

Press Release

HOCHTIEF delivers EUR 454 million operational net profit in 2021 and expects a 5 to 15% increase in 2022 // 2021 nominal net profit of EUR 208 million due to extraordinary one-off effect

- **Operational net profit EUR 454 million, +26% year on year (yoy); nominal net profit EUR 208 million, -33% yoy**
 - Resilient performance with sales stable at EUR 21.4 billion with positive Q4 trend (+6% yoy f/x-adjusted)
 - Solid margin level with operational PBT margin of 3.3%, up 40 bps yoy pre-Abertis
 - Abertis earnings contribution of EUR 58 million, +EUR 75 million yoy
 - EUR -195 million extraordinary one-off Chilean project arbitration outcome included in nominal net profit
- **Free cash flow from operations of EUR 704 million, up 10% pre-factoring**
- **Net cash position on EUR 556 million, up EUR 292 million yoy pre-factoring**
- **New orders of EUR 30.2 billion, +36% yoy with positive momentum sustained in Q4**
 - Order backlog of EUR 51.9 billion up EUR 6.1 billion yoy (12%), with solid increases in all divisions; backlog 8% above pre-Covid level of December 2019
- **Guidance FY 2022: operational net profit EUR 475–520 million (+5 to 15% yoy); positive outlook supported by strong order backlog**
 - 2021 dividend proposal EUR 1,91 per share; unchanged payout ratio 65% of nominal net profit
- **Sustainability Plan launched; HOCHTIEF targets climate neutrality in 2045**

“HOCHTIEF has delivered a resilient operational performance in the face of the significant challenges which the pandemic has presented in 2021,” said CEO Marcelino Fernández Verdes. The year has seen the Group achieve solid increases in operational profit, cash flow and new orders. Nevertheless, nominal

net profit for 2021 was reduced by a EUR 195 million extraordinary one-off project arbitration decision in relation to a legacy hydropower plant in Chile. The Group ended the period with a net cash position of over EUR 550 million and our order backlog of EUR 52 billion now stands well above the pre-Covid December 2019 level.

Operational net profit in 2021 of EUR 454 million represents a 26% year-on-year increase versus the comparable figure of EUR 359 million. The Group's **nominal net profit** of EUR 208 million follows the one-off charge related to Chile.

Operational PBT increased by EUR 160 million, or 29%, to EUR 710 million driven mainly by Asia Pacific and Abertis. Margins remained firm across the divisions with HOCHTIEF's **operational PBT margin** of 3.3% showing a 40 basis point increase pre-Abertis. The profit contribution from the toll road operator investment increased by EUR 75 million year on year.

HOCHTIEF achieved a robust cash generation performance in 2021 with **net cash from operating activities** of EUR 760 million pre-factoring accompanied by a solid working capital performance. After net operating capex of 56 million, the corresponding **free cash flow from operations** of EUR 704 million was 10% higher than in 2020.

At the end of 2021 HOCHTIEF had a **net cash position** of EUR 556 million. Adjusting for factoring the year-on-year change is an increase in net cash of EUR 292 million. And this is after shareholder remuneration of EUR 311 million during the year. The Group ended the quarter with a strong liquidity position of almost EUR 5 billion with a solid BBB- investment grade rating with stable outlook.

New orders increased by EUR 8 billion, or 36%, year on year to over EUR 30 billion with HOCHTIEF maintaining a disciplined bidding approach. As a consequence, the **Group's order book** of EUR 52 billion is up by over EUR 6 billion, or 12%, since December 2020 and now stands well above the comparable pre-Covid December 2019 level of EUR 48.3 billion.

The proposed **dividend** for 2021 of EUR 1.91 per share represents a 65% payout on the nominal net profit for the year. Since 2012 HOCHTIEF has

distributed EUR 2.1 billion in dividends to its shareholders, equivalent to EUR 29.0 per share. Looking forward, shareholder remuneration will continue to be a management priority.

“HOCHTIEF is well placed for the future based on our solid, long-standing positions in our key local markets, a de-risked and growing order book and the identified tender pipeline of relevant projects worth over EUR 600 billion for 2022 and beyond in our core markets, including PPP projects. The numerous stimulus packages approved by governments provide additional opportunities,” said CEO Marcelino Fernández Verdes.

The Executive Board is leading the twin transition: green and digital, which is a key element of the strategy. The Group accelerated its focus on **environmental, social and governance (ESG)** priorities and approved its Sustainability Plan 2025. CEO Marcelino Fernández Verdes: “We fully support the goals of the Paris Climate Agreement to stop global warming and to achieve climate neutrality by 2050 and our ambition is for the Group to reach this objective well ahead of schedule. We target to be climate-neutral in 2045.”

HOCHTIEF’s innovation hub Nexlore investigates technology and the market environment in the IT sector for potential applications in the Group’s business segments and develops custom software, tools, and processes for the industry. The current range of thematic areas includes artificial intelligence, virtual reality, machine learning, the Internet of Things, and Industry 4.0.

Group Outlook

With solid margins, positive cash flow trends and an expanding order book driven by the strong increase in new orders 2021 the outlook is positive with a Group guidance for 2022 for an operational net profit in the range of EUR 475–520 million. This is an increase of between 5% and 15% year on year.

HOCHTIEF Group: Key Figures

(EUR million)	FY 2021	FY 2020 like-for- like	FY Change	Q4 2021	Q4 2020 like-for- like	Q4 Change	FY 2020 reported
Sales	21,377.9	21,502.5	-0.6%	5,789.3	5,230.8	10.7%	23,679.2
Operational profit before tax/PBT	709.6	549.5	29.1%	217.3	105.2	106.6%	802.3
Operational profit before tax/PBT pre Abertis	651.6	566.6	15.0%	202.4	118.1	71.4%	819.4
Operational PBT margin in %	3.3	2.6	0.7	3.8	2.0	1.8	3.4
Operational PBT pre-Abertis margin in %	3.0	2.6	0.4	3.5	2.3	1.2	3.5
Operational net profit	453.7	358.9	26.4%	131.5	73.7	78.4%	476.7
Operational net profit pre-Abertis	395.7	376.0	5.2%	116.6	86.6	34.6%	493.8
Operational earnings per share (EUR)	6.65	5.17	28.6%	1.93	1.08	78.7%	6.87
EBITDA	1,070.7	978.8	9.4%	286.3	252.5	13.4%	1,749.7
EBITDA margin in %	5.0	4.6	0.4	4.9	4.8	0.1	7.4
EBIT	756.5	695.4	8.8%	210.6	177.5	18.6%	1,046.1
EBIT margin in %	3.5	3.2	0.3	3.6	3.4	0.2	4.4
Nominal profit before tax/PBT	435.0	548.0	-20.6%	(13.6)	143.8	-109.5%	881.9
Nominal net profit	207.9	311.6	-33.3%	(86.4)	65.2	-232.5%	427.2
Nominal earnings per share (EUR)	3.05	4.49	-32.1%	(1.27)	0.95	-233.7%	6.16
Net cash from operating activities	405.6	674.3	(268.7)	626.6	625.1	1.5	742.8
Net cash from op activities pre-factoring	759.5	761.4	(1.9)	680.6	729.4	(48.8)	1,098.1
Net operating capital expenditure	55.6	121.9	(66.3)	15.7	32.3	(16.6)	371.1
Free cash flow from operations	350.0	552.4	(202.4)	610.9	592.8	18.1	371.7
Net cash/net debt	555.8	617.9	(62.1)	555.8	617.9	(62.1)	617.9
New orders	30,161.7	22,180.5	36.0%	7,674.0	6,109.5	25.6%	23,069.9
Order backlog	51,916.4	45,840.4	13.3%	51,916.4	45,840.4	13.3%	45,840.4
Employees (end of period)	33.835	34.782	-2.7%	33 835	34 782	-2.7%	46 644

Note: Operational profits are adjusted for non-operational effects;

Comparable periods have been adjusted to reflect Thiess as a 50% equity JV.

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 34,000 employees and a sales volume of about EUR 21 billion in 2021, 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>