

Press Release

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Page: 1 of 2

Heijmans reiterates revenue and result forecast for 2022

Highlights

- Heijmans reiterates outlook for 2022
- Revenue and underlying EBITDA on track
- Order book increases to € 2.4 billion from € 2.2 billion in Q3
- Number of new-build homes sold YTD (through October): 1,304 (YTD 2021: 1,721)
- Cash position and solvency remain strong

Ton Hillen, CEO Heijmans:

"Heijmans is delivering solid performances in an uncertain economy. Our operational performance also remained strong in the third quarter, when Heijmans took on a number of interesting new projects. As a result, our order book continued to grow in the third quarter, improving the perspective on future revenues. Thanks in part to adequate and structurally embedded risk management, I am confident that the development of our revenue and result will remain in line with the outlook we issued for the full year 2022.

Like every other company, Heijmans has seen a rise in procurement prices, while the availability of materials is under pressure. Energy and consequently semi-finished products are considerably more expensive than last year. So far, we have largely succeeded in passing on these higher procurement costs in the sales prices of our products and services via indexing agreements. This is largely due to the commitment and adaptability of our people. In that context, it is good that - despite the tight labour market - we have managed to retain our employees and recruit new colleagues. To support our employees in these expensive and uncertain times, we have decided that this November we will give an extra € 500 gross to those colleagues who need this support the most.

Next year, too, we expect market conditions to remain challenging and volatile. However, Heijmans' financial position remains very robust. Solvency remains strong and we will continue to improve our strong net cash position this year. With a well-filled order book and based on the housing shortage, the sustainability challenge, the energy transition, the expected infrastructure replacement and renovation challenge and the national flood protection programme, the underlying fundamentals of our industry in the Netherlands remain as strong as ever. We therefore continue to look to the future with confidence."

Looking ahead to 2023

Heijmans is not in the habit of looking ahead to the coming year when presenting third-quarter figures. The current volatility of some macro-economic parameters prompts us to make an estimate anyway, even though this comes with a fair number of uncertainties.

For instance, the development of the housing market is highly dependent on consumer confidence and the development of mortgage rates. In addition, higher energy costs are limiting the borrowing capacity of homebuyers. We have noted that the rise in house prices does not seem to be continuing and that buyer willingness is declining, especially for owner-occupied houses priced at € 450,000 or more. This comes on top of existing uncertainty about the development of labour costs and materials, as well as the lingering nitrogen emissions issue.

Against the background of the above-mentioned uncertainties, Heijmans already has a firm view of the revenue and result development for 2023. With an order book that has increased to € 2.4 billion, Heijmans is in good shape for 2023.

The housing market is cooling down after several years of overheating. Heijmans sees this reflected in its sales figures, which are lagging when compared with previous years. We will of course continue to actively monitor the situation in the housing market and take measures where necessary. However, even in Property Development and Residential Building, most of the budgeted revenue is already in our portfolio. We expect to easily absorb any temporary decline in these segments due to the favourable outlook in the other business areas. We remain as positive as ever about the long-term prospects of Property Development and Residential Building. After all, given the current number of homes under construction on a national level, the long-term housing shortage will only increase. Heijmans remains committed to tackling that problem. We do this by investing in innovative initiatives that help improve the sustainability of equipment and our own business operations, and make homes more affordable, such as industrial-scale construction.

On balance, for 2023, we expect revenue to remain at least at the same level as this year and the underlying EBITDA of the business areas to remain within the strategic target margins, namely 4%-6% for Building & Technology and Infra and 6%-8% for Property Development.

About Heijmans

Everyone wants clean air, to live in a nice neighbourhood, to work in a good workplace and to be able to travel safely from A to B. By making things better, more sustainable and smarter, Heijmans is creating that healthy living environment. Jan Heijmans started as a road builder in 1923. Today, Heijmans is a stock exchange-listed company that combines activities in Property Development, Building & Technology and Infra. In addition to this, we work safely and we add value to the places where we are active. This is how we build the spatial contours of tomorrow together with our clients: www.heijmans.nl/en/

Additional information / Not for publication:

Press

Leon Willems
Spokesman
+31 (0)6 81 01 29 65
willems1@heijmans.nl

Analysts

Guido Peters
Investor Relations
+31 73 543 52 17
gpeters@heijmans.nl