

PORR 2018 sets records in output and orders and generates good earnings

- All-time high in output and order backlog
- Continuity in dividends at EUR 1.10 per share
- Earnings of EUR 88.1m are second-best in company's history
- Positive outlook for 2019
 - Undiminished demand in construction and full capacity utilisation
 - Production output to exceed previous year

Vienna, 29.04.2019 - The year 2018 has shown one thing very clearly: PORR as a construction company is the first choice for customers and clients. With a record order backlog of over EUR 7 bn, it is well equipped to face the future. Output also saw double-digit growth for the third time in a row. With production output of around EUR 5.6 bn, PORR achieved an increase of around 18.0%. The Group is firmly anchored on all five of its European home markets, where it generates approximately 88% of its total output.

"Consistent from start to finish. Our focus is enabling us to gain momentum intelligently and build on our strengths. In a tough economic year we managed to further strengthen our position and deliver solid earnings", says Karl-Heinz Strauss, CEO of PORR. "Construction is in our blood and we approach 2019 with the confidence of a full service provider".

All-time highs in order backlog and output

PORR confirmed its leading position once again in the business year 2018. The order backlog set a new record of EUR 7,100m and was 11.5% higher than the previous year. Over the past eight years the order books have practically tripled - proof of PORR's competencies in a competitive market environment. A selective approach to acquisitions led to a solid order intake of EUR 6,326m (previous year: EUR 6,301m). In addition to an array of projects in building construction, PORR also acquired several new large-scale infrastructure projects. Multiple large orders such as the complex Brenner Base Tunnel infrastructure project in Austria, the S3 expressway in Poland and the FAIR accelerator complex in Germany provide a stable foundation for the future.

Production output climbed to a record of EUR 5,593m, displaying growth of 18.0%, which not only outperformed the European construction industry average but was generated on every home market. Especially sharp increases were reported by the fields of industrial and structural engineering, as well as international infrastructure projects. Accounting for 68.6%, PORR once again generated the majority of its output in Austria and Germany. Poland experienced the strongest growth and was responsible for 11.6% of the Group's total production output.

Second-best earnings and attractive dividend

Earnings before taxes stood at EUR 88.1m, 3.3% above the level of the previous year (EUR 85.3m). Here PORR strengthened its focus on operational excellence and thereby achieved a stable performance in terms of earnings. This was despite market bottlenecks throughout the value chain, the prevalent price pressure for construction materials and resource shortfalls among suppliers. The market environment dampened in Poland, having a negative impact on earnings. Significant progress was made in Germany, where EBT was in the black following a loss in the previous year. The promised turnaround was thereby achieved.



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The 2018 profit for the year amounted to EUR 66.2m. Earnings per share stood at EUR 2.17, a year-on-year increase of 3.9%.

PORR remains committed to its reliable dividend policy. The Executive Board will propose an unchanged dividend of EUR 1.10 to the Annual General Meeting for the 2018 business year. With a dividend yield of around 6% based on the 2018 closing price, PORR is a top dividend stock.

Solid balance sheet and improved cash-flow profile

As of 31 December 2018, PORR had total assets of EUR 3,115m, a year-on-year increase of 8.0% caused by revenue growth and acquisitions. Despite double-digit growth, PORR was able to keep net debt steady. It amounted to EUR 150m at year-end, undergoing a marginal increase of just 1.9% against the previous year. As of 31 December 2018, equity rose to EUR 618m, whereby the equity ratio stood at 19.9% (previous year: 20.7%).

Optimised working capital management led to a sharp year-on-year rise in cash flow from operating activities to EUR 186m. Some financial liabilities were settled, leading to a significant decrease in cash flow from financing activities to EUR -155m. At the end of the reporting period, cash and cash equivalents totalled EUR 320m.

Shaping solutions via new technology

PORR is increasingly applying innovative, networked solutions for design and construction. New technologies such as Building Information Modeling (BIM) and LEAN construction are facilitating new forms of cooperation by every project participant throughout the entire design and construction process. "This is allowing us to realise projects that others consider impossible", says Karl-Heinz Strauss. "Customers ultimately benefit from the fact that they are getting an end-to-end solution from a single source. With shorter build times, great quality and budget discipline".

At the same time, PORR is implementing a modern corporate culture with dedicated PORR Principles. In 2018 a state-of-the-art PORR Education Campus was also initiated in order to nurture the new generation of PORRians and will open its doors in September 2019.

Outlook 2019

Experts have forecast stable, continued growth for the construction markets in Europe where the majority of PORR's business activities is concentrated. With its high order backlog, PORR faces the future from a stronger position. The shortage of skilled labour, subcontractor bottlenecks and rising construction costs and wages make for a challenging market environment. PORR sees undiminished demand on its home markets.

The stable performance in the period under review has validated PORR's strategic approach. For 2019 the clear strategic focus will remain on operational excellence. On the basis of the aforementioned assumptions about the home markets and the high order backlog, the Executive Board is optimistic about achieving a moderate increase in the 2019 business year through intelligent growth, adding to the high level of output of EUR 5,593m. That said, the actual business performance in 2019 may deviate from current forecasts on the basis of external political and economic factors and the seasonal nature of the construction industry.

Facts and figures at a glance

Key performance indicators (EUR m)	2018	% Δ	2017
Production output	5,593	18.0%	4,738
Order backlog	7,100	11.5%	6,367
Order intake	6,326	0.4%	6,301
Revenue	4,959	15.5%	4,293
EBITDA	219.5	9.4%	200.7
EBT	88.1	3.3%	85.3
Profit for the year	66.2	3.9%	63.7
Average staffing levels	19,014	7.3%	17,719
Financial position indicators ¹ (EUR m)	31.12.2018	% Δ	31.12.2017
Total assets	3,115	8.0%	2,885
Equity	618	3.6%	597
Equity ratio	19.9%	-0.8 PP	20.7%
Net debt/net cash	150.2	1.9%	147.4
Key share data ¹ (EUR)	2018	% Δ	2017
Earnings per share (EPS)	2.17	3.9%	2.09
Dividends per share (DPS)	1.10 ²	-	1.10

¹ The figures have been rounded off using the compensated summation method. Absolute changes are calculated from the rounded values, relative changes (in percent) are derived from the non-rounded values.

² Proposal to the AGM

You can find the press release [here](#) in the PORR Newsroom. High-resolution images from this year's press conference on the annual results will be available [here](#) from 11:00. The Annual Report 2018 can be downloaded [here](#).



Press Release

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