

Business Results Press Conference

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Check against delivery.

Good afternoon and welcome to our Business Results Press Conference.

Today, we would like to present our results for 2020 and the outlook for 2021. In addition I will give you an update on innovation.

Let me begin by addressing the Covid-19 pandemic.

I would like to take the opportunity to say a few words about our workforce first. Our employees adapted with admirable discipline to new circumstances, in many cases working from home and comply with the strict rules on construction sites so that, in total, we had very few cases of illness due to corona among our ranks. Public authorities have well recognized our professional corona management on multiple occasions. Our construction sites or service locations have kept operating despite the more challenging conditions. In the USA, for example, we deployed an inhouse-corona app specifically developed for use on construction sites.

HOCHTIEF's pandemic response continues through upgrades to hospitals to create safer environments and build capacity for Covid-19 patient care: Turner provided support to more than 50 hospitals in the United States. The company built new and additional healthcare capacity. Turner's work resulted in adding capacity to care for more than 4,000 patients. In addition, Turner built temporary testing facilities and completed infrastructure upgrades to healthcare facilities. In

Cleveland our team turned an educational building into a 1,000 bed Covid-19 hospital in 18 days. Additionally, we designed, built and commissioned a new hospital for the U.S. Army Corps of Engineers. This was completed from start of design to construction completion in 24 days. CIMIC is also supporting community efforts to reduce the spread of the coronavirus. CPB Contractors is redeveloping, expanding and building hospitals in New South Wales, Australia, and is also delivering a new building for the Christchurch Hospital in New Zealand by bringing in additional resources from neighboring CPB Contractors projects.

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Last year we have been awarded a number of significant new contracts and finished outstanding projects like the new stadium in Los Angeles. This is the arena where the opening ceremony for the 2028 Olympic Games will be held. We completed it last year—along with many other infrastructure projects in Europe, Australia, Asia, and America. Whether it's a subway extension in Sydney or a highway tunnel in Hamburg: We deliver. Our clients can rely on us. With "The Spiral" we add a new highlight to the skyline of New York. The topping-out ceremony of the green skyscraper took place some days ago in January.

Ladies and Gentlemen,

Let us take a closer look at the key performance indicators.

HOCHTIEF has delivered a **resilient set of results** for continued operations in 2020 notwithstanding the impact of Covid-19. The Group achieved a nominal net profit of EUR 427 million, net cash from operating activities of EUR 1.1 billion and finished the year with an order book of close to EUR 46 billion.

We achieved an **operational net profit** of EUR 477 million. The economic impact of COVID-19 and the associated mobility restrictions imposed by governments had a very significant effect on profits at Abertis. Adjusting for the EUR 139 million year-on-year reduction in the contribution from the Group's 20% stake in the toll road operator, HOCHTIEF's operational net profit declined by 9.6%. Group margins remained firm on underlying **sales** of EUR 23.7 billion which were just 6% lower year on year on an f/x-adjusted basis.

The Group generated **net cash from operating activities** of EUR 1.1 billion on an underlying basis with a solid performance in the seasonally strong fourth quarter which accounted for over 80% of the Group's annual figure. HOCHTIEF ended 2020 with a **net cash position** of EUR 618 million. Adjusting for the Group's shareholder remuneration (EUR 743 million) and non-operating effects, we would show a net cash position of EUR 1.6 billion which compares with EUR 1.5 billion at the end of 2019. During the year, HOCHTIEF has paid a dividend to shareholders of EUR 406 million, invested EUR 168 million in buying back its own shares with a further EUR 170 million in buybacks by CIMIC. Furthermore, close to EUR 104 million was invested to acquire 2.8% of CIMIC with the Group's stake standing at 78.6% at the end of the period.

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Notwithstanding the impact of Covid-19, **new orders** of EUR 23.1 billion were secured, equivalent to about 1.0x work done during the period with a disciplined bidding approach maintained across all divisions. As a consequence, the Group's **order book** remained robust at approximately EUR 46 billion, stable during the last quarter as well as compared with twelve months ago, on an f/x-adjusted basis.

Now let us turn to the financial performance of our divisions.

The **Americas** division continued to deliver an outstanding performance in 2020.

Sales were solid at EUR 14.7 billion versus EUR 15.3 billion in 2019 and were 2% lower in local currency terms, notwithstanding the impact of Covid-19.

Operational PBT advanced by 5% year on year to EUR 337 million with a robust margin of 2.3% compared with 2.1% in 2019. **Operational net profit** rose 11% to EUR 244 million.

Americas continues to achieve strong cash generation. During 2020, the division delivered a high level of underlying **net cash from operating activities** of EUR 673 million, almost in line with the previous year's record level, despite the impact of the pandemic.

The divisional **net cash** position at the end of December 2020 stood at EUR 1.4 billion, up EUR 93 million year on year in local currency terms.

The **order situation** at Americas remains robust with the **order backlog** ending 2020 at EUR 22.6 billion, an increase of 5% year on year on an fx-adjusted basis. **New orders** of EUR 15.4 billion during 2020 were at a similar level to 2019 despite the pandemic, 7% lower in local currency terms. The order intake is equivalent to 1.1x the work done during the year.

For 2021 we target an operational pre-tax profit of EUR 320 to EUR 350 million.

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Let's move to **Asia Pacific**:

The contribution of the **Asia Pacific** division reflects HOCHTIEF's holding in CIMIC (78.58% at the end of December 2020 versus 72.80% a year ago) as well as associated financing and holding costs, and the impact of variations in the Australian dollar/Euro exchange rate. The increased stake is a consequence of the EUR 104 million investment in CIMIC shares in March 2020 as well as the EUR 170 million share buyback carried out by the Australian company during the year.

HOCHTIEF Asia Pacific's **profit before tax (PBT)** in 2020 was EUR 534 million on **sales** of EUR 6.9 billion.

At the end of the period, the divisional **net cash** position stood at EUR 114 million. The division's **order book** ended 2020 at EUR 18.9 billion, stable during the last quarter of the year and -7% year on year.

CIMIC completed the **sale of 50% of its contract mining business**, Thiess, at the end of 2020.

For 2021, CIMIC plans to achieve a net profit after tax of AUD 400 to 430 million.

To **Europe**:

Our Europe division achieved very strong results in 2020 with higher sales, cash flow and profits (f/x adjusted) despite the impact of Covid-19.

Sales were 3% higher compared with 2019 at EUR 1.3 billion, reflecting a disciplined bidding approach. **Operational net profit** of EUR 56 million increased year on year when adjusted for the impact of f/x movements with solid performances from Construction and PPPs.

Europe generated strong **net cash from operating activities** of EUR 121 million in 2020, up EUR 79 million year on year.

At the end of December 2020, the division's balance sheet showed a strong **net cash position** of EUR 544 million, up almost EUR 33 million year on year.

New orders remained at a firm level with EUR 2.0 billion of work secured during the last twelve months equivalent to 1.3x work done. The divisional **order backlog** ended 2020 at EUR 4.3 billion representing visibility of over 2.5 years.

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For 2021 we plan to achieve an operational pre-tax profit of EUR 40 million to EUR 60 million.

Now to **Abertis**:

The contribution of the **Abertis Investment** to the HOCHTIEF Group performance reflects the Group's 20% share in Abertis.

The **net profit** contribution to HOCHTIEF was EUR -17 million compared with EUR +122 million in 2019, reflecting the impact from Covid-19. This represents a year on year variation of EUR -139 million.

Abertis' **average daily traffic** development in 2020 saw a solid performance in January and February followed by a strong decline in March after extensive lockdown measures were enforced by governments in key markets due to Covid-19. Since end-April, traffic trends have shown improvements but with variations driven by regional mobility restrictions. Overall, average daily traffic saw a decrease of 21% in 2020.

Revenues of over EUR 4.0 billion were 18% lower year on year on a comparable basis. Lower traffic volumes resulted in a 2020 **EBITDA** of EUR 2.63 billion, a 23% reduction on a comparable basis. **Net profit** was EUR 365 million.

In April 2020 Abertis paid half of the EUR 875 million **dividend to its shareholders**. The remaining 50% was paid during Q4 2020 with HOCHTIEF receiving a total of EUR 173 million for 2019.

The Abertis board proposed a dividend policy of EUR 600 million per annum for 2021 and 2022.

Abertis' strategic plan focuses on investments in new assets in order to perpetuate the duration of cash flows and to diversify the portfolio geographically. In June 2020 Abertis and GIC closed the acquisition of toll road company RCO (Red de Carreteras de Occidente), one of the largest transport operators in Mexico. In November 2020 Abertis (55%) and Manulife Investment Management acquired the Elizabeth River Crossings concession (ERC) in the U.S. for EUR 1.0 billion equity. This concession, which is operating tunnels in Virginia is a 58-year concession with 50 years remaining.

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Looking forward we expect our Abertis stake will return to make a positive net contribution in 2021.

Let me say a few words about our strategy.

As a leading infrastructure group in developed markets, HOCHTIEF has a well-balanced business profile in terms of cash flow visibility, capital intensity, and margins.

Our strategy is to further strengthen our position in our core markets and leverage growth opportunities. At the same time, we are committed to cash-backed profitability and rigorous risk management. Active and disciplined capital allocation is a high priority for us. We continue to focus on attractive shareholder remuneration as well as investing in strategic growth opportunities to create sustainable value for all stakeholders. Our businesses are flexible, allowing management to quickly adapt to varying market conditions.

Let us now turn to digitalization.

A good two years ago, we embarked on our Company's digital transformation with the launch of Nexplore, our innovation company. We have already come a long way since then.

Joining forces with leading tech firms and universities, and together with our worldwide operational project teams, Nexplore is developing an ongoing stream of hardware and software applications. These are already in use on construction

sites in the USA, Europe, Hong Kong, and Australia. They let us monitor things like construction progress on major projects, keep continuous track of work quality, pinpoint potential savings with our machinery, and analyze complex contracts among other things.

Digital technology directly helps the people who work on our projects. For instance, Nexplore has developed sensors that warn excavator operators of potential accidents. In initial projects, we are testing robots that use image recognition and artificial intelligence to measure the moisture content of concrete and detect hidden risk of collapse.

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The potential offered by digitization is huge. Artificial intelligence, Industry 5.0, and blockchain will continue to transform HOCHTIEF. Our goals are cost efficiency, scheduling and quality control, improved productivity, simpler maintenance, and effortless collaboration with all those involved. At the same time, digitalization helps us cut carbon emissions and conserve natural resources far more effectively than in the past. HOCHTIEF recently became the only construction company to join the prestigious MIT Climate and Sustainability Consortium.

Innovation and sustainability are a key part of our guiding principles. We will continue to reconcile sustainable action with economic success.

Looking forward, our local teams have identified a **project tender pipeline** of relevant projects worth over EUR 570 billion for 2021 and beyond supported by EUR 180 billion in PPP projects in addition to the numerous stimulus packages approved by governments.

Ladies and Gentlemen,

HOCHTIEF continues to focus on attractive **shareholder remuneration**. Reflecting the Group's resilient profit and cash generation performance and supported by a positive outlook for core markets, the proposed dividend is EUR 3.93 per share, notwithstanding Covid-19. This corresponds to an unchanged dividend payout ratio of 65% of nominal net profit.

Our **guidance** for 2021 is an operational net profit between EUR 410 million and EUR 460 million. This represents an increase of 11 to 25% year on year compared to EUR 368 million of 2020 adjusted for the divestment of 50% of Thiess.