

2025 prelims unveil a picture of profitable growth, EBIT at Euro 197m above our ambitious forecast and production output at an Euro 6.8bn record level – target price up to Euro 44.00

This morning one of the leading European construction players PORR released some convincing key preliminaries, with regards to operating profit in terms of EBIT, production output and order backlog.

PORR increased the EBIT from Euro 158m in FY 2024 to now Euro 197m in FY 2025 which is a steep 24% hike. Our ambitious forecast was close to Euro 195m but still below. The company named a particular strong operating performance in the home markets of Austria, Poland and Romania. The second highlight was the production output which came out at a record level of Euro 6.82bn, after the already very high 2024 level of Euro 6.75bn. The third highlight was the order backlog, which jumped exactly Euro 1bn in just 12 months, from Euro 8.54bn at year-end 2024 to Euro 9.54 at the year-end 2025, which is also a steep 11.7% hike.

After last year's ATX inclusion and the good 9M numbers the PORR share closed the last year at Euro 32.15, almost doubled from Euro 17.74 at year-end 2024, and the share continued the very positive trend and was up to 40 Euros in the second half of February, clearly exceeding our Euro 35.00 target price. The company managed to grow in a profitable manner in a still challenging economic climate at least with regards to a sluggish market for residential and partly also some commercial construction projects. The company made some prudent acquisitions and expanded their technology leadership in important areas of infrastructure, new highways and large-scale tunneling projects as well as with the slab track technology for the European railroads. Also data centers are an important part of a modern European digital infrastructure and PORR significantly expanded the knowledge base and level of experience for building up this type of commercial property.

There was a significant operating margin improvement in 2025, from 2.6% the year before to 3.1% in 2025. The targeted range for the 2025 EBIT margin was set lower, at a range of 2.8% to 3.0%. What is even more important is the fact, that we assume that a 3.5% EBIT margin is possible for next year 2027, earlier than the initial plan to come to 3.5% or above in 2030.

The sentiment is Europe is still very good for infrastructure and technology stocks with a superior knowledge and experience base and a reliable management. The annual report 2025 will be published in 3 weeks on 26 March with more information on equity ratio, net debt and dividend payout as well as a forecast for 2026. We remain optimistic and lift our target price from Euro 35.00 to Euro 44.00. We stick to our Buy recommendation.

| | | | | |
|--|---|------------------|--------------|--------------|
| Price (Euro) | 37,90 | | | |
| 52 weeks range | 40.90 / 18.88 | | | |
| Key Data | | | | |
| 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) | 1.488,6 | | | |
| Free Float Market Cap (million) | 783,0 | | | |
| CAGR pre-tax profit ('24 - '27e) | 17,2% | | | |
| Multiples | 2024 | 2025e | 2026e | 2027e |
| MarketCap/ Revenues | 0,24 | 0,24 | 0,22 | 0,21 |
| PE-Ratio | 16,7 | 12,4 | 10,6 | 8,8 |
| Dividend Yield | 2,4% | 2,9% | 3,4% | 4,0% |
| Price-to-Book ratio | 1,7 | 1,5 | 1,4 | 1,3 |
| Key Data per Share (Euro) | 2024 | 2025e | 2026e | 2027e |
| Earnings per Share (EPS) | 2,27 | 3,06 | 3,56 | 4,32 |
| Dividends per Share (DPS) | 0,90 | 1,10 | 1,30 | 1,50 |
| Book Value per share | 22,57 | 24,74 | 27,21 | 30,23 |
| Financial Data (Euro '000) | 2024 | 2025e | 2026e | 2027e |
| Revenues | 6.190.521 | 6.295.141 | 6.679.144 | 7.046.497 |
| EBITDA | 368.796 | 406.061 | 438.289 | 471.943 |
| Operating Profit (EBIT) | 158.351 | 197.080 | 219.539 | 247.473 |
| Pre-tax profit (EBT) | 145.056 | 183.872 | 203.914 | 233.509 |
| EBIT margin | 2,6% | 3,1% | 3,3% | 3,5% |
| Pre-tax margin | 2,1% | 2,7% | 2,9% | 3,3% |
| Net profit (after minorities) | 88.995 | 120.231 | 139.911 | 169.642 |
| Adjusted Shareholders' Equity | 866.313 | 951.194 | 1.047.899 | 1.166.479 |
| RoE after tax (adjusted) | 10,3% | 12,6% | 13,4% | 14,5% |
| Equity Ratio | 20,9% | 22,1% | 23,3% | 25,0% |
| Financial Calendar | | | | |
| 2025 annual report | | 26 March 2026 | | |
| AGM | | 28 April 2026 | | |
| 1Q 2026 | | 27 May 2026 | | |
| 1H 2026 | | 27 August 2026 | | |
| 9M 2026 | | 19 November 2026 | | |
| Main Shareholders | | | | |
| Syndicate (Strauss-group / IGO-Ortner-group) | | | 47,4% | |
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PORR AG

Industry: Construction / Infrastructure
Sub-segment: all kinds of real estate
Country: Austria
Headquarter: Vienna
Foundation: 1869
Employees: 21.274

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

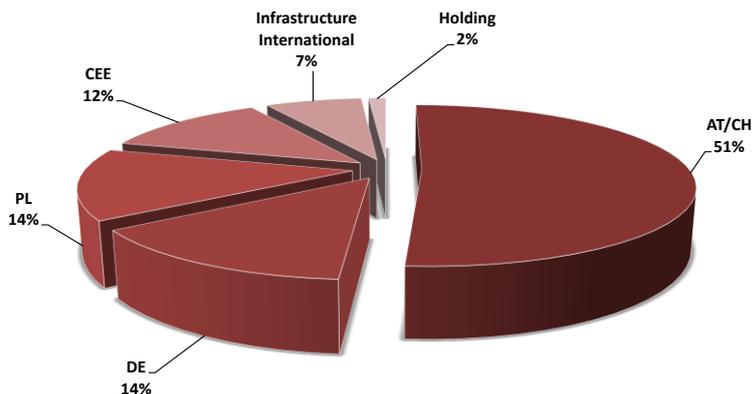
Supervisory Board of PORR
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Founded in 1869 as Allgemeine österreichische Baugesellschaft PORR AG is today a full service provider for construction and infrastructure projects with a leading market position in Austria and also a good footprint as one 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 (hurdle rate: ~3% EBT margin to be reached by 2025) like large-scale infrastructure business and by a cost cutting and a leaner organization structure to answer the digitalization trend in industry (named PORR 2025).

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 firma managed to progress on the outlined strategy, which has also become more and more visible in the numbers. The numbers of the FY 2023 showed a record level production output of almost Euro 6.6bn and an EBT of about Euro 130m, representing an EBT-margin of 2.0%. These upswing numbers were confirmed and improved with FY 2024, as production output climbed again to Euro 6.75bn and EBT to Euro 145m. The company delivered on an improved 2.6% EBIT margin, after 2.3% in 2023 and gave a target range of 2.8% to 3.0% for the current FY 2025 and a 2030 mid-term target for the EBIT margin in a range of 3.5% to 4.0%. 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 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. The balance sheet ratios improved as equity ratio is up from 20.8% last year to 21.1% at year-end 2024, with no net debt despite acquisitions of over Euro 64m and redemption of profit participation rights of 40m. 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.

After suspending the dividend payment for 2019 as a precautionary measure following the COVID-19 pandemic and as a sign of solidarity towards all stakeholders of the company, no dividend was paid for 2020 as well, as the results turned deep red. Dividend distributions were resumed starting for FY2021 and have been increased steadily since. The management paid a dividend of 75 cents per share for FY 2023 and will propose for the next AGM on 29 April to pay a much higher 90 Cents dividend for FY 2024 (+20%). We expect the dividend to steadily rise the next years. Our forecast is Euro 1.10 for 2025, Euro 1.30 for 2026 and Euro 1.50 for 2027.

Production output Euro 6.75bn at FY 2024
 (by business segments)



Source: Company Data, SRC Research

P & L PORR AG

| 31/12 IFRS (Euro '000) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | CAGR '24 - '27e |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Production output | 5.037.915 | 5.727.323 | 6.226.409 | 6.577.174 | 6.746.879 | 6.817.991 | 6.940.715 | 7.065.648 | 1,6% |
| Revenues | 4.651.842 | 5.169.831 | 5.786.011 | 6.048.546 | 6.190.521 | 6.295.141 | 6.679.144 | 7.046.497 | 4,4% |
| Own work capitalized in non-current assets | 3.787 | 2.875 | 1.567 | 5.292 | 5.244 | 8.559 | 7.489 | 8.229 | |
| Share of profit/loss of associates | 34.036 | 62.124 | 56.466 | 98.576 | 45.903 | 86.587 | 79.920 | 82.145 | |
| Other operating income | 133.606 | 178.090 | 189.124 | 181.928 | 212.009 | 205.902 | 187.814 | 197.113 | |
| Cost of materials and other related production services | -3.117.518 | -3.446.627 | -3.976.756 | -4.142.102 | -4.087.953 | -4.186.269 | -4.414.914 | -4.664.781 | 4,5% |
| Staff expense | -1.210.093 | -1.275.817 | -1.349.993 | -1.453.726 | -1.575.465 | -1.609.337 | -1.691.414 | -1.757.041 | 3,7% |
| Other operating expenses | -364.222 | -402.934 | -387.520 | -394.256 | -421.463 | -394.522 | -409.750 | -440.220 | |
| Operating result (EBITDA) | 131.438 | 287.542 | 318.899 | 344.258 | 368.796 | 406.061 | 438.289 | 471.943 | 8,6% |
| Depreciation, amortisation and impairment expense | -168.647 | -192.323 | -198.792 | -203.987 | -210.445 | -208.981 | -218.750 | -224.470 | 2,2% |
| Operating result (EBIT) | -37.209 | 95.219 | 120.107 | 140.271 | 158.351 | 197.080 | 219.539 | 247.473 | 16,0% |
| EBIT Margin (in relation to revenues) | -0,8% | 1,8% | 2,1% | 2,3% | 2,6% | 3,1% | 3,3% | 3,5% | |
| Income from financial investments and other current financial assets | 12.771 | 12.284 | 14.150 | 26.665 | 25.601 | 27.776 | 26.182 | 30.201 | |
| Finance costs | -26.610 | -22.142 | -24.223 | -36.238 | -38.896 | -40.984 | -41.807 | -44.165 | |
| Earnings before tax (EBT) | -51.048 | 85.361 | 110.034 | 130.698 | 145.056 | 183.872 | 203.914 | 233.509 | 17,2% |
| EBT margin (in relation to production output) | -1,0% | 1,5% | 1,8% | 2,0% | 2,1% | 2,7% | 2,9% | 3,3% | |
| Income tax expense | 8.681 | -23.953 | -27.399 | -35.680 | -36.193 | -42.290 | -46.900 | -51.478 | |
| Profit/loss for the period | -42.367 | 61.408 | 82.635 | 95.018 | 108.863 | 141.581 | 157.014 | 182.031 | 18,7% |
| of which attributable to non-controlling interest | 5.281 | 7.688 | 4.009 | -4.207 | 3.308 | 6.644 | 6.849 | 6.911 | |
| Profit/loss for the period attributable to shareholders of the parent and holders of profit-participation rights | -47.648 | 53.720 | 78.626 | 99.225 | 105.555 | 134.937 | 150.165 | 175.120 | 18,4% |
| of which attributable to holders of profit-participation rights | 18.154 | 17.786 | 14.213 | 14.212 | 16.560 | 14.706 | 10.254 | 5.478 | |
| Net profit after minorities | -65.802 | 35.934 | 64.413 | 85.013 | 88.995 | 120.231 | 139.911 | 169.642 | |
| Diluted/basic earnings per share (EPS) | -2,28 | 1,18 | 1,65 | 2,21 | 2,27 | 3,06 | 3,56 | 4,32 | |
| Dividends per share (DPS) | 0,00 | 0,50 | 0,60 | 0,75 | 0,90 | 1,10 | 1,30 | 1,50 | |
| Number of shares ('000) | 29.095 | 30.792 | 39.278 | 39.278 | 39.278 | 39.278 | 39.278 | 39.278 | |
| Adjusted Shareholders' Equity without minorities | 635.985 | 790.541 | 764.605 | 834.956 | 866.313 | 951.194 | 1.047.899 | 1.166.479 | 10,4% |
| Shareholders' Equity (including minorities and hybrid) | 650.549 | 824.410 | 798.925 | 860.245 | 886.627 | 971.641 | 1.068.776 | 1.187.356 | |
| RoE after Tax | -10,8% | 5,0% | 8,3% | 10,6% | 10,5% | 13,2% | 14,0% | 15,3% | |
| Total assets (Euro million) | 3.509.463,0 | 4.065.002,0 | 4.146.795,0 | 4.135.696,0 | 4.239.656,0 | 4.388.044,0 | 4.585.505,9 | 4.741.413,1 | |
| Equity ratio | 18,5% | 20,3% | 19,3% | 20,8% | 20,9% | 22,1% | 23,3% | 25,0% | |
| Key ratios & figures | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | |
| Growth rates in % | | | | | | | | | |
| Revenues | -4,7% | 11,1% | 11,9% | 4,5% | 2,3% | 1,7% | 6,1% | 5,5% | |
| EBITDA | -40,9% | 118,8% | 10,9% | 8,0% | 7,1% | 10,1% | 7,9% | 7,7% | |
| EBIT | -168,0% | -355,9% | 26,1% | 16,8% | 12,9% | 24,5% | 11,4% | 12,7% | |
| EBT | -236,5% | -267,2% | 28,9% | 18,8% | 11,0% | 26,8% | 10,9% | 14,5% | |
| Net profit after minorities | -252,2% | -244,9% | 34,6% | 15,0% | 14,6% | 30,1% | 10,9% | 15,9% | |
| Margins in % (based on production output) | | | | | | | | | |
| EBITDA margin | 2,6% | 5,0% | 5,1% | 5,2% | 5,5% | 6,0% | 6,3% | 6,7% | |
| EBIT margin | -0,7% | 1,7% | 1,9% | 2,1% | 2,3% | 2,9% | 3,2% | 3,5% | |
| EBT margin | -1,0% | 1,5% | 1,8% | 2,0% | 2,1% | 2,7% | 2,9% | 3,3% | |
| Net profit margin | -0,8% | 1,1% | 1,3% | 1,4% | 1,6% | 2,1% | 2,3% | 2,6% | |
| Expense ratios in % | | | | | | | | | |
| Personnel costs to sales | 26,0% | 24,7% | 23,3% | 24,0% | 25,4% | 25,6% | 25,3% | 24,9% | |
| Cost of material to sales | 67,0% | 66,7% | 68,7% | 68,5% | 66,0% | 66,5% | 66,1% | 66,2% | |
| Depreciation to sales | 3,6% | 3,7% | 3,4% | 3,4% | 3,4% | 3,3% | 3,3% | 3,2% | |
| Tax rate | -17,0% | -28,1% | -24,9% | -27,3% | -25,0% | -23,0% | -23,0% | -22,0% | |
| Profitability in % | | | | | | | | | |
| Gross profit margin | 33,0% | 33,3% | 31,3% | 31,5% | 34,0% | 33,5% | 33,9% | 33,8% | |
| Return on adjusted shareholders equity (ROE) | -10,3% | 4,5% | 8,4% | 10,2% | 10,3% | 12,6% | 13,4% | 14,5% | |
| Return on investment (ROI) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Balance sheet key figures | | | | | | | | | |
| Net debt (-)/ net cash (+) | -136.691 | 65.322 | 58.950 | 40.051 | -1.729 | 45.004 | 54.785 | 66.578 | |
| Book value | 22,4 | 26,8 | 20,3 | 21,9 | 22,6 | 24,7 | 27,2 | 30,2 | |
| Equity ratio | 18,5% | 20,3% | 19,3% | 20,8% | 20,9% | 22,1% | 23,3% | 25,0% | |
| Data per share | | | | | | | | | |
| Number of shares in ('000) | 29.095 | 30.792 | 39.278 | 39.278 | 39.278 | 39.278 | 39.278 | 39.278 | |
| Earnings per share (EPS) | -2,28 | 1,18 | 1,65 | 2,21 | 2,27 | 3,06 | 3,56 | 4,32 | |
| Dividend per share (DPS) | 0,00 | 0,50 | 0,60 | 0,75 | 0,90 | 1,10 | 1,30 | 1,50 | |

Source: Company data, SRC Research estimates

SRC Research

- The Specialist for Financial and Real Estate Stocks -

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| Rating Chronicle | Date | Rating | Former Price | Former Target |
|------------------|------------------|--------|--------------|---------------|
| 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 € |
| PORR | 22 March 2024 | Buy | 13,44 € | 20,50 € |
| PORR | 23 November 2023 | Buy | 12,40 € | 20,50 € |
| PORR | 29 August 2023 | Buy | 11,50 € | 20,50 € |
| PORR | 24 May 2023 | Buy | 14,68 € | 19,50 € |
| PORR | 31 March 2023 | Buy | 13,90 € | 18,50 € |

Please note:

The PORR share price mentioned in this report is from 3 March 202. PORR AG mandated SRC Research for covering the PORR share.

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