

150
YEARS

Q1 Results 2019

building . master . pieces .

Investor Presentation

28 May 2019



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Highlights Q1 2019

Focus on consolidation - output progress of 3.0%

Strong order book of EUR 7.4 bn - selective in projects

Improved seasonal EBT, stable EPS development

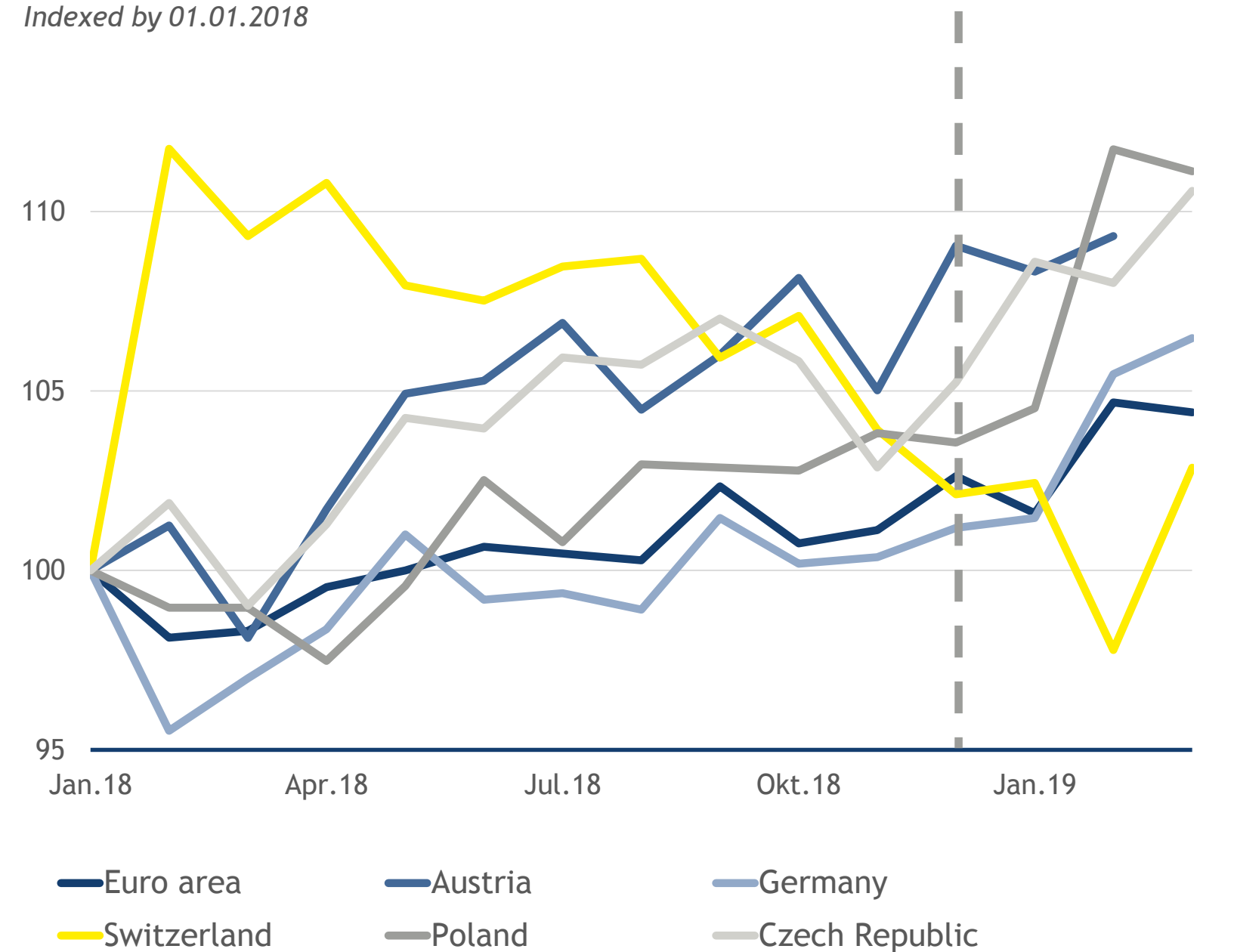
IFRS 16 - first time adoption

Positive outlook 2019 - no end in demand in sight

Unabated Market Demand

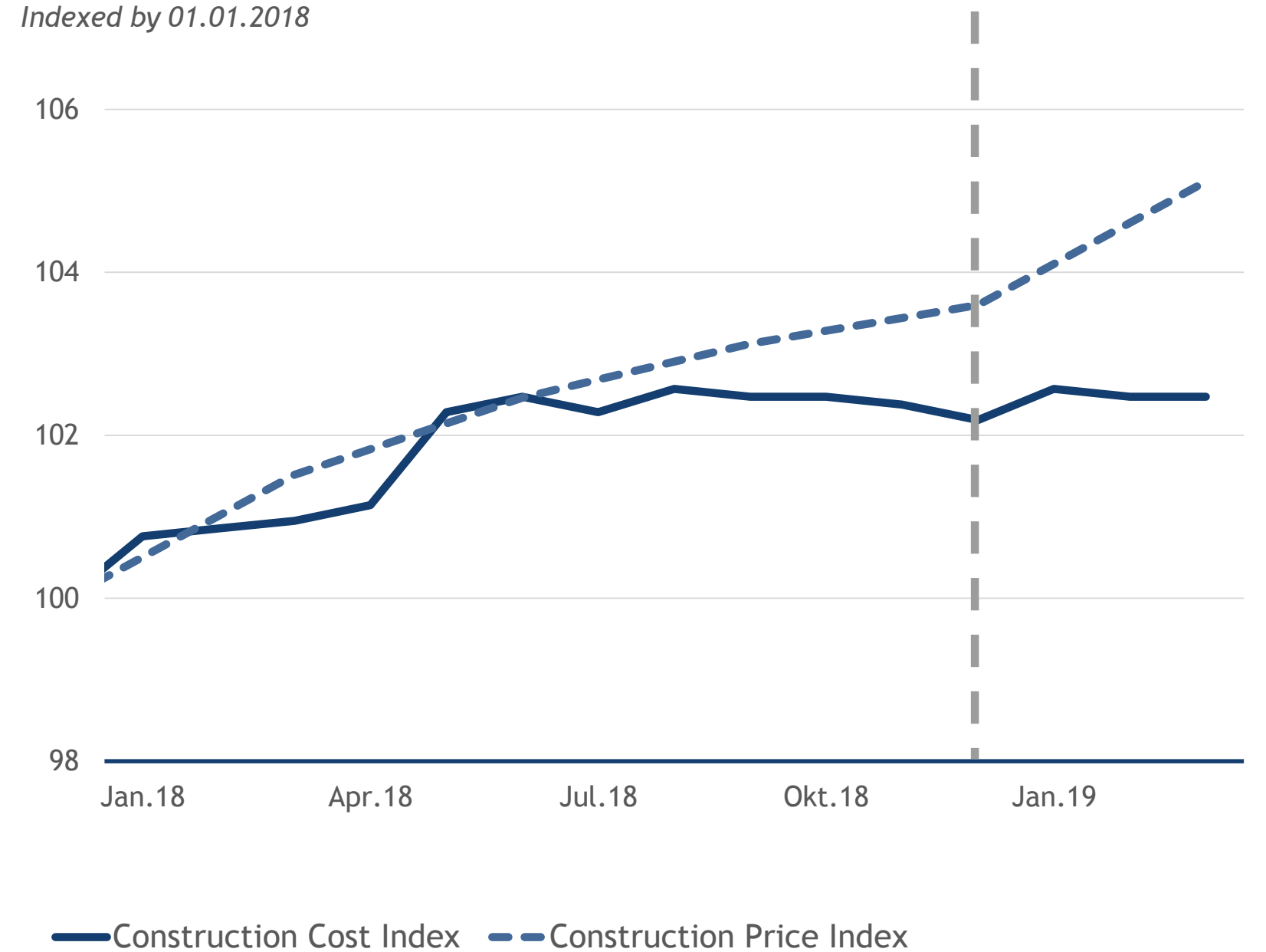
Construction volume in Europe

Indexed by 01.01.2018



Construction price vs. cost in Austria

Indexed by 01.01.2018

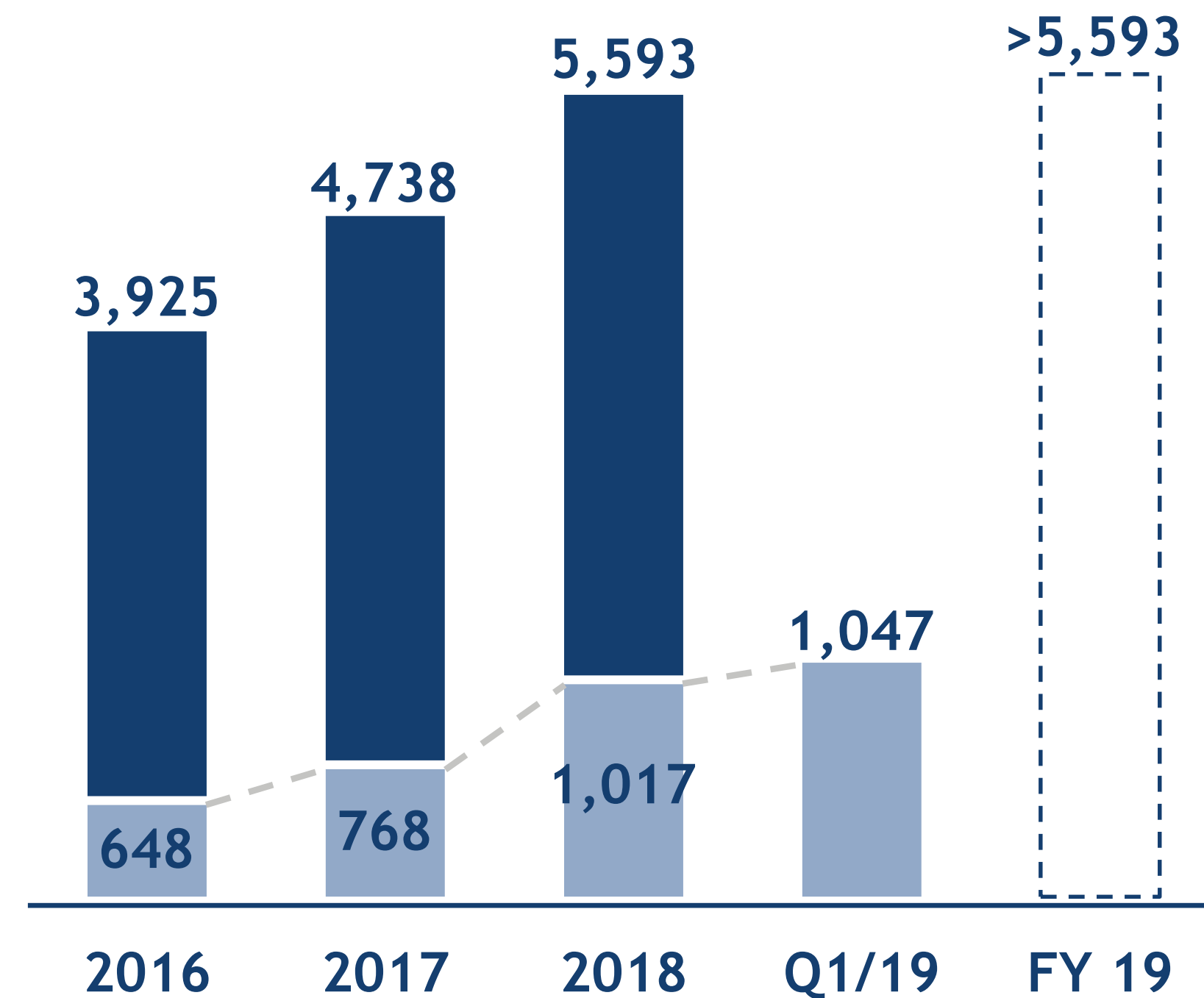


- **Confidence in construction sector remains - upward cycle in volume**
- **Yield and capacity challenged by intense competition for skilled workforce**
- **Tough environment remains, but first easing visible in Austria and Germany (price surpasses costs)**

Sources: Eurostat, Federal Statistical Office Switzerland

Production Output Remains at a High Level

In EURm

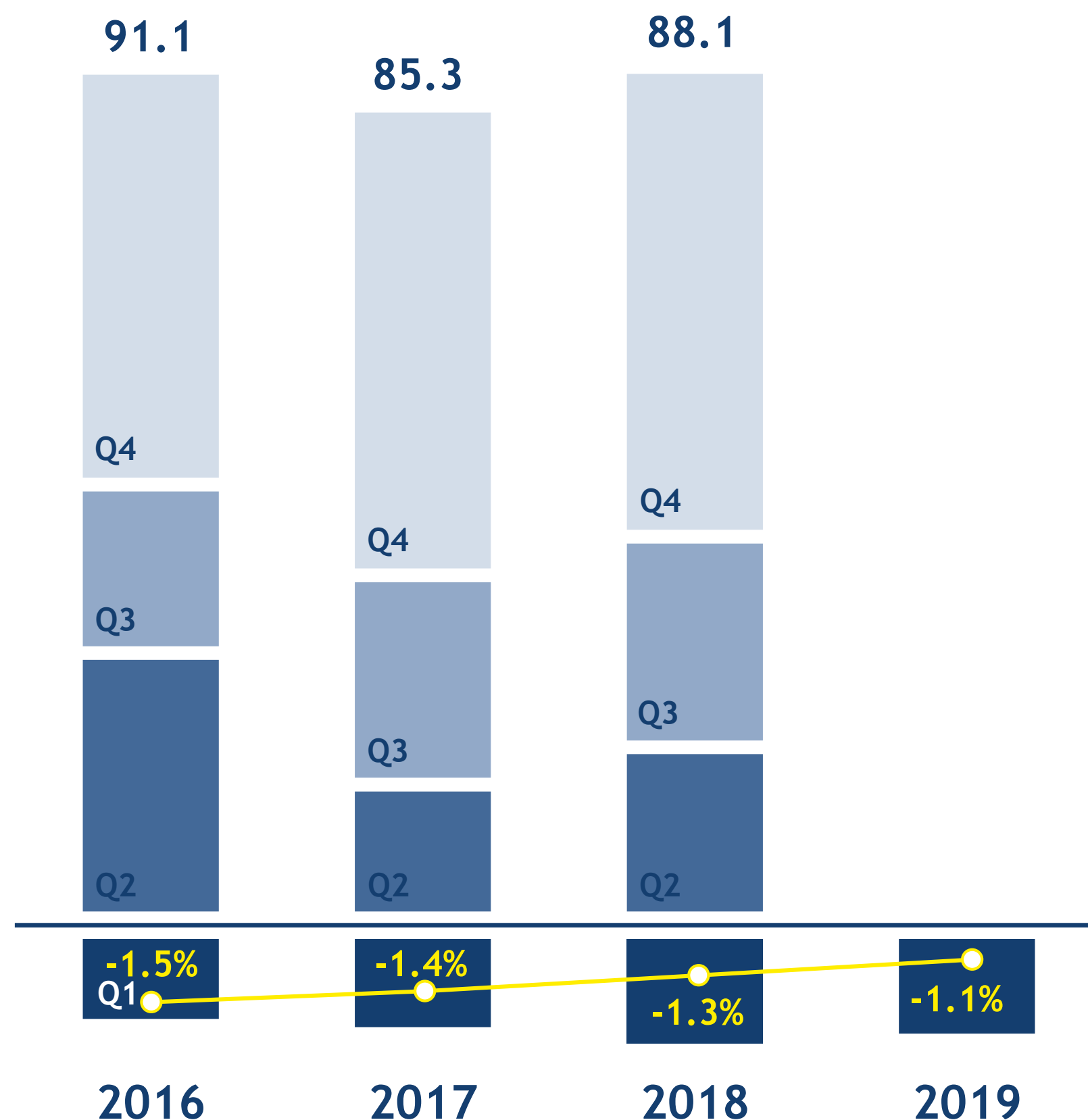


■ Production Output Q1
■ Production Output FY

- Moderate growth in production output in line with strategic focus
- Positive contribution led by BU 1 - AT/CH and BU 2 - Germany
- Completion of large-scale projects in BU 3 - International (as compared to Q1/18)
- Selective project acquisition visible

Stable Trend in EBT

In EURm

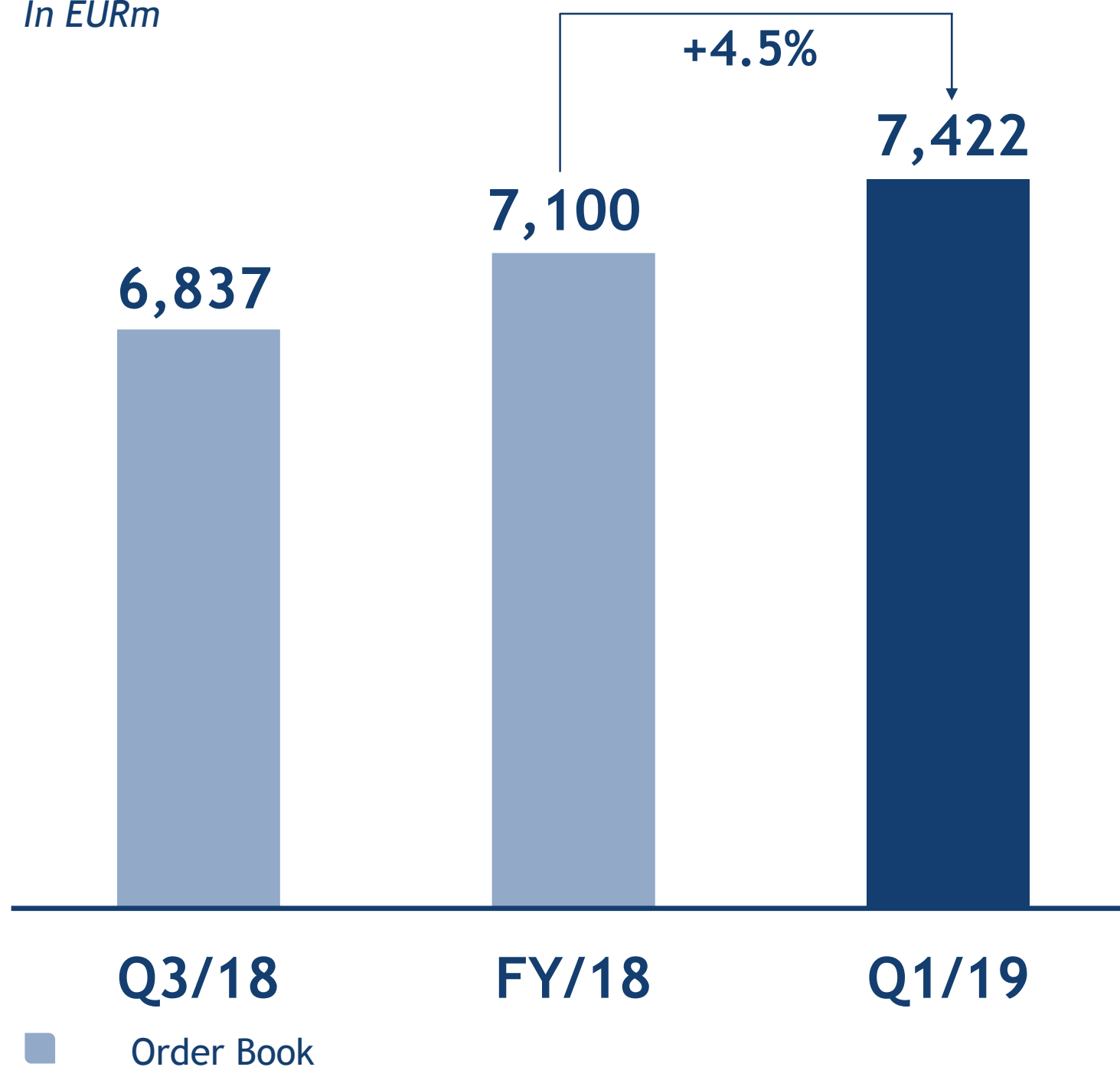


- Q1 operational performance typically **not indicative** of full year results
- Seasonal effects coming from **lower coverage of fixed costs** and winter period
- In Q4 of the year **EBT increases most**
- EBT margin improved from -1.3% to -1.1%
- Stable EPS of EUR -0.36

—● Q1 2019 EBT margin in % of production output

Position of Strength - Order Book Above EUR 7bn

In EURm



Top 5 New Orders Q1 2019

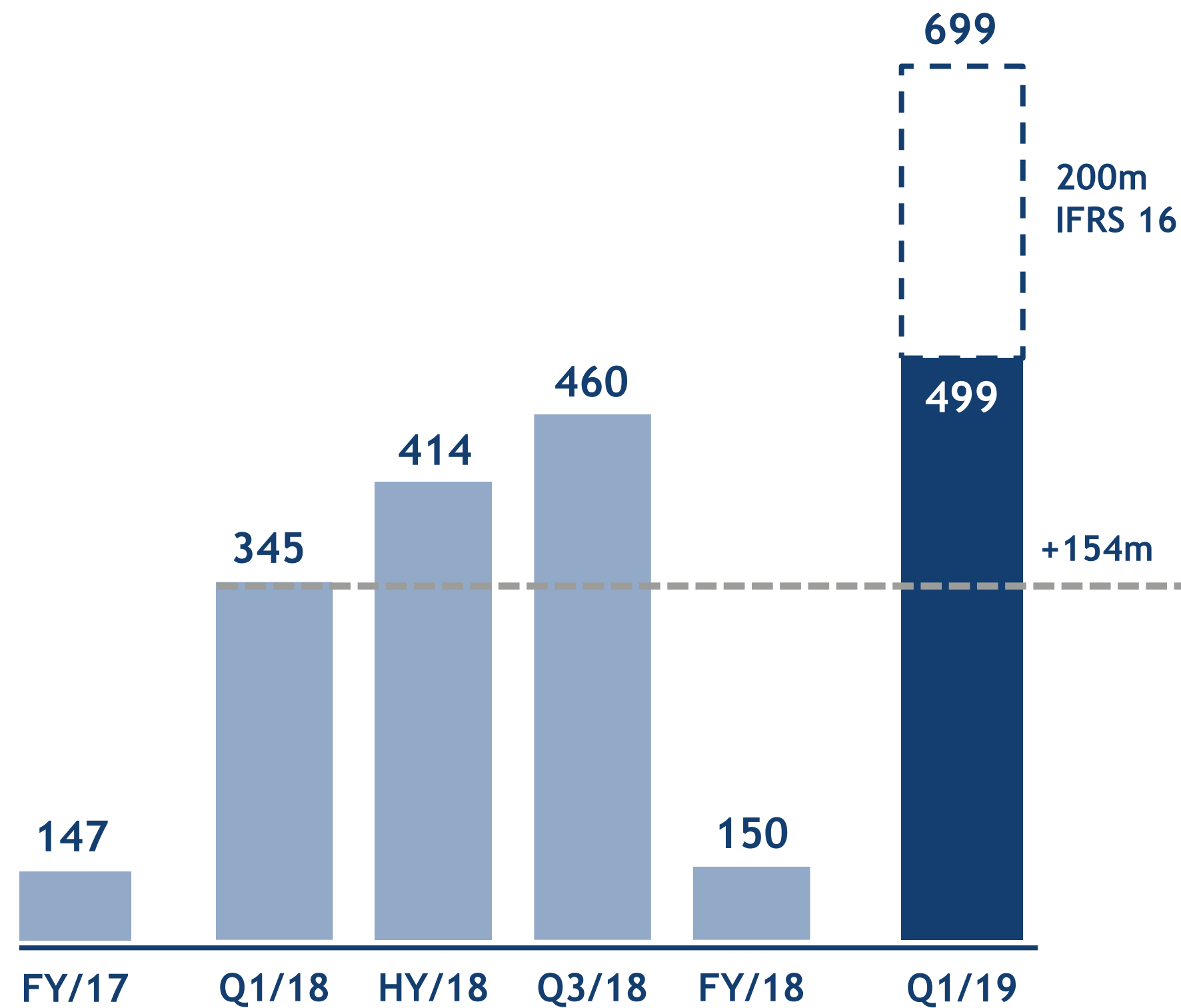
Selected Projects	Country	EUR m ¹	Plan
E1 expressway Eggemoen - Åsbygda, Jevnaker	NOR	47.6	2019-2021
S31 safety extension Siegggraben, Burgenland	AT	40.4	2019-2022
3T Office Park, Gdynia	PL	n.a.	2019-2021
A44 technical equipment tunnel Hirschhagen, Hessen	DE	31.5	2019-2022
Apartment bldgs. Neu Leopoldau, Vienna	AT	30.9	2019-2021

- Backlog of EUR 7.4 bn at a record level
- Year of consolidation, focus on earnings ahead of sales

¹ Stated values are project values at time of contract award

Net Debt as a Result of Growth and Seasonality

In EURm



- Usual seasonal effects
- Accounting change of IFRS 16 leads to a plus of EUR 200m
- Double-digit output increase in last quarters becomes visible in 1st quarter's net debt (+ EUR 150m)
- Focus on pre-securing subcontractors
- Strong growth in Q4/18 led to increased working capital outflow

Changes from IFRS 16

Outlook 2019

Riding the wave - no end of construction boom in sight

Production output 2019: > EUR 5.6bn (moderate growth)

Focus on operational excellence

Mid-term margin goal of EBT 3.0%

Continuity in the dividend policy

About PORR

Five Home Markets - One Focus

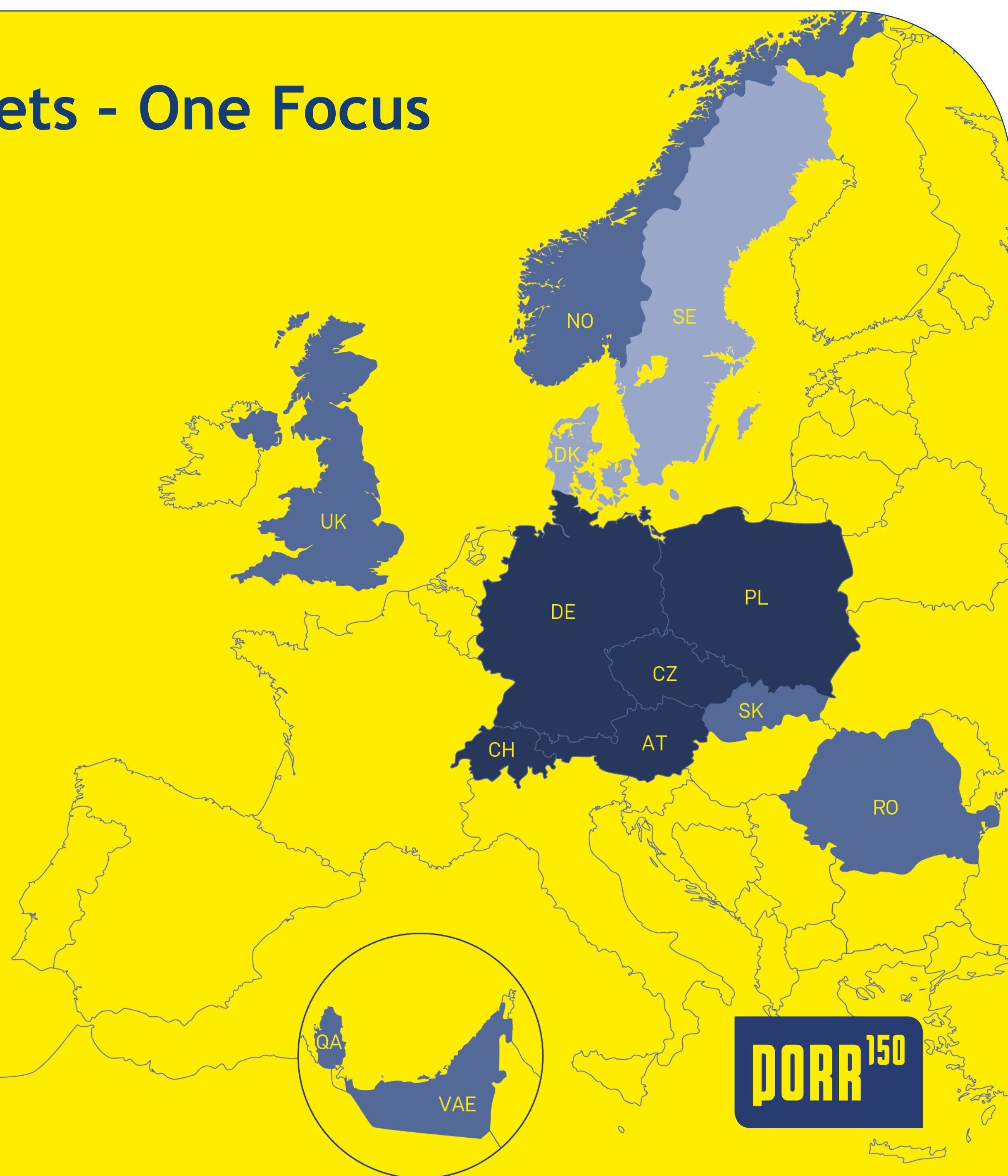
Construction
clear focus

EUR 7.1bn
order book

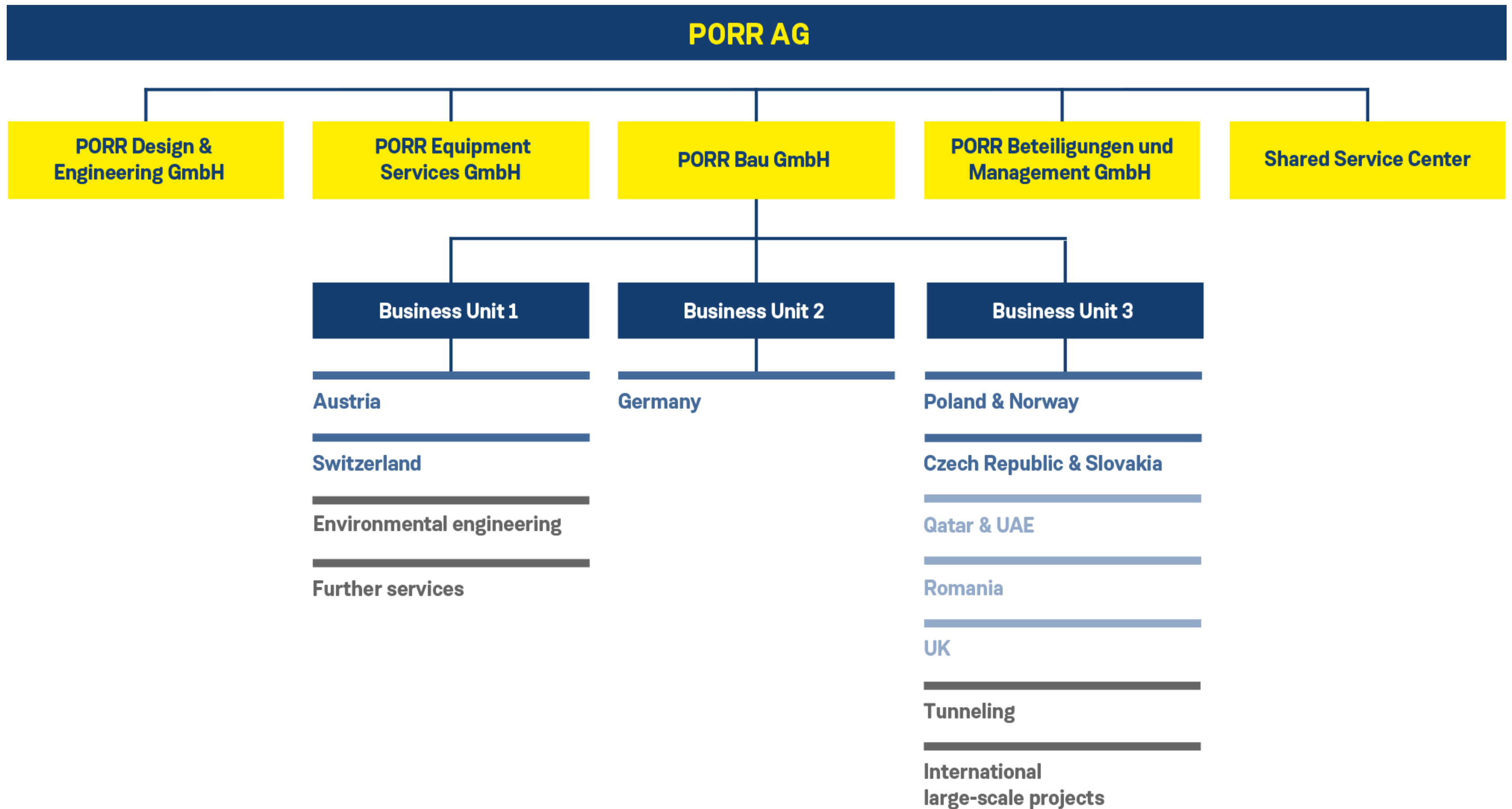
EUR 88.1m
stable EBT 2018

~ 20,000
employees

- Home markets
- Project markets
- Target markets



Organisational Structure as of 1 Jan 19



#1 Industry Trends - Re-Imagine Construction

1

10bn people will live by mid-century.
By 2030 two-thirds of the world will live in cities.

They will need somewhere to live.
They will need better infrastructure and living standards.

2

Impacts on eco- and social systems require sustainable construction.

Increasingly complex technical construction approaches.
Climate change, power supply or ageing population matter.

3

Clients have changed - more informed, pro-active, using smart tools.

They want individual solutions, greater flexibility and visibility.

4

Connected world. Connected people.

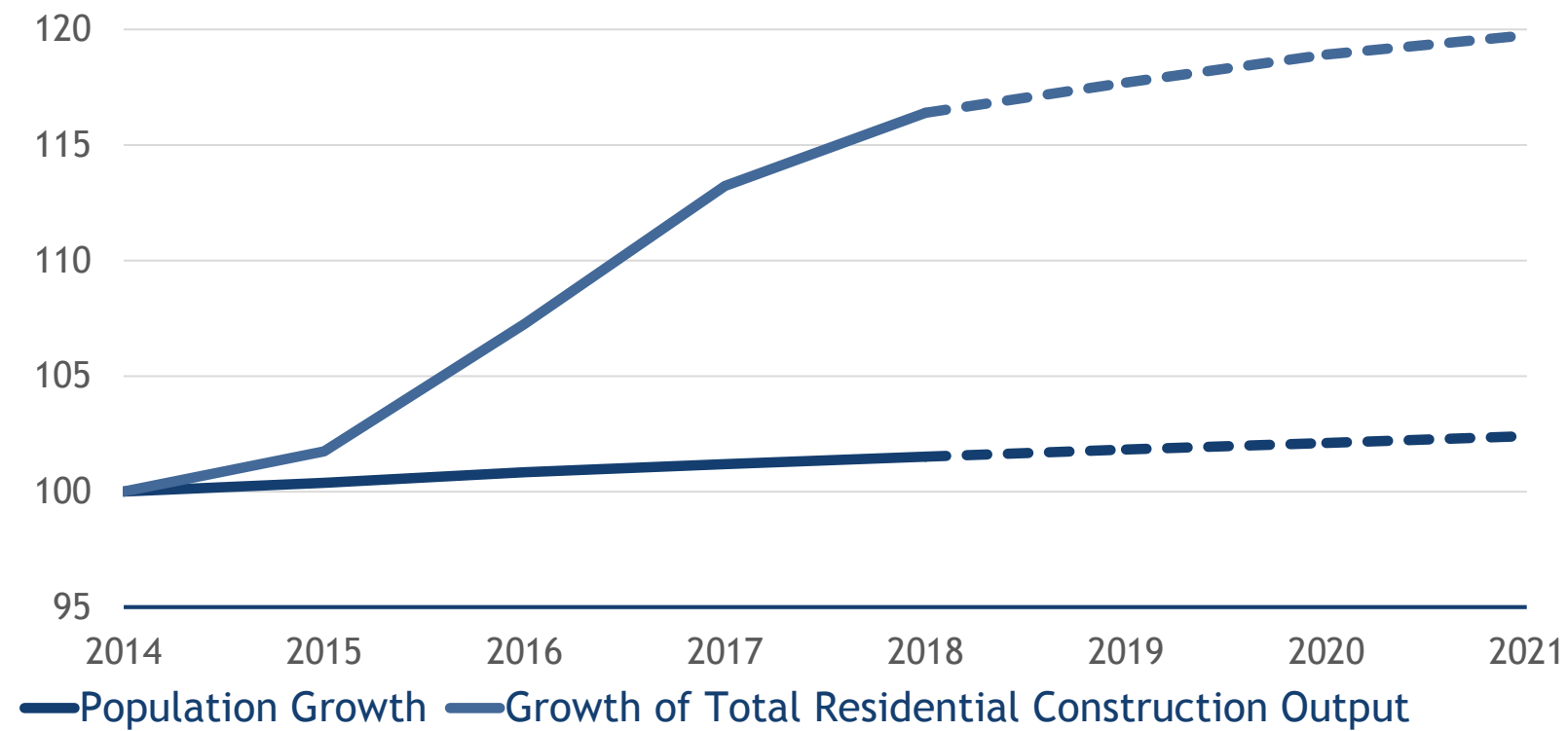
One million new internet users came online every day in 2018.
14bn connected things to be in use in 2019; 25bn by 2021.

Sources: UN Estimates, Global Digital Report 2019, Gartner Research

Construction Demand is Never Done

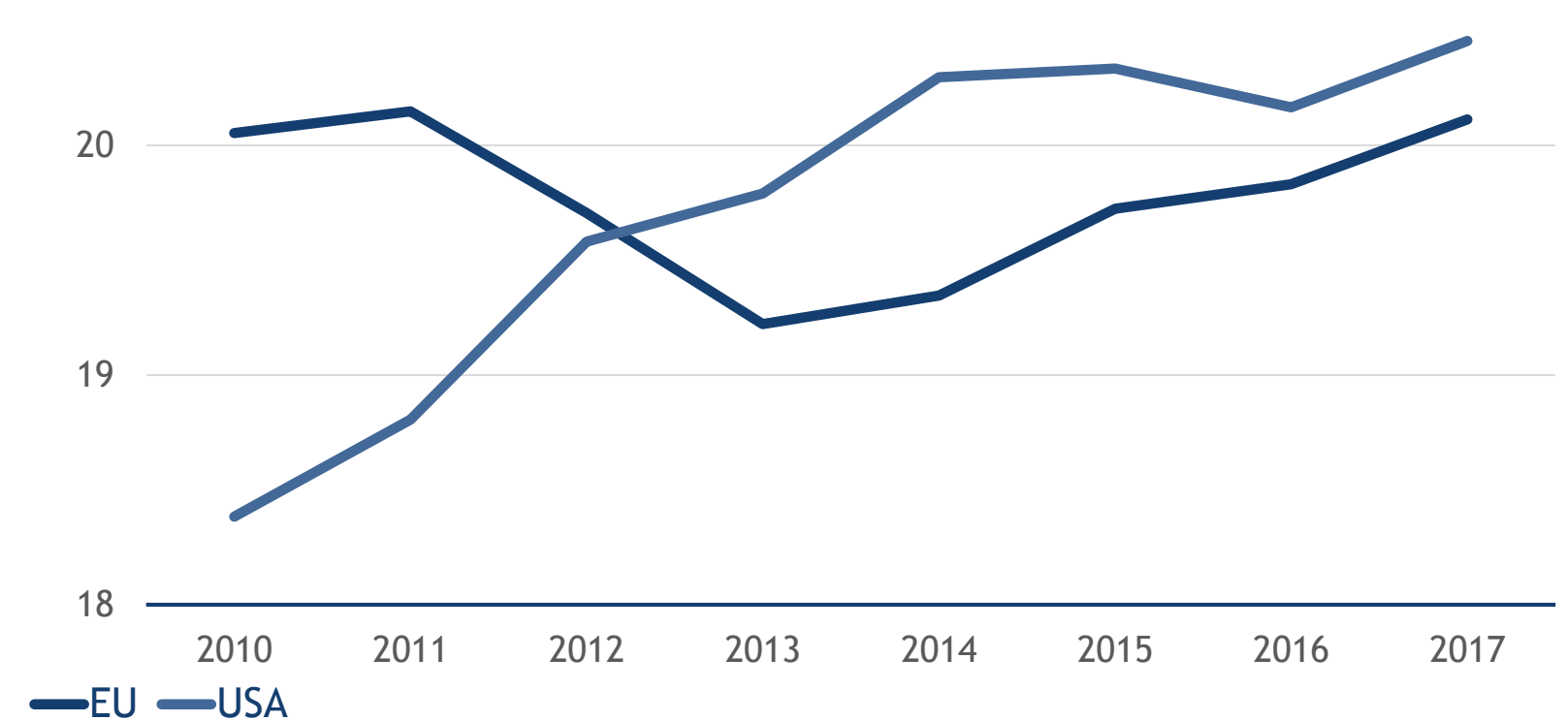
Residential

Indexed by 31.12.2014



Industry

Gross fixed capital formation (in % of GDP)

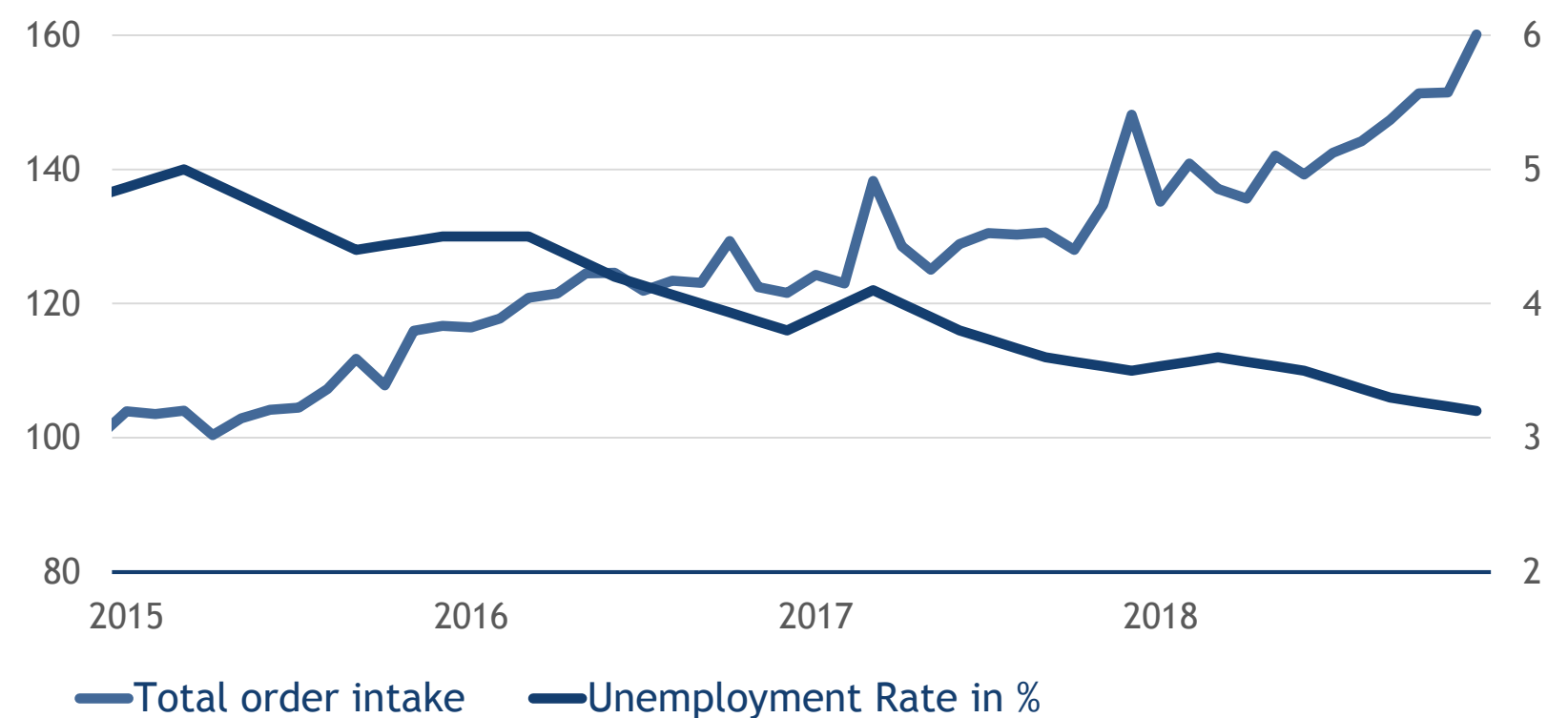


Infrastructure

- EU-investment needs p. a. 4.7% of GDP
- World energy demand +25% until 2040
- Share of renewables: 40% by 2040 (25% today)
- EU seaports: EUR 48bn investment-pipeline by 2027

Structural Gap of Skills

Development in Germany, order intake indexed by 31.12.2014



Sources: EIB, Euroconstruct, World Bank, Eurostat, Destatis



This Transition Calls for the Ultimate Allrounder

That's PORR's Approach

**The ultimate
allrounder**

Strength of the
total or general
contractor

Industry leader
in infrastructure

**Focus and grow
intelligent**

Increasing market power
in five home markets
in Europe

Long-term
relationships

**Faster and smarter
with technology**

Solving needs,
not selling services

Optimizing customer
lifetime value

Milestones on the Path of Becoming Best-in-Class

The Way We Act

- New Lean Organisation
- New Culture
- Positive turnaround in Germany
- Focus on cash and working capital
- Standardised processes, technology

Project Management

- Selective in projects
- Margin before volume
- Focus on follow-up projects with secured teams and sub-contractors
- Steering costs and project risk assessment

Operational Excellence

Market Screenshot

Austria

- Economic boom, rising GDP forecast
- PORR as a **top league player**
- **Full order books** and opportunities across all construction sectors

Germany

- Economic **upswing** remains but limited due to **resource and cost constraints**
- Huge investment **backlog** in infrastructure and transport sector
- PORR as **major player** competing for civil engineering projects

Switzerland

- **Stable** economic development
- High **backlog** in building construction
- Demand for **non-residential, roads and railway** construction

Poland

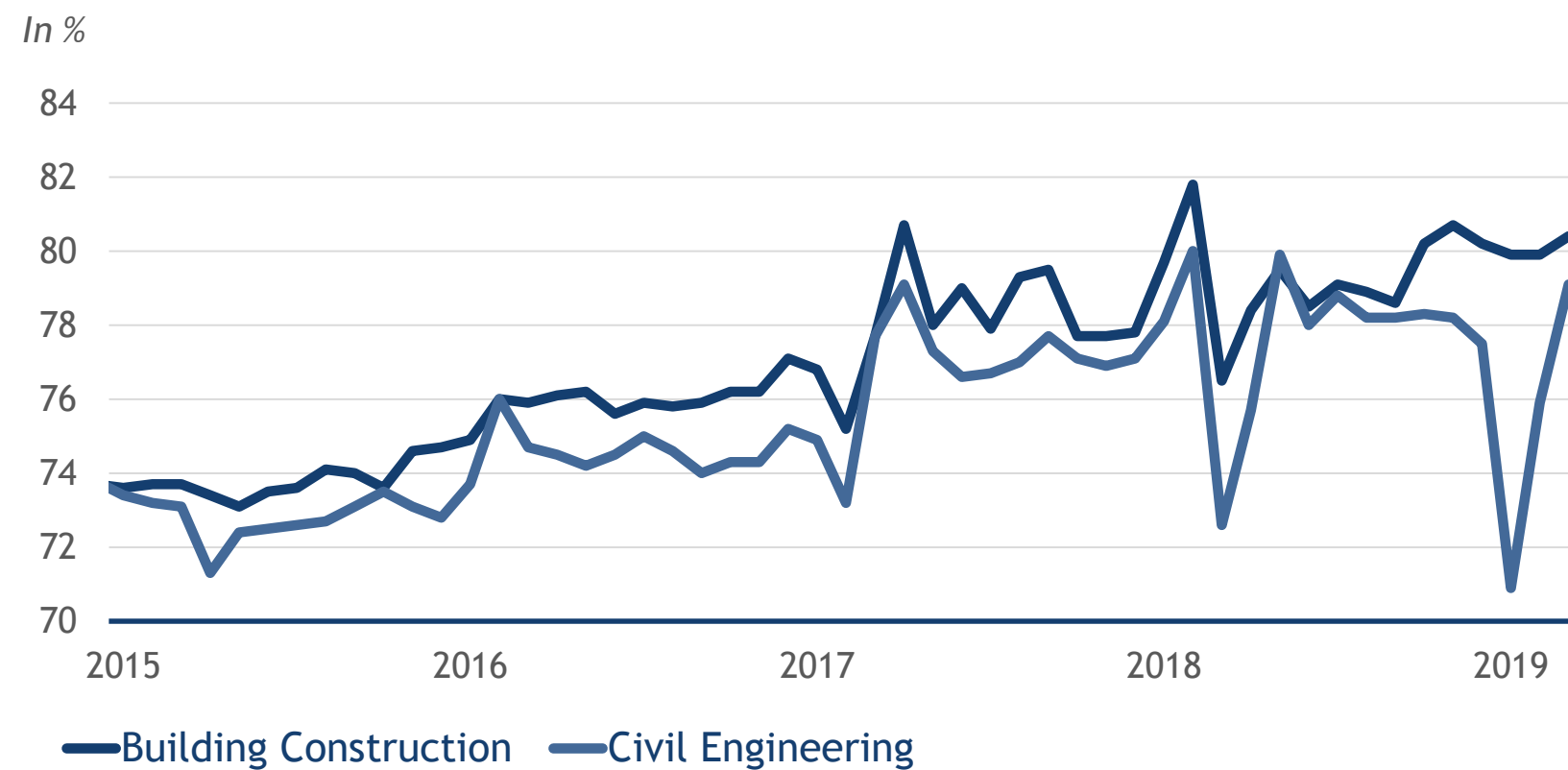
- **Strong economic upturn**
- **Most intense cost pressure** for materials as well as shortage of labour
- Infrastructure projects financed by **EU-Cohesion fund** until 2022

Czech Republic

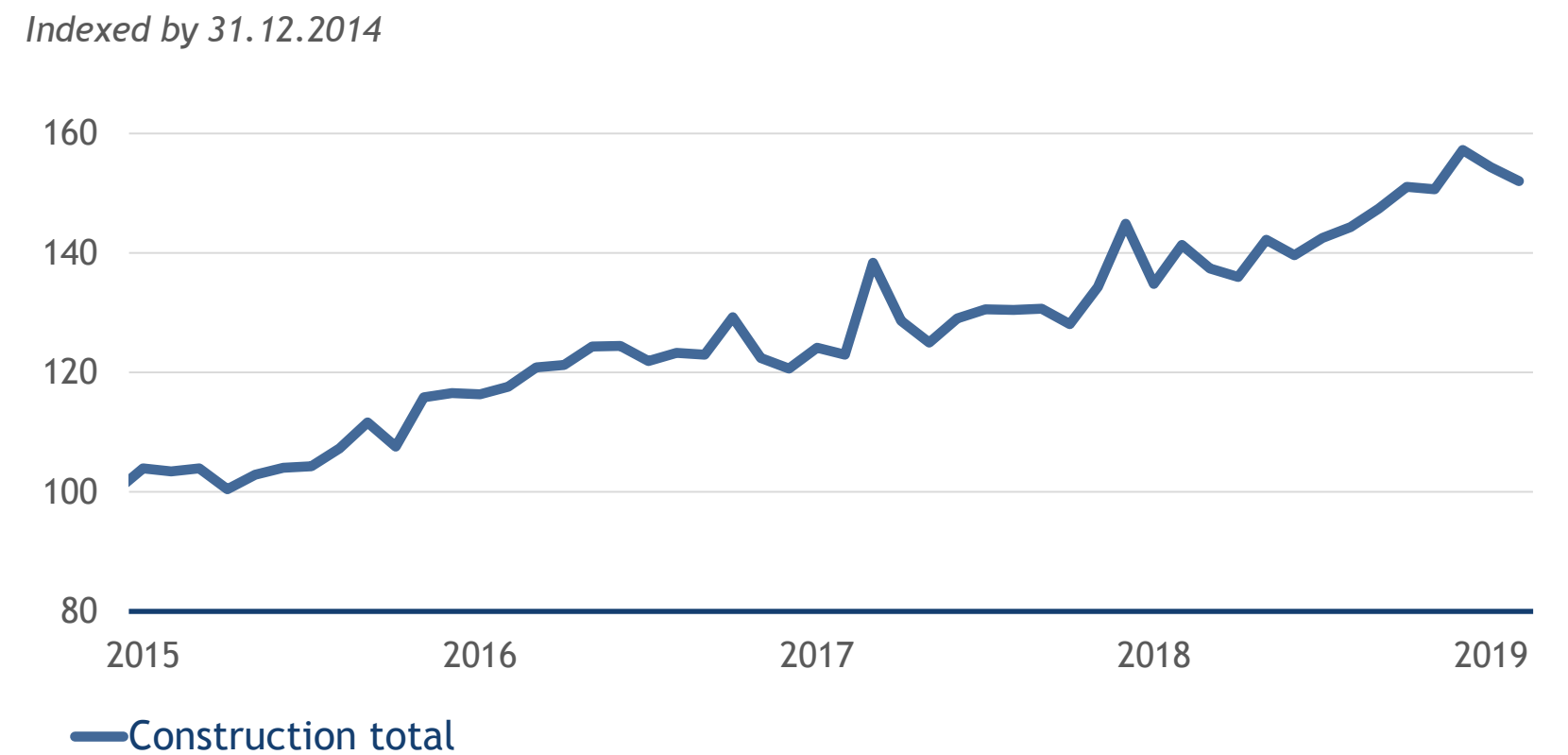
- **Stable** economic development is limited by **labour shortage**
- **New traffic infrastructure** projects to be launched to the market
- Alpine Bau CZ a.s. as a **strategic investment**

Germany - Potential in All Sectors Visible

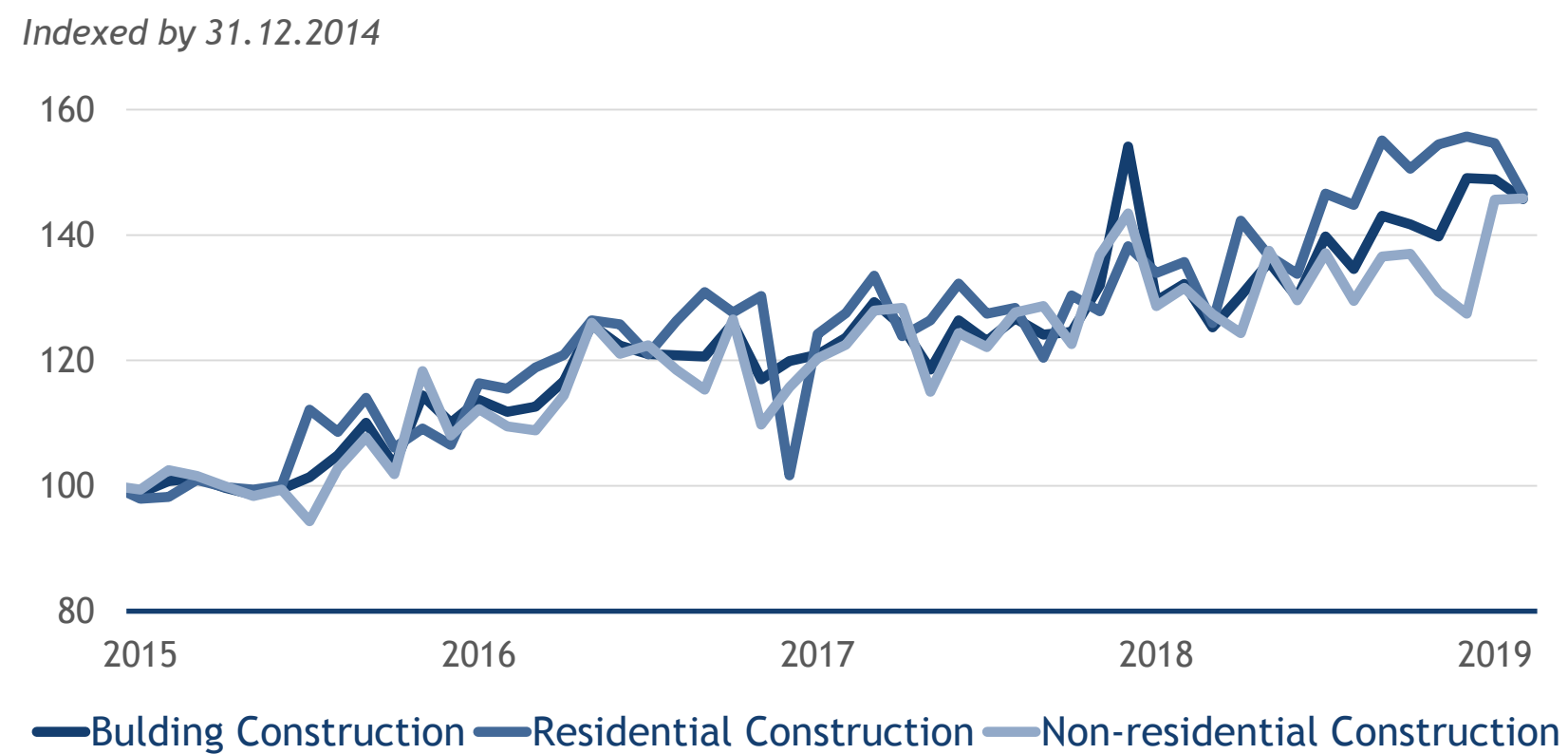
Capacity Utilisation



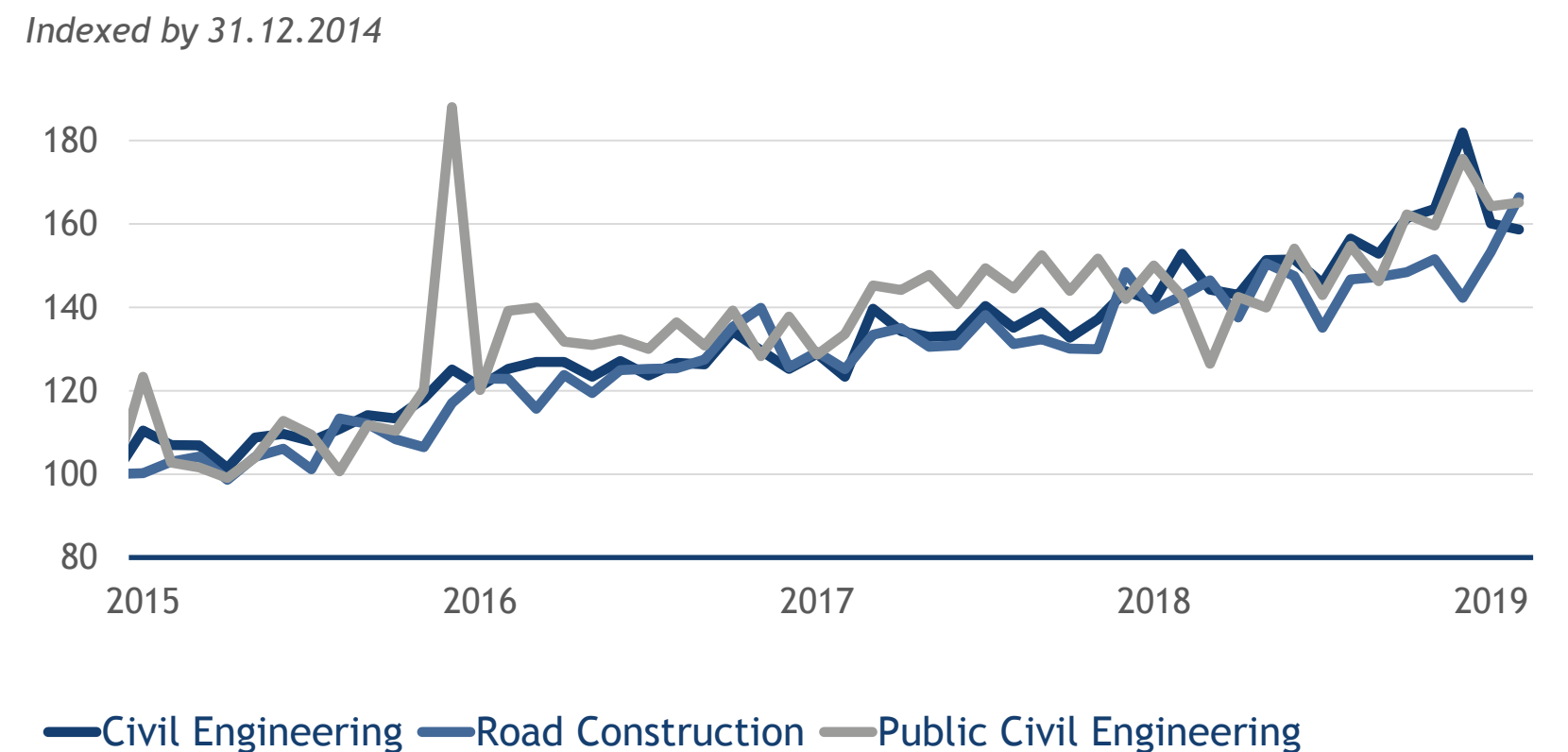
Order Intake



Building Construction



Civil Engineering



Sources: ifo Institut, Destatis, DIW

PORR as an Investment

Top tier in European Construction

- Market leader in Austria
- Strong position on five stable and growing home markets
- High investment backlog and mega trends support demand

150 years: Core competency construction

- Covering the entire value chain
- Full-service provider for complex infrastructure
- Record order books and full capacity utilisation

Focus on operational excellence

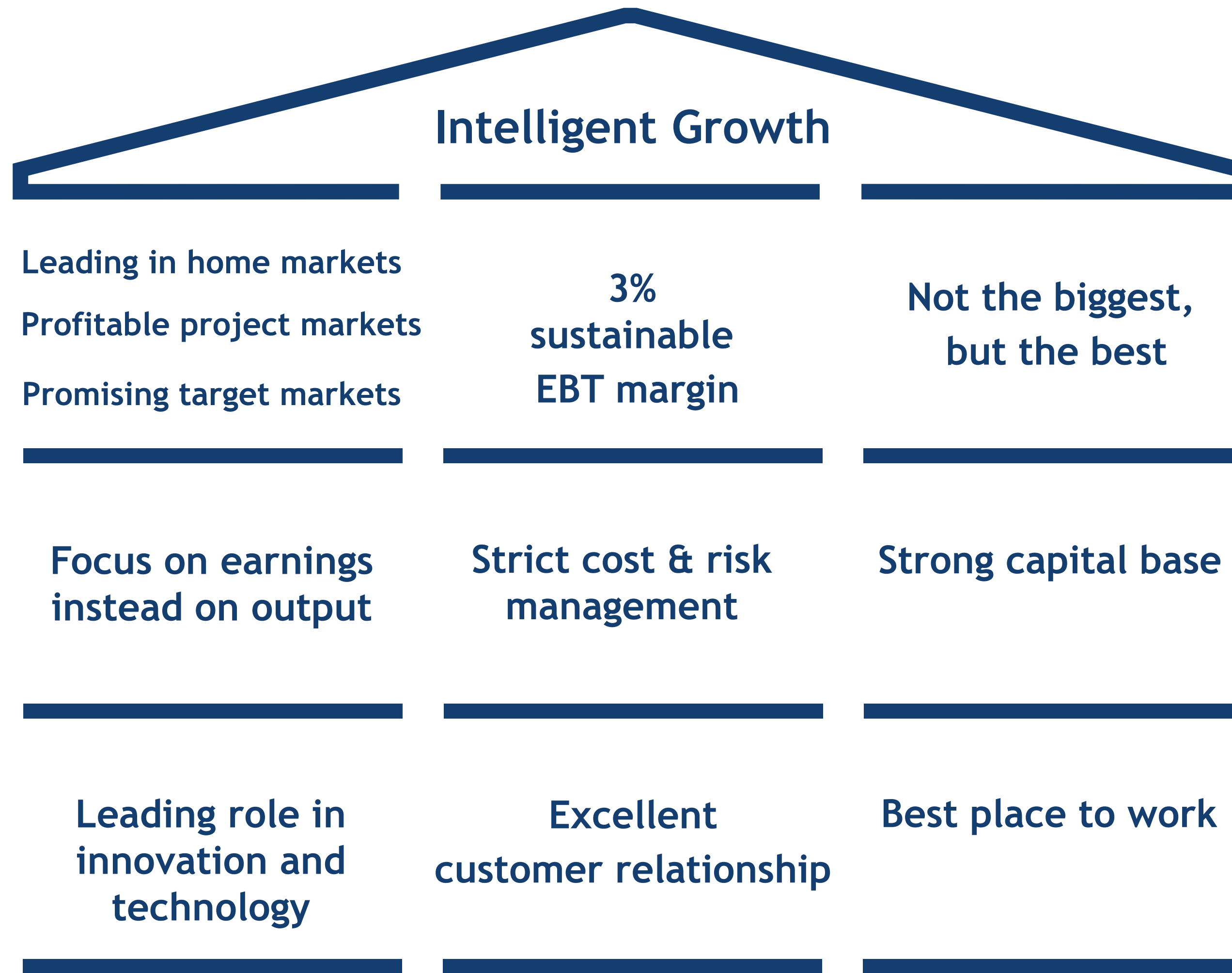
- Focus on profitability and a stable balance sheet
- Focus on risk management and well-balanced quality of orders
- Focus on process improvement via technology

Capital market matters

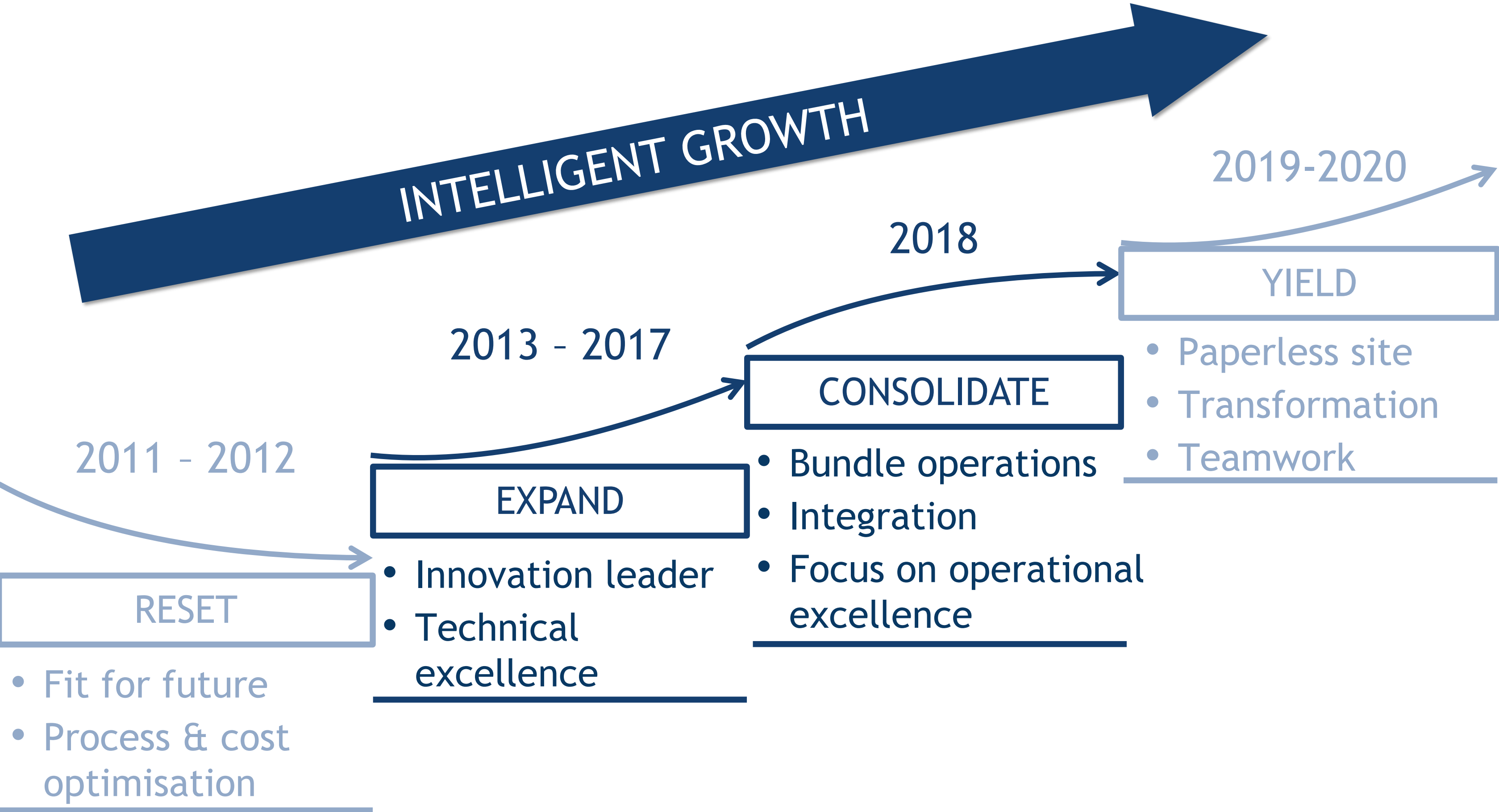
- Stable, long-term-oriented core shareholder
- Continuity in the payout ratio (30 to 50% of net profit)
- Shareholder value as key priority



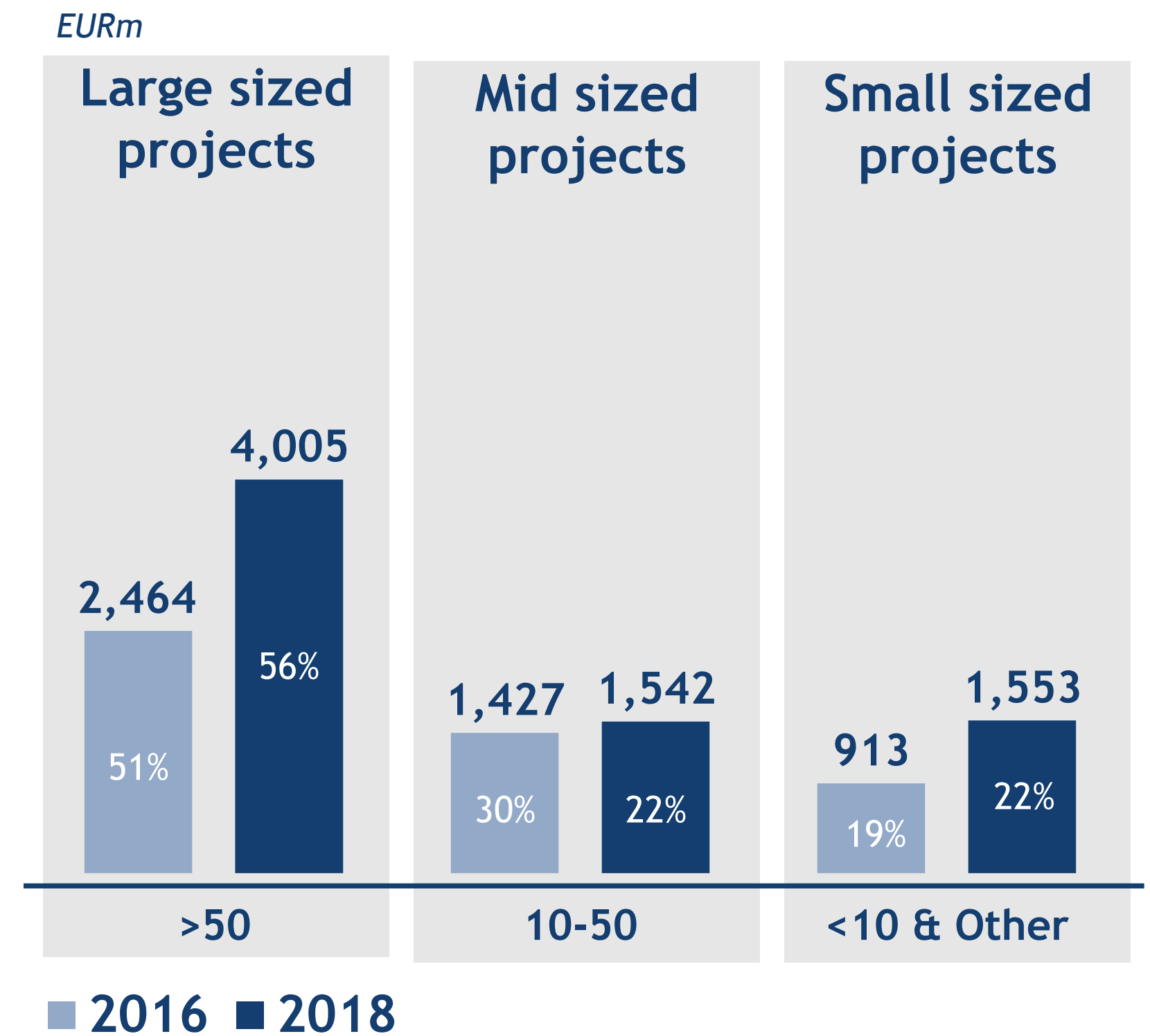
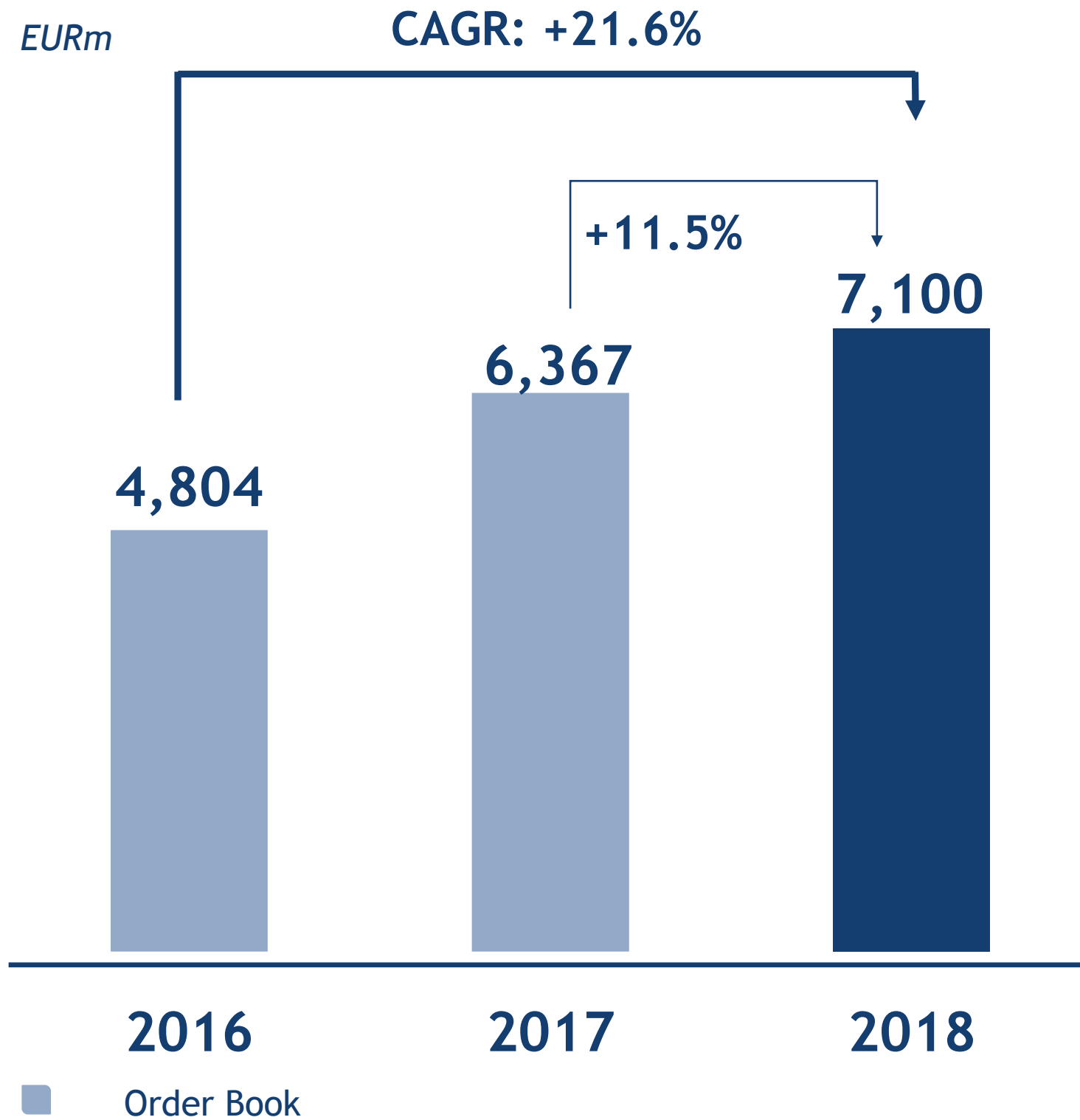
No Change in Strategy - Focus on Execution



2018: Year of Consolidation



Strong Order Book - Power in Bidding



- Record order book of **EUR 7.1bn** - stable foundation for the future
- Selective tendering on projects - new projects with healthy margins

- Visible shift towards large-scale projects over the years - reflected in the current structure of receivables
- High share of projects in infrastructure and industrial engineering

High Level of New Orders Whilst Following a Selective Approach

Selected Projects	Country	EURm ¹	Completion
ARGE H61 Pfons - Brenner, Tyrol	AT	531.3	2024
S3 Expressway Bolkow - Kamienna Gora	PL	290.2	2023
FAIR ring accelerator, Preliminary Works	DE	207.0	2021
LK93 Railroad Czechowice - Dzierzice-Oswiecim	PL	115.5	2021
S61 Expressway Szczuczyn - Elk	PL	92.7	2021
Hydropower plant, Töging	DE	76.7	2023
NOC 2.3. Appartement building Regerstraße, Munich	DE	75.3	2023
A66 Salzbachtal Bridge, Wiesbaden	DE	64.7	2023
S6 Expressway Bozepole - Luzino	PL	63.8	2021
Ringroad, Nowe Miasto Lubaw	PL	62.1	2021

¹ Stated values are project values at time of contract award

Top Projects



- Brenner Base Tunnel, AT
- Schedule: 2018 - 2024



- S3 Bolków - Kamienna Góra, PL
- Schedule: 2018 - 2023



- FAIR Ring Accelerator, DE
- Schedule: 2018 - 2021



- Europaallee Zürich, CH
- Schedule: 2015 - 2019



- Deep Tunnel Storm Water, QA
- Schedule: 2017 - 2020



- Hydro Power Plant, Töging
- Schedule: 2018 - 2023

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

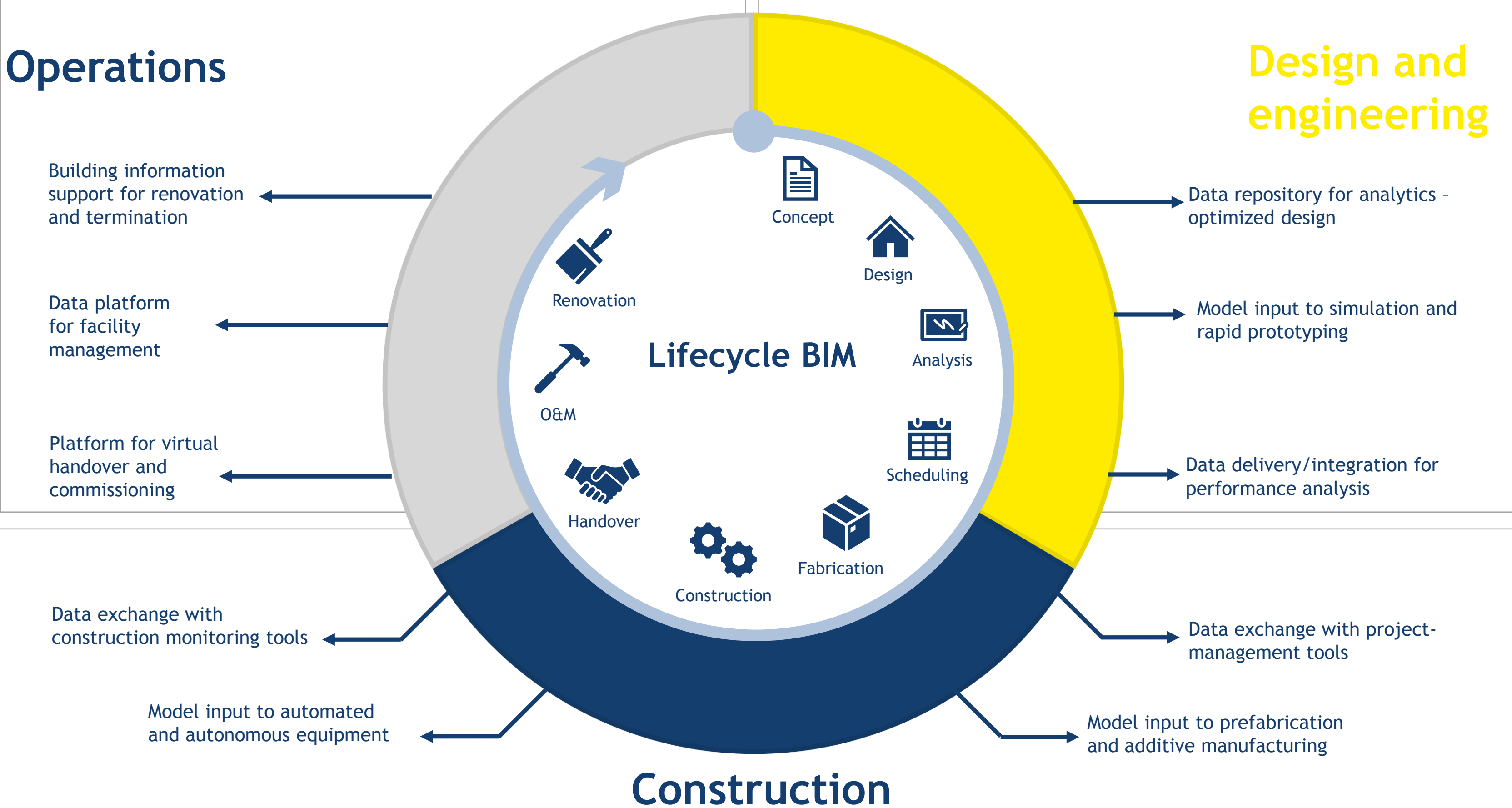
PLANNING/ ESTIMATION

- 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

PORR¹⁵⁰

Corporate Social Responsibility

DONE: KEY DATA 2018¹

- Increased share of women (+2.2PP)
- Reduced paper use (-7.9%)
- Improved number of training sessions (>95.000h)
- Efficient on-site safety system (+62% more reports)
- CDP² Rating B in climate change
- Higher amount of dangerous waste treated (+23.2%)
- bee@PORR: more than 30 venues with hives

VISION¹

- Sustainable economic success
- Positive and inclusive working environment
- Regular exchange with stakeholders
- Improved resilience towards the consequences of climate change
- Valuable contribution for future generations
- Improved ecological performance
- Sustainable and innovative products

¹ More detailed analysis can be found in the Corporate Sustainable Value Report 2018

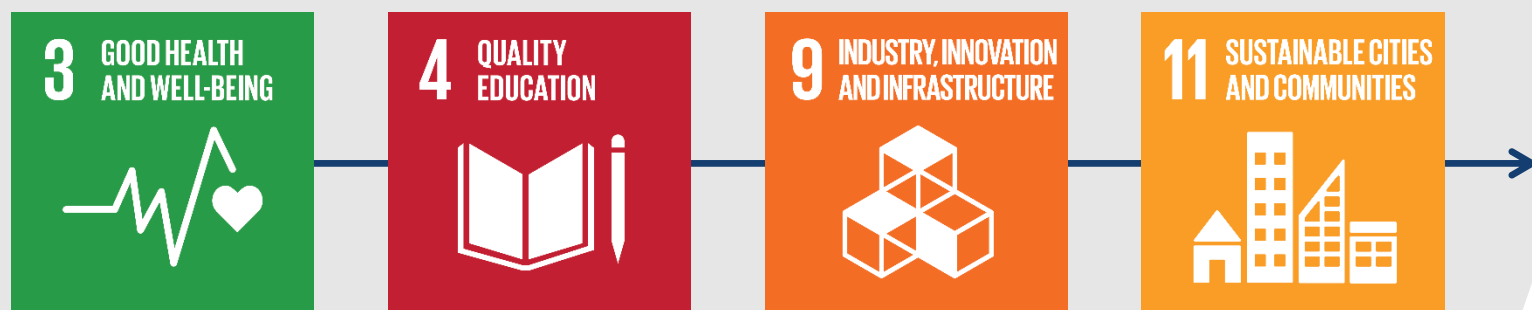
² Carbon Disclosure Project

Corporate Sustainability Goals

Priority 1



Priority 2



Priority 3



Adding value

- Long-term economic success
- Customer satisfaction
- Compliance
- Sustainable procurement

Recognising value

- Security and provisions
- Education
- Compliance with human rights
- Diversity and equal chances

Preserving value

- Energy and emissions
- Sustainable use of materials

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, childcare, carer's leave)
- Open space offices

porr_academy

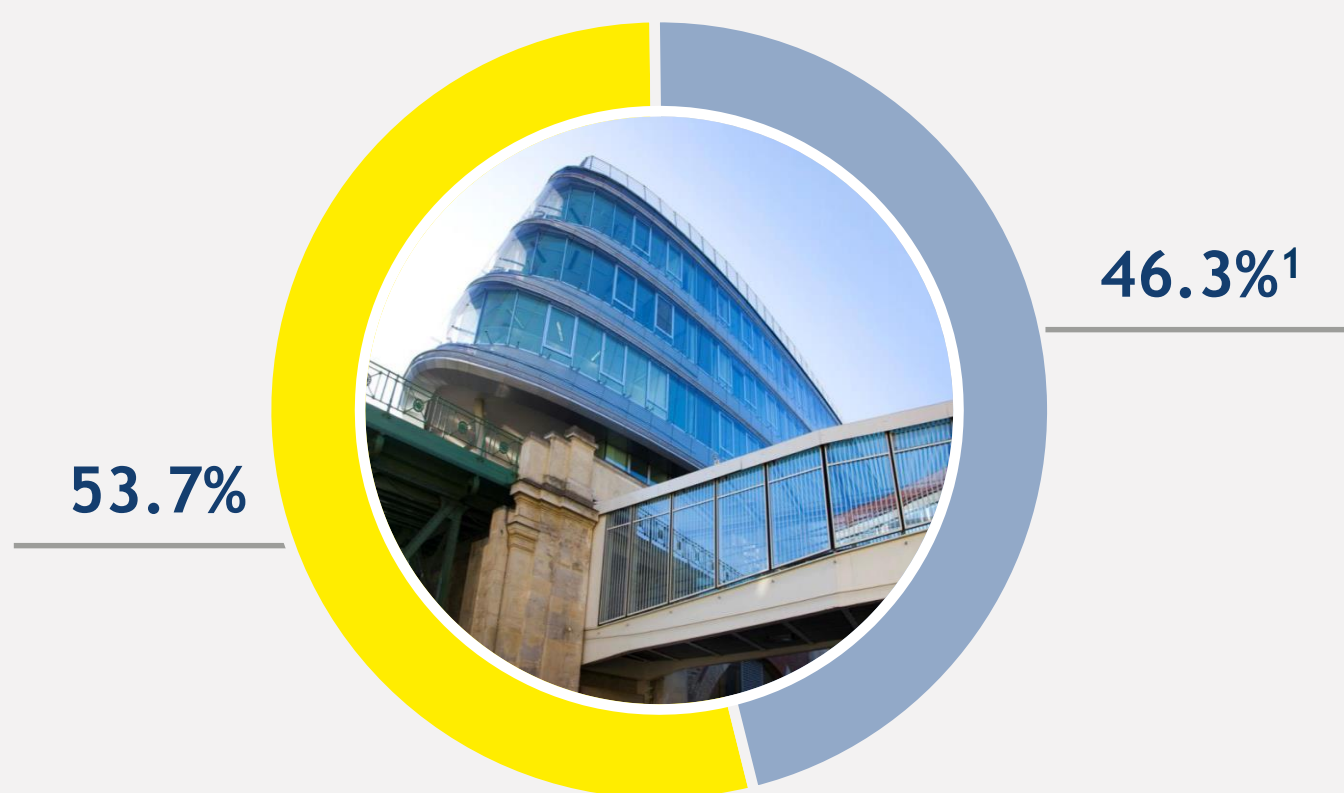
- Attractive trainings for blue-and white-collar workers
- In-house education with digIT LearningMap
- Webinare, e-Learnings

Diversity-Table

Women@PORR: Training sessions, diversity trainings on management level, awareness campaigns

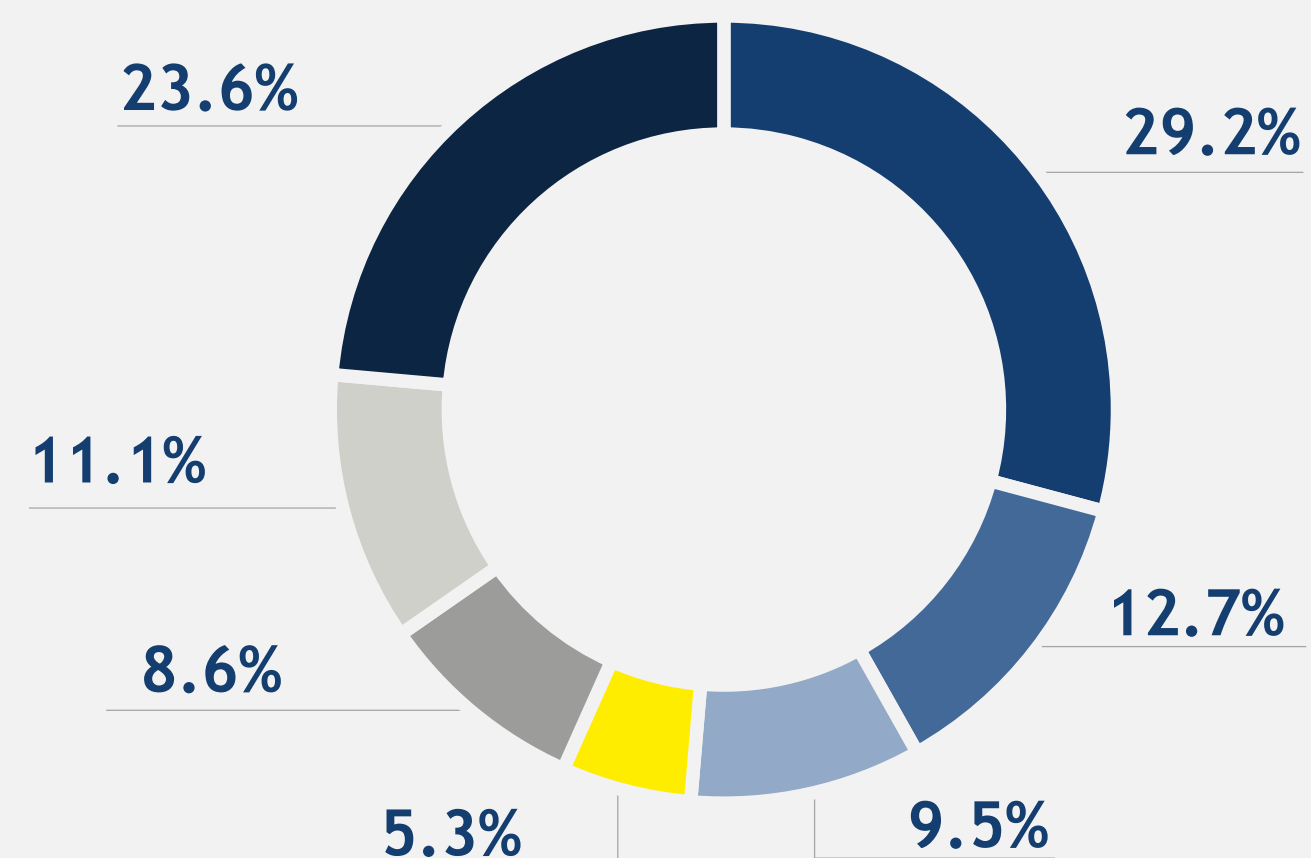
Stable Shareholder Structure

Ownership Structure



■ Syndicate (Strauss-Group, IGO-Ortner Group)
 ■ Free float

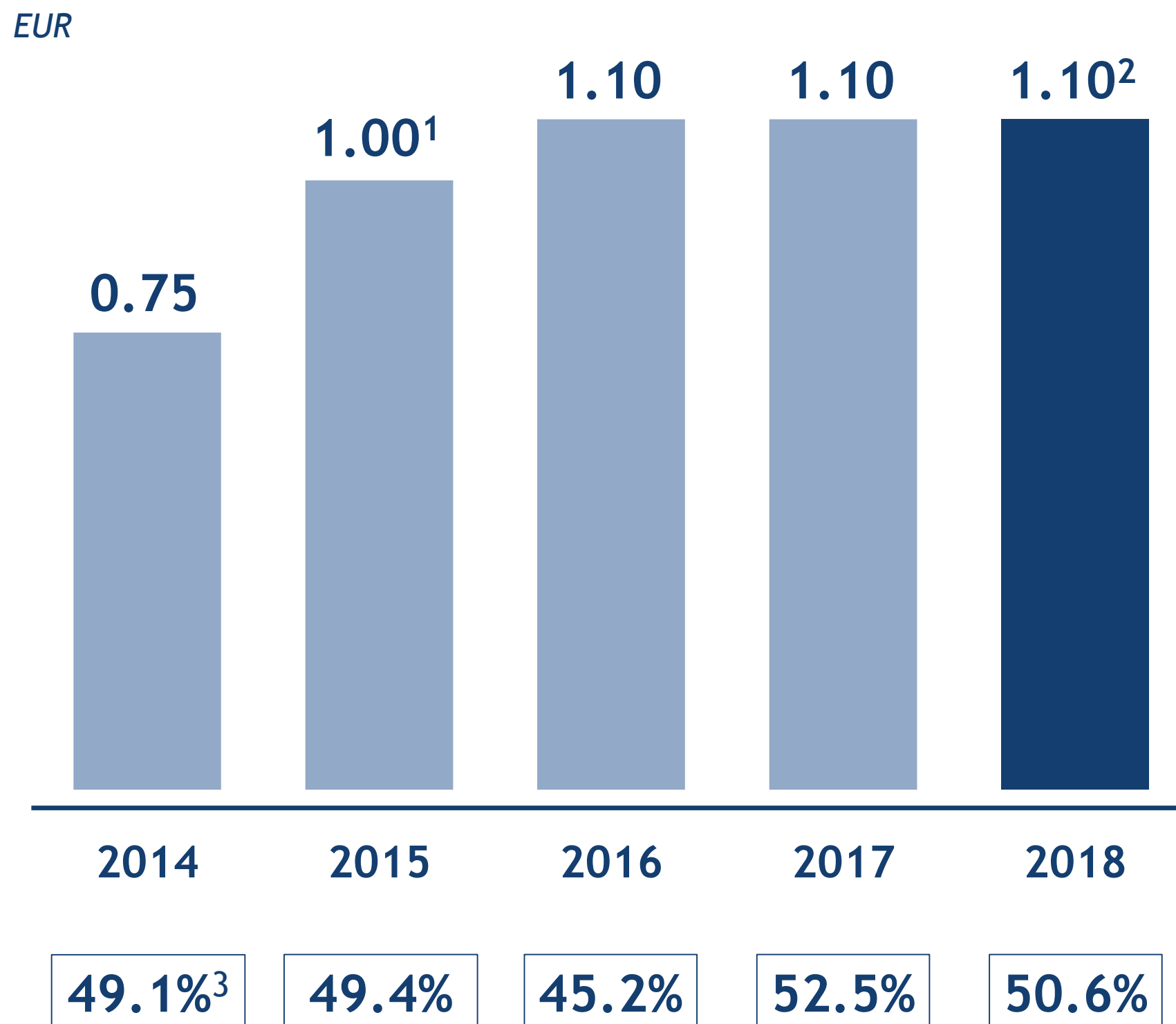
Free Float - Geographical Split



■ Austria
■ UK
■ Germany
■ France
■ Central and Northern Europe
■ US
■ Other

¹ of which 5.85% Heitkamp Construction GmbH, 4.05% Wellington Management Group LLP and 3.48% PORR Management and PORR AG (treasury shares)

Top Dividends: Continuity and Focus Pays Off



- EUR 1.10 dividend per share - unchanged high level
- Shareholder focus: consistent dividend policy (30-50% payout ratio⁴)
- Top-end dividend yield of 6.3% in the sector as per Dec 2018

□ Payout ratio

¹ In 2015 excluding additional scrip dividend

² Proposal to AGM

³ Restated excl. discontinued operations

⁴ Based on net profit and depending on M&A strategy

Financial Performance

Key Financials

Key Earnings Figures¹ (EURm)	Q1 2019	% Δ	Q1 2018
Production output	1,047.2	3.0%	1,016.5
Revenue	945.4	4.2%	907.6
EBT	(11.8)	9.2%	(13.0)
Net profit	(9.1)	6.5%	(9.8)
Key Assets and Financial Figures¹ (EURm)	31.03.2019	% Δ	31.12.2018
Total assets	3,442.6	10.5%	3,114.7
Equity	602.1	(2.6%)	618.2
Equity ratio	17.5%	(2.4 PP)	19.8%
Net debt	699.0	>100.0 %	150.2
Key Share Data¹ (EURm)	31.03.2019	% Δ	31.12.2018
Number of shares (weighted average)	29,095,000	-	29,095,000
Market capitalisation	579.6	14.2%	507.4

¹ Rounding differences can appear

Consolidated Income Statement

EUR m ¹	Q1 2019	Q1 2018	2018	% Q1 19/18
Production output²	1,047.2	1,016.5	5,592.9	3.0%
Revenue	945.4	907.6	4,959.1	4.2%
Share of profit/loss of companies accounted for under the equity method	12.7	8.0	86.6	60.1%
Cost of materials and other related production services ³	(623.1)	(608.7)	(3,462.6)	2.4%
Staff expense	(265.6)	(238.2)	(1,178.8)	11.5%
Other operating result ⁴	(37.9)	(48.6)	(184.8)	(22.2%)
EBITDA	31.7	20.0	219.5	58.3%
- in % of Production output	3.0%	2.0%	3.9%	
Depreciation, amortisation & impairment	(37.9)	(28.2)	(127.1)	34.5%
EBIT	(6.3)	(8.2)	92.3	(23.5%)
- in % of Production output	(0.6%)	(0.8%)	1.7%	
Financial result	(5.6)	(4.8)	(4.2)	15.1%
EBT	(11.8)	(13.0)	88.1	(9.2%)
- in % of Production output	(1.1%)	(1.3%)	1.6%	
Taxes	2.7	3.3	(21.9)	(17.2%)
Profit for the period	(9.1)	(9.8)	66.2	(6.5%)

¹ Rounding differences may 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 expenses + purchased services

⁴ Own work capitalised in non-current assets included

Key Ratios

EUR m ¹	Q1 2019	Q1 2018	2018	Δ Q1 19/18
Production output²	1,047.2	1,016.5	5,592.9	3.0%
Revenue	945.4	907.6	4,959.1	4.2%
Ratio of profit/loss of companies (at equity)	1.2%	0.8%	1.5%	0.4 PP
Material cost ratio ³	(59.5%)	(59.9%)	(61.9%)	0.4 PP
Personnel cost ratio	(25.4%)	(23.4%)	(21.1%)	(1.9 PP)
Others ⁴	(3.6%)	(4.8%)	(3.3%)	1.2 PP
EBITDA	31.7	20.0	219.5	58.3%
- in % of Production output	3.0%	2.0%	3.9%	1.1 PP
Depreciation, amortisation & impairment	(3.6%)	(2.8%)	(2.3%)	(0.9 PP)
EBIT	(6.3)	(8.2)	92.3	(23.5%)
- in % of Production output	(0.6%)	(0.8%)	1.7%	0.2 PP
Financial result	(0.5%)	(0.5%)	(0.1%)	(0.1 PP)
EBT	(11.8)	(13.0)	88.1	(9.2%)
- in % of Production output	(1.1%)	(1.3%)	1.6%	0.2 PP
Taxes	0.3%	0.3%	(0.4%)	(0.1 PP)
Profit for the period	(9.1)	(9.8)	66.2	(6.5%)

¹ Rounding differences may 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 expenses + purchased services

⁴ Own work capitalised in non-current assets included

Statement of Financial Position

EUR m		31.03.2019	31.12.2018	31.12.2017
Assets	Non-current assets	1,337.1	1,104.1	1,037.1
	Current assets	2,105.5	2,010.6	1,847.6
	Total assets	3,442.6	3,114.7	2,884.8
Equity & liabilities	Equity ¹	602.1	618.2	597.0
	Non-current liabilities	992.0	573.6	587.1
	Current liabilities	1,848.5	1,922.9	1,700.7
	Total equity and liabilities	3,442.6	3,114.7	2,884.8
Ratios:	Net debt ²	699.0	150.2	147.4
	Equity ratio	17.5%	19.9%	20.7%

¹ Incl. Non-controlling interests

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

IFRS 16 - Main Effects in 2019

- First application as of 1 January 2019
- Expected effects due to revaluation of contracts:

P/L:



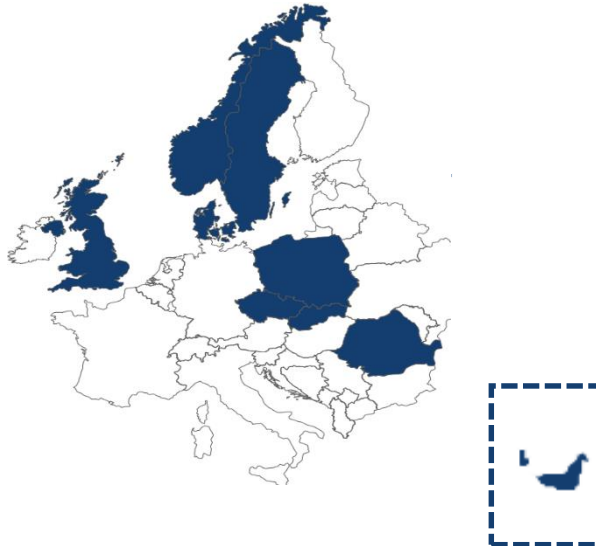
- Most rent/lease expenses will be re-classified to depreciation and interest expenses

Balance sheet:

- Balance sheet extension:
- Leases have to be recognized as a right-of-use asset
- Lease liability will be reflected in net debt beginning in 2019 (effect: EUR 200m)

Business Units (1/2)

per 31.03.2019

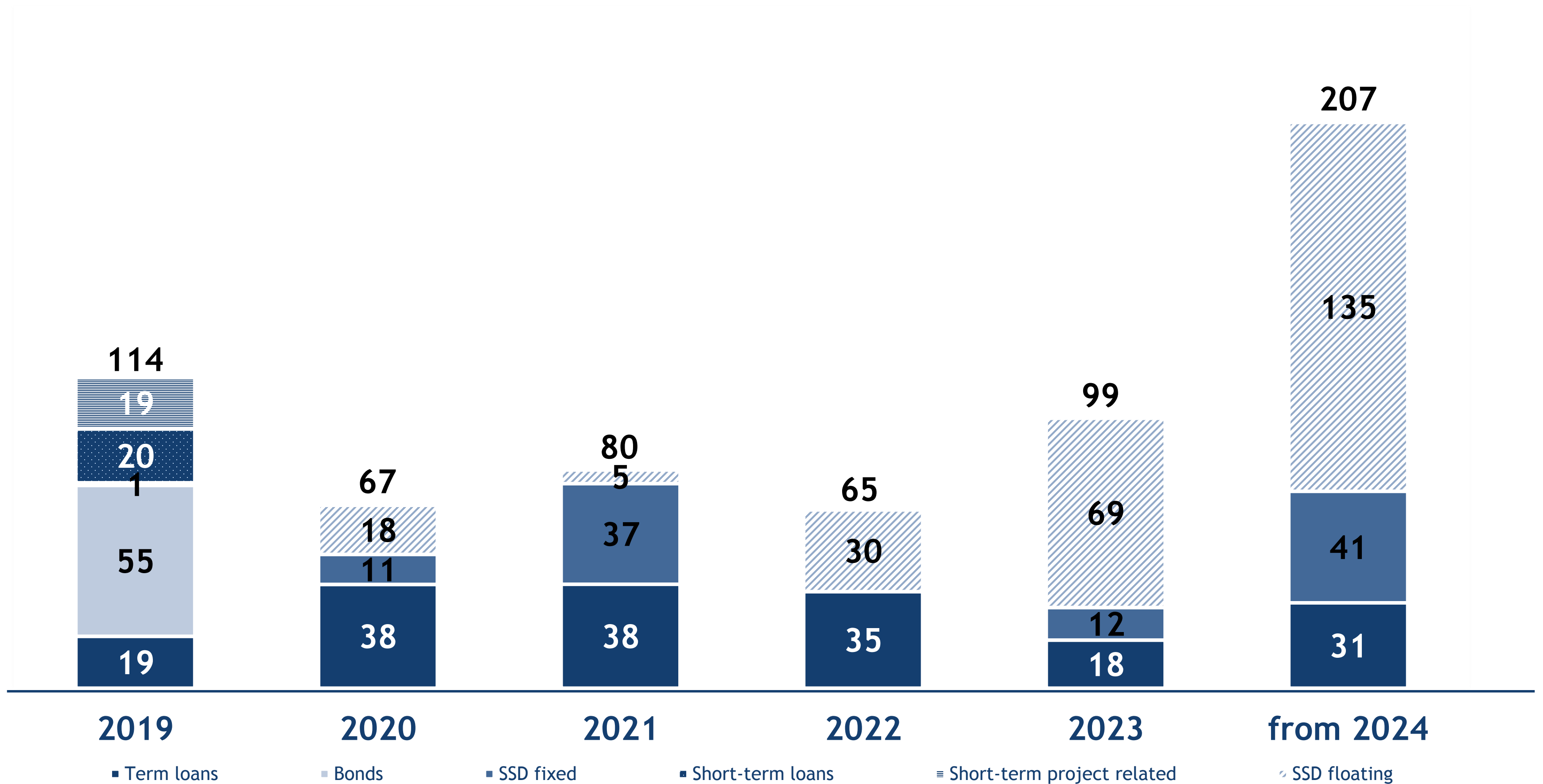
	BU 1 AT/CH	BU 2 GERMANY	BU 3 INTERNATIONAL
% of Output ¹	46	19	32
Portfolio	<ul style="list-style-type: none"> • Home markets (Full service provider) 	<ul style="list-style-type: none"> • Home market (Full service provider) 	<ul style="list-style-type: none"> • Home markets: CZ& PL (Full service provider)
Description	<ul style="list-style-type: none"> • AT, CH, Environmental Engineering • PORR's largest business unit 	<ul style="list-style-type: none"> • PORR's 2nd largest single market 	<ul style="list-style-type: none"> • Project markets Focus on export products in infrastructure
Regional Focus			

¹ Share of production output of PORR AG Holding ~3%, rounding differences may appear

Business Units (2/2)

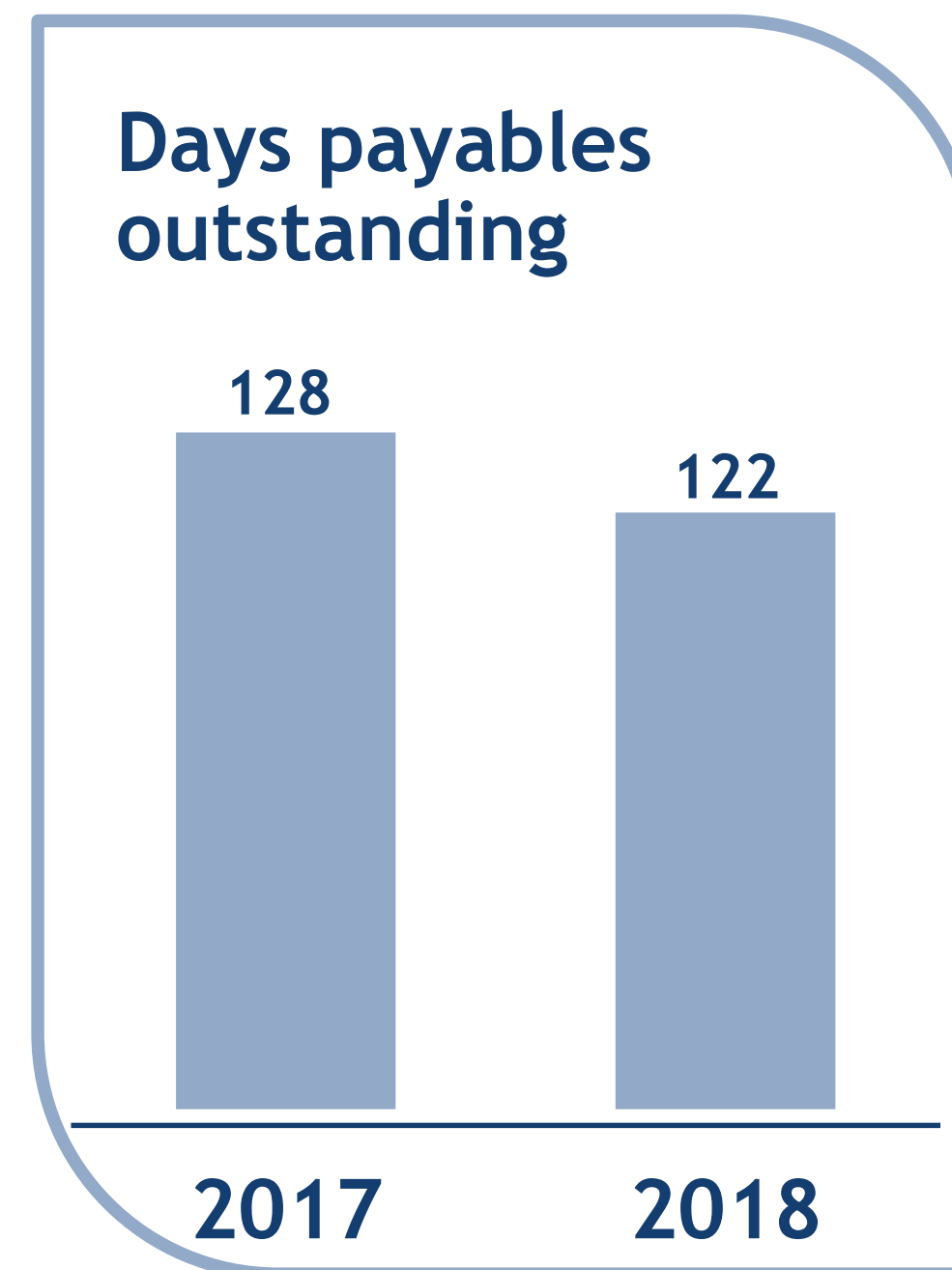
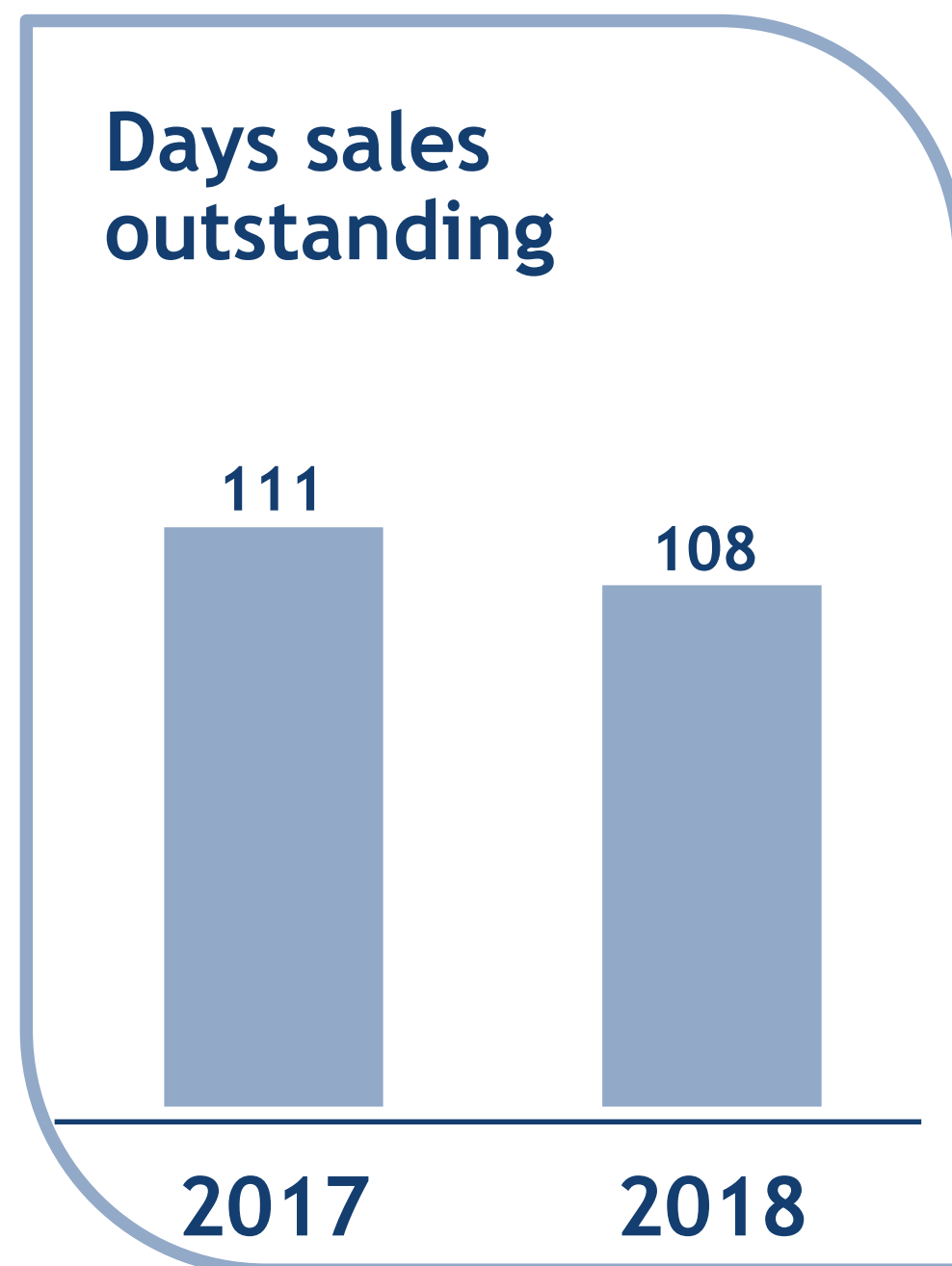
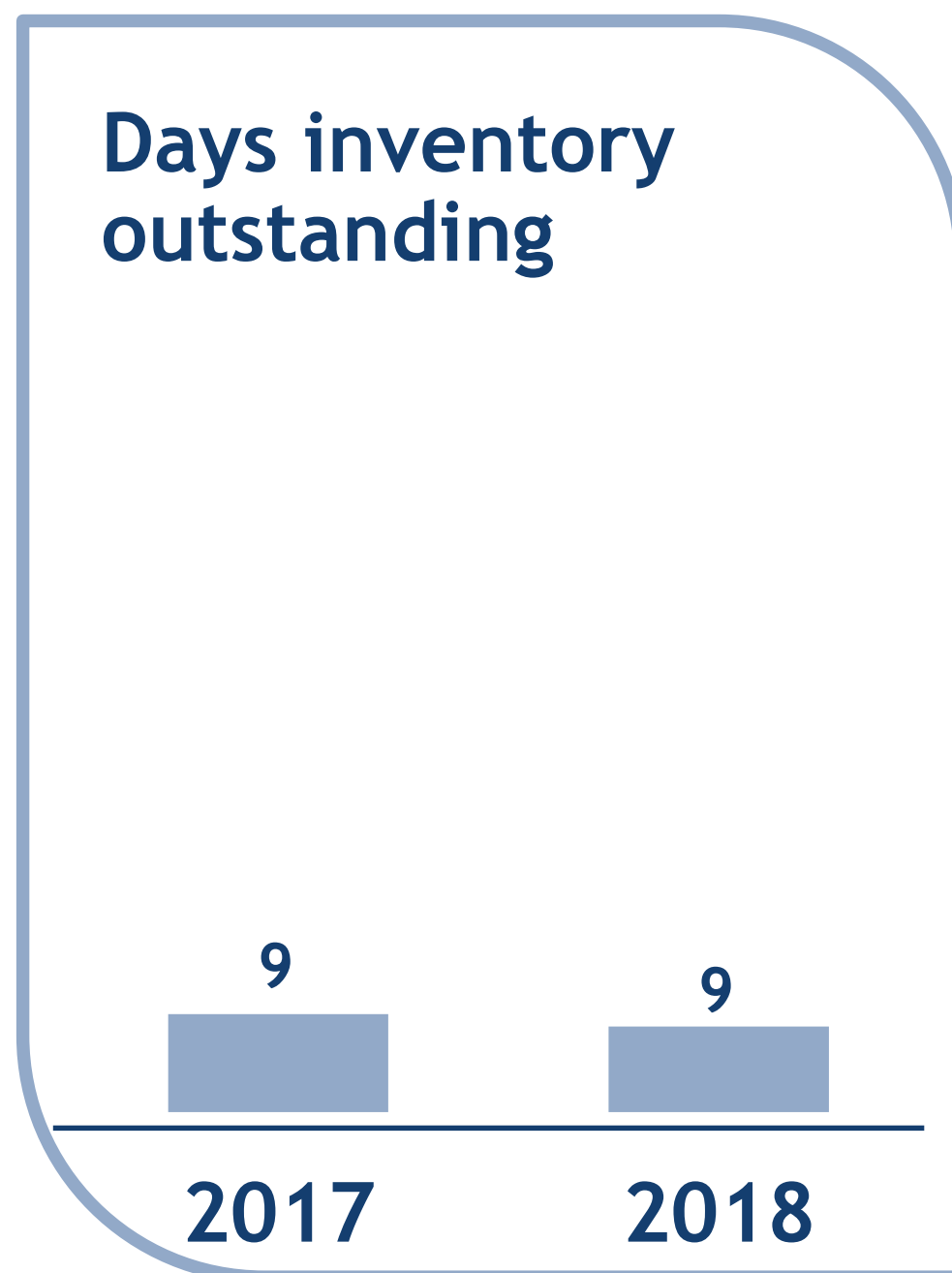
<i>EUR</i>	Output	Backlog	Comments
<i>% growth per 31.03.2019</i>			
BU 1	486m +5%	2,373m -	<ul style="list-style-type: none"> ▪ Strong market position in Austria ▪ Switzerland grew most ▪ Large-scale projects in building construction and industrial engineering
BU 2	200m +11%	1,576m (6%)	<ul style="list-style-type: none"> ▪ Realignment becomes visible ▪ Industrial engineering/road construction on a high level ▪ 2030 investment plan into infrastructure: project potential for the next years
BU 3	333m (5%)	3,333m +31%	<ul style="list-style-type: none"> ▪ Order intake on a high level ▪ Slovakia and Poland with strong growth ▪ Further investments from EU-Cohesion fund in Eastern Europe expected

Maturity Profile of PORR's Financial Liabilities as of 31.03.2019



Comment: Chart excludes leasing liabilities and FX-hedge-liabilities. Figures are in EUR m.

Net Working Capital Development



Net Working Capital:

	<i>EURt</i>	<i>% of Output</i>	
2017:	344,275	7.3%	} -30bps
2018:	390,176	7.0%	

Improved cashflow profile starting to be visible



Top Order Intakes 2018/19

- S6 expressway, Bozepole - Luzino/PL/63.8m
- Apartment bldgs. Thulestr., Berlin/DE/n.a.
- Office bldgs. QBC 1+2, Vienna/AT/n.a.
- Asphalting Works Lots 1-8, Arad/RO/21.7m
- Apartment bldgs. Posthof, Erfurt/DE/19.5m

Q2 18

- S3 expressway Bolkow - Kamienna Gora/PL/290.0m
- Hydropower plant, Töging/DE/76.7m
- A66 motorway, Wiesbaden/DE/64.7m
- Tunnel Swinoujscie/PL/60.1m
- LK132 railroad Gliwice - Bytom - Myslowice/PL/59.8m

Q4 18

Q3 18

Q1 19

- ARGE H51 Pfons-Brenner/AT/531.3m
- LK93 railroad Oswiecim - Czechowice-Dziedzice /PL/115.5m
- S61 expressway Szczuczyn - Elk/PL/92.7m
- NOC 2.3. Regerstraße, Munich/DE/75.3m
- Project Korso Meiereistraße, Vienna/AT/41.6m

- E1 expressway Eggemoen - Åsbygda, Jevnaker/NOR/47.6m
- S31 safety extension, Siegraben/AT/40.4m
- 3T Office Park, Gdynia/PL/n.a.
- A44 technical equipment tunnel Hirschhagen/DE/31.5m

Analyses & Coverage

Research Reports

Institution	Analyst	Price Target	Recommendation	Last Update
Hauck & Aufhäuser	Aliaksandr Halitsa	30.0	Hold	31.08.2018
ERSTE Group	Daniel Lion	33.7	Buy	10.09.2018
Kepler Cheuvreux	Stephan Trubrich	20.0	Hold	30.11.2018
Raiffeisen Centrobank	Markus Remis	23.0	Hold	20.03.2019
SRC Research	Stefan Scharff	33.0	Buy	30.04.2019

IR Information for PORR AG

Share Information

Share price ¹	EUR 22.25
Market capitalisation	EUR 647.4m
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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Financial calendar

29 May 2019: Annual General Meeting 2019

04 Jun 2019: Trade Ex-dividend

05 Jun 2019: Record Date Dividend

06 Jun 2019: Dividend Payout Day

29 Aug 2019: Half Year Result 2019

28 Nov 2019: Q3 Result 2019

¹ Share and market cap data as of 27 May, 2019