

# Press Release

## PORR expects negative result in 2020 due to COVID effects

Vienna, 17.11.2020 - Austria's second largest construction group, PORR, with about 20,000 employees, is expected to achieve a production output of more than EUR 5 bn in its 9 countries this year. The COVID pandemic also has a massive impact on PORR's business activities and, in addition to a revaluation of projects, will probably result in a negative EBT (earnings before taxes) in the range of EUR 45 - 55m for the Group.

Karl-Heinz Strauss, CEO of PORR: "The decline in production output due to direct and indirect consequences of COVID-19, such as defaults and disruptions due to travel restrictions, local lockdowns, subcontractor failures, additional costs that cannot be passed on, increased hygiene and safety measures and project postponements, on the one hand lead to a significant decline in the planned annual result. On the other hand, we have comprehensively reassessed all projects, including receivables. In particular, corrections have been made in structural engineering Germany, tunneling and individual projects in almost all countries".

### Positive outlook 2021

The order backlog for September 2020 remains at a very high level of EUR 6.8 bn and is of sustainable value. Net debt at the end of 2020 will show a further improvement on the prior-year figure. The equity ratio at year-end 2020 will remain at the same level as in the first half of the year and is therefore significantly higher than in 2019. The solid level of cash provides a stable basis for PORR. With its strong regional footprint, as a technology leader and as a total contractor, PORR is very well positioned in its markets.

For 2021, the management board expects a production output of approximately EUR 5.3 - 5.5 bn and a positive EBT margin of +1.3 - +1.5%. This outlook is based on the assumption that the negative effects of the pandemic will be overcome. This means that PORR will achieve the targets it announced in spring this year for 2020 one year later.

### Future programme PORR 2025

The future programme PORR 2025 brings a focus on the strengths of PORR in addition to optimising the efficiency of the organisation. Management structures will be streamlined, the business model will be sharpened and the portfolio will be adjusted selectively. The reorganisation in the administrative areas is expected to result in permanent cost savings of EUR 40 - 50m from 2022.

"The future programme PORR 2025 is the largest transformation programme in the history of PORR," says Karl-Heinz Strauss, CEO of PORR.

The interim report on the 3rd quarter 2020 will be published as planned on 26 November 2020.

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## Preliminary key data from the interim report on the 3<sup>rd</sup> quarter 2020:

in EUR m	Q1-3/2020	Change	Q1-3/2019
Production output <sup>1</sup>	3,778	-7.4%	4,080
Order backlog <sup>2</sup>	6,815	2,6%	6,640
Order intake	4,037	-6.9%	4,338
EBT	-62.4	<-100.0%	14.4
	<b>30.09.2020</b>	<b>Change</b>	<b>30.09.2019</b>
Net debt	434	-44.7%	785
Cash and cash equivalents	417	>100.0%	187

<sup>1</sup> The 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.

<sup>2</sup> The respective order backlog is adjusted for the values of the projects H51 Pfons - Brenner and A1 Rhine Bridge Leverkusen.

The figures have been rounded off using the compensated summation method. Relative changes (in percent) are derived from the non-rounded values.

You can find the press release here in the [PORR Newsroom](#).

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