



STRABAG SE INVESTOR PRESENTATION

AUGUST 2020



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1 STRABAG AT A GLANCE



2 THE CONSTRUCTION SECTOR WITHIN EVOLVING GLOBAL THEMES



3 THE STRABAG STRATEGY & INVESTMENT PROPOSITION



4 FINANCIAL PERFORMANCE



5 APPENDIX

1

STRABAG AT A GLANCE



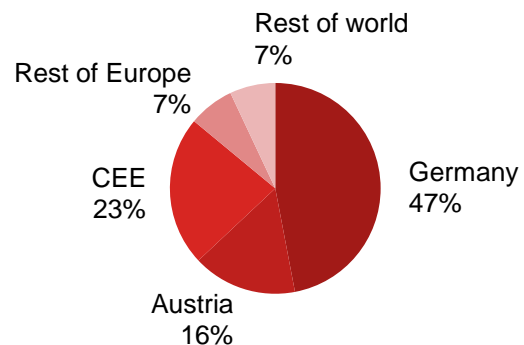
STRABAG
SOCIETAS EUROPAEA

STRABAG AT A GLANCE

FACTS & FIGURES

- Output volume: € 16.6 billion
- Net income: € 379 million
- 76,919 employees
- >700 locations in more than 80 countries
- Highly innovative: Central Technical Division with over 1,000 engineers, TPA (Quality & Innovation) with about 950 people
- Equity ratio: >30%
- Investment grade rating by S&P: BBB, outlook stable
- Strong brands: STRABAG & ZÜBLIN

OUTPUT VOLUME BY REGION (2019)



MARKETS



LARGEST PROJECTS IN PROGRESS

NO SPECIFIC EXPOSURE TO ANY LARGE PROJECT

COUNTRY	PROJECT	ORDER BACKLOG IN €M	AS % OF TOTAL ORDER BACKLOG
United Kingdom	North Yorkshire Polyhalite Project	878	5.0
Chile	Alto Maipo power plant	387	2.2
Germany	New rail line/airport tunnel	379	2.2
Germany	EDGE East Side	265	1.5
Chile	El Teniente – main supply tunnel	242	1.4
Singapore	Deep Tunnel Sewerage System	227	1.3
Germany	Stuttgart 21, underground railway station	216	1.2
Germany	JV Tunnel Hauptbahnhof Second core rapid transit route, Munich	198	1.1
Germany	Modernisation of main university building, Bielefeld	148	0.9
Chile	El Teniente – access tunnel	131	0.8

As of 31 December 2019



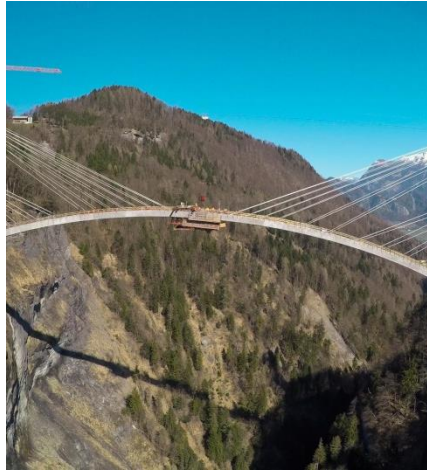
Alto Maipo power plant



Second core rapid transit route Munich

Image credits: Deutsche Bahn AG / Fritz Stoiber Productions GmbH

FLAGSHIP PROJECTS – EXAMPLES



TAMINA BRIDGE – SWITZERLAND

Building of an arch bridge

Size: € 22 million (=60% share)

Project schedule: 2013–2017

Project scope: 475 m long arch bridge with a span of 260 m



BRENNER BASE TUNNEL – AUSTRIA

Building of a twin-tube rail tunnel between Tulfes–Pfons

Size: € 380 million (=51% share)

Project schedule: 2014–2019

Project scope: 38 km twin-tube rail tunnel, exploratory and rescue tunnel

Picture: Thomas Böhm, Tiroler Tageszeitung



TRIIIPLE RESIDENTIAL TOWERS – AUSTRIA

Building three 100-metre-high residential towers

Size: € 110 million

Project schedule: 2018–2021

Project scope: While the Towers 1 and 2 will house 480 owner-occupied flats, Tower 3 will house 670 micro-apartments.



OFFICE & PRODUCTION BUILDINGS FOR SIEMENS

Construction of new office and production buildings in Zug, Switzerland

Size: ~ € 100 million

Project schedule: 2016–2018

Project scope: General contractor, BIM 5D® applied

Picture: Siemens Schweiz AG

FLAGSHIP PROJECTS – INTERNATIONAL

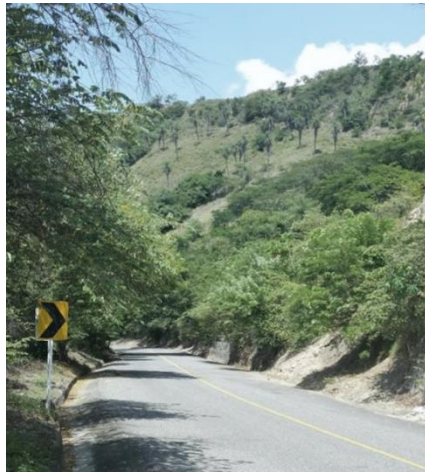


ROHTANG PASS HIGHWAY TUNNEL – INDIA

Size: € 197 million
(=60% share)

Project schedule: 2008–2020

Project scope: Construction of an 8.9 km long two-lane road tunnel with integrated emergency tunnel beneath the roadway via the NATM tunnelling method



MAR1 – CONCESSION – COLOMBIA

Size: € 893 million
(37.5% share)

Project schedule: 2016–2022

Project scope: 176 km national road (38 km 4-lane national road – 71 km rehabilitation of 2-lane national road and operation and maintenance of 72 km national road), construction includes a 4.6 km tunnel and 67 bridges with a total length of 7.3 km



JV 5TH LINE WATER SUPPLY – JERUSALEM

Size: € 165 million

Project schedule: 2016–2020

Project scope: 12.9 km TBM tunnel, Ein Karem exit shaft (22 m deep), Soreq adit (1.4 km > NATM), complete tunnel with steel tube + Kesalon connecting route (320 m) + Ein Karem connecting route (10 m) > ca. 13.3 km steel hydraulics construction, commissioning



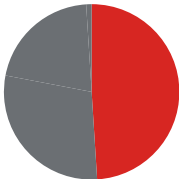
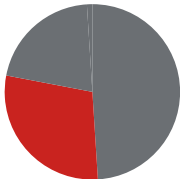
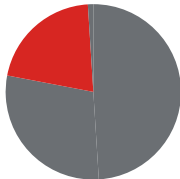
MINING CONTRACTS EL TENIENTE – CHILE

Size: ~ € 500 million

Project schedule: 2019–2022

Project scope: Construction of tunnels with a total length of 32.5 km

BUSINESS SEGMENT CONTRIBUTION 2019

	North + West	South + East	International + Special Divisions
	 <p>49% of output volume</p> <p>Germany, Poland, Benelux, Scandinavia, Ground Engineering</p>	 <p>29% of output volume</p> <p>Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Environmental Engineering, Russia</p>	 <p>21% of output volume</p> <p>International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials</p>
Regions/Areas			
Output volume (€m)	8,107	4,916	3,451
Order backlog (€m)	8,808	4,489	4,111
EBIT (€m)	310	122	184
EBIT margin (%)	4.1	2.5	5.7
Employees	25,386	19,850	25,219

4th, non-operating segment "Others", output volume 1%, not shown

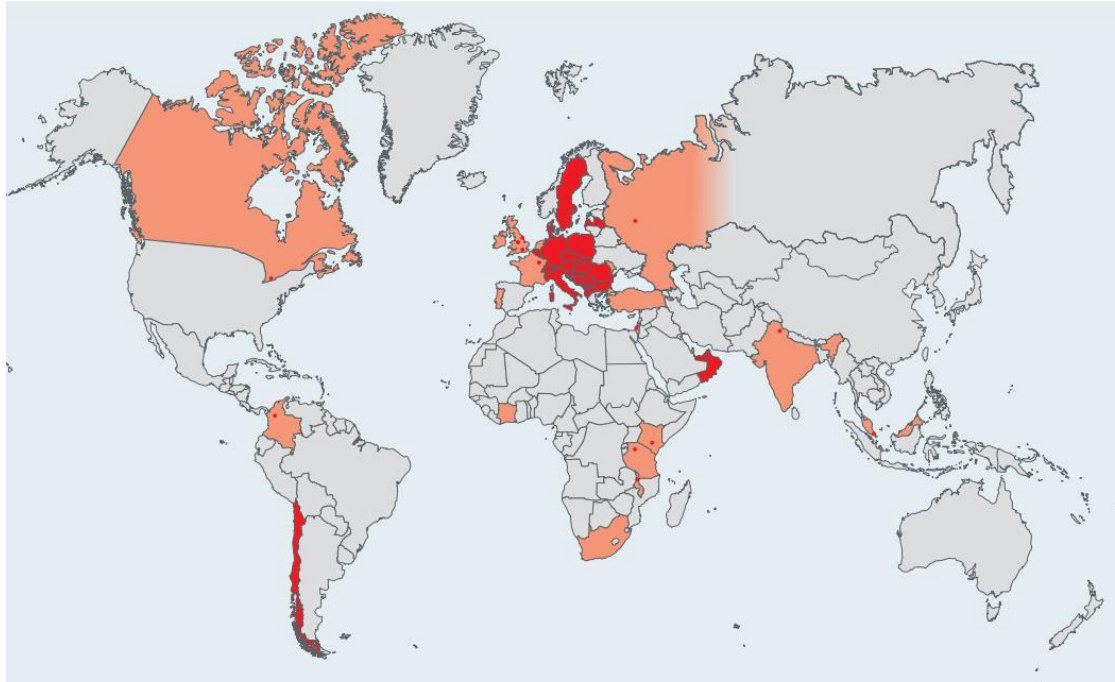
KEY FINANCIALS

(€m)	2019	2018	Δ%
Output volume	16,618	16,323	2
Revenue	15,222	15,669	3
EBITDA	1,113	953	17
EBITDA adjusted	1,113	897	24
EBIT	603	558	8
EBIT adjusted	603	503	20
Net income after minorities	372	354	5
Cash flow from operating activities ¹	1,076	789	36
Cash flow from investing activities ¹	-593	-641	7
Balance sheet total	12,251	11,568	6
Group equity	3,856	3,654	6
Equity ratio	31.5%	31.6%	
Net debt (+)/cash (-)	-1,144	-1,218	-6

Δ% was calculated with original, not rounded figures → therefore, rounding differences may occur.

¹ Adjustment of the 2018 values

COMPREHENSIVE COUNTRY NETWORK



■ region-wide presence

■ project business; in Russia the STRABAG Group operates exclusively in the western part of the country.

INTEGRATED MODEL TAKES ADVANTAGE OF

- local management skills
- market knowledge
- cost and efficiency synergies
- risk diversification

COMPREHENSIVE COUNTRY NETWORK ENABLES STRABAG TO

- make more use of technology and machinery
- follow clients around the world

Only countries with a minimum annual output volume and a minimum order backlog of € 1 million are considered.



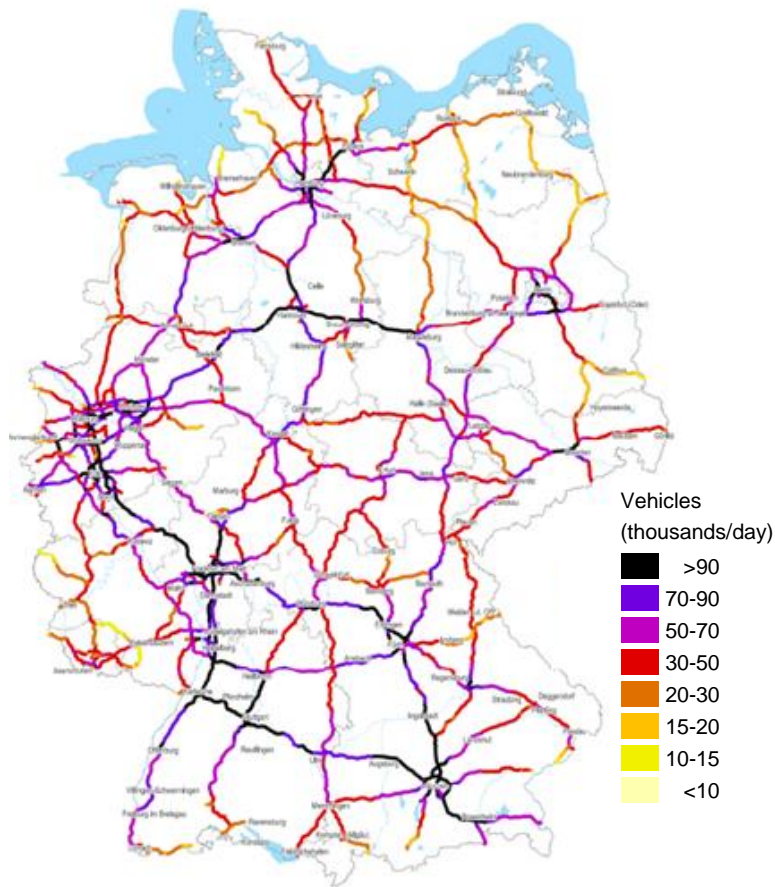
2

THE CONSTRUCTION SECTOR WITHIN EVOLVING GLOBAL THEMES

FIVE EUROPEAN TRENDS:

(1) URBANISATION/DEMOGRAPHICS

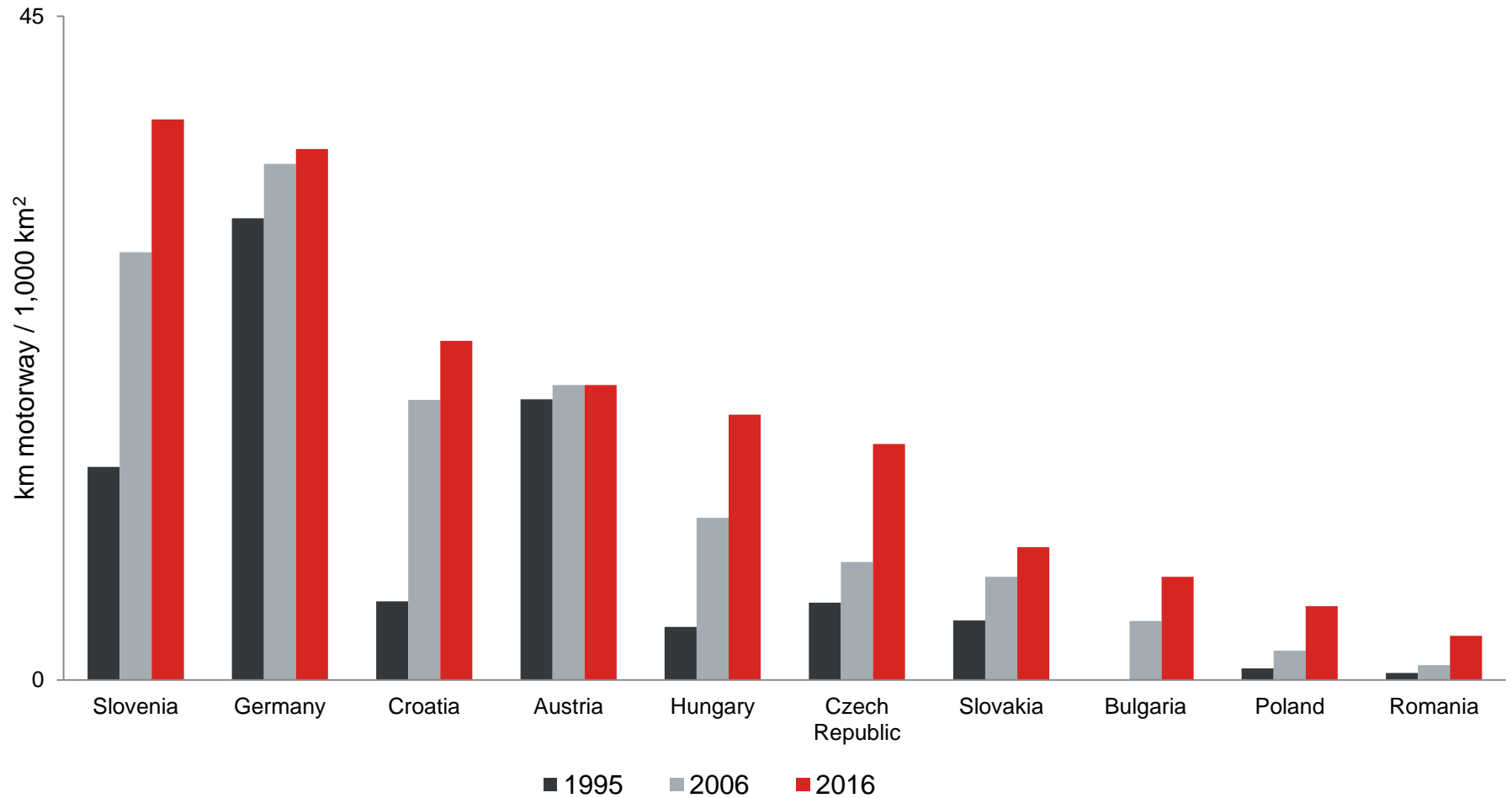
GERMANY: DAILY TRAFFIC LOAD 2030F



- By 2050 68% of the global population will live in cities (today: 55%) – an increase of the **urban population** by 2.5 billion.
➡ Higher need for **infrastructure**
- McKinsey: Germany needs to increase its annual construction volume by about € 40 billion in order to reach its political goals for infrastructure and residential construction.
- Based on an expert opinion commissioned by the federal government, the backlog resulting from the lack of maintenance measures alone in rail infrastructure in our home market of Germany is estimated at just under € 50 billion in 2019.
- “Bundesverkehrswegeplan 2030”: German investment plan with total sum of € 270 billion (focused on infrastructure in the Western part)

Sources: Deutsche Stiftung Weltbevölkerung: <https://www.dsw.org/projektionen-urbanisierung/>, BMVI, Verkehrsverflechtungsprognose 2030 – Netzumlegungen, August 2015, Bundeshaushalt Einzelplan 12, Bundesverkehrswegeplan; Report of the Daehre Commission in December 2012; http://ec.europa.eu/cli/ma/policies/brief/eu/index_en.htm; „Voices on Infrastructure“, Global Infrastructure Initiative by McKinsey & Company

EXAMPLE: MOTORWAY DENSITY IN DIFFERENT MARKETS



Source: Eurostat, Regionalstatistik des Verkehrs (<https://ec.europa.eu/Eurostat/data/database>)

FIVE EUROPEAN TRENDS:

(2) ENERGY/SUSTAINABILITY



A2 Poland

- Investment of USD 48 trillion needed to just meet the **world's energy needs** by 2035, according to McKinsey¹
 - EU: **2030 climate and energy framework** sets 3 targets:
 - At least 40% cuts in greenhouse gas emissions
 - At least 32% share of renewable energy
 - At least 32.5% improvement of energy efficiency
 - Buildings account for about 40 % of the overall energy consumption and produce around 36 % of the associated greenhouse gas emissions in the European Union²
- ➔ Clients are increasingly demanding that existing buildings be adapted with a view towards higher **energy efficiency** and **lower emission levels** during operation.
- ➔ Own **building materials network** provides a high **barrier to entry** for other market participants, as the permits for building new mixing plants are not granted easily due to environmental concerns.

1 „Voices on Infrastructure: Rethinking engineering and construction“, Global Infrastructure Initiative by McKinsey & Company, October 2016, p 33
2 European Commission: https://ec.europa.eu/clima/policies/strategies/2030_en (last accessed 12 June 2020)

FIVE EUROPEAN TRENDS:

(3) FINANCIAL ENVIRONMENT



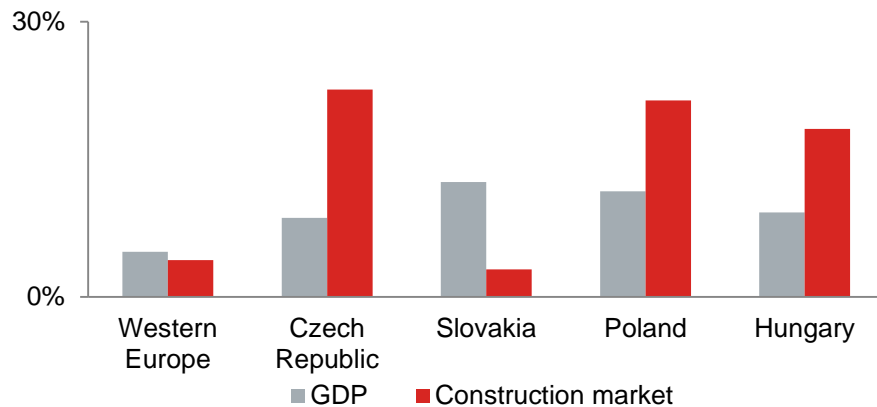
STRABAG Real Estate Development Tanzende Türme, Hamburg

- Historically low interest rates and highly volatile financial environment make real estate an attractive investment alternative for some investor groups
- Low financing costs facilitate investment into real estate

FIVE EUROPEAN TRENDS:

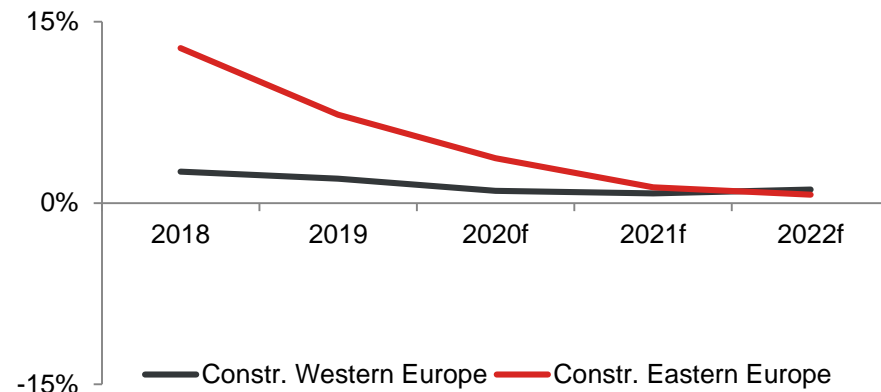
(4) CEE SET FOR GROWTH

GROWTH IN KEY MARKETS 2018–2021F



	CZECH REP.	SLOVAKIA	POLAND	HUNGARY
% of output volume 2019	5	2	7	5
Output volume (€m)	783	369	1,129	848
Market share (%)	3.2	9.3	1.8	5.2

CEE SHOULD OUTPERFORM WESTERN EUROPE



- CEE represents 23% of output volume in 2019
- Number of unemployed people in CEE¹ expected to still decrease from 1.1 million (2018) to 1.0 million in 2022
- EU cohesion fund regime 2014–2020:
 - Among others, Czech Republic, Hungary, Poland and Slovakia eligible
 - € 63.4 billion in total to be allocated for trans-European transport networks and environmental projects

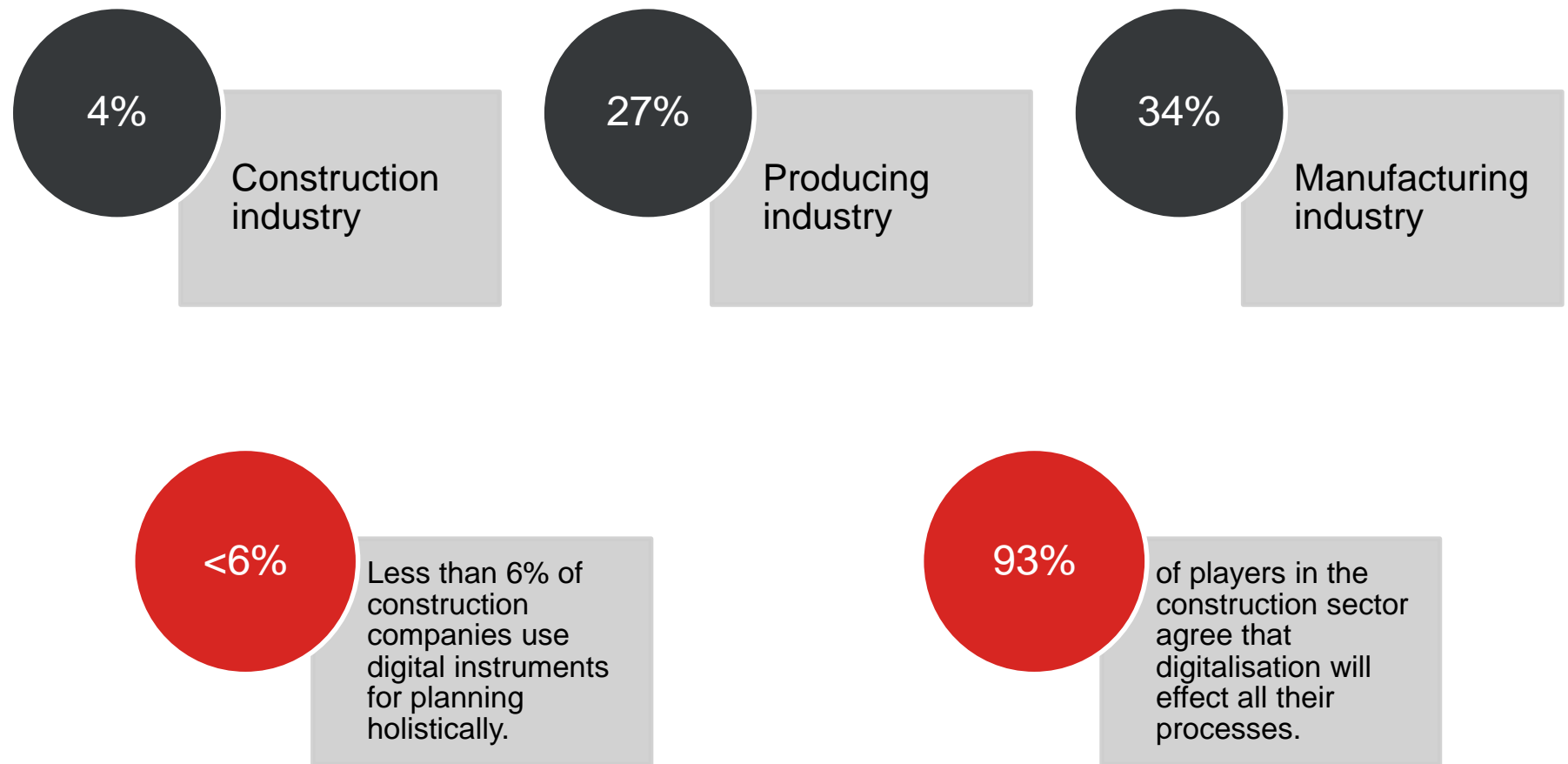
Sources: Euroconstruct Report, Winter 2019, pp. 17, 20, 44; http://ec.europa.eu/regional_policy/en/funding/cohesion-fund

1 Czech Republic, Hungary, Poland, Slovakia

FIVE EUROPEAN TRENDS:

(5) DIGITALISATION

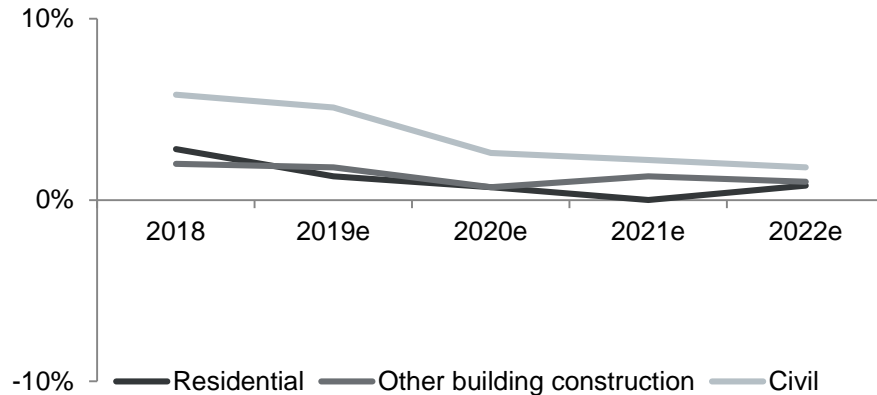
CONSTRUCTION SECTOR LAGGING BEHIND REGARDING PRODUCTIVITY GAINS¹



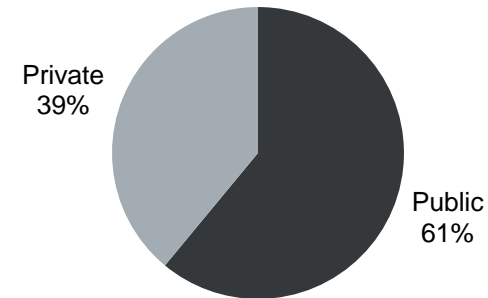
Source: „Digitalisierung der Bauwirtschaft“, Roland Berger, 2016
1 Figures for Germany; period under consideration: 10 years

CONSTRUCTION SEGMENTS HAVE THEIR OWN BUSINESS MODELS AND CYCLES

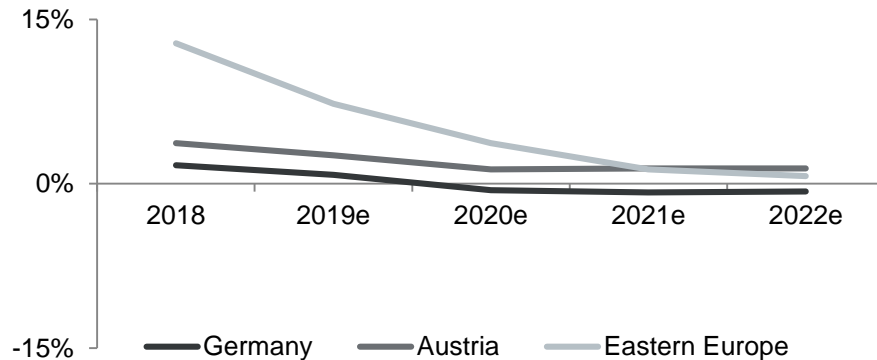
CONSTRUCTION SUBSEGMENTS GERMANY



STRABAG CLIENT STRUCTURE



CONSTRUCTION OUTPUT BY COUNTRIES



- Public client:
The price is mostly the dominant criterion.
- Private client:
Often opts for the best offer, not necessarily the lowest.

Source: Euroconstruct Report, Winter 2019

SELECTION CRITERIA IN CONSTRUCTION

Clients' selection criteria

Price

Financial strength

Technology
& Innovation

References

Experience and
Know-how of employees

Construction
materials supply

3

THE STRABAG STRATEGY & INVESTMENT PROPOSITION

A EUROPEAN-BASED TECHNOLOGY GROUP FOR CONSTRUCTION SERVICES

“STRABAG is a European-based technology group for construction services, a leader in innovation and financial strength. We create added value for our clients by integrating the most diverse services and assuming responsibility for them: We bring together people, materials and machinery at the right place and at the right time in order to realise even complex construction projects – on schedule, of quality and at the best price.”

STRABAG

TEAMS WORK.



STRABAG takes an agreed scope of responsibility and part of the risk, thereby relieving the client e.g. of the risk of delays and cost overruns.



Professional and market experience as well as financial strength needed to create added value



Helps clients meet their goals (time, quality, lower costs)

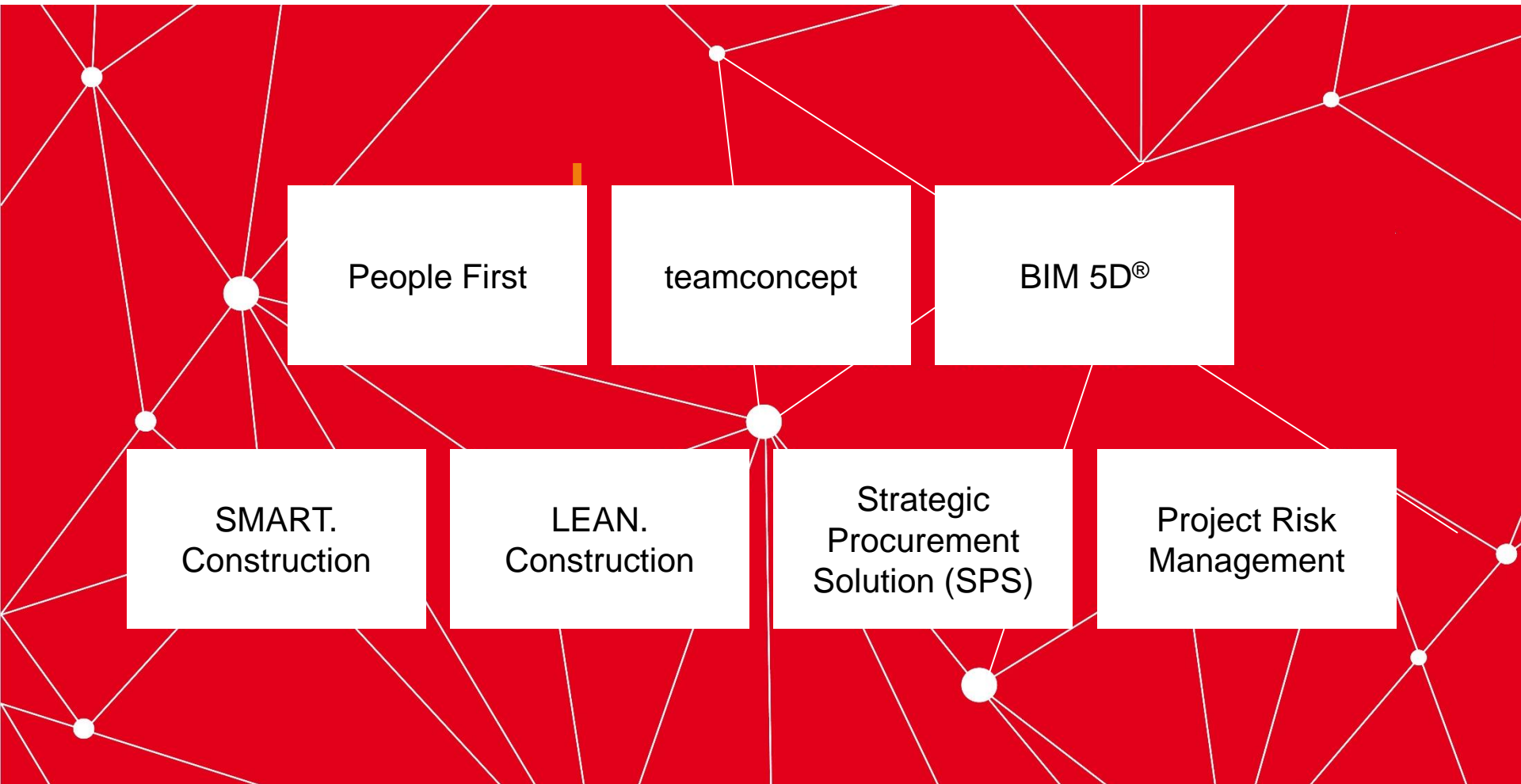


Technology/Innovation: Differentiation through superior technology and innovative solutions

SIX STRATEGIC FIELDS



FASTER TOGETHER 2022 – THE STRABAG ACTION PLAN



THE STRABAG INVESTMENT PROPOSITION

(1) Margin Upside

- Strategic priority: Strengthening risk and opportunity management
- Strategic priority: Implementing efficiency-rising measures proposed by task force

(2) Flexible Business Model, Selective Diversity

- Strategic priority: Showing flexibility
- Strategic priority: Staying diversified
- Strategic priority: Offering top technology and sustainability

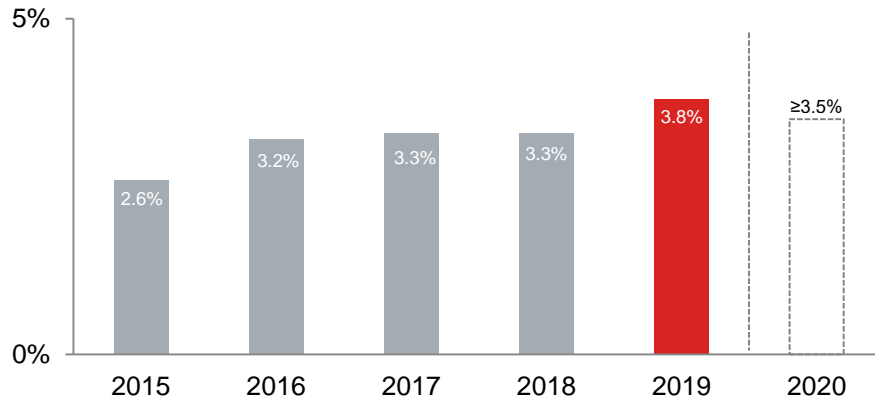
(3) Financial Strength

- Strategic priority: Maintaining financial strength

(4) Attractive Dividends on a reliable level

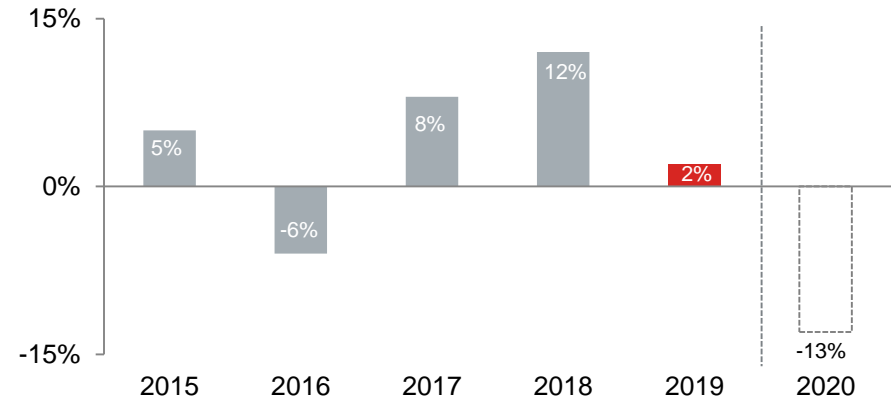
(1) MARGIN UPSIDE: TARGETS

2020: $\geq 3.5\%$ EBIT MARGIN¹ EXPECTED



- Comprehensive risk management
- Mid-term target of 4% by 2022

TOP-LINE GROWTH NOT IN THE FOCUS



- For the current 2020 financial year, STRABAG now expects to generate an output volume of approx. € 14.4 billion

¹ 2016 adjusted for a non-operating profit in the amount of € 27.81 million; 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million

(1) MARGIN UPSIDE: RISK MANAGEMENT

RISK MANAGEMENT INSTRUMENTS

- Four-eyes-principle
- Internal price committees (including a STRABAG SE board member when project volume \geq € 70 m)
- Internal Audits
- Organisational structure with central divisions
- Systematic cataloguing of risk factors (lessons learned)
- Management information system:

“We have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. This means: clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.”

Thomas Birtel, CEO

TYPES OF CONTRACTS

- Joint Venture with the client
- Cost + fee
- Guaranteed maximum price
- Lump-sum
- Unit pricing

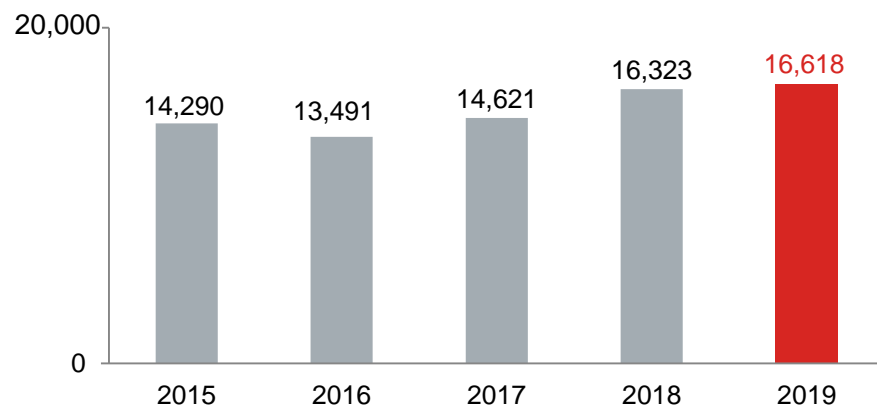
COMPOSITION OF THE ORDER BACKLOG

18%
Total of the ten largest
projects in the order
backlog

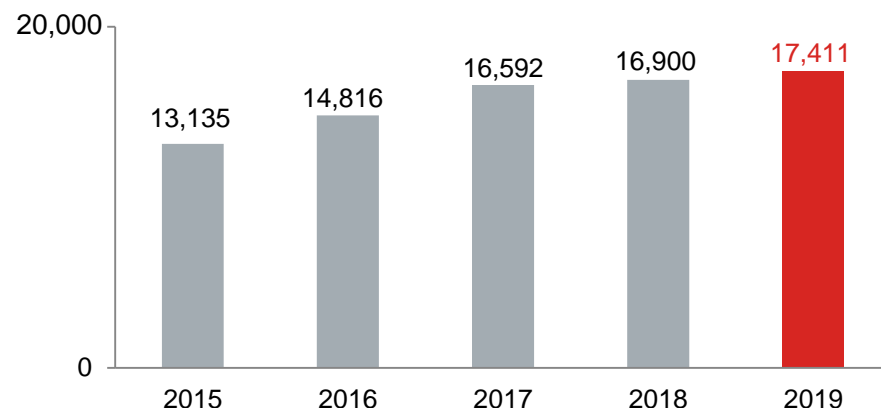
11,039
Construction sites
per year

(2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: RESILIENCE IN A VOLATILE INDUSTRY

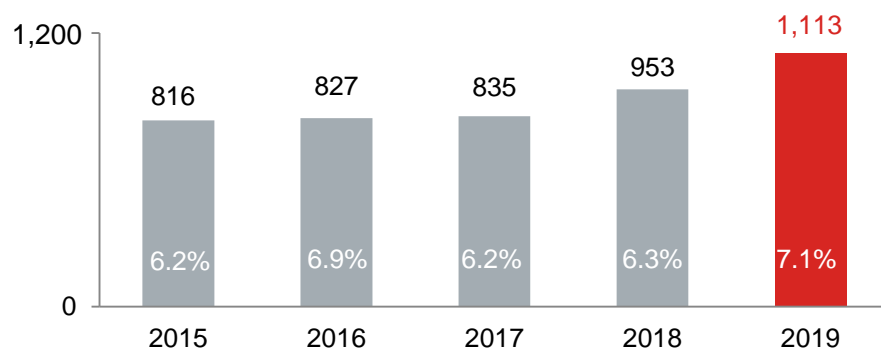
OUTPUT VOLUME (€M)



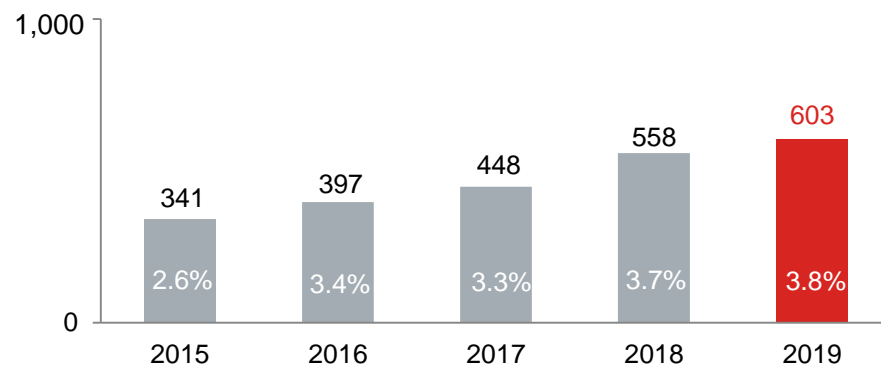
ORDER BACKLOG (€M)



EBITDA (€M) AND EBITDA MARGIN (%)¹



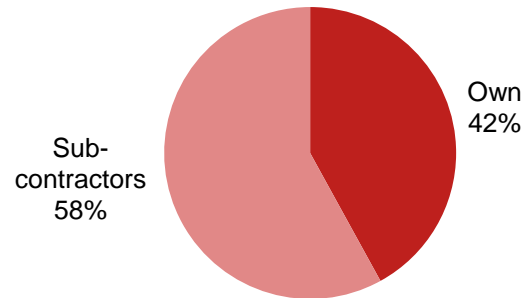
EBIT (€M) AND EBIT MARGIN (%)¹



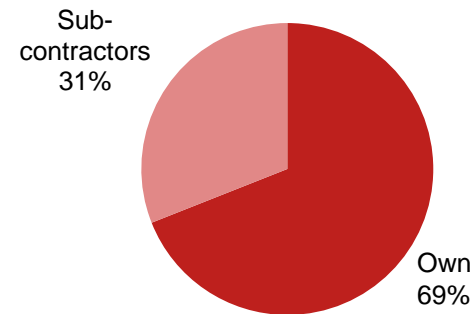
¹ 2018 including a non-operating step-up profit in the amount of € 55.31 million

(2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: SUBCONTRACTING AND PORTFOLIO MIX

SUBCONTR. BUILDING & CIVIL ENGINEERING

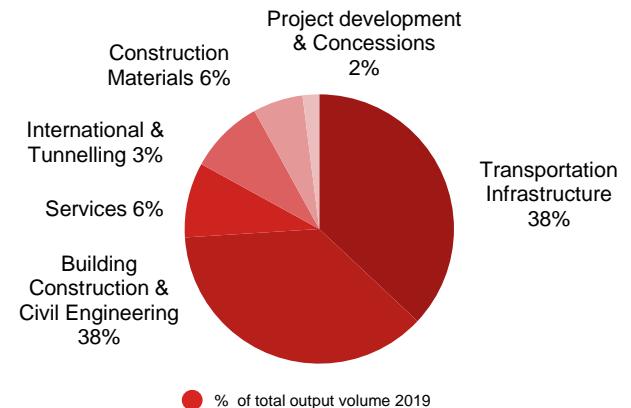


SUBC. TRANSPORTATION INFRASTRUCTURE



DIVERSIFIED PORTFOLIO BALANCES CYCLICAL/PROJECT-DRIVEN NATURE OF CONSTRUCTION

- Diversifying geographically
- Top market positions in stable home markets
- Offer services along the entire construction value chain

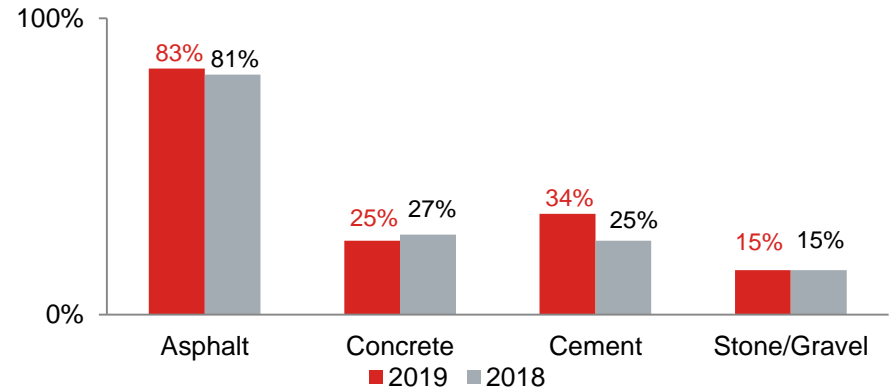


(2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: OWN DENSE CONSTRUCTION MATERIALS NETWORK

STRABAG FACILITIES¹

- Asphalt mixing plants 273²
- Concrete mixing plants 146²
- Quarries and gravel pits 148²
- Cement mixing plants 5³
- Production of 4.2 million m³ of concrete, 16.6 million tons of asphalt and 1.2 million tons of cement in 2019
- Sales revenue of € 690 million in 2019

OWN COVERAGE OF MATERIAL NEEDS (%)



HIGHLIGHTS

- Hedge against price fluctuations, securing supply
- Existing quarries as effective entry barriers – lack of permits for new sites
- 30% in joint venture (at equity-consolidated since Q3/2011) with LafargeHolcim secures access to cement in Central and Eastern Europe
- Further optimisation of raw materials network and increased self-sufficiency except in asphalt

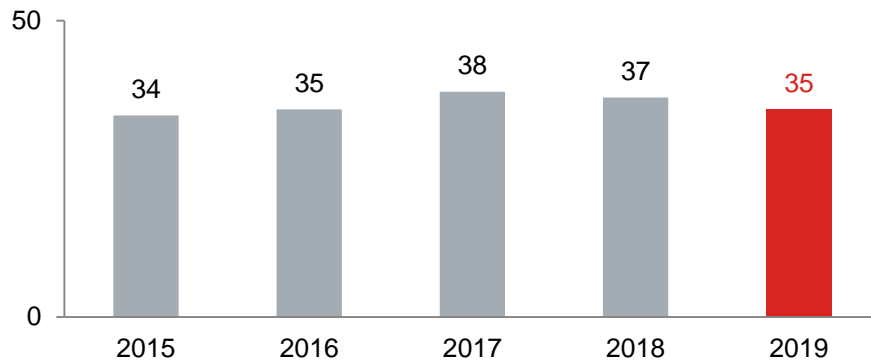
¹ December 2017

² Includes active facilities from joint ventures and associates

³ Thereof four in JV with LafargeHolcim (STRABAG share 30%) and one in another investment (STRABAG share 25.6%)

(2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: STEADY INCOME THROUGH CONCESSION BUSINESS

NUMBER OF STRABAG'S PPP¹ PROJECTS



SELECTED PPP PROJECTS



MAR1, Colombia



Motorway A8, Germany

PPP STRATEGY

- Focus on infrastructure and large public buildings
- PPP/BOT¹ in home markets, Eastern Europe and increasingly in selected international markets (insufficient legal framework in some countries)
- Importance as public procurement method due to cost advantages
- High barriers to entry due to necessary PPP expertise and financial strength

¹ Public-Private Partnership/Build-Operate-Transfer

COUNTRY	PROJECT	TOTAL COST (€M)	% SHARE	CONCESSION UNTIL	STATUS
PL	A2 Section II	1,543	10	2037	Operation
HU	M5 Motorway	1,292	100	2031	Operation
HU	M6 Motorway	966	50	2037	Operation
COL	MAR1	957	37.5	2045	In progress
GER	Schools, Mülheim	52	100	2045	Operation
GER	Ministries, Potsdam	41	100	2035	Operation

(2) FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY: PROPERTY & FACILITY SERVICES

TARGET MARKETS



KEY ACCOUNTS



DFS Deutsche Flugsicherung Headquarters
Frankfurt, Germany



City Tower,
Praha, Czech Republic



Vodafone Campus,
Düsseldorf, Germany

KEY FACTS 2019

- Output 2019: € 884 m
- ~ 6,340 employees (FTE)
- Broad range of customers: Airbus, Allianz, Audi, BImA*, BDBOS*, BOS*, Bosch, Colt, Commerzbank, DEKA, Demire, Deutsche Bahn, DFS, dm, ESPRIT, Fortuna, Gardena, Generali, GE Power, Gruner+Jahr, Hansainvest, IMMOFINANZ, Liebherr, Linde, MAHAG, MAN, Mars, Nordex, OMV, ORSAY, Pilkington, Roche, Ritter Sport, RWE, Siemens, Telefónica Deutschland, UniCredit, Union Investment, Vodafone, Voith, WealthCap, Westbahn, etc.
- Active in Germany, Austria, Poland, Czech Republic, Slovakia
- #4 market position in German facility management (“Lünendonk” 2019 ranking)
- #5 market position in Polish facility management
- Long-term contract with client Deutsche Telekom AG expired in June 2019
- Consolidated in the International + Special Divisions Segment

*BImA: Bundesanstalt für Immobilienaufgaben

*BDBOS: Bundesanstalt für den Digitalfunk der Behörden und Organisationen mit Sicherheitsaufgaben

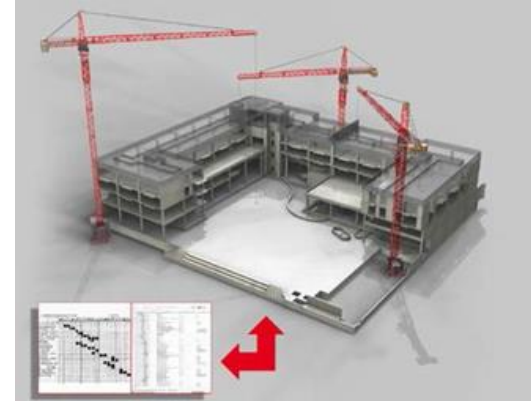
*BOS: Behörden und Organisationen mit Sicherheitsaufgaben

(2) OFFERING TECHNOLOGY AND SUSTAINABILITY: BIM 5D® COULD BE A REVOLUTION IN CONSTRUCTION

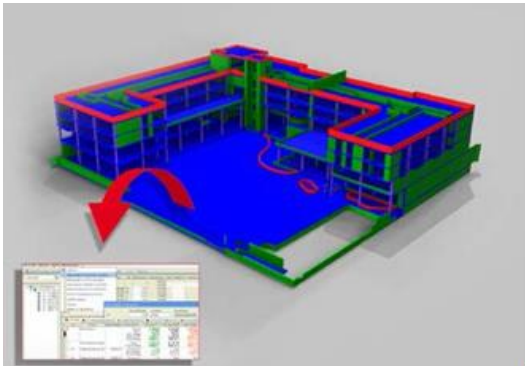
3D MODEL: DEFINING THE “TO BE BUILT”



4D – TIME: WHEN ARE WORKS EXECUTED?



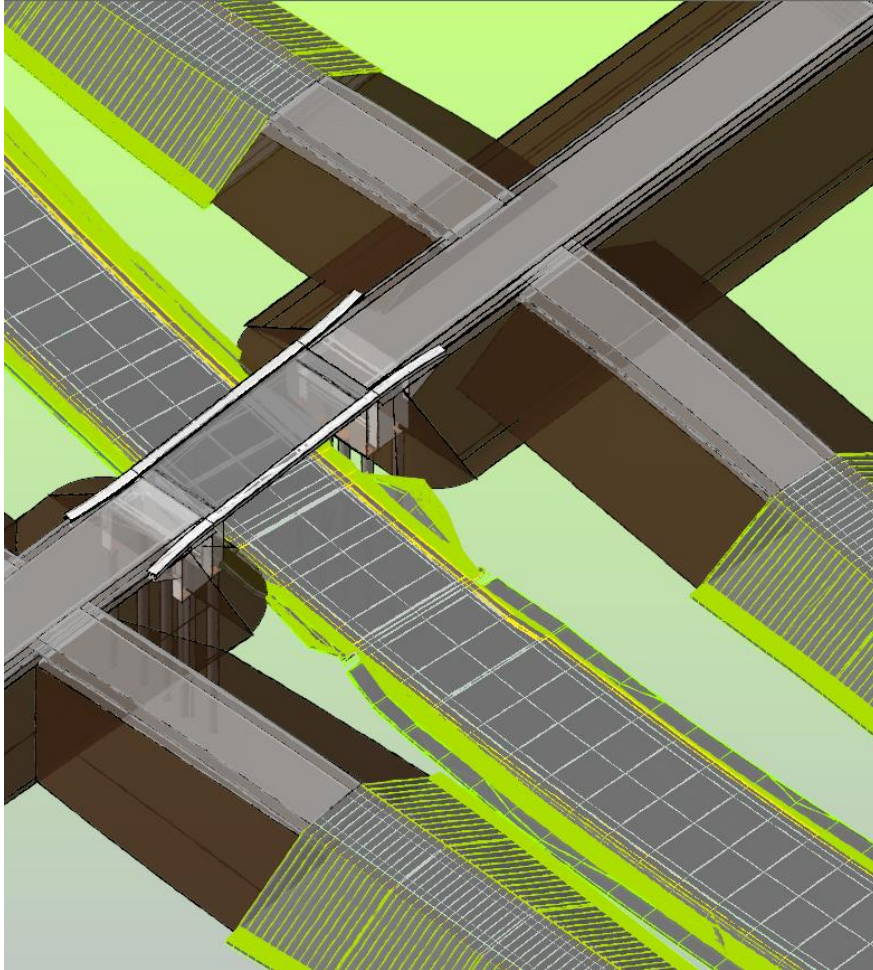
5D – PROCESS: MATERIALS, ORDERS



ADVANTAGES OF BIM 5D®

- Single data pool as an answer to specialisation and growing number of companies involved
- Risk management: Inconsistencies detected earlier
- Clients get a clearer picture of the impacts resulting from alterations, renovations, additions
- Budget and time overruns minimized

(2) OFFERING TECHNOLOGY AND SUSTAINABILITY: INTELLIGENT PROCESS ENGINEERING



Isometrics of a combined traffic & bridge construction model

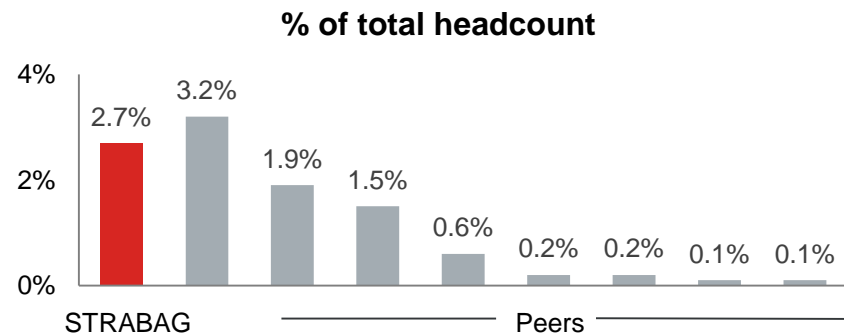
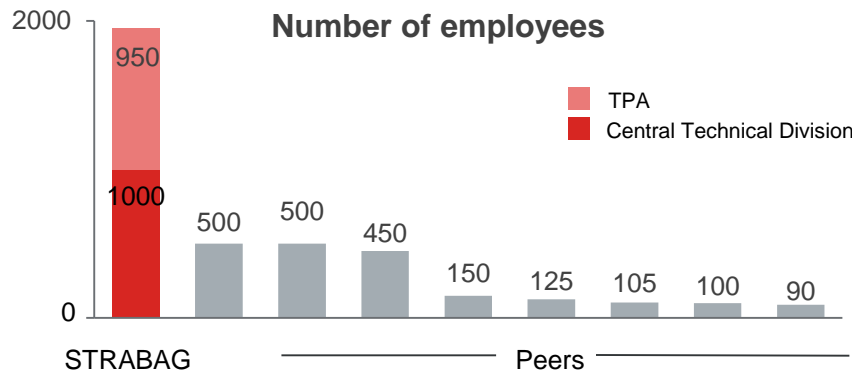


**BIM 5D® ALSO
APPLICABLE FOR
TRANSPORTATION
INFRASTRUCTURE
PROJECTS**

- 3D visualisation
- Topographic mapping via drones and other innovative hard- & software
- Model-based quantity take-off during tender stage and quantity on-site controlling in execution phase
- Model-linked 4D time tables
- Integrated logistics concepts and simulations
- Model-based machine control on-site

(2) OFFERING TECHNOLOGY AND SUSTAINABILITY: CASE STUDY – CENTRAL TECHNICAL DIVISION/TPA

STRABAG AND PEERS: R&D/TECHNICAL DIVISION STAFF HEADCOUNT¹

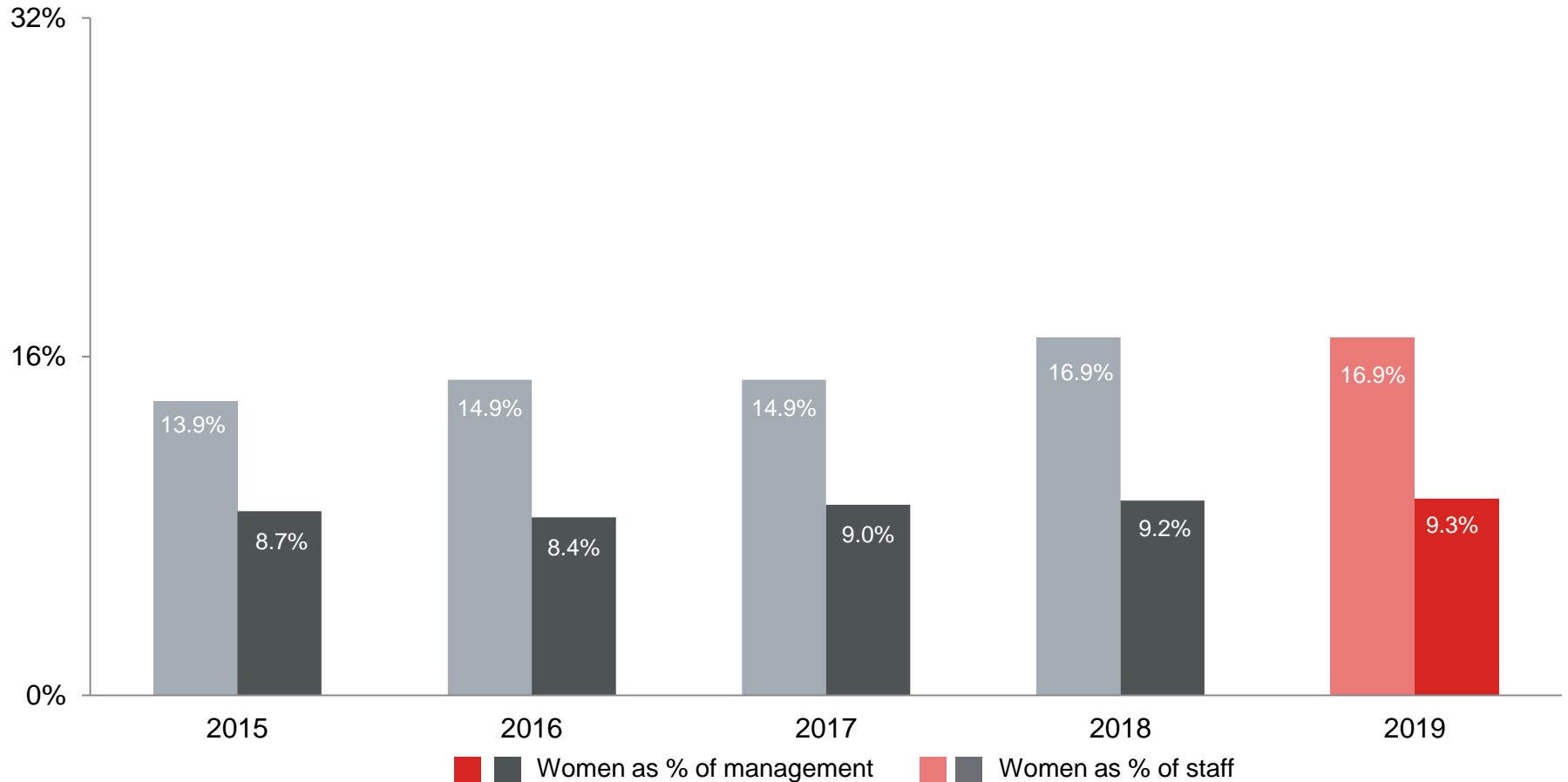


- **Central Technical Division** – organisation in charge of planning and execution of R&D projects
- Focus on building construction and civil engineering
- 24 locations
- **TPA** – organisation focused on optimising technical processes, workplace safety and quality
- Focus on transportation infrastructure
- STRABAG's competence centre for quality management and construction R&D
- 130 locations
- Total R&D spending 2019: ~ € 17 million

¹ Analysis carried out by STRABAG R&D department in 2014

(2) OFFERING TECHNOLOGY AND SUSTAINABILITY: EXAMPLE ON NON FINANCIAL TARGETS – WOMEN

TARGET: GROW SHARE OF WOMEN IN TOTAL EMPLOYMENT AND MANAGEMENT EACH YEAR



(3) FINANCIAL STRENGTH AS COMPETITIVE ADVANTAGE

RATING

- STRABAG SE is one of the few European construction companies with an official corporate credit rating.
- S&P raised STRABAG SE investment grade rating from BBB- to BBB, stable outlook, in June 2015; confirmed in September 2019
 - Leading market positions in Central Europe and some parts of Eastern Europe
 - Vertical integration that provides barriers to entry and strategic access to raw materials
 - Largely stable operating margins, which indicates generally good project execution and cost management
 - High standing in the credit markets and solid perceived financial stability, underpinned by a net cash position
- Rating as a competitive advantage: € 200 million bond issued with a coupon of 1.625%, 2015–2022
- Target: maintain investment grade credit rating

EQUITY RATIO

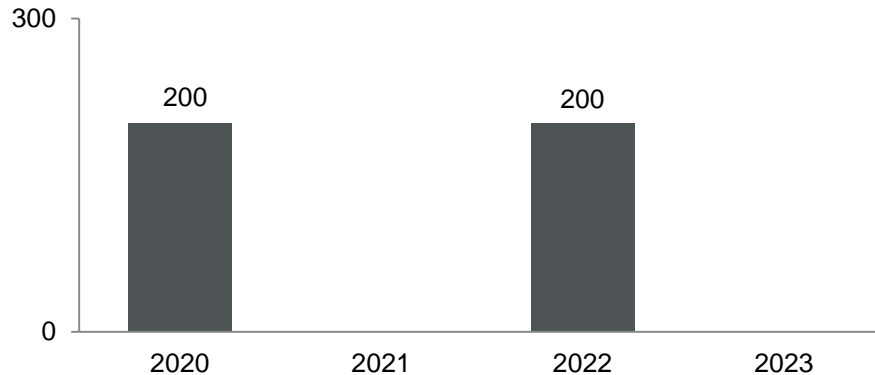
- High equity ratio of 31% (sector average 23%)
- Target: maintain equity ratio of $\geq 25\%$

NET CASH

- Net cash of € 1,144 million end of 2019

(3) FINANCIAL STRENGTH: DIVERSIFIED FINANCING

DEBT REPAYMENT PROFILE BONDS (€M)



DIVERSIFIED MEANS OF FINANCING

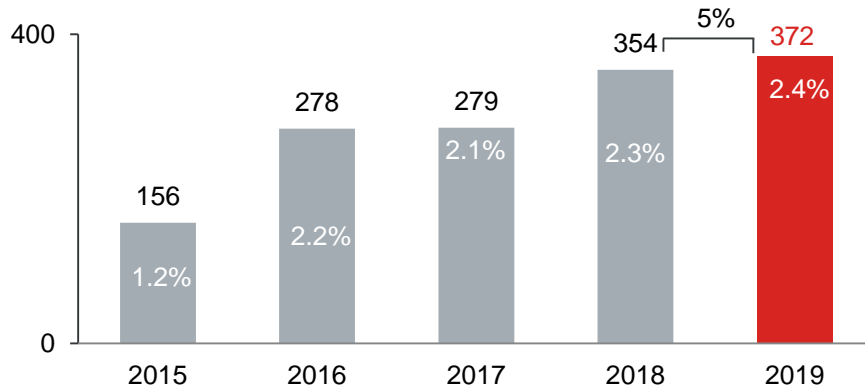
- Cash and surety credit lines (31 December 2019): € 7.9 billion
 - thereof syndicated cash credit line of € 0.4 billion (by 2024)
 - thereof syndicated surety loan (by 2024)
- Last bond issue: € 200 million, 1.625 %, 2015-2022

CORPORATE BOND

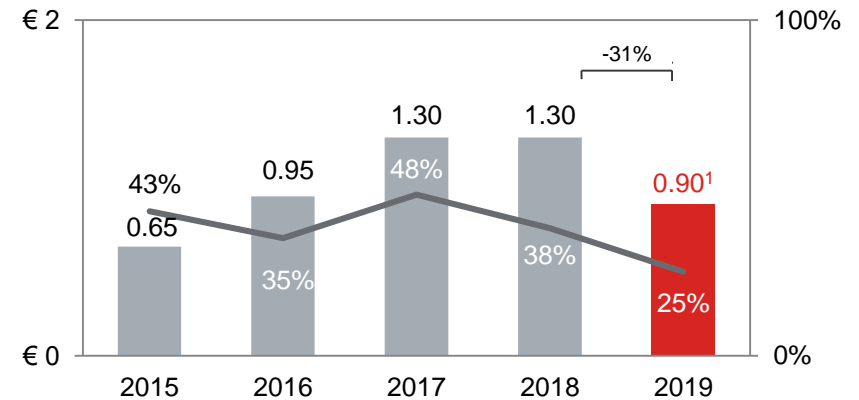
TERM	INTEREST	VOLUME	ISIN
2015–2022	1.625%	€ 200 m	AT0000A1C741

(4) ATTRACTIVE DIVIDENDS: CONSISTENT PAYOUT RATIO

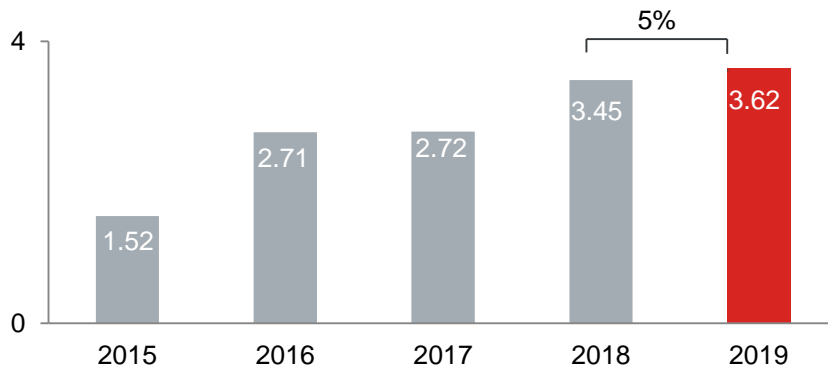
NET INCOME A.M. (€M) AND MARGIN (%)



DIVIDEND (€) AND PAYOUT RATIO (%)

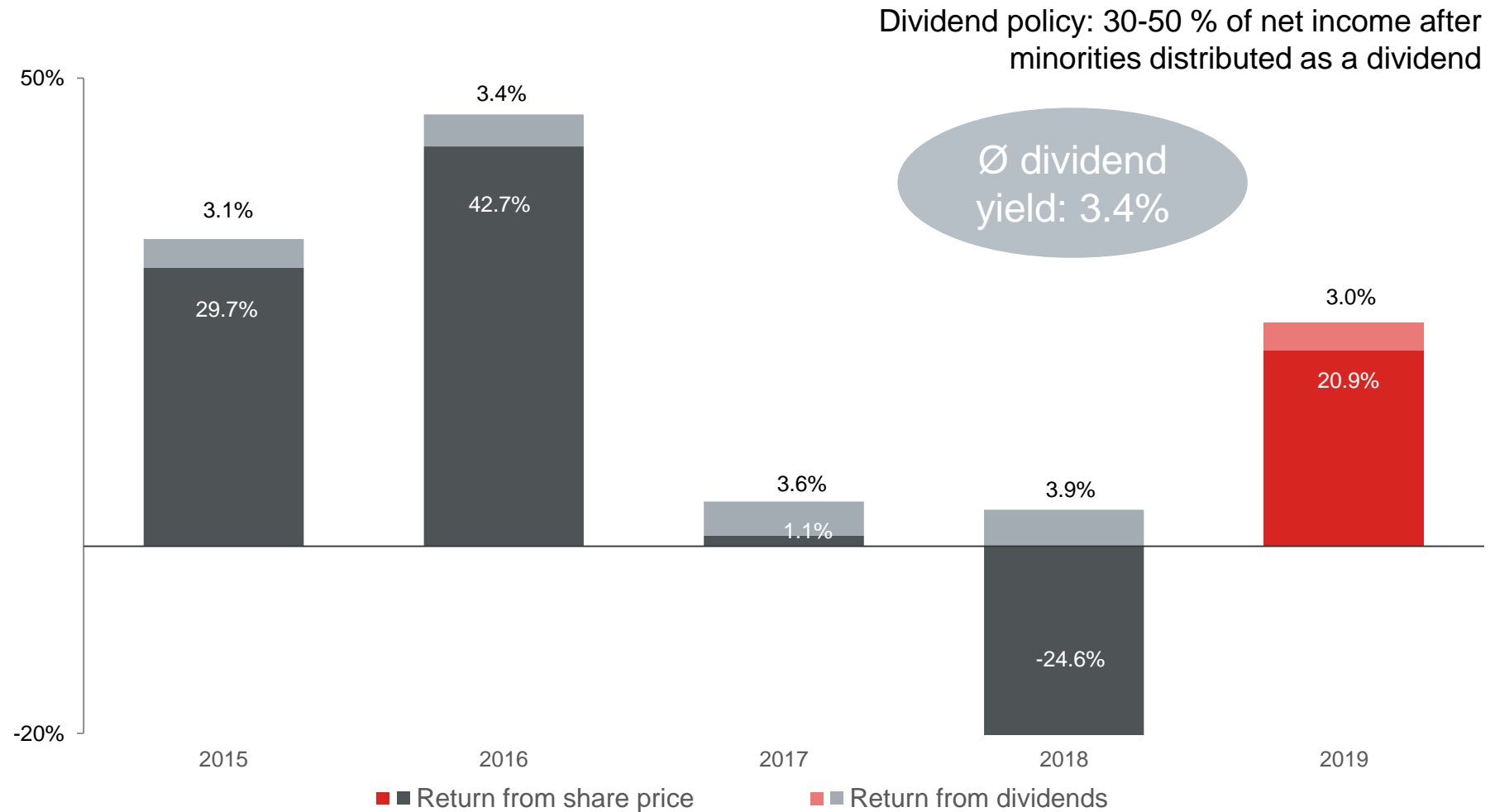


EARNINGS PER SHARE (€)



1 Proposed and conditioned dividend

(4) ATTRACTIVE DIVIDENDS: TOTAL SHAREHOLDER RETURN 2015–2019



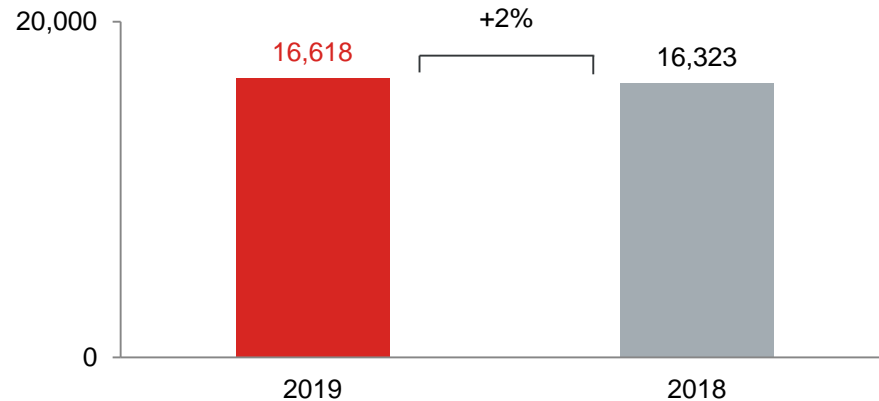
Dividend yield based on average share price

4

FINANCIAL PERFORMANCE

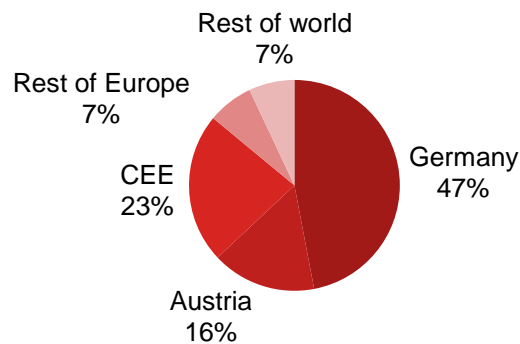
OUTPUT VOLUME 2019 AT RECORD LEVEL OF 16.6 BILLION

OUTPUT VOLUME (€M)



- Growth in the home market of Austria and in transportation infrastructures in Poland, Hungary and Czech Republic
- Loss of a key client in Germany in property & facility services as from 1 July 2019 onwards
- Mixed performance in the remaining markets

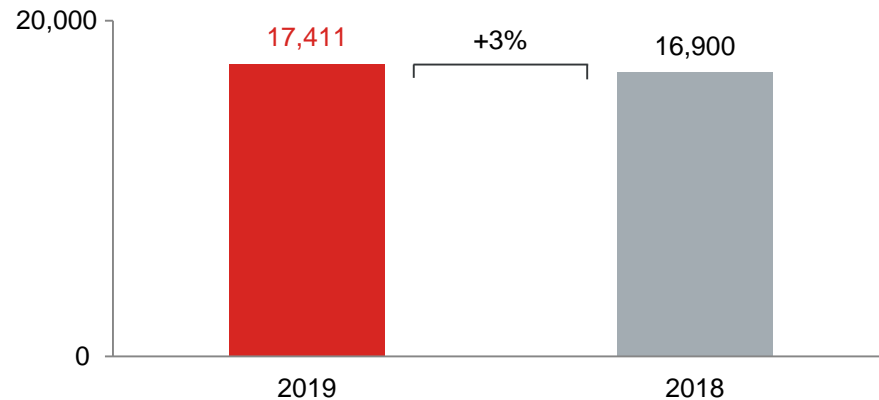
OUTPUT VOLUME BY REGION 2019



CEE = Central and Eastern Europe

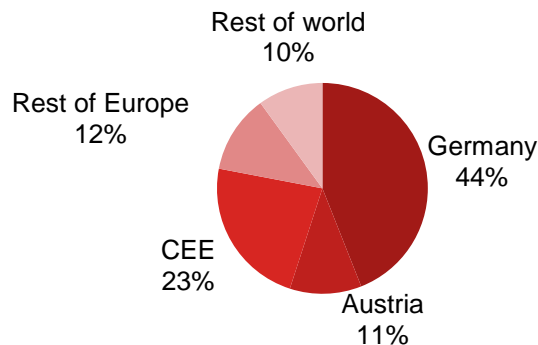
SIGNIFICANT INCREASE IN ORDER BACKLOG 2019 IN GERMANY, CZECH REPUBLIC AND UK – NEW RECORD AT YEAR’S END

ORDER BACKLOG (€M)



- Substantial expansion of an existing order in the UK
- Significant increase in the order backlog in Germany and Czech Republic
- Declines in Hungary, Austria and Poland as work progressed on major projects
- New projects in 2019:
 - Section of D35 motorway and modernisation of railway lines in the Czech Republic
 - Bridges on the A9 motorway in Germany
 - Mining contracts in Chile
 - Renovation of Budapest’s M3 metro line, Hungary
 - Several plants in international markets

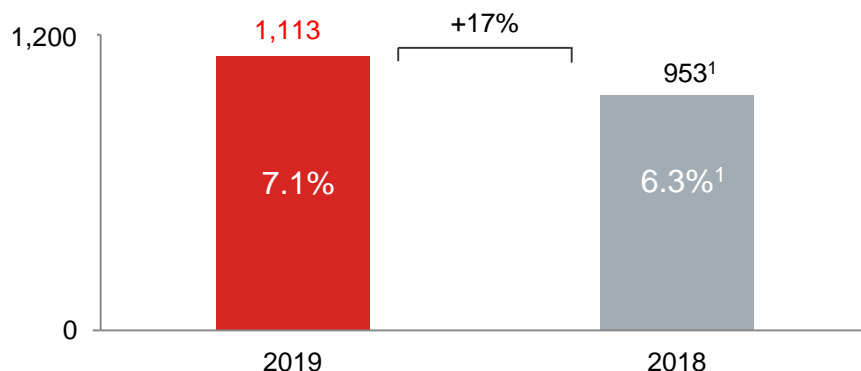
ORDER BACKLOG BY REGION 2019



CEE = Central and Eastern Europe

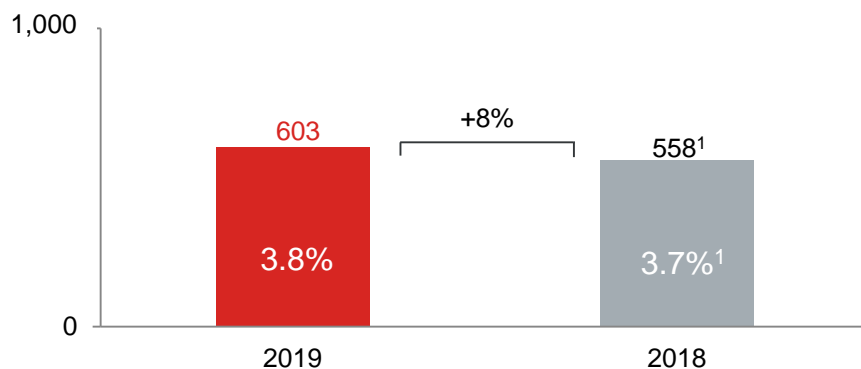
EBITDA TOPPING € 1 BILLION MARK FOR THE FIRST TIME

EBITDA (€M) AND EBITDA MARGIN (%)



- First-time application of IFRS 16 Leases
- Growth of 24 % compared to EBITDA adjusted for non-operating step-up profit in 2018

EBIT (€M) AND EBIT MARGIN (%)

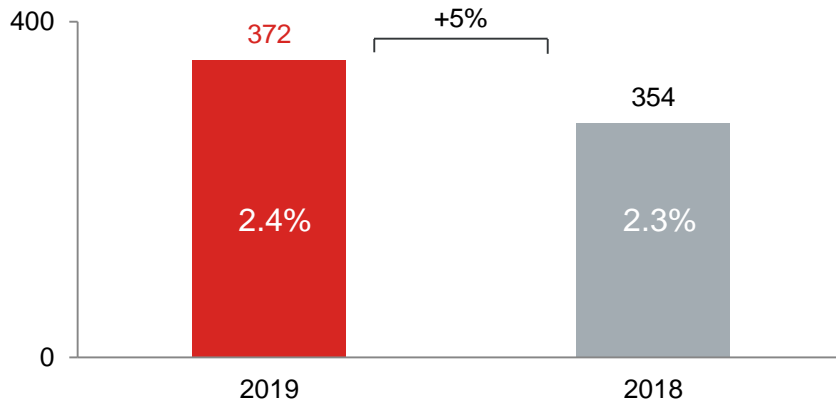


- Depreciation and amortisation grew by 29 % due to first-time application of IFRS 16 Leases
- Growth of 20 % compared to EBIT adjusted for non-operating step-up profit in 2018
- Growth attributable to North + West segment, where earnings nearly doubled

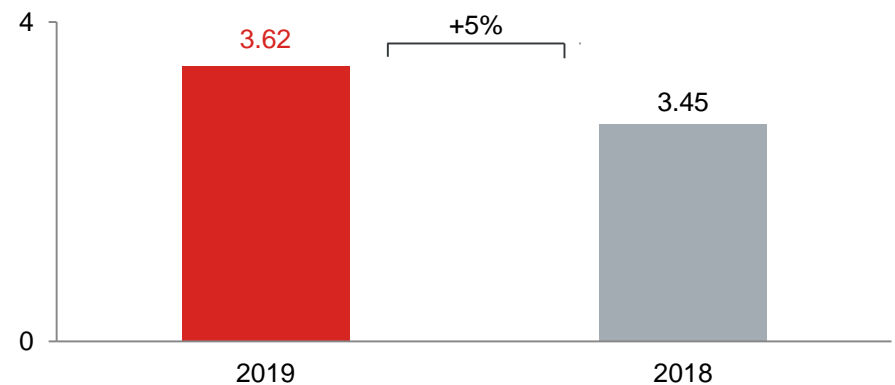
¹ Including a non-operating step-up profit in the amount of € 55.31 million

EARNINGS PER SHARE ROSE BY 5%

NET INCOME A. MINORITIES (€M) & MARGIN (%)



EARNINGS PER SHARE (€)



- Net interest income comparable to that of the previous year
- Income tax rate stood slightly higher at 34.4% (2018: 31.7%)
- Earnings owed to minority shareholders again on a relatively low level

GROUP INCOME STATEMENT 2019

(€m)	2019	2018	Δ%
Output volume	16,617.97	16,322.88	2
Revenue	15,668.57	15,221.83	3
Changes in inventories/own work capitalised	31.36	-33.07	n.a.
Other operating income	233.14	222.98	5
Construction materials, consumables and services used	-10,111.85	-10,125.77	0
Employee benefits expenses	-3,745.15	-3,618.94	3
Other operating expenses	-1,024.02	-854.89	20
Share of profit or loss of associates	-21.48	83.18	n.a.
Net income from investments	82.72	57.28	44
EBITDA	1,113.30	952.60¹	17

¹ Including a non-operating step-up profit in the amount of € 55.31 million
Δ% was calculated with original, not rounded figures → therefore, rounding differences might occur.

GROUP INCOME STATEMENT 2019 (CONT.)

(€m)	2019	2018	Δ%
EBITDA	1,113.30	952.60¹	17
<i>Margin (%)</i>	7.1	6.3	
Depreciation and amortisation	-510.71	-394.39	29
EBIT	602.58	558.21¹	8
<i>Margin (%)</i>	3.8	3.7	
Net interest income	-25.34	-27.43	-8
Income tax expense	-198.68	-168.00	-18
Net income	378.56	362.78	4
Attributable to minority interest	6.86	9.25	-26
Attributable to equity holders of the parent company	371.70	353.53	5
Earnings per share (€)	3.62	3.45	5

¹ Including a non-operating step-up profit in the amount of € 55.31 million

Δ% was calculated with original, not rounded figures → therefore, rounding differences might occur.

EQUITY RATIO REMAINS HIGH AT 31%

ASSETS¹

(€m)	2019	2018
Intangible assets	491	493
Rights from concession arrangements ²	530	547
PP&E & investment property	2,632	2,144
Equity-accounted investments	455	379
Other investments	175	185
Concession receivables	599	630
Other receivables	230	251
Deferred taxes	138	147
Non-current assets	5,250	4,776
Inventories	984	890
Concession receivables	39	36
Contract assets	1,355	1,283
Trade and other receivables	2,162	2,197
Cash and cash equivalents	2,461	2,386
Current assets	7,001	6,792
Total Assets	12,251	11,568

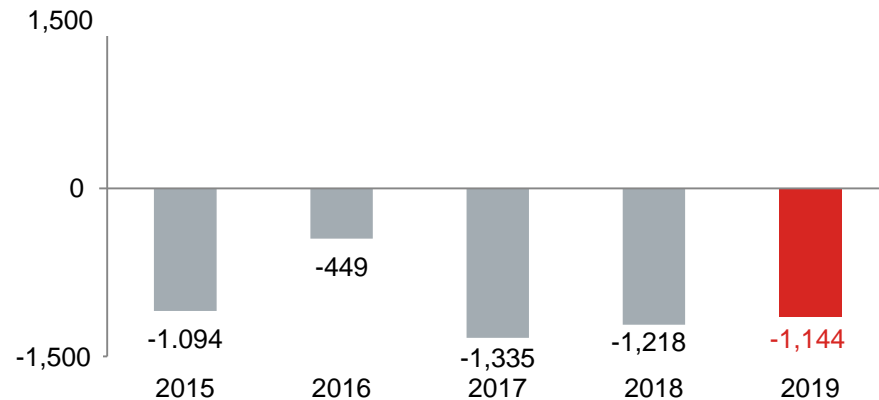
EQUITY AND LIABILITIES¹

(€m)	2019	2018
Share capital	110	110
Capital reserves	2,315	2,315
Retained earnings	1,397	1,196
Non-controlling interests	34	33
Total equity	3,856	3,654
Provisions	1,137	1,117
Financial liabilities	1,067	1,088
Other liabilities	92	78
Deferred taxes ²	49	43
Non-current liabilities	2,345	2,326
Provisions	893	734
Financial liabilities	356	276
Contract liabilities	957	975
Trade payables	2,827	2,615
Other current liabilities	1,017	988
Current liabilities	6,050	5,588
Equity and liabilities	12,251	11,568

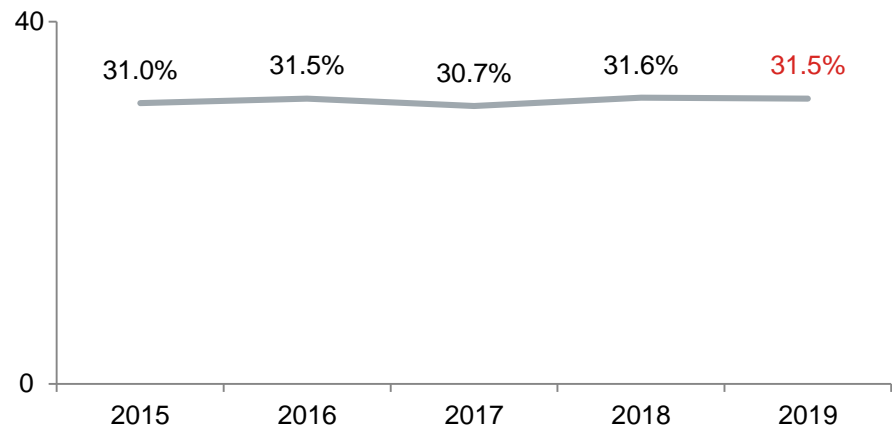
1 Rounding differences might occur. 2 Adjustment of values 2018 due to initial consolidation in accordance with IFRS 3.45

NET CASH STILL EXTRAORDINARILY HIGH, EQUITY RATIO NEARLY UNCHANGED

NET DEBT (+)/NET CASH (-) (€M)



EQUITY RATIO (%)



- Equity ratio remained nearly unchanged despite balance sheet growth; target: $\geq 25\%$
- Net cash position still at an extraordinarily high level
 - Uncharacteristically high advance payments not yet reduced
 - Marginally higher financial liabilities
- S&P confirmed corporate credit rating of BBB (outlook: stable) in September 2019

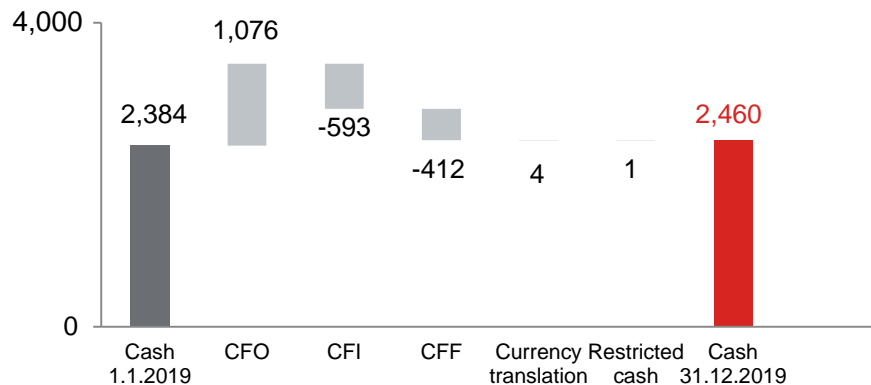
CASH AND CASH EQUIVALENTS OF € 2.5 BILLION

(€m)	2019	Δ%	2018
Cash – beginning of period	2,384	-15	2,790
Cash flow from earnings	851	30	654
Δ Working Capital	225	67	135
Cash flow from operating activities	1,076	36	789
Cash flow from investing activities	-593	7	-641
Cash flow from financing activities	-412	23	-534
Net change in cash	71	n.a.	-386
FX changes	4	n.a.	-19
Change restricted cash	1	n.a.	-1
Cash – end of period	2,460	3	2,384

Rounding differences might occur.

CASH AT € 2.5 BILLION

CASH DEVELOPMENT (€M)



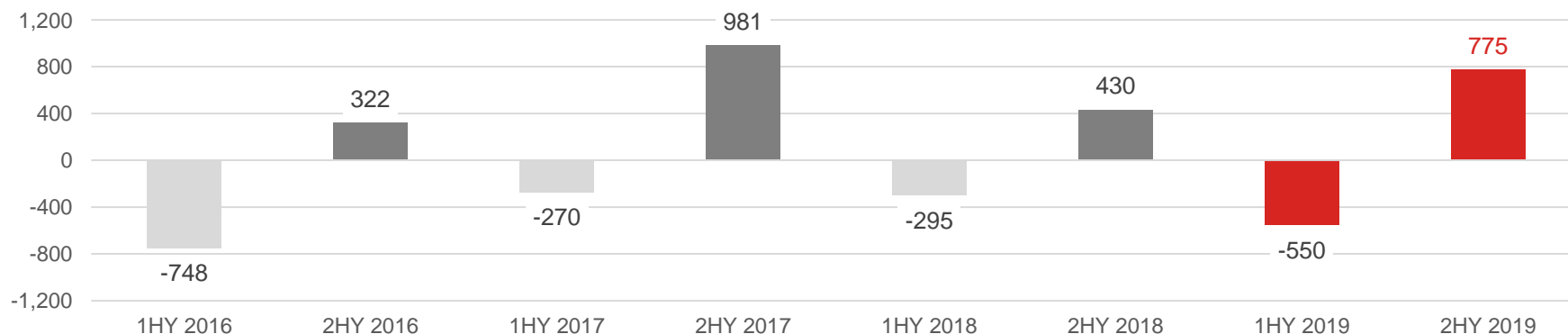
COMMENTS

- Another working capital reduction in 2018
- Higher investments in property, plant and equipment

CFO: Cash flow from operating activities CFF: Cash flow from financing activities CFI: Cash flow from investing activities (net CAPEX)

AGAIN HIGH CASH INFLOW IN 2HY/2019

WORKING CAPITAL PATTERN: CASH OUTFLOWS IN 1HY; INFLOWS IN 2HY (€M)

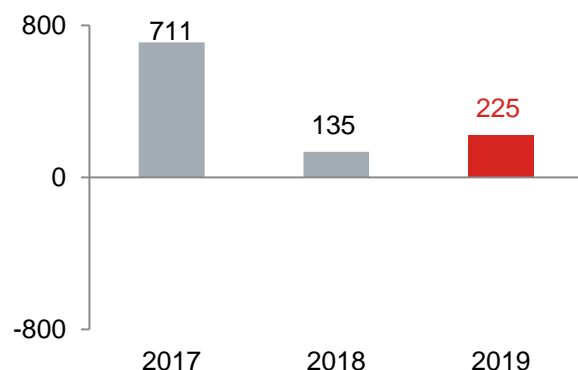


COMMENTS

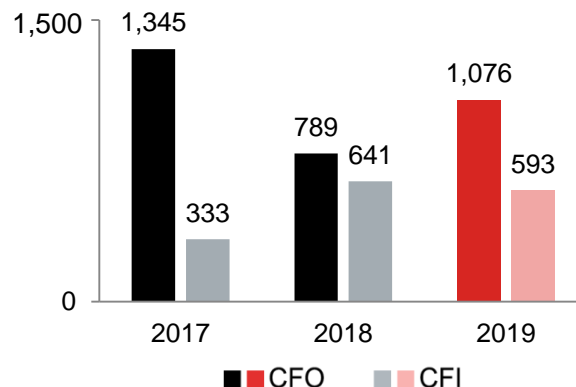
- Working capital outflows generally occur over the first nine months of the year due to business seasonality
- Record cash-inflow in 2HY/2017 – expectation of increase in working capital to familiar levels has not yet materialised

ANOTHER YEAR OF POSITIVE FREE CASH FLOW

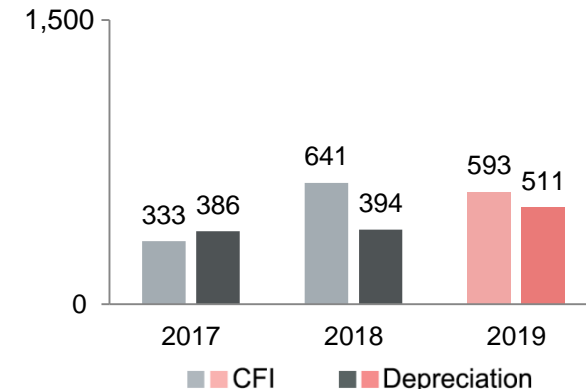
Δ WORKING CAPITAL (€M)



CFO VS. CFI (€M)



CFI VS. DEPRECIATION (€M)



- Another positive Free Cash Flow of € 483 million in 2019 despite extraordinarily high WC decrease in 2017
- Purchase of PP&E at € 647 million (2018: € 645 million), thereof ~ € 250 million maintenance CAPEX
- 2019 depreciation includes almost unchanged goodwill impairment of € 2 million (2018: € 2 million)

NORTH + WEST: BUILDING BOOM IN CORE MARKETS

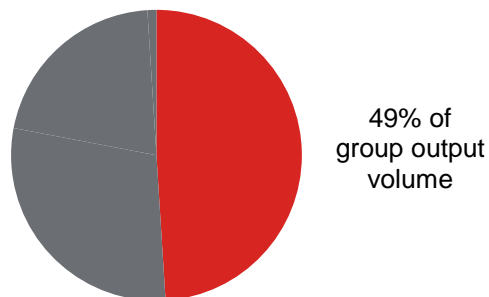
KEY INDICATORS

(€m)	2019	Δ%	2018
Output volume	8,107	4	7,827
Revenue	7,556	4	7,242
Order backlog	8,808	0	8,804
EBIT	310	92	161
<i>EBIT margin (% of rev.)</i>	<i>4.1</i>		2.2
Employees (FTE)	25,386	5	24,222

COMMENTS

- Output volume +4% over the past year
- EBIT nearly doubled thanks to strong growth in German infrastructure business, among others
- Order backlog unchanged at a high level

SHARE OF GROUP OUTPUT VOLUME



SOUTH + EAST: GROWTH IN OUTPUT VOLUME, DECREASE IN EARNINGS

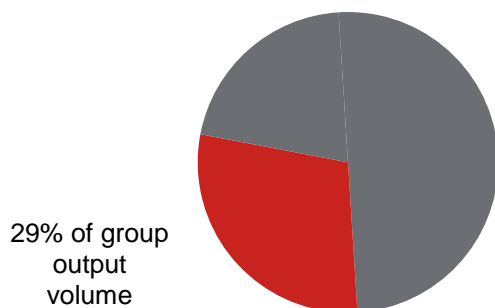
KEY INDICATORS

(€m)	2019	Δ%	2018
Output volume	4,916	6	4,639
Revenue	4,880	8	4,522
Order backlog	4,489	4	4,311
EBIT	122	-14	142
<i>EBIT margin (% of rev.)</i>	2.5		3.1
Employees (FTE)	19,850	6	18,729

COMMENTS

- Output volume up by 6%, growth mainly in Austria, Hungary, Czech Republic and Serbia
- EBIT fell by 14% due to provisions and lower earnings in smaller markets
- Order backlog (+4%): Reduction in Hungary and Slovakia compensated by several railway modernisation orders in the Czech Republic

SHARE OF GROUP OUTPUT VOLUME



INTERNATIONAL + SPECIAL DIVISIONS: EXPECTED LOSS OF A LARGE CLIENT IN PROPERTY & FACILITY SERVICES

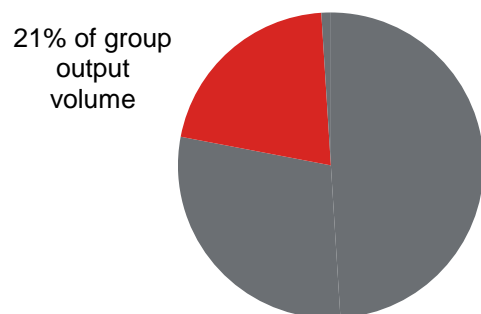
KEY INDICATORS

(€m)	2019	Δ%	2018
Output volume	3,451	-8	3,740
Revenue	3,217	-6	3,438
Order backlog	4,111	9	3,782
EBIT	184	-7	199
<i>EBIT margin (% of rev.)</i>	<i>5.7</i>		<i>5.8</i>
Employees (FTE)	25,219	-4	26,279

COMMENTS

- Output volume fell as expected after loss of major property & facility services client in Germany by 8%
- EBIT dropped by 7%: continued positive environment in real estate development and a capital gain from an FM sale in Hungary contrasted by loss of the PFS client
- Order backlog increased by 9%: numerous large-scale projects, reduction in home markets Germany and Austria

SHARE OF GROUP OUTPUT VOLUME



5

APPENDIX



STRABAG
SOCIETAS EUROPAEA

OUTPUT VOLUME BY COUNTRY

(€m)	2015	2016	2017	2018	2019	CAGR ¹ (%)
Germany	6,256	6,270	6,960	7,877	7,819	6
Austria	2,003	2,099	2,333	2,542	2,679	8
Poland	941	774	848	975	1,129	5
Hungary	594	448	551	714	848	9
Czech Republic	765	631	629	706	783	1
Slovakia	716	461	528	667	369	-15
Americas	310	348	385	515	714	23
Benelux	302	309	294	351	318	1
Other European Countries	167	150	277	275	349	20
Switzerland	343	378	320	273	232	-9
Middle east	314	267	303	206	148	-17
Romania	241	254	183	197	226	-2
Sweden	240	179	162	178	205	-4
Croatia	68	78	120	163	152	22
Asia	92	131	99	162	179	18
Serbia	46	89	113	111	148	34
Denmark	219	234	159	92	99	-18
Russia	230	139	143	78	71	-25
Italy	188	82	67	74	-6	n.a.
Slovenia	98	65	53	68	49	-16
Africa	120	78	48	57	66	-14
Bulgaria	35	27	45	42	42	5
Total	14,290	13,491	14,621	16,323	16,618	4

1 CAGR over period 2015–2019

STRABAG MARKET SHARE DATA

2018 (€M)	CONSTRUCTION OUTPUT	STRABAG OUTPUT	MARKET SHARE (%)
Germany	350,017	7,877	2.3
Austria	42,639	2,542	6.0
Poland	55,357	975	1.8
Czech Republic	21,818	706	3.8
Hungary	13,768	714	5.2
Russia	124,991	77	0.1
Slovakia	5,526	514	9.3
Romania	17,915	197	1.1
Croatia	3,939	163	4.1
Slovenia	3,082	68	2.2
Serbia	2,909	111	3.8
Bulgaria	6,793	42	0.6
Switzerland	60,942	273	0.4
Benelux	126,899	351	0.3
Sweden	42,942	178	0.4
Italy	170,575	74	0.0
Denmark	35,911	92	0.3

Sources: Euroconstruct Dec 2018, EECFA Country Reports Dec 2018, company data

MARKET LEADING POSITIONS IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

WESTERN EUROPE

GERMANY			AUSTRIA		
Output volume/Revenue 2018 (€m)			Output volume/Revenue 2018 (€m)		
1.	STRABAG	7,877	1.	STRABAG	2,542
2.	Vinci	3,002	2.	Porr	2,332
3.	Goldbeck	2,242	3.	Swietelsky	1,541
4.	Zech Group	1,544	4.	Habau	1,400 ¹
5.	Porr	1,504	5.	Rhomberg Gruppe	706 ¹

EASTERN EUROPE

POLAND			CZECH REPUBLIC			HUNGARY		
Output volume/Revenue 2018 (€m)			Output volume/Revenue 2018 (€m)			Output volume/Revenue 2018 (€m)		
1.	Budimex	1,719	1.	Metrostav	876	1.	STRABAG	714
2.	STRABAG	975	2.	STRABAG	706	2.	Duna aszfalt	560
3.	Skanska	700	3.	Eurovia	460	3.	Mészáros	550
4.	Porr	637	4.	Skanska	315	4.	Market	530
5.	Erbud	543	5.	OHL	231	5.	Swietelsky	390

Sources: Companies' Annual Reports; Deutsche Bauindustrie; OPTEN; Časopis Stavitel; Deloitte;

1 Habau and Rhomberg Gruppe listed with total revenue.

MARKET LEADING POSITION IN CENTRAL AND EASTERN EUROPEAN COUNTRIES (CONT.)

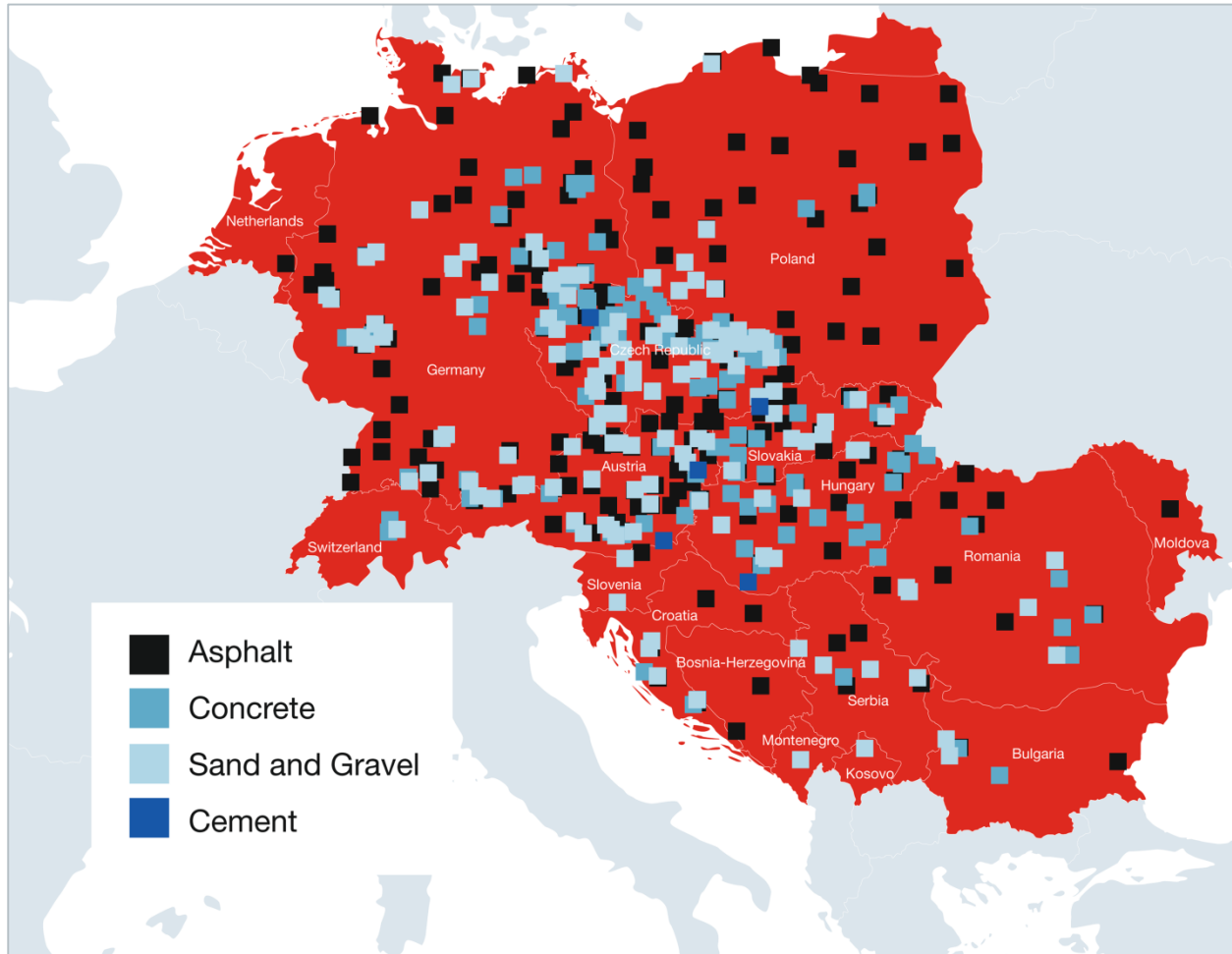
SLOVAKIA		
<i>Output volume/Revenue 2018 (€m)</i>		
1.	STRABAG	514
2.	YIT	157
3.	Eurovia	144
4.	Skanska	110
5.	Cesty Nitra	72

CROATIA		
<i>Output volume/Revenue 2018 (€m)</i>		
1.	Kamgrad	201
2.	STRABAG	163
3.	GP Krk	90
4.	Radnik	63
5.	GIP	63

ROMANIA		
<i>Output volume/Revenue 2018 (€m)</i>		
1.	STRABAG	197
2.	Bog'Art	195
3.	Porr	108
4.	Astaldi	103
5.	CON-A	93

Sources: Companies' Annual Reports; Trend Top v Stavebnictve; www.fininfo.hr, Ministry of finance Romania

OWN BUILDING MATERIALS NETWORK



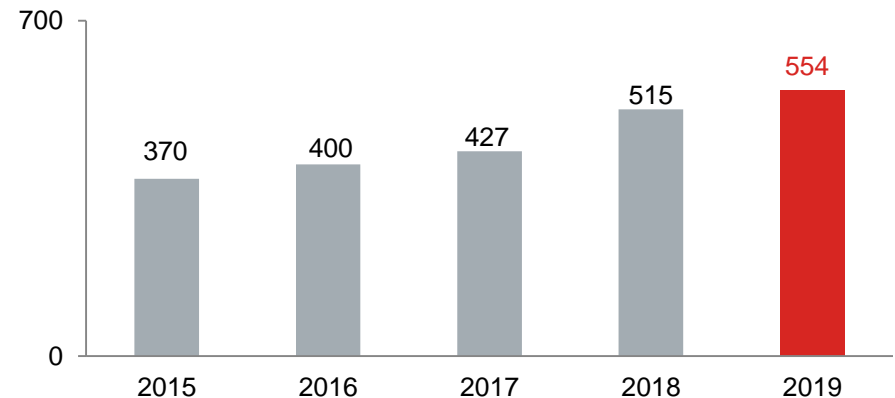
FINANCING PPP-PROJECTS

TYPICAL FINANCING

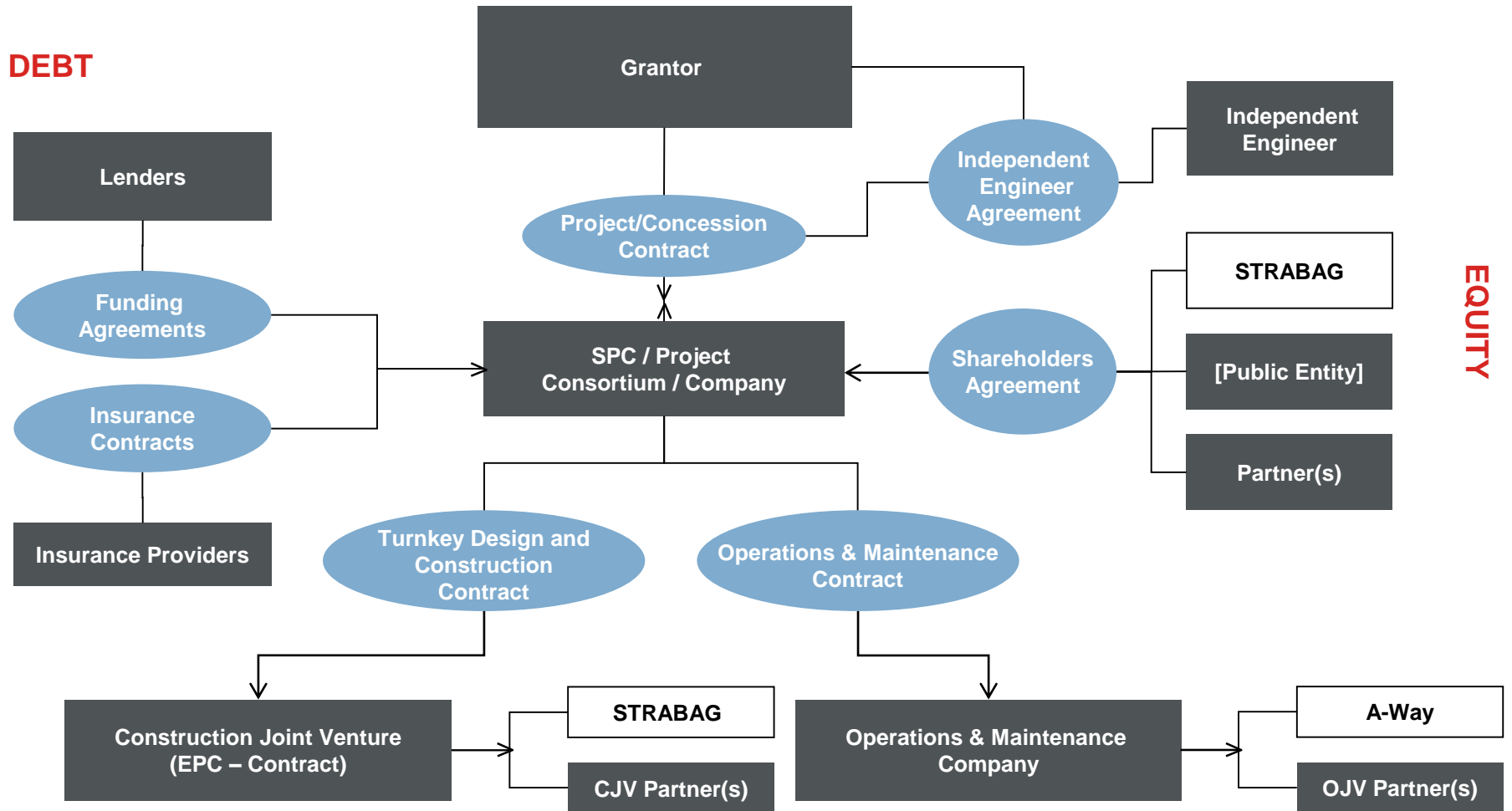
- The SPV¹ is financed with equity (10%–30%) and bank debt (70%–90%)
- STRABAG – as a shareholder in the SPV – puts in equity
- Other SPV shareholders are e.g. governments, infrastructure funds and developers or other construction companies.
- The grantor pays a fee to the SPV which is used for construction, maintenance, repaying debt and paying dividends to equity partners.
- Availability and hard toll projects, forfeiting models
- Maintenance part of availability fee linked to inflation
- WACCs differ according to risk: 6%–13%
- ROE targets: minimum 12%
- Share of equity currently invested and committed: € 554 million (as at end of 2019)

¹ Special Purpose Vehicle

EQUITY INVESTED IN PPP (€M)



ILLUSTRATIVE PPP PROJECT STRUCTURE



PROPERTY & FACILITY SERVICES: STRATEGIC RATIONALE & TARGETS

EXTENDING THE VALUE CHAIN

- Offsets seasonal and cyclical factors (contracts of 3-5 years duration)
- One integrated provider for planning, construction and operation of properties with high level of technical expertise
- Long-term relationship with customers, that does not end after the construction project has finished
- Growth opportunities through international market access and rising importance of lean real estate operations

BUSINESS SEGMENTS

- Real Estate Management
 - Property Management
 - Leasing and letting/area management
- Technical Facility Management
- Infrastructural Facility Management
- Industrial services and technical cleaning

TARGETS FOR 2020

- Extend business with new and existing customers
- Stable output volume of approx. € 600 m
- Enter new market segments
- Set up platform for stable and efficient Facility and Property Management services, enable scalable Real Estate Services 4.0 along customer needs

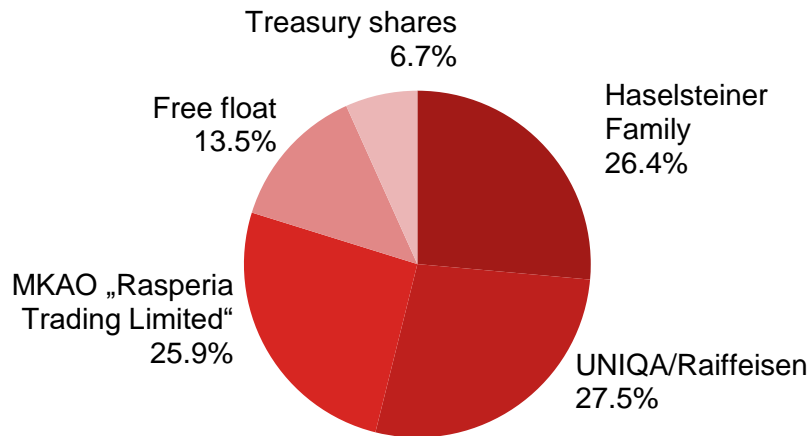
RECENT MILESTONES

- 2012 Acquisition of **BWG**¹, operates today as STRABAG Residential and Property Services GmbH | **Germany**
- 2014 Acquisition of **DIW Group** | **Germany and Austria**
- 2018 Acquisition of Caverion Polska Sp. z o.o. | **Poland**
- 2019
 - Take-over of Property Management business of Corpus Sireo | **Germany**
 - Acquisition of PORREAL Polska sp. z o.o. | **Poland**
 - Acquisition of PORREAL Česko s.r.o. | **Czech Republic**
 - Acquisition of SKS Elektrotechnik GmbH | **Germany**

1 BWG (GSW Betreuungsgesellschaft für Wohnungs- und Gewerbebau mbH)

STABLE SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE SINCE 1/2020



COMMENTS

- Core shareholders account for the majority >80% stake
- Shareholders' syndicate extended in June 2017 by five years to end of 2022
- Flexibility: Strategic decisions can be taken and implemented very fast.
- Reduction of share capital in 2016: Withdrawal of 4 million own shares; share capital as at 22 July 2016: € 110,000,000

ORGANISATIONAL STRUCTURE – CENTRAL UNITS

CEO					
Operative Segments					
	North + West		South + East		International + Special Divisions
Board Member	1		1	1	1
Divisions Division Manager	3		5		7
Subdivisions Subdivision Manager	35		34	1	31

Central Divisions & Central Staff Divisions				
CFO		CEO		CDO
BRVZ <ul style="list-style-type: none"> • Accounting • Financing • Taxes • Insurance • Human Resources • Real Estate • IT • Project Risk Management System (PRMS) /Organisational Development • International BRVZ Coordination • Management Support/HR IT and Country Support Coordination 		BMTI ¹	Business Compliance	Zentrale Technik
		TPA ²	Corporate Communications	Digitalisation, Innovation, Business Development
		CML ³	Internal Auditing Department	

1 BMTI: equipment and vehicle management 2 TPA: quality management, health/safety/environment and energy management, technical consultation, quality assurance, innovation management 3 CML: prequalification, contract management and legal services

As of 1 January 2020

THE MANAGEMENT BOARD

LONG RECORD OF EXPERIENCE WITHIN STRABAG AND IN THE CONSTRUCTION SECTOR



from left: Klemens Haselsteiner, Alfred Watzl, Peter Krammer, Thomas Birtel, Christian Harder, Siegfried Wanker

Over
100

years combined experience at STRABAG

Thomas Birtel, CEO

- Joined STRABAG in 1996
- Management Board member since 2006
- Born 1954 Education: Economics

Christian Harder, CFO

- Joined STRABAG in 1994
- Management Board member since 2013
- Born 1968 Education: Business Administration

Alfred Watzl, Head of North + West segment

- Joined STRABAG in 1999
- Management Board member since 2019
- Born 1970 Education: Civil Engineering

Peter Krammer, Head of South + East segment

- Joined STRABAG in 1998
- Management Board member since 2010
- Born 1966 Education: Civil Engineering

Siegfried Wanker, Head of International + Special Divisions segment

- Joined STRABAG in 1994
- Management Board member since 2011
- Born 1968 Education: Civil Engineering

Klemens Haselsteiner, Chief Digital Officer (CDO)

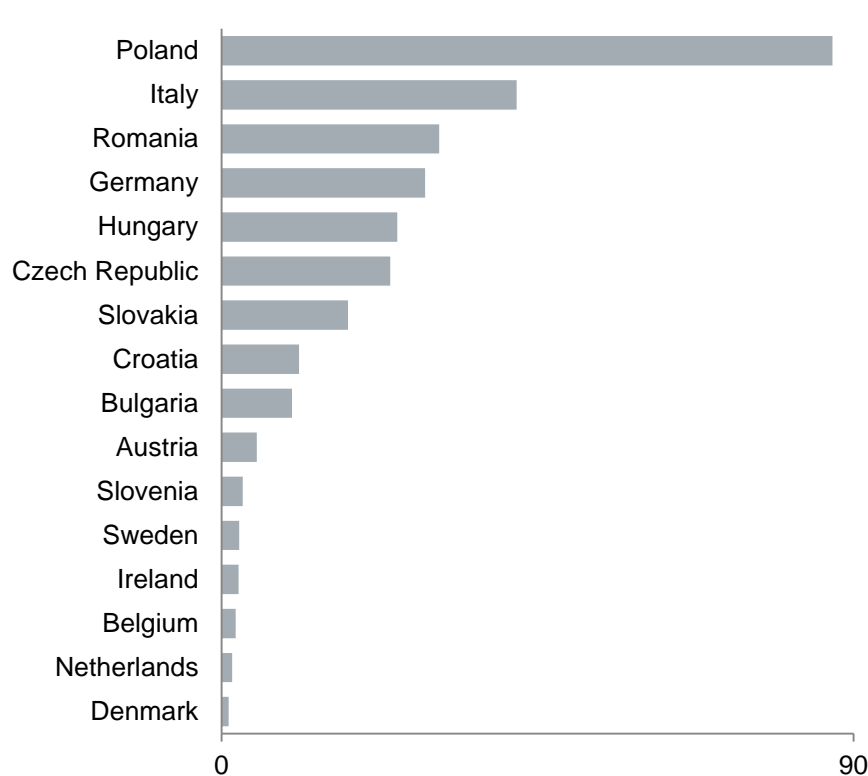
- Joined STRABAG in 2011
- Management Board member since 2020
- Born 1980 Education: Economics

STRABAG SHARE IS COVERED BY SEVEN INSTITUTIONS

Company	Date	Title	Target Price	Rating
Erste Group	14.8.2020	COVID-19 infection with few symptoms	€ 42.6	Buy
HSBC	10.7.2020	Buy: Cologne settlement is a positive	€ 36.0	Buy
		Settlement of legal dispute over collapse of the Cologne city archive building in 2009, no impact on 2020 earnings goal but we assume considerable cash out effect (negative)		
RCB	30.6.2020		€ 38.0	Buy
Commerzbank	30.6.2020	Legacy lawsuit settlement covered by insurance	€ 36.0	Hold
Kepler Cheuvreux	30.6.2020	Out-of-court settlement for Cologne – no impact on FY 2020 guidance	€ 33.25	Buy
LBBW	28.5.2020	Leistung Q1 2020 ist um 9% (yoy) gesunken	€ 21.0	Sell
Deutsche Bank	30.4.2020	Solid 2019 delivery, surprisingly crisis resilient	€ 35.0	Buy

BREXIT – IMPLICATIONS ON STRABAG

BUDGET EUROPEAN FUNDS¹ 2014–2020 (€BN)



- STRABAG – little to no direct exposure to UK
- But Brexit has a big indirect influence:
UK payments to EU = payments of 20 smallest countries
- Given the reduced EU budgets as of 2021, funds for infrastructure projects could be retrieved to a greater extent in the nearer future

¹ Source: European Commission; European structural and investment funds; only countries with STRABAG presence shown

FINANCIAL CALENDAR AND IR CONTACT

- Semi-Annual Report 2020
- Trading Statement January–September 2020

31 August 2020

12 November 2020

Diana Neumüller-Klein, CFA

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