

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

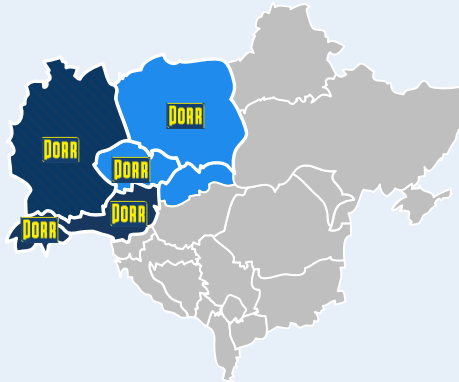
+39% 

CAGR in EBT
over the last four years



86%

of production output
generated in strong
home markets



+12.8% 

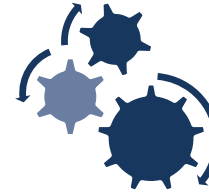
Full order book of
EUR 4.6bn with a
high visibility

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_m

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

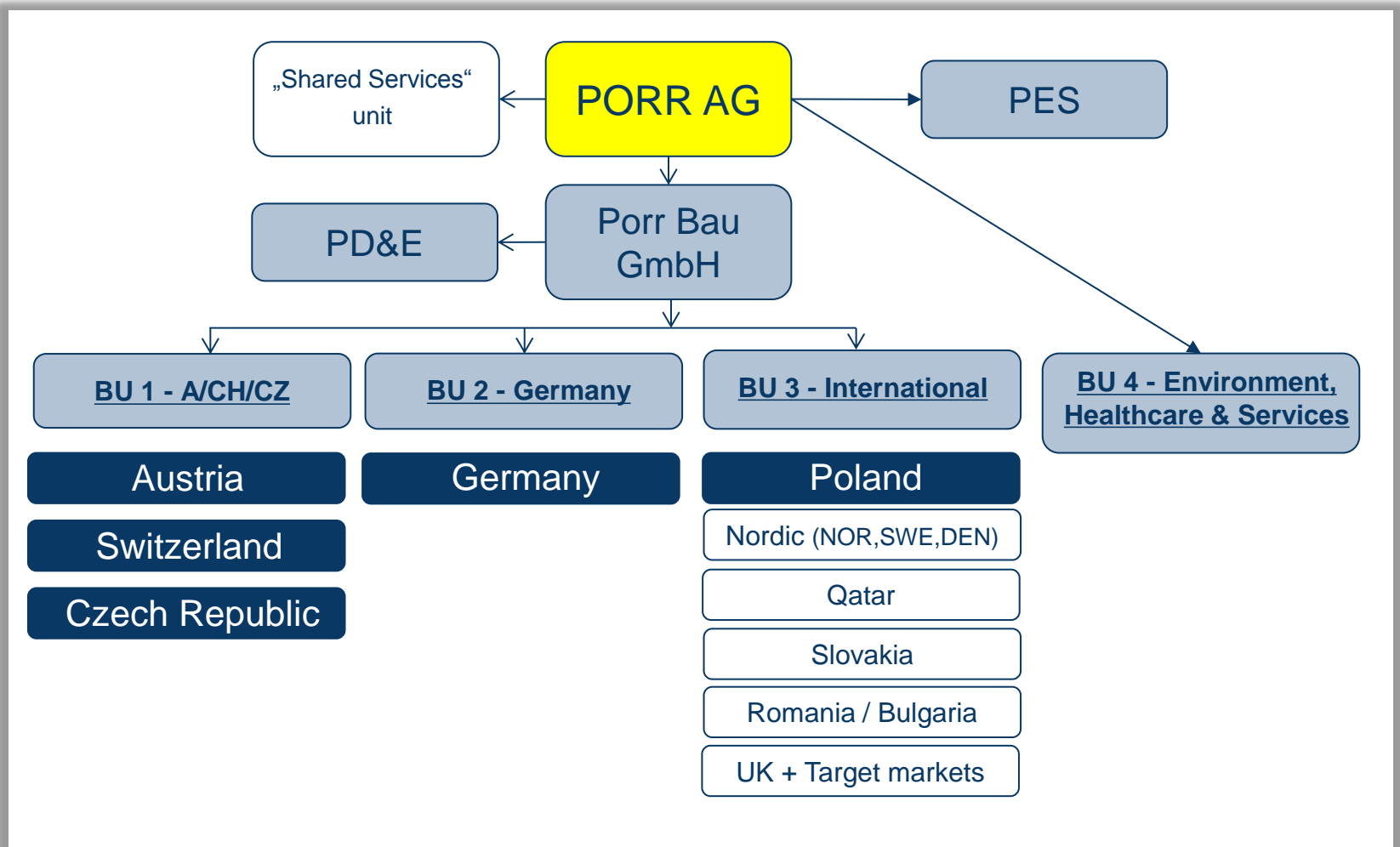
2 Output of consortiums and all associates are included proportionally in production output which deviates from revenues according to IFRS

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



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

CULTURE

Best place to work
Excellent customer relationship
We work hard to be the best
Entrepreneurial spirit

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

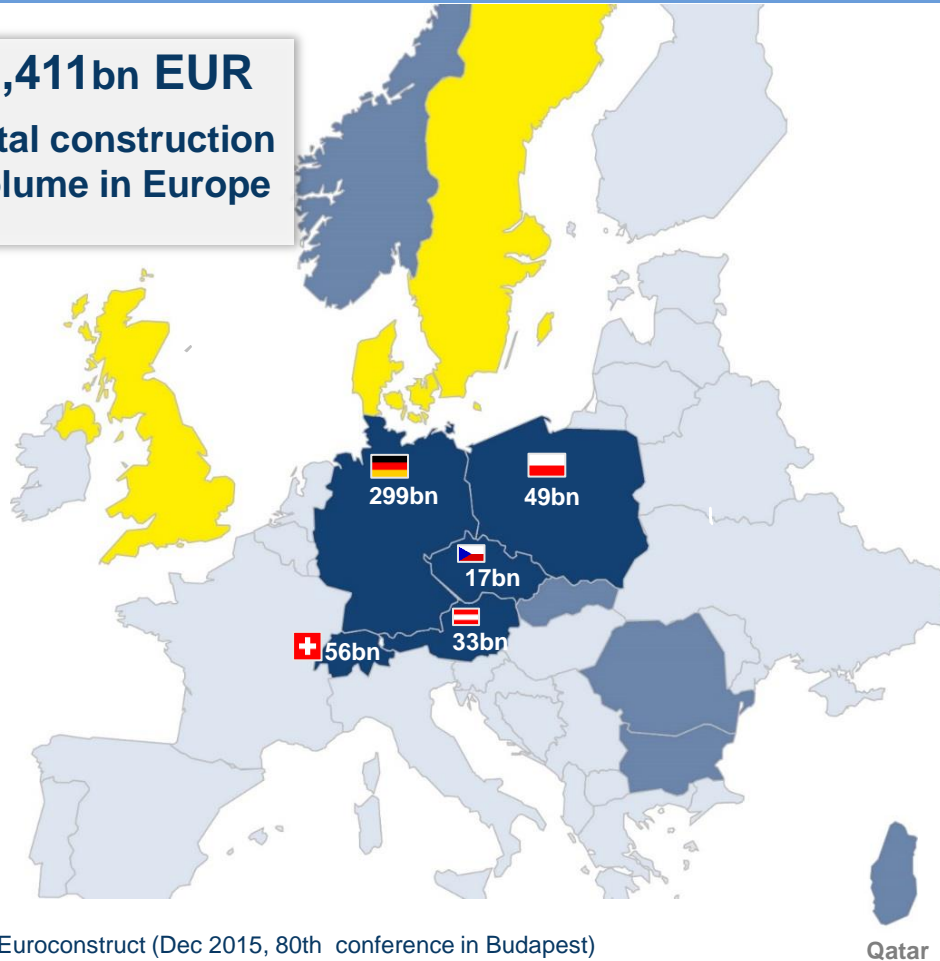
CULTURE

- 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

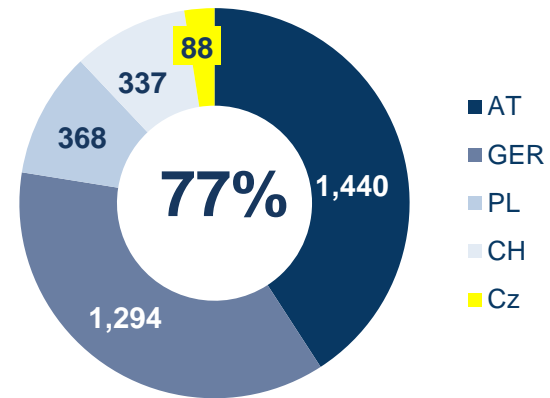
- Project approach / strict project selection in infrastructure sector
- Clear rules for market entry:
Project – Partner – Team

A Stable and Consistent Business Supported by a Full Order Pipeline

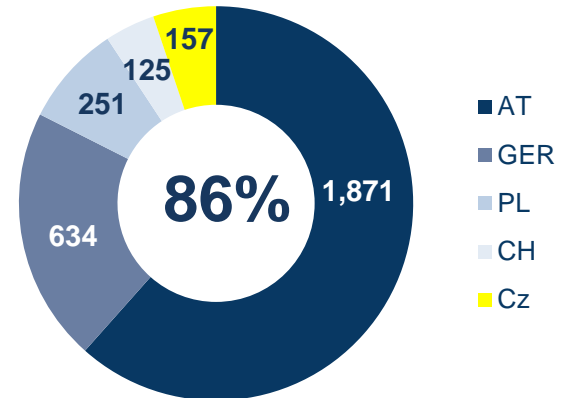
PORR Markets – focused business model



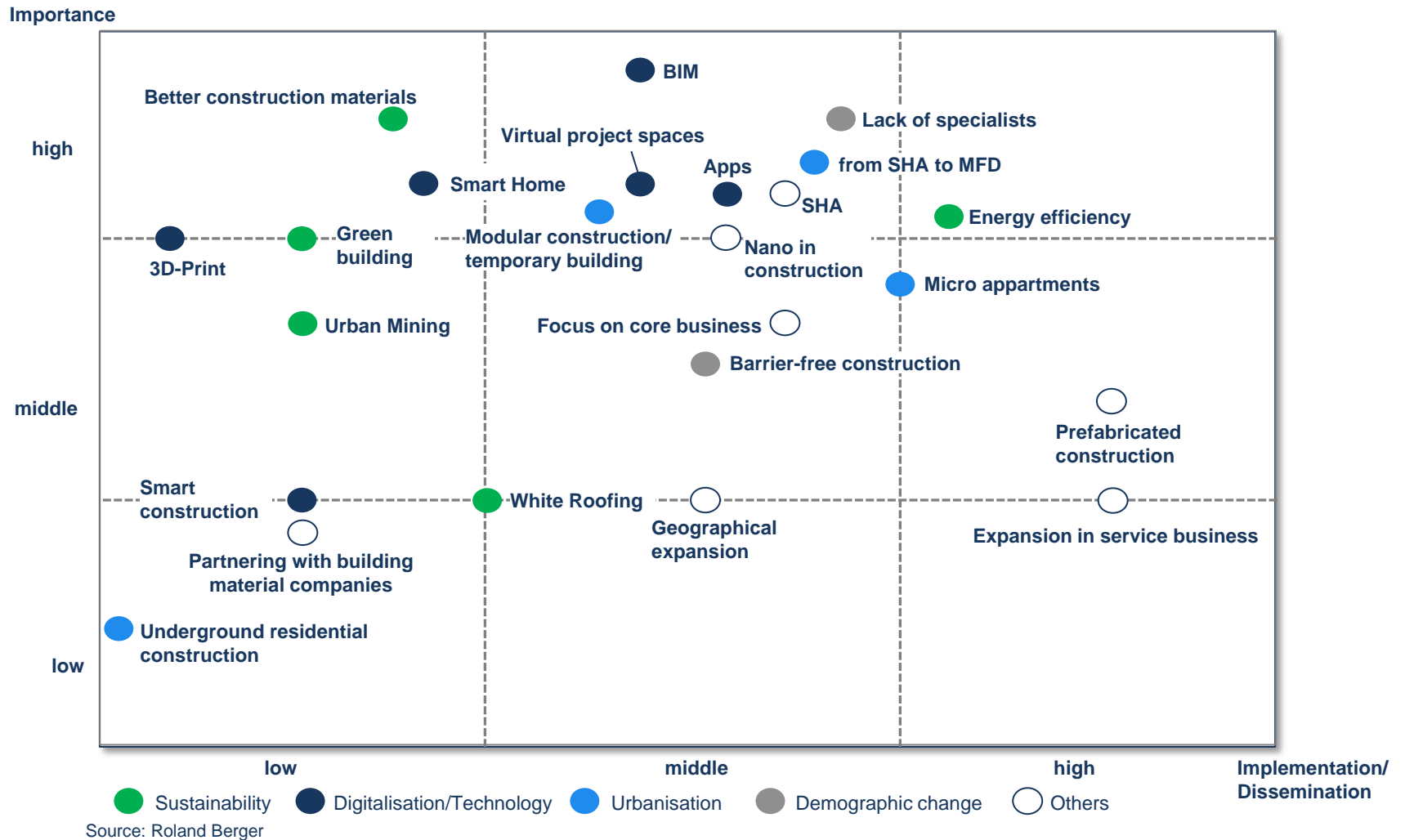
Order backlog by region, EURm



Production output by region, EURm



Year 2016: Challenges of the Future



SHA - sanitation, heating and air conditioning
 SFH - single-family house; MFD - multi-family dwellings



Market Trends and Drivers in the Construction Industry

Demographic factors / Urbanisation

- **Urbanisation** – the future of cities - drives the need for building infrastructure such as housing, transportation infrastructure, hospitality, energy, etc.
- **Growing population**, changing demographic structure



Consolidation / Anticipating Tomorrow

- **Strengthening core and/or further diversifying via small and mid-cap companies**
- **Realising potential** through restructuring, economies of scale
divesting non-core assets
- **Size, scale and pace**



Innovation & Digitalisation

- **Competitive advantage** through innovation
- Natural market entry barriers in terms of **size and IT infrastructure**
- **Digitalisation** of the construction process facilitated by topics as **BIM** as a **key driver of the future** transformation



Sustainable Construction / Think Green

- Environmentally-driven changes in terms of **quality and sustainability**
- **Growing focus on energy efficiency** in all kind of buildings (new and existing) – increase the need for **innovative information technologies**



Digitalization And Construction – Achieving Long-Term Value Added

**Construction
site of the
future**

- **Digitalization** of internal organizational workflows (e-billing, e-commerce, standardized workflows):
 - helps to manage and utilize all kind of information
 - provides new opportunities to be leaner and faster
 - drives higher financial performance whilst increasing productivity and reducing failures

- **BIM (Building Information Modelling):**
 - is a **process** - from planning, calculation, construction workflow and logistic
 - 5D – linked to **time, cost and quality**
 - a precise **project management tool**
 - increasing **transparency and efficiency** of the planning and construction process

**PORR with a leading
role in the field of
digitalization:
Positioning itself
for the future**

Construction company as a project manager in a digital world

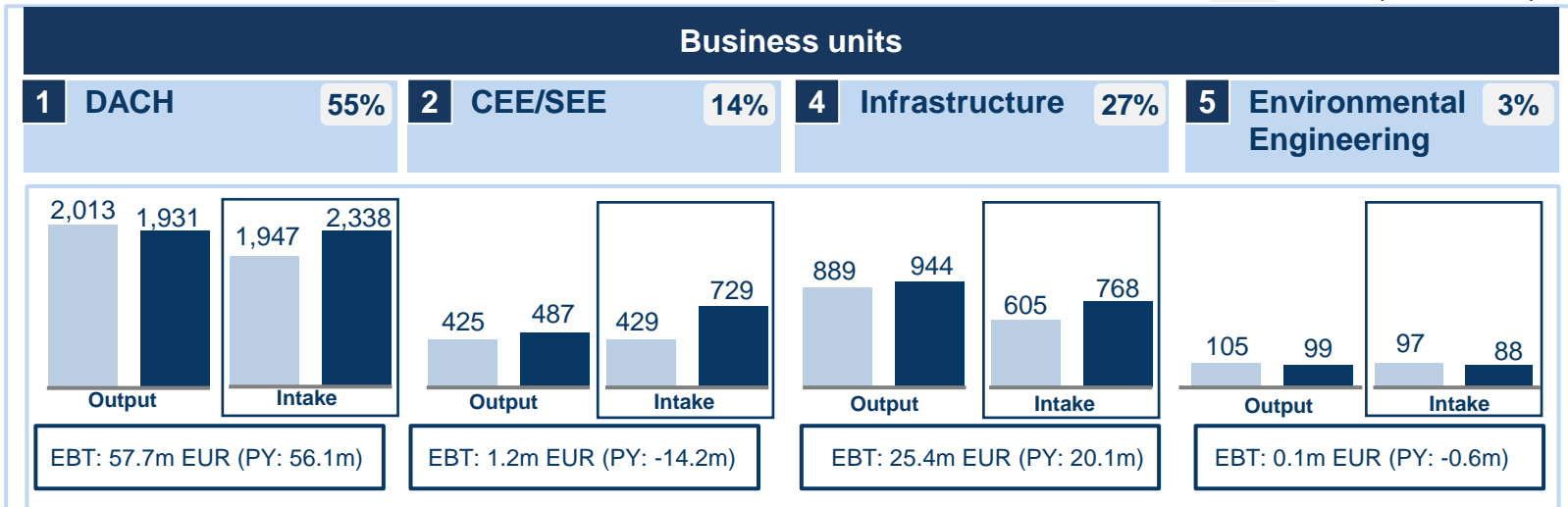
03

Operational Performance



Strong Operating Performance Drives Earnings Up

...% share of production output



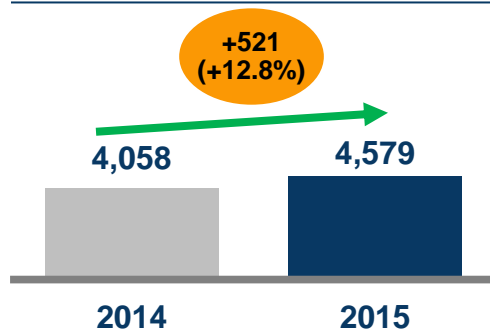
2014 2015

Top market position in Austria	Maintain focused on selective projects	Strong technical leadership	Active in niches
<ul style="list-style-type: none"> Focus on value projects in Austria and herewith lower production output Growth in GER / CH 	<ul style="list-style-type: none"> Turnaround realized Intake increase driven by Poland and Czech Republic (EU-Funds) Poland's output affected by completion of projects vs increasing new orders 	<ul style="list-style-type: none"> Increased output due to tunneling and the Green Line project in Qatar New order in Qatar with export product slab track 	<ul style="list-style-type: none"> Output reduced due to finished works at power plant Voitsberg Order intakes in Austria and Germany with projects like A23 demolition, Voest plant in Linz

Quality Pipeline until 2020 and Beyond

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

Backlog



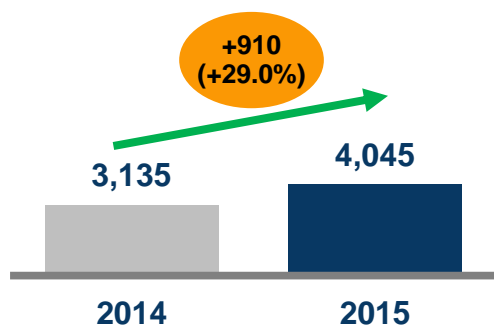
Selected projects	Country	EUR m ¹	Entry	Duration	POC
Metro Doha "Green Line"	QA	944	Jun-13	Jun-18	38.6%
KAT 3 Koralm tunnel	AT	297	Jun-13	Jul-20	27.2%
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	Jul-20	26.7%
Tunnel Alaufstieg	DE	235	Oct-12	Feb-19	39.8%
Slab track General	QA	162	Jun-15	May-18	3.9%
Europaallee 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

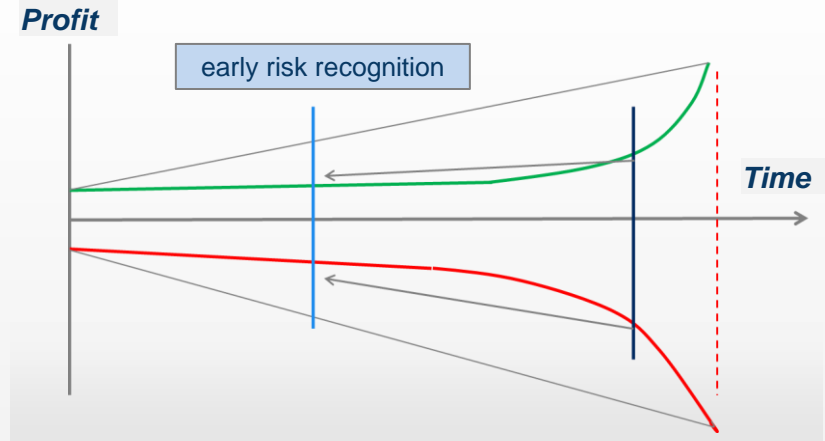
¹ Stated values are project values attributable to PORR at time of contract awarding

Comprehensive Control and Steering Mechanisms Established

Control and steering mechanisms

Tender

- Established detailed directives and checklists for risk recognition (contract, client, etc.)
- Implemented consistent company-wide risk pricing methodology
- Decision control – project approval on different executive levels depending on order volume



Tender



Offer



Group Level

Offer calculation

- Introduced minimum profitability targets on project level – adjusted margin risk control
- Risk evaluation via risk matrix and detailed analysis

Project risk management

- Regular risk review committee meetings to discuss exposure
- Implementation of specialized risk managers per business unit
- Stress testing of aggregate project risks on group level

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

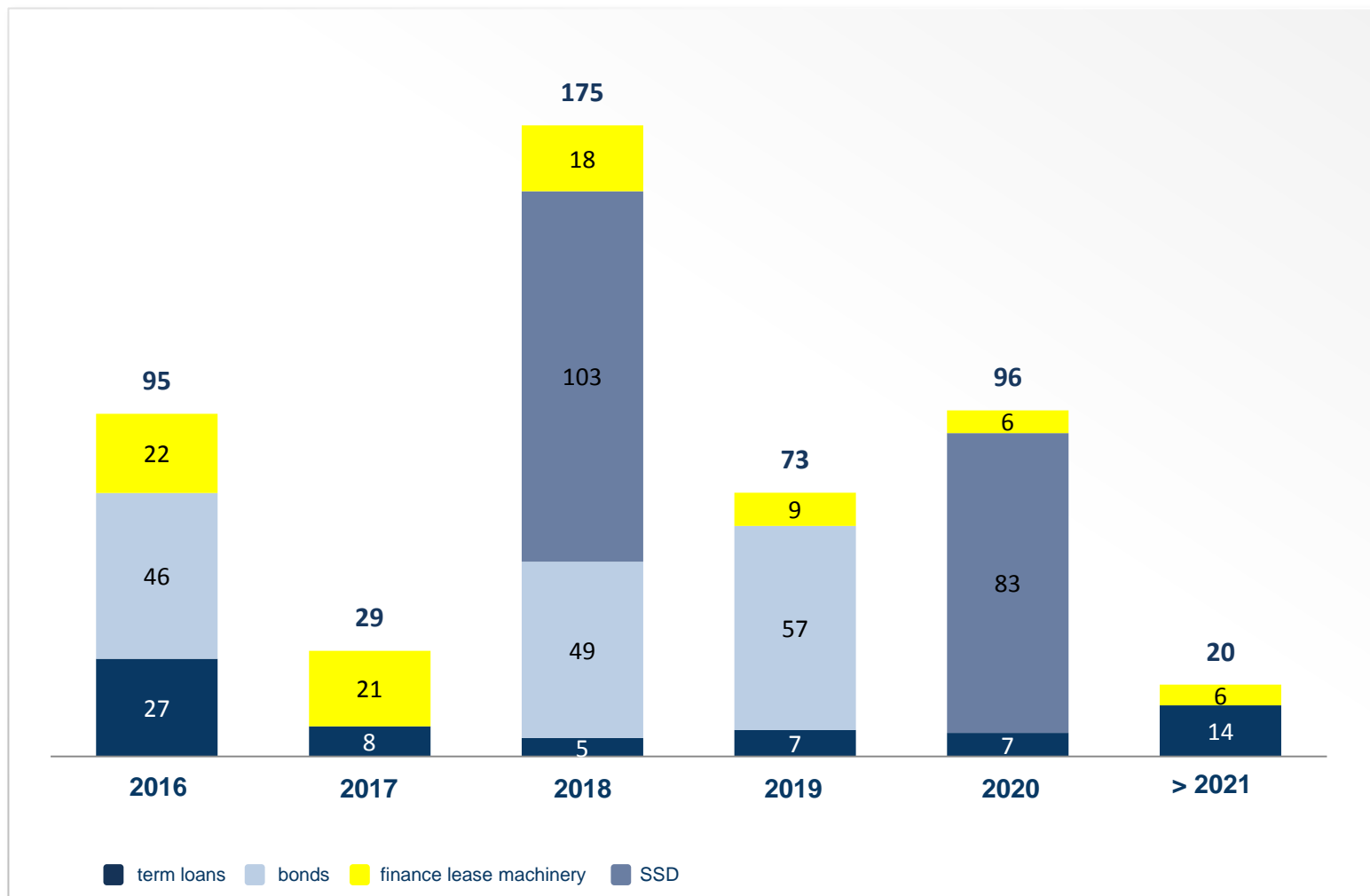
Consolidated Balance Sheet

EUR thd

		<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>30.12.2015</u>	Comments
Assets	Long-term assets	1,101,407	1,068,659	728,013	715,871	
	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

Strong Liquidity and Well-balanced Financial Liabilities Profile



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

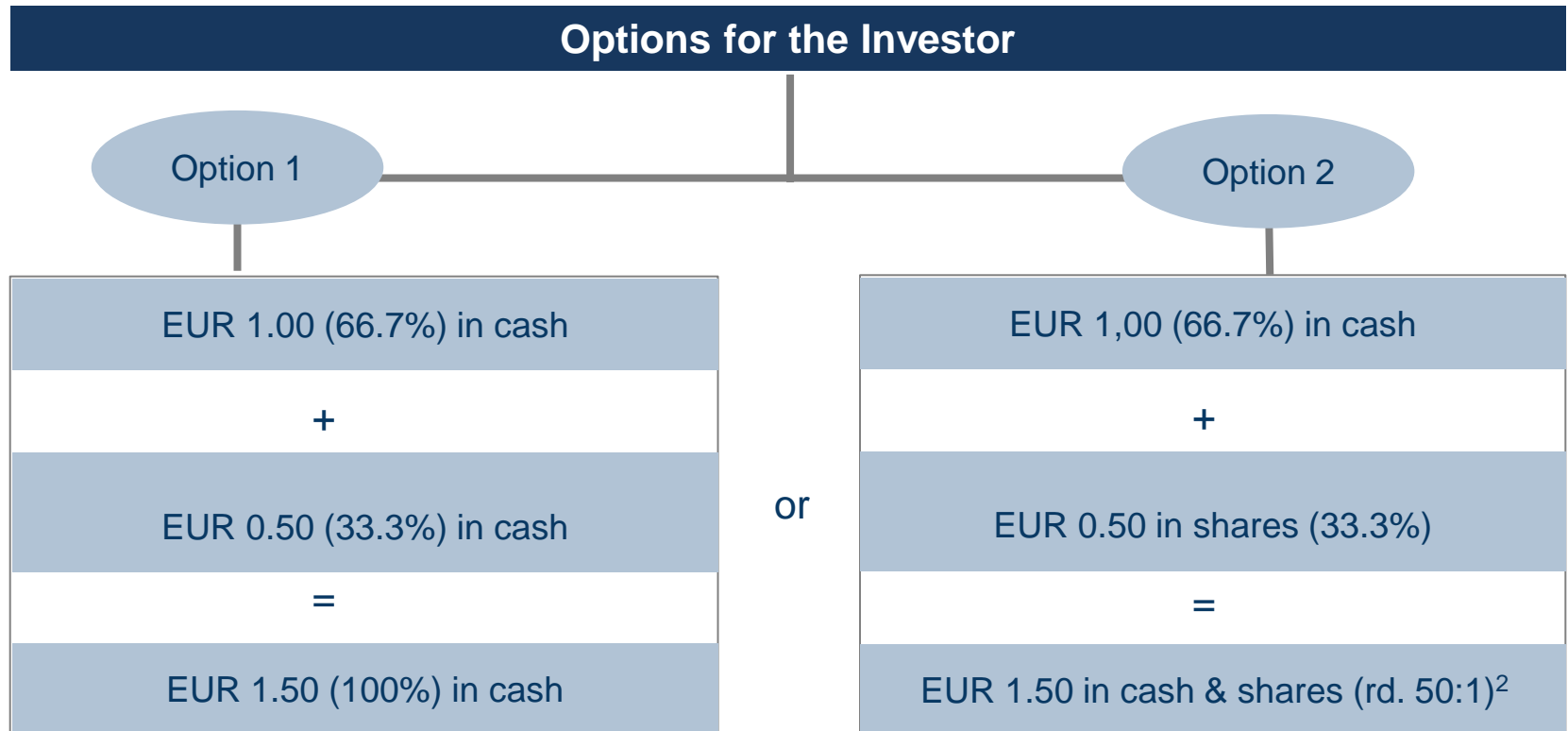
- Shareholders can **elect** to reinvest EUR 0.50 dividend in shares or cash
- PORR will use only treasury shares for scrip dividend
- No new shares are issued
- Reinvest price will be set after the subscription period and close to market price
- Shareholders with no sufficient number of shares will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

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



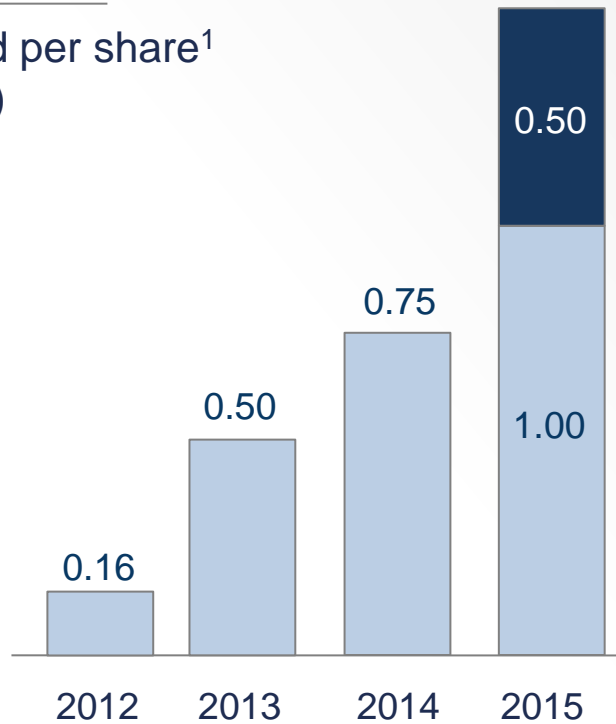
1 Taxation of the total dividend of EUR 1.5 can be settled from the cash dividend per share

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)

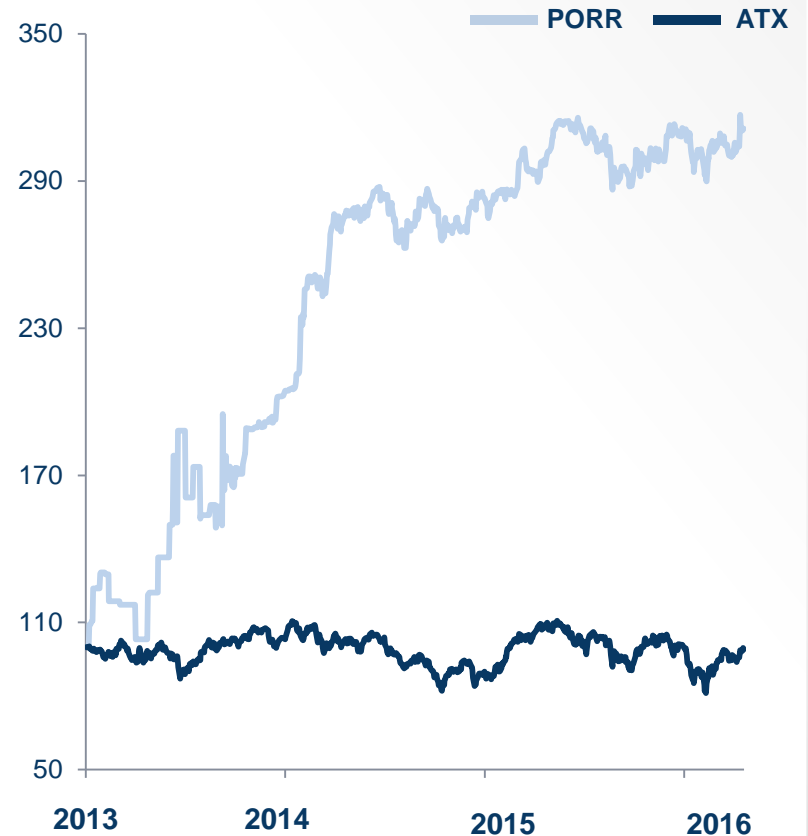


Dividend
yield



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

IR Information for PORR AG

Share Information

Share price¹	26.90 EUR
Market capitalisation	782.6m EUR
Official market	Vienna Stock Exchange Prime Market
Number of shares outstanding	29,095,000
Ticker symbol	POS VI
ISIN	AT0000609607

Research Reports

Berenberg Bank	Kepler Cheuvreux
BaaderHelvea	HSBC
RCB	ERSTE Group
SRC	Steubing
Hauck&Aufhäuser	

Financial Calendar 2016

21.04.2016	Annual financial report 2015
21.04.2016	Press conference
24.05.2016	136th Annual General Meeting
31.05.2016	Q1 2016
31.05.2016	Trade ex-dividend 2015
02.06.2016	Dividend payment for 2015
30.08.2016	H1 2016
29.11.2016	Q3 2016

IR Contact

For further information please contact
the department Investor Relations

T +43 (0) 50 626-1763
investor.relations@porr.at

A 3D rendered image of a grey filing cabinet. One drawer is open, revealing several yellow folders inside. A red folder is placed on top of the open drawer. The word "Backup" is written in white, serif font on the front of the red folder. The cabinet has multiple drawers with silver handles and keyholes.

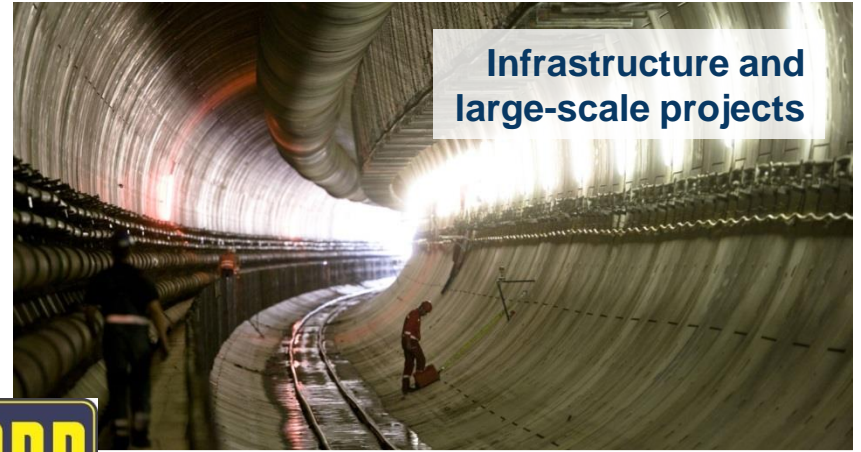
Backup

PORR Group - A Full Service Provider

Building construction



Infrastructure and large-scale projects



Civil engineering & road construction



Environmental engineering



PORR Boasts a Focused Offering of Construction Services

Services offered by PORR

Civil engineering and road construction

- Road construction and bridges
- Earthworks
- Sewer and pipeline construction
- Special civil engineering
- Stabilization and protection structures

Infrastructure projects

- Trunk road construction
- Railway engineering
- Tunnel engineering
- Bridge engineering
- Power plant construction

Environmental engineering

- Water, wastewater
- Soil cleanup
- Process development
- Demolition services
- Waste management, landfill construction and operation



Building construction

- Public building & housing construction
- Office construction
- Industry and commercial buildings
- Tourism
- Sports facilities/stadiums
- Revitalisation

Management of resources

- Reserves of stone and gravel
- Operation of asphalt and concrete mixing plants
- Recycling of demolition waste and unprocessed gravel
- Operation of landfills

More Than 145 Years of Experience in Construction

PORR's corporate history

- Foundation in Vienna
- First stock exchange listing
- Construction of 'Großglockner-Hochalpenstraße'
- Numerous power plants, roads, railways, industrial buildings
- Expansion to Central- and Eastern Europe
- Full takeover of Teerag-Asdag AG

1869

1930s

1980s

2011



1927

1960s

2000s

2012-2015

- Merger and renaming
- Several prestigious office and commercial-buildings
- Large scale contractor projects
- PORR as leading international construction company – active in 16 European countries
- Group-wide transformation program
- Refocus on home markets

Experienced new management team with significant ownership

Focus on home markets AT, DE, CH, PL, CZ

Leverage expertise to grow in Qatar and project markets via tunneling and slab-track

Spin Off and Merger of real estate activities; optimization of working capital

Status quo



Delivering Results – Strategic Roadmap

2015 Deliver growth and performance

- Generating **intelligent growth** in home markets
- **Financial strength** towards investment grade
- **Increase of dividend** for 2015 **by 100%** - ordinary dividend of EUR 1.0 and a extraordinary scrip dividend of EUR 0.50
- Share split in June 2015
- Closing of acquisition Bilfinger Infrastructure S.A. in Aug 2015

2014 Transforming into a pure-play constructor

- **Capital increase** – increasing liquidity and capital market orientation
- **Successful Spin-off** of real estate activities

2013 Tightening operational performance

- Focus on **process and cost efficiency**
- **Tight risk management**

2012 Strategic and operational turnaround initiated