

13th Grow East Congress

The Strategic Responses by
Multinational Firms

STRABAG SE

November 21st, 2022



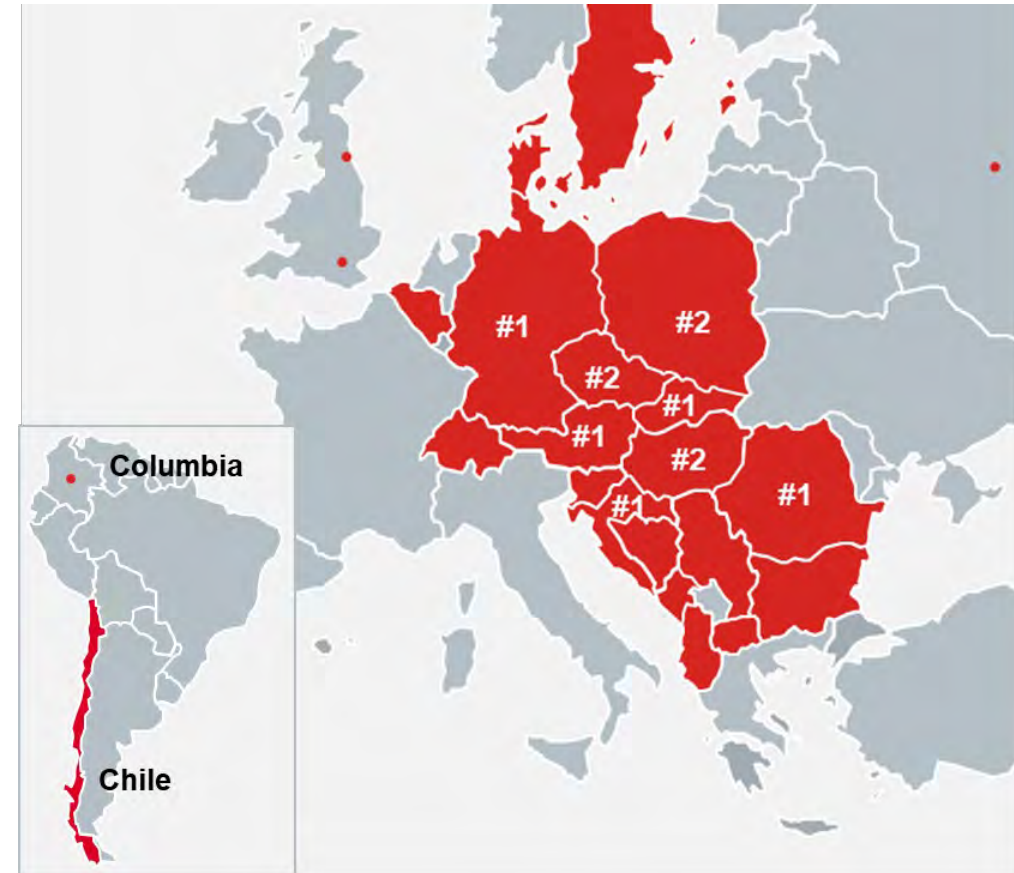
STRABAG
WORK ON PROGRESS

STRABAG at a glance

FACTS & FIGURES

- Output volume 2021: € 16.1 bn
CEE: € 4.4 bn
- Employees 73,606
CEE: 19,008
- Order backlog 12/2021 € 22.5 bn
CEE: € 5.0 bn
- Equity ratio: >30%
- Strong brands: STRABAG & ZÜBLIN
- Investment grade rating by S&P: BBB, outlook stable

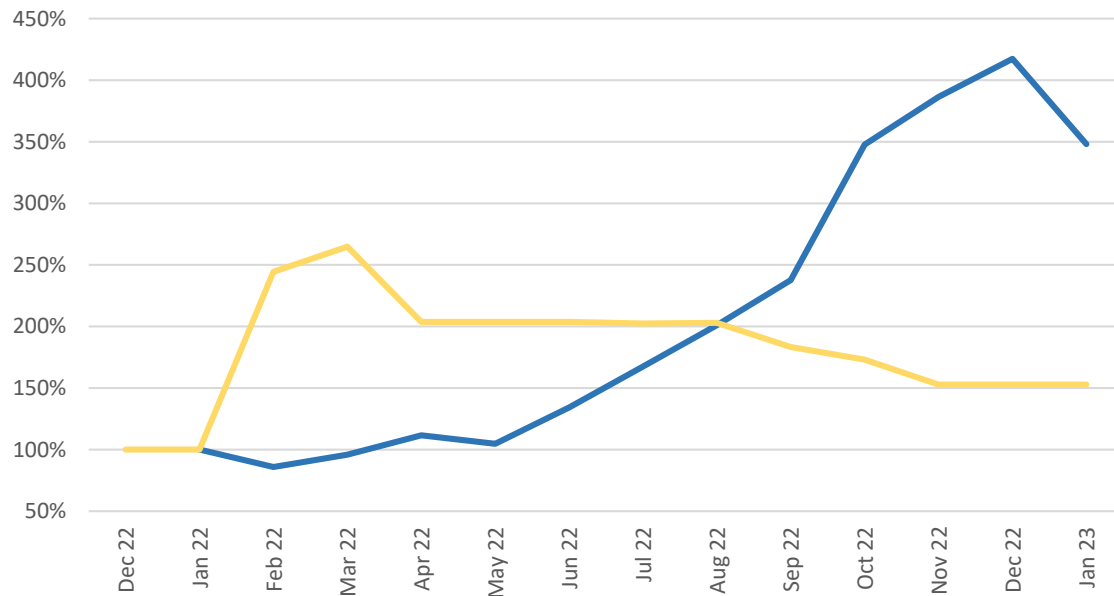
STRONG MARKETS



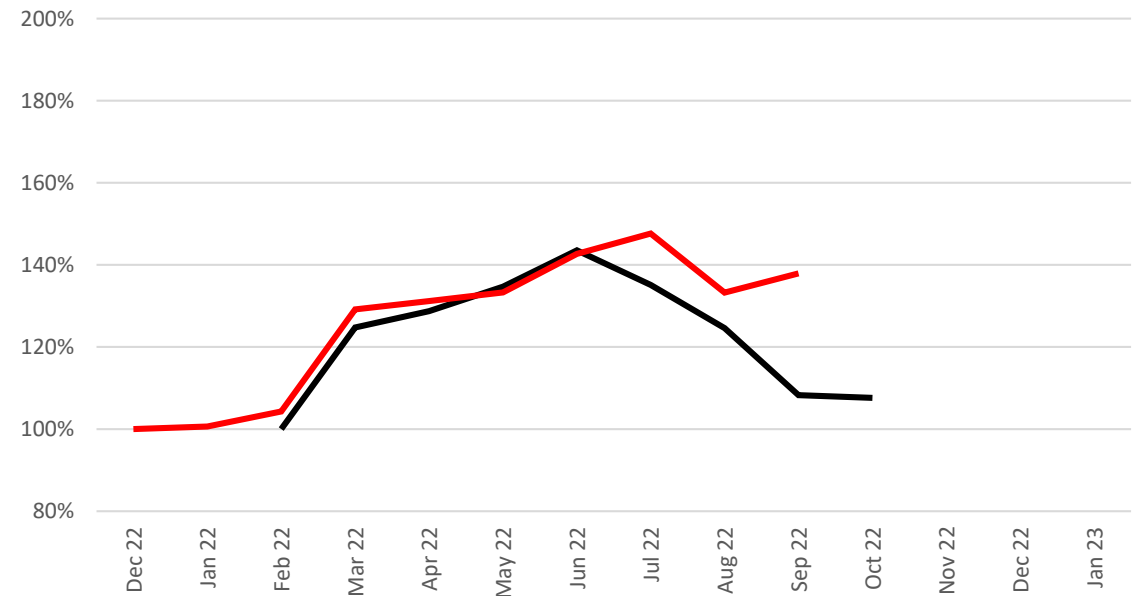
Development of market prices

dramatic increase of production cost since February 2022

Gas and Electricity



Fuel and Bitumen



production plants (asphalt, concrete, quarries),
energy consumption of buildings and workshops,
construction wood

construction machines, transport, vehicle fleet,
road construction, oil-based products like plastic
pipes, insulation material

Development of market prices (cont.)

Construction steel



Mitigation measures

PUBLIC TENDERS

- contract foresees price escalation clause

- calculation of foreseeable price increases
- concentration on short-running contracts
- early procurement of materials
- subcontracts “back-to-back”

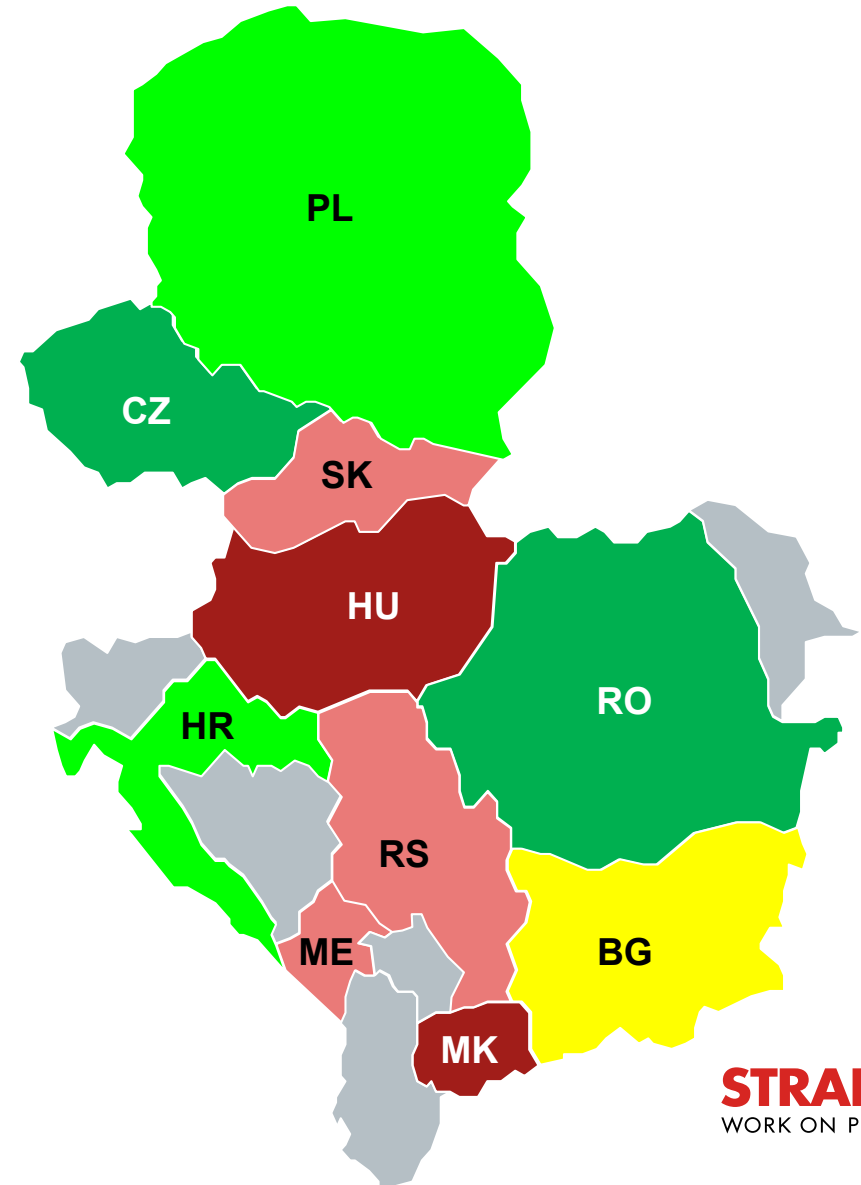
PRIVATE CLIENTS

- negotiation of adjustable prices

- definition of materials with adjustable prices
- agreement on a threshold up to which the contractor takes the escalation risk

Price escalation in public tenders

- no price escalation at all
- negotiations are ongoing, no result, yet
- price escalation foreseen, but no defined formula
- cost increases are reimbursed up to a limit of 10 %
- price escalation newly invented
- price escalation in place



STRABAG is a European
based
technology partner
for
construction services

