

**The 2025 annual report unveils a very strong margin improvement in Germany and Poland – the balance sheet improvement with high net cash position is the second highlight – Buy affirmed**

On 26 March PORR released the 2025 annual report, after already giving some pleasing prelims about EBIT, production output and the record high in order backlog on 4 March. **PORR increased the EBIT from Euro 158m in FY 2024 to Euro 197m in FY 2025 which is a steep 24.2% hike. Our ambitious forecast was close to Euro 195m but still below. The net profit after minorities grew even faster by 30.3%, from Euro 89m to Euro 116m, translating into exactly Euro 3.00 EPS, after Euro 2.32 in the previous year. With this steep EPS hike, the management plans to lift the dividend again, from Euro 0.90 to Euro 1.05 (35% payout ratio).** Thus, the dividend payment for shareholders more than doubled in 4 years (Euro 0.50 in 2021). All in all, we identified 2 highlights with this annual report, standing out very much:

<b>Price (Euro)</b>	<b>36,20</b>			
52 weeks range	40.90 / 18.88			
<b>Key Data</b>				
Country	Austria			
Industry	Technology & Construction			
ISIN	AT0000609607			
WKN	850185			
Reuters	ABGV.VI			
Bloomberg	POS AV			
Internet	www.porr-group.com			
Reporting Standard	IFRS			
Fiscal Year	31/12			
IPO	2001			
Number of shares (million)	39,3			
Free Float	52,6%			
Market Cap (million)	1.421,9			
Free Float Market Cap (million)	747,9			
CAGR pre-tax profit ('24 - '27e)	15,5%			
<b>Multiples</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
MarketCap/ Revenues	0,23	0,22	0,21	0,21
PE-Ratio	12,3	10,2	8,9	8,2
Dividend Yield	2,9%	3,5%	4,1%	4,8%
Price-to-Book ratio	1,5	1,4	1,2	1,1
<b>Key Data per Share (Euro)</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
Earnings per Share (EPS)	2,95	3,54	4,06	4,40
Dividends per Share (DPS)	1,05	1,25	1,50	1,75
Book Value per share	24,55	26,75	29,56	32,46
<b>Financial Data (Euro '000)</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
Revenues	6.295.892	6.440.698	6.685.444	6.866.620
EBITDA	409.399	430.042	459.536	484.513
Operating Profit (EBIT)	196.696	212.690	237.061	254.773
Pre-tax profit (EBT)	180.423	199.851	223.547	241.197
EBIT margin	3,1%	3,3%	3,5%	3,7%
Pre-tax margin	2,6%	2,9%	3,2%	3,3%
Net profit (after minorities)	116.014	139.180	159.520	172.692
Adjusted Shareholders' Equity	931.968	1.029.906	1.140.328	1.254.102
RoE after tax (adjusted)	12,4%	13,5%	14,0%	13,8%
Equity Ratio	21,1%	22,2%	23,7%	25,4%
<b>Financial Calendar</b>				
AGM		28 April 2026		
1Q 2026		27 May 2026		
1H 2026		27 August 2026		
9M 2026		31 November 2026		
<b>Main Shareholders</b>				
Syndicate (Strauss-group / IGO-Ortner-group)			47,4%	
<b>Analyst</b>	<b>Dipl.-Kfm. Stefan Scharff, CREA</b>			
E-Mail	scharff@src-research.de			
Internet	www.src-research.de www.aktienmarkt-international.de www.aktienmarkt-international.at			

1) **PORR managed a steep and steady hike in EBIT margin throughout the last 3 or 4 years, despite a shaky and partly even deteriorating economic framework.** If you go back to 2022, the EBIT margin was only at 2.1% and was now expanded in only 3 years by 50% to 3.1%. The reasons were steady efficiency improvements in almost all areas of business and cost savings, as the firm does a lot to play a key role in efforts for a circular eco system as opening a gypsum-to-gypsum recycling plant in Stockerau close to Vienna in 2025. **Looking at the single markets, the big and positive margin shifts came from Germany and Poland. Germany strongly expanded revenues from Euro 1.35bn to Euro 1.55bn (+15%) and still delivered a huge EBIT margin expansion from 1.8% to 2.5%. The case in Poland is similar. The revenues increased 2% to Euro 961m, coming close to the Euro 1bn threshold and the 2023 record level of 1bn, and EBIT margin increased even more than in Germany, from 2.2% to 3.3%. It is worth to mention, that Polish order backlog rocketed +15% to Euro 1.9bn which is twice the yearly production output and a decent position for future profitable growth.**

2) **The second highlight in our view is the clear improvement in the balance sheet. The equity improved by 21% in 3 years, from Euro 799m in 2022 to Euro 964m at year-end 2025. Despite the expansion in business with new record levels at revenues and order backlog that means a hike in equity ratio from 19% in 2022 to over 21% in 2025. Moreover, the quality of the equity side improved with a much lower stake of hybrid capital. With some hybrid bond redemption (as lastly done in 1Q 2025 with the remaining Euro 46.5m redemption of the 2020 Hybrid Bond) the hybrid stake in the total equity fell back to 17% (2022: 31%).**

As Porr, we also expect the way of a selective and profitable growth to continue, with a clear focus on further margin improvement. We lifted our target to € 44.00 with prelims and stick to that.



**PORR AG**

**Industry:** Construction / Infrastructure  
**Sub-segment:** all kinds of real estate  
**Country:** Austria  
**Headquarter:** Vienna  
**Foundation:** 1869  
**Employees:** 20.829

**IR Contact**  
 Lisa Galuska  
 Mail: ir@porr-group.at  
 Phone: +43 (0) 50 626 1765

**Management Board of PORR**  
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 WP/StB Mag. Klemens Eiter (CFO)  
 Dipl.-Ing. Claude-Patrick Jeutter (COO)  
 Josef-Dieter Deix (COO)

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Dr. Susanne Weiss  
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 Wolfgang Ringhofer  
 Martina Stegner  
 Christian Supper

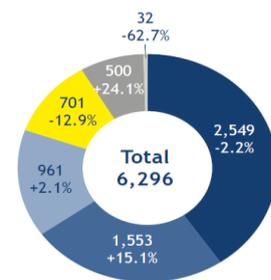
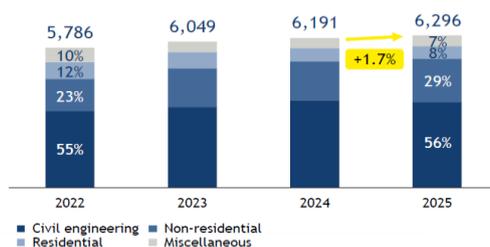
Founded in 1869 as Allgemeine österreichische Baugesellschaft PORR AG is today a full service provider for construction and infrastructure projects with a leading market position in Austria and also a good footprint as one of the leading firms in other important European home markets like Germany, Switzerland, Poland and Czech Republic. Furthermore, there are also some project-specific activities and profitable niches in target markets like UK, Scandinavia and Qatar. From building construction and civil engineering to road and tunnel, as well as slab track construction – the watertight value chain and universal knowhow in every sector of the modern construction industry enables PORR to realise highly complex projects professionally and cost efficiently, without ever losing sight of the individual needs of their customers and principals. Besides Infrastructure there is also another modern and quickly growing focus on environmental engineering (waste management, dumps and sorting plants etc.), which will accelerate future profits outside the classic building construction business. PORR's strategy is to strengthen group's profitability by setting the focus on profitable projects, like large-scale infrastructure business and by a cost cutting and a leaner organization structure to answer the digitalization trend in industry. The firm is geared to avoid waste and driven to expand efforts for a circular eco-system to bring down carbon footprint. The total energy consumption was down -9.2% in 2025, from 900k MWh to 817k MWh. The Greenhouse Gases (Scope 1 and 2) even declined -22.5% in 2025, to 174k tons CO<sub>2</sub> equivalent.

The year 2020 was significantly coined by the impacts of the global Covid-19 pandemic, which led to , amongst other effects, a temporary shutdown of construction sites in Austria for several months, severely impacting the numbers of the fiscal year. Nevertheless, the year was not wasted as the company reacted quickly and e.g. accelerated the PORR 2025 strategy program and the transformation. Since then, the firm managed to progress on the outlined strategy of a selective and profitable growth, which has also become more and more visible in the numbers. The company delivered a clearly improved 3.1% EBIT margin for 2025, after 2.6% in 2024 and 2.3% in 2023, and the 3.1% was over the targeted range of 2.8% to 3.0 for FY 2025. With the 2025 annual report the PORR management confirmed the mid-term EBIT margin target in a range of 3.5% to 4.0% for the year 2030. We feel sure with the current market situation, the good positioning of PORR together with continuous cost discipline the company will reach the targets a bit earlier. A 3.5% EBIT margin might be in reach already for 2027. It is a good mix of a high and prevailing current demand in civil engineering, infrastructure, data centres, healthcare and logistics hubs as well as a recovery in residential construction, in particular in Germany and Austria, which is likely to come the next years. Also Poland will show a strong demand in civil engineering, such as road and major railway construction as well as the new CPK airport, 40km west of Polish capital Warsaw. The balance sheet ratios improved throughout the last years, as equity ratio remained at 21.1% at year-end 2025, but much higher than the 19.3% in 2022. In February 2025 PORR further improved the balance sheet structure by the redemption of the outstanding Euro 46.5m amount of the 2020 hybrid bond. All in all, the hybrid stake in the equity almost halved from 31% in 2022 to now only 17% at year-end 2025. The high Euro 93m net cash position at year-end 2025 also speaks a clear language for the increased quality of PORR's balance sheet (2024: Euro 1.7m net debt).

After suspending the dividend payment for 2019 and 2020 as a precautionary measure following the COVID-19 pandemic, dividend distributions started again for FY2021 (Euro 0.50 per share) and have been increased steadily since then. The management paid a dividend of 75 cents per share for FY 2023 and 90 Cents dividend for FY 2024. With AGM approval on 28 April 2026, the 2025 dividend will be lifted to Euro 1.05, which translates in to a decent dividend yield of almost 3% at present.

→ **REVENUE AT RECORD LEVEL**

Revenue (in EUR m)



- Continuous increase since 2022 despite Ukraine conflict and residential crisis
- Infrastructure and tunnelling in full swing
- Strong performance in high margin industrial building construction in Germany
- CEE: Decrease due to early stage in design & build projects

Source: Company Data, SRC Research

**P & L PORR AG**

31/12 IFRS (Euro '000)	2021	2022	2023	2024	2025	2026e	2027e	2028e
<b>Production output</b>	<b>5.727.323</b>	<b>6.226.409</b>	<b>6.577.174</b>	<b>6.746.879</b>	<b>6.817.502</b>	<b>6.940.217</b>	<b>7.065.141</b>	<b>7.241.769</b>
<b>Revenues</b>	<b>5.169.831</b>	<b>5.786.011</b>	<b>6.048.546</b>	<b>6.190.521</b>	<b>6.295.892</b>	<b>6.440.698</b>	<b>6.685.444</b>	<b>6.866.620</b>
Own work capitalized in non-current assets	2.875	1.567	5.292	5.244	7.958	8.280	8.892	10.120
Share of profit/loss of associates	62.124	56.466	98.576	45.903	82.255	85.120	96.735	98.745
Other operating income	178.090	189.124	181.928	212.009	228.888	235.845	257.010	268.011
Cost of materials and other related production services	-3.446.627	-3.976.756	-4.142.102	-4.087.953	-4.139.564	-4.186.453	-4.375.623	-4.483.903
Staff expense	-1.275.817	-1.349.993	-1.453.726	-1.575.465	-1.657.614	-1.742.152	-1.776.995	-1.828.528
Other operating expenses	-402.934	-387.520	-394.256	-421.463	-408.416	-411.295	-435.927	-446.552
<b>Operating result (EBITDA)</b>	<b>287.542</b>	<b>318.899</b>	<b>344.258</b>	<b>368.796</b>	<b>409.399</b>	<b>430.042</b>	<b>459.536</b>	<b>484.513</b>
Depreciation, amortisation and impairment expense	-192.323	-198.792	-203.987	-210.445	-212.703	-217.352	-222.475	-229.740
<b>Operating result (EBIT)</b>	<b>95.219</b>	<b>120.107</b>	<b>140.271</b>	<b>158.351</b>	<b>196.696</b>	<b>212.690</b>	<b>237.061</b>	<b>254.773</b>
<b>EBIT Margin</b> (in relation to revenues)	<b>1,8%</b>	<b>2,1%</b>	<b>2,3%</b>	<b>2,6%</b>	<b>3,1%</b>	<b>3,3%</b>	<b>3,5%</b>	<b>3,7%</b>
Income from financial investments and other current financial assets	12.284	14.150	26.665	25.601	21.494	26.182	30.201	29.874
Finance costs	-22.142	-24.223	-36.238	-38.896	-37.767	-39.021	-43.715	-43.450
<b>Earnings before tax (EBT)</b>	<b>85.361</b>	<b>110.034</b>	<b>130.698</b>	<b>145.056</b>	<b>180.423</b>	<b>199.851</b>	<b>223.547</b>	<b>241.197</b>
<b>EBT margin</b> (in relation to production output)	<b>1,5%</b>	<b>1,8%</b>	<b>2,0%</b>	<b>2,1%</b>	<b>2,6%</b>	<b>2,9%</b>	<b>3,2%</b>	<b>3,3%</b>
Income tax expense	-23.953	-27.399	-35.680	-36.193	-43.724	-43.567	-49.229	-51.443
<b>Profit/loss for the period</b>	<b>61.408</b>	<b>82.635</b>	<b>95.018</b>	<b>108.863</b>	<b>136.699</b>	<b>156.283</b>	<b>174.318</b>	<b>189.754</b>
of which attributable to non-controlling interest	7.688	4.009	-4.207	3.308	6.473	6.849	7.258	9.522
<b>Profit/loss for the period attributable to shareholders of the parent and holders of profit-participation rights</b>	<b>53.720</b>	<b>78.626</b>	<b>99.225</b>	<b>105.555</b>	<b>130.226</b>	<b>149.434</b>	<b>167.060</b>	<b>180.232</b>
of which attributable to holders of profit-participation rights	17.786	14.213	14.212	16.560	14.212	10.254	7.540	7.540
<b>Net profit after minorities</b>	<b>35.934</b>	<b>64.413</b>	<b>85.013</b>	<b>88.995</b>	<b>116.014</b>	<b>139.180</b>	<b>159.520</b>	<b>172.692</b>
Diluted/basic earnings per share (EPS)	1,18	1,65	2,21	2,27	2,95	3,54	4,06	4,40
Dividends per share (DPS)	0,50	0,60	0,75	0,90	1,05	1,25	1,50	1,75
Number of shares ('000)	30.792	39.278	39.278	39.278	39.278	39.278	39.278	39.278
<b>Adjusted Shareholders' Equity</b> without minorities	<b>790.541</b>	<b>764.605</b>	<b>834.956</b>	<b>866.313</b>	<b>931.968</b>	<b>1.029.906</b>	<b>1.140.328</b>	<b>1.254.102</b>
<b>Shareholders' Equity</b> (including minorities and hybrid)	<b>824.410</b>	<b>798.925</b>	<b>860.245</b>	<b>886.627</b>	<b>964.215</b>	<b>1.050.783</b>	<b>1.161.205</b>	<b>1.274.979</b>
RoE after Tax	5,0%	8,3%	10,6%	10,5%	12,9%	14,2%	14,7%	14,4%
Total assets (Euro million)	4.065.002,0	4.146.795,0	4.135.696,0	4.239.656,0	4.578.280,0	4.729.363,2	4.890.161,6	5.012.415,6
Equity ratio	20,3%	19,3%	20,8%	20,9%	21,1%	22,2%	23,7%	25,4%
<b>Key ratios &amp; figures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
<b>Growth rates in %</b>								
Revenues	11,1%	11,9%	4,5%	2,3%	1,7%	2,3%	3,8%	2,7%
EBITDA	118,8%	10,9%	8,0%	7,1%	11,0%	5,0%	6,9%	5,4%
EBIT	-355,9%	26,1%	16,8%	12,9%	24,2%	8,1%	11,5%	7,5%
EBT	-267,2%	28,9%	18,8%	11,0%	24,4%	10,8%	11,9%	7,9%
Net profit after minorities	-244,9%	34,6%	15,0%	14,6%	25,6%	14,3%	11,5%	8,9%
<b>Margins in % (based on production output)</b>								
EBITDA margin	5,0%	5,1%	5,2%	5,5%	6,0%	6,2%	6,5%	6,7%
EBIT margin	1,7%	1,9%	2,1%	2,3%	2,9%	3,1%	3,4%	3,5%
EBT margin	1,5%	1,8%	2,0%	2,1%	2,6%	2,9%	3,2%	3,3%
Net profit margin	1,1%	1,3%	1,4%	1,6%	2,0%	2,3%	2,5%	2,6%
<b>Expense ratios in %</b>								
Personnel costs to sales	24,7%	23,3%	24,0%	25,4%	26,3%	27,0%	26,6%	26,6%
Cost of material to sales	66,7%	68,7%	68,5%	66,0%	65,8%	65,0%	65,5%	65,3%
Depreciation to sales	3,7%	3,4%	3,4%	3,4%	3,4%	3,4%	3,3%	3,3%
Tax rate	-28,1%	-24,9%	-27,3%	-25,0%	-24,2%	-21,8%	-22,0%	-21,3%
<b>Profitability in %</b>								
Gross profit margin	33,3%	31,3%	31,5%	34,0%	34,2%	35,0%	34,6%	34,7%
Return on adjusted shareholders equity (ROE)	4,5%	8,4%	10,2%	10,3%	12,4%	13,5%	14,0%	13,8%
Return on investment (ROI)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Balance sheet key figures</b>								
Net debt (-)/ net cash (+)	65.322	58.950	40.051	-1.729	45.004	54.785	66.578	54.785
Book value	26,8	20,3	21,9	22,6	24,5	26,8	29,6	32,5
Equity ratio	20,3%	19,3%	20,8%	20,9%	21,1%	22,2%	23,7%	25,4%
<b>Data per share</b>								
Number of shares in ('000)	30.792	39.278	39.278	39.278	39.278	39.278	39.278	39.278
Earnings per share (EPS)	1,18	1,65	2,21	2,27	2,95	3,54	4,06	4,40
Dividend per share (DPS)	0,50	0,60	0,75	0,90	1,05	1,25	1,50	1,75

Source: Company data, SRC Research estimates

## SRC Research

### - The Specialist for Financial and Real Estate Stocks -

SRC - Scharff Research und Consulting GmbH

Visiting address:

Dahmestr. 5

D-12527 Berlin

Germany

Fon: +49 (0)170/ 316 12 08

Mail: scharff@src-research.de

Internet: www.src-research.de

Rating Chronicle	Date	Rating	Former Price	Former Target
PORR	04 March 2026	Buy	37,90 €	44,00 €
PORR	21 November 2025	Buy	28,00 €	35,00 €
PORR	21 August 2025	Buy	29,75 €	35,00 €
PORR	22 May 2025	Buy	31,40 €	35,00 €
PORR	04 April 2025	Buy	26,55 €	31,00 €
PORR	25 February 2025	Buy	22,65 €	26,00 €
PORR	21 November 2024	Buy	15,42 €	24,00 €
PORR	22 August 2024	Buy	13,56 €	22,00 €
PORR	23 May 2024	Buy	14,20 €	21,00 €

#### Please note:

The PORR share price mentioned in this report is from 31 March 2026 (03:00 pm).

PORR AG mandated SRC Research for covering the PORR share.

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