

## Press Release

HOCHTIEF: Solid 9M 2020 with nominal net profit of EUR 324 million / Positive momentum in cash flow, sales and orders

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- **7% sales growth in Q3 vs Q2 2020; EUR 324 million nominal net profit in first nine months (9M)**
  - Sales in 9M 2020 of EUR 17.9 billion year-on-year (yoy) -3% fx-adjusted, after COVID-19 effects
  - Operational net profit EUR 363 million in 9M 2020; resilient margins
- **Net cash from operating activities pre-factoring last twelve months (LTM) of EUR 1.2 billion, EUR +154 million yoy**
  - Q3 net cash from operating activities of EUR 214 million pre-factoring, stable yoy
- **Net debt of EUR 952 million end of September; EUR 796 million net cash pre non-operating effects and shareholder remuneration**
  - Strong liquidity position of EUR 5.5 billion
  - S&P BBB investment grade rating reaffirmed on Oct. 12, 2020
- **Order backlog stable quarter-on-quarter (qoq) and yoy at EUR 49.0 billion; visibility of 2 years**
  - New orders EUR 25.7 billion LTM equivalent to 1.0x work done
  - Q3 2020 new orders f/x-adj. -4% yoy and +15% versus Q2 2020
  - Geographically diversified order book with 48% in Americas, 44% Asia Pacific, 8% Europe
- **Outlook for core businesses remains positive, monitoring COVID-19 impacts**
  - Tender pipeline increased to approx. EUR 600 billion helped by numerous stimulus packages for infrastructure announced by governments; PPP project pipeline of approx. EUR 200 billion

HOCHTIEF has delivered a **solid set of results** for the first nine months of 2020 with a **nominal net profit** of EUR 324 million or EUR 328 million ex-Abertis (-9% year-on-year). The numbers show a positive momentum in terms of cash flow, sales and new orders, notwithstanding the impact of COVID-19.

CEO Marcelino Fernández Verdes: "This robust performance reflects the group's diversification by geography in its core developed markets as well as by activity. Our Group companies have continued to support government efforts to mitigate the impacts from the pandemic."

HOCHTIEF delivered a nine months 2020 **operational net profit** of EUR 363 million. This represents a variation of just -4% for the operating divisions. Group **margins** remained resilient as nine-month **sales** of EUR 17.9 billion were 3% lower on an FX-adjusted basis. In local currency terms, HOCHTIEF's divisions have delivered an average sales growth of around 7% in the third quarter of the year compared with Q2.

**Net cash from operating activities** remains robust at EUR 1.2 billion on an underlying basis in the last twelve months. Focusing on the third quarter the EUR 214 million generated are stable compared with Q3 2019. During the last five years the groups has, on average, delivered over 80% of its **operating cash flow** during the second half of the year, particularly in the last quarter.

HOCHTIEF ended September 2020 with a **net debt** position of EUR 952 million. Adjusting for non-operating effects and shareholder remuneration in the last twelve months, HOCHTIEF would show a net cash position of EUR 796 million. During the period HOCHTIEF has paid a **dividend** to shareholders of EUR 406 million, invested EUR 136 million in buying back its own shares with a further EUR 106 million in buy-backs by CIMIC. Furthermore, close to EUR 103 million were invested to acquire 2.8% of CIMIC with the group's stake in its Australian subsidiary now standing at 77.4% at the end of the period.

The Group had a strong **liquidity** position of EUR 5.5 billion at the end of the third quarter further supported by committed, undrawn credit facilities of EUR 1.1 billion. S&P this week reaffirmed its "BBB" **investment grade rating** for HOCHTIEF.

Despite the impact of COVID-19, **new orders** have sequentially increased on a quarterly basis with Q3 2020 at a similar level to Q3 2019 on an FX-adjusted basis. Looking at the last twelve months the EUR 25.7 billion in new orders secured are equivalent to 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 EUR 49 billion, stable during the quarter as well as compared with twelve months ago.

HOCHTIEF maintains its strong position in core markets. The **tender pipeline** increased helped by numerous stimulus packages for infrastructure announced by governments. The group companies have identified a tender pipeline worth around EUR 50 billion for the final quarter of 2020 and EUR 540 billion beyond of relevant projects coming to their markets supported by EUR 200 billion in PPP projects.

HOCHTIEF management continues to actively assess its capital allocation options of which **shareholder remuneration** remains a key ingredient. In July, HOCHTIEF paid its shareholders a dividend of EUR 5.80 per share or EUR 406 million. This represents a 16% increase compared with 2018 and is in addition to the EUR 136 million returned to shareholders via the buyback of 2.8% of our shares during the first nine months of 2020.

### **Group Outlook**

“Accompanied by the encouraging trends we have reported for the third quarter as regards cash flow, sales and new orders, the fundamental outlook for our core businesses remains positive as we continue to monitor COVID-19 impacts on our 2020 operational and financial performance”, says CEO Fernández Verdes.

## HOCHTIEF Group: Key Figures

(EUR million)	9M 2020	9M 2019	9M Change	Q3 2020	Q3 2019	Q3 Change	FY 2019
<b>Sales</b>	<b>17,907.7</b>	18,751.8	-4.5%	<b>5,960.9</b>	6,742.4	-11.6%	25,851.9
<b>Operational profit before tax/PBT</b>	<b>620.4</b>	801.7	-22.6%	<b>221.3</b>	295.7	-25.2%	1,108.1
<b>Operational profit before tax/PBT pre Abertis</b>	<b>624.6</b>	705.5	-11.5%	<b>207.3</b>	251.3	-17.5%	985.7
<b>Operational PBT margin</b>	<b>3.5</b>	4.3	-0.8	<b>3.7</b>	4.4	-0.7	4.3
<b>Operational PBT pre-Abertis margin</b>	<b>3.5</b>	3.8	-0.3	<b>3.5</b>	3.7	-0.2	3.8
<b>Operational net profit</b>	<b>362.8</b>	477.5	-24.0%	<b>136.0</b>	181.1	-24.9%	668.9
<b>Operational net profit pre-Abertis</b>	<b>367.0</b>	381.3	-3.8%	<b>122.0</b>	136.7	-10.8%	546.5
<b>Operational earnings per share (EUR)</b>	<b>5.20</b>	6.76	-23.1%	<b>1.97</b>	2.56	-23.0%	9.47
<b>EBITDA</b>	<b>1,222.4</b>	1,395.6	-12.4%	<b>420.6</b>	486.6	-13.6%	1,892.8
<b>EBITDA margin</b>	<b>6.8</b>	7.4	-0.6	<b>7.1</b>	7.2	-0.1	7.3
<b>EBIT</b>	<b>708.3</b>	878.7	-19.4%	<b>243.4</b>	317.7	-23.4%	1,191.5
<b>EBIT margin</b>	<b>4.0</b>	4.7	-0.7	<b>4.1</b>	4.7	-0.6	4.6
<b>Nominal profit before tax/PBT</b>	<b>580.3</b>	780.9	-25.7%	<b>206.5</b>	291.4	-29.1%	-627.5
<b>Nominal profit before tax/PBT pre Abertis</b>	<b>584.5</b>	684.7	-14.6%	<b>192.5</b>	247.0	-22.1%	-749.9
<b>Nominal net profit</b>	<b>324.0</b>	456.3	-29.0%	<b>121.8</b>	177.6	-31.4%	-206.2
<b>Nominal net profit pre-Abertis</b>	<b>328.2</b>	360.1	-8.9%	<b>107.8</b>	133.2	-19.1%	-328.6
<b>Earnings per share (EUR)</b>	<b>4.65</b>	6.46	-28.0%	<b>1.77</b>	2.51	-29.5%	-2.92
<b>Net cash from operating activities</b>	<b>82.2</b>	594.6	-512.4	<b>216.6</b>	180.5	36.1	1,602.5
<b>Net cash from op. activities pre-factoring</b>	<b>208.0</b>	552.5	-344.5	<b>213.9</b>	212.1	1.8	1,559.4
<b>Net operating capital expenditure</b>	<b>271.7</b>	341.5	-69.8	<b>83.9</b>	107.1	-23.2	518.1
<b>Free cash flow from operations</b>	<b>-189.5</b>	253.1	-442.6	<b>132.7</b>	73.4	59.3	1,084.4
<b>Net cash/Net debt</b>	<b>-951.9</b>	950.2	-1,902.1	<b>-951.9</b>	950.2	-1,902.1	1,529.0
<b>New orders</b>	<b>16,863.9</b>	21,613.4	-22.0%	<b>6,499.7</b>	7,060.1	-7.9%	30,428.8
<b>New orders LTM</b>	<b>25,679.3</b>	30,522.6	-15.9%				
<b>Order backlog</b>	<b>48,956.4</b>	50,486.4	-3.0%	<b>48,956.4</b>	50,486.4	-3.0%	51,362.1
<b>Employees (end of period)</b>	<b>47 472</b>	54 784	-13.3%	<b>47 472</b>	54 784	-13.3%	53,282

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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](http://www.hochtief.com/en/news-media).