

Press Release

Integration of Flatiron and Dragados North America Civil Construction businesses to create value for HOCHTIEF and ACS

The second largest civil engineering and construction company in the United States will be created by the integration of Flatiron and Dragados in North America, powering the two companies' joint growth potential in this significant market with unparalleled civil infrastructure experience and geographical reach.

ACS Group and HOCHTIEF, the respective owners of Dragados and Flatiron, announced today that they have agreed on key terms for the combination of the two companies, with ownership of the integrated company held 61.8% by ACS Group and 38.2% by HOCHTIEF. The company will be managed by Peter Davoren as Chairman (in addition to his current role as Chairman, CEO & President of Turner) and the current CEO of Flatiron, Javier Sevilla, as CEO. The transaction closing is expected during the second half of 2024.

The integrated business has a backlog of USD 17.2 billion H1 2024, with revenue of USD 6.1 billion in 2023 and USD 3.1 billion in H1 2024. It has a long-standing presence in 24 states of the United States and eight Canadian provinces.

Chief Executive Officer of HOCHTIEF, Juan Santamaría, said: "Bringing together Flatiron and Dragados creates a strong platform for organic growth in North America. They have the expertise, the long-term clients and are geographically complementary, providing significant synergies and economies of scale. We differentiate our commercial offering through our superior technical resources and skills."

"Flatiron and Dragados North America employees have a long history of working together. The new company will have the most respected and recognized value

proposition in its sectors, having delivered renowned projects across the United States and Canada, and can look forward to an even stronger future.”

The company, named Flatiron Dragados, will continue to serve clients across its existing diverse markets and support strong community and stakeholder relationships.

The company’s order backlog of USD 17.2 billion H1 2024 is weighted towards collaborative projects, with approximately 40% secured under this model.

The transformation into a new and even stronger entity creates synergies and economies of scale. The simplified structure will ensure a consistent approach to operations, including tender processes, procurement strategies and risk management, and be value accretive for shareholders of ACS Group and HOCHTIEF.

The integrated company has a strong track record in civil engineering and construction (including roads and bridges, airports, railways, ports, dams and water treatment plants as well as tunneling projects).

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 U.S. (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