

**PORR AG Q1 2017**  
**Intelligent Building ...**

Investor Presentation  
May 2017



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# 01 Highlights



# Sound Performance of Home Markets

**+18.4%** 

Continued growth of  
production output

**+10.9%** 

Consistent increase  
in revenue

**82%**

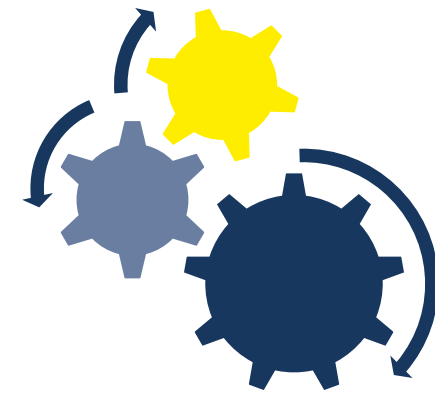
of production output  
generated in strong  
home markets



**+7.3%** 

High order backlog of  
EUR 5.5bn

# Solid Balance Sheet



## Solid

balance sheet

facilitates flexibility in operations  
and investments



**EBT**  
**EUR -11m**  
due to higher  
investments



**EUR 195m**  
of Net debt

# Key Figures Q1 2017

EUR m

	31.03.2016	31.03.2017	Change <sup>2</sup>
Production output <sup>1</sup>	648.3	767.7	+18.4%
Order intake	1,218.5	1,490.8	+22.4%
Order backlog	5,149.4	5,527.2	+7.3%
Revenue	598.3	663.3	+10.9%
EBITDA	12.9	15.1	+16.7%
Δ in EUR m		+2.2	
EBIT	-5.8	-8.2	-40.2%
Δ in EUR m		-2.4	
EBT	-10.0	-11.0	-10.2%
Δ in EUR m		-1.0	
Profit for the period	-8.2	-8.1	+0.7%
Earnings per share	-0.31	-0.30	+3.2%

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

2 Rounding differences can appear

# 02

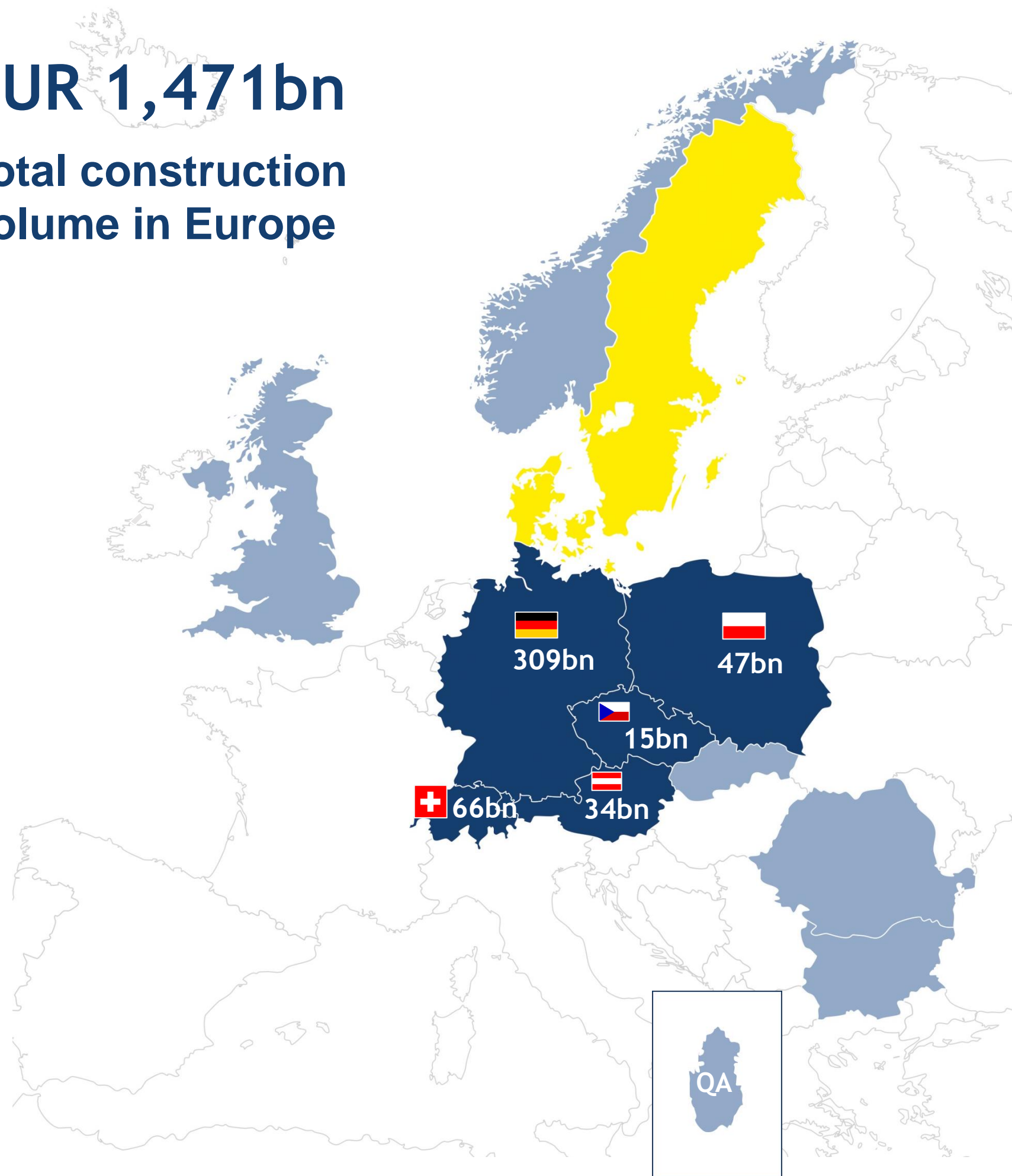
## Markets & Strategy



# PORR Construction Markets Show Stable Growth Prospects

EUR 1,471bn

Total construction volume in Europe



## Home markets

- Well-established with a strong profile in the home markets
- Detailed knowledge of the market, competitors and clients
- Full service provider on these markets

## Project markets

- Well positioned in selected areas of expertise (focus on infrastructure)
- Good knowledge of the markets, competition and clients
- Selective approach to project acquisition
- Strategic partnerships

## Target markets

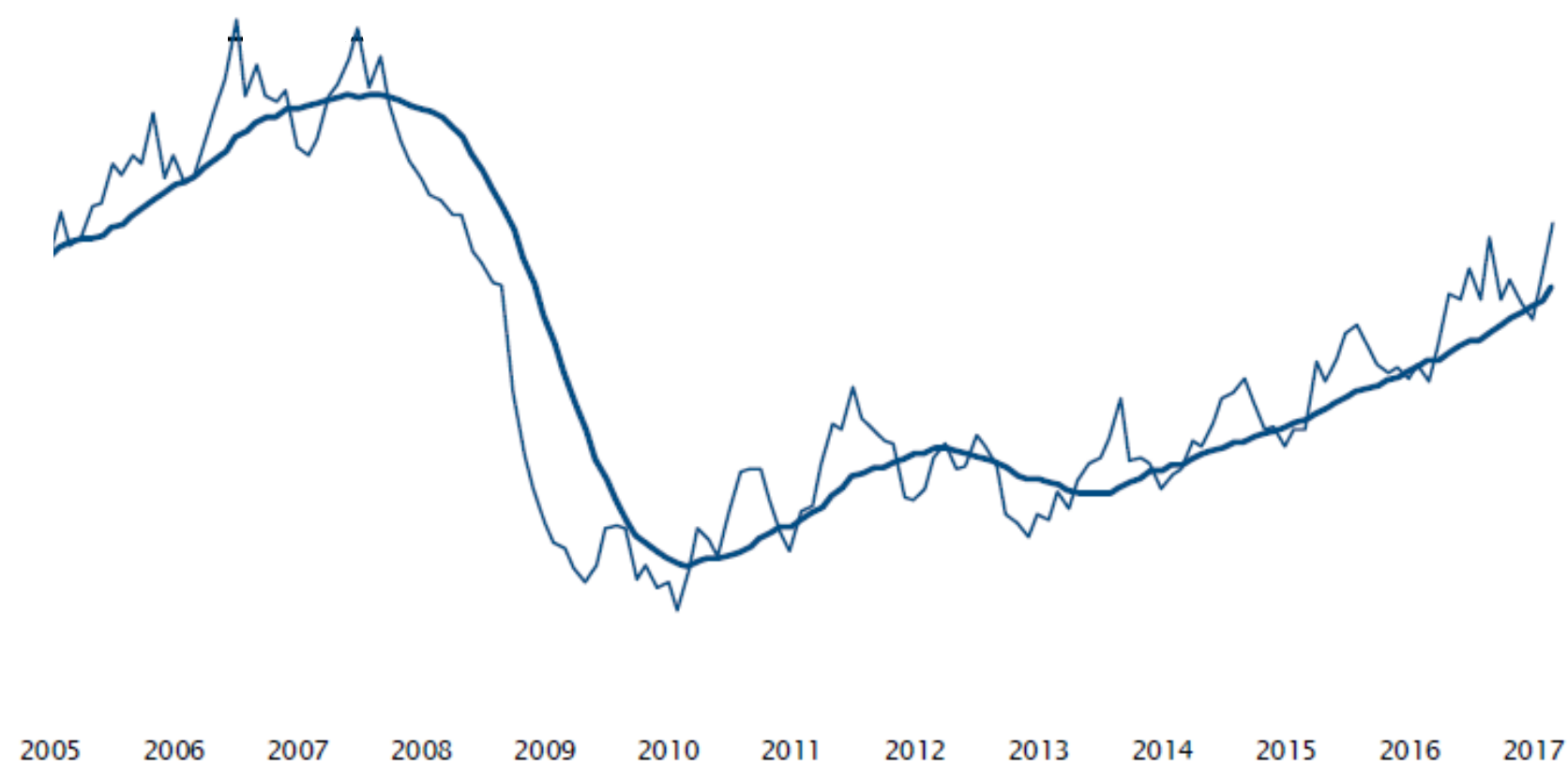
- Project-based approach/strict project selection in infrastructure sector
- Clear rules for market entry: Project - Partner - Team

Source: Euroconstruct (November 2016, 82st conference in Barcelona)



# Overview of Construction Markets

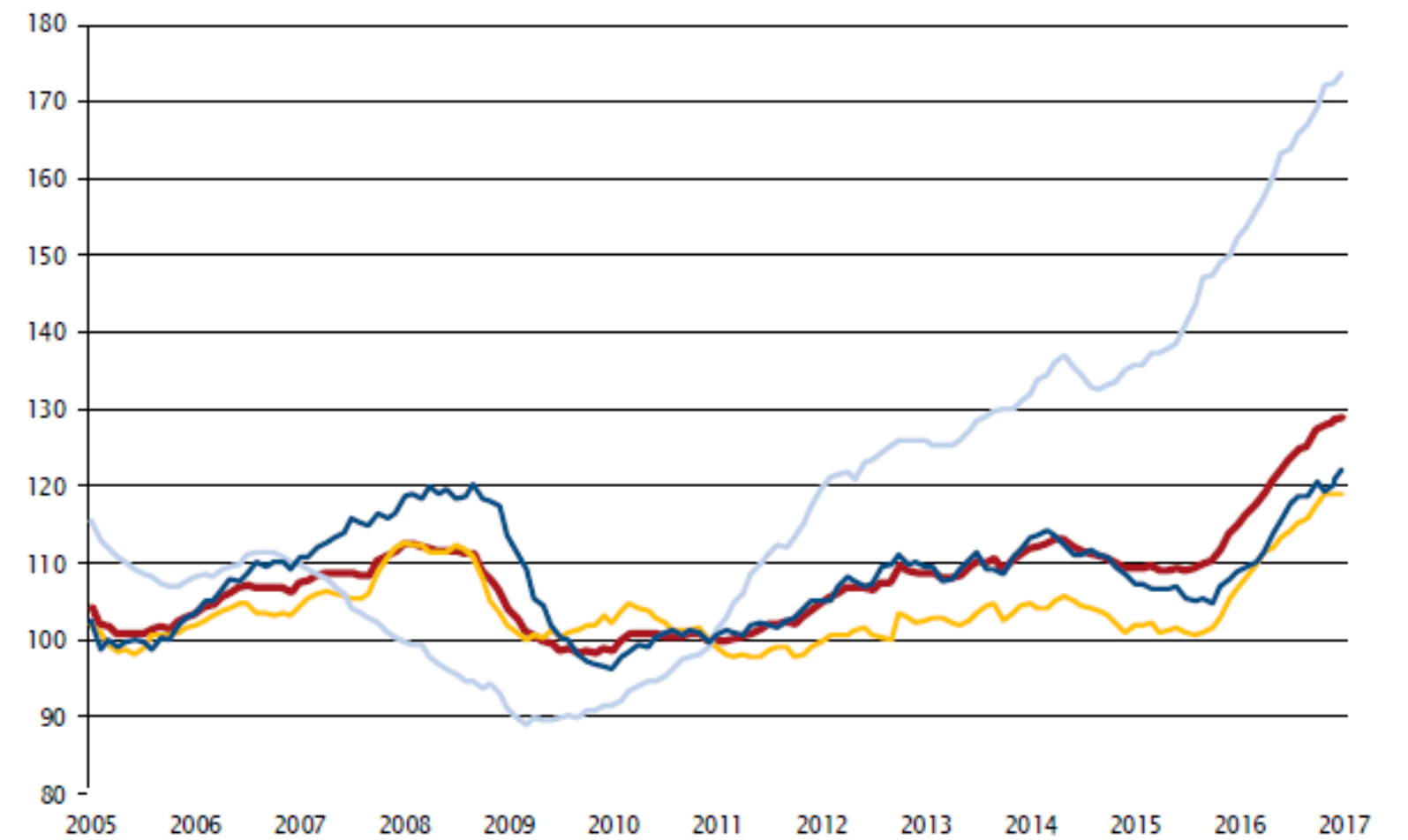
Order intake of construction sector (Europe)



— Europe: Order intake (EU survey)    — Europe: 12 months moving weighted average

Sources: Thomson Reuters, LBBW Research

Order intake of main construction trades (Germany)

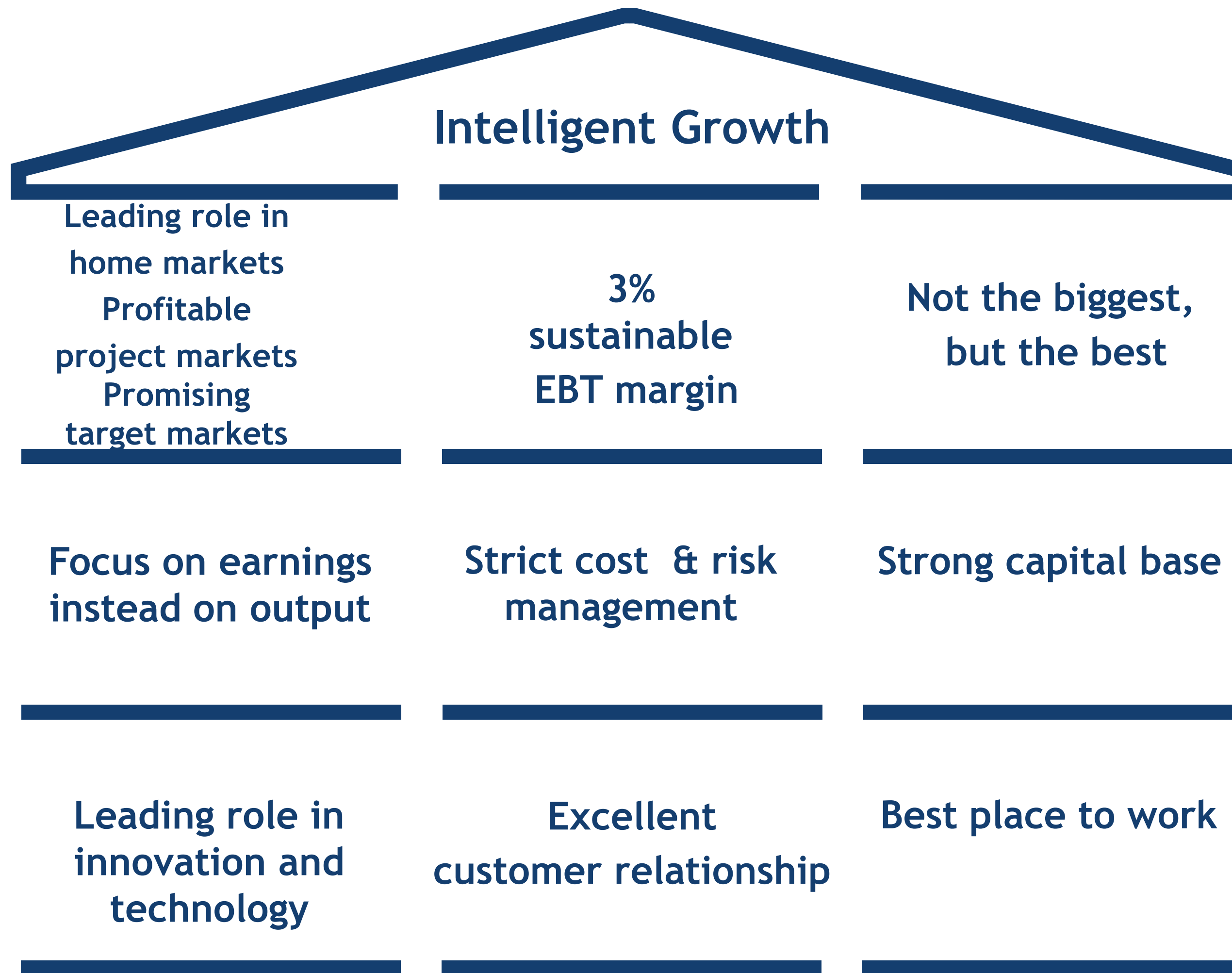


— Order intake main construction trades    — Order intake civil engineering  
 — Order intake housing    — Order intake building construction (housing excluded)

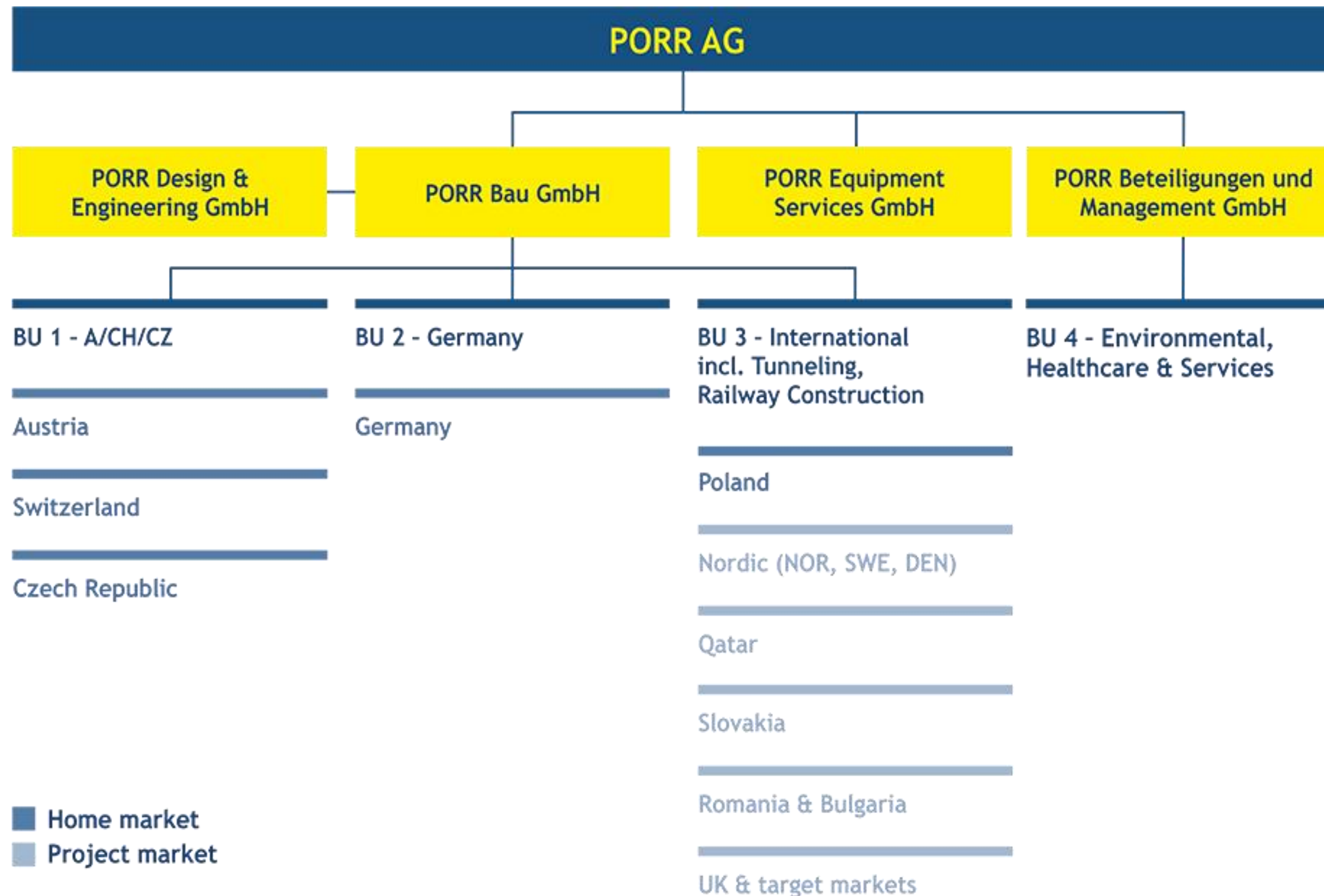
12 months moving weighted average (indexed)  
 Sources: Thomson Reuters, Stat. Bundesamt, LBBW Research



# PORR Strategy - Unchanged



# Efficient Organisation with Powerful Business Units



# Germany: The Market of the Future

## PORR in Germany:

	FY 16:	Q1 17:
• Production output	EUR m 802	184
• Order backlog	EUR m 1,350	1,627
• Order intake	EUR m 858	460



- Brand name “Frankipfahl”
- North German Market
- Special competencies facilitate business expansion

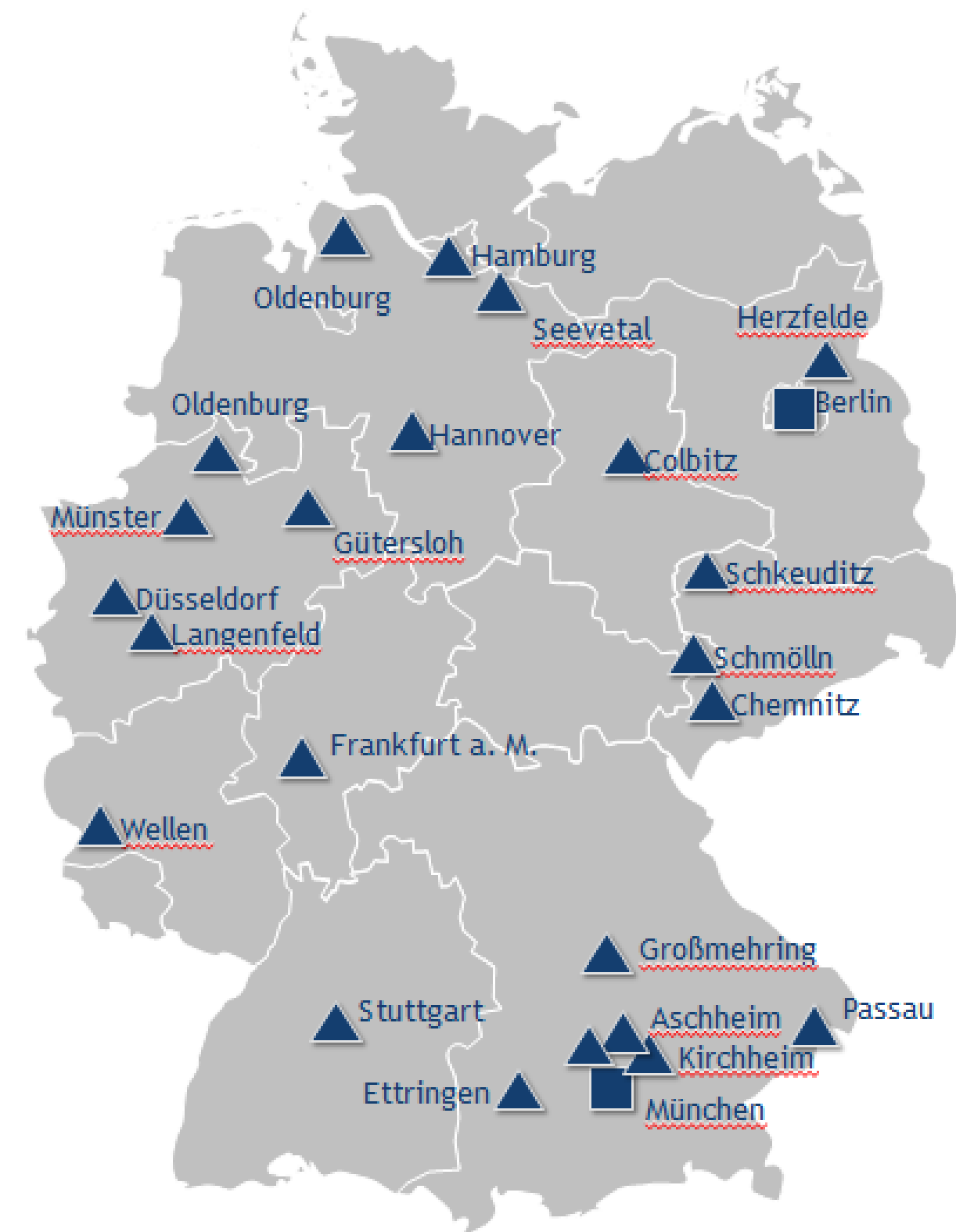


- Civil engineering specialist
- Strong regional home base
- Permanent business
- Excellent employees

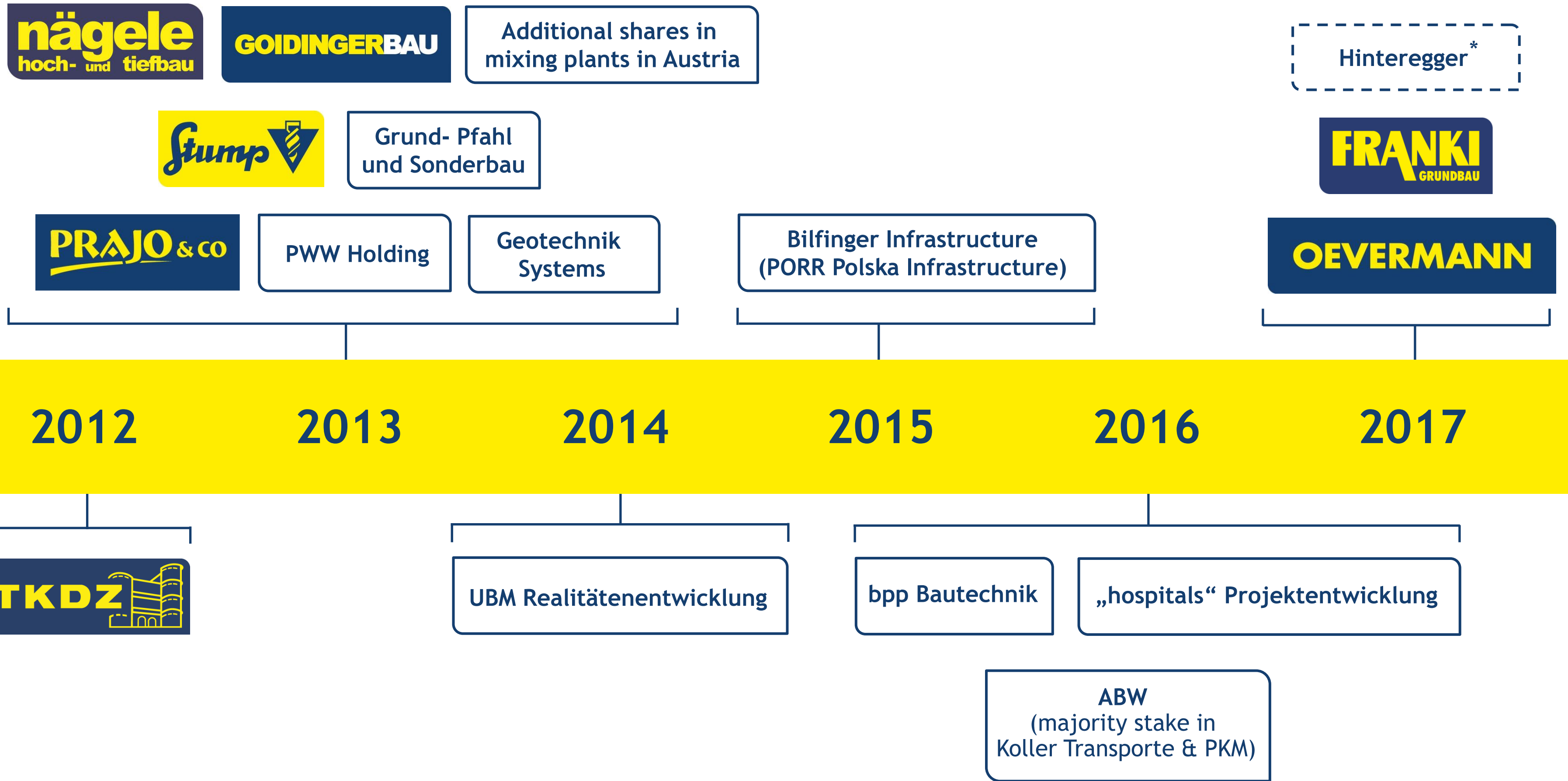


# Germany: The Market of the Future

- Clear growth strategy
  - Organic growth and small acquisitions
- General contractor and design-build services for German industry
- Benefiting from the German infrastructure refurbishment boom



# 17 M&A Activities since 2012\*



\*May 2017: PORR and the family owners of the long-standing Salzburg company Hinteregger have concluded a basic agreement on a possible joint future.



# Issue of the Future: Digitalisation

For the first time  
PORR uses BIM in  
construction  
project planning

2011 [...]

PORR Mobile Device  
Offensive starts:  
Every employee is  
equipped with an  
iPhone and  
selectively with  
iPads

2014

2015

First steps in  
digitalising the  
value chain and  
creating a basis for  
far-reaching digital  
processes

2016

2017

2018

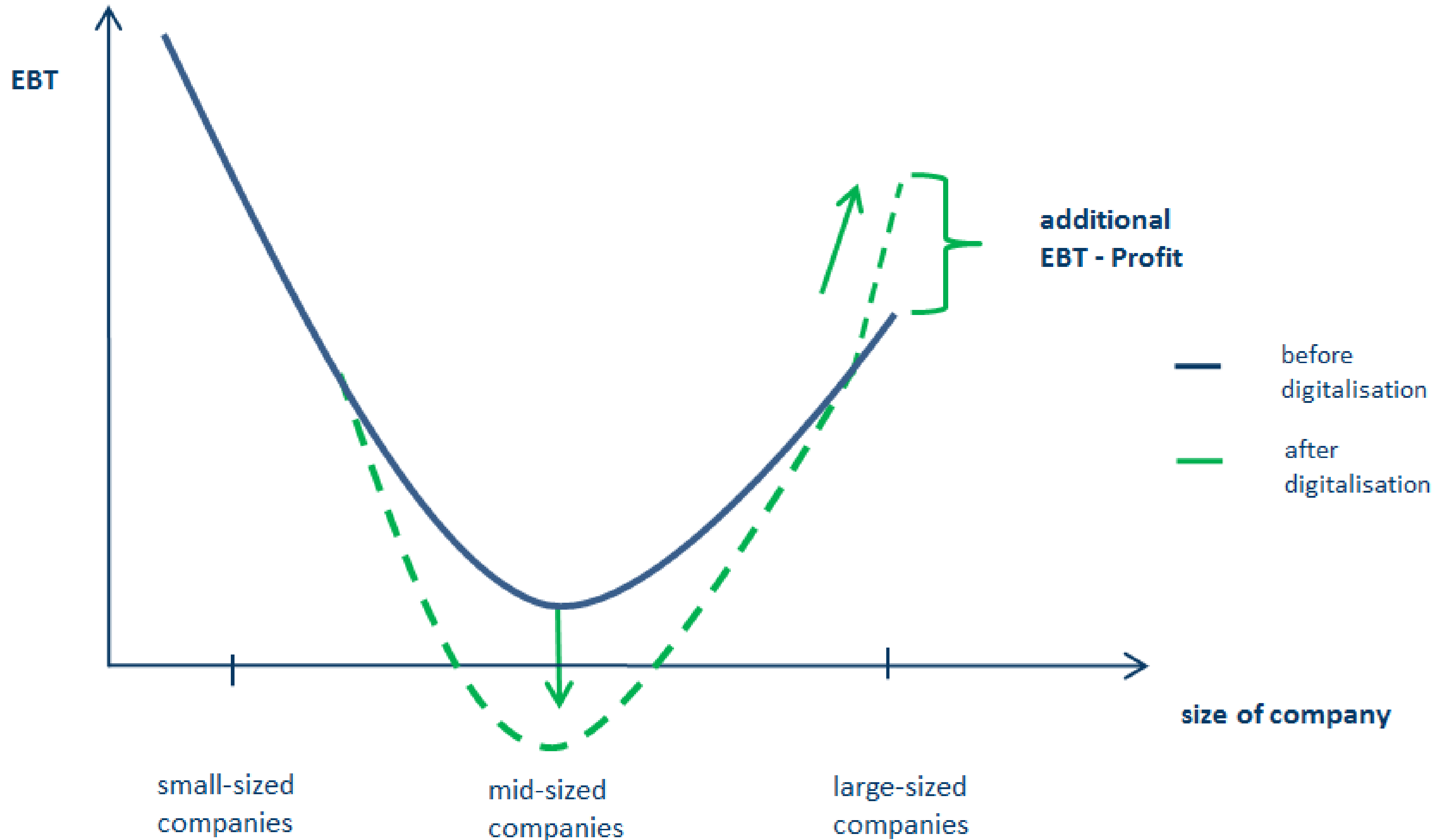
Start of pilot project  
with Vienna University  
of Technology to  
digitalise construction  
machinery  
(Machine-2-Machine)

First steps  
towards  
mobilising the  
technical and  
commercial areas  
> first Apps in use

Digitalisation &  
mobilisation of  
commercial and  
technical  
workflows

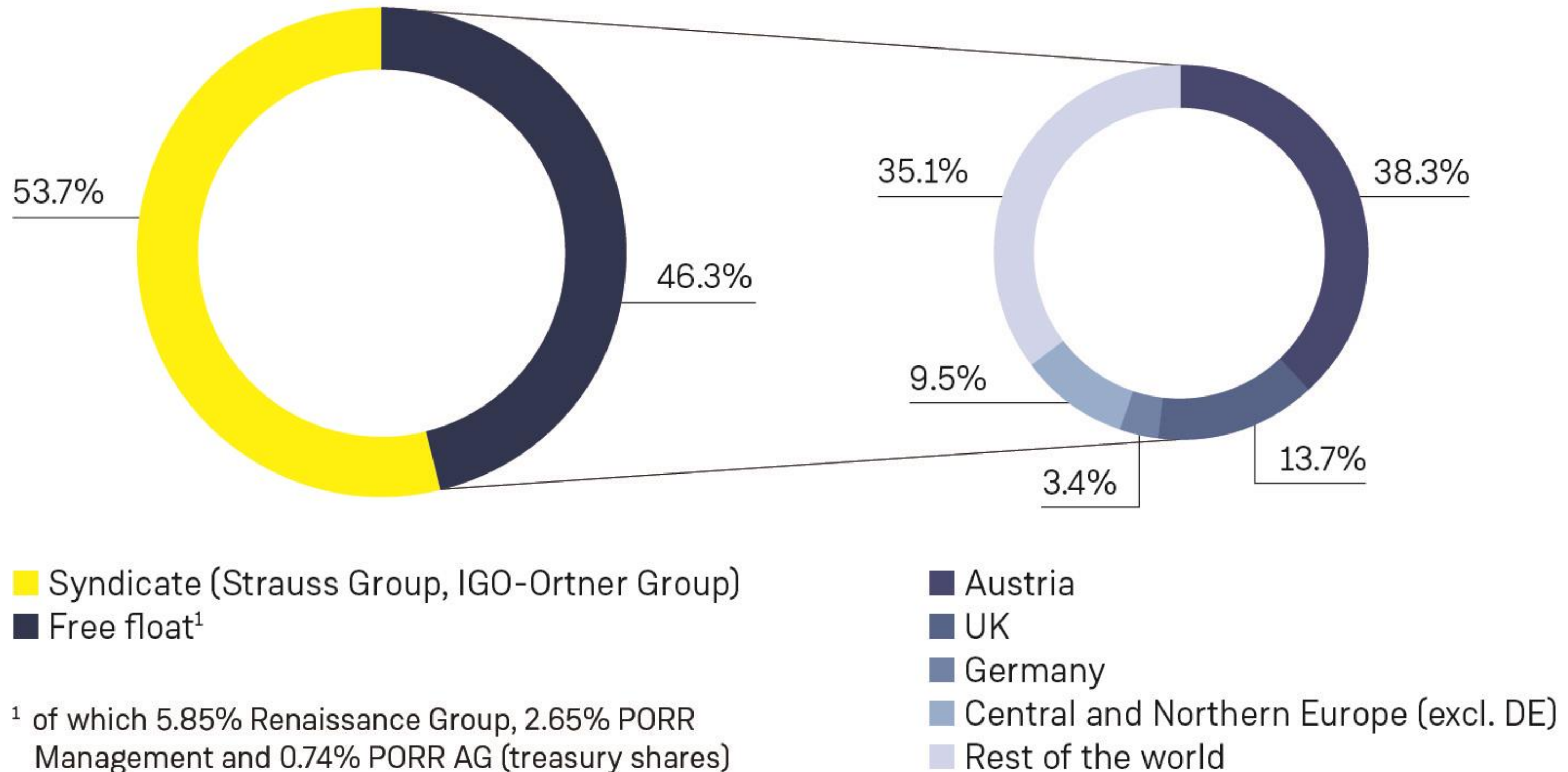
**PORR**

# Market Situation after Digitalisation of Construction Industry





# Stable Shareholder Structure: Syndicate 53.7%



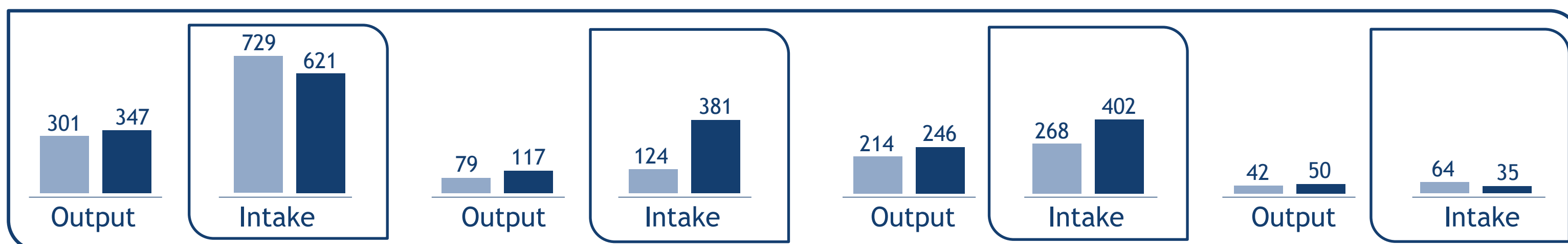
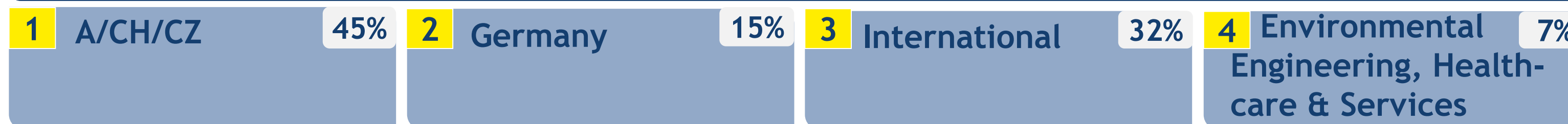
# 03 Operational Performance



# Increased Production Output and Strong Order Intake

...% share of production output<sup>1</sup>

## Business Units\*



■ Q1 2016 in EUR m ■ Q1 2017 in EUR m

<b>Top market position in Austria</b>	<b>PORR's second largest market</b>	<b>Strong technical leadership</b>	<b>Active in niches</b>
---------------------------------------	-------------------------------------	------------------------------------	-------------------------

- Largest business unit
- Focus on residential construction, office building, industrial and road construction
- New orders, e.g.:
  - Mur Power Plant

- Most important market outside of Austria
- Growth strategy in the next years
- New orders, e.g.:
  - Metro U5 Europaviertel
  - Hostel STQ Stresemann Quartier

- Export products: tunnelling and Slab Track
- New orders, e.g.:
  - Reconstruction track Poznań-Pila
  - Motorway D3 Cadca-Bukov-Svrcincovec

- Demolition, waste treatment, material recycling
- Health care
- Activities in PPP
- Facility & property management (FM & PM)

\* Production output of PORR AG Holding: EUR 7.9m (Q1 2016 EUR 11.4m)

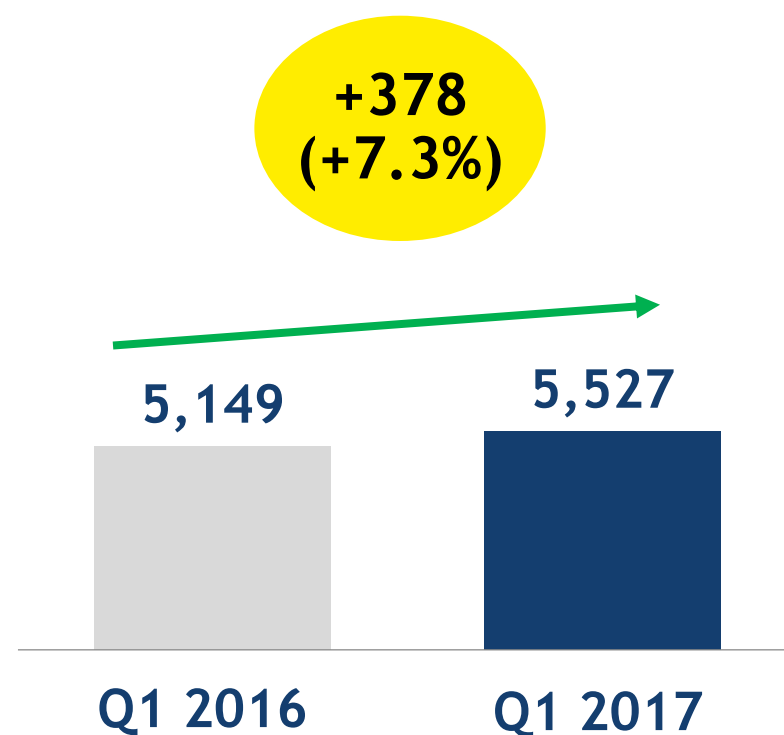
<sup>1</sup> Rounding differences can appear



# Outstanding Order Backlog: Increase of 7.3%

## Order backlog and TOP 15 projects in Q1 2017

### Order backlog in EUR m



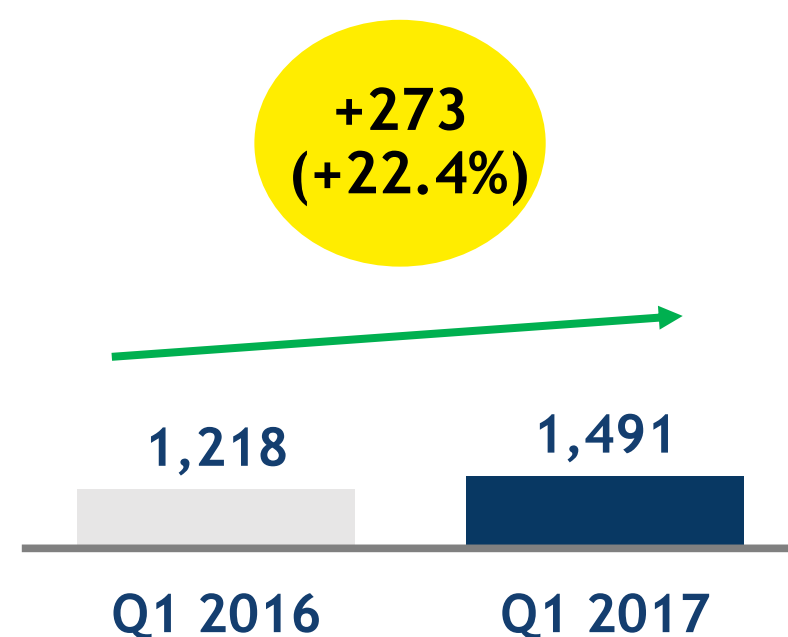
Selected projects	Country	EUR m <sup>1</sup>	Entry	POC
Metro Doha "Green Line"	QA	944	Jun-13	74.1%
Bratislava road D4-R7	SK	300	Jun-16	2.4%
KAT 3 Koralm Tunnel	AT	297	Jun-13	45.7%
"Stuttgart 21" Filder Tunnel	DE	266	Jul-11	45.1%
Albaufstieg Tunnel	DE	235	Oct-12	66.3%
Al Wakrah Stadium	QA	202	Feb-16	9.3%
Slab Track General	QA	162	Jun-15	55.5%
Europaallee ZH Lot 1 - 4	CH	153	Feb-15	27.0%
Emscher BA 40	DE	144	Dec-13	78.0%
Europaallee ZH Lot F	CH	130	Feb-16	17.1%
Expressway S 17 Ryki	PL	117	Nov-15	2.3%
Reconstruction track LK 354 Poznań-Piła	PL	113	Feb-17	0.0%
Metro U5 Europaviertel	DE	104	Feb-17	0.0%
Slab Track Coburg Ilmenau	DE	103	Nov-12	94.4%
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	34.7%

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

# Order Intake With a Balanced Project Size

## Order intake and TOP 12 projects in Q1 2017

### Order intake in EUR m



Selected projects	Country	EUR m <sup>1</sup>	Entry
Reconstruction track LK 354 Poznań-Piła	PL	113	Feb-17
Metro U5 Europaviertel, Frankfurt	DE	104	Feb-17
Motorway D3 Cadca-Bukov-Svrcincovec	SK	74	Feb-17
E18 Varodd bridge, Kristiansand	NO	59	Feb-17
Arge Mur Power Plant, Graz	AT	47	Mar-17
Apartmentbuilding "Gleisribühne", Zürich	CH	50	Feb-17
Hostel STQ Stresemann Quartier, Hamburg	DE	42	Feb-17
"Gleisarena", Zürich	CH	35	Mar-17
Naumannsche Brauerei Leipzig	DE	33	Feb-17
Motorway A7 Bridge Rothof, Rottendorf	DE	31	Feb-17
Sewer Emscher BA 60, Oberhausen	DE	20	Feb-17
Office Buildg. "Sono West", Frankfurt	DE	20	Feb-17

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

# 04 Financial Section



# Consolidated Income Statement

in EUR thousand

	31.12.2015	31.12.2016	31.03.2016	31.03.2017	Δ %
<b>Production output<sup>1</sup></b>	<b>3,523,752</b>	<b>3,925,339</b>	<b>648,322</b>	<b>767,701</b>	<b>+18.4%</b>
Revenue	3,139,687	3,417,100	598,258	663,295	+10.9%
Share of p/l of companies accounted for under the equity method	46,233	46,252	5,302	5,641	+6.4%
Material costs + Purchased s.	-2,060,827	-2,251,409	-378,498	-415,890	+9.9%
- <i>Material costs</i>	-651,443	-643,878	-103,136	-119,839	+16.2%
- <i>Purchased services</i>	-1,409,384	-1,607,531	-275,362	-296,051	+7.5%
Staff costs	- 807,638	-874,068	-175,427	-193,075	+10.1%
Other operating result <sup>3</sup>	-151,513	-150,537	-36,725	-44,902	+22.3%
<b>EBITDA</b>	<b>165,942</b>	<b>187,338</b>	<b>12,910</b>	<b>15,069</b>	<b>+16.7%</b>
<b>EBITDA<sup>2</sup> % resp. Δ in EUR m</b>	<b>4.7</b>	<b>4.8</b>	<b>+2.2</b>		
Depreciation, amortisation & impairment	-78,172	-87,283	-18,754	-23,265	+24.1%
<b>EBIT</b>	<b>87,770</b>	<b>100,055</b>	<b>-5,844</b>	<b>-8,196</b>	<b>-40.2%</b>
<b>EBIT<sup>2</sup> % resp. Δ in EUR m</b>	<b>2.5</b>	<b>2.5</b>	<b>-2.4</b>		
Financial result	-6,657	-8,987	-4,153	-2,825	-32.0%
<b>EBT</b>	<b>81,113</b>	<b>91,068</b>	<b>-9,997</b>	<b>-11,021</b>	<b>-10.2%</b>
<b>EBT<sup>2</sup> % resp. Δ in EUR m</b>	<b>2.3</b>	<b>2.3</b>	<b>-1.0</b>		
Taxes	-20,069	-24,242	1,806	2,886	+59.8%
<b>Profit for the period</b>	<b>61,044</b>	<b>66,826</b>	<b>-8,191</b>	<b>-8,135</b>	<b>+0.7%</b>

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

2 Margins calculated on production output

3 Own work capitalised in non-current assets included



# Statement of Financial Position

in EUR thousand

		<u>31.12.2015</u>	<u>31.12.2016</u>	<u>31.03.2017</u>
<b>Assets</b>	Non-current assets	715,871	799,689	885,314
	Current assets	1,588,126	1,560,775	1,436,732
	<b>Total assets</b>	<b>2,303,997</b>	<b>2,360,464</b>	<b>2,322,046</b>
<b>Liabilities &amp; equity</b>	Equity (incl. non-controlling interests)	412,118	440,872	557,880
	Non-current liabilities	551,655	561,112	553,358
	Current liabilities	1,340,224	1,358,480	1,210,808
	<b>Total equity and liabilities</b>	<b>2,303,997</b>	<b>2,360,464</b>	<b>2,322,046</b>
<b>Ratios</b>	Net debt (+)/ Net cash (-) <sup>1</sup> (EUR m)	-187	-53	195
	Equity ratio (%)	17.9	18.7	24.0

<sup>1</sup> Bonds/SSD plus financial liabilities less cash and cash equivalents



# 05 Key Takeaways



# Consistent Key Strategic Priorities

1

## **Continued focus on home markets**

Strong home base supported by technological excellence

2

## **Growth opportunities in export products**

New project markets, e.g. Scandinavia, in tunnelling, bridge construction, Slab Track and foundation engineering

3

## **Creating value through strategic acquisitions**

Oevermann as a specialist for road construction. Hinteregger as long-standing Salzburg company with focus on industrial civil engineering, power plant construction and underground construction

4

## **“The construction site of the future - Roadmap 2020”**

Digitalised construction processes from early design stage to project finalisation

# 06 Backup



# PORR Diversity-Initiative Started in 2016



Equal opportunities across all organisational levels and countries

## Work&Life@PORR

- Flexible models of working hours and leave
- Caring for families and the elderly

## Women@PORR

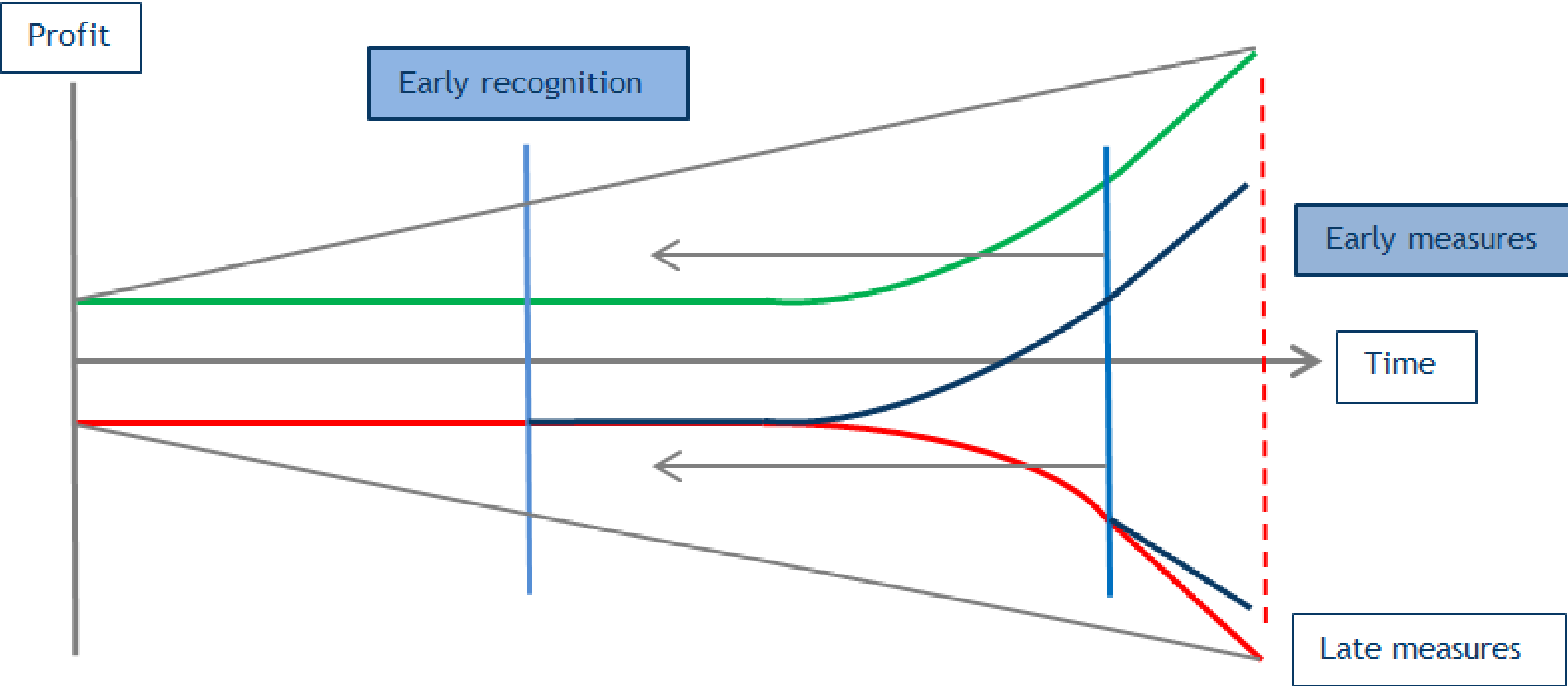
- Promotion of women (special training)

## PORR Academy

- Additional attractive training for blue-collar and white-collar workers

... increasing PORR's appeal as the „best place to work“

# Comprehensive Control and Steering Mechanisms Established



# Overview Extraordinary Costs FY 2016

## Costs for digitalisation: EUR 11.9 m

- e.g.: BIM, iTwo,
- Apps like Defect Radar App, Weather App

**~ EUR 14 m**

## Costs for integration processes: EUR 2.0 m

- e.g.: coordination of the M&A process (incl. travel costs, external consulting)
- internal training (for systems etc.)

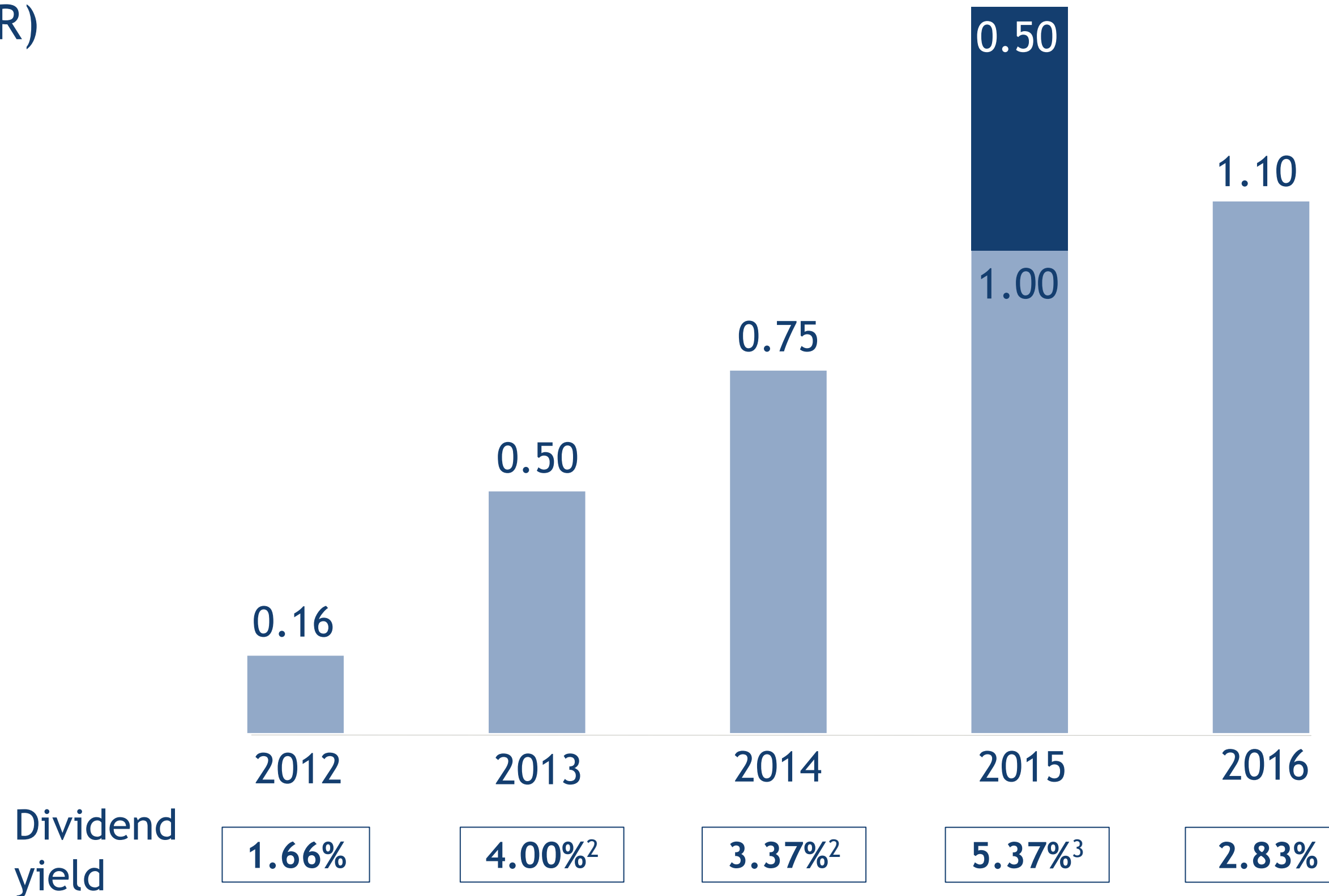
## Costs for the new „working world“: EUR 0,4 m

- e.g.: new offices in Prague and Poland

# Sustainable Dividend Policy

## Dividends

Dividends per share<sup>1</sup>  
(in EUR)



1 Adjusted to share split 2015 to allow better comparison

2 Restated excl. discontinued operations

3 Dividend yield including scrip dividend

# IR Information for PORR AG

## Share Information

Share price <sup>1</sup>	EUR 31.25
Market capitalisation	EUR 909.2m
Official market	Vienna Stock Exchange Prime Market
Number of shares outstanding	29,095,000
Ticker symbol	POS VI
ISIN	AT0000609607

## IR Contact

For further information please contact  
the Investor Relations department

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[IR@porr-group.com](mailto:IR@porr-group.com)

## Financial Calendar 2017

25.04.2017	Annual Financial Report 2016
25.04.2017	Press conference
23.05.2017	137 <sup>th</sup> Annual General Meeting
30.05.2017	Q1 2017
30.05.2017	Trade ex-dividend 2016
01.06.2017	Dividend payment for 2016
30.08.2017	H1 2017
29.11.2017	Q3 2017

## Research Reports

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

<sup>1</sup> as of May 29, 2017

