

heijmans

Interim results 2021

FRIDAY, 20 AUGUST 2021



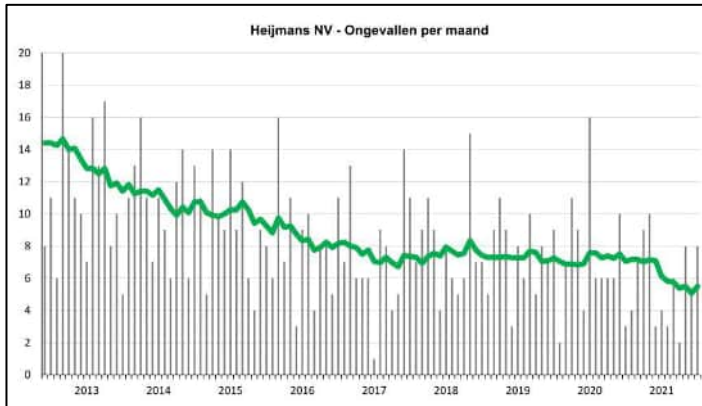
Heijmans: operationally excellent first half

heijmans

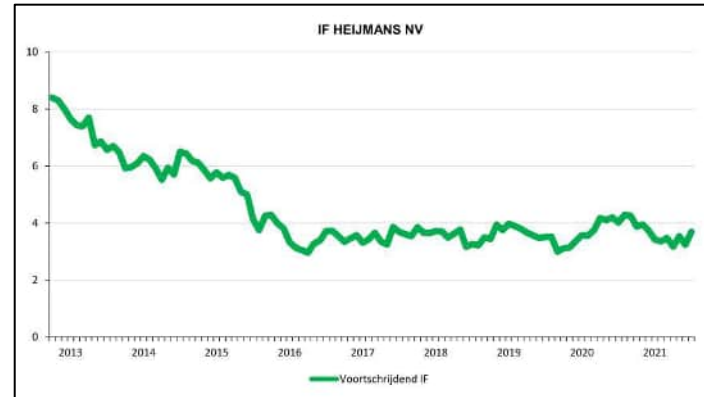


MR. TON HILLEN, CEO

Safety



Trend in number of accidents (incl. subcontractors and replacement work)



Trend IF figure (own personnel, incl. insured personnel)

	2017	2018	2019	2020	2021 - YTD
Fatal accidents	1	0	1	0	0
IF (period of last 12 months)	3.7	3.9	3.3	3.7	3.2
# Accidents	77	87	84	88	28

*IF- Injury Frequency = number of accidents resulting in absenteeism over the past 12 months / number of hours worked over the past 12 months * 1,000,000 (Target: IF < 1)

THE NACH PROJECT WAS DELIVERED IN Q1



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Highlights H1 2021

- Revenue higher than last year thanks to Infra and Property development
- Rising profit margin in all sectors, good project results
- Property development & Residential building profit from current housing market
- Cash position has developed positively, H1 net cash € 44 mln
- As precaution Heijmans sets aside provision of € 34 mln to cover disappointing Wintrack II ruling, appeal in preparation
- Mr. Gavin van Boekel to start as new CFO as per 1 September 2021

Key figures H1 2021

(x € 1 million)

	H1 2021	H1 2020	2020
Revenues	881	839	1.746
Underlying EBITDA*	35	41	85
Underlying EBITDA* excluding Wintrack II	69	41	85
Result after tax	10	15	40
Earnings per share (in €)	0,43	0,71	1,85
Order book	2.039	1.972	1.946
Net debt (cash)	-44	43	-37
Solvency	27%	27%	29%
Number of FTEs	4.639	4.665	4.707

* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result on sale of subsidiaries, release indexation pensions and any other non-operational results, if applicable, that are designated by the Group as special.



HELP AND LOCAL SUPPORT IN LIMBURG, AFTER THE PROVINCE WAS HIT BY FLOODS

Developments per sector

Property development: rising revenue and result

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	288	224	482	29%
Underlying EBITDA	19	14	30	
<i>Underlying EBITDA margin</i>	6,6%	6,3%	6,2%	
Order book	571	492	540	

- Continued pressure on the housing market
- Excellent start to 2021: more home sales and rising revenue and result
- Number of homes sold in H1: 1,209 (2020: 1,075), with 873 of these sold to private buyers (2020: 610)
- Lack of plan capacity and slow issuance of building permits
- Heijmans also investing in land holdings for its own land bank

NOORDERHAVEN AREA DEVELOPMENT, ZUTPHEN



Building & Technology profits from housing market

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	383	470	920	-19%
Underlying EBITDA	16	14	25	
<i>Underlying EBITDA margin</i>	4,2%	3,0%	2,7%	
Order book	1.181	1.172	1.101	

- Revenue declined by around 20%, profit remained stable
- Selective acquisition policy at project level for non-residential projects
- Services remain at healthy level
- Residential building profits from continuing strong demand for homes
- We expect pressure on the residential construction market to continue in the years ahead

SCIENCE CAMPUS, UNIVERSITY OF LEIDEN



Infra: strong performance

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	375	310	662	21%
Underlying EBITDA (<i>excluding Wintrack II</i>)	37	17	36	
<i>Underlying EBITDA margin</i>	9,9%	5,5%	5,4%	
Underlying EBITDA (<i>including Wintrack II</i>)	3	17	36	
Order book	750	704	731	

- Strong performance, project results improve during execution
- In 2021, Infra will outperform in terms of revenue and margin
- For 2022, we expect to perform more in line with 2020, as a result of delays to tenders for major projects
- Infra is realising targeted growth in asset management

CYCLE PATH BETWEEN SINT GEERTRUID AND
EIJSDEN IN SOUTH LIMBURG

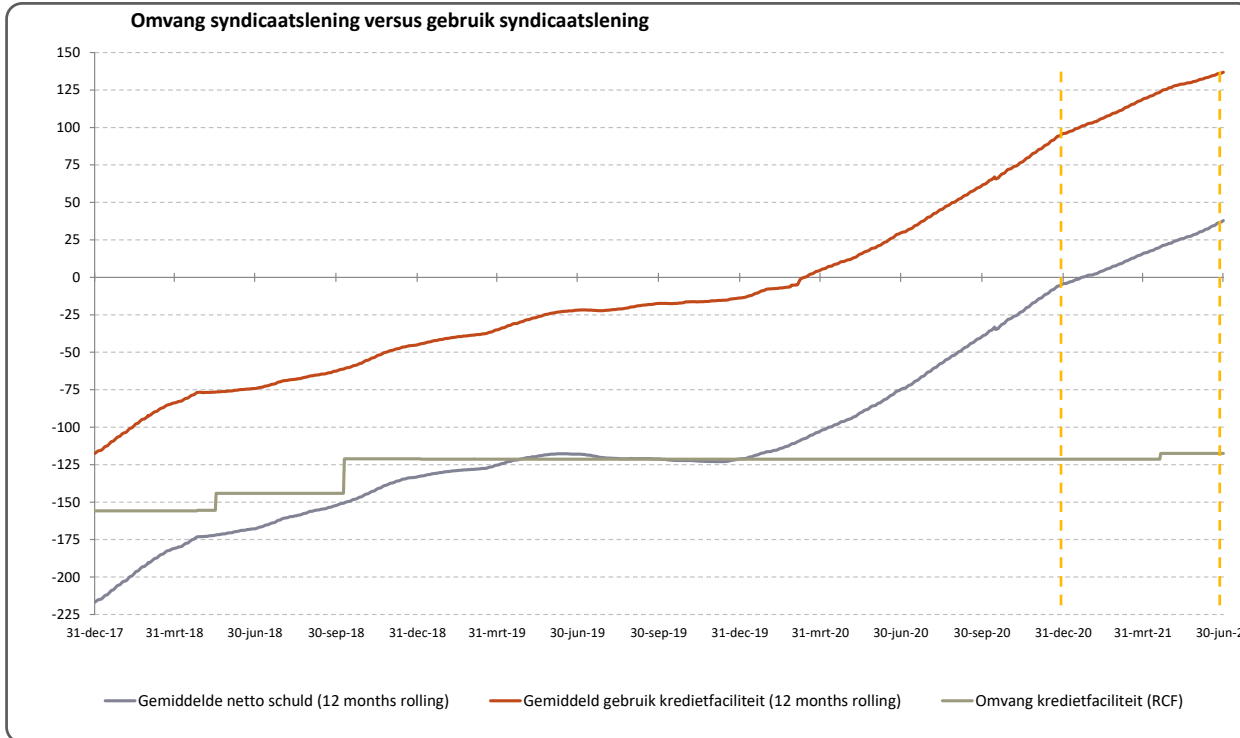


Financial

Statement of profit or loss

	H1 2021	H1 2020	2020
<i>x € 1 million</i>			
Revenues	881	839	1.746
Property development	19	14	30
Building & Technology	16	14	25
Infra (excluding Wintrack II)	37	17	36
Wintrack II	-34		
Corporate	-3	-4	-6
Underlying EBITDA	35	41	85
Correction EBITDA joint ventures	-4	5	10
Write down on property assets	-1	0	-2
Restructuring costs	-1	-1	-3
EBITDA	29	45	90
Depreciation/amortisation	-17	-17	-34
Operating result	12	28	56
Financial results	-3	-3	-5
Share of profit of associates and joint ventures	3	-3	-11
Result before tax	12	22	40
Income tax	-2	-7	0
Result after tax	10	15	40

Development of net debt



- Good cash flow driven by strong operational performance and continued strong working capital.
- H1 2021:
 - › average net debt (365 days) improves to -/- € 39 mln from van € 4 mln (FY 2020)
 - › average cash position rises to € 137 mln from € 96 mln
- Fewer fluctuations in the course of the year
- No use of syndicated loan in 2020 and 2021

Financing

- In April, Heijmans' existing syndicated loan with ABN, ING and Rabobank was amended and extended:
 - › Total committed amount of € 117.5 mln, with € 20 mln of this in the form of an overdraft facility
 - › Term of loan extended through 31 December 2025
 - › New financial covenants, including better alignment with reported results and link to sustainability criteria
 - › Limited release of securities
 - › Improved interest rate: margin to 1.70% from 2.25%
- Based on the performance-related agreements reached and the 2020 dividend pay-out, in H1 Heijmans redeemed € 11 mln of the cumprefs, leaving a remaining amount of € 31 mln

Amounts in € millions	2021 H1	2020 FY	2020 H1
Reported Net debt	-43,6	-37,2	43,3
<i>Adjustments:</i>			
Net debt Joint Ventures (IFRS 11 impact)	24,1	33,6	57,0
Net debt non recourse project financings	-38,3	-40,3	-74,1
Cumulative preference shares B	-30,7	-41,8	-41,8
Other	0,9	1,9	1,3
Net debt covenants (A)	-87,7	-83,8	-97,6
Reported EBITDA	74,1	89,8	74,5
Extraordinary items	5,9	5,3	9,4
EBITDA JV's (IFRS 11 impact)	-0,4	-9,8	-0,9
Underlying EBITDA	79,7	85,2	83,0
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
EBITDA non recourse projects	-0,8	-1,4	-0,9
Other	0,4	0,1	-1,0
EBITDA covenants (B) - Interest Cover	80,9	85,6	82,4
EBITDA from disposed subsidiaries		0,0	
EBITDA covenants (C) - Leverage Ratio	80,9	85,6	82,4
Net interest	5,6	4,9	4,6
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
Net interest joint ventures (IFRS 11 impact)	0,4	0,6	0,6
Interest expense non recourse project financings	-1,5	-2,3	-2,5
Interest / dividend cumulative preference shares B	-2,9	-3,1	-3,2
Other	-0,4	-0,3	-0,3
Net interest covenants (D)	2,7	1,3	0,6
Guaranteed capital for solvency ratio (E)	258,9	268,3	241,3
Balance sheet total for solvency ratio (F)	944,1	930,6	896,4
Leverage ratio (A/C) <3*	-1,1	-1,0	-0,2
Interest cover ratio (B/D) >5*	29,7	63,6	144,2
Solvency ratio (E/F) > 21%	N/A	28,8%	N/A

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

Development of covenants

Financial covenants		Until Q1 2021	Starting Q2 2021
IFRS Corrections		IFRS 11, 15, 16	IFRS 11 only
Average leverage	<i>Avg Debt / Avg EBITDA</i>	4x a year, < 1	No longer applicable
Leverage ratio	<i>Net Debt / 12-mnth EBITDA</i>	2x a year, < 3	4x a year < 3
Interest cover	<i>12-mnth EBITDA / Net interest</i>	4x a year, > 4	4x a year > 5
Solvency ratio	<i>Guaranteed Capital / Balance sheet total</i>	1x a year, > 22,5%	1x a year, > 21%

- Covenants amended as of Q2 2021
- Calculation method changed (fewer IFRS corrections), but largely adjusted on a like-for-like basis
- Average leverage ratio lapsed, leverage ratio to be measured every quarter from now on
- Covenants easily complied with thanks to stable level of rolling EBITDA and continued improvement of net cash position

Taxes

- Effective tax rate in H1 21.9% (H1 2020: 30.1%)
- With effect from 2022, only 50% of profit above € 1 mln can be offset against historical losses, but no longer any time limit on the use of tax loss carry-forwards
- As measurement is based on the same time horizon as the premises from last year, the valuation of the tax loss carry-forwards is lower
- This was offset by the recognition of previously unrecognised losses

ASYLUM STATUS HOLDER CHEIKHOU SOW
AND HIS HEIJMANS BUDDY HAR WILLIGERS



Outlook

Outlook: comparable result to 2020

- We are on track to record results comparable to last year
- Primarily at Infra and Property development, we expect excellent operational results
- As a result of the phasing of projects, with a number of projects already completed, we expect revenue in H2 to be slightly lower than in the same period last year
- Total revenue will remain at the same level as in 2020
- Due to market pressure, the outlook for Property development and Residential building remains strong
- FY cash position at least at the same level as in H1 , increased focus on investments

An aerial photograph of a city, likely Leuven, Belgium, showing a dense urban environment. In the center, a large construction site is visible, featuring a red crane and several concrete foundations. To the right, a prominent circular building with a green roof stands out. The background shows a large Gothic cathedral. The text "Opportunity to ask questions" is overlaid in white on the upper right portion of the image.

Opportunity to ask questions

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