SEMI-ANNUAL REPORT 2023

WORK ON PROGRESS

We will be climate neutral by 2040.
Let's shake on it!

STRABAG
SOCIETAS EUROPAEA

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KEY FIGURES

KEY FINANCIAL FIGURES

	6M/2023	6M/2022	Δ %	2022
Output volume (€ mln.)	8,258.62	7,587.72	9	17,735.47
Revenue (€ mln.)	7,684.37	7,246.35	6	17,025.85
Order backlog (€ mln.)	24,320.48	23,969.66	1	23,738.84
Employees (FTE)	75,551	72,709	4	73,740

KEY EARNINGS FIGURES

	6M/2023	6M/2022	Δ %	2022
EBITDA (€ mln.)	351.14	324.67	8	1,257.21
EBITDA margin (% of revenue)	4.6	4.5		7.4
EBIT (€ mln.)	87.35	63.63	37	706.40
EBIT margin (% of revenue)	1.1	0.9		4.2
EBT (€ mln.)	113.89	69.87	63	717.07
Net income (€ mln.)	76.61	43.76	75	480.13
Net income after minorities (€ mln.)	74.14	40.41	83	472.45
Net income after minorities margin (% of revenue)	1.0	0.6		2.8
Earnings per share (€)	0.74	0.39	90	4.60
Cash flow from operating activities (€ mln.)	174.93	-605.70	n.m.	812.86
ROCE (%)	1.7	1.1		9.2
Investments in property, plant and equipment, and in intangible assets (€ mln.)	319.18	379.09	-16	770.44

KEY BALANCE SHEET FIGURES

	30.6.2023	31.12.2022	Δ %
Equity (€ mln.)	4,220.64	4,025.24	5
Equity ratio (%)	32.6	31.7	
Net debt (€ mln.)	-1,484.03	-1,927.70	23
Gearing ratio (%)	-35.2	-47.9	
Capital employed (€ mln.)	5,606.38	5,407.37	4
Balance sheet total (€ mln.)	12,943.77	12,683.76	2

EBITDA = earnings before interest, taxes, depreciation and amortisation
EBIT = earnings before interest and taxes
EBT = earnings before taxes
ROCE = (net income + interest on debt - interest tax shield (24 %))/(average group equity + average interest-bearing debt)
Net debt = financial liabilities - non-recourse debt + provisions for severance and pension obligations - cash and cash equivalents
Gearing ratio = net debt/group equity
Capital employed = group equity + interest-bearing debt

CEO'S REVIEW

Dear shareholders, associates and friends of STRABAG SE,

We have succeeded in carrying over the strong start to 2023 into the first half of the year and are pleased to be able to report a significant increase in output and earnings. While we are seeing very solid business in transportation infrastructures, there are signs of a downward trend in some areas of building construction, mainly due to declining activities in the residential segment. In Austria, due to a combination of higher mortgage interest rates and stricter lending guidelines, this effect has been more pronounced than in the rest of Europe.

Nevertheless, we were able to increase our already very high order backlog by another 2% to € 24.3 billion compared to the end of 2022. If we put this in relation to our full-year target, our order backlog already extends into the fourth quarter of 2024. This is a reflection of our ability to balance out declining trends in individual construction segments. Meanwhile, we expect the shift from private to public contracts to continue in the short term. It is our belief that STRABAG is in a good position in this respect, as over 60% of our customers are in the public sector. We also have a well-diversified portfolio in building construction and have recently noticed positive trends in commercial and industrial construction. Our residential construction activities account for less than 10% of the Group's output.

Based on our high order backlog and strong increase in output in the first half of the year, we are raising our output forecast for the full year 2023 from at least € 17.9 billion to around € 18.6 billion. Our target of at least 4% for the EBIT margin remains unchanged.

At the 19th Annual General Meeting in June 2023, we proposed a series of capital measures to reduce the shareholding of MKAO "Rasperia Trading Limited" – a company controlled by the sanctioned Russian citizen Oleg Deripaska – to below 25%. The move was intended to prevent relevant disadvantages for STRABAG SE. On behalf of the entire Management Board, I would like to thank you, our esteemed shareholders, for your support and your unanimous approval of these measures, which are now being implemented. I would also like to report that our withdrawal from the Russian market is proceeding according to plan and, from today's perspective, will be completed by the end of 2023.

Yours,

Klemens Haselsteiner
CEO of STRABAG SE

- Output volume up by 9% in the first half of the year
- Order backlog of € 24.3 billion as solid basis for 2024 (+2% compared to 31 December 2022)
- EBIT up 37% to € 87.4 million
- Outlook for 2023 revised upwards: output volume expected to reach approx. € 18.6 billion – previous forecast ≥ € 17.9 billion; EBIT margin target of ≥ 4% remains unchanged

IMPORTANT EVENTS

FEBRUARY

STRABAG commissioned to build more roads in Oman

STRABAG, together with its joint venture partner Al-Rosan, was awarded a contract to construct further roads in Oman by the country's Public Authority for Special Economic Zones and Free Zones. The contract value for STRABAG amounts to approximately € 130 million. The highways with a total length of around 51 km will connect Duqm Airport with the Ras Markaz region. Work began in February 2023, with the roads scheduled to be opened to traffic in mid-2025. STRABAG has been active in road construction in Oman since 1971 and employs a total of around 1,700 people in the Middle East region.

MARCH

STRABAG subsidiary building pioneering office property with green building status in Berlin

The STRABAG subsidiary ZÜBLIN was awarded a contract worth € 76.8 million for the construction of a pioneering office property with green building status in Berlin. The project, known as Inspire Neukölln, will be energy-efficient and can be operated without fossil fuels, making it entirely carbon-neutral. Inspire Neukölln, which is aiming for platinum certification by the German Sustainable Building Council (DGNB), is being prepared for certification by WELL, BREEAM and LEED. The new building on the site of a former printing plant will have four commercial areas for manufacturing operations on the ground floor with six additional floors featuring flexible office space. The client is Gutenberg Property S.à r.l., based in Luxembourg, represented by German property developer CMF Capital. The building will have its own campus and gardens. Completion is scheduled for August 2025.

STRABAG further upgrading Polish national road for € 28.4 million

STRABAG's Polish subsidiary was awarded a major contract worth € 28.4 million to upgrade National Road 94 between Pyskowice and Zabrze. The investment covers a 11.8 km stretch of road with a total of 28 intersections. Pedestrian and bicycle paths as well as road safety facilities will also be provided, along with modernisation works on drainage and lighting. The project is scheduled for completion in October 2024.

MAY

STRABAG building steelworks for Cognor S.A. in Poland

STRABAG is building a production and storage facility for a rolling mill of steel manufacturer Cognor S.A. in the southern Polish city of Siemianowice Śląskie. The contract has a value of around € 69.7 million. In this project, the BIM 5D method is used, in which a digital twin of the object is created. A particular challenge is the dismantling and demolition of the foundations of the old tube rolling mill and the reinforced concrete construction for the new rolling mill. The work is scheduled for completion in December 2024.

STRABAG Group receives ISO certification for business compliance

STRABAG SE was certified by Austrian Standards to ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). The certification is valid for all fully consolidated companies. This makes STRABAG the first globally active Austrian company to achieve such an overall certification. Further audits will follow in the coming years to maintain the certification.

JUNE

New corporate strategy "People. Planet. Progress." presented to the public

CEO Klemens Haselsteiner unveiled the new corporate strategy for 2030, "People. Planet. Progress.", to the public at the company's 19th Annual General Meeting. STRABAG had already committed itself last year to becoming climate neutral along the entire value chain by 2040, and the new corporate strategy developed on this basis provides an answer as to how to make this vision a reality. The focus until 2030 will be on the following six key strategic topics: employee focus, global-local presence, circularity, expertise in the energy sector, technology leadership and depth of value creation. "We plan to grow profitably and to achieve real added value for people and the environment. We want to be a pioneer in climate-friendly construction, actively shape the energy transition and sustainably reinforce our technology leadership. We are convinced that we will be able to build on our previous achievements and have set ourselves the ambitious goal of attaining an EBIT margin of 6% by 2030," says Klemens Haselsteiner.

JANUARY–JULY

Information relevant to the capital market

The EU sanctions against Oleg Deripaska, who controls the shareholder MKAO "Rasperia Trading Limited" (Rasperia), imposed a legal restriction on the voting rights of the Austrian core shareholders that could only be lifted by means of an anticipatory mandatory offer. As part of the offer, shares amounting to 2.7% of the share capital were tendered for sale, which STRABAG SE acquired and now holds as own shares on its balance sheet. The intention of the mandatory offer was not to decrease the free float.

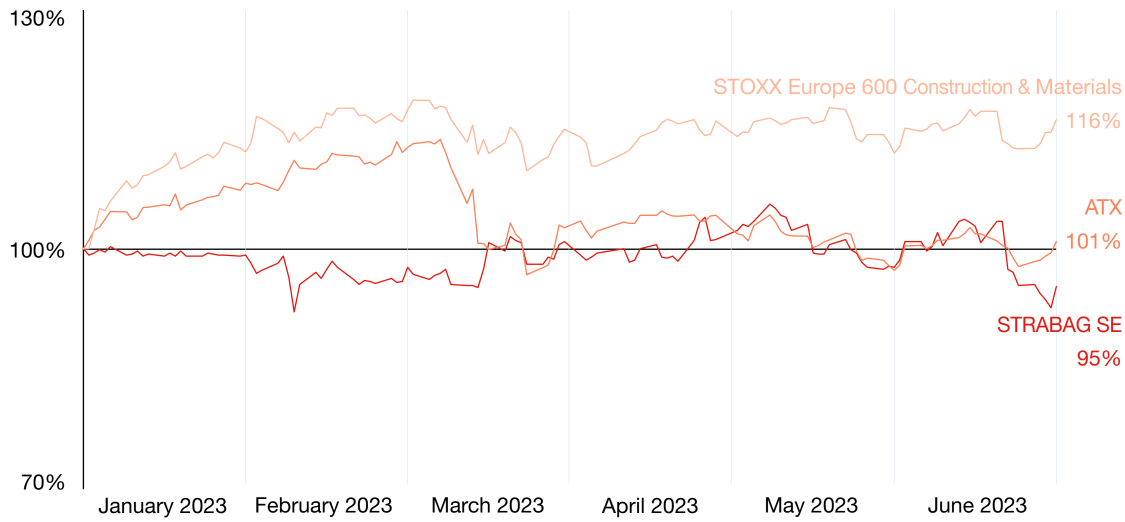
In May, STRABAG SE announced capital measures to reduce Rasperia's share from 27.8% to below 25%. This move was designed to reduce significant disadvantages and risks for STRABAG SE. The capital measures were unanimously approved by the shareholders at the 19th Annual General Meeting in June.

Also in June, the Klagenfurt Regional Court dismissed Rasperia's action for annulment of the Annual General Meeting of 24 June 2022. "From the beginning, we were convinced that we were acting fully in accordance with the applicable sanctions regime. We are pleased that this has now also been confirmed by the courts," said STRABAG SE CEO Klemens Haselsteiner.

In July, the Klagenfurt Regional Court also dismissed the second case, the action for annulment brought by Rasperia and Thomas Bull against resolutions of the Extraordinary General Meeting of 5 May 2022.

SHARE

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



The capital market remained robust overall in the first half of 2023. Despite the ongoing difficult geopolitical situation and the continued interest rate hikes by the US Federal Reserve and the European Central Bank, stock markets in Europe and around the world closed the first half of the year with a solid performance. The collapse of three regional US banks and the associated concerns about the stability of the banking system triggered short-term reactions on the capital market. In view of the continuing uncertainty of the general market situation, investors remain somewhat cautious regarding future developments at the midpoint of the year.

The performance of Austria's benchmark index **ATX** remained thoroughly positive in the first weeks of 2023. In reaction to the developments on the US banking sector, however, the index dropped back down to its level from the beginning of the year, followed largely by a phase of sideways movement in the second quarter. In the end, the index closed the first half of the year with a slight plus of 1%. Similar to the ATX, the construction sector index **STOXX Europe 600 Construction & Materials** also had a good start to the year. Overall, it recorded an increase of 16% in the first half of the year.

The **STRABAG SE share price** reached its highest value in the first six months of the current financial year with € 41.30 on 8 May 2023. The share closed on 30 June 2023 at € 37.25, which corresponds to a decline of 5%. A dividend of € 2.00 per dividend-bearing share was distributed for the 2022 financial year on the dividend payment date of 27 June 2023.

As part of the anticipatory mandatory offer, a total of 2,779,006 STRABAG SE shares (2.7% of the share capital) were tendered for sale, which STRABAG SE acquired and now holds as own shares on the balance sheet. This reduced the free float of STRABAG shares from the original 14.4% to 11.7%.

The capital measures proposed by the Management Board at the 19th Annual General Meeting of STRABAG SE to reduce Rasperia's shareholding to below 25% were approved by unanimous vote.

STRABAG SE's shares are currently under observation by five international banks. The analysts calculated an average share price target of € 48.40. Detailed analyses and recommendations are available on the STRABAG SE website: www.strabag.com > Investor Relations > Share > Equity Research.

STRABAG SE SHARE

	6M/2023	6M/2022
Market capitalisation on 30 June (€ million)	3,718.33	4,160.43
Closing price on 30 June (€)	37.25	40.55
Six-month high (€)	41.30	43.75
Six-month low (€)	36.00	32.75
Performance six months (%)	-5	11
Outstanding bearer shares on 30 June (absolute) (shares)	99,820,991	102,599,997
Outstanding bearer shares six months (weighted) (shares)	100,435,136	102,599,997
Volume traded six months (€ million)[1]	198.31	285.88
Average trade volume per day (shares)[1]	40,732	58,557

1 Double count

MANAGEMENT REPORT JANUARY–JUNE 2023

Output volume and revenue

STRABAG SE generated an output volume of € 8,258.62 million in the first half of 2023, 9% higher than in the same period of the previous year. The ongoing execution of the high order backlog contributed positively to the significant increase in output volume – partly also due to the inflationary environment. The largest increases in absolute terms were achieved in the home markets of Germany and Austria, followed by Romania, the United Kingdom and Poland. This contrasted with declines in work performed in the Czech Republic, Denmark and Sweden. The consolidated group revenue grew by 6%. The ratio of revenue to output stood at 93%, compared to 96% in the first six months of the previous year.

Order backlog

The order backlog exceeded the € 24 billion mark for the first time on 31 March 2023 and remained above this mark at the end of June with € 24,320.48 million. This corresponds to a slight increase of 1% compared to the same point in the previous year. Significant growth was recorded above all in Germany, Romania, Croatia, Italy and Poland. Declines were recorded in the Americas and in the United Kingdom due to the completion of large projects in those regions. The order backlog decreased in Austria by 5%. The ongoing interest rate turnaround and the stricter lending guidelines for residential construction loans in Austria contributed significantly to this development.

Financial performance

Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached € 351.14 million in the first half of 2023, a plus of 8% compared to the same period of the previous year. The depreciation and amortisation expense increased slightly by 1.1% to € 263.79 million. As a result, earnings before interest and taxes (EBIT) grew by 37% to € 87.35 million (6M/2022: € 63.63 million). Significant earnings growth was achieved in the North + West segment, while the figure in South + East, as is common in the construction industry, found itself in negative territory in the first half of the year – although a noticeable improvement was achieved in this segment as well. The earnings in International + Special Divisions, subject to regular fluctuations due to the inclusion of large projects in the segment, declined against the high level recorded in the previous year.

Net interest income was € 26.54 million, up from € 6.24 million in the first half of 2022. This development is mainly due to a significant increase in interest income. The figure includes negative exchange rate differences of € -4.65 million (6M/2022: € 5.74 million). Earnings before taxes (EBT) therefore came to € 113.89 million (6M/2022: € 69.87 million). Compared to € -26.11 million in the previous year, income taxes amounted to € -37.28 million, which corresponds to a tax rate of 33%. As a result, a net income of € 76.61 million was generated (6M/2022: € 43.76 million).

The earnings attributable to minority shareholders remained almost unchanged in absolute terms at € 2.47 million. This yields an overall net income after minorities of € 74.14 million. In the same period of the previous year, this figure had stood at € 40.41 million. With a weighted number of 100,435,139 outstanding shares in the first half of 2023, this corresponds to earnings per share of € 0.74 (6M/2022: € 0.39).

Financial position and cash flows

The balance sheet total increased slightly to € 12.9 billion, a plus of 2% compared to the end of 2022. As is usual for the season, inventories and contract assets increased, while cash and cash equivalents decreased in the first half of 2023.

The equity ratio increased at a high level from 31.7% on 31 December 2022 to 32.6%. A purchase obligation for own shares that was in effect at the end of the year was deducted from retained earnings in the maximum possible amount of 10% of the share capital (€ 399.52 million). The associated mandatory offer, which was concluded in February 2023, was accepted to the extent of 2.7 percentage points, so that retained earnings increased by the difference of € 291.31 million in the first half of 2023. STRABAG continues to report a net cash position. Due to seasonal effects, this figure decreased slightly from € 1,927.70 million to € 1,484.03 million.

Cash flow from operating activities returned to positive territory at € 174.93 million (6M/2022: € -605.70 million) due to a significantly lower increase in working capital. The cash flow from investing activities reflects the acquisition of several businesses – above all the takeover of the German facility management service provider Bockholdt GmbH & Co. KG, which more than compensated for the lower investments in intangible assets and in property, plant and equipment. As a result, cash flow from investing activities stood at € -344.65 million, compared to € -288.90 million in the same period last year. The cash flow from financing activities amounted to € -292.37 million in the first half of 2023 (6M/2022: € -191.51 million). This figure includes the acquisition of own shares tendered as part of the mandatory offer as well as the distribution of the dividend for the 2022 financial year. The latter was not included in the same period of 2022 as the distribution was made in the second half of the year.

Capital expenditures

Under capital expenditures, particularly significant investments include the maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and Poland, as well as the additional investments in the construction material network in various countries. Investments in our project-based business included tunnelling expenditures in the United Kingdom. The capital expenditures include € 286.73 million (6M/2022: € 318.29 million) for the purchase of intangible assets and of property, plant and equipment, excluding non-cash additions of right-of-use assets from leases, as well as € 22.46 million (6M/2022: € 12.54 million) for the purchase of financial assets and changes in the scope of consolidation of € 68.22 million (6M/2022: € 0.04 million).

Employees

An average of 75,551 FTEs were employed in the first half of 2023, an increase of 4% compared to the same period last year. As a result of an acquisition in the field of property and facility services, the largest increase was recorded in Germany, followed by the Americas, where the headcount was increased for the execution of mining projects.

Major transactions, risks and strategy

During the first six months of the financial year, there were no transactions with related parties which significantly influenced the financial situation or the business result nor were there any changes to transactions with related parties which were presented in the annual financial statements of 31 December 2022 and which significantly influenced the financial situation or business result of the first six months of the current financial year.

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy. Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating and technical risks in the selection and execution of projects, IT risks, investment risks as well as financial, personnel, ethical, legal and political risks.

The risks are explained in more detail in the 2022 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognisable which constitute a threat to its continued existence. Particular attention was given to the risks associated with Russia's war against Ukraine.

Outlook

Based on the continued high order backlog and the increased output volume in the first half of the year, the Management Board is updating its outlook for the 2023 financial year and now expects an output volume of around € 18.6 billion, compared to the previous estimate of at least € 17.9 billion. The EBIT margin is expected to again reach at least 4% again, in line with the previous forecast. Net capital expenditure (cash flow from investing activities) continues to be projected at a maximum of € 600 million.

SEGMENT REPORT

North + West

€ mln.	6M/2023	6M/2022	Δ %	Δ absolute
Output volume	3,628.35	3,393.80	7	234.55
Revenue	3,217.06	3,132.82	3	84.24
Order backlog	10,529.54	10,811.96	-3	-282.42
EBIT	63.45	34.89	82	28.56
EBIT margin (% of revenue)	2.0	1.1		
EBT	63.45	34.89	82	28.56
Employees (FTE)	21,787	21,330	2	457

Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. The previous year's figures have been adjusted accordingly.

The North + West segment recorded a 7% increase in **output volume** to € 3,628.35 million in the first half of 2023. This development was driven primarily by the strong performance in the home market of Germany, both of building construction and civil engineering as well as transportation infrastructures. Changes in the segment's other markets more or less balanced each other out.

Revenue increased by 3% in the first half of 2023, while **EBIT** grew by 82% to € 63.45 million, partly due to the non-recurrence of last year's charges against earnings from large projects in Denmark and the Netherlands.

The **order backlog** as at 30 June 2023 decreased by 3% to € 10,529.54 million from a very high comparison value. The North + West segment recorded a solid order intake during the first six months of the year – especially in Germany and Switzerland. However, there is a noticeable shift from private to public orders. The fulfilment of large orders in building construction and civil engineering, contributed to the slightly negative growth of the still very high order backlog in the North + West segment.

The number of **employees** rose slightly by 2% to 21,787 FTEs. This development largely mirrors that of Germany, the segment's largest market.

OUTLOOK: SLIGHT INCREASE IN OUTPUT VOLUME EXPECTED AT HIGH LEVEL

In view of the persistently high order backlog, the output volume in the North + West segment for the full year 2023 is expected to increase slightly compared to the previous year's level despite the challenging general market environment.

In the **German building construction sector,** material and energy prices are continuing to show signs of normalising. The residential construction market, meanwhile, is experiencing a strong downturn due to the high inflation and the interest rate turnaround. There are signs of a shift towards private industrial construction and the public sector, however.

The order backlog in the **transportation infrastructures** remains high. This will allow STRABAG to continue its selective approach to bidding for the remainder of the year. Overall, a similarly high level of performance is expected as in the previous year.

Intense cut-throat competition persists in the **Benelux** countries and in **Scandinavia.** The focus here will remain on consolidation and stabilisation together with a strategy of very selective bidding.

Our organisational and strategic changes in **Switzerland** are showing positive results. The successfully initiated path will be continued through investments in material recycling.

South + East

€ mln.	6M/2023	6M/2022	Δ %	Δ absolute
Output volume	2,786.36	2,611.91	7	174.45
Revenue	2,773.51	2,605.55	6	167.96
Order backlog	8,343.19	7,826.65	7	516.54
EBIT	-16.23	-35.19	54	18.96
EBIT margin (% of revenue)	-0.6	-1.4		
EBT	-16.23	-35.19	54	18.96
Employees (FTE)	23,493	24,299	-3	-806

Effective 1 January 2023, Switzerland was moved to the North + West segment, Poland to South + East. The previous year's figures have been adjusted accordingly.

The **output volume** in the South + East segment rose by 7% to € 2,786.36 million in the first half of 2023. Growth, fuelled by the high order backlog, was recorded primarily in Austria, Romania and Poland. By comparison, output declined in the Czech Republic and Hungary. In the Czech Republic, STRABAG continued to be selective due to increased competition in transportation infrastructures; in Hungary, the number of public projects decreased as a result of withheld EU funds, whereas the private sector continued to thrive.

Revenue increased by 6% year-on-year. As is common in the construction industry, the segment's **EBIT** was again in negative territory at € -16.23 million in the first half of 2023 – although it did improve significantly in comparison with the previous year (6M/2022: € -35.19 million). Worth mentioning are, among other things, earnings improvements in Poland and South-East Europe.

The **order backlog** increased by 7% compared to 30 June 2022, growing to € 8,343.19 million. Romania, Croatia and Poland contributed most to the growth. In Austria, the volume of orders declined year-on-year, due largely to declining activity in residential construction as a result of the interest rate turnaround and tighter financing conditions.

The number of **employees** decreased by 3% to 23,493 FTEs in the first half of 2023. Downward trends were recorded in Bulgaria, the Czech Republic and Hungary. In contrast, there was a noticeable increase in staff in Romania.

OUTLOOK: SLIGHT INCREASE IN OUTPUT EXPECTED

Due to the higher output volume in the first half of the year and the continued high order backlog, a slight increase in output is expected at a high level for 2023 in the South + East segment.

In **Austria,** the interest rate turnaround of the European Central Bank and the tighter lending conditions in the banking sector are leading to significantly reduced demand for residential construction projects, which has been partly cushioned by new projects in industrial construction. Demand for transportation infrastructure construction is stable. While material prices are normalising, the costs for subcontractor services remain very high due to the high collective bargaining agreements.

In **Poland,** the persistently high rate of inflation, the ongoing shortage of skilled workers and the supply chain problems due to Russia's war against Ukraine will continue to be among the key challenges in the second half of 2023. While residential construction is stagnating due to the higher interest rates, there are signs of increased demand for industrial and logistics buildings in other building construction. In the infrastructure sector, planned investments in railway construction in particular are being delayed due to withheld EU structural funding.

In view of the withheld EU funds, the **Hungarian** economy is suffering from a decline in construction volume and a resulting increase in competitive pressure. The focus of our business activities in building construction and civil engineering is therefore on private investments. In this respect, orders from German automotive manufacturers and suppliers who produce here deserve special mention.

Several new tenders are coming onto the market in the **Czech transportation infrastructures segment,** although competition remains high. STRABAG will continue to proceed on a selective basis here, not least thanks to a comfortable order backlog. Building construction, on the other hand is expected to decline in response to the higher interest rate level.

In **Slovakia,** the volume of projects put out to tender in transportation infrastructures is expected to increase again after the elections in the autumn of 2023. In building construction, the shift from private to public contracts is expected to continue due to the interest rate turnaround.

The demand in the markets of **South-East Europe** is showing a mixed trend. Croatia, for example, still has large investment volumes financed by EU funds available in the infrastructure sector. Positive developments are also starting to emerge in building construction, especially in the logistics, residential and tourism sectors. In Slovenia, opportunities exist in the infrastructure sector, while industrial construction in particular is booming in the building construction sector. In Romania, demand for building construction is expected to focus on the areas of health, education and defence, while in transportation infrastructures, the volume of tenders for large projects has been on the decline lately. In Serbia, North Macedonia and Montenegro, pressure is being felt from non-European companies moving onto the market.

The **building materials business,** previously reported in the International + Special Divisions segment, was incorporated into the South + East segment effective 1 July 2023. The materials business is to grow even closer together with the operating entities in order to firmly establish circularity as one of the core topics from our Strategy 2030 within the Group. Overall, the building materials business is showing a positive trend.

International + Special Divisions

€ mln.	6M/2023	6M/2022	Δ %	Δ absolute
Output volume	1,730.98	1,525.13	13	205.85
Revenue	1,662.58	1,499.69	11	162.89
Order backlog	5,367.31	5,324.61	1	42.70
EBIT	51.24	77.80	-34	-26.56
EBIT margin (% of revenue)	3.1	5.2		
EBT	51.24	77.80	-34	-26.56
Employees (FTE)	22,706	20,096	13	2,610

In the International + Special Divisions segment, **output volume** increased by 13% to € 1,730.98 million in the first half of 2023. Output in Germany was up, among other things, thanks to an acquisition in property and facility services. The completion of major projects in the United Kingdom and Chile also contributed to the output growth.

Revenue increased by 11% to € 1,662.58 million. Due to the presence of large-scale projects included here, the segment is subject to regular fluctuations. Accordingly, the **EBIT** fell from € 77.80 million – a high level in a multi-year comparison – to € 51.24 million. Higher contributions to earnings, among other things from the property and facility services business and infrastructure development, could not compensate for declining earnings in the naturally volatile international project and tunnelling business.

The **order backlog** as at 30 June 2023 increased slightly by 1% to € 5,367.31 million compared to the same date in the previous year. A strong increase was recorded in Germany, although tunnelling and road construction contracts could also be acquired in Italy and the Middle East. By comparison, the order backlog decreased in the Americas and in the United Kingdom, where megaprojects such as the construction of Line 2 of the Toronto subway system and the construction of the HS2 high-speed line between London and Birmingham are in the process of being fulfilled.

Given the relative size of the individual projects in the International + Special Division segment, the number of **employees** tends to undergo significant fluctuations. In the first half of 2023, staff numbers increased significantly by 13% to 22,706 FTE. In line with the output growth, more staff were employed year-on-year, particularly in Germany and the Americas.

OUTLOOK: SIGNIFICANT OUTPUT GROWTH EXPECTED IN CHALLENGING ENVIRONMENT

For the full year 2023, the International + Special Divisions segment is expected to achieve a significantly higher output volume than in the previous year. This forecast is well supported by the high order backlog.

The **tunnelling** business guarantees a solid increase in the segment's output volume. The fulfilment of major projects in the United Kingdom and Canada is making an above-average contribution to this growth.

The **international business** will develop better than average due to the expected high demand for construction services. Worth mentioning in this regard are our construction activities in the Middle East and the construction of wind parks in Chile. In Africa, STRABAG will continue to examine projects on a selective scale.

After strong sales in the first half of the year and in view of the increased demand for consulting and services in the decarbonisation of real estate portfolios, the **property and facility services** business is looking at optimistically ahead to the future in 2023. In the second half of the year, the focus will be on the integration of the newly acquired facility management service provider Bockholdt GmbH & Co. KG in Germany. In view of the increasing shortage of skilled workers, another focus will be on the matter of employee retention and employer branding.

In **infrastructure development,** the market for new construction projects in the core markets remains challenging due to increased construction costs and interest rate developments. The number of new tenders for public-private partnerships is expected to stagnate at a low level. In line with its Strategy 2030, STRABAG is paying increased attention to the development of renewable energy projects.

The **real estate development** business has been particularly affected by the interest rate turnaround. STRABAG Real Estate's business model, however, with its prudent acquisition policy and conservative project valuation, has proven to be robust so far. The high level of development and implementation expertise in sophisticated sustainability and new work concepts may give STRABAG competitive advantages here in the future.

Others

€ mln.	6M/2023	6M/2022	Δ %	Δ absolute
Output volume	112.93	56.88	99	56.05
Revenue	31.22	8.29	>100	22.93
Order backlog	80.44	6.44	>100	74.00
EBIT	-3.02	0.38	n.a.	-3.40
EBIT margin (% of revenue)	-9.7	4.6		
EBT	23.52	6.62	>100	16.90
Employees (FTE)	7,565	6,984	8	581

Consolidated semi-annual financial statements STRABAG SE, Villach, as at 30 June 2023

STRABAG
SOCIETAS EUROPAEA

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS AT 30 JUNE 2023

Consolidated income statement for 1.1.–30.6.2023

T€	1.1.–30.6.2023	1.1.–30.6.2022
Revenue	7,684,366	7,246,353
Changes in inventories	60,124	38,006
Own work capitalised	6,319	8,066
Other operating income	106,056	98,121
Construction materials, consumables and services used	-5,047,452	-4,769,553
Employee benefits expense	-2,157,924	-1,997,920
Other operating expense	-393,088	-338,095
Share of profit or loss of equity-accounted investments	71,212	17,279
Net income from investments	21,523	22,417
EBITDA	**351,136**	**324,674**
Depreciation and amortisation expense	-263,788	-261,045
EBIT	**87,348**	**63,629**
Interest and similar income	56,695	22,814
Interest expense and similar charges	-30,155	-16,573
Net interest income	**26,540**	**6,241**
EBT	**113,888**	**69,870**
Income tax expense	-37,274	-26,110
Net income	**76,614**	**43,760**
attributable to: non-controlling interests	2,479	3,352
attributable to: equity holders of the parent (consolidated profit)	74,135	40,408
Earnings per share (€)	**0.74**	**0.39**

Statement of total comprehensive income for 1.1.–30.6.2023

T€	1.1.–30.6.2023	1.1.–30.6.2022
Net income	**76,614**	**43,760**
Differences arising from currency translation	26,638	-11,979
Change in interest rate swaps	3,068	50,661
Recycling of interest rate swaps	-3,551	4,065
Deferred tax relating to other comprehensive income	385	-15,162
Other income from equity-accounted investments	577	17,245
Total of items which are later recognised (“recycled”) in the income statement	*27,117*	*44,830*
Change in actuarial gains/losses	0	95,173
Deferred tax relating to other comprehensive income	0	-28,606
Total of items which are not later recognised (“recycled”) in the income statement	*0*	*66,567*
Other income	**27,117**	**111,397**
Total comprehensive income	**103,731**	**155,157**
attributable to: non-controlling interests	2,494	3,415
attributable to: equity holders of the parent company	101,237	151,742

Consolidated balance sheet as at 30 June 2023

T€	30.6.2023	31.12.2022
Goodwill	482,024	442,396
Rights from concession arrangements	463,003	473,155
Other intangible assets	37,095	24,847
Property, plant and equipment	2,823,571	2,743,463
Equity-accounted investments	435,787	411,172
Other investments	216,026	198,001
Receivables from concession arrangements	456,687	482,874
Other financial assets	416,736	405,653
Deferred tax	125,530	110,536
Non-current assets	**5,456,459**	**5,292,097**
Inventories	1,207,268	1,068,707
Receivables from concession arrangements	51,744	49,754
Contract assets	1,684,758	1,357,741
Trade receivables	1,679,043	1,680,994
Non-financial assets	207,121	193,916
Income tax receivables	131,499	85,632
Other financial assets	260,467	253,069
Cash and cash equivalents	2,265,415	2,701,849
Current assets	**7,487,315**	**7,391,662**
Assets	**12,943,774**	**12,683,759**
Share capital	102,600	102,600
Capital reserves	2,085,806	2,085,806
Retained earnings and other reserves	2,007,350	1,814,445
Non-controlling interests	24,886	22,392
Equity	**4,220,642**	**4,025,243**
Provisions	1,291,903	1,278,791
Financial liabilities[1]	612,880	656,332
Other financial liabilities	79,653	83,818
Deferred tax	197,230	174,821
Non-current liabilities	**2,181,666**	**2,193,762**
Provisions	1,124,714	1,129,106
Financial liabilities[2]	353,679	300,869
Contract liabilities	1,241,726	1,144,676
Trade payables	2,824,831	2,569,042
Non-financial liabilities	540,529	540,572
Income tax liabilities	55,824	58,192
Other financial liabilities	400,163	722,297
Current liabilities	**6,541,466**	**6,464,754**
Equity and liabilities	**12,943,774**	**12,683,759**

1 Thereof T€ 332,668 concerning non-recourse liabilities (31 December 2022: T€ 372,859)
2 Thereof T€ 271,678 concerning non-recourse liabilities (31 December 2022: T€ 235,115)

Consolidated cash flow statement for 1.1.–30.6.2023

T€	1.1.–30.6.2023	1.1.–30.6.2022
Net income	76,614	43,760
Deferred tax	10,027	1,946
Non-cash income/expense attributable to business combinations	3	-1,885
Non-cash effective results from equity-accounted investments	-7,384	8,424
Other non-cash effective results	-15,582	-11,102
Depreciations/reversal of impairment losses	262,660	259,241
Change in non-current provisions	-1,126	-23,979
Gains/losses on disposal of non-current assets	-27,936	-24,465
Cash flow from earnings	**297,276**	**251,940**
Change in inventories	-127,176	-170,407
Change in receivables from concession arrangements, contract assets and trade receivables	-259,497	-683,359
Change in non-financial assets	-11,543	-24,513
Change in income tax receivables	-45,255	-72,602
Change in other financial assets	5,767	-8,327
Change in current provisions	-20,172	-39,702
Change in contract liabilities and trade payables	323,614	132,424
Change in non-financial liabilities	-4,275	-34,649
Change in income tax liabilities	-2,888	2,871
Change in other financial liabilities	19,076	40,620
Cash flow from operating activities	**174,927**	**-605,704**
Purchase of financial assets	-22,456	-12,538
Purchase of property, plant, equipment and intangible assets	-286,733	-318,292
Inflows from asset disposals	42,334	39,813
Change in other financing receivables	-9,581	2,077
Change in scope of consolidation	-68,216	37
Cash flow from investing activities	**-344,652**	**-288,903**
Issue of bank borrowings	43,471	76,364
Repayment of bank borrowings	-42,527	-38,542
Repayment of bonds	0	-200,000
Change in lease liabilities	-26,703	-29,946
Change in other financing liabilities	-76	615
Change in non-controlling interests due to acquisition	0	2
Acquisition of own shares	-108,214	0
Distribution of dividends	-158,317	0
Cash flow from financing activities	**-292,366**	**-191,507**
Net change in cash and cash equivalents	**-462,091**	**-1,086,114**
Cash and cash equivalents at the beginning of the period	2,701,699	2,963,101
Change in cash and cash equivalents due to currency translation	25,657	-554
Cash and cash equivalents at the end of the period	**2,265,265**	**1,876,433**

Statement of changes in equity for 1.1.–30.6.2023

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2023	**102,600**	**2,085,806**	**1,856,162**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**
Net income	–	–	74,135	–	–	74,135	2,479	76,614
Differences arising from currency translation	–	–	–	–	26,623	26,623	15	26,638
Change in equity-accounted investments	–	–	0	-5,377	5,954	577	0	577
Change in interest rate swap	–	–	–	-483	–	-483	0	-483
Deferred tax relating to other comprehensive income	–	–	0	385	–	385	0	385
Total comprehensive income	**–**	**–**	**74,135**	**-5,475**	**32,577**	**101,237**	**2,494**	**103,731**
Reverse entry of the purchase obligation for own shares[1]	–	–	291,310	–	–	291,310	–	291,310
Distribution of dividends[2]	–	–	-199,642	–	–	-199,642	0	-199,642
Balance as at 30.6.2023	**102,600**	**2,085,806**	**2,021,965**	**12,785**	**-27,400**	**4,195,756**	**24,886**	**4,220,642**

Statement of changes in equity for 1.1.–30.6.2022

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	**102,600**	**2,085,806**	**1,964,359**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**
Net income	–	–	40,408	–	–	40,408	3,352	43,760
Differences arising from currency translation	–	–	–	–	-11,966	-11,966	-13	-11,979
Change in equity-accounted investments	–	–	0	19,553	-2,308	17,245	0	17,245
Change in actuarial gains and losses	–	–	95,070	–	–	95,070	103	95,173
Change in interest rate swap	–	–	–	54,726	–	54,726	0	54,726
Deferred tax relating to other comprehensive income	–	–	-28,579	-15,162	–	-43,741	-27	-43,768
Total comprehensive income	**–**	**–**	**106,899**	**59,117**	**-14,274**	**151,742**	**3,415**	**155,157**
Transactions concerning non-controlling interests due to changes in scope of consolidation	–	–	0	–	0	0	2	2
Distribution of dividends[3]	–	–	-205,200	–	–	-205,200	0	-205,200
Balance as at 30.6.2022	**102,600**	**2,085,806**	**1,866,058**	**11,908**	**-72,324**	**3,994,048**	**27,733**	**4,021,781**

1 See the section on Equity under Notes on the items in the consolidated balance sheet.
2 The total dividend payment of T€ 199,642 corresponds to a dividend per share of € 2.00 based on 99,820,994 shares.
3 The total dividend payment of T€ 205,200 corresponds to a dividend per share of € 2.00 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

Basic principles

The consolidated semi-annual financial statements of the STRABAG SE Group, based in Villach, Austria, at the reporting date 30 June 2023 were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated semi-annual financial statements do not contain all the information and details required of annual financial statements. The semi-annual statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2022.

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available at www.strabag.com.

Changes in accounting policies

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2023.

	Application for financial years which begin on or after (according to IASB)	**Application for financial years which begin on or after (according to EU endorsement)**
IFRS 17 Insurance Contracts	1.1.2023	1.1.2023
Amendments to IAS 1 – Disclosure of Accounting Policies	1.1.2023	1.1.2023
Amendments to IAS 8 – Definition of Accounting Estimates	1.1.2023	1.1.2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	1.1.2023

The first-time adoption of the aforementioned standards had only minor impact on the semi-annual consolidated financial statements as at 30 June 2023.

Scope of consolidation

The consolidated semi-annual financial statements as at 30 June 2023 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

The number of consolidated companies changed in the first six months of 2023 as follows:

	Consolidation	**Equity method**
Balance as at 31.12.2022	**266**	**22**
First-time inclusions in the reporting period	6	0
Merger/Accrual of assets in the reporting period	-7	0
Balance as at 30.6.2023	**265**	**22**

ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

Consolidation	Direct stake %	Date of acquisition or foundation
Adolf List Bauunternehmung GmbH & Co. KG, Reutlingen	100.00	29.6.2023
Bockholdt GmbH & Co. KG, Lübeck	100.00	28.2.2023
Hans Lohr Gesellschaft m.b.H., Vienna	100.00	20.1.2023
Slabihoud GmbH, Vienna	100.00	20.1.2023
STRABAG Vorrat Vierzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Vierzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]

Companies included for the first time were consolidated at the date of acquisition or the next reporting date, provided this had no significant difference to an inclusion at the date of acquisition.

With the purchase agreement from 21 December 2022, STRABAG acquired 100% of northern German cleaning services provider Bockholdt GmbH & Co. KG. After obtaining the necessary official approvals, the closing took place on 28 February 2023. The acquisition of the Bockholdt Group is aimed at reinforcing STRABAG's services in infrastructural facility management in northern Germany. In addition to maintenance cleaning, the portfolio of the acquired companies also includes innovative services in the field of industrial cleaning, robot-assisted cleaning of ventilation systems, and the environmentally friendly cleaning of solar and wind power plants, provided by the company's own industrial climbers. Professional pest control as well as operating room and hospital cleaning are also among the special features of the service portfolio.

Additions to assets and liabilities from the preliminary **first-time consolidation of Bockholdt GmbH & Co. KG** are comprised as follows:

T€	
Assets and liabilities acquired	
Goodwill	28,597
Other non-current assets	20,032
Current assets	15,826
Non-current liabilities	-2,422
Current liabilities	-20,796
Consideration (purchase price)	**41,237**
Cash and cash equivalents acquired	-9
Net cash outflow from acquisition	**41,228**

The closing of the acquisition of 100% of the shares in Slabihoud GmbH and Hans Lohr GmbH took place in January 2023. With this acquisition, STRABAG is expanding its M&E (mechanical and electrical) competencies in Austria to include further business areas. Technical building equipment (including heating and cooling systems as well as electrical installations) is an important factor for ensuring sustainable building operations.

Additions to assets and liabilities from the preliminary **first-time consolidation of Slabihoud GmbH and Hans Lohr GmbH** are comprised as follows:

T€	
Assets and liabilities acquired	
Goodwill	4,746
Other non-current assets	287
Current assets	6,945
Non-current liabilities	-1,002
Current liabilities	-2,676
Consideration (purchase price)	**8,300**
Cash and cash equivalents acquired	-1,416
Net cash outflow from acquisition	**6,884**

1 Due to its increased business volumes, the company was included in the scope of consolidation of the group for the first time effective 1 January 2023. The foundation/acquisition of the company occurred before 1 January 2023.

Under a purchase and assignment agreement from March 2023, the STRABAG Group acquired 100% of the shares in Adolf List Bauunternehmung GmbH & Co. KG. Antitrust approval was granted in June 2023. The company is active in the fields of ground engineering and road construction as well as in building construction and civil engineering for public and private customers and has around 110 employees.

Additions to assets and liabilities from the preliminary **first-time consolidation of Adolf List Bauunternehmung GmbH & Co. KG** are comprised as follows:

T€	
Assets and liabilities acquired	
Goodwill	1,841
Other non-current assets	17,000
Current assets	7,650
Non-current liabilities	-1,766
Current liabilities	-2,575
Consideration (purchase price)	**22,150**
Cash and cash equivalents acquired	-2,046
Net cash outflow from acquisition	**20,104**

The other first-time consolidations had only an immaterial impact on assets and liabilities.

In the first six months of the year, the companies consolidated for the first time contributed a total of T€ 39,748 to the consolidated revenue and accounted for a loss of T€ 1,394 in net income after minorities.

Assuming a theoretical first-time consolidation on 1 January 2023 for all new acquisitions, these companies would contribute T€ 65,412 to the consolidated revenue. The net income for the Group would change only marginally in the financial year compared with the actual income.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 30 June 2023, the following companies were no longer included in the scope of consolidation:

Merger/Accrual of assets[1]	
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne	Accrual of assets
SAT Sp. z o.o., Olawa	Merger
Z. Brückenbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Holzbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Sander Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Stahlbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets

The disposals from the consolidated group had only an immaterial impact on assets and liabilities.

Methods of consolidation and currency translation

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated semi-annual financial statements with reporting date 30 June 2023 as were used for the consolidated annual financial statements with reporting date 31 December 2022 which is why we refer to the consolidated annual financial statements.

1 The companies listed under Merger/Accrual of assets were merged with already consolidated companies or, as a result of accrual of assets, formed part of consolidated companies.

Accounting policies

No new accounting and valuation methods were amended in the reporting period. Therefore, the accounting and valuation are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2022.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2022.

Estimates

Estimates and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained in the consolidated financial statements with reporting date 31 December 2022. Actual results may deviate from these estimates.

Notes on the items of the consolidated income statement

SEASONALITY

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As the largest part of the costs involves fixed costs, losses are posted in the first months every year. These losses are compensated for by rising contribution margins. The largest portion of the earnings is expected in the second half. Seasonal fluctuations in the transportation infrastructures business are greater than they are in building construction & civil engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results of the half years.

REVENUE

In the item Revenue exclusively revenues from contracts with customers are recognised. These are as follows:

Revenue for 1.1.–30.6.2023

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**3,088,820**	**2,633,707**	**841,027**	**22,690**	**6,586,244**
Germany	2,883,825	49,835	41,854	0	2,975,514
Austria	8,443	1,072,673	20,804	0	1,101,920
Poland	0	420,916	2,013	0	422,929
United Kingdom	14,638	500	342,142	0	357,280
Czech Republic	0	321,208	5,876	0	327,084
Chile	0	0	223,456	0	223,456
Hungary	0	193,209	136	0	193,345
Other countries, each below € 180 million	181,914	575,366	204,746	22,690	984,716
Construction materials	**76,781**	**75,997**	**194,012**	**0**	**346,790**
Facility management	**0**	**0**	**344,968**	**0**	**344,968**
Project development	**0**	**0**	**211,740**	**0**	**211,740**
Other	**51,456**	**63,805**	**70,828**	**8,535**	**194,624**
Total	**3,217,057**	**2,773,509**	**1,662,575**	**31,225**	**7,684,366**

Effective 1 January 2023, the construction activities in Switzerland were moved to the North + West segment and the construction activities in Poland were moved to South + East. The previous year's figures have been restated for better comparability.

Revenue for 1.1.–30.6.2022

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**3,026,676**	**2,468,919**	**742,460**		**6,238,055**
Germany	2,745,789	38,652	29,442	0	2,813,883
Austria	16,198	978,810	21,733	0	1,016,741
Poland	1,005	388,458	5,107	0	394,570
Czech Republic	0	365,613	6,278	0	371,891
United Kingdom	26,986	0	258,101	0	285,087
Hungary	0	234,400	1,499	0	235,899
Other countries, each below € 180 million	236,698	462,986	420,300	0	1,119,984
Construction materials	**62,496**	**74,247**	**189,271**	**0**	**326,014**
Facility management	**0**	**0**	**268,036**	**0**	**268,036**
Project development	**0**	**0**	**246,082**	**0**	**246,082**
Other	**43,650**	**62,387**	**53,840**	**8,289**	**168,166**
Total	**3,132,822**	**2,605,553**	**1,499,689**	**8,289**	**7,246,353**

Interest income from concession contracts which is included in revenue amounting to T€ 28,706 (1-6/2022: T€ 30,067).

SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	1.1.–30.6.2023	1.1.–30.6.2022
Income from equity-accounted investments	26,220	7,402
Expenses arising from equity-accounted investments	-6,815	-8,193
Profit from construction consortia	61,900	59,280
Losses from construction consortia	-10,093	-41,210
Share of profit or loss of equity-accounted investments	**71,212**	**17,279**

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on property, plant and equipment and amortisation on intangible assets includes depreciation and amortization from right-of-use assets for leases in the amount of T€ 31,498 (1-6/2022: T€ 31,363).

EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares.

As there are no stock options at the STRABAG SE Group, the diluted earnings per share equal the basic earnings per share.

	2023	2022
Number of shares outstanding as at 1.1.	102,600,000	102,600,000
Number of shares bought back as at 9.2.	-2,779,006	0
Number of shares outstanding as at 30.06.	**99,820,994**	**102,600,000**

	2023	2022
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	74,135	40,407
Weighted number of shares outstanding during the year	100,435,139	102,600,000
Earnings per share €	**0.74**	**0.39**

Notes on the items in the consolidated balance sheet

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year.

In 1–6/2023, tangible and intangible assets in the amount of T€ 35,184 (1–6/2022: T€ 0) in goodwill arising from capital consolidation were recognised as assets. No depreciation was taken.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

In 1-6/2023 tangible and intangible assets not including the non-cash additions to right-of-use assets in the amount of T€ 286,728 (1-6/2022: T€ 318,292) were acquired.

In the same period, tangible and intangible assets not including the non-cash disposals to right-of-use assets with a book value of T€ 13,229 (1-6/2022: T€ 12,037) were sold.

Property, plant and equipment include right-of-use assets for real estate leases in the amount of T€ 348,498 (31 December 2022: T€ 352,394).

PURCHASE OBLIGATIONS

On the reporting date, there were T€ 182,010 (30 June 2022: T€ 187,084) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the semi-annual financial statement.

EQUITY

The fully paid-in share capital amounts to € 102,600,000 and is divided into 102,599,997 no-par bearer shares and three registered shares.

STRABAG SE agreed with the bidders of the mandatory offer to acquire, as own shares, up to 10,260,000 of the shares tendered into the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). This required a current financial liability in the amount of the maximum theoretical purchase obligation to be deducted directly from retained earnings effective 31 December 2022.

With the share purchase agreement dated 9 February 2023, STRABAG SE acquired an actual amount of 2,779,006 own shares (2.7% of the share capital) on the basis of this arrangement. The theoretical purchase obligation of T€ 291,310 deducted directly from equity effective 31 December 2022 was therefore reversed with no effect on profit or loss.

The changes in equity are shown in the statement of changes in equity.

The following resolutions were passed at the Annual General Meeting of STRABAG SE held on 16 June 2023:

a) Resolution concerning the capital adjustment from company funds

The share capital of the Company of currently € 102,600,000.00 shall be increased by € 1,900,000,000.00 to € 2,002,600,000.00 from company funds through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG with retroactive effect to the beginning of the current financial year without the issue of new shares.

b) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the capital adjustment of € 2,002,600,000.00 by € 996,620,004.30 to € 1,005,979,995.70 for the purpose of allocation to non-committed reserves of the Company, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to the individual no-par share without reverse stock split ("capital reduction for allocation to non-committed reserves").

c) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the ordinary capital reduction for allocation to non-committed reserves in the amount of € 1,005,979,995.70 by € 903,379,995.70 to € 102,600,000.00 for the purpose of repaying the reduction amount to the shareholders of the Company ("capital reduction for the purpose of distribution") according to the following specifications and under the following conditions:

(i) The reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital attributable to each no-par share to the minimum amount of € 1.00 pursuant to Section 8 Para 3 AktG without reverse stock split.

(ii) The distribution entitlement resulting from the capital reduction in accordance with the conditions set out in this resolution in the amount of € 9.05 per no-par share entitled to distribution ("distribution entitlement") shall be paid in cash or, at the option of each shareholder, in new shares of the Company issued in connection with the non-cash capital increase to be resolved under item d).

(iii) For the distribution entitlement and its payment, the following conditions apply:

a. The condition precedent of the fulfilment of the legal payment requirements pursuant to Section 178 Para 2 AktG.

b. The condition precedent that shareholders of the Company, in respect of shares entitled to distribution that together represent at least approximately 57.78% of the share capital of the Company, have elected the payment of the distribution from the capital reduction in new shares of the Company and the contribution in kind determined in the resolution concerning the ordinary capital increase (item d)) is raised through waiver of the distribution entitlements for these shares within the determined implementation period.

c. The resolutory condition if the implementation of the non-cash increase of the share capital (item d)) is not entered in the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

If one of the conditions precedent (a. or b.) does not occur, no distribution entitlement arises and no payment can be made and, accordingly, the distribution entitlement cannot be used to raise the non-cash contribution of the ordinary capital increase (item d)). In these cases, the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

If the resolutory condition (c.) occurs, the distribution entitlement from the capital reduction shall lapse accordingly and no payment can be made and the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company. This purpose shall then also apply to that amount of distribution entitlements already waived to raise the non-cash contribution of the ordinary capital increase (item d)).

d) Resolution concerning the ordinary non-cash increase of the share capital of the Company

The share capital of the Company shall be increased by up to € 24,955,248.00 through the issue of up to 24,955,248 new no-par bearer shares (ordinary shares), each with a pro-rata amount of the share capital of € 1.00 (hereinafter "new shares"), against non-cash contributions through the waiver of distribution entitlements from the ordinary capital reduction for the purpose of distribution (item c)) according to the following specifications and under the following conditions:

(i) The new shares shall be issued at an issue price of € 1.00 per share (minimum issue price pursuant to Section 8 Para 3 AktG), thus at a total issue price of up to € 24,955,248.00.

(ii) The new shares shall participate in the profits from the beginning of the financial year, for which, at the time of the issue of the new shares, no resolution has yet been passed on the appropriation of the balance sheet profit.

(iii) The shareholders shall be granted the legal subscription rights. The subscription ratio shall be set at 1:4 (1 new share for 4 existing shares) ("subscription ratio") and the subscription price per new share at € 36.20 ("subscription price"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of € 9.05 per share entitled to distribution. The subscription price and the subscription ratio are based on an business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of € 36.22 is derived as of 16 June 2023 (“reference price”), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of € 9.05. The subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (€ 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (€ 9.05).

The minority shareholder MKAO “Rasperia Trading Limited” is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO “Rasperia Trading Limited” in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. Consequently, MKAO “Rasperia Trading Limited” is not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares.

The aim of the capital measures is to reduce the stake of minority shareholder MKAO “Rasperia Trading Limited” from 27.1% to below 25%. As mentioned above, the resolved capital measures are contingent upon several conditions and will therefore be completed in the first quarter of 2024 at the earliest.

The complete resolutions are available on the website of STRABAG SE at www.strabag.com.

CONTINGENT ASSETS

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the Agreement between the Republic of Austria and the State of Libya for the Promotion and Protection of Investments. The tribunal consequently awarded STRABAG damages of € 75 million plus interests and ordered Libya to reimburse STRABAG 75% of its legal costs and expenses, and to bear 75% of the costs of the arbitration.

STRABAG’s work in Libya, which commenced in 2006, was interrupted by the conflict in Libya that took place in 2011, and STRABAG claimed damages in the arbitration to compensate it for the loss and damage it suffered during that conflict and for works that it had performed on the different construction projects.

A motion filed by Libya with the competent courts in the United States to set aside the arbitration award was dismissed by final decision after passing through several instances.

It remains uncertain whether Libya will honour the award. STRABAG is examining all possibilities of enforcing the arbitration award and has initiated recognition and enforcement proceedings. These proceedings are moving along very slowly and have not yet led to any additional findings. Because of the existing uncertainties no receivable was recognised.

CONTINGENT LIABILITIES

The company has accepted the **following guarantees:**

T€	30.6.2023	31.12.2022
Guarantees without financial guarantees	20	20

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 46,975 (31 December 2022: T€ 71,343).

ADDITIONAL INFORMATION

On 22 July 2022, the Federal Competition Authority (BWB) petitioned the Vienna Higher Regional Court (OLG) under §§ 72ff of the Austrian Non-Contentious Litigation Act (Außerstreitgesetz – AußStrG) to review and, if applicable, amend the final court's decision from 21 October 2021, which had imposed a fine of € 45.37 million on STRABAG AG. In a decision on 20 October 2022, the Higher Regional Court sided with STRABAG AG's viewpoint and rejected the Competition Authority's petition as inadmissible. The Competition Authority appealed against this decision to the Austrian Supreme Court (OGH), which granted the appeal in a decision on 25 May 2023 on the grounds that the formal rejection of the Competition Authority's application without a substantive review by the Higher Regional Court was inadmissible.

In this context, it must be pointed out that the decision does not deprive STRABAG AG of its state's witness status. Rather, the Supreme Court, referring to its previous rulings, clarified that the decision of the Competition Authority to apply the state's witness rule was made autonomously by the Competition Authority and that the courts have no competence to review this decision.

Now it is up to the Higher Regional Court to review the merits of the Competition Authority's request. This means that the court must take the relevant evidence and consider both sides of the argument.

The Management Board is firmly convinced that the petition is unfounded. STRABAG SE cooperated fully and thoroughly with the Competition Authority under the terms of the state's witness programme. This cooperation made a significant contribution to clarifying the matter. In addition, STRABAG has since enhanced its compliance system through corporate-wide certification and has implemented a new type of monitoring system.

Other notes

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	30.6.2023	30.6.2022
Securities	11	2,822
Cash on hand	1,315	1,371
Bank deposits	2,264,089	1,872,390
Pledged cash and cash equivalents	-150	-150
Cash and cash equivalents	**2,265,265**	**1,876,433**

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

The **cash flow from operating activities** in the reporting year contains the following items:

T€	1.1.–30.6.2023	1.1.–30.6.2022
Interest paid	9,556	14,321
Interest received	53,919	15,743
Taxes paid	77,044	94,792

SEGMENT REPORTING

The rules of IRFS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG SE Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Switzerland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Poland, Hungary, Czech Republic, Slovakia, Adriatic and Rest of Europe and the environmental engineering business.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate and infrastructure development as well as the construction materials business.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management, digitalisation, innovation, business development etc. These services are included in the segment Other.

Segment Reporting for 1.1.–30.6.2023

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**3,628,348**	**2,786,362**	**1,730,981**	**112,930**		**8,258,621**
Revenue	**3,217,057**	**2,773,509**	**1,662,575**	**31,225**	**0**	**7,684,366**
Inter-segment revenue	53,680	56,517	169,046	536,774		
EBIT	**63,445**	**-16,226**	**51,240**	**-3,024**	**-8,087**	**87,348**
Interest and similar income	0	0	0	56,695	0	56,695
Interest expense and similar charges	0	0	0	-30,155	0	-30,155
EBT	**63,445**	**-16,226**	**51,240**	**23,516**	**-8,087**	**113,888**

Effective 1 January 2023, the construction activities in Switzerland were moved to the North + West segment and the construction activities in Poland were moved to South + East. The previous year's figures have been restated for better comparability.

Segment Reporting for 1.1.–30.6.2022

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**3,393,807**	**2,611,909**	**1,525,127**	**56,879**		**7,587,722**
Revenue	**3,132,822**	**2,605,553**	**1,499,689**	**8,289**	**0**	**7,246,353**
Inter-segment revenue	56,993	68,113	145,900	479,553		
EBIT	**34,887**	**-35,189**	**77,801**	**377**	**-14,247**	**63,629**
Interest and similar income	0	0	0	22,814	0	22,814
Interest expense and similar charges	0	0	0	-16,573	0	-16,573
EBT	**34,887**	**-35,189**	**77,801**	**6,618**	**-14,247**	**69,870**

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are shown essentially in accordance with IFRS. An exception is income tax, including those applicable to deferred tax, which are not considered in the internal reporting.

Internal reporting includes the results of all subsidiaries and investment companies. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT respectively EBT in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidation.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	1.1.–30.6.2023	1.1.–30.6.2022
Net income from investments	-5,775	-11,411
Other consolidation adjustments	-2,312	-2,836
Total	**-8,087**	**-14,247**

FINANCIAL INSTRUMENTS

With exception of the financial liabilities the book value of the financial instruments corresponds to the fair value. The fair value of the financial liabilities amounts to T€ 949,622 as at 30 June 2023 (31 December 2022: T€ 939,856) compared to the recognised book value of T€ 966,558 (31 December 2022: T€ 957,201).

The **fair values as at 30 June 2023** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Gesamt
Assets				
Investments below 20% (other investments)			54,958	54,958
Securities	26,026			26,026
Cash and cash equivalents (securities)	11			11
Derivatives held for hedging purposes		49,568		49,568
Total	**26,037**	**49,568**	**54,958**	**130,563**
Liabilities				
Derivatives other		-7,613		-7,613
Total	**0**	**-7,613**	**0**	**-7,613**

The **fair values as at 31 December 2022** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Gesamt
Assets				
Investments below 20% (other investments)			48,351	48,351
Securities	26,018			26,018
Cash and cash equivalents (securities)	10			10
Derivatives held for hedging purposes		51,143		51,143
Total	**26,028**	**51,143**	**48,351**	**125,522**
Liabilities				
Derivatives other		-18,756		-18,756
Total	**0**	**-18,756**	**0**	**-18,756**

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2022 consolidated financial statements. Since 31 December 2022, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

EVENTS AFTER THE BALANCE SHEET DATE

No relevant material occurred after the reporting for this semi-annual financial statements.

AUDIT WAIVER

The present semi-annual financial statements for the STRABAG SE Group were neither audited nor subjected to an audit review.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed semi-annual financial statements as of 30 June 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first six months of the financial year and their impact on the condensed semi-annual financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 August 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, CML, TPA, STRABAG Innovation & Digitalisation as well as Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

INVESTOR RELATIONS

Financial calendar

Semi-Annual Report 2023	**31 August 2023**
Publication	7:00 a.m.
Investor and analyst conference call	10:00 a.m.
Trading Statement January–September 2023	**16 November 2023**
Publication	7:00 a.m.

The dates stated here are provisional. All dates are subject to change over the course of the year. All times are CET/CEST. An up-to-date financial calendar can be found on the company's website at www.strabag.com > Investor Relations > Company Calendar.

Corporate credit rating

Standard & Poor's	BBB	Outlook stable

Ticker symbols

Bloomberg:	**STR:AV**
Reuters:	**STRV.VI**
Vienna Stock Exchange:	**STR**
ISIN:	**AT000000STR1**

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COMPANY INORMATION

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This report was prepared with the highest possible attention to detail. All information was verified. In case of discrepancy, the German version prevails. The possibility of rounding errors, printing errors or misprints, however, cannot be completely excluded. The report contains information and forecasts related to the future development of STRABAG SE. These forecasts represent estimates made on the basis of all available information at the time of publication. Should the assumptions underlying the forecasts fail to appear, the actual results could deviate from the expectations. Many of the projects contained in this report were carried out in joint ventures. We hereby extend a warm "thank you" to all our partners. This report is also available in German, which is the original version.