

heijmans

Royal Heijmans

Full year results 2023

Friday 1 March 2024



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Good results in 2023; strong foundation for the future

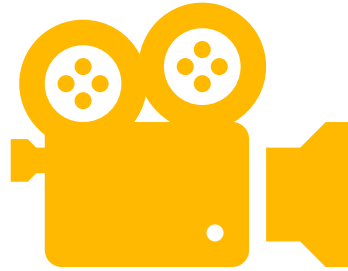
Ton Hillen, CEO | Gavin van Boekel, CFO





WE HAVE PROUDLY RECEIVED THE ROYAL PREDICATE

Highlights movie



Creators of the healthy living environment

We are

Our yellow heart

We are makers. We add something to the world. We always do so with respect for people, animals and nature.
We like to help. We take care of each other and make sure things get done. Now and in the future.

This is what we are aiming for

The Netherlands is coming to a standstill in the face of major social issues. These complex challenges call for direction and connection. Because we feel involved in the future of the Netherlands, we want to play a prominent role in this playing field. We are taking a step forward and making the shift to sustainable leader. Heijmans ensures that people can live, work and connect comfortably.

Our country is facing a number of major social issues such as:

Climate change
Declining biodiversity
Housing shortage
Labour shortage
Energy transition
Disrupted water balance
Increasing loneliness
Need for social cohesion
Increasing ageing population

Our strategy

WHAT
WELL-BEING



We make people happier

WHAT
SUSTAINABILITY



We give more than we take

HOW
CONNECTION



Together we take the greatest possible step forward

HOE
MAKABILITY



We work smarter and get more done

WHO
TEAM



We inspire with surprising talents

Our basis

SAFETY | VALUE CREATION | QUALITY | RISK MANAGEMENT

Our DNA

COLLABORATION | OWNERSHIP | RESULT-ORIENTED



THE HEIJMANS WOOD FRAME HOUSING FACTORY HAS BEEN OFFICIALLY IN USE SINCE OCTOBER 2023



HEIJMANS TAKES OVER THE PROJECT DEVELOPMENT ACTIVITIES, CONSTRUCTION COMPANY, CARPENTRY FACTORY AND CONSTRUCTION MATERIALS TRADE FROM VAN WANROOIJ

Safety objectives not achieved

KPI	Score 2023	Score 2022
Number of accidents, including subcontractors	72	71
Number of fatal accidents	1*	1
Accident identification (IF rating**)	3.1	2.7

* Fatal traffic accident during dike reinforcement project combination between Gorinchem-Waardenburg

**The Injury Frequency (IF), accident frequency index, is the number of accidents resulting in absenteeism that occur in a certain period, divided by the number of working hours

Higher awareness of safety

- Employees report unsafe situations earlier and more often
- From reactive to proactive attitude
- Proactive safety culture is actually experienced that way
- Certified on step 4 Safety Culture ladder*

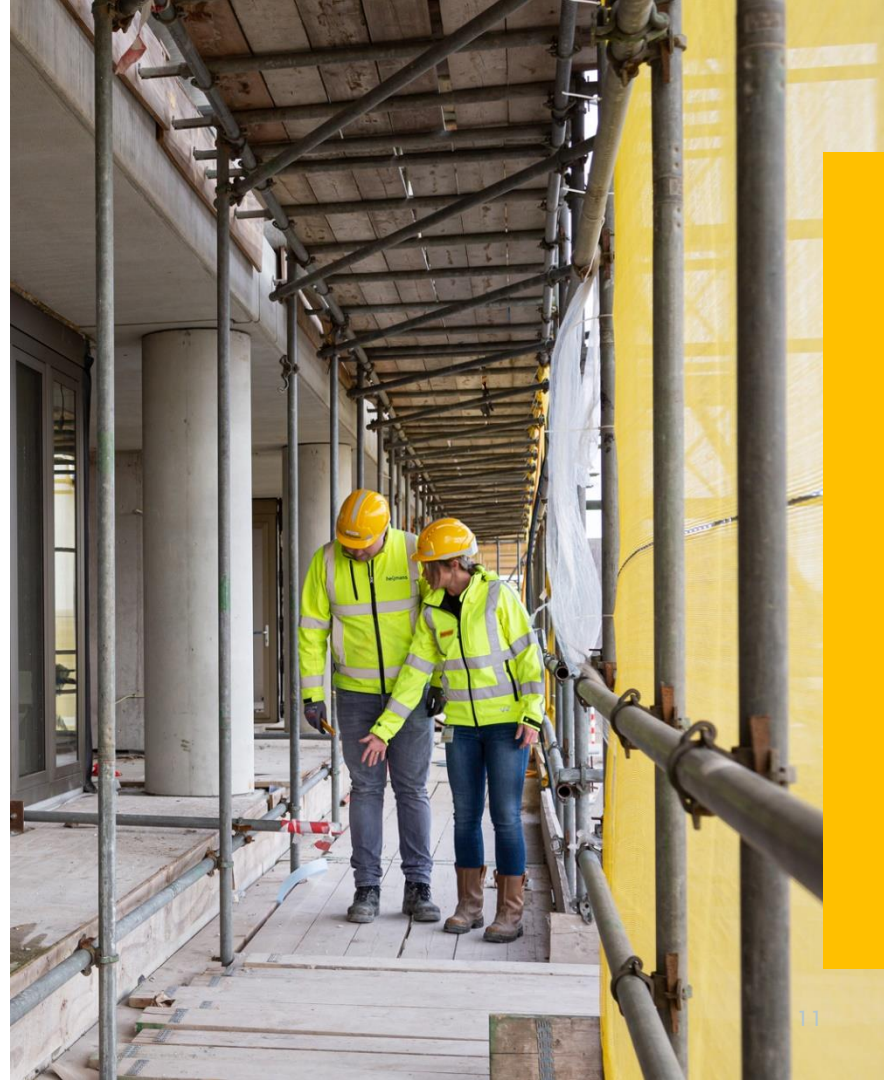
Continue to build the foundation of a safe working environment!

**Except recently acquired companies*



Additional safety measures in 2024

- Further organize and comply with tools and procedures
- Clearer standards for high-risk activities
- Continually develop safety leadership in behavior and culture



Promote safety, for the sector as a whole

- Agreements with Rijkswaterstaat to make working on emergency lanes safer for the sector: high risk for road workers
- Encourage clients to minimize night work on our roads: structural night work is unhealthy and less safe



Key points 2023

Revenue

€2.1 ↑
billion

Autonomous growth 10%

EBITDA*

€147 ↑
million

**Margin 6.9% incl. Van Wanrooij*

Net result

€60
million

*Dividend proposal €0.89 per share
(40% payout)*

Order portfolio

€2.8 ↑
billion

(2022: €2.4 billion)

Solvency

29%

(2022: 29%)

Net debt

€137
million

Sale houses
stable



Fourth quarter 2023

Organization Heijmans

Staff

5,316 ↑
fte

Including Van Wanrooij

eNPS

+35 ↑

(2021: eNPS +25)



Developments per sector



Property Development: Lower volume, underlying EBITDA margin within bandwidth

x € 1 million

Property development	2023	2022	H2 2023	H2 2022
Revenues	412	570	212	275
Underlying EBITDA	27	42	14	22
Underlying EBITDA margin	6,6%	7,4%	6,6%	8,0%
Order book	452	596	452	596

- In 2023, Heijmans sold 1,803 homes, 680 of which were sold to private buyers and 1,123 to commercial buyers.
- Practically the same as 2022 (1,811 homes sold)
- Return similar, but due to lower volume and hedging contributions, EBITDA margin fell to 6.6% from 7.4%
- EBITDA margin within range
- Two reasons for lower volume: for inner-city apartments, more time to achieve desired pre-sales percentages and longer zoning procedures



Van Wanrooij: land positions and Optio concept show value

x € 1 million

Van Wanrooij (as from 5 September)	2023	H2 2023
Revenues	125	125
Underlying EBITDA before release fair value step up	31	31
Underlying EBITDA	20	20
Underlying EBITDA margin	16,0%	16,0%
Order book	149	149

- Demand for ground-level homes remains good, 776 homes sold in 2023 (net)
- 431 homes transferred after 5 September: strong Q4 in terms of results and cash
- Total working inventory of land holdings increased to over 14,000 homes (net)
- Ready to accelerate as housing market continues to recover and home sales rebound
- Purchase price allocation: €297 million purchase price largely substantiated by market value of development stock of €259 million



Building & Technology: turnover increase in the entire business stream

x € 1 million

Building & Technology	2023	2022	H2 2023	H2 2022
Revenues	1.076	933	566	504
Underlying EBITDA	46	38	25	21
Underlying EBITDA margin	4,3%	4,1%	4,4%	4,2%
Order book	1.481	1.227	1.481	1.227

- Opening of Heijmans' timber-frame housing factory in Heerenveen with placement of the first homes in Eindhoven
- The growing share of recurring business resulting from good customer relationships is particularly satisfying
- Strong turnover increase can be seen at Utilitarian Projects and Services
- Turnover share for (re)building homes at the same level through orders from housing cooperatives
- 2,000 homes renovated and made more sustainable in 2023



Infra: 20% increase in turnover and underlying EBITDA margin above strategic bandwidth

x € 1 million

Infra	2023	2022	H2 2023	H2 2022
Revenues	800	661	419	353
Underlying EBITDA (including Wintrack II)	66	55	43	21
Underlying EBITDA (excluding Wintrack II)	53	36	29	21
Underlying EBITDA margin (excluding Wintrack II)	6,6%	5,4%	6,9%	5,9%
Order book	1.011	1.007	1.011	1.007

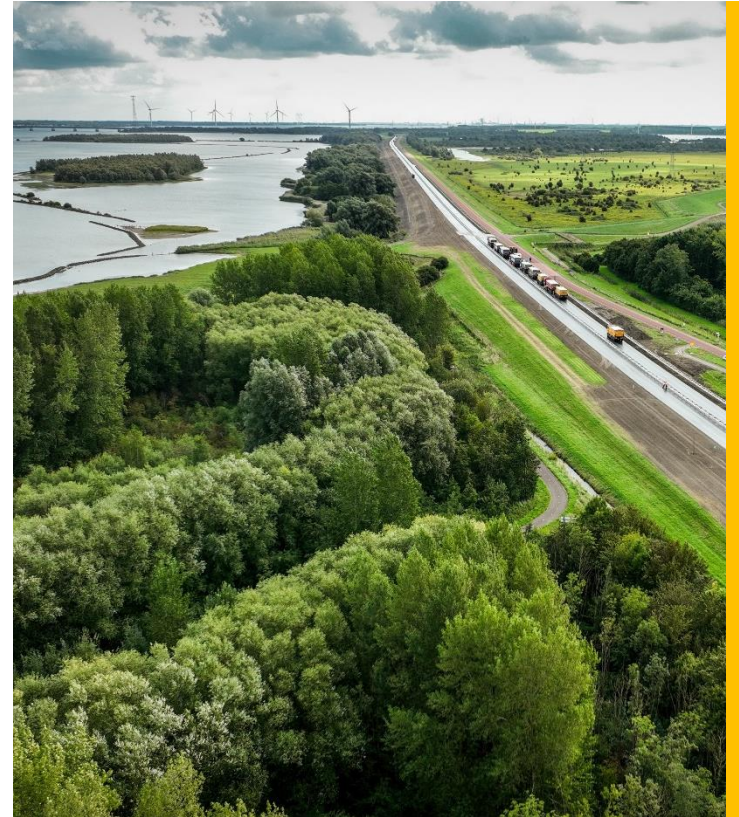
- Even without the release of Wintrack II, Infra performs above the strategic bandwidth for underlying EBITDA margin
- Increase in turnover due to higher volume in energy infrastructure, asset management and flood protection programs (HWBP)
- Order book shows commitment to larger clients through distinctiveness in terms of sustainability, added value and customer relations
- Water is becoming increasingly important: water quality and water quantity (too much/too little)



N59 HEIJMANS AWARDED TWO OF THE THREE PROJECTS IN FRONTRUNNER APPROACH TO SUSTAINABLE ROAD SURFACING

Steps on road to sustainability

- Sign-up to Science Based Target initiative (SBTi) for validation of emissions reductions
- Further reduction in total CO₂ emissions; CO₂ targets tightened
- € 12 million investment in electric equipment
- Water storage and reuse in projects
- All area developments Label A (methodology to assess sustainability of the outdoor space)
- There are now 1,200 electric lease cars with yellow license plates



Financial



Profit and loss account

	2023	2022	H2 2023	H2 2022
Revenues	2.117	1.812	1.305	949
Property development	27	42	14	22
Building & Technology	46	38	25	21
Infra (excluding Wintrack II)	53	36	29	21
Wintrack II	14	19	14	0
Van Wanrooij	31	0	31	0
Van Wanrooij release fair value step up	-11	0	-11	0
Corporate	-12	-9	-4	-4
Underlying EBITDA	147	126	98	60

x €1 million

Profit and loss account

	2023	2022	H2 2023	H2 2022
Underlying EBITDA	147	126	98	60
Underlying EBITDA (excluding Van Wanrooij)	127		78	
Correction EBITDA joint ventures	-5	-9	-3	-7
Write down on property assets	0	-4	0	0
Acquisition costs	-9	0	-6	0
Long term incentive bonuses	-3	0	-3	0
Restructuring costs	-3	-3	-2	-2
EBITDA	127	110	84	51
EBITDA (excluding Van Wanrooij)	110		67	
Depreciation/amortisation	-46	-39	-26	-21
Operating result (EBIT)	81	71	58	30
Operating result (EBIT) (excluding Van Wanrooij)	67		43	
Financial results	-3	-4	-3	-2
Share of profit of associates and joint ventures	3	7	1	6
Result before tax	81	74	56	34
Income tax	-21	-14	-15	-4
Result after tax	60	60	41	30

x €1 million

Net cash position and financing

- Net debt position to €137 million, versus 151 million net cash position a year earlier
- Decrease primarily due to the purchase price of Van Wanrooij (€ 297 million, of which € 23.5 million in the form of share issuance). Acquisition price largely visible in increased stock position
- Working capital remained at a good level, mainly due to strong work in progress positions
- At year-end 2023, €75 million (only the Term Loan) of the €252.5 million syndicated loan used
- After acquisition: solvency remains at a healthy level of 29%, leverage ratio at 0.7
- Net debt at the end of 2023 as expected and therefore on track to reach a net cash position again in 2026

Van Wanrooij – improved outlook

Guidance 21/6

Latest outlook

Short-term

- €30 million - €40 million underlying EBITDA per year before PPA impact e.g .:
 - Sales 1,000 homes per year (gross)
 - Build 600 homes per year (net)
- Cash flow positive from closing
- €30 million - €50 million underlying EBITDA per year after PPA impact , based on:
 - Sales 750-1,000 homes per year (net)
 - Build 600 homes per year (net)
- Cash flow positive from closing
- Impact PPA: €15 million - €25 million per year

(Medium term

- €50 million - €70 million underlying EBITDA per year before PPA impact , based on:
 - Sales 1,500 houses per year (gross)
 - Build 600 homes per year (net)
- Heijmans will remain conservatively financed after the acquisition and expects a net cash position again around 2026
- €50 million - €70 million underlying EBITDA per year after PPA impact , based on:
 - Sales 1,000-1,250 houses per year (net)
 - Build 600 homes per year (net)
- Heijmans will remain conservatively financed after the acquisition and expects a net cash position again around 2026
- Impact PPA: gradually decreases from € 15 million to zero

PPA impact Van Wanrooij - opening balance

Acquisition price as of 5/9/2023 (including interest and settlements)	€296.8 million
Book value of equity as of 5/9/2023 (after IFRS conversion)	-/- €107.0 million
Purchase price > to be allocated	€189.8 million
Items subject to valuation/revaluation:	
Intangible: Order book for construction activities	-/- €6.4 million
Equipment: Upgrade stock position to market value	-/- €142.1 million
Deferred tax (related to revaluation of land) and provision	+ €49.5 million
Remainder: goodwill	€90.8 million

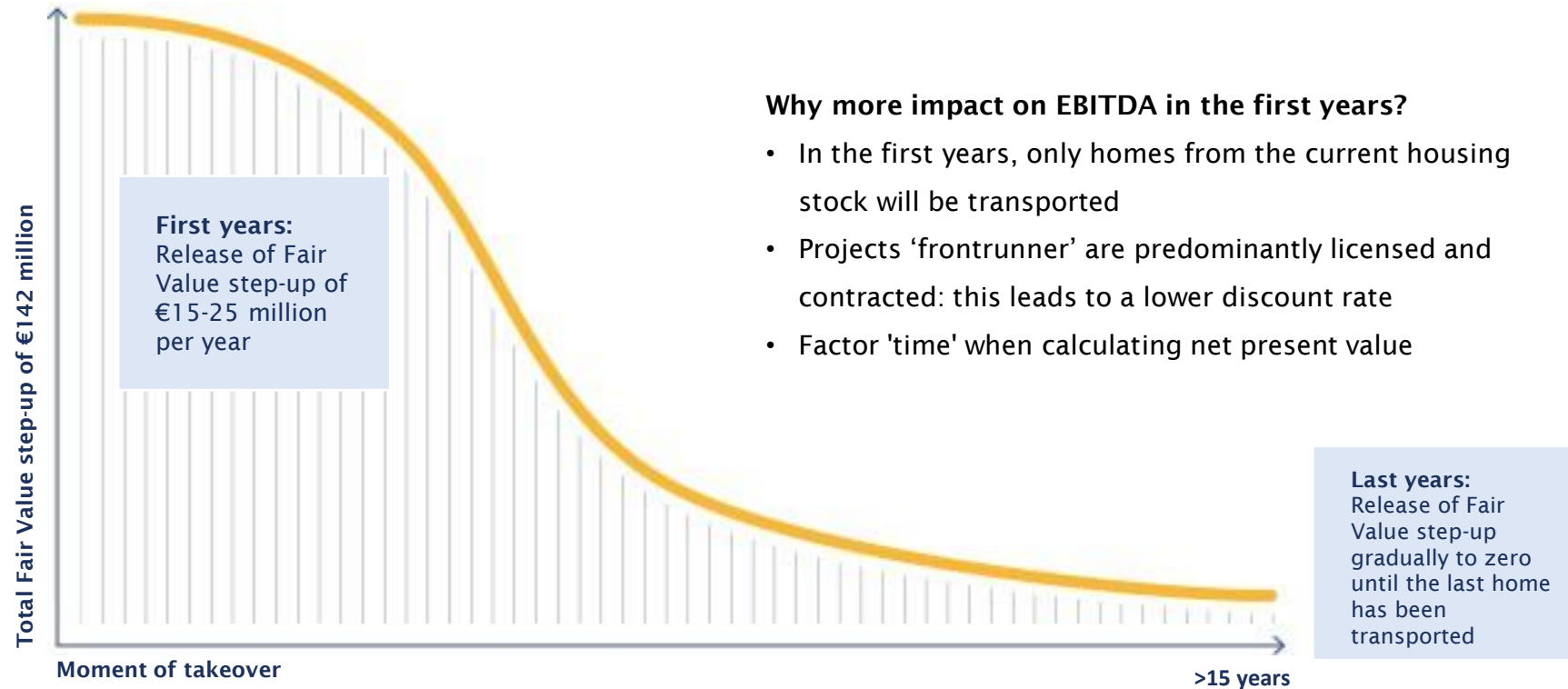
Goodwill: annual impairment test required at the level of cash generating unit Van Wanrooij

PPA impact Van Wanrooij - profit and loss account

		5/9/23 - 31/12/23	2024 (outlook)
Underlying EBITDA before PPA/acquisition impact		€31 million	€50 - €70 million
Release fair value step up PPA	-/-	€11 million	€15 - €25 million
Underlying EBITDA		€20 million	€30 - €50 million
Staff retention bonus	-/-	€2 million	€5 million
EBITDA (reported)		€17 million	
Amortization order book	-/-	€2 million	€4 million

- Turnover in 2024 is expected to be approximately €300 million
- Fair value step up follows from the accounting upgrade of the development portfolio to market value as of September 5 by € 142 million. This increases the cost price and therefore reduces profitability as the 14,000 homes are transported
- No impact on cash: cash generating capacity therefore higher than expected net profit
- NB. The fair value step up in 2024 corresponds to roughly €20,000 - €25,000 per transported home / highly dependent on the profitability of the homes to be transported

PPA Impact Van Wanrooij – Fair Value step-up



Outlook 2024



Outlook 2024

- Excellent positioning for solutions for infrastructure, construction and real estate development tasks of today and tomorrow
- Turnover will grow in 2024, € 2.5 billion in sight, with an underlying EBITDA margin of at least 6.5%
- Heijmans is expected to perform better than the prospects for the market as a whole
- The well-filled order book and its quality provide a solid basis for achieving return criteria
- The visibility of turnover and result development for 2024 is good
- There is an increasing share of recurring business in Building & Technology and Infrastructure
- Expectations for Heijmans Vastgoed and Van Wanrooij are also positive in terms of improving home sales since the fourth quarter of 2023
- Return to net cash position at year-end 2026 remains realistic. A good step in that direction in 2024

Financial agenda 2024

Date	Event	Time of day
30th of April	General Meeting of Shareholders	14.00 hours
3rd of May	Ex-dividend	Before opening stock market
May 7	Trading update Q1	Before opening stock market
May 22nd	Capital Markets Day	
July 26	Publication of half-year figures for 2024	Before opening stock market
October 31st	Trading update Q3	Before opening stock market



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