



### **Financial Highlights**

- Operational net profit of EUR 124 million (-7% yoy), +10% before Abertis
- Net cash from op. activities pre-factoring of EUR 1.7 billion LTM
- Group net cash of EUR 715 million in Q1 2020, pre BICC cash effect
- Order backlog (EUR 47.6 billion) and new orders (EUR 27.9 billion LTM) on high level
- Outlook across core markets remains positive, monitoring shorter-term impacts

### The HOCHTIEF Group: Key Figures

(EUR million)	Q1 2020	Q1 2019	Change	Full year 2019
Sales	<b>6,155.5</b>	5,732.6	<b>7.4%</b>	25,851.9
Operational profit before tax/PBT	<b>215.7</b>	237.6	<b>-9.2%</b>	1,108.1
Operational PBT margin (%)	<b>3.5</b>	4.1	<b>-0.6</b>	4.3
<b>Operational net profit</b>	<b>123.7</b>	132.7	<b>-6.8%</b>	668.9
Operational earnings per share (EUR)	<b>1.75</b>	1.88	<b>-6.9%</b>	9.47
<b>EBITDA</b>	<b>435.4</b>	443.2	<b>-1.8%</b>	1,892.8
EBITDA margin (%)	<b>7.1</b>	7.7	<b>-0.6</b>	7.3
EBIT	<b>261.0</b>	271.7	<b>-3.9%</b>	1,191.5
EBIT margin (%)	<b>4.2</b>	4.7	<b>-0.5</b>	4.6
Nominal profit before tax/PBT	<b>207.1</b>	232.9	<b>-11.1%</b>	(627.5)
Nominal net profit/loss	<b>114.9</b>	128.0	<b>-10.2%</b>	(206.2)
Nominal earnings per share (EUR)	<b>1.63</b>	1.81	<b>-9.9%</b>	(2.92)
Net cash from operating activities	<b>(387.7)</b>	(173.9)	<b>-213.8</b>	1,602.5
<b>Net cash from operating activities pre-factoring</b>	<b>(178.6)</b>	(338.1)	<b>159.5</b>	1,559.4
Net operating capital expenditure	<b>99.9</b>	113.2	<b>-13.3</b>	518.1
Free cash flow from operations	<b>(487.6)</b>	(287.1)	<b>-200.5</b>	1,084.4
Net cash (+)/net debt (-)	<b>(134.3)</b>	1,173.1	<b>-1,307.4</b>	1,529.0
<b>Net cash (+)/net debt (-) ex-BICC</b>	<b>714.8</b>	1,173.1	<b>-458.3</b>	1,529.0
New orders	<b>4,519.0</b>	7,087.5	<b>-36.2%</b>	30,428.8
<b>New orders LTM</b>	<b>27,860.3</b>	28,431.4	<b>-2.0%</b>	30,428.8
Work done	<b>6,401.6</b>	6,074.0	<b>5.4%</b>	27,138.9
<b>Order backlog</b>	<b>47,577.3</b>	49,286.2	<b>-3.5%</b>	51,362.1
Employees (end of period)	<b>51,980</b>	55,236	<b>-5.9%</b>	53,282

Note: Operational profits are adjusted for non-operational effects

#### Cover photo: Nordhavn Metro in Copenhagen

In a joint venture, HOCHTIEF Infrastructure completed the connection of the Copenhagen metro ring to the Nordhavn harbor area on schedule in March. The new metro line section was opened to traffic and the operator has taken up fully automated operation. HOCHTIEF is currently also working on the Sydhavn line.

Dear Shareholders and friends  
of HOCHTIEF,



Marcelino Fernández Verdes, Chairman of the Executive Board

Our focus on our core markets of Australia, North America and Europe gives the Group a unique and well balanced business profile. During the first quarter, operations at the vast majority of our construction, mining and services sites have continued despite the corona crisis. Overall, the Group's activities continue to progress within the framework of the restrictions which have been put in place.

The corona crisis presents us all with unprecedented difficulties and challenges. We are continuously monitoring the risks and responding to the changing conditions and ensuring the safety of our people.

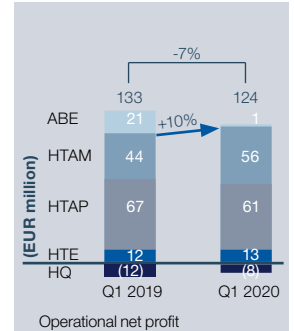
I am glad and proud that in many places the HOCHTIEF Group is proactively helping to mitigate the pandemic. For example, in the United States, Turner, as the leading builder of healthcare projects, has accelerated work to meet the surge in hospital demand. The company was called upon to build space to deliver urgent patient care in 20 locations across the United States. More than 200 Turner staff members—in some cases working in shifts around the clock—have been leading efforts to complete work resulting in more than 4,000 patient care beds in a matter of weeks.

CIMIC, our Australian business, is also supporting community efforts to reduce the spread of Covid-19. CPB Contractors is redeveloping, expanding and building hospitals in New South Wales, Australia, and is also delivering the Christchurch Hospital in New Zealand by bringing in additional resources from neighboring projects.

### HOCHTIEF Group—Q1 2020 overview

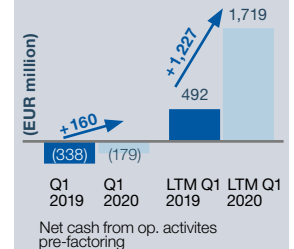
#### Operational net profit of EUR 124 million (-7% yoy), +10% before Abertis

- Sales of EUR 6.2 billion, up 7% yoy (f/x-adj. +8%), with robust contribution from operating divisions
- Abertis profit contribution of EUR 1 million, (Q1 2019 EUR 21 million), driven by corona traffic impacts
- Op. PBT of EUR 216 million, stable yoy before Abertis
- Nominal net profit of EUR 115 million, +7% yoy before Abertis



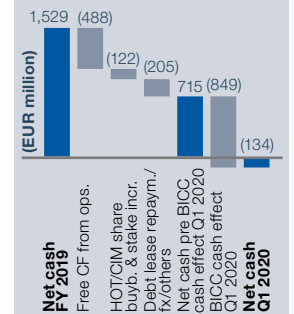
#### Net cash from op. act. pre-factoring of EUR 1.7 billion LTM

- Net cash from op. act. pre-factoring improved by EUR 160 million in Q1 2020, EUR +1.2 billion LTM
- Net working capital performance pre-factoring improved yoy by EUR 133 million in Q1 2020
- Net capex of EUR 100 million in Q1 2020 (EUR -13 million yoy)



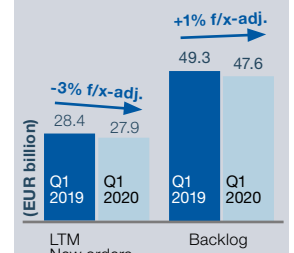
#### Group net cash of EUR 715 million in Q1 2020, pre BICC cash effect

- Group net debt of EUR 134 million, incl. EUR 849 million net cash effect for BICC in Q1 2020
- EUR 122 million cash-out for CIMIC share purchase and HOCHTIEF and CIMIC share buybacks
- Strong liquidity position of over EUR 6.0 billion per end-Q1 2020, S&P BBB rating



#### Order backlog (EUR 47.6 billion) and new orders (EUR 27.9 billion LTM) on high level

- Order backlog of EUR 47.6 billion (yoy +1% f/x-adj.)
- New orders EUR 27.9 billion LTM (yoy -3% f/x-adj.). 1.0x work done; disciplined bidding approach continues in all divisions



#### Outlook across core markets remains positive, monitoring shorter-term impacts

- Once we have better visibility of the consequences of the corona crisis on the business, we will provide an update to 2020 guidance, if required
- Strong position in our core markets and robust tender pipeline: USA, Canada, Asia-Pacific and Europe approx. EUR 600 billion for 2020 and beyond; PPP project pipeline of approx. EUR 220 billion

Notwithstanding the impact of the corona crisis, HOCHTIEF delivered a Q1 2020 consolidated Group operational net profit of EUR 124 million compared with EUR 133 million in the corresponding period of 2019. The **operational net profit** before the Abertis contribution was 10% higher year on year, with all three operating divisions achieving solid results. Sales rose over EUR 400 million, or 7%, to EUR 6.2 billion with an 8% rise on an f/x-adjusted basis.

**Net cash from operating activities** improved by EUR 160 million year on year on an underlying basis. The Group remains focused on cash-backed profits. Due to sustained activity in mining and job-costed tunneling work, HOCHTIEF invested EUR 100 million in net operating capital expenditure compared with EUR 113 million in Q1 2019. Post this capex, the Group achieved a strong year-on-year improvement in free cash flow from operations of over EUR 170 million pre-factoring.

HOCHTIEF ended the first quarter of 2020 with a slight net debt position of EUR 134 million after investing EUR 122 million to acquire 2.8% of CIMIC as well as share buybacks at both HOCHTIEF and CIMIC. Excluding the EUR 849 million cash effect during the quarter of exiting the Middle East, the net cash position would stand at EUR 715 million at the end of March 2020.

Following the announcement of our withdrawal from the Middle East, CIMIC's solid investment grade rating was reaffirmed by the rating agencies. Moody's highlighted the exit from the Middle East as "credit positive" while S&P described it as "consistent with group strategy". Furthermore, S&P's "BBB" investment grade rating for HOCHTIEF is unchanged with a stable outlook.

HOCHTIEF ended the quarter with a strong liquidity position of EUR 6.0 billion further supported by committed, undrawn credit facilities.

The Group's order book reached EUR 48 billion at the end of March 2020, an increase year on year of 1%, on an f/x-adjusted basis. The quality of our **order book** is enhanced by the high level of visibility which our construction management, mining, alliance-style contracts and services activities provide and which account for about two-thirds of HOCHTIEF's order book. Despite the Q1 impact of the corona crisis a solid level of new orders of EUR 27.9 billion has been secured during the last twelve months. A disciplined bidding approach remains a priority across the Group.

Looking forward, our local teams have identified a **project tender pipeline** worth around EUR 600 billion of relevant projects coming to our markets in North America, Asia-Pacific and Europe for 2020 and beyond, with EUR 220 billion of PPP projects in developed markets.

**Shareholder remuneration** continues to be a key element of the Group's capital allocation strategy along with focusing on attractive, organic and strategic growth opportunities. At the Group's Annual General Meeting on April 28, a **dividend** for full year 2019 of EUR 5.80 per share was approved. This represents a **16% increase** compared with 2018.

The impact of the corona crisis has had severe consequences for share prices around the world and the market capitalizations of HOCHTIEF and CIMIC have been sharply impacted. HOCHTIEF has taken the opportunity to invest around EUR 100 million in increasing its holding in CIMIC by about 2.8%, at an average price of AUD 19.2 per share. Following further share buybacks at CIMIC, the stake now stands at 76.7%. Overall, HOCHTIEF and CIMIC have spent EUR 22 million in buying back their own shares in Q1 2020. We expect these investments will create significant value for shareholders.

### **Group Outlook**

Once we have better visibility of the consequences of the corona crisis on the business, we will provide an update to the 2020 guidance, if required.

Yours,

A handwritten signature in blue ink, appearing to read 'M. Fernández Verdes'.

Marcelino Fernández Verdes  
Chairman of the Executive Board

# Interim Management Report

## Financial review

### Overview

Notwithstanding the impact of the corona crisis, HOCHTIEF achieved a robust performance in Q1 2020. Operations at the vast majority of our construction, mining and services sites have continued and our order book remains at a high level.

### Sales and earnings

In the first quarter of 2020, HOCHTIEF Group **sales** rose to EUR 6.2 billion, exceeding the prior-year figure by 7%. On a foreign exchange rate-adjusted basis, the increase would amount to 8%.

The HOCHTIEF Americas division generated strong sales of EUR 3.9 billion in the first three months of the current fiscal year, based on a record high year-end 2019 order book.

At CIMIC, sales in the first quarter of 2020 in the amount of AUD 3.3 billion compared with AUD 3.4 billion in the previous year. At HOCHTIEF Asia Pacific division level, sales stood at EUR 1.9 billion additionally impacted by the movement in the Australian dollar/Euro exchange rate.

The HOCHTIEF Europe division's sales performance at the start of 2020 was again driven by a continued disciplined bidding approach. In the first quarter of 2020, sales amounted to EUR 263 million (Q1 2019: EUR 280 million) with long-term projects progressing according to schedule.

The sales volume generated on markets outside Germany amounted to EUR 6.0 billion in the first three months of 2020, which represent 97% of total Group sales.

**Net income from equity-method associates, joint ventures, and other participating interests** amounted to EUR 34 million in the first quarter of 2020, almost matching the prior-year level (EUR 36 million). The decline at Abertis Investment was almost completely offset by improved earnings contributions from joint ventures.

At EUR 45 million, the **net investment and interest expenses** for the first three months of 2020 were at a similar level to the previous year (EUR 43 million).

HOCHTIEF generated **nominal profit before tax (PBT)** of EUR 207 million in the first quarter of 2020. **Operational PBT** (nominal PBT adjusted for non-operational effects) was EUR 216 million. Temporary lockdown measures in key markets starting in March 2020 led to a decline in traffic and toll road revenues at Abertis. The Abertis Investment PBT contribution therefore reduced to EUR 1 million compared with EUR 21 million in Q1 2019. The operational PBT for our operating divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, HOCHTIEF Europe, and Corporate are stable at EUR 215 million compared to the previous year.

### Sales

(EUR million)	Q1 2020	Q1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	3,927.6	3,280.3	19.7%	15.7%
HOCHTIEF Asia Pacific	1,931.4	2,147.9	-10.1%	-3.0%
HOCHTIEF Europe	262.9	280.0	-6.1%	-5.8%
Corporate	33.6	24.4	37.7%	33.6%
<b>Group</b>	<b>6,155.5</b>	<b>5,732.6</b>	<b>7.4%</b>	<b>7.7%</b>

## Profit before tax (PBT)

(EUR million)	Q1 2020	Q1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	87.1	72.3	20.5%	16.5%
HOCHTIEF Asia Pacific	120.6	140.0	-13.9%	-6.4%
HOCHTIEF Europe	10.2	10.2	0.0%	-2.0%
Abertis Investment	1.2	21.4	-94.4%	-94.4%
Corporate	(12.0)	(11.0)	-9.1%	-11.8%
<b>Group nominal PBT</b>	<b>207.1</b>	<b>232.9</b>	<b>-11.1%</b>	<b>-8.1%</b>
<b>Non-operational effects</b>	<b>8.6</b>	<b>4.7</b>	<b>83.0%</b>	
Restructuring	6.9	3.0	130.0%	
Investments/ Divestments	6.6	0.4	-	
Impairments	0.0	0.0	n.a.	
Others	(4.9)	1.3	-	
<b>Group operational PBT</b>	<b>215.7</b>	<b>237.6</b>	<b>-9.2%</b>	

The HOCHTIEF Americas division reported strong earnings growth in the first quarter of 2020. As a result of sales growth and steady margins, HOCHTIEF Americas improved nominal PBT by 21% year on year to EUR 87 million.

Earnings in the HOCHTIEF Asia Pacific division reflect HOCHTIEF's stake in CIMIC (76.1% as of March 31, 2020 compared with 72.7% as of March 31, 2019) as well as variations in the Australian dollar/Euro exchange rate. On the basis of continuing robust margins, CIMIC achieved a nominal PBT of AUD 228 million in the first quarter of 2020 (Q1 2019: AUD 248 million). At divisional level, the nominal PBT was EUR 121 million.

The HOCHTIEF Europe division continued to focus on construction and PPP activities. The nominal PBT for the period under review was on a par with the prior-year level at EUR 10 million due to slightly improved margins.

**Income tax expense** in the first quarter of 2020 reduced to EUR 60 million compared with the same period of the previous year (EUR 64 million). The effective tax rate increased by 1.4 percentage points to 29% (Q1 2019: 28%). This was mainly due to the lower earnings contribution from Abertis Investment compared with the previous year.

HOCHTIEF generated **nominal consolidated net profit** of EUR 115 million in the first quarter of 2020 (Q1 2019: EUR 128 million). Nominal consolidated net profit for our operating divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, HOCHTIEF Europe and Corporate was up 7% on the prior-year figure.

## Consolidated net profit

(EUR million)	Q1 2020	Q1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	55.5	43.8	26.7%	22.1%
HOCHTIEF Asia Pacific	61.1	66.6	-8.3%	0.5%
HOCHTIEF Europe	10.2	9.2	10.9%	8.7%
Abertis Investment	1.2	21.4	-94.4%	-94.4%
Corporate	(13.1)	(13.0)	-0.8%	-2.3%
<b>Group nominal net profit</b>	<b>114.9</b>	<b>128.0</b>	<b>-10.2%</b>	<b>-7.6%</b>
<b>Non-operational effects</b>	<b>8.8</b>	<b>4.7</b>	<b>87.2%</b>	
Restructuring	6.9	2.8	146.4%	
Investments/Divestments	6.8	0.6	-	
Impairments	0.0	0.0	n.a.	
Others	(4.9)	1.3	-	
<b>Group operational net profit</b>	<b>123.7</b>	<b>132.7</b>	<b>-6.8%</b>	

**Note: Operational profits are adjusted for non-operational effects**

## HOCHTIEF Group—Selected Recent Significant Project Announcements



Contract values are total project volumes.

- Hessian Police**, Kassel, Germany
- London Power Tunnels**, GBP 400 million, London, UK
- Dutch A12/A15 motorway project (ViA15)**, EUR 1.2 billion, vicinity of Arnhem, Netherlands
- Waverly (Unity Church Site)**, Seattle, USA
- Apartment Tower**, Oregon, USA
- Terminal C Orlando International Airport**, Florida, USA
- Route 210**, EUR 123 million, California, USA
- Love Field Airport**, EUR 113 million, Texas, USA
- Hospital**, Ohio, USA
- Research Building 4**, Ohio, USA

- Nursing and Health school**, Pennsylvania, USA
- Cross River Rail, Pacific Partnerships**, EUR 3.9 billion, Brisbane, Australia
- Monash Freeway Upgrade**, EUR 472 million, Victoria, Australia
- Sydney Metro City & Southwest**, EUR 2.3 billion, New South Wales, Australia
- Curragh Mine**, EUR 806 million, Queensland, Australia
- Western Sydney Airport**, EUR 198 million, Australia
- Campbelltown and Nepean Hospitals**, EUR 492 million, New South Wales, Australia
- Rail sector contracts**, EUR 104 million, New South Wales, Australia
- Port Wakefield to Port Augusta Regional Projects Alliance**, EUR 139 million, South Australia
- Maintenance contracts**, EUR 277 million, Western Australia and Victoria, Australia
- Perth Metronet**, EUR 260 million, Western Australia

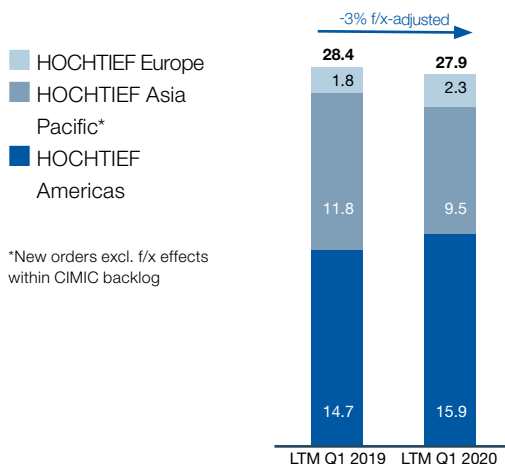
### New orders and order backlog

Following a record high at the end of 2019, the **order book** remains at a high level of EUR 47.6 billion with a year-on-year increase of 1% after adjustment for foreign exchange rate effects (minus 3% in nominal terms). The first quarter of 2020 was impacted by negative exchange rate effects of EUR 2.2 billion. Our focus remains on developed markets. Quality has been enhanced with around two-thirds of the order book

accounted for by construction management, mining, services and alliance-style contracts.

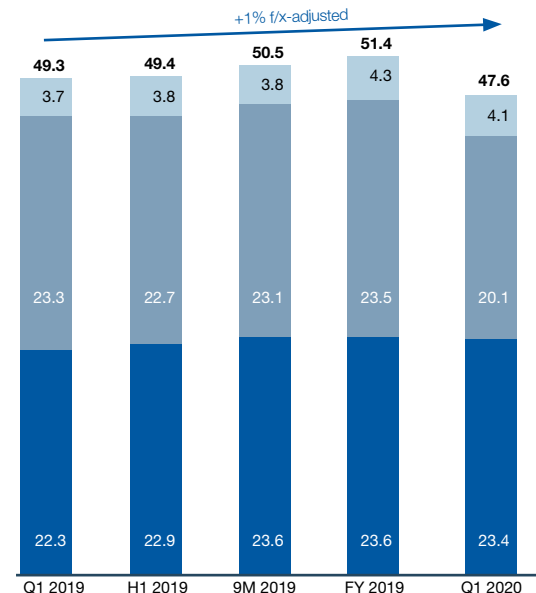
**New orders** of EUR 27.9 billion in the last twelve months represent a year-on-year decrease of 3% after adjustment for exchange rates (minus 2% nominal). The Group continues its disciplined bidding approach across its geographical footprint.

New orders (EUR billion)



\*New orders excl. f/x effects within CIMIC backlog

Order backlog (EUR billion)





## Cash flow

### Cash flow

(EUR million)	Q1 2020	Q1 2019	Change	LTM <sup>1)</sup> 04/2019–03/2020	1) last twelve months
<b>Net cash from operating activities pre-factoring</b>	<b>(178.6)</b>	<b>(338.1)</b>	<b>159.5</b>	<b>1,718.9</b>	
<b>Net cash from operating activities</b>	<b>(387.7)</b>	<b>(173.9)</b>	<b>-213.8</b>	<b>1,388.7</b>	
Gross operating capital expenditure	(106.1)	(116.8)	10.7	(531.8)	
Operating asset disposals	6.2	3.6	2.6	27.0	
Net operating capital expenditure	(99.9)	(113.2)	13.3	(504.8)	
<b>Free cash flow from operations</b>	<b>(487.6)</b>	<b>(287.1)</b>	<b>-200.5</b>	<b>883.9</b>	
<b>Free cash flow from operations pre-factoring</b>	<b>(278.5)</b>	<b>(451.3)</b>	<b>172.8</b>	<b>1,214.1</b>	

The cash flow performance in the first quarter of 2020 reflects first-quarter seasonality. Net cash from operating activities amounted to minus EUR 388 million. The Group generated **net cash from operating activities pre-factoring** of minus EUR 179 million, a strong improvement of EUR 160 million over the previous year. Over the last twelve months, net cash from operating activities pre-factoring amounted to a strong EUR 1.7 billion. Including the effect from a reduced factoring volume, net cash from operating activities reached EUR 1.4 billion.

The HOCHTIEF Group's **gross operating capital expenditure** amounted to EUR 106 million in the first quarter of 2020 (92% of which was accounted for by the HOCHTIEF Asia Pacific division) compared to the prior-year figure of EUR 117 million. The comparison base is partly impacted by variations in exchange rates during the quarter. CIMIC's capital expenditure remained largely stable compared with the prior-year period, with most of it accounted for by mining equipment and technical job-costed equipment for tunneling projects in the infrastructure business. Proceeds from operating asset disposals amounted to EUR 6 million, slightly above the prior-year figure (EUR 4 million). Cash outflow for net operating capital expenditure was EUR 100 million (Q1 2019: EUR 113 million).

**Free cash flow from operations** amounted to EUR 884 million over the last twelve months, or over EUR 1.2 billion on a pre-factoring basis.

### Balance sheet

The HOCHTIEF Group's **total assets** amounted to EUR 18.9 billion as of March 31, 2020. Compared with the end of 2019 (EUR 17.9 billion), this represents an increase of just under EUR 1 billion.

The balance sheet changes in the first quarter of 2020 were largely influenced by the decline in the Australian dollar/Euro exchange rate since year-end 2019.

**Non-current assets** decreased by EUR 354 million to EUR 5.7 billion in the first quarter of 2020. The main reductions in intangible assets, property, plant and equipment, financial assets and deferred taxes were primarily related to exchange rate movements.

**Current assets** amounted to EUR 13.2 billion at the end of the first quarter of 2020, EUR 1.3 billion higher than the amount as of December 31, 2019. Trade and other receivables rose by EUR 265 million to EUR 6.6 billion, mainly as a result of operational growth in the first quarter of 2020. The volume of marketable securities grew by EUR 185 million to EUR 639 million as a result of liquidity investments by Corporate. HOCHTIEF has a strong liquidity position of over EUR 6.0 billion as of March 31, 2020.

**HOCHTIEF Group shareholders' equity** amounted to EUR 1.5 billion as of March 31, 2020 (December 31, 2019: EUR 1.6 billion). The main changes in the first quarter of 2020 related to profit after taxes (EUR 147 million), the effects of the increased stake in CIMIC and the share buyback programs at HOCHTIEF and CIMIC (minus EUR 147 million), and exchange rate effects and other changes not affecting results (minus EUR 102 million).

1) Our opportunities and risks report is provided starting on page 111 of our 2019 Group Report and on our website, [www.hochtief.com](http://www.hochtief.com).

**Non-current liabilities** increased by EUR 2.4 billion to EUR 6.6 billion in the first three months of 2020. This was primarily due to the use of syndicated credit facilities by CIMIC and increased the HOCHTIEF Group's non-current financial liabilities by a total of EUR 2.4 billion to EUR 5.2 billion. Non-current lease liabilities reported in connection with the application of IFRS 16 amounted to EUR 475 million as of March 31, 2020 (December 31, 2019: EUR 529 million).

**Current liabilities** amounted to EUR 10.8 billion at the end of the first quarter of 2020, a decrease of EUR 1.3 billion compared with the end of 2019. Financial liabilities (exit from Middle East) decreased by EUR 772 million to EUR 156 million as a result of payments made by CIMIC for financial obligations of BICC for which CIMIC had provided a guarantee. Trade payables and other liabilities also decreased by EUR 709 million to EUR 8.2 billion due to seasonal and exchange rate effects.

HOCHTIEF Group's **net debt** amounted to EUR 134 million as of March 31, 2020. The main factor here was a net cash effect in connection with the exit from the Middle East region and the subsequent payment of obligations for BICC in the amount of EUR 849 million.

Adjusted for this effect, HOCHTIEF Group showed a **net cash position** of EUR 715 million at the end of the first quarter of 2020. In addition, net cash during the first quarter was influenced by cash outflow for the purchase of CIMIC shares as well as share buyback programs which resulted in investments of EUR 122 million. Adjusted for these additional effects, HOCHTIEF Group showed a net cash position of EUR 837 million.

## Risk and opportunities report

There has been no material change in the situation of the Group with regard to the opportunities and risks<sup>1)</sup> presented in our 2019 Group Report.

## Report on forecast and other statements relating to the Company's likely future development

HOCHTIEF Group's outlook across core markets remains positive, we are monitoring shorter-term impacts of the current situation. Once we have better visibility of the consequences of the corona crisis on the business, we will provide an update to the 2020 guidance, if required.

2) For definition, please see Group Report 2019, page 234.

## HOCHTIEF Group net cash (+)/net debt (-) development<sup>2)</sup>

(EUR million)	Mar. 31, 2020	Mar. 31, 2019	Change	Dec. 31, 2019
HOCHTIEF Americas	1,155.5	1,010.2	145.3	1,467.4
HOCHTIEF Asia Pacific	(531.5)	972.2	-1,503.7	558.6
HOCHTIEF Europe	353.8	249.0	104.8	511.4
Corporate	(1,112.1)	(1,058.3)	-53.8	(1,008.4)
<b>Group</b>	<b>(134.3)</b>	<b>1,173.1</b>	<b>-1,307.4</b>	<b>1,529.0</b>

# Divisions

## HOCHTIEF Americas

### HOCHTIEF Americas Division: Key Figures

(EUR million)	Q1 2020	Q1 2019	Change	Full year 2019
Divisional sales	<b>3,927.6</b>	3,280.3	<b>19.7%</b>	15,327.8
Operational profit before tax/PBT	<b>87.7</b>	72.9	<b>20.3%</b>	320.7
Operational PBT margin (%)	<b>2.2</b>	2.2	<b>0.0</b>	2.1
Operational net profit	<b>56.0</b>	44.2	<b>26.7%</b>	220.4
Nominal profit before tax/PBT	<b>87.1</b>	72.3	<b>20.5%</b>	309.8
Nominal net profit	<b>55.5</b>	43.8	<b>26.7%</b>	212.4
Net cash from operating activities	<b>(232.7)</b>	(105.0)	<b>-127.7</b>	729.8
Gross operating capital expenditure	<b>4.3</b>	9.4	<b>-5.1</b>	33.7
Net cash (+)/net debt (-)	<b>1,155.5</b>	1,010.2	<b>145.3</b>	1,467.4
New orders	<b>2,942.3</b>	3,975.0	<b>-26.0%</b>	16,915.1
New orders LTM	<b>15,882.4</b>	14,702.3	<b>8.0%</b>	16,915.1
Work done	<b>3,749.4</b>	3,155.8	<b>18.8%</b>	14,753.7
Order backlog	<b>23,378.9</b>	22,283.1	<b>4.9%</b>	23,592.9
Employees (end of period)	<b>12,254</b>	11,838	<b>3.5%</b>	12,378

**Note: Operational profits are adjusted for non-operational effects**

The HOCHTIEF Americas division delivered a strong performance during the first quarter of 2020.

**Operational PBT** increased by 20% year on year to EUR 88 million. Operational net profit rose 27% to EUR 56 million. **Sales** of EUR 3.9 billion were 20% higher compared with the previous year, or up 16% in local currency terms and margins remained steady.

The Americas division continued to deliver solid cash generation. **Net cash from operating activities** in the first quarter reflects the division's high sales growth as well as first-quarter seasonality. Over the last twelve months, the division generated strong net cash from operating activities of over EUR 600 million.

The divisional **net cash** position at the end of March 2020 stood at almost EUR 1.2 billion, up EUR 145 million year on year.

The quarter-end **order backlog** remained on a very high level of EUR 23.4 billion, up EUR 1.1 billion or 5% compared to the previous year, with EUR 15.9 billion of new orders secured during the last twelve-month period.

In many places, HOCHTIEF companies support government action to mitigate the coronavirus pandemic: As the leading builder of healthcare projects in the United States, Turner has been called upon to build space to deliver 4,000 urgent patient care beds in 20 locations across the U.S.

New orders in the first quarter at Turner include a 24-story high-rise building in Portland, Oregon. It will provide space for 214 apartments as well as offices and retail.

In Philadelphia, Pennsylvania, Turner is responsible for a new building on the Drexel University campus. Intended as a College of Nursing and Medicine, the building will include classrooms, laboratories, treatment rooms, and a simulation center.

Turner has been awarded a further healthcare-sector contract in Columbus, Ohio—Research Building 4 for the Nationwide Children's Hospital.

Columbus is also home to another new building that will provide additional patient rooms and medical services at Wexner Medical Center Hospital. Turner previously completed a building on the site in 2013.

Valued at more than EUR 120 million, Flatiron will renew Route 210 in Los Angeles.

Flatiron is also refurbishing Taxiway C at Love Field Airport in Dallas, Texas. The contract value is approximately EUR 113 million.

### HOCHTIEF Americas Outlook

Once we have better visibility of the consequences of the corona crisis on the business, we will provide an update to the divisional 2020 guidance, if required.

## HOCHTIEF Asia Pacific

### HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	Q1 2020	Q1 2019	Change	Change f/x- adjusted	Full year 2019
Divisional sales	<b>1,931.4</b>	2,147.9	<b>-10.1%</b>	<b>-3.0%</b>	9,143.2
Nominal profit before tax/PBT	<b>120.6</b>	140.0	<b>-13.9%</b>	<b>-6.4%</b>	(1,065.5)
Nominal PBT margin (%)	<b>6.2</b>	6.5	<b>-0.3</b>		(11.7)
Nominal net profit	<b>61.1</b>	66.6	<b>-8.3%</b>	<b>0.5%</b>	(525.9)
Net cash (+)/net debt (-)	<b>(531.5)</b>	972.2	<b>-1,503.7</b>		558.6
Net cash (+)/net debt (-) ex-BICC	<b>317.6</b>	972.2	<b>-654.6</b>		558.6
Order backlog	<b>20,070.9</b>	23,311.1	<b>-13.9%</b>	<b>-2.2%</b>	23,451.7
Employees (end of period)	<b>34,296</b>	37,799	<b>-9.3%</b>		35,375

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (76.1% at the end of March 2020, an increase of 3.4 percentage points year on year) as well as associated financing and holding costs, and the impact of variations in the Australian dollar/Euro exchange rate.

HOCHTIEF Asia Pacific's **profit before tax (PBT)** in Q1 2020 was EUR 121 million on **sales** of EUR 1.9 billion, both figures impacted by a 7% depreciation of the period-average Australian dollar/Euro exchange rate. The nominal PBT margin remained robust at 6.2% and at a similar level to a year ago (6.5%).

At the end of the period, the divisional net debt position stood at EUR 532 million, corresponding to a **net cash** position of EUR 318 million when excluding the cash impacts from exiting the Middle East.

The division's solid **order backlog** of EUR 20.1 billion reflects a steady backlog level at CIMIC's operating companies as well as foreign exchange rate effects.

### CIMIC's key figures

CIMIC reported revenue of AUD 3.3 billion, compared to AUD 3.4 billion in the prior-year period. Margins remained robust during the quarter and PBT stood at AUD 228 million. The operating profit remained stable, with higher net finance costs impacting the quarterly net result. **Net profit after tax (NPAT)** was AUD 166 million in the first quarter.

CIMIC delivered an underlying cash conversion of 76% during the last twelve months (LTM), an increase compared to the 38% reported for Q1 2019. Underlying **operating cash flow** reached a total of over AUD 1.6 billion LTM, an improvement of AUD 892 million year on year.

The Group invested AUD 157 million in net capital expenditure during Q1 2020, on a par with the prior-year level of AUD 160 million, sustaining mining operations and delivering job-costed tunneling opportunities. CIMIC's **net debt** position of AUD 991 million includes an impact from the Middle East exit of AUD 1.45 billion gross of tax.

The operating companies' **work in hand** remained on a par with the prior year at AUD 33.9 billion with total work in hand of AUD 36.1 billion. Whilst maintaining bidding discipline, total new work of AUD 2.5 billion was secured during the first quarter.

Commissioned by the Government of South Australia, three infrastructure projects that form part of the Port Wakefield to Port Augusta Regional Projects Alliance (RPA) are being carried out by CPB Contractors. Together, these will generate total revenue of around EUR 140 million and are scheduled for completion in 2022.

CPB Contractors' order book includes additional projects to expand the regional transportation infrastructure with the extension of the South Gippsland Highway in Victoria and the Mackay Northern Access in Queensland. Both will have a positive effect on improving traffic flow and the safety of road users. These contracts have a value of more than EUR 100 million.

Valued at around EUR 280 million, several of UGL's oil and gas contracts in Western Australia and Victoria have been extended. These include a service contract for the Wheatstone facilities in Western Australia.

UGL has also received further mining sector contracts located in Western Australia and Queensland, worth a total of about EUR 110 million.

In addition, UGL has been awarded two rail infrastructure contracts, which have a combined value of more than EUR 100 million. The company will provide operation and maintenance services for the Adelaide north-south tram and bus network over the next eight years. Over a period of 18 months, UGL is also manufacturing new locomotives for Qube Logistics.

#### **HOCHTIEF Asia Pacific Outlook**

Once there is better visibility of the consequences of the corona crisis on the business, CIMIC will provide an update to its 2020 profit guidance, if required.

## HOCHTIEF Europe

### HOCHTIEF Europe Division: Key Figures

(EUR million)	Q1 2020	Q1 2019	Change	Full year 2019
Divisional sales	264.0	281.5	-6.2%	1,233.0
Operational profit before tax/PBT	13.2	13.2	0.0%	66.3
Operational PBT margin (%)	5.0	4.7	0.3	5.4
Operational net profit	13.3	12.4	7.3%	61.0
Nominal profit before tax/PBT	10.2	10.2	0.0%	53.8
Nominal net profit	10.2	9.2	10.9%	45.4
Net cash from operating activities	(67.0)	(129.6)	62.6	42.3
Gross operating capital expenditure	3.0	2.2	0.8	11.0
Net cash (+)/net debt (-)	353.8	249.0	104.8	511.4
New orders	537.4	448.6	19.8%	2,227.6
Work done	331.1	342.2	-3.2%	1,534.0
Order backlog	4,127.8	3,696.8	11.7%	4,318.0
Employees (end of period)	5,214	5,393	-3.3%	5,314
of which in Germany	3,262	3,282	-0.6%	3,336

Note: Operational profits are adjusted for non-operational effects

HOCHTIEF Europe has continued a solid performance during Q1 2020.

**Operational PBT** stood at EUR 13 million, on a par with the prior year. The development was driven by an improved profitability in the core businesses that led to a continued solid operational PBT margin development. Operational net profit rose by EUR 1 million, or 7%, to EUR 13 million.

The **sales** performance in the reporting period reflects the disciplined bidding approach, which the business continues to apply. During the quarter, our long-term projects have progressed according to schedule.

HOCHTIEF Europe's **net cash from operating activities** reflects first-quarter seasonality as well as a solid underlying improvement of EUR 63 million year on year. Over the last twelve months, the division has generated net cash from operating activities of over EUR 100 million.

At the end of Q1 2020, HOCHTIEF Europe's balance sheet showed a strong **net cash** position of EUR 354 million, up EUR 105 million year on year.

**New orders** remained at a high level with EUR 537 million of work secured during the quarter, up 20% year on year. The divisional **order backlog** stood at EUR 4.1 billion and has increased by over EUR 431 million compared with March 2019.

With a total investment volume of EUR 1.2 billion, one of our major new contracts is widening highways 12 and 15 near Arnhem in the Netherlands as part of a public-private partnership consortium. While construction is scheduled

for completion in 2024, the operation phase will continue until 2044.

As the technical leader of a joint venture, HOCHTIEF is responsible for the core and shell work for segment 2.2 of the U3 Southwest subway in Nuremberg with a contract volume of more than EUR 100 million.

HOCHTIEF is expanding the Deutsche Bahn railway company's ICE high-speed rail plant in Berlin-Rummelsburg, which will also serve as a maintenance facility for state-of-the-art ICE 4 trains in the future.

In the role of general contractor, HOCHTIEF is carrying out two projects in the German state of Hesse—a multifunctional hall and archive for the Frankfurt University of Applied Sciences and an office building in Bad Homburg.

HOCHTIEF is constructing a five-story office building in Bonn for the Nordrheinische Ärzteversorgung, a pension fund for medical practitioners in the North-Rhine region. Construction will begin in spring 2021 after demolition is completed. The aim is to obtain Gold certification from the DGNB (German Sustainable Building Council).

To create more space for pedestrians and public events, HOCHTIEF is upgrading part of Wenceslas Square in Prague with a view to completion by late 2021.

### HOCHTIEF Europe Outlook

Once we have better visibility of the consequences of the corona crisis on the business, we will provide an update to the divisional 2020 guidance, if required.

## Abertis Investment

Abertis key figures (100%)				
(EUR million)	Q1 2020	Q1 2019	Change	Full year 2019
Operating revenues	1,043	1,221	-15%	5,361
EBITDA	667	801	-17%	3,737
Net profit	119	231	-48%	1,101

Abertis Investment contribution to HOCHTIEF				
(EUR million)	Q1 2020	Q1 2019	Change	Full year 2019
Nominal result				
EBITDA	1.2	21.4	-94.4%	122.4
Profit before tax/PBT	1.2	21.4	-94.4%	122.4
Net profit/NPAT	1.2	21.4	-94.4%	122.4
Operational result				
Profit before tax/PBT	1.2	21.4	-94.4%	122.4
Net profit/NPAT	1.2	21.4	-94.4%	122.4
Abertis—Dividend received				172.8

The contribution of **Abertis Investment** to the HOCHTIEF Group performance reflects the Group's 20%<sup>1)</sup> stake in Abertis HoldCo<sup>2)</sup>, the operating performance of Abertis and non-cash purchase price allocation (PPA) effects. The Q1 2020 operational and nominal **profit** contribution from Abertis Investment amounted to EUR 1.2 million.

On April 28, 2020 Abertis paid half of the EUR 875 million **dividend** to its shareholders (EUR 86 million HOCHTIEF share). The AGM resolved the other half shall be paid in Q4 2020 subject to verification by the Abertis board of directors of Covid-19 impacts.

### Key developments at Abertis

Abertis' average daily traffic development during Q1 2020 saw a solid performance in January and February followed by a strong decline in March after extensive lockdown measures were enforced by governments in key markets to mitigate the spread of the coronavirus. Overall, **average daily traffic** in Q1 saw a decrease of 11.2%, with individual country performance driven mainly by the timing and extent of lockdown measures coming into force: Spain -13%, France -12%, Brazil -4%, Chile -19% and Italy -22%.

**Revenue** in the corresponding period declined by 15%. While EBITDA margins remained at a high level, lower traffic volumes resulted in a Q1 2020 **EBITDA** of EUR 667 million, 17% lower compared to the prior-year period. **Net profit pre PPA** reached EUR 119 million during the quarter.

Abertis' **strategic plan** focuses on investments in new assets in order to perpetuate the duration of cash flows and to diversify the portfolio geographically. The acquisition of brownfield toll road company RCO (Red de Carreteras de Occidente), one of the largest transport operators in Mexico, is expected to close in Q2 2020.

1) minus one share  
 2) direct owner of 98.7% of Abertis Infraestructuras, S.A. (Abertis)

# Interim Financial Statements (Condensed)

## Consolidated Statement of Earnings

(EUR thousand)	Q1 2020	Q1 2019	Change	Full year 2019
<b>Sales</b>	<b>6,155,520</b>	<b>5,732,557</b>	<b>7.4%</b>	<b>25,851,855</b>
Changes in inventories	20,244	414	-	3,238
Other operating income	48,579	63,211	-23.1%	191,437
Materials	(4,453,708)	(4,039,057)	10.3%	(18,989,659)
Personnel costs	(1,093,217)	(1,093,021)	0.0%	(4,388,675)
Depreciation and amortization	(174,373)	(171,477)	1.7%	(701,326)
Other operating expenses	(285,094)	(251,881)	13.2%	(1,062,619)
Provisions and asset impairment in relation to the Middle East exit	-	-	-	(1,694,600)
Share of profits and losses of equity-method associates and joint ventures	31,214	27,852	12.1%	282,286
Net income from other participating interests	2,916	7,744	-62.3%	33,893
Investment and interest income	20,890	21,652	-3.5%	80,559
Investment and interest expenses	(65,873)	(65,130)	1.1%	(233,858)
<b>Profit before tax</b>	<b>207,098</b>	<b>232,864</b>	<b>-11.1%</b>	<b>(627,469)</b>
Income taxes	(60,085)	(64,186)	-6.4%	292,232
<b>Profit after tax</b>	<b>147,013</b>	<b>168,678</b>	<b>-12.8%</b>	<b>(335,237)</b>
Thereof: Attributable to non-controlling interest	32,161	40,716	-21.0%	(128,990)
Thereof: Attributable to HOCHTIEF shareholders (Group net profit/loss)	114,852	127,962	-10.2%	(206,247)
<b>Earnings per share (EUR)</b>	<b>1.63</b>	<b>1.81</b>	<b>-9.9%</b>	<b>(2.92)</b>

## Consolidated Statement of Comprehensive Income

(EUR thousand)	Q1 2020	Q1 2019	Change	Full year 2019
<b>Profit after tax</b>	<b>147,013</b>	<b>168,678</b>	<b>-12.8%</b>	<b>(335,237)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation differences	(36,083)	70,793	-	38,156
Changes in fair value of financial instruments				
Primary	3,597	11,022	-67.4%	27,301
Derivative	(2,083)	(1,417)	-47.0%	(9,879)
Share of other comprehensive income of equity-method associates and joint ventures	(76,130)	13	-	(35,215)
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit plans	15,411	(38,491)	-	(35,938)
<b>Other comprehensive income (after tax)</b>	<b>(95,288)</b>	<b>41,920</b>	<b>-</b>	<b>(15,575)</b>
<b>Total comprehensive income after tax</b>	<b>51,725</b>	<b>210,598</b>	<b>-75.4%</b>	<b>(350,812)</b>
Thereof: Attributable to non-controlling interest	27,465	54,850	-49.9%	(123,146)
Thereof: Attributable to HOCHTIEF shareholders	24,260	155,748	-84.4%	(227,666)



# Consolidated Balance Sheet

(EUR thousand)	<b>Mar. 31, 2020</b>	Dec. 31, 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	1,135,661	1,187,203
Property, plant and equipment	1,728,326	1,857,274
Investment properties	3,754	3,778
Equity-method investments	1,823,745	1,927,787
Other financial assets	79,958	83,696
Financial receivables	116,318	97,904
Other receivables and other assets	174,169	166,193
Non-current income tax assets	20,436	19,962
Deferred tax assets	628,214	720,957
	<b>5,710,581</b>	<b>6,064,754</b>
<b>Current assets</b>		
Inventories	425,996	434,976
Financial receivables	141,671	171,982
Trade receivables and other receivables	6,553,661	6,290,405
Current income tax assets	28,635	27,281
Marketable securities	638,917	454,111
Cash and cash equivalents	5,391,598	4,458,020
	<b>13,180,478</b>	<b>11,836,775</b>
	<b>18,891,059</b>	<b>17,901,529</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' equity</b>		
Attributable to HOCHTIEF shareholders	1,174,246	1,275,684
Attributable to non-controlling interest	308,867	309,173
	<b>1,483,113</b>	<b>1,584,857</b>
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	411,704	428,193
Other provisions	354,986	350,682
Financial liabilities	5,174,167	2,726,365
Lease liabilities	475,078	528,976
Trade payables and other liabilities	183,234	185,314
Deferred tax liabilities	50,679	48,980
	<b>6,649,848</b>	<b>4,268,510</b>
<b>Current liabilities</b>		
Other provisions	948,134	1,046,590
Financial liabilities	1,242,809	944,017
Financial liabilities (Middle East exit)	155,867	927,431
Lease liabilities	245,684	255,879
Trade payables and other liabilities	8,059,112	8,830,262
Current income tax liabilities	106,492	43,983
	<b>10,758,098</b>	<b>12,048,162</b>
	<b>18,891,059</b>	<b>17,901,529</b>

# Consolidated Statement of Cash Flows

(EUR thousand)	Q1 2020	Q1 2019
Profit after tax	147,013	168,678
Depreciation, amortization, impairments and impairment reversals	169,405	170,562
Changes in provisions	(17,345)	(11,977)
Changes in deferred taxes	46,443	27,367
Gains/(losses) from disposals of non-current assets and marketable securities	(4,207)	(2,566)
Other non-cash income and expenses and deconsolidations	24,539	(12,032)
Net working capital change	(753,652)	(514,947)
Changes in other balance sheet items	55	(624)
<b>Cash flow from operating activities</b>	<b>(387,749)</b>	<b>(175,539)</b>
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(106,010)	(116,763)
Other purchases	–	(40,658)
Payments from asset disposals	6,198	3,569
Acquisitions and participating interests		
Payments for investments <sup>1)</sup>	(918,647)	(47,178)
Payments from asset disposals/divestments	197	787
Changes in cash and cash equivalents due to changes in the scope of consolidation	1,390	12,336
Changes in marketable securities and financial receivables	(221,643)	(12,167)
<b>Cash flow from investing activities</b>	<b>(1,238,515)</b>	<b>(200,074)</b>
Repayments for repurchase	(19,111)	–
Repayments for repurchase of CIMIC	(2,337)	–
Payments into equity by non-controlling interests	4,491	–
Payments from equity to non-controlling interests	–	(11)
Payments for the purchase of additional shares in subsidiaries	(100,522)	–
Dividends to non-controlling interests	(6,047)	(1,509)
Proceeds from new borrowing	3,829,408	51,691
Debt repayment	(934,848)	(97,813)
Repayment of lease liabilities	(69,312)	(69,196)
<b>Cash flow from financing activities</b>	<b>2,701,722</b>	<b>(116,838)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,075,458</b>	<b>(492,451)</b>
Effect of exchange rate changes	(141,880)	71,550
<b>Overall change in cash and cash equivalents</b>	<b>933,578</b>	<b>(420,901)</b>
Cash and cash equivalents at the start of the year	4,458,020	3,565,888
<b>Cash and cash equivalents at end of reporting period</b>	<b>5,391,598</b>	<b>3,144,987</b>

1) Including the payments for the Middle East exit

## Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktien-gesellschaft	Capital reserve of HOCHTIEF Aktien-gesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income			Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
				Remeasurement of defined benefit plans	Currency translation differences	Changes in fair value of financial instruments			
Balance as of Jan. 1, 2019	<b>180,856</b>	<b>1,710,499</b>	<b>270,785</b>	<b>(320,350)</b>	<b>63,523</b>	<b>(44,776)</b>	<b>1,860,537</b>	<b>550,789</b>	<b>2,411,326</b>
Dividends	-	-	-	-	-	-	-	(49,528)	(49,528)
Profit after tax	-	-	127,962	-	-	-	127,962	40,716	168,678
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	55,306	10,971	66,277	14,134	80,411
Changes from remeasurement of defined benefit plans	-	-	-	(38,491)	-	-	(38,491)	-	(38,491)
Total comprehensive income	-	-	127,962	(38,491)	55,306	10,971	155,748	54,850	210,598
Other changes not recognized in the Statement of Earnings	-	-	12	-	-	-	12	6,400	6,412
Balance as of Mar. 31, 2019	<b>180,856</b>	<b>1,710,499</b>	<b>398,759</b>	<b>(358,841)</b>	<b>118,829</b>	<b>(33,805)</b>	<b>2,016,297</b>	<b>562,511</b>	<b>2,578,808</b>
<b>Balance as of Jan. 1, 2020</b>	<b>180,856</b>	<b>1,711,057</b>	<b>(293,207)</b>	<b>(356,288)</b>	<b>94,349</b>	<b>(61,083)</b>	<b>1,275,684</b>	<b>309,173</b>	<b>1,584,857</b>
Dividends	-	-	-	-	-	-	-	(9,858)	(9,858)
Profit after tax	-	-	114,852	-	-	-	114,852	32,161	147,013
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	(32,977)	(73,026)	(106,003)	(4,696)	(110,699)
Changes from remeasurement of defined benefit plans	-	-	-	15,411	-	-	15,411	-	15,411
Total comprehensive income	-	-	114,852	15,411	(32,977)	(73,026)	24,260	27,465	51,725
Other changes not recognized in the Statement of Earnings	-	-	(125,698)	-	-	-	(125,698)	(17,913)	(143,611)
<b>Balance as of Mar. 31, 2020</b>	<b>180,856</b>	<b>1,711,057</b>	<b>(304,053)</b>	<b>(340,877)</b>	<b>61,372</b>	<b>(134,109)</b>	<b>1,174,246</b>	<b>308,867</b>	<b>1,483,113</b>

# Explanatory Notes to the Consolidated Financial Statements

## Accounting policies

The Interim Consolidated Financial Statements as of and for the three months ended March 31, 2020, which were released for publication on May 12, 2020, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements.

This interim report is based on the Consolidated Financial Statements as of and for the year ended December 31, 2019.

Due to a change in capital market interest rates, HOCHTIEF has modified the discount rates for the measurement of pension obligations as follows as of March 31, 2020:

(In %)	Mar. 31, 2020	Dec. 31, 2019
Germany	1.76	1.30
USA	2.45	2.98
UK	2.35	2.05

This report has been prepared in all other respects using the same accounting policies as in the 2019 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2019.

## Currency translation

For currency translation purposes, the following exchange rates have been used for the main Group companies outside the Euro zone:

(All rates in EUR)	Average		Daily average at reporting date	
	Q1 2020	Q1 2019	Mar. 31, 2020	Dec. 31, 2019
1 U.S. dollar (USD)	0.91	0.88	0.91	0.89
1 Australian dollar (AUD)	0.58	0.63	0.56	0.63
1 British pound (GBP)	1.16	1.16	1.13	1.18
100 Polish złoty (PLN)	22.77	23.29	21.98	23.49
100 Czech koruna (CZK)	3.85	3.89	3.66	3.94
100 Chilean pesos (CLP)	0.11	0.13	0.11	0.12

## Changes in the scope of consolidation

The Consolidated Financial Statements for the first quarter of 2020 include three foreign companies for the first time. Seven foreign companies have been removed from the scope of consolidation.

The number of companies accounted for using the equity method showed a net decrease of three foreign companies in the first quarter of 2020. In addition, the number of joint operations abroad included in the Consolidated Financial Statements increased by one.

The Consolidated Financial Statements as of March 31, 2020 include HOCHTIEF Aktiengesellschaft as well as a total of 45 German and 369 foreign consolidated companies, 16 German and 108 foreign companies accounted for using the equity method as well as 76 foreign joint operations.

As an independent listed group, HOCHTIEF Aktiengesellschaft, Essen, Germany, Court of Registration: Essen District Court, HRB 279, publishes its own consolidated financial statements, which are also included in the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A., Madrid, Spain.

### Group company CIMIC

HOCHTIEF increased its stake in CIMIC by 2.77% in the first quarter of 2020 purchasing 8,962,059 shares. CIMIC also launched its pre-announced stock buyback program in the same quarter, as a result of which HOCHTIEF's stake in CIMIC increased in total to 76.06% as of March 31, 2020 (due to subsequently purchased shares in April, HOCHTIEF's stake in CIMIC is currently 76.7%). The shares have been canceled by CIMIC on April 24, 2020.

### Additional information on cash and cash equivalents, and short-term financial assets and investments

(EUR thousand)	Mar. 31, 2020	Dec. 31, 2019
Cash and cash equivalents	5,391,598	4,458,020
Short-term financial assets and investments <sup>1)</sup>	–	2,813
<b>Cash and equivalent liquid assets</b>	<b>5,391,598</b>	<b>4,460,833</b>

1) This balance represents liquid assets converted or readily convertible to cash subsequent to period-end.

(EUR thousand)	Q1 2020	Q1 2019
Cash flow from operating activities	(387,749)	(175,539)
Change in short-term financial assets and investments	–	1,639
<b>Net cash from operating activities</b>	<b>(387,749)</b>	<b>(173,900)</b>

As of March 31, 2020, EUR 263,778 thousand (December 31, 2019: EUR 292,644 thousand) of cash at bank in relation to the sale of receivables and contract milestone receipts during the reporting period is classified as restricted cash.

### Trade receivables and other receivables

(EUR thousand)	Mar. 31, 2020	Dec. 31, 2019
Trade receivables	3,615,374	3,428,583
Contract assets	2,211,846	2,141,914
Other receivables and other assets	900,610	886,101
	<b>6,727,830</b>	<b>6,456,598</b>

Part-performance already invoiced and other contract receivables are accounted for in trade receivables. Performance not yet billed is accounted for in contract assets if progress payments do not exceed cumulative performance (contract costs and contract earnings). Where the net amount after deduction of progress payments is negative, the difference is presented under contract liabilities.

### Trade payables and other liabilities

(EUR thousand)	Mar. 31, 2020	Dec. 31, 2019
Trade payables	6,313,533	7,027,226
Contract liabilities	1,655,145	1,711,755
Other liabilities	273,668	276,595
	<b>8,242,346</b>	<b>9,015,576</b>

## Reporting on financial instruments

The fair value of the individual assets and liabilities is stated for each class of financial instrument. The following three-level fair value hierarchy is applied that reflects the observability of inputs to the valuation techniques used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities as input parameter; e.g. quoted securities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); e.g. interest rate swaps and forward exchange contracts.

Level 3: No relevant observable inputs available, hence unobservable inputs are determined as an exit price from the perspective of a market participant that holds the asset or owes the liability; e.g. investments measured at fair value determined by business valuation.

(EUR thousand)	Mar. 31, 2020				Dec. 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>								
Other financial assets	–	17,262	62,696	79,958	–	13,578	70,118	83,696
Other receivables and other assets								
Non-current	190	1,810	–	2,000	3	903	–	906
Current	345	1,630	–	1,975	50	10,543	–	10,593
Marketable securities	600,931	37,986	–	638,917	417,305	36,806	–	454,111
<b>Total assets</b>	<b>601,466</b>	<b>58,688</b>	<b>62,696</b>	<b>722,850</b>	<b>417,358</b>	<b>61,830</b>	<b>70,118</b>	<b>549,306</b>
<b>Liabilities</b>								
Other liabilities								
Non-current	–	11,768	–	11,768	9	10,805	–	10,814
Current	300	10,142	–	10,442	23	7,873	–	7,896
<b>Total liabilities</b>	<b>300</b>	<b>21,910</b>	<b>–</b>	<b>22,210</b>	<b>32</b>	<b>18,678</b>	<b>–</b>	<b>18,710</b>

Within each class of financial instrument, where fair value can be measured reliably, fair value generally corresponds to carrying amount. The only class of financial instrument for which the two differ is financial liabilities, which have a total carrying amount of EUR 6,416,976 thousand (December 31, 2019: EUR 3,670,382 thousand) and a fair value of EUR 6,350,258 thousand (December 31, 2019: 3,699,438 thousand).

As in the comparative prior-year period, there were no transfers of financial instruments measured at fair value between Levels 1 and 2 and Level 3 of the fair value hierarchy during the first quarter of 2020.

In Level 3, the fair value of investments in unlisted entities is measured using generally recognized valuation techniques based on discounted cash flow analysis. The unobservable inputs are the internal rate of return as well as the growth rate and discount rate. Reconciliation of opening to closing balances for Level 3 measurements of other financial assets as well as other receivables and other assets:

### Level 3 reconciliation Q1 2020:

(EUR thousand)

Balance as of Jan. 1, 2020	70,118
Currency adjustments	(7,703)
Gains/(losses) recognized in profit or loss	281
Other changes	–
<b>Balance as of Mar. 31, 2020</b>	<b>62,696</b>

### Level 3 reconciliation FY 2019:

(EUR thousand)

Balance as of Jan. 1, 2019	111,874
Currency adjustments	2,015
Gains/(losses) recognized in profit or loss	(43,771)
Other changes	–
Balance as of Dec. 31, 2019	70,118

The gains recognized in profit or loss are accounted for in net income from other participating interests; the remaining changes are accounted for in other comprehensive income.

### Treasury stock

On March 9, 2020, a decision was made to launch a stock buyback program. HOCHTIEF Aktiengesellschaft plans to buy back up to 6,908,597 no-par-value shares in HOCHTIEF Aktiengesellschaft, equivalent to approximately 9.8% of the capital stock. The stock is to be acquired exclusively through the Xetra trading system. These repurchases will be made between March 10, 2020 and December 31, 2020. The stock buyback program is based on the authorization granted at the Annual General Meeting of May 11, 2016 to repurchase, by May 10, 2021, shares in the amount of up to 10% of the Company's capital stock at the time of the Annual General Meeting resolution, which now corresponds to 9.8% of the Company's capital stock. A bank mandated by the Company will carry out the buyback, which will be performed in compliance with Articles 2 to 4 of Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016. As of the March 31, 2020 reporting date, 0.473% of the capital stock had been bought back. This corresponds to 334,439 shares.

As of March 31, 2020, HOCHTIEF Aktiengesellschaft held a total of 356,785 shares of treasury stock (0.505% of the capital stock).

### Dividend

The Annual General Meeting of HOCHTIEF Aktiengesellschaft resolved on April 28, 2020 to pay a dividend for 2019 of EUR 5.80 per eligible no-par-value share.

### Corporate bond repayment

In March 2020, a maturing HOCHTIEF corporate bond with a principal amount of EUR 750 million was repaid in full. This was already refinanced in August 2019 by the issue of an eight-year and a twelve-year corporate bond on improved terms with a total principal amount of EUR 750 million.

### Trade finance arrangements

The Group enters into various factoring arrangements with banks and financial institutions. These arrangements relate solely to certified receivables, acknowledged by the client, with payment subject only to the passage of time. The factoring of these receivables is done on a non-recourse basis for which the Group may incur a fee in certain instances. The amounts are derecognized where the risks and rewards of the receivables have been transferred. As of March 31, 2020, the level of non-recourse factoring across the Group was EUR 1.5 billion (Dec. 31, 2019: EUR 1.7 billion).

The Group also enters into supply chain finance arrangements with financial institutions for suppliers which may elect to receive early payment for goods and services to improve their liquidity. The terms of the arrangements mirror normal credit terms and do not modify the original liability, therefore the amounts continue to be classified within trade and other payables. The level of supply chain finance across the Group was EUR 460 million as of March 31, 2020 (Dec. 31, 2019: EUR 656 million).

### **Contingent liabilities**

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2019 by EUR 6,283 thousand to EUR 133,324 thousand.

### **Segment reporting**

The operating companies within the HOCHTIEF Group are organized under the four divisions HOCHTIEF Americas, HOCHTIEF Asia Pacific, HOCHTIEF Europe, and Abertis Investment. This structure reflects the operating focus of the Group and the Group's strong regional presence, focused on developed markets. Segmental reporting in the HOCHTIEF Group is based on the Group's divisional operations. The breakdown mirrors the Group's internal reporting systems.

The Group's reportable segments (divisions) are as follows:

HOCHTIEF Americas encompasses the construction activities of operational units in the USA and Canada.

HOCHTIEF Asia Pacific pools the construction, contract mining, services, and PPP activities in the Asia-Pacific region.

HOCHTIEF Europe brings together the core business focused on Europe and designs, develops, builds, operates, and manages real estate and infrastructure.

Abertis Investment comprises the investment in the Spanish toll road operator Abertis Infraestructuras, S.A., and is equity-accounted in HOCHTIEF's consolidated financial statements.

Corporate comprises Corporate Headquarters, other activities not assignable to the separately presented divisions, including management of financial resources and insurance activities, plus consolidation effects. Insurance activities are managed from Corporate Headquarters under the responsibility of HOCHTIEF Insurance Broking and Risk Management Solutions GmbH with companies in Luxembourg, including Builders Reinsurance S.A. The HOCHTIEF insurance companies primarily provide reinsurance offerings for contractors' casualty and surety, subcontractor default, liability, and occupational accident insurance.

Sales are allocated to the types of activities "Construction/PPP," "Construction management and services," and "Other." "Construction/PPP" includes Flatiron at HOCHTIEF Americas, CPB Contractors, Leighton Asia, and Pacific Partnerships at HOCHTIEF Asia Pacific, and HOCHTIEF Infrastructure and HOCHTIEF PPP Solutions at HOCHTIEF Europe. The main "construction management and services" companies are Turner at HOCHTIEF Americas, Thiess' and Sedgman's contract mining and mineral processing businesses and UGL's services business at HOCHTIEF Asia Pacific, as well as HOCHTIEF Engineering, synex and Trinac at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other."



The sales at HOCHTIEF Americas in the amount of EUR 3,927,613 thousand are recognized mainly in the category "Construction management and services." Sales at HOCHTIEF Asia Pacific of EUR 1,931,413 thousand are mainly generated in the activities "Construction/PPP" and "Construction management and services." At HOCHTIEF Europe, external sales in the amount of EUR 262,907 thousand are mainly recognized in the "Construction/PPP" category. Other sales recognized in Corporate amount to EUR 33,587 thousand.

Sales not related to contracts with clients amount to EUR 43,950 thousand.

Almost all sales are recognized over time.

### Reconciliation of profit before tax to EBITDA

(EUR thousand)	Q1 2020	Q1 2019
<b>Profit before tax</b>	<b>207,098</b>	<b>232,864</b>
+ Investment and interest expenses	65,873	65,130
- Investment and interest income	(20,890)	(21,652)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(2,968)	(7,744)
+ Adjustment for non-operating net expenses	11,935	3,090
<b>EBIT</b>	<b>261,048</b>	<b>271,688</b>
+ Depreciation and amortization	174,373	171,477
<b>EBITDA</b>	<b>435,421</b>	<b>443,165</b>

The definition of the performance indicator EBIT/EBITDA was revised in the second quarter of 2019 and now additionally includes the share of profits and losses of equity-method associates (primarily Abertis). The prior-year figures have been restated accordingly.

### Basic and diluted earnings per share

	Q1 2020	Q1 2019
<b>Consolidated net profit (EUR thousand)</b>	<b>114,852</b>	<b>127,962</b>
Number of shares in circulation (weighted average) in thousands	70,611	70,612
<b>Earnings per share (EUR)</b>	<b>1.63</b>	<b>1.81</b>

Earnings per share can become diluted as a result of potential shares (mainly stock options and convertible bonds). HOCHTIEF's share-based payment arrangements do not have a dilutive effect on earnings. Consequently, diluted and basic earnings per share are identical.

### Related party disclosures

The number of companies and individuals comprising related parties of HOCHTIEF Aktiengesellschaft and HOCHTIEF Group companies is determined in accordance with IAS 24; reference is consequently made in this regard to the information provided in the notes to the last consolidated financial statements.

In the first quarter of 2020, no material transactions were entered into between HOCHTIEF Aktiengesellschaft (or any HOCHTIEF Group company) and any related party or parties having a material influence on the results of operations or financial condition of the Company or the Group.

### Events since the balance sheet date

No substantial indications of reportable events became known in the subsequent events period.

# Publication Details and Credits

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## Current financial calendar:

[www.hochtief.com/en/investor-relations/financial-calendar](http://www.hochtief.com/en/investor-relations/financial-calendar)

**This quarterly report is a translation of the original German version, which remains definitive. It is also available from the HOCHTIEF website.**

This quarterly report is printed on eco-friendly Maxi Silk coated paper certified in accordance with the rules of the Forest Stewardship Council (FSC).



This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the Executive Board of HOCHTIEF Aktiengesellschaft concerning future events and developments relating to HOCHTIEF Aktiengesellschaft and/or the HOCHTIEF Group and are based on information currently available to the Executive Board of HOCHTIEF Aktiengesellschaft. Such statements involve risks and uncertainties and do not guarantee future results (such as profit before tax or consolidated net profit) or developments (such as with regard to possible future divestments, planned investments or acquisitions, general business activities or business strategy). Actual results (such as profit before tax or consolidated net profit), dividends and other developments (such as with regard to possible future divestments, planned investments or acquisitions, general business activities or business strategy) relating to HOCHTIEF Aktiengesellschaft and the HOCHTIEF Group may therefore differ materially from the expectations and assumptions described or implied in such statements due to, among other things, changes in the general economic, sectoral and competitive environment, capital market developments, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, the conduct of other shareholders, and other factors. Any information provided on dividends is additionally subject to the recognition of a corresponding unappropriated net profit in the published separate financial statements of HOCHTIEF Aktiengesellschaft for the fiscal year concerned and the adoption by the competent decision-making bodies of HOCHTIEF Aktiengesellschaft of appropriate resolutions taking into account the prevailing situation of the Company. Aside from statutory publication obligations, HOCHTIEF Aktiengesellschaft does not assume any obligations to update any forward-looking statements.

