

**PORR Q3 Results 2017**  
**Intelligent Building ...**

Investor Presentation  
November 2017



**PORR**

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# PORR - At a Glance

**PORR**

# PORR - At a Glance

## Business Units

- 1 Permanent market AT/CH/CZ
- 2 Permanent market DE
- 3 International project market
- 4 Environmental, healthcare & serv.

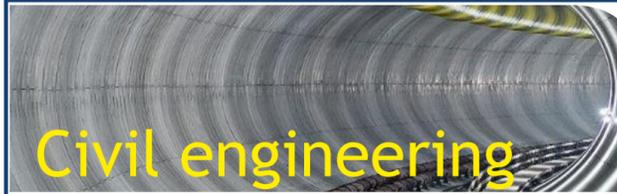
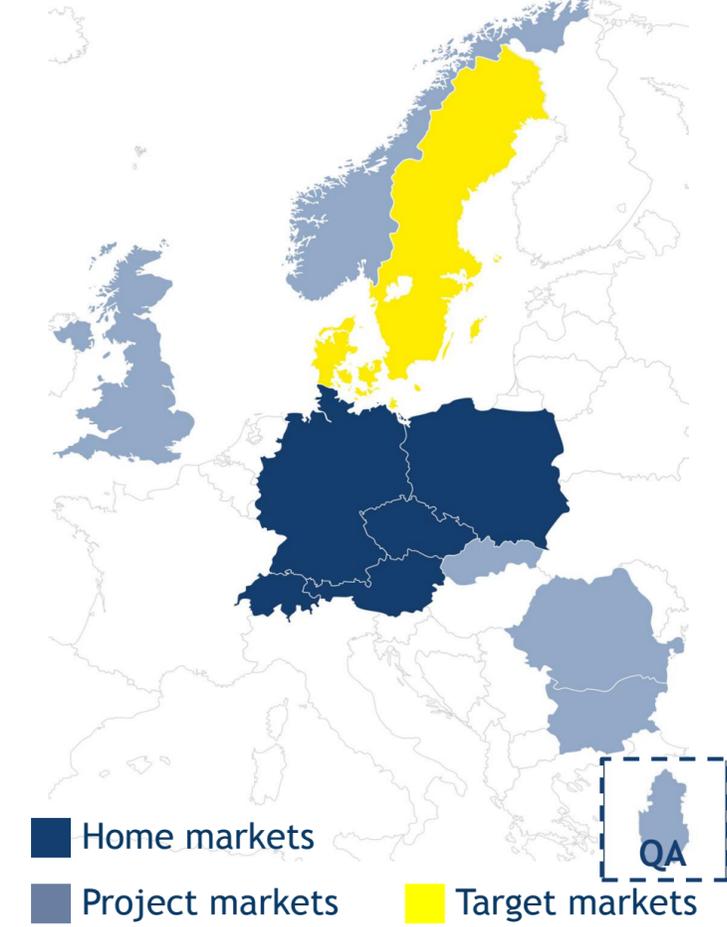
## Key Facts<sup>1</sup>

Production <b>EUR 3.9bn</b>	Employees <b>~15.300</b>
Backlog <b>EUR 4.8bn</b>	EBT <b>EUR 91.1m</b>

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PORR, a leading full service provider in the construction sector

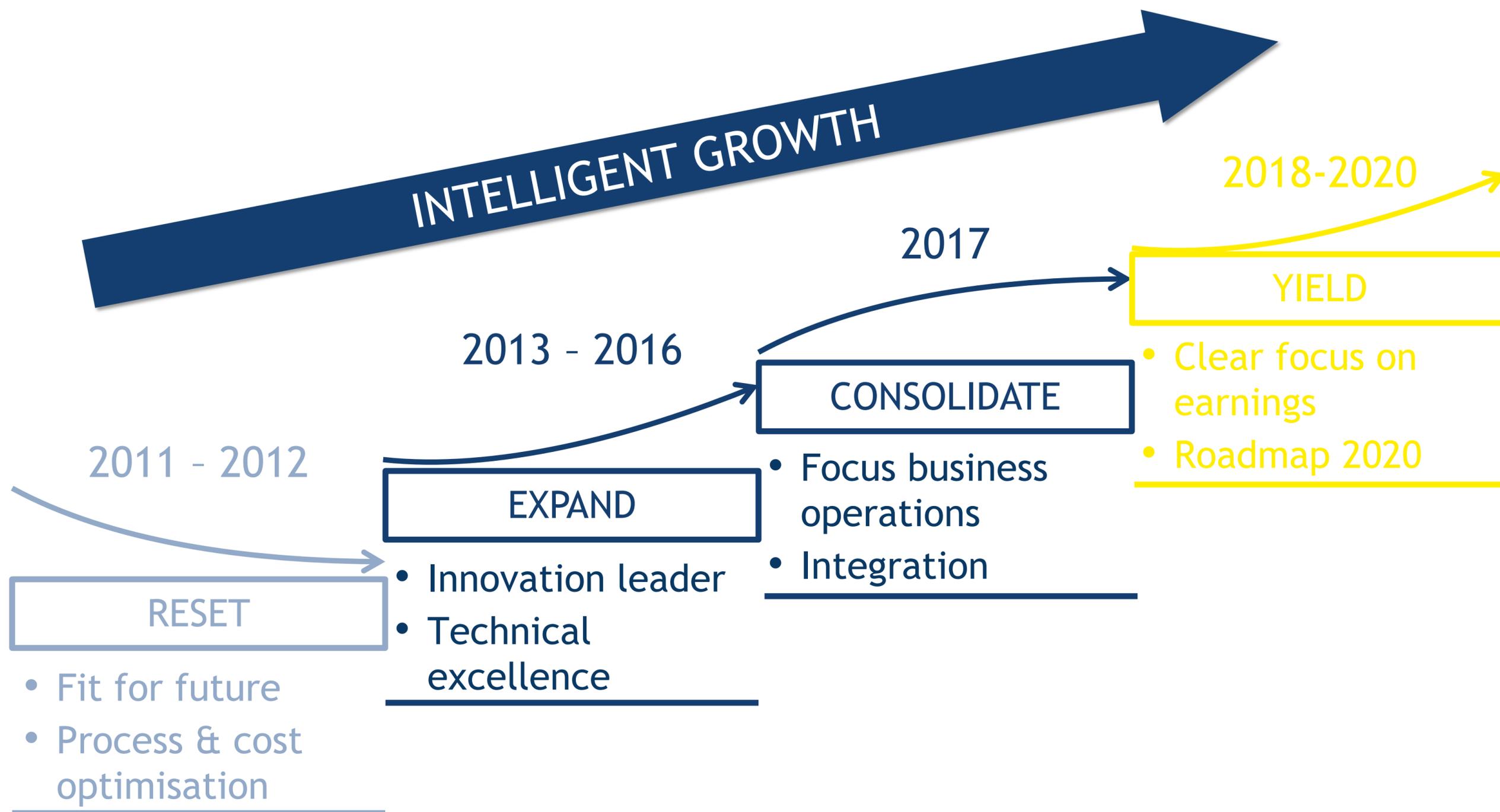
## Markets



<sup>1</sup> As of FY 2016



# Successful Company Transformation



# Reasons for Our Active Acquisition Strategy in the Last Six Years



# Highlights 9M 2017

## INTELLIGENT GROWTH

### Three major acquisitions

- Franki Grundbau



- Oevermann



- Hinteregger Group



## PRODUCTION GROWTH

20% growth in production output



## TECHNOLOGY

First Lean Construction (LC) project with BMW



## ORDER BACKLOG

Strongest order backlog in history with EUR 5,808m in 9M 2017





# Why to Own Our Shares?

**PORR**

# Overview on our Key Investment Highlights



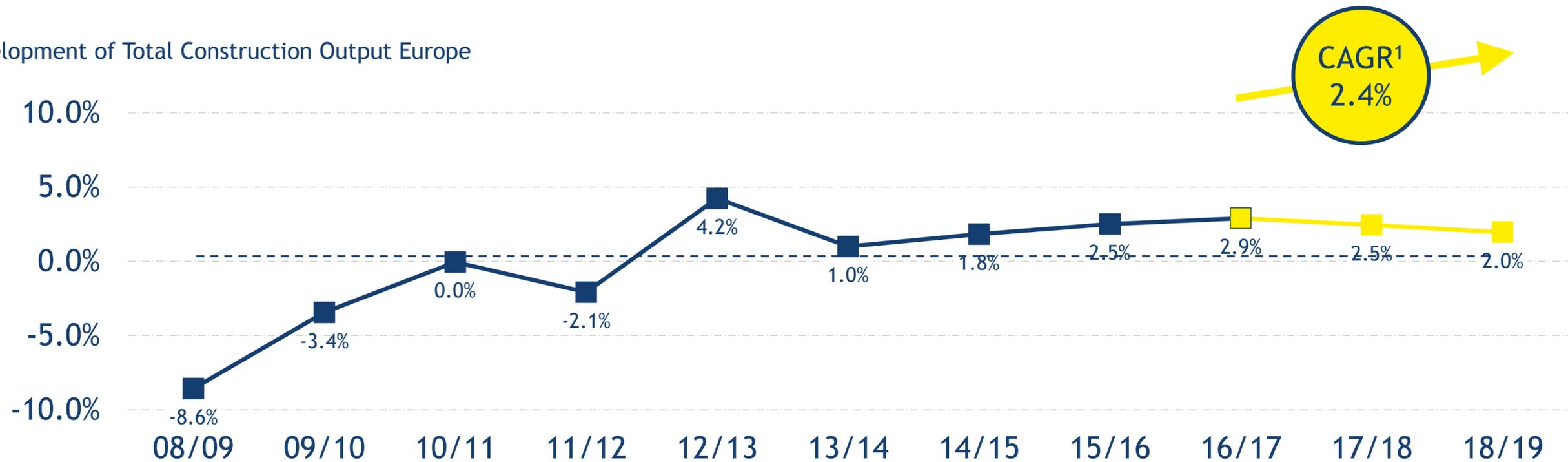
*Details to be laid out on following pages*

**Our Markets are  
Driven by  
Favourable Long-  
Term Effects**

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# Continuously Growing Construction Market in Europe

Development of Total Construction Output Europe



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

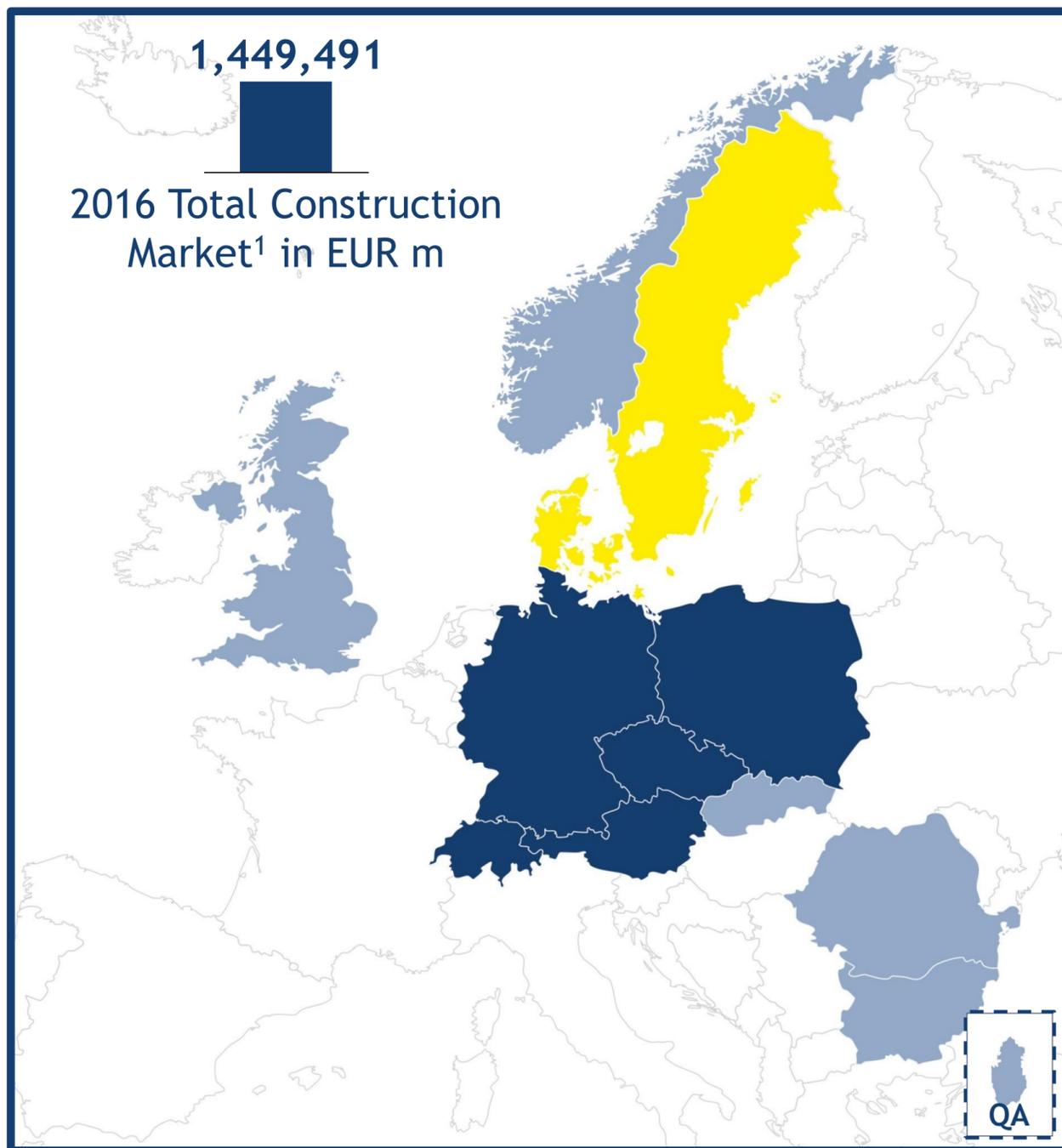
Ongoing  
Urbanisation

Significant Infrastructure  
investment programs (e.g. DE)

Migration

Changing Industrial  
Business Models

# 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  
Investor Presentation • 29/11/2017 • Page 12



**We Focus on Our  
Core Business:  
Construction  
from A-Z**

**PORR**

# 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



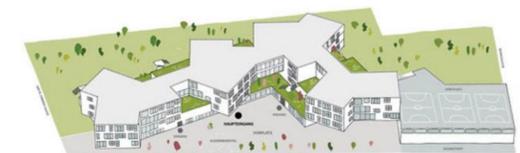
Bad Erlaa



Rohrbach

## Financial Engineering

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



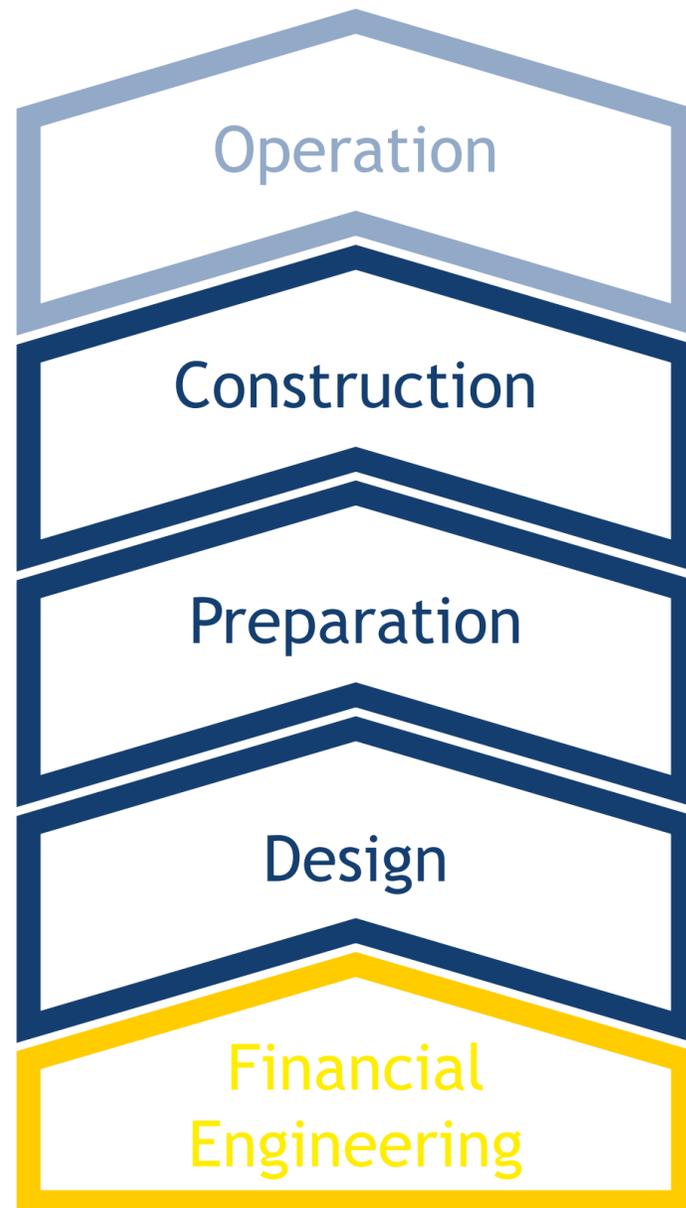
...and also in civil engineering

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

Expertise Building

Regional Expansion



**PORR**  
hospitals

**PORR**  
ABW

**PORR**  
G&P

**BBGS**

**PRAJO & CO**

**PORR**  
bpp

**PORR**  
PWW

**FRANKI**  
GRUNDBAU

**Stump**

**PORR**  
Geotechnik

**TKDZ**

**PORR**  
Polska Infra-structure

**G. HINTEREGGER**  
A SÖHNE  
Baugesellschaft m.b.H.

**PORR**  
Alpine

**GOIDINGERBAU**

**nägele**  
hoch- und tiefbau

**OEVERMANN**

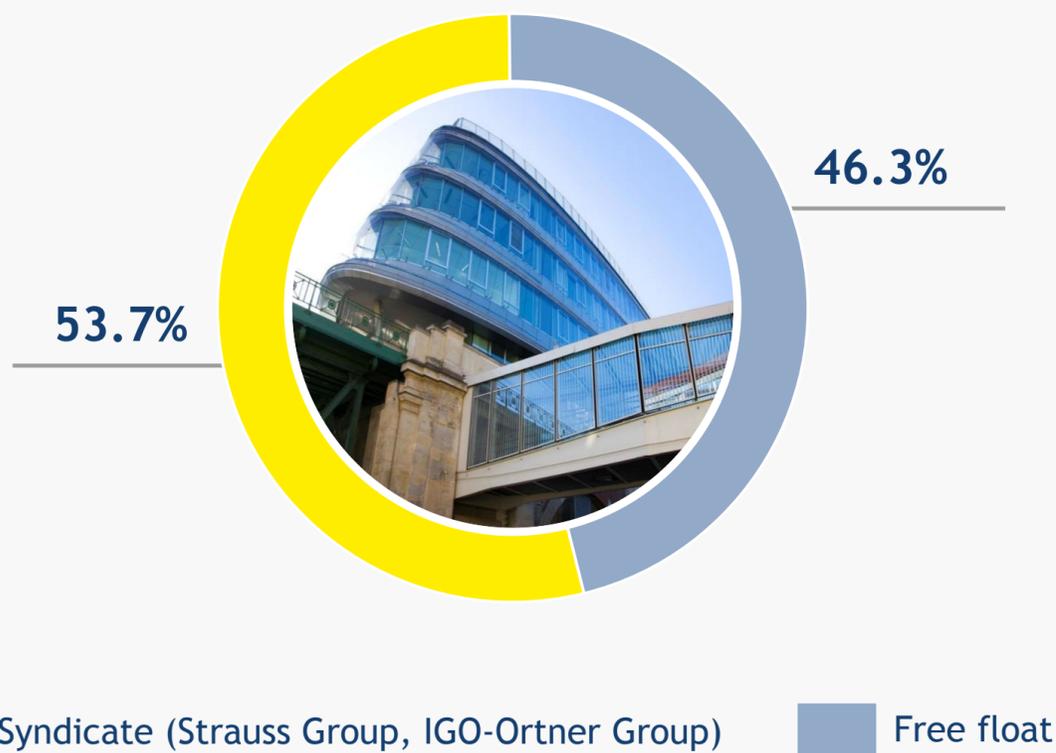
**PORR**

**We Incorporate  
an  
Entrepreneurial  
Mindset**

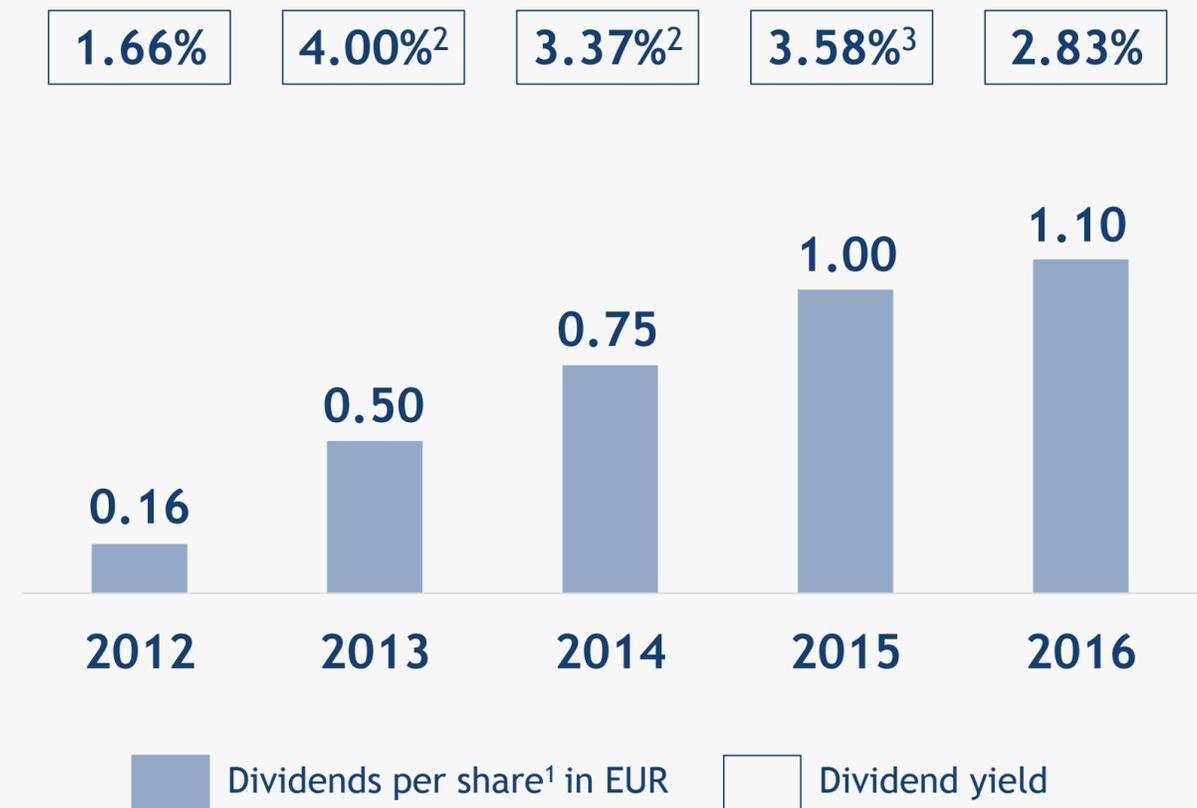
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# Aligned Interests Resulting in Sustainable Growth and a Consistent Dividend Policy

## 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  
 Investor Presentation • 29/11/2017 • Page 17



# PORR is often Partner of Choice due to its Handshake Mentality

Quality  
Technology Responsibility Mindset  
Eye level  
Not the biggest but the best Innovation  
Intelligent Building Owner-managed Performance  
Entrepreneur Trustworthiness Focus Leader  
Sustainability Mutual trust Operational excellence  
Commitment Regions Handshake mentality  
Mid-size sector

Handshake mentality approach transforming in successful projects

Selected clients:

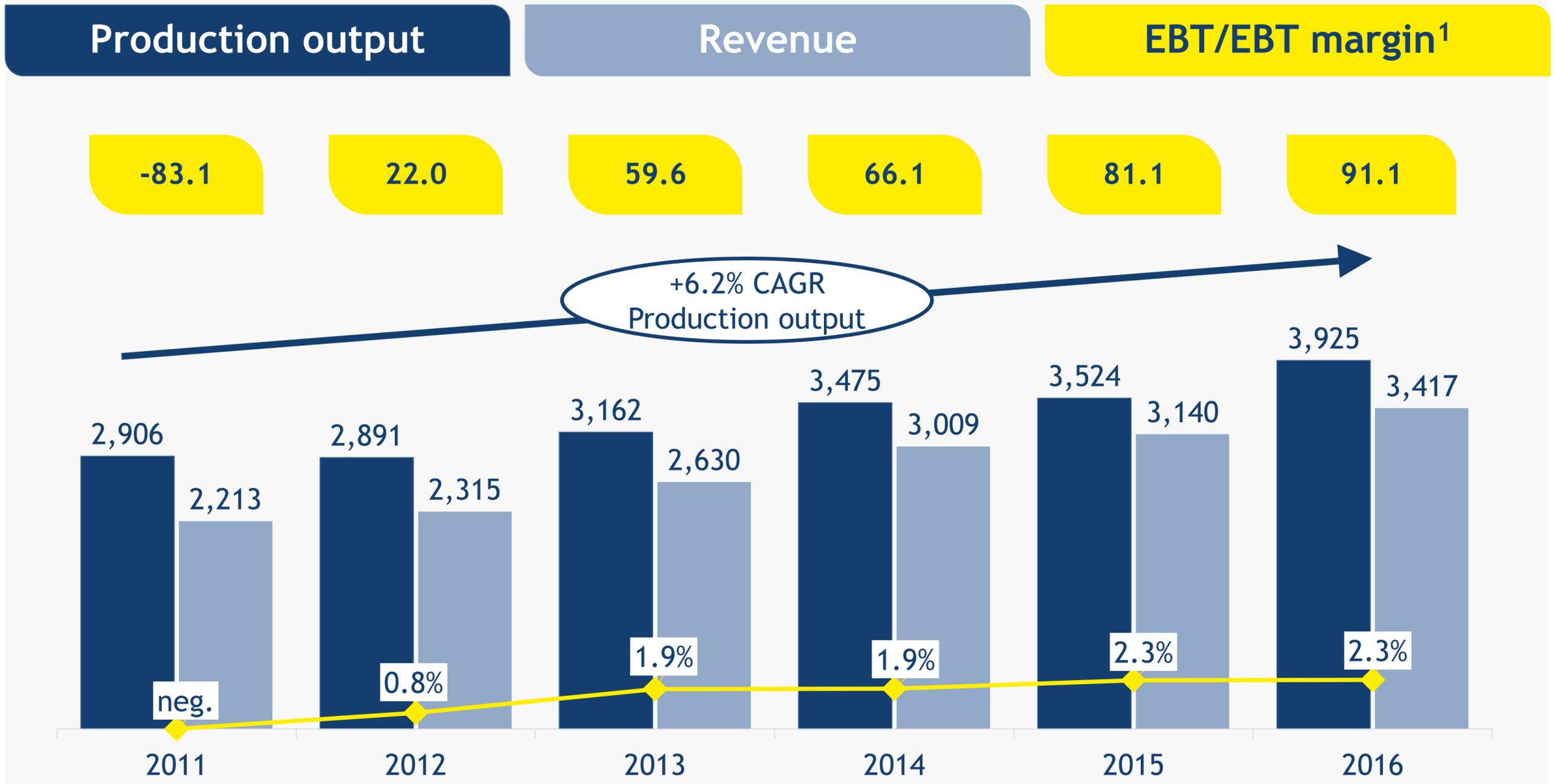


**We Have a Strong  
Financial  
Performance**

**PORR**

# Growth Track Record

## Historical financial development (in EUR m)



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



# Consolidated Income Statement

(EUR m <sup>1</sup> )	FY 2016	9M 2016	9M 2017	Change
<b>Production output<sup>2</sup></b>	<b>3,925.3</b>	<b>2,787.8</b>	<b>3,343.4</b>	<b>19.9%</b>
<b>Revenue</b>	<b>3,417.1</b>	<b>2,483.7</b>	<b>3,015.1</b>	<b>21.4%</b>
Share of profit/loss of companies accounted for under the equity method	46.3	30.6	31.3	2.4%
Cost of materials and other related production services	(2,251.4)	(1,632.0)	(2,043.0)	25.2%
Cost of Materials	(643.9)	(454.7)	(627.6)	38.0%
Purchased services	(1,607.5)	(1,177.3)	(1,415.3)	20.2%
Staff expense	(874.1)	(663.5)	(749.0)	12.9%
Other operating result <sup>3</sup>	(150.5)	(106.4)	(143.6)	35.0%
<b>EBITDA</b>	<b>187.3</b>	<b>112.4</b>	<b>110.8</b>	<b>(1.4%)</b>
<i>- in % of Production output</i>	<i>4.8%</i>	<i>4.0%</i>	<i>3.3%</i>	
Depreciation, amortisation & impairment	(87.3)	(63.2)	(77.7)	23.1%
<b>EBIT</b>	<b>100.1</b>	<b>49.2</b>	<b>33.1</b>	<b>(32.8%)</b>
<i>- in % of Production output</i>	<i>2.5%</i>	<i>1.8%</i>	<i>1.0%</i>	
Financial result	(9.0)	(8.4)	(4.7)	(44.5%)
<b>EBT</b>	<b>91.1</b>	<b>40.8</b>	<b>28.4</b>	<b>(30.3%)</b>
<i>- in % of Production output</i>	<i>2.3%</i>	<i>1.5%</i>	<i>0.8%</i>	
Taxes	(24.2)	(10.1)	(7.1)	(30.1%)
<b>Profit for the period</b>	<b>66.8</b>	<b>30.7</b>	<b>21.3</b>	<b>(30.4%)</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

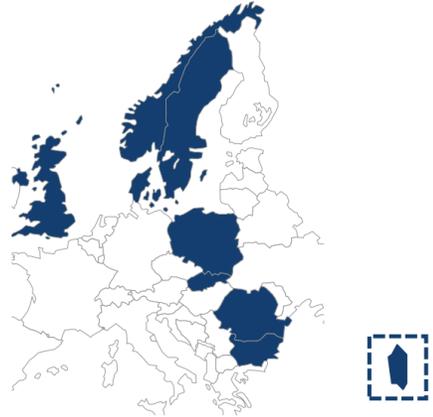


# Statement of Financial Position

(EUR m)		FY 2016	9M 2016	9M 2017
Assets	Non-current assets	801,3	770.7	1,014.1
	Current assets	1,560.8	1,508.3	1,806.7
	<b>Total assets</b>	<b>2.362,1</b>	<b>2,278.9</b>	<b>2,820.9</b>
Equity & liabilities	Equity <sup>1</sup>	440.9	399.0	554.0
	Non-current liabilities	562,7	557.7	678.9
	Current liabilities	1,358.5	1,322.3	1,587.9
	<b>Total equity and liabilities</b>	<b>2.362,1</b>	<b>2,278.9</b>	<b>2,820.9</b>
Ratios:	Net debt/Net cash ( )	(53.3)	212.0	500.5
	Equity ratio	18.7%	17.5%	19.6%

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

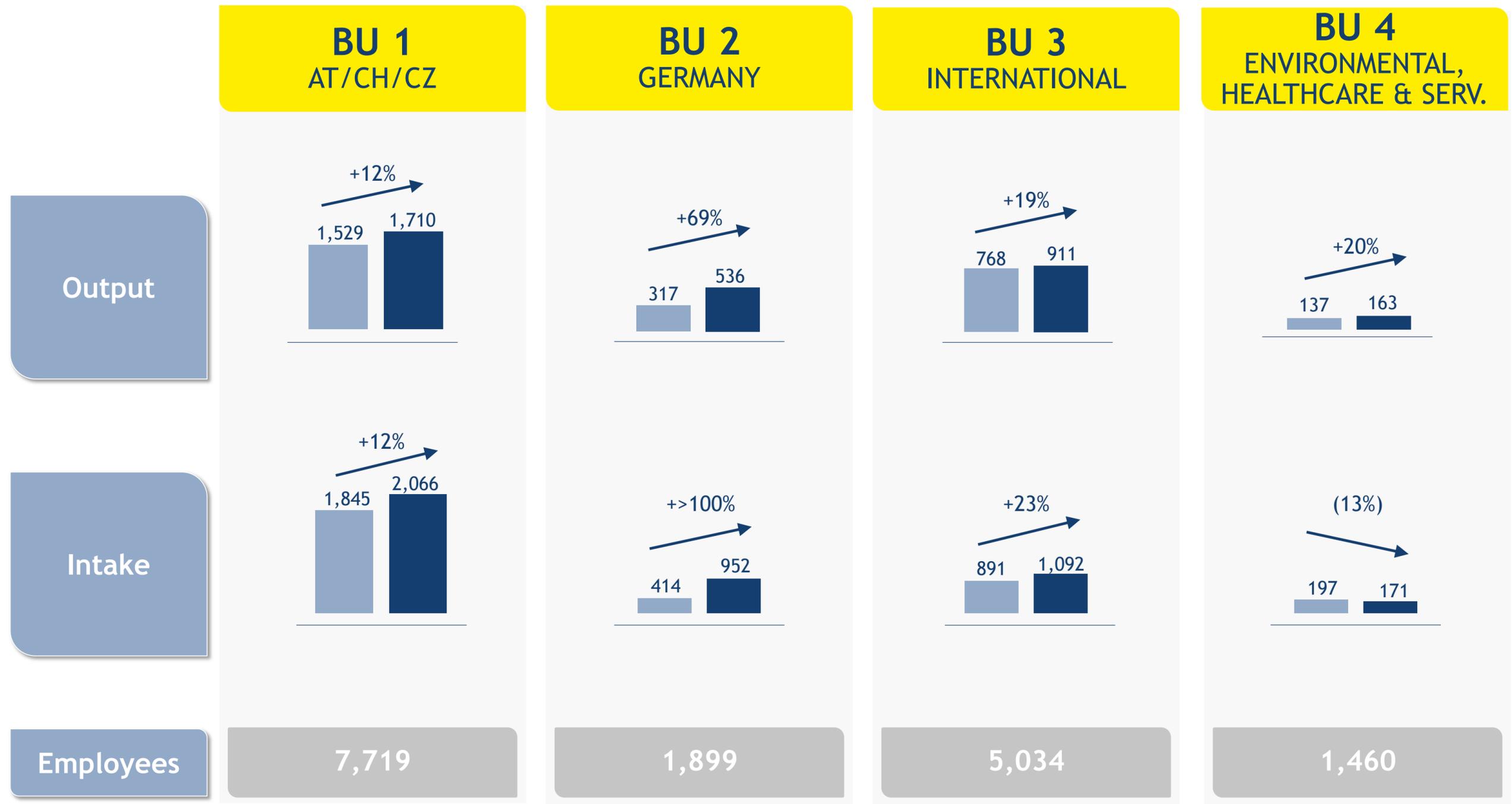
# Business Units (1/2)

	BU 1 AT/CH/CZ	BU 2 GERMANY	BU 3 INTERNATIONAL	BU 4 ENVIRONMENTAL, HEALTHCARE & SERV.
Production <sup>1</sup> (in EUR m)	1,710 Share: 51%	536 Share: 16%	911 Share: 27%	163 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%  
Investor Presentation • 29/11/2017 • Page 23



# Business Units (2/2)



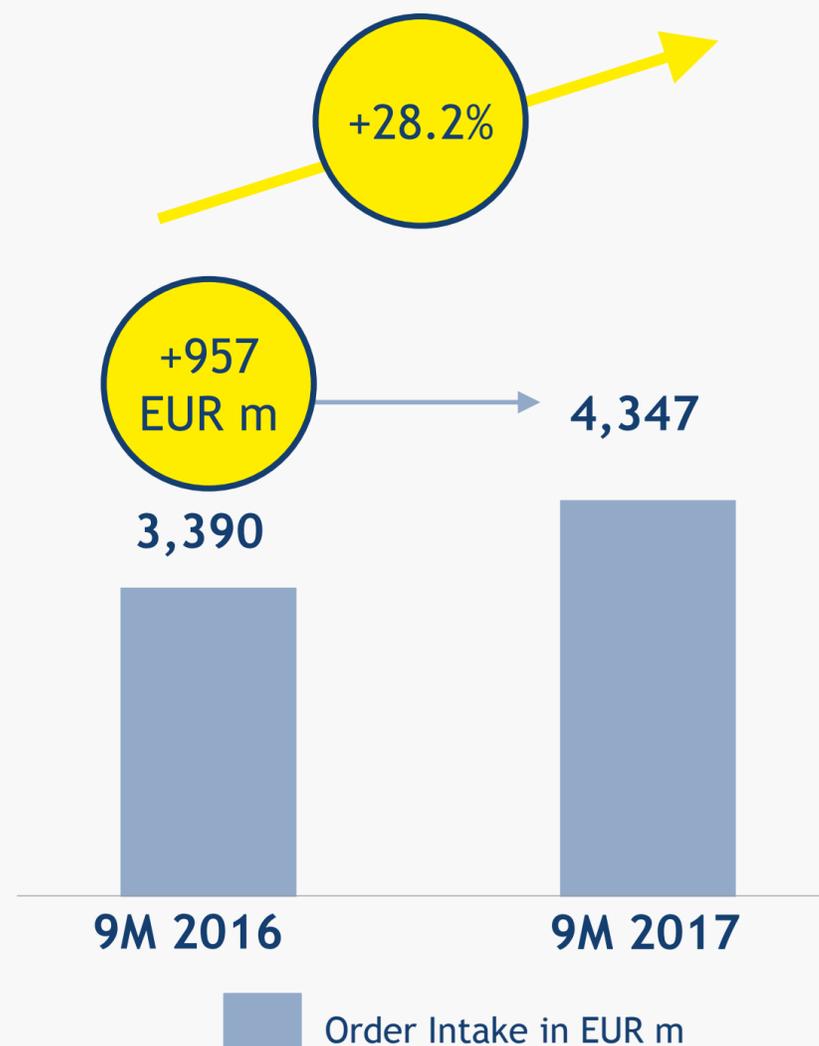
■ 9M 2016 in EUR m  
■ 9M 2017 in EUR m



**We Have a Clear  
Vision for a Value  
Adding Future  
Development**

**PORR**

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



## Selected Projects



General: Office BMW  
 Country: DE  
 Value<sup>1</sup>: EUR 114.0m  
 Schedule: 2017 - 2018



General: Railroad Poznań-Piła  
 Country: PL  
 Value<sup>1</sup>: EUR 112.5m  
 Schedule: 2017 - 2019

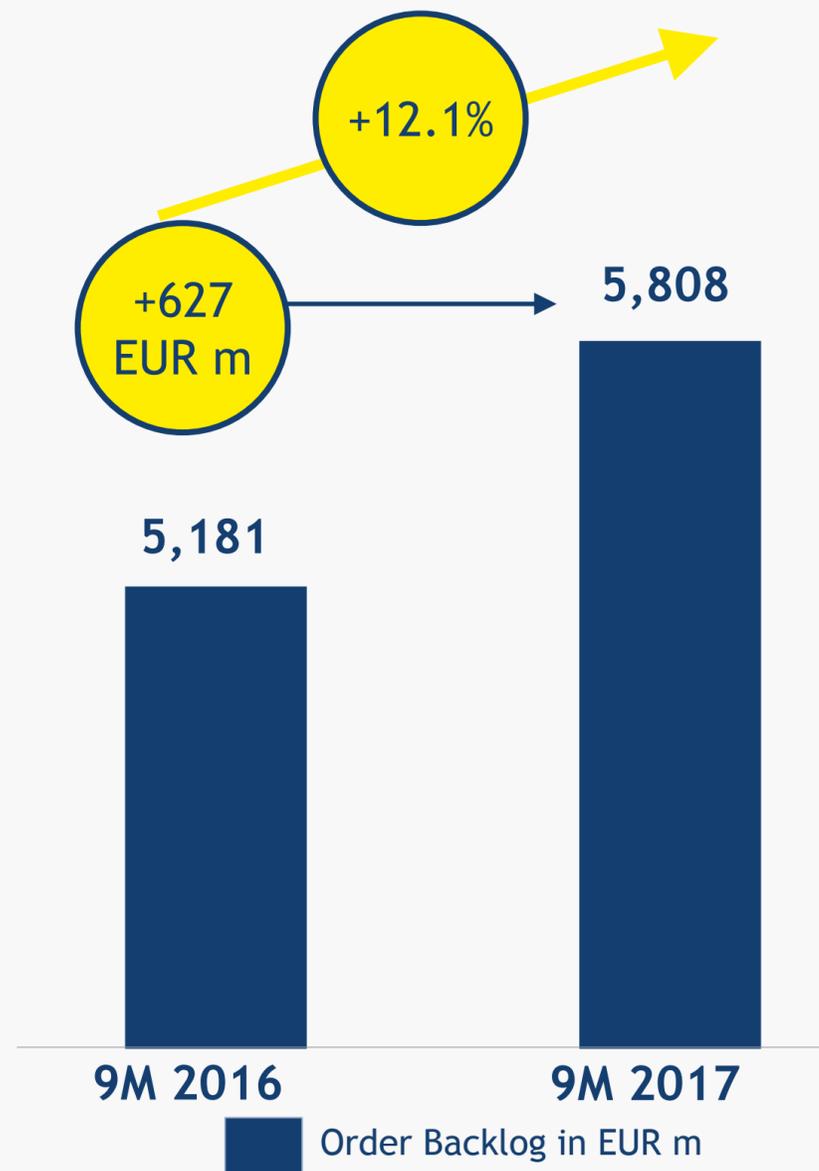


General: Subway U5 Europaviertel  
 Country: DE  
 Value<sup>1</sup>: EUR 104.4m  
 Schedule: 2017 - 2022

<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



## Selected Projects



General: Office Europaallee Zürich<sup>1</sup>  
 Country: CH  
 Value<sup>2</sup>: EUR 152.5m  
 POC: 42.4%  
 Schedule: 2015 - 2020



General: Emscher Tunnel  
 Country: DE  
 Value<sup>2</sup>: EUR 144.1m  
 POC: 87.9%  
 Schedule: 2013 - 2018

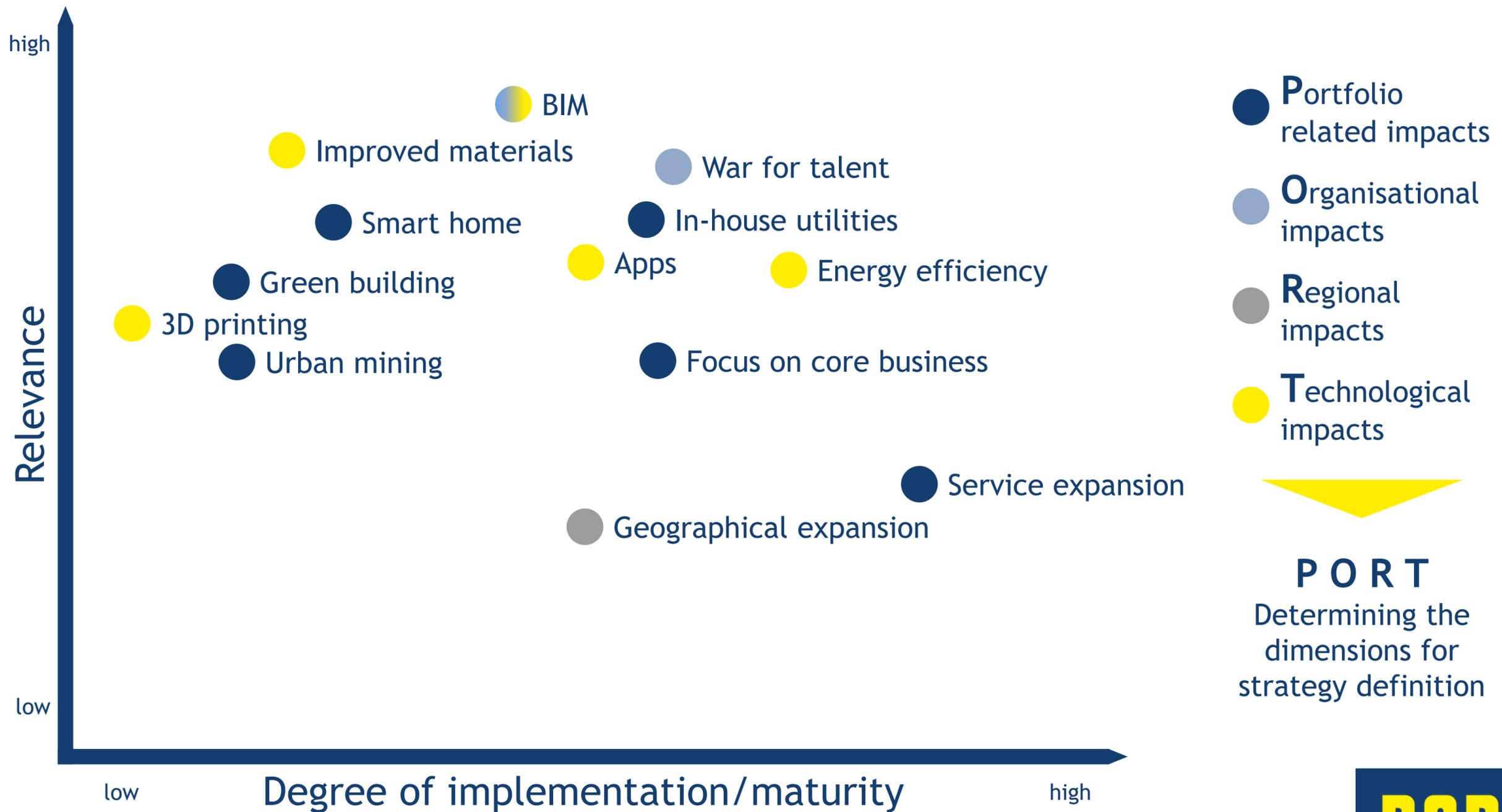


General: Expressway S17 Ryki  
 Country: PL  
 Value<sup>2</sup>: EUR 117.3m  
 POC: 16.9%  
 Schedule: 2015 - 2019

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



# Selected Future Trends in Construction



**PORT**  
Determining the dimensions for strategy definition



Source: Roland Berger

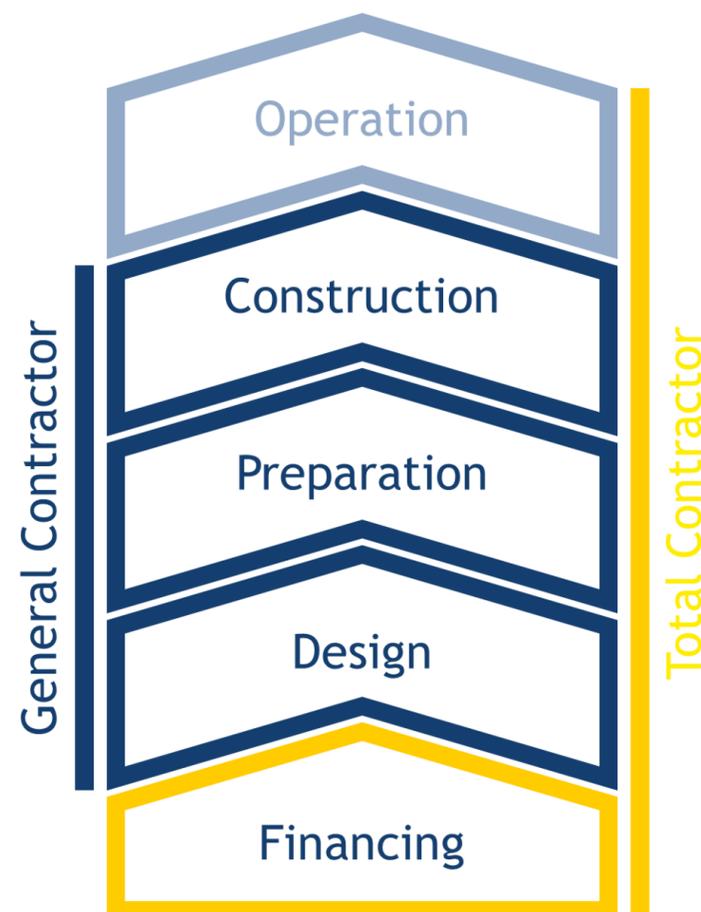
# PORT Framework as Pillars for Our Strategy



# 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



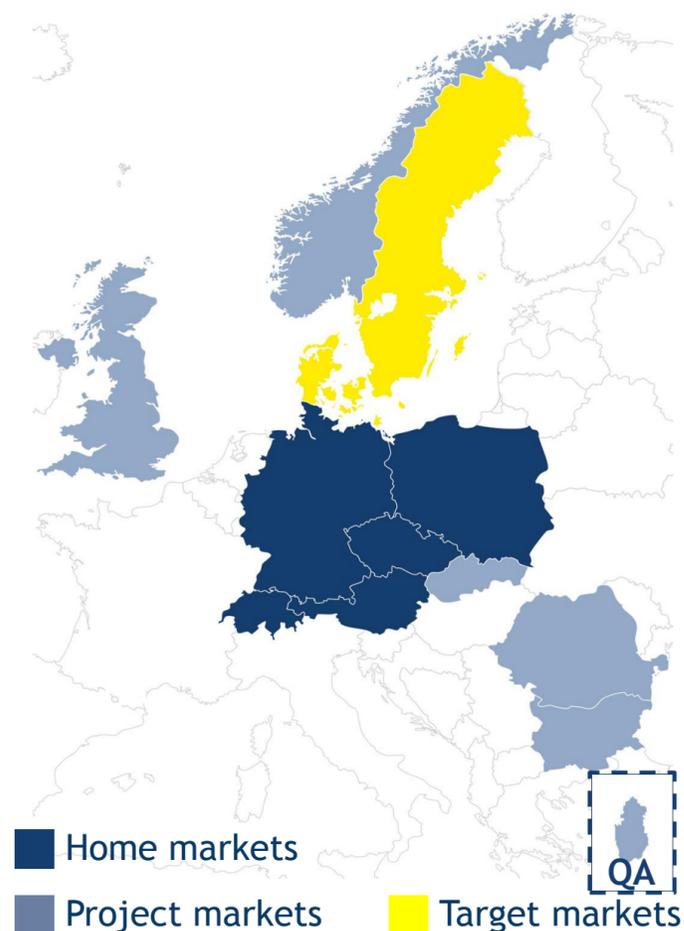
# On the Basis of our Today's Footprint, we will Further Expand our Key Markets



## Regions

### Home Markets:

- Leverage excellent network, market knowledge and client relations
- Permanent market approach from buildings to tunnelling



### Project Markets:

- Focus on infrastructure projects with export knowledge e.g. tunnelling, railway construction
- Cooperation with local partners

### Target Markets:

- Continuous market sounding
- Market entry via promising infrastructure projects (“door openers”)



# To Remain Successful in the War for Talent, we Developed our Best Place to Work - Concept

## WAR FOR TALENT

- Employees and clients require highly flexible organisations
- Demographics lead to a shortage of skilled employees
- Urbanisation results in a local concentration of demand

## OUR ANSWER: BEST PLACE TO WORK - Concept

### Work&Life@PORR

- Flexible models of working hours and leave
- Nursing and health support programs

### Diversity@PORR

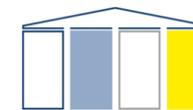
- **Women@PORR:** Promotion of women
- Openness for religious, ethnical and sexual diversity

### PORR Academy

- Attractive trainings for blue-and white-collar workers
- In-house education for international deployments

**PORR**

# Roadmap 2020 as a New Organisational Framework for Beyond BIM



## ORGANISATION



**INTERNAL DIGITALISATION** (e-billing, e-commerce, standardised workflows)

- Utilize key information efficiently
- Reduce administrative workload to focus management on core business

**LEAN CONSTRUCTION** (approach based on automotive “lean production” system)

- Minimize waste of materials, time and effort
- Systematically organise collaboration between all stakeholders

## TECHNOLOGY



**BIM** (Building Information Modelling)

- 5D = 3D + time and cost/quality
- Increase transparency and efficiency along the full construction process

**MACHINE-2-MACHINE** (communication between all of PORR’s machinery)

- To ensure highest availability or theft protection

**PORR APPS** (selection)



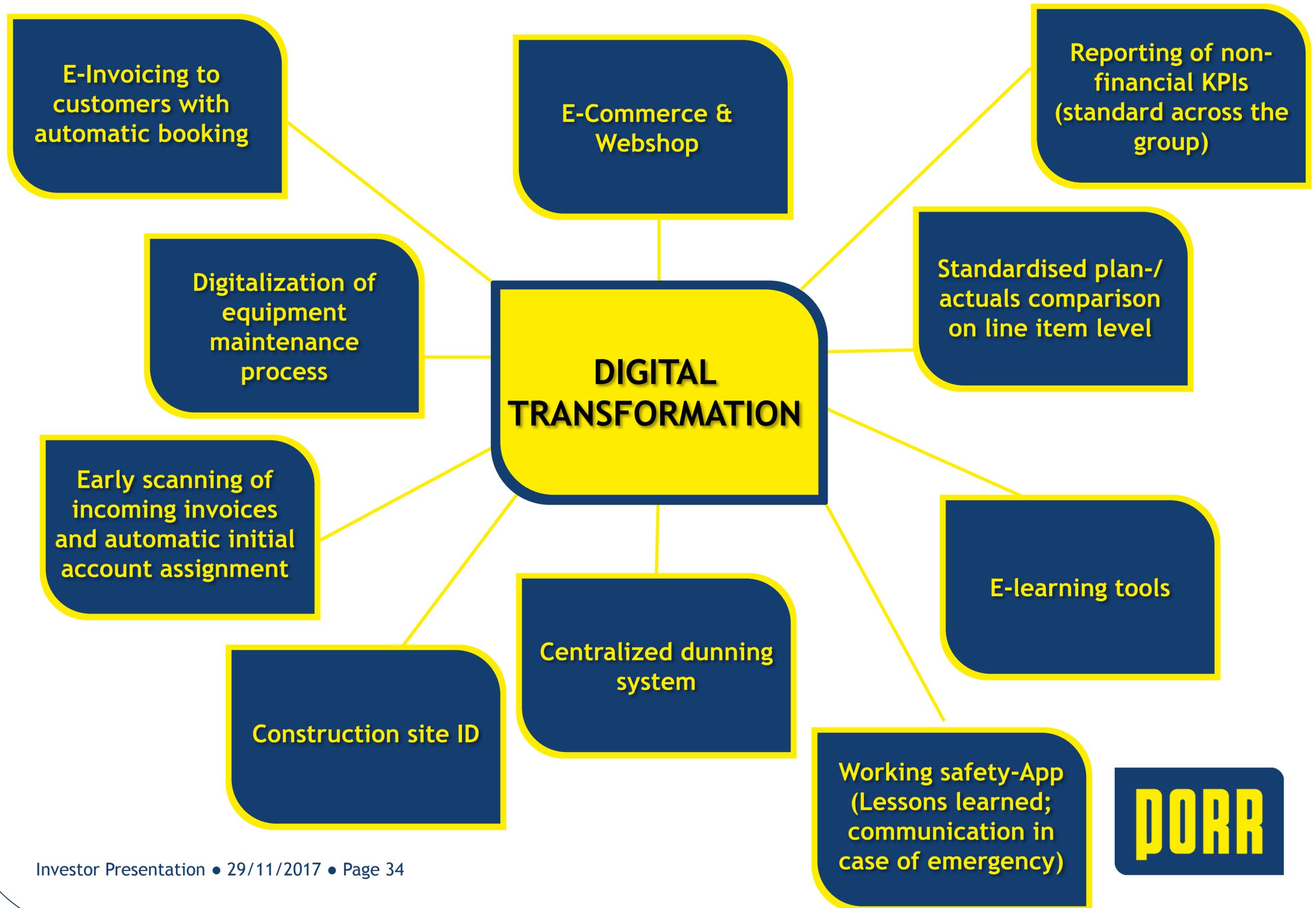
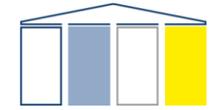
PORR  
Weather App



PORR Defect  
Radar App

**PORR**

# Roadmap 2020: Selected Examples



# Key Messages and IR Information

# 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 home 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.

# IR Information for PORR AG

## Share Information

Share price <sup>1</sup>	EUR 25.00
Market capitalisation	EUR 727.4m
Official market	Vienna Stock Exchange Prime Market
Number of shares outstanding	29,095,000
Ticker symbol	POS VI
ISIN	AT0000609607

## IR Contact

For further information please contact  
the Investor Relations department

T +43 (0) 50 626-1006  
[IR@porr-group.com](mailto:IR@porr-group.com)

## Financial Calendar 2018

26.04.2018	Annual Financial Report 2017
26.04.2018	Press conference
28.05.2018	Q1 2018
29.05.2018	138 <sup>th</sup> Annual General Meeting
05.06.2018	Trade ex-dividend 2017
07.06.2018	Dividend payment for 2017
29.08.2018	H1 2018
29.11.2018	Q3 2018

## Research Reports

Berenberg Bank - Hold  
Erste Group - Hold  
Hauck & Aufhäuser - Buy  
Kepler Cheuvreux - Hold  
Raiffeisen Centrobank - Hold  
SRC Research - Buy

