

Press Release

HOCHTIEF delivers solid 9M 2023 profit growth, strong cash flow and 39% growth in new orders // Guidance confirmed

CORPORATE COMMUNICATIONS

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- **Operational net profit EUR 403 million, +6% year on year (yoy) or over 10% f/x adjusted; nominal net profit EUR 381 million, +7%**
 - Solid performance with sales up 6% yoy, 11% f/x-adjusted at EUR 20.4 billion, driven by all divisions
 - Robust margins
- **Strong Q3 2023 cash flow from operating activities pre-factoring up EUR 135 million yoy**
 - EUR 1.3 billion last twelve months highlights sustained high level of cash conversion when adjusting for seasonality
- **Net debt reduced by EUR 158 million yoy driven by a EUR 478 million underlying improvement**
- **New orders of EUR 27.8 billion in 9M 2023, exceptional growth of EUR 7 billion yoy (+39% f/x-adj.)**
 - Acceleration of strong growth trend in Q3 (new orders +51%) driven by strategic focus on high-growth areas
 - Vast majority of new orders is of lower-risk nature
 - Order backlog of EUR 56.1 billion, up +14% f/x-adj. yoy
- **Guidance FY 2023 confirmed: operational net profit of EUR 510–550 million**
 - Strategic focus on rapidly expanding high-tech, energy transition and sustainable infrastructure markets driving strong order book growth, positive profit momentum and further improving risk profile
 - Starting to deploy equity in high-tech infrastructure projects

HOCHTIEF has delivered a strong performance during the first nine months of 2023 with solid sales and profit growth, firm cash generation and an exceptional 39% growth in new orders.

HOCHTIEF CEO Juan Santamaría: “The increase is driven by our strategic focus on the growth opportunities in the rapidly expanding areas of high-tech, energy transition and sustainable infrastructure markets. This strategy is driving strong order backlog growth, positive profit momentum and a steadily improving risk profile and is accompanied by our prioritization of ESG.”

Sales increased by 6% yoy during the January-September period to EUR 20.4 billion, up 11% on an f/x-adjusted basis. **Margins** remain robust and **EBITDA**

rose 5% to EUR 908 million or 10% adjusting for f/x. **Nominal net profit** was 7% higher at EUR 381 million with HOCHTIEF's **operational net profit** for the period rising 6% to EUR 403 million, or over 10% adjusted for f/x effects.

The third quarter saw underlying **cash flow from operating activities** increase by EUR 135 million year on year and the year-to-date cumulative EUR 208 million figure was EUR 87 million above that of the first nine months of 2022. Looking at the last twelve months, to adjust for the impact of seasonality, underlying cash flow from operating activities stands at a high EUR 1.3 billion indicating the Group's strong level of cash conversion.

The HOCHTIEF balance sheet remains robust. In the last twelve months, **net debt** has been reduced by 158 million with an underlying improvement of EUR 478 million year on year driven by the solid cash generation of the Group's businesses.

During the third quarter, the Group distributed approximately EUR 300 million in **dividends** to its shareholders. The EUR 4.00 per share represents a 65% payout of 2022 nominal net profit.

New orders saw an exceptional increase of almost 40% year on year, f/x-adjusted, to EUR 27.8 billion, EUR 7 billion above the comparable 2022 period. The strategically targeted high-growth areas accounted for over 50% of the work secured in the period.

HOCHTIEF's expansion in these markets is a key ingredient in driving the Group's **derisking** progress. The vast majority of the Group's new orders are now being secured under collaborative, alliance-style, or construction management/services type contracts all of which incorporate robust risk-sharing mechanisms.

At the end of September 2023, the Group's **order book** stands at EUR 56.1 billion, up by EUR 3.3 billion year on year, or 14% on an f/x-adjusted basis. Of this total, the proportion of lower-risk contracts is now approximately 85%.



Strategy

HOCHTIEF continues to advance in the delivery of its corporate strategy. The Group has consolidated its core market positions and is rapidly expanding its presence in the structural growth areas of high-tech, energy transition and sustainable infrastructure. This is driving strong order book growth, rising revenue levels, positive profit momentum and further improving the Group's risk profile.

HOCHTIEF has achieved another milestone in the delivery of its strategy with the investment of equity in these high-growth areas, making use of our extensive know-how and experience in PPPs.

Group Outlook

The global economy faces significant macroeconomic challenges. HOCHTIEF is actively managing these challenges and is well positioned for the future based on its solid, long-standing local positions in its key developed markets, its geographical and currency diversification, together with its engineering and supply chain capabilities and a significantly derisked and growing order book. HOCHTIEF confirms its guidance for 2023 for an operational net profit in the range of EUR 510–550 million, subject to market conditions.

HOCHTIEF Group: Key Figures

(EUR million)	9M 2023	9M 2022	9M change	Q3 2023	Q3 2022	Q3 change	FY 2022
Sales	20,361.9	19,123.6	6.5%	7,346.3	7,179.2	2.3%	26,219.3
Operational profit before tax/PBT	571.7	546.1	4.7%	179.5	178.4	0.6%	733.1
Operational PBT margin (%)	2.8	2.9	-0.1	2.4	2.5	-0.1	2.8
Operational net profit	403.1	380.7	5.9%	133.1	131.3	1.4%	521.5
Operational earnings per share (EUR)	5.36	5.36	0.0%	1.77	1.75	1.1%	7.24
EBITDA	907.9	863.3	5.2%	309.3	308.0	0.4%	1,184.5
EBITDA margin (%)	4.5	4.5	0.0	4.2	4.3	-0.1	4.5
EBIT	681.6	617.7	10.3%	227.2	213.1	6.6%	840.7
EBIT margin in %	3.3	3.2	0.1	3.1	3.0	0.1	3.2
Nominal profit before tax/PBT	536.0	502.2	6.7%	164.2	161.7	1.5%	677.2
Nominal net profit	380.9	355.4	7.2%	119.0	115.0	3.5%	481.8
Nominal earnings per share (EUR)	5.06	5.00	1.2%	1.58	1.53	3.3%	6.68
Cash flow from operating activities*	216.1	149.3	66.8	73.5	(4.7)	78.2	1,287.4
Cash flow from op. activities pre-factoring*	208.3	121.7	88.6	194.1	58.7	135.4	1,211.8
Net operating capital expenditure	157.4	108.1	49.3	54.2	45.3	8.9	164.0
Free cash flow from operating activities*	58.7	41.2	17.5	19.3	(50.0)	69.3	1,123.4
Net cash/net debt	(68.2)	(225.9)	157.7	(68.2)	(225.9)	157.7	353.6
New orders	27,844.0	20,874.6	33.4%	9,766.6	6,476.3	50.8%	30,066.6
Order backlog	56,072.4	52,791.0	6.2%	56,072.4	52,791.0	6.2%	51,404.0
Employees (end of period)	41,058	36,800	11.6%	41,058	36,800	11.6%	36,858

Note: Operational profits are adjusted for non-operational effects

* Excluding the extraordinary payments for the CCPP legacy settlement and at HOCHTIEF Europe for the final payment of the legacy Chilean project in FY 2022 and for CCPP legacy settlement in Q1 2023

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>