Half-Year Report
January to June 2020

Financial Highlights

- Resilient sales performance in H1 2020 at EUR 11.9 billion (-1% yoy)
- Net cash from op. activities driven by seasonality and Covid-19 (incl. lower Abertis dividend)
- Group net cash of EUR 444 million in H1 2020, pre-BICC, after buybacks and investment in CIMIC
- Robust order backlog, EUR 50.2 billion, and new orders, EUR 26.2 billion LTM
- Outlook in core businesses remains positive, monitoring Covid-19 impacts

We are building the world of tomorrow.

HOCHTIEF

Note: Operational profits are adjusted for non-operational effects

The HOCHTIEF Group: Key Figures

(EUR million)	H1 2020	H1 2019	Change	Q2 2020	Q2 2019	Change	Full year 2019
Sales	11,946.8	12,009.4	-0.5%	5,791.3	6,276.8	-7.7%	25,851.9
Operational profit before tax/PBT	399.1	506.0	-21.1%	183.4	268.4	-31.7%	1.108.1
Operational profit before tax/PBT pre-Abertis	417.3	454.2	-8.1%	202.8	238.0	-14.8%	985.7
Operational PBT margin (%)	3.3	4.2	-0.9	3.2	4.3	-1.1	4.3
Operational PBT pre-Abertis margin (%)	3.5	3.8	-0.3	3.5	3.8	-0.3	3.8
Operational net profit	226.8	296.4	-23.5%	103.1	163.7	-37.0%	668.9
Operational net profit pre-Abertis	245.0	244.6	0.2%	122.5	133.3	-8.1%	546.5
Operational earnings per share (EUR)	3.23	4.20	-23.1%	1.48	2.32	-36.2%	9.47
EBITDA	801.8	909.0	-11.8%	366.4	465.8	-21.3%	1,892.8
EBITDA margin (%)	6.7	7.6	-0.9	6.3	7.4	-1.1	7.3
EBIT	464.9	561.0	-17.1%	203.9	289.3	-29.5%	1,191.5
EBIT pre-Abertis	483.1	509.2	-5.1%	223.3	258.9	-13.8%	1,069.1
EBIT margin (%)	3.9	4.7	-0.8	3.5	4.6	-1.1	4.6
EBIT pre-Abertis margin (%)	4.0	4.2	-0.2	3.9	4.1	-0.2	4.1
Nominal profit before tax/PBT	373.8	489.5	-23.6%	166.7	256.6	-35.0%	(627.5)
Nominal profit before tax/PBT pre-Abertis	392.0	437.7	-10.4%	186.1	226.2	-17.7%	(749.9)
Nominal net profit	202.2	278.7	-27.4%	87.3	150.7	-42.1%	(206.2)
Nominal net profit pre-Abertis	220.4	226.9	-2.9%	106.7	120.3	-11.3%	(328.6)
Nominal earnings per share (EUR)	2.88	3.95	-27.1%	1.25	2.13	-41.3%	(2.92)
Net cash from operating activities	(134.4)	414.1	-548.5	253.3	588.0	-334.7	1,602.5
Net cash from operating activities pre-factoring	(5.9)	340.4	-346.3	172.7	678.5	-505.8	1,559.4
Net operating capital expenditure	187.8	234.4	-46.6	87.9	121.2	-33.3	518.1
Free cash flow from operations	(322.2)	179.7	-501.9	165.4	466.8	-301.4	1,084.4
Net cash	(365.1)	1,306.9	-1,672.0	(365.1)	1,306.9	-1,672.0	1,529.0
Net cash ex-BICC	444.2						
New orders	10,364.2	14,553.3	-28.8%	5,845.2	7,465.8	-21.7%	30,428.8
New orders LTM	26,239.7	29,809.9	-12.0%				
Work done	12,477.2	12,602.0	-1.0%	6,075.6	6,528.0	-6.9%	27,138.9
Order backlog	50,202.1	49,424.9	1.6%	50,202.1	49,424.9	1.6%	51,362.1
Employees (end of period)	48,813	54,675	-10.7%	48,813	54,675	-10.7%	53,282

Cover photo: Germany's longest free-spanning cable-stayed bridge
Together with partners, HOCHTIEF is building the new highway bridge over the Rhine River in Duisburg-Neuenkamp, Germany. On completion, which is scheduled for 2026, the free-spanning cable-stayed bridge will measure 802 meters—the longest of its kind in Germany.

Dear Shareholders and friends of HOCHTIEF,

Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has delivered a **resilient set of results** for the first half of 2020, notwithstanding the impact of Covid-19. The Group's solid performance is a consequence of its diversification by geography and activities, the flexibility of our businesses and their ability to adapt to changing conditions. This is supported by the robust nature of our business models and the solid positioning of our companies with their long-term local market presence.

Our Group companies have continued to support government efforts to mitigate the impacts from the pandemic. In the United States, for example, Turner's position as the leading builder of healthcare projects has enabled it to accelerate project execution to meet the surge in hospital demand. In Australia and New Zealand, meanwhile, CIMIC has also played an important role in the community response to the pandemic by mobilizing additional resources.

HOCHTIEF delivered a H1 2020 consolidated **operational net profit** of EUR 227 million. Before considering the Abertis contribution, this profit was stable year on year at EUR 245 million, with all three operating divisions positively contributing. First-half sales of EUR 11.9 billion were steady year on year with a Q2 fall of 8% driven by the impact of Covid-19. Nominal net profit for the period was EUR 202 million.

Net cash from operating activities for the first six months of the year was driven by seasonality and Covid-19 related impacts, including a lower dividend contribution from Abertis. Looking at the last twelve months (LTM), there was an improvement of EUR 329 million year on year on an underlying basis. Due to sustained activity in mining and job-costed tunneling work, HOCHTIEF invested EUR 188 million in net

HOCHTIEF Group—H1 2020 overview

Resilient sales performance in H1 2020 at EUR 11.9 billion (-1% yoy)

- Sales in Q2 -8% yoy driven by Covid-19; resilient margins
- Op. net profit of EUR 227 million, pre-Abertis of EUR 245 milion (stable yoy); nominal net profit of EUR 202 million
- Abertis contribution of EUR -18 million (H1 2019 EUR 52 million), due to Covid-19; improving traffic trend

Net cash from op. act. driven by seasonality and Covid-19 (incl. lower Abertis dividend)

- Net cash from op. act. pre-factoring LTM improved by EUR 329 million to EUR +1.2 billion
- In the last 5 years, HOCHTIEF has generated on average approx. 80% of its net cash from op. act. pre-factoring in H2
- Ongoing net op. capex to deliver mining and job-costed tunneling works, H1 2020 at EUR 188 million (EUR -47 million yoy)

Group net cash of EUR 444 million in H1 2020, pre-BICC, after buybacks and investmt. in CIM

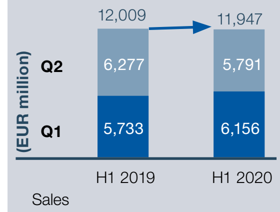
- Net cash of EUR 444 million, if adjusted for EUR 809 million cash-out for BICC, after EUR 294 million investments in HOCHTIEF and CIMIC share buybacks and CIMIC stake increase
- Strong liquidity position of EUR 6.2 billion, additional EUR 1.4 billion undrawn loan facilities
- S&P BBB rating reaffirmed in May 2020

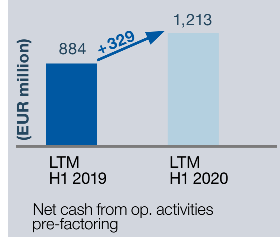
Robust order backlog, EUR 50.2 billion, and new orders, EUR 26.2 billion LTM

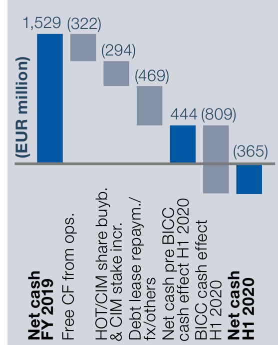
- Order backlog excl. EUR 1.9 billion Broadspectrum acquisition +2% qoq
- New orders EUR 26.2 billion LTM (-12% nom.), 1.0x work done; disciplined bidding approach continues in all divisions. New orders in Q2 2020 of EUR 5.8 billion represent approx. 1.0x work done

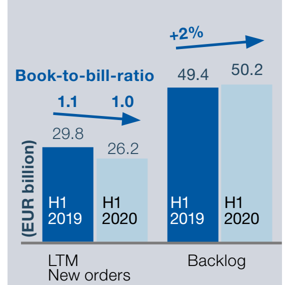
Outlook for core businesses remains positive, monitoring Covid-19 impacts

- Strong position in our core markets and tender pipeline stable yoy: USA, Canada, Asia-Pacific and Europe approx. EUR 100 billion in 2020 and EUR 500 billion beyond; PPP project pipeline of over EUR 200 billion
- We continue to monitor the consequences of Covid-19 on 2020 operational and financial performance.
- Numerous stimulus packages for infrastructure announced by governments
- Mining market proving resilient; exclusivity agreement with new equity investor signed to support mining growth, process well advanced and targeting resolution in coming weeks. Transaction would provide capital for Thiess' continued growth, while enabling CIMIC to enhance its balance sheet strength









yoy = year on year qoq = quarter on quarter LTM = last twelve months operating capital expenditure compared with EUR 234 million in H1 2019.

HOCHTIEF ended the first half year of 2020 with a net debt position of EUR 365 million. Excluding the EUR 809 million cash effect during H1 of exiting the Middle East, the net cash position would stand at EUR 444 million at the end of June 2020. This is after investing close to EUR 300 million to acquire 2.8% of CIMIC (EUR 102 million) as well as share buybacks at both HOCHTIEF (EUR 105 million) and CIMIC (EUR 87 million). HOCHTIEF ended the quarter with a **strong liquidity position** of EUR 6.2 billion further supported by committed, undrawn credit facilities of EUR 1.4 billion. S&P reaffirmed its “BBB” investment grade rating for HOCHTIEF in May 2020.

The Group’s **order book** remained robust at EUR 50.2 billion, an increase year on year of 2%. Excluding the EUR 1.9 billion of orders incorporated from the acquisition of Broadspectrum by CIMIC’s Ventia, the order book is stable compared with the end of the first quarter. Our construction management, mining, alliance-style contracts and services activities generate significant visibility for the Group and account for approximately 70% of HOCHTIEF’s order book.

Despite the H1 impact of Covid-19, a solid level of **new orders** of EUR 26.2 billion was secured during the last twelve months whilst maintaining a disciplined bidding approach across the Group. New orders in Q2 of EUR 5.8 billion represent approximately 1.0x work done meaning we have secured work equivalent to the level of contracts executed during the period.

Looking forward, our local teams have identified a **project tender pipeline** worth around EUR 100 billion for 2020 and EUR 500 billion beyond of relevant projects coming to our markets in North America, Asia-Pacific and Europe, with over EUR 200 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. In July, HOCHTIEF paid its shareholders a dividend for full year 2019 of EUR 5.80 per share or EUR 406 million. This represents a 16% increase compared with 2018 and is in addition to the EUR 105 million returned to shareholders via the buyback of 2.1% of our shares during H1 2020. So in total shareholder remuneration stands at more than EUR 500 million during H1 2020.

HOCHTIEF continues to focus on improving the Group’s risk profile and achieving the objective of **sustainable cash-backed profitability**.

We are well positioned for the future, thanks also to our Nexplore innovation hub, which continues to develop digital products for the construction and services industry. With that in mind, Nexplore collaborates closely with our operational units, various universities, and world-leading IT companies. Our priority of promoting continued evolution, through innovation and digitalization, continues to be a focus as we further build our competitive advantage and resilience. In addition, our performance in the area of sustainability was again recognized by analysts: HOCHTIEF was awarded an MSCI ESG rating of “AA” in 2020 and an ESG analysis conducted by Sustainalytics ranked us ninth among companies assessed in our sector globally.

Group Outlook

Our tender pipeline is extensive, numerous stimulus packages have been announced by governments and we’re pursuing a range of opportunities.

We continue to monitor the consequences of Covid-19 on our 2020 operational and financial performance.

Yours,

Marcelino Fernández Verdes
Chairman of the Executive Board

Interim Management Report
Financial review

Overview
HOCHTIEF has delivered a resilient set of results for the first half of 2020, notwithstanding the impact of Covid-19. Operations at the vast majority of our construction, mining and services sites have continued during the period and operational net profit pre-Abertis was stable year on year. At the end of June 2020, our order book remained robust.

Sales and earnings
Sales remained resilient in the first half of 2020 and amounted to EUR 11.9 billion, on par with the prior-year level.

The HOCHTIEF Americas division generated strong sales of EUR 7.6 billion in the first six months of 2020, based on a record high year-end 2019 order book. This corresponds to an increase of 8%, or 6% on a foreign-exchange rate adjusted basis.

At CIMIC, sales in the first half of 2020 in the amount of AUD 6.2 billion compared with AUD 7.0 billion in the previous year. Covid-19 led to temporary delay and slowdown of revenues across its activities, both domestic and overseas. At HOCHTIEF Asia Pacific division level, sales stood at EUR 3.7 billion additionally impacted by the movement in the Australian dollar/Euro exchange rate.

HOCHTIEF Europe sales amounted to EUR 593 million (H1 2019: EUR 571 million), an increase of 4% year on year reflecting a continued disciplined bidding approach as well as project timing effects.

The Group sales volume generated on markets outside Germany amounted to EUR 11.6 billion in the first six months of 2020, which represents 97% of total sales.

Net income from equity-method associates, joint ventures, and other participating interests amounted to EUR 61 million in the first half of 2020 (H1 2019: EUR 106 million). A EUR 70 million lower earnings contribution from the equity-accounted Abertis Investment was partially compensated by higher earnings contributions from joint ventures.

The **net investment and interest expenses** for the first half of 2020 amounted to EUR 84 million and were on a slightly higher level compared to the previous year (EUR 80 million) reflecting higher gross debt levels, which boosted the Group's liquidity position during the pandemic, as well as a significant reduction in the average cost of debt.

In the first half of 2020, the HOCHTIEF Group generated **nominal profit before tax (PBT)** of EUR 374 million. **Operational PBT** (nominal PBT adjusted for non-operational effects) was EUR 399 million.

The HOCHTIEF Americas division reported strong earnings growth in the first half of 2020. As a result of sales growth and steady margins, HOCHTIEF Americas improved nominal PBT by 7% year on year to EUR 163 million.

Earnings in the HOCHTIEF Asia Pacific division reflect HOCHTIEF's stake in CIMIC (77.06% as of June 30, 2020 compared with 72.68% as of June 30, 2019) as well as

Sales

(EUR million)	**H1 2020**	H1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	7,606.5	7,017.4	8.4%	5.7%
HOCHTIEF Asia Pacific	3,688.4	4,352.1	-15.3%	-10.8%
HOCHTIEF Europe	592.5	570.6	3.8%	4.6%
Corporate	59.4	69.3	-14.3%	-16.2%
Group	**11,946.8**	**12,009.4**	**-0.5%**	**-0.5%**

Profit before tax (PBT)

(EUR million)	H1 2020	H1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	163.3	152.6	7.0%	4.3%
HOCHTIEF Asia Pacific	229.8	286.1	-19.7%	-15.0%
HOCHTIEF Europe	17.9	24.8	-27.8%	-28.2%
Abertis Investment	(18.2)	51.8	–	–
Corporate	(19.0)	(25.8)	26.4%	24.4%
Group nominal PBT	**373.8**	**489.5**	**-23.6%**	**-21.8%**
Group nominal PBT pre-Abertis	**392.0**	**437.7**	**-10.4%**	**-8.4%**
Non-operational effects	**25.3**	**16.5**	**53.3%**	
Restructuring	14.3	7.3		
Investments/Divestments	13.4	0.7		
Impairments	0.0	0.0		
Others	(2.4)	8.5		
Group operational PBT	**399.1**	**506.0**	**-21.1%**	
Group operational PBT pre-Abertis	**417.3**	**454.2**	**-8.1%**	

variations in the Australian dollar/Euro exchange rate. Supported by business mix and cost efficiency measures, CIMIC delivered resilient margins and achieved a nominal PBT of AUD 430 million in the first half of 2020. At divisional level, the nominal PBT was EUR 230 million.

HOCHTIEF Europe achieved a nominal PBT of EUR 18 million in the first half of 2020 with a solid contribution from construction activities.

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 negative EUR 18 million compared with a profit of EUR 52 million in H1 2019.

Income tax expenses amounted to EUR 110 million in the first half of 2020 (H1 2019: EUR 134 million). At 29%, the effective tax rate was two percentage points higher than in the previous year (27%). This was due to the lower earnings contribution from the equity-accounted Abertis Investment compared with the previous year. If adjusted for the profit contribution from the Abertis Investment, the tax rate decreased year on year.

HOCHTIEF generated **nominal consolidated net profit** of EUR 202 million in the first half of 2020 (H1 2019: EUR 279 million) while operational net profit came out at EUR 227 million. Before considering the Abertis contribution, the operational profit was stable year on year at EUR 245 million, with all three operating divisions positively contributing.

Note: Operational profits are adjusted for non-operational effects

Consolidated net profit

(EUR million)	H1 2020	H1 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	106.8	97.8	9.2%	6.2%
HOCHTIEF Asia Pacific	119.5	137.7	-13.2%	-7.7%
HOCHTIEF Europe	17.8	19.3	-7.8%	-8.8%
Abertis Investment	(18.2)	51.8	–	–
Corporate	(23.7)	(27.9)	15.1%	13.6%
Group nominal net profit	**202.2**	**278.7**	**-27.4%**	**-26.0%**
Group nominal net profit pre-Abertis	**220.4**	**226.9**	**-2.9%**	**-1.1%**
Non-operational effects	**24.6**	**17.7**	**39.0%**	
Restructuring	12.8	7.7		
Investments/Divestments	13.8	1.0		
Impairments	0.0	0.0		
Others	(2.0)	9.0		
Group operational net profit	**226.8**	**296.4**	**-23.5%**	
Group operational net profit pre-Abertis	**245.0**	**244.6**	**0.2%**	

HOCHTIEF Group—Selected Recent Significant Project Announcements

Contract values are total project volumes.

Hessian Police, Kassel, Germany
Rhine Bridge, EUR 500 million, Duisburg, Germany
A12/A15 motorway project (ViA15), EUR 1.2 billion, Arnhem, Netherlands
Love Field Airport, EUR 113 million, Texas, USA
Hospital, Ohio, USA
Research Building 4, Ohio, USA
Highway 50, EUR 390 million, California, USA
Highway 1, California, USA
USACE – Stony Brook University ACF, New York, USA
One Manhattan West, New York, USA
US DOT Volpe Exchange Project, EUR 383 million, Massachusetts, USA

Saint Thomas Midtown Campus, Tennessee, USA
Cross River Rail, Pacific Partnerships, EUR 3.9 billion, Brisbane, Australia
Sydney Metro City & Southwest, EUR 2.3 billion, New South Wales, 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
Lake Vermont Extension, EUR 1.5 billion, Queensland, Australia

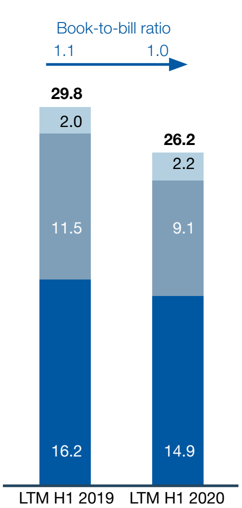
New orders and order backlog

A solid level of **new orders** of EUR 26.2 billion was secured in the last twelve months (-12% year on year), representing 1.0 times work done. The Group continues its disciplined bidding approach across the Group's geographical footprint. During Q2, new orders remained resilient and reached EUR 5.8 billion, also representing approximately 1.0 times work done.

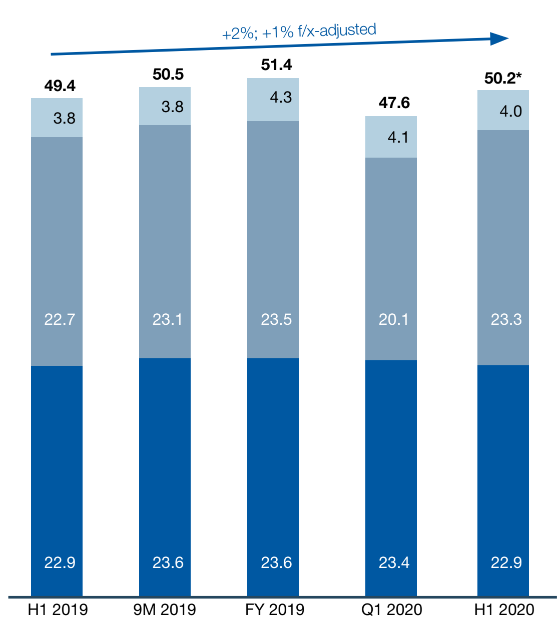
Consequently, the **order book** remained robust and at a high level at EUR 50.2 billion*, a year-on-year increase of 2%. Our focus remains on developed markets. The quality has been enhanced over the last years with approximately 70% of the order book accounted for by construction management, mining, services and alliance-style contracts.

*including EUR 1.9 billion for CIMIC's Ventia from Broadspectrum acquisition

New orders (EUR billion)



Order backlog (EUR billion)



HOCHTIEF Europe
HOCHTIEF Asia Pacific**
HOCHTIEF Americas

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

Cash flow

Cash flow

1) last twelve months

(EUR million)	H1 2020	H1 2019	Change	LTM[1] 07/2019–06/2020	LTM[1] 07/2018–06/2019
Net cash from operating activities pre-factoring	**(5.9)**	**340.4**	**(346.3)**	**1,213.1**	**884.0**
Net cash from operating activities	**(134.4)**	**414.1**	**(548.5)**	**1,054.0**	**1,629.4**
Gross operating capital expenditure	(199.1)	(247.0)	47.9	(494.6)	(481.1)
Operating asset disposals	11.3	12.6	(1.3)	23.1	66.4
Net operating capital expenditure	(187.8)	(234.4)	46.6	(471.5)	(414.7)
Free cash flow from operations	**(322.2)**	**179.7**	**(501.9)**	**582.5**	**1,214.7**
Free cash flow from operations pre-factoring	**(193.7)**	**106.0**	**(299.7)**	**741.6**	**469.3**

Net cash from operating activities pre net working capital change, if adjusted for the effect from the lower H1 Abertis dividend in the amount of EUR 86 million, increased year on year. Net working capital in the reporting period was impacted by seasonality and Covid-19 impacts. As a result, the reported net cash from operating activities in the first half of 2020 came out at EUR -134 million, or EUR -6 million considering the impact included from the reduced factoring level. Over the last twelve months, **net cash from operating activities pre-factoring** increased year on year by EUR 329 million to EUR 1.2 billion.

The HOCHTIEF Group's **gross operating capital expenditure** amounted to EUR 199 million in the first half of 2020 (91% of which was accounted for by the HOCHTIEF Asia Pacific division) compared to the prior-year figure of EUR 247 million. CIMIC's capital expenditure in the amount of AUD 306 million (H1 2019: AUD 342 million) was driven by the ongoing capex to deliver mining and job-costed tunneling works. Proceeds from operating asset disposals amounted to EUR 11 million, slightly down on the prior-year figure (EUR 13 million). Cash outflow for net operating capital expenditure was EUR 188 million (H1 2019: EUR 234 million).

Free cash flow from operations amounted to EUR 583 million over the last twelve months, or EUR 742 million on a pre-factoring basis.

Balance sheet

The HOCHTIEF Group's **total assets** amounted to EUR 19.4 billion as of June 30, 2020. Compared with the end of 2019 (EUR 17.9 billion), this represents an increase of EUR 1.5 billion.

Non-current assets decreased by EUR 319 million to EUR 5.7 billion in the first half of 2020. This was mainly due to the exchange rate-related decline in property, plant and equipment at CIMIC and the decline in financial assets in connection with the equity valuation of the Abertis Investment.

Current assets amounted to EUR 13.7 billion at the end of the first half of 2020, EUR 1.8 billion higher than the amount as of December 31, 2019. Trade and other receivables rose by EUR 493 million to EUR 6.8 billion, reflecting a seasonal increase as well as Covid-19 effects. The increase of marketable securities by EUR 166 million to EUR 620 million mainly resulted from liquidity investments by Corporate. With a further increase in cash and cash equivalents, HOCHTIEF has a strong liquidity position of over EUR 6.2 billion as of June 30, 2020 and an additional volume of EUR 1.4 billion[2] undrawn credit facilities.

2) incl. the commercial paper program at Corporate Headquarters in the amount of EUR 750 million, not drawn as of the reporting date

HOCHTIEF Group shareholders' equity amounted to EUR 991 million as of June 30, 2020 (December 31, 2019: EUR 1.6 billion). The main changes in the first half of 2020 related to profit after tax (EUR 264 million), dividends (minus EUR 430 million), the effects of the increased stake in CIMIC and the share buyback programs at HOCHTIEF and CIMIC (minus EUR 294 million), as well as exchange rate effects and other changes not affecting results (minus EUR 134 million).

Non-current liabilities increased by EUR 2.6 billion to EUR 6.8 billion in the first half of 2020. This was primarily due to the use of syndicated credit facilities by CIMIC. Non-current lease liabilities reported in connection with the application of IFRS 16 amounted to EUR 472 million as of June 30, 2020 (December 31, 2019: EUR 529 million).

Current liabilities decreased by EUR 447 million to EUR 11.6 billion in the first half of 2020. Financial liabilities (exit from Middle East) decreased by EUR 786 million to EUR 141 million as a result of payments made by CIMIC for financial obligations of BICC. At EUR 8.7 billion, trade payables and other liabilities remained nearly unchanged compared with the end of 2019. A decrease in trade payables, impacted by lower sales in Q2, seasonality, and Covid-19, was largely compensated by the increase in other liabilities—mainly from the outstanding HOCHTIEF dividend.

HOCHTIEF Group's **net debt** amounted to EUR 365 million as of June 30, 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 an amount of EUR 809 million.

Adjusting for this effect, HOCHTIEF Group's **net cash position** would stand at EUR 444 million after EUR 294 million of investments in CIMIC shares as well as share buybacks at HOCHTIEF and CIMIC during the reporting period.

Risk and opportunities report

Covid-19 is leading to temporary delay in the award of new projects and slowdown of revenues across our activities. Apart from these risks associated with Covid-19, there has been no material change in the situation of the Group with regard to the opportunities and risks[1] presented in our 2019 Group Report.

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

Outlook for core businesses remains positive, monitoring Covid-19 impacts

- We continue to monitor the consequences of Covid-19 on H2 2020 operational and financial performance. Once we have better visibility of the consequences of Covid-19 on the business, we will provide an update to 2020 guidance.
- Strong position in our core markets and tender pipeline stable year on year: USA, Canada, Asia-Pacific and Europe approximately EUR 100 billion in 2020 and EUR 500 billion beyond; PPP project pipeline of over EUR 200 billion.
- Numerous stimulus packages for infrastructure announced by governments.
- The introduction of an equity partner into Thiess would capitalize on the robust outlook for the mining sector and provide capital for Thiess' continued growth, while also enabling CIMIC to enhance its balance sheet strength.

HOCHTIEF Group net cash (+)/net debt (-) development[2]

(EUR million)	**June 30, 2020**	June 30, 2019	Change	Dec. 31, 2019
HOCHTIEF Americas	1,241.1	1,164.0	77.1	1,467.4
HOCHTIEF Asia Pacific	(834.3)	802.0	(1,636.3)	558.6
HOCHTIEF Europe	381.0	257.1	123.9	511.4
Corporate	(1,152.9)	(916.2)	(236.7)	(1,008.4)
Group	**(365.1)**	**1,306.9**	**(1,672.0)**	**1,529.0**
Net cash ex-BICC	**444.2**			

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

Divisions

HOCHTIEF Americas

Note: Operational profits are adjusted for non-operational effects

HOCHTIEF Americas Division: Key Figures

(EUR million)	H1 2020	H1 2019	Change	Full year 2019
Divisional sales	**7,606.5**	7,017.4	**8.4%**	15,327.8
Operational profit before tax/PBT	**168.3**	155.0	**8.6%**	320.7
Operational PBT margin (%)	**2.2**	2.2	**0.0**	2.1
Operational net profit	**110.5**	99.5	**11.1%**	220.4
Nominal profit before tax/PBT	**163.3**	152.6	**7.0%**	309.8
Nominal net profit	**106.8**	97.8	**9.2%**	212.4
Net cash from operating activities	**(24.6)**	143.0	**-167.6**	729.8
Gross operating capital expenditure	**9.8**	25.4	**-15.6**	33.7
Net cash (+)/net debt (-)	**1,241.1**	1,164.0	**77.1**	1,467.4
New orders	**6,477.6**	8,531.8	**-24.1%**	16,915.1
New orders LTM	**14,860.9**	16,196.6	**-8.2%**	16,915.1
Work done	**7,276.7**	6,744.4	**7.9%**	14,753.7
Order backlog	**22,869.1**	22,935.6	**-0.3%**	23,592.9
Employees (end of period)	**12,311**	12,729	**-3.3%**	12,378

The HOCHTIEF Americas division delivered a positive performance during H1 2020.

Operational PBT increased by 9% year on year to EUR 168 million with a steady margin. Operational net profit rose 11% to EUR 111 million. **Sales** of EUR 7.6 billion were 8% higher compared with the previous year, or up 6% in local currency terms, with a stable performance during the second quarter, notwithstanding the impact of Covid-19.

The Americas division continued to deliver solid cash generation. **Net cash from operating activities** in H1 2020 reflects the division's seasonal working capital variation and Covid-19 impact. Over the last twelve months, the division generated strong net cash from operating activities of about EUR 560 million of which over EUR 200 million in Q2.

The divisional **net cash** position at the end of June 2020 stood at EUR 1.24 billion, up EUR 77 million year on year.

The resilient **order backlog** ended the quarter at EUR 22.9 billion, stable compared to June 2019. Order intake in the second quarter remained robust, on par with the work done during that period.

HOCHTIEF companies continue to 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.

Turner's new projects in Q2 include conversion of one of the buildings of Stony Brook University, New York, into a field hospital for a total of 960 Covid-19 patients. Furthermore, Turner received a contract for Saint Thomas Midtown Campus in Tennessee, Nashville, to expand the hospital's capacities. This is the first phase of the project and includes the demolition of an existing building as well as site-work for the new structure.

New projects in the Turner books also include the USDOT Volpe Exchange, which is a 13-story new build on the U.S. Department of Transportation's premises in Cambridge, Massachusetts. In the future, all units will be centrally housed on the site. The contract is valued at approximately EUR 383 million. In Building 1 Manhattan West, New York, Turner is building 18 office floors for an international auditing and consulting firm.

Flatiron is upgrading a section of the U.S. Highway 50 in California. The project includes adding carpool lanes and renewing the road surface. The total project value amounts to some EUR 390 million. In addition, Flatiron as partner in a joint venture delivers preconstruction services at Highway 1 near Malibu, California.

HOCHTIEF Americas Outlook

We continue to monitor the impact of Covid-19 on 2020 operational and financial performance.

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	**H1 2020**	H1 2019	**Change**	Full year 2019
Divisional sales	**3,688.4**	4,352.1	**-15.3%**	9,143.2
Nominal profit before tax/PBT	**229.8**	286.1	**-19.7%**	(1,065.5)
Nominal PBT margin (%)	**6.2**	6.6	**-0.4**	(11.7)
Nominal net profit	**119.5**	137.7	**-13.2%**	(525.9)
Net cash (+)/net debt (-)	**(834.3)**	802.0	**(1,636.3)**	558.6
Net cash (+)/net debt (-) ex-BICC	**(25.0)**			
Order backlog	**23,301.5**	22,682.3	**2.7%**	23,451.7
Employees (end of period)	**31,117**	36,342	**-14.4%**	35,375

The contribution of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's holding in CIMIC (77.06% at the end of June 2020 versus 72.68% a year ago) as well as associated financing and holding costs, and the impact of variations in the Australian dollar/Euro exchange rate. The increased stake is a consequence of the EUR 102 million investment in CIMIC shares in March 2020 as well as the EUR 87 million share buyback carried out by the Australian company during that period.

HOCHTIEF Asia Pacific's **profit before tax (PBT)** in H1 2020 was EUR 230 million on **sales** of EUR 3.7 billion, both figures impacted by a 5% depreciation of the period-average Australian dollar/Euro exchange rate. The nominal PBT margin remained robust at 6.2%.

At the end of the period, the divisional net debt position stood at EUR 834 million, corresponding to a divisional net debt position of EUR 25 million when excluding the cash impacts from exiting the Middle East.

The division's **order book** of EUR 23.3 billion reflects a solid backlog level at CIMIC as well as foreign exchange rate effects.

CIMIC's key figures

CIMIC reported revenue of AUD 6.2 billion, compared to AUD 7.0 billion in the prior-year period with the impact of Covid-19 leading to a slowdown in revenues and a temporary delay in new work. Margins remained robust during the period and PBT stood at AUD 430 million. **Net profit after tax (NPAT)** was AUD 317 million in the first half year.

Pre-factoring **operating cash flow** reached a total of over AUD 1.3 billion LTM, an improvement of AUD 495 million year on year. CIMIC delivered a pre-factoring cash conversion of 61% during the last twelve months (LTM) compared to the 39% reported for H1 2019, notwithstanding the Covid-19 impact.

The Group maintains a disciplined focus on capital expenditure with AUD 286 million invested during H1 2020 to deliver mining operations and job-costed tunneling opportunities. CIMIC's **net debt** position of AUD 1.3 billion would stand at net cash of AUD 64 million excluding the gross cash impact from the Middle East exit and is after the AUD 147 million share buyback.

The operating companies' **work in hand** of AUD 32.8 billion compares with AUD 34.3 billion a year ago. Total work in hand amounted to AUD 38.1 billion (+3% year on year). Whilst maintaining bidding discipline, total new work of AUD 4.9 billion was secured during H1 2020.

CIMIC company Thiess' services contract at the Lake Vermont coal mine in Queensland was extended. The five-year contract extension will generate revenues of approximately AUD 2.5 billion.

Ventia, in which CIMIC has a 47% stake, completed its acquisition of Broadspectrum on June 30, 2020, with the combined entity expected to generate annual revenue in excess of AUD 5 billion. The acquisition added AUD 3.1 billion to CIMIC's work in hand.

HOCHTIEF Asia Pacific Outlook

We continue to monitor the consequences of Covid-19 on 2020 operational and financial performance.

The contract mining market is proving resilient. CIMIC has signed an exclusivity agreement with a new equity investor for Thiess to support contract mining growth. The process is well advanced and a resolution is targeted in the coming weeks. The transaction would provide capital for Thiess' continued growth, while enabling CIMIC to enhance its strong balance sheet.

Numerous stimulus packages have been announced by governments in our core construction and services markets. We see additional opportunities through a strong PPP pipeline.

HOCHTIEF Europe

HOCHTIEF Europe Division: Key Figures

(EUR million)	**H1 2020**	H1 2019	**Change**	Full year 2019
Divisional sales	**594.8**	573.9	**3.6%**	1,233.0
Operational profit before tax/PBT	**25.9**	32.1	**-19.3%**	66.3
Operational PBT margin (%)	**4.4**	5.6	**-1.2**	5.4
Operational net profit	**26.0**	28.5	**-8.8%**	61.0
Nominal profit before tax/PBT	**17.9**	24.8	**-27.8%**	53.8
Nominal net profit	**17.8**	19.3	**-7.8%**	45.4
Net cash from operating activities	**(36.4)**	(45.0)	**8.6**	42.3
Gross operating capital expenditure	**5.2**	4.1	**1.1**	11.0
Net cash (+)/net debt (-)	**381.0**	257.1	**123.9**	511.4
New orders	**867.7**	929.0	**-6.6%**	2,227.6
Work done	**760.4**	706.8	**7.6%**	1,534.0
Order backlog	**4,032.2**	3,812.2	**5.8%**	4,318.0
Employees (end of period)	**5,163**	5,393	**-4.3%**	5,314
of which in Germany	**3,250**	3,288	**-1.2%**	3,336

Note: Operational profits are adjusted for non-operational effects

HOCHTIEF Europe has continued a solid performance during H1 2020.

Notwithstanding the Covid-19 impact, **sales** were up slightly compared with H1 2019 at EUR 595 million. The division achieved **operational PBT** and operational net profit of EUR 26 million with a solid contribution from the core construction businesses.

HOCHTIEF Europe's **net cash from operating activities** reflects seasonality and Covid-19 impacts as well as a solid underlying improvement of EUR 9 million year on year. Over the last twelve months, the division has generated net cash from operating activities of approximately EUR 50 million.

At the end of H1 2020, HOCHTIEF Europe's balance sheet showed a strong **net cash** position of EUR 381 million, up EUR 124 million year on year.

New orders remained at a solid level with EUR 868 million of work secured during the six-month period. The divisional **order backlog** ended the period at EUR 4.0 billion and has increased by over EUR 200 million compared with June 2019.

Valued at around EUR 500 million, a new project to replace the A 40 Rhine Bridge in Duisburg was secured in the second quarter. The client DEGES has contracted a joint venture with HOCHTIEF as technical lead to build Germany's longest free-spanning cable-stayed bridge. Completion is slated for 2026.

In the Czech Republic, HOCHTIEF is further expanding Prague airport. A joint venture is responsible for extending Terminal 2 as well as adding a new runway. The project is to be completed in 2022. Including projects in Prague and České Budějovice, the company has broad experience in airport construction.

Another milestone this quarter was the completion of two construction sites in Hamburg's new Fischbeker Heidbrook residential quarter. Despite difficult working conditions due to the coronavirus, the quarter was handed over four months ahead of schedule.

HOCHTIEF Europe Outlook

We continue to monitor the impact of Covid-19 on 2020 operational and financial performance.

Abertis Investment

Abertis key figures (100%)				
(EUR million)	**H1 2020**	H1 2019	**Change**	Full year 2019
Operating revenues	**1,789**	**2,592**	**-31%**	**5,361**
Operating revenues comparable[1]			-24%	
EBITDA	**1,109**	**1,784**	**-38%**	**3,737**
Comparable EBITDA[1]			-31%	
Net profit pre-PPA	**134**	**514**	**-74%**	**1,101**

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

Abertis Investment contribution to HOCHTIEF				
(EUR million)	**H1 2020**	H1 2019	**Change**	Full year 2019
Nominal result[2]	**(18.2)**	51.8	**–**	122.4
Operational result[3]	**(18.2)**	51.8	**–**	122.4
Dividend received	**86.4**	172.8	**-50%**	172.8

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

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

4) minus one share

5) direct owner of 98.7% of Abertis Infraestructuras, S.A. (Abertis)

The contribution of **Abertis Investment** to the HOCHTIEF Group performance reflects the Group's 20%[4] stake in Abertis HoldCo[5], the operating performance of Abertis and non-cash purchase price allocation (PPA) effects. The H1 2020 contribution from Abertis Investment amounted to EUR -18 million compared with EUR 52 million in H1 2019 reflecting the impact of Covid-19.

On April 28, 2020, Abertis paid half of the EUR 875 million **dividend** to its shareholders (EUR 86 million HOCHTIEF share). The AGM resolved that 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 in the first half year 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 due to Covid-19. Since end-April, traffic trends have been improving steadily. Overall, **average daily traffic** in H1 saw a decrease of 29%, with individual country performance driven mainly by the timing and extent of lockdown measures coming into force: Spain -39%, France -34% and Brazil -14%.

Comparable **revenues** were 24% lower year on year. Lower traffic volumes resulted in a H1 2020 **EBITDA** of EUR 1.1 billion, a 31% fall on a comparable basis. **Net profit pre-PPA** was EUR 134 million during H1.

Abertis' strategic plan focuses on investments in new assets in order to perpetuate the duration of cash flows and to diversify the portfolio geographically. On June 5, 2020, Abertis and GIC closed the acquisition of brownfield toll road company RCO (Red de Carreteras de Occidente), one of the largest transport operators in Mexico.

Interim Financial Statements (Condensed)

Consolidated Statement of Earnings

(EUR thousand)	**H1 2020**	H1 2019	**Change**	**Q2 2020**	Q2 2019	Full year 2019
Sales	**11,946,837**	**12,009,370**	**-0.5%**	**5,791,317**	**6,276,813**	**25,851,855**
Changes in inventories	22,442	(385)	–	2,198	(799)	3,238
Other operating income	65,291	103,224	-36.7%	16,712	40,013	191,437
Materials	(8,721,421)	(8,704,446)	0.2%	(4,267,713)	(4,665,389)	(18,989,659)
Personnel costs	(2,083,709)	(2,116,703)	-1.6%	(990,492)	(1,023,682)	(4,388,675)
Depreciation and amortization	(336,948)	(347,951)	-3.2%	(162,575)	(176,474)	(701,326)
Other operating expenses	(495,213)	(478,806)	3.4%	(210,119)	(226,925)	(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	44,932	89,020	-49.5%	13,718	61,168	282,286
Net income from other participating interests	15,917	16,579	-4.0%	13,001	8,835	33,893
Investment and interest income	32,456	38,513	-15.7%	11,566	16,861	80,559
Investment and interest expenses	(116,736)	(118,915)	-1.8%	(50,863)	(53,785)	(233,858)
Profit before tax	**373,848**	**489,500**	**-23.6%**	**166,750**	**256,636**	**(627,469)**
Income taxes	(109,579)	(133,860)	-18.1%	(49,494)	(69,674)	292,232
Profit after tax	**264,269**	**355,640**	**-25.7%**	**117,256**	**186,962**	**(335,237)**
Thereof: Attributable to non-controlling interest	62,040	76,930	-19.4%	29,879	36,214	(128,990)
Thereof: Attributable to HOCHTIEF shareholders (Group net profit/loss)	202,229	278,710	-27.4%	87,377	150,748	(206,247)
Earnings per share (EUR)	**2.88**	**3.95**	**-27.1%**	**1.25**	**2.13**	**(2.92)**

Consolidated Statement of Comprehensive Income

(EUR thousand)	**H1 2020**	H1 2019	**Change**	**Q2 2020**	Q2 2019	Full year 2019
Profit after tax	**264,269**	**355,640**	**-25.7%**	**117,256**	**186,962**	**(335,237)**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	(43,436)	38,503	–	(7,353)	(32,290)	38,156
Changes in fair value of financial instruments						
Primary	(10,056)	6,799	–	(13,653)	(4,223)	27,301
Derivative	(1,023)	(1,276)	19.8%	1,060	141	(9,879)
Share of other comprehensive income of equity-method associates and joint ventures	(69,723)	(21,915)	-218.2%	6,407	(21,928)	(35,215)
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(8,618)	(75,378)	88.6%	(24,029)	(36,887)	(35,938)
Other comprehensive income (after tax)	**(132,856)**	**(53,267)**	**-149.4%**	**(37,568)**	**(95,187)**	**(15,575)**
Total comprehensive income after tax	**131,413**	**302,373**	**-56.5%**	**79,688**	**91,775**	**(350,812)**
Thereof: Attributable to non-controlling interest	44,017	87,216	-49.5%	16,552	32,366	(123,146)
Thereof: Attributable to HOCHTIEF shareholders	87,396	215,157	-59.4%	63,136	59,409	(227,666)

Consolidated Balance Sheet

(EUR thousand)	**June 30, 2020**	Dec. 31, 2019
Assets		
Non-current assets		
Intangible assets	1,160,768	1,187,203
Property, plant and equipment	1,748,495	1,857,274
Investment properties	3,718	3,778
Equity-method investments	1,744,338	1,927,787
Other financial assets	108,788	83,696
Financial receivables	110,914	97,904
Other receivables and other assets	176,839	166,193
Non-current income tax assets	19,907	19,962
Deferred tax assets	671,882	720,957
	5,745,649	**6,064,754**
Current assets		
Inventories	450,185	434,976
Financial receivables	152,347	171,982
Trade receivables and other receivables	6,783,442	6,290,405
Current income tax assets	39,350	27,281
Marketable securities	619,967	454,111
Cash and cash equivalents	5,627,986	4,458,020
	13,673,277	**11,836,775**
	19,418,926	**17,901,529**
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	703,379	1,275,684
Attributable to non-controlling interest	287,133	309,173
	990,512	**1,584,857**
Non-current liabilities		
Provisions for pensions and similar obligations	440,786	428,193
Other provisions	331,469	350,682
Financial liabilities	5,338,156	2,726,365
Lease liabilities	472,010	528,976
Trade payables and other liabilities	193,469	185,314
Deferred tax liabilities	51,538	48,980
	6,827,428	**4,268,510**
Current liabilities		
Other provisions	922,996	1,046,590
Financial liabilities	1,480,208	944,017
Financial liabilities (Middle East exit)	141,379	927,431
Lease liabilities	255,579	255,879
Trade payables and other liabilities	8,687,707	8,830,262
Current income tax liabilities	113,117	43,983
	11,600,986	**12,048,162**
	19,418,926	**17,901,529**

Consolidated Statement of Cash Flows

(EUR thousand)	**H1 2020**	H1 2019
Profit after tax	264,269	355,640
Depreciation, amortization, impairments and impairment reversals	321,812	336,277
Changes in provisions	(60,807)	(15,409)
Changes in deferred taxes	83,456	36,830
Gains/(losses) from disposals of non-current assets and marketable securities	(9,792)	(6,670)
Other non-cash income and expenses and deconsolidations	224,293	146,453
Net working capital change	(957,859)	(475,929)
Changes in other balance sheet items	406	(507)
Cash flow from operating activities	**(134,222)**	**376,685**
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(199,081)	(246,959)
Other purchases	–	(40,658)
Payments from asset disposals	11,297	12,554
Acquisitions and participating interests		
Payments for investments	(174,089)	(101,741)
Payments from asset disposals/divestments	10,871	24,425
Changes in cash and cash equivalents due to changes in the scope of consolidation	1,379	12,259
Changes in marketable securities and financial receivables	(229,614)	(1,778)
Cash flow from investing activities	**(579,237)**	**(341,898)**
Repayments for repurchase of treasury stock	(104,591)	–
Payments received from sale of treasury stock	–	1,475
Repayments for repurchase of treasury stock at CIMIC	(87,286)	–
Payments into equity by non-controlling interests	10,821	678
Payments from equity to non-controlling interests	(10,878)	–
Payments for the purchase of additional shares in subsidiaries	(102,226)	–
Dividends to non-controlling interests	(20,836)	(5,484)
Proceeds from new borrowing	4,079,640	618,751
Debt repayment[1]	(1,755,380)	(638,086)
Repayment of lease liabilities	(141,736)	(139,283)
Cash flow from financing activities	**1,867,528**	**(161,949)**
Net change in cash and cash equivalents	**1,154,069**	**(127,162)**
Effect of exchange rate changes	15,897	21,717
Overall change in cash and cash equivalents	**1,169,966**	**(105,445)**
Cash and cash equivalents at the start of the year	4,458,020	3,565,888
Cash and cash equivalents at end of reporting period	**5,627,986**	**3,460,443**

1) Including the payments for the Middle East exit (EUR 809.3 million)

Consolidated Statement of Changes in Equity

(EUR thousand)	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income: Remeasurement of defined benefit plans	Accumulated other comprehensive income: Currency translation differences	Accumulated other comprehensive income: Changes in fair value of financial instruments	Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
Balance as of Jan. 1, 2019	**180,856**	**1,710,499**	**270,785**	**(320,350)**	**63,523**	**(44,776)**	**1,860,537**	**550,789**	**2,411,326**
Dividends	–	–	(351,647)	–	–	–	(351,647)	(53,156)	(404,803)
Profit after tax	–	–	278,710	–	–	–	278,710	76,930	355,640
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	26,199	(14,374)	11,825	10,286	22,111
Changes from remeasurement of defined benefit plans	–	–	–	(75,378)	–	–	(75,378)	–	(75,378)
Total comprehensive income	–	–	278,710	(75,378)	26,199	(14,374)	215,157	87,216	302,373
Other changes not recognized in the Statement of Earnings	–	558	(830)	–	–	–	(272)	8,105	7,833
Balance as of June 30, 2019	**180,856**	**1,711,057**	**197,018**	**(395,728)**	**89,722**	**(59,150)**	**1,723,775**	**592,954**	**2,316,729**
Balance as of Jan. 1, 2020	**180,856**	**1,711,057**	**(293,207)**	**(356,288)**	**94,349**	**(61,083)**	**1,275,684**	**309,173**	**1,584,857**
Dividends	–	–	(405,684)	–	–	–	(405,684)	(24,198)	(429,882)
Profit after tax	–	–	202,229	–	–	–	202,229	62,040	264,269
Currency translation differences and changes in fair value of financial instruments	–	–	–	–	(33,637)	(72,578)	(106,215)	(18,023)	(124,238)
Changes from remeasurement of defined benefit plans	–	–	–	(8,618)	–	–	(8,618)	–	(8,618)
Total comprehensive income	–	–	202,229	(8,618)	(33,637)	(72,578)	87,396	44,017	131,413
Other changes not recognized in the Statement of Earnings	–	–	(254,017)	–	–	–	(254,017)	(41,859)	(295,876)
Balance as of June 30, 2020	**180,856**	**1,711,057**	**(750,679)**	**(364,906)**	**60,712**	**(133,661)**	**703,379**	**287,133**	**990,512**

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of June 30, 2020, which were released for publication on August 3, 2020, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The Interim Financial Statements and the Interim Management Report have been reviewed by our auditor. 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 June 30, 2020:

(In %)	**June 30, 2020**	Dec. 31, 2019
Germany	1.46	1.30
USA	2.40	2.98
UK	1.60	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.

While most of HOCHTIEF's operations were classified as essential services with a focus on business continuity, the corona pandemic (Covid-19) led to a temporary delay in new work and slowdown of revenues across our activities, both domestic and overseas.

As the corona pandemic continues to evolve, HOCHTIEF is monitoring the impact of Covid-19 on 2020 operational and financial performance. Notwithstanding the impact from the evolving Covid-19 situation, the outlook across all of HOCHTIEF's core markets remains positive.

Currency translation

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

	Average		**Daily average at reporting date**	
(All rates in EUR)	**H1 2020**	H1 2019	**June 30, 2020**	Dec. 31, 2019
1 U.S. dollar (USD)	0.91	0.88	0.89	0.89
1 Australian dollar (AUD)	0.59	0.63	0.61	0.63
1 British pound (GBP)	1.14	1.15	1.10	1.18
100 Polish złoty (PLN)	22.54	23.34	22.44	23.49
100 Czech koruna (CZK)	3.78	3.89	3.74	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 half of 2020 include three foreign companies for the first time. Eleven 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 five foreign companies in the first half of 2020. In addition, the number of joint operations abroad included in the Consolidated Financial Statements increased by six.

The Consolidated Financial Statements as of June 30, 2020 include HOCHTIEF Aktiengesellschaft as well as a total of 45 German and 365 foreign consolidated companies, 16 German and 106 foreign companies accounted for using the equity method as well as 81 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 half of 2020 by purchasing 8,962,059 shares. CIMIC also launched its pre-announced stock buyback program in the same half year, as a result of which HOCHTIEF's stake in CIMIC increased in total to 77.06% as of June 30, 2020.

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

(EUR thousand)	**June 30, 2020**	Dec. 31, 2019
Cash and cash equivalents	5,627,986	4,458,020
Short-term financial assets and investments[1]	2,521	2,813
Cash and equivalent liquid assets	**5,630,507**	**4,460,833**

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

(EUR thousand)	**H1 2020**	H1 2019
Cash flow from operating activities	(134,222)	376,685
Change in short-term financial assets and investments	(226)	37,387
Net cash from operating activities	**(134,448)**	**414,072**

Trade receivables and other receivables

(EUR thousand)	**June 30, 2020**	Dec. 31, 2019
Trade receivables	3,532,773	3,428,583
Contract assets	2,567,002	2,141,914
Other receivables and other assets	860,506	886,101
	6,960,281	**6,456,598**

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)	**June 30, 2020**	Dec. 31, 2019
Trade payables	6,221,598	7,027,226
Contract liabilities	1,906,614	1,711,755
Other liabilities	752,964	276,595
	8,881,176	**9,015,576**

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.

	June 30, 2020				Dec. 31, 2019			
(EUR thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	23,339	85,449	108,788	–	13,578	70,118	83,696
Other receivables and other assets								
Non-current	5	1,488	–	1,493	3	903	–	906
Current	86	1,278	–	1,364	50	10,543	–	10,593
Marketable securities	582,767	37,200	–	619,967	417,305	36,806	–	454,111
Total assets	**582,858**	**63,305**	**85,449**	**731,612**	**417,358**	**61,830**	**70,118**	**549,306**
Liabilities								
Other liabilities								
Non-current	–	8,872	–	8,872	9	10,805	–	10,814
Current	20	33,511	–	33,531	23	7,873	–	7,896
Total liabilities	**20**	**42,383**	**–**	**42,403**	**32**	**18,678**	**–**	**18,710**

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 6,818,364 thousand (December 31, 2019: EUR 3,670,382 thousand) and a fair value of EUR 6,838,970 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 half of 2020.

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. Therefore they are 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 inputs are the internal rate of return as well as the growth rate and discount rate. Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in profit or loss, total assets, total liabilities or total equity. Reconciliation of opening to closing balances for Level 3 measurements of other financial assets:

Level 3 reconciliation H1 2020:

(EUR thousand)	
Balance as of Jan. 1, 2020	70,118
Currency adjustments	(1,007)
Gains/(losses) recognized in profit or loss	10,450
Other changes	5,888
Balance as of June 30, 2020	**85,449**

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.

Capital risk management

During the period to June 30, 2020, the Group has increased its overall liquidity, with cash and equivalent liquid assets increasing to EUR 5,630,507 thousand (December 31, 2019: EUR 4,460,833 thousand) as the Group has drawn down on committed facilities as a precautionary risk mitigation measure in light of potential Covid-19 financial market uncertainties.

Accordingly, some cash is subject to certain financial or operational restrictions of EUR 470,146 thousand (December 31, 2019: EUR 200,439 thousand). Further, some cash is also restricted in relation to the non-recourse sale of certified receivables of EUR 141,034 thousand (December 31, 2019: EUR 92,205 thousand). The restricted cash in relation to the non-recourse sale of certified receivables is included in the Group's overall factoring balance.

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 can 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 corresponded to 9.8% of the Company's capital stock as of March 9, 2020. 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 June 30, 2020 reporting date, 2.141% of the capital stock had been bought back. This corresponds to 1,512,607 shares.

As of June 30, 2020, HOCHTIEF Aktiengesellschaft held a total of 1,534,953 shares of treasury stock (2.173% 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. This resulted in a dividend payment of EUR 405,684,259.60, which was made on July 3, 2020.

New syndicated bank credit facility, credit facility drawdowns

In order to temporarily increase liquidity reserves during the corona pandemic, HOCHTIEF Aktiengesellschaft drew the EUR 500 million cash tranche of the existing syndicated credit facility in full in March 2020.

As a further precautionary liquidity measure, HOCHTIEF secured a one-year syndicated cash credit facility for EUR 400 million in May 2020. As of the reporting date, both of the syndicated cash credit facilities had been drawn in full.

In the reporting period, credit lines were also agreed or drawn down as a precautionary measure at HOCHTIEF Aktiengesellschaft's operational units in the USA and Australia.

The funds drawn down have been temporarily placed in short-term investments.

Corporate bond issues

In order to optimize and further diversify Group financing, HOCHTIEF Aktiengesellschaft launched a commercial paper program with a ceiling of EUR 750 million in May 2020. Under this program, bonds with a maturity of up to one year may be placed on a continuous basis. This enables HOCHTIEF Aktiengesellschaft to participate in the current negative interest rates on short-term corporate bonds. As of June 30, 2020, the commercial paper program had not been utilized.

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 where the risks and rewards of the receivables have been transferred as the cash flow is only derived when there are goods or services provided or work performed by the Group for which it is entitled to be paid;
- 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 1.6 billion as of June 30, 2020 (June 30, 2019: EUR 1.7 billion and December 31, 2019: EUR 1.7 billion).

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 306 million as of June 30, 2020 (June 30, 2019: EUR 521 million and December 31, 2019: EUR 656 million).

Contingent liabilities

The contingent liabilities relate to liabilities under guarantees; they have increased since December 31, 2019 by EUR 18,515 thousand to EUR 145,556 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, 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.

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

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, synexs and Trinac at HOCHTIEF Europe. Sales from non-core businesses are allocated to the category "Other."

Disaggregation of sales as of June 30, 2020 (in EUR thousand):

Activities / **Divisions**	Construction/PPP		Construction Management/Services		Other		**Total sales**	
HOCHTIEF Americas	754,311	6.3%	6,849,804	57.3%	2,411	0.0%	**7,606,526**	**63.6%**
HOCHTIEF Asia Pacific	1,899,326	15.9%	1,776,066	14.9%	13,014	0.1%	**3,688,406**	**30.9%**
HOCHTIEF Europe	553,889	4.7%	23,523	0.2%	15,061	0.1%	**592,473**	**5.0%**
Corporate	–	–	–	–	59,432	0.5%	**59,432**	**0.5%**
HOCHTIEF Group	**3,207,526**	**26.9%**	**8,649,393**	**72.4%**	**89,918**	**0.7%**	**11,946,837**	**100.0%**

Sales not related to contracts with clients, mainly relating to "Other" activities in Corporate, amount to EUR 76,231 thousand.

Sales in the comparative period (June 30, 2019) are consequently disaggregated as follows (in EUR thousand):

Activities / **Divisions**	Construction/PPP		Construction Management/Services		Other		**Total sales**	
HOCHTIEF Americas	647,929	5.4%	6,367,166	53.0%	2,327	0.0%	**7,017,422**	**58.4%**
HOCHTIEF Asia Pacific	2,274,127	19.0%	2,063,753	17.2%	14,205	0.1%	**4,352,085**	**36.3%**
HOCHTIEF Europe	532,200	4.4%	22,479	0.2%	15,907	0.1%	**570,586**	**4.7%**
Corporate	–	–	–	–	69,277	0.6%	**69,277**	**0.6%**
HOCHTIEF Group	**3,454,256**	**28.8%**	**8,453,398**	**70.4%**	**101,716**	**0.8%**	**12,009,370**	**100.0%**

Sales not related to contracts with clients, mainly relating to “Other” activities in Corporate, amount to EUR 85,429 thousand.

Almost all sales in the above disaggregation are recognized over time.

Reconciliation of profit before tax to EBITDA

(EUR thousand)	**H1 2020**	H1 2019	**Q2 2020**	Q2 2019
Profit before tax	**373,848**	**489,500**	**166,750**	**256,636**
+ Investment and interest expenses	116,736	118,915	50,863	53,785
- Investment and interest income	(32,456)	(38,513)	(11,566)	(16,861)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(15,968)	(16,579)	(13,000)	(8,835)
+ Adjustment for non-operating net expenses	22,699	7,683	10,764	4,593
EBIT	**464,859**	**561,006**	**203,811**	**289,318**
+ Depreciation and amortization	336,948	347,951	162,575	176,474
EBITDA	**801,807**	**908,957**	**366,386**	**465,792**

Basic and diluted earnings per share

	H1 2020	H1 2019	**Q2 2020**	Q2 2019
Consolidated net profit (EUR thousand)	**202,229**	**278,710**	**87,377**	**150,748**
Number of shares in circulation (weighted average) in thousands	70,151	70,615	69,692	70,619
Earnings per share (EUR)	**2.88**	**3.95**	**1.25**	**2.13**

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 half 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

On July 29, 2020, CIMIC announced that it had signed an exclusivity agreement and is in advanced negotiations with funds advised by Elliott Advisors (UK) Limited (together “Elliott”) regarding the potential investment by Elliott into 50% of the share capital of Thiess, which would provide joint control of Thiess to CIMIC and Elliott. It is expected that the advanced negotiations will conclude in the coming weeks with a share purchase agreement that will be subject to customary conditions including all regulatory approvals. Thiess is currently presented within the division HOCHTIEF Asia Pacific under Construction Management/Services.

In early July 2020, part of the EUR 750 million commercial paper program agreed in May 2020 was successfully placed on the capital market. As of July 21, 2020, bonds amounting to a total of EUR 409 million were issued under the program. The issue proceeds are used for the partial early repayment of drawn credit facilities.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the year.

Essen, August 3, 2020

The Executive Board

Marcelino Fernández Verdes

Peter Sassenfeld

José Ignacio Legorburo Escobar

Nikolaus Graf von Matuschka

For the interim financial statements (condensed) and interim management report we have issued an unqualified review report. The English language text below is a translation of the review report.

Review Report

To HOCHTIEF Aktiengesellschaft, Essen

We have reviewed the interim financial statements (condensed) of HOCHTIEF Aktiengesellschaft, Essen – comprising the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and explanatory notes to the consolidated financial statements – together with the interim management report of HOCHTIEF Aktiengesellschaft, Essen, for the period from January 1 to June 30, 2020, that are part of the half-year financial report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the interim financial statements (condensed) in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim management report in accordance with the requirements of the WpHG applicable to interim management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim financial statements (condensed) and on the interim management report based on our review.

We performed our review of the interim financial statements (condensed) and of the interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany] as well as in supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the interim financial statements (condensed) have not been prepared, in material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU, and that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the interim financial statements (condensed) of HOCHTIEF Aktiengesellschaft, Essen, have not been prepared, in material respects, in accordance with IFRS applicable to interim financial reporting as adopted by the EU, or that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports.

Essen, August 3, 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Ufer
Wirtschaftsprüfer
[German Public Auditor]

Salzmann
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Current financial calendar:
www.hochtief.com/en/investor-relations/financial-calendar

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

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