



STRABAG SE FY 2016 RESULTS

27 APRIL 2017



STRABAG
SOCIETAS EUROPAEA

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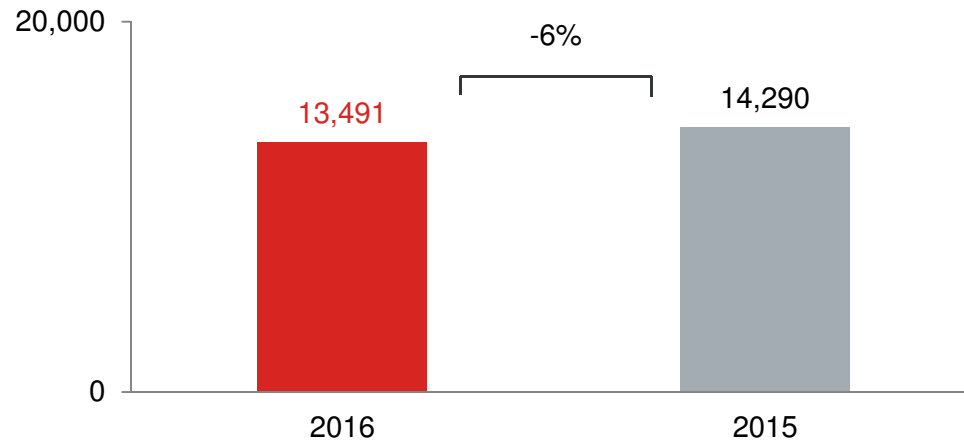
2016: MID-TERM MARGIN TARGET REACHED

	Target	2016
Output volume	€ 14.0 billion	€ 13.5 billion
EBIT	≥ € 390 million (2015: € 341 million)	€ 425 million/ € 397 million ¹⁾
EBIT margin	3% until 2016 (2015: 2.6%)	3.4%/3.2% ¹⁾
Equity ratio	≥ 25%	31.5%
Dividend	30–50% of net income after minorities (2015: € 0.65 per share)	35%, € 0.95 per share

1) adjusted for a non-operating profit in the amount of € 27.81 million

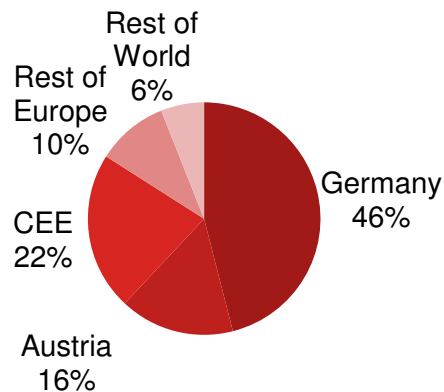
OUTPUT VOLUME SHRANK BY 6%

OUTPUT VOLUME (€M)



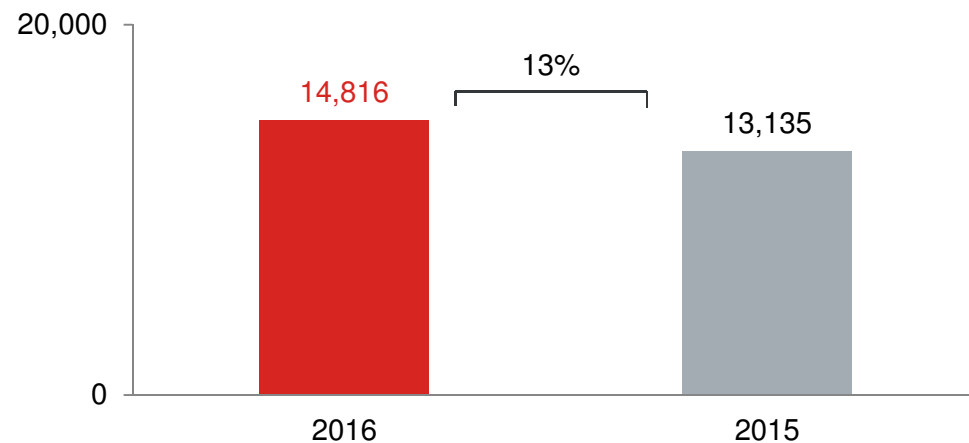
- Output volume shrank by 6% to € 13.5 billion
- EU Cohesion Fund regime had ended in 2015, which is why Slovakia, Poland and Czech Republic had posted an exceptionally positive development
- Germany strengthens status as the largest market with 46% of group's output volume
 - Booming building construction
 - Emerging transportation infrastructure market

OUTPUT VOLUME 2016 BY REGION



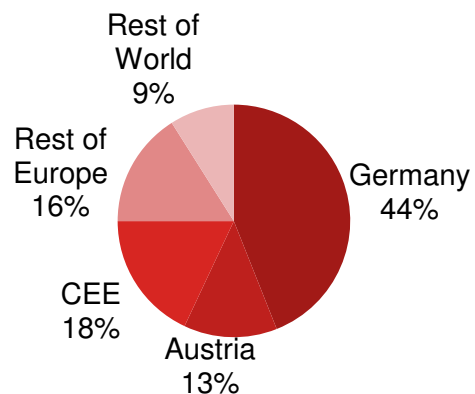
ORDER BACKLOG AT RECORD HIGH

ORDER BACKLOG (€M)



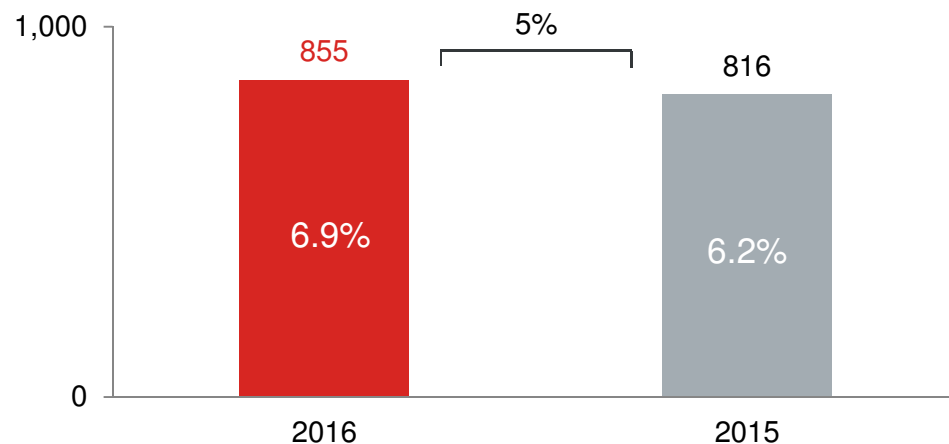
- Record high in Germany as well as on group level
- Growth in Chile, Slovakia, Hungary, Austria
- Declines in Denmark, Russia, Romania

ORDER BACKLOG 2016 BY REGION



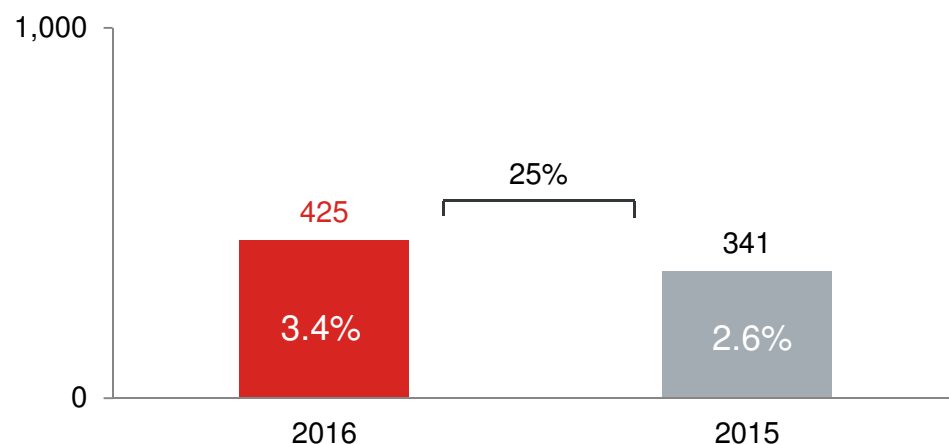
EBIT MARGIN AT >3%

EBITDA (€M) AND EBITDA MARGIN (%)



- EBITDA clean of non-operating non-recurring item: € 827.37 million, EBITDA margin 6.7%
- Lower burdens related to large projects
- Earnings improvements in Austria and Germany

EBIT (€M) AND EBIT MARGIN (%)

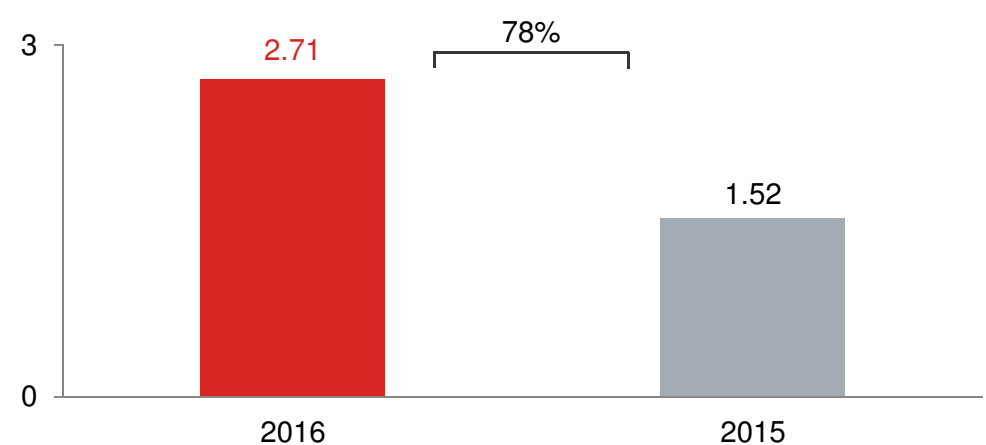
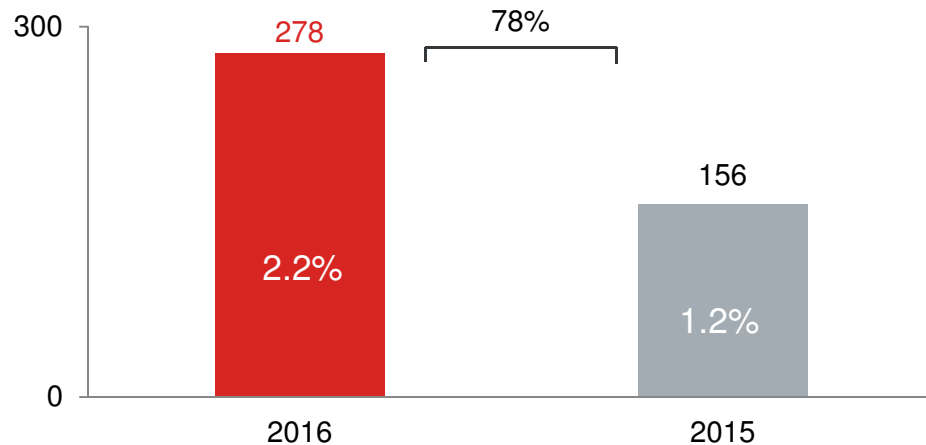


- EBIT clean of non-operating non-recurring item: € 397.10 million, EBIT margin 3.2%
- Depreciation reduced by 9% mainly because of the sale of hydraulic engineering equipment (2015: special depreciation allowance of € 21.7 million)
- Impossible to simply extrapolate the margin values for the following year

EARNINGS PER SHARE SIGNIFICANTLY HIGHER: ACQUISITION OF ED. ZÜBLIN AG MINORITY INTEREST

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

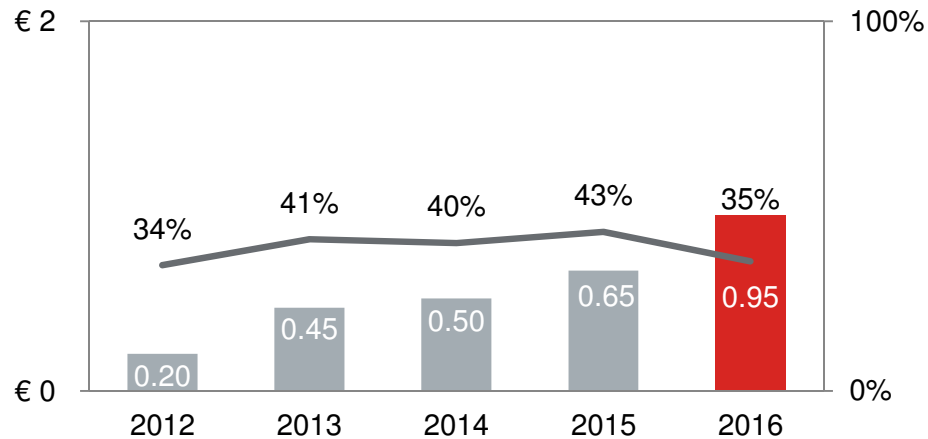
EARNINGS PER SHARE (€)



- Negative net interest income greatly reduced thanks to positive foreign currency effects and lower interest on borrowings
- Income tax rate nearly returned to normal at 33.0%
- Earnings owed to minority shareholders lowered from € 26.21 million in 2015 to € 4.34 million in 2016 due to the acquisition of the remaining minority interest in Ed. Züblin AG → Net income after minorities and earnings per share significantly higher

HIGHEST DIVIDEND SINCE IPO: € 0.95 PER SHARE

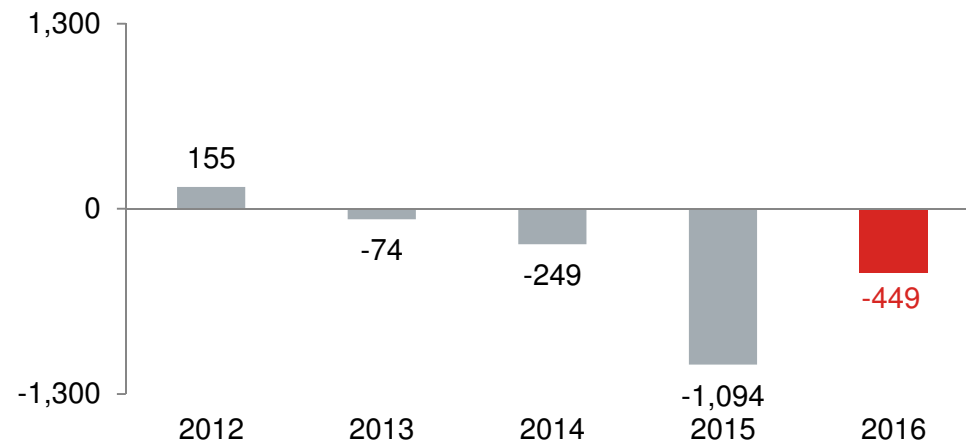
DIVIDEND (€) AND PAYOUT RATIO (%)



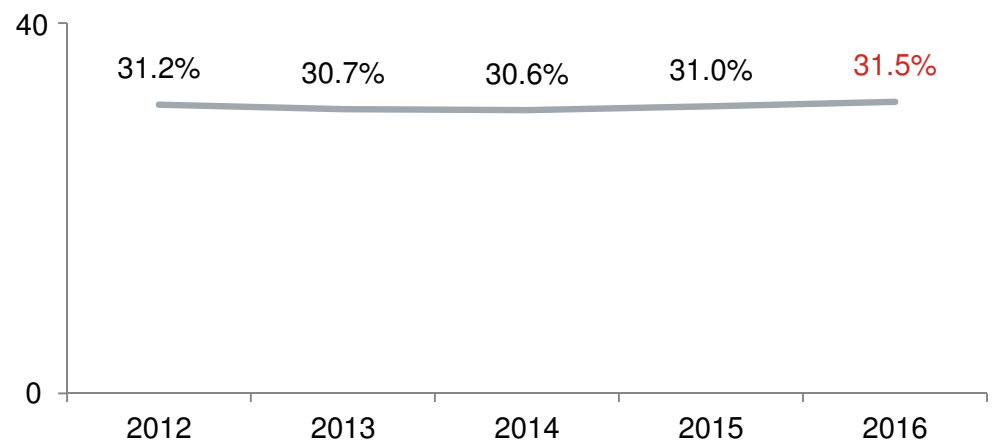
- Dividend per share of € 0.95 proposed (+46%)
- Payout ratio of 35% within predetermined payout range of 30–50% of net income after minorities
- STRABAG has distributed a dividend within the predetermined payout range every year since the IPO in 2007

NET CASH POSITION AND HIGH EQUITY RATIO MAINTAINED

NET DEBT (+)/NET CASH (-) (€M)



EQUITY RATIO (%)



- Equity ratio at 31%; target: $\geq 25\%$
- Still high net cash position:
 - Uncharacteristically high project-related advance payments of the past years now reversed
 - Increased investments and acquisition of Ed. Züblin AG minority interest
- S&P confirmed corporate credit rating of BBB (outlook: stable) in 2016

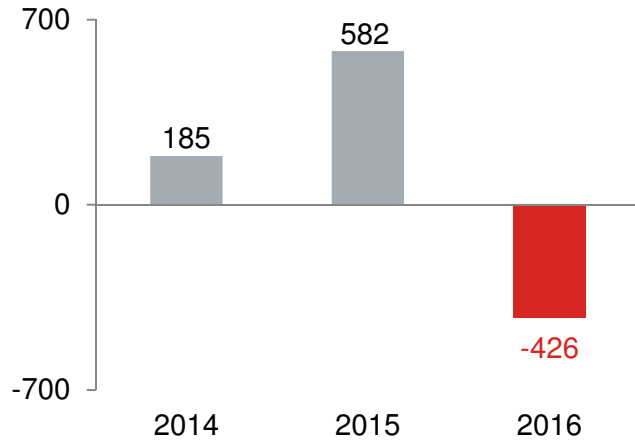
CASH AND CASH EQUIVALENTS OF € 2.0 BILLION

(€m)	2016	Δ%	2015
Cash – beginning of period	2,727	43	1,906
Cash flow from earnings	690	5	658
Δ Working Capital	-426	n.m.	582
Cash flow from operating activities	264	-79	1,240
Cash flow from investing activities	-434	-36	-320
Cash flow from financing activities	-564	-380	-118
Net change in cash	-734	n.m.	803
FX changes	5	-6	6
Change restricted cash	0	-100	12
Cash – end of period	1,998	-27	2,727

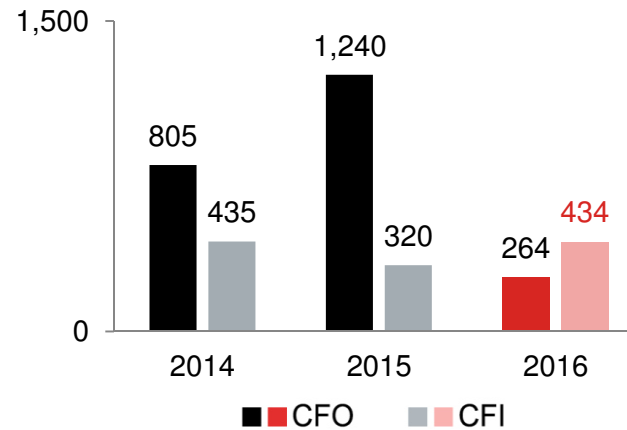
Rounding differences might occur.

CFI EXCEEDS CFO THIS TIME

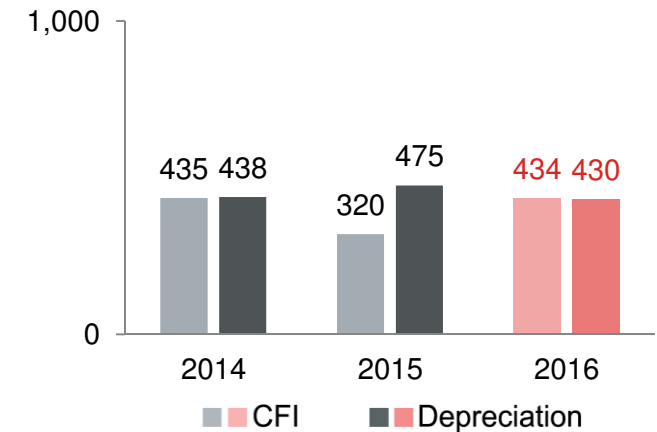
Δ WORKING CAPITAL (€M)



CFO VS. CFI (€M)



CFI VS. DEPRECIATION (€M)



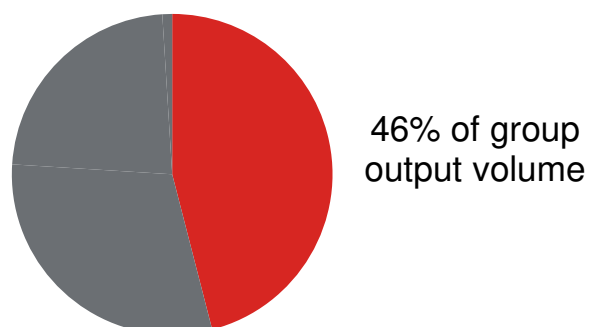
- Exceptionally high FCF in 2015, situation reversed in 2016
- Purchase of PP&E at € 412 million (2015: € 396 million), thereof ~ € 250 million maintenance CAPEX
- 2016 depreciation includes goodwill impairment of € 5 million (2015: € 25 million)
- 2015 depreciation included special depreciation allowance for hydraulic engineering equipment

NORTH + WEST BENEFITS FROM GERMANY

KEY INDICATORS

(€m)	2016	Δ%	2015
Output volume	6,175	-3	6,368
Revenue	5,802	-2	5,895
Order backlog	7,030	30	5,397
EBIT	170	62	105
<i>EBIT margin %</i>	<i>2.9</i>		<i>1.8</i>
Employees	22,233	-1	22,421

SHARE OF GROUP OUTPUT VOLUME



COMMENTS

- Output volume slightly lower
- EBIT gained 62%: Improvements in Germany, absence of past burdens related to a large project in the Netherlands
- Order backlog (+30%) driven to a record high by Germany
- Outlook:
 - Order backlog hints at higher output volume in 2017
 - Germany: Positive outlook for building construction and civil engineering as well as for transportation infrastructures
 - Poland: Public tendering activity came to a standstill
 - Scandinavia: Lasting upward trend

SOUTH + EAST: STABLE AT A HIGH LEVEL

KEY INDICATORS

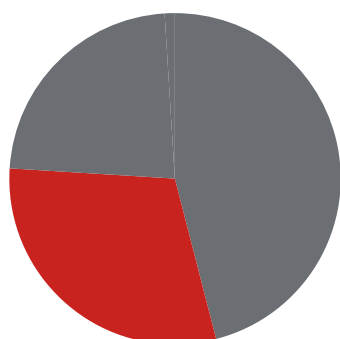
(€m)	2016	Δ%	2015
Output volume	4,001	-12	4,535
Revenue	3,889	-12	4,412
Order backlog	3,483	0	3,477
EBIT	188	-5	197
<i>EBIT margin %</i>	4.8		4.5
Employees	17,758	-2	18,043

COMMENTS

- Output volume lower by 12%: Decrease especially pronounced in Slovakia, Hungary and Czech Republic
- EBIT down, but segment still contributes strongly to earnings
- Order backlog unchanged
- Outlook:
 - Increase in output volume expected for 2017
 - Austria stable
 - Mixed picture in CEE

SHARE OF GROUP OUTPUT VOLUME

30% of group output volume



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

KEY INDICATORS

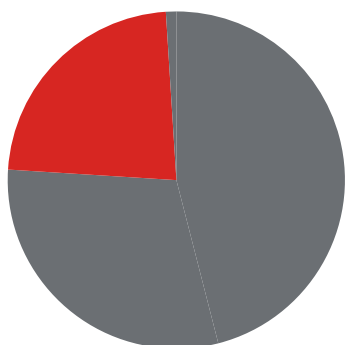
(€m)	2016	Δ%	2015
Output volume	3,155	-3	3,250
Revenue	2,681	-4	2,791
Order backlog	4,295	1	4,253
EBIT	49	4	47
<i>EBIT margin %</i>	<i>1.8</i>		<i>1.7</i>
Employees	26,027	-4	27,077

COMMENTS

- Output volume down especially due to Italy
- EBIT hardly changed in absolute terms – number of contrary effects related to large projects
- Order backlog coined by tunnelling project for Chilean copper mine
- Outlook:
 - Output volume 2017 should increase slightly
 - Property and facility services business as well as real estate development contribute positively to earnings
 - Very competitive market for tunnelling and concession projects

SHARE OF GROUP OUTPUT VOLUME

23% of group output volume



2016: EARNINGS IMPROVED – DIVIDEND STRONGLY INCREASED

- **Output volume** down by 6%
- **Order backlog** on a record high of € 14.8 billion
- **Margin target** of 3% **surpassed**
- **Dividend**: Increase of 46% to € 0.95 per share proposed
- **Financially strong group**
 - Still net cash position
 - Equity ratio maintained at a high 31%
- **Task Force “STRABAG 2013ff”** successfully completed its work
- Acquisition of **Ed. Züblin AG** minority interest
- Increase in stake in Raiffeisen evolution from 20% to 100%
(**STRABAG Real Estate GmbH, Vienna**)

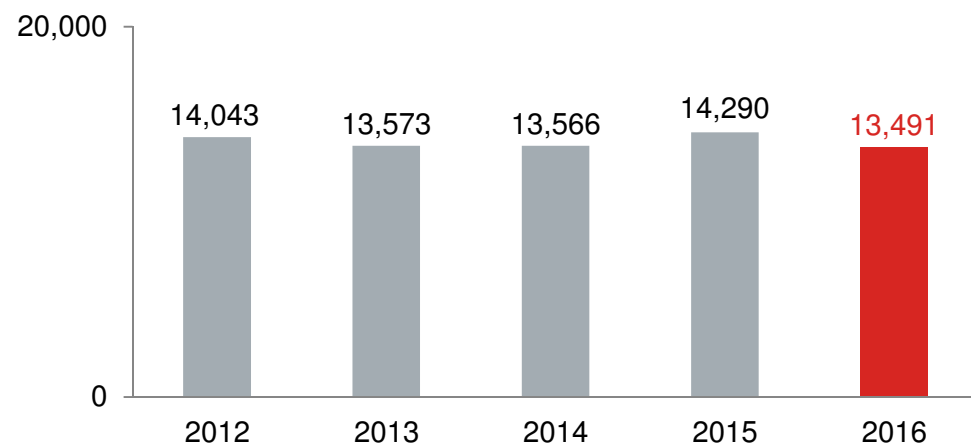
2017: WHILE OUTPUT VOLUME SHOULD BE SOMEWHAT HIGHER, FOCUS KEPT ON MARGIN

- **Output volume 2017** of ≥ 14.0 billion forecasted ($\geq +4\%$)
- **EBIT margin 2017** targeted at $\geq 3\%$
- **Squeeze-out STRABAG AG, Cologne**
- Push digitalisation of the construction process: e.g. **BIM.5D[®]**

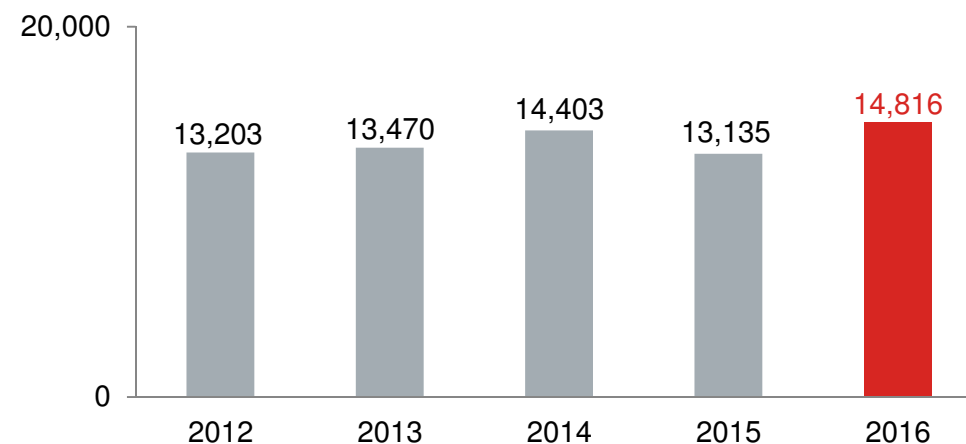
APPENDIX

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

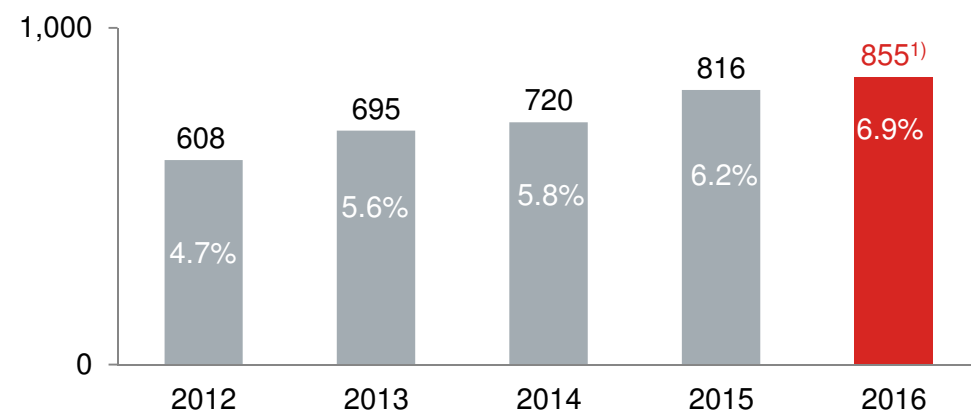
OUTPUT VOLUME (€M)



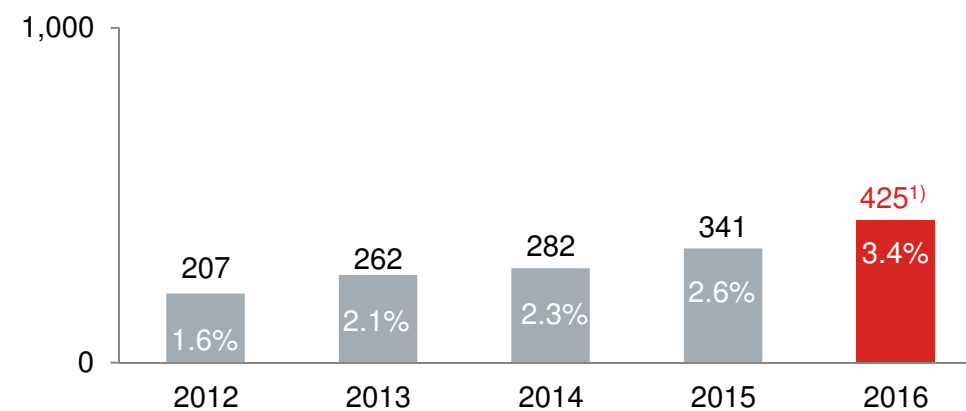
ORDER BACKLOG (€M)



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%

ASSETS⁽¹⁾

(€m)	2016	2015
Intangible assets	496	511
PP&E & investment property	1,936	1,895
Associated companies	348	373
Other financial assets	167	173
Concession receivables	683	710
Trade and other receivables	254	251
Deferred taxes	246	292
Non-current assets	4,130	4,206
Inventories	1,183	802
Trade and other receivables	3,031	2,891
Concession receivables	31	29
Cash and cash equivalents	2,003	2,732
Assets held for sale	0	70
Current assets	6,248	6,523
Total assets	10,378	10,729

LIABILITIES AND EQUITY⁽¹⁾

(€m)	2016	2015
Share capital	110	114
Capital reserves	2,315	2,311
Retained earnings	761	614
Non-controlling interests	79	282
Equity	3,265	3,321
Provisions	1,112	1,093
Financial liabilities	1,224	1,294
Trade payables & other liab.	63	18
Deferred taxes	21	36
Non-current liabilities	2,420	2,441
Provisions	810	774
Financial liabilities	203	286
Trade payables	2,818	2,994
Other current liabilities	862	913
Current liabilities	4,693	4,967
Liabilities & equity	10,378	10,729

(1) Rounding differences might occur.

GROUP INCOME STATEMENT 2016

(€m)	2016	2015	Δ%
Output volume	13,491.03	14,289.76	-6
Revenue	12,400.46	13,123.48	-6
Changes in inventories/own work capitalised	55.55	-20.43	n.m.
Other operating income	235.83	221.46	6
Construction materials, consumables and services used	-7,980.01	-8,619.03	7
Personnel cost	-3,210.91	-3,158.25	-2
Other operating expenses	-795.85	-826.90	4
Share of profit or loss of associates	106.18	61.89	72
Net income from investments	43.93	33.88	30
EBITDA	855.18¹⁾	816.10	5

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 2016 (CONT.)

(€m)	2016	2015	Δ%
EBITDA	855.18¹⁾	816.10	5
<i>Margin (%)</i>	6.9	6.2	
Depreciation and amortisation	-430.27	-475.06	9
EBIT	424.91¹⁾	341.04	25
<i>Margin (%)</i>	3.4	2.6	
Net interest income	-3.78	-24.42	85
Income tax expense	-139.13	-134.13	-4
Net income	282.00	182.49	55
Attributable to minority interest	4.35	26.20	-83
Attributable to equity holders of the parent	277.65	156.29	78
Earnings per share (€)	2.71	1.52	78

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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