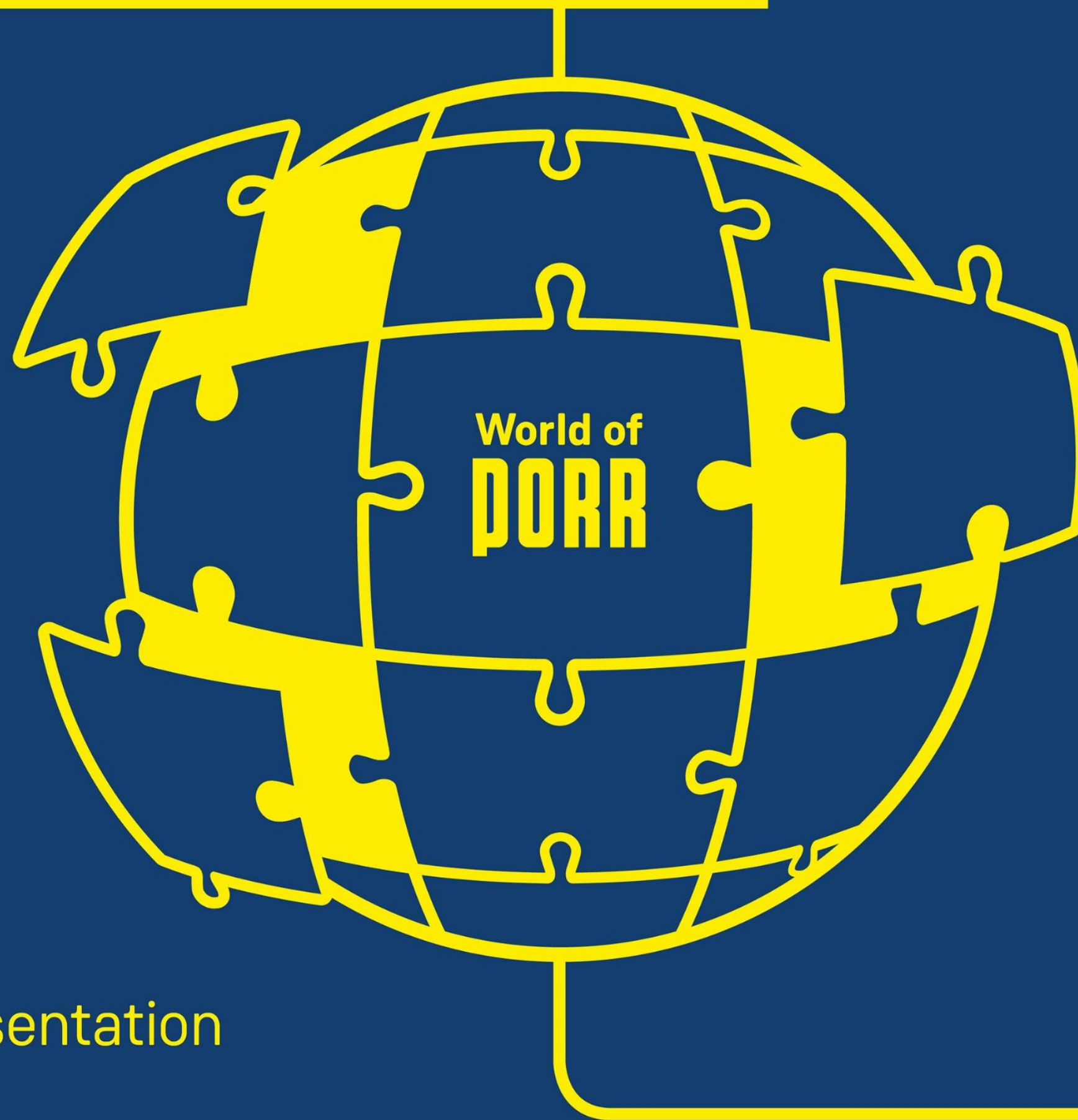


**PORR AG Full Year Results 2017**  
**growing . together**



Investor Presentation  
April 2018

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# Highlights FY 2017



**Double-digit top-line growth above market average**



**Second best EBT result in PORR's history**



**Strong order book at EUR 6.4bn ensures full utilization far beyond 2018, landmark projects wins**



**Net debt at EUR 147.4m better than expected, down from Q3 peak by EUR 353m**



**Dividend of EUR 1.10 - unchanged at record level, attractive dividend policy and yield**



**Outlook FY 2018: output growth to EUR 5bn**



**PORR**

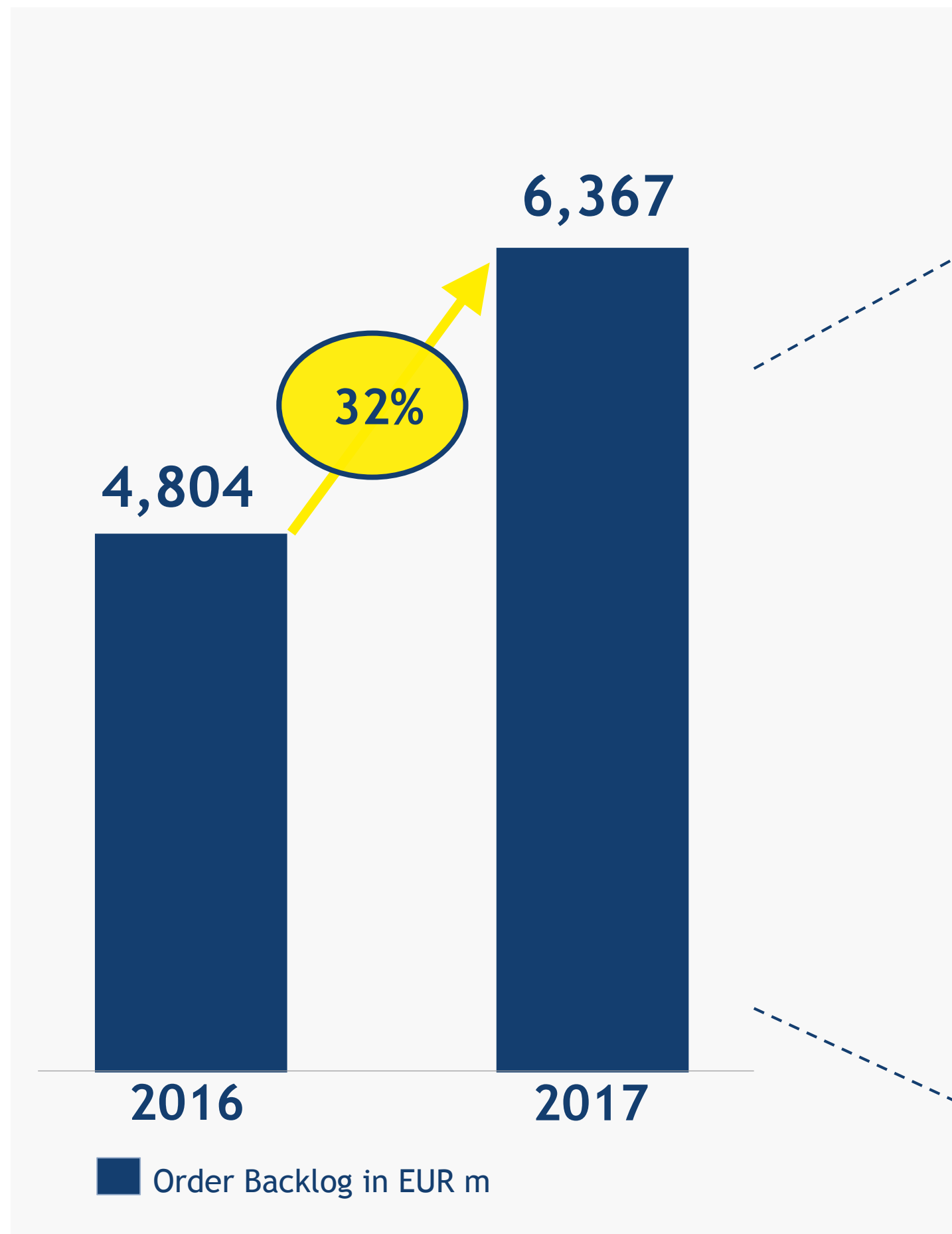
# Top-Line Growth Outperforms Market

## Production output (EURbn)



- Output at EUR 4.7bn - an all time high
- Resilient top-line growth of 20.7%, outperforming market (Europe: 3% / Peers: 7%)
  - Double-digit CAGR 2013-2017: 10.6%
  - 12.3% organic / 8.4% acquisition growth
- Delivery of mid-term output target in Germany of more than EUR 1bn

# Strong Order Book Supports Selective Bidding



## Top 10 Projects

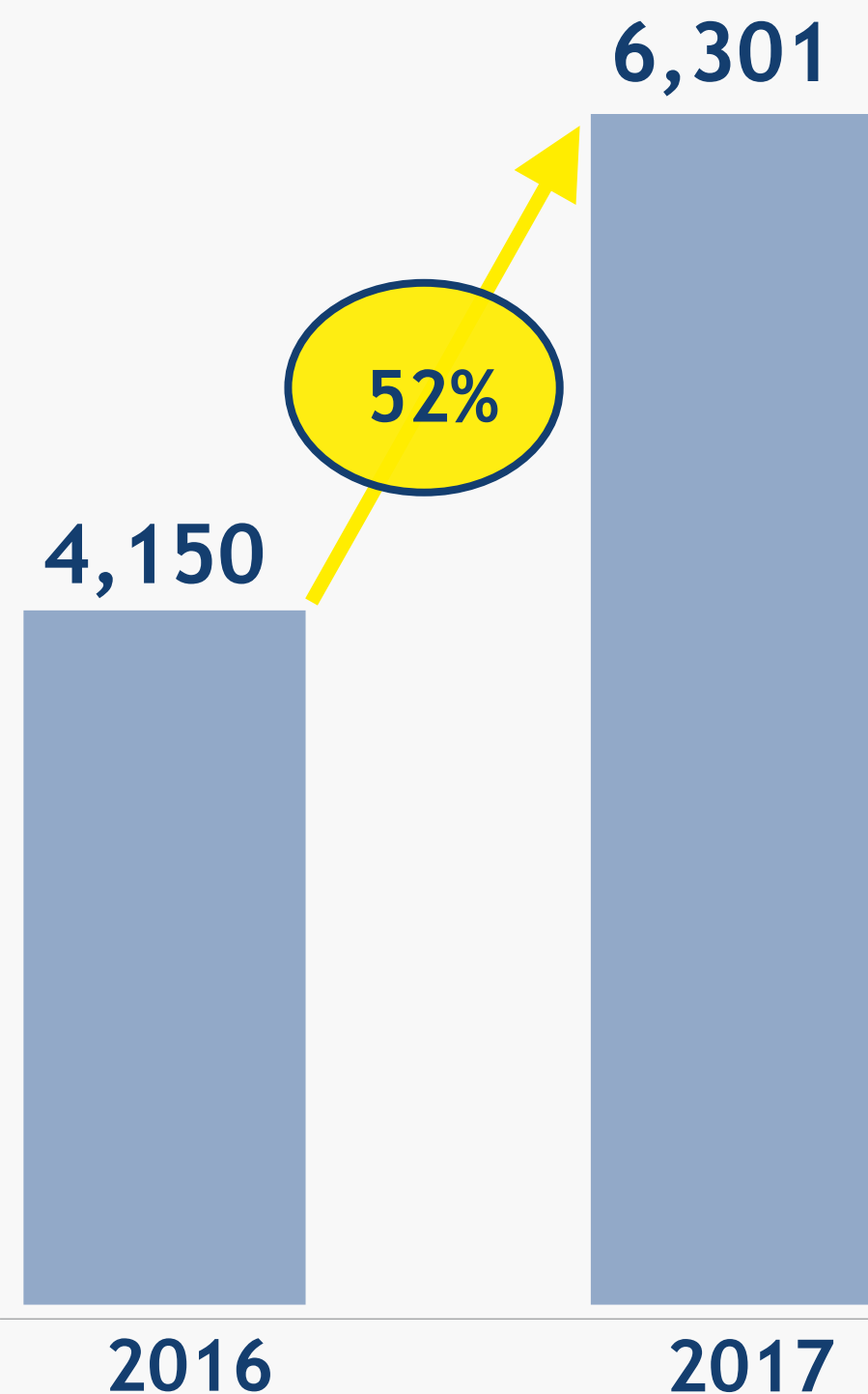
Selected Projects	Country	EUR m <sup>1</sup>	Plan
Metro Green Line Doha	QA	943.6	2013-2018
Highway A1 Rhine Bridge	DE	304.8	2018-2024
Bratislava Ringroad D4R7	SK	300.3	2016-2020
Koralmtunnel	AT	297.1	2013-2021
Fildertunnel (Stuttgart)	DE	266.4	2011-2019
Tunnel Alaufstieg	DE	234.9	2012-2019
Al Wakrah Stadium	QA	201.5	2016-2018
SL-G Slab Track General	QA	161.5	2015-2018
Office Europaallee Zürich	CH	152.5	2015-2020
Brenner Base Tunnel <sup>2</sup>	AT	966.0	2018-2024

1 Stated values are project values at time of contract award

2 Brenner Base Tunnel project entry in April 2018



# New Orders with Landmark Projects



Order Intake in EUR m

## Top Order Wins

Selected Projects	Country	EUR m <sup>1</sup>	Plan
A1 Rhine Bridge Leverkusen	DE	304.8	2018-2024
Deep Tunnel Stormwater System, Dubai	AE	139.4	2017-2020
BMW München Freimann	DE	114.0	2017-2018
Railroad LK 354 Poznan-Pila	PL	112.5	2017-2019
U5 Europaviertel, Frankfurt	DE	104.4	2017-2022
Musameer Pumping Station, Doha	QA	99.8	2017-2021
Railway Tunnel Erdinger Ringschluss	DE	92.5	2018-2021
Office Building Baloise Park, Basel	CH	86.5	2017-2019
S7 National road Mlawa - Strzegowo	PL	86.3	2018-2020
Brenner Base Tunnel <sup>2</sup>	AT	966.0	2018-2024

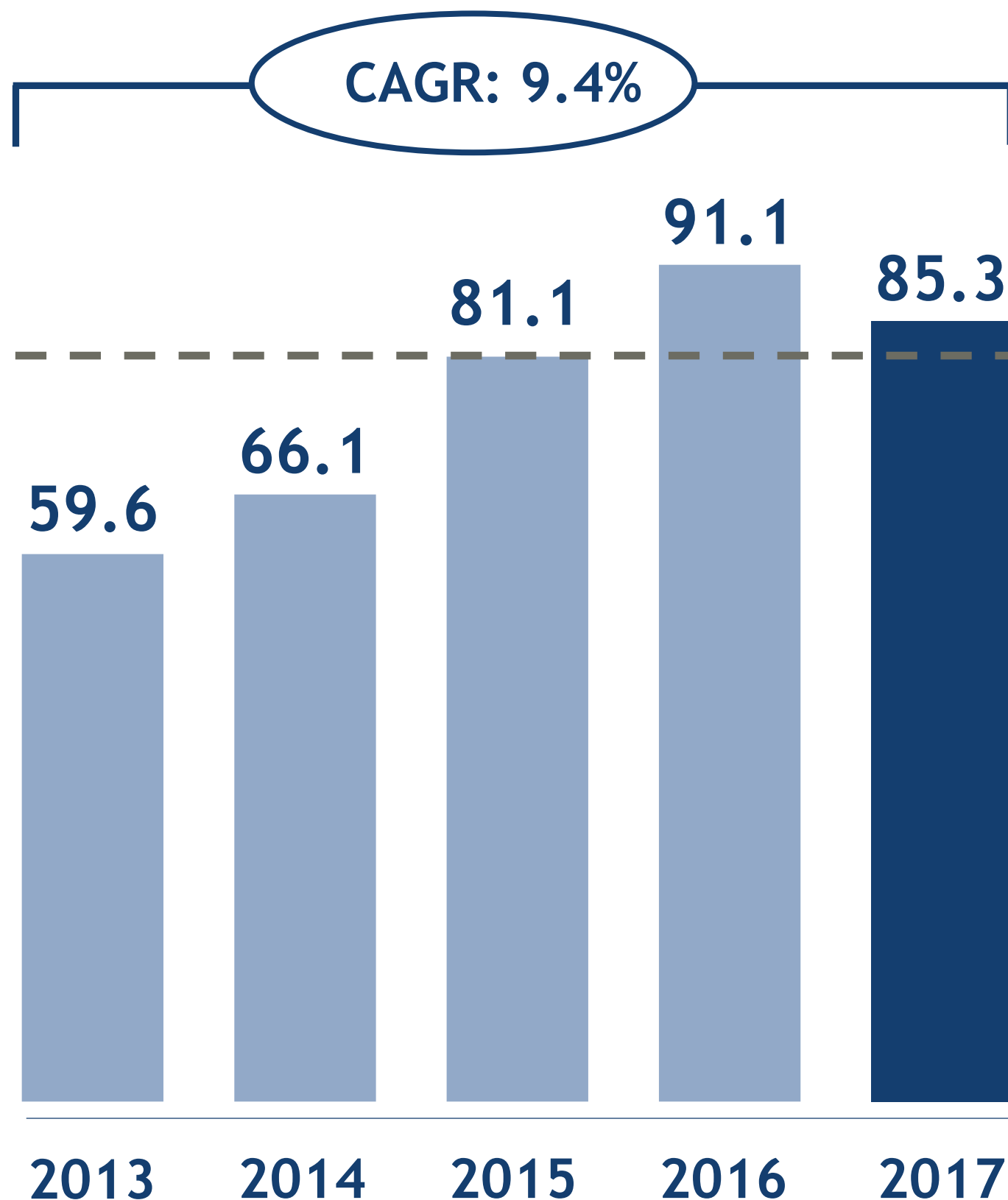
1 Stated values are project values at time of contract award

2 Brenner Base Tunnel project entry in April 2018



# Second Best Result in PORR's history

## EBT results over last 5 years

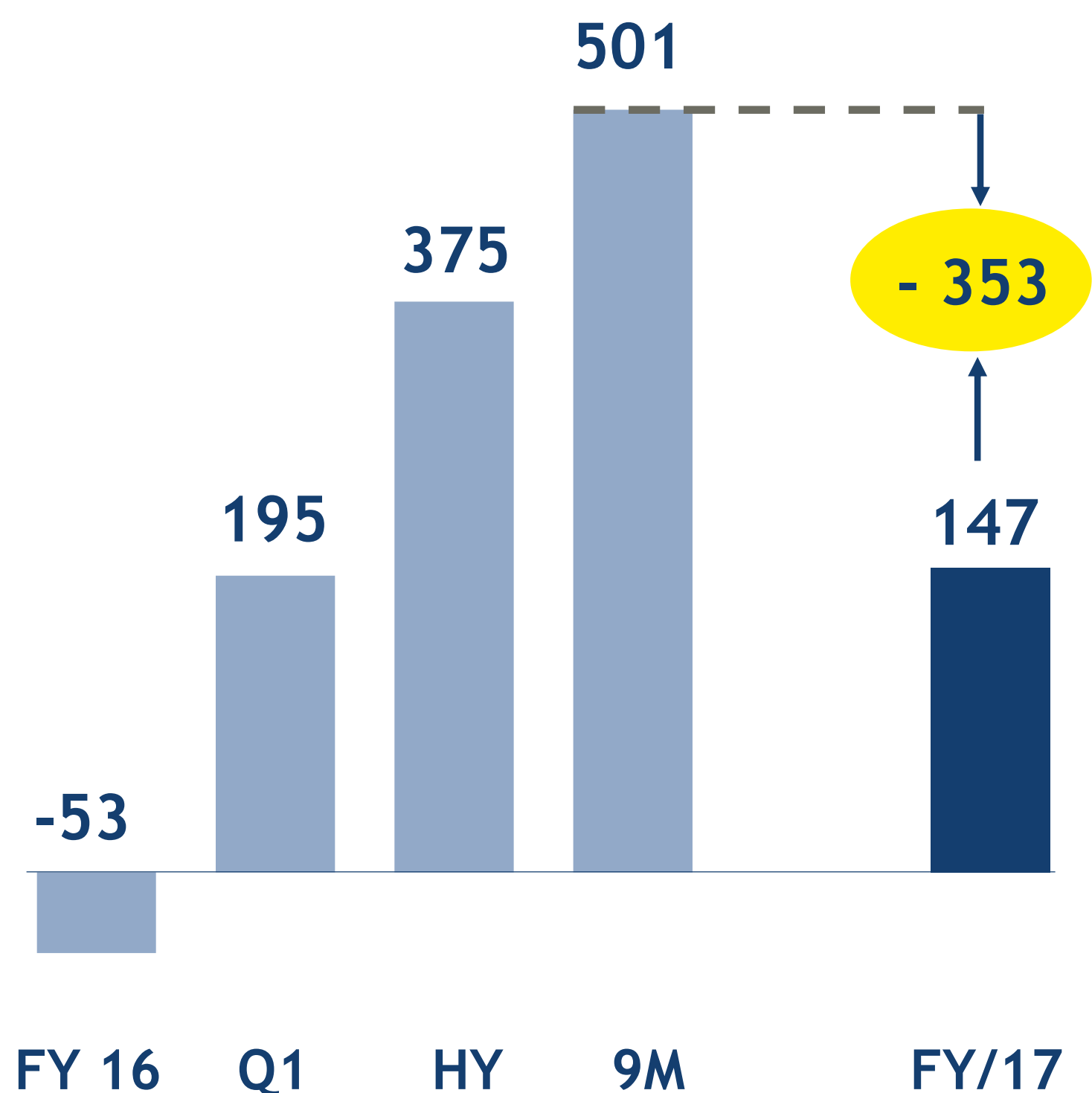


- As announced, EBT down on 2016 (-6.3%), but above 2015 (+5.2%)
- EBT CAGR of +9.4% over last five years
- Growth in Germany needs to be digested
- Value upside through efficiency gains
- Focus 2018: year of integration and consolidation after strong growth decade
- Mid-term EBT margin goal of 3.0%



# Net Debt Better Than Expected

Strict focus on net debt

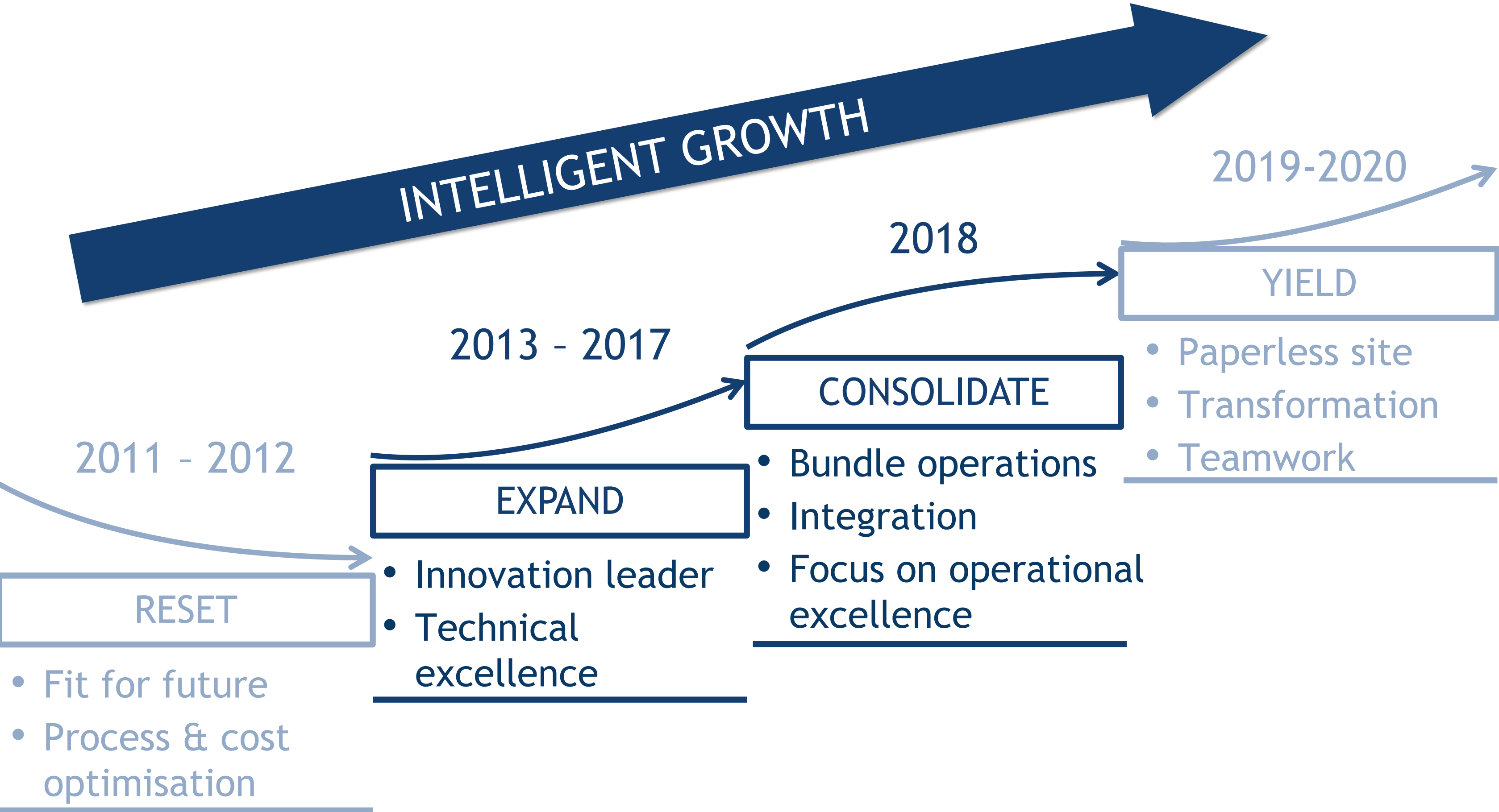


- Reduction of EUR -353m in Q4/17 alone
- Net Debt 2017 of 147.4m in line with market expectations
- Proof of PORR's ability to steer key financials
- 2017: year of acquisitions and investments





# 2018: Year of Consolidation



# PORR in 2018

## STRONG CORE

- Five home markets with strong local power
- #1 Scale in Austria
- Differentiate through portfolio of projects with different sizes

## INTERNATIONAL

- PORR competes internationally in selective projects in civil engineering
- Sectors fit with competitive know-how

## OPERATIONAL

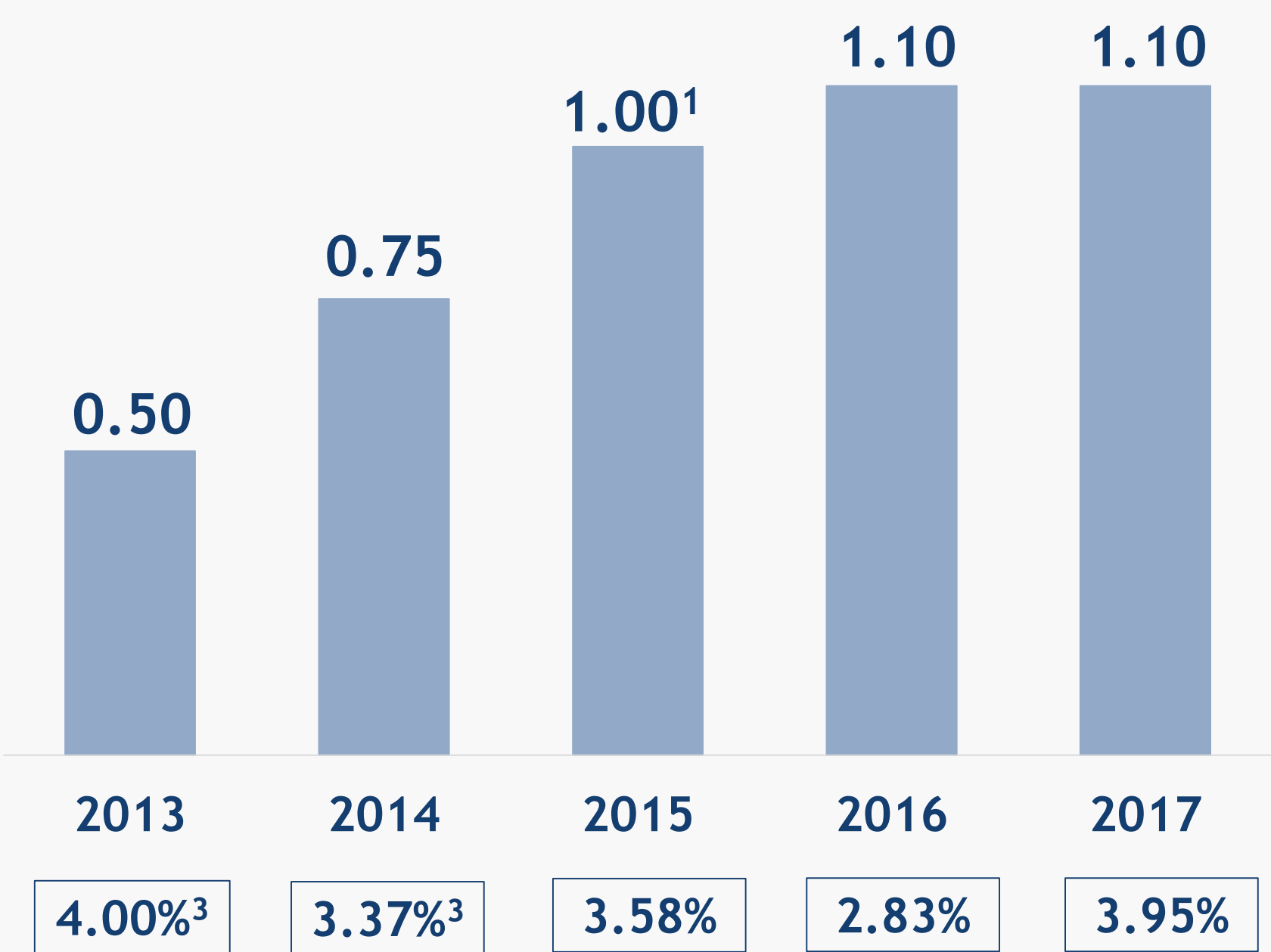
- Focus on operational excellence, project control, cash and cost discipline

## THINK BEYOND

- Portfolio complemented by activities driving construction and margins
- E.g. export products, PPP-projects

# Record Dividend Unchanged

## Dividends per share (EUR)



□ Dividend yield

- EUR 1.10 dividend per share - high level unchanged
- Shareholder focus: consistent dividend policy (30-50% payout ratio<sup>2</sup>)
- Top-end dividend yield of 3.9% in the sector

1 In 2015 excluding additional scrip dividend; 2 based on net profit and depending on M&A strategy  
3 Restated excl. discontinued operations



# Outlook 2018



Construction market outlook to remain strong in 2018



EUR 5bn production output



Record order book supports growth and selective bidding



Focus on operational excellence

# PORR as an Investment

## Strong Core

- Market leader in Austria
- Strong footprint in five European home markets (87% of total)
- Demand outperforms construction supply

## USP

- Landmark projects across every sector
- One-stop-shop: value chain in-house
- Order backlog of EUR 6.4bn: full capacity utilization far beyond 2018

## Focus

- Focus on profitability and sound balance sheet
- Focus on risk-profile and balanced quality of order book
- Focus on innovation and technology

## Capital Market

- Attractive dividend policy
- Continuity in payout ratio (30-50% of net profit)
- Shareholder value first

The logo for PORR, consisting of the letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

# About PORR

# PORR - At a Glance

## Business Units

- 1 AT/CH/CZ  
(home markets)
- 2 DE  
(home market)
- 3 International  
(project market)
- 4 Environmental,  
healthcare & serv.

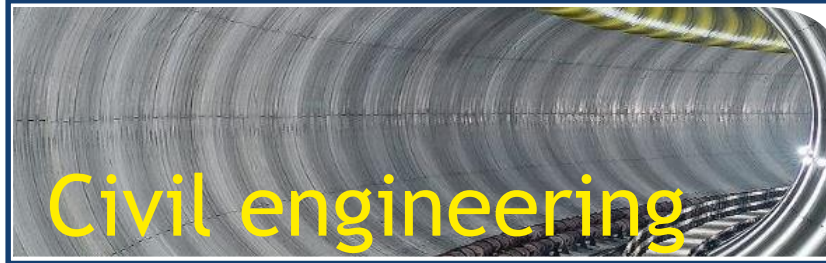
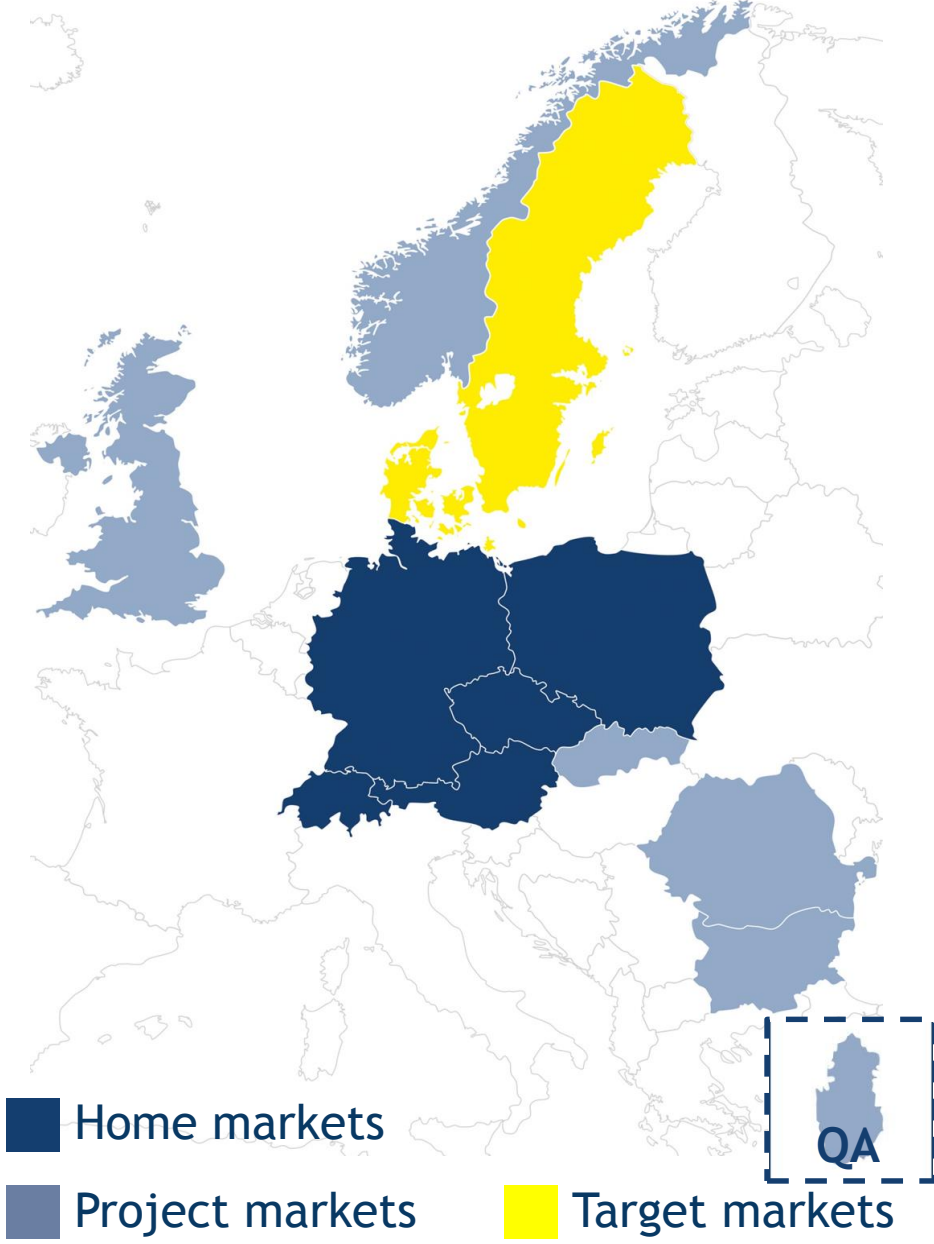
## Key Facts

Production <b>EUR 4.7bn</b>	Employees <b>~17,719</b>
Backlog <b>EUR 6.4bn</b>	EBT <b>EUR 85.3m</b>

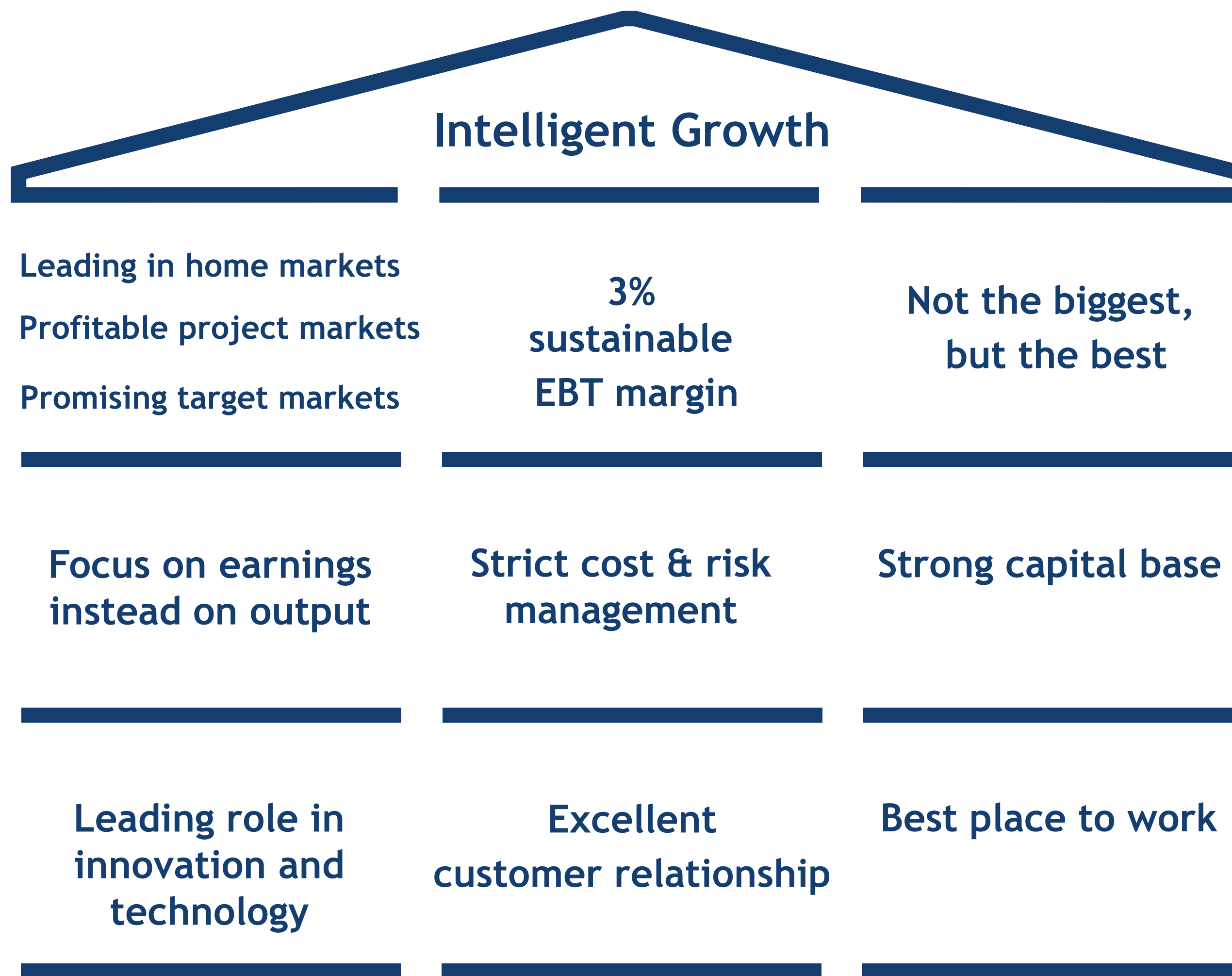
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PORR, a leading full service provider in the construction sector

## Markets



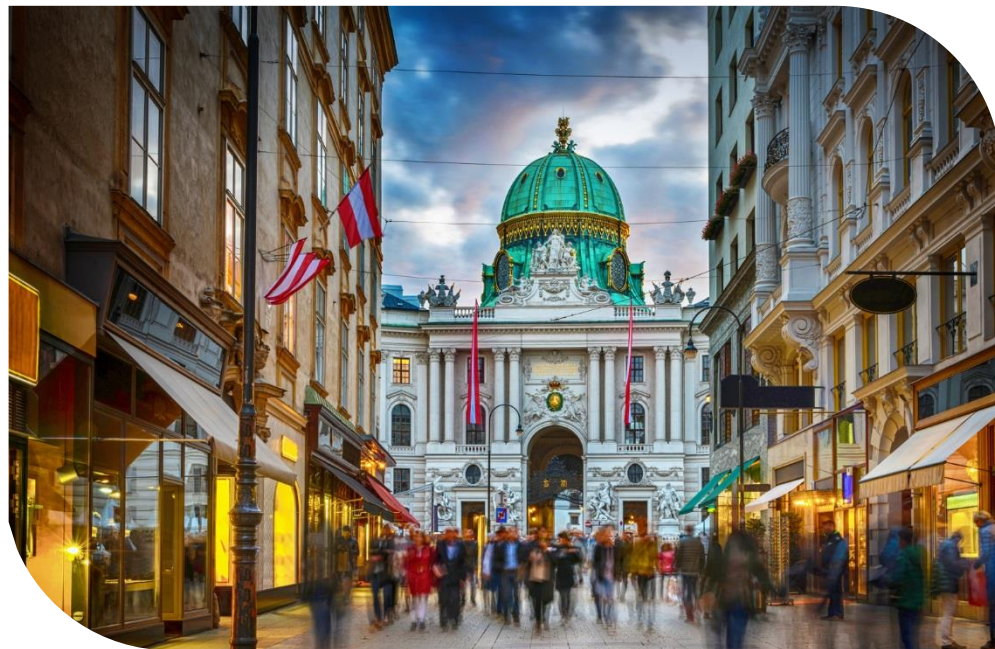
# No Change in Strategy - Focus on Execution





# Construction matters

## Ongoing urbanisation



**80%** of population to live in urban areas in Europe by 2050

## Infrastructure



**Infrastructure investment gap remains**

## New Standards



**“Paperless”** in construction unleashes value

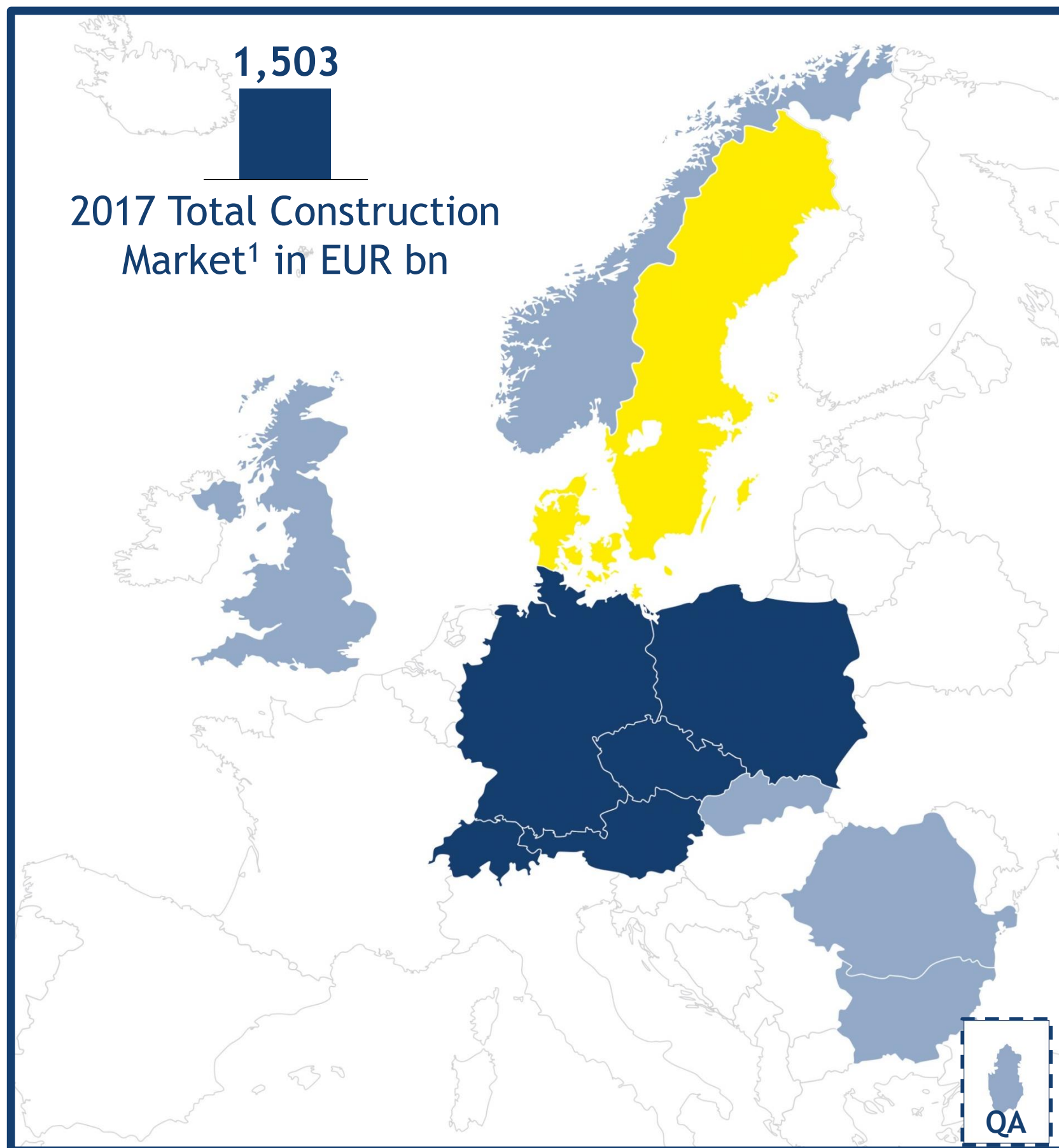
- **Ongoing urbanization and ageing infrastructure as key drivers of growth**
- **Sizeable investment plans in infrastructure**  
(Germany: 270bn by 2030, Austria: 30bn by 2022, Poland/PKP: 83bn by 2020)
- **Technology capture the shift of client needs as well increasing complexity of projects**

Source: UN, BBVA Research, German national transport plan 2030, BMVIT, PKP

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# Construction Markets on a Growing Path



## Home Markets (87% Production Share)



## Project Markets (13% Production Share)



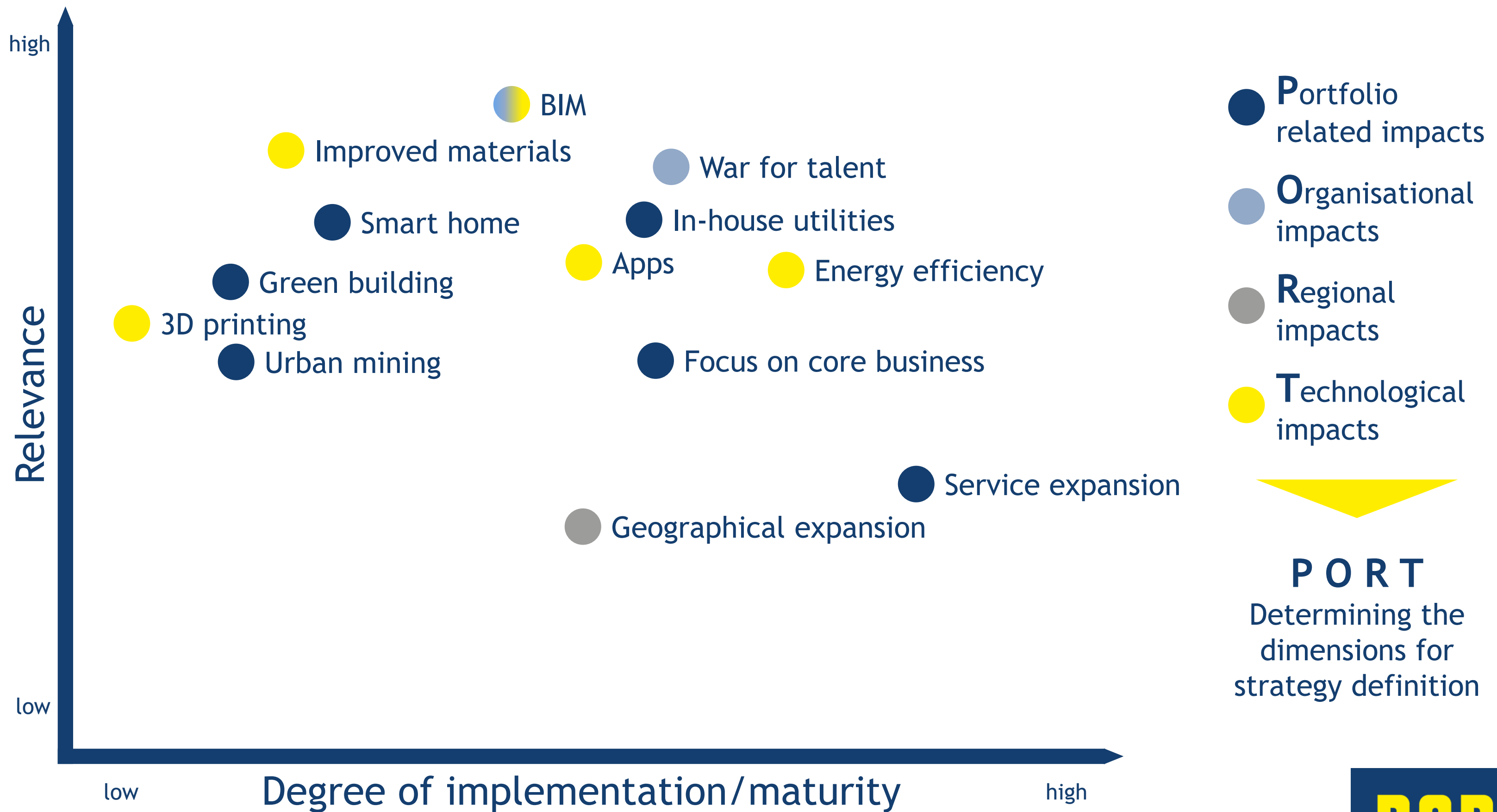
## Target Markets



1 Euroconstruct-19 Countries, 2 Without Qatar  
Source: 84<sup>th</sup> EUROCONSTRUCT Summary Report, European Commission  
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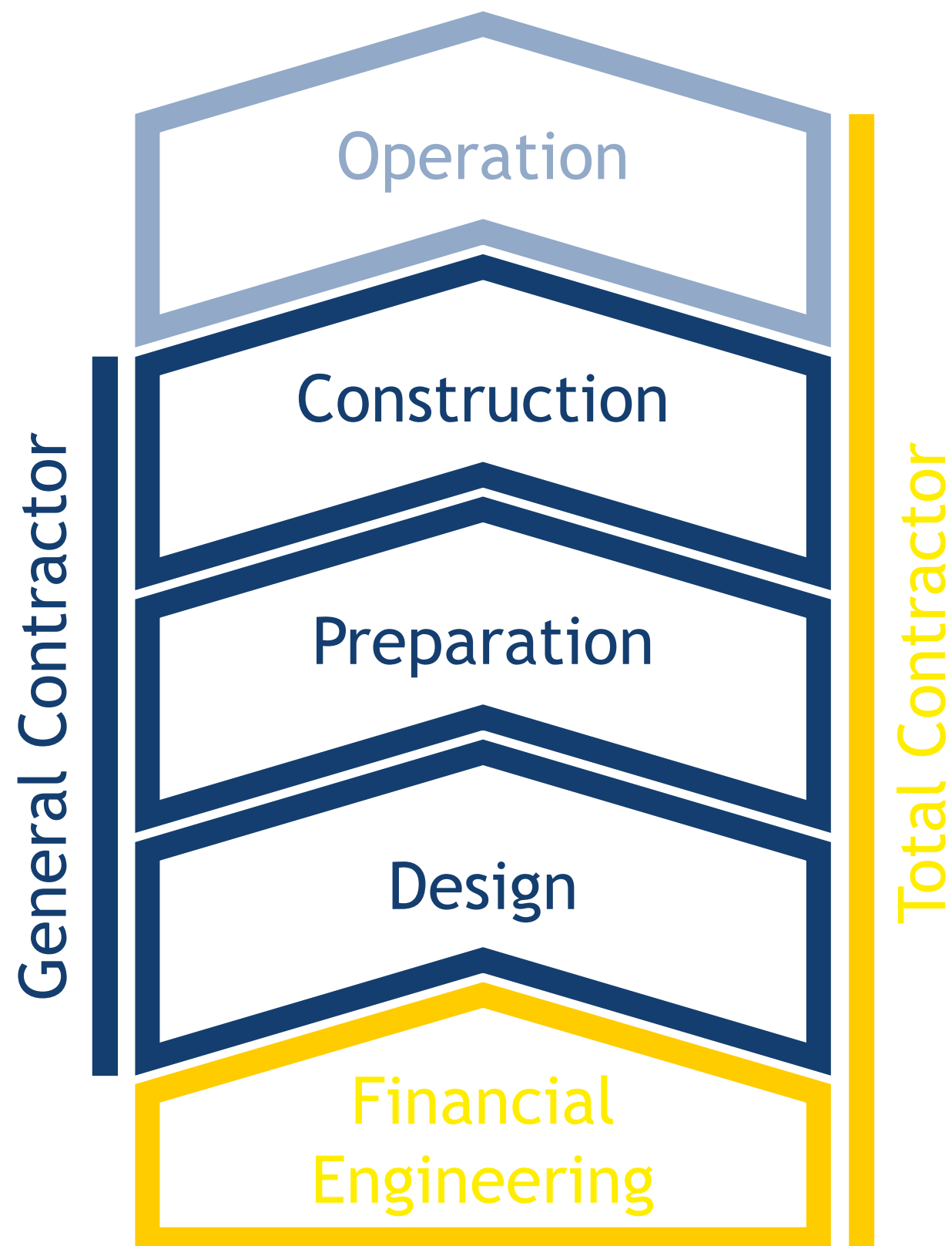
# Selected Future Trends in Construction



Source: Roland Berger



# General/Total Contractor with Expertise in Lean Construction



- PORR focus purely on construction and builds as much as possible itself
- Strong core competencies alongside the construction value chain (e.g. Lean Construction)
- Within single segments PORR develops 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



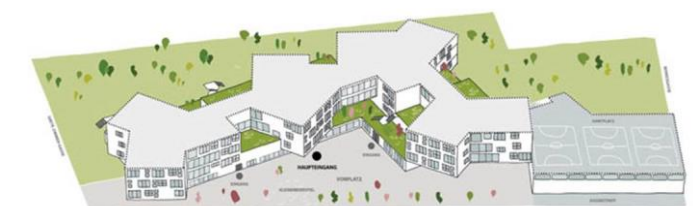
Bad Erlaa



Rohrbach

## Financial Engineering

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



...and also in civil engineering

**PORR**

# Addressing Critical Challenges for Operational Excellence

Technology driven by increasing customer need and cost pressure

## PAPERLESS CORE

- Paperless workflows save time and cost
- Machine-2-Machine (IoT/connected equipment)
- PORR Apps

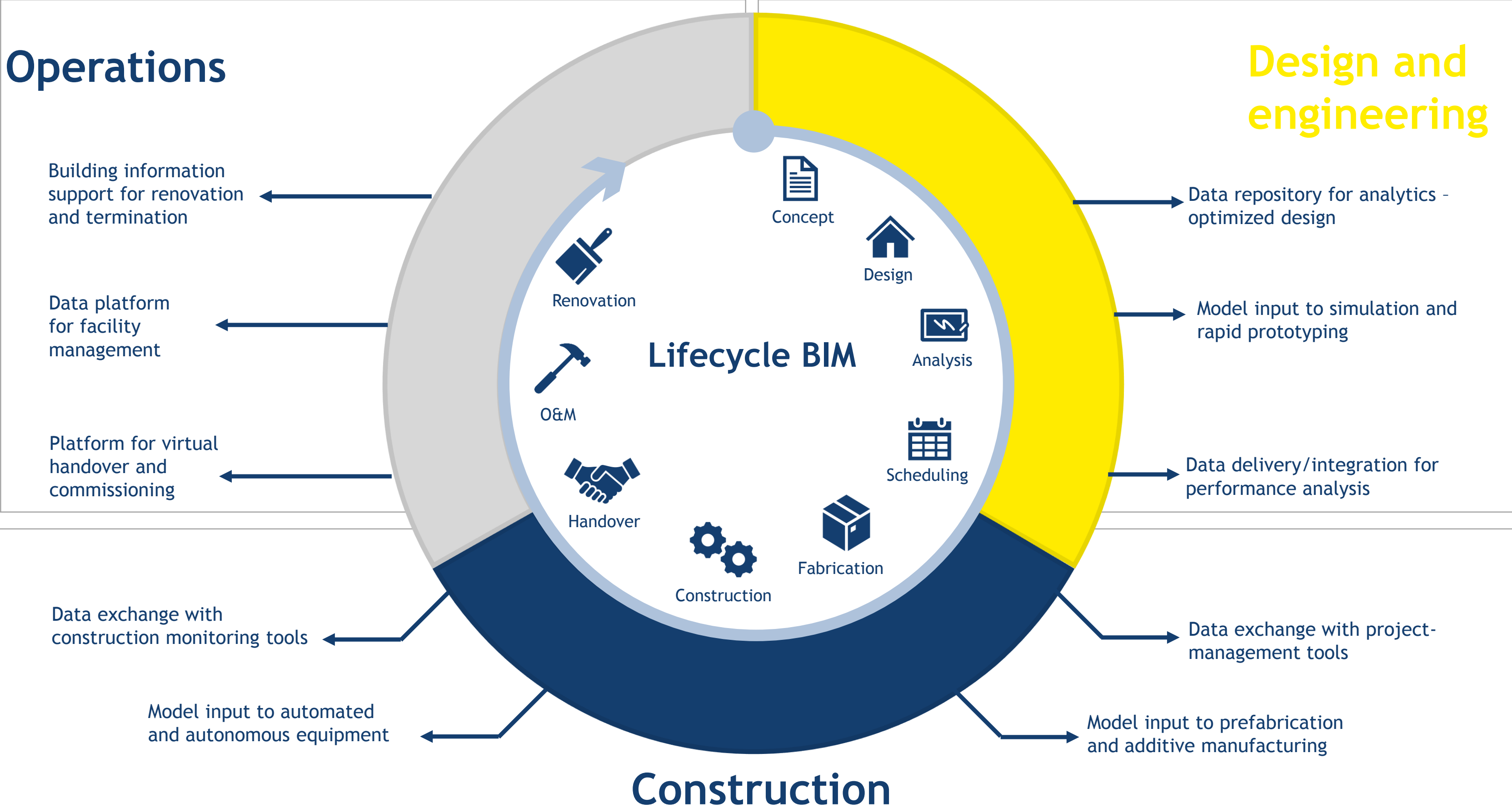
## PLANNING/ CALCULATION

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

## LEAN CONSTRUCTION

- Full transparency
- Minimize waste of materials, time and effort
- Connected stakeholders

# Building Information Modelling (BIM)



Source: BCG



# LEAN @ BMW

**PORR**



## ALIGNMENT TO.

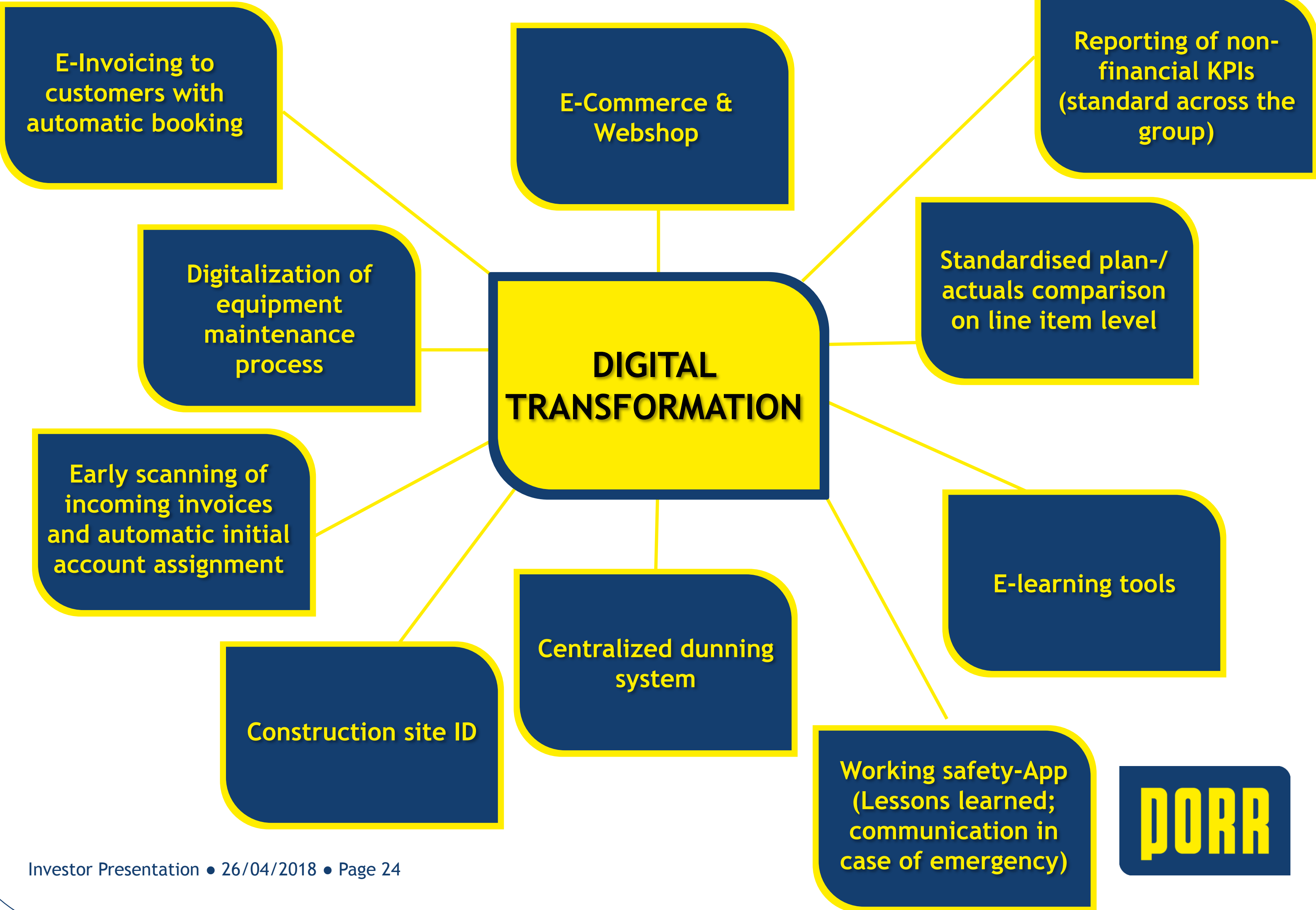
- LEAN in Design & Construction
- Integrated BIM Model
- Collaboration and Partnering
- Supply Chain Involvement  
(off-site pre-produced material)

## RESULTS SO FAR.

- Full Visibility (Live Track)
- Stability through Takt Planning
- Zero Claims
- Zero Delay
- Zero Days Schedule Deviation
- Great Team Spirit

**PORR**

# Roadmap 2020: Selected Examples

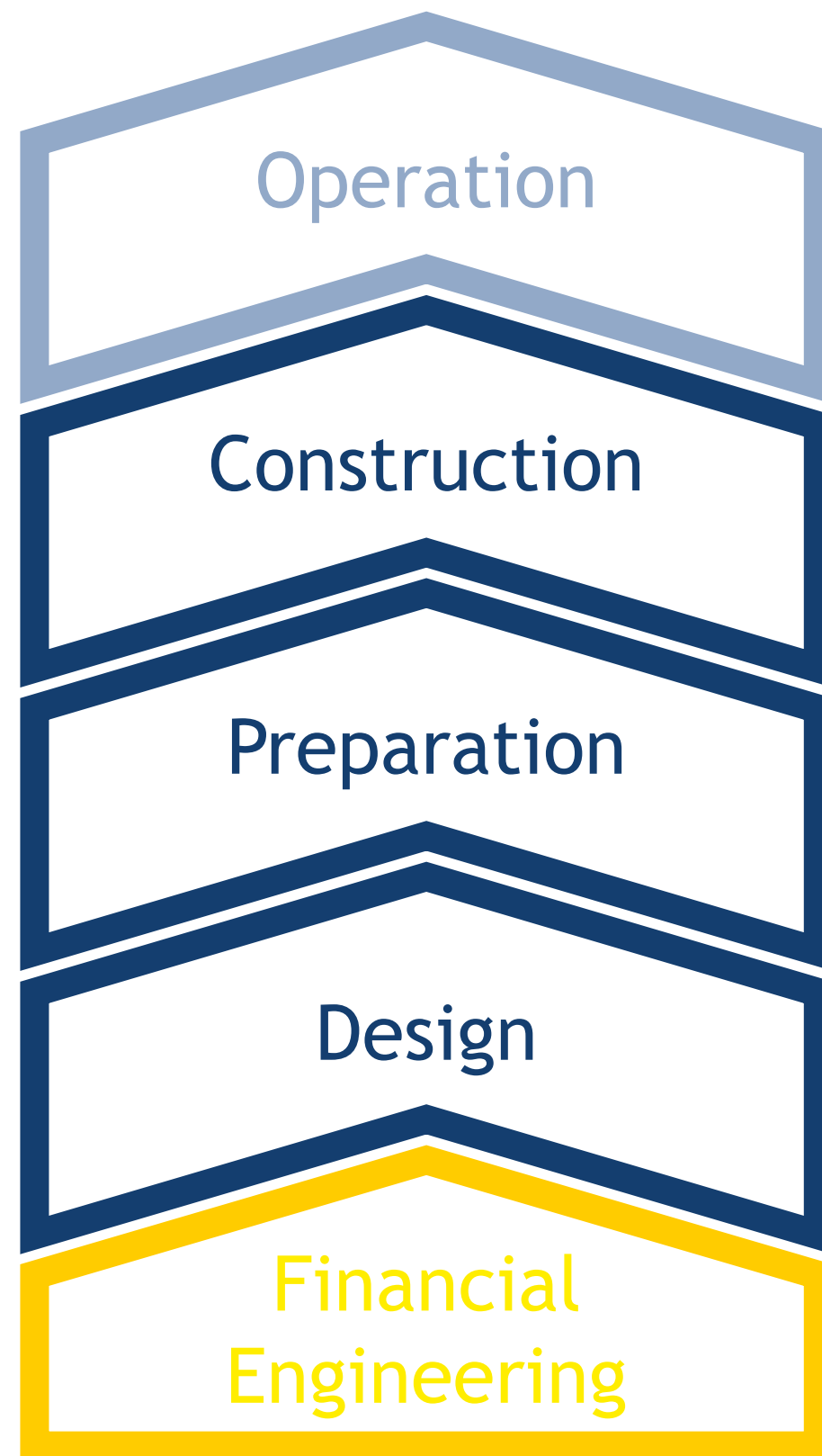




# M&A Activities by 2017

Expertise Building

Regional Expansion



**DORR**  
*hospitals*

**DORR**  
*ABW*

**DORR**  
*G&P*

**BBGS**

**PRAJO & CO**

**DORR**  
*bpp*

**DORR**  
*PWW*

**FRANKI**  
*GRUNDBAU*

**Stump**

**DORR**  
*Geotechnik*

**TKDZ**

**DORR**  
*Polska Infra-structure*

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

**DORR**  
*Alpine*

**GOIDINGERBAU**

**nägele**  
*hoch- und tiefbau*

**OEVERMANN**

**DORR**

# Corporate Sustainability

## DONE: KEY DATA 16/17<sup>1</sup>

- Increased **recycling** (+35.8%)
- Reduced **energy** use (-2.8%)
- Reduced **accident** frequency (-31.4%)
- Improved **value added** (+15.6%)
- Increased **R&D** (+20%)
- **Compliance Management System** certified (first in construction)
- **bee@PORR**: more than 30 venues with hives

## GOALS<sup>1</sup>

- **Health:**
  - Vision Zero: accident frequency < 10
  - Health management system
- **Education**
  - PORR Academy; 5% apprentices
- **Compliance**
- **Diversity**
- **Environmental**
  - 1.5% savings in energy/emissions, etc.
- **Procurement**

<sup>1</sup> More detailed analysis can be found in the Corporate Sustainability Report 2016/2017

# Best Place to Work @ PORR

## 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

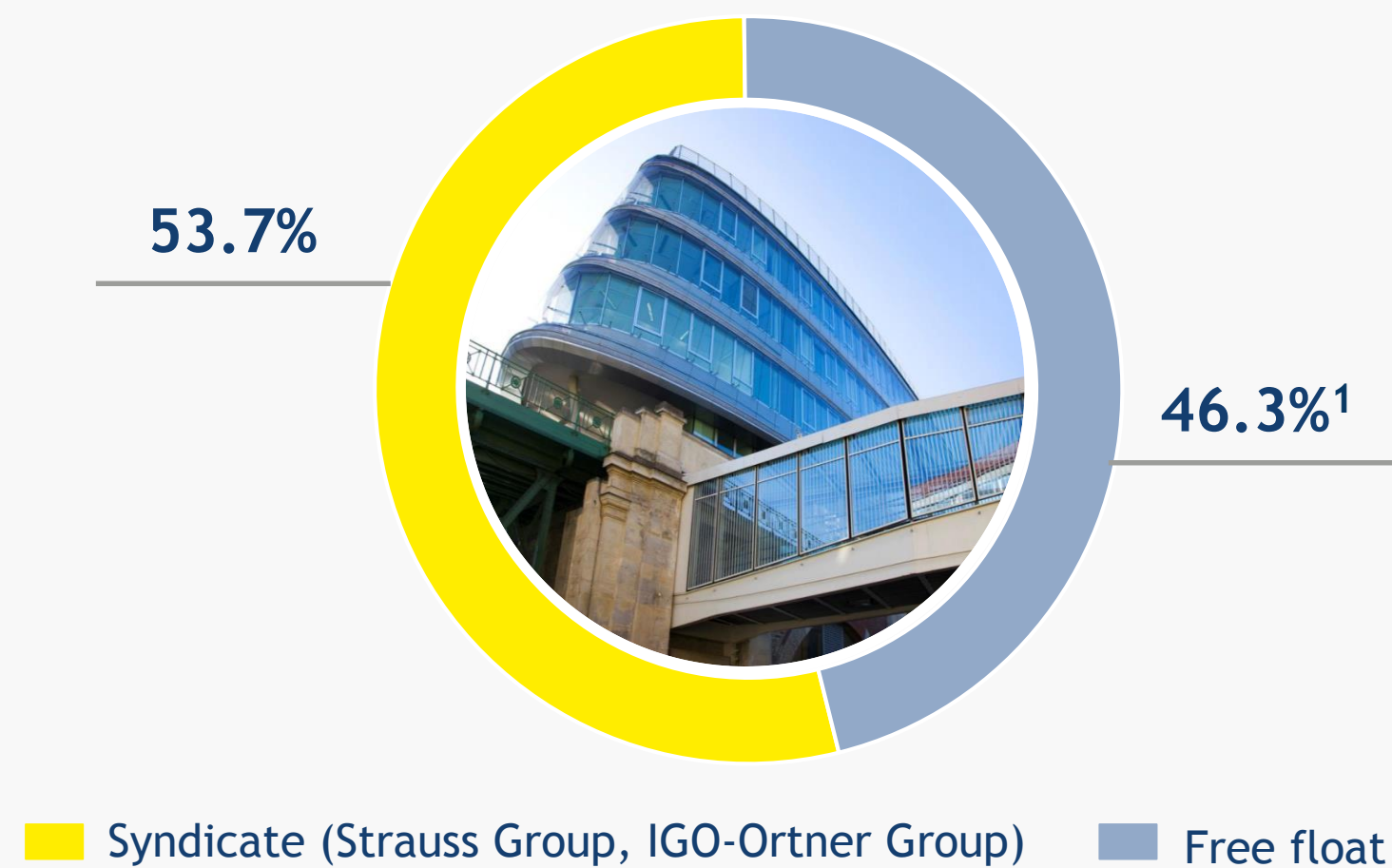
### PORR Academy

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

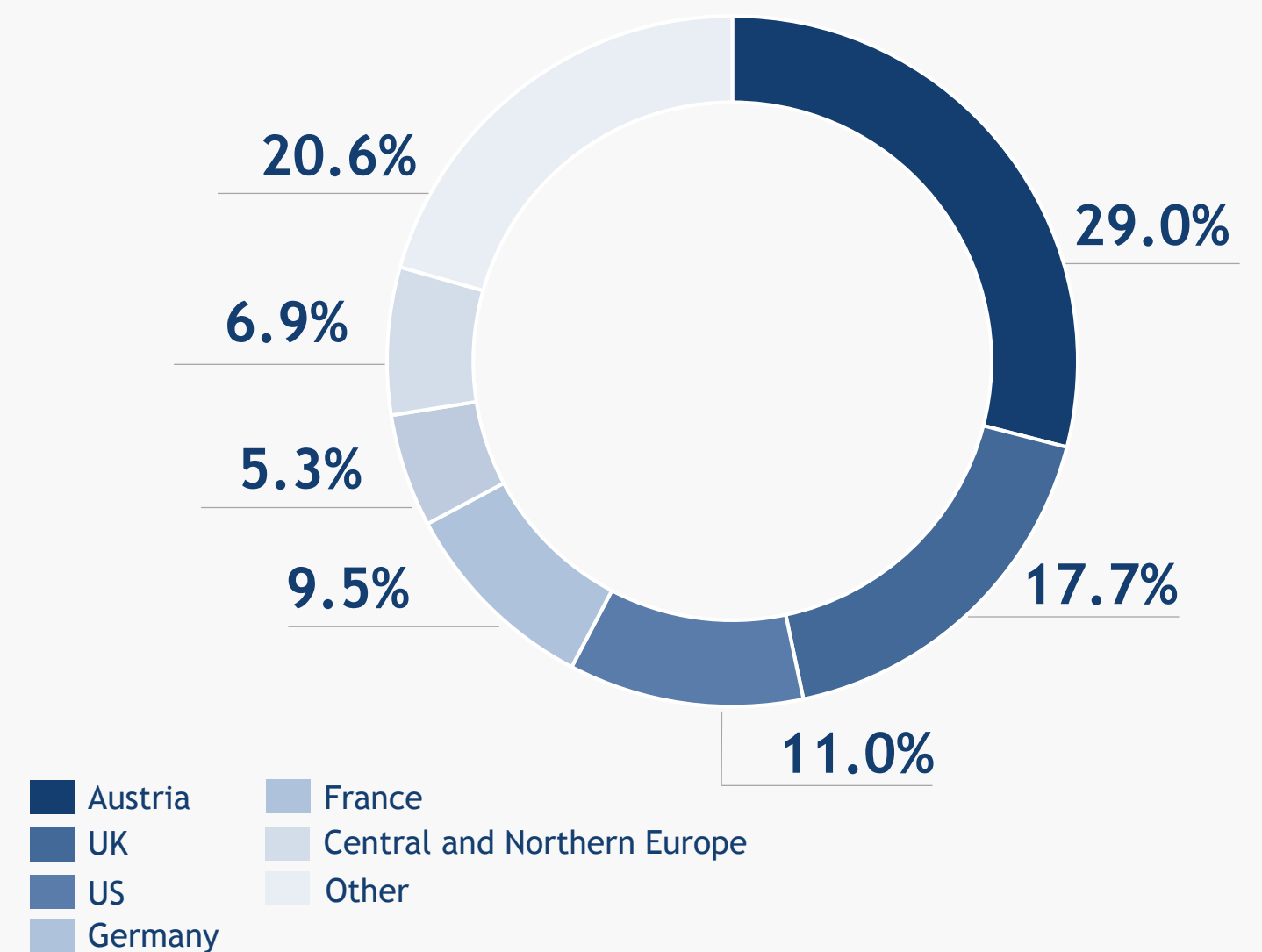
The logo for PORR, consisting of the letters 'PORR' in a bold, yellow, sans-serif font, set against a dark blue rectangular background.

# Shareholder Structure

## Ownership Structure



## Free Float - Geographical Split



<sup>1</sup> of which 5.85% Heitkamp Construction GmbH, 4.05% Wellington Management Group LLP and 3.37% PORR Management and PORR AG (treasury shares)

# Financial Performance

# Key Financials

<b>Key Earnings Figures</b> (EUR m)	<b>31.12.2017</b>	<b>% Δ</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Production output	4,738.2	20.7%	3,925.3	3,523.8
Revenue	4,292.9	25.6%	3,417.1	3,139.7
EBT	85.3	(6.3%)	91.1	81.1
Net-profit	63.7	(4.7%)	66.8	61.0
<b>Key Assets and Financial Figures</b> (EUR m)				
Total assets	2,884.8	22.1%	2,362.1	2,304.0
Equity	597.0	35.4%	440.9	412.1
Equity ratio	20.7%	2.0 PP	18.7%	17.9%
Net debt/Net cash ( )	147.4	(>100 %)	(53.3)	(186.5)
<b>Key Share Data and Staff</b> (EUR m)				
Number of shares (weighted average)	29,095,000	-	29,095,000	29,095,000
Earnings per share (in €)	2.09	(6.3%)	2.23	2.02
Dividend per share (in €)	1.10 <sup>2</sup>	-	1.10	1.00 <sup>1</sup>
Market capitalization (in €m)	810.0	(28.5%)	1,132.4	813.2
Staff (average)	17,719	15.6%	15,328	13,878

1 Excl. script dividend 2 Proposal to Annual General Meeting



# Consolidated Income Statement

(EUR m <sup>1</sup> )	2017	2016	2015	% 17/16
Production output <sup>2</sup>	4,738.2	3,925.3	3,523.8	20.7%
Revenue	4,292.9	3,417.1	3,139.7	25.6%
Share of profit/loss of companies accounted for under the equity method	59.2	46.3	46.2	28.0%
Cost of materials and other related production services	(2,944.0)	(2,251.4)	(2,060.8)	30.8%
Cost of Materials	(909.3)	(643.9)	(651.4)	41.2%
Purchased services	(2,034.7)	(1,607.5)	(1,409.4)	26.6%
Staff expense	(1,036.1)	(874.1)	(807.6)	18.5%
Other operating result <sup>3</sup>	(171.3)	(150.6)	(151.6)	13.8%
<b>EBITDA</b>	<b>200.7</b>	<b>187.3</b>	<b>165.9</b>	<b>7.1%</b>
<i>- in % of Production output</i>	4.2%	4.8%	4.7%	
Depreciation, amortisation & impairment	(110.5)	(87.3)	(78.2)	26.6%
<b>EBIT</b>	<b>90.2</b>	<b>100.1</b>	<b>87.8</b>	<b>(9.8%)</b>
<i>- in % of Production output</i>	1.9%	2.5%	2.5%	
Financial result	(4.9)	(9.0)	(6.7)	(45.5%)
<b>EBT</b>	<b>85.3</b>	<b>91.1</b>	<b>81.1</b>	<b>(6.3%)</b>
<i>- in % of Production output</i>	1.8%	2.3%	2.3%	
Taxes	(21.6)	(24.2)	(20,1)	(10.8%)
<b>Profit for the period</b>	<b>63.7</b>	<b>66.8</b>	<b>61.0</b>	<b>(4.7%)</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)	31.12.2017	31.12.2016	31.12.2015	
<b>Assets</b>	Non-current assets	1,037.1	801.3	715.9
	Current assets	1,847.7	1,560.8	1,588.1
	<b>Total assets</b>	<b>2,884.8</b>	<b>2,362.1</b>	<b>2,304.0</b>
<b>Equity &amp; liabilities</b>	Equity <sup>1</sup>	597.0	440.9	412.1
	Non-current liabilities	587.1	562.7	551.7
	Current liabilities	1,700.7	1,358.5	1,340.2
	<b>Total equity and liabilities</b>	<b>2,884.8</b>	<b>2,362.1</b>	<b>2,304.0</b>
<b>Ratios:</b>	Net debt/Net cash ( ) <sup>2</sup>	147.4	(53.3)	(186.5)
	Equity ratio	20.7%	18.7%	17.9%

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)	2,428 Share: 51%	741 Share: 16%	1.308 Share: 27%	225 Share: 5%
Description	<ul style="list-style-type: none"> <li>• PORR's largest business unit</li> <li>• Home markets with all services</li> <li>• Residential, office, industrial and road construction</li> </ul>	<ul style="list-style-type: none"> <li>• PORR's 2<sup>nd</sup> largest market</li> <li>• Home market with all services</li> <li>• Residential, office, industrial, road construction and special civil engineering (Franki, Stump)</li> </ul>	<ul style="list-style-type: none"> <li>• PORR's unit for technical leadership</li> <li>• Focus on project business</li> <li>• Especially tunnel 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%



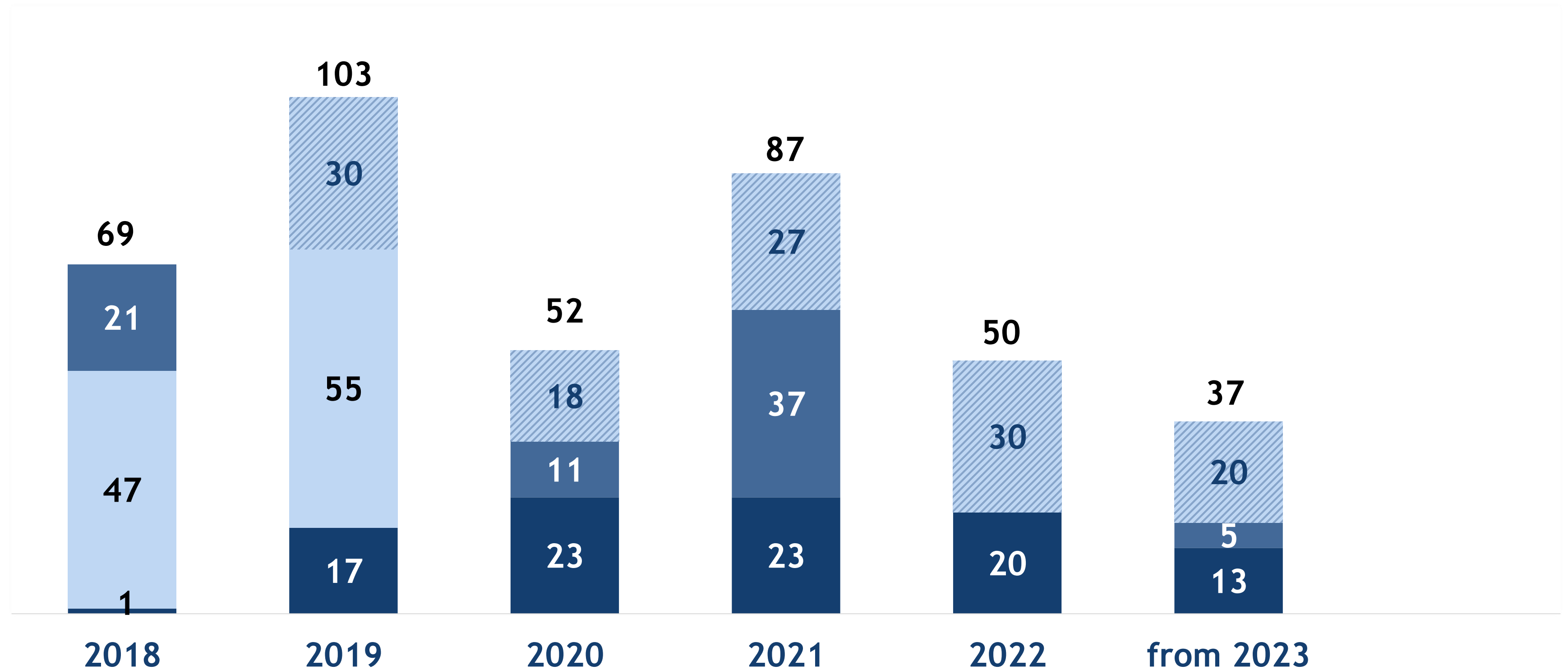
# Business Units (2/2)

<i>Eur m</i> <i>% growth</i>	Output	Backlog	EBT	Comments
<b>BU 1</b>	<b>2,428</b> +14%	<b>2,097</b> +26%	<b>60.1</b> <i>Margin 2.5%</i>	<ul style="list-style-type: none"> <li>Market share gains / Hinteregger</li> <li>Top-line and order book growth</li> <li>EBT affected by project-shifts in general building and a small part in Germany</li> </ul>
<b>BU 2</b>	<b>741</b> +63%	<b>1,499</b> >100%	<b>(9.8)</b> <i>neg.</i>	<ul style="list-style-type: none"> <li>More than doubled with acquisitions</li> <li>Growth in Germany must be digested</li> <li>Except on general building, all other sectors contribute positively to EBT</li> </ul>
<b>BU 3</b>	<b>1,308</b> +21%	<b>2,561</b> +15%	<b>26.8</b> <i>Margin 2.1%</i>	<ul style="list-style-type: none"> <li>Selective bidding thanks full order book</li> <li>Two large projects in Qatar and Dubai were won</li> <li>Negotiations with Qatar according 2017 increased logistic costs continue</li> </ul>
<b>BU 4</b>	<b>225</b> +3%	<b>124</b> 6,7%	<b>6.3</b> <i>Margin 2.8%</i>	<ul style="list-style-type: none"> <li>Output growth with high portion on increase facade services</li> <li>EBT significantly increases up to EUR 6.3m</li> </ul>

Remark: Excluding the share of production output of PORR AG Holding ~1.0%



# Maturity Profile of PORR's Financial Liabilities

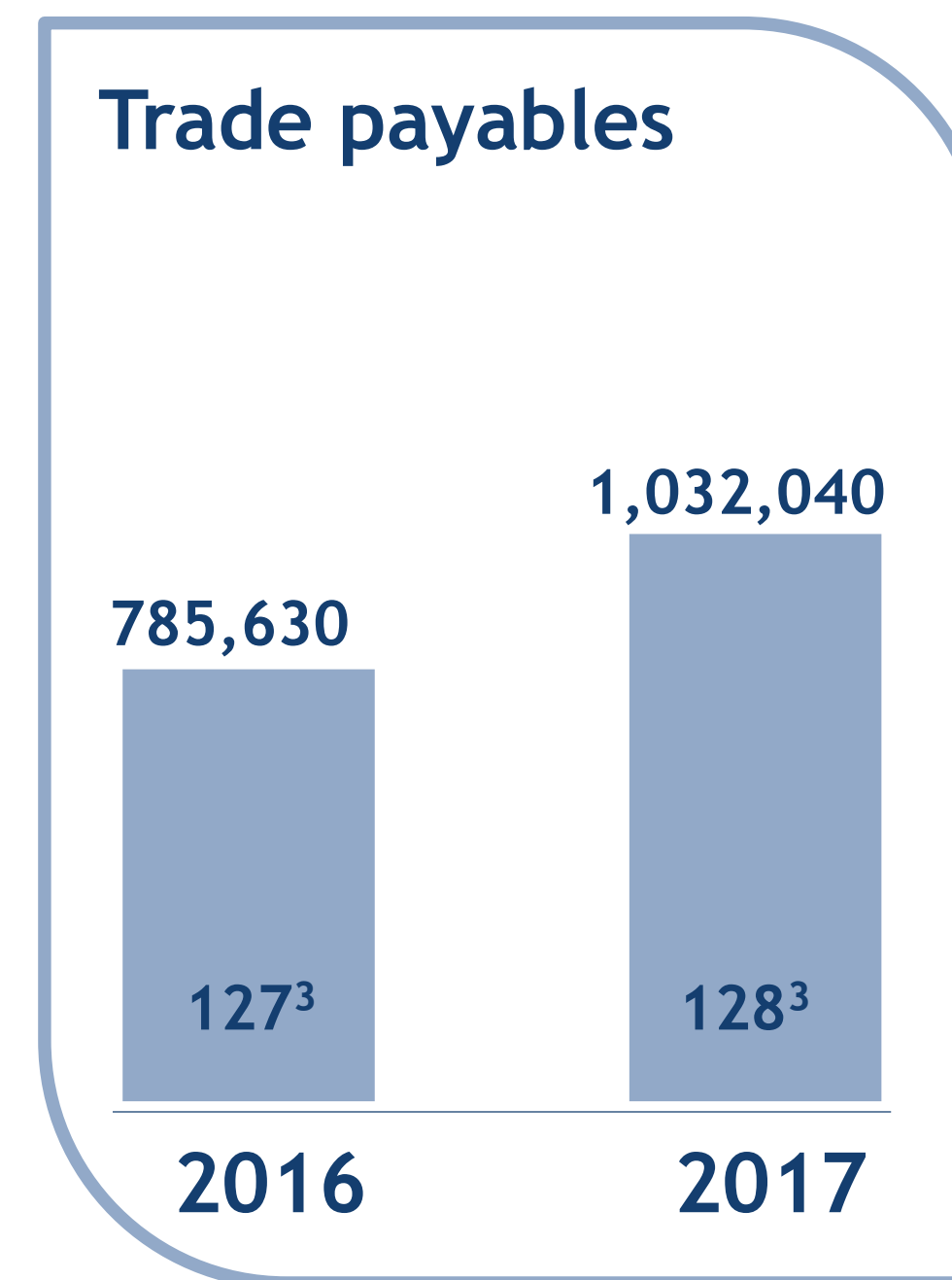
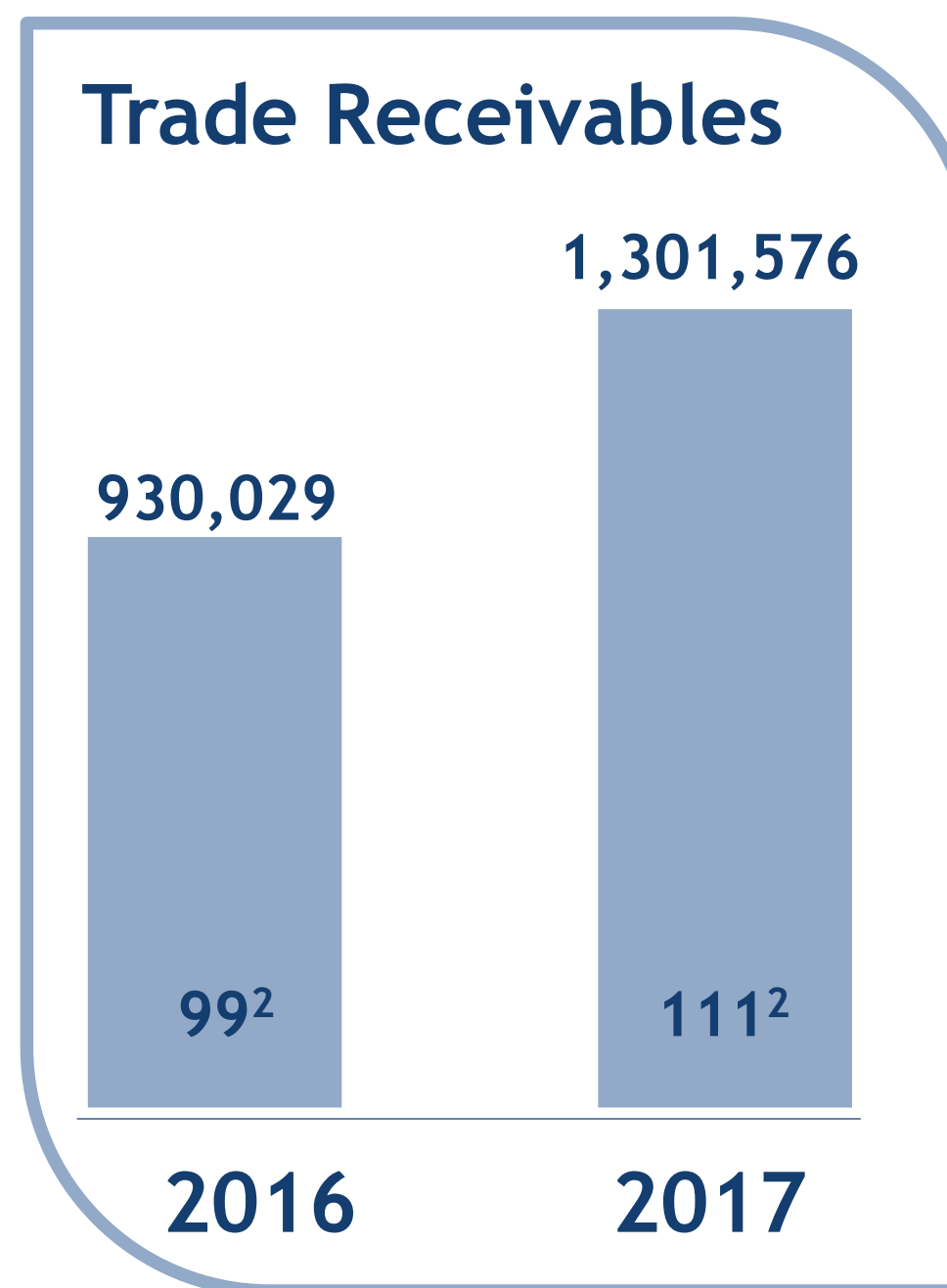
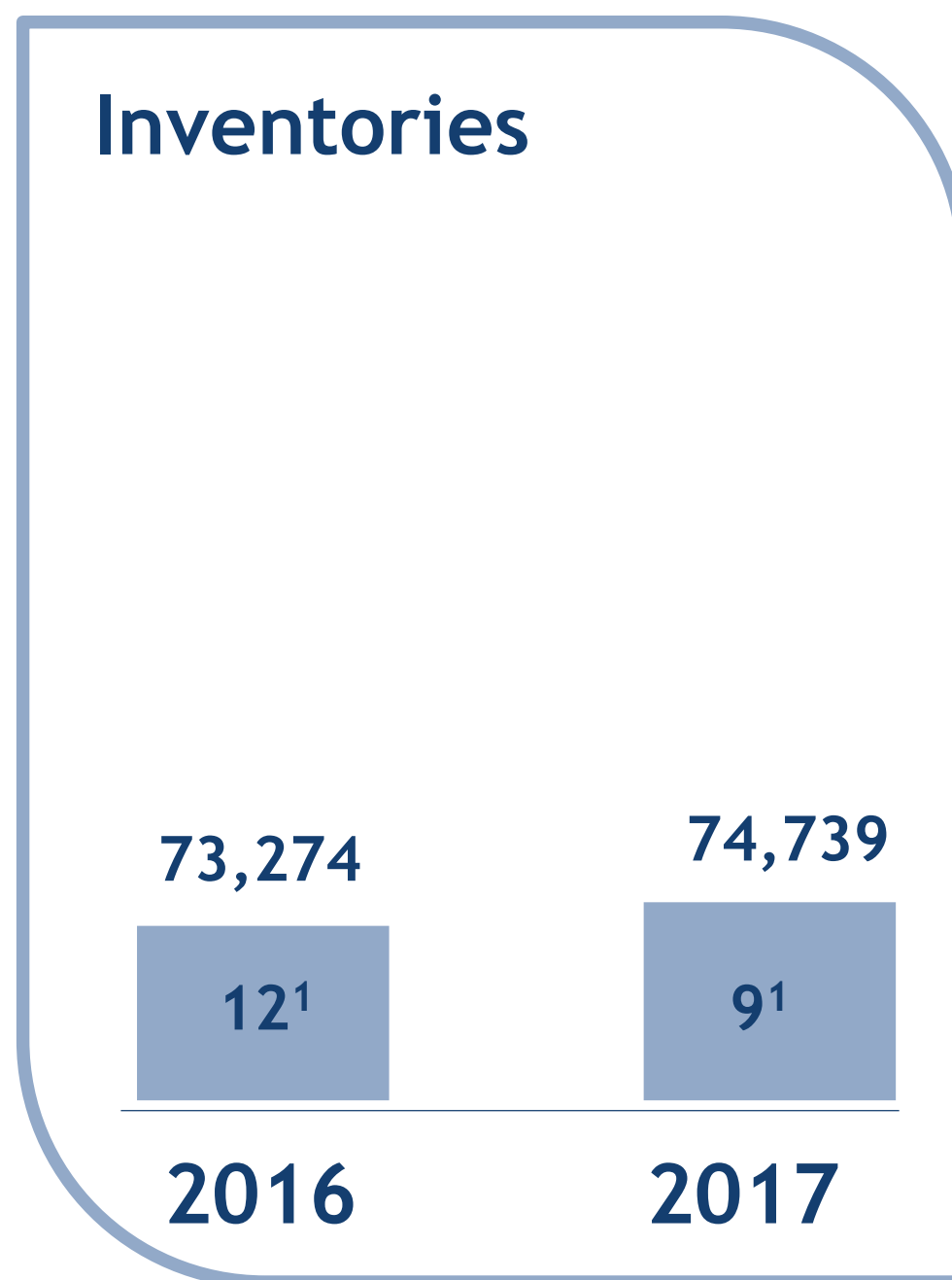


■ Bonds 
 ▨ SSD floating 
 ■ Term loans 
 ■ SSD fix

Remark: chart excludes leasing liabilities, FX-hedge-liabilities and short term project related cash overdrafts



# Net Working Capital Development



Net Working Capital:

	<u>tEUR</u>	<u>% of sales</u>	
2016:	217,673	6.4%	} +160bps
2017:	344,275	8.0%	



Main topics 2017:

- Newly consolidated companies
- Growth
- Large-scale infrastructure projects

1 DIO (days inventory outstanding) 2 DSO (days sales outstanding) 3 DPO (days payable outstanding)



# Landmark Projects

## Metro Green Line Doha

Country: QA  
Value: EUR 943.6m  
Schedule: 2013-2018



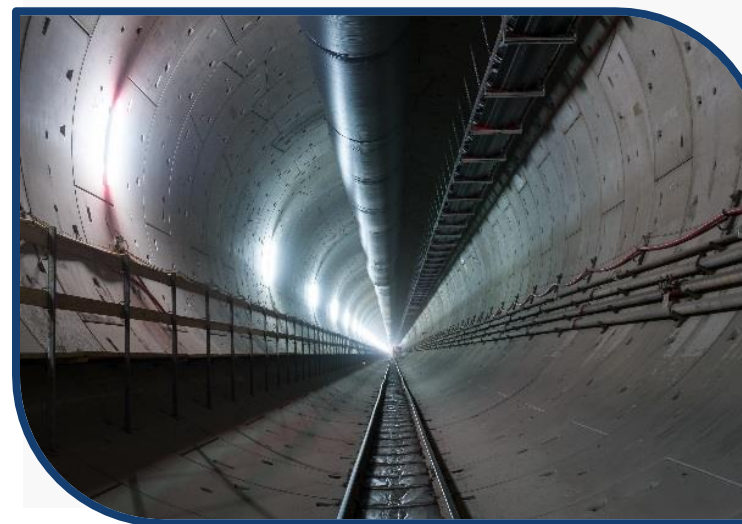
## Al Wakrah Stadium

Country: QA  
Value: EUR 201.5m  
Schedule: 2016-2018



## ARGE Tunnel Alaufstieg

Country: DE  
Value: EUR 243.9m  
Schedule: 2012-2019



## Europaallee Zürich Lots

Country: CH  
Value: EUR 152.5m  
Schedule: 2015-2020



2018

2019

2020

2024

## The Icon Vienna

Country: AT  
Value: EUR 37.0m  
Schedule: 2015-2018



## Expressway S17 Ryki

Country: PL  
Value: EUR 117.3m  
Schedule: 2013-2018



## Brenner Base Tunnel

Country: AT  
Value: EUR 966m  
Schedule: 2018-2024



# Top Intakes 2017

- Railroad LK 354 Poznan-Pila/PL/112.5m
- U5 Europaviertel, Frankfurt/DE/104.4m
- Expressway D3, Cadca/SK/73.9m
- Varodd bridge, Kristiansand/NO/59.4m
- Mur Powerstation, Graz/AT/49.7m

Q1



- Railroad E30 Kedzierzyn-Opole/PL/79.8m
- App. Buildg. MGC L. Böhm Street/AT/49.3m
- PPP Campus Berresgasse (School)/AT/42.5m
- Office Building Neue Spreespeicher/DE/41.0m
- SeeSee Tower-Home-Living, Vienna/AT/37.5m

Q3



Q2

- BMW München Freimann/DE/114.0m
- Office build. Frank. Allee/DE/69.4m
- E18 Rugtvedt-Dordal, Stathelle/NO/58.8m
- Sewage plant Oslo Bekkelaget/NO/29.1m
- Appart. Building Old Brewery/AT/24.7m



Q4

- A1 Rhine Bridge Leverkusen/DE/304.8m
- Deep Tunnel Stormwater, Dubai/AE/139.4m
- Musaimeer Pumping Station, Dubai/AE/99.8m
- S-Bahn-Tunnel Erdinger Ringschluss/DE/92.5m
- Office Build. Baloise Park, Basel/CH/86.5m

**PORR**

# IR Information for PORR AG

## Share Information

Share price <sup>1</sup>	EUR 28.80
Market capitalisation	EUR 832.1m
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  
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T +43 (0) 50 626-1763  
[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
07.06.2018	Dividend payment (FY 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

