



Press Release

PORR: Solid performance in first quarter

- Production output up by 4.1%
- Order backlog of EUR 8.4 bn at top level
- Successful cost management leads to higher earnings
- 2024 guidance confirmed

Vienna, 23.05.2024 - PORR proved exceptionally stable in the first quarter of 2024. Alongside clear growth in production output, the company once again increased its EBIT by 14.4%. Civil engineering and infrastructure construction served as growth drivers.

“PORR has mastered the first quarter of 2024 with elan and was once again able to hold its own in a difficult market environment”, said CEO Karl-Heinz Strauss. “The pleasing development of production output and the order backlog as well as the increase in earnings confirm that PORR is ideally positioned with its broad range of services and its expertise in infrastructure”.

Civil engineering was the main growth driver in the sector - this was also reflected in the order books. Here PORR not only succeeded in increasing its order intake, particularly in Austrian railway construction and structural engineering. Added to this were areas like Polish industrial construction, which provided stability in building construction. Major new orders thereby included a waste-to-energy plant in Gorlice, Poland, worth around EUR 96m, and the railway engineering equipment for the Semmering Base Tunnel with an order value of almost EUR 90m. There was a significant increase in orders in tunnelling. In total, the order backlog rose by 2.8% to EUR 8,439m.

PORR's production output totalled EUR 1,323m in the first quarter of 2024, making it 4.1% higher than the previous year's figure. This growth is attributable in particular to infrastructure projects in Romania and Germany. These include the construction of the Sibiu - Pitești motorway in Romania, the tunnelling of the Elbe as part of the SuedLink project, and the conversion of the Forbach pumped storage power plant in Germany.

Despite the order situation in residential construction remaining subdued, PORR won several major orders in this sector in the first quarter. These include the Garstedt quarter with 198 apartments in Norderstedt, Germany, and 146 apartments for the WIGEBÄ non-profit housing association in the Village im Dritten in Vienna.

Earnings go up as costs go down

In the first quarter - traditionally the weakest quarter of the year due to seasonal factors - PORR's revenue remained stable compared to the same period last year at EUR 1,275.6m (1-3/2023: EUR 1,266.3m). Thanks to efficient supplier management, the cost of materials and other related production services was reduced by 4.0%. This resulted in a substantial increase in EBIT of 14.4% to EUR 11.3m. The EBIT margin in relation to revenue was therefore 0.9%. In addition, PORR saw EBT almost double from EUR 4.5m to EUR 8.0m, while the EBT margin in relation to production output rose to 0.6%.

Optimised capital structure

PORR's balance sheet structure was also robust: Standing at EUR 4,146m, total assets as of 31 March 2024 were almost unchanged against the end of the previous year. Equity fell by 5.2% to EUR 815m (31 December 2023: EUR 860m). However, this was solely due to the early repayment of profit-participation rights with a nominal value of EUR 40.0m and interest payments on hybrid capital. The equity ratio was therefore 19.7%, a significant increase of 0.5 PP compared to the same date last year (31 March 2023: 19.2%).

The reduction in the working capital increase led to a significant rise in cash flow from operating activities of EUR 59.8m compared to the same period of the previous year and totalled EUR -20.6m. As of 31 March 2024, PORR's cash and cash equivalents amounted to EUR 478.3m, while the liquidity reserve stood at EUR 883.6m.

Outlook 2024

Economic growth remains subdued overall and this also applies to the construction sector. Trends such as a good pipeline in civil engineering and infrastructure construction, an impacted residential construction sector, and solid demand in industrial construction will continue to shape the year. Projects related to the green transformation and the energy transition are providing significant impetus for the construction industry. "We are ideally positioned here with our Green and Lean strategy", said PORR CEO Karl-Heinz Strauss. He sees grounds for optimism: "We expect the industry to recover over the course of the year, partly due to the expected interest rate cuts and the ongoing support measures from the European Recovery and Resilience Facility".

Based on the high order backlog of EUR 8,439m, the Executive Board continues to expect a moderate increase in output for 2024. At the same time, it expects a rise in EBIT.

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>	1-3/2024	% Δ	1-3/2023
Production output ¹	1,323	4.1%	1,271
Average staffing levels	20,069	3.5%	19,383
Order backlog	8,439	2.8%	8,211
Order intake	1,311	2.6%	1,278
Revenue	1,275.6	0.7%	1,266.3
EBITDA	60.2	11.4%	54.0
EBIT	11.3	14.4%	9.9
EBT	8.0	78.8%	4.5
Profit for the period	6.0	> 100.0%	2.6
<i>Financial position indicators (EUR m)</i>	31.03.2024	% Δ	31.03.2023
Total assets	4,146	0.2%	4,139
Equity capital	815	2.5%	795
Equity ratio	19.7%	0.5 PP	19.2%
Net cash	107	7.4%	100

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.

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

You can find the press release [here](#) in the PORR Newsroom. The interim report on the first quarter of 2024 can be downloaded [here](#).



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