

Press Release

HOCHTIEF increases operational net profit by 11% to EUR 301 million and new orders by 18% to H1 record of EUR 21.3 billion

- **Operational net profit up 11% to EUR 301 million, or +18% on a comparable basis**
 - Solid sales growth of 7% year on year
 - Stable Group margins
- **Strong operating cash flow of EUR 1.7 billion last twelve months (LTM) driven by sustained high cash conversion, up EUR 409 million year on year**
 - LTM net operating cash flow increases by EUR 373 million year on year
 - H1 cash flow reflects typical seasonal effects
- **Net debt position of EUR 1.1 billion driven by strategic capital allocation decisions and seasonality**
 - Net cash would show a EUR 736 million year-on-year increase, when adjusted for the full consolidation of Thiess, Abertis capital increase, other M&A and the HOCHTIEF dividend
- **Record H1 new orders of EUR 21.3 billion, up 18% year on year or 14% on a comparable basis**
 - Strategic focus on growth markets (approx. 50% of new orders) and majority with lower risk profile
 - Order backlog of EUR 65.9 billion, up 23%, or 14% on a comparable basis, adjusted for full consolidation of Thiess
- **Acquisition of advanced-tech engineering company Dornan Engineering to accelerate Turner's strategy of expanding its European presence**
- **FY 2024 guidance reiterated: operational net profit of EUR 560–610 million (up to +10% year on year)**

“HOCHTIEF has delivered a solid performance during the first half of 2024 with a significant increase in sales and profits accompanied by a continued expansion of our order book driven by a further substantial rise in new orders. The Group has taken important steps forward in its strategic development with two significant acquisitions,” says CEO Juan Santamaría.

“Today we have announced the acquisition of a rapidly growing advanced-tech engineering company which will accelerate Turner’s strategy of expanding its presence in the European data center, biopharma/life sciences and industrial markets. And in April HOCHTIEF increased its ownership of natural resources company Thiess, which strengthens the Group’s business profile and underlines the strategic importance of the global energy transition for the Group.”

Group **sales** of EUR 14.7 billion show a 7% increase year on year. HOCHTIEF’s **operational net profit** rose by 11% to EUR 301 million or 18% on a comparable basis adjusting for the divestment of Ventia in 2023 as well as the global consolidation of Thiess for two months during the second quarter. The **nominal net profit** of EUR 436 million includes a net one-off, non-cash gain at CIMIC.

The cash flow performance for the period includes the characteristic seasonal movement seen during the first quarter of the year. Looking at the last twelve months, **operating cash flow** stands at a strong level of EUR 1.7 billion, reflecting a high level of cash conversion.

HOCHTIEF ended the period with net debt of EUR 1.1 billion driven by seasonality as well as strategic capital allocation decisions taken during the first six months of 2024. Adjusting for the full consolidation of Thiess, the Abertis capital increase, bolt-on M&A and the HOCHTIEF dividend, net cash would show a EUR 736 million year-on-year increase.

The strong growth trend in the Group’s **orders** continued during the second quarter with the first six months of 2024 showing an increase of 18% year on year in the value of projects secured during the period or 14% on a comparable basis. These new orders include several important high-tech, energy transition and sustainable infrastructure projects. As a consequence, the Group’s **order backlog** ended June 2024 at a record level of close to EUR 66 billion, up 23% year on year, or 14% on a comparable basis.

HOCHTIEF’s objective is to deliver an attractive level of shareholder remuneration and create long-term value by generating cash-backed profits, expand its growing presence in strategic high-growth markets and investing equity in greenfield infrastructure projects accompanied by selective M&A.

Turner has today signed an agreement to acquire 100% of Dornan Engineering, a rapidly growing European advanced-tech engineering company. Headquartered in Ireland, Dornan is a leading mechanical and electrical engineering company in Europe.

With a strong presence in the UK, Ireland, Germany, the Netherlands, Denmark and Switzerland amongst others, the business is expected to achieve revenues of around EUR 700 million in 2024. Revenue growth has averaged over 20% in recent years backed by an expanding order book which currently stands at close to EUR 1.1 billion. The company has a complementary business model and a similar risk approach to Turner and also shares many of the direct relationships with blue chips and hyperscalers.

Another important step in the Group strategy was taken at the end of April when CIMIC announced it had entered into an agreement with funds advised by Elliott Advisors (UK) Ltd to acquire an additional 10% equity interest in Thiess. The acquisition, for a purchase price of AUD 320 million, increases the Group's ownership of Thiess to 60%. As a consequence, HOCHTIEF has fully consolidated Thiess for two months during the second quarter.

HOCHTIEF's capital allocation strategy is also focused on bolt-on-acquisitions, especially in the natural resources sector. During the first half of 2024, CIMIC company Sedgman acquired Prudentia Engineering and Minsol Engineering. These investments complete Sedgman's strategy to become a leading global full service provider in the extraction and refining of minerals essential to the rapidly growing clean energy technologies. They complement Sedgman's brine lithium processing capabilities and will enable it to provide its clients with complete solutions in mineral processing for the global energy transition. The existing critical minerals and mineral processing expertise in copper, high-purity alumina, vanadium, lithium, cobalt, rare earths, uranium and nickel will be further enhanced.

ESG remains a priority for the Group. In 2023, HOCHTIEF was again listed in the Dow Jones Sustainability Index for the 18th year in a row and achieved top positions in the ranking compiled by S&P Global. The Group also improved the ratings regarding important environmental and social issues such as biodiversity and water management as well as occupational safety and human rights.

In addition, MSCI upgraded last year its ESG rating for the Group to AAA from AA making it the highest rated amongst its peers with an improved safety performance cited as one of the drivers of the upgrade.

CEO Juan Santamaría: “The future presents enormous opportunities for the Group for which we are very well positioned, and we will continue to leverage our know-how and skills for the benefit of all our stakeholders.”

Group Outlook

Group guidance for 2024 reiterated: HOCHTIEF expects to achieve an operational net profit in the range of EUR 560–610 million which represents an increase of up to 10% year on year, subject to market conditions.

HOCHTIEF Group: Key Figures

Half-year figures (quarterly figures can be found on the next page)

(EUR million)	H1 2023 reported	H1 2023 comp.	H1 2024	H1 Change year on year	FY 2023
Sales	13,016	13,701	14,652	6.9%	27,756
Operational profit before tax/PBT	392	410	442	8.0%	774
Operational PBT margin	3.0%	3.0%	3.0%	0 bps	2.8%
Operational net profit	270	256	301	17.6%	553
Operational earnings per share (EUR)	3.59	3.40	4.00	17.6%	7.35
EBITDA	599	723	827	14.3%	1,230
EBITDA margin	4.6%	5.3%	5.6%	40bps	4.4%
EBIT	454	494	602	21.8%	910
EBIT margin	3.5%	3.6%	4.1%	50bps	3.3%
Nominal profit before tax/PBT	372	389	486	24.9%	715
Nominal net profit	262	248	436	76.2%	523
Nominal earnings per share (EUR)	3.48	3.29	5.80	76.3%	6.95
Operating cash flow (OCF) LTM	1,275		1,685	409	1,519
Net operating cash flow LTM	912		1,285	373	1,162
Operating cash flow (OCF)	143	236	308	72	1,519
Net operating capital expenditure and leases	(183)	(265)	(226)	39	(357)
Net operating cash flow	(41)	(29)	82	111	1,162
Net cash/net debt	346	(710)	(1,118)	(408)	872
New orders	18,077	18,640	21,310	14.3%	36,677
Order backlog	53,587	57,966	65,899	13.7%	55,325
Employees (end of period)	40,521	40,521	44,862	10.1%	41,575

Note: Operational PBT and net profit have been adjusted for non-operational factors. Comparable H1 2023 earnings figures adjust for the EUR 14 million contribution of Ventia, which was sold in 2023, and apply full consolidation of Thiess for May and June. Minority interest has been calculated on a 50% ownership basis. Cash flow is underlying, i.e. excl. one-off payments for CCPP in H1 2023 (EUR 185 million). H1 2023 comparable cash flow figures additionally exclude the Ventia dividend received (EUR 14 million) and reflect the full consolidation of Thiess in the last two months of H1 2023, consistent with the treatment in H1 2024.

Quarterly figures

(EUR million)	Q2 2023 reported	Q2 2023 comp.	Q2 2024	Q2 Change year on year	FY 2023
Sales	6,827	7,512	7,895	5.1%	27,756
Operational profit before tax/PBT	189	221	237	6.9%	774
Operational net profit	133	133	159	19.3%	553
EBITDA	303	442	521	17.8%	1,230
EBIT	235	289	373	29.2%	910
Nominal profit before tax/PBT	181	213	291	36.9%	715
Nominal net profit	134	135	304	125.1%	523
Operating cash flow (OCF)	876	970	1,030	61	1,519
Net operating capital expenditure and leases	(92)	(174)	(152)	23	(357)
Net operating cash flow	783	795	878	83	1,162
New orders	9,547	10,110	10,798	6.8%	36,677
Order backlog	53,587	57,966	65,899	13.7%	55,325

Note: Operational PBT and net profit have been adjusted for non-operational factors.

Comparable H1 2023 earnings figures adjust for the EUR 14 million contribution of Ventia, which was sold in 2023, and apply full consolidation of Thiess for May and June. Minority interest has been calculated on a 50% ownership basis.

Cash flow is underlying, i.e. excl. one-off payments for CCPP in H1 2023 (EUR 185 million). H1 2023 comparable cash flow figures additionally exclude the Ventia dividend received (EUR 14 million) and reflect the full consolidation of Thiess in the last two months of H1 2023, consistent with the treatment in H1 2024.

HOCHTIEF is an engineering-led global infrastructure solutions provider with leading positions in North America, Australia and Europe and a rapidly expanding presence in high-tech, energy transition and sustainable infrastructure markets. With around 41,500 employees and a sales volume of EUR 27.8 billion in 2023, HOCHTIEF is the leading construction management and green building company in the US (through Turner), the largest contractor in the Australia infrastructure services market (CIMIC), a key player in U.S. transportation infrastructure (Flatiron) and a renowned civil engineering and building construction company in Europe. The Group's PPP and infrastructure development activity is complemented by its 20% stake in the leading international toll road concessions operator Abertis. HOCHTIEF's strong competitive position is underpinned by the Group's engineering know-how, innovative digital systems and supply chain & logistics solutions. Thanks to its long-standing commitment to sustainability, HOCHTIEF, where green projects account for almost 50% of Group sales, has been listed in the Dow Jones Sustainability Indices since 2006 and is committed to delivering on its ESG agenda including a net-zero target for 2045. Further information is available at www.hochtief.com