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# 1H 2015 of PORR AG

Pure-Play. Perform. Prosperity.

Investor Presentation

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# 01

## HIGHLIGHTS



## 1H 2015 Key Highlights

Strong Order Situation,  
Stable Production Output

▶ **+41% (+659m)** increase in order intake over all BUs, **4.8bn** order backlog; **+0,5%** stable high level of output for YTD period 2014

Continuous Improvement of  
Operational Results

▶ **+27%** improvement of Group EBITDA and **+16m** EUR on EBT level; increase in Group net income

Net Debt Reduction / Conservative  
Financial Policy

▶ **24%** reduction of net debt as compared to YTD period; refinancing strategy continues

Pursuing Growth Strategy in  
PORR's Home Markets

▶ **Aug 2015:** acquisition of Bilfinger Infrastructure S.A. was closed – strengthening market position in Poland

Capital Market

▶ Share split of a **ratio of 1:2** was carried out on Friday, 26 June 2015 at the Vienna Stock Exchange

Outlook 2015 Unchanged

▶ **Continuous growth** in production output and earnings as per year end 2015

## Key Figures 1H 2015

EUR thd

	1H 15	1H 14 <sup>2</sup>	Change	2014	2013 <sup>2</sup>	Change
<b>Production output<sup>1</sup></b>	<b>1,497.0</b>	<b>1,489.2</b>	<b>+0.5%</b>	<b>3,475.0</b>	<b>3,162.1</b>	<b>+9.9%</b>
Order Intake	2,268.5	1,608.9	+41.0%	3,135.4	4,377.5	-28.4%
Order Backlog	4,829.9	4,517.6	+6.9%	4,058.4	4,397.9	-7.7%
Revenues	1,321.4	1,340.5	-1.4%	3,009.1	2,630.0	+14.4%
<b>EBITDA</b>	<b>55.6</b>	<b>43.5</b>	<b>+27.8%</b>	<b>156.4</b>	<b>146.6</b>	<b>+6.7%</b>
<b>EBITDA<sup>3</sup> %</b>	<b>3.7</b>	<b>2.9</b>		<b>4.5</b>	<b>4.6</b>	
<b>EBIT</b>	<b>21.5</b>	<b>12.6</b>	<b>+70.8%</b>	<b>81.7</b>	<b>80.9</b>	<b>+1.0%</b>
<b>EBIT<sup>3</sup> %</b>	<b>1.4</b>	<b>0.9</b>		<b>2.4</b>	<b>2.6</b>	
<b>EBT</b>	<b>17.1</b>	<b>0.9</b>	<b>-</b>	<b>66.1</b>	<b>59.5</b>	<b>10.9%</b>
<b>EBT<sup>3</sup> %</b>	<b>1.1</b>	<b>0.1</b>		<b>1.9</b>	<b>1.9</b>	
<b>Periodic result</b>	<b>10.8</b>	<b>5.1</b>	<b>+112.8%</b>	<b>48.6</b>	<b>52.5</b>	<b>-7.6%</b>
<b>Net Debt</b>	<b>304.6</b>	<b>402.6</b>	<b>+24.4%</b>	<b>-65.0</b>	<b>357.0</b>	<b>-</b>

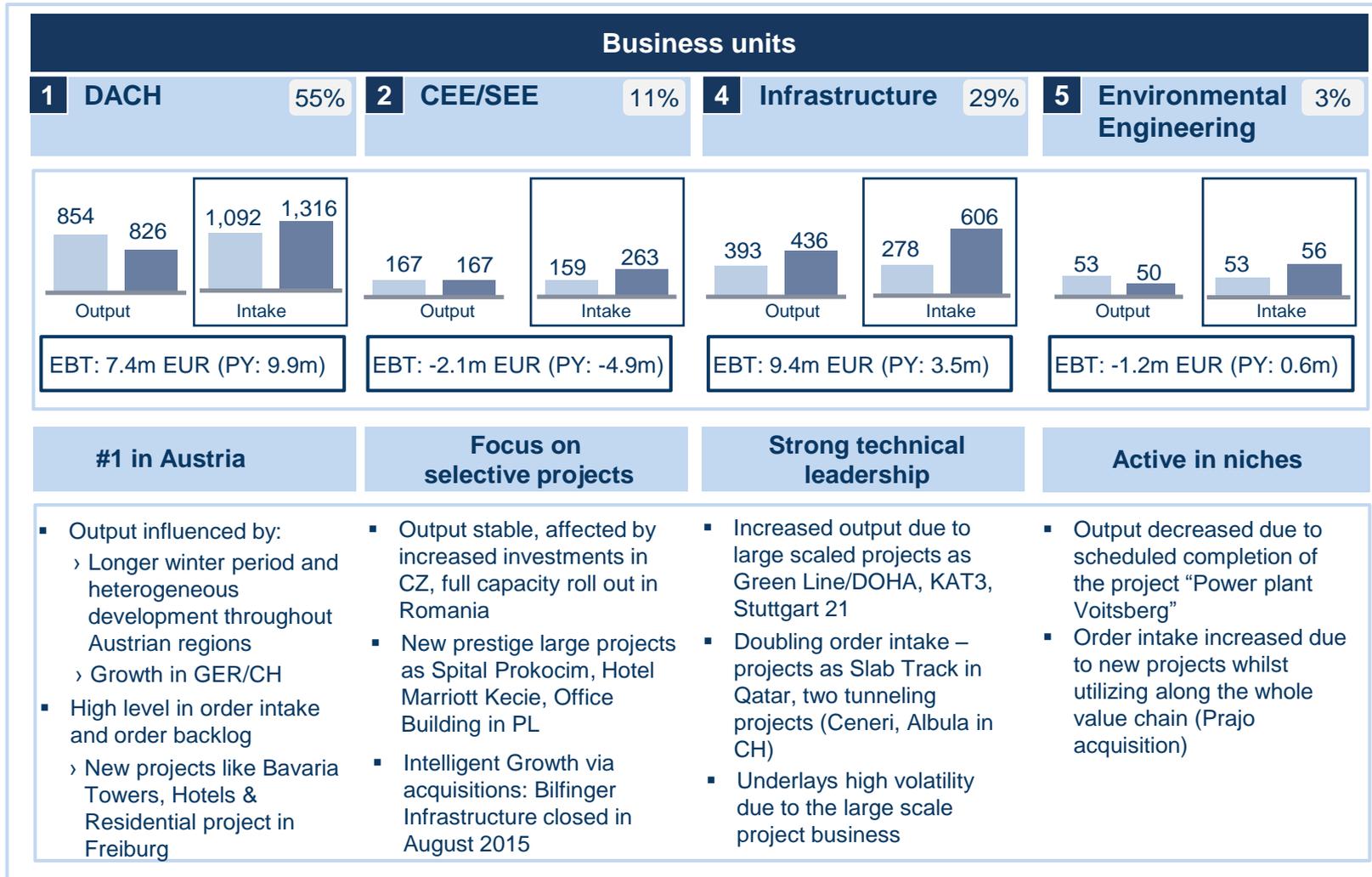
1 Capitalized own work and share of profit/loss of associates not shown required by IFRS; actually reported values according to IFRS may deviate

2 Restated excl. discontinued operations

3 Margins calculated on production output

# Four Major BUs Delivering Value Added Along the Value Chain

...% 1H 2015 share of production output

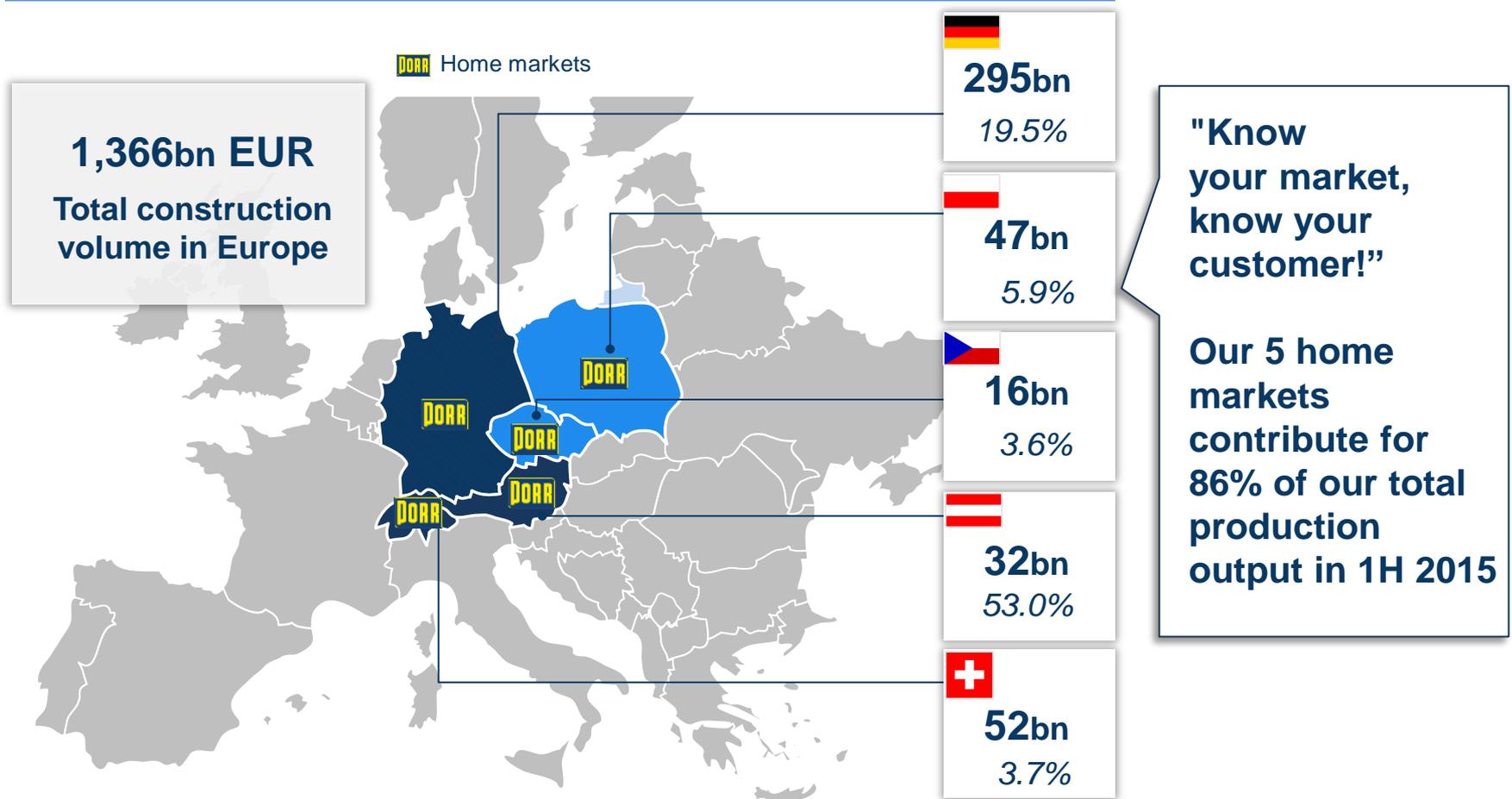


1H 2014  
1H 2015



# Positioned for Growth - Strong Core (86% of Output) and Proven International Footprint

## Market Volume and Share of PORR Output



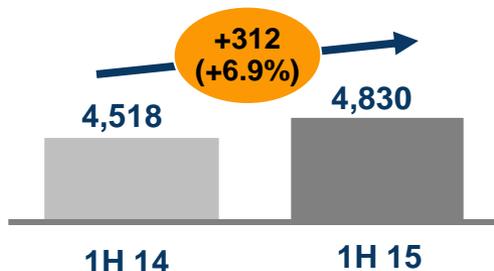
Source: Euroconstruct (June 2015, 79th conference in Warsaw)



# Well-Balanced Geographical Exposure

## Order backlog and TOP 15 Projects in 1H 2015 (EUR m)

### Backlog



- Well diversified geographical footprint
- Book-to-bill ratio of 1.5

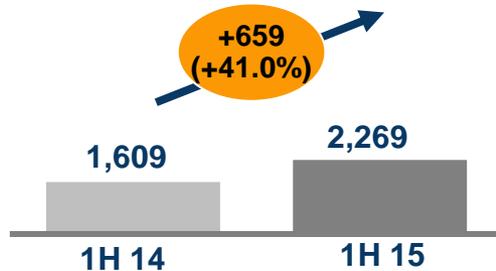
Selected projects	Country	EUR m <sup>1</sup>	Entry	Duration	POC
Metro Doha "Green Line"	QA	944	Jun-13	Jun-18	25.7%
KAT 3 Koralm tunnel	AT	297	Jun-13	Jul-20	20.2%
"Stuttgart 21" Filder tunnel	DE	266	Jul-11	Jul-20	19.7%
Tunnel Alaufstieg	DE	235	Oct-12	Feb-19	29.8%
Slab track Erfurt-Halle	DE	190	Jul-11	Dec-15	95.7%
SL-G Slab Track General	QA	162	Jun-15	May-18	0.0%
Europaallee ZH Lot 1 - 4	CH	153	Feb-15	Jun-20	1.2%
Emscher BA 40	DE	144	Dec-13	Apr-19	27.1%
S10 Tunnel Götschka	AT	129	Oct-11	Sep-15	97.0%
Slab track Coburg Ilmenau	DE	103	Nov-12	Jun-16	79.0%
"Stuttgart 21" Lot 2a/3	DE	99	Jul-12	Dec-18	18.8%
Hospital Vienna North	AT	98	May-12	Mar-17	87.2%
Motorway Sebes-Turda	RO	96	Apr-14	Mar-17	36.4%
Bypass Biel Ostast	CH	92	Apr-07	Sep-15	98.4%
Main Station Vienna	AT	86	Oct-09	Dec-15	98.2%

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

# Strong Growth in Order Intake

## Order intake(EUR m)

### Intake



Selected projects	Country	EUR m <sup>1</sup>	Entry	Duration
SL-G Slab Track General	QA	162	Jun-15	May-18
Europaallee ZH Lot 1 - 4	CH	153	Feb-15	Jun-20
Bavaria Towers	DE	82	Jun-15	Mar-18
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
QBC 5	AT	30	Jun-15	Jun-17
Building Dufourstreet	CH	27	Jun-15	Jul-17
Marriott hotel Okęcie	PL	26	Mar-15	Jun-16

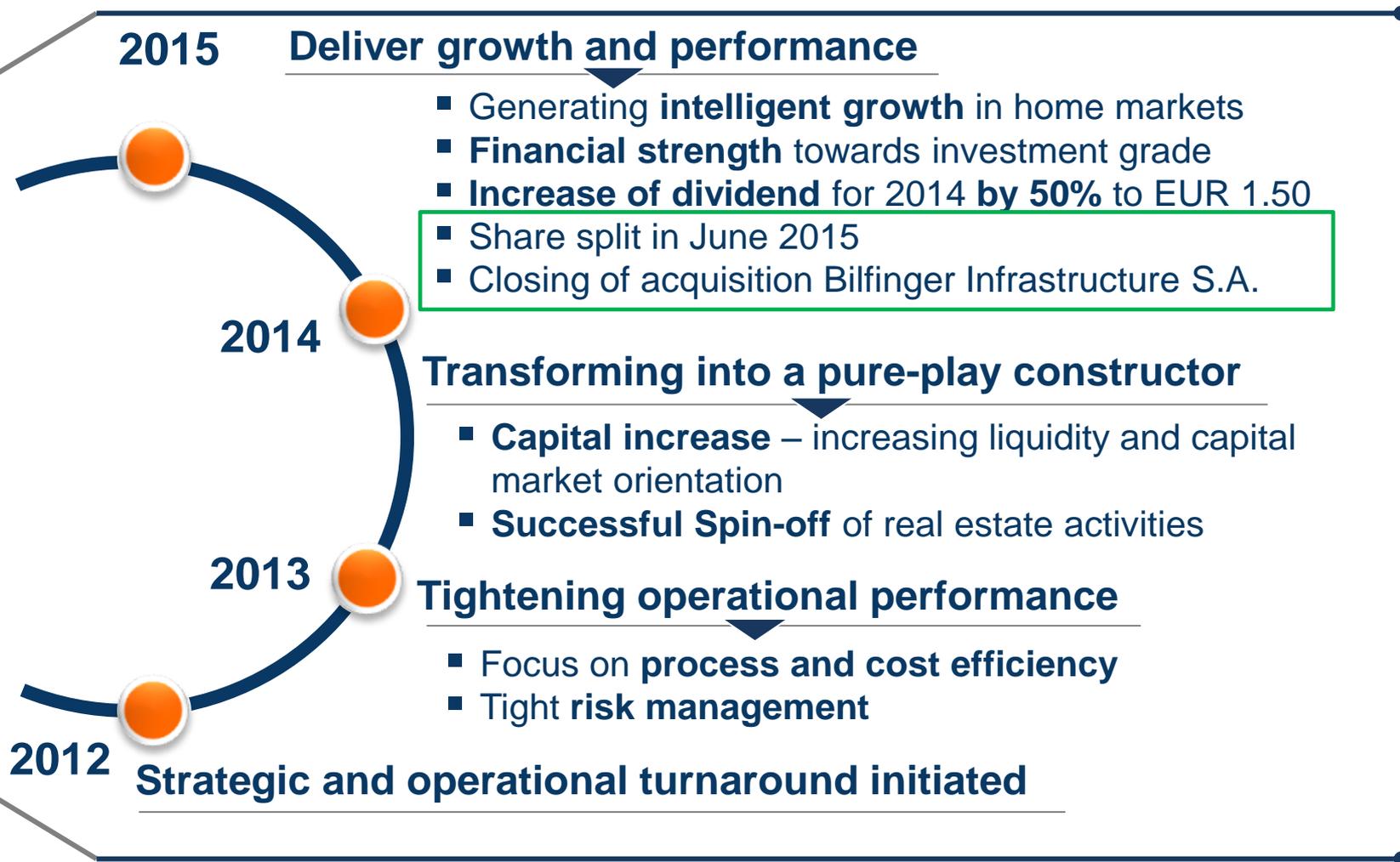
<sup>1</sup> Stated values are project values attributable to PORR at time of contract awarding

# 02

## STRATEGY



# What Have We Done – Strategic Roadmap



# A Roadmap to Success – Strategic Path for Sustainable Growth



**Creating a sustainable long term shareholder value along the entire value chain with a strict cost and performance discipline**



# Speeding up Growth at the Right Momentum – Acquisition of Bilfinger Infrastructure S.A.

Unique opportunity for strengthening market position in Poland

## BUSINESS AREAS

- Road & bridge construction
- Civil engineering
- Energy construction

Significant Value Added via complementing business strengths and operational efficiencies

## Experienced MANAGEMENT BOARD

- Piotr Kledzik, CEO
- Jakub Chojnacki, CFO
- Marcin Lewandowski, COO

## EMPLOYEES

about **800**

55% white-collar | 45% blue-collar

## HEADQUARTERS & SITES



Transaction along PORR's strategy of Intelligent Growth

## Joint POWER! PORR and Bilfinger Infrastructure S.A.: The Perfect Match.

### Key data on the acquisition

#### Details on the Transaction:

- Contracting Partner:
  - PORR Bau GmbH
  - Bilfinger SE
- Signing Date: 11 June 2105
- Purchase Price: 21.5m EUR
- Closing Date: 14 August 2015

#### Financial Goals

Production output in excess of PLN 1bn |  
~ EUR 250m

Following diversification strategy

EBITDA > 3%

Positive cash flow – without any external financing

#### Two strong Polish players as the ideal complement

- **PORR Polska Infrastructure S.A.:** experts in infrastructure, civil engineering and the energy sector
- **PORR Polska Construction S.A.:** experts in general building, industrial construction and railway construction

#### Door opener to the Norwegian infrastructure market

- **PORR Group** has already started to evaluate the Norwegian market and will benefit from the local expertise of the new colleagues

#### High synergies through complementary business areas

#### Group-wide knowhow transfer: an appealing asset

# 03

## Financial Section



# Consolidated Income statement<sup>1</sup>

EUR thd

	<u>2012</u>	<u>2013</u>	<u>2013<sup>2</sup></u>	<u>2014</u>	<u>1H 2014<sup>2</sup></u>	<u>1H 2015</u>
<b>Production output</b>	<b>2,905,634</b>	<b>3,439,092</b>	<b>3,162,079</b>	<b>3,474,885</b>	<b>1,489,212</b>	<b>1,497,045</b>
Revenues	2,314,828	2,694,153	2,630,025	3,009,118	1,340,498	1,321,355
Material costs	-1,455,484	-1,761,030	-1,748,711	-2,026,001	-884,906	-849,248
Staff costs	-625,309	-682,646	-669,814	-752,960	-354,825	-373,383
Other operating results	-154,609	-135,472	-103,943	-140,779	-78,233	-68,238
<b>EBITDA</b>	<b>103,837</b>	<b>154,731</b>	<b>146,614</b>	<b>156,424</b>	<b>43,467</b>	<b>55,565</b>
<b>EBITDA<sup>3</sup> %</b>	<b>3.6</b>	<b>4.5</b>	<b>4.6</b>	<b>4.5</b>	<b>2.9</b>	<b>3.7</b>
Depreciation	-50,028	-66,705	-65,736	-74,716	-30,867	-34,047
<b>EBIT</b>	<b>53,809</b>	<b>88,026</b>	<b>80,878</b>	<b>81,708</b>	<b>12,600</b>	<b>21,518</b>
<b>EBIT<sup>3</sup> %</b>	<b>1.9</b>	<b>2.6</b>	<b>2.6</b>	<b>2.4</b>	<b>0.9</b>	<b>1.4</b>
Financial result	-31,801	-27,533	-21,287	-15,608	-11,638	-4,396
<b>EBT</b>	<b>22,008</b>	<b>60,493</b>	<b>59,591</b>	<b>66,100</b>	<b>962</b>	<b>17,122</b>
<b>EBT<sup>3</sup> %</b>	<b>0.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>0.1</b>	<b>1.1</b>
Taxes	-4,015	-7,908	-7,059	-17,542	1,171	-6,290
<b>Periodic result</b>	<b>17,993</b>	<b>52,585</b>	<b>52,532</b>	<b>48,558</b>	<b>5,090</b>	<b>10,832</b>

1 Capitalized own work and share of profit/loss of associates not shown required by IFRS; actually reported values according to IFRS may deviate

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>30.06.2015</u>
<b>Assets</b>	Long-term assets	1,101,407	1,068,659	728,013	782,653
	Short-term assets	959,334	1,227,811	1,418,017	1,152,022
	<b>Total assets</b>	<b>2,060,741</b>	<b>2,296,470</b>	<b>2,146,030</b>	<b>1,934,675</b>
<b>Liabilities &amp; equity</b>	Equity (incl. non-controlling interest)	322,553	347,662	385,171	369,966
	Long-term liabilities	595,591	668,692	408,830	419,433
	Short-term liabilities	1,142,597	1,280,116	1,352,029	1,145,276
	<b>Total assets</b>	<b>2,060,741</b>	<b>2,296,470</b>	<b>2,146,030</b>	<b>1,934,675</b>
<b>Ratios</b>	<b>Net debt<sup>1</sup>(EUR m)</b>	<b>586</b>	<b>357</b>	<b>-65</b>	<b>305</b>
	<b>Equity ratio (%)</b>	<b>15.7</b>	<b>15.1</b>	<b>18.0</b>	<b>19.1</b>

<sup>1</sup> Bonds plus financial liabilities less cash and cash equivalents

# IR Information for PORR AG

## Share Information

<b>Share price<sup>1</sup></b>	24.3 EUR
<b>Market capitalisation</b>	707.0m EUR
<b>Official market</b>	Vienna Stock Exchange Prime Market
<b>Number of shares outstanding</b>	29,095,000
<b>Ticker symbol</b>	POS VI
<b>ISIN</b>	AT0000609607

## Shareholder Structure

■ **Syndicate: 53.7%**  
(Strauss-Group,  
Ortner-Group)

■ **Free Float: 46.3%**

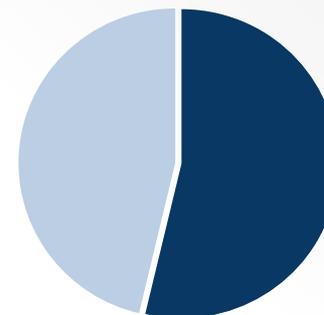
thereof:

Renaissance Construction AG: 5.7%

WIENER STÄDTISCHE

VERSICHERUNG AG

Vienna Insurance Group: 4.5%



## IR Calendar 2015

28.08.2015 Half-year report 2015

27.11.2015 Q3 2015

## Research Reports

Berenberg Bank	RCB
Baader Helvea	Kepler Cheuvreux
HSBC	Steubing
ERSTE Group	SRC

## IR Contact

Do you have any questions?

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<sup>1</sup> as of August 27, 2015

# 04

## OUTLOOK



# Outlook - Key Topics 2015/2016

**01** Strict cost and risk management

**02** Performance management & process optimisation via investment into IT infrastructure

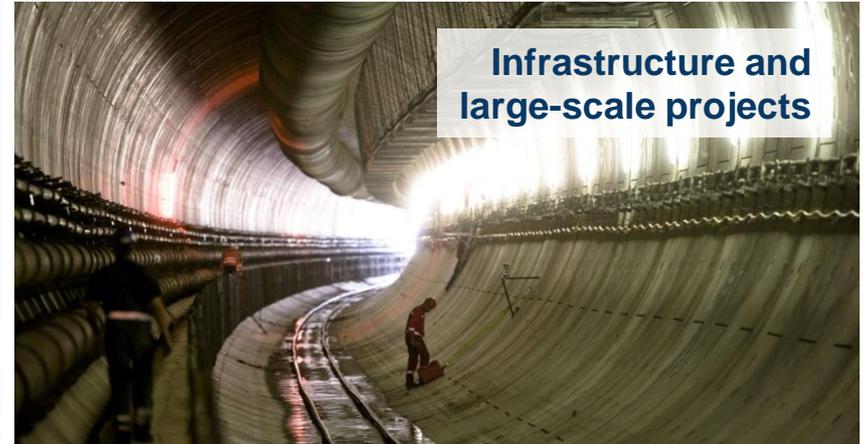
**03** M&A: Market consolidation via acquisitions



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



# PORR Boasts a Focused Offering of Construction Services

## Pure-Play Services offered by PORR

Spin Off and Merger with UBM of the real estate activities in 2014

### Building construction

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

### Infrastructure projects

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

### Real estate & project development

- Infrastructure, public building construction and health care
- Housing construction and office buildings



### Civil engineering and road construction

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

### Environmental engineering

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

### 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

# 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

Status quo



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



Leverage expertise to grow in Qatar and Saudi Arabia with tunnelling and slab-track



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



# Focused Strategy with Strong Portfolio and Business Units



**100% PURE PLAY CONSTRUCTION COMPANY**

**Quality, Efficiency, Innovation**

**DACH**



**#1 in Austria**

**CEE/SEE**



**Project based**

**INFRASTRUCTURE**



**Technical Leadership**

**ENVIRONMENTAL**



**Active in niches**

**Strong Core**

**Intelligent Growth**

**Financial strength**

**IT'S ALL ABOUT RISK MANAGEMENT**



# Overview on Business Segments

## Organisational structure

### Business units

DACH	CEE/SEE	Infrastructure	Environmental Engineering	Real estate
<p><b>Strong base for growth</b></p> <ul style="list-style-type: none"> <li>• Full service provider in the home markets AT and CH, in Germany active as major general contractor as well as large scale building construction projects</li> <li>• TEERAG-ASDAG:                             <ul style="list-style-type: none"> <li>› focus on residential/office/ industrial and road construction</li> </ul> </li> <li>• Numerous large-scale infrastructure projects are developed together with BU4</li> </ul>	<p><b>Focus on home markets and project based activities</b></p> <ul style="list-style-type: none"> <li>• Full service provider in PL and CZ</li> <li>• Project based activities in infrastructure in other CEE/SEE countries backed by EU financing</li> </ul>	<p><b>Excellent technical expertise</b></p> <ul style="list-style-type: none"> <li>• Regional responsibility for civil engineering in Germany</li> <li>• International markets are driven from hub Qatar</li> <li>• Services: tunneling, rail construction, foundation engineering, large scale projects in road and bridge construction, power plant construction, civil engineering</li> </ul>	<p><b>Focus on niches and internal value creation</b></p> <ul style="list-style-type: none"> <li>• Centre of excellence for environmental clean-up, demolition and landfills, as well as rehabilitating contaminated sites incl. Prajo Group</li> </ul>	<p>In summer 2014 UBM-majority was taken over; significant value creation by spin off of all real estate activities</p>

- **Successful spin off** and merger of the real estate activities of PORR AG and UBM Realitätenentwicklung AG
- **Substantial value creation** of two-pure play entities



# PORR is a Preferred Partner to Execute High-profile Projects

## Selected reference projects in home- and international markets<sup>1</sup>

**Austria – Hospital  
Vienna-Nord**

**2012-16**

EUR 98 m

~215.000 m<sup>2</sup> gross floor  
space

**Germany – Railway  
track Erfurt-  
Halle/Leipzig**

**2011-15**

EUR 190 m

~180 km slab track

**Switzerland – Hard  
Turm Zurich**

**2013-15**

EUR 36 m

6-story structure with  
inner courtyard

**Poland – Gdynia  
Waterfront (first phase)**

**2013-15**

EUR 35 m

~ 30.000 m<sup>2</sup> office- and  
hotel complex



**Germany – BMW Logistics  
Berlin**

**2012-14**

EUR 33 m

~16.000 m<sup>2</sup> total base area

**Austria – Koralmtunnel**

**2013-20**

EUR 297 m

~23 km railway tunnel

**Qatar – Green Line Metro Doha**

**2013-18**

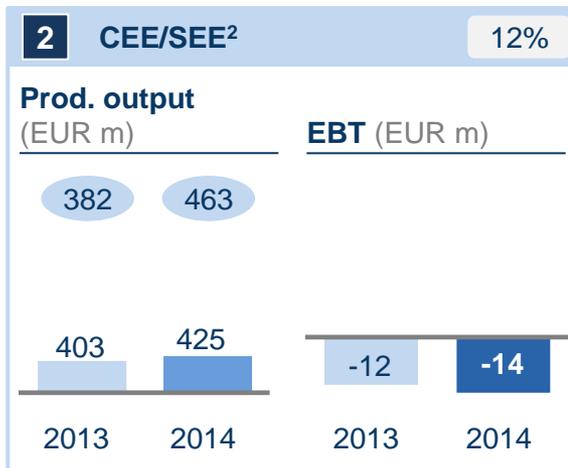
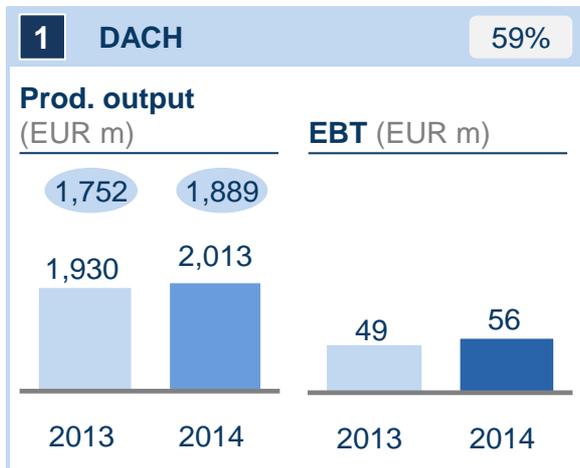
EUR 943 m

~ 33 km tunnel tubes, six metro  
stations

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

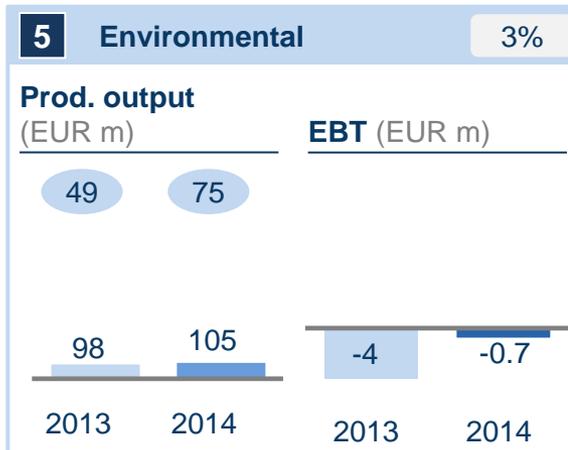
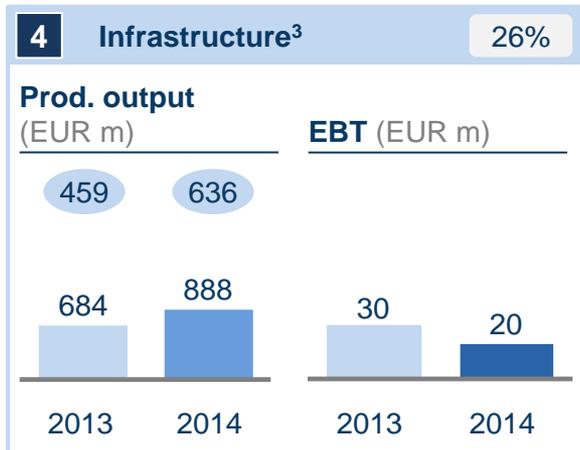
# Key Financials 2014 for Major Business Units

... Revenue (EUR m)<sup>1</sup> ...% FY 2014 share of production output



## Key Topics

- Increase of **production output** and **revenues** over all segments
- **Highest EBT contribution from BU DACH** and **BU Infrastructure** both accounting for 85% of the total production output
- **BU CEE/SEE results** as a consequence of re-focusing strategy and reducing activities in the region
- **Still high order situation** though one-off-effect of the large acquisition Metro Green Line in Doha



## Largest Order Intakes 2014

Selected projects	Country	EURm	Entry
Motorway Sebes Turda	(RO)	95.8	Apr
Smart Campus Vienna	(AT)	79.3	Jun
Office Building NOVE	(AT)	58.6	Dec
Ernst-Reuter-Allee	(DE)	57.9	Dec
VBG Office Building	(DE)	49.9	Nov
Railway LK 272 Kluczborok	(PL)	49.0	Feb
Elevated Works GL	(QT)	45.8	Sep
Apartment Build. Montelaa	(AT)	41.1	Dec
Power station Overmunt II	(AT)	41.1	Mar

1 Includes capitalized own work, other operating income and does not include other/non-segment revenues;

2 Only projects where payment is secured by the EU or a supranational are targeted

3 Including former Business unit International

