



# Part of the solution.

Interim Report on the 1st Quarter 2022

# Key Data

in EUR m	1-3/2022	1-3/2021	Change
<b>Operating data</b>			
Production output <sup>1</sup>	1,161	1,002	15.9%
Foreign share	56.8%	55.6%	1.2 PP
Order backlog	8,033	7,920	1.4%
Order intake	1,429	1,850	-22.7%
Staffing level (average)	19,559	19,033	2.8%
	1-3/2022	1-3/2021	Change
<b>Earnings indicators</b>			
Revenue	1,110.8	968.4	14.7%
EBITDA	50.3	38.6	30.4%
EBIT	6.0	-4.4	< -100.0%
EBT	0.6	-9.4	< -100.0%
Profit/loss for the period	0.4	-7.2	< -100.0%
	31.03.2022	31.12.2021	Change
<b>Financial position indicators</b>			
Total assets	3,914	4,065	-3.7%
Equity (incl. non-controlling interests)	746	824	-9.5%
Equity ratio	19.1%	20.3%	-1.2 PP
Net debt	135	-65	< -100.0%
	1-3/2022	1-3/2021	Change
<b>Cash flow and investments</b>			
Cash flow from operating activities	-82.2	-99.5	-17.4%
Cash flow from investing activities	-36.5	-36.9	-1.2%
Cash flow from financing activities	-107.7	-9.5	> 100.0%
CAPEX <sup>2</sup>	58.5	70.5	-17.0%
Depreciation/amortisation/impairment	44.3	43.0	3.0%
	31.03.2022	31.12.2021	Change
<b>Key data regarding shares</b>			
Number of shares	39,278,250	39,278,250	-
Market capitalisation	463.5	539.7	-14.1%

<sup>1</sup> The production output corresponds to the output of all companies and consortiums (fully consolidated, equity method, proportional or those of minor significance) in line with the interest held by PORR AG.

<sup>2</sup> Investment in property, plant and equipment and intangible assets.

## At a glance ---

### Solid start to the year

Top production output  
and earnings

### Optimised balance sheet

Improved capital structure and  
high liquidity

### Full order books

Profitable pipeline through  
selective acquisitions

### On track to meet 2025 target

Medium-term outlook confirmed

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Dear shareholders and stakeholders,

PORR has started 2022 full of optimism. In the first quarter we were able to grow our production output by 15.9% compared to the same period last year, increasing it to EUR 1,161m. Our order backlog is also impressive – with growth of 1.4%, the 8-billion mark has been surpassed. And earnings speak for themselves – PORR is already in the profit zone in the first quarter. EBT stood at EUR 0.6m.

Overall, we have thereby established a solid basis for our plans for 2022: as part of our Green and Lean strategy, we are focusing on key measures in sustainability, digitalisation and efficiency. Our PORR 2025 programme is ensuring lean structures again this year. For you as stakeholders, this means that PORR is an innovative, secure and reliable partner. We would hereby like to thank you for your trust and support and we look forward to further cooperation in 2022.

Vienna, May 2022

Sincerely,  
The Executive Board

A handwritten signature in black ink, appearing to read 'K. Strauss'.

**Karl-Heinz Strauss**  
Chairman of the Executive Board and CEO

A handwritten signature in black ink, appearing to read 'K. Eiter'.

**Klemens Eiter**  
Executive Board member and CFO

A handwritten signature in black ink, appearing to read 'J. Pein'.

**Josef Pein**  
Executive Board member and COO

A handwritten signature in black ink, appearing to read 'J. Raschendorfer'.

**Jürgen Raschendorfer**  
Executive Board member and COO

# PORR on the Stock Exchange

## International markets under pressure

The international trading centres had a positive start to 2022. The prospect of slowing inflation and a reduction in the bottlenecks in global supply chains supported this trend. However, from the end of January, uncertainty increased in relation to the Ukraine conflict. In addition, both the American and European central banks (the Fed and the ECB) announced an end to their looser monetary policy. Russia’s invasion on 24 February led to a drastic worsening of the situation in the Ukraine. The markets reacted with a sharp downward movement. Subsequently, the international trading hubs were dominated by the military conflict in the Ukraine. The persistently high inflation level put extra pressure on the stock markets. Against this backdrop, volatility rose powerfully overall in the first quarter.

The leading American index Dow Jones Industrial only slipped back by 4.6% against year-end 2021 due to its distance from the Ukraine conflict. The key European indices recorded significantly sharper decreases. The leading index EURO STOXX 50 declined by 9.2%, Germany’s leading DAX index shrank by almost the same degree and was down by 9.3%. Its close economic ties with the Eastern European markets meant that the Vienna Stock Exchange was harder hit by the Ukraine conflict. The ATX was down by 14.2%.

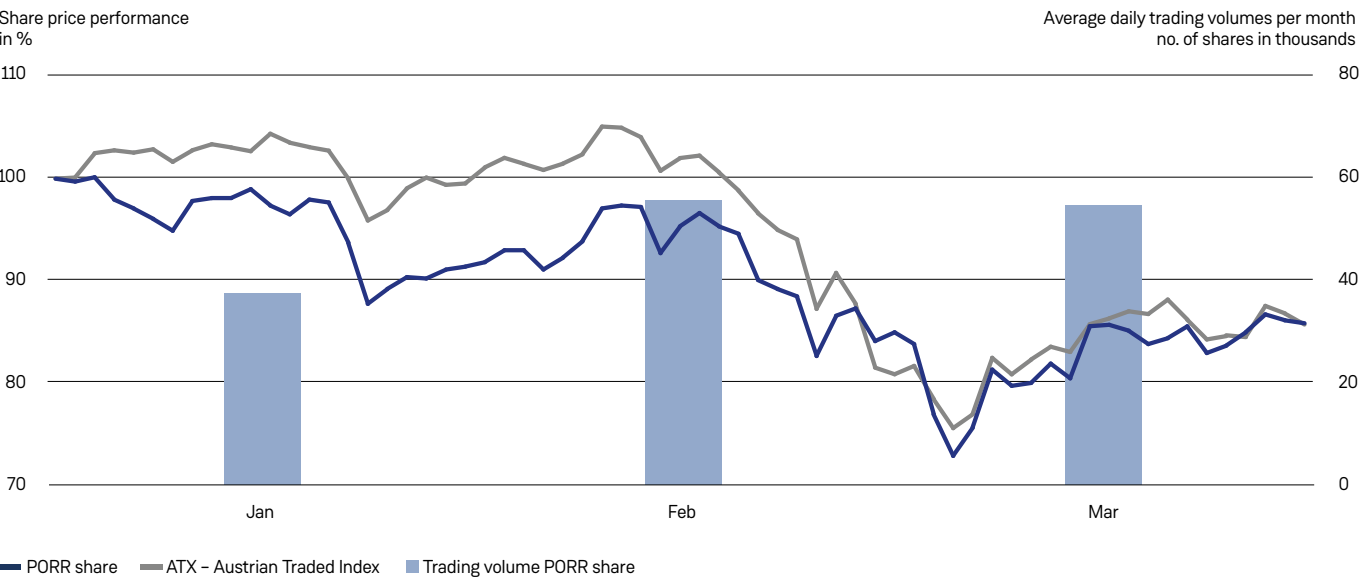
## Volatile start to the year for PORR share

In line with the overall market, the PORR share experienced significant fluctuations in the first quarter of 2022. It reached its year high of EUR 13.76 on 4 January. After this, the PORR share was also unable to escape the difficult market environment consisting of the Ukraine conflict, cost pressure and rising interest rates. Military action in Eastern Europe led the share to reach its lowest point for the year to date on 7 March at EUR 10.02. This was followed by a highly volatile phase, which was tied to developments in the Ukraine conflict. At the end of the quarter, the PORR share closed at EUR 11.80. The decrease of 14.1% against year-end 2021 broadly corresponds to the general market situation. Market capitalisation as of 31 March was EUR 463.5m.

## Diversified shareholder structure

The syndicate (Strauss Group, IGO Industries Group) holds the majority of shares outstanding, totalling 50.4%. The free float of 49.6% is primarily split among Austria (20.0%) and the USA (8.2%). Investors from Germany and Great Britain hold around 6.8% and 6.5% respectively of the free float. Around 7.4% of the shares are split between the rest of Europe. 32.4% of the shares in free float are held by Retail investors.

Share price and trading volumes of the PORR share in the first quarter of 2022 (index)



# Management Report

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## Economic Environment

### Global economy under significant pressure

In the first quarter of 2022, the global economy was characterised on the one hand by the decline in cases in connection with the Covid pandemic. On the other hand, the military conflict in Ukraine caused increased uncertainty, especially in Europe. While the trend of inflation rises initially slowed down at the start of the year, price pressure on both private and public spending increased significantly from the end of February. The occasional rise in infection rates continued to affect international supply chains to some extent. Against this backdrop, major central banks have been caught between providing economic stimulus for post-pandemic growth and containing global inflation rates. In its April forecast, the International Monetary Fund (IMF) forecast global economic growth of 3.6% in 2022.

In the first quarter of 2022, the Federal Reserve implemented a rise in interest rates of 25 basis points, thereby returning to a tighter monetary policy approach. The IMF experts have forecast economic growth of 3.7% for the USA in 2022.

In the first quarter, the European Central Bank (ECB) also announced a return to a more restrictive monetary policy. That said, a hike in base interest rates is not expected before year-end 2022. Europe's economy is far more heavily affected by the military conflict in the Ukraine. Significant rises in prices are being seen in both the energy and (raw) materials sectors. In addition, the lack of availability of resources is causing growing uncertainty. The European Commission have thereby revised its forecasts for 2022 downwards and is assuming growth of 2.7%.

The Austrian economy also experienced rising inflation in the first three months of the year. The strong inflation rate dampened the positive growth in private consumption and also led to a stagnation in industrial business performance. In contrast, growth in tourism is set to be an economic pillar in 2022. The Austrian Institute of Economic Research (WIFO) sees the Austrian economy growing by 3.9% in 2022 in its March prognosis.

The German economy has been particularly hard hit by the disruptions in international supply chains due to the huge importance of the automotive industry. Both shortages and delayed procurement of (raw) materials are weighing on its current performance. The experts of the European Commission therefore reduced their growth forecast for 2022 to 1.6%.

PORR's Eastern European home markets are also affected by the current conflict, partly due to their geographical proximity to Ukraine and Russia. Future economic growth will depend on factors

including the further course of the conflict. All current prognoses are subject to uncertainty. The most recent forecast by the experts at the Vienna Institute for International Economic Studies puts average growth at 2.8% in 2022.

### Opposing forces for construction sector

The performance of the European construction industry will be influenced in 2022 by two contrasting factors. On the one hand, companies will profit from demand remaining reliably high. In addition to the favourable interest rate environment, the European Recovery and Resilience Facility as well as the multiannual EU budget are providing additional support. This is leading to further public investments in infrastructure – not least in green infrastructure – while demand in the private sector remains equally strong. Demand is set to remain at a high level in both residential and industrial construction.

On the other hand, the shortage of skilled labour and (raw) materials is having a negative impact on the construction industry. In addition, the Ukraine conflict is leading to an increase in energy prices. Bottlenecks and delays in international supply chains are causing uncertainty.

The high capacity utilisation and the corresponding high demand for construction materials have led to price increases, some massive, as well as price fluctuations. Particularly in the case of construction timber, the volatility of world trade prices increased sharply. PORR's home markets were also unable to buck this global trend. In Austria, the construction cost index climbed by around 13% in the first quarter of 2022, whereby bitumen used in road construction was a particular factor. In Germany, the producer price index for industrial products rose by around 9% in the same period, while the Polish price index for construction and assembly rose by around 4%. Construction companies have been able to partly pass on the price increases to clients. In addition, optimising strategic procurement management is safeguarding the availability of (raw) materials.

## Development of Output

The indicator production output covers all classic design and construction services, waste management, raw materials sales and facility management, i.e. all significant services rendered by PORR. For companies fully included in the consolidated group, this output broadly corresponds to the revenue defined and reported in accordance with IFRS. In contrast to revenue, production output also includes the output from consortiums and companies accounted for under the equity method, as well as those of minor

significance, in line with the interest held by the Group and differences in definitions reconciled pursuant to commercial criteria.

In the first quarter of 2022, PORR generated production output of EUR 1,161m. Every operating segment achieved an increase in output. Much of the growth of 15.9% came from the segments AT / CH and CEE.

Output for the segment AT / CH totalled EUR 598m and was thereby EUR 71m higher than the comparable period of the previous year, whereby Lower Austria, the areas of railway construction and structural engineering, and Vienna were key contributors to this growth.

In the segment DE, production output amounted to EUR 186m and was thereby 12.3% higher than the previous year, which had been affected by bad weather. A major contributor here was PORR Oevermann, in terms of both building construction and traffic route construction.

The production output of the PL segment stood at EUR 135m. The growth of 15.5% is primarily due to the increase in output from multiple major projects in railway construction.

The segment CEE generated production output of EUR 85m, and thereby a rise of EUR 30m. The growth in output mainly related to Romania.

In the Infrastructure International segment, output totalled EUR 138m. Progress made in tunnelling as well as the completion of several projects in this field were key factors in this rise of 15.9%.

Accounting for 94.9% of total production output, PORR's clear focus is on its European home markets. 43.2% of output was generated in Austria, the most important market, while Germany contributed 27.0% of the total output. Poland was responsible for 12.5% of production output, the Czech Republic and Slovakia together for 4.6%. Switzerland and Romania respectively generated 4.5% and 3.1% of total output.

## Order Balance

As of 31 March, the PORR order backlog was at a top level of EUR 8,033m. This corresponds to a slight increase of 1.4% against the previous year. With the exception of the PL segment, every operating segment achieved growth. The order intake shrank by EUR 421m in comparison to the high level of the previous year and stood at EUR 1,429m.

Once again, the biggest new contracts of the quarter came from infrastructure construction. In Norway, a new city bridge is taking

shape in the form of the Drammen Bybrua. It will enhance the cityscape in both visual and functional terms and create more space for all road users when crossing the river Drammen. Other major projects in infrastructure construction include the Vienna city road – which PORR is responsible for together with a consortium – as well as the overhaul of multiple bridges for the A9 near Trieben in Styria and building an underpass for the S7 near Königsdorf in Burgenland. Major orders in building construction acquired by PORR included the project for the conversion and new build of the Alte Akademie in Munich to create new residential and commercial space, as well as the general contractor project to build the Florido Liner office building in Vienna and the construction of an aircraft hangar for Airbus in Hamburg.

## Financial Performance

The construction industry is subject to seasonal fluctuations typical for the sector. The first quarter is traditionally the weakest of the year and generally reports negative earnings. The reason for this is the weaker construction output in the winter months that also affects earnings.

In the first quarter of 2022, PORR generated revenue of EUR 1,110.8m, which was 14.7% more than in the comparable period of the previous year. The increase in revenue came from almost every one of the Group's home markets. Earnings from companies accounted for under the equity method showed a significant improvement of EUR 7.8m due to higher earnings from consortiums.

Expenses for materials and other related production services rose faster than revenue as a result of sharp price hikes on the procurement market, whereby expenses for materials were the most powerful driver with a rise of 26.0%. In contrast, savings were made on staff costs in relation to revenue (nominal rise of 6.1%). The higher level of material costs as a percentage of revenue (+1.8 PP) was more than offset by efficiency increases – with the share of staff costs decreasing by 2.2 PP.

While other operating income was up by EUR 4.2m or 11.4% and thereby in the range of the rise in revenue, other operating expenses broadly held steady. In any case, expenses for damages and other project-related expenditure were far below the previous year's levels. Overall, this meant a significant improvement in the value of other operating expenses, which rose by 1.3%.

The increase in output and the savings achieved in other operating expenses led to significantly higher EBITDA of EUR 50.3m (up by EUR 11.7m versus Q1 2021). With a rise of 3.0%, depreciation, amortisation and impairment expense remained at practically the same level as the previous year. EBIT changed from red to black and totalled EUR 6.0m. The financial result decreased by EUR 0.5m

to EUR -5.5m because of an increase in interest rate expenses. Overall, this development nudged EBT into the positive range, totalling EUR 0.6m (1-3/2021: EUR -9.4m).

Taking into account the lower tax result of EUR -0.2m (1-3/2021: EUR 2.2m), PORR generated a profit for the period of EUR 0.4m in the first quarter of 2022. Compared to the previous year, this represents a significant improvement of EUR 7.5m.

## Financial Position

As of 31 March 2022, PORR's total assets stood at EUR 3,914.3m and were thereby 3.7% or EUR 150.7m lower than at year-end 2021.

Seasonal factors led to a decrease of cash and cash equivalents of EUR 226.3m in the first quarter of 2022.

Equity reflected the repayment of the 2017 hybrid bond in the amount of EUR 51.1m in February 2022. As a result of applying the amendments to IAS 37 for the first time with effect from 1 January 2022, there was also a reduction in other reserves. Overall, equity shrank by 9.5% against year-end to EUR 745.8m. The equity ratio stood at 19.1%.

Debt also decreased by 2.2% or EUR 72.1m. This was mainly caused by lower other liabilities and the planned repayment of bonded loans (Schuldscheindarlehen).

Net debt rose as is typical for the season, climbing by EUR 199.9m to EUR 134.6m as of 31 March 2022 (31 December 2021: EUR -65.3m).

## Cash Flows

The EUR 11.3m improvement in operating cash flow of EUR 45.2m mainly resulted from the better profit for the period for the first quarter of 2022.

Cash flow from operating activities of EUR -82.2m was EUR 17.3m higher than in the comparable period of 2021. Despite the rise in revenue, this improvement against the previous year was mainly caused by the lower increase in trade receivables.

Cash flow from investing activities stood at EUR -36.5m, similar to level of the previous year.

Cash flow from financing activities of EUR -107.7m was below the value of the previous year due to the repayment of hybrid capital (EUR -51.1m) and the redemption of a bonded loan (Schuldscheindarlehen) of EUR -30.0m.

Cash and cash equivalents amounted to EUR 538.8m as of 31 March 2022 (31 December 2021: EUR 765.0m). Taking into account investment certificates of EUR 39.4m, the cash-related assets (total of cash and cash equivalents and investment certificates) stood at EUR 578.1m and were thereby EUR 101.6m higher than as of 31 March 2021.

## Investments

In the first quarter of 2022 no major investments were made beyond the usual investments to replace machinery and construction site equipment and to buy new equipment.

Investment activity is measured by applying the CAPEX indicator (capital expenditure). This includes investments in intangible assets, property, plant and equipment, and assets under construction including investments financed by leases. CAPEX decreased against the comparable period of the previous year by EUR 12.0m to EUR 58.5m. This results in a CAPEX ratio of 5.0% in relation to production output (1-3/2021: 7.0%).

## Opportunity and Risk Management

Effective risk management has long been one of PORR's most important principles when carrying out any economic activity and safeguards its competitive ability. If risks have an impact on one of PORR's business fields or markets, this can have a negative effect on the company's earnings. That is why the aim of risk management is to identify risks as soon as possible and then minimise them while still maintaining the company's earnings potential. The goal of PORR's risk management lies in developing and improving the organisational processes which help to pinpoint risks early on, as well as continuously developing and improving measures to counter those risks.

There have been no significant changes to the Group's opportunity and risk profile since the 2021 Annual Report that would lead to a change in the assessment of the risk position for PORR. The description in the Risk Report of the 2021 Annual Report from page 79 onwards thereby remains valid.

## Staff

In the first quarter of 2022, PORR employed 19,559 people on average. This corresponds to an increase of 2.8%, which is primarily attributable to the growth in output.



## Forecast Report

The International Monetary Fund (IMF) has forecast global economic growth of 3.6% in 2022. The European Commission, on the other hand, expects growth of 2.7% for the eurozone – significantly lower. In the first three months of 2022, the general economic outlook has darkened noticeably, not least due to the Ukraine conflict. Price increases of raw materials and other materials coupled with the increasing uncertainty regarding their availability and the ongoing shortage of skilled workers are massive contributing factors here. On the other hand, numerous pandemic-related restrictions have come to an end worldwide.

The big central banks find themselves caught between sharp rises in inflation and ongoing concerns about growth. The measures currently underway point towards a return to a tighter monetary policy approach. While the Federal Reserve has already taken the first steps to raise interest rates, the European Central Bank is not expected to do so until the second half of 2022 at the earliest.

Accordingly, the Austrian economy continues to benefit from a favourable interest rate environment. Demand in the construction industry remains at a constantly high level. The European Recovery and Resilience Facility and the EU budget are providing additional support. However, the corresponding high level of construction activity is leading to a shortage of (raw) materials, subcontractors and skilled labour. The uncertainty about the availability of these resources has increased significantly in recent times. In addition, there is increased price volatility and, in some cases, massive price hikes. The Ukraine conflict is putting additional pressure on the procurement markets. PORR has broadly been able to pass these higher costs on to the clients. In addition, measures are being implemented to optimise the strategic procurement of resources, whereby all necessary subcontractors and materials have been available to date.

On PORR's home markets, the European Commission is currently forecasting economic growth of 1.6% (Germany) to 3.9% (Austria).

The challenging market environment in terms of prices and construction materials is also evident across all markets. PORR has started 2022 with full order books. The overall order backlog reflects an improved profile in terms of risks and margins.

In the medium and long term, the megatrends in the construction industry are set to remain as before. The EU Green Deal is ensuring continued demand for sustainable mobility and environmentally conscious, circular construction. Added to this is urbanisation, which supports demand for affordable housing in cities. Furthermore, digital building models and processes are experiencing greater demand. And it is not just the Covid pandemic that has put health at the top of society's agenda. In parallel, investment programmes by governments as well as by road and rail operators are ensuring a continuous project pipeline in infrastructure construction.

At present PORR has not been affected by any supply disruptions or construction site stoppages. That said, forecast risks in relation to the Ukraine conflict remain and a worsening of the current situation cannot be ruled out either. Future economic performance and the related estimates are therefore still subject to uncertainty.

The Executive Board is aiming for a target EBT margin of 3.0% at Group level by 2025. The consistent continuation of the future programme PORR 2025 and the focus on selective, intelligent growth should support the goal of sustainable profitability. Positive effects are expected from a consistent acquisition and risk approach, the continuous optimisation of construction processes, and advanced digitalisation through BIM and LEAN.

The assessment of how the business will perform is based on the current goals in the individual segments as well as the opportunities and risks arising in the respective markets. The consequences of a possible intensification of the Ukraine conflict or of another significant increase in the prices of energy and construction materials cannot be foreseen.

## Segment Report

### Segment AT / CH

#### Key Data

in EUR m

	1-3/2022	1-3/2021	Change
Production output	598	527	13.5%
Order backlog	3,371	3,196	5.5%
Order intake	816	1,070	-23.8%
Average staffing levels	9,671	9,233	4.7%

The segment AT / CH covers the entire country-level responsibility for the two home markets of Austria and Switzerland. Here PORR is represented with its full range of services. In addition to this permanent business – with the focal points of residential construction, office construction and road construction – come the national competencies in railway engineering, structural engineering, specialist civil engineering and environmental engineering. The areas of large-scale building construction projects, German industrial construction and Slab Track Austria for Europe are also housed here. In addition, equity interests such as IAT, ÖBA – Österreichische Betondecken, Prajo, TKDZ, and ALU-SOMMER have also been integrated into the segment AT / CH.

In the first quarter of 2022, the production output of the segment AT / CH reached EUR 598m and was thereby 13.5% higher than the previous year. The federal provinces of Lower Austria and Vienna in particular contributed to this increase along with the areas of railway construction and structural engineering. At the end of the reporting period, the order backlog stood at EUR 3,371m. Major projects in building construction were an especially strong factor in this growth of 5.5%. The order intake was 23.8% below the previous year's value and totalled EUR 816m – a consequence of selective acquisitions in Swiss building construction. The

biggest new projects were mostly acquired in Austria. These included the city road in Vienna, the overhaul of nine bridges for the A9 near Trieben, and the construction of the S7 underpass near Königsdorf. With the Florido Liner office building and the St. Gotthard Straße 1-5 residential complex in Vienna, the segment AT / CH acquired two major projects in building construction.

Both the Austrian and Swiss construction industries are affected by the tense situation with regard to international supply chains, the prices of construction materials and raw materials, and the shortage of skilled workers. PORR is managing this difficult market environment very well – production output is at a top level and no negative impacts have been felt to date. In contrast to the current uncertainty on the procurement markets, public civil engineering continues to see sustained high demand. Investments are expected from public road and rail operators as well as within the framework of financing programmes for national roads and railways. In terms of sustainable mobility, expanding rail infrastructure is a priority in both Austria and Switzerland, while the focus for the road network is on renovation and maintenance. In building construction, stable growth is still expected, whereby industrial construction in particular should offer an attractive investment pipeline.

### Segment DE

#### Key Data

in EUR m

	1-3/2022	1-3/2020	Change
Production output	186	166	12.3%
Order backlog	1,175	1,152	1.9%
Order intake	136	195	-30.3%
Average staffing levels	2,193	2,260	-3.0%

The majority of PORR's activities in Germany are bundled in the segment DE. On its second largest market, the company offers building construction, specialist civil engineering and infrastructure services provided by highly qualified experts employed by the company to facilitate high levels of in-depth value creation. PORR has a strong position on the German infrastructure market with its discrete areas of structural engineering, tunnelling, and traffic route construction. The segment DE is home to German equity interests including PORR Oevermann and Stump-Franki

Spezialtiefbau. This allows PORR to cover the entire value chain in specialist civil engineering.

In the first three months of the year, the DE segment generated production output of EUR 186m. The growth of 12.3% was mainly attributed to PORR Oevermann, whereby both building construction and traffic route construction experienced growth. In addition, Stump-Franki Spezialtiefbau achieved pleasing growth in permanent business. The order backlog was practically the same

as the previous year at EUR 1,175m. The order intake was at a far higher level in the previous year due to a major project. New orders totalled EUR 136m in the period under review. The DE segment brought in multiple key contracts in building construction in the first three months, including the conversion and new build of the residential and commercial building Alte Akademie in Munich, a shell construction in Hamburg's Überseequartier and an aircraft hangar for Airbus – also in Hamburg.

Germany's construction industry got off to a good start in the new year, not least due to the favourable weather. The full order books and ongoing high demand promoted growth. Since March,

however, the effects of the Ukraine conflict have been clearly felt, especially in the form of material bottlenecks and price rises. Crude-based products and steel in particular saw significant price increases in the first quarter of 2022, in some cases rising by more than 20%. But the hike in energy prices also dampened the positive momentum that was noticeable at the start of the year. On average, the producer prices of commercial products were up by around 9%. Due to the very dynamic market environment at present, the Hauptverband der Deutschen Bauindustrie now expects a trend of stagnating sales in 2022. At the same time, any forecast is considered to be subject to a high degree of uncertainty.

## Segment PL

### Key Data

in EUR m	1-3/2022	1-3/2020	Change
Production output	135	116	15.5%
Order backlog	1,406	1,700	-17.3%
Order intake	71	172	-58.5%
Average staffing levels	2,487	2,411	3.2%

The segment PL holds complete responsibility for Poland, PORR's third largest home market. All Polish equity interests held by PORR are included in this segment. In civil engineering PORR is one of the leading providers in the fields of road, infrastructure and railway construction, as well as specialist civil engineering. In building construction, the focus is on office, industrial and hotel construction as well as on buildings and facilities for the public sector.

The output of the PL segment totalled EUR 135m. Railway construction was the main contributor to the 15.5% increase. At the end of the reporting period, the order backlog had decreased by 17.3% to EUR 1,406m. This resulted from the steady completion of multiple major projects in infrastructure and railway construction. The order intake decreased by more than half to EUR 71m and again reflected the strict focus on a selective approach to acquiring

contracts. The biggest new order in the PL segment in the first quarter of 2022 was the acquisition of comprehensive earthworks as part of building the Dolna Odra gas pipeline.

The construction industry in Poland is caught between the high demand resulting from comprehensive investment in infrastructure and the bottlenecks on the procurement market. On the one hand, funding from the EU's multiannual financial framework supports high levels of construction activity, while demand for storage and logistics facilities is also delivering positive impetus, as is the need for affordable housing. On the other hand, these pleasing factors are being dampened by bottlenecks in materials, logistics and skilled labour. Added to this are massive cost increases. The situation is being made worse by the current conflict in Ukraine.

## Segment CEE

### Key Data

in EUR m	1-3/2022	1-3/2020	Change
Production output	85	55	56.0%
Order backlog	808	696	16.2%
Order intake	134	111	20.8%
Average staffing levels	2,173	2,122	2.4%

The segment CEE focuses on the home markets of the Czech Republic, Slovakia and Romania. The local equity interests are integrated here as well. Here PORR offers construction services in building construction and civil engineering, whereby the goal

is to provide complete coverage of permanent business in the Czech Republic and Romania. Selected major projects in the infrastructure sector are also undertaken.

Rising by 56.0%, the CEE segment generated production output of EUR 85m in the first three months of 2022. In addition to Romanian civil engineering, building construction in Slovakia and the Czech Republic was primarily responsible for this increase. The order backlog of EUR 808m was 16.2% higher than at the same time of the previous year. With growth of 20.8%, the order intake rose to EUR 134m. Both of these developments were attributable to infrastructure construction in Romania. The largest new contract in the CEE segment is the extensive overhaul of the Barrandov Bridge, the most heavily used bridge in Prague.

The performance of the construction industry in Slovakia, the Czech Republic and Romania is also tied to the further course of the Ukraine conflict. Any forecasts are thereby subject to uncertainty at this point in time. While financing for infrastructure projects is broadly supported under the EU Recovery and Resilience Facility, the lack of availability and the price increases for raw materials and construction materials is hampering current growth. PORR's focus remains on further strengthening its market position by promoting permanent business.

## Segment Infrastructure International

### Key Data

in EUR m	1-3/2022	1-3/2020	Change
Production output	138	119	15.9%
Order backlog	1,184	1,095	8.1%
Order intake	242	294	-17.7%
Average staffing levels	1,551	1,406	10.3%

The segment Infrastructure International is home to PORR's expertise in international tunnelling, railway construction and specialist civil engineering as well as Slab Track International. The area of Major Projects and the responsibility for the project markets of Norway, Qatar and the United Arab Emirates (UAE) are also integrated here. In this area, PORR focuses on contracts in infrastructure construction and on cooperation with local partners. The PORR export products are offered from here for the international markets in a highly selective way and only when there is clear value added.

The Infrastructure International segment generated production output of EUR 138m. The increase of 15.9% is attributable to the area of tunnelling. The order backlog grew by 8.1% to EUR 1,184m. The growth resulted from an increase in the area Major Projects. The order intake slipped back from the high level of the previous year, declining by 17.7% to EUR 242m. The biggest new contract in the period under review was the Drammen Bybrua city bridge in Norwegian Drammen. It will soon cross the river Drammen,

enhance the cityscape and improve the traffic situation in the entire city.

PORR's project markets are also incapable of escaping the impact of the current conflict in the Ukraine. Globally, this is leading to higher costs at present, especially for energy and construction materials, while other consequences of the conflict include bottlenecks in international supply chains.

PORR sees strong potential and continuous demand on its home markets in the areas of tunnelling, Major Projects and Slab Track Austria. Opportunities are also being pursued on international markets wherever there is clear value added.

PORR continues to focus on its strategy of selective growth, accompanied by a consistently strict risk management approach. Here the company continues to benefit from a well-filled and diversified project pipeline in infrastructure construction.



# Interim Consolidated Financial Statements as of 31 March 2022

These interim consolidated financial statements of the PORR Group have been prepared under application of the accounting and measurement methods used in the consolidated statements as of 31 December 2021 and the standards applicable for the first time since 1 January 2022, in particular the amendments to IAS 37. They consist respectively of a condensed statement of financial position, an income statement, a statement of comprehensive income, a cash flow statement and a condensed statement of changes in Group equity.

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15	Statement of Comprehensive Income
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# Consolidated Income Statement

in TEUR	1-3/2022	1-3/2021
Revenue	1,110,834	968,354
Own work capitalised in non-current assets	405	878
Income from companies accounted for under the equity method	17,698	9,871
Other operating income	40,980	36,789
Cost of materials and other related production services	-724,859	-600,925
Staff expenses	-295,817	-278,757
Other operating expenses	-98,893	-97,595
<b>EBITDA</b>	<b>50,348</b>	<b>38,615</b>
Depreciation, amortisation and impairment expense	-44,315	-43,028
<b>EBIT</b>	<b>6,033</b>	<b>-4,413</b>
Income from financial investments and other current financial assets	2,543	976
Finance costs	-7,999	-5,916
<b>EBT</b>	<b>577</b>	<b>-9,353</b>
Income tax expense	-227	2,168
<b>Profit/loss for the period</b>	<b>350</b>	<b>-7,185</b>
of which attributable to shareholders of parent	-5,137	-11,794
of which attributable to holders of profit-participation rights/hybrid capital	3,513	4,312
of which attributable to non-controlling interests	1,974	297
Basic earnings per share, total (in EUR)	-0.13	-0.41
Diluted earnings per share, total (in EUR)	-0.13	-0.41

## Statement of Comprehensive Income

in TEUR	1-3/2022	1-3/2021
<b>Profit/loss for the period</b>	<b>350</b>	<b>-7,185</b>
<b>Other comprehensive income</b>		
Remeasurement from defined benefit obligations	3,055	1,451
Measurement of equity instruments	-668	38
Income tax on other comprehensive income	-917	-356
<b>Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)</b>	<b>1,470</b>	<b>1,133</b>
Exchange rate differences	830	-528
Gains/losses from cash flow hedges		
in the year under review	514	137
Income tax on other comprehensive income	-130	-34
<b>Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)</b>	<b>1,214</b>	<b>-425</b>
<b>Other comprehensive income</b>	<b>2,684</b>	<b>708</b>
<b>Total comprehensive income for the period</b>	<b>3,034</b>	<b>-6,477</b>
of which attributable to shareholders of parent	-2,451	-11,047
of which attributable to holders of profit-participation rights/hybrid capital	3,513	4,312
of which attributable to non-controlling interests	1,972	258

# Consolidated Cash Flow Statement

in TEUR	1-3/2022	1-3/2021
Profit/loss for the period	350	-7,185
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	45,703	43,410
Interest income/expense	4,813	4,654
Income from companies accounted for under the equity method	224	-1,083
Dividends from companies accounted for under the equity method	1,722	2,997
Profits from the disposal of fixed assets	-2,573	-3,034
Decrease in long-term provisions	-3,319	-1,288
Deferred income tax	-1,735	-4,603
<b>Operating cash flow</b>	<b>45,185</b>	<b>33,868</b>
Increase in short-term provisions	11,575	168
Increase in tax liabilities	1,491	971
Increase in inventories	-10,538	-4,268
Increase in receivables	-51,819	-128,638
Decrease/increase in payables (excluding banks)	-72,719	6,319
Interest received	2,253	557
Interest paid	-7,280	-6,965
Other non-cash transactions	-315	-1,473
<b>Cash flow from operating activities</b>	<b>-82,167</b>	<b>-99,461</b>
Proceeds from sale of property, plant and equipment and disposal of investment property	5,043	10,809
Proceeds from the sale of financial assets	85	-
Proceeds from repayment of loans	496	252
Investments in intangible assets	-1,942	-4,473
Investments in property, plant and equipment and investment property	-37,867	-42,946
Investments in financial assets	-501	-275
Investments in loans	-209	-304
Payouts for the purchase of subsidiaries less cash and cash equivalents	-1,613	-
<b>Cash flow from investing activities</b>	<b>-36,508</b>	<b>-36,937</b>
Dividends/interest from profit-participation rights/hybrid capital	-10,587	-13,524
Repayment of profit-participation rights/hybrid capital	-51,075	-
Repayment of bonded loans (Schuldscheindarlehen)	-30,000	-
Obtaining loans and other financing	4,500	31,774
Redeeming loans and other financing	-20,249	-27,769
Acquisition of non-controlling interests	-296	-
<b>Cash flow from financing activities</b>	<b>-107,707</b>	<b>-9,519</b>
<b>Cash flow from operating activities</b>	<b>-82,167</b>	<b>-99,461</b>
<b>Cash flow from investing activities</b>	<b>-36,508</b>	<b>-36,937</b>
<b>Cash flow from financing activities</b>	<b>-107,707</b>	<b>-9,519</b>
<b>Change to cash and cash equivalents</b>	<b>-226,382</b>	<b>-145,917</b>
Cash and cash equivalents as of 1 Jan	765,034	582,545
Currency differences	111	-156
<b>Cash and cash equivalents as of 31 Mar</b>	<b>538,763</b>	<b>436,472</b>
Tax paid	471	1,464



# Consolidated Statement of Financial Position

in TEUR	31.3.2022	31.12.2021
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	187,445	187,496
Property, plant and equipment	1,040,522	1,028,654
Investment property	25,015	25,453
Shareholdings in companies accounted for under the equity method	83,393	85,404
Other financial assets	33,987	34,860
Other non-current financial assets	66,864	67,423
Deferred tax assets	23,151	19,634
	<b>1,460,377</b>	<b>1,448,924</b>
<b>Current assets</b>		
Inventories	103,338	93,033
Trade receivables	1,512,548	1,494,853
Other financial assets	179,829	156,133
Other receivables and current assets	80,268	68,500
Cash and cash equivalents	538,763	765,034
Assets held for sale	39,142	38,525
	<b>2,453,888</b>	<b>2,616,078</b>
<b>Total assets</b>	<b>3,914,265</b>	<b>4,065,002</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	39,278	39,278
Capital reserve	358,833	358,833
Profit-participation rights/hybrid capital	243,006	299,954
Other reserves	69,009	92,476
<b>Equity attributable to shareholders of parent</b>	<b>710,126</b>	<b>790,541</b>
Non-controlling interests	35,670	33,869
	<b>745,796</b>	<b>824,410</b>
<b>Non-current liabilities</b>		
Bonds and bonded loans (Schuldscheindarlehen)	248,278	264,747
Provisions	145,734	149,821
Non-current financial liabilities	364,130	359,657
Other non-current financial liabilities	8,546	7,910
Deferred tax liabilities	36,130	43,968
	<b>802,818</b>	<b>826,103</b>
<b>Current liabilities</b>		
Bonds and bonded loans (Schuldscheindarlehen)	16,491	29,997
Provisions	294,820	252,996
Current financial liabilities	83,804	85,212
Trade payables	1,144,267	1,163,968
Other current financial liabilities	43,348	49,822
Other current liabilities	752,655	803,566
Tax payables	26,157	24,735
Liabilities held for sale	4,109	4,193
	<b>2,365,651</b>	<b>2,414,489</b>
<b>Total equity and liabilities</b>	<b>3,914,265</b>	<b>4,065,002</b>

## Statement of Changes in Group Equity

in TEUR	Share capital	Capital reserve	Revaluation reserve	Remeasurement from defined benefit obligations	Measurement of equity instruments
<b>Balance as of 1 Jan 2021</b>	<b>29,095</b>	<b>251,287</b>	<b>7,622</b>	<b>-47,918</b>	<b>114</b>
Total profit/loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	1,102	29
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,102</b>	<b>29</b>
Dividends/interest from profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
<b>Balance as of 31 Mar 2021</b>	<b>29,095</b>	<b>251,287</b>	<b>7,622</b>	<b>-46,816</b>	<b>143</b>
Balance as of 31 Dec 2021	39,278	358,833	11,225	-36,301	-214
Adjustment due to first-time application of the amendments to IAS 37	-	-	-	-	-
Balance as of 1 Jan 2022	39,278	358,833	11,225	-36,301	-214
Total profit/loss for the period	-	-	-	-	-
Other comprehensive income	-	-	406	1,575	-521
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>406</b>	<b>1,575</b>	<b>-521</b>
Dividends/interest from profit-participation rights/hybrid capital	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
<b>Balance as of 31 Mar 2022</b>	<b>39,278</b>	<b>358,833</b>	<b>11,631</b>	<b>-34,726</b>	<b>-735</b>

Foreign currency translation reserves	Reserve for cash flow hedges	Profit-participation rights/ hybrid capital	Retained earnings and non-retained profit	Equity attributable to shareholders of parent	Non-controlling interests	Total
-7,778	-688	325,854	78,397	635,985	14,564	650,549
-	-	4,312	-11,794	-7,482	297	-7,185
-742	103	-	255	747	-39	708
-742	103	4,312	-11,539	-6,735	258	-6,477
-	-	-13,524	-	-13,524	-	-13,524
-	-	-	3,381	3,381	-	3,381
-8,520	-585	316,642	70,239	619,107	14,822	633,929
-503	-422	299,954	118,691	790,541	33,869	824,410
-	-	-	-22,125	-22,125	-	-22,125
-503	-422	299,954	96,566	768,416	33,869	802,285
-	-	3,513	-5,137	-1,624	1,974	350
841	384	-	1	2,686	-2	2,684
841	384	3,513	-5,136	1,062	1,972	3,034
-	-	-10,587	-	-10,587	-	-10,587
-	-	-49,874	-1,201	-51,075	-	-51,075
-	-	-	2,435	2,435	-	2,435
-	-	-	-125	-125	-171	-296
338	-38	243,006	92,539	710,126	35,670	745,796

# Financial Calendar 2022

7.6.2022	<b>Record date</b> for attending the 142nd Annual General Meeting
17.6.2022	<b>142nd Annual General Meeting</b>
23.6.2022	<b>Trade ex-dividend</b> on the Vienna Stock Exchange
24.6.2022	<b>Record date dividend</b>
27.6.2022	<b>Date of dividend payment</b> for the fiscal year 2021
30.8.2022	<b>Publication</b> half-year report 2022
18.11.2022	<b>Interest payment</b> PORR Corporate Bond 2021 (hybrid bond)
28.11.2022	<b>Publication</b> report on the 3rd quarter 2022

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## Acknowledgements

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Every care has been taken to ensure that all information contained in every part of this quarterly report is accurate and complete. The figures have been rounded off using the compensated summation method. We cannot rule out possible round-off, typesetting and printing errors.

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