

heijmans

Heijmans Business Update

ROADSHOW BOOKLET, FEBRUARY 2019, BASED ON 2018 FULL YEAR RESULTS



Key figures 2018

Key figures

x 1 € million

	H2 2018	H2 2017	2018	2017
Revenues	799	756	1.579	1.402
Underlying EBITDA **	23	21	43	30
Result after tax ***	12	0	20	20
Earnings per share (in €) ***	0,57	0,00	0,96	0,91
Order book	2.014	1.898	2.014	1.898
Net debt / (net cash)	-31	-14	-31	-14
Number of FTE	4.524	4.442	4.524	4.442

** 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.

*** 2017 including discontinued operations

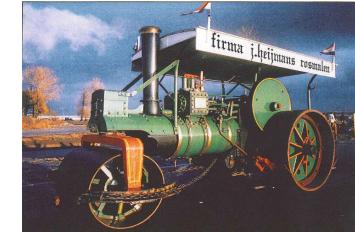
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HEIJMANS ONE

Company profile

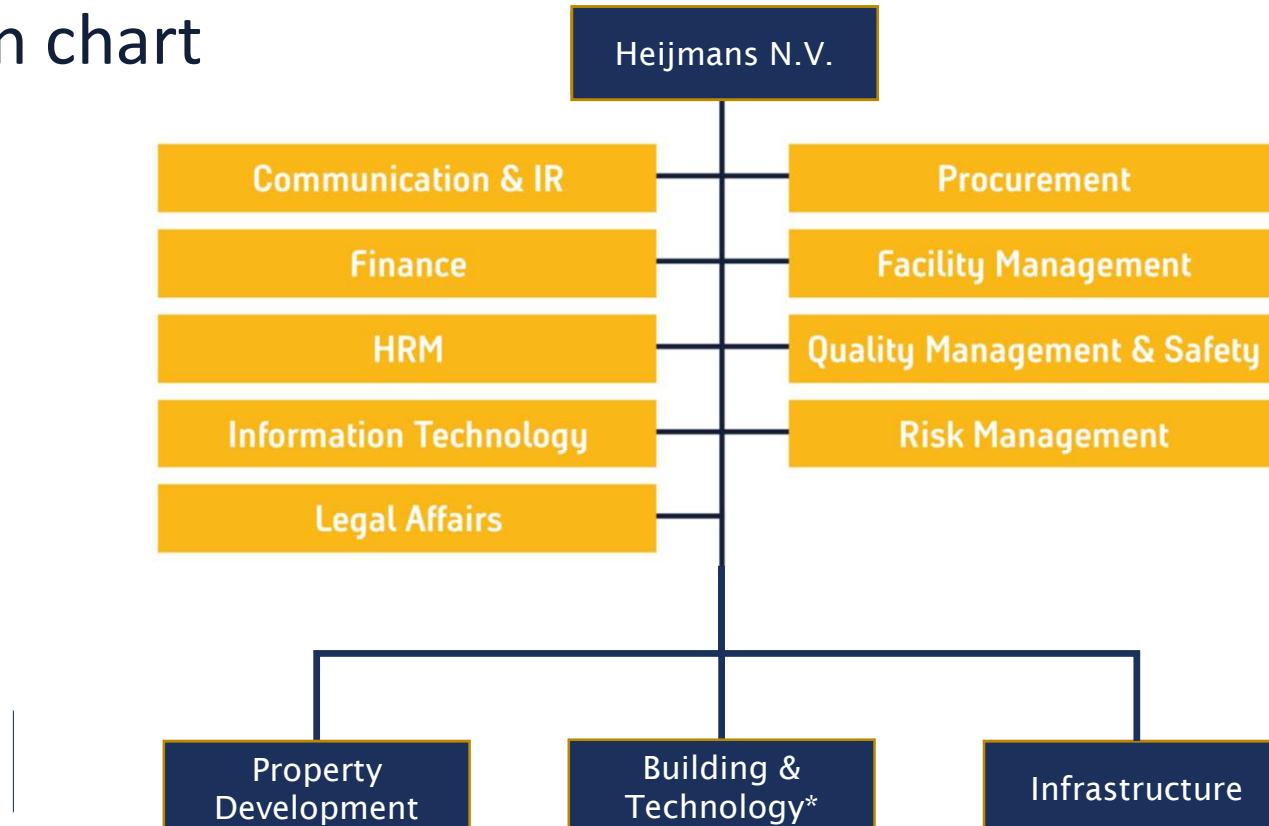


COMPANY PROFILE

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 - divestment of foreign subsidiaries
 - 2019 - strategy better, smarter, sustainable

Organisation chart



* As of 1/1/2018, Residential and Non Residential were brought under central management and the name was changed into Building & Technology

Heijmans at a glance

- Building on and bundling initiatives that fit the long-term ambition: creating a healthy living 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 three business areas: Property Development, Building & Technology (Residential and Non Residential), and 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.
- Creating 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.

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FENIX LOFTS, ROTTERDAM



Kanaleneiland - Utrecht

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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 (HOME BRAND)



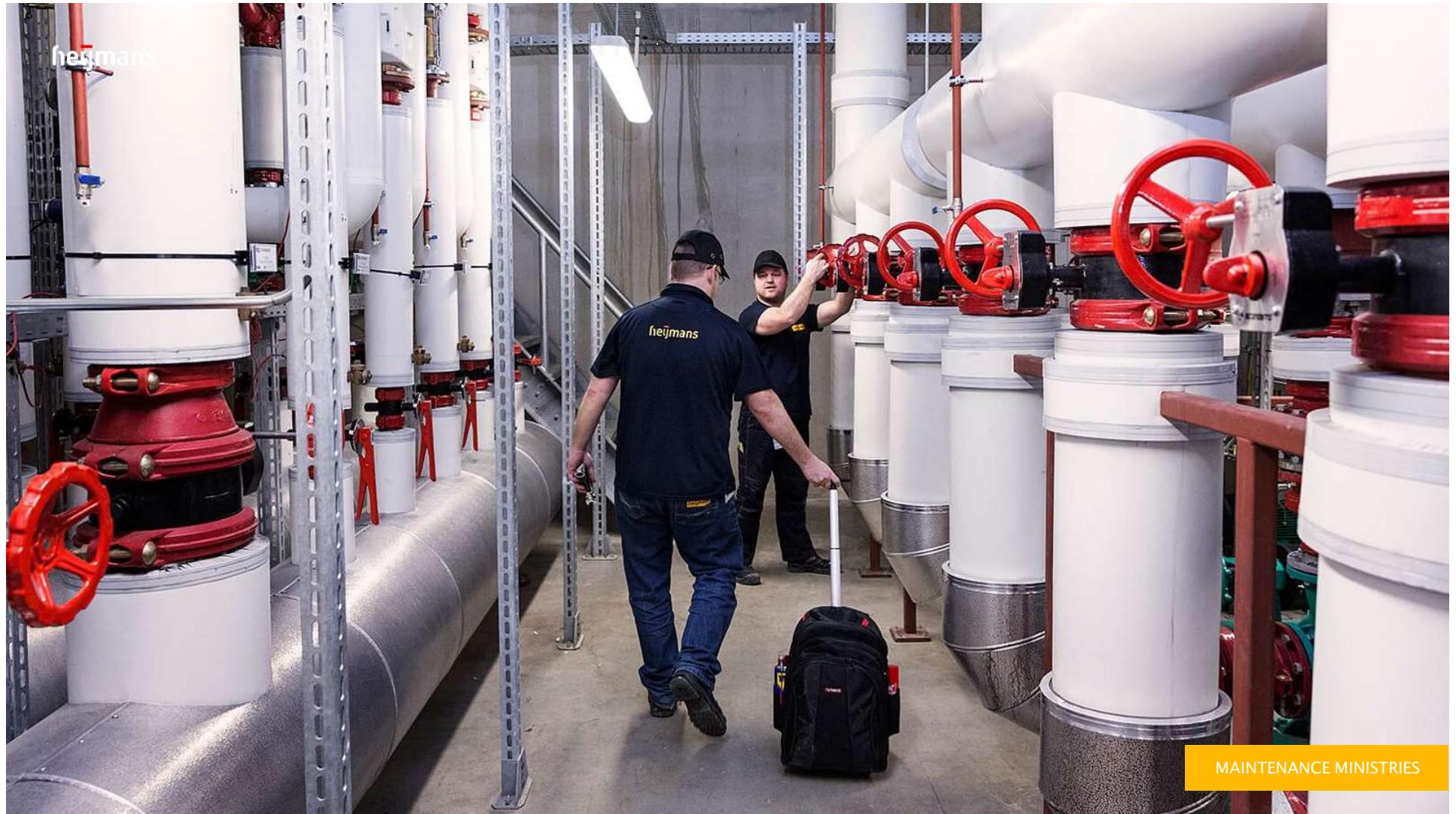
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COMPANY PROFILE

* As of 1/1/2018, Residential and Non Residential were brought under central management and the name was changed into Building & Technology

Living: Residential

Residential Building operates from five 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.



MAINTENANCE MINISTRIES



Hart van Zuid PPP - Rotterdam

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COMPANY PROFILE

* As of 1/1/2018, Residential and Non Residential were brought under central management and the name was changed into Building & Technology

Working: Non Residential

Non-Residential designs, creates and maintains high-quality electro-technical and mechanical installations ('Services'). 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 centers ('Projects'). 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.

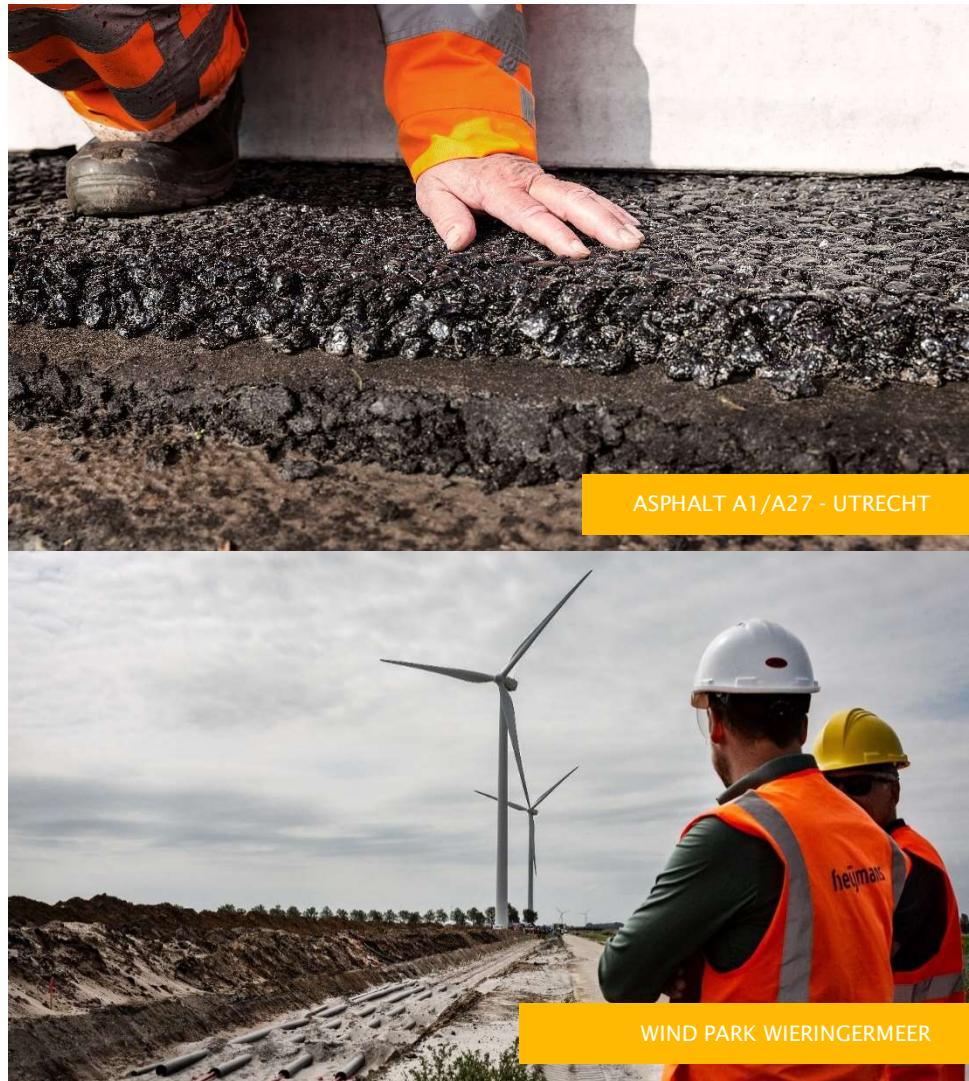


BEATRIX LOCK PPP - NIEUWEGEIN



ASSET MANAGEMENT TERNEUZEN LOCK





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, execution, management and maintenance connect seamlessly.

Strategy 2017 – 2018: Focus, discipline, excellence

- Transformation to purely Dutch company completed following loss making years
- 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; Introduction of independent
 - > Clear focus on strengthening tender process and project control; Chief Risk Officer / risk office
 - > 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 contractor / manager, 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 2019 - 2023



Developments within Heijmans

- To build on 'Focus, discipline, excellence' strategy to further enhance risk management, operational kpi's and balance sheet: "**Better**"



- Safety
- Risk management & process improvement
- Quality of the organization

Developments outside Heijmans

- Continuous developments within society and construction sector need to be monitored closely.
- Developments in the field of digitalisation, and innovative production technology require us to make our operations "**Smarter**". Commitment to making the built environment more "**Sustainable**"



- Digitalisation
- Production technology



- Energy
- Materials
- Space

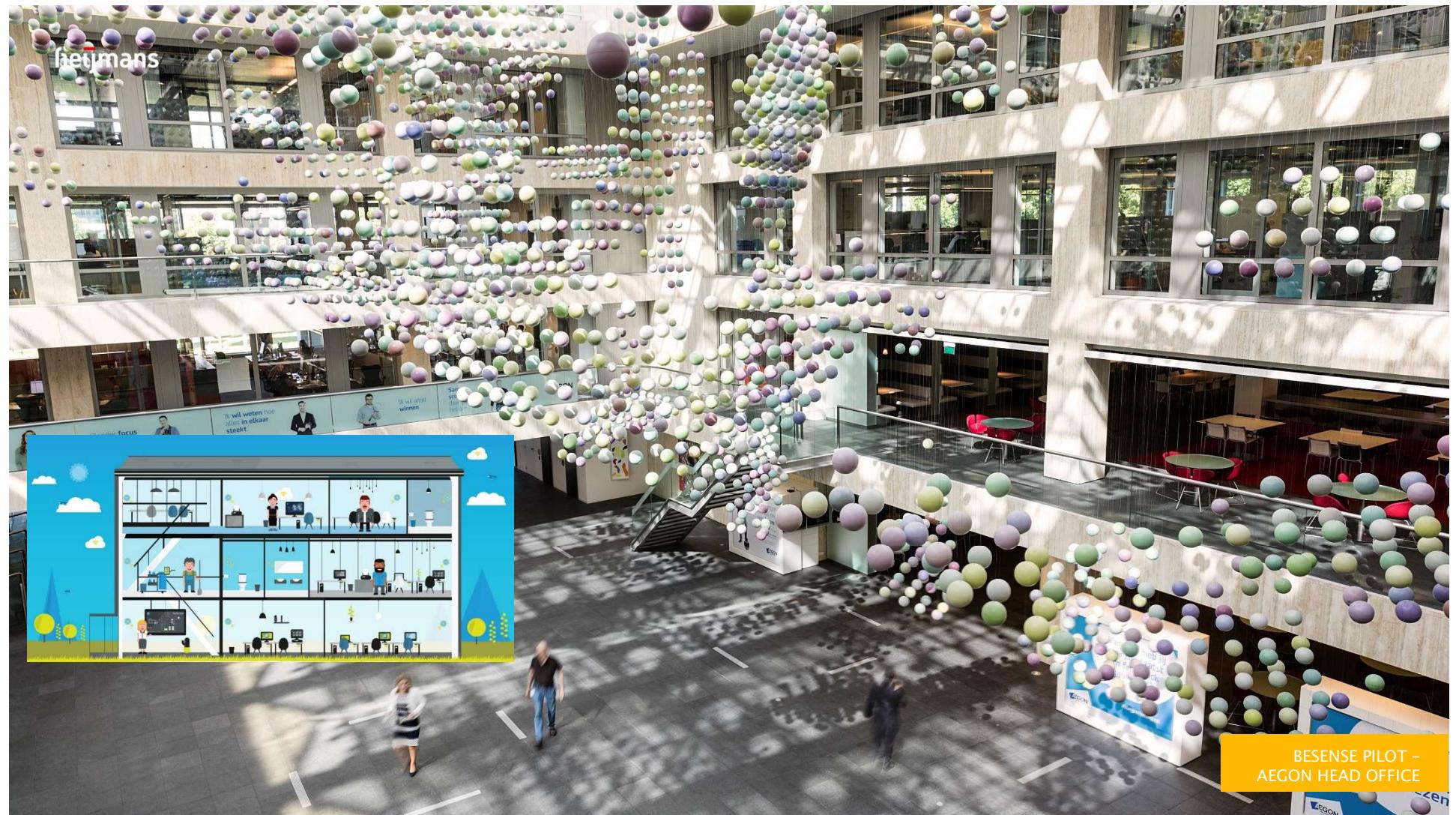


SPAARNDAMMERBUURT - AMSTERDAM

Strategy Property Development

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

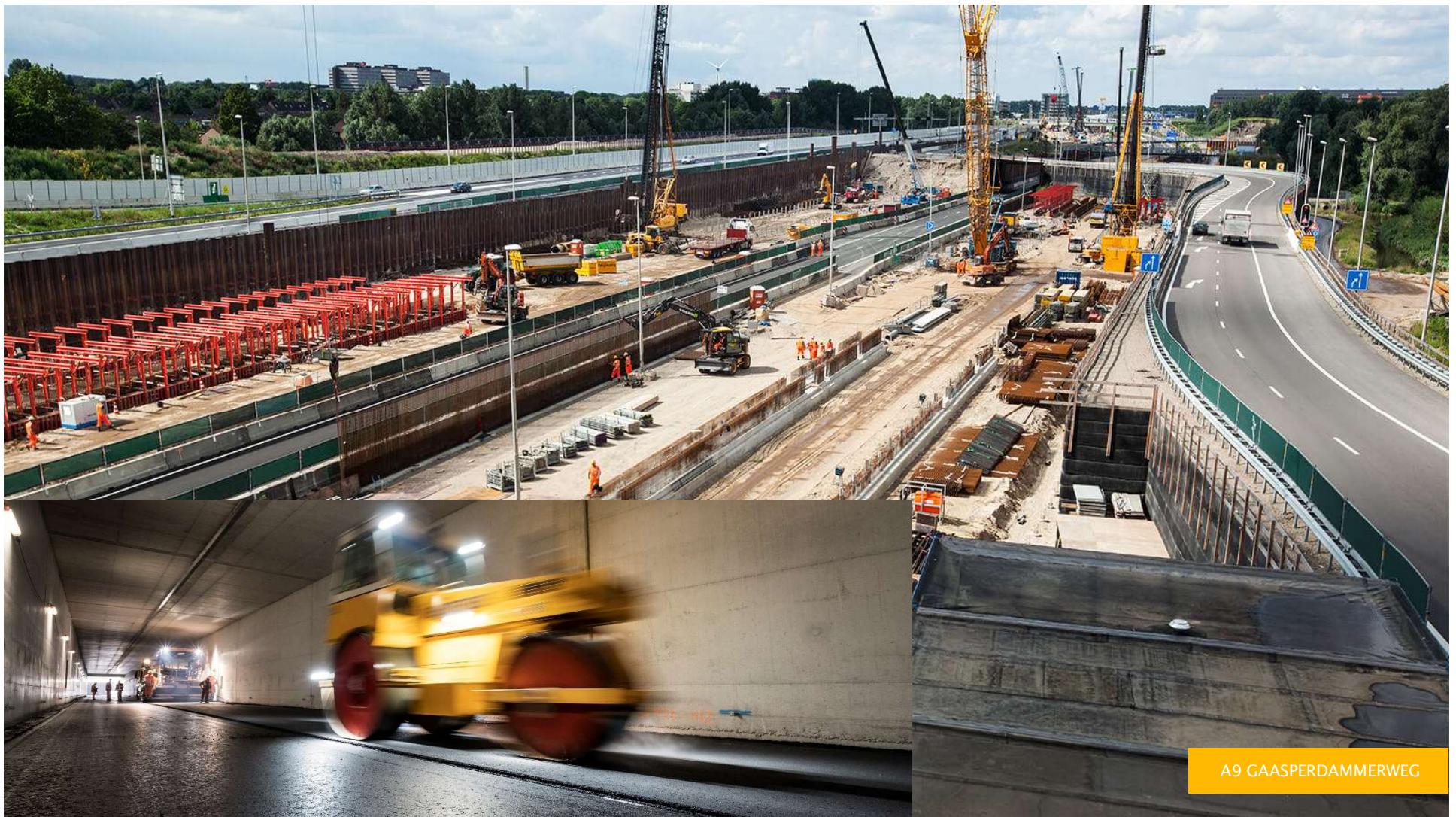
- Growth from solid fundamentals, in margin and volume
- Turnover mix:
 - Suburban areas (mainly via land bank) versus inner-city developments (1 on 1 / tenders): 50/50
 - Business to Consumer versus Business to Business (investors / social housing): 60/40
- Growth in integrated area development, in which we can differentiate by adding new positions in a creative and inventive, where required investments are matched with risk profiles
- Early stage involvement of Building & Technology for the execution of projects, with increased focus on own residential labels (Huismerk, Wenswonen, Heijmans ONE) with centralised procurement
- Integrated approach in urban projects: often piled construction in cooperation with non-residential and civil engineering expertise.
- Reduction of cost price (innovation, improvement) and enforcement customer process



Strategy Building & Technology

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

- As of 1/1/2018 Residential and Non Residential were brought under central management and merged into “Building & Technology”, with commercial focus based on core competencies:
 - Services: armed with its installation expertise, B&T is looking to forge more multi-year client relationships (non-residential) through the acquisition of long-term service contracts
 - Non Residential Projects: focus on specific market segments with high level of knowledge and added value, such as laboratories, healthcare (cure) and data centers
 - Residential: construction of residential buildings, primarily for Property Development
 - Multi-functional high rise construction: combination of residential and non-residential skills to serve high growth for high rise (>70m) residential buildings in innercities.
- Residential: Growing importance of concepts and process standardisation: >50% of production
- Non-Residential: BeSense example of smart and efficient maintenance.
- Growth foreseen in renovation and maintenance, and respond to increased focus on sustainability



A9 GAASPERDAMMERWEG

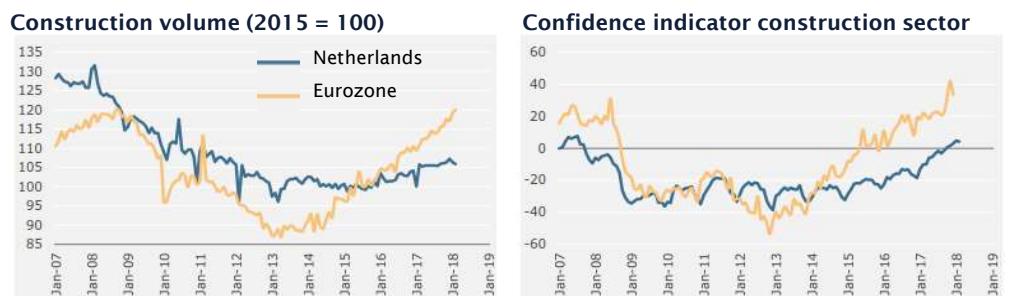
Strategy Infra

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

- 2017 and 2018 were dominated by derisking of loss-making projects acquired in 2011-2015
- Improving predictability – especially of ‘design & build contracts’ – remains key focus going forward
- Changing leadership culture and implementing effective management structure
- Improvement risk control: project control, risk management, contract management
- 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. Large projects from 60% to 40% of annual turnover, change visible as of 2019
- Focus on innovation including digitalisation and reducing ecological footprint

Dutch market

- Y-o-y turnover is increasing after difficult 2008 – 2015 period, driven by booming housing market.
- Pressure on procurement & availability of subcontractors
- Public spending relatively stable with prominent role for centralised *Rijkswaterstaat* and *Rijksvastgoedbedrijf*
- Increasing demand for ‘design & build’ (incl maintenance) solutions
- More focus on design, engineering & procurement



Top 10 Dutch construction companies (excl foreign companies, incl dredging companies)

	Turnover			Net profit		
	2017	2016	verschil in %	2017	2016	verschil in %
BAM	6604	6976	-5,3	12,5	46,8	-73,3
VolkerWessels	5714	5490	4,1	143	141	1,4
Boskalis	2337	2596	-10,0	150,5	276,4	-45,5
Strukton	1916	1883	1,8	25,1	13,3	88,7
TBI	1708	1573	8,6	10,6	-16,7	163,5
Van Oord	1530	1713	-10,7	78	90	-13,3
Heijmans	1487	1884	-21,1	19,5	-110	117,7
Dura Vermeer	1183	1145	3,3	17,1	9,1	87,9
Van Wijnen	821	763	7,6	16,7	14,7	13,6
Ballast Nedam	741	789	-6,1	-44,4	-75,8	41,4
Totaal	24040,4	24811,9	-3,1	428,6	388,8	10,2

Source: Cobouw

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 BIM, SAP system, and procurement.

With the appointment of a Chief Risk Officer, 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 centers, government with focus on long-term relationships

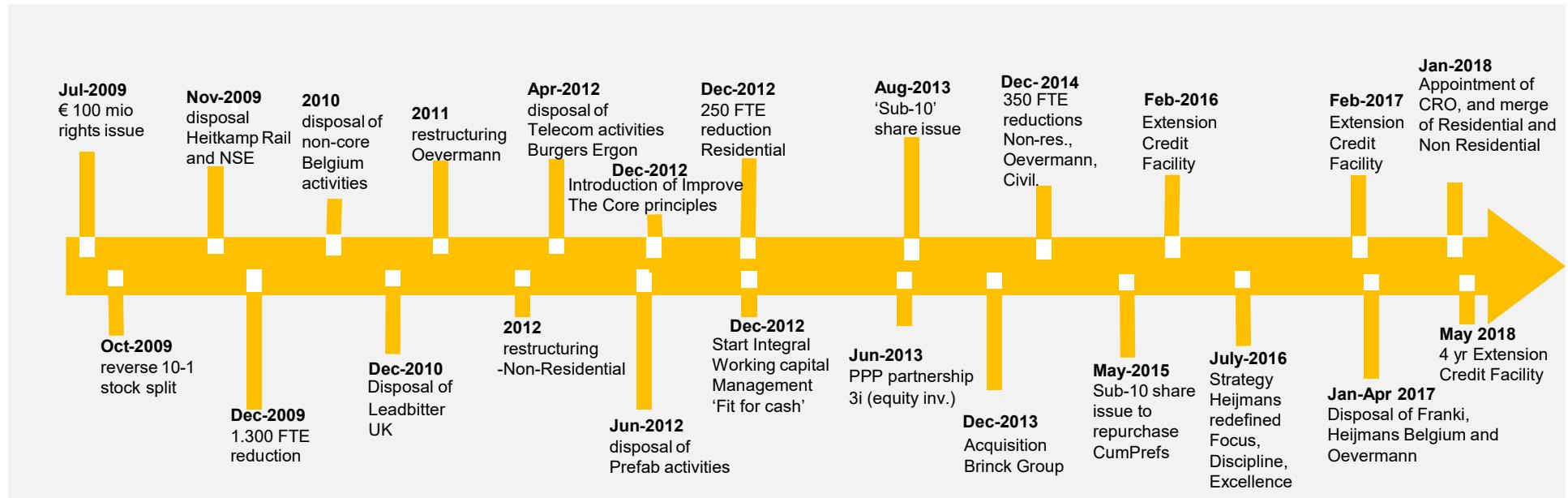
Connecting (Infrastructure)

- 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)

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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 of 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
- As all divisions returned to profitability in 2018, the company is now well positioned for the future

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VAN GOGH - ROOSEGAARDE BICYCLE PATH



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) and colleges / universities;
- Being an attractive and interesting employer where new initiatives can and will be rewarded.

In cooperation with clients focused on marketability

Examples of innovations sold / ready for market launch:

- Heijmans ONE portable house > 135 houses now sold;
- Hydrofit sewer relining with DSM > several projects realised;
- BikeScout: warning system to improve safety of cyclists, implemented at several locations;
- Smart living concept: standardised 'home control' in all family homes;
- Brainjoint: low maintenance expansion joints in over-passes and bridges that can't be heard, felt and seen;
- BeSense: smart and efficient building management by using sensor technology to generate data on comfort, occupation and usage - 10,000 sensors installed;
- Energy generating noise barrier ('Solar noise barrier').

Examples of innovations in pilot phase

- Recoflex Self healing' asphalt concept;
- 3D printing;
- Light reflecting asphalt and light barriers (to reduce costs of lighting).



NATIONAAL MILITAIR MUSEUM - SOESTERBERG

2018 full year results: “positive results across the board”

Ton Hillen, chairman executive board Heijmans N.V.
February 21, 2019

Highlights annual results

-
- All business areas contribute to positive result
 - Increase in revenues by 13% to € 1,579 million
 - Increase underlying EBITDA by 43% to € 43 million
 - Net profit 2018 € 20 million (2017: € 9 million negative excl. discontinued operations*)
 - Order book remains well stocked at approx. € 2 billion
 - Solvency ratio 25% (27% before IFRS15)
 - Total number of homes sold: 2,237
 - Continuation of selective tender policy, project control, predictability, controlled continuation of previously acquired high risk-projects
 - Structural recovery of profitability and making Heijmans future-proof:
strategic agenda 2023 in progress – ‘Better, Smarter and more Sustainable’

*Result discontinued operations 2017: € 29 million, this is including the one off book profit sale foreign operations of € 31 million.



(DRINKING WATER PIPELINE – LOOSBROEK)

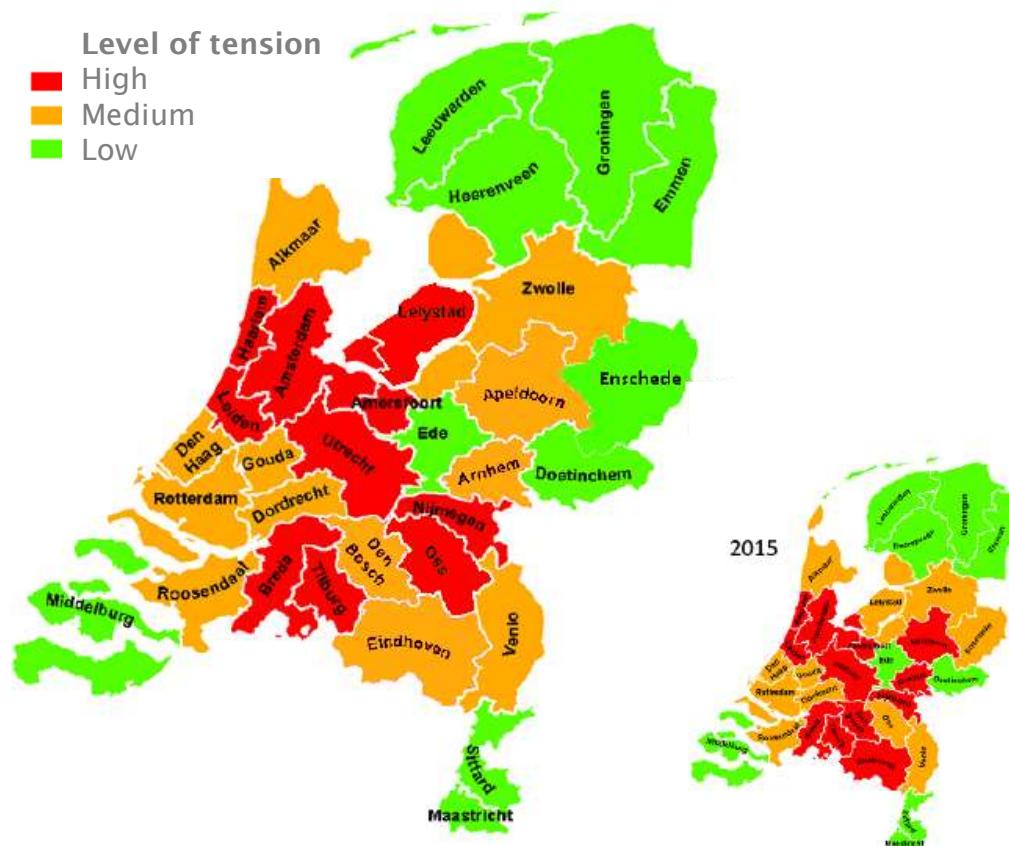
Developments per sector (based on 2018 full year results)

Property development: sound growth from strong market position

Property development

x € 1 million	H2 2018	H2 2017	2018	2017
Revenues	258	205	503	391
Underlying EBITDA	15	12	28	20
<i>Underlying EBITDA margin</i>	<i>5,8%</i>	<i>5,9%</i>	<i>5,6%</i>	<i>5,1%</i>
Order book	435	420	435	420

- Housing market: potential for positive development and controlled growth
- Growth revenue and underlying EBITDA, well stocked order book
- Number of homes sold slightly higher: 2,237 (2017: 2,192)
- In addition to demand for new-build homes also area development and transformation
- Land bank: decrease of strategic land holdings, increase residential properties in preparation and under construction - declined to € 127 mln (2017: € 150 mln)



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%

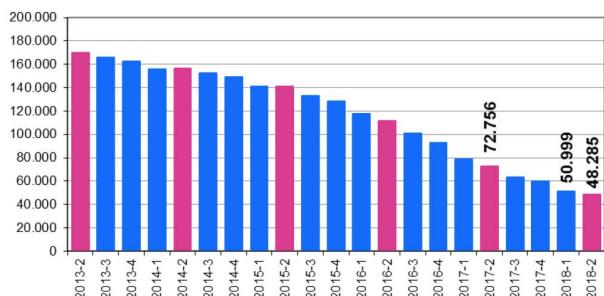
Source Primos (2016)



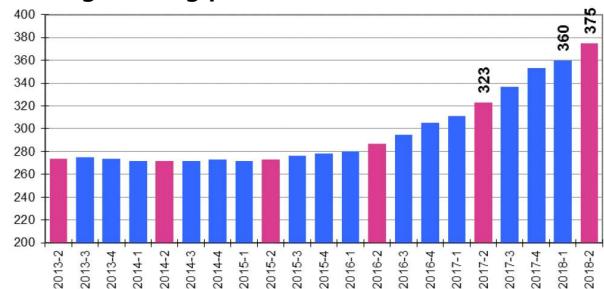
	2017	2018
Strategic land	38	33
Land in operation	112	94
Total land bank	150	127

Property Development: Dutch market

Total number of houses for sale at NVM brokers



Average asking price houses for sale



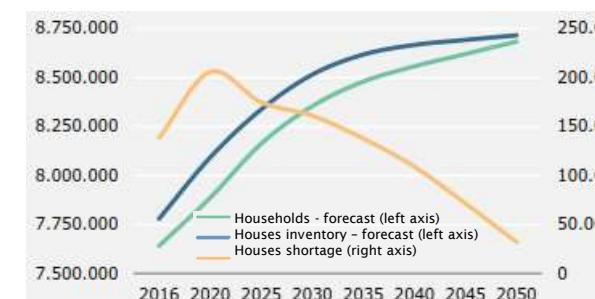
Source: NVM quarterly update Q2 2018

Supply of houses for sale has decreased sharply since 2014 and production of new built houses unable to meet strong demand ...

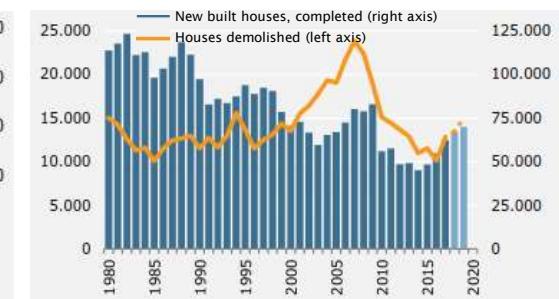
...as a result, house prices are increasing, particularly inside Big 4 cities

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.
- Traditionally high % of social housing is shifting towards bigger private sector
- 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.



Source: Rabobank Real Estate (2018)



Source: Rabobank Real Estate (2018)

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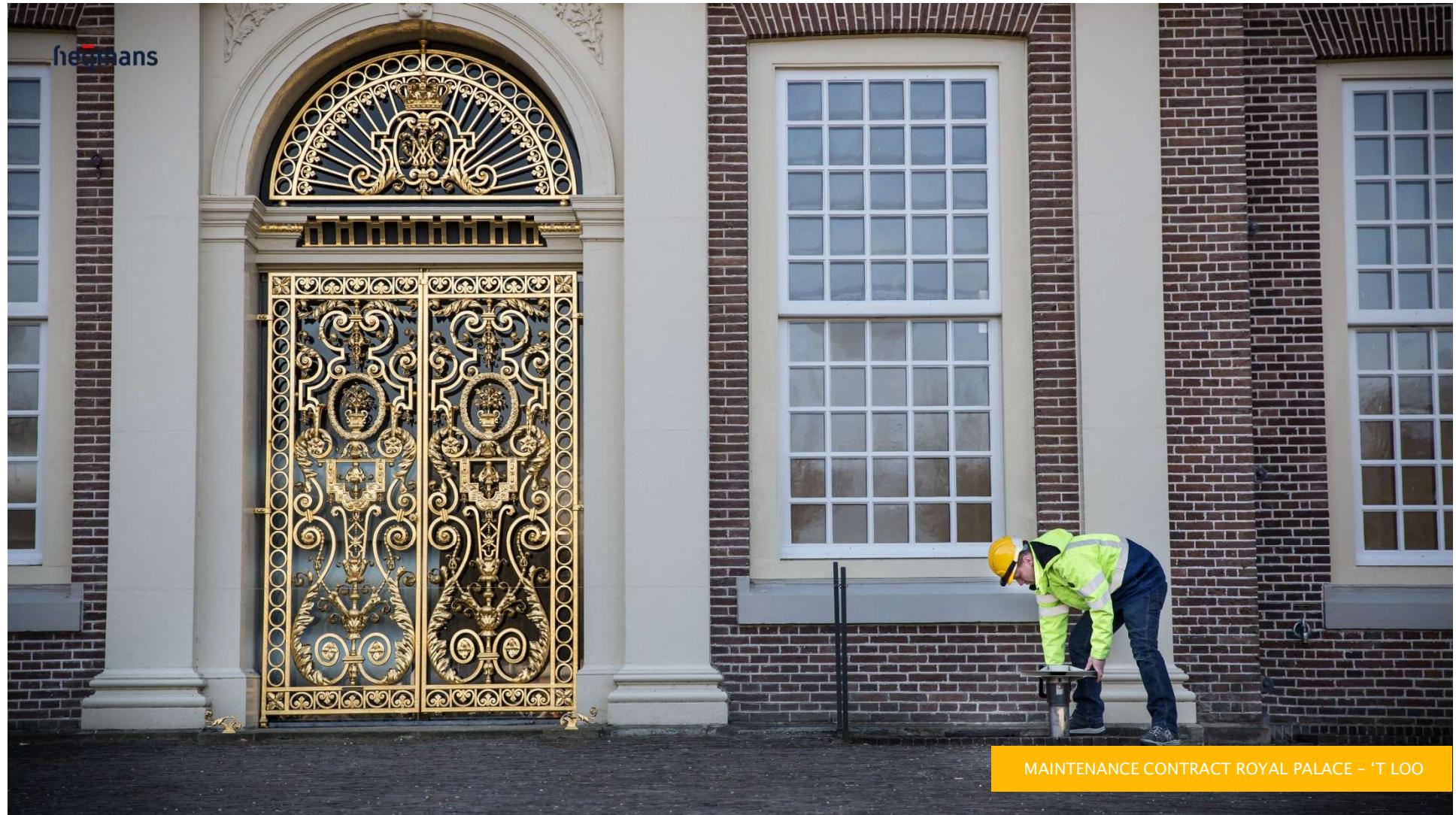
LEIDSCHERIJN CENTRUM - UTRECHT

Building & Technology: turnaround non-residential, structural recovery

Building & Technology

x € 1 million	H2 2018	H2 2017	2018	2017
Revenues - Residential	227	158	440	297
Revenues - Non-Residential	150	122	286	240
Revenues - Building & Technology	377	280	726	537
Underlying EBITDA - Residential	5	3	11	5
Underlying EBITDA - Non-Residential	5	-5	5	-6
Underlying EBITDA - Building & Technology	10	-2	16	-1
Underlying EBITDA margin	2,7%	-0,7%	2,2%	-0,2%
Order book	1.202	1.024	1.202	1.024

- Growth revenue and underlying EBITDA, order book at higher level
- Biggest turnaround at non-residential projects, good performance residential activities and stable performance service activities
- Heijmans home brands (Heijmans Huismerk and Heijmans Wenswonen) are popular: production of more than 1,000 homes started in 2018, 821 were delivered
- New contracts non-residential projects and Services (Laan op Zuid, Main contracts Schiphol)



Building & Technology: turnaround non-residential, structural recovery

Residential building activities

- Good performance residential building activities, production at full speed
- High demand for new houses, pressure on availability of subcontractors and procurement prices
- Focus on controlled growth and quality, execution partner for Property Developent projects, combined with own acquisition
- Heijmans Huismerk and Heijmans Wenswonen offer perspective in tight market: of all homes sold in 2018, over 50% is a home brand house
- Growing demand for renovation and maintenance

Non-Residential building activities

- Non-residential projects back on track in terms of volume: positive results below the line
- Growth revenue of non-residential activities now both from project-business and technical services
- Well stacked order book with several new projects including Main Contracts Schiphol
- Focus on data-driven concepts: BeSense – growing number of clients.



CONSTRUCTION SITE NEW AMSTERDAM COURT HOUSE, EUROPEAN MEDICINES AGENCY AND ZUIDASDOK - AMSTERDAM ZUIDAS

Infra: focus, predictability and controlled development

Infra x € 1 million	H2 2018	H2 2017	2018	2017
Revenues	342	379	654	680
Underlying EBITDA	2	15	8	16
<i>Underlying EBITDA margin</i>	0,6%	4,0%	1,2%	2,4%
Order book	766	814	766	814

- Infra focuses on the predictability of projects, a tighter focus on core competencies, risk management and a balanced order book: decline revenues and order book
- Results strongly affected by termination contract Wintrack II: € 10 million written down
- Construction Wilhelmina lock project in Zaandam resumed following arbitration, N23 completed, re-baseline phase Zuidasdok taking longer than expected
- Various new projects, such as A1 Apeldoorn – Azelo and Main contracts Schiphol
- Proposal joint asphalt production company with BAM subject to approval of the Dutch Authority for Consumers & Markets



A1/A27 PPP

Financing arrangements

Strenghtened commitment financiers

- In H1 syndicated bank loan extended to 1 July 2022:
 - Improved interest rate margins from 4% to 3%, in 2019 to 2,25%;
 - Accelerated reduction of total commitment to € 121 million in October,
KBC no longer part of the syndicate
 - Covenants reassessed, new is a solvency ratio full year
 - In 2018 Heijmans operated well within the parameters agreed in the covenants
- Coupon reset 2019-2024 cumulative preference shares B:
 - Annual coupon lowered from 7,90% to 7,21%
 - Repayment elements were agreed, related to performance and based on conversion element
 - Required change in Company's Articles of Association subject to approval of General Meeting of Shareholders



DE SCHOONE LEY, DEN HAAG

Progress debt reduction

-
- Net cash situation improved in 2018 by € 17 million
 - Average net debt (12 months rolling) improved in that same period by € 84 million, adjusted for impact sale foreign businesses in H1 2017 by about € 50 million
 - Result: adapted credit facility and overall costs of funding substantially reduced
 - Focus shifted from ‘managing peaks’ to more stabilised debt at a lower level:
 - Where possible reduce seasonal effects of operating business
 - Continuous focus on working capital
 - Maintain focus on sufficient headroom in facilities

Financial Covenants

	2018 FY	2017 FY
Leverage ratio (A/C) <3	-2,3	N/A
Interest cover ratio (B/D) >4	180,3	N/A
Average Leverage ratio (E/C) <1,5	-0,3	N/A
Solvency ratio (F/G) > 20%	26,6%	N/A

with:

- Interest Cover, tested quarterly, >4;
- Leverage Ratio, tested semi-annually, <3;
- Average leverage ratio, tested quarterly, <1.5 until Q1 '19, <1.0 thereafter
- Solvency, tested annually, > 20% in 2018 and 2019, > 22.5% thereafter

Financial Covenants

Amounts in € millions

Net debt

Adjustments:

Net debt Joint Ventures	78,1	89,2
Net debt non recourse project finance	-92,4	-95,0
Cumulative preference shares B	-45,1	-45,1
Other	2,1	5,3
Net debt covenants (A)	-88,0	-59,3

Reported EBITDA

Extraordinary items	3,0	-14,2
EBITDA JV's	5,7	-14,1
Underlying EBITDA	42,9	30,8

Adjustments:

Capitalised interest	1,5	1,5
EBITDA non recourse projects	-4,2	-5,2
Other	-1,3	-1,3
EBITDA covenants (B) - Interest Cover	38,9	25,8

EBITDA from disposed subsidiaries

EBITDA covenants (C) - Leverage Ratio	38,9	24,9
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Net interest

<i>Adjustments:</i>		
Net interest joint ventures	1,1	1,1
Net interest non recourse project financings	-2,8	-2,8
Interest cumulative preference shares B	-3,6	-3,6
Other	-3,9	-2,7
Net interest covenants (D)	0,2	3,3

Average net debt covenants (E)

Guaranteed capital reported	194,2	
IFRS 15 adjustments	1,3	
Guaranteed capital for solvency ratio (F)	195,5	

Reported balance sheet total	776,1	
IFRS 15 adjustments	-40,4	
Balance sheet total for solvency ratio (G)	735,8	

Financing in place

The most significant financing arrangements include:

- € 121 mln in syndicated loan facility (see right column)
- € 45 mln in cumulative preference shares with a coupon of 7.21% and a perpetual tenor
- € 290 mln in guarantee facilities, of which roughly 60% 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:

- Syndicate of Rabobank, ING, and ABN Amro;
- Extended in May 2018 until Mid 2022;
- Total commitment reduced in October to € 121 mln;
- Margin grid applicable of 1.65% - 3.25%, as of Q1 2019 at 2.25%;
- For applicable financial covenants, see slide 46.

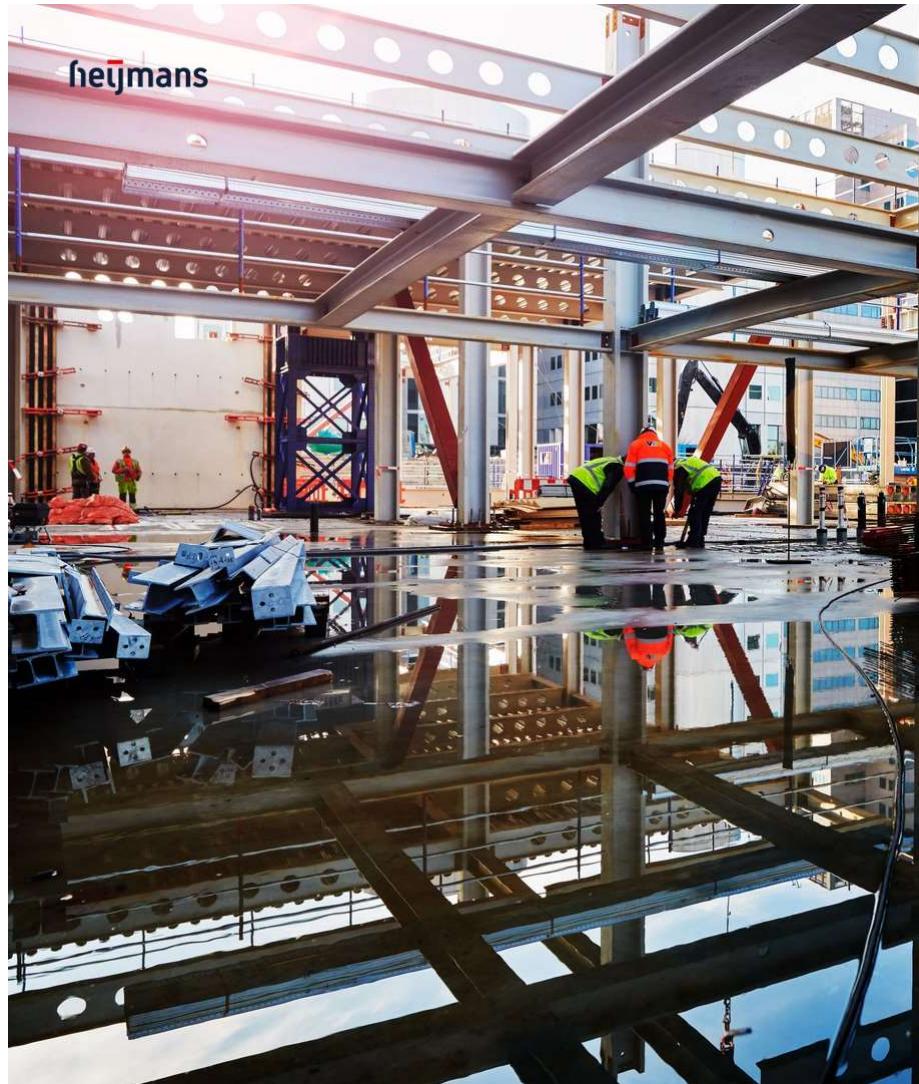


ELASTOCOAST - WADDENZEEDIJK

Financial statements

P&L

x € 1 million	H2 2018	H2 2017	2018	2017
Revenues	799	756	1.579	1.402
Property development	15	12	28	20
<i>Residential</i>	5	3	11	5
<i>Non-residential</i>	5	-5	5	-6
Building & Technology	10	-2	16	-1
Infra	2	15	8	16
Corporate/other	-4	-4	-9	-5
Underlying EBITDA	23	21	43	30
Correction operating result joint ventures	-6	3	-6	14
Write down on property assets	-5	-3	-6	-6
Restructuring costs	-1	-4	-1	-8
Soil remediation	0	-3	0	-3
Release pensions indexation	5	0	5	0
EBITDA	16	14	35	27
Depreciation/amortisation	-6	-7	-12	-13
Operating result	10	7	23	14
Operating result discontinued operations incl. bookresult	0	0	0	31
Operating result including discontinued operations	10	7	23	45
Financial results	-3	-4	-8	-8
Share of profit of associates and joint ventures	5	-4	5	-15
Result before tax	12	-1	20	22
Income tax	0	1	0	-2
Result after tax	12	0	20	20



EUROPEAN MEDICINES AGENCY, AMSTERDAM

Balance sheet

Consolidated Balance Sheet

(x € 1 million)

	31 December 2018	31 December 2017
Non-current assets		
Property, plant and equipment	44	47
Intangible assets	78	80
Share in joint ventures and associates	72	66
Employee related receivable ¹	0	30
Other fixed assets	59	59
	253	282
Current assets		
Strategic land portfolio	127	150
Other inventory ²	80	37
Construction work in progress	51	61
Trade and other receivables	176	166
Cash and cash equivalents	89	74
	523	488
Total assets	776	770
Equity	149	162
Non-current liabilities		
Cumulative financing preference shares	45	45
Interest-bearing loans	7	9
Provisions and non-interest bearing debts ³	37	18
	89	72
Current liabilities		
Interest-bearing loans and other current financing	6	6
Trade and other payables	369	377
Construction work in progress	142	129
Provisions	21	24
	538	536
Total liabilities	776	770
Solvency rate based on guarantee capital⁴	25%	27%



RENOVATION LEFIER - EMMEN



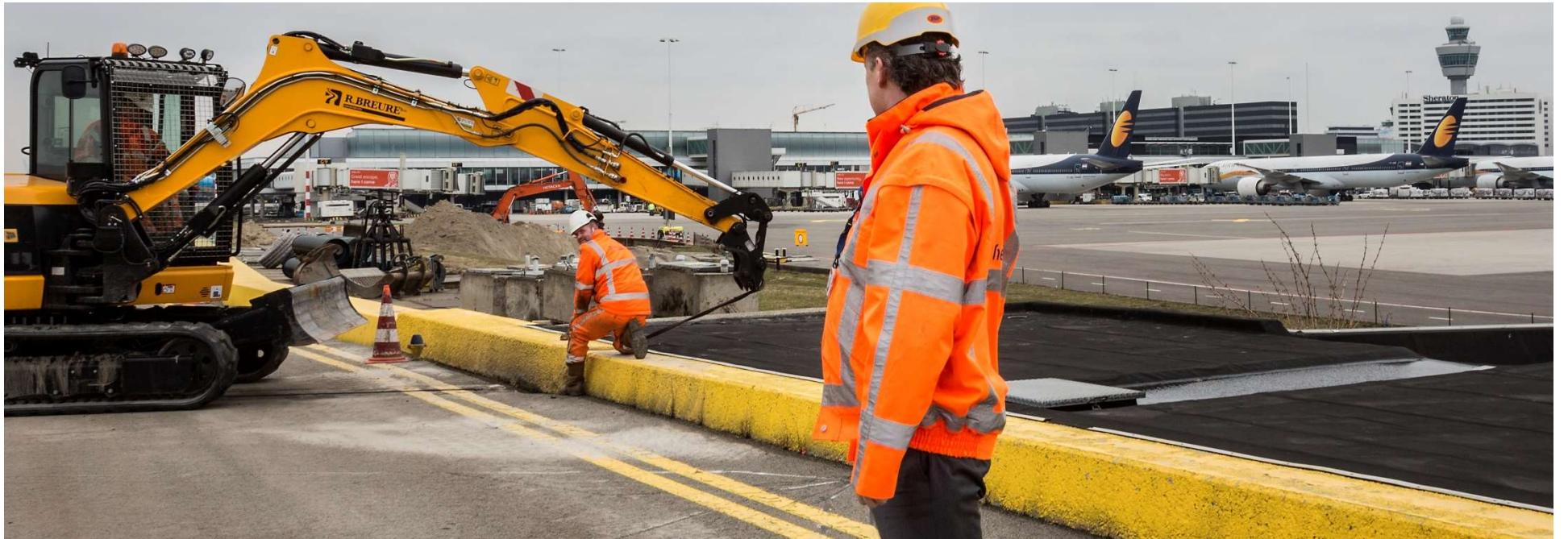
CARMELFLATS - BEEK



FINANCIAL STATEMENTS

Order Book

Order book (x € 1 million)	31-12-2018	30-06-2018	31-12-2017
Property development	435	451	420
<i>Residential</i>	508	476	435
<i>Non-residential</i>	694	729	589
Building & Technology	1.202	1.205	1.024
Infra	766	953	814
Eliminations	-389	-406	-360
Total	2.014	2.203	1.898



MAINCONTRACT SCHIPHOL AIRPORT

Appendices

Board of directors

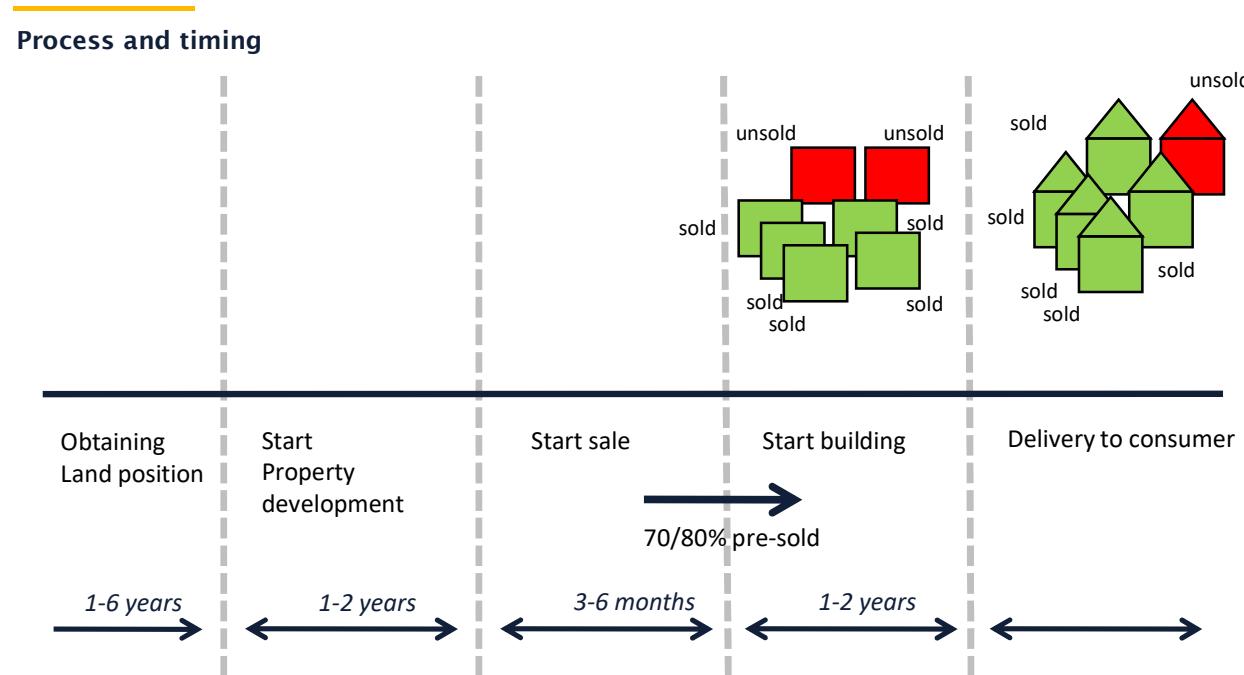


Ton (A.G.J.) Hillen (1961), Member of the Executive Board as of 18 April 2012, Chairman of the Executive Board as of 1 December 2016. responsible for: General Affairs, Infrastructure, Property Development, Building & Technology, Innovation, HR / Management Development, Communication, Sustainability



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) and Risk Management.

Property development process



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 as well as business segment individual kpi's;
- Periodic review meetings for businesses and (relevant) projects. Both during tenders phase (go / no go) and 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;
- 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
- 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

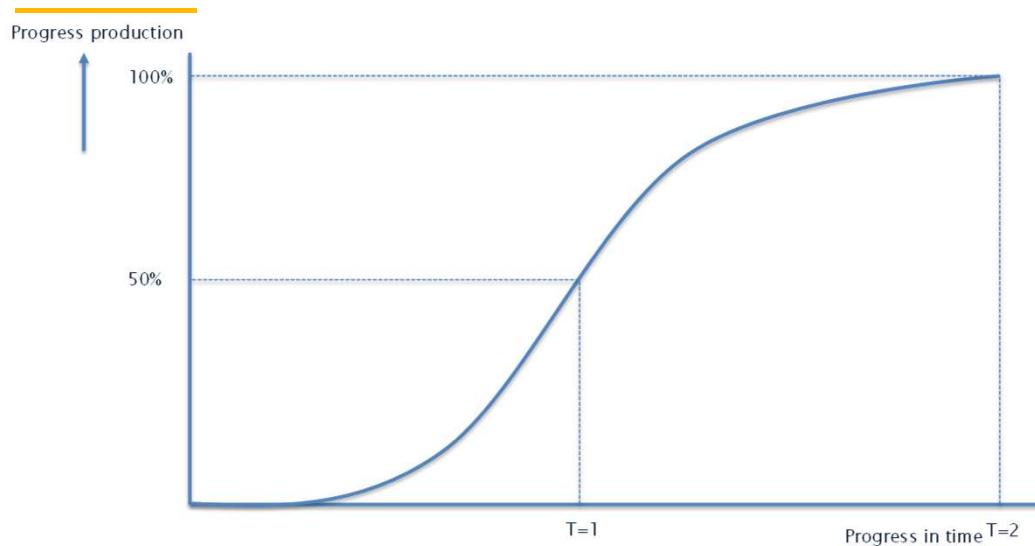
1. Strengthen Control
2. Integrate Procurement
3. Improve efficiency in back office processes

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 all employees and now implemented in all business segments
- Proven project approach and timelines (Initiated in 2011, Blueprint Q4 2012, start roll-out 2013, implementation completed in 2018);
- Generic processes based upon SAP Best Practices (limited customization, using only industry-standard or industry-customized SAP processes & add-on tools);
- Invested TD: € 13 mln, limited to no impact on running IT costs (phase-out old systems);
- Top-down roll-out with dedicated change management;
- Phasing out of multiple decentralised ERP systems
- 2019 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). Implementation of SAP In House Cash

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
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	Locks projects Infra	Different locations	Infra
15	Wind Park Wieringermeer / Asphalt	Wieringermeer / Utrecht A1/A27	Infra
18	Spaarndammerbuurt	Amsterdam	Property Development / Residential
20	BeSense Pilot Aegon	The Hague	Non Residential (Services)
22	A9 Gaaasperdammerweg PPP	Amsterdam	Infra
26	New Amsterdam Court House PPP	Amsterdam	Non Residential
28	Overview of innovations Infra		Infra
30	National Military Museum	Soesterberg	Non-residential
32	Drinking water pipeline	Loosbroek	Infra
36	Leidsche Rijn Centrum	Utrecht	Property Development / Residential
38	Maintenance contract Royal Palace	t Loo	Non Residential (Services)
40	NACH / EMA / Zuidasdok	Amsterdam Zuidas	Non Residential / Infra
42	A27 / A1 PPP	Utrecht - Eemnes	Infra
44	De Schoone Ley	Den Haag	Property Development / Residential
48	Elastocoast	Waddenzeedijk	Infra
50	European Medicines Agency	Amsterdam Zuidas	Non Residential
52	Renovation projects	Different locations	Residential
53	Oostenburger Isle	Amsterdam	Property Development / Residential
54	Maincontracts Schiphol	Schiphol Airport	Infra

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