.

Shares of STRABAG SE reached their highest value of the first half of 2022 with a price of € 43.75 per share on 7 June 2022. The announcement on 12 May 2022 that the company's stock would be included in the MSCI Austria Small Cap beginning with 31 May 2022 had a corresponding effect on the price. The shares closed at € 40.55, up 11 %, on 30 June 2022, proving themselves to be relatively robust compared to other stocks.

STRABAG SE's shares are currently under observation by five international banks. The analysts calculated an average share price target of € 46.20. Detailed analyses and recommendations are available on the STRABAG SE website: www.strabag.com > Investor Relations > Share > Equity Research.

STRABAG SE SHARE

	6M/2022	6M/2021
Market capitalisation on 30 June (€ million)	4,160.43	3,708.99
Closing price on 30 June (€)	40.55	36.15
Six-month high (€)	43.75	43.20
Six-month low (€)	32.75	27.90
Performance six months (%)	11	27
Outstanding bearer shares on 30 June (absolute) (shares)	102,599,997	102,599,997
Outstanding bearer shares six months (weighted) (shares)	102,599,997	102,599,997
Volume traded six months (€ million) ¹	285.88	208.51
Average trade volume per day (shares) ¹	58,557	47,811

¹ Double count

MANAGEMENT REPORT

JANUARY–JUNE 2022

Output volume and revenue

STRABAG SE generated a 9 % higher output volume of € 7,587.72 million in the first half of 2022. Besides the core markets of Germany, Austria and the Czech Republic, the increased output volume in the United Kingdom also is of particular note.

The consolidated group revenue increased as well, growing by 11 %. The ratio of revenue to output stood at 96 %, slightly higher than in the same period of the previous year.

Order backlog

The order backlog reached a new record level of € 23,969.66 million as at 30 June 2022, an increase of 14 % over 30 June 2021. This figure

grew by around € 2 billion in Germany alone, with significant increases also recorded in Austria and Poland.

Financial performance

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 324.67 million, compared to € 406.29 million in the first half of 2021. Earnings before interest and taxes (EBIT) stood at € 63.63 million, which represents a decline compared to the exceptionally good figure in the previous year, although it still fits in well with the long-term comparison. The North + West segment developed negatively. In South + East, the earnings for the first half of the year again were slightly negative – as is usual in the construction industry – while International + Special Divisions achieved an increase, attributable among other things to the successful large-scale projects in the United Kingdom.

Net interest income was positive at € 6.24 million, primarily due to increased interest income

and the positive exchange rate differences of € 5.74 million contained therein. Earnings before taxes (EBT) came to € 69.87 million (6M/2021: € 136.79 million). Income taxes amounted to € -26.11 million, which corresponds to a tax rate of 37 %. In the previous year, income taxes had amounted to € -45.85 million. The net income this year reached € 43.76 million (6M/2021: € 90.94 million).

The earnings attributable to minority shareholders, at € 3.35 million, changed very little in absolute terms. Overall, a net income after minorities of € 40.41 million was achieved. In the same period of the previous year, this figure stood at € 88.27 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € 0.39 (6M/2021: € 0.86).

Financial position and cash flows

The balance sheet total remained stable compared to the end of 2021 with € 12.3 billion. An increase in property, plant and equipment – a property was purchased in Stuttgart to expand

the local presence – and in inventories, as well as seasonal increases in contract assets, were offset by a decrease in cash and cash equivalents.

Compared to 30 June 2021, the equity ratio increased from 30.1 % to 32.8 %. Increases in equity from the change in the discount rate for personnel provisions and the change in the valuation of hedging instruments had a positive effect. At the end of 2021, the equity ratio had amounted 33.3 %. STRABAG continues to report a net cash position, although – as is usual for the season – this figure fell from € 1,937 million to € 1,147 million. The dividend for 2021 in the amount of € 205.20 million is still included in the other financial liabilities, as the payment this year only took place after the reporting date.

Cash flow from operating activities turned even more negative at € -606 million, mainly due to

the increase in inventories and contract assets – a result of the higher output volume.

The purchases made for the expansion of the Stuttgart location are also reflected in the cash flow from investing activities, which amounted to € -288.90 million compared to € -220.17 million in the same period of the previous year. The cash flow from financing activities reached € -192 million as at 30 June 2022. This figure included the repayment of the bond in the amount of € 200 million. In comparison, the first half of 2021 included the distribution of the increased dividend, resulting in a cash flow from financing activities of € -713.66 million.

Capital expenditures

A large part of the maintenance expenditures will naturally be made in the core markets of Germany and Austria. The capital expenditures include € 318.29 million (6M/2021: € 233.16 million) for the purchase of intangible assets and of property, plant and equipment, excluding non-cash

additions of right-of-use assets from leases, as well as € 12.54 million (6M/2021: € 14.17 million) for the purchase of financial assets and changes in the scope of consolidation of € 0.04 million (6M/2021: € 0.00 million).

Employees

The number of employees remained almost unchanged at 72,709. In the home markets of

Germany and Austria, only very minor changes were recorded – in opposite directions.

Major transactions, risks and strategy

During the first six months of the financial year, there were no transactions with related parties which significantly influenced the financial situation or the business result nor were there any changes to transactions with related parties which were presented in the annual financial statements of 31 December 2021 and which significantly influenced the financial situation or business result of the first six months of the current financial year.

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy.

Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating and technical risks in the selection and execution of projects, IT risks, investment risks as well as financial, personnel, ethical, legal and political risks.

The risks are explained in more detail in the 2021 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognisable which constitute a threat to its continued existence. Particular attention was given to the risks associated with the Covid-19 pandemic and the Russia-Ukraine war.

Outlook

The Management Board remains committed to the targeted construction output of € 16.6 billion for 2022, a figure that is well-supported by the order backlog. The board also expects to generate an EBIT margin of at least 4 % on a long-term

basis, as the business model is proving to be robust under the current conditions. Net capital expenditures (cash flow from investing activities) should not exceed € 550 million.

SEGMENT REPORT

North + West

€ mln.	6M/2022	6M/2021	Δ %	Δ absolute
Output volume	3,702.76	3,390.63	9	312.13
Revenue	3,464.63	3,079.46	13	385.17
Order backlog	12,430.99	10,456.62	19	1,974.37
EBIT	11.16	105.20	-89	-94.04
EBIT margin (% of revenue)	0.3	3.4		
EBT	11.16	105.20	-89	-94.04
Employees (FTE)	25,371	25,301	0	70

The North + West segment recorded a 9 % higher **output volume** of € 3,702.76 million in the first half of 2022. This development is mainly attributable to the German market, both in transportation infrastructures and in building construction and civil engineering. The second major market in this segment, Poland, showed a slight decline in output volume, as did Denmark and the Benelux countries.

Revenue grew as well, gaining 13 %, while the **EBIT** decreased noticeably to € 11.16 million compared to the exceptionally strong previous year. This is due to declining results in German road construction – 2021 had been an extremely strong year – and in Poland, as well as earnings burdens from large projects in Denmark and the Netherlands.

The **order backlog** as at 30 June 2022 increased by 19 % to € 12,430.99 million due to the good development in the stable core market of Germany. The new orders registered in German building construction in the first half of the year range from apartment buildings for developers to office and commercial buildings, wholesale warehouses and public sector orders. The construction of the US military hospital in Weilerbach deserves special mention. The contract adds € 645 million to the order backlog. An increase in the order backlog was also recorded in Poland. Here, STRABAG will push ahead with the further expansion of the S19 motorway.

The number of **employees** remained unchanged at 25,371 across the segment as well as in Germany, the segment's dominant market.

Regarding the **outlook** for the segment, the high order backlog suggests that a slightly higher output can be expected in the North + West segment in the 2022 financial year.

In the **German building construction** sector, the growth dynamic in material prices has slowed somewhat after the first few months, settling at a high level. Despite the increased prices, projects continue to come onto the market, with a slight shift from the private to the public sector noticeable. In the first half of the year, **transportation infrastructures** recorded a significant increase in orders, especially among our permanent business structures. The current challenge is to work off the high order backlog with our existing capacities. At the same time, the situation allows for a very selective approach to bidding.

Intense cut-throat competition prevails in the **Benelux** countries and in **Scandinavia**. The management's focus is on stabilisation and consolidation as well as the completion of large projects.

The **Polish** economy has been hit very hard by the devaluation of the zloty and the resulting inflation. This is having a noticeable impact on construction materials and especially on the subcontractor market, which is suffering from the lack of Ukrainian workers. Considering the fact that the order backlog in Poland is at its highest level in history, an increased output volume is to be expected; however, negotiations regarding price escalation clauses, especially with the public sector, have not yet been finalised.

South + East

€ mln.	6M/2022	6M/2021	Δ %	Δ absolute
Output volume	2,302.95	2,083.71	11	219.24
Revenue	2,273.74	2,049.13	11	224.61
Order backlog	6,207.62	5,429.66	14	777.96
EBIT	-11.46	-10.43	-10	-1.03
EBIT margin (% of revenue)	-0.5	-0.5		
EBT	-11.46	-10.43	-10	-1.03
Employees (FTE)	20,258	20,014	1	244

The **output volume** in the South + East segment rose by 11 % to € 2,302.95 million in the first half of 2022. This good start is based on the record order backlog at the end of 2021. Growth was recorded primarily in Austria, the Czech Republic and Hungary. In contrast, there was a slight decline in Slovenia and Bulgaria.

Revenue increased by 11 %. In contrast, the **EBIT** remained at a similar level as in the previous year, at € -11.46 million after € -10.43 million.

The **order backlog** increased by 14 % versus 30 June 2021, growing to € 6,207.62 million. Here, too, the home market of Austria is the strongest driver. In addition to our permanent business structures, the company was particularly successful in the acquisition of large projects in building construction and civil engineering. One example is the Grünblick project in Vienna with a contract value of € 110 million. The Czech Republic, Slovakia and Hungary also contributed to the growth in orders, albeit to a lesser extent.

The number of **employees** remained almost unchanged with an increase of 1 % to 20,258. As with the order backlog and the output, staff grew mainly in Austria and the Czech Republic, while declining trends were registered in the markets of Central and Eastern Europe, above all in Bulgaria, Slovakia and Romania.

Regarding the **outlook** for the segment, the performance trend exhibited in the first half of the year is expected to continue throughout 2022 as a whole.

Due to the good order intake, higher output is again expected in **Austria**. Uncertainties exist for the second half of the year with regard to fixed price agreements for long-term projects. On the other hand, there are first signs of an easing in material prices, such as for structural steel.

The **Hungarian** economy is suffering greatly from the high inflation and exchange rate fluctuations. Public budget constraints are already making themselves felt in the tendering activity within the infrastructure sector.

The **Czech road construction** business continues to be stable. In the building construction sector, on the other hand, smaller private investors are already withdrawing their first projects from the market. In addition to construction prices, the shortage of labour is also having a negative impact.

The market development in **Slovakia** is greatly influenced by the unstable political situation. Moreover, the few public-sector contracts that do get awarded tend to be delayed by a non-functioning public procurement system. For this reason, STRABAG is mainly interested in cooperating with private investors in the country, for example in the construction of production and logistics halls. Here too, however, the lack of materials can lead to delays in the completion of construction projects. The transportation infrastructure segment focuses its activities in Slovakia on the permanent business such as road rehabilitation.

The markets of **South-East Europe**, like almost all of the group's core markets, are also struggling with massive price increases and a shortage of skilled workers. While there is a mandatory price adjustment for public contracts in Romania, negotiations must be conducted individually in all other countries. In Croatia, planned investments in the railway network offer opportunities for STRABAG, while the motorway network is largely completed. In Serbia, the pressure from Chinese companies is very noticeable – a problem that is characteristic of the entire region.

In **Switzerland**, strategic and organisational changes were made some time ago. The group is positioning itself as a quality provider in the country, for example through its BIM expertise and greater consideration of sustainability aspects as well as its own building materials testing laboratory.

In response to **Russia's** attack on Ukraine, the Management Board in March 2022 decided to wind down its Russian business.

International + Special Divisions

€ mln.	6M/2022	6M/2021	Δ %	Δ absolute
Output volume	1,525.13	1,416.87	8	108.26
Revenue	1,499.69	1,397.92	7	101.77
Order backlog	5,324.61	5,207.46	2	117.15
EBIT	77.80	58.31	33	19.49
EBIT margin (% of revenue)	5.2	4.2		
EBT	77.80	58.31	33	19.49
Employees (FTE)	20,096	20,779	-3	-683

The International + Special Divisions segment generated an 8 % higher **output volume** of € 1,525.13 million in the first half of 2022. Especially noteworthy here is the work on large-scale projects in the United Kingdom and the Middle East.

Revenue increased by 7 %, while the **EBIT** grew from € 58.31 million to € 77.80 million. Worth mentioning are the positive earnings contributions from large-scale projects in the United Kingdom. Stable results were also delivered by the Property and Facility Services and the Real Estate Development business units.

The **order backlog** as at 30 June 2022 increased by 2 % to € 5,324.61 million compared to the same period in the previous year. Strong growth was achieved in mining and quarrying, the core business in Chile. In total, orders worth approximately € 283 million were secured. The contract to build 140 wind farm foundations allowed us to also tap into a new business segment. In northern Italy, several medium-sized contracts were won in transportation infrastructures and road maintenance. This contrasts with a significantly reduced order backlog in Austria, where megaprojects such as the Tulfes-Pfons lot of the Brenner Base Tunnel and the Koralm Tunnel are coming to an end.

Given the relative size of the individual projects in the International + Special Divisions segment, the number of **employees** tends to undergo significant fluctuations. In the first half of 2022, staff numbers were down 3 % to 20,096, almost exclusively in connection with the completion of tunnelling works for the Alto Maipo hydropower megaproject in Chile.

Regarding the **outlook** for the segment, the output volume for the full year 2022 is expected to be higher than in the previous year. This forecast is supported by the aforementioned order intake in Chile. The mining business will also make a very positive contribution in the second half of the year.

Due to the size of the projects, the **tunnelling** business is subject to constant volatility. STRABAG is looking for new opportunities worldwide where the group can use its expertise to its advantage. At the same time, projects of this size must be examined especially with regard to their risk profile.

In the **international business**, the Covid-19-related investment backlog in infrastructure projects is starting to clear, often supported by the public sector as a way to stimulate the economy. Meanwhile, Canada seems to be developing into an interesting market for infrastructure projects. At the same time, the recovery of the oil price is leading to a renewed demand for construction services in the Middle East.

In **real estate development**, the market uncertainties are becoming clearly noticeable among private investors. Years of rising property prices, coupled with an extremely dynamic price situation in construction, make profitability calculations difficult for the entire industry. The group's real estate development units, however, benefit from the cooperation with our in-house construction units by not only cushioning price uncertainties but also uncertainties related to availability.

The **infrastructure development** business can report an easing of the Covid-19-related decline in traffic volumes in the first half of the year. Construction delays caused by the pandemic also remained within tolerable limits. The Colombian Mar 1 PPP project, for example, went into operation on schedule. Overall, however, the number of PPP projects put out to tender in the markets we serve remains at a modest level. We must therefore continue to expect strong competition in the field.

Our **property and facility services** business has recovered well from the impact of the Covid-19 pandemic. The focus now is on improving productivity in order to counter the higher costs and, especially, to deal with the lack of skilled workers. The digitalisation measures of recent years are already showing positive results at STRABAG PFS. A new thrust here are the

so-called green services with which PFS can increasingly impress its customers.

The increased energy prices are also affecting the **building materials** business. In bitumen trading, it is important to ensure a security of supply despite the temporary shutdown of the Schwechat refinery, which, from the current point of view, is working well. In concrete and cement, on the other hand, it has been only partially possible to

pass on the increased production costs to the market. Overall, however, the second half of the year should develop well. Unfortunately, the long-term outlook is slightly clouded by the expected decline in demand. Within the corporate group, the current situation shows that the dense network of building materials operations, including materials-based services, remains an important basis for self-supply within the group and thus for greater competitiveness.

Others

€ mln.	6M/2022	6M/2021	Δ %	Δ absolute
Output volume	56.88	52.16	9	4.72
Revenue	8.29	8.97	-8	-0.68
Order backlog	6.44	8.11	-21	-1.67
EBIT	0.38	0.33	13	0.05
EBIT margin (% of revenue)	4.6	3.7		
EBT	6.62	-3.06	n. m.	9.68
Employees (FTE)	6,984	6,848	2	136

Consolidated
semi-annual
financial statements
STRABAG SE, Villach,
as at 30 June 2022

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS AT 30 JUNE 2022

Consolidated income statement for 1.1.–30.6.2022

T€	1.1.–30.6.2022	1.1.–30.6.2021
Revenue	7,246,353	6,535,483
Changes in inventories	38,006	-54,471
Own work capitalised	8,066	2,797
Other operating income	98,121	96,483
Construction materials, consumables and services used	-4,769,553	-4,010,615
Employee benefits expenses	-1,997,920	-1,859,751
Other operating expenses	-338,095	-333,622
Share of profit or loss of equity-accounted investments	17,279	17,376
Net income from investments	22,417	12,605
EBITDA	324,674	406,285
Depreciation and amortisation expense	-261,045	-266,095
EBIT	63,629	140,190
Interest and similar income	22,814	12,546
Interest expense and similar charges	-16,573	-15,941
Net interest income	6,241	-3,395
EBT	69,870	136,795
Income tax expense	-26,110	-45,854
Net income	43,760	90,941
attributable to: non-controlling interests	3,352	2,667
attributable to: equity holders of the parent company	40,408	88,274
Earnings per share (€)	0.39	0.86

Statement of total comprehensive income for 1.1.–30.6.2022

T€	1.1.–30.6.2022	1.1.–30.6.2021
Net income	43,760	90,941
Differences arising from currency translation	-11,979	10,838
Change in interest rate swaps	50,661	9,998
Recycling of interest rate swaps	4,065	7,528
Change in cost-of-hedging reserves	0	193
Recycling of cost-of-hedging reserves	0	65
Change in currency hedging instruments	0	-597
Recycling of currency hedging instruments	0	694
Deferred taxes on neutral change in equity	-15,162	-4,187
Other income from equity-accounted investments	17,245	4,693
<i>Total of items which are later recognised ("recycled") in the income statement</i>	<i>44,830</i>	<i>29,225</i>
Change in actuarial gains or losses ¹	95,173	0
Deferred taxes on neutral change in equity ¹	-28,606	0
Other income from equity-accounted investments	0	161
<i>Total of items which are not later recognised ("recycled") in the income statement</i>	<i>66,567</i>	<i>161</i>
Other income	111,397	29,386
Total comprehensive income	155,157	120,327
attributable to: non-controlling interests	3,415	2,694
attributable to: equity holders of the parent company	151,742	117,633

¹ Changes due to interest rate adjustments. Further information can be found under "Provisions".

Consolidated balance sheet as at 30 June 2022

T€	30.6.2022	31.12.2021
Goodwill	446,829	447,679
Rights from concession arrangements	482,992	492,829
Other intangible assets	26,484	28,395
Property, plant and equipment	2,637,923	2,533,116
Equity-accounted investments	420,048	403,163
Other investments	198,942	195,388
Receivables from concession arrangements	505,039	524,570
Other financial assets	303,175	259,971
Deferred taxes	119,910	104,444
Non-current assets	5,141,342	4,989,555
Inventories	1,140,063	969,103
Receivables from concession arrangements	47,841	46,001
Contract assets	1,955,089	1,348,241
Trade receivables	1,546,311	1,447,374
Non-financial assets	169,791	143,203
Income tax receivables	125,132	52,396
Other financial assets	273,291	266,644
Cash and cash equivalents	1,876,583	2,963,251
Current assets	7,134,101	7,236,213
Assets	12,275,443	12,225,768
Share capital	102,600	102,600
Capital reserves	2,085,806	2,085,806
Retained earnings and other reserves	1,805,642	1,859,100
Non-controlling interests	27,733	24,316
Total equity	4,021,781	4,071,822
Provisions	1,108,244	1,235,924
Financial liabilities ¹	689,288	710,610
Other financial liabilities	87,071	95,788
Deferred taxes	163,189	104,063
Non-current liabilities	2,047,792	2,146,385
Provisions	1,057,094	1,097,705
Financial liabilities ²	367,684	483,005
Contract liabilities	1,022,285	1,117,348
Trade payables	2,666,523	2,421,430
Non-financial liabilities	502,598	536,945
Income tax liabilities	54,152	51,163
Other financial liabilities	535,534	299,965
Current liabilities	6,205,870	6,007,561
Equity and liabilities	12,275,443	12,225,768

1 Thereof T€ 411,957 concerning non-recourse liabilities (31 December 2021: T€ 452,402)

2 Thereof T€ 284,544 concerning non-recourse liabilities (31 December 2021: T€ 200,338)

Consolidated cash flow statement for 1.1.–30.6.2022

T€	1.1.–30.6.2022	1.1.–30.6.2021
Net income	43,760	90,941
Deferred taxes	1,946	20,558
Non-cash effective results from consolidation	-1,885	1
Non-cash effective results from equity-accounted investments	8,424	14,816
Other non-cash effective results	-11,102	-4,941
Depreciations/reversal of impairment losses	259,241	265,536
Change in non-current provisions	-23,979	-5,855
Gains/losses on disposal of non-current assets	-24,465	-33,978
Cash flow from earnings	251,940	347,078
Change in inventories	-170,407	42,711
Change in receivables from concession arrangements, contract assets and trade receivables	-683,359	-471,376
Change in non-financial assets	-24,513	-49,206
Change in income tax receivables	-72,602	-37,748
Change in other financial assets	-8,327	25,018
Change in current provisions	-39,702	41,158
Change in contract liabilities and trade payables	132,424	78,169
Change in non-financial liabilities	-34,649	102,069
Change in income tax liabilities	2,871	-144,325
Change in other financial liabilities	40,620	3,944
Cash flow from operating activities	-605,704	-62,508
Purchase of financial assets	-12,538	-14,171
Purchase of property, plant, equipment and intangible assets	-318,292	-233,157
Inflows from asset disposals	39,813	54,516
Change in other financing receivables	2,077	-27,356
Change in scope of consolidation	37	0
Cash flow from investing activities	-288,903	-220,168
Issue of bank borrowings	76,364	75,746
Repayment of bank borrowings	-38,542	-47,204
Repayment of bonds	-200,000	0
Change in lease liabilities	-29,946	-28,583
Change in other financing liabilities	615	-1,006
Change in non-controlling interests due to acquisition	2	-3,199
Distribution of dividends	0	-709,415
Cash flow from financing activities	-191,507	-713,661
Net change in cash and cash equivalents	-1,086,114	-996,337
Cash and cash equivalents at the beginning of the period	2,963,101	2,856,804
Change in cash and cash equivalents due to currency translation	-554	14,690
Cash and cash equivalents at the end of the period	1,876,433	1,875,157

Statement of changes in equity for 1.1.–30.6.2022

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	102,600	2,085,806	1,964,359	-47,209	-58,050	4,047,506	24,316	4,071,822
Net income	-	-	40,408	-	-	40,408	3,352	43,760
Differences arising from currency translation	-	-	-	-	-11,966	-11,966	-13	-11,979
Change in equity-accounted investments	-	-	0	19,553	-2,308	17,245	0	17,245
Change in actuarial gains and losses	-	-	95,070	-	-	95,070	103	95,173
Change in interest rate swap	-	-	-	54,726	-	54,726	0	54,726
Deferred taxes on neutral change in equity	-	-	-28,579	-15,162	-	-43,741	-27	-43,768
Total comprehensive income	-	-	106,899	59,117	-14,274	151,742	3,415	155,157
Transactions concerning non-controlling interests due to changes in scope of consolidation	-	-	0	-	0	0	2	2
Distribution of dividends ¹	-	-	-205,200	-	-	-205,200	0	-205,200
Balance as at 30.6.2022	102,600	2,085,806	1,866,058	11,908	-72,324	3,994,048	27,733	4,021,781

Statement of changes in equity for 1.1.–30.6.2021

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves ²	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2021	110,000	2,315,384	1,824,618	-74,647	-89,209	4,086,146	22,074	4,108,220
Net income	-	-	88,274	-	-	88,274	2,667	90,941
Differences arising from currency translation	-	-	-	-	10,811	10,811	27	10,838
Change in currency hedging instruments	-	-	-	355	-	355	0	355
Change in equity-accounted investments	-	-	161	2,502	2,191	4,854	0	4,854
Change in interest rate swap	-	-	-	17,526	-	17,526	0	17,526
Deferred taxes on neutral change in equity	-	-	-	-4,187	-	-4,187	0	-4,187
Total comprehensive income	-	-	88,435	16,196	13,002	117,633	2,694	120,327
Transactions concerning non-controlling interests	-	-	-814	0	0	-814	-1,936	-2,750
Distribution of dividends ³	-	-	-707,940	-	-	-707,940	-1,475	-709,415
Balance as at 30.6.2021	110,000	2,315,384	1,204,299	-58,451	-76,207	3,495,025	21,357	3,516,382

1 The total dividend payment of T€ 205,200 corresponds to a dividend per share of € 2.00 based on 102,600,000 shares.

2 The hedging reserve includes also the cost of hedging.

3 The total dividend payment of T€ 707,940 corresponds to a dividend per share of € 6.90 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

Basic principles

The consolidated semi-annual financial statements of STRABAG SE, based in Villach, Austria, at the reporting date 30 June, 2022 were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated semi-annual financial statements do not contain all the information and details required of annual financial statements. The semi-annual statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2021.

The consolidated financial statements of the Group as at 31 December 2021 are available at www.strabag.com.

Changes in accounting policies

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2022.

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)
Annual Improvements to IFRS 2018–2020	1.1.2022	1.1.2022
Amendments to IFRS 3 – References to Conceptual Framework	1.1.2022	1.1.2022
Amendments to IAS 16 – Proceeds before Intended Use	1.1.2022	1.1.2022
Amendments to IAS 37 – Onerous Contracts: Cost to Fulfilling a Contract	1.1.2022	1.1.2022

The first-time adoption of the aforementioned standards had only minor impact on the semi-annual consolidated financial statements as at 30 June 2022.

Amendments to IAS 37 – Onerous Contracts: Cost to Fulfilling a Contract

For further details, please refer to the consolidated financial statements for the year ending 31 December 2021.

Scope of consolidation

The consolidated semi-annual financial statements as at 30 June 2022 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

The number of consolidated companies changed in the first six months of 2022 as follows:

	Consolidation	Equity method
Balance as at 31.12.2021	266	22
First-time inclusions in year under report	7	0
First-time inclusions in year under report due to merger/accretion	1	0
Merger/accretion in year under report	-2	0
Balance as at 30.6.2022	272	22

ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

Consolidation	Direct stake %	Date of acquisition or foundation
Meischlgasse 28–32 Komplementär GmbH, Vienna	100.00	1.1.2022 ¹
Leystraße 122–126 Komplementär GmbH, Vienna	100.00	1.1.2022 ¹
Meischlgasse 28–32 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022 ¹
Leystraße 122–126 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022 ¹
STRABAG-EDILMAC Desarrollos Verticales SpA, Santiago de Chile	80.00	1.1.2022 ¹
STRABAG PS s.r.o., Bratislava	100.00	1.1.2022 ¹
STRABAG Real Estate s.r.o., Bratislava	100.00	26.4.2022
Merger/Accretion		
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	100.00	15.3.2022 ²

In the first six months of the year, the companies consolidated for the first time contributed a total of T€ 7,828 to the consolidated revenue and accounted for a loss of T€ 3,078 in net income after minorities.

The first-time consolidations had only a marginal impact on assets and liabilities. There were no significant differences resulting from first-time consolidations.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 30 June 2022, the following companies were no longer included in the scope of consolidation:

Merger/Accretion³	
ITC Engineering GmbH & Co. KG, Stuttgart	Merger
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	Merger

Methods of consolidation and currency translation

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated semi-annual financial statements with reporting date 30 June 2022 as were used for the consolidated annual financial statements with reporting date 31 December 2021 which is why we refer to the consolidated annual financial statements.

¹ Due to its increased business volumes, the company was included in the scope of consolidation of the group for the first time effective 1 January 2022. The foundation/acquisition of the company occurred before 1 January 2022.

² The companies listed under Merger/Accretion were merged with/acquired on already consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

³ The companies listed under Merger/Accretion were merged with/acquired on already consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

Accounting policies

The accounting and valuation methods are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2021.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2021.

INFORMATION ON THE RUSSIA-UKRAINE WAR

On 24 February 2022, Russia attacked Ukraine. STRABAG condemns this war of aggression by Russia on Ukraine in the strongest possible terms and has initiated and is financing extensive aid measures for Ukrainian refugees, especially in the most affected group countries of Poland, the Czech Republic and Moldova.

STRABAG has no business activities in Ukraine itself. STRABAG SE will wind up its business in Russia, which, accounting for just 0.3 % of the group's output volume in 2021, was of only subordinate importance. Provisions for anticipated losses on projects still to be completed and impairment of financial and non-financial assets was recognised in profit and loss in the half-year financial statements.

Following strong price dynamics in the wake of the war, construction prices settled at a very high level in the middle of the year. The higher construction prices are currently not impacting incoming orders, and the management expects the order situation, especially from the public sector, to remain stable. Private clients have also shown no reluctance to invest so far, despite the fact that this customer group is usually very sensitive to interest rate fluctuations.

Due to the existing shareholder structure – 27.8 % of STRABAG SE is held by MKAO “Rasperia Trading Limited”, which is controlled by Oleg Deripaska – STRABAG has also been affected in other ways by Russia's aggression and the resulting sanctions.

To avert any potential harm to the company, the Management Board of STRABAG SE decided on already 15 March – at a time when two important markets for STRABAG, the United Kingdom and Canada, had imposed sanctions against Oleg Deripaska – to withhold dividend payments to Rasperia.

At the same time, the Haselsteiner Familien-Privatstiftung terminated the shareholder syndicate agreement with effect from 31 December 2022.

In response to the EU sanctions imposed on Oleg Deripaska on 8 April, in particular the asset freeze, all rights associated with Rasperia's STRABAG SE shares have been suspended. STRABAG SE has taken all the necessary steps to ensure compliance with the sanctions and to prevent Oleg Deripaska from exerting even indirect influence on STRABAG. Accordingly, Supervisory Board member Thomas Bull, who was delegated by Rasperia, was recalled at the Extraordinary General Meeting on 5 May 2022. Supervisory Board member Dr. Hermann Melnikov, who had been nominated by Rasperia, voluntarily resigned his post.

These actions were unavoidable in order to protect STRABAG and its image, especially in the countries of Central and Eastern Europe, or to minimise any harmful effects.

Estimates

Estimates and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the consolidated financial statements with reporting date 31 December 2021. Actual results may deviate from these estimates.

Notes on the items of the consolidated income statement

SEASONALITY

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As the largest part of the costs involves fixed costs, losses are posted in the first months every year. These losses are compensated for by rising contribution margins. The largest portion of the earnings is expected in the second half. Seasonal fluctuations in the transportation infrastructures business are greater than they are in building construction & civil engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results of the half years.

REVENUE

In the item Revenue exclusively revenues from contracts with customers are recognised. These are as follows:

Revenue for 1.1.–30.6.2022

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	3,344,044	2,151,551	742,460		6,238,055
Germany	2,745,789	38,652	29,442		2,813,883
Austria	16,198	978,810	21,733		1,016,741
Poland	387,469	1,994	5,107		394,570
Czech Republic	0	365,613	6,278		371,891
Great Britain	26,986	0	258,101		285,087
Hungary	0	234,400	1,499		235,899
Other countries, each below € 180 million	167,602	532,082	420,300		1,119,984
Construction materials	74,358	62,385	189,271		326,014
Facility management	0	0	268,036		268,036
Project development	0	0	246,082		246,082
Other	46,231	59,806	53,840	8,289	168,166
Total	3,464,633	2,273,742	1,499,689	8,289	7,246,353

Revenue for 1.1.–30.6.2021

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	2,973,883	1,973,315	683,006		5,630,204
Germany	2,346,631	51,399	35,012		2,433,042
Austria	4,766	903,987	25,984		934,737
Poland	406,813	275	20,303		427,391
Czech Republic	0	282,327	5,435		287,762
Chile	0	0	219,032		219,032
Hungary	0	189,444	3,024		192,468
Other countries, each below € 180 million	215,673	545,883	374,216		1,135,772
Construction materials	56,907	40,056	143,302		240,265
Facility management	0	0	259,070		259,070
Project development	0	0	262,099		262,099
Other	48,675	35,758	50,446	8,966	143,845
Total	3,079,465	2,049,129	1,397,923	8,966	6,535,483

Interest income from concession contracts is included in revenue amounting to T€ 30,067 (1–6/2021: T€ 30,921).

SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	1.1.–30.6.2022	1.1.–30.6.2021
Income from equity-accounted investments	7,402	8,954
Expenses arising from equity-accounted investments	-8,193	-9,321
Gains on the disposal of equity-accounted investments	0	3,163
Profit from construction consortia	59,280	40,605
Losses from construction consortia	-41,210	-26,025
Share of profit or loss of equity-accounted investments	17,279	17,376

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on property, plant and equipment and amortisation on intangible assets includes depreciation and amortization from right-of-use assets for leases in the amount of T€ 31,363 (1–6/2021: T€ 30,131).

Notes on the items in the consolidated balance sheet

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year.

An evaluation of the impairment tests in response to the increased interest rates and market risk premiums did not reveal any need for impairment.

In 1–6/2022, goodwill in the amount of T€ 0 (1–6/2021: T€ 0) arising from capital consolidation was recognised as assets. No depreciation was taken.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

In 1–6/2022 tangible and intangible assets not including the non-cash additions to right-of-use assets in the amount of T€ 318,292 (1–6/2021: T€ 233,157) were acquired.

In the same period, tangible and intangible assets not including the non-cash disposals to right-of-use assets with a book value of T€ 12,037 (1–6/2021: T€ 16,577) were sold.

Property, plant and equipment include right-of-use assets for real estate leases in the amount of T€ 343,351 (31 December 2021: T€ 328,243).

PURCHASE OBLIGATIONS

On the reporting date, there were T€ 187,084 (30 June 2021: T€ 115,045) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the semi-annual financial statement.

DEFERRED TAXES

In January 2022, a gradual reduction of the corporate income tax rate from 25 % to 23 % was decided in Austria. The tax rate will be lowered to 24 % in 2023 and to 23 % in 2024. The tax deferral is calculated using the tax rate at the time of the expected reversal of the difference in value between the IFRS balance sheet values and the tax values.

The deferred taxes already existing on 31 December 2021 were adjusted to the tax rate of the expected reversal. The resulting tax expense in the amount of T€ 4,213 was recognised in profit or loss.

EQUITY

The fully paid-in share capital amounts to € 102,600,000 and is divided into 102,599,997 no-par bearer shares and three registered shares.

The changes in equity are shown in the statement of changes in equity.

The following resolutions were passed at the Annual General Meeting of STRABAG SE held on 24 June 2022:

The Management Board shall be authorised, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire no-par value bearer or registered shares of the company on the stock exchange, by public tender or in any other manner to the extent of up to 10 % of the share capital during a period of 30 months from the date of this resolution at a minimum price of € 1.00 per share (= calculated value of one share in proportion to the share capital) and a maximum price of no more than € 42.00 per share. The purpose of the acquisition may not be to trade with own shares. This authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 of the Austrian Commercial Code (UGB)) or by third parties acting on behalf of the company. The authorisation will be exercised by the Management Board in such a way that the proportion of the share capital associated with the shares acquired by the company on the basis of this authorisation or otherwise may not exceed 10 % of the share capital at any time.

An acquisition may be decided by the Management Board; the Supervisory Board must be subsequently informed of this decision.

The Management Board shall be authorised, with regard to the acquisition of no-par value bearer or registered shares of the company (resolution item 1), to exclude the shareholders' proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights). An acquisition under exclusion of the proportionate selling rights (reverse exclusion of subscription rights) is subject to the prior consent of the Supervisory Board.

The Management Board shall be authorised, to withdraw, with the consent of the Supervisory Board, all or part of the own shares acquired by the company without a further resolution by the General Meeting.

The Management Board shall be authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the Supervisory Board, in accordance with Section 65 Para 1b AktG in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 UGB) or by third parties acting on behalf of the company.

PROVISIONS

Due to significant changes in long-term interest rates, the interest rate used to determine the provisions for severance payments and the pension provisions was raised from 0.98 % to 3.10 % and 3.18 %, respectively, effective 30 June 2022. The resulting actuarial gains without taking deferred taxes into account amounted to T€ 95,173. These gains were recognised directly in equity.

The other parameters as well as the basic data were not adjusted.

CONTINGENT ASSETS

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the Agreement between the Republic of Austria and the State of Libya for the Promotion and Protection of Investments. The tribunal consequently awarded STRABAG damages of € 75 million plus interests and ordered Libya to reimburse STRABAG 75 % of its legal costs and expenses, and to bear 75 % of the costs of the arbitration.

STRABAG's work in Libya, which commenced in 2006, was interrupted by the conflict in Libya that took place in 2011, and STRABAG claimed damages in the arbitration to compensate it for the loss and damage it suffered during that conflict and for works that it had performed on the different construction projects.

Libya filed a motion to set aside the arbitration award, which was now also rejected in second instance by the competent court in the United States. As a last resort, Libya can appeal the decision to the US Supreme Court.

It remains uncertain whether Libya will comply with the arbitration award or not. STRABAG is examining the possibilities of enforcing the arbitration award and has to this end initiated recognition and enforcement proceedings on a small scale. These proceedings are progressing very slowly and have not yet led to any additional findings. Due to the existing uncertainties, no claim has been recognised.

CONTINGENT LIABILITIES

The company has accepted the **following guarantees**:

T€	30.6.2022	31.12.2021
Guarantees without financial guarantees	20	174

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 33,266 (31 December 2021: T€ 71,036).

ADDITIONAL INFORMATION

On 21 October 2021, the Vienna Higher Regional Court (OLG), sitting as the Cartel Court, issued a final decision in the antitrust proceedings against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H & Co. KG. In July 2022 the Federal Competition Authority requested a review of this decision.

The Management Board considers the request to be without merit and finds it unlikely that the decision will be changed, as STRABAG cooperated fully and continuously with the Federal Competition Authority under a leniency agreement. STRABAG's cooperation contributed significantly to the investigation, and it was the first company to end the antitrust proceedings against it with a final decision. Moreover, STRABAG moved to enhance its compliance system in response to the matter and implemented a novel monitoring system.

Other notes

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	30.6.2022	30.6.2021
Securities	2,822	3,101
Cash on hand	1,371	1,351
Bank deposits	1,872,390	1,870,855
Pledge of cash and cash equivalents	-150	-150
Cash and cash equivalents	1,876,433	1,875,157

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

The **cash flow from operating activities** in the reporting year contains the following items:

T€	1.1.–30.6.2022	1.1.–30.6.2021
Interest paid	14,321	11,590
Interest received	15,743	4,082
Taxes paid	94,792	206,653

SEGMENT REPORTING

The rules of IFRS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe and Russia and the environmental engineering business.

The segment International + Special Divisions includes the international construction activities, tunnelling services, real estate and infrastructure development as well as the construction materials business.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management, digitalisation, innovation, business development etc. These services are included in the segment Other.

Segment Reporting for 1.1.–30.6.2022

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	3,702,765	2,302,951	1,525,127	56,879		7,587,722
Revenue	3,464,633	2,273,742	1,499,689	8,289	0	7,246,353
Inter-segment revenue	57,009	68,097	145,900	479,553		
EBIT	11,157	-11,459	77,801	377	-14,247	63,629
Interest and similar income	0	0	0	22,814	0	22,814
Interest expense and similar charges	0	0	0	-16,573	0	-16,573
EBT	11,157	-11,459	77,801	6,618	-14,247	69,870

Segment Reporting for 1.1.–30.6.2021

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	3,390,629	2,083,708	1,416,872	52,159		6,943,368
Revenue	3,079,465	2,049,129	1,397,923	8,966	0	6,535,483
Inter-segment revenue	77,940	30,721	117,743	456,530		
EBIT	105,200	-10,431	58,309	335	-13,223	140,190
Interest and similar income	0	0	0	12,546	0	12,546
Interest expense and similar charges	0	0	0	-15,941	0	-15,941
EBT	105,200	-10,431	58,309	-3,060	-13,223	136,795

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are shown essentially in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

Internal reporting includes the results of all subsidiaries and investment companies. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT respectively EBT in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidation.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	1.1.–30.6.2022	1.1.–30.6.2021
Net income from investments	-11,411	-13,934
Other consolidations	-2,836	711
Total	-14,247	-13,223

FINANCIAL INSTRUMENTS

With exception of the financial liabilities the book value of the financial instruments corresponds to the fair value. The fair value of the financial liabilities amounts to T€ 1,040,157 as at 30 June 2022 (31 December 2021: T€ 1,193,883) compared to the recognised book value of T€ 1,056,971 (31 December 2021: T€ 1,193,615).

The **fair values as at 30 June 2022** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20 % (other investments)			51,300	51,300
Securities	28,174			28,174
Cash and cash equivalents (securities)	2,822			2,822
Derivatives held for hedging purposes		34,943		34,943
Derivatives other		56		56
Total	30,996	34,999	51,300	117,295
Liabilities				
Derivatives other		-24,907		-24,907
Total	0	-24,907	0	-24,907

The **fair values as at 31 December 2021** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20 % (other investments)			48,511	48,511
Securities	28,122			28,122
Cash and cash equivalents (securities)	2,823			2,823
Derivatives held for hedging purposes		-5,067		-5,067
Derivatives other		197		197
Total	30,945	-4,870	48,511	74,586
Liabilities				
Derivatives held for hedging purposes		-12,996		-12,996
Derivatives other		-7,003		-7,003
Total	0	-19,999	0	-19,999

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2021 consolidated financial statements. Since 31 December 2021, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

EVENTS AFTER THE BALANCE SHEET DATE

Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and group company as well as UNIQA Insurance Group AG and group companies, have concluded a new syndicate agreement to continue the existing core shareholder syndicate for STRABAG SE.

The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Mandatory offer by core shareholders

Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG on 18 August 2022 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 is also intended to remove the current restriction on voting rights of the bidders (and the legal entities acting jointly with them) 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.

For further details, including more detailed information on the intended mandatory offer, see the ad-hoc release of STRABAG SE dated 18.8.2022, which is available on www.strabag.com.

AUDIT WAIVER

The present semi-annual financial statements for STRABAG SE were neither audited nor subjected to an audit review.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed semi-annual financial statements as of 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first six months of the financial year and their impact on the condensed semi-annual financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 August 2022

The Management Board



Dr. Thomas Birtel
CEO

Responsibility Central Staff Divisions and
Central Divisions BMTI, CML as well as TPA



Mag. Christian Harder
CFO

Responsibility Central Division BRVZ



Klemens Haselsteiner

Responsibility Central Divisions STRABAG
Innovation & Digitalisation as well as Zentrale
Technik, Responsibility Subdivision NN Russia



Dipl.-Ing. Siegfried Wanker
Responsibility Segment
International + Special Divisions



Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment North + West,
South + East (except Subdivision NN Russia)

INVESTOR RELATIONS

Financial calendar

Semi-Annual Report 2022

Disclosure
Investor and analyst conference call

31 August 2022

7:00 a.m.
10:00 a.m.

Trading Statement January–September 2022

Disclosure

16 November 2022

7:00 a.m.

All times are CET/CEST. Please find the roadshow schedule on the website www.strabag.com > Investor Relations > Company Calendar.

Corporate bond

STRABAG SE (and its predecessor, FIMAG) has to date issued thirteen corporate bonds, of which none is listed on the market.

Corporate credit rating

Standard & Poor's

BBB

Outlook stable

Codes

Bloomberg:

STR:AV

Reuters:

STRV.VI

Vienna stock exchange:

STR

ISIN:

AT000000STR1

For further questions, please contact our Investor Relations department:

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This Semi-Annual Report is also available in German. In case of discrepancy the German version prevails.