

PORR AG H1 2016 NEW BUILDING

Investor Presentation
November 2016

PORR

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01

HIGHLIGHTS

Strong First Half Year: Solid Performance of Home Markets

+11% 

Continued growth in
production output

88%

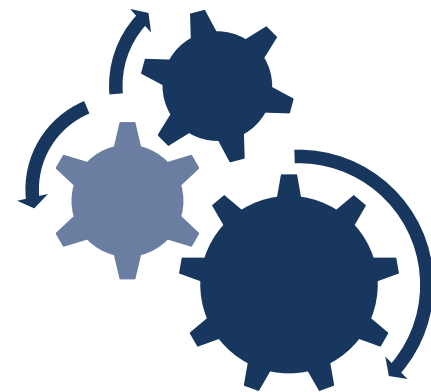
of production output
generated in strong
home markets



+13.5% 

Full order book of
EUR 5.5bn

Healthy Balance Sheet - High Liquidity



Solid

balance sheet
enables operational and
investment flexibility

EBT +25%

increased operational
performance through
effective cost management



EUR 124_m

of net debt - improved by
EUR 181m compared
to H1/2015

Key Figures H1 2016

EUR m

	H1 15	H1 16	Change ²
Production output ¹	1,497	1,663	+11.1%
Order intake	2,269	2,564	+13.0%
Order backlog	4,830	5,481	+13.5%
Revenues	1,321	1,509	+14.2%
EBITDA	56	68	+22.2%
EBITDA ³ %	3.7	4.1	
EBT	17	21	+25.1%
EBT ³ %	1.1	1.3	
Periodic result	11	16	+50.2%
Earnings per share	0.33	0.53	+60.6%

1 Output of consortiums and all associates are included proportionally in production output which deviates from revenues according to IFRS

2 Rounding differences can appear

3 Margins calculated on production output



Consistent, Successful Strategy Focus

1

Stable and consistent growth in home markets

Strong geographical footprint supported by technical excellence

2

Value over volume

Strong focus on projects adding most value

3

Solid balance sheet

Improved efficiency and cash generation

4

Creating value through strategic acquisitions

PORR Polska Infrastructure as a specialist for complex civil engineering projects

5

Enabling strong dividend yield 2015

Dividend of EUR 1.00 plus extraordinary dividend of EUR 0.50 (scrip dividend)

6

Transforming the way we work

New world of work, new organisational structure



A New Consistent and Lean Organisational Structure



02

MARKETS & STRATEGY



PORR Strategy - Intelligent Growth

MARKETS

Leading role in home markets
Profitable project markets
Promising target markets

OPERATIONS

3 % EBT margin
Net-debt-free
Focus on earnings, not revenues
Strict cost & risk management

TECHNOLOGY & INNOVATION

Leading role in innovation &
technology
Digitalisation

CULTURE

Best place to work
Focus on customer relationship
Operational excellence
Entrepreneurial spirit

The logo for PORR, consisting of the letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

Strategic Achievements

MARKETS

- Leading market position in **Austria**
- Solid growth in **Germany**, strong presence in complex infrastructure projects
- **Strong order intake** driven by Poland, Germany, Austria and Switzerland
- **First project award in the UK**, bridge projects in **Norway** as a footprint to head for infrastructure projects

TECHNOLOGY & INNOVATION

- Development and strengthening of **key technologies such as BIM**
- Investments in IT infrastructure
- Digitalisation of the construction process

OPERATIONS

- Clear roadmap of **sustainable margin improvements** leading to an EBT margin of 2.3% in 2015 (1.9% FY 14)
- **Net cash** increased to EUR 187m (FY 15), **working capital** improvements
- Focus on **high-margin projects**
- **Improved cost base & risk mgmt**

CULTURE

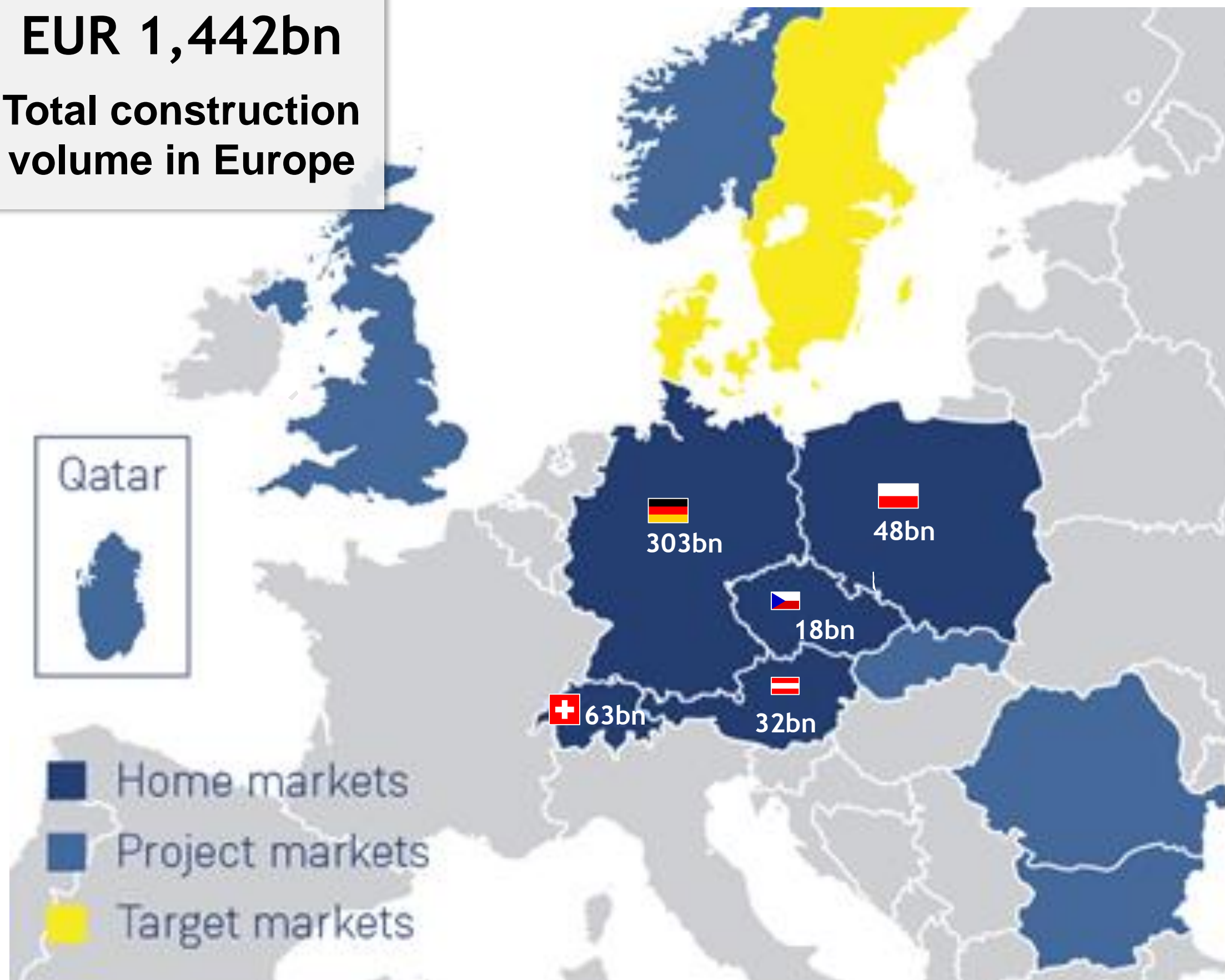
- Realization of the “**New World of Work**” - a new way to work in an open and transparent atmosphere creating a **dynamic and flexible organization**
- **Highly qualified and committed employees**

PORR Construction Markets Show Stable Growth Prospects

Market Volume & Approach

EUR 1,442bn

Total construction volume in Europe



Home markets

- Well-established with a strong profile in its home markets
- Detailed knowledge about the markets, competitors and clients
- Great depth of added value / nearly 100% execution within the company

Project markets

- Established company in selected areas of expertise (focus on infrastructure)
- Good knowledge about the markets, competition and clients in these areas
- Strict selection of projects
- Strategic partnerships

Target markets

- Project approach / strict project selection in infrastructure sector
- Clear rules for market entry: Project - Partner - Team

Source: Euroconstruct (June 2016, 81st conference in Dublin)

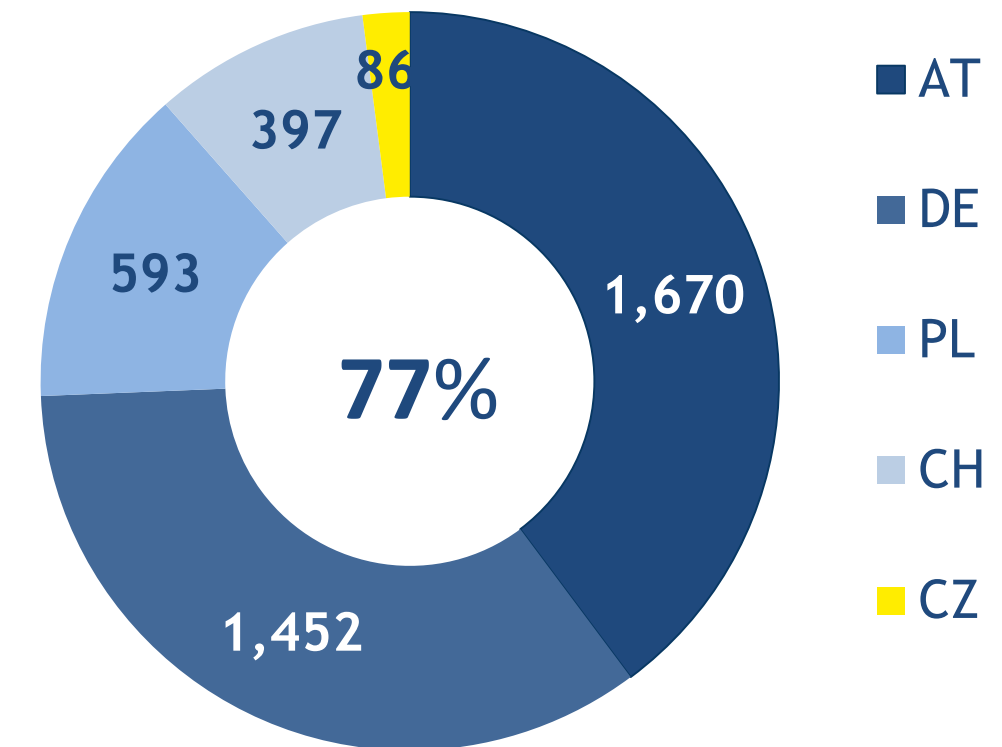
A Stable Business Supported by a Full Order Pipeline

PORR Markets - focused business model

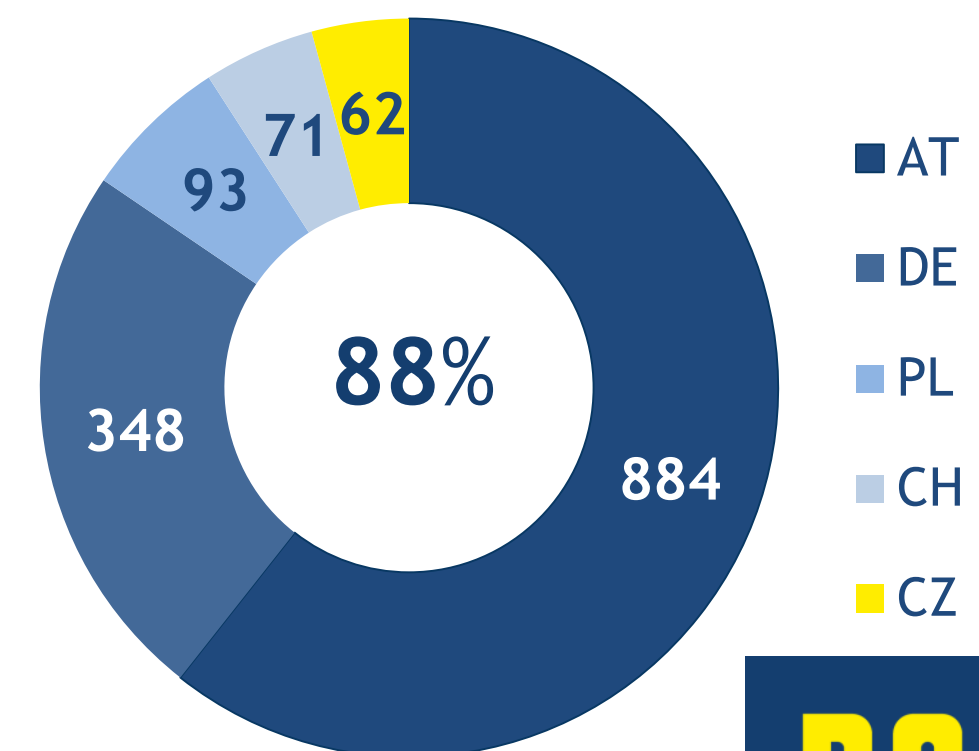


- Full-service markets
- Projects/ Large scale projects

Order backlog by region, EUR m

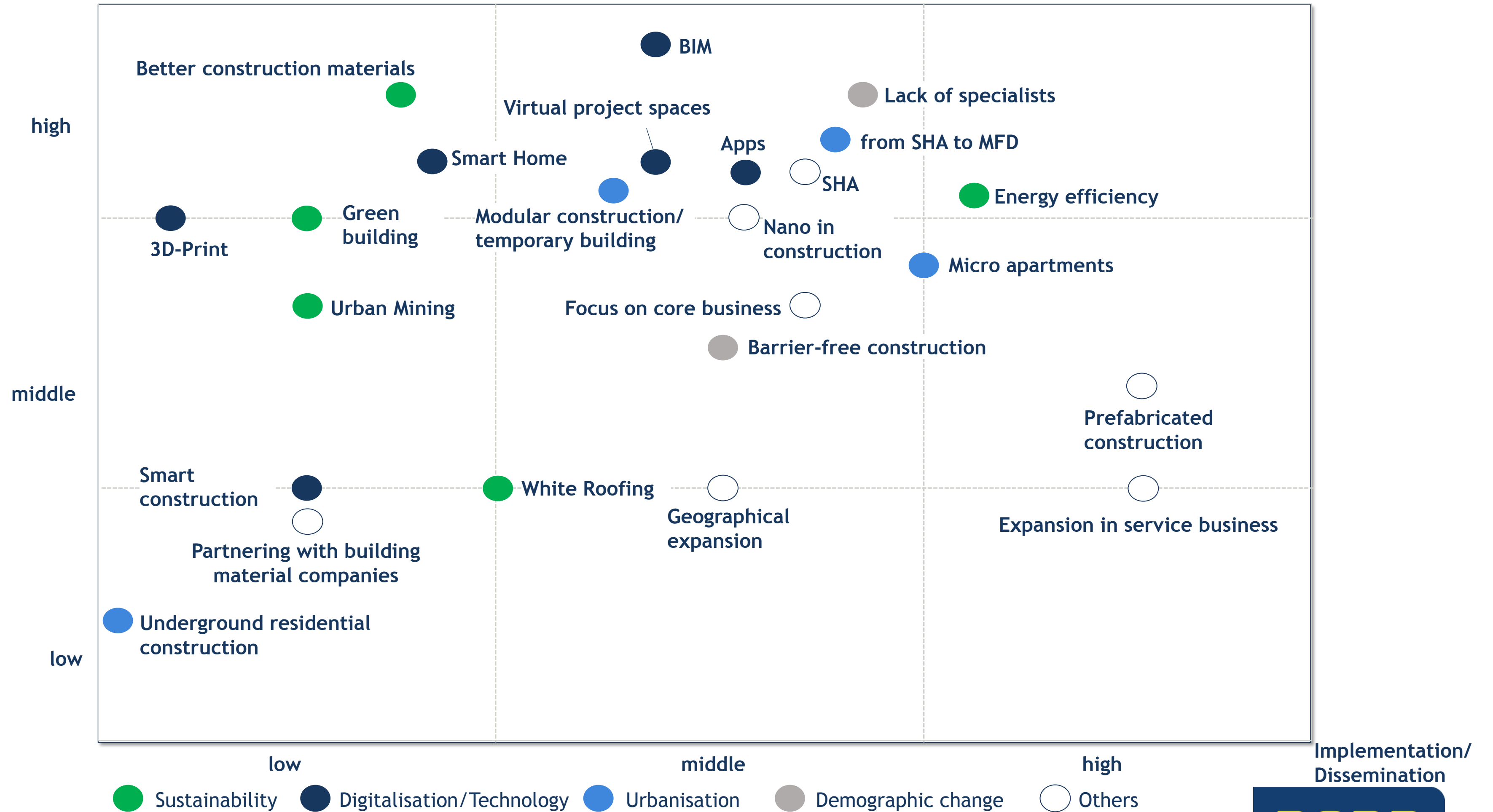


Production output by region, EUR m



Year 2016: Challenges

Importance



Source: Roland Berger

SHA - sanitation, heating and air conditioning
 SFH - single-family house; MFD - multi-family dwellings



Market Trends and Drivers in the Construction Industry

Demographic factors / Urbanisation

- **Urbanisation** - the future of cities - drives the need for building infrastructure such as housing, transportation infrastructure, hospitality, energy, etc.
- **Growing population, changing demographic structure**



Consolidation / Anticipating Tomorrow

- **Strengthening core and/or further diversifying through small and mid-cap companies**
- **Realising potential through restructuring, economies of scale or divesting non-core assets**
- **Size, scale and pace**



Innovation & Digitalisation

- **Competitive advantage** through innovation
- Natural market entry barriers in terms of **size and IT infrastructure**
- **Digitalisation** of the construction process facilitated by topics such as **BIM** as a key driver of the future transformation



Sustainable Construction / Think Green

- Environmentally-driven changes in terms of **quality and sustainability**
- **Growing focus on energy efficiency** in all kinds of buildings (new and existing) - increase the need for **innovative information technologies**



Digitalisation and Construction - Achieving Long-Term Added Value

**Construction
site of the
future**

- **Digitalisation** of internal organizational workflows (e-billing, e-commerce, standardized workflows):
 - helps to manage and utilize all kinds of information
 - provides new opportunities to be leaner and faster
 - drives higher financial performance whilst increasing productivity and reducing failures
- **BIM (Building Information Modelling):**
 - is a **process** - from planning, calculation, construction workflow and logistics
 - 5D - linked to **time, cost and quality**
 - a precise **project management tool**
 - increasing **transparency and efficiency** of the planning and construction process

**PORR with a leading
role in the field of
digitalisation**

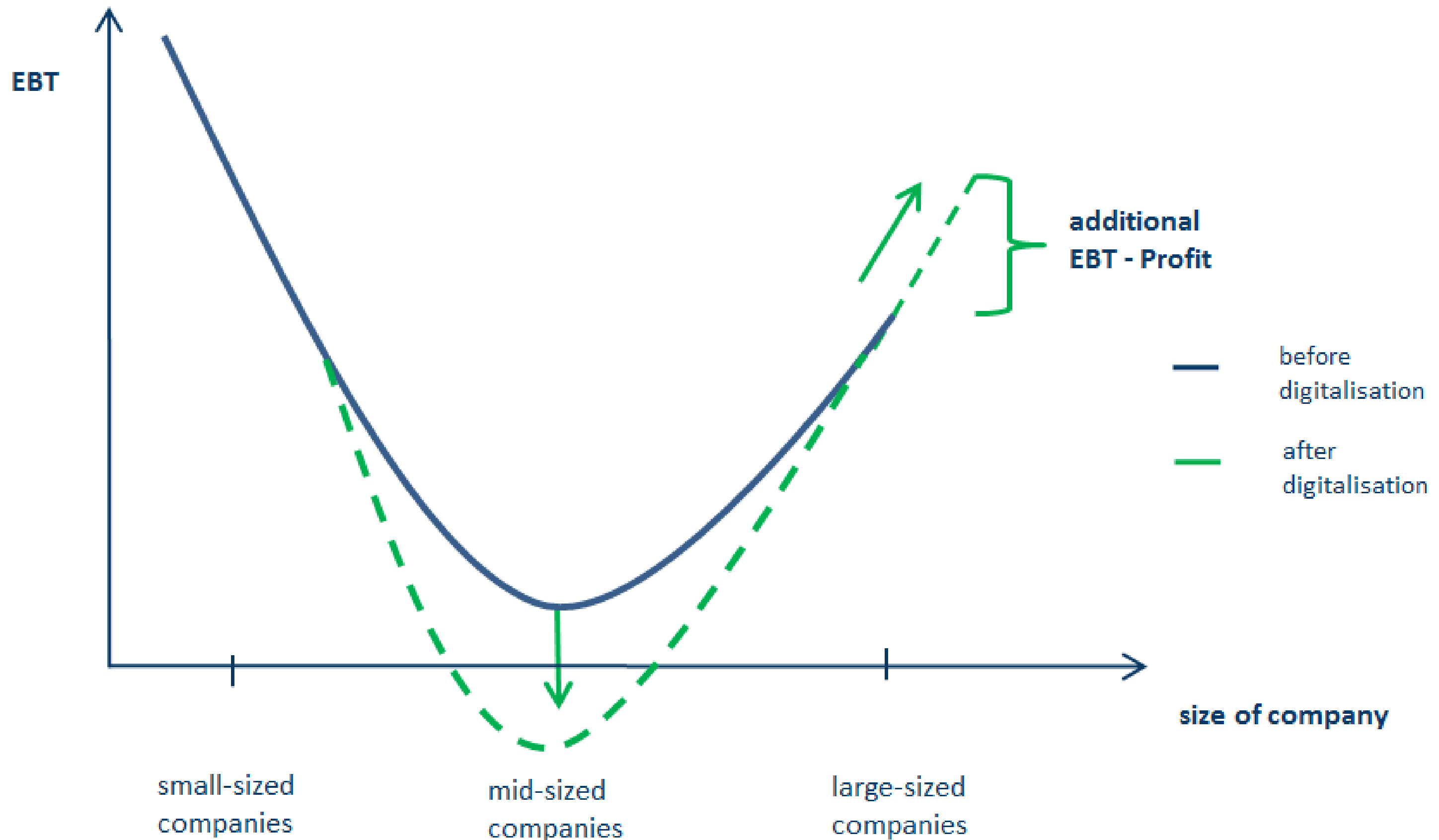
**Positioning itself for
the future (Roadmap
2020)**

Construction company as project manager in a digital world



Roadmap 2020: Digitalisation and Construction

Change of market situation after digitalisation of construction industry



03

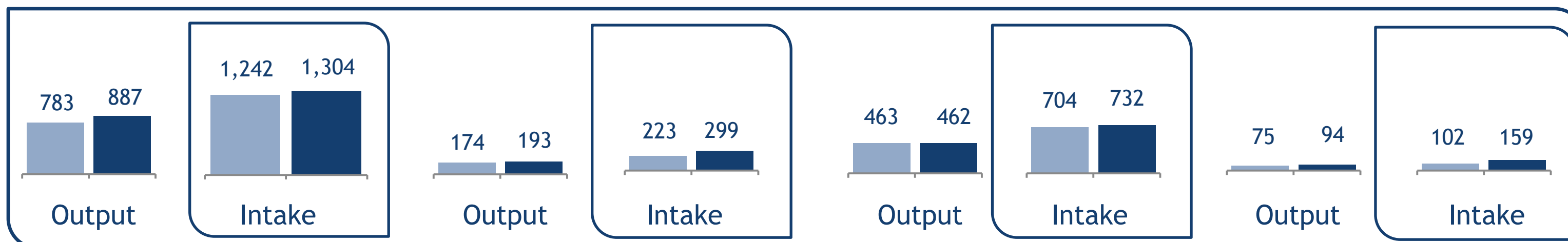
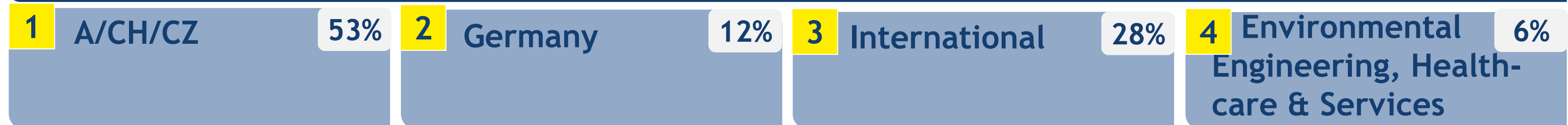
OPERATIONAL PERFORMANCE



Increased Production Output and Strong Order Intake

...% share of production output

Business Units*



■ H1/2015 in EUR m ■ H1/2016 in EUR m

Top market position in Austria

- Biggest business unit
- Focus on the fields of residential construction, office building, industrial and road construction
- Significant growth in CH/CZ

PORR's second largest market

- Most important market outside of Austria
- Growth strategy in the next years

Strong technical leadership

- Export products: tunneling and slab track
- New order in Slovakia: **Bratislava Bypass**
- New projects in Poland (**Orhideea Towers**) and UK (**Humber Crossing**)

Active in niches

- Demolition, waste treatment, health care

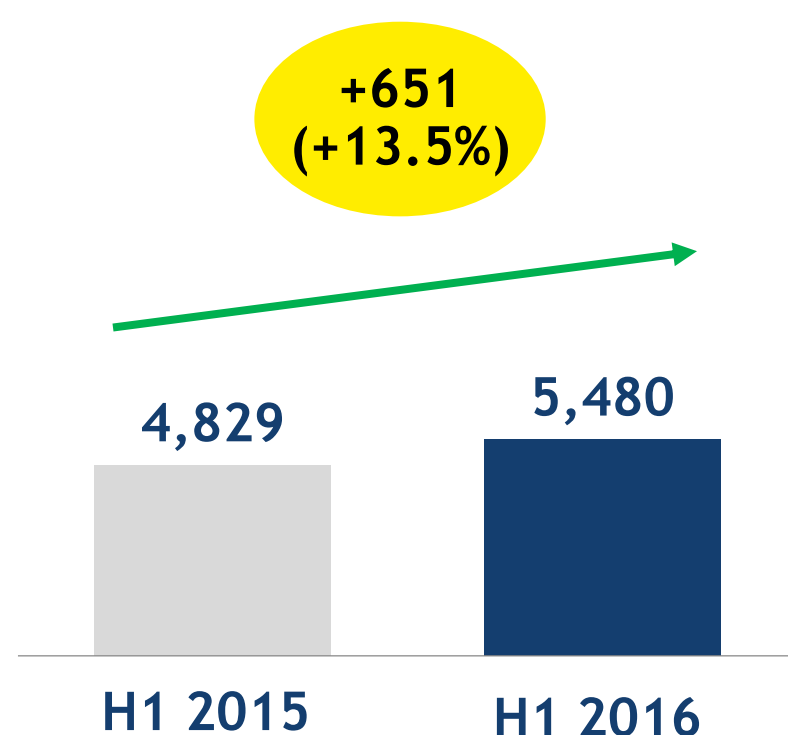
* Holding production output: EUR 26.3m (H1/2015 EUR 3.0m)



Solid Order Backlog: Increase of 13.5%

Order backlog and TOP 15 projects in H1 2016 (EUR m)

Order Backlog



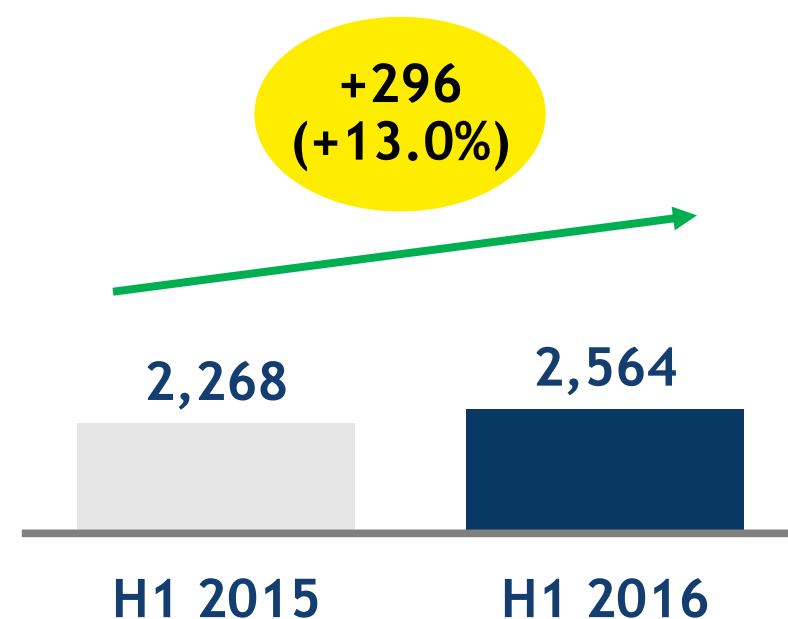
Selected projects	Country	EUR m ¹	Entry	POC
Metro Doha "Green Line"	QA	944	Jun-13	56.8%
Bratislava road D4-R7	SK	300	Jun-16	0.0%
KAT 3 Koralm tunnel	AT	297	Jun-13	34.4%
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	32.0%
Tunnel Alaufstieg	DE	235	Oct-12	53.0%
Al Wakrah stadium	QA	202	Feb-16	2.4%
Slab track General	QA	162	Jun-15	16.4%
Europaallee ZH Lot 1 - 4	CH	153	Feb-15	16.2%
Emscher BA 40	DE	144	Dec-13	56.4%
Europaallee ZH Lot F	CH	130	Feb-16	4.8%
Expressway S 17 Ryki	PL	117	Nov-15	0.5%
Slab track Coburg Ilmenau	DE	103	Nov-12	92.1%
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	29.8%
Expressway S 6 Koszalin	PL	99	Mar-16	0.6%
Hospital Vienna North	AT	98	May-12	94.1%

¹ Stated values are project values attributable to PORR at time of contract awarding

Order Intake With a Balanced Project Size

Order intake and TOP 12 projects in H1 2016 (EUR m)

Order Intake

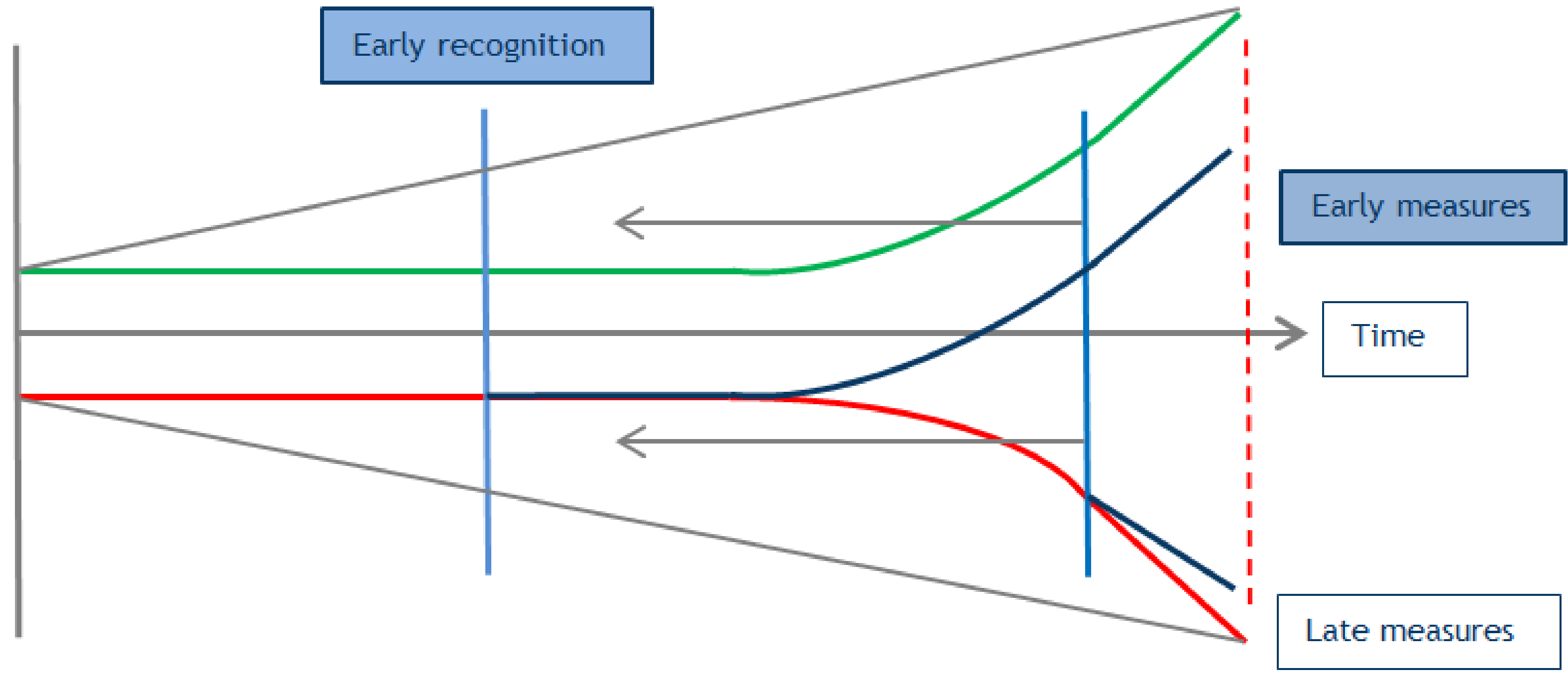


Selected projects	Country	EUR m ¹	Entry
Bratislava road D4-R7	SK	300	Jun-16
Al Wakrah Stadium	QA	202	Feb-16
Europaallee ZH Lot F	CH	130	Feb-16
Expressway S 6 Koszalin	PL	99	Mar-16
Zalando Campus	DE	86	Jun-16
Expressway S 8 Poręba-Ostrów	PL	54	Feb-16
Business Garden Bucharest	RO	53	Jun-16
Hotel Mucon, München	DE	53	Feb-16
WHA TRI - Triester Straße 40	AT	47	May-16
Humber Crossing Feeder 9 Re	UK	46	Jun-16
La Tête, Düsseldorf	DE	44	Mar-16
Schlossquartier, Kiel	DE	39	Feb-16

¹ Stated values are project values attributable to PORR at time of contract awarding

Comprehensive Control and Steering Mechanisms Established

Control and steering mechanisms



Comprehensive Control and Steering Mechanisms Established

Control and steering mechanisms

Tender

- Established detailed directives and checklists for risk recognition (contract, client, etc.)
- Implemented consistent company-wide risk pricing methodology
- Decision control - project approval at different executive levels depending on order volume

Project risk management

- Regular risk review committee meetings to discuss exposure
- Implementation of specialized risk managers per business unit
- Stress testing of aggregate project risks on group level



Offer calculation

- Introduced minimum profitability targets at project level - adjusted margin risk control
- Risk evaluation via risk matrix and detailed analysis

04

FINANCIAL SECTION



Consolidated Income Statement

EUR thd

	2014	2015	H1 2015	H1 2016	Δ %
Production output¹	3,474,885	3,523,752	1,497,044	1,662,789	+11.1%
Revenues	3,009,118	3,139,687	1,321,355	1,509,243	+14.2%
Material costs + Purchased s.	-2,026,001	-2,060,827	-849,248	-966,570	+13.8%
- Material costs	-680,195	-651,443	-272,649	-270,014	-1.0%
- Purchased services	-1,345,806	-1,409,384	-576,599	-696,556	+20.8%
Staff costs	-752,960	-807,638	-373,383	-417,673	+11.9%
Other operating result	-73,733	-105,280	-43,159	-57,111	+32.3%
EBITDA	156,424	165,942	55,565	67,889	+22.2%
EBITDA² %	4.5	4.7	3.7	4.1	
Depreciation	-74,716	-78,172	-34,047	-39,701	+16.6%
EBIT	81,708	87,770	21,518	28,188	+31.0%
EBIT² %	2.4	2.5	1.4	1.7	
Financial result	-15,608	-6,765	-4,396	-6,765	+53.9%
EBT	66,100	81,113	17,122	21,423	+25.1%
EBT² %	1.9	2.3	1.1	1.3	
Taxes	-17,542	-20,069	-6,290	-5,157	-18.0%
Periodic result	48,558	61,044	10,832	16,266	+50.2%

¹ Output of consortiums and all associates are included proportionally in production output which deviates from revenues according to IFRS

² Margins calculated on production output

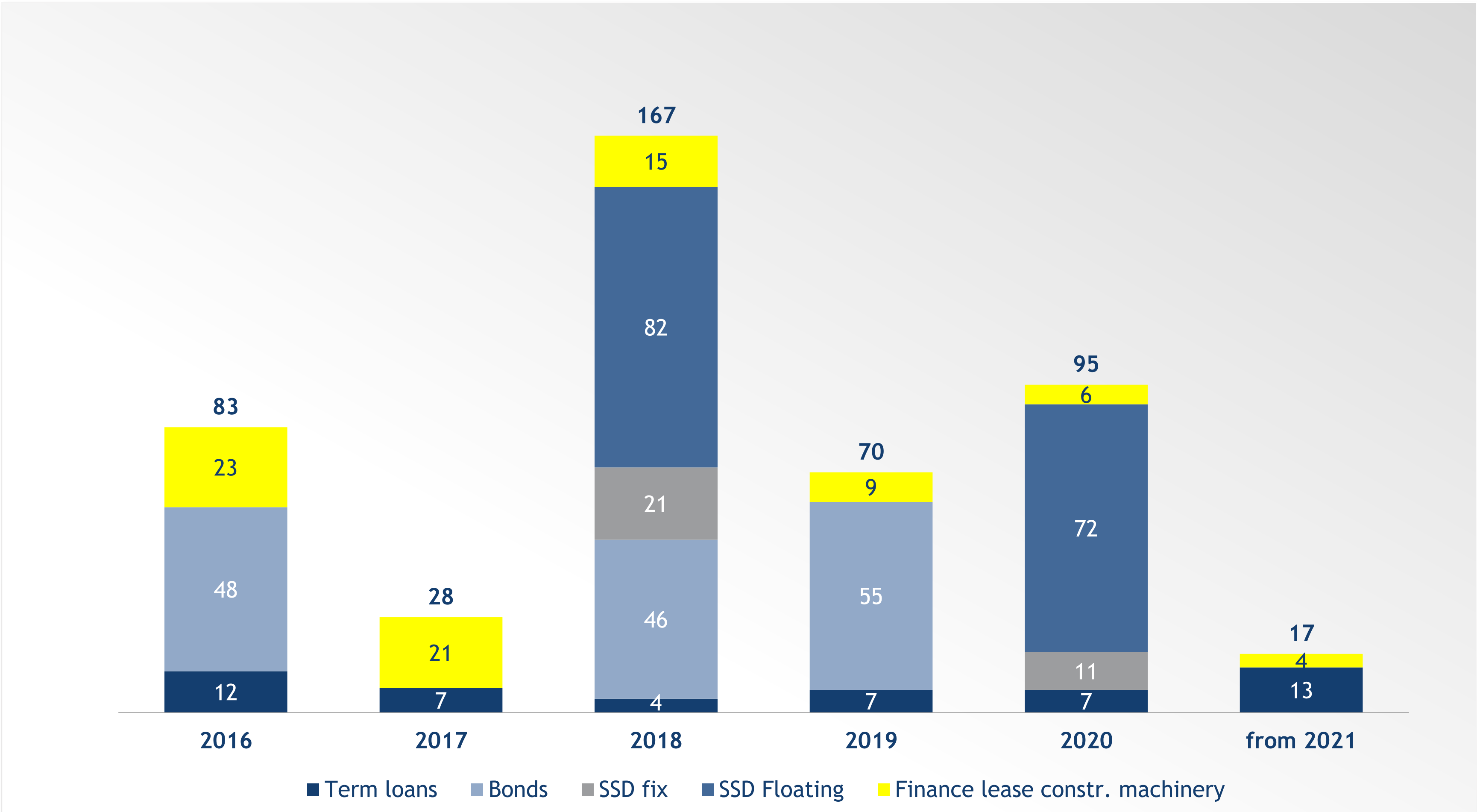
Consolidated Balance Sheet

EUR thd

		<u>31.12.2014</u>	<u>30.06.2015</u>	<u>31.12.2015</u>	<u>30.06.2016</u>
Assets	Long-term assets	728,013	782,653	715,871	743,282
	Short-term assets	1,418,017	1,152,022	1,588,126	1,429,123
	Total assets	2,146,030	1,934,675	2,303,997	2,172,405
Liabilities & equity	Equity (incl. non-controlling interests)	385,171	369,966	412,118	382,489
	Long-term liabilities	408,830	419,433	551,655	542,408
	Short-term liabilities	1,352,029	1,145,276	1,340,224	1,247,508
	Total assets	2,146,030	1,934,675	2,303,997	2,172,405
Ratios	Net debt (+) ¹ / net cash (-)(EUR m)	-65	305	-187	124
	Equity ratio (%)	18.0	19.1	17.9	17.6

¹ Bonds plus financial liabilities less cash and cash equivalents

Strong Liquidity and Well-Balanced Financial Liabilities Profile¹



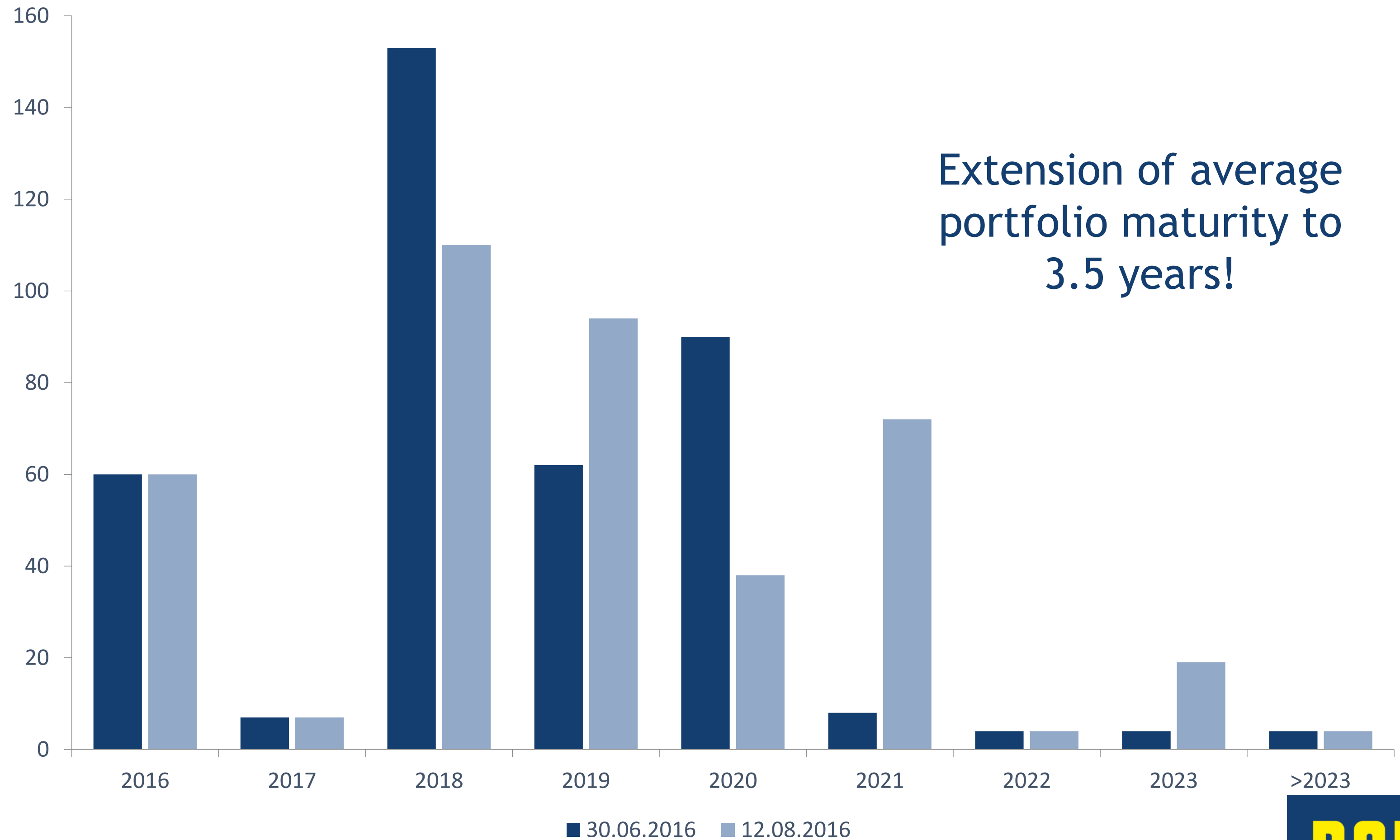
¹ Maturity profile of PORR's financial liabilities as of 30.06.2016 (in EUR m) per calendar year



Maturity Profile 30.06.2016 vs. 12.08.2016

(Financial lease contracts esp. for construction machines excluded)

EUR m



05

KEY TAKEAWAYS



A Step Ahead: Key Strategic Priorities 2016

1

Continued focus on home markets

Growth potential especially in Germany, Poland, Czech Republic and Switzerland

2

Exploiting new growth opportunities via export products

New project markets like UK and Norway as well as new target markets like Sweden in the fields of tunneling, bridge construction, slab track and foundation engineering

3

Drive revenue growth and underlying operational excellence

Small- and mid-sized acquisitions, improving working capital, continued performance management & process optimisation via digitalisation

4

Maintain healthy balance sheet and strong liquidity base

Further improving cash management & maintaining net cash position for year end

5

The construction site of the future “Roadmap 2020”

Digitalisation of the construction process from the start of design to the end of the project with the help of BIM (5D) and further IT streamlining

The logo for PORR, consisting of the letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

IR Information for PORR AG

Share Information

Share price ¹	EUR 35.72
Market capitalisation	EUR 1,039.3m
Official market	Vienna Stock Exchange Prime Market
Number of shares outstanding	29,095,000
Ticker symbol	POS VI
ISIN	AT0000609607

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¹ as of November 15, 2016

Financial Calendar 2016

29.11.2016 Q3 2016

Research Reports

Berenberg Bank
Kepler Cheuvreux
BaaderHelvea
HSBC
RCB
ERSTE Group
SRC
Hauck&Aufhäuser



06 BACK UP

PORR Increased Ordinary Dividend and Offered an Additional Extraordinary Scrip Dividend (FY 2015)

Dividend

- PORR proposed an ordinary dividend of EUR 1.00 as a cash payment to the AGM on 24th May - an increase of 33%
- In addition, PORR offered its shareholders a unique extraordinary dividend of EUR 0.50 in the form of a scrip dividend



The way a scrip dividend works

- Shareholders had the option of reinvesting the EUR 0.50 dividend in shares or getting EUR 0.50 in cash
- PORR only used treasury shares for the scrip dividend
- No new shares were issued
- Reinvestment price was set after the subscription period and close to market price
- Shareholders without sufficient number of shares received dividends in cash in any case



Result

- A subscription period of two weeks commenced in June after the positive resolution at AGM on 24th May
- The settlement of the dividend shares took place on 21st June 2016
- Result of scrip dividend: Acceptance rate of approx. 71.8% of all entitled shares

Scrip Dividend¹: What Happened From an Investor's Point of View?

Options for the Investor

Option 1

EUR 1.00 in cash

+

EUR 0.50 in cash

=

EUR 1.50 in cash

or

Option 2

EUR 1.00 in cash

+

EUR 0.50 in shares

=

EUR 1.50 in cash & shares

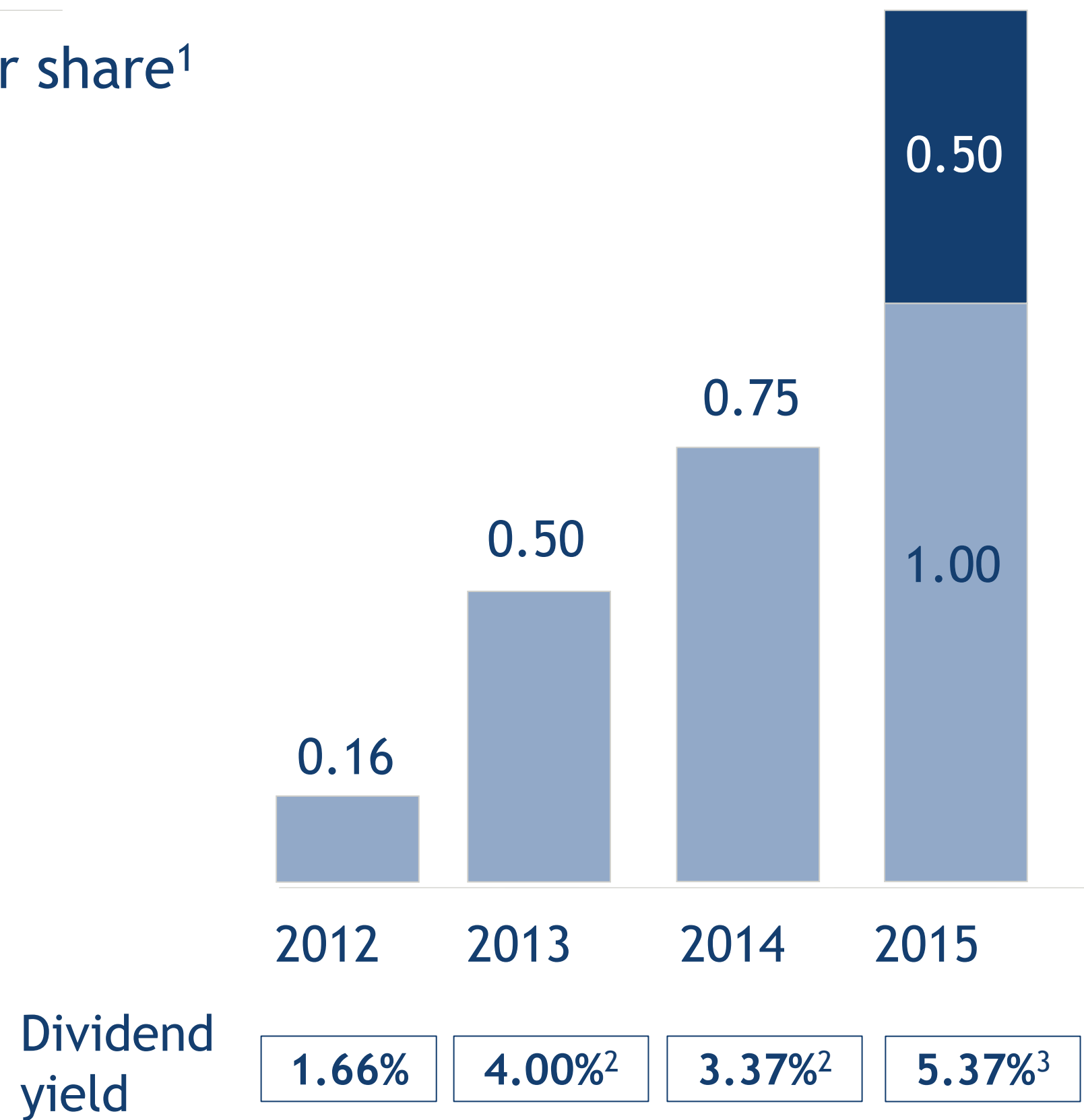
¹ Taxation of the total dividend of EUR 1.50 can be settled from the cash dividend per share

**Final result of scrip dividend:
Acceptance rate of approx. 71.8% of all entitled shares (Option 2)**

Sustainable Dividend Policy

Dividends

Dividend per share¹
(in EUR)



¹ Adjusted to share split 2015 to allow better comparison

² Restated excl. discontinued operations

³ Dividend yield including scrip dividend