



# Heijmans Business Update

---

ROADSHOW BOOKLET, FEBRUARY 2018, BASED ON 2017 ANNUAL RESULTS



# Key figures

## Key figures \*

x 1 € million

	H2 2017	H2 2016	2017	2016
Revenues Netherlands	756	665	1.402	1.370
Underlying EBITDA Netherlands **	21	-64	30	-73
Result after tax	0	-98	20	-110
Earnings per share ( in €)	0,00	-4,59	0,91	-5,16
Order book Netherlands	1.898	1.863	1.898	1.863
Net debt	-14	100	-14	100
Number of FTE Netherlands	4.442	4.597	4.442	4.597

\* Unless otherwise noted, the key figures are presented for all operations. In the consolidated income statement (see attached sheets) the results of the continued and discontinued operations are shown separately.

\*\* underlying EBITDA is the operating result before depreciation corrected for operating result joint ventures, write down on property assets, restructuring costs, book result on sale of subsidiaries and other extraordinary items.

# Contents

---

• Company profile	4 - 15
• Strategy	16 - 29
• Highlights 2017 annual results / Outlook	30 - 33
• Developments per sector	34 - 43
• Divestments & Financing	44 - 47
• Financial statements & Order book	48 - 53
• Annexes	54 - 62
• Resumes Executive Board	55
• Property development process	56
• Risk Management approach	57
• Implementation new ERP platform	58
• Percentage of completion method	59
• Project images in this handout	60
• Contact details / Disclaimer	61

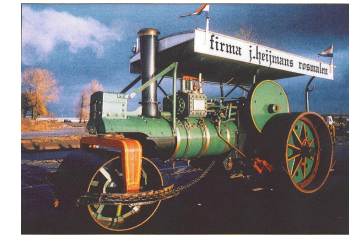
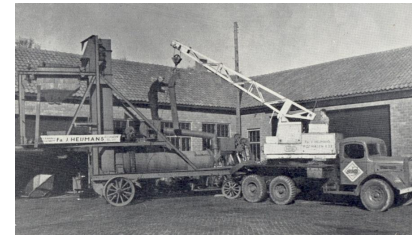
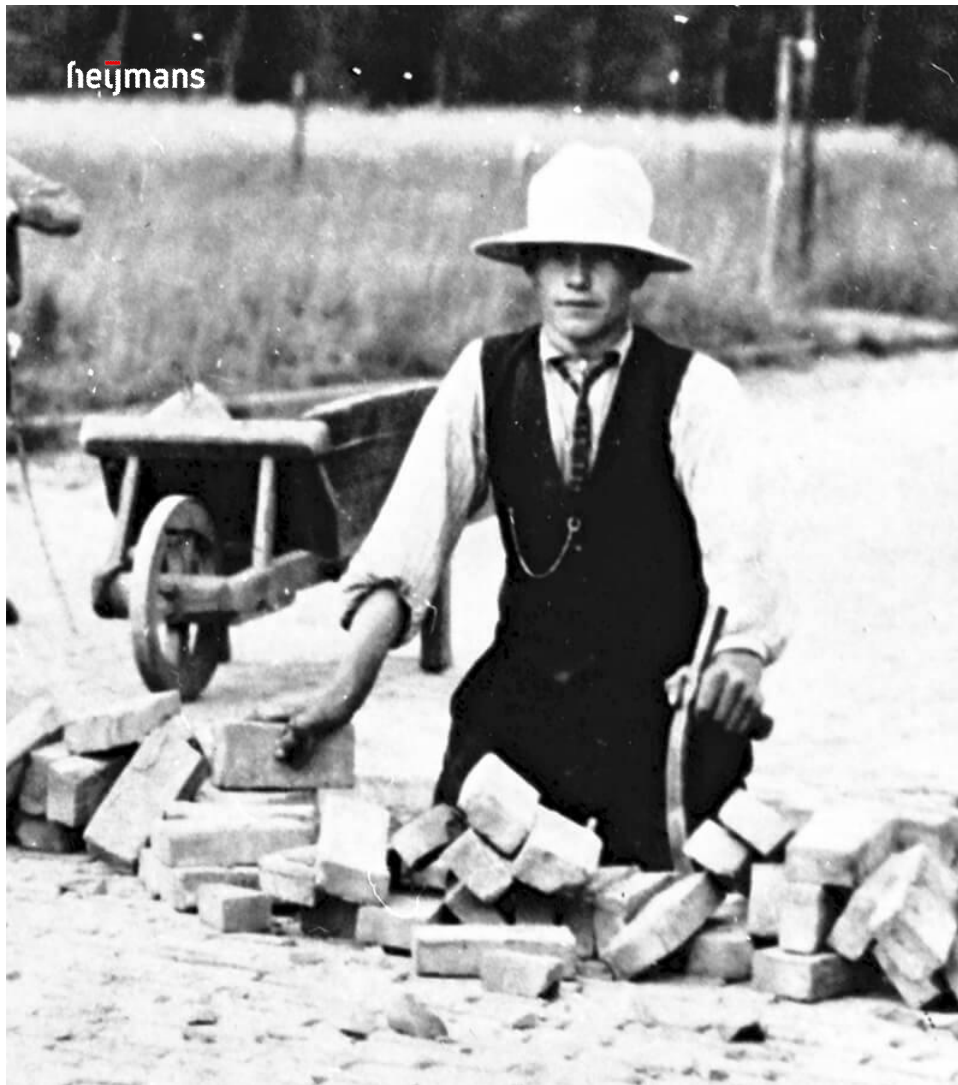


heijmans

HEIJMANS ONE

# Company profile





COMPANY PROFILE

## History

1923 – founded by Jan Heijmans as Infra company

1945 and beyond - strong growth following WWII

1960's - diversification towards residential building

1980's - diversification towards property development

1993 – listing on Amsterdam Stock Exchange

1993/2007 – strong growth through acquisitions

2008/2009 – reset strategy, start of restructuring

2013 – strategy building spatial contours of tomorrow

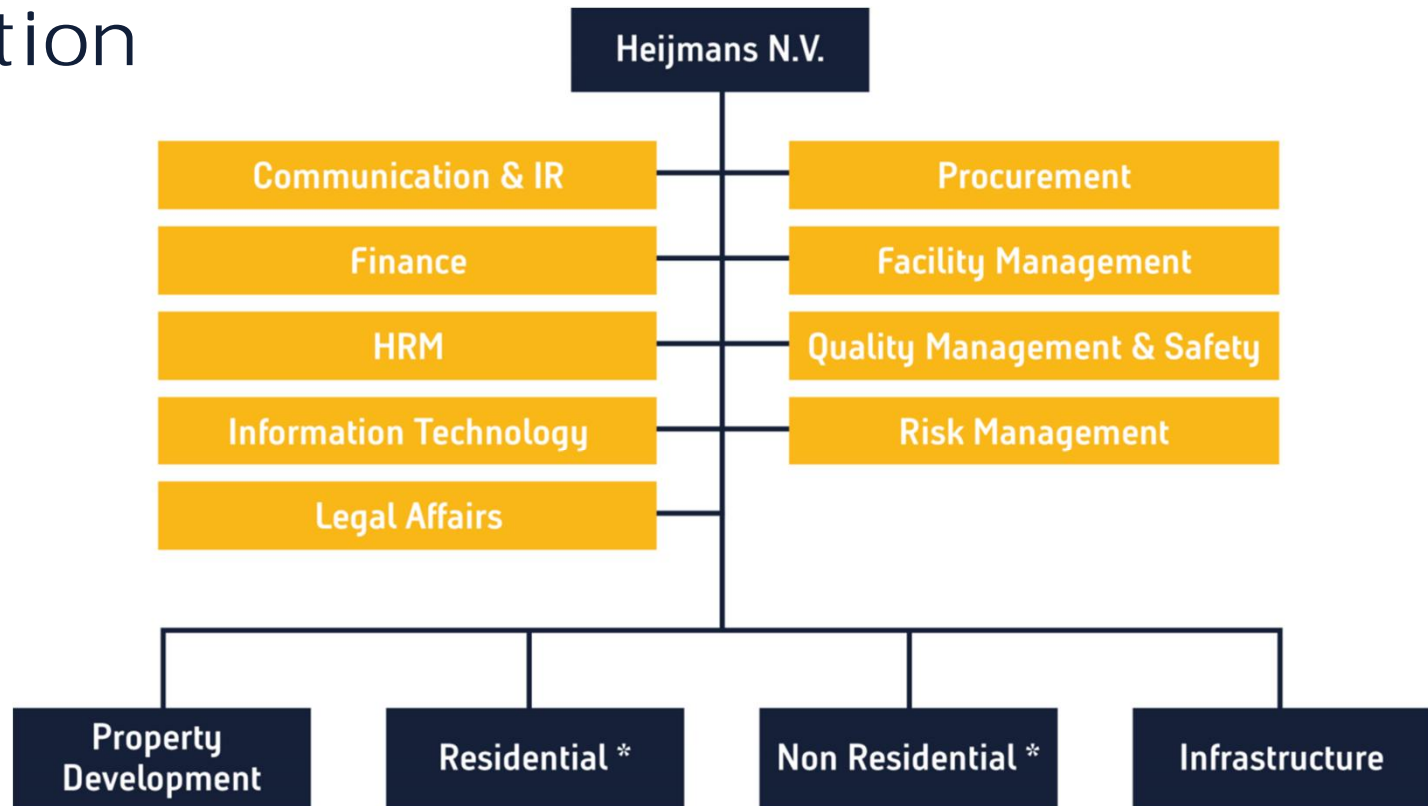
2017 – focus, discipline and excellence, divestment of foreign subsidiaries

## Heijmans at a glance

---

- Building the spatial contours of tomorrow, where development and realization take into account people and the environment, both in projects for clients and in the company's own ecological footprint.
- The activities of Heijmans in the field of Living, Working and Connecting are organised within four business areas: Property Development, Residential Building, Non-Residential, Infra.
- Approximately 4,500 employees work on a daily basis from these business segments in the Netherlands. More than 99% of these employees are covered by a collective labour agreement.
- In 1H 2017, Franki, Oevermann (to PORR) and Heijmans Belgium (to Besix) were divested to strengthen balance sheet. Following the divestment programme, geographic focus is based on Dutch operations;
- To create added value by offering the client an integrated approach with focus on quality;
- Ambition to achieve leading position on quality, sustainability and profitability, resulting in:
  - ∅ The best choice for clients;
  - ∅ Innovation and focus on sustainability;
  - ∅ Above-average long-term yield for shareholders;
  - ∅ Being attractive and inspiring to employees.

# Organisation Chart



\* As of 1/1/2018, the management of Residential and Non Residential will be centralised and merged into "Building & Technology"

heijmans



FENIX LOFTS - ROTTERDAM





## COMPANY PROFILE

# Living: Property Development

---

Property Development focuses on area development of both large and smaller-scale projects in urban and out-of-town areas. It fulfills the role of both initiator, developer and seller of (mainly) residential properties. It conducts its activities from four different offices under central management. In-depth knowledge of area development is bundled in one area development department, which manages the large accounts. This means we can benefit from both new-build contracts and (inner-city) transformation assignments.



One concept,  
Various applications

HEIJMANS HUISMERK



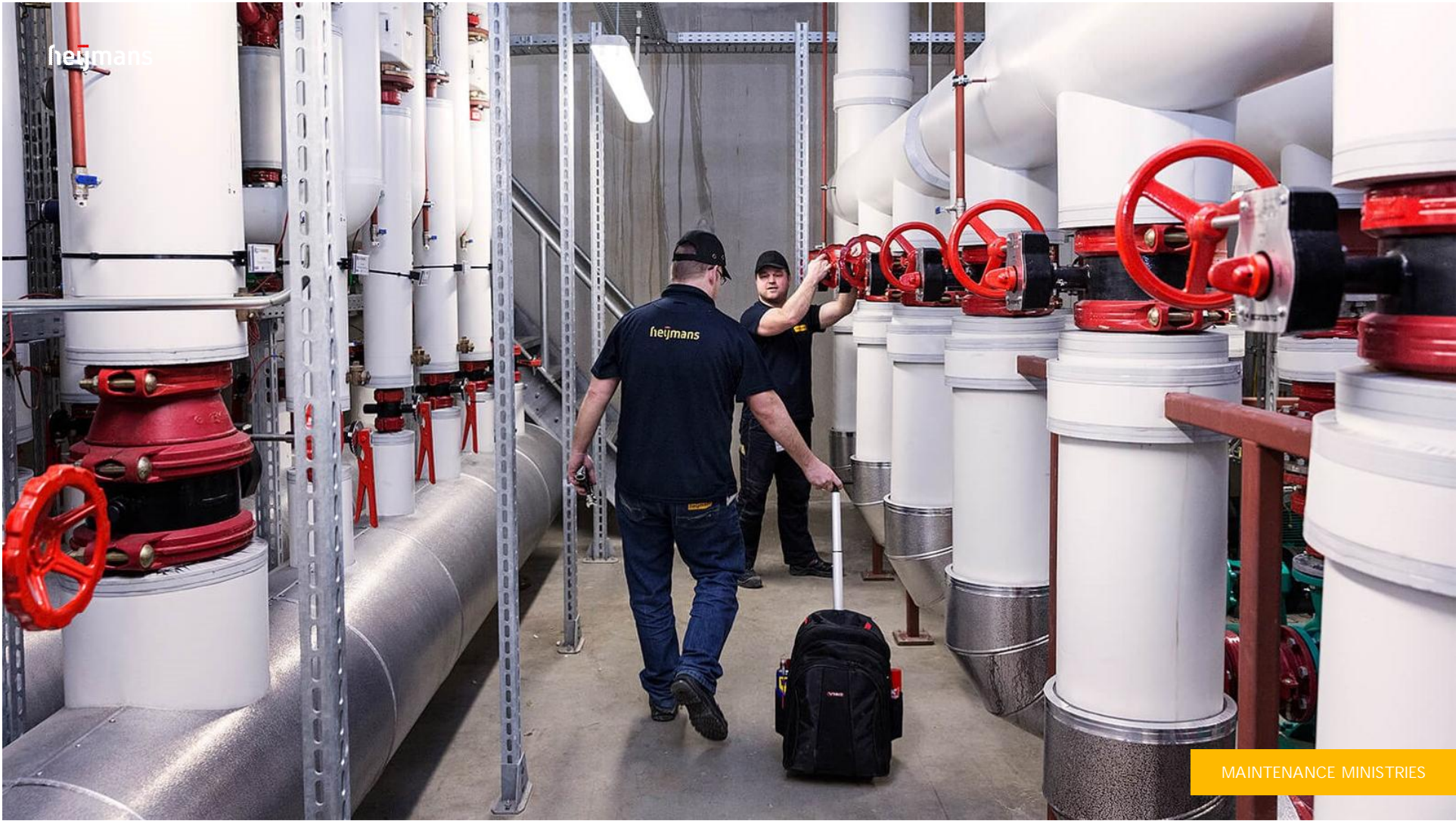


## COMPANY PROFILE

# Living: Residential

---

Residential Building operates from three regional offices under central management. Its prime activity is new-build, but it also includes the restoration, redevelopment and renovation of existing housing, and, at an increasing level, maintenance and services. Being both Property Development and Residential Building experts, clients can be offered outstanding conceptual and construction skills. This enables us to realise complex city centre transformations, as well as new serial development projects.



heijmans

MAINTENANCE MINISTRIES



## COMPANY PROFILE

# Working: Non Residential

---

Non-Residential designs, creates and maintains high-quality electro-technical and mechanical installations. It also realises large-scale and complex construction contracts in the customer and market segments of health care, government and semi-government organisations, commercial property, the high-tech clean industry (such as laboratories) and data centres. Our unique quality is our integrated approach to construction and installation technology. Furthermore, our contracts that include long-term management, maintenance and service are increasing.

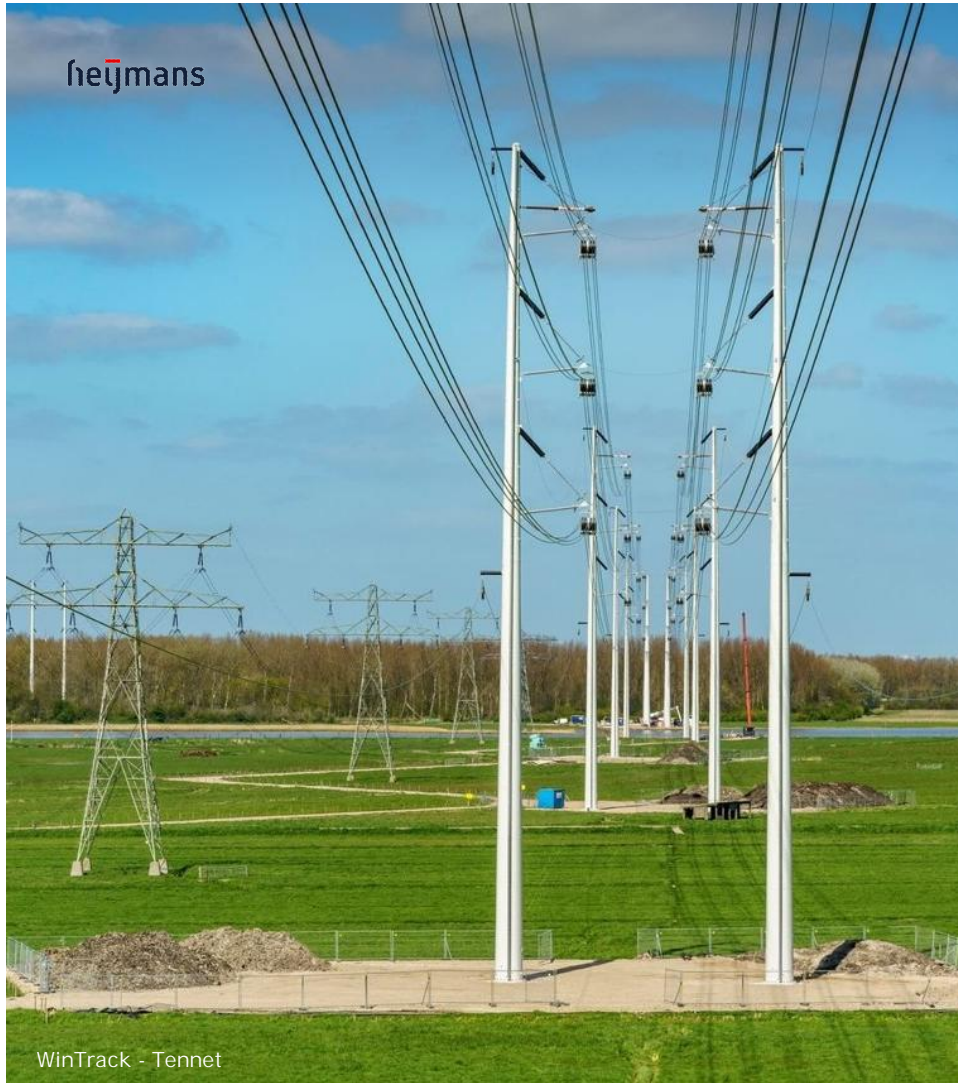




netjans

BEATRIX LOCK - NIEUWEGEIN





## COMPANY PROFILE

# Connecting: Infrastructure

---

Infra focuses on the construction, improvement and maintenance of the Dutch road infrastructure and public spaces, including related installations and on-site objects. This includes roads, viaducts, tunnels, locks, water treatment plants and work related to cables, pipelines and energy supply. It also involves technical work to make roads and public spaces safer, such as lighting, camera and referral systems. The in-depth and varied engineering skills and execution capabilities enable an integrated approach to infra projects in which design, realisation, management and maintenance connect seamlessly.

# Strategy 2017 – 2019: Focus, discipline, excellence

---

- Transformation to purely Dutch company completed
- Focus on segments Living, Working and Connecting with approx. € 1.5 billion in revenues;
- Sustainable recovery of company and its profitability, a.o. through:
  - › Derisking Infra business / large and complex projects in partnerships;
  - › Clear focus on strengthening tender process and project control;
  - › Strict margin over volume approach with selective acquisition based on core competencies;
  - › Bringing cost structure in line with changing scope and strategy Heijmans Nederland;
- Optimising cash management: from acquisition until completion, resulting in debt reduction and a structural improvement of financial leverage;
- Expanding role as director, long-term relationships via services, maintenance and (asset) management;
- Targeted development / innovation, close to the business and together with customers;
- Internal programmes focused on culture, core values, safety.



# Strategy towards 2023

---

Setting our sights on the future – making Heijmans future-proof:  
development of a strategic agenda towards 2023

- ‘Core company in order’ remains priority: following up on ‘Focus, Discipline, Excellence’ strategy as the foundation of the company – process management, quality of the organisation, safety, reduction of failure costs: improving continuously
- Focused development in the field of digitisation, smart solutions and innovative production technology: making our operations smarter
- Commitment to making the built environment more sustainable, integrated approach of area development, with focus on energy, materials and available space: sustainability





heijmans

SPAARNDAMMERBUURT - AMSTERDAM

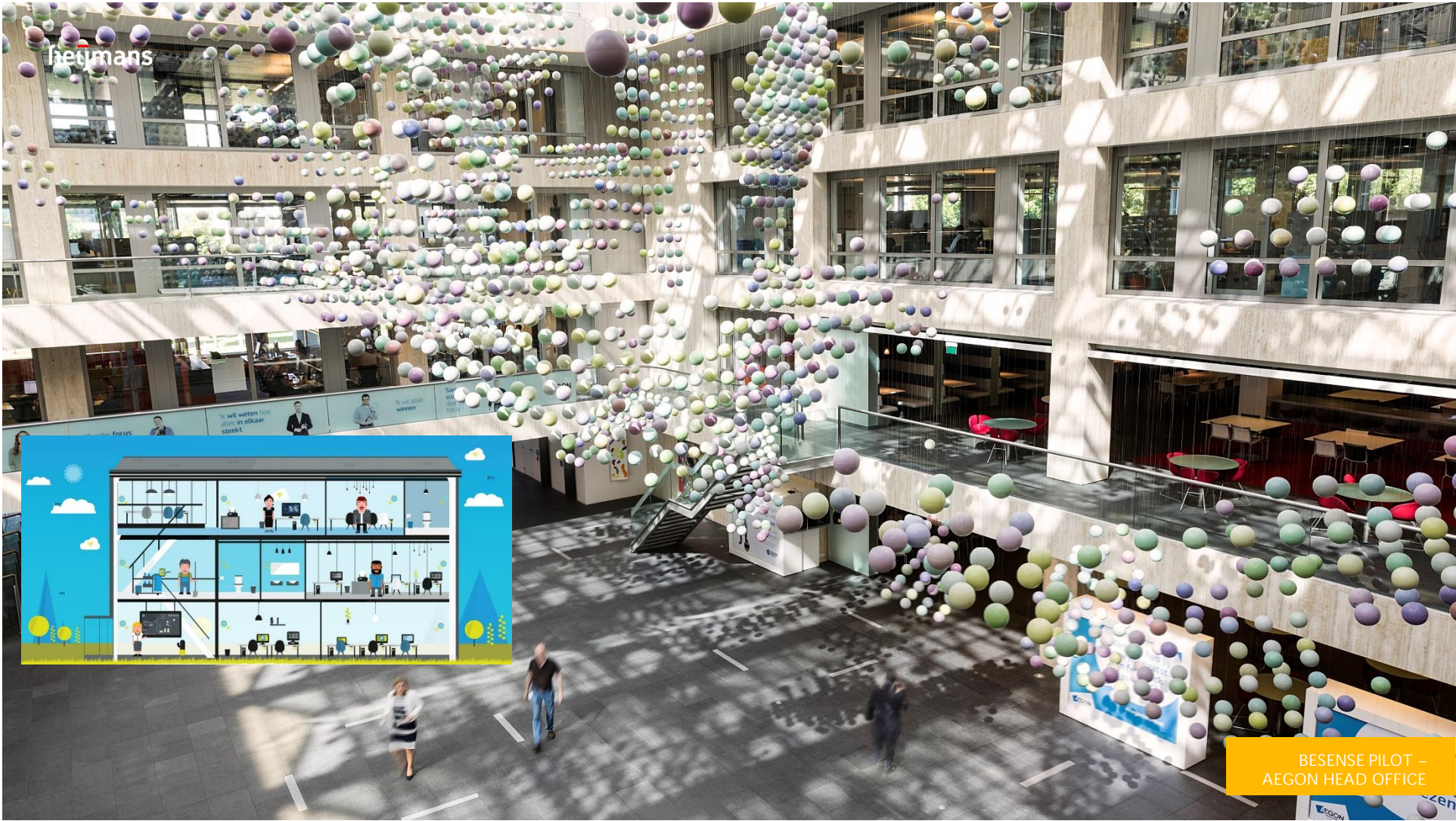


# Strategy Property Development & Residential

Long term goal  
Residential:  
stable EBIT-  
Margin of 3-4%

Long term goal  
Property  
Development:  
stable EBIT-  
Margin of 6-8%

- Growth from solid fundamentals, in margin and volume
- Accelerating property developments where land is owned to further realise debt reduction
- Combination: suburban areas and inner-city developments- new-build and transformation/renovation
- Growth in integrated area development, in which we can differentiate by adding new positions in a creative and inventive manner with high added value
- Sales of own residential labels (Huismerk, Wenswonen and Heijmans ONE) with centralised procurement
- Integrated approach urban, often piled construction with Non-Residential and civil engineering expertise. NB. Following this ambition, as of 1/1/2018 Residential and Non Residential will be brought under central management and merged into "Building & Technology"



hetmans

BESENSE PILOT -  
AEGON HEAD OFFICE

AEGON  
bezen



# Strategy Non-Residential

---

Long term goal:  
stable EBIT-  
Margin of 3-4%

- Commercial focus and selective acquisition based on core competencies
- Armed with its installation expertise, Non-Residential is looking to forge more multi-year client relationships through the acquisition of long-term service contracts
- Focus on specific market segments with high level of knowledge and added value, especially new-build / renovation of functionalities related to the public sector, laboratories, healthcare (cure) and data centres
- Growing importance of concepts and process standardisation
- Intensifying collaboration with Property Development on the realisation of urban projects, with a specific focus on high rise (>70m) buildings
- BeSense example of smart and efficient maintenance



A9 GAASPERDAMMERWEG



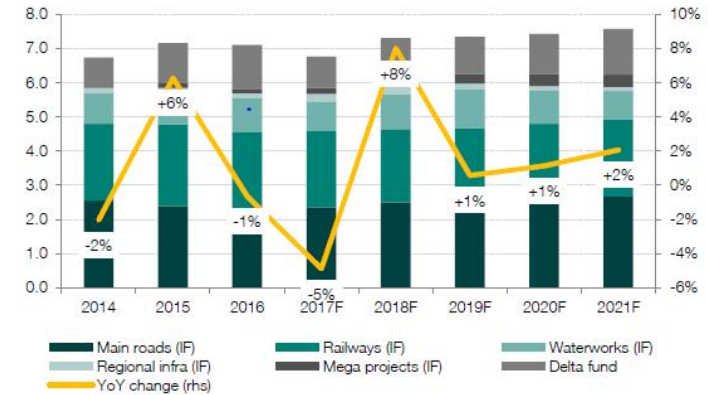
# Strategy Infra

Long term goal:  
stable EBIT-  
Margin of 3-4%

Strategy redefined to improve profitability and to derisk:

- Strong progress on ringfencing / completing loss-making projects acquired in 2011-2015
- Changing leadership culture and implementing effective management structure
- Improvement risk control: project control, risk management, contract management
- New management role: Chief Risk Officer
- Sharpened commercial focus on line infrastructure, selective in water & energy
- More emphasis on regional projects, maintenance & asset management, specialties
- Realisation cost reduction to become more competitive and efficient
- Large projects max. 10% of annual infra revenues, with strong partners based on balanced risk distribution

Public spending relatively stable, also in crisis years...  
...but focus areas can shift from year to year



Source: MRT 2017

COMPANY PROFILE

# Dutch market

- Year on year turnover is increasing again after difficult 2008 – 2015 period.



Source: CBS, adjusted by Rabobank Real Estate (2017)

- Growth strongly driven by booming housing market
- Pressure on procurement & availability of subcontractors
- Heijmans Top 5 player in a relatively fragmented market
- Public spending relatively stable with prominent role for centralised *Rijkswaterstaat* and *Rijksvastgoedbedrijf*
- Increasing demand for 'design & build' (incl maintenance) solutions
- Therewith, more focus on design, engineering & procurement

## Top 20 Dutch construction companies

(excl foreign companies and incl dredging companies)

1	1	Koninklijke BAM Groep	▲ 7.422.942
2	2	VolkerWessels	▲ 4.905.924
3	3	Koninklijke Boskalis Westminster	▲ 3.240.327
4	4	Van Oord	▲ 2.579.269
5	5	Heijmans	▲ 1.978.583
6	6	Struikton	▲ 1.907.165
7	7	TBI Holdings	▼ 1.556.697
8	9	Dura Vermeer	▲ 1.052.219
9	8	Ballast Nedam	▼ 850.000
10	10	Van Wijnen Groep	▲ 692.807
11	13	Brithold (Ten Brinke)	▲ 495.152
12	14	Aan de Stegge Verenigde Bedrijven	▲ 485.233
13	12	Joh. Mourik & Co. Holding	▲ 475.754
14	15	Van Gelder Groep	▲ 324.896
15	16	Janssen de Jong Groep	▲ 286.026
16	17	Hunks Groep	▼ 239.934
17	19	Vorm Holding	▲ 209.575
18	23	Trebbe Groep	▲ 188.000
19	18	M.J. de Nijs en zonen Holding	▲ 186.373
20	22	Van Wanrooij Bouw & Ontwikkeling	▲ 173.142

Source: Cobouw, based on 2015 turnover



# Competitive strengths

---

Heijmans' multidisciplinary integrated approach is a major differentiator in the market. Through its centralised business model there is a high level of standardization of processes and procedures, including 3D BIM, SAP system, and procurement.

With the appointment of a Chief Risk Officer in the business segments, risk management is prioritised throughout all stages of projects, from acquisition until completion.

## Living (Residential and Property Development)

- Development of urban and rural areas in both small and large-scale projects
- Combining creativity and customer focus with strength on realization
- Focus on complex renovations and transformations
- Standardization of concepts (e.g. Huismerk Huismerk, Heijmans Wenswonen) and innovative solutions (e.g. Heijmans ONE)

## Working (Non-Residential)

- Combining construction with technical services in integrated projects throughout the entire lifecycle
- Niche position in healthcare, higher education, high-tech clean, data centres, government with focus on long-term relationships

## Connecting (Infrastructure)

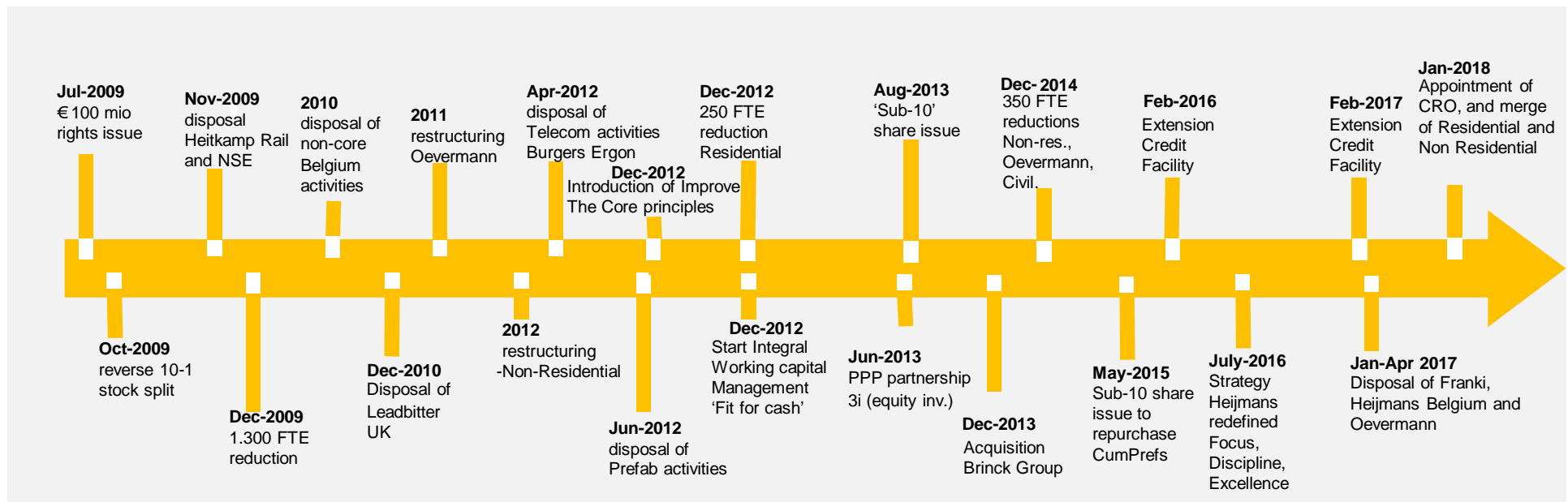
- Top player in our market with proposition including asset / traffic management and technical services
- Strong capabilities and track record in larger and integrated projects
- Added value driven (focus on lean asset base and asphalt production)

heijmans



NEW AMSTERDAM COURT HOUSE





#### STRATEGY

## Restructuring provides potential

Since 2009, Heijmans has implemented a transformational strategic restructuring:

- Focus on core activities in the Netherlands
- Divestment of all foreign operations
- Reduction in strategic land bank positions
- Streamline organisation with centralisation of activities
- Improve contract-, risk- and project management through "Improve the core" and "Focus, Discipline, and Excellence" program

heijmans

VAN GOGH – ROOSEGAARDE BICYCLE PATH



HYDROFIT KOUSRELINING



COMPOSITE BRIDGE



BIKESCOUT



SOLAR NOISE BARRIER



RECOFLEX ASPHALT

## STRATEGY

# Focus on innovation

---

Investing in smart technological concepts / sustainable solutions within business segments:

- Creating competitive advantage towards clients;
- Improving future margin potential because of increased added value and focus on marketability;
- Cooperation with SPARK (network for creativity and knowledge);
- Being an attractive and interesting employer where new initiatives can and will be rewarded.

In cooperation with clients focussed on marketability

Examples of innovations already sold / ready for market launch:

- The 'Heijmans ONE' portable house > 135 houses now sold;
- Hydrofit 'kousrelining' with DSM > several projects realised;
- BikeScout: warning system to improve safety of cyclists;
- 'Smart living concept': standardised 'home control' in all family homes;
- BeSense: enables smart and efficient building management by using sensor technology to generate data on occupation, usage and comfort.

Examples of innovations in pilot phase

- Recoflex Self healing' asphalt concept;
- 3D printing;
- Energy generating noise barrier ('Solar noise barrier').





NATIONAAL MILITAIR MUSEUM - SOESTERBERG

# Heijmans annual results 2017: “Sound basis for continued recovery”

Ton Hillen, chairman executive board Heijmans N.V.

February 23, 2018

# Highlights annual results

---

- In 2017, Heijmans was transformed into a purely Dutch company with a focus on its core competencies in property development, residential building, non-residential and infrastructure
- Underlying ebitda Netherlands €30 mln (2016: €73 mln negative)
- Total number of homes sold 2,192 (2016: 1,962), of which 1,394 were sold to private buyers (2016: 1,019)
- Continuing strong growth in revenue and result Property Development, stable development Residential Building
- Infra from severely loss-making to profitable operation, lagging performance Non-Residential
- Net profit (incl. foreign operations) to €20 million in 2017 (2016: net loss of €110 mln)
- Solvency ratio 27%, net cash position year-end €14 mln (2016: net debt €100 mln)

## Progress high-risk projects

---

- Completing / Ringfencing problem projects acquired in 2011-2014 is progressing;
- Total impact 2016 nearly € 90 mln: Infra approx. € 75 mln / Non-Residential approx. € 15 mln;
- N23: work on schedule, opening December 2018, official delivery March 2019
- Drachtsterweg: opened for traffic (delivery documentation ready 1 April 2018)
- RIVM: decision to transfer Heijmans interest in consortium to Strukton:  
one-off loss €3,5 mln
- Wilhelmina lock project: pending definitive verdict and agreement on cost allocation  
interim ruling of the Arbitration board for the building industry  
indicates that neither the Province of Noord-Holland nor Heijmans  
could have foreseen the cause of the problem with the lock's design
- Turnover mix is improving, as problem projects are phasing out, and new order intake is improving given margin over volume approach.



# Outlook

---

- 2017 transitional year, repositioning of the Dutch core business:
  - › Solid progress on all fronts: profit recovery, debt reduction, derisking
  - › Reduction impact of specific high-risk projects progressing well, withdrawal from RIVM-project is major step
- Order book year-end 2017 at similar level as year-end 2016: €1.9 billion  
Order book well filled and of good quality
- Key goal for 2018 remains continued recovery in profitability



HET FUNEN - AMSTERDAM

## Developments per sector (based on 2017 annual results)

# Property development: excellent performance, driver for growth

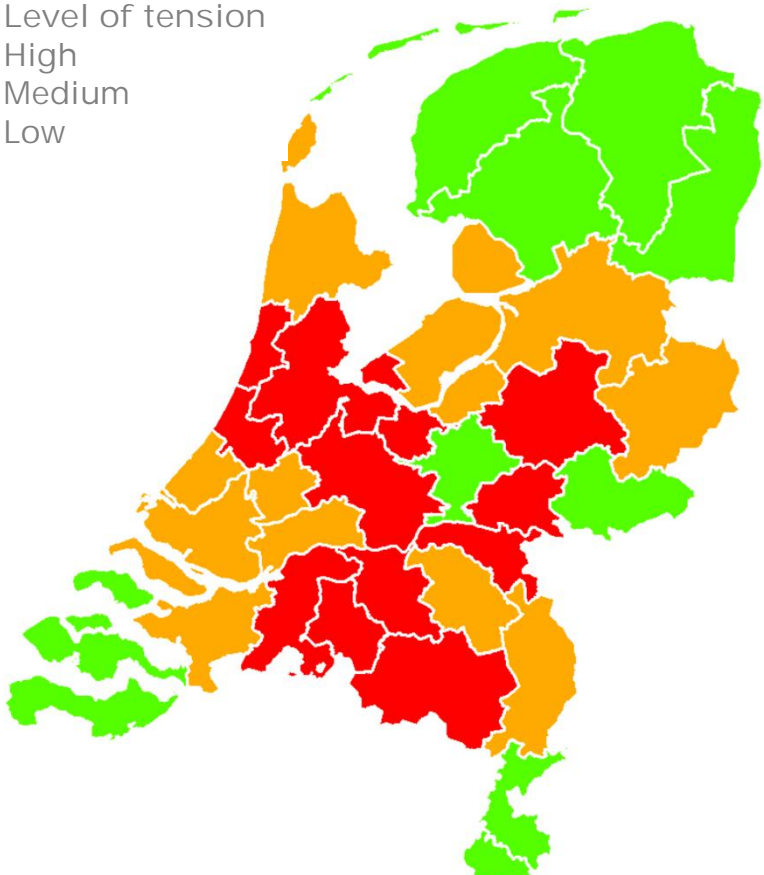
## Property development

x € 1 million	H2 2017	H1 2017	2017	2016
Revenues	205	186	391	332
Underlying EBITDA	12	8	20	15
<i>Underlying EBITDA margin</i>	5,9%	4,3%	5,1%	4,5%
Order book	420	305	420	311

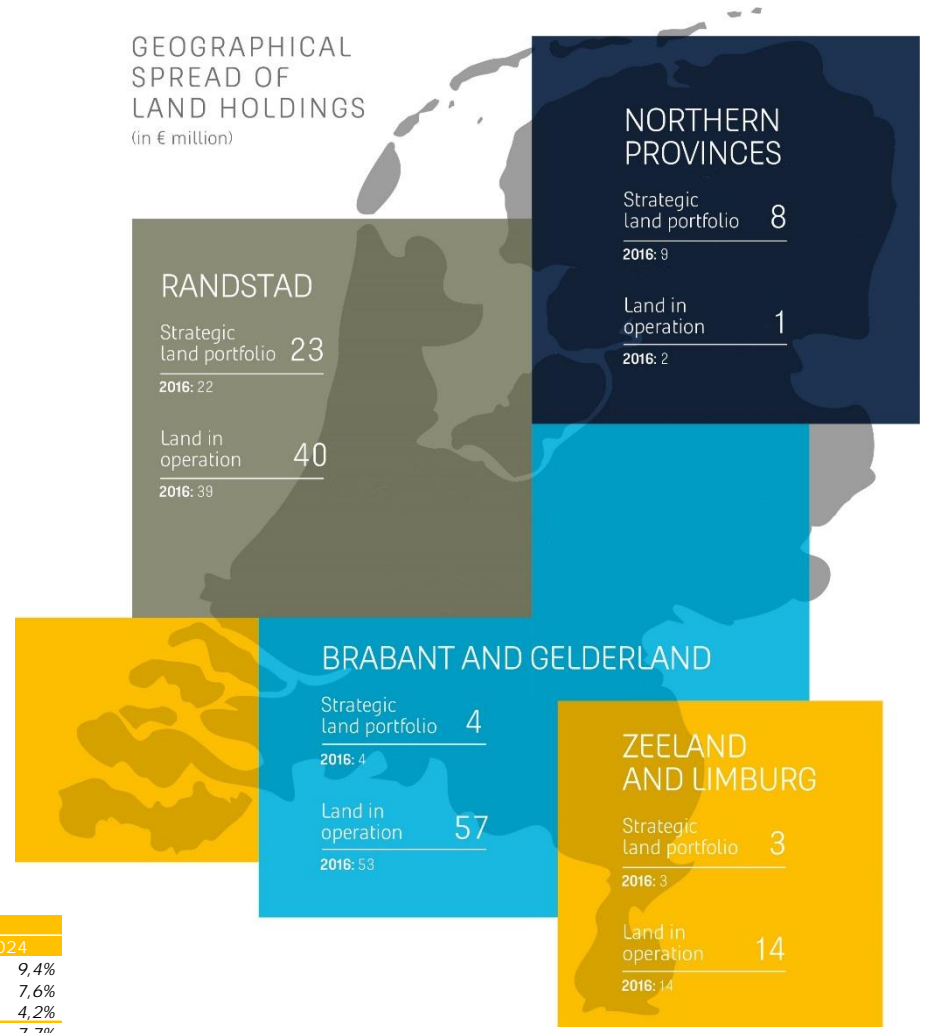
- Strong growth revenue and performance continues, good prospects for 2018:  
 revenue +18%, underlying ebitda +35%, number of homes sold +12%  
 average sales price (incl. transaction costs, excl. VAT) of homes sold to private buyers +24%  
 orderbook + 35%
- Combination of inner-city area development and development of suburban areas
- Slight decrease of investment commitments



Level of tension  
 High  
 Medium  
 Low



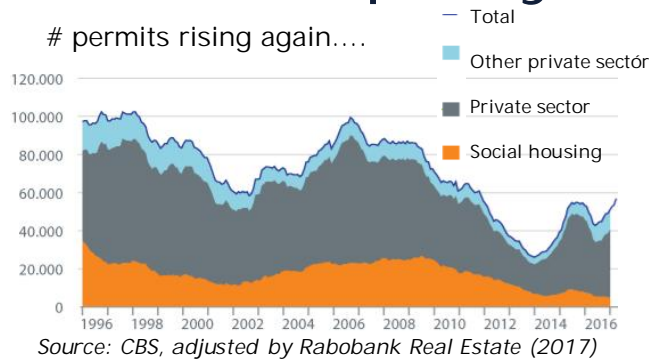
GEOGRAPHICAL SPREAD OF LAND HOLDINGS (in € million)



Level of tension	Population				Households					
	2015	2015-2019		2015-2024		2015	2015-2019		2015-2024	
High	7.470	259	3,5%	446	6,0%	3.432	185	5,4%	322	9,4%
Medium	6.102	156	2,6%	262	4,3%	2.713	120	4,4%	206	7,6%
Low	3.329	23	0,7%	8	0,2%	1.519	45	3,0%	64	4,2%
Total	16.901	438	2,6%	716	4,2%	7.664	350	4,6%	592	7,7%

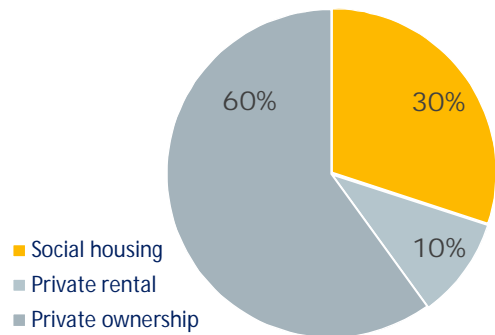
Source Primos (2016)

# Property Development: Dutch market



...but hard to meet strong supply

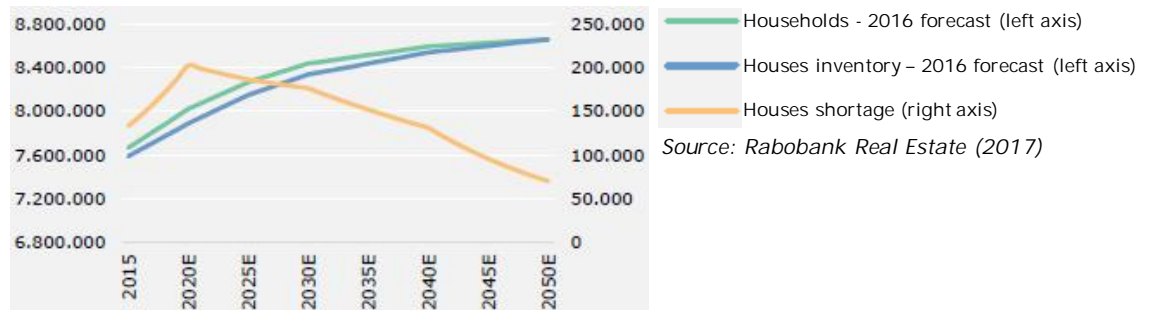
Traditionally high % of social housing....



...but shifting given high demand private sector and discouraging governmental policy

Fundamentals have improved considerably since 2014 after 7 years of declining market:

- Historically low interest rates, increased consumer confidence and government policies (incl. *aanpak scheefwonen*, capping tax deductibility interest) have resulted in a strong demand and increasing house prices again: at least 800,000 additional houses, to be realised before 2030;
- Specific growth areas: Innercity development / transformation (mainly Randstad) and affordable houses for 1-person households / starters. Main cities only able to fill in appr. half of the additional capacity, therewith also growth expected outside cities where prices are lower.
- Challenge to meet high demand as capacity in supply chain decreased during crisis years:
  - > Government: delays in permit procedures and higher building aesthetics requirements;
  - > Construction companies: prices going up due to increased demand for people and materials.
- Several factors however still require strict risk management procedures:
  - > Affordability for starters / young families, especially in cities;
  - > Monetary policy uncertain, potential impact on interest rates;
  - > Rental system still protective.





heijmans



LEIDSCHER RIJN CENTRUM - UTRECHT



# Residential: controlled development

## Residential

x € 1 million	H2 2017	H1 2017	2017	2016
Revenues	158	139	297	296
Underlying EBITDA	3	2	5	4
<i>Underlying EBITDA margin</i>	1,9%	1,4%	1,7%	1,4%
Order book	435	342	435	327

- Revenue and underlying ebitda at comparable level
- Strong turnaround in the market, pressure on availability of subcontractors and procurement prices
- Focus on controlled growth and quality, execution partner for Property Development projects, combined with own acquisition
- Focus on standardised products: Heijmans Huismerk and Heijmans Wenswonen (500 in 2017, 1.000 expected in 2018), Heijmans ONE (135 since 2016)
- Growing demand renovation and sustainability, revenue 2017 € 50 mln



heijmans  
TH

MAINTENANCE CONTRACT PGGM

# Non-residential: lagging results

## Non-residential

x € 1 million	H2 2017	H1 2017	2017	2016
Revenues	122	118	240	315
Underlying EBITDA	-5	-1	-6	-14
<i>Underlying EBITDA margin</i>	-4,1%	-0,8%	-2,5%	-4,4%
Order book	589	756	589	758

- Revenue further declined in 2017, underlying ebitda negative
- Selective acquisition policy for new-build projects,
- Selective acquisition of new-build projects, insufficient coverage overhead
- Withdrawal RIVM project
- No further downscaling: new business opportunities expected in near future
- Maintenance activities (Services): decent performance, revenue of €171 mln
- Data-driven concepts: BeSense – implementation at ten clients, several advanced leads



freijmans



A1 APELDOORN - BEEKBERGEN

## Infra: strong recovery

### Infra

x € 1 million	H2 2017	H1 2017	2017	2016
Revenues	379	301	680	621
Underlying EBITDA	15	1	16	-73
<i>Underlying EBITDA margin</i>	4,0%	0,3%	2,4%	-11,8%
Order book	814	987	814	730

- Revenue increased, strong improvement underlying ebitda
- Measures taken have proved to be effective: agreement on a number of high-risk projects, tightened focus, organisational improvements, appointment CRO, reduction of cost structure, improved balance in types of projects
- N23: controlled realisation and good progress towards opening in 2018
- A9: availability planned for end June 2018
- Wilhelmina lock Zaandam: pending final verdict





A1/A27 PPP

# Cash flow and financing



# Recovery according to plan

---

- Divestments foreign operations resulting in net debt impact of €97 mln, total net debt improved with €114 mln to €14 mln 'net cash'
- Improved capital ratios: balance sheet downsized, capital base strengthened, improved debt position
- Steady working capital development and good progress in de-risking
- Solvency year-end 2017: 27%
- Early reduction of credit facility to €156 mln (FY 2016: €256 mln), 8 months ahead of schedule on track towards further reduction to €122 mln as per 30-6-2019
- Throughout the year Heijmans operated well within the parameters of the agreed covenants
- Regular covenants will once again be in effect from 2018 onwards:  
Heijmans would already have been compliant with these covenants in Q4

## APPENDIX

## Financing in place

---

The most significant financing arrangements include:

- € 156 mln in syndicated loan facility (see right column)
- € 45 mln in cumulative preference shares with a coupon of 7.9% and a perpetual tenor
- € 286 mln in guarantee facilities, of which roughly 2/3 is used

In addition, several project financings in place in PPP and Property Development, both recourse and non recourse, as well as several operational and financial leases

Relevant details syndicated loan facility:

- Commitment to be reduced gradually to € 122 mln per 30 June 2019. Latest reduction in October '17, 8 months ahead of schedule;
- Syndicate of Rabobank, ING, ABN Amro and KBC;
- EBITDA floor and Solvency floor applicable for 2017:
  - ∅ minimum EBITDA to be tested at € 20 million in Q4 2017 (Q2: 0; Q3: 5);
  - ∅ solvency ratio to be tested at 20% in Q4 2017 (Q2: 16%; Q3: 18%);

# Financial covenants

- Per 2018 testing based on following covenants:
  - ∅ Interest Cover, tested quarterly, minimum 4;
  - ∅ Leverage Ratio, tested semi-annually, max. 3;
  - ∅ As of Mid 2018, average leverage ratio, tested quarterly, maximum 2.5.
  - ∅ Covenants would already have been met if they had to be tested at Q4 2017

Amounts x € 1 million	2017 FY	2016 FY
<b>Net debt</b>	<b>-13,7</b>	<b>100,1</b>
<i>Adjustments:</i>		
Net debt Joint Ventures	89,2	84,7
Net debt non recourse project finance	-95,0	-92,6
Cumulative preference shares B	-45,1	-45,1
Other	5,3	2,0
<b>Net debt covenants (A)</b>	<b>-59,3</b>	<b>49,0</b>
Reported EBITDA	59,0	-75,4
Extraordinary items	-14,2	28,7
EBITDA JV's	-14,1	-0,2
<b>Underlying EBITDA</b>	<b>30,8</b>	<b>-46,9</b>
<i>Adjustments:</i>		
Capitalised interest	1,5	1,8
EBITDA non recourse projects	-5,2	-3,6
Other	-1,3	-0,6
<b>EBITDA covenants (B) - Interest Cover</b>	<b>25,8</b>	<b>-49,3</b>
EBITDA from disposed subsidiaries	0,9	0,0
<b>EBITDA covenants (C) - Leverage Ratio</b>	<b>24,9</b>	<b>-49,3</b>
<b>Net interest</b>	<b>11,3</b>	<b>9,6</b>
<i>Adjustments:</i>		
Net interest joint ventures	1,1	2,1
Net interest non recourse project financings	-2,8	-3,0
Interest cumulative preference shares B	-3,6	-3,6
Other	-2,7	-0,8
<b>Net interest covenants (D)</b>	<b>3,3</b>	<b>4,3</b>
<b>Average net debt covenants (E)</b>	<b>46,8</b>	<b>111,3</b>
<b>Leverage ratio (A/C) &lt;3</b>	<b>-2,4</b>	<b>-1,0</b>
<b>Interest cover ratio (B/D) &gt;4</b>	<b>7,7</b>	<b>-11,1</b>
<b>Average Leverage ratio (C/E) &lt;2,5</b>	<b>1,9</b>	<b>-2,3</b>





ELASTOCOAST - WADDENZEEDIJK

# Financial statements

# Balance sheet

(x €1 million)	31 December 2017	31 December 2016
<b>Non-current assets</b>		
Property, plant and equipment	47	55
Intangible assets	80	82
Share in joint ventures and associates	66	66
Other fixed assets	89	88
	<b>282</b>	<b>291</b>
<b>Current assets</b>		
Strategic land portfolio	150	147
Other inventory	37	70
Construction work in progress	61	60
Trade and other receivables	166	176
Cash and cash equivalents	74	30
	<b>488</b>	<b>483</b>
	<b>770</b>	<b>774</b>
Assets held for sale	-	282
<b>Total assets</b>	<b>770</b>	<b>1.056</b>
<b>Equity</b>	<b>162</b>	<b>142</b>
<b>Non-current liabilities</b>		
Cumulative financing preference shares	45	45
Interest-bearing loans	9	13
Provisions and non-interest bearing debts	18	16
	<b>72</b>	<b>74</b>
<b>Current liabilities</b>		
Interest-bearing loans and other current financing	6	118
Trade and other payables	377	371
Construction work in progress	129	118
Provisions	24	18
	<b>536</b>	<b>625</b>
	<b>770</b>	<b>841</b>
Liabilities held for sale	-	215
<b>Total liabilities</b>	<b>770</b>	<b>1.056</b>





Asset Management lock of Terneuzen



x € 1 million	H2 2017	H2 2016	2017	2016
<b>Revenues Netherlands</b>	<b>756</b>	<b>665</b>	<b>1.402</b>	<b>1.370</b>
Property development	12	9	20	15
<i>Residential</i>	3	2	5	4
<i>Non-residential</i>	<u>-5</u>	<u>-15</u>	<u>-6</u>	<u>-14</u>
Construction & Technology	-2	-13	-1	-10
Infra	15	-60	16	-73
Corporate/other	-4	0	-5	-5
<b>Underlying EBITDA Netherlands</b>	<b>21</b>	<b>-64</b>	<b>30</b>	<b>-73</b>
Correction operating result joint ventures	3	8	14	5
Write down on property assets	-3	-18	-6	-19
Restructuring costs	-4	-2	-8	-4
Soil remediation	-3	-	-3	-
<b>EBITDA Netherlands</b>	<b>14</b>	<b>-76</b>	<b>27</b>	<b>-91</b>
Depreciation/amortisation Netherlands	-7	-7	-13	-13
<b>Operating result Netherlands</b>	<b>7</b>	<b>-83</b>	<b>14</b>	<b>-104</b>
Operating result discontinued operations incl. bookresult	0	4	31	10
<b>Operating result</b>	<b>7</b>	<b>-79</b>	<b>45</b>	<b>-94</b>
Financial results	-4	-5	-8	-8
Share of profit of associates and joint ventures	-4	-6	-15	-2
<b>Result before tax</b>	<b>-1</b>	<b>-90</b>	<b>22</b>	<b>-104</b>
Income tax	1	-8	-2	-6
<b>Result after tax</b>	<b>0</b>	<b>-98</b>	<b>20</b>	<b>-110</b>

# Cash flow

indirect method (x € 1 million)	2017	2016
<b>Operating result - including discontinued operations</b>	<b>45</b>	<b>-94</b>
Loss on sale of assets held for sale	0	6
Gain on sale of subsidiaries	-31	0
Gain on sale of non-current assets and property investments	-1	-1
Depreciation and impairment of property, plant and equipment	12	17
Amortisation of intangible assets	2	2
Adjustment of valuation of property and land bank excluding joint ventures	5	19
Change of net work in progress	1	29
Changes in other working capital and non-current provisions	-1	-34
<i>Operating result after adjustments</i>	<i>32</i>	<i>-56</i>
Interest paid	-11	-13
Interest received	2	5
Income tax paid	-2	-4
<b>Cash flow from operating activities</b>	<b>21</b>	<b>-68</b>
Investment in property, plant and equipment	-4	-15
Proceeds from sale of property, plant and equipment	1	7
Proceeds from sale of subsidiaries	97	0
Loans granted to joint ventures and associates	-1	-10
Loans repaid by joint ventures	-2	-4
<b>Cash flow from investment activities</b>	<b>91</b>	<b>-22</b>
Interest-bearing loans drawn down	0	67
Interest-bearing loans repaid	-116	-24
<b>Cash flow from financing activities</b>	<b>-116</b>	<b>43</b>
<b>Net cash flow in the period</b>	<b>-4</b>	<b>-47</b>
Cash and cash equivalents at 1 January	30	125
Cash and cash equivalents assets held for sale	48	-48
<b>Cash and cash equivalents at 31 December</b>	<b>74</b>	<b>30</b>

FINANCIAL STATEMENTS

# Order Book

Order book (x € 1 million)	31-12-2017	30-6-2017	31-12-2016
Property development	420	305	311
Residential	435	342	327
Non-residential	589	756	758
Infra	814	987	730
Eliminations	-360	-269	-263
<b>Netherlands</b>	<b>1.898</b>	<b>2.121</b>	<b>1.863</b>



Bananenstraat - Rotterdam





TIMMERHUIS ROTTERDAM

# Appendices

## Board of directors

---



Ton (A.G.J.) Hillen (1961), Member of the Executive Board as of 18 April 2012, Chairman of the Executive Board as of 1 December 2016. responsible for: General Affairs, Infrastructure, Property Development, Residential Building\*, Non-Residential\*, Innovation, HR / Management Development, Communication, Sustainability

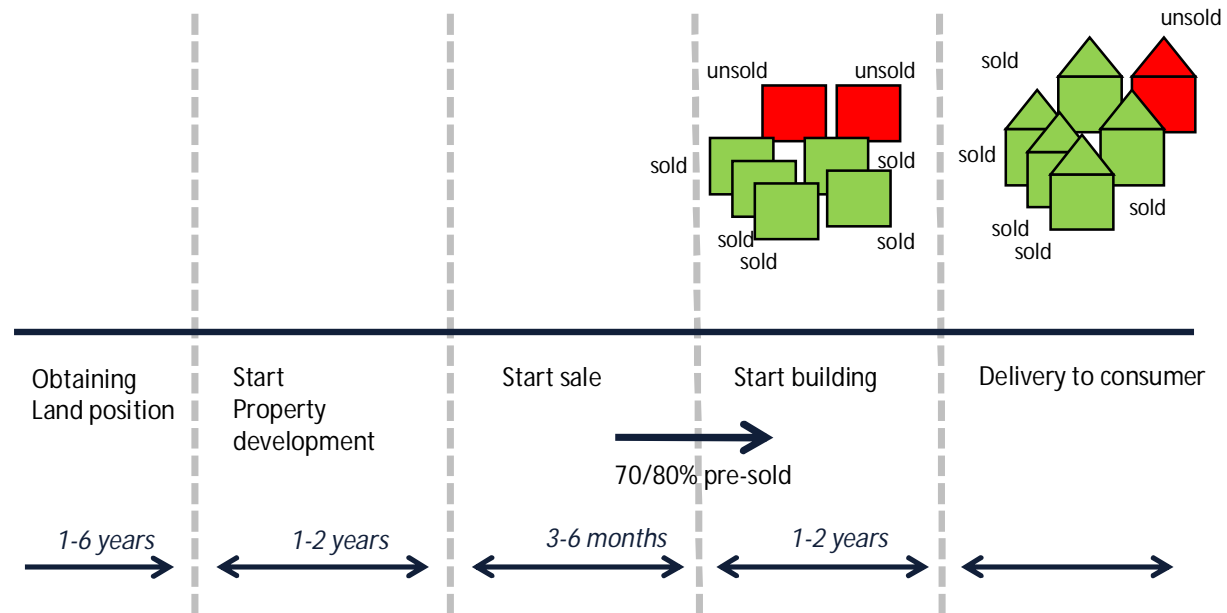
\* Residential and Non Residential will be merged into Building & Technology as per 1/1/2018



Hans (J.G.) Janssen (1967), member of the Executive Board / CFO as of 30 October 2017. He previously held financial positions at Unilever, and was recently CFO of Mediq. responsible for: Finance, Investor Relations, ICT, Legal Affairs, Pensions, Procurement (incl Facility Management).

# Property development process

Process and timing



Revenues recognition is based upon the progress of construction of sold property



ANNEX

# Risk management approach

---

Policies and corporate philosophy gradually developed and implemented as from mid 2008:

- Compact set-up with direct reporting to Executive management;
- Centralised organisation model: to act as 'One Company';
- Centralised tender management and procurement, with direct involvement executive management;
- Senior management bonus system based on corporate goals;
- Periodic review meetings for businesses and (relevant) projects. Also in execution phase to monitor project start up and 'stick-to-the-plan' approach;
- 'Best in class' project reporting providing good insight on project opportunities as well as risks, specific issues, cash flow and progress. Further improve uniformity;
- Uniform risk classification for all projects into three categories. Direct involvement from Executive Board in large and complex projects in all phases;
- Culture of openness on project performance. Issues to be escalated asap to enable effective follow-up and support;
- High level of attention for cash management on all levels in the organisation ("Fit for cash" program);
- Implementation of uniform ERP landscape to improve control.
- Balance limitations of project size (over time) versus capacity. Partnering where required;
- Simplified legal structure with limited number of entities and managing directors
- (2017) roll out of Chief Risk Officer within business segments, with an independent role opposed to project teams

ANNEX

# Towards one integrated ERP platform (SAP)

---

## Objectives

1. Strengthen Control
2. Integrate Procurement
3. Improve efficiency in back office processes

## Key changes

Integrated system / Centralized data management

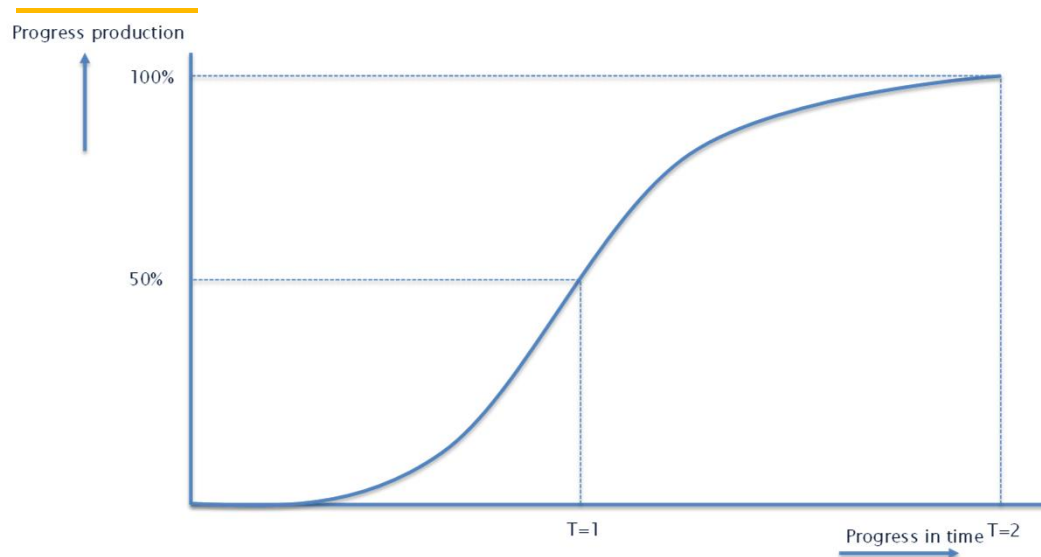
Data entry at source (orders, hours)

Three way match, digital invoicing AP

1 project structure, also for integrated projects

- Successful deployed to +/- 4,400 employees;
- Implemented at Infra, Holding, Residential, and Non Residential);
- To go: Property Development (2017);
- Proven project approach and timelines (Initiated in 2011, Blueprint Q4 2012, start roll-out 2013). Now close to completion;
- Generic processes based upon SAP Best Practices (limited customization, using only industry-standard or industry-customized SAP processes & add-on tools);
- Invested TD: € 12 mln, limited to no impact on running IT costs (phase-out old systems);
- Top-down roll-out with dedicated change management;
- 2017 and beyond: to exploit and leverage contribution to "real" business value (enhance performance, more uniform organization, improve operational efficiency and management information, integrating CRM, Go / No Go decisions).

# IFRS % of completion method



- Direct costing applied, i.e. the gross margin is recognized on the basis of the percentage of completion method.
- In this method, 50% of the gross profit is recognized half way the project, and 100% at completion.
- Suppose a EUR 100 mln with 10% gross margin and a 2 year construction period.
- What happens if a setback of EUR 10 mln is discovered?

- At  $t = 0$  (for example in the final design stage), 10 mln should be deducted from future profits. The next two years of turnover will not contribute any gross margin
- At  $t = 1$ , 50% of the gross profit is already recognized in the previous year. EUR 5 mln should be deducted from future profits (in year 2 no gross margin contribution) and EUR 5 mln should be recorded as loss in the P&L
- At  $t=2$  (just before completion) almost all gross profit has already been recognized as profits in previous year. The setback should be recorded as financial loss in year 2



# Project images in this handout

Slide	Project	Location	Segment
4	Heijmans One	Replaceable	Residential
6	New Amsterdam Court House PPP	Amsterdam	Non Residential
8	Fenix Lofts	Rotterdam Katendrecht	Property Development / Residential
9	Kanaleneiland	Utrecht	Property Development / Residential
10	Heijmans Huismerk (own label)	Utrecht	Residential
11	HAGA	Den Haag	Property Development / Residential
12	Services / maintenance Ministries	19 locations in The Hague	Non-Residential (Services)
13	Hart van Zuid PPP	Rotterdam	Non Residential / Property Development
14	Beatrix Lock PPP	Nieuwegein	Infra
15	Wintrack II Tennet	Northern provinces	Infra
16	Schiphol Assetmanagement	Amsterdam Schiphol	Infra
18	Spaarndammerbuurt	Amsterdam	Property Development / Residential
20	BeSense Pilot Aegon	The Hague	Non Residential (Services)
22	A9 Gaasperdammerweg PPP	Amsterdam	Infra
26	New Amsterdam Court House PPP	Amsterdam	Non Residential
28	Overview of innovations		
30	National Military Museum	Soesterberg	Non-residential
34	Het Funen	Amsterdam	Property Development / Residential
38	Leidsche Rijn Centrum	Utrecht	Property Development / Residential
40	Maintenance contract PGGM	Zeist	Non Residential (Services)
42	A1 Apeldoorn / Beekbergen	Apeldoorn - Beekbergen	Infra
44	A27 / A1 PPP	Utrecht - Eemnes	Infra
48	Elastocoast	Waddenzeedijk	Infra
50	Terneuzen Lock	Terneuzen	Infra Asset Management
53	Bananenstraat	Rotterdam	Property Development / Residential
54	Het Timmerhuis	Rotterdam	Property Development / Non-Residential

## CONTACT DETAILS

HEIJMANS N.V.  
PO Box 2  
5240 BB Rosmalen, The Netherlands  
[www.heijmans.nl](http://www.heijmans.nl)  
<http://twitter.com/HeijmansNL>

CONTACT:  
Guido Peters  
Investor Relations Heijmans  
+31 73 543 5482  
[gpeters@heijmans.nl](mailto:gpeters@heijmans.nl)

## 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. 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



heijmans



heijmansnl