



Press Release

PORR: Strong performance in first half

- Further increase in earnings (EBIT +23.7%)
- Production output of EUR 3.1 bn at all-time high
- Order backlog still at a top level
- Optimism for second half: 2024 guidance confirmed

Vienna, 22.08.2024 - In the first half of 2024, PORR continued to build on its solid performance. EBIT rose by 23.7% to EUR 42.2m. Higher output, full order books and the expected turnaround in the European construction industry ensure a positive outlook for the second half of the year.

“We made a lot of progress in the first half of the year and achieved very pleasing results”, says PORR CEO Karl-Heinz Strauss. “With targeted acquisitions such as the gravel and landfill resources of the PANNONIA Group and the road construction specialist Waggerhauser Group, we have again expanded our vertical integration and our permanent business. We are fully on track with our future programme PORR 2025. And we have further increased our construction output as well”.

In terms of production output, PORR achieved a 3.3% increase against the same period last year to total EUR 3,116m. The main growth driver here is infrastructure, for example tunnelling and large-scale projects in Romania. Austria remains the most important market with a share of 44.8%, followed by Germany and Poland.

Major infrastructure orders

At EUR 8,564m, PORR currently has the third-highest order backlog in its history, although the order intake of EUR 3,228m in the first six months did not quite match the previous year’s level. The reason: In 2023, the Brenner Base Tunnel set a record that is hard to beat. In the first half of 2024, PORR saw success with major orders like the railway technology equipment for the Semmering Base Tunnel: PORR is equipping the 27km-long twin-tube tunnel together with the Rhomberg Sersa Rail Group. New orders from the environmental engineering sector, such as the waste-to-energy plant in Gorlice, Poland, also made an impact, as did additional major orders in the Austrian and German residential construction sector, following a dip in the previous years. Major projects in the areas of road construction and data centres also came in.

Increase in EBIT

While revenue held steady with a rise of 0.6% to EUR 2,907.8m, PORR increased its EBIT by 23.7% to EUR 42.2m. Earnings per share even grew by 45.2% to EUR 0.45. Although staff costs rose due to inflation and the output growth in civil engineering, PORR was able to reduce its cost of materials and purchased services by EUR 41.5m.

Positive balance sheet structure

PORR's balance sheet structure also proved stable. Total assets stood at EUR 4,174.8m as of 30 June 2024 (31 December 2023: EUR 4,135.7m). Particularly pleasing: Trade receivables decreased significantly by 6.7% or EUR 127.4m compared to 30 June 2023. Equity stood at EUR 810.6m. The reasons for the reduction compared to year-end (31 December 2023: EUR 860.2m) were the early repayment of profit participation rights with a nominal value of EUR 40.0m as well as the payment of hybrid capital interest and the dividend for the 2023 financial year. The equity ratio improved by around 1.0 PP against the previous year to 19.4% (30 June 2023: 18.5%).

Net debt stood at EUR 327.2m as of 30 June 2024. Compared to the previous year, there were several one-off effects in the first half of 2024, including smaller, one-off acquisitions and the early repayment of profit participation rights. Overall, this led to an extraordinary increase of EUR 118.7m. Without these extraordinary effects, net debt stood at EUR 208.5m as of the reporting date, which corresponds to an operational reduction of 7.1% compared to the same time last year (30 June 2023: EUR 224.3m).

The cash flow from earnings fell to EUR 114.1m due to high tax payments. However, the improvements in working capital management led to an increase in cash flow from operating activities of EUR 17.9m. The acquisition activities in the first half of 2024 also led to an increase of EUR 61.9m in cash outflows from investing activities. Overall, PORR continues to have more than sufficient liquidity reserves totalling EUR 691.3m.

Outlook 2024

The outlook remains positive: “We expect a recovery phase to set in this year. Residential construction is still weak and is therefore naturally also affecting overall construction volumes, but we anticipate a clear turnaround in the European construction industry by 2025 at the latest. National funding programmes and subsidies will provide the necessary boost to investment”, says Karl-Heinz Strauss. Other building construction is largely stable, while civil engineering is benefiting from the expansion of digital and energy infrastructure - both of which impact pipeline construction. “With its expertise and extraordinarily broad service portfolio, PORR has a strong presence in these areas in particular and is benefiting from this development”.

Based on the high order backlog of EUR 8,564m, the Executive Board continues to expect a moderate increase in output for 2024. At the same time, it anticipates a rise in EBIT. In the medium term, the EBIT margin is expected to increase to 3.0%.

The assessment of how the business will perform is based on the current goals in the individual segments as well as the opportunities and risks arising in the respective markets. Should the geopolitical situation intensify, this could have a negative impact on PORR and its business activities. Any assessment of economic development is therefore subject to forecasting risks.

Facts and figures at a glance

<i>Key financial indicators (EUR m)</i>	1-6/2024	% Δ	1-6/2023
Production output ¹	3,116	3.3%	3,017
Average staffing levels	20,823	3.4%	20,135
Order backlog	8,564	-4.8%	8,995
Order intake	3,228	-15.2%	3,808
Revenue	2,907.8	0.6%	2,891.1
EBITDA	148.1	8.4%	136.7
EBIT	42.2	23.7%	34.1
EBT	34.8	26.4%	27.5
Profit for the period	27.5	47.8%	18.6
Earnings per share (<i>in EUR</i>)	0.45	45.2%	0.31
<i>Financial position indicators (EUR m)</i>	30.6.2024	% Δ	30.6.2023
Total assets	4,175	-2.5%	4,280
Equity capital	811	2.6%	790
Equity ratio	19.4%	1.0 PP	18.5%
Net cash	327	45.9%	224

¹ Production output corresponds to the output of all companies and consortiums (fully consolidated, equity method, proportional or those of minor significance) in line with the interest held by PORR AG.

Rounding differences may occur.

You can find the press release [here](#) in the PORR Newsroom. The Half Year Report 2024 can be downloaded [here](#).



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