

# Interim results 2016



17 August 2016

Executive Board Heijmans N.V.

**‘Heijmans first half results: improved results in most sectors, completion loss-making projects Infra still strongly affects results’**

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

# Key figures H1 2016

## Key figures

x 1 € million

	H1 2016	H1 2015	2015
Revenues	946	922	1.979
Underlying operating result <sup>1</sup>	-7	-11	-5
Operating result	-15	-16	-29
Result after tax	-12	-15	-27
Earnings per share ( in €)	-0,57	-0,76	-1,32
Order book	2.375	2.190	2.094
Net debt	77	108	10
Number of FTE	6.409	6.816	6.582

<sup>1</sup> underlying operating result is the operating result corrected for operating result joint ventures, write down on property assets, restructuring costs and other extraordinary items.



ROTTERDAM  
ΔΗΙΟΥ

Hart van Zuid  
Rotterdam

## H1 2016 – Financial highlights

- Increase H1 revenue to € 946 mln (2015: € 922 mln);
- Homes sold H1: 1,069 (2015: 746). Growth primarily in investors segment;
- Underlying operating result improves, but still negative;
- Improved results for Property Development / Residential Building, Non-Residential, Belgium and Germany;
- Infra: underlying improvement seen, results negatively impacted with € 15 mln by loss-making projects Infra;
- Net result after taxes H1: -/- € 12 mln (2015: -/- € 15 mln);
- Order book increased due to acquisition of (a.o.) New Amsterdam Court House, Hart van Zuid and RWZI Utrecht;
- Solvency ratio 25%;
- Net debt declined to € 77 mln (H1 2015: € 108 mln).

## H1 2016 – Operational / strategic highlights

- New strategy plan Infra NL 2016-2018: ‘Focus, Discipline & Excellence’;
- Innovation: first successes with sales of Heijmans ONE (58 sold) and BikeScout;
- With GO! Programme continuous focus on safety: Continuing IF (Injury Frequency) rate at 3.3, decline compared to 2015, slight increased compared to Q1;
- Refinancing completed, € 256 mln syndicated loan committed until mid 2018.



Placement Heijmans ONE's  
Wonen Limburg



## Strategy plan Infra NL 2016 - 2018

- Strategy recently reviewed and sharpened;
- Translated into strategic plan 2016 – 2018: ‘Focus, Discipline & Excellence’;
- Five key elements:
  - 1) Intensively managing current loss-making projects Infra towards completion;
  - 2) Continuing / sharpening measures risk control;
  - 3) Tightened strategic focus on core competences;
  - 4) Change in leadership and management culture;
  - 5) Costs organisation structure.



## Progress loss-making projects Infra

- Total impact of € 15 mln;
- Of which EFT € 8 mln;
- Number of loss making infra projects decreases steadily;
- Underlying performance improved compared to same period last year;
- H2 2015 recorded heavy project losses: reducing impact key goal for H2 2016;
- Quality and size of other projects in order book is good, together with measures implemented a good basis for the future.



New Amsterdam Court House  
Zuidas Amsterdam



## Outlook

- Positive trend residential market continues, filling housing showroom crucial to meet high demand;
- Gradual improvements expected within Non Residential and Infra, supported by good order intake;
- Germany and Belgium record a solid and good performance;
- Managing and completing loss making projects Infra remains priority;
- Execution of strategic plan Infra NL 2016 – 2018;
- Expectation to improve performance and record a positive underlying result in 2016.

# **‘Heijmans first half results: improved results in most sectors, completion loss-making projects Infra still strongly affects results’**

Mark van den Biggelaar - CFO & member of the Executive Board Heijmans N.V.

## DEVELOPMENTS PER SECTOR

### PROPERTY DEVELOPMENT

x € 1 million	H1 2016	H1 2015	2015
Revenues	170	126	278
Underlying operating result	6	4	9
Underlying operating margin	3,5%	3,2%	3,2%
Order book	275	280	284

- Strong increase in revenues (34%) with small growth in operating margin;
- Homes sold to 1,069 (2014: 746), especially within investors segment;
- Average house price to € 249k (2015: € 229k);
- Strong cash flow;
- Challenge to match supply with strong demand;
- Interesting new projects, a.o. in Rotterdam (Hart van Zuid, Nieuw Kralingen, Katendrecht) and Utrecht (Kanaleneiland).



Kanaleneiland  
Utrecht

## DEVELOPMENTS PER SECTOR

### RESIDENTIAL

- Delay in start up of new projects;
- Revenues divided over the Netherlands (€ 152 mln) and Belgium(€ 56 mln);
- High number of houses sold not yet in order book;
- Upward price pressure of subcontractors;
- Cooperation with CBRE Global Investors in Grauwaart district (Leidsche Rijn Utrecht);
- First Heijmans ONE houses placed for Wonen Limburg, several follow up orders;
- Transformation former Parool tower / Trouw building completed for Student Hotel;
- Realisation of Wiener & Co (Amsterdam), Plein van Leiden, and Elisabeth Center Antwerp on schedule.

x € 1 million	H1 2016	H1 2015	2015
Revenues	208	204	387
Underlying operating result	2	3	6
Underlying operating margin	1,0%	1,5%	1,6%
Order book	386	392	421

Bananenstraat  
Rotterdam Katendrecht





## DEVELOPMENTS PER SECTOR

### NON RESIDENTIAL

- Revenues lower as expected;
- Positive trend of Services continues;
- Result slightly better than last year;
- Strong order intake, especially New Amsterdam Court House and Hart van Zuid (both PPP);
- Lounge 2 Schiphol, DSM laboratory and Amsterdam High School completed;
- Timmerhuis, National Military Museum and Ministries of Safety and Justice / Internal Affairs in maintenance phase;
- PPP Project RIVM / CBG delayed.

x € 1 million	H1 2016	H1 2015	2015
Revenues	162	220	421
Underlying operating result	0	-2	0
Underlying operating margin	0,0%	-0,9%	0,0%
Order book	825	549	517



Lounge 2  
Schiphol Amsterdam



## DEVELOPMENTS PER SECTOR

### INFRA NETHERLANDS

x € 1 million	H1 2016	H1 2015	2015
Revenues	329	306	690
Underlying operating result	-15	-15	-26
Underlying operating margin	-4,6%	-4,9%	-3,8%
Order book	787	879	834

- Revenues increased, underlying performance increased due to good development within regional projects and asset management, but € 15 mln in additional losses recorded in loss-making projects Infra;
- Number of loss-making projects Infra decreased to 5, of which 2 with high risk profile;
- Energiefabriek Tilburg in testing phase, but difficult progress: -/- € 8mln in H1;
- New orders rewarded for RWZI Utrecht and A27/A1;
- A12 Veenendaal-Ede-Grijsoord PPP completed, A9 Gaasperdammerweg PPP on track;
- New strategy plan 2016-2018.



A9 Gaasperdammerweg  
Amsterdam



## DEVELOPMENTS PER SECTOR

### INFRA BELGIUM

x € 1 million	H1 2016	H1 2015	2015
Revenues	58	57	116
Underlying operating result	4	3	7
Underlying operating margin	6,9%	5,3%	6,0%
Order book	142	103	135

- Revenues at similar level as last year;
- Operating margin increased slightly, at very healthy level;
- Slight increase in order book;
- Reconstruction N9 in Ghent on schedule;
- Long term maintenance of big number of projects, including Liefkenshoek rail track, R4 Ghent and Antwerp light rail track Brabo I.

## DEVELOPMENTS PER SECTOR

### INFRA GERMANY

x € 1 million	H1 2016	H1 2015	2015
Revenues	126	126	319
Underlying operating result	3	1	7
Underlying operating margin	2,4%	0,8%	2,2%
Order book	178	238	155

- German infrastructure market is improving;
- Revenues in line with last year;
- Operating result has grown, especially due to better performance of Franki;
- Order book increased to € 178 mln;
- Shopping center Mercaden Dorsten completed by Oevermann;
- Franki has commenced with A7 tunnel Hamburg-Stellingen.

## Balance sheet, Cash Flow & Financing

- As of 1 April committed facility of € 256 mln until 30 juni 2018;
- Complied with financial covenants, limited headroom:
  - Interest Cover: 3.6 (>3, FY 2016 >4)
  - Leverage Ratio: 2.2 (<3)
- Net debt € 31 mln lower than last year because of lower working capital (especially work in progress);
- Solvency ratio solid at 25% (FY 2015: 26%);
- Goal remains to structurally improve debt / ebitda ratio.

## Financial Covenants

	2016 MY	2015 FY	2015 MY
Amounts x € 1 million			
Interest bearing debt	155,5	135,1	173,4
Minus: cash and cash equivalents	78,1	125,4	65,5
<b>Net debt</b>	<b>77,5</b>	<b>9,7</b>	<b>107,9</b>
<i>Adjustments:</i>			
Net debt Joint Ventures	88,8	75,5	70,7
Net debt non recourse project finance	-78,8	-80,8	-61,3
Cumulative preference shares B	-45,1	-45,1	-66,1
Other	-5,4	-4,0	0,9
<b>Net debt covenants (A)</b>	<b>36,9</b>	<b>-44,7</b>	<b>52,1</b>
Underlying operating result (including joint ventures)	-1,5	-5,1	-7,2
Depreciation and amortisation	18,6	19,1	21,8
<b>Underlying EBITDA</b>	<b>17,0</b>	<b>14,0</b>	<b>14,6</b>
<i>Adjustments:</i>			
Capitalised interest	2,6	2,9	2,4
EBITDA non recourse projects	-5,0	-1,7	-0,6
Other	2,0	2,3	1,9
<b>EBITDA covenants (B) - 12 months rolling</b>	<b>16,6</b>	<b>17,4</b>	<b>18,3</b>
<b>Net interest</b>	<b>10,5</b>	<b>11,1</b>	<b>9,5</b>
<i>Adjustments:</i>			
Net interest joint ventures	2,4	3,1	3,5
Interest cumulative preference shares B	-3,6	-4,5	-5,2
Net interest non recourse project financings	-3,9	-3,7	-2,6
Other	-0,8	-3,2	-1,6
<b>Net interest covenants (C) - 12 months rolling</b>	<b>4,6</b>	<b>2,9</b>	<b>3,5</b>
<b>Leverage ratio (A/B) &lt;3</b>	<b>2,2</b>	<b>-2,6</b>	<b>2,9</b>
<b>Interest cover ratio (B/C) &gt;3</b>	<b>3,6</b>	<b>6,0</b>	<b>5,1</b>

The interest cover ratio should at least be at the following levels:

Q2 2016: > 3

Q3 2016: > 3.5

Q4 2016 (and beyond): > 4



# Condensed consolidated statement of financial position

x € 1 million



<b>Assets</b>	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2015</b>
<b>Non-current assets</b>			
Property, plant and equipment	87	90	90
Intangible assets	112	112	113
Joint ventures and associates	77	77	74
Other fixed assets	98	101	93
	<b>374</b>	<b>380</b>	<b>370</b>
<b>Current assets</b>			
Strategic land portfolio	162	172	185
Residential properties in preparation or under construction	58	76	87
Other inventory	17	18	20
Work in progress	153	152	149
Trade and other receivables	313	267	294
Cash and cash equivalents	78	125	65
	<b>781</b>	<b>810</b>	<b>800</b>
<b>Total assets</b>	<b>1.155</b>	<b>1.190</b>	<b>1.170</b>
<b>Equity and liabilities</b>	<b>30 June 2016</b>	<b>31 December 2015</b>	<b>30 June 2015</b>
<b>Equity</b>	<b>245</b>	<b>266</b>	<b>274</b>
<b>Non-current liabilities</b>			
Interest-bearing	134	103	155
Non-interest-bearing	32	32	35
	<b>166</b>	<b>135</b>	<b>190</b>
<b>Current liabilities</b>			
Interest-bearing loans and other current financing liabilities	21	32	18
Trade and other payables	566	580	563
Work in progress	134	148	95
Other	23	29	30
	<b>744</b>	<b>789</b>	<b>706</b>
<b>Total equity and liabilities</b>	<b>1.155</b>	<b>1.190</b>	<b>1.170</b>
<b>Solvancy rate based on guarantee capital</b>	<b>25%</b>	<b>26%</b>	<b>29%</b>
<b>Net debt</b>	<b>77</b>	<b>10</b>	<b>108</b>

**CASH FLOW STATEMENT**

(x € 1 million)

	YTD June 2016	YTD June 2015	FY 2015
Operating result	-15	-16	-29
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	9	18
Amortisation of intangible assets	1	1	2
Adjustment of valuation of property investments and land portfolios, excluding joint ventures	1	1	11
Change in work in progress	-15	-71	-21
Change in other working capital	-36	-11	46
Change in non-current provisions	-1	-2	-7
<b>Cash flow from operating activities before interest and tax</b>	<b>-56</b>	<b>-89</b>	<b>20</b>
Interest paid/received	-6	-7	-11
Tax expense paid	-4	0	0
<b>Cash flow from operating activities</b>	<b>-66</b>	<b>-96</b>	<b>9</b>
<b>Cash flow from investment activities</b>	<b>-2</b>	<b>-2</b>	<b>-9</b>
<b>Cash flow from financing activities</b>	<b>21</b>	<b>89</b>	<b>51</b>
<b>Net cash flow in the period</b>	<b>-47</b>	<b>-9</b>	<b>51</b>
Cash and cash equivalents at 1 January	125	74	74
<b>Cash and cash equivalents at the end of the period</b>	<b>78</b>	<b>65</b>	<b>125</b>

## Disclaimer

This presentation has been prepared by and is the responsibility of Heijmans N.V. This presentation is being supplied to you solely for your information and use at the presentation which will be or was held on [August 17, 2016](#). The information may not be further distributed or passed on to other people or published or reproduced in whole or in part. The information may be subject to updating, completion, revision and amendment and such information may change materially.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Heijmans N.V. and the industry in which it operates. These statements are based on Heijmans N.V.'s and its management's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words “expect”, “anticipate”, “predict”, “estimate”, “project”, “plan”, “may”, “should”, “would”, “will”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are statements of future expectations that are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Neither Heijmans N.V. nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.

No representation or warranty, express or implied, is or will be made by Heijmans N.V., its advisors or any other person as to the accuracy, completeness or fairness of the information or opinions contained in the presentation and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, neither Heijmans N.V., its associates, its advisors, nor its representatives accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from the use of this presentation or its contents or otherwise arising in connection with this presentation. The presentation does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any securities.

heijmans



HeijmansNL



HeijmansNL

[www.heijmans.nl](http://www.heijmans.nl)



HeijmansNV



Heijmans