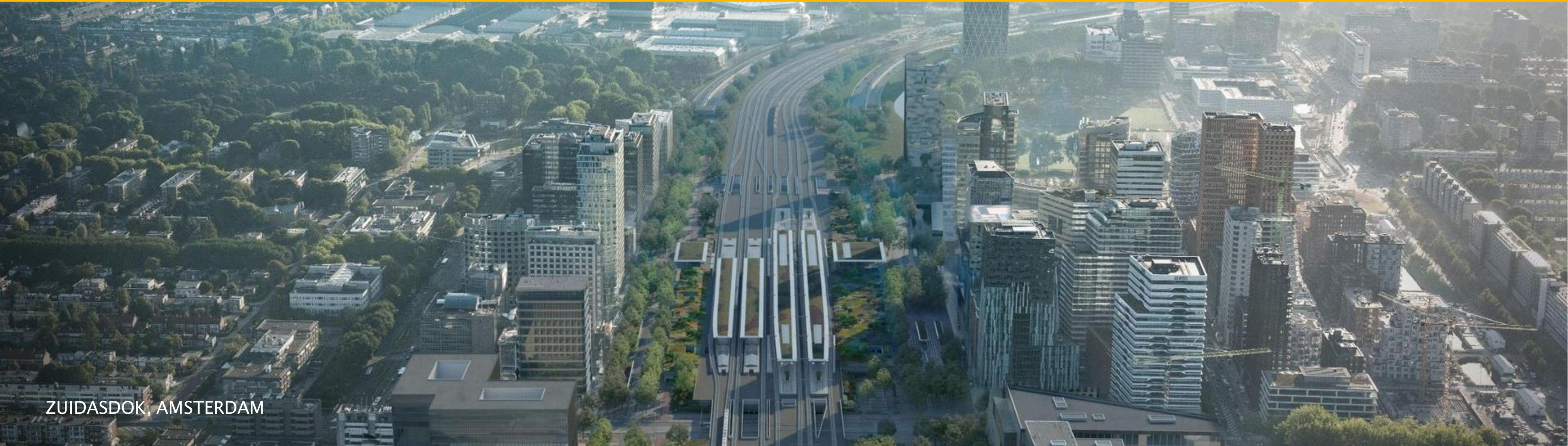
Heijmans interim results 2017

16 AUGUST 2017



Heijmans:
solid progress towards sustainable recovery

TON HILLEN, CHAIRMAN EXECUTIVE BOARD HEIJMANS N.V.

Highlights interim results

Recovery profitability:

- Underlying ebitda NL H1 € 9 million: strongly improved due to recovery at Infra (y-on-y +14 mln) and performance of Property Development
- Net result after taxes € 20 mln
- Order book at € 2,1 billion up to standard and of good quality

Debt reduction:

- Divestment programme foreign companies completed
- Net debt declined to € 45 mln
- Credit facility reduced from € 256 mln to € 176 mln

Structural improvement financial ratios:

- Solvency after divestments 27%

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Key figures

x 1 € million	H1 2017	H1 2016	2016
Revenues Netherlands	646	705	1.370
Underlying EBITDA Netherlands***	9	-9	-73
Underlying operating result Netherlands**	3	-15	-86
Operating result	38	-15	-94
Result after tax	20	-12	-110
Earnings per share (in €)	0,92	-0,57	-5,16
Order book Netherlands	2.121	1.946	1.863
Net debt	45	77	100
Number of FTE Netherlands	4.501	4.715	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 operartions 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.

*** Underlying EBITDA is the underlying operating result before depreciation and amortisation

HEIJMANS HUISMERK, BOERHAAVEWIJK HAARLEM

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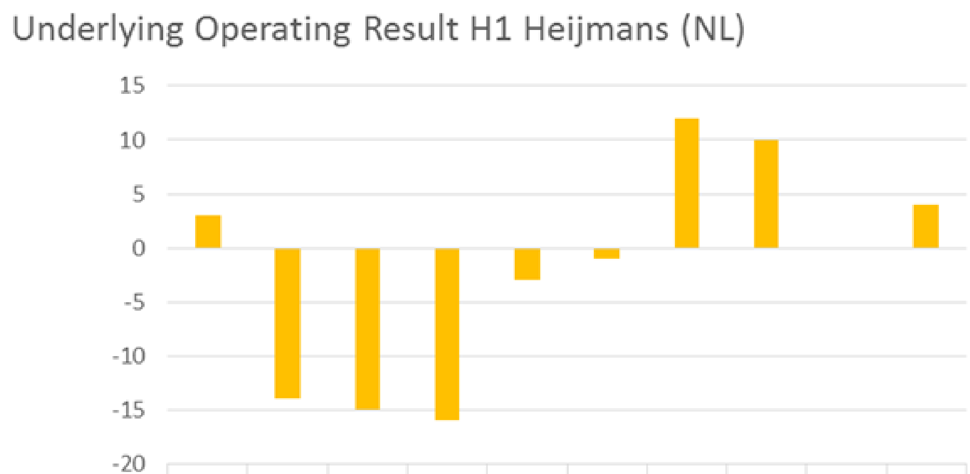
Positive results for the first time since 2011



	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Underlying Operating Result H1 Heijmans (NL)	3	-14	-15	-16	-3	-1	12	10	0	4

For comparison purposes, the annual underlying result is shown for the Dutch operations only

Progress problem projects

- Drachtsterweg: performing according to plan, no peculiarities
- N23: work resumed and in full swing: according to plan
- Wilhelminasluis: awaiting decision arbitrage procedure
- RIVM: expert committee’s decision about financial compensation, fits in the previously recorded loss provision

Development per sector

Property Development: positive development

x € 1 million	**H1 2017**	H1 2016	**2016**	Variance 2017-2016
Revenues	186	169	332	10%
Underlying EBITDA	8	6	15	
Underlying EBITDA margin	*4,3%*	*3,6%*	*4,5%*	
Underlying operating result	8	6	15	
Order book	305	275	311	

- Increase revenues: € 186 mln, increase underlying ebitda: € 8 mln
- Slight increase number of homes sold: 1.106 (H1 2016: 1.069)
- Increase average purchase price (*v.o.n.)* to € 290K
- Order book up to standard
- Focus on innercity area development – i.e. Spaarndammerbuurt A'dam, Leidsche Rijn Centrum Utrecht – combined with the outskirts of cities and expansion areas – i.e. Willemspoort Den Bosch, Boszoom Pijnacker
- Attention point: availability new development locations and planning capacity
- Decrease investment commitments to €205 mln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PROPERTY DEVELOPMENT – LEIDSCHE RIJN CENTRUM, UTRECHT

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Residential: steady performance

x € 1 million	**H1 2017**	H1 2016	**2016**	Variance 2017-2016
Revenues	139	152	296	-9%
Underlying EBITDA	2	2	4	
Underlying EBITDA margin	*1,4%*	*1,3%*	*1,4%*	
Underlying operating result	2	2	4	
Order book	342	277	327	

- Revenues lower than H1 2016, underlying ebitda at the same level, increase order book
- Pressure on availability subcontractors and procurement prices
- Focus on controlled growth, realisation Property Development projects and own acquisition
- Focus on standardized products for expansion areas and city outskirts, such as 117 Huismerk homes Boerhaavewijk Haarlem
- Realisation partner innercity developments Property Development: Bananenstraat Rotterdam, GZG area 's-Hertogenbosch, Kanaleneiland Utrecht
- Growing demand renovation and sustainability, such as Carmelflats in Beek

RESIDENTIAL – KANALENEILAND, UTRECHT

Non-Residential: mixed image

x € 1 million	**H1 2017**	H1 2016	**2016**	Variance 2017-2016
Revenues	118	162	315	-27%
Underlying EBITDA	-1	1	-14	
Underlying EBITDA margin	*-0,8%*	*0,6%*	*-4,4%*	
Underlying operating result	-1	0	-15	
Order book	756	825	758	

- Revenues declined as expected: challenging market conditions with respect to new-build combined with selective acquisition policy
- Underlying ebitda € 1 mln negative
- Growth Services at good margin
- Order book at similar level
- Focus on long-term service contracts (whether or not including design & build), for instance Technische Universiteit Eindhoven and Openluchtmuseum in Arnhem
- Focus on innovative, data-driven concepts such as BeSense
- Completion Eurojust in the Hague, commencement certificate new Amsterdam Court House

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NON-RESIDENTIAL – AMSTERDAM COURT HOUSE

Infra: recovery according to plan

x € 1 million	**H1 2017**	H1 2016	**2016**	Variance 2017-2016
Revenues	301	329	621	-9%
Underlying EBITDA	1	-13	-73	
Underlying EBITDA margin	*0,3%*	*-4,0%*	*-11,8%*	
Underlying operating result	-1	-16	-78	
Order book	987	787	730	

- Strong improvement underlying ebitda: € 1 mln (H1 2016: - € 13 mln)
- Good progress and performance on many projects, for instance Beatrixsluis, maintenance and asset management Schiphol, A1 Beekbergen, A1/A27
- Positive contribution cost optimization
- Increase order book, improvement of quality
- Zuidasdok project officially awarded
- N23, Drachtsterweg 'on track' in accordance with plan
- A9: additional efforts land tunnel - clear scope, loss provision € 11 mln

Strategy Infra

De-risking Infra advancing:

- Sharpened commercial focus on line infrastructure, selective in water & energy
- More emphasis on regional projects, maintenance & asset management, specialties
- Improvement risk control: project control, risk management, contract management
- New management structure
- New management role: Chief Risk Officer

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INFRA - A1 APELDOORN - BEEKBERGEN

Financial

Divestments according to plan

- Divestment foreign companies executed according to plan:
  - Franki completed mid January (book result in 2016)
  - Oevermann and Heijmans Belgium completed end of April: book profit of € 31 mln
  - Reported sales proceeds totalling € 115 mln have been achieved
  - After excluding ‘sold’ bank balances net debt impact amounts to € 97 mln
- Financing facility of € 256 mln reduced to € 176 mln:
  - Reduced by € 80 mln following divestments
  - On schedule to substantiate a further reduction to € 122 mln per 30-6-2019
- Reduction net debt to € 45 mln (H1 2016: € 77 mln)
  - Through divestments and strengthened focus on work capital management

Improved financial leverage

- Improved financial leverage by:
  - Decrease balance sheet total, reinforced equity and improved debt position
- Per 30-6 compliance with financial covenants:
  - Cumulative ebtida (Q1/Q2) at least € 0 mln
  - Solvency 27% vs. 16%
  - Covenants expected to be met in Q3, Q4 2017 and when the ‘old regime’ enters into force as of Q1 2018
- In H1 2017 good cash flow generation through:
  - Divestments Belgium and Germany (€ 97 mln)
  - Good financing schemes at projects

4. Condensed consolidated statement of financial position

x € 1 million

Assets	**30 June 2017**		31 December 2016		30 June 2016	
Non-current assets						
Property, plant and equipment	50		55		87	
Intangible assets	81		82		112	
Joint ventures and associates	69		66		77	
Other fixed assets	94		88		98	
		294		291		374
Current assets						
Strategic land portfolio	147		147		162	
Residential properties in preparation or under construction	41		58		58	
Other inventory	11		11		17	
Work in progress	82		60		153	
Trade and other receivables	151		176		313	
Cash and cash equivalents	50		30		78	
		482		482		781
Assets held for sale		**0**		283		0
Total assets		**776**		1.056		1.155

Equity and liabilities	**30 June 2017**		31 December 2016		30 June 2016	
Equity		**162**		142		245
Non-current liabilities						
Interest-bearing [1]	83		58		134	
Non-interest-bearing	20		16		32	
		103		74		166
Current liabilities						
Interest-bearing loans and other current financing liabilities	12		119		21	
Trade and other payables	331		370		566	
Work in progress	137		118		134	
Other	31		18		23	
		511		625		744
Liabilities held for sale		**0**		215		0
Total equity and liabilities		**776**		1.056		1.155
Solvancy rate based on guarantee capital [2]		**27%**		18%		25%

1. Non-current interest-bearing liabilities includes € 45 million cumulative preference shares

2. Guarantee capital is defined as equity plus cumulative preference shares.

Strategy and outlook

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Focus, discipline, excellence

2017 - 2019

- Sustainable recovery company and its profitability
- Debt reduction, structural strengthening financial leverage

- Selective acquisition based on core competences / de-risking
- Clear focus on strengthening tender process and project control
- Expanding role as director, long-term customer relationships, via services, maintenance and (asset) management
- Targeted development knowledge/technology/products, close to the business and together with customers
- Optimal cost structure, matching the changing scope and strategy

- Internal programmes focused on culture, core values, safety

SERVICES – MAINTENANCE CONTRACT PGGM

Outlook

- 2017 a year of transition, on course for transition into Dutch company
- Growth in Property Development & Residential, good position and market development
- Non-Residential new-build market continues to be challenging, good development Services
- Good recovery Infra, sustainable follow-up in line with expectations

- Completion several loss-making projects still requires attention, impact declining
- Order book well filled
- Ongoing attention to cost structure in regards to changing size of company

First step to structural recovery of profitability, debt reduction and improved financial leverage has been taken

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