

Press Release

HOCHTIEF H1 2020: Resilient sales, profits, margins and order backlog // Outlook remains positive

- **Resilient sales performance in H1 2020 at EUR 11.9 billion (-1% yoy)**
 - Sales in Q2 -8% yoy driven by Covid-19; resilient margins
 - Operational net profit EUR 227 million; pre-Abertis of EUR 245 million, stable year on year (yoy); nominal net profit of EUR 202 million
 - Abertis contribution of EUR -18 million (H1 2019 EUR 52 million), due to Covid-19; improving traffic trend
- **Net cash from operating activities driven by seasonality and Covid-19**
 - Net cash from operating activities pre-factoring improved by EUR 329 million to EUR 1.2 billion in last twelve months (LTM)
- **Group net cash of EUR 444 million, pre-BICC, after buybacks and investment in CIMIC**
 - Net debt of EUR 365 million
 - Investment of EUR 294 million in HOCHTIEF and CIMIC share buybacks and CIMIC stake increase
 - Strong liquidity position of EUR 6.2 billion
 - S&P BBB rating reaffirmed in May 2020
- **Robust order backlog, EUR 50.2 billion, and new orders, EUR 26.2 billion LTM**
 - New orders in Q2 2020 of EUR 5.8 billion in line with work done during the quarter
- **Outlook in core markets remains positive**
 - Strong position in core markets and tender pipeline stable yoy: USA, Canada, Asia-Pacific and Europe of approx. EUR 100 billion for 2020 and EUR 500 billion beyond; PPP project pipeline of over EUR 200 billion
 - HOCHTIEF continues to monitor the consequences of Covid-19 on 2020 operational and financial performance
 - Numerous infrastructure stimulus packages announced by governments
 - Exclusivity agreement with new equity investor for Thiess signed; process well advanced

HOCHTIEF has delivered a resilient set of results for the first half of 2020, notwithstanding the impact of Covid-19. First-half **sales** of EUR 11.9 billion were stable year on year with a Q2 fall of 8% driven by the impact of the pandemic.

The Group delivered an **operational net profit** of EUR 227 million. Ex-Abertis, margins were resilient and operational net profit was stable year on year at EUR 245 million, with all three operating divisions positively contributing. **Nominal net profit** for the period was EUR 202 million.

“The solid operational performance is a consequence of the diversification by geography and activities of our Group, the flexibility of our businesses and their ability to adapt to changing conditions. This is supported by the robust nature of our business models and the solid positioning of our companies with their long-term local market presence,” said CEO Marcelino Fernández Verdes.

Net cash from operating activities for the first six months of the year reflects seasonality and Covid-19 related impacts, including a lower dividend contribution from Abertis. Looking at the last twelve months (LTM) there was an improvement of EUR 329 million year on year on an underlying basis. HOCHTIEF ended the first half year of 2020 with a net debt position of EUR 365 million. The **net cash position** would stand at EUR 444 million at the end of June 2020, excluding the EUR 809 million cash effect during H1 of exiting BICC. This is after investing close to EUR 300 million to acquire 2.8% of CIMIC as well as share buybacks at both HOCHTIEF and CIMIC. The Group ended the second quarter with a **strong liquidity position** of EUR 6.2 billion. Rating agency S&P reaffirmed its “BBB” investment grade rating for HOCHTIEF in May 2020.

HOCHTIEF’s **order book** remained robust at EUR 50.2 billion, an increase of 2% year on year. Construction management, contract mining, alliance-style contracts and services activities generate significant visibility for the Group and account for around 70% of the order book. A solid level of **new orders** of EUR 26.2 billion was secured during the last twelve months whilst maintaining a disciplined bidding approach across the Group. New orders in Q2 of EUR 5.8 billion represent approximately 1.0x work done despite the impact of Covid-19, meaning HOCHTIEF has secured work equivalent to the level of contracts executed during the period.

Group Outlook

Looking forward, the Group's local teams have identified a **project tender pipeline** of around EUR 100 billion for 2020 and EUR 500 billion thereafter of relevant projects coming to our markets in North America, Asia-Pacific and Europe, with over EUR 200 billion of PPP projects in developed markets.

Numerous stimulus packages for infrastructure have been announced by governments.

The contract mining market is proving resilient. CIMIC has signed an exclusivity agreement with a new equity investor for Thiess to support contract mining growth. The process is well advanced and a resolution is targeted in coming weeks. The transaction would provide capital for Thiess' continued growth, while enabling CIMIC to enhance its balance sheet strength.

We continue to monitor the consequences of Covid-19 on 2020 operational and financial performance.

HOCHTIEF Group: Key Figures

(EUR million)	H1 2020	H1 2019	H1 Change	Q2 2020	Q2 2019	Q2 Change	FY 2019
Sales	11,946.8	12,009.4	-0.5%	5,791.3	6,276.8	-7.7%	25,851.9
Operational profit before tax/PBT	399.1	506.0	-21.1%	183.4	268.4	-31.7%	1,108.1
Operational PBT margin	3.3%	4.2%	(0.9)	3.2%	4.3%	(1.1)	4.3%
Operational PBT pre-Abertis margin	3.5%	3.8%	(0.3)	3.5%	3.8%	(0.3)	3.8%
Operational net profit	226.8	296.4	-23.5%	103.1	163.7	-37.0%	668.9
Operational net profit pre-Abertis	245.0	244.6	0.2%	122.5	133.3	-8.1%	546.5
Operational earnings per share (EUR)	3.23	4.20	-23.1%	1.48	2.32	-36.2%	9.47
EBITDA	801.8	909.0	-11.8%	366.4	465.8	-21.3%	1,892.8
EBITDA margin	6.7%	7.6%	(0.9)	6.3%	7.4%	(1.1)	7.3%
EBIT	464.9	561.0	-17.1%	203.9	289.3	-29.5%	1,191.5
EBIT margin	3.9%	4.7%	(0.8)	3.5%	4.6%	(1.1)	4.6%
Nominal profit before tax/PBT	373.8	489.5	-23.6%	166.7	256.6	-35.0%	(627.5)
Nominal net profit	202.2	278.7	-27.4%	87.3	150.7	-42.1%	(206.2)
Nominal net profit pre-Abertis	220.4	226.9	-2.9%	106.7	120.3	-11.3%	(328.6)
Earnings per share (EUR)	2.88	3.95	-27.1%	1.25	2.13	-41.3%	(2.92)
Net cash from operating activities	(134.4)	414.1	(548.5)	253.3	588.0	(334.7)	1,602.5
Net cash from op. activities pre-factoring	(5.9)	340.4	(346.3)	172.7	678.5	(505.8)	1,559.4
Net operating capital expenditure	187.8	234.4	(46.6)	87.9	121.2	(33.3)	518.1
Free cash flow from operations	(322.2)	179.7	(501.9)	165.4	466.8	(301.4)	1,084.4
Net cash	(365.1)	1,306.9	(1,672.0)	(365.1)	1,306.9	(1,672.0)	1,529.0
Net cash ex-BICC	444.2						
New orders	10,364.2	14,553.3	-28.8%	5,845.2	7,465.8	-21.7%	30,428.8
New orders LTM	26,239.7	29,809.9	-12.0%				
Order backlog	50,202.1	49,424.9	1.6%	50,202.1	49,424.9	1.6%	51,362.1
Employees (end of period)	48,813	54,675	-10.7%	48,813	54,675	-10.7%	53,282

Note: Operational profits are adjusted for non-operational effects

HOCHTIEF is an engineering-led global infrastructure group with leading positions across its core activities of construction, services and concessions/public-private partnerships (PPP) focused on Australia, North America and Europe. With around 53,000 employees and a sales volume of about EUR 26 billion in 2019, HOCHTIEF's global presence is focused on developed markets. Via CIMIC, the Group is market leader in Australia. In the USA, HOCHTIEF is the No. 1 general builder via Turner. Flatiron ranks among the most important players in the field of civil works, mainly in transportation infrastructure. HOCHTIEF owns a 20% stake in Abertis, the leading international toll road operator. Thanks to its commitment to sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at www.hochtief.com/en/news-media.