

STRABAG SE | FY 2022 RESULTS

WORK ON PROGRESS

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Today's speaker



Klemens Haselsteiner
CEO STRABAG SE

1 | Highlights 2022

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STRABAG SE achieves second-best result in its history



Excellent performance in 2022

despite softening market dynamics

New record output of € 17.7 bn

significantly above pre-crisis level and previous record in 2019

Continued high order backlog

6% year-on-year increase –
in spite of rising construction costs and interest rate turnaround

EBIT margin of 4.2% in 2022

fully in line with strategic target; second-highest EBIT ever recorded

Solid EPS of € 4.60 and DPS¹ of € 2.00

Dividend payout ratio of 43% for 2022

¹ Proposed dividend for 2022

STRABAG copes well with challenging environment



Inflation

STRABAG response

- **Adjustment of pricing models**
- **Energy**
 - Frame contracts & fixed prices
 - Energy efficiency & new technologies
- **Materials**
 - In-house production of building materials
 - Long-term procurement
- **Strong efficiency gains** as a result of FASTER TOGETHER program



Interest rates

STRABAG response

- Further **diversification of business model**
 - by segment
 - by geography
- Strong footprint in **less cyclical segments**
 - Infrastructure
 - Civil engineering
- **Flexible business model**
 - > 60% public customers
 - > 50% subcontracting in building construction



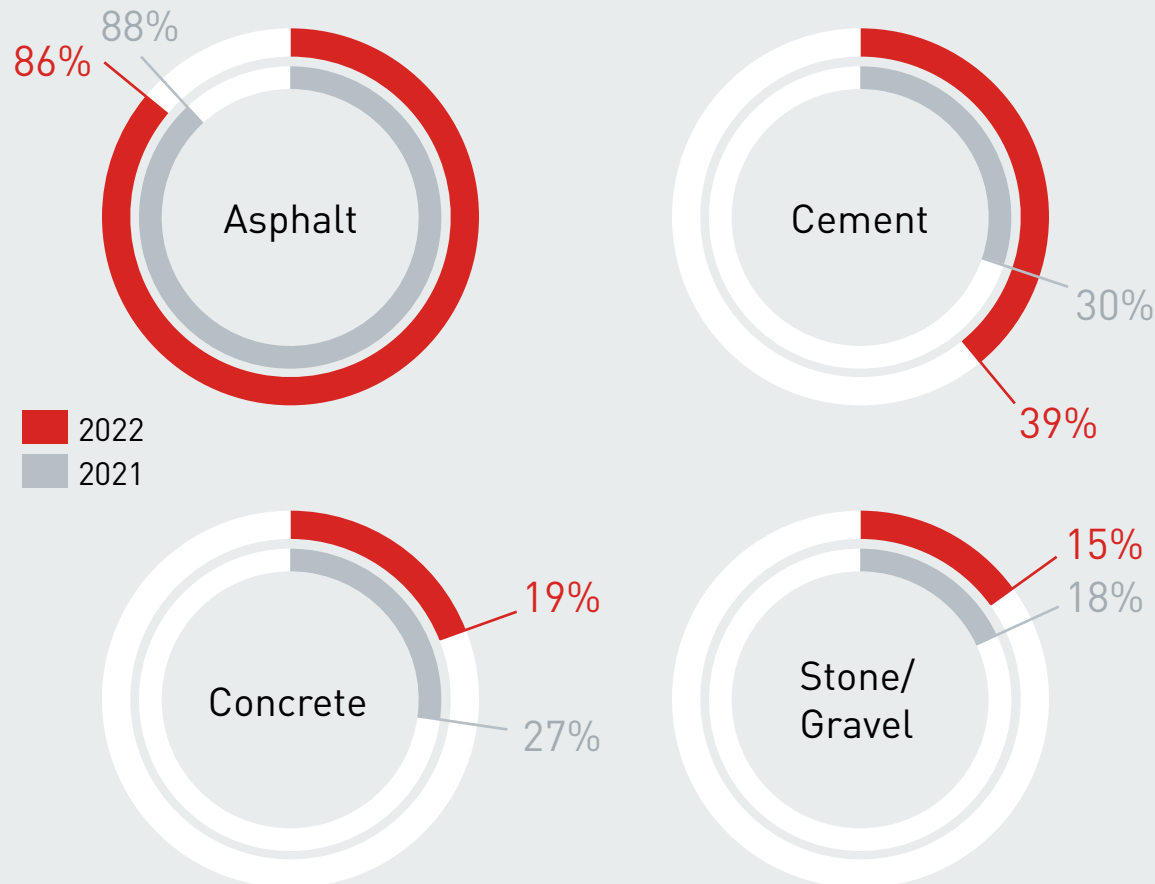
Geopolitical tensions

STRABAG response

- **Winding-up all activities in Russia**
 - 0.3% of Group output volume
- **No exposure** in the **Ukraine**
- High degree of **vertical integration**
- **Decentralised supply chains**

Strategy of vertical integration pays off

Own coverage of material needs



1 Includes active facilities from joint ventures and associates

STRABAG facilities¹

Asphalt mixing plants 277

Concrete mixing plants 127

Quarries and gravel pits 139

Cement mixing plants 5

Production of

- 3.3 mn m³ of concrete
- 15.7 mn tons of asphalt
- 1.1 mn tons of cement
- 33.3 mn tons of stone/gravel

Own dense construction materials network

- **Secures availability** – especially in times of constrained supply chains
- **Hedge against price fluctuations**
- Existing quarries as **effective entry barriers** – lack of permits for new sites
- Joint venture with LafargeHolcim **secures access to cement in CEE**
- **Increased self-sufficiency** as a strategic goal

Higher order intake in 2022

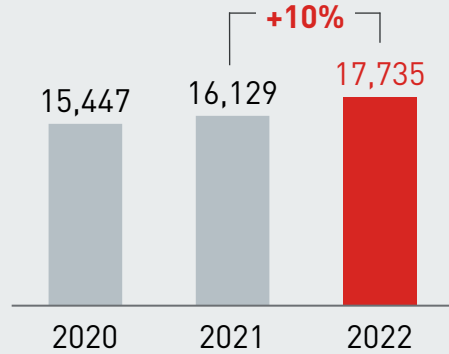


2 | Financial Review 2022

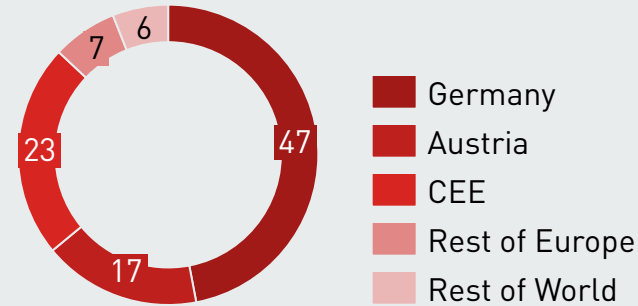
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New record for output volume

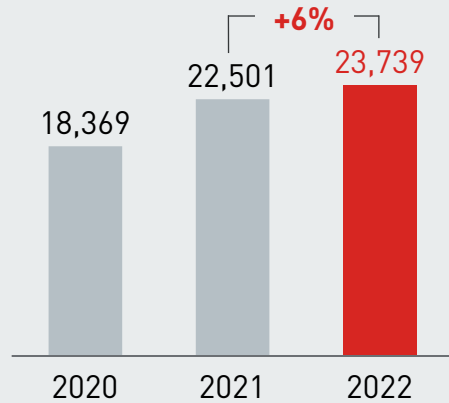
Output volume (€ mn)



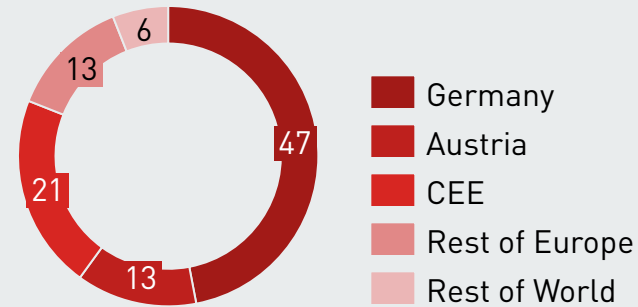
Output volume by region (€ mn)



Order backlog (€ mn)



Order backlog by region (€ mn)



New record for output volume

- **Pre-crisis level surpassed**
- Increase across all operating segments
- Largest increase in Germany, Austria, United Kingdom and Czech Republic
- Moderate declines in Benelux, Denmark and Poland

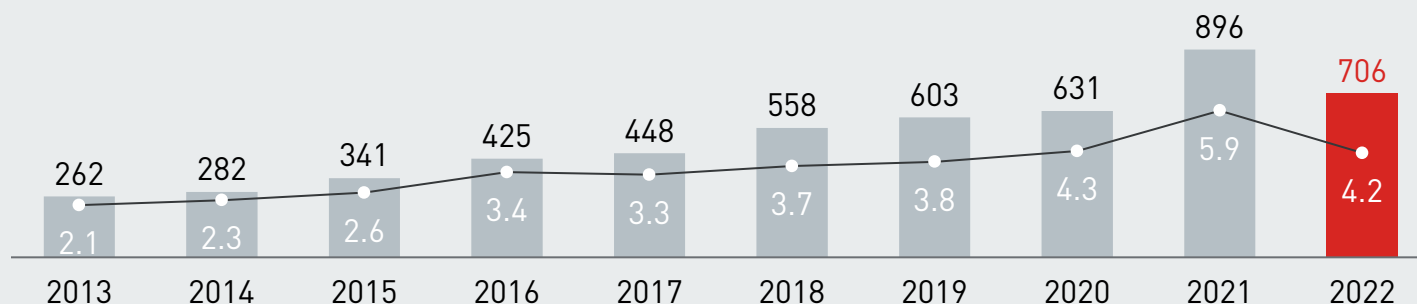
Continued high order backlog

- **+6% year-on-year –** despite rising construction costs and interest rate turnaround
- High order intake in Germany, Austria, Romania, Italy and Croatia

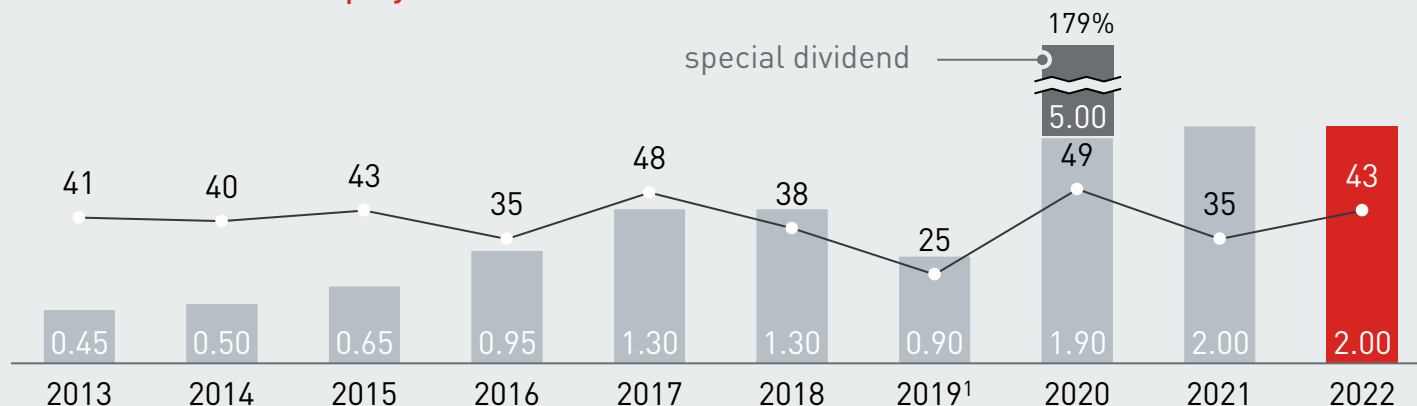
EBIT margin fully in line with target

EBIT (€ mn) and EBIT margin (%)

CAGR +12% EBIT in 2013-22



Dividend (€) and payout ratio (%)



¹ Precautionary measure due to Covid-19; more than offset by means of 2020 special dividend

Sustainable profit growth...

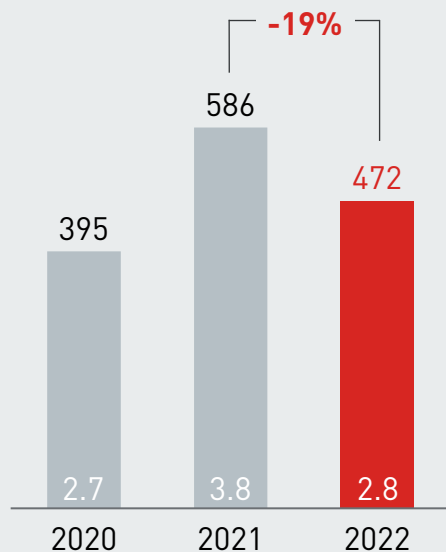
- EBIT margin 2022 at **4.2%**
- Fully in line with target:
≥ 4% from 2022 onwards
- **Exceptionally high level in 2021** –
positive earnings effects in all segments

...with a reliable dividend

- Proposed DPS for 2022: € 2.00,
dividend payout ratio of 43%
- In line with dividend policy: 30-50%
of net income after minorities
- Dividend yield of 5.2%

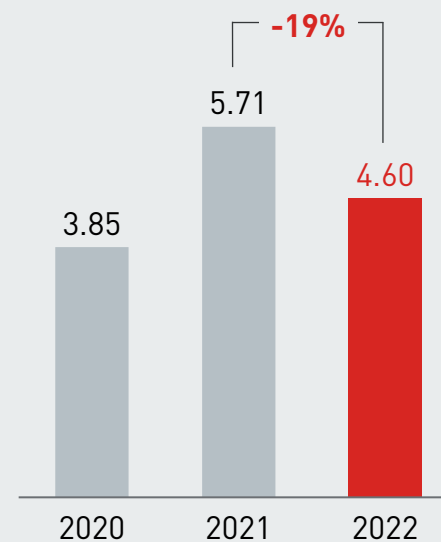
STRABAG SE with second-best result in its history

Net income after minorities
(€ mn) & margin (% of revenue)



- **Net interest income** was positive compared to the previous year, mainly due to the increased interest income
- The **income tax rate**, at 33.0%, was slightly higher than in the previous year (32.5%)

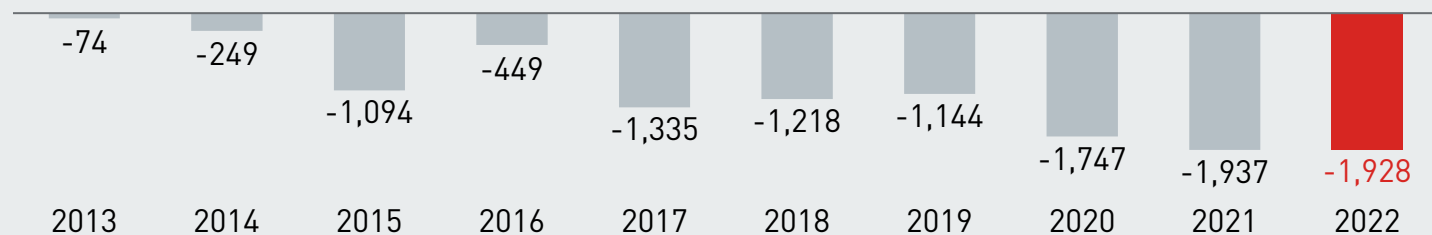
Earnings per share (€)



- The net income after minorities – due to the exceptionally positive earnings – was lower in 2022, although it still posted the **second-highest figure in the history of STRABAG SE**
- Solid **EPS** of € 4.60 generated

Excellent financial strength maintained

Net debt (+) / Net cash (-) in (€ mn)



Equity ratio (%)



Stable net cash position

- Substantially increased since 2013
- High advance payments in the past
- **Working capital expected to increase** – due to rising interest rates

Equity ratio above sector average

- Target ratio $\geq 25\%$
- **Significant headroom** provides flexibility

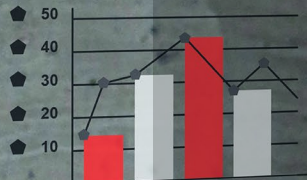
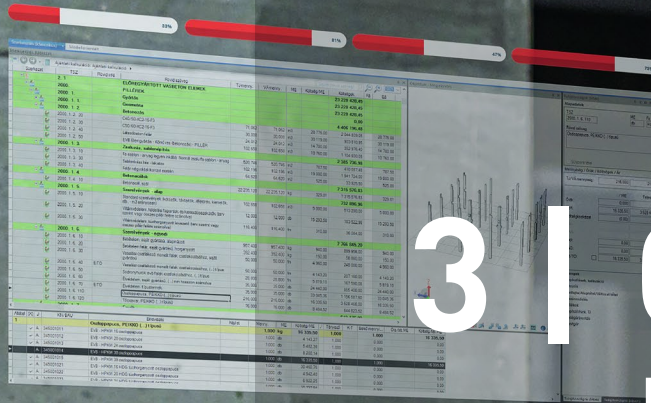
Investment grade rating

- **S&P rating: BBB, stable**
- Confirmed in August 2022

Cash and cash equivalents of € 2.7 bn

(€ mn)	2022	2021	Δ%
Cash – beginning of period	2,963	2,857	4
Cash flow from earnings	1,085	1,216	-11
Δ Working Capital	-272	5	n.m.
Cash flow from operating activities	813	1,221	-33
Cash flow from investing activities	-560	-378	-48
Cash flow from financing activities	-504	-744	32
Net change in cash	-251	99	n.m.
FX changes	-10	7	n.m.
Cash – end of period	2,702	2,963	-9

3 | Operational Review 2022

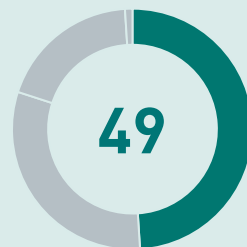


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Our business spans the entire construction value chain

North + West

Share of
total output
volume (%)



8,691
Output volume (€ mn)

11,842
Order backlog (€ mn)

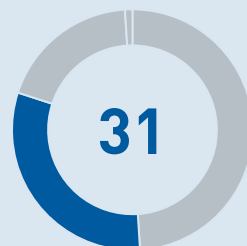
6.1
EBIT margin (%)

25,693
Employees (FTE)

Germany, Poland, Benelux,
Scandinavia,
Ground engineering
Regions/Areas

South + East

Share of
total output
volume (%)



5,462
Output volume (€ mn)

6,321
Order backlog (€ mn)

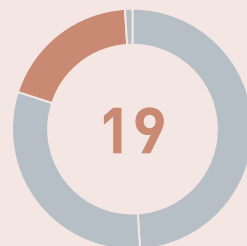
2.8
EBIT margin (%)

20,625
Employees (FTE)

Austria, Switzerland,
Hungary, Czech Republic,
Slovakia, Adraitic,
Rest of Europe,
Environmental engineering
Regions/Areas

International + Special Divisions

Share of
total output
volume (%)



3,445
Output volume (€ mn)

5,557
Order backlog (€ mn)

2.6
EBIT margin (%)

20,405
Employees (FTE)

International, Tunneling,
Services, Real Estate
Development, Infrastructure
Development,
Construction Materials
Regions/Areas

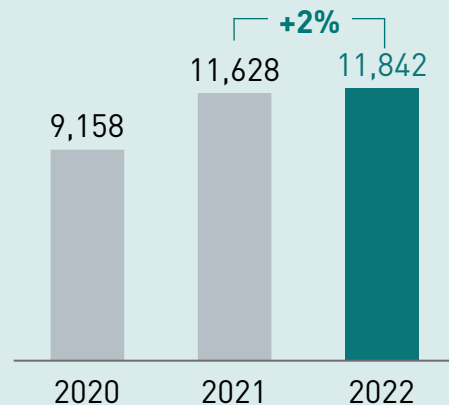
4th, non-operating segment "Others", output volume < 1%, not shown

North + West: High EBIT margin maintained

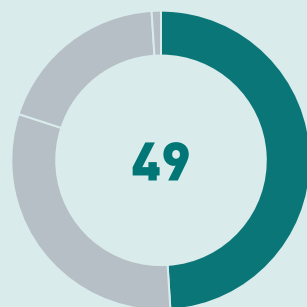
Key Indicators

(€ mn)	2022	2021	Δ%
Output volume	8,691	7,902	10
Revenue	8,033	7,318	10
Order backlog	11,842	11,628	2
EBIT	493	443	11
EBIT margin (% of rev.)	6.1	6.1	
Employees	25,693	25,430	1

Order backlog (€ mn)



Share of group output volume (%)



Switzerland was added to the North + West segment and Poland to the South + East segment, both with effect from 1 January 2023.

Performance 2022

- **Output volume** +10% above prior year
- **EBIT** grew by 11%, maintaining the very good EBIT margin of 6.1%, earnings improvements were seen in the German building construction and civil engineering business, among others
- Already high **order backlog** was expanded by 2%

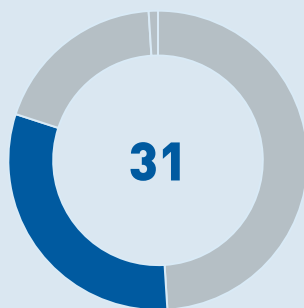
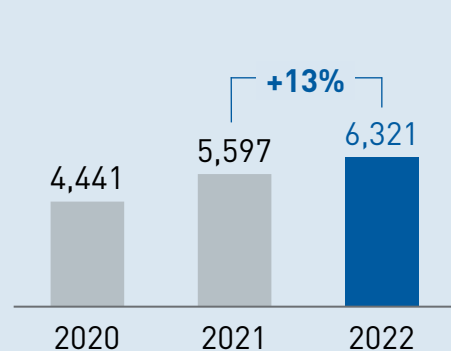
South + East: Order backlog above Group average

Key Indikators

(€ mn)	2022	2021	Δ%
Output volume	5,462	4,930	11
Revenue	5,496	4,925	12
Order backlog	6,321	5,597	13
EBIT	153	195	-21
EBIT margin (% of rev.)	2.8	4.0	
Employees	20,625	20,685	0

Order backlog (€ mn)

Share of group output volume (%)



Poland was added to the South + East segment and Switzerland to the North + West segment, both with effect from 1 January 2023.

Performance 2022

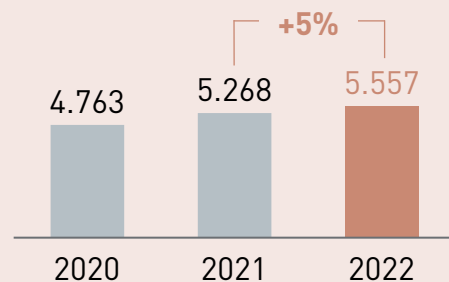
- **Output volume** increased significantly by 11% in 2022
- Due to provisions and as a result of strong cost inflation in Southern and Eastern Europe, **EBIT** decreased to € 153.4 mn
- **Order backlog** was 13% higher; largest intakes were generated in Romania, Austria and Croatia

International + Special Divisions: Fluctuations in project business

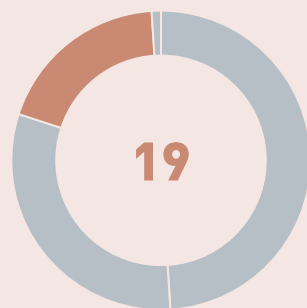
Key Indicators

(€ mn)	2022	2021	Δ%
Output volume	3,445	3,161	9
Revenue	3,480	3,039	15
Order backlog	5,557	5,268	5
EBIT	92	272	-66
EBIT margin (% of rev.)	2.6	9.0	
Employees	20,405	20,610	-1

Order backlog (€ mn)



Share of group output volume (%)



Performance 2022

- **Output volume** (+9% vs. 2021), mainly attributable to the ongoing fulfilment of orders in United Kingdom, Chile and the Middle East
- Diversification of facility management portfolio and infrastructure development business made positive earnings contributions that could not compensate for adverse effects in the volatile international project business, resulting in a reduction in **EBIT**
- **Order backlog** (+5 % vs. 2021) driven by Italy and the Americas

4 | Share & Outlook 2023



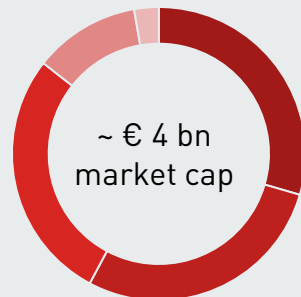
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The STRABAG share

Stable shareholder structure¹

29.5%	■	UNIQA/Raiffeisen
28.3%	■	Haselsteiner Family
27.8%	■	MKAO "Rasperia Trading Limited"
11.7%	■	Free float
2.7%	■	Treasury shares



General information

STRABAG SE

Listed on the Vienna Stock Exchange since 2007

ISIN: AT0000000STR1

Number of common shares: 102.6 mn

S&P Rating: BBB, outlook stable

Bloomberg:	STR:AV
Reuters:	STRV.VI
Vienna Stock Exchange:	STR

¹ As of April 2023

Developments following Russia's invasion of Ukraine

- Mar. 2022: Core shareholder **Haselsteiner family foundation terminates syndicate agreement** – with UNIQA Group, Raiffeisen Group and MKAO "Rasperia Trading Limited" – as of 31.12.2022
- Apr. 2022: **EU sanctions against Oleg Deripaska**, who controls the STRABAG SE shareholder MKAO "Rasperia Trading Limited"
- Aug. 2022: **Austrian core shareholders of STRABAG SE agree on new syndicate**
- Aug. 2022: **Austrian core shareholders make mandatory offer** required as a result of MKAO „Rasperia Trading Limited“ asset freeze imposed by EU

The asset freeze prohibits MKAO "Rasperia Trading Limited" from exercising all rights associated with its STRABAG SE shares.

This had the following consequence in accordance with the Austrian Takeover Act: the remaining core shareholders acquired passive control over STRABAG SE. By law, this triggered a restriction of the voting rights of the Austrian core shareholders to a combined 26% even though they effectively hold 57.8% of the shares.

To lift the legal restriction on voting rights, it was necessary to make an anticipatory mandatory offer. Pursuant to the Austrian Takeover Act, the voting right restriction will cease to apply following settlement of the offer.
- Feb. 2023: **Anticipatory mandatory offer completed**
2.7% tendered for sale, acquired by STRABAG SE (shown as Treasury shares)

Stable guidance in challenging times



Output volume of € 17.9 bn

despite interest rate turnaround

EBIT margin of $\geq 4\%$

fully in line with target to generate $\geq 4\%$ from 2022 onwards

Net investments of $\leq$ € 600 mn

Cash flow from investing activities

Financial calendar & IR contact

Financial calendar 2023

Date	Event
Fri, 17 February 2023	FY 2022 figures: output volume, order backlog, employees and outlook 2023
Thu, 27 April 2023	Annual Report 2022 Disclosure 7:00 a.m. CEST Investor and analyst conference call 3:00 p.m. CEST
Wed, 31 May 2023	Trading Statement January–March 2023 Disclosure 7:00 a.m. CEST
Fri, 16 June 2023	Annual General Meeting 2023
Thu, 31 August 2023	Semi-Annual Report 2023 Disclosure 7:00 a.m. CEST Investor and analyst conference call 10:00 a.m. CEST
Thu, 16 November 2023	Trading Statement January–September 2023 Disclosure 7:00 a.m. CET

IR contact

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5 | Annex

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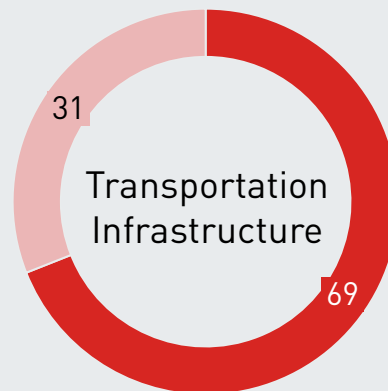
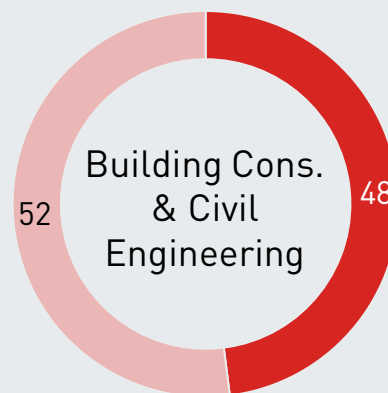
Flexible business model proves its worth in volatile times

Diversified portfolio balances cyclical/project-driven nature of construction

- **Diversified business model**
by geography and segment
- **Top market positions**
in stable core markets
- **High degree of vertical integration**
services along the entire construction value chain
- **Strong risk management**
a key factor for increased profitability in recent years
- **Ongoing efficiency enhancements**
digitalisation, standardisation and automation as key drivers

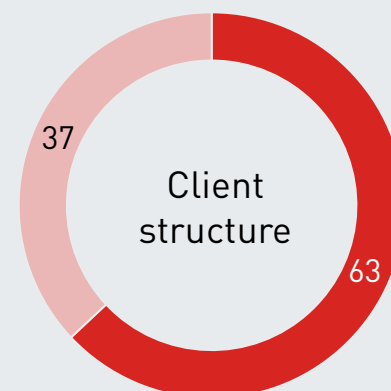
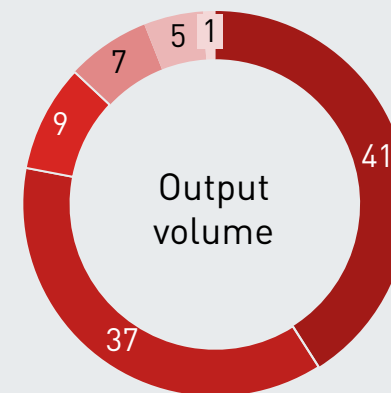
As at 31 December 2022

Subcontracting mix (%)



Own Subcontractors

Portfolio mix (%)



Public Private

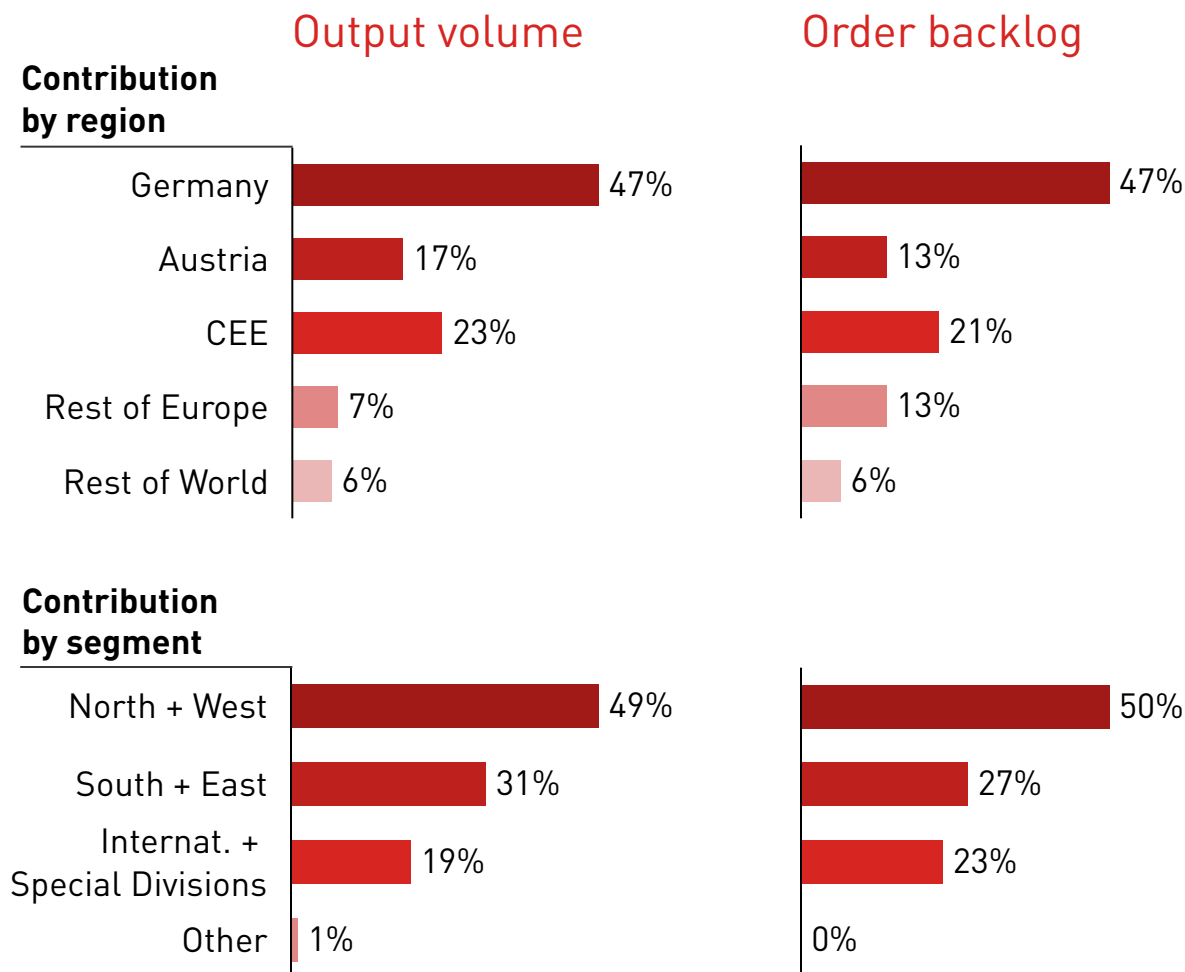
■ Transportation Infrastructure
 ■ Building Construction & Civil Engineering
 ■ International & Tunneling
 ■ Construction Materials
 ■ Services
 ■ Project development & Concessions

Annex

Key figures of STRABAG SE

(€ mn)	2022	2021	Δ%
Output volume	17,735	16,129	10
Revenue	17,026	15,299	11
EBITDA	1,257	1,446	-13
EBIT	706	896	-21
EBIT margin (% of revenue)	4.2	5.9	
Net income after minorities	472	586	-19
Cash flow from operating activities	813	1,221	-33
Cash flow from investing activities	-560	-378	-48
Balance sheet total	12,684	12,226	4
Group equity	4,025	4,072	-1
Equity ratio (%)	31.7	33.3	
Net debt (+)/cash (-)	-1,928	-1,937	0
Dividend per share ¹ (€)	2.00	2.00	0
Dividend yield (%)	5.2	5.7	

¹ Proposed dividend for 2022; Rounding differences might occur



Consolidated statement of profit or loss (excerpt)

(€ mn)	2022	2021	Δ%
Output volume	17,735.47	16,128.92	10
Revenue	17,025.85	15,298.54	11
Changes in inventories/own work capitalised	11.01	-109.81	n.m.
Other operating income	236.76	211.26	12
Construction materials, consumables and services used	-10,988.65	-9,415.08	-17
Employee benefits expenses	-4,133.73	-3,843.58	-8
Other operating expenses	-1,013.28	-823.82	-23
Share of profit or loss of equity-accounted investments	60.88	92.11	-34
Net income from investments	58.37	36.10	62
EBITDA	1,257.21	1,445.72	-13
EBITDA margin (%)	7.4	9.5	
Depreciation and amortisation expense	-550.81	-549.61	0
EBIT	706.40	896.11	-21
EBIT margin (%)	4.2	5.9	
Net interest income	10.67	-12.57	n.m.
Income tax expense	-236.94	-287.14	17
Net income	480.13	596.40	-19
Attributable to: non-controlling interests	7.68	10.69	-28
attributable to: equity holders of the parent company	472.45	585.71	-19
Earnings per share (€)	4.60	5.71	-19

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

Consolidated statement of financial position

Assets

(€ mn)	2022	2021
Intangible assets	467	476
Rights from concession arrangements	473	493
Property, plant and equipment	2,743	2,533
Equity-accounted investments	411	403
Other investments	198	195
Receivables from concession arrangements	483	525
Other financial assets	406	260
Deferred taxes	111	104
Non-current assets	5,292	4,990
Inventories	1,069	969
Receivables from concession arrangements	50	46
Contract assets	1,358	1,348
Trade and other receivables	2,214	1,910
Cash and cash equivalents	2,702	2,963
Current assets	7,392	7,236
Assets	12,684	12,226

Equity and liabilities

(€ mn)	2022	2021
Share capital	103	103
Capital reserves	2,086	2,086
Retained earnings and other reserves	1,814	1,859
Non-controlling interests	22	24
Total equity	4,025	4,072
Provisions	1,279	1,236
Financial liabilities	656	711
Other financial liabilities	84	96
Deferred taxes	175	104
Non-current liabilities	2,194	2,146
Provisions	1,129	1,098
Financial liabilities	301	483
Contract liabilities	1,145	1,117
Trade payables	2,569	2,421
Other current liabilities	1,321	888
Current liabilities	6,465	6,008
Equity and liabilities	12,684	12,226

Rounding differences might occur.