



Creating a continental legacy

MAY 15, 2022

Through inorganic growth, Hill International has expanded and diversified across Europe – but still has its sights set on working as a cohesive and homogenous unit.

Philadelphia-based Hill International is not new to the mature, multi-billion-dollar European construction industry that is already home to several iconic and historic structures.

Entering the European market in 1990 with the opening of an office in the U.K. for its Channel Tunnel contract that connected England and France (for claims consultancy services), along with the setting up of shop in the Balkans to serve clients in Romania and Kosovo, the company is today writing its legacy in the continent's project management services sector with several path-breaking projects. At the heart of this initiative is the recent reorganization of Hill Europe's subregions to better serve clients and diversify its portfolio of services to grab a larger market share.

Growing inorganically through acquisitions is part of the corporate world and Hill has been no exception.

In February 2008, Hill bought a majority stake in the Gerens Management Group, giving the company a major foothold in Europe, particularly in Spain. This was followed soon after (June 2008) with another acquisition – Euromost Polska in Poland. The appetite for acquisitions was evident once again in 2015 when Hill took over Istanbul-based IMS giving it access to projects in Turkey, CIS, and Kazakhstan.

Initial work, integration. To start with, barring the Balkans, a vast majority of Hill's work in Spain, Poland, and Turkey was building projects that were primarily commercial, residential, and/or office developments for the private sector. In the Balkans, Hill pursued local projects with the municipalities and water authorities that were funded by EU agencies like the European Investment Bank and the European Bank for Reconstruction & Development.

There were exceptions, however, like the iconic UN Headquarters building in Geneva.

There was a genesis to the UN project as Hill had worked several years on its design supervision phase. But in 2018 the company renegotiated the contract and transitioned the project to a construction phase. Success came soon after on another landmark project in Geneva with Hill being contracted for the new headquarters building of the International Telecommunications Union.

Today, Hill International Europe is home to 450 staff spread over four subregions: Turkey & CIS (Kazakhstan, Georgia, and Turkey); Southern Europe (Cyprus, Greece, Albania, and Italy); Balkans (Romania, Serbia, and Kosovo); and Western Europe (Spain, Poland, Germany, the Netherlands, and Switzerland). Besides winning new contracts and standing its ground in a fiercely competitive market, a mandate for all regions has been to work as a cohesive and homogenous unit for the greater benefit of Hill Europe and its clients.

Diverse portfolio. The integration between subregions was brought about from 2018 onward, resulting in there being no more lines drawn in the sand between them and Hill Europe offering a much more diverse portfolio.

Currently Hill's prime focus in Western Europe is on maintaining its legacy capabilities in commercial and residential real estate and hospitality sectors, while expanding significantly into the technology infrastructure and retail facilities sectors. The company is also forging into the industrial and manufacturing markets. In the Balkans, the company is still heavy on infrastructure facilities like roads, rail, and water, while in Southern Europe it has diversified its portfolio to include hospitality, aviation, major private sector commercial developments, metro work, healthcare, ports, and harbors. Lastly, in Turkey and CIS, Hill is eyeing commercial development and data centers for buildings. In Kazakhstan, Hill is at the final stages of completing the Nur Sultan Grand Mosque, which at 57,000 square meters will be the largest mosque in Central Asia, capable of accommodating more than 30,000 people.

Another aspect of Hill's journey in Europe is to focus more on higher margin work, resulting in an increase in profit margins for the business.

In its latest earnings results, Hill said its total consulting fee revenue for the first nine months of 2021 was \$227 million, of which Europe accounted for 16 percent or \$37 million. The U.S. was in the lead with \$101 million (or 44.5 percent), followed by the Middle East at \$62 million (or 27.3 percent).

As the global economy comprehensively comes out of the COVID-19 pandemic, the strategy going forward for Hill will be to further diversify into new markets and continue the relationship with blue chip companies like Microsoft and Boeing for additional contracts.

For the company, corporate clients will be a major thrust for us moving forward. But in the meanwhile, Hill will focus on creating more critical mass and legacy in Europe with some iconic projects like the Hellinikon in Greece which will be Europe's largest waterfront urban regeneration, the ITU Headquarters, Ritz Madrid hotel, and the Grand Mosque, to name a few.

John Milano is the managing director and senior vice president of Hill International in Europe and will be credited for creating new synergies amongst the subregions to win more contracts. He is based in Rome and can be reached at johnmilano@hillintl.com.

About Zweig Group

Zweig Group, three times on the Inc. 500/5000 list, is the industry leader and premiere authority in AEC firm management and marketing, the go-to source for data and research, and the leading provider of customized learning and training. Zweig Group exists to help AEC firms succeed in a complicated and challenging marketplace through services that include: Mergers & Acquisitions, Strategic Planning, Valuation, Executive Search, Board of Director Services, Ownership Transition, Marketing & Branding, and Business Development Training. The firm has offices in Dallas and Fayetteville, Arkansas.