



STRABAG SE FY 2017 RESULTS



27 APRIL 2018

STRABAG
SOCIETAS EUROPAEA

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2017: A YEAR OF RECORDS

Order backlog
€ 16.6 billion, +12%
(2016: € 14.8 billion)

Proposed Dividend
per share
€ 1.30, +37%
(2016: € 0.95)

EBIT € 448 million
+6%
(2016: € 425 million¹)
EBIT margin 3.3%
(Target: ≥3%)
(2016: 3.2%/3.4%¹)

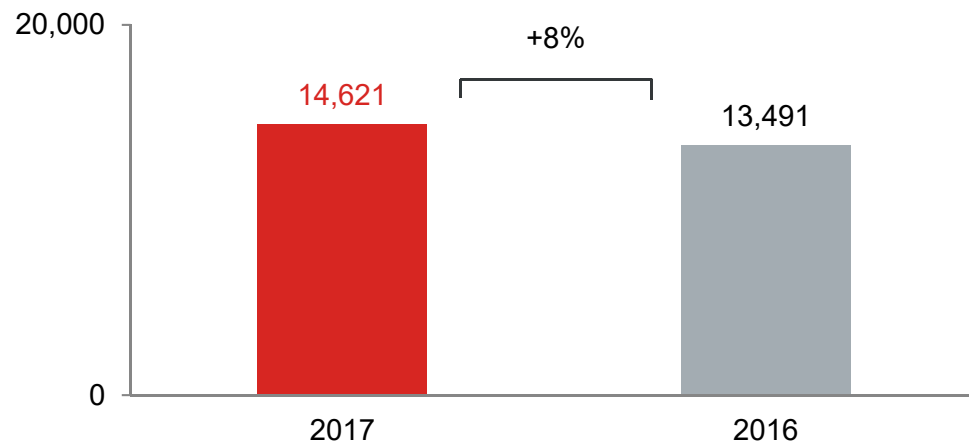
Balance sheet total
>11 billion
(2016: € 10.4 billion)

Output volume
€ 14.6 billion, +8%
(2016: € 13.5 billion)

¹ Including a one-off non-operating profit in the amount of € 27.81 million

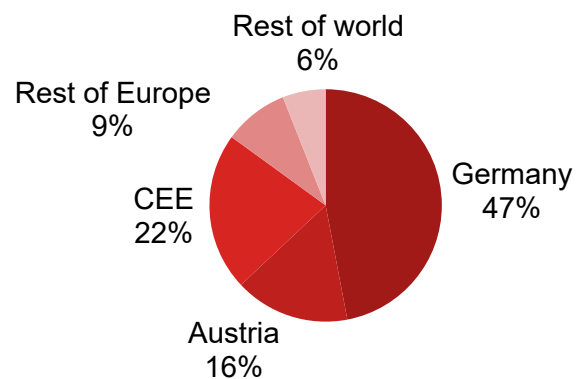
OUTPUT VOLUME INCREASED IN NUMEROUS MARKETS

OUTPUT VOLUME (€M)



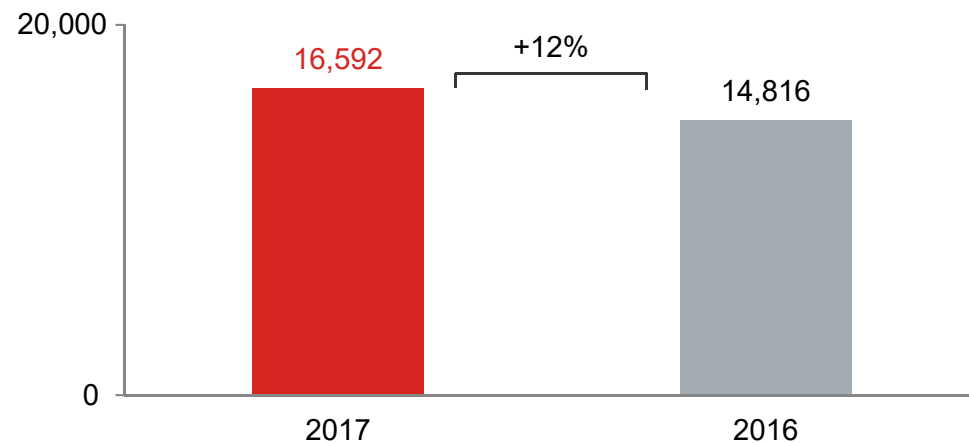
- Output volume rose by 8% to € 14.6 billion
- Especially strong increase in German transportation infrastructure and Austrian building construction
 - German share in group output volume continually rising
- Upward trend also in CEE core markets

OUTPUT VOLUME 2017 BY REGION



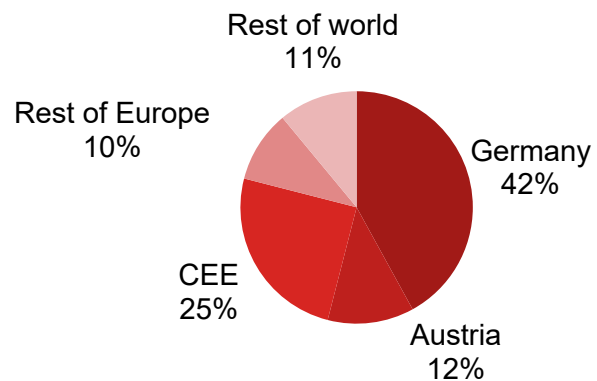
SEVERAL LARGE CONTRACTS LEAD TO RECORD ORDER BACKLOG

ORDER BACKLOG (€M)



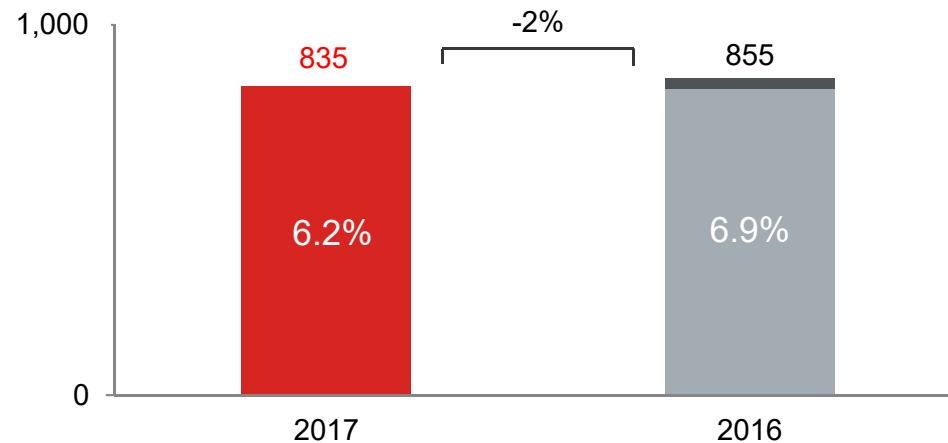
- Several large orders from diverse fields and markets:
 - Transportation infrastructure in Hungary and Poland
 - Building construction and civil engineering in Germany
 - Tunnelling in Singapore

ORDER BACKLOG 2017 BY REGION



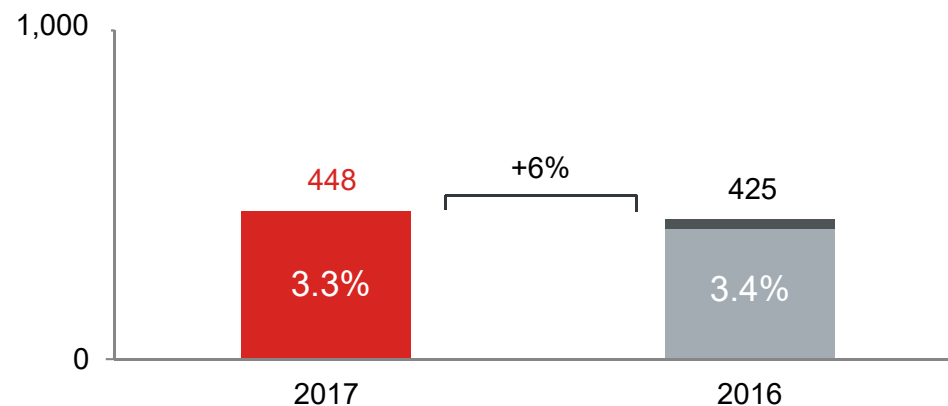
EBIT HIGHER DESPITE POSITIVE ONE-OFF IN 2016, EBIT MARGIN AT 3.3% – TARGET OF $\geq 3.0\%$ SOLIDLY ACHIEVED

EBITDA (€M) AND EBITDA MARGIN (%)



- EBITDA 2016 clean of non-operating non-recurring item: € 827 million, EBITDA margin 6.7%
- Earnings improvements in several markets, e.g. Germany
- Recognition of a receivable from a concession project

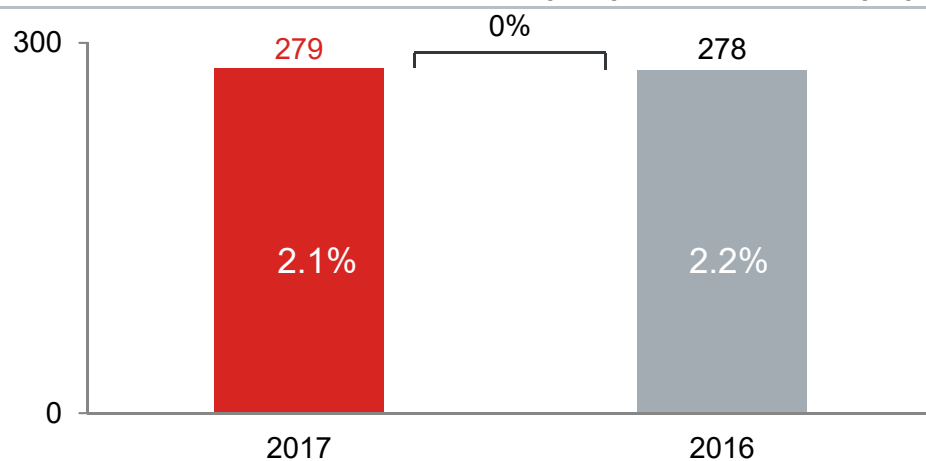
EBIT (€M) AND EBIT MARGIN (%)



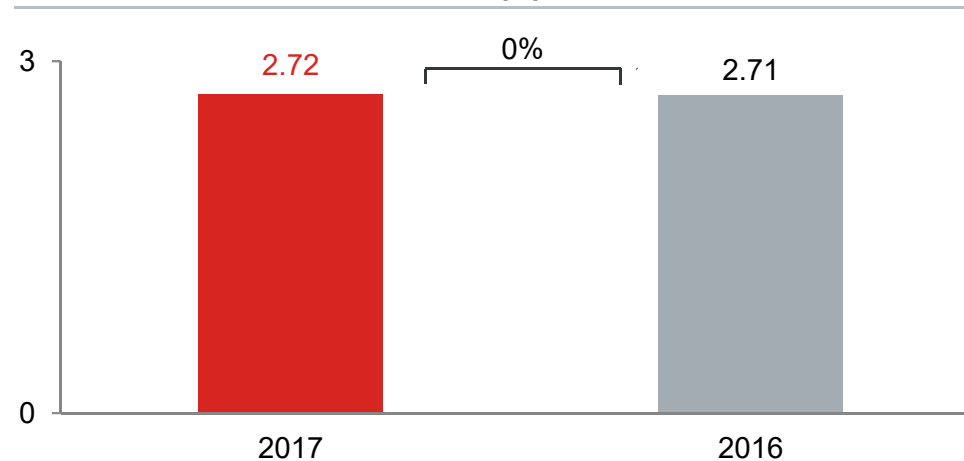
- EBIT clean of non-operating non-recurring item: € 397 million, EBIT margin 3.2%
- Extraordinary depreciation allowances significantly reduced
- All three operative segments contributed to earnings improvement

EARNINGS PER SHARE STABLE

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



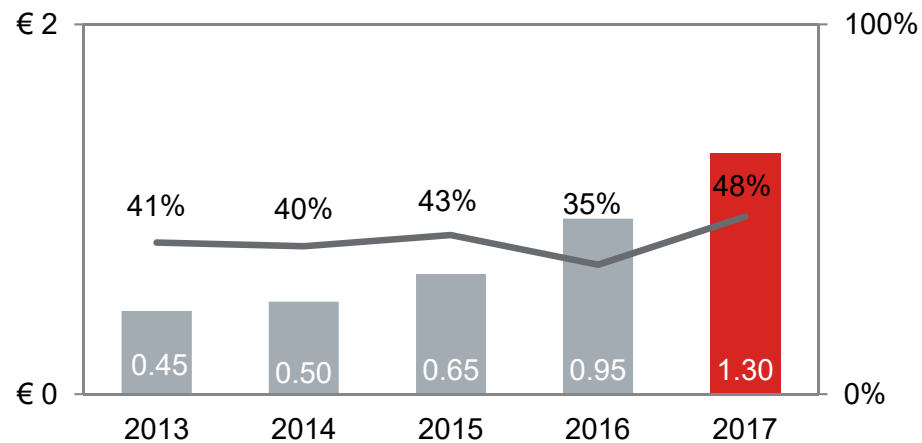
EARNINGS PER SHARE (€)



- Net interest income strongly worsened due to absence of positive foreign currency effects
- Effective tax rate at 30.6% slightly improved (2016: 33.0%)
- Earnings owed to minority shareholders increased from € 4 million to € 13 million, as in 2016 minority shareholders, which still existed at that time, helped to carry winter losses
- Squeeze-out at STRABAG AG, Germany, only completed on 29 December 2017

HIGHEST DIVIDEND SINCE IPO PROPOSED: € 1.30 PER SHARE

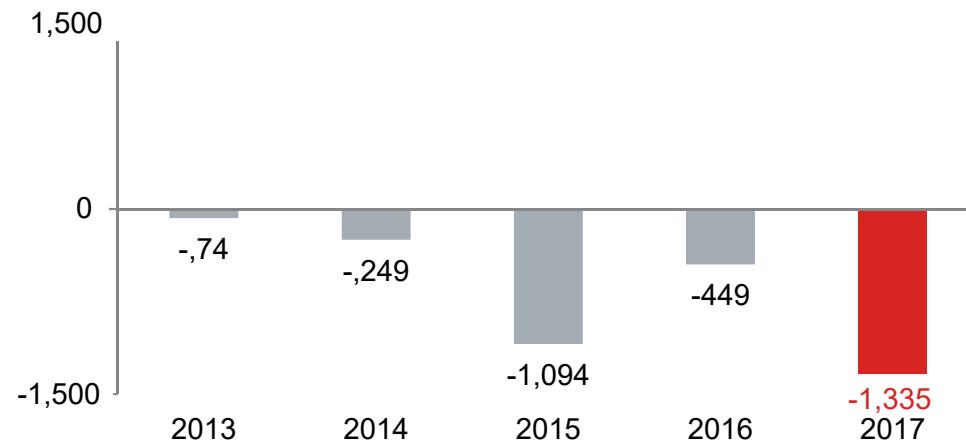
(PROPOSED) DIVIDEND (€) AND PAYOUT RATIO (%)



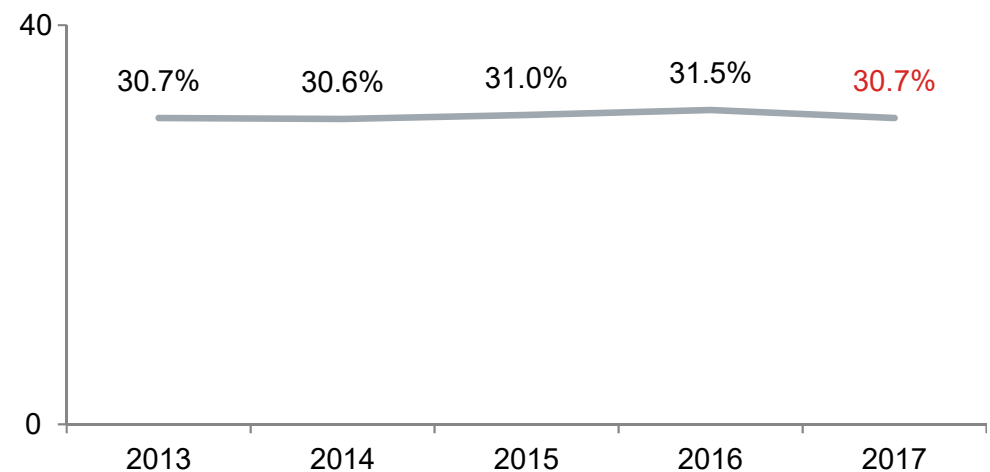
- Dividend per share of € 1.30 proposed (+37%)
- Payout ratio of 48% at higher end of predetermined payout range of 30–50% of net income after minorities
- STRABAG has distributed a dividend within the predetermined payout range every year since the IPO in 2007

NET CASH POSITION EXPANDED AND HIGH EQUITY RATIO MAINTAINED

NET DEBT (+)/NET CASH (-) (€M)



EQUITY RATIO (%)



- Equity ratio remains at 31%; target: $\geq 25\%$
- Net cash position at untypically high level
 - Uncharacteristically high advance payments in the fourth quarter
 - Normalisation expected over 2018
- S&P confirmed corporate credit rating of BBB (outlook: stable) in July 2017

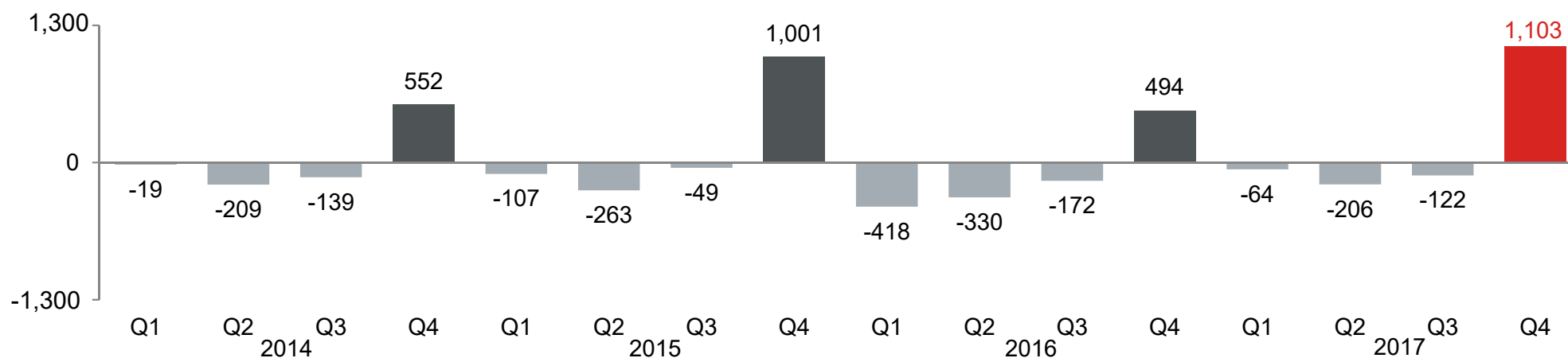
CASH AND CASH EQUIVALENTS OF € 2.8 BILLION

(€m)	2017	Δ%	2016
Cash – beginning of period	1,998	-27	2,727
Cash flow from earnings	634	-8	690
Δ Working Capital	711	n.m.	-426
Cash flow from operating activities	1,345	409	264
Cash flow from investing activities	-333	23	-434
Cash flow from financing activities	-235	58	-564
Net change in cash	777	n.m.	-734
FX changes	10	100	5
Change restricted cash	5	n.m.	0
Cash – end of period	2,790	40	1,998

Rounding differences might occur.

EXTRAORDINARILY HIGH CASH INFLOW IN Q4/2017

WORKING CAPITAL PATTERN: CASH OUTFLOWS IN Q1–3; INFLOWS IN Q4 (€M)

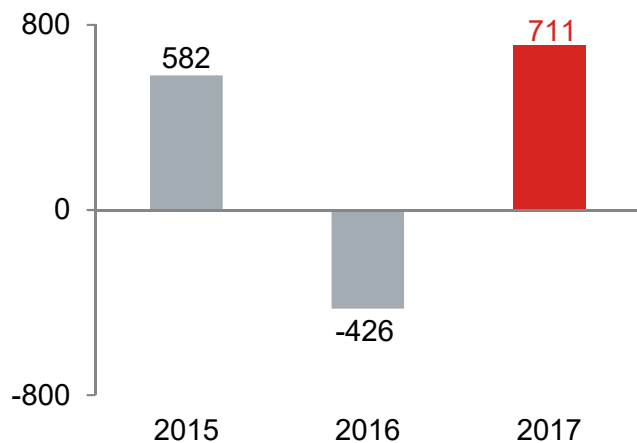


COMMENTS

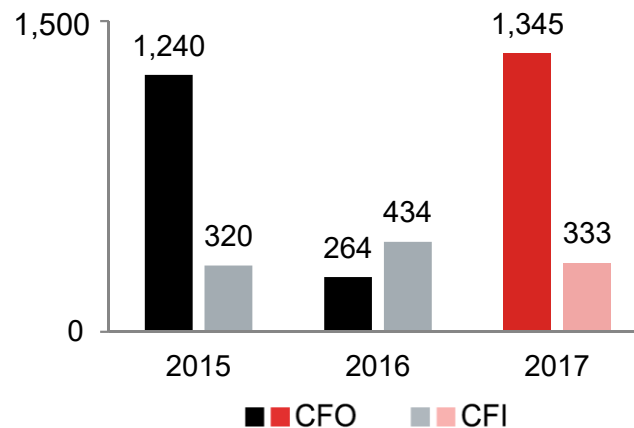
- Working capital outflows generally occur over the first nine months of the year due to business seasonality
- Unusually high improvement of working capital in Q4/2015 and Q4/2017 due to uncharacteristically high advance payments – reversal in 2018 expected

FCF OF OVER € 1 BILLION IN 2017

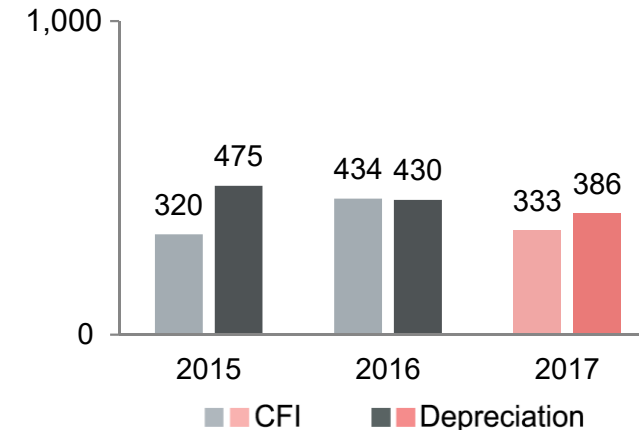
Δ WORKING CAPITAL (€M)



CFO VS. CFI (€M)



CFI VS. DEPRECIATION (€M)



- Exceptionally high FCF in 2015 and 2017
- Purchase of PP&E at € 458 million (2016: € 412 million), thereof ~ € 250 million maintenance CAPEX
- 2017 depreciation includes goodwill impairment of € 2 million (2016: € 5 million)
- Extraordinary depreciation allowances significantly reduced in 2017

NORTH + WEST BENEFITS FROM GERMANY

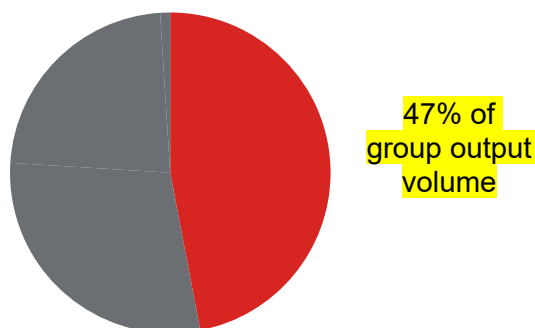
KEY INDICATORS

(€m)	2017	Δ%	2016
Output volume	6,843	11	6,175
Revenue	6,378	10	5,802
Order backlog	8,138	16	7,030
EBIT	199	17	170
<i>EBIT margin %</i>	3.1		2.9
Employees	23,366	5	22,233

COMMENTS

- Output volume 11% higher
- EBIT rose due to stronger project earnings
- Order backlog (+16%) driven again to new record level by Germany and Poland
- Outlook:
 - Order backlog hints at higher output volume in 2018
 - Germany: Positive outlook for building construction and civil engineering as well as for transportation infrastructure
 - Capacities increasingly scarce
 - Poland: especially positive in rail construction, higher activity in building construction and civil engineering
 - Scandinavia: Lasting upward trend

SHARE OF GROUP OUTPUT VOLUME



SOUTH + EAST: STRONG AT A HIGH LEVEL

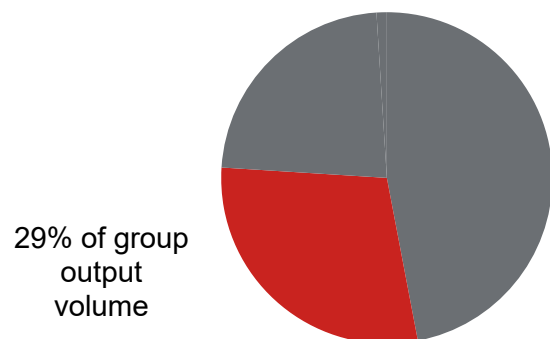
KEY INDICATORS

(€m)	2017	Δ%	2016
Output volume	4,242	6	4,001
Revenue	4,073	5	3,889
Order backlog	4,505	29	3,483
EBIT	205	9	188
<i>EBIT margin %</i>	5.0		4.8
Employees	17,916	1	17,758

COMMENTS

- Output volume increased by 6%, driven by Austria, Hungary and Slovakia
- EBIT 5% higher due to improvements in several countries
- Order backlog soared (+29%)
- Outlook:
 - Increase in output volume expected for 2018
 - Further dynamic building construction in the greater Vienna region and fierce competition in Austrian transportation infrastructure business
 - Subcontractor prices rising above all in Slovakia, Czech Republic and Hungary

SHARE OF GROUP OUTPUT VOLUME



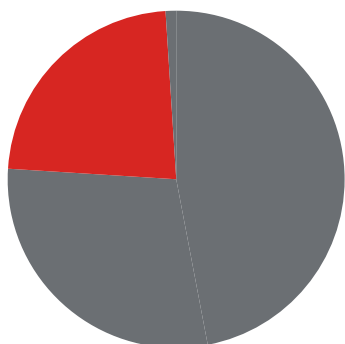
INTERNATIONAL + SPECIAL DIVISIONS: EARNINGS PLUS AFTER NUMBER OF CONTRARY EFFECTS

KEY INDICATORS

(€m)	2017	Δ%	2016
Output volume	3,404	8	3,155
Revenue	3,029	13	2,681
Order backlog	3,944	-8	4,295
EBIT	62	28	49
<i>EBIT margin %</i>	2.1		1.8
Employees	25,618	-2	26,027

SHARE OF GROUP OUTPUT VOLUME

23% of group output volume



COMMENTS

- Output volume rose by 8% due to large projects in Austria, Germany and Americas
- EBIT +28%: recognition of a receivable from a concession project, settlement agreement in Middle East, burden again stemming from project Alto Maipo, Chile
- Order backlog down by 8%: reduction of Italian project Pedemontana
- Outlook:
 - Output volume 2018 should increase slightly
 - Real estate development continues to contribute positively to earnings
 - Property and facility services business: Agreement with future service provider of Deutsche Telekom regarding transition of employees concluded

2018:

FOCUS KEPT ON MARGIN, SLIGHTLY HIGHER OUTPUT VOLUME

- **Output volume 2018** of € 15.0 billion forecasted (+3%)
- **EBIT margin 2018** again targeted at $\geq 3\%$
- Management Board appointed for 2019–2022

MANAGEMENT BOARD MEMBERS APPOINTED FOR 2019–2022



Dr. Thomas Birtel
CEO



Mag. Christian Harder
CFO



Dr. Peter Krammer
Segment
South + East



DI Siegfried Wanker
Segment
International +
Special Divisions



Mag. Hannes Truntschnig
Will retire end of
2018



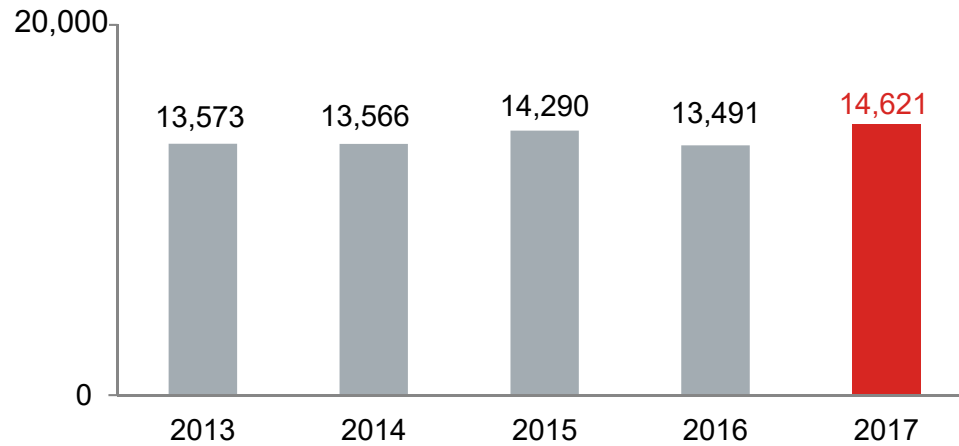
DI Alfred Watzl
Appointed as a
member of the
Management Board
for the first time
2019–2022
Segment
North + West



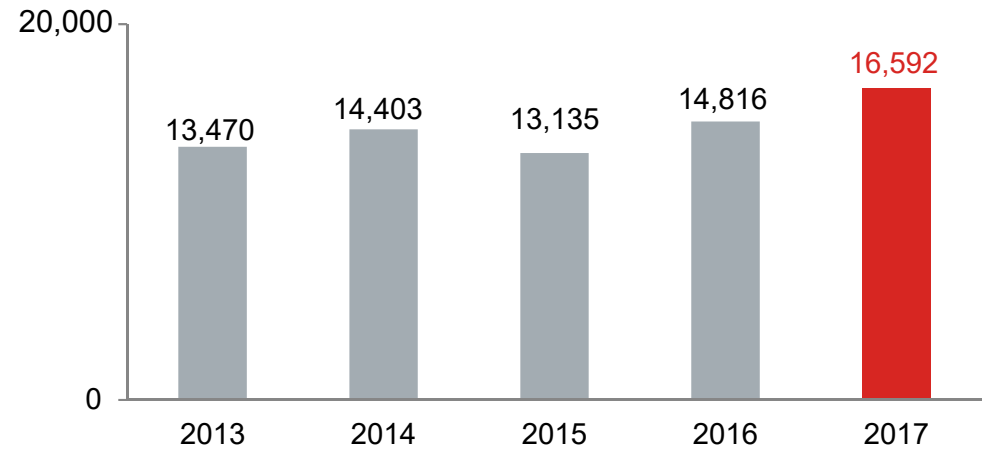
● **APPENDIX**

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

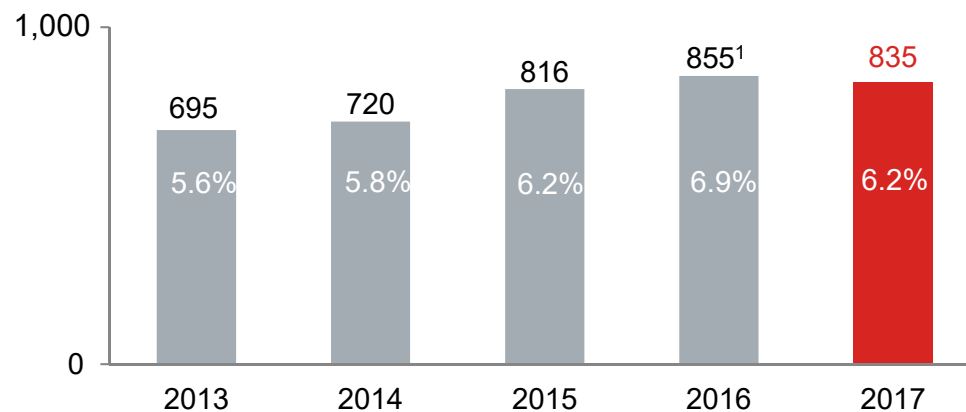
OUTPUT VOLUME (€M)



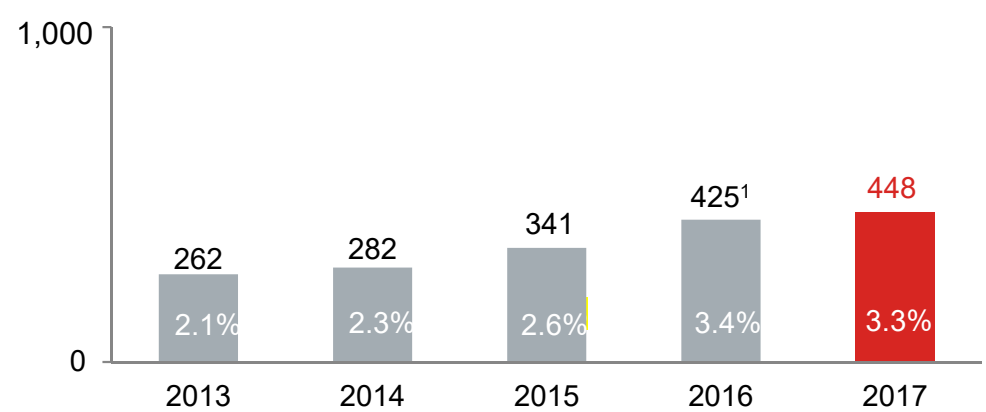
ORDER BACKLOG (€M)



EBITDA (€M) AND EBITDA MARGIN (%)



EBIT (€M) AND EBIT MARGIN (%)



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

EQUITY RATIO REMAINS HIGH AT 31%

ASSETS¹

(€m)	2017	2016
Intangible assets	499	496
PP&E & investment property	1,942	1,936
Associated companies	350	348
Other financial assets	183	167
Concession receivables	662	683
Trade and other receivables	271	254
Deferred taxes	189	246
Non-current assets	4,096	4,130
Inventories	1,138	1,183
Trade and other receivables	2,996	3,031
Concession receivables	34	31
Cash and cash equivalents	2,790	2,003
Current assets	6,958	6,248
Total assets	11,054	10,378

LIABILITIES AND EQUITY¹

(€m)	2017	2016
Share capital	110	110
Capital reserves	2,315	2,315
Retained earnings	945	761
Non-controlling interests	27	79
Equity	3,398	3,265
Provisions	1,161	1,112
Financial liabilities	883	1,224
Trade payables & other liab.	78	63
Deferred taxes	24	21
Non-current liabilities	2,145	2,420
Provisions	747	810
Financial liabilities	411	203
Trade payables	3,402	2,818
Other current liabilities	950	862
Current liabilities	5,511	4,693
Liabilities & equity	11,054	10,378

¹ Rounding differences might occur.

GROUP INCOME STATEMENT 2017

(€m)	2017	2016	Δ%
Output volume	14,620.89	13,491.03	8
Revenue	13,508.72	12,400.46	9
Changes in inventories/own work capitalised	-48.09	55.55	n.m.
Other operating income	282.99	235.83	20
Construction materials, consumables and services used	-8,839.87	-7,980.01	-11
Employee benefits expenses	-3,367.17	-3,210.91	-5
Other operating expenses	-842.79	-795.85	-6
Share of profit or loss of associates	123.99	106.18	17
Net income from investments	16.80	43.93	-62
EBITDA	834.58	855.18¹	-2

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

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

GROUP INCOME STATEMENT 2017 (CONT.)

(€m)	2017	2016	Δ%
EBITDA	834.58	855.18¹	-2
<i>Margin (%)</i>	6.2	6.9	
Depreciation and amortisation	-386.22	-430.27	10
EBIT	448.36	424.91¹	6
<i>Margin (%)</i>	3.3	3.4	
Net interest income	-27.15	-3.78	-618
Income tax expense	-128.85	-139.13	7
Net income	292.36	282.00	4
Attributable to minority interest	13.45	4.35	209
Attributable to equity holders of the parent company	278.91	277.65	0
Earnings per share (€)	2.72	2.71	0

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

1 including a non-operating profit in the amount of € 27.81 million



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YOUR QUESTIONS, PLEASE

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