HOW THE MAJOR EUROPEAN CONSTRUCTION AND ENGINEERING COMPANIES ARE MANAGING THE ECONOMIC DOWNTURN

2012 Study
MAZARS IS AN INTERNATIONAL, INTEGRATED AND INDEPENDENT ORGANISATION SPECIALISING IN AUDIT, ADVISORY, ACCOUNTING, TAX AND LEGAL SERVICES. AS OF JANUARY 1 2013, THE GROUP HAS A DIRECT PRESENCE IN 71 COUNTRIES AND DRAWS ON THE EXPERTISE OF MORE THAN 13,500 PROFESSIONALS TO ASSIST COMPANIES – MAJOR INTERNATIONAL GROUPS, SMES AND ENTREPRENEURS – AND PUBLIC BODIES, AT EVERY STAGE IN THEIR DEVELOPMENT.
INTRODUCTION

Since the 1990s, major companies within the Construction and Public Works sector have tended to focus on adding value and stabilizing margins. They achieved this through diversification and an increase in activities such as facility management.

Such strategies meant that the 2000s was an extremely favorable period for the European construction industry, peaking in 2007 just before the sector began to suffer from the effects of the 2008 financial crisis. The sector then experienced a sharp decline in Europe, with the two principle recession-hit countries of Spain and Ireland, leading the way.

Yet despite the unfavorable economic backdrop, the ongoing strategy to diversify activities saw major groups within the sector withstanding difficulties brought on by the financial crisis. And while margins decreased slightly they still remain significantly higher than those achieved prior to the 2000s, when the sector began a new upward cycle.

Since 2007, the groups have been committed to preserving financial balances while remaining active in acquisitions.

From 2007 to today the favourable performance of major companies has been linked, in particular, to the strategies implemented before the crisis and to the considerable and ongoing diversification of their activities.

These various development strategies included:

- investments in other sectors of activity: in the media (French TV channel TF1) and telecom (Bouygues Telecom) for Bouygues
- investments in concession and Public-Private Partnerships (PPPs) to compensate for construction cycles through the management of infrastructures, for Vinci with the launch of the Vinci Autoroute, Vinci Park and Vinci Concessions divisions, for Eiffage with APRR and also with the development of concessions for Strabag (the M5 freeway)
- investments for external growth to move away from dependence on the internal market (ACS) or to develop other related activities (Skanska’s real estate investments)
- investments in sectors that are similar to construction: the environment, water and industrial or professional services, in particular for ACS and Balfour Beatty

The strategies developed by major companies in the construction and public works sector are key to understanding their performance against a macroeconomic backdrop that has worsened considerably since the financial crisis.

Olivier Thireau
METHODOLOGY

This study is based on the reference documents and presentations of seven companies listed on the European markets, from whom occasional restatements were taken for consistency and readability purposes. For sector and macroeconomic information, the study is based for the most part on data from the Euroconstruct network.

Charles Edouard Boissy, a financial analyst specializing in construction and infrastructures, contributed to this study, in partnership with Mazars.

To facilitate comparisons, the activities of the Construction and Public Works groups have, in some cases, been divided into four main categories:

1. **Construction and Utilities**: building, public works, road construction, energy, facility management, environment, water, industrial services, etc.
2. **Real Estate**: this sometimes accounts for significant portions of the portfolio, but can be included in construction.
3. **Concessions**: this sector has developed naturally as a logical diversification of the Construction and Public Works groups (in particular thanks to the strong growth in PPPs in the 2000s and the privatization of freeways in France).
4. **Other sectors of activity**: diversification in activities unrelated to the Construction and Public Works sector (TF1 and Bouygues Telecom).

As the study covers the behavior of the groups since the peak of the cycle in 2007, we view these groups from different aspects:

- growth in activity, segmentation, geography
- growth strategies implemented
- financial performance and margins
- changes in the financial structure and return on equity
- the economic situation and outlook: order books and results from the first half of 2012

**Panel of groups studied**

The construction sector is, overall, a very broad sector and the major listed European groups account for barely 10% of all activity in the sector.

This study is based on the 7 major European Construction and Public Works companies.

These 7 listed groups are each leaders in their market: Vinci, Bouygues and Eiffage for France; ACS for Spain; Strabag for Germany, Austria and Central Europe; Balfour Beatty for the United Kingdom; and Skanska for Northern Europe.

Some of these groups also operate outside their traditional markets and cover different strategies in the Construction and Public Works sector.

**Panel of European Groups in 2011**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country of origin</th>
<th>Group</th>
<th>Sales in billion €</th>
<th>Share of the domestic market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>Vinci</td>
<td>37.0</td>
<td>65%</td>
</tr>
<tr>
<td>2</td>
<td>France</td>
<td>Bouygues</td>
<td>32.7</td>
<td>69%</td>
</tr>
<tr>
<td>3</td>
<td>Spain</td>
<td>ACS</td>
<td>28.5</td>
<td>27%</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>Eiffage</td>
<td>15.7</td>
<td>84%</td>
</tr>
<tr>
<td>5</td>
<td>Austria</td>
<td>Strabag</td>
<td>15.7</td>
<td>53%</td>
</tr>
<tr>
<td>6</td>
<td>UK</td>
<td>Balfour Beatty</td>
<td>15.2</td>
<td>52%</td>
</tr>
<tr>
<td>7</td>
<td>Sweden</td>
<td>Skanska</td>
<td>10.9</td>
<td>47%</td>
</tr>
</tbody>
</table>

* The Euroconstruct network publishes harmonized data on the construction industry provided by 19 international contributors (BIPE in France, IFO in Germany, Experian in the UK, etc.).
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1. BACKDROP: 10 YEARS OF GROWTH WIPED OUT BY 4 YEARS OF CRISIS

1.1 2011 sees European production returning to 1998 levels

In 2011, Construction and Public Works production in Europe fell to 1998 levels: the short period from 2008 to 2011 wiped out the growth of the previous 10 years, from 1998 to 2007. Despite the relative economic boost in 2010 and 2011, the Construction and Public Works sector continued its decline.

Situations in different European countries are, however, not the same. This contrast can be seen with two countries in particular:

- Germany, with the continuation until 2005 of the long decline that followed the post-reunification boom. Going against the cycle, in 2011 Germany caught up on the lag accumulated since 2008 with steady growth.
- Spain, which, for its part, experienced spectacular growth of 55% between 1998 and 2007 before entering a rapid and severe crisis that led to a 58% drop in production between 2007 and 2011.
1.2 Construction and Public Works hit harder than other sectors of the economy...

In 2011, the European GDP was once again close to 2007 levels, as the recovery that began in 2010 had absorbed the fallout from the 2008 financial crisis.

The Construction and Public Works sector did not experience the same recovery, as its growth was 4.2% lower than that of GDP for the period 2007-2011.

The weight of Construction and Public Works in the economy dropped by 2 points between 2007 and 2011

![Diagram showing the share of Construction and Public Works in GDP](image)

The Construction and Public Works sector’s share of the European GDP dropped by 2 points between 2007 and 2011, down from 12% to 10% of GDP in 2011.

Not surprisingly, the most significant declines were in Spain and Ireland, the two main countries that had experienced a real estate “bubble”.

1.3. The housing market key to the sector’s decline

The housing market, which represents between 40% and 50% of the Construction and Public Works sector’s production, was severely affected by the crisis. The average number of completed housing units in Europe was practically cut in half between 2007 and 2011, falling from 5.7 to 3.2 housing units per thousand people.
The two countries in recession, Spain and Ireland, suffered the most severe drop in housing construction levels. Nonetheless, in 2011 Spain reached the average level for Europe with 3.5 housing units completed per thousand people, but the outlook is not good for 2012. Completed housing units are expected to drop by 50%.
2. TRANSITION: A RELATIVELY CALM JOURNEY THROUGH THE CRISIS FOR MAJOR EUROPEAN COMPANIES

The Construction and Public Works sector’s negative trends at a macroeconomic level are not reflected in the results of the major European companies. They all made a relatively calm journey through the crisis, despite having different strategies right from the start.

2.1. Large groups experience growth with differentiated models

Activity structures that have been stable since 2007, with different historical backgrounds.

The major Construction and Public Works companies have implemented different strategies resulting in a portfolio of different activities, with little change since 2007. Financial operations during that period (acquisitions, transfers, partnerships, etc.) did not weaken the portfolio structure of the major companies.

There are two distinct activity structure profiles:

- the French major companies which show significant diversification outside their main activity of construction, with media and telecommunications for Bouygues (25% of activity in 2011) and infrastructure management for Vinci (15%) and Eiffage (16%)
- the other, less diversified European leaders whose external growth is mostly related to geographical expansion or activity closely related to construction

Nonetheless, ACS has a unique profile. While the acquisition of Hochtief in 2011 is a geographical alternative to the crisis within the Spanish sector, ACS has also traditionally looked to branch away from Construction and Public Works by expanding into related activities (environment and industrial services, in particular) and by investing in Spanish electrical companies: Union Fenosa (fully integrated in 2007 before being resold in 2008) and Iberdrola (unconsolidated but held at 18.5% by ACS).
Transition: a relatively calm journey through the crisis for major European companies

With few exceptions, the crisis did not alter the activity structures selected by the different groups. From 2007 to 2011, the Construction and Public Works groups were aggressive in their external development strategies, without disrupting the structure of their portfolios.

Therefore the share relating to activities connected with construction has remained stable at around 86% of turnover between 2007 and 2011.
Transition: a relatively calm journey through the crisis for major European companies

23% average growth in turnover between 2007 and 2011
(+10% excluding the ACS acquisition of Hochtief) and restated data excluding Bouygues Télécom and TF1

From 2007 to 2011, certain Construction and Public Works groups were fairly proactive in terms of external development, including several external growth transactions.

- The acquisition of Hochtief by ACS, integrated over 7 months in 2011 in the construction division, with an impact of +110% on turnover
- The integration of Cegelec (energy activities) in April 2010, contributing to an almost 10% increase in Vinci’s turnover
- The acquisition of Parsons Brinckerhoff in 2009 resulting in the development of the Professional Services (project management, design) sector for Balfour Beatty
- The increase of the share in the Strabag’s Special Divisions & Concessions sector resulting from two average-sized mergers in Italy and Austria and the acquisition of the concession company for the M5 freeway in Hungary

Evolution in turnover between 2007 and 2011

Performance of major European construction and engineering companies in 2007-2011:

- ACS: +39%
- Strabag: +22%
- Vinci: +20%
- Balfour Beatty: +10%
- Bouygues: -12%
- Eiffage: +9%
- Skanska: +86%
Transition: a relatively calm journey through the crisis for major European companies

With an average increase of 46% (including ACS’ integration of Hochtief), order books were much healthier between 2007 and 2011.

On December 31 2011, the value of these order books reached 15 months of activity.

### Evolution of order books in months of activity

<table>
<thead>
<tr>
<th>Group</th>
<th>Order book (Billion €)</th>
<th>in months of activity</th>
<th>Order book (Billion €)</th>
<th>in months of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>VINCI</td>
<td>21.5</td>
<td>10</td>
<td>30.6</td>
<td>12</td>
</tr>
<tr>
<td>BOUYGUES</td>
<td>21.9</td>
<td>12</td>
<td>24.8</td>
<td>12</td>
</tr>
<tr>
<td>ACS</td>
<td>32.3</td>
<td>24</td>
<td>66.2</td>
<td>21</td>
</tr>
<tr>
<td>EIFFAGE</td>
<td>9.8</td>
<td>12</td>
<td>13.5</td>
<td>14</td>
</tr>
<tr>
<td>STRABAG</td>
<td>10.7</td>
<td>13</td>
<td>13.4</td>
<td>12</td>
</tr>
<tr>
<td>BALLYOUR BEATTY</td>
<td>15.5</td>
<td>18</td>
<td>19.0</td>
<td>18</td>
</tr>
<tr>
<td>SKANSKA</td>
<td>15.5</td>
<td>12</td>
<td>17.7</td>
<td>16</td>
</tr>
<tr>
<td>Average</td>
<td>18.2</td>
<td>14</td>
<td>26.4</td>
<td>15</td>
</tr>
</tbody>
</table>

Note: the combination of professions influences order books expressed in months of turnover, which is on average over a year for civil engineering, about a year for construction and under a year for roads and energy. In addition, service activities are not comparable (for ACS, the order book is approximately 70 months for its environmental activities, for example).

"After an already significant recovery in 2010, by the end of 2011 our order book had reached a record level of 30.6 billion euros, an 18% increase in one year. The visibility we achieve through our order book and our operating model means we can approach 2012 with confidence."

Extract from the Vinci 2011 reference document

### An overall stable geographic distribution of activity

Groups mostly present on the European market…

![85% Share of the activity carried out in Europe in 2007](image)

![75% Share of the activity carried out in Europe in 2011](image)
The groups’ European market is still the foundation of their sphere of influence. However, the average share of the European market has gone down by 10 points, impacted by the internationalization of ACS.

...with more than 50% of activity being carried out in Europe in 2011

The internationalization of these large groups is inconsistent. There are three different profiles:

- Eiffage, Strabag and Vinci: three players whose European activity represented more than 90% of their revenue. Eiffage has a unique profile with a strong focus on its domestic market. France’s share of the group’s turnover increased by 3%, going from 81% to 84% over the period.

- Bouygues, Skanska and Balfour Beatty, whose activity in Europe counts for over 55%. Over the period, Balfour Beatty stepped up its internationalization following the integration of Parsons Brinckerhoff in 2009 (a strong presence in the USA and Asia-Pacific)

- only ACS carries out less than 40% of its activity in Europe, which was severely affected by the integration of Hochtief. Spain’s share dropped from 84% to 21% of ACS turnover for the period (with the integration of Hochtief on a full-year basis).

... except for ACS
2.2. A controlled fall in margins

A limited reduction in operational margins since 2007...

Evolution in operational margins from 2007-2011

Note: in the interests of comparison, for groups that have large areas of other activity that are listed separately in their financial documents, the margins are also presented by restating the other sectors of activity (TF1 and Bouygues Télécom for Bouygues) or the concession activity (ASF-ESCOTA-COFIROUTE for Vinci and APRR-AREA for Eiffage) as they present operational margins that are different from those for construction or real estate (Construction and Real Estate Margin).

On this chart and the one that follows, the margins given are rounded up.

The average operational margin for construction for the major Construction and Public Works companies in 2011 was 3.4%, a drop of just 0.9 points since 2007. Despite efforts to minimize the impact of the crisis, in general the groups saw their operational margin shrink over the period.

The only exception is Balfour Beatty, with an increase that is explained mostly by the integration of Parsons Brinckerhoff.

As an example, the operational margins for concessions (of around 40%) are very different from the margins for construction and similar activities (around 4%). The analysis of the net margins is also relevant, mostly in order to include the considerable financial cost of concession activities.

...as well as net margins

Analyzing the margins makes it possible, in particular, to include the impact of the financial costs when comparing the groups. In this way, the net margins of the two types of activity structures, namely the diversified groups and those that are still focused mainly on Construction and Public Works, are relatively similar, while the operational margins are structurally higher for groups that have adopted diversification strategies by taking on debt.
The average net margin of the major European companies is 3.0%, a decrease of 0.7 of a point over the period.

The gap between Vinci and the other groups is closing, given the weight of financing for concessions, but its performance in 2011 is better than that of the other groups.

Balfour Beatty recorded the highest increase, thanks to the impact of the Parsons Brinckerhoff acquisition.

Margins are analyzed per profession and are difficult to separate from the notion of capital invested. By definition, the margins for a toll freeway concession must cover the cost of the capital and therefore have nothing in common with margins for construction, which in general do not return the capital invested (working capital requirement is negative and generally higher than the capital assets), except for certain specialties like roads and earthmoving.

Even within a profession, the average margin must also be viewed with caution. From one country to another, construction margins can be structurally different. An execution margin is also smaller than a design and construction margin, etc. Certain economic factors relating to some large projects (claims, disputes, etc.) can also influence the results for a certain period. Analysis over several years is therefore beneficial.
2.3. A controlled worsening of the financial structure

Controlling the evolution of debt

Construction, the main activity of the Construction and Public Works groups, has a negative working capital requirement as construction contracts often include the payment of start-up costs and regular payments according to the progress of construction.

The groups’ investment strategies have led to changes in their financial structure and some groups have considerable debt.

The different strategies implemented by the groups result in very different financial situations, of which we can identify three main categories:

1. Groups with a high Gearing:
   • Eiffage and Vinci because of their investments in concessions
   • ACS because of its external acquisitions.

2. A group with an average Gearing:
   • Bouygues because of its development in telecommunications especially.

3. Groups with low or zero gearing:
   • Strabag, Skanska and Balfour Beatty. These groups have occasionally resorted to capital increases, for example, Strabag in 2007 and Balfour Beatty in 2009 (when it acquired Parsons Brinckerhoff).
   • Eiffage has the lowest gearing in the sample. As a result of its investment operations implemented since 2007 (acquisition of minority interests in A65 and PPPs), Eiffage’s debt reached €12.6 billion by the end of 2011.

* Gearing: ratio of net debt/total capital.
An average drop of 10 points in the return on equity

Note: This graph excludes the considerable capital gains (2/3 of Eiffage’s net profit 2007 came from capital gains, with 17% from Cofiroute and 49% from the Millau Viaduct). The same is true for Skanska in 2011 (€500M in capital gains on the sale of its interest in Autopista Central, Chile).

Despite the overall drop in the return on equity for the Construction and Public Works groups, essentially due to reduced margins, the sector showed relatively high ROEs*, often significantly higher than 10%, in particular because of the construction activity model which requires little or no equity, according to the experts, because the operational cycle is primarily financed by clients.

With the exception of Vinci, which maintained its performance, the other major companies of the sector were faced with tighter margins, which affected the ROE.

It should be noted that the unrealized capital gains or losses on assets classified as available for sale (AFS) can have a significant effect on equity, without impacting net results. Thus, ACS’ interest in Iberdrola fluctuated considerably. As an example, ACS’ equity dropped from €4.6 billion to €3.4 billion between the end of 2007 and the end of 2008, with, in particular, a €1.2 billion loss in the value of assets available for sale (primarily Iberdrola). Hence, there was an “apparent” improvement in the ROE, not because of better performance, but because the basis on which the return is calculated went down.

The net drop in Strabag’s ROE, despite results that had improved slightly over the period, is linked to the capital increase in late 2007 reserved for Oleg Deripaska (€1.9 billion, double the previous amount of equity). However, this increase did not lead to a significant improvement in results.

* ROE: return on equity - (Net Result/Equity).
3. THE FUTURE: RECOVERY AHEAD?

3.1. Growth in activity continues...

For the first six-month period, the growth in activity recorded since 2007 continued overall but margins remained stable or decreased.

Average growth for the first six months of 2012 of + 18.3%
(+ 4.2% excluding the acquisition of Hochtief by ACS)

The diversification of activity profiles vary for the first half of 2012:

- rapid expansion in the activity of ACS, which benefited from the integration of Hochtief throughout the entire period (compared to 1 month for the first half of 2011). Without the structural impact of Hochtief, growth in activity would have been 6%.
- moderate growth for the primary major companies: Skanska, Balfour Beatty, Vinci and Bouygues, whose gain of 1.9% results from a 4.1% increase for construction offset by a 4% decline in activities outside the sector
- Eiffage’s stability
- a 3.6% reduction in Strabag’s activity, which was not accompanied by a proportionate evolution in results.

"On a global scale, there is still considerable demand for construction, especially in the fields of urban facilities, and energy, educational, cultural, and recreational infrastructures. In the industrialized countries, Bouygues Construction offers its clients innovative financing methods to mitigate the potential problems of public investors, in particular thanks to its expertise in putting together complex business transactions. In emerging countries, the markets are more dynamic (high rates of growth, sovereign wealth funds, etc.), with a promising outlook for Bouygues Construction’s areas of activity."

Extract from the Bouygues 2011 reference document
Performance for the first six months must be adjusted taking into account the very seasonal nature of the results (in particular for road construction, where the results for the year are primarily achieved in the second six months). The unfavorable weather conditions certainly play a role but the trend for the year as a whole is likely to be scarcely better than last year, even though the delays due to bad weather in the first six months were eliminated over the course of the summer.

Excluding concessions, the construction margin for Eiffage (1.6% vs 1.5%) is lower than that of Vinci (3.4% vs 3.7%), with Bouygues coming between these two (1.7% vs 2.1%).

Skanska’s situation is unusual and the capital gains on Autopista Central in Chile (€511M) was restated in 2011, as was the extraordinary restructuring plan for the residential property development sector (€43M) in 2012. Other than these situations, the operating margin is stable.

Strabag recorded high operational losses, with a drop in margins in Germany, and in particular, heavy losses in Central Europe (price wars for material, losing arbitration with Cemex, problems with public-sector clients for additional work, etc.).

Forecasts for evolution in demand are cautious, with executives emphasizing legitimate concerns relating to the management of public accounts, regardless of the declared intent to support the sector (for example, for housing in France).
3.2. ...accompanied by a promising order book

There is a certain paradox between the cautious words coming from management and the companies’ order books. With the exception of Balfour Beatty, orders are up for the first half of the year and for the twelve-month period.

Order book as of June 30 2012
Average months of activity on the books

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of months of activity</th>
<th>Evolution vs June 30 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>22</td>
<td>9%</td>
</tr>
<tr>
<td>Balfour Beatty</td>
<td>18</td>
<td>-3%</td>
</tr>
<tr>
<td>Skanska</td>
<td>17</td>
<td>16%</td>
</tr>
<tr>
<td>Bouygues</td>
<td>14</td>
<td>11%</td>
</tr>
<tr>
<td>Eiffage</td>
<td>14</td>
<td>20%</td>
</tr>
<tr>
<td>Strabag</td>
<td>13</td>
<td>2%</td>
</tr>
<tr>
<td>Vinci</td>
<td>12</td>
<td>11%</td>
</tr>
</tbody>
</table>

The increases shown in the order books are generally in the double digits, sometimes because of new orders for large projects (for example the LGV Bretagne-Pays de la Loire (high-speed train between Brittany and the Pays de la Loire) for Eiffage, Palais de Justice (courthouse) and the Nîmes-Montpellier by-pass for Bouygues). Orders are often for more than 12 months and more and more players are providing their execution schedule, making it possible to use the accuracy of the 2012 forecasts to make credible forecasts for the current year. In this way, Vinci and Eiffage have indicated that their order book, given the execution time line, covered 90% of the 2012 forecasts.

“The Grenelle Environment Forum has set the goal of reducing our energy use by 38% and greenhouse gases by 50% by 2020. That’s a significant challenge for our sector and our activities, which depend on energy performance. Likewise, the development of LGV high-speed trains linking the major European capitals will create new markets. Finally, the renovation of existing buildings and infrastructures (including railroads) offers wonderful opportunities. Reinforced concrete has a lifespan of 100 years. These infrastructures need to be renovated taking into account new requirements in sustainable development and by offering the most innovative solutions.”

Extract from the Eiffage 2011 reference document
CONCLUSION

Construction groups have been able to withstand the immense economic difficulties that have shaken the world since the financial crisis began. At a macroeconomic level, negative trends in the construction industry are not reflected in the performance of major European companies. Despite the initial set back following the onset of the crisis and some company and country-specific problems, on the whole the sector has been able to manage the financial situation and record significant growth in turnover. Companies have also been able to limit falls in profitability while bringing in considerable new orders over the last two years.

Key to being able to manage the crisis has been the implementation of different strategies put in place during the 1990s when the industry experienced major upheaval. These strategies focused less on volume and more on margins. In particular, groups modernized their cost management tools and methods as well as the products and services offered, with a greater emphasis on the structure of transactions and design. These strategies made it possible to recover from the low margins of the 1980s and have remained valid since the beginning of the 2007 crisis.

The main activity for most of the groups continues to be construction. However, performance differs depending on the external growth strategies implemented (external growth, investments in activities related or not to construction, concessions), with much depending on the trade-off between the result from activities (operational result, net result), the financial situation (WCR, gearing), the return on capital invested and the risk profile (technical, financial, short/medium/long term).

In the medium term, forecasts from the major companies are likely to be more cautious. The public debt crisis will be felt in the level of new orders and the lack of overall growth could affect the solvency of public-sector demand. The operational picture could deteriorate in 2013 because a widespread lack of projects could, as it has in the past, lead to lower prices and margins.

On the other hand, the long-term outlook is more favorable given the structural factors:

- demand, especially for housing, is greater than supply in emerging countries as well as in developed countries like France
- environmental factors: low-energy housing, renewable energy, renovation of existing units with poor energy performance mostly in developed countries
- demand for significant infrastructures in emerging countries and in developed countries, such as the “Grand Paris” project
- a shift in the focus of the major companies towards global products with high added value (global contracts for global project preparation/design/construction/maintenance, and facility management) making it easier to forecast accurately and to boost order books.
- development in emerging markets - Asia, Latin America, the Middle East - related to increasing urbanization. This promising market is also the source of considerable competition, in particular with the arrival of the Chinese groups.

These factors can help identify new sources of growth for the sector, especially if financial constraints are reduced in the future.
Mazars is present on all 5 continents.

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