

Press release

Date 17 February 2023

Page 1 of 18

Heijmans presents strong 2022 annual results

Highlights

- Revenue rises to € 1.8 billion
- Underlying EBITDA up 19% at € 126 million (margin 7.0%)
- Net result increases to € 60 million in 2022, up 20% on 2021
- Order book ends € 300 million higher at € 2.4 billion
- Robust solvency, strong operating cash flow and good net cash position
- Dividend proposal € 1.01 per share
- Heijmans reiterates its 2023 outlook

Key figures

(x € 1 million)

	H2 2022	H2 2021	2022	2021
Revenues	949	867	1.812	1.748
Underlying EBITDA*	60	71	126	106
Result after tax	30	40	60	50
Earnings per share (in €)	1,25	1,81	2,56	2,24
Order book	2.358	2.061	2.358	2.061
Net cash	151	91	151	91
Solvency	29%	30%	29%	30%
Number of FTE	4.924	4.705	4.924	4.705

* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result on the in(di)vestment of subsidiaries and any other non-operational results, if applicable, that are designated by the Group as special.

Ton Hillen, Heijmans CEO: "I am proud that Heijmans has once again proven itself to be an agile, entrepreneurial organisation. As a result, we can look back on 2022 with satisfaction, both financially and operationally. This is a great compliment to our employees. We once again delivered a strong financial performance. This was partly due to a well-filled and well-diversified order book and due to the fact that we remain firmly in control when steering projects. This makes our revenue and operating result predictable.

Last year was marked by geopolitical and macro-economic volatility. The Netherlands had barely shaken off the impact of Covid-19-related measures when we had to deal with the consequences of the war in Ukraine. The impact of this war is still being felt: primarily for Ukrainians of course, but also by people and businesses in our home country, who have faced steep increases in energy prices and the cost of living. Later in the year, on the nitrogen emissions front, the construction sector was confronted with the Council of State's deletion of the construction exemption. Thanks to our thorough preparations, we managed to minimise the negative impact of this ruling on Heijmans.

In the housing market, we saw a decline in consumers' borrowing capacity due to rapidly rising mortgage interest rates and high energy costs. As a result of these two external developments, the overheated housing market cooled down in the second half of 2022. As a result, Heijmans sold fewer new homes in 2022 than in previous years. The positive flip side of this is that housing affordability is improving. Given the persistent high demand for homes, the medium-term outlook for the housing market remains positive. I therefore remain confident about the future of the housing market, certainly as far as the new-build production of energy-efficient homes is concerned.

On 3 April 2023, Heijmans will celebrate its centenary. On the eve of the company's one hundred and first year, the Executive Board proposes to pay out a dividend of 101 eurocents per share to shareholders. Heijmans will thus realise a 10% dividend return on the closing stock price on 31 December 2022.

Safety

Our safety awareness has increased in recent years, but we are not there yet. The number of accidents (71) was higher last year than in 2021 (66). We cannot be satisfied with that, not least because in 2022 we were confronted with a fatal accident on the N3 road at one of our subcontractors. Heijmans provides a safe working environment for its employees. We want to ensure that safety is embedded in the DNA of every employee and we will continue to encourage a proactive safety culture. One bright spot was that we saw an improvement in the reporting culture related to unsafe situations. And another encouraging sign was the fact that the average number of sick days following an accident fell to 2.7 from 3.8.

Outlook

Given the good diversification and volume of the order book, the outlook for 2023 is robust. Thanks in part to the absence of material loss-making projects, and because the vast majority of projects have been granted irrevocable permits, the outlook has a largely predictable character. Total revenue is expected to increase slightly, despite a decline at Property development due to the lower number of homes sold from the second half of 2022. This is because the volume at Infra is expected to rebound to levels well above € 700 million and Building & Technology is expected to grow as well due to our healthy order intake, especially at the non-residential project business. The quality of our order book remains strong, so all business areas are expected to continue to operate within the targeted strategic underlying EBITDA margin ranges of 4% - 6% for the construction business and 6% - 8% for Property development in 2023. We therefore reiterate the outlook we gave on the publication of the third-quarter results. We expect the underlying EBITDA for Heijmans as a whole in 2023 to be at a similar level as in 2022 (excluding the Wintrack II provision).

Developments per segment

Property development

In the De Kuil area development project in Rotterdam, Heijmans sold 76 rental apartments to institutional investor Vesteda last year. The vast majority (70 units) of these are in the mid-rental segment and are in line with the city of Rotterdam's action plan governing allocation and maximum rents. Heijmans also sold the accompanying commercial space to Vesteda for this project. We also started the sale of new-build houses and apartments in Rotterdam (Nieuw Kralingen project), Zutphen (Pracht project) and Utrecht (Bellevue project). Additionally, we commenced with the Dreven, Gaarden en Zichten project in the south-western section of The Hague. Projects where Horizon homes produced on an industrial-scale were sold included Culemborg (47 free sector rental homes) and Bouwstroom Eindhoven (88 mid-rental segment homes). The Horizon homes are our self-built timber-frame homes.

<i>(x € 1 million)</i>	H2 2022	H2 2021	2022	2021
Revenues	275	260	570	548
Underlying EBITDA	22	17	42	36
<i>Underlying EBITDA margin</i>	8,0%	6,5%	7,4%	6,6%
Order book			596	595

Property development saw its revenue increase to € 570 million from € 548 million, driven by solid construction progress on works in progress. Underlying EBITDA rose to € 42 million from € 36 million, which in turn led to an improvement in the margin to 7.4% from 6.6%. However, we noted a turnaround in the housing market from the second half of the year, prompted by rapidly rising mortgage interest rates and the impact of this on consumer confidence. This resulted in lower home sales. Ultimately, Heijmans sold 1,811 homes in 2022, with 671 of these sold to private individuals. The decline compared to 2021 (2,682 homes sold) was particularly visible in the private individuals segment. The business-to-business segment, including housing corporations, remained level with 1,140 homes sold. Based on the most recent NVM (Dutch association of estate agents) figures, it can be concluded that demand and price levels for energy-efficient new-build homes are developing significantly better than those for existing homes, with sharply increased energy costs expected to play a major role.

Building & Technology

Heijmans started the construction of 735 student houses at the TU Eindhoven campus, after the granting of the environmental permit. In Amsterdam, Heijmans made a start on the delivery of the first residential and commercial units in the Vertical residential tower block project. In December, Heijmans' non-residential projects business celebrated reaching the highest point of the new Science Campus building in Leiden. We expect to complete this significant expansion for Leiden University in the autumn of 2023.

Earlier in the year under review, Heijmans achieved an important milestone with the reopening of Paleis Het Loo, which was opened to the public after a major renovation. Last summer, Heijmans completed its acquisition of the energy-neutral IIBO factory for timber-frame houses in Heerenveen.

Acting as the accommodation partner for numerous companies and public sector institutions, the Services business unit realised various technical maintenance and management works. For instance, this work kept the production and office environments of chip machine manufacturer ASML in and around Veldhoven up and running last year.

<i>(x € 1 million)</i>	H2 2022	H2 2021	2022	2021
Revenues	504	406	933	789
Underlying EBITDA	21	18	38	34
<i>Underlying EBITDA margin</i>	4,2%	4,4%	4,1%	4,3%
Order book			1.227	1.224

Building & Technology saw its volume increase to € 933 million from € 789 million, with proportionate increases in both Residential and Non-residential revenues. Heijmans started several Residential building projects. On the Non-residential project front, Heijmans saw the expected recovery in volume following a decline in 2021. As in previous years, the Services division recorded stable growth. Driven by the higher volume, underlying EBITDA at Building & Technology increased to € 38 million from € 34 million. This included start-up costs for the timber-frame construction plant. These amounted to around € 5 million in 2022, excluding the depreciation charge on investments made.

Infra

One of the larger projects Infra completed in 2022 was the renovation of the Piet Hein tunnel. This 1,500-metre traffic tunnel in the heart of Amsterdam was reopened in December. A major tender that was awarded to Heijmans was the renovation of Nieuwe Meer Intersection, also in Amsterdam. Heijmans is realising this project together with its TriAX consortium partners. The contract value is approximately € 350 million, and Heijmans' share is one-third of this. Heijmans made a start on the widening of the A1 motorway near Twello in late 2022. The 14-kilometre stretch of motorway between Apeldoorn-Zuid and Twello will be widened, together with a maximum reduction in emissions. Heijmans is one of a total of six preferred suppliers commissioned to execute the expansion and reinforcement of TenneT's high-voltage grid in the Netherlands. The EU-302 Civil Works Cable Connections framework agreement, signed in December, has an initial term of eight years and a total contract value of € 800 million for the combined preferred suppliers.

<i>(x € 1 million)</i>	H2 2022	H2 2021	2022	2021
Revenues	353	363	661	738
Underlying EBITDA (including Wintrack)	21	38	55	41
<i>Underlying EBITDA margin</i>	5,9%	10,5%	8,3%	5,6%
Underlying EBITDA (excluding Wintrack)			36	75
Order book			1.007	712

For the first time ever, the Infra order book exceeded € 1 billion. In line with expectations, volume declined by about 10% to € 661 million from € 738 million, which was primarily due to temporarily lower volume in large integral projects. Volume will recover in 2023, as the work on the Apeldoorn-Twello stretch of the A1 motorway will move into full production and we will start the Nieuwe Meer intersection project.

Underlying EBITDA at Infra rose to € 55 million from € 41 million. While the 2021 results included a provision of € 34 million for the Wintrack II project, 2022 saw a release of € 19 million from this provision. Adjusted for this effect, Infra recorded a decline in underlying EBITDA, partly due to lower revenue in this business area.

The EBITDA margin at Infra increased to 8.3% in 2022 from 5.6% in 2021.

Other developments

In the past year, news was dominated by the nitrogen emissions issue. The Council of State ruled that the generic construction exemption would no longer be applicable. Although this is obviously a

setback, this decision was not unexpected for Heijmans and we were prepared for it. We already made Aerius calculations of the construction phase made for almost all the projects we are developing ourselves. This will enable us to keep any delays to a minimum.

One positive effect of the construction exemption ruling is that it gives an extra boost to the use of electrically powered equipment. Around 20% of our total fleet of heavy equipment, in operation and on order, is already electrically powered.

In 2022, we achieved solid results on the sustainability and digitalisation fronts, two of our company's strategic pillars. We gave sustainability a number of positive impulses with, among other things, the emission-free execution of the widening of the A1 motorway between Apeldoorn-Zuid and Twello. Heijmans' ambition to build in a CO₂-neutral manner was also given a boost with the acquisition of the energy-neutral factory for the large-scale production of timber-frame houses. Heijmans also took steps forward in the field of digitalisation, including the data centre generator we developed in-house. This is a software application that can be used to design data centres.

In the year under review, Heijmans completed the acquisition of Dynniq Energy and of a stake in Van Millenaar & van Schaik. The acquisition of Dynniq Energy strengthened Heijmans' positioning as an integral player in the market for the construction and maintenance of energy infrastructure. Energy infrastructure is one of Heijmans' strategic growth pillars, as the Netherlands is facing a major energy transition that is accelerating demand for the reinforcement of electricity grids and construction of heating networks. Millenaar & van Schaik is a forerunner in terms of making asphalt transport more sustainable. The acquisition of this stake will enable Heijmans and three other shareholders to take advantage of an expansion of its emission-free truck fleet. Heijmans also completed the acquisition of the Heerenveen-based factory for timber-frame houses in Heerenveen during the year under review.

Financial results

Revenue and underlying EBITDA

In a year marked by geopolitical and macro-economic volatility, Heijmans once again managed to increase its results. Revenue increased by almost 4% to €1,812 million from €1,748 million. All business areas recorded volume growth, with the exception of Infra.

Although last year saw some margin pressure across the board due to the price increases for labour, energy and materials, the continued absence of material loss-making projects meant that all business areas ended the year with a healthy profit, in line with our strategic ranges. This was a good performance given the market conditions. The Procurement department faced fluctuations in purchasing prices and supply problems but still managed to get critical supplies to construction sites on time. Heijmans managed to create the right focus on tender management and contract management fronts, for example by reaching indexation agreements with clients. Heijmans also decided to be proactive in terms of making Aerius calculations, so the impact of November's Porthos ruling on the nitrogen policy did not come as a surprise to our operations. Thanks to our ongoing efforts to embed risk management in the business areas and staff departments in recent years, we have become more resilient in the face of external fluctuations. This has made our performance more stable and predictable, which is further boosted by around 30% recurring business revenue. Heijmans targets underlying EBITDA margins of 4% - 6% for all its production activities and 6% - 8% for its property development activities and managed to meet these target margins in all its business areas in 2022, as it did in 2021.

(x € 1 million)	H2 2022	H2 2021	2022	2021
Revenues	949	867	1.812	1.748
Property development	22	17	42	36
Building & Technology	21	18	38	34
Infra	21	38	55	41
Corporate/other	-4	-2	-9	-5
Underlying EBITDA	60	71	126	106
Adjustment operating result joint ventures	-7	-7	-9	-11
Write down on property assets		-2	-4	-3
Restructuring costs	-2	-2	-3	-3
EBITDA	51	60	110	89
Depreciation/amortisation	-21	-17	-39	-34
Operating result	30	43	71	55
Financial results	-2	-2	-4	-5
Share of profit of associates and joint ventures	6	2	7	5
Result before tax	34	43	74	55
Income tax	-4	-3	-14	-5
Result after tax	30	40	60	50

Underlying EBITDA increased to € 126 million in 2022 from € 106 million in 2021. Once again, all our business areas recorded an increase in underlying EBITDA, although the increase at Infra was driven by the release of € 19 million from a provision taken in 2021 for the Wintrack II project.

At holding company level, each year results in a balance consisting of unallocated costs to the sectors and required intercompany eliminations. In 2022, the balance of these costs increased to -/€ 9 million from -/€ 4 million. This increase includes the increased energy costs for the Heijmans company buildings and one-off additional personnel costs as a result of additional compensation paid to staff to offset the increased cost of living.

Operating result

The operating result (EBIT) for 2022 came in at € 71 million (2021: € 55 million). All the business areas recorded an increase in EBIT. The operating result was influenced to a limited extent by restructuring costs due to qualitative adjustments (€ 3 million) and impairments in some real estate and land holdings (on balance a negative € 4 million). Heijmans periodically assesses its real estate and land holdings on the basis of the applicable reporting rules. This resulted in value adjustments of € 4 million, which was due to the write-down on a land holding in Zuidplaspolder. This project was impacted by a new municipal master plan, whereby various land holdings owned by Heijmans as part of a joint venture no longer appear to be earmarked for residential construction. As a result of this new master plan, the land was written down to agricultural value, as reported on the publication of the results for the first half of 2022.

Depreciation increased to €39 million in 2022, from €34 million in 2021. The higher depreciation relates to increased investments in electrically powered equipment and investments in the new timber-frame plant.

Financial income and expenses

In 2022, the balance of financial income and expenses was a negative € 4 million (2021: negative € 5 million). Last year saw two significant changes when compared with 2021. Interest expenses were € 2 million lower, as the cumulative preference shares were fully repaid and cancelled in the course of 2022. This was offset by a one-off financial charge of € 2 million resulting from a write-down on a receivable provided to a development consortium. Other interest expenses and interest income in 2022 were at a similar level to the previous year. Heijmans did not draw on its syndicated loan at all in 2022, as was the case in 2021. This meant that the impact of rising Euribor rates in the second half of the year was almost negligible. Interest expenses consist of project financing, capitalised fees related to refinancing costs and costs for keeping credit available, negative interest rates on cash and the interest expense for lease obligations resulting from the application of IFRS 16 'Leases'. Interest income relates to loans granted and capitalised interest from land holdings.

Result from associates

The (net) result from associates came in at € 7 million in 2022, which was slightly higher than in the previous year, which was partly due to the fact that in 2021 the result from associates was dampened by a write-down in the asphalt joint venture AsfaltNu.

Taxes

Result before tax came in at € 74 million in 2022, which was €19 million higher than the previous year. At 18.5%, the effective tax rate in 2022 was slightly lower than the nominal tax rate, as Heijmans recognised the remaining €19 million in unrecognised tax losses. The net impact of this was about € 5 million. In 2021, the effective tax rate was only 8.5%, as that year too Heijmans recognised unrecognised losses based on its increased profitability and the more favourable outlook for the coming years. Because Heijmans recognised all remaining carry-forward losses in 2022, the effective tax rate in 2023 will be more in line with the nominal tax rate.

Net profit and planned dividend

The net profit for the full year 2022 came in at € 60 million, 20% higher than in 2021, when Heijmans recorded a net profit of € 50 million. The increase in net profit was slightly lower than the increase in underlying EBITDA due to a higher level of depreciation and amortisation and a higher effective tax rate.

Heijmans proposes to make a dividend of €1.01 per share available for the reporting year 2022 in the form of an optional dividend. This dividend proposal is in line with Heijmans' dividend policy, which envisages an annual pay-out ratio of 40% of net profit.

Cash flow

Cash flow development was strong again in 2022. In addition to the company's good performance, operating cash flow was driven by the strong development of working capital, which improved by a total of € 39 million in 2022. This was despite the fact that a shorter statutory payment period for SMEs came into force last year. Heijmans implemented this statutory regulation in the second half of the year. This had an impact of around € 30 million on Heijmans' balance sheet. The main positive factor in working capital development was a € 28-million reduction in the inventories/work-in-progress position at Heijmans Property development. This positive impact on working capital was due to the solid progress made in the development of land holdings. Net debt improved by € 60 million in 2022 to a net cash position of € 151 million on balance. As in previous years, cash generation exceeded retained earnings, primarily due to the reduction in the land bank.

As a result of the strong operating cash flow and net cash position, Heijmans did not draw on its syndicated loan at all last year, as was the case in the previous two years. However, the financial cash flow was affected by the € 30.7-million redemption of cumulative preference shares. As this financing structure is classified as debt for accounting purposes, this redemption had a neutral impact on net debt. The good operational performance, together with the strong balance sheet ratios and cash position, underpin the dividend proposal at a level of €1.01 per share.

Capital and funding

The condensed balance sheet as at 31 December, based on invested capital, can be specified as follows:

<i>(x € 1 million)</i>	2022	H1 2022	2021
Fixed assets	338	349	343
Working capital	-116	-86	-77
Capital invested	222	263	266
Equity	317	289	268
Provisions	56	75	89
Net debt	-151	-101	-91
Financing	222	263	266

Despite the healthy profitability, solvency based on guaranteed capital fell to 29% from 30%. This was primarily due to two factors. In April and July, Heijmans repaid and subsequently cancelled the cumulative preference shares - which were part of the guaranteed capital - in two phases. At year-end 2021, the outstanding amount was still € 30.7 million, representing over 3%-point of Heijmans' solvency. In addition, at year-end 2022 the balance sheet total had increased by over € 100 million compared with year-end 2021. This was primarily due to a further increase in the cash position, as well the fact that the level of activity in December was higher than in the previous year, resulting in a higher balance of receivables and payables.

The improvement in net interest-bearing liabilities was due to the combination of retained earnings, resulting in the increase in equity, and an improvement in working capital. The various main components of the balance sheet are specified in more detail below.

Invested capital: fixed assets

The composition of the fixed assets can be specified as follows:

<i>x € 1 million</i>	2022	2021
Property, plant and equipment	73	59
Right of use for leased assets	72	74
Intangible assets	82	74
Other non-current assets	111	136
Carrying amount of fixed assets	338	343

Within fixed assets, there was a € 14 million increase in property, plant and equipment, which consist primarily of company buildings and land, machinery, plant, major equipment and other fixed assets.

In the year under review, investments amounted to € 26 million (2021: € 26 million). In addition to regular replacement and expansion investments in equipment, the primary focus of investments was in the electrification of equipment and the fit-out and automation of the timber-frame factory in Heerenveen. Other non-current assets declined in 2022, which was due to a reduction in associates. This was partly because Heijmans bought out a partner in a property development joint venture, as a result of which the development position was transferred to the inventory position, and partly because of regular progress in the development of a number of property development consortium projects. The other non-current assets are primarily related to Heijmans' participation in joint ventures.

Invested capital: working capital

Working capital stood at +/- € 116 million at year-end 2022 (2021: +/- € 77 million). The change was primarily due to a decline in land holdings. The change in the inventory position is explained in the next section.

Furthermore, it is clearly visible within working capital that both receivables and payables were at significantly higher levels than at year-end 2021. This is mainly a timing effect, as the year-on-year comparison shows higher revenue in December. In recent years, the average receivables term had declined considerably and this effect was no longer visible in 2022. One expected factor in this is the fact that the Euribor rate is no longer negative since last summer, meaning clients no longer have a financial incentive to pay more quickly than the agreed payment term. Since 1 July 2022, the mandatory payment term for small and medium-sized enterprises (SMEs) has been shortened to a maximum of 30 days from the previous a maximum of 60 days, with a one-year transition period. After the summer, Heijmans adjusted the payment terms of its relevant supplier base and brought this into line with the new legislation, which resulted in shorter payment terms for roughly half of Heijmans' supplier base, with a total balance sheet impact of approximately € 30 million. The balance sheet impact of the new regulation is expected to be largely visible in the accounts payable position by the end of 2022.

The working capital impact of Heijmans' construction activities - i.e. the non-real estate related activities - is primarily determined by the speed of invoicing, as well as the speed with which outgoing and incoming invoices are paid. The speed of invoicing can be read from the item 'work in progress', which appears on both the assets and liabilities sides of the balance sheet. If this shows a credit position on balance, this means that projects are pre-financed by clients right across Heijmans. This is an explicit aim in order intake and Heijmans reported a pre-financed position throughout 2022. Total pre-financing increased by €16 million, mainly due to the start up of new works at Building & Technology. On balance, Heijmans remains pre-financed at a good level.

The composition of working capital can generally be specified as follows:

<i>x € 1 million</i>	2022	2021
Strategic land holdings	79	108
Residential properties in preparation and under construction	80	63
Other inventory	14	14
Work in progress	-126	-110
Accounts receivable	239	179
Accounts payable	-402	-331
Working capital	-116	-77

Although working capital shows considerable fluctuations in any given year, over the past few years Heijmans has managed to make its business activities and the related impact on working capital less

seasonal. Working capital requirements are largely project-specific and related to clients' payment schedules. Seasonality in the construction sector is generally characterised by higher levels of activity in the second and fourth quarters (due in particular to lower production during the winter and summer months), as well as an increased level of notarial transfers and the settlement of change orders prior to balance sheet dates. Higher working capital requirements during the year lead to a higher employed capital, which Heijmans will meet, if this proves necessary, by drawing on its Revolving Credit Facility. However, given the size of its current net cash position, Heijmans did not need to draw on this financing facility in 2022.

Inventory position at Property development

Within the property development activities, working capital requirements are largely determined by the inventory position, including land under development (homes in preparation and under construction).

This item excludes land holdings held in joint ventures, which are classified under associates pursuant to IFRS 11. Property development's consolidated inventory position declined by € 12 million to € 159 million in 2022. Property development's total work inventory includes positions in the form of development rights and obligations in addition to positions in ownership and is shown below.

<i>x € 1 mln</i>	2022	2021
Strategic land holdings	79	108
Properties in preparation and under construction	80	63
Inventory position property development in balance sheet (excl. work in progress)	159	171
Unconditional obligations	30	19
Contingent liabilities	61	86
Development claims and rights	140	117
Total off-balance sheet rights and obligations	231	222
Total inventory incl. off-balance sheet rights and obligations	390	393

Strategic land holdings declined by € 29 million due to the sale of a large business area site in Hulst, as well as to regular progress in development projects, which was not fully offset by investments in new holdings. The inventory of homes in preparation and under construction increased by € 17 million, reflecting the throughput from land operations and due to the fact that there are some homes under construction that are still unsold. In historical terms, the number of these homes remained low, keeping the risk profile at Property Development relatively low. This 'completed and unsold' inventory amounted to 12 apartments at year-end 2022 (2021: 0).

In addition to ownership positions, Heijmans Property development's work inventory also includes development rights, which qualify as 'off-balance sheet obligations. Within this category, unconditional liabilities increased by € 11 million to € 30 million in 2022, while conditional liabilities declined by € 25 million to € 61 million. With regard to the conditional liabilities, Heijmans is usually required to acquire land until a certain pre-sale percentage has been achieved. In addition to the conditional liabilities and unconditional obligations, Heijmans also has development rights and claims. This position increased to € 140 million in 2022, from € 117 million a year earlier, due to the addition of various positions. These are holdings for which Heijmans has the development rights without having the land holdings on its balance sheet.

Looking at the inventory position, including all off-balance sheet rights and obligations, this remained stable in 2022, both in financial terms and in terms of the number of homes to be developed. It also reveals a partial shift from (mainly suburban) land ownership to (mainly inner-city) development rights and claims.

Heijmans' ambition is to add to its land holdings in the coming years. When it does so, the focus will be on (freehold) houses in suburban areas, which will enable Heijmans to make the link between the development of housing programmes and the ambition of its residential building operations to build more conceptually and on an industrialised scale.

Financing: equity

Equity increased by € 49 million to € 317 million in the year under review, from € 268 million in 2021. Besides the addition of the realised net profit of € 60 million, equity declined by € 10 million in May due to the (gross) payment of dividend in the form of a cash dividend for the 2021 reporting year. The remaining part of the dividend distribution, amounting to € 10 million, was paid in the form of a stock dividend via the issue of 792,447 ordinary shares.

The composition of changes in equity can be specified as follows:

<i>(x € 1 million)</i>	2022	2021
Balance at 31 December in the previous year	268	226
Result after taxes	60	50
Other comprehensive income	0	-7
Tax effect booked via other comprehensive income	0	3
Dividend payments	-21	-16
Share issuance	10	12
Balance at 31 December	317	268

Financing: net interest-bearing debt

The net cash position improved to € 151 million in 2022, from € 91 million at year-end 2021, a net improvement of € 60 million. The full repayment of the cumulative financing B preference shares was considered 'net cash-neutral' as this financing structure qualified as debt for accounting purposes. Besides a number of project financings and leases, Heijmans had made no use of borrowings at year-end 2022. The leases had an impact of € 72 million on the net cash position at year-end 2022.

Heijmans has a so-called Revolving Credit Facility amounting to € 117.5 million available from a banking syndicate consisting of ABN Amro, ING and Rabobank. This loan, which remained unused throughout 2022, was last amended and extended in April 2021 and has a term through to the end of 2025 with an option that can be executed in the first half of 2023 to extend the financing for an additional year.

Various covenants have been agreed as part of the financing. If Heijmans meets those covenants, the financing is freely withdrawable. In terms of financial covenants, there is a leverage ratio - based on the recourse net cash position - set at a maximum level of 3, an interest cover ratio set at a minimum level of 5 and a solvency ratio set at minimum 21%.

Cumulative financing B preference shares

Up until mid-2022, Heijmans N.V. used cumulative financing B preference shares placed with Beleggingsfonds de Zonnewijser and Nationale-Nederlanden Levensverzekering Maatschappij N.V. in its financing structure. The annual dividend most recently amounted to 6.21% of the principal. At the end of 2021, the outstanding amount was € 30.7 million and this was repaid in full in a number of steps in the course of 2022.

On 14 April 2022, Heijmans repaid € 15 million based on the repayment arrangements linked to the result appropriation for the previous financial year. In the context of a more efficient capital allocation, on 28 April (upon the announcement of the first quarter figures), Heijmans subsequently proceeded with a voluntary penalty-free repayment of the remaining share premium reserve amounting to € 15 million. The repurchase and cancellation of the cumulative financing B preference shares required the approval of the General Meeting of Shareholders, which was granted on 12 July 2022. On 13 July 2022, Heijmans fully repaid the cumulative financing B preference shares through payment of the nominal value and met all remaining interest obligations. With effect from 22 September 2022, the shares in question were cancelled, thus cancelling the financing structure.

Order book

Heijmans' group-wide order book increased by € 300 million to € 2.4 billion in 2022, from €2.1 billion in 2021. The Property development and Building & Technology order book remained stable. Infra accounted for almost the entire increase in the order book, as Infra saw its order book increase to more than € 1 billion.

All the business areas saw numerous small to medium-sized (< € 30 million) additions to the order book, which contributed to a well-diversified order book. Heijmans acquired three major new works in 2022. Building & Technology won the construction contract for 735 student units at TU Eindhoven (€ 84 million). Infra was awarded the widening of the Apeldoorn - Twello stretch of the A1 motorway (€ 146 million) in the first quarter, plus the reconstruction of the Nieuwe Meer intersection (one-third of € 350 million) in the fourth quarter in a TriAX consortium.

With the current state of the order book, all the business areas have plenty of work for 2023 and there is a good spread in terms of execution capacity and types of project.

Financial calendar

AGM and 100th anniversary	3 April 2023
Ex dividend datum	5 April 2023
Q1 trading update	25 April 2023
Interim results	28 July 2023
Q3 trading update	1 November 2023

About Heijmans

Everyone wants clean air, to live in a nice neighbourhood, to work in a good workplace and to be able to travel safely from A to B. By making things better, smarter and more sustainable, Heijmans is creating that healthy living environment. Jan Heijmans started as a road builder in 1923. Today, Heijmans is a stock exchange-listed company that combines activities in Property Development, Building & Technology and Infra. In addition to this, we work safely and we add value to the places where we are active. This is how we build the spatial contours of tomorrow together with our clients: www.heijmans.nl/en/

For more information / not for publication:

Media

Leon Willems
Spokesman
+31 (0)6 81 01 29 65
lwillems1@heijmans.nl

Analysts

Guido Peters
Investor Relations
+31 73 543 52 17
gpeters@heijmans.nl

The Heijmans Executive Board will explain its published 2022 results at a press conference and analysts' meeting today, 17 February 2023. The agenda for the General Meeting of Shareholders on 3 April next can be found on the website from 20 February. Heijmans will publish its 2022 annual report and financial statements on Monday 20 February.

This press release is also published in Dutch. In the event of any discrepancy between the original Dutch press release and the English-language version of this press release, the Dutch-language version will prevail. The financial statements included in this press release have not been audited.

This press release contains information that qualifies, or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

1. Consolidated statement of profit or loss

in € mln.

	2022	2021
Revenues	1.812	1.748
Cost of sales	-1.578	-1.500
Gross profit	234	248
Other operating income	2	1
Selling expenses	-39	-47
Administrative expenses	-140	-112
Other operating expenses	14	-35
Operating result	71	55
Financial income	2	1
Financial expenses	-6	-6
Share of profit of joint ventures and associates	7	5
Result before tax	74	55
Income tax	-14	-5
Result after tax	60	50

The other operating expenses for 2022 include income of € 19 million related to the release of a provision for Wintrack II (2021: expenditure of € 34 million).

2. Consolidated statement of financial position

in € mln.	31 December 2022	31 December 2021
Non-current assets		
Property, plant and equipment	73	59
Rights of use leased assets	72	74
Intangible assets	82	74
Share in joint ventures and associates	73	82
Loans to joint ventures	10	21
Deferred tax assets	28	33
	338	343
Current assets		
Strategic land portfolio	79	108
Other inventory	94	77
Construction work in progress	96	74
Trade and other receivables	239	179
Cash and cash equivalents	237	210
	745	648
Total assets	1.083	991
Equity	317	268
Non-current liabilities		
Interest-bearing loans and other non-current liabilities ¹	12	41
Non current lease liabilities	51	54
Provisions and non-interest bearing debts ²	56	89
	119	184
Current liabilities		
Interest-bearing current liabilities and other current liabilities	2	4
Current lease liabilities	22	20
Trade and other payables	365	309
Construction work in progress	221	185
Tax liabilities	1	0
Provisions	37	22
	648	540
Total liabilities	1.083	991
Solvency rate based on guarantee capital	29%	30%

1. The interest-bearing liabilities are excluded the cumulative preference financing shares as these are fully repaid during 2022 (€ 31 million as per 31 December 2021).

2. The non-current non-interest-bearing liabilities as per 31 December 2022 are including the provision Wintrack II amounting to € 15 million (2021: € 34 million)

3. Consolidated statement of cash flows

indirect method
in € mln.

	2022	2021
Operating result	71	55
Gain on sale of non-current assets and property investments	-1	0
Depreciation and impairment of property, plant and equipment	12	10
Depreciation of leased assets	24	23
Amortisation of intangible assets	5	1
Adjustment of valuation of property and land bank excluding joint ventures	0	2
Changes in working capital and non-current provisions	13	22
<i>Operating result after adjustments</i>	<u>124</u>	<u>113</u>
Interest paid	-7	-5
Interest received	1	1
Income tax paid	-8	0
Cash flow from operating activities	110	109
Investment in property, plant and equipment	-22	-26
Investment in intangible assets	-2	0
Proceeds from sale of property, plant and equipment	1	3
Business combinations	-16	-1
Capital contributions/repayments and dividend receipts from joint ventures and associates	11	-10
Loans granted to and repaid by joint ventures and associates	12	2
Cash flow from investment activities	-16	-32
Lease payments	-24	-22
Interest-bearing loans drawn down	3	1
Interest-bearing loans repaid	-35	-13
Cash dividend	-10	-8
Cash flow from financing activities	-66	-42
Net cash flow in the period	27	35
Cash and cash equivalents at 1 January	210	175
Cash and cash equivalents at 31 December	<u>237</u>	<u>210</u>

4. Order book

in € mln.	31 December 2022	30 June 2022	31 December 2021
Property development	596	676	595
Building & Technology	1.227	1.267	1.224
Infra	1.007	830	712
Eliminations	-472	-539	-470
Total	2.358	2.234	2.061

