

PORR AG **Intelligent Building ...**

RCB Investor Conference
Zürs, April 2018



PORR

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Preliminary Figures 2017

1

Second best result in PORR's history

2

PORR outperforms market growth in 2017

3

Net Debt below EUR 200m

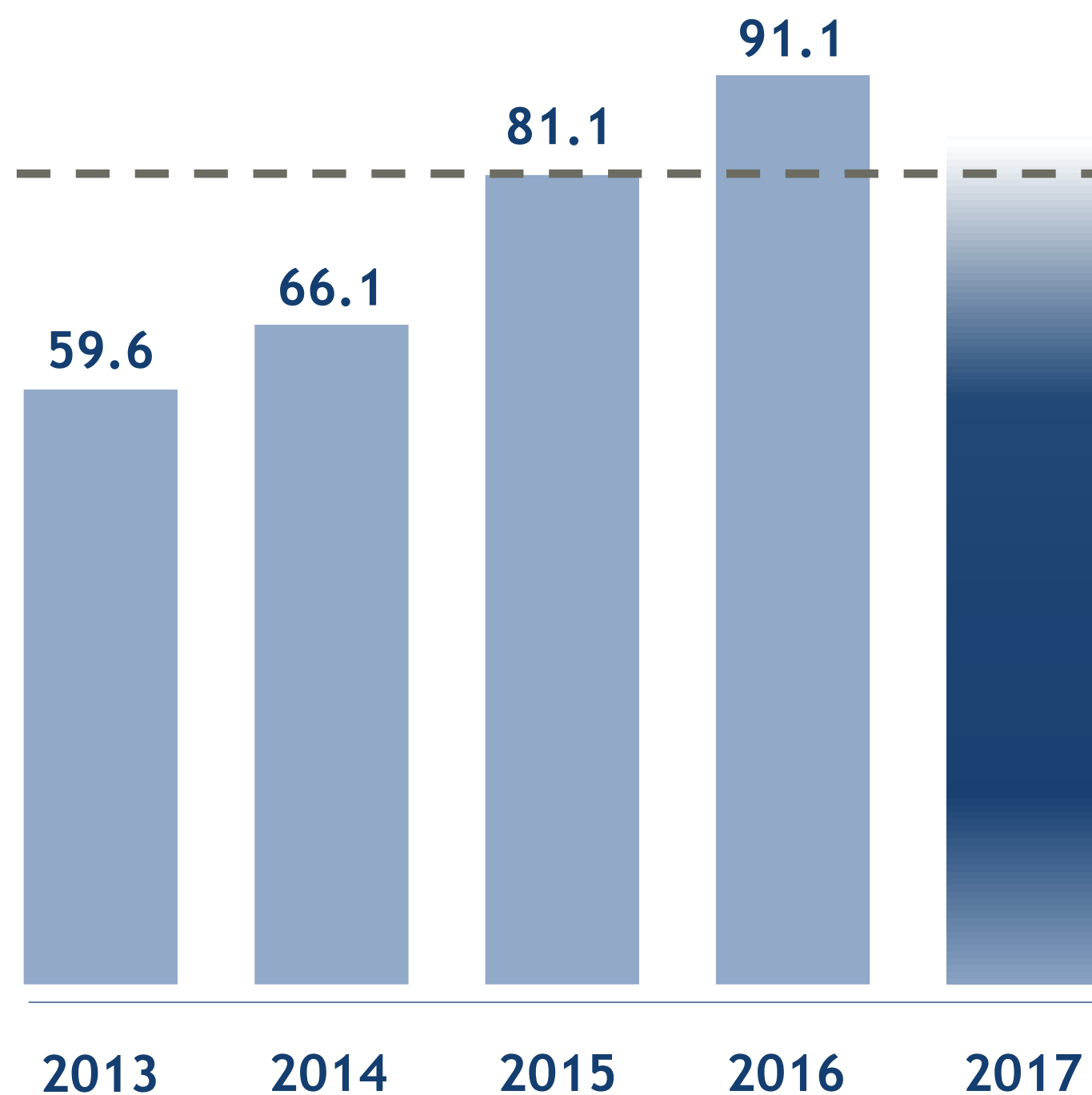
4

2018 Output to grow to EUR 5bn



Second Best Result 2017

EBT results over last 5 years

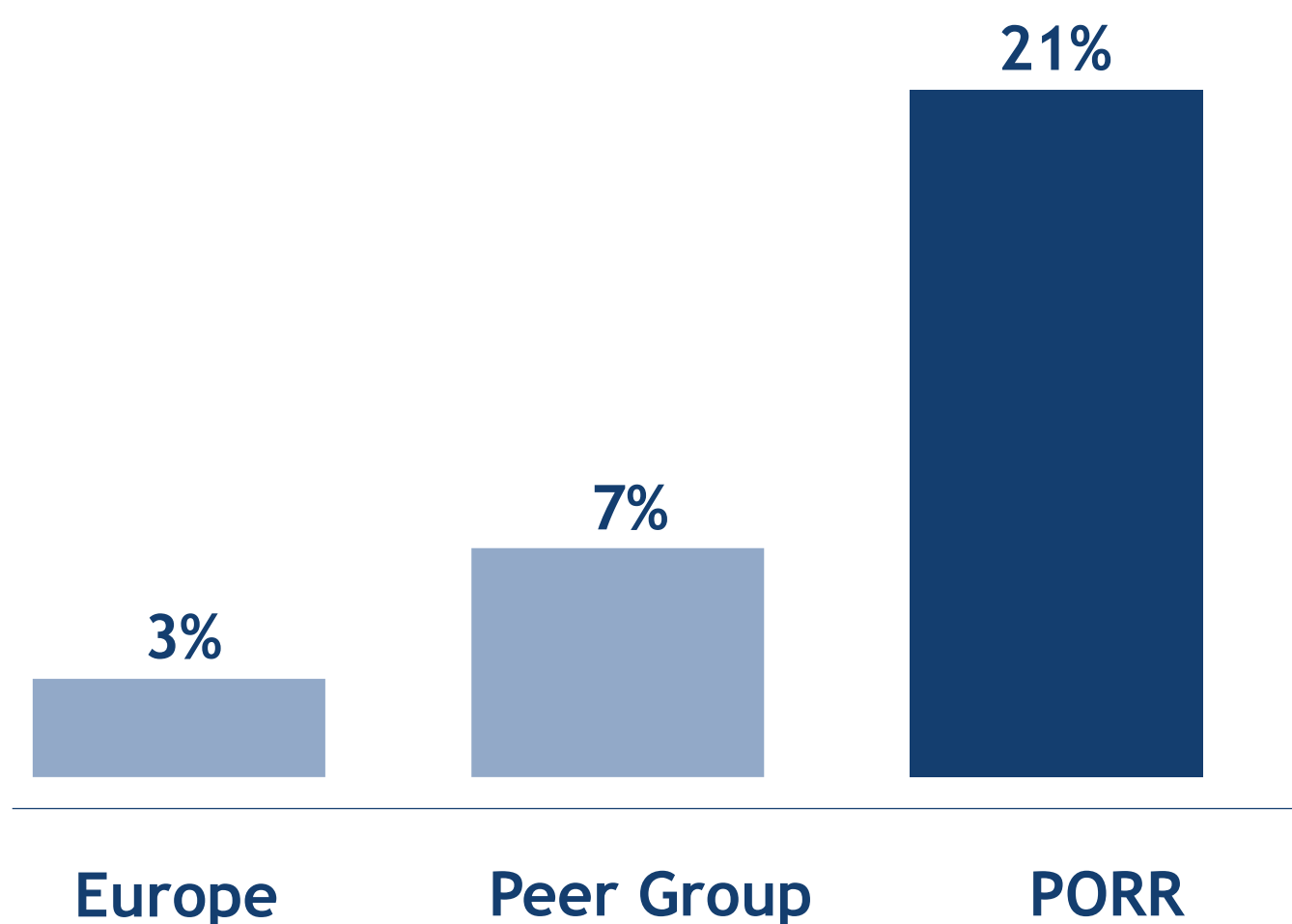


- Growth in Germany needs to be digested
- Upside through efficiency gains
- 2018 - year of integration and consolidation



PORR Outperforms Market Growth

Construction output growth in 2017¹

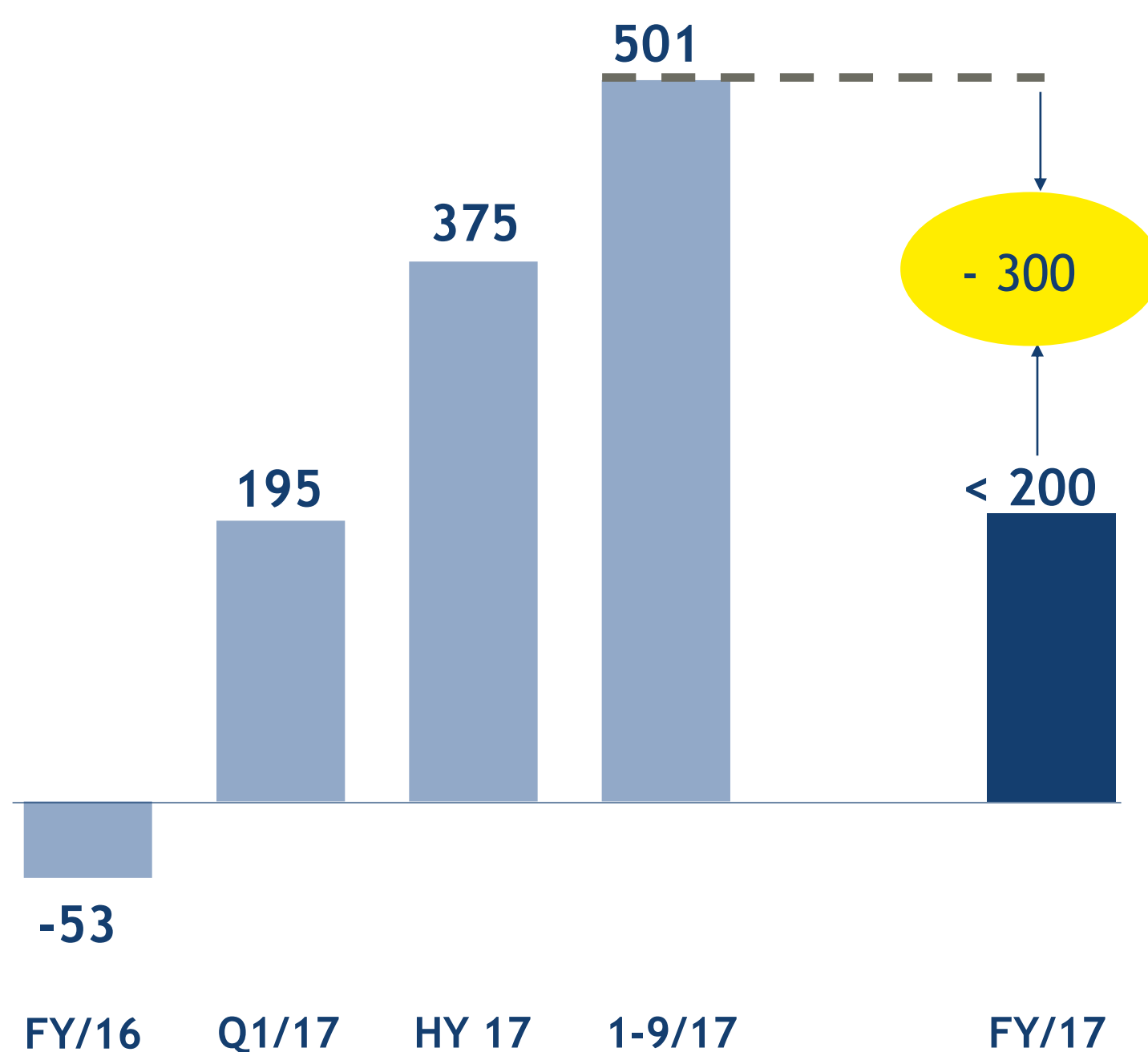


- 12% organic growth / 8% acquisition growth
- Output at EUR 4.7bn - an all time-high (+20.7%)
- Record order backlog at EUR 6.4bn (+32.5%)

¹ Euroconstruct Report Nov 2017; Peers along research reports, company data

Net Debt below EUR 200m

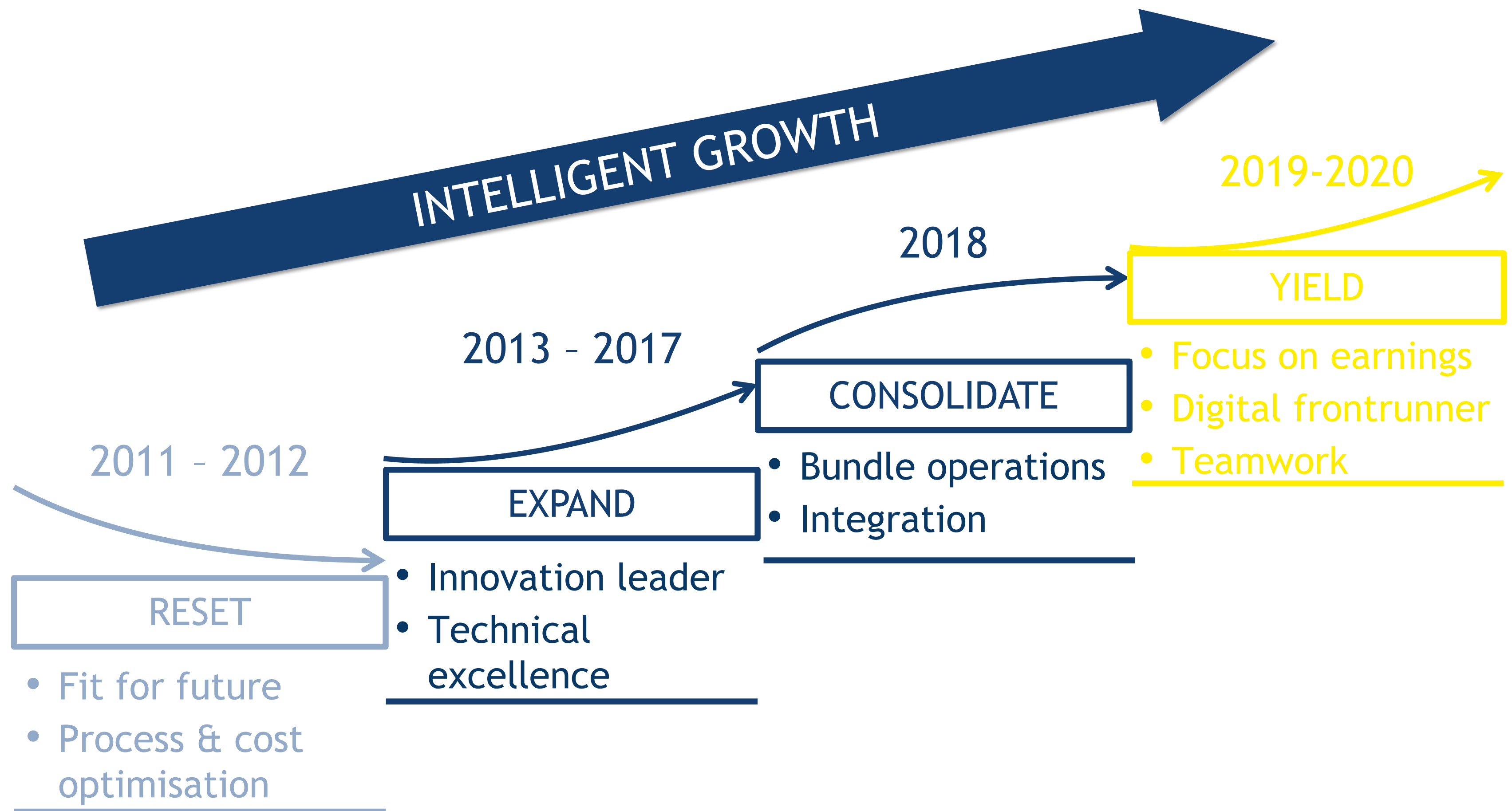
Strict focus on management of net debt



- Reduction of > EUR -300m in Q4/17 alone
- Proof of PORR's ability to steer key financials
- Net Debt 2017 of below 200m in line with market expectations



Trajectory on PORR's Transformation



Construction matters

Ongoing urbanisation



80% to live in urban areas by 2050 in Europe

Infrastructure



Infrastructure investment gap remain

New Business Models



Digitizing the construction process unleashes value

- **Ongoing urbanization and 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-driven business models 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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About PORR

PORR - At a Glance

Business Units

1

Permanent
market AT/CH/CZ

2

Permanent
market DE

3

International
project market

4

Environmental,
healthcare & serv.

Key Facts¹

Production
EUR 4.7bn

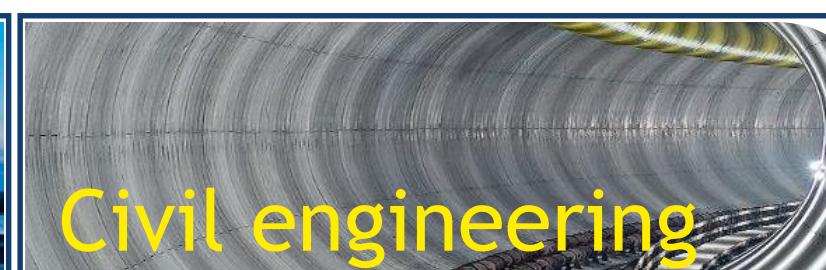
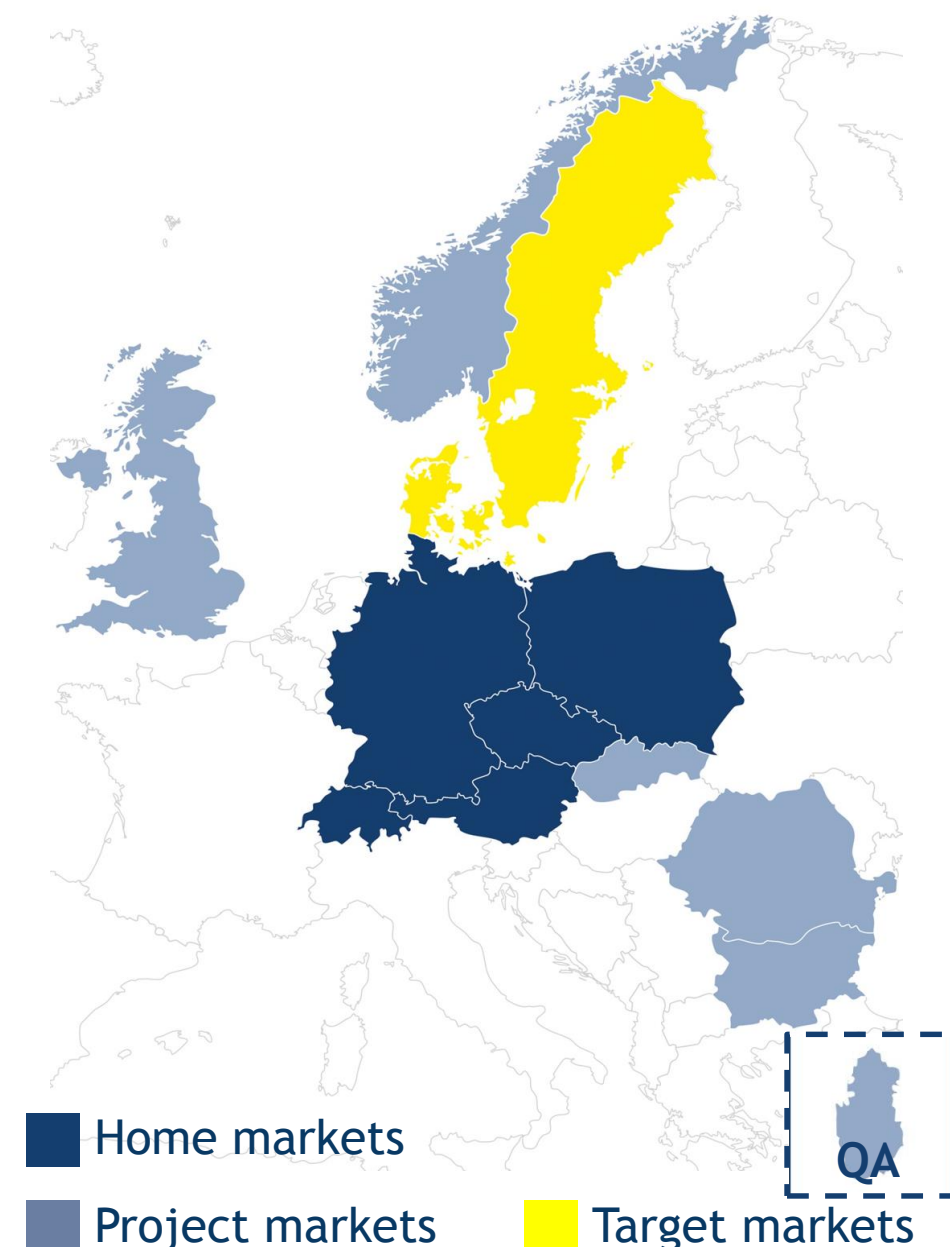
Employees
~17,300

Backlog
EUR 6.4bn

EBT
Second best

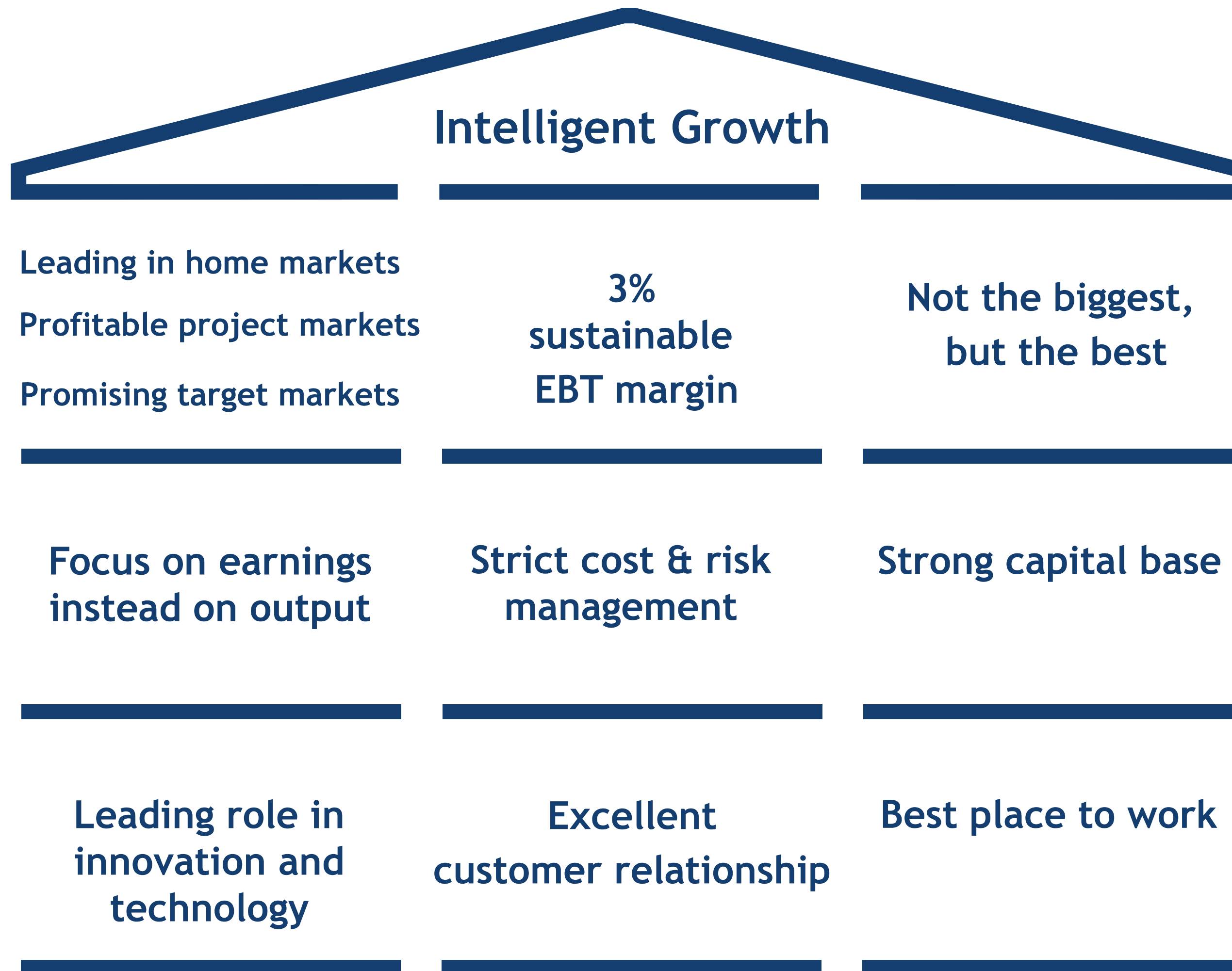
PORR, a leading full service
provider in the construction
sector

Markets

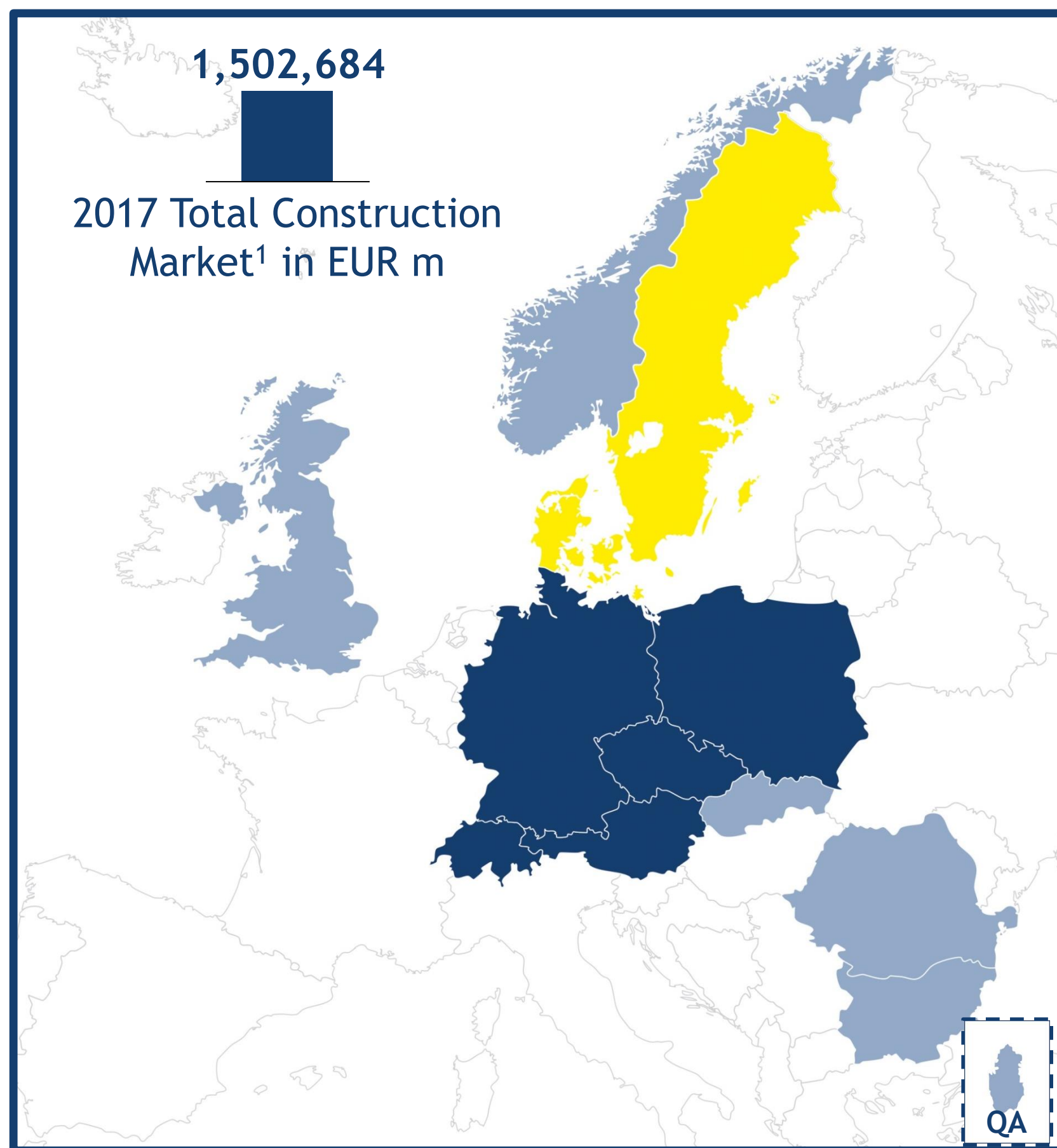


¹ Key data of preliminary FY 2017, employees data (average) as of Q3/17

No Change in Strategy - Focus on Execution



Construction Markets on a Growing Path



Home Markets (86% Production Share)



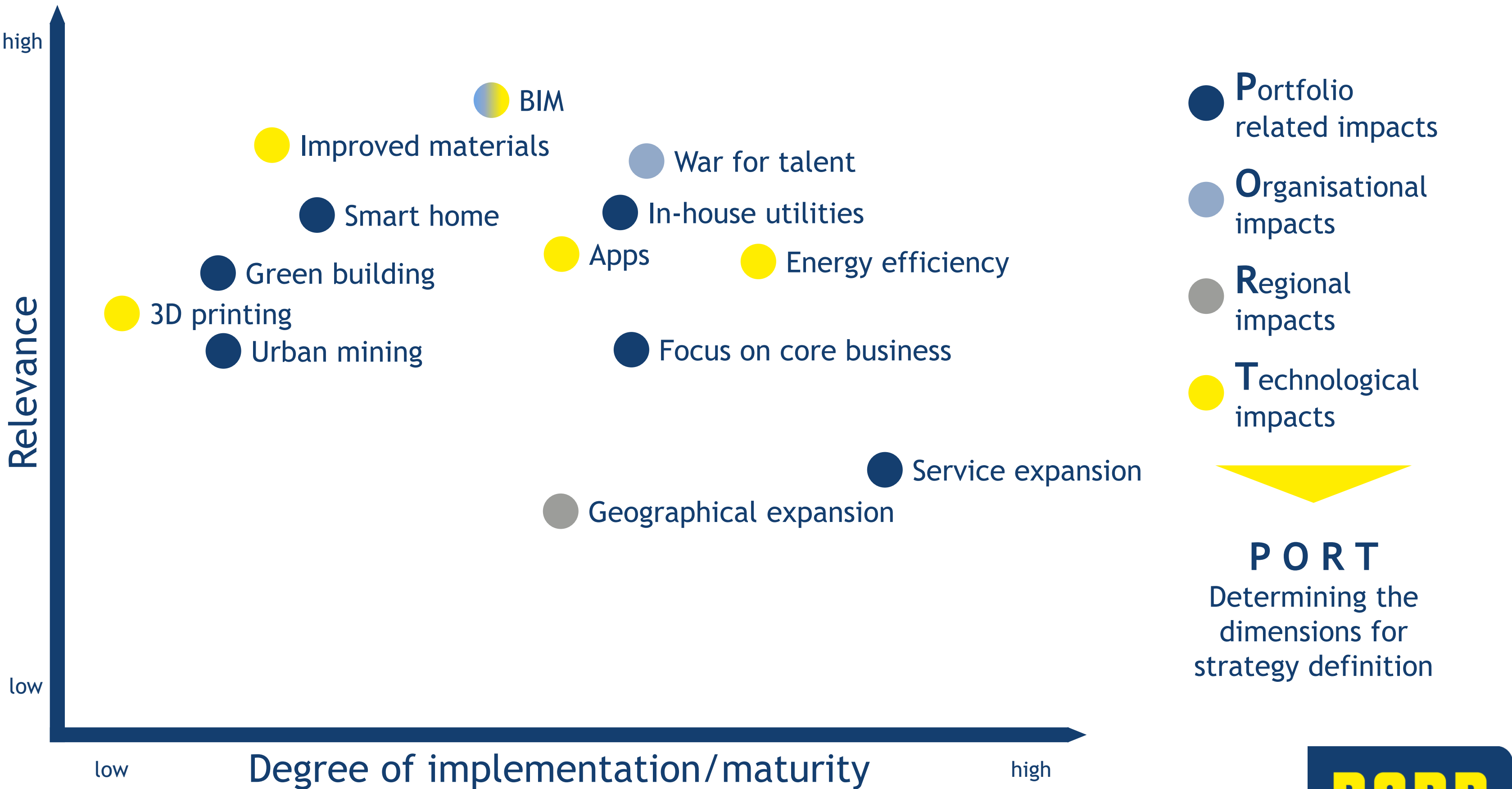
Project Markets (14% Production Share)



Target Markets



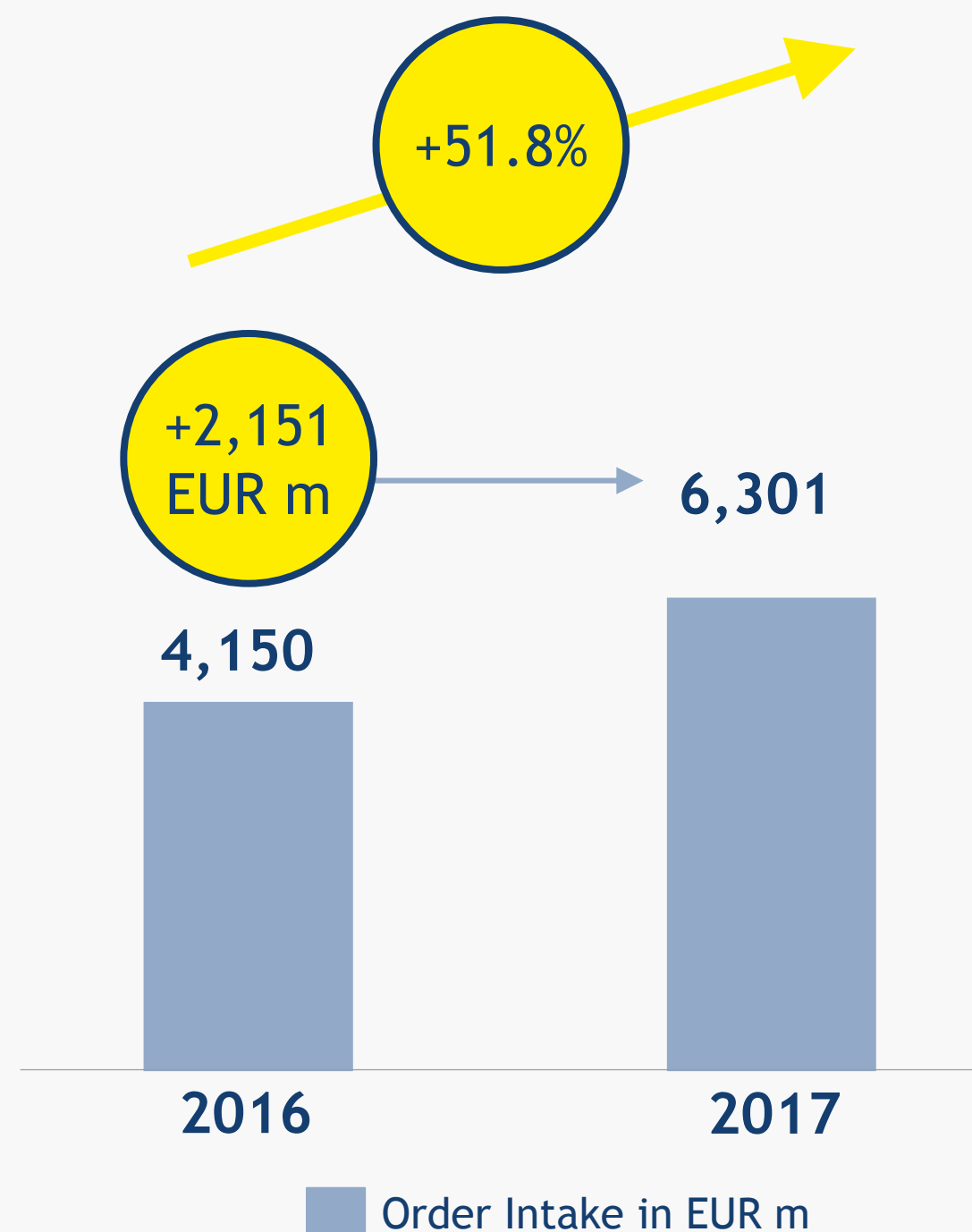
Selected Future Trends in Construction



Source: Roland Berger



New Orders with Landmark Projects



Selected Projects



General: Brenner Basistunnel
 Country: AT
 Value¹: EUR 966.1m
 Schedule: 2018 - 2024



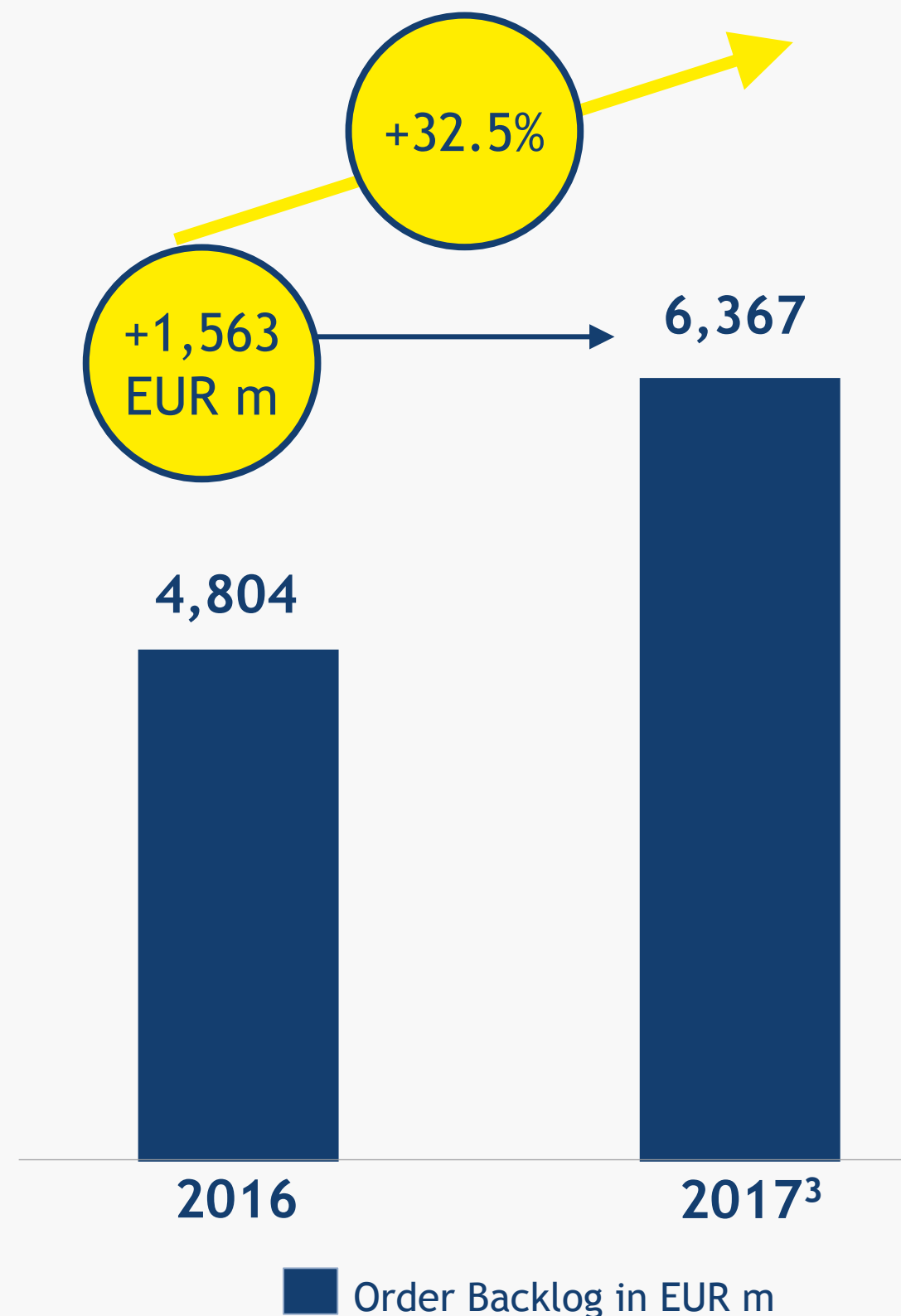
General: Office BMW
 Country: DE
 Value²: EUR 114.0m
 Schedule: 2017 - 2018



General: Railroad Poznań-Piła
 Country: PL
 Value²: EUR 112.5m
 Schedule: 2017 - 2019

1 Stated values are project values at time of contract award

Strong Order Book



Selected Projects



General: Office Europaallee Zürich¹
 Country: CH
 Value²: EUR 152.5m
 POC: 42.4%
 Schedule: 2015 - 2020



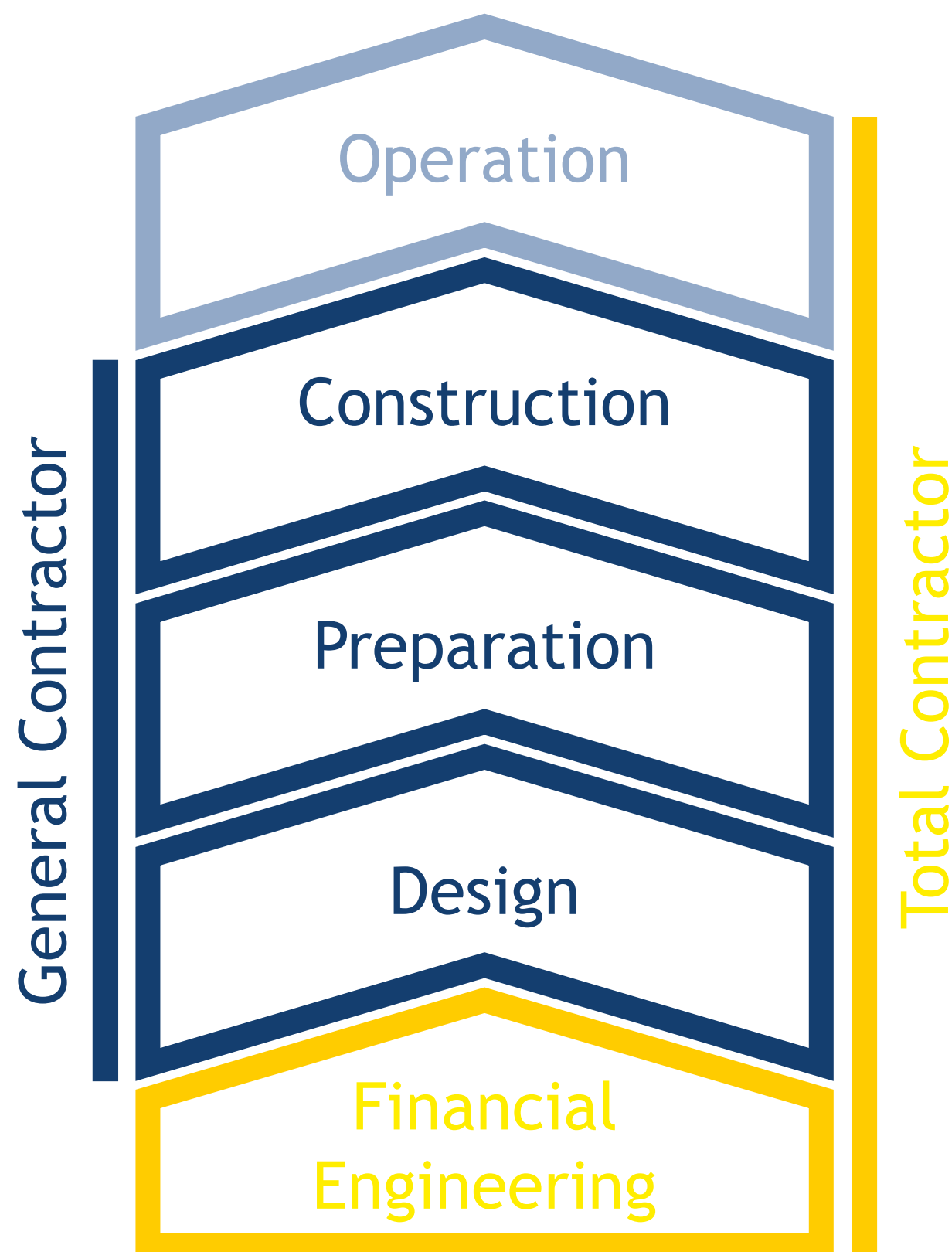
General: Emscher Tunnel
 Country: DE
 Value²: EUR 144.1m
 POC: 87.9%
 Schedule: 2013 - 2018



General: Expressway S17 Ryki
 Country: PL
 Value²: EUR 117.3m
 POC: 16.9%
 Schedule: 2015 - 2019

¹ Lot 1-4, ² Stated values are project values attributable to PORR at time of contract award
³ Preliminary figures 2017

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



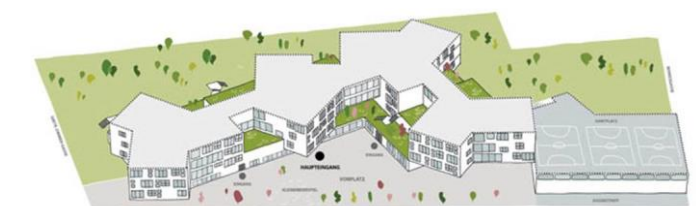
Bad Erlaa



Rohrbach

Financial Engineering

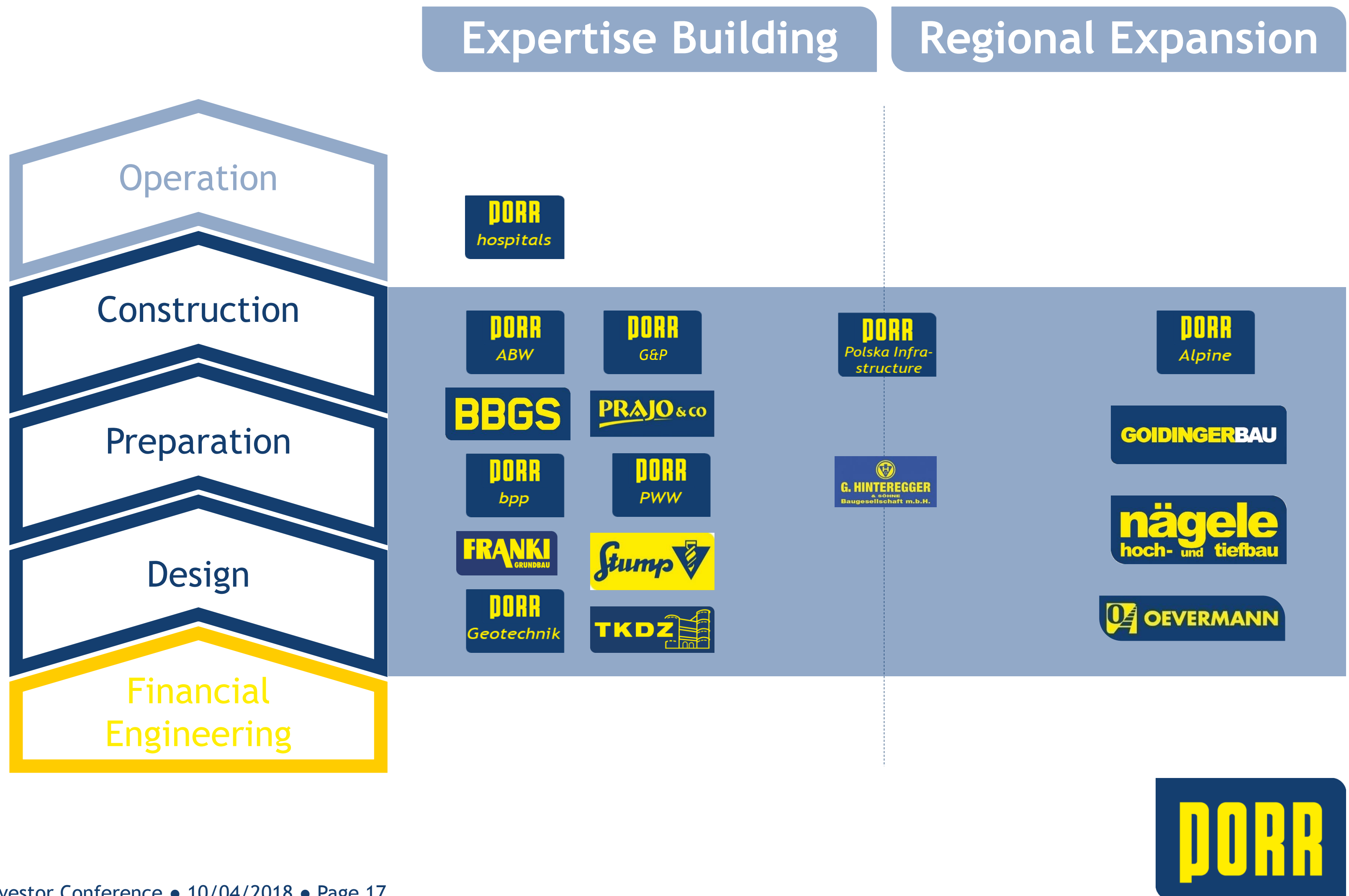
PPP-School "Berresgasse" Campus in Vienna...



...and also in civil engineering

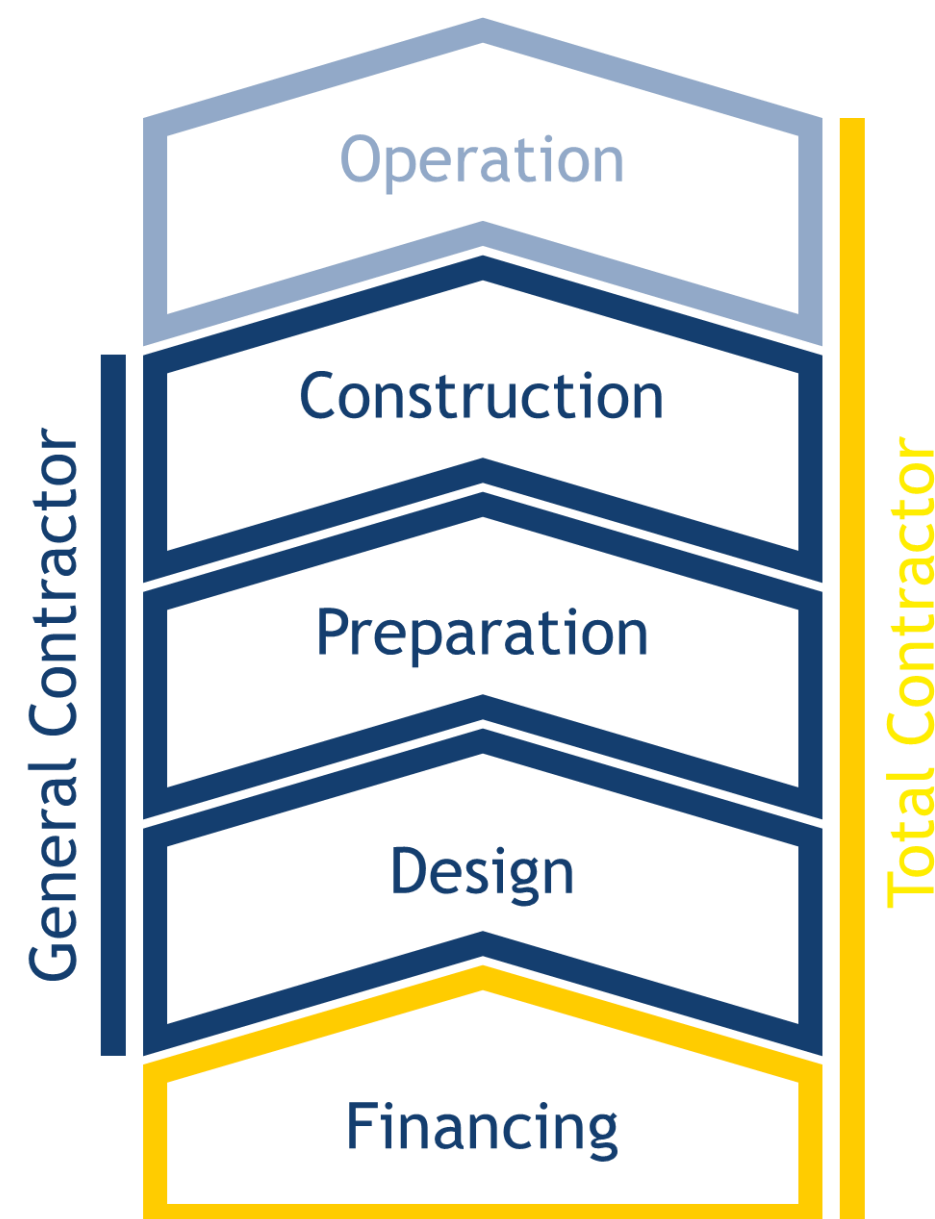
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M&A Activities by 2017



Selective Opportunities in Niches

Portfolio



Targeted acquisitions alongside the core competencies

- to selectively become "total contractor"
- to acquire unique expertise in specific segments
- to maintain a leading position in future business fields/technologies
- to close potential regional gaps in home markets

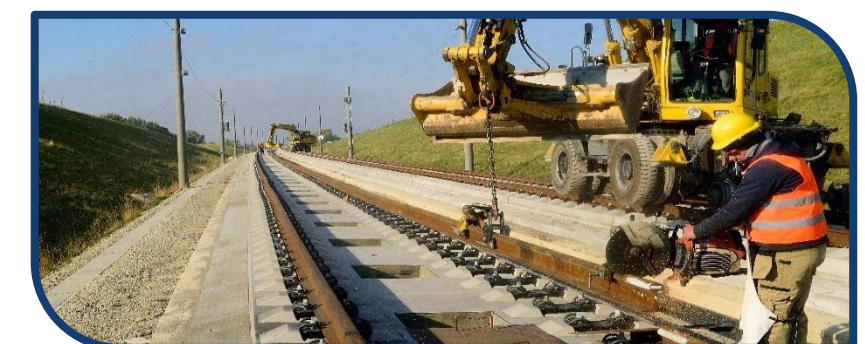
Bridge Construction



Tunneling



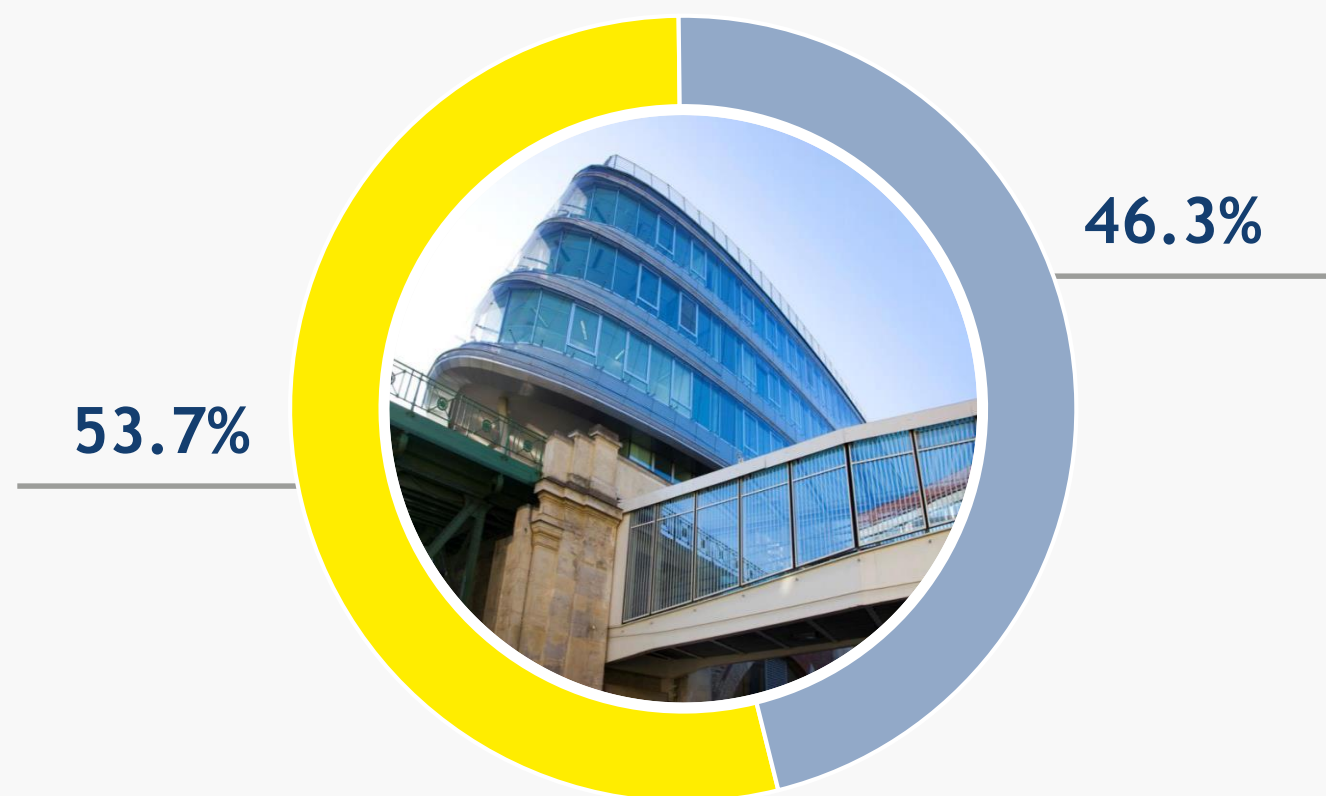
Railway Construction



PORR

Shareholder Focus - Consistent Dividend Policy

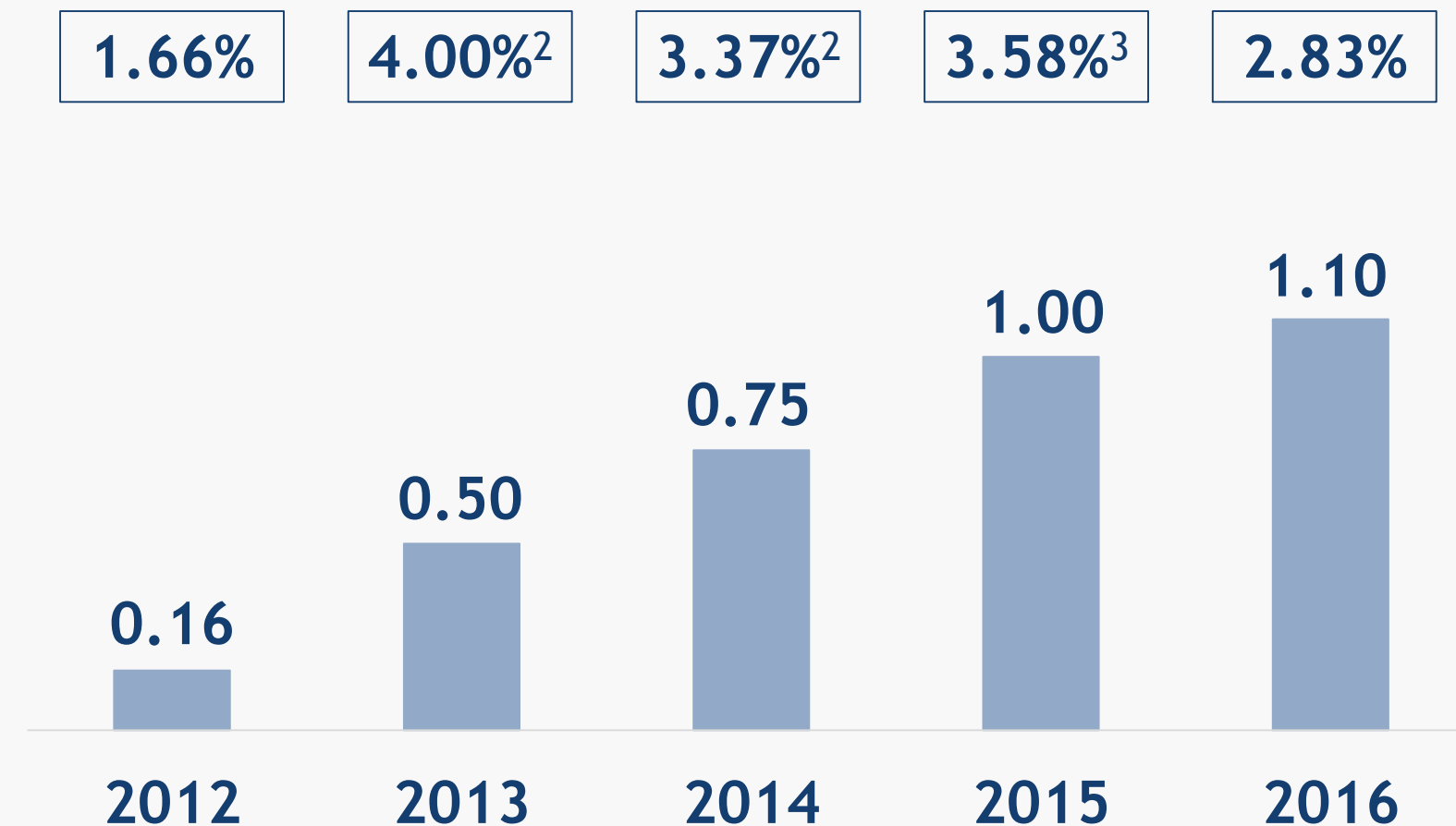
Ownership Structure



Syndicate (Strauss Group, IGO-Ortner Group)

Free float

Dividends



Dividends per share¹ in EUR

Dividend yield

As an owner-managed company there is strong focus on equity market

Stable dividend policy (30-50% payout ratio⁴) ensuring attractive and reliable returns for shareholders

¹ Adjusted for share split 2015 to allow for better comparison, ² Restated excl. discontinued operations, ³ In 2015 excluding additional scrip dividend, ⁴ Depending on M&A Strategy

Best Place to Work

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

Diversity@PORR

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

PORR Academy

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

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

New Organisational Framework far Beyond BIM

ORGANISATION



INTERNAL DIGITALISATION (e-billing, e-commerce, standardised workflows)

- Utilize key information efficiently
- Reduce administrative workload to focus management on core business

LEAN CONSTRUCTION (approach based on automotive “lean production” system)

- Minimize waste of materials, time and effort
- Systematically organise collaboration between all stakeholders

TECHNOLOGY



BIM (Building Information Modelling)

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

MACHINE-2-MACHINE (communication between all of PORR's machinery)

- To ensure highest availability or theft protection

PORR APPS (selection)



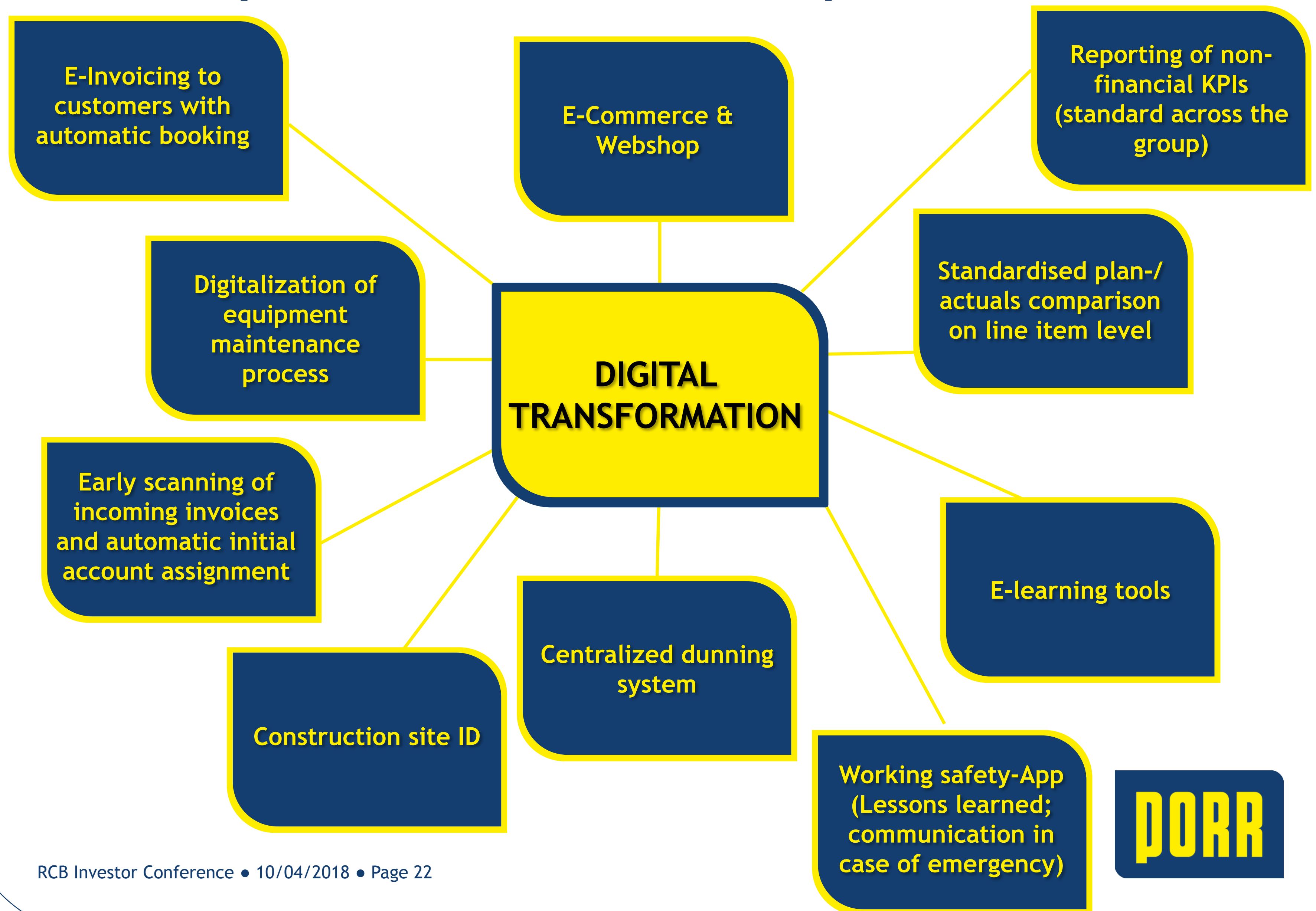
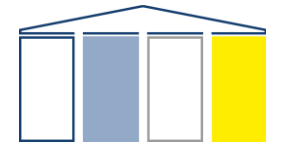
PORR
Weather App



PORR Defect
Radar App



Roadmap 2020: Selected Examples



Financial Performance

Key Figures

Historical financial development (in EUR m)

Production output

Revenue

EBT/EBT margin¹

-83.1

22.0

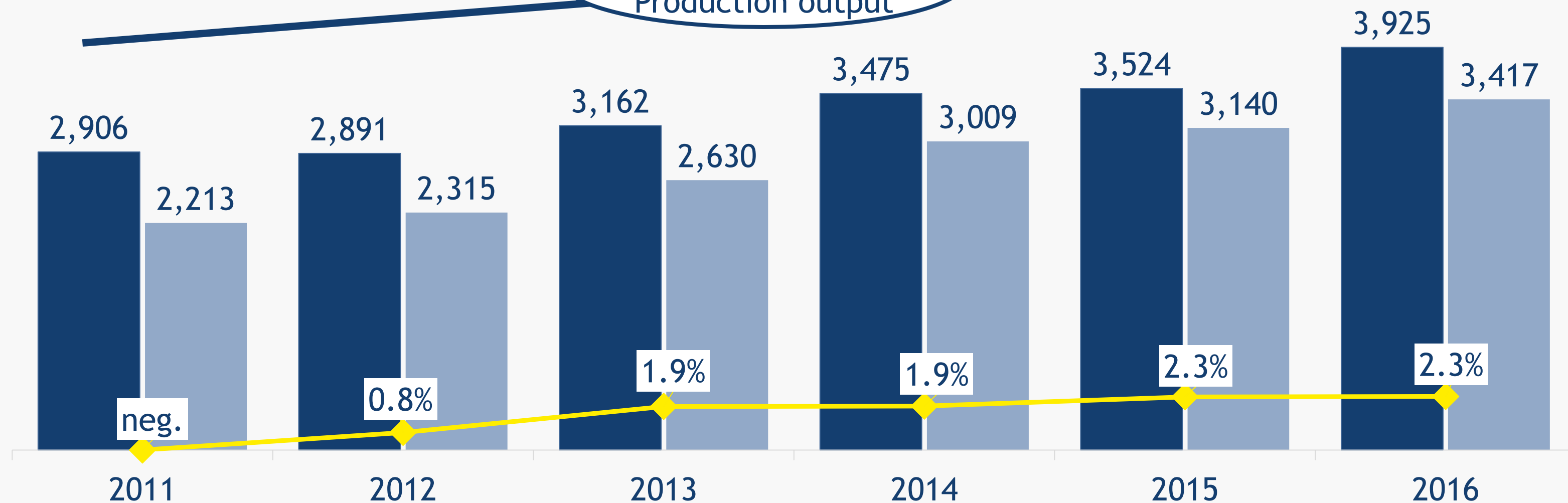
59.6

66.1

81.1

91.1

+6.2% CAGR
Production output



¹ EBT margin calculated as percentage of production output

Consolidated Income Statement

(EUR m ¹)	FY 2016	9M 2016	9M 2017	Change
Production output²	3,925.3	2,787.8	3,343.4	19.9%
Revenue	3,417.1	2,483.7	3,015.1	21.4%
Share of profit/loss of companies accounted for under the equity method	46.3	30.6	31.3	2.4%
Cost of materials and other related production services	(2,251.4)	(1,632.0)	(2,043.0)	25.2%
Cost of Materials	(643.9)	(454.7)	(627.6)	38.0%
Purchased services	(1,607.5)	(1,177.3)	(1,415.3)	20.2%
Staff expense	(874.1)	(663.5)	(749.0)	12.9%
Other operating result ³	(150.5)	(106.4)	(143.6)	35.0%
EBITDA	187.3	112.4	110.8	(1.4%)
- in % of Production output	4.8%	4.0%	3.3%	
Depreciation, amortisation & impairment	(87.3)	(63.2)	(77.7)	23.1%
EBIT	100.1	49.2	33.1	(32.8%)
- in % of Production output	2.5%	1.8%	1.0%	
Financial result	(9.0)	(8.4)	(4.7)	(44.5%)
EBT	91.1	40.8	28.4	(30.3%)
- in % of Production output	2.3%	1.5%	0.8%	
Taxes	(24.2)	(10.1)	(7.1)	(30.1%)
Profit for the period	66.8	30.7	21.3	(30.4%)

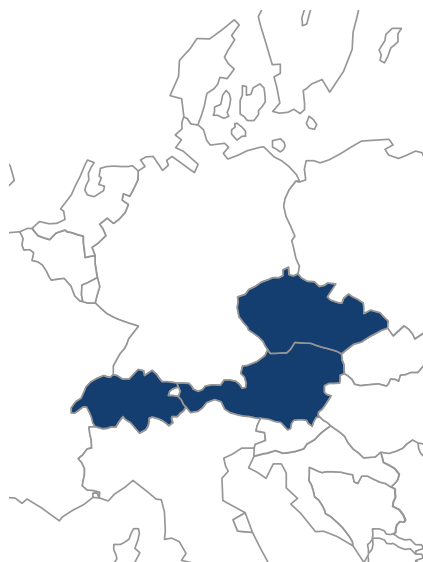

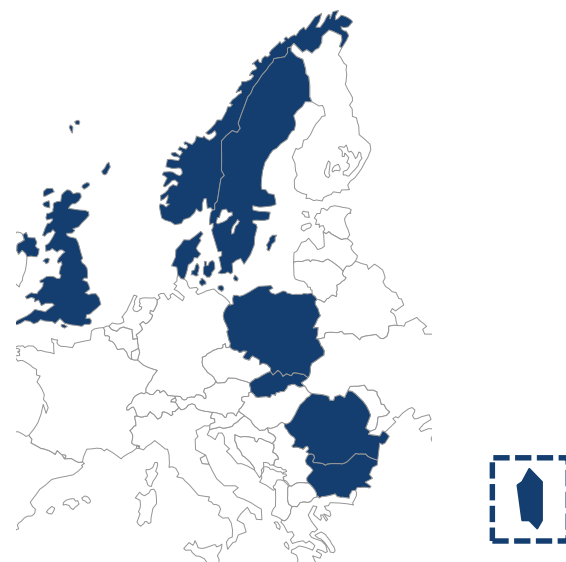

1 Rounding differences can appear, 2 Output of consortiums and all associates are included proportionally in production output which deviates from revenues pursuant to IFRS, 3 Own work capitalised in non-current assets included

Statement of Financial Position

(EUR m)		FY 2016	9M 2016	9M 2017
Assets	Non-current assets	801,3	770.7	1,014.1
	Current assets	1,560.8	1,508.3	1,806.7
	Total assets	2.362,1	2,278.9	2,820.9
Equity & liabilities	Equity ¹	440.9	399.0	554.0
	Non-current liabilities	562,7	557.7	678.9
	Current liabilities	1,358.5	1,322.3	1,587.9
	Total equity and liabilities	2.362,1	2,278.9	2,820.9
Ratios:	Net debt/Net cash ()	(53.3)	212.0	500.5
	Equity ratio	18.7%	17.5%	19.6%

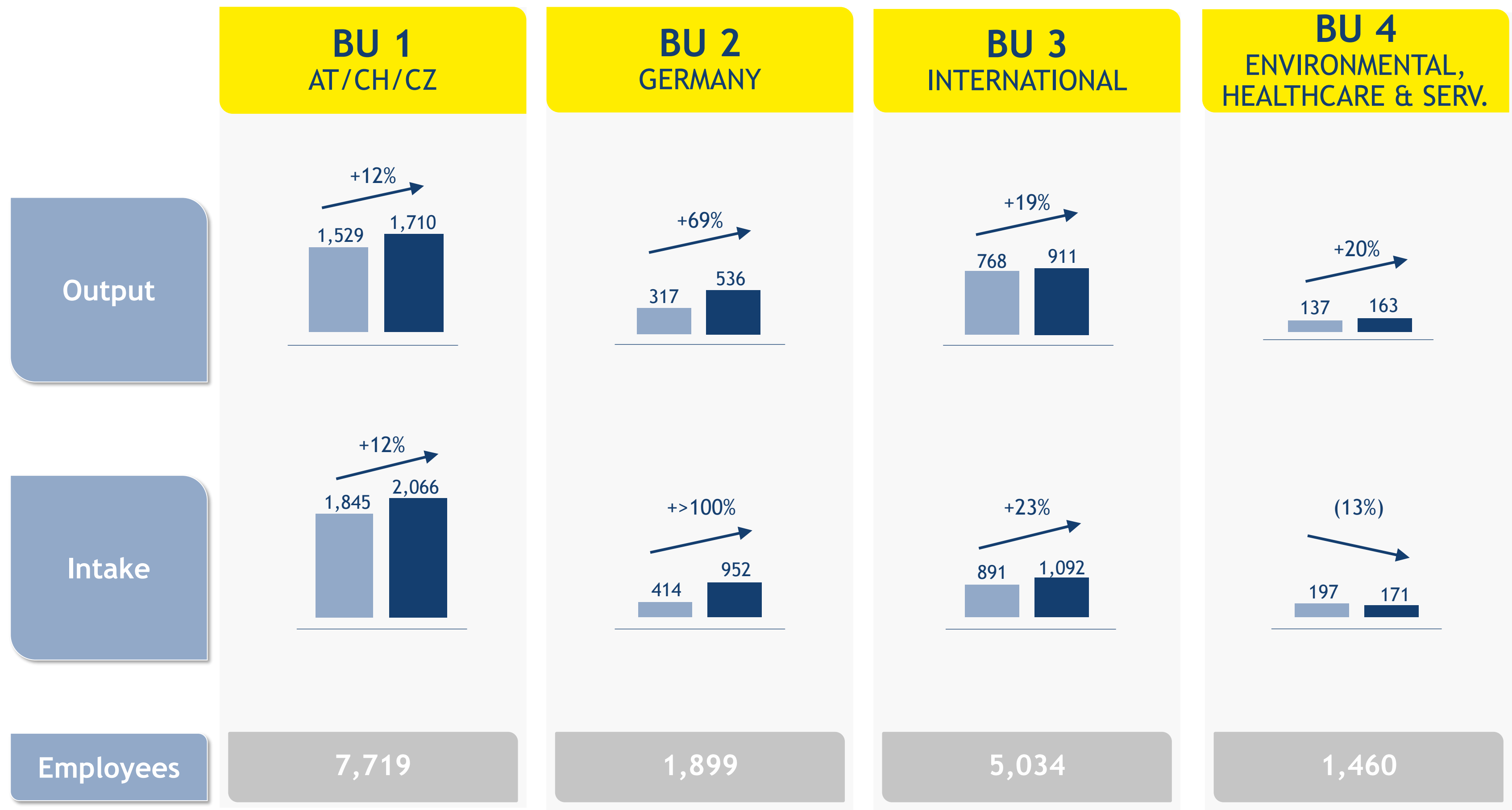
1 Incl. Non-controlling interests, 2 Bonds & SSD plus financial liabilities less cash and cash equivalents

Business Units (1/2)

	BU 1 AT/CH/CZ	BU 2 GERMANY	BU 3 INTERNATIONAL	BU 4 ENVIRONMENTAL, HEALTHCARE & SERV.
Production ¹ (in EUR m)	1,710 Share: 51%	536 Share: 16%	911 Share: 27%	163 Share: 5%
Description	<ul style="list-style-type: none"> PORR's largest business unit Focus on permanent business Residential, office, industrial and road construction 	<ul style="list-style-type: none"> PORR's 2nd biggest market Focus on permanent business Residential, office, industrial and road construction 	<ul style="list-style-type: none"> PORR's unit for technical leadership Focus on project business Especially tunnel and railway construction 	<ul style="list-style-type: none"> PORR's unit for promising niches Focus on project business Demolition, waste treatment, PPP, recycling, health care, property & facility management
Regional Focus				

¹ Data as of 9M 2017; Share of production output of PORR AG Holding ~1.0%

Business Units (2/2)



■ 9M 2016 in EUR m

■ 9M 2017 in EUR m



Key Messages

Our mid to long term strategy will remain unchanged to ensure a **sustainable development** for our shareholders

We are facing **favourable long term market fundamentals** in our home markets

After a period of strong growth and a subsequent integration phase, we are currently **refocusing management resources** on **cost efficiency** and **yield**

We are **ideally positioned** to succeed in the **war for talent**

We have a **clear roadmap** to fulfil the organisational and technological requirements for the **construction company of the future**

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

IR Information for PORR AG

Share Information

Share price ¹	EUR 27.70
Market capitalisation	EUR 805.9m
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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IR@porr-group.com

Financial Calendar 2018

26.04.2018	Annual Financial Report 2017
26.04.2018	Press conference
28.05.2018	Q1 2018
29.05.2018	138 th Annual General Meeting
05.06.2018	Trade ex-dividend
07.06.2018	Dividend payment (FY 2017)
29.08.2018	H1 2018
29.11.2018	Q3 2018

Research Reports

Berenberg Bank - Hold
Erste Group - Hold
Hauck & Aufhäuser - Buy
Kepler Cheuvreux - Hold
Raiffeisen Centrobank - Hold
SRC Research - Buy

