

Press Release

9M 2021: Nominal net profit of
EUR 294 million up 19% // 40% increase in
new orders drives strong order book of EUR
51.2 billion, now 6% above pre-Covid level

- **Nominal net profit of EUR 294 million, +19% year on year (yoy); operational net profit EUR 322 million, +13% yoy**
 - Resilient sales and margin performance with operational PBT margin of 2.9% in 9M 2021 pre-Abertis up 10 basis points notwithstanding Covid impact
 - Abertis earnings contribution of EUR 43 million in 9M 2021 a EUR 47 million increase yoy; Q3 2021 traffic consistently above pre-Covid level
 - EUR 4.32 nominal earnings per share (+22% yoy) for 9M 2021
- **Free cash flow from operations positive, EUR +97 million yoy, EUR 736 million in last twelve months, pre-factoring**
- **Net cash EUR 28 million would stand at EUR 328 million adjusting for the variation in factoring**
- **New orders of EUR 22.5 billion, +40% yoy**
 - Strong recovery in new orders continues with EUR 8.2 billion in Q3, +29% yoy
 - Order backlog of EUR 51.2 billion up EUR 5.4 billion ytd or 12%, with solid increases in all divisions; order backlog now 6% above December 2019 pre-pandemic level
- **Guidance for 2021 (operational net profit of EUR 410–460 million) confirmed; positive outlook supported by strong new orders**

During the first nine months of 2021, HOCHTIEF has delivered a resilient performance, despite the different impacts of Covid in its core markets. “With solid increases in profits, cash flow and new orders, we are positive on the outlook for HOCHTIEF,” said CEO Marcelino Fernández Verdes. The Group ended the period with a positive net cash position and had an order backlog of EUR 51.2 billion which now stands 6% above the pre-Covid December 2019 level.

In the first nine months of 2021, the Group has delivered a **nominal net profit** of EUR 294 million. This represents a 19% increase compared with EUR 246 million in 9M 2020 on a like-for-like basis, adjusting for the divestment of 50% of Thiess. **Nominal earnings per share** were 22% higher.

Operational net profit of EUR 322 million rose year-on-year by 13% like-for-like. Margins remained firm across our divisions.

The EUR 43 million profit contribution from the stake in Abertis in the first nine months compares with the EUR 4 million loss in the corresponding period of 2020. Traffic levels at Abertis have continued to improve and in the third quarter were consistently above 2019 pre-Covid level.

HOCHTIEF's cash generation has improved during the first nine months of 2021.

Net cash from operating activities increased by EUR 47 million year on year pre-factoring, driven by an improved working capital performance. Regarding the last twelve months, to adjust for seasonality factors, the Group achieved over EUR 800 million in net cash from underlying operating activities or EUR 736 million **free cash flow from operations**, after capex.

HOCHTIEF net cash ended September 2021 up EUR 980 million year on year to EUR 28 million. Looking at the evolution during the year, **net cash** would stand at EUR 328 million adjusting for the EUR 300 million variation in factoring. The Group ended the quarter with a strong **liquidity position** of EUR 5.1 billion with an additional EUR 2.6 billion in undrawn credit facilities.

New orders increased by 40% year on year to EUR 22.5 billion, already exceeding the total for 2020, whilst maintaining a disciplined bidding approach. As a consequence, the Group's **order book** of EUR 51.2 billion is up EUR 5.4 billion, or 12%, since December 2020 and now stands well above the pre-Covid December 2019 level of EUR 48.3 billion.

Looking forward, the opportunities afforded by the numerous stimulus packages approved by governments and the identified tender pipeline of relevant projects worth EUR 530 billion for 2021 and beyond, including EUR 200 billion in PPP projects, provide a positive outlook.

HOCHTIEF aims to further enhance its leading role in relation to **ESG** (Environmental, Social and Governance). To this end, all business units are working on the 2021 to 2025 sustainability plan, which will be finalized in the coming weeks. The new framework comprises carbon reduction targets in order to support the goals of the Paris Agreement to stop global warming.

To promote the sustainable transformation of our industry, HOCHTIEF is focusing strongly on digital solutions. **Innovation** subsidiary Nexlore has already developed numerous applications that help to identify potential energy savings, simplify processes and cut costs on our own construction sites. In addition, HOCHTIEF ViCon enjoys an excellent reputation as leading provider of BIM (Building Information Modeling). This was once again highlighted by a contract awarded by the German federal government in the third quarter. HOCHTIEF ViCon is developing the BIM implementation strategy for the government's future high-rise building construction projects.

Group Outlook

HOCHTIEF confirms its guidance to achieve an operational net profit in 2021 in the range of EUR 410–460 million an increase of approximately EUR 50–100 million year on year compared with the EUR 359 million of 2020 on a like-for-like basis.

HOCHTIEF Group: Key Figures

A. 9M comparison (see Q3 comparison on next page)

(EUR million)	9M 2021	9M 2020 like for like	9M change	9M 2020 reported	9M change reported	FY 2020 like for like	FY 2020 reported
Sales adjusted	15,588.6	16,271.7	-4.2%	17,907.7	-13.0%	22,227.9	23,679.2
Operational profit before tax/PBT	492.3	444.3	10.8%	620.4	-20.6%	549.5	802.3
Operational PBT margin (%)	3.2	2.7	0.5	3.5	-0.3	2.5	3.4
Operational net profit	322.2	285.2	13.0%	362.8	-11.2%	358.9	476.7
Operational net profit pre-Abertis	279.1	289.4	-3.6%	367.0	-24.0%	376.0	493.8
EBITDA	784.4	726.3	8.0%	1,222.4	-35.8%	978.8	1,749.7
EBITDA margin (%)	5.0	4.5	0.5	6.8	-1.8	4.4	7.4
Nominal profit before tax/PBT	448.6	404.2	11.0%	580.3	-22.7%	548.0	881.9
Nominal net profit	294.3	246.4	19.4%	324.0	-9.2%	311.6	427.2
Nominal net profit pre-Abertis	251.2	250.6	0.2%	328.2	-23.5%	328.7	444.3
Nominal earnings per share (EUR)	4.32	3.53	22.4%	4.65	-7.1%	4.49	6.16
Net cash from operating activities	(221.0)	49.2	(270.2)	82.2	(303.2)	674.3	742.8
Net cash from op. activities pre-factoring	78.9	32.0	46.9	208.0	(129.1)	761.4	1,098.1
Net operating capital expenditure	39.9	89.6	(49.7)	271.7	(231.8)	121.9	371.1
Free cash flow from operations pre-factoring	39.0	(57.6)	96.6	(63.7)	102.7	639.5	727.0
Free cash flow from operations	(260.9)	(40.4)	(220.5)	(189.5)	(71.4)	552.4	371.7
Free cash flow pre-factoring	(96.7)	(351.5)	254.8	(357.6)	260.9	430.2	1,787.0
Net cash/net debt	28.3	(951.9)	980.2	(951.9)	980.2	617.9	617.9
New orders	22,487.7	16,071.0	39.9%	16,863.9	33.3%	22,180.5	23,069.9
Order backlog	51,246.8	46,066.8	11.2%	48,956.4	4.7%	45,840.4	45,840.4
Employees (end of period)	33,555	34,959	-4.0%	47,472	-29.3%	34,782	46,644

Note: Operational profits are adjusted for non-operational effects

B. Q3-comparison

(EUR million)	Q3 2021	Q3 2020 like for like	Q3 change	Q3 2020 reported	Q3 change reported	FY 2020 like for like	FY 2020 reported
Sales adjusted	5,318.7	5,397.7	-1.5%	5,960.9	-10.8%	22,227.9	23,679.2
Operational profit before tax/PBT	168.6	159.3	5.8%	221.3	-23.8%	549.5	802.3
Operational PBT margin (%)	3.2	3.0	0.2	3.7	-0.5	2.5	3.4
Operational net profit	116.8	109.4	6.8%	136.0	-14.1%	358.9	476.7
Operational net profit pre-Abertis	86.3	95.4	-9.5%	122.0	-29.3%	376.0	493.8
EBITDA	269.9	245.5	9.9%	420.6	-35.8%	978.8	1,749.7
EBITDA margin (%)	5.1	4.5	0.6	7.1	-2.0	4.4	7.4
Nominal profit before tax/PBT	154.6	144.5	7.0%	206.5	-25.1%	548.0	881.9
Nominal net profit	99.8	95.2	4.8%	121.8	-18.1%	311.6	427.2
Nominal net profit pre-Abertis	69.3	81.2	-14.7%	107.8	-35.7%	328.7	444.3
Nominal earnings per share (EUR)	1.46	1.38	5.8%	1.77	-17.5%	4.49	6.16
Net cash from operating activities	(134.3)	129.4	(263.7)	216.6	(350.9)	674.3	742.8
Net cash from op. activities pre-factoring	(2.0)	101.1	(103.1)	213.9	(215.9)	761.4	1,098.1
Net operating capital expenditure	4.1	10.5	(6.4)	83.9	(79.8)	121.9	371.1
Free cash flow from operations pre-factoring	(6.1)	90.6	(96.7)	130.0	(136.1)	639.5	727.0
Free cash flow from operations	(138.4)	118.9	(257.3)	132.7	(271.1)	552.4	371.7
Free cash flow pre-factoring	8.4	15.2	(6.8)	54.6	(46.2)	430.2	1,787.0
Net cash/net debt	28.3	(951.9)	980.2	(951.9)	980.2	617.9	617.9
New orders	8,224.2	6,361.7	29.3%	6,499.7	26.5%	22,180.5	23,069.9
Order backlog	51,246.8	46,066.8	11.2%	48,956.4	4.7%	45,840.4	45,840.4
Employees (end of period)	33,555	34,959	-4.0%	47,472	-29.3%	34,782	46,644

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 35,000 employees and a sales volume of about EUR 22 billion in 2020, 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 <https://www.hochtief.com/news-media>