

STRABAG SE FY 2019 RESULTS

29 APRIL 2020



STRABAG
SOCIETAS EUROPAEA

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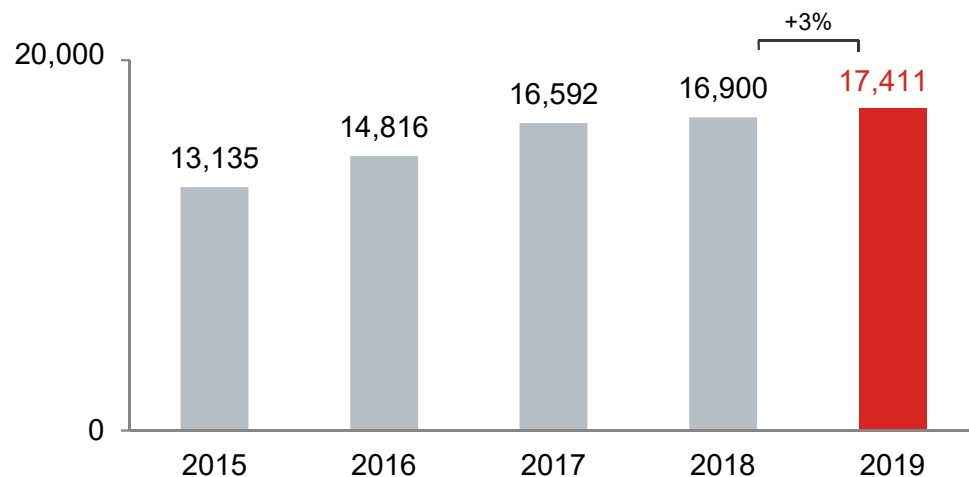
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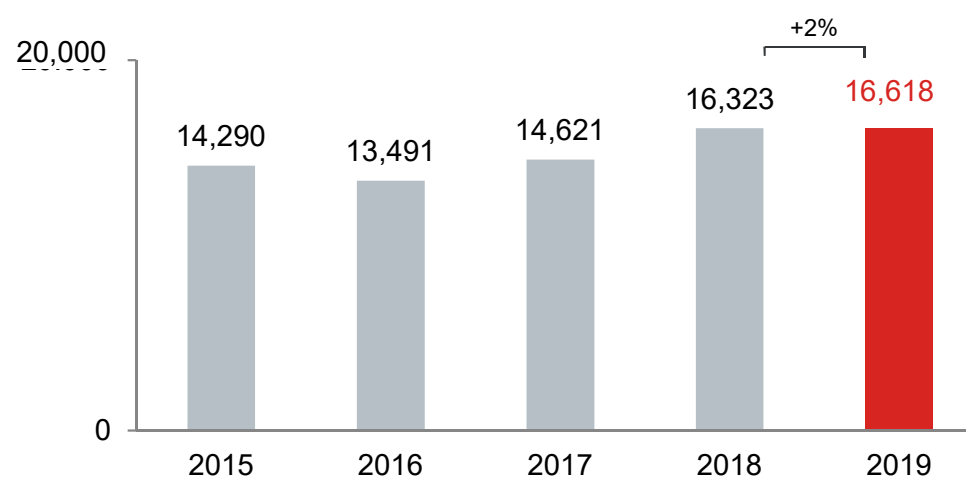
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2019: RENEWED RECORDS – YET DIVIDEND CUT AND CONDITIONED DUE TO UNCERTAINTIES OVER CORONAVIRUS PANDEMIC

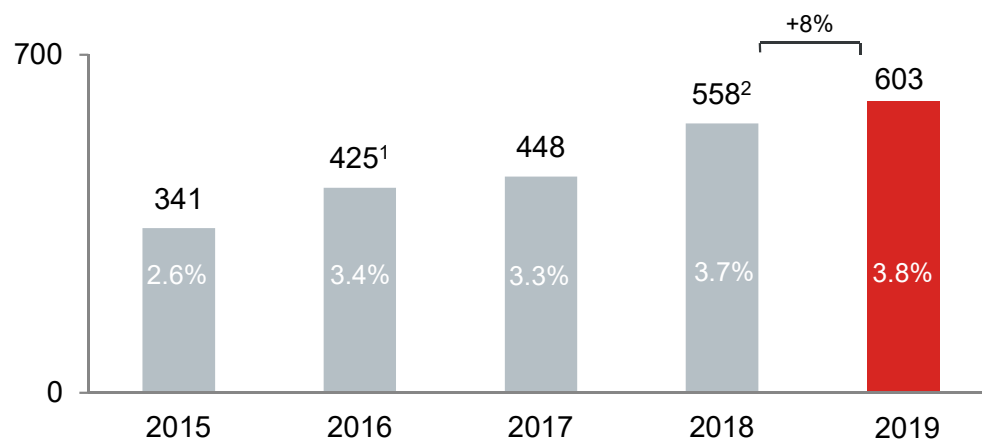
ORDER BACKLOG (€M)



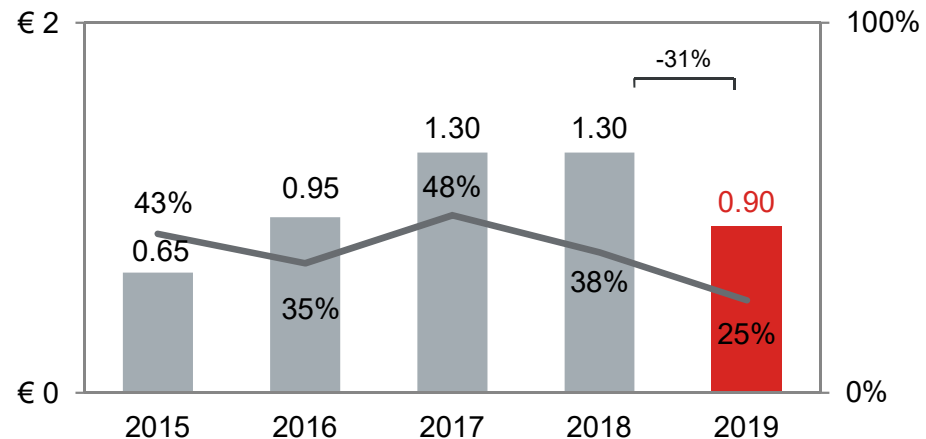
OUTPUT VOLUME (€M)



EBIT (€M) AND EBIT MARGIN (%)



(PROPOSED) DIVIDEND

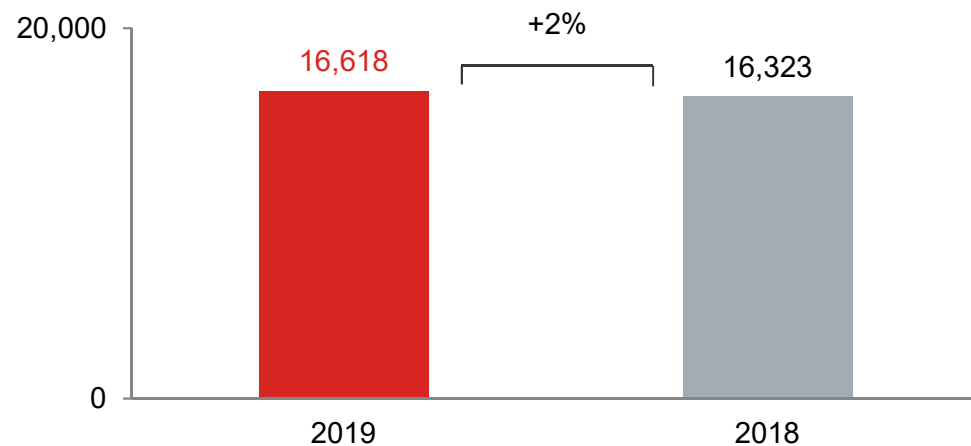


1 Including a non-operating income in the amount of € 27.81 million

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

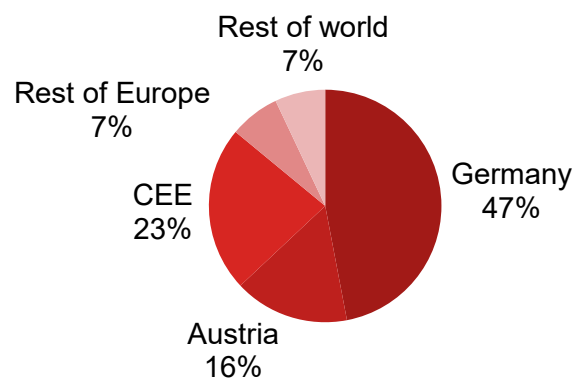
OUTPUT VOLUME AT RECORD LEVEL OF 16.6 BILLION

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

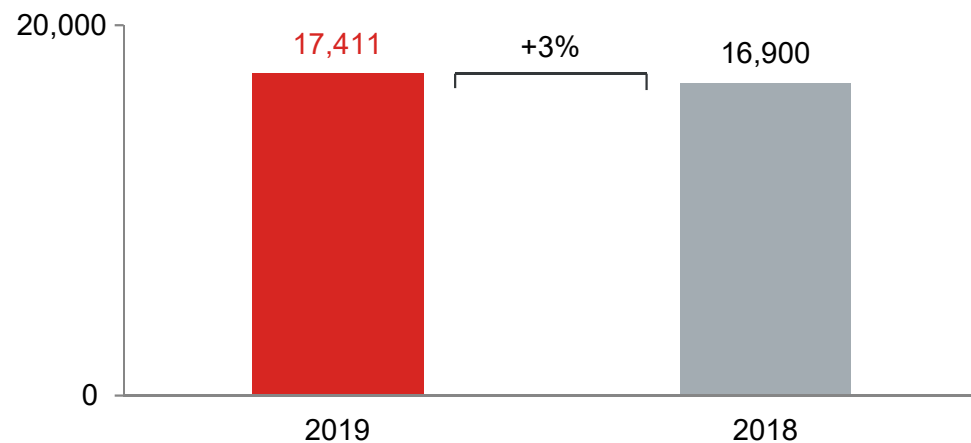
OUTPUT VOLUME BY REGION 2019



CEE = Central and Eastern Europe

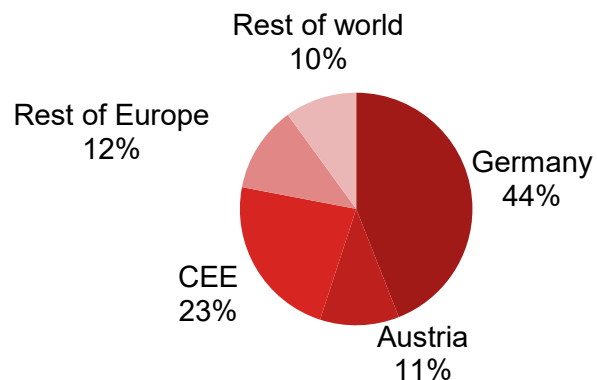
SIGNIFICANT INCREASE IN ORDER BACKLOG IN GERMANY, CZECH REPUBLIC AND UK – NEW RECORD AT YEAR’S END

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

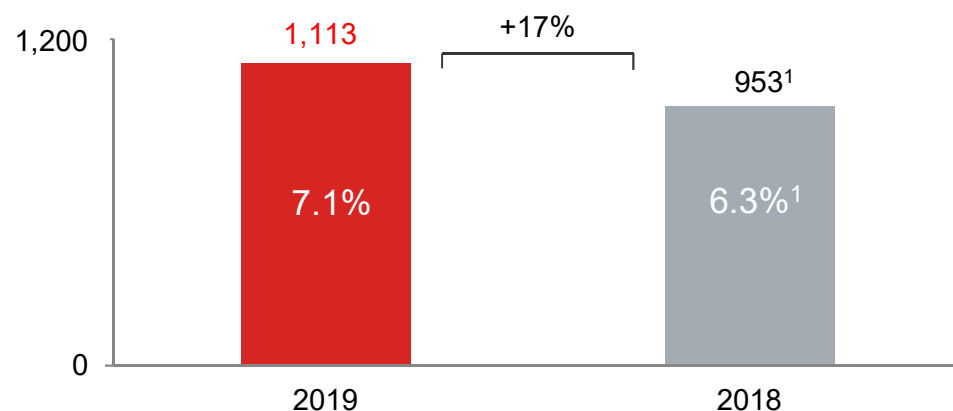
ORDER BACKLOG BY REGION 2019



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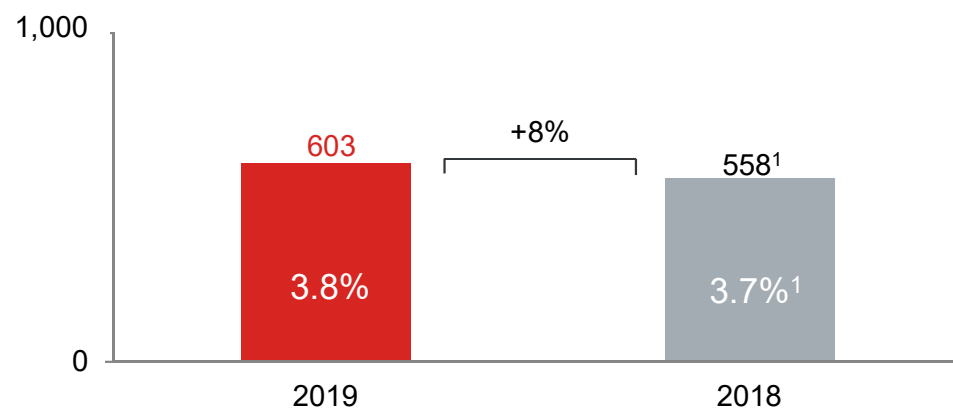
EBITDA TOPPING € 1 BILLION MARK FOR THE FIRST TIME

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 (%)

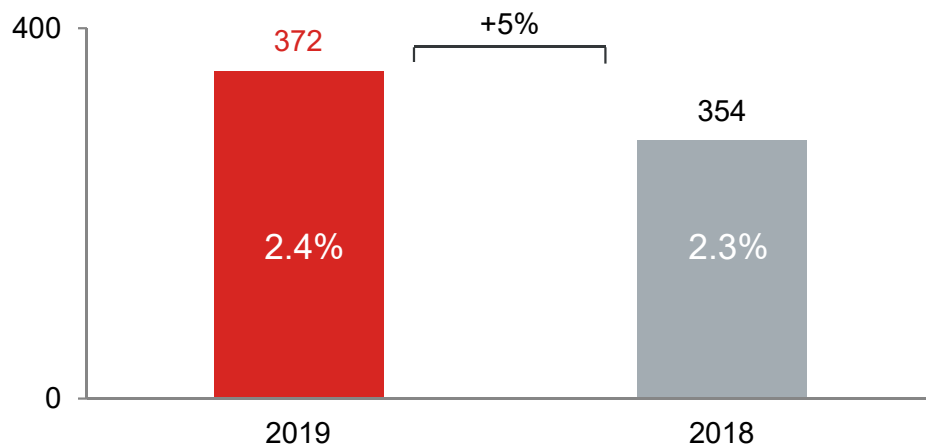


- Depreciation and amortisation grew by 29 % due to first-time application of IFRS 16 Leases
- Growth of 20 % compared to EBIT adjusted for non-operating step-up profit in 2018
- Growth attributable to North + West segment, where earnings nearly doubled

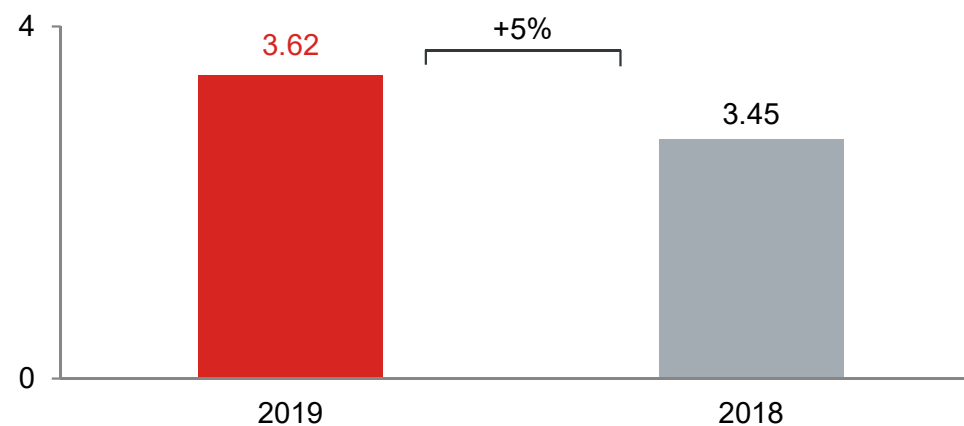
¹ Including a non-operating step-up profit in the amount of € 55.31 million

EARNINGS PER SHARE ROSE BY 5%

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



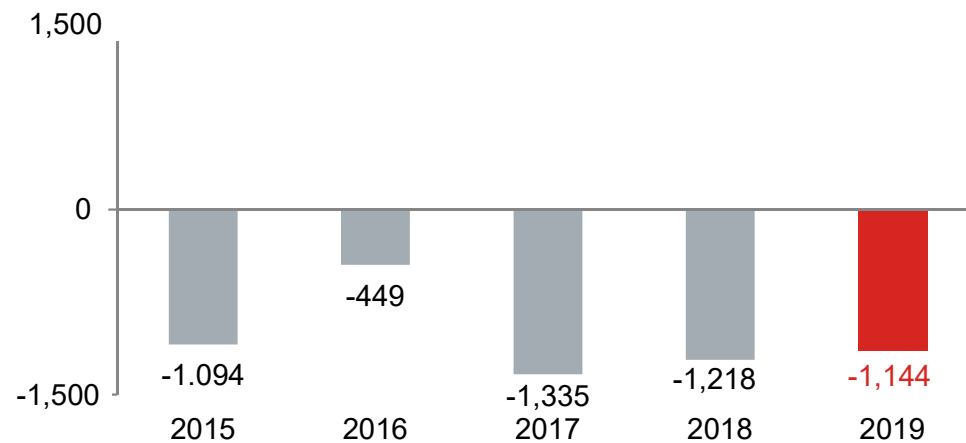
EARNINGS PER SHARE (€)



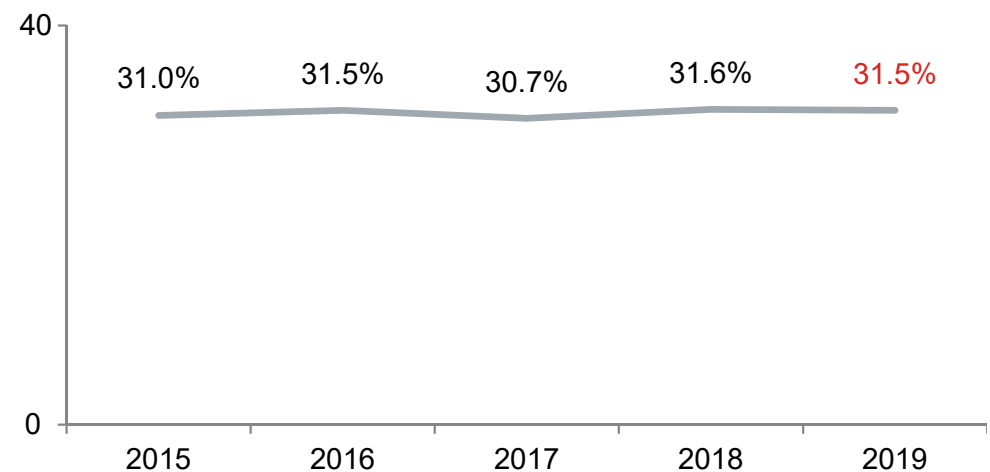
- Net interest income comparable to that of the previous year
- Income tax rate stood slightly higher at 34.4% (2018: 31.7%)
- Earnings owed to minority shareholders again on a relatively low level

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

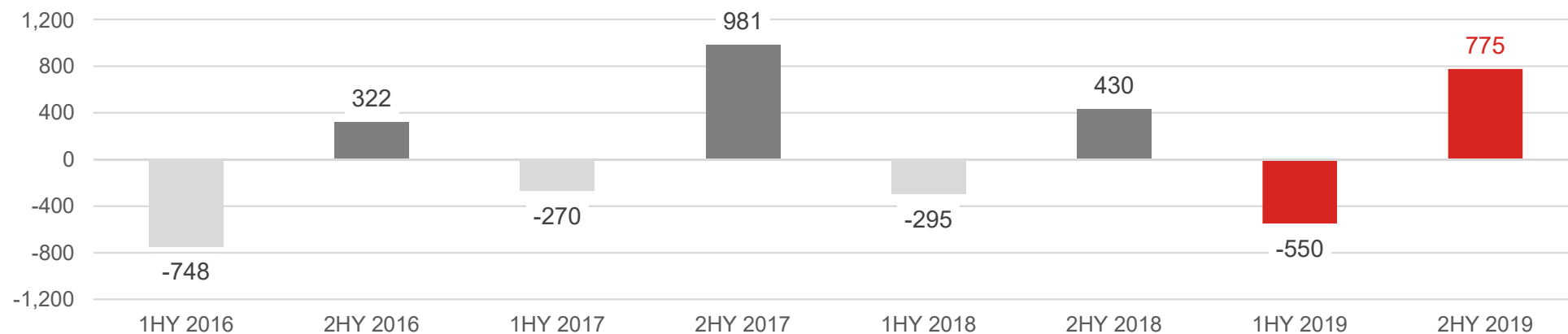
CASH AND CASH EQUIVALENTS OF € 2.5 BILLION

(€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.

AGAIN HIGH CASH INFLOW IN 2HY/2019

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

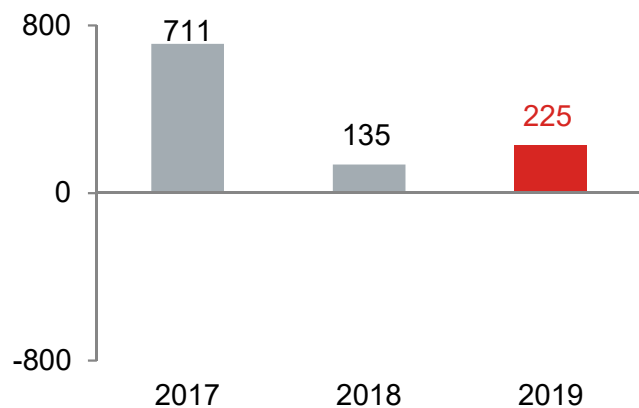


COMMENTS

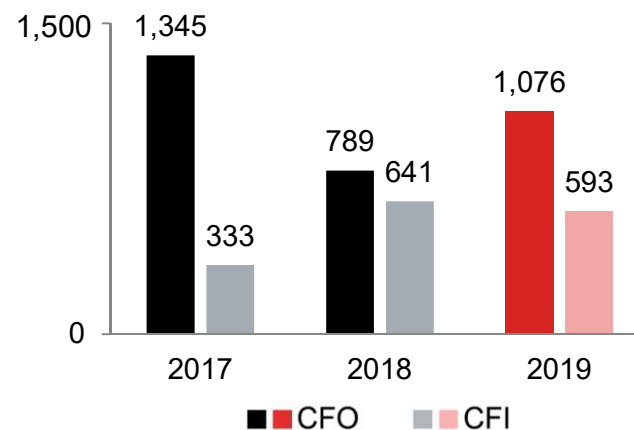
- Working capital outflows generally occur over the first nine months of the year due to business seasonality
- Record cash-inflow in 2HY/2017 – expectation of increase in working capital to familiar levels has not yet materialised

ANOTHER YEAR OF POSITIVE FREE CASH FLOW

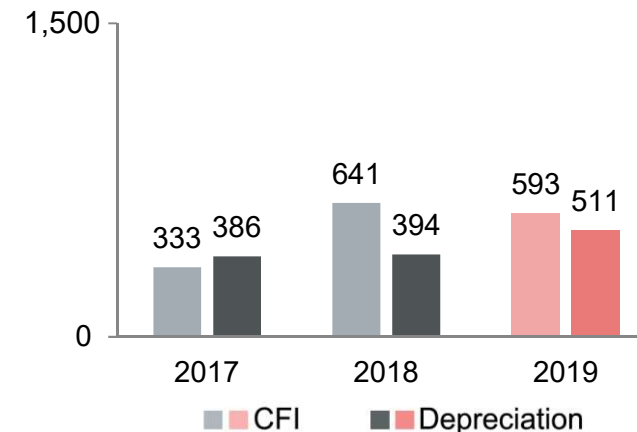
Δ WORKING CAPITAL (€M)



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

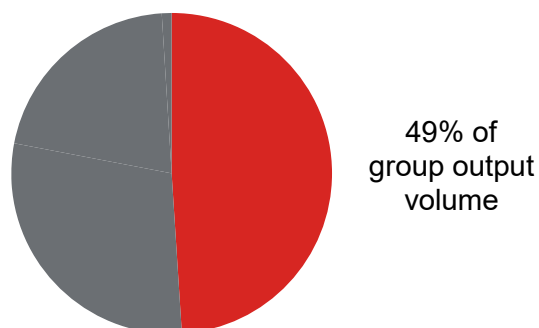
KEY INDICATORS

(€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>		<i>2.2</i>
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

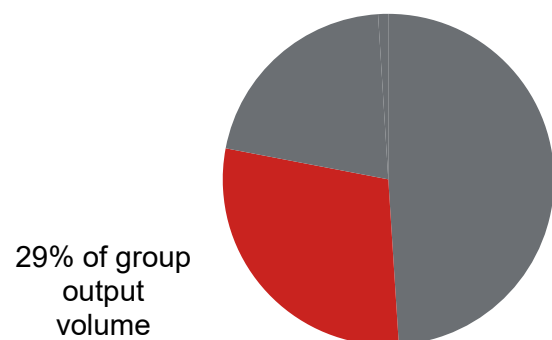
KEY INDICATORS

(€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

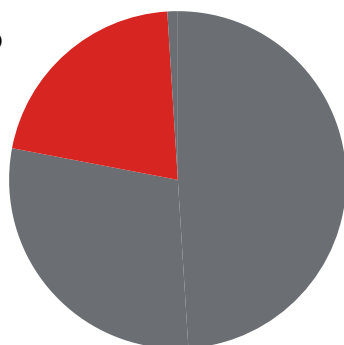
(€m)	2019	Δ%	2018
Output volume	3,451	-8	3,740
Revenue	3,217	-6	3,438
Order backlog	4,111	9	3,782
EBIT	184	-7	199
<i>EBIT margin (% of rev.)</i>	5.7		5.8
Employees (FTE)	25,219	-4	26,279

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

21% of group output volume



NEW OUTLOOK FOR 2020 REFLECTING UNCERTAINTIES OVER CORONAVIRUS EFFECTS

- **Output volume** of about € 14.4 billion – corresponding to a 10% decrease vs. the previous outlook of over € 16.0 billion
- **EBIT margin** of at least 3.5%
- **Coronavirus pandemic:**
 - Different situations in different markets
 - Mid- and long-term effects may differ from the so-far manageable short-term influence

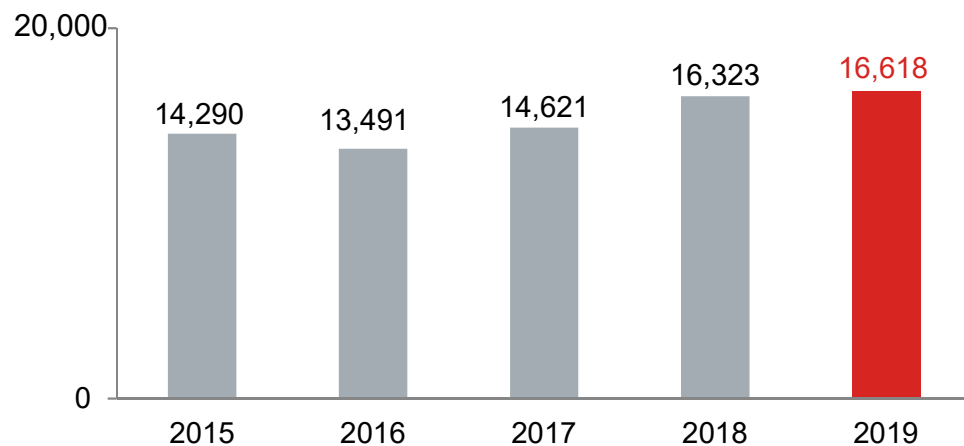




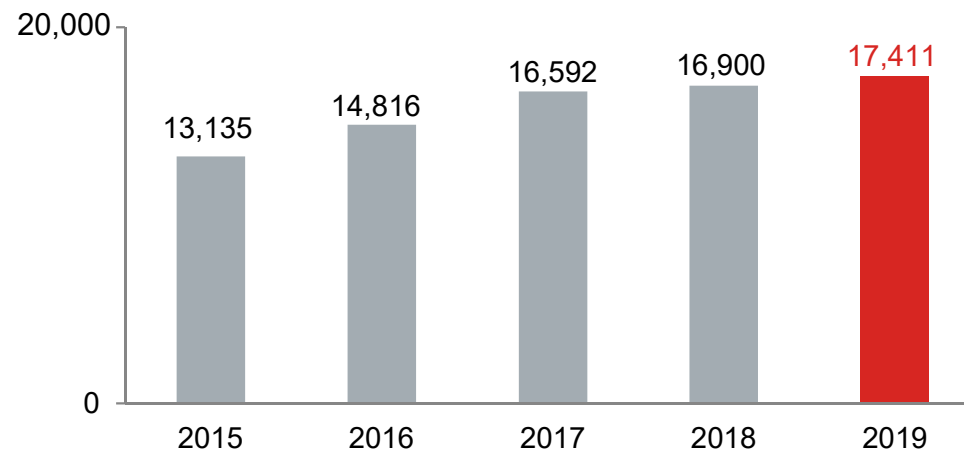
● **APPENDIX**

FLEXIBLE BUSINESS MODEL, SELECTIVE DIVERSITY

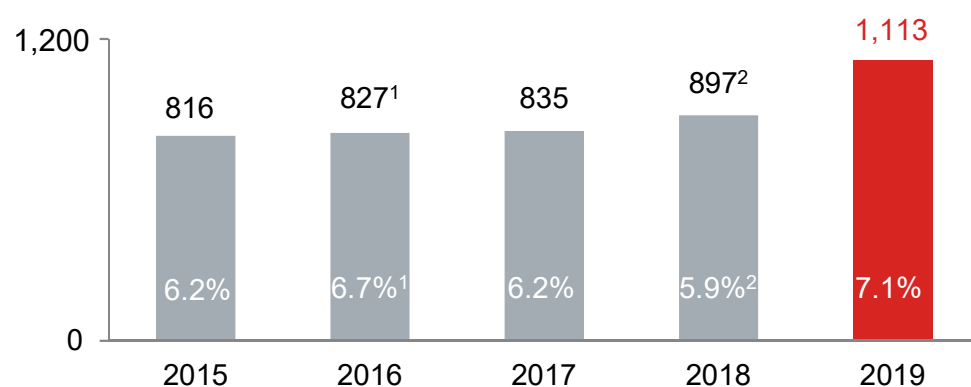
OUTPUT VOLUME (€M)



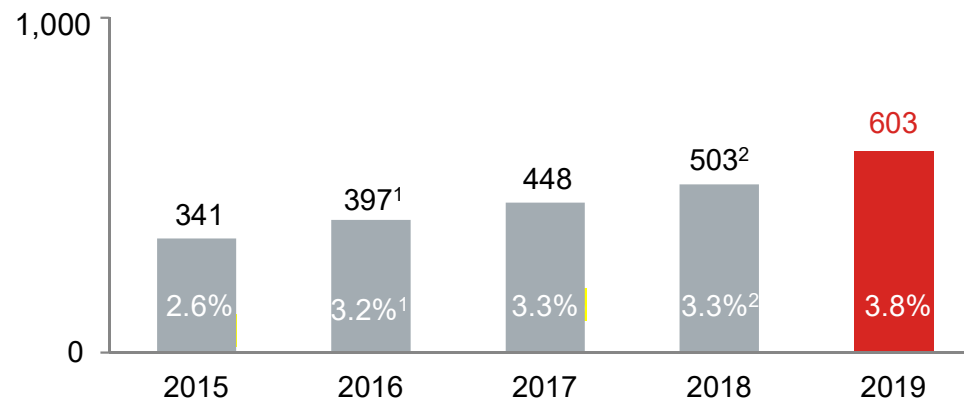
ORDER BACKLOG (€M)



EBITDA (€M) AND EBITDA MARGIN (%)



EBIT (€M) AND EBIT MARGIN (%)



1 Adjusted for non-operating income in the amount of € 27.81 million

2 Adjusted for a non-operating step-up profit in the amount of € 55.31 million

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

GROUP INCOME STATEMENT 2019

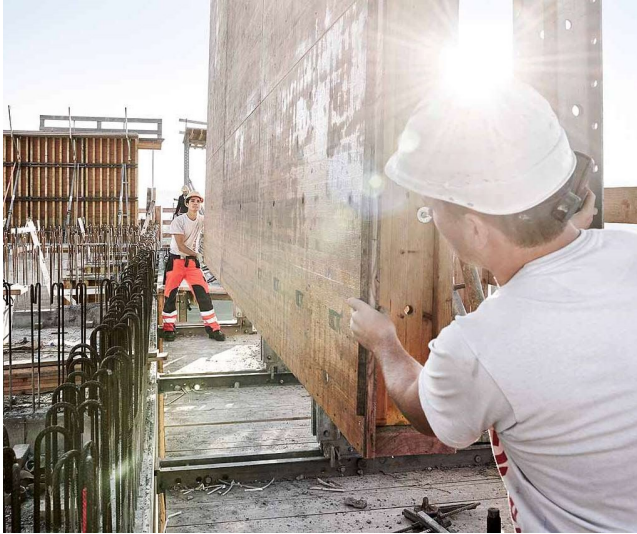
(€m)	2019	2018	Δ%
Output volume	16,617.97	16,322.88	2
Revenue	15,668.57	15,221.83	3
Changes in inventories/own work capitalised	31.36	-33.07	n.a.
Other operating income	233.14	222.98	5
Construction materials, consumables and services used	-10,111.85	-10,125.77	0
Employee benefits expenses	-3,745.15	-3,618.94	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

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YOUR QUESTIONS, PLEASE

29 APRIL 2020

