

# Interim results 2015



August 19, 2015

Executive Board Heijmans N.V.

# Welcome The Student Hotel

Transformation  
Parool & Trouw Building  
Amsterdam

“Heijmans benefits from recovering housing market, negative result due to pressure on infra”

*Improvement of operating results remains top priority*

Bert van der Els – Chairman Heijmans N.V. Executive Board

# Markets

Turbulence:

- Residential
- Non-residential
- Infra

## H1 2015 - Highlights

- Heijmans benefits from recovering housing market;
- Negative result in first half year due to poor performance of Dutch Infra;
- Performance in Germany and Belgium in line with expectations with positive operating results;
- Increased revenues, mainly in Residential, also in Non-residential;
- Residential: steep incline in revenues, and improvement of operating margins:
  - Total homes sold in H1: 746 (2014: 482)
  - Homes sold to private buyers segment further improving: 565 (2014: 244)
- Slight decrease in order book compared to FY 2014.

## H1 2015 - Highlights

- Safety improved due to internal GO! (No Accidents) programme:
  - Decrease in # accidents and IF-rate (injuries with non-attendance  $\geq 1$  day per mln working hours)
- Good progress of restructurings and improvement measures, slight delay in capacity reduction within Non-residential;
- ‘Sub 10’ equity issue, capital used to repurchase CumPrefs (€ 21 mln);
- Solid solvency rate of 29%;
- Net debt slightly higher than H1 2014 (108 mln vs. 99 mln);
- Innovation: Solar Noise Barriers and 3D printing to next level, Heijmans One ready for market launch.

## H1 2015 – To improve and renew

- Procedures
  - Implementation of new ERP platform (SAP) on track
  - Procedure tender management implemented, incl “go / no go” decisions
  - Optimisation schemes for procurement, project management, and commerce
  - Working capital (Fit for Cash)
- Technology
  - Focus on marketing of successfully developed concepts as Heijmans One and Smart Highway
  - Start of field testing Solar Noise Barriers
  - Partner in development of metal bridge based on 3D printing technology in Amsterdam
  - Implementation of Smart Living concept, by offering home management in all family homes

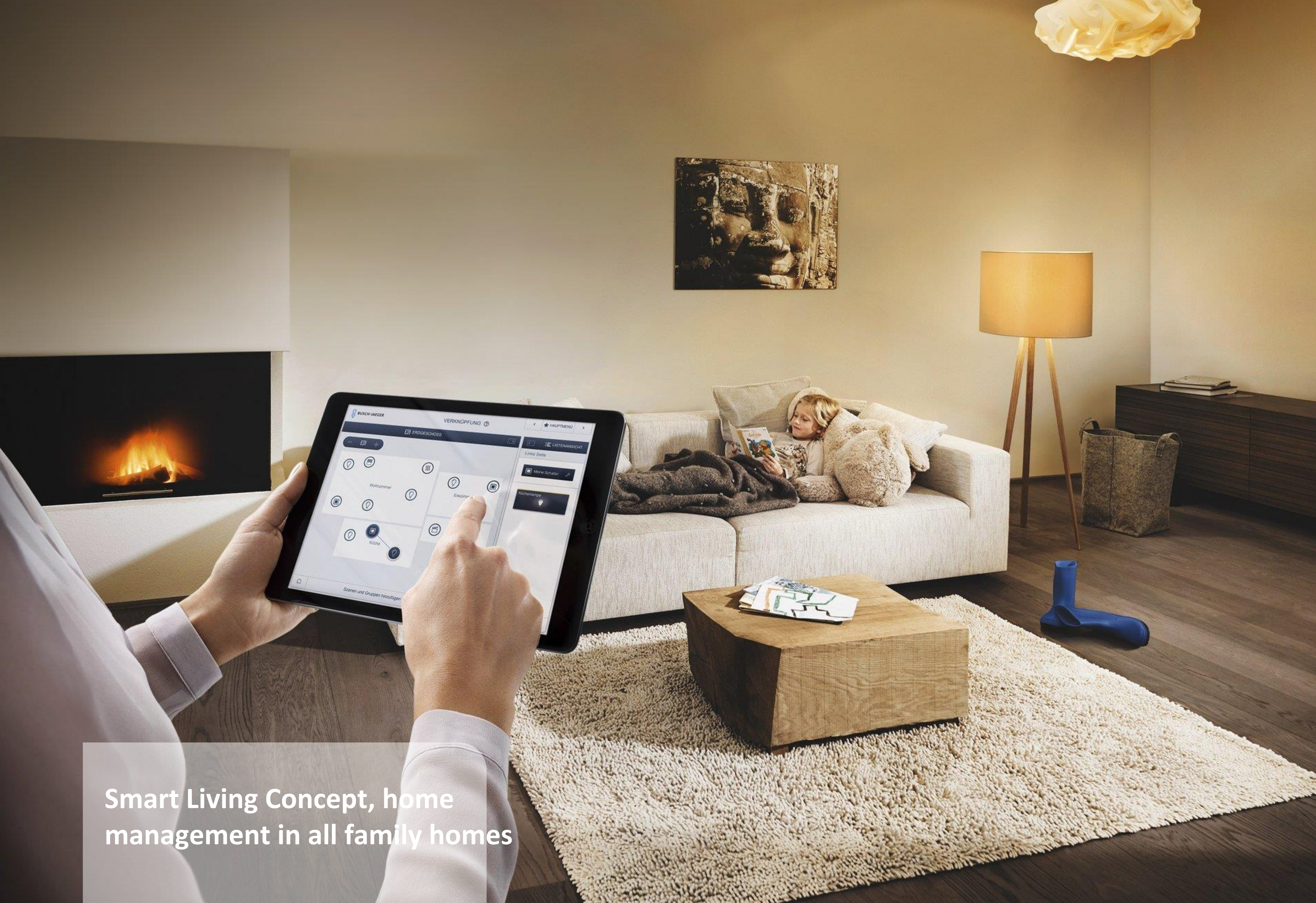


Living Lab  
Solar Noise Barriers  
's-Hertogenbosch





MX3D  
3D metal print bridge  
Amsterdam



Smart Living Concept, home management in all family homes

## Outlook

- Positive trend of housing market continues, Heijmans well positioned;
- Gradual improvement of Non-residential and Infra;
- Order book offers good perspective;
- Heijmans strategy unchanged:
  - Improve the core
  - Integrated approach
  - Innovative
- Solid solvency ratio, improving profitability remains top priority;
- Outlook 2015: improvements become visible in 2nd half of 2015.

“Heijmans benefits from recovering housing market, negative result due to pressure on infra”

*Improvement of operating results remains top priority*

Mark van den Biggelaar – CFO & member Heijmans N.V. Executive Board

## DEVELOPMENTS PER SECTOR

In EUR mln	H1 2015	H1 2014
Revenues	126	61
Underlying operating result	4	-1
Underlying operating margin	3,2%	-1,6%
Order book	280	229

## PROPERTY DEVELOPMENT

- Strong growth in revenues as budgeted, positive development of operating result;
- Housing sales increased to 746 (2014: 482), of which 565 to private buyers (2014: 244);
- Order book up, focus on enlarging ‘housing showroom’;
- Good progress of large projects, including Harenerholt Haren, Wiener Amsterdam and Marquant Pijnacker;
- Total invested capital in land positions comparable with FY 2014.

## DEVELOPMENTS PER SECTOR

In EUR mln	H1 2015	H1 2014
Revenues	204	140
Underlying operating result	3	-1
Underlying operating margin	1,5%	-0,7%
Order book	392	361

## RESIDENTIAL

- Significant growth in revenues, strongly linked to Property Development;
- Revenues: Netherlands (€ 158 mln) and Belgium (€ 46 mln);
- Positive operating result, mainly contributable to Dutch activities;
- Order book stabilised compared to FY 2014, ambition is further growth based on standardised products (concepts such as *Huismerk*, *Wenswonen*);
- Increasing share of transformations and renovations;
- Good progress of large projects, such as Wijnhaven The Hague, Kooiplein Leiden, Elisabethzaal Antwerp.



Harener Holt  
Haren



Meyster's Buiten  
Utrecht





Dive coaster 'Baron 1898'  
2nd phase Bosrijk  
Efteling



## DEVELOPMENTS PER SECTOR

### NON-RESIDENTIAL

- Revenues higher because of high production level, mainly at Schiphol airport;
- Restructuring to be executed with slight delay, capacity and cost reduction remain required;
- Continued focus to improve project and risk management, especially in design phase;
- Decrease in order book, no large projects acquired so far in 2015;
- Positive development of Services;
- Good start of operational phase National Military Museum Soesterberg.

In EUR mln	H1 2015	H1 2014
Revenues	220	169
Underlying operating result	-2	1
Underlying operating margin	-0,9%	0,6%
Order book	549	682



Bèta Campus FWN  
Leiden University

“Het Timmerhuis”  
Rotterdam





National Military Museum  
Soesterberg

## DEVELOPMENTS PER SECTOR

In EUR mln	H1 2015	H1 2014
Revenues	306	341
Underlying operating result	-15	-5
Underlying operating margin	-5,0%	-1,4%
Order book	879	830

## INFRA NETHERLANDS

- Revenues decreased, poor performance, challenging conditions large projects;
- Improvements visible in regional projects (local governments);
- Focus on margin improvement and project control by means of:
  - Different methodology of pricing costs and risks;
  - Adjusting steering of tender and design phase, including go/no-go decisions;
  - Investing in contract management, accelerating claim discussions with clients;
  - Integrating Roads and Civil into Heijmans Infra, steered by 1 board of directors;
- Large projects as A4 Delft-Schiedam and A9 Gaasperdammerweg on track;
- Energiefabriek Tilburg revised slightly downwards, to be ready for operational testing this year.

## DEVELOPMENTS PER SECTOR

### INFRA BELGIUM

- Revenues in Belgium and operating result decreased slightly, but still healthy profit margins;
- Challenging market conditions, mainly public market;
- Increase in order book contributable to Pipelines segment.

In EUR mln	H1 2015	H1 2014
Revenues	57	65
Underlying operating result	3	7
Underlying operating margin	5,3%	10,8%
Order book	103	98

## DEVELOPMENTS PER SECTOR

### INFRA GERMANY

- Market is improving, especially in volume;
- Revenues increased, combined with margin improvement;
- Scheduled restructurings are completed.

In EUR mln	H1 2015	H1 2014
Revenues	126	111
Underlying operating result	1	0
Underlying operating margin	0,8%	0,0%
Order book	238	206





A4  
Delft-Schiedam





St.-Jan parking garage  
's-Hertogenbosch





Mercaden  
Dorsten (Germany)

## Key figures H1 2015

Profit and loss account	H1 2015	H1 2014
<b>Revenues</b>	<b>922</b>	<b>823</b>
<b>Underlying operating result</b>	<b>-11</b>	<b>-7</b>
Correction operating result joint ventures	-4	-2
Impairment of property assets	-1	-1
Restructuring costs	-	-2
Operating result	-16	-12
<b>Result before tax</b>	<b>-17</b>	<b>-10</b>
Income tax expense	2	2
<b>Result after tax</b>	<b>-15</b>	<b>-8</b>

## Balance sheet, Cash flow and Funding

Balance sheet	H1 2015	FY 2014	H1 2014
Fixed assets	370	364	355
Working capital (excl cash and cash equivalents)	47	-37	85
<b>Capital invested</b>	<b>417</b>	<b>327</b>	<b>440</b>
Equity	274	259	303
Provisions	35	36	38
Net debt	108	31	99
<b>Financing</b>	<b>417</b>	<b>327</b>	<b>440</b>

- Working capital increased compared to FY2014 (seasonal pattern), but decreased in 12 months;
- Solvency ratio solid at 29% (FY 2014: 27%);
- ‘Sub 10’ equity issue in May (€ 21 mln), repurchase of CumPrefs in July (€ 21 mln);
- Compliance with H1 2015 financial covenants.

We are building the spatial  
contours of tomorrow



heijmans



## Summary

- Positive trend of housing market continues, Heijmans well positioned;
- Poor results Infra Netherlands
- Gradual improvement of Non-residential and Infra;
- Order book has a good perspective;
- Heijmans strategy unchanged:
  - Improve the core
  - Integrated approach
  - Innovative
- Solid solvency rate, improving profitability remains top priority;
- Outlook 2015: improvements become visible in 2nd half of 2015.

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