

Press Release

HOCHTIEF increases nominal net profit by 132% supported by outstanding cash flow performance // Strong growth in high-tech infrastructure and energy transition projects

- **Strong increase of nominal net profit to EUR 482 million vs. EUR 208 million in 2021 (+132%)**
 - Operational net profit EUR 522 million, +15% year on year (yoy)
 - Solid performance with sales up 23% yoy at EUR 26.2 billion (+12% f/x-adjusted) driven by Americas and Asia Pacific
 - All divisions contributed to the Group's operational net profit growth
- **Underlying cash flow from operating activities EUR 1.2 billion, up EUR 452 million yoy**
- **Solid net cash position of EUR 354 million, after net EUR 534 million CIMIC minority buyout and EUR 126 million MACA acquisition**
- **Order backlog of EUR 51.4 billion up EUR 3.0 billion or 6% yoy;**
 - New orders of EUR 30.1 billion (+9% yoy), with strong Q4 momentum
- **Guidance FY 2023: operational net profit EUR 510–550 million; positive outlook supported by strong order backlog**
 - Proposed dividend of EUR 4.00 per share (vs. EUR 1.91 for 2021)
 - Several strategic and bolt-on acquisitions completed
 - Well positioned to benefit from opportunities in fast growing high-tech, energy transition and sustainable infrastructure markets

“HOCHTIEF delivered a robust performance in 2022 notwithstanding the challenges of the current macroeconomic environment”, says CEO Juan Santamaría. “Solid growth in revenues and profits was accompanied by an outstanding cash flow performance and a further expansion of the order book, particularly in high-tech infrastructure and energy transition projects”.

HOCHTIEF also achieved a substantial simplification of the Group corporate structure in 2022 following the successful buyout of the minorities of our Australian subsidiary CIMIC.

Sales increased by 23% in 2022 to EUR 26.2 billion and were 12% higher in f/x-adjusted terms. **Operational net profit** rose by 15% to EUR 522 million with nominal net profit of EUR 482 million compared with EUR 208 million in 2021. All divisions contributed to the operational net profit growth.

Cash flow generation was very strong in underlying and nominal terms. Underlying cash flow from operating activities pre-factoring of EUR 1.2 billion was EUR 452 million higher year on year, driven by an outstanding cash-conversion level.

HOCHTIEF ended the year with a solid **net cash position** of over EUR 350 million. Adjusting for the EUR 534 million investment in CIMIC (net of the HOCHTIEF capital increase) and EUR 126 million for the MACA acquisition, the balance sheet would show a net cash position of just over EUR 1.0 billion. Maintaining a strong balance sheet is a key element of our Group strategy and part of the commitment to maintaining an investment grade rating.

The Group's **order book** stands at EUR 51.4 billion and is up by EUR 3.0 billion since December 2021. Over half of our backlog (54%) is located in North America with a further 38% in the Asia-Pacific region and 8% in Europe. As a consequence of the strategy to further improve the Group's risk profile, lower-risk contracts, which incorporate enhanced risk-sharing mechanisms, now account for over 80% of our order book.

"A key element of our corporate strategy is to further develop HOCHTIEF's presence in rapidly expanding high-tech, energy transition and sustainable infrastructure markets", says CEO Juan Santamaría. "By harnessing the strong existing infrastructure skill-set and local presence in key developed markets we can materialize these growth opportunities".

New orders exceeded the EUR 30 billion level and are 9% higher year on year on a comparable basis. The Group recorded strong order intake in several attractive growth markets:

- **Energy transition**

Industry experts estimate that automakers will invest USD 330 billion globally in the entire electric-vehicle supply chain over the next five years.



About a third of that is expected to go into batteries. HOCHTIEF was awarded a contract in Germany for the construction of a battery-cell factory worth around EUR 240 million. In the U.S., our subsidiary Turner has already won several mega projects, including a project for Ascend Elements in Hopkinsville, Kentucky, with an investment volume of up to USD 1 billion.

Earlier this year, UGL was awarded a significant contract to install a Tesla-supplied battery energy storage system and associated high-voltage infrastructure on the premises of an existing large solar farm in Queensland. HOCHTIEF Group has been building solar farms in Australia for many years and CIMIC is developing a solar farm to supply electricity to 45,000 households in Victoria. Furthermore, the Group is constructing a hydrogen-ready power generation plant in New South Wales.

- **Digital infrastructure**

HOCHTIEF already has an order backlog of more than EUR 4 billion in this sector. Investments in 2021 in the data center market alone amounted to EUR 50 billion globally and forecasts predict an increase to EUR 111 billion per year by 2027.

In the U.S., Turner has executed several data centers for many of the biggest tech giants, and approximately 40 more are just underway. In 2022, Turner won new contracts for data centers worth more than EUR 3 billion. CIMIC also won an advanced data center project during the year. In Europe, HOCHTIEF has teamed up with an infrastructure fund to build and operate sustainable data centers in Germany.

- **New mobility**

At Los Angeles International Airport we are building an automated people mover for driverless transport of airport passengers. In Australia, the CIMIC subsidiary UGL has been awarded a 7-year contract to operate the backbone for a connected and intermodal network in Sydney.

- **Healthcare and biopharma**

Turner has been the number one healthcare builder in the U.S. for more than 20 years and carried out USD 2.3 billion in healthcare construction during 2022. In Australia we have been selected for the early contractor involvement phase for the redevelopment of Sydney's Royal Prince Alfred Hospital as well as the main works on the Nepean Hospital Redevelopment. Recently Turner has been awarded a contract to build a USD 725 million biopharma plant in Colorado producing Oligonucleotides which help treat cancer and cardiovascular disease.

An active evaluation of **capital allocation** options is a key ingredient of the Group's strategy to support HOCHTIEF's diversification, simplification and growth as well as our expertise in high-tech infrastructure. Investments made during 2022 included strategic acquisitions:

- In June HOCHTIEF took a significant step forward in simplifying the corporate structure when the Group achieved 100% ownership of CIMIC Group Limited as a result of the takeover offer launched on February 23 for the 21.4% free-float minority shares of the Australian company. The EUR 940 million investment was partly financed via a EUR 406 million, 10% capital increase in June.
- During the fourth quarter, an AUD 372 million offer made by Thiess, a CIMIC joint venture, for 100% of Australian resources company MACA, was successfully completed. The acquisition of MACA supports Thiess' strategy to diversify its operations across commodities and services as well as geographies.

As a consequence of HOCHTIEF's strong performance the **proposed dividend** for 2022 is EUR 4.00 per share, compared with EUR 1.91 per share for 2021. This represents an approximately 65% payout on the nominal net profit for the year or over EUR 310 million. Looking forward, shareholder remuneration will remain a management priority.

Environmental, social and governance, ESG, is another strategic priority for the management. In 2022 HOCHTIEF published its Sustainability Plan 2025 with the commitment to be climate-neutral by 2045. The sustainability performance



already puts the Group amongst the leading companies in the industry. HOCHTIEF subsidiary Turner has once again been recognized as the largest green builder in the United States whilst in Australia CIMIC is one of the leading providers of sustainable infrastructure projects. HOCHTIEF Europe has won numerous ESG awards for outstanding projects last year. Overall the HOCHTIEF Group delivered EUR 11.8 billion of certified green projects last year. In 2022, for the 17th year in a row, HOCHTIEF was included in the internationally recognized Dow Jones Sustainability Index. On this occasion HOCHTIEF received the highest sustainability score worldwide in the “Construction & Engineering” sector of the Dow Jones Sustainability World Index (DJSI). Moreover, HOCHTIEF ranks very positively with ESG rating agencies such as Sustainalytics and MSCI.

Group Outlook

For 2023 our guidance is for an operational net profit of between EUR 510–550 million subject to market conditions.

HOCHTIEF Group: Key Figures

(EUR million)	FY 2022	FY 2021	FY Change	Q4 2022	Q4 2021	Q4 Change
Sales	26,219.3	21,377.9	22.6%	7,095.7	5,789.3	22.6%
Operational profit before tax/PBT	733.1	709.6	3.3%	187.0	217.3	-13.9%
Operational PBT margin in %	2.8	3.3	(0.5)	2.6	3.8	(1.2)
Operational net profit	521.5	453.7	14.9%	140.8	131.5	7.1%
Operational earnings per share (EUR)	7.24	6.65	8.9%	1.87	1.93	-3.1%
EBITDA	1,184.5	1,070.7	10.6%	321.2	286.3	12.2%
EBITDA margin in %	4.5	5.0	(0.5)	4.5	4.9	(0.4)
EBIT	840.7	756.5	11.1%	223.0	210.6	5.9%
EBIT margin in %	3.2	3.5	(0.3)	3.1	3.6	(0.5)
Nominal profit before tax/PBT	677.2	435.0	55.7%	175.0	(13.6)	1,386.8%
Nominal net profit	481.8	207.9	131.7%	126.4	(86.4)	246.3%
Nominal earnings per share (EUR)	6.68	3.05	119.0%	1.68	(1.27)	232.3%
Cash flow from operating activities*	1,287.4	405.6	881.8	1,138.1	626.6	511.5
Cash flow from operating activities pre-factorings*	1,211.8	759.5	452.3	1,090.1	680.6	409.5
Net operating capital expenditure	164.0	55.6	108.4	55.9	15.7	40.2
Free cash flow from operating activities*	1,123.4	350.0	773.4	1,082.2	610.9	471.3
Net cash/net debt	353.6	555.8	(202.2)	353.6	555.8	(202.2)
New orders	30,066.6	27,673.3	8.6%	9,192.0	6,719.5	36.8%
Order backlog	51,404.0	48,387.5	6.2%	51,404.0	48,387.5	6.2%
Employees (end of period)	36,858	33,835	8.9%	36,858	33,835	8.9%

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

* Underlying cash flow figures, excluding the extraordinary payments in the amount of EUR 237 million for the CCPP legacy settlement and for the final payment of the legacy Chilean project

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 37,000 employees and a sales volume of more than EUR 26 billion in 2022, 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>