



**YOUR
OFFICE**



**OUR
CONSTRUCTION**



Financial Highlights

- 7% sales growth in Q3 vs Q2 2020 f/x-adj.; EUR 324 million nominal net profit in 9M 2020
- Net cash from operating activities pre-factoring LTM of EUR 1.2 billion, EUR +154 million yoy
- EUR 796 million net cash end of September 2020, pre non-operating effects and shareholder remuneration
- Order backlog stable qoq and yoy at EUR 49.0 billion; visibility of 2 years
- Outlook for core businesses remains positive, monitoring Covid-19 impacts

The HOCHTIEF Group: Key Figures

(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Sales	17,907.7	18,751.8	-4.5%	5,960.9	6,742.4	-11.6%	25,851.9
Operational profit before tax/PBT	620.4	801.7	-22.6%	221.3	295.7	-25.2%	1,108.1
Operational profit before tax/PBT pre-Abertis	624.6	705.5	-11.5%	207.3	251.3	-17.5%	985.7
Operational PBT margin (%)	3.5	4.3	(0.8)	3.7	4.4	(0.7)	4.3
Operational PBT pre-Abertis margin (%)	3.5	3.8	(0.3)	3.5	3.7	(0.2)	3.8
Operational net profit	362.8	477.5	-24.0%	136.0	181.1	-24.9%	668.9
Operational net profit pre-Abertis	367.0	381.3	-3.8%	122.0	136.7	-10.8%	546.5
Operational earnings per share (EUR)	5.20	6.76	-23.1%	1.97	2.56	-23.0%	9.47
EBITDA	1,222.4	1,395.6	-12.4%	420.6	486.6	-13.6%	1,892.8
EBITDA margin (%)	6.8	7.4	(0.6)	7.1	7.2	(0.1)	7.3
EBIT	708.3	878.7	-19.4%	243.4	317.7	-23.4%	1,191.5
EBIT margin (%)	4.0	4.7	(0.7)	4.1	4.7	(0.6)	4.6
Nominal profit before tax/PBT	580.3	780.9	-25.7%	206.5	291.4	-29.1%	(627.5)
Nominal profit before tax/PBT pre-Abertis	584.5	684.7	-14.6%	192.5	247.0	-22.1%	(749.9)
Nominal net profit	324.0	456.3	-29.0%	121.8	177.6	-31.4%	(206.2)
Nominal net profit pre-Abertis	328.2	360.1	-8.9%	107.8	133.2	-19.1%	(328.6)
Nominal earnings per share (EUR)	4.65	6.46	-28.0%	1.77	2.51	-29.5%	(2.92)
Net cash from operating activities	82.2	594.6	(512.4)	216.6	180.5	36.1	1,602.5
Net cash from operating activities pre-factoring	208.0	552.5	(344.5)	213.9	212.1	1.8	1,559.4
Net operating capital expenditure	271.7	341.5	(69.8)	83.9	107.1	(23.2)	518.1
Free cash flow from operations	(189.5)	253.1	(442.6)	132.7	73.4	59.3	1,084.4
Net cash (+)/net debt (-)	(951.9)	950.2	(1,902.1)	(951.9)	950.2	(1,902.1)	1,529.0
New orders	16,863.9	21,613.4	-22.0%	6,499.7	7,060.1	-7.9%	30,428.8
New orders LTM	25,679.3	30,522.6	-15.9%				
Work done	18,977.2	19,705.7	-3.7%	6,500.0	7,103.7	-8.5%	27,138.9
Order backlog	48,956.4	50,486.4	-3.0%	48,956.4	50,486.4	-3.0%	51,362.1
Employees (end of period)	47,472	54,784	-13.3%	47,472	54,784	-13.3%	53,282

Note: Operational profits are adjusted for non-operational effects

Cover photo: ONE high-rise is #1

The ONE office and hotel high-rise in Frankfurt's Europaviertel district is gradually revealing how it came by its name. A spectacular overhang on the 34th floor—at a height of 130 meters—lends the building the visual appearance of a number 1. HOCHTIEF has been constructing the shell of the 49-story high-rise since September 2018. The 190-meter building will house a hotel and also office, co-working, and catering facilities such as a sky bar with a panoramic view on the top floor. Completion of the shell is scheduled for spring 2021. The building has already been awarded DGNB Platinum pre-certification thanks to the numerous sustainability aspects being implemented.

Dear Shareholders and friends
of HOCHTIEF,



Marcelino Fernández Verdes, Chairman of the Executive Board

HOCHTIEF has delivered a **solid set of results** for the first nine months of 2020 with a nominal net profit of EUR 324 million, and a positive momentum in terms of sales, cash flow and new orders, notwithstanding the impact of Covid-19. This robust performance reflects the Group's diversification by geography in its core developed markets as well as by activity. And our Group companies have continued to support government efforts to mitigate the impacts from the pandemic.

HOCHTIEF delivered a 9M 2020 **operational net profit** of EUR 363 million. This represents a variation of just -4% pre the Abertis contribution. Group margins remained resilient as nine-month sales of EUR 17.9 billion were 3% lower on an f/x-adjusted basis. In local currency terms, our divisions have delivered an average sales growth of around 7% in the third quarter of the year compared with Q2.

Net cash from operating activities remains robust at EUR 1.2 billion on an underlying basis in the last twelve months. Focusing on the third quarter, the EUR 214 million generated is stable compared with Q3 2019. During the last five years, the Group has, on average, delivered over 80% of its operating cash flow during the second half of the year, particularly in the last quarter.

HOCHTIEF ended September 2020 with a net debt position of EUR 952 million. Adjusting for non-operating effects and shareholder remuneration, HOCHTIEF would show a net cash position of EUR 796 million. During the period, HOCHTIEF has paid a dividend to shareholders of EUR 406 million, invested EUR 136 million in buying back its own shares with a further EUR 106 million in buybacks by CIMIC. Further-

HOCHTIEF Group—9M 2020 overview
7% sales growth in Q3 vs Q2 2020 f/x-adj.; EUR 324 million nom. net profit in 9M 2020

- Sales in 9M 2020 of EUR 17.9 billion, yoy -3% f/x-adjusted, after Covid-19 effects
- Operational net profit EUR 363 million in 9M 2020, -4% ex-Abertis; resilient margins
- Abertis contribution of EUR 14 million in Q3 2020; EUR -4 million in 9M 2020 (EUR 96 million in 9M 2019); improving traffic trend

Net cash from operating activities pre-factororing LTM of EUR 1.2 billion, EUR +154 million yoy

- Resilient Q3 net cash from operating activities of EUR 214 million pre-factororing, stable yoy
- In the last five years, the Group generated over 80% of its net cash from operating activities in H2, mainly in Q4

EUR 796 million net cash end of September 2020, pre non-operating effects and shareholder remuneration

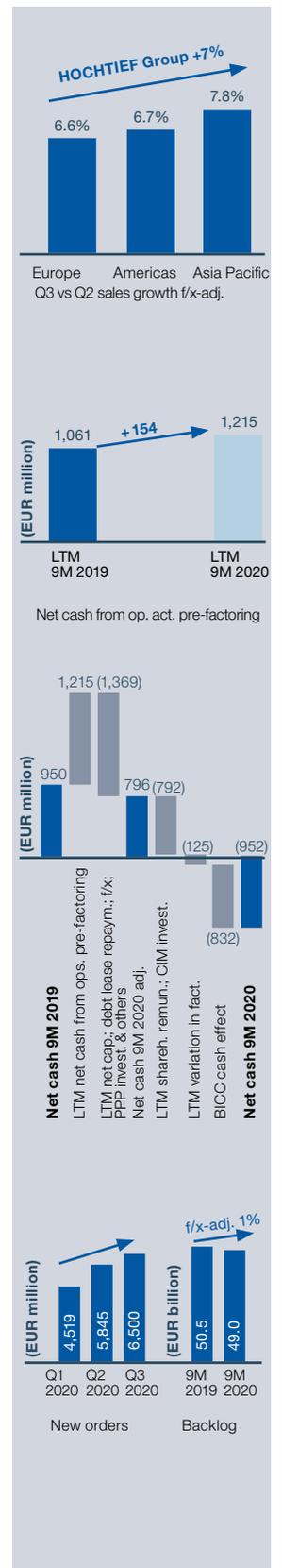
- LTM EUR 792 million invested in share buybacks, dividend payments and CIMIC stake increase
- Strong liquidity position of EUR 5.5 billion, additional EUR 1.1 billion undrawn loan facilities
- S&P BBB rating reaffirmed on Oct. 12, 2020

Order backlog stable qoq and yoy at EUR 49.0 billion; visibility of 2 years

- New orders EUR 25.7 billion LTM equivalent to 1.0x work done during the period
- Q3 2020 new orders f/x-adj. -4% yoy and +15% versus Q2 2020; disciplined bidding approach continues in all divisions
- Geographically diversified order book with 48% in Americas, 44% Asia Pacific, 8% Europe

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

- Strong position in our core markets and tender pipeline increased yoy helped by numerous stimulus packages for infrastructure announced by governments; approx. EUR 50 billion pipeline in Q4 2020, EUR 540 billion beyond; PPP project pipeline of approx. EUR 200 billion
- Mining market proving resilient; Thiess mining transaction with new equity investor Elliott well progressed, with due diligence completed and negotiations expected to be finalized in near term



more, close to EUR 103 million was invested to acquire 2.8% of CIMIC with the Group's stake in its Australian subsidiary standing at 77.4% at the end of the period.

HOCHTIEF ended the quarter with a **strong liquidity position** of EUR 5.5 billion further supported by undrawn credit facilities of EUR 1.1 billion. S&P reaffirmed its **"BBB" investment grade rating** for HOCHTIEF on October 12, 2020.

Despite the impact of Covid-19, **new orders** have sequentially increased on a quarterly basis with Q3 2020 at a similar level to Q3 2019 on an f/x-adjusted basis. Looking at the last twelve months, the 25.7 billion in new orders secured is equivalent to 1.0x work done during the period with a disciplined bidding approach maintained across all divisions. As a consequence, the Group's **order book** remained robust at EUR 49 billion, stable during the quarter as well as compared with twelve months ago.

Looking forward, our local teams have identified a **project tender pipeline** worth around EUR 50 billion for the final quarter of 2020 and EUR 540 billion beyond of relevant projects coming to our markets supported by EUR 200 billion in PPP projects and the numerous stimulus packages approved by governments.

HOCHTIEF management continues to actively assess its capital allocation options of which **shareholder remuneration** is a key ingredient. 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 136 million returned to shareholders via the buyback of 2.8% of our shares during 9M 2020.

Furthermore, the **transaction** with a new equity investor for Thiess is well progressed, with due diligence now completed, and negotiations are expected to be finalized in near term.

Group Outlook

Accompanied by the encouraging trends we have reported for the third quarter as regards sales, cash flow and new orders, the fundamental outlook for our core businesses remains positive and we continue to monitor Covid-19 impacts 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 solid set of results in the first nine months 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 the Group's operational net profit pre-Abertis was broadly stable year on year. At the same time, our order book remained robust.

Sales and earnings

Sales were 3% lower year on year on an f/x-adjusted basis in the first nine months of 2020 at EUR 17.9 billion after Covid-19 led to a slowdown of sales and a temporary delay in the award of new work in some regions and activities. Positive sales growth momentum was recorded in Q3 2020 as sales were up 7% versus Q2 2020 when adjusting for f/x effects.

The HOCHTIEF Americas division generated solid sales of EUR 11.3 billion in the first nine months of 2020, based on a record high year-end 2019 order book. This corresponds to an increase of 2% (3% on a foreign-exchange rate adjusted basis).

At CIMIC, sales in the first nine months of 2020 were AUD 9.3 billion compared with AUD 10.7 billion in the previous year. Revenue returned to growth in Q3 2020 (up 8% versus Q2 2020), after Covid-19 led to a slowdown of revenues across CIMIC's activities, both domestic and overseas, and a temporary delay in the award of some new projects. At HOCHTIEF Asia Pacific division level, sales stood at EUR 5.6 billion additionally impacted by the movement in the Australian dollar/Euro exchange rate.

HOCHTIEF Europe sales amounted to EUR 944 million, an increase of 5% year on year reflecting a continued disciplined bidding approach as well as timing effects.

The Group sales volume generated on markets outside Germany amounted to EUR 17.3 billion in the first nine months of 2020, which represents 96% of total sales.

Net income from equity-method associates, joint ventures, and other participating interests amounted to EUR 122 million in the first nine months of 2020 (9M 2019: EUR 226 million) with the year-on-year variation mainly impacted by a lower earnings contribution from the Abertis Investment due to Covid-19 impact.

The **net investment and interest expenses** for the first nine months of 2020 amounted to EUR 127 million compared with EUR 113 million in the previous year. This increase reflects lower increased income due to lower interest rates and 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 nine months of 2020, the HOCHTIEF Group generated **nominal profit before tax (PBT)** of EUR 580 million. **Operational PBT** (nominal PBT adjusted for non-operational effects) was EUR 620 million.

The HOCHTIEF Americas division reported higher earnings in the first nine months of 2020. As a result of the increase in sales as well as steady margins, HOCHTIEF Americas improved nominal PBT by 3% year on year to EUR 240 million.

Sales

(EUR million)	9M 2020	9M 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	11,270.8	11,063.5	1.9%	2.6%
HOCHTIEF Asia Pacific	5,603.0	6,676.0	-16.1%	-13.0%
HOCHTIEF Europe	943.8	900.0	4.9%	5.5%
Corporate	90.1	112.3	-19.8%	-19.2%
Group	17,907.7	18,751.8	-4.5%	-2.9%

Profit before tax (PBT)

(EUR million)	9M 2020	9M 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	240.0	233.3	2.9%	3.6%
HOCHTIEF Asia Pacific	349.4	444.3	-21.4%	-18.1%
HOCHTIEF Europe	27.3	39.7	-31.2%	-31.2%
Abertis Investment	(4.2)	96.2	-	-
Corporate	(32.2)	(32.6)	1.2%	1.8%
Group nominal PBT	580.3	780.9	-25.7%	-23.6%
Group nominal PBT pre-Abertis	584.5	684.7	-14.6%	-12.2%
Non-operational effects	40.1	20.8	92.8%	
Restructuring	18.2	17.7	2.8%	
Investments/Divestments	22.8	0.9	-	
Impairments	0.0	0.0	n.a.	
Others	(0.9)	2.2	-	
Group operational PBT	620.4	801.7	-22.6%	
Group operational PBT pre-Abertis	624.6	705.5	-11.5%	

Earnings in the HOCHTIEF Asia Pacific division reflect HOCHTIEF's stake in CIMIC (77.4% as of September 30, 2020 compared with 72.8% as of September 30, 2019) as well as 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 648 million in the first nine months of 2020. At divisional level, the nominal PBT was EUR 349 million.

HOCHTIEF Europe achieved a nominal PBT of EUR 27 million in the first nine months 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 profit contribution therefore decreased to negative EUR 4 million compared with a profit of EUR 96 million in 9M 2019. Improving traffic trend led to a positive contribution of EUR 14 million in Q3 2020.

Income tax expenses amounted to EUR 162 million in the first nine months of 2020 (9M 2019: EUR 197 million). At 28%, the effective tax rate was three percentage points higher than in the previous year (25%). 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 net profit** of EUR 324 million in the first nine months of 2020 (9M 2019: EUR 456 million) while operational net profit came out at EUR 363 million. Before considering the Abertis contribution, the operational net profit was broadly stable year on year at EUR 367 million, with all three operating divisions positively contributing.

Consolidated net profit

(EUR million)	9M 2020	9M 2019	Change	Change f/x-adjusted
HOCHTIEF Americas	159.8	146.4	9.2%	10.1%
HOCHTIEF Asia Pacific	180.8	217.5	-16.9%	-13.1%
HOCHTIEF Europe	26.8	34.1	-21.4%	-21.4%
Abertis Investment	(4.2)	96.2	-	-
Corporate	(39.2)	(37.9)	-3.4%	-2.9%
Group nominal net profit	324.0	456.3	-29.0%	-26.9%
Group nominal net profit pre-Abertis	328.2	360.1	-8.9%	-6.2%
Non-operational effects	38.8	21.2	83.0%	
Restructuring	15.1	16.7	-9.6%	
Investments/Divestments	23.7	1.4	-	
Impairments	0.0	0.0	n.a.	
Others	0.0	3.1	-100.0%	
Group operational net profit	362.8	477.5	-24.0%	
Group operational net profit pre-Abertis	367.0	381.3	-3.8%	

Note:
Operational profits are adjusted for non-operational effects

HOCHTIEF Group – Selected Recent Significant Project Announcements

Contract values are total project volumes.



Rhine Bridge, EUR 500 million, Duisburg, Germany
Rodenkirchen Comprehensive School, Cologne, Germany
A12/A15 motorway project (ViA15), EUR 1.2 billion, Arnhem, Netherlands
San Diego International Airport, EUR 2.0 billion, California, USA
Denver International Airport, EUR 180 million, Colorado, USA
Spring District, Block 5&6, Washington, 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

Saint Thomas Midtown Campus, Tennessee, USA
Cross River Rail, Pacific Partnerships, EUR 3.9 billion, Brisbane, Australia
Mount Owen Extension, EUR 206 million, Hunter Valley, Australia
Maintenance contracts in mining sector, EUR 122 million, Western Australia, Australia
Sydney Metro City & Southwest, EUR 2.3 billion, 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 in oil & gas sector, 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

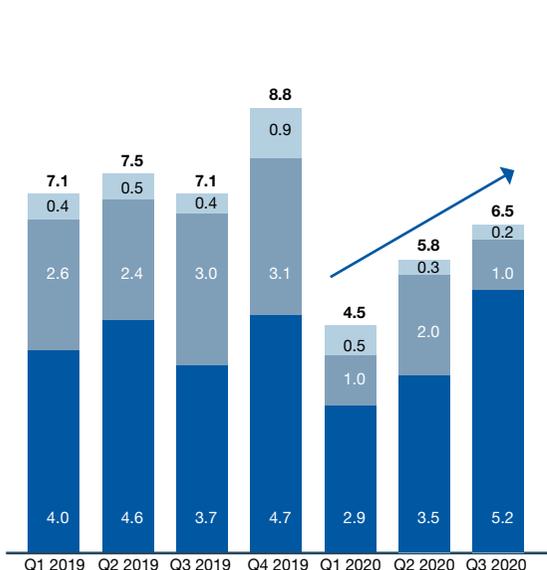
A solid level of **new orders** of EUR 25.7 billion was secured during the last twelve months, notwithstanding an impact of Covid-19 in the reporting period. Whilst maintaining a disciplined bidding approach, the Group saw a sequential quarterly increase in orders during 2020. New orders in Q3 of EUR 6.5 billion were resilient year on year (-4% f/x-adjusted) and represent approximately 1.0x work done, meaning we have secured work equivalent to the level of contracts executed during the period across the Group.

Consequently, the Group's **order book** at EUR 49.0 billion remained stable compared with the prior quarter on an f/x-adjusted basis. Compared to the prior-year level, this represents an increase of 1% on an exchange rate-adjusted basis.* Our focus remains on developed markets and the quality of our order book has been enhanced in the last two years with approximately 70% of the order book accounted for by construction management, mining, services and alliance-style contracts.

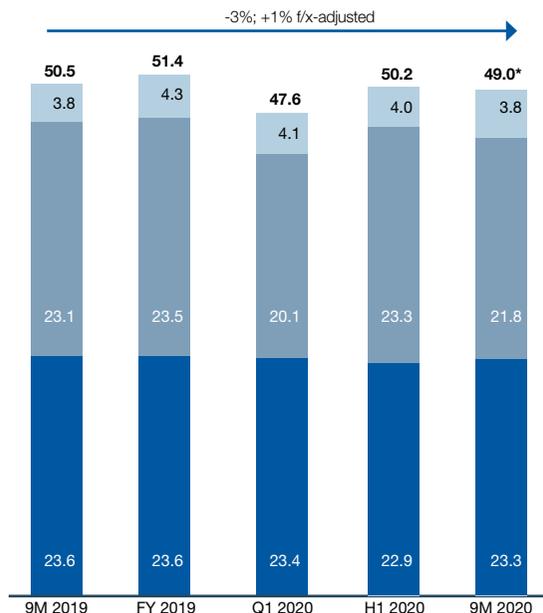
* including EUR 1.9 billion for CIMIC's Ventia from Broadspectrum acquisition

New orders (EUR billion)

9M 2020 LTM book-to-bill ratio 1.0



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)	9M 2020	9M 2019	Change	LTM ¹⁾ 10/2019–09/2020	LTM ¹⁾ 10/2018–09/2019
Net cash from operating activities pre-factoring	208.0	552.5	(344.5)	1,214.9	1,060.7
Net cash from operating activities	82.2	594.6	(512.4)	1,090.1	1,508.7
Gross operating capital expenditure	(286.6)	(358.7)	72.1	(470.4)	(476.1)
Operating asset disposals	14.9	17.2	(2.3)	22.1	69.5
Net operating capital expenditure	(271.7)	(341.5)	69.8	(448.3)	(406.6)
Free cash flow from operations	(189.5)	253.1	(442.6)	641.8	1,102.1
Free cash flow from operations pre-factoring	(63.7)	211.0	(274.7)	766.6	654.1

Over the last twelve months, **net cash from operating activities pre-factoring** increased year on year by EUR 154 million to EUR 1.2 billion and amounted to EUR 208 million in 9M 2020. The year-on-year variation in net cash from operating activities during the nine-months 2020 period was mainly driven by Covid-19 impacts on net working capital. During Q3 2020, the figure was stable year on year at EUR 214 million.

The HOCHTIEF Group's **gross operating capital expenditure** amounted to EUR 287 million in the first nine months of 2020 (93% of which was accounted for by the HOCHTIEF Asia Pacific division) compared with the prior-year figure of EUR 359 million. CIMIC's capital expenditure in the amount of AUD 431 million (9M 2019: AUD 518 million) was driven by its mining operations and job-costed tunneling opportunities. Proceeds from operating asset disposals amounted to EUR 15 million (9M 2019: EUR 17 million). Cash outflow for net operating capital expenditure was therefore EUR 272 million (9M 2019: EUR 342 million).

Free cash flow from operations amounted to EUR 642 million over the last twelve months, or EUR 767 million on a pre-factoring basis, including a positive year-on-year increase in Q3 2020.

2) incl. the EUR 251 million part of commercial paper program at Corporate Headquarters not drawn as of the reporting date (total amount: EUR 750 million)

Balance sheet

The HOCHTIEF Group's **total assets** amounted to EUR 18.7 billion as of September 30, 2020. Compared with the end of 2019 (EUR 17.9 billion), this represents an increase of EUR 757 million.

Non-current assets decreased by EUR 335 million to EUR 5.7 billion in the first nine months of 2020. This was mainly due to lower capex and exchange rate-related decline in property, plant and equipment at CIMIC and a decrease in equity-method investments, mainly driven by Abertis' dividend distribution.

Current assets amounted to EUR 12.9 billion at the end of September 2020, EUR 1.1 billion higher than the amount as of December 31, 2019. Trade and other receivables remained on a similar level year on year. Year to date the amount rose by EUR 511 million to EUR 6.8 billion, reflecting a seasonal increase, lower factoring volume as well as Covid-19 impacts. With stable marketable securities and a further increase in cash and cash equivalents, HOCHTIEF had a strong liquidity position of over EUR 5.5 billion as of September 30, 2020 and an additional amount of EUR 1.1 billion²⁾ undrawn credit facilities.

HOCHTIEF Group **shareholders' equity** amounted to EUR 1.0 billion as of September 30, 2020 (December 31, 2019: EUR 1.6 billion). The main changes in the first nine months of 2020 related to profit after tax (EUR 419 million), dividends (minus EUR 432 million), the effects of the increased stake in CIMIC and the share buyback programs at HOCHTIEF and CIMIC (minus EUR 345 million), as well as exchange rate effects and other changes not affecting results (minus EUR 183 million).

Non-current liabilities increased by EUR 1.7 billion to EUR 6.0 billion in the first nine months 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 483 million as of September 30, 2020 (December 31, 2019: EUR 529 million).

Current liabilities decreased by EUR 428 million to EUR 11.6 billion in the first nine months of 2020. The net increase of financial liabilities resulted from short-term bank loans and the drawings under the commercial paper program, offsetting the repayment of the HOCHTIEF Aktiengesellschaft bond (EUR 750 million) in March 2020. Financial liabilities (exit from Middle East) decreased by EUR 805 million to EUR 122 million as a result of payments made by CIMIC for financial obligations of BICC. Trade payables and other liabilities were impacted by seasonality, lower sales and a temporary delay in the award of new work driven by Covid-19 and decreased year to date by EUR 776 million to EUR 8.1 billion.

HOCHTIEF Group's **net debt** amounted to EUR 952 million as of September 30, 2020. One 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 832 million.

Adjusting for this effect as well as EUR 792 million shareholder remuneration and CIMIC stake increase and EUR 125 million reduction in factoring in the LTM period, HOCHTIEF Group's **net cash position** would stand at EUR 796 million.

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 risks¹⁾ presented in our 2019 Group Report.

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

- We continue to monitor the consequences of Covid-19 on FY 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 guidance.
- Strong position in our core markets and tender pipeline increased year on year by numerous stimulus packages for infrastructure announced by governments; approx. EUR 50 billion pipeline in Q4 2020, EUR 540 billion beyond; PPP project pipeline of approx. EUR 200 billion
- Thiess mining transaction with new equity investor Elliott well progressed, with due diligence completed and negotiations expected to be finalized in near term

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

HOCHTIEF Group net cash (+)/net debt (-) development²⁾

(EUR million)	Sep. 30, 2020	Sep. 30, 2019	Change	Dec. 31, 2019
HOCHTIEF Americas	1,383.9	1,289.9	94.0	1,467.4
HOCHTIEF Asia Pacific	(1,079.1)	585.1	(1,664.2)	558.6
HOCHTIEF Europe	343.3	320.8	22.5	511.4
Corporate	(1,600.0)	(1,245.6)	(354.4)	(1,008.4)
Group	(951.9)	950.2	(1,902.1)	1,529.0
Net cash pre non-operating effects & shareholder remuneration	796.2			

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

Divisions

HOCHTIEF Americas

HOCHTIEF Americas Division: Key Figures

(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Divisional sales	11,270.8	11,063.5	1.9%	3,664.3	4,046.1	-9.4%	15,327.8
Operational profit before tax/PBT	247.2	241.7	2.3%	78.9	86.7	-9.0%	320.7
Operational PBT margin (%)	2.2	2.2	0.0	2.2	2.1	0.1	2.1
Operational net profit	165.1	152.7	8.1%	54.6	53.2	2.6%	220.4
Nominal profit before tax/PBT	240.0	233.3	2.9%	76.7	80.7	-5.0%	309.8
Nominal net profit	159.8	146.4	9.2%	53.0	48.6	9.1%	212.4
Net cash from operating activities	309.1	261.0	48.1	333.7	118.0	215.7	729.8
Gross operating capital expenditure	12.5	24.9	(12.4)	2.7	(0.5)	3.2	33.7
Net cash (+)/net debt (-)	1,383.9	1,289.9	94.0	1,383.9	1,289.9	94.0	1,467.4
New orders	11,693.1	12,182.3	-4.0%	5,215.5	3,650.5	42.9%	16,915.1
New orders LTM	16,425.9	16,569.0	-0.9%				
Work done	10,869.6	10,679.4	1.8%	3,592.9	3,935.0	-8.7%	14,753.7
Order backlog	23,349.7	23,639.9	-1.2%	23,349.7	23,639.9	-1.2%	23,592.9
Employees (end of period)	12,150	12,713	-4.4%	12,150	12,713	-4.4%	12,378

Note: Operational profits are adjusted for non-operational effects

The HOCHTIEF Americas division delivered an outstanding performance during 9M 2020.

increase of 7% in local currency compared to September 2019.

Sales of EUR 11.3 billion were solid, 2% higher compared with the previous year, or up 3% in local currency terms, with a steady performance during the third quarter, notwithstanding the impact of Covid-19.

Turner and Flatiron were awarded a major contract valued at around EUR 2.0 billion. The two HOCHTIEF companies have formed a joint venture that is constructing a new terminal at San Diego International Airport. The first phase is scheduled to open in 2025 and the second phase at the start of 2027, the terminal building will have 30 gates. Turner and Flatiron have previously collaborated on other projects at San Diego International Airport as well as at airports in San Francisco, Oakland and Sacramento.

Operational PBT increased by 2% year on year to EUR 247 million with a robust margin of 2.2%. Operational net profit rose 8% to EUR 165 million.

The two HOCHTIEF companies are currently also participating in the extensive refurbishment program at Denver International Airport. Launched in 2017, this project was expanded once again in the third quarter of 2020 to a total value of around EUR 843 million. Tasks include renovation work in all three concourses.

The Americas division is delivering strong cash generation. Over the first nine months 2020, the **net cash from operating activities** of EUR 329 million, pre-factoring, was up EUR 94 million year on year supported by a strong Q3 performance.

The divisional **net cash** position at the end of September 2020 stood at EUR 1.4 billion, up EUR 94 million year on year.

In Bellevue, Washington, Turner is constructing Blocks 5 and 6 of the Spring District project. The 11-story office buildings are designed to comply with the LEED-ND (LEED for Neighborhood Development) standard, which is awarded for particularly sustainable and connected neighborhoods.

The **order situation** at Americas continues to be very robust. **New orders** of EUR 11.7 billion in 9M 2020 were at a similar level to 9M 2019 with EUR 5.2 billion in the third quarter representing an increase year on year of over 40%, notwithstanding the impact of Covid-19. The nine-month order intake accounted for 1.1x the work done during the period.

As part of the Lake Ralph Hall project in Texas, Flatiron was awarded the contract for infrastructure work.

As a consequence of the positive new orders trend, the **order backlog** ended the quarter at EUR 23.3 billion, an

HOCHTIEF Americas Outlook

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

HOCHTIEF Asia Pacific

HOCHTIEF Asia Pacific Division: Key Figures

(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Divisional sales	5,603.0	6,676.0	-16.1%	1,914.6	2,323.9	-17.6%	9,143.2
Nominal profit before tax/PBT	349.4	444.3	-21.4%	119.6	158.2	-24.4%	(1,065.5)
Nominal PBT margin (%)	6.2	6.7	(0.5)	6.2	6.8	(0.6)	(11.7)
Nominal net profit	180.8	217.5	-16.9%	61.3	79.8	-23.2%	(525.9)
Net cash (+)/net debt (-)	(1,079.1)	585.1	(1,664.2)	(1,079.1)	585.1	(1,664.2)	558.6
Order backlog	21,782.9	23,096.0	-5.7%	21,782.9	23,096.0	-5.7%	23,451.7
Employees (end of period)	30,008	36,509	-17.8%	30,008	36,509	-17.8%	35,375

The contribution of the **HOCHTIEF Asia Pacific** division reflects HOCHTIEF's holding in CIMIC (77.40% at the end of September 2020 versus 72.80% 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 103 million investment in CIMIC shares in March 2020 as well as the EUR 106 million share buyback carried out by the Australian company during the 9M period.

HOCHTIEF Asia Pacific's **profit before tax (PBT)** in 9M 2020 was EUR 349 million on **sales** of EUR 5.6 billion, both figures impacted by a 3% 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 1.08 billion, corresponding to a divisional net debt position of EUR 248 million when excluding the cash impacts from exiting the Middle East.

The division's **order book** of EUR 21.8 billion reflects a solid backlog level at CIMIC as well as foreign exchange rate effects.

CIMIC's key figures

CIMIC reported revenue of AUD 9.3 billion, compared to AUD 10.7 billion in the prior-year period with the impact of Covid-19 leading to a slowdown in revenues across activities and a temporary delay in new work. Q3 2020 revenue showed a positive momentum and was 8% higher than Q2. Margins remained robust during the period and PBT stood at AUD 648 million. **Net profit after tax (NPAT)** was AUD 474 million in the 9M 2020 period.

Pre-factoring **operating cash flow** reached a total of AUD 922 million LTM, impacted by Covid-19 mainly in Q2 and Q3 2020.

The Group maintains a disciplined focus on net capital expenditure with AUD 419 million invested during 9M 2020 to deliver mining operations and job-costed tunneling opportunities. CIMIC's **net debt** position of AUD 1.67 billion would stand at net cash of AUD 25 million excluding the gross cash impact from the Middle East exit, share buybacks and a reduction in factoring. Solid investment grade credit ratings were reaffirmed by Moody's (Baa2/Stable) in June and S&P (BBB/Stable/A-2) in August 2020.

The **work in hand** of AUD 35.5 billion compares with AUD 37.2 billion a year ago whilst maintaining bidding discipline.

AUD 25 billion of tenders relevant to CIMIC are expected to be bid and/or awarded for remainder of 2020, and around AUD 525 billion for 2021 and beyond. This includes AUD 110 billion of identified PPP opportunities.

Among the new orders placed with the CIMIC companies is the Iron Bridge Magnetite project in the Pilbara region of Western Australia, which is being carried out by CPB Contractors. The project covers the concrete work and earthworks for a wet processing plant. In addition, CPB Contractors will perform essential works on the Paradise Dam for Queensland's water service provider Sunwater. CPB Contractors was also awarded a contract in respect of planning and construction services for rail signaling systems in Melbourne.

Thiess was awarded an 18-month contract extension valued at some EUR 206 million for the Mount Owen mine in Australia's Hunter Valley region in New South Wales.

UGL will undertake a number of new construction and maintenance projects in the mining sector. These have a total contract value of some EUR 122 million.

CIMIC company Broad Construction is building a music and visual arts center as well as a sports hall at Aspley State High School in Brisbane.

HOCHTIEF Asia Pacific Outlook

Accompanied by the encouraging trends we have reported for the third quarter as regards sales, cash flow and new orders, the fundamental outlook for our core businesses remains positive and we continue to monitor Covid-19 impacts on our 2020 operational and financial performance.

Transaction with a new equity investor for Thiess well progressed, negotiations are expected to be finalized in near term.

HOCHTIEF Europe

HOCHTIEF Europe Division: Key Figures							
(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Divisional sales	947.4	905.6	4.6%	352.6	331.7	6.3%	1,233.0
Operational profit before tax/PBT	39.1	50.7	-22.9%	13.2	18.6	-29.0%	66.3
Operational PBT margin (%)	4.1	5.6	(1.5)	3.7	5.6	(1.9)	5.4
Operational net profit	38.8	47.6	-18.5%	12.8	19.1	-33.0%	61.0
Nominal profit before tax/PBT	27.3	39.7	-31.2%	9.4	14.9	-36.9%	53.8
Nominal net profit	26.8	34.1	-21.4%	9.0	14.8	-39.2%	45.4
Net cash from operating activities	(66.0)	(94.6)	28.6	(29.6)	(49.6)	20.0	42.3
Gross operating capital expenditure	6.1	6.6	(0.5)	0.9	2.5	(1.6)	11.0
Net cash (+)/net debt (-)	343.3	320.8	22.5	343.3	320.8	22.5	511.4
New orders	1,087.3	1,321.9	-17.7%	219.6	392.9	-44.1%	2,227.6
Work done	1,185.9	1,120.4	5.8%	425.5	413.6	2.9%	1,534.0
Order backlog	3,824.4	3,755.2	1.8%	3,824.4	3,755.2	1.8%	4,318.0
Employees (end of period)	5,083	5,350	-5.0%	5,083	5,350	-5.0%	5,314
of which in Germany	3,228	3,318	-2.7%	3,228	3,318	-2.7%	3,336

HOCHTIEF Europe has delivered a solid performance during 9M 2020.

Sales were 5% higher compared with 9M 2019 at EUR 947 million, reflecting a disciplined bidding approach and timing effects. The division achieved a stable EBITDA and EBIT with a solid performance in the construction activities. **Operational PBT** and **operational net profit** of EUR 39 million each increased when adjusted for f/x effects.

HOCHTIEF Europe's **net cash from operating activities** improved by EUR 29 million year on year in 9M 2020, notwithstanding Covid-19 impacts. In the last twelve months, including the seasonally stronger fourth quarter, the division generated a total of EUR 71 million net cash from operating activities.

At the end of 9M 2020, HOCHTIEF Europe's balance sheet showed a solid **net cash** position of EUR 343 million, up EUR 23 million year on year.

New orders remained at a firm level with EUR 2.0 billion of work secured during the last twelve months equivalent to 1.2x work done. The divisional **order backlog** ended the period at EUR 3.8 billion representing visibility of around 2.5 years.

New orders secured by the HOCHTIEF Europe division include a new complex at Rodenkirchen comprehensive

school in Cologne that is being built as part of a PPP project. HOCHTIEF PPP Solutions has been operating the school since 2009 and now HOCHTIEF Infrastructure is expanding the room capacities.

In addition, HOCHTIEF is building a residential complex comprising four multi-family homes in Lübeck scheduled for completion in 2022.

In Poland, HOCHTIEF is modernizing the Saint Jadwiga nursing home for the elderly. Three buildings are being remodeled and extended; when completed, they will house 84 rooms with 135 beds. A new residential complex comprising two buildings with a total of 163 apartments is being built in Warsaw.

In the Czech town of Nymburk, HOCHTIEF is replacing an old pedestrian bridge over the River Elbe. It is scheduled for completion in summer 2021.

HOCHTIEF Europe Outlook

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

Note: Operational profits are adjusted for non-operational effects

Abertis Investment

Abertis key figures (100%)							
(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Operating revenues	2,989	4,059	-26%	1,200	1,467	-18,2%	5,361
Operating revenues comparable ¹⁾			-19%				
EBITDA	1,918	2,811	-32%	809	1,027	-21,2%	3,737
Comparable EBITDA ¹⁾			-25%				
Net profit pre-PPA	318	853	-63%	184	339	-45,7%	1,101

Abertis Investment contribution to HOCHTIEF							
(EUR million)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Change	Full year 2019
Nominal result ²⁾	(4.2)	96.2	-	14.0	44.4	-68.5%	122.4
Operational result ³⁾	(4.2)	96.2	-	14.0	44.4	-68.5%	122.4
Dividend received	86.4	172.8	-	0.0	0.0	n.a.	172.8

1) Comparable variations consider constant portfolio, f/x rates and other non-comparable effects
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⁾ share in Abertis HoldCo⁵⁾, the operating performance of Abertis and non-cash purchase price allocation (PPA) effects. The contribution for Q3 2020 was EUR 14 million and in 9M 2020 amounted to EUR -4 million compared with EUR 96 million in 9M 2019 reflecting the impact from 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 the verification by the Abertis board of directors of Covid-19 impacts.

Key developments at Abertis

Abertis' average daily traffic development in the first nine months 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 9M saw a decrease of 24%, with individual country performance driven mainly by the timing and extent of lockdown measures coming into force as well as prevailing travel restrictions: France -24%, Spain -31%, Italy -28%, Brazil -11%, Chile -36% and Mexico -15%.

Revenues of EUR 3.0 billion were 19% lower year on year on a comparable basis. Lower traffic volumes resulted in a 9M 2020 **EBITDA** of EUR 1.9 billion, a 25% reduction on a comparable basis. **Net profit pre-PPA** was EUR 318 million during 9M with a substantial improvement in Q3, compared to the first half-year net profit.

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)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Full year 2019
Sales	17,907,735	18,751,832	-4.5%	5,960,898	6,742,462	25,851,855
Changes in inventories	26,117	(420)	-	3,675	(35)	3,238
Other operating income	94,377	148,341	-36.4%	29,086	45,117	191,437
Materials	(13,067,832)	(13,421,648)	-2.6%	(4,346,411)	(4,717,202)	(18,989,659)
Personnel costs	(3,152,708)	(3,490,679)	-9.7%	(1,068,999)	(1,373,976)	(4,388,675)
Depreciation and amortization	(514,092)	(516,832)	-0.5%	(177,144)	(168,881)	(701,326)
Other operating expenses	(708,027)	(802,436)	-11.8%	(212,814)	(323,630)	(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	94,908	200,693	-52.7%	49,976	111,673	282,286
Net income from other participating interests	27,194	24,894	9.2%	11,277	8,315	33,893
Investment and interest income	44,037	69,353	-36.5%	11,581	30,840	80,559
Investment and interest expenses	(171,370)	(182,158)	-5.9%	(54,634)	(63,243)	(233,858)
Profit before tax	580,339	780,940	-25.7%	206,491	291,440	(627,469)
Income taxes	(161,767)	(197,445)	-18.1%	(52,188)	(63,585)	292,232
Profit after tax	418,572	583,495	-28.3%	154,303	227,855	(335,237)
Thereof: Attributable to non-controlling interest	94,529	127,221	-25.7%	32,489	50,291	(128,990)
Thereof: Attributable to HOCHTIEF shareholders (Group net profit/loss)	324,043	456,274	-29.0%	121,814	177,564	(206,247)
Earnings per share (EUR)	4.65	6.46	-28.0%	1.77	2.51	(2.92)

Consolidated Statement of Comprehensive Income

(EUR thousand)	9M 2020	9M 2019	Change	Q3 2020	Q3 2019	Full year 2019
Profit after tax	418,572	583,495	-28.3%	154,303	227,855	(335,237)
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	(76,991)	97,986	-	(33,555)	59,483	38,156
Changes in fair value of financial instruments						
Primary	(1,840)	21,643	-	8,216	14,844	27,301
Derivative	(5,600)	(3,473)	-61.2%	(4,577)	(2,197)	(9,879)
Share of other comprehensive income of equity-method associates and joint ventures	(72,169)	(42,537)	-69.7%	(2,446)	(20,622)	(35,215)
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	(24,230)	(96,904)	75.0%	(15,612)	(21,526)	(35,938)
Other comprehensive income (after tax)	(180,830)	(23,285)	-676.6%	(47,974)	29,982	(15,575)
Total comprehensive income after tax	237,742	560,210	-57.6%	106,329	257,837	(350,812)
Thereof: Attributable to non-controlling interest	65,527	146,314	-55.2%	21,510	59,098	(123,146)
Thereof: Attributable to HOCHTIEF shareholders	172,215	413,896	-58.4%	84,819	198,739	(227,666)

Consolidated Balance Sheet

(EUR thousand)	Sep. 30, 2020	Dec. 31, 2019
Assets		
Non-current assets		
Intangible assets	1,154,389	1,187,203
Property, plant and equipment	1,711,248	1,857,274
Investment properties	1,320	3,778
Equity-method investments	1,789,078	1,927,787
Other financial assets	70,004	83,696
Financial receivables	112,467	97,904
Other receivables and other assets	222,752	166,193
Non-current income tax assets	19,416	19,962
Deferred tax assets	649,134	720,957
	5,729,808	6,064,754
Current assets		
Inventories	427,539	434,976
Financial receivables	144,267	171,982
Trade receivables and other receivables	6,801,694	6,290,405
Current income tax assets	27,638	27,281
Marketable securities	464,895	454,111
Cash and cash equivalents	5,062,405	4,458,020
	12,928,438	11,836,775
	18,658,246	17,901,529
Liabilities and Shareholders' Equity		
Shareholders' equity		
Attributable to HOCHTIEF shareholders	742,462	1,275,684
Attributable to non-controlling interest	301,551	309,173
	1,044,013	1,584,857
Non-current liabilities		
Provisions for pensions and similar obligations	471,540	428,193
Other provisions	328,393	350,682
Financial liabilities	4,472,463	2,726,365
Lease liabilities	482,504	528,976
Trade payables and other liabilities	190,928	185,314
Deferred tax liabilities	48,306	48,980
	5,994,134	4,268,510
Current liabilities		
Other provisions	933,138	1,046,590
Financial liabilities	2,201,928	944,017
Financial liabilities (Middle East exit)	122,238	927,431
Lease liabilities	230,075	255,879
Trade payables and other liabilities	8,054,466	8,830,262
Current income tax liabilities	78,254	43,983
	11,620,099	12,048,162
	18,658,246	17,901,529

Consolidated Statement of Cash Flows

(EUR thousand)	9M 2020	9M 2019
Profit after tax	418,572	583,495
Depreciation, amortization, impairments and impairment reversals	486,170	500,191
Changes in provisions	(15,039)	2,705
Changes in deferred taxes	127,423	71,117
Gains/(losses) from disposals of non-current assets and marketable securities	(23,286)	(8,556)
Other non-cash income and expenses and deconsolidations	227,894	60,315
Net working capital change	(1,141,447)	(739,880)
Changes in other balance sheet items	1,916	1,076
Cash flow from operating activities	82,203	470,463
Intangible assets, property, plant and equipment, and investment properties		
Operational purchases	(286,620)	(358,693)
Other purchases	–	(40,658)
Payments from asset disposals	14,875	17,228
Acquisitions and participating interests		
Payments for investments	(262,489)	(129,596)
Payments from asset disposals/divestments	10,860	24,637
Changes in cash and cash equivalents due to changes in the scope of consolidation	9,288	12,263
Changes in marketable securities and financial receivables	(71,098)	(214,379)
Cash flow from investing activities	(585,184)	(689,198)
Repayments for repurchase of treasury stock	(136,258)	–
Payments received from sale of treasury stock	–	1,475
Repayments for repurchase of treasury stock at CIMIC	(105,983)	(9,213)
Payments into equity by non-controlling interests	12,248	21,443
Payments from equity to non-controlling interests	(15,219)	(33,245)
Payments for the purchase of additional shares in subsidiaries	(103,241)	–
Dividends to HOCHTIEF shareholders and non-controlling interests	(428,189)	(413,910)
Proceeds from new borrowing	4,155,258	1,990,540
Debt repayment ¹⁾	(1,939,830)	(782,745)
Repayment of lease liabilities	(218,707)	(212,256)
Cash flow from financing activities	1,220,079	562,089
Net change in cash and cash equivalents	717,098	343,354
Effect of exchange rate changes	(112,713)	121,592
Overall change in cash and cash equivalents	604,385	464,946
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	5,062,405	4,030,834

1) Including the payments for the Middle East exit (EUR 831.5 million)

Consolidated Statement of Changes in Equity

	Subscribed capital of HOCHTIEF Aktiengesellschaft	Capital reserve of HOCHTIEF Aktiengesellschaft	Retained earnings including distributable profit	Accumulated other comprehensive income			Attributable to HOCHTIEF shareholders	Attributable to non-controlling interest	Total
				Remeasurement of defined benefit plans	Currency translation differences	Changes in fair value of financial instruments			
(EUR thousand)									
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)	(102,478)	(454,125)
Profit after tax	-	-	456,274	-	-	-	456,274	127,221	583,495
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	76,776	(22,250)	54,526	19,093	73,619
Changes from remeasurement of defined benefit plans	-	-	-	(96,904)	-	-	(96,904)	-	(96,904)
Total comprehensive income	-	-	456,274	(96,904)	76,776	(22,250)	413,896	146,314	560,210
Other changes not recognized in the Statement of Earnings	-	558	(7,389)	-	-	-	(6,831)	(8,604)	(15,435)
Balance as of Sep. 30, 2019	180,856	1,711,057	368,023	(417,254)	140,299	(67,026)	1,915,955	586,021	2,501,976
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)	(25,892)	(431,576)
Profit after tax	-	-	324,043	-	-	-	324,043	94,529	418,572
Currency translation differences and changes in fair value of financial instruments	-	-	-	-	(56,707)	(70,891)	(127,598)	(29,002)	(156,600)
Changes from remeasurement of defined benefit plans	-	-	-	(24,230)	-	-	(24,230)	-	(24,230)
Total comprehensive income	-	-	324,043	(24,230)	(56,707)	(70,891)	172,215	65,527	237,742
Other changes not recognized in the Statement of Earnings	-	-	(299,753)	-	-	-	(299,753)	(47,257)	(347,010)
Balance as of Sep. 30, 2020	180,856	1,711,057	(674,601)	(380,518)	37,642	(131,974)	742,462	301,551	1,044,013

Explanatory Notes to the Consolidated Financial Statements

Accounting policies

The Interim Consolidated Financial Statements as of September 30, 2020, which were released for publication on October 15, 2020, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In accordance with IAS 34, the reported information is presented in condensed form relative to the full Consolidated Financial Statements.

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

Due to a change in capital market interest rates, HOCHTIEF has modified the discount rates for the measurement of pension obligations as follows as of September 30, 2020:

(In %)	Sep. 30, 2020	Dec. 31, 2019
Germany	1.14	1.30
USA	2.15	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:

(All rates in EUR)	Average		Daily average at reporting date	
	9M 2020	9M 2019	Sep. 30, 2020	Dec. 31, 2019
1 U.S. dollar (USD)	0.88	0.89	0.85	0.89
1 Australian dollar (AUD)	0.60	0.62	0.61	0.63
1 British pound (GBP)	1.13	1.13	1.09	1.18
100 Polish zloty (PLN)	22.55	23.22	22.26	23.49
100 Czech koruna (CZK)	3.78	3.89	3.70	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 three quarters of 2020 include four foreign companies for the first time. One German company and 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 nine months of 2020. In addition, the number of joint operations abroad included in the Consolidated Financial Statements increased by ten.

The Consolidated Financial Statements as of September 30, 2020 include HOCHTIEF Aktiengesellschaft as well as a total of 44 German and 366 foreign consolidated companies, 16 German and 106 foreign companies accounted for using the equity method as well as 85 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 nine months of 2020 by purchasing 8,962,059 shares. CIMIC also launched its pre-announced stock buyback program in the same period, as a result of which HOCHTIEF's stake in CIMIC increased in total to 77.40% as of September 30, 2020.

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

(EUR thousand)	Sep. 30, 2020	Dec. 31, 2019
Cash and cash equivalents	5,062,405	4,458,020
Short-term financial assets and investments ¹⁾	2,763	2,813
Cash and equivalent liquid assets	5,065,168	4,460,833

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

(EUR thousand)	9M 2020	9M 2019
Cash flow from operating activities	82,203	470,463
Change in short-term financial assets and investments	–	124,121
Net cash from operating activities	82,203	594,584

Trade receivables and other receivables

(EUR thousand)	Sep. 30, 2020	Dec. 31, 2019
Trade receivables	3,540,608	3,428,583
Contract assets	2,604,127	2,141,914
Other receivables and other assets	879,711	886,101
	7,024,446	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)	Sep. 30, 2020	Dec. 31, 2019
Trade payables	6,241,560	7,027,226
Contract liabilities	1,685,473	1,711,755
Other liabilities	318,361	276,595
	8,245,394	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.

(EUR thousand)	Sep. 30, 2020				Dec. 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Other financial assets	–	24,907	45,097	70,004	–	13,578	70,118	83,696
Other receivables and other assets								
Non-current	3	1,021	–	1,024	3	903	–	906
Current	74	6,113	–	6,187	50	10,543	–	10,593
Marketable securities	464,895	–	–	464,895	417,305	36,806	–	454,111
Total assets	464,972	32,041	45,097	542,110	417,358	61,830	70,118	549,306
Liabilities								
Other liabilities								
Non-current	3	10,159	–	10,162	9	10,805	–	10,814
Current	32	18,553	–	18,585	23	7,873	–	7,896
Total liabilities	35	28,712	–	28,747	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 6,674,391 thousand (December 31, 2019: EUR 3,670,382 thousand) and a fair value of EUR 6,729,836 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 three quarters 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. 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 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 9M 2020:

(EUR thousand)	
Balance as of Jan. 1, 2020	70,118
Currency adjustments	(1,794)
Gains/(losses) recognized in profit or loss	18,391
Other changes	(41,618)
Balance as of Sep. 30, 2020	45,097

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

The Group increased its overall liquidity in the first nine months of 2020, with cash and cash equivalents increasing to EUR 5,065,168 thousand (December 31, 2019: EUR 4,460,833 thousand) as a result of drawings on agreed facilities as a precautionary risk mitigation measure with a view to potential financial market uncertainties due to Covid-19.

Cash in the amount of EUR 505,159 thousand (December 31, 2019: EUR 292,644 thousand) is subject to financial and operational restrictions or is restricted in relation to the sale of receivables.

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 September 30, 2020 reporting date, 2.766% of the capital stock had been bought back. This corresponds to 1,954,294 shares.

As of September 30, 2020, HOCHTIEF Aktiengesellschaft held a total of 1,976,640 shares of treasury stock (2.798% 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.

Corporate bond issues

During the reporting period, HOCHTIEF Aktiengesellschaft continuously issued commercial paper with maturities of up to six months under the commercial paper program launched in May 2020. Utilization of the commercial paper program stood at just under EUR 500 million as of September 30, 2020.

The issue proceeds were used to repay existing facility drawings ahead of time.

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 September 30, 2020 (September 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 155 million as of September 30, 2020 (September 30, 2019: EUR 558 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 19,094 thousand to EUR 146,135 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, synex and Trinac at HOCHTIEF Europe. Sales from non-core business are allocated to the category "Other".

Sales at HOCHTIEF Americas in the amount of EUR 11,270,787 thousand (2019: EUR 11,063,541 thousand) are recognized mainly in the "Construction management and services" category. At HOCHTIEF Asia Pacific, sales of EUR 5,603,047 thousand (2019: EUR 6,676,038 thousand) are mainly generated in the activities "Construction/PPP" and "Construction management and services." External sales at HOCHTIEF Europe in the amount of EUR 943,836 thousand (2019: EUR 900,004 thousand) are mainly recognized in the "Construction/PPP" category. Other sales recognized in "Corporate" amount to EUR 90,065 thousand (2019: EUR 112,249 thousand).

Sales not related to contracts with clients, mainly relating to "Other" activities in Corporate, amount to EUR 115,057 thousand (2019: EUR 136,481 thousand).

Almost all sales are recognized over time.

Reconciliation of profit before tax to EBITDA

(EUR thousand)	9M 2020	9M 2019	Q3 2020	Q3 2019
Profit before tax	580,339	780,940	206,491	291,440
+ Investment and interest expenses	171,370	182,158	54,634	63,243
- Investment and interest income	(44,037)	(69,353)	(11,581)	(30,840)
- Net income from other participating interests (excluding gains/losses from disposals of participating interests)	(27,245)	(24,894)	(11,277)	(8,315)
+ Adjustment for non-operating net expenses	27,842	9,869	5,143	2,186
EBIT	708,269	878,720	243,410	317,714
+ Depreciation and amortization	514,092	516,832	177,144	168,881
EBITDA	1,222,361	1,395,552	420,554	486,595

Basic and diluted earnings per share

	9M 2020	9M 2019	Q3 2020	Q3 2019
Consolidated net profit (EUR thousand)	324,043	456,274	121,814	177,564
Number of shares in circulation (weighted average) in thousands	69,751	70,618	68,958	70,624
Earnings per share (EUR)	4.65	6.46	1.77	2.51

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

Events since the balance sheet date

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

Publication Details and Credits

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www.hochtief.com/en/investor-relations/financial-calendar

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

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



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



