



# PORR Q3 Update – The next chapter

Vienna, November 2014



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## **DOAR** Highlights



- ❑ 17% increase in production output yoy up to EUR 2.67 bn YTD
- ❑ High levels of order backlog remain at EUR 4.7 bn and order intake remains at a high level with EUR 2.7 bn
- ❑ Solid growth results in higher profitability
  - **EBITDA:** EUR 83m (+26% yoy)
  - **EBT:** EUR 13m (+100% yoy)
  - **Net Debt:** EUR 434m (-36% yoy)
- ❑ Successful Spin-off of the real estate unit

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- ❑ Solid outlook on FY2014 results maintaining previous guidance

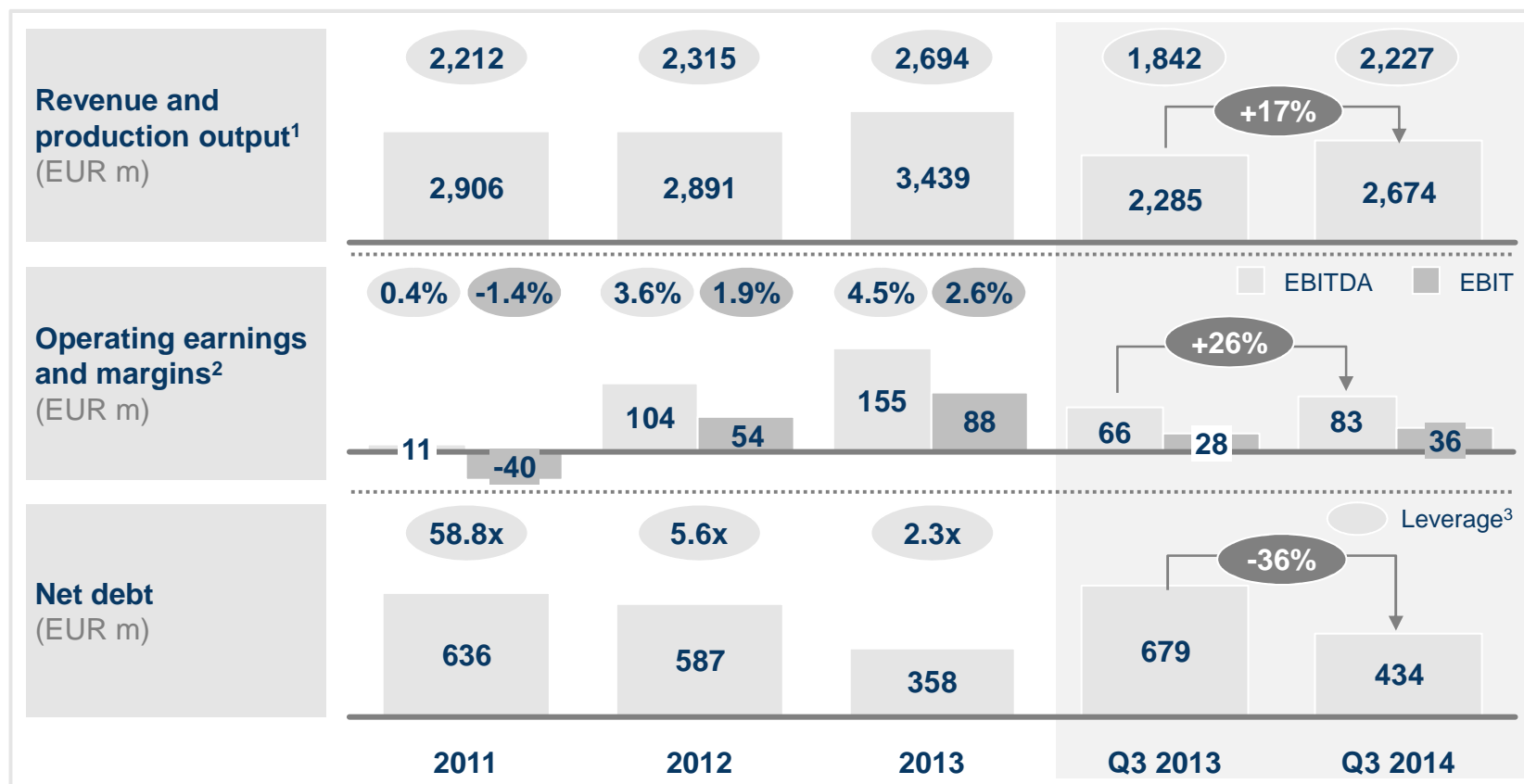
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- ❑ Perspective on 2015
  - Smart Growth in PORR as pure-play Construction
  - Planned merger of UBM / PIAG – value creation through pure-play Developer



# Solid growth results in higher profitability

● Revenue    ■ Production output








1 Production Output is not an IFRS financial measure and is not designed to measure the Group's financial performance. Production Output is determined from the proportional construction output of all companies in which the Group has a direct or indirect interest, as well as from the proportional output of consortia involving any one of the Group companies, reconciled pursuant to commercial criteria

2 Margin calculation based on production output

3 Defined as net debt to EBITDA

# DOOR Update from the Business Units

## Organizational structure

Business units				
DACH	CEE/SEE	Infrastructure	Environment	Real estate <sup>3</sup>
<p><b>Strong rise in production output</b></p> <ul style="list-style-type: none"> <li>Strong market position in AT – growing especially in the Vienna region, Styria, Lower Austria and Tyrol</li> <li>High potential in Germany</li> <li>Selective growth in Switzerland</li> </ul>	<p><b>Growth in home markets and cherry picking approach</b></p> <ul style="list-style-type: none"> <li>Continued growth in home markets PL and CZ</li> <li>“cherry picking”<sup>1</sup> in other CEE/SEE countries</li> <li>Capacity adjustments based on market situation</li> </ul>	<p><b>Excellent technical expertise</b></p> <ul style="list-style-type: none"> <li>Integration of BU International to exploit synergies</li> <li>Excellent technical expertise, e.g. tunneling and foundation engineering lead to a strong performance in third quarter 2014</li> </ul>	<p><b>Growth and internal value creation</b></p> <ul style="list-style-type: none"> <li>Penetrating Austrian market<sup>2</sup></li> <li>Exploiting internal value creation through special products – „A-GB-A“ model</li> <li>Strong expertise in niche areas</li> </ul>	<p><b>Re-aligning the strategy</b></p> <ul style="list-style-type: none"> <li>Re-aligning strategy for the real estate unit following the acquisition of a majority stake in UBM</li> </ul>
				

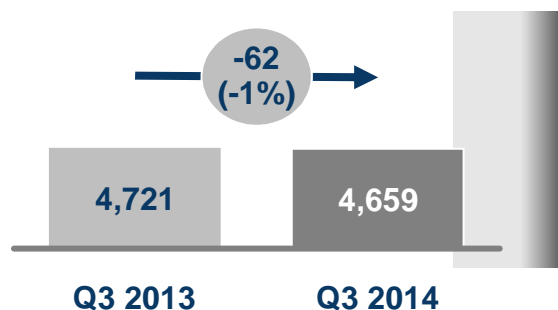
4 1 Very selective project based activities in infra-structure demolition) 3 Carve out before 12/2014

2 Positive effects from Prajo acquisition (Vienna based)

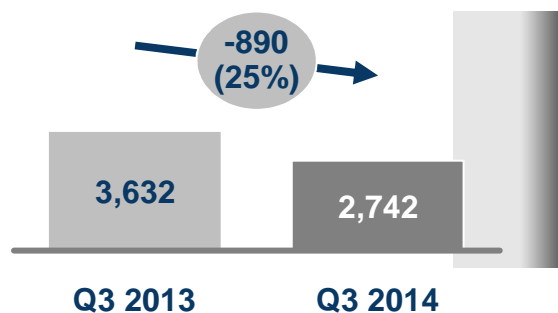
**PORR** High order backlog and stable intake

Order backlog and intake at Q3 2014 (EUR m)

**Backlog**



**Intake**



Selected projects	Country	EUR m <sup>1</sup>	Entry	% Completion
Metro Doha "Green Line	KT	944	Jun-13	12.1%
KAT 3 Koralm tunnel	AT	297	Jun-13	11.6 %
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	10.9 %
Tunnel Alaufstieg	DE	235	Oct-12	17.8 %
Slab track Erfurt-Halle	DE	190	Jul-11	92.0 %
Emscher BA 40	DE	144	Dec-13	10.4 %
S10 Tunnel Götschka	AT	129	Oct-11	86.4 %
Slab track Coburg Ilmenau	DE	103	Nov-12	58.4 %
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	15.4 %
Hospital Vienna Nord	AT	98	May-12	77.4 %
Motorway Sebes-Turda	RO	96	Apr-14	5.0 %
Bypass Biel Ostast	CH	92	Apr-07	94.8%
Main Station Vienna	AT	86	Oct-09	92.1 %
S10 Bypass Freistadt	AT	84	Oct-11	99.2%
Smart Campus	AT	79	Jun-14	7.9 %

<sup>1</sup> Stated values are project values attributable to PORR at time of contract awarding



**Financial Section PORR AG**




**Consolidated Income statement<sup>1</sup>**

EUR thd

	<u>2010<sup>2</sup></u>	<u>2011<sup>3</sup></u>	<u>2012</u>	<u>2013 FY</u>	<u>Q3 2013</u>	<u>Q3 2014</u>
<b>Production output</b>	<b>2,826,047</b>	<b>2,905,634</b>	<b>2,890,957</b>	<b>3,439,092</b>	<b>2,284,606</b>	<b>2,673,694</b>
Revenues	2,217,451	2,212,490	2,314,828	2,694,153	1,841,820	2,227,194
Material costs	-1,460,425	-1,470,861	-1,455,484	-1,761,030	-1,212,633	-1,511,438
Staff costs	-554,807	-580,804	-625,309	-682,646	-484,346	-574,694
Other operating results	-118,501	-172,067	-154,609	-135,472	-176,023	-181,354
<b>EBITDA</b>	<b>103,415</b>	<b>10,826</b>	<b>103,837</b>	<b>154,731</b>	<b>66,141</b>	<b>83,148</b>
<b>EBITDA %<sup>4</sup></b>	<b>3.7</b>	<b>0.4</b>	<b>3.6</b>	<b>4.5</b>	<b>3.6</b>	<b>3.7</b>
Depreciation	-53,696	-51,291	-50,028	-66,705	-38,206	-47,361
<b>EBIT</b>	<b>49,720</b>	<b>-40,465</b>	<b>53,809</b>	<b>88,026</b>	<b>27,935</b>	<b>35,787</b>
<b>EBIT %<sup>4</sup></b>	<b>1.8</b>	<b>-1.4</b>	<b>1.9</b>	<b>2.6</b>	<b>1.5</b>	<b>1.6</b>
Financial result	-28,332	-42,604	-31,801	-27,533	-21,458	-22,854
<b>EBT</b>	<b>21,387</b>	<b>-83,069</b>	<b>22,008</b>	<b>60,493</b>	<b>6,477</b>	<b>12,933</b>
<b>EBT %<sup>4</sup></b>	<b>0.8</b>	<b>-2.9</b>	<b>0.8</b>	<b>1.8</b>	<b>0.4</b>	<b>0.6</b>
Taxes	-4,192	12,880	-4,015	-7,908	-2,000	-757
<b>Periodic result</b>	<b>17,195</b>	<b>-70,189</b>	<b>17,993</b>	<b>52,585</b>	<b>4,478</b>	<b>12,176</b>

1 Capitalized own work and share of profit/loss of associates not shown; required by IFRS; actually reported values according to IFRS may deviate;

2 Pro forma restatement made in line with restatement of 2011 figures  
 3 Restated  
 4 Calculated based on Revenues




**Consolidated Balance Sheet**

EUR thd

		<u>31.12.2010<sup>1</sup></u>	<u>31.12.2011<sup>1</sup></u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>Q3 2014</u>
<b>Assets</b>	Long-term assets	1,123,889	1,178,059	1,101,407	1,068,659	1,130,194
	Short-term assets	1,045,508	958,993	959,334	1,227,811	1,363,288
	<b>Total assets</b>	<b>2,169,397</b>	<b>2,137,052</b>	<b>2,060,741</b>	<b>2,296,470</b>	<b>2,493,482</b>
<b>Liabilities &amp; equity</b>	Equity (incl. non-controlling interest)	477,292	303,243	322,553	347,662	434,141
	Long-term liabilities	702,015	811,706	595,591	668,692	701,666
	Short-term liabilities	990,090	1,022,103	1,142,597	1,280,116	1,357,675
	<b>Total assets</b>	<b>2,169,397</b>	<b>2,137,052</b>	<b>2,060,741</b>	<b>2,296,470</b>	<b>2,493,482</b>
<b>Ratios</b>	<b>Net debt<sup>2</sup> (EUR m)</b>	<b>441</b>	<b>636</b>	<b>586</b>	<b>679<sup>4</sup></b>	<b>434</b>
	<b>Equity ratio (%)<sup>3</sup></b>	<b>22.9</b>	<b>15.5</b>	<b>17.4</b>	<b>16.5</b>	<b>18.6</b>

1 Restated excluding cash-flow hedges;

2 Bonds plus financial liabilities less cash and cash equivalents;

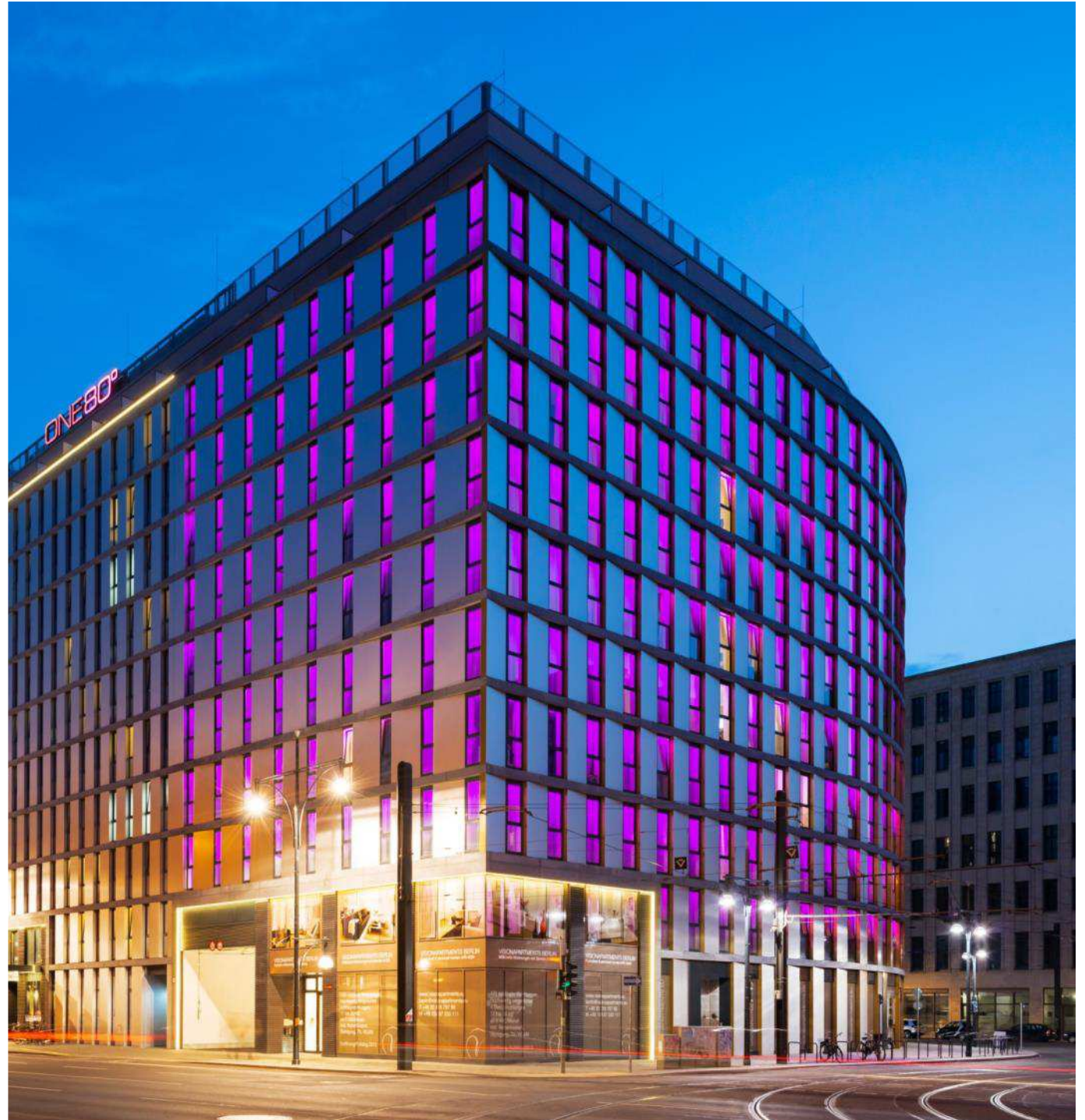
3 Equity to total assets

4 Q3 2013 value of Net Debt, 31.12.2013 value of net debt has been EUR 374m

# PIAG/UBM Close-up

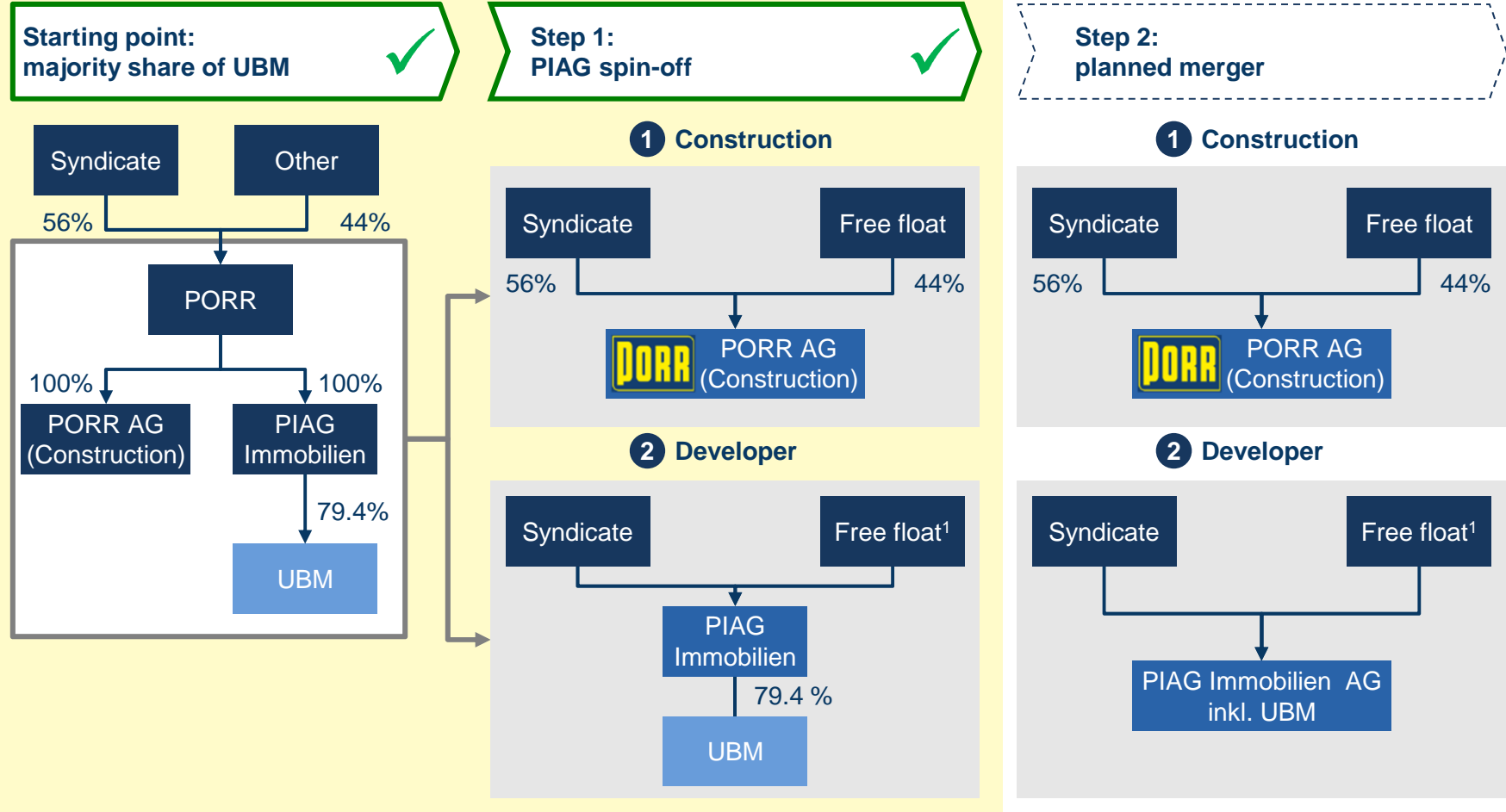
Spin-off Update –  
Details of the pure-  
play Developer

November 2014,  
Vienna





# Update: Successful shareholders' meeting with unanimous vote in favor of spin-off concluded first step in process



10 1 Includes existing and new shareholders



# PIAG/UBM at a glance

## INDICATIVE PLANNING FIGURES

### History of PIAG, S&P, UBM

- UBM is a developer with a tradition that goes back more than 140 years
- Strauss & Partner (S&P) acts as driver of PORR's development activities
- PIAG/UBM<sup>1</sup> spin-off creates a developer on a European scale

### Business model and profile

- "Trade developer" – very small real estate portfolio (asset management only to optimize exit)
  - Clear focus on acquisition, conception, implementation, and exit

## PIAG/UBM

### Financials

- Solid position in FY 2014
- Positive outlook for 2015 – 17:



### Markets and segments

- Core markets in AT, DE, PL, and CZ, as well as selected fast-growing cities
- Concentrated on 3 asset classes – residential, office, and hotel

<sup>1</sup> PIAG temporarily acting as holding for UBM and S&P

Source: Internal plans

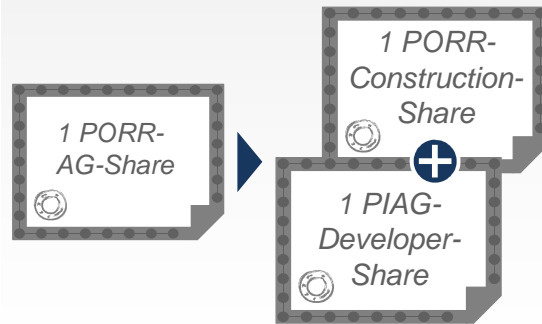
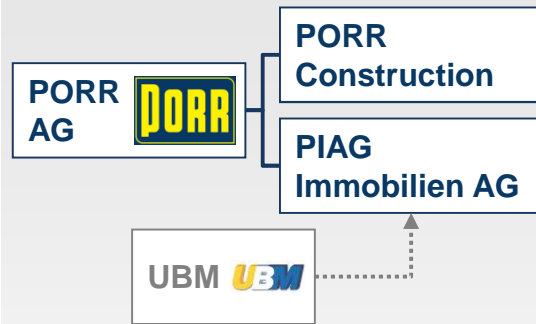


# What happens from an Investors' point of view during the Spin-off and Merger?

Illustration

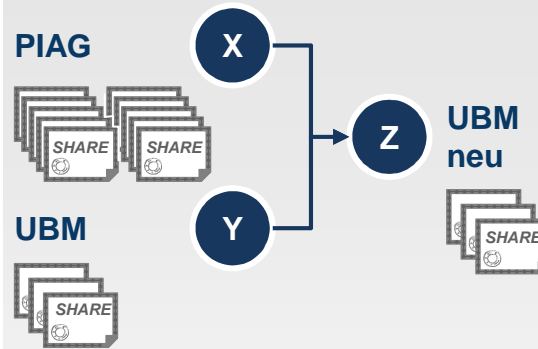
## 1 The Spin-off

3 PLCs trading at the capital markets



**“Free”  
Developer-Share**

## 2 The Merger



**2 Pure-Player in  
my Portfolio**

## 3 Two Opportunities

- Reinforced PORR Construction as pure-play Construction
- UBM new as pure play Developer of European format
- Two shares with full dividend rights in the investors' portfolio



**Two value creation  
opportunities and two  
dividends**

# Strategic road map shows the path ahead for PIAG/UBM

## 2014/2015

### Spin-off and merger

- Spin-off of PIAG/UBM in Q4 2014
- Merger of PIAG and UBM to new UBM in 2015

## 2015/2016

### Operations merger and new strategic direction

- Companies merged and synergies realized
- Capital increase incl. planned management participation in 2015
- Implementation of "new UBM" strategy with sharper strategic focus, mindset shift, and new focus on capital market

## 2016/2018

### Pure-play developer

- Portfolio reduction completed
- Goal – prime market at the Vienna Stock Market



# Your Questions

