

Half Year Results 2018

growing . together

Investor Presentation

29 August 2018



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Highlights HY 2018



Favorable market sentiment in construction continues



Progress on **operational results** - EBT up to EUR 6.6m (+66%)



Order book of EUR 6.5bn remains on high level



Net debt of EUR 413.8m impacted by seasonality



Realignment in **Germany**: efficiency measures ongoing



Outlook for 2018 unchanged



PORR

Positive Prospects for Construction in Europe But Tough Environment

**PORR well positioned to capitalize
on market chances ...**

**Austria and Switzerland on stable
growing path**

**Germany with potential in industrial
eng. and transportation infrastructure**

**Poland as growth engine backed by
EU-Cohesion Fund**

**Czech Republic with expected boost
on EU funded infrastructure projects**

International with unchanged strategy

**... but keeping an eye on market
challenges**

Labour shortage in all home markets

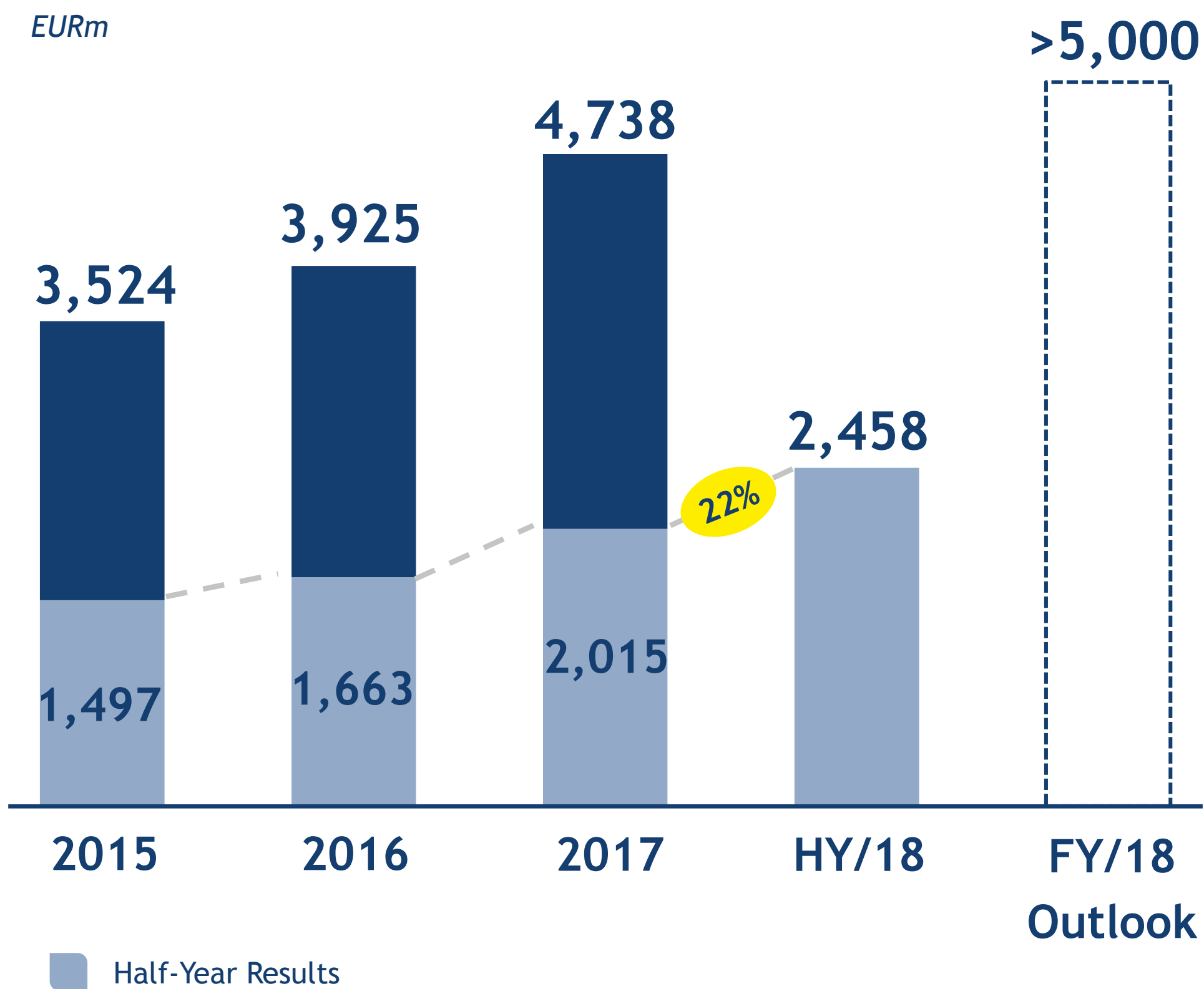
Rising labour costs

Continued material price rises

Competition for subcontractors

Supply chain shortage

Increasing Top Level of Output



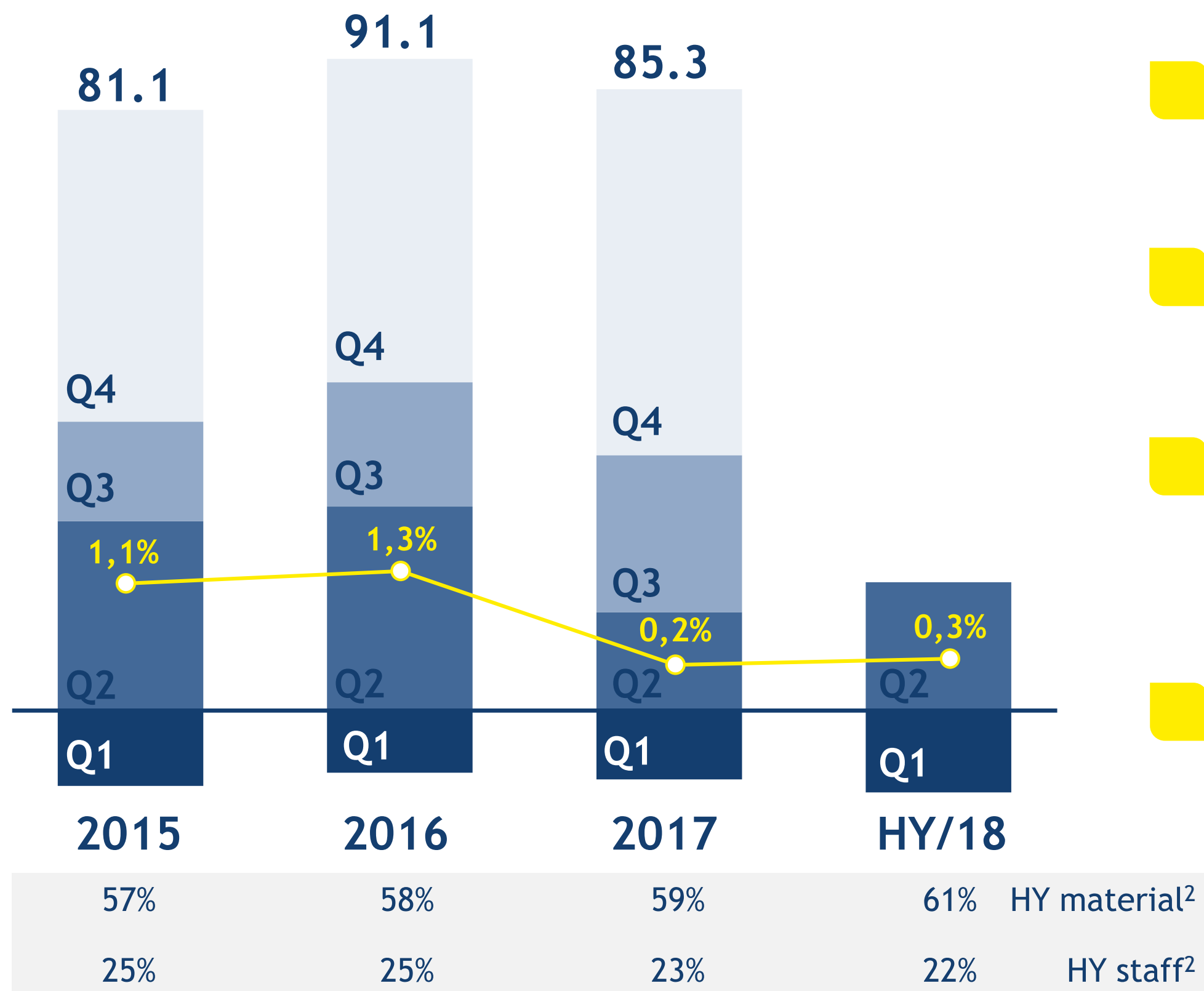
- Strong HY performance of +22.0% reflects PORR's outstanding position in the home markets
- Positive contribution across all business units
- Output of EUR 2.5bn in HY 18 on track to meet FY/18 guidance
- Effect of large scale projects: start of construction after design phase
- Germany and Poland growing most



Solid EBT Development in HY 2018

EBT results over the last years

EURm



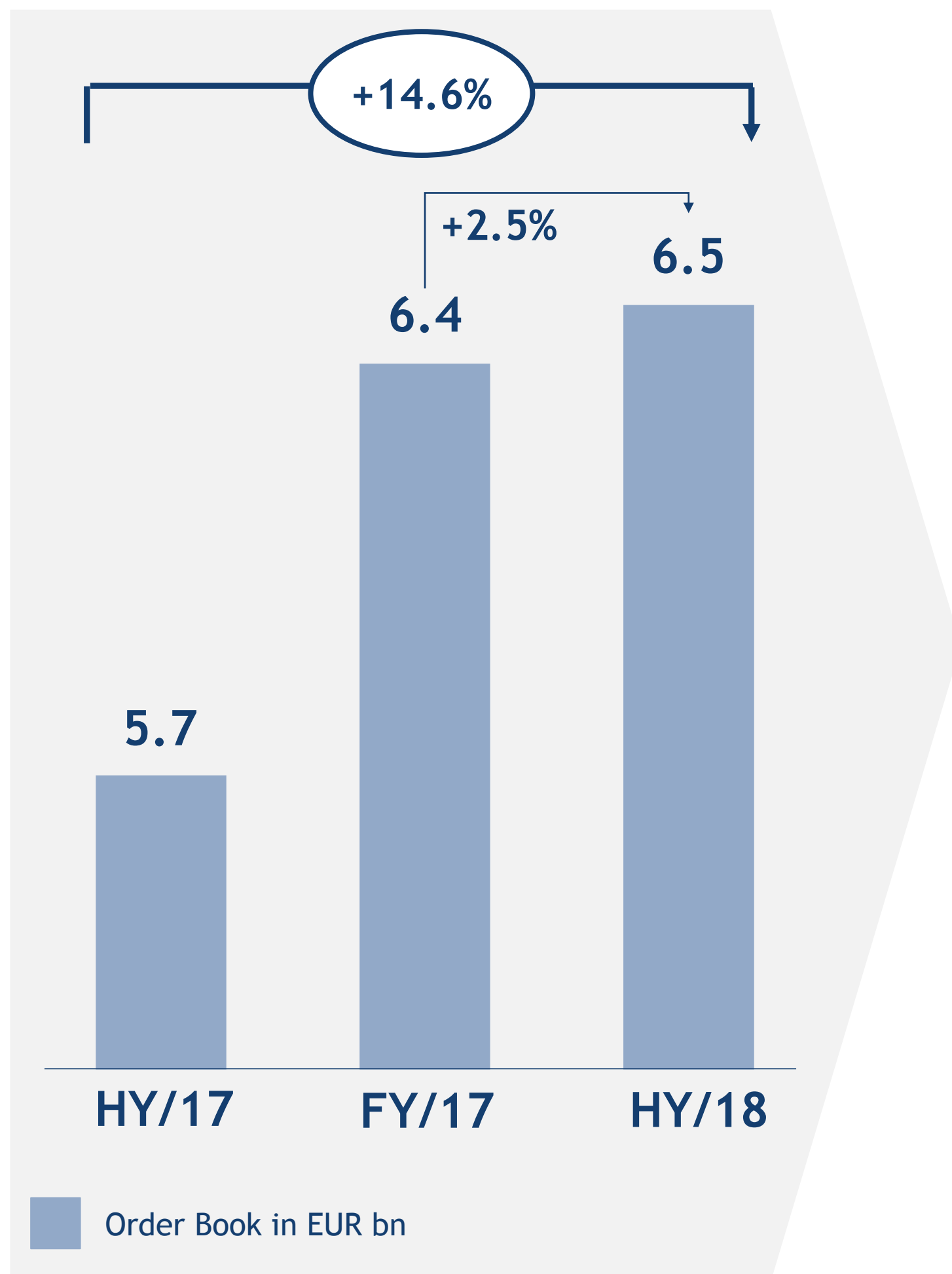
- EBT increased by around 66% to EUR 6.6m (HY/17: 4.0m)
- EBT margin improves to 0.3% (HY/17: 0.2%)
- Operating cost ratios (material¹, staff) developed underproportionally despite high growth
- EPS at 0.14 (HY/17: 0.05)

¹ Cost of materials = material + purchased services
² HY 2018 cost ratios as percentage of production output

—● EBT margin in % of production output



Order Book at a High Level



- Evolution of backlog (+14.6%) across all business units
- Order book characterized by increasing number of large-scale projects
- Disciplined and selective approach for new project tenders

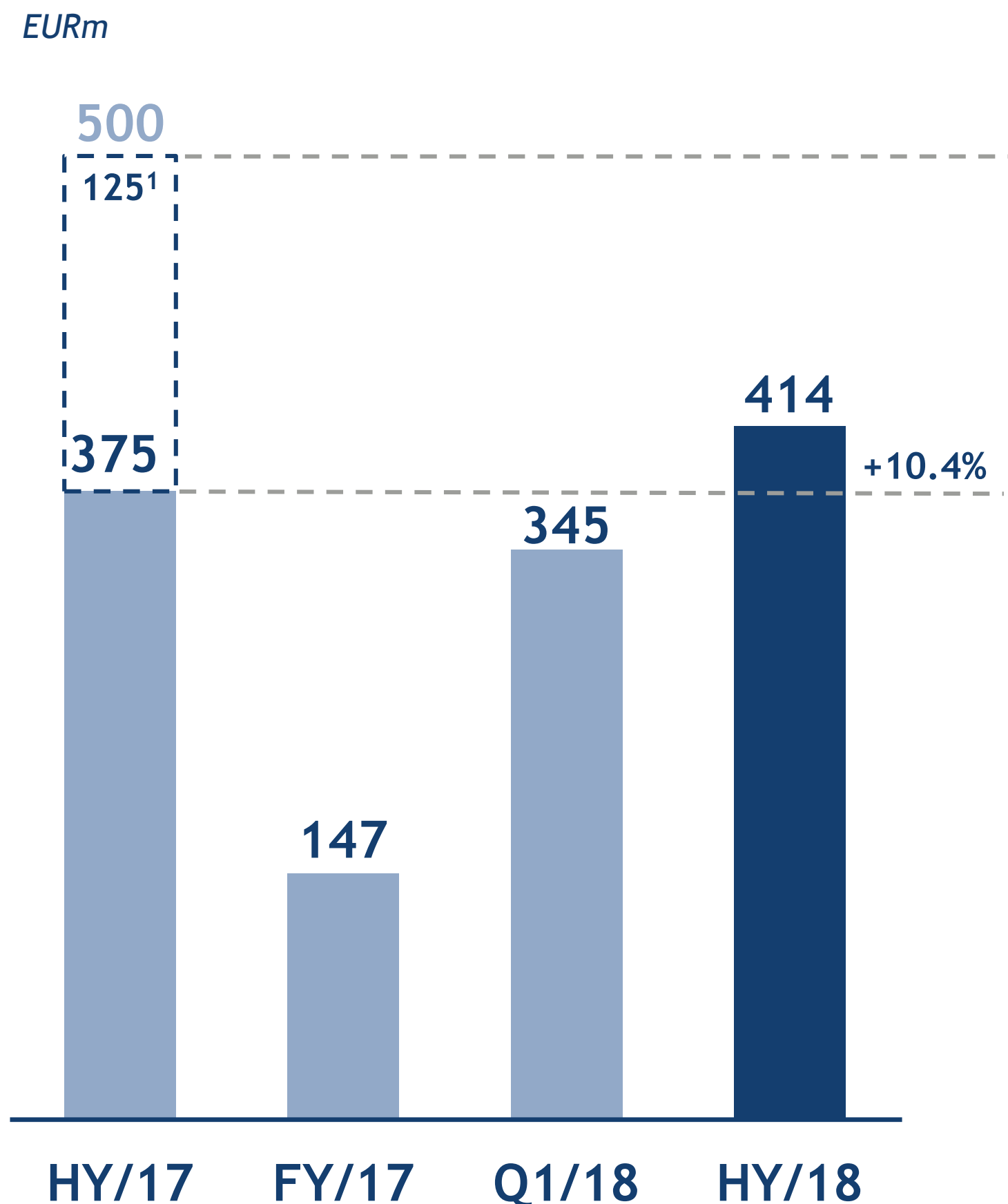
Top 5 New Orders HY 2018

Selected Projects ¹	Country	EUR m ²	Plan
FAIR ring accelerator, Darmstadt	DE	207.0	2018-2021
S6 Expressway Bożepole-Luzino	PL	63.8	2018-2021
Nowe Miasto Lubaw ringroad	PL	62.1	2018-2021
Franklinturm, Zurich	CH	60.9	2018-2021
Appartments Thulestr., Berlin	DE	58.4	2018-2020



¹ Recently confirmed Brenner Base Tunnel project of a proportionate order volume of EUR 483m not yet included.
² Stated values are project values at time of contract award

Net Debt Peaks Due to Seasonality

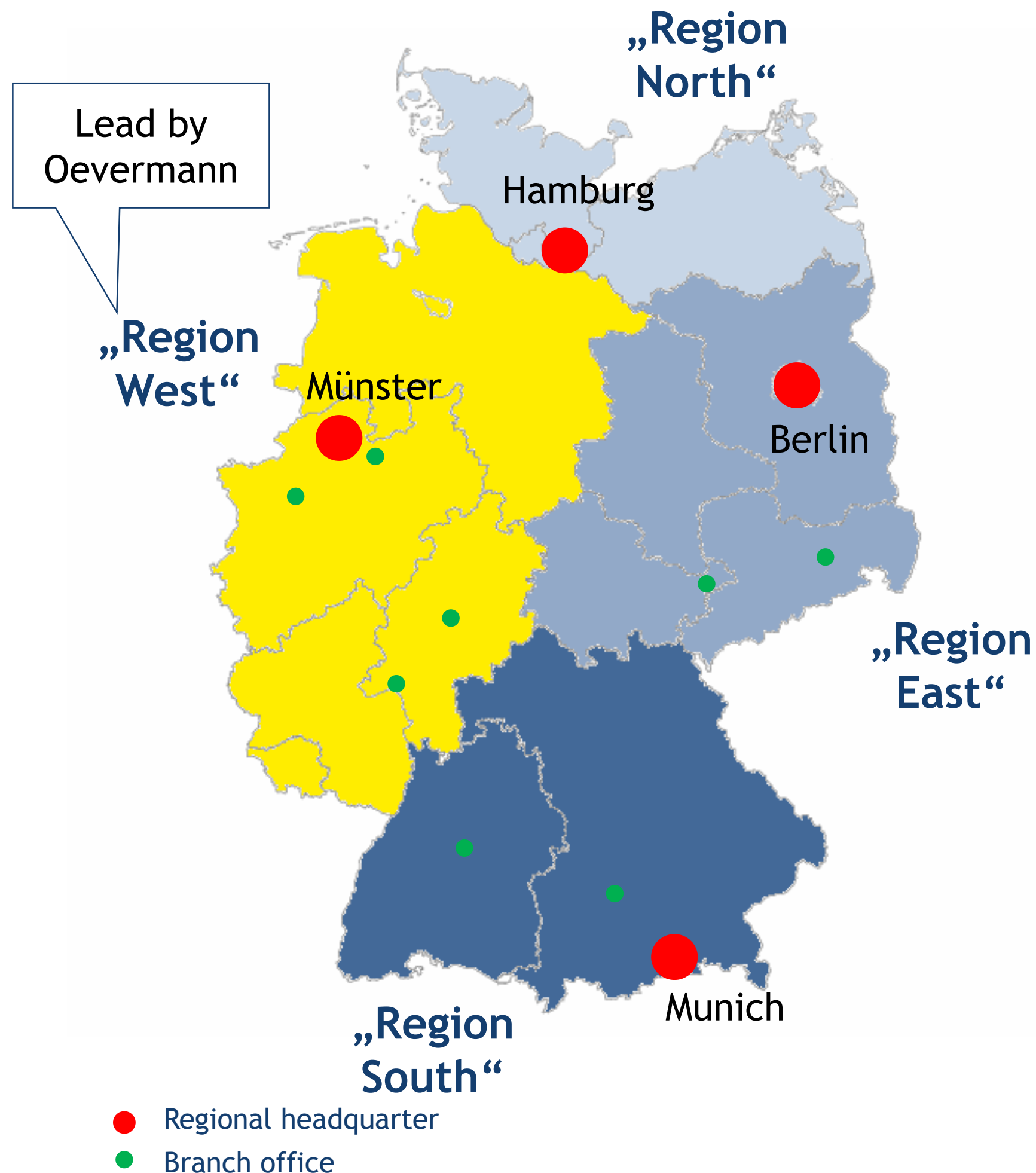


- Q2 net debt increase as a typical pattern in the construction seasonality
- Underproportional net debt increase of EUR 39m (+ 10.4%) as compared to strong output growth of 22.0%
- Repayment of UBM mezzanine in Q2/18 contributed positively with EUR 50m net

□ Hybrid Bond 2017

¹ Effect of the hybrid bond in 2017

Strategic Realignment in Germany: New Organizational Structure



- Regional approach for building construction
- Four strong regional centres with lean structures
- Streamlining of the organization, reduction of one management layer
- Standards and processes to be simplified and unified (no overlapping)
- Leverage know-how for all entities and ensure the sharing and adaption of best practice

Outlook 2018



Construction market remains positive for 2018



Production output of at least EUR 5bn for year-end 2018



Mid-term margin goal of EBT 3.0% unchanged



Efficiency measures ongoing, focus on operational excellence



Restraint acquisition policy

About PORR



PORR as an Investment

Strong Core

- Market leader in Austria
- Strong footprint in five European home markets (87% of total)
- Demand outperforms construction supply

USP

- Landmark projects across every sector
- One-stop-shop: value chain in-house
- Order backlog of EUR 6.5bn: full capacity utilisation far beyond 2018

Focus

- Focus on profitability and sound balance sheet
- Focus on risk-profile and balanced quality of order book
- Focus on innovation and technology

Capital Market

- Attractive dividend policy
- Continuity in payout ratio (30-50% of net profit)
- Shareholder value first

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

PORR - At a Glance

Business Units

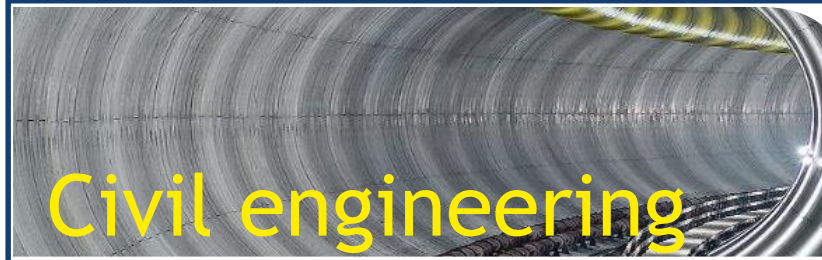
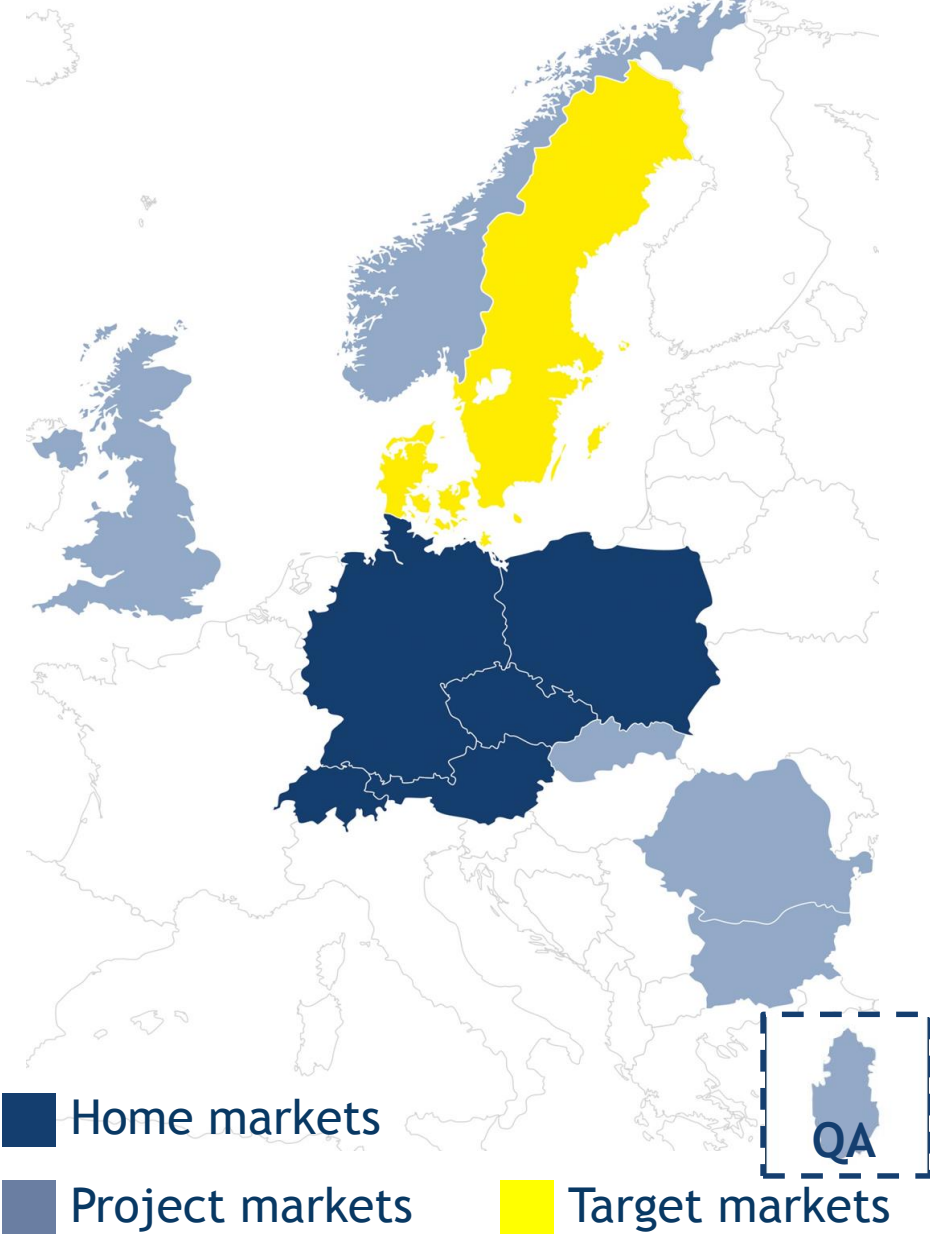
- 1 AT/CH/CZ
(home markets)
- 2 DE
(home market)
- 3 International
(project market)
- 4 Environmental,
healthcare & serv.

Key Facts 2017

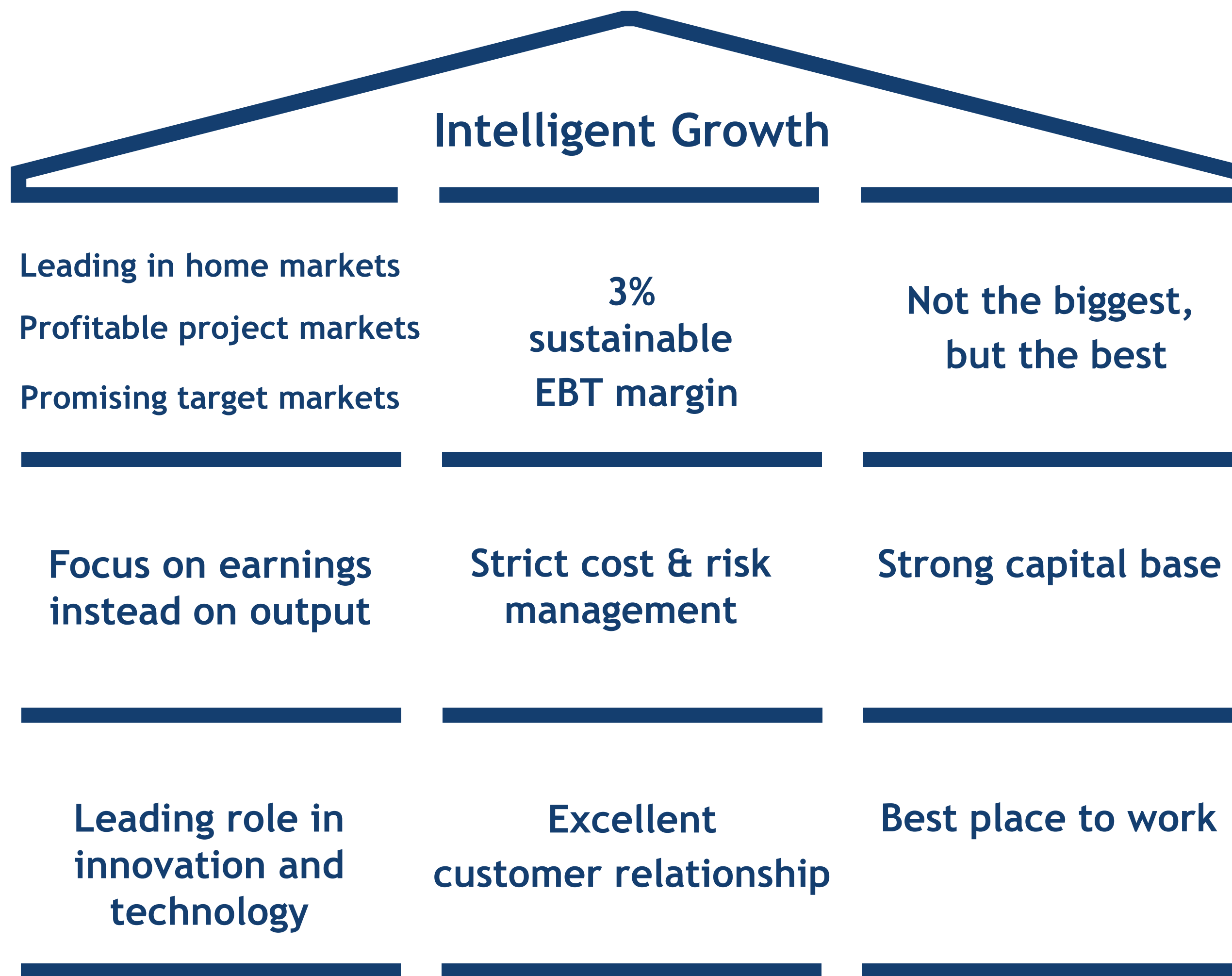
Production EUR 4.7bn	Employees ~17,719
Backlog EUR 6.4bn	EBT EUR 85.3m

PORR, a leading full service provider in the construction sector

Markets



No Change in Strategy - Focus on Execution



Construction matters

Ongoing urbanisation



80% of population to live in urban areas in Europe by 2050

Infrastructure



Infrastructure investment gap remains

New Standards



“Paperless” in construction unleashes value

- **Ongoing urbanization, high demand for infrastructure as well ageing infrastructure as key drivers of growth**
- **Sizeable investment plans in infrastructure**
(Germany: 270bn by 2030, Austria: 30bn by 2022, Poland/PKP: 83bn by 2020)
- **Technology capture the shift of client needs as well increasing complexity of projects**

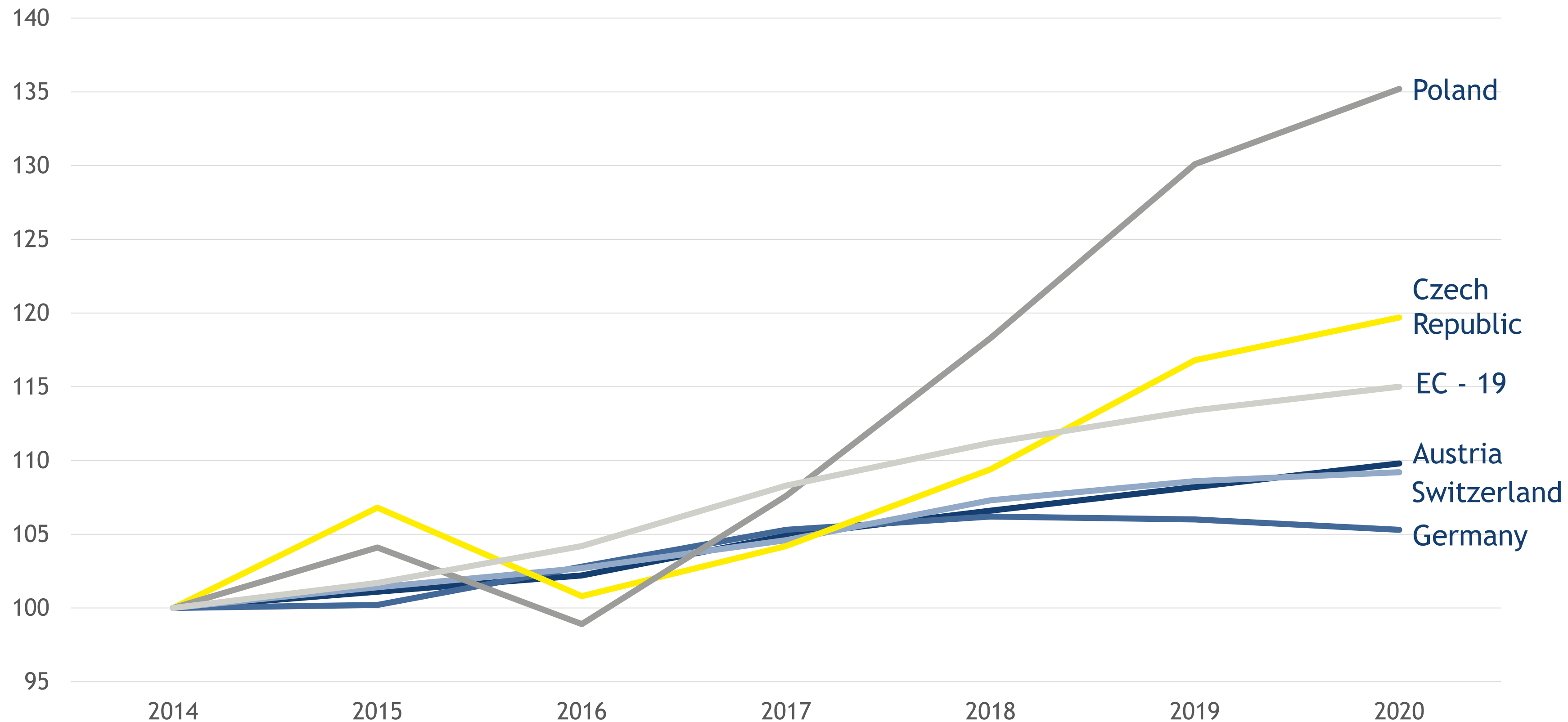
Source: UN, BBVA Research, German national transport plan 2030, BMVIT, PKP

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Construction with Steady Pattern of Growth in Europe

%, index based

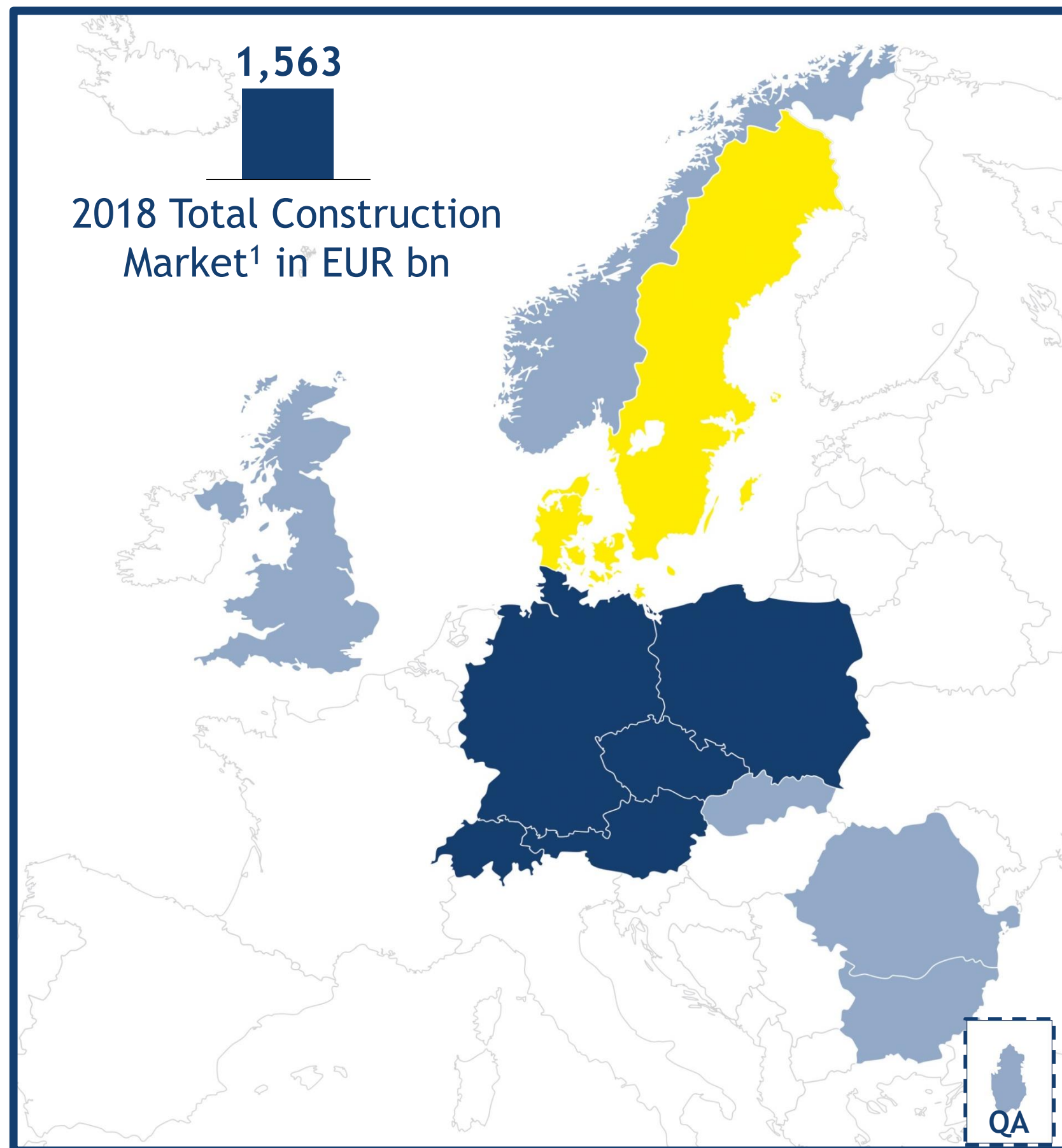


Source: 85th EUROCONSTRUCT Summary Report

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Total Construction Markets on a Growing Path



Home Markets (87% Production Share)



Project Markets (12% Production Share)



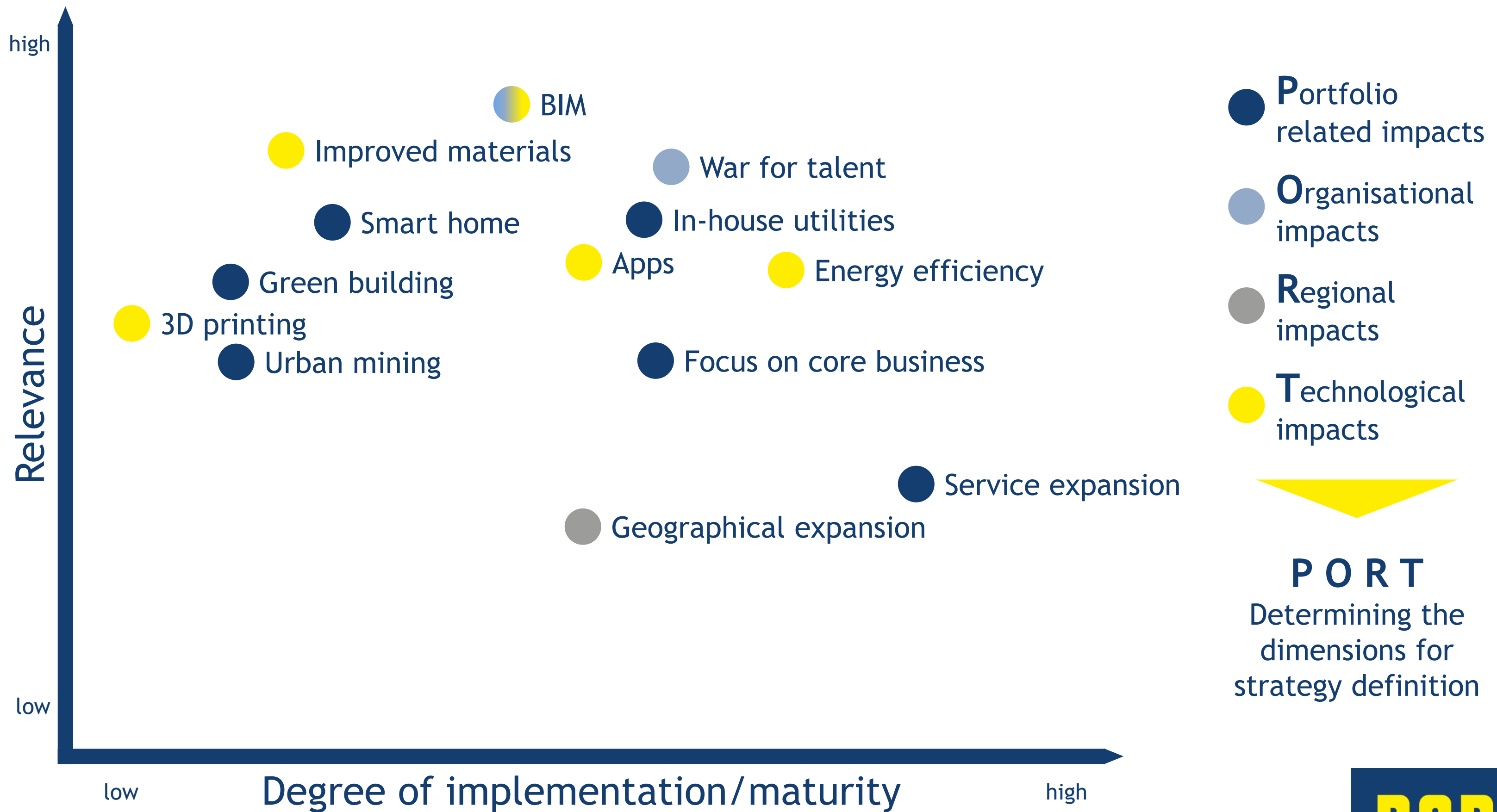
Target Markets



¹ Euroconstruct-19 Countries, ² Without Qatar
Source: 85th EUROCONSTRUCT Summary Report, European Commission
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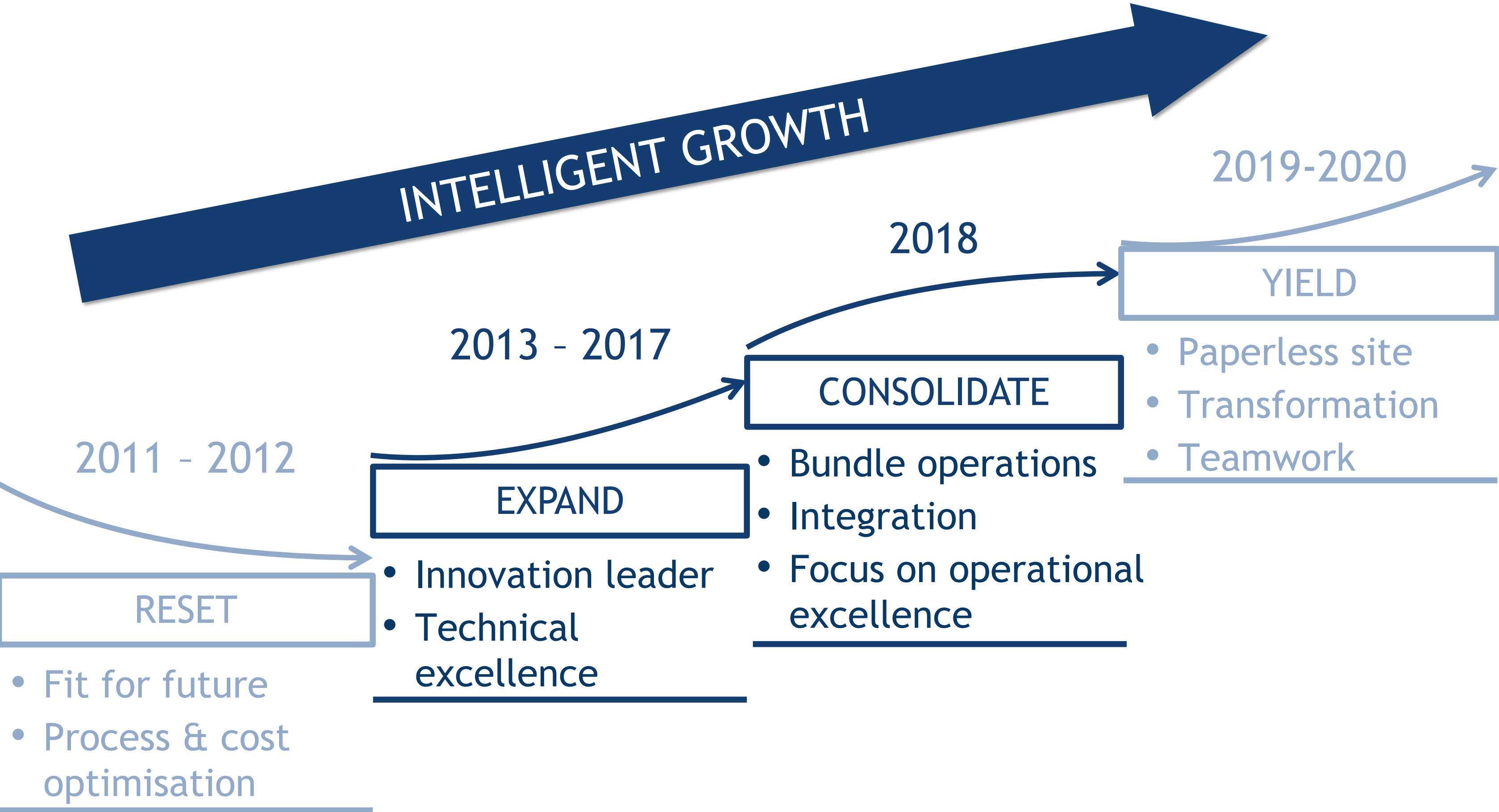
Selected Future Trends in Construction



Source: Roland Berger



2018: Year of Consolidation



PORR in 2018

STRONG CORE

- Five home markets with strong local power
- #1 Scale in Austria
- Differentiate through portfolio of projects with different sizes

INTERNATIONAL

- PORR competes internationally in selective projects in civil engineering
- Sectors fit with competitive know-how

OPERATIONAL

- Focus on operational excellence, project control, cash and cost discipline

THINK BEYOND

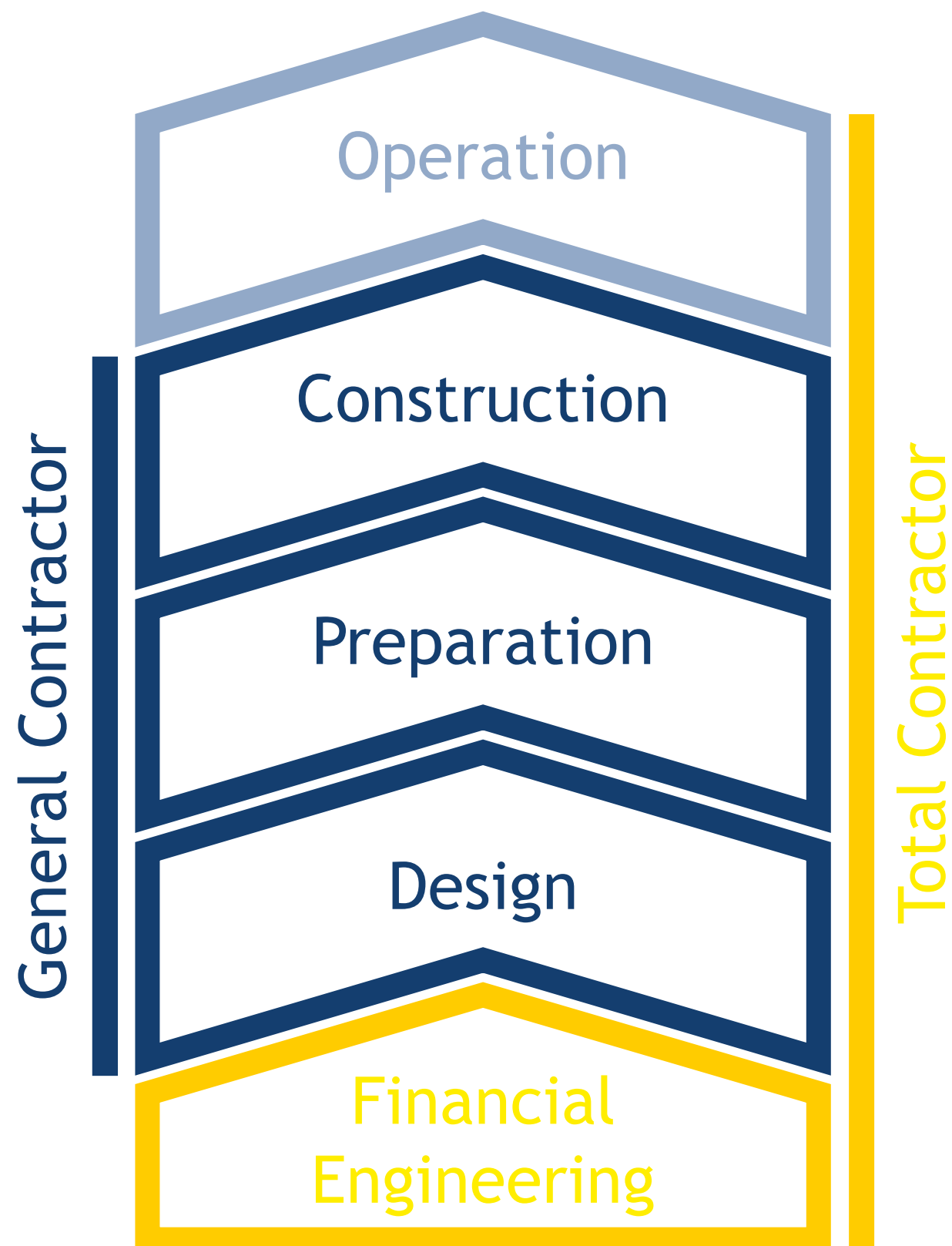
- Portfolio complemented by activities driving construction and margins
- E.g. positioning in additional segments (eg. pipeline constr. in Poland), export products

Construction Boom - General Building

	PHASE I (Growth)	PHASE II (Consolidation)	PHASE III (On-hold line)
Bidding activity	high	selective	very selective
Pricing strategy	aggressive	conservative	very conservative
Risk appetite	high	limited	very limited
Order book	growing	leveling	falling



General/Total Contractor with Expertise in Lean Construction



- PORR focus purely on construction and builds as much as possible itself
- Strong core competencies alongside the construction value chain (e.g. Lean Construction)
- Within single segments PORR develops unique expertise (e.g. civil engineering) to be „best in class“
- Where our specific knowledge gives us an edge, we selectively extend our service portfolio, e.g.:

Operation

PPP in two Austrian children's hospitals



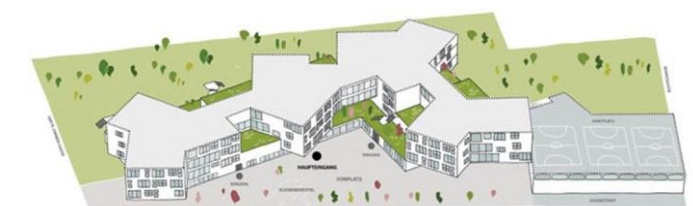
Bad Erlaa



Rohrbach

Financial Engineering

PPP-School "Berresgasse" Campus in Vienna...



...and also in civil engineering

PORR

Addressing Critical Challenges for Operational Excellence

Technology driven by increasing customer need and cost pressure

PAPERLESS CORE

- Paperless workflows save time and cost
- Machine-2-Machine (IoT/connected equipment)
- PORR Apps

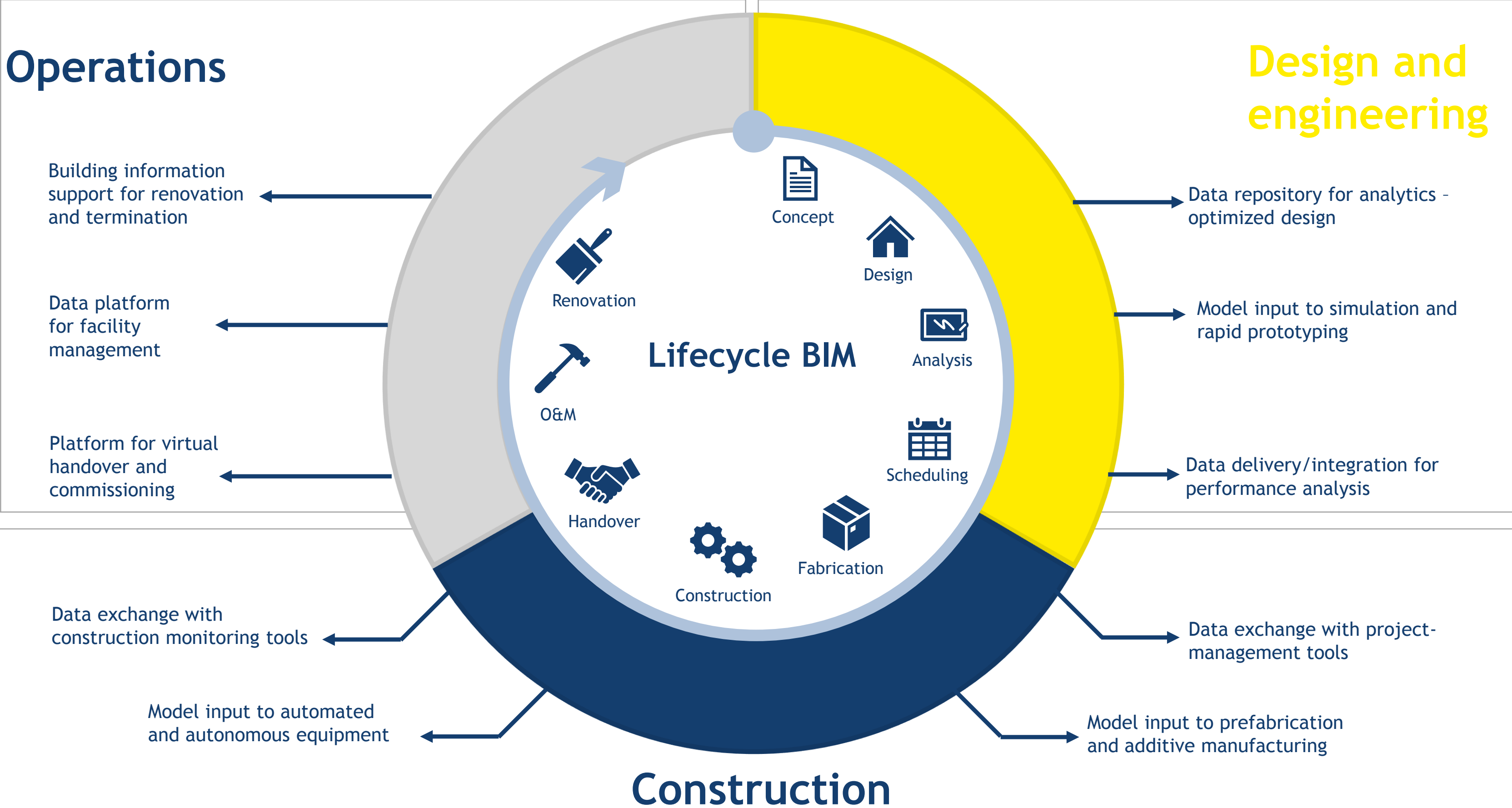
PLANNING/ CALCULATION

- BIM 5D = 3D + time and cost/quality
- Increase transparency and efficiency along the whole construction process

LEAN CONSTRUCTION

- Full transparency
- Minimize waste of materials, time and effort
- Connected stakeholders

Building Information Modelling (BIM)



Source: BCG



LEAN @ BMW

PORR



ALIGNMENT TO.

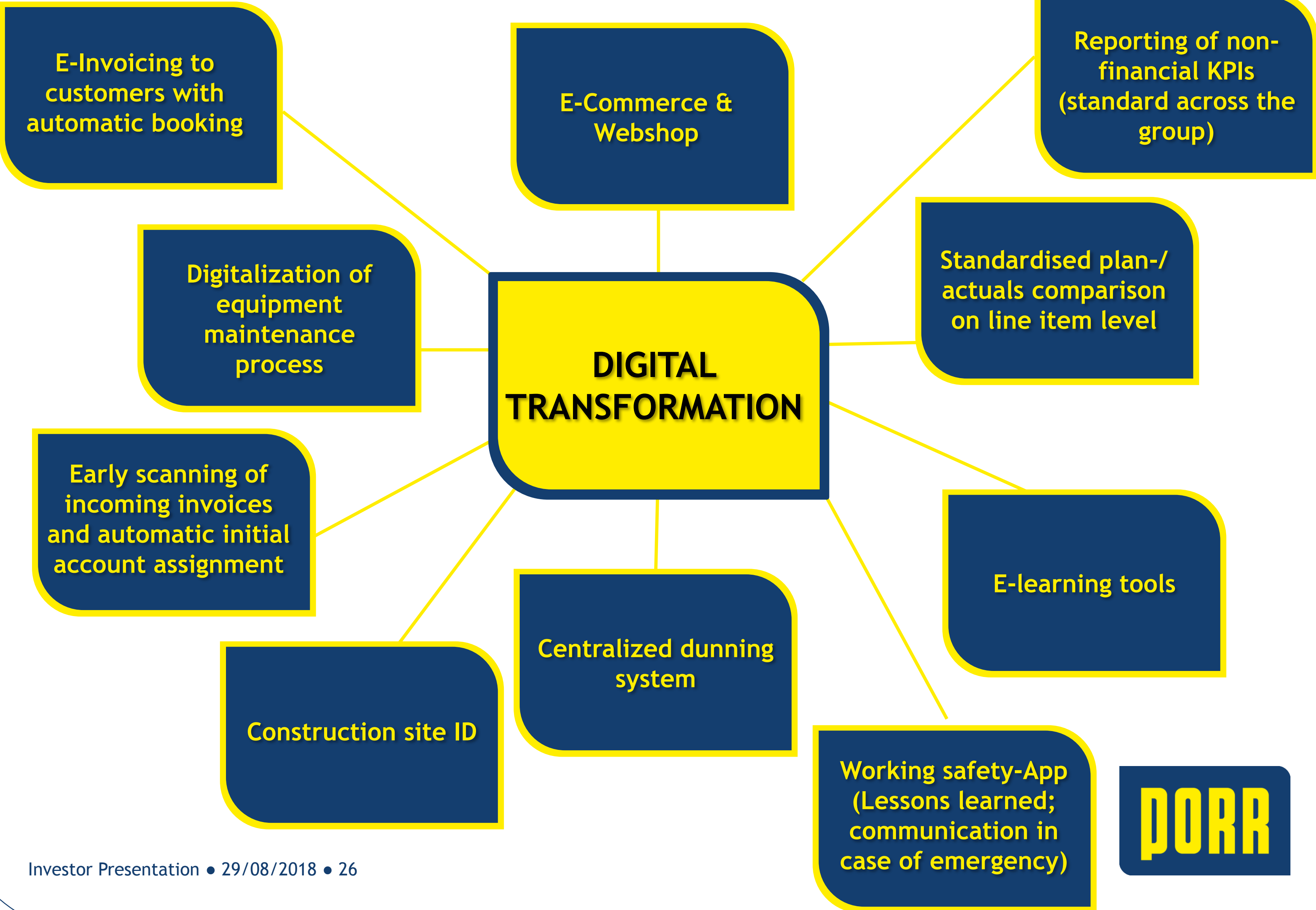
- LEAN in Design & Construction
- Integrated BIM Model
- Collaboration and Partnering
- Supply Chain Involvement
(off-site pre-produced material)

CUSTOMER FEEDBACK.

- Full Visibility (Live Track)
- Stability through Takt Planning
- Zero Claims
- Zero Delay
- Zero Days Schedule Deviation
- Great Team Spirit

PORR

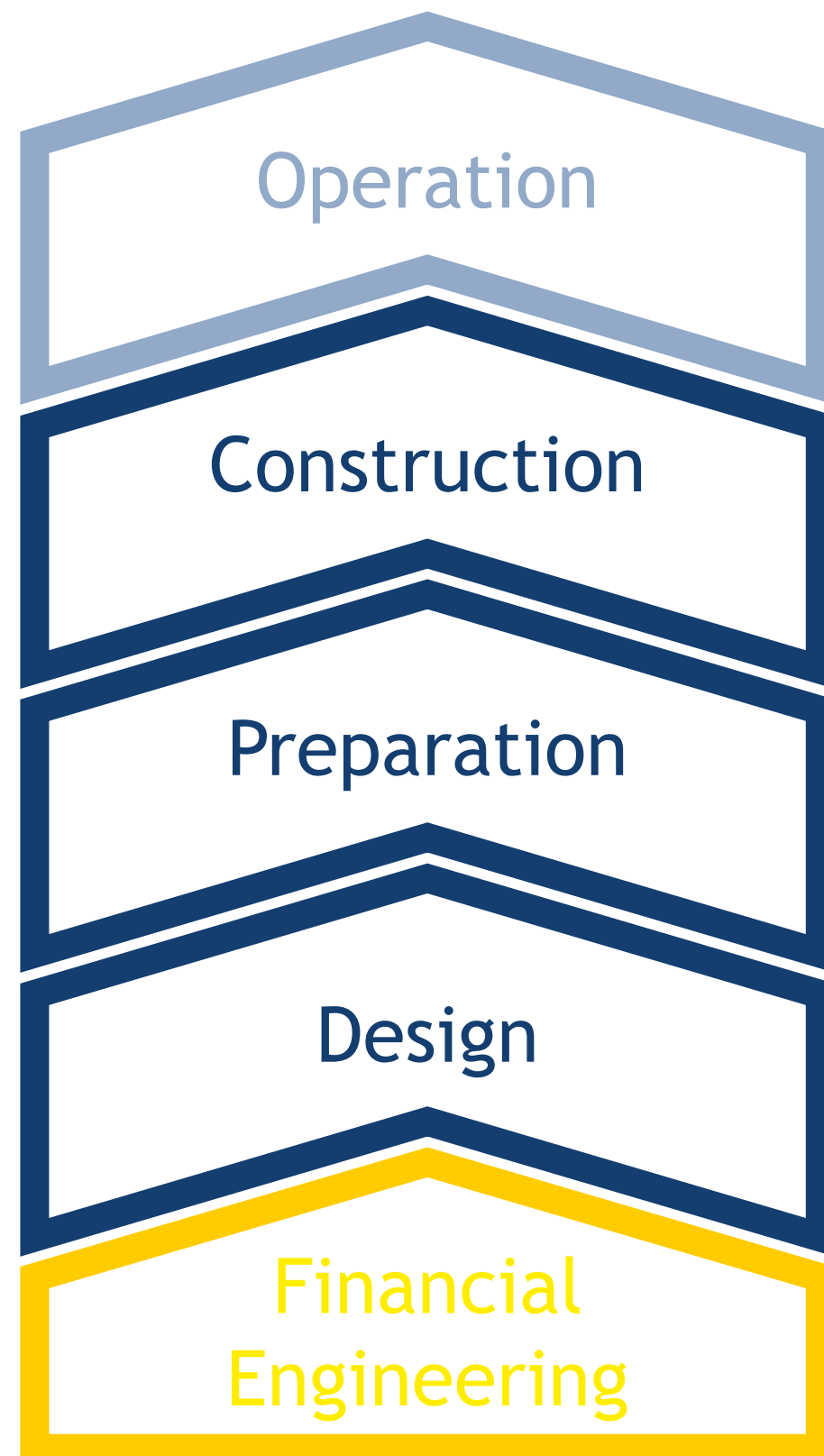
Roadmap 2020: Selected Examples



M&A Activities by H1 2018

Expertise Building

Regional Expansion



PORR
hospitals

PORR
ABW

PORR
G&P

PORR
Infra

PORR
Polska Infra-structure

PORR
Alpine

BBGS

PRAJO & CO

PORR
bpp

PORR
PWW

G. HINTEREGGER
& SÖHNE
Baugesellschaft m.b.H.

GOIDINGERBAU

FRANKI
GRUNDBAU

Stump

nägele
hoch- und tiefbau

PORR
Geotechnik

TKDZ

OEVERMANN

PORR

Corporate Sustainability

DONE: KEY DATA 16/17¹

- Increased **recycling** (+35.8%)
- Reduced **energy** use (-2.8%)
- Reduced **accident** frequency (-31.4%)
- Improved **value added** (+15.6%)
- Increased **R&D** (+20%)
- **Compliance Management System** certified (first in construction)
- **bee@PORR**: more than 30 venues with hives

GOALS¹

- **Health:**
 - Vision Zero: accident frequency < 10
 - Health management system
- **Education**
 - PORR Academy; 5% apprentices
- **Compliance**
- **Diversity**
- **Environmental**
 - 1.5% savings in energy/emissions, etc.
- **Procurement**

¹ More detailed analysis can be found in the Corporate Sustainability Report 2016/2017

Best Place to Work @ PORR

WAR FOR TALENT

- Employees and clients require highly flexible organisations
- Demographics lead to a shortage of skilled employees
- Urbanisation results in a local concentration of demand

OUR ANSWER: BEST PLACE TO WORK - Concept

Work&Life@PORR

- Flexible models of working hours and leave
- Nursing and health support programs (smoke free environment, annual health day)
- OPEN SPACE offices

PORR Academy

- Attractive trainings for blue-and white-collar workers
- In-house education for international deployments

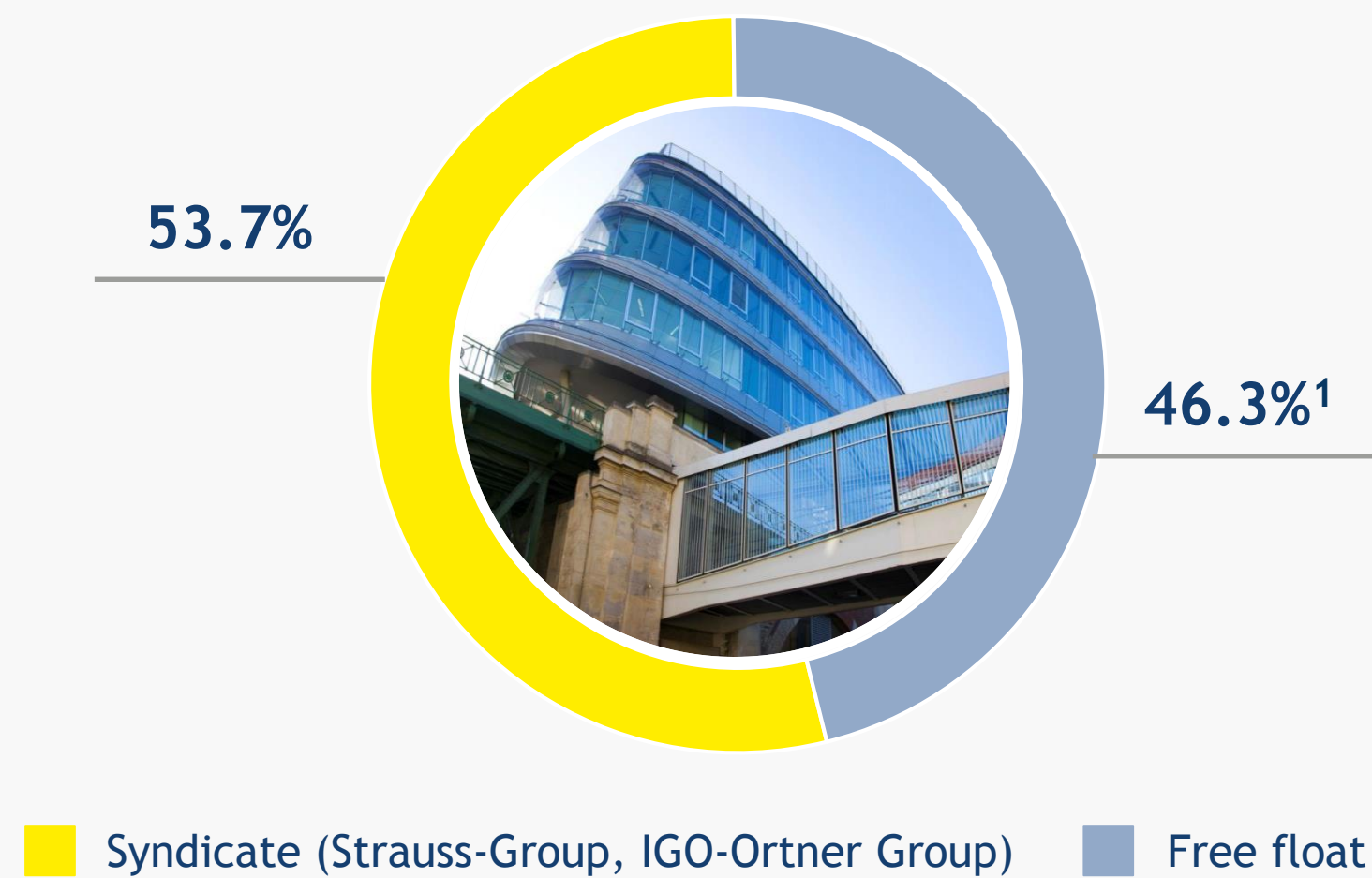
Diversity@PORR

- **Women@PORR:** Promotion of women
- Openness for religious, ethnical and sexual diversity

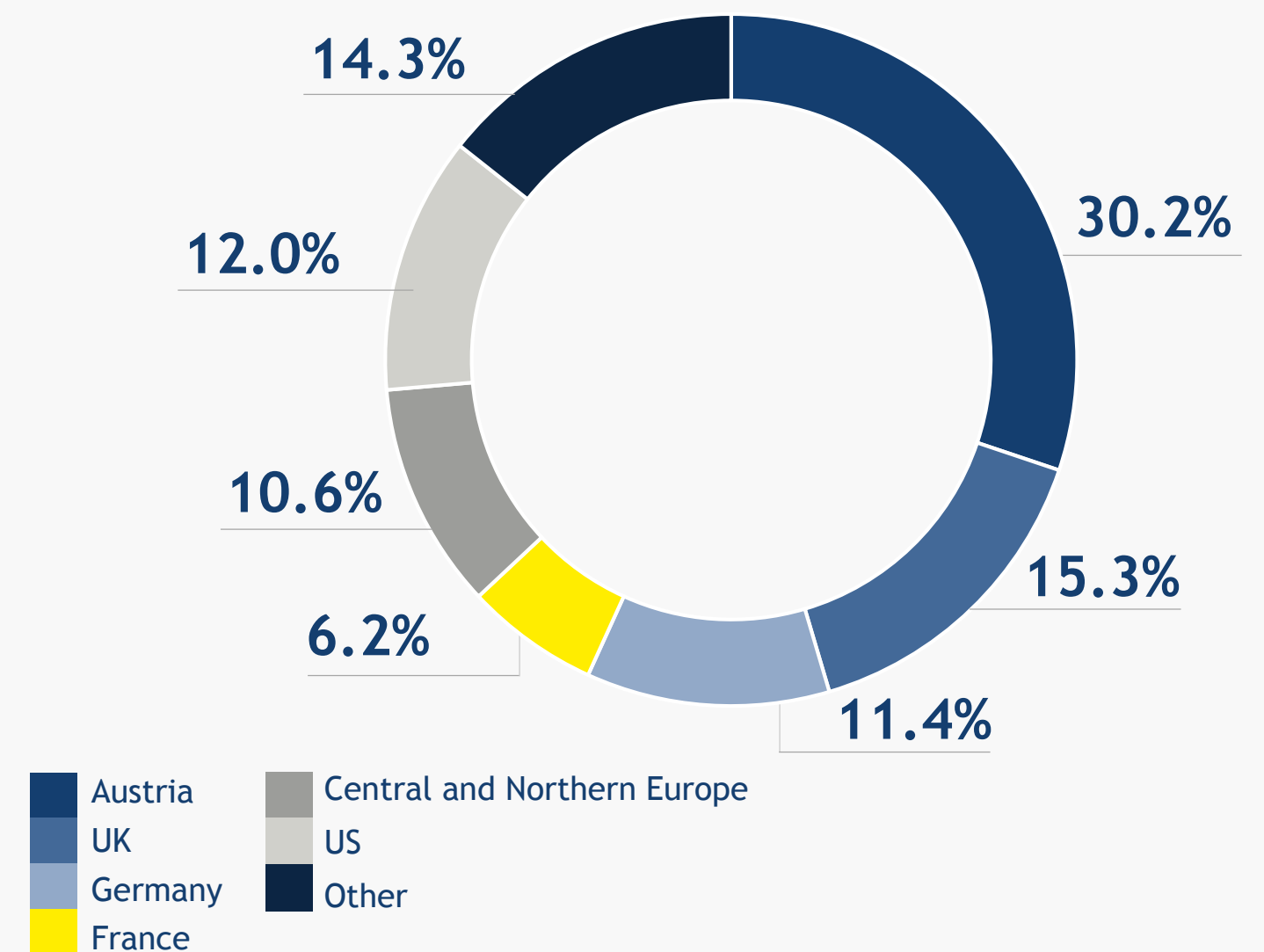
The logo for PORR, consisting of the letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

Shareholder Structure

Ownership Structure



Free Float - Geographical Split



¹ of which 5.85% Heitkamp Construction GmbH, 4.05% Wellington Management Group LLP and 3.42% PORR Management and PORR AG (treasury shares)



Financial Performance

Key Financials

Key Earnings Figures (EURm¹)	HY 2018	% Δ	HY 2017
Production output	2,457.8	22.0%	2,014.8
Revenue	2,223.2	25.5%	1,771.2
EBT	6.6	66.4%	4.0
Net profit	5.6	88.4%	2.9
Key Assets and Financial Figures (EURm)	30.06.2018	% Δ	31.12.2017
Total assets	2,997.3	3.9%	2,884.8
Equity	558.8	(6.4%)	597.0
Equity ratio	18.6%	(2.1PP)	20.7%
Net debt/Net cash	413.8	180.6%	147.4
Key Share Data (EURm)	30.06.2018	% Δ	30.06.2017
Number of shares (weighted average)	29,095,000	-	29,095,000
Market capitalization	837.9	4.2%	803.9

¹ Rounding differences can appear



Consolidated Income Statement

EUR m ¹	HY 2018	HY 2017	2017	% HY 18/17
Production output²	2,457.8	2,014.8	4,738.2	22.0%
Revenue	2,223.2	1,771.2	4,292.9	25.5%
Share of profit/loss of companies accounted for under the equity method	24.7	18.6	59.2	32.8%
Cost of materials and other related production services ³	(1,498.9)	(1,183.6)	(2,944.0)	(26.6%)
Staff expense	(556.1)	(467.6)	(1,036.1)	(18.9%)
Other operating result ⁴	(120.6)	(81.6)	(171.3)	(47.7%)
EBITDA	72.4	56.9	200.7	27.2%
- in % of Production output	2.9%	2.8%	4.2%	
Depreciation, amortisation & impairment	(57.8)	(48.5)	(110.5)	(19.1%)
EBIT	14.7	8.4	90.2	74.1%
- in % of Production output	0.6%	0.4%	1.9%	
Financial result	(8.0)	(4.4)	(4.9)	(81.0%)
EBT	6.6	4.0	85.3	66.4%
- in % of Production output	0.3%	0.2%	1.8%	
Taxes	(1.0)	(1.0)	(21.6)	(2.6%)
Profit for the period	5.6	3.0	63.7	88.4%

¹ Rounding differences can appear

² Output of consortiums and all associates are included proportionally in production output which deviates from revenues pursuant to IFRS

³ Cost of materials = material + purchased services

⁴ Own work capitalised in non-current assets included

Key Cost Ratios

EUR m ¹	HY 2018	HY 2017	2017	Δ HY 18/17
Production output²	2,457.8	2,014.8	4,738.2	442.9
Revenue	2,223.2	1,771.2	4,292.9	452.0
Ratio of profit/loss of companies (at equity)	1.0%	0.9%	1.3%	0.1 PP
Material cost ratio ³	(61.0%)	(58.8%)	(62.1%)	(2.2 PP)
Personnel cost ratio	(22.6%)	(23.2%)	(21.9%)	0.6 PP
Others ⁴	(4.9%)	(4.1%)	(3.6%)	(0.9 PP)
EBITDA	72.4	56.9	200.7	15.5
- in % of Production output	2.9%	2.8%	4.2%	0.1 PP
Depreciation, amortisation & impairment	(2.4%)	(2.4%)	(2.3%)	0.1 PP
EBIT	14.7	8.4	90.2	6.2
- in % of Production output	0.6%	0.4%	1.9%	0.2 PP
Financial result	(0.3%)	(0.2%)	(0.1%)	(0.1 PP)
EBT	6.6	4.0	85.3	2.6
- in % of Production output	0.3%	0.2%	1.8%	0.1 PP
Taxes	(0.0%)	(0.1%)	(0.5%)	0.0 PP
Profit for the period	5.6	3.0	63.7	2.6

¹ Rounding differences can appear

² Output of consortiums and all associates are included proportionally in production output which deviates from revenues pursuant to IFRS

³ Cost of materials = material + purchased services

⁴ Own work capitalised in non-current assets included

Statement of Financial Position

EUR m		30.06.2018	31.12.2017	31.12.2016
Assets	Non-current assets	1,029.6	1,037.1	801.3
	Current assets	1,967.7	1,847.6	1,560.8
	Total assets	2,997.3	2,884.8	2,362.1
Equity & liabilities	Equity ¹	558.8	597.0	440.9
	Non-current liabilities	594.9	587.1	562.7
	Current liabilities	1,843.5	1,700.7	1,358.5
	Total equity and liabilities	2,997.3	2,884.8	2,362.1
Ratios:	Net debt/Net cash ²	413.8	147.4	(53.3)
	Equity ratio	18.6%	20.7%	18.7%

¹ Incl. Non-controlling interests

² Bonds & SSD plus financial liabilities less cash and cash equivalents

PORR

Business Units (1/2)

Production output
per 30.06.2018

Production¹
(in EUR m)

Description

Regional
Focus

BU 1 AT/CH/CZ

1,144 Share: **47%**

- PORR's largest business unit
- Home markets with all services
- Residential, office, industrial and road construction



BU 2 GERMANY

427 Share: **17%**

- PORR's 2nd largest single market
- Home market with all services
- Residential, office, industrial, road construction and special civil engineering (Franki, Stump)



BU 3 INTERNATIONAL

748 Share: **30%**

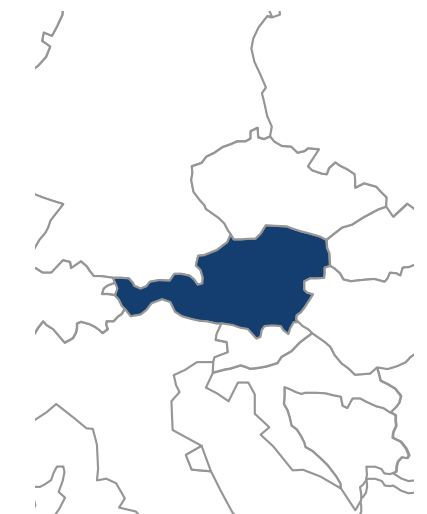
- PORR's unit for technical leadership
- Focus on project business
- Especially tunnel and railway construction



BU 4 ENVIRONMENTAL, HEALTHCARE & SERV.

112 Share: **5%**

- PORR's unit for promising niches
- Focus on project business
- Demolition, waste treatment, PPP, recycling, health care, property & facility management



¹ Share of production output of PORR AG Holding ~1.0%

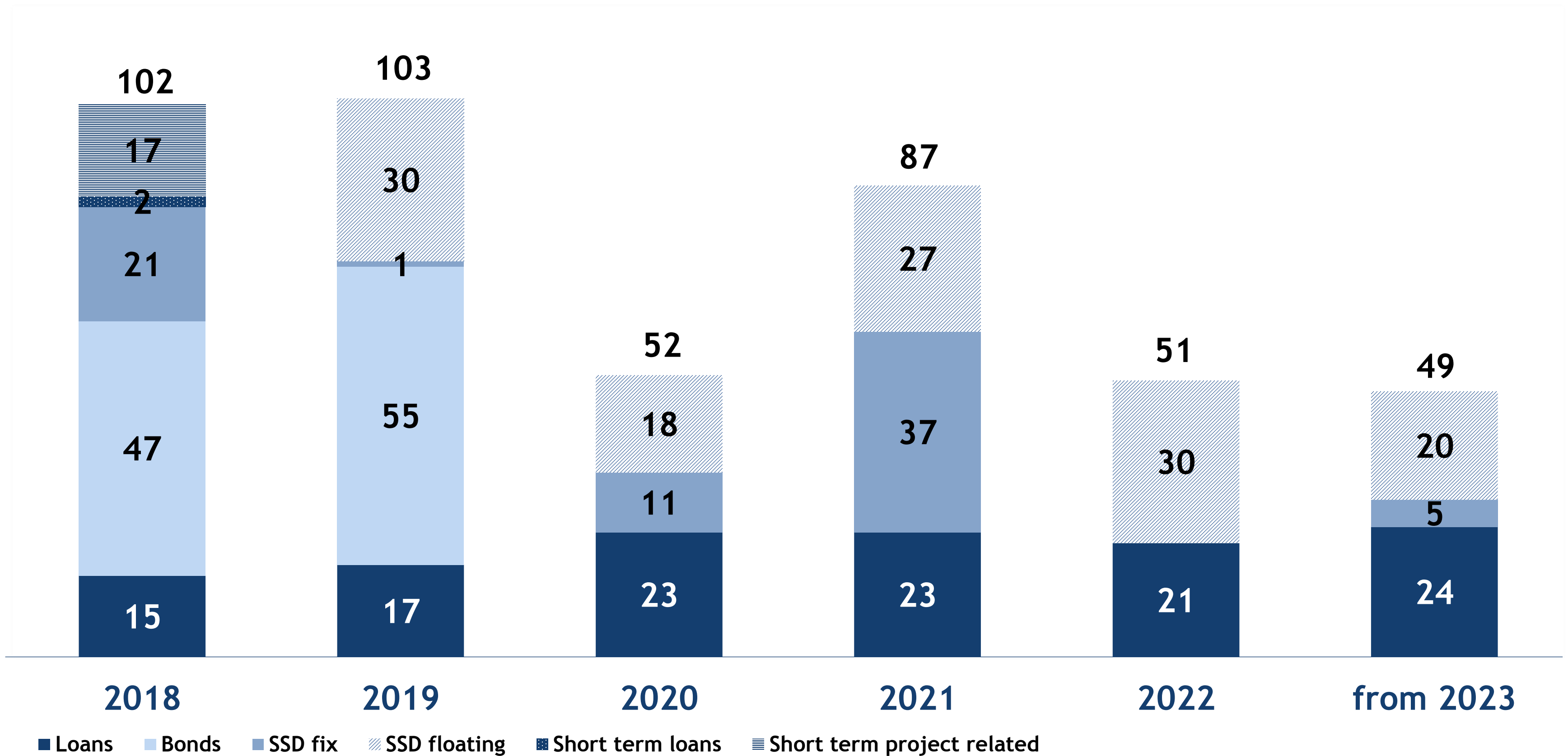


Business Units (2/2)

<i>Eur m</i> <i>% growth per</i> <i>30.06.2018</i>	Output	Backlog	Comments
BU 1	1,143.9 +18%	2,405 +23%	<ul style="list-style-type: none"> ▪ Sharp growth in Austria, especially in Salzburg, strong growth in the Czech Republic ▪ Double-digit increase in order booking ▪ Positive outlook for FY 18
BU 2	426.9 +14%	1,592 +29%	<ul style="list-style-type: none"> ▪ Notable boost of German ▪ Industrial engineering and road construction run-up ▪ New organisational structure for operational efficiency
BU 3	748.3 +36%	2,329 +1%	<ul style="list-style-type: none"> ▪ Projects in Qatar on track ▪ Very selective project acquisition ▪ Poland with high growth
BU 4	111.7 +7%	139 +34%	<ul style="list-style-type: none"> ▪ Group-wide specialist in niches as environmental engineering, facades and sewage technology ▪ Increased order situation



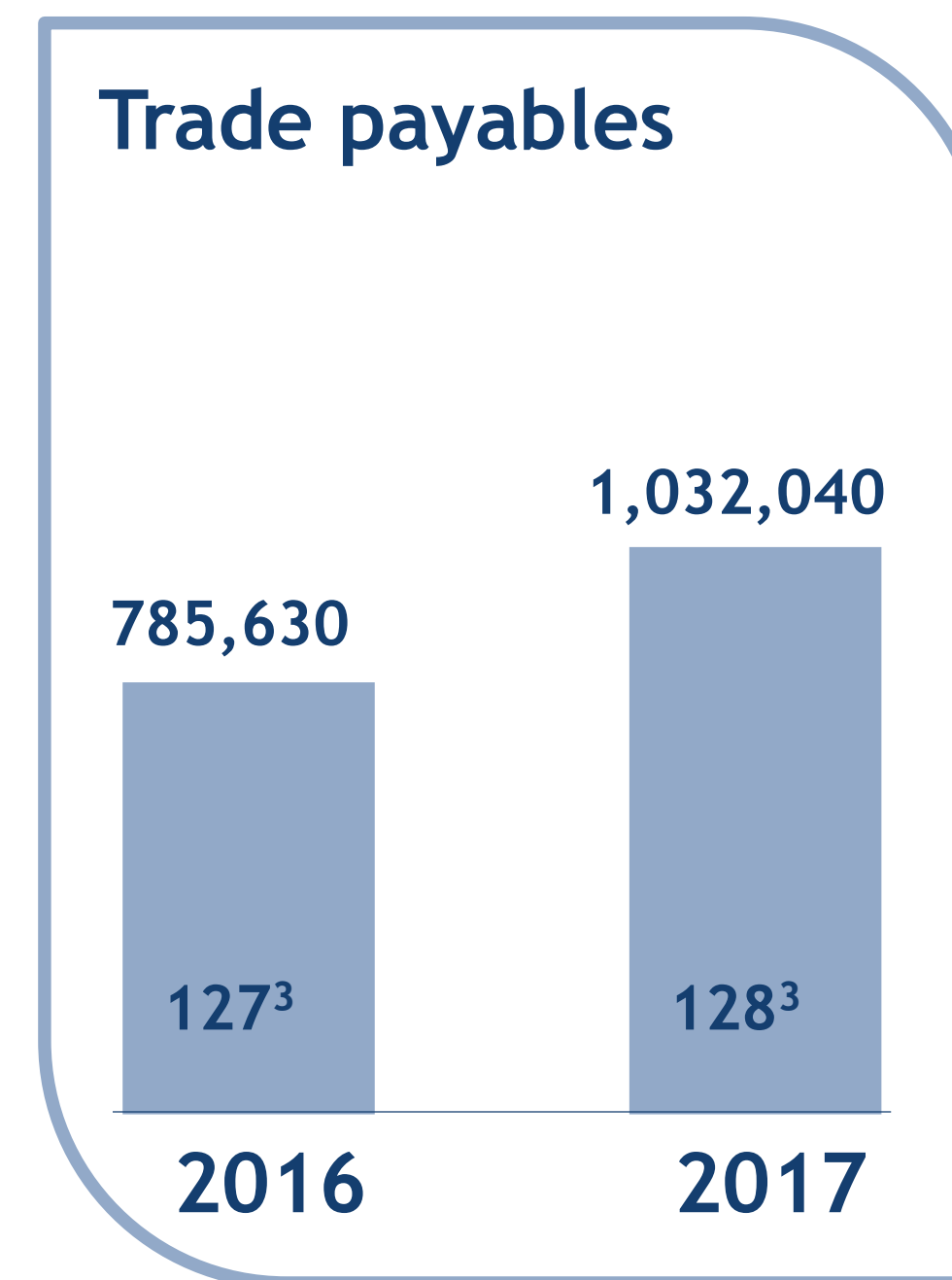
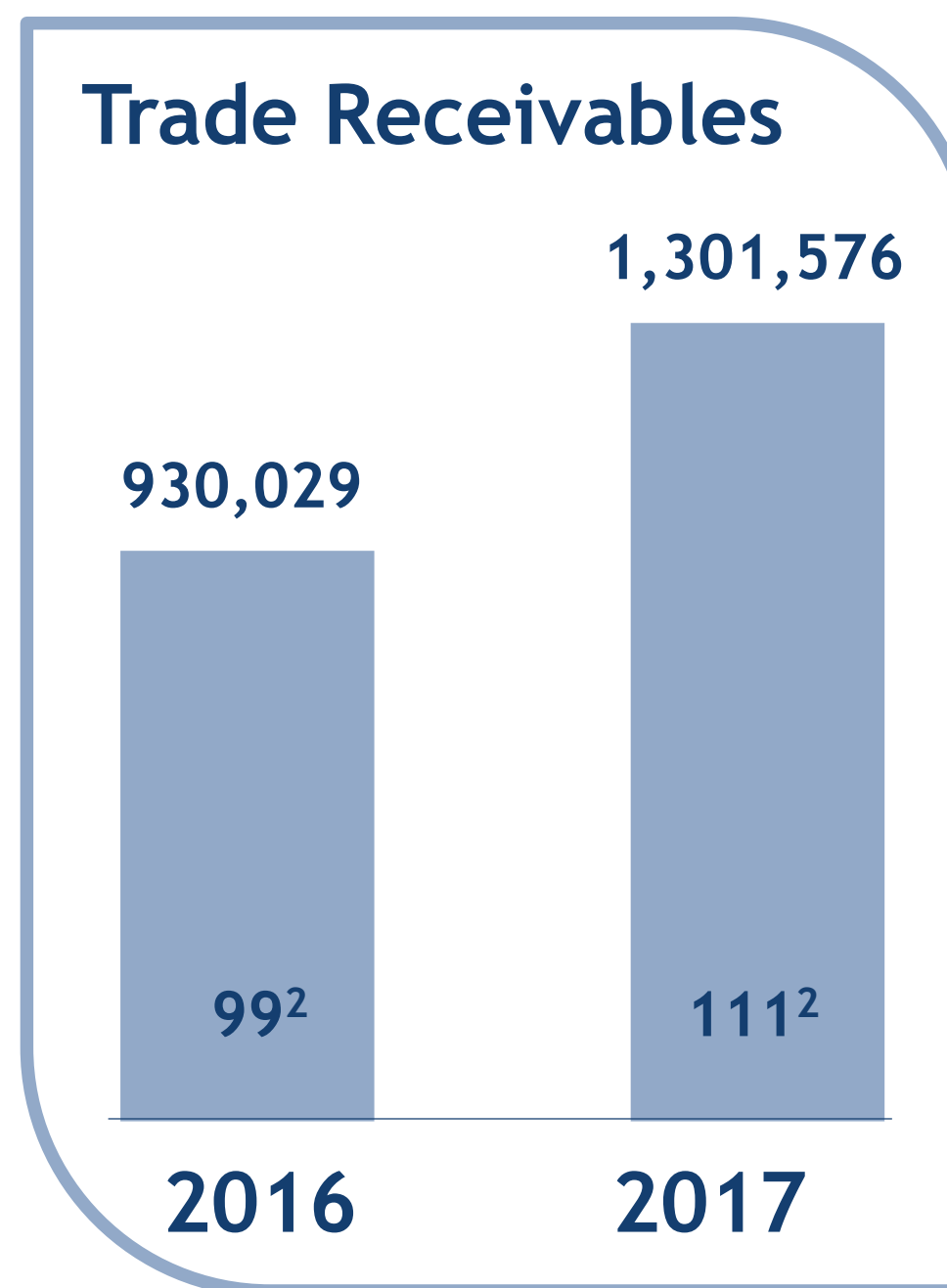
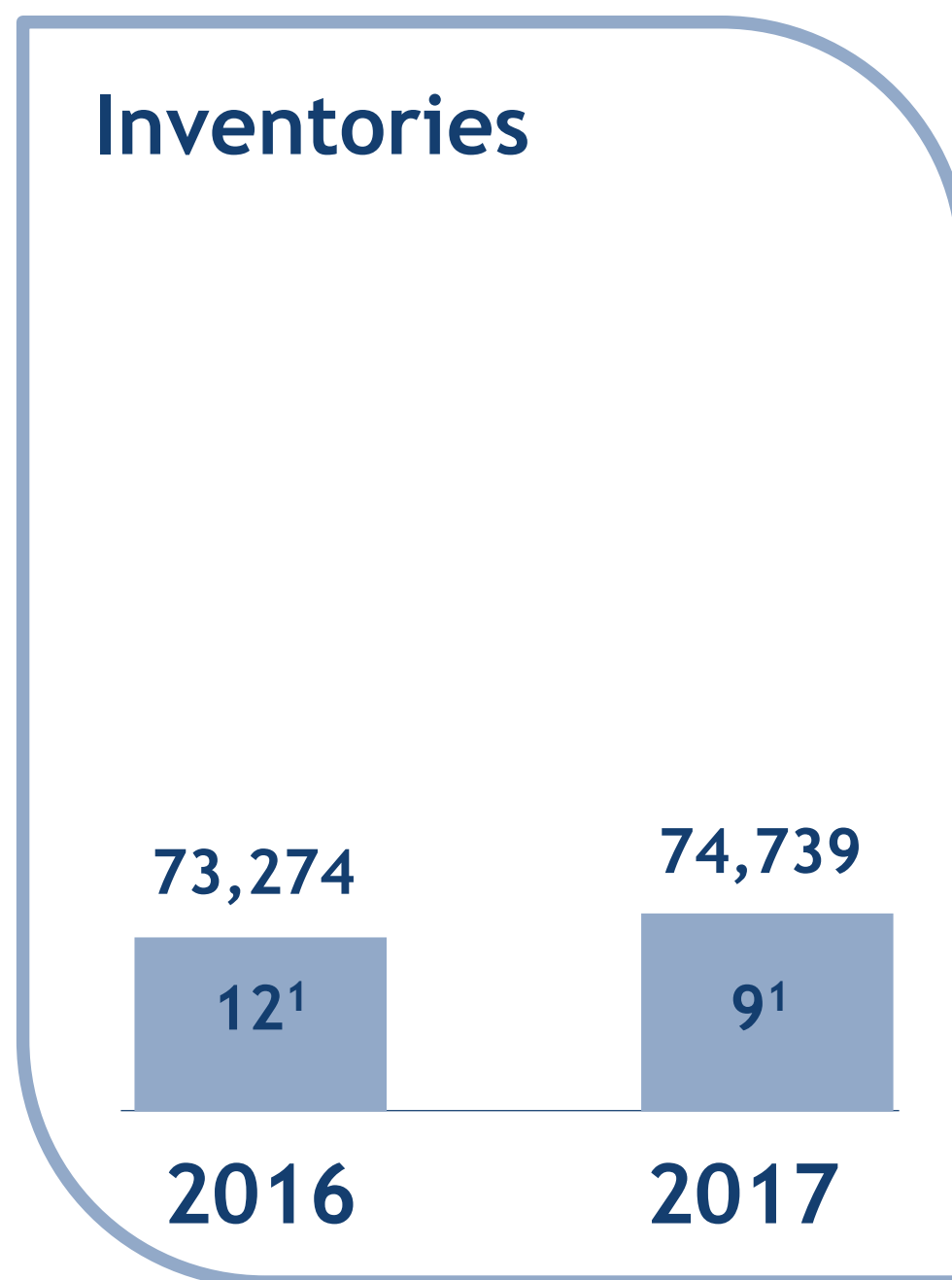
Maturity Profile of PORR's Financial Liabilities



Comment: Chart excludes leasing liabilities, FX-hedge-liabilities and short term project related cash overdrafts. Figures are in EUR m.



Net Working Capital Development



Net Working Capital:

	<i>tEUR</i>	<i>% of sales</i>	
2016:	217,673	6.4%	} +160bps
2017:	344,275	8.0%	



Main topics 2017:

- Newly consolidated companies
- Growth
- Large-scale infrastructure projects

¹ DIO (days inventory outstanding) ² DSO (days sales outstanding) ³ DPO (days payable outstanding)



Landmark Projects

Metro Green Line Doha

Country: QA
 Value: EUR 943.6m
 Schedule: 2013-2018



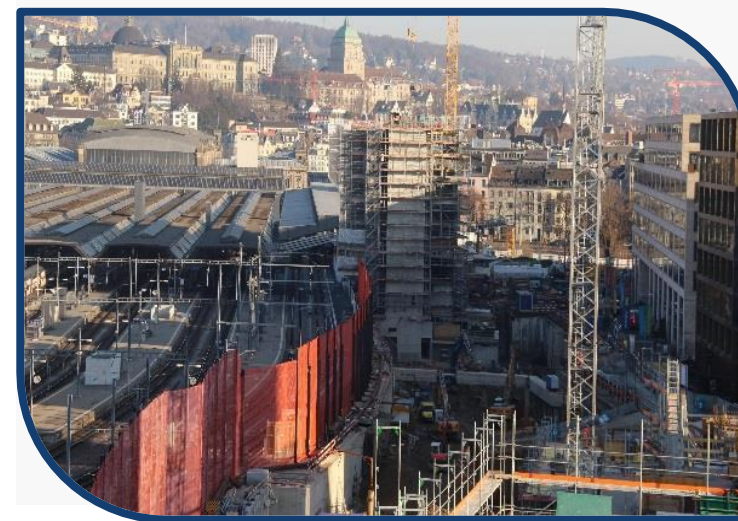
Expressway S17 Ryki

Country: PL
 Value: EUR 117.3m
 Schedule: 2014-2019



Europaallee Zürich Lots

Country: CH
 Value: EUR 152.5m
 Schedule: 2015-2020



FAIR ring accelerator Darmstadt

Country: DE
 Value: EUR 207.0m
 Schedule: 2018-2021



2018

2020

2024

2019

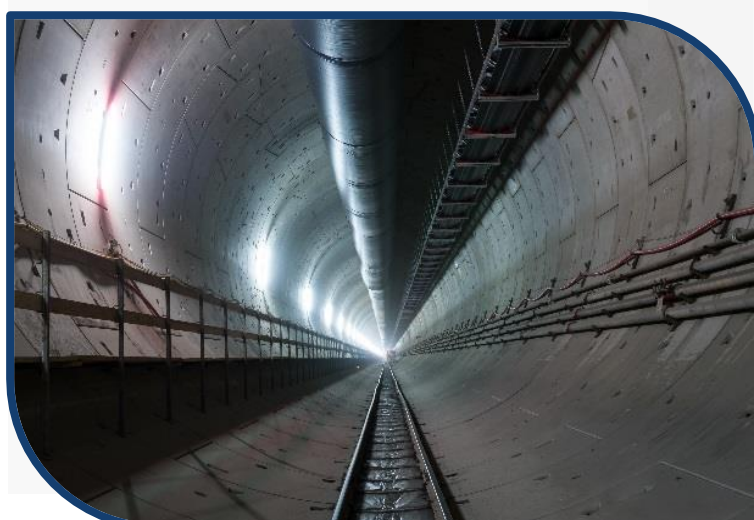
Al Wakrah Stadium

Country: QA
 Value: EUR 201.5m
 Schedule: 2016-2018



ARGE Tunnel Alaufstieg

Country: DE
 Value: EUR 368.2m
 Schedule: 2012-2019



Brenner Base Tunnel

Country: AT
 Value: EUR 966m (PORR 50%)
 Schedule: 2018-2024



Top Intakes 2017/2018

- Railroad E30 Kedzierzyn-Opole/PL/79.8m
- App. Buildg. MGC L. Böhm Street/AT/49.3m
- PPP Campus Berresgasse (School)/AT/42.5m
- Office Building Neue Spreespeicher/DE/41.0m
- SeeSee Tower-Home-Living, Vienna/AT/37.5m

Q3 17

- Prelim. works FAIR ring acc./DE/207.0m
- Nowe Miasto Lubaw Ringroad/PL/62.1m
- Office Bldg. Franklinturm, Zurich/CH/60.9m
- Bosch semiconductor, Dresden/DE/41.2m
- App. Bldg. Sirius, Vienna/AT/36.2m

Q1 18

Q4 17

- A1 Rhine Bridge Leverkusen/DE/304.8m
- Deep Tunnel Stormwater, Dubai/AE/139.4m
- Musaimeer Pumping Station, Qatar /AE/99.8m
- S-Bahn-Tunnel Erdinger Ringschluss/DE/92.5m
- Office Build. Baloise Park, Basel/CH/86.5m

Q2 18

- S6 Expressway, Bozepole-Luzino/PL/63.8m
- Apartmentbldgs. Thulestr., Berlin/DE/58.4m
- Office Bldgs. QBC 1+2, Vienna/AT/41.2m
- Asphaltting Works Lots 1-8, Arad/RO/21.7m
- App. Bldgs. Posthof, Erfurt/DE/19.5m



IR Information for PORR AG

Share Information

Share price ¹	EUR 27.55
Market capitalisation	EUR 801.6m
Official market	Vienna Stock Exchange Prime Market
Number of shares outstanding	29,095,000
Ticker symbol	POS VI
ISIN	AT0000609607

IR Contact

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Upcoming Events

29 November, 2018: Q3 Results Release

¹ as of August 28th, 2018



Analyses & Coverage

Research Reports

Institution	Analyst	Price Target	Recommendation	Last Update
Hauck & Aufhäuser	Aliaksandr Halitsa	35.0	Buy	27.08.2018
Raiffeisen Centrobank	Markus Remis	30.0	Hold	06.06.2018
Berenberg Bank	Saravana Bala	28.0	Hold	30.05.2018
SRC Research	Stefan Scharff	37.0	Buy	28.05.2018
Kepler Cheuvreux	Stephan Trubrich	30.0	Hold	07.05.2018
ERSTE Group	Daniel Lion	27.5	Hold	26.04.2018

