

**PORR AG H1 2017**  
**Intelligent Building ...**

Investor Presentation  
August 2017



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# Highlights H1 2017

## INTELLIGENT GROWTH

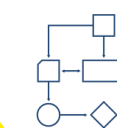
Three major acquisitions

- Franki Grundbau 
- Oevermann 
- Hinteregger Group<sup>1</sup> 



## PRODUCTION GROWTH

21% growth in production output



## TECHNOLOGY

First Lean Construction (LC) project with BMW



## ORDER BACKLOG

Strongest order backlog in history with EUR 5,700m in H1 2017



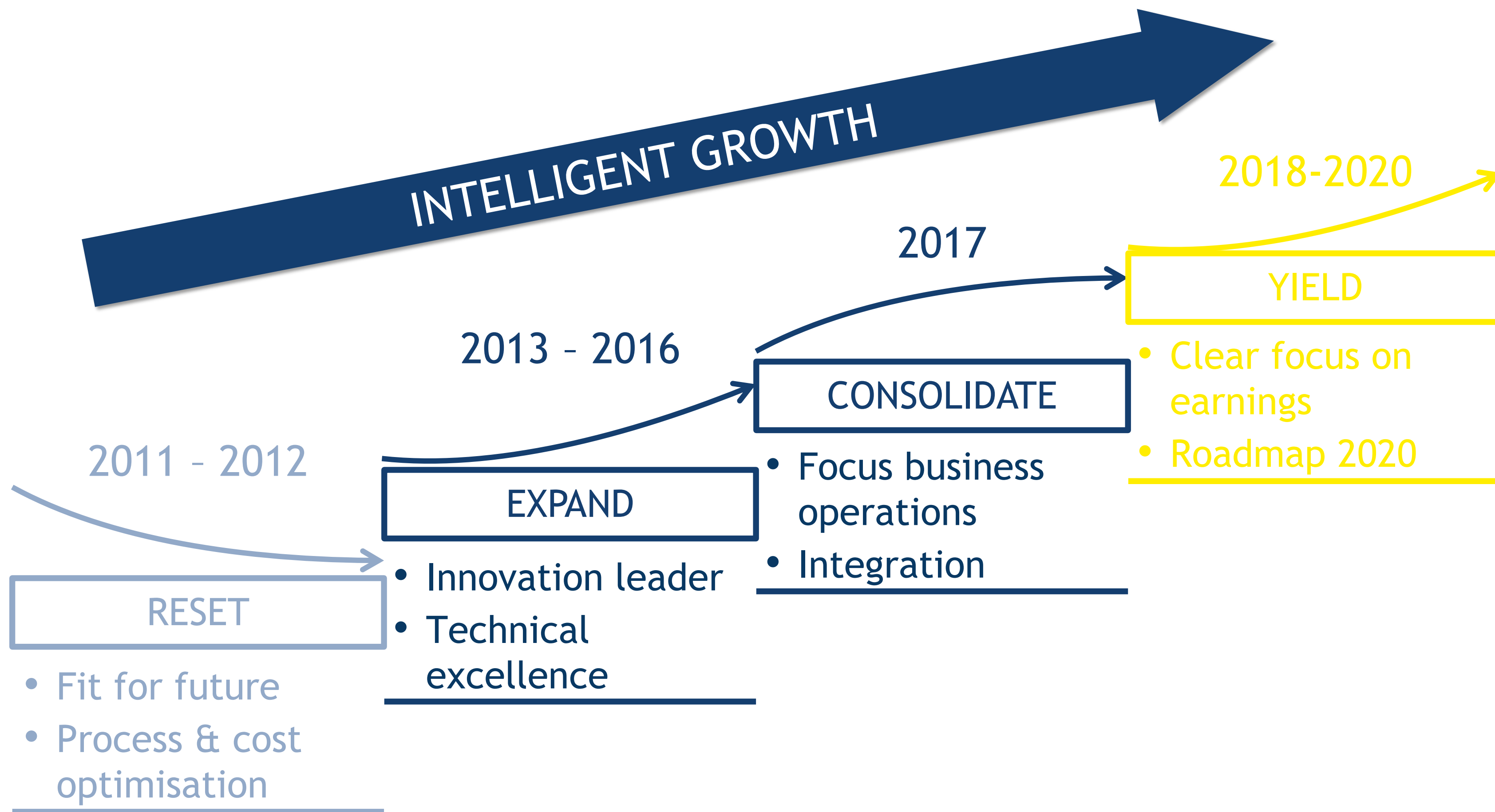
## SELECTED PROJECT

Fifth major bridge construction project in Norway



<sup>1</sup> Closing expected in H2 2017

# Successful Company Transformation



# Reasons for Pursuing Our Recent Active Acquisition Strategy



# Overview on our Key Investment Highlights

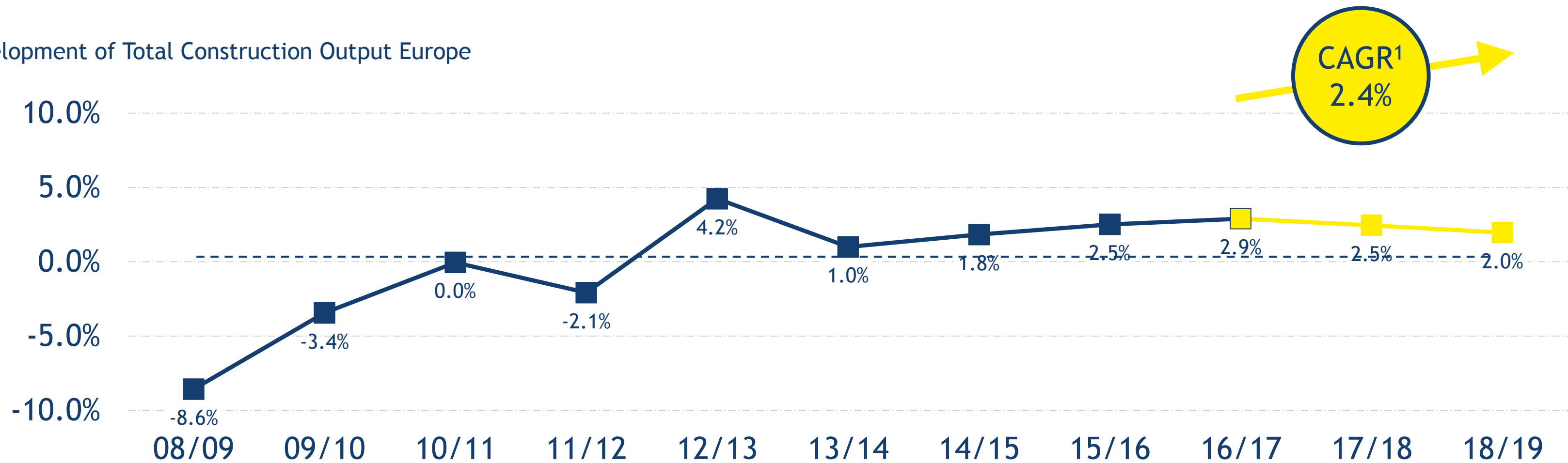


*Details to be laid out on following pages*



# Continuously Growing Construction Market in Europe

Development of Total Construction Output Europe



## General Trends & Drivers Supporting Growth in the Construction Market

Ongoing  
Urbanisation

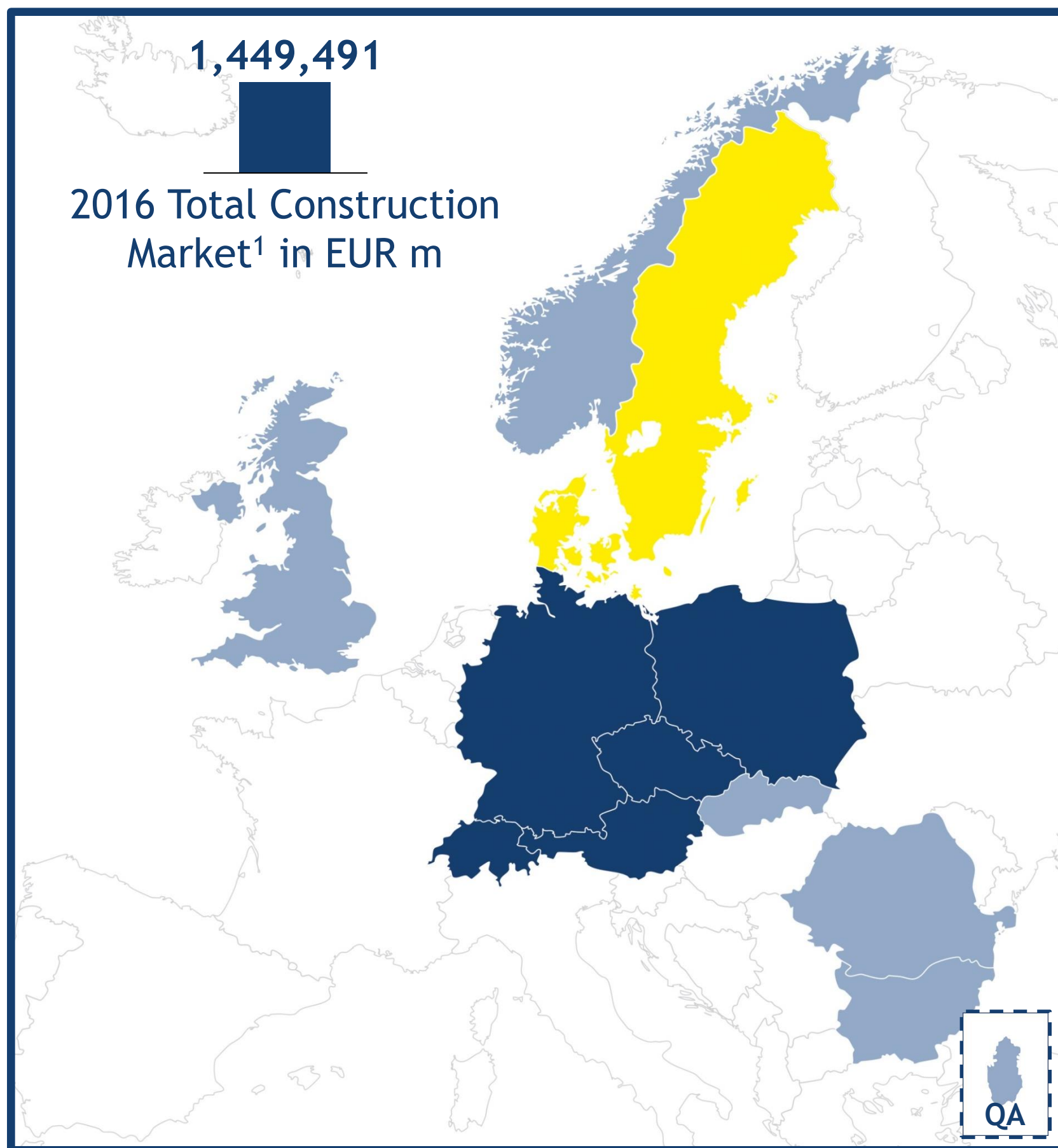
Significant Infrastructure  
investment programs (e.g. DE)

Migration

Changing Industrial  
Business Models

<sup>1</sup> CAGR calculated on total market size  
Source: 83<sup>rd</sup> EUROCONSTRUCT Summary Report  
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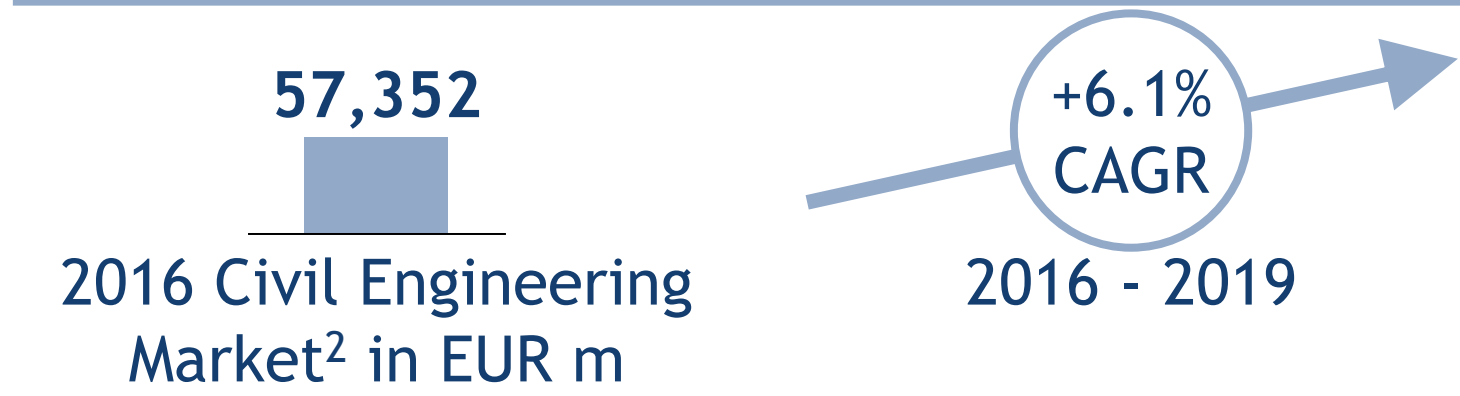
# PORR'S Construction Markets Show Growth Forecasts and High Volumes



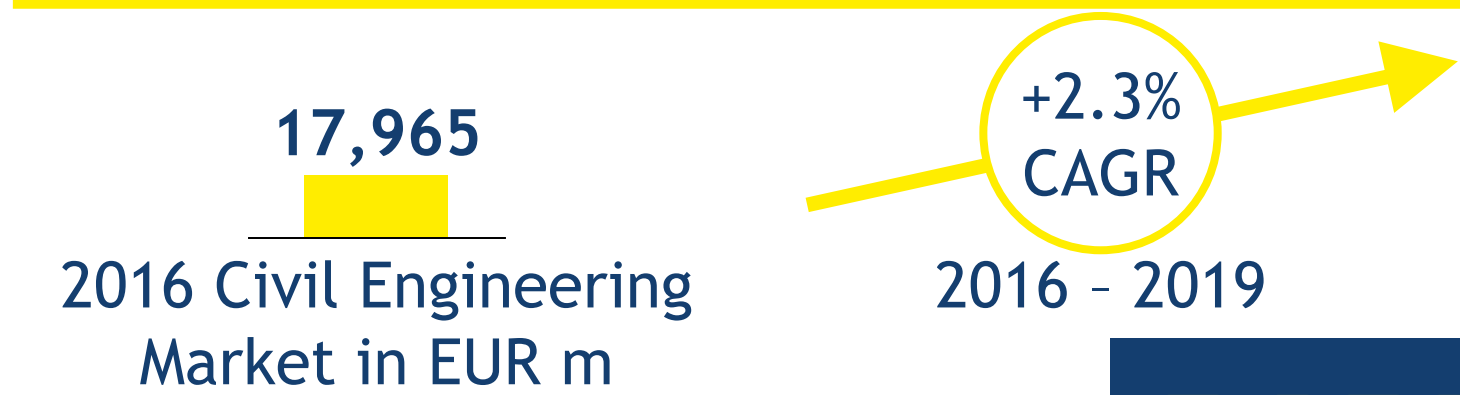
## Home Markets (86% Production Share)



## Project Markets (14% Production Share)



## Target Markets



1 Euroconstruct-19 Countries, 2 Without Qatar  
Source: 83<sup>rd</sup> EUROCONSTRUCT Summary Report, Eastern European Construction Forecasting Association  
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# We Selectively Develop to a General/Total Contractor with Expertise in Lean Construction



- PORR is and will remain a construction company that builds as much as possible itself
- We focus on our core competencies alongside the construction value chain (e.g. Lean Construction)
- Within single segments we develop 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



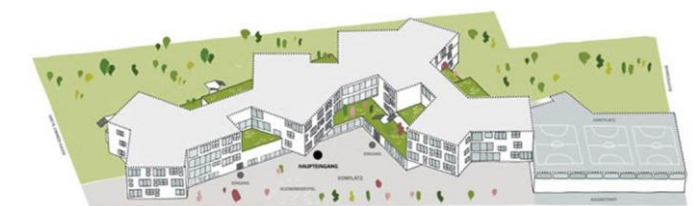
Bad Erlaa



Rohrbach

## Financial Engineering

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

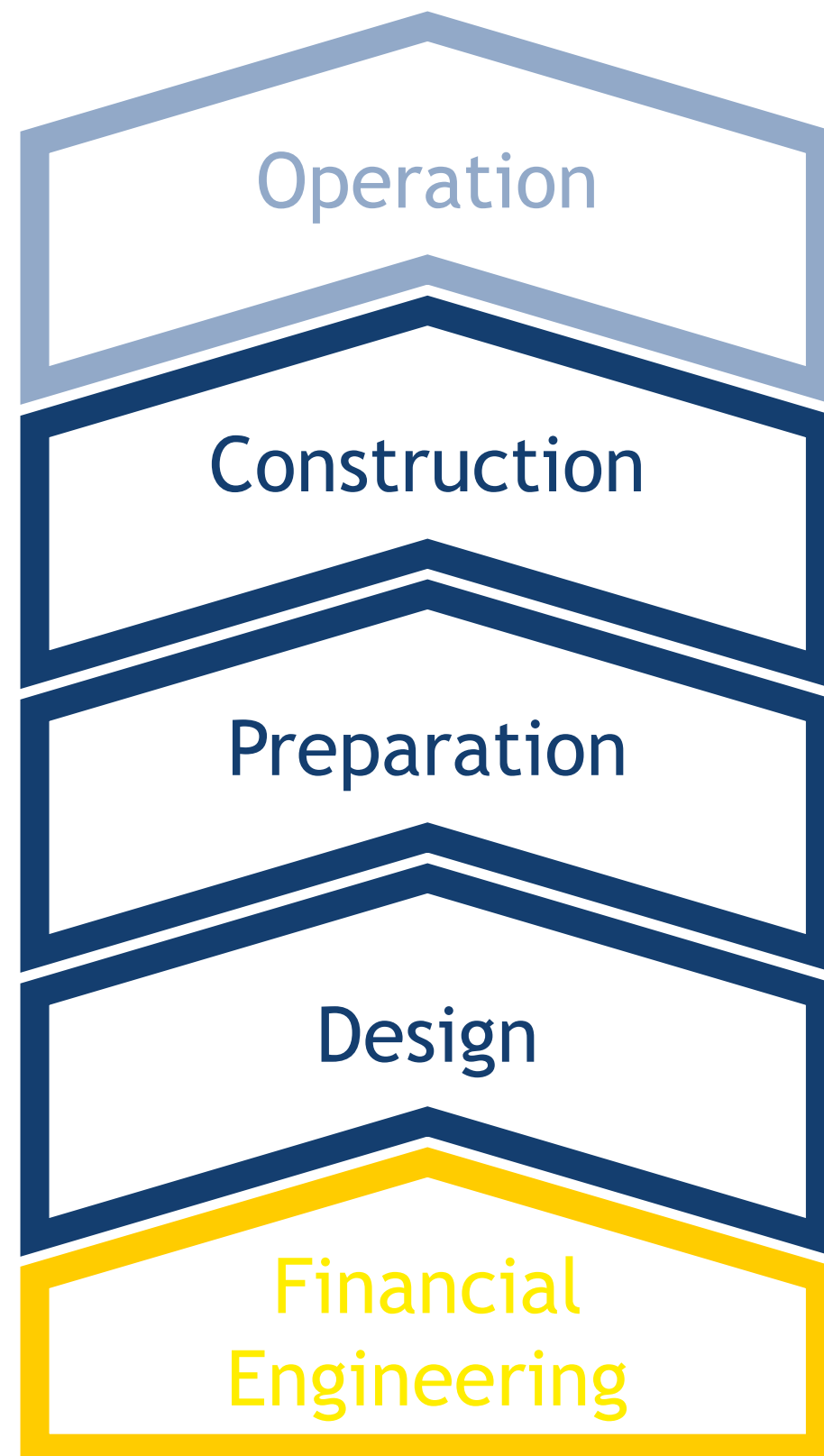


...and also in civil engineering

# Our Recent M&A Activities are Fully Supporting the Strategy of Intelligent Growth

Expertise Building

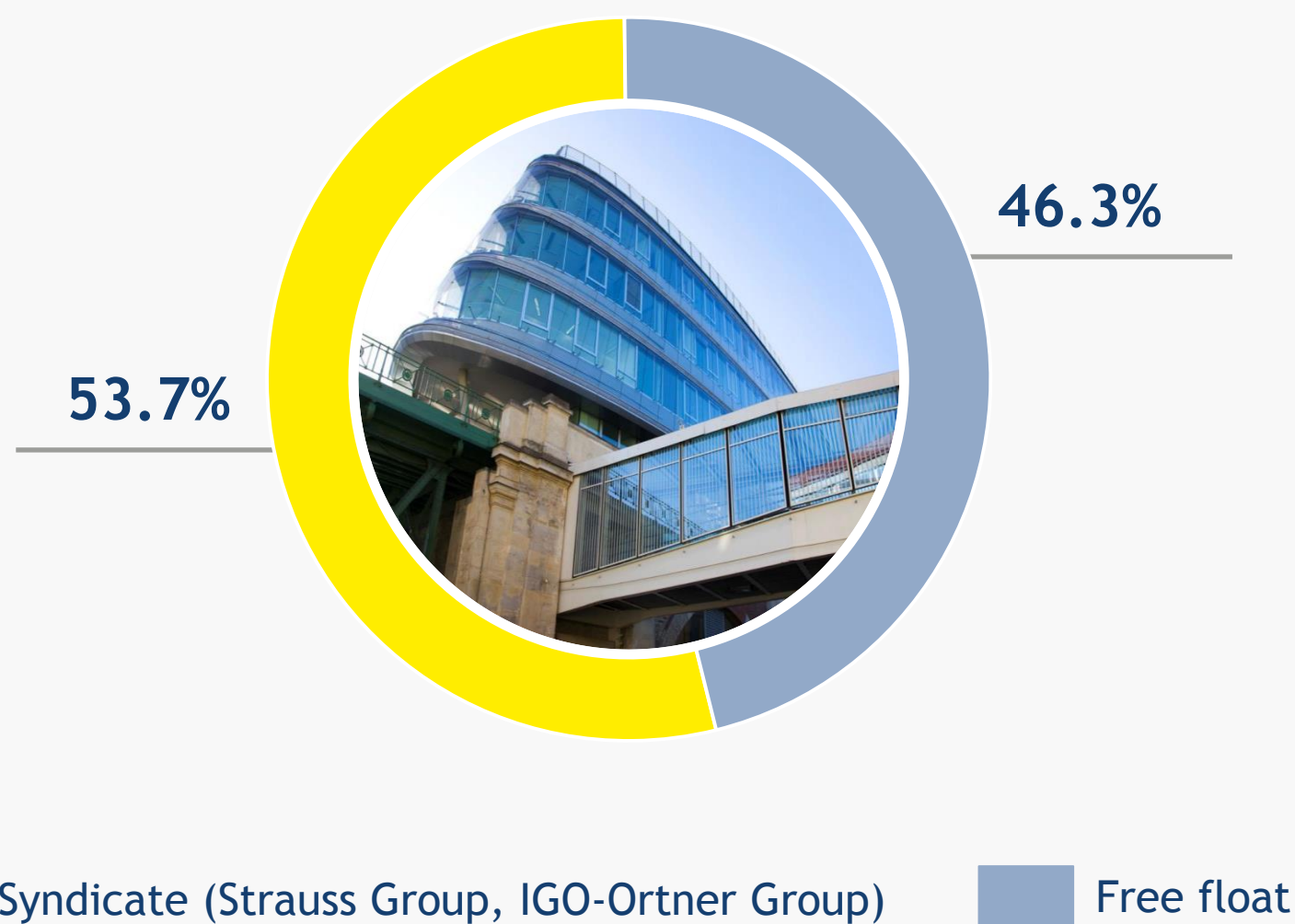
Regional Expansion



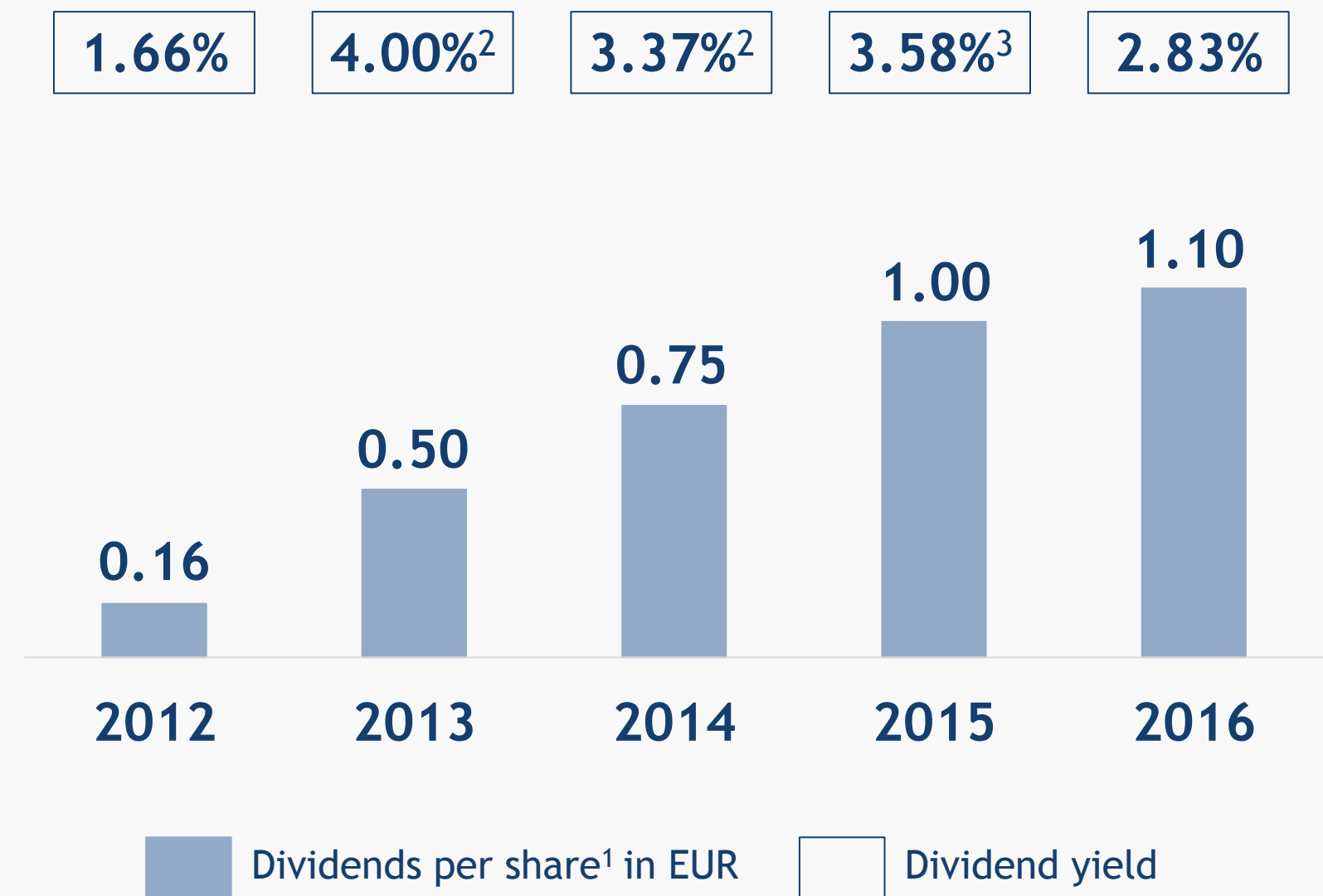
<sup>1</sup> Closing expected in H2 2017

# Aligned Interests Resulting in Sustainable Growth and a Consistent Dividend Policy

## Ownership Structure



## Dividends



**As an owner-managed company, PORR is perfectly aligned with its remaining shareholder**

**Stable dividend policy (30-50% payout ratio<sup>4</sup>) 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  
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# Growth Track Record

## Historical financial development (in EUR m)

Production output

Revenue

EBT/EBT margin<sup>1</sup>

-83.1

22.0

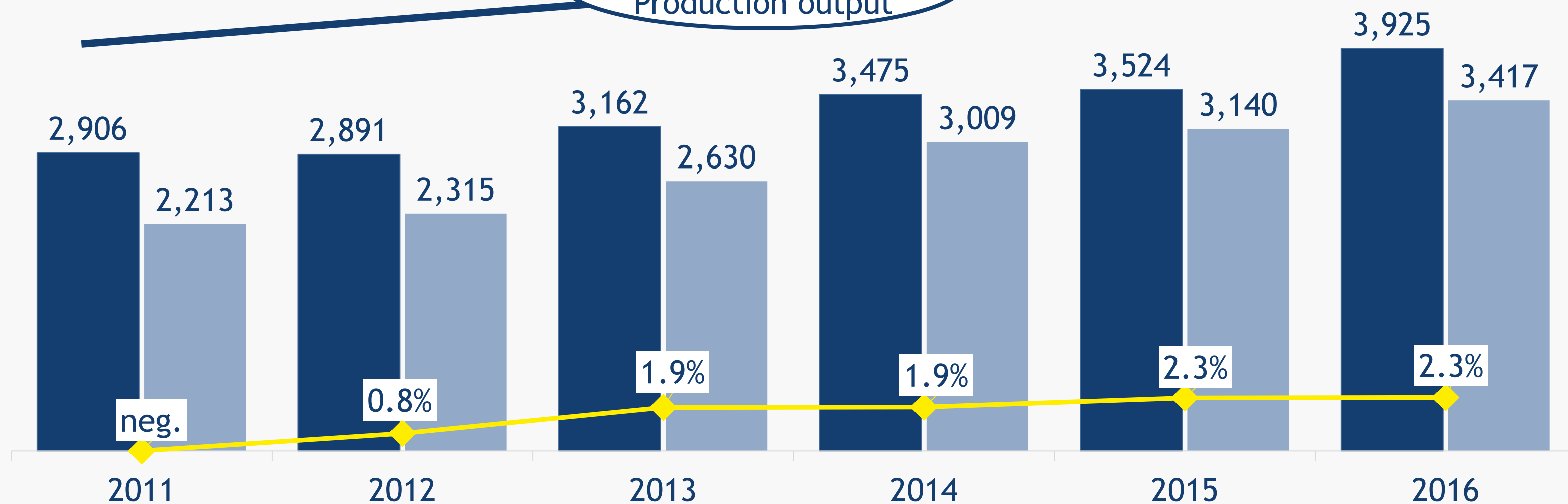
59.6

66.1

81.1

91.1

+6.2% CAGR  
Production output



<sup>1</sup> EBT margin calculated as percentage of production output

# Consolidated Income Statement

FYE 31 Dec (EUR m <sup>1</sup> )	2016	H1 2016	H1 2017	Change
<b>Production output<sup>2</sup></b>	<b>3,925.3</b>	<b>1,662.8</b>	<b>2,014.8</b>	<b>21.2%</b>
<b>Revenue</b>	<b>3,417.1</b>	<b>1,509.2</b>	<b>1,771.2</b>	<b>17.4%</b>
Share of profit/loss of companies accounted for under the equity method	46.3	19.1	18.6	(2.7%)
Cost of materials and other related production services	(2,251.4)	(966.6)	(1,183.6)	22.5%
Cost of Materials	(643.9)	(270.0)	(348.3)	29.0%
Purchased services	(1,607.5)	(696.6)	(835.3)	19.9%
Staff expense	(874.1)	(417.7)	(467.6)	12.0%
Other operating result <sup>3</sup>	(150.5)	(76.1)	(81.7)	7.1%
<b>EBITDA</b>	<b>187.3</b>	<b>67.9</b>	<b>56.9</b>	<b>(16.1%)</b>
<i>- in % of Production output</i>	4.8%	4.1%	2.8%	
Depreciation, amortisation & impairment	(87.3)	(39.7)	(48.5)	22.2%
<b>EBIT</b>	<b>100.1</b>	<b>28.2</b>	<b>8.4</b>	<b>(70.1%)</b>
<i>- in % of Production output</i>	2.5%	1.7%	0.4%	
Financial result	(9.0)	(6.8)	(4.4)	(34.3%)
<b>EBT</b>	<b>91.1</b>	<b>21.4</b>	<b>4.0</b>	<b>(81.5%)</b>
<i>- in % of Production output</i>	2.3%	1.3%	0.2%	
Taxes	(24.2)	(5.1)	(1.0)	(80.2%)
<b>Profit for the period</b>	<b>66.8</b>	<b>16.3</b>	<b>3.0</b>	<b>(81.9%)</b>

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



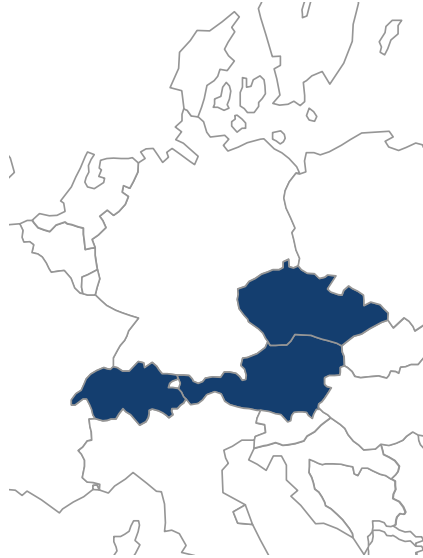



# Statement of Financial Position

FYE 31 Dec (EUR m)	2016	H1 2016	H1 2017	
<b>Assets</b>	Non-current assets	801.3	743.3	977.1
	Current assets	1,560.8	1,429.1	1,619.4
	<b>Total assets</b>	<b>2,362.1</b>	<b>2,172.4</b>	<b>2,596.5</b>
<b>Equity &amp; liabilities</b>	Equity <sup>1</sup>	440.9	382.5	537.1
	Non-current liabilities	562.7	542.4	558.7
	Current liabilities	1,358.5	1,247.5	1,500.7
	<b>Total equity and liabilities</b>	<b>2,362.1</b>	<b>2,172.4</b>	<b>2,596.5</b>
<b>Ratios:</b>	Net debt/Net cash ( )	(53.3)	124.0	374.7
	Equity ratio	18.7%	17.6%	20.7%

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



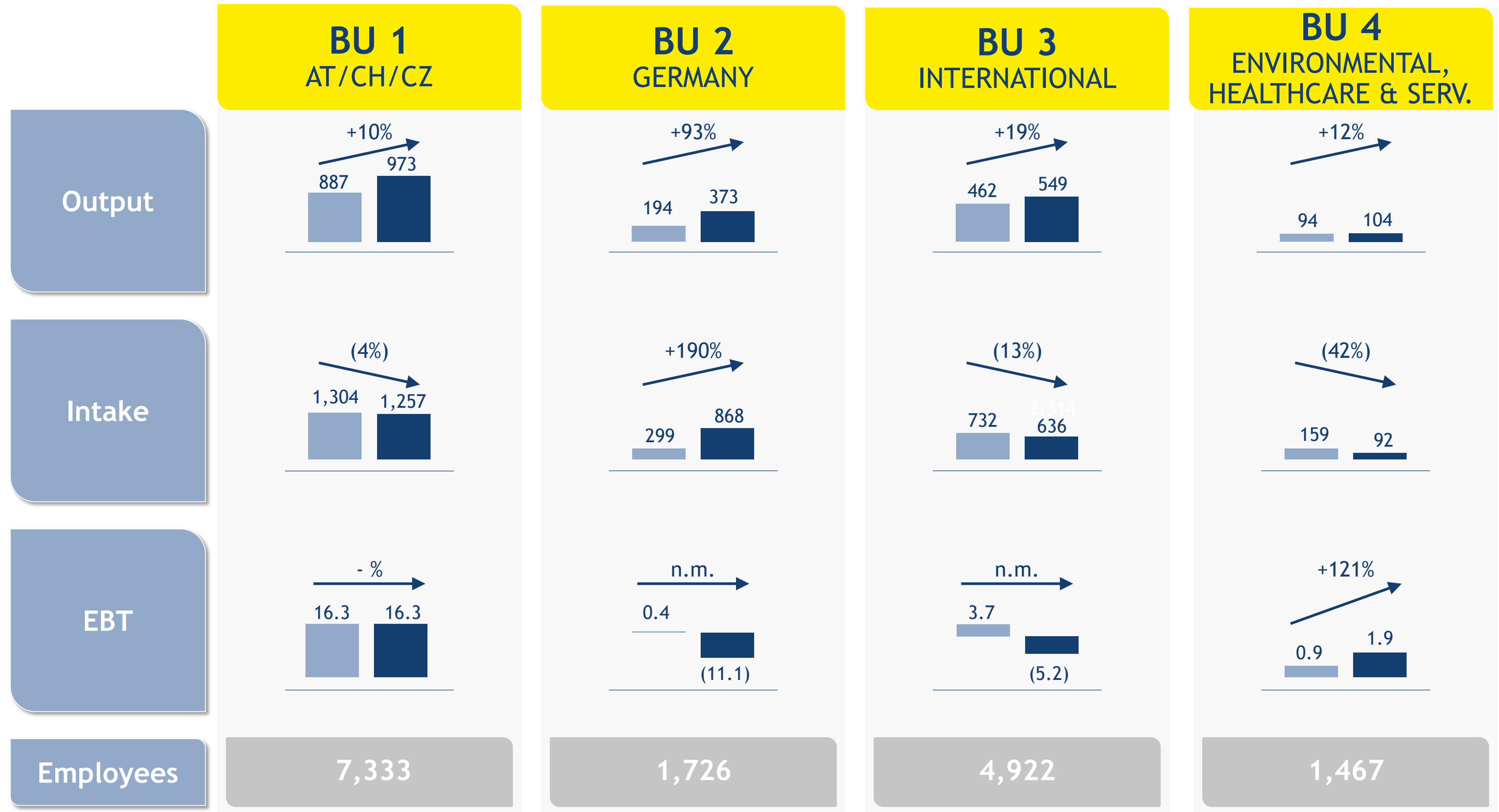
# Business Units (1/2)

	BU 1 AT/CH/CZ	BU 2 GERMANY	BU 3 INTERNATIONAL	BU 4 ENVIRONMENTAL, HEALTHCARE & SERV.
Production <sup>1</sup> (in EUR m)	973 Share: 48%	373 Share: 19%	549 Share: 27%	104 Share: 5%
Description	<ul style="list-style-type: none"> <li>• PORR's largest business unit</li> <li>• Focus on permanent business</li> <li>• Residential, office, industrial and road construction</li> </ul>	<ul style="list-style-type: none"> <li>• PORR's 2<sup>nd</sup> biggest market</li> <li>• Focus on permanent business</li> <li>• Residential, office, industrial and road construction</li> </ul>	<ul style="list-style-type: none"> <li>• PORR's unit for technical leadership</li> <li>• Focus on project business</li> <li>• Especially tunnelling and railway construction</li> </ul>	<ul style="list-style-type: none"> <li>• PORR's unit for promising niches</li> <li>• Focus on project business</li> <li>• Demolition, waste treatment, PPP, recycling, health care, property &amp; facility management</li> </ul>
Regional Focus				

<sup>1</sup> Share of production output of PORR AG Holding ~1.0%  
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# Business Units (2/2)



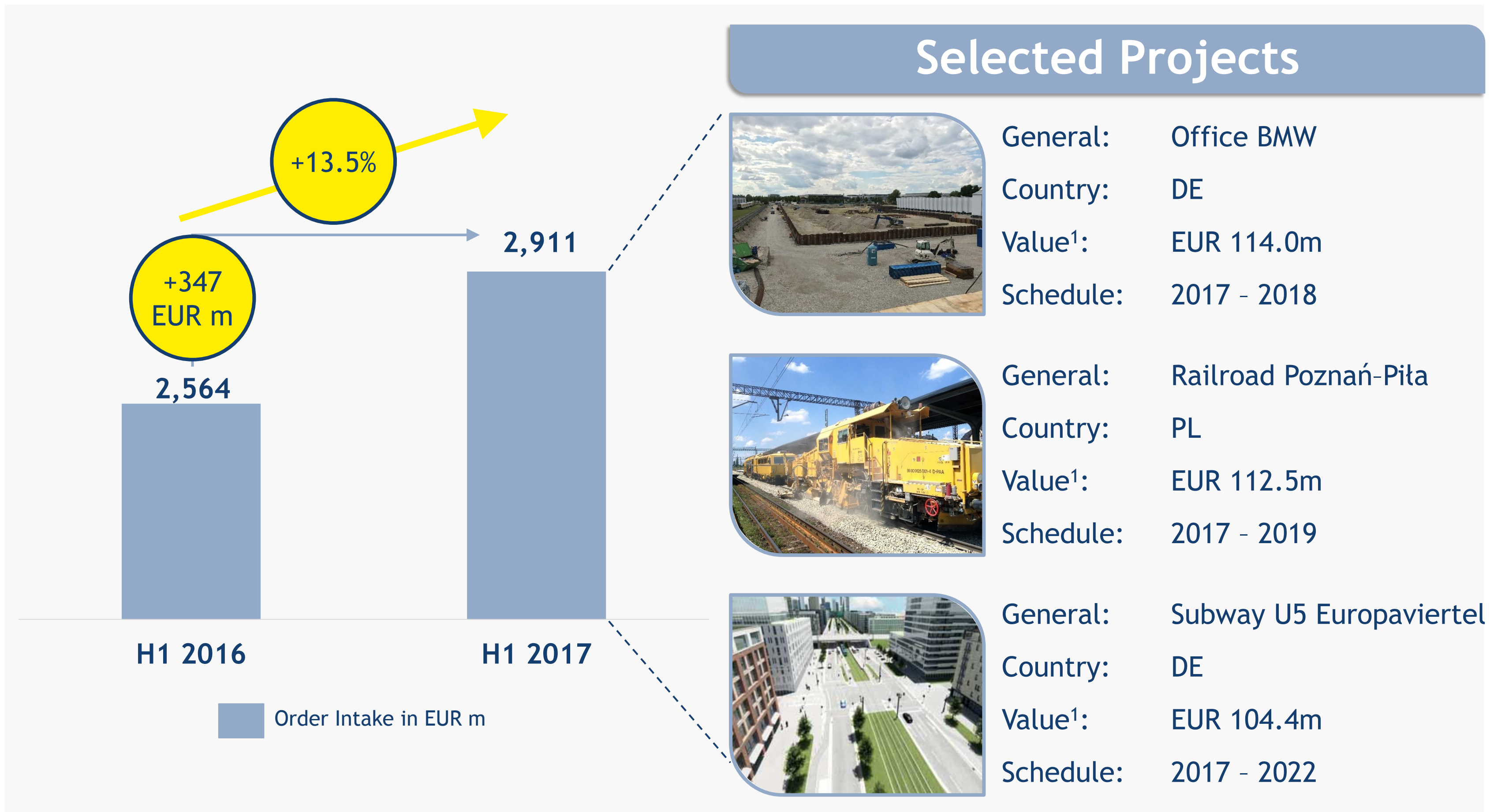
■ H1 2016 in EUR m

■ H1 2017 in EUR m





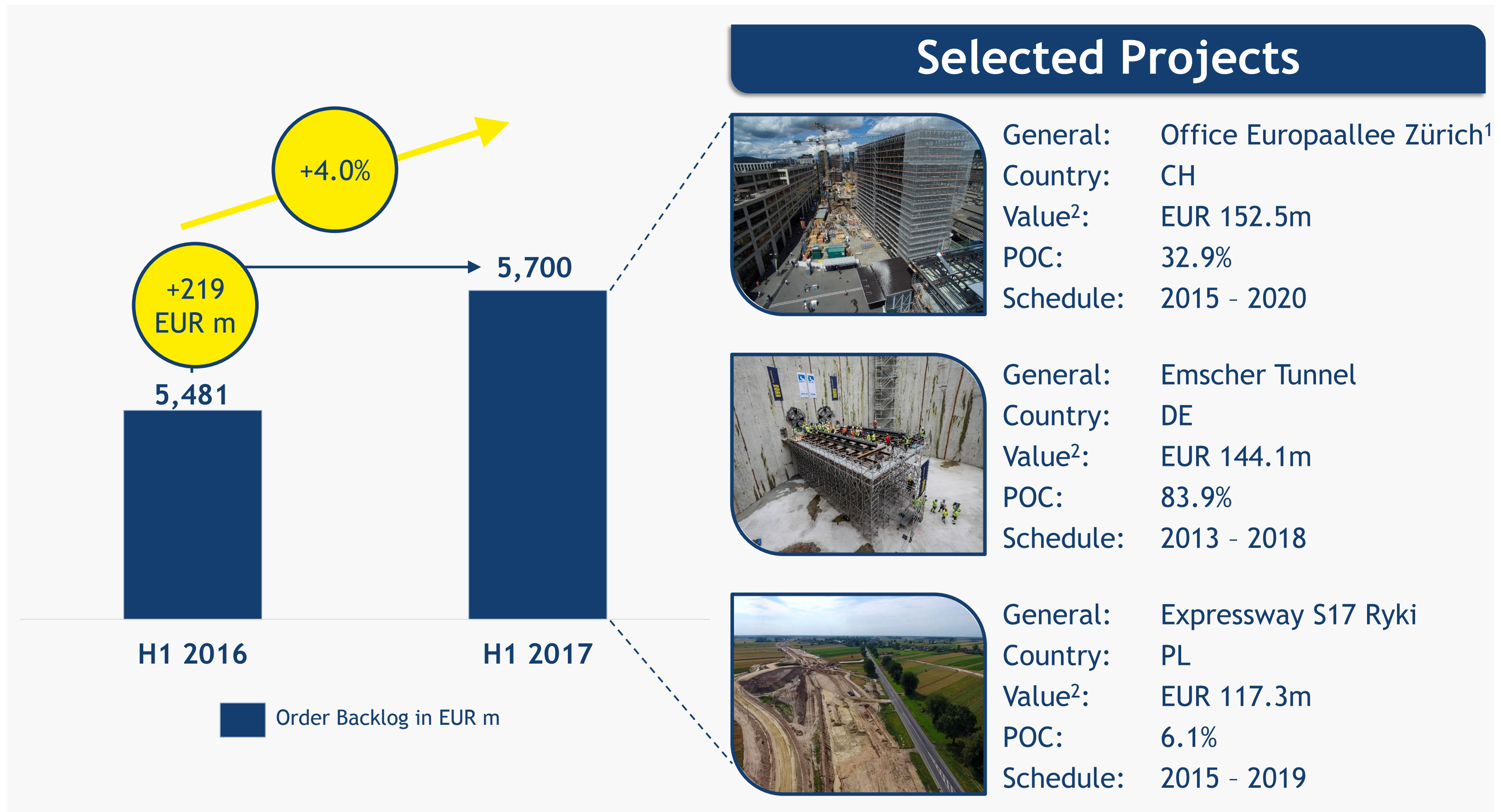
# Clear Evidence of Future Production Growth due to High Order Intake



<sup>1</sup> Stated values are project values attributable to PORR at time of contract award



# High Order Backlog Underpins Successful Strategy of Intelligent Growth

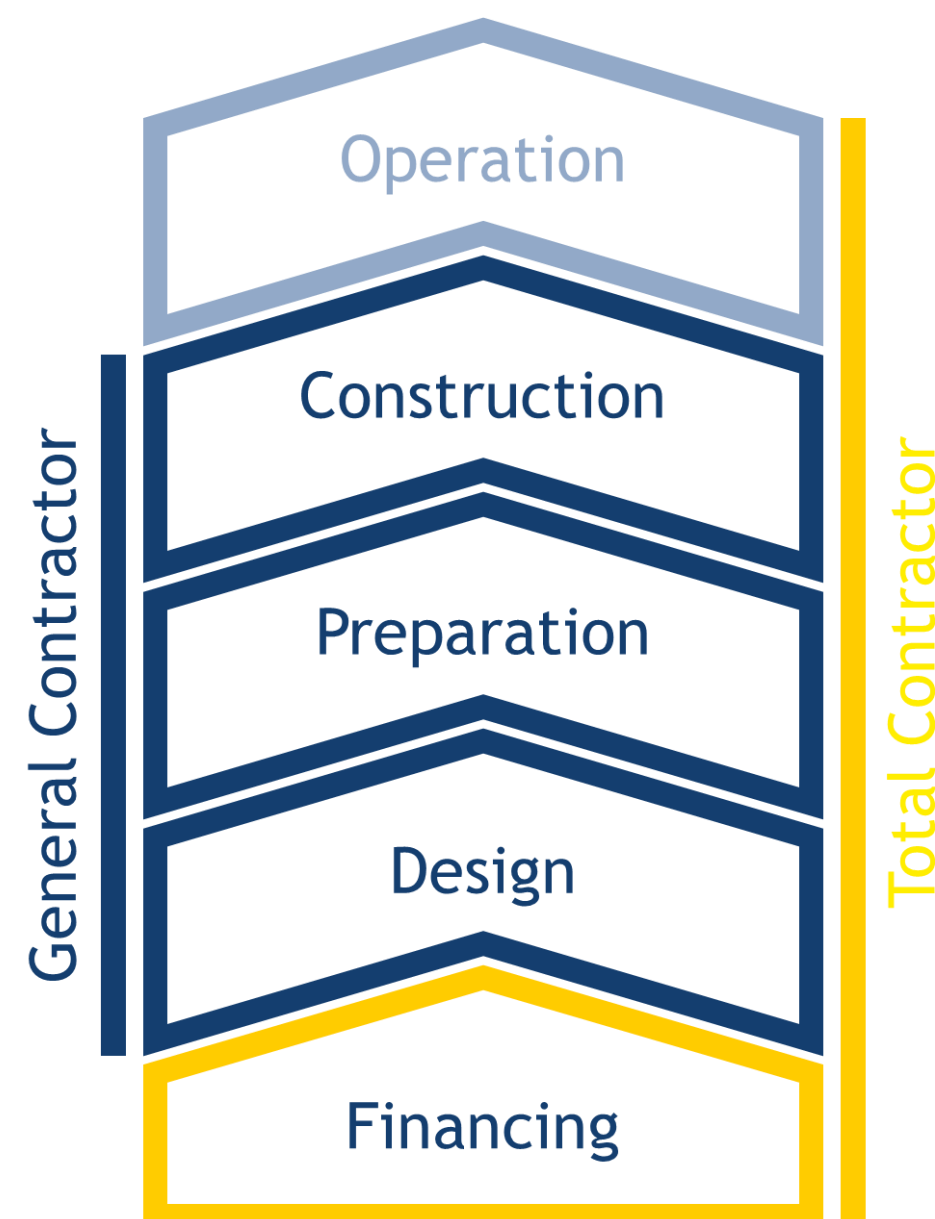


1 Lot 1-4, 2 Stated values are project values attributable to PORR at time of contract award

# After a Strong External Growth Phase, we Look at Potential Targets even more Selectively



## 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



Tunnelling



Railway Construction



# 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 key 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 letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

# YOUR QUESTIONS