

## PORR AG: Solid start with record order books

- Record order backlog of EUR 7.4 bn
- 3.0% increase in production output within target range
- EBT margin higher than previous year
- Guidance for 2019 confirmed

Vienna, 28.05.2019 - PORR AG has started 2019 with a good first quarter. Both the order backlog and production output surpassed the levels of the previous year once again. At well above EUR 7 bn, PORR's order books are at an all-time high. The moderate increase in production output of 3.0% reflected the company's strategic focus, while EBT of around EUR -12m led to a slight improvement on the previous year's EBT margin.

"As expected, the momentum behind demand in the construction sector has remained strong. What's more, our industry is undergoing a technological transformation and is confronted by an array of different challenges. PORR's performance in the first quarter underlines our approach - we will continue to prioritise earnings over growth. And the record order backlog gives us the firepower to achieve this", said Karl-Heinz Strauss, CEO of PORR.

### Earnings, output and orders

In the first quarter the construction sector traditionally reports negative earnings and the figures are not a reliable indicator of the full-year performance. EBT improved by 9.2% against the comparable quarter to EUR -11.8m. This caused the EBT margin to rise to -1.1% (previous year: -1.3%).

In the first three months of 2019, PORR generated production output of EUR 1,047m. Despite the unusually strong preceding year, it was possible to achieve moderate growth of 3.0%. Here Germany and Austria remain the most important PORR markets with around 68%. The main contributors to the increase in output were BU 1 - Austria, Switzerland and BU 2 - Germany, while the output level of BU 3 - International declined year-on-year due to the completion of several large-scale projects. Revenue rose by 4.2% in the same period to EUR 945.4m. The profit/loss for the period improved to EUR -9.1m, while earnings per share held steady at EUR -0.36.

With an order backlog of EUR 7,422m, PORR once again set a new record. Compared to the previous year, the order books thereby increased by EUR 722m or 10.8%. The selective approach to projects is reflected in the order intake - the volume of new orders stood at EUR 1,370m, climbing slightly by 1.5% or EUR 20m. The record order books at the start of the year were joined by multiple new contracts such as the large-scale project to build the E1 long-distance road between Eggemoen and Åsbyda in Norway as well as the modernisation of the S31 expressway in Austria as part of a consortium. In a challenging market environment, the high order backlog provides essential stability to PORR's position, as well as safeguarding capacity utilisation beyond 2019.

### Financial position and cash flows

As of 31 March 2019, total assets stood at EUR 3,442.6m and increased against year-end 2018 by EUR 327.8m - primarily because of the application of IFRS 16 since January 2019. The first-time application of IFRS 16 had a particularly strong effect on increasing net debt. Seasonal factors also played a part in its increase to EUR 699.0m (previous year: EUR 345.2m; impact of IFRS 16: EUR -200m). The strong growth of the previous year, especially of Q4, and strategically securing suppliers led to an increase in the outflow of working capital in the first quarter of 2019. The Schuldscheindarlehen was increased in the first quarter (EUR 203m), thereby improving the financing profile.

## Outlook 2019

The megatrends underway in the industry such as increasing urbanisation, greater interconnectedness and demand for new technological solutions, coupled with growing calls for energy and climate solutions, show that the long-term prospects on the PORR home markets remain intact.

PORR's clear focus for 2019 remains on operational excellence. On the basis of the current market environment on the home markets and the high order backlog, the Executive Board is optimistic about achieving a moderate increase again in 2019 from the high output level 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)	1-3/2019	% Δ	1-3/2018
Production output	1,047	3.0%	1,017
Order backlog	7,422	10.8%	6,700
Order intake	1,370	1.5%	1,350
Revenue	945.4	4.2%	907.6
EBITDA	31.7	58.3%	20.0
EBT	-11.8	-9.2%	-13.0
Profit/loss for the period	-9.1	-6.5%	-9.8
Average staffing levels	18,473	5.8%	17,464
Financial position indicators <sup>1</sup> (EUR m)	31.03.2019	% Δ	31.12.2018
Total assets	3,443	10.5%	3,115
Equity	602	-2.6%	618
Equity ratio	17.5%	-2.4 PP	19.9%
Net debt/net cash	699	>100.0%	150

<sup>1</sup> 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.

The quarterly report can be downloaded [here](#).

# Press Release



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