

FY 2015 of PORR AG

NEW WORLDS

Investor Presentation

April 2016

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01

HIGHLIGHTS



Strong Full Year: Delivering Solid Performance in Stable Home Markets

Sustainable revenue growth

+4.3% 

Continued growth
in revenues

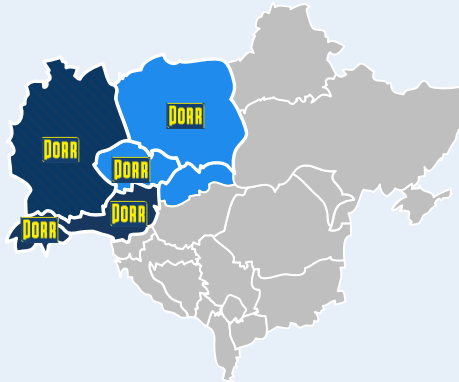
+39% 

CAGR in EBT
over the last four years



86%

of production output
generated in strong
home markets



+12.8% 

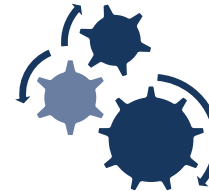
Full order book of
EUR 4.6bn with a
high visibility

Healthy Balance Sheet and Track Record on Cash Generation

Solid full year results enabling attractive dividends

+25.9%

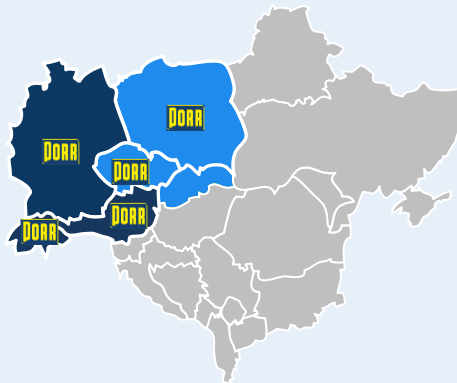
Strong positive cash flow from operations



Solid balance sheet enables operational and investment flexibility

186.5_{mn}

of Net cash – a significant increase for the second time in row



+33%

Continued increase in dividends¹ and EUR 0.50 scrip dividend

¹ Proposal to AGM

Key Figures FY 2015

EUR m

	<u>FY 14¹</u>	<u>FY 15</u>	<u>Change³</u>	
Production output²	3,474.9	3,523.7	+1.4%	▶ Growth path in Germany, Switzerland, Cz Rep.
Order Intake	3,135.4	4,044.6	+29.0%	▶ Sound order intake driven esp. by DACH region
Order Backlog	4,058.4	4,579.3	+12.8%	▶ Backlog reached a new all-time-high
Revenues	3,009.1	3,139.7	+4.3%	▶ Reflecting lower joint ventures' output
EBITDA	156.4	165.9	+6.1%	▶ EBITDA increase by +6.1% mainly due to improved cost base & project management
EBITDA %	4.5	4.7		
EBT	66.1	81.1	+22.7%	▶ Clear roadmap of margin improvement Substantial enhancement in financial result
EBT %	1.9	2.3		
Periodic result	48.6	61.0	+25.7%	▶ Net income affected by a tax rate of 24.7%
Earnings per share	1.61⁴	2.02	+25.5%	▶ Strong and stable results increasing by +25.5%
Cash Flow from Op.	153.7	193.4	+25.9%	▶ Improved working capital management
Net Cash	65	187	+187.7%	▶ Substantial increase in net cash position

1 Restated excl. discontinued operations

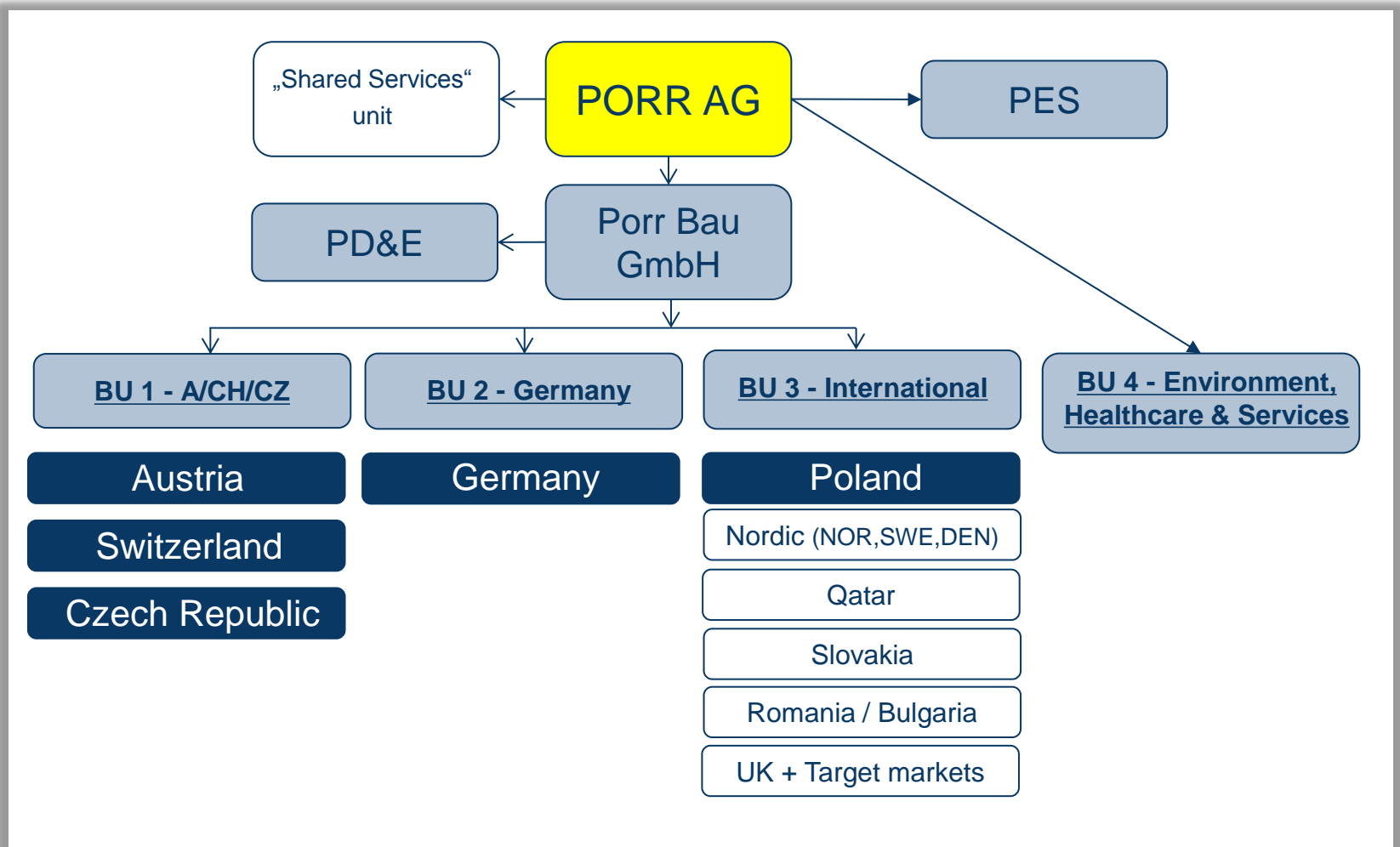
2 Output of consortiums and all associates are included proportionally in production output which deviates from revenues according to IFRS

3 Rounding differences can appear 4 EPS of continued operations

2015 Milestones – 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 1.50, including 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



2015 Strategy Achievements

MARKETS

- Strong 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 footprint in **Norway**

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**

TECHNOLOGY & INNOVATION

- Development and strengthening of **key technologies as BIM**
- Investments in IT infrastructure

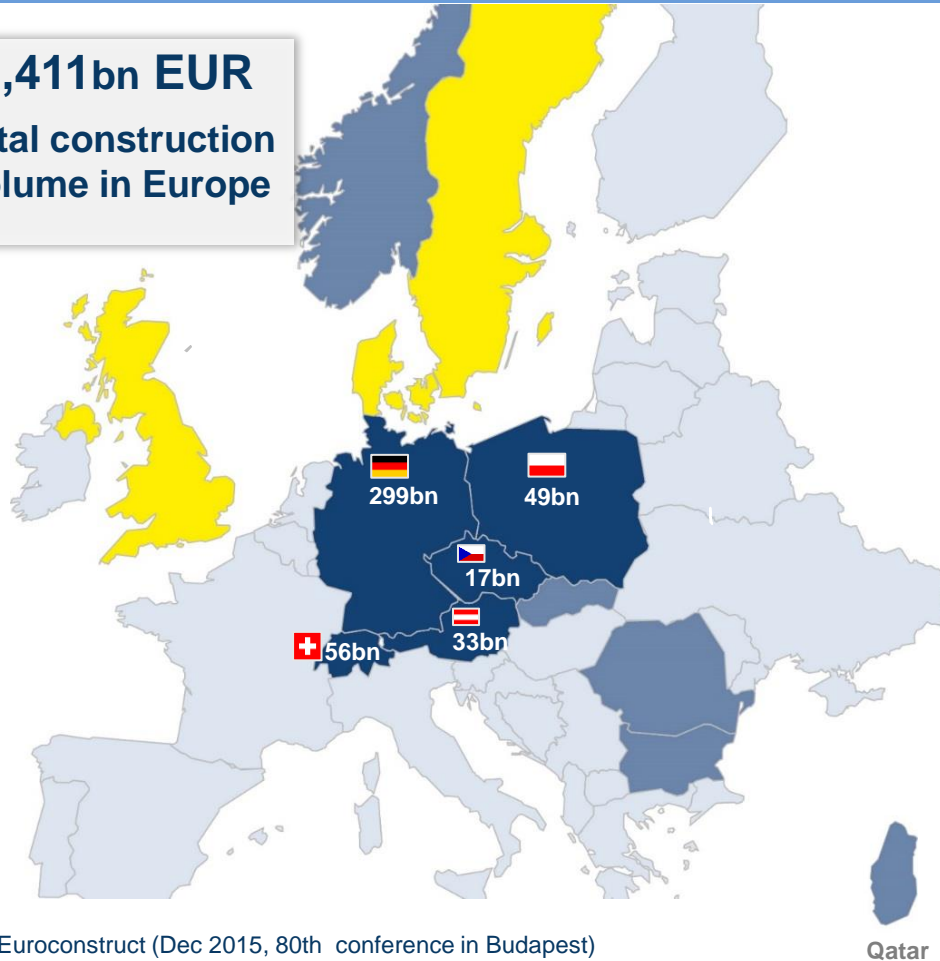
CULTURE

- 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 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

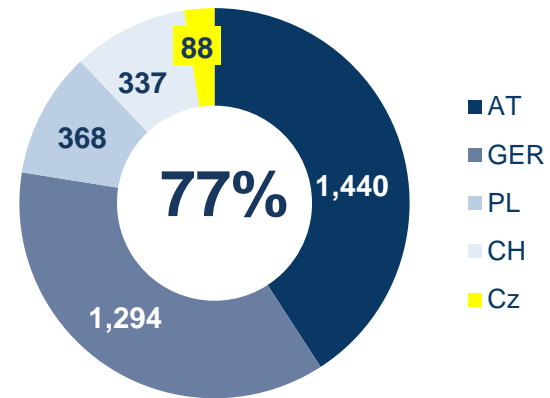
- Project approach / strict project selection in infrastructure sector
- Clear rules for market entry:
Project – Partner – Team

A Stable and Consistent Business Supported by a Full Order Pipeline

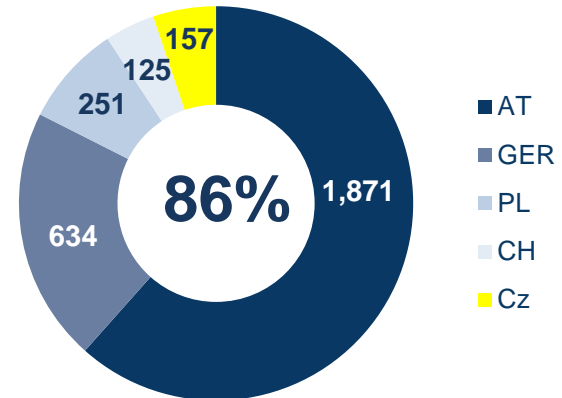
PORR Markets – focused business model



Order backlog by region, EURm



Production output by region, EURm



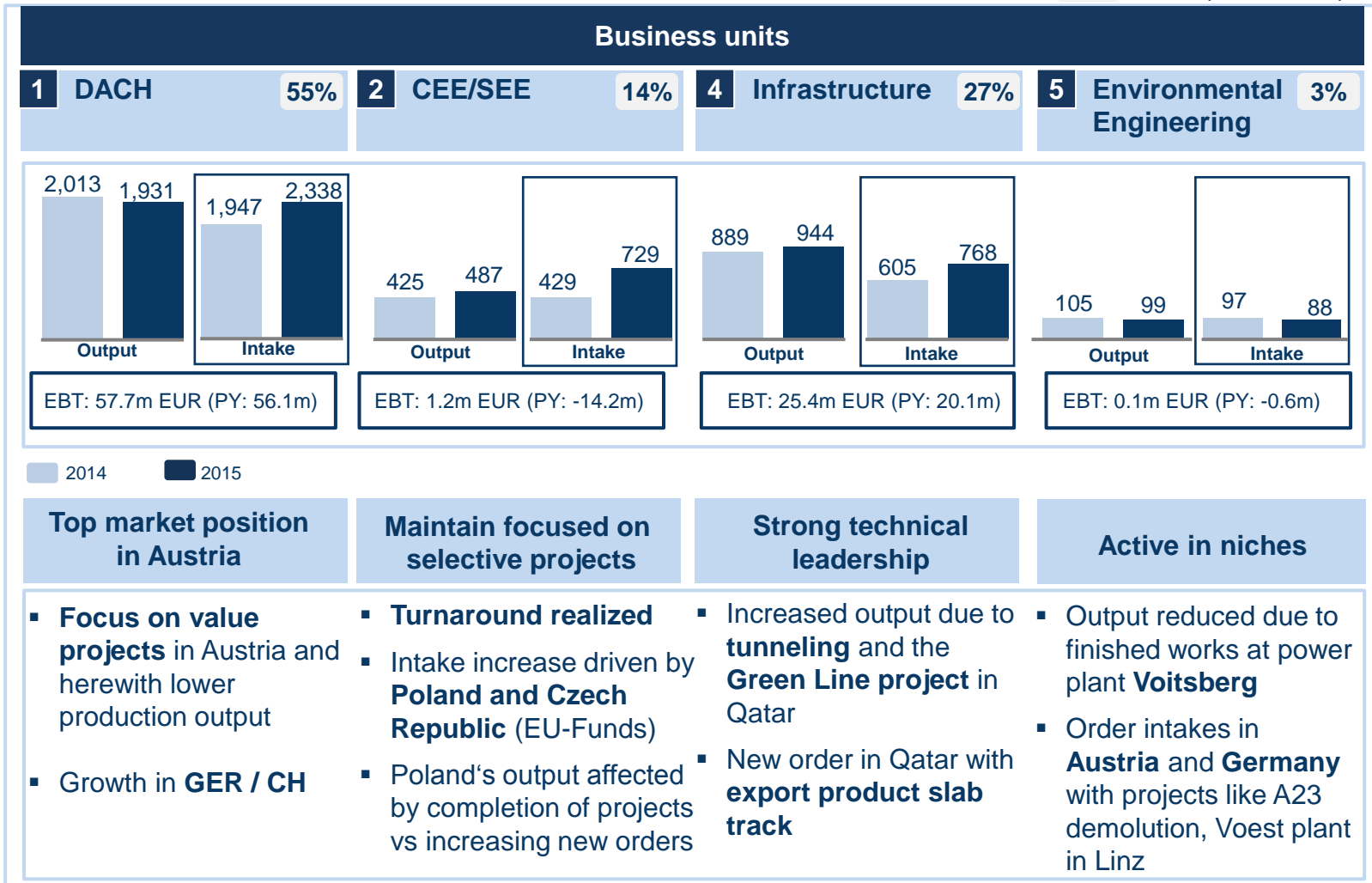
03

Operational Performance



Strong Operating Performance Drives Earnings Up

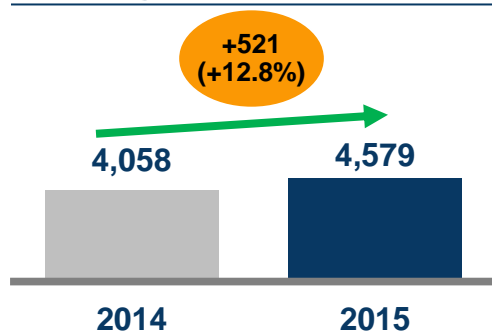
...% share of production output



Quality Pipeline until 2020 and Beyond

Order backlog and TOP 15 Projects in FY 2015 (EUR m)

Backlog



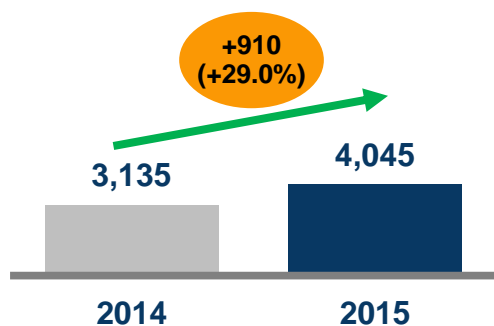
Selected projects	Country	EUR m ¹	Entry	Duration	POC
Metro Doha "Green Line"	QA	944	Jun-13	Jun-18	38.6%
KAT 3 Koralm tunnel	AT	297	Jun-13	Jul-20	27.2%
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	Jul-20	26.7%
Tunnel Alaufstieg	DE	235	Oct-12	Feb-19	39.8%
Slab track General	QA	162	Jun-15	May-18	3.9%
Europaallee ZH Lot 1 – 4	CH	153	Feb-15	Jun-20	9.6%
Emscher BA 40	DE	144	Dec-13	Apr-19	41.2%
Expressway S 17 Ryki	PL	117	Nov-15	Jun-19	0.1%
Slab track Coburg Ilmenau	DE	103	Nov-12	Jun-16	90.3%
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	Dec-18	26.4%
Hospital Vienna North	AT	98	May-12	Mar-17	92.5%
Motorway Sebes-Turda	RO	96	Apr-14	Mar-17	44.1%
Bavaria Towers	DE	82	Jun-15	Mar-18	4.2%
Smart Campus	AT	79	Jul-14	Jun-16	72.7%
Expressway S6 (Kolobrzeg)	PL	66	Nov-15	Sep-19	0.0%

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

Value Over Volume: Order Intake With a Balanced Project Size

Order intake increase by 29.0% over all Business units in FY 2015 (EUR m)

Intake



Selected projects	Country	EUR m ¹	Entry	Duration
SL-G Slab Track General	QA	162	Jun-15	May-18
Europaallee ZH Lot 1-4	CH	153	Feb-15	Jun-20
Expressway S 17 Ryki	PL	117	Nov-15	Jun-19
Bavaria Towers	DE	82	Jun-15	Mar-18
Expressway S6 (Kolobrzeg)	PL	66	Nov-15	Sep-19
Haribo Lot2	DE	63	Sep-15	Apr-17
Albula Tunnel	CH	47	Mar-15	Dec-20
University hospital Cracow	PL	38	Feb-15	Apr-19
Monte Laa BP 5	AT	35	May-15	Oct-17
Living and Hotel Freiburg	DE	35	Jun-15	Apr-17
Ceneri Basistunnel	CH	35	Mar-15	Aug-20
WHA Pfarrwiesengasse 23	AT	32	Jun-15	Apr-17

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

04

FINANCIAL SECTION



Consolidated Income statement

EUR thd

	2012	2013 ²	2014	2015	Δ %	Comments
Production output¹	2,905,634	3,162,079	3,474,885	3,523,752	+1.4%	Revenue/output stable High order intake level
Revenues	2,314,828	2,630,025	3,009,118	3,139,687	+4.3%	
Material costs	-1,455,484	-1,748,711	-2,026,001	-2,060,827	+1.7%	Reduced material cost base and optimized project execution
- Material costs	-558,339	-619,721	-680,195	-651,443	-4.2%	
- Purchased services	-897,145	-1,128,990	-1,345,806	-1,409,384	+4.7%	
Staff costs	-625,309	-669,814	752,960	- 807,638	+7.3%	Staff increase in line with order intake development
Other operating results	-154,609	-103,943	- 140,779	-152,052	+8.0%	Lower operating income by EUR -17.7m
EBITDA	103,837	146,614	156,424	165,942	+6.1%	Improved cost base and project execution
EBITDA³ %	3.6	4.6	4.5	4.7		
Depreciation	-50,028	-65,736	-74,716	-78,172	+4.6%	Higher investments
EBIT	53,809	80,878	81,708	87,770	+7.4%	EBIT increase by +7.4% to EUR 87.7m
EBIT³ %	1.9	2.6	2.4	2.5		
Financial result	-31,801	-21,287	-15,608	-6,657	-57.4%	Significantly improved liquidity
EBT	22,008	59,591	66,100	81,113	+22.7%	Consistent improvement of margins
EBT³ %	0.8	1.9	1.9	2.3		
Taxes	-4,015	7,059	-17,542	-20,069	-14.4%	Tax rate of 24.7%
Periodic result	17,993	52,532	48,558	61,044	+25.7%	EPS increase to EUR 2.02

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

2 Restated excl. discontinued operations

3 Margins calculated on production output

Consolidated Balance Sheet

EUR thd

		<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>30.12.2015</u>	
Assets	Long-term assets	1,101,407	1,068,659	728,013	715,871	Comments Higher investments: equipment, project „new world of work“ Strong liquidity base: increase of cash by EUR +122m Increase in receivables by +3.7%
	Short-term assets	959,334	1,227,811	1,418,017	1,588,126	
	Total assets	2,060,741	2,296,470	2,146,030	2,303,997	
Liabilities & equity	Equity (incl. non-controlling interest)	322,553	347,662	385,171	412,118	Stable equity ratio of 17.9% Treasury shares of 2.0% Placement of a SSD (loan of promissory note) of EUR 185.5m Stable level of payables Reduced fin. liabilities Consolidation of Bilfinger Infrastructure S.A. in Poland
	Long-term liabilities	595,591	668,692	408,830	551,655	
	Short-term liabilities	1,142,597	1,280,116	1,352,029	1,340,224	
	Total assets	2,060,741	2,296,470	2,146,030	2,303,997	
Ratios	Net debt ¹ (EUR m)	586	357	-65	-187	
	Equity ratio (%)	15.7	15.1	18.0	17.9	

¹ Bonds plus financial liabilities less cash and cash equivalents

Unique Step in Austria – First Scrip Dividend Ever: PORR Plans to Increase Ordinary Dividend and to Offer an Additional Extraordinary Scrip Dividend

Dividend Proposal

- PORR will propose an ordinary **dividend of EUR 1.00** as a cash payment – an increase by 33%
- In addition, shareholders will be offered 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



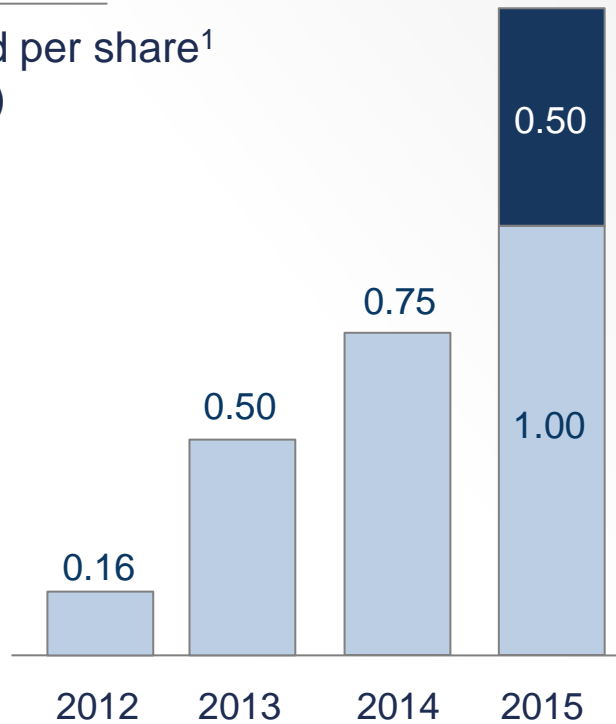
Next steps

- Detailed information will be given **three weeks before** general meeting (24. May 2016)
- A **subscription period of two weeks** in June, provided positive resolution at AGM
- **Subscription ratio** will be determined after the end of the subscription period

Sustainable Dividend Policy

Dividends

Dividend per share¹
(in EUR)

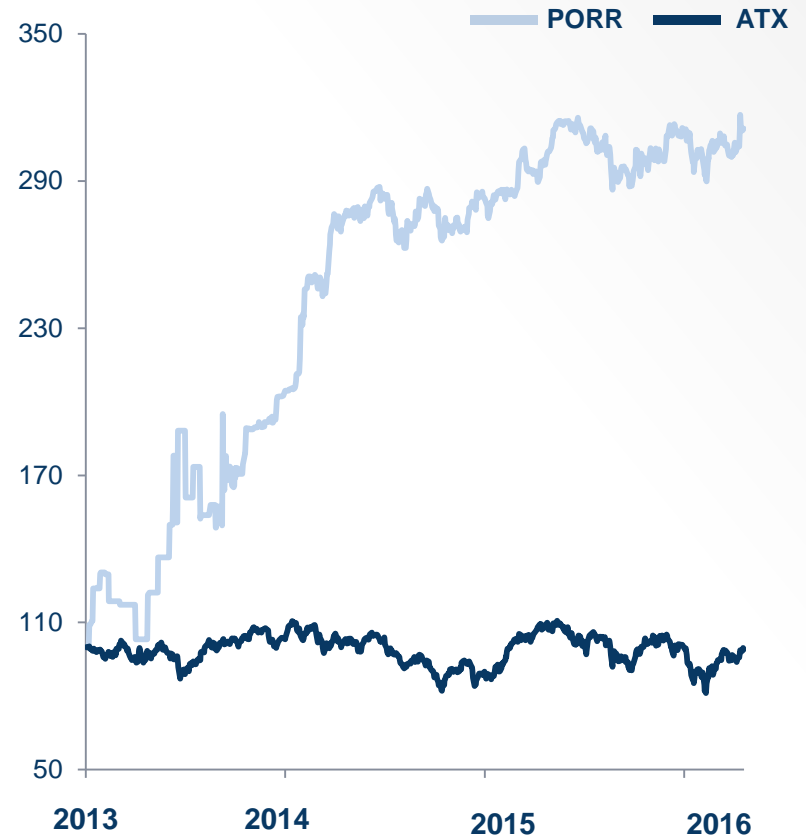


Dividend
yield



PORR Share as compared to market ⁴

Induced share price and values



1 Adjusted to share split 2015 to allow better comparison
2 Restated excl. discontinued operations

3 Dividend yield including scrip dividend
4 Data as per 20.04.2016

05

KEY TAKEAWAYS



A Step Ahead: 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
- 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**
Focus on BIM (5D), IT streamlining



YOUR QUESTIONS

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