



Press Release

HOCHTIEF 2023 operational net profit up 11% to EUR 553 million // Outstanding cash flow // 2024 net profit guidance for up to 10% further increase supported by 27% rise in new orders

CORPORATE-
COMMUNICATIONS

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- Operational net profit EUR 553 million, at the top end of the guidance range, +11% f/x-adjusted year on year (yoy)
 - Nominal net profit growth of 8%, or 14% f/x-adj., to EUR 523 million
 - Sales up 10% yoy adjusting for f/x-effects at 27.8 billion driven by all divisions
- Outstanding cash flow from operating activities* of EUR 1.45 billion up EUR 236 million yoy
- Strong year-end balance sheet with net cash of EUR 872 million up EUR 519 million yoy
- Record new orders of EUR 36.7 billion in FY 2023, up EUR 6.6 billion yoy (+27% f/x-adjusted)
 - Strong growth driven by strategic focus on high-growth markets which accounted for approximately 50% of new orders in FY 2023
 - The vast majority of new orders is lower risk in nature; proportion of lower-risk order book increased to approx. 85%
 - Order backlog of EUR 55.3 billion, up EUR 3.9 billion or +11% f/x-adj. yoy
- FY 2024 guidance: operational net profit of EUR 560 – 610 million (up to +10% yoy)
 - Strategic focus on rapidly expanding high-tech, energy transition and sustainable infrastructure markets driving strong order book growth, positive margin momentum and further improving risk profile
 - Starting to deploy equity in high-tech infrastructure projects
 - Proposed 2023 dividend of EUR 4.40 per share (2022: EUR 4.00)

“HOCHTIEF delivered a strong performance in 2023. We have enormous opportunities for the Group for which we are very well placed to benefit from”, comments HOCHTIEF CEO Juan Santamaria. “Continued strong growth in sales and profits was accompanied by an outstanding cash flow performance and a further expansion of our order book, particularly in the high-growth markets. In addition, we have consolidated our core market positions and significantly

* Cash flow figures pre-factoring, and underlying, i.e. excluding extraordinary payments



reduced the Group's risk profile by further increasing the proportion of lower-risk projects", Santamaría added on last year's results.

Sales increased by 10%, on an f/x-adjusted basis, to EUR 27.8 billion or 6% in nominal terms accompanied by stable operating margins. Operational net profit rose by 11%, f/x-adjusted, to EUR 553 million at the top end of the guidance range provided at the beginning of 2023. Nominal net profit of EUR 523 million compared with EUR 482 million in 2022 showing an 8% increase, or 14% f/x-adjusted.

HOCHTIEF's cash generation was outstanding in 2023 with underlying cash flow from operating activities of EUR 1.45 billion. As a consequence, the Group ended the year with a strong net cash position of EUR 872 million, an increase of EUR 519 million compared with December 2022.

The Group's order book now stands at EUR 55.3 billion and is up by EUR 3.9 billion, or 11% f/x-adjusted compared with December 2022. As a consequence of our strategy to further improve the Group's risk profile, lower-risk contracts, which incorporate enhanced risk-sharing mechanisms, now account for around 85% of our order book compared with around 65% six years ago.

Growth in our order backlog was driven by record new orders in 2023 of EUR 36.7 billion, an increase year on year of 27% in local currency terms. Demand has been very strong across the Group's divisions with particular strength in high-tech infrastructure markets where HOCHTIEF secured important projects wins in areas such as data centers, energy transition and new mobility concepts. At EUR 2.9 billion, the volume of new orders in Germany has almost tripled reflecting HOCHTIEF's strong position as a solutions provider in social and transport infrastructure markets.

CEO Juan Santamaría: "A key element of our corporate strategy is to further develop HOCHTIEF's presence in rapidly expanding high-tech markets. By harnessing our strong existing infrastructure skill-set and local presence in key developed markets as well as the resultant potential synergies, we can maximize these growth opportunities across the Group. The strong growth in new orders achieved in 2023 shows the strategy is delivering".

During the year HOCHTIEF started to deliver on the next phase of the Group's



strategy in relation to investing equity in high-tech and energy transition growth sectors. In 2023, HOCHTIEF committed a total of around EUR 150 million (EUR 35 million invested) in these areas as well as EUR 43 million in traditional PPPs (EUR 23 million invested). In a significant milestone for the business, a HOCHTIEF joint venture has been awarded a contract to finance, plan, build and operate a fast-charging network for electric vehicles by the German Ministry of Transport. Total investment amounts to around EUR 250 million which will include an equity investment of over EUR 50 million. The investment reflects the Group's strategy to invest equity in high-tech growth sectors where it is possible to apply the financing, project management and O&M capabilities built up over many years in the PPP business. Similar models are expected to be replicated in several other European countries to meet the increasing demand for EV chargers. Other equity investments have been committed particularly in data center projects in Germany and large-scale solar farm projects in Australia.

Examples of project successes in high-tech markets:

HOCHTIEF's U.S. subsidiary Turner was awarded orders for several new data centers in the U.S. worth USD 2.8 billion during 2023. The Australian subsidiary CIMIC won data center contracts in Hong Kong, the Philippines and Malaysia this year, worth approximately AUD 400 million. In Europe, HOCHTIEF was awarded a data center contract in Warsaw and is about to start construction of a sustainable, edge data center in Germany. At the beginning of 2024, Turner was selected by Meta to build a USD 800 million data center in Indiana. And HOCHTIEF has been awarded a data center project in Europe with the support of Turner.

The Group is strongly positioned in the energy transition market. In the U.S. HOCHTIEF is a leading EV battery gigafactory builder via Turner which secured new orders of USD 2.5 billion in 2023. CIMIC's services subsidiary UGL won further orders for expansion of battery storage energy systems, including for Neoen, one of the world's leading producers of renewable energy. Along with CIMIC's CPB Contractors, UGL will deliver the AUD 1.4 billion HumeLink West transmission Project which will significantly increase the capacity of the electricity network in Australia's eastern states.



HOCHTIEF is also paying particular attention to the commodities required for the energy transition. Lithium is key in relation to electric vehicles. UGL has been awarded a AUD 300 million project in Western Australia for the provision of construction services at a lithium hydroxide plant. Another element that is essential for energy transition is nickel. Group company Thiess has been awarded a AUD 240 million nickel mining contract marking the company's second successful venture in the Indonesian nickel market in 2023.

The infrastructure associated with sustainable mobility and smart cities is a long-term structural growth market. In North America, HOCHTIEF subsidiary Flatiron has been selected as lead contractor for a project in the San Francisco Bay Area, which involves small, electric autonomous vehicles traveling along their dedicated roadways.

Environmental, social and governance, ESG, remains a strategic priority for HOCHTIEF. For Scope 1 and Scope 2 emissions, we aim to be climate-neutral by 2038, and accordingly have defined additional near-term reduction targets through 2030. In accordance with the Sustainability Plan 2025, HOCHTIEF aims for climate neutrality (Net Zero) by 2045. In the last twelve months, international working groups have continued to develop and implement measures to advance on short- and long-term ESG targets. The Group has developed a decarbonization roadmap (net zero pathway), published a statement of principles on human rights and updated its living wage analysis.

As a consequence of HOCHTIEF's strong performance during the year, the proposed dividend for 2023 is EUR 4.40 per share. This represents a 10% increase year on year compared with EUR 4.00 per share for 2022 and is equivalent to an approximately 65% payout on the nominal net profit for the year, in line with the dividend policy. Shareholder remuneration remains a priority for the Group.

Group Outlook

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



HOCHTIEF Group: Key Figures

(EUR million)	FY 2023	FY 2022	FY Change	Q4 2023	Q4 2022	Q4 Change
Sales	27,756.0	26,219.3	5.9%	7,349.1	7,095.7	4.2%
Operational profit before tax/PBT	774.1	733.1	5.6%	202.4	187.0	8.2%
Operational PBT margin in %	2.8	2.8	0.0	2.7	2.6	0.1
Operational net profit	553.1	521.5	6.1%	150.0	140.8	6.5%
Operational earnings per share (EUR)	7.35	7.24	1.5%	1.99	1.87	6.4%
EBITDA	1,230.2	1,184.5	3.9%	322.3	321.2	0.3%
EBITDA margin in %	4.4	4.5	-0.1	4.4	4.5	-0.1
EBIT	909.6	840.7	8.2%	228.0	223.0	2.2%
EBIT margin in %	3.3	3.2	0.1	3.1	3.1	0.0
Nominal profit before tax/PBT	715.0	677.2	5.6%	179.0	175.0	2.3%
Nominal net profit	522.7	481.8	8.5%	141.8	126.4	12.2%
Nominal earnings per share (EUR)	6.95	6.68	4.0%	1.89	1.68	12.5%
Cash flow from operating activities*	1,518.8	1,287.4	231.4	1,302.7	1,138.1	164.6
Cash flow from operating activities pre-factoring*	1,447.5	1,211.8	235.7	1,239.2	1,090.1	149.1
Net operating capital expenditure	192.6	164.0	28.6	35.2	55.9	-20.7
Free cash flow from operating activities*	1,326.2	1,123.4	202.8	1,267.5	1,082.2	185.3
Net cash/net debt	872.2	353.6	518.6	872.2	353.6	518.6
New orders	36,676.9	30,066.6	22.0%	8,832.9	9,192.0	-3.9%
Order backlog	55,325.4	51,404.0	7.6%	55,325.4	51,404.0	7.6%
Employees (end of period)	41 575	36 858	12.8%	41 575	36 858	12.8%

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 FY2022 and for CCPP legacy settlement in Q1 2023

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