

PORR Group

Strong order growth set to continue

PORR Group delivered new orders of €2,510m in Q225 (up 31% y-o-y), driven by several large transport infrastructure project wins. Q225 book-to-bill rose to 1.5x and the order book now stands at €9,421m, up 10.0% y-o-y (Q125: €8,812m). According to management, pipeline quality remains high and infrastructure-focused, meaning margins should be supported over the coming quarters. Q225 revenues were €1,694m, up 3.8% y-o-y, and EBIT was €36m, up 17% y-o-y. Management's guidance of an FY25 EBIT margin of 2.8–3.0% remains unchanged.

Strong order intake driven by large project orders

PORR's Q225 orders included several high profile wins for the Rail and Tunnelling division, such as the Craiova–Caransebes railway in Romania (a €425m design and build project) and the €393m Łódź high-speed rail tunnel in Poland. Smaller wins included €51m for the Berlin Stralauer Allee hotel and flats, a €50m order from Munich S-Bahn Stammstrecke, and €47.5m for a pharmaceutical company. The orders demonstrate PORR's ability to win high-quality, high-margin, technically demanding orders from reputable blue-chip companies that carry minimal credit risk to PORR.

Solid debt and cash flow from operating activities

Q225 cash flow from operating activities was €11m (vs an outflow of €112m in Q125 and an outflow of €47m in Q224). Working capital (Edison's definition) was -€125m in the quarter, or -1.8% of sales. This was broadly stable versus Q224 (-1.9% of sales) and in line with expected seasonality. Net debt finished Q225 at €301m, compared with €327m at end-Q224.

Construction outlook in key markets remains strong

PORR noted in its press release and on the conference call that Central and Eastern European (CEE) construction markets continue to look promising with 'many investment programmes in our home markets,' according to CEO Karl-Heinz Strauss. Management have highlighted infrastructure programmes in CEE and Poland as the main growth drivers for orders going forward, with tunnelling likely to represent an increasing share of backlog. Projects like the ElbX tunnel and pumped-storage plants are now in build phase. In urban rail, PORR is modernising the Bucharest tram line 40 (a €150m project) and continues to target similar city-rail upgrades. After the close of the quarter, PORR added two Polish rail modernisation projects totalling €372m, reinforcing the rail-led pipeline into 2026.

Consensus estimates

Year end	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	EPS (\$)	DPS (\$)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/23	6,048.5	344.3	140.3	2.20	0.80	4.5	13.3	2.7
12/24	6,190.5	368.8	158.4	2.30	0.90	4.2	12.7	3.1
12/25e	6,387.0	404.8	186.5	2.90	1.00	3.8	10.1	3.4
12/26e	6,560.0	425.8	202.5	3.20	1.10	3.6	9.1	3.8

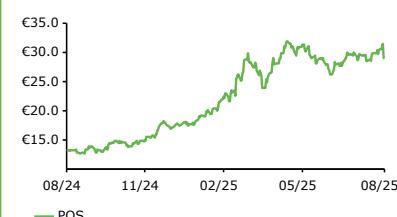
Source: Company data, LSEG Data & Analytics

Construction and materials

22 August 2025

Price **€29.15**
Market cap **€1,239m**

Share price performance



Share details

Code	POS
Listing	VSX
Shares in issue	39.3m
Net cash/(debt) at Q225	€(301.0)m

Business description

PORR Group is a leading European construction contractor. It specialises in large and complex projects with blue-chip customers in regions and sectors where receivables risk is low. It is one of few specialists in the infrastructure, pharmaceutical and semiconductor sectors, and can cover the entire construction value chain from design to operation. PORR Group generates around 97% of its revenue from its seven core markets: Austria, Germany, Poland, the Czech Republic, Slovakia, Switzerland and Romania. It trades on the Prime Market of the Vienna Stock Exchange and has been listed for over 150 years.

Bull points

- Stable and consistent growth and margins.
- Order backlog gives visibility to H127.
- Potential beneficiary of the €500bn German infrastructure bill that is being ratified.

Bear points

- Construction projects are large and carry execution risk.
- Construction contracting margins are low in absolute terms.
- Revenues are somewhat cyclical and growth in absolute terms is moderate.

Analysts

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