

Heijmans annual results 2019

20 FEBRUARY 2020

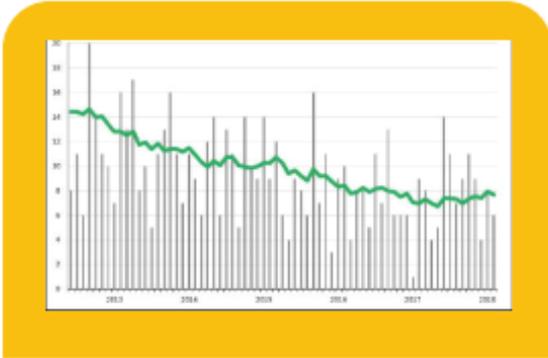


Heijmans annual results 2019: strong rise in profit 2019, dividend pay-out resumed

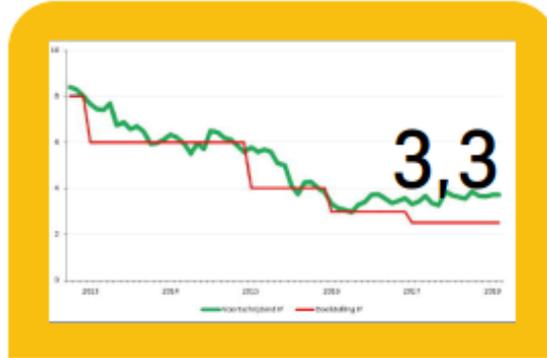
TON HILLEN, CEO HEIJMANS N.V.

Safety

Trend of lost-time injuries (incl. subcontracting and restricted workday)
 Trend IF figure (own staff incl. hirers)
 Period 2015 - 2019



Number of injuries per month



Injury Frequency (IF)*

	2014	2015	2016	2017	2018	2019	Target 2019
Fatal injuries	0	0	0	1	0	1	0
IF	5,6	3,9	3,7	3,7	3,9	3,3	2
# Injuries	120	105	94	77	87	84	65

IF- Injury Frequency = number of lost-time injuries in the last 12 months / number of hours worked in the last 12 months 1.000.000 (Target: IF < 1)

Highlights annual results

- All business areas contribute to positive result;
- Increase underlying EBITDA by 26% to € 54 million;
- Net profit 50% higher at € 30 million in 2019 (2018: € 20 million);
- Increase order book by more than € 100 million to € 2.1 billion;
- Continued improvement balance sheet: higher solvency ratio, lower net debt;
- Further decrease average debt utilisation;
- Dividend pay-out resumed at € 0.28 per share.

Key figures 2019

(x € 1 million)

	H2 2019	H2 2018	2019	2018
Revenues	870	799	1.600	1.579
Underlying EBITDA *	30	23	54	43
Result after tax	15	12	30	20
Earnings per share (in €)	0,69	0,57	1,40	0,96
Order book	2.124	2.014	2.124	2.014
Net debt (cash) excl. IFRS 16	-56	-31	-56	-31
Net debt (cash) incl. IFRS 16	30	n/a	30	n/a
Solvency excl. IFRS 16	27%	25%	27%	25%
Solvency incl. IFRS 16	25%	n/a	25%	n/a
Number of FTE	4.595	4.524	4.595	4.524

* The underlying EBITDA is the operating result before depreciation, including the EBITDA from joint ventures, excluding property write-downs, restructuring costs, book profits from the sale of entities, pensions indexation release and, if applicable, any extraordinary items cited that the Group deems exceptional and excluding IFRS 16.

Development per sector

Property development: underlying EBITDA margin stable at lower revenues

<i>in € mln.</i>	H2 2019	H2 2018	2019	2018
Revenues	254	258	459	503
Underlying EBITDA	15	15	26	28
<i>Underlying EBITDA margin</i>	5,9%	5,8%	5,7%	5,6%
Order book	454	435	454	435

- Order book well stocked (end 2019 € 454 million); looking good further down pipeline;
- Lower revenue, underlying EBITDA margin comparable to 2018;
- Number of homes sold slightly lower: 2.128 (2018: 2.237);
- Strong position in area developments and transformations; inner-city and suburban areas;
- Inventory at similar level: decrease land holdings (strategic and in development), increase work in progress.



CREATORS OF A HEALTHY LIVING -
ENVIRONMENT FENIX LOFTS, ROTTERDAM

Building & Technology: strong performance, continued growth

<i>in € mln.</i>	H2 2019	H2 2018	2019	2018
<i>Revenues - Residential</i>	223	227	447	440
<i>Revenues - Non-Residential</i>	204	150	370	286
Revenues - Building & Technology	427	377	817	726
<i>Underlying EBITDA - Residential</i>	6	5	12	11
<i>Underlying EBITDA - Non-Residential</i>	5	5	9	5
Underlying EBITDA - Building & Technology	11	10	21	16
<i>Underlying EBITDA margin - Building & Technology</i>	2,6%	2,7%	2,6%	2,2%
Order book	1.268	1.202	1.268	1.202

- Strong growth revenue and underlying EBITDA, order book at higher level;
- Good performance non-residential activities ensures growth revenue and results;
- European Medicines Agency (EMA) delivered according to tight planning, start construction Vertical Sloterdijk Amsterdam;
- Increase data-driven applications at projects: Hanzehogeschool and Schiphol Terminal 1 and 2.

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EUROPEAN MEDICINES AGENCY (EMA)





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WILLEMSPOORT NORTH, DEN BOSCH

Infra: balanced portfolio and increase in predictability

<i>in € mln.</i>	H2 2019	H2 2018	2019	2018
Revenues	322	342	619	654
Underlying EBITDA	10	2	17	8
<i>Underlying EBITDA margin</i>	3,1%	0,6%	2,7%	1,2%
Order book	791	766	791	766

- Improvement underlying EBITDA at lower revenue;
- Evident focus on balanced order book;
- Decreased risk profile and increased predictability;
- Zuidasdok: inserting rail deck carried out successfully;
- Various new projects, Wetterskip Fryslân, Schiphol, A1 Apeldoorn-Azelo;
- Asphalt plant joint venture approved.



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AT APeldoorn-AZelo

Financial

Income statement

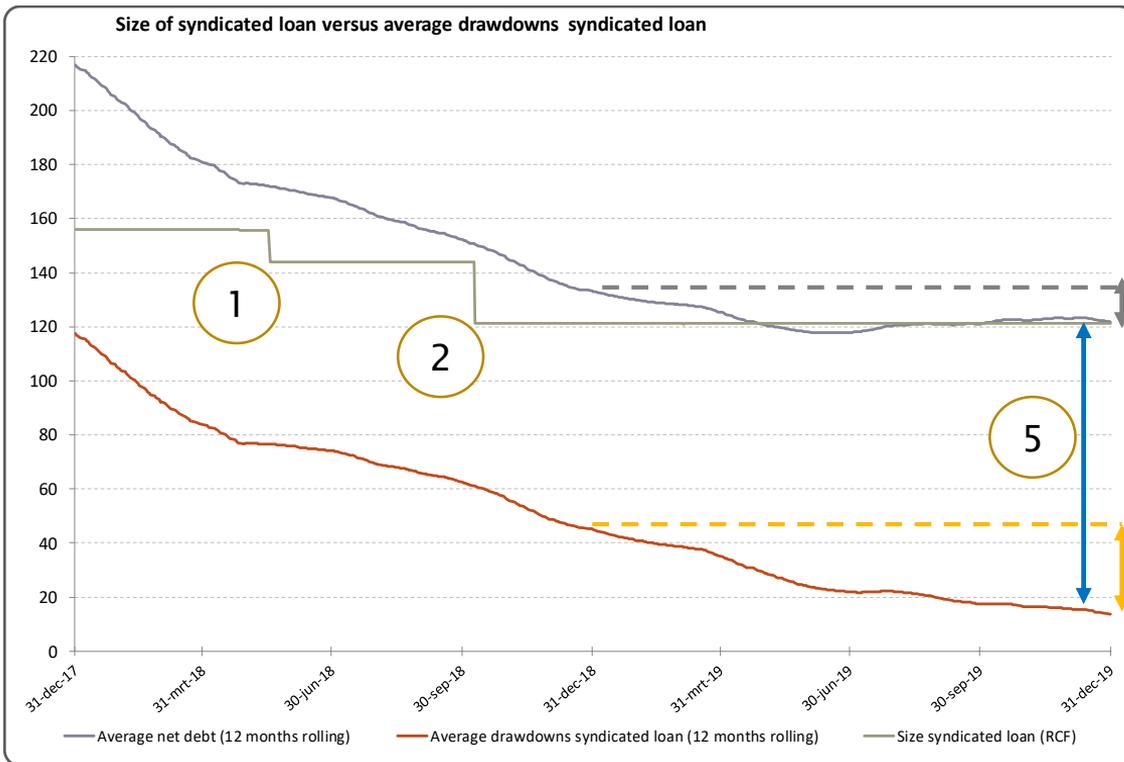
	H2 2019		H2 2018	2019		2018
	incl. IFRS 16	excl. IFRS 16	excl. IFRS 16	incl. IFRS 16	excl. IFRS 16	excl. IFRS 16
(x € 1 million)						
Revenues	870	870	799	1.600	1.600	1.579
Property development	15	15	15	26	26	28
<i>Residential</i>	9	6	5	18	12	11
<i>Non-residential</i>	6	5	5	12	9	5
Building & Technology	15	11	10	30	21	16
<i>Infra</i>	17	10	2	30	17	8
<i>Corporate/other</i>	-5	-6	-4	-8	-9	-9
Underlying EBITDA *	42	30	23	78	54	43
Adjustment operating result joint ventures	-5	-5	-6	-8	-8	-6
Write down on property assets	-5	-5	-5	-5	-5	-6
Restructuring costs	-2	-2	-1	-3	-3	-1
Soil remediation	-1	-1	0	-1	-1	0
Book result divestments	1	1	0	1	1	0
Release pensions indexation	-	-	5	-	-	5
EBITDA	30	18	16	62	38	35
Depreciation/amortisation	-17	-5	-6	-33	-10	-12
Operating result	13	13	10	29	28	23
Financial results	-2	-1	-3	-5	-3	-8
Share of profit of associates and joint ventures	6	6	5	11	11	5
Result before tax	17	18	12	35	36	20
Income tax	-2	-2	0	-5	-5	0
Result after tax	15	16	12	30	31	20

* due to roundings, the amounts of the sectors do not add up to the total.

Cash flow, financing and dividend

- Positive cash flow in 2019
- substantial reduction interest expenses
 - › Dividend review with cum pref holders effected early 2019 at decreased interest coupon
 - › Reduction debt utilisation and improved margins
- All important facilities committed to at least mid 2022
- Persistent focus on working capital and optimisation invested capital
- Proposal to resume dividend (cash or stock) at € 0.28 / share, 20% pay out

Progress net debt reduction



1. RCF from € 156 mln to € 144 mln following refinancing May 2018
2. RCF from € 144 mln to € 121 mln in October 2018, repayment KBC
3. Average net debt improved to € 122 mln (IFRS 16): -/- € 11 mln
4. Average drawdowns RCG from € 45 mln to € 14 mln: -/- € 31 mln
5. Blue arrow: average headroom improved in excess of € 100 mln

NB. Headroom increased stronger than net debt reduction because of lower cash in Joint Operations and higher IFRS 16 Leases impact

Amounts in € millions	2019 FY	2019 H1	2018 FY
Reported Net debt	30,5	99,1	-30,7
<i>Adjustments:</i>			
Corrections IFRS 16	-86,6	-76,1	
Net debt joint Ventures	51,3	78,5	78,1
Net debt non recourse project financings	-79,6	-90,5	-92,4
Cumulative preference shares B	-45,1	-45,1	-45,1
Other	2,7	0,4	2,1
Net debt covenants (A)	-126,8	-33,7	-88,0
Reported EBITDA	62,0	47,7	34,2
Extraordinary items	8,4	2,1	3,2
Adjustments IFRS 16	-23,9	-11,2	
EBITDA JV's	7,2	8,6	5,8
Underlying EBITDA	53,8	47,3	43,2
<i>Adjustments:</i>			
Adjustments IFRS 15	-0,6	-0,6	-0,3
Capitalised interest	1,7	2,1	1,5
EBITDA non recourse projects	-1,4	-3,1	-4,2
Other	-0,9	-1,5	-1,3
EBITDA covenants (B) - Interest Cover	52,5	44,2	38,9
EBITDA from disposed subsidiaries	0,0	0,0	0,0
EBITDA covenants (C) - Leverage Ratio	52,5	44,2	38,9
Net interest	4,7	5,7	7,8
<i>Adjustments:</i>			
Capitalised interest	1,7	2,1	1,5
Net interest joint ventures	0,8	1,0	1,1
Adjustments IFRS 16	-2,4	-1,4	0,0
Net interest non recourse project financings	-2,5	-2,9	-2,8
Interest cumulative preference shares B	-3,3	-3,4	-3,6
Other	-0,3	-2,1	-3,9
Net interest covenants (D)	-1,2	-1,0	0,2
Average net debt covenants (E)	-48,1	-30,6	-10,9
Guaranteed capital reported	223,1		194,2
Adjustments IFRS 15	0,9		1,3
Adjustments IFRS 16	0,0		0,0
Guarantee capital for solvency ratio (F)	224,0		195,5
Reported balance sheet total	898,4		776,1
Adjustments IFRS 15	-36,3		-40,4
Adjustments IFRS 16	-86,6		0,0
Balance sheet total for solvency ratio (G)	775,5		735,8
Leverage ratio (A/C) <3*	-2,4	-0,8	-2,3
Interest cover ratio (B/D) >4*	-42,3	-43,0	180,3
Average Leverage ratio (E/C) <1,0*	-0,9	-0,7	-0,3
Solvency ratio (F/G) > 20%**	28,9%	N/A	N/A

* A negative outcome in combination with a positive rolling EBITDA is permitted

** As of end of 2020, to be tested at a level of 22.5%

Financial covenants

- Heijmans operates well within the parameters agreed in the covenants, driven by further improvement 'Rolling' EBITDA
- Substantial further reduction net debt and average debt
- For the purposes of the covenants (recourse base) there is even a case of 'net cash'
- No constraints expected for 2020

IFRS 16 impact on underlying EBITDA by segment

2019 <i>in € mln.</i>	Property development	<i>Residential</i>	<i>Non- residential</i>	Building & Technology	Infra	Other/ eliminations	Total
Revenues	459	447	370	817	619	-295	1.600
Underlying EBITDA (excl. IFRS 16)	26	12	9	21	17	-9	54
Underlying EBITDA marge (excl. IFRS 16)	5,6%	2,8%	2,4%	2,6%	2,7%	3,2%	3,4%
Impact IFRS 16	1	5	3	8	13	1	24
Underlying EBITDA (incl. IFRS 16)	26	18	12	30	30	-8	78
Underlying EBITDA marge (incl. IFRS 16)	5,8%	4,0%	3,2%	3,6%	4,8%	2,7%	4,9%

Strategy and outlook

Creators of a healthy living environment



Progress made in 2019

Better

- Safety: start Leadership in safety
- Improved risk management projects; increased predictability
- Improvement quality organisation; engagement improved, sick leave decreased

Smarter

- Several new value added propositions realised and delivered: a.o. tyre pressure gauge, lock and bridge monitoring
- Implementation digital twin

Sustainable

- Reuse materials: launch of Matching Materials, circular packaging
- Nature inclusive building: continued cooperation NL Greenlabel

CREATORS OF A HEALTHY LIVING ENVIRONMENT -
TYRE PRESSURE GAUGE N279



Bandenspanning OK
Tyre pressure OK

N279
52,1

Steps for 2020

Better

- Safety: Implementation GO compass, learning in value chain
- Diversity policy: Attractiveness towards broader labour market & reflection of society/customers

Smarter

- Value creation strengthened by data driven services
- Smart City solutions in area developments a.o. Vijfsluizen Vlaardingen and Maanwijk Leusden
- Opening business concept center Rosmalen

Sustainable

- Energy: First propositions by Heijmans Energy
- Materials: Share of reusable asphalt to grow further
- Space: Research focused on nature inclusivity: a.o. RIVM, Naturalis and universities

Outlook: structural profitability

- Expected revenue and underlying results comparable to level of 2019;
- Well-stocked order book;
- Faith in 2020;
- In case of lagging tenders infra market; potential impact on infra activities towards 2021;
- Long-term foundation looking positive.

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