

# General Meeting of Shareholders

Ton Hillen, Chairman of the Executive Board of Heijmans N.V.

**12 April 2017**

Verkadefabriek, 's-Hertogenbosch



Wijnhavenkwartier  
The Hague



## Basis established for recovery of profitability and debt reduction

- Settlements made concerning problem projects: resulting in high losses
- Refinancing; term extended up to and including 30 June 2019
- Proposed divestments on track; goal: to improve debt/EBITDA ratio
- Tightened strategic focus: Heijmans to concentrate on Dutch market

## Dramatic loss in 2016 – € 110 million

### Key figures \*

x 1 € million

	2016	2015
Revenues	1.884	1.979
Underlying operating result **	-66	-5
Operating result	-94	-29
Result after tax	-110	-27
Earnings per share ( in €)	-5,16	-1,32
Order book Netherlands	1.863	1.669
Net debt	100	10
Number of FTE	6.241	6.582

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

# Operating result per sector

Underlying operating result x € 1 million	2016	2015
Property development	15	9
Residential	4	5
Non-residential	-15	0
Infra	-78	-26
<b>Netherlands</b>	<b>-74</b>	<b>-12</b>
Belgium	7	8
Germany	13	7
Concern	-12	-8
<b>Underlying operating result</b>	<b>-66</b>	<b>-5</b>
Correction operating result joint ventures	1	-9
Write down on property assets	-19	-12
Restructuring costs	-4	-3
Book loss sale Franki	-6	-
<b>Operating result</b>	<b>-94</b>	<b>-29</b>

## 2016 Highlights: Heijmans to focus on the Netherlands

- 2016 Revenues: € 1.9 billion (2015: € 2 billion), excl. Belgium/Germany: € 1.43 billion
- Growth number of homes sold to 1,962 homes (2015: 1,791 homes)
- Significant impact of project losses € 90 million, clear improvement of risk profile
- Underlying operating result 2016: -/- € 66 million (2015: -/- € 5 million)
- Net result 2016: -/- € 110 million (2015: -/- € 27 million)
  
- Strategy adjusted:
  - fully focused on Dutch market
  - tightened focus on core competencies in property development, non-residential, residential building, infrastructure
- Dutch order book at year-end 2016: € 1.9 billion (year-end 2015: € 1.7 billion)
- Refinancing extended up to and including 30 June 2019: phased reduction of credit facility to € 122 million
- Solvency ratio approx. 18%; > 20% after divestments foreign operations

## Financial settlement and ringfencing of loss-making projects

- Total impact 2016 nearly € 90 million
- Infra: approx. € 75 million
- Non-Residential: approx. € 15 million
  
- Drachtsterweg Leeuwarden: new agreements Q2 2016, loss 2016: € 6 million
- Energiefabriek Tilburg: contract termination per 1-12-2016, loss 2016: € 23 million
- N23: new agreement, loss 2016: € 32 million
- Wilhelminasluis Zaandam: arbitration procedure started
  - > additional provision 2016: € 8 million
- RIVM: new design, start construction, financial consequences being discussed
  - > provision 2016: € 10 million
- Other: minor losses concerning projects completed in 2016, approx. € 10 million

## Financing extended to mid-2019

- Goal: structural improvement of debt/EBITDA ratio
- Term up to and including 30 June 2019
- Credit facility reduced in phases to € 122 million (30 June 2019), in line with new scope
- Divestment foreign companies: debt reduction
- No covenant testing for Q4 2016 and Q1 2017
- Q2, Q3, Q4 2017: customised covenants, testing for minimum EBITDA levels and solvency ratio:
  - minimum EBITDA rising to € 20 million in Q4 2017
  - solvency ratio rising to at least 20% in Q4 2017
- Per 2018 testing based on existing covenants
- Continuity secured, important step towards recovery



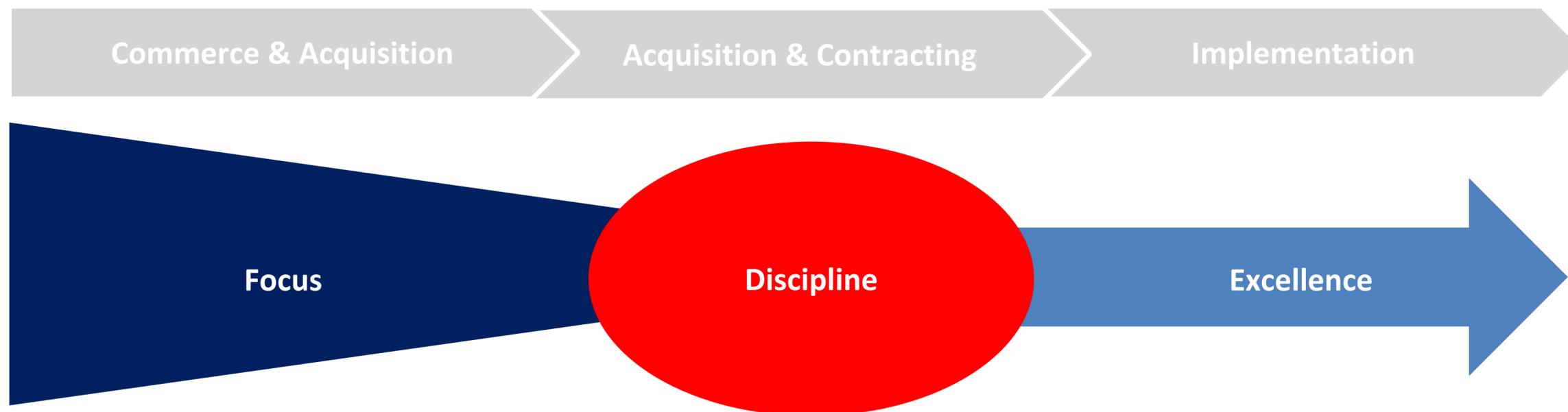
A12 Parallel Structure  
Gouda



## Focus, Discipline, Excellence: 2017 Transition Year

- Dutch core company, revenues approx. € 1.5 billion, with positive result;
- Selective acquisition based on core competencies per segment;
- Large/complex projects in partnerships;
- Tight cash management: from acquisition to completion;
- Further optimization of cost structure in line with scope Heijmans in the Netherlands, no large reorganizations anticipated;
- Key objective 2017: debt reduction and recovery of profitability

# Heijmans builds on a future of growth



## Focus on strengths:

- Core competencies and distinctive strengths
- Markets with a strong starting position
- Most attractive clients
- Projects together with risk-sharing partners

## Be and stay in control:

- Guidelines intake margin and Go/No Go criteria
- Margin over volume
- Manage risks, costs and working capital
- Overhead cost reduction

## Optimization:

- Outstanding performance through further refinement of routines
- Zero outstanding issues; everything right the first time; client satisfaction
- Right people in right position
- Product concepts with repetitive character

# Tender management template – saying 'no' is a competency

 Zoek

### PROJECTEN

Projecten	Projectnr.	Naam Project	Gewijzigd	Q.Lead.	Init.	Start	Strat.	Uitw.	Uitw.H	C.Afr.	Gunn.
	G.102346	Renovatie openbare bibliotheek Amsterdam	31 mrt '17								
Leads	G.102332	AFAS Experience Centre	31 mrt '17								
Initiatief	Y00166	RVB - Rechtbank Rotterdam	30 mrt '17								
Start	G.102119	Pieter Baan Centrum te Almere	30 mrt '17								
Strategie	Y00325	Equinix, Datacentre AM4	30 mei '16								
Uitwerking	Y00454	World Forum (Vervallen)	29 apr '16								
Uitwerking Her.	Y00026	Hoofdkantoor Fokker - Papendrecht (Vervallen)	29 apr '16								
Comm. Afronding	Y00126	Naturalis Biodiversity Center	29 apr '16								
Gunning	Y00086	Klooster NHTV Campus (Vervallen)	29 apr '16								
Takenlijst	Y00415	NACH	28 jun '16								
Instellingen	Y00146	The Sharing Tower te Amsterdam	28 jun '16								
	Y00535	Collectiegebouw Museum Boijmans Van Beuningen	22 jun '16								
	Y00135	Admiraal de Ruyter Ziekenhuis (Vlissingen)	21 nov '16								

KOPPELINGEN BEWERKEN

# Property development & Residential

Spaarndammerbuurt,  
Amsterdam

## Property development & residential: exploit growing Dutch residential market

- Heijmans is well-positioned and focuses on economically strong areas
- Combination of inner city and outer city extension areas, and a good mix of sales to private individuals and the institutional market
- Inner city: unique expertise in integrated area development and transformation
- Outer city extension areas: accent on concept homes such as Heijmans Huismerk
- Continued growth in Property Development: driver for the entire company on the basis of coordinating role in integrated development
- Controlled growth in Residential Building: margin first and foremost, anticipate pressure on procurement side – opportunities for sustainability targets, including renovation/transformation, as well as new-build

# Non-residential



Aegon Maintenance  
The Hague



## Non-residential: growth in services, selective in project business

- No growth in the overall market, dynamics in specific segments provide opportunities
- Combination of new-build (design and construction in projects) and services (maintenance and management): mix results in positive interaction
- New-build: aim for distinctive profile by using concepts
- Distinctive strengths Services on the basis of client knowledge, performance and quality – high added value, high margins, long-term client relationships, continuity
- BeSense: sensor-based user information, combined with maintenance expertise, results in efficient building management

Infra

Wintrack II  
TenneT



## Infra: further 'de-risking' and growth in mobility

- 'De-risking' on the basis of 3 strategic focal points:  
selective acquisition policy, diversification of clients and projects, cost reduction
- Heijmans well-positioned, number 3 in the market:  
5% market share, good reputation based on knowledge and innovation
- Increasing project complexity requires cooperation with partners –  
share knowledge and expertise, as well as risks



Zuidasdok  
Amsterdam



## Outlook: confidence in the future

- Extension of financing and ringfencing of loss-making projects offers strong foundation for continuity
- 2017 year of transition:
  - Property development & residential > exploit growing Dutch residential market
  - Non-residential: growth in services, selective in project business
  - Infra: further 'de-risking' and growth in mobility
- Above all: recovery of profitability and debt reduction

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