

Q1 2016 of PORR AG

NEW WORLDS

Investor Presentation

May 2016

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01

HIGHLIGHTS



Strong First Quarter: Order Backlog surpasses the Five-Billion-Euro Mark – all-time High

+13% 

**Continued growth
in revenues**

85%

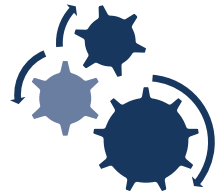
**of production output
generated in strong
home markets**



+17% 

**Full order book of
EUR 5,1bn with a
high visibility**

Healthy Balance Sheet – High Liquidity



Solid
balance sheet
enables operational and
investment flexibility



EBT +17%

increased
operational performance
through effective cost
management



EUR 38_m

of Net debt – improved by
EUR 149m compared
to 3/2015

Key Figures Q1 2016

EUR m

| | <u>Q1 15</u> | <u>Q1 16</u> | <u>Change²</u> |
|---------------------------------------|---------------|---------------|---------------------------|
| Production output¹ | 591.6 | 648.3 | +9.6% |
| Order Intake | 925.1 | 1,218.4 | +31.7% |
| Order Backlog | 4,391.9 | 5,149.4 | +17.2% |
| Revenues | 528.8 | 598.3 | +13.1% |
| EBITDA | 7.3 | 12.9 | +75.7% |
| Δ in EUR m | | + 5.6 | |
| EBT | -12.0 | -10.0 | +16.9% |
| Δ in EUR m | | + 2.0 | |
| Periodic result | -11.6 | -8.2 | +29.3% |
| Earnings per share³ | -0.43 | -0.31 | +27.9% |
| Cash Flow from Op. | -199.3 | -196.6 | +1.4% |

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

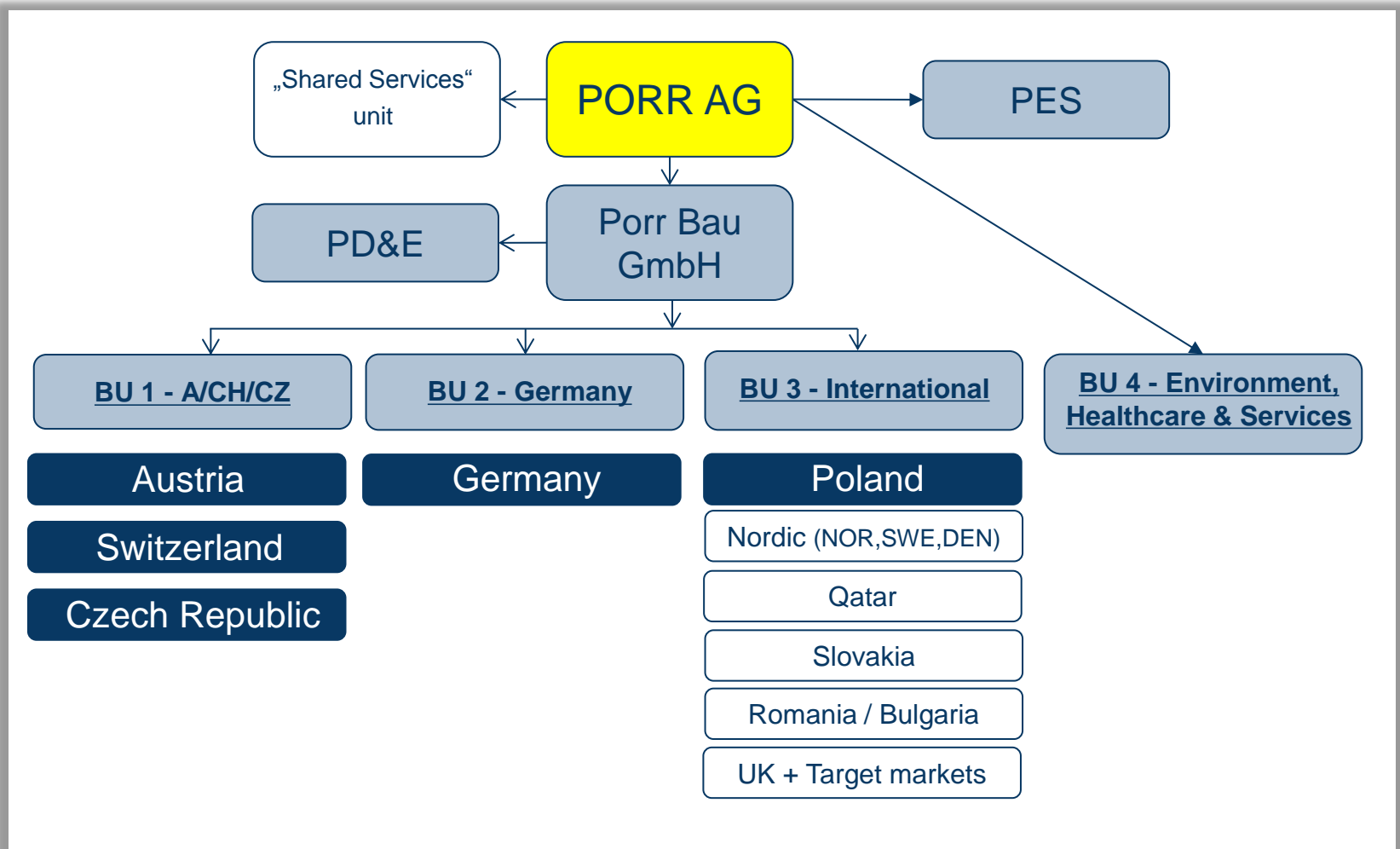
2 Rounding differences can appear

3 Adjusted to number of shares in 2015 to facilitate comparisons.

Persistent Successful Strategy Focus

- 1 Stable and consistent growth in home markets**
Strong geographical footprint supported by technical excellence
- 2 Value over volume**
Deep 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**
Proposed dividend of EUR 1.00 plus EUR 0.50 one-off scrip dividend
- 6 Transforming the way we work**
New world of work, new organizational structure

A new Consistent and Lean Organizational Structure: Bundling Activities and Creating Synergies



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

Strategic Achievements

MARKETS

- Leading market position in **Austria**
- Solid growth in **Germany**, strong presence in complex infrastructure projects
- **Strong order intake** driven by Poland, DACH region and Qatar
- **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 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, **working capital** improvements
- Focus on **high-margin projects**
- **Improved cost base & risk mgmt**

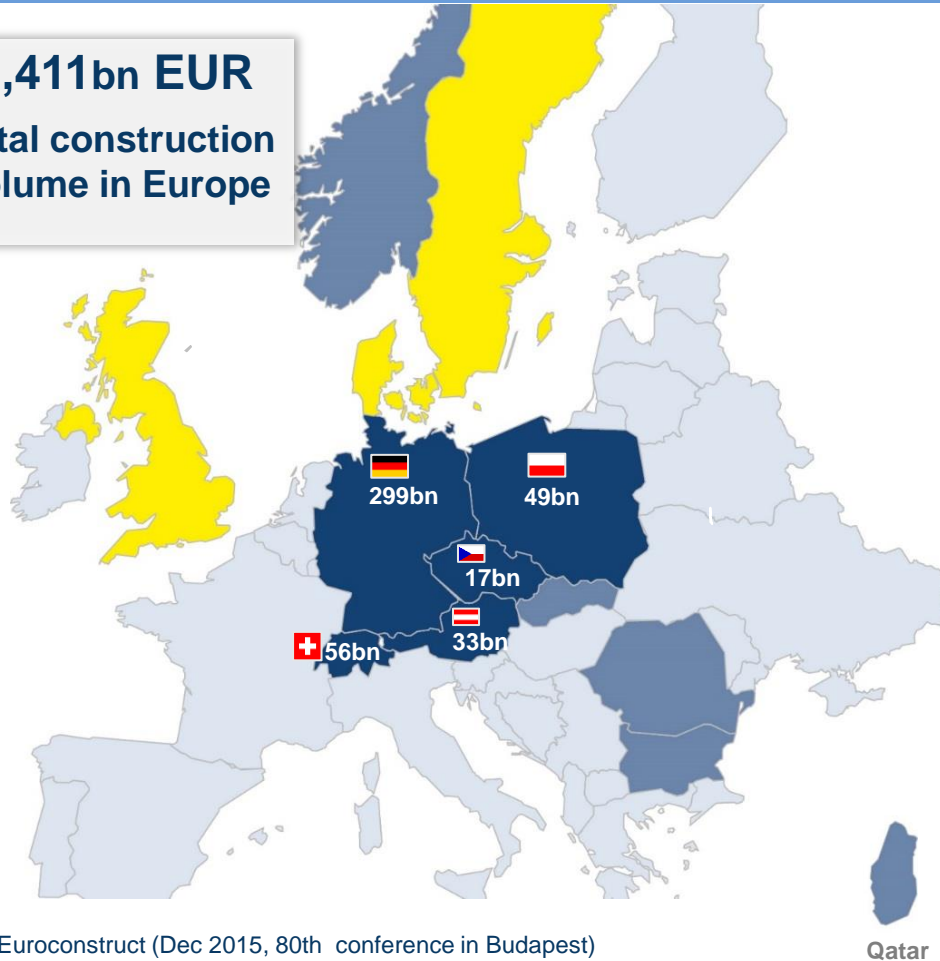
CULTURE

- 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 Start Showing Stable Growth Perspectives

Market Volume & Approach

1,411bn EUR
Total construction volume in Europe



Source: Euroconstruct (Dec 2015, 80th conference in Budapest)

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 infrastructure)
- Good knowledge about the markets, competition and clients in these areas
- Strict selection of projects
- Strategic partnerships

Target markets

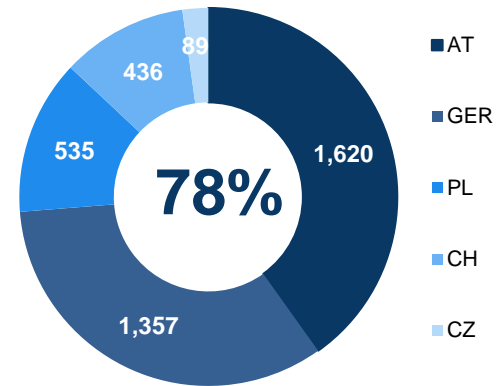
- Project approach / strict project selection in infrastructure sector
- Clear rules for market entry: Project – Partner – Team

A Stable and Consistent Business Supported by a Full Order Pipeline

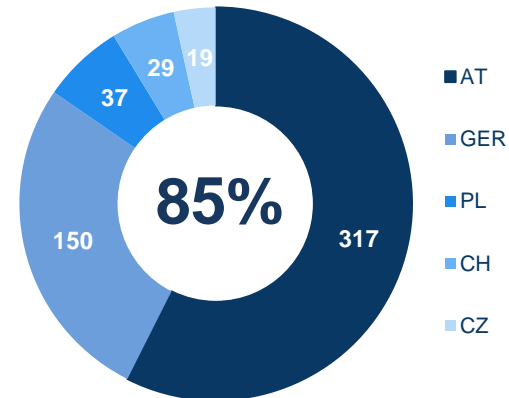
PORR Markets – focused business model



Order backlog by region, EURm



Production output by region, EURm



03

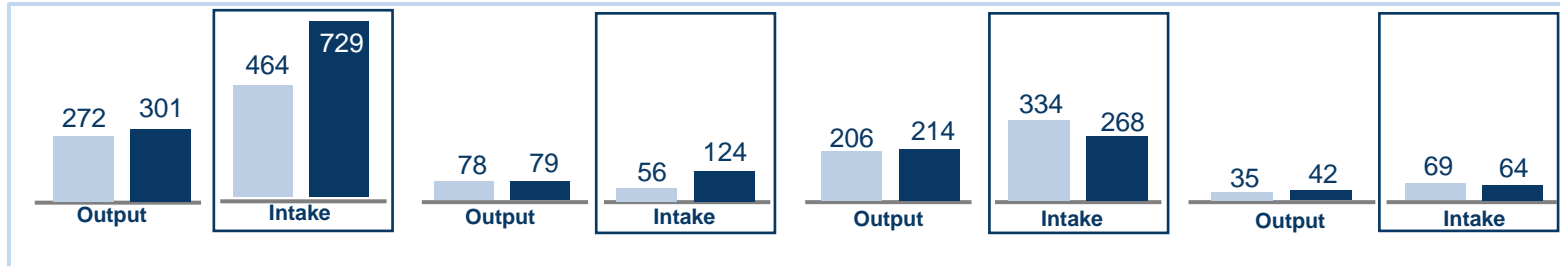
Operational Performance



Increased Production Output and Strong Order Intake

...% share of production output

| Business units | | | |
|----------------|--|-----|--|
| 1 | A/CH/CZ | 47% | |
| 2 | Germany | 12% | |
| 3 | International | 33% | |
| 4 | Environmental Engineering, Healthcare & Services | 7% | |



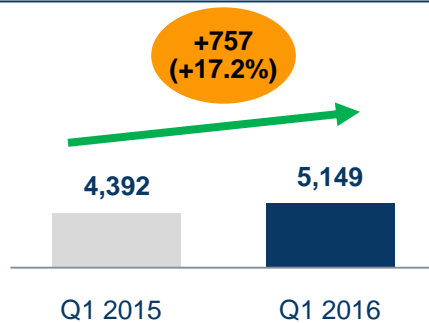
■ Q1/2015 ■ Q1/2016

| Top market position in Austria | PORR's second largest market | Strong technical leadership | Active in niches |
|--|---|---|---|
| <ul style="list-style-type: none"> Active in the permanent markets of A/CH/CZ Focus is on the fields of residential construction, office building, industrial and road construction Growth in CH/CZ | <ul style="list-style-type: none"> Market position has been consistently consolidated in recent years Growth strategy in the next years | <ul style="list-style-type: none"> Export products: tunneling and slab track New order in Qatar: Al Wakrah Stadium New projects in Poland: Expressway S6, S7 and S8 | <ul style="list-style-type: none"> Production output increases among others because of demolition works, small activities in the field of PPP and health care projects |

Highest Order Backlog in History

Order backlog and TOP 15 projects in Q1 2016 (EUR m)

Backlog



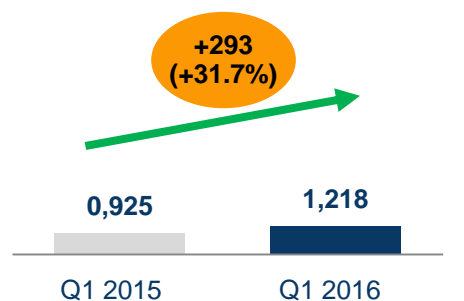
| Selected projects | Country | EUR m ¹ | Entry | Duration | POC |
|------------------------------|---------|--------------------|--------|----------|-------|
| Metro Doha "Green Line" | QA | 944 | Jun-13 | Jun-18 | 49.0% |
| KAT 3 Koralm tunnel | AT | 297 | Jun-13 | Jul-20 | 31.2% |
| "Stuttgart 21" Filder tunnel | DE | 266 | Jul-11 | Jul-20 | 28.3% |
| Tunnel Alaufstieg | DE | 235 | Oct-12 | Feb-19 | 48.6% |
| Al Wakrah stadium | QA | 202 | Feb-16 | Nov-18 | 0.4% |
| Slab track General | QA | 162 | Jun-15 | May-18 | 10.5% |
| Europaallee ZH Lot 1 – 4 | CH | 153 | Feb-15 | Jun-20 | 12.7% |
| Emscher BA 40 | DE | 144 | Dec-13 | Apr-19 | 48.4% |
| Europaallee ZH Lot F | CH | 130 | Feb-16 | Mar-19 | 0.7% |
| Expressway S 17 Ryki | PL | 117 | Nov-15 | Jun-19 | 0.6% |
| Slab track Coburg Ilmenau | DE | 103 | Nov-12 | Jun-16 | 91.6% |
| "Stuttgart 21" Lot 2a/3 | DE | 99 | Jul-12 | Dec-18 | 27.7% |
| Expressway S 6 Koszalin | PL | 99 | Mar-16 | Jul-18 | 0.0% |
| Hospital Vienna North | AT | 98 | May-12 | Mar-17 | 93.6% |
| Motorway Sebes-Turda | RO | 96 | Apr-14 | Mar-17 | 48.3% |

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

Order Intake increase by 31.7% over all Business Units

Order intake and TOP 12 projects in Q1 2016 (EUR m)

Intake



| Selected projects | Country | EUR m ¹ | Entry | Duration |
|------------------------------|---------|--------------------|--------|----------|
| Al Wakrah Stadium | QA | 202 | Feb-16 | Nov-18 |
| Europaallee ZH Lot F | CH | 130 | Feb-16 | Mar-19 |
| Expressway S 6 Koszalin | PL | 99 | Mar-16 | Jul-18 |
| Expressway S 8 Poręba-Ostrów | PL | 54 | Feb-16 | Jul-18 |
| Hotel Mucon, München | DE | 53 | Feb-16 | Aug-18 |
| La Tête, Düsseldorf | DE | 44 | Mar-16 | Oct-17 |
| Schlossquartier, Kiel | DE | 39 | Feb-16 | Nov-17 |
| Orhideea Towers, Bucarest | RO | 33 | Feb-16 | Nov-17 |
| Expressway S7 Metrostav | PL | 24 | Mar-16 | Oct-18 |
| HNB Schenker am CCG | AT | 18 | Feb-16 | Dec-16 |
| Euro Plaza Lot 6 | AT | 13 | Feb-16 | May-17 |
| The Icon Vienna, Facade | AT | 12 | Mar-16 | Jul-18 |

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

04

FINANCIAL SECTION



Consolidated Income statement

EUR thd

| | 2014 | 2015 | Q1 2015 | Q1 2016 | Δ % |
|--|------------------|------------------|----------------|----------------|---------|
| Production output¹ | 3,474,885 | 3,523,752 | 591,608 | 648,322 | +9.6% |
| Revenues | 3,009,118 | 3,139,687 | 528,800 | 598,258 | +13.1% |
| Material costs + Purchased S. | -2,026,001 | -2,060,827 | -344,395 | -378,498 | +9.9% |
| - Material costs | -680,195 | -651,443 | -102,249 | -103,136 | +0.9% |
| - Purchased services | -1,345,806 | -1,409,384 | -242,146 | -275,362 | +13.7% |
| Staff costs | -752,960 | -807,638 | -156,000 | -175,427 | +12.5% |
| Other operating results | -73,733 | -105,280 | -21,059 | -31,423 | +49.2% |
| EBITDA | 156,424 | 165,942 | 7,346 | 12,910 | +75.7% |
| EBITDA² % resp. Δ in EUR | 4.5 | 4.7 | +5.6 | | |
| Depreciation | -74,716 | -78,172 | -17,420 | -18,754 | +7.7% |
| EBIT | 81,708 | 87,770 | -10,074 | -5,844 | +42.0% |
| EBIT² % resp. Δ in EUR | 2.4 | 2.5 | +4.2 | | |
| Financial result | -15,608 | -6,657 | -1,960 | -4,153 | +111.9% |
| EBT | 66,100 | 81,113 | -12,034 | -9,997 | +16.9% |
| EBT² % resp. Δ in EUR | 1.9 | 2.3 | +2.0 | | |
| Taxes | -17,542 | -20,069 | 0,455 | 1,806 | +296.9% |
| Periodic result | 48,558 | 61,044 | -11,579 | -8,191 | +29.3% |

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>31.12.2013</u> | <u>31.12.2014</u> | <u>31.12.2015</u> | <u>31.03.2016</u> |
|---------------------------------|---|-------------------|-------------------|-------------------|-------------------|
| Assets | Long-term assets | 1,068,659 | 728,013 | 715,871 | 723,215 |
| | Short-term assets | 1,227,811 | 1,418,017 | 1,588,126 | 1,387,556 |
| | Total assets | 2,296,470 | 2,146,030 | 2,303,997 | 2,110,771 |
| Liabilities & equity | Equity (incl. non-controlling interest) | 347,662 | 385,171 | 412,118 | 403,397 |
| | Long-term liabilities | 668,692 | 408,830 | 551,655 | 538,522 |
| | Short-term liabilities | 1,280,116 | 1,352,029 | 1,340,224 | 1,168,852 |
| | Total assets | 2,296,470 | 2,146,030 | 2,303,997 | 2,110,771 |
| Ratios | Net debt¹ (EUR m) | 357 | -65 | -187 | 38.1 |
| | Equity ratio (%) | 15.1 | 18.0 | 17.9 | 19.1 |

¹ Bonds plus financial liabilities less cash and cash equivalents

Unique Step in Austria – First Scrip Dividend Ever: PORR Increases Ordinary Dividend and Offers an Additional Extraordinary Scrip Dividend

Dividend

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



The way scrip dividend works

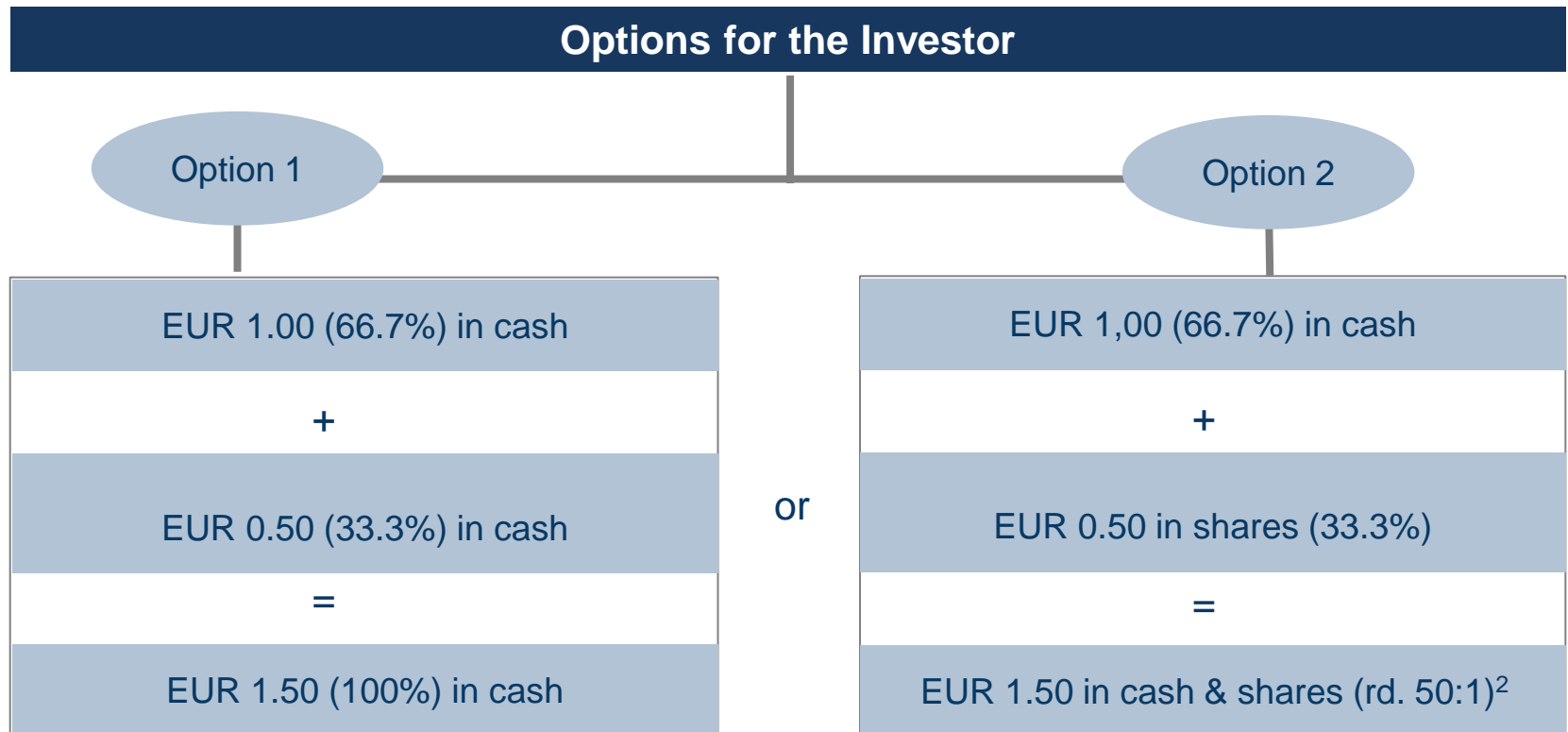
- Shareholders can **elect** to reinvest EUR 0.50 dividend in shares or cash
- PORR will use only treasury shares for scrip dividend
- No new shares are issued
- Reinvest price will be set after the subscription period and close to market price
- Shareholders with no sufficient number of shares will receive dividends in cash in any case



Next steps

- A **subscription period of two weeks** in June starts after the positive resolution at AGM on 24th May
- **Subscription ratio** will be determined after the end of the subscription period

Scrip Dividend¹: What Happens From an Investors' Point of View?



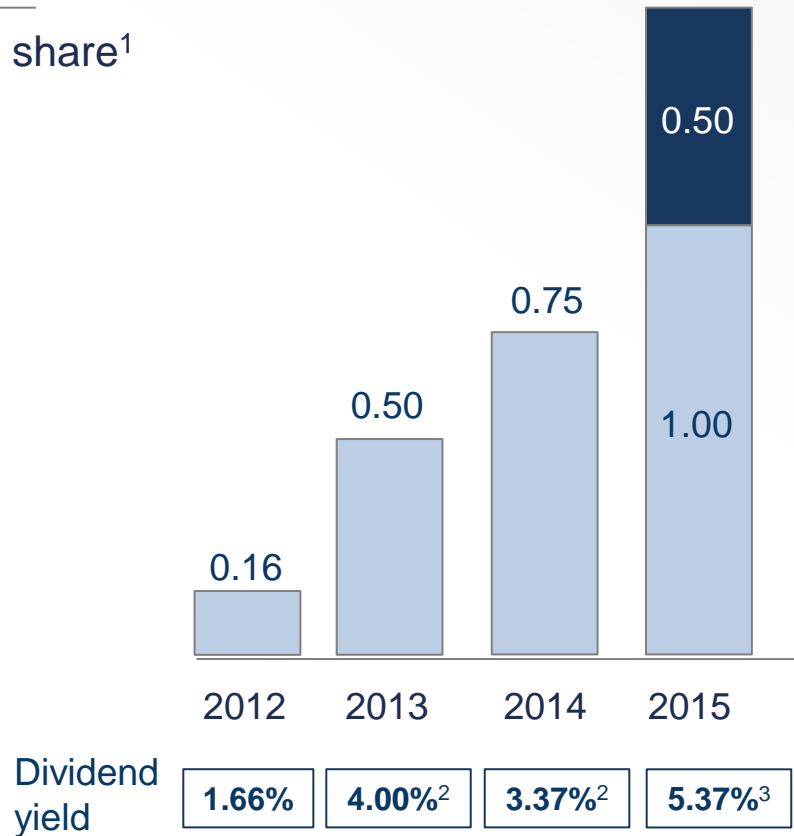
1 Taxation of the total dividend of EUR 1.5 can be settled from the cash dividend per share

2 Assumption of a reinvest price of EUR 25.0; the actual reinvest price will be set shortly after the end of the subscription period closely oriented to the prevailing share price.

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

05

KEY TAKEAWAYS



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 target markets as UK and Scandinavia in the fields of tunneling, bridge, 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 optimization via digitalisation
- 4 Maintain healthy balance sheet and strong liquidity base**
Improving cash management & maintaining net cash position for year end
- 5 The construction site of the future**
Digitalisation of the construction process from the start of design to the finish of the construction via focus on BIM (5D) and IT streamlining



YOUR QUESTIONS

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