

Press Release

Embargoed until 6:00 p.m. (CET) on May 7, 2018

Q1 2018: HOCHTIEF increases operational net profit by 14% to EUR 106 million

- **EUR 106 million operational net profit (+14% year on year), EUR 98 million nominal net profit (+11%)**
 - Operational PBT EUR 208 million, op. PBT margin of 3.9%, +10bps
 - EBITDA last twelve months of EUR 1.3 billion (+22%)
 - Sales Q1 2018 of EUR 5.3 billion, up by 16% f/x-adjusted
- **Strong EUR 1.5 billion net cash from operating activities last twelve months (+14%)**
 - Net cash from op. activities in Q1 2018 improved by EUR 93 million
 - Free cash flow from operations up by EUR 80 million in Q1 2018; EUR 1.2 billion in last twelve months
- **EUR 942 million net cash (+EUR 600 million)**
 - All divisions significantly strengthened year on year and ended Q1 with a net cash position
 - Adjusted for EUR 350 million negative f/x effects last twelve months, net cash position would be EUR 1.3 billion
- **Consistently high order backlog of EUR 44.3 billion (+12% f/x-adjusted), EUR 29.8 billion new orders last twelve months (+22% f/x-adjusted)**
- **Guidance for 2018 confirmed: Operational net profit of EUR 470–520 million (+4% to 15%)**
 - Strong tender pipeline in our core markets of USA, Canada, Asia-Pacific and Europe of around EUR 120 billion in project work for remainder of 2018 and approximately EUR 350 billion for 2019 and beyond

HOCHTIEF has started 2018 in a positive fashion. During the first three months of the year, the Group has substantially improved profits and cash flow and maintained a positive order book trend. “The good start to 2018 shows the competitiveness of our global business. We have increased sales, cash-backed profits and our balance sheet remains strong”, said CEO Marcelino Fernández Verdes: “HOCHTIEF is well positioned to take advantage of future market opportunities.”

Operational net profit, which excludes one-off impacts, rose 14% year on year to EUR 106 million, with the Americas, Asia-Pacific and Europe divisions all contributing to this positive profit development. **Nominal net profit** rose by 11% to EUR 98 million.

The top line also expanded. Adjusting for foreign exchange rate movements, **sales** were 16% higher year on year at EUR 5.3 billion, with growth of 2% in Euro terms. This expansion was accompanied by increased margins. As a percentage of sales, the Group's **operational PBT margin** was 3.9% in Q1 2018, up 10 basis points year on year.

Generating cash-backed profits is a key objective for the Group. **Net cash from operating activities** improved by nearly EUR 100 million year on year driven by further progress in working capital management. The EBITDA cash-conversion rate of 113% remains at a very high level.

HOCHTIEF ended the first quarter of 2018 with a **net cash position** of EUR 942 million, EUR 600 million higher year on year due to the strong cash flow performance of all divisions in the last twelve months. If we adjust for foreign exchange impacts since Q1 2017, net cash would stand at almost EUR 1.3 billion.

The period-end **order book** of EUR 44.3 billion has increased by 12% year on year on an exchange rate adjusted basis. At EUR 29.8 billion, **new orders** in the last twelve months are 22% higher year on year on an exchange rate adjusted basis (+15% in Euro terms), whilst the disciplined approach to risk management remains firmly in place. The Group has identified a strong **pipeline** of relevant projects coming to its markets in North America, Asia-Pacific and Europe of approximately EUR 120 billion for the remainder of 2018 and EUR 350 billion for 2019 and beyond.

Backed by the Group's strong balance sheet, HOCHTIEF is well positioned for the future. Capital allocation remains focused on attractive organic and strategic growth opportunities as well as optimizing shareholder returns.

As a consequence of these solid results and the positive Group outlook HOCHTIEF confirms its **guidance** of an operational net profit in 2018 in the range of EUR 470–520 million. This represents an increase of 4–15% on 2017, with all divisions driving this further improvement in the Group performance.

HOCHTIEF-Group: Key Figures

(EUR million)	Q1 2018	Q1 2017	Q1 change yoy	FY 2017
Sales	5,266.2	5,149.0	2.3%	22,631.0
Operational profit before tax/PBT	207.5	194.3	6.8%	865.8
Operational PBT margin	3.9%	3.8%	0.1	3.8%
Operational net profit	106.3	93.3	13.9%	452.3
Operational earnings per share (EUR)	1.65	1.45	13.8%	7.04
EBITDA	308.9	308.6	0.1%	1,294.4
EBITDA margin	5.9%	6.0%	-0.1	5.7%
EBIT	226.5	216.0	4.9%	904.1
EBIT margin	4.3%	4.2%	0.1	4.0%
Profit before tax/PBT	199.5	188.9	5.6%	823.6
Net profit	97.9	88.3	10.8%	420.7
Earnings per share (EUR)	1.52	1.37	10.9%	6.55
Net cash from operating activities	(169.7)	(262.6)	35.4%	1,372.1
Net operating capital expenditure	(73.8)	(61.3)	20.4%	(251.8)
Free cash flow from operations	(243.5)	(323.9)	24.8%	1,120.3
Net cash/net debt	941.6	341.3	175.9%	1,265.8
New orders	6,754.2	7,445.3	-9.3%	30,443.5
Order backlog (yoy)	44,288.1	44,967.0	-1.5%	44,644.2
Employees (end of period)	55,530	53,505	3.8%	53,890

Operational profits are adjusted for deconsolidation effects and other one-off impacts

HOCHTIEF is a leading global construction and services group. The Group is present in the transportation, energy and social/urban infrastructure sectors as well as in the contract mining, PPP and services markets. With around 54,000 employees and a sales volume of about EUR 23 billion in 2017, HOCHTIEF's global presence is focused on developed markets. With 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. Thanks to its commitment to sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at www.hochtief.com/press.