



Q1 2022 Financial Highlights

- Nominal net profit EUR 106 million, +23% year on year; operational net profit EUR 118 million, +19% year on year
- Free cash flow from operations pre-factoring of EUR 648 million (last twelve months), up EUR 79 million year on year
- Net debt of EUR 351 million, underlying improvement year on year of EUR 242 million post EUR 311 million in dividends (last twelve months); Q1 2022 includes EUR 364 million CIMIC investment
- Order backlog of EUR 50.2 billion up EUR 2.6 billion, or 6%, year on year
- Guidance FY 2022 confirmed at operational net profit of EUR 475–520 million (+5% to +15% year on year)

We are building the world of tomorrow.



The HOCHTIEF Group: Key Figures				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Sales	5,333.3	4,934.4	8.1%	21,377.9
Operational profit before tax/PBT	179.5	157.6	13.9%	709.6
Operational profit before tax/PBT pre-Abertis	174.8	160.6	8.8%	651.6
Operational PBT margin (%)	3.4	3.2	0.2	3.3
Operational PBT pre-Abertis margin (%)	3.3	3.3	0.0	3.0
Operational net profit	118.2	99.2	19.2%	453.7
Operational net profit pre-Abertis	113.5	102.2	11.1%	395.7
Operational earnings per share (EUR)	1.74	1.45	20.0%	6.65
EBITDA (adjusted)	268.8	247.7	8.5%	1,070.7
EBITDA (adjusted) margin (%)	5.0	5.0	0.0	5.0
EBIT (adjusted)	201.5	172.8	16.6%	756.5
EBIT (adjusted) margin (%)	3.8	3.5	0.3	3.5
Nominal profit before tax/PBT	166.3	145.4	14.4%	435.0
Nominal net profit	106.1	86.0	23.4%	207.9
Nominal earnings per share (EUR)	1.56	1.26	23.8%	3.05
Net cash from operating activities	(534.7)	(597.0)	62.3	405.6
Net cash from operating activities pre-factoring	(504.8)	(448.7)	(56.1)	759.5
Net operating capital expenditure	20.4	20.4	0.0	55.6
Free cash flow from operations	(555.1)	(617.4)	62.3	350.0
Net cash /net debt	(350.7)	6.8	(357.5)	555.8
New orders	6,507.1	5,907.9	10.1%	30,161.7
Work done	6,111.7	5,769.2	5.9%	24,857.4
Order backlog	50,244.5	47,610.7	5.5%	51,916.4
Employees (end of period)	33,376	33,501	-0.4%	33,835

Note: Operational profits are adjusted for non-operational effects

Alpha airport building, Gdańsk:

HOCHTIEF Polska completed the Alpha airport building in the Polish city of Gdańsk in a period of 18 months. The office building with its numerous sustainable features has already received LEED Gold certification.

Dear Shareholders and friends
of HOCHTIEF,



Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF delivered a strong profit performance in the first quarter of 2022 and further order book growth, notwithstanding the significant challenges that the start of the year has brought with it. Close collaboration with our clients and partners together with good organization and logistics enabled us to successfully continue our project activities. We have also made excellent progress with our offer to buy out the minorities of our Australian business, CIMIC, and launched our Sustainability Plan 2025.

I am very proud of our 34,000 employees who once again demonstrated great flexibility, fortitude and discipline. Furthermore, I would like to acknowledge the enormous solidarity shown by our HOCHTIEF colleagues in various European countries who have been actively welcoming and supporting refugees fleeing from the tragic events in Ukraine.

During Q1 2022, we accelerated our ESG focus with the approval of our **Sustainability Plan 2025** and we have announced our target to be climate-neutral in 2045. The Executive Board, which now includes the position of a dedicated Chief Sustainability Officer, is leading our twin transition: green and digital, which is a key element of our strategy.

HOCHTIEF Group— Q1 2022 Financial Highlights

Nominal net profit EUR 106 million, +23% yoy;
operational net profit EUR 118 million, +19% yoy

- Firm performance with **sales** up 8% yoy at EUR 5.3 billion (+3% f/x-adj.), driven by HOCHTIEF Americas and Asia Pacific
- Robust Group operational PBT margin of 3.3% pre-Abertis
- Abertis earnings contribution EUR 8 million higher yoy at EUR 5 million; average daily traffic above pre-Covid levels of Q1 2019

Free cash flow from operations pre-factoring of EUR 648 million LTM, up EUR 79 million yoy

- Q1 2022 net cash from operating activities outflow reflects seasonality; yoy variation significantly impacted by f/x
- Q1 net capex stable at EUR 20 million

Net debt of EUR 351 million, underlying improvement yoy of EUR 242 million post EUR 311 million in dividends LTM

- Q1 2022 includes EUR 364 million CIMIC investment and EUR 236 million factoring reduction LTM
- Qoq variation due to the cash spent for the CIMIC stake increase and customary Q1 seasonality

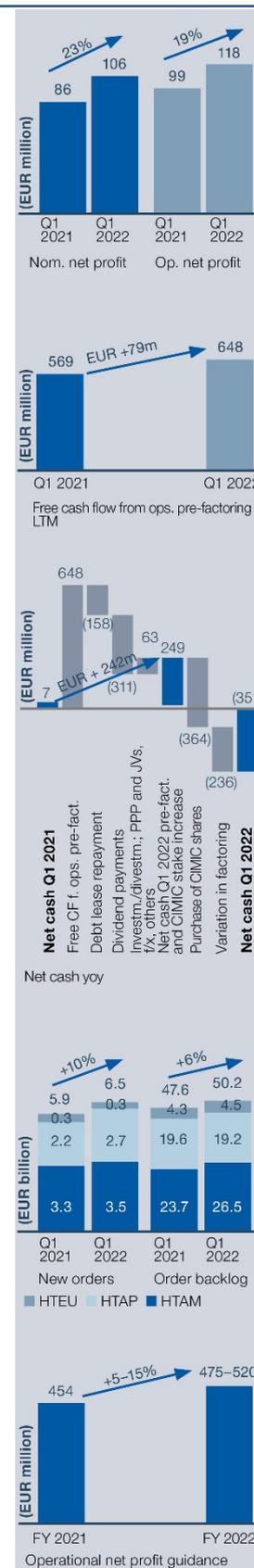
Order backlog of EUR 50.2 billion up EUR 2.6 billion, or 6%, yoy

- Order backlog up 4% qoq adjusted for Ventia re-classification
- New orders of EUR 6.5 billion, a 10% increase yoy; EUR 30.8 billion LTM new orders 1.2x work done; particularly strong at HOCHTIEF Asia Pacific with new orders of EUR 2.7 billion in Q1 2022 (+22% yoy), 1.4x work done LTM
- Geographically diversified order book with 53% at HOCHTIEF Americas, 38% at HOCHTIEF Asia Pacific, 9% at HOCHTIEF Europe
- Proportion of lower-risk order book has significantly increased over last 4 years to currently >80%

Guidance FY 2022 confirmed at op. net profit of EUR 475–520 million (+5% to +15% yoy)

- Applying risk mitigation tools across the Group to manage inflationary and supply-chain pressures
- Strong position in our key geographies and markets, and numerous opportunities from stimulus packages
- Offer for CIMIC minorities: Over 96% stake achieved in early May 2022; meeting threshold for follow-on compulsory acquisition (squeeze-out)

yoy = year on year qoq = quarter-on-quarter LTM = last twelve months



Focusing specifically on the financial performance, **nominal net profit** rose by 23%, or EUR 20 million, in Q1 2022 to EUR 106 million on sales up 8% at EUR 5.3 billion. **Operational net profit** increased by EUR 19 million to EUR 118 million, 19% higher year on year.

Operational PBT increased by EUR 22 million, or 14%, to EUR 179.5 million driven mainly by our Asia Pacific division and Abertis. **Margins** remained robust across the Group with HOCHTIEF's operational PBT margin steady at 3.3% pre-Abertis. The profit contribution from our toll road operator investment increased by EUR 8 million year on year to EUR 5 million with Q1 2022 traffic volumes above the Q1 2019 pre-Covid level.

The net **operating cash outflow** shown in our figures reflects the characteristic seasonality of the first quarter of the year as well as a significant impact from forex movements. Looking at the last twelve months, to eliminate seasonality, HOCHTIEF achieved a solid performance with free cash from operating activities of EUR 648 million, pre-factoring, a EUR 79 million year-on-year increase. Net operating capex was stable at EUR 20 million.

At the end of March 2022, HOCHTIEF had a **net debt position** of EUR 351 million. Adjusting for the variation in factoring during the last twelve months as well as the EUR 364 million investment in CIMIC shares, the Group would show a net cash position of EUR 249 million; the year-on-year change on this comparable basis shows an increase in net cash of EUR 242 million. And this is after shareholder remuneration of EUR 311 million during the period. The Group ended the quarter with a strong liquidity position of EUR 4.5 billion.

New orders increased by 10%, year on year to over EUR 6.5 billion. Over the last twelve months order intake has remained strong across all divisions amounting to 1.2x work done. As a consequence, the Group's **order book** stands at over EUR 50 billion and is up by EUR 2.6 billion, or 6%, since March 2021. Our geographically diversified backlog has been significantly de-risked in recent years and the proportion of lower-risk projects has substantially increased over the last four years to currently more than 80% of our order book. 53% is located in North America with a further 38% in the Asia-Pacific region and 9% in Europe.

An active evaluation of capital allocation opportunities is a key ingredient of the Group's strategy. On February 23, HOCHTIEF submitted an **unconditional and final off-market takeover offer** for the 21.4% free-float shares of **CIMIC** at 22 AUD/share. I am pleased to inform you that as of early May 2022, HOCHTIEF attained 96% of CIMIC Group Limited as a result of the takeover offer. HOCHTIEF has initiated a compulsory acquisition (squeeze-out) of all the shares in CIMIC which HOCHTIEF does not already own which is expected to be completed during Q2 2022. On May 6, 2022, CIMIC shares ceased trading on the Australian stock exchange.

The Asia Pacific market has always been very attractive. Public and private clients are planning huge investments in infrastructure. It is therefore our intention to ensure CIMIC maintains and strengthens its leading position in the markets in which it operates, particularly in Australia and ensure that CIMIC is able to access opportunities both domestically and internationally.

The initially indicated investment cost for the acquisition of all the CIMIC shares not already owned by HOCHTIEF was approximately AUD 1.5 billion. Due to the hedging decision taken at the time the offer was announced there is a significant saving of approximately EUR 40 million leading to an investment value of around EUR 940 million.

Group Outlook

HOCHTIEF is **well positioned for the future** based on our solid, long-standing positions in our key local markets, a de-risked and growing order book and the identified tender pipeline of relevant projects worth over EUR 600 billion for 2022 and beyond, including PPP projects. The numerous stimulus packages approved by governments and the heightened focus on environmentally friendly projects provide additional opportunities. Furthermore during 2022, we will continue advancing the global implementation phase of the **Sustainability Plan 2025**.

The global economy is currently facing significant inflationary and supply-chain pressures. HOCHTIEF is well positioned and is actively managing these challenges. Around 60% of our revenues originate from cost-plus-fee type contracts in the Americas. For the remainder of our construction and services jobs we apply various tools for risk mitigation as part of our approach to risk management such as price escalation clauses, which allow us to pass on higher raw material costs, and enterprise bargaining agreements with workers covering the whole duration of projects. More immediately, and in response to the recent acceleration in inflation, our Group companies have responded with specific initiatives including agreeing additional risk-sharing mechanisms with clients, reducing the time during which our bid pricing is fixed and the pre-purchasing of materials and subcontractor capacity at the point in time when projects are awarded.

Our **guidance for 2022** is that we expect to achieve an operational net profit in the range of EUR 475–520 million, an increase of between 5% and 15% year on year, subject to market conditions.

Yours,



Marcelino Fernández Verdes
Chairman of the Executive Board

Interim Management Report

Financial review

Summary assessment of the business situation

HOCHTIEF generated nominal consolidated net profit of EUR 106 million in the first quarter of 2022, 23% higher than the comparable prior-year figure (EUR 86 million). Furthermore, the Group generated net cash from operating activities pre-factoring of EUR 703 million (LTM) and finished the quarter with a strong order backlog of EUR 50.2 billion, an increase of 6% year on year.

On February 23, 2022, through HOCHTIEF Australia, HOCHTIEF submitted an unconditional and final off-market takeover offer to acquire all CIMIC shares for AUD 22 cash per CIMIC share. The maximum aggregate amount of cash consideration is expected to total approximately EUR 940 million. To finance the payment obligation in respect of the offer, HOCHTIEF has entered into a transaction facility with a consortium of banks. At the end of April 2022, HOCHTIEF had acquired a 96.30% interest in CIMIC.

Sales and earnings

HOCHTIEF generated **sales** of EUR 5.3 billion in the first quarter of 2022. This marked 8% growth year on year (EUR 4.9 billion). Adjusted for exchange rate effects, sales were up 3% on the prior-year figure.

Sales

(EUR million)	Q1 2022	Q1 2021	Change	Change f/x-adjusted
HOCHTIEF Americas	3,505.3	3,221.9	8.8%	1.2%
HOCHTIEF Asia Pacific	1,516.3	1,395.6	8.6%	7.1%
HOCHTIEF Europe	275.7	284.7	-3.2%	-3.4%
Corporate	36.0	32.2	11.8%	4.7%
HOCHTIEF Group	5,333.3	4,934.4	8.1%	2.6%

The HOCHTIEF Americas division increased **sales** by 9% relative to the prior-year period (EUR 3.2 billion) to EUR 3.5 billion in the first quarter of 2022. Adjusted for exchange rate effects, sales were up 1%.

CIMIC generated sales of AUD 2.3 billion in the first quarter of 2022. The sales growth relative to the prior year (AUD 2.2 billion) came to 7%, with growth achieved in Australian Construction and Services. At the level of the HOCHTIEF Asia Pacific division, sales of EUR 1.5 billion were 9% higher year on year.

The HOCHTIEF Europe division generated sales of EUR 276 million in the first quarter of 2022 (prior year: EUR 285 million) with work done up 3% reflecting a higher share of joint venture projects during the quarter.

The sales volume on markets outside Germany amounted to EUR 5.1 billion in the first quarter of 2022. At 96%, the proportion of HOCHTIEF Group sales generated internationally was on a similar level to the prior year.

Net income from equity-method associates, joint ventures, and other participating interests improved by EUR 4 million year on year (EUR 46 million) to EUR 50 million. The increase mainly related to the larger earnings contribution from the Abertis Investment in Q1 2022 in the amount of EUR 5 million (Q1 2021: minus EUR 3 million).

Net investment and interest expense amounted to EUR 35 million in the first three months of 2022 (Q1 2021: EUR 30 million). The increase is mainly related to a higher interest expense in connection with drawings on the transaction facility to fund the payment obligation under the takeover offer to outstanding CIMIC shareholders.

HOCHTIEF generated **nominal profit before tax (PBT)** of EUR 166 million in the first quarter of 2022, marking an improvement of 14% (f/x-adjusted 9%) on the prior-year period (EUR 145 million). **Operational PBT** (nominal PBT adjusted for non-operational effects), at EUR 179 million, showed a 14% improvement on the prior-year period (EUR 158 million).

Profit before tax (PBT)

(EUR million)	Q1 2022	Q1 2021	Change	Change f/x-adjusted
HOCHTIEF Americas	82.8	88.4	-6.3%	-12.8%
HOCHTIEF Asia Pacific	77.4	63.5	21.9%	19.7%
HOCHTIEF Europe	10.7	10.5	1.9%	1.9%
Abertis Investment	4.7	(3.0)	-	-
Corporate	(9.3)	(14.0)	-33.6%	27.9%
Group nominal PBT	166.3	145.4	14.4%	8.9%
Non-operating effects	13.2	12.2	8.2%	
Restructuring	8.1	5.9	37.3%	
Investments/Divestments	3.7	6.0	-38.3%	
Impairments	0.0	0.0	-	
Others	1.4	0.3	366.7%	
Group operational PBT	179.5	157.6	13.9%	

Nominal PBT in the HOCHTIEF Americas division amounted to EUR 83 million in the first quarter of 2022 (Q1 2021: EUR 88 million), with a margin on par with the FY 2021 level.

The earnings contribution of the HOCHTIEF Asia Pacific division reflects HOCHTIEF's holding in CIMIC (86.74% at the end of March 2022 versus 78.58% at the end of March 2021) as well as associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate. CIMIC generated nominal PBT of AUD 145 million in the first quarter of 2022. This was 25% higher year on year (AUD 116 million Q1 2021 comparable). It includes the impact of the CCPP settlement. At the division level, nominal PBT was EUR 77 million, compared to EUR 64 million in the prior-year period.

Nominal PBT in the HOCHTIEF Europe division came to EUR 11 million in the first quarter of 2022, thus on a similar level to the prior year.

Income tax expense amounted to EUR 46 million in the first quarter of 2022 (Q1 2021: EUR 39 million). The effective tax rate was nearly unchanged at 28% (Q1 2021: 27%).

The HOCHTIEF Group's **nominal net profit** totaled EUR 106 million in the first quarter of 2022 (Q1 2021: EUR 86 million), marking an improvement of 23%. HOCHTIEF raised **operational net profit** by 19% to EUR 118 million (Q1 2021: EUR 99 million).

Consolidated net profit

(EUR million)	Q1 2022	Q1 2021	Change	Change f/x-adjusted
HOCHTIEF Americas	62.8	56.4	11.3%	3.7%
HOCHTIEF Asia Pacific	44.5	36.8	20.9%	18.5%
HOCHTIEF Europe	7.5	8.0	-6.3%	-6.3%
Abertis Investment	4.7	(3.0)	-	-
Corporate	(13.4)	(12.2)	-9.8%	-14.8%
Group nominal net profit	106.1	86.0	23.4%	16.6%
Non-operating effects	12.1	13.2	-8.3%	
Restructuring	6.7	6.3	6.3%	
Investments/Divestments	4.1	6.3	-34.9%	
Impairments	0.0	0.0	-	
Others	1.3	0.6	116.7%	
Group operational net profit	118.2	99.2	19.2%	

HOCHTIEF Group—Selected recent significant project announcements

Contract values are total project volumes.



Haus der Statistik, Berlin, Germany
 Friedrich Loeffler Institut, EUR 172 million, Jena, Germany
 Power supply tunnel project, EUR 241 million, Wales
 Several data centers, USA
 California DGS Resources Building, EUR 318 million, California, USA
 University of California, California, USA
 New Veterans Administration Medical Center, EUR 700 million, Kentucky, USA
 NCDOT I-95, EUR 560 million, North Carolina, USA
 The Post, office project, Vancouver, Canada
 Suitland High School, Maryland, USA
 Orinda Water Treatment Plant, EUR 239 million, California, USA
 Wexford 2 & 3 uCity, Pennsylvania, USA

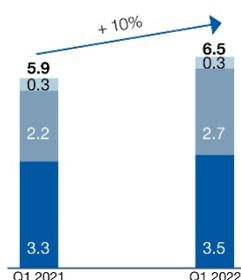
North East Link PPP, EUR 10 billion, Melbourne, Australia
 M6 Motorway, EUR 1.2 billion, Sydney, Australia
 CBD Tower, EUR 237 million, Sydney, Australia
 Sydney Metro, EUR 259 million, Sydney, Australia
 Esso contract extension, EUR 70.8 million, Victoria, Australia
 Olive Downs Project, EUR 936 million, Queensland, Australia
 Western Harbour Tunnel, EUR 223 million, Sydney Australia
 Renewables Utilities Contracts, EUR 187 million, Queensland/South Australia, Australia
 Sydney Metro, EUR 1.4 billion, Sydney, Australia
 Road Projects, EUR 196 million, South Australia, Australia
 Long-term maintenance contract, EUR 26 million annually, Western Australia, Australia

New orders and order backlog

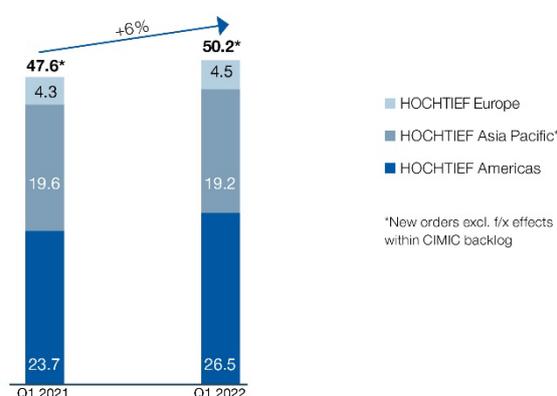
New orders of EUR 6.5 billion in Q1 2022 increased by EUR 0.6 billion year on year or 10% in nominal terms. In the last twelve months, the Group recorded a total of new orders equivalent to 1.2x work done and continues its disciplined bidding approach across all divisions.

Consequently, the **order book** rose by EUR 2.6 billion or 6% year on year to EUR 50.2 billion, or EUR 1.9 billion quarter on quarter (+4% on a comparable basis, i.e. excluding Ventia, reclassified as a financial asset end of March 2022). Our focus remains on developed markets. Our order book is geographically diversified and has been significantly de-risked in recent years reflecting the transformation in our approach to construction risk management across all divisions.

New orders (EUR billion)



Order backlog (EUR billion)



Cash flow

Cash flow

(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Net cash from operating activities pre-factoring	(504.8)	(448.7)	(56.1)	759.5
Net cash from operating activities	(534.7)	(597.0)	62.3	405.6
Gross operating capital expenditure	(22.5)	(22.7)	0.2	(79.2)
Operating asset disposals	2.1	2.3	(0.2)	23.6
Net operating capital expenditure	(20.4)	(20.4)	–	(55.6)
Free cash flow from operations	(555.1)	(617.4)	62.3	350.0
Free cash flow from operations pre-factoring	(525.2)	(469.1)	(56.1)	703.9

Net cash from operating activities pre-factoring, at minus EUR 505 million in the first quarter of 2022, reflects typical seasonality of the beginning of the year. The year-on-year variation is significantly impacted by movements in foreign exchange rates. Over the last twelve months, net cash from operating activities pre-factoring amounted to EUR 703 million.

Gross operating capital expenditure came to EUR 22 million in the first three months of 2022 and was thus on a similar level to the prior-year period (EUR 23 million). The majority of this was at 73% accounted for by the HOCHTIEF Asia Pacific division. Proceeds from operating asset disposals, as in the prior-year period, came to EUR 2 million. Net operating capital expenditure resulted in a total cash outflow of EUR 20 million, unchanged year on year.

Free cash flow from operations pre-factoring amounted to EUR 648 million over the last twelve months (up EUR 79 million year on year).

Balance sheet

Total assets in the HOCHTIEF Group stood at EUR 17.0 billion as of March 31, 2022 (December 31, 2021: EUR 16.2 billion).

Non-current assets increased during the first quarter of 2022 by EUR 473 million to EUR 5.8 billion. The increase mostly relates to CIMIC's investment in Ventia, which is accounted for as a financial asset since the end of the first quarter of 2022, whereas it was previously accounted for as an equity-method associate.

Current assets stood at EUR 11.2 billion at the end of the first quarter of 2022, marking an increase of EUR 268 million on the figure as of December 31, 2021. The trade receivables and other receivables of EUR 6.1 billion (December 31, 2021: EUR 5.5 billion) mainly reflect the seasonal increase and exchange rate effects. Marketable securities, at EUR 564 million, were almost at the same level as at the 2021 year-end. Cash and cash equivalents declined by EUR 389 million to EUR 3.9 billion in the first quarter of 2022. HOCHTIEF continued to have a strong liquidity position totaling EUR 4.5 billion as of the March 31, 2022 reporting date.

HOCHTIEF Group **equity** as of the March 31, 2022 reporting date amounted to EUR 917 million (December 31, 2021: EUR 1.1 billion). The changes in the first quarter of 2022 related to profit after tax (EUR 120 million), exchange rate effects (EUR 60 million), the effect of increasing the shareholding in CIMIC in Q1 2022 (minus EUR 364 million), dividends (minus EUR 10 million), and other changes outside the statement of earnings (EUR 25 million).

Non-current liabilities came to EUR 5.4 billion at the end of the first quarter of 2022, on a par with the end of 2021. Of the total non-current liabilities, EUR 4.2 billion related as before to non-current financial liabilities and lease liabilities. These included non-current lease liabilities recognized in accordance with IFRS 16 in the amount of EUR 278 million as of the March 31, 2022 reporting date (December 31, 2021: EUR 272 million). Non-current provisions decreased by a total of EUR 65 million to EUR 834 million, mainly due to adjustment of the discount rate on pension provisions to the higher capital-market level.

Current liabilities increased by EUR 912 million to EUR 10.6 billion at the end of the first quarter of 2022. Financial liabilities went up by EUR 513 million to EUR 1.0 billion. This increase mainly related to drawings on a transaction facility to fund the payment obligation under the takeover offer to outstanding CIMIC shareholders. Trade payables and other liabilities rose by EUR 458 million to EUR 8.5 billion, mainly due to HOCHTIEF Asia Pacific and exchange rate effects.

The HOCHTIEF Group had **net financial debt** of EUR 351 million as of the March 31, 2022 reporting date. In addition to seasonally typical cash outflow at the beginning of the year, this includes the purchase of CIMIC shares under the ongoing takeover offer in the amount of EUR 364 million.

HOCHTIEF Group net cash (+)/net debt (-) development*

(EUR million)	Mar. 31, 2022	Mar. 31, 2021	Change	Dec. 31, 2021
HOCHTIEF Americas	1,126.4	1,100.1	26.3	1,530.9
HOCHTIEF Asia Pacific	(344.2)	(153.8)	(190.4)	(317.8)
HOCHTIEF Europe	698.0	503.9	194.1	798.8
Corporate	(1,830.9)	(1,443.4)	(387.5)	(1,456.1)
Group	(350.7)	6.8	(357.5)	555.8

* For definition, please see Group Report 2021, page 294.

Risk and opportunities report

There has been no material change of the overall assessment with regard to opportunities and risks presented in our 2021 Group Report. The statements regarding the opportunities and risks made in the Group Report as of December 31, 2021 therefore continue to apply. Regarding Ichthys LNG project (CCPP), CIMIC has entered into a conditional, confidential commercial agreement with its consortium partners and the client resulting in a full and final settlement of all matters in connection with the contract. This settlement agreement is subject to a number of conditions precedent related primarily to payment obligations. The Q1 2022 results include the profit impact of this settlement.

Economies currently are facing significant inflationary pressures and supply-chain strains. HOCHTIEF is generally well positioned to manage these challenges. Around 60% of the revenues originate from cost-plus-fee type contracts in the Americas. For the remainder of the construction and services jobs HOCHTIEF applies various tools for risk mitigation as part of its risk management. These include price escalation clauses which allow to pass on higher raw material costs and enterprise bargaining agreements with workers covering the whole duration of projects. Furthermore, in recent years HOCHTIEF shifted the contract portfolio in construction in its diversified geographies towards lower-risk alliance, collaboration and partnering contracts.

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

HOCHTIEF expects to achieve an operational net profit in 2022 in the range of EUR 475–520 million, an increase of between 5 to 15% year on year, subject to market conditions.

Divisions

HOCHTIEF Americas

HOCHTIEF Americas Division: Key Figures				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Divisional sales	3,505.3	3,221.9	8.8%	13,793.0
Operational profit before tax/PBT	88.0	90.9	-3.2%	351.1
Operational PBT margin (%)	2.5	2.8	(0.3)	2.5
Operational net profit	66.5	58.2	14.3%	235.9
Nominal profit before tax/PBT	82.8	88.4	-6.3%	323.1
Nominal net profit	62.8	56.4	11.3%	231.7
Net cash from operating activities	(396.7)	(309.4)	(87.3)	331.8
Net cash from operating activities pre-factoring	(356.9)	(278.8)	(78.1)	342.5
Gross operating capital expenditure	3.3	6.8	(3.5)	23.1
Net cash (+)/net debt (-)	1,126.4	1,100.1	26.3	1,530.9
New orders	3,451.3	3,308.9	4.3%	15,306.5
Work done	3,518.0	3,211.6	9.5%	13,724.4
Order backlog	26,524.5	23,728.6	11.8%	26,074.9
Employees (end of period)	11,691	11,899	-1.7%	11,487

Note: Operational profits are adjusted for non-operational effects

HOCHTIEF Americas delivered a firm set of results in Q1 2022 accompanied by substantial order book growth.

Sales year to date of EUR 3.5 billion were 9% higher than the corresponding period of Q1 2021 (+1% f/x-adjusted) with work done up 10% year on year.

Operational PBT of EUR 88 million was at a similar level to the first quarter of 2021, with a solid margin of 2.5% in line with the FY 2021 level.

The division's **net cash from operating activities** pre-factoring in Q1 2022 reflects seasonal working capital variation and project timing effects. The year-on-year variation is driven significantly by f/x movements.

The strong balance sheet at HOCHTIEF Americas showed a **net cash** position of over EUR 1.1 billion at the end of March 2022 up EUR 26 million year on year.

At the end of the period, the **order backlog** stood at another record high of EUR 26.5 billion up 12% year on year or 6% f/x-adjusted with an absolute increase of EUR 2.8 billion since March 2021. **New orders** secured during Q1 2022 reached EUR 3.5 billion up by 4% year on year with work secured in the last twelve months representing 1.1x work done.

Turner is building a 16-megawatt data center in Iowa. This is the first phase of a project for over a billion dollars. Another data center is being built in North Carolina and contracts to build two more data centers were awarded in Virginia.

In Philadelphia, Pennsylvania, Turner is providing preconstruction and construction management services in a new project for Wexford Science and Technology. The project involves the construction of two towers accommodating laboratory and office space.

The Suitland High School project in District Heights, Maryland, will entail the full replacement of the original 1940's High School and the development of the surrounding property and site. Turner is building a new, sustainable, state-of-the-art Performing Arts High School, serving 2,000 students.

At the University of California in Merced, Turner is building an approximately 17,000-square-meter Medical Education Building. It will provide instructional facilities for medical education and other allied healthcare-related courses.

Flatiron has been awarded the contract to improve the disinfection and chemical systems of the Orinda Water Treatment Plant in California. Valued at approximately EUR 239 million, the project is to be completed in 2027. The work involves modernizing and replacing existing facilities and constructing new buildings.

HOCHTIEF Americas Outlook

For 2022, we target an operational pre-tax profit of EUR 350 million to EUR 370 million, subject to market conditions.

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Divisional sales	1,516.3	1,395.6	8.6%	6,137.3
Nominal profit before tax/PBT	77.4	63.5	21.9%	262.1
Nominal PBT margin (%)	5.1	4.6	0.5	4.3
Nominal net profit	44.5	36.8	20.9%	146.9
Net cash from operating activities	(35.1)	(226.9)	191.8	(140.7)
Net cash from operating activities pre-factoring	(45.0)	(109.2)	64.2	202.5
Gross operating capital expenditure	16.4	12.5	3.9	43.0
Net cash (+)/net debt (-)	(344.2)	(153.8)	(190.4)	(317.8)
Work done	2,193.6	2,170.2	1.1%	9,319.8
Order backlog	19,212.2	19,584.0	-1.9%	21,247.8
Employees (end of period)	16,704	16,404	1.8%	17,359

Note: Operational profits are adjusted for non-operational effects

The performance of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's stake in CIMIC (86.74% as of the end of March 2022 versus 78.58% at March 2021) as well as associated financing and holding costs, and the impact of variations in the AUD/EUR exchange rate.

HOCHTIEF Asia Pacific's **profit before tax** in Q1 2022 was EUR 77 million up by EUR 14 million, or 22%, year-on-year on **sales** of EUR 1.5 billion which were 9% higher.

At the end of the period, the division showed a **net debt** position of EUR 344 million and an **order book** of EUR 19.2 billion up 3% quarter on quarter in local currency terms on a comparable basis.

CIMIC's key figures

Revenues increased by 7.1% to AUD 2.3 billion in Q1 2022 driven by growth in Australian Construction and Services. **Net profit after tax**, NPAT, of AUD 108 million is 13% higher year on year, on a comparable basis. The prior-year figure reflects the change in the Ventia stake to 32.8% versus 47%. The NPAT figure includes the impact of the CCPP settlement.

EBITDA, EBIT and NPAT margins were firm at 10.0%, 7.6% and 4.6% respectively.

Operating cash flow pre-factoring improved by almost AUD 100 million year on year. EBITDA cash-conversion pre-factoring reached 66% LTM rising to 95% excluding Leighton Asia.

Net debt ended the period at AUD 490 million with a stable year-to-date variation. CIMIC continues to have solid investment grade rating from S&P.

New work of AUD 4.2 billion has been awarded during Q1 2022. The period-end **order book** stands at AUD 28.5 billion, a 3% increase quarter on quarter on a comparable basis.

As of the end of the period, the **pipeline** of relevant tenders to be bid for or awarded is approximately AUD 495 billion for 2022 and beyond, including AUD 115 billion of PPP opportunities.

CPB Contractors, as part of a joint venture, has been selected to deliver the surface civil and alignment works for the Sydney Metro—Western Sydney Airport rail link between Orchard Hills and the new Western Sydney Airport Station. The project will generate revenue of approximately EUR 259 million for CPB Contractors.

CPB Contractors has been selected, in a joint venture with John Holland, to deliver the Western Harbour Tunnel—Southern Tunnelling Works as a modification to the Rozelle Interchange contract. The contract value for the CIMIC company is approximately

EUR 223 million. Facilitating the efficient construction of the West Harbour Tunnel, the project will help integrate the tunnel seamlessly into the Sydney motorway network. Completion is scheduled for 2025.

UGL has been named as the principal contractor for a 660 MW power generation plant for the Hunter Power Project in New South Wales. The contract will generate revenue for UGL of just under EUR 115 million over a period of two years. The power generation plant will comprise two heavy-duty gas turbine generators that operate using dual fuel sources, including provision to operate on a hydrogen fuel mix.

In the Indonesian capital Jakarta, Leighton Asia is to construct a data center for a multinational technology corporation. Work on the two data halls and associated buildings for storage, security, operational facilities, and services is to be completed in 2023.

Under an eight-year contract, Thiess is to provide resource services for the Olive Downs Project in Queensland. Revenue to Thiess is expected to be EUR 936 million over the first five years, with revenue beyond this term to be finalized.

Thiess has also been awarded a four-year contract for services at the Mount Holland Lithium mine in Western Australia. Lithium is notably used in the production of electric vehicles and battery-based energy storage systems.

HOCHTIEF Asia Pacific Outlook

CIMIC maintained its NPAT (net profit after tax) guidance for 2022 in the range of AUD 425–460 million, subject to market conditions.

HOCHTIEF Europe

HOCHTIEF Europe Division: Key Figures				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Divisional sales	276.6	286.3	-3.4%	1,309.5
Operational profit before tax/PBT	14.4	14.4	0.0%	60.1
Operational PBT margin (%)	5.2	5.0	0.2	4.6
Operational net profit	11.4	13.4	-14.9%	47.8
Nominal profit before tax/PBT	10.7	10.5	1.9%	(150.0)
Nominal net profit	7.5	8.0	-6.3%	(164.9)
Net cash from operating activities	(90.3)	(28.9)	(61.4)	93.6
Gross operating capital expenditure	1.6	2.4	(0.8)	9.4
Net cash (+)/net debt (-)	698.0	503.9	194.1	798.8
New orders	283.7	321.5	-11.8%	1,851.0
Work done	364.8	356.0	2.5%	1,674.4
Order backlog	4,508.1	4,298.8	4.9%	4,594.0
Employees (end of period)	4,694	4,935	-4.9%	4,718
of which in Germany	3,058	3,180	-3.8%	3,062

Note: Operational profits are adjusted for non-operational effects

Q1 2022 sales of EUR 277 million compare with EUR 286 million in Q1 2021. Work done increased by 3% driven by a higher share of joint venture projects. Operational PBT of EUR 14 million was stable year on year with a solid margin.

Net cash from operating activities reflects the characteristic seasonality of the first quarter of the year. The last twelve months figure is a cash inflow of EUR 32 million. The year-on-year variation shows the divisional cash flow returning to normalized levels for the quarter.

At the end of March 2022, the division's balance sheet maintained a solid **net cash** position of EUR 698 million.

New orders in the period of EUR 284 million were broadly stable year on year with a book to bill ratio for the last twelve months of 1.1x. The divisional **order backlog** ended March 2022 at EUR 4.5 billion, an increase year on year of 5%.

HOCHTIEF has been awarded a contract to design and construct an office building in Duisburg, Germany. This marks HOCHTIEF's fourth building for the client at the Duisburg location. The main tenant will be a health insurance fund. The client targets DGNB Gold sustainability certification for the building, which is slated for completion by 2024.

In Berlin, HOCHTIEF is responsible for constructing the shell of the Elements complex to be completed by May 2023. The project comprises four mixed-use buildings. It is pursuing LEED Gold Shell and Core sustainability certification.

HOCHTIEF is building the 400-meter Mühlberg Tunnel for a local bypass north of Kaiserslautern, Germany. The work is expected to take 22 months.

HOCHTIEF Europe Outlook

For 2022, we plan to achieve an operational pre-tax profit of EUR 45 million to EUR 65 million, subject to market conditions.

Abertis Investment

Abertis key figures (100%)				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Operating revenues	1,126	1,069	5%	4,854
Operating revenues comparable ¹⁾	–	–	18%	–
EBITDA	762	709	7%	3,351
Comparable EBITDA ¹⁾	–	–	23%	–
Net profit pre-PPA	98	84	17%	691

¹⁾ Comparable variations consider constant portfolio, f/x rates and other non-comparable effects

Abertis Investment contribution to HOCHTIEF				
(EUR million)	Q1 2022	Q1 2021	Change	Full year 2021
Nominal result ²⁾	4.7	(3.0)	7.7	58.0
Operational result ³⁾	4.7	(3.0)	7.7	58.0
Abertis—dividend received	0.0	0.0	0.0	118.7

²⁾ Nominal result included in EBITDA, profit before tax/PBT and net profit.

³⁾ Operational result included in operational profit before tax/PBT and operational net profit.

Key developments at Abertis

Abertis' **average daily traffic** in Q1 2022 was 16% higher year on year reflecting the continuing recovery of traffic levels and benefiting from the resilience afforded by the group's diversified portfolio of toll roads. During the first quarter of the year, traffic achieved levels above those of pre-Covid 2019.

Individual year-on-year country figures showed strong traffic performances: France +22%, Spain +41%, Italy +33%, Brazil +6%, Chile +33%, Mexico +13% and USA +4%.

On a comparable basis Q1 2022 operating **revenues** rose 18% year on year to EUR 1.1 billion. **EBITDA** rose by 7% to EUR 762 million, an increase of 23% on a comparable basis.

Abertis' **net profit** in Q1 2022 pre-PPA was EUR 98 million, a 17% increase year on year.

The toll road company declared a dividend of EUR 602 million in April 2022 of which HOCHTIEF will receive its share of EUR 119 million. The expected total payout for the three-year period 2022–24 is EUR 1.8 billion.

Abertis contribution to HOCHTIEF

HOCHTIEF owns a 20% stake in Abertis HoldCo, the direct owner of 98.7% of Abertis Infraestructuras, S.A. (Abertis), a leading international toll road operator. This investment is accounted for using the equity method and the net profit contribution is consequently included as an operating item in HOCHTIEF EBITDA.

The contribution to the HOCHTIEF Group resulting from the **Abertis Investment** reflects the operating performance of Abertis and the non-cash purchase price allocation (PPA) expense.

For Q1 2022, a EUR 5 million earnings contribution from Abertis was recognized, compared with EUR 3 million loss in Q1 2021.

Abertis Investment Outlook

Looking forward, we expect our Abertis investment will make a positive profit contribution to HOCHTIEF in FY 2022 subject to market conditions.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	Q1 2022	Q1 2021	Change	Full year 2021
Sales	5,333,298	4,934,409	8.1%	21,377,874
Changes in inventories	4,233	4,915	-13.9%	23,562
Other operating income	369,111	42,638	765.7%	206,217
Materials	(4,014,630)	(3,649,627)	10.0%	(16,116,075)
Personnel costs	(963,817)	(911,523)	5.7%	(3,749,819)
Depreciation and amortization	(67,376)	(74,814)	-9.9%	(314,178)
Other operating expenses	(509,357)	(216,844)	134.9%	(1,041,911)
Share of profits and losses of equity-method associates and joint ventures	47,468	37,426	26.8%	145,181
Net income from other participating interests	2,743	9,067	-69.7%	28,722
Investment and interest income	14,597	15,937	-8.4%	52,456
Investment and interest expenses	(50,002)	(46,187)	8.3%	(177,047)
Profit before tax – continuing operations	166,268	145,397	14.4%	434,982
Income taxes	(45,977)	(39,147)	17.4%	(141,585)
Profit after tax – continuing operations	120,291	106,250	13.2%	293,397
Of which: Attributable to non-controlling interest	14,221	20,237	-29.7%	85,476
Of which: Attributable to HOCHTIEF shareholders (net profit)	106,070	86,013	23.3%	207,921
Profit after tax – discontinued operations	-	-	-	(4,479)
Of which: Attributable to non-controlling interest	-	-	-	(4,479)
Of which: Attributable to HOCHTIEF shareholders (net profit)	-	-	-	-
Profit after tax – total	120,291	106,250	13.2%	288,918
Of which: Attributable to non-controlling interest	14,221	20,237	-29.7%	80,997
Of which: Attributable to HOCHTIEF shareholders (net profit)	106,070	86,013	23.3%	207,921
Earnings per share (EUR)				
Diluted and basic earnings per share – continuing operations	1.56	1.26	23.8%	3.05
Diluted and basic earnings per share – discontinued operations	-	-	-	-
Total earnings per share	1.56	1.26	23.8%	3.05

Consolidated Statement of Comprehensive Income

(EUR thousand)	Q1 2022	Q1 2021	Change	Full year 2021
Profit after tax	120,291	106,250	13.2%	288,918
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	59,935	120,017	-50.1%	153,030
Changes in fair value of financial instruments				
Primary	(12,742)	16,247	-	56,055
Derivative	181	(1,392)	-	5,730
Share of other comprehensive income of equity-method associates and joint ventures	38,989	12,848	203.5%	74,142
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans	47,358	23,370	102.6%	(3,818)
Other comprehensive income (after tax)	133,721	171,090	-21.8%	285,139
Total comprehensive income after tax	254,012	277,340	-8.4%	574,057
Of which: Non-controlling interest	12,051	52,785	-77.2%	128,841
Of which: HOCHTIEF Group	241,961	224,555	7.8%	445,216

Consolidated Balance Sheet

(EUR thousand)	Mar. 31, 2022	Dec. 31, 2021
Assets		
Non-current assets		
Intangible assets	1,125,193	1,091,132
Property, plant and equipment	822,844	818,480
Investment properties	19,215	19,474
Equity-method investments	2,474,914	2,505,442
Other financial assets	559,649	86,638
Financial receivables	108,363	107,954
Other receivables and other assets	223,042	209,925
Non-current income tax assets	106	12
Deferred tax assets	435,021	456,196
	5,768,347	5,295,253
Current assets		
Inventories	355,743	345,215
Financial receivables	126,454	101,315
Trade receivables and other receivables	6,136,247	5,511,078
Current income tax assets	103,173	100,366
Marketable securities	563,669	571,825
Cash and cash equivalents	3,892,780	4,281,642
Assets held for sale	29,873	28,369
	11,207,939	10,939,810
	16,976,286	16,235,063
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	724,451	800,997
Attributable to non-controlling interest	192,198	284,764
	916,649	1,085,761
Non-current liabilities		
Provisions for pensions and similar obligations	378,327	441,373
Other provisions	456,161	457,617
Financial liabilities	3,958,786	3,936,056
Lease liabilities	277,914	271,554
Trade payables and other liabilities	263,488	254,941
Deferred tax liabilities	77,600	52,485
	5,412,276	5,414,026
Current liabilities		
Other provisions	834,109	891,420
Financial liabilities	1,043,683	530,203
Lease liabilities	110,749	115,728
Trade payables and other liabilities	8,529,456	8,071,716
Current income tax liabilities	129,364	126,209
Liabilities associated with assets held for sale	-	-
	10,647,361	9,735,276
	16,976,286	16,235,063

Consolidated Statement of Cash Flows

(EUR thousand)	Q1 2022	Q1 2021
Profit after tax	120,291	106,250
Depreciation, amortization, impairments, and impairment reversals	63,236	68,538
Changes in provisions	(77,306)	(29,914)
Changes in deferred taxes	38,366	23,629
Gains/(losses) from disposals of non-current assets and marketable securities	(1,052)	(1,729)
Other non-cash income and expenses and deconsolidations	(292,928)	(13,408)
Changes in working capital (net current assets)	(385,468)	(750,291)
Changes in other balance sheet items	138	(103)
Cash flow from operating activities	(534,723)	(597,028)
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(22,488)	(22,687)
Payments from asset disposals	2,070	2,267
Acquisitions and participating interests		
Purchases	(33,078)	(50,407)
Payments from asset disposals/divestments	31,520	186
Changes in cash and cash equivalents due to changes in the scope of consolidation	(6,183)	(14,439)
Changes in marketable securities and financial receivables	(16,170)	(26,259)
Cash flow from investing activities	(44,329)	(111,339)
Payments into equity from non-controlling interests	73	4,619
Disbursements for acquisition of additional shares in subsidiaries	(350,442)	–
Dividends to non-controlling interests	(739)	(1,997)
Proceeds from new borrowing	1,030,964	714,414
Debt repayment	(558,698)	(278,143)
Repayment of lease liabilities	(38,569)	(40,269)
Cash flow from financing activities	82,589	398,624
Net change in cash and cash equivalents	(496,463)	(309,743)
Effect of exchange rate changes	107,601	160,314
Overall change in cash and cash equivalents	(388,862)	(149,429)
Cash and cash equivalents at the start of the year	4,281,642	4,964,592
Of which: Included in assets held for sale	–	14,693
Of which: Cash and cash equivalents as per Consolidated Balance Sheet	4,281,642	4,949,899
Cash and cash equivalents at end of reporting period	3,892,780	4,815,163

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 Remeasurement of defined benefit plans	other comprehensive income Currency translation differences	Changes in fair value of financial instruments	Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
Balance as of Jan. 01, 2021	180,856	1,711,057	(662,575)	(385,257)	(49,178)	(125,296)	669,607	293,012	962,619
Dividends	-	-	-	-	-	-	-	(27,623)	(27,623)
Profit after tax	-	-	86,013	-	-	-	86,013	20,237	106,250
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	90,390	24,782	115,172	32,548	147,720
Changes from remeasurement of defined benefit plans	-	-	-	23,370	-	-	23,370	-	23,370
Total comprehensive income	-	-	86,013	23,370	90,390	24,782	224,555	52,785	277,340
Other changes not recognized in the Statement of Earnings	-	-	59	-	-	-	59	(19,028)	(18,969)
Balance as of Mar. 31, 2021	180,856	1,711,057	(576,503)	(361,887)	41,212	(100,514)	894,221	299,146	1,193,367
Balance as of Jan. 01, 2022	180,856	1,711,090	(768,513)	(389,075)	66,654	(15)	800,997	284,764	1,085,761
Dividends	-	-	-	-	-	-	-	(10,395)	(10,395)
Profit after tax	-	-	106,070	-	-	-	106,070	14,221	120,291
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	62,225	26,308	88,533	(2,170)	86,363
Changes from remeasurement of defined benefit plans	-	-	-	47,358	-	-	47,358	-	47,358
Total comprehensive income	-	-	106,070	47,358	62,225	26,308	241,961	12,051	254,012
Other changes not recognized in the Statement of Earnings	-	-	(318,507)	-	-	-	(318,507)	(94,222)	(412,729)
Balance as of Mar. 31, 2022	180,856	1,711,090	(980,950)	(341,717)	128,879	26,293	724,451	192,198	916,649

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of and for the three months ended March 31, 2022, which were released for publication on May 6, 2022, 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, 2021.

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, 2022:

(in %)	Mar. 31, 2022	Dec. 31, 2021
Germany	2.10	1.31
USA	2.64	2.64
UK	2.75	1.80

This report has been prepared in all other respects using the same accounting policies as in the 2021 Consolidated Financial Statements. Information on those accounting policies is given in the Group Report 2021.

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 2022	Q1 2021	Mar. 31, 2022	Dec. 31, 2021
1 U.S. dollar (USD)	0.90	0.83	0.90	0.88
1 Australian dollar (AUD)	0.65	0.64	0.67	0.64
1 British pound (GBP)	1.19	1.15	1.18	1.19
100 Polish zloty (PLN)	21.54	21.90	21.49	21.75
100 Czech koruna (CZK)	4.07	3.83	4.10	4.02
100 Chilean pesos (CLP)	0.11	0.12	0.11	0.10

Changes in the scope of consolidation

The Consolidated Financial Statements for the first quarter of 2022 include 13 foreign companies for the first time. One foreign company has been removed from the scope of consolidation.

The number of companies accounted for using the equity method did not change in the first three months of 2022. CIMIC has decided to remove its nominee directors from the Ventia board and to waive certain of its material shareholder rights under the relationship deed in respect of nominating directors. As a result of these changes, the investment in Ventia is accounted for as of March 31, 2022 as a financial asset, whereas it was previously accounted for at equity. This decrease is offset by an increase from another foreign company. In addition, the number of joint operations abroad included in the Consolidated Financial Statements decreased by two.

The Consolidated Financial Statements as of March 31, 2022 include HOCHTIEF Aktiengesellschaft as well as a total of 45 German and 320 foreign consolidated companies, 14 German and 87 foreign companies accounted for using the equity method as well as 90 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.

Non-current assets held for sale

Non-current assets held for sale relate to CIMIC and amount to EUR 29.9 million (December 31, 2021: EUR 28.4 million). The position also includes BICC with a book value of nil (December 31, 2021: EUR nil). The completion of SALD's acquisition of CIMIC's 45% investment in BICC is subject to satisfaction of certain conditions precedent and obtaining all necessary approvals. The parties continue to work together to achieve the satisfaction of the remaining outstanding conditions precedent and obtaining all necessary approvals.

Takeover offer for the Group company CIMIC

On February 23, 2022, HOCHTIEF approved an unconditional and final off-market takeover offer to acquire all CIMIC shares held by CIMIC free-float shareholders for AUD 22 cash per share. The official offer period began when the offer documents were sent to the free-float shareholders on March 10, 2022. It originally ended on April 11, 2022, but was extended on that date to April 26, 2022. HOCHTIEF further extended the offer period until May 10, 2022 on April 26, 2022. Under the offer terms, if a CIMIC shareholder accepts the offer in respect of that shareholder's CIMIC shares, HOCHTIEF will be entitled to all rights attaching to those CIMIC shares, which includes the amount of any dividends declared or paid by CIMIC after the date of announcement of the offer.

As a result of the offer acceptances received in Q1 2022, HOCHTIEF's shareholding in CIMIC amounted to 86.74% as of March 31, 2022 (December 31, 2021: 78.58%). On April 22, 2022, HOCHTIEF passed the legal threshold for follow-on compulsory acquisition (squeeze-out) of the shares held by the remaining minority shareholders. HOCHTIEF has commenced this process of compulsorily acquiring the remaining ordinary shares in CIMIC by April 29, 2022. As of early May 2022 HOCHTIEF's shareholding in CIMIC is over 96%.

The maximum aggregate amount of cash consideration that HOCHTIEF would be required to pay under the offer (66,665,467 CIMIC shares multiplied by the offer price of AUD 22 per share) is expected to total approximately AUD 1.5 billion (EUR 940 million post f/x hedging). To finance the payment obligation in respect of the offer, HOCHTIEF has entered into a transaction facility with a consortium of banks.

Trade receivables and other receivables

(EUR thousand)	Mar. 31, 2022	Dec. 31, 2021
Trade receivables	3,401,205	3,074,853
Contract assets	2,017,236	1,740,381
Other receivables and other assets	940,848	905,769
	6,359,289	5,721,003

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, 2022	Dec. 31, 2021
Trade payables	6,011,565	5,478,284
Contract liabilities	2,130,004	2,166,467
Other liabilities	651,375	681,906
	8,792,944	8,326,657

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, 2022				Dec. 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	469,535	35,898	54,216	559,649	2,415	32,736	51,487	86,638
Other and financial receivables and other assets								
Non-current	15	12,667	–	12,682	7	11,570	–	11,577
Current	250	40,931	–	41,181	57	40,824	–	40,881
Marketable securities	563,620	49	–	563,669	571,777	48	–	571,825
Total assets	1,033,420	89,545	54,216	1,177,181	574,256	85,178	51,487	710,921
Liabilities								
Other liabilities								
Non-current	67	1,789	8,767	10,623	292	4,807	8,325	13,424
Current	350	7,151	–	7,501	234	487	–	721
Total liabilities	417	8,940	8,767	18,124	526	5,294	8,325	14,145

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 measured at amortized cost, which have a total carrying amount of EUR 5,002,469 thousand (December 31, 2021: EUR 4,466,259 thousand) and a fair value of EUR 4,749,223 thousand (December 31, 2021: 4,495,391 thousand).

As in the comparative prior-year period, there were no transfers of financial instruments measured at fair value between Levels 1 and 2 as well as Level 3 of the fair value hierarchy during the first quarter of 2022.

The Group's forward exchange contracts are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximizes the use of observable market inputs, e.g. market exchange and interest rates. They are therefore included in Level 2 of the fair value hierarchy.

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 input parameters are the internal rate of return as well as the growth rate and discount rate.

As part of the Thiess divestment, the transaction agreement includes an option for Elliott to sell all or part of its 50% interest in Thiess to CIMIC after the third anniversary, between four and six years from completion on December 31, 2020. The exercise price will be the lower of a cost price paid by Elliott for the Thiess shares or a price referable to movements in the S&P / ASX 200 Total Return index plus the accrued value of any shortfall in agreed minimum distributions. This option has no current impact on the control of the company.

The put option is accounted for as a derivative financial instrument in accordance with IFRS 9 and will therefore be held at fair value through profit and loss in the financial statements. The fair value of the put option cannot be observed from a market price. A Probability Weighted Expected Returns Methodology is used to derive the value of the put option proceeds based on future potential payoffs if the option is exercised, adjusted for the minimum annual distributions per the Shareholders Agreement, and compares this to the estimated strike price to determine a fair value. External independent valuation advisors have been utilized in determining the fair value of the put option. The fair value of this option is unchanged and amounts to AUD 13 million (EUR 8.8 million) [December 31, 2021: AUD 13 million (EUR 8.3 million)]. The input parameters for the valuation are the expected exercise period, an EBITDA multiplier, and the discount rate.

Changes in the unobservable inputs had no material effect on total comprehensive income, total assets and liabilities, or equity.

Reconciliation of opening to closing balances for Level 3 measurements of other financial assets as well as other liabilities:

Level 3 reconciliation Q1 2022:

(EUR thousand)	Balance as of Jan. 1, 2022	Currency adjustments	Gains/ (losses) recognized in profit or loss	Other changes	Balance as of Mar. 31, 2022
Assets					
Other financial assets	51,487	2,729	–	–	54,216
Liabilities					
Other liabilities					
Non-current	8,325	442	–	–	8,767
Current	–	–	–	–	–

Level 3 reconciliation FY 2021:

(EUR thousand)	Balance as of Jan. 1, 2021	Currency adjustments	Gains/ (losses) recognized in profit or loss	Other changes	Balance as of Dec. 31, 2021
Assets					
Other financial assets	36,200	891	12,427	1,969	51,487
Liabilities					
Other liabilities					
Non-current	8,178	147	–	–	8,325
Current	–	–	–	–	–

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.

Capital risk management

Cash in the amount of EUR 291,926 thousand (December 31, 2021: EUR 277,233 thousand) is subject to financial and operational restrictions or is restricted in relation to the sale of receivables.

Treasury stock

As of March 31, 2022, HOCHTIEF Aktiengesellschaft held a total of 2,525,851 shares of treasury stock (3.58% of the capital stock), unchanged from December 31, 2021.

Dividend

The Annual General Meeting of HOCHTIEF Aktiengesellschaft resolved on April 27, 2022 to pay a dividend for 2021 of EUR 1.91 per eligible no-par-value share. This resulted in a dividend payment of EUR 130,110,834.96, which will be paid on July 7, 2022.

Financial events

On February 23, 2022, HOCHTIEF, through its wholly-owned subsidiary HOCHTIEF Australia Holdings Limited ("HOCHTIEF Australia"), submitted an unconditional and final off-market takeover offer ("offer") to acquire all CIMIC shares held by CIMIC free-float shareholders other than HOCHTIEF Australia for AUD 22 cash per CIMIC share. To finance the payment obligation in respect of the offer, HOCHTIEF has entered into a transaction facility with a consortium of banks for EUR 1 billion with a term of one year (plus two extension options for six months each). The costs for the share acquisitions amount to AUD 559 million (EUR 364 million) until March 31, 2022. These costs were covered by the transaction facility, which was drawn down in the amount of EUR 450 million as of March 31, 2022. The investment costs for the acquisition of all CIMIC shares not already owned by HOCHTIEF are up to approximately AUD 1.5 billion, which is due to the currency hedging around EUR 940 million.

Trade finance arrangements

The Group enters into factoring agreements with banks and financial institutions. These agreements only relate to certified receivables, on a non-recourse basis, acknowledged by the client with payment only being subject to the passage of time. Under the factoring agreements:

- The certified receivables are derecognized when substantially all the risks and rewards of ownership have been transferred;
- The cash flow to the Group only arises when there is an amount certified by the client and contractually due to be paid to the Group; there are no disputes on the amounts due and the customer has acknowledged this by way of certification; and
- The receipt by the Group irrevocably removes the Group's right to the certified receivable due from the customers.

The factoring of these receivables is therefore done on a non-recourse basis. The level of non-recourse factoring across the Group was EUR 753 million as of March 31, 2022 (March 31, 2021: EUR 957 million and December 31, 2021: EUR 758 million).

The Group 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 supply chain finance program is offered on a voluntary basis and suppliers can opt in and opt out at their discretion at any point in time. The terms of the arrangements are:

- The creditor arises from operational expenses relating to the supply of goods and services;
- They mirror normal credit terms;
- There are no additional credit enhancements; and
- They are subject to the same obligations that are customary within the industry, such as warranty for defective work.

Accordingly, the terms of the arrangement do not modify the original liability, and therefore the amounts continue to be classified within trade and other payables. The level of supply chain finance across the Group was EUR 54 million as of March 31, 2022 (March 31, 2021: EUR 106 million and December 31, 2021: EUR 64 million).

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2021 by EUR 3 thousand to EUR 607 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 as well as its 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, services, and PPP activities in the Asia-Pacific region and, among other things, includes the investment in Thiess, which is accounted for in the Consolidated Financial Statements using the equity method.

HOCHTIEF Europe brings together the core business in Europe as well as selected other regions and designs, develops, builds, operates, and manages real estate and infrastructure (PPP).

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.

Detailed information on the individual divisions/segments of the HOCHTIEF Group is contained in the preceding Interim Management Report.

Sales by division are allocated to the types of activities "Construction/PPP," "Construction Management/Services," and "Other." "Construction/PPP" includes Flatiron at HOCHTIEF Americas, CPB Contractors, and Leighton Asia 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, UGL's service business, and Sedgman's mineral processing businesses at HOCHTIEF Asia Pacific and HOCHTIEF Engineering, as well as synexs and Trinac at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other."

Sales at HOCHTIEF Americas in the amount of EUR 3,505,305 thousand (March 31, 2021: EUR 3,221,931 thousand) are recognized mainly in the "Construction Management/Services" category. At HOCHTIEF Asia Pacific, sales of EUR 1,516,292 thousand (March 31, 2021: EUR 1,395,648 thousand) are mainly generated in the activities "Construction/PPP" and "Construction Management/Services." External sales at HOCHTIEF Europe in the amount of EUR 275,699 thousand (March 31, 2021: EUR 284,685 thousand) are mainly recognized in the "Construction/PPP" category. Other sales recognized in "Corporate" amount to EUR 36,002 thousand (March 31, 2021: EUR 32,145 thousand).

Sales not related to contracts with clients, mainly relating to "Other" activities in Corporate, amount to EUR 41,609 thousand (March 31, 2021: EUR 40,967 thousand).

Almost all sales are recognized over time.

Reconciliation of profit before tax to EBITDA

(EUR thousand)

	Q1 2022	Q1 2021
Profit before tax	166,268	145,397
+ Investment and interest expenses	50,002	46,187
- Investment and interest income	(14,597)	(15,937)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(2,743)	(9,067)
Adjustments		
- Foreign exchange gains	(6,622)	(7,538)
+ Currency losses	8,983	8,621
- Income from disposal/write-ups of intangible assets, property, plant and equipment, and investment properties	(257)	(1,080)
+ Losses from disposal of non-current assets (excluding financial assets)	4	54
- Income from derecognition of/reversals of impairments on receivables and other assets	(170)	(17)
+ Impairment losses and losses on disposal of current assets (except inventories)	564	794
+ Adjustment for other non-operating net expenses	28	5,433
EBIT adjusted	201,460	172,847
+ Depreciation and amortization	67,376	74,814
EBITDA adjusted	268,836	247,661

Basic and diluted earnings per share

	Q1 2022	Q1 2021
Consolidated net profit (EUR thousand)	106,070	86,013
Number of shares in circulation (weighted average) in thousands	68,121	68,187
Earnings per share (EUR)	1.56	1.26

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 2022, 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

With regard to the off-market takeover offer to acquire all CIMIC shares, we refer to the sections "Takeover offer for the Group company CIMIC" and "Financial events". On May 6, 2022, CIMIC shares ceased trading on the Australian stock exchange.

Publication Details and Credits

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Current financial calendar:

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 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.

