

# **Annual General Meeting**

April 29, 2025

## **Juan Santamaría Cases, CEO**

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Check against delivery.

Guten Morgen, liebe Freunde von HOCHTIEF.

On behalf of the Executive Board, I would like to welcome everyone to our 2025 Annual General Meeting.

Since we last met here in Essen a year ago, HOCHTIEF has delivered an outstanding performance in terms of our strategy and our operating businesses as well as of our share price which is up by 70%.

The film we have just seen will hopefully have given you a flavor of the important progress the Group has made during the last twelve months and of the enormous growth opportunities that lie ahead of HOCHTIEF for which we are uniquely well positioned as a consequence of the strategy we are pursuing.

Our strategy has already delivered a very successful 2024.

We have consolidated leading positions in our strategic markets where growth is being driven by an unprecedented ramp-up in infrastructure investments by public and private clients as a result of the transformational megatrends—Digitalization, Demographics, Deglobalization, Defence and Demand for Energy Infrastructure.

We are deploying our geographic footprint to access this growth in all our regions.

And we are further strengthening our leading position in the markets of data centers, advanced technology, energy, and social infrastructure as well as expanding our presence in the value chains of these growth markets.

So, let us look at the Group's key financial metrics for 2024:

HOCHTIEF achieved an outstanding operational and financial performance. We recorded substantially higher sales and profits and significant order book growth backed by another strong performance in cash flow generation.

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**Sales** increased by 20% to 33.3 billion euros accompanied by solid operating margins.

HOCHTIEF's **nominal net profit** improved in 2024 by 48% year on year to 776 million euros. **Operational net profit** rose by 13% to 625 million euros, exceeding the top end of the guidance range of 560–610 million euros we had provided.

The quality of our profit performance is underlined by an outstanding **cash generation** during the year. **Cash flow from operating activities** in 2024 was 611 million euros higher year on year at 2.1 billion euros.

And our strong balance sheet position was again recognized by the rating agency S&P which reaffirmed its investment grade rating for the Group.

The Group's record **order book** ended the year at 67.6 billion euros and is up by 12.2 billion euros year on year, or 22%. As a consequence of our strategy to further improve the Group's risk profile, lower-risk contracts, which incorporate enhanced risk-sharing mechanisms, now account for well over 85% of our order book. This proportion has risen substantially in recent years.

The ongoing increase in our backlog reflects the strong growth recorded in **new orders** which rose by 14% to 41.8 billion euros, representing 1.2x the work done during 2024. Around 50% of the new work we secured during the year relates to our strategic growth markets including data centers, advanced technology, energy, and social infrastructure.

We have achieved this by harnessing our existing experience and capabilities

across the Group's activities and geographies, incorporating additional specialized engineering and systems know-how and leveraging our competitive strengths.

Examples of the Group's project wins in the strategic growth markets during 2024 include

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- a multi-billion data center for Meta in Louisiana, one of the largest projects ever announced in the sector, which is not yet largely reflected in our order book,
- the acquisition of development rights for the 700 MW Cobbora Solar Farm and associated large-scale battery energy storage system in New South Wales, which will be one of the largest solar farms in Australia,
- the design and build Phase 2 of the Western Downs Battery for Neoen also in Australia,
- a three-year, full-service mining contract in Ontario, which will help Canada's nickel and copper industry, and
- a contract for a semiconductor-related construction facility using clean-room technology in Europe.

HOCHTIEF has also delivered important projects in other key sectors including transport infrastructure, healthcare, education, airports, and sports stadiums where demand continues to show strong structural growth.

- In the U.S., a Turner joint venture is leading the 2.6 billion U.S. dollars transformation at the San Francisco International Airport.
- In the UK, HOCHTIEF PPP Solutions was awarded a transport infrastructure operations and maintenance contract in Scotland worth at least 190 million euros.

- In Hong Kong, Leighton Asia is executing a 2.6-billion-euro hospital expansion project.
- And in Chile, Abertis won an international tender for the expansion of Santiago-Los Vilos, a strategic transport link with a 30-year concession period.

Dear shareholders,

Our strong order book development and strategic expansion has been accompanied by a strong increase in our workforce. Thanks to new hires and acquisitions our headcount reached 57,000 professionals at the end of 2024.

I cannot emphasize enough the important role which our highly qualified and motivated employees play. They deliver unique projects and top performance—with full commitment every single day. This deserves our utmost respect and recognition. Please join me in thanking all the HOCHTIEF teams. They are doing an outstanding job. Dankeschoen!!

I would also like to thank our Supervisory Board for its continued support and commitment.

Let's now take a closer look at the strong performances which our operating companies have delivered.

**Turner** had a stand-out performance in 2024.

- On revenue growth of 19% to 19.3 billion euros, operational PBT was 37% higher at 570 million euros, and well above the top end of the guidance we had provided of 510 million euros.
- This outstanding rise in profits was partly a consequence of the 40 basis points margin increase at the PBT level, to 3.0%, driven by Turner's successful strategy of focusing on advanced technology projects, in particular data centers.

- And I would highlight the net profit contribution of 414 million euros, a 41% increase year on year.

Turner's strategy is delivering very strong growth in new orders, resulting in a 30% increase in the company's backlog to a record 32 billion euros, that is a 7.3 billion euros jump during 2024.

As a consequence, we anticipate Turner will continue its strong growth momentum driven by:

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- Firstly, its strong position in advanced-tech, including the rapidly expanding data center market, boosted by the recent Dornan acquisition in Europe,
- Secondly, further margin progression as the share of advanced-tech projects steadily increases and aided by SourceBlue's supply chain services offering,
- And thirdly, the structural long-term growth in several of its key markets such as healthcare, education, airports, and sports stadiums.

The strategy at Turner is delivering strong growth. Our **guidance of 660-750 million euros operational PBT for Turner in 2025** points to an increase of between 16 and 32%.

Moving on to **CIMIC**, I would like to highlight the solid underlying revenue with strong growth in strategic market segments particularly across the data center, social infrastructure, and energy transition markets.

- Our Australian integrated solutions company delivered operational PBT of 450 million euros, up 6% on a comparable basis, towards the top end of the guidance range of 460 million euros.
- Operational net profit after tax was up by 8% at 263 million euros with nominal net profit after tax of 410 million euros including the net one-off gain of 147 million euros related to the Thiess acquisition.
- CIMIC ended the year with a robust order backlog of 24 billion euros, up 3% year on year fx-adjusted.

We expect further growth in the business in 2025 with an **operational PBT guidance for CIMIC of 480-510 million euros**.

Our **Engineering and Construction** business, which comprises HOCHTIEF's European activities and our U.S. civil works company Flatiron, saw sales increase by 10% year on year to 3.6 billion euros.

- Operational PBT showed a 7% increase to 88 million euros, in line with the guidance range for the year, with stable margins.
- The order backlog of 11.6 billion euros was up a further 4% year on year, after an exceptional 2023 when the order book jumped by 20%.
- 2024 new orders were solid at 4.4 billion euros, around 1x work done.

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Our **E&C guidance range for operational PBT in 2025 of 85-95 million euros** implies strong growth of up to 24% on a comparable basis.

**Looking at Abertis**, the toll road company continues to deliver on its growth strategy of investing in assets to extend its portfolio duration.

- Operating revenues rose 10% to over 6 billion euros and EBITDA also 10% higher at 4.3 billion euros.
- Operational net profit pre-PPA was around 800 million euros, a 4% increase.
- The operational result of 81 million euros was in line with expectations.
- As a consequence of the solid cash flow performance, Abertis is going to distribute a total dividend of 600 million euros in the second quarter of 2025, in line with the previous year.

**And we anticipate Abertis will deliver a similar operational result in 2025.**

Let me move on and allow me to provide you with an **update on our strategy** in the context of an infrastructure sector which is undergoing an unprecedented and multi-year transformation.

HOCHTIEF has positioned itself as a leading advanced-tech infrastructure and services solutions provider to meet the strongly rising demand. We are achieving this with our construction and engineering know-how, as an equity investor, and also by applying our operations and maintenance capabilities.

This is consistent with our overall Group objective to deliver an attractive level of shareholder remuneration and create long-term value by:

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- Firstly, generating cash-backed profits whilst maintaining a low risk profile,
- Secondly, further expanding our presence in strategic growth markets,
- And thirdly, by accelerating our equity investment in next-generation greenfield infrastructure projects accompanied by selective M&A.

HOCHTIEF provides clients with the best technical expertise from our world-leading engineering and construction specialists wherever we are working. This is supported by the Group's Global Engineering Network that is always able to respond to complex client requirements by offering innovative solutions. With this strategic network, we are able to quickly mobilize and assemble expert teams from across the Group, whether this is for advanced technology, energy transition, sustainable mobility, social infrastructure, or large-scale construction projects. Tailored to the client's vision, these project teams, supported by a unique knowledge infrastructure, turn state-of-the-art ideas into reality.

HOCHTIEF has achieved leadership in many advanced technology sectors, most particularly in the **data center market**. We have grown exceptionally in this already dynamically developing market. The rapid expansion of cloud computing and artificial intelligence, which is expected to be sustained for several years, provides very attractive opportunities for HOCHTIEF. Beginning with smaller facilities, we have developed our experience and capabilities in North America to enable us to deliver mega data center projects for the leading global hyperscalers, such as the Louisiana project I mentioned earlier. At the same time, we are leveraging this know-how, our geographic footprint, and our strong client relationships to enable us to address the strong demand in the Asia-Pacific region and Europe. As a result, HOCHTIEF's data center order backlog at the end of 2024 stood at over 8 billion euros (over 12% of the Group total and more

than double the level of 2022), and it is set to grow further. Looking forward, overall data center capacity is predicted to show double-digit growth through to 2030, and hyperscaler capacity is expected to double in the same time frame, so demand from these clients will likely grow faster than the overall market.

Furthermore, we are now investing equity in selected data center projects, thus, providing the Group an additional opportunity to create significant value in this sector going forward. In 2024, we acquired a site in Australia to develop a data center with a 200 MW capacity and in Germany, we have expanded the framework agreement with our partner to 15 YEXIO sustainable edge data centers, with further potential extensions in Europe under discussion to support the implementation of artificial intelligence.

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The strategic shift from building to also owning and operating data centers is consistent with the Group's strong track record in PPPs. Overall, at the end of 2024, we had committed equity investments of 800 million euros, of which 400 million euros are in strategic growth markets including data centers, energy infrastructure, and critical metals.

Digitalization and artificial intelligence are not only increasing data-center capacities. They are also driving demand in the semiconductor industry.

- HOCHTIEF is currently setting up a production facility in Germany for a major European semiconductor manufacturer. The new five-story building including cleanrooms is set to start operations this year.
- We are also working in Malaysia, via Turner, providing construction management services for a semiconductor project.

We are leveraging our project delivery track-record, engineering experience, and market presence to position ourselves for these opportunities which are emerging globally. Specifically, we have been developing our technical and engineering know-how in sectors which are critical for the semiconductor as well as other markets. This enables HOCHTIEF to potentially benefit from additional further significant longer-term growth opportunities.

Let me say a few words specifically about the German market which is very



important for us. We have increased our order backlog in Germany by 60 percent over the past five years. Most of you are probably aware of the two large bridges over the Rhine that we are currently building.

There are plans in Germany to renovate or rebuild 11,000 motorway and 1,000 railway bridges. In addition, the demand for social, digital, and other transport infrastructure continues to rapidly increase.

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The 500-billion-euro infrastructure fund planned by the new government offers an enormous opportunity to modernize and expand German infrastructure. It will also provide an enormous boost to the economy as a whole. This is a great opportunity to attract even more talented people to the Group, which has been a strategic priority for HOCHTIEF for many years.

We want to further expand our position in the German infrastructure market in cooperation with our local partners.

With our technical expertise, our experience in delivering major projects and our leading presence in strategic growth markets, we are very well placed to support this major initiative.

In this context, we have recently secured a major contract from Deutsche Bahn. We were awarded a high three-digit-million order for the construction of a significant stretch of the railroad network in Munich.

We can harness our experience using alliance and collaborative models, for example, to enhance and simplify delivery processes where possible.

Our PPP know-how and market position will be also available as a tool to help deliver an accelerated and widened roll-out of investments if the administration decides to use this delivery model.

During the year, HOCHTIEF has executed several important M&A transactions which support our strategic growth ambitions and further consolidate our strong competitive positions in specific market segments.

- In July 2024, our U.S.-based Group company Turner announced the approximately 400-million-euro strategic acquisition of Dornan Engineering, which was closed in January 2025. The Irish-based mechanical and electrical engineering company will enable the Group to accelerate its European expansion strategy with Turner offering full turnkey solutions to clients in the region where it has identified a potential project pipeline of over 20 billion euros.
- Also in July, HOCHTIEF and Dragados agreed to combine their North American civil engineering businesses to create the second-largest player in the region. The new company Flatiron Dragados has unparalleled civil infrastructure experience, credentials, geographical reach, and technical capabilities for large infrastructure projects. HOCHTIEF holds a 38.2% equity-consolidated stake in the new business.
- During the second quarter of 2024, another important step in our Group strategy was taken when CIMIC announced it had entered into an agreement to acquire an additional 10% equity interest in Thiess. The acquisition, for a purchase price of 195 million euros, increases the Group's ownership of the natural resources company to 60%.
- And at the beginning of last year, the shareholders of Abertis contributed 1.3 billion euros in equity to support the company's growth strategy, with HOCHTIEF subscribing its 260 million euro share for its 20% stake.

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Ladies and Gentlemen,

Shareholder remuneration remains a priority for the Group. As a consequence of the Group's strong profit increase during 2024 and taking into account the solid growth momentum, the **proposed dividend** for 2024 is 5.23 euros per share. This represents an outstanding 19% increase year on year compared with 4.40 euros per share dividend for 2023 and is equivalent to a 65% payout on the operational net profit for the year.

Our **guidance** for 2025 is to achieve an operational net profit of between 680–730 million euros which represents an increase of up to 17% compared with last year, subject to market conditions.

Environmental, social, and governance (ESG) remains a key strategic topic.

In accordance with our Sustainability Plan, HOCHTIEF aims for overall climate neutrality by 2045. We have defined additional near-term reduction targets through 2030. In the last two years, international teams have continued to develop and implement measures to advance on short- and long-term ESG targets. We are currently working on further enhancing our sustainability plan. The updated version is scheduled to commence in 2026.

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This commitment is viewed very positively by our stakeholders: HOCHTIEF has been listed in the Dow Jones Sustainability Index for 19 consecutive years and has achieved top positions in the ranking compiled by S&P Global. In addition, the MSCI ESG rating for our Group stands at AAA, making it the highest rated amongst our peers.

### **So let me wrap-up.**

- HOCHTIEF's 2024 results show an excellent performance with a 13% increase in operational net profit, exceeding guidance and backed by strong cash conversion.
- A record year-end order book of almost 68 billion euros shows a comparable 13% rise in the last 12 months, with particularly significant increases in areas including data centers and healthcare projects, setting up the Group for another strong year.
- And we are also delivering on the strategic shift towards investing equity in our growth markets and, thus, expanding our opportunities to create value in markets where we have leading positions.
- HOCHTIEF's growth trajectory is a consequence of consistent efforts and resources applied in a consistent direction, underpinned by our increasing adoption and development of digital and AI tools.
- We are looking to the future with confidence and optimism.